THE AMERICAN OPPORTUNITY INDEX

OCTOBER 2022

The Burning Glass Institute

Harvard Business School
Managing the Future of Work

schultz family foundation

The American Opportunity Index:
A Corporate Scorecard of Worker Advancement

A Joint Project of the Burning Glass Institute, the Harvard Business School Project on Managing the Future of Work, and the Schultz Family Foundation

BY:
Matt Sigelman (President, The Burning Glass Institute)
Joseph Fuller (Professor, Harvard Business School)
Nik Dawson (Economist, The Burning Glass Institute)
Gad Levanon (Chief Economist, The Burning Glass Institute)

Suggested citation: Sigelman, M., Fuller, J., Dawson, N., Levanon, G. (October 2022). The American Opportunity Index. Published by Burning Glass Institute, Harvard Business School Project on Managing the Future of Work and Schultz Family Foundation.

TABLE OF CONTENTS

EXECUTIVE SUMMARY

The American Opportunity Index: A Corporate Scorecard of Worker Advancement is a new effort to give companies and other stakeholders a set of robust tools that measure how well major employers are doing in fostering economic mobility for workers and how they could do better. The Index is a joint project of the Burning Glass Institute, Harvard Business School's Project on Managing the Future of Work, and the Schultz Family Foundation. The Index assesses America's 250 largest public companies based on real-world outcomes of their employees in roles open to non-college graduates—not merely their statements on corporate policy. It draws upon a new source of insight: big-data analysis of career histories, job postings, and salary sources of more than 3 million workers at those firms.

The Index is unprecedented among corporate rankings in that it focuses on assessing worker outcomes, not company policies and practice. Our analysis is also different from many previous efforts because we focus on workers in roles open to those without college degrees. It also allows us to compare opportunity creation across companies in different industries and with different business models by comparing outcomes for workers in similar jobs across different firms.

Our goal is threefold: to empower workers to make better decisions as to what positions to seek and what firms to prioritize in their job searches; to recognize firms that are setting an example of how to create opportunity; and to arm executives and HR leaders alike with data they need to take meaningful action within their companies to boost the competitiveness of their workforce.

We created nine metrics with which to assess the companies and determine the level of opportunity each one affords its workers either within the firm or beyond it, as indicated by the **access** to work it provides, the upward **mobility** workers experience, and the **pay** it offers along the way. We believe that these three dimensions are the key determinants of opportunity creation: Workers need to be able to get on the ladder, earn enough to stay on the ladder, and move up the ladder.

We ranked the top 50 companies overall. We also identified the 50 best firms across five different models of opportunity creation: the best workplaces to advance within, the best workplaces to start from, the best workplaces to stay and thrive at one company, the best workplaces to advance without a college degree, and the best workplaces at growing their own talent.

Our assessment and analysis yields

FIVE KEY CONCLUSIONS

1 **Corporate practice has a profound impact on the careers of workers.** One of our most striking findings extends beyond the ranking of top performers and points to the enormous practical benefits of taking a job at one firm versus another:

- A worker at a firm that lags in how fast it advances its employees would need to work a full year longer than a worker at a top-quintile firm before being promoted.
- After five years, workers at firms with effective practices at up-leveling their employees will advance almost three times further than workers at bottom-quintile companies.
- Workers in top-quintile firms in terms of wages earn almost 2.5 times more than their peers in the same roles at bottom-quintile firms. Across a range of roles, this can translate to a difference of $1.5 million or more over the course of a career.
- Employees at companies that are good at launching careers are over 60 percent more likely to land a better job when they leave for another employer than those employed at bottom-quintile firms for promoting out.
- Companies that prioritize access are more likely to give opportunity to workers who need it most: Firms in the top quintile for entry-level hires are four times more likely to hire people without significant experience than companies in the bottom quintile; firms in the top quintile for removing barriers are 26 percent more likely to hire someone without a college degree.

2

There is no single model of opportunity. As the five models of opportunity creation indicate, the drivers of mobility and opportunity are uneven and depend on the structure, culture, and business model of a company. Directly competitive firms can perform very differently on the nine measures we created, even when their overall scores are similar. A firm's sector influences outcomes, but it doesn't preordain them. In the insurance industry, for example, four firms are in the top 50 overall, but six firms scored in the bottom quintile.

3

The Index's data on performance offer a set of concrete goals to which companies can aspire. While outperformance on each metric may not fit a given company's business model, the performance of top firms on each metric provides a set of actionable benchmarks. Among them: **an average time to promotion of no more than five years; five-year retention rate of at least 70 percent of a starting cohort; and wages that are at least 40 percent above the median for a given occupation.**

4

Opportunity generation requires firms to embrace at least two of the three core dimensions of opportunity. The five models underscore a key finding of our analysis: In order to generate opportunity for its workers, a firm has to excel in at least two of the three core dimensions of opportunity—access, pay, and mobility.

5

Most companies are delivering well for workers in at least one way, but all have work to do. Elements of good practice are widespread, with two-thirds of companies, or 161 of the 242 in the Index, ranking among the top 50 on at least one model. The top firms in the overall ranking—AT&T, American Express, Cisco, PG&E, and Microsoft—exhibited strengths in several of the areas mentioned. Good practice is not the exclusive provenance of a few industries: The top 50 list includes companies from 21 out of 27 sectors. Firms that lead the rankings don't consistently appear in the top quintile of each subcategory.

WHERE AN INDIVIDUAL WORKS MATTERS DEEPLY FOR THAT PERSON'S WELL-BEING AND FUTURE SUCCESS

This report provides a **framework for measuring opportunity creation** and for tracking worker mobility over time, even for companies that are not yet included in the Index. It also provides a structure for data sharing and benchmarking across peers for a wider circle of firms.

The Index reinforces for all of us that how each company runs their business matters in the push to improve opportunity. Helping companies understand how what they do matters is central to this undertaking, even more than knowing who the "winners" are. The data in this report illuminate that **where an individual works is deeply impactful for that person's well-being and future success.** And corporate practice matters both for attracting and retaining strong employees and for the business results created by better talent management. All parties have agency to exercise. We believe that the American Opportunity Index will equip individual workers and corporate decision makers alike with actionable information that is bound to yield better outcomes for all.

INTRODUCTION: WHY THE OPPORTUNITY INDEX?

Opportunity and upward mobility are fundamental to the American ethos. For workers in the United States, there is a broad consensus that hard work and experience should yield more responsibility and better pay. For American companies, enabling workers to climb the career ladder is vital to attracting and retaining talent that businesses need to grow and thrive. And for the U.S. economy, building better pathways of mobility is essential to competing within the global economy.

For years, however, our country has seen troubling indications that mobility is on the wane. Ninety percent of children born in 1940 would go on to earn more than their parents, while the same was true for just half of Americans born in the 1980s.

As economic inequality has risen and real wages for many Americans have fallen, the welcome return to robust employment after the shock of the COVID-19 pandemic has been overshadowed by widespread job dissatisfaction. Whether it's called the Great Resignation, the Great Attrition, or the Great Renegotiation, there's ample evidence that, for too many people, the basic human desire to advance is not being fulfilled. According to a recent McKinsey study, 41 percent of workers globally cited lack of opportunity for advancement as the main reason they left their jobs. It's time that the opportunity to get ahead—and the tools needed to make it happen—be restored for all Americans, not just a privileged few.

However, what's often missing from our national conversation is the vital role major employers play in improving mobility. It has become increasingly clear that companies can't succeed in either their own business goals or in fostering economic progress if they see themselves as passive recipients of whichever applicants happen to be on the job market at a particular time.

Indeed, in a study by Harvard Business School's Project on Managing the Future of Work with Burning Glass, we found that individual companies, through their practices, play a significant role in determining whether lower-income workers are able to escape the poverty trap. Much analysis of economic advancement looks at workers' mobility in isolation, focusing on their individual education, training, and experience, rather than within a larger context that includes the practices of the companies that employ them. That's a significant oversight, because employers can be major enablers of opportunity and mobility.

What can major employers do to renew the promise of opportunity and upward mobility for more Americans? **The American Opportunity Index: A Corporate Scorecard of Worker Advancement** is a new effort to give companies and other stakeholders a set of robust tools that measure how well major employers are doing in fostering mobility and how they could do better. It is a joint project of the Burning Glass Institute, Harvard Business

School's Project on Managing the Future of Work, and the Schultz Family Foundation. **The Index ranks America's largest companies based on real-world outcomes tied to economic mobility**, not inputs, using a new source of insight: big-data analysis of career histories, job postings, and salary sources to understand the opportunities major companies offer American workers.

Against a backdrop of growing concerns about inequality, our analysis is different from many others because we focus on the outcomes of workers who don't necessarily hold college degrees. These individuals, some in low-skill occupations and some in "middle-skill" jobs that require more education and training than a high school diploma but less than a four-year college degree, are in many respects a bellwether for how likely the majority of Americans are to achieve upward mobility.

The imperative for change is strong. A survey of Fortune 500 workers conducted as part of this initiative found deep concerns about job mobility but also a willingness to stick with employers who can offer advancement. More than one-third of those surveyed agreed with the statement "I feel stuck in my job" (a percentage that jumps to more than 4 in 10 for those without a college degree), yet **84 percent agreed that they would be more likely to stay with their current company if they knew they could move up in the ranks.**

Fostering talent as a means of opportunity is well-aligned with the influential 2019 Business Roundtable statement underscoring that companies have a responsibility not just to their shareholders but to stakeholders, including their employees. This report aims to provide practical guidance for companies not through lofty statements of principles, but through empirical data that offer real-world models of success and a yardstick by which to evaluate the practices that actually deliver for workers and for companies.

The inarguable conclusion is that everybody has work to do. While examples of best practice are widespread across firms and industries, nobody is earning top marks across the board. We hope that business leaders will use the Opportunity Index—including the case studies of high performers in this report—to align their practices with what drives upward mobility. Just as importantly, **the Index provides companies with a framework for measuring the mobility of their workers as well as a data set for benchmarking** their own performance and determining actionable goals. Focusing on the level of opportunity they create for their employees not only boosts workers, but also enables firms to optimize their business model and improve their performance. Helping companies understand how what they do matters is central to this undertaking, even more than who the winners are.

