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Fuse Duluth – Duluth, MN

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# Young Professionals Global Impact Survey: **Summary Report**

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## INTRODUCTION

**The YP Global Impact Survey is designed to help Young Professionals Organizations (YPOs) measure their impact on their communities, and outfit them with data to help them tell their story to investors, stakeholders, members, and the media.**

Young Professionals Organizations play a critical role in communities' efforts to attract and retain talent for two reasons:

1. **YPOs HELP STEM BRAIN DRAIN** – One of the key questions young people ask when moving to a community is, “Will I fit in?” Communities with Young Professionals Organizations have a ready response. Most YPOs are founded with the express intention to help young professionals connect to each other and to the community.
2. **YPOs CULTIVATE FUTURE LEADERS** – Let’s face it: the boardrooms in many of our communities are filled with people who have “been there, and done that.” YPOs are preparing a new generation to lead with vision and passion, and to refuel those boardrooms with new energy and initiatives. Many YPOs offer rigorous professional and board development training to their members. And when YPs feel they can make a difference in their community, they are 2-3 times as likely to stay.

In general, YPOs focus on **showcasing and shaping** a community’s quality of life – one that is attractive to diverse, young talent. Community leaders, business leaders, and young professionals should **embrace YP networks and YP leaders because those that do stand to gain BIG rewards** in their quest to attract and retain talent. Communities that don’t embrace young professionals and/or YPOs in effect hang a “You’re not welcome” sign on the gates of their communities. Today young professionals can live and work nearly anywhere. And if they’re not embraced in your community, they’ll choose another one to call home.

### **How are YPOs measuring their community impact?**

The next generation has a “Live first, work second” ethic. Unlike their parents, the next generation does not simply follow the paycheck or the company. Often, they first pick a place to live, and then find a job. **U.S. cities must develop and emphasize the quality-of-life amenities, i.e. the arts, public parks and trails, a strong after-5 scene, that attract the next generation.**

The YP Global Impact Survey (YPGIS) measures young people’s **perceptions of the community’s quality of life**, and also **predicts possible “YP flight”** from a community. YPGIS also measures the direct impact YPs make on their communities, including **volunteerism, voter registration and participation, job creation, and economic impact.**

### How can a YPO leverage its YPGIS results?

Conducting annual membership surveys is like having an annual physical – it can measure one’s level of health and show where you’re improving and/or need further attention. The YPGIS measures a YPO’s impact on its members, and progress on specific outcomes. What’s even more important than offering the survey is **sharing your survey results in a meaningful way with your stakeholders.**

Here are some ideas:

1. **Sell your impact.** Every YPGIS includes data about the individual and household income of YPs in your community, plus voting, volunteer, and other behaviors. Use this data to create a profile of the power of YPs in your community.
2. **Develop a scorecard.** Your investors and stakeholders want to see how you’re making progress on key success indicators. Many YPOs create an annual “scorecard” that shows year-over-year measures in things like: their impact on YPs’ perceptions of the community, their impact on YPs’ likelihood to stay in the community, member attendance, etc. When your investors know that you’re serious about measuring your impact, they’re more likely to invest in you. *(See online appendix for sample.)*
3. **Work the circuit.** With your data in hand, it’s time to take your dog-and-pony show on the road. Who needs to hear about your YPO’s impact and success? We suggest getting on the agenda at your local Chamber, Rotary, and Kiwanis Clubs. Meet with the editor of your local paper, and the alternative newspaper. (While you’re there, ask for a weekly or monthly column in their paper or on their Web site). Finally, hold an annual press conference to share your impact results in conjunction with one of your signature events.
4. **Say it, say it, and say it some more.** Create a quarterly e-newsletter for your local employers and community leaders, sharing your ongoing success and community impact, giving them tips on employee engagement, and highlighting quality-of-life amenities that matter to YPs.

