



Richmond's Future – YRVA Study

Executive Summary

April 2013

This document is the Executive Summary of the YRVA Study, a comprehensive marketing research initiative designed to identify how the Richmond Region (RVA) can attract and retain more young professionals.

The YRVA Study was conducted for Richmond's Future, an independent, nonprofit, 501(c)(3) think-tank established to explore issues that are vital to the future of the Richmond metropolitan region. This study was designed and conducted by the Southeastern Institute of Research, Inc. (SIR) with the assistance, drive and dedication of a special group of research associates – 30 of RVA's young professionals.

This Executive Summary presents a brief overview of the YRVA Study's background and purpose, audiences, objectives, methodology, key insights and strategic recommendations.

Once approved by the *Richmond's Future* Board of Directors, this Executive Summary document, as well as copies of all of the related YRVA Study research reports will be made available to the public on *Richmond Future's* website – richmondfuture.org.

STUDY BACKGROUND & PURPOSE

Due to the dramatic increase in life expectancy and decline of birth rates, America's population is shifting. For the first time in history, there will be more people over the age of 65 than under the age of 15. Looking out to 2030, demographers see a dramatic change as the 55+ age segment will increase significantly while the 18 to 54 year segment, America's traditional workforce, remains the same size. One consequence is that Baby Boomers are expected to remain in the workforce longer to fill needed jobs. Another expected consequence is the coming battle for young professionals.

Cities across America are now starting to compete for the brightest young professionals. As the demographic age shift plays out over the next 20 years, competition for these highly educated workers is expected to heat up. Urban areas such as Austin, Boston, Denver, Raleigh and Arlington County are setting the pace.

The long-term economic prosperity of metropolitan areas will be based, in part, on a region's ability to become and remain competitive as one of the preferred places for young professionals to live and work today.

Identifying the age shift and growing importance of young professionals as one of the major issues reshaping our region's future, *Richmond's Future* included **attracting and retaining young professionals** as one of the organization's key focus areas to study and point out specific action steps for the RVA community to embrace. (Please visit richmondfuture.org for information and reports related to *Richmond's Future* other focus areas.)

To deliver on this purpose, *Richmond's Future* engaged SIR to conduct a comprehensive research study among young professionals to:

1. Understand the perceptions and expectations of young professionals regarding cities and urban areas and how RVA compares to emerging HOT spots for young professionals;
2. Formulate research-inspired recommendations – specific actions that the RVA region must do today to remain relevant and attractive to young professionals for years to come.

STUDY AUDIENCES

In total, over 3,500 people participated in the YRVA Study, which included a mix of qualitative focus groups and quantitative surveys across five separate research audiences:

1. College students attending colleges and universities in the RVA region and across Virginia.
2. Young professionals who currently live across the RVA region.
3. Young professionals living and working in six peer cities.
4. The peer cities were selected based on size, reputation and proximity to RVA. They included Raleigh; Washington D.C.; Charlotte; Austin; Atlanta; and Denver. Denver was added to this list based on the Greater Richmond Chamber of Commerce's upcoming Intercity Visit (ICV).
5. RVA's business leaders.
6. Senior Human Resource executives from RVA's largest companies.

Please note that throughout this study, the qualification to be considered a "young professional" was left up to the potential respondent. For the most part, people under 35 responded.

STUDY OBJECTIVES

The *Richmond's Future YRVA Study* research objectives included:

- Understand how college students in the RVA region and across Virginia view RVA as a viable place to live and work after they graduate.
- Understand how young professionals view cities today. *What do they want in a city location? What first attracts them? Why do some stay and others leave?*
- Understand how young professionals view RVA today. *What is RVA's image and reputation? What first attracted young professionals to RVA? Why do some stay and others leave?*
- Assess RVA's performance in offering what young professionals need and expect in a city. Where are the biggest gaps between expectation and what RVA delivers?
- Profile RVA's relative performance to the "emerging HOT spots for Millennials" – Austin, D.C./Arlington, Atlanta, Denver, Raleigh, Charlotte, etc.
- Understand how senior human resource executives across the RVA region view issues related to attracting and retaining young professionals.
- Understand how RVA's business leaders view and value young professionals as a key workforce resource.
- Identify research-inspired recommendations on what the RVA region must do today to remain relevant and attractive to young professionals for years to come.
- Establish benchmark measures from which RVA's progress in becoming more appealing to young professionals can be measured and tracked over time.

