



WORKFORCE
DEVELOPMENT
HAWAII STATE
UNIFIED PLAN
2024-2027

Workforce Development Council

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INTRODUCTION

- Hawai'i has been called a "Pacific Paradise". But under the surface lies a grim reality. 42% of our population unable to afford the basics and secure jobs that pay a sustainable wage. Last year, 10,000 people a year moved to other places in search of a better life for themselves and their families
- Unemployment numbers are low, but Hawai'i is also a predominantly low skill and low wage, service-based economy with a small job market and the highest cost of living in the nation. Numerous attempts by policy makers to diversify the economy in the last few decades have not worked so far. The problem is exacerbated by an extremely tight housing market and other barriers to employment.
- Nonetheless, there are positive signals on the horizon, particularly from the efforts of valiant stakeholders on the workforce development landscape who are devoting time, energy, and resources towards this end.
 - Why should we care?



Great challenges present great
opportunities

WHAT THIS PRESENTATION WILL COVER

AGENDA

- Background on WDC and WIOA
- About the State Plan
- State Economic Background
- State Labor market
- Goals/ Strategies and Tactics
- Summary
- Next Steps



ABOUT WDC

- Workforce Development Council (WDC) is the Planning and Policy Advisor to the Governor on workforce issues.
- Composed of 41 members, majority of whom come from the private sector. It is one of the biggest Councils in the State.
- The Governor and the four mayors are members of the Council
- 17 private sector representatives, 8 labor, the chairs of the local workforce development boards, two legislators, UH President, DOE Superintendent, Directors of the Department of Labor, Department of Business, Economic Development and Tourism (DBEDT), Director of Vocational Rehabilitation.

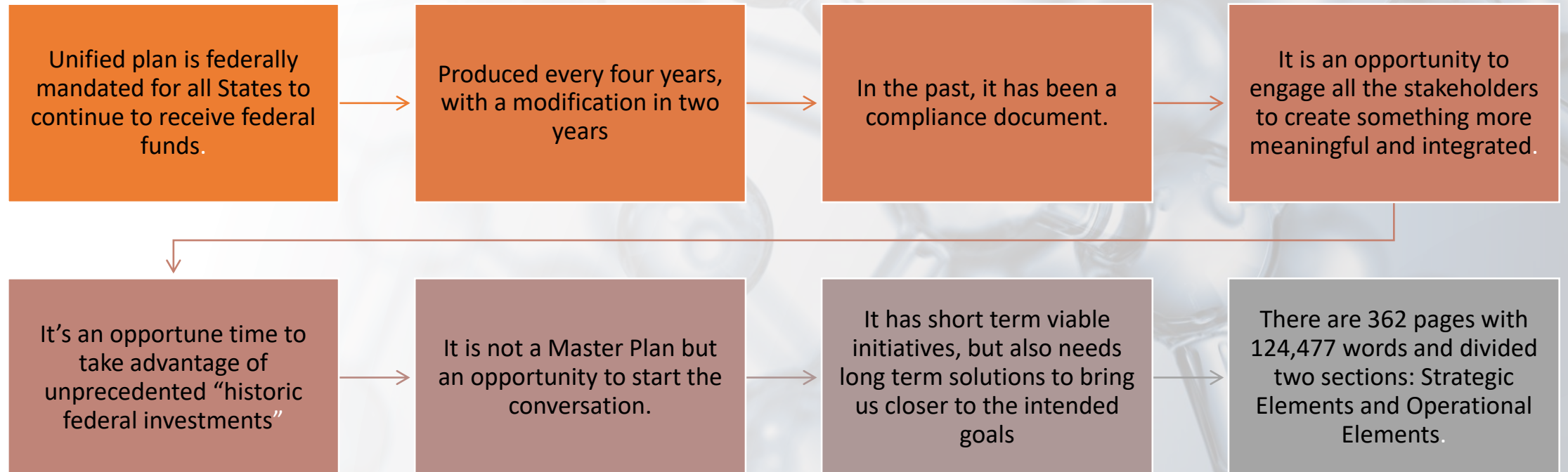




FUNCTIONS OF THE WDC

- The WDC was created by Congress through the Workforce Innovation and Opportunity Act (WIOA) in 2014.
- The council operates in two capacities:
- Federal capacity - the council serves as an “information clearinghouse” for all workforce development programs in the State, including workforce training and education programs.
- State capacity - the council is responsible for preparing and overseeing the unified state plan for workforce development in the State of Hawai‘i, and for advising the Governor.

