

2018 Quarter 1
New River Mount Rogers
(WDA II)
Quarterly Workforce Report



Office of Economic Development



Skills for Jobs and Business Growth

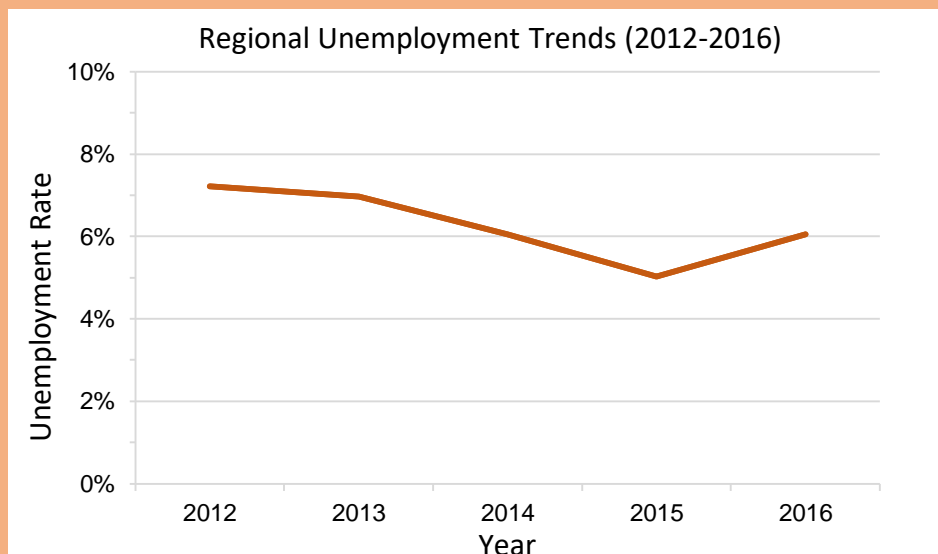


INTRODUCTION









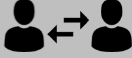



Welcome to the 2018 first quarter workforce report, produced by the Virginia Tech Office of Economic Development on behalf of the New River Mount Rogers Workforce Development Board (WDA II). This region comprises the New River Valley Regional Commission and the Mount Rogers Planning District, including the counties of Bland, Carroll, Floyd, Giles, Grayson, Montgomery, Pulaski, Smyth, Washington, Wythe and the independent cities of Bristol, Galax and Radford. These quarterly reports present an analysis of regional labor supply and demand data, to inform the public of the evolving workforce landscape. Please note that the data presented in this report is the most up-to-date data available as of March 2018.

This quarter's report looks at the change demographics of the regional workforce, most notably the Millennial generation. Today, millennials comprise a significant portion of the nation's population, and will comprise a significant part of the nation's vital workforce in the future. As baby boomers age out of the workforce, millennials take their place. It is evident in much of the conversation today about Millennials that many have a distinctly different work style and different expectations of work-life balance. These and other characteristics require some learning on their part, but also recognition by industry and government alike that the workplace and communities in which we all live may need to adapt in some ways (perhaps even for the better). Understanding who this demographic is as workers and residents, and how they view themselves in the workplace may be vital for the sustainability of Virginia's many industries. Note that many of the trends described here are also generalizations concerning a large span of age groups, some of whom are very different.

The report wraps up with a brief discussion on the public sector, some of its key industries, and questions about the future role and employment of government officials. The government sector often plays a large role within community, not only by providing vital services to residents but also as a major employer. As you will see, public sector industries are usually among the top ten, if not top five, employing industries.



