

TALENT WARS



WHAT PEOPLE LOOK FOR IN JOBS AND LOCATIONS

..... dci **Q** REPORT

QUARTERLY RESEARCH TO RAISE
YOUR ECONOMIC DEVELOPMENT IQ

2019: Q2

INTRODUCTION



Talent is the new currency
of economic development.

America is facing a talent crisis. As of April 2019, unemployment has fallen to the lowest level in 50 years—causing many economists to consider the U.S. to be past “full employment.” While record-breaking job growth may seem like cause for celebration, for many companies it means an increased struggle to find, attract and retain talent. Now employers are putting pressure on economic developers to help them fight for talent across city, county, state and global lines.

According to many site selectors, talent is the new currency of economic development: “Talent attraction is going to become more important than project attraction. There are going to be winners and losers,” says Darin M. Buelow, Principal, Deloitte Consulting LLP.

As the leader in marketing places, Development Counsellors International (DCI) helps communities market themselves to attract investment, visitors and now talent—arming our clients with the tools they need to win the “Talent Wars.” In 2017, DCI released the seminal “Talent Wars” research report to help economic developers understand how people choose jobs and locations. This year, we surveyed 1,500 people (ages 21-74) across the U.S. representative of different industries and educational levels—ranging from a high school degree to master’s degree or higher—to answer the following questions:

- What motivates relocation?
- What are the top factors when considering a new job or location?
- How does talent learn about new job opportunities and communities?
- What information can communities provide to help in the relocation process?

By understanding how people choose jobs and locations, communities can strategically market themselves to attract talent and win the war for talent.

THE TALENT ATTRACTION OPPORTUNITY



85% of respondents describe themselves as willing to relocate.

As the search for talent heats up for employers, so does talent's search for jobs: 40% of this year's respondents said they were looking for new job opportunities on a weekly or daily basis. It's clear that people are actively searching for new job opportunities, but are they willing to relocate for them? A majority said "yes."

If a job opportunity that matched your skill and salary requirements was offered to you and was located more than 100 miles from your current residence, would you be willing to relocate?



In fact, 85% of respondents said they would describe themselves as willing to relocate, either for a new job (48%) or for a better quality of life (34%). Most people are willing to move for the right reasons, but relocation is not for everyone—15% said they will never relocate, even for a better job or quality of life opportunity.

Despite the narrative that starting a family or retirement are the main causes for relocation, most respondents would consider relocating for job-related factors.

What would be the primary reason you would consider relocating?





Salary remains the number one factor considered for new job opportunities.

Since we know jobs are the top factor behind relocation decisions, what exactly is considered when assessing a new job opportunity? Salary remains the number one factor considered for new job opportunities (consistent to 2017 data). Location still plays a large role when considering new opportunities, ranking among the top five factors. But employer-related factors such as work-life balance, company benefits and meaningful work continue to outrank the importance of location.

Top factors when considering a new job opportunity:

