

MAKE IT. MSP. INSIGHTS

ATTRACTING & RETAINING GRADUATES TO THE MINNEAPOLIS-SAINT PAUL REGION



MAKE IT. MSP.®

GREATER»MSP®

Minneapolis Saint Paul Regional Economic Development Partnership

Greater insight on Gen Z will help us set goals & take action



When Make It. MSP. began four years ago, the Millennial generation was synonymous with “young talent.” Year by year, that description is shifting to Generation Z. We are excited to share these original insights about the newest generation of talent entering our region’s workforce.

This MSP Campus report is especially relevant for executives, recruiters, hiring managers, and everyone in your organization working with interns and recent graduates. It is also useful reading for any leader interested in tracking the changing needs and preferences of the people who will shape the future of our region.

Make It. MSP. has earned a national reputation for excellence in talent retention and attraction by finding creative ways to turn data into strategy and strategy into action at a regional scale. This process starts by listening. In this case, we are listening to the voices of rising talent, and I expect some of what’s inside will surprise you as it did me.

The insights in this report will guide the decisions of hundreds of leaders from companies, nonprofits, universities, and government agencies who are working together through Make It. MSP. We hope this information will also inspire new thinking and action in your organization.

Peter Frosch
CEO, GREATER MSP Partnership

GEN Z RESEARCH IS JUST EMERGING

Exciting changes are afoot as Generation Z (or “Gen Z”) enters the workforce. They will transform the economy and the workplace in ways that are still unclear. In any event, this generation will make an unprecedented impact in the Greater Minneapolis-Saint Paul region.

Gen Z has grown up in a society where technology is ubiquitous. They are the most technologically savvy generation to enter the workforce, impacting their perspectives on where to work, how to work, as well as where they will choose to live. At the same time, there are gaps between the technology they use versus what previous generations have adopted, including Millennials and Generation X.

Given the reality that solid research on this generation is only beginning to emerge, Make It. MSP. partners are approaching early work with Gen Z with curiosity and an open mind. To start, we are asking questions, examining early data and direction, and encouraging individuals and organizations to do the same. This report examines five central themes to begin raising key issues that will be explored through future projects, including workshops, campus visits, interviews, surveys and more.

By listening to and understanding Gen Z perspectives, we hope to be better equipped to connect these young adults to career opportunities and a thriving, vibrant Greater Minneapolis-Saint Paul community.

THEMES TO EXPLORE IN THIS REPORT INCLUDE:



STUDENT DEBT

Student debt as a major factor influencing where students choose to live and work



COMMUNICATION

The expectation of frequent, ongoing and authentic communications when interacting with employers



DIVERSITY

Diversity is an everyday reality and expectation - and needs to be communicated authentically



POSITIVE IMPACT

Impact and the desire to work towards the greater good in the world is driving many Gen Z career choices



CAREER PATH

Pathways for growth and perception of long-term career opportunities when considering immediate positions

Gen Z is already making a major impact

WHO IS GEN Z?

Gen Z is the newest segment of the working-age population quickly developing its own personality and already beginning to change the dynamics of the workplace.

The Pew Foundation conducted a demographic analysis of Gen Z, via U.S. Census data, to better understand who makes up this generation. Pew defined Gen Z as “Post-millennial,” which are people born after 1996.

ACCORDING TO GREATER MSP'S ANALYSIS OF THE TOP 30 U.S. METROS:

48% PEOPLE OF COLOR

This generation is the most racially and ethnically diverse. Only a bare majority (52%) are non-Hispanic whites.



The metros with the highest share of Gen Z residents include Riverside, San Antonio, Houston, Dallas, and Atlanta (in that order). The Greater MSP region ranks 14th. Nearly 26% of its population are Gen Z members.



The metros with the most diverse Gen Z residents include Los Angeles, Riverside, Miami, San Antonio, and Las Vegas. The Greater MSP region ranks 26th. 38% of its Gen Z population are people of color.

The metros with the highest share of Gen Z enrolled in college and graduate school include Boston, Los Angeles, San Francisco, Sacramento, and New York. The Greater MSP region ranks 17th with nearly 41% of the population enrolled.



RECENT SUCCESS AMONG MILLENNIALS

During the past five years, one of the key indicators tracked by the GREATER MSP Partnership included the domestic migration of Millennials ages 25-34.

As one of the most highly mobile segments of the workforce, this cohort's mobility indicates the region's broader performance attracting and retaining workers. Fortunately, that performance is on the rise.

The Greater MSP region's net migration increased by 265% over that five-year period. While the region was net gaining roughly 2,000 more 25-34 year olds each year five years ago, that number is now consistently closer to an annual net gain of roughly 7,500.

