

Michigan's Opportunity Jobs

Findings and implications from a statewide analysis of job quality and opportunity

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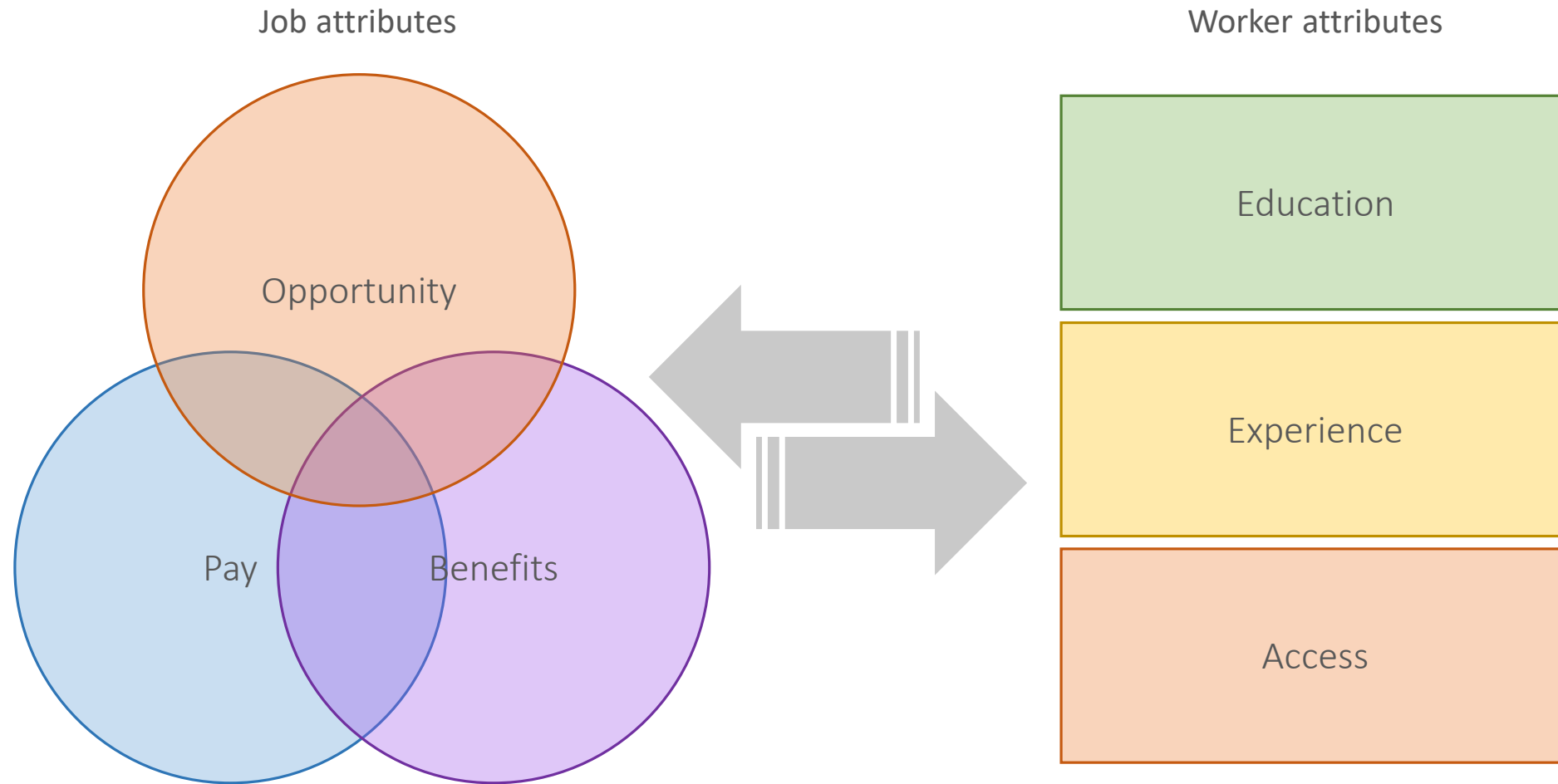
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- 1 Inclusive economic development and “Opportunity Jobs”
- 2 Michigan’s Opportunity Jobs: Findings
- 3 State and local policy and programmatic applications

Economic trends call for renewed focus on inclusion and job quality

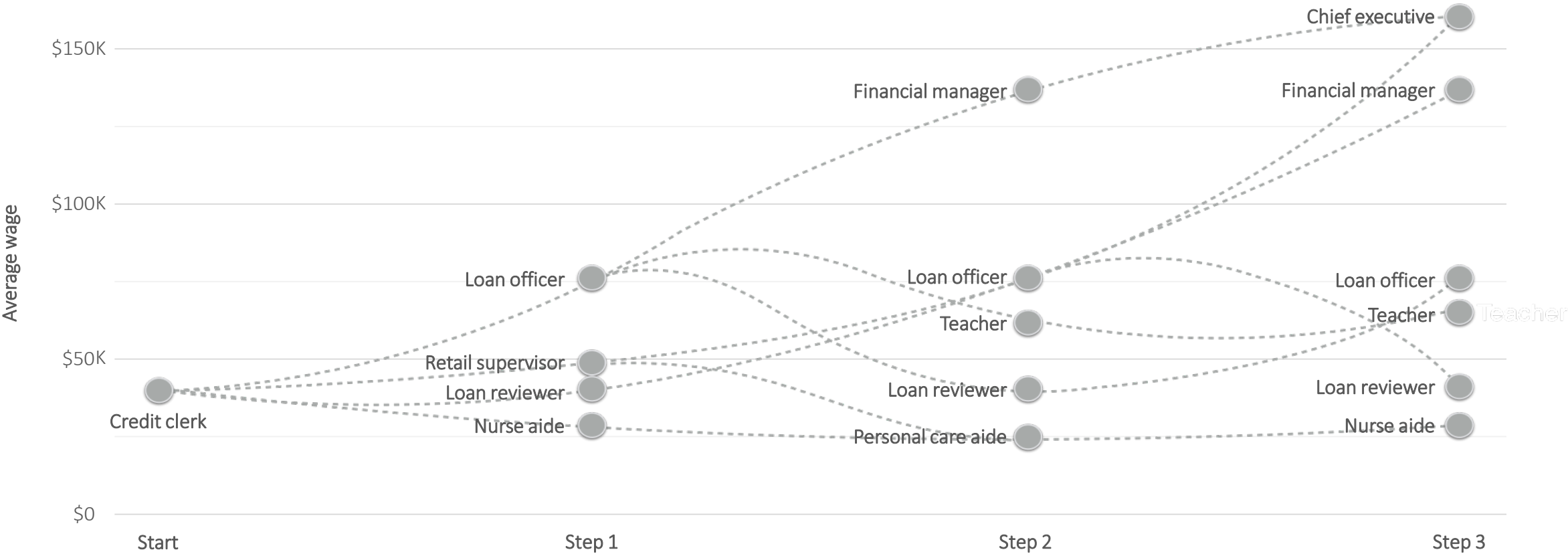
- The U.S. shed millions of middle-class jobs during the Great Recession
- These jobs did not recover at the same rate as the rest of the economy during the expansion
- Technology and trade continue to threaten middle-skilled, middle-class jobs and others
- These trends have prompted policymakers to refocus economic development efforts on growing “good jobs” that provide family-sustaining wages
- Because economic shocks tend to intensify labor market polarization, this focus on quality-job growth will be even more important in the aftermath of COVID-19

