

# SITETRENDS



## WAR FOR TALENT

A New Generation – Fall 2018



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## INTRODUCTION

For the past century, population trends in the United States have been cyclical – with smaller generations followed by larger generations in repeating cycles roughly every 20-30 years. During periods of economic growth, this cyclical pattern can accelerate economic trends (such as the consumer economy) and allows for a healthy period of retrenchment to sustain past growth and leverage future economic opportunity. During periods of economic stagnation, these same cycles can provide a pressure relief valve, allowing labor conditions time to adapt to the changing needs of business.

For purposes of this research, we focus our attention on currently most relevant of these generations – the Millennials and then shift our secondary focus onto Generation Z. In this regard, it's important to note at the outset that although the term "Millennials" is commonly used in the United States, when discussing and assessing data with respect to other countries this paper addresses the characteristics of similar age cohorts which may not be explicitly defined as Millennials in their home economies, additionally the same is true regarding Generation Z.

In terms of size, the Millennial Generation has now eclipsed the well-known Baby Boomer Generation as the largest in American history. Before, sandwiched between, and then following these two historic generations are population waves consisting of smaller generations – referred to respectively in our research as the Silent Generation, Generation X, and Generation Z.

Crucially for our present economic age, Millennials are entering their early-to-mid-career stages. Meanwhile, Baby Boomers have begun to retire in the millions, while the smaller Generation X cohort is entering mid-to-late career tracks. Furthermore,

Generation Z has emerged as a diverse and vibrant player in the economic realm. Thus, approached thoughtfully, the contours of this cycle allow companies to realign higher cost workers and replace larger workforces with slimmer management adept at utilizing technology to improve efficiency.

At the same time, multitudes of Millennials are helping drive a new consumer economy. This consumer economy serves two generation booms: Millennials and retiring Baby Boomers (who, due to longer lifespans, continue to demand goods and services into retirement).

What does the Millennial workforce look like? And what does the Millennial workforce begin to look like as Generation Z begins to fill the gaps they leave? To be sure, it is both similar and distinctly different from previous generations. Demographically, it is larger than any previous generation, but it is also more diverse, better educated, and poised to accelerate the economy over the next 15 years to meet pent-up demand caused by growth temporarily stymied by the global economic crisis of 2008.

This research will review these important demographic and geographic trends, including economic constraints specific to Millennials and how Generation Z will accent and influence the gaps that Millennials leave behind while the workforce's shift in entry-level responsibilities due to the influence of automation will disrupt early, career-path entry-level jobs.

Employment factors such as wage inflation and employment growth for popular jobs in leading and emerging markets will be evaluated. Together, this summary will articulate high-level perspectives that businesses should be thinking about when considering their workforces for the next decade.

# GENERAL DEMOGRAPHIC CHANGES

(OVER THE LAST 50 YEARS)

Average Age of Marriage (Male/Female)

**M: 29.5 (23.1 50yrs ago)**  
**F: 27.4 (20.6 50yrs ago)**

Female Workforce Participation

**58.7%**

Likelihood of Marriage

**52% over age of 15 married, 64% in 1970 were married**

% of Baby Boomers in Workforce

**22%**

Gen Z Laptop Usage

**37% vs. 30%** across previous generations

Gen Z Smartphone Usage

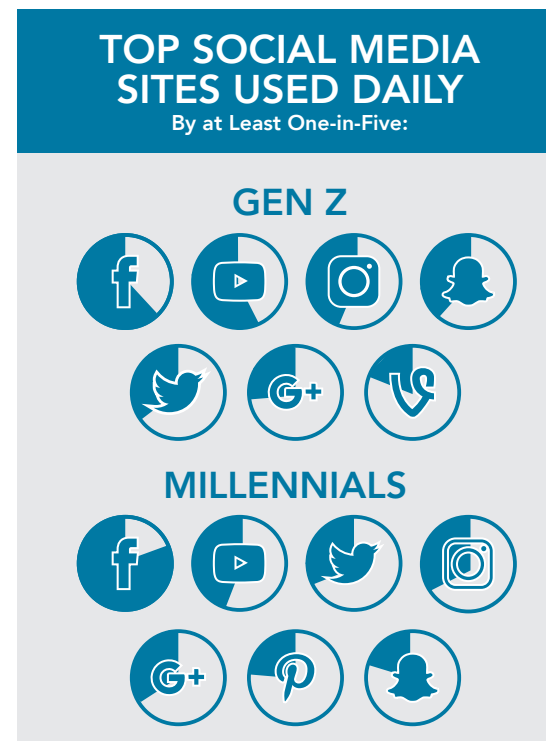
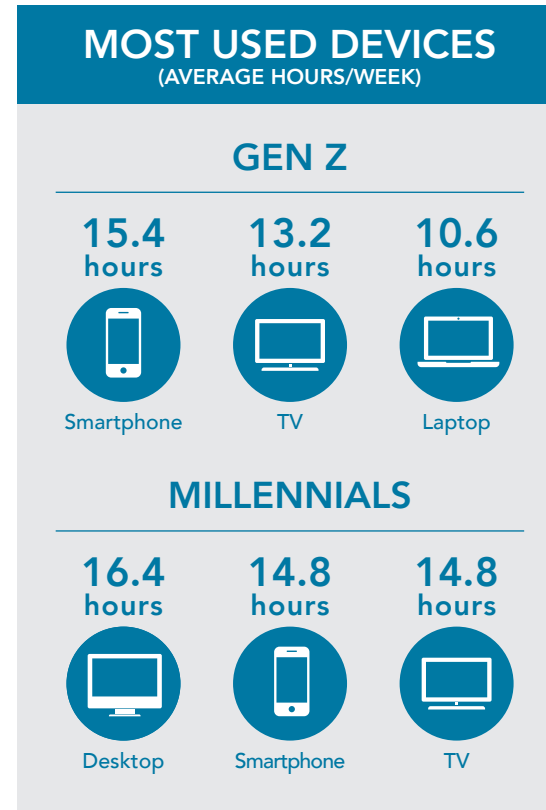
**39% vs. 25%** across previous generations

