

JULY 2022

insights



TALENT WARS

What People Look for in Jobs and Locations






INTRODUCTION

As labor and talent shortages continue to dominate the news cycle, employers are left struggling to fill the estimated 11.5 million open jobs across the United States—with only a reported 6.0 million actively unemployed individuals available to fill these jobs. In other words, there are only 0.5 people available for every open position in the U.S. Without even considering spatial mismatches or skill shortages, the odds are not in favor of employers looking to attract and retain employees.

Meanwhile, the motivations and preferences of talent continues to evolve as the U.S. navigates the endemic and rising economic uncertainty. Communities are under pressure to identify the trends, tools and tactics that will help retain existing workers and differentiate them to relocating talent to help ease the challenges faced by their employers. To aid this process, DCI has once again set out to better understand the “why” behind relocation and identify emerging trends.

In the sixth edition* of DCI’s *Talent Wars*, our national research study on the behaviors and preferences of relocating talent, we surveyed more than 1,000 people across the United States (ages 21-65) who moved to a new location at least 100 miles away from their previous residence in the past 24 months. Once again, *Talent Wars* takes a deep dive into the top factors that talent considers when making a career or location change, where talent looks to inform their decisions, some of the most pressing topics unique to the endemic and more—all from the perspective of talent who relocated in the past 24 months.

*DCI’s national research report *Talent Wars* was conducted in 2017, 2018, 2019, 2020 and 2021.



With more than six years of talent research to draw on, DCI has been able to capture trends on the evolution of the importance of place during talent's path to purchase for jobs and locations. Unique to this year's edition of the study are new questions that help inform the role of travel and tourism in talent attraction efforts which increasingly, research shows, plays a critical role in creating environments that are not only attractive to visit but also to live. Understanding these factors—and how all stakeholders can work together effectively—will enable communities to better position themselves to retain and attract talent.

TOP TRIGGERS: THE 'WHY' BEHIND THE MOVE

THE GREAT RESIGNATION OR THE GREAT REFLECTION?

In 2020, the “Great Resignation” entered mainstream vernacular. While used to describe the mass exodus of workers from the workforce, it can be argued that the great resignation was actually the symptom of a larger phenomenon that is more accurately coined the “Great Reflection” among professionals involved in talent acquisition and retention. For the first time, and as a side effect of shelter-in-place mandates, people were afforded the luxury of time to reflect on what they wanted from a lifestyle and career perspective. Coupled with ample time to scour the internet for information on jobs and locations, many people took a good long look at their personal and professional goals and explored new options.

For two consecutive years, DCI's research further supports this trend. When asked about the initial and primary triggers prompting relocation (or the idea of relocation), talent's top three answers were: to have a better quality of life, to be closer

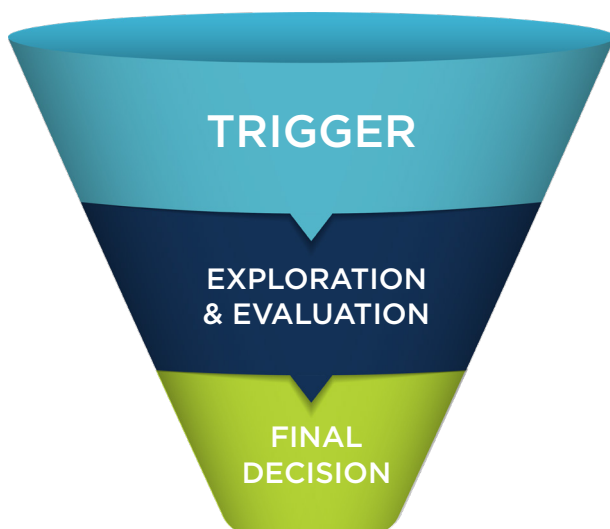
to family, and simply wanting to have a different lifestyle, respectively. In fact, the percentage of respondents reporting that a better quality of life was a top trigger for relocation increased from 38% in 2021 to 46% in 2022. The percentage reporting they wanted a different lifestyle increased from 21% in 2021 to 27% in 2022.

In 2021, access to a larger living space was the third top trigger inspiring relocation, which unsurprisingly dropped to fifth place as the pandemic moved to the endemic phase and shelter-in-place restrictions were lifted.

