Overview:
Middle-wage jobs are becoming increasingly unattainable for workers without college degrees. At the same time, employers are struggling to find enough talent to fill these positions. Expanding candidate pools by removing degree requirements for positions that shouldn’t require degrees will expand candidate pools and narrow the opportunity gap for workers who are Skilled Through Alternative Routes (STARs) while helping businesses thrive.
Middle-wage jobs – jobs that pay $14.18 an hour to $23.59 an hour – have long served as a pathway to the middle class.

Unfortunately, several factors, chief among them the filtering out of qualified candidates because they do not have a bachelor’s degree, have made these jobs increasingly unattainable for those who need them most.

And, while many workers who are Skilled Through Alternative Routes (STARs) struggle to get middle wage jobs, employers also struggle to find talent.

This paradox can be addressed by reforming hiring practices and valuing candidates who earn skills through routes other than a four-year college program.

Regional Differences in Median Salaries for Jobs

San Jose, CA vs. Springfield, MO

Middle-Wage Jobs are Becoming Unattainable

Middle-wage jobs have historically served as the backbone of the American middle class, but have been in steady decline since 1985. While annual median salaries for middle-wage jobs vary by geography – from $33,100 in Springfield, Missouri to $47,900 in San Jose, California, with a national median of $37,690 – these jobs consistently offer the opportunity to earn a good wage and get on the path to provide a better life for their families. the middle class.

The problem is that degree inflation – the practice of requiring a college degree for a job that historically has not required one – is making it harder for otherwise qualified candidates to access these critical springboard jobs.

According to the McKinsey Global Institute, more than two-thirds of job postings for executive assistants now require that candidates hold a four-year degree, while only 19% of those currently employed in that same position have one. In another study, 61% of employers indicated that they have rejected qualified candidates simply because they did not have a bachelor’s degree.

This trend is a major contributor to the “opportunity gap” – the gap created when qualified candidates are shut out of good, middle-wage jobs simply because they don’t have a college degree.
“Workers without four-year degrees rely on middle-wage jobs to create a pathway to the middle class. But over time, the number of open positions – and access to those positions – has dwindled.

We want to ignite a movement that expands access to middle-wage jobs, begins to reverse the decline in real wages, and ultimately restores the American Dream for STARs in this country.”

Byron Auguste, CEO and Co-Founder, Opportunity@Work

Meanwhile, middle-wage job growth has slowed as our economy evolves and as automation and other technological advances transform the workplace. Of the 8.3 million new jobs estimated to be created by 2023, only 25% will be middle-wage roles (compared to 38% for high-wage jobs and 37% for low-wage jobs), further exacerbating the opportunity gap as limited new jobs continue to be out of reach for workers without degrees.¹

Who Suffers? We All Do

Lack of access to middle-wage jobs hurts capable individuals and businesses alike. For individuals, it exacerbates the growing earnings divide between those with college degrees and those without. In the past 40 years, the gap in real hourly wages between workers with a four-year degree and those without has nearly doubled from $6.28 to $11.25, and non-college graduates have seen wages decrease by about 15%.²

Employers, meanwhile, say they need people with skills. And yet, their hiring practices have created a striking paradox: they simultaneously add more stringent requirements to

The Labor Market has an Opportunity Gap

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Middle-wage Jobs by 2023

<table>
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<tr>
<th>Total new jobs</th>
<th>Middle-wage jobs</th>
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<tr>
<td>8.3mm</td>
<td>25%</td>
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Skilled Workers

Career Path

Labor Market Opportunity Gap

Unequal Social/Professional Networks

Pedigree-Based hiring

Community Wealth

Race / Ethnicity

Socio-Economic Status

Limited Worker Voice

Promotion Practices

Job Opportunities

Employment Discrimination

Career Path
job postings and neglect a skilled talent pool estimated at 65 million people – even as open roles remain unfilled. By overlooking many qualified candidates with skills gained through alternative routes, employers are not properly valuing STARs who have obtained skills on the job or through nontraditional paths such as accelerated training programs.

This holds businesses back, and it stands to get worse – especially with information technology positions across all sectors:

- 69% of HR executives say their inability to attract and retain skilled talent impacts their firms’ performance.  
- Between 2018 and 2028, computer and information technology occupations are projected to grow 12% – much faster than the average for all occupations.  
- Each day that an IT job goes unfilled, the average organization loses $407 in revenue.

Organizations Are Losing Money

Each day that an IT job goes unfilled, the average organization loses $407 in revenue.

- $407 every day

IT Occupations are Growing

Between 2018 and 2028, computer and information technology occupations are projected to grow 12% – much faster than the average for all occupations.

The Solution: Reconsider Requirements and Expand Access

Employers must revisit their degree requirements for middle-wage jobs, reflect on whether four-year degrees are truly necessary for particular roles, and to consider new talent pipelines that bring STARs onto their teams.

Hiring for skill rather than pedigree would give employers access to a talent pool that includes millions of STARs who have the skills, drive, work ethic, and potential to succeed. By creating a more inclusive labor market, STARs and their families can prosper and businesses can achieve their full potential.

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6 Maurer, Ryan, “Middle-Wage Jobs Forecast to Decline.”

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10 Ibid

Graphic Citations


The Labor Market has an Opportunity Gap: Opportunity@Work analysis

Organizations are Losing Money: CEB, “Employer Playbook: Best Practices and Tools to Recruit Technology Talent from Nontraditional Sources.”

IT Occupations are Growing: CEB, “Employer Playbook: Best Practices and Tools to Recruit Technology Talent from Nontraditional Sources.”