

A person with short dark hair, wearing a black hoodie and a pink and white striped scarf, is seen from the back and side. They are in a large warehouse with high blue metal shelving units filled with boxes and supplies. In the foreground, there is a wooden crate with 'MSD' written on it in yellow. The floor is concrete with yellow safety lines. The overall scene is industrial and brightly lit.

DETROIT  
FUTURE  
CITY

# Middle-Wage Jobs

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A publication of Detroit Future City's Center for Equity, Engagement, and Research in partnership with Mass Economics

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# Introduction

Since the heyday of the postwar economic boom and capitalism's "Golden Age" from 1945 to 1973, decent middle-wage jobs (MWJs) — those available to people without a four-year degree that pay more than a median wage in fields like manufacturing — have steadily disappeared across America. Automation, globalization, and other factors have contributed to the dramatic restructuring of the American economy over the past half-century, leaving a polarized economy that is marked by concentrations of both low-education, low-wage jobs and high-education, high-wage jobs, but little in between.

Employment opportunities accessible to workers without a college education have instead ballooned in low-paying industries such as food service and hospitality, which rarely offer benefits or job security. High-paying jobs in white-collar fields like technology and professional services have also grown, but they typically require advanced education and are out of reach for most workers without a four-year college degree. Meanwhile, good jobs capable of supporting the comforts of middle-class life — homeownership, retirement savings, or college education for the kids — have gradually vanished, depriving everyday American workers of opportunities to get ahead.

**Improving access to quality job opportunities for the 85 percent of residents without a college degree is key to building an equitable and prosperous Detroit that works for all.**

With its rich industrial history, Detroit has been at the center of these profound shifts in the American economy. During the first half of the 20th century, Detroit underwent a period of rapid industrialization that generated broad-based prosperity for the city's residents. In Detroit's auto industry and broader manufacturing sector, well-paying, unionized jobs with generous health and pension benefits served as a springboard into the middle class for workers without a college degree. Since the 1970s, however, Detroit has steadily shed middle-wage manufacturing jobs displacing less-educated workers from

good jobs into the low-wage labor market. As with many other cities across America's industrial heartland, the disappearance of middle-wage jobs has devastated Detroit's workforce, which has lower levels of educational attainment than the nation overall. Today, just 15 percent of Detroiters 25 years and older hold a bachelor's degree or higher – less than half the rate of the U.S. population (32 percent).

This report from the Center for Equity, Engagement, and Research at Detroit Future City (DFC), in partnership with Mass Economics, presents key findings from an analysis on the strength of middle-wage jobs within the local economy. We start with a brief overview of how middle-wage jobs are defined and calculated, followed by a deep dive into recent trends, a snapshot of the demographic characteristics of middle-wage job holders, and the impacts of the COVID-19 pandemic on those jobs. The report concludes with several case studies showing how cities across America are growing, attracting, and nurturing middle-wage jobs today. The analyses in this report reveal the challenges facing Detroit's middle class and offer best practices to help boost access to good jobs for workers who do not have a college degree.

# What are Middle-Wage Jobs?

Detroit Future City defines middle-wage jobs as those that are accessible to workers without a bachelor's degree that also pay workers more than the local labor market's median wage. By contrast, low-wage jobs (referred to as "accessible but low-wage jobs") are accessible to workers without a college degree but pay less than the area annual median wage, while "bachelor's degree or higher jobs" reflect those requiring a four-year or advanced degree.

There are two ways to count and track middle-wage jobs. The first is through the lens of the industries that create these jobs. Though not every job in any industry will be middle wage, industries do create higher or lower proportions of middle-wage jobs, making them better or worse targets for economic development strategies focused on shoring up the middle class. The second analytic lens views jobs through occupational categories, for example machinists or accountants, which cut across multiple industries. Middle-wage occupational trends can guide local workforce and education providers looking to train residents for middle-wage career paths. It is important to note that both lenses utilize data that correspond to a job holder's place of work, rather than which city they live in.

**Middle-wage jobs are those that are accessible to workers without a bachelor's degree that also pay workers more than the local labor market's median wage.**



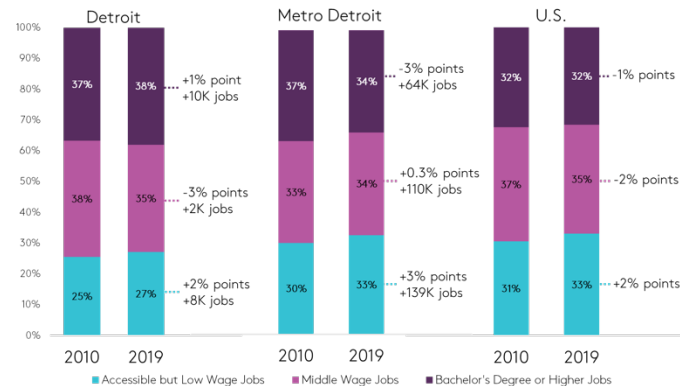
# Trends in Middle-Wage Jobs

*The share of middle-wage jobs in Detroit has decreased*

Prior to the COVID-19 pandemic, middle-wage jobs comprised just over one-third of all jobs in Detroit, a similar share to Metro Detroit and the U.S. (See Figure 1).

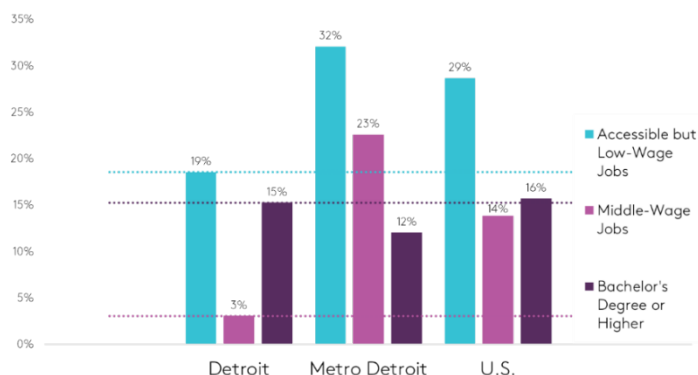
Though the number of middle-wage jobs increased by 2,000 jobs from 2010 to 2019, this represents only a small portion of net new jobs in Detroit. Middle-wage jobs were the slowest growing job type, causing the share of these types of jobs in Detroit to shrink in the 2010s.

