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## FORECASTING OCCUPATIONAL REQUIREMENTS IN LOCAL LABOR MARKETS

Hossein Akhavi pour and Wilbur R. Maki



**Department of Agricultural and Applied Economics**

University of Minnesota  
Institute of Agriculture, Forestry and Home Economics  
St. Paul, Minnesota 55108

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State and local planning and employment counseling agencies as well as higher education authorities, teachers and students seek a variety of occupational forecasts and projections. However, relatively little effort has been directed towards the construction and improvement of occupational employment forecasts. Presented in this paper is the proposition that such forecasts must incorporate both the gradual changes and the cyclical fluctuations in the representation of specific occupational trends in local labor markets.

Such forecasts require:

1. Accurate monitoring of industry and occupational employment changes on the local economy,
2. A method of tying the numbers of entrants into an occupation with the employment requirements of industry growth in the local economy (to allow the timely prediction of labor market area shortfalls or surpluses in available workers in particular occupations).
3. A strategy for using the economic projections in educational planning, occupational counseling, and career guidance.

The aim of this paper is to present a model of the local labor market that can provide essential information for various planning and educational purposes. Its presentation is organized topically with a

focus on (1) occupational data users and uses, (2) labor market information systems, (3) industry employment growth models, and (4) labor market impact assessments.

#### Occupational Data Users and Uses

Occupational data users are ubiquitous. Virtually everyone has an interest in the number and quality of job openings within a local or regional labor market.

In this study, four major groups are identified as the principal occupational data users. They include technology-intensive businesses, post-secondary educational institutions, state and local government agencies, and the person entering the labor market or seeking a change in current occupational status.

Technology-intensive businesses, by nature of their product and market orientation, are highly sensitive to the business cycle. They experience wide fluctuations in their demand for labor, particularly in the technology-related occupations, and their access to such a labor supply. These industries rely heavily on the availability of trained technical, professional and technical support personnel.

As the general economy recovers from recession, the "high tech" employers have increasing difficulty finding the kind of technical talent they need in their expanding production and marketing endeavors. Individual employers eventually will recruit such technically talented workers from other local labor markets. Proximity to large post-secondary educational institutions may be sought by such employers as one means of coping with labor shortages.<sup>4</sup>

From the supply side, the major potential clients of occupational forecasts are higher education institutions. The challenge facing

such institutions is to accurately anticipate and direct educational programs in response to changing occupational requirements. The demand for and supply of teachers changes more slowly than the occupational qualifications of new entrants into the work force. Supply-side considerations critically influence educational programming decisions in ways that contribute to prolonged delays in adjusting the occupational distribution of new entrants to changing market conditions.

Because educational institutions are experiencing increasing costs per student and decreasing per capita public spending in real terms, cost-reducing strategies in post secondary education are increasingly important means of coping with reduced rates of increase in their financial support. To economize on the cost of student training, a dependable link between employment projections by occupation and training programs is being sought. When lagging supply fails to meet growing demands for skilled work force, the future growth of the local economy is being jeopardized.

State and local governments are directly involved in monitoring employment and indirectly in monitoring the occupational supply in local labor markets. Concern about the future of a state's economy and its ability to sustain growth lends support to the preparation and use of accurate occupational forecasts among state agencies. In some states, this concern has focused on particular occupational groups, for example, engineers, scientists, technicians and other skilled personnel in the technology-intensive industries. Accurate forecasts of the occupational composition of the local labor force, as well as the industry distribution of employment, are sought as essential

sources of information for occupational counseling and job creation in the local labor markets of these states.

The last major group of client, and the largest one, are individual participants in the labor market. These individuals--graduates of high schools, colleges, and other educational institutions and unemployed job seekers--are either new entrants to the job market or already employed workers seeking a change in occupations. Accurate monitoring of the supply of and the demand for occupational employment, by industry, facilitates the mobility of local labor force in general and professional and technical manpower in particular.

#### Labor Market Information Systems

Forecasting the demand for and supply of occupation-specific employment is complicated by the cyclical sensitivity of employment. Separations and replacements in the industry work force vary widely over the business cycle for each industry and each occupation. Because of industry interdependence in labor markets, accurate forecasting of occupational requirements depends on accurate forecasting of all industry requirements.

Lack of accurate and comprehensive statistics on new hires, quits, and transfers limits accurate forecasting of year-to-year change in occupational employment. While short-term employment changes are correlated closely with the general business cycle, long-term changes relate to changes in industry distribution and staffing pattern.

Valid forecasts and projections of occupational employment require the monitoring of industry changes and their causal factors, including those factors affecting industry market share as well as output per

worker. Such data are not readily acquired for regional labor market services linked to multi-state national labor market information systems that can provide locally-specific time series.

