



Opportunity Occupations: Well-Paying Jobs for Middle-Skill Workers

Workforce Currents

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Did you know that only 29.7 percent of Americans over the age of 25 have attained a four-year college degree?¹ Given many policymakers' focus on increasing the share of individuals who attain a degree, that may sound like a surprisingly low number. It leaves a large group of American workers who do not have a four-year degree and lack the means or desire to obtain one in the current labor market. In fact, "middle-skill" Americans, defined as those who have obtained their high school diploma but not a four-year college degree, comprise some 57 percent of the country's total population of those over 25. That begs the question, what opportunities and decent-paying jobs exist for these workers? And how can workforce development policies and career education increase access to these positions?

What opportunities exist for middle-skill workers?

A group of Federal Reserve Bank researchers have been addressing this question. In 2015, researchers from the Federal Reserve Banks of Philadelphia, Cleveland, and Atlanta coined the term [opportunity occupations](#), jobs generally accessible to workers without a four-year degree that pay more than the national median wage (adjusted for regional cost of living differences).

The researchers found that total U.S. employment in such opportunity occupations declined to 37 million in 2014, from 38.7 million in 2005, and declined as a share of total employment by 2.4 percentage points, from 29.8 percent in 2005 to 27.4 percent in 2014. The report identified the most prevalent of such occupations in 2014, which include registered nurses (1.7 million jobs), truck drivers (over 824,000), and electricians (385,000). Finally, the researchers detailed the shares of such jobs in the 100 largest metropolitan areas across the country.

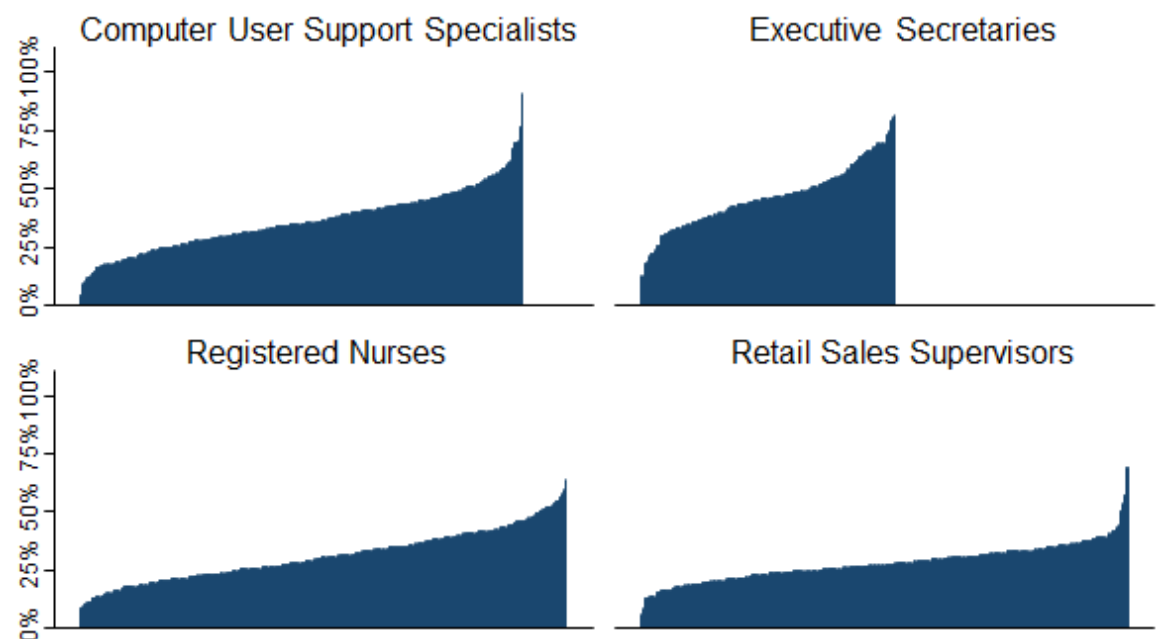
Variation in opportunity

Additional research published earlier this year examined some of the [variation in educational expectations](#) employers have for several of the most prevalent opportunity occupations:

computer user support specialists, registered nurses, retail sales supervisors, and executive secretaries (see chart 1). *Uneven Opportunity: Exploring Employers' Educational Preferences for Middle-Skill Jobs*, by researchers at the Federal Reserve Banks of Philadelphia and Atlanta, details the percentage of job advertisements by employers for those positions. It notes there is significant regional variation in the share that request a bachelor's degree. For instance, just 8 percent of job ads for registered nurses posted in Hot Springs, Arkansas, requested a bachelor degree compared to 63 percent in Winchester, Virginia.