The “Opportunity Jobs” research looks at the dynamic qualities of jobs *and* workers



The research finds that most career pathways to “good jobs” are not linear

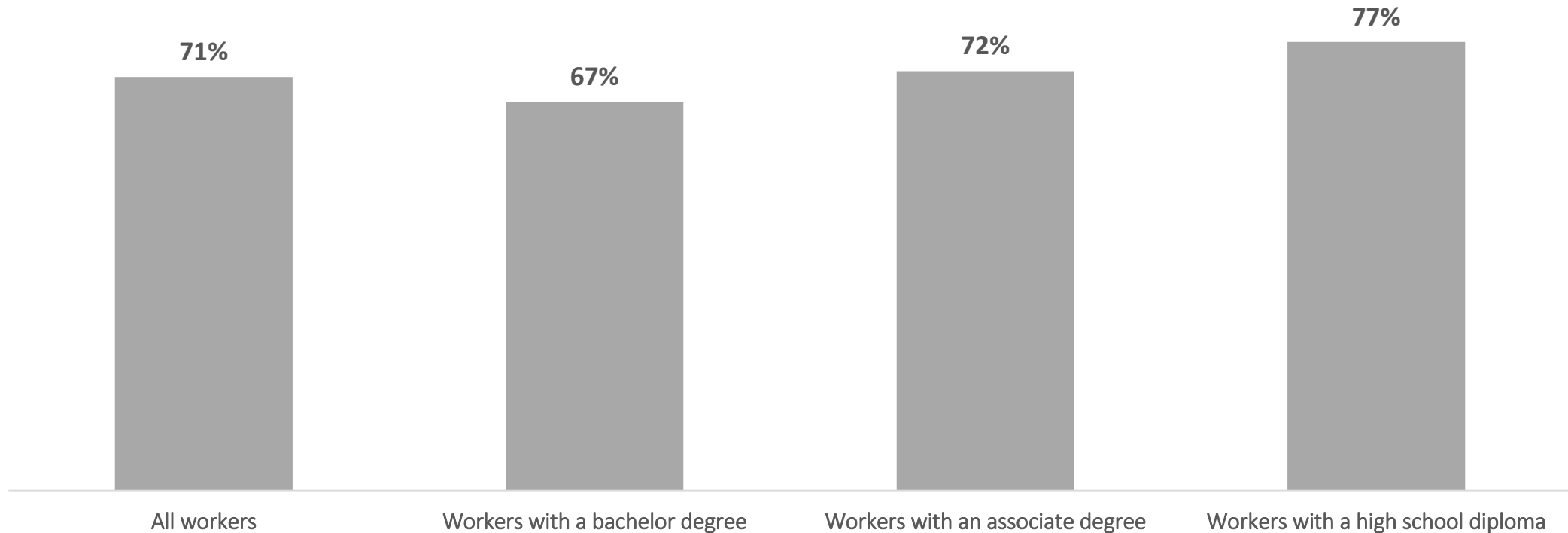
For example, credit clerks follow career paths that span the finance, retail, health care, education, and local services sectors



In fact, most workers obtain good jobs by switching careers, versus “ladders”

Major occupational and career changes are the norm in pathways to good jobs

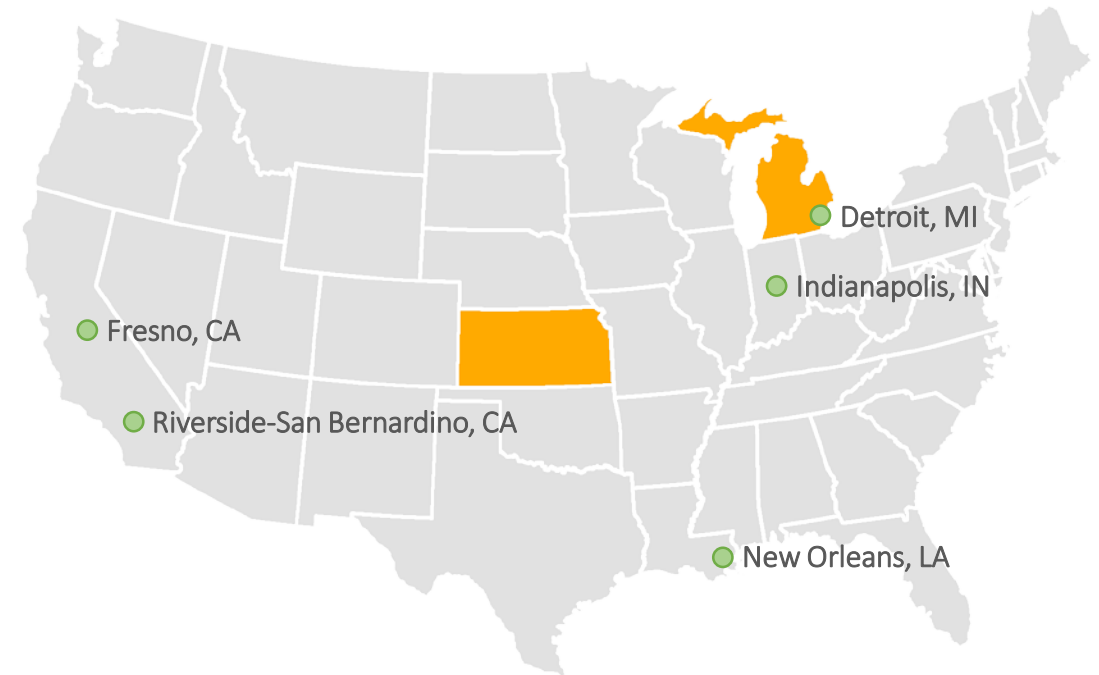
Share of workers who will obtain good jobs that will switch careers to do so