Figure 1: Share of Middle-Wage Jobs by type, 2010-19



*Middle-wage jobs are growing faster in the region and in the U.S.*

Figure 2: Job growth by type, 2010-19



The stagnation of middle-wage jobs over the past decade has been accompanied by a Detroit economy that is increasingly polarized, with substantial growth at the top and bottom of the labor market. The City of Detroit has grown jobs requiring a bachelor's degree or higher by about 15 percent, and accessible but low-wage jobs at 19 percent. However, middle-wage jobs increased at a rate of only 3 percent. This has created job growth that is far more polarized in Detroit than in the region or the country as a whole. (See Figure 2.)

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# Top Industries for Middle-Wage Jobs

Data for the pre-COVID period show that the general medical and surgical hospitals industry was the largest contributor to middle-wage jobs among roughly 300 industry groups representing the U.S. economy, a pattern driven in large part by the massive workforce employed in the industry. In Detroit, general medical and surgical hospitals account for an outsize percentage of middle-wage jobs: 21 percent of all middle-wage jobs in the city are in this industry group, compared to 4 percent in Metro Detroit and 5 percent in the U.S. (See Figures A1a-c in the Appendix.) This divergence reflects the high concentration of jobs in hospitals in Detroit and may be a source of concern for the city, as the industry was declining in Detroit pre-COVID and continued to decline through 2021 (the most recent data). However, the industry is projected to grow nationally over the next decade, driven in part by an aging American population, and had overall growth across the region pre-COVID. The high concentration of middle-wage jobs in one industry group could also make it easier to organize recruitment and training efforts aimed at increasing the number of Detroiters with middle-wage opportunities.

Looking at the top middle-wage job industry groups by size, three of the top 10 industries are shared across Detroit, Metro Detroit, and the U.S. (See the purple highlighted industries in Figure 3.) Metro Detroit and the U.S. share three more industries (highlighted in green). Metro Detroit and the city share two industry groups that are not large middle-wage job providers nationally: motor vehicle manufacturing and motor vehicle parts manufacturing (highlighted in orange). Leading middle-wage job industry groups unique to the City of Detroit include activities related to credit intermediation (e.g., Rocket Mortgage/Quicken Loans); electric power generation, transmission, and distribution (e.g., DTE Energy); grocery and related product merchant wholesalers (e.g., Eastern Market), among others.



Figure 3: Top 10 middle wage job industries

	Detroit	Metro Detroit	U.S.
1	General Medical and Surgical Hospitals	General Medical and Surgical Hospitals	General Medical and Surgical Hospitals
2	Activities Related to Credit Intermediation	Motor Vehicle Parts Manufacturing	Building Equipment Contractors
3	Motor Vehicle Manufacturing	Architectural, Engineering, and Related Services	Offices of Physicians
4	Management of Companies and Enterprises	Building Equipment Contractors	Depository Credit Intermediation
5	Electric Power Generation, Transmission and Distribution	Automobile Dealers	Warehousing and Storage
6	Grocery and Related Product Merchant Wholesalers	Warehousing and Storage	Automobile Dealers
7	Engine, Turbine, and Power Transmission Equipment Manufacturing	Motor Vehicle Manufacturing	Management of Companies and Enterprises
8	Motor Vehicle Parts Manufacturing	Metalworking Machinery Manufacturing	General Freight Trucking
9	Insurance Carriers	General Freight Trucking	Automotive Repair and Maintenance
10	Building Equipment Contractors	Management of Companies and Enterprises	Foundation, Structure, and Building Exterior Contractors
Top 10 as % of all MWJs	50%	20%	29%

Notes: Purple highlighted industries are shared top 10 across the U.S., Metro Detroit, and Detroit; Orange highlighted industries are shared top 10 across only Metro Detroit and Detroit. Yellow are shared across Metro Detroit and U.S.

Sources: Analysis of QCEW and QWI data, 2019; IPUMS USA, 2019 5-yr release

## Top Occupations for Middle-Wage Jobs

As previously discussed, understanding the specific occupations that offer middle-wage jobs can help workforce development organizations and education and training providers (e.g., colleges, community colleges, apprenticeship programs, etc.) develop curricula and programs to prepare residents for middle-wage career pathways. Occupation-level data are reported annually by job location (i.e., place of work) and are available for the broader metropolitan areas but, regrettably, do not provide breakouts for the City of Detroit alone.

Figure 4 presents a similar analysis to Figure 3, using occupation-level data for Metro Detroit and the U.S. Eight out of the top 10 largest occupations for middle-wage jobs are the same in the region and the nation. This speaks to the strong reliability of certain occupations as a source of higher wages and job security for workers without a bachelor's degree. The most common middle-wage job categories in Metro Detroit – assemblers, fabricators, tractor-trailer truck drivers, and operations managers – are related to the region's robust manufacturing sector.