This trend is emerging just in time for a region where unemployment is low and employers are struggling to find highly-skilled employees. It also denotes significant room for improvement.



NET MIGRATION OF MILLENNIALS TO MSP UP 265%

Research of Top-30 U.S. metros conducted by GREATER MSP based on Pew Research Center demographic analysis

Gen Z reflects the changes of a modern world

While conclusive research is only just beginning to emerge on Gen Z, there are a number of early reports and studies that have been published. The GREATER MSP Partnership's research team examined this research and interviewed a cohort of current students and recent graduates to get a sense of emerging issues that will be relevant to the Make It. MSP. initiative and the work of its individual partners.

These themes, from statistics to anecdotes, are meant to start the conversation and spark dialogue. Let's dive in.



STUDENT DEBT IS A MAJOR FACTOR INFLUENCING WHERE GEN Z CHOOSES TO LIVE & WORK

As student loan debt has exponentially increased, Gen Z is continuing to face the prospect of increasing student debt that burdens millions of Millennials. Financial implications weigh heavily on a student's ability to consider different careers and live in their destination of choice. These financial considerations also likely contribute to greater risk aversion among members of the generation.

\$32,052 AVERAGE STUDENT LOAN DEBT PER BORROWER
\$1.4 TRILLION TOTAL STUDENT LOAN DEBT

As of 2019, Minnesota's average student loan debt per borrower is \$32,052; a 5.5% increase from the previous year. The median balance for a borrower in the Greater MSP region is \$24,321. More than 25% of students owe more than \$50,000. Some owe more than \$100,000.

"I'm very aware of my financial situation. Having debt affects me a lot... I like to know I'll be able to pay off things and make a living and not live paycheck to paycheck or struggling. I like to have a cushion and feel secure financially."
Gen Z interview



Consider what this means for candidates your organization is working to recruit, onboard, and retain. In addition to salary and benefits, Greater MSP's cost of living compared to the largest U.S. metros may make the region more attractive based on a student's ability to pay off debt. For others, it may present different trade-offs as compared to smaller markets.



GEN Z VALUES MORE FREQUENT, ONGOING & AUTHENTIC COMMUNICATION WHEN INTERACTING WITH EMPLOYERS

Gen Z employees expect their employers to keep lines of communication open at all times. With their current employer, they expect open and transparent communication about all aspects of the organization and position, as well as regular feedback from supervisors. With prospective employers, they value more frequent and rapid communications throughout the hiring process.

GEN Z PREFERS IN-PERSON COMMUNICATIONS TO DIGITAL
51% PREFER IN-PERSON **25%** PREFER DIGITAL

Gen Z is accustomed to a world of instant feedback and open access enabled by technology. This reality means they have grown accustomed to more rapid communication. Gen Z interview subjects said they wished they received more dialogue and feedback during an interview process.

DELOITTE REPORTS GEN Z EMPLOYEES EXPECT EMPLOYERS ARE OPEN ABOUT ALL ASPECTS OF THEIR WORK & ORGANIZATION



"Response time is a big thing – some internships took a long time to get back and I was already committed or so far along in the process, it didn't seem worth starting over again."
Gen Z interview



Consider what this means for your entire organization – from recruiters and hiring managers to supervisors and executive leadership. Not only are expectations rising around communications, but information about how other employers are communicating with their own employees is also readily available.

Sources: Deloitte: Gen Z Entry into the Workforce; Pew Research Center: Early Benchmarks Show 'Post-Millennials' on Track to Be Most Diverse, Best-Educated Generation Yet; Ripplematch: Gen Z in the Workplace; Ripplematch: Understanding the Gen Z Candidate Experience; Accenture: Gen Z Rising



DIVERSITY

DIVERSITY IS A REALITY, EXPECTATION & DEMAND AMONG STUDENTS IN WORKPLACES & COMMUNITIES

As the most diverse generation, Gen Z wants to see their reality reflected through a more diverse and inclusive work environment. The Greater MSP region faces both challenges and opportunities as it relates to diversity, equity, and inclusion in both the workplace and the community. Employers will need to identify authentic and honest ways to communicate about the state of diversity and inclusion in their workplace and the greater community when they are promoting this as a place to live and work.

63% MAJORITY
OF THE GEN Z POPULATION IN THE 30 LARGEST U.S. METROS ARE PEOPLE OF COLOR

Gen Z is growing more diverse. In some of the Greater MSP region's peer metros, two-thirds or more of Gen Z are people of color. Interview subjects repeatedly mentioned an appreciation for a diverse and inclusive culture.

GEN Z IS GROWING MORE DIVERSE IN THE GREATER MSP METRO

38% OF GEN Z ARE PEOPLE OF COLOR

“My biggest pain point was moving somewhere with less diversity. I've never seen so many white people in my life. There are obvious disparities.”

