

 Emsi

ECONOMICMODELING.COM

2017 TALENT ATTRACTION SCORECARD

The Regions Growing Their Skilled Talent Base and
Strategies To Help Your Community Do The Same

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LAST SUMMER we released our inaugural Talent Attraction Scorecard that ranked U.S. counties on how well they're attracting and retaining skilled talent. With the help of some of the top economic development researchers in the field, we established five quantitative components to form our analysis.

We are thrilled to unveil the second annual edition of the scorecard, this time with a slightly refined methodology. We've kept the same five core metrics, but we've expanded net migration to include two time frames, 2011–2015 and 2014–2015, and added the 2012–2016 percentage change in the adult population with an associate degree and above.

New this year is a supplementary analysis to show the top cities that are retaining their graduates and the skills embedded in their communities. We also look at the strategies that communities can consider as they're building out short- and long-term talent pipeline approaches.



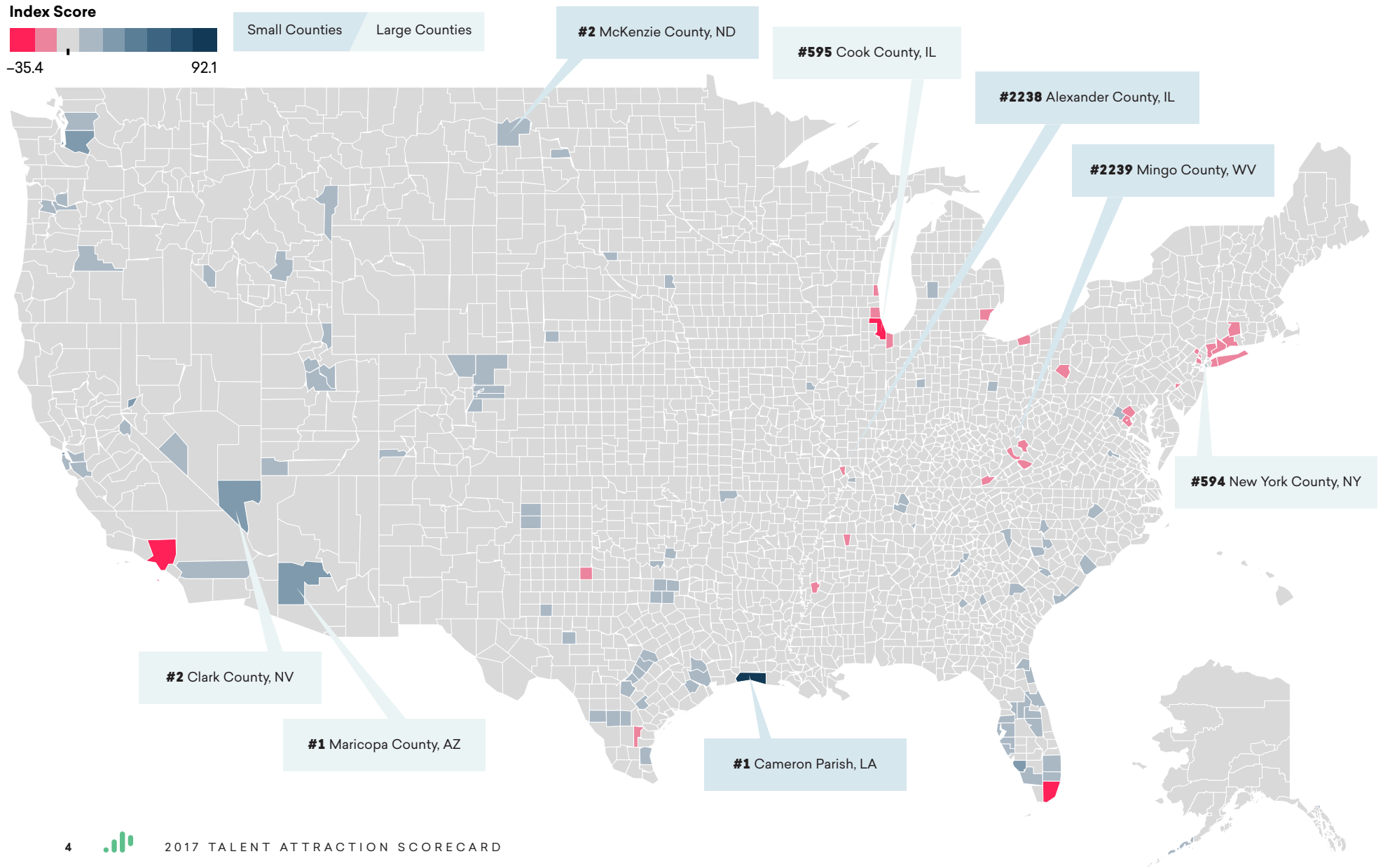
What's in the Score?

Emsi's Talent Attraction Scorecard ranks counties based on % job growth, % skilled job growth, change in net migration, annual openings for skilled workers per capita, growth in educational attainment (associate degree and above), and regional competitiveness in adding skilled jobs. Each metric is weighted evenly in our index. See methodology for time frames used and more details. Note: While qualitative measures like quality of life are important to talent attraction, our ranking focuses on workforce and demographic data points.



The Talent Winners, Losers, and Big Middle

In our 2017 talent index, a few counties did very well, a few did very poorly---and many did just OK. This illustrates what authors Enrico Moretti, Mark Lautman, and others have stressed about talent winners and losers emerging in the knowledge economy.



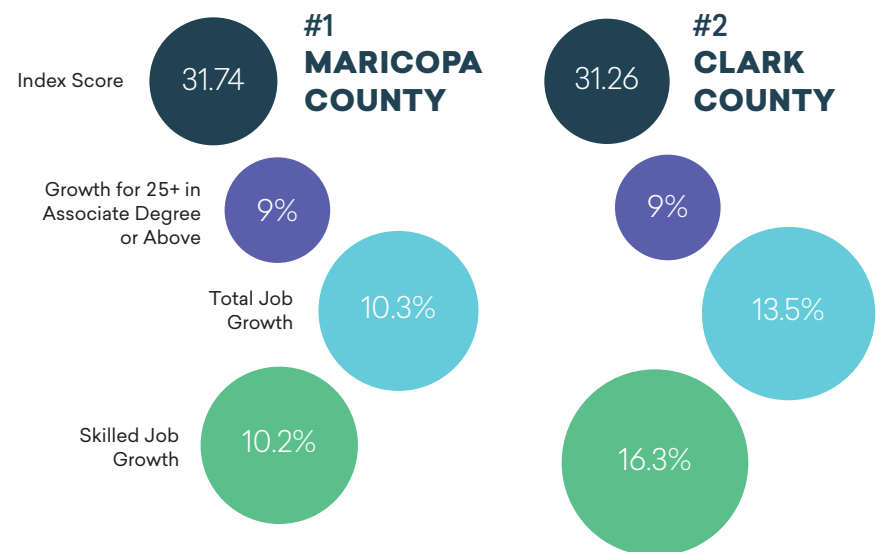
Findings

LARGE COUNTIES (100K+ pop.)

Maricopa (Phoenix) and Clark (Las Vegas) Counties Ascend to Top 2

Last year, Maricopa County ranked sixth and Clark County ranked eighth in our index. This year, driven by strong net migration, they are Nos. 1 and 2.

Maricopa County, which has seen the [highest annual population gain of any county](#), barely nudged Clark County for the top spot. The two counties' index scores were almost identical (31.74 to 31.26), and they were very similar across several major categories, including growth in 25-and-over population with at least an associate degree (both 9% from 2012–2016). Skilled job growth is one area where Clark County trumped Maricopa County (16.3% vs. 10.2%). Clark County, in fact, ranked among the top 100 large counties in every category of our index except for annual openings per capita.