Regional labor market information systems, if available, would provide industry occupation profiles that show the differential shifts toward professional, technical, managerial, administrative, and clerical occupations from new entrants as well as the existing work force in blue-collar occupations. This shift parallels the overall shift in the U.S. from an industrial to a post-industrial, information-based society.<sup>7</sup> Such shifts are due to changes in industry growth and decline on the one hand and a host of occupational changes due to a variety of local and regional factors, such as shifts from one occupation or job to another, retirement, work disability, death, and other voluntary and involuntary changes in employment status.<sup>3</sup>

Demand for employment in a given occupation is represented by the total increase in employment which is equal to the total projected reduction in employment plus the net increase. The total projected reduction in employment is equal to the total employment shift to other occupations plus all transfers out of the employed labor force, either through unemployment or leaving the labor force altogether. For some occupations, such as elementary and secondary school teaching, large employment increase may be accompanied by equally large employment decreases, with only small changes occurring in total employment. For some other occupations, however, a small net change may be accompanied by correspondingly small gross additions to and reductions from total employment, as in the case of the

health-diagnosing occupations.

On the other hand, labor supply in a labor market, by occupation, is represented by the total projected increase in labor force by occupation, plus total net employment due to occupational mobility. The result of this complex interplay between the demand-absorbing and supply-generating sources of occupational employment requires a dynamic model capable of forecasting occupational employment in a local labor market. A regional labor market information system would focus, therefore, on the factors accounting for region-to-region differences in the demand for and supply of various occupational skills.

Industry Employment Growth

The method used to prepare the occupational projections by industry is represented in a series of equations, starting with the industry distribution of total regional employment. This method shows how available labor market information in a given year is used in the preparation of future year industry-occupation profiles.

Let EMP be a n by m matrix that represents the staffing pattern of m occupations for n industries in a local labor market for a base year t. The row total of such a matrix represents the employment by industry and column total represent the employment by occupation.

$$\text{Row total, } EMP_i = \sum_{j=1}^m EMP_{ij}; \tag{1}$$

$$\text{Column total, } EMP_j = \sum_{i=1}^n EMP_{ij}; \tag{2}$$

$$\text{Total employment, } \sum_{i=1}^n EMP_{i.} = \sum_{j=1}^m EMP_{.j} = EMP_{..} \tag{3}$$



The EMP matrix is capable of converting direct industry demand to derived occupation demand. Thus, occupational requirements of the  $i$ th industry from the  $j$ th occupation is estimated by the ratio,

$$OR_{ij} = EMP_{ij} / EMP_i. \quad (4)$$

Total demand of an occupation by each local industry and total supply of the same occupation at year  $t+1$  depends on the level of employment and net change in supply of labor force, by occupation, from period  $t$  to period  $t+1$ , as shown in Table 1. This table reveals the fact that in a disequilibrium labor market, job seekers (supply) is not equal to job openings by occupation in a given year. The net increase in jobs due to industry expansion is represented by (1) differences between a total increase due to new entrants and total decrease due to transfers out of the work force and (2) net inter-occupation mobility.

Thus, demand for an occupation and the supply of occupations are affected by occupational mobility, which is depicted by a transition matrix, as shown in Table 2. This table shows that rate of occupational mobility is smallest for professional and technical and largest for household service workers. These figures suggest that most of white-collar workers and blue-collar workers remained in the same occupation from 1980 to 1981.

Year-to-year variability in occupational employment is represented by separations from the work force in Table 23, which, for the 1980-81 period, varied from 11.2 percent of total professional and technical employment to 39.6 percent of the total employed household workers. The U.S. occupational change coefficients, by industry, are used because of the lack of corresponding data for Minnesota.

Table 1. Simulated changes in total employment in specified occupations due to occupational mobility and persons entering and leaving the work force, Minnesota, 1980-91.

