

FACT SHEET: Real-Time Labor Market Information

What Is Real-Time Labor Market Information (LMI)?

Real-time LMI most often refers to job posting analytics, which is software that collects job postings by scraping or spidering the listings from the Internet and organizing them into categories or data elements that can be used for analysis.

How Is It Different from Traditional Labor Market Information?

Traditional labor market information is based on government-administered censuses, surveys, and administrative data. Traditional LMI offers comprehensive, reliable, and highly accurate information about the labor market. The primary sources of traditional LMI are the U.S. Department of Labor's Bureau of Labor Statistics, the Census Bureau, and various states' Labor Departments.

	TRADITIONAL	vs.	REAL-TIME
WHO	Collected, analyzed, and reported by government agencies on the labor market (i.e., industries, occupations, and the labor force)		Gathered and organized by private companies; aggregated from thousands of websites
COST	All information available for free		Paid licenses or subscriptions to access information
COVERAGE	Covers virtually all of the labor market by using surveys and censuses of employers and individuals, and administrative data		Covers only jobs advertised online
TIMING	Has varying lag times that range from one to six months or longer, due to time for respondents to return surveys, and rigorous work on data cleaning, checking, and statistical estimation		Updated at least once a day
DETAIL	Lacks detail about specialized skills in demand; may not keep pace with changing, current employer demands		Provides detail on skills/tools or technologies used, certifications preferred, and new and emerging job needs
GEOGRAPHY	Provides data on industry and occupational employment and wages for the nation, states, metropolitan statistical areas, (MSAs) and other defined areas		Job openings can be sorted by state, region, or local area; may provide employer names and addresses
QUERY	Job information available by occupational or industry category, and in some products or tools, by title, skill or keyword search		Can search job listings by job title, occupation, industry, keyword, skills, certification, or other attribute

Advantages and Limitations of Real-Time LMI

The main **advantages** of real-time LMI are its timeliness, flexibility, and compatibility with traditional LMI.

- **Timeliness.** It is updated every day, sometimes more than once a day, and is accessible online 24/7 to those with a subscription or license.
- **Flexibility.** The software developed by real-time LMI vendors allows users to search the data by keyword as well as by data elements, which include such items as job title, employer, occupation, certification, education level, experience, skills, industry, geography, and source of ad.

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- **Compatibility.** Real-time LMI vendors sort the online job listings into the same industry and occupation categories used in traditional labor market information, i.e. the O*NET-Standard Occupational Classification (SOC) system and the North American Industry Classification System (NAICS), making it possible to use in conjunction with traditional LMI.

The **limitations** that come with using real-time LMI mostly arise from the way it is sourced: online job postings. Simply put, some types of jobs are posted online more than others:

- Lower-skill, higher-turnover jobs are not advertised as often online.
- Many construction jobs are filled through different methods and are often not advertised online.
- There are jobs that are filled informally or from within a company that are not advertised at all, online or in any other way.
- Higher-skill, harder-to-fill jobs are advertised online more often, such as in the information technology field.
- Online listings are more common in urban areas than in rural ones.
- Large employers and corporations list jobs online more than smaller employers.
- Smaller businesses list management jobs online more than other types of jobs.
- Not all job postings result in jobs that are filled, so that forecasts cannot accurately predict the number or type of jobs that could result in new hires.
- A job ad differs from a job opening, and both differ from hires — although trend data for online job ads strongly correlate with job openings. An employer could decide not to fill a job or to change they type of job for which they are recruiting. Another example is employer “trawling,” where job postings are not advertising for actual job openings. It is merely a tool for gathering talent or for posting for positions with known high turnover.

Also, job posting analytics are only as good as the software used to scrape, de-duplicate, and code ads:

- Weeding out duplicate ads is a major challenge. When a job ad is posted online, it frequently appears on more than one website. While real-time LMI vendors do their best to de-duplicate ads, some level of duplication typically remains.
- Sometimes there is coding and keyword confusion. For example, a keyword search for “Medical Records Technician” may turn up a job in a record company.

Learn More about Real-Time LMI

Real-time LMI supplements traditional LMI. They complement each other, and when used in combination, deliver a more detailed and current picture of the labor market. When using real-time LMI for analytic purposes, it is best to have someone with a strong background in LMI and data analysis on the team.

Real-time LMI can be a useful addition to the resources available to the workforce community. It can relay new, useful insights about the dynamics of supply and demand in the local or regional labor market. This is especially important as the new Workforce Innovation and Opportunity Act (WIOA), with its emphasis on effective training programs and sector-driven approaches, is implemented across the country. Each state and local workforce area should consider whether and how best to incorporate this innovative data source and leverage its analytic capability into future strategies and activities.

Visit [ETA's Labor Market Information Community of Practice](#) to explore additional resources:

- [April 2014 webinar](#) on real-time LMI and practitioner usage examples
- [September 2014 environmental scan report](#) on real-time LMI vendors and workforce development users
- [February 2015 webinar](#) on the environmental scan report
- [March 2015 NAWB Forum presentation](#) on enhancing labor market intelligence with real-time LMI
- [June 2015 peer learning exchange](#) on using traditional and real-time LMI to support industry sector strategies