*Figure 4: Top 10 occupations for middle-wage jobs*

	Metro Detroit	U.S.
1	Miscellaneous assemblers and fabricators	Heavy and tractor-trailer truck drivers
2	Heavy and tractor-trailer truck drivers	Secretaries and administrative assistants, except legal, medical, and executive
3	General and operations managers	General and operations managers
4	Maintenance and repair workers, general	Maintenance and repair workers, general
5	Registered nurses	Bookkeeping, accounting, and auditing clerks
6	Secretaries and administrative assistants, except legal, medical, and executive	Registered nurses
7	Bookkeeping, accounting, and auditing clerks	Construction laborers
8	First-line supervisors of retail sales workers	First-line supervisors of office and administrative support workers
9	Construction laborers	First-line supervisors of retail sales workers
10	Machinists	Light-truck drivers
Top 10 as % of all middle-wage jobs	29%	25%

Notes: Orange highlighted industries are shared top 10 across the U.S. and Metro Detroit.

Sources: Analysis of OEWS data, 2019; IPUMS USA, 2019 five-year release

## *Change in Middle-Wage Job Industries Over Time*

The trends discussed so far offer current snapshots of the industries and occupations that generate middle-wage jobs. However, middle-wage job creation is dynamic — the industries that create those jobs can and do change over time. In order to capture these shifts in middle-wage jobs, we can classify

industries into one of three categories based on whether they were sources of that type of employment in 2010 and 2019:

- **Stable middle-wage job industries:** Industries that were sources of middle-wage jobs in both 2010 and 2019.
- **New middle-wage job industries:** Industries that were sources of middle-wage jobs in 2019, but not in 2010.
- **Former middle-wage job industries:** Industries that were sources of middle-wage jobs in 2010, but not in 2019.

Figure 5 breaks down the number of middle-wage jobs that were added or lost in Detroit, Metro Detroit, and the U.S. in each of these three categories from 2010 to 2019. In Detroit, the 2,100 middle-wage jobs that the city has gained in the last decade have, in aggregate, been exclusively come from new middle-wage-job industries (i.e., industries that offered no such jobs 10 years ago). In Metro Detroit and the U.S., these new middle-wage jobs reflect about two-fifths of the total added middle-wage jobs. These findings point to the importance for education/ training providers to track middle-wage job growth over time and stay abreast of the specific skills necessary to prepare residents for careers in these new middle-wage job opportunities.

*Figure 5. Change in middle-wage job industries by type, 2010-19*

	Type 2010-19	Detroit	Metro Detroit	U.S.
Absolute Change in middle-wage job industries 2010-19	New middle-wage jobs	+5,900	+41,500	+2,200,000
	Stable middle-wage jobs	-1,500	+82,300	+3,200,000
	Former middle-wage jobs	-2,300	-14,200	-45,700
	Total middle-wage jobs	+2,100	+109,600	+5,400,000

Sources: Analysis of QCEW and QWI data, 2010 and 2019; IPUMS USA, 2010 and 2019 five-year releases

In terms of the specific industries driving these trends in Detroit, physician's offices (+1,400) and services to buildings and dwellings (+1,300)

added the most middle-wage jobs over the last decade. Among stable middle-wage job industries, activities related to credit intermediation (e.g., Rocket Mortgage/Quicken Loans) and motor vehicle manufacturing added 3,400 and 1,600 middle-wage jobs, respectively. These gains were offset by declines in other stable middle-wage job industries, including the management of companies and enterprises, general medical and surgical hospitals, and gambling industries, each of which lost more than 2,000 middle-wage jobs. Among the former middle-wage job industries, two together lost almost 1,000 middle-wage jobs: bakeries and tortilla manufacturing and business support services (which includes activities such as call centers, collection agencies, and document preparation services).<sup>1</sup> It is worth noting that if the wages in these former middle-wage job industries increased, they could again provide middle-wage jobs to Detroit job holders. Helping these industries improve job quality could be a worthwhile middle-wage job strategy for the city's economic development organizations.

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<sup>1</sup> Though the bakeries and tortilla manufacturing industry lost jobs overall, the business support services industry actually added jobs. However, all the job growth was in accessible but low-wage jobs.

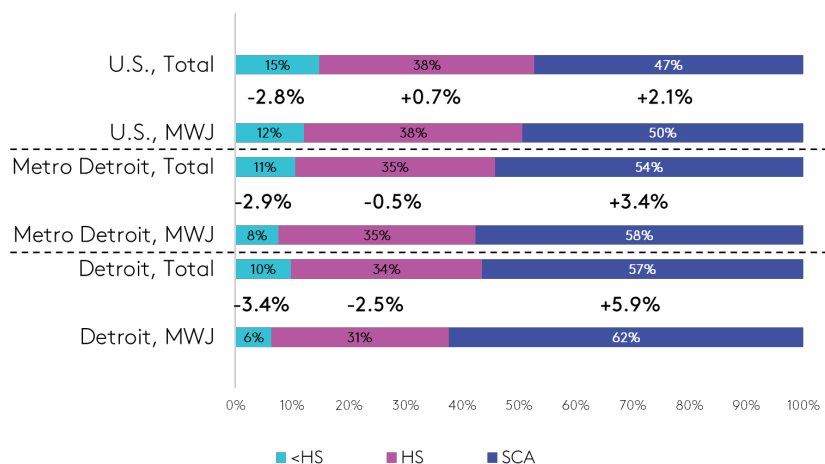
# The Characteristics of Middle-Wage Job Holders

To understand the relationship between middle-wage jobs and economic equity, — a key focus of Detroit Future City — it is important to understand who holds middle-wage jobs in the city and region. Here, we assess some of the key characteristics — educational attainment, race/ethnicity and gender — of middle-wage job holders.

## *Educational Attainment*

Though middle-wage job holders, by definition, do not have a bachelor's degree, how does educational attainment of middle-wage job holders vary? We find that, in general, those with middle-wage jobs in the city of Detroit have higher average levels of education than middle-wage job holders regionally and nationally: 62 percent of middle-wage job holders in Detroit have some college or an associate's degree compared to 58 percent in Metro Detroit and (see Figure 6). Two factors could be driving this: the mix of industries providing middle-wage jobs in Detroit has higher skill and education requirements than the national average or a weaker labor market that allows employers to demand higher credentials and skills than jobs actually require. If it is the latter, economic development and workforce organizations could work with employers to right-size the skill requirements associated with their recruitment and hiring.