## YP GLOBAL IMPACT SURVEY RESULTS

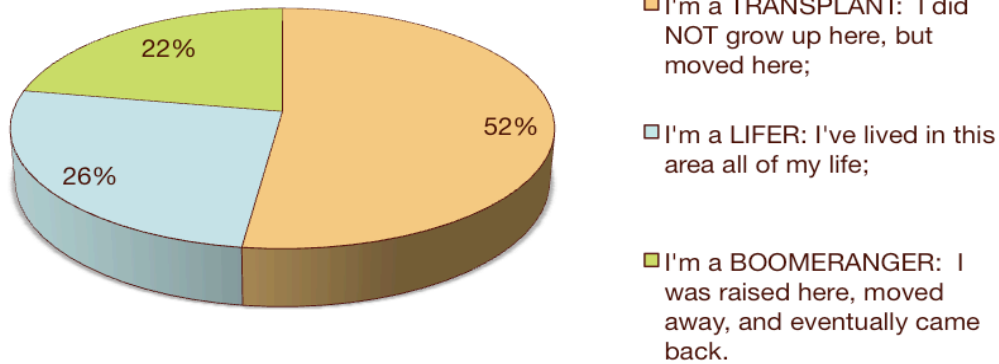
### Community Results: Perceptions of Duluth

Between September 3 and October 1, 2008, 217 young professionals in Duluth completed the YP Global Impact Survey.

#### Relationship to Community

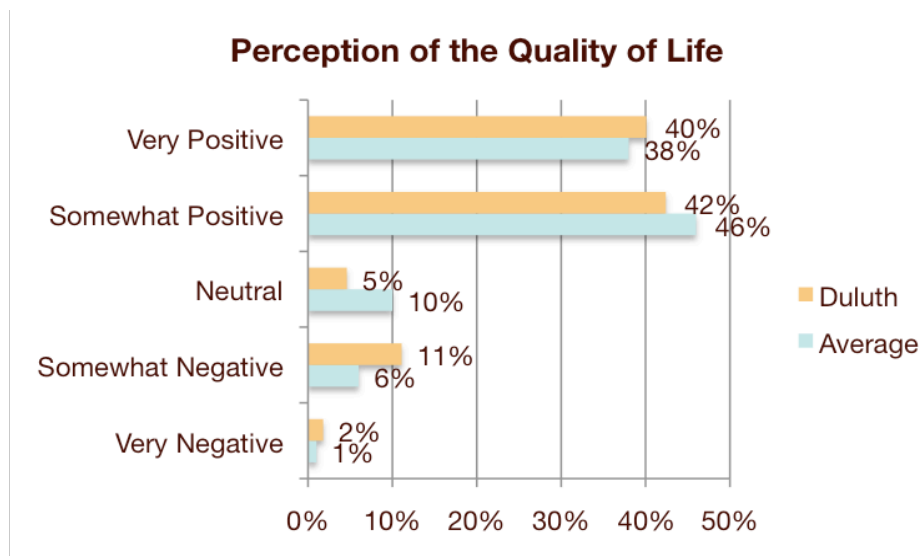
Survey respondents were asked about their relationship to their community, and chose one of three categories to best describe them: Lifer, Transplant, or Boomeranger. Most respondents (52%) were Transplants, which is slightly more than the average community.<sup>1</sup>

**Relationship to Duluth**



#### What do YPs think about the Quality of Life in their Communities?

Most respondents (83%) had a very positive or somewhat positive perception of the quality of life offered in their communities. The chart below compares Duluth to the average score of all YPGIS communities.



<sup>1</sup> Considering all communities who have participated in the YPGIS, the overall average is 50% Transplants, 32% Lifers, and 18% Boomerangers.

### Should I stay or should I go?

Nearly half of respondents (44%) said they plan to stay in Duluth for the long haul – 16 years or more. Additionally, 7% of respondents plan to stay for 10-15 years and 8% plan to stay for 5-9 years.

Young professionals take cost of living into account when deciding whether to stay or go, and 74% said they feel they can afford to live in their preferred area of the community.

### Economic Impact of YP Flight

While many respondents plan to stay in the community, a sizeable minority (13%) plan to leave in the near future: 8% plan to stay for only 1-4 years, and 5% plan to leave within the next year. What kind of economic impact could this have on the community?

