



Millennial Workforce Report

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BACKGROUND

The Anchorage Economic Development Corporation (AEDC) is a 501(c)(6) non-profit representing the business community of Anchorage, with the mission of promoting and fostering growth and diversification of the local economy. The strategic vision of AEDC, as adopted by the Board of Directors in 2010, is to make Anchorage the number one city in America in which to live, work and play by 2025. The reason for this strategic vision is straightforward: in the global economy, business chases talent, and talent chases place.

In order for Anchorage to compete with other cities nationally, and globally, it must be a city that is attractive to a robust and talented workforce. In particular, Anchorage must focus on having the jobs and amenities that are desirable to millennials; soon-to-be the largest segment of the workforce, and a substantial driver of economic growth in most business communities. To better understand how Anchorage employers and policymakers can help the city develop in ways that attract and retain a broad and diverse millennial workforce, AEDC conducted a first-of-its-kind millennial workforce survey in the winter of 2017. This report is an analysis of the findings of that survey.

In Anchorage, millennials currently make up over a third of the workforce, and that population is growing each year. As students graduate from college and enter the workforce for the first time, military personnel separate from Joint Base Elmendorf Richardson and look for civilian employment, or new employees move to Anchorage for new opportunities, it is critical that the business community focus on how employment in Anchorage is perceived, not just locally, but globally.

Do employers have to provide increased compensation levels to attract workers to the city? Are our businesses giving millennials the job experiences and benefits they need to stay here? What changes are necessary to improve our ability to recruit and retain workers? Is this a great place to live, work and play? These are the questions that AEDC sought to answer with the Millennial Workforce Survey.

WHAT IS A MILLENNIAL?

With baby boomers retiring in the millions each year, millennials are already the largest generation in the American workforce.¹ By 2020, almost 50% of the U.S. workforce will be millennials.² Millennials have become the catalyst for accelerated change in the workplace, and leveraging the passion and creativity of this generation is crucial for organizations that want their culture to resonate with this growing demographic of current and future employees.

While the idea of the “millennial generation” is commonly accepted, there is no overwhelming consensus on the exact age range to define a millennial. Research organizations utilize different definitions when analyzing the millennial generation. For example, Gallup defines a millennial as any individual born between 1980 and 1995 while Pew uses a 1985 to 1997 age range.³

For this survey, we defined a millennial broadly as any individual who was born between 1980 and 2000. This wider definition is closer to the one utilized by U.S. Census (1982-2000) and ultimately captures a wider and more diverse pool of qualified respondents. From the 21-year range used to define a millennial for this survey, most respondents were born between 1980-1990, with only 8% reporting being born between 1995 and 2000. To filter out unqualified respondents, individuals were asked to provide the year of their birth before they could take the remainder of the survey.

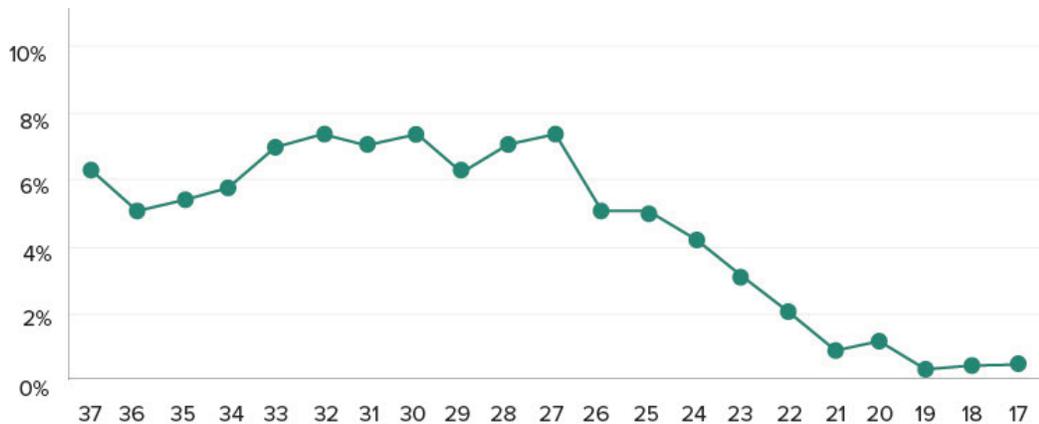
METHODOLOGY & MILLENNIALS IN ANCHORAGE

The survey was conducted as an online poll through Survey Monkey. It was distributed to member businesses of AEDC through both the AEDC and Live. Work. Play. newsletter, and direct emails. Links to the survey were shared on social media by Live. Work. Play., AEDC, and other partners in the municipality.

It is difficult to estimate the exact demographics of the millennial population in Anchorage. No comprehensive survey has been attempted on the millennial population in the Municipality of Anchorage and both State Department of Labor and the U.S. Census bureau do not provide exact breakdowns on the demographics of millennials in Anchorage. We do understand through national and international studies that the millennial generation is more ethnically diverse than the generations that precede them.⁴ We can also gather from U.S. Census estimates for 2016 that there were approximately 96,018 individuals between the ages of 15 and 34 in Anchorage (a slightly different, though equally broad, age range from our survey), making millennials almost one third of the total population of Anchorage.⁵

RESPONDENT DEMOGRAPHICS

Respondent Ages



This survey had 1,064 respondents. As the survey captured roughly 1% of the total millennial population estimated in Anchorage, the survey has limitations in its ability to represent all millennials in Anchorage. The majority of respondents were white and female with higher levels of education and income than average amongst the general population. In this survey, 71% of respondents identified as white and 73% identified as female.

¹Fry, R. (2015, May 11). Millennials surpass Gen Xers as the largest generation in U.S. labor force.

²Brack, J., & Kelly, K. (2012). Maximizing Millennials in the Workplace.

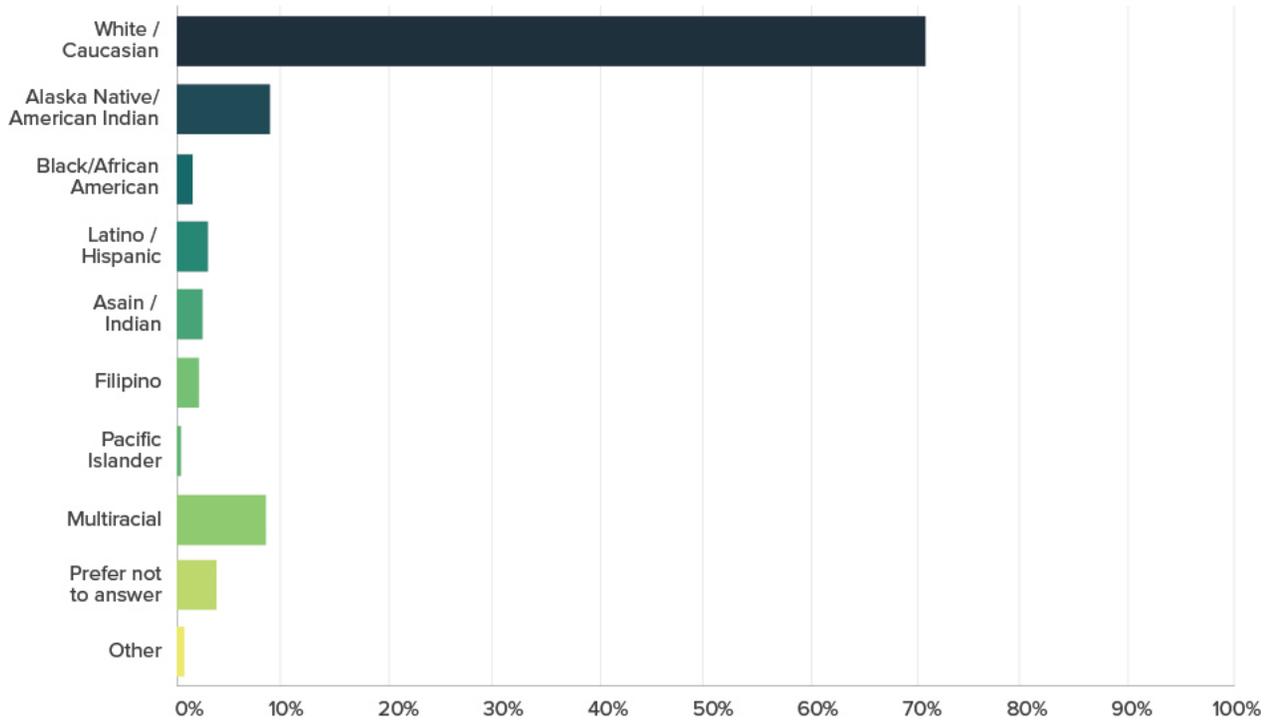
³Gallup Business Journal, & Adkins, A. (2016). How Millennials want to Work and Live.

