



Executive Summary | June 2021

Unlocking experience-based job progressions for millions of workers



The Rework America Alliance, a Markle Foundation initiative, is working to help millions of unemployed workers from low-wage roles move into better jobs. A unique partnership of civil rights organizations, nonprofits, private-sector employers, labor unions, educators, and others, the Alliance formed to respond to the employment crisis created by the pandemic, which brought into stark relief the inequities in the labor market. The Alliance is focused on opening opportunities for workers who have built capabilities through experience but do not have a bachelor's degree—particularly for people of color without four-year degrees, as they have been disproportionately affected by the current economic crisis.

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McKinsey & Company

McKinsey is proud to be a partner in the Rework America Alliance and contribute data-driven insights to help light a path for workers toward resilient, higher-wage jobs that have historically been out of reach for those without degrees or traditional experience. McKinsey & Company is a global management consulting firm committed to helping organizations create Change That Matters. In more than 130 cities and 65 countries, our teams help clients across the private, public, and social sectors shape bold strategies and transform the way they work, embed technology where it unlocks value, and build capabilities to sustain the change. Not just any change but Change That Matters—for their organizations, their people, and, in turn, society at large.

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The National Urban League is a historic civil rights organization dedicated to economic empowerment in order to elevate the standard of living in historically underserved urban communities. The National Urban League spearheads the efforts of its 91 local affiliates through the development of programs and public-policy research and advocacy, providing direct services that impact and improve the lives of more than two million people annually nationwide. Visit nul.org and follow us on Facebook, Twitter, and Instagram: @NatUrbanLeague.

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Federal Reserve Bank of Atlanta

The Center for Workforce and Economic Opportunity at the Federal Reserve Bank of Atlanta is excited to partner on the Rework America Alliance. The Atlanta Fed serves the Sixth Federal Reserve District, which encompasses Alabama, Florida, Georgia, and sections of Louisiana, Mississippi, and Tennessee. As part of the nation's central banking system, the Atlanta Fed participates in setting national monetary policy, supervises numerous commercial banks, and provides a variety of financial services to depository institutions and the US government. The Center for Workforce and Economic Opportunity focuses on employment policies and labor market issues that affect low- and moderate-income individuals.

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The Markle Foundation challenges itself and diverse partners to deploy their varied expertise to identify solutions to critical public problems and achieve systemic change. Today, as advanced technology and automation change the very nature of work, Markle's priority is advancing solutions toward a labor market that will enable workers to move into good jobs in the digital economy. Markle formed the Rework America Alliance, drawing on experience from its workforce initiatives, Skillful and Rework America. This work follows Markle's success in collaboratively creating the policy and technology architecture that has enabled the transformation of information sharing for better decisions related to healthcare, national security, and access to the internet. For more information, visit markle.org, follow @MarkleFdn and @ReworkAmerica on Twitter, and read our book, *America's Moment*.

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Context

The United States is home to 106 million workers who have built capabilities through experience but whose talents are often unrecognized because they do not have a four-year college degree.¹ These Americans will be crucial contributors to future US economic competitiveness, and a more equitable economy requires their success. Current systems that emphasize traditional degrees and prior experience in the same field have largely failed them, keeping many from securing good jobs that unlock economic mobility. In fact, **about 5.8 million of these workers were unemployed** as of February 2021.² In turn, a large share of these workers—about 36 percent or 2 million people—are Black and Latinx.

We are at a critical juncture to generate greater opportunity for these workers—experienced job seekers who should be financially rewarded for their know-how. As the United States recovers from the pandemic, workers need more opportunities to **progress based on their experience** and wider access to not only new jobs but good jobs² that open the door to ongoing economic advancement. If they are able to access these jobs, the United States can create a more inclusive and racially equitable recovery, through which many more Americans can benefit from economic growth and innovation in the coming years.

The Rework America Alliance, a Markle Foundation initiative, is a partnership of civil rights organizations, nonprofits, private-sector employers, labor organizations, and educators formed to respond to the employment crisis created by the pandemic, which brought into stark relief the inequities in the labor market. The Alliance is **committed to helping unemployed workers from low-wage jobs, particularly people of color who have been disproportionately affected, come back to work in better jobs**—jobs that are viable for people based on experience rather than college degrees, are likely to be in demand, and can unlock economic advancement.

¹ Based on February 2021 Community Population Survey microdata on unemployment, US Census Bureau, [census.gov](https://www.census.gov).

² Defined as higher-paying roles that could unlock economic mobility and long-term stability.

