



Projections Managing Partnership

## SEPARATIONS: WHAT YOU NEED TO KNOW ABOUT THE NEW METHODOLOGY

### **BLS IS IMPLEMENTING A NEW SEPARATIONS METHODOLOGY:**

The Bureau of Labor Statistics (BLS) will implement a new methodology to measure occupational separations for 2016-2026 projections. The previous methodology, the Replacements methodology, was developed in the early 1990s. Since then, the workforce has changed and technology has evolved.

- *The Replacements methodology measured workers entering at a young age, working until retirement in their occupation. New, young workers replaced them. The Replacements methodology was not inaccurate. The methodology has evolved to reflect the changing workforce.*
- *The new Separations methodology was created to better understand and project what will happen within the dynamic new economy in which a worker will likely have many occupations in a lifetime.*

The new Separations methodology was intentionally and thoughtfully developed to capture a more accurate picture of the workforce.

- *It gives states and BLS the ability to differentiate between those who are leaving the labor force entirely and those who are permanently leaving an occupation to enter a new field or different occupational category.*
- *It allows us to measure more reasons for leaving an occupation than before.*
- *The Separations methodology better reflects what we hear from our partners in workforce, education and the private sector.*

### **THE NEW SEPARATIONS METHODOLOGY EVOLVES WITH THE WORKFORCE:**

BLS continually seeks to improve and evolve data quality to ensure projections are a comprehensive overview of the changes in the workforce. The new Separations methodology has been years in the making – it has been researched and tested to ensure it generates more accurate and comprehensive projections data.

The experts at BLS have researched the best methodology for workforce projections, analyzed workforce trends and produced experimental data using the new method for 2014-2024 projections to ensure the utmost accuracy. A wide range of stakeholders were engaged in the process to help ensure the data is meaningful and sound.

### **UNDERSTANDING THE DIFFERENCE BETWEEN REPLACEMENT AND SEPARATIONS:**

The purpose of the new Separations methodology and the Replacements methodology remains the same: To provide estimates of workers who leave their occupation and need to be replaced by new workers. The Replacements methodology reflected primarily retirement and deaths.

- *The workforce has evolved tremendously over the last 20 years, and workers leave an occupation for reasons other than retirement, such as changing careers, being promoted into management or completing a retraining program.*
- *The Replacements methodology primarily captured workers who took a once-traditional career path - staying in the same industry/occupation until retirement.*

The Separations methodology accounts for different types of job changes to ensure the data reflects today's dynamic workforce.

- *Some occupations will have very different projections because of the new methodology.*
- *The Separations methodology includes occupational transfers, or when a worker leaves an occupation to enter a different occupation, in addition to when a worker leaves the labor force entirely.*

Differences in projections are due to methodological, not conceptual, factors. The Replacements methodology was not inaccurate - the Separations methodology better captures and reflects today's dynamic workforce.

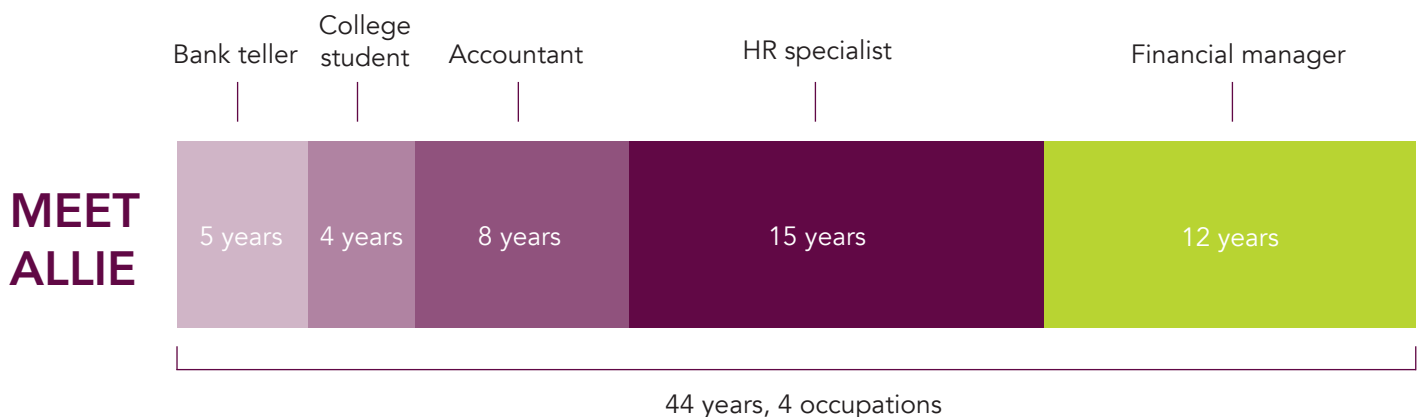
## SEEING SEPARATIONS IN ACTION

The U.S. Bureau of Labor Statistics produces employment projections to help us predict what the future labor force will look like so we can better prepare for the workforce of tomorrow.

For example, projections of occupations' growth or decline tell us how the labor force is changing. But to get a complete picture of the opportunities for the future workforce, we need to know how many projected openings are created in an occupation when current workers leave for good, which are known as Occupational Separations.

Consider Allie. After graduating from high school, she enters the labor force, taking a job as a bank teller. She leaves that job after five years to further her education and enrolls as a full-time college student. After earning her degree, she reenters the labor force and finds a job as an accountant.

Eight years later, Allie decides to switch careers. She transfers to a job as a human resources specialist. After 15 years in HR, she is promoted to a job as financial manager, where she works for 12 more years and then retires.



Allie held jobs in four different occupations over the course of her 44 year career. Each time Allie left an occupation, she created an opening for someone else to replace her. Every person's career journey varies, but certain trends are common:

- *Transfers between occupations are more common at younger ages, as workers explore possible careers.*
- *Movements out of the labor force are more common at older ages, when workers retire.*

The Separations methodology will more accurately capture the changes in Allie's career and will account for her career changes in employment projections.

