

Leveraging Workers' Skills for an Inclusive Economy: Tools, Resources, and Evidence

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Leveraging Workers' Skills for an Inclusive Economy: Tools, Resources, and Evidence

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Skills, Degrees and Labor Market Inequality





July 2021

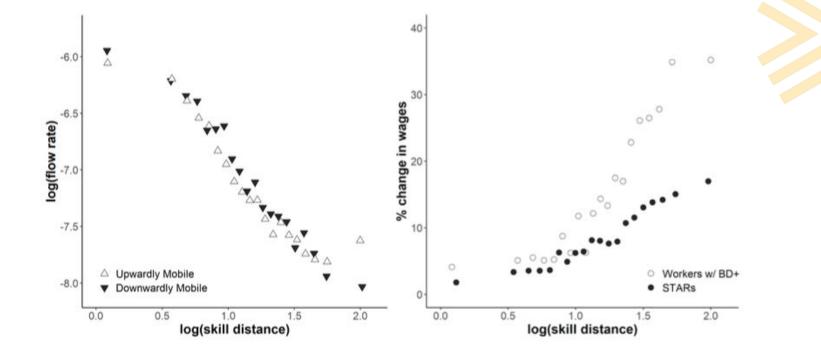
More than 60% of our workforce frequently locked out of opportunity

26%

of new jobs between 2008-2017 were in occupations where employers typically do not require a 4-year college degree 60%

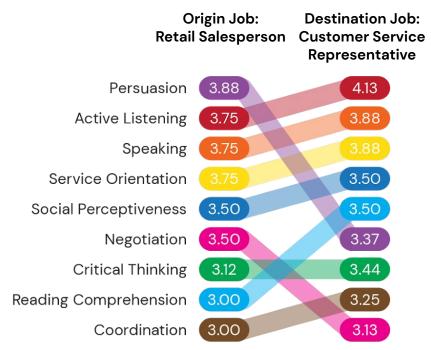
of the adult workforce does not have a 4-year college degree

Study of 130 million Transitions shows Skills are the Currency of Workers in Labor Market



Low Wage Does Not Mean Low Skill

Example: a skills based transition



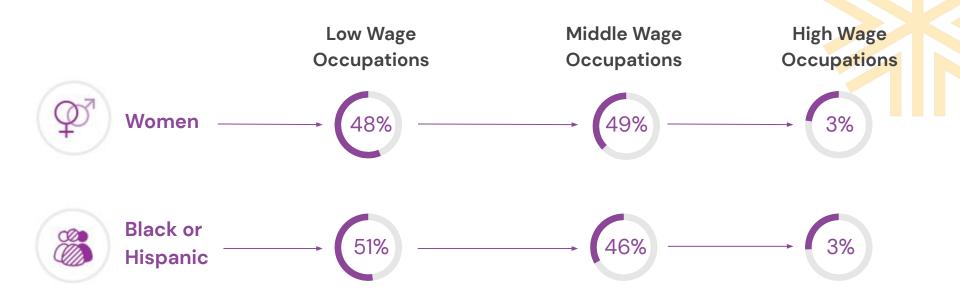
Sources: Blair, Castagnino, Groshen, Debroy, Auguste, Ahmed (2020) "Searching for STARs: Work Experience as a Job Market Signal," National Bureau of Economic Research Working Papers, Source: Blair, Debroy, Heck (2020); Opportunity@Work. "Navigating with the STARs," (November 2020).

Some STARs Achieve Mobility through a Number of Promising Pathways





Black, Hispanic and Women STARs are Underrepresented on Pathways to Mobility



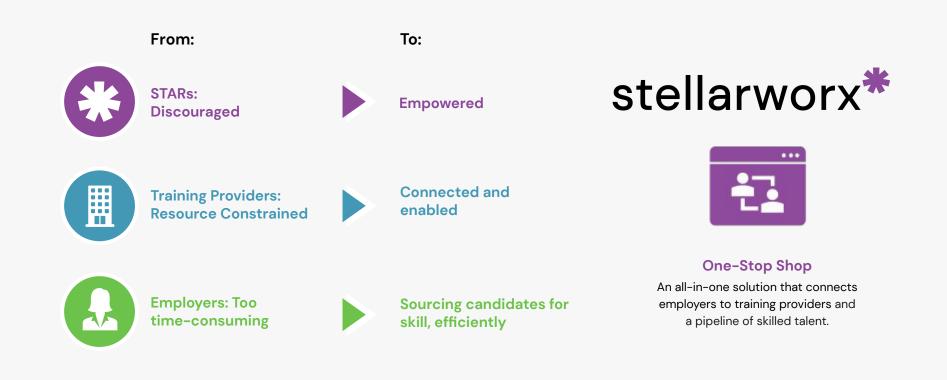
An equitable recovery focuses on STARs

"I worked at a community college for 2 decades. I was among the first to be laid off when COVID hit, even though I had more experience and skills than many of my colleagues. My previous supervisor once told me that had I gone to college I would be running this community college."