Gen Z Texting Usage

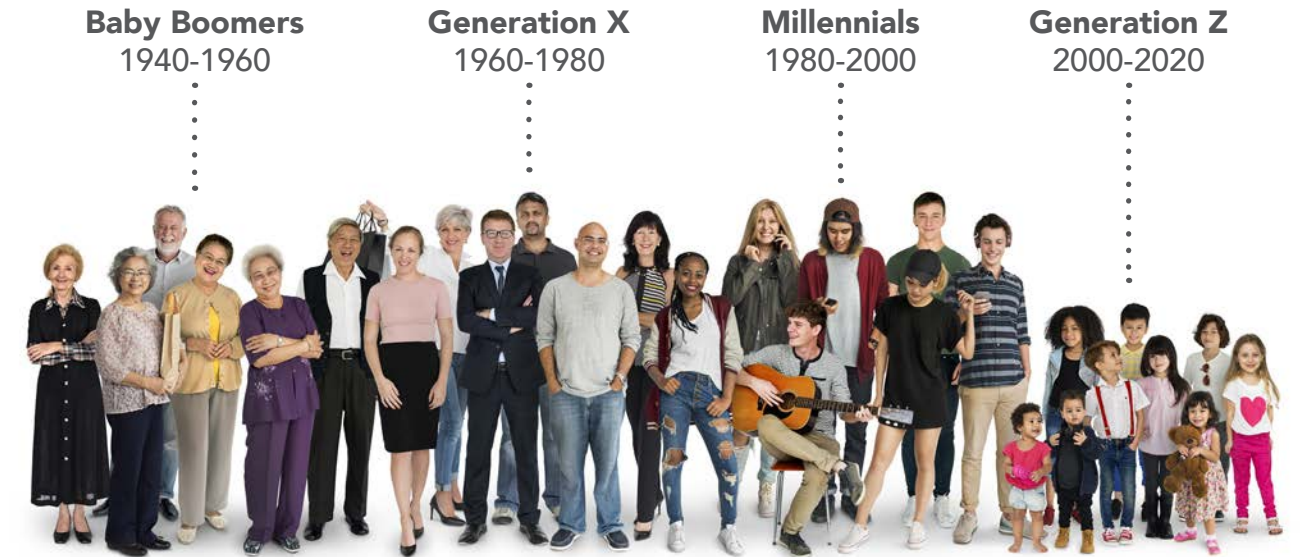
**23% vs. 13%** across previous generations

Gen Z Social Networking Usage

**21% vs. 9%** across previous generations



# DEFINING GENERATIONS



Millennials (generally in their early-20s to late-30s) now represent a larger overall population cohort than the Boomers preceding them. While there is clear evidence this second population boom will mirror many of the demands that Boomers put on the consumer economy, some things have changed. The service sector replaced manufacturing during the coming of age of Boomers and the rise of Millennials; and information is driving the market.

In fact, products are now most commonly manufactured in other countries, necessitating global supply chains

driven by data-heavy logistics, which further perpetuates data analytics services.

Generation Z accounts for 61 million people in the U.S., a group larger than Generation X. Generation Z live a much different life than generations before but are closely linked to the traits of Millennials. They are a generation that, in many cases, existed completely with technology at their disposal. As a result, companies looking to hire Generation Z will have to adjust their acquisition tactics.

Many businesses employ multi-generational workforces and find deploying significant proportions of three generations in their workforce to be a sustainable model. This allows for seasoned leadership, mentoring, and on-boarding to happen in predictable cycles with the potential for career tracks to develop naturally, thus promoting an environment suitable to a meritocracy and predictable turnover.