WHAT WE DID

We analyzed the 250 largest U.S. public companies to create the American Opportunity Index, measuring each firm based upon the level of opportunity they afford their workers within the firm and even beyond it. The Index is unprecedented among company rankings in that it is the only one we know of that is focused on assessing worker outcomes, not policies and practice.

The Index focuses on three core dimensions of a firm's opportunity generation: the access they offer to opportunity, the pay they offer in low- and middle-skill roles, and the level of mobility experienced by their employees both within and beyond the firm. And unlike survey-based instruments, it uses massive data sets—big-data analysis of career histories, job postings, and salary sources—to describe the real-world experiences of millions of actual workers.

Using those measures, we rank the top 50 companies overall as well as all companies within a given sector. In addition to the overall ranking, we identify the top 50 companies across five models of opportunity creation. Each expresses a defined archetype by which companies drive the success and mobility of workers, accounting for the major differences in the business models and organizational structures across such a diverse group of companies in order to ensure the relevance of our findings.

Our goal is threefold: to empower workers to make better decisions as to what positions to seek and what firms to prioritize in their job searches; to recognize firms that are setting an example of how to create opportunity; and to arm executives and HR leaders alike with the data they need to take meaningful action to boost the competitiveness of their workforce.

The Opportunity Index aims to address the historical absence of high-quality benchmarks by which firms can objectively evaluate how well they are creating pathways of opportunity for their entry-level and front-line employees. Many claim to promote mobility, of course, but which companies are truly doing this well? What sorts of jobs offer the best chances for advancement? Within various sectors and overall, who is doing best—and worst? Which employees move up, and who stays stuck? The metrics that the Index considers are fundamental to retention, diversity, and the future readiness of the workforce.

Surprisingly, few companies track such metrics today. Obviously, firms know whom they have promoted, but relatively few have done a detailed analysis of career development across their workforce. Moreover, even the firms that track such data seldom have access to detailed benchmarks by which to evaluate their performance. The capability to conduct this analysis simply hasn't existed before.

HOW WE DID IT

To create the American Opportunity Index, we studied the career histories and compensation experiences of **3 million employees at the 250 largest U.S. public companies**[1], as well as the job requirements specified in more than 40 million unique online job postings per year from 2017-2021. This information came from the Lightcast database, augmented by approximately 20 million self-reported salary records as observed through the Glassdoor database.

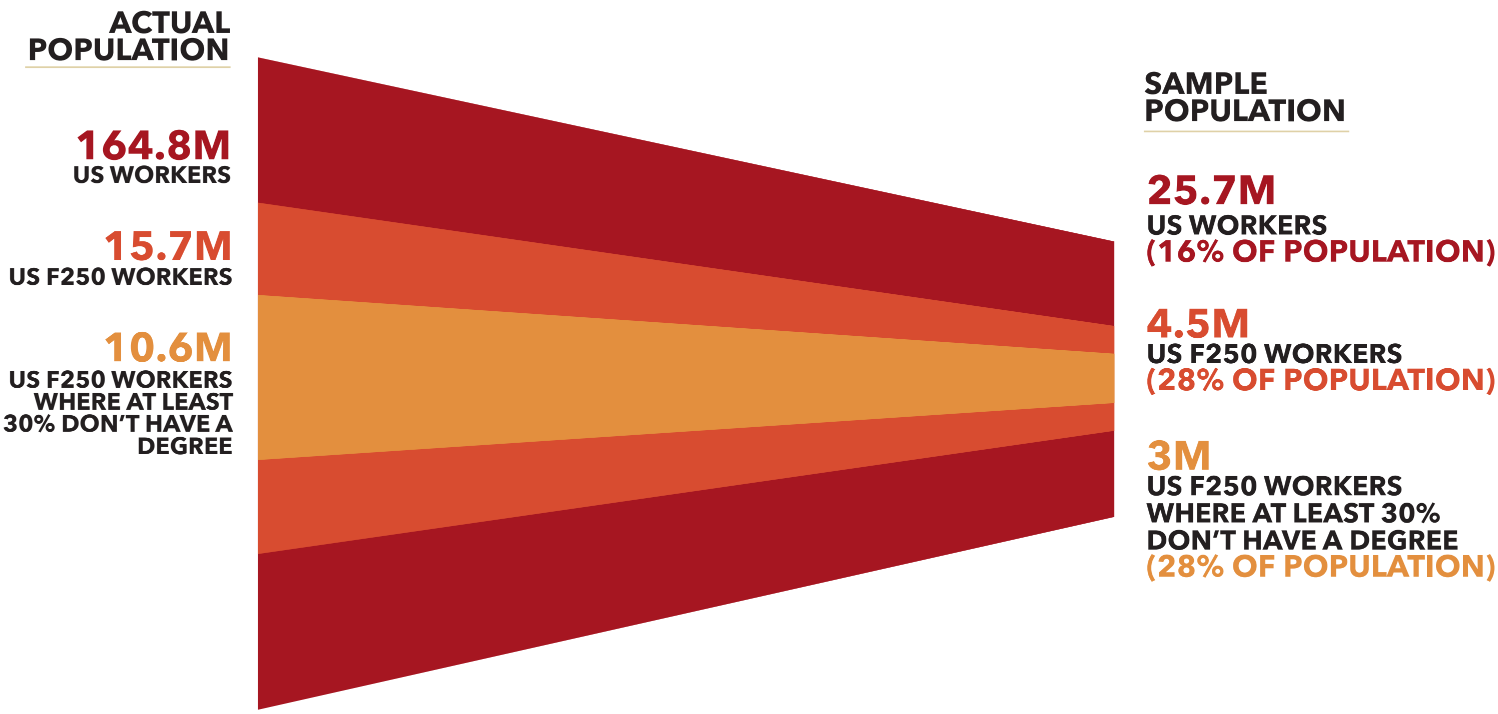
The Index focuses on the experiences of workers in jobs in which 30 percent or more of workers lack a degree[2]—think of jobs such as office manager or customer service representative, not jobs like data engineer or tax manager. We focus on such jobs because they are where overall worker mobility hangs in the balance. The majority of U.S. workers don't have four-year degrees; their **upward mobility hinges far more on corporate practice than on academic attainment.** The Index tracks these workers over the course of five years, from 2017 to 2021. The robustness of the underlying data sets at representing those workers provides sufficient basis for evaluation for the vast majority of the top 250 companies. However, we have omitted eight companies for which we lacked the data to develop a meaningful, statistically valid score.

We have been careful to compare similar occupations across companies and industries to account for quite different organizational structures. We don't compare restaurant servers to factory line production workers. Instead, customer service agents at Amazon are compared to customer service workers at American Airlines, thereby controlling for the two companies' quite distinct workforces. Similarly, **each firm's overall score is weighted to take into account variations in headcount** for different occupations within the company.

WE STUDIED THE CAREER HISTORIES OF THREE MILLION EMPLOYEES AT THE 250 LARGEST PUBLIC COMPANIES

[1]Includes some companies that are not publicly-traded, but provide full public disclosure of audited GAAP financials
[2]Based on nationwide figures from the U.S. Bureau of Labor Statistics Occupational Employment & Wage Survey, 2018-19.

REPRESENTATIVENESS OF THE DATA

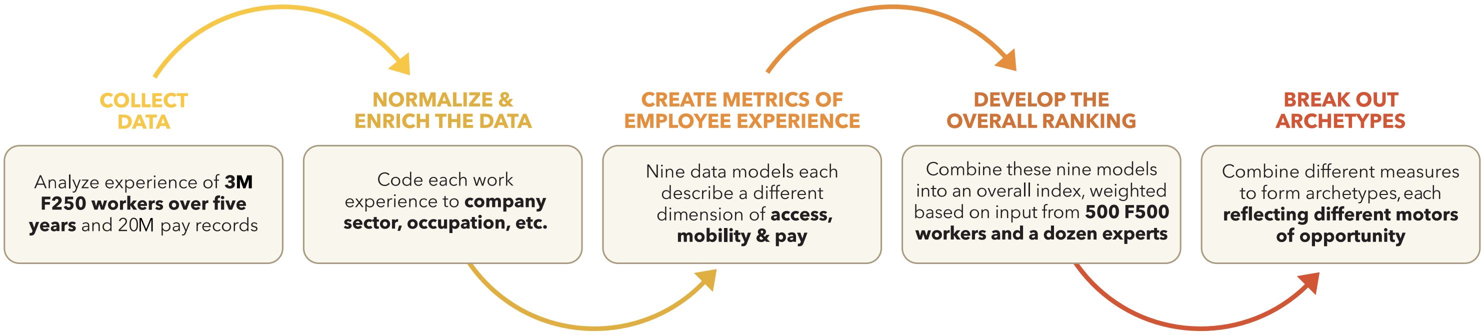


While professional roles are heavily represented online, the Lightcast database also includes millions of records for low- and middle-skill workers. For example, it includes career histories for nearly 70,000 warehouse and operations workers at Amazon and 250,000 retail workers at Walmart. Of course, online career histories are self-reported, but our analysis also suggests that any inaccuracies are shared across firms. There is no reason to believe that Apple's employees are any more likely to misrepresent career progress than their counterparts at Microsoft.

We are certainly aware that **this is a complex exercise involving multiple hard-to-account-for variables**—what economists call externalities. Even the extensive data-driven analysis used to create the Opportunity Index cannot account for every influence on the range and quality of labor market opportunities. Geography may limit workers' job choices, for example. Very short stints may go underreported on résumés and in online career profiles. Companies select for personal characteristics, such as drive or grit, that may disproportionately affect their employees' outcomes. Pursuit of additional education or skill development outside of the workplace is not measured here. On the employer side, certain occupations characterized by high turnover are not as well represented, and companies that rely extensively on contract employees may rank higher than they otherwise might if these contractors were considered employees. **We present our methodology with humility, aware of certain limitations yet certain that the core strengths of the analysis will make it useful** to employees and business leaders.

