

A woman with dark hair, wearing a blue denim shirt, is seated at a wooden desk in a modern office or home workspace. She is looking down at a document she is holding. On the desk, there is a laptop, a calculator, and some papers. In the background, a kitchen area with a wooden countertop and various items is visible. The lighting is bright and natural.

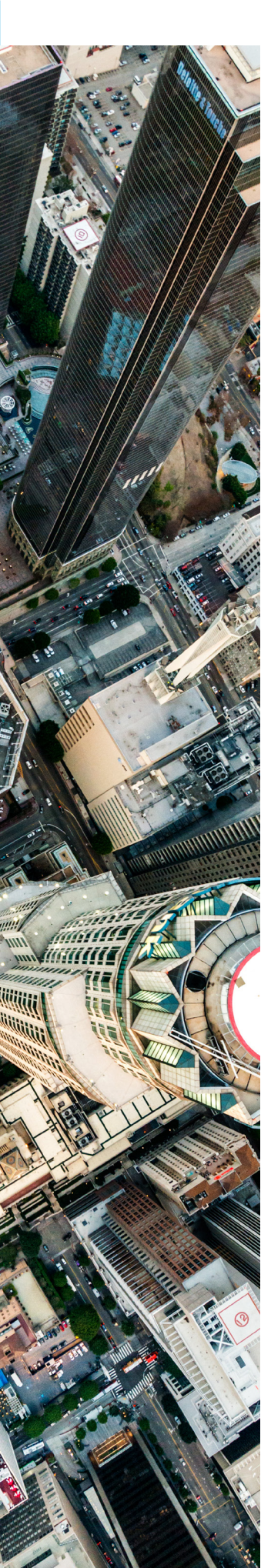
dc*i*

insights

TALENT WARS

How COVID-19 Reshaped the Battle

OCTOBER
2021

An aerial photograph of a city skyline, featuring a prominent skyscraper with a glass facade and a blue sign at the top. The surrounding area includes other buildings, streets, and green spaces.

INTRODUCTION

Since the onset of the COVID-19 pandemic, the U.S. has experienced a sort of economic whiplash—as has talent. Starting 2020 off with record-low unemployment rates, the nation then faced pandemic-induced waves of mass layoffs and furloughs by the spring, catapulting unemployment rates to exceed 14% in April 2020. Fast forward to August 2021, the U.S. unemployment rate sits more comfortably at 5.2%, but there is an emerging workforce phenomenon troubling employers and communities: a severe labor shortage across industries. The war for talent is as fierce as ever as U.S. job openings surge to more than 10 million.

Communities are left wondering how COVID-19 has changed and continues to change the talent attraction landscape, and more importantly, how they can attract the workers their employers so desperately need. The uncertainty of the current climate begs questions surrounding talent's priorities, migration patterns, remote work incentives, and of course one of the hottest topics: talent's top motivators to up and move in the middle of a global pandemic.

While countless studies and articles have emerged since March 2020 speculating how many people moved during the pandemic and where they went, DCI set out to better understand the “why” behind each move and identify potential emerging trends. The results are in—and they are fascinating.

In the fifth edition* of DCI's *Talent Wars*, our national research study on the behaviors and preferences of relocating talent, we surveyed more than 1,000 people across the United States (ages 21-65) **who moved to a new location at least 100 miles away from their previous residence since the start of the pandemic.**

*DCI's national research report “*Talent Wars*” was conducted in 2017, 2018, 2019, 2020 and 2021.



This report takes a deeper dive into the top factors talent considers when making a career or location change, where talent looks to inform their decisions, some of the most pressing topics unique to the era of COVID-19, and more—all from the perspective of talent who migrated throughout the pandemic. Understanding these factors will enable communities to position themselves to retain and attract talent.

TALENT MIGRATION:

WHERE DID TALENT MOVE?

Headlines surrounding talent migration have been circulating regularly since the onset of the pandemic, evoking images of city dwellers fleeing large metros, college students heading home to their parents, and remote workers seeking communities with lower costs of living and less traffic.