Joann, Office Administrator



Leveraging data assets to support STAR mobility





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Promoting workers' upward mobility

The Workforce of the Future initiative The Brookings Institution

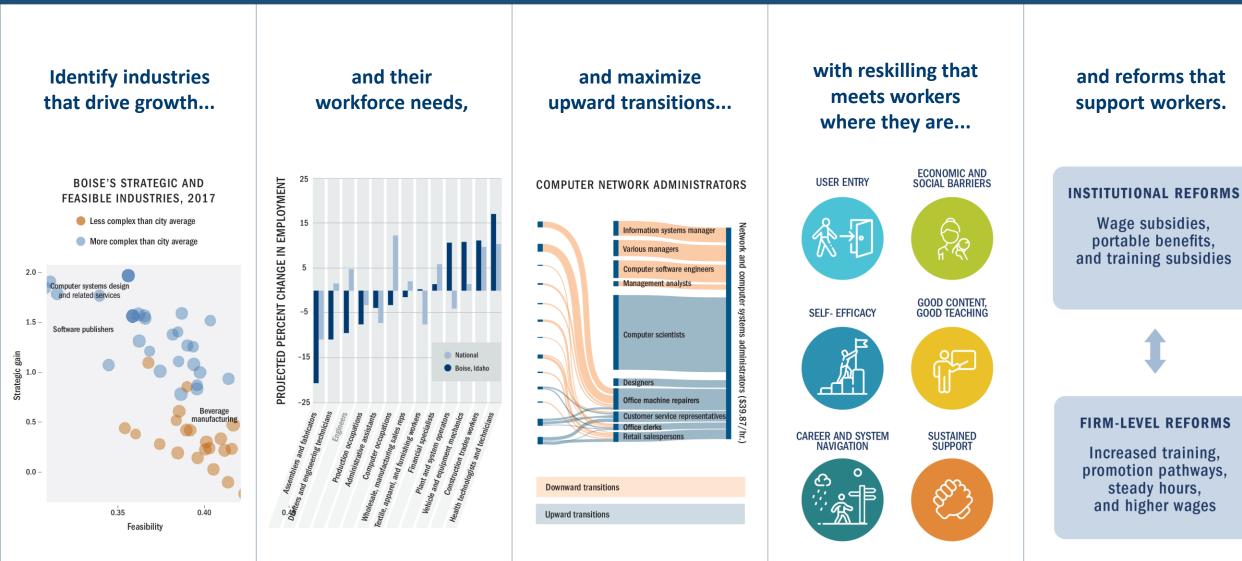
Marcela Escobari, Senior Fellow Ian Seyal, Senior Research Analyst and Project Manager WorkRise, July 2021

The Workforce of the Future Initiative is thankful for the ongoing support of the Mastercard Center for Inclusive Growth, the Bill and Melinda Gates Foundation, and Google.org.



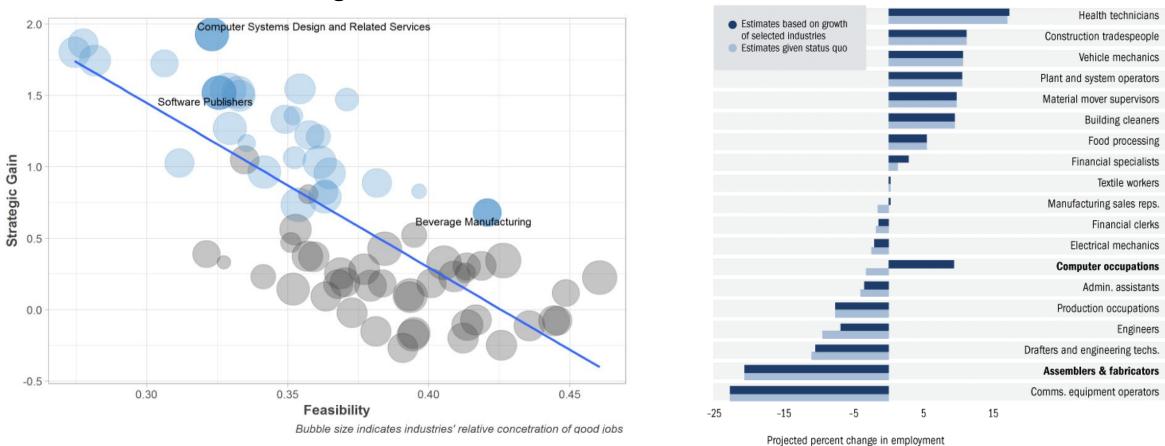
BROOKINGS | Workforce of the Future Initiative

A data-driven roadmap for city-level industry and workforce planning



B

Our approach: Identify strengths, grow industries, and build talent

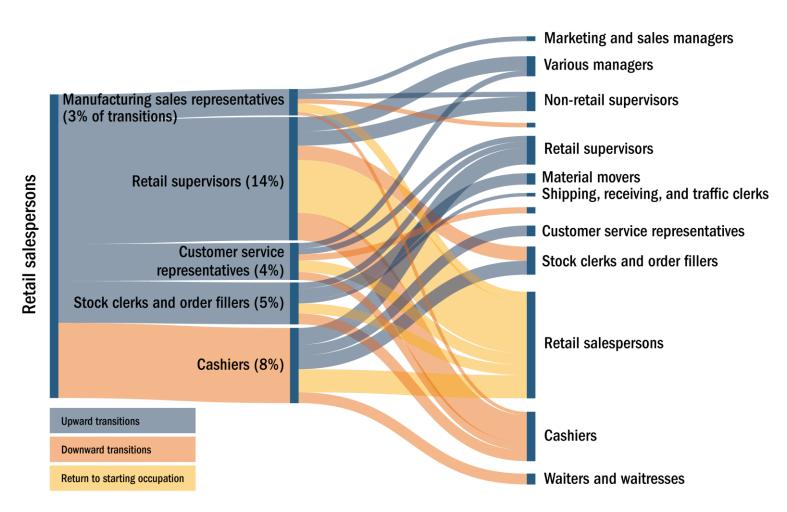


Feasible and strategic industries Occupations expected to grow and recede

Investment in strategic industries ripples through local job markets. Cities and regions can anticipate their needs and align workforce development. For example, retaining tech industries in Boise, Idaho will require more workers in computer occupations.