⁴Bureau, U. C. (2015, June 25). Millennials Outnumber Baby Boomers and Are Far More Diverse.

⁵Bureau, U. C. (2017). 2016 American Community Survey 1 year estimates.

The demographics of the survey therefore do not exactly reflect the diversity of the general population of Anchorage. According to U.S. Census estimates from 2016, 59% of the general population is white and 49.2% is female.⁶ Approximately 8% of survey respondents identified as Alaska Native or American Indian, which is roughly representative of the general Anchorage population according the same U.S. Census estimates.

Respondent Race/Ethnicity



The survey captured a more highly educated portion of the population with 65% of respondents indicating that they had attained a bachelor's degree or higher. Lower levels of educational attainment were therefore underrepresented in this survey; 17% of respondents indicated that they had attained some college but no degree and only 5% indicated their highest level of education as either a High School Diploma, GED, or Vocational Certification.

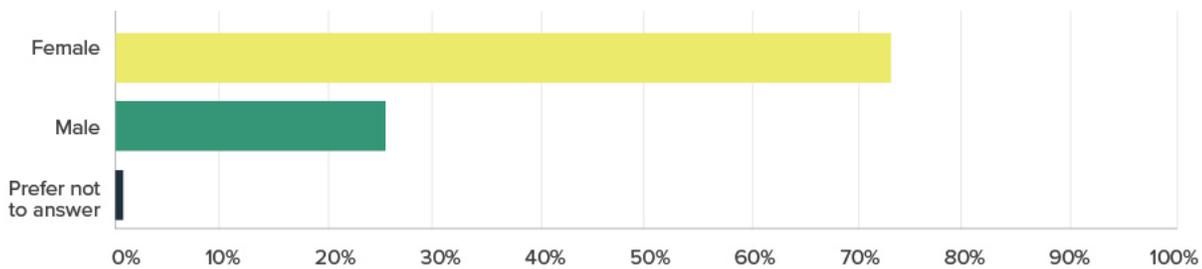
While this level of secondary education attainment is reflective of the general population, individuals with a bachelor's degree or higher were overrepresented in the survey. The U.S. Census Bureau estimates that in 2016, 35% of the general Anchorage population had a bachelor's degree or higher. This could suggest, as national surveys have indicated, that Anchorage millennials are more highly educated than the generations that precede them.⁷

However, the employment demographics and high annual income of the survey respondents suggests a bias that is unrepresentative of millennials in Anchorage as whole. 86% of respondents indicated they were employed full time and nearly 74% indicated they earn an annual income of \$40,000 or greater.

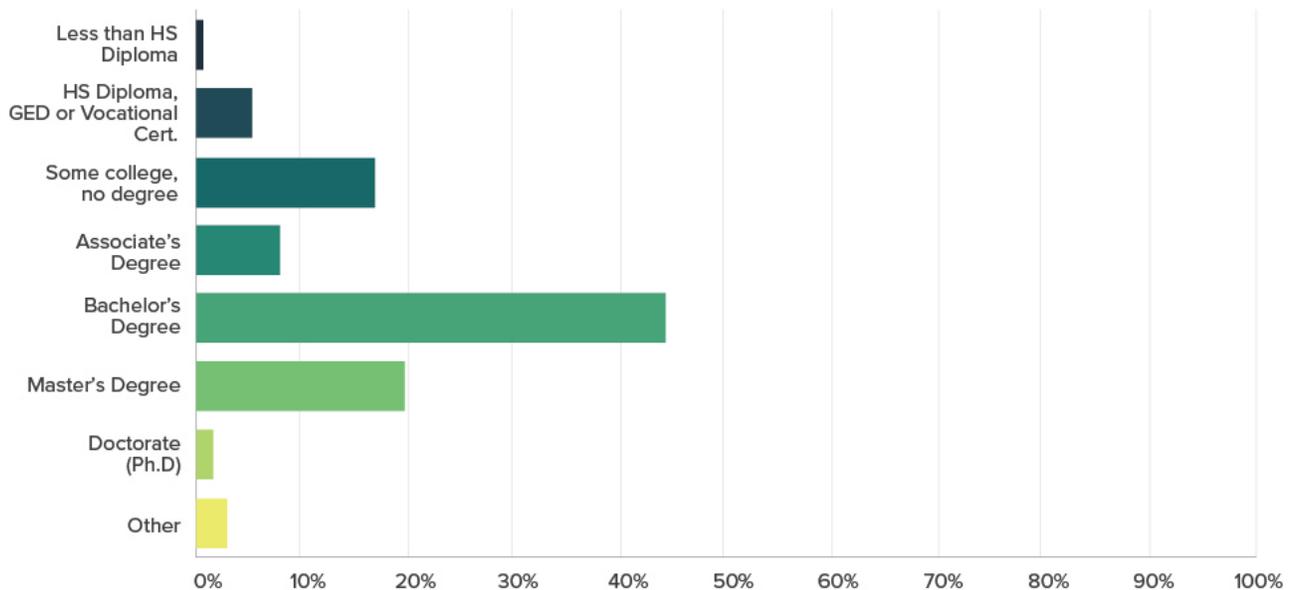
Through analyzing available data from JobsEq on the Anchorage workforce between the ages of 16-44, we estimate that 48.6% are employed in “white collar” jobs, 16.6% are employed in “blue-collar” jobs (manual labor), and 34.6% are employed in “pink collar jobs” (retail or service sector). Although we did not ask survey respondents to indicate in which sector or industry they were employed, with the education and income demographics we captured, our survey likely overrepresents individuals employed in “white collar” positions.

Ultimately the results of the survey reflect the preferences of individuals who are likely more competitive on the job market and are therefore more likely to move between jobs. Their mobility in the labor market only makes their preference more important for organizations to consider if they wish to retain these employees in their workforce.

Respondent Gender



Respondent Educational Attainment



CASEY CARPENTER

STAFF SERGEANT

611TH CIVIL ENGINEERING SQUADRON

U.S. AIR FORCE



“I find good management has three “must have” factors. The first is an ability to effectively articulate to an employee the purpose of the work, i.e. the mission. The second is an ability to effectively articulate to an employee how they intend to accomplish the work, i.e. the vision. If an employee has a strong understanding of why the work is to be accomplished and how they intend to accomplish it then it allows them to be an active rather than passive participant in the process and they can now provide their unique and creative perspective to any problems, changes, or suggestions. The third and final factor is the ability to develop and guide an individual to meet their potential. An individual developed to their potential will always be a more effective contributor, and happier employee, than one developed to the expectations of their role.”

CLASSIFYING EMPLOYEES

White-Collar

White-collar workers are typically office or administrative workers. This may include jobs such as financial management work, information technology, engineering, and legal-related work.



Pink-Collar

Pink-collar jobs include nursing, teaching, serving, retail, and child care. These jobs have historically been filled primarily by females, and usually pay less than other job classifications.



Blue-Collar

Most manual labor jobs are considered blue-collar. Mining, oil field work, construction, firefighting, mechanic, and other technical jobs are typically blue-collar.



No-Collar

No-collar workers are typically creative professionals. No-collar professionals usually seek out jobs with lax dress codes, flexibility and a sense of camaraderie among staff.



