

# Guiding Principles of LMI

## Know what it will give you . . .

- A baseline of real information of *What* happened
- A way to prioritize
  - Avoid the “Picking winners and losers” trap
  - You have limited collective resources. Use them well.
- A starting place for a conversation

## Know the limitations . . .

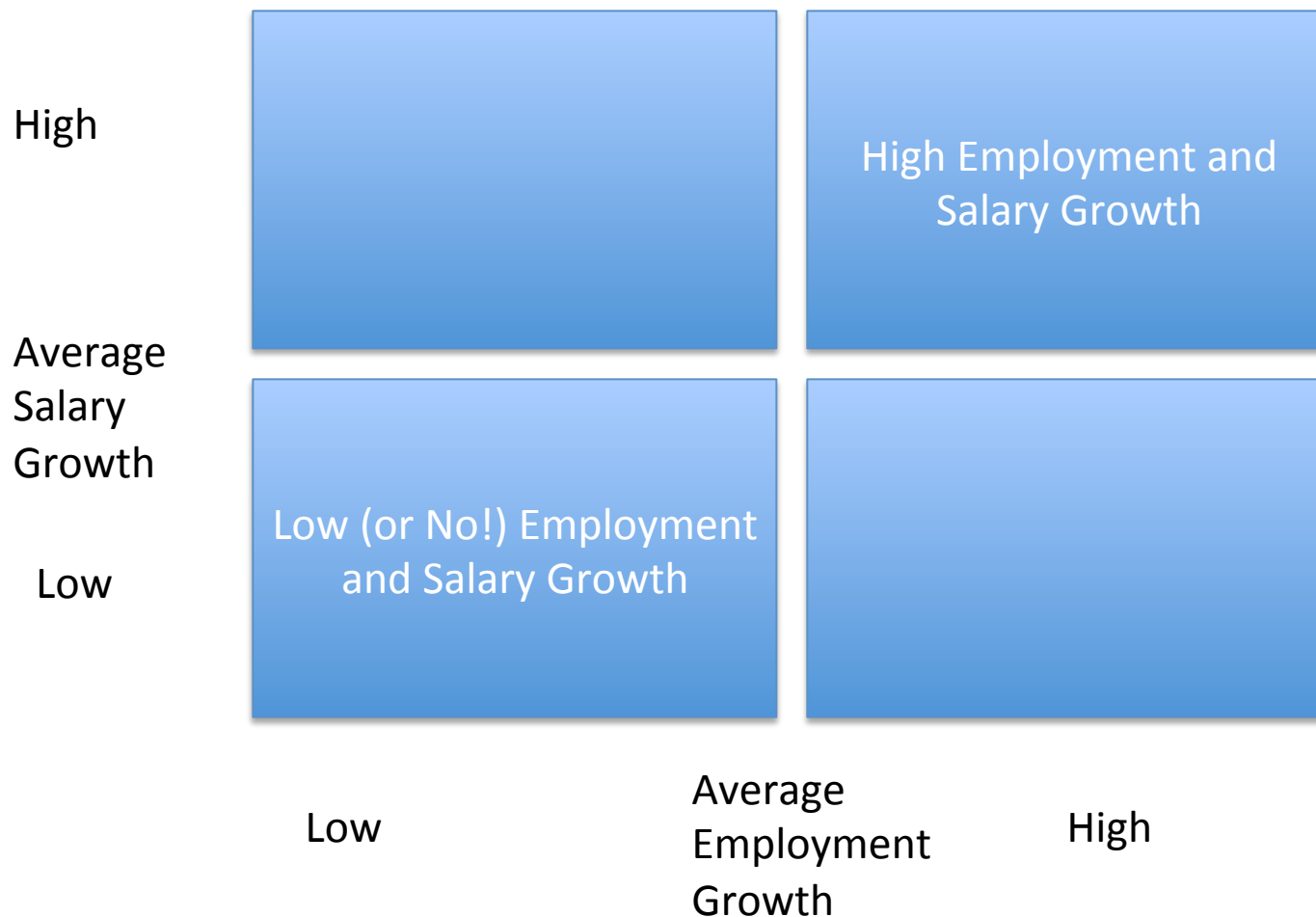
- It doesn't tell us the *how* or *why* of what happened
- No data set is perfect
- There is usually a lag
- There is always missing data
- There is also always too much data!
  - Beware: Analysis Paralysis
- There is no substitute for actual conversations with employers

