Background

Which regions are doing the best job attracting and developing talent?

That’s the question we set out to answer with the Talent Attraction Scorecard. Our index uses five metrics to rank how every county has done drawing new residents, growing their skilled and overall workforces, and grabbing a greater share of skilled workers than other regions. As a complement to this analysis, we separately ranked counties based on how they are attracting young talent by looking at the growth in college enrollment and millennial population per capita. Lastly, we used cost-of-living-adjusted earnings to help explain why talent is (or is not) moving to these counties.

**TOP 10 & BOTTOM 10 LARGE COUNTIES**

1. TRAVIS COUNTY, TX
2. SAN FRANCISCO COUNTY, CA
3. HARRIS COUNTY, TX
4. SANTA CLARA COUNTY, CA
5. KING COUNTY, WA
6. MARICOPA COUNTY, AZ
7. MILWAUKEE COUNTY, WI
8. WAYNE COUNTY, MI
9. CLARK COUNTY, NV
10. SAN MATEO COUNTY, CA
Takeaways

1. TRAVIS COUNTY, TEXAS (AUSTIN) BLOWS AWAY FIELD

The big reason why Travis County is overwhelmingly No. 1? Just look at its net migration numbers. It also doesn’t hurt that Travis County has done well in skilled job growth and gained a large share of skilled workers compared to other counties.

Another coup for Austin: Compared to other tech hubs, cost of living is remarkably low in Travis County. Wages adjusted for cost of living ($21.61 per hour) are nearly the same as unadjusted median earnings ($22.26).

2. SAN FRANCISCO COUNTY, SANTA CLARA COUNTY (SAN JOSE), & SAN MATEO COUNTY RANK IN TOP 10

These three Bay Area counties (collectively Silicon Valley) did so well in our ranking partly because they all are ranked in or near the top five among large counties in regional competitiveness for skilled jobs—meaning they grabbed a larger-than-expected share of educated and experienced workers.
3. **College Enrollment Per Capita is Declining in Most of Top Counties**

The top counties in our index (mostly) added new net migrants and saw skilled labor gains. But college enrollment declined or was flat from 2012 to 2014 in eight of the top 10 (Collin County, Texas, and Clark County, Nevada, were the lone exceptions). Millennial population growth per capita wasn’t enough to help any of them crack the top 100 in our young talent ranking.

<table>
<thead>
<tr>
<th>#</th>
<th>County</th>
<th>College Enrollment % Change</th>
<th>Mill. Pop. % Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Travis County, TX</td>
<td>-5%</td>
<td>13%</td>
</tr>
<tr>
<td>2</td>
<td>San Francisco County, CA</td>
<td>-11%</td>
<td>12%</td>
</tr>
<tr>
<td>3</td>
<td>Harris County, TX</td>
<td>0%</td>
<td>7%</td>
</tr>
<tr>
<td>4</td>
<td>Santa Clara County, CA</td>
<td>-5%</td>
<td>8%</td>
</tr>
<tr>
<td>5</td>
<td>King County, WA</td>
<td>1%</td>
<td>5%</td>
</tr>
<tr>
<td>6</td>
<td>Maricopa County, AZ</td>
<td>-2%</td>
<td>7%</td>
</tr>
<tr>
<td>7</td>
<td>Collin County, TX</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>8</td>
<td>Clark County, NV</td>
<td>0%</td>
<td>5%</td>
</tr>
</tbody>
</table>

4. **Brooklyn & Queens Doing Well. Manhattan, Not So Much**

Kings and Queens counties rank in the top 15 of our talent attraction ranking, and Bronx County is in the top 65 of both our overall ranking and young talent ranking.

**Talent attraction ranking for five boroughs of New York:**

- **Kings County (Brooklyn)** #11 11.08
- **Queens County** #14 10.42
- **Bronx County** #46 5.49
- **Richmond County (Staten Island)** #84 3.88
- **New York County (Manhattan)** #592 out of 592 counties with 100,000+ residents -21.77
5. **NOT JUST CITY-CORE COUNTIES ATTRACTING SKILLED TALENT**

A few examples: Collin County (No. 7) includes McKinney and other Dallas suburbs. Adams County, Colorado (No. 13) borders Denver County (No. 15)—and outranks it. Same for Williamson County, Tennessee (No. 22); it eclipses neighboring Davidson County (Nashville, No. 290) by a large margin thanks to much higher marks in skilled job growth and net migration.

6. **CONSTRUCTION-CRAZY CAMERON PARISH, LOUISIANA, LEADS SMALL COUNTIES**

A huge influx of construction jobs helped Cameron Parish take the top spot among counties with populations of 5,000 to 99,999. The top five (with their index score):

- **#1 Cameron County, Louisiana**
  - Index Score: 32.10
- **#2 McKenzie County, North Dakota**
  - Index Score: 27.46
- **#3 Williams County, North Dakota**
  - Index Score: 21.74
- **#4 Dimmit County, Texas**
  - Index Score: 13.57
- **#5 Mountrail, North Dakota**
  - Index Score: 13.24
Why Skilled Talent Matters

Economic development is changing. It’s not just about job creation. It’s about the quality of jobs you are helping bring to your region. It’s also about expanding opportunity (and incomes) in your community.