This research has led to impact in several state and local applications



Opportunity Jobs application sites

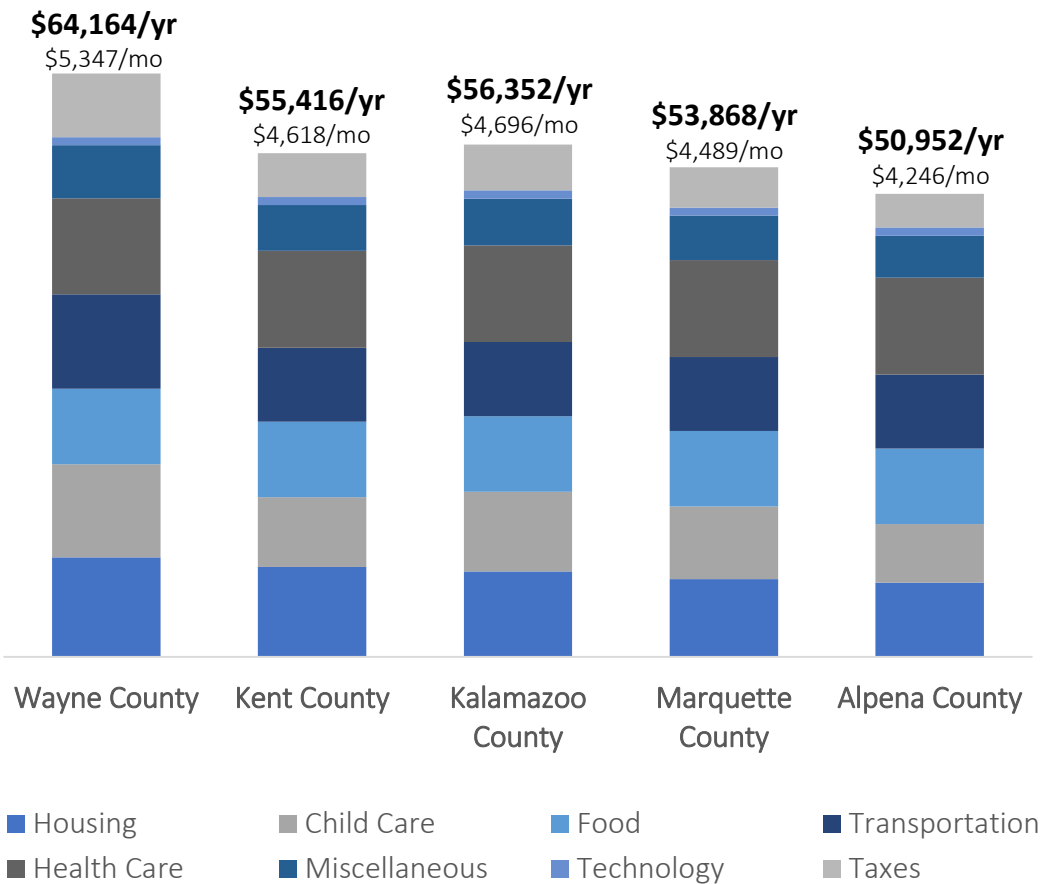


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Many Michigan families do not earn enough to make ends meet where they live

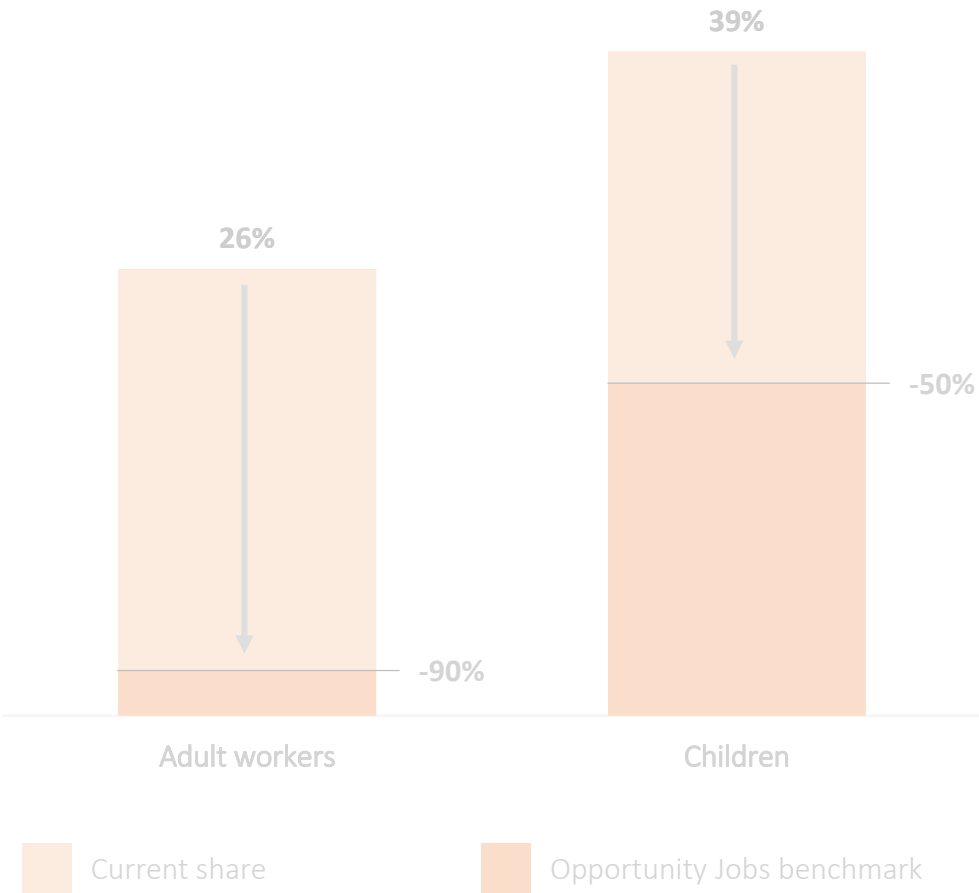
The income required to “make ends meet” varies by county