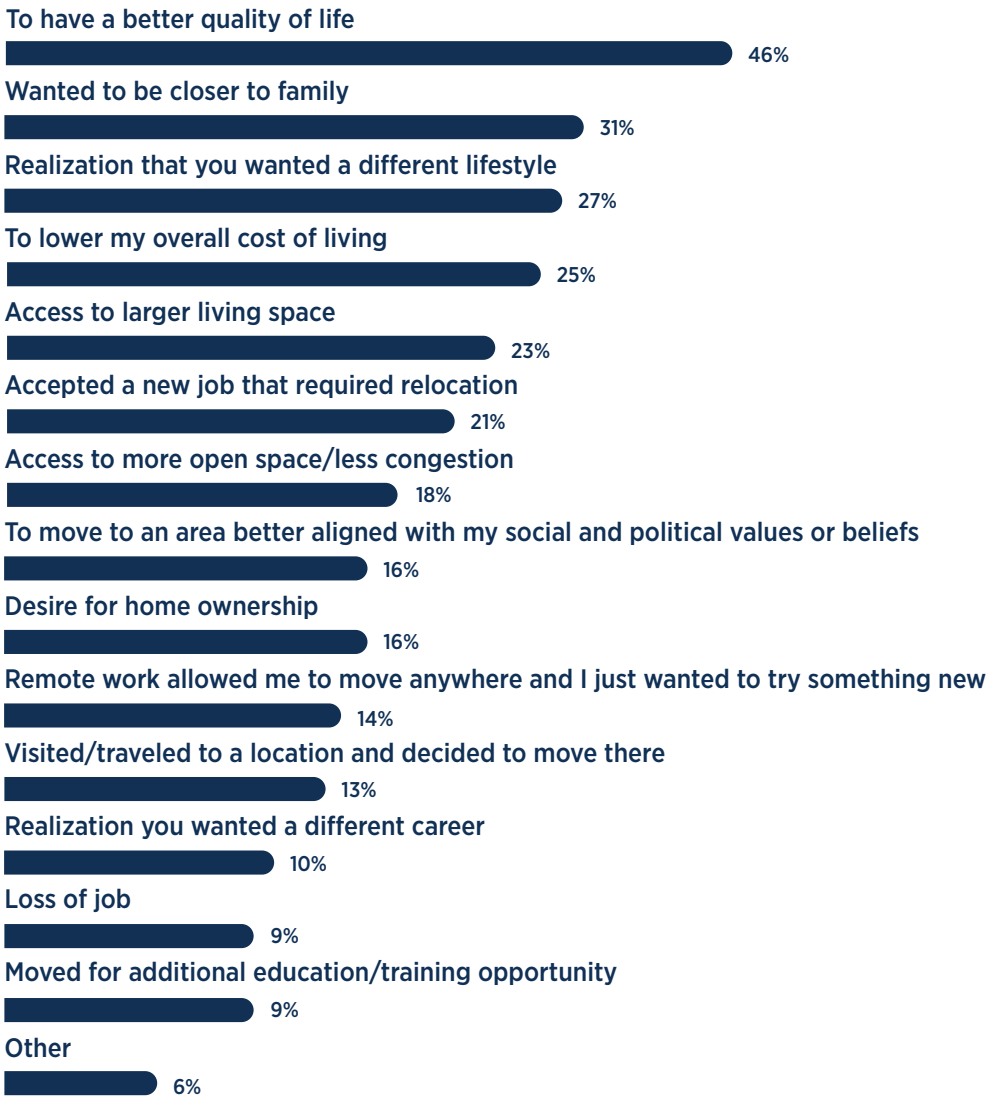
This stage of the relocation process should be considered the “top of the funnel” as there is the interest in relocation but also multiple locations that can offer a better quality of life or different lifestyle. It’s at this stage that communities have the opportunity to differentiate themselves based on their unique strengths, but they also have to make their voice heard in the midst of all the clutter with the proper messaging and marketing.

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What were the primary triggers that caused you to relocate in the past 24 months?
(Choose all that apply)



It's interesting to note that 13% of respondents reported that a primary trigger inspiring relocation was based on traveling to a location or deciding to move after a trip. While not a top trigger, if you apply this percentage for instance to New York City's population of 8.3 million, that could potentially account for more than a million people who, while on a trip said, "Hey, I could live here" indicating the potential impact of tourism on relocation patterns. It's important to remember that while

visitors are in a location, clear messaging on livability and job-related assets in the destination will begin to plant the seed of what it would be like for someone to not only visit a location, but live and work there as well.

Communities and stakeholders have always been challenged to define a good "quality of life." It's a highly subjective term and what might contribute to a good quality of life for some may not be as appealing to others. To help further define top themes around "quality of

life,” DCI asked an open-ended question on the factors that rise to the top of talent’s wish list once basic requirements are met.

After your basic criteria have been met when considering a new location to move to (i.e., housing, job etc.), what specific quality of life factors become most important?

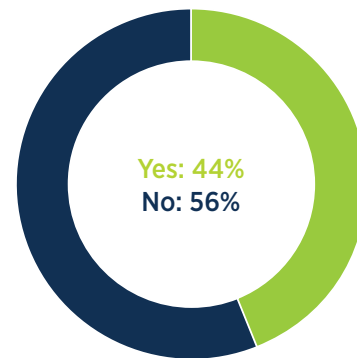


There is no community that can be everything to everyone, but all communities can claim at least one or more of these assets. Understanding where talent’s priorities lie will allow key stakeholders to meet them with messaging that will resonate most and where the community has a competitive advantage. Communities should provide clear, strong messaging and visuals pertaining to lifestyle factors (in addition to career factors) to appeal to talent on all fronts. This historically has not been in the wheelhouse of economic development organizations (EDOs), however, their tourism counterparts are experts at selling the livability of an area and this is where a successful collaboration should begin.