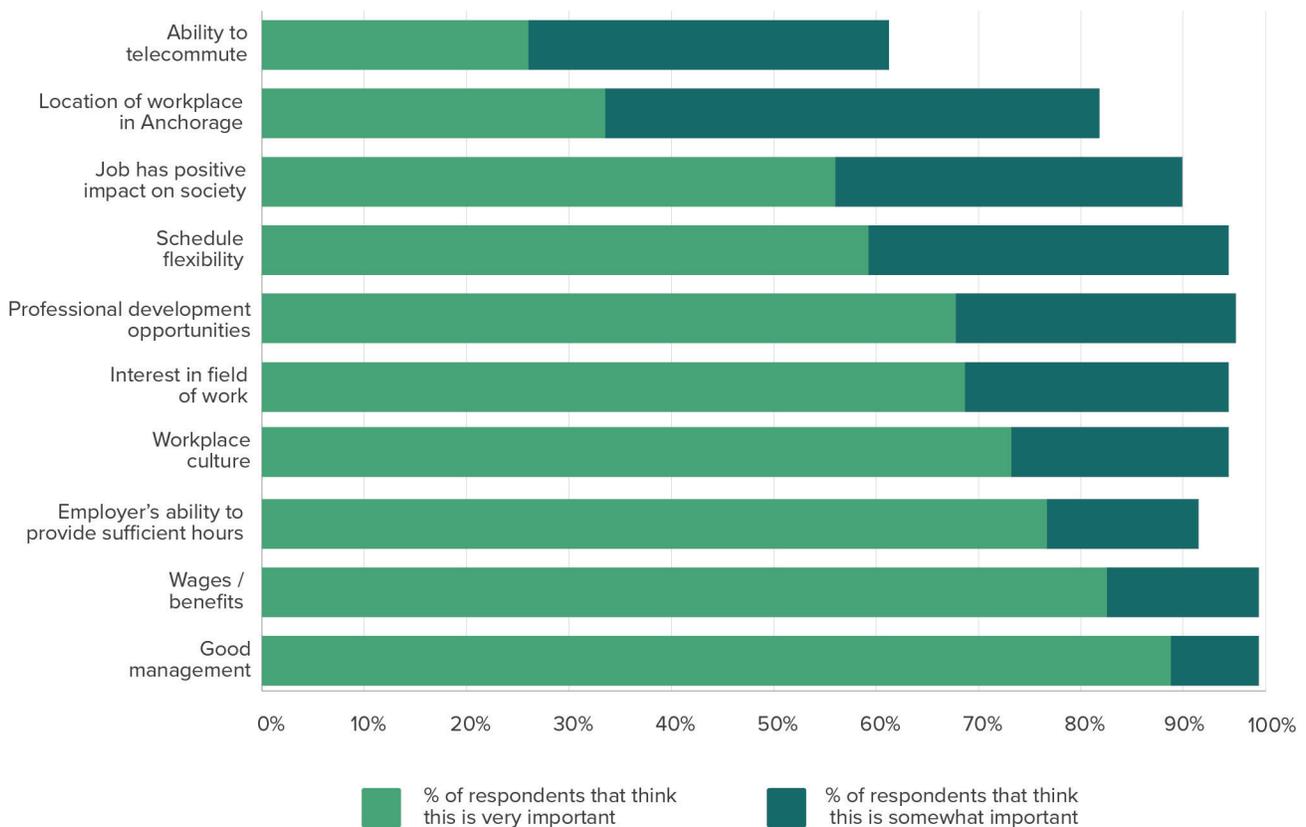
RESULTS DISCUSSION

Respondents were asked questions in pairs. First, they were given a list of options, and asked to identify for each option whether it was “not important, somewhat important, very important, or not applicable.” Second, given the same list of options, they were asked to identify which was the *most* important factor to them, and, in some cases, which was the second-most important factor.

What kind of jobs do millennials want?

The first set of questions related to the importance of particular job factors in choosing a job. The results from this set of questions indicate that while wages and salary are considered important by many millennials, other factors often rank higher.

Importance of Job Factors



Although wages were considered the most important factor by the largest number, a plurality of participants, over 75% of respondents chose a different option. When asked to rate the level of importance of various job factors, more millennials said good management was very important than those who said wages and benefits were very important (90% vs. 85%).

While millennials do care about wages and benefits, it is evident that other factors like good management, scheduling flexibility, workplace culture, and having an interest in the field of work are all aspects that play a critical role in employment decisions. 91% of respondents said it was either somewhat or very important for their job to have a positive impact on society and 98% want to have an interest in the field, and find professional development opportunities to be important. These “passion” factors are critical for employers to take into consideration when considering the structure of positions that are available to younger professionals.

The only two factors that appeared less important relative to the others presented were location of workplace in Anchorage and the ability for an employee to telecommute. 14% said location of workplace did not matter and a third of millennials said having the option to telecommute was not important in deciding where to work.

The low priority of workplace location could reflect Anchorage’s short average commute times relative to other large American cities. According to AEDC’s 2017 Live. Work. Play. Metrics Report, Anchorage has the seventh lowest mean travel time to work (18 minutes) when compared to the largest cities in each of the 50 states and the District of Columbia.⁸

Additionally, the relative unimportance of telecommuting could indicate that millennials have not come to expect this in most workplace situations. According to estimates from Global Workplace Analytics, only 50% of the U.S. workforce holds a job that is compatible with at least partial telecommuting and only 20-25% of the workforce teleworks at some frequency.⁹

As telecommuting becomes more ubiquitous in the workplace, millennials may build an expectation for this ability. However, the results in this survey indicate that the ability to telecommute remains a relatively low priority for Anchorage residents in deciding where to work.

It is critical note that schedule flexibility was one of the highest ranking job factors. While telecommuting by itself may not be a highly desirable factor, a combination of flex-time and opportunities to work from home may result in more attractive job conditions.

Breaking down the results across demographic lines, we found some subtle differences in priorities. More males ranked wages and professional development opportunities as the most important job factor compared to females, whereas more females said the most important factors were good management, schedule flexibility, and the job having a positive impact on society.

As the level of educational attainment progresses, respondents placed less emphasis on the importance of wages and more on scheduling flexibility and having an interest in the field of work.

Those with bachelor’s degrees cited schedule flexibility, workplace culture, and interest in field of work as relatively more important while those without a degree prioritized wages and good management. The same pattern holds true when comparing those with master’s and doctorate degrees to those with bachelor’s degrees. While scheduling flexibility was consistently considered very important, the ability to telecommute was not.

Our survey results were consistent with those of national millennial studies. It is important to note that, while our results illustrate the relative workplace priorities of millennials, they do not capture all the nuances behind the participants' choices.

Across all demographic sectors, we found that the largest number of people consider wages to be the most important job factor. But what those results don't reveal is that nationally, 22% of millennials would be willing to forgo some pay in exchange for increased schedule flexibility, according to a national study conducted by PricewaterhouseCoopers.¹⁰

What benefits do millennials want?

Employers often struggle to determine which financial benefits outside of wages are most important to invest in to be attractive to job seekers. With limited resources, should an employer provide a retirement plan with an employer match, or paid parental leave? Do workers prefer more paid time off, or cash bonuses at the end of the year?

The second set of questions related specifically to wage and benefit factors, e.g. salary, paid time off (PTO), health insurance, retirement plans, and paid parental leave.

While salary is important to every generation, many millennials are entering the job market with large amounts of student debt in a time of low wage growth. Our results appear to reflect this situation as salary again ranked highly for millennials within the wage and benefit factors, with 61% saying that it was the most important of these factors when choosing a job. The importance of salary benefits was also found by Pew Research Center which found that half of millennials nationally said they would consider taking a job with another company for a raise of 20% or less.¹¹

Only 18% of Anchorage millennials chose health insurance, with 13% choosing paid time off (PTO), or vacation policy as their most important wage and benefit factor. The lowest ranking benefits were retirement plans, maternity/paternity leave, and cash bonuses. These trends remained consistent when respondents were asked to choose their second most important benefit in a separate question. Health insurance was a clear secondary priority (34% said this was the second most important benefit), and a comparable portion of millennials chose PTO and vacation policy as their second most preferred benefit (28% said this was the second most important benefit).

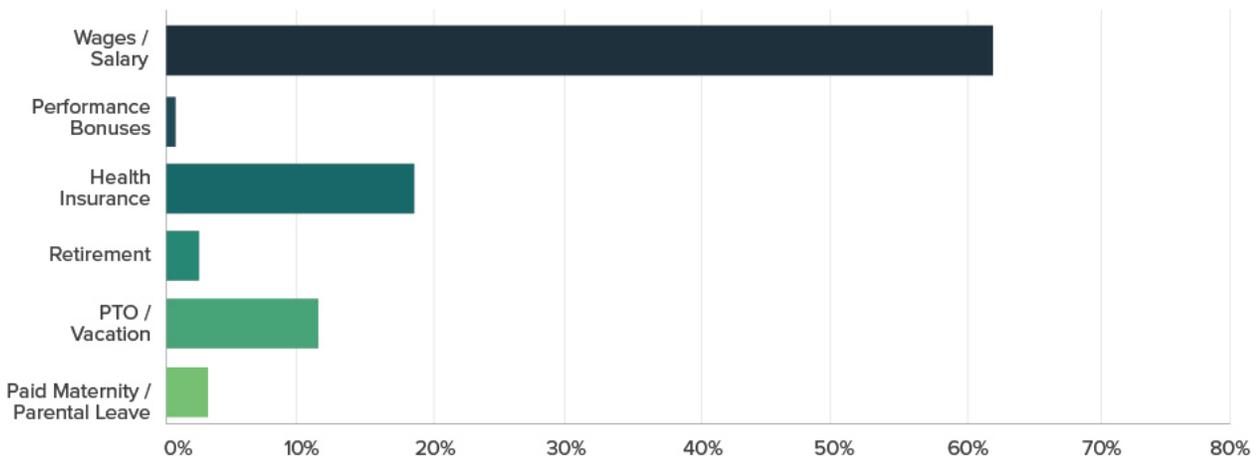
⁶Bureau, U. S. (2017). 2016 American Community Survey 1 year estimates

⁷Pew Research Center (2015) Millennials on Track to be the Most Educated Generation to Date.