Figure 6: Total and middle-wage jobs by educational attainment, 2019



Sources: Analysis of QCEW and QWI data, 2019; IPUMS USA, 2019 five-year release

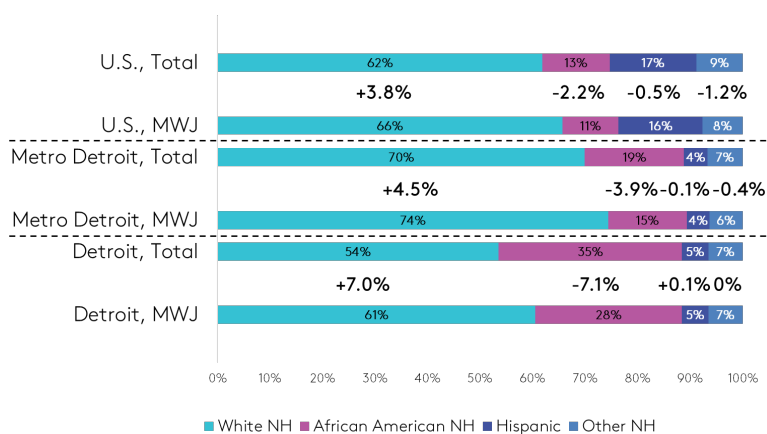
Within all three geographies, middle-wage job holders tend to have higher levels of educational attainment than the workforce overall. Fifty percent of middle-wage job holders in the U.S. have some college or an associate's degree, compared to 47 percent of all workers. This gap grows to 58

percent versus 54 percent in Metro Detroit and 62 percent versus 57 percent in the city of Detroit.

## Race / Ethnicity

In terms of race/ethnicity, middle-wage job holders in Detroit are more likely to be white and less likely to be African American than the city's overall workforce (Figure 7). In Detroit, 61 percent of middle-wage job holders identify as white, compared to 54 percent of the total workforce, and 28 percent identify as African American, compared to 35 percent of all job holders.<sup>2</sup> A similar pattern of white overrepresentation and African-American underrepresentation can be observed among middle-wage job

Figure 7. Total and middle-wage jobs by race/ethnicity, 2019

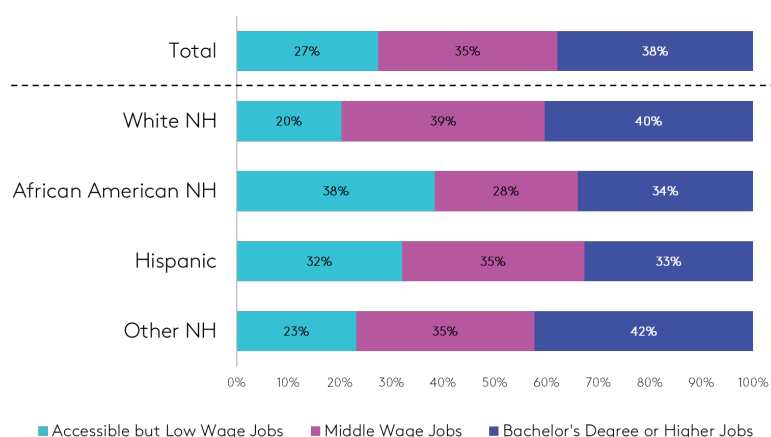


Sources: Analysis of QCEW and QWI data, 2019; IPUMS USA, 2019 five-year release

<sup>2</sup> Note that white, African American, and other are exclusive of Hispanic ethnicity.



Figure 8. Job type by race/ethnicity for Detroit job holders, 2019

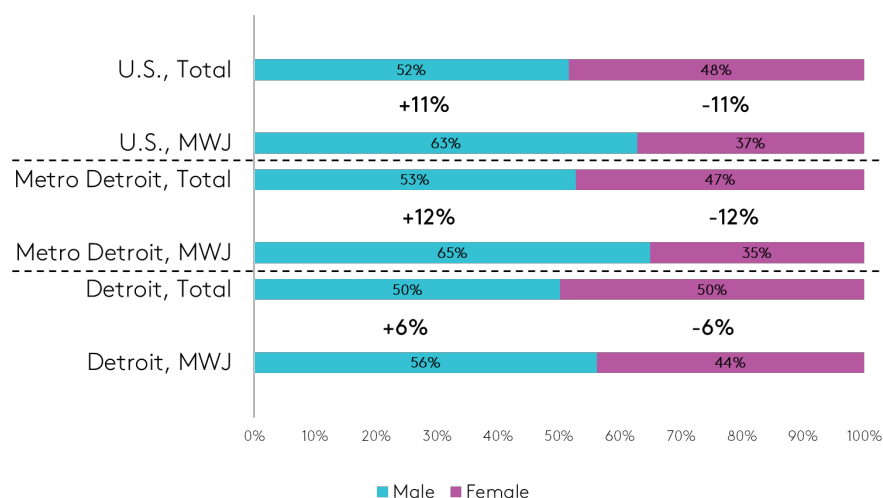


Sources: Analysis of QCEW and QWI data, 2019; IPUMS USA, 2019 five-year release

Detroit and the U.S. By assessing the breakdown of job types by the race/ethnicity of the job holders, it becomes clear that African-American and, to a lesser extent, Hispanic job holders, in Detroit are disproportionately skewed toward holding accessible but low-wage jobs (Figure 8). These findings suggest that middle-wage job initiatives must include strategies to achieve equity in training, recruitment, and placement of workers in order to eliminate opportunity gaps in securing middle-wage jobs across groups of Detroiters.

holders at the regional and national scales, although to a lesser extent. Hispanic workers, as well as workers of other racial/ethnic identities, are represented in roughly equal proportions among middle-wage job holders and the overall workforce in Detroit, with slightly larger gaps in Metro

Figure 9. Total and middle-wage jobs by gender, 2019



Sources: Analysis of QCEW and QWI data, 2019; IPUMS USA, 2019 five-year release

## Gender

In terms of gender, middle-wage job holders in Detroit are more likely to identify as male than the city's overall workforce: 56 percent of middle-wage job holders in Detroit identify as

male, compared to 50 percent of all job holders (see Figure 9). This pattern of male overrepresentation and female underrepresentation among middle-wage job holders is more pronounced at the regional and national scales, where males are overrepresented among middle-wage job holders by 12 and 11 percentage points, respectively. These gaps are driven in part by the industries that generate middle-wage jobs, some of which, like trucking, construction, manufacturing, and warehousing, tend to have predominantly male workforces.