Gen Z interview



The Greater MSP region continues to grow more diverse – AND that appears differently depending on one's context. Students and recent graduates who take an internship or job opportunity after living or studying in another community may find the Greater MSP region to be far more diverse or far less diverse than they are accustomed to. Regardless, Gen Z expects an inclusive culture. What does this mean for your team members who entered the workforce with different expectations?



POSITIVE IMPACT

GEN Z WANTS TO MAKE AN IMPACT FOR THE GREATER GOOD

More members of Gen Z want to work for employers that have established a defined mission and values. Increasingly, they want their work to contribute to something more than their personal ambition and the organization's financial gain. It will be important to show that their work makes a contribution towards their employer's overall mission.

ACCORDING TO A RIPPLEMATCH SURVEY,
MORE THAN HALF
OF RESPONDENTS SAY MISSION & VALUES WERE FACTORS IN THEIR DECISION

Interview subjects generally expressed a strong desire to find opportunities that they felt passionate about. Greater MSP is a region that has solved major challenges and continues to be a national leader in volunteerism, giving, and civic engagement.

DESPITE FINANCIAL BURDEN, 3 OF 10 GEN Z MEMBERS SAY THEY WOULD TAKE A 10-20% PAY CUT TO BE MISSION ALIGNED

30% WOULD CONSIDER A MAJOR PAY CUT

“This region isn't a national powerhouse but has many companies ... that have that type of outreach which young professionals want. They would rather be somewhere with a global mindset.”

Gen Z interview



The Make It. MSP. team is working to align that purpose-driven nature with its own work and outreach. Is your organization taking steps to more clearly articulate its mission and values, as well as tie every individual's contributions to that overall mission? If not, consider investing time here. It is likely to impact your performance attracting and retaining talent.



CAREER PATH

GEN Z SEEKS PATHWAYS FOR GROWTH & CAREER DEVELOPMENT IN A CHANGING ENVIRONMENT

Gen Z identifies challenges choosing career paths based on their specific passions – especially as technology continues to transform fields and occupations. The more that employers can show the depth and breadth of advancement and growth opportunities, the more students are likely to consider taking a particular job. This has implications for how to communicate about career pathways and how they may relate to a specific opportunity.

MULTIPLE SURVEYS SHOW CAREER GROWTH OPPORTUNITIES ARE THE MOST IMPORTANT FACTOR FOR GEN Z JOBSEEKERS

Gen Z interview subjects also reported wanting to work for organizations where they would have “room to grow.” This was the most important consideration for Gen Z jobseekers according to surveys by both Ernst & Young and Robert Half.

ACCORDING TO ACCENTURE, GEN Z GRADS ARE 2.5X MORE LIKELY TO STAY 5+ YEARS IF THEY FEEL THEIR SKILLS ARE FULLY UTILIZED

2X
LIKELY TO STAY

“Sometimes job descriptions are misleading. You don't end up doing what you think you will be doing. [It's about] Making sure the company has a clear path for you and you're not siloed and in the same position for a long time.”

Gen Z interview



The Greater MSP region is a place with robust career opportunities and diverse industry sectors of strength. As a result, the messages that Make It. MSP. partners share with prospective candidates goes beyond the number of open jobs to the opportunities one will have to build and develop a career. What are you doing in your own organization to communicate career development options in addition to individual job descriptions?

Make It. MSP. partners are turning their eye to campus recruiting



EXPANDING AN EMPLOYER COALITION

Since its inception, the MSP Campus Team has been shaped by the contributions of many leading employers. Campus recruiters and intern program leaders have collaborated through the Make It. MSP. platform to collectively improve their performance attracting and retaining recent graduates.

Over the past two years, the team has shared challenges, best practices and ideas for collective solutions. Despite being competitors, they have demonstrated that by working together, they can ultimately achieve greater impact.

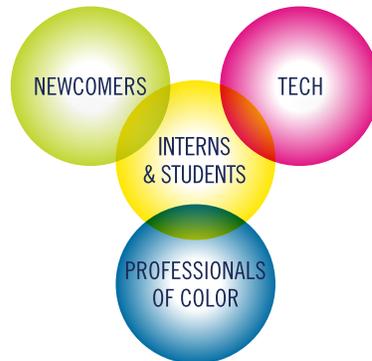
Thanks to the following companies who have invested their time and resources to grow this team: Best Buy, Bremer Bank, C.H. Robinson, Ecolab, General Mills, Land O'Lakes, Medtronic, Pohlad Companies, Sleep Number, Smiths Medical, Target, TCF Bank, Thomson Reuters, Thrivent, U.S. Bank, Wells Fargo, and Xcel Energy.



