

**The Stakes are High and There're No Second Chances  
When It Comes to Preparing Students for Success**



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**Remarks**

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As a member of the Executive Leadership Team at the Federal Reserve Bank of Cleveland and hearing the discussions surrounding our economy, I can tell you that the recovery is fragile, and it's going to take time and a laser focus to get economic growth and the workforce back to prepandemic levels. We know Ohioans are experiencing employment challenges unlike any in recent history, and we cannot be complacent in doing all that we can to ensure our students are ready to compete in the workforce of the future.

As we move together to recover from the COVID-19 slowdown, we must build an even stronger state by getting behind efforts to aggressively increase the number of Ohioans with the skills needed to secure high-paying, in-demand jobs.

This is not just cheerleading. Cleveland Fed researchers have found that over a 75-year period, in the Cleveland Fed's Fourth District—all of Ohio and parts of Pennsylvania, West Virginia, and Kentucky—education levels were consistently one of the most reliable indicators for each state's per capita income growth and that counties with higher levels of high school graduates tend to have lower poverty rates and higher levels of labor force participation.<sup>1</sup> In other words, acquiring skills and education matters to everyone's bottom line.

The earning power advantages of a four-year degree are generally well-known. A few years ago, a Cleveland Fed economist measured them and found that the median young household headed by a college graduate earned \$42,693 per year in wage income, while the median noncollege household earned only \$26,429, a premium of 61.5 percent.<sup>2</sup>

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<sup>1</sup> Cleveland Fed researchers found that over a 75-year period, in our District, education levels were consistently one of the most reliable indicators for each state's per capita income growth and that counties with higher levels of high school graduates tend to have lower poverty rates and higher levels of labor force participation. See "Altered States: A Perspective on 75 Years of State Income Growth," Federal Reserve Bank of Cleveland 2005 Annual Report. (<https://www.clevelandfed.org/newsroom-and-events/publications/annual-reports/ar-2005-perspective-on-75-years-of-state-income-growth/ar-200502-altered-states-essay>) and Mark Schweitzer and Peter Rupert, "Understanding the Persistence of Poverty," Federal Reserve Bank of Cleveland 2006 Annual Report. (<https://www.clevelandfed.org/newsroom-and-events/publications/annual-reports/ar-2006-understanding-the-persistence-of-poverty/ar-200602-understanding-the-persistence-of-poverty>)

<sup>2</sup> Daniel Carroll and Amy Higgins, "A College Education Saddles Young Households with Debt, but Still Pays Off," <https://www.clevelandfed.org/newsroom-and-events/publications/economic-trends/2014-economic-trends/et-20140716-a-college-education-saddles-a-household-with-debt-but-still-pays-off>

But more than two-thirds of adults don't have college degrees. What about them? For the past five years, the Cleveland Fed has been researching what we call "opportunity occupations," those positions that pay above the national median wage and don't typically require a bachelor's degree—think registered nurses, heavy truck drivers, maintenance and repair workers, carpenters, electricians. All of these positions are what we find critical now during the pandemic.

Some of the largest opportunity occupations, including a number in healthcare fields and skilled trades, are projected to experience above-average growth through 2026, and what's more, they're not considered to be at significant risk of automation.<sup>3</sup>

These types of jobs still require training, but it often takes less time and money for a person to transition into them. What's needed for both the college-track jobs and the opportunity occupations are investments in education and training.

That brings me to *Bridging Ohio's Workforce Gap*. I encourage each of you to read the statewide action plan and to figure out a way that you can get involved in helping us carry it out. The plan proposes numerous strategies, including helping businesses expand training of current and potential workers so they obtain high-value credentials and postsecondary degrees; increasing internships, apprenticeships and co-ops for young people and postsecondary students; expanding the number of students who apply for federal aid; and providing help so formerly incarcerated individuals can become skilled and gain employment.

These are not new ideas, but their implementation has become even more critical—and I believe even more attainable—in our current situation. The collaboration that resulted in the development of this plan is only the beginning; it's now up to all of us to make these objectives a reality.

Please join with us to make our state not just Ohio Strong, but also Knowledge Strong – start to finish.

And now I am going to turn it over to my colleague Reggie Wilkinson to say a few words.

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<sup>3</sup> Kyle Fee, Keith Wardrip, and Lisa Nelson "Opportunity Occupations Revisited: Exploring Employment for Sub-Baccalaureate Workers Across Metro Areas and Over Time," <https://www.clevelandfed.org/~media/content/newsroom%20and%20events/publications/a%20look%20behind%20the%20numbers/albtl%20opportunity%20occupations/opportunity%20occupations%20revisited.pdf?la=en>