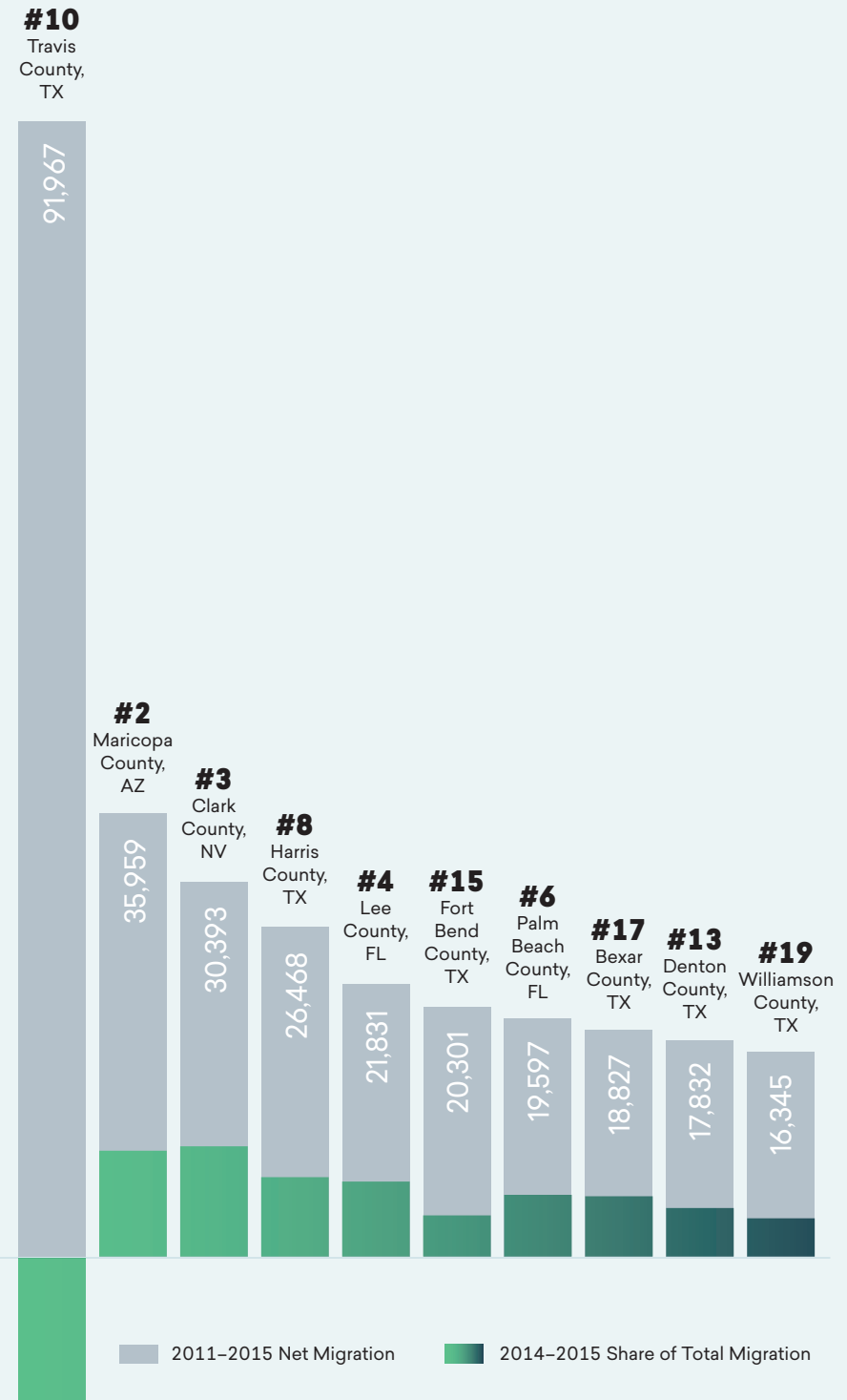


Travis County's Slight Fall

Travis County (Austin) slipped to No. 10 after soaring above every other large county in last year's version of the Scorecard. The big reason: after years of positive net migration, Travis County saw a drawback from 2014–2015 in net migrants (–12,047).

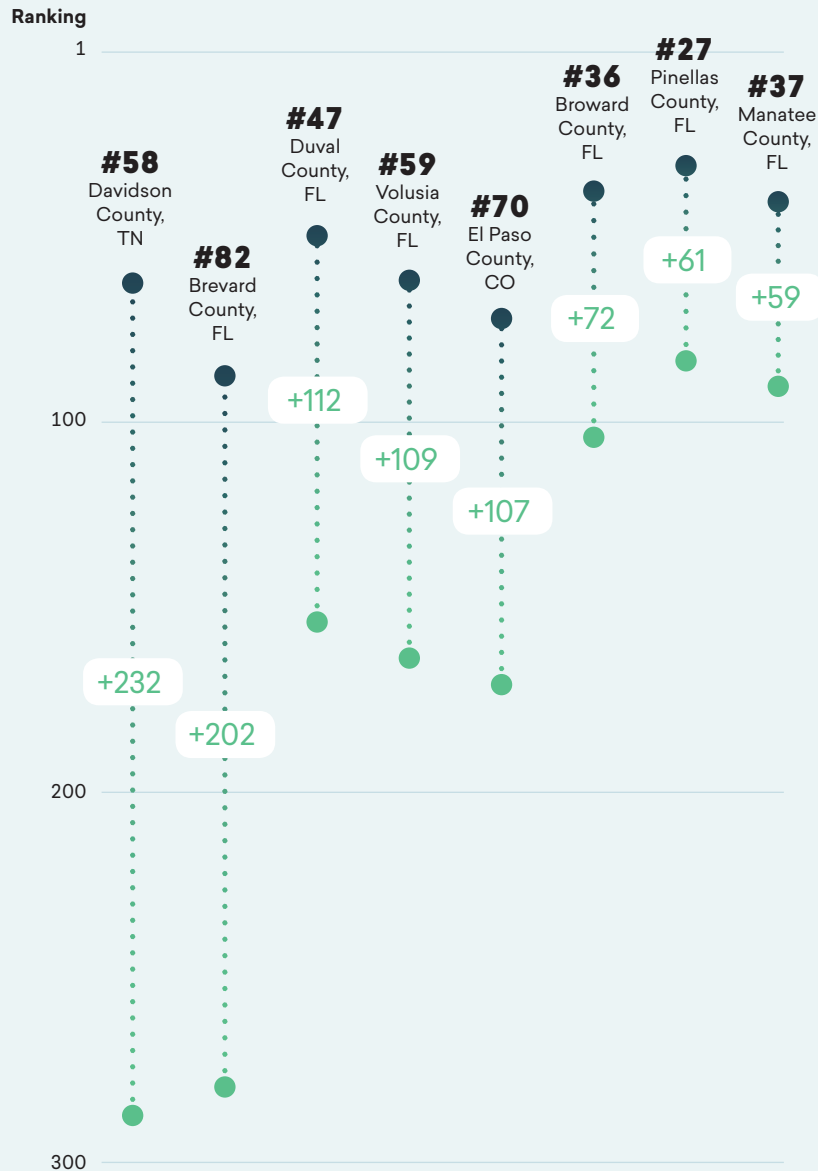
Austin's core county still ranks highly in job growth and skilled job growth and regional competitiveness. And no one comes close to beating it in 2011–2015 net migration:

- Travis County, Texas (91,967)
- Maricopa County, Arizona (35,959)
- Clark County, Nevada (30,393)
- Harris County, Texas (26,468)
- Lee County, Florida (21,831)



● 2016 Ranking

● 2017 Ranking



The Biggest Risers: Davidson County, TN, Florida Counties, Fulton County, GA

The biggest movers at the top of the rankings were Lee County, Florida (No. 4 from No. 20 last year), Palm Beach County, Florida (No. 6 from No. 21), and Fulton County, Georgia (No. 25 from No. 115).

Fulton County (Atlanta) ranks sixth among large counties for openings per capita for skilled jobs (18.3 per 1,000 people) and sits just outside the top 15 in the share of skilled workers it added from 2012–2016 using our regional competitiveness metric. It also saw a boost in net migration after dipping slightly in 2013–2014. Davidson County (Nashville) showed the most improvement among counties in the top 100, jumping to No. 58 after ranking 290th last year. Like Fulton County, it ranks highly in openings per capita (15.1 per 1,000 people) and saw a substantial increase in net migrants in 2014–2015. Most other counties that vaulted up the rankings are in Florida:

- Davidson County, Tennessee: No. 58 from No. 290 (+232 spots)
- Brevard County, Florida: No. 82 from No. 284 (+202)
- Duval County, Florida: No. 47 from No. 159 (+112)
- Volusia County, Florida: No. 59 from No. 168 (+109)
- El Paso County, Colorado: No. 70 from No. 177 (+107)
- Broward County, Florida: No. 36 from No. 108 (+72)
- Pinellas County, Florida: No. 27 from No. 88 (+61)
- Manatee County, Florida: No. 37 from No. 96 (+59)



San Francisco County's Competitive Advantage

What's behind San Francisco County's No. 3 ranking in our index (after sitting No. 2 last year)? Its job growth, especially in skilled occupations (21%), has been excellent the last five years. It had the second-highest 2012–2016 annual openings for skills jobs per capita, behind New York County.

It really stands out, however, in regional competitiveness for skilled professionals.

San Francisco County gained 40,000 more skilled jobs than anticipated from 2012–2016 when considering national trends. (We derive this using a metric called shift share, which teases out job growth between national economic or industry trends and regional factors.) Only Kings and Queens counties in New York City and Santa Clara County (San Jose) had higher competitive effects than San Francisco County the last five years—and all three had negative net migration.

Check out the list of most-competitive skilled fields (i.e., the ones that have the greatest number of new jobs beyond what we'd expect) in San Francisco County (see chart below).

Tech occupations lead the list, and right behind them are high-level operational and service-sector fields that benefit from the critically important innovation sector, as economist Enrico Moretti labels it in his book *The New Geography of Jobs*.



