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# **Employer Awareness, Use, and Satisfaction with One-Stops**

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**Presentation to National Association of Workforce Boards Forum**

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# Employer Needs Key Questions

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- To what extent are employers aware of and using the one-stop system?
- How satisfied are employers with one-stop services?
- What has the Department of Labor done to support employer awareness and use of the workforce system?

# Scope and Methodology

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- Employer Survey
    - Nationally representative sample of private sector employers
    - Size of employer based on their number of employees
      - Small: 2-49
      - Medium: 50-499
      - Large: 500 or more
    - Additional information from a survey of states and local areas, site visits, and other sources.
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## Background

The vast majority of business establishments are small businesses, but large and medium employers have a majority of workers.

Private sector business establishments in the United States by size

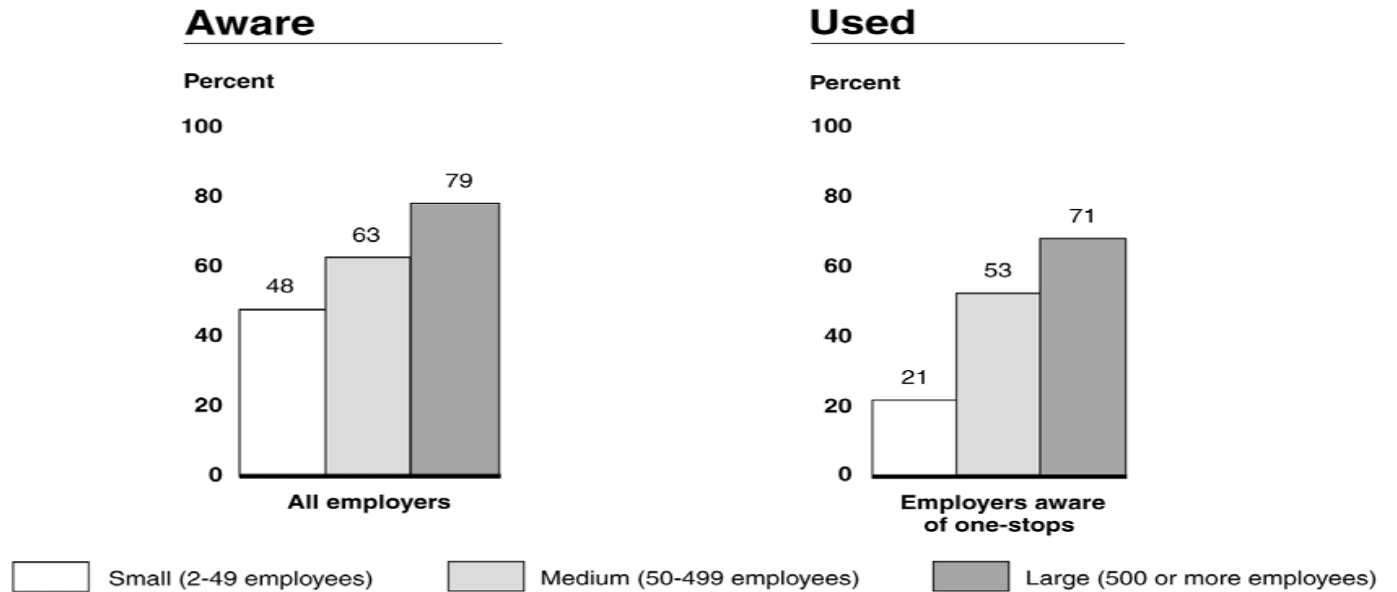
<u>Business establishment size</u>	<u>Percentage of private sector business establishments (8 million)</u>	<u>Percentage of private sector employment (106 million)</u>	<u>Average number of employees per business establishment</u>
Small (49 or fewer employees)	95%	43%	6
Medium (50-499 employees)	4%	39%	118
Large (500 or more employees)	<1%	18%	1,176

Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics, March 2003.

Note: These data cover about 97 percent of jobs on nonfarm payrolls. Jobs not covered by unemployment insurance are not included, e.g., some agricultural employees and self-employed workers.

# Large and medium employers are more likely than small employers to be aware of and using one-stops.

## Percentage of business establishments aware of and using one-stops

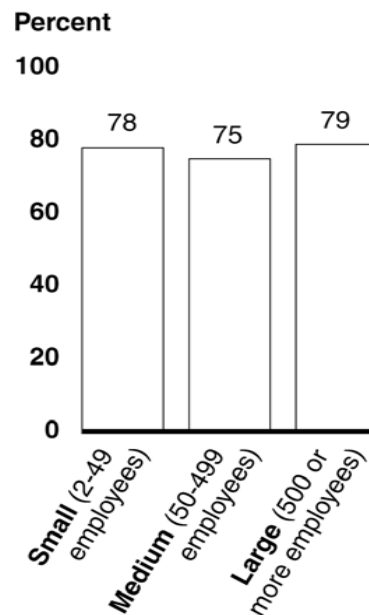


Source: GAO 2004 survey of private sector business establishments in the United States.

Note: Sampling errors for estimates presented on this page do not exceed 6 percentage points.