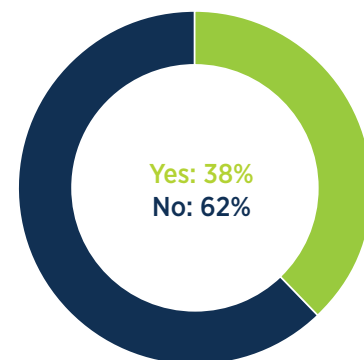
Also, in the spirit of the “Great Reflection,” talent continues to take stock of what they want out of their

career and how they might pivot to change their career trajectory. Not only did 44% of respondents decide to change their career but 38% reported that they undertook additional training and education—*during the pandemic*—to change or upgrade their employment.

In the last two years, did you decide to change your career?



During the pandemic, did you enroll in or complete any additional training or educational programs in order to change or upgrade your employment?



After a few tumultuous years, it is not surprising that talent is seeking different opportunities and experiences. Understanding how preferences and behaviors are changing will allow communities to bring the right partners to the table and compete effectively for relocating talent.

EXPLORATION AND EVALUATION:

PRACTICAL MATTERS...

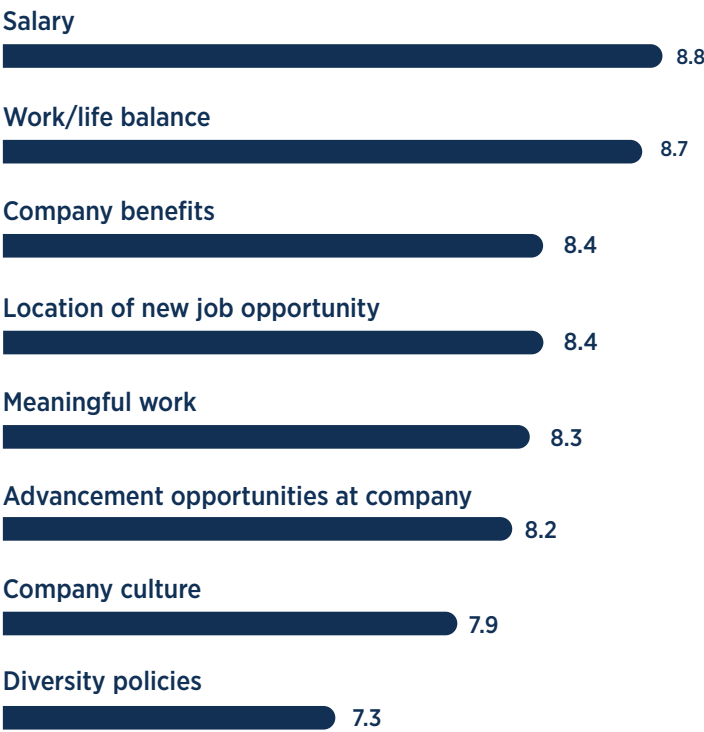
What’s Important to Talent?

As talent continues down the funnel towards relocation, other factors come into play as talent evaluates different locations. As has been the case in all six editions of *Talent Wars*, once talent makes the decision to relocate, they tend to prioritize very practical factors. What is different in this year’s study, is the narrowing gap between the importance of job-related factors and lifestyle-related factors.

Most workers will not relocate without a job and when evaluating these job opportunities, salary continues to be the top consideration which has been the case since the first edition of *Talent Wars* in 2017. However, the weighting of work-life balance—consistently the second most important factor—has increased over the past two years with only a .1 difference between these top two factors.

Also notable in this year’s findings, “location of the job” and “company benefits” tied for third place but the gap between the importance of the location of the job and salary in both 2021 and 2022 is the smallest recorded. This indicates the increasing value talent is placing not only on the financial return of a job but also the culture, community and environment surrounding the job.

On a scale from 1 (not important) to 10 (very important), please rate each of the following factors if you are/were considering a new job opportunity.

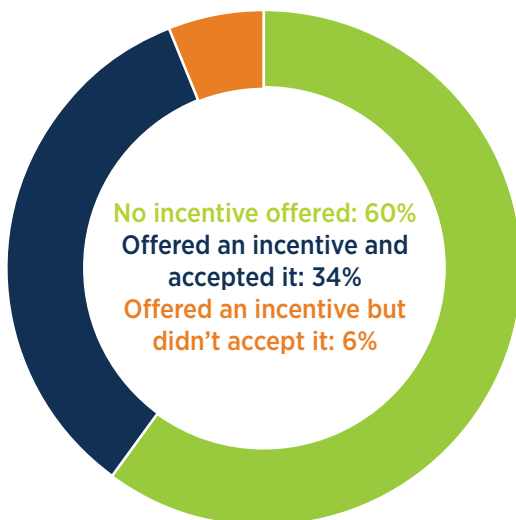


Are Incentives Still Relevant?