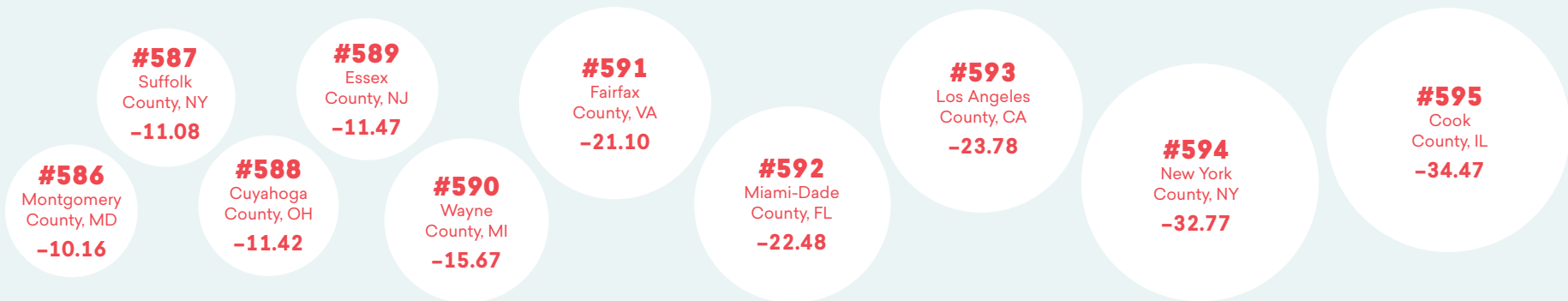


Cook County (Chicago) and Other Prominent Large Counties Rank in Bottom 10

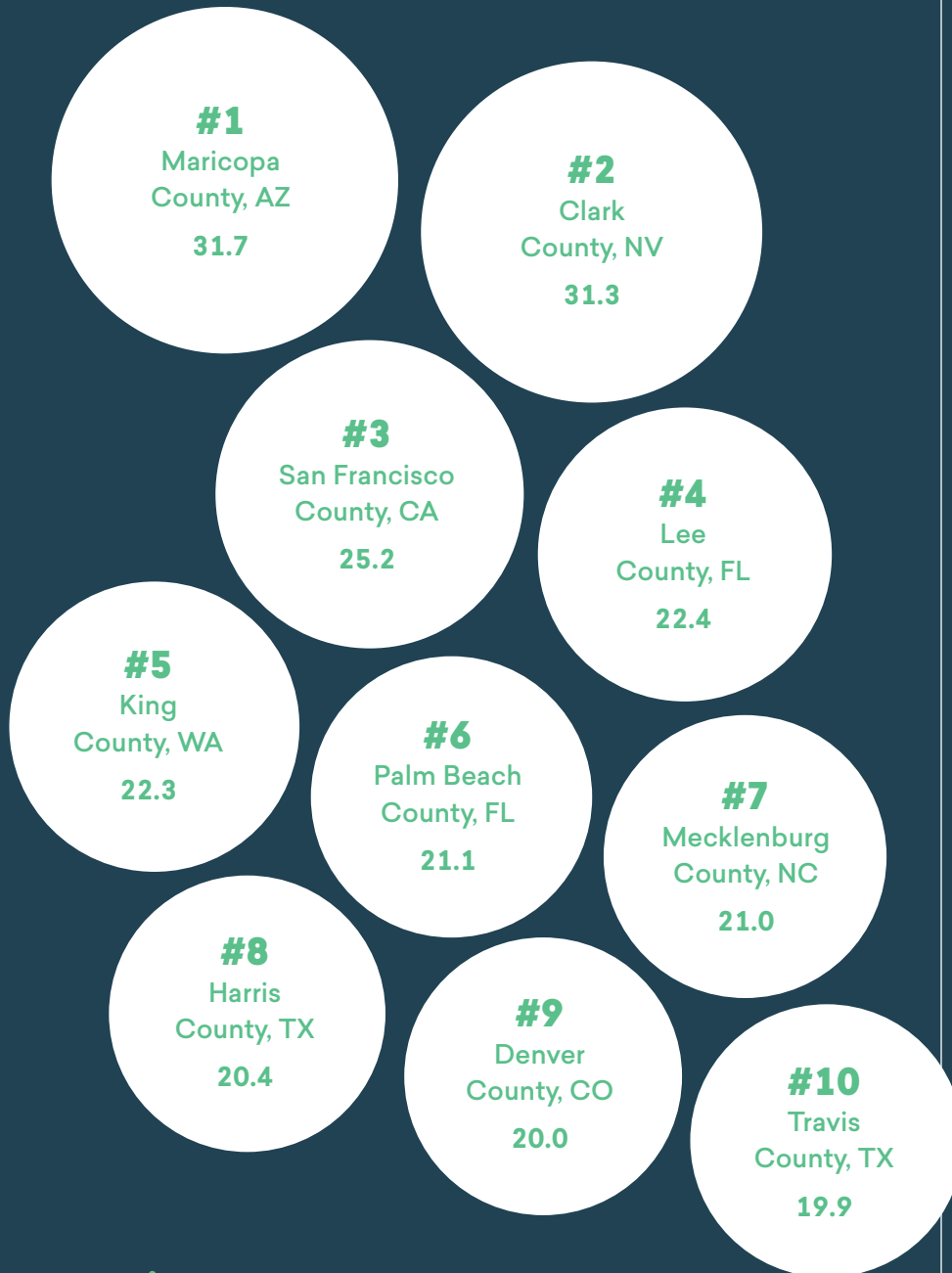
America's three largest metros are represented at the bottom of the scorecard. Cook County (Chicago) ranks last out of 595 large counties (those with at least 100,000 residents in 2016). It's closely followed by New York County (Manhattan), with Los Angeles County, Miami-Dade County, and Fairfax County (part of the Washington, D.C. metro) rounding out the bottom five.

These bottom-ranked counties have all experienced massive out migration in recent years, the primary factor for their poor performance. However, there are two things to note on migration in large cities and populous counties in our index:

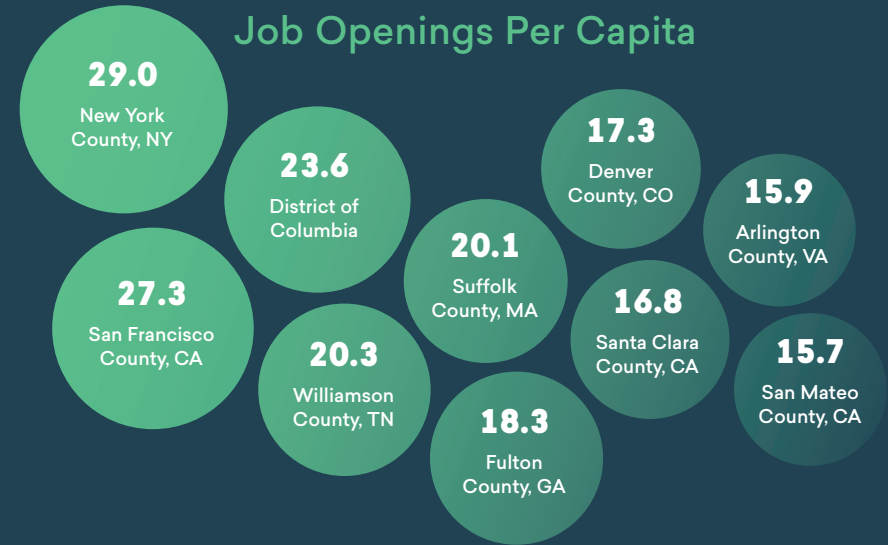
- Large port-of-entry cities like New York, Miami, and LA have historically had the most international migration, which has offset or softened the blow of their negative domestic migration. As William Frey [wrote](#) for the Brookings Institution, "In any given year, more immigrants are drawn to different 'magnet areas' than domestic migrants...At the same time, domestic migrants—those making moves within the U.S.—tend to follow jobs more directly, often in growing parts of the Sun Belt."
- Because our index considers percentage job growth and skilled job growth, counties with fast-growing labor markets fare better than counties with a large numeric increase but smaller percentage gains (see Los Angeles, Cook, and Miami-Dade). That said, we do include total net migration (2014–2015 and 2011–2015) and raw competitive effect (the total number of jobs added due to regional competitiveness versus national factors) to ensure we are combining growth and raw-change metrics. In addition, four of the highest-populated counties (Harris, Maricopa, King, and Clark) rank in the top 15 of our ranking.



