

Business Case | Why does “ANYTOWN USA” need a YP Organization?

Which of these five realities is facing your region?

1. The traditional industries, i.e. manufacturing, on which our cities have relied for jobs, economic security, and corporate and community leadership are downsizing, offshoring, outsourcing, relocating and in some cases, shutting their doors.
2. While manufacturing has declined, the “innovation economy” – including high tech manufacturing and business services including software development, computer programming, and engineering – are expanding. These knowledge-based industries – where people make their living by solving problems, not pressing widgets - are the cornerstone of the U.S.’s innovation economy.
3. The “innovation economy” rests largely with the next generation of knowledge workers. Fully 56 percent of all computer programmers are Gen X’ers (b. 1961-1981) and four out of five new businesses are started by women, Gen X’ers and minorities. To grow an innovation-based regional economy, cities must attract young professionals.
4. There are fewer Gen X’ers than Baby Boomers. Wired Magazine reports that there are currently 79 million baby boomers in the workforce, and only 51 million Gen X’ers. Companies are competing for a smaller pool of talent to replace their retirees.
5. The next generation has a “Live first, work second” ethic. Unlike their parents, the next generation does not simply follow the paycheck or the company. Often, they first pick a place to live, and then find a job. Therefore, U.S. cities must develop and emphasize the quality of life amenities – the arts, public parks and trails, a strong after 5 scene – that attract the next generation.

Brain Drain

“Brain drain” – the slow leak of talented and educated people from U.S. cities – now affects nearly every U.S. city. In the 1990’s the US Census reported that 90 percent of America’s largest cities had a net out migration of young talent. Only ten percent of U.S. cities had a net gain. Decreased birth rates from the 1960’s through the 1980’s are causing a “battle for brains” which the U.S. has never seen before.

To restate, in the coming years, U.S. cities will be deeply affected by several national labor trends:

- The next generation of talent (“Generation X,” b. 1961-1981) is smaller in size than their Baby Boomer (b. 1942-1960) predecessors;
- By 2006, two workers will leave the workforce for every one entering; (Source: Bureau of Labor Statistics)

- By 2010 there will be a shortage of 10.3 million workers across all employment categories; (Source: Bureau of Labor Statistics)
- Three out of 4 young professionals under the age of 28 place more importance on the quality of the community than the availability of jobs (source: Next Generation Consulting, Feb, 2002)
- Generation X is the first generation to have deeply imbedded skills sets in technology, which makes them a highly desirable demographic to U.S. cities employers
- The influx of minority talent is and will continue to cause a marked change in the complexion and culture of the U.S. cities region.

While labor trends like these are alarming, they do not account for the psychographic, preference-based shifts that are also impacting our cities' ability to attract and retain talent. Next Generation Consulting's research indicates that:

- Adulthood has been pushed back for young talent. The average age of a first marriage for an educated Gen X'er (b. 1961-1981) is currently 28. By the time young talent consider "settling down" in the U.S. cities region, they are in their late twenties and early 30's.
- Three out of 4 young people under the age of 28 first pick a place to live and then find a job. What can the U.S. cities region do to position itself as one of the "best places to live" for young talent?
- When asked what makes a community attractive, young talent report that factors like "Third Spaces," the arts, culture, ethnic restaurants, public parks, trails, and recreation areas, farmer's markets; diversity, and recycling are critical factors.
- Young talent behave regionally. In focus groups, young talent routinely report that some of the best assets a community has lie outside the community in which they live.

The winds of change - globalization, talent markets and preferences, and an economy whose value has transitioning from manufacturing to innovation - are gusting in U.S. cities. With an increasingly competitive market for talented and educated professionals, U.S. cities must define the unique regional characteristics that make it attractive to the next generation and position itself in the mediums and with the messages that will appeal to its target demographic.

Why support a Young Professionals Organization?

Young Professionals (YP) organizations are a critical strategy to attract and retain talent to communities because:

1. Young professionals organizations help connect YP's to each other. One of the key questions young people ask when moving to a community is, "Will I fit? Who in that community shares my interests? Who looks like me, and how will I meet them?"
2. Young professionals organizations help connect YP's to their community. Generally, when YP's feel they can make a difference in their community, they are 2-3 times as likely to stay.

Here are more benefits...

Benefits to Businesses

- IMPRESS CANDIDATES – showcase corporate specialties and community amenities
- POSITION COMPETITIVELY – as a young talent friendly company
- EASE RELOCATION – help new recruits establish a network and learn their way around town
- SAVE RECRUITING COSTS – the networks of your best and brightest are your most valuable referral source
- BOOST EMPLOYEE EFFECTIVENESS – generate satisfaction, motivation and greater productivity
- INCREASE INFLUENCE - leverage YP networks to build your business
- MANAGE INTELLIGENTLY – learn to serve the needs of different generations differently

Benefits to Communities

- STEM BRAIN DRAIN – keep young talent in your community
- CAPITALIZE ON ASSETS – promote your community’s unique strengths
- ENGAGE A GENERATION – employ models proven to get “free agents” plugged in
- INVEST IN WHAT MATTERS – measure what matters to talent and use metrics to guide investment decisions
- COUNT REGIONAL ASSETS – regional amenities are relevant considerations for young talent
- FUEL INNOVATION – tap latent resources to build knowledge, foster creativity, and generate new ventures
- WELCOME NEW RESIDENTS - show them around and impart a sense of place
- HELP TALENT GROW ROOTS – foster relationships that deepen a sense of belonging
- CULTIVATE LEADERS – prepare a new generation to lead with vision and passion
- LEVERAGE RESOURCES – capitalize on young hands and minds to tackle challenges
- BECOME A TALENT CAPITAL – attract growth industry businesses to deep talent pool