# The vast majority of employers using one-stop services, regardless of size, are satisfied with them.

Percentage of business establishments satisfied with one-stop services

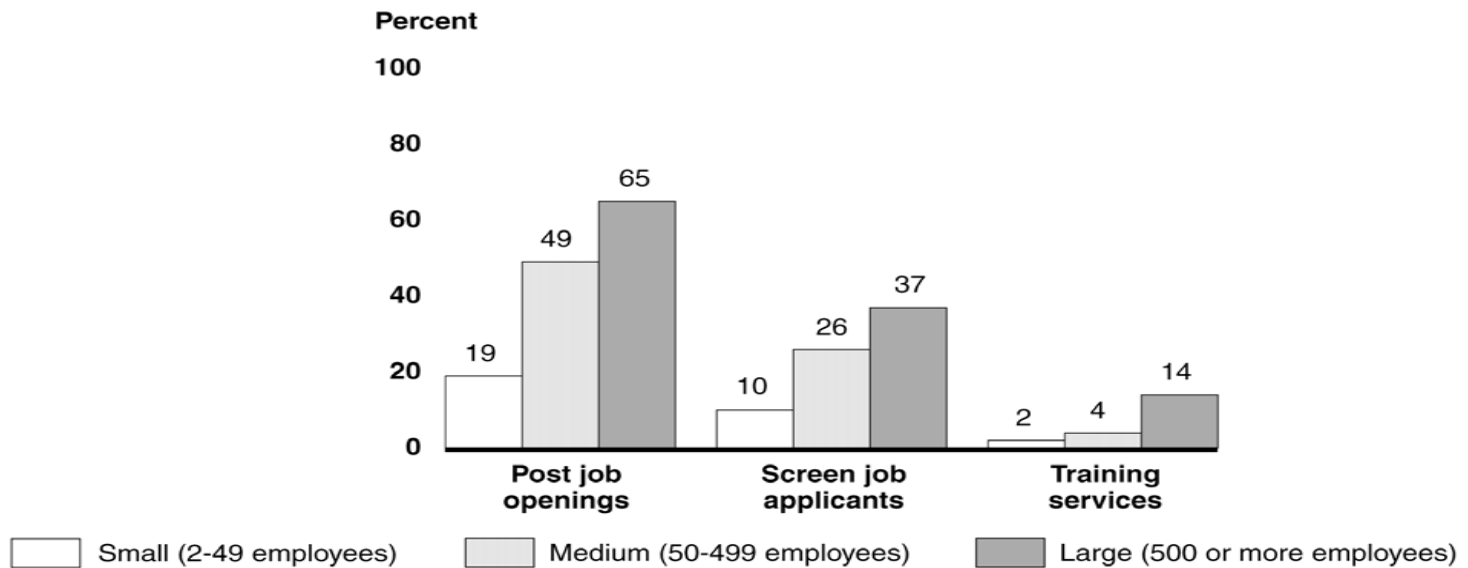


Source: GAO 2004 survey of private sector business establishments in the United States.

Note: Sampling errors for estimates presented on this page do not exceed 12 percentage points.

## Employers mostly use one-stops for hiring services rather than training, and large and medium employers are more likely to use hiring services.

**Percentage of business establishments that used one-stop service** (employers aware of one-stops)



Source: GAO 2004 survey of private sector business establishments in the United States.

Note: Percentages may total to more than 100 because employers may have used more than one service. Sampling errors for estimates presented on this page do not exceed 6 percentage points.

**Most employers not using one-stop services use other resources or do not know enough about services; few are concerned about quality of services.**

Primary reason business establishments aware of one-stops did not use them (in percentages)

<b>Reason</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>	<b>All establishments</b>
Used other resources	48	69	52	49
Did not know enough about services	22	12	23	21
Did not hire or train any employees in the last 12 months	15	7	6	15
Had concerns about quality of services	3	5	6	3

Source: GAO 2004 survey of private sector business establishments in the United States.

Notes: This data does not add up to 100 percent because we excluded responses in which employers selected “don’t know” or “other” when asked why they do not use one-stops. Sampling errors for estimates presented on this page do not exceed 10 percentage points.

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## **Labor has taken steps to support employer awareness and use of the system, but lacks data on employer usage.**

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- Labor has some initiatives, e.g., Partnership for Jobs, High-Growth Job Training.
- Labor requires states to collect information on satisfaction, but not on use. Labor proposed the EMILE system, which would provide more information on employers' use of services.
- Most local areas collect information on employer use of one-stop services, but most states do not.

# At least half of all local workforce areas track employer information.

Local workforce areas' tracking of employer information on use of one-stops

Employer information tracked by local areas	Percentage of all local areas
Number of employers that use one-stop services	61
Number of employers that hire one-stop job-seekers	50
Type of one-stop services that employers use	50
Number of employers that repeatedly use one-stop services	42
Characteristics of employers (size, industry sector, etc.)	31

Source: GAO survey of local areas.

## Conclusions

- A significant number of employers are aware of, using, and satisfied with one-stop services.
- Most local areas collect information on employer use of the one-stop system to manage their resources, however, this information is not reported to Labor.
- As a result, Labor cannot identify whether state and local programs are responding to the needs of employers, identify areas where additional employer assistance may be needed, or design a strategy for effectively targeting limited workforce funds.

## Recommendation

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To ensure that Labor has a better understanding of the degree to which the publicly funded workforce system meets employers' needs, we recommend that the Secretary of Labor require states to collect and report on employer use of the workforce system in addition to continuing to collect general employer satisfaction information.

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