HOW WE DETERMINED THE OVERALL RANKING

To generate each firm's overall standing,
we assessed nine aspects of how firms can create opportunity for their workers.



The American Opportunity Index then ranks companies based on their performance across these aspects by quintiles rather than by the false precision of an ordinal list, which would be subject to gaming and unhealthy granular competition in the future. Each firm's quintile score on each metric represents the weighted average of its score for each occupation group at the firm, weighted based on the distribution of job posting demand for each occupation as observed through the Lightcast job postings database. For example, if 60 percent of a firm's job openings are for retail workers and the firm's retail workers fare in the top quintile across each metric relative to retail workers at other companies, 60 percent of the firm's total score would reflect highest-quintile performance.

Then we created a composite of each **company's quintile rankings** to arrive at a final ranking, weighting each factor **according to two distinct sets of inputs: first, the average weighting proposed by 12 leading experts** (including academic economists, former high-ranking officials, former chief human resource officers, a senior executive with an industry association, and the CEOs of two major NGOs and a leading work-tech company, among others); and, **second, a survey of 500 workers at major companies.**[3] Each expert was asked to assign a specific percentage weight to each metric. We then averaged the weights proposed by each expert. Similarly, we asked the workers a series of questions, including a battery of forced rankings, that allowed us to deduce a weighting. **We then averaged the weightings** from both groups.

---

[3] The final weighting took the average of the weightings proposed by each expert and the weighting computed based on the results of the worker survey. Each factor was weighted as follows: Entry-level Hires - 9.1%; Barriers to Work - 11.9%; Wages - 15.7%; Job level - 11.3%; Velocity of Growth - 10.7%; Promoting Up - 12.0%; Promoting Out - 10.4%; Retention - 9.0%; and Homegrown Leadership - 9.7%.

THESE ARE THE NINE MEASURES USED, GROUPED WITHIN THE THREE CORE DIMENSIONS OF OPPORTUNITY GENERATION WE ASSESSED:

Access

1 **Entry-level hires:** The fraction of employees hired in a given time period who were entry-level as opposed to experienced, as observed through our analysis of the Lightcast career history database.

2 **Barriers to work:** A measure of the extent to which the firm, relative to others, hires workers for any given role who have a bachelor's degree, as observed through our analysis of the Lightcast career history database. Degree-based hiring can limit opportunity for the two-thirds of Americans who lack a four-year college degree.

Pay

3 **Wages:** The median wage for each of the occupations we studied, as reported in Glassdoor's salary survey.

Mobility

4 **Job level:** Number of promotions a typical worker in any given occupation received over the five-year period examined, as observed through our analysis of the Lightcast career history database. A promotion is defined as moving from one role to a different, better-paying position.

5 **Velocity of growth:** The average time it takes an employee in any given occupation to move up one level within the company—from sales representative to sales manager, for example, or from the IT help desk to network administrator, as observed through our analysis of the career history database.

6 **Promoting up:** The frequency with which a company fills open roles in any given occupation by promoting an employee from another lower-paying occupation within the company, as observed through our analysis of the career history database.

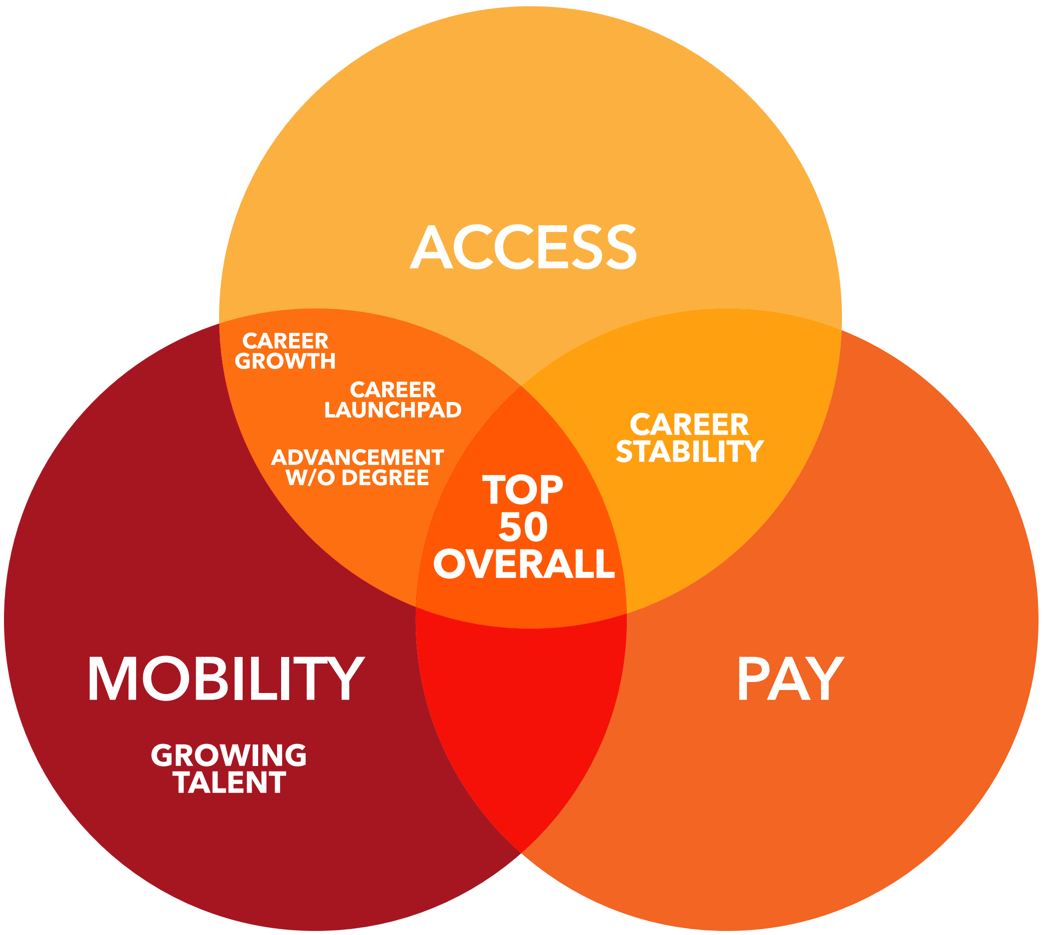
7 **Promoting out:** The percentage of employees in each occupation who receive a promotion after leaving the company, as observed through our analysis of the career history database.

8 **Retention:** The percentage of a firm's workforce in any given occupation still with the same company after five years, as observed through our analysis of the career history database.

9 **Homegrown leadership:** Percentage of senior management (director and above) who were promoted from within the company, as observed through our analysis o f the career history.

FIVE CENTRAL MODELS OF OPPORTUNITY CREATION

The five models we created were designed to distinguish and measure different drivers of opportunity creation. Each of the five models **includes two or more of the nine measures** discussed above, with the ranking representing the straight average of the corresponding measures. With one exception, the measures selected for each model bridge across the core dimensions of opportunity evaluated by this study: access, mobility, and pay. **The Venn diagram below shows the opportunity dimensions included in each model.**



The models underscore a key finding of our analysis—with very few exceptions, **in order to generate opportunity for its workers, a firm has to be good at at least two of the three core dimensions of opportunity:** access, mobility, and pay.

These thumbnail descriptions explain each model and its components:

CAREER GROWTH:

A key way that companies can create opportunity is to be willing to hire workers with limited education or skills, and then enabling their growth and advancement within a company. This archetype recognizes the companies that open their doors the widest to those without experience and then offers them quick pathways for advancement within the firm. *Combines the entry-level hires, velocity of growth, and job level measures.*

CAREER LAUNCHPAD:

Many companies have a pyramid business model—a large number of entry-level employees and fewer mid- or senior-level positions. These companies can best generate opportunity when they invest in developing skills that have currency in the marketplace, thus enabling their workers who leave to get a better job. This category recognizes firms that have the best track record of hiring workers without experience, training them, and preparing them to move on to higher-level positions elsewhere. *Combines the entry-level hires and promoting out measures.*

CAREER STABILITY:

At some companies, because of their business model or the specialized skills required for almost all roles, it is difficult to move up, yet employee morale is high and employees are unlikely to leave. For these companies, opportunity is created through the consistency and rewarding nature of the work. Career Stability recognizes firms that are most likely to offer good, well-paying jobs without significant churn. *Combines the retention and wages measures.*

ADVANCEMENT WITHOUT A DEGREE:

There is a growing movement to remove college degrees from job requirements where they are not necessary. While laudable, opportunity is only created by the companies that then enable those workers to advance internally. This category recognizes those firms that are most likely to welcome employees without college degrees and to move them up the ladder. *Combines the barriers to work and promoting up measures.*

GROWING TALENT:

