

# Workforce Development

## Team Members:

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# Where We Started

- Early conversations focused on how disconnected workforce development (WFD) efforts feel across the state: Does anyone know ALL the efforts going on? What will keep THIS work from being duplicative of efforts already happening?
- We explored creating a full inventory—mocked up a spreadsheet, drafted a survey

# What We Realized:

- Housing costs dominate the conversation—but are often left out of WFD strategies
- Many workers get caught in the “benefits cliff”: lose support before they can afford independence
- Efforts across the state are strong—but often siloed, duplicative, or working at cross-purposes
- Frustration about talking without action was a common theme

# What We Can Do Now

- AI-assisted scan of WFD plans across Hawai'i
  - Identify gaps, overlaps, underserved groups, and missed opportunities
- Legislative briefings on WFD across sectors
  - Invite each major stakeholder to share efforts, challenges, and vision

## **BUSINESS REVITALIZATION TASK FORCE**

### **Workforce Development Permitted Interaction Group**

#### **Report: Findings and Recommendations**

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#### **Purpose & Context**

This document presents key themes and early ideas from the Workforce Development Permitted Interaction Group (WFD PIG), a sub-group within the Business Revitalization Task Force. Our kuleana was to explore workforce development issues and opportunities through the lens of business revitalization—asking not just how to train workers, but how to ensure businesses across Hawaii can hire, retain, and support the workforce they need to thrive.

We recognize that workforce development is already a major area of investment and activity across the state. Our goal wasn't to reinvent the wheel, but to identify gaps, surface overlooked issues, and provide grounded, actionable insights that can inform broader revitalization efforts—especially for small businesses struggling to remain viable.

Throughout our conversations, we've tried to center the real-world challenges faced by businesses and workers, while also staying open to systems-level thinking and practical experimentation. What follows is a summary of what we surfaced in our conversations.

#### **Workforce as a Barrier to Business Vitality**

Hiring and staffing shortages are among the most immediate and persistent challenges facing businesses across Hawaii—especially small, local businesses. This isn't about scaling up or expanding. For many, it's about staying open at all.

Businesses are cutting back hours, closing for entire days, or turning down new business—not because of lack of demand, but because they don't have the staff to support it. And it's not isolated to one island. From Hilo to Hanapēpē, business owners are saying the same thing: they can't find enough workers, and they're burning out the ones they do have.

This raises a fundamental question that we kept returning to throughout our discussions:

**Which businesses are we trying to revitalize?** Are we aiming to support the needs of major employers like Queen's or Hawaiian Airlines—or the neighborhood plate lunch shop that serves the community every day? The answer matters. Workforce challenges and solutions look very different depending on the size, type, and location of the business in question.

The takeaway is simple: workforce development isn't just a labor market issue. It's a business survival issue. And until we treat it like essential economic infrastructure—on par with roads, energy, or broadband—we'll keep seeing workforce shortfalls act as a drag on local business vitality.

### **Housing & Affordability as Core Workforce Issues**

Housing and affordability are central to workforce development—but they rarely get treated that way in policy or planning conversations. It's not that people don't see the problem. Everyone working in or around workforce development knows how serious the housing situation is. The issue is that we don't talk about it nearly as much as we should, given how directly it affects our ability to recruit, retain, and support workers.

We're conditioned to focus on education, training, and credentials when we think about workforce development. But for many residents across Hawaii, decisions about whether to take a job—or keep one—hinge more on rent, commute, and childcare than on access to training programs.

This plays out in real and often frustrating ways. Workers sometimes turn down raises or reduce their hours to avoid losing eligibility for key supports like housing assistance, SNAP benefits, or childcare subsidies. Others earn just enough to disqualify them from these programs, but not enough to cover the full cost of living—leaving them stuck in the “gap” with no clear next step.

On O'ahu, this shows up in long commutes from areas like Wai'anae to tourism hubs like Waikīkī, where workers spend a huge share of their income just getting to and from their

jobs. It's not just about cost—it's about quality of life. Picture the working parent—say, a nurse—who drops her child at school in Honolulu, works a full shift, picks them up after practice or rehearsal, battles traffic westbound, grabs a quick dinner on the way home, helps with homework, and then starts the whole routine again at 4:30 a.m. the next day. When that kind of daily grind is the norm, it takes a toll on family health, well-being, and long-term sustainability.

On neighbor islands, the story looks different but carries the same weight: local families are being priced out of the very communities they've lived in for generations. Businesses in these areas are shortening hours or closing multiple days a week—not due to lack of demand, but because their workers can't afford to live nearby.