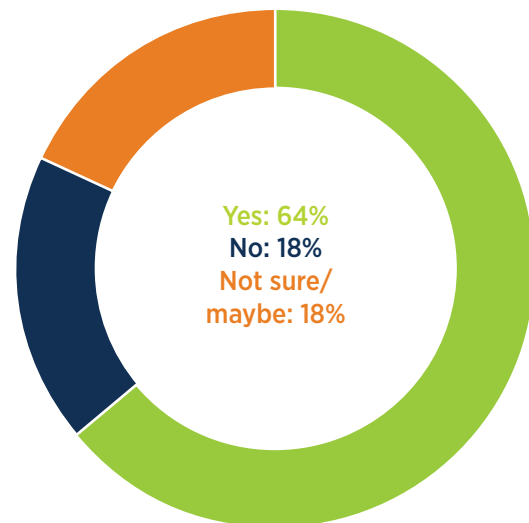
Additional evidence that other, non-monetary factors are rising in importance can be seen when considering the role of incentives. Community-offered incentives are not new but certainly gained media and the public's attention over the last few years as the war for talent intensified. While incentives can certainly raise the profile of an area, communities, employers and talent appear to be reevaluating the value of incentives and if there is any measurable success in growing an area's workforce through attraction. However, if public awareness and brand exposure is the primary goal, that alone could justify the cost of such programs.

In the 2021 edition of *Talent Wars*, 52% of talent reported that they were offered either an employer- or community-based incentive to relocate. This year, that percentage dropped to 40%. Of the 40% that were offered an incentive in 2022, 64% reported that they would have relocated even without the incentive.

Were you offered any incentives such as a financial incentive, free services or products or debt forgiveness to relocate to your current location?



Would you have relocated to your new location without the offer of an incentive?



The Importance of Lifestyle Factors

The data continue to show that job-related factors are still top considerations in talent's decision on where to locate but for varied reasons, talent is increasingly not willing to sacrifice their living environment for the sake of a job. Due to the changing landscape and rise in remote work, they are also not required to choose between jobs and locations. The importance of select lifestyle-related factors—no matter how practical—are now almost on par with job-related factors, which is a change from previous editions of *Talent Wars*.

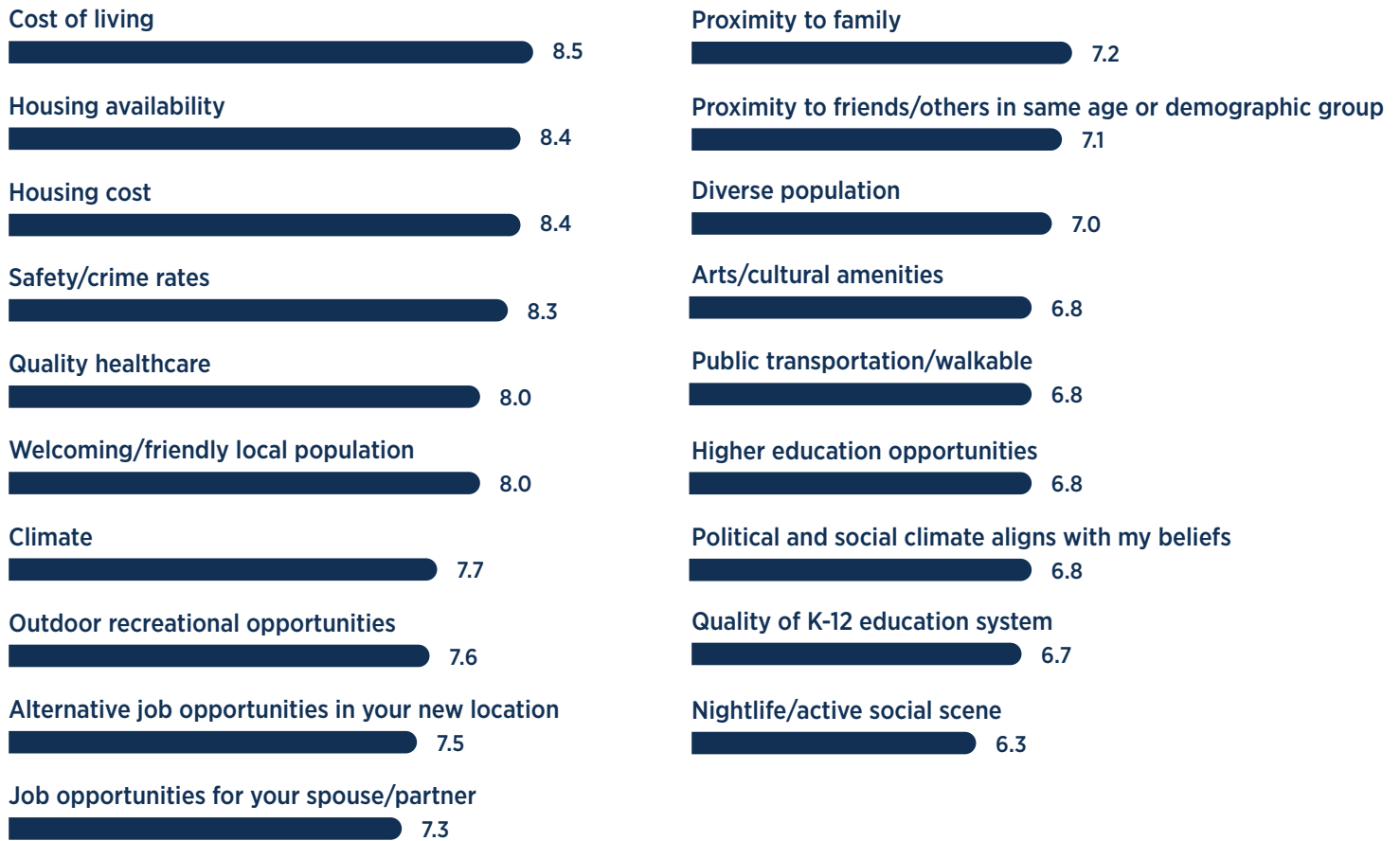
When choosing a place to relocate to, talent prioritizes certain practical factors that rise to the top and have to be satisfied before moving down the list to the “nice to haves.” The cost of living has—and continues to be —the top consideration. Simply put, talent will not relocate unless they can afford a comparable or better standard of living compared to where they lived previously. That is directly in line with the importance of salary and overall cost of living during talent's evaluation phase.