In 2020, more than seven million American households moved to different counties (Source: *The Wall Street Journal*), and naturally, trends emerged. Two major questions surfaced for communities and place marketers alike: **who is most likely to move, and is there any correlation or pattern between region size and geographic location?**

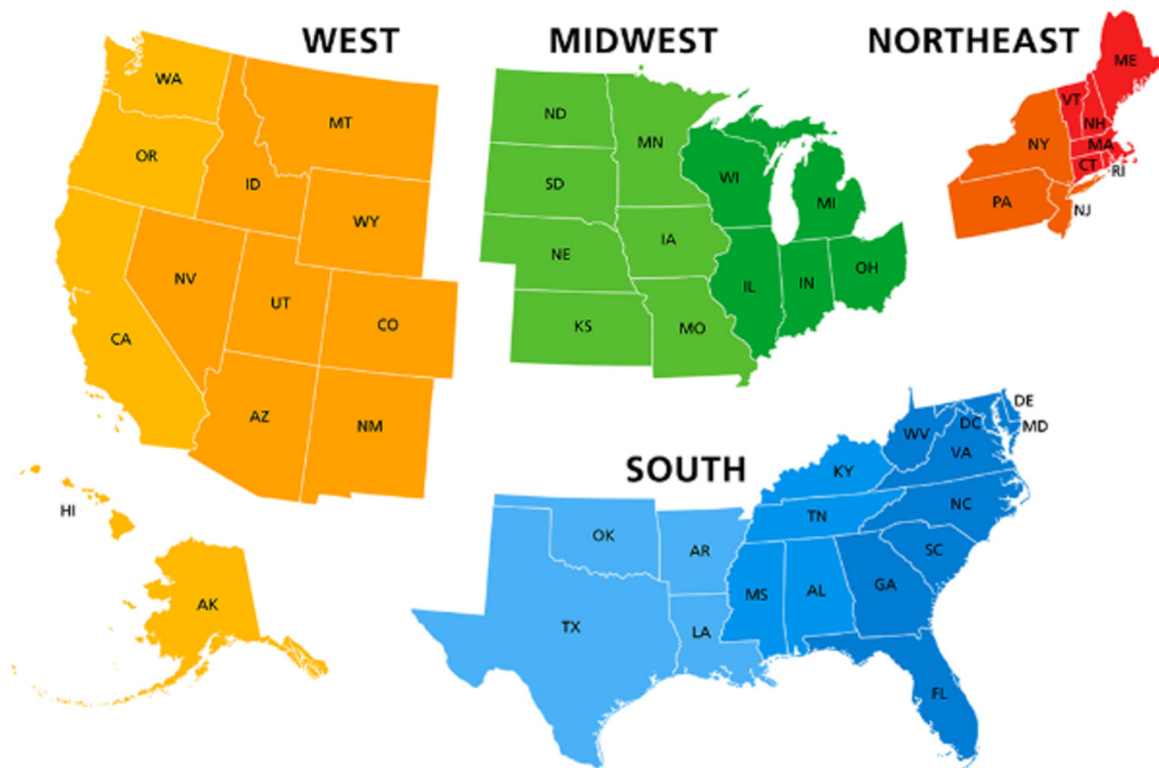
According to DCI's survey responses, the answer to that question is a resounding yes: there is a clear correlation between what type of community talent moved to and from (both community size and U.S. region). Generally speaking, most talent relocated within their original U.S. region *and* to a community type akin to their original place of residence.



Most talent relocated within their original U.S. region and to a community type akin to their original place of residence.

Region of Original Residence vs. Region of New Residence Most relocated within their original region

Region of Original Residence	Region of New Residence			
	Midwest	Northeast	South	West
Midwest	55%	11%	19%	15%
Northeast	9%	57%	23%	11%
South	9%	8%	74%	9%
West	11%	8%	22%	59%



Community of Original Residence vs. Community of New Residence
Most relocated to a similar community type

Community Type Original Location	Community Type - New Location			
	Large urban more than 1 Million pop.	Mid-sized urban less than 1 Million pop.	Rural	Suburban
Large urban area 1 Million + population	56%	22%	12%	9%
Mid-sized urban are > 1 Million population	34%	44%	10%	12%
Rural	17%	13%	50%	19%
Suburban	10%	10%	10%	70%

Takeaway While this isn’t to say talent *won’t* move outside of their current geographic location or to a different type of community altogether, it seems that talent is more likely to move within their current geographic location. Cities should ensure their talent attraction efforts include talent within a 100-mile radius. The same logic can be applied to city size: when thinking through target

talent markets, communities should especially look to cities of similar size (rural, suburban, mid-sized metro, or large metros) and customize messaging accordingly. It is also critical for markets to promote all of the different types of communities and neighborhoods within their area in order to appeal to a wider audience.

TALENT MIGRATION: THE ‘WHY’ BEHIND THE MOVE

The Role COVID-19 Played in Relocation Decisions

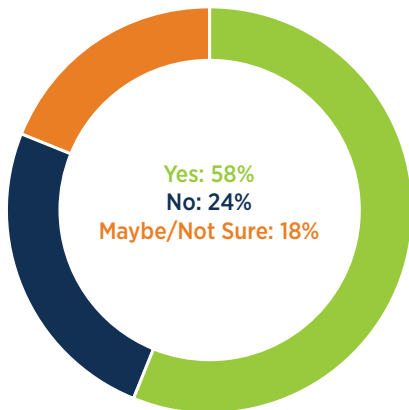
Many factors can influence someone’s decision to move—from family ties to job opportunities and everything in-between. The pandemic was a new factor thrown into the mix in March 2020, prompting talent to reevaluate

their living situations and whether their cost and quality of life was still “worth it” while sheltering in place.