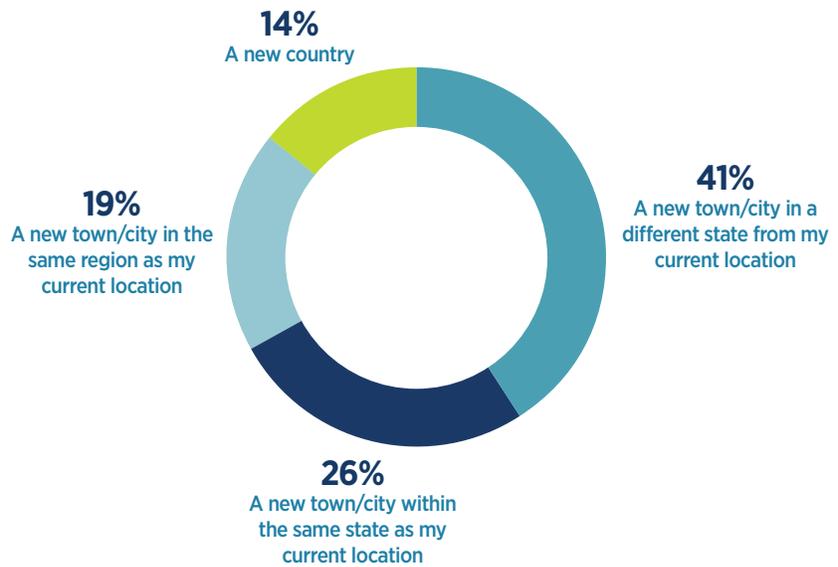


1 = NOT IMPORTANT, 10 = VERY IMPORTANT

Even though student debt and affordable quality childcare appear in the media as top concerns for the national workforce, when considering a new job opportunity the most important benefits (where 1=not important and 10=important) are health insurance, paid time off, 401K and flexible work arrangements, all ranking at a seven or above. Tuition reimbursement/paid training, maternity leave policies and daycare/childcare subsidies all ranked at above average (6) or below.

Despite low national migration rates, many respondents are willing to move to a new location—with most wanting to relocate to a new state. This underscores the importance of attracting talent not just regionally, but in competitor cities and states.

Where would you be most interested in moving?