Since the first edition of the study, cost of living and housing cost have been neck and neck for the first and second spots respectively. This year, however, housing availability tied for second place with housing cost. As interest rates remained low and people looked for larger or different living spaces, the availability

of housing declined which posed challenges for relocating talent and the communities trying to attract them.

Looking at this year's top five factors, it's clear that talent wants to know they can comfortably afford to live somewhere, feel safe in that location, and access quality healthcare. As was the case in 2021, it is also worth noting that a welcoming and friendly local population tied for fourth place. Knowing that an initial trigger for considering relocation is to be closer to family, a community can still appeal to talent by promoting its friendly and welcoming population even if they can't “check the box” of being close to family and/or friends for all relocating talent.



How important were each of the following factors in your decision to relocate?

THE FINAL DECISION: WHERE WILL TALENT LOCATE?

Do talent's behaviors and preferences make some community types more attractive than others? Yes and no. The evolution of how people want to work—and how companies are allowing people to work—does level the playing field and gives small and mid-sized communities an opportunity to compete for talent that can work remotely. Small and mid-sized communities may also be able to better compete on housing costs and overall cost of living compared to large metro areas. While they may have a more limited housing stock, this may not be as much of an issue as interest rates and inflation increase which could alleviate some of the housing shortages seen across the country.



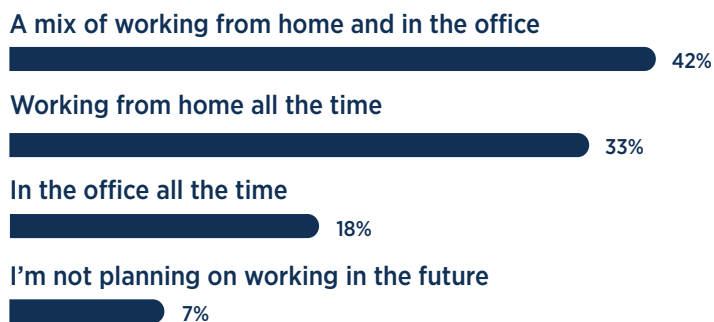
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The Impact of Remote Work