United Way’s ALICE Survival Budget for a family of four



Many working families struggle to make ends meet

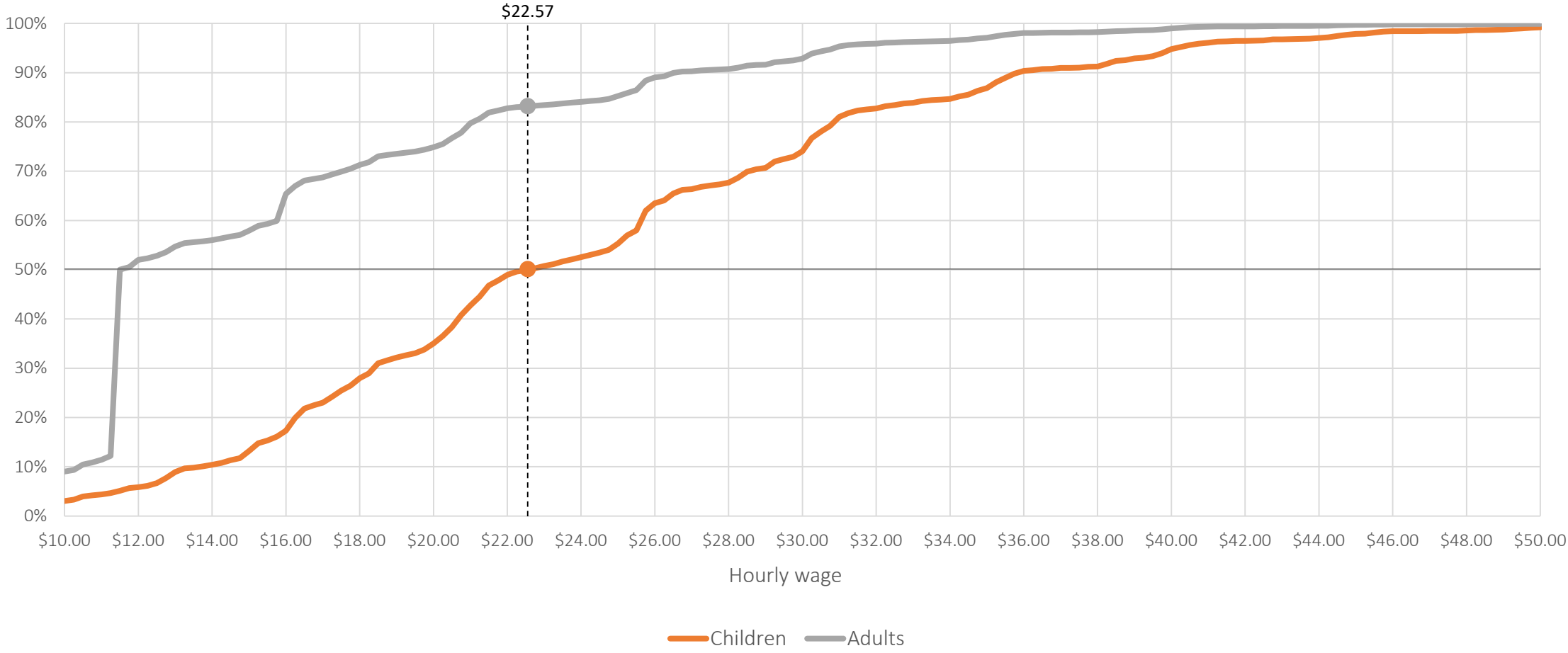
Share of Michiganders that belong to struggling *working* families



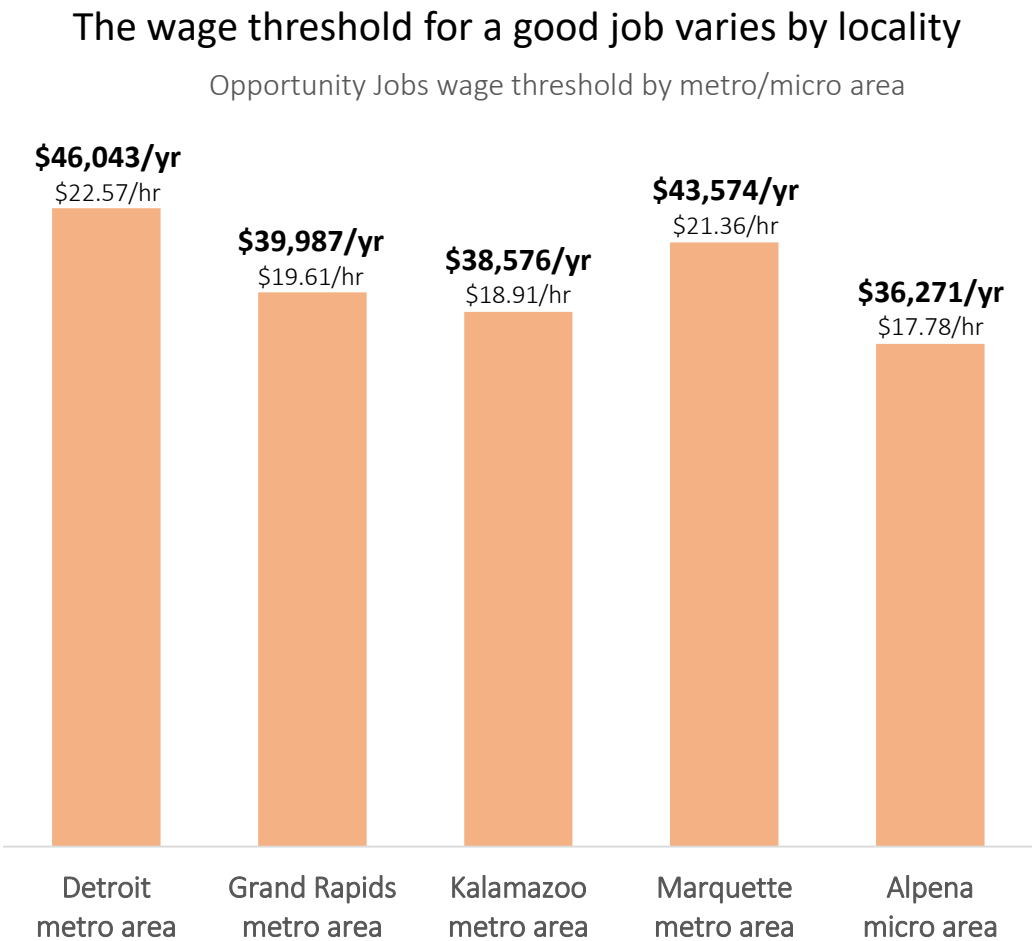
The wage threshold for “good jobs” is sensitive to this benchmark

