



Opportunity Occupations: Good pay; no degree required

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A Federal Reserve System initiative called “Opportunity Occupations” examines the impact of jobs that don’t require a four-year college degree and typically pay above the national annual median wage of \$37,690.

When Kendra Morgan took an assembly job 15 years ago at CNH Industrial America in Grand Island, Nebraska, she was looking for stable income and insurance to support her infant son and herself.

Morgan actually found more than that—a career at the agricultural equipment and vehicle manufacturer that has led to a highly-satisfying and well-paying job as a welder. Another CNH worker, apprentice Brian Vasquez, has similar goals and is planning for full-time employment at CNH after graduating high school this spring.

“What keeps me motivated is there is a ladder I want to climb in this industry,” Vasquez said.

Their jobs and career paths are examples of an employment sector being explored in a Federal Reserve System initiative called “Opportunity Occupations.” The initiative, part of the Fed’s broader “Investing in America’s Workforce” project, highlights the impact of jobs that don’t require a four-year college degree and typically pay above the national annual median wage of \$37,690.

In 2019, researchers from the Cleveland and Philadelphia Fed banks published a research study examining such jobs in 121 metropolitan areas across the country. The report shows that in 2017, opportunity occupations comprised nearly 22 percent of all jobs studied and that many of these jobs display significant growth potential.

For Morgan, the path to a stable career started in 2005, when she dismissed her dream of owning her own beauty salon.

“I knew finding a good job was going to be hard,” Morgan said. “I knew people who had graduated before me (from cosmetology school) and they were still working two jobs to make ends meet for themselves and their families.”

Morgan was waiting tables when she applied on a Friday at CNH—the same plant where her father and grandfather had worked and eventually retired. On the following Monday, she got a phone call with a job offer.

“I didn’t plan for it to be a permanent thing,” she said.

Over the years, Morgan saw chances to advance at the plant, even though she did not have a college degree. “I just learned basically not to turn down an opportunity given to me.”

Now, at 36 and earning more than \$49,000 a year, Morgan is pursuing an associate degree through a tuition reimbursement program at CNH so she can move up to supervisory roles.

Real jobs, real growth

Research shows that opportunity occupations not only are an important part of the nation's economy, but many careers in that employment sector are poised for solid growth.

The Federal Reserve study—[Opportunity Occupations Revisited: Exploring Employment for Sub-Baccalaureate Workers Across Metro Areas and Over Time](#)—highlights the top jobs in this area. These include nursing; heavy and tractor-trailer truck driving; bookkeeping, accounting and auditing clerking; maintenance and repair work; and carpentry.

The report states that some of the largest opportunity employment groups, including several in health care and the skilled trades, could experience above-average growth through 2026 and are not considered to be at significant risk of automation. However, researchers concluded some occupations in office and administrative support do have some automation risk.

While many of these opportunity occupations require skilled training or some post-secondary education, the fact that these jobs do not require a bachelor's degree opens an important employment avenue for workers who might have thought they only could be hired in low-wage jobs.

“There shouldn't only be two paths,” said Keith Wardrip, Community Development Research Manager at the Philadelphia Fed and one of the authors of Opportunity

Occupations Revisited. “There shouldn't be either a four-year degree or low-wage work. There are other options out there.”

Clearly, Wardrip noted, this employment sector is important to the Tenth District. When he was at a conference earlier this year in Topeka, Kansas, he heard concerns about attracting and keeping these workers.

“A number of attendees brought up brain drain, of holding on to workers going to school in the community but leaving for other opportunities,” Wardrip said. “There are concerns about giving high school graduates something to stick around for—a job that pays a decent wage, a job that has some growth opportunities. An employer that invests in its workers certainly seems to present a strong argument to someone in the labor force to stick around.”

Opportunity Occupations: In their own words

More options to 'stay at home'

How opportunity occupations are viewed by potential workers can depend on economic factors.

“It is important to think about opportunity occupations not solely based on what they are paid but the relationship of what they pay and the cost of living of a place,” Wardrip said.

For the Tenth District specifically, these types of jobs are vital in allowing young people to stay in smaller communities and rural areas, said Steven Shepelwich, a Kansas City Fed senior community development advisor and a contributing author of the 2018 book “Investing in America’s Workforce: Improving Outcomes for Workers and Employers.”

“It provides a whole new type of opportunity and option for individuals to stay at home, if they want to,” Shepelwich said.

“They can stay and support their families, be a part of their local community and not feel the need that to be somebody or do something you have to go away. We see a lot of people go away but then they come back down the road. This is an opportunity to stay there.”

For the Kansas City Fed and others interested in workforce development, there also are important connections that help make for a healthier economy.

“It ties in with our work on small business and entrepreneurship development by really saying growth comes from supporting local businesses,” Shepelwich said.

He agrees that opportunity occupations are important for young people to consider, especially with some research showing that the premium of earning a four-year degree is narrowing.

“More folks are saying now college isn’t worth it when you consider there is the issue of the high student debt in the U.S. and the concerns of the rising cost of college,” he said. “There is the cost of paying tuition, the cost of room and board for four or five years. And the cost of not getting a salary for those years. There are reasonable alternatives if you choose not to go to college.”

When Scott Fry looks out onto MidAmerica Industrial Park in Pryor, Oklahoma, he only sees opportunity. After all, only 6,000 acres of the 9,000-acre park have been developed. Unfortunately, Fry knows some young people see it differently.