Some local governments are beginning to respond. Kaua'i, for example, recently increased property taxes on visitor accommodations to fund gap housing initiatives. The revenue will go into a dedicated fund—not the general fund—and will be used to explore land partnerships and housing solutions with major landowners.

In some cases, businesses themselves are also stepping in—particularly when housing is the difference between filling a critical position or not. On Kaua'i and elsewhere, a growing number of employers have purchased homes or condos to provide housing for key staff, such as general managers or specialized professionals. It's a costly move, but for certain businesses, it's become a necessary one to stabilize operations and retain leadership.

The broader takeaway is this: If housing remains outside the workforce conversation, we will keep trying to build a workforce system on a shaky foundation. Addressing affordability head-on is not optional—it's structural. And it's not just about recruitment—it's about long-term retention. If workers don't see a viable future for themselves and their families here, they will look elsewhere, regardless of how strong our training programs may be.

### **Place-Based Needs, Siloed Systems & Misaligned Incentives**

Not all workforce challenges are created equal—and not all communities face the same barriers or opportunities. One of the consistent themes in our discussions was the need to ground workforce development strategies in the lived realities of specific places across Hawaii.

Neighbor islands face very different conditions than urban Honolulu. Even on O'ahu, workforce needs and constraints in Wai'anae differ sharply from those in Kaka'ako or Kāne'ohe. Access to childcare, transportation options, proximity to major employers, internet connectivity, and housing stock all shape how individuals engage with work, and how businesses find and keep talent.

Yet many statewide workforce initiatives are designed almost as if a one-size-fits-all model will work. These efforts often miss the chance to flex around place-based conditions—or to support local actors who are already working creatively within them.

We also want to acknowledge that there are many strong, well-intentioned efforts happening across the state. Public agencies, educational institutions, nonprofits, and private partners are all making meaningful contributions—and in many cases, gaining traction. At the same time, there's a growing sense of frustration that these efforts often happen in silos. The right hand doesn't always know what the left is doing, which can lead to duplication, missed opportunities, or even unproductive competition. When budgets are tight and needs are high, that kind of fragmentation feels especially costly. Without stronger alignment around a shared vision and outcomes, the overall impact falls short of what it could be.

Nainoa Thompson, of the Polynesian Voyaging Society, offered a metaphor that became useful in our discussions: What is our destination? Are we all agreed on where we're trying to go? Right now, it feels like many parts of the system are navigating without a clear, shared destination. And when the path isn't coordinated, even well-intentioned efforts can work at cross-purposes.

**Adding to this challenge is the reality that many key stakeholders are operating with different, and sometimes conflicting, incentives.** A training provider might be funded based on program completions, not job placements. Employers may be incentivized to offer low-wage positions with minimal benefits, while workers are trying to secure long-term stability and housing. Even within families, priorities can differ—*what mom and dad want for their child might not match what the child actually wants for themselves*. These differences shape decisions in ways that don't always show up in the data.

When we don't account for these misaligned incentives, it's easy to mistake surface-level activity for impact. Any serious effort to align workforce development with business revitalization needs to grapple with this underlying system dynamic—not just to coordinate better, but to actually reward what we want to see more of.

This also sets up a deeper challenge we'll explore in the next section: even when training and support systems work well, if the long-term opportunity isn't here, in Hawai'i, people will still leave. That's not just a workforce issue—it's an economic development issue.

### **Information Gaps & Legislative Needs**

There's a lot of workforce development activity happening across the state—but very few people have a full picture of it. Legislators, in particular, often lack a clear sense of what programs exist, who's doing what, and how it all connects (or doesn't). This information gap



makes it harder to craft effective policy, allocate funding strategically, or identify where coordination is needed.

Early in our discussions, we floated the idea of building a comprehensive statewide inventory of all WFD initiatives. It's a good idea in theory—but in practice, it risks duplicating work that's already been done (or started and stalled). Plus, without a clear owner or process for keeping that kind of inventory updated, it could quickly become outdated or underutilized.

Instead, we see a more pragmatic and impactful approach: hold legislative informational briefings that bring together key players across the WFD landscape. These briefings would provide space for each major stakeholder to speak to what they're doing, what gaps they see, and where coordination could help. Importantly, they'd also make space for players who are often left out of the conversation—like small businesses, community-based nonprofits, and even private schools who play a significant role in shaping Hawai'i's talent pipeline.

