Excerpt from the MDC report "Where the Jobs Are: Opportunity and Challenges in Arkansas Employment"
MDC is a nonprofit organization headquartered in Durham, N.C., that has been publishing research and developing programs focused on expanding opportunity, reducing poverty, and addressing structural inequity for nearly 50 years. MDC’s focus is on: defining gaps and mobilizing leaders to create a will for change; demonstrating sustainable solutions and developing them into effective models; and then incubating them so they can be replicated at scale for maximum impact. For more information about MDC, please visit www.mdcinc.org.

ABOUT THE WINTHROP ROCKEFELLER FOUNDATION

For 40 years, the Winthrop Rockefeller Foundation has worked to make a difference by helping to build and sustain the organizations that serve and strengthen Arkansas. Through grantmaking and strategic partnerships, WRF is working even harder to help close the economic and educational gaps that leave too many Arkansas families in persistent poverty. Working together, the needle can and must move from poverty to prosperity for all Arkansans. For more information on the Winthrop Rockefeller Foundation, go to www.wrfoundation.org.
THE GOAL: REVERSE THE 70/30 EQUATION

so that at least 70 percent of Arkansas jobs provide family-supporting wages.
THE GOOD NEWS IS THAT AFTER A SLOWDOWN DUE TO THE NATIONAL RECESSION, ARKANSAS’S JOB MARKET IS IMPROVING. ARKANSAS HAS JOBS TODAY.

1.57 MILLION JOBS IN 2013
NEARLY 70% require HIGH SCHOOL DIPLOMA OR LESS
ONLY 30% require POSTSECONDARY CREDENTIAL

LARGEST JOB SECTORS

Government  Health Care  Social Assistance  Retail Trade and Manufacturing

Low-skill jobs are often low-wage jobs. Currently, 87 percent of jobs in Arkansas that pay less than family-supporting wages do not require a postsecondary credential.

MOST LOW-SKILL JOBS ARE LOW WAGE
ARKANSAS IS POISED FOR SIGNIFICANT JOB GROWTH OVER THE NEXT DECADE. This is good news. Between 2013 and 2023, the state is forecast to add 148,000 jobs, which represents a 9.5 percent increase from 2013 levels. But the addition of these new jobs does not tell the whole story of the need to fill open positions. More than 25 percent of the current workforce in Arkansas will need to be replaced in the next 10 years, that’s 400,000 jobs. This puts the total projected employment in the state over the next 10 years, including both new and replacement needs, at an estimated 546,000 jobs.

While there is projected growth in Arkansas jobs, this growth is overwhelmingly in occupations that require the least amount of advanced educational and technical training and provide the lowest wages.
The question then becomes how can we make sure tomorrow’s jobs are better than today’s? To accomplish this, Arkansas must make decisions now to ensure that the half million job openings expected in the state over the next decade are “good” jobs, those paying at least family-supporting wages. What Arkansas needs are jobs that can flip that 70/30 equation and help the state move to prosperity. The reality is the economic health of the state will depend on how well opportunity meets the preparedness of its residents.

The answer

Tomorrow’s jobs will be better than today’s jobs if more Arkansans have the right advanced-skills training and education.
ARKANSAS MUST PRODUCE, ATTRACT, AND RETAIN HIGHER-SKILLED WORKERS. Over the past few years Arkansas has significantly improved its position to do just this. Since 2009, the number of Arkansans with a postsecondary degree has increased 25.6 percent — from 33,000 postsecondary awards in 2009 to 42,000 in 2013.

SINCE 2009, THERE HAS BEEN A 25.6% INCREASE IN STUDENTS RECEIVING POSTSECONDARY CREDENTIALS

This growth in postsecondary credentials, should it remain consistent, could have real implications for creating good jobs for Arkansans. Increased levels of educational attainment, coupled with advanced technical skills training in the state over the next 10 years will improve workers’ chances of obtaining a job with family-supporting wages and better career advancement. At the same time, better trained and qualified workers will attract more industries and businesses to the state that are seeking a higher-skilled workforce.

