

DATE: January 31, 2024

SUBJECT: Increasing Frequency of Updates to Declining and In Demand Occupations

TO: Employment Security Department's Labor Market and Economic Analysis Division and Local Workforce Development Boards

Dislocated Workers in occupations facing major declines but not identified as occupations in decline as outlined in RCW 50.22.155 are not eligible to receive Training Benefits funded by WIOA-IB. The loss of unemployment insurance benefits while entering a training program is a prohibitive cost many working families cannot afford. Workers in occupations with delayed updates to their in demand status face the choice of loss of income during training, running out their limited unemployment benefits, or taking jobs at a loss of pay. 57.4% of the approved applicants have no college degree (Employment Security Department, 2021.) Addressing how often the Occupation in Demand list will increase access to these benefits while enrolled in a training program. A policy revision is required to make this change possible.

RCW 50.22.157 outlines the requirement for Local Workforce Development Councils to develop lists of what occupations are considered to be in demand, not in demand, or balanced. The law states that occupations are to be evaluated at a minimum of once per year. This list is used to determine who is eligible for training. Additionally, a delayed list limits retraining if emerging occupations are not identified sooner. Data provided by ESD shows that participants who enter this program had a loss in median wages of 12 percent after 4 quarters (Employment Security Department, 2021.)but entering the program sooner reduces the time out of the labor market, which is a factor on exit wages.

A detailed methodology for determining the occupations in demand list is already established by the Labor Market and Economic Analysis Division. Increasing the frequency will place a higher demand on ESD but the effects will increase access to this benefit program. Additionally, a more responsive list would offer insight for training programs to identify occupations that need training programs. While this change could come as a policy developed by Employment Security Department, creating the change to the Registered Code of Washington would be a more permanent solution.

Sources

Washington State, Employment Security Department, Labor Market and Economic Analysis Division, *2021 Training Benefits Program Report*.
<https://media.esd.wa.gov/esdwa/Default/ESDWAGOV/labor-market-info/Libraries/Special-reports/Training-Benefits-Program/2021-tb-program-report.pdf>. Accessed January 26, 2024.