

**STATEMENT OF
ERICA L. GROSHEN
COMMISSIONER
BUREAU OF LABOR STATISTICS
U.S. DEPARTMENT OF LABOR**

**BEFORE THE
SUBCOMMITTEE ON WORKFORCE PROTECTIONS
COMMITTEE ON EDUCATION AND THE WORKFORCE
U.S. HOUSE OF REPRESENTATIVES**

June 18, 2013

Introduction

Thank you for the opportunity to provide this overview of the occupational wage data available from the Bureau of Labor Statistics' Occupational Employment Statistics or OES survey.

Role of the Bureau of Labor Statistics

Let me first discuss the role of the Bureau of Labor Statistics. Like all Federal statistical agencies, BLS executes its mission with independence, serving its diverse user communities by providing products and services that are accurate, objective, relevant, timely, and accessible. We adhere to the principles and practices for federal statistical agencies published by the Committee on National Statistics of the National Research Council. To protect our impartiality and independence, we take no role in regulation, law enforcement, and policy making and do not conduct policy analysis ourselves.¹ Regarding today's topic, BLS has no role in establishing prevailing wages or determining what data are appropriate for that purpose.

¹ National Research Council. (2013). *Principles and Practices for a Federal Statistical Agency, Fifth Edition*. Committee on National Statistics. Constance F. Citro and Miron L. Straf, Editors. Division of Behavioral and Social Sciences and Education. Washington, DC: The National Academies Press. (p. 14)

Also consistent with the principles and practices for statistical agencies, we are very happy to share with you information about our data so that you and other policymakers can make appropriate decisions. BLS data are used for a wide range of purposes; they generally are not designed for any one particular program application such as Davis-Bacon wage determinations. Of course, agencies charged with carrying out policy and regulatory functions sometimes request special presentations of our data. In these instances, resources permitting, we may prepare special data tabulations based on specifications provided by the requesting agency.

What is collected in the Occupational Employment Statistics (OES) survey?

Let me turn now to describing the OES, which is the only federal statistical survey designed with the goal of providing detailed wage and employment data for every occupation for a set of geographic areas that span the entire country. I will cover what we collect and then how the data are used, how we conduct the survey, and the limitations of the data.

In all of our programs, we use occupational, industry and geographic definitions that allow our users to compare and combine data from different sources. To ensure such comparability for the OES, we adhere to the following standard classifications established by the Office of Management and Budget:

- the Standard Occupational Classification System (SOC), which defines occupations, the job that someone holds
- the North American Industry Classification System (NAICS), which defines industries, the type of business someone works for
- Metropolitan Statistical Areas (MSAs) and metropolitan divisions, which define labor market areas

I will reference these throughout my remarks as occupations, industries, and metropolitan areas.

The OES program publishes data for 820 occupations for the nation and for areas that cover the entire geography of the country. Data are available for 642 areas, including each state, the District of Columbia, Guam, Puerto Rico, the Virgin Islands, 414 metropolitan areas, and 174 non-metropolitan areas.

For each area and occupation, OES provides employment and several wage estimates, including hourly and annual mean and median wages. These estimates include workers in both the private and public sectors.

BLS publishes nationwide OES employment and wage estimates by occupation within industries. Data are available for broad industry sectors, as well as for more detailed industries. For example, data are available for the occupation “carpenters” in the construction sector as a whole as well as for the more detailed construction industry, “residential building construction.”

BLS also produces estimates for states and local areas by industry. We do not regularly publish these data; however, we do provide these estimates to states, which release them at their discretion. And, just this year, BLS released the statewide industry estimates as a research dataset.

To illustrate the OES data available locally, let me use the example of the metropolitan area of Minneapolis—St. Paul—Bloomington, which includes 11 counties in Minnesota -- including,

Mr. Chairman, Dakota, Scott, and Washington Counties in your district -- and 2 counties in Wisconsin.² For this metropolitan area, we recently published May 2012 wage data for 39 construction occupations. Among these construction occupations, the four largest occupations (in terms of employment) are carpenters; electricians; plumbers, pipefitters, and steamfitters; and construction laborers. Hourly mean wages for these four occupations in the Minneapolis—St. Paul—Bloomington area ranged from \$32.08 for plumbers, pipefitters, and steamfitters to \$22.99 for construction laborers.³

Data uses

Like all BLS products, OES data are used in many ways, but let me summarize a few of its uses. Within BLS, OES employment estimates are a key input to occupational employment projections, which are used by millions of individuals making decisions about their careers. OES data also are used by BLS to produce the Employment Cost Index, occupational injuries and illness rates, and data provided to the President's Pay Agent for setting locality pay for Federal workers.

The Department of Labor's Employment and Training Administration's (ETA's) Foreign Labor Certification (FLC) program uses OES data in its nonimmigrant and immigrant visa certification programs. BLS provides special tabulations of OES wage data to ETA for this purpose, following specifications provided by ETA.