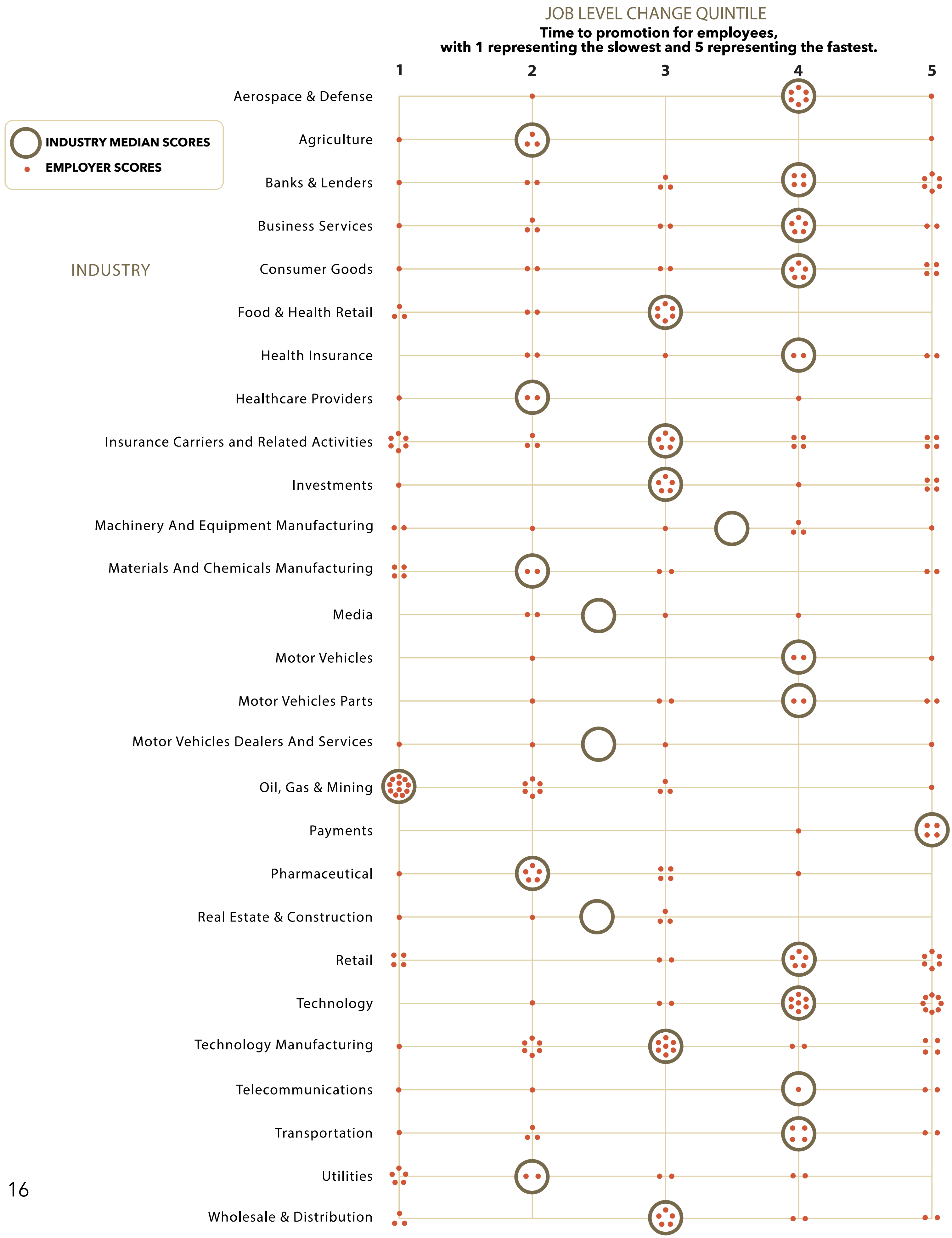
There are companies for which opportunity creation is simply at the core of their overall talent management strategy. These companies look from within their company first and foremost when they fill open positions at any level; most of their managers and executives similarly hail from within their ranks. This category recognizes firms that are most likely to fill roles by promoting from within and whose leaders are most likely to have risen from within. *Combines the promoting up and homegrown leadership measures.*

WHO DID WELL

The top firms in our overall rankings cover a broad range of industries, from telecommunications and payments to utilities and technology. They're striking not for having perfect records of creating mobility for their workers, but rather **for exhibiting strength across multiple dimensions.**

The five models we created include representatives of a similarly broad array of industries, as well as a surprising number of companies with distinctive strengths in at least one of the key drivers of opportunity. In all, **161 companies, or two-thirds (67 percent) of the 242 firms evaluated in this analysis, rank in the top quintile either overall or in one of the five opportunity models.** This reinforces our conviction that while there is room for improvement all around, the majority of the companies we evaluated already have significant strengths on which to build.

YOUR INDUSTRY MATTERS - BUT IT'S NOT DESTINY



TOP 50 OVERALL

Weighted average of the American Opportunity Index's nine underlying measures, as weighted **based on input from a panel of experts and a survey of 500 workers.** This metric provides overall **insight into the impact of corporate practice**, as borne out in access to opportunity, upward mobility, and pay.

EMPLOYER	INDUSTRY	OVERALL WEIGHTED RANK
AT&T	Telecommunications	**1**
American Express	Payments, Banks & Lenders	**2**
Cisco Systems	Technology manufacturing	**3**
PG&E	Utilities	**4**
Microsoft	Technology	**5**
Fiserv	Business Services, Technology	**6**
HF Sinclair	Oil, Gas & Mining	**7**
Liberty Mutual Insurance Group	Insurance Carriers and Related Activities	**8**
International Paper	Materials and Chemicals manufacturing	**9**
Southwest Airlines	Transportation	**10**
Kinder Morgan	Oil, Gas & Mining	**11**
WESCO International	Wholesale & Distribution, Business services	**12**
Fannie Mae	Banks & Lenders	**13**
Hartford Financial Services Group	Insurance Carriers and Related Activities	**14**
Cigna	Health Insurance	**15**
TD Synnex	Wholesale & Distribution, Business services	**16**
Wells Fargo	Banks & Lenders	**17**
Mastercard	Payments	**18**
Capital One Financial	Banks & Lenders	**19**
Intel	Technology manufacturing	**20**
Nucor	Materials and Chemicals manufacturing	**21**
Salesforce	Technology	**22**
Costco Wholesale	Retail, Food & Health Retail	**23**
Estée Lauder	Consumer Goods	**24**
Paccar	Motor Vehicles	**25**
Adobe	Technology	**26**
Oracle	Technology	**27**
Hewlett Packard Enterprise	Technology, Business services	**28**
Kimberly-Clark	Consumer Goods	**29**
Expeditors Intl. of Washington	Transportation	**30**
TIAA	Investments, Insurance Carriers and Related Activities	**31**
US Foods Holding	Wholesale & Distribution	**32**
CDW	Wholesale & Distribution	**33**
Sherwin-Williams	Materials and Chemicals manufacturing	**34**
Stryker	Technology manufacturing	**35**
IBM	Technology, Business services	**36**
Applied Materials	Technology manufacturing	**37**
Visa	Payments	**38**
AutoZone	Motor Vehicles Parts, Retail	**39**
Cognizant Technology Solutions	Technology, Business services	**40**
Qualcomm	Technology manufacturing	**41**
Prudential Financial	Insurance Carriers and Related Activities	**42**
Travelers	Insurance Carriers and Related Activities	**43**
PPG Industries	Materials and Chemicals manufacturing	**44**
Occidental Petroleum	Oil, Gas & Mining	**45**
Honeywell International	Machinery and equipment manufacturing, Aerospace & Defense	**46**
U.S. Bancorp	Banks & Lenders	**47**
Verizon Communications	Telecommunications	**48**
Arrow Electronics	Wholesale & Distribution	**49**
Goldman Sachs Group	Banks & Lenders, Investments	**50**

CAREER GROWTH

Companies that open their doors the widest to those without experience and then give them quick pathways for advancement within the firm. Combines the **entry-level percentage, velocity of growth, and job level measures.**

EMPLOYER	INDUSTRY
Amazon	Technology, Retail
AmerisourceBergen	Wholesale & Distribution
AT&T	Telecommunications
Automatic Data Processing	Business Services
AutoZone	Motor Vehicles Parts, Retail
Bank of America	Banks & Lenders, Investments
Best Buy	Retail
BJ's Wholesale Club	Retail, Food & Health Retail
C.H. Robinson Worldwide	Transportation
CarMax	Motor Vehicles dealers and services
Coca-Cola	Consumer Goods
Costco Wholesale	Retail, Food & Health Retail
CVS Health	Health Insurance, Food & Health Retail, Healthcare Providers
Dollar General	Retail
Estée Lauder	Consumer Goods
Gap Inc.	Retail
General Mills	Consumer Goods
Genuine Parts	Motor Vehicles Parts
Goodyear Tire & Rubber	Motor Vehicles Parts
Kohl's	Retail
Kraft Heinz	Consumer Goods
Kroger	Food & Health Retail
Lithia Motors	Motor Vehicles dealers and services
Loews	Insurance Carriers and Related Activities, Oil, Gas & Mining
Lowe's	Retail
Macy's	Retail
McDonald's	Food & Health Retail
McKesson	Wholesale & Distribution
Molina Healthcare	Health Insurance
Mondelez International	Consumer Goods
Murphy USA	Retail
Nike	Consumer Goods
Nordstrom	Retail
Oracle	Technology
PepsiCo	Consumer Goods
PPG Industries	Materials and Chemicals manufacturing
Rite Aid	Food & Health Retail
Ross Stores	Retail
Salesforce	Technology
Sherwin-Williams	Materials and Chemicals manufacturing
Southwest Airlines	Transportation
Starbucks	Food & Health Retail
State Farm Insurance	Insurance Carriers and Related Activities
TJX	Retail
UPS	Transportation, Business services
Verizon Communications	Telecommunications
Walgreens Boots Alliance	Food & Health Retail
Walmart	Retail, Food & Health Retail
Wells Fargo	Banks & Lenders
WESCO International	Wholesale & Distribution, Business services

CAREER LAUNCHPAD

Companies that have the best track record of **hiring workers without experience, training them, and enabling them to move on to better positions elsewhere.** Combines the entry-level percentage and promoting out measures.