The needs of half of Metro Detroit’s struggling children would be met if their parents earned at least \$22.57 per hour

The share of struggling children and adults that could make ends meet at a given wage on a full-time, year-round basis



Opportunity Jobs offer struggling workers pathways to middle-class prosperity



The Opportunity Jobs approach identifies three types of jobs

In this analysis, a **“good job”** meets three criteria:

1. Pays a *sufficient annual wage* that would provide most people with enough income to “make ends meet”
2. Provides *employer-sponsored health insurance*, which serves as a proxy for other employment benefits
3. A good job provides career pathways that lead to the same or another good job in the future

Someone who holds a good job would be ineligible for SNAP, TANF, and Medicaid in Michigan.

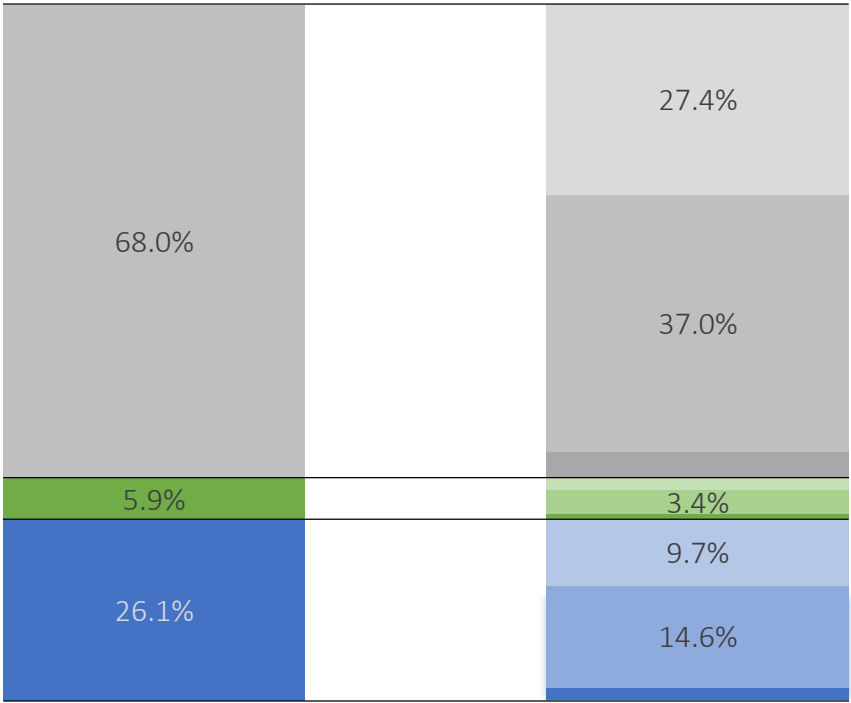
A **“promising job”** does not meet these requirements but provides *career pathways* that lead to a good job by 2030.

Jobs that do not qualify as good jobs or promising jobs are referred to as **“other jobs”** in this analysis.

In each occupation, job quality varies by the characteristics of the job holder

Nearly one-third of CNC programmer jobs are good jobs

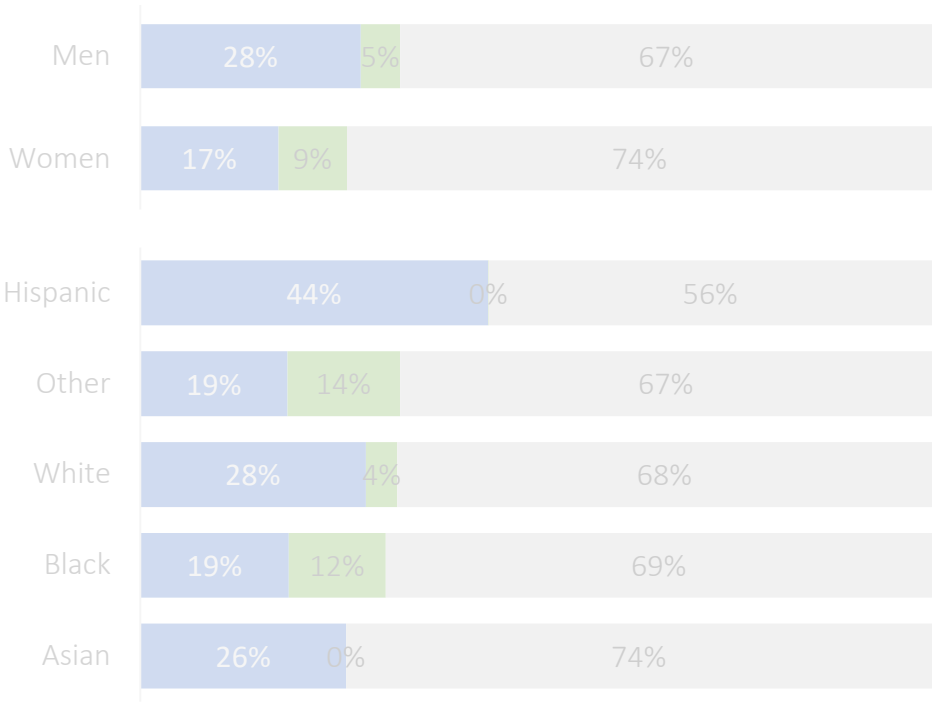
Metro Detroit's CNC programmer jobs (SOC 51-4010)



■ High-skill good jobs ■ High-skill promising jobs ■ High-skill other jobs ■ Mid-skill good jobs ■ Mid-skill promising jobs ■ Mid-skill other jobs ■ Low-skill good jobs ■ Low-skill promising jobs ■ Low-skill other jobs

The quality of CNC programmer jobs varies by type of worker

Metro Detroit's CNC programmers (SOC 51-4010)