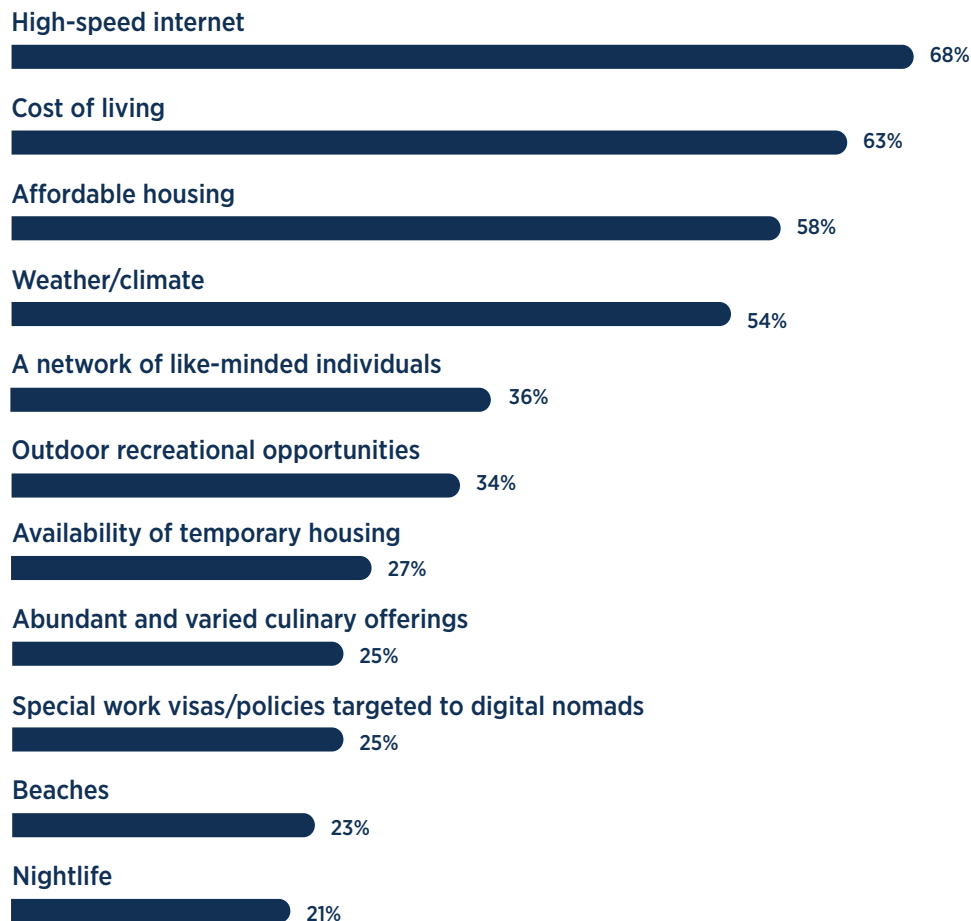
According to LinkedIn, there was a 187% year-over-year increase in fully remote entry-level jobs posted during the first three months of 2022. The jury is still out on the future and long-term impact of remote work, but in the near term, it is giving people more freedom in where they chose to live and work. With more than one-third of people preferring a full-time work from home arrangement and an additional 42% reporting they would like a mix of working from home and in the office, there is more flexibility than ever being offered to talent.

What would be your preferred work arrangement in the future?



To attract this talent pool, communities must create the right environment, with the right infrastructure. DCI asked respondents if they identified as a “digital nomad” or someone who is location-independent and can use technology to perform their job, while traveling from place to place. For those respondents who do consider themselves part of this cohort, the top factor influencing their decision to live in a location was access to high-speed internet, which was cited by nearly 70% of respondents. Without reliable and high-speed broadband access, some communities will be out of the running. Just as was the case with all respondents, cost of living (63%) and access to affordable housing (58%) were the second and third most important factors respectively.

As a digital nomad, what are the most important factors when considering a new destination to move to? (Choose all that apply)

