

Appendix B

**Labor Market Need Analysis:
Ten Easy Steps to Conduct a Basic
Analysis for Program Approval**

Labor Market Need Analysis: Ten Easy Steps to Conduct a Basic Analysis for Program Approval

Assessing the labor market need for occupational programs is a critical task community colleges must undertake to identify what programs need to be added to their curriculum.

The objective of this analysis is to find the “bottom line” - whether or not a strong enough need exists for the program to be approved first by the college’s institutional board, and second, to be approved at the state level. Ultimately, this analysis will indicate the “bottom line” has been established, primarily by showing the following exist:

- Projected job openings (demand) exceed the current labor force (supply) by a wide enough margin to provide adequate job opportunities for program completers;
- Local employers note that a number of current employees need skill upgrading;
- Level of instruction and program content match the skill needs of the community;
- Salary levels and/or advancement opportunities merit the provision of college-level instruction.

From an initial analysis of existing data, the college may make a preliminary decision on whether the program is needed. If the analysis is supportive, the college could proceed with program development. If the analysis is inconclusive or not supported, the college may decide to try further research and analysis of new data or wait until market conditions are more favorable.

The following ten steps reflect a basic labor market analysis. While there are variations to this process, these steps serve as a basis for the college in assessing program need.

1. **Prepare a description of the proposed program.** The description should clarify the program’s purpose, the type of jobs for which it will train completers, and the program’s target audience (i.e., individuals currently working in that field, or individuals who wish to enter the field). Establish a working list of occupations related to the proposed training program.
2. **Review HORIZONS Career Information.** Use the Career Information System (CIS) to research occupations related to the proposed training program. Look for information related to occupational size, current employment, job openings, salary, certification/licensure requirements, and job outlook.
3. **Identify the appropriate CIP code for the proposed program.** Researching various CIP code descriptions may help in refining the program description. Use the following sources for identifying the CIP code:
 - The *Classification of Instructional Programs Manual* - the National CIP directory published by the U.S. Dept. of Education, includes both a listing of codes and descriptions.
 - The *ICCB Program Manual* and the *ICCB MIS Manual* both include a complete listing of all National and Illinois program CIP codes.
4. **Identify other community colleges offering this program.** This information may be helpful in establishing program need and model curricula. Look for information in other

programs, such as program content, including the types of general education courses, number of credit hours, how other programs incorporate industry certification/licensure requirements or occupational skill standards. It may also be helpful to research what programs have been withdrawn and why. The ICCB Curriculum Master File can provide CIP code information for related programs. Note: Contact ICCB staff for assistance if necessary.

5. **Review labor market information.** Program completers at the community college level are available from the ICCB. Employment projections data and wage data are available from the Illinois Department of Employment Security, Economic Information & Analysis Division. Projections data are available by Community College Districts; wage data by Metropolitan Statistical Areas (MSAs) or other sub state regions.
6. **Review pertinent data from the ICCB and college sources.** Research enrollment and completion data for programs in neighboring districts. Use the following sources for researching this data:
 - *ICCB Data & Characteristics Book* – contains information on Student & Employees by community college <https://www.iccb.org/data/data-characteristics/>
 - *ICCB Annual Report on Enrollments & Completions* – contains information on Program Enrollment & Completion by community college <https://www.iccb.org/data/annual-reports/>
 - ICCB Research & Policy Studies Division Analytical Tools webpage – contains resources for various research needs <https://www.iccb.org/data/research-tools/employment-workforce/>
 - Information available through college’s business center/economic development office regarding community needs and related training
7. **Summarize your findings to develop a preliminary indication of labor market need.** Using the information researched from various sources, develop a statement regarding need within the college’s district, regionally, or statewide, if appropriate. If a regional need for the proposed program is evident, the college should work with surrounding colleges to ensure a quality program.

