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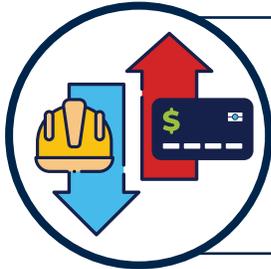
Virginia's Employment and Training Program Is Well-Funded but Needs Participants

Jonathan Bain
Senior Research Fellow

KEY FINDINGS



THERE IS A **CRITICAL WORKER SHORTAGE** SWEEPING ACROSS VIRGINIA.



THE LABOR FORCE HAS STEADILY DECLINED, AND **ABLE-BODIED ADULTS HAVE CAUSED FOOD STAMP ENROLLMENT TO SURGE TO NEAR-RECORD LEVELS.**



VIRGINIA'S EMPLOYMENT AND TRAINING PROGRAM (E&T) IS WELL-FUNDED AND **HAS THE RESOURCES TO MOVE ABLE-BODIED ADULTS FROM WELFARE TO WORK.**



STATE TAXPAYERS ARE EXPECTED TO SPEND **MORE THAN \$3,000 PER E&T PARTICIPANT IN 2022.**



BUT ONLY **FIVE PERCENT** OF VIRGINIA WORK REGISTRANTS ARE EXPECTED TO PARTICIPATE IN E&T.

THE BOTTOM LINE:

VIRGINIA'S E&T PROGRAM HAS THE FUNDING
BUT LACKS PARTICIPANTS.

Overview

While most states have lifted stifling COVID-19-related restrictions and businesses have reopened their doors, the effects of pandemic-era policies are still stalling progress. In fact, one of the worst worker shortages in modern history has brought the economy to a standstill.

There are a record-high 11.5 million open jobs nationwide, and not enough workers to fill them.¹ While businesses are desperate for workers, there are still more open jobs than people looking for work.² As a result, there are more than three million workers missing from the labor force as compared to the start of the pandemic.³



THERE ARE A RECORD-HIGH 11.5 MILLION OPEN JOBS NATIONWIDE, AND NOT ENOUGH WORKERS TO FILL THEM.

In Virginia, there were at least 313,000 open jobs in February alone—nearly 100,000 more than before the pandemic began.^{4,5} Making matters worse, at least 100,000 Virginians recently quit their jobs.⁶ Meanwhile, local businesses are still grappling with the long-lasting effects of the pandemic.

One Virginia business owner explained, “We provide promotional products, logoed apparel, branding services, things of that nature... If I don’t have conferences, where people need swag bags, I don’t have work, right? So, it’s not just these higher, bigger industries. It’s everybody who supports them.”⁷

Beyond the woes of local business owners, the worker shortage is hurting the truly needy. With the number of able-bodied adults on food stamps on the rise, limited resources are siphoned away from those who need them most, leaving the most vulnerable with few options.

Unfortunately, if the tide does not turn, the situation can only get worse.

WITH THE NUMBER OF ABLE-BODIED ADULTS ON FOOD STAMPS ON THE RISE, LIMITED RESOURCES ARE SIPHONED AWAY FROM THOSE WHO NEED THEM MOST, LEAVING THE MOST VULNERABLE WITH FEW OPTIONS.



As food stamp enrollment has soared, labor force participation has steadily declined

Moving able-bodied adults from welfare to work is one of the biggest challenges facing the nation. In 2000, the national labor force participation rate was more than 67 percent.⁸ But the number of missing workers has ballooned over the years. Today, labor force participation sits at a near-45-year low.⁹ Had labor force participation remained constant over time, the economy would have had the benefit of nearly 13 million additional workers.¹⁰

Shockingly, over the same period, food stamp enrollment has skyrocketed. From 2000 to 2022, more than 24 million people were added to the food stamp program.¹¹ According to the most recent data, there are a near-record-high 42 million individuals collecting benefits—more than the population of Canada.¹²



ACCORDING TO THE MOST RECENT DATA, THERE ARE A NEAR-RECORD-HIGH 42 MILLION INDIVIDUALS COLLECTING BENEFITS—MORE THAN THE POPULATION OF CANADA.

In Virginia, there were more than 339,000 food stamp enrollees in early 2000.¹³ But by the beginning of 2022, that number had exploded to more than 808,000—an increase of 138 percent.¹⁴ And just like the national trend, Virginia has experienced a declining labor force during this time.¹⁵

IN VIRGINIA, THE NUMBER OF FOOD STAMP ENROLLEES HAS EXPLODED

Virginia food stamp enrollees



Source: U.S. Department of Agriculture Food and Nutrition Service

The food stamp enrollment spike was driven in large part by able-bodied adults. In 2000, there were less than two million work registrants—able-bodied adults between the ages of 18 and 59 without young children—enrolled in food stamps nationwide.¹⁶ However, according to the most recent data, there are more than 10 million work registrants today—nearly six times the amount two decades ago.¹⁷

The current outlook is bleak, but states have a simple solution. By making E&T assignments mandatory for able-bodied adults on food stamps, states can begin to address the worker shortages plaguing their economies. Virginia's E&T program is already well-funded—it just needs participants.

Only five percent of Virginia's work registrants are expected to participate in E&T

Despite the “temporary” suspension of the work requirement for able-bodied adults without dependents (ABAWDs) at the federal level, states still have a pathway to get people off the sidelines and back to work. States can assign work registrants to E&T programs, which are designed to help participants gain work training, job coaching, education, job retention services, and many other work-related skills.¹⁸

Unfortunately, participation in Virginia's E&T program is completely voluntary.¹⁹

This year, Virginia expects to have nearly 118,000 work registrants in its food stamp program, but only 6,326—five percent—are expected to voluntarily participate.²⁰ And since E&T participation in Virginia is voluntary, actual program participation may be even lower.

Virginia taxpayers are expected to spend more than \$3,000 per participant

State taxpayers have heavily invested in Virginia's E&T program. In fact, the state is expected to spend more than \$20 million on its E&T program.²¹ But since program participation is voluntary, the bulk of taxpayer funds will go toward administrative and bureaucratic costs. **In fact, taxpayers are expected to spend at least \$3,238 per participant.**²²

Virginia taxpayers have made a commitment to help able-bodied adults gain the skills necessary to make the leap from welfare to work. To maximize the investment, lawmakers should make E&T participation mandatory for all able-bodied adults on food stamps. By moving able-bodied adults back to work, Virginia can begin to solve the critical labor shortage.

ONLY FIVE PERCENT OF VIRGINIA'S ELIGIBLE FOOD STAMP ENROLLEES WILL PARTICIPATE IN E&T

Work Registrants
on Food Stamps

117,917

Expected to
Participate in E&T

6,326

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

Bottom line: Virginia's E&T program has the funding but lacks participants.

The suspension of the ABAWD work requirement, skyrocketing enrollment of able-bodied adults on food stamps, and destructive COVID-19-related policies have halted Virginia's economy. Employers remain desperate for workers and hundreds of thousands of jobs remain open. But able-bodied adults are continuing to sit on the sidelines.

Fortunately, Virginia can turn the tide. The state's E&T program is well-funded, and lawmakers can make program participation mandatory. This would set Virginia on the path toward addressing the labor crisis sweeping the state by moving able-bodied adults from welfare to work.



Employers remain desperate for workers and hundreds of thousands of jobs remain open. But able-bodied adults are continuing to sit on the sidelines.



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15275 Collier Boulevard | Suite 201-279
Naples, Florida 34119
(239) 244-8808

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