| No. | Occupation Title                | Source of Job Seekers (number) |                        |               | Source of Job Openings (number) |                      |               | Total |
|-----|---------------------------------|--------------------------------|------------------------|---------------|---------------------------------|----------------------|---------------|-------|
|     |                                 | Entering Work Force            | From Other Occupations | Total         | Leaving Work Force              | To Other Occupations | Total         |       |
| 1   | Managers, Administrators        | 9460                           | 13541                  | 23001         | 9501                            | 8133                 | 17634         |       |
| 2   | Management-Related              | 4262                           | 5168                   | 9430          | 3209                            | 3385                 | 6594          |       |
| 3   | Aerospace Engineers             | 19                             | 14                     | 33            | 5                               | 11                   | 16            |       |
| 4   | Chemical Engineers              | 110                            | 39                     | 149           | 12                              | 28                   | 40            |       |
| 5   | Civil Engineers                 | 269                            | 192                    | 461           | 78                              | 132                  | 210           |       |
| 6   | Electrical Engineers            | 715                            | 103                    | 818           | 134                             | 227                  | 361           |       |
| 7   | Industrial Engineers            | 797                            | 300                    | 1097          | 237                             | 424                  | 661           |       |
| 8   | Mechanical Engineers            | 522                            | 281                    | 803           | 69                              | 167                  | 236           |       |
| 9   | Metallurgical Engineers         | 38                             | 19                     | 57            | 9                               | 14                   | 23            |       |
| 10  | Mining Engineers                | 16                             | 10                     | 26            | 6                               | 11                   | 17            |       |
| 11  | Other Engineers                 | 577                            | 295                    | 872           | 133                             | 228                  | 361           |       |
| 12  | Architects, Surveyors           | 82                             | 47                     | 129           | 23                              | 38                   | 61            |       |
| 13  | Mathematical Scientist          | 124                            | 44                     | 168           | 16                              | 14                   | 30            |       |
| 14  | Computer Scientists             | 610                            | 273                    | 883           | 54                              | 179                  | 233           |       |
| 15  | Operations Research             | 203                            | 17                     | 220           | 39                              | 87                   | 126           |       |
| 16  | Chemists, Exc-Biochemist        | 137                            | 101                    | 238           | 40                              | 34                   | 74            |       |
| 17  | Other Physical Scientist        | 88                             | 58                     | 146           | 20                              | 17                   | 37            |       |
| 18  | Agriculture, Forestry, Food     | 41                             | 43                     | 84            | 15                              | 12                   | 27            |       |
| 19  | Other Life Scientists           | 107                            | 109                    | 296           | 41                              | 36                   | 77            |       |
| 20  | Health Diagnosing               | 195                            | 493                    | 688           | 134                             | 161                  | 295           |       |
| 21  | Health Treating                 | 495                            | 1785                   | 2280          | 470                             | 372                  | 842           |       |
| 22  | Teachers, Excluding Post        | 5811                           | 3911                   | 9722          | 5759                            | 3404                 | 9163          |       |
| 23  | Social Scientists               | 467                            | 321                    | 788           | 238                             | 246                  | 484           |       |
| 24  | Social, Recreation Workers      | 2920                           | 868                    | 3788          | 1333                            | 1610                 | 2943          |       |
| 25  | Lawyers, Judges                 | 1952                           | 643                    | 2595          | 250                             | 278                  | 528           |       |
| 26  | Writers, Inter., Athletics      | 3019                           | 1723                   | 4742          | 3071                            | 2077                 | 5148          |       |
| 27  | Other Professionals             | 4125                           | 2253                   | 6378          | 1245                            | 1408                 | 2653          |       |
| 28  | Health Technicians              | 3924                           | 1130                   | 5054          | 1082                            | 836                  | 1918          |       |
| 29  | Engineers, Scientists Tech.     | 5167                           | 1562                   | 6729          | 1176                            | 1562                 | 2238          |       |
| 30  | Computer Programmer             | 2200                           | 697                    | 2897          | 419                             | 484                  | 903           |       |
| 31  | Other Technicians               | 2497                           | 1022                   | 3519          | 679                             | 911                  | 1590          |       |
| 32  | Sales                           | 16642                          | 15586                  | 32228         | 20047                           | 19835                | 39902         |       |
| 33  | Administrative Support          | 54686                          | 36338                  | 91024         | 45124                           | 35237                | 80381         |       |
| 34  | Service                         | 51576                          | 29389                  | 81105         | 52476                           | 31628                | 84104         |       |
| 35  | Farm, Forestry, Fisheries       | 16307                          | 3375                   | 19682         | 18923                           | 14045                | 32968         |       |
| 36  | Production, Crafts              | 22715                          | 19820                  | 42535         | 18845                           | 13447                | 31492         |       |
| 37  | Operators, Assemblers, Laborers | 44395                          | 29516                  | 73911         | 46573                           | 31845                | 78418         |       |
|     | <b>Total</b>                    | <b>237350</b>                  | <b>171086</b>          | <b>428436</b> | <b>230183</b>                   | <b>172803</b>        | <b>402788</b> |       |

Source: W. Maki and H. Akhaviipour, "The Role of Technology Intensive Industry in Minnesota," MHTC, December 1984, Table 14.