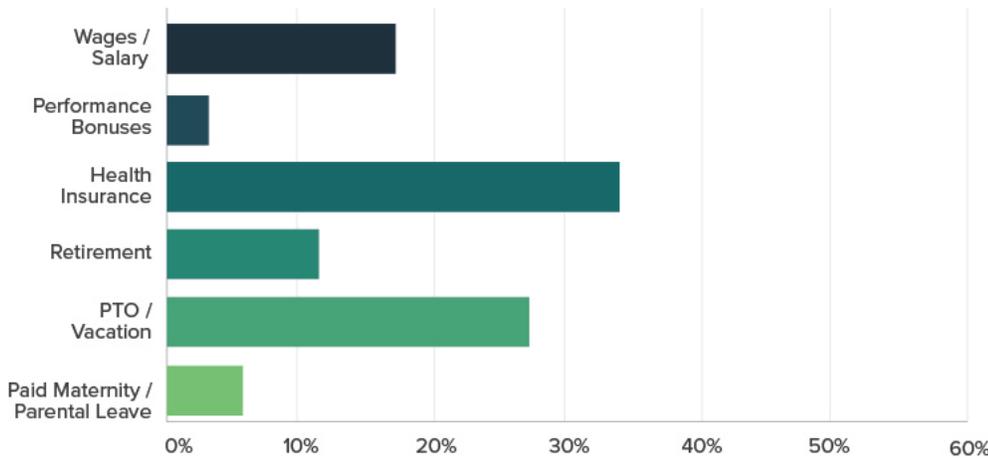
⁸Anchorage Economic Development Corporation. (2018) 2017 Live. Work. Play. Report Card.

⁹Global Workplace Analytics.com (2017). Latest Telecommuting Statistics.

Most Important Wage & Benefit Factors



Second Most Important Wage & Benefit Factors



Respondents were also asked to rank the benefits as either “very important, somewhat important, or not important at all.” Again, cash performance bonuses were significantly less valued, with 35% of respondents considering cash performance bonuses to be not at all important. An important takeaway for employers is that rewards for high performance might be better received if given in the form of additional paid vacation or providing a more robust healthcare plan, rather than cash.



IRENE MALTO, P.E., 33

TRANSPORTATION ENGINEER

DOWL

“Being a full-time employee and mother, there’s added stress when schedules are fixed. I’m thankful for the flexibility my company allows me to adjust my schedule in order to balance work and family. Career advancement is also important because I want to know that the place I work is helping me grow professionally and allowing me to have a positive impact on the community by leading projects and teams. Other important benefits to consider are health care, retirement plan, and a good salary -- health care for the immediate term.”

Some significant variations were found when analyzing the results by demographic factors. While the spread was overall the same for males and females, significantly more males than females said that salary amount was the most important. Health insurance was the most important factor to remarkably more females than males.

Health insurance was not a priority for a majority of the Alaska Native respondents, with only 3% indicating it was the most important wage factor. Furthermore, only 48% of Alaska Native respondents found healthcare to be very important, compared to 77% of the general population. This is likely in part due to the Indian Self-Determination and Education Assistance Act, which allows Alaska Native people to obtain health care services through Alaska Native Corporations and certain non-profits. Therefore, they may not necessarily rely on employer-sponsored health plans.

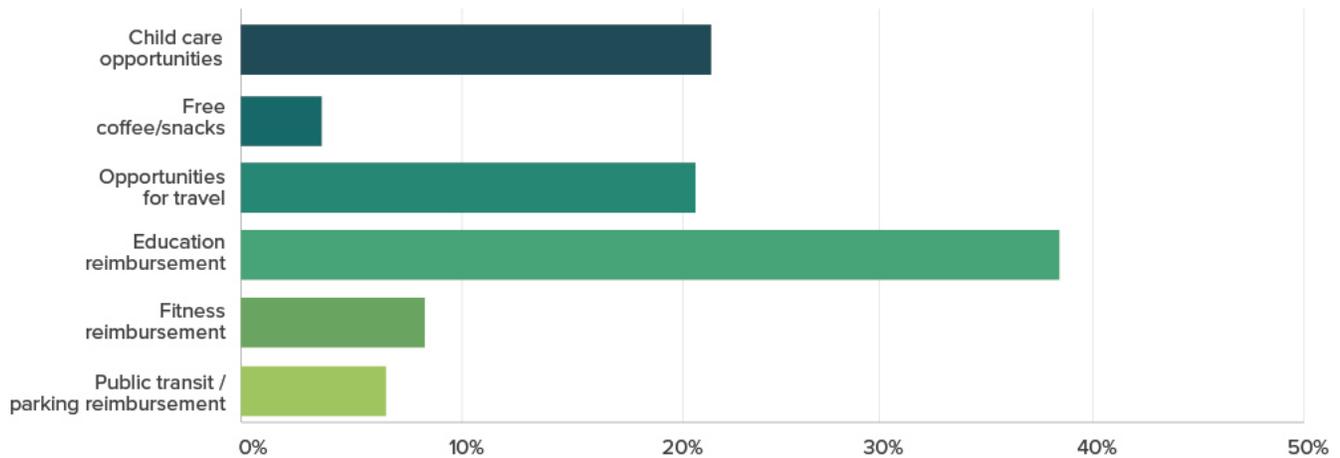
Alaska Native respondents weighed wages more heavily than other benefit factors; 71% of Alaska Natives said wages were the most important factor, compared to 61% of general population.

Especially telling was that for millennials between the ages of 17 and 21, the lowest priorities were retirement plans (21% said this was unimportant to them) and paid parental leave (26% said this was unimportant to them).

Across education levels, PTO was more important to those with a bachelor’s degree than to those without. Participants with master’s or doctorate degrees trended towards the older end of the millennial generation and, as the group most likely to have children or want children in the near future, considered parental leave a larger priority than any other benefit category.

The third set of questions asked respondents to rank additional benefits that are not as common or are not directly related to wages. The options for this section included fitness benefits, childcare reimbursement or subsidy, education reimbursement for tuition or loans, free coffee and snacks, and opportunities to travel.

Most Important Additional Benefits



When evaluating the respondents, 74% said that education reimbursement was somewhat important or very important compared to 52% who considered child care to be somewhat or very important. As a generation characterized by connectivity, the opportunity to travel was also extremely attractive to most participants: over 60% of respondents indicated that opportunities for work travel were somewhat or very important.

Other factors were clearly not important for millennials. Nearly half of respondents said fitness reimbursement or fitness centers on site and transportation reimbursement were not important. Free coffee and snacks garnered even less interest with 66% indicating it was unimportant.

Across all age groups, roughly 35% of respondents said that education reimbursement was the most important additional benefit a company could provide, followed by 22% who said the same of childcare opportunities, and 21% who said the same of travel opportunities.

Broken down into different demographics, however, the survey yielded similar results. The relative importance of childcare increases slightly for millennials aged 27-37 and/or millennials with graduate degrees, although education reimbursement is still considered the most important amenity and the desire for travel opportunities remains very high within those groups. With childcare costs rising annually, and in many cases exceeding the cost of rent or mortgage payments for families, this is an expense which millennials say they need help with.

¹⁰PricewaterhouseCoopers. (2013). PwC NextGen: A Global Generational Study (Rep.)

¹¹Seppanen, S., & Gualtieri, W. (2012). The Millennial Generation Research Review (Rep.).



AARON CAPPELLI, 28

UTILITY MANAGEMENT SPECIALIST

ALASKA RURAL UTILITY COLLABORATIVE

“ I like being able to travel out into roadless Alaska to places I would not be able to go otherwise. I enjoy meeting and working with people in these small communities to address crucial problems they are facing with regards to operating their critical infrastructure.

To me, good management involves setting up an easily understood system, making sure subordinates are trained on that system by enforcing standards and then trusting the subordinates to make the right decisions without micromanaging every move. Trust instills confidence and open communication which are both critical to a functioning organization. ”

For those respondents that did not have a college degree, 46% cited education reimbursement as the most important additional job benefit that could be offered to them, indicating that this group would further their education provided the financial means.

Nearly 80% of those aged 17-20 consider education reimbursement to be important compared to only 35% who feel childcare opportunities are important.

