



AMERICAN UNIVERSITY'S KOGOD SCHOOL OF BUSINESS
GREATER WASHINGTON INDEX 2016
MILLENNIALS

**LETTER FROM KIMBERLY HORN,
REGIONAL PRESIDENT OF KAISER PERMANENTE OF THE MID-ATLANTIC STATES**

It is no surprise that Washington, DC, and surrounding communities comprise one of the country's most dynamic employment markets.

In this hub of government, industry, research, medical care, technology, and academia, we are actively working with partners to identify the best strategies to attract the Millennial generation to the workforce.

Kaiser Permanente of the Mid-Atlantic States is especially committed to tailoring opportunities for this influential generation to advance the total health of the members and communities we serve.

We are proud to invest in the enclosed 2017 Millennial Index compiled by American University's Kogod School of Business to explore the current climate, anticipate trends, and consider the many elements that will bring Millennials—with their unique talents and perspectives—to the region's workforce.

We hope you find this information compelling, useful, and empowering as you welcome future leaders to the Nation's Capital.



Kimberly Horn
Regional President
Kaiser Permanente of the Mid-Atlantic States



DIRECTOR'S WELCOME



I am proud to present the second annual Kogod Greater Washington Millennial Index covering the performance of the greater Washington DC area in 2016. We began researching Millennials in 2015 because we heard from the business community that there was a real need to understand what is important to this next generation of workers and leaders. The first report attracted strong interest among the media, local government officials and business leaders across the region because it dispelled myths and gave decision makers hard data on how to better meet Millennial needs. For this second report, we have expanded the research to provide comparisons between the greater Washington area and other major cities in the country, and to dig deeper into Millennial attitudes and goals. I am pleased that we can continue to share insightful, actionable research to the local business community.

The Greater Washington Millennial Index reports are valuable tools for anyone wishing to better understand, attract, manage or retain Millennials in the greater Washington area. Special thanks go to our sponsor, Kaiser Permanente, for underwriting the research, and to Jim Dinegar at the Greater Washington Board of Trade for his ongoing guidance. I hope you will find the information useful and relevant.

Erran Carmel

Professor of Information Technology and Director, Business in the Capital Initiative
Kogod School of Business at American University

ABOUT THE BUSINESS IN THE CAPITAL INITIATIVE

The Kogod School of Business established its “Business in the Capital” initiative to provide insight on key regional issues and start productive conversations about improving the greater Washington business climate. Kogod is committed to sharing its research and expertise with policy makers and business leaders to build the greater Washington area economy.

The Business in the Capital initiative also benefits the future business leaders we are training in our classrooms. As the DC area’s oldest business school, Kogod has been educating students for over 75 years, many of whom stay and contribute to the regional economy. The Business in the Capital programs — research papers, industry discussions, speakers and events — create even stronger bonds between our business school and local businesses in order to better prepare our students to work in Washington and the world.

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EXECUTIVE SUMMARY

The greater Washington area remains highly attractive to Millennials! The 2016 Kogod Millennial Index measured the power of that attraction at 126%, which is 26% above the average location in the US, and a point higher than the 2015 index value. Compared to other major cities in the country, Washington comes in *second* based on what local Millennials said they were looking for in a place to live and work — ahead of Boston, New York, Denver and other cities Millennials flock to. Only San Francisco, with its moderate weather and tech-heavy job market, ranks higher than the greater Washington area. The 2016 Kogod Millennial Index findings are consistent with other major rankings: Forbes named three DC-area locations (Arlington, VA, Alexandria, VA, and Washington, DC) to its “10 Best Cities for Millennials in 2016” list. No other major metro area in the country rated more than one location in the top 10, yet DC earned three!