TOP LOCATION FACTORS FOR TALENT

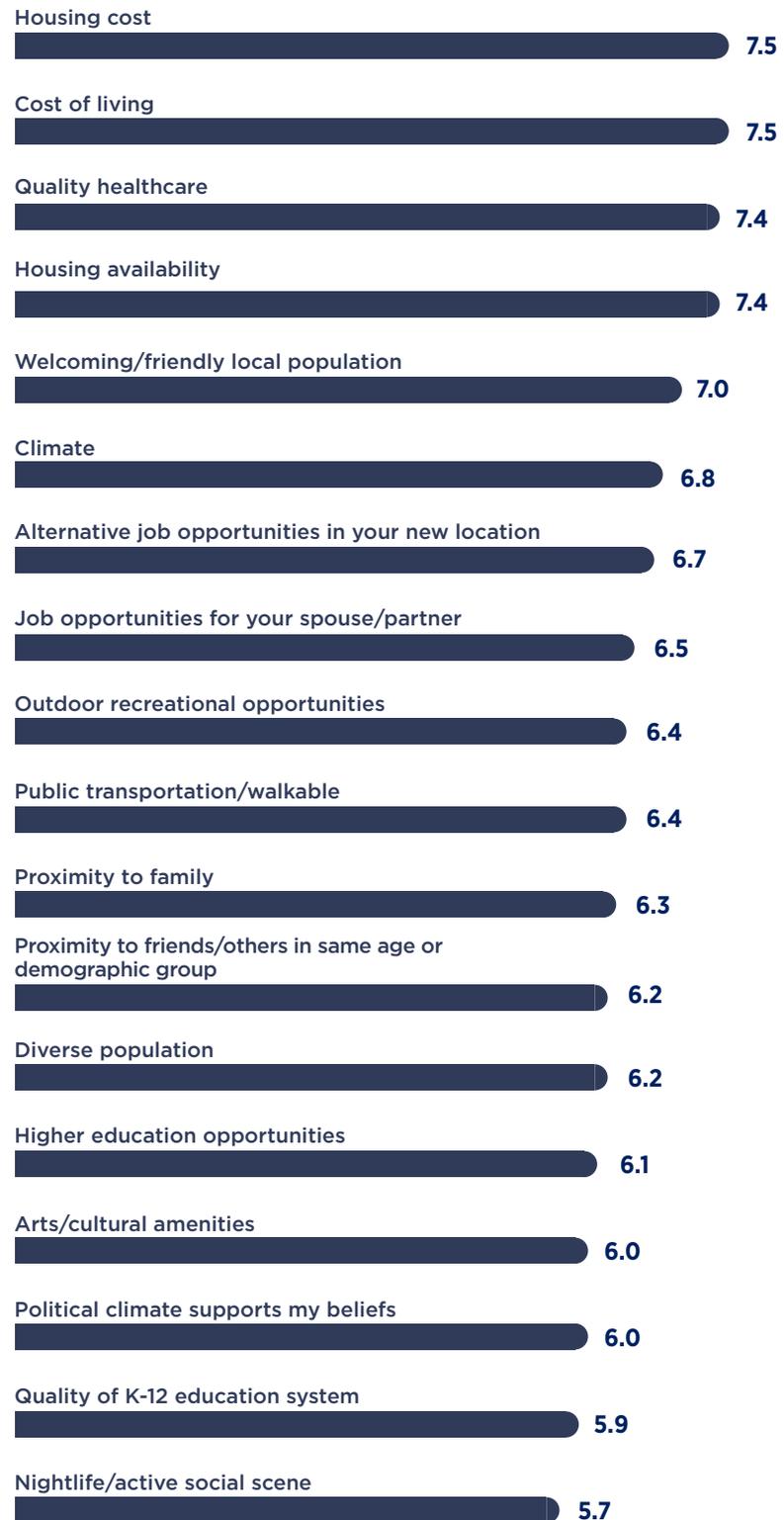


Talent prioritizes practical matters like housing cost, cost of living, healthcare and housing availability.

When assessing a location, talent prioritizes practical matters like housing cost, cost of living, healthcare and housing availability—the same top four factors from the 2017 survey. While communities may not be able to “change” proximity to friends and family, what they can do is highlight their welcoming and friendly residents—which is the fifth most important factor for talent. Healthcare has remained a top factor for talent across all of DCI’s talent research since 2017.

The gap between the highest and lowest rated factors has narrowed compared to DCI’s 2017 survey. Whether it’s K-12 education, public transportation or cultural amenities, all factors were rated as above average in terms of importance. The close ratings of these multiple factors may indicate that talent is taking a more holistic view of locations and looking at all factors much more closely when considering relocation.

Top location factors when considering relocation



We also wanted to understand what types of locations were most appealing to talent. A suburban location was the leading preference, closely followed by a mid-sized urban area. Interestingly, respondents are most interested in moving to a location similar to the location they are currently living in (i.e. rural residents would be most interested in relocating to another rural location).

Willingness to relocate to each type of location for a new job opportunity.



1 = NOT WILLING, 10 = VERY WILLING

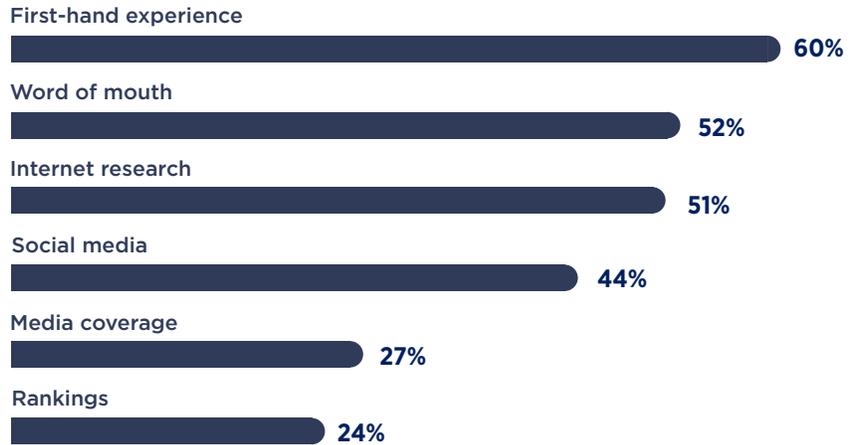
HOW TALENT LEARNS ABOUT LOCATIONS



The best way for talent to learn about location is to visit the community themselves.

For communities to market themselves to talent, it is critical to understand how talent learns about locations. First-hand experience and word of mouth remain the dominant factors for forming community impressions (consistent to the 2017 survey). It's clear the best way for talent to learn about locations is to visit the community themselves, underscoring the importance of tourism. Internet research is also extremely important as the number three response and is likely leaned on when there is no first-hand experience or word of mouth (i.e. for those who don't have the time or means to travel, or have no personal connections to the location).