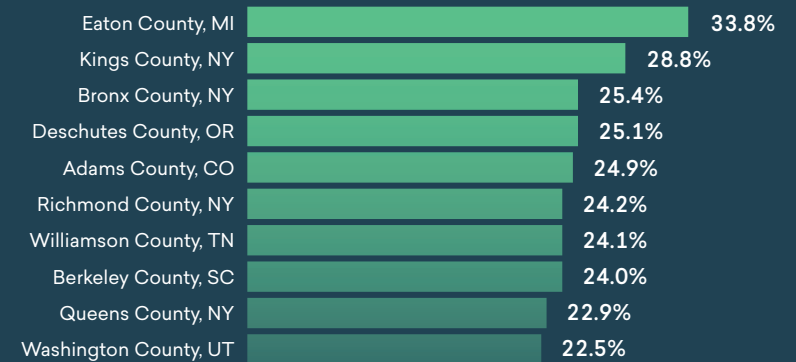
Large Counties – Overall Ranking



Job Openings Per Capita



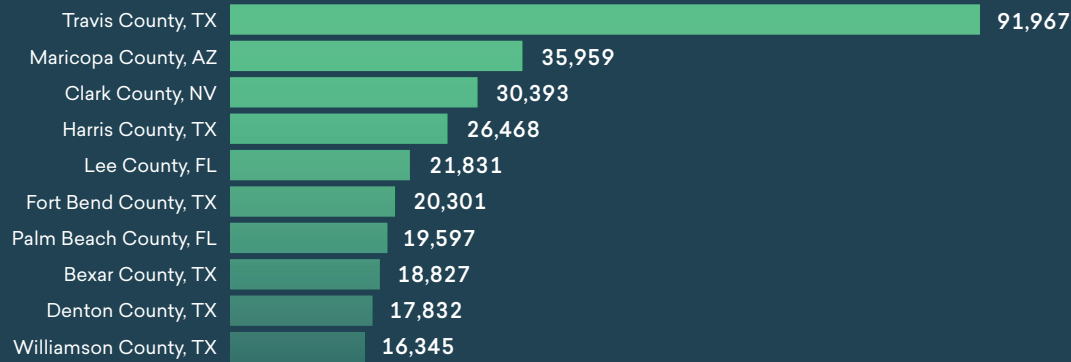
2012–2016 % Job Growth



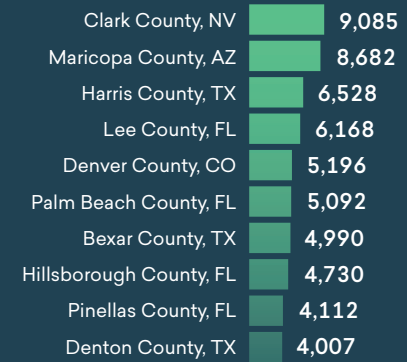
2012–2016 % Skilled Job Growth



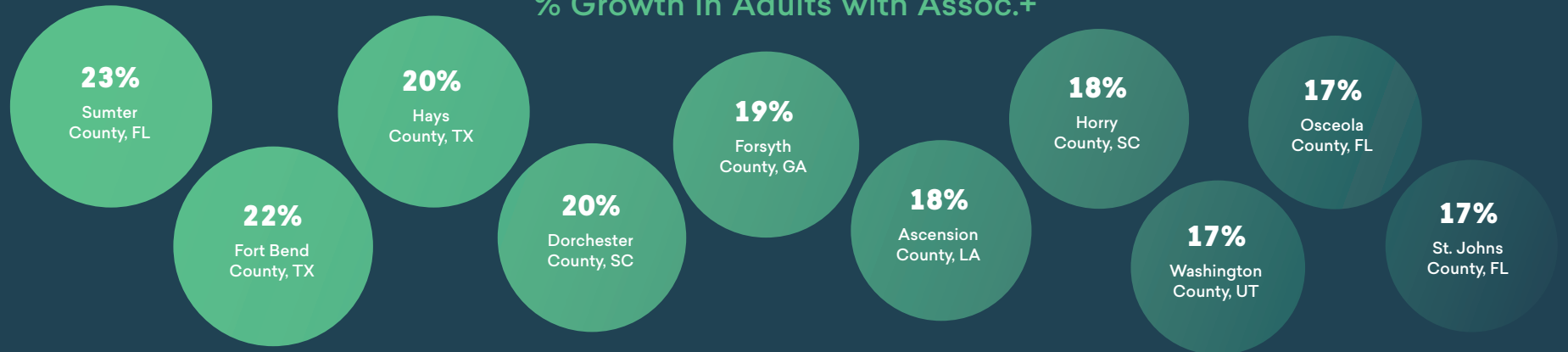
2011–2015 Net Migration



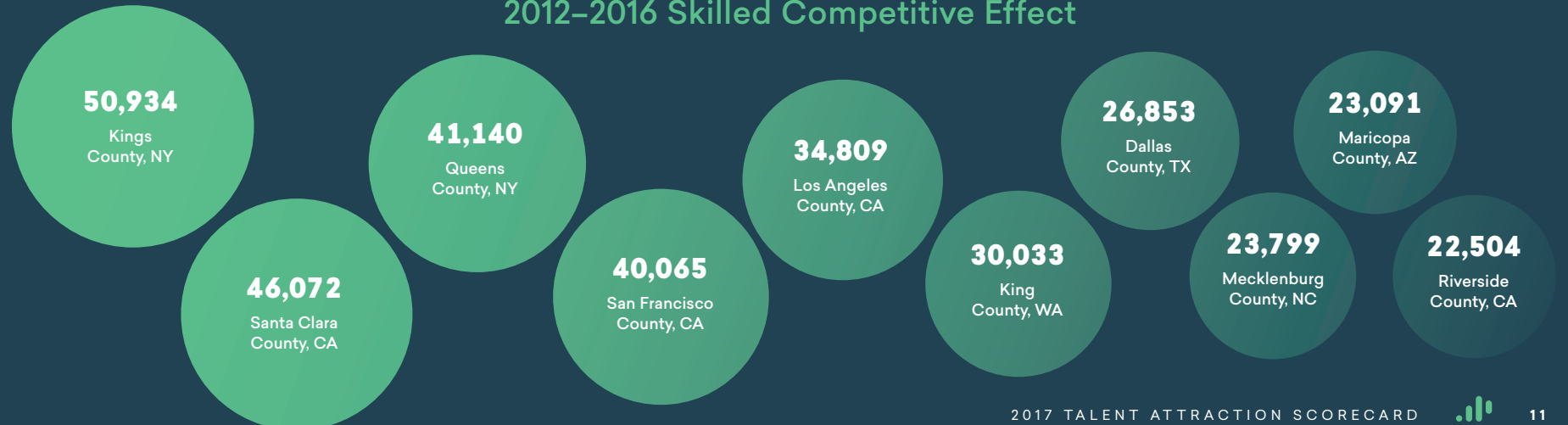
2014–2015 Net Migration



% Growth in Adults with Assoc.+



2012–2016 Skilled Competitive Effect



SMALL COUNTIES

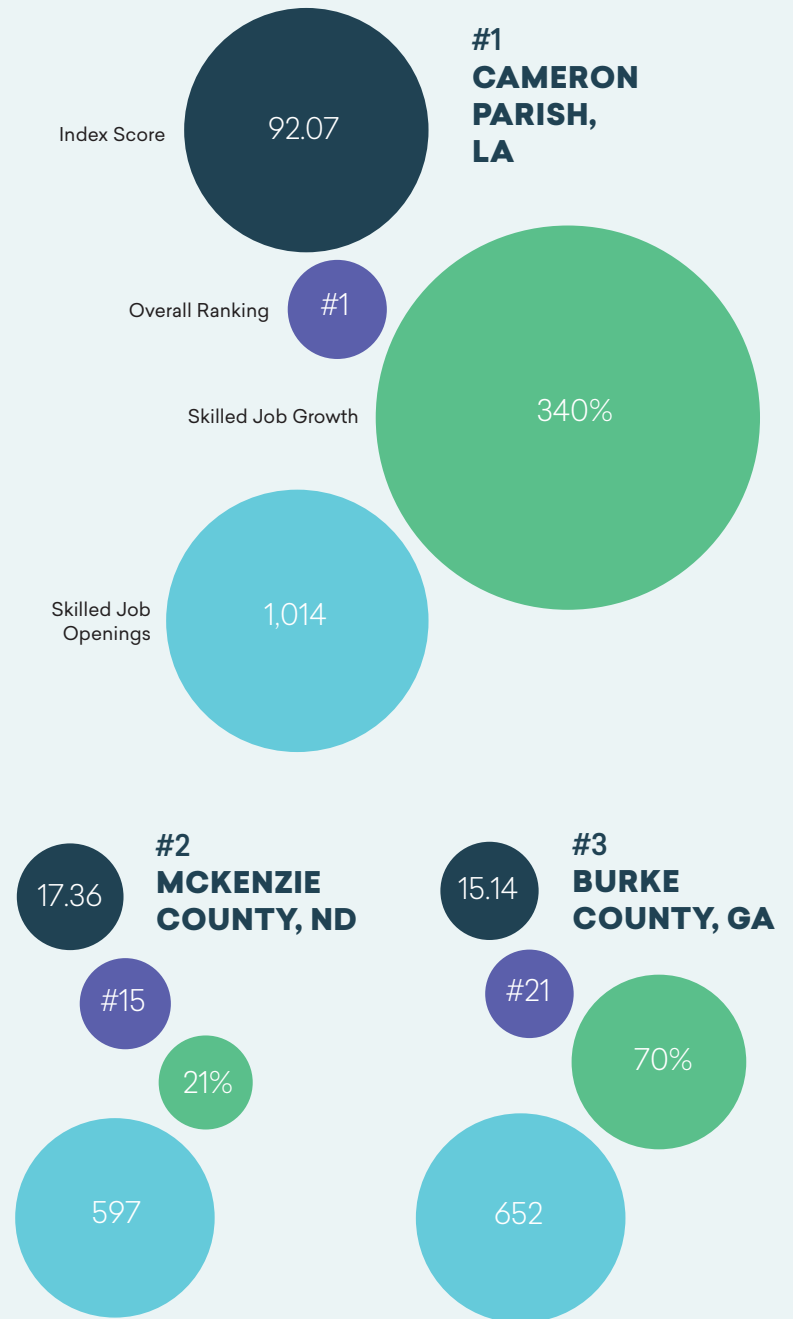
(5K–99K pop.)