Underneath the stability in the index from 2015 to 2016 are a few changes in what Millennials rate as important when choosing a place to live and work. Salary levels moved up to be the second most important factor out of 33, right behind job availability. The strength of the area’s job market — unemployment at 23% better than the nation as a whole and salaries 36% above the national average — propelled the index ahead. The costs of health care and childcare, added to the index in 2016, both had a favorable impact on the index. Health care was rated high in importance and the cost is on-par with the national average, which is much better than the cost factors measured in 2015. Childcare, while 15% less affordable than the national average, was rated overall as one of the least important measures to the Millennials surveyed so its impact in the index went down versus 2015 when it was included in the general category of goods and services.

Importantly, the 2016 index confirms several of the surprising findings from 2015:

- Over 60% of Millennials in the greater Washington area are driving to work
- DC area Millennials have not given up on the traditional goals of marriage and children: 35% are married, another 15% are coupled up, and 21% have children at home
- Student loan debt is not oppressive: 42% have no student loan debt and only 14% are paying \$600 or more per month
- The region’s amenities and people are the least important factors, with less than 20% ranking one or the other as their top priority when choosing where to live and work

For the second year of the Millennial Index we dug deeper into some of the concerns surfaced in 2015: How many people would use Metro if it were cheaper, faster or more convenient? How many feel like the cost of living is too high to stay in the area forever? How concerned are they about crime? Plus we queried more forward-thinking issues — their goals over the next three to five years and which benefits they would like to see their employers offer. Among the interesting findings:

- Over half of Millennials surveyed could use Metro to commute but don’t because it’s too unreliable, expensive and/or time consuming
- Only 43% agree that DC is a manageable, highly livable city and almost half say the Washington area is too expensive to live here forever

- Very few Millennials are interested in starting their own business within the next five years
- Only 16% of Millennials rank saving for retirement as one of their top two goals over the next three to five years
- Among non-traditional benefits, Millennials are very interested in paid sabbaticals after five years of employment and home ownership savings accounts

Overall, the greater Washington area remains attractive to Millennials, and at a high margin compared to most other top cities. But as the generation ages and shifts its focus to family life, more and more will question the long-term viability of remaining in the region. Yes, the job market is among the best in the country, but the high cost of living, horrendous traffic and high crime levels can make both their daily lives and their future prospects look unsatisfactory. By staying apprised of Millennial priorities and goals, and how they shift as both the Millennials and the surrounding area change, business and community leaders will be better equipped to retain these diverse, highly educated individuals in the greater Washington area.

MILLENNIALS IN THE GREATER WASHINGTON AREA

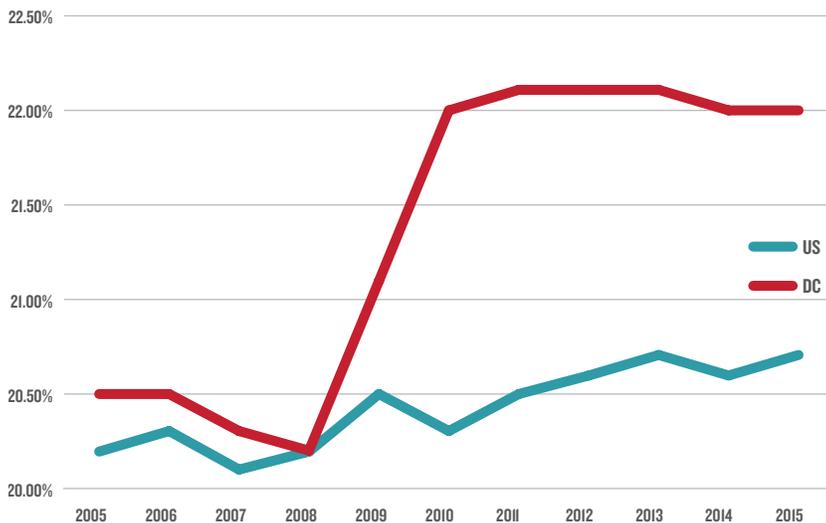
Millennials are more than just the most buzz-worthy generation that has ever lived. They are the largest segment of the United States population and the largest share of the workforce, even though many of their number have yet to graduate from high school or college. Millennials are the consumers and leaders of the future, and attracting their tech-savvy skills and forward-thinking perspectives will be essential if cities want to grow, and more importantly, thrive, in the coming decades.

