

I N S T I T U T E F O R W O R K & T H E E C O N O M Y

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Request for Qualifications Predictive Jobs Market Demonstration Project

Phase I: Pilot Design and Development

April 6, 2010

The Institute for Work and the Economy is seeking to partner with qualified individuals in the development and implementation of a pilot predictive jobs market. Funding is for Phase I of the project; this phase is the development of a detailed plan for a pilot predictive jobs market at the levels of a state and large metropolitan area. Persons interested in partnering on this initiative should present their credentials and billing rates to Peter A. Creticos by 5 p.m. CDT on Wednesday, April 28, 2010.

Background

The Midwest Innovation Initiative (MI2) is a project organized by the Great Lakes Employment and Training Association, an association of local workforce development executives, and the state workforce development administrators from the Midwestern states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, Ohio and Wisconsin. It is working in collaboration with the Midwestern Legislative Conference of the Council of State Governments, an association of state legislators from the Midwestern states plus North Dakota and South Dakota. It is funded by a grant from the Employment and Training Administration, U.S. Department of Labor to the State of Minnesota in behalf of the region. The Institute for Work and the Economy provides project management.

The mission of MI2 is to:

- Identify and address the barriers preventing Midwestern states and communities from making full use of the competitive advantages of the region functioning as a single, integrated economy
- Take stock of:
 - The talent and skills of Midwesterners
 - The institutions and systems that foster the development of talent
 - The investments that we are making in our human resources
- Look forward to the region's collective future workforce needs and less on today's demand
- Assist in the development and implementation of talent-based models that foster invention, innovation, entrepreneurship and business growth in industries in which the Midwest can obtain a competitive advantage

- Support the development of agile education and job training structures
- Support efforts to integrate investments across the region to reach the critical mass needed for a virtuous cycle of self-sustaining growth
- Join with other regional initiatives to integrate workforce development with economic development efforts

The goals and objectives of the initiative are:

- Develop a research framework that deepens our understanding of:
 - The economic connections that bind together Midwest communities and states
 - The talent base of the region and the institutions and systems that support its development
 - The interplay of the state and local workforce systems with large-scale initiatives and trends in the region and global changes
 - Talent-based models that lead as well as support innovation, invention, entrepreneurship and business development
- Support the integration of workforce development and economic development in furtherance of Midwest growth by:
 - Forging and strengthening social networks connecting the region's WIRED and RIG projects
 - Furthering the development of state and local workforce leadership to help them understand and respond to shifting global, national and regional economic changes
 - Co-hosting gatherings of policy makers and opinion leaders with other Midwestern groups
 - Leveraging other resources in furtherance of this Initiative
- Identify and, where necessary, develop and publish possible policies and programs that are consistent with the goal of greater collaboration and coordination. The Initiative will not lobby for any specific policy or program.

The Initiative will produce several products and services. Over the course of the project, the Institute for Work and the Economy will commission several policy and program development-related research papers and reports on regional economic issues, the transition from automobile manufacturing to other manufacturing products and services, on talent driven development, and on regional workforce challenges, opportunities and solutions. It has and will continue to convene a series of working sessions focused on the development of new tools that will aid local and state workforce agencies in their work to grow local, state and regional economies. Finally, it will support the exchange of ideas and solutions amongst practitioners and policy makers in the region through conferences, workshops and through the initiative's website: midwestinnovate.org.

Project for which proposals are requested

Job seekers, training institutions and labor exchanges are required to make judgments about labor market conditions at some future date. Job seekers are seeking to determine whether there will be vacancies in a particular occupation following the completion of training. Training institutions need to know whether to create new curricula and program offerings, maintain the status quo, or wind down or decrease its capacity in a given occupational area. Employment service agencies provide advice to job seekers regarding opportunities in the near future.

Currently, labor market projections are based on a variety of sources that are difficult to integrate including: historical occupational vacancy and growth data, economic forecasts and resulting estimates of labor demand, employer surveys, and other data and statistical tools. Estimates of the future supply of workers are made separately, also using a variety of sources that are difficult to integrate including: enrollment and completion data from community colleges, other post-secondary institutions and from other training and educational providers, workforce surveys, demographic data, retirement data, and other sources. To our knowledge, there is no labor market information service that provides a linked dynamic estimate integrating information sources and combining projected demand and supply for some future date.

Research on predictive markets show that they are very useful in aggregating information and in providing dynamic estimations of future events. In the case of the CDC's influenza's estimates, the predictive influenza markets provide good forecasts for events that are two weeks out. Other predictive markets have been established to forecast the outcome of various economic indicators, elections and other events, some with considerably longer horizons. The aim of this project is to determine whether a predictive jobs market can provide a useful estimation, including probabilities, of actual vacancies at some future date. An estimation of this sort is intended to match anticipated overall demand in a given occupation with expectations regarding the supply of available and qualified workers and produce a net result.

This project is to develop a pilot predictive jobs market, to assess the likely value and accuracy of a predictive market in specific local and state labor market areas, to assess the requirements and limitations of a predictive market as it pertains to market participants, scale (minimum and maximum), size of labor market, occupation, duration of training, skills and skills-level, timeliness, and utility by key users. The emphasis on "jobs" which are defined as an aggregation or a bundle of skills, as opposed to "occupations" is meant to focus on the elements that in demand. Occupational titles are simply too general to be meaningful to the job seeker, employer or training institution.

Phase I of this project is to develop a design for a pilot predictive market and evaluation methodology that will test whether a predictive market may provide useful and accurate forecasts of jobs vacancies in local and state labor markets. This design will be developed in collaboration with the staff of the Institute for Work and the Economy. Successful respondents will have a demonstrated knowledge in at least one of the following: predictive markets, labor market information and labor market information systems, labor exchanges, workforce development and training, or local and state labor market areas in the Midwest. The full collaborative team will be composed of individuals who, in the aggregate, have the needed collective knowledge and experience.

Phase I will commence at the time that the full team is named and will be finished by no later than July 15, 2010. The final deliverable is a paper outlining the comprehensive design of a pilot predictive market (including data base, method and basis for settling contracts, target participants, location of the test areas, size and scope of the labor market area, a list of the occupations to be included in the pilot test, and rationale for these choices), a plan for implementing the pilot predictive market, the budget and timetable for the pilot project, and the criteria and methodology for assessing the outcomes of a pilot predictive market.

Upon receiving the necessary funding, Phase II of the project is the implementation and evaluation of the proposed predictive market.

Those interested in participating in the project should submit their qualifications, an estimate of the time that they can spend on this project and hourly rates. The due date and time for such submissions is 5 p.m. CDT, April 28, 2010.