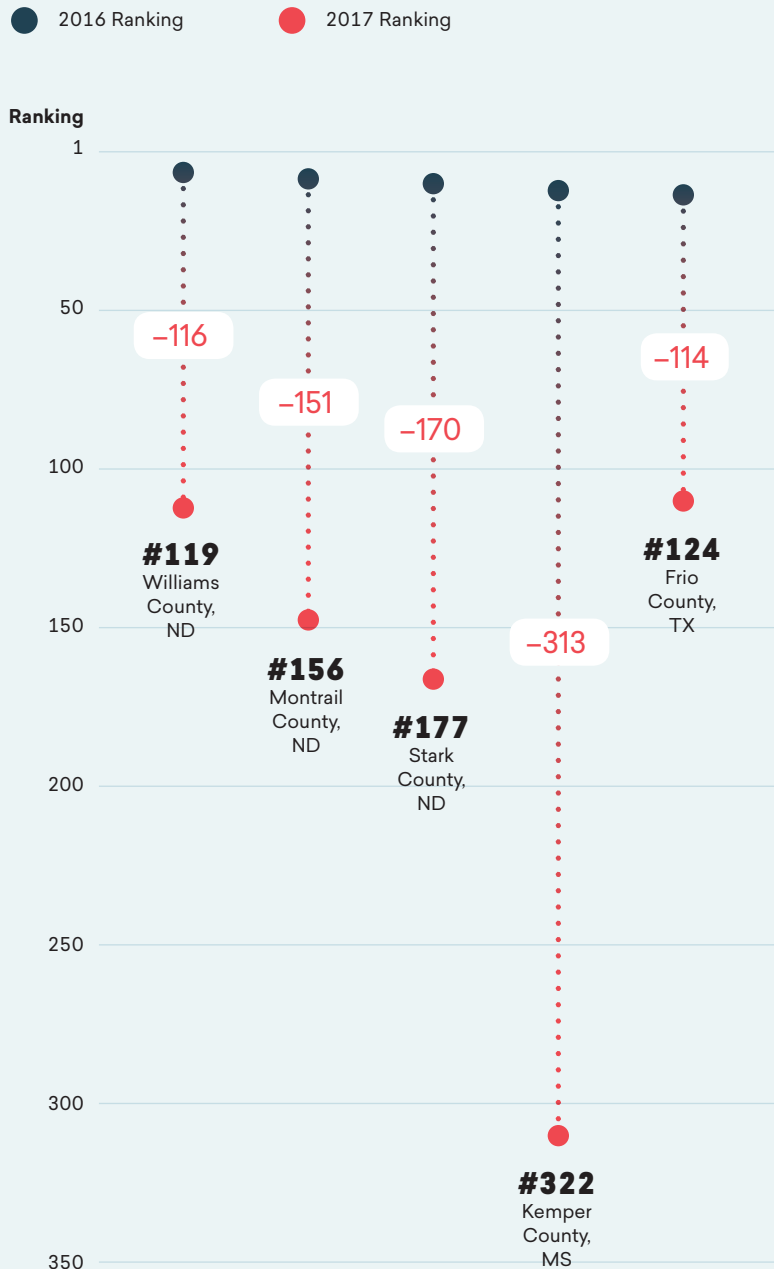
Cameron Parish, LA, Far Above Every Other County

Cameron Parish, sparked by an industrial construction boom, has the highest talent index score of any county, large or small. (It was No. 1 in the small county category last year.) Skilled jobs skyrocketed 340% from 2012 to 2016 in Cameron Parish (pop. 6,771).

Last year, three North Dakota counties were in the top five of our small county ranking. This year, McKenzie County, No. 2 for the second straight year, is the only North Dakota county in the top 30, a signal of how much the oil and gas slowdown has affected the state.

Beyond Cameron Parish and McKenzie County, two Georgia counties (Burke and Twiggs) and Martin County, Texas, make up the rest of the top five.





Georgia Counties Make Big Jumps; North Dakota Counties Decline

Burke County, Georgia, vaulted all the way to No. 3 from 266th last year. Twiggs County, Georgia, also made a sizable jump, to No. 5 after sitting at No. 129. Both Georgia counties saw big jumps in overall job growth, while Burke County saw a 70% gain in skilled jobs from 2012–2016.

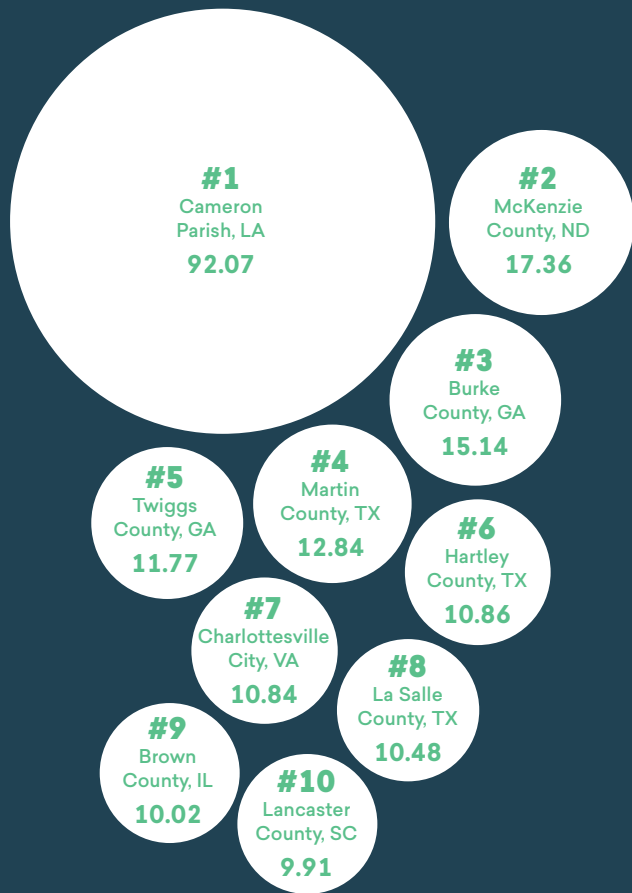
Among larger small counties (those with 50K–99K population), Rockwall County, Texas, made a big leap—to No. 35 from 93rd last year. Lancaster County, South Carolina, moved into the top 10 (No. 10) after ranking 24th. And fast-growing Dallas County, Iowa, part of the Des Moines MSA, went to 27th from 44th last year.

