



Roadmap

- Why the young & restless matter
- Coming shift in US labor markets
- Location trends
- The college-educated
- Neighborhood effects
- Building a distinctive strategy

Research Agenda

- Detailed Quantitative Analysis
 - Demographics, migration, and location of 25-34 year-olds in 1990 and 2000
 - Focus on Metro Areas
- In-Depth Qualitative Analysis
 - Focus groups with young workers in participating cities
 - Recent movers, college plus education

A Critical Demographic

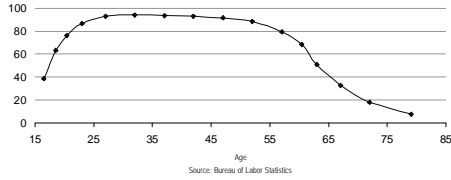
As a group, 25 to 34 year-olds are:

- Well-Educated
 - Highly Mobile
 - Hard-Working
 - Adaptable
 - Cheap (Relative to Older Workers)
- = H.R.'s Dream Demographic

Highest Labor Force Participation

Labor Force Participation Peaks in Early 30s

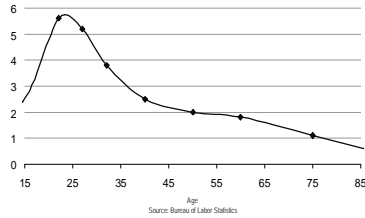
Labor Force Participation Rate (Percent) for White, Non-Hispanic Men, 2002



Young Adults Move Most

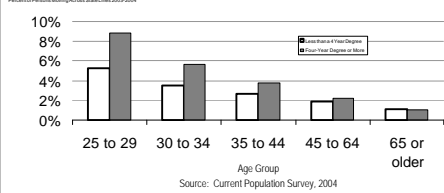
Young Adults Most Likely to Move Across State Lines

Probability of an Interstate Move, 2002 to 2003, by Age (Percent)



Best Educated Move Most

College Educated 25-34s Most Likely to Move

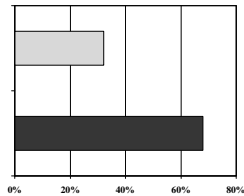


Talented Young Adults Seek Place

Thinking about how you will look for and choose your next job, which of the following statements best reflects your opinion? (Asked of 1,000 25-34 year old college graduates)

Look for the best job I can find. The place where it located is pretty much a secondary consideration.

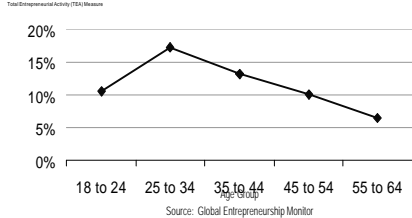
Look for a job in a place that I would like to live



CEIOS for Cities

Most Likely to Start a Business

Entrepreneurship Highest Among 25-34 Year Olds



And one more thing . . .

There are fewer of them

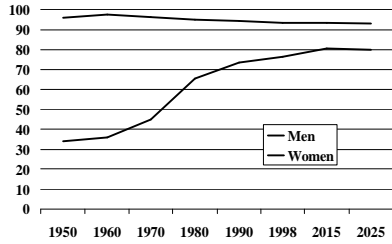
- U.S. 25 to 34 Year Old Population
 - 1990: 43.5 Million
 - 2000: 39.6 Million
- Today
 - 3.9 Million Fewer
 - a 9% Decline

A Seismic Shift in Labor Markets

- | | |
|---|---|
| <ul style="list-style-type: none">• Last 30 Years<ul style="list-style-type: none">– Boomers enter prime work years– Women's labor market participation nearly doubles– Educational attainment up sharply | <ul style="list-style-type: none">• Next 30 Years<ul style="list-style-type: none">– Boomers retire; many early– Women's labor market participation plateaus– Educational attainment plateaus |
| = Labor Surplus | = Labor Shortage |

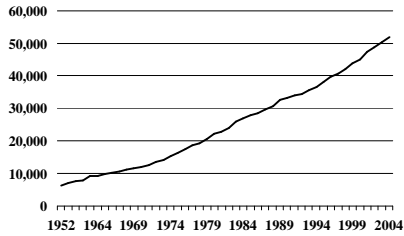
Women Now in Labor Force

Labor Force Participation Rates



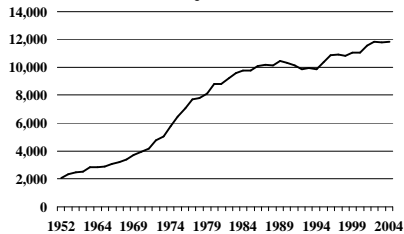
Five-fold increase in College Grads since 1965

Adults with a 4-year degree, (thousands)



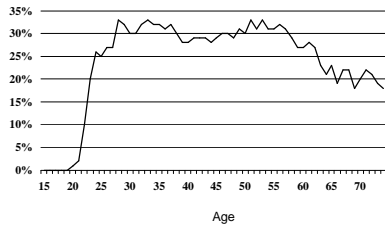
Slowing Growth in Graduates

Number of 25 to 34 Year Old College Graduates



College Attainment Rate Flat

College Attainment Rate (2004)



