

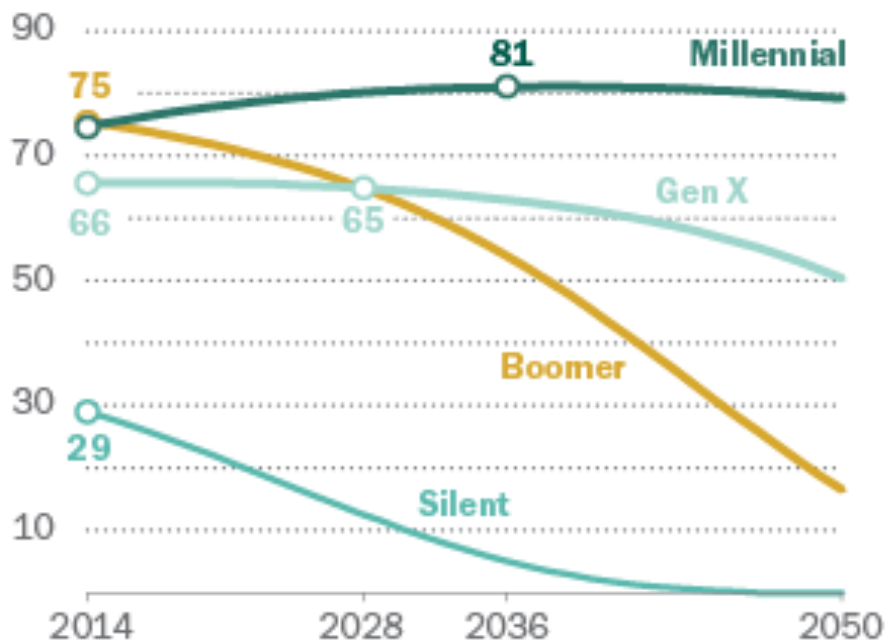
# Next-Gen Workforce

## How Millennials are changing commuting in America

### The Changing Workforce

- **Millennials Become the Largest Living Generation in the U.S.** – Sometime in 2015, the U.S. Census Bureau predicts that the ‘Millennial’ generation (ages 18 to 36) will exceed Baby Boomers as the nation’s largest living generation. The Millennial generation continues to grow as young immigrants expand their ranks. Boomers – a generation defined by the boom in U.S. births following World War II – are older and shrinking in size as the number of deaths exceeds the number of older immigrants arriving in the country.

### Projected Population by Generation (Millions)



Source: U.S. Census/Pew Research Center

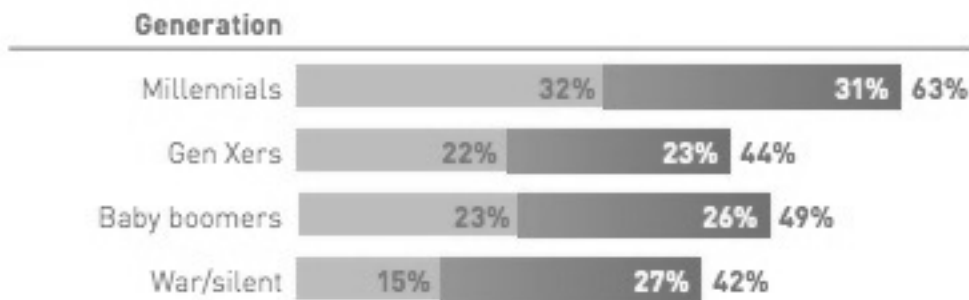
- **Millennials Drive Demographic Shifts in U.S. Workforce** - By 2020, nearly half (46 percent) of all U.S. workers will be Millennials; a percentage that will rapidly grow beyond that time point. By comparison, the generation before them, Generation X,

represents only 16 percent of today’s workforce.<sup>1</sup> The sheer volume of Millennials, combined with the relative lack of Gen X’ers and the increasing retirement of Baby Boomers will lead to a workforce increasingly dominated by Millennials. Many experts are predicting that Millennials in the workforce will be quite unlike preceding generations. They view the world differently and they are tech-savvy multi-taskers because that is all they have ever known. The differences they bring, are already being seen in the work/life locations and commute options they choose.

- **Millennials More Attracted to Communities that Offer Multimodal Choices –** According to the American Public Transit Association’s ‘Millennials and Mobility’ report, communities that attract a high share of Millennials have a multitude of transportation choices.<sup>2</sup> According to the Urban Land Institute, Millennials are the most diverse generation and most likely to live in cities. In a recent ULI survey, almost two-thirds of Millennials agreed that they would like to live in a place where they do not need to use a car very often, which is higher than any other generation.