ABOUT THE UNIFIED PLAN



2024 TIMELINE

- January 16: First Draft of the Plan is posted on the WDC website
- January 16-February 16: The Public Comment period (several community meetings are scheduled).
- March 4: Submittal to the US Department of Labor/ Posting of the Final Version of the Plan on the WDC website
- Approval of the Plan will be 90 days after submittal

LABOR MARKET IN HAWAII

2022 highlights a strong dependence on the Leisure and Hospitality sector, especially in Maui and Kauai Counties, where it constitutes 30.2% and 29.6% of jobs respectively. Government and Retail Trade are other major employment sectors across the state and counties. Notably, each county exhibits unique employment characteristics: Honolulu County has a significant Government sector (21%), while Hawai'i County shows a balanced mix of Government and Leisure and Hospitality jobs.



In 2022:

Hawai'i's total nonagricultural wage and salary jobs = 618,100

Government sector = 19.5%

Health Care & Social Assistance = 11.7%

Retail Trade = 10.5%.

Food Services & Drinking Places = 10.3%

Natural Resources & Mining & Construction, and Accommodation = approx. 6% each

| Industry | 2022 Employment | Industry Distribution |
|--|-----------------|-----------------------|
| TOTAL NONAGRICULTURAL WAGE & SALARY JOBS | 618,100 | 100.0% |
| Government | 120,800 | 19.5% |
| Health Care & Social Assistance | 72,400 | 11.7% |
| Retail Trade | 64,900 | 10.5% |
| Food Services & Drinking Places | 63,500 | 10.3% |
| Nat. Resources & Mining & Construction | 37,300 | 6.0% |
| Accommodation | 37,000 | 6.0% |
| Administrative & Support & Waste Management & Remediation Services | 36,600 | 5.9% |
| Transportation & Warehousing | 29,300 | 4.7% |
| Other Services | 26,200 | 4.2% |
| Professional, Scientific & Tech. Svcs. | 26,000 | 4.2% |
| Wholesale Trade | 17,300 | 2.8% |
| Finance & Insurance | 15,700 | 2.5% |
| Private Educational Services | 14,000 | 2.3% |
| Manufacturing | 12,500 | 2.0% |
| Real Estate & Rental & Leasing | 12,100 | 2.0% |
| Arts, Entertainment, & Recreation | 11,900 | 1.9% |
| Management of Companies & Enterprises | 8,700 | 1.4% |
| Information | 8,500 | 1.4% |
| Utilities | 3,600 | 0.6% |

HAWAI'I'S JOB MARKET BY INDUSTRY FROM 2020 TO 2030:

- **Accommodation and Food Services** - largest projected increase in actual numbers from 69,750 to 111,330 jobs, an increase of 41,580 jobs
- **Health Care and Social Assistance** - despite lower projected growth rate (1.4%), a significant projected increase from 73,920 to 85,260, with 11,340 new jobs,
- **The Arts, Entertainment, and Recreation** - high projected growth rate (4.5%), translates to an increase of 4,460 jobs, reaching 12,540 by 2030.
- **Transportation and Warehousing** - expected to add 8,750 jobs, a considerable absolute increase given its 3.2% growth rate.
- **Finance and Insurance, and Government** - minimal absolute growth, with the former adding only 20 jobs and the latter 400 over the decade.
- **Utilities** - only sector projected to decline, losing 350 jobs by 2030.

| Year | Civilian Labor Force | Employed | Unemployed | Unemployment Rate |
|------|----------------------|----------|------------|-------------------|
| 2012 | 650,400 | 612,000 | 38,450 | 5.9% |
| 2013 | 651,000 | 620,000 | 30,950 | 4.8% |
| 2014 | 664,000 | 635,900 | 28,100 | 4.2% |
| 2015 | 670,600 | 647,600 | 23,000 | 3.4% |
| 2016 | 679,100 | 659,550 | 19,550 | 2.9% |
| 2017 | 695,300 | 679,850 | 15,450 | 2.2% |
| 2018 | 692,450 | 675,850 | 16,600 | 2.4% |
| 2019 | 686,100 | 668,750 | 17,350 | 2.5% |
| 2020 | 664,100 | 586,200 | 77,900 | 11.7% |
| 2021 | 670,000 | 629,650 | 40,350 | 6.0% |
| 2022 | 676,300 | 652,700 | 23,600 | 3.5% |

