



## Regional metros have more—or less—opportunity

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New research shows where and why a bachelor's degree is not needed

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College-educated workers typically have greater success in the labor market than do workers without a bachelor's degree (hereafter subbaccalaureate workers), as measured by both earnings and rates of employment. In light of research indicating a “polarization” of the labor market in favor of higher-wage and lower-wage jobs, it is worth asking: Do certain regional economies offer greater opportunity than others for the more than two-thirds of adults without a bachelor's degree?

### **Opportunity employment pays well, does not require a bachelor's**

Our research explores the jobs available in 121 of the largest metro areas in the United States. In each, we divide employment into one of three categories based on the annual median wage and the educational expectations of employers hiring to fill open positions:

- **Opportunity employment** is accessible to subbaccalaureate workers and typically pays above the national annual median wage (\$37,690), adjusted up or down to reflect the local cost of living (i.e., the local wage threshold). Occupations characterized by a high level of opportunity employment are referred to as opportunity occupations.
- Equally well-compensated jobs that aren't accessible to subbaccalaureate workers are classified as **higher-wage employment requiring a bachelor's degree**.
- **Lower-wage employment** can be found in occupations that pay below the local wage threshold.

The remainder of this post briefly summarizes our findings for 10 metro areas in the Tenth District: Albuquerque, N.M.; Boulder, Colo.; Colorado Springs, Colo.; Denver-Aurora-Lakewood, Colo.; Fort Collins, Colo.; Kansas City, Mo.-Kan.; Oklahoma City, Okla.; Omaha-Council Bluffs, Neb.-Iowa; Tulsa, Okla.; and Wichita, Kan. **Tenth District metros each have their own character** Opportunity employment takes many different forms. As Table 1 illustrates, the largest opportunity occupations in these 10 metro areas represent a true cross section of the economy, ranging from health care (registered nurses) to the skilled trades (electricians and carpenters) to office work (accounting clerks and administrative supervisors). However, the individual character of a regional economy emerges when looking at the top 10 in each metro area. For example, secretaries in Kansas City, machinists in Tulsa, and aircraft line assemblers in Wichita are top-10 opportunity occupations in these markets, even

though they are not among the largest sources of opportunity employment in the Tenth District.

Just as the largest opportunity occupations vary somewhat from place to place, we find that opportunity employment as a share of total employment varies regionally, as well. As Chart 1 illustrates, the opportunity employment share ranges from 29.6 percent in Kansas City—10th-highest among the 121 metro areas included in the full study—to 16.6 percent in Boulder. The juxtaposition of Albuquerque and Boulder in Chart 1 also highlights how the balance of employment can vary across regional economies. Albuquerque’s economy consists of relatively few higher-wage jobs requiring a bachelor’s degree and a significant level of lower-wage employment, while the reverse is true in Boulder.

Our research also allows us to disentangle the effects of several factors that influence a regional economy’s level of opportunity employment, including the mix of occupations, the level of education that employers seek when filling open positions and the area’s cost of living. By comparing actual opportunity employment shares with hypothetical levels that are based on the national averages for these factors, we can discern the effects of each factor.

For the five metro areas at the top of Chart 2, all three factors expand the local opportunity employment share when compared with their hypothetical levels using national averages. For example, Wichita’s actual opportunity employment share is more than 11 percentage points higher than its hypothetical value based on national averages, and this difference is roughly equally attributable to its lower cost of living and its mix of occupations. However, the opportunity employment shares in Boulder and Denver are lower than their hypothetical values, with the cost of living having the greatest negative effect on opportunity employment in these economies.

### **How can opportunity employment be expanded locally?**

A regional economy’s level of opportunity employment is influenced by the types of jobs available, the level of education that employers seek when filling job openings and the relationship between wages and costs. The multifaceted nature of this issue means local opportunity employment could be expanded through any number of approaches, such as:

- Economic development strategies that prioritize industries characterized by high levels of opportunity employment.
- A reconsideration by employers of their hiring requirements and a commitment to objectively assessing the skills of workers from a variety of educational backgrounds.
- An expansion of both private sector and public sector programs for postsecondary skills development.
- Efforts to better align regional wages and costs, possibly through modest wage increases for lower-wage workers or through efforts to expand the supply of affordable housing.

For more information on these metro areas and 121 of the largest metros in the United States, please see “[Opportunity Occupations Revisited: Exploring Employment for Subbaccalaureate Workers Across Metro Areas and Over Time](#),” by Kyle Fee, Keith Wardrip and Lisa Nelson at the Federal Reserve Banks of Cleveland and Philadelphia.

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<sup>i</sup> See <https://www.bls.gov/emp/tables/unemployment-earnings-education.htm>.

<sup>ii</sup> David H. Autor, Lawrence F. Katz and Melissa S. Kearney. 2006. “The Polarization of the U.S. Labor Market,” *American Economic Review*, 96:2, pp. 189-194.

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**Table 1. Largest Opportunity Occupations, 2017**

Rank	Occupation	Jobs Classified as Opportunity Employment
1	Registered Nurses	74,676
2	Heavy and Tractor-Trailer Truck Drivers	65,020
3	Bookkeeping, Accounting and Auditing Clerks	36,108
4	Supervisors of Retail Sales Workers	32,043
5	General and Operations Managers	27,547
6	Electricians	26,120
7	Sales Representatives, Services	25,333
8	Supervisors of Office and Administrative Support Workers	23,937
9	Sales Representatives, Wholesale and Manufacturing	23,198
10	Carpenters	22,400

Sources: Authors' calculations using data from BLS Occupational Employment Statistics (May 2017), Burning Glass Technologies (2015–17), BEA Regional Price Parities (2016) and American Community Survey Five-Year Public Use Microdata Sample (2012–16).