EMPLOYER	INDUSTRY
Adobe	Technology
American Airlines Group	Transportation
Apple	Technology manufacturing, Technology
Arrow Electronics	Wholesale & Distribution
AT&T	Telecommunications
AutoZone	Motor Vehicles Parts, Retail
Avnet	Wholesale & Distribution
BJ's Wholesale Club	Retail, Food & Health Retail
Builders FirstSource	Materials and Chemicals manufacturing
C.H. Robinson Worldwide	Transportation
CDW	Wholesale & Distribution
Cisco Systems	Technology manufacturing
CVS Health	Health Insurance, Food & Health Retail, Healthcare Providers
Eli Lilly	Pharmaceutical
Energy Transfer	Oil, Gas & Mining
Expeditors Intl. of Washington	Transportation
Fannie Mae	Banks & Lenders
FedEx	Transportation, Business services
Fidelity National Financial	Insurance Carriers and Related Activities
Fiserv	Business Services, Technology
Halliburton	Oil, Gas & Mining
Hartford Financial Services Group	Insurance Carriers and Related Activities
IBM	Technology, Business Services
Kinder Morgan	Oil, Gas & Mining
Lear	Motor Vehicles Parts
Liberty Mutual Insurance Group	Insurance Carriers and Related Activities
Lowe's	Retail
Marathon Petroleum	Oil, Gas & Mining
Marsh & McLennan	Insurance Carriers and Related Activities, Business Services
Murphy USA	Retail
NRG Energy	Utilities
Nucor	Materials and Chemicals manufacturing
Occidental Petroleum	Oil, Gas & Mining
Oracle	Technology
PG&E	Utilities
Pioneer Natural Resources	Oil, Gas & Mining
PPG Industries	Materials and Chemicals manufacturing
Rite Aid	Food & Health Retail
Salesforce	Technology
Sherwin-Williams	Materials and Chemicals manufacturing
Starbucks	Food & Health Retail
State Farm Insurance	Insurance Carriers and Related Activities
Stryker	Technology manufacturing
TD Synnex	Wholesale & Distribution, Business services
United States Steel	Materials and Chemicals manufacturing
UPS	Transportation, Business services
US Foods Holding	Wholesale & Distribution
Verizon Communications	Telecommunications
Walgreens Boots Alliance	Food & Health Retail
WESCO International	Wholesale & Distribution, Business services

CAREER STABILITY

Companies that are most likely to offer **good, well-paying jobs without significant churn.** Combines the retention and starting wage measures.

EMPLOYER	INDUSTRY
3M	Materials and Chemicals manufacturing, Technology manufacturing
AbbVie	Pharmaceutical
Adobe	Technology
Alphabet	Technology
American Electric Power	Utilities
Amgen	Pharmaceutical
Applied Materials	Technology manufacturing
BlackRock	Investments
Boeing	Aerospace & Defense
Bristol-Myers Squibb	Pharmaceutical
Broadcom	Technology manufacturing
Cisco Systems	Technology manufacturing
ConocoPhillips	Oil, Gas & Mining
Corteva	Agriculture
Dow	Materials and Chemicals manufacturing
Eli Lilly	Pharmaceutical
Energy Transfer	Oil, Gas & Mining
Exelon	Utilities
Exxon Mobil	Oil, Gas & Mining
Fiserv	Business Services, Technology
Freddie Mac	Banks & Lenders
Gilead Sciences	Pharmaceutical
Hartford Financial Services Group	Insurance Carriers and Related Activities
Intel	Technology manufacturing
International Paper	Materials and Chemicals manufacturing
Kinder Morgan	Oil, Gas & Mining
L3Harris Technologies	Aerospace & Defense
Lam Research	Technology manufacturing
Lumen Technologies	Telecommunications
Marathon Petroleum	Oil, Gas & Mining
Mastercard	Payments
Meta Platforms	Technology
Microsoft	Technology
Netflix	Media, Technology
Northrop Grumman	Aerospace & Defense
Nvidia	Technology manufacturing, Technology
Occidental Petroleum	Oil, Gas & Mining
PG&E	Utilities
Phillips 66	Oil, Gas & Mining
Qualcomm	Technology manufacturing
Raytheon Technologies	Aerospace & Defense
Regeneron Pharmaceuticals	Pharmaceutical
Salesforce	Technology
Southwest Airlines	Transportation
Synchrony Financial	Banks & Lenders
Texas Instruments	Technology manufacturing
TIAA	Investments, Insurance Carriers and Related Activities
Travelers	Insurance Carriers and Related Activities
USAA	Insurance Carriers and Related Activities, Banks & Lenders
Valero Energy	Oil, Gas & Mining

ADVANCEMENT WITHOUT A DEGREE

Companies that are most likely to welcome those without degrees and to move them up the ladder.
Combines the barriers to work and promoting up measures.

EMPLOYER	INDUSTRY
Albertsons	Food & Health Retail
American Express	Payments, Banks & Lenders
Applied Materials	Technology manufacturing
Arrow Electronics	Wholesale & Distribution
AT&T	Telecommunications
AutoNation	Motor Vehicles dealers and services
AutoZone	Motor Vehicles Parts, Retail
Avnet	Wholesale & Distribution
Broadcom	Technology manufacturing
Capital One Financial	Banks & Lenders
CDW	Wholesale & Distribution
Charter Communications	Telecommunications
Chevron	Oil, Gas & Mining
Cisco Systems	Technology manufacturing
Citigroup	Banks & Lenders, Investments
Cognizant Technology Solutions	Technology, Business services
Comcast	Telecommunications
Costco Wholesale	Retail, Food & Health Retail
D.R. Horton	Real Estate & Construction
Dell Technologies	Technology manufacturing
Delta Air Lines	Transportation
Dollar General	Retail
Dollar Tree	Retail
Estée Lauder	Consumer Goods
Fiserv	Business Services, Technology
Genuine Parts	Motor Vehicles Parts
Guardian Life Ins. Co. of America	Insurance Carriers and Related Activities
Hewlett Packard Enterprise	Technology, Business services
HP	Technology manufacturing
Humana	Health Insurance
Lam Research	Technology manufacturing
Liberty Mutual Insurance Group	Insurance Carriers and Related Activities
Mastercard	Payments
Microsoft	Technology
Murphy USA	Retail
New York Life Insurance	Insurance Carriers and Related Activities
PG&E	Utilities
Ross Stores	Retail
Southwest Airlines	Transportation
Stryker	Technology manufacturing
Synchrony Financial	Banks & Lenders
Sysco	Wholesale & Distribution
Tesla	Motor Vehicles
TIAA	Investments, Insurance Carriers and Related Activities
Travelers	Insurance Carriers and Related Activities
U.S. Bancorp	Banks & Lenders
US Foods Holding	Wholesale & Distribution
Walmart	Retail, Food & Health Retail
Wells Fargo	Banks & Lenders
WESCO International	Wholesale & Distribution, Business services

GROWING TALENT

Companies that are most likely to **fill roles by promoting from within** and whose leaders are mostly likely to have risen from within. Combines the promoting up and homegrown leadership measures.

EMPLOYER	INDUSTRY
Altria Group	Consumer Goods
American Express	Payments, Banks & Lenders
Applied Materials	Technology manufacturing
Arrow Electronics	Wholesale & Distribution
AT&T	Telecommunications
BorgWarner	Motor Vehicles Parts
C.H. Robinson Worldwide	Transportation
Capital One Financial	Banks & Lenders
CDW	Wholesale & Distribution
Cisco Systems	Technology manufacturing
Costco Wholesale	Retail, Food & Health Retail
CVS Health	Health Insurance, Food & Health Retail, Healthcare Providers
Deere	Machinery and equipment manufacturing
Dow	Materials and Chemicals manufacturing
EOG Resources	Oil, Gas & Mining
Estée Lauder	Consumer Goods
Expeditors Intl. of Washington	Transportation
Fannie Mae	Banks & Lenders
Goldman Sachs Group	Banks & Lenders, Investments
Guardian Life Ins. Co. of America	Insurance Carriers and Related Activities
HF Sinclair	Oil, Gas & Mining
Humana	Health Insurance
Intel	Technology manufacturing
International Paper	Materials and Chemicals manufacturing
JPMorgan Chase	Banks & Lenders, Investments
Kimberly-Clark	Consumer Goods
Kinder Morgan	Oil, Gas & Mining
Lam Research	Technology manufacturing
Liberty Mutual Insurance Group	Insurance Carriers and Related Activities
Lockheed Martin	Aerospace & Defense
Massachusetts Mutual Life Insurance	Insurance Carriers and Related Activities
Mastercard	Payments
Microsoft	Technology
Northwestern Mutual	Insurance Carriers and Related Activities
Oracle	Technology
Paccar	Motor Vehicles
PBF Energy	Oil, Gas & Mining
Qualcomm	Technology manufacturing
Ross Stores	Retail
Southwest Airlines	Transportation
Stanley Black & Decker	Consumer Goods
Stryker	Technology manufacturing
Synchrony Financial	Banks & Lenders
Target	Retail
Texas Instruments	Technology manufacturing
Travelers	Insurance Carriers and Related Activities
U.S. Bancorp	Banks & Lenders
US Foods Holding	Wholesale & Distribution
USAA	Insurance Carriers and Related Activities, Banks & Lenders
Walt Disney	Media

Our analysis of the Index yields

FIVE KEY CONCLUSIONS

1 **Corporate practice has a profound impact on the careers of workers.** One of our most striking findings extends beyond the ranking of top performers and points to the enormous practical benefits of taking a job at one firm versus another:

- On a core measure, assessing the average time it takes employees in similar roles to be promoted, our analysis found that a worker at a firm in the bottom quintile for velocity would need to work a full year longer than a worker at a top-quintile firm before moving up. For workers, this isn't just a matter of speed but also, more broadly, of their chance of moving up at all. For example, a sales associate at Best Buy is three times more likely to make it to a retail manager role than a peer is at Kohl's. **Over the course of five years, workers at firms in the top quintile of advancement rise almost three times further than at bottom-quintile companies.**

- On another vital indicator—wages—an examination of common occupations found that **employees at firms in the top quintile for wages make roughly two-and-a-half times more** than their counterparts at bottom-quintile firms. Across a range of roles, this can translate to a **difference of $1.5 million or more over the course of a career.** For example, administrative assistants at firms in the lowest wage quintile make $34,970, while the same jobs at companies in the top quintile pay $82,524, a $1.4 million difference over a lifetime.

- Even within the same industry sectors, **there is a wide disparity in performance.** In the insurance industry, for example, one company ranked eighth overall, and four companies ranked in the top 50, while six of their peers scored in the bottom quintile of all companies we measured.

METRICS THAT MATTER

From promotions to pay, top quintile firms lead to better outcomes than bottom quintile firms.