# Which data points matter most?

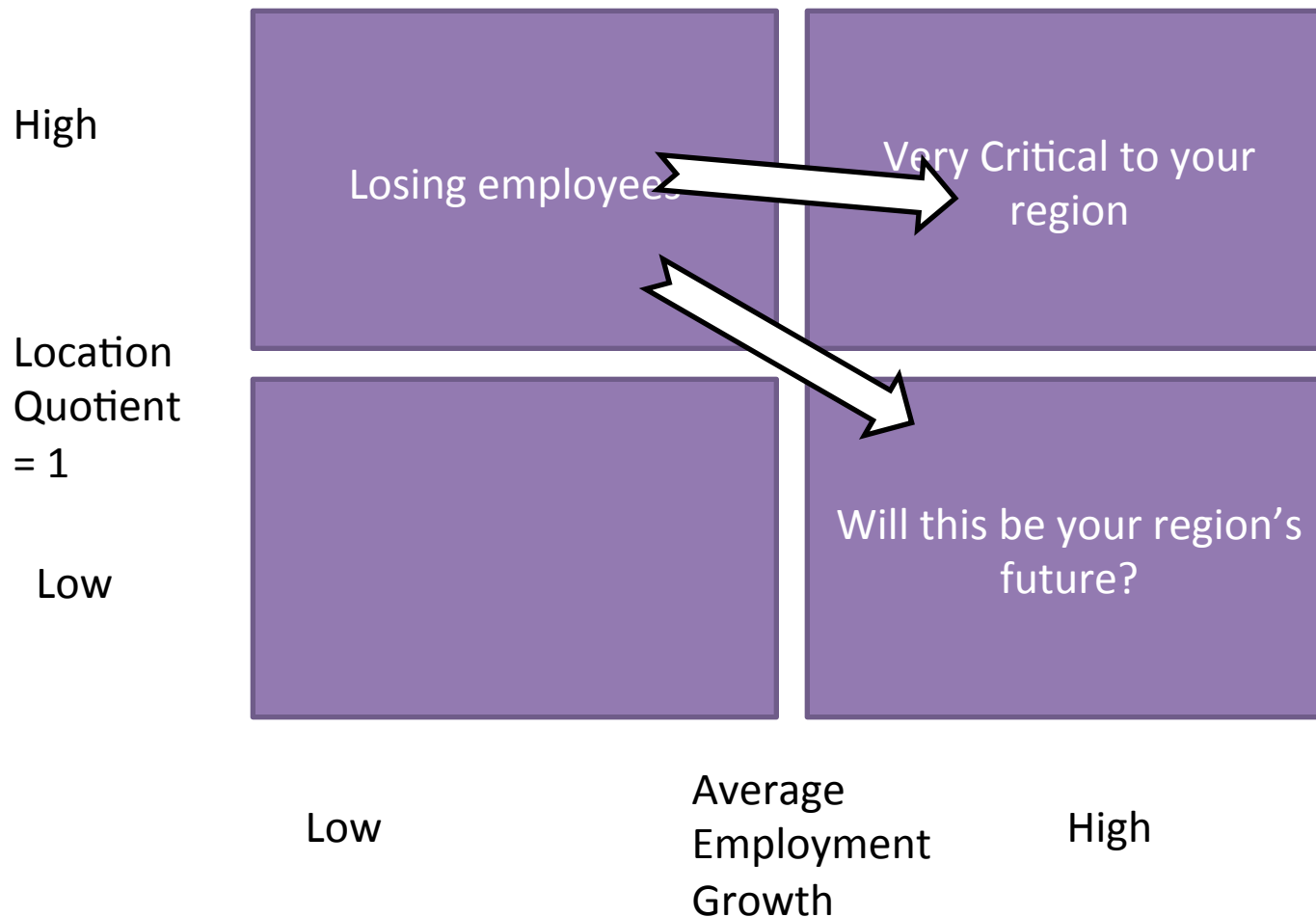
1. Current Employment
2. Short term change in Jobs (2 years)
3. Long term change in jobs (10 years)
4. Current and past Location Quotients
5. Current wages
6. # Establishments
7. Average # Jobs per Establishment
8. Job Growth Projections
9. Occupational data
10. Your on-the-ground knowledge