Table 2 Percentage Distribution of Persons Employed in Specified Occupation in 1980, by Employment Status in 1981 and Replacements, 1980-90, U.S.

| Occupation in 1980           | Employment Status in 1981 |                    |            |                    | Projected Replacements, 1980-90 |
|------------------------------|---------------------------|--------------------|------------|--------------------|---------------------------------|
|                              | Remained in Occupation    | Changed Occupation | Unemployed | Not in Labor Force |                                 |
|                              | (percent)                 |                    |            |                    |                                 |
| <b>White-collar Workers:</b> |                           |                    |            |                    |                                 |
| Professional, Tech.          | 88.8                      | 5.2                | 1.2        | 4.8                | 11.2                            |
| Manag., Adm.                 | 88.4                      | 5.9                | 1.5        | 4.1                | 11.6                            |
| Sales                        | 76.7                      | 11.0               | 2.6        | 9.8                | 23.3                            |
| Clerical                     | 78.4                      | 10.5               | 2.4        | 8.7                | 21.6                            |
| <b>Service-Workers:</b>      |                           |                    |            |                    |                                 |
| Household                    | 60.4                      | 3.0                | 4.1        | 32.6               | 39.6                            |
| Other Service                | 72.5                      | 10.7               | 3.9        | 12.8               | 27.5                            |
| <b>Farm Workers:</b>         |                           |                    |            |                    |                                 |
| Farmers                      | 87.6                      | 2.1                | .4         | 9.9                | 9.1                             |
| Farm Laborers                | 71.6                      | 7.5                | 3.5        | 17.4               | 27.7                            |
| <b>Blue-collar Workers:</b>  |                           |                    |            |                    |                                 |
| Craft                        | 84.0                      | 7.2                | 4.3        | 4.5                | 14.1                            |
| Operatives, exc. Tran.       | 76.0                      | 9.7                | 7.1        | 7.3                | 20.9                            |
| Transport Equip. Oper.       | 80.6                      | 9.2                | 5.2        | 5.1                | 17.0                            |
| Nonfarm Laborers             | 66.9                      | 13.8               | 8.2        | 11.1               | 30.4                            |
| All Occupations              | 80.0                      | 8.9                | 3.4        | 7.7                | 19.4                            |

1/ Eck, Alan, "New occupational separation data to improve estimates of job replacement needs", Monthly Labor Review, March 1984, p. 5-7.

For the 1980-81 period in the U.S., changes from one occupation to another accounted for the largest portion of total separations in all occupations, except service and farm workers. Occupational vacancy rates were the largest for household workers and smallest in the professional and technical occupations. Only 60.4 percent of household workers had remained in the same job from 1980 to 1981, while 88.8 percent professional and technical workers remained in the same occupation for the year.

As a result of a cyclically-changing economy, job replacement is not necessarily equal to job separation. Usually, net job expansions account for only a small share of year-to-year variability in occupational employment. Thus, even the most optimistic forecast of industry growth would account for only a small portion of year-to-year changes in occupational employment demand, by industry.

The data on occupational mobility is used in accounting for the redistribution of occupational employment among occupations. If OMC were to represent an occupational mobility coefficient matrix of size  $m+1$ , then each element of OMC would show the percentage distribution of employed persons who either stay or change occupation from a specified occupation class. The diagonal elements of OMC would show the percentage of employed person who would stay in the same occupation from one period to the next. Row  $m + 1$  of the OMC matrix shows the distribution of new entrants by occupation in the current period while column  $m+1$  shows the distribution of new entrants by occupation in next period. Thus, each row of the transitional matrix represents the occupational distribution next year of this year's occupational employment.

Table 3 Percentage Distribution of Employed Persons Who Changed Occupations in Specified Occupation Class in January 1980, by Occupation in January 1981, U.S.