HAWAII LABOR PARTICIPATION RATE TRENDS

- Statewide in 2012, there was 65.5% labor force participation, peaked at 65.7% in 2016 before COVID-19 impacts dropped it to 63.4% in 2021. A partial recovery materialized with 63.5% rate by 2022 - still 2% below the pre-pandemic high.
- Patterns were similar though often more volatile across counties. Honolulu maintained the highest participation rates, hitting a 67% peak in 2018 before plunging to 64.5% in 2020 and only partially recovering by 2022 at 65.1%.
- Hawai'i County witnessed the most dramatic impacts, with participation crashing from 59.2% pre-pandemic down to 55.7% in 2022 - the largest overall contraction.
- Kauai County reported the lowest engagement at just 60.6% in 2022 while still exhibiting a pronounced pandemic effect.
- Maui County participation rates lost 2% during COVID.
- Hawai'i's labor force availability is incomplete in its COVID-19 recovery, with the worst hit counties being Hawai'i and Kauai.

| Year | State of Hawai'i | Honolulu County | Hawai'i County | Maui County | Kauai County |
|------|------------------|-----------------|----------------|-------------|--------------|
| 2012 | 65.5% | 66.2% | 59.8% | 68.6% | 63.7% |
| 2013 | 64.8% | 64.9% | 60.0% | 69.6% | 63.8% |
| 2014 | 64.8% | 66.1% | 56.6% | 67.1% | 64.7% |
| 2015 | 65.5% | 66.7% | 57.5% | 66.6% | 67.2% |
| 2016 | 65.7% | 67.0% | 57.2% | 67.3% | 67.2% |
| 2017 | 65.3% | 66.3% | 58.8% | 66.6% | 66.5% |
| 2018 | 65.6% | 67.0% | 59.0% | 66.0% | 64.5% |
| 2019 | 64.9% | 66.0% | 59.2% | 66.4% | 63.9% |
| 2020 | | | | | |
| 2021 | 63.4% | 64.5% | 57.3% | 64.0% | 64.1% |
| 2022 | 63.5% | 65.1% | 55.7% | 64.5% | 60.6% |

Hawaii's Economic Trend Analysis

Hawai'i is a small, remote, non-contiguous state. Geography and demography are determinative of the states and workforce destiny

EMPLOYERS - Hawai'i is predominantly a low skill and low wage, service-based economy with a small job market and the highest cost of living in the nation

EARNED INCOME - Estimates of a living wage in Hawai'i vary. Using a plus-one annual living budget (cost for supporting a family of two adults) as an example: DBEDT's Annual Self-Sufficiency Family Budget (2022) is **\$52,700**
(<https://files.hawaii.gov/dbedt/annuals/2023/2023-read-self-sufficiency.pdf>)

AUW's ALICE ("Asset Limited, Income Constrained, employed") report's Household Stability Budget (2021) is **\$89,772**
(<https://www.unitedforalice.org/household-budgets/Hawaii>)

MIT's Living Wage (2022) is \$33.22 per hour or **\$69,097.60** per year. [Reference \(https://livingwage.mit.edu/states/15\)](https://livingwage.mit.edu/states/15)

Meanwhile, Bureau of Labor Statistics report that the median wage in Hawai'i (2022) is \$23.35 per hour or **\$48,568** per year.
(https://www.bls.gov/oes/current/oes_hi.htm)

Hawaii's Economic Trend Analysis

- **MAJOR GAP:** Beyond the gap in the “Living” and Median wages in Hawai‘i, United Way’s ALICE report indicates that combined with those living below the Federal Poverty Level, 41% of Hawai‘i’s households cannot achieve a sustainable income and cannot afford the basics of living in Hawai‘i. That number is growing.
- **EMPLOYER NEEDS:** Experts in tourism, defense, construction, healthcare, technology, energy, and public sector job markets have taken stock and identified and quantified their needs. Beyond “just in time hiring”, most projections are for either higher level specialists, managers, and executives, or skilled trades men and women.
- **THE GROWING “GIG” ECONOMY:** The U.S. Bureau of Labor Statistics says roughly a third of American workers participate in the gig economy and a Hawai‘i survey found about half of Oahu’s workers have done work that does not require a W-2 tax form. The percentage is about 20% each on Maui and the Big Island, and smaller on Kauai. The trend is likely to amplify.
- **“OUT” AND “IN” MIGRATION”:** Hawai‘i was one of ten states to lose population. Hawai‘i has been losing population for three consecutive years beginning in 2017.

