

## **Instructions for the In-Demand Occupations, Target Occupations, and In-Demand Industries Templates**

### **Overview**

WD Letter 22-16, Change 1, issued December 5, 2016, and entitled “Local Workforce Development Board Planning Guidelines for Program Years 2017–2020—*Update*,” sets forth guidelines for completion of Board Plans and includes, as Attachment 4 to the WD Letter, In-Demand Occupations, Target Occupations, and In-Demand Industries Templates. Plan development requires that Boards show how their lists were compiled, with information that supports inclusion of the selected occupations and industries.

This attachment provides instructions and suggestions for analyzing and documenting Boards’ in-demand occupations, target occupations, and in-demand industries.

The Texas Workforce Commission (TWC) recommends that Boards complete their lists in the following order:

1. In-Demand Occupations List
2. Target Occupations List
3. In-Demand Industries List

As leading industries, occupations, and training needs change, Boards are required to update the lists and e-mail them to [Board.Plans@twc.state.tx.us](mailto:Board.Plans@twc.state.tx.us). No plan modifications or amendments are required for list updates.

### **Definitions of In-Demand Industry Sector, In-Demand Occupation, and Target Occupation**

“In-demand industry sector” and “in-demand occupation” are terms from WIOA. The term “high-demand” from WIA is synonymous with in-demand. WIOA defines an in-demand industry sector and occupation as the following:

- An industry sector that has a substantial current or potential impact (including through jobs that lead to economic self-sufficiency and opportunities for advancement) on the state, regional, or local economy, and that contributes to the growth or stability of other supporting businesses, or the growth of other industry sectors; or
- An occupation or industry sector that currently has or is projected to have a number of positions (including positions that lead to economic self-sufficiency and opportunities for advancement) great enough to have a significant impact on the state, regional, or local economy.

Target occupations are in-demand occupations that meet the following conditions:

- Offer a training or educational component that is related to the occupation and results in a credential or certificate;
- Result in occupational wages that meet a Board’s self-sufficiency requirements; and
- Have a substantial number of openings due to job growth rather than openings due to job turnover.

### **Target Occupations versus In-Demand Occupations**

It is important to differentiate between target occupations and in-demand occupations. An in-demand occupation simply implies that large numbers of job openings are likely. A target occupation, on the other hand, offers both a large number of expected job openings and meets other criteria set forth by the Board. Not all in-demand occupations will meet the Board's target criteria or standards.

### **Labor Market and Career Information Tools**

As outlined in WD Letter 22-16, Change 1, several Labor Market and Career Information (LMCI) tools are available to help with Boards' required analysis and documentation.

For the in-demand and target occupation lists, the following tools may be used, in addition to others:

- TWC's LMCI website, [Tracer 2](#)—*The Future* tab → *Occupational Projections* filter
- Wages—[Tracer's 2015 Occupational Wages](#)
- [Wanted Analytics Occupation Filter](#)
- Industries and Occupations References (Attachment 5 to WD Letter 22-16, Change 1), which has an Occupational Wages tab for all Boards and occupations

For the In-Demand Industries List, Boards may use the following tools, in addition to others:

- [Tracer 2](#)—*The Future* tab to see industry projections
- [Wanted Analytics Occupation Filter](#)
- Industries and Occupations References (Attachment 5 to WD Letter 22-16, Change 1), which contains:
  - a 2012 North American Industry Classification System Codes tab; and
  - the Governor's *Cluster Reference* tabs.

Use of these tools will:

- ensure a minimum amount of valid, comparable information on in-demand industries, in-demand occupations, and target occupations;
- help more accurately describe workforce needs and activities statewide; and
- promote knowledge exchange across the workforce system.

TWC staff is available to provide detailed guidance on the tools and their use in the selection process.

### **General Guidelines**

The Board determines and approves the occupations and industries for inclusion, and TWC reviews the lists for accuracy and content. The Board is required to retain its final analysis for review. Boards may use additional labor market tools, studies, and resources to assist with analysis and are required to cite all data sources used for the selection process.

