All the Right Moves

5 Key Insights Into the Present and Future of Millennial Talent Attraction

A Trend Report by Livability.com in conjunction with Ipsos
What do Millennials want?

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Welcome to the $200 billion question.

And that’s no arbitrary number. According to a report by Forbes, Millennials had a collective spending power of $200 billion in 2017, and in 2018 will have the most combined spending power of any generation.

As they age into their 30s, Millennials will become an increasingly important consumer group for businesses and municipalities to consider as they enter the decade of their lives where major life decisions around career, marriage, family and home ownership will be made.

Businesses and economic development organizations are vying to attract this sought-after generation. With consistently low unemployment rates and a robust economy, Millennials in the U.S. have their choice of jobs in cities all across the country, making it crucial for talent attraction strategy to understand how they assess new employment opportunities and relocation decisions.

Livability.com, an authority in identifying what makes communities great places to live, commissioned an in-depth survey to examine the issues that drive and impact relocation decisions. The survey, conducted by the leading global market research firm Ipsos asked 1,050 adults between the ages of 20 and 35 about the characteristics of livability they value in their current and future communities.

The survey examined a variety of factors and provided answers to questions such as:

► What are the most important factors Millennials consider when making a relocation decision?

► How does gender impact what factors are given more weight in the relocation decision process?

► What role does diversity play in evaluating various communities in which to relocate?

Livability analyzed the data to find key insights that succinctly illustrate what Millennials are looking for in a new community and what drives their decision to relocate so that communities can better understand how to market themselves to attract and retain talent and promote economic growth.
KEY INSIGHT #1:
When making a relocation decision, affordability reigns supreme.

Turns out, money may not buy you love, but it certainly goes a long way in a city that provides a lower cost of living. It’s no surprise, then, that the biggest question Millennials ask themselves when considering a move to a new city is, “can I afford to live here?”

Affordability was ranked the top decision-making factor by 36 percent of survey respondents, with 70 percent of those surveyed listing it as one of the top three things they consider.

The question becomes, what exactly defines affordability for Millennials? What price point might entice them to make a move?

According to the Livability.com survey, 35 percent of respondents from households making under $50,000 annually consider a monthly rent or mortgage payment of $600 (or less) affordable, while 40 percent of that same income bracket consider $900 or less affordable.

Interestingly, geography also factored into how much affordability impacted the decision to move. More than 70 percent of Millennials from the Midwest, South and West say that a higher cost of living would prevent them from moving to a new city, even with a promising job opportunity. About 60 percent of respondents from the three regions rank lack of affordable housing as a second factor that would prevent them from moving.

MORE THAN 82% OF FEMALE RESPONDENTS WOULD NOT MOVE TO A NEW CITY FOR A NEW JOB DUE TO HIGH COST OF LIVING

$900 A MONTH FOR RENT OR MORTGAGE AFFORDABLE

40% OF RESPONDENTS FROM HOUSEHOLDS UNDER 50K CONSIDER

Affordability was ranked a top three decision-making factor by

KEY INSIGHT #2:
When it comes to relocation, Millennial women know what they want—and it’s affordability.

While both genders cite affordability as one of the top three decision-making factors, for 42 percent of women, affordability is the most important factor influencing their decision to move. In fact, more than 82 percent of female respondents would not move to a different city for a new job due to high cost of living. They also cited lack of affordable housing options as a reason to stay put.

Men, on the other hand, placed importance on factors such as public transportation, access to an airport, prior experiences with the city and the presence of a vibrant art scene.

42% OF WOMEN CHOOSE AFFORDABILITY AS THE MOST IMPORTANT FACTOR THAT INFLUENCES THEIR DECISION TO MOVE

40% OF RESPONDENTS

$333

MORE THAN

82%

OF FEMALE RESPONDENTS WOULD NOT MOVE TO A NEW CITY FOR A NEW JOB DUE TO HIGH COST OF LIVING

Affordability 36% 22% 12%
Men 36%
Women 42%
Future career opportunities 20% 19% 15%
Climate 12% 16% 18%
Ease of mobility 9% 14% 17%
Arts, culture, and recreation opportunities 8% 12% 19%

Besides a job opportunity, what factors would you consider most important when deciding where to relocate?
KEY INSIGHT #4:
Having a diverse community goes a long way with Millennials, although the definition of diversity varies based on individual preference.

More so than previous generations, Millennials place a strong degree of importance on diversity and inclusion at work and in the community around them. And that makes sense—according to a 2017 article in Forbes, “Millennials recognize, appreciate, and encourage diversity because they’re living it. As opposed to older generations that were overwhelmingly white, today’s millennial workforce is divided across a number of races and backgrounds.”

But according to the Livability.com survey, respondents defined diversity in slightly different ways according to their gender, stated level of income and geographic region.

More than 70 percent of female respondents defined diversity as race, religion, nation of origin, income level and sexual orientation, versus 65 percent of males.

Households reporting an annual income of less than $50,000 defined diversity as a mix of races, income levels and sexual orientation.

Respondents from different parts of the country also define diversity differently. Seventy percent of respondents from the Midwest believe diversity includes religion, nation of origin, income levels and gender identity.

Region also played a big role in how diversity factored into Millennials’ decision-making process.

In fact, an astounding 93 percent of all respondents from the West were more likely to move to a place they perceived as diverse and inclusive, with the South close behind at 81 percent.

Another factor of note was ethnicity. The survey found that 88 percent of non-white respondents were more likely to move to a place they perceived as diverse and inclusive.