STATE VISION



Hawai'i is fully committed to enhancing old and enabling new career pathways to living wage jobs, strong advancement opportunities, and the equitable upward mobility needed to build a 21st century, globally competitive, inclusive economy for all its residents.

STATE WORKFORCE DEVELOPMENT GOALS

| | |
|-----------------------------------|--|
| Address Core Issues | Tie Economic Development and Workforce Development efforts to address core issues like labor shortage, living wage, economic diversification, and jobs for the future |
| Connect | Build stronger bridges to Hawai'i's Educators. |
| Align | Align workforce development stakeholders including those in the public, private and philanthropic space. |
| Increase Support | Increase support for organizations and agencies that deliver training, certifications, and other upskilling assistance. |
| Prioritize Vulnerable Populations | Prioritize services to vulnerable populations with barriers to employment |
| Transform AJCs | Transform American Job Centers in Hawai'i through a fresh identity, increased visibility, and better coordination with WIOA Core partners. |

GOAL 1 – Address Core Issues

Goal 1: Tie Economic Development and Workforce Development efforts to address core issues like labor shortage, living wage, economic diversification, and jobs for the future.



Hawai'i's unique island economy has serious challenges, that were laid bare during the recent COVID epidemic and the Maui firestorms that killed nearly 100 people and did billions of dollars of damage. We must prioritize diversifying beyond tourism, reducing reliance on a single, low-wage industry and fortifying against market fluctuations. Bridging the skills gap directly tackles some labor shortages, crucial in high-demand sectors and high-growth areas, enhancing economic stability.



By focusing on living wages, we ensure that economic growth translates into community well-being by addressing the high cost of living. Emphasizing social equity, the plan commits to improving opportunities for all, particularly native Hawaiians, and marginalized groups. This holistic approach not only drives economic resilience but also aligns with Hawai'i's cultural values, ensuring a sustainable, prosperous future for its diverse population.

STRATEGIES AND TACTICS (GOAL 1)

Create a working group to explore how to access federal funds such as CHIPS, IIJA, and IRA for local purposes.

Convene a Living Wage Summit: This will help to clarify the way different living wages are calculated and sharpen the goals of industry recruiters and supply-side workforce training and programs.

Strengthen collaboration between the Department of Business, Economic Development and Tourism and the Department of Labor and Industrial Relations with regular meetings that would identify emerging markets and opportunities.

The State Board or the Workforce Development Council (WDC) and the Local Workforce Development Boards (LWDB) with their private sector council members, can be utilized to bridge the connections to private industries.

Establish high functioning business services teams at each AJC to outreach, educate, and provide tangible services which directly benefit employers and those seeking employment.

Create videos and educational materials to distribute to employers to create greater awareness on workforce development efforts.