**What if you don't have all these data points? Work with what you have.**

# In Which Industry Should you focus?



# In Which Industry Should you focus?



# Your Job: Get the data points to interact (and don't do this alone). Try this exercise:

1. Get everyone in the same room looking at the same data:

- Workforce Development
- Economic Development
- Education
- Other Stakeholders (community based organizations, human service organizations, etc)

2. Discuss!

- Discuss each data point.
- Assess which feels “real” based on what you know already.
- Share on-the-ground knowledge that the data does not reflect.
- Come to some agreement on which industry sectors really matter (jobs, quality)

# Discussion Questions

1. **Current Employment:** Which sectors are your biggest employers? Moderate employment? Smallest employment?
2. **Short term change in Jobs:** Any upticks? Any rapid declines? Which show strongest combination of absolute and percentage change?
3. **Long term change in Jobs:** Which sectors have added the most jobs in the past decade? Which have highest long term growth rates? Which reflect growth over long and short term?
4. **Current and past location quotients:** Which sectors have an LQ above 1.0? Which have the highest LQs? Is there an industry sector that shows an increase in LQ over time? If so, it's growing faster in your region than the national average.
5. **Current wages:** Which sectors show the highest and lowest average wages? Which sectors have the strongest combination of higher than average wages and job growth?

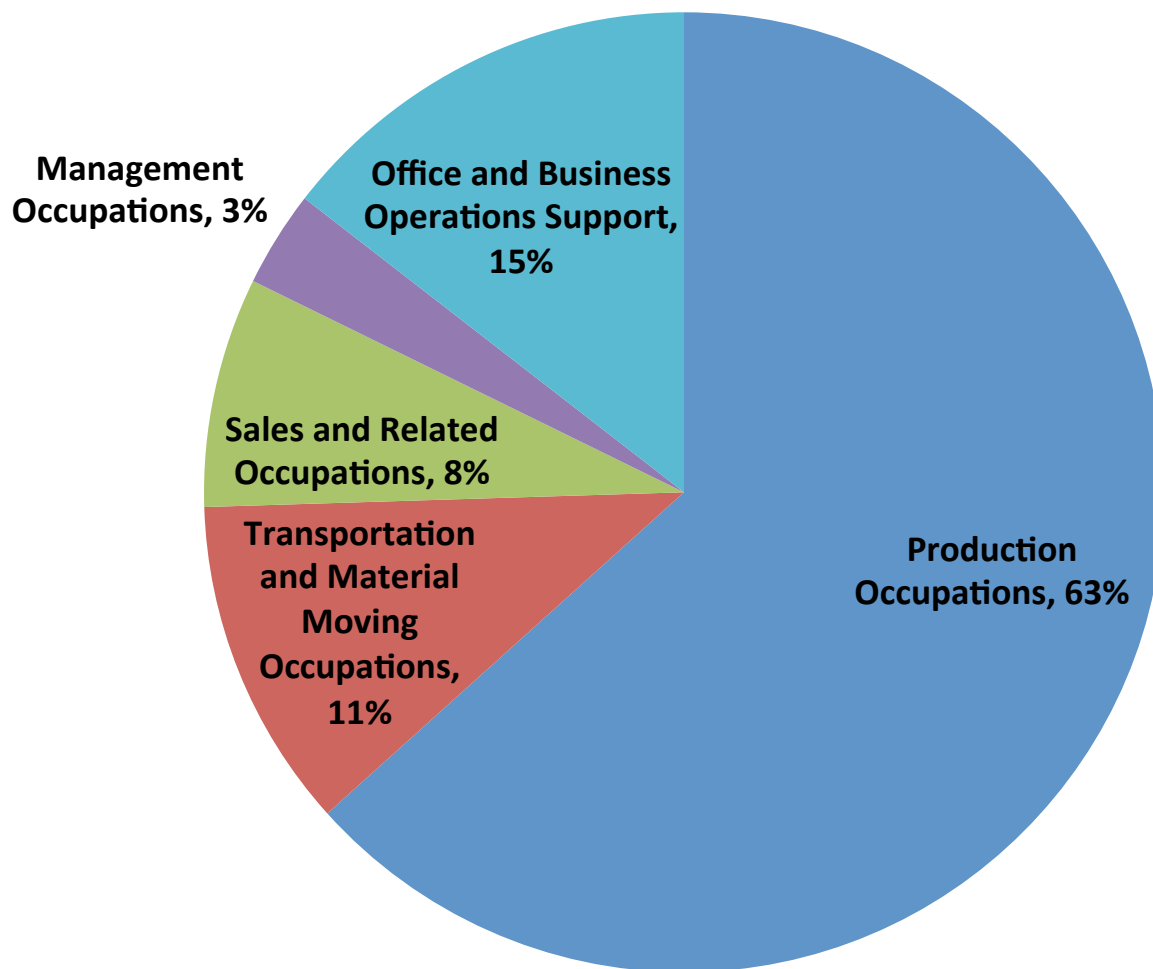
6. **# Current Establishments:** *Which sectors show the largest # of actual firms/companies?*
7. **Average # jobs per Establishment:** *Which have the highest # jobs per firm? Which have the lowest? Which have the highest # of establishments but low # jobs? Which have the lowest # of establishments but high # of jobs? What does this say about the structure of the sector?*
8. **Job Growth Projections:** *Which sectors show growth? Which show strongest combined growth in absolute #s and percentages?*
9. **Occupational Data:** *What are the top occupations in terms of jobs and family-sustaining wages in your potential target sectors? Are there occupations that cross multiple sub-sectors of an industry? What does the data show in terms of projected new growth and replacement needs? What are the skills requirements?*
10. **Your On-the-ground Knowledge:** *What do all the combined above inquiries yield? What do we know anecdotally about certain sectors? What's the culture of the industry? Readiness of industry to collaborate? Willingness of industry to invest in solutions? Other timing considerations? What are our individual and collective relationships?*

