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Fusion – Detroit, MI

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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:

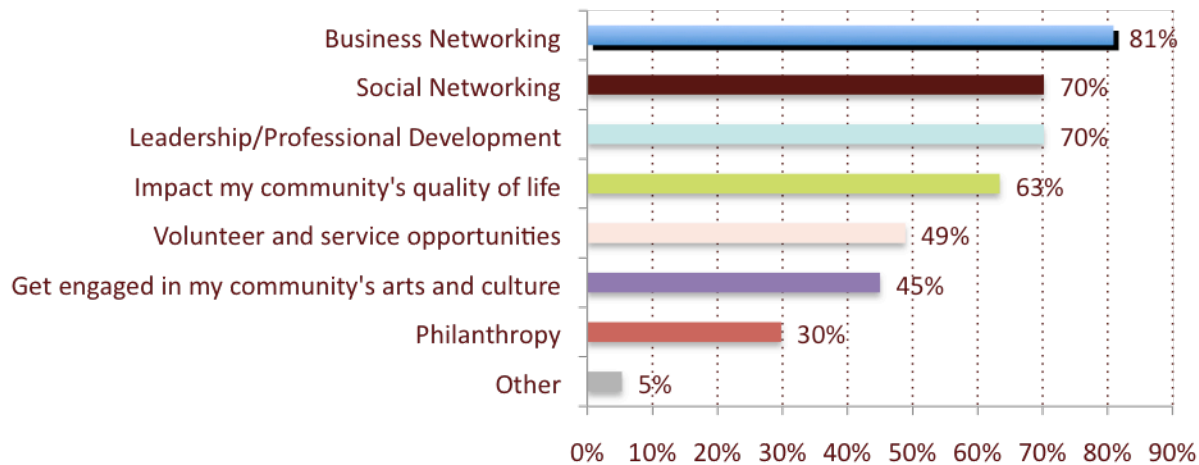
1. **Sell your impact.** Every YPGIS includes data about the individual and household income of YPs in your community, plus voting, volunteer, and other behaviors. Use this data to create a profile of the power of YPs in your community.
2. **Develop a scorecard.** Your investors and stakeholders want 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.
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.

## YPO RESULTS: Fusion YPO Involvement and Impact

### YPO Involvement

Between December 1, 2008, and January 16, 2009, 276 young professionals in Detroit completed the YP Global Impact Survey. We asked respondents several questions about their involvement in Fusion, as well as its impact on the community. Although 131 respondents (48%) identified themselves as current members, only 66 respondents (24%) considered themselves active participants in the YPO. Most members became involved for business networking purposes, as shown in the chart below.

### Reasons for Involvement in Fusion



Involvement in Fusion has had a positive impact on the quality of life: **38% of all respondents (59% of members and 18% of non-members) said their perception of Detroit’s quality of life was very positively of somewhat positively impacted by their YPO.** Additionally, **26% of all respondents (40% of members and 12% of non-members) said they were more likely to stay in the community because of Detroit’s YPO.**<sup>1</sup>

<sup>1</sup> Considering ALL communities who participated in the 2008 YPGIS, 40% of respondents (66% of members and 25% of non-members) said their perception of the community’s quality of life was positively impacted by their YPO; 14% of respondents (27% of members and 7% of non-members) said they were more likely to stay in their community because of their YPO.

**YPO Net Promoter Score: Fusion**

The YPO Net Promoter Score (NPS) measures respondents' likelihood – on a scale of 0 to 10 – to promote their young professionals organization to friends or family.

Respondents who rate their likelihood of promoting their YPO with a 9 or 10 are considered “promoters.” Respondents 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:*

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

For members of Fusion, 44.3% were promoters and 27.5% were detractors, resulting in an NPS of **16.8%**. For all respondents (members *and* non-members), 28.6% were promoters and 47.1% were detractors, resulting in an overall NPS of **-18.5%**. The average NPS of all YPGIS participants was 25.3% for members and -19.4% for all respondents.

