Public-Private Employment and Earnings Records Data Standards

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What are data standards and why are they important to WDQI Grantees?

Workforce Data Quality Initiative (WDQI) grantees share a desire to reduce reporting and data collection costs and to improve data quality. Variability in reporting requirements at the local, state, and federal levels creates some common roadblocks encountered by grantees and their stakeholders. When data collection systems lack consistency, grantees and stakeholders are left spending more time and resources on cleaning and preparing data to be exchanged than on facilitating collaboration and data sharing.

Data standards make it easier to publish, share, and use data across sectors and communities. Standards can boost data quality, open new markets, and lead to the creation of innovative tools and services. Moreover, they can simplify and streamline the process of combining information, lower costs associated with data production and use, support policy implementation, encourage collaboration, and promote a common understanding and shared vision. A connected ecosystem with good information flow between stakeholder systems can result in efficient and fruitful connections throughout.

**Did you know?** There are currently more than 45 government data collection systems that require workforce reporting. The reports and surveys that feed these data collection systems are often created and conducted by agencies independently, with a lack of consistency and comparability in how data will be used.

The HR Open Standards Consortium was launched over 20 years ago as a nonprofit, volunteer membership association that primarily champions the development and promotion of a standard suite of specifications to enable data exchanges related to human resources (HR). Over the last year and half, in cooperation with the T3 Innovation Network, the Consortium has developed draft standards for public–private employment and earnings records. The process has included multiple stakeholder workshops, including one with WDQI grantees in October 2020 that highlighted both the pressing need for a common set of standards and the complexity that states must overcome in order to implement one. This factsheet covers the need for such standards and how the standards being developed by the HR Open Standards Consortium and T3 Innovation Network seek to meet those needs.

**Current practices are time-intensive and costly and prohibit robust analysis.**

Employers often face reporting for employment and earnings records that require a myriad of data elements, definitions, and formats, as well as varying definitions between terms from state to state. The work relationships, compensation details, and occupational responsibilities within this reporting continually increase in complexity. These records, including state Unemployment Insurance (UI) wage records, can be connected to higher education and training program data to measure the success of program outcomes, but the records lack the standardization to make this feasible and the information to enable use for these purposes. HR technology vendors,
policymakers, government agencies, employers, and education institutions can benefit from a more affordable, predictable process that enables new insights.

**Open standards ensure interoperability and sustain collaborative data systems.**

Federal policy requires federal agencies to use open, voluntary consensus standards (when available) that are developed through public–private collaboration. By following these guidelines, data stakeholders can develop a shared understanding of the context and meaning of data and develop systems and tools that exchange and apply data in meaningful and consistent ways. This is interoperability. It helps sustain data systems because it invites innovation that is additive and increases the value of data systems themselves without having to reinvent the data foundation. Mechanisms like workgroups, consensus-based decision making, and appeals processes enable public and private sectors to work together collaboratively as new needs arise, ensuring stakeholders can continue to share and apply data through existing systems.

**Open employment and earnings records standards equip policymakers with better data to design interventions that support workers and employers.**

Developing employment and earnings records standards (e.g., data elements, definitions, formats) for use in the public and private sectors and promoting standards in enhancing state (UI) wage records federal statistical data collection have several benefits including:

- **Easing and improving employer reporting.** Data standards can improve the data quality in employer HR systems and reduce the reporting burden by replacing federal and state surveys with enhanced employment and earnings administrative records. Improvements to employer data systems will also increase a firm’s ability to meet unexpected changes in reporting requirements.

- **Enhanced Labor Market Information.** Data standards also promise to improve federal statistical data analysis by ensuring that the consistency of definitions across common data fields (e.g., employment). Additionally, if adopted by higher education, standard definitions could increase our understanding of (and localize) the returns to educational credentials from apprenticeships to 4-year degrees.

- **More accurate program application and eligibility determination.** By using data standards, more programs will also be able to use employment and earnings records data to support complementary human services and other programs (e.g., SNAP, subsidized housing, or Medicaid).

**Sources and Additional Information**

- HR Open Data Consortium
- T3 Innovation Network
- T3 Innovation Network One-Pager
- HR Open Standards Consortium
- Office of Management and Budget’s Circular A-119 on Federal Participation in the Development and Use of Voluntary Consensus Standards and in Conformity Assessment Activities
- T3 Innovation Network’s Developing and Using Public–Private Data Standards for Employment and Earning Records Report (February 2021)