To ensure they have universal meaning to all Texas workforce system stakeholders, industries are identified by a four-digit North American Industry Classification System (NAICS) code and occupations by a six-digit Standard Occupational Classification (SOC) code.

Some of the major four-digit industries will be confidential in local workforce development area (workforce area) projections, because in some cases Bureau of Labor Statistics (BLS) guidelines do not allow for the release of confidential data to non-BLS agents due to the nature of the industry or a lack of voluntary survey responses. If this is the case, Boards may instead use a three-digit, local industry identifier or the four-digit industry code at the statewide level. For example, for NAICS 6221-General Medical and Surgical Hospitals, the Board could use either local code 622-Hospitals or statewide-level code 6221-General Medical and Surgical Hospitals to capture the industry demand.

### **Additional Rationale and Local Wisdom**

A crucial component of the selection process is workforce area local wisdom and additional information that cannot be captured by other data sources. For example:

- an occupation or industry new to an area will not be reflected in employment projections because the projections are based on existing positions in the workforce area; or
- some occupations will not appear at the top of one industry, but will appear in many industries and can be selected for that reason.

For each template, provide a short summary of any local wisdom or additional rationale in the requested column. If extra space is needed, please include additional pages as part of the final report (see completion process). Examples of local wisdom are included at the end of this document.

### **Completion Process**

Boards are required to use the templates for completion of the lists to ensure a uniform reporting process, so that comparable information is collected from all Boards.

As part of the final analysis, Boards are required to retain the following:

- A summary of how local employers, including small employers, were involved in the selection process; and
- A summary of how other local industries, economic development entities, and other organizations were involved in the selection process.

TWC recommends listing 40 to 50 in-demand occupations, 20 to 25 target occupations, and 10 to 15 in-demand industries. In the event that a Board believes it needs more occupations or industries, the Board can provide appropriate justification for an expanded list.

#### In-Demand Occupations

*Step 1: Identify the Board's in-demand occupations by SOC code, using analysis of occupational employment indicators.*

Boards are required to provide the labor market data and criteria used to determine what in-demand occupations are on the list.

#### Target Occupations

*Step 2a: Identify the target occupations critical to the Board's in-demand industries, for*

*which the Board can dedicate Workforce Innovation and Opportunity Act (WIOA) training resources.*

Step 2 presumes that the recommended analyses in Step 1 have been completed and that there is a solid understanding of the relative importance of key occupations within the workforce area's in-demand industries, based on important labor market indicators. Having explored the impact of using different indicators to describe and rank occupations, the Board has a good idea of its preferred ranking or cutoff criteria for purposes of selecting target occupations.

The 2014–2024 Occupational Projections includes “Typical” education indicators for each occupation. However, it is a national education indicator and it may not always be accurate in individual workforce areas. For instance, Registered Nurse will be listed as a bachelor's degree in the new projections; however, the Texas license for that occupation is an associate degree. Each Board can determine whether the required education is appropriate for that workforce area. For vocational occupations, there may be licensing requirements, but the typical education is likely to be listed as high school instead of postsecondary, non-degree award.

*Step 2b: Answer the questions related to eligible training providers.*

After developing the Target Occupations List, Boards are required to answer the questions related to Eligible Training Providers (ETPs). The answers related to ETPs have no bearing on an occupation's inclusion on the Target Occupations List, but are essential in relation to training and overall workforce system efforts.

For specific targeted occupations, Boards are required to retain the following:

- How the Board assesses entry-level job skills and career ladders for which training may be provided and supported by WIOA funds; and
- How the Board assesses target occupations against available training programs offered by ETPs, where there are gaps, and how the Board will identify and pursue potential providers to participate as ETPs.

The Board's target occupations can include occupations not related to the Board's in-demand industries. In case of review, if the Board includes an occupation on its Target Occupations List that is not associated with one of the Board's in-demand industries, the Board is required to justify that the target occupation is in-demand because it is needed across many industries.

