Many education and training programs are designed to prepare people for specific careers. Sometimes the path is clear: a certificate or degree in welding technology leads to a few specialized occupations in that field. Other programs — like an associate’s degree in business administration — have relevancy to many different occupations and career clusters.

Federal and state leaders often want to know whether publically-funded training is helping people find employment in careers related to their field of study or training.

How do we track whether people get jobs?
There are two ways to figure out if program participants find employment: post-program surveys and data matching.

Can surveys measure training-related employment?
Past experience shows that post-program surveys which adhere to statistical standards can be very helpful, but they require significant resources and planning. The U.S. Department of Labor currently asks for training-related employment data on job training programs funded by the Workforce Innovation and Opportunity Act (WIOA). In many states, case managers contact former participants to get this information and it can be challenging to reestablish contact and get a proper sample of responses. In 2011, states could only report on training-related employment for half of adults and two-thirds of dislocated workers, according to the Government Accountability Office (GAO).¹

What about data matching?
Data matching puts together information already collected by federal and state agencies. Many education and training programs use wage records — collected quarterly by states from employers as part of Unemployment Insurance administration — to get information about employment and earnings. Tax records may also be used. Unique information on individuals, such as a social security number, is highly confidential, but extremely valuable in producing accurate and consistent data. For instance, data matching can show information about groups of students, such as the average earnings for last year’s local community college graduates.

However, states usually have data about industry, but not occupation, so it’s not ideal for measuring training-related employment.

What’s the difference between industry and occupation?
Wage records generally use North American Industry Classification System (NAICS) codes, which is the federal government’s method of categorizing various industries. One level deeper, Standard Occupational Classification (SOC) codes are used to describe specific jobs under each of the broader NAICS categories. For example, the Residential Building Construction industry includes many occupations: carpenters, electricians, cost estimators, construction managers, office clerks, etc.
Aren’t industry and occupation close enough to estimate training-related employment?

In many cases, the industry lines up nicely with the occupations you would expect. For example, the Bureau of Labor Statistics estimates that 61% of “registered nurses” are employed in the Hospital industry. However, even relatively straightforward occupations like registered nursing show up in unexpected industries. For instance, 3% of registered nurses work in the Federal Government industry category.

For some programs of study, like computer science, relevant occupations (e.g. “computer systems analysts”) are spread throughout many different industries where just by looking at the NAICS codes, it would be challenging to determine if someone was actually doing a job related to their training or field of study. The industries where you would intuitively look for computer science occupations (e.g. Computer Systems Design, Data Processing, Management/Scientific/Technical Consulting Services) account for only about one-third of jobs held by these analysts. The rest are found in industries like State/Local Government, and Colleges and Universities.

Could states collect occupation data?

Right now, Alaska is the only state that collects occupation codes for each employee through Unemployment Insurance wage records. Some other states have considered asking employers to report this information, but leaders are worried about putting too much burden on businesses and finding additional state resources to manage more data collection. A national group of experts called the Workforce Information Council is researching the costs/benefits of adding occupation data to wage records, and a few states are exploring this data collection.²

What’s the bottom line? Can we measure training-related employment or not?

Especially for occupational training programs, it makes sense to ask whether graduates are landing jobs related to their training. But given the challenges of conducting accurate surveys and the limitations of data matching, leaders should be cautious about attaching performance bonuses and sanctions to training-related employment metrics. Using available industry data instead of occupation can give a general sense of program performance. However, industry data will work better for some career clusters than others, so performance sanctions could have the unintended consequence of discouraging some programs from offering training in certain high-demand fields.

END NOTES


2 Workforce Information Council: http://www.workforceinfocouncil.org/