How are your impressions of communities formed? (Respondents able to choose more than one response)



THE TOOLS TALENT USE TO LEARN ABOUT JOBS AND LOCATIONS

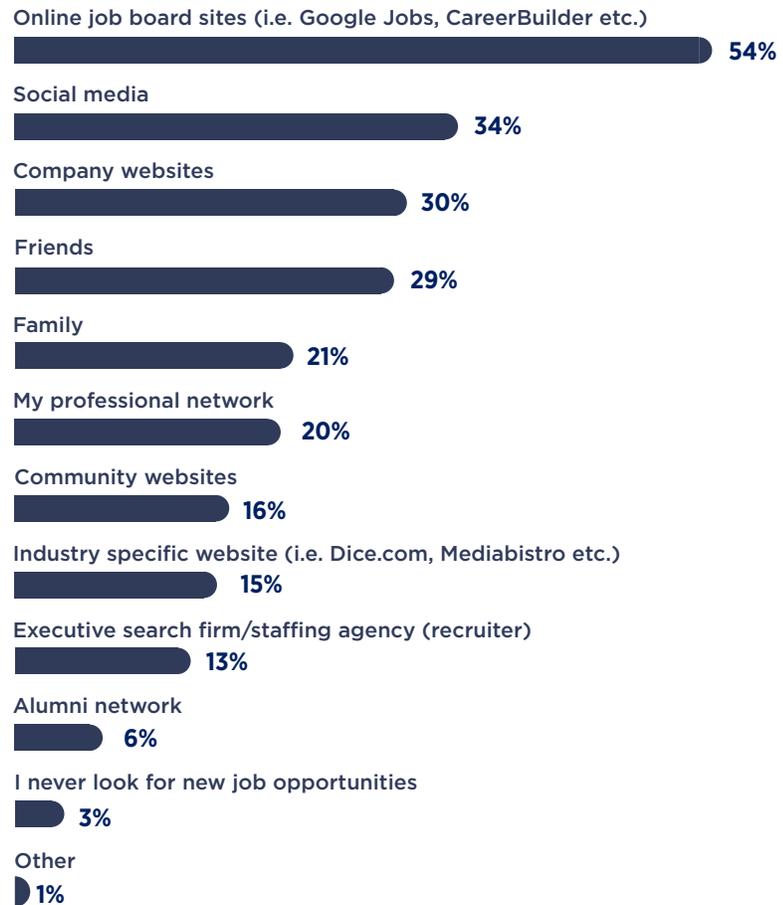


Talent is increasingly relying on digital resources.

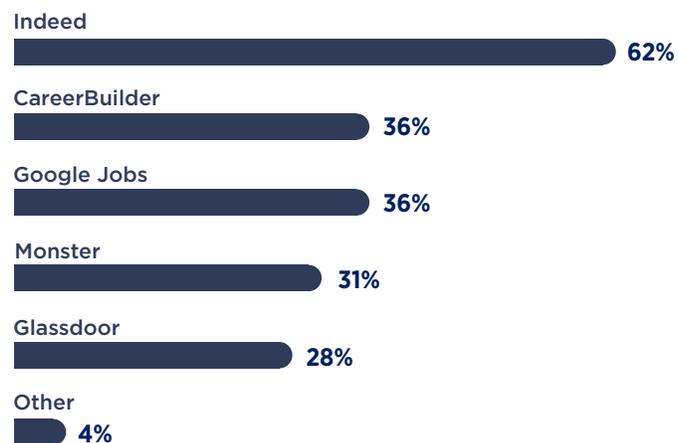
With a growing number of ways that talent can learn about new jobs and locations, we wanted to pinpoint the sources that talent turns to in the search process.

The 2019 survey makes two things clear: talent is increasingly relying on digital resources, such as online job board sites, social media and company websites, and talent is less dependent on personal connections like friends and family. A slim 6% utilize their alumni network, which is surprising considering that higher education is viewed as a strong connector to talent.

What sources do you utilize most often when looking for new job opportunities?