Access

MORE LIKELY TO HIRE "SOMEONE"

Entry-Level Hires

4x

MORE LIKELY

to hire candidates without significant prior experience

Barriers to Work

25%

OR MORE

of roles are filled by someone without a college degree

Pay

Wages

Across a range of occupations, employees at top quintile firms **earn on average**

2.5X

those at bottom quintile firms

Mobility

Velocity of Growth

1

YEAR FASTER

to promote employees

Job-Level Advancement

3X

FURTHER

advancement over 5 years

Promoting Up

2.5X

MORE LIKELY

to fill openings by promoting from within

Promoting Out

60%

MORE LIKELY

for employees to land a better job when they leave

Retention

2X

AS LONG

tenure per employee over 5 years

Homegrown Leadership

2X

AS LIKELY

for leaders to have risen from within

AFTER **5 YEARS** AT...

salesforce

A **SALES REPRESENTATIVE** IS

8X MORE LIKELY TO NOW BE AN **ACCOUNT EXECUTIVE** THAN AT CISCO

CISCO

AN **IT HELP DESK TECHNICIAN** IS

3X MORE LIKELY TO NOW BE IN **SOFTWARE DEVELOPMENT** THAN AT SALESFORCE

2 **There is no single model of opportunity.** The drivers of mobility and opportunity are uneven and depend on the structure, culture, and business model of a company. Directly competitive firms can have very different scores on the nine measures we created, even when their overall scores are similar. A firm’s sector matters, but it isn’t destiny.

- This is vividly illustrated in the **contrasting mix of scores for similarly ranked competitors.** Liberty Mutual Insurance Group and Hartford Financial Services Group, for example, are both in the top 15 of the overall ranking. But their paths for creating opportunity are quite different. A worker at Hartford, which scores in the top quintile on the velocity of growth measure, is more likely to be promoted quickly and advance by more than one level. Conversely, at Liberty Mutual, which scores in the bottom quintile on our velocity indicator, promotions don’t come frequently, but workers can get a great start there and leave for an even better job in another company. As shown above, similar contrasts are evident between other competing firms.

- The five distinct models of opportunity creation we used further demonstrate that **separate measures yield widely varying results**. Verizon, one of the 50 best companies overall, scored high for giving strong opportunities to workers without degrees and for training them and providing internal opportunities or positioning them for advancement in other firms. However, it placed in the bottom quintile for employee retention and for hiring senior managers and executives who have worked their way up in the company.

3 **The Index's data on performance offer a set of concrete goals to which companies can aspire.** While outperformance on each metric may not fit a given company's business model, the performance of top firms on each metric provides a set of actionable benchmarks. Among them:

- In a company **with a high level of internal mobility, the average worker is able to earn a promotion in two years.** That's the average time to promotion for firms in the top quintile for velocity, compared with three years for those in the bottom quintile.
- In a company with a **high retention rate, at least 70 percent of a starting cohort of employees is with the firm after five years.** That's the average retention rate for top-quintile firms in terms of retention, versus just over one-third at bottom-quintile firms.
- For any given occupation, **firms in the top quintile of pay offer wages that are 46 percent above the median** of the employers we studied, and more than two-and-a-half times the pay offered by bottom-quintile employers.

4 **Opportunity generation requires firms to embrace at least two of the three core dimensions of opportunity.** The five models underscore a key finding of our analysis: In order to generate opportunity for its workers, a firm has to excel at at least two of the three core dimensions of opportunity: access, pay, and mobility.

5 **Most companies are delivering well for workers in at least one way, but all have work to do.** Elements of good practice are widespread, with two-thirds of companies, or 161 of the 242 in the Index, ranking in the top 50 on at least one model. The top firms in the overall ranking—AT&T, American Express, Cisco, PG&E, and Microsoft—exhibited strengths in several of the areas mentioned. Good practice is not the exclusive provenance of a few industries: The top 50 includes companies from 21 out of 27 sectors.

Although some companies perform better than others on key measures, **nobody is earning top marks across the board.** The leading firms in the Index weren't consistently in the top quintile of each subcategory.

HOW COMPANIES CAN USE THE OPPORTUNITY INDEX

Companies benefit when workers rise. As just one example, in our analysis the companies in the **top quintile of employee retention held onto 71 percent of their workers after five years, versus 38 percent for bottom-quintile firms.** Given the high cost of employee turnover and the widespread prevalence of talent shortages, such a difference represents real financial impact.

For employers seeking to improve their performance, the Index provides a trove of data that can help them plan their talent strategies more effectively. Analysis of worker mobility within and beyond firms allows companies to evaluate which of their practices and policies are most effective. **Here are three specific ways that employers can leverage this work:**

1. Create Metrics and Track Performance

Metrics.
The first step for any business, as with so many key performance goals, is to establish metrics that clearly define desired outcomes. To date, even for those employers who have had opportunity and talent mobility top of mind, the ability to track progress has been hindered by a lack of metrics as well as by a lack of data on the trajectories of employees after they move on. The Index provides the methodology and architecture for how firms can put in place effective frameworks, including detailed, occupation-specific measures for key determinants of access, mobility, and pay.

Make tracking opportunity creation a key part of HR and management workflow.
Measuring worker outcomes is a critical starting point but is only likely to become a meaningful consideration for managers when such metrics become embedded in key decision-making processes. The chosen metrics need to be monitored and assessed on a regular basis to determine where improvements are required and what changes would move the company closer to its goals.

Benchmarking performance.
The Index provides a clear picture of what level of overall performance, across multiple measures, places a firm in the top 50 among the largest 250 U.S. companies. Because there are multiple pathways to achieving that outcome, each firm will need to make choices about which measures are its top priorities, based on its talent goals and the competitive landscape. Ultimately, benchmarks—and corresponding peer sets—should be established occupation by occupation, as is supported by the microdata underlying the Index. With these benchmarks in place, a firm can carefully assess its performance and formulate plans for improvement on both absolute and relative bases.

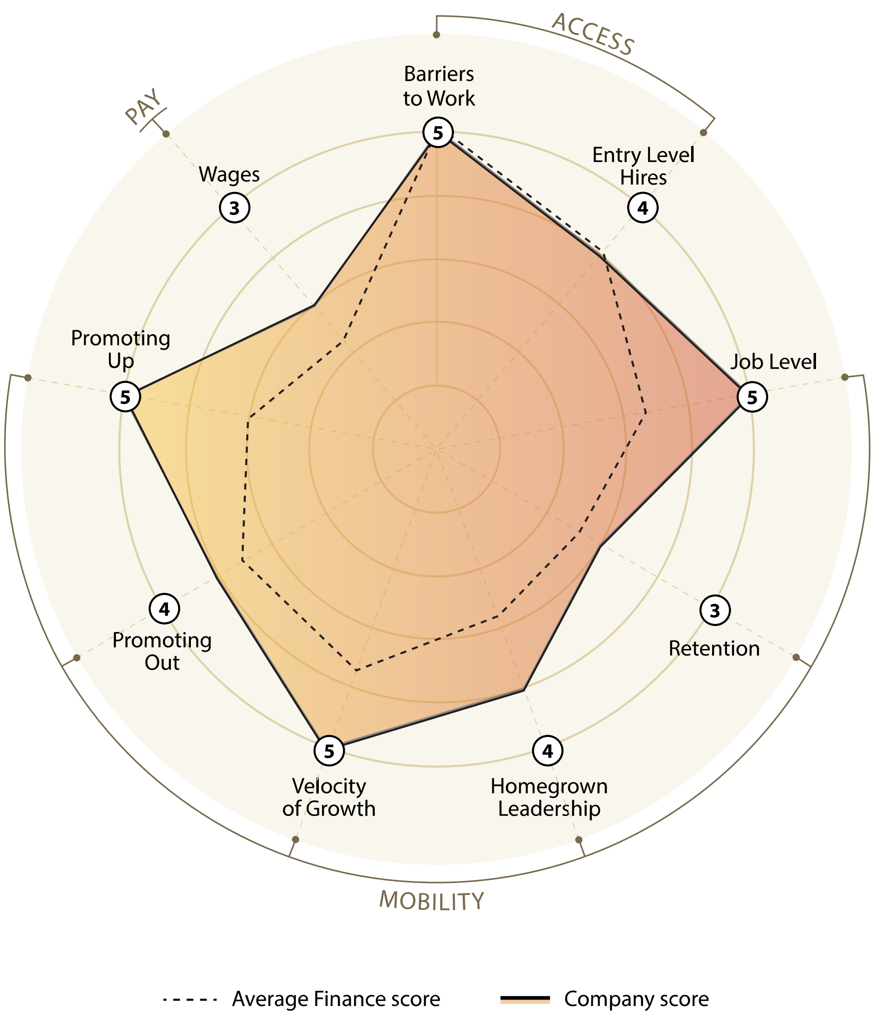
AT&T

Sector rank

Telecommunications: 1

Weighted average **4.21**

Submetrics scores



How can a firm track the mobility of its workers? The companion website to this report provides a detailed view of individual companies' performance, offering an illustration of how companies can create easy-to-use dashboards to track and benchmark their progress. Companies wishing to improve must go beyond tracking their overall performance and begin assessing their progress against each of the sub-measures. **Each company chart shows how that firm performs on each of the nine metrics:** entry-level hires, barriers to work, wages, job level, retention, velocity of growth, promoting up, promoting out, and homegrown leadership. In addition, **the dashboard compares these scores against the average scores for those in the same industry,** allowing for quick benchmarking against peers.

2. Establish Concrete, Actionable Goals

The Index breaks new ground by identifying a set of **benchmarks that define what it means to offer jobs that provide demonstrated opportunity and mobility.** Instead of using corporate nostrums about the importance of human assets and relying on surveys of employee attitude to divine how their workforce feels about the opportunities the company affords them, companies can use the report's data on peer performance, as identified in the findings section, to develop current, concrete goals to assess their own progress and to demonstrate it to others.

We recognize that pursuing top-quintile benchmarks won't make sense for every company, given differences in business model, geography, et cetera. **Companies will need to make explicit choices about the specific ways in which they will provide opportunity** for income growth and upward mobility to their workers. These standards can then help define targets and measure progress.

3. Ask Questions to Guide Internal Mobility Strategy

Beyond establishing trackable metrics that permit firms to establish outcome benchmarks, the Index provides rich detail to guide internal conversations about strategic priorities. What should companies be asking themselves as they seek to understand these rankings and use them to promote worker opportunity and mobility together with business success?