#### Preference for Car-Optional Places

(Percentage of ULI survey respondents indicating “somewhat” or “strongly” agree)



Source: Urban Land Institute, *America in 2015* (2015)

Shifting travel preferences are reflected in trends shown by the U.S. Census, American Community Survey, which finds the number of U.S. workers who traveled to work by bicycle increased from about 488,000 in 2000 to about 786,000 in 2008–2012, a larger percentage increase than that of any other commuting mode, although this remains a small fraction of total commutes.

<sup>1</sup> University of North Carolina, Kenan-Flagler Business School, *Maximizing Millennials in the Workplace* (2012)

<sup>2</sup> American Public Transit Association, *Millennials and Mobility* (2012)

- Economic Clusters and the Knowledge Economy** - Economic clusters consist of a set of competing, cooperating, and interrelated firms and supporting entities that are located proximate to one another and as a result experience increased productivity, drive the direction and pace of innovation, and stimulate the formation of new businesses.<sup>3</sup> With globalization and the accompanying growth in service industries, the geography of economic clusters is no longer limited to natural resources, instead, clusters often center around access to skilled labor pools and supplier networks. Urban economists and planners concur that economic growth in the U.S. will increasingly be driven by the 'knowledge economy. The importance of the knowledge economy is highlighted within the Northeastern U.S., along the Northeast Corridor rail line – the hub of the Northeast economy. A recent report for the Northeast Corridor Commission notes that many knowledge-focused companies (in the Corridor) find that it is increasingly necessary to cluster in metropolitan areas, despite improved communication capabilities, because it is the most effective way to access knowledge and resources and that many knowledge workers are increasingly attracted to urban areas as they provide quality-of-life amenities that are increasingly valued by younger workers.”<sup>4</sup> The report goes on to note that in the ten core NEC cities served by most Acela trains, there are 3.7 million knowledge industry jobs today. Within one mile of all NEC stations, 59 percent of jobs are in the knowledge industries—far higher than the U.S. average of 42 percent.<sup>5</sup>
- Urban Core Renewal** - An emerging pattern connected to growth in knowledge economy clusters and the preferences of Millennials for multimodal transportation options is urban core renewal in many major U.S. metropolitan areas. Brookings Institute demographer William Frey found from most recent Census data that overall, “primary cities” grew more rapidly than their suburbs. This trend is heavily concentrated among about 20 of the 51 largest metro areas of the U.S., including New Orleans (ranked first), San Diego, Boston, New York, and others. Included among the fastest growing core cities were high tech and knowledge centers such as D.C., San Jose, Austin, Raleigh, Denver, and Seattle.<sup>6</sup>

This pattern is not universal among U.S. cities. There remain 30 large metros where suburban growth has been more rapid: these include both traditionally sprawl-

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<sup>3</sup> Porter, Michael E., Clusters and the New Economics of Competition, Harvard Business Review, Nov-Dec. 2008, p. 80

<sup>4</sup> Northeast Corridor Commission, The Northeast Corridor and the American Economy, April 2014. p. 34 [http://www.nec-commission.com/wp-content/uploads/2014/02/NEC\\_american\\_economy\\_report.pdf](http://www.nec-commission.com/wp-content/uploads/2014/02/NEC_american_economy_report.pdf)

<sup>5</sup> NEC Report, Ibid

<sup>6</sup> Florida for CityLab, “Where Cities are Growing Faster than their Suburbs”. June 233, 2014. <http://www.citylab.com/housing/2014/06/where-cities-are-growing-faster-than-their-suburbs/372656/>

oriented Sunbelt metros like Jacksonville, Houston, Las Vegas, and Nashville, and old metros like Detroit, Baltimore, Indianapolis, and Cleveland.<sup>7</sup>

- **Changing Transportation Investment Needs** - The patterns of urban core revitalization and the need for dense interactions among workers and firms clearly points toward a greater demand for improved and flexible transportation, particularly within urban core areas, which have become increasingly attractive. This means public transportation, of course, but it also means a broad array of transportation services for walking, biking, and downtown circulation. The American Planning Association now urges local planners to mimic the appearance and functioning of city centers by creating density through walkable centers, and providing for mixed-use development that fosters human interactions. Among the factors most important in fostering this kind of technology cluster growth is the ability to gain access to highly skilled STEM workers.

Transportation's role in the new economics of clustering and technology extend past inner city areas. There is growing awareness that cities and even major metropolitan areas are not isolated economic areas, but have the potential to connect and leverage each other's economic strengths, to create what are now often referred to as "Megaregions".

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<sup>7</sup> CityLab. Ibid