² The counties included in the Minnesota portion of the Minneapolis—St Paul—Bloomington metropolitan area are Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright counties; in Wisconsin, the counties include Pierce and St. Croix counties.

³ May 2013 wages for the other occupations noted are \$ 25.60 for carpenters and \$31.64 for electricians.

BLS also produces special tabulations for other federal agencies, including the National Science Foundation, the Bureau of Economic Analysis, and the Employment and Training Administration's Occupational Information Network or O*NET program.

State and local government agencies use the OES employment and wage data in counseling students and jobseekers, and making training and workforce investment decisions, directing resources toward occupations that are present in the local economy and perhaps to those that have wages above some criterion. OES data also are used by the State Workforce Agencies in preparing state and area occupational projections.

Survey methods

Now, how do we conduct the survey? The OES program collects employment and wage data from a sample of 1.2 million business establishments that employ nearly 60 percent of wage and salary workers in the country. These establishments are selected from a business list derived from unemployment insurance records. Participation in the OES survey is voluntary. Because the business list from which the sample is selected includes only wage and salary workers covered by unemployment insurance, self-employed workers are not in the OES data.

Collection of this large sample requires 3 years, with data solicited from a new set of 200,000 establishments every 6 months. Establishments are surveyed just once in the 3-year cycle.

Although the data are collected over a 3-year period, BLS uses well-established statistical procedures to make estimates for a single year and publishes those estimates about 10 months

after the reference date. For example, our most recent estimates are for May 2012 and were published in March 2013.

The OES survey is a federal-state cooperative effort. Under agreements with BLS, most of the data are collected by the State Workforce Agencies. BLS and the states collect OES data primarily through a mail survey, although employers may respond by many other means, including telephone, fax, or email. Overall the survey has a response rate of about 75 percent.

Data limitations

As with all statistical products, the OES data have certain limitations that users need to understand.

The OES design allows us to provide estimates for some very small occupations at detailed levels of geography. However, some of these estimates are based on responses from only a handful of employers, which may result in large sampling error or require suppression of the data to protect the confidentiality of individual respondents.

The OES program does not gather information on all the attributes that might be of interest when examining occupational wages. For example, the OES does not have data on license requirements, skill level, or years of experience. Although the OES estimates are available for areas that cover the entire geography of the country, the estimates are not available for every geographic breakdown that users might want. For example, we cannot produce estimates by county. And, the OES collects data from business establishments, not by worksites or

construction project sites. A construction business may have multiple projects in the same area or in different areas. Also, OES does not measure total compensation, and therefore does not include overtime pay or benefits. Nor does the OES collect information on hours or provide wages by part-time versus full-time jobs.

Finally, let me also note that in addition to occupational wage data from the OES program, the BLS National Compensation Survey provides information on employer costs for wages and benefits, as well as information on the percentage of workers covered by various employee benefits. This survey also produces occupational wage data for union and nonunion workers, part-time and full-time workers, and supervisors, but not by detailed industry, and only for 15 large areas.

Conclusion

To sum up, the Bureau of Labor Statistics Occupational Employment Statistics survey produces employment and wage data at great occupational and geographic detail, and by industry. These data are used for a variety of purposes, some of which are based on special tabulations produced by the BLS on request. However, BLS has no role in establishing prevailing wages or determining what data are appropriate for the purpose of prevailing wage determinations.

I have attached to my written testimony information on the specific construction industries and construction occupations for which OES provides data. To illustrate the level of geographic detail, a list of the areas in Minnesota for which data are provided is also attached.

Thank you for the opportunity to testify before this committee. I am happy to answer any questions you may have.

OES data are available for the following Construction Industries

Sector 23 - Construction

236000 - Construction of Buildings

- 236100 - Residential Building Construction
- 236200 - Nonresidential Building Construction

237000 - Heavy and Civil Engineering Construction

- 237100 - Utility System Construction
 - 237130 - Power and Communication Line and Related Structures Construction
- 237200 - Land Subdivision
- 237300 - Highway, Street, and Bridge Construction
- 237900 - Other Heavy and Civil Engineering Construction

238000 - Specialty Trade Contractors

- 238100 - Foundation, Structure, and Building Exterior Contractors
 - 238110 - Poured Concrete Foundation and Structure Contractors
 - 238140 - Masonry Contractors
 - 238160 - Roofing Contractors
- 238200 - Building Equipment Contractors
 - 238210 - Electrical Contractors and Other Wiring Installation Contractors
 - 238220 - Plumbing, Heating, and Air-Conditioning Contractors
 - 238290 - Other Building Equipment Contractors
- 238300 - Building Finishing Contractors
 - 238310 - Drywall and Insulation Contractors
 - 238320 - Painting and Wall Covering Contractors
- 238900 - Other Specialty Trade Contractors

