

# **Economic Research & Analysis Division - OESC**

## **Division and Program Descriptions**

The Economic Research & Analysis Division of the Oklahoma Employment Security Commission collects and disseminates a wide range of demographic, economic and labor market information pertaining to Oklahoma. The information is provided free-of-charge to the public through a variety of publications, web based applications, and public presentations. Labor market information informs administrators and planners in economic development, education, and employment and training about the climate of the labor market and the quality of the workforce. It is widely used for planning economic development efforts to attract new business and to expand existing businesses, to identify educational programs that will have high placement rates, or that are needed to produce a more highly skilled work force, and to guide career counselors and job seekers in making more informed career decisions

## **Bureau of Labor Statistics (BLS) Programs**

The Bureau of Labor Statistics (BLS) is an agency within the U.S. Department of Labor. BLS is the national statistical agency that collects, processes, and analyzes essential statistical data in the broad field of labor economics. BLS disseminates their data to the American public, the U.S. Congress, other federal agencies, state and local governments, business, and labor.

Most of the Bureau's data come from voluntary responses to surveys of businesses or households conducted by BLS staff, by the Bureau of the Census (on a contract basis), or in conjunction with cooperating state and federal agencies (The Bureau of Labor Statistics had designated the Oklahoma Employment Security Commission as the "cooperating agency" for Oklahoma). BLS data must satisfy a number of criteria, including relevance to current social and economic issues, timeliness in reflecting today's rapidly changing economic conditions, accuracy and consistently high statistical quality, and impartiality in both subject matter and presentation.

The Economic Research & Analysis Division manages the production of data for five BLS programs. These programs operate under BLS/State contracts. The five programs are the Quarterly Census of Employment & Wages (QCEW), Current Employment Statistics (CES), Local Area Unemployment Statistics (LAUS), Occupational Employment Statistics (OES) and Mass Layoff Statistics (MLS).

## **Quarterly Census of Employment & Wages**

OESC collects quarterly data on the number of persons employed each month and total wages paid by employers subject to Oklahoma Employment Security Law.

All establishments are assigned a NAICS code, a location code and an ownership code. These are verified through the Annual Refilling Survey (ARS). After the quarterly data have been screened, they

are transmitted to the Bureau of Labor Statistics where they are combined with data from other states. This allows analysis of national economic trends and performance.

The QCEW unit has established multiple worksites reporting for employers with more than one location in the state. This enables the unit to further refine its “covered employment” data based on geographical location (county, city, labor market area) and industry code.

Information from the QCEW program serves as a foundation for some of the key activities of both the Employment and Training Administration and the Bureau of Labor Statistics of the U.S. Department of Labor. The Bureau of Economic Analysis of the U.S. Department of Commerce uses QCEW data as a major component in estimating the total wage and salary component for National Personal Income and Gross Domestic Product.

The QCEW program covers about 98 percent of all the nation’s employees. State Employment Security Agencies use this data to benchmark the Current Employment Statistics (CES) program which provides employment levels and trends for the state and for selected industries and areas. QCEW data are also used as inputs in developing Local Area Unemployment Statistics (LAUS) and as a sampling frame for the Occupational Employment Statistics (OES) program.

## **Current Employment Statistics**

The CES program is a monthly payroll survey of business establishments and provides employment, hours worked, and earnings information about persons on non-farm payrolls. The program operates as a federal/state partnership under which the U.S. Department of Labor, Bureau of Labor Statistics (BLS) funds and administers the CES program, and provides conceptual, technical, and procedural guidance in sampling, data collection, and estimation. State agencies are responsible for providing information on local events and on employment not covered by the UI program, and for publication and analysis of CES data in cooperation with the BLS.

The CES unit provides BLS information on local strikes, layoffs, large births and deaths, and other events that might impact the accuracy and quality of the State and MSA estimates and that might assist in the analysis of the estimates. The CES unit has elected to continue state agency data collection and generate state-estimated Indian Tribe series estimation. In addition, the CES unit produces a monthly written analysis of the estimates and a quarterly report on outreach activities to BLS. BLS uses the individual establishment data to estimate the current number of jobs in non-farm wage and salary employment, along with the average weekly hours, the average weekly earnings, and the average hourly earnings for industries in Oklahoma. Estimates are made for the state and for the three Metropolitan Statistical Areas: Oklahoma City, Tulsa, and Lawton. Current estimates made of employment, hours, and earnings provide indicators of economic activity and business cycles in the state and MSAs on a more timely basis than covered employment data from the QCEW program.

Once a year, complete universe employment counts for the previous year become available from the Unemployment Insurance tax records; these counts are used to annually benchmark (realign) the CES sample estimates to these universe counts. The annual benchmark process yields more accurate current monthly estimates along with providing an annual estimate of overall survey error.

## **Local Area Unemployment Statistics**

The LAUS program provides a monthly measure of civilian labor force levels in Oklahoma based on place of residence. Each month, the LAUS Unit estimates the number of individuals employed and unemployed. These are added to obtain the total estimated labor force. Additional calculations to the state totals apportion employment, unemployment, and the labor force to the Labor Market Areas, cities and counties. The unemployment rate is a simple calculation of the estimated unemployed divided by the estimated labor force.