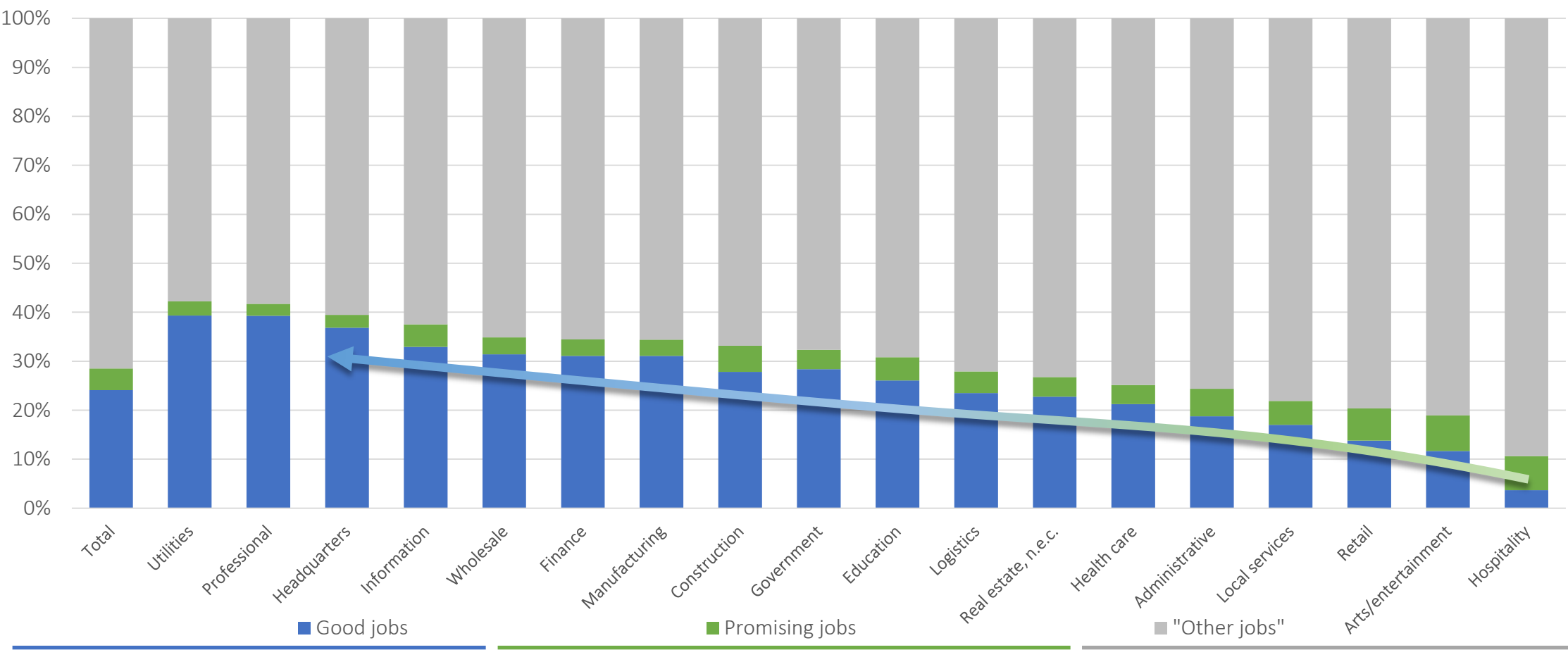


■ Hold a good job ■ Hold a promising job ■ Hold an "other" job

Detroit's advanced services sectors boast the highest concentrations of good jobs

Workers in promising jobs tend to follow career pathways into industries with higher concentrations of good jobs

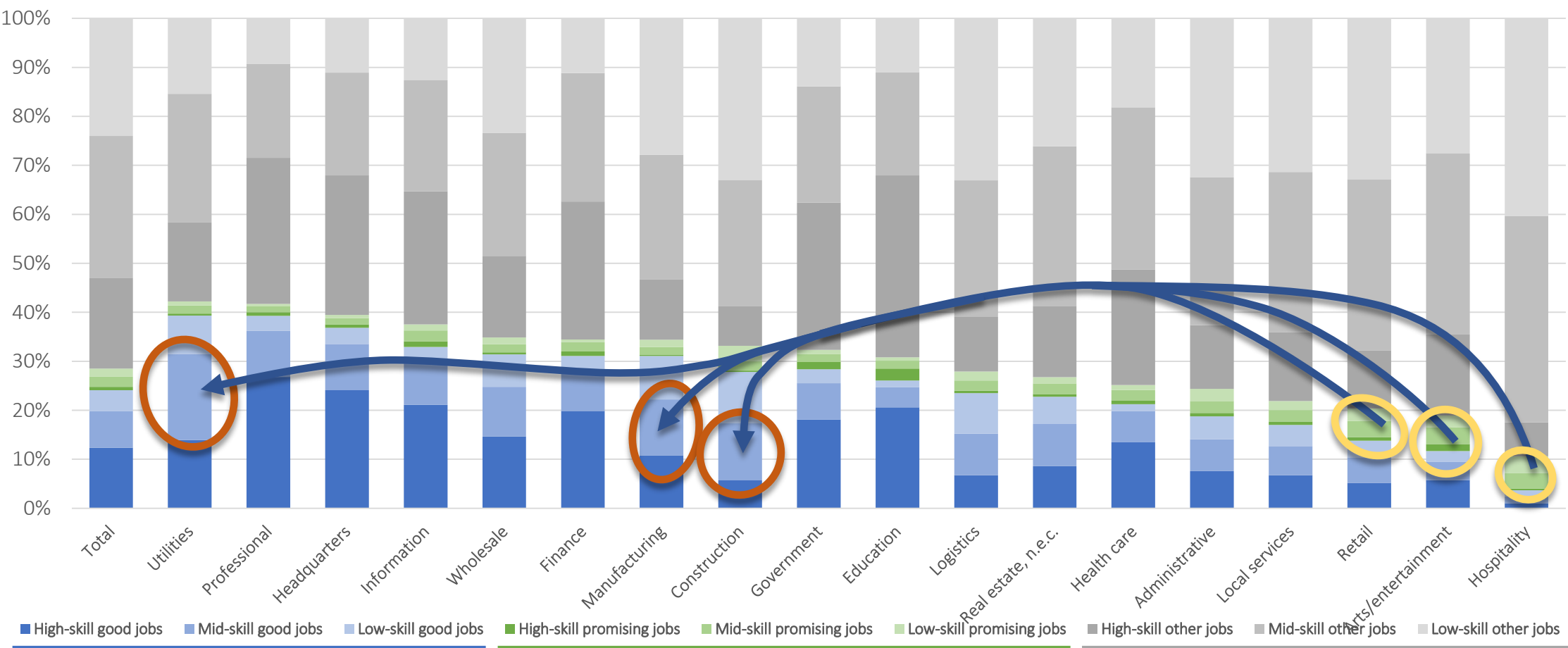
Good and promising jobs as a share of all jobs by industry sector in Metro Detroit in 2018