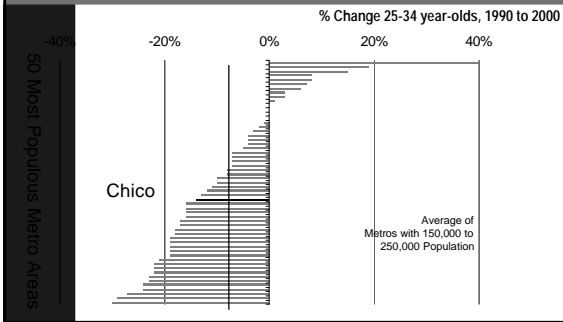
Competing in a Knowledge Economy

- Talent is the critical resource
- “The Creative Class” matters
 - Skilled, creative workers
 - Attractive, tolerant places
 - Innovative, successful economies
- The Young and Restless are the “creative class” that is up for grabs

Our Five Fundamentals

- Winners and Losers
- Diversity
- Talent
- Women
- Place

Winners and Losers



Chico Followed National Trend

Young Adults Ages 25 to 34

- 1990: 37,495
- 2000: 32,347
- Change: -5,148 (-13.7%)

For Reference:

Total Population Up 11.4%

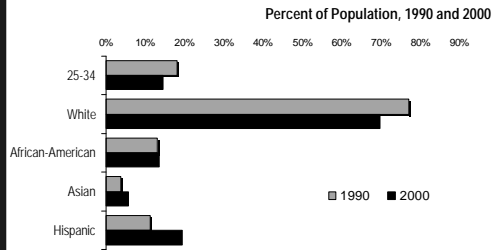
Data for Butte, Glenn & Tehama Counties

Young Adults are More Diverse

Nationally:

- One-fifth of 25/34s are Hispanic
 - Hispanic up 57%
- Asian-American up 41% since 1990
- African-American down 6%
- White down 17%

Young Adult Population More Diverse



Hispanics

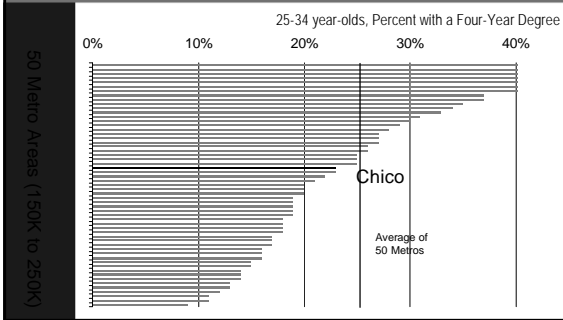
- Fastest growing segment of the young and restless since 1990
 - Hispanic 25-34: Up 2.3 million (+57%)
 - Non-Hispanic 25-34: Down 5.3 million (-17%)
- Chico:
 - Hispanic 25-34: Up 2,182 (+50%)
 - Non-Hispanic 25-34: Down 7,330 (-22%)
- Low College Attainment an issue (11% vs. 31.9% for all 25-34s)

African-Americans

- Declining slightly, less than whites
- Generally becoming more dispersed
- Magnet Cities for African-Americans,
 - Atlanta, Orlando, Charlotte
- Chico
 - 16% increase in 25-34 year-old African Americans
 - 480 vs 410 in 1990

Data for Butte, Glenn & Tehama Counties

Big Variations in Talent Among Metros



Best and Worst Educated Metros

Rank	Metropolitan Area	25-34 Attainment Rate
1	Raleigh--Durham, NC	45.2%
2	Boston--Worcester--Lawrence, MA	43.2%
3	San Francisco--Oakland--San Jose, CA	41.3%
4	Washington--Baltimore, DC--MD--VA--WV	40.9%
5	Minneapolis--St. Paul, MN--WI	39.9%
46	Norfolk--Virginia Beach--Newport News, VA	23.8%
47	Los Angeles--Riverside--Orange County, CA	23.0%
48	Jacksonville, FL MSA	22.5%
49	San Antonio, TX MSA	22.2%
50	Las Vegas, NV--AZ MSA	16.3%

Chico Gained College Educated

College-educated 25 to 34 Olds

- 1990: 5,850
- 2000: 5,907
- Change: +57 (+2.7%)

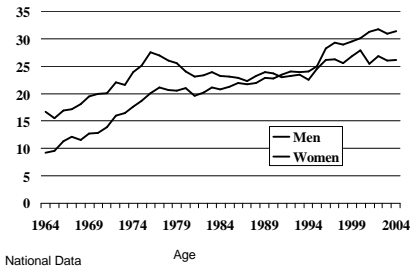
Four-Year Attainment Rate

- 1990: 15.6%
- 2000: 18.3%

Data for Butte, Glenn & Tehama Counties

Women Better Educated Now

College Attainment Rate (Percent with a 4 Year Degree)