To get a better understanding of just how severely the pandemic swayed talent to relocate, DCI asked talent whether they would have relocated had the pandemic *not* taken place. While most talent said that they would have still relocated regardless of the pandemic, a significant 42% of

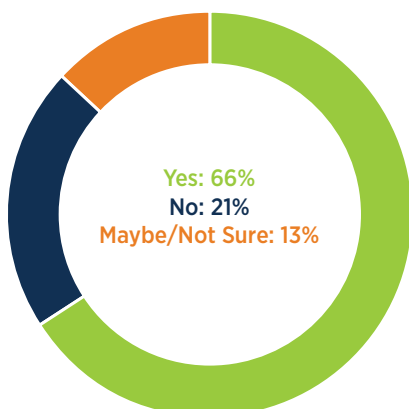
talent either said they would not have moved or aren't sure if they would have relocated had the pandemic not happened.

If the pandemic had not happened, would you have relocated to your new location?

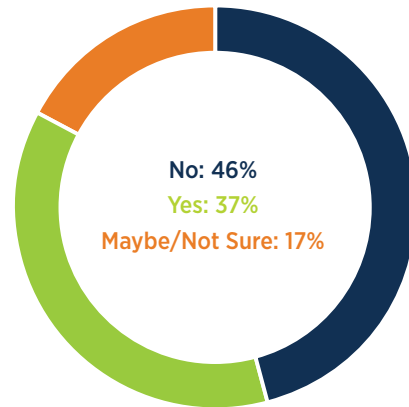


Will talent who relocated since the onset of the pandemic stay put in their new locations? Yes and no. A clear majority of talent responded that they do indeed plan to remain in their new locations for the foreseeable future. **However, approximately a third of respondents said that their recent move might not be permanent after all.**

Was your move during the pandemic permanent? (i.e., you won't be moving back to your previous location)



Do you plan on moving again in the next 12 to 18 months?



Takeaway: Despite most survey respondents claiming that their recent moves are permanent, a notable 54% of respondents are either planning to or open to a move within the next 12-18 months. The takeaway for placemakers focusing on talent attraction is that the talent opportunity is ripe, and **no talent group is considered off limits.**

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54% of respondents are either planning to or open to a move within the next 12-18 months



Talent's Migration Motivators:

A Better Quality of Life

As mentioned earlier, there are countless potential internal and external motivators that might push someone to relocate. Given this year's *Talent Wars* report focused exclusively on talent who moved since the onset of the pandemic, DCI took this opportunity to ask talent what the primary trigger was that persuaded them to make a move.

The results indicate an emerging trend in the talent attraction landscape: talent is prioritizing an improved quality of life, now more than ever. When asked about the primary triggers prompting their moves, talent's top three answers were: to have a better quality of life, to be closer to family, and to access a larger living space, respectively. More traditional, practical triggers such as cost of living or a new job opportunity fell behind those top three non-career related factors.

What were the primary triggers that caused you to relocate during the past 12 months?

(Choose all that apply)



While people wanting good lives for themselves and their families might not come as a surprise, talent's top priorities in years past revolved more heavily around job and salary, so this shift is certainly noteworthy. This is not to say quality of life has surpassed career-related factors and job opportunities when deciding on or comparing locations to move to, but rather that it is rising in importance since the onset of the pandemic.

"Quality of life" can mean a multitude of things, as the principle is entirely subjective depending on the person. To unpack this sentiment and quantify the exact factors, we asked respondents through an unaided question to define what they mean by "quality of life."

After your basic criteria have been met when considering a new location to move to (i.e., housing, job etc.), what specific quality of life factors become most important?



A better quality of life, to be closer to family, and to access a larger living space were the top three triggers for moving.

Most Important Lifestyle Factors

Good school systems | **19%**

Outdoor recreation | **13%**

Safety/security | **10%**

Jobs | **8%**

Nightlife | **8%**

Sense of community | **7%**

Lack of congestion | **6%**

Diverse, plentiful activities | **4%**

Housing | **3%**

Close to family | **3%**

This information allows us to better understand where talent's priorities lie to meet them with messaging that will resonate most. Spoiler alert: this shift is good news for places, as the initial trigger to consider relocation is more than ever, location and quality of place. Communities should provide clear, strong messaging and visuals pertaining to lifestyle factors (in addition to career factors) to appeal to talent on all fronts.