We have begun the ongoing process of helping these workers pursue and get hired into better jobs as they approach a complicated labor market. To prioritize the actions that the Alliance recommends to support workers, including serious investment in good, growing jobs, we started with the facts—but we looked at those facts in novel ways.

Our analysis

We looked at the **job histories of 29 million people**, of whom more than four million did not have a four-year college degree, to understand what is possible. Furthermore, we looked across **more than 800 occupations to layer in other intelligence**, such as employment growth by sector and occupation (from a McKinsey Global Institute and Oxford Economics research partnership) and susceptibility to automation.

We are building on important prior work by Rework America Alliance partners and others,³ using an Origin-to-Gateway-to-Target framework to describe experience-based job progressions. Origins are low-wage occupations from which workers can move into better jobs, and Targets are attractive occupations in terms of stability and income. Gateways—good roles in and of themselves—provide a springboard from Origins to Targets. This type of job progression creates the most opportunity.

Not all experience-based job progressions open the door to Targets. Workers from Origins have transitioned into adjacent occupations that, like Gateways, provide some degree of economic uplift but, unlike Gateways, do not have a history of enabling progression to Targets. These are all good, viable jobs.

In our analysis, we added a few important layers to understand practical, realistic actions that can be taken by those working to support job seekers, including **credible precedent** (the historical data on what transitions have been possible for real people in the past), **the value of experience** (which job progressions have been possible based primarily on recognition of work experience), **a focus on good jobs** (identifying transitions that enable economic mobility), and both **near-term availability and future growth of good jobs** (through McKinsey Global Institute’s Future of Work analysis).

³ These groups include the following: [Opportunity@Work](#), [The Federal Reserve Bank of Philadelphia](#), [Emsi](#), [Burning Glass](#), and the [Brookings Institution](#).

Key insights to inspire action

Taken together, our analysis shows that unemployed workers from low-wage jobs have developed the experience needed to make them eligible for good, viable jobs in the near term. Over time, these workers can progress in their careers from good, viable jobs to full participation in the changing digital economy's labor market. Moreover, in recognizing the value of experience in roles outside a sector, employers also open the door for more people of color who belong to labor pools they did not previously consider.

We can distill our findings into four insights that can support action by policy makers, employers, educators, and worker-serving organizations:

1 **Seventy-seven hidden Gateway occupations have proved to be springboards to economic advancement and could improve racial representation (exhibit).** Action: expand availability of, and access to, these Gateways, and also enable workers to pursue the larger set of good, viable jobs as Gateway jobs grow in demand through the recovery.

—Gateways work by allowing people to develop new skills or broaden existing skills, largely through work experience.

—The largest Gateways create optionality, enabling job seekers to switch between sectors, occupations within a sector, and geographies—thereby allowing workers to mitigate risk in their career progressions and broaden the types of work available to them.

—The 77 Gateways could be avenues to improve racial and gender representation among good jobs in the economy. Origins today have a disproportionately high number of Black, Latinx, and female workers relative to the country at large. By contrast, Gateways and Targets have a disproportionately low number.

The 77 Gateway occupations fall into nine families of work.

x Number of occupations

2 Mechanical installation and repair professionals

Electrical and electronics repairers, commercial and industrial equipment
Medical-equipment repairers

5 Community service professionals

First-line supervisors of police and detectives
Municipal fire fighting and prevention supervisors
Municipal firefighters
Criminal investigators and special agents
Intelligence analysts

8 Creatives and arts managers

Art directors
Multimedia artists and animators
Fashion designers
Interior designers
Designers, all other
Producers
Sound-engineering technicians
Film and video editors

9 Health aides, technicians, and wellness professionals

Dental hygienists
Cardiovascular technologists and technicians
Diagnostic medical sonographers
Radiologic technologists
Surgical technologists
Licensed practical and licensed vocational nurses
Health technologists and technicians, all other
Radiologic technicians
Surgical assistants

24 Business or legal professionals

Agents and business managers of artists, performers, and athletes
Purchasing agents, except wholesale, retail, and farm products
Claims adjusters, examiners, and investigators
Claims examiners, property and casualty insurance
Insurance adjusters, examiners, and investigators
Compliance officers
Environmental-compliance inspectors
Equal-opportunity representatives and officers
Regulatory affairs specialists
Human resources specialists
Compensation, benefits, and job analysis specialists
Training and development specialists
Business operations specialists, all other
Security management specialists
Customs brokers
Credit analysts
Insurance underwriters
Loan officers
Tax examiners and collectors; revenue agents
Paralegals and legal assistants
Sales agents, financial services
Sales representatives, services, all other
Real-estate sales agents

