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Oklahoma's Employment and Training Program Has Funding, but Needs Participants

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KEY FINDINGS



OKLAHOMA IS FACING A CRITICAL WORKER SHORTAGE.



OKLAHOMA HAS A WELL-FUNDED EMPLOYMENT AND TRAINING (E&T) PROGRAM DESIGNED TO HELP ABLE-BODIED ADULTS REENTER THE WORKFORCE.



OKLAHOMA TAXPAYERS ARE EXPECTED TO SPEND MORE THAN \$8 MILLION ON E&T IN 2022 ALONE.



LESS THAN FOUR PERCENT OF WORK REGISTRANTS ARE EXPECTED TO PARTICIPATE IN OKLAHOMA'S E&T PROGRAM.

THE BOTTOM LINE:

OKLAHOMA'S E&T PROGRAM HAS THE FUNDING AND RESOURCES—IT JUST NEEDS PARTICIPANTS.

Overview

The damage done by economic shutdowns and detrimental government policies related to the COVID-19 pandemic have had a long-lasting effect. As a result, states are grappling with one of the worst worker shortages in recent history.

There are more than 11 million jobs open nationwide—a near-record high—but not enough workers to fill them.¹ Many able-bodied adults have remained on the sidelines, as there are more open jobs than people looking for work, with more than 2.6 million workers missing from the labor force as compared to pre-pandemic levels.²



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

In Oklahoma, there were nearly 120,000 open jobs in February alone—at least 37,000 more than before the pandemic began.³⁻⁴ Even worse, 57,000 Oklahomans recently quit their jobs.⁵ Meanwhile, across a variety of industries, Oklahoma businesses are still struggling to find able-bodied workers. For example, employers in the aerospace industry—one of the state's core economic drivers—are desperate for workers, with hundreds of open positions.⁶

The worker shortage is not only halting an economic comeback in the Sooner State, but it is also threatening the safety net itself. As more able-bodied adults opt for government benefits over work, limited resources are siphoned away from the truly needy, leaving the most vulnerable with nowhere to turn.

Without a change, the situation can only get worse.

While food stamp enrollment has ballooned, labor force participation has plummeted

Moving people from welfare to work is one of the biggest challenges facing the country today. In 2000, the national labor force participation rate was 67 percent.⁷ But today, labor force participation has dropped to a near 45-year low.⁸ Had labor force participation remained consistent, the economy would have the benefit of nearly 13 million more workers in the labor force.⁹

However, over the same time, food stamp enrollment has skyrocketed.¹⁰ From 2000 to 2021, more than 24 million people were enrolled in the food stamp program—an increase of 141 percent.¹¹ Today, food stamp enrollment sits at a near-record high, with nearly 42 million enrollees.¹²

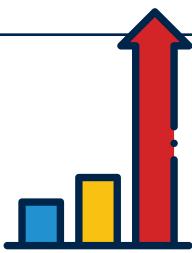


FOOD STAMP ENROLLMENT SITS AT A NEAR-RECORD HIGH, WITH NEARLY 42 MILLION ENROLLEES.

In Oklahoma, there were 253,880 food stamp enrollees at the end of 2000.¹³ By the end of 2021, food stamp enrollment had exploded, with more than 643,000 individuals receiving benefits—an increase of more than 150 percent.¹⁴ During that time, Oklahoma also experienced a decline in labor force participation.¹⁵

The food stamp enrollment surge has been largely driven by able-bodied adults. In 2000, there were fewer than two million work registrants—able-bodied adults between the ages of 18 and 59 without young children—in the food stamp program nationwide.¹⁶ But according to the most recent data, that number has ballooned to nearly 12 million—more than seven times the amount two decades ago.¹⁷

The current situation is dire, but there is a solution that states can utilize to move able-bodied adults from the sidelines and back to work. Oklahoma already has a well-funded E&T program—it just lacks participants.



ACCORDING TO THE MOST RECENT DATA, THE NUMBER OF WORK REGISTRANTS HAS BALLOONED TO NEARLY 12 MILLION—MORE THAN SEVEN TIMES THE AMOUNT TWO DECADES AGO.

Less than four percent of Oklahoma's work registrants are expected to participate in E&T

While the work requirement for able-bodied adults without dependents has been temporarily suspended by the federal government, states are not without options to help get people back to work. States may assign work registrants to E&T programs, which help participants gain work training, job coaching, education, job retention services, and many other work-related services.¹⁸

But Oklahoma currently does not make E&T participation mandatory.¹⁹

In 2022, Oklahoma is expected to have more than 158,037 work registrants in its food stamp program.²⁰ But only 5,913 work registrants are expected to participate in E&T—less than four percent.²¹ E&T participation in Oklahoma is completely voluntary, so participation may be even lower than anticipated.

LESS THAN FOUR PERCENT OF OKLAHOMA'S ELIGIBLE FOOD STAMP ENROLLEES WILL PARTICIPATE IN E&T

Work Registrants
on Food Stamps

158,037

Expected to
Participate in E&T

5,913

Source: Authors' review and calculations based on Oklahoma's FY2022 Employment and Training Plan and Budget

Oklahoma taxpayers are paying for an underutilized program

Oklahoma taxpayers have made a hefty investment in the state's E&T program. Oklahoma is expected to spend more than \$8 million for its E&T program.²² But with program participation being merely voluntary, Oklahoma taxpayers can expect the bulk of their contribution to go toward administrative and bureaucratic costs.²³ In fact, **taxpayers are anticipated to spend more than \$1,412 per E&T participant.**²⁴

State taxpayers are dedicated to helping able-bodied adults gain the skills necessary to make the transition from welfare to work. To maximize taxpayers' investment, state officials should make E&T participation mandatory for able-bodied adults. By moving able-bodied adults from dependency toward self-sufficiency, Oklahoma can start tackling the labor shortage that has swept the state.

Bottom line: Oklahoma's E&T program has the funding and resources—it just needs participants.

The ripple effects of the pandemic, skyrocketing able-bodied adult enrollment in food stamps, and a deteriorating labor force have created a crisis in Oklahoma. Employers are desperate for workers, while able-bodied adults remain on the sidelines.

But there is a ready-made solution. Oklahoma has a fully funded E&T program and the ability to make program participation mandatory. This move would help address the state's critical labor shortage by moving able-bodied adults back toward work.

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