



Economics Made Easy

What is a location quotient?

The Bureau of Labor Statistics (BLS) uses location quotients, or LQs, to see where **occupations** or **industries** are concentrated in the United States. LQs compare local **employment** in an occupation or industry to national employment in that occupation or industry. An LQ higher than one means an occupation or industry is more concentrated in that area than in the nation. An LQ less than one means an occupation or industry is less concentrated in that area than in the nation.

Glossary

Occupation — the type of job a person has.

Example: retail salesperson

Industry — the type of business establishment where a person works.

Example: shoe store

Employment — the number of workers or jobs.

Calculate a location quotient!

What if there are 77,000 lawyers out of 9.5 million (9,500,000) total jobs in New York and there are 660,000 lawyers out of 150 million (150,000,000) total jobs in the United States?

$$\text{LQ for lawyers in New York} = \frac{77,000 \div 9,500,000}{660,000 \div 150,000,000} = \frac{0.0081}{0.0044} = 1.84$$

The LQ is more than one, so there is a higher concentration of lawyers in New York, compared with the concentration of lawyers in the United States.



In the news

Have you ever seen a news article that talks about unique or wacky occupations by states? They probably use LQs to find jobs that are highly concentrated in certain areas.

DIY data

Want to try calculating LQs on your own? You can visit www.bls.gov/oes/ and find national and area employment to calculate location quotients.