Generational Overview

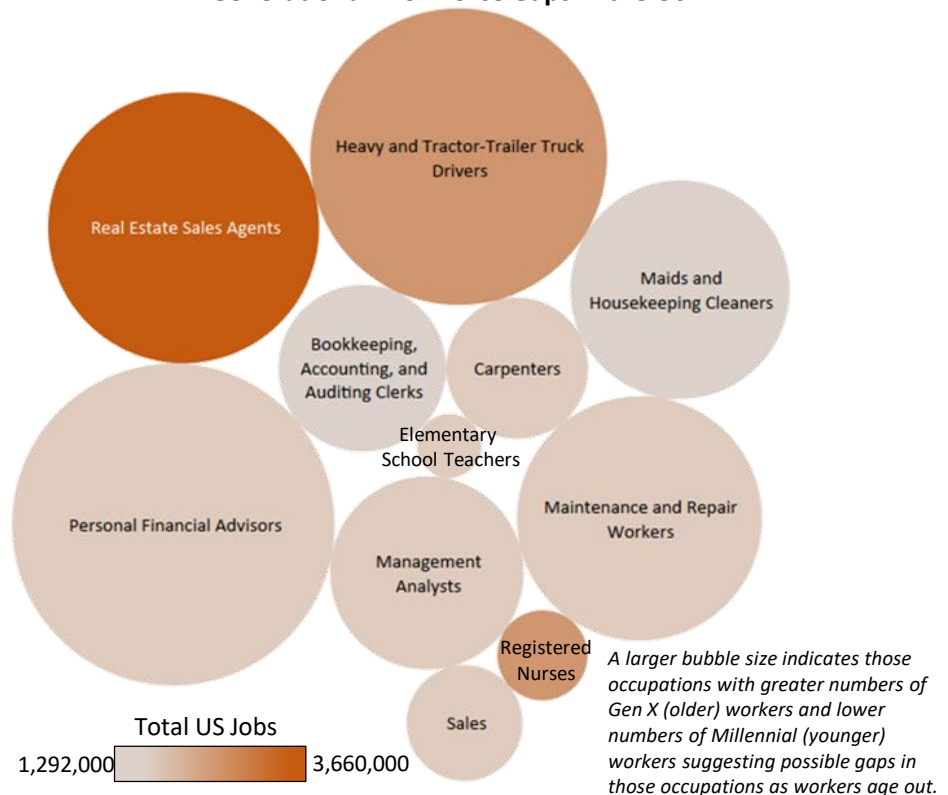
	Silent (pre-1945)	Baby Boomers (1945-1960)	Generation X (1961-1980)	Millennial Y (1981-1995)	Millennial Z (Born after 1995)
Formative experiences	Second World War Rationing Fixed-gender roles Rock 'n' Roll Nuclear families Defined gender roles — particularly for women	Cold War Post-War boom "Swinging Sixties" Apollo Moon landings Youth culture Woodstock Family-orientated	End of Cold War Fall of Berlin Wall Reagan / Gorbachev Live Aid Introduction of first PC Early mobile technology Rising levels of Divorce	9/11 terrorist attacks PlayStation Social media Invasion of Iraq Reality TV Google Earth	Economic downturn Global warming Global focus Mobile devices Energy crisis Cloud computing Wiki-leaks
Percentage in U.S. workforce*	2%	29%	34%	35%	Seeking part-time jobs/ apprenticeships
Aspiration	Home ownership	Job security	Work-life balance	Freedom & flexibility	Security & stability
Attitude toward technology	Largely disengaged	Early information technology (IT) adaptors	Digital Immigrants	Digital Natives	"Technoholics" — entirely IT dependent
Attitude toward career	Jobs are for life	Organizational — careers are defined by employers	Early "portfolio" careers — loyal to profession, not necessarily to employer	Digital entrepreneurs — work "with"	Career multitaskers — will move between organizations "pop-up" businesses
Signature product	 Automobile	 Television	 Personal Computer	 Tablet/Smartphone	Google glass nano-computing 3-D printing driverless cars
Communication media	 Formal letter	 Telephone	@ sms E-mail and text message	sms  Text/social media	 Hand-held
Communication preference	 Face-to-face	 Face-to-face ideally, or telephone or e-mail	sms @ Text messaging & e-mail	 Online and mobile (text messaging)	 Facetime

Sources: Barclays. (2013). *Talking About My Generation: Exploring the Benefits of Engagement Challenge*; *Pew Research (2015). *Millennials surpass gen xers as the largest generation in US labor force*.

About the US Workforce

1. The occupations with the largest number of jobs today are mostly low-paying administrative or service fields.
2. Retail sales workers are one of the consistent threads across generations with 32% being Millennials and 29% GenXers.
3. Among Generation X workers, registered nurses slightly surpass retail salespersons for the most jobs. Half of all RNs are GenXers.
4. Gen Xers are also prominent in middle and senior management positions. Their presence in tech, finance, and construction indicate that they hold important roles across sectors.
5. Financial advisors and truck drivers are the largest gaps in the US workforce between Generation X and Millennials. In other words, GenXers make up about 35% more of the workforce than Millennials of those occupations.

Generational Workforce Gaps in the US



Sources: EMSI Report: *A Generational Analysis of the American Workers*. (2017).

What do millennials want?

Millennials comprise the largest proportion of the US population and workforce. As economic actors and workers, Millennials are generally characterized as:

- **Savers:** About 47% of millennials between ages 23 to 37 have \$15,000 or more saved.
- **Pragmatic:** Millennials bear most of the 1.2 trillion dollars of student debt in America. As such, a Capital Group survey found that one in three millennials wished that employers offered a 529 college savings plan as well as tuition reimbursements as employee benefits. Millennials are also practical as they are thinking about their retirement funds now.
- **Loyal:** Even though millennials do have a reputation of high job turnover rates, a Capital Group survey indicated that they find loyalty to their employer important. In an American University study conducted in Washington D.C., few millennials are interested in starting their own businesses in the next five years.