2 Production workers

First-line supervisors of production and operating workers
Computer numerically controlled machine tool programmers, metal and plastic

14 STEM professionals

Logisticians
Logistics engineers
Telecommunications engineering specialists
Computer user-support specialists
Software quality-assurance engineers and testers
Document management specialists
Architectural drafters
Electronics engineering technicians
Electrical engineering technicians
Electro-mechanical technicians
Mechanical engineering technicians
Manufacturing production technicians
Nuclear equipment operation technicians
Environmental science and protection technicians, including health

11 Managers

Financial managers, branch or department
Storage and distribution managers
Human resources managers
Food service managers
Gaming managers
Lodging managers
Property, real estate, and community association managers
Social and community service managers
Managers, all other
Security managers
Loss prevention managers

2 Health professionals

Respiratory therapists
Registered nurses

2 **Seventy percent of these Gateways to economic advancement depend on interpersonal skills for which experience is particularly important.** Action: enable job seekers to recognize and more effectively harness their valuable interpersonal skills to make transitions to Gateways and the broader set of good, viable jobs.

—For 53 of the 77 Gateways, an interpersonal skill was the most common skill that job seekers were able to transfer from their prior work in Origin roles.

—People-oriented skills related to customer service, sales, team management, and communication tended to open the best variety of Gateway options, as well as increase the likelihood of transitioning into a Gateway.

—Interpersonal skills are not merely important but the special element that has enabled job seekers to achieve economic mobility through work experience.

—What makes these interpersonal skills special is that they are often best learned through experience, and they are hard to learn without time and repetition.

—Interpersonal skills typically must be paired with technical competencies—but most of these can be gained through targeted training.

As the United States recovers from the pandemic, workers need more opportunities to progress based on their experience and wider access to not only new jobs but good jobs that open the door to ongoing economic advancement.

3 Gateways and other good, viable occupations will likely account for nearly 20 percent of employment growth over the next year, but the shape the recovery will take is uncertain, and competition for these roles is likely to be intense.

Action: provide more hands-on support to job seekers as they plan their careers to help mitigate future risk and instability. In parallel, make a serious investment to expand and accelerate the growth of Gateway jobs during the economic recovery to better support a more inclusive recovery that provides more opportunities for economic mobility.

—Good, viable jobs will likely account for around 20 percent of employment growth in the next year—that is, around one million jobs, half of which will likely be Gateways.

—That said, we need to prepare for a range of recovery outcomes: according to some studies, employment in good jobs could rebound robustly from 2021 to 2022, spurred by a successful infrastructure, climate, or manufacturing-reshoring investment program. In other analyses, however, good jobs might not recover to prepandemic levels until 2022 or even as late as 2024.

—Good, viable occupations present attractive employment opportunities in the near term, but 51 percent of them face longer-term automation risks.

4 Occupations in healthcare and industrials (manufacturing and construction), alongside digital roles that cross sectors, will likely provide about 40 percent of good, viable job growth over the next 12 months. But the barriers are high.

Action: make these job progressions more accessible, helping job seekers overcome barriers.

—Healthcare alone will account for around 30 percent of the growth in good, viable jobs in 2021, by far the most of any sector. This builds on the momentum of the healthcare sector more broadly, propelled by a combination of deep demographic trends (such as an aging population) and policy effects (such as demand for healthcare services spurred by the Affordable Care Act).⁴

—Industrials have an unpredictable upside if a major federal infrastructure or climate-spending program boosts growth.

⁴ Alexia Fernández Campbell, “The fight over Obamacare is hurting health care job growth,” Vox, May 8, 2017, vox.com; Joanne Spetz et al., *The impact of the Affordable Care Act on new jobs*, UC Berkeley Labor Center, April 2014, laborcenter.berkeley.edu.

—However, the data suggest challenges in both industries that must be addressed. Healthcare faces a great deal of job-specific preparation (for example, training and certification) that takes time and money; variation in licensing requirements across states; and persistent occupational segregation affecting Black, Latinx, and female workers. And industrials historically have generated good jobs but few Gateways (though this may be changing as manufacturing and construction jobs become more tech-enabled).

—IT and digital roles will be important sources of employment in 2021. They will not be limited to the information (technology) sector but spread across sectors (for example, in roles such as software quality assurance, telecommunications engineering, and IT user support).

By acting on these insights, those who seek to expand employment opportunities and serve job seekers can increase the odds of a more inclusive, racially equitable, and successful economic recovery.