“The one thing we fight is probably the same thing manufacturing is fighting, and that is an image issue; a perception problem of these jobs being low-paid, dark, dirty, dangerous and dead-end,” said Fry, the park’s director of workforce development.

“That is just not the case. We’ve been extremely strategic and intentional about taking that message out into our community and trying to dispel that myth.”

Fry said the park was losing opportunities until key players in the area got together to leverage resources and build a system that was more comprehensive and effective. Those players include public education, post-secondary institutions, state workforce and employment agencies and companies. The Kansas City Fed’s Oklahoma City Branch partners with MidAmerica Industrial Park on a program that introduces high school students to job opportunities. The Branch recently hosted an awards program for students in the program.

Each day, there are 4,500 employees working in MidAmerica, in addition to 2,500 contract workers on site. Pryor has a population of about 9,000 in a county with a population of about 40,000. The average wage in the park is \$50,000, Fry said.

Fry said that to help keep a healthy pipeline and ready workforce, there has been a focus on career awareness and skill-development programs to reach about 3,000 students a year.

“Hopefully we are helping kids find their paths, but also helping to develop that sustainable workforce pipeline for our companies because, in our area, statistics show that slightly less than 40 percent are going on to college,” Fry said. “That means the vast majority are looking for alternative paths and opportunities.

“We want to show them that there are pathways to success out here. We want to open their eyes to what the opportunities are. It is incumbent upon all of us to do something.”

Oklahoma entrepreneur Brady Sidwell says that most of the people he employs have jobs that do not require a bachelor’s degree.

Sidwell, who this year began service on the Bank’s Oklahoma City Branch Board of Directors, leads a group of businesses centered in grain, seed and transport industries.

He said that although he always has admired the perseverance and discipline that a college degree shows, he also knows that there is value in people who have successful work experience.

“That can easily take the place of a college degree if they have been consistent in their role and are focused on what they are

doing,” Sidwell said.

He added: “I think it’s important for young people—especially those who may not have college degrees—to understand they have to get started somewhere and prove themselves. If they are working for the right company that recognizes talent and they are doing a good job, over time they can turn something that they originally thought wasn’t going to pay much into something that has insurance, and find themselves earning thousands.”

Preparing tomorrow's workforce

For Vasquez, the CNH apprentice scheduled to graduate this spring from Grand Island High School, college might be something in the future. But his immediate plan is to work full time at CNH after graduation. This spring, before heading to classes, he worked from 6 a.m. to 9 a.m. twice a week in the plant's logistics area.

Working as an apprentice at the plant during the school year was part of his career plan.

"I wanted to get as much exposure as I possibly could," he said.

Vasquez was led to CNH through the school district's Career Pathways Institute, which not only provides a way for students to enter the world of work, but helps provide a well-trained workforce for local businesses.

"We still fight that negative perception that these are dirty, mindless jobs," said Dan Phillips, Career Pathways' director of innovation for college and career readiness. "It's the exact opposite."

Of about 2,600 students at Grand Island High School, about 300 juniors and seniors are enrolled in Career Pathways.

"It's the most we have ever had, and it will be the least we will have in the future," Phillips said.

Career Pathways is a part of the Nebraska Career Education Model designed to have high school graduates ready for college and career.

Phillips says among the statistics that really woke up the community into doing something different was that only about 20 percent of the city's high school graduates were seeking four-year college degrees, and the college completion rate was dropping.

Phillips says there was work needed on the perception that if a student didn't go to college, the only alternative was a low-wage job.

At CNH, about 90 percent of the 650 hourly and salary employees have jobs that do not require a bachelor's degree, says plant manager Michael Schaefer.

So, he adds, Career Pathways is essential.

“I will be able to go to graduates and people who have experience and be able to hire straight up full time and know what I am getting,” Schaefer said.

Having a readied workforce is becoming more important at CNH with so many baby boomers retiring. And Schaefer wants his plant to be prepared for business surges with upticks in commodity prices.

“We are going to have a real explosion,” he said. “We will want people skilled and ready for that. If that pipeline is dry, we won’t be able to realize those opportunities when they come. We have to grow our youth and let them know that this is a good path to take.”

About this project

The Federal Reserve is taking a leadership role in addressing economic challenges and workforce development in communities across the country. As part of this work, the Kansas City Fed is participating in the System-wide “Opportunity Occupations” initiative to highlight good-paying jobs that don’t require a four-year college degree. The initiative is part of a broader program, “Investing in America’s Workforce,” led by the Fed in collaboration with the John J. Heldrich Center for Workforce Development at Rutgers University, the Ray Marshall Center of the Lyndon B. Johnson School at the University of Texas, and the W.E. Upjohn Institute for Employment Research.

- Go to [KansasCityFed.org/community](https://www.kansascityfed.org/community) to learn more about these efforts, tap into the Bank’s Community Development resources, read the Opportunity Occupations Revisited research report, and see examples from the Tenth District and beyond. Also sign up to receive the Community Connections e-newsletter.
 - Go to [KansasCityFed.org/community/workforce](https://www.kansascityfed.org/community/workforce) to learn about Federal Reserve programs and research promoting community growth through successful models for employment and training.
 - Go to [InvestInWork.org/Opportunity-Occupations](https://www.investinwork.org/Opportunity-Occupations) to read the Opportunity Occupations Revisited research report and access more videos, resources and tools from across the Federal Reserve System.
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