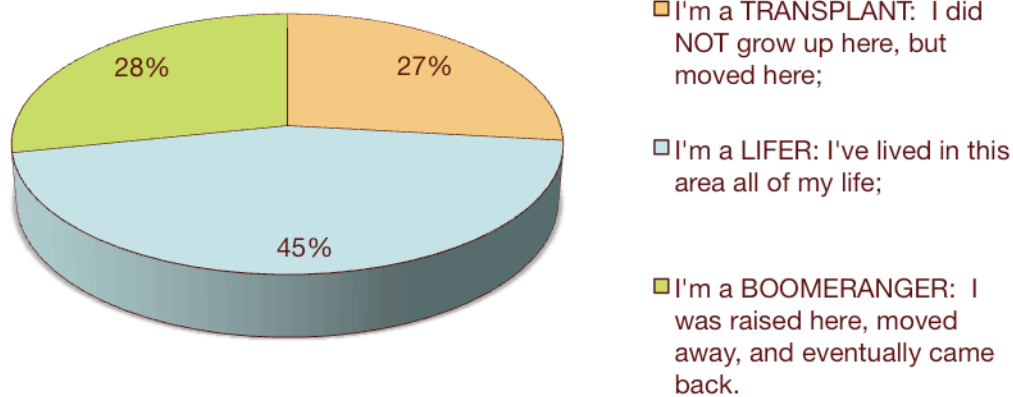
The NPS can range from -100% (all detractors) to 100% (all promoters). Many companies use the Net Promoter Score to predict future revenue. Although companies are different from YP organizations, it's interesting to note that companies with intensely loyal and engaged clients, e.g. Apple, eBay, have 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/>.

## Community Results: Perceptions of Detroit

### 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 are either Lifers (45%) or Boomerangers (28%), which is more than the average community.<sup>2</sup>

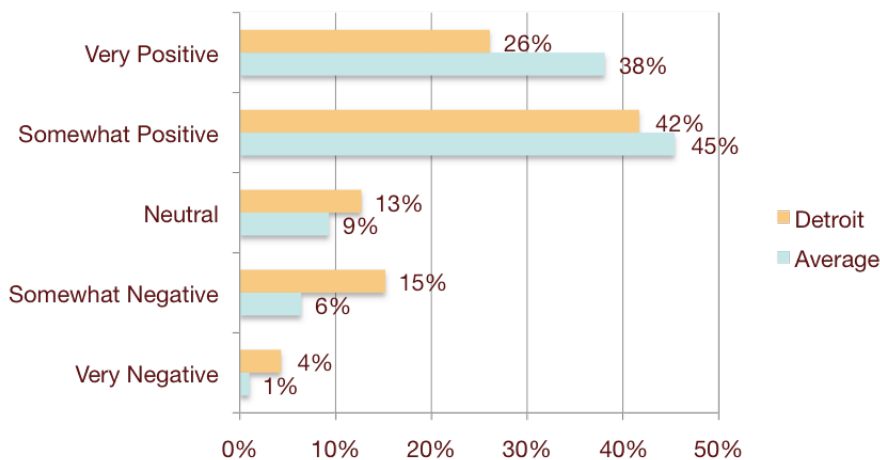
#### Relationship to Detroit



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

Most respondents (68%) had a very positive or somewhat positive perception of the quality of life offered in Detroit, which is lower than the average YPGIS community (83%). The chart below compares Detroit to the average score of all YPGIS communities.

#### Perception of the Quality of Life



<sup>2</sup> Considering all communities who have participated in the YPGIS, the overall average is 51% Transplants, 31% Lifers, and 18% Boomerangers.

### Should I stay or should I go?

More than one-third of respondents (38%) indicated that they plan to live in the community for at least the next 3-4 years. Many of the respondents (20%) said they plan to stay in Detroit for the long haul – 16 years or more. Additionally, 5% of respondents plan to stay for 10-15 years and 11% plan to stay for 5-9 years.