Make It. MSP. partners set an ambitious goal to make the Greater MSP region one of the country's Top 10 performers at attracting and retaining talent. This requires examining the region's current performance, identifying opportunities to improve, and agreeing that no organization alone can achieve the goal.



As a Strategic Initiative of the GREATER MSP Partnership, Make It. MSP. shares similarities with other efforts of the Regional Economic Development Strategy. Most notably, it is driven by individuals and organizations working in deep collaboration. Together, these partners set shared priorities and work as a team to drive change. This commitment to collaboration among 200 partners is how Make It. MSP. earned a Gold Award from the International Economic Development Council in 2018.



Make It. MSP. teams addressing strategic areas of focus include retaining professionals of color (BE MSP), attracting technology talent (MSP Tech), and inclusively welcoming newcomers (MSP Hello). All are interrelated. The issues explored in this quarterly Make It. MSP. Insights report are interconnected to the challenges and themes explored in previous editions.

An emerging focus of Make It. MSP. is attracting and retaining recent graduates to the MSP region. The idea for building "MSP Campus,"

the name of this Make It. MSP. team, began when the region's leading employers came together to identify areas that would make significant impact and inspire participation from their organizations.

Like all Make It. MSP. teams, MSP Campus provides a platform that invites employers on the front lines of attracting and retaining students to jointly engage people. The MSP Campus team is both engaging current prospects through summer intern programs as well as developing new student engagement strategies.

By working in collaboration with colleges and universities, partners from across the region can engage students early in their intern and job searches, giving the Greater MSP region a competitive advantage.

The MSP Campus team brand was developed specifically to increase meaningful engagement with interns and recent graduates. Working with employer and education partners, we strive to build networks for young professionals to thrive in once here. To learn more about Make It. MSP. and discover other tools and insights, visit www.makeitmsp.org.



The MSP Campus team is both listening and taking action

BUILDING THE FOUNDATION FOR WHAT'S NEXT

As this report makes clear, the information available on Gen Z is limited. The opportunities to take bold steps forward, however, are not.

Equally as important to what the data tells us is what it does not. What gaps can we work to answer ourselves? How do the key themes align with daily realities? Where are we strong and where can we take practical steps to improve how we engage with students?

“Where are we strong and where can we take practical steps to improve how we engage with students?”

As a coalition working towards the broader goals of the region, we believe we can best answer these questions together. The MSP Campus team will gather direct insights from students and recent graduates. The team will learn more about students' decisions to come to or stay in the MSP region upon graduation and what else matters in choosing jobs, careers, and places to live.

While learning, we will also apply accessible information through new partnerships with colleges and universities to enhance students' abilities to explore what the Greater MSP region has to offer.

THE POWER OF PEER-SHARING

The value that partners find in the MSP Campus team includes opportunity to build trust in a collaborative space. This has enabled employer partners to openly share data with each other in order to inform their shared work.

For example, partners share how they are meeting their intern conversion goals or where they are considering recruiting. Common themes from a recent benchmarking survey from the team yielded insights that will help them in future implementation. Themes included:

- EFFECTIVE ENGAGEMENT THROUGH CAREER FAIRS & ON-CAMPUS EVENTS
- CHALLENGES OF CONTINUOUS & MEANINGFUL STUDENT ENGAGEMENT
- THE NEED FOR PERSONALIZED APPROACHES OVER ONE-SIZE FITS ALL

GUIDING INTERNS & STUDENTS TO LOCAL RESOURCES

Students have small windows to make meaningful connections while interning in the Greater MSP region. So, the MSP Campus team and other Make It. MSP. partners have been working to develop a few practical resources, including:



MSP WELCOME AMBASSADORS PROGRAM

A peer network to ask very specific questions

TOP 10 SUMMER EVENT SERIES

Weekly emails sharing some of the hottest MSP events

MAKE IT. MSP. MAP

Snapshot of the region's most iconic attractions

MAKE IT. MSP. JOB PORTAL

Easy, searchable job postings across all industries

These resources can be found by visiting makeitmsp.org/interns.



In 2017, Make It. MSP. partners developed the idea to collectively welcome their interns through a large-scale event. The resulting execution, Discover MSP, laid the foundation for the entire MSP Campus project described at left.

Now in its third year, the Discover MSP event has welcomed more than 3,000 interns to the region and better connected these interns to each other. Each year, employers identify ways to improve the event in hopes that it will have a positive impact on intern conversion goals. The event has also enabled interns and employers to connect with more than 100 local community organizations that work to involve interns in the community through volunteer opportunities and professional development.

The project also equips Make It. MSP. to build stronger relationships with participants who are working to provide advice and help shape our strategy moving forward.



THANK YOU TO MAKE IT. MSP. ENTERPRISE TEAM PARTNERS FOR MAKING THIS REPORT POSSIBLE

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