Not only are the metrics changing, the nature of economic development is also at least starting to tilt more toward business retention and expansion. The Center on Budget and Policy Priorities, in an analysis of the NETS database, showed that 80% of job creation in every state comes from expansions of existing businesses and startups.1

“...economic development today is as much or more about talent attraction, place-making, innovation, and global engagement as it is about company recruitment.”

—MARY ELLEN WIEDERWOHL, CHIEF OF LOUISVILLE FORWARD

CBPP notes in its study that economic development organizations should focus more on cultivating a skilled workforce and improving quality of life in their regions and less on using tax cuts and subsidies to attract businesses. In many communities, this shift is already happening.

Skilled labor, though, is a finite resource. Some cities are poised to see large waves of baby boomer retirements. Others either don’t have a supply of educational institutions to draw young talent from and/or an employer base to keep students once they graduate. The talent attraction game is ultra-competitive, which means it’s important to measure whether your community or region is growing its skilled labor pool. But how?

TALENT ATTRACTION IS TRICKY TO MEASURE

There’s no consensus on the best way to track talent attraction and retention. You could look at the change in concentration of residents with an advanced degree or net migration over time or growth in college graduates. Those are just a few of the options.

Your approach to measuring your talent attraction efforts should be informed by the strategies you’re taking and the composition of your industries and workforce. What are your driver industries and their labor needs? Talent attraction will look differently for a city with lots of skilled trades workers than it will for a tech- or finance-driven metro. In large metro areas, the educational attainment rate (specifically, the share of adults 25 and older with at least a bachelor’s degree) is the key driver of economic success, as City Observatory has shown.2 But short-term certificates, on-the-job training, and other credentials help contribute to a skilled workforce.


Our Approach

TALENT ATTRACTION INDEX

Understanding the complexities of this issue, we set about to look at the key labor market variables that can help measure talent attraction. There are many things we could have included in our Talent Attraction Index, but we boiled it down to five metrics:

- **Net migration** measures the net new residents that came to a county from inside or outside its state from 2013–2014. Source: IRS.

- **Overall job growth** is percentage job change for all wage-and-salary employees in a county from 2011–2015.

- **Skilled job growth** looks at 2011–2015 percentage 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.

- **Regional competiveness** is the 2011–2015 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 2011–2015 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 attrition of its workforce through retirements, etc., replacement job needs could be high.

All data is from Emsi’s 2016.2 dataset (wage-and-salary workers only) unless otherwise noted.

YOUNG TALENT RANKING

As a complement to the main ranking, we looked at the following two metrics to assess how every county is doing in the young talent category.

- **College enrollment growth per capita** measures fall enrollment of all students in a postsecondary institution
based on the location of the institution, minus students who were exclusively distance learners. We looked at growth in enrollment per 1,000 residents from 2011 to 2014. Source: National Center for Education Statistics.

**Millennial population growth per capita** looks at the change in population for 25- to 34-year-olds per 1,000 residents from 2011 to 2015. We used this narrow definition of millennials since the 18- to 24-year-old population is reflected, at least partly, in the enrollment numbers.

### COST OF LIVING

Lastly, to help get at the why behind our Talent Attraction Scorecard, we looked at median hourly earnings adjusted to how much it costs to live in each county.

**Cost-of-living-adjusted earnings** are based on Emsi’s 2014 median hourly earnings for all occupations compared to nationally adjusted earnings using C2ER’s Cost of Living Index, the premier source for comparing prices and the overall cost of living in hundreds of cities.

---

**Acknowledgements**

Emsi gratefully acknowledges the help of Deidre Myers (President of the Myers Group, LLC) and Adrienne Johnson (VP of Research at the Greater Memphis Chamber) in discussing data points to consider for this report.
Mapping Talent Attraction

Color gradient based on Emsi’s talent attraction index; the darker the green counties, the higher ranked that county is.

- **#1 Cameron County, LA: 32.10**
- **#2 San Francisco County, CA: 21.08**
- **#3 Harris County, TX: 19.21**
- **#1 Travis County, TX: 54.63**
- **#2 McKenzie County, ND: 27.46**
- **#3 Williams County, ND: 21.74**
Where is Young Talent Going?

The counties attracting skilled talent aren’t always the same as the ones attracting millennials and young potential talent. In fact, based on a separate index we composed that equally weights per-capita college enrollment growth and per-capita 25- to 34-year-old population growth, young people aren’t flocking to the same counties as skilled workers. Consider:

- **TRAVIS COUNTY (AUSTIN)** sits atop our talent attraction ranking, but enrollment at local postsecondary institutions declined 5% from 2012–2014. That’s the big reason it ranked No. 281 in our young talent index, despite 13% millennial population growth from 2011–2015.