# The Impact of COVID on Middle-Wage Jobs

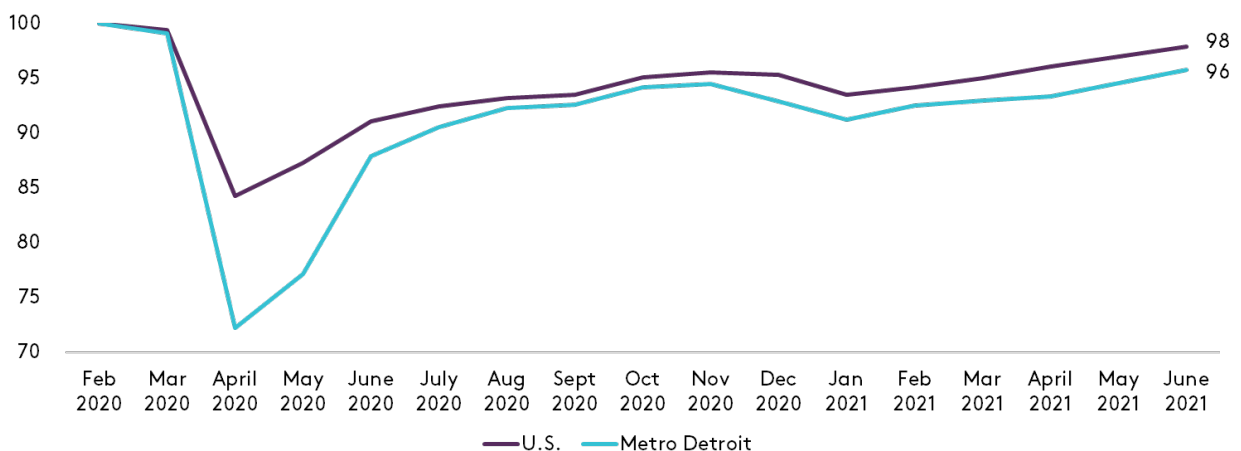
The onset of the COVID-19 pandemic triggered the worst jobs crisis since the Great Depression, and the effects of the pandemic continue to take a toll on daily life for many families and workers. In order to understand the impacts of the COVID-19 pandemic on middle-wage jobs, we leveraged monthly employment data available through the second quarter of 2021 from the Bureau of Labor Statistics' Quarterly Census of Employment and Wages (QCEW) dataset, which is available for the metro region but not the city alone.

Figures 10 and 11 chart job losses and gains from February 2020 to June 2021 for both Metro Detroit and the U.S., with values indexed to job levels in February 2020. From these data, two key insights are clear: 1) Metro Detroit's economy has fared worse than the nation overall, in terms of job losses; and 2) middle-wage jobs have been less severely impacted by the pandemic than the rest of the labor market.

## *Metro Detroit's economy has fared worse than the nation overall in terms of job losses*

In terms of the effects of the pandemic on the region, Metro Detroit suffered far more acutely from job losses during the initial months of the

*Figure 10. Indexed job growth (February 2020=100) during COVID, 2020-2021*



Sources: Analysis of QCEW data, 2020-2021

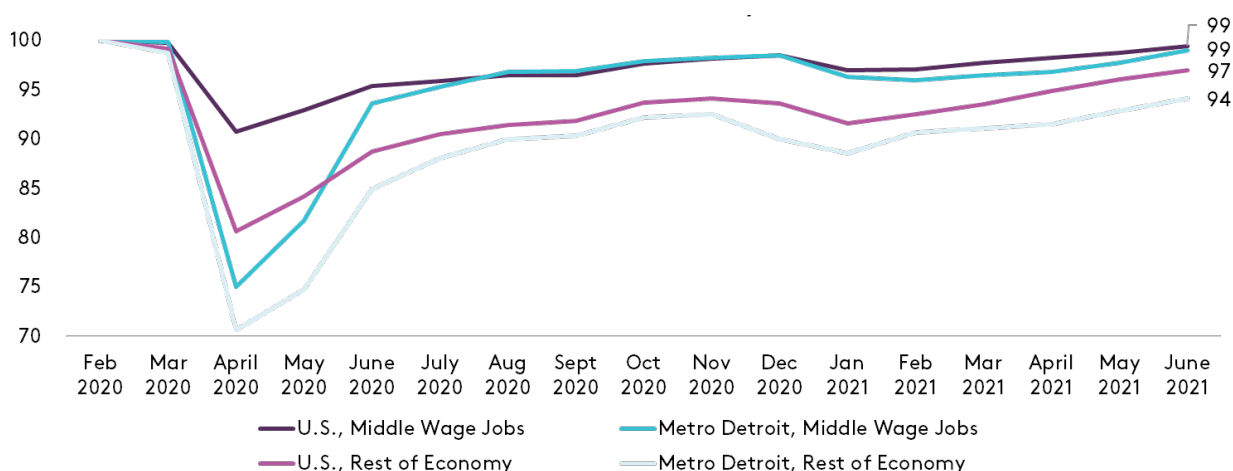
pandemic than the U.S. overall. From February to April 2020, the region lost more than 480,000 private-sector jobs – representing a decline of 28 percent in total private-sector employment – while nationally, the labor market shrunk by 16 percent.

