

Questions about Industry and Occupational Projections and Top Demand Occupations

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General Questions

1. **How often are the projections data revised?**

The projections are developed every two years. The data cover a ten-year period. The current projections are for the base year 2002 projected to 2012.

2. **Are projections data available for smaller areas in the state?**

In addition to the statewide projections, data are available for the eight regional labor market areas (RLMAs) that make up the state.

3. **Can I get data specifically for my parish or local community?**

Unfortunately, no. The federal Bureau of Labor Statistics (BLS) has strict confidentiality rules regarding displaying data. For any given industry, if 80 percent of the employment is from one employer, or if there are fewer than three employers in that industry, the data cannot be displayed. The majority of parish data could not be displayed under these rules.

4. **How are occupational projections and top demand occupations developed?**

There are three phases to producing the top occupations in demand: (1) developing the industry projections, (2) developing the occupational projections, and (3) identifying the top occupations in demand.

First, industry employment projections are developed for the state and the eight regional labor market areas. Knowing which industries are likely to expand in the future gives an idea of which occupations may grow.

The next step is to translate the industry employment projections into occupational employment projections by using data collected by the Occupational Employment Statistics (OES) wage survey program under the guidelines of the BLS. Both of these data sets are imported into the Micro Matrix System, a software program used in producing the occupational projections. Additional data sets used to supplement the survey data include national replacement rates (a rate used to estimate the number of workers either retiring or terminating employment in that occupation), change factors (factors that account for the change in the occupational mix of an industry), and estimates of self-employed, and state-specific federal employment.

Finally, the top occupations in demand are derived from the occupational projections based on total demand and growth.

More details for each of these phases can be found in the questions and answers found below.

5. **Will the 2002 to 2012 Projections reflect what happened to the State's economy after Hurricanes Katrina and Rita?**

No the production part of compiling this round of projections were completed prior to the hurricanes. The next round of projections (2004 to 2014) will include employment changes that occurred throughout the state as a result of the Hurricanes. Historical employment by industry trends used as one data source to develop industry projections will reflect the drop in employment in the last quarter of 2005, the shifts in employment as employers move, close businesses, and reopen, and the gradual rebuilding of the largest metropolitan area in the state.

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Industry Projections

1. **What is the foundation for the industry employment projections?**

Historical data reported through the Quarterly Census of Employment and Wages (QCEW) program are used as the primary source of data in developing industry employment projections. This program is responsible for the proper reporting of employment and wages for employers in Louisiana who pay unemployment insurance taxes. Employers are required by federal law to report this information quarterly. All establishments are assigned a North American Industry Classification System (NAICS) code and a parish code, so that employment for each firm is recorded in the correct industry and in the proper physical location.

2. **Are the industry projections just a straight-line projection of historical data?**

No this data is analyzed by industry, and the general trend may not necessarily be linear. The data is analyzed in detail by a professional economist and includes considerations of other economic indicators such as plant closures, rig counts, employment rates, etc. In addition, the Louisiana Department of Labor (LDOL) and the Occupational Forecasting Conference, which includes an economist on staff and two economists that serve on the Conference, review these projections.

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Occupational Projections

1. **What is the foundation of the occupational employment projections?**

Louisiana Department of Labor (LDOL), in cooperation with the federal Bureau of Labor Statistics (BLS), surveys Louisiana firms on the occupational composition of their workforce and the wages for those occupations. This survey is called the Occupational Employment Statistics (OES) survey. Employer responses show the occupations utilized within different industry sectors. These data are used to develop staffing patterns of that particular industry, which are then used to develop specific occupational projections.

2. **What time frame does the occupational employment base year (2002) cover?**

Data collected over a two-year period, 2001 through 2002, were used for the current occupational projections.

3. **How are employees defined by the OES survey?**

The term "employees" covers all workers who are paid a wage or salary, whether full-time or part-time. The survey does not cover the self-employed, owners/partners of incorporated firms, household workers, and unpaid family workers.

4. **Do the occupational projections contain employment estimates besides those found in the Quarterly Census of Employment and Wages (QCEW) data?**

Yes before the occupational projections are developed, estimates of self-employed and other types of employment that are not part of the industry projections are identified and distributed among those sectors in which self-employment, etc., are concentrated. Occupational profiles by industry are developed next.

5. **Does the OES program survey all establishments?**

No, a randomly selected sample of approximately 7,500 employers is surveyed each year, representing firms of all sizes.

6. **Are projections data available for all of the surveyed occupations?**

Yes, but the data is screened for confidentiality. Occupational employment of less than ten is suppressed. The list for all surveyed occupations can be found through the Louisiana Occupational Information System (LOIS) Web portal at <http://www.voshost.com/altentry.asp?action=lmiguest>. Downloadable Excel files are available for all occupations for which there are data on this Web site under the heading "Occupational

Projections (2002-2012)". Another place to find downloadable Excel files is on the LDOL Web site <http://www.LAWORKS.net>. Begin on the home page and highlight the Labor Market Information tab then select "Employment Projections (2002-2012)".