Using a standard economic impact calculator of 1.2 we can see that when a YP leaves Duluth, it makes a \$60,360 impact per person.<sup>2</sup>

$$\text{Economic Impact} = 1.2 \times \text{Average Individual Income}$$

$$\text{Economic Impact} = 1.2 \times \$50,300 = \mathbf{\$60,360 \text{ per person}}$$

In other words, Duluth will lose an average of \$60,360 for each young professional who leaves. **With 13% of young professionals planning to leave within 4 years, and a population of 23,800 young professionals total<sup>3</sup>, Duluth stands to lose approximately \$187 million over the next 4 years.**

### The Seven Community Indexes

Next Generation Consulting has developed a proprietary system to “see” a community through the lens of the next generation. Specifically, the next generation analyzes a community according to seven indexes that they value: Vitality, Earning, Learning, Social Capital, Cost of Lifestyle, After Hours, and Around Town.

We asked respondents two questions about the seven indexes:

- How important are these amenities to you (Value)?
- How well does your community provide these amenities (Perception)?

Table 1 (next page) provides a comparison of young professionals’ *value* and *perception*. The “Value” column represents the percent of respondents who chose “most important” or “somewhat important” for each index. The “Perception of Community” column represents the percent of respondents who chose “completely agree” or “agree” with how well their community offers amenities in each index. The “variance” column represents the difference between value and perception.

<sup>2</sup> It’s generally accepted among economic development professionals that for every dollar an employee in your community earns, it cycles through the economy 1.2 times. This is a conservative figure; some economists use a multiplier of 2 – 7 times the employee’s income. Average Individual Income is the average of all responses to the “Annual Individual Income” question on this survey.

<sup>3</sup> 2007 American Community Survey (U.S. Census Bureau): Employed civilian population between 20-44 years old.

**Table 1: Value vs. Perception of Community in the Seven Indexes**

	Value	Perception of Community	Variance
<b>COST OF LIFESTYLE:</b> I want a community where I can afford to live, work, and play.	95%	72%	-23%
<b>VITALITY:</b> I value a vibrant community where people are 'out and about' using public parks, trails and recreation areas, attending farmers' markets and living in a healthy community.	94%	45%	-49%
<b>EARNING:</b> I want a broad choice of places to work and an environment that is friendly to entrepreneurs.	93%	23%	-70%
<b>LEARNING:</b> I want to plug into a community that offers life-long learning and values being 'smart.'	88%	79%	-9%
<b>AROUND TOWN:</b> I want to live in a community that's easy to get around in; I don't want long commute times.	85%	88%	+3%
<b>AFTER HOURS:</b> I want to be able to find authentic local places to have dinner, meet for coffee, hear live music, or just hang out. I want to be able to attend art openings, theatre, and cultural festivals.	82%	70%	-12%
<b>SOCIAL CAPITAL:</b> I value living in a diverse community, where people are engaged and involved in community life.	77%	59%	-18%

**Peach highlighting** = match between value and perception (variance of less than 20%)

**Blue highlighting** = mismatch between value and perception (variance of 20% or more)

### Matches and Mismatches

The closer the variance is to "0," the better the match between value and perception. As a general rule, a variance of less than 20% indicates a "match," and a variance of 20% or more indicates a "mismatch."

Duluth is actually exceeding YPs' expectations in the Around Town index, with a positive variance of 3%. The next closest match is in the Learning index, with a discrepancy of only 9%. Around Town and Learning are areas of strength that Duluth should leverage in efforts to attract and retrain young professionals.

The greatest mismatches are in the Earning and Vitality indexes, with variances of -70% and -49% respectively. Next Generation Consulting strongly recommends a deeper examination of these indexes, with a focus on opportunities specifically geared toward Duluth's YPs. This could be accomplished through a series of roundtable discussions that closely examine each index to discover why Duluth's YPs perceive the community the way they do. To learn the *reality* of how Duluth scores in the Seven Indexes, NGC offers a Community Handprinting service which accurately measures how well Duluth stacks up in the seven areas that matter most to YPs.

### How do we compare?

Looking at all YPGIS community participants, the average variance overall was -27%. The greatest matches were in Around Town (-16%) and Learning (-18%), and the greatest mismatches were in Earning (-44%) and Social Capital (-39%). Participants valued Cost of Lifestyle (98%) and Earning (96%) the most, and Social Capital (87%) and After Hours (87%) the least.

### Force Ranking: Seven Community Indexes

This portion of the survey asked respondents to rank the seven community indexes in order of importance to them. Duluth's ranking is listed in the table below, with a side-by-side comparison to the average force ranking from ALL communities who participated in the 2008 YPGIS.