The region recovered faster than the nation in the succeeding months, gaining back more than two-thirds of all jobs lost by July 2020, compared to just half for the nation as a whole. However, by June 2021, Metro Detroit lagged the U.S. recovery, reaching only 96 percent of pre-pandemic employment levels compared to 98 percent nationwide. At U.S. growth rates since February 2020, Metro Detroit would have approximately 36,100 more jobs through June 2021.

## *Middle-wage jobs have been less severely impacted by the pandemic than the rest of the labor market*

In terms of the impact of the pandemic, middle-wage job losses were less severe than in the rest of the economy, both regionally and nationally. In Metro Detroit, middle-wage jobs declined 25 percent from February to April 2020, compared to 29 percent for the rest of the economy. Across the U.S., middle-

*Figure 11. Indexed job growth (February 2020=100) during COVID by type, 2020-2021*



Sources: Analysis of QCEW data, 2020-2021; IPUMS USA, 2019 5-yr release

wage jobs declined 9 percent and the rest of the U.S. labor market by 19 percent over this period. Since the trough of the pandemic recession, middle-

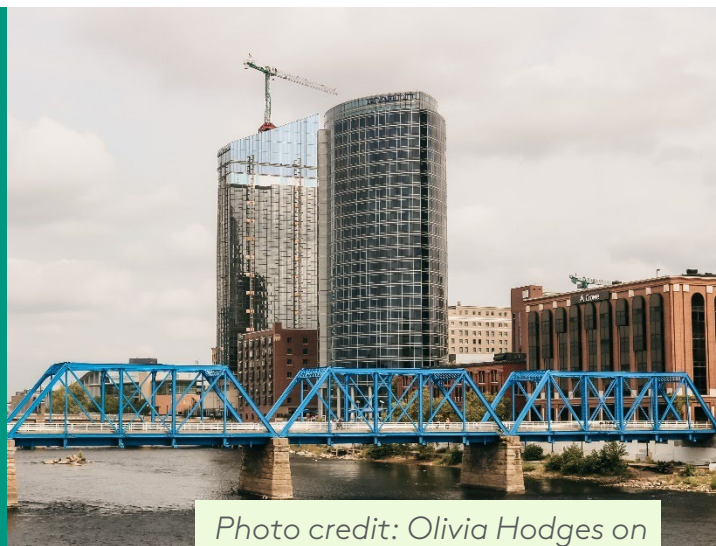
wage jobs have recovered to 99 percent of their pre-pandemic levels through June 2021 both regionally and nationally. Meanwhile, recovery of non-middle-wage jobs lags slightly behind, with the U.S. restoring 97 percent and Metro Detroit restoring 94 percent of non-middle-wage jobs. All told, middle-wage jobs were more resilient to the effects of the pandemic, and they also recovered more quickly than non-middle-wage jobs.

# Ways to Grow and Attract More Middle-Wage Jobs

Expanding access to high-quality, well-paying jobs for workers without a bachelor's degree is vital to achieving a thriving and inclusive economy, and Detroit's key stakeholders – employers, philanthropy, and policymakers – all have a part to play in improving economic opportunities for everyday Detroiters. The case studies below offer a few examples of how cities and regions across the country are tackling this challenge head-on using a diverse array of approaches. From crafting economic development incentives to lure and keep middle-wage job-producing employers in Grand Rapids to targeting investments in industries with high concentrations of middle-wage jobs in St. Louis to designing innovative funding mechanisms to spur middle-wage jobs in Atlanta to leveraging the philanthropic community's power to catalyze inclusive growth in Fresno, California, a host of strategies have been pioneered to grow middle-wage jobs and prepare workers to succeed in a dynamic labor market. These four case studies offer valuable insights into how cities today are charting paths toward more equitable futures, with clear lessons for Detroit's efforts to build an economy that works for all.



## Case Study 1: Grand Rapids



*Photo credit: Olivia Hodges on Unsplash*

Grand Rapids is Michigan's second-largest and fastest-growing city. In recent years, driven by the city's strength in manufacturing and health care — both leading middle-wage job-generating industries — Grand Rapids' economy has grown at nearly double the rate of Michigan and the nation. According to a 2018 Brookings Institution study, the Grand Rapids metro area ranks 23<sup>rd</sup> among the nation's 100 largest metropolitan statistical areas (MSAs) in terms of the share of good and promising jobs held by workers without a college education.<sup>3</sup> Middle-wage jobs held by workers without a bachelor's degree made up 16 percent of all jobs in the Grand Rapids metro area as of 2018, and promising jobs held by workers without a bachelor's degree made up an additional 11.5 percent.

A diversified industrial and manufacturing base forms the backbone of the city's economy. According to The Right Place, Greater Grand Rapids' regional economic development entity, manufacturing accounts for 19 percent of all jobs in the region.<sup>4</sup> A 2020 study of urban manufacturing activity found that the Grand Rapids-Kentwood MSA had the most manufacturing jobs per capita of any large metropolitan area in the U.S.<sup>5</sup> To lure new middle-wage

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<sup>3</sup> [Shearer, Chad and Isha Shah, The Brookings Institution, 2018.](#)

<sup>4</sup> [The Right Place, 2022.](#)

<sup>5</sup> [Smartest Dollar, 2021.](#)