KEY INSIGHT #3:
To attract Millennials, show them that your community isn’t an “employment desert.”

Communities and businesses need to play the Jerry Maguire to Millennials’ Rod Tidwell—show them the money! Or better yet, show them the job opportunities.

Currently, 6.7 million job openings in the U.S. are unfilled, and Millennials want to know that a fair number of them are available in their community’s market. In fact, 54 percent of respondents listed career options and job opportunities as the second most important factor influencing a relocation decision.

And here’s an eye-opening gender reveal: 18 percent of all female respondents value future career opportunities in the cities they’re considering for relocation. Next to affordability, a viable job playing field is a key decision-making factor for women when it comes to relocation.

Location also plays a role here—26 percent of respondents from the Midwest cited career opportunities as the most important factor to consider when deciding where to relocate.

64% percent of female respondents are willing to move to a small to mid-size city or suburb.

FUTURE CAREER OPPORTUNITIES IS THE MOST IMPORTANT FACTOR FOR 26% OF THE RESPONDENTS FROM THE MIDWEST

RANKED SECOND AS A FACTOR INFLUENCING A RELOCATION DECISION AND 54% OF RESPONDENTS LISTED IT IN THEIR TOP 3

88% of nonwhite respondents are more likely to move to a place they perceived as diverse and inclusive.

MORE THAN 70% OF FEMALE RESPONDENTS DEFINED DIVERSITY AS RACE, RELIGION, NATION OF ORIGIN, INCOME LEVEL AND SEXUAL ORIENTATION

RESPONDENTS WITH HOUSEHOLD INCOME LESS THAN 50K DEFINE DIVERSITY AS A MIX OF RACES, INCOME LEVELS AND SEXUAL ORIENTATION
What might prevent you from relocating to a new city for a promising job opportunity?

<table>
<thead>
<tr>
<th>Factor</th>
<th>MEN</th>
<th>WOMEN</th>
</tr>
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<tbody>
<tr>
<td>High cost of living</td>
<td>63%</td>
<td>82%</td>
</tr>
<tr>
<td>Lack of affordable housing options</td>
<td>46%</td>
<td>66%</td>
</tr>
<tr>
<td>Distance from family</td>
<td>39%</td>
<td>55%</td>
</tr>
<tr>
<td>Climate</td>
<td>33%</td>
<td>44%</td>
</tr>
<tr>
<td>Traffic</td>
<td>33%</td>
<td>40%</td>
</tr>
<tr>
<td>Hassle of moving</td>
<td>26%</td>
<td>31%</td>
</tr>
<tr>
<td>Lack of culture/things to do (art scene, museums, food, festivals)</td>
<td>24%</td>
<td>29%</td>
</tr>
<tr>
<td>Lack of diversity</td>
<td>21%</td>
<td>21%</td>
</tr>
<tr>
<td>Lack of outdoor recreation</td>
<td>19%</td>
<td>20%</td>
</tr>
</tbody>
</table>

41% of respondents with income over $50k said bad traffic conditions would prevent them from moving, even with a promising job opportunity.

39% of all respondents listed outdoor attractions and a community’s arts and culture scene as top 3 factors in considering a relocation.

MORE THAN 70% OF MILLENNIALS FROM THE MIDWEST, SOUTH AND THE WEST SAY THAT HIGHER COST OF LIVING WOULD PREVENT THEM FROM MOVING TO A NEW CITY EVEN WITH A PROMISING JOB OPPORTUNITY. ABOUT 60% OF RESPONDENTS FROM THE 3 REGIONS RANK LACK OF AFFORDABLE HOUSING AS A SECOND FACTOR THAT WOULD PREVENT THEM FROM MOVING.

KEY INSIGHT #5:
A community’s quality of life plays a major role in Millennials’ relocation decisions.

Does your city boast a lively arts scene? Can residents drive to work in a reasonable amount of time or are they braving miles of nerve-grinding traffic? If so, Millennials want to know about it. Quality of life is paramount to this generation—studies have shown that Millennials would take an average pay cut of $7,600 if they could find better work-life balance.

In striking the right balance between their career and personal life, mobility is a major influence. Easy commutes and access to transportation (including airport accessibility, walkability and bike-friendly communities) were both cited by 40 percent of respondents as one of the top three decision-making factors in relocation. In addition to that, 41 percent of respondents with higher income said bad traffic conditions would prevent them from moving, even with a promising job opportunity.

But don’t count out cultural offerings—39 percent of all respondents listed outdoor attractions and a community’s arts scene as one of the top three factors in considering a relocation.

Mobility is a major influencer:
Easy commutes and airport accessibility, walkability and bike friendliness were cited by 40% of respondents as their top 3 factors influencing a relocation decision.

MILLENNIAL VOICES:
“While living in Chicago, the cost of living and very limited access to nature caused me to feel stressed. I made the decision to search for a new city to live in. I had a few deal breakers: affordable housing, outdoor climbing and hiking, bike-friendly and a growing art community. Chattanooga became my top choice.”
—Samantha D.

To sum it up...
Communities are in a heated competition to attract Millennial talent. Affordability, particularly in housing costs, career opportunities and amenities are front and center in the Millennial mindset. Communities need to be strategic in promoting their assets and advantages but be aware that gender, income and geography matter in the messaging. Small and mid-size communities, where overall cost of living is generally lower, would be wise to promote this advantage.
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Want to learn more about talent attraction efforts across the country? What’s new, what’s working, and where it’s happening?

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