

No bachelor's degree? No problem

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An assumption often made is that workers need a college degree to get a good job. Less-skilled workers, usually without degrees, are often cited to be at high risk of being replaced by machines that do routine tasks. However, not all metropolitan areas will experience this type of issue. Some areas are experiencing a growing need for workers without a bachelor's degree. In a joint report titled "[Opportunity occupations revisited: exploring employment for sub-baccalaureate workers across metro areas and over time](#)" (Federal Reserve of Cleveland, Philadelphia and Atlanta, April 2019), Keith Wardrip, Kyle Fee, and Lisa Nelson studied the metropolitan areas that offer the best opportunities of employment and occupations.

Wardrip and colleagues present the concepts of "opportunity employment" and "opportunity occupation." Opportunity employment is defined as a job that does not require a bachelor's degree and often pays above the national median wage (\$37,690). The wage is also adjusted for regional price differences so earnings can be compared across the metropolitan areas. From the 121 metropolitan areas the authors studied, about 21.6 percent of total employment falls under opportunity employment. Opportunity occupation, on the other hand, is work that fits within the definition of opportunity employment. The top three opportunity occupations in 2017 in the United States were registered nurses; heavy and tractor-trailer truck drivers; and bookkeeping, accounting, and auditing clerks.

Wardrip et al. found that among the 121 metropolitan areas studied, those with the highest share of opportunity employment in 2017 were Toledo, OH (34.0 percent); Anchorage, AK (31.5 percent); and Des Moines-West Moines, IA (30.8 percent). The lowest opportunity employment was in Washington-Arlington-Alexandria, DC-VA-MD (14.6 percent); New York-Newark-Jersey City, NY-NJ (15.3 percent); and Los Angeles-Long Beach-Anaheim, CA (15.4 percent).

The authors also discovered that the share of opportunity employment is highly correlated to regional price levels. The size of the metropolitan area was not an important factor compared with price levels. For example, both Cleveland and Austin economies have about 1 million jobs, but their opportunity employment varies greatly at 30.1 percent and 18.5 percent, respectively. High-cost metropolitan areas, therefore, have less opportunity employment than low-cost metropolitan areas.

As for opportunity occupations, the authors state that employers do not agree on the importance of workers, such as nurses or bookkeepers, needing a bachelor's degree. For example, 65.9 of job listings for registered nurses did not require a bachelor's degree in 2017. This number comes from a compilation of sources (U.S. Bureau of Labor Statistics' Occupational Employment Statistics, American Community Survey, Bureau of Economic Analysis' Regional Price Parities, and Burning Glass Technologies data) the authors used to calculate the figure. This finding may suggest that as an economy strengthens, educational requirements loosen.

Jobseekers and employers benefit from some of the takeaways of this report. For jobseekers, the report helps them compare job opportunities across metropolitan areas. For employers, the report stresses how they could better match workers with improved job advertisements. It also encourages employers to lower the degree requirement and hire people on the basis of their skills. These efforts most likely would lead to more effective hiring.