The greater Washington area has been a favorite with Millennials since 2009, when the country was in the grips of recession and job prospects were grim. Millennials came to Washington for the strong economy (jobs in the Washington area only declined by 2.0% in 2009, compared to 4.6% for the nation as a whole) and stayed as the city revitalized around them. At the time of last

year's report, Millennials declined slightly as a percent of the greater Washington area and we wondered whether the trend would continue downward as other cities finally put the recession in their rear view mirrors and started to attract more than their fair share of recent graduates and young professionals.

The latest round of census estimates shows the greater Washington area holding its own, maintaining Millennials at 22% of the population. While the data is strong, the rest of the country saw a slight uptick over the last six years as the greater Washington area remained flat, reinforcing the need to continue tracking and understanding Millennial priorities, and to evolve government and workplace policies to address their needs.

MILLENNIALS WITHIN THE POPULATION



Source: US Census, Adults 20-34

WHO ARE MILLENNIALS?

The Millennial generation follows Generation X, beginning with people born in 1981 and continuing through 1999, although a definitive end date for the generation has not been agreed to. The oldest Millennials turned 35 in 2016 and the youngest are in their late teens. Millennials are now the largest living generation, numbering around 87 million members. Millennials surpassed Gen X as the largest segment of workers in early 2015 and their size and impact in the workplace will continue to grow as the youngest members finish their education and enter the workforce.

Like every new generation that comes along, Millennials have been a keen topic of analysis and discussion for years. Millennials are the first generation of digital natives, relying on technology to live, work and socialize, and expecting automation, customization and always-on access to what they want. They are more educated — 34% of Millennials over 25 hold a Bachelors degree or higher — and more diverse — 44% are non-white — than any prior generation. They often value experiences over things, placing more emphasis on travel and social events than on material goods. Millennials have come of age during a financial crisis, recession and slow recovery, and they are struggling under the highest student loan burden in history. They are not getting married, having children or buying homes at the same pace as prior generations, although recent trends suggest that they have delayed rather than forsaken these traditional goals.

THE KOGOD MILLENNIAL INDEX: BACKGROUND

The *Kogod Greater Washington Index: Millennials* was conceived in 2015 to address two key questions for business and government leaders in our region:

1. What do Millennials want?
2. How does the greater Washington area measure up to their needs?

To answer the first question, we created a list of work and lifestyle items based on previous studies of Millennial habits and interests, then surveyed Millennials living in the greater Washington area to determine how each of these items affects their decisions on where to live and work. The items were grouped into five major categories — Jobs, People, Amenities, Affordability and Career Options — and respondents were asked to rate the importance of each item and each category. They were also asked to rank the major categories in order of importance, forcing them to differentiate even if they felt all the items were of equal importance.

The results of the first survey, published in January, 2016, provided baseline measures of how Millennials decide where to live and work. The second survey — expanded to provide additional depth on the hot-button topics of costs, commuting and crime — was fielded in the fall of 2016 among greater Washington area Millennials, and the 504 completed responses are detailed in this report.

To answer the second question (How does the greater Washington area measure up to Millennial needs?), we compiled objective data on every factor in the index. We calculated how the greater Washington area stacks up against the average across the US, or against a peer set of large cities when national data was unavailable or not

meaningful. By comparing the importance of each item to the greater Washington area's ability to deliver what is desired (a low crime rate, a short commute or high salaries, for instance), we begin to see where the region is satisfying Millennial needs and where it's falling short.

The Millennial index is a single number designed to summarize the attractiveness of the greater Washington area to Millennials. It provides a quick snapshot to compare the region's performance from year to year. The Millennial index is comprised of scores for each of five major categories — Jobs, Affordability, Career, Amenities and People — and for five to eight individual factors (33 in total) that make up each category. For each factor, we determined both an importance score and a delivery score, then aggregated the values based on their relative importance to greater Washington area Millennials.