Notably, such regional differences remain even when controlling for factors such as experience, industry, and skills listed in a job ad. Compared to employers in the South, employers in the Northeast are 4.2 percent more likely to request a bachelor's degree for computer user support specialists, 2.7 percent more likely for retail sales supervisors, 4.8 percent more likely for executive secretaries, and 8.9 percent more likely for registered nurses positions.

Chart 1
Share of Online Job Ads Requesting a Bachelor's Degree for Each Metro Area (2011–14)



Note: Each bar represents one metro area. Only metro areas with at least 50 job ads are represented.
Source: Authors' calculations based on data provided by Burning Glass Technologies

Finally, the findings highlight an interesting trend of increased demand for a four-year degree for registered nurses. Employers were 8 percent more likely to request one in 2014 compared to 2011. This seemingly confirms a trend noted by the U.S. Bureau of Labor Statistics and others, and indicates that it may be getting harder for workers without a college degree to secure registered nursing positions. If this trend persists, registered nurses—as of 2014 the most prevalent opportunity occupation in the country—may not be classified as such for much longer.

Earlier this year, additional analysis of data on [Opportunity Occupations in the Southeast](#) revealed interesting regional variation in opportunities for middle-skill workers. The infographic explores opportunities in the six states in the Atlanta Fed's District. For example, between 2011 and 2014, there was a substantial spread in the share of opportunity occupations in metro areas across the Southeast (see the interactive map), ranging from just 14.2 percent of employment in the Miami metro area to 44.9 percent in Houma-Thibodaux, Louisiana. Generally, across the Southeast, coastal Louisiana and middle and northern Alabama offer the most opportunity for middle-skill workers, whereas coastal Florida offers the least. Middle-skill workers who are willing and able to move can experience improvements in the number of decent-paying jobs available to them in their wages and cost of living. Of course, moving may be difficult, particularly for low-income workers who face financial barriers or lack a network in another city.

In almost all southeastern states, registered nurses are the most prevalent opportunity occupation, ranging from 1.7 percent of total employment in Georgia to 2.6 percent in Mississippi. Secretaries and administrative assistants are a more prevalent opportunity occupation only in Alabama. Another prevalent occupation is truck drivers, which range from 1.2 percent of overall employment in Louisiana to 2 percent in Mississippi. In Florida the median

annual salary for truck drivers is too low to meet the opportunity occupation cut-off. Other large occupations include licensed practical nurses, automotive service technicians, maintenance and repair workers, bookkeeping and accounting clerks, welders, and electricians.

The Fed's research efforts combined allow for a better understanding of the opportunities available to middle-skill workers, both in the Southeast and nationally. The Center for Workforce and Employment Opportunity will continue these efforts. It recently launched the [Opportunity Occupations Monitor](#), which allows users to find, compare, and contrast opportunity occupations, their median salaries, and employment data in states and metro areas across the country.²

From the analysis in 2015 and 2017, it is clear the variation in opportunity occupations seen across metro areas in the Southeast is not entirely unique. While southeastern metro areas, particularly in Florida, generally have lower levels of opportunity occupations, there is substantial variation depending on which metropolitan labor market is examined.

Policy and practice implications

Fed research has illuminated the potentially lucrative opportunities that exist for middle-skill workers. However, there have been persistent reports of shortages of [nurses](#), [truck drivers](#), [electricians](#), [roofers](#), and [plumbers](#), and [qualified manufacturing labor](#). Although there is some debate over the scale of some of these shortages, the disconnect between well-paying opportunities and shortages presents an important challenge for the workforce development sector as well as an opportunity to boost the outlook for workers who do not pursue or complete four-year degrees.