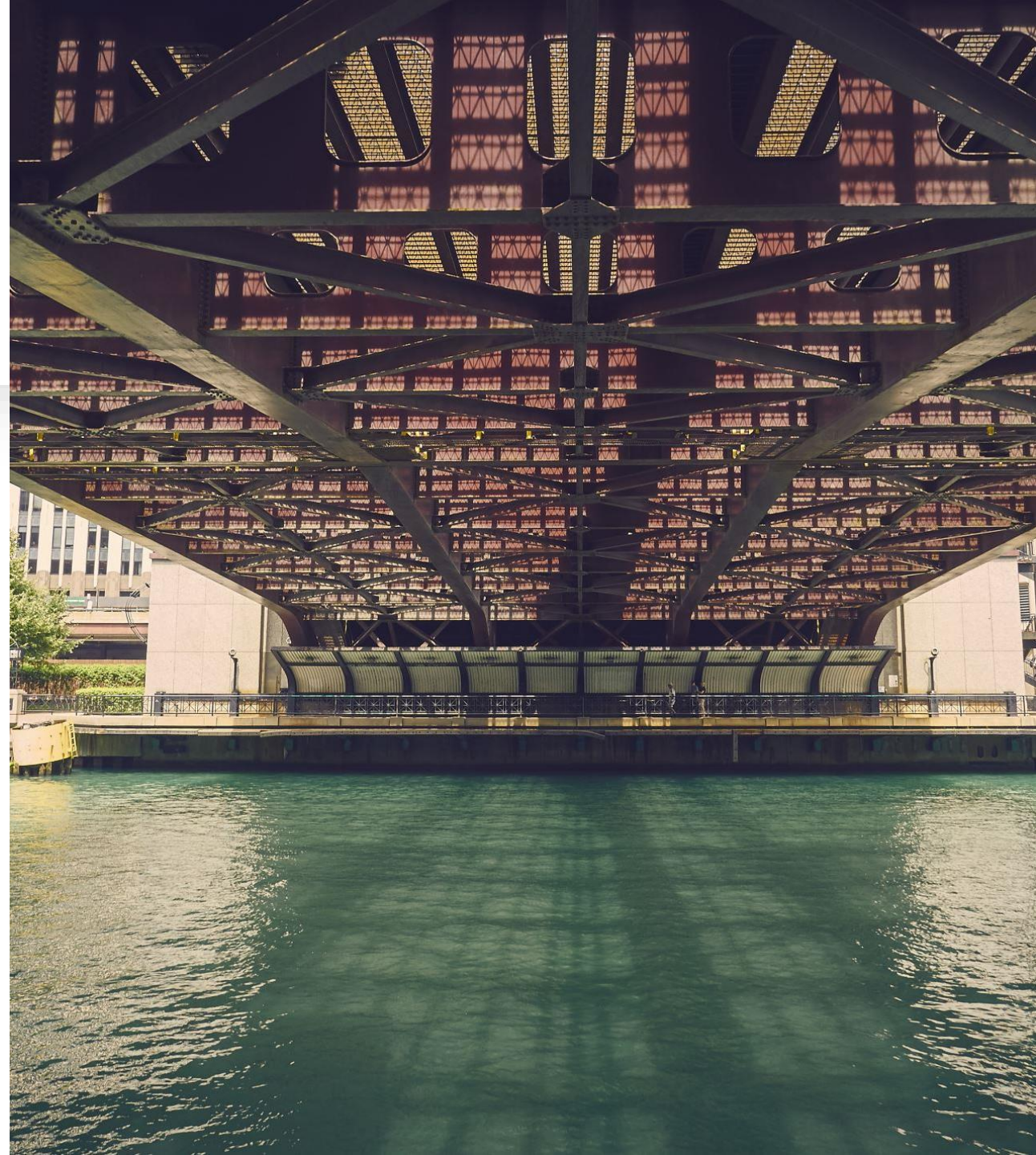
Collaborate with the Chamber of Commerce of Hawai'i to do outreach to small and medium sized businesses to engage with the workforce development efforts.

LONG-TERM GOALS: 1) State government employs a significant 21% of the workforce. A huge and growing number of positions remain vacant. Experts point to the slow bureaucratic hiring process as one of the contributing factors. There needs to be an overhaul of the hiring system.

GOAL 2 – Connect

Build stronger bridges to Hawai‘i’s Educators

- Strengthening Hawai‘i's workforce development hinges on robust partnerships with educational institutions.
- It is crucial to align educational offerings with real-world economic and cultural needs so that Hawai‘i’s future workforce is well-prepared.
- HIDOE-- a single statewide public school district -- is striving to create seamless pipelines to higher education and skilled trades. Integrating with the WDD, WDC, and private universities like Chaminade and HPU, will empower a well-rounded, future-ready workforce, well suited for Hawai‘i's unique economic and cultural landscape