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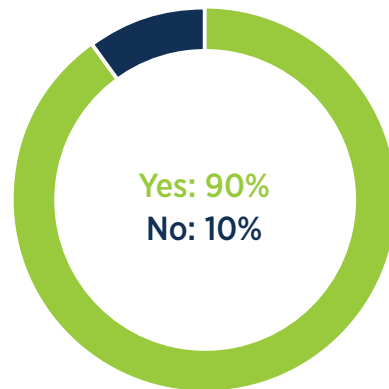
The pandemic only accelerated talent's desire and willingness to train to improve their career.

Talent's Migration Motivators:

Salary & Career Shifts

Only 21% of respondents said a primary trigger for moving over the past year was due to accepting a new job which required relocation. That being said, out of those respondents, 90% said their new jobs offered them **higher salaries**.

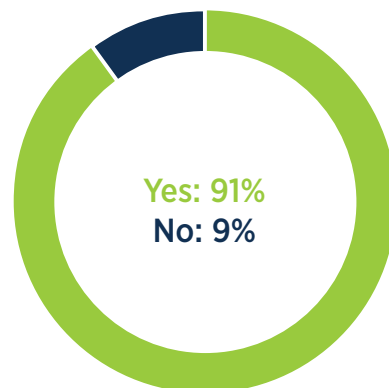
(If respondent moved for a new job)
Does your new job offer a higher salary than your previous job?



While the non-job-related factors such as quality of life and a lower cost of living were the more pressing triggers prompting relocation, the fact that only 10% of talent relocated for a job with an equal or lesser salary only emphasizes the power and importance of salary to talent. **At the end of the day, money prevails.**

Another interesting migration motivator is talent's realization of wanting a different career entirely. Fourteen percent of respondents said they relocated because they wanted a different career.

(If "realization you wanted a different career selected")
Are you actively taking steps to change your career path?



Takeaway

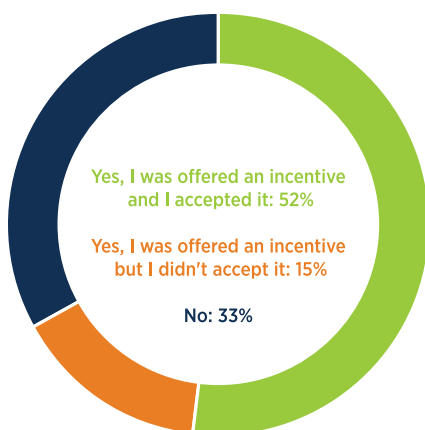
This drives home the rise and importance of upskilling and reskilling opportunities to talent. This finding suggests that the pandemic only accelerated talent's desire and willingness to train to improve their career—so willing, talent will even move for it.

Cash Incentives:

Are They Worth it?

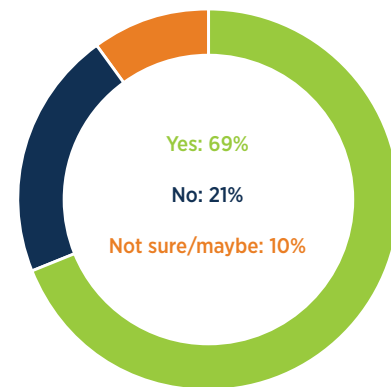
While places offering cash incentives to entice talent to relocate was by no means introduced for the first time during the pandemic, one could say this place marketing trend exploded as employers became more flexible with remote work options. If talent are not tethered to a physical office space, theoretically anyone is fair game.

Were you offered any incentives such as a financial incentive, free services or products or debt forgiveness to relocate to your current location?



When asked whether they were offered an incentive to relocate to their current location, more than 50% of respondents said that they were offered and accepted an incentive to relocate to a new location. However, a whopping 69% of those who accepted their incentives said **they would have still relocated without the incentive.**

(if “yes, I was offered an incentive and I accepted it”) Would you have relocated to your new location without the offer of an incentive?



Interestingly, 15% of respondents said they were offered an incentive to move where they did, but they didn't accept it.

Questions remain around the topic of how many people actually take advantage of incentives, and whether or not that number justifies the cost of the program. While early adopters of cash incentive programs have found greater success, some of the mid-to late-pandemic adopters haven't seen as high of a return on investment if solely measuring success by number of people who relocate. There are also other ways to measure the success of these programs and if incentive programs result in increased media coverage, public awareness and brand exposure, that alone could justify the cost.

TOP JOB FACTORS FOR TALENT



Talent is increasingly placing importance on quality of place when considering their careers.

Generally speaking, job- and employer-related factors continue to outweigh location factors for talent when considering a new job opportunity. Most talent placed more importance on the job factors than the location factors, however there was an interesting change in the order of those job factors compared to previous years.