# Population Pyramid United States of America, Germany, France, China, and India 2018

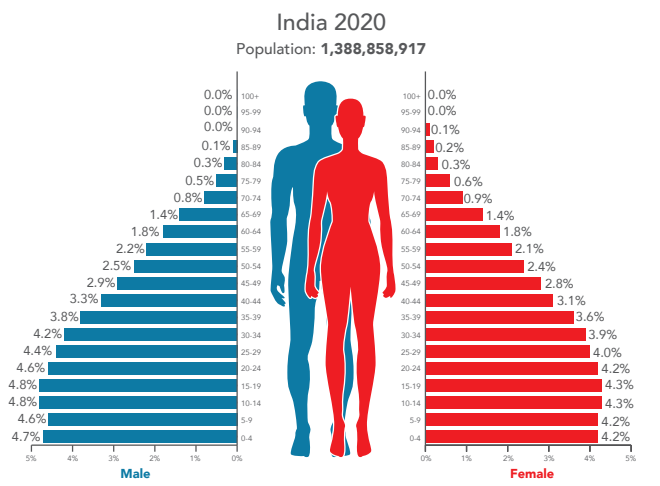
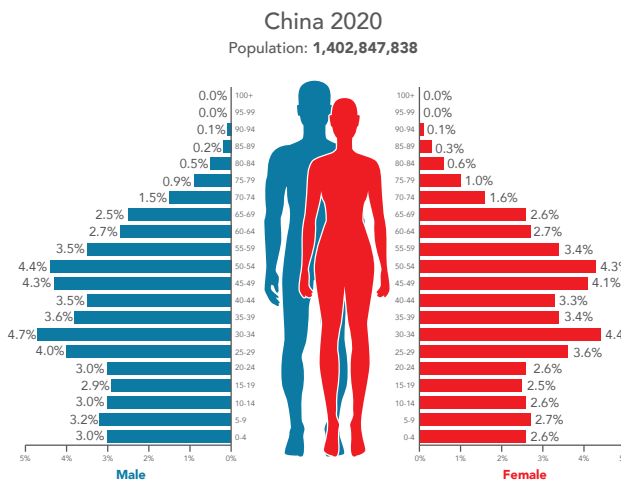
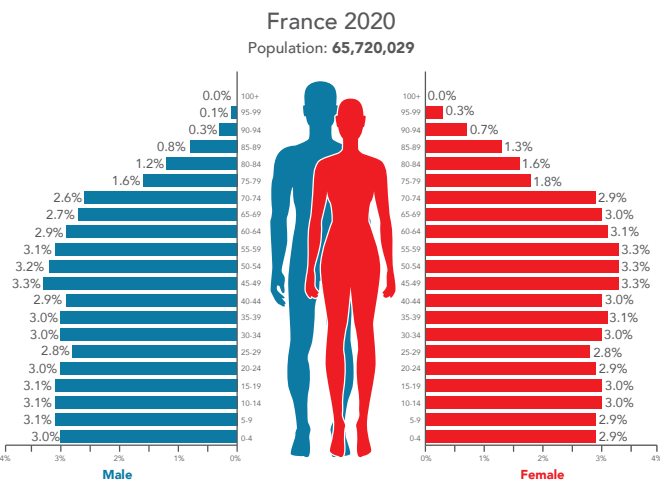
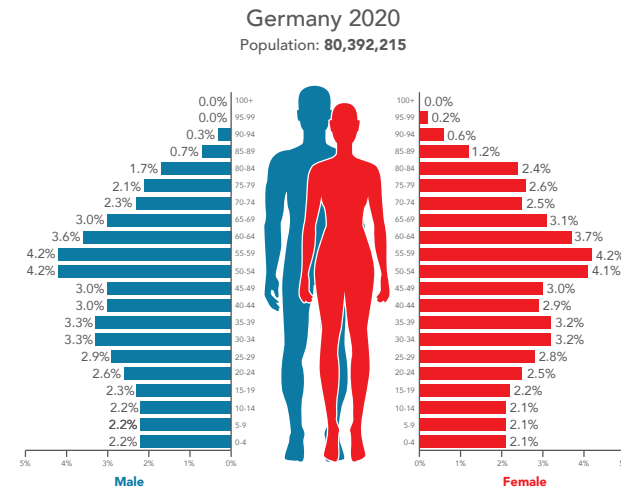
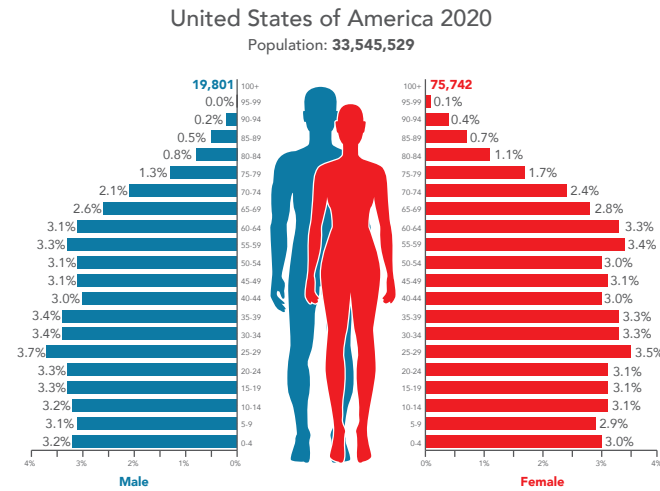


Figure two shows the population of the United States, Germany, France, China, and India as represented by a population pyramid. Noted on the pyramid are the associated generations. The cyclical trend of larger followed by smaller generations is evident in these 80-year population pyramid.