In terms of what millennials desire in a place to live, an American University study found that job availability is most important to millennials. Only about 20% of millennials considered the region’s amenities as important when considering a place to live and work. However, 69% of millennials value a work/life balance. The American University study also found the top five factors that millennials consider when choosing a place to live include availability of jobs, salary levels, cost of housing, crime rate, and ease of commuting. Finally, social impact matters to millennials. In a Bank of America study, about 56% of millennials indicated that their passion and interests are more important than the size of their paycheck.

47% of millennials have saved more than \$15,000

69% of millennials value a work-life balance

56% of millennials noted their passions are more important than the size of their paycheck

Millennials & money

65%

65% of millennials are better than the average American at budgeting.

68%

68% of millennials can cover a \$500 emergency without going into debt whereas only 43% of Americans can do this.

2/3

About 2/3rds of 1,000 respondents indicated that they owe about \$10,000 in student debt; however, about a 1/3rd indicated that they owe more than \$30,000.








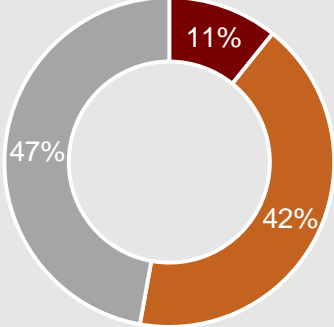
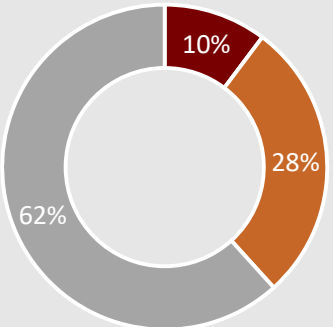
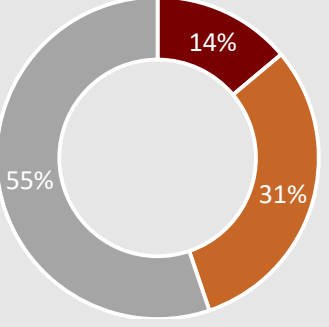
\$600

Millennials spend \$600 billion annually and make up 28% of the daily per-person spending

To read more about the studies described on this page, please visit:

- https://www.american.edu/kogod/research/publications/upload/kogod_millennial_index_2017_final.pdf
- <https://bettermoneyhabits.bankofamerica.com/content/dam/bmh/pdf/ar6vnl9-boa-bmh-millennial-report-winter-2018-final2.pdf>
- <https://www.cnbc.com/2017/10/12/millennials-have-way-more-emergency-savings-than-other-generations.html>
- <https://www.inc.com/minda-zetlin/63-percent-of-millennials-have-more-than-10000-in-student-debt-theyll-be-paying.html>
- <https://www.forbes.com/sites/kaytiezimmerman/2017/10/01/5-things-we-know-millennials-want-from-a-job/#6600183c7809>

Millennial Overview

Millennial age group born 1981-2000	WDA II	Virginia	US
Percent of workforce 	29%	29%	29%
Unemployment Rate 	10%	8%	9%
Below Poverty Line 	27%	15%	19%
Married 	30%	37%	39%
Own Houses 	43%	36%	36%
Having Children 	10%	9%	9%
Education  <ul style="list-style-type: none"> Highschool dropout Graduated Highschool Associates Degree or Higher 			

Top Millennial Educational Program Completions


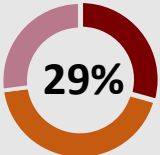

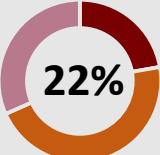

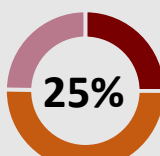

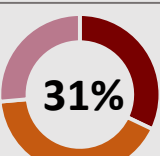
Description	2003	2010	2016
Business, Management, Marketing, & Related Support Services	2211	2206	1976
Engineering	1407	1616	1922
Health Professions & Related Programs	614	1414	1411
Liberal Arts & Sciences, General Studies & Humanities	396	716	1105
Social Sciences	508	666	778
Education	789	749	669
Biological & Biomedical Sciences	365	589	639
Family & Consumer Sciences/Human Sciences	500	466	636
Computer & Information Sciences & Support Services	340	356	531
Agriculture Sciences & Agriculture Operations	286	346	462

With the average college graduate age being 22 and the earliest Millennials being born in 1981, most workers in this age group began graduating college around 2003. The table shows the top educational program degree fields for this region's Millennial workers over time up until the most recent available data. There has been an increase in Millennials earning degrees in information technology and engineering fields, as well as agricultural, biological, and health profession degrees. There has been a steady decline in those earning degrees to become teachers or business managers.