Salary, work-life balance and company benefits have ranked as the top three factors, respectively, in this category since 2017. For the first time in *Talent Wars* history, the top three job factors this year were as follows: salary, work-life balance and a three-way tie for third place between: location of the new job opportunity, meaningful work and company benefits.

Takeaway Most talent will not relocate without a job opportunity and when evaluating these opportunities, salary will be a top deciding factor. However, talent placing the location of the job opportunity on the same level of importance as meaningful work and company benefits supports the theory that talent is increasingly prioritizing quality of place when considering their careers.

On a scale from 1 (not important) to 10 (very important), please rate each of the following factors if you are/were considering a new job opportunity?

2017 2019 2020 2021

Diversity politics



Company culture



Advancement opportunities at company



Location of new job



Meaningful work



Company benefits



Work/life balance



Salary



TOP LOCATION FACTORS FOR TALENT

When ultimately choosing a place to relocate to, more practical factors rise to the top for talent—similar to previous years. **Though the top two location factors—cost of living and housing cost—have been neck and neck for first in past reports, this year they tied for first at a 7.3 out of 10.**

Looking at the top five factors this year, it's clear that talent wants to know they can comfortably afford to live somewhere, feel safe in that location, and access quality healthcare. It is also worth noting that a welcoming and friendly local population tied for fifth place. Relocating talent will make location decisions that allow them to have a comparable or better standard of living compared to their previous residence.

How important were each of the following factors in your decision to relocate? (1=not important and 10=very important).





Talent is forming location impressions digitally (through internet research and social media) now more than ever.

Something to keep in mind when assessing these factors is the fact that **the difference between the highest-ranking factors (cost of living/housing cost) to the lowest factors (nightlife/political climate) is less than a full point difference.** No factor on this list is unimportant to talent. Does that mean that a place must excel in every single one of these factors? Of course not. No location can offer the absolute best of this entire list, as each has its own strengths and opportunities for improvement.

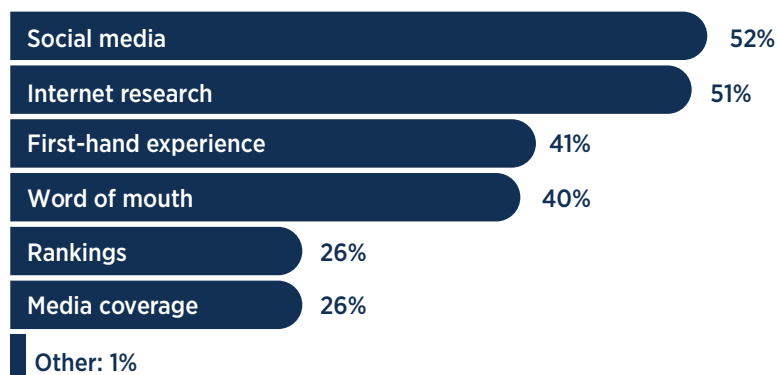
Takeaway

Practical matters such as cost of living, housing cost and housing availability are dominant factors when talent is considering relocation and they are hungry for information on their options. Communities should also identify which of the other factors align well with their strengths, and allow these factors to inform messaging and tactics when marketing to talent.

How Talent Learns About Locations

Understanding how people learn about and form impressions of locations helps communities market themselves to talent effectively by meeting them where they are. While this year's report surveyed a unique sampling of talent (those who have already relocated since the onset of the pandemic), the top responses differed substantially from previous reports. The top three responses were: social media, internet research and first-hand experience, respectively.

When you were considering places to relocate to, what influenced your perceptions of communities? (Please choose all that apply)



These results suggest that first-hand experience—historically the top answer—took a backseat throughout the pandemic, as travelling for the chance to experience a location first-hand was simply less feasible.

Additionally, talent rated access to a dedicated website that provides information about living and working in an area when considering relocation of high importance (8 out of 10).

THE BEST SOCIAL MEDIA PLATFORMS FOR TALENT MARKETING

Social media usage is on the rise, and the pandemic caused many to spend more time online than usual.

It's estimated that more than 3.6 billion people are on social media globally, and on average, internet users spend 144 minutes on social media **each day** (Source: Sprout Social).



To best market to talent, it's important to understand where people go to learn about communities. We know that social media was listed as talent's biggest influence when forming perceptions of communities. The question is, which platforms rise to the top when talent wants to learn more about employment opportunities and new places to live?