Most-used online job board sites for new job searches

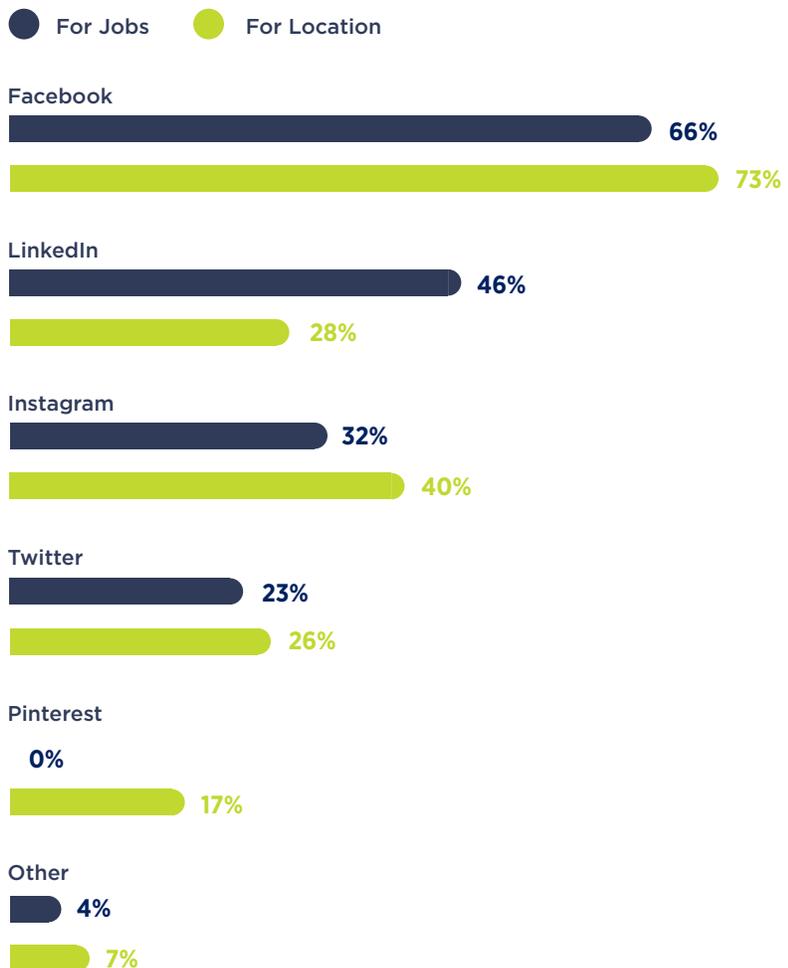




Facebook is the most-used site for both job searches and influencing perceptions of a community.

When it comes to social media, Facebook is the most-used site for both job searches and influencing perceptions of a community. Rounding out the top three social media sites for jobs and locations are LinkedIn and Instagram. Instagram may be relied on more heavily for location information because of its highly visual nature. LinkedIn's company and job search capabilities make it much more important for job searches vs. location information.

Most-used social media sites for new job searches and top social media sites for influencing location perceptions



Tools can help disseminate information about the jobs and lifestyle that your community offers, but what incentives can employers or economic developers offer to turn talent interest into actual talent relocation? Emphasizing the importance of housing cost and cost of living, talent says that covering moving costs would be the most powerful incentive when considering relocation. While some companies already offer this benefit for senior-level employees, it's uncommon to see this offered widely. A free trip ranked as helpful and is seen as more helpful than more costly options for companies like free training/tuition reimbursement or student debt repayment.