Millennials in the Workforce

Top 10 millennial occupations	2017 Jobs	2017 - 2022 Change	2017 - 2022 % Change	% Millennials	% Gen X	% Baby Boomers	Median Hourly Earnings
Food Prep, Servers, Fast Food	5,254	201	4%	53%	24%	11%	\$ 8.89
Cashiers	5,382	92	2%	45%	27%	17%	\$ 9.02
Retail Salespersons	4,721	316	7%	40%	31%	27%	\$ 10.34
Waiters & Waitresses	2,470	5	0%	63%	22%	7%	\$ 10.35
Customer Service Representatives	2,770	532	19%	50%	34%	15%	\$ 11.57
Office Clerks	4,121	78	2%	30%	39%	29%	\$ 13.48
Postsecondary Teachers	4,634	-52	-1%	27%	40%	33%	\$ 25.90
Farmers & Ranchers	5,880	-191	-3%	20%	32%	48%	\$ 9.48
Team Assemblers	3,611	70	2%	30%	48%	21%	\$ 14.46
Stock Clerks and Order Fillers	2,330	97	4%	42%	33%	20%	\$ 9.84

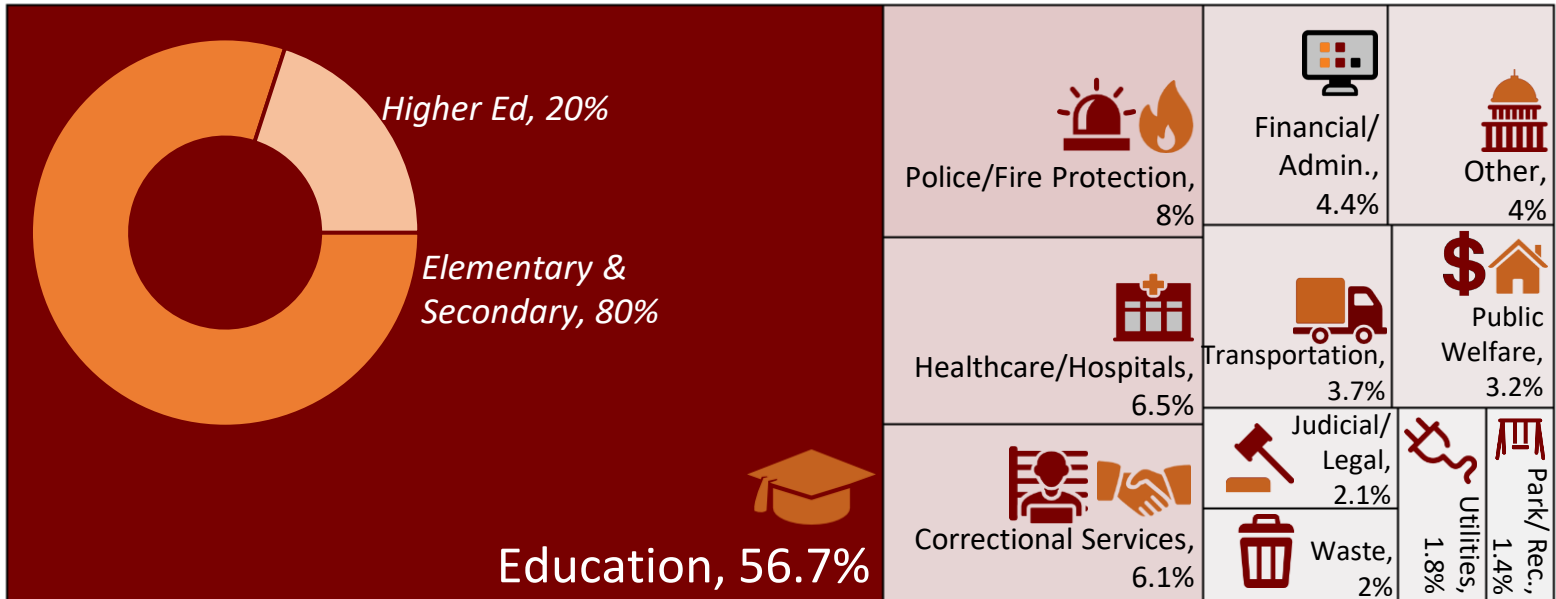
In WDA II, millennials are mostly occupying jobs in the service industry. For example, millennials are employed more than the other two generations combined for food prep and waiters/waitresses. The only occupation on the top 10 millennial occupation list that earns over \$15.00 an hour is postsecondary teachers. Furthermore, farmers are the top occupation overall whereas it ranks 8th among millennials. In the table below, annual replacement rate indicates the annual rate at which people are retiring within each target industry cluster.