| Occupation in 1980    | Occupation in 1981   |              |             |             |             |                     |                        |                    |  |  | All Occupations |
|-----------------------|----------------------|--------------|-------------|-------------|-------------|---------------------|------------------------|--------------------|--|--|-----------------|
|                       | White-collar Workers |              |             |             |             | Blue-collar Workers |                        |                    |  |  |                 |
|                       | Prof. Tech.          | Mgrs. Admin. | Sales Work. | Cler. Work. | Svce. Work. | Farm Work.          | Crafts, Trans., Labor. | Oper., exc. Trans. |  |  |                 |
| White-collar Workers: |                      |              |             |             |             |                     |                        |                    |  |  |                 |
| Professional, Tech.   | 47.0                 | 16.5         | 4.7         | 12.7        | 7.2         | 0.3                 | 9.2                    | 2.3                |  |  | 100.0           |
| Manag., Admin.        | 14.1                 | 37.7         | 12.8        | 13.2        | 6.6         | 0.6                 | 14.6                   | 3.4                |  |  | 100.0           |
| Sales                 | 8.1                  | 21.3         | 15.5        | 21.2        | 13.2        | 0.8                 | 13.8                   | 6.1                |  |  | 100.0           |
| Clerical              | 12.0                 | 10.6         | 7.3         | 50.5        | 8.5         | 0.1                 | 7.8                    | 3.3                |  |  | 100.0           |
| Service Workers       | 7.0                  | 6.9          | 5.8         | 18.5        | 31.9        | 0.7                 | 18.5                   | 10.8               |  |  | 100.0           |
| Farm Workers          | 4.3                  | 3.3          | 6.6         | 0.0         | 38.5        | 13.2                | 16.5                   | 17.6               |  |  | 100.0           |
| Blue-collar Workers:  |                      |              |             |             |             |                     |                        |                    |  |  |                 |
| Craft                 | 6.1                  | 7.3          | 3.5         | 9.6         | 7.2         | 2.4                 | 47.4                   | 16.4               |  |  | 100.0           |
| Transportation        | 4.2                  | 6.1          | 5.5         | 14.6        | 7.4         | 1.9                 | 41.1                   | 19.1               |  |  | 100.0           |
| Nonfarm Laborers      | 5.3                  | 6.1          | 4.1         | 9.0         | 42.8        | 18.0                | 10.7                   | 4.1                |  |  | 100.0           |
| Operative Exc. Trans. | 4.6                  | 3.3          | 3.0         | 8.1         | 11.5        | 1.5                 | 37.2                   | 30.6               |  |  | 100.0           |
| All Occupations       | 12.8                 | 12.0         | 6.7         | 21.3        | 12.1        | 1.3                 | 22.6                   | 11.2               |  |  | 100.0           |

1/ Rytina, Nancy F., "Occupational changes and tenure, 1981", Monthly Labor Review, September 1982, p. 32.

Pre-multiplication of the occupational mobility coefficients matrix, OMC, by the total employment in the corresponding occupational group yields a square matrix of total occupational employment, OE. Columns of OE represent the distribution of total employment by occupation in year t+1, while rows represent the distribution of total employment by occupation in year t.

We specify, further a diagonal matrix, DEBO, of size m+1 which represents total employment by occupation in the current period. The last element of this diagonal is the total of new entrants in the next period.

$$\text{Then, } OE = OPMC * DEBO, \quad (5)$$

where OE is the matrix of total employment by occupation. Column sum of OE,  $OE_{.j}$  provides the projection of total employment by occupation in year t+1.

Changing occupational distribution for each industry for the year t+1 is illustrated in Table 4. This table shows a shift in occupational employment from blue-collar to white-collar occupations, particularly to professional and technical occupations. This shift is illustrated by the comparisons of occupational employment in 1972 and 1981 in the U.S. For example, employed persons in professional occupations increased in relative importance in the 1972-81 period in all major industry groups, except construction and retail trade. Data from table 4 could be used to construct matrix of occupational requirement, ORF, in year t+1.

We specify a diagonal matrix, DOE, of size m which represents total employment by occupation,  $OE_{.j}$ , in year t+1. Pre-multiplication of occupational requirement matrix, ORF, and diagonal matrix of

Table 4 Average annual change in Percentage distribution of employed persons age 16 and over in specified occupation, by Industry, U.S., 1972-1981 (U.S. Bureau of Labor Statistics).