The college should have a good idea of the “bottom line” at this point. If results of the analysis are positive, the college may decide to pursue the program. This would include completing Form 20-Occupational Curriculum Approval Application: Part A-Feasibility Analysis and submitting the materials to the ICCB.

If there is no conclusive evidence of need at this point, the college may decide to not pursue the program, or to investigate further. Further investigation may warrant the following steps:

8. **Establish an Advisory Committee.** Community colleges may convene an educational or business advisory committee to identify other means of establishing need for the proposed program. Members may also serve as consultants in developing curricula, incorporating industry requirements (such as certification/licensure requirements or occupational skill standards), or identifying work-based learning sites.
9. **Conduct a labor market survey.** A survey of local business and industry may help to

identify occupational demand not currently reflected in projections data. For example, often new and emerging occupations are not included in existing labor market information and local employers may offer a more current measure of what is actually happening and/or needed in their field. A sample survey is included, which may serve as a basis for a college to conduct its own labor market survey. Look for things such as:

- anticipated job openings over the next few years
- number of employees needing re-training
- level of instruction employers feel is necessary for gaining work in this field (i.e., short-versus long-term certificate or an AAS degree)
- willingness of businesses to provide work-based learning opportunities
- willingness of employers to serve on an advisory committee.

The purpose of a labor market survey is to help establish whether anticipated job openings will exceed current labor force supply or if there is a need for upgrading skills of existing employees. Due to the questionable reliability of survey data, the college is cautioned to review this data carefully for exaggerated or unrelated information.

10. **Summarize your findings to develop a final indication of labor market need.** Using the information researched from these additional sources, develop a statement regarding need within the college's district, regionally, or statewide if appropriate. If the college chooses to pursue developing the proposed program, submit Form 20 to ICCB.

It is important to note that if there is no conclusive evidence supporting the need for the program currently, need may exist in the future. It is as critical for a college to analyze labor market need and decide **not to** develop a program, as it is for a college to analyze labor market need and decide **to** pursue a program. The result of effective analysis in the program planning and approval process will be an ever-evolving curriculum that meets the local labor market needs.

Labor Market Information and Related Sources

The following list includes additional resources the college might use in researching pertinent labor market information during the program planning process. Both internet website addresses and titles of publications have been included. Please contact the listed agency/office for additional information regarding available materials and fees.

Resources

Illinois Department of Employment Security (IDES) - Illinois labor market information

U.S. Department of Labor - Bureau of Labor Statistics (DOL-BLS) - Occupational Handbook
[BLS Occupational Handbook](#)

Illinois Department of Commerce and Economic Opportunity (IDCEO) - Economic information

“County Labor Force Profiles” - Historical summary of labor force and unemployment for all Illinois counties. Available through IDES.

Local Labor Market Data – Industry and Employment Projections Data, long- and short-term, for your specific Community College District. Available through IDES.

Occupational Outlook Handbook - Occupational descriptions nationwide. Available online and in printed format through DOL-BLS. See website address above for U. S. Dept. of Labor.

Occupational Outlook Quarterly - Quarterly occupational statistics and related national information. Available online and in printed format through DOL-BLS. See website address above for DOL.

Labor Market Assessment Survey

Surveying the local labor market is a helpful tool for community colleges to use during the assessment phase of program planning. When existing sources of data are unable to indicate the “bottom line” regarding labor market need for a proposed program, a college may choose to survey area business and industry for new information. Often with new and emerging occupations, data is not yet available. Surveying employers of these occupations may provide valuable information, such as employment size in the local area, job openings, wages, and education/training requirements.