Job transitions data can show well-trod pathways that offer higher wages

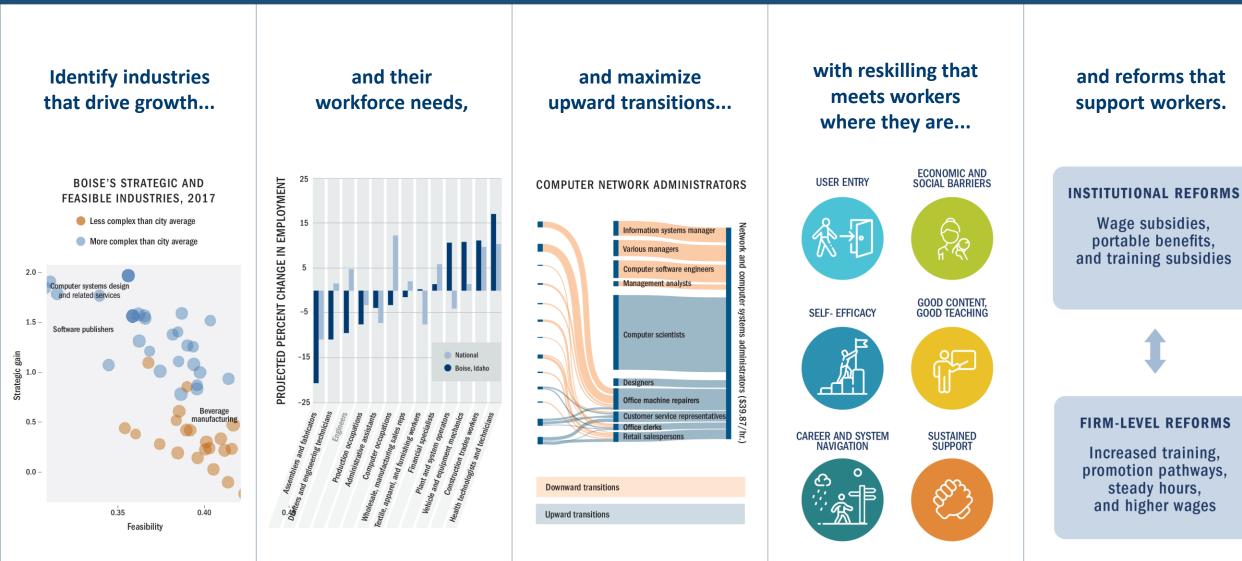
- For every occupation, we calculate a mobility index that indicates how workers in that occupation will tend to do in the future.
- For each one, we can identify pathways that are both feasible and which are likely to offer a wage increase.



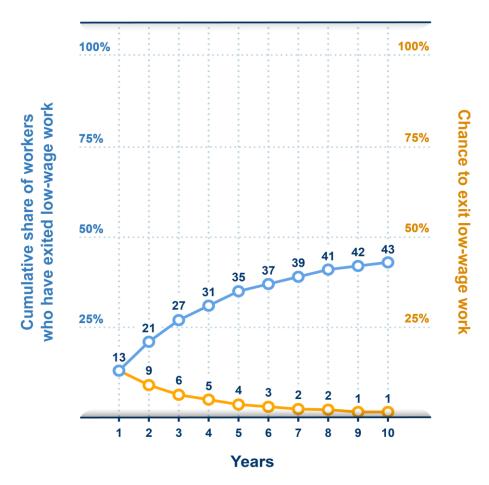
RETAIL SALESPERSONS

Note: The figure shows the five most likely destination occupations, and those occupations' likely destinations, for retail salespeople. The thickness represents the relative likelihood of each destination and the color represents moves that typically pay wages above or below the average move. The occupations are ordered from highest to lowest wage. The probabilities in the second step are not conditioned on the first transition. 5 Source: Brookings analysis of Current Population Survey (2003–2019) and Occupational Employment Statistics data (2018).

A data-driven roadmap for city-level industry and workforce planning



B



Many workers must make an occupational transition to earn decent wages – 31 occupations, which employ nearly 20 million workers, pay at least 90 percent of workers within them less than \$20 an hour.

Over 10 years, only 43% of workers in low-wage occupations leave low-wage work. Their probability of leaving low-wage work also declines over time.