# HOT JOBS FOR MILLENNIALS AND GEN Z IN THE UNITED STATES

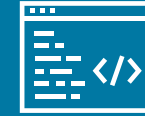
## MILLENNIALS



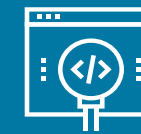
**Web Developer**  
Median Salary: \$64,970  
Projected Growth: 15%  
Hot Markets:  
San Francisco, Seattle, Madison



**Dental Hygienist**  
Median Salary: \$72,330  
Projected Growth: 20%  
Hot Markets:  
Detroit, Portland, Providence



**Software Developer**  
Median Salary: \$98,260  
Projected Growth: 24%  
Hot Markets:  
Boston, San Jose, Seattle



**Computer Systems Analyst**  
Median Salary: \$85,800  
Projected Growth: 9%  
Hot Markets:  
Washington D.C., San Jose, Seattle



**Mechanical Engineer**  
Median Salary: \$83,590  
Projected Growth: 9%  
Hot Markets:  
Detroit, Grand Rapids, Boston

## GENERATION Z



**Statistician**  
Median Salary: \$80,100  
Projected Growth: 34%  
Hot Markets:  
Durham, Washington D.C., Boston



**Radiation Therapist**  
Median Salary: \$80,220  
Projected Growth: 17%  
Hot Markets:  
Philadelphia, Oklahoma City, Milwaukee



**Registered Nurse**  
Median Salary: \$64,490  
Projected Growth: 16%  
Hot Markets:  
Rochester (MN), Durham, Gainesville



**Market Research Analyst**  
Median Salary: \$62,150  
Projected Growth: 19%  
Hot Markets:  
San Francisco, Denver, Boston



**Interpreter/Translator**  
Median Salary: \$44,190  
Projected Growth: 29%  
Hot Markets:  
Salt Lake City, San Francisco, Washington D.C.

\*Projected Growth is over 5 years, Bureau of Labor Statistics

# WHERE ARE THEY LIVING? MILLENNIALS AND GEN Z

The highest concentration of younger Millennials is in metro areas with significant student populations and large universities. Recruitment for new talent can be directed for this younger population where they attend school.

Older Millennials, those ages 25-34, are primarily located on the East Coast. Growth in Seattle over the past 10 years drove migration to that city for this older population. The tech sector's need for young software engineers led many young people to San Francisco, Boston, and San Francisco. In general, once students graduate from college, the majority leave for the coasts, with the bulk of the population entering the East Coast market.

Generation Z has a highly concentrated population budding on the West Coast which in the coming years could provide a valuable, young, tech savvy population for West Coast technology companies to mine talent. However, it goes without saying the rate of Gen Z attrition in these areas is impossible to predict, as many of the older Gen Z citizens are soon leaving for college and spreading across the United States.

The oldest Millennials appear to continue the trend of migration to the coasts.

Top 10 Age 20-24	Tot. Pop.	Share	Pop. Age 25-34
College Station, Texas	104,684	31%	32,347
Provo, Utah	115,718	30%	34,253
Bloomington, Indiana	83,093	29%	24,180
Ames, Iowa	64,073	29%	18,645
Davis, California	66,886	27%	17,725
Auburn, Alabama	60,318	26%	15,562
Gainesville, Florida	128,610	24%	31,252
Jacksonville, North Carolina	68,404	24%	16,622
Tallahassee, Florida	188,466	22%	41,839
Iowa City, Iowa	72,385	22%	15,852

Top 10 Age 25-34	Tot. Pop.	Share	Pop. Age 25-34
Somerville, Massachusetts	79,707	32%	25,522
Cambridge, Massachusetts	108,757	27%	29,582
Arlington, Virginia	226,092	27%	60,819
Alexandria, Virginia	151,473	23%	35,445
Boston, Massachusetts	658,279	22%	153,379
Washington, District of Columbia	659,009	23%	149,595
San Francisco, California	850,282	23%	192,164
Jersey City, New Jersey	261,666	23%	58,875
Seattle, Washington	668,849	22%	148,484
Mountain View, California	78,827	22%	17,500

Top 10 Age 18-24	Tot. Pop.	Share	Pop. Age 25-34
Ames, Iowa	64,073	44%	28,000
College Station, Texas	104,684	43%	44,491
Bloomington, Indiana	83,093	42%	35,231
Provo, Utah	115,718	36%	42,006
Auburn, Alabama	60,318	36%	21,473
Gainesville, Florida	128,610	35%	45,399
Davis, California	66,886	33%	21,939
Iowa City, Iowa	72,385	32%	22,946
Santa Cruz, California	63,310	31%	19,879
Flagstaff, Arizona	69,270	31%	21,474