Boards are required to provide the labor market data and criteria used in making the occupational targeting choices to show why a targeted occupation is on the list.

If the Board has approved a set of career pathway models that relate to a Board's target occupation, please indicate this in the appropriate column.

Additional rationale, local wisdom, and other explanations for targeting an occupation may be included, such as information from the following:

- Surveys of employers

- Local or regional labor market or occupational studies
- Industry, economic development, or professional/occupational organization partners

### In-Demand Industries

*Step 3: Identify the Board's high-growth, in-demand industries by NAICS code, using analysis of industries, sectors, and clusters.*

In-demand industries may be related, but are not limited to, the governor's industry clusters. Please refer to [Industries and Occupations References](#), Attachment 5 to WD Letter 22-16, Change 1, to determine whether an in-demand industry matches to a governor's industry cluster.

Boards are required to provide the labor market data and criteria used in making in-demand industry choices to show why the industry is on the list.

If available, include additional rationale, local wisdom, and other explanations for including an industry on the list. This can include, but is not limited to, local knowledge about the importance of an in-demand industry in the workforce area and information gained from local or regional labor market or industry studies, industry or economic development partners, or employer surveys.

### **Sample Language for Local Wisdom or Employer Validation**

Local wisdom is an important source of information on in-demand occupations, target occupations, and in-demand industries. Language describing these local contributions does not have to be lengthy to explain why the occupation or industry is being included. The following are examples of language explaining local wisdom or employer validation (Boards may provide more detailed responses as necessary):

- Scott & White Hospital has committed to hiring 20 critical care nurses. We have selected *registered nurse* as a generic title for our Target Occupations List, with the expectation of providing critical care nurse training through Austin Community College.
- Last year, we placed 90 percent of *LVN/LPN* graduates within 90 days of program completion. We expect continued demand from regional hospitals for *LVNs* and similar placement success.
- WorkInTexas.com shows 10 job openings for every job applicant specializing as a *physical therapy assistant*. This is consistent with the above-average long-term projections for physical therapy assistants in our region.
- The Lubbock Chamber of Commerce (Chamber) has commitments for three new data centers within the next two years. The Chamber expects these centers to need *75 customer service representatives* at prevailing wages of greater than \$15 per hour. Half of the new positions will require Spanish-language skills.
- The Exxon/Mobil Baytown refinery will double its capacity over the next five years. It is badly in need of American Welding Society–certified *welders* and *braziers*. Additional training slots have been added at San Jacinto Community College, and the mayor's office is starting a high school recruiting program.
- Our region has very high employment concentrations in the advanced manufacturing cluster and both long-term projections, and three area firms have

confirmed the need for robotics technicians, which fall under the SOC occupation *electro-mechanical technicians*.

- A survey conducted by the university's Business Research department indicated extensive demand for *medical secretaries*. Vocational training will emphasize computer skills, transcription skills, and medical vocabulary, all of which were reported in the survey as critical skills.
- The LMCI 2014–2024 projections show a large number of projected job openings for *private security guards*. Training will include transferable skills that would allow trainees to also work as *corrections officers* if the state expands the local prison, as expected, within the next two years.
- This occupation is one of the 20 high-growth, in-demand occupations identified in our Board's joint labor market study with neighboring Boards. The methodology and data in the report meet the Target Occupations List criteria, addressing wages, current and projected demand, and regional location quotient, along with other factors. We are collaborating with our neighboring Boards on services coordination and joint initiatives that address these target occupations, as well as target occupations specific to our Board that are not included in the regional list. The regional study report is attached to our submission.
- Our Board conducted labor market analyses using criteria for the central, heavily urbanized parts and rural parts of our workforce area. This is a target occupation for the rural parts of the workforce area, associated with the rural in-demand industry. The occupation is the third most frequent type of occupational job listing posted through the Board's rural Workforce Solutions Offices. Our rural development authority recently designated it an area of focus for employment growth and rural development.