| Occupation                   | Manufacturing |        |               |             | Trade   |                     |            | Services |                       |             |       | All Industry |             |
|------------------------------|---------------|--------|---------------|-------------|---------|---------------------|------------|----------|-----------------------|-------------|-------|--------------|-------------|
|                              | Agri-culture  | Mining | Con-struction | Non-durable | Durable | Tran., Comm., Util. | Whole-sale | Retail   | Fin., Ins., Real Est. | Priv. Hald. | Other |              | Public Adm. |
| (percent)                    |               |        |               |             |         |                     |            |          |                       |             |       |              |             |
| <b>White-collar Workers:</b> |               |        |               |             |         |                     |            |          |                       |             |       |              |             |
| Prof., Tech.                 | 0.05          | 0.23   | -0.03         | 0.13        | 0.28    | 0.18                | 0.10       | -0.01    | 0.13                  | 0.10        | 0.11  | 0.31         | 0.25        |
| Mgt., Adm.                   | 0.04          | 0.29   | 0.35          | 0.23        | 0.17    | 0.26                | 0.20       | 0.04     | 0.02                  | -0.01       | 0.12  | 0.15         | 0.18        |
| Sales                        | 0.01          | 0.03   | 0.03          | 0.04        | 0.01    | 0.04                | 0.14       | -0.34    | 0.08                  | 0.00        | 0.01  | 0.00         | -0.01       |
| Clerical                     | 0.11          | 0.20   | 0.10          | 0.01        | 0.06    | -0.05               | -0.23      | 0.17     | -0.02                 | 0.02        | 0.08  | -0.31        | 0.13        |
| <b>Service Workers:</b>      |               |        |               |             |         |                     |            |          |                       |             |       |              |             |
| Private Household            | 0.00          | 0.00   | 0.00          | 0.00        | 0.00    | 0.00                | 0.00       | 0.00     | 0.00                  | -0.32       | 0.00  | 0.00         | -0.07       |
| Other Service                | 0.05          | 0.01   | 0.01          | -0.01       | -0.02   | 0.01                | 0.01       | 0.44     | -0.12                 | -0.02       | -0.07 | 0.00         | -0.03       |
| Farm, For., Fish.            | -0.67         | 0.00   | 0.00          | 0.00        | 0.00    | 0.00                | 0.00       | 0.00     | 0.00                  | 0.00        | 0.00  | 0.00         | -0.10       |
| <b>Blue-collar Workers:</b>  |               |        |               |             |         |                     |            |          |                       |             |       |              |             |
| Craft & Kindred              | 0.08          | -0.34  | -0.07         | 0.04        | -0.02   | -0.13               | 0.05       | -0.07    | -0.02                 | 0.05        | 0.02  | -0.09        | -0.05       |
| Oper., Exc. Trans.           | 0.00          | -0.01  | 0.03          | -0.43       | -0.32   | -0.01               | -0.11      | -0.24    | 0.00                  | 0.02        | -0.04 | -0.02        | -0.21       |
| Trans. Equip.                | 0.00          | -0.20  | -0.07         | -0.03       | -0.05   | -0.12               | -0.17      | -0.03    | -0.01                 | -0.04       | -0.01 | 0.00         | -0.04       |
| Nonfarm Labor.               | 0.32          | -0.20  | -0.35         | 0.02        | -0.11   | -0.18               | 0.01       | 0.04     | -0.06                 | 0.18        | -0.02 | -0.04        | -0.05       |

employment by occupation, DOE, yields a matrix of occupation profile at t+1, as shown by the form,

$$\text{EMP} = \text{ORF} * \text{DOE}. \quad (6)$$

#### Labor Market Impact Assessments

A large portion of labor force enters and leaves the labor market each year. In addition, it is known that large flows are occurring strictly within the labor force, as many workers move from employment to unemployment and vice versa. However, the large volume of outflow and inflow in a local labor market is due to occupational mobility. Local labor market information system, even if available, often lacks accurate data and procedures for monitoring the inflow and the outflow of labor force by employment and occupation status.

Occupational mobility, which accounts for most of the year-to-year variability in occupational employment, is related to educational status. The number of years of education completed also correlated with place-to-place variability in occupational employment.

Professional and technical occupations greatly out-number all other occupations in years of education completed. Increases in the educational attainment of the employed work force have been most rapid, however, among service and blue-collar occupation. Although most workers in professional specialty occupations continue to end their formal education at the baccalaureate level, advanced degrees have increasingly become an expectation for professional status in many of other occupations.

Although the assumptions that differentiate employment projection scenarios results in various rates of growth for most jobs in a local



labor market, changes in the occupational composition of total employment in each industry remain similar for all versions and generally correspond to past trends. For example, for the past two decades employment continues to grow in the service industry and decline in farming. Thus, employment continues to expand more rapidly in service occupations than in other categories.

Although the occupational structure of total employment may correspond to past trends, some occupations are more sensitive than others to the differences in underlying assumptions about future employment growth of a local market. Generally, jobs which are concentrated in manufacturing in general, and technology-intensive manufacturing industries in particular, are most affected. In contrast, occupations which are concentrated in government are relatively unaffected.

Growth rates are expected to vary greatly within this broad categories, because demographic changes, technological developments and shifts in the demand for goods and service affect major occupational categories differently. For example, anticipated decreases in the teenage population and increases in the number of elderly persons in the 1980's will reduce secondary schoolteacher requirements while increasing demand for nursing services. On the other hand, the productivity of nursing care services is probably increasing as a result of cost-reducing measures imposed by government.

### Conclusion

Forecasting the demand for and supply of occupation-specific

employment is complicated, particularly in professional and technical occupations, because of cyclical and structural changes affecting industry employment requirements. This paper presents, in a systematic way, the use of available market information in constructing employment-occupation profiles for current and future years. It demonstrates the use of available published data on sources of job seekers and sources of job openings, in conjunction with projected levels of employment by industry, in constructing industry-occupation profiles for a local labor market.