# Occupational Data

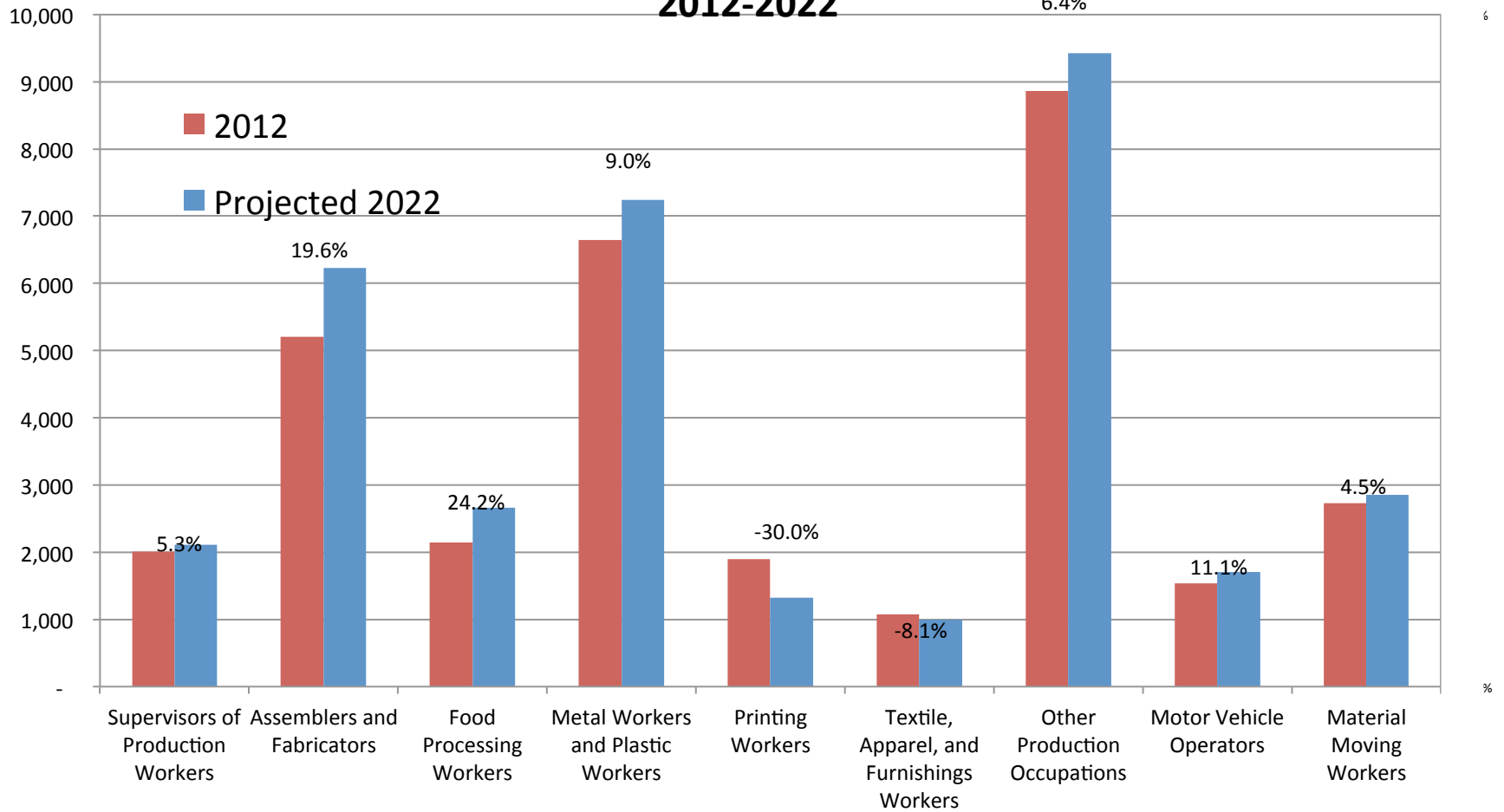
- Which occupations show large number of vacancies? (is there vacancy data available?)
- For which occupations are employers having difficulty finding qualified candidates?
- For which occupations are wages and salaries growing faster than average?



