Instructions for Completing In-Demand Industries, In-Demand Occupations, and Target Occupations Lists Templates

Overview

This attachment provides instructions for analyzing and completing the Local Workforce Development Boards' (Boards) In-Demand Industries, In-Demand Occupations, and Target Occupations List templates.

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

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

Labor Market Information Tools

Several tools are available to help Boards research and analyze local labor market information (LMI).

LMI tools:

- provide valid, comparable information on in-demand industries, in-demand occupations, and target occupations;
- offer a more accurate description of workforce needs and activities statewide; and
- promote knowledge exchange across the workforce system.

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

For the In-Demand Occupations and Target Occupations Lists, Boards may use, but are not limited to, the following free online tools:

- TWC's Labor Market Information (Texas LMI) Occupational Projections—Select **Popular Downloads** at the top of the screen, then the **Projections** tab. Scroll to the **Occupational Projections** section (alphabetical order) to see occupational projections.
- Texas LMI Wage Data—Select **Popular Downloads** at the top of the screen, then the **Wages** tab. Select **WDA Wages by Occupation** to access **2025 Occupational Employment Wage Statistics (OEWS) Data**.
- Texas Career Check provides occupational profiles.
- Lightcast offers related occupations based on skills in demand.
- Standard Occupational Classification (SOC) data reference information—The most current SOC information can be found through the Bureau of Labor Statistics (BLS) web page or Attachment 2, Industry and Occupations References."

For the In-Demand Industries List, Boards may use, but are not limited to, the following tools:

- Texas LMI—Select **Popular Downloads** at the top of screen, then the **Projections** tab.

Scroll to the **Industry Projections** section (alphabetical order) to see industry projections.

- Lightcast offers industry information.
- O*NET-SOC Crosswalk List—provides crosswalk between 2019 O*NET codes and title to 2018 SOC codes and title.
- Attachment 2, Industry and Occupations References, which contains:
  - a 2022 North American Industry Classification System (NAICS) Structure tab;
  - a Clusters Sorted by NAICS Code tab; and
  - a 2018 Occupational Employment and Wage SOC Code tab.

TWC's Texas Labor Analysis website provides tools for analyzing labor demand. Select **Demand** under **Create a Report**, then select **Industry Detail** under **Report Type** and make selections for **Region**, **Industry**, and **Date Range**.

General Guidelines

Each Board determines and approves the occupations and industries to be included on their In-Demand Occupations, In-Demand Industries, and Target Occupations Lists. TWC subsequently reviews the lists for accuracy and content. Boards are required to retain their final analysis for review. Boards may use additional labor market tools, studies, and resources to assist with analysis and must cite all data sources used for the selection process.

If TWC data is used, Boards must base their long-term projections on the 2022–2032 time frame as provided in Attachment 1.

Non–TWC Data

If non–TWC data is included, it should be clear which sources were used. If TWC and non–TWC data are mixed within the same table, Boards must clearly delineate which elements of the table come from which source (such as which rows and columns consist of TWC data and which consist of non–TWC data).

Additionally, if another data source is used, Boards must base their long-term projections on the most recent 10 years of available data and update the tables' title dates to reflect the time frame for which they gathered data.

NAICS Codes

To ensure that there is universal meaning to all Texas workforce system stakeholders, Boards must identify in-demand industries by a 2022 four-digit NAICS code. The most current NAICS codes can be found through the U.S. Census Bureau.

In some cases, due to the nature of the industry or a lack of voluntary survey responses, guidelines provided by the U.S. Bureau of Labor Statistics (BLS) do not allow for the release of confidential data to non–BLS agents. Thus, some of the major four-digit NAICS industry codes will not be published in local workforce development area (workforce area) projections. In these cases, Boards may use a three-digit local industry identifier, an aggregation used in the TWC projections program, or the four-digit industry code at the statewide level. For example, for NAICS 6221-General Medical and Surgical Hospitals, a Board may use either local code 622-Hospitals or statewide-level code 6221-General Medical and Surgical Hospitals to capture the

industry demand.