Most helpful relocation incentives that an employer or community can offer



1 Moving costs reimbursed



2 Rent or housing discount or subsidy



3 Free trip to location



4 Free training/tuition reimbursement for an upgraded career



5 Student debt assistance/repayment

TRAINING TALENT

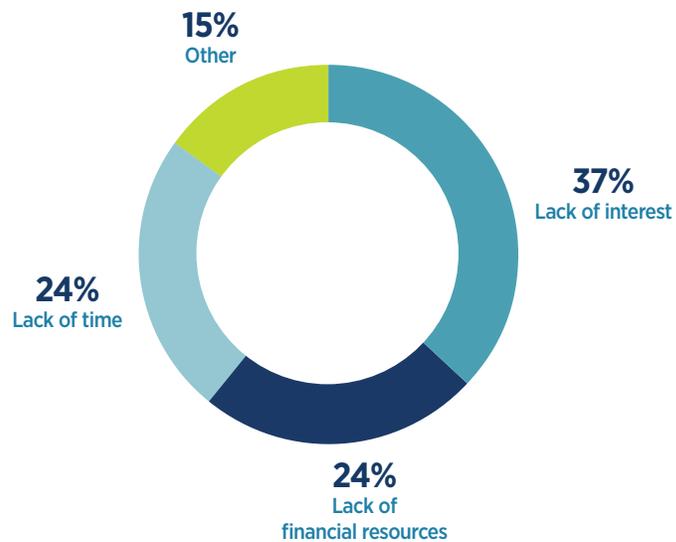


More than 80% of respondents said they would be willing to undergo additional training or education to shift career paths.

Even if a community can successfully attract people, it doesn't guarantee they will be the right talent that employers need. From manufacturing to tech, industries across the board are requiring more highly trained and skilled individuals. For example, software engineers are one of the most in-demand job roles in the nation with 40,000+ entry-level jobs open alone (Source: LinkedIn 2019) and yet computer and information sciences is far from being one of the top five majors for college students (Source: Bloomberg, National Center for Education Studies 2019)—not to mention many software engineers take untraditional career paths.

More than 80% of respondents said they would be willing to undergo additional training or education to shift career paths, but nearly a quarter don't know of any training programs offered locally or online to help them get there. In addition, 14% of respondents said they would not be interested in additional training or education, so we asked why:

What is the primary reason you are not interested in undergoing additional training or education to shift your career path?



FIVE MAJOR FINDINGS

- 1. Most People Are Willing to Relocate, But Cost May Be Holding Them Back:** Whether it's for a new job, or a better quality of life, 85% of respondents said they would describe themselves as willing to relocate. But when considering a new job, salary is the number one factor and respondents believe moving costs would be the most helpful relocation tool. Economic developers from Vermont and Tulsa are attacking the cost question head-on: both communities have launched incentives for talent to relocate. Communities should also make sure marketing assures talent that regardless of the cost of living, the quality of life offered is going to remain the same or improve.
- 2. Housing is a Hot Topic for Talent:** Housing cost and availability rank among the top three location factors, and respondents said a discount on rent/housing would be the second-most helpful incentive that an employer or community could offer. These results suggest that communities should market their housing costs and availability compared to higher-cost locations. If housing costs are high, explore other important talent factors to market—like salary or meaningful work.
- 3. Digital Dominates:** The top three sources talent turn to for new job opportunities are digital: online job board sites, social media and company websites. While most companies post their jobs online, little is done to make sure the message about the job and the location is being proactively served up to target audiences.
- 4. Focus on First-Hand Experience:** Digital campaigns can drum up interest from talent, but first-hand experience is the leading way that talent learns about locations. Market your community to inspire people to visit and collaborate with your local convention and visitors bureau or destination marketing organization to understand how you can capitalize on each other's efforts. For example, respondents said a free trip to see the location would be a helpful relocation tool.
- 5. Communicate Career Path Options:** Marketing the jobs and lifestyle your community offers is extremely important. But you don't stand a chance in addressing the national talent skills shortage if you don't inspire career change. Most people would be willing to make a career change, but it's not clear for some people how to make that a reality. Companies and communities should discover ways to connect those who are interested in a career change to available training and education opportunities. But first and foremost, they need to remove the barriers that keep talent from exploring career paths: lack of interest and lack of financial resources.

About DCI

Development Counsellors International (DCI) specializes in economic development, tourism and talent attraction marketing. DCI combines our place marketing expertise with our deep research on your target audience to create a strategy that attracts talent. Our tailored approach gives employers the tools they need to tout location, as well as builds awareness, changes perceptions and generates interest among talent.

Our areas of expertise include:

- Customized Research/Perception Studies
- Brand Development
- Marketing Blueprints
- Media Relations
- Digital Media
- Website Design
- Content and Collateral Creation

Headquartered in New York City and with regional offices in Los Angeles, Denver and Toronto, DCI has worked with more economic development groups and destination marketing organizations than all other marketing agencies combined.

Interested in learning more? Have specific talent questions? We'd love to explore how we might assist your community.



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