North Dakota counties, hurt by the souring oil and gas market, headlined the most notable declines from last year's scorecard:

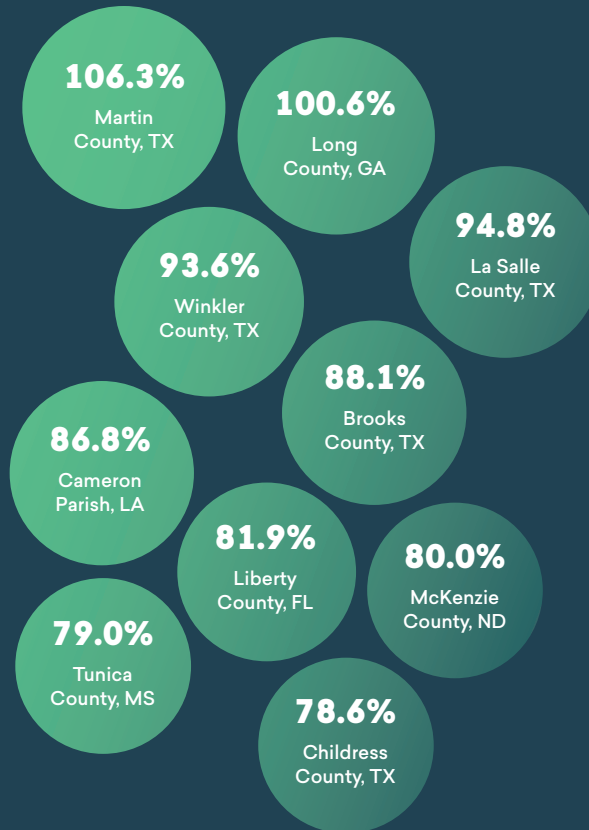
- Williams County, North Dakota, ranks No. 119, down from No. 3
- Montrail County, North Dakota, ranks No. 156, down from No. 5
- Stark County, North Dakota, ranks No. 177, down from No. 7
- Kemper County, Mississippi, ranks No. 322, down from No. 9
- Frio County, Texas, ranks No. 124, down from No. 10



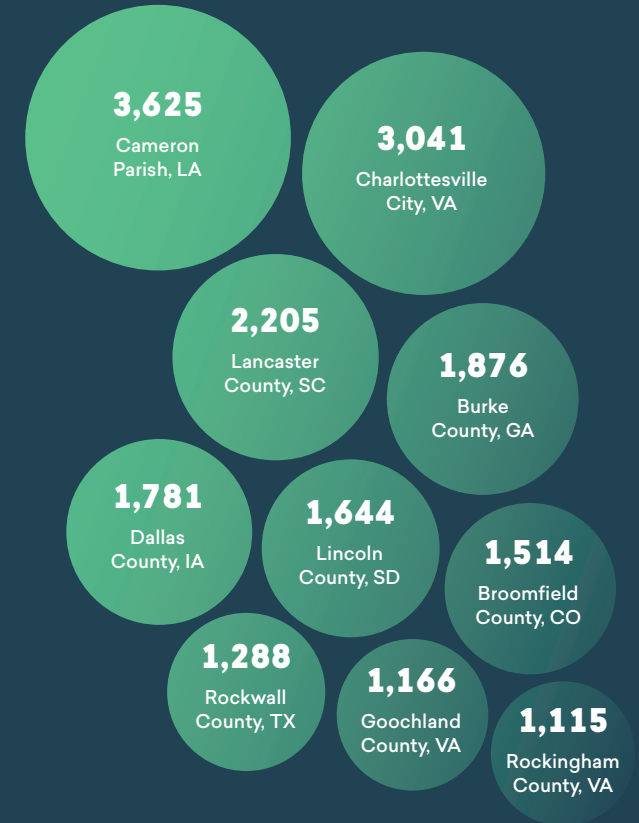
Small Counties – Overall Ranking



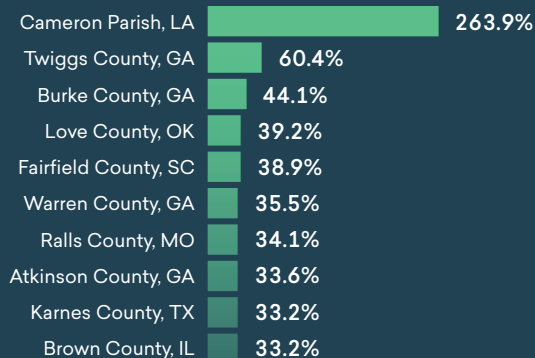
% Growth in Adults with Assoc.+



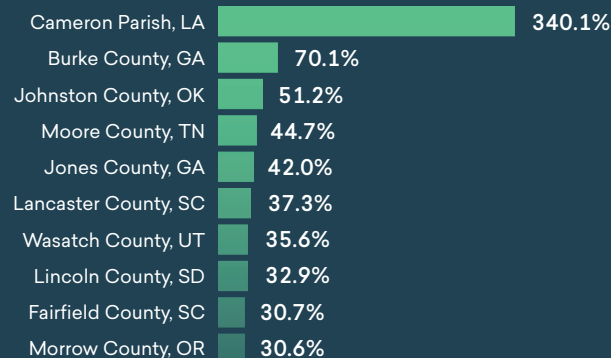
2012–2016 Skilled Competitive Effect



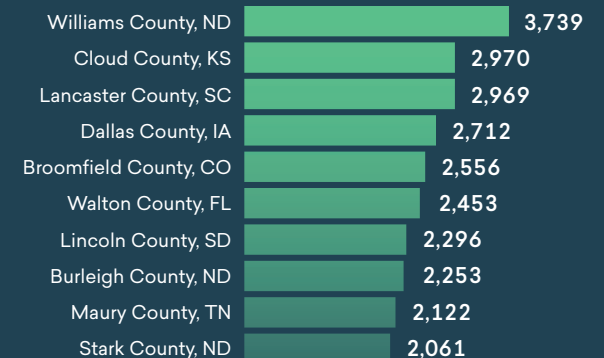
2012–2016 % Job Growth



2012–2016 % Skilled Job Growth



2011–2015 Net Migration



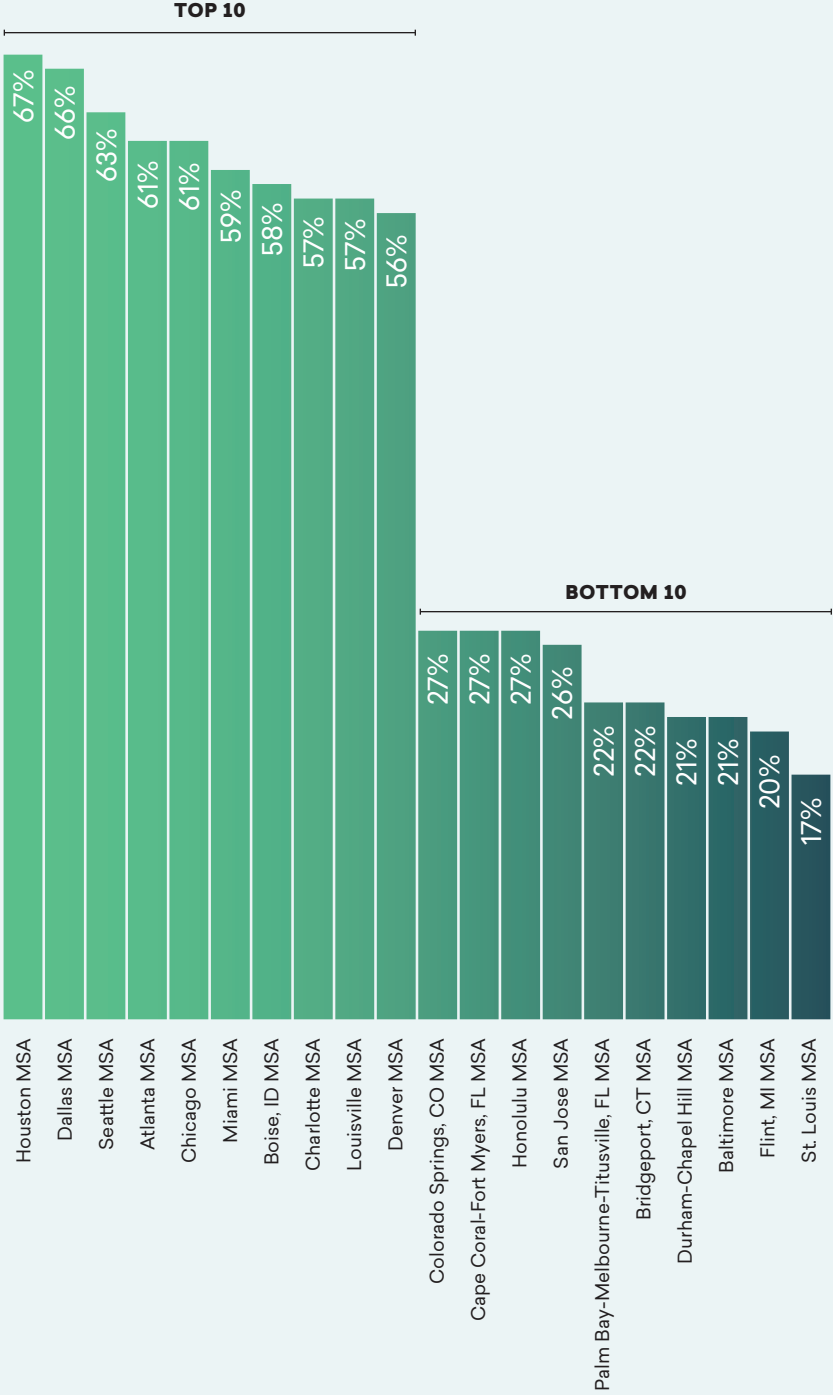
COLLEGE GRAD RETENTION (200 Largest MSAs)

 **Houston, Dallas, Seattle, Atlanta, and Chicago Have Highest Retention Rates**

A key part of talent development is retention—namely retaining young talent that local colleges are producing. In a separate ranking to our Talent Attraction Scorecard, we used Emsi’s online alumni and workforce profile database (which pulls from dozens of social media sources as well as CareerBuilder’s résumé database) to look at college grad retention for the 200 most populous metros.