Top 10 Age 30-34	Tot. Pop.	Share	Pop. Age 25-34
Somerville, Massachusetts	79,507	13%	10,018
Alexandria, Virginia	151,473	13%	19,086
Arlington, Virginia	226,092	13%	28,262
Jersey City, New Jersey	261,666	12%	30,353
Cambridge, Massachusetts	108,757	12%	12,507
Mountain View, California	78,827	11%	8,986
San Francisco, California	850,282	11%	93,531
Sunnyvale, California	149,596	12%	16,306
Washington, District of Columbia	659,009	11%	71,173
Denver, Colorado	663,303	11%	70,973

Top 10 Age 15-17	Tot. Pop.	Share	Pop. Age 25-34
Perris, California	73,718	6%	4,644
Temecula, California	108,965	6%	6,756
Weston, Florida	68,893	6%	4,271
Wellington Village, Florida	61,371	6%	3,744
Brownsville, Texas	182,110	6%	10,927
Flower Mound Town, Texas	69,966	6%	4,128
Johns Creek, Georgia	82,930	6%	4,810
Lynwood, California	71,233	6%	4,060
Florence-Graham, California	63,390	6%	3,613
Mansfield, Texas	63,141	6%	3,599

# MILLENNIAL & GEN Z DIVERSITY

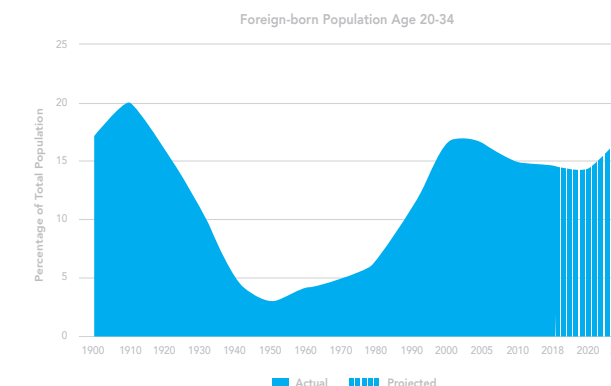
In the United States, Millennials and Generation Z are more ethnically diverse than previous generations; representing both native and foreign born. Much of this is the result of the shrinking non-Hispanic white population and an influx of immigrants on scale with the European immigration that took place 100 years ago.

Today's Millennial and Generation Z workforce will incorporate this diversity and employers will need to tackle work authorization and sponsorship more often than they did in the past. Policy challenges at the national level may affect the ability of Millennial "Dreamers" or foreign-born persons who have called the country home nearly all their lives to accept jobs.

In a Deloitte study, 43% of Millennials envision leaving their job within two years with only 28% having intention to stay beyond five years. This gap is higher than the 7% reported in the previous year and will likely only continue to grow as Generation Z surveys reporting that 61% would leave within two years if given a better option. In the same survey, diversity and financial rewards played a large part in influencing Millennials and Gen Z to stay in a

workplace. It is perceived to enhance workplace culture, especially about management.

This trend will continue as Generation Z gains footing in the workforce within the next five to ten years and as families across America become more diverse. Notably, Generation Z will be 50% Caucasian, the lowest percentage in American history. Hispanics and Others are more represented in Generation Z than Millennials. Generation Z White, Black, and Asian populations are smaller than their Millennial counterparts.



	White 2020	Black 2020	Asian 2020	Hispanic 2020	Other 2020	White 2020	Black 2020	Asian 2020	Hispanic 2020	Other 2020
<b>Total</b>	<b>198,571,205</b>	<b>41,701,866</b>	<b>19,393,092</b>	<b>62,312,770</b>	<b>10,660,169</b>	<b>60%</b>	<b>13%</b>	<b>6%</b>	<b>19%</b>	<b>3%</b>
Gen Z	41,267,590	11,357,583	4,323,215	20,927,357	4,571,536	50%	14%	5%	25%	6%
Millennials	49,172,537	12,444,684	6,162,142	19,463,396	3,070,129	54%	14%	7%	22%	3%
Gen X	50,796,665	10,272,942	5,326,544	14,602,190	1,818,234	61%	12%	6%	18%	2%
Boomers	46,953,463	6,557,947	3,031,929	6,265,537	1,044,391	74%	10%	5%	10%	2%
Silents	10,308,332	1,060,122	545,669	1,047,935	154,969	79%	8%	4%	8%	1%
Greatest	72,618	8,588	3,593	6,355	910	79%	9%	4%	7%	1%

(2020 National Population Projections, US Census Bureau)