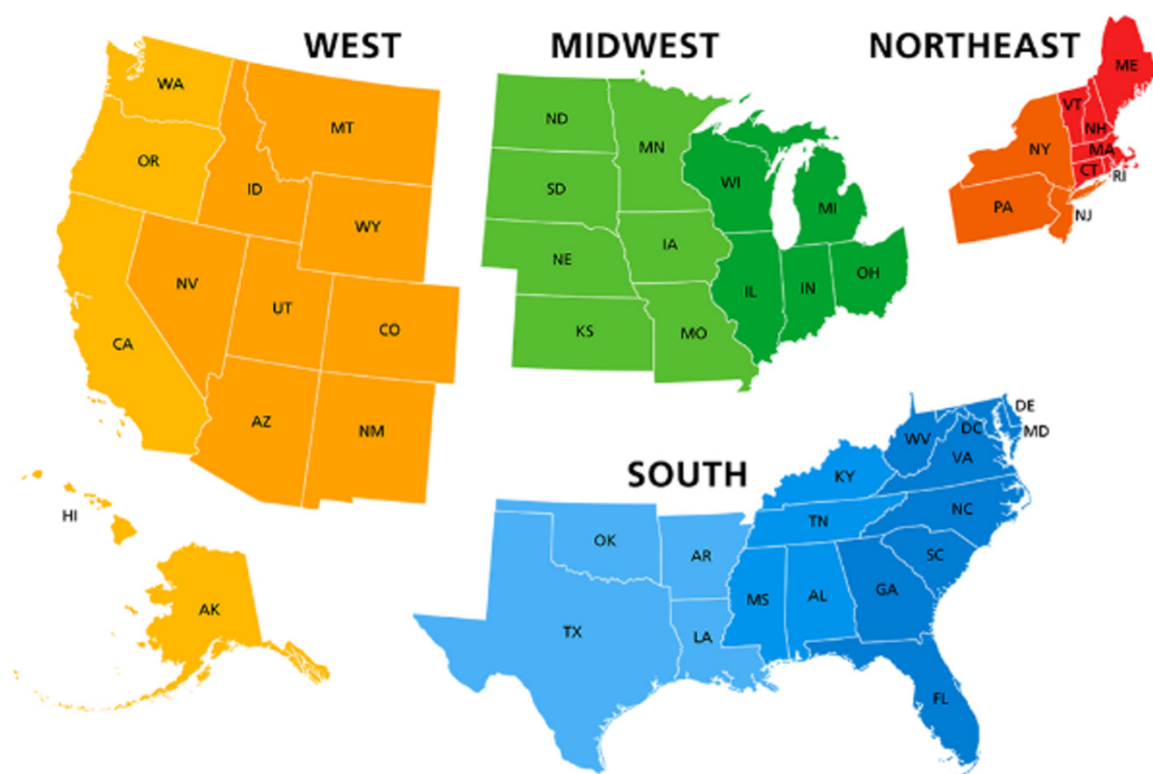


There's a Lid for Every Pot

The rise in remote work also provides people the opportunity to live in other types of communities as well as in other parts of the country. However, this year's research shows that, generally speaking, most talent relocated within the same U.S. region that they were originally from.

What U.S. region did you live in before your most recent move?/ What U.S region did you most recently move to?

Current Region	Prior Region			
	West	Midwest	Northeast	South
West	71%	17%	12%	10%
Midwest	13%	67%	10%	11%
Northeast	5%	6%	57%	17%
South	11%	9%	22%	62%



When looking at migration from one community type to another, there is more variation. While many predicted the demise of large cities, 48% of respondents reported they moved from one large urban area to another and nearly one-third of respondents moved from a mid-sized urban area to a large urban area.

More than 50% of respondents reported moving from a large urban area to a smaller or different type of community (suburban or rural). Some 30% of respondents reported moving from a rural location to a large or mid-size urban area.

What type of location did you previously live in? What type of location did you move to?

Current Community Type	Prior Community Type			
	Large Urban Area	Mid-sized urban area	Rural	Suburban
Large urban area (more than 1 million in population)	48%	32%	15%	14%
Mid-sized urban	24%	36%	15%	10%
Rural	9%	14%	49%	13%
Suburban	19%	18%	21%	64%

These data reinforce the importance of marketing regionally. It is critical for markets to promote all the different types of communities and neighborhoods within their area in order to appeal to a wider audience.

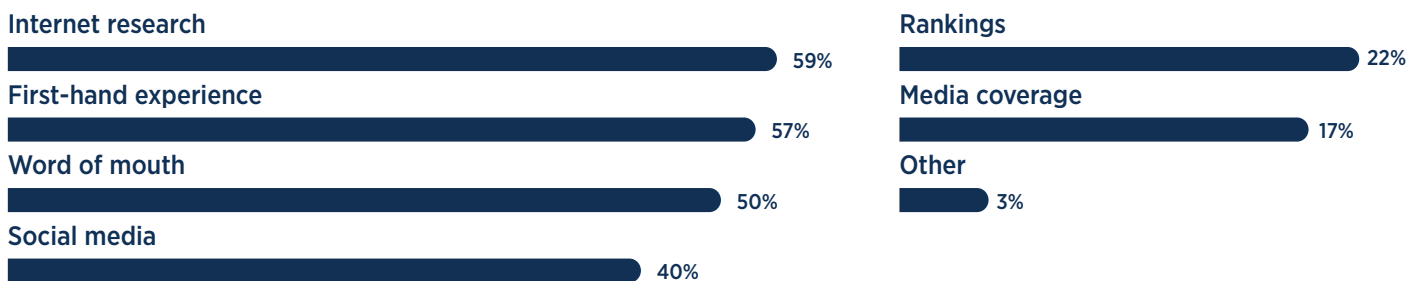


MARKETING AND MESSAGING: HOW TO BEST REACH TALENT

Understanding why talent makes relocation decisions is just half of the battle when trying to convert and retain new residents. Just as important is understanding how talent learns about and forms impressions of locations.

Historically, first-hand experience has been the top way people have learned and formed impressions about communities. In 2021, largely due to COVID, DCI saw first-hand experience take a back seat to internet research and word of mouth but in 2022, first-hand experience once again rose to one of the top two influencers of community perceptions.

When you were considering places to relocate to, what influenced your perceptions of the communities being considered? (Please choose all that apply)



It's clear the best way for talent to learn about locations is to visit the community themselves, underscoring the importance of tourism. This finding reinforces the role that travel has during talent's path to purchase. Travel and tourism stakeholders are, or should be, an important component of a community's talent attraction strategy as they play a vital role in developing an area's quality of place and understand how to market those assets. Talent is paying attention to this messaging. **In fact, 52% of respondents reported that prior to their most recent move, they consulted the local or state tourism website.**

Thinking about your most recent relocation, did you refer to or look at the following information sources? (Please choose all that apply)





The Best Social Media Channels to Reach Talent

When it comes to social media, there is some variation based on whether talent is researching employment opportunities, potential communities in which to live, or looking for places to visit. Facebook is the most-used site for job searches, influencing perceptions of a community and when considering places to visit. Rounding out the top three social media sites for jobs are LinkedIn and YouTube. When considering places to live or visit, YouTube and Instagram round out the top three.