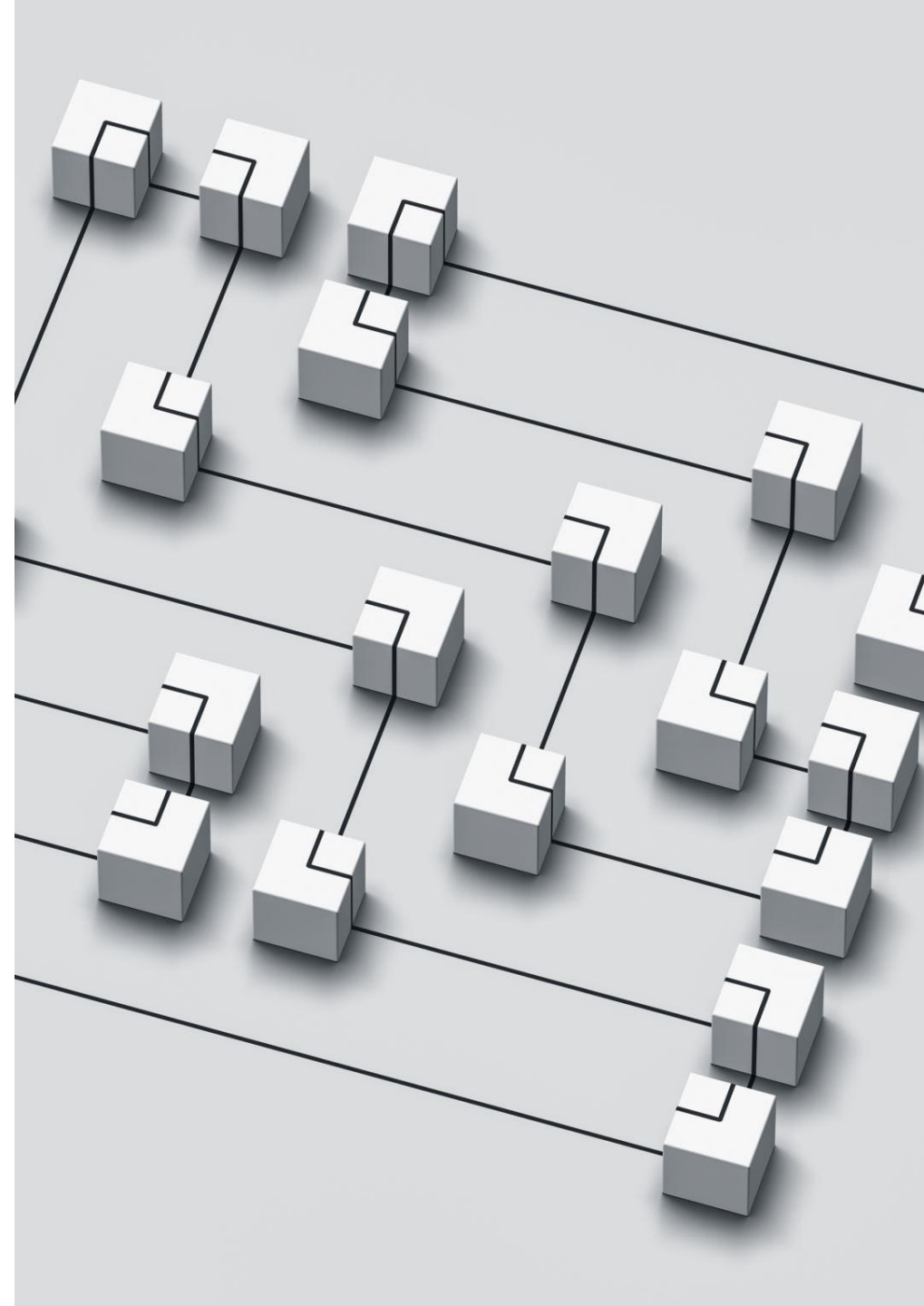
STRATEGIES AND TACTICS (GOAL 2)

- **WDD and WDC will coordinate closely with UH's WFD efforts and those of other private institutions**
- Bridge connections between relevant WDC Committees (i.e., Military and Veteran Affairs Committee, the Employer Engagement Committee, and the Sector Partnership Committee) and UH, Community Colleges, Hawai'i Department of Education (Workforce Development Division)
- Create a working group to evaluate the promise of stackable credentials which has the potential to reshape some aspects of post-secondary education to better assist the underserved
- **LONG TERM GOAL:** Much closer coordination between suppliers of workforce education and the anticipated demands of employers.

GOAL 3 - Align

Align workforce development stakeholders including those in the public, private and philanthropic space.

- Strong alignment ensures a unified approach to addressing labor market needs, maximizes resource utilization, and fosters innovative collaborations
- Leads to more impactful and sustainable workforce development initiatives, and **avoids duplication of efforts**
- WDC can lead these efforts, ensuring cohesion among public, private, and philanthropic entities
- Establishing clear, short-term and long-term goals is essential to guide these collaborations.



STRATEGIES AND TACTICS (Goal 3)



Formulate a State Goal similar in nature to Hawai'i's clean energy goal. In 2008, and with consensus from industry leaders and energy advocates, State of Hawai'i formally adopted the Hawai'i Clean Energy Initiative creating the most ambitious plan in the country. We will work to create an equally ambitious "Great" state goal that marries serious economic improvement with workforce development. This will require planning with all stakeholders, and an affirmation by Hawai'i's political leaders.



Regular Coordinated meetings amongst the various stakeholders where organizations can share latest initiatives, provide data on current employment trends or opportunities to collaborate on projects, and a strong connection to Hawai'i's economic drivers.