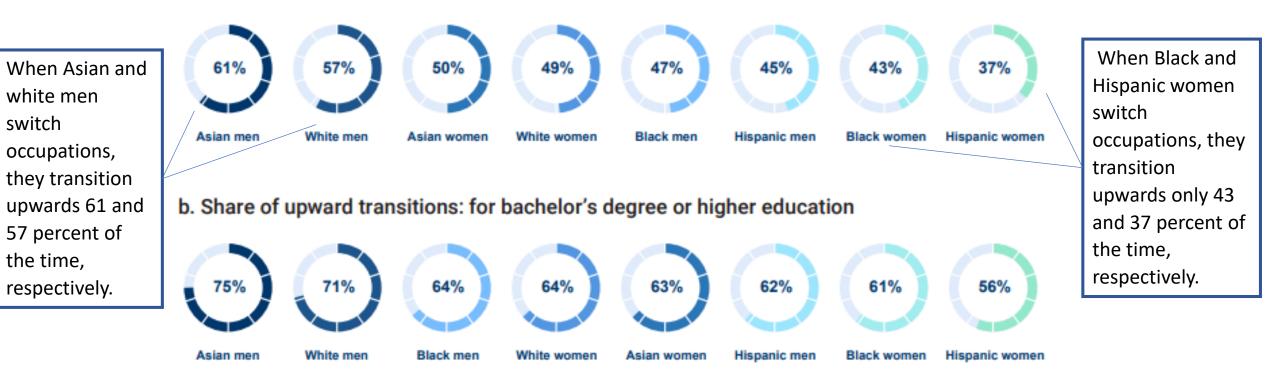
The data suggest that workers in these occupations have a 13% chance to escape lowwage work within their first year, dropping to a 1% chance by their tenth year.

Source: Brookings analysis of BGT, CPS, and OES data.

Many individuals remain in low-wage work, even over long periods of time. Low wage work is sticky. Chances of escaping low-wage work decline over time for people in the 31 lowest paid occupations.

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Race and gender mobility gaps hold certain workers back

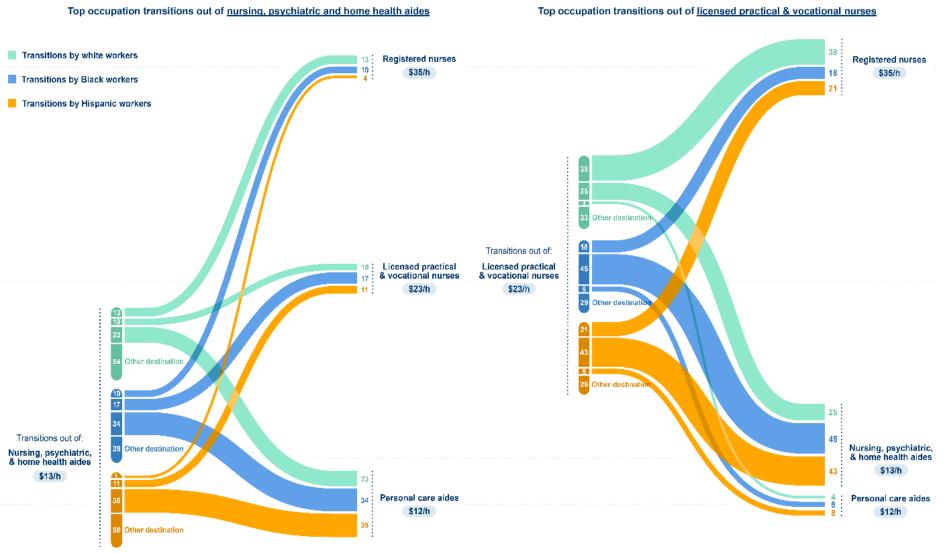


a. Share of upward transitions

Black and Hispanic workers see lower mobility compared to their white and Asian counterparts; women see lower mobility than men. These gaps hold for workers with a bachelor's degree, so they are not driven by racial-gender differences in education.

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Healthcare example: resolve barriers along existing pathways



Home health aide and personal care aide jobs are both low-paying, but each occupation is a common step on the path toward two higher-skilled, higherpaying positions: licensed practical and vocational nurses (LPNs) and registered nurses (RN).

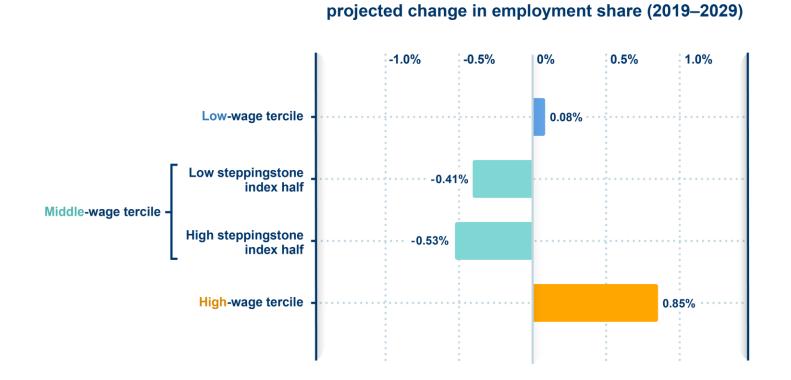
Black and Hispanic workers access this pathway at significantly lower rates than their white counterparts.

For example, white workers transition from home health aides to RN positions at a rate 3.5 percentage points higher than Black workers and 9 percentage points higher than Hispanic workers. Similarly, white workers make the transition from LPN to RN jobs at rates 20 percentage points higher than Black workers, and 17 points higher than Hispanic workers.

Conversely, Black and Hispanic workers are far more likely to transition downward from LPN jobs into home health aide jobs.

Intragenerational mobility has been declining and may decline further.