The Houston MSA retains the highest share of graduates from local institutions, a whopping 67%—just ahead of Dallas (66%), Seattle (63%), and Atlanta and Chicago (both 61%). Each of these top cities ranks highly in our scorecard except for Chicago.

St. Louis has lowest retention among large MSAs (17%). Baltimore (21%), Bridgeport (22%), San Jose (26%), and Honolulu (27%) also rank low, along with many college towns.



THE SKILLS THE TOP COMMUNITIES ARE CULTIVATING

The question you might be asking after scanning the findings in this report is: why? Why are some communities growing their skilled talent bases and economies while others flounder?

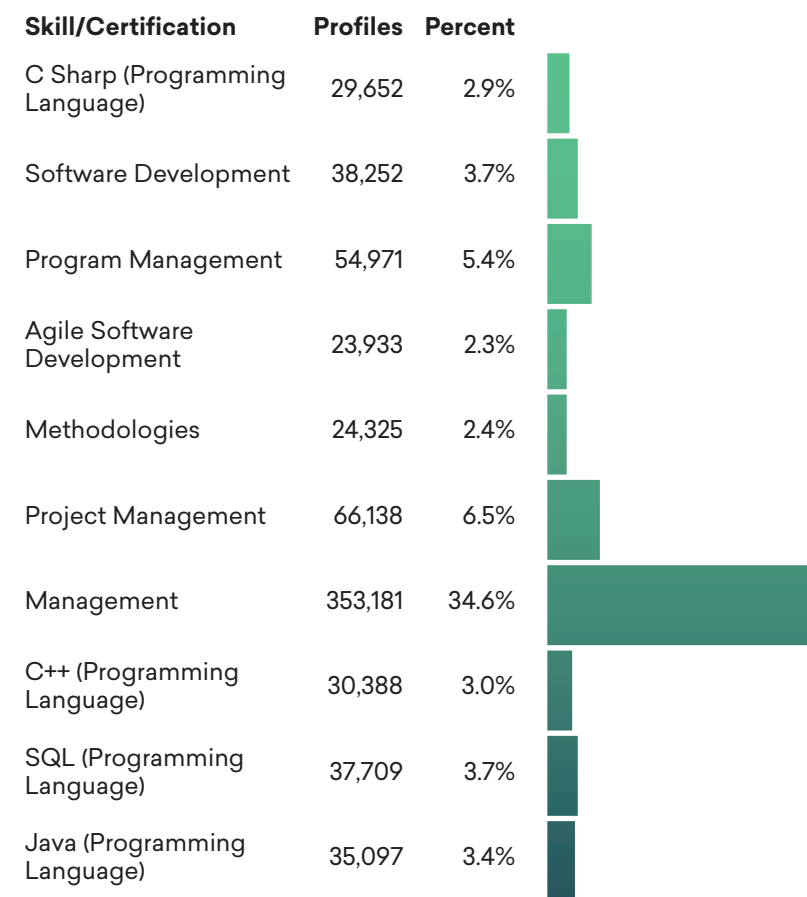
Part of the answer lies in the local leadership in these communities. Part of it lies in the quality of life that they have fostered. Cost of living, housing, and quality of K-12 education are other big factors in attracting and retaining innovative companies and the bright talent that fuel their growth.

New York Times columnist Thomas Friedman, [in a May 2017 column](#), pinpointed another key determinant of success for communities: “They’ve created diverse adaptive coalitions, where local businesses get deeply involved in the school system, translating in real time the skills being demanded by the global economy. They also tap local colleges for talent and innovations that can diversify their economies and nurture unique local assets that won’t go away.”

Communities at the top of our ranking have been leveraging these partnerships between local educational institutions, companies, and community organizations to supply businesses with top talent.

Consider Seattle. King County ranks No. 5 for talent attraction and the Seattle MSA No. 3 for graduate retention, at 63%. More than half of University of Washington graduates live in the Seattle area, according to our alumni profile database. That’s one indication that UW, to cite only one example, is doing a quality job training for the skills that Seattle’s knowledge-based companies need. And what are those skills? Looking across all 1 million-plus profiles of workers who live in the Seattle metro shows that they’re primarily software-focused, which isn’t surprising for a tech hub.

Top Skills in Seattle MSA



Houston is another example of a city that has linked education with economic and workforce development. Despite the hit that oil has taken, Harris County still ranks No. 8 in our talent attraction index and the Houston MSA has the highest graduate retention of any metro, at 67%.

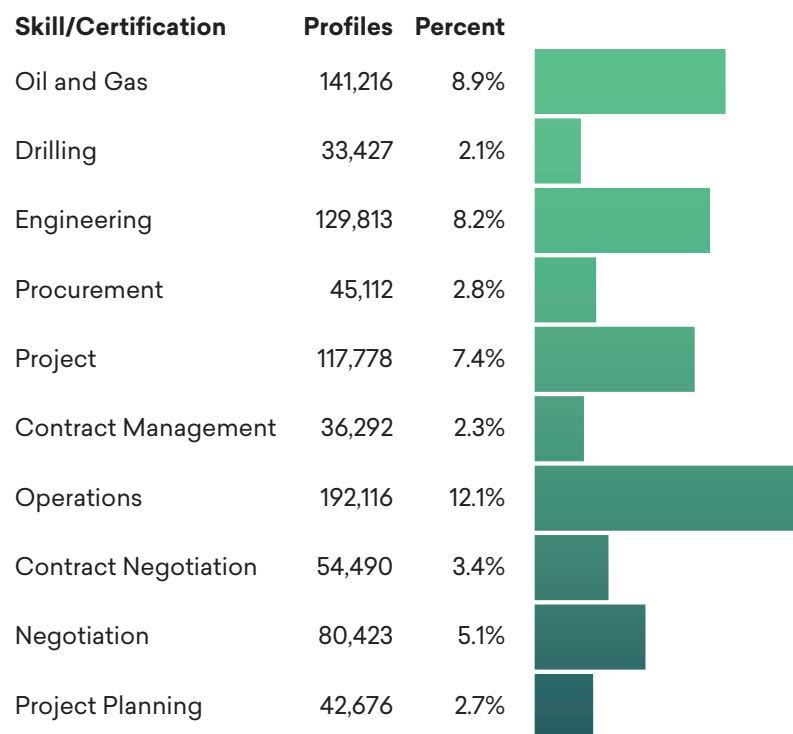
Again, the skills embedded in the Houston workforce match the strengths of the regional economy. Not just oil and gas, but engineering, operations, and project management as well.

Lastly, let's turn to a slightly smaller MSA, Louisville-Jefferson County, Kentucky-Indiana, one of the communities that Friedman profiled in his

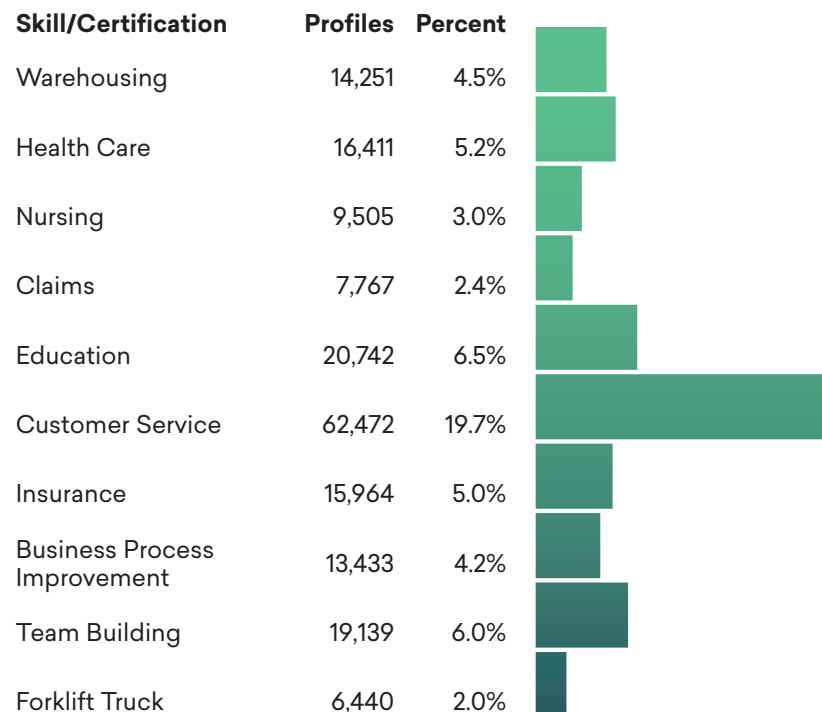
in his aforementioned article. It's in the middle of the pack of our talent attraction index (No. 273), but it ranks ninth among the 200 largest MSAs in retaining graduates (57%). Louisville's skills profile closely mirrors the industry sectors that help drive the metro's economy: transportation, warehousing, and distribution; insurance; and health care.