STUDY METHODOLOGY

The YRVA Study utilized an innovative approach to ensure a fresh and authentic perspective guided the entire research process. As the YRVA Study was a research initiative designed to understand how young professionals view cities and what RVA could do to become more appealing to this segment, SIR and key members of *Richmond's Future* recruited a team of thirty (30) local young professionals. This group was called the **YRVA Project Team**.

These 30 young professionals were empowered to help inspire and inform the entire YRVA Study.

The YRVA Project Team helped identify potential issues to study, shaped the survey instruments, facilitated the survey fieldwork, reviewed the results and formulated recommendations.

In addition to the YRVA Project Team, a **YRVA Advisory Committee** was created. The YRVA Advisory Committee consisted of a number of members of *Richmond's Future* Council of Advisors, as well as other representatives from organizations active in the young professional community. This group worked with SIR to help guide the YRVA Project Team through the research process.

The research methodology utilized various sample plans:

College Students in Colleges/Universities in RVA and Across Virginia:

A 15-minute online survey was conducted from October 25, 2012 to January 29, 2013. Respondents were targeted from Virginia colleges and universities within the RVA market and those outside of RVA. A convenience sampling approach was utilized to reach this universe. The Advisory Team and Project Team used their extensive networks and social media to disseminate the survey and invite participation. A drawing was used as an incentive. Respondents could sign up to be entered in a drawing for an iPad or one of two \$250 Apple gift cards.

A total of 589 college and university students participated in the survey.

- 245 completed interviews were obtained from students at RVA-based colleges and universities. This sample results in a margin of error of +/- 6.3 percentage points at the 95% confidence level.
- 344 completed interviews were obtained from students at non-RVA-based colleges and universities across Virginia. This sample results in a margin of error of +/- 5.3 percentage points at the 95% confidence level.

Young Professionals in Peer Cities Survey:

A 15-minute online survey was conducted with young professionals from each of these cities. The fieldwork took place from November 6-13, 2012. A national online survey panel was utilized. For each city, 200 completed interviews were conducted. At 200 completed responses, the margin of error is +/-6.9 percentage points at the 95% confidence level. No respondent incentive was used.

Young Professionals Living in RVA:

A 15-minute online survey was conducted from November 6, 2012 – January 3, 2013. Convenience sampling was generated through the use of YRVA Project Team contacts, social media, friend/coworker referrals, YRVA Advisory Committee contacts, human resource directors, *Richmond's Future* members, Venture Richmond Board members, Greater Richmond Chamber of Commerce contacts and media coverage. A drawing was used as an incentive to participate in the survey. Respondents could sign up to be entered in a drawing for an iPad or one of two \$250

Apple gift cards. A total of 1,269 respondents completed the survey. The margin of error is +/- 2.5 percentage points at the 95% confidence level.

An additional 200 completed interviews were generated in RVA using the online national panel used for the peer cities. These additional interviews, viewed as a separate dataset, make it easier to compare some of the findings from the Peer City Survey to RVA. In addition, using the national panel makes it easier to repeat the YRVA Study in future years to track RVA's progress.

KEY FINDINGS

This initial draft of the YRVA Executive Summary focuses on the key findings from the student and young professionals surveys.

College Students in Colleges/Universities in RVA and Across Virginia:

- 74% of RVA college students feel RVA is “a great place to play.”
- 78% of RVA college students love living in RVA.
- College student respondents, from both in and outside of the RVA region, agree that RVA has a rich history, access to water, higher education options, great food scene, active arts scene, embraces creativity and is diverse.
- Yet, 4 in 10 (41%) of RVA college students say they will leave RVA in one to two years after graduation. And, while one in three college students across Virginia (outside of RVA) would consider moving to Richmond, a larger percentage, 43%, say they are not even considering RVA as a place to live and work.

	Considering Staying in/ Moving to RVA
RVA college students	43%
Virginia students outside of RVA	34%

- Students report that it is a perceived lack of jobs and the variety of jobs that are available that is limiting their interest in the RVA region after college.
- RVA college students and Virginia college students outside of RVA both say job opportunities are the most important thing they are looking for in a city, 95% and 96%, respectively.

- In fact, more college students say they are attracted to cities by job availability than say they are motivated first by location itself or the people.

	<u>RVA</u>	<u>Outside RVA</u>
Job First	57%	62%
Location First	24%	16%
People First	19%	22%

- Few students think RVA is an easier place to find a job compared to other cities in general.

	Easier to Find a Job in RVA Than Other Cities
RVA college students	26%
Virginia students outside of RVA	20%

“Even when I graduated from the University of Richmond I didn’t think there were any companies hiring in Richmond.”