Pre-COVID-19 pandemic

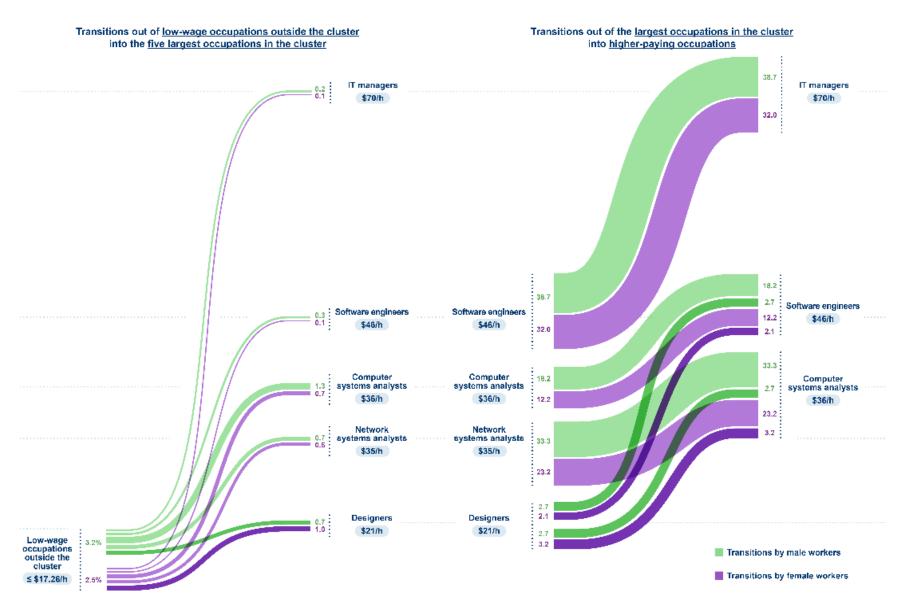


Economists documented a polarization of the labor market through the '80s, '90s, and early 2000s. This evolution has become more regressive, a trend clearly exacerbated by the pandemic. 'Stepping-stone' occupations, which workers pass through on their way from low-to high wage work, are expected to decline faster as a share of employment than non-stepping-stone index occupations.

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В

Tech example: widen equitable, high-value pathways

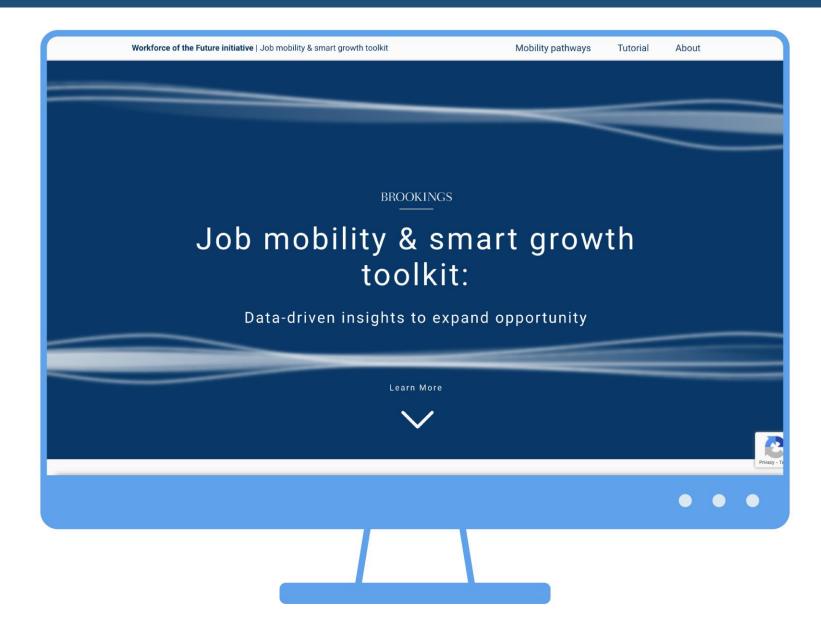


Technology and engineering is the network's highest paid, highest mobility, and second-fastest growing cluster.

High barriers to entry pose particular obstacles for low-income workers from other clusters, who transition into technology and engineering jobs at very low rates.

Moreover, those who *do* transition into the cluster are disproportionately white and male: white workers make this transition 24 percent more often than Black workers and 77 percent more often than Hispanic workers, while men make it 45 percent more often than women.

What are the most feasible "next step" jobs for a retail salesperson?



Access Mobility Pathways at https://www.brookings.edu/interactives/ wof-mobility-pathways/

B

Top occupational transitions to from Computer Scientists and Systems Analyst in All sectors

Origin occupations Explore the chart and the table to compare selected occupation to related	Current demand (national) Range: -2 +2	Occupation (share of total transitions) Range: 0% 100%	≣↓	Median wag Range: 35	^{nge: 351} Office machine repairers are a		. –
ones.	▼ -2	Computer Scientists and Systems Analyst	28%		occupation for lucrative computer jobs. Employers looking to build up their tech talent can promote internal upward mobility through targeted investments in reskilling these lower-wage workers.		
	▼ -2	Network Systems and Data Communications Analysts	11%		85K \$	-	HO.23
	▼ -2	Computer Software Engineers	10%		105K \$		+0.28
	▼ -2	Computer, Automated Teller, and Office Machine Repairers	4%	•	40K \$	_	+0.65

В



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FEDERAL RESERVE BANK PHILADELPHIA

A Skills-Based Approach to Occupational Mobility

Kyle DeMaria, Federal Reserve Bank of Philadelphia Kyle Fee, Federal Reserve Bank of Cleveland

Keith Wardrip, Federal Reserve Bank of Philadelphia

Disclaimer

The views expressed here are those of the presenter and do not necessarily represent the views of the Federal Reserve Bank of Philadelphia or the Federal Reserve System.