The bottom line: The top communities, as Friedman noted, are tapping local colleges and universities for talent—talent with very relevant skills for the regions' target industries.

Top Skills in Houston MSA



Top Skills in Louisville MSA



TALENT ATTRACTION IS MORE IMPORTANT (AND TOUGHER) THAN EVER

In his book *When the Boomers Bail*, Mark Lautman diagnosed what separates Winnerville from Loserville, two hypothetical communities that take vastly different approaches to economic development and talent attraction. It's been six years since Lautman wrote his book, but his message still largely rings true: The battle for skilled labor, what he sees as a zero-sum game, has become more intense. Some communities are winning the talent war. Others are losing.

In addition to the problems that Lautman lays out to argue why full employment will be devastating—including baby boomers not having enough kids and the failings of the educational system—communities that want to grow their skilled talent base face other challenges.

Most notably, Americans are moving at an all-time low rate. In his book, *The Complacent Class*, economist Tyler Cowen points to increased state-by-state occupational licensing and the growing similarities in regional economies as two of several reasons why interstate migration has fallen 51% below its 1948–1971 average—a stunning statistic.

Millennials, too, [are not moving](#) as much as young people from previous generations.

Decreased mobility is a key signal that dynamism is in retreat, to use the [Economic Innovation Group's](#) description. Add to this the talent crunch that many regions with unemployment below 3% are already feeling and this means communities will have to be more creative to find and recruit the workers that businesses need to grow.

It's not all bad news, though. More foreign graduates are staying in the U.S. for work, [per the Pew Research Center](#). Many of them are the high-skilled STEM workers that so many companies in knowledge-based economies covet. And more employers are recognizing the need to increase wages to be competitive. Wage growth has been more stagnant than economists would expect with the economy nearing full employment (there's likely more slack in the labor market than the unemployment rate shows), but earnings are ticking up, albeit [slowly in most metros](#) outside of San Jose and small MSAs like Sioux City.

Wages and cost of living considerations are the key levers that companies (and communities) can use to attract and retain talent. DCI, in a report entitled *Talent Wars: What People Look for in Jobs and Locations*, [summarized](#) the findings of its survey of more than 1,000 working-age Americans. Salary is the most important factor people consider when considering a new job opportunity, ahead of work-life balance and company benefits. Further, DCI found that cost of living is the top factor that drives relocation decisions.

STRATEGIES FOR BUILDING A TALENT PIPELINE

Community leaders are faced with trying to align policy, infrastructure, and culture to be the perfect ecosystem for talent to grow. This requires both quick action in the short term and long-term strategic planning. What follows is a brief summary of a six-phase talent pipeline roadmap that combines strategies that communities are adopting across the U.S.



1 Talent Attraction: The 0- to 6-Month Strategy

Businesses need talent and they need it now. While so many attempts to address skills shortage require educational restructuring, the fact is that will take years and that won't help a business that's not able to grow because of skills needed this moment. They might not still be in your region in a year if the problem persists. And for many communities with dropping unemployment rates, you must recruit from outside the region.

Big data allows you to pinpoint the right person for the right job with more certainty than merely sending out postcards. You can find workers who grew up or have relatives in your area, were alumni of both high school or colleges, or previously worked there. These are individuals ready to move or likely to in the next 2–6 months if shown the opportunity exists.

We suggest here that communities think like businesses. How does your region stack up to other communities after adjusting for cost of

living? Would those candidates like to know they could make 20% more for the same job just by moving? Businesses are already recruiting in these places and it's just as likely communities can find success, too.



2 Transferable Skills: The 6-Month to 2-Year Strategy

Often some of the skill sets needed are not ones that are highly recruitable. They may pay above \$12 per hour, but these jobs aren't really something that will have a large pull for someone 1,000 miles away. Typically communities must look more inward for those types of skills (although there may be some success in recruiting in truly depressed areas such as former oil or coal regions). One proven method for helping businesses get quick talent is providing minimal training to individuals with similar skill sets that could transfer to needed positions.



This is where it pays to partner with workforce development boards that specialize in this type of cross training. WIBs can work with businesses on their specific needs. They already have a connection to workers looking for other opportunities and upskilling those individuals can be the most cost effective solution for the community and business. This approach can provide quick access to talent that has proven to be tremendously beneficial both to the business and individual. A great success story on this front was [in Eastern Kentucky](#), where the regional workforce organization helped coal workers transition to in-demand occupations.



3 Technical & Certificate Programs: The 2- to 4-Year Strategy

Some training will require more than a short-term certificate, or the training will need to be housed in more of an academic structure. This is when you need to enlist the help of higher education leaders. The great news here is that so many community colleges across the country are keenly aware of the need to be highly in tune with local businesses. But the process to determine demand viability and start such a program can take some time. A partnership between businesses, EDOs, workforce boards, and colleges (the type of coalition Thomas Friedman suggested) is perfect microcosm to understanding long-term talent pipeline growth.

The need for program alignment, as well as lifelong education on workers' part, is a process that requires constant monitoring, a champion to advocate, and agility within academia. One great example

of how a college can [impact its community](#) with such an initiative is Walla Walla Community College.



4 Advanced Skill Sets: The 4- to 7-Year Strategy

Some skill sets are beyond a two-year degree but the same methodology laid out above is just as pertinent. Partnering with four-year colleges and universities to have right programs in place that meet current and future workforce needs will help more advanced industry development. The challenge can be how quickly can a college adjust their programs to meet industry needs. The other challenge is creating curriculum that has longevity.

Universities are also great sources of young talent that businesses covet. Cities with educational institutions attuned to industry needs, if they can retain graduates, have a leg up on their competition.



5 Information Gap: The 7- to 10-Year Strategy

Program alignments and partnerships are great, but if you don't have students' interest and awareness of these offerings, it's all for naught. This approach is twofold. On the one hand, communities need to invest in junior high and high school programs that align to

the future workforce needs. There have been a number of studies that show the effectiveness of middle school physics programs and their connection to graduates going into STEM-related college programs; see the [success in Albuquerque, New Mexico](#), as an example. The other component is making students aware of the real-life labor market opportunities in their area, versus what they hear about in the media—something Emsi is addressing with FindYourCalling.com.



6 Starting Early: The 10- to 15-Year Strategy

Research has shown education is most influential the earlier students are introduced to concepts and ideas. We are no elementary education experts, but there is a significant burden of proof supporting the

introduction of technology and science earlier into curriculum will pay off in more interest in STEM fields down the road. Even non-STEM occupations are requiring a tremendous amount of computer knowledge. Familiarity with tech and software will give students a brighter career outlook.

In short, the connection between education and businesses should not start after high school but be infused into the community with alignment all the way down to early elementary. Lifelong skills require a lifetime to learn, and providing students practical application so late in the game will create a gap that takes more than two or four years to fix. Communities that align their pre-K to post-graduate work will be the communities that come out ahead despite widespread talent shortages.

METHODOLOGY

Emsi included the following six metrics in our analysis, and then created a Z-score index with all the measures weighted equally:



Net migration measures the net new residents that came to a county from inside or outside its state, looking at the most recent years of data (2014–2015) and a broader post-recession period (2011–2015). Source: IRS.



Overall job growth is the 2012–2016 percent job change for all wage-and-salary employees.



Skilled job growth looks at 2012–2016 percent growth for occupations that fall into one or more of the following three categories: those that typically require 1) a postsecondary certificate or above, 2) long-term on-the-job training, an apprenticeship, or residency/ internship, or 3) five years or more of work experience in a related occupation. This allows us to see growth of jobs in both occupations that require formal education (from a certificate to an advanced degree) and those in which experience or on-the-job training is preferred by employers. All education levels are reported at the national level by the BLS.



Educational attainment is the 2012–2016 percent change for adults over 25 with at least an associate degree.



Regional competitiveness is the 2012–2016 competitive effect for skilled occupations (see above) using shift share. Competitive effect explains how much of job change is due to a region’s unique competitive advantages. This explains which counties are gaining (or losing) a greater share of skilled labor.



Annual openings per capita are the sum of 2012–2016 new jobs and replacement jobs (i.e., openings due to attrition) per 1,000 residents. Some regions might not create a flood of new jobs, but because of the attrition of its workforce through retirements, etc., replacement job needs could be high.

All data is from Emsi’s 2017.2 data set (wage-and-salary employees only) unless otherwise noted. Note that this year’s rankings are not 100% comparable to last year’s because we added a second, longer-term trend in net migration and growth in associate-and-above educational attainment.

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ABOUT EMSI

Emsi provides economic development organizations with labor market insights on their communities to help them retain and expand existing businesses, attract new businesses and talent, and provide meaningful opportunities to their residents. We also provide companies with the data and consulting services to fuel their talent acquisition and site selection decisions.

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