Create a working group to better understand the implications of workforce and economy disruptors including artificial intelligence (AI), automation, the growing segment of Hawai'i's population engaged in the gig economy, remote/hybrid work and the impacts of persons living in Hawai'i but working remotely.



LONG TERM GOAL: Much closer connections between Hawai'i's workforce development and economic revitalization efforts.

GOAL 4 – Increase Support

Increase support for organizations and agencies that deliver training, certifications, wrap-around services, and other upskilling assistance.

By bolstering workforce development entities, many of which are non-profits, community-based organizations (CBOs), the state ensures a more skilled and adaptive workforce, equipped with the necessary qualifications and support to meet evolving job demands.



Given the critical interdependencies of economic diversification, workforce development, and the need for living wage jobs, we intend, in part, to focus greater attention on support to providers in strategic sectors and occupations now identified as either the high-demand industries

STRATEGIES AND TACTICS (GOAL 4)



Identify best practices by accessing networks like the National Governor's Association (NGA) or the CSG at the national, state, and local level



WDC will advocate for skills-based hiring in government sector to alleviate job shortages



Revamp, reframe, and modernize the Eligible Training Provider List (ETPL) as a critical tool for raising awareness of WIOA-eligible training programs and creating transparency on the quality of various training programs based on the wage outcomes of participants



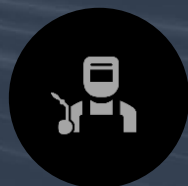
Create a searchable web based ETPL that enables job seekers to find information on tuition costs, length of training, credentials expected upon completion of program that ensures individuals have access to comprehensive data to make informed decisions about their education and career paths



Develop an application process for training providers to be included on the ETPL that ensures that only quality training programs that meet specific criteria are made available to consumers. This process could require providers to show evidence of partnership with local business and provide performance data for all students in their programs



Ensure that once approved, training providers submit regular updates of their data to ensure accuracy of upcoming training opportunities



LONG TERM GOAL:1) Shift to skills-based hiring. Like the State of Maryland's reduction of stringent educational requirements, Hawai'i should consider policy changes to broaden candidate eligibility. Other States such as Colorado and California have led the way in attracting greater diversity of applicants. The Administration's active involvement in promoting these changes, through partnerships with local entities and upskilling initiatives, is crucial. This leadership-driven approach will not only fill current vacancies but also strengthen Hawai'i's government workforce

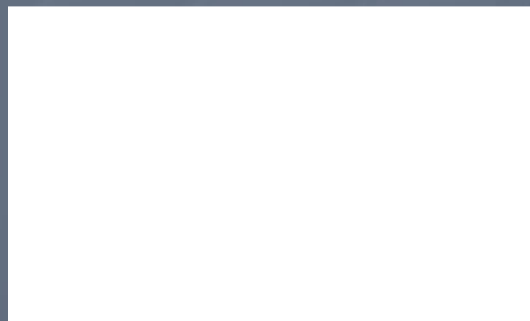
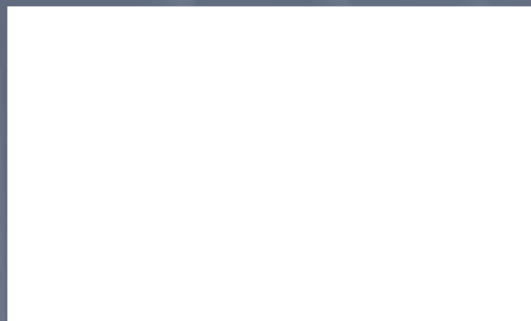
2) Close connectivity between WDD and WDC, and suppliers of training and education

GOAL 5 – Prioritize Vulnerable Populations

Prioritize services to vulnerable populations with barriers to employment.

- Hawai‘i should prioritize services for vulnerable populations with barriers to employment. The government's fundamental responsibility, more so than other stakeholders, is to ensure equity and opportunity in the workforce.
- It fulfills the specific WIOA mandate to address the needs of underserved communities. We must ensure comprehensive support for marginalized members of our community, fostering social justice and economic progress.

STRATEGIES AND TACTICS (Goal 5)



WDD will coordinate resources among core partners and key service providers to provide adequate professional development to workforce staff so that the highest-quality and most effective, evidence-based services are provided to vulnerable populations so that they succeed.

Utilize and develop co-enrollment policies and procedures to ensure that priority services are given to those targeted populations. Initial academic and career path assessment will ensure that vulnerable populations receive essential training and subsequent support to create best benefit from program services.