The attractiveness of education reimbursement appears to reflect a larger trend of college-educated millennials entering the workforce with significantly higher debt than generations before them.¹²

As education reimbursement remains a dominant factor across age, gender, and educational attainment, this could suggest that millennials prioritize professional and personal development to further their careers.

With these trends, the survey results indicate that organizations offering education reimbursement will be more attractive not only to college-educated millennials looking to pay off debt, but also to other motivated millennials interested in furthering their education.

¹²U.S., National Center for Education Statistics. (2017, June). Early Millennials: The Sophomore Class of 2002 a Decade Later.

What cultural factors are millennials looking for?

The next set of questions asked respondents about the following cultural factors: social connections with coworkers, formal vs. casual work environment, schedule flexibility, opportunities to socialize outside work, and that all voices are heard and respected. 45% of respondents said that having all voices heard and respected was the most important factor. Breaking that down by gender, we found that 49% of females prioritized having all voices heard and respected compared to only 35% of males. Schedule flexibility was the second most popular cultural factor, with 39% claiming it as the most important. 57% said a formal work environment was not important, compared to 84% who said a casual work environment was somewhat or very important.

While 90% of our participants said social connections with coworkers were important, only 59% would like opportunities to socialize outside of work. Although a majority would prefer a workplace with social opportunities outside of work, 41% found it not important making it one of the least-preferred factors presented. This could suggest that millennials prioritize having positive working relationships with their coworkers over developing social relationships that exist outside of the workplace.

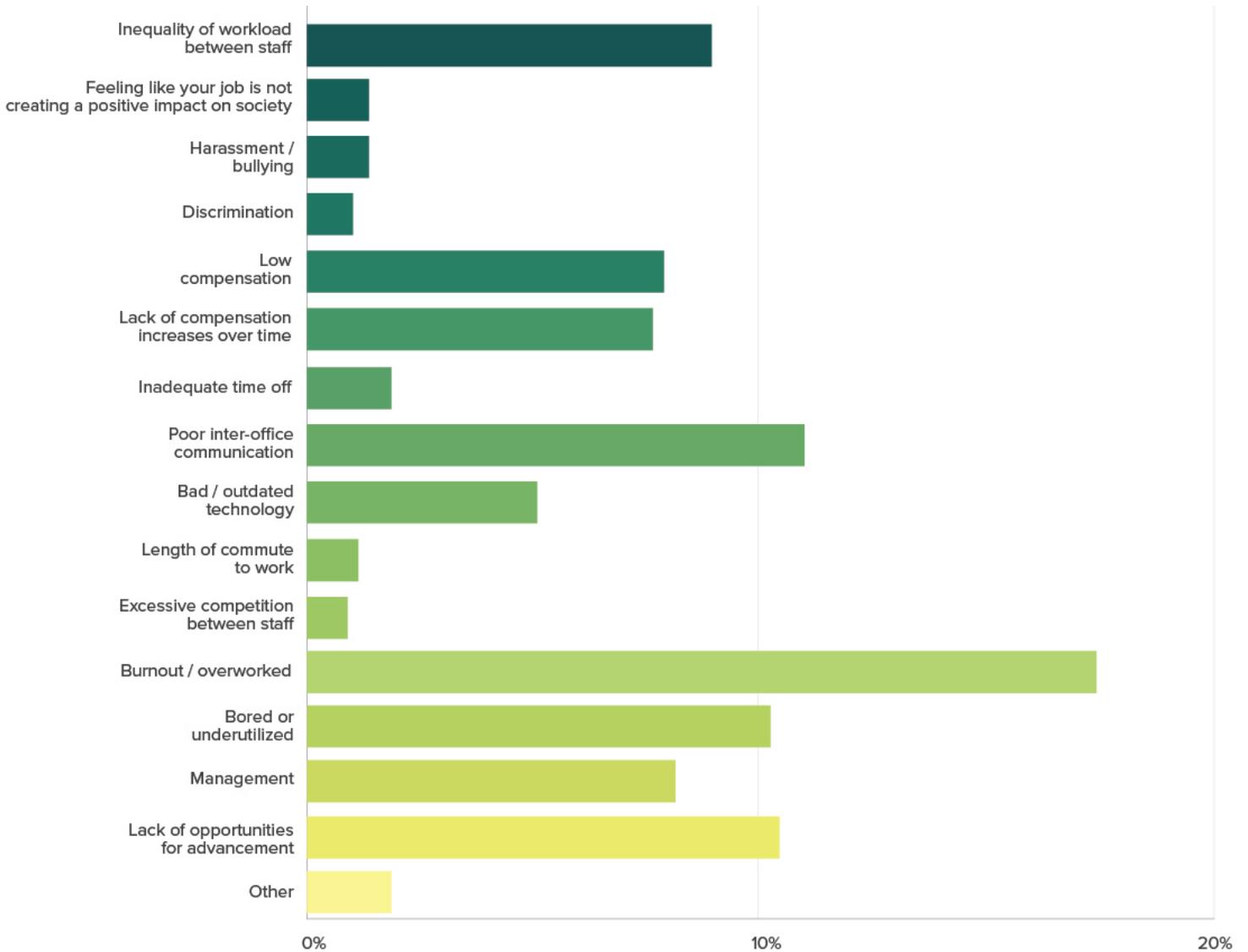
National studies have found that millennials place a high priority on workplace culture and desire a work environment that emphasizes teamwork and fosters a sense of community. Millennial employees want to feel like they are part of a community, with an understanding of how their position impacts the company's success. This view follows a recent fundamental shift in workplace culture. In the past, employees were expected to feel appreciative of simply having a job, whereas now it's the employers that need to show appreciation for their employees. Due to this, organizations with inclusive cultures that allow employees to have a significant voice will see higher levels of millennial retention.¹³

What is most frustrating for millennials?

Workers are most likely to leave jobs if they are offered an opportunity that they perceive as better. Employers concerned about workforce retention must focus on the aspects of the workplace that their employees find frustrating, or impediments to doing their job well. When workers are frustrated, it is easier for other employers to recruit them, and it impacts an organization's overall reputation within the community they operate, making it more difficult to recruit new talent.

Survey-takers were asked about the most frustrating aspects of their current or most recent job. Respondents were first asked to indicate if they did experience the factor in their workplace, and if so, whether it was very frustrating, somewhat frustrating, or not frustrating at all. These options included low compensation, lack of opportunities for advancement, harassment or bullying, poor technology, long commute times, and more.

Most Frustrating Job Factor



Of the factors presented, 71% of millennials expressed that they experienced some level of frustration from poor communication at the workplace. Much has been written about millennials' differing communication styles from older generations and the communication gap with the baby boomer generation that results in particular¹⁴. Millennials are often defined as a generation reliant on electronic communication, such as email or text.

While communication preference in the workplace was not a subject in this survey, this finding was significant because it may indicate that employers have systems or methods of communication that are inadequate and are leading to frustration for millennial employees. This finding was also significant as the two most important management factors indicated by survey respondents were clear and/or unrealistic manager expectations. Poor communication can lead to misunderstandings about work product, professional expectations, and relationships with coworkers. The data indicates that because of the wide-ranging impact that poor communication can have on a workplace environment, it ranks as the single most frustrating issue that millennials encounter.

¹³Society for Human Resource Management . (2014, July 7). Millennial's Desire to Do Good Defines Workplace Culture .

¹⁴Goudreau, J. (2013, February 14). How To Communicate In The New Multigenerational Office.

Burnout or feeling overworked in their current position was a frustration for 65% of respondents, and inequality of work between staff was rated as frustrating by 64% of those answering the survey. With many millennials feeling overworked there is no surprise that 54% experienced frustration from too-low compensation, 55% were dissatisfied with a lack of raise over time, and 59% reported frustration with a lack of opportunity for promotion.

These results could in part reflect the slow wage growth the job market has experienced since the Great Recession.¹⁵ However, frustration from this general economic condition will likely be exacerbated when employees are overworked and are not receiving wage increases over time.

While factors like harassment or discrimination were the lowest reported factors, still roughly 30% of respondents reported frustration at some level of harassment or discrimination in their workplace. These rates were double amongst Alaska Native millennials with almost 60% of Alaska Natives reporting experiencing frustration from discrimination or harassment.