WDA II Target Industry Clusters	% of millennials in cluster industries	Top 3 industry –specific occupations by % of millennials	Annual replacement rate for top occupations in each cluster industry
Healthcare & Life Sciences 		Personal Care Aides 27% Registered Nurses 23% Nursing Assistants 36%	11.1%
Information Technology 		Team Assemblers 30% Freight Handlers 36% Operations Managers 21%	11.0%
Advanced Manufacturing 		Team Assemblers 30% Freight Handlers 38% Maintenance & Repair Workers 20%	11.0%
Tourism 		Customer Service Representatives 50% Janitors & Cleaners 21% Waiters & Waitresses 63%	14.2%

■ Millennials ■ Gen X ■ Baby Boomers

Government Sector

The chart below represents the composition of the Virginia State and Local Government occupations for 2016 as a percentage within the government sector. This does not include part-time employees or workers employed by federal agencies. Some jobs were further grouped by their type including airports, seaports, highways, transit within transportation; and gas supply, water supply, electric power, and natural resources within utilities.



Sources: US Census Bureau's Annual Survey of Public Employment and Payroll, 2016



Government Sector vs. Private Sector

When comparing government sector jobs to the private sector jobs, government jobs are typically jobs within the local, state, and federal government. Most public sector workers work for some sort of government agency. Private sector jobs are with nongovernment agencies and typically small businesses and corporations. Government Sector jobs include civil service jobs like those found with the United States Postal Service, the Internal Revenue Service, the Federal Bureau of Investigation, or holding political office. Government jobs make up 23% of total jobs in WDA II and private sector jobs comprise 77% of total jobs. The circles above demonstrate that the government sector makes up of 24% of the gross regional product for WDA II, which is one of the major gross regional products behind the manufacturing sector which comprises 29%.

Government Sector: Education & Hospitals

Education Sector

Occupation	Employed in Industry 2012	Employed in Industry 2017	Change (2012-2017)	% Of Total Jobs in Industry Group (2017)	Median Hourly Earnings	Typical Entry Level Education
Postsecondary Teachers	4,808	4,319	-489	20.8%	\$25.90	Doctoral or professional degree
Elementary School Teachers, Except Special Education	1,368	1,340	-28	6.5%	\$24.24	Bachelor's Degree
Office Clerks, General	1,310	1,121	-189	5.4%	\$13.48	High school diploma or equivalent
Substitute Teachers	1,122	1,105	-17	5.3%	\$11.67	Bachelor's Degree
Teacher Assistants	1,100	1,055	-45	5.1%	\$10.68	Some college, no degree

The education sector is comprised of the state and local elementary and secondary schools along with colleges, universities, and professional schools, and educational support services. The education sector has experienced a 14% decrease in jobs from 2012-2017. There are a total of 22 public education establishments within WDA II

Hospital Sector

Occupation	Employed in Industry 2012	Employed in Industry 2017	Change (2012-2017)	% Of Total Jobs in Industry Group (2017)	Median Hourly Earnings	Typical Entry Level Education
Psychiatric Technicians	154	183	29	27.7%	\$11.51	Postsecondary nondegree award
Registered Nurses	56	72	16	11%	\$25.43	Bachelor's Degree
Psychiatric Aides	57	67	10	10.0%	\$11.10	High school diploma or equivalent
Mental Health & Substance Abuse Social Workers	36	42	6	6.3%	\$18.01	Master's Degree
Social and Human Service Assistants	22	26	4	3.9%	\$11.97	High school diploma or equivalent

The hospital sector is comprised of state and local hospital facilities in WDA II. There is not a large percentage of hospital occupations within the government industry as the majority of the occupations are within the private hospital industry. The hospital sector experienced a 23% increase in jobs from 2012-2017. There are a total of two state and local government hospitals within WDA II. The average earnings per job is \$55,849 and the majority of these positions are held by people who are in the 25-34 age range.

For more information, please contact:

Scott Tate

Associate Director
Virginia Tech Office of Economic Development
Phone: (540) 231-2351
Email: atate1@vt.edu

Sarah Lyon-Hill

Senior Economic Development Specialist
Virginia Tech Office of Economic Development
Phone: (540) 231-9940
Email: sarahlh@vt.edu