Duluth	All YPGIS Communities
1. Cost of Lifestyle	1. Cost of Lifestyle
2. Earning	2. Earning
3. Vitality	3. Vitality
4. Learning	4. After Hours
5. After Hours	5. Learning
6. Around Town	6. Around Town
7. Social Capital	7. Social Capital

Respondents ranked Cost of Lifestyle, Earning, and Vitality in the top three spots in both the Force Ranking question *and* the Value question (see Table 1), which are areas that Duluth should focus on in their efforts to attract and retain young professionals.

### Net Promoter Score: Community

The community Net Promoter Score (NPS) measures residents' likelihood – on a scale of 0 to 10 – to promote their community to friends or family who are considering relocating.

Residents who rate their likelihood of promoting their community with a 9 or 10 are considered “promoters.” Residents who give a score of 6 or less are considered “detractors.” Scores of 7 or 8 are considered neutral and do not count toward the NPS.

*We calculate the NPS by subtracting the percentage of detractors from the percentage of promoters, as follows:*

$$\text{Net Promoter Score (NPS)} = \% \text{ Promoters} - \% \text{ Detractors}$$

Overall, 47.5% of respondents were promoters, and 24.4% were detractors, resulting in an average Net Promoter Score of **23.1%**. The average NPS of all YPGIS participating communities is 14.5%.

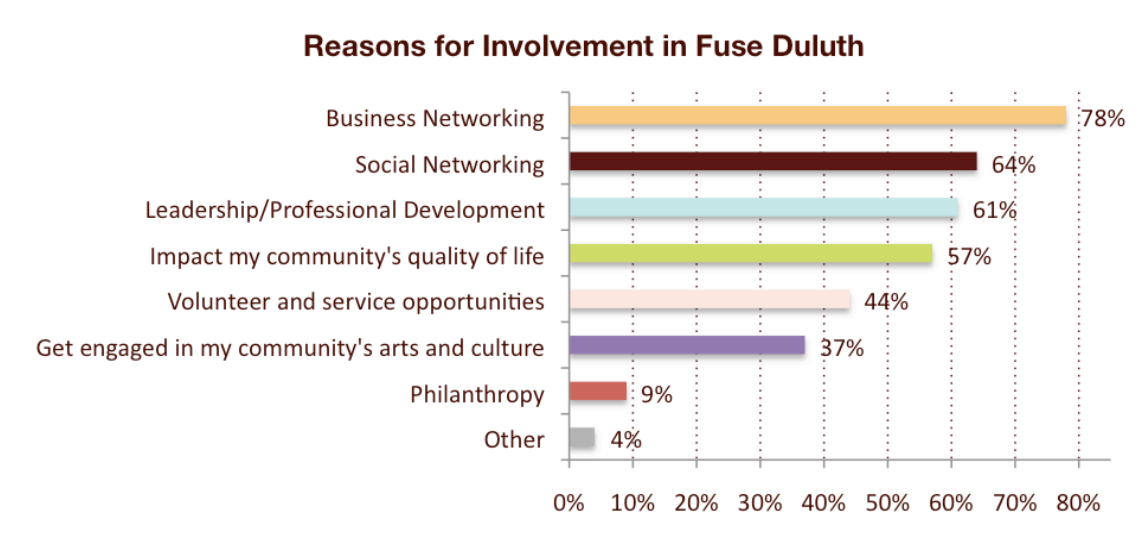
The NPS can range from -100% (all detractors) to 100% (all promoters). Many companies use the Net Promoter Score to predict future revenue. Although companies and communities are selling different products, it's interesting to note that companies with intensely loyal and engaged clients, e.g. Apple, EBay, have Net Promoter Scores ranging from 50-80%, while the average organization “sputters along” at 5-10%. A negative percentage means the number of detractors outweighs the number of promoters. The Net Promoter Score is based on years of research on customer loyalty and profitability spanning several industries and decades. To learn more about the Net Promoter Score and how it's being used by a variety of industries, see <http://www.netpromoter.com/>.

