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Arkansas's Employment and Training Program Is Well Funded but Lacks Participants

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KEY FINDINGS



ARKANSAS IS GRAPPLING WITH A
CRITICAL WORKER SHORTAGE.



AS THE LABOR FORCE HAS DWINDLED, **FOOD STAMP ENROLLMENT HAS SKYROCKETED**—
DRIVEN PRIMARILY BY ABLE-BODIED ADULTS.



ARKANSAS HAS A WELL-FUNDED EMPLOYMENT
AND TRAINING PROGRAM (E&T) **DESIGNED
TO HELP MOVE ABLE-BODIED ADULTS
FROM WELFARE TO WORK.**



ARKANSAS TAXPAYERS ARE EXPECTED
TO **SPEND MORE THAN \$10,000 PER
E&T PARTICIPANT IN 2022.**



**BUT LESS THAN ONE PERCENT OF ELIGIBLE
ARKANSAS ENROLLEES ARE EXPECTED
TO PARTICIPATE IN E&T IN 2022.**

THE BOTTOM LINE:

**ARKANSAS'S E&T PROGRAM IS WELL
FUNDED—IT JUST NEEDS PARTICIPANTS.**

Overview

As the country tries to move past the COVID-19 pandemic, the lingering effects on state and local economies still loom large. While many states have lifted restrictions and businesses have reopened their doors, one of the worst worker shortages in history is continuing to stall progress.

There are more than 11 million jobs open nationwide—a near-record-high—but not enough workers to fill them.¹ Even worse, there are more open jobs than people looking for work, with more than 2.5 million workers missing from the labor force as compared to the start of the pandemic.²



**THERE ARE MORE THAN 11 MILLION JOBS OPEN
NATIONWIDE—A NEAR-RECORD-HIGH—BUT
NOT ENOUGH WORKERS TO FILL THEM.**

In Arkansas, there were nearly 90,000 open jobs in January alone—and in the same month, 38,000 people quit their jobs.³⁻⁴ While many able-bodied adults remain on the sidelines, Arkansas businesses are still struggling. One restaurant owner in Little Rock described the situation as “catastrophic,” while another claims “it [is] every bit as challenging today as it has been throughout the pandemic.”⁵

The worker shortage is not only stalling a full economic recovery, but also threatening the safety net itself. As more able-bodied adults opt for welfare over work, resources are siphoned away from the truly needy. And without change, the situation will only get worse.



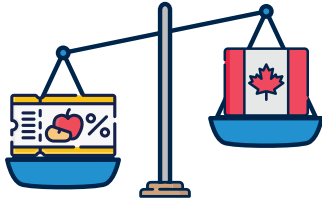
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Labor force participation has declined, while food stamp enrollment has skyrocketed

Getting people off the sidelines and back to work is one of the country’s biggest challenges. In 2000, the national labor force participation rate was more than 67 percent.⁶ Today, labor force participation sits at a near 45-year low.⁷ Had labor force participation remained constant, the economy would have had nearly 13 million additional workers in the labor force.⁸

Over the same period, however, food stamp enrollment experienced the opposite trend and grew exponentially.⁹ From 2000 to 2021, more than 24 million people were added to the food stamp program—an increase of 141 percent.¹⁰ Today, there are nearly 42 million people on food stamps, which is more than the entire population of Canada.¹¹



TODAY, THERE ARE NEARLY 42 MILLION PEOPLE ON FOOD STAMPS, WHICH IS MORE THAN THE ENTIRE POPULATION OF CANADA.

In Arkansas, there were roughly 248,000 people on food stamps in 2000.¹² By the end of 2021, that number had grown to more than 314,000.¹³ Over the same period, the labor force participation rate declined by six percent.¹⁴

The growth in food stamps has been driven in large part by able-bodied adults.¹⁵ In 2000, there were fewer than two million work registrants nationwide—able-bodied adults between the ages of 18 and 59 without young children—in the food stamp program.¹⁶ But today, that number has skyrocketed to more than 12 million—more than seven times the amount two decades ago.¹⁷

While the situation is bleak, there is a solution to help get people off the sidelines and back to work. Arkansas already has a well-funded E&T program, but it lacks participants.

Less than one percent of Arkansas’s work registrants are expected to participate in E&T

States have the option to assign work registrants to E&T programs. These programs help participants gain work training, education, job coaching, job retention services, and many more work-related services.¹⁸

But Arkansas is not currently assigning work registrants to its E&T program.¹⁹

In 2022, Arkansas is expected to have more than 125,000 work registrants on food stamps.²⁰ But only 782 work registrants are expected to participate in E&T, which is less than one percent.²¹ Participation is completely voluntary, meaning that all work registrants are exempt from participating in the program.²²

ARKANSAS’S WORK REGISTRANTS ON FOOD STAMPS VS. ESTIMATED TO PARTICIPATE IN E&T IN 2022



Source: Authors’ review and calculations based on Arkansas’ FY2022 Employment and Training Plan and Budget

Arkansas taxpayers are expected to spend more than \$10,000 per E&T participant

Arkansas taxpayers have made a huge investment in the state's E&T program. Arkansas is expected to spend more than \$7 million on brick-and-mortar facilities for its E&T program.²³ But due to a lack of participants, the state is spending more than \$10,000 per participant—most of which will go to administrative and bureaucratic costs.²⁴

Arkansas taxpayers are heavily invested in helping able-bodied adults get back to work, and state officials should start assigning able-bodied adults to the program. By moving able-bodied adults from welfare to work, Arkansas can start addressing the labor shortage.



BY MOVING ABLE-BODIED ADULTS FROM WELFARE TO WORK, ARKANSAS CAN START ADDRESSING THE LABOR SHORTAGE.

THE BOTTOM LINE: Arkansas's E&T program is well funded—it just needs participants.

The COVID-19 pandemic, skyrocketing enrollment of able-bodied adults in food stamps, and a declining labor force are a recipe for disaster. Employers are desperate for workers, the economy has stalled, and able-bodied adults remain on the sidelines.

But there is light at the end of the tunnel. Arkansas has a fully funded E&T program and the ability to start assigning work registrants to the program. This would help address the state's critical labor shortage by moving able-bodied adults back to work.



Arkansas has a fully funded E&T program and the ability to start assigning work registrants to the program.



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