

Research & Policy Brief Series

ISSUE NUMBER 11/NOVEMBER 2007

Attracting and Retaining a Young Skilled Workforce in Upstate New York*

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What is the Issue?

Upstate New York's ability to grow its emerging high-skilled diversified economy depends on attracting and retaining:

- workers with technical skills and the ability to manage projects and people for the fast growing advanced manufacturing sectors;
- college educated workers with professional and managerial skills as well as degrees in science and engineering.

Upstate New York faces a particularly difficult challenge because the region has experienced population loss over a long period of time. This has meant not only the loss of people who can contribute to the contemporary economy, but also of the parents who produce the next generation of workers. For the next several years the shortage will be particularly acute because the age group (31-40) which followed the "baby boom" generation was small.

Because the current workforce shortage is partially explained by a lower birthrate following the baby boom era, it is not just a regional issue, but national in scope. Even popular destinations, such as Arizona, are concerned about how to attract younger skilled workers to replace those who are beginning to retire. Because of the smaller size of the 31-40 year old cohort in the population, states and cities realize that the ability to grow their economies requires strategies to replace the skilled workforce and to attract skilled workers to build knowledge economy industries.

How was this Study Conducted?

The study findings are based on:

- 1) Demographic, economic, and survey data developed by Cornell researchers (survey data from the annual Empire State Poll, among other sources) and researchers from the New York Federal Reserve Bank.
- 2) Interviews with leaders of groups representing young professionals, entrepreneurs, and small business owners in 9 upstate cities.

- 3) Interviews with foundation officers and regional economic development officials who have sponsored projects to attract and retain younger workers in regions outside New York State.
- 4) Analysis of the policy literature on workforce attraction and retention.

What Role do Investments in Higher Education Play in Meeting Skill Needs?

- NYS has benefited from its upstate investments in higher education. Many graduates of NYS colleges and universities stay in the state. Of the 150,000 new college graduates in upstate New York who left the region between 1995 and 2000 (the most recent years for which data is available), one-third moved to the Hudson Valley and New York City to find jobs.
- Time spent in Upstate New York during the college years translates into affection for the region and an openness to return at a later life stage if conditions, particularly job availability, make that possible.

Research Findings

- Research by Brown and Scardamalia (2007)* and Deitz (2007)* indicates that *while the loss of educated workers is a problem, the larger problem is an inability to attract in-migrants*. Upstate New York, in particular, is attracting young workers at a lower pace than the nation as a whole.
- *Upstate New York faces a "chicken and egg" dilemma*. Upstate firms pay lower wages for skilled work and so, young people are drawn to higher growth, higher wage regions. At the same time, a shortage of talent inhibits the growth of firms that could compete for skilled talent and raise wages.
- *There are two young skilled worker problems*: Advanced manufacturing firms in Upstate New York are facing a shortage of technically-skilled, experienced workers. Their labor force is aging and young people are not

available to replace these skilled manufacturing workers. At the same time, college-educated young workers are not attracted to the upstate region in sufficient numbers to fill knowledge economy jobs.

- Interviews with “Forty-below” groups (composed of professionals, managers, and entrepreneurs typically under 40 years of age) in upstate cities indicate that *they formed in response to dissatisfaction with social and economic opportunities* available to younger entrepreneurs and professionals, and to combat negative stereotypes of Upstate New York.
- “Forty-below” group members want to form their own organizations rather than integrate with cross-generational groups, such as Chambers of Commerce and The Rotary Club. The groups represent a response to perceived social isolation in a baby-boomer-dominated, aging upstate workforce.
- Access to the policy-making process, urban development, and cultural life are important to under-forty residents. They want to bring their ideas to the table and assume a position in civic leadership.
- College ties are critical to Upstate New York’s college graduates. College programs to connect with their alumni and invest in their communities are central to efforts to attract and retain a younger skilled workforce.

Suggested Policy Initiatives

Although the short fall in the young population has been misrepresented as an out-migration problem, the fact is that Upstate New York is dramatically affected by an insufficient number of educated young people to fill knowledge economy jobs. In addition to the recommendations made by the “forty-below” groups, our research suggested a number of strategies for attracting a skilled younger workforce.

- *Investment in the Urban Environment and Infrastructure*
Many interviewees noted that the poor condition of upstate central cities was a strong deterrent to attracting younger skilled workers. They advocated public and private investment in central cities and the development of infrastructure, such as wireless Internet access, as a stimulus to investment.

- *Tuition Programs Sponsored by Local Employers*

Young people who remain in the region for five years after graduation are more likely to stay. Tuition programs, offering aid to local student-employees who agree to remain with the company for a period after graduation (such as that sponsored by Wegman’s), have been suc-

cessful in retaining skilled employees for the firm and for the region.

- *Come Home Programs*

University and college connections are critical to re-attracting Upstate New York graduates back to the region. Student-designed programs, such as the *Come Home Program* at SUNY Binghamton, provide a model that could be developed across college campuses upstate.

- *An Upstate New York-Specific Marketing Effort*

The “I Love New York” campaign doesn’t effectively serve upstate. A targeted marketing effort emphasizing upstate’s unique assets, including its parks, the Fingerlakes, green industry initiatives and advanced manufacturing industries, might be more effective. Capitalizing on upstate connections with Canada, mirroring the “Cascadia” efforts in Washington State and British Columbia, may also be fruitful in defining the special characteristics of the region.

- *Recognize the Presence and Achievements of a Younger Generation of Civic and Business Leaders*

Interviewees noted the need to recognize the achievements of young people who are contributing to business and civic life in upstate cities and regions. Some metropolitan areas, including Rochester, already compile such lists with a great deal of fanfare. If implemented across Upstate New York, this kind of award program, accompanied by a conference to bring younger civic and business leaders together, would highlight their achievements and encourage them to develop networks across the upstate area.

Conclusion

Although the question of attracting and retaining younger skilled workers has received a lot of press attention, New York State will need to keep the issue in perspective as *one* arena in a broader set of strategies to build and maintain a skilled workforce. These strategies could include encouraging older workers to stay at work longer, and increasing access to higher education by New York residents who are more likely to stay in the state after graduating. Only a multi-pronged approach to building and maintaining a skilled workforce will enable Upstate New York to utilize its considerable assets to construct a diversified sustainable economy. ♦

* for a full-length version of this paper, including citations and references, please visit <http://www.nyecon.cornell.edu>

**I would like to thank Ronald Kelly and Karen Westmont for their research assistance and the Economic Development Administration University Economic Development Center for supporting this project. I would also like to thank Rod Howe and Warren Brown for their support and advice.