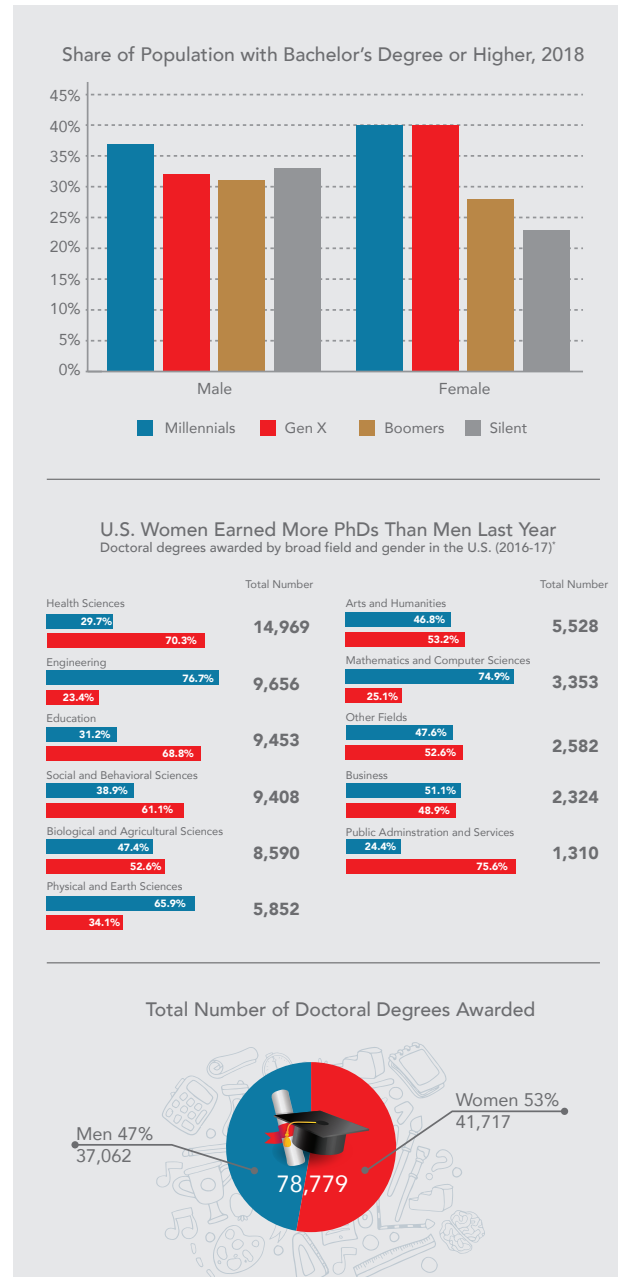
# EDUCATIONAL ATTAINMENT

More Millennials are going to school than previous generations. One cause of this is the global economic crisis of 2008 which inhibited the efforts of older Millennials to enter the workforce and pushed them deeper into academia to ride out the economic downturn. Many more Millennials decided to remain in or return to school for additional specialization while they waited out a challenging job market.

The outcome of this additional education is increased college debt, which has outpaced wages, especially for younger Millennials and will soon be something that Generation Z will have to address looking forward. Millennial women are attaining more education than their male counterparts. In fact, over the past 15 years, women have outpaced men in attaining higher education and advanced degrees, indicating increasingly specialized skills.

Flat wages and increased debt led more Millennials to live at home into adulthood than any previous generation since the depression in the 1930s.

To the extent that independent living serves as a proxy for the larger concept of economic independence, this is in stark contrast to the post-war Baby Boomers who achieved economic independence at much younger ages, proportionally. However, interestingly, after reviewing data going back even further (about 140 years) it may be that this trend is simply a return to the mean and that the 1960s were a deviation from the broader historical pattern.



\*Because not all institutions responded to all items, details may not sum to totals  
Source: CGS/GRE Survey of Graduate Enrollment and Degrees