Our guiding principles, data, and methods

Occupations Defined by Tasks and Skills

- An occupation can be thought of as a bundle of tasks, for which a worker needs a certain set of skills.
- Occupations differ in the types of skills they require and the frequency with which those skills are required.
- We analyzed nearly 60 million online job advertisements posted between 2014 and 2018.

Skills Described in

Online Job Ads

- Our analysis covers the 33 metro areas with at least 1 million jobs.
- Occur within and between lower-wage and opportunity occupations.

Potential

Transitions:

- Require at least a 10 percent pay increase but not a bachelor's degree.
- Involve destinations projected to remain stable or grow nationally between 2018 and 2028.

Top Transitions:

 Represent potential transitions with a similarity score greater than 0.75.

Source: DeMaria, Kyle, Kyle Fee, and Keith Wardrip. Exploring a Skills-Based Approach to Occupational Mobility. Federal Reserve Banks of Philadelphia and Cleveland, 2020.



Skills can be viewed as a bridge rather than as a gap.

 Overall, we find a high degree of similarity between the skills required for lower-wage occupations and the skills required for opportunity occupations.

	Skill	Overall intensity	Overall	Lower-wage occupations	Opportunity occupations
	Communication skills	26.9%	1	1	1
	Customer service	17.7%	2	2	3
	Physical abilities	14.3%	3	3	8
	Organizational skills	13.1%	4	4	4
	Teamwork/collaboration	11.8%	5	9	10
	Scheduling	10.9%	6	7	6
	Detail-oriented	10.2%	7	8	13
	Sales	9.9%	8	6	9
	Microsoft Excel	9.4%	9	16	5
	Computer literacy	9.3%	10	11	7
	Problem solving	8.8%	11	18	11
	Writing	8.7%	12	14	15
	Repair	8.4%	13	13	2
	English	8.0%	14	10	21
	Microsoft Office	7.7%	15	23	12
	Planning	7.7%	16	36	14
	Cleaning	7.0%	17	5	54
	Building effective relationships	6.7%	18	19	17
	Teaching	6.4%	19	30	64
	Research	6.1%	20	47	19

Note: Ranks \leq 10 shaded dark orange; ranks >30 shaded light orange.

Source: DeMaria, Kyle, Kyle Fee, and Keith Wardrip. Exploring a Skills-Based Approach to Occupational Mobility. Federal Reserve Banks of Philadelphia and Cleveland, 2020.



We find over 4,000 top transitions in the 33 metro areas analyzed.

- Nearly half of lower-wage employment can be paired with a top transition (similarity score>0.75).
- Overall, top transitions would represent an increase in average annual median wages of 49%, from around \$30,000 to just under \$45,000.

Sales Customer service Communication skills Marketing Teamwork/collaboration Product sales Building effective relationships Organizational skills Microsoft Excel Retail industry knowledge Problem solving Customer contact Computer literacy Microsoft Office Time management Phoenix-Mesa-Scottsdale, AZ MSA Sales goals Similarity Score **Business development** 0.86 Annual Pay in Origin Occupation \$21.130 Prospective clients Annual Pay in Destination Occupation \$48,256 Energetic Percent Increase in Annual Median Wages +128% Multitasking Outside sales Detail-oriented Inside sales Appointment settings Retail sales 20 40 60 80%

Skill deficit with sales representatives, services, all other (destination)

Source: DeMaria, Kyle, Kyle Fee, and Keith Wardrip. Exploring a Skills-Based Approach to Occupational Mobility. Federal Reserve Banks of Philadelphia and Cleveland, 2020.

Retail salespersons (origin)

Skill surplus in origin



Demonstration: Occupational Mobility Explorer



https://www.philadelphiafed.org/



Strategies to improve economic mobility and help meet the needs of employers

- Skills-based hiring practices could expand applicant pools to include workers who do not have a bachelor's degree – but who do have many of the skills required to do the job.
- Targeted training could provide otherwise qualified workers with the skills necessary to make a successful transition.
- Collaboration between employers, education providers, and workforce development organizations can ensure training meets local demand.



Thank you



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Connecting Workers with Good Jobs

Debbie Hughes, Director, Markle Foundation July 22, 2021







The Rework America Alliance

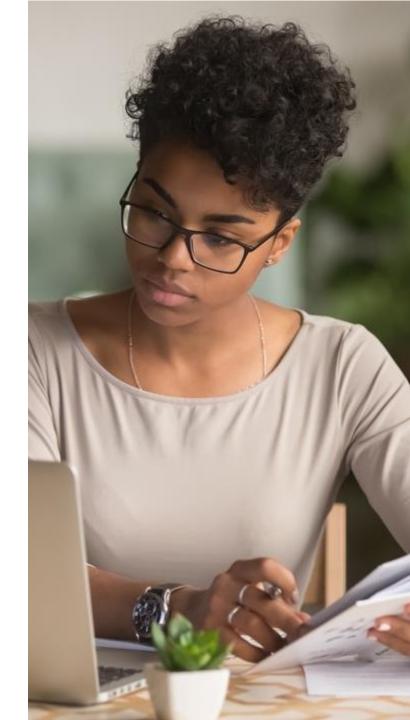
Rework America Alliance

Rework America Alliance

Working to help millions of unemployed workers from low-wage roles move into better jobs

The Rework America Alliance brings together more than 30 leading organizations - employers, non-profits, educators, government entities, and public and private organizations.