7. **What does annual growth represent?**

Growth for an occupation is directly related to industry growth. If an industry is projected to grow, occupations concentrated in that industry will grow. Subsequently, if an occupation is projected to decline, it can be attributed to the decline of the industry in which it is concentrated. Changes in technology or business practices can reduce the demand for an occupation within an industry.

8. **What does annual replacement represent?**

Replacement demand results from workers who leave their jobs to enter other occupations, retire, or leave the workforce for other reasons.

9. **What does total annual demand represent?**

Total annual demand is the sum of new growth and replacement demand. Even occupations that are projected to decline provide some job openings due to replacement.

10. **Why do low wage, low skill jobs such as cashiers, retail salespersons and waiters consistently show up as top occupations in demand?**

This phenomenon is not unique to Louisiana, but reflects occupational projections for the United States as a whole. These jobs typically have higher turnover rates, so the openings due to replacement tend to be quite high. In addition, these jobs all have a large base of employment so that even a small percent growth results in a large number of annual total openings. These jobs are still important to the economy in that businesses need them in order to function. These occupations typically serve as an entry into employment that can lead to advanced positions.

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Top Occupations

1. **What are "top demand" occupations?**

Top demand occupations are occupations identified by the Louisiana Occupational Forecasting Conference as having the greatest average annual potential demand over a 5-year projection period.

2. **Why are occupations labeled "all other" not included in the "top demand" occupations if they represent a large demand?**

Although these occupations have a significant amount of demand and statistically meet the criteria for inclusion in the top demand occupations, "all other" occupations represent a broad range of job titles. Workers are classified into these categories when there is not enough information about the job title to classify the worker into a specific Standard Occupational Classification (SOC) code or the job duties are so unique that they cannot be classified into a specific SOC code.

3. **My industry is expected to have a large turnover of employees over the next five years; your estimate of replacement demand seems low. How can this be explained?**

There are a number of reasons why expectations may be different from the projections.

First, a distinction must be made between short-term expectations (or even results) and long-term projections. The projections are annualized over a period of years to reflect an average number of openings. In the short-term, however, the openings may be considerably higher or lower from year to year depending on economic conditions, workforce demographics, etc. Over time, however, these fluctuations are likely to average out to come fairly close to the long-term projections.

Secondly, expectations of demand due to retirement are likely to be skewed upwards. As technology changes, the same efficiencies can be achieved with fewer personnel. Many firms tend to use retirement as a means of downsizing a particular occupation over time. Replacements for retirees may even have a

different skill set (and occupational title) to reflect the changing needs of the firm. Early retirement incentives are also used in times of economic downturn to avoid layoffs, which cause retirement/replacement rates to fluctuate from year to year.

Thirdly, the occupational projections identify occupations rather than industries. Demand for an occupation in one industry may not necessarily carry across all industries. For some industries, occupations may be divided among a number of different specialized occupational titles. For example, there may be demand for workers in the water transportation industry, but these workers are divided among captains, mates, able seamen and ordinary seamen and marine oilers. Some of these occupations may fall below the criteria for top demand occupations even though in the aggregate there is considerable demand for water transportation workers. Other occupational titles may be very specialized and become rolled up into one of the "all other" categories (i.e., "all other mechanics, installers and repairers"). These "all other" categories are not included in the top demand occupations because they are the sum of a number of different occupational titles with different training requirements.

Finally, "projections are projections;" they are based on historical data, subject to a number of external variables and can be inaccurate for a variety of reasons. That is why we update these projections every two years with new information.

4. **Are high growth jobs included in the Top Demand Occupations?**

That depends. In cases where the base employment (2002) was low, occupations may have high growth rates even though only a relatively few jobs were added. Because the "top demand" occupations are based on total annual openings due to growth and replacement, some of these high growth occupations may not make the list. Obviously, if they continue to grow at high rates, eventually the annual openings will increase to the point that they become a top demand occupation. Many of the top growth jobs nationally and in Louisiana are computer-related occupations. In most cases, the total annual demand is large enough to make them top demand occupations. Occupations sorted by growth rate can be found on the Louisiana Department of Labor's (LDOL's) Web site <http://www.LAWORKS.net>. Begin on the home page and highlight the Labor Market Information tab, select Employment Projections 2002 – 2012 then click on "What are the fastest growing occupations (by % growth)".

5. **Where can I find a report on "top demand" occupations?**

The final report on "top demand" occupations approved by the Occupational Forecasting Conference is available on LDOL's Web site <http://www.LAWORKS.net>. Begin on the home page and highlight the Labor Market Information tab, select LOIS/Scorecard and go to the section called "Occupational Employment Projections 2002 – 2012" or from the Labor Market Information window select "Employment Projections (2002-2012)."

6. **What if I still have questions?**

If these "Questions about Projections" did not answer your question(s), or if you need further assistance, please send an email to Answer My Question.

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