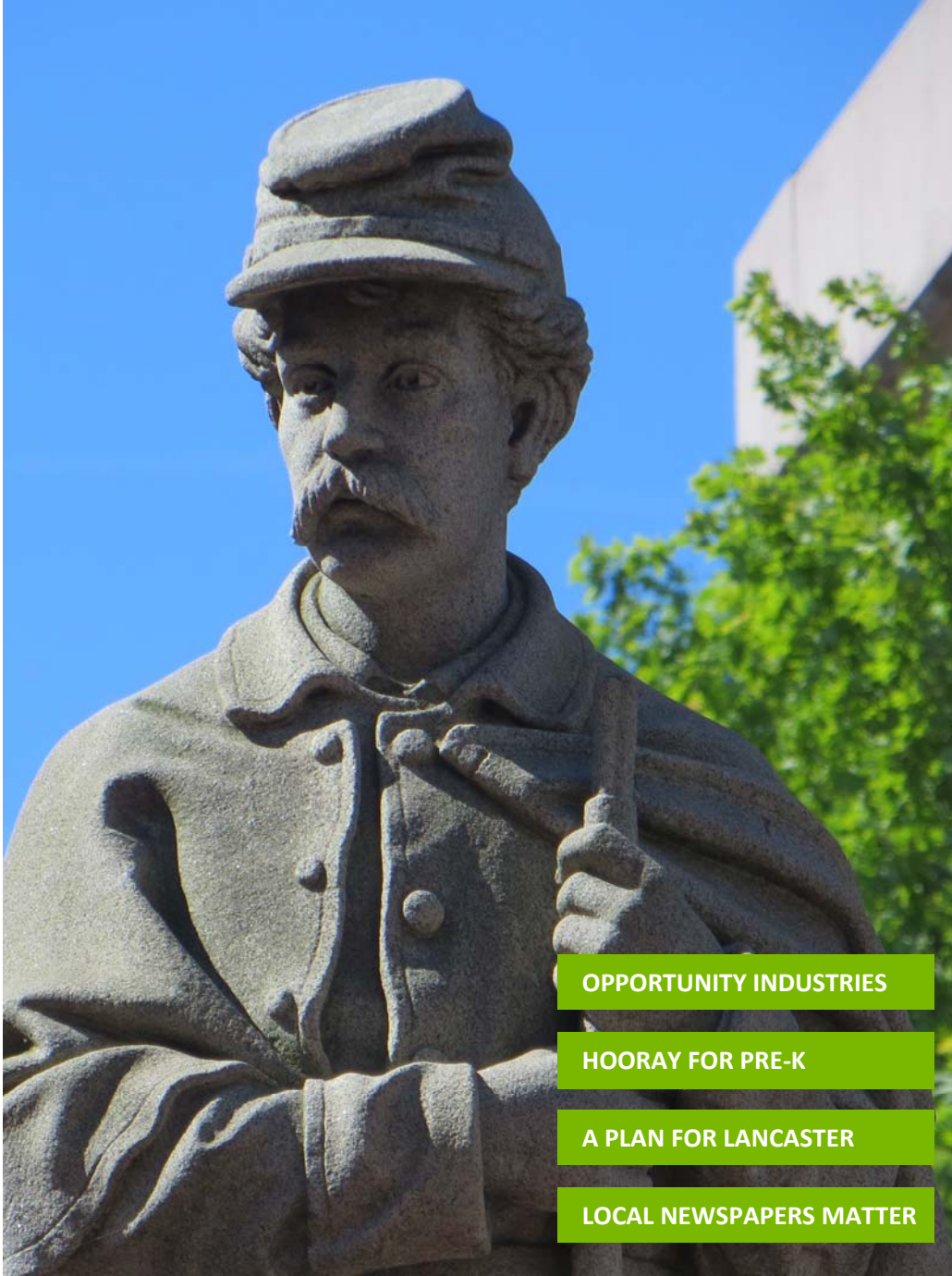


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OPPORTUNITY INDUSTRIES

HOORAY FOR PRE-K

A PLAN FOR LANCASTER

LOCAL NEWSPAPERS MATTER

# OPPORTUNITY INDUSTRIES

## Focusing on good and promising jobs

Technological change and global integration have been rapidly reshaping the U.S. economy. These forces have improved the potential of some individuals to thrive, but diminished prospects for others striving to reach or maintain their place in the American middle class.