A large portion of unemployed are not eligible for unemployment compensation benefits. Others who are eligible choose not to file for them. Thus, a simple tally of persons filing for unemployment benefits with OESC is not adequate to account for the total number unemployed in the state. Therefore, the LAUS program builds its estimates based on sample data from the monthly Current Population Survey of Oklahoma households. The LAUS unit extrapolates the sample data to the entire population, and applies other inputs, such as tallies of claims for unemployment compensation benefits, to the CPS data.

A separate calculation estimates the number of Oklahoma residents who were employed during the sample week. It also begins with CPS sample data. The employment totals are also extrapolated by inputs such as the Current Employment Statistics program's estimates of Oklahoma non-farm job numbers.

When revised CPS estimates, QCEW data, and updated CES benchmark estimates become available, the LAUS unit revises the labor force, employment, unemployment, and unemployment rate estimates for the prior two calendar years. This frequently results in adjustments, usually small, to the estimated unemployment rates for individual months in both years.

## **Mass Layoff Statistics**

The purpose of the Mass Layoff Statistics (MLS) program is to identify mass layoffs and plant closings that continue for more than thirty days. This information is useful in analyzing economic trends and developing better training programs for workers permanently separated from their jobs.

When OESC tallies 50 or more initial unemployment compensation claims for a firm over a period of five consecutive weeks, a potential MLS "event" is established. The employer is contacted to determine whether those separations are of at least 30 days duration and, if so, information is obtained on the total number of persons separated, the reasons for these separations, and recall expectations. MLS data from Oklahoma are incorporated into federal reports on mass layoffs. Claimants identified as being separated from their employer because of a mass layoff are tracked through the Unemployment Insurance system to collect demographic characteristics about them, as well as economic information about the separating employer. MLS claimants who exhaust their UI benefits are also identified and grouped by socioeconomic characteristics.

The program can identify displaced workers who might benefit from OESC employment services or referral to other agencies. Information about mass layoffs and newly available labor pools is useful in the state's efforts to attract new firms to Oklahoma.

## **Occupational Employment Statistics**

The OES survey is a Federal-State cooperative program between the BLS and OESC. BLS provides the procedures and technical support, draws the sample, and produces the survey materials, while the OESC collect the data.

The OES program conducts a bi-annual mail survey designed to produce estimates of employment and wages for specific occupations. The OES program collects data on wage and salary workers in non-farm establishments in order to produce employment and wage estimates for over 800 occupations. Data from self-employed persons are not collected and are not included in the estimates. The OES program produces these occupational estimates by geographic area and by industry.

Staffing patterns information obtained from the OES establishment-based survey has been of value in planning of education and training programs, in job development and placement work, and in vocational counseling. Businesses find the OES estimates useful because they enable the analysis of the occupational structures of their industry. They can examine the staffing patterns at their operation compared to patterns in their industry, or they can follow changes in their industry overtime. Such analyses might then lead a business- person to make staffing changes within an establishment.

## **Employment and Training Programs (ETA)**

The Employment and Training Administration is a sub-agency of the Federal Department of Labor. The Research Division is a cooperating agency with the ETA and produces a variety of Labor Market Information products under contract with them. Among these are employment and occupational projections, economic studies and workforce information analysis, survey report, interactive online applications, and the Local Employment Dynamics program. These contracts also provide for the general dissemination of all the data produced by the division by various means.

## **Industry and Occupational Projections**

Industry and occupational projections are developed utilizing the methodology, software tools and guidelines developed by the Projections Workgroup and the Projections Managing Partnership consortium of states. Data used are collected by several of the BLS funded programs.

The purpose of the industry and occupational projections process is to predict future growth rates and annual openings for occupations to assist employers, economic development professionals, educators, workforce investment boards and the LMI community in understanding future workforce needs and making their decisions. The process begins with estimating employment by industry for a base year. Historical data about Oklahoma industry employment and historical and projected levels of various other economic factors are used. The staffing patterns from the Occupational Employment Statistics program are the foundation of the occupational projections. These staffing patterns are used together with self-employed and unpaid family workers ratios, change factors, replacement ratios and education & training category information to disaggregate the industry employment and estimated future employment into the appropriate occupations resulting in estimates of employment growth and job openings by occupation.

Long-term (ten year) industry and occupational projections for the state and the WIA areas are developed every other year. Short-term (two year) industry and occupational projections for the state are produced every year.

## **Performance Measures**

The BLS programs each have a number of program measurements to weigh the quality of the data collected/produced and thus to determine if it can be published (minimum survey responses for example). In addition BLS staff reviews our finished estimates before they are published and the source information behind them. All products are produced under strict guidelines determined by BLS. BLS staff examines the work of their units on at least a monthly basis.

The ETA program produces an annual performance report. This report which outlines all of the unit's work is not only reviewed by ETA but also by the chairman of our state workforce board.