Mid-skilled workers find opportunity by moving from local services to skilled trades

Workers in promising jobs tend to follow career pathways into industries with higher concentrations of good jobs

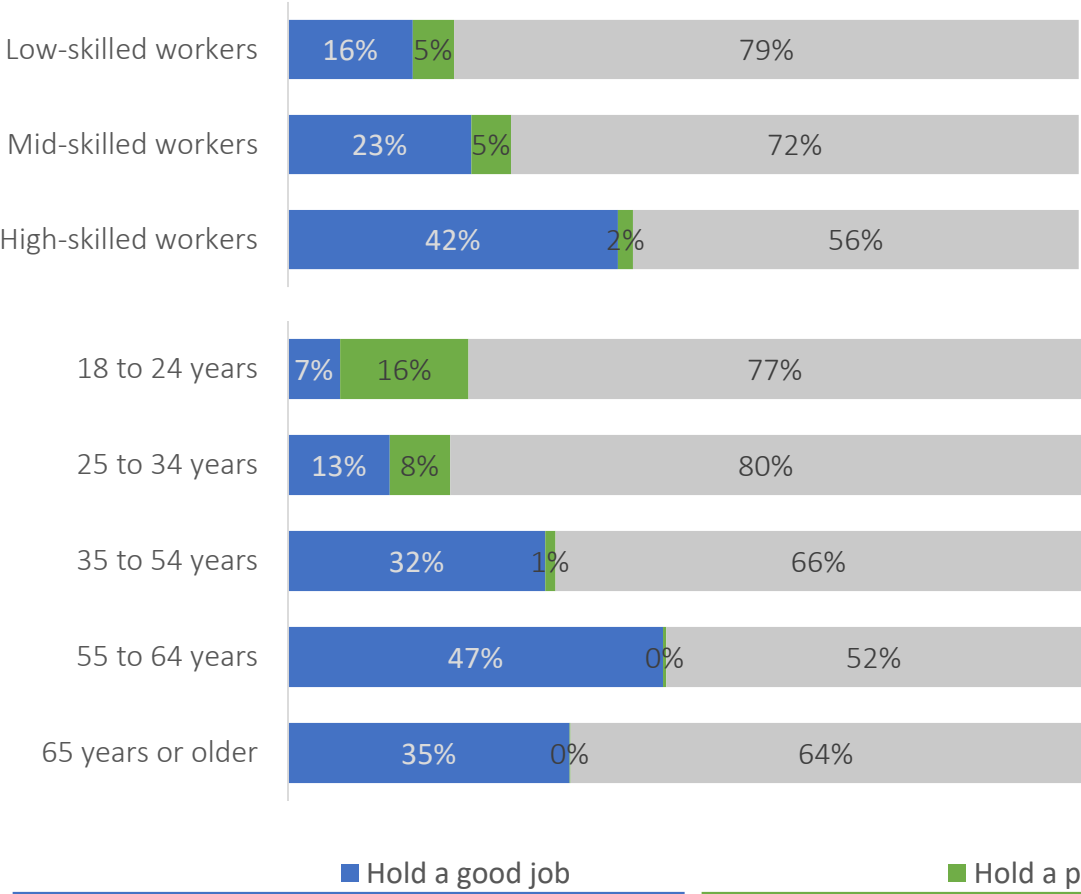
Good and promising jobs as a share of all jobs by industry sector in Metro Detroit in 2018



Access to opportunity varies by worker characteristics, revealing barriers

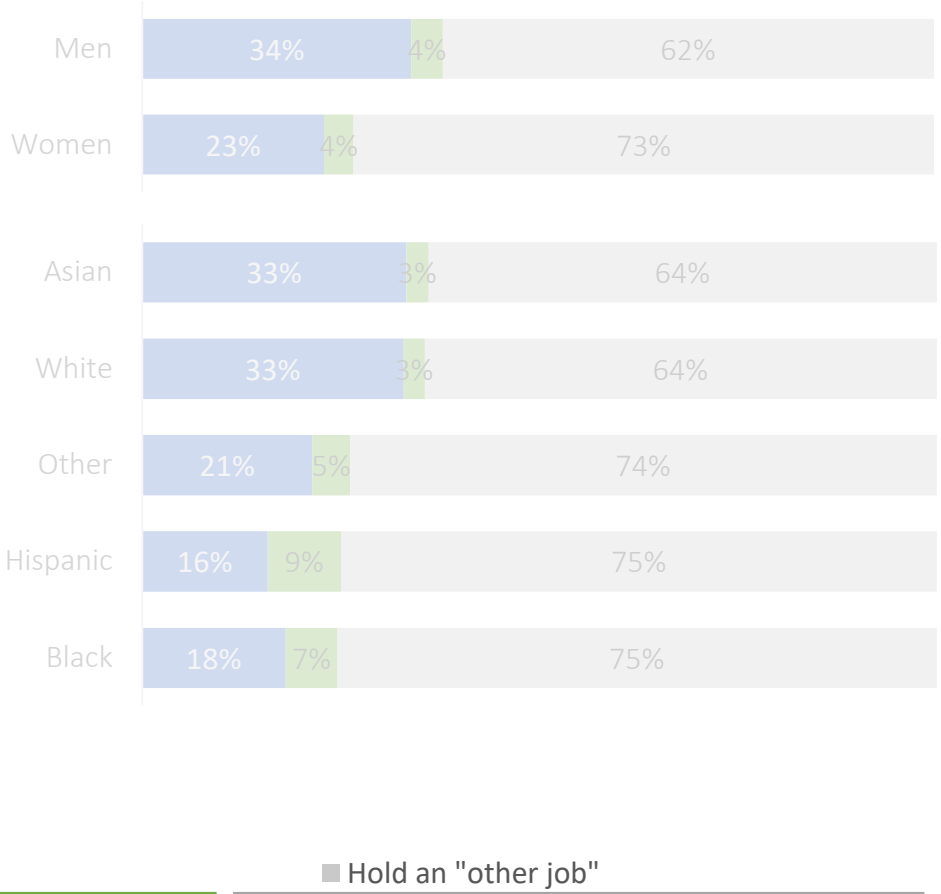
The chances of holding a certain type of job varies by ability