MORE CERTIFICATES AND DEGREES
ARKANSANS MUST GET THE RIGHT SKILLS AND TRAINING. Key to this is analyzing the industrial makeup of the state. Understanding the needs of industries that traditionally not only pay their workers more but have opportunities for producing high-skill jobs will be critical in developing any effective strategies to increase the number of better-paying jobs in Arkansas. By paying more strategic attention to those industries and occupations that provide the highest wages, Arkansas can begin to flip the 70/30 EQUATION.

PROJECTED JOB OPENING BY OCCUPATION

<table>
<thead>
<tr>
<th>MEDIAN HOURLY WAGES</th>
<th>PROJECTED NEW AND REPLACEMENT JOBS BY 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30.50</td>
<td>Health Care Practitioners and Technical Occupations 27,110</td>
</tr>
<tr>
<td>$29.83</td>
<td>Legal Occupations 3,145</td>
</tr>
<tr>
<td>$28.70</td>
<td>Architecture and Engineering Occupations 4,927</td>
</tr>
<tr>
<td>$28.34</td>
<td>Computer and Mathematical Occupations 8,271</td>
</tr>
<tr>
<td>$27.02</td>
<td>Life, Physical, and Social Science Occupations 4,505</td>
</tr>
<tr>
<td>$25.13</td>
<td>Business and Financial Operations 25,943</td>
</tr>
<tr>
<td>$23.02</td>
<td>Management Occupations 39,275</td>
</tr>
<tr>
<td>$19.24</td>
<td>Education, Training, and Library Occupations 28,730</td>
</tr>
<tr>
<td>$17.19</td>
<td>Community and Social Service Occupations 8,353</td>
</tr>
<tr>
<td>$16.39</td>
<td>Installation, Maintenance, and Repair Occupations 21,163</td>
</tr>
</tbody>
</table>

There are promising growth areas for jobs in the future that can provide Arkansans with family-supporting wages. Of these growth areas, biotech & health and manufacturing will struggle to meet the needs of employers. In manufacturing, 36 percent of jobs pay above the family-supporting wage hourly rate of $16.37. The biotech & health cluster is growing at an 11 percent clip and is forecast to add nearly 36,000 jobs in the next 10 years.
BY UNDERSTANDING THE NEEDS OF INDUSTRIES that traditionally pay their workers more and have opportunities for high-skilled jobs, and by understanding the industrial clusters that offer the greatest potential for family-supporting wages, Arkansas can concentrate there.

PROJECTED JOB GROWTH BY REGION

The fastest growth is expected to occur in the Northeast, Northwest, and the West North Central Labor Sheds.

AND BY UNDERSTANDING GROWTH AREAS, Arkansas can strategically concentrate its efforts on areas of high growth as well as stimulating growth in areas of the state that are struggling.
THE GOAL: REVERSE THE 70/30 EQUATION SO THAT AT LEAST 70% OF ARKANSAS JOBS PROVIDE FAMILY-SUPPORTING WAGES.

RECOMMENDATIONS

Going forward, the following can be done to move more Arkansans and the state into economic prosperity:

- Arkansas must better understand the needs of industries that pay their workers more and have high-skilled jobs. This will help us develop strategies that will increase the number of family-supporting jobs in the state.

- There are identifiable gaps between employer needs and employee credentials. Universities, two-year institutions, and training programs must produce more graduates with skill sets that close these gaps.

- Policymakers must make informed choices about how to concentrate efforts in high-growth areas and stimulate growth in the areas of the state that are struggling.

- Policymakers, educators, parents, and community partners must understand career ladders. There will always be low-skill and low-wage jobs, but we can change Arkansas from a low-wage economy to a state that produces jobs that support a higher quality of life for everyone.

- Government, businesses, philanthropy, schools, and parents must invest in education and training to make tomorrow’s jobs better than today’s.