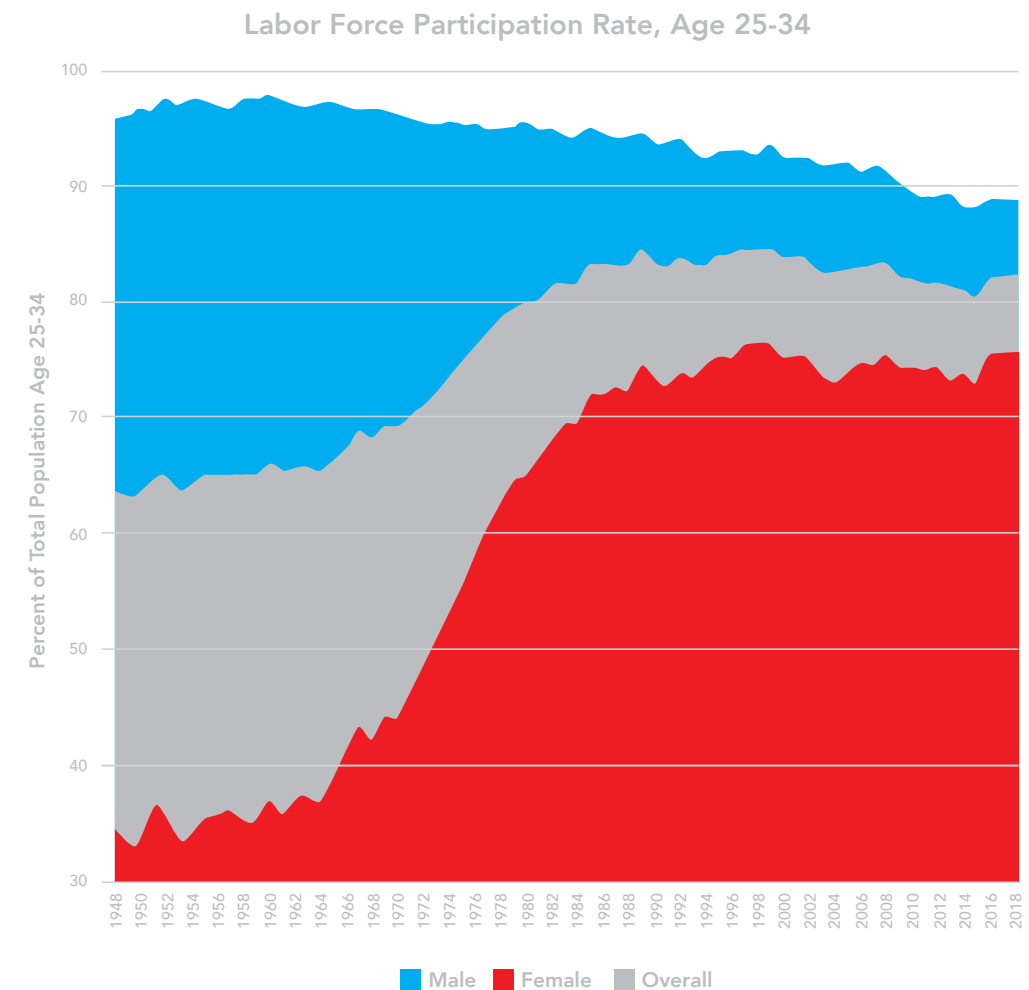
# GENDER IN THE WORKFORCE

One effect of women seeking advanced degrees is a delay in entering the workforce. Future employers will need to address career pathways for women to ensure top talent is retained through and after child raising years, now a shorter window of time because the age of a woman's first child hasn't changed enough to accommodate the additional two years spent in graduate school.

Women are entering the workforce in larger numbers than previous generations although at a smaller proportion comparatively and they are extremely well-educated as they enter. The years

between working during the first stage of a career path and raising a family is shorter today for most women and may interrupt mid-career progression at a time when more women than ever are joining the workforce.

Additional changes resulting from men becoming more engaged in parenting may suggest a family role reversal, in many cases, where women earn more than their spouses and men seek opportunities to spend less time traveling or working late.



Male Female Overall

# HOMEOWNERSHIP

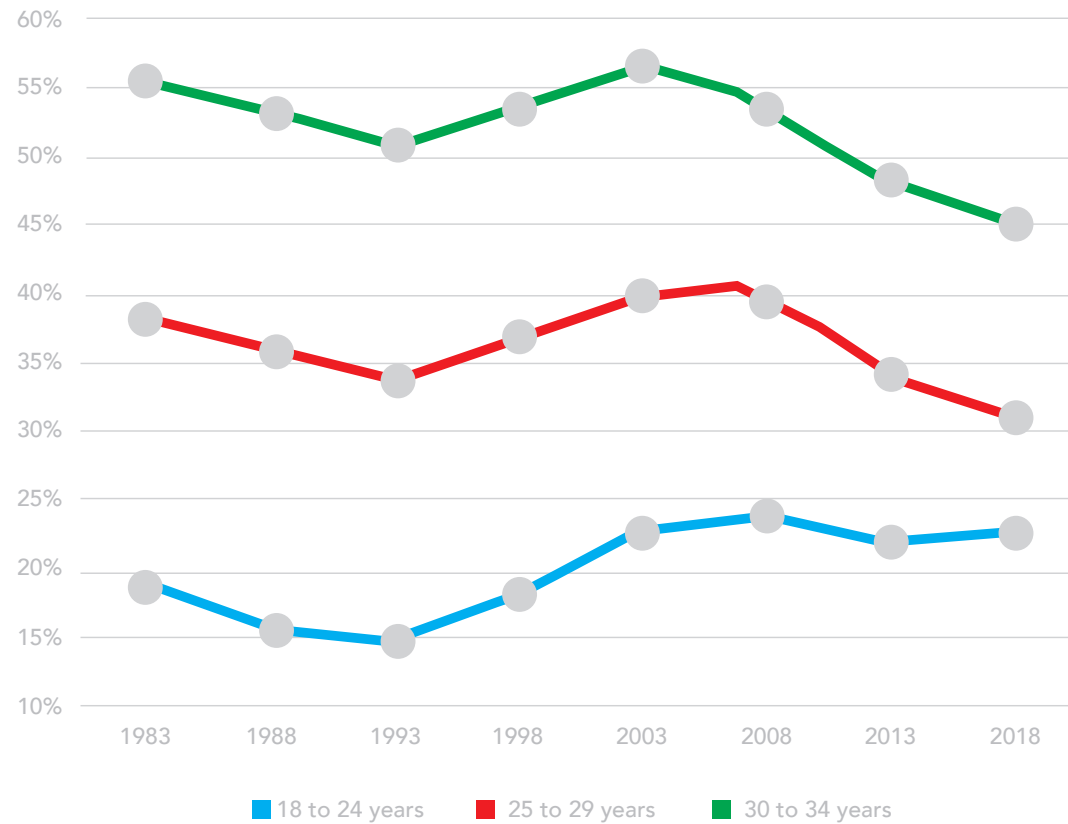
Millennials are also less likely to own a home than previous generations at the same age, making them less rooted in the community. While this is understandable for younger Millennials, for those older than 27 (the average age of first marriage for women), home-ownership is also about 5% lower than in Generation X. All of this must take into consideration the record low mortgage rates since 2008.