Using 1970 and 1980 Census of Population data and BLS industry occupation employment series, among other data sources, Minnesota industry-occupation requirements have been projected to 1985 and 1990. These data are presented for a 53-occupation, 75-industry breakdown classification of the Minnesota economy.

The occupational forecasts in this study capture occupation-specific implications of the shift in occupational employment from blue-collar to white-collar occupations, particularly to professional and technical. The overall summary projection series are presented in Table 5.

Table 5 Total employment in specified occupations (Baseline Series) in Minnesota, 1900-1990.

| No. | Occupation Title             | 1900-90 Change, 1900-90 |                         | 1985-90       |               | Total (number) | Annual Rate (percent) | Total (number) | Annual Rate (percent) |
|-----|------------------------------|-------------------------|-------------------------|---------------|---------------|----------------|-----------------------|----------------|-----------------------|
|     |                              | Estimated 1900 (number) | Projected 1990 (number) | 1985 (number) | 1990 (number) |                |                       |                |                       |
| 1   | Managers, Administrators     | 170610                  | 190637                  | 215792        | 20027         | 20027          | 2.3                   | 25155          | 2.6                   |
| 2   | Management-Related           | 37629                   | 65707                   | 74596         | 8070          | 8070           | 2.0                   | 8009           | 2.7                   |
| 3   | Aerospace Engineers          | 221                     | 270                     | 319           | 49            | 49             | 4.4                   | 49             | 3.6                   |
| 4   | Chemical Engineers           | 564                     | 670                     | 780           | 106           | 106            | 3.0                   | 110            | 3.3                   |
| 5   | Civil Engineer               | 3003                    | 3187                    | 3426          | 184           | 184            | 1.2                   | 239            | 1.5                   |
| 6   | Electrical Engineers         | 5502                    | 6074                    | 7762          | 1292          | 1292           | 4.6                   | 800            | 2.6                   |
| 7   | Industrial Engineers         | 4559                    | 5196                    | 6015          | 637           | 637            | 2.0                   | 819            | 3.2                   |
| 8   | Mechanical Engineers         | 3663                    | 4065                    | 4603          | 402           | 402            | 2.2                   | 616            | 3.0                   |
| 9   | Metallurgical Engineers      | 207                     | 297                     | 343           | 10            | 10             | 0.7                   | 46             | 3.1                   |
| 10  | Mining Engineers             | 213                     | 149                     | 100           | 44            | 44             | -4.1                  | 19             | 2.2                   |
| 11  | Other Engineers              | 4448                    | 5149                    | 5803          | 700           | 700            | 3.1                   | 744            | 2.9                   |
| 12  | Architects, Surveyors        | 754                     | 828                     | 932           | 74            | 74             | 2.0                   | 104            | 2.5                   |
| 13  | Mathematical Scientists      | 662                     | 613                     | 990           | 151           | 151            | 4.6                   | 177            | 6.4                   |
| 14  | Computer Scientists          | 4304                    | 5414                    | 6522          | 910           | 910            | 4.9                   | 1100           | 4.1                   |
| 15  | Operations Research          | 1231                    | 1522                    | 1859          | 291           | 291            | 4.7                   | 337            | 4.4                   |
| 16  | Chemists, Biochemists        | 1661                    | 1959                    | 2270          | 200           | 200            | 3.6                   | 311            | 3.2                   |
| 17  | Other Physical Scientists    | 820                     | 904                     | 1032          | 84            | 84             | 2.0                   | 120            | 2.0                   |
| 18  | Agriculture, Forestry, Foods | 607                     | 678                     | 738           | 71            | 71             | 2.3                   | 60             | 1.0                   |
| 19  | Other Life Scientists        | 1710                    | 2010                    | 2312          | 300           | 300            | 3.6                   | 294            | 2.9                   |
| 20  | Health Biologing             | 9311                    | 11330                   | 13036         | 1819          | 1819           | 3.0                   | 1706           | 3.0                   |
| 21  | Health Treating              | 3350                    | 3941                    | 4509          | 5891          | 5891           | 3.5                   | 5028           | 2.9                   |
| 22  | Teachers, Excluding Post     | 6217                    | 71404                   | 77500         | 5267          | 5267           | 1.4                   | 6024           | 1.7                   |
| 23  | Social Scientists            | 4036                    | 5363                    | 6304          | 707           | 707            | 2.9                   | 741            | 2.7                   |
| 24  | Social, Recreation Workers   | 13030                   | 16156                   | 18317         | 2210          | 2210           | 3.2                   | 2361           | 2.9                   |