The frustration reported by the least number of millennials – 27% – was the length of their commute. Millennials in Anchorage appear to have less frustration in their commute and value the location of their workplace lower than individuals in other large U.S. cities. An example of this can be found in Boston where an Urban Land Institute survey revealed that 99% of millennials in Boston indicated that ease of commute to work/school was either somewhat or very important.¹⁶ In Anchorage, 83% said that location of the workplace in Anchorage was somewhat or very important and 43% said that the length of their commute was not at all frustrating. This is likely due to Anchorage's lower average commute time compared to Boston. According U.S. Census data from 2016 the mean commute time to work for a Bostonian was 29.9 minutes compared to just 18 minutes in Anchorage.¹⁷

Anchorage millennials were more divided when asked to name the top source of frustration in their job. The largest group with 16%, were millennials reporting feeling burnt out or overworked in their current job. Poor communication (11%) and a lack of opportunities for advancement (10%) were also top sources of frustration for millennials. Another 10% admitted to feeling bored or underutilized in their current position. Factors that were least likely to be ranked as the most frustrating included excessive competitive between staff (1%), discrimination (1%), and length of commute for work (2%).

What is important in management to millennials?

As earlier results suggested, good management is one of the most important job factors to millennials. Since there are many components that comprise management, the next set of questions asked participants to provide more granular feedback on the following managerial factors: clear manager expectations, realistic manager expectations, adequate performance feedback, ability to provide feedback to/about management, management addressing workplace concerns, and an open-door policy with management.

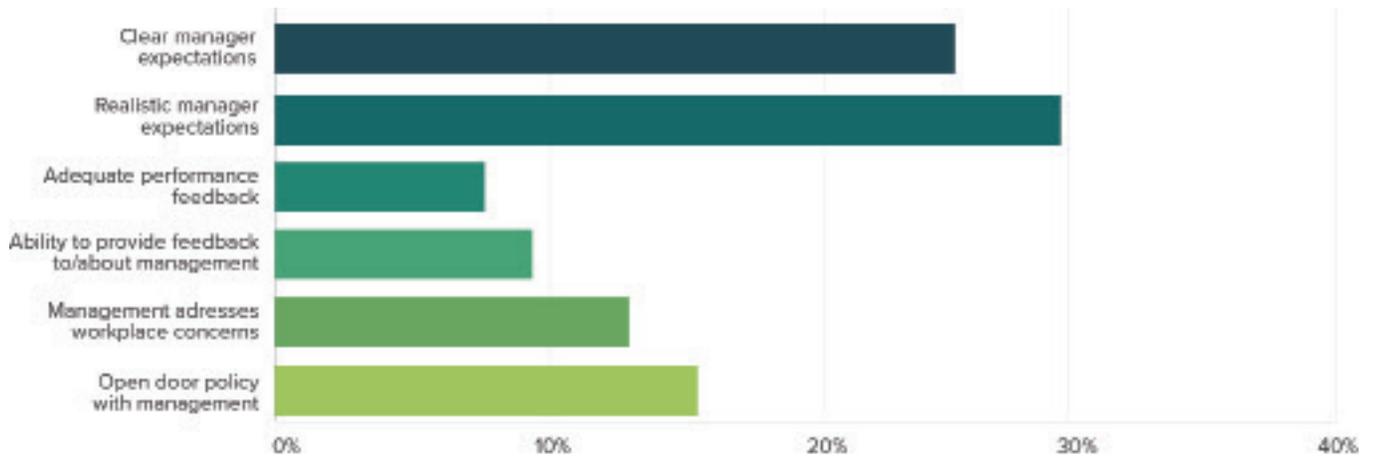
When respondents were asked about the importance of each of these factors, all factors were deemed either somewhat or very important by at least 98% of respondents. When asked which managerial factor was the **most** important, 29% said realistic manager expectations and 25% said clear manager expectation. Performance feedback - either giving it or receiving it - was ranked the lowest of all the options but was still considered to be somewhat important. The responses were similar across genders, ages, and education levels yet diverged slightly when looking at ethnicities. 27% of Alaska Native respondents said that an open-door policy with management was the most important managerial factor compared to only 15% of the general population.

¹⁵Pinheiro, R., & Yang, M. (2017, March 21). Wage Growth After the Great Recession.

¹⁶The Mass INC Polling Group. (2015). ULI Boston/New England: Survey of 660 Young Professionals in the Greater Boston.

¹⁷Bureau, U. S. (2017). 2016 American Community Survey 1 year estimates.

Most Important Managerial Factor



PricewaterhouseCoopers found that 62% of millennials who feel they can talk with their managers about non-work issues will still be with the company in a year. However, only 21% of millennials report even meeting with their managers on a weekly basis and 56% say they meet less than once a month.¹⁸

Elance-oDesk (an online magazine), conducted a study in which they asked managers what they thought millennials' priorities were and then compared those answers to millennials' actual priorities. 75% of managers thought earnings potential was a priority compared to only 44% of millennials, 12% of managers thought the team/people were a priority compared to 39% of millennials, 24% of managers thought exciting work was a priority vs 30% of millennials, and 16% of managers thought mentorship was a priority compared to 25% of millennials. When asked to compare millennials to Generation X, managers viewed millennials as more adaptable and creative than the previous generation, but also more narcissistic and less willing to work with a team.¹⁹

IBM conducted a multi-generational study and asked both managers and fellow employees for their viewpoint on the millennial generation. The most unflattering commentaries contended that millennials are lazy, self-serving, entitled, and shallow. The more complimentary assertions portrayed millennials as open-minded, creative, and idealistic, with a sense of community and a global perspective.²⁰

Discrepancies in how managers perceive millennials versus millennials' actual viewpoint is likely a leading cause of millennials disengagement at work and lack of loyalty to one job or company. According to Gallup and the Harvard Business Review, 71% of millennials are either not engaged or actively disengaged at work, making them the least engaged generation in the U.S.²¹

Comparing the job-hopping habits of millennials to other generations reveals significantly different tendencies nationally: 21% of millennials reported switching jobs in the last year, three times that of non-millennials; 60% of millennials would be immediately open to a different employment opportunity, which is 15% higher than other generations; 36% say they will look for a new job in the next 12 months, compared to 21% of non-millennials.²²

¹⁸PricewaterhouseCoopers. (2013). PwC NextGen: A Global Generational Study (Rep.).

¹⁹Elance-oDesk. (2014). The 2015 Millennial Majority Workforce (Rep.)

²⁰IBM Institute for Business Value. (2015). Myths, Exaggerations, and Uncomfortable Truths (Rep.).

²¹ Gallup Business Journal, & Adkins, A. (2016, May 11). What Millennials Want From Work and Life.

²²Gallup Business Journal, & Adkins, A. (2016, May 12). Millennials: The Job-Hopping Generation.

KELLY MCCORMACK, 33

VICE PRESIDENT,

COMMERCIAL LOAN OFFICER

NORTHRIM BANK



“ Good management is responsive, available, supportive, open to ideas, but still willing to draw a line in the sand when it must be done. The “we have always done it this way,” mind set where management believes inefficient processes should continue, even if a better alternative is presented, is frustrating. Management should encourage employees to fully use Paid Time Off rather than shaming employees for using it. This is extremely important for morale and preventing burnout. ”

These statistics have led to the perception that millennials are pervasive job-hoppers; yet that impression is overly simplistic and ignores the underlying reasons behind the heightened turnover.

According to a study by the National Chamber Foundation through the U.S. Chamber of Commerce, millennials fundamentally think about their current role as a growth opportunity.²³ Personal development is of utmost importance to this generation, with 93% seeing it as important for self-improvement and 87% seeing it as also important for their future careers.

Millennials’ commitment to their roles increases exponentially with managers who are willing to invest in their development.²⁴ While this is not unique to the millennial generation, millennials do place a greater emphasis on opportunities for personal growth and advancement.

71% of millennials who agree with their organization’s mission say they will still be there in a year. Employers that appeal to millennials’ personal values and desire to do good within their organization and community will garner more loyalty from their employees.

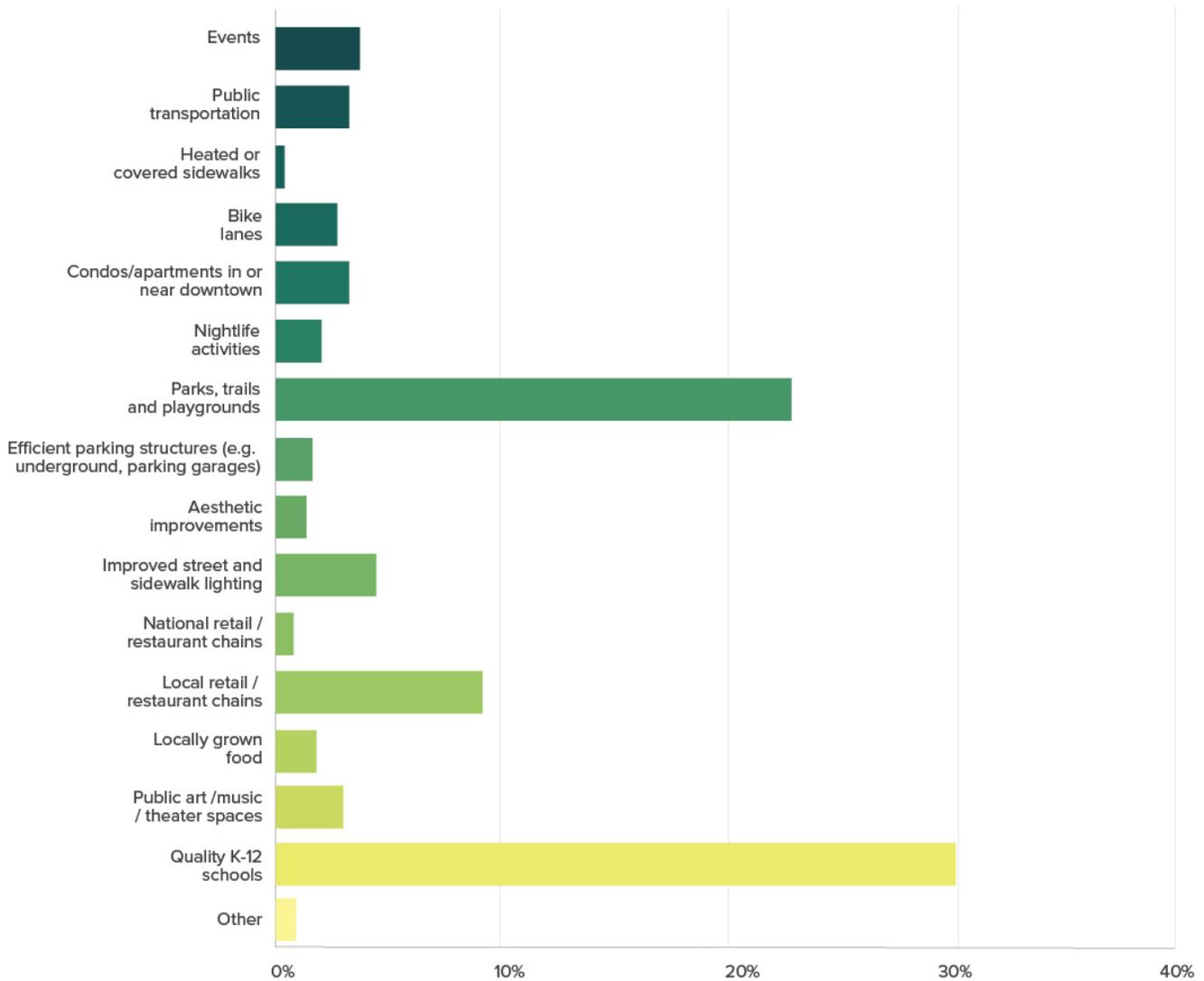
²³Seppanen, S., & Gualtieri, W. (2012). The Millennial Generation Research Review (Rep.).

²⁴ManPower Group. (2016). Millennial Careers: 2020 Vision (Rep.).

Where do millennials want to live?

The national job market is more competitive than ever. As employers compete for talent at a global level, factors that inspire younger workers to relocate to a city are important to consider. Employers must hone in especially on the factors that are attractive to millennials, as workers under the age of 35 are less likely to have children, and have more flexibility and mobility to choose a job in a new location. **Therefore, we asked survey respondents to select the amenities most important in deciding where to live, as employers must consider the state of their community when trying to recruit or retain workers.**

Most Important Community Amenity



When asked about the urban amenities favored most, from concerts and events to heated sidewalks to urban housing, the clear favorites were quality K-12 schools and parks, trails and playgrounds. 88% regarded quality K-12 Schools and 94% regarded parks, trails, and playgrounds as either somewhat or very important. Additionally, other outdoor improvements like street and sidewalk lighting were important to 90% of respondents.

The overwhelmingly high prioritization of parks, trails, and playgrounds could indicate the unique recreation opportunities available in Anchorage, and the state at large remains one of the most important factors for workforce attraction and retention. This result is less surprising when considering that many of the millennials who took the survey may live in Anchorage specifically because of Anchorage's outdoor recreation opportunities. As businesses and community leaders look to improve the attractiveness of Anchorage to millennial workers, leaning into our existing strengths is crucial.

However, when millennials were asked their most important amenity, quality K-12 schools earned a higher ranking than parks, trails, and playgrounds (30% v 23%). When filtering by age, there was no statistically significant difference in how older and younger millennials rated K-12 schools. The interesting implication of this is that even for millennial workers who do not currently have children, their considerations with regards to location are influenced by what they want in a community; great schools and parks. Even childless millennials want family-friendly amenities and recreational opportunities that will bring them, and their children, outdoors throughout the year.

There remains another partial explanation for this outcome. It is questionable whether K-12 schools, an essential public service, can be classified as an amenity for the purposes of the survey. Therefore, when public services like schools are weighed against pure amenities like 'nightlife activities' or 'local retail businesses and restaurants, the relative importance of this service may have skewed the results.

Additionally, 5% of respondents responded with "not applicable" when asked about the importance of K-12 schools. It is possible that these individuals saw their opinion of a quality school system as not applicable if they did not currently have children enrolled.

When analyzing other factors rated as important to millennials, a clear preference towards localism emerges. Locally grown food was important to 89% of participants and 86% considered public art, local music and theater spaces important as well. Following this theme, 92% considered local retail and restaurants as somewhat or very important compared to 63% who considered national retail and restaurant chains not important at all. Although only 8% of respondents said that local retail businesses and restaurants were their most important amenity, it was the most preferred amenity after K-12 schools and parks.



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“Anchorage needs to really look at what kind of place it wants to be in the long term. Do we want to have a functional public transit system that allows workers to use it and make it to work on time? Do we want to attract visitors (from Outside or across town) with a lively and clean downtown area and nearby parks in some of the most beautiful scenes in the country? Do we have business and people friendly taxes, zoning, and codes? Do we enforce our (hopefully reasonable) laws and polices? I think all of those are important areas to consider, and Anchorage has some room for growth in all those departments.”

National retail/restaurants and heated or covered sidewalks (57% stated it was not important), were the amenities with the lowest favorability.

When filtering by demographic factors, there was little statistically significant variation in amenity preference. Little variation was also found when filtering by gender. However, females did prefer parking and street improvements, sidewalks, and locally grown food at slightly higher rates.

When compared to national surveys, Anchorage millennials appear to prioritize natural urban amenities, like parks and greenspace, more than millennials in other cities.

According to an Urban Land Institute (ULI), study from 2015, 56% of millennials said greenspace was a top or high priority.²⁵ Additionally a ULI survey of Boston millennials found that 48% viewed parks and open space as very important²⁶

However, 94% said somewhat or very, with 71% of Anchorage millennials indicating that greenspace amenities (parks, trails, and playgrounds) are very important. Another ULI survey of millennials in Washington D.C. found that while 40% of millennials said parks were an amenity they would not sacrifice, half do not consider parks a key factor in choosing where to live.²⁷

²⁵Urban Land Institute. (2015). America in 2015: A ULI Survey of Views on Housing, Transportation, and the Community

²⁶The Mass INC Polling Group. (2015). ULI Boston/New England: Survey of 660 Young Professionals in the Greater Boston

²⁷Lachman, M. Leanne & Brett, Deborah L. (2015). Millennials Inside the Beltway

As these results indicate that greenspace amenities are still important to millennials nationally, Anchorage's greenspace and unique outdoor recreation opportunities therefore remain one of the most attractive features for millennials.

According to the same ULI study, urban amenities related to transportation like walkability and public transportation were more important to millennials in Boston than Anchorage millennials. While 80% of millennials in Boston said access to public transportation was very important in deciding where to live, only 21% of Anchorage millennials said public transportation was very important – low commute times and limited public transportation infrastructure were likely contributors to this result.

One of the final questions in the survey asked respondents if they are looking for employment outside of Anchorage. While only 24% of respondents were actively looking for employment, over 50% of those looking for employment were looking outside of Anchorage. Several interesting variations appear when comparing these two groups. Those considering employment outside of Anchorage rated public transportation higher (12% vs. 6%), and condos/apartments in or near downtown higher as well (6% vs 3%). This suggests that improvement and investment in amenities that are more prevalent in denser, more urbanized cities are important for making Anchorage competitive at a national level.

Additionally, individuals who are looking outside of Anchorage for employment were more likely to select health insurance as the most important or second most important wage and benefit factor. If these individuals are more motivated by concerns about health insurance, this could indicate that Alaska's high costs of insurance are pushing talent away. Alaska's medical costs are more than double the national average making health care in Anchorage more expensive than other U.S. cities with comparatively high cost of living.

For example, the average cost paid by insurers for an emergency room visit in Anchorage in 2014 was \$614 while the average paid by insurers in the same year in New York City was \$275.²⁸ These results indicate that either the cost or availability of health insurance through current employment is insufficient for many millennial workers. Another consideration to make is that millennials with chronic illnesses may not be able to afford living in Anchorage, even with Anchorage's higher GDP per capita than average.

HOW CAN EMPLOYERS USE THIS INFORMATION?

The results from our study closely align with those of national millennial surveys, indicating that what Anchorage millennials want in a workplace is similar to what millennials across the nation want. Organizations can utilize this information when adopting policies designed to attract and retain local and Outside millennial talent

It is critical that organizations implement new strategies to adapt and capitalize on the changing dynamics of the workplace. These policies should not be top-down, but rather the result of the organization's efforts to listen to its employees and incorporate their viewpoints. It is important for organizations to not only understand what millennials desire in the workplace, but to also understand the reasons behind those desires. Contrary to popular belief, millennials have not rejected the notion of jobs in the traditional workplace nor are they chronic job-hoppers. However, millennials will seek new opportunities if an organization does not accommodate their personal values.

²⁸ Grazko, Jim. (2017) Alaska Medical Costs are More than Double the National Average

²⁹ Giang, V. (2013, June 15). 71% Of Millennials Want Their Co-Workers To Be A 'Second Family'.

RECOMMENDATIONS

Create a flexible work culture

The millennial generation is characterized by the desire for work-life balance, so organizations should adopt policies that provide employees greater flexibility in their work location or schedule. Several of the United States' top employers, such as Amazon are experimenting with shorter work days, creating positive results in the areas of employee retention, happiness, and productivity.

Example programs

Flex scheduling (especially during the summer time), allowing employees to develop their own schedules, flexibility of work locations, developing flexible schedules that are understanding of family needs and life events, and structured Leaves of Absence.

Example companies

Amazon (offers flextime), Raytheon (offers compressed work week, flextime, job sharing, telecommuting), Nike (employees have the potential to earn paid sabbaticals), Adobe (employees can opt for a paid, 6-week travel sabbatical every four years), Netflix (offers flexible hours), Oliver Wyman (option to take an 11- or 10-month work year, unpaid, to pursue personal objectives, spend time with family, or travel).

Establish a sense of workplace community

Our survey, as well as those on the national scale, showed that workplace culture is more important to millennials than most organizations realize. A 2013 PGI study found that 88% of millennials want to work in a fun and social environment.²⁹ Deloitte found that employee engagement and productivity improved by 14% when recognition was given often. In their research, peer recognition was valued more than leadership recognition. Within any organization, there should be an emphasis on teamwork, appreciation, and support.

Example programs

Group activities during worktime (group lunch, going out for drinks at the end of the day, etc.), more communal breakroom environment (provide tables for a communal eating space), regularly scheduled workplace fun activities and games (golf, video games, ping pong tournaments etc.), ensure that management is held to the same standards as employees, and recognize employee accomplishments regularly.

Example companies

Cisco (all teams have a "fun fund" to be spent on celebrations and fun activities), O2E Brands (holds "First Round Fridays" and pays for employees first round at local brewery every other Friday), Zappos (offers new employees \$2,000 to quit after first week if they decide the job/company culture isn't for them), Shopify (instituted an internal employee recognition system). Locally, Cook Inlet Housing Authority provides recognition "credit" to employees, which can then be redeemed for prizes, like trips to Hawaii.

Invest in professional development opportunities

As a generation that looks for career stability and is more interested in the journey than any individual job, millennials place great value on professional and personal development. Millennials fundamentally view their current role as a growth opportunity; therefore, organizations that invest in development opportunities will be more likely to retain employees long-term.

Example programs

Professional development webinars, in-office workshops given by more experienced co-workers, management focus on mentor-mentee relationships, funding for part-time college courses and/or certifications, fostering inclusive environment for all employees (including new or inexperienced employees in meetings, carbon copying on emails to promote knowledge-sharing and inclusion, more opportunities for interaction with management, or clients), and giving employees time or resources to pursue passion projects.

Example companies

Pfizer (provides company-wide online mentorship resources), Intuit (employees are encouraged to spend 10% of working hours pursuing an idea they're passionate about), Google (employees are given "20% time" for side passion projects - a policy that led to the creation of Gmail), Evernote (within the Officer Training program, employees attend two extra meetings a week in other departments and get to participate and ask questions).

Ensure open-communication channels

Our survey results indicated that communication was one of the biggest priorities for millennials, but also one of the leading sources of frustration. Additionally, national surveys found that employees are more likely to stay with a company the more they interact with management. There should be a two-way dialogue between managers and employees regarding expectations and workplace issues. There should also be multiple avenues for inter-office communication between team members.

Example programs

Use of digital messaging platforms for office communication (e.g. Slack, Yammer, Hipchat, etc.), management being approachable and available, calendar and schedule sharing, use of cloud technology (Google Drive, Microsoft Office), to store files so all employees have access.

Example companies

Buffer (transparent company-wide calendar sharing systems), Credit Karma (company-wide open-door policy), Square (meeting policy where when two or more people meet, someone must take notes and share them with all other interested employees), Google (TGIF meetings with entire company and a Q&A block).

Performance bonuses in the form of compensation days or extra vacation days

While most organizations use cash bonuses or prizes to reward good work, our survey indicated that millennials would much prefer additional paid time off. Employers should consider both individual and team preferences with regards to compensation practices.

End of year performance bonuses in the form of cash, stock, or prizes may be valuable to some individuals, where added vacation days might be of significantly more value to others. Particularly when rewarding employees for good performance after the completion of specific projects, compensation days to make up for the extra time put in can be seen as genuine appreciation for a job well done. It is also essential that management set good examples when it comes to taking vacation time, both in taking their own vacation time and encouraging others to take time to rest and re-energize.

Increase travel opportunities

Millennials view travel as a chance to learn and gain valuable life experience. Providing more travel opportunities in the form of conferences, site visits, professional trainings, etc, will help organizations attract and retain millennial talent. For Alaskan companies, this can be travel within the state, even to remote locations, which makes jobs in Alaska unique to those in the lower 48.

Rotations, in which an employee can spend three or six months at a different office location within the state, are also an option to provide young professionals new experiences within the industry. Opportunities to travel to visit clients, or for training or conferences outside can help broaden the perspectives of a younger employee and give them chances to contribute to the organization. Travel to conferences and training also exposes employees to networking opportunities that they may not have within the state.

Example programs

Tie in work travel with professional development budgets to find opportunities for younger employees to explore new skills. Where possible, allow interested employees to “stay over” at a destination for the weekend if they are able to cover their own expenses, so they can enjoy some personal travel time in a new location after or before the event for which they are traveling.

Implement an education/student loan payment and reimbursement program

With the costs of higher education continually increasing, education reimbursement programs can increase the attractiveness of an organization to millennials with ambitious educational goals. For millennials with student debt, monthly loan payments are often the most significant consideration for them in looking at compensation packages. If an employer can help with paying off debt (and potentially receive tax benefits for that), it makes the wages or salary offered less important.

Example Programs

Establish an employer-managed student loan repayment plan through companies like Gradifi (these plans, similar to employer provided retirement plans, allow the employer to make direct contributions or matches to help pay down employee student debt); reimburse some portion of tuition if an employee is in-school part-time while working.

Example companies

Starbucks (employees who work more than 20 hours per week have the opportunity to complete a bachelor's degree with full tuition coverage through specific online universities), Nike (offers tuition assistance for most employees).

CONCLUSION

The purpose of this study was to inform employers about how they can better attract, engage, and retain the millennial workforce. Within our study we found that amongst the various millennial age groups, workplace priorities were overall very similar. Although younger millennials tend to prefer more immediate workplace benefits (PTO, etc.) and older millennials lean slightly more towards longer-term benefits (retirement, childcare, etc.), the variations between the age groups were marginal.

While financial benefits were considered a significant factor for retention, passion factors (professional development opportunities, positive external impact, etc.) are a valuable tool to motivate and engage millennials in the workforce. The focus with millennials needs to shift from simply "How long can the company retain you?" to "How much can we accomplish together?" With a generation full of independent, aspirational and adaptive individuals, organizations can create a deeper relationship with employees by empowering them to expand their network and development beyond the organization.

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