Job-to-Job Flows

Sneak Peak at upcoming innovations from the Longitudinal Employer-Household Dynamics (LEHD) Program

Putting America to Work: The Essential Role of Federal Labor Market Statistics
LMI Innovations Workshop
Washington, D.C
August 2010

Ron Jarmin
Chief Economist and Chief
Center for Economic Studies
US Census Bureau
What is LEHD?

• At its core, LEHD is a National Longitudinal Job Frame
  – Based on UI-Wage and other administrative data sources

• Primary Products
  – Public use products: QWI, OnTheMap
  – Rich micro data for research
The Concept – Data Integration

- Leverage existing data
- Create new data and products
- Make valid detailed data available while protect confidentiality
- Cost-effective
- No respondent burden

New data and products

US CENSUS BUREAU
Quarterly Workforce Indicators

QWI indicators:
• Employment
• Earnings
• New hires
• Separations
• Job Creation and Destruction

Analyzed by
• Geography
• Industry
• Gender
• Age
• Time

30 available
8 online

Strengths:
• Detailed Geography and Industry
• High Frequency
• 9 months after transaction date

Some existing limitations:
• No national statistics
• No cross state tracking of flows
• Work progresses to produce national cross-state statistics.
Access public use data via www.census.gov

Next to Business & Industry
Click on Local Employment Dynamics
Then click on Quick Links to:
OnTheMap, QWI Online, Industry Focus

Or click on Data Tools
QWI Example: Job Creation and Destruction in Auto Manufacturing
Job Flows in MI, OH

Job Flows, Motor Vehicles, Michigan

Job Flows, Motor Vehicles, Ohio

US CENSUS BUREAU
Job Flows in AL, TN

Job Flows, Motor Vehicles, Alabama

Job Flows, Motor Vehicles, Tennessee

US CENSUS BUREAU
Questions for Research: Example Business Formation and Innovation

- Business formation is critical for job and productivity growth
- New firms are often small, sole proprietors and an important fraction start as micro-enterprises (non-employer firms)

By integrating LEHD microdata with business microdata data researchers can track business startups.

- Where did the entrepreneur come from?
  - What type of firm was entrepreneur working at?
  - Are some business types and locations especially effective incubators of new firms?
- What kinds of jobs do start-ups create?
  - What kind of job paths are there at successful startups?
  - Do workers at startups come from the community or are the workers migrants?
Example of research using LEHD data: Job flows for displaced workers.

- Fallick, Haltiwanger, & McEntarfer (2010)
  - On-going research on employer-to-employer flows
  - Recently working on extending research to include flows that involve a spell of non-employment

- Special interest in breaking out results for workers who are displaced
  - Many employer-to-employer flows are voluntary transitions
  - Displaced workers transitions probably quite different and should be examined separately
  - Longitudinal employer-to-employer flows might allow examination of job ladders for successful transitions from displacement.
Example: What industries might employ displaced auto workers?

Earlier QWI analysis pointed to large displacement events in NAICS 3361

- Particularly in the current recession
- What will happen to those workers?
  - Doesn’t look good for re-employment within industry
  - Can look at other industries to see which ones have hired workers like the recently displaced.

- Mostly interested in experienced workers
  - Focus on auto workers with at least 1 year tenure who experience a separation.
  - Pool across states Michigan, Kentucky, Illinois and Wisconsin.
Re-employment rates for separating auto workers

For auto workers with at least 4 quarters of tenure who separate from their employer:

Employment probabilities within the same state:

- After 1-quarter: 14.6 percent
- After 2-quarters: 43.8 percent
- After 4-quarters: 44.1 percent
- Majority return to same employer, but almost half change employers. (following pie charts are job changers only)
- The 56 percent not re-employed are either:
  - Unemployed, not in the labor force, or are employed in another state (future: national tracking)
Top 10 Destination NAICS for Motor Vehicle Manufacturing (NAICS 3361),
Four Quarters After Job Loss

Motor Vehicle Manufacturing, (21.6%)

Employment Services (7.6%)

Architectural, Engineering, and Related Services (4.5%)

Management of Companies and Enterprises (3.0%)

Motor Vehicle Parts Manufacturing (2.7%)

Nondepository Credit Intermediation (1.7%)

Investigation and Security Services (2.5%)

Elementary and Secondary Schools (2.2%)

Agriculture, Construction, and Mining Machinery Manufacturing (1.8%)

Other (52.3%)
Distribution of Earnings Changes for Stayers vs. Separators that Changed Firms in Motor Vehicle Manufacturing (NAICS 3361) (4-quarters after separation)
Contact Us

Comments/Questions
Erika.McEntarfer@census.gov

Center for Economic Studies
http://www.ces.census.gov/

Local Employment Dynamics
http://lehd.did.census.gov/

Lead RDC Administrator
Tammy.L.Riggs@census.gov