Core partners develop and implement policies and procedures which ensure that vulnerable populations with barriers to employment that are described in the Unified State Plan receive priority for services.

WDC, WDD and core partners engage employers to improve the labor market and skills outcomes for vulnerable populations, as well as increase access to employment opportunities for those populations.

WDC, WDD, and the Core and Mandatory Partners will work to integrate the University of Hawai'i and its Community Colleges' key goal of increasing the graduation rate of Native Hawaiians and assisting with achievement of greater economic self-sufficiency.

Promote skills development through strategic leadership and long-term direction to fortify investments in training, enhance job readiness, industry specific and soft skills acquisition, and institutionalize alternate learning methods in ways that help vulnerable populations.

For individuals with special needs that preclude full-time employment, tangibly encourage flexible work, e.g., job-sharing, or part-time positions.

The core partners and other key service providers will establish MOAs that outline each agency's roles and responsibilities in providing effective, high-quality, intensive, wrap-around services for vulnerable populations.

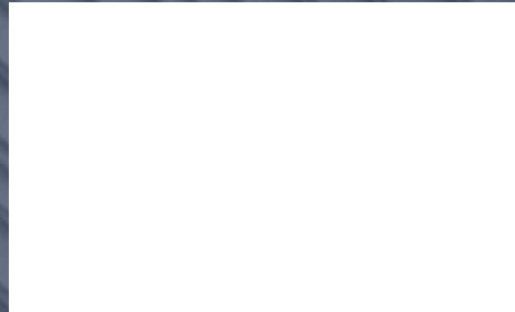
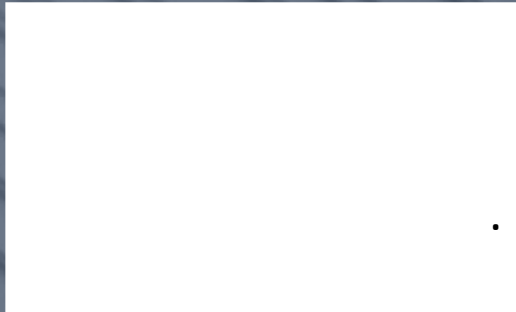
Support CBOs focused on educating and training members of underserved communities to offer greater windows to reach these communities. CBOs understand the unique needs of the communities they serve and supporting them reinforces our commitment to equitable workforce development in Hawai'i.



GOAL 6 – Transform AJCs

- Transform American Job Centers in Hawai'i through a fresh identity, increased visibility, and better coordination with WIOA Core partners.
- American Job Centers are the first line of support but regrettably, a lack of awareness about their offerings perpetuates a vicious cycle.
- Transforming American Job Centers in Hawai'i to enhance their identity, visibility, and coordination with WIOA Core partners is crucial.

STRATEGIES AND TACTICS (GOAL 6)



Although there exists WIOA Performance measures, additional definitions for success need to be formulated.

WDD will review and oversee development and continuous improvement of a seamless, coordinated service delivery system

Core partners and other key service providers have agreed to utilize Hawai'i's Online Workforce Referral system to coordinate services, avoid duplication of services, reduce paperwork, and streamline administrative operations.

AJCs will implement functional teams and will cross train staff on the programs that are available at the AJC and will use co-enrollment; and blending and braiding of program funds to provide seamless services to their participants.

WDC will meet with core partners and other key service providers semi-annually to discuss successes, challenges, and solutions to achieving coordinated, aligned services.

LONG TERM GOAL:
Upgrading the delivery and evaluation of effective services provided by the AJCs.

SUMMARY



Collaboration
and Integration is
the key



We will create a
dashboard to
monitor
outcomes



Circumstances
change and we
need to be
nimble to meet
challenges head-
on and take
advantage of
opportunities



There is
excitement and
buzz on
workforce
development.
We cannot afford
to be content
with the status
quo



Need public,
private, non-
profits and
philanthropic
entities working
together to make
this happen

HOW DO I PROVIDE FEEDBACK ON THE UNIFIED PLAN?

- Access a copy of the Unified Plan on the WDC website: <https://labor.hawaii.gov/wdc/2024-state-unified-plan/>

- Please provide WRITTEN comments and feedback:

<https://docs.google.com/forms/d/e/1FAIpQLSe2te6-ggg757OKKGJQjFnUaKQlfpG1uQCLu9GgVnRo973auQ/viwwform?pli=1>

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MAHALO
