

# Team finds DC is highly attractive to millennials

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AMERICAN UNIVERSITY'S  
KOGOD SCHOOL OF BUSINESS  
**GREATER  
WASHINGTON  
INDEX**



**MILLENNIALS**  
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The Kogod Greater Washington Millennials Index found the Washington DC region remains a top city for Millennials to live and work. Credit: Kogod School of Business

The Kogod School of Business at American University announces the launch of the Kogod Greater Washington Millennial Index, a research project initiated to find out what Millennials want in a place to live and work, and how the greater Washington area measures up. The index is the latest project in the school's Business in the Capital initiative, which works to bring meaningful and actionable insights to Washington area business leaders.

Millennials, born between 1981 and 1999, are now the largest segment in the nation's workforce at an estimated 53.5 million workers nationwide. Their importance and influence is on the rise in the coming decades as they become the breadwinners, leaders and rising stars of the nation's economy.

## **Millennials on the Move**

The greater Washington region attracted more than its fair share of these educated, diverse twenty-somethings during the recession and recovery, growing D.C.'s millennial population at a rate 60 percent above that of the total U.S. in 2012 and 2013. By 2014, D.C.'s edge in attracting [millennials](#) disappeared, leading people to question whether the greater Washington area still offers what Millennials want, and if not, what can be done to continue to attract the consumers and workers of the future to our region.

"In order to continue attracting this important future workforce to the greater Washington area, and importantly, to retain those Millennials

already here, business and community leaders should develop strategies to address the region's shortcomings, such as how to shorten commutes, connect employees with affordable child care and bring home buying back within reach," said Erran Carmel, Dean, Kogod School of Business.

## **Kogod Greater Washington Index: Millennials 2015**

The Kogod Greater Washington Millennials Index was developed to address two key questions for business and government leaders in our region: 1. What do Millennials want? 2. How does the greater Washington area measure up to their needs?

The Millennial Index was generated using publicly available data and 300 survey responses from a representative pool of greater Washington area Millennials. The Millennial index is comprised of scores for each of five major categories - Jobs, Affordability, Career, Amenities and People - and for five to seven individual factors (31 in total) that make up each category. For each factor, researchers determined both an importance score and a delivery score, and then aggregated the values at the category and summary levels based on their relative importance to greater Washington area Millennials.

### **D.C. Scores above the National Average**

The overall rating for the region is well above average. When all 31 index factors are evaluated against national averages then weighted by how important they are to area Millennials; Washington is 25 percent more attractive than other U.S. locations. The region is attractive to Millennials who value the many things to do, the prevalence of parks and nearby outdoor recreation, the diverse and passionate people and the many career opportunities. Additionally, the greater Washington region outperforms the national average bringing added value for Millennials

who enjoy D.C.'s availability of apartments, diverse population, number of universities, ease of living without a car, number of medium and large employers, amount of entrepreneurial resources and number of volunteer opportunities. Here is a breakdown of D.C.'s Index ranking:

**Jobs:** Due to high salaries and low unemployment the Washington area scores a hefty 44 percent above the national average on Jobs, which was rated the most important concern for Millennials.

**Affordability:** The Washington area rates 9 percent below the national average, offsetting some of the positive impact generated by the other factors. If rising costs outpace the growth in salaries, this factor could easily lead to erosion of the region's overall attractiveness to Millennials.

**Career:** Long term Career options scores 40 percent above the national average, driven in part by the wealth of universities and graduate schools in the region and the prevalence of professional positions.

**Amenities and People:** The D.C. region scores above average on both Amenities and People, but both categories were rated low in relative importance to Millennials and therefore make only a small impact in the index.

## **Regional Shortcomings**

However, the data reveals a number of factors very important to Millennials where the D.C. region is losing ground, most notably living costs, commute times, and crime. The region's 7.5 percent population growth between 2010 and 2014 has driven increased congestion and rising prices, threatening D.C.'s position as an affordable mid-sized city. Kogod researchers found that many Millennials aspire to buy homes and start families, contrary to commonly held beliefs about this generation. As more Millennials move into their thirties, those living in the greater

Washington area discover that aspirations of homeownership are out of reach.

"It is unclear whether Washington's ability to attract Millennials has declined or whether our area has just been surpassed by surging growth and increased attractiveness in other [areas](#)," said Dawn Lejon, Executive-In-Residence, Kogod School of Business. "Regardless of the reason, business leaders need to know the underlying causes so they can take positive steps to keep their firms and the greater Washington area attractive to current and future millennial employees."

Recognizing the importance of this research to area business leaders, the Greater Washington Board of Trade is partnering with the Kogod School of Business to share the findings with the business community. Kaiser Permanente, a leading employer of Millennials in the region, has also signed on to sponsor additional research on the topic.

Provided by American University

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