A few suggestions:

1. **If your firm is experiencing talent shortages in your entry-level positions**, are you in the top quintile on access metrics? If not, would drawing from a wider pool allow you to access more talent without disrupting your business model?

2. **If your firm is experiencing talent shortages in your mid-level roles**, have you considered how to better assess the talent and skills of the workers you have, and developed pathways that enable them to grow within your company?

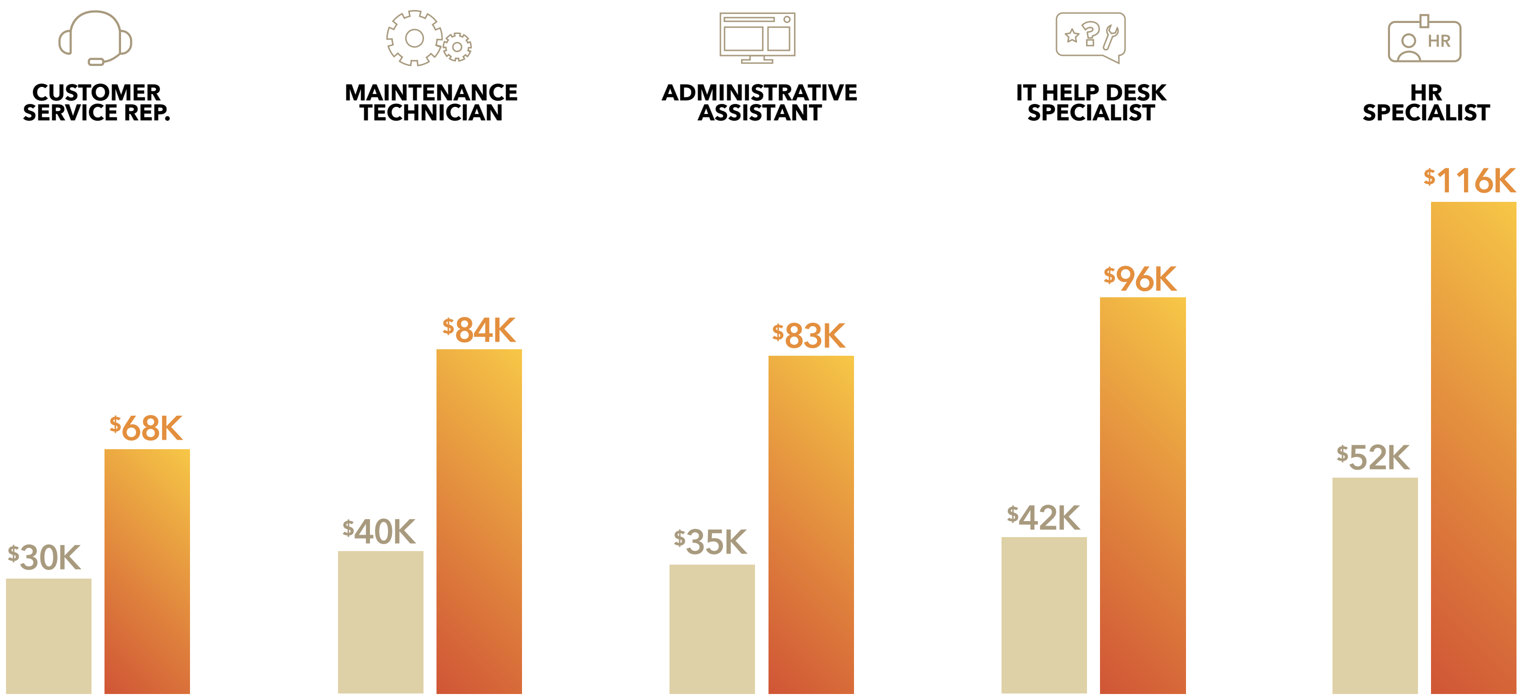
3. **If your five-year retention rate falls in one of the lower quintiles,** would creating clear pathways for advancement through improving employee education and training benefits encourage more workers to stay longer? If you offer such pathways, have you communicated them clearly and frequently to your workforce? Have you tracked retention rates for employees who take advantage of such benefits versus those who don't?

4. **If you fall in a low quintile according to the promoting up metric** and you believe that improving your performance would help both recruitment and retention, have you made promotion criteria transparent to employees? Have you conducted internal surveys and discussions to ask workers whether they feel they have a fair chance at getting ahead? If not, have you asked employees and managers what improvements would help?

Taking steps like these to use the Opportunity Index offers many advantages for businesses. **Firms must take an active role in identifying, retaining, and nurturing talent** if they are to thrive in the labor market of the future. To do so they will need to abandon a short-term, transactional approach to hiring in favor of a longer-term mindset that views workforce relationships as central.

As people move up, and particularly if they move up within a company, the firm is not only **improving employee retention and engagement.** It is also **building its brand as a great place to work** that in turn will attract better talent. Along the way, companies also benefit commercially from having a talent base that is increasingly skilled, experienced, loyal, and valuable. What's more, information of this kind is a precious resource for any business that wants to track its progress in fulfilling such core values as worker well-being and economic mobility.

WAGE BY QUINTILE



Customer Service Rep.	Maintenance Technician	Administrative Assistant	IT Help Desk Specialist	HR Specialist
TOP FIRMS PAY 2.3X BOTTOM FIRMS	TOP FIRMS PAY 2.1X BOTTOM FIRMS	TOP FIRMS PAY 2.4X BOTTOM FIRMS	TOP FIRMS PAY 2.3X BOTTOM FIRMS	TOP FIRMS PAY 2.2X BOTTOM FIRMS
$1.14M DIFFERENCE OVER A CAREER	$1.32M DIFFERENCE OVER A CAREER	$1.44M DIFFERENCE OVER A CAREER	$1.63M DIFFERENCE OVER A CAREER	$1.92M DIFFERENCE OVER A CAREER

CONCLUSION

Our goal in creating this Index is to make **reliable, actionable data available to a range of stakeholders,** notably workers choosing which firms are most likely to offer attractive, mobility-enhancing jobs and the business leaders whose decisions have so much bearing on the real-world mobility of their workers.

The two sides of the equation are mutually reinforcing. **Where an individual works matters deeply for that person's well-being and future success. And corporate practice matters both for attracting and retaining strong employees and for the business results created by better talent management.** All parties have agency to exercise. We believe the American Opportunity Index will **equip both individual workers and corporate decision makers** with actionable information that will yield better results for individual workers and their employers alike.

The profiles and stories included in this report **showcase specific ways in which leading firms are getting opportunity creation right.** Our effort to break new ground by focusing on outcomes rather than inputs doesn't allow us to demonstrate cause and effect between corporate practices and employee opportunity and mobility with precision. We intend to do so in the future, as we refine our model and deepen our data sets. For now, the examples here serve to illustrate what appear to be best practices that distinguish firms with a track record of creating opportunity for their middle-skilled employees from those that have room for improvement and stand to gain from such efforts.

Along with the action items for firms described in this report, the Index vividly **illustrates how important it is for job seekers to look out for companies that align best with the particular dimensions of opportunity creation.** Simply put, where you work can play an important role not only in how much you make but also in how far you are able to get ahead and how soon.

Last, the Opportunity Index **provides policymakers with concrete, fine-grained outcome data** to inform the structure and scope of their work. How can government incentives, including tax credits, be structured so as to encourage the corporate practices that prove most impactful for workers? How should regional and workforce planners prioritize industry sectors in which workers are moving up successfully? How should they respond to those where workers are stuck?

No data set or analysis is perfect. **We welcome feedback and are already working to refine the methodology** we deploy in future editions of the American Opportunity Index. But we are convinced that a robust, baseline set of measures reflecting key motors of opportunity and mobility is a vital place to start. **The Index will give businesses and workers a much-needed yardstick with which to measure progress.** If we are to restore the promise of this country, the American people deserve no less.

WHAT SUCCESS LOOKS LIKE:

PROFILES OF SELECTED LEADERS IN OPPORTUNITY CREATION

OVERALL TOP-RANKED FIRM: AT&T

THE HARD PART OF BEING AN EMPLOYMENT LEADER COMES IN CONTINUALLY INVESTING IN EMPLOYEES AND ENCOURAGING THEIR RISE.

The top-rated firm in the Opportunity Index demonstrates how profoundly the proper tools and business climate can influence the career of someone like Demetrus Hayes. Hayes started working in a sales position at an AT&T store while he was still in high school. Today, he oversees nearly 10,000 employees and contractors as vice president and general manager of AT&T's Gulf States. The company provided an avenue for Hayes' advancement without a college education—and along the way paid for him to earn his degree in business administration from the University of Phoenix, making him the first among his extended family to receive a diploma.

AT&T's standing is aided by the diversity and reach of its business. With a sizable retail operation, as well as a plethora of technical support positions, call center operators, and a big corporate headquarters, there are a lot of open doors on the ground floor. "There's never a day that we're not hiring," says senior executive vice president of human resources, Angela Santone.

But if AT&T's business model were all the firm had going for it, it would be fostering flimsy careers with high turnover. **The hard part of being an employment leader comes in continually investing in employees and encouraging their rise.** "Less than 5 percent of our positions require a college degree, so we really do look for skill sets and experience first," Santone says. "We invest millions of dollars in training, and we have a culture of perpetual learning."

Beyond its tuition assistance program, AT&T offers apprenticeship programs in, for example, network engineering or hardware tech. And it's committed to diversity. Almost 20 percent of all employees and nearly 14 percent of management are Black. The company also actively recruits "second chance" workers, who have criminal records, and is developing community college partnerships. Says Santone: "I think that's an under-tapped marketplace for us."

1 | CAREER LAUNCHPAD: IBM

Skills-based hiring is certainly not unique to IBM. But few are doing it at such scale. The company employs more than 250,000 people around the globe. It hired tens of thousands of employees in 2021 alone. And once candidates get in the door, the company continues its commitment to skills development—inevitably increasing the value of its employees in the process.