## YPO RESULTS:

### Fuse Duluth Involvement and Impact

#### YPO Involvement

We asked respondents several questions about their involvement in Fuse Duluth, as well as its impact on the community. Although 94 respondents (43%) identified themselves as current members, only 62 respondents (29%) considered themselves to be active participants. Most members became involved for business networking, as shown in the chart below.



Involvement in Fuse Duluth has a positive impact on YPs' perception of the quality of life: **46% of all respondents (65% of members and 31% of non-members) said their perception of Duluth's quality of life was very positively or somewhat positively impacted by Fuse Duluth.** Additionally, **23% of all respondents (38% of members and 11% of non-members) said they were more likely to stay in the community because of Fuse Duluth.**<sup>4</sup>

#### Net Promoter Score: Fuse Duluth

The Young Professionals Net Promoter Score measures respondents' likelihood to promote their young professionals organization to friends or family. We calculate the NPS by subtracting the percentage of detractors (scores of 6 or less) from the percentage of promoters (scores of 9 or 10).

$$\text{Net Promoter Score (NPS)} = \% \text{ Promoters} - \% \text{ Detractors}$$

For Fuse Duluth members, 52.2% were promoters and 23.5% were detractors, resulting in an NPS of **28.7%**, which is notably higher than Duluth's community NPS of 23.1%. For all respondents (members *and* non-members), 33.1% were promoters and 41.5% were detractors, resulting in an overall NPS of **-8.4%**. The average NPS of all YPGIS participants was 24% for members and -20% for all respondents.

<sup>4</sup> Considering ALL communities who participated in the 2008 YPGIS, 39% of respondents (65% of members and 24% of non-members) said their perception of the community's quality of life was positively impacted by their YPO; 13% of respondents (25% of members and 6% of non-members) said they were more likely to stay in their community because of their YPO.

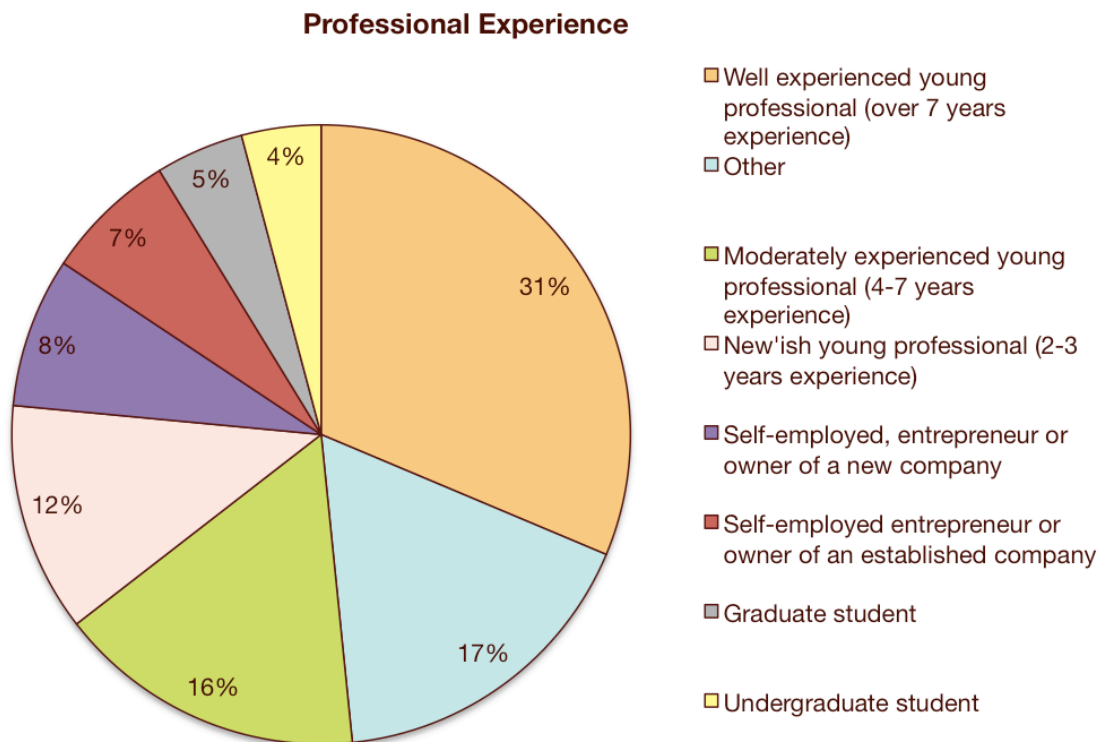
## PROFESSIONAL RESULTS:

### Experience, Entrepreneurship, and Engagement

#### Professional Experience

Approximately one-third (31%) of all respondents were well-experienced young professionals (over 7 years in the field), 16% were moderately experienced (4-7 years), and 12% were relatively new (2-3 years).