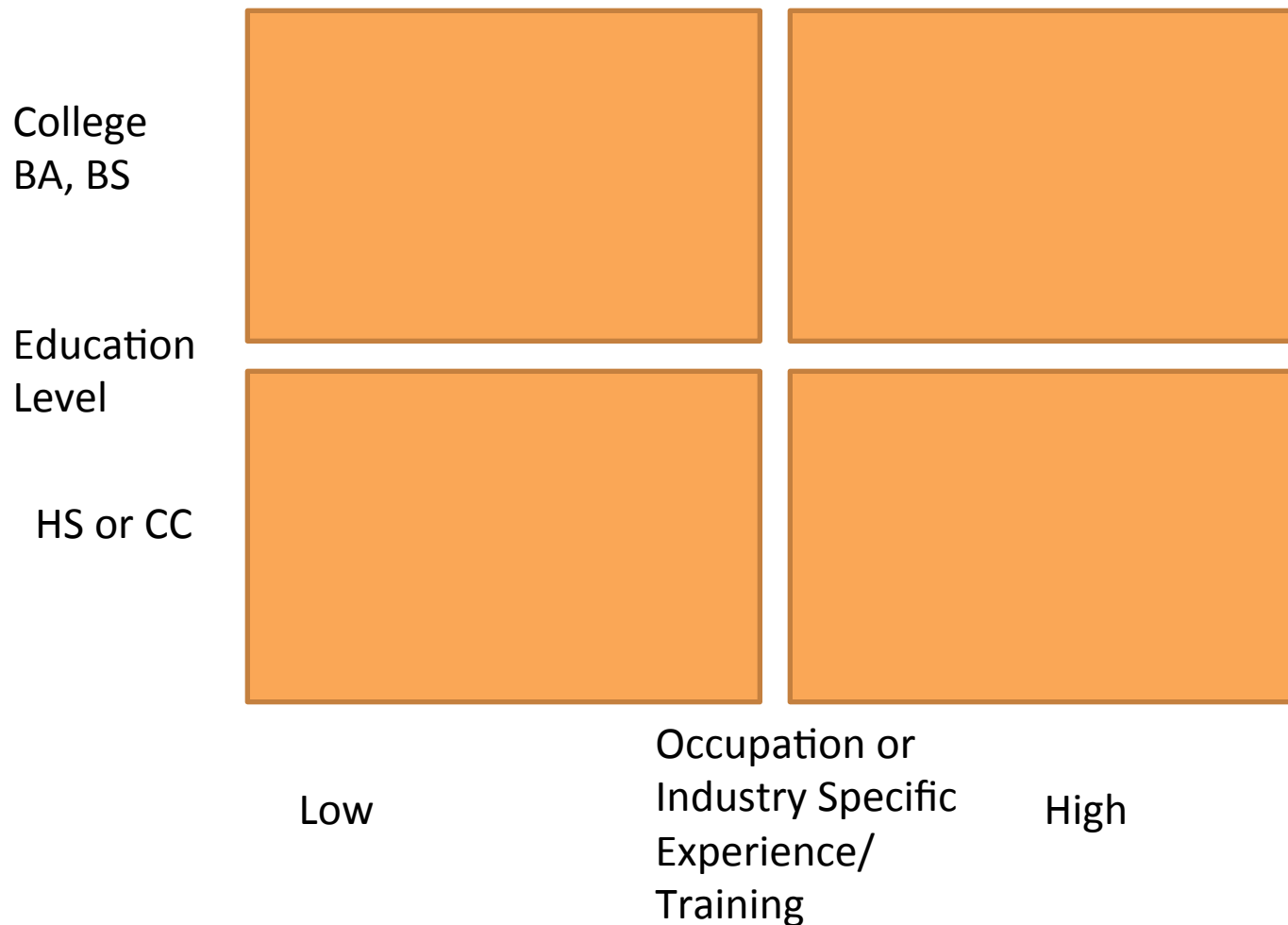
## Western Region Manufacturing Jobs 2012