Locally: Smart Women

College Attainment Rate of 25 to 34 Year Olds

Gender	1990	2000	Change
Men	15.9%	16.6%	+0.7%
Women	15.3%	20.0%	+4.7%

Data for Butte, Glenn & Tehama Counties

Close-In Neighborhoods Matter

- Close-in defined:
 - Within 3 miles of Central Business District
 - Total Population: 9 million (2000)
- Young adult preference for close-in living relative to other Americans
 - 1980: +10% Greater
 - 1990: +12% Greater
 - 2000: +30% Greater
- Young adult close-in preference increased in all 50 large metro areas between 1990-2000

Where Close-In Neighborhoods Work

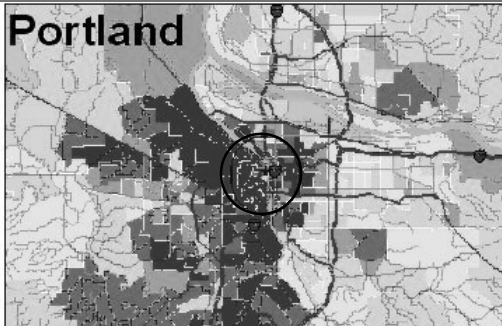
Rank	Metropolitan Area	Close in Preference
1	Chicago--Gary--Kenosha, IL--IN--WI	1.79
2	Seattle--Tacoma, WA	1.73
3	San Francisco--Oakland--San Jose, CA	1.69
4	New York--Northern New Jersey, NY--NJ	1.62
5	Boston--Worcester, MA--NH	1.61
46	San Antonio, TX	1.01
47	Greensboro--Winston-Salem, NC	1.00
48	Nashville, TN	0.99
49	Norfolk--Virginia Beach, VA	0.96
50	Jacksonville, FL	0.94

Smart in the Center

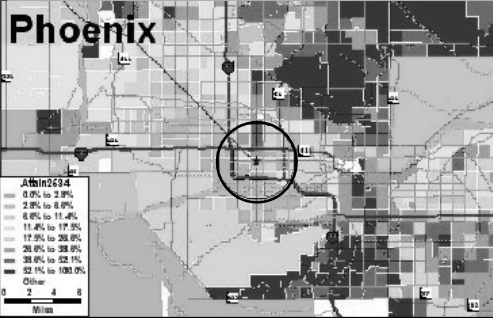
Rank	Metropolitan Area	College Attainment	
		Close-in	Rest of MSA
1	New York--N. New Jersey, NY--NJ	71.6%	33.0%
2	Chicago--Gary, IL--IN--WI	69.5%	33.1%
3	Portland--Salem, OR--WA	54.7%	26.2%
4	San Francisco--Oakland--San Jose, CA	67.1%	38.1%
5	Seattle--Tacoma, WA CMSA	56.3%	32.4%
46	Indianapolis, IN	17.1%	32.1%
47	Los Angeles--Riverside--Orange Cty., CA	12.3%	23.4%
48	Phoenix--Mesa, AZ	11.2%	25.2%
49	San Antonio, TX	9.5%	23.6%
50	Las Vegas, NV--AZ	5.1%	18.0%

Young & Restless in Center

Portland



Young and Restless in Suburbs



Policy Implications

- Make people the focus of economic development
- Women and ethnically diverse young people
- Openness and engagement
- The role of higher education
- Vibrant close-in neighborhoods are an economic asset
- The economic importance of being different

Strategy = Differentiation

“Competitive strategy is about being different. The essence of strategy is choosing to perform activities differently than rivals do”

Michael Porter, "What is Strategy," *Harvard Business Review*, 1996

For More Information

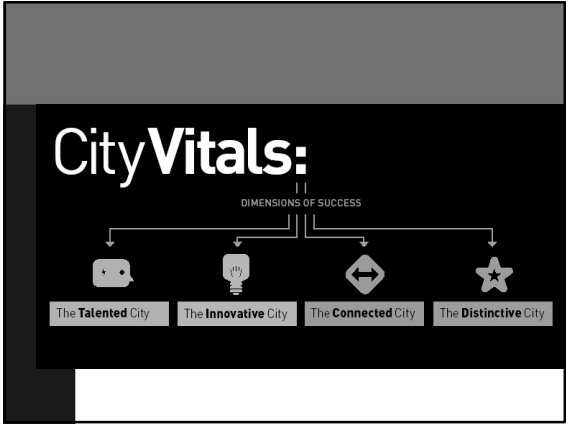
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CEOs for Cities





Impresa's Mission

- Understand how regions prosper in a knowledge based economy
- Impresa's Work
 - Oregon Business Plan: An ongoing 5-year private sector-led state strategic planning
 - National industry clusters studies of biotechnology and high tech
 - Research Advisor to CEOs for Cities
 - Senior Fellow, Brookings Institution
 - Advisor to Ford & McArthur Foundations, National Academy of Sciences, OECD

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