The Alliance is focused on **opening opportunities for workers who have built capabilities through experience but do not have a bachelor's degree** - particularly people of color and women as they have been disproportionately affected by the economic crisis.



Rework America Alliance



A Committed Group of 30+ Leading Organizations



The Alliance will identify effective training programs aligned to good, in-demand jobs, beginning with programs from initial participating organizations:



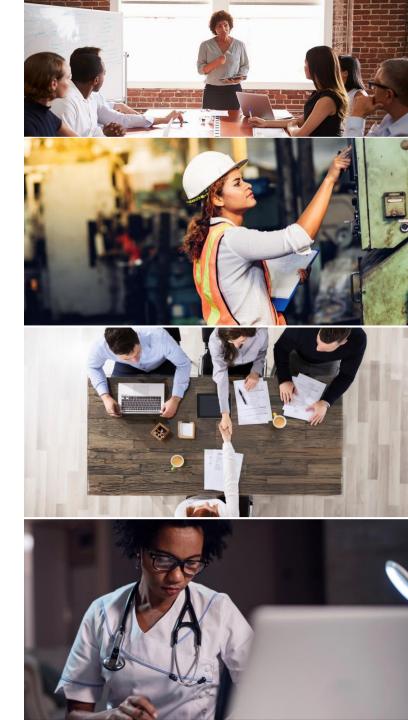
Connecting Workers to Good Jobs



Identifying promising job progressions for workers to pursue



- Identifying high-quality training programs aligned to skills needed for emerging jobs
- Developing digital tools to help career coaches and other support specialists better serve displaced workers
- Directly engaging employers to drive the adoption of inclusive sourcing and hiring practices and developing tools and resources to help them take action





Identifying promising job progressions for workers to pursue

Job Progressions From Origin to Gateway to Target

Gateways

.....



Targets

Middle- to higher-wage (>\$42,000) occupations that are good quality by being resilient to automation¹ and accessible based on job experience, not just credentials

Eg, sales managers

Alternative paths Historical Adjacencies

Offers a bump in pay to middle- to higher-wage occupations (>\$42,000) but has limited historical success for advancing to Target occupations

Origins

(<\$37,000) and Mid-wage (\$37,000– \$42,000) occupations, with high unemployment among workers without 4year degrees

Eg, waiters

¹ Based on McKinsey Global Institute's analysis of risk of offshoring and automation (2019).

Sources: Mckinsey analysis using Emsi, Bureau of Labor Statistics, and McKinsey Global Institute,

• **Mid-wage Origins** • Offers some small bump in pay for

those who start from Origins to pay (\$37,000-\$42,000)

A good job that can lead to Target

occupations with the opportunity to build skills while also offering **>\$42,000** in pay

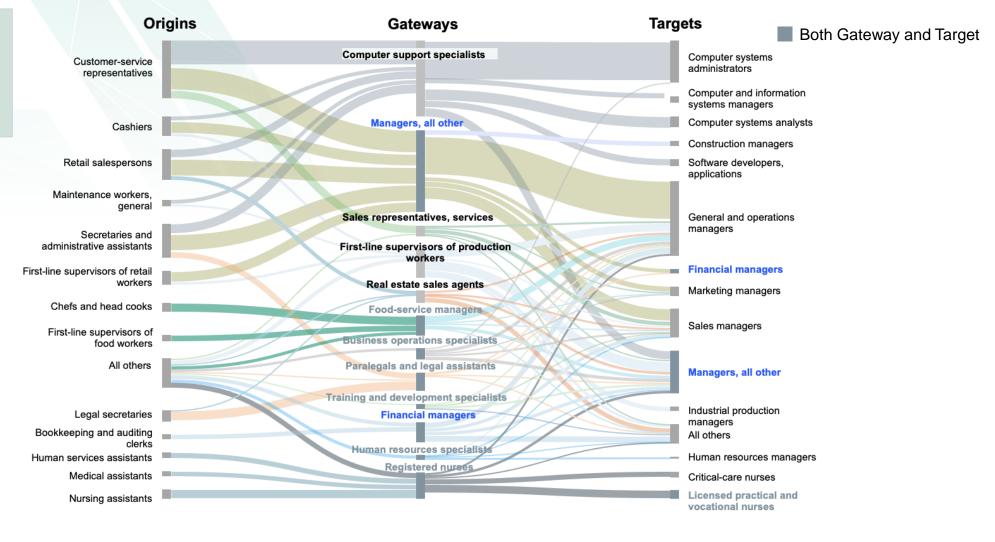
Eg, training and development specialists



Gateways Unlock Job Progressions

Our analysis reveals that 77 Gateway jobs are especially effective at unlocking job progressions into Target jobs

Gateways with the highest incoming transitions from Origins





We analyzed the job histories of 29 million people

Key Takeaways

There are 77 'Gateway' occupations that have been proven to be springboards to economic advancement and could improve racial representation

- **2 70% of job progressions** that provide transitions to Gateways and Targets hinge on transferable interpersonal skills, best learned through experience
- 3

Gateways and other good, viable, occupations will account for nearly 20% (or ~1 million) of the new jobs over the next year, though there is likely to be intense competition for these roles



Occupations in Healthcare, Industrials (Manufacturing & Construction), and digital roles that cut across sectors will likely provide ~40% of good, viable jobs over the next 12 months.