What social media sources do you most frequently refer to when learning about new employment opportunities and places to work? (Select up to three)



What social media sources do you most frequently refer to when learning about new places to live? (Select up to three)



What social media sources do you most frequently refer to when learning about new places to visit or travel to? (Select up to three)



CONCLUSION: FIVE KEY TAKEAWAYS

1. **TALENT IS INCREASINGLY UNWILLING TO SACRIFICE THEIR QUALITY OF LIFE FOR A JOB.**

With time to reflect, talent is reprioritizing what they want out of jobs and locations. With opportunities expanding due to more jobs than people to fill them as well as the rise in remote work, talent is no longer tied to a physical office which gives them the freedom to weigh factors differently. There has never been a time where talent has had as much flexibility and control in choosing not just a job but also a lifestyle.

Thinking back to the funnel analogy, data show that people are initially being driven to consider relocation by the opportunity for a better quality of life or a different lifestyle. While talent will not relocate without being able to afford to live comfortably in a location, the importance of showcasing an area's livability assets has never been so important. Reaching talent at the top of the funnel and painting the picture of how talent could have an improved quality of life in your location, while still addressing the more practical factors such as cost of living and the housing market will set your community up for success.

2. **THE CURRENT ENVIRONMENT HAS LEVELED THE PLAYING FIELD... SMALL AND MID-SIZE COMMUNITIES CAN NOW COMPETE BECAUSE OF HOW PEOPLE WANT TO WORK AND HOW EMPLOYERS ARE MEETING THESE DEMANDS.**

Small and mid-sized communities have more opportunities to capture relocating talent than ever before. Data show that talent is moving to different types of communities in search of new lifestyles or perhaps to improve their standard of living. The time is right for these communities to market themselves and make sure they are differentiating themselves.

In many cases, small and mid-sized communities can compete particularly when it comes to the cost of living. It is vital, however, that the proper infrastructure (i.e., high-speed internet) to support remote workers is in place to successfully attract and retain this mobile workforce.

3. **FOR A TALENT MARKETING PROGRAM TO BE SUCCESSFUL, YOUR TOURISM STAKEHOLDERS MUST BE AT THE TABLE.**

We know that often the first introduction to a community is through visiting and creating that first, positive impression is critical to moving people down the funnel towards relocation. It's important to remember that while visitors are

in a location, clear messaging on livability and job-related assets in the destination will begin to plant the seed of what it would be like for someone to not only visit a location, but live and work there as well. This year's data also show that 52% of talent reports visiting a state and/or local tourism website when considering relocation. It is critical to promote a destination's public image via this channel as a good place not just to visit but also as a place to live and work.

Tourism organizations are uniquely qualified to offer this perspective. If communities are not leveraging that opportunity, they are missing out.

4. COMMUNITIES NEED TO PUT MONEY WHERE THEIR MOUTH IS AND ENGAGE EXISTING RESIDENTS IN THE BATTLE.

Talent attraction marketing requires resources. It's not just enough to talk about talent shortages but to also dedicate organizational time and financial resources. By not working with your tourism counterparts or other workforce stakeholders, you are leaving money on the table and run the risk of duplicating efforts.

Internet research is the top influencer in forming perceptions of a community. The internet is also an aggregator of information and it's critical that a community monitor and make sure that what is being said online is putting your community in the best possible light. A well-designed website, engaging social influencers and a strong earned media campaign are just a few tools that will help your community stand out. Creating positive resident sentiment is also critical as existing residents will be your best ambassadors and 50% of talent report "word of mouth" is a key influencer in forming perceptions of a location. Arming your existing residents with key messaging is a critical—and often overlooked—step in advancing an area's talent attraction program.

- 5. WORKPLACE MODELS NEED TO ADAPT TO CHANGING TIMES.** Until this point, DCI's research and findings have been focused on the community level and how to best market to talent in collaboration with other key stakeholders. The role of employers in this process cannot be overlooked and it must be recognized that the old 9-5, on-site job will not be coming back for many industries, and employers must adapt accordingly. Even for those industries that require workers to be in person, such as many in the hospitality industry, need to rethink how they are letting employees work and how to maximize the likelihood of attracting and retaining workers. Working with employers to implement new workplace models such as the "parent shift" (9 am to 2 pm) or the "fireman/firewoman shift" (four days on/ three days off) could potentially help alleviate some of the talent shortages felt by companies. Helping companies brainstorm these "next practices" and then showcasing how companies in the community are working differently can be one more tool in your marketing arsenal for talent.



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 build awareness, change perceptions and generate interest among talent.

Headquartered in New York City and with a regional office in Denver and locations across the U.S. and Canada, DCI has worked with more than 500 economic development groups and destination marketing organizations since the agency was established in 1960.

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

Our areas of expertise include:

- Customized Research/Perception Studies
- Speaking Engagements
- Virtual Career Fairs
- Website Design
- Digital Media
- Public Relations
- Content and Collateral Creation
- Marketing Strategy
- Brand Development



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