Key organizations to include:

- Department of Labor and Industrial Relations (DLIR)
- University of Hawai'i System
- Department of Education (DOE)
- Workforce Development Council
- County workforce boards
- Nonprofits and community-based organizations
- Private sector employers (including small business reps)
- Private K–12 schools (e.g., Kamehameha Schools, Punahou, 'Iolani)

A series of these briefings could build momentum toward a more unified view of what's working, what's missing, and where public investment could have the most impact. It could also help legislators craft policies and funding strategies that are responsive to real, on-the-ground needs—rather than working from outdated assumptions or incomplete data.

### **Ideas in Motion**

Alongside the challenges we discussed, our group also explored a range of ideas and approaches that could help reframe or retool how workforce development is approached—

especially if we want it to support long-term business revitalization, not just short-term program delivery.

Here are some of the ideas we think deserve further exploration:

### **1. Use AI to Analyze and Compare WFD Plans**

There are dozens of plans, strategies, and initiatives across Hawaii's workforce development landscape—some well-funded and formal, like the Workforce Development Council's comprehensive statewide plan, and others more local or sector-specific. But very few people have the time or tools to cross-analyze them all. One idea is to feed these plans into an AI or natural language tool to identify patterns, redundancies, gaps, or underserved populations. It wouldn't replace human judgment, but it could support decision-makers in understanding how all these pieces fit together—or where they don't.

### **2. Apply Supply Chain Thinking to Workforce Systems**

What if we approached workforce development like a supply chain? Not just as a pipeline of workers, but as an interconnected set of inputs (education, training, housing, transportation), conversion points (credentialing, hiring, upskilling), and outputs (employment, retention, economic mobility). This kind of mapping could help identify bottlenecks, weak links, or areas where small changes could lead to big improvements. It also helps ground the conversation in systemic mechanics rather than just individual behavior.

### **3. Incentive Mapping as a Diagnostic Tool**

We've talked a lot about misaligned incentives—between workers, employers, training providers, and even within families. One way to start addressing that is to map out what each stakeholder group is currently incentivized to do, and how that aligns (or doesn't) with broader workforce or economic development goals. If we want coordinated action, we need aligned motivation—and we can't build that alignment unless we understand the current landscape.

### **4. Legislative Briefings as a Starting Point for Coordination**

Instead of building another dashboard or database, why not start with dialogue? Regular, facilitated briefings for legislators—featuring real voices from across the WFD landscape—could create shared understanding, uncover common ground, and help move the conversation toward smarter, more integrated policy.

### **5. Action Over Perfection**

Sometimes, the biggest breakthrough isn't a new tool or policy—it's just the decision to move. As one member put it, *doing something is better than continuing to talk about it*. We

need to build momentum, even in small steps. Perfect alignment can come later—what’s needed now is action that shows commitment and opens the door to further coordination.

## **Recommendations & Takeaways**

Based on our conversations, here are the key takeaways and recommendations we believe the Task Force should consider as part of any serious strategy to align workforce development with business revitalization in Hawai‘i:

### **1. Treat Workforce Development as Economic Infrastructure**

- Workforce capacity is essential for business continuity—not just growth.
- Addressing labor shortages is as fundamental as maintaining roads or utilities.
- This includes factoring in housing, transportation, and affordability as core to workforce policy—not side issues.

### **2. Invest in Retention, Not Just Training**

- Hawai‘i offers strong training and skills-building opportunities.
- The problem isn’t always a lack of programs—it’s that people leave after they complete them.
- Without long-term opportunity and affordability, workforce development becomes a pipeline to somewhere else.

### **3. Initiate Legislative Briefings to Build Shared Understanding**

- A series of workforce development info briefings can bring visibility to existing efforts, surface overlap or gaps, and invite coordination.
- Include public agencies, county boards, private schools, small businesses, nonprofits, and community-based orgs—not just large institutions.

### **4. Explore System Mapping & Incentive Alignment**

- Apply systems thinking to identify bottlenecks in the workforce “supply chain.”
- Map out stakeholder incentives to understand misalignment and create better conditions for cooperation and impact.

### **5. Leverage AI for Strategic Clarity**

- Use AI to scan and compare major WFD plans—including the WDC Statewide Plan—to identify themes, gaps, and duplication.

- This could help shape smarter, more integrated public policy and funding strategies.

## **6. Embrace Action, Even if Imperfect**

- Momentum matters. Sometimes starting with something small, localized, or experimental is better than holding out for a perfect statewide solution.
- Support initiatives that show alignment in motion—even if they're not fully formed yet.

We offer these recommendations not as a final answer, but as a reflection of what we've heard, surfaced, and wrestled with during this process. The opportunity ahead is to move from scattered effort to shared strategy—one that reflects the complexity of Hawai'i's economy and the people who power it.