Young professionals take cost of living into account when deciding whether to stay or go, and 72% 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, **24% plan to leave within the next 2 years**. 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 your community, it makes a \$57,000 impact per person.<sup>3</sup>

$$\text{Economic Impact} = 1.2 \times \text{Median Individual Income}^4$$

$$\text{Economic Impact} = 1.2 \times \$47,500 = \mathbf{\$57,000 \text{ per person}}$$

In other words, Detroit will lose an average of \$57,000 for each young professional who leaves. With 24% of young professionals planning to leave within 2 years, and approximately 397,023 young professionals living in the Detroit area, **Detroit stands to lose \$5.4 billion total over the next 2 years**.<sup>5</sup>

### 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 “difference” column represents the difference between value and perception.

<sup>3</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.

<sup>4</sup> Median income is calculated from your community’s responses to “Individual Income” on the YPGIS survey.

<sup>5</sup> The approximate number of young professionals is calculated from the U.S. Census American Community Survey (2006), and includes men and women between 18-44 years old who have a Bachelor’s degree or higher.

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

	Value	Perception of Community	Difference
<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.	96%	44%	-52%
<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.	95%	69%	-26%
<b>COST OF LIFESTYLE:</b> I want a community where I can afford to live, work, and play.	94%	75%	-19%
<b>EARNING:</b> I want a broad choice of places to work and an environment that is friendly to entrepreneurs.	91%	32%	-59%
<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.	91%	50%	-41%
<b>SOCIAL CAPITAL:</b> I value living in a diverse community, where people are engaged and involved in community life.	90%	54%	-36%
<b>LEARNING:</b> I want to plug into a community that offers life-long learning and values being ‘smart.’	87%	52%	-35%

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

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

**Matches and Mismatches**

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

Detroit is doing the best job of matching YPs’ expectations in the Cost of Lifestyle index, with a discrepancy of 19%. Cost of Lifestyle is an area of strength that Detroit should highlight in efforts to attract and retrain young professionals.

The greatest mismatches are in the Earning, Vitality, and Around Town indexes, with differences of over 40% in each. Next Generation Consulting strongly recommends a deeper examination of these indexes, with a focus on opportunities specifically geared toward Detroit’s YPs. This could be accomplished through a series of roundtable discussions that closely examine each index in efforts to discover why Detroit’s YPs perceive the community the way they do. To learn the *reality* of how Detroit scores in the Seven Indexes, NGC offers a Community Handprinting service which accurately measures how well Detroit stacks up in the seven areas that matter most to YPs.

**How do we compare?**

Looking at all YPGIS community participants, the average difference overall was -27%. The greatest matches were in Around Town (-16%) and Learning (-19%), and the greatest mismatches were in Earning (-45%) and Social Capital (-38%). Participants valued Cost of Lifestyle (98%) and Earning (95%) 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. Detroit’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.

<b>Detroit</b>	<b>All YPGIS Communities</b>
1. Earning	1. Cost of Lifestyle
2. Vitality	2. Earning
3. Cost of Lifestyle	3. Vitality
4. After Hours	4. After Hours
5. Social Capital	5. Learning
6. Learning	6. Around Town
7. Around Town	7. Social Capital

Respondents ranked Vitality at or near the top in both the Force Ranking question *and* the Value question (see Table 1), which indicates that Vitality is an area that Detroit should focus on in their efforts to attract and retain young professionals.

**Community Net Promoter Score**

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.

*We calculate the NPS by subtracting the percentage of detractors (scores 0-6) from the percentage of promoters (scores 9 and 10), as follows:*

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

Overall, 31.2% of respondents were promoters, and 41.0% were detractors, resulting in Net Promoter Score of **-9.8%**. The average NPS of all YPGIS participating communities is 14.9%.

**Civic Engagement**

Detroit young professionals are invested in their community. Nearly all (97%) are registered voters, and 95% voted in the last local election, which is higher than the average community’s local voting rate (78%). Three quarters of the respondents (75%) volunteer in their community at least once a month, with an average of approximately 8 hours per month. Volunteerism was highest at non-profit organizations (46%), followed by individual impact opportunities (28%), and environmental initiatives (27%).<sup>6</sup>

Last but not least, respondents were very charitable, with 69% donating over \$50 to non-profit or charitable organizations over the last 6 months, with an average donation of \$690 (and a total of \$189,675 for all respondents).<sup>7</sup>

<sup>6</sup> Volunteerism includes the percent of respondents who were board members or volunteers within each organizational category (e.g. non-profit, educational, environment, religious, etc.).

