

# Conducting a Labor Market Assessment

Presented to  
MEAG Economic  
Development  
Forum

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# The Role of Labor in Economic Development

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- Labor is frequently the most important consideration in corporate location and business retention decisions.
- At a minimum, it is usually among the five most important location factors.

# What is a Labor Market Assessment (LMA)?

- An investigation of an area's labor market conditions
  - Characteristics (e.g., demographics, occupations)
  - Availability
  - Demand
  - Quality
  - Cost (salaries/wages, benefits, taxes)
  - Training resources and needs
  - Regulations

# What is a Labor Market Assessment (LMA)?

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- A review of all labor-related issues important to corporate location seekers and workforce development agencies
- An assessment of current and/or anticipated conditions
- A documentation of
  - Complete assets and challenges
  - Recommendations for remedial action

# Why Conduct a LMA?

- To obtain quality, current, and complete labor-related data and a situation analysis for:



# Why Conduct a LMA?

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- Labor data is needed quickly to respond effectively to user needs
- LMAs provide this data for quick, on-going access

# Who Uses a LMA?



# Value of a LMA

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- Positions the region's labor market assets to obtain a competitive business-attraction advantage
- Determines the keys for existing and new employers to
  - Attain preferred-employer status
  - Enhance the ability to recruit and retain qualified workers

# Value of a LMA

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- Helps develop efficient and effective training and workforce-preparedness programs to strengthen an area's appeal for
  - Expansion of existing businesses
  - Recruitment of new companies
  - Entrepreneurial development efforts

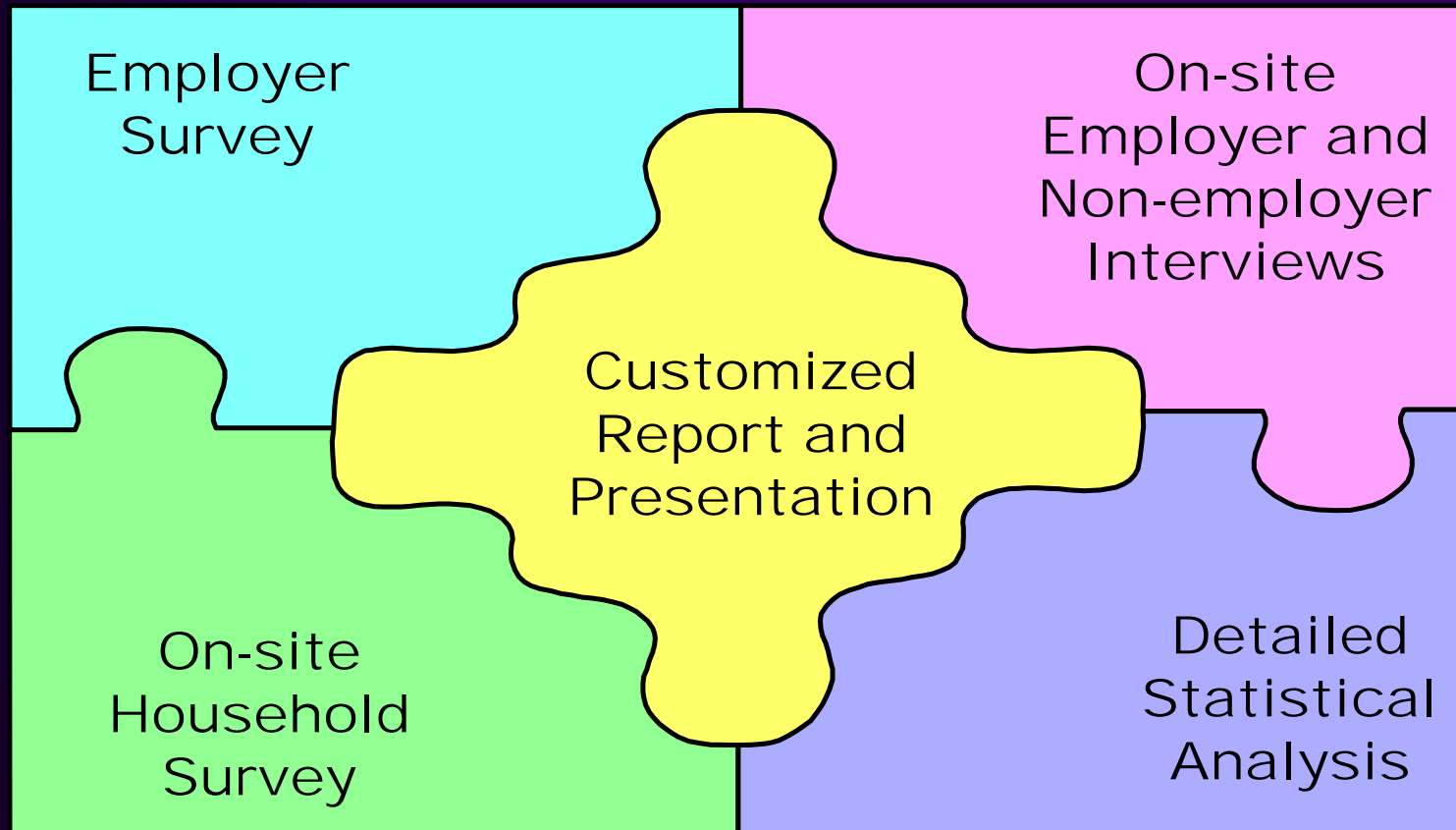
# Components of a LMA

- Labor availability, demand, quality, and cost
  - All employed; underemployed; not employed but interested; other (e.g., universities, military and spouses, part-time, full-time)
  - Basic skills, turnover, productivity
  - Salary and benefits
  - Commutation patterns
  - Supply/demand relationship for specific occupations, skills
  - Recruitability from outside the area
  - Employer and resident input needed

# Components of a LMA

- Training resources and needs
  - Educational resources
  - Training needs
  - Gap assessment
- Data sources used
  - Full employer and household surveys
  - Interviews and focus groups
  - Secondary data (public and proprietary, e.g., census, BLS, wage surveys and labor studies)
  - Consultant experience

# Elements of a LMA





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