Construction trades occupations in the Standard Occupational Classification

47-2000 Construction Trades Workers

- 47-2010 Boilermakers
- 47-2020 Brickmasons, Blockmasons, and Stonemasons
 - 47-2021 Brickmasons and Blockmasons
 - 47-2022 Stonemasons
- 47-2030 Carpenters
- 47-2040 Carpet, Floor, and Tile Installers and Finishers
 - 47-2041 Carpet Installers
 - 47-2042 Floor Layers, Except Carpet, Wood, and Hard Tiles
 - 47-2043 Floor Sanders and Finishers
 - 47-2044 Tile and Marble Setters
- 47-2050 Cement Masons, Concrete Finishers, and Terrazzo Workers
 - 47-2051 Cement Masons and Concrete Finishers
 - 47-2053 Terrazzo Workers and Finishers
- 47-2060 Construction Laborers
- 47-2070 Construction Equipment Operators
 - 47-2071 Paving, Surfacing, and Tamping Equipment Operators
 - 47-2072 Pile-Driver Operators
 - 47-2073 Operating Engineers and Other Construction Equipment Operators
- 47-2080 Drywall Installers, Ceiling Tile Installers, and Tapers
 - 47-2081 Drywall and Ceiling Tile Installers
 - 47-2082 Tapers
- 47-2110 Electricians
- 47-2120 Glaziers
- 47-2130 Insulation Workers
 - 47-2131 Insulation Workers, Floor, Ceiling, and Wall
 - 47-2132 Insulation Workers, Mechanical
- 47-2140 Painters and Paperhangers
 - 47-2141 Painters, Construction and Maintenance
 - 47-2142 Paperhangers
- 47-2150 Pipelayers, Plumbers, Pipefitters, and Steamfitters
 - 47-2151 Pipelayers
 - 47-2152 Plumbers, Pipefitters, and Steamfitters
- 47-2160 Plasterers and Stucco Masons
- 47-2170 Reinforcing Iron and Rebar Workers
- 47-2180 Roofers
- 47-2210 Sheet Metal Workers
- 47-2220 Structural Iron and Steel Workers
- 47-2230 Solar Photovoltaic Installers

47-3000 Helpers, Construction Trades

- 47-3010 Helpers, Construction Trades
- 47-3011 Helpers--Brickmasons, Blockmasons, Stonemasons, and Tile and Marble Setters
- 47-3012 Helpers--Carpenters
- 47-3013 Helpers--Electricians
- 47-3014 Helpers--Painters, Paperhangers, Plasterers, and Stucco Masons
- 47-3015 Helpers--Pipelayers, Plumbers, Pipefitters, and Steamfitters
- 47-3016 Helpers--Roofers
- 47-3019 Helpers, Construction Trades, All Other

47-4000 Other Construction and Related Workers

- 47-4010 Construction and Building Inspectors
- 47-4020 Elevator Installers and Repairers
- 47-4030 Fence Erectors
- 47-4040 Hazardous Materials Removal Workers
- 47-4050 Highway Maintenance Workers
- 47-4060 Rail-Track Laying and Maintenance Equipment Operators
- 47-4070 Septic Tank Servicers and Sewer Pipe Cleaners
- 47-4090 Miscellaneous Construction and Related Workers
 - 47-4091 Segmental Pavers
 - 47-4099 Construction and Related Workers, All Other

OES data are available for these areas in Minnesota

Minnesota

Metropolitan areas

Duluth, MN-WI
Fargo, ND-MN
Grand Forks, ND-MN
La Crosse, WI-MN
Mankato-North Mankato, MN
Minneapolis-St. Paul-Bloomington, MN-WI
Rochester, MN
St. Cloud, MN

Nonmetropolitan areas

Northwest Minnesota nonmetropolitan area (includes Becker, Beltrami, Cass, Clearwater, Crow Wing, Douglas, Grant, Hubbard, Kittson, Lake of the Woods, Mahnommen, Marshall, Morrison, Norman, Otter Tail, Pennington, Pope, Red Lake, Roseau, Stevens, Todd, Traverse, Wadena, and Wilkin counties)

Northeast Minnesota nonmetropolitan area (includes Aitkin, Cook, Itasca, Kanabec, Koochiching, Lake, Mille Lacs, Pine counties)

Southwest Minnesota nonmetropolitan area (includes Big Stone, Chippewa, Cottonwood, Jackson, Kandiyohi, Lac Qui Parle, Lincoln, Lyon, McLeod, Meeker, Murray, Nobles, Pipestone, Redwood, Renville, Rock, Swift, and Yellow Medicine counties)

Southeast Minnesota nonmetropolitan area (includes Brown, Faribault, Fillmore, Freeborn, Goodhue, Le Sueur, Martin, Mower, Rice, Sibley, Steele, Waseca, Watonwan, and Winona counties)