- From a job perception standpoint, both RVA college students and Virginia college students outside of RVA do not feel RVA has a variety of employment options.

Variety of Employment Options

	Expectation Rating	Performance Rating	Gap
RVA college students	88%	48%	40%
Virginia students outside of RVA	84%	40%	44%

- Today’s college students want jobs that allow them to “create new ideas and content.”

	RVA	Outside RVA
Create new ideas	78%	67%
Create new content	72%	53%
Create new technology	31%	28%
Think creatively and involves problem solving/finding	87%	76%

- In addition to the perceived lack of jobs and variety of jobs, college students outside of RVA also have a misperception of RVA's safety. From a safety standpoint, there is a big difference in how RVA college students view safety in RVA than students outside of RVA.

Safety Perceptions

	Expectation Rating	Performance Rating	Gap
RVA college students	74%	35%	39%
Virginia students outside of RVA	82%	10%	72%

The key takeaway from the student survey is that what will first get Millennial college students to remain in or come to RVA as their first home after college is all about work – especially jobs that imply the opportunity to be “creative” or “innovative.”

Young Professionals Peer Cities Survey:

- Young professionals in other markets have very little familiarity with RVA. Even young professionals in nearby D.C. (24%), Charlotte (16%) and Raleigh (12%) have low familiarity ratings despite being so geographically close to RVA.
- Given the low levels of familiarity, it is not surprising that there is low to little awareness of what RVA has to offer. However, Raleigh and D.C. are more aware of RVA's “great food scene” and “outdoor recreation options” compared to other peer cities.
- Most young professionals like the city they currently live in.
 - Austin 86%
 - Denver 82%
 - Charlotte 77%
 - Raleigh 73%
 - Atlanta 65%
 - D.C. 61%
- For all of the peer cities, including RVA, having a “rich history” is not a driver of a positive perception. History is history to young professionals.

- For today's young professionals in all cities combined, the most important attributes that directly influence an area's reputation are the food scene, safety, bikeability/walkability, a variety of employment options, outdoor recreation, affordable housing and a place that embraces innovation. The top five drivers by city specifically are:

Raleigh	D.C.	Charlotte	Austin	Atlanta	Denver
Variety of employment options	Quality and affordability of housing options	Great food scene	Is safe	Has rich history	Embraces innovation
Outdoor recreation options	Variety of employment options	Access to water	Great food scene	Is safe	Great food scene
Bikeable/walkable	Near the mountains	Quality and affordability of housing options	Outdoor recreation options	Urban living environment	Bikeable/walkable
Great food scene	Active arts scene	Embraces innovation	Bikeable/walkable	Variety of employment options	Embraces creativity
Quality and affordability of housing options	Is safe	Is diverse	Near the mountains	Embraces creativity	Variety of employment options

The drivers tend to be active lifestyle and culture attributes.

- For young professionals, most surprisingly, the local "food scene" is the number one driver of a city's positive perception across all cities, including RVA. But it is not just about food. In the YRVA Study, the food scene appears to be made up of non-chain restaurants, diversity of food options and unique food options. The food scene is where people can gather and meet and do so supporting sustainable and unique food offerings.
- Safety is important and a key driver in most cities. Millennials want to be out and exploring their cities. They want a community experience. The more people feel unsafe, the less time they will spend actively in and exploring their city. A city that fosters community and cultural events can help increase the feeling of safety overall. In many cases, safety is a perception and not a factor of reality.
- Bikability/walkability – Millennials are less car-centric. They value travel time as time to stay connected. They seek out environments that will help them live more sustainable, low impact lifestyles. Urban bikability and walkability is part of the greater urban living environment they find important.

- Millennials want to see a variety of employment offerings in a city. They do not want their city to be limited to one or two industries or standard job types. The city needs to pull employers together to help frame the jobs they provide in a way that showcases the variety of job types, responsibilities and opportunities.
- Similar to the food scene, “outdoor recreation options” plays a big role in the attractiveness of a city. Ideal outdoor activities across all cities include parks, walking trails, hiking, sports leagues and trail running. Most of these activities can be created in most every city regardless of location. Secondary activities include kayaking, boating, mountain biking and rafting/tubing. These secondary activities focus more in location near a river/water or near mountains.
- Affordable housing and quality housing is almost always a factor when deciding where to live. This is no different for Millennials. Many young professionals have been entering the workforce in the middle of a recession when jobs are hard to come by and salaries are tighter. Factors like this make affordable and quality housing of even more importance.
- Embracing innovation goes hand-in-hand with embracing creativity. Millennials seek out jobs that allow them to think creatively and innovatively. They are drawn to companies that embody these elements. Having a city that embraces these ideas will be attractive to young professionals. It is important for employers to begin to frame jobs in ways that highlight these qualities.