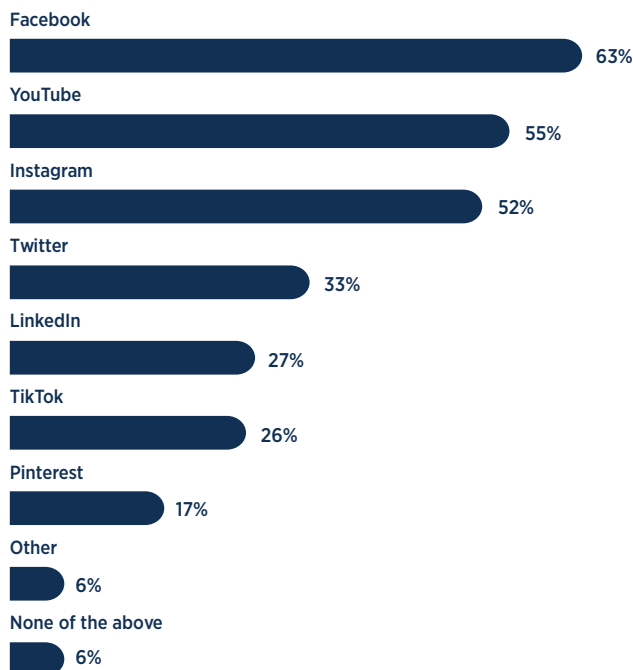
Similar to previous years, Facebook was listed as the top social media platform for talent when learning about both employment opportunities and places to live. Unlike previous *Talent Wars* reports, however, talent listed YouTube as the second most frequently used platform—less than 10% behind Facebook—for learning about employment opportunities and places, officially edging out Instagram.

Takeaway Knowing that YouTube is the second most popular search engine in the world—receiving more than two billion logged-in users per month—communities should ensure they have a presence on YouTube and are incorporating search engine optimization (SEO) showcasing the region's companies, employment opportunities and sense of place.

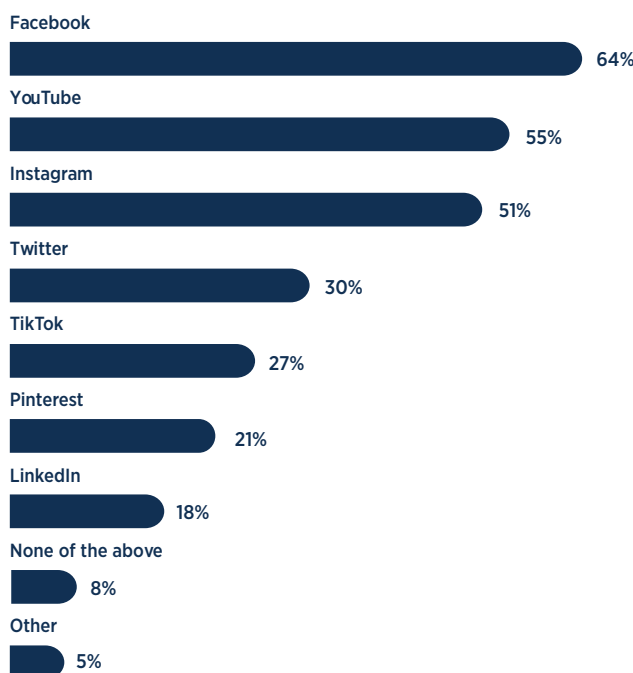


Talent ranked YouTube the #2 social media platform for learning about employment opportunities and places to live—behind Facebook, but ahead of Instagram.

What social media sources do you most frequently refer to when learning about new employment opportunities and places to work? (Select up to three)



What social media sources do you most frequently refer to when learning about new places to live? (Select up to three)



THE TALENT OPPORTUNITY: TRAINING & CAREER CHANGES

No U.S. city or company is unfamiliar with—or immune to—the labor shortage currently plaguing the nation. In July 2020, there were five unemployed Americans for every one job opening. **Fast-forward to July 2021, the number of unemployed individuals dropped significantly: to less than one unemployed person per job opening** (0.8 to be exact).

There are many theories surrounding the “why” behind this phenomenon, such as a lack of childcare for working parents (especially working mothers), expanded unemployment insurance benefits, and talent’s mindset shift of wanting a better life with better wages, benefits and more meaningful work. The third theory here supports why certain industries are hurting more than others...especially some of the lower-paid, service-oriented and hospitality fields.

In short, talent is interested in upgrading their careers and they’re putting in the work to make it happen.

In *Talent Wars* 2020, DCI asked talent just how willing they would be to undergo additional training if it allowed them to upgrade their career paths. We discovered that **82% of respondents would be willing to undergo additional training or education to shift their career path**. Moreover, talent would be willing to relocate to access free training, and some may even be willing to foot the cost if it meant access to new job opportunities.