- **Importance Score**

Rating of how important each factor and category is to greater Washington area Millennials, derived from survey data. Maximum score is 100.

- **Delivery Score**

Assessment of how well the greater Washington area is delivering against the factors and categories, calculated from publicly available data on the Washington, DC metropolitan statistical area (MSA) compared to national averages. Delivery score is an index, where 100% means the greater Washington area is on par with the nation. Values over 100% indicate the greater Washington area is doing better than the national average while values below 100% indicate the area is doing worse.

OVERALL SCORE

2016 KOGOD GREATER WASHINGTON INDEX: MILLENNIALS

126%

- RELATIVE TO 100%, AN “AVERAGE” US LOCATION
 - UP FROM 125% IN 2015
 - #2 AMONG THE TOP 20 U.S. METRO AREAS
-

The greater Washington area remained well above average among Millennials in 2016, with an overall index score of 126%. When all 33 factors were compared to national averages then weighted by how important they were to area Millennials, the greater Washington area was 26% higher than an “average” US location in terms of satisfying Millennials. For comparison, both Dallas and Los Angeles rated on par with national averages, earning a Millennial index score of 100% each.

The index score is up slightly from the 2015 score of 125%. From 2015 to 2016 the region lost ground on some factors and posted gains on others while the rated importance of the factors moved around slightly. Taken together, the changes in Millennial priorities and the region’s delivery against those priorities net out to a continued high level of appeal to Millennials despite the increased competitiveness of other job markets, the continuing growth in both population and traffic in the region, and ongoing frustrations over Metro and its SafeTrack shutdowns and delays.

WASHINGTON COMPARED TO OTHER TOP CITIES

The majority of Millennials who live and work in the greater Washington area made the choice to come here (58% did not grow up in the region) and few are so committed to the area that they are unwilling to move away (only 9% say they will definitely not leave in the next five years). The greater Washington area is in constant competition with other major cities to attract the best and the brightest. It is no surprise that Millennials prefer cities — they have lots of jobs, plenty of things to do, and large populations of similarly young, educated and diverse people to meet and socialize with.

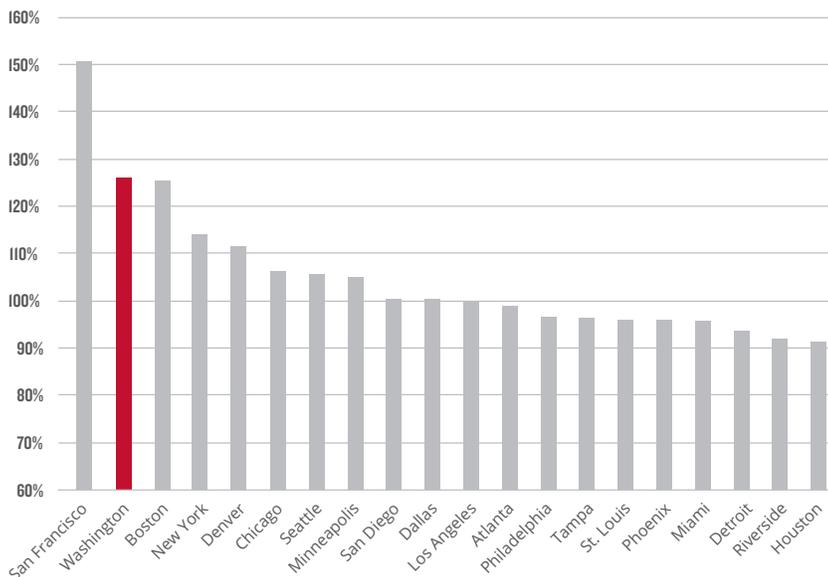
For comparison purposes, we analyzed the top 20 metropolitan areas in the country according to our Millennial Index formula to see how Washington compares. It is important to note that this index is based on the unique priorities and concerns of Washington area Millennials, so it does not necessarily reflect how Millennials in other cities feel about their own cities. It is likely, for instance, that Washington area Millennials are more concerned about costs and