"We've removed the college requirement from 50 percent of our jobs," says IBM chief human resources officer Nickle LaMoreaux. Now, many positions that were long ruled by college graduates, like software development, have been democratized. "Why do I care if you learned Python at a four-year prestigious college or took classes at a community college, or in the military, or if you taught yourself in your basement? I don't."

This overarching commitment to workforce training puts the company among the leaders in the Career Launchpad model, which recognizes firms that excel at hiring entry-level workers and providing a stepping stone for workers who leave. Leaders of this model hail from industries with robust employee-education and skills-development initiatives.

At IBM, the commitment to skills development includes apprenticeship programs in cloud, cybersecurity, and software development, which allow candidates to earn while they learn. It also offers an extensive paid internship program.

LaMoreaux fully understands how some might view the company's philosophy on skills development as somewhat self-defeating. The risk of providing free education to the masses is that they'll get a job somewhere else. But IBM—a company that's been around for more than 110 years—is known for taking the long view.

"A lot of people say, 'Aren't you training your competition?' Maybe. But we're also training future IBMers," LaMoreaux says. "For those who want to use their skills as a launchpad, well, we hope they stay in the ecosystem as clients and partners—or even potentially come back as boomerang hires."

"A LOT OF PEOPLE SAY, 'AREN'T YOU TRAINING YOUR COMPETITION?' MAYBE. BUT WE'RE ALSO TRAINING FUTURE IBMERS."

EXEMPLARS OF FIVE OPPORTUNITY CREATION MODELS

2 | CAREER STABILITY: Southwest Airlines

Do you want a job where you're encouraged to break into song? The hours might be long on some days, and you're definitely going to need a pair of decent shoes and a strong back. But there's a decent chance you could start at entry level and retire with a seven-figure portfolio—and a good possibility you'll wind up working with your friends, family, and even your spouse. If that sounds appealing, Greg Muccio has something to tell you about Southwest Airlines.

> **"I'VE GOT SO MANY FLIGHT ATTENDANTS AND RAMP AGENTS AND MECHANICS RETIRING AS MILLIONAIRES."**

"We treat employees really well," says Muccio, Southwest's senior director of talent acquisition. "I've got so many flight attendants and ramp agents and mechanics retiring as millionaires."

When it comes to its workforce, Southwest's biggest point of pride has been the company's ability to navigate the storm clouds of the oft-turbulent aviation industry. In its 51-year-history, the company has never had a layoff. Placing 10th overall on the 2022 American Opportunity Index, Southwest Airlines is also among the Index's 50 best workplaces in the Career Stability category.

To actively create growth avenues as it got much larger, the airline established a career mobility team that Muccio likens to a college career center. Southwest also has an internal university that teaches soft skills to prepare prospective managers and leaders, and other skill sets for all levels of employees.

Southwest currently has more than 62,000 exceedingly loyal employees. The company's annual turnover rate is reportedly around 4 percent—and a high percentage of workers recruit their best friends, family members, and even their spouses.

In Muccio's mind, those referrals are both a valuable source of talent and a validation of the strength of the culture. At one point, married couples represented nearly 6 percent of the Southwest workforce (the company no longer tracks the metric) and the company employed seven members of the same family—which is pretty on-brand for a company whose three-letter stock ticker is LUV.

WESCO®

3 | CAREER GROWTH: Wesco International

THE HR TEAM IS DEVELOPING A SUITE OF ONLINE TOOLS THAT MAPS VARIOUS CAREER PATHS, HIGHLIGHTING AVAILABLE JOBS AND THE ASSOCIATED SKILL SETS, ACROSS DEPARTMENTS.

The past few years have proven challenging for any company that relies on a smooth, predictable supply chain—which is to say, every company. But for Wesco International, whose business is the supply chain, the situation has been especially complex. After acquiring an equally sized competitor in 2020, Wesco didn't merely survive the complexity: It's thriving.

Since the acquisition, Wesco stock has jumped and it has embarked on a series of programs to expand opportunities for employees and recruits, raise wages, diversify its workforce, and increase retention—all of which helped earn the company a spot among our leaders in the Career Growth category.

It's logical that a global distribution firm would provide lots of entry-level opportunity. Wesco employs thousands of warehouse laborers and operations specialists—positions with no obvious need for a higher education or even previous experience. The company tends to hire for proven skills and safety records in certain positions, like forklift drivers, but generally speaking, it filters primarily for people who work well with others and can serve two constituencies—suppliers and customers. "Succeeding here really requires people to cooperate," chief human resources officer Christine Wolf says.

Once entry-level employees prove their aptitude inside the company, Wesco actively exposes them to less obvious opportunities. While the path from a warehouse employee to a supervisor, for example, is somewhat apparent, the company entices workers with lateral pathways as a way to increase their skills. Wolf's team is developing a suite of online tools that map various career paths, highlighting available jobs and the associated skill sets, across departments. And she is always thinking about ways to bring more workers into the front end of the funnel, including people from adjacent industries. "Especially in sales and sales support, those people have those basic, transferable skills," Wolf says. "They just need to learn our products, our industry, and we can train them."

4 | ADVANCEMENT WITHOUT A DEGREE: U.S. Bank

A lot of companies talk about the importance of hiring for skills over degrees, only to have the data betray their behavior. That's not true with U.S. Bank and its approach to attracting and retaining talent. It has close to 70,000 employees around the country; so far this year more than 45 percent of the company's total hires were non-college graduates. Further, the company fills nearly 40 percent of positions with internal candidates.

As it turns out, providing advancement opportunities is a great incentive for employees to stick around. "For the longest time, we would talk about retention, retention, retention. How do we retain talent? But over the past 24 months or so, we pivoted. Now we're focusing on the concept of re-recruiting," says Elcio Barcelos, chief human resources officer. "We want them to make the choice to stay because they're always growing and evolving their career."

"WE WANT THEM TO MAKE THE CHOICE TO STAY BECAUSE THEY'RE ALWAYS GROWING AND EVOLVING THEIR CAREER."

Entry-level workers often come into U.S. Bank via retail branches and climb the ladder from teller to assistant branch manager to manager. To encourage horizontal movement, the company established a program last year in which all managers meet periodically with employees to convey performance, understand career aspirations, and prepare them for their next move. "It's about assessing and adding skills to your inventory," Barcelos says. "What are the skills you need to acquire for your next job, and how can we teach you those skills?"

U.S. Bank is certainly giving employees practical help acquiring those skills. Last year it launched a digital academy, an internal web platform for any employee who wants to learn skills like writing Python code and designing app features. Another resource being made available focuses on developing softer skills, like how to build trust, which are increasingly recognized as crucial for getting ahead.

5 | GROWING TALENT: Costco and Liberty Mutual

At first blush, Costco and Liberty Mutual seem to have little in common. A big-box retailer and an insurance company provide two very different settings that would, intuitively, appeal to distinct sets of employees. With Costco, you think about workers driving a forklift, packaging giant rotisserie chickens, and hoisting 50-pound bags of heirloom rice. At Liberty Mutual, work involves arranging policies, comforting frazzled drivers, and managing claims.

But dig a little deeper and common threads begin to emerge. **Both companies are built on a philosophy of exposing employees to linear and tangential career pathways, encouraging growth, and fostering a culture where the progression to the ranks of leadership from entry-level positions is common enough to seem expected.** So it's no coincidence that both landed in the 2022 American Opportunity Index among the 50 best firms for Growing Talent.

At Liberty, more than 80 percent of managerial positions are filled by internal employees. The statistic reflects the 110-year-old company's strong culture of internal mobility, says Shawn Tubman, Liberty Mutual's head of talent acquisition. "It comes down to providing an environment where everybody has the space to be successful, and the support and tools to grow their careers."

It's readily apparent to any long-term Costco member that employees rise through the ranks. Months turn into years, years turn into decades, and employees advance from shagging carts in the parking lot to checking receipts at the door to then running teams and departments. Along the way, they develop not only a sense of belonging but also a pride of ownership. "We want to make sure you never feel like you're stagnating. And if people want opportunity, they see opportunity," says Pat Callans, executive vice president of administration at Costco.

Liberty takes a similar tack when mapping out multiple paths to leadership. It has an apprenticeship program that's designed to lure entry-level employees into new roles, especially those related to digital innovation. Hiring for these roles has far more to do with attitude and ambition than education or training in a specific skill set. "We're a culture of innovation and continuous improvement," Tubman says. "All of those dynamics have contributed to us looking beyond college education. In fact, if you look at our available jobs, even the ones that require a college degree, it now typically says 'college degree or equivalent.'"

While Callans is competing primarily with retailers for talent, Tubman feels like he's competing with everyone, noting that many employers still have more open jobs than qualified applicants. "But it's also about making it so people don't have to change companies to change careers," he adds, "especially in 2022, when switching jobs is as easy as pushing a button."

> **"BUT IT'S ALSO ABOUT MAKING IT SO PEOPLE DON'T HAVE TO CHANGE CAREERS," HE ADDS. "ESPECIALLY IN 2022, WHEN SWITCHING JOBS IS AS EASY AS PUSHING A BUTTON."**

ACKNOWLEDGMENTS

THE AUTHORS ARE GRATEFUL TO

the **Schultz Family Foundation** for its generous support of the American Opportunity Index, and we especially thank **Marie Groark** and **Rajiv Chandrasekaran** for their steadfast belief in the potential of this project to boost worker mobility.

WE ALSO WISH TO THANK

Lightcast and Glassdoor for providing access to the data sets that were used in this analysis. We very much appreciate the efforts of **Bledi Taska** and **Rucha Vankudre** of Lightcast and **Scott Spitze** and **Alex Martin** of the Burning Glass Institute, who provided important analytical support to this project. In addition, we are grateful to **Byron Auguste, Teresa Carroll, Rachel Carlson, Tomas Chamorro-Premuzic, David Deming, Jay Doherty, CJ Grimes, Erica Groshen, Bart Hobijn, Ravin Jesuthasan, and Sonny Tambe** for their invaluable feedback and advice. Thank you as well to **Brooks Kochvar** and **Brendon DelToro** of Guidant Polling & Strategy, who conducted the employee survey, and to **Ben Wildavsky** for his help in editing this report.