Talented Young Workers and the Prospects for Prosperity

Joe Cortright

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

最高的劳动参与率

劳动参与率在早期达到峰值

劳动参与率（百分比）

白人非裔美国男性，2002年

劳动参与率 (%) 与年龄

年龄段: 15, 25, 35, 45, 55, 65, 75, 85

来源: 劳动力统计局

年轻人移动最多

年轻人最有可能跨越州界移动

年轻人最可能跨州移动百分比

年龄段: 15, 25, 35, 45, 55, 65, 75, 85

来源: 劳动力统计局
Best Educated Move Most

College Educated 25-34s Most Likely to Move

Source: Current Population Survey, 2004

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)

Most Likely to Start a Business

Entrepreneurship Highest Among 25-34 Year Olds

Source: Global Entrepreneurship Monitor
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

- Last 30 Years
  - Boomers enter prime work years
  - Women’s labor market participation nearly doubles
  - Educational attainment up sharply
  - Labor Surplus
- Next 30 Years
  - Boomers retire; many early
  - Women’s labor market participation plateaus
  - Educational attainment plateaus
  - Labor Shortage
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

% Change 25-34 year-olds, 1990 to 2000

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

<table>
<thead>
<tr>
<th>Percent of Population, 1990 and 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%  10%  20%  30%  40%  50%  60%  70%  80%  90%</td>
</tr>
<tr>
<td>25-34 White</td>
</tr>
<tr>
<td>25-34 African-American</td>
</tr>
<tr>
<td>25-34 Asian</td>
</tr>
<tr>
<td>25-34 Hispanic</td>
</tr>
</tbody>
</table>

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

25-34 year-olds, Percent with a Four-Year Degree

50 Metro Areas (150K to 250K)

Average of 50 Metros

Best and Worst Educated Metros

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

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)

<table>
<thead>
<tr>
<th>Year</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>1969</td>
<td>16%</td>
<td>11%</td>
</tr>
<tr>
<td>1974</td>
<td>17%</td>
<td>12%</td>
</tr>
<tr>
<td>1979</td>
<td>18%</td>
<td>13%</td>
</tr>
<tr>
<td>1984</td>
<td>19%</td>
<td>14%</td>
</tr>
<tr>
<td>1989</td>
<td>20%</td>
<td>15%</td>
</tr>
<tr>
<td>1994</td>
<td>21%</td>
<td>16%</td>
</tr>
<tr>
<td>1999</td>
<td>22%</td>
<td>17%</td>
</tr>
<tr>
<td>2004</td>
<td>23%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Locally: Smart Women

College Attainment Rate of 25 to 34 Year Olds

<table>
<thead>
<tr>
<th>Gender</th>
<th>1990</th>
<th>2000</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>15.9%</td>
<td>16.6%</td>
<td>+0.7%</td>
</tr>
<tr>
<td>Women</td>
<td>15.3%</td>
<td>20.0%</td>
<td>+4.7%</td>
</tr>
</tbody>
</table>

Data for Butte, Glenn & Tehama Counties

Close-In Neighborhoods Matter

- Close-in defined:
  - Within 3 miles of Central Business District
- 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

<table>
<thead>
<tr>
<th>Rank</th>
<th>Metropolitan Area</th>
<th>Close in Preference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chicago–Gary–Kenosha, IL–IN–WI</td>
<td>1.79</td>
</tr>
<tr>
<td>2</td>
<td>Seattle–Tacoma, WA</td>
<td>1.73</td>
</tr>
<tr>
<td>3</td>
<td>San Francisco–Oakland–San Jose, CA</td>
<td>1.69</td>
</tr>
<tr>
<td>5</td>
<td>Boston—Worcester, MA–NH</td>
<td>1.61</td>
</tr>
<tr>
<td>46</td>
<td>San Antonio, TX</td>
<td>1.01</td>
</tr>
<tr>
<td>47</td>
<td>Greensboro–Winston-Salem, NC</td>
<td>1.00</td>
</tr>
<tr>
<td>48</td>
<td>Nashville, TN</td>
<td>0.99</td>
</tr>
<tr>
<td>49</td>
<td>Norfolk–Virginia Beach, VA</td>
<td>0.96</td>
</tr>
<tr>
<td>50</td>
<td>Jacksonville, FL</td>
<td>0.94</td>
</tr>
</tbody>
</table>

## Smart in the Center

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

## 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”

For More Information

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  - Senior Fellow, Brookings Institution
  - Advisor to Ford & McArthur Foundations, National Academy of Sciences, OECD