One school of thought is that Millennials can't buy what isn't for sale and may need to wait until Baby Boomers become empty nesters. The implication for employers, however, is a concentrated urban population that delayed conventional progression to the suburbs over the past 5-10 years. This may drive corporate demand for urban offices.

Although 18-24-year-olds are the least likely to own a home, in 2018 they own homes at higher rates compared to their counterparts in the 1980s, 16% owned homes where as in 2018, 23% owned homes. For each older age bracket homeownership has greatly fallen within the last 15 years, 25-29-year-olds from 40% to 31% and from 30-34-year-olds from 57% to 45%.

This trend will likely continue with Generation Z working its way into the homeownership marketing, slowly using generational wealth to acquire property.

Homeownership Rates, Ages 18-34



# JOINING THE WORKFORCE

An examination of trends over the past 15 years indicate Millennials are just as, or more, likely to remain with the same employer after 13 months today than Generation X was at the same age – a trend that holds into the fifth year at a job. This is especially true for those with college degrees, but less so for employees with only a high school diploma, which puts pressure on turnover in the production and warehousing sectors of the economy.

In more recent years, Millennials' feelings about business motivations and ethics have shifted. Today, according to a Deloitte study, only a minority of Millennials believe that businesses are operating ethically (48% vs. 65% in 2017) and that business leaders are committed to helping improve society (47% vs 62% in 2017). This mismatch in what millennials believe to be civically-minded and what the business' actual priorities continues to influence work environments in terms of employee stimulation and talent development.

The budding Generation Z workforce will likely have a huge focus on technology and social interaction while bringing a higher than average level of technological skill to the workplace. While these digital natives bring skill, they also tend to bring a strong sense of responsibly using their knowledge for the betterment of society and humanity. Additionally, due to further automation, these

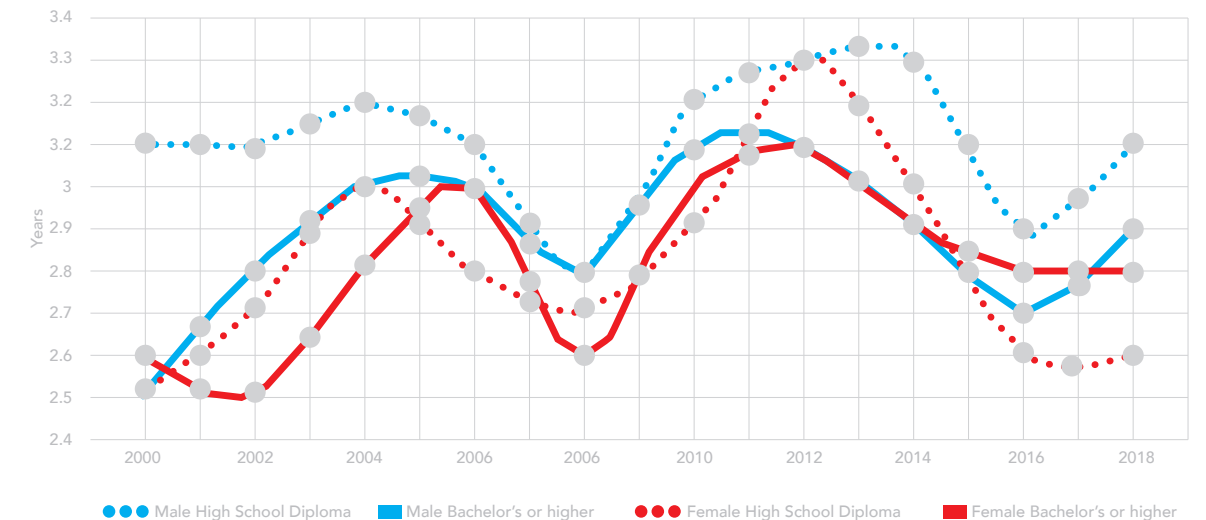
Generation Z workers will be competing for above-entry level work and with their wide varieties of skill sets may be more on track for career opportunities at an earlier age.

Furthermore, Generation Z understand the importance and value of networking in the job acquisition process. In a Monster.com survey, 41% of Gen Z expect to find their first job through family and friends in contrast to 36% in previous generations.

Due to their highly connected and technologically-driven lifestyles, it comes as no surprise that 54% of Generation Z believe they will find a job through social media and digital connections compared to prior generations 36%. Companies looking to acquire Generation Z talent will need to change the way they appeal and connect to Generation Z, not the other way around.

Organizations should take time to reevaluate internal needs with external candidate pools to increase their competitive advantage in talent acquisition. For some companies this will mean requalifying entry level positions and duties, while for others it may involve more on the job, apprentice-style training. The emergence of Generation Z will likely herald a new style of recruiting and employment evaluation.

Median Job Tenure, Age 25-34





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