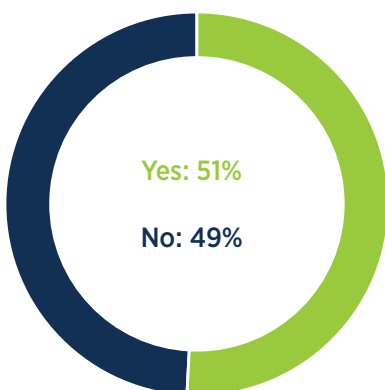
DCI followed up with this exact topic in 2021, asking talent whether they decided to change their careers as a direct result of the pandemic. The responses were almost an exact split down the middle.

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Talent is interested in upgrading their careers and they’re putting in the work to make it happen.

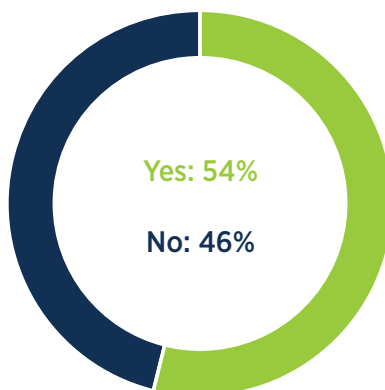


As a result of the pandemic, did you decide to change your career?



In addition to a staggering 51% of respondents deciding to change their careers due to the pandemic, 54% of respondents enrolled in or completed additional training or educational programs to change or upgrade their employment.

During the pandemic, did you enroll in or complete any additional training or educational programs in order to change or upgrade your employment?



Takeaway

It's very possible that companies and communities will lean further into upskilling, reskilling and work-based learning programs, and companies will place less of an emphasis on college degree requirements when unnecessary for the role. Communities can clearly market their upskilling and reskilling programs for talent, outlining how long the programs take to complete, and the job title and salary they could obtain once done.



THE DIGITAL NOMAD AND TALENT'S TAKE ON WORKING FROM HOME

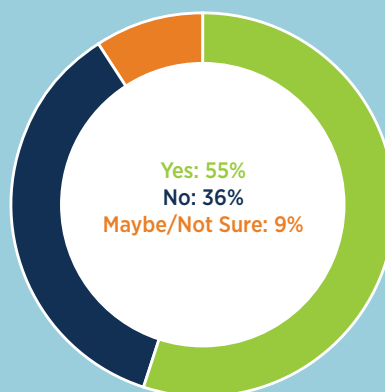
When work-from-home mandates came about in spring 2020, the war for talent became that much more competitive. After all, when a new wave of remote talent could suddenly go *anywhere*, communities were left wondering how they could win over this new generation of digital nomads.

Since then, the pros and cons of working from home have been widely debated. With factors such as childcare access, productivity, human connection and socialization, commute times and more up for discussion, there really is no singular perfect solution that would appeal to *all* of talent.

So approximately a year and a half into the pandemic, where does talent stand? First, DCI wanted to uncover just how many people of the thousand-plus respondents identified as true digital nomads. For the purposes of this report, a digital nomad is defined as, "People who are location-independent and use technology to perform their job, while traveling from place to place. Digital nomads work independently or remotely, telecommuting rather than being physically present at a company's headquarters or office."

Interestingly, **more than half of the respondents identified as digital nomads.**

Would you call yourself a digital nomad?

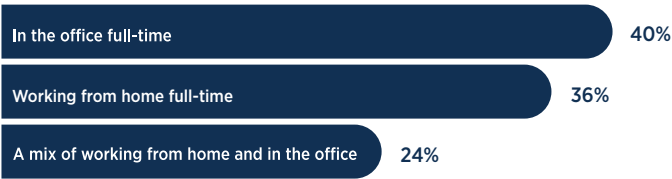


The Future of Remote Work

DCI then asked talent what their preferences would be surrounding remote work, assuming COVID-19 restrictions were fully lifted (under the assumption that talent would feel safe going into a physical office with coworkers).

While 60% of respondents said they would like to either work from home full-time or have a mix of working from home and going into the office, a significant 40% of talent responded that they would prefer to go into the office full-time.

What would be your preferred work arrangement once stay at home mandates are fully lifted?



This gravitation toward coming into the office has increased since DCI surveyed talent about work-from-home preferences in the summer of 2020. However, an interesting discovery when analyzing the data revealed that talent’s work-from-home preferences are far more complex than a simple “yes” or “no.” A person’s appetite for physically coming into the office differs by age, gender and race.

	All	People of Color	Ages 35-44	Computer and Mathematical Occupations
A mix of working from home and in the office	24%	22%	22%	17%
In the office full-time	40%	33%	47%	51%
Working from home full-time	40%	45%	31%	32%

	All-2021	All-2020
A mix of working from home and in the office	24%	22%
In the office full-time	40%	33%
Working from home full-time	40%	45%

Takeaway

To summarize, working from home is still an attractive benefit for some talent but it differs by demographic group and occupation and the appeal has declined from the peak of the pandemic. About 60% of respondents (down from 75% in 2020) like to have the option for a flexible work environment. Communities should highlight any remote worker resources and details available (information on internet connectivity and speed, coworking spaces, newcomer groups to get connected in the community, etc.).