Additionally, 17% of respondents chose “other,” and specified that they were “seasoned” professionals, retired, or both students *and* professionals. The pie chart below shows the complete picture of respondents’ professional experience and employment situation.



The majority of respondents (85%) said they were not looking for a new job at the time of the survey, though 28% said they would be open to jobs within the community.

#### Entrepreneurship

Approximately 19% of respondents identified themselves as entrepreneurs or business owners, the majority of whom (70%) had 10 or fewer full-time employees.

Entrepreneurs were also asked about their annual top-line revenue. The majority (56%) of entrepreneurs reported annual top-line revenue of \$350,000 or less. Approximating midpoints for each revenue category, we estimate that the total annual top-line revenue from all entrepreneurial respondents was \$43 million. The approximate average annual top-line revenue was \$1.1 million.

## Employee Engagement

The Next Generation Company's six dimensions of employee engagement are based on interviews and surveys with over 25,000 respondents in the U.S., Canada, and Western Europe. It shows that workplaces that engage both the heads – and hearts – of their employees are not only great places to work, but also generally outperform their competitors.

Respondents were asked to rank the six dimensions of engagement in order of importance to them, with 1 representing the most important factor:

Duluth's Ranking	Average Ranking of ALL Communities
1. Life-work Balance	1. Life-work Balance
2. Trust	2. Trust
3. Connection	3. Rewards
4. Management	4. Development
5. Development	5. Management
6. Rewards	6. Connection

The #1 and #2 spots went to Life-work Balance and Trust, indicating that young professionals value flexibility that allows them to meet the needs of their professional *and* personal lives, as well as working in an environment where people act with integrity and respect.

## DEMOGRAPHICS

Overall, the majority of respondents were:

- Well-educated (78% have a four-year degree or higher)
- Mobile (53% of respondents did not have children)
- Living with a partner, spouse, or significant other (65%)
- Working in Health Care & Social Assistance (15%), Information (14%), or Professional, Scientific, and Technical Services (13%)
- Charitable: 56% donated over \$250 in the last 6 months; the approximate total charitable donations from all respondents over the last 6 months was \$150,000.
- Volunteers: 54% are board members and/or volunteers for non-profit organizations and 31% are board members and/or volunteers for educational initiatives.
- Home-owners (75%), with the average home value at approximately \$190,000.
- Registered Voters (95%), with 88% voting in the last local election
- Under 35 years old (55%)
- Earning between \$25,000 and \$60,000 per year, with an average individual income of approximately \$50,300.
- Female (60%)
- White (96%)
- Heterosexual (98%)

## About Next Generation Consulting

Next Generation Consulting is a market research firm committed to engaging the next generation.

We started interviewing young people in 1998 to help employers figure out how to keep Gen X employees. Remember Casual Days? Foosball machines? Take-your-dog-to-work? We were there.

By 2001, we'd branched off into other lines of inquiry: what kind of shoes does the next gen prefer? (consumer goods) How do they choose a city to live in? (mayors, workforce and economic development) What gets them to attend performing arts events? (arts organizations)

Bottom line: if you want to engage the next generation, we'd like a chance to earn your business.

### **Who We Are / What We Stand For**

NGC is a collective of smart, balanced people committed to building better places to live and work. As Jim Armstrong, our communication guru says, "A business isn't a brand to be built, but a cause to be believed in." ® We believe passionately in Next Generation Companies®, Cool Communities and the Arts.

### **Who We Serve**

We work primarily with companies who want to become great places to work for the next generation and communities that want to attract and keep young professionals. We work occasionally with consumer brands on marketing campaigns.

For more information, please visit [www.nextgenerationconsulting.com](http://www.nextgenerationconsulting.com).