Some states are already attempting to address such shortages and improve the connection between workers and opportunity occupations. Georgia, for instance, offers the HOPE Career Grant (formerly called the Strategic Industries Workforce Development Grant), which works in conjunction with other state education grants³ to effectively cover most, if not all, of an eligible student's tuition costs for attending a select number of in-demand training programs in the technical college system of Georgia. The programs and majors eligible include pipe welder, advanced pipe welding, industrial pipefitting, precision manufacturing and maintenance, metals technician, robotic technician, diesel truck maintenance technician, commercial truck driving, and electricity technician.⁴

Alternative strategies could include ensuring improved and more widely available high school career technical education or vocational education programs and better funded and data-driven counseling programs that point students toward such opportunities. Increasing partnerships between community and technical colleges (or even high schools) and employers is another avenue, as is removing barriers to and boosting the availability of [apprenticeship programs](#). South Carolina, for instance, offers businesses a [\\$1,000 tax credit for each registered apprentice](#) employed. Additionally, [subsidy streams to public colleges could be restructured](#) and instead be based on labor market demand or new accountability measures such as the earnings of students who graduate.

In addition to policy changes, boosting the connection between middle-skill students, workers, and opportunities will require a cultural shift among students, parents, counselors, policymakers, and employers as well. There is a growing chorus of voices that calls for removing the stigma of not attending a four-year college and for a greater appreciation of vocational and trade school education. The broader societal stigma against non-college attendance could be part of the labor market disconnect highlighted above, and could at least be partially responsible for relatively high college dropout rates. With a societal norm that all individuals should go to college, students who are not ready or equipped for that endeavor could be dropping out at relatively high rates (not to mention becoming saddled with debt and having no diploma to show for it).

On the employer side, adopting skill- or competency-based hiring practices would remove barriers for workers who lack college diplomas but have valuable skills. Such practices could improve efficiency and lead to better matching by cutting down on job posting times and by increasing the pool of available qualified workers. Postsecondary education programs could themselves shift toward increased [competency-based education](#) to better serve both labor market demand and disadvantaged students who face barriers in attending such programs.

Finally, improved analysis and access to labor market data could allow policymakers to better align training programs with local labor demand. Fed research showed significant regional variation in educational preferences among employers. For example, in a metropolitan area where a relatively low percentage of employers prefer BA degrees, a local community or technical college system could offer nursing programs. In contrast, in labor markets where employers, on average, tend to prefer bachelor's degrees for such positions, offering the programs at the bachelor's level could be a better policy.

The potential approaches to connect middle-skill Americans with opportunity occupations and to resolve shortages in the job market are varied and numerous. Not only will improving this connection benefit non-college-educated Americans, it will bear fruit for the entire U.S. economy. The Center for Workforce and Employment Opportunity will continue research efforts on opportunities for middle-skill Americans and on improving the pathways into such occupations.

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¹ U.S. Census Bureau's American Community Survey 2011–15 5-year estimates.

² The Opportunity Occupations Monitor uses a slightly different methodology from the reports and the opportunity occupations data displayed above. In contrast to the aforementioned research, it uses publicly available data from the U.S. Bureau of Labor Statistics' (BLS) "Occupational Outlook Handbook" data series to determine whether an occupation within a certain year matches the educational requirements to be classified as an "opportunity occupation." This data series is national in scope, and thus does not indicate metropolitan area level differences in entry-level educational requirements. This subnational variation is present in the data in the aforementioned research, which use real-time labor market data to derive employer preferences for educational attainment. The estimates produced by the tool are closely related to the estimates of opportunity occupations presented in the 2015 paper based on the BLS and the Occupational Information Network (O*Net). Finally, the Opportunity Occupations Monitor presents data for more recent years (2015 and 2016) and will be updated annually.

³ Examples include the HOPE and Zell Miller Grants.

⁴ For other programs and more information, see Georgia Student Finance Commission, <https://www.gafutures.org/media/187358/hope-career-grant-programs-of-study-fy2018.pdf> and <https://www.gafutures.org/hope-state-aid-programs/hope-zell-miller-grants/hope-career-grant/>.

RELATED LINKS: [Identifying Opportunity Occupations in the Nation's Largest Metropolitan Economies](#)  • [Uneven Opportunity: Exploring Employers' Educational Preferences for Middle-Skills Jobs](#)  • [Opportunity Occupations in the Southeast](#) 

Atlanta Fed Labor Market Initiative