The key takeaway from the peer cities survey is that what will help keep young professionals (after they arrive for a job) is a great sense of culture – a sense of place where they can connect and just be.

Young Professionals Living in RVA:

- Two in five (42%) RVA young professionals said they moved to RVA after college while another third (35%) were already in RVA. Nearly half (48%) also considered living in D.C.
- Nearly four in five (79%) young professionals love living in RVA and agree RVA is a great place to live (84%), a place for people who love culture (78%), a place to work (77%) and a place to raise a family (74%).
- Young professionals are less likely to agree RVA is a place to find a mate (46%), a place for people who want to start a business (45%) and a place for young professionals to join nonprofit boards (44%).
- RVA young professional respondents say the most attractive aspects about a city are having a variety of employment options (92%), quality and affordable housing (91%), is safe (90%) and offers a great food scene (88%).

- Four in five (80%) though feel they can make a difference in RVA, and 78% would choose RVA if they had to make the decision all over again.
- Nearly half (48%) of RVA young professional respondents own a house. Of those who do not, over three-quarters (77%) are considering or are already planning to buy a house in RVA.
- The drivers of a positive feeling about living in RVA are (in order):
 - Offers a great food scene
 - Urban living environment
 - Embraces creativity
 - Embraces innovation
 - Has rich history
 - Is safe
 - Quality and affordable housing

When looking at drivers across various demographics, having a great food scene nearly always comes out as the strongest driver.

- Over two-thirds (68%) of young professionals are happy with their current job. The biggest gaps between what they find important and how they rate their employer are having an employer who embraces a work/life balance, an employer who provides opportunities for increased responsibility and an employer who values creativity, innovation and problem-solving.

Employer Perceptions

	Expectation Rating	Performance Rating	Gap
Embraces work/life balance	93%	66%	27%
Provides opportunities for increased responsibility	90%	65%	25%
Values creativity, innovation and problem solving	87%	62%	25%

- RVA young professional respondents choose to live in RVA mostly because of the people (46%) followed by a job (35%) and then the location (19%). Interestingly, RVA and Denver were the only two of the six peer cities where young professionals put people first over location and job. It seems for RVA and Denver young professionals, once they have a job, what may be more important is the community of people.

- It appears that RVA young professional respondents are moving to RVA for the people and, once they arrive, they find thriving ways to build community through the culture. This is seen in the strong ratings across satisfaction with a number of attributes:
 - Food scene 83%
 - Outdoor recreation 83%
 - Arts scene 78%
 - Urban living environment 65%
 - Music scene 64%

These are attributes that help build culture. But they are also more than simply culture, they are scenes that allow for shared experiences and bringing people together and facilitate opportunities to know people better over a meal, at a concert or an art show. This is what helps create community. It's the people that draw young professionals to RVA, and it is the community that keeps them here.

The key takeaway from the RVA young professional survey is that what will help keep young professionals in RVA (after they arrive for a job and take advantage of the culture) is feeling like they are building a community – a place where culture is community.

STRATEGIC RECOMMENDATIONS:

SIR shared all of the key findings from each of the surveys with the YRVA Project Team – *the 30 young professionals*. After reviewing and discussing the totality of the research findings and key insights, the Project Team separated into three groups around each audience – College Students, YRVA Peer Cities and RVA Young Professionals.

Each group was tasked with identifying the most significant research findings from their respective research audience and, based on the insights, formulating strategic recommendations for the RVA community.

The reports from these three subgroups are now in the form of short *Prezi* presentations. The highlights of each report are presented below.

1. Attract More College Students to RVA with a More Seamless, Global Marketing of RVA's Available Jobs:

- **Know Your Audience:** Probe further on the big disconnect between college students and their misperceptions of jobs in RVA. Have colleges, universities and RVA employers conduct more research on this topic. Explore what types of jobs they are seeking and the nuances around the misperceptions of RVA's job market. Use this as benchmark research to also track improvements over time.

- **Increase Awareness and Familiarity of Available Job Opportunities:** Showcase employers from a non-recruitment standpoint, including the growing entrepreneurial and start-up scene with videos, podcasts or e-newsletters.
- **Repackage Current Jobs – Add More Creative Appeal:** Students and graduates want to CREATE; employers should make efforts to show them what they can MAKE. Use the right language and packaging of job opportunities. Position jobs as opportunities, not make-or-break decisions.