Share of Metro Detroit's workers that hold jobs of different types by skill and age



... and by factors unrelated to workers' ability

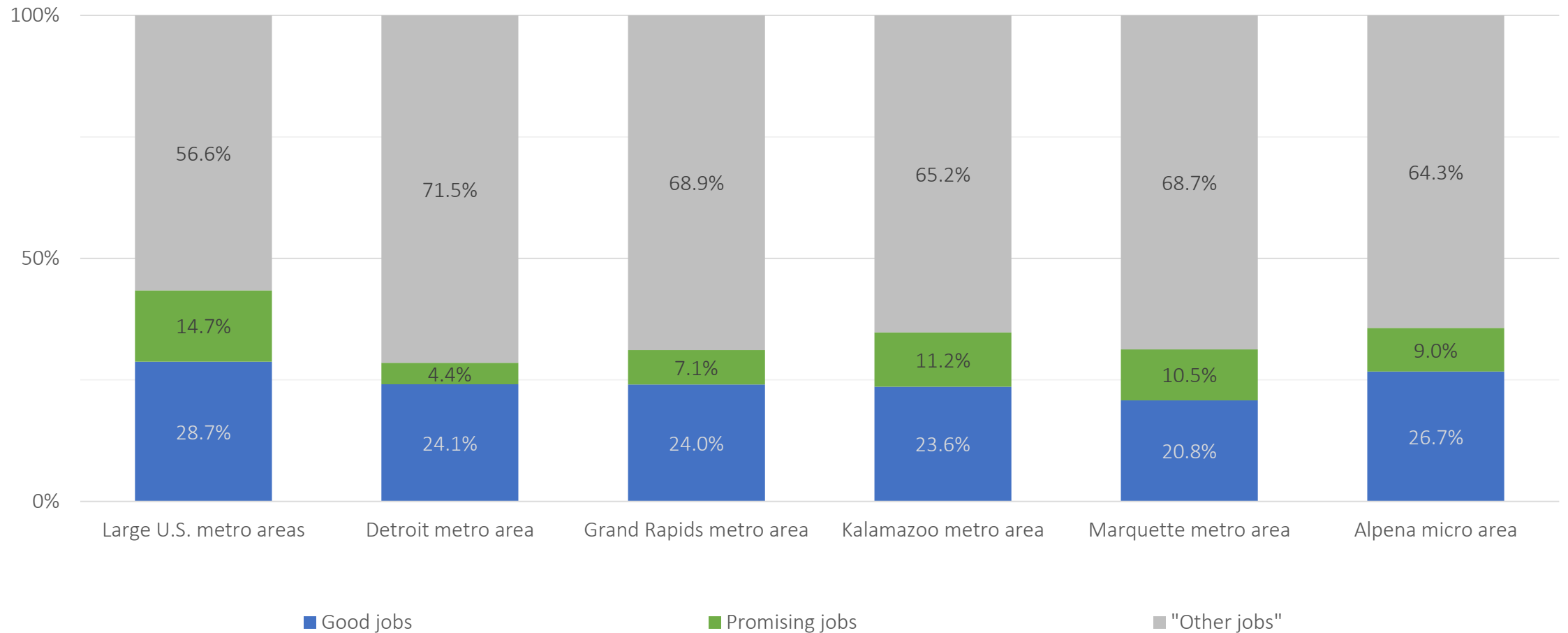
Share of Metro Detroit's workers that hold jobs of different types by sex and race



Job quality varies across Michigan due to the composition of industry and labor

Good and promising jobs vary as a share of all jobs in select Michigan localities

Good and promising jobs as a share of all jobs by locality in 2018



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Michigan can improve labor market opportunity through a four-part agenda



GROW good jobs. Economic developers should add good and promising jobs—especially in tradable industries—to broaden the middle-class and increase upward mobility.



IMPROVE job quality and access. Public and private sectors should work together to increase wages, extend benefits, and expand opportunity, especially where good jobs are scarce.



PREPARE people for good jobs. Training providers should teach students to learn and discover for themselves as they navigate fluid career paths and a more changeable labor market.



SUPPORT workers and families. Workers striving to reach the middle class depend on well-designed safety-net programs, child care, and public transit to access opportunity.

Michigan economic developers can tactically address job quality through sectors

- **Leverage FOUNDATIONAL sectors to increase existing job quality and sustainability – moving up the value-chain and improving pathways for workers**
 - Centers of Innovation
 - Mid-size and smaller firm needs to scale
 - Incumbent worker training
 - Firm internal inventories
- **Accelerate EMERGING sectors that concentrate good jobs, based on distinctive assets**



- **Increase CONNECTIONS for residents to quality jobs**
 - Firm hiring policies
 - Intermediaries
 - Work-Based Learning / Apprenticeships
 - Customized and accelerated training scale-up

MEDC can lead on the “GROW” agenda by prioritizing job quality in its programs

EMBRACE INCLUSIVE STRATEGIES

- Prioritize job quality and inclusion as a chief objective of economic development
- Focus on growing good and promising jobs for mid-skilled workers, especially in tradable sectors
- Growing good mid-skilled jobs often means adding good high-skill jobs too

ADOPT NEW TOOLS AND TACTICS

- Deconstruct economic development deals to incentivize only the new jobs that meet job-quality criteria rather than on the basis of the average job quality of new jobs
- For jobs that don't meet job quality criteria:
 - Help companies increase wages or expand benefits in jobs that come close to meeting job-quality criteria
 - Encourage companies to invest in training and promotion opportunities that turn “other jobs” into promising jobs
- Include job quality and worker investment dimensions in the performance tracking for new deals
- Provide technical support that helps Michigan businesses implement business models that sustain better job quality

CONTINUE INTER-AGENCY COOPERATION

- Encourage localities to develop job quality and inclusion objectives, strategies, and tactics tailored to local circumstances
- Work with state and local workforce development and education providers to invest in training low- and mid-skilled workers in the skills that are required by or that lead to good jobs in target industries/occupations, rather than “in-demand” jobs
- Work with state and local workforce development agencies to create new job-quality improvement programs with leading local employers