Education is an important part of the picture, particularly for enabling upward mobility among young people. But tens of millions of adults who are already a critical part of the American workforce also deserve a chance to obtain better jobs, with higher pay and benefits. There are occupations and industries that provide workers access to stable middle-class wages and benefits, particularly for the 38 million prime-age workers without a bachelor's degree.

There are three types of wage and salary jobs in metro areas:

- **Good jobs** provide stable employment, middle-class wages and benefits
- **Promising jobs** are entry-level positions from which most workers can reach a good job within 10 years
- **Other jobs** do not provide decent pay, benefits, or pathways to good jobs

Job types can be differentiated by those held by workers who do not possess a four-year bachelor's degree, and those held by high-skill workers who possess at least a four-year bachelor's degree. In 2017, 11.4 million jobs held by workers without a bachelor's degree in the 100 largest metro areas were good jobs, while another 9.4 million were promising jobs. By contrast, 22.9 million jobs were good or promising for high-skill workers in these metro areas, accounting for 70 percent of all workers with a bachelor's degree.

### Pathways to good jobs –

Maintenance, construction, production, and transportation occupations provide disproportionate shares of both good and promising jobs for workers without a bachelor's degree. Management, business, computer, engineering, and health care occupations are also a significant source of good jobs for these workers. Administrative, sales, food service, and personal care occupations provide few good jobs, but do offer many promising jobs that offer stepping stones to better jobs for workers without a bachelor's degree.



Most promising career pathways to good jobs are “lattices” that run across occupations rather than “ladders” that exist within them. Overall, more than 71 percent of workers projected to obtain a good job by 2027 will move from one major occupation group to another. And more than 90 percent of workers without a bachelor's degree who start in food service, personal care, facilities care, and healthcare technician occupations will switch to an entirely different occupational category to obtain a good job.

### Opportunity industries –

Opportunity industries are those in which good



jobs represent an above-average share of the industry's total jobs. Tradable industries—those selling products or services to customers outside the region—contain only about 29 percent of all jobs, but account for 38 percent of good jobs held by workers without a bachelor's degree. Manufacturing, logistics, and wholesale trade provide high concentrations of good jobs, and near-average shares of promising jobs. Local-serving industries such as hospitality, retail, and administrative services provide relatively fewer good jobs for workers without a bachelor's degree, but account for 71 percent of promising jobs for them.

Workers with a bachelor's degree tend to find good and promising jobs across a wide range of industries, including tradable industries such as computer systems design, engineering services, and scientific research, and local-serving industries such as health care and education.



#### **Opportunity improvement strategies –**

Nearly all metropolitan areas do not provide enough good and promising jobs for all workers causing many to switch occupations and industries to get ahead.

There are three strategies to enable workers' mobility to better jobs and the middle class --

1. Refocus economic development on opportunity industries. Too often, scarce public resources are spent on incentivizing job growth or retention in industries that provide too little opportunity. Economic development should increase the share of good jobs in the local economy, providing access to opportunity for good jobs and having greater positive impact on the local economy.
2. Partner between government and business to improve job quality by treating labor as an asset rather than a cost. This is good for the bottom line in sectors that provide "other" jobs, including retail, hospitality, health care, and education. Which means increasing wages and benefits, and improving the visibility of pathways from low-quality jobs to better ones.
3. Retool education and workforce development for a dynamic labor market. The introduction of new technologies means workers may need to switch careers more often to access opportunity. Specific knowledge and skills remain essential to getting a job, but keeping that job or finding a better one may require abstract cognitive abilities that enable people to think, learn, and adapt. **H**

Edited from a Brookings 12/18/18 report, "Opportunity Industries", by Chad Shearer and Isha Shad.