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ECONOMIC DEVELOPMENT

The Young & The Restless

Today's young professionals hold the keys to tomorrow's job market, but they're not staying in Richmond. Why?

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According to a recent study examining how Richmond competes for young adults, results show the area does well in attracting them. The problem is, they don't stay very long.

Statistically, for every six 25 to 34 year-olds who move to the region, five leave. In 2000, Richmond had 18,000 fewer 25 to 34 year-olds than it did in 1990.

Of course, numbers can be deceiving. That age demographic has been declining in population for well over a decade all across the country, as the Baby Boomers get replaced by a smaller generation.

So, while the trend is hardly limited to Richmond, a closer look does indicate that the area is losing its young professional population at a faster rate than many other metropolitan areas, particularly those in the South.

Between 1990 and 2000, the number of 25 to 34 year-olds living in metropolitan areas across the country decreased by 8 percent. During the same period, that demographic decreased by 12 percent in Richmond; a loss made more poignant considering that the area's overall population grew at a rate two percentage points higher than the national metropolitan average.

Of the 50 largest cities in the country, Richmond, at just over 14 percent, ranks 33rd in the share of its population aged 25 to 34. Compared with benchmark metros in the South, including Raleigh, Charlotte, Jacksonville, Memphis and Nashville, Richmond is last in the young adult share of its population.

Recent research suggests that the per capita number of 25 to 34-year olds is a reliable indicator of an area's potential for economic growth and future viability; the more, the better.

Over the last 30 years, the expansion of the U.S. labor force has been driven primarily by the maturation of the Baby Boom generation and the increased role of women in the economy. Having reached their peak earning years, the Baby Boomers will soon begin to retire, and after doubling since 1950, women's labor force participation cannot go much higher.

As a result, young professionals have become a much sought-after

demographic.

“Those are the future workers who will have the future jobs; you’ve got to have them,” said **Greg Wingfield, President** of the **Greater Richmond Partnership**, which along with five other local organizations— **Richmond Renaissance**, the **Virginia Performing Arts Foundation**, the **Greater Richmond Chamber of Commerce**, the **Richmond Metropolitan Convention and Visitors Bureau** and the **Community Foundation**—contributed \$25,000 each to a study focused on tracking the population changes of the 25-34 year-old demographic across the country.

Taking it a step further, the Richmond-based **Southeastern Institute of Research** (SIR) held a series of focus groups to better understand the data as it relates to Richmond. Between May and June of this year, 422 interviews were completed, and while not entirely representative of metro-Richmond’s 140,000 25 to 34 year-olds, the results do offer insight into who they are, as well as the way in which they perceive Richmond.

For one, Richmond’s *young & restless* is a diverse group:

- 51 percent male, 49 percent female
- 47 percent married, 36 percent single
- 74 percent white, 17 percent African American.
- 68 percent are newcomers, 34 percent have been in Richmond for less than five years.
- 72 percent are considering staying in the Richmond region.
- 74 percent believe Richmond’s quality of life is “excellent” or “good.”

Seems positive. Richmond is attracting a diverse group of people who are new to the area. Nearly three out of four enjoy the quality of life, so much so that almost all are considering making Richmond their permanent home.

But they’re not. While the vast majority say they’re considering staying in Richmond, half say it’s “likely” they won’t. In fact, between 1990 and 2000, 80 percent of 25 to 34 year-olds who moved to the region left.

Asked to rank the basic criteria essential to an area, participants in SIR’s survey overwhelmingly chose professional opportunities, affordability and housing options as their top three. And while they gave Richmond high scores in some of the least essential criteria such as history, social service organizations and political activities, the area’s lowest ratings came in its provision of the most basic needs, particularly in job opportunities.

“This demographic is going to go where the jobs are,” said Wingfield, who pointed out that between its universities and colleges, the Richmond region is home to approximately 60,000 students. According to **Andrew Ferguson, Director of Career Development** at the **University of Richmond**, roughly 30 percent of the school’s graduates find their first job within one hour of Richmond, down about 15 percent since the 1980’s.

“Certainly over a 20-year span, as the student body has changed, we’ve seen a decreased percentage of people finding jobs in Richmond,” said Ferguson, who attributed part of that trend to the increase in the university’s out-of-state population.

Even so, Ferguson said UofR students have been affected by recent losses in Richmond’s job market. “We’ve seen a significant loss of firepower with the loss of the banks and as Capital One has decreased.”

Wingfield says Richmond needs to do a better job of retaining its college graduates.

"One of the challenges is to recruit those kids for jobs. We need to keep that brainpower here."

As for the study results, "It was good to get a benchmark and a snap shot of where we are in relation to other cities," said Wingfield. "It was positive; it showed us that we're in the game."

John Woodward, Richmond's economic development director, feels that the results are not indicative of the current situation in Richmond.

"I don't think it's representative," said Woodward. "There's been a significant, positive shift from 2000 to 2004 and the Census data does not show that. The figures today are better than four years ago."

But while citing such post-2000 developments as increased urban housing and the relocation of **Philip Morris USA** to Richmond, Woodward does say that there is room for improvement that extends to Richmond's larger economic development community.

"I do get uneasy when other cities show more progress. Those figures say that we can work harder in attracting that demographic; not only that, but also in having them put down roots in Richmond."

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