While there are a variety of approaches and survey instruments, types of information typically requested in a labor market assessment survey include questions designed to obtain the following basic information:

- **Company/Employer demographics:** Company contact information, location(s), total number of employees, number of employees in that specific occupation, and salary ranges.
- **Education/training and work experience requirements:** Level(s) of education/training and/or work experience the company requires to fill a position; i.e., the minimum level for acquiring an entry-level position versus the preferred level.
- **Employment opportunities:** Current and future occupational demand; i.e., the number of job openings available immediately and the number of job openings projected available over the next several years.
- **Company training needs:** Identify whether the proposed program would be used for retraining purposes or as an entry-level requirement for employment.
- **Educational program information:** Identify any education, work-based knowledge, or skill requirement the proposed program should address; i.e., meeting the requirements of a National accrediting body or incorporating occupational skill standards.
- **Business participation:** Potential for future involvement of business and industry with advisory committees of the college.

A sample survey follows, which may serve as a starting point for community colleges to develop their own labor market assessment survey. Whatever survey approach or tool is used, it is important to remember the purpose of a labor market survey is to help establish whether anticipated job openings will exceed current labor force supply or if there is a need for upgrading skills of existing employees. However, it is also important to note that, due to the questionable reliability of survey data, colleges are cautioned to review this data carefully for exaggerated or unrelated information.

Sample: Labor Market Assessment Survey

(Community college) seeks to determine if there is a need to offer a certificate/degree program in (occupation/program title). Please complete this survey to help us meet your education and training needs. Your response will be kept confidential. We appreciate your response by (date). Thank you.

Company / Employer Information

Company Name	Address	
Your Name	Title	
1. How many individuals do you employ in this (occupation)?	Fulltime?	Part time?
2. What is the salary range for this occupation?	Fulltime?	Part time?

Education / Work Experience Requirements

3. Please identify the *minimum* amount of *required* education for an *entry-level position*, and the *preferred* amount of education for that *same position*.

Education Level	Required (check one)	Preferred (check one)
Less than High School		
High School diploma or GED		
3-12 month Postsecondary certificate		
12-18 month Postsecondary certificate		
Two-year Associate degree		
Four-year Baccalaureate degree		
More than a Four-year degree		
Other (please specify)		

4. Please indicate the amount of previous work experience your organization/industry requires for an entry-level position, and the preferred amount of experience for that same position.

Work Experience	Required (check one)	Preferred (check one)
No work experience necessary		
Less than one year		
One to two years		
More than two years		

Employment Opportunities

5. Please indicate the number of immediate and future job openings you anticipate for entry-level positions in your organization. Be sure to differentiate between full- and part-time openings.

Anticipated Job Openings	Full-time	Part-time
Immediate / existing openings		
Projected openings in one year		
Projected openings in two years		

6. Do you feel there is a shortage of qualified individuals for these positions?

Serious shortage	No shortage
Moderate shortage	Minor oversupply
Minor shortage	Moderate to serious oversupply

Training Needs

7. Please estimate the number of current employees within your organization who would be interested in attending this program on a voluntary basis.

8. Please estimate the number of current employees your organization would be interested in sending through this program to meet your retraining/upgrading requirements.

9. What type of format would be most accessible to your employees? Examples of formats include regular work day (morning or afternoon sessions), evening sessions, weekend sessions, all-day seminars, and distance or online learning sessions. Please specify other arrangements that would be helpful in accommodating your organization.

Educational Program Information

10. What specific job-related skills are required or preferred for an entry-level position in your organization? Examples of job-related skills include those identified by national or statewide accrediting bodies, and Illinois’ Occupational Skill Standards products. Please specify if other job-related skills are necessary for employment with your organization.

<u>Preferred</u>	<u>Required</u>

11. Would your organization be interested in providing students of this program with any of the following work-based learning opportunities? If so, how many positions of each type would be available per year?

Internship/Cooperative Education?
Apprenticeship?
Work-site tour?
Job shadowing/observation?

Business Participation

<p>12. Would you or your organization be interested in serving on an Education or Business Advisory Committee to the college in developing this proposed program?</p>
<p>13. Please provide additional comments or suggestions regarding this program.</p>

THANK YOU for completing this survey. Please return to (Contact person, etc.)