CONCLUSION

FIVE TALENT WARS TAKEAWAYS

- 1. THE TOP TRIGGERS INSPIRING RELOCATION RELATE TO QUALITY OF LIFE.** While talent still makes decisions on where they will locate based on the financial impact (whether that pertains to a job position's salary or a place's cost of living), the motivators to make a change in the first place increasingly have to do with improving their quality of life. When asked what the primary trigger was to move 100+ miles from their original location, talent said to obtain a better quality of life, to be closer to family, and access to a larger living space, respectively. While those are the top **motivators** to move in the first place, the top **location factors** for talent are cost of living and housing costs. The top **career factors** are salary and work-life balance. Communities should paint the picture of how talent could have an improved quality of life in your location, while still addressing the more practical factors such as cost of living and the housing market.
- 2. TALENT TURNS TO DIGITAL RESOURCES TO LEARN ABOUT NEW LOCATIONS.** For the first time in *Talent Wars* history, “first-hand experience” was *not* the top answer when asking talent how they form impressions of a location. Instead, social media and internet research almost tied for the top response at 52% and 51%, respectively. This change in answer is likely because talent was not as able to travel in-person due to COVID-19 restrictions and precautions, however communities should still take this as a sign to ramp up their presence on social media and increase search engine optimization (SEO) efforts in order to be discovered by talent online. **What talent finds online is oftentimes their first impression of a community.** Do what you can to control that narrative, offering talent the best (digital) first impression as possible.

3. PEOPLE GENERALLY STICK TO THEIR COMMUNITY TYPE AND SIZE.

Despite the anecdotal stories and media headlines evoking images of city dwellers leaving in the masses for suburban and rural living, it turns out that generally speaking, **talent who moved amid the pandemic went to a community of similar type and size.**

This means that most people who moved from a large urban area went to another large urban area, most people who moved from a suburban community went to another suburban community, and so on. While this isn't to say that convincing talent to move to a completely different type of city and region is *impossible*, the data does suggest that it might be easier to motivate talent to move to a similar community type. This also underscores the importance of places marketing the location regionally when it is strategic.

4. THERE IS NO ONE SIZE FITS ALL ON HOW TALENT PREFERS TO WORK MOVING FORWARD.

The rise of remote work is real, however not all talent wants to work from home all the time. The appeal of working from home has declined since the peak of the pandemic and some workers are looking to return to a physical office whether it is for improved networking, to minimize distractions or to foster greater collaboration. The bottom line is to make it as easy as possible for talent to find opportunities regardless of the type of work environment they're looking for.

5. INCENTIVES CAN PLAY A ROLE... BUT MAKE SURE THEY ARE TAILORED TO YOUR LOCATION.

Whether offered by an employer or by a community, talent is being offered a range of different types of promotions to relocate. Communities should think long and hard about whether to incentivize talent as most respondents report they would have relocated without an incentive. However, programs that have emerged during the pandemic—many of which are offered to attract remote workers—are the darling of the media and could result in increased media coverage, public awareness and brand exposure. It will be up to each community to decide whether the return on investment is worth the expense.

As we have seen since early 2020, the pandemic has undoubtedly affected talent's plans and priorities and will continue to do so. It's hard to say what the lasting impact of COVID-19 will be in the future considering we are still living in it, however the research tells us that talent is still hungry for opportunity: job opportunities, training opportunities, and increasingly so, the opportunity for a better quality of life. Communities can fill this space by helping talent connect with the open jobs and helpful relocation resources they have to offer.

About DCI

Development Counsellors International (DCI) specializes in economic development, tourism and talent attraction marketing. DCI combines our place marketing expertise with our deep research on your target audience to create a strategy that attracts talent. Our tailored approach gives employers the tools they need to tout location, as well as build awareness, change perceptions and generate interest among talent.

Headquartered in New York City and with regional offices in Los Angeles, Denver and Toronto, DCI has worked with more than 500 economic development groups and destination marketing organizations since the agency was established in 1960.

Interested in learning more? Have specific talent questions? We'd love to explore how we might assist your community.

Our areas of expertise include:

- Customized Research/Perception Studies
- Speaking Engagements
- Virtual Career Fairs
- Website Design
- Digital Media
- Public Relations
- Content and Collateral Creation
- Marketing Strategy
- Brand Development



Robyn Domber

Vice President, Research

Development Counsellors International

215 Park Avenue South, 14th Floor

New York, NY 10003

Phone: 973.432.4641

www.aboutdci.com