| 25  | Lawyers, Judges              | 10001                   | 14205                   | 17976         | 3404          | 3404           | 6.3                   | 3682           | 3.2                   |
| 26  | Writers, Editors             | 23746                   | 28773                   | 33830         | 3027          | 3027           | 2.4                   | 3037           | 3.5                   |
| 27  | Other Professionals          | 28235                   | 31463                   | 34971         | 3228          | 3228           | 2.3                   | 3508           | 2.2                   |
| 28  | Health Technicians           | 18589                   | 22110                   | 25340         | 3521          | 3521           | 3.0                   | 3230           | 2.9                   |
| 29  | Engineers, Science Tech.     | 24604                   | 28478                   | 32910         | 3066          | 3066           | 3.1                   | 4440           | 3.1                   |
| 30  | Computer Programmers         | 10482                   | 12800                   | 15694         | 2406          | 2406           | 4.6                   | 2006           | 4.4                   |
| 31  | Other Technicians            | 14211                   | 15789                   | 18100         | 1578          | 1578           | 2.2                   | 2311           | 2.9                   |
| 32  | Sales Representative         | 72209                   | 77293                   | 86613         | 5004          | 5004           | 1.4                   | 9320           | 2.4                   |
| 33  | Other Sales                  | 131935                  | 132768                  | 130715        | 833           | 833            | 0.1                   | 5947           | 0.9                   |
| 34  | Computer Operators           | 15016                   | 15937                   | 16051         | 2021          | 2021           | 2.7                   | 1014           | 2.1                   |
| 35  | Secretary, Stenographer      | 101290                  | 105702                  | 112327        | 4412          | 4412           | 0.9                   | 7325           | 1.4                   |
| 36  | Records Processing           | 68994                   | 74213                   | 80509         | 5219          | 5219           | 1.5                   | 6376           | 1.7                   |
| 37  | Schedule Distribution        | 48540                   | 51930                   | 55256         | 3298          | 3298           | 1.4                   | 7310           | 2.9                   |
| 38  | Other Administration         | 123931                  | 132509                  | 143199        | 8570          | 8570           | 1.4                   | 10490          | 1.6                   |
| 39  | Protective Services          | 110214                  | 119228                  | 13052         | 9714          | 9714           | 1.0                   | 12124          | 2.5                   |
| 40  | Food Services                | 44090                   | 44090                   | 49678         | 6321          | 6321           | 3.3                   | 5500           | 2.5                   |
| 41  | Health Services              | 37769                   | 40900                   | 46078         | 6297          | 6297           | 2.0                   | 6424           | 1.8                   |
| 42  | Cleaning, Bldgng Service     | 63963                   | 69600                   | 76004         | 4757          | 4757           | 1.0                   | 5990           | 2.1                   |
| 43  | Personal Services            | 52741                   | 57900                   | 63496         | 4634          | 4634           | 1.0                   | 5860           | 2.3                   |
| 44  | Farm, Forestry, Fisheries    | 160758                  | 146104                  | 90253         | -14634        | -14634         | -1.0                  | 9000           | 2.4                   |
| 45  | Mechanics                    | 74070                   | 80633                   | 90253         | 6574          | 6574           | 1.0                   | 8000           | 2.4                   |
| 46  | Construction                 | 71764                   | 66633                   | 67770         | -5131         | -5131          | -1.4                  | 1137           | 3.4                   |
| 47  | Extractive                   | 2203                    | 1431                    | 1416          | -734          | -734           | -0.6                  | 35             | -0.5                  |
| 48  | Precision Production         | 74561                   | 72047                   | 75691         | -2514         | -2514          | -0.7                  | 3644           | 1.0                   |
| 49  | Machine Operators            | 91625                   | 88446                   | 86335         | -3179         | -3179          | -0.7                  | 2111           | -0.5                  |
| 50  | Fabricators, Assemblers      | 60762                   | 57407                   | 56211         | -3295         | -3295          | -1.1                  | 1256           | -0.4                  |
| 51  | Truck Drivers                | 45171                   | 43030                   | 43001         | -1333         | -1333          | -0.6                  | 37             | -0.1                  |
| 52  | Other Transportation         | 32019                   | 31094                   | 31541         | -925          | -925           | -0.6                  | 247            | 0.1                   |
| 53  | Handlars, Laborers           | 79611                   | 80571                   | 81927         | 960           | 960            | 0.2                   | 1356           | 0.3                   |
| 54  | Total                        | 2070099                 | 2153162                 | 2300001       | 75063         | 75063          | 0.7                   | 154919         | 1.4                   |

\* Engineers, scientists, and computer programmers in the 10 technology-intensive industries.

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