June 202

Unlocking experiencebased job progressions for millions of workers

& Company Bank of Atlanta

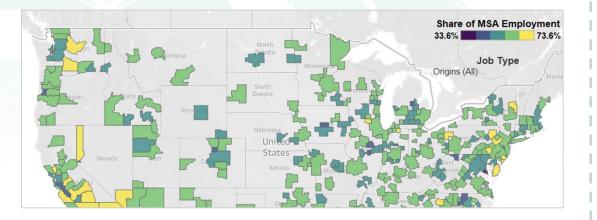


Tools to help workers move into better jobs

Job Insights and Data



Rework Community Insights Monitor

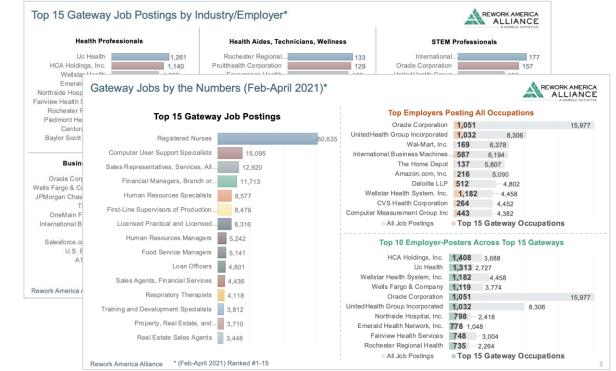


Explore the tool at:

https://www.atlantafed.org/cweo/datatools/rework-community-insights-monitor

Google "Community Insights Monitor"

Regional Fact Packs



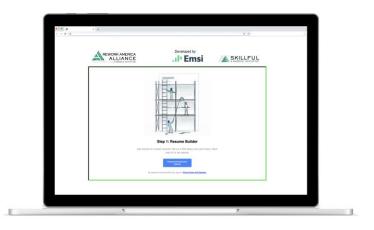
Resources for Career Coaches

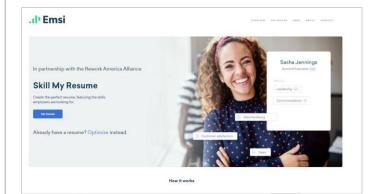


Virtual Career Coach Training



Skill My Resume





www.skillmyresume.com

Data driven career pathways

To help the 70% of Americans thefand college degrees and millions of Americans looking for work, this tool takes a data-backend approach to suggest career pathways and occupations that will lead to long term access. Based on looking all historical information for whole welfhout 4 are degree taket move the tweet back the tool suggests path to secure welf-paying occupation(test) or a sharp-doccupation to build the skills & experiment to now into were backet molecular.



Job Progressions Tool

Explore the tool at: https://jobprogressions.mckinsey.digital/

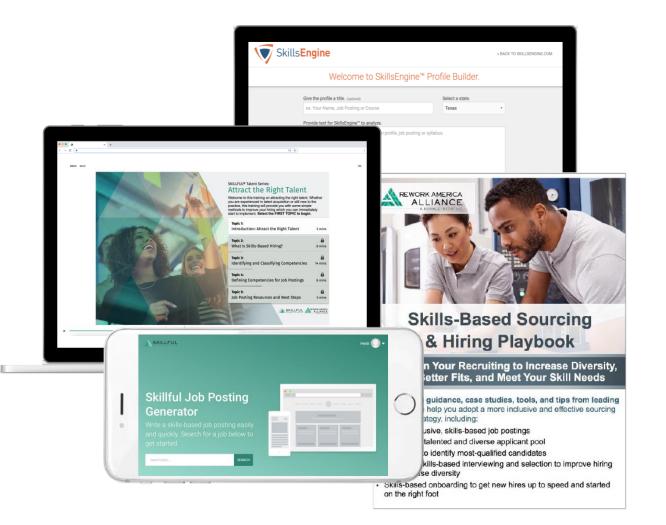
Rework America Alliance



Resources for Employers

Driving the adoption of Skills-based practices in hiring and talent management

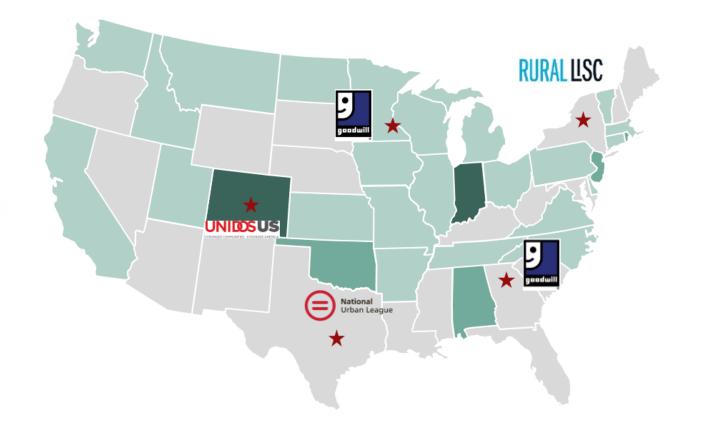
- Skillful Talent Series
- Job Posting Generator
- Sourcing & Hiring "Quick Start" Playbook
- Job-specific Hiring Toolkit
- · HRIT "How-to guides"





Connecting Workers to Good Jobs

- Deploying resources to multiple locations through regional partners and State Network
- Securing employer commitments to change hiring and talent management practices
- Building the technical infrastructure to support the scaling of tools and resources



Rework America Alliance Thank you.

Debbie Hughes dhughes@markle.org







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