- **SAN FRANCISCO COUNTY**, second on overall index, also saw a solid increase in millennial population (12%), but an 11% drop in college enrollment placed it No. 183 in the young talent index.

- **KING COUNTY (SEATTLE)** is the only county in our overall top five to see growth in college enrollment and millennial population.

- Only **PALM BEACH COUNTY, FLORIDA**, shows up in the top 25 of our main index and top 100 of the young talent index. Bronx County, New York, is in or near the top 65 in both.
WHY THESE TWO METRICS?

Not every college student who comes to a community will stay there, but college enrollment data (for this study, we excluded distance learners) is a good proxy for the regions that are attractive to young people. There is something about these areas—it could solely be the colleges or universities in their communities or it could be their local amenities, strong economy and employer base, climate, proximity to mountains or beaches, etc.—that are helping them draw a higher proportion of students. Likewise, regions that are increasing their millennial population are capturing a key demographic. These young people, if they hang around, will fuel these regions’ future workforces.

LARGE COUNTIES

Houston County, Georgia, is No. 1 on our list largely because of the huge enrollment growth at Central Georgia Technical College (at least partly a result of a merger with Middle Georgia Technical College). But millennial population was also up 8% in Houston County.

In the second- and third-ranked counties, Carroll County, Maryland, and Penobscot County, Maine, enrollment was flat but millennial population grew 16% and 13%, respectively. The growth of 25- to 34-year-olds stands out since Carroll County saw scant overall population growth from 2011-2015 (787 people added) and Penobscot County’s population slightly declined (-290).

TOP & BOTTOM LARGE* COUNTIES FOR YOUNG TALENT

* Large counties had at least 100,000 residents in 2015 and 5,000 students enrolled at postsecondary institutions in 2014.
Also notice Centre County, Pennsylvania, home to State College and Penn State University, in the top 10. Both enrollment (3%) and millennial population (15%) were up in Centre County.

Meanwhile, the bottom of our talent attraction index is made up two Utah counties with strong labor markets: Utah County (Provo) and Cache County (Logan). Both enrollment and millennial population were way down in our study period for these counties. Arlington County, Virginia, was third-worst among large counties, mainly because college enrollment plummeted 20%.

SMALL COUNTIES

The leading small county is Nemaha County, Nebraska, home to Peru State College. Nemaha County has just 7,500 residents, but it grew its college enrollment by 52% (from 990 in 2012 to 1,500 in 2014). Its millennial populations also increased 15%.

Radford City County, Virginia, which ranks fifth among small cities, saw a remarkable 26% surge in 25- to 34-year-old residents from 2011-2015. Local enrollment increased 1%.

TOP & BOTTOM SMALL* COUNTIES FOR YOUNG TALENT

* Small counties had a 2015 population under 100,000 and 2014 college enrollment of 1,000+
Cost-of-Living-Adjusted Earnings for Top Counties

There are many factors, socioeconomic or otherwise, that lead people to settle in one community over another. It certainly helps, though, to know the money you make will go a long way—or at least further than in communities with a high cost of living.
We compared median hourly earnings for all occupations in each county to cost-of-living-adjusted median hourly earnings to get a sense how far a worker’s paycheck will take him or her. The cost of living index comes from C2ER; all adjustments in this report are based off of the national cost of living average.

For most of the top counties in our primary talent attraction index, cost-of-living adjusted wages are similar to unadjusted wages. In fact, among the top 25 large counties, adjusted wages make up 88% of unadjusted median wages in all but nine counties. For the exceptions, like San Francisco and Santa Clara counties, there are well-known companies and job opportunities that are attracting skilled talent despite how expensive it is to live in these counties. (And even then, net migration was negative or low in every Bay Area county except for Alameda County.)

For the bottom 10 large counties, cost-of-living adjusted wages are higher—in some cases, much higher—than unadjusted wages across the board. The extreme example is New York County, where adjusted median wages represent just 41% of unadjusted wages. The bottom 10 are all Northeast and Rust Belt counties where net migration, on average, was −6,300 from 2013–2014 and skilled job growth only averaged 1% from 2011–2015.

**SMALL COUNTIES**

Most of the top small counties have cost-of-living-adjusted earnings that parallel unadjusted hourly wages. There are even a few counties where workers are in effect getting a pay raise by living there.
Other Data to Consider

We’ve focused on labor market variables that come into play for economic development professionals when measuring their talent attraction efforts. There are many other indicators and data points worth considering. Among them:

- Postsecondary completion numbers (including graduates who stay in your region)
- Per capita disposable personal income
- Climate data
- Crime rates
- Poverty rates
- Tax rates
- Quality of life measurements

About Emsi

Emsi provides economic development organizations with labor market insights on their communities to help them attract new businesses, grow existing businesses, 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.

For more information and to see data for your region, contact us today:

ECONOMICMODELING.COM
info@economicmodeling.com
866-999-EMSI (3674)