## Denver Production Occupations Growth 2012-2022



# In which Occupation should you focus?



# Sector Partnership Metrics: 5 Considerations

1. **The Audience:** Who cares about the outcomes of a sector partnership?
2. **The Need for Customization:** Sector partnerships are all different. What is each trying to solve? How do we build in flexibility?
3. **Comparing Partnerships:** How do we *fairly* compare outcomes of sector partnerships?
4. **Phases of Maturity:** What *can* be measured at each stage of partnership development?
5. **Process vs. Impact:** Both types of metrics matter. What is the right balance in a “progress report”? Are there two progress reports, or “dashboards”/“scorecards”?

# All Partners want to know the WIIFM

- **Employers** – shared cost, a place to solve major talent issues, a single table at which to work with public entities
- **Educators** – venue for faster understanding of changing industry needs; play out of educational career pathways
- **Workforce Developers** – strategic focusing of time and resources for high leverage with key industries while meeting worker needs
- **Economic Developers** – place for focused work with key industries on talent questions; can be major tool in retention and growth strategies
- **States and Governors** – more strategic use of public resources; improved services to industry and jobseekers

# Across all categories we know that what we measure can change depending on . . .

- The Industry (its culture, size of companies, etc)
- The region (its culture, its geography, it's jobseekers)
- The original reasons a sector partnership came together, and why it stays together
- *Ideally sector partnerships solve one problem and move onto the next – it's goals therefore change regularly.*
- *Individual Sector Partnerships need flexibility to name and track outcomes that are right for them.*
- *States can offer guidance, tools and help aggregate data.*

# Is There One Formula for Evaluation?

Can we fairly compare outcomes?

*Consider . . .*

- Over 1,000 entry-level healthcare service workers trained every year by a metropolitan sector partnership
- About 130 students per year trained and placed in solar installation employment by renewable energy sector partnership
- 3 Journeyman apprentices supplied to Grand Coulee Dam as a result of a Power Generation partnership

Do we assume training outcomes?

*Consider . . .*

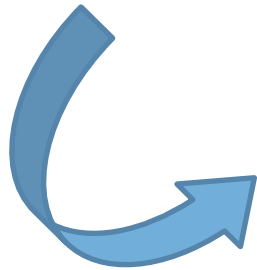
- A small manufacturing sector partnership that focuses on career awareness
- Or an energy partnership that develops skills standards (that can be used to develop training) but that primarily is valuable to align titles and HR selection criteria across employers

*No single formula, but there are templates to capture some consistent data across partnerships.*

# Phases of Performance

## (Emerging) Early Evidence of Progress

- a workplan or roadmap
- employer engagement



## (Active) Actual Outputs/Products

- skills standards
- career awareness campaigns
- training programs for groups of employers
- industry-driven networking
- tackling non-workforce issues together



## (Advanced) Impact

- employment for job seekers
- advancement for workers
- reduced vacancy rates for employers
- reduced time to hire
- job creation
- savings to public programs

### *Remember 3 categories:*

- Impact on Workers
- Impact on Business
- Impact on Public Programs/Systems