2. Use the Food Scene to Attract More Young Professionals to Experience RVA's Culture:

- **RVA Restaurant Website:** The local food scene is number one. Build upon RVA's recent recognition as a major food scene. Create a centralized website for RVA restaurants and food festivals. This should be a one stop online location, which includes links to restaurants, maps, menus and more. Additionally it could include a food festival calendar, interviews with chefs, video clips and news stories. Restaurants and festivals will help maintain and update the site. Larger employers can link to this site to highlight RVA's food scene to their young professionals. Invite food trucks to corporate locations for after-hours office park mixers.
- **Food Tourism Campaign:** Incorporate the food story into RVA's tourism and economic development outreach efforts. Ideally, this could be a partnership among local EDAs, tourism offices, the Greater Richmond Chamber of Commerce and Greater Richmond Partnership. Target young professionals within 250 miles and showcase RVA as a major "foodie" destination. Create and package food-themed weekends and help strengthen RVA's food scene.
- **Create the RVA Food Festival:** Create a signature, national event for the food movement in RVA. This could be a signature annual event for the RVA region featuring local farms, restaurants, breweries and wineries, etc. It could be a celebration of local RVA food and drink with fun competitions, tasting contests and awards. The event could include celebrity and national chefs, offer a charity component, and include corporate sponsorships and support opportunities. Ideally, this even would become a draw for tourists outside of RVA and further designating RVA as a food city.

3. Retain More Young Professionals in RVA:

RVA young professional respondents, unlike peer city respondents, value community first and foremost when it comes to choosing a city and their overall satisfaction. That is above culture, individualistic pursuits (art, outdoor recreation, etc.) and location.

Create conditions for the community to flourish. Examples include:

- **Embrace Innovation:** Create one region-wide showcase on innovation. Get more young professionals involved in the conversation. Institute an annual/bi-annual "Innovation Convocation" where representatives from i.e., DaVinci, New Richmond Ventures, City Hall, etc., get together with a panel of young professionals to discuss

issues, identify trends and share information on all of the region's supporting infrastructure for innovation.

- **Rethink Jobs:** Employers should rethink job descriptions, roles and responsibilities and reinvent them to include what young professionals value. Rethink ideal candidates around the qualities and strengths of young professionals.
- **Create Neighborhood Connections:** Neighborhood connections through your companies – connect people when they move here, get them plugged into other people from your companies who live nearby. Have neighborhood sponsors hold volunteer block parties similar to VCU's "Paint the Town GREEN."

SUMMARY & NEXT STEPS:

In summary, the big take-a-way from the YRVA Study can be summed up in three words – jobs, culture and community.

Jobs, properly packaged and marketed, will keep and attract more college students to RVA. Advancing and supporting RVA's culture, especially RVA's food scene, will help RVA retain a growing number of young professionals. And, once young professionals experience RVA's culture, they quickly become part of the community. Different from RVA's peer cities (except Denver), RVA's young professionals value community first and foremost when it comes to choosing a city and their overall satisfaction. This is above culture, individualistic pursuits (art, outdoor recreation, etc.) and location.

Once this report is approved by the *Richmond's Future* Board, the immediate next step is to share the YRVA Study findings, insights and recommendations with a number of key organizations from the Greater Richmond Chamber of Commerce to Venture Richmond to the Community Foundation. Through this information sharing process, these organizations, with their existing operational infrastructure, staff and marketing resources, will no doubt incorporate some of the YRVA Study's insights and recommendations into a their respective programs. Optimally, any use of the YRVA Study will be tracked and reported back to the *Richmond's Future* Board.

Over time, the YRVA Study should be repeated to assess the changing needs and perspectives of young professionals, as well as to track and report on RVA's success in becoming one of the greatest places in the world for young professionals to live, work and play.

Richmond's Future is an independent, nonprofit, 501(c)(3) think-tank established to explore issues that are vital to the future of the Richmond metropolitan region. Our organization has already published reports on the analysis of comparative cities, major demographic trends reshaping our region, the future of RVA's logistics industry, the future of STEM education, the promise of the Port of Richmond, and other issues and opportunities shaping our future. All of this work has been performed to educate and inspire organizations and businesses on how they can actively shape our region's destiny. All of *Richmond's Future's* final reports that have been released to date are available, at no charge, on richmondfuture.org.

The Southeastern Institute of Research (SIR) is a 49-year-old, full service marketing research company headquartered in Richmond, Virginia. SIR conducts focus groups, surveys and ethnographic research for *Fortune 1,000* businesses, government agencies and national associations (sirresearch.com).