O*NET Codes

To ensure that occupations have universal meaning to all Texas workforce system stakeholders, Boards must identify all occupations by a current O*NET code. The most current O*NET codes can be found through O*NET OnLine.

Additional Rationale and Local Wisdom

Workforce area local wisdom and additional information that cannot be captured by other data sources are crucial components of the selection process. For example:

- an occupation or industry that is new to an area will not be reflected in employment projections because the projections are based on existing positions in the workforce area; and
- 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 occupation in which local wisdom or additional rationale is provided, provide a short summary in the requested column. If extra space is needed, please include additional pages as part of the final report. Examples of local wisdom are included at the end of this document.

Completion Process

Boards must use the templates in Attachment 1: Instructions for Completing In-Demand Industries, In-Demand Occupations, and Target Occupations Lists Templates, for completion of the lists. This ensures a uniform reporting process so that comparable information is collected from all Boards.

As part of the final analysis, Boards must retain the following information:

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

In-Demand Industries

A Board's In-Demand Industries List must be developed by identifying the Board's high-growth, in-demand industries by NAICS code and by using analyses of industries, sectors, and clusters.

In-demand industries may be related to, but are not limited to, the governor's industry clusters. Please refer to WD Letter 24-20, Change 3, Attachment 2, to determine whether an in-demand industry matches 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 as to why an industry was placed on the list. This may 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.

In-Demand Occupations

A Board's In-Demand Occupations List must be developed by identifying the Board's in-demand occupations by O*NET code and by analyzing occupational employment indicators.

Boards are required to provide the labor market data and criteria that were used to identify the Board's in-demand occupations.

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

Target Occupations

A Board's Target Occupations List must be developed by identifying the target occupations for which the Board can dedicate WIOA training resources by O*NET code. For each occupation, it must be noted whether the occupation is a career pathway.

The process of conducting labor market analyses enables Boards to develop a solid understanding of the relative importance of key occupations within their workforce area's in-demand industries. Having explored the impact of using different labor market indicators to describe and rank occupations, a Board is able to develop preferred ranking or cutoff criteria for purposes of selecting target occupations.

The occupational projections include typical education indicators for each occupation. However, as a national education indicator, it may not always be accurate for individual workforce areas. For instance, in new projections, "Registered Nurse" will be listed as requiring a bachelor's degree; however, the Texas license for the occupation only requires an associate's degree. Each Board can determine whether the required education is appropriate for that workforce area. Licensing requirements may exist for vocational occupations; however, the typical education requirement for such occupations is likely to be listed as "high school" instead of "postsecondary, nondegree award."

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

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

- How the Board assesses entry-level job skills and career ladders for which training may be provided and supported by WIOA funds
- How the Board assesses target occupations against available training programs that are offered by ETPs, where there are gaps in training opportunities, and how the Board will

identify and pursue potential providers to participate as ETPs

The Board's target occupations may include occupations not related to the Board's in-demand industries. For any occupation on a Board's Target Occupations List that is not associated with one of the Board's in-demand industries, the Board must provide justification that the target occupation is in demand and needed across many industries.

To show why an occupation is on a Board's Target Occupations List, the Board must provide the labor market data and criteria that they used in making their occupational targeting choices.

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

- employer surveys;
- local or regional labor market or occupational studies; or
- industry, economic development, or professional/occupational organization partners.

Sample Language for Local Wisdom or Employer Validation

Local wisdom is an important source of information on in-demand industries, in-demand occupations, and target occupations. 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):

- "Baylor 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 licensed vocational nurse/licensed practical nurse graduates within 90 days of program completion. We expect continued demand from regional hospitals for licensed vocational nurses and similar placement success."
- "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 needs American Welding Society–certified welders and brazers. 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 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 electro-mechanical technician occupation."
- "A survey conducted by the university's business research department indicated that there is an 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."
- "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 by 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 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 as an area of focus for employment growth and rural development."