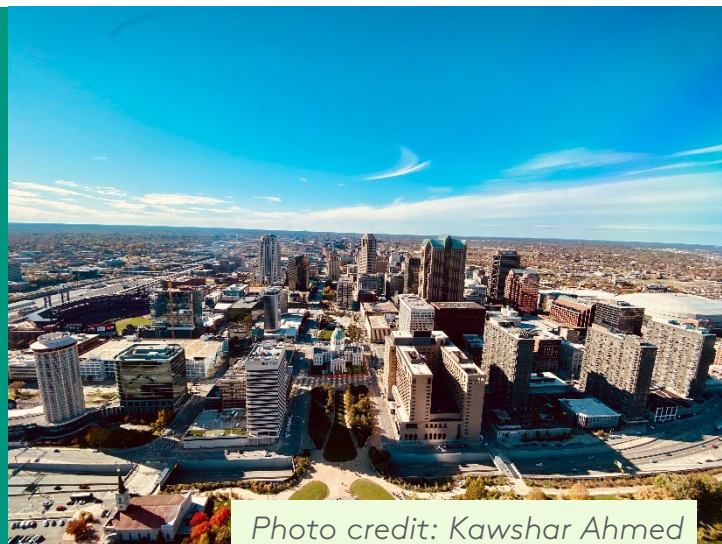
job-creating employers, and to retain existing ones, the Grand Rapids Downtown Development Authority, the City's Economic Development Department, and the regional economic development authority offer a robust portfolio of tax incentives and abatements to encourage job creation, property redevelopment, and facility expansion. These include industrial property tax abatements, brownfield redevelopment, tax-exempt bond financing, and more. In order to directly link the use of the City's financial resources for more inclusive outcomes in the community, Grand Rapids' Equitable Economic Development and Mobility Strategic Plan includes a strategy for designing and awarding incentives to employers that create and retain high-wage, high-opportunity jobs for local workers.<sup>6</sup> Grand Rapids is also home to a unique model for providing wraparound services to workers: The SOURCE is a Grand Rapids-based nonprofit funded by area employers that provides a variety of services to the workers of participating employers.<sup>7</sup> Though not contributing directly to job creation, The SOURCE helps to improve workforce retention and provide training opportunities that can equip workers with the skills needed to advance into middle-wage jobs with local employers.

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<sup>6</sup> [City of Grand Rapids, Equitable Economic Development & Mobility Strategic Plan, 2020.](#)

<sup>7</sup> [The SOURCE, n.d.](#)

## Case Study 2: St. Louis



*Photo credit: Kawshar Ahmed on Unsplash*

St. Louis, like many former manufacturing and production centers in the Midwest, has suffered from stagnation and decline since its heyday in the mid-20<sup>th</sup> century. The city's population peaked in 1950 at more than 850,000, making it the eighth-largest city in America at the time. Today, St. Louis has just over 300,000 residents – 65 percent fewer than in 1950.<sup>8</sup> This trend continues unabated today. According to a 2020 report, St. Louis was the fastest shrinking major city in the country during the five-year period between 2014 and 2019.<sup>9</sup> To reverse the city's decline and restore St. Louis to its former vitality, while also addressing the city's deep-seated racial and economic inequities, the St. Louis Development Corporation commissioned an Equitable Economic Development Strategic Framework to position St. Louis firmly on a path toward a more prosperous and equitable future.<sup>10</sup> In the 12 guiding propositions at the core of the framework's vision for a more equitable, vibrant, and resilient economic future for St. Louis, there is an explicit focus on increasing middle-wage jobs within key industry clusters.

Several strategies are proposed within the framework to improve access to good-paying jobs for St. Louis workers without college degrees. The first is

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<sup>8</sup> Aaron [Renn, City Journal, 2019.](#)

<sup>9</sup> [Julius Olitan AdvisorSmith, 2020.](#)

<sup>10</sup> [St. Louis Development Corporation, An Equitable Economic Development Framework for St. Louis, 2020.](#)

the creation of a St. Louis employer consortium focused on workforce practices to support entry-level and middle-wage employees. The second and related strategy is the creation of a “lab tech” initiative among members of the employer consortium to expand and enhance existing training programs for lab workers. The third strategy is the creation of a St. Louis nonprofit to provide wraparound services to workers with additional benefits for employers in terms of workforce retention. A fourth strategy would establish “one-stop” employment centers that would provide a range of services, including day care services, workforce programs, and skills training, among others. Additional strategies include improving public transit access and quality, as well as strengthening communication across the city’s workforce development ecosystem. These strategies are complemented by initiatives designed to target investment and growth in key clusters with a strong share of middle-wage jobs.<sup>11</sup> Together, these strategies are designed to not only improve the creation, attraction, and retention of middle-wage opportunities in St. Louis but to ensure that these opportunities are distributed equitable across the city’s population.

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<sup>11</sup> The report defines middle-wage jobs as occupations paying between \$35,000 and \$50,000 a year nationally.

## Case Study 3: Atlanta



Photo Credit: Brad Huchteman on Unsplash

Atlanta is frequently cited as having the worst economic inequality of any major American city.<sup>12</sup> According to the Atlanta Wealth Building Initiative, the median household income for white people in Atlanta is three times higher than for African Americans and two times higher than for Latinos.<sup>13</sup> To combat these disparities and strengthen the city's middle class, the Atlanta City Council adopted legislation in October 2020 approving funding for a Middle-Wage Job Economic Opportunity Fund (MWJEOF) focused on the creation and attraction of high-quality, middle-wage jobs in Atlanta.<sup>14</sup> Specifically, the City Council allocated \$1.6 million to "increase the capital available for business attraction, expansion, and retention by investing in significant middle-wage job creation opportunities in the city." As of November 2020, the MWJEOF had been used to provide financial incentives to four companies in order to create and retain more than 2,420 jobs in Atlanta, including hundreds of middle-wage jobs.<sup>15</sup>

Administered by Invest Atlanta, the city's development authority, the MWJEOF represents one tool within a broader plan to improve economic mobility, opportunities, and outcomes for all Atlantans titled the One Atlanta:

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<sup>12</sup> [Berube, Alan, the Brookings Institution, 2018.](#)

<sup>13</sup> [Atlanta Wealth Building Initiative, Racial Wealth Gap, n.d.](#)

<sup>14</sup> [City of Atlanta, Resolution 20-R-4318, 2020.](#)

<sup>15</sup> [Invest Atlanta, 2020.](#)

Economic Mobility, Recovery and Resiliency Plan.<sup>16</sup> The first objective of One Atlanta is the creation of good jobs, which the plan defines as “jobs that provide stable employment, middle-class wages and benefits.” In addition to establishing the MWJEOF, the plan outlines further efforts to expand the city’s business retention and expansion services, enhance business attraction efforts, and create new financial incentives with a revised scoring matrix that prioritizes businesses offering large number of middle-wage jobs. Overall, the One Atlanta plan represents a comprehensive attempt to retain, grow, and attract high-quality, well-paying jobs with strong benefits that can put workers without a college degree on a path toward upward mobility.

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<sup>16</sup> [Invest Atlanta, One Atlanta: Economic Mobility, Recovery and Resiliency Plan, 2020.](#)



## Case Study 4: Fresno, California



*Photo credit: Grant Porter on Unsplash*

The City of Fresno, with a population of over 540,000, lies at the heart of California's Central Valley, one of the world's most productive agricultural regions.<sup>17</sup> In 2020, Fresno County was the top agriculture-producing county in the entire country.<sup>18</sup> And while Fresno's regional economy is dominated by agriculture – an industry in which workers are among the lowest-paid in the U.S. – the Fresno metropolitan area ranked third among the nation's 100 largest MSAs in terms of the share of good and promising jobs held by workers without a college education, according to a 2018 Brookings Institution study.<sup>19</sup> Middle-wage jobs held by workers without a bachelor's degree made up 18.2 percent of all jobs in the Fresno metro area in 2018, while promising jobs held by workers without a bachelor's degree made up an additional 14.9 percent – the highest share of any metro area in the U.S.

Success in building a strong base of good, middle-class jobs reflects the shared work of multiple stakeholders invested in Fresno's continued growth and flourishing. Perhaps the most significant broad-based prosperity effort is Fresno D.R.I.V.E., a 10-year, \$4.2 billion community investment plan launched in 2019

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<sup>17</sup> U.S. Census Bureau, Decennial Census, 2020.

<sup>18</sup> [The Hanford Sentinel, 2021.](#)

<sup>19</sup> [Shearer, Chad and Isha Shah, The Brookings Institution, 2018.](#)

to increase the number of good and promising jobs across all educational levels and upskill the city's workforce, among other priorities.<sup>20</sup> Led by philanthropic stakeholders and Fresno's nonprofit community in partnership with local policymakers and business leaders, Fresno D.R.I.V.E. represents a comprehensive approach to job creation designed to advance racial equity and expand economic mobility for the city's historically marginalized populations. A portfolio of 19 distinct projects has been developed and launched in the Greater Fresno region to achieve this goal.

Beyond the Fresno D.R.I.V.E. initiative, the City's One Fresno Economic Development Strategy is a comprehensive, multi-prong plan to attract and retain high-quality employment opportunities; revitalize the city's downtown; reduce economic inequality and generate broad-based prosperity; and grow the city's manufacturing base and innovation ecosystem.<sup>21</sup> The Fresno Economic Opportunities Commission, one of the nation's largest nonprofit Community Action Agencies, operates numerous skill-training and education programs to connect the city's economically disadvantaged residents to well-paying jobs in construction, renewable energy, manufacturing, and other middle-wage job industries.<sup>22</sup> And in September 2021, Fresno's City Council passed a citywide project labor agreement mandating that all municipal projects worth more than \$1 million hire unionized workers.<sup>23</sup> Though tackling the need to create and retain middle-wage jobs from different angles, these overlapping efforts work together to foster an economy that provides abundant middle-wage job opportunities.

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<sup>20</sup> [Fresno D.R.I.V.E., n.d.](#)

<sup>21</sup> [City of Fresno, Economic Development Department, n.d.](#)

<sup>22</sup> [Fresno Economic Opportunities Commission, Training and Employment, n.d.](#)

<sup>23</sup> [Calix, Brianna, The Fresno, 2021.](#)

# Conclusion

Assemblers, fabricators, nurses, mechanics, bookkeeping and accounting clerks, construction workers, claims adjusters and examiners, truck drivers – middle-wage jobs held by hardworking residents with diverse backgrounds, are the backbone of Detroit’s economy. Middle-wage jobs like these provide a stable base for workers without a college degree to provide for themselves and their families, while building toward a brighter future. However, while Detroit’s economy has continued to expand in recent years, growth in middle-wage jobs has lagged as the labor market has polarized into low-wage jobs and jobs requiring at least a bachelor’s degree. With declining representation of middle-wage jobs that have traditionally served as a springboard into the middle class, prospects for Detroit’s working families – and thereby the city as a whole – have dimmed.

However, as the case studies show, these challenges are neither inevitable nor impossible to solve. Creating a Detroit that is more prosperous and equitable will take a coordinated, collaborative effort between economic development entities to recruit, retain, and grow industries that offer middle-wage jobs; workforce development organizations and education/training providers to provide the necessary skills for residents to get middle-wage jobs; employers to hire to a job’s skill requirements (and not just educational attainment); community groups to link diverse groups of Detroiters to middle-wage job opportunities; government and legislators to craft equitable, implementable, and enforceable policies; and philanthropy and nonprofits to organize stakeholders, advocate for policy change, and, importantly, to “keep score” and hold other stakeholders accountable. The strategy to overcome this challenge must be intelligently and intentionally designed to provide more opportunities for African-American Detroiters – who are currently woefully under-represented in middle-wage jobs – across all phases of job training, recruitment, placement, retention, and advancement.