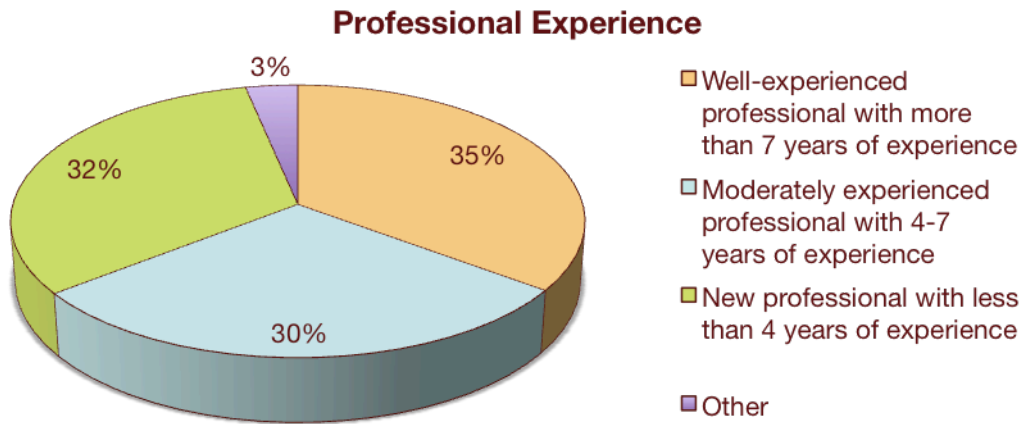
<sup>7</sup> Looking at all YPGIS participants, 80.4% donated over \$50 in the last 6 months, with an average charitable donation of \$704.

**PROFESSIONAL RESULTS:**

**Experience, Entrepreneurship, and Engagement**

**Professional Experience**

Most respondents (69%) were employed full-time at the time of the survey. Over one-third (35%) are well-experienced young professionals (over 7 years in the field), 30% are moderately experienced (4-7 years), and 32% are relatively new (2-3 years).



The majority of respondents (64%) said they were not actively seeking a new job at the time of the survey, though 24% said they would be open to jobs within the community.

**Entrepreneurship**

Approximately 21% of respondents identified themselves as entrepreneurs or business owners, the majority of whom (95%) had 10 or fewer full-time employees.

Entrepreneurs were also asked about their annual top-line revenue. The vast majority (84%) of entrepreneurs reported annual top-line revenue of \$200,000 or less. Approximating midpoints for each revenue category, we estimate that the total annual top-line revenue from all entrepreneurial respondents was \$25 million. The approximate average annual top-line revenue was \$500,000.

## Employee Engagement

The Next Generation Company's six dimensions of employee engagement are based on interviews and surveys with over 30,000 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:

<b>Detroit's Ranking</b>	<b>Average Ranking of ALL Communities</b>
1. Trust	1. Life-work Balance
2. Life-Work Balance	2. Trust
3. Development	3. Rewards
4. Connection	4. Development
5. Management	5. Management
6. Rewards	6. Connection

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

## DEMOGRAPHICS

Overall, Detroit respondents are:

- Well-educated (87% have a four-year degree or higher)
- Single (54%)
- Mobile (78% do not have children)
- Home-owners (49%), with an average home value of approximately \$172,000
- Working in Management, Professional, and Related Occupations (51%)
- Earning a median individual income of approximately \$47,500, and a median household income of approximately \$67,500
- 25-34 years old (63%)
- Female (55%)
- White (61%)
- Heterosexual (93%)

### **About YPGIS Participants**

In 2008, 23 communities from 16 different states participated in the YP Global Impact Survey.

The YPGIS comparison pool for this report consists of all groups who launched the survey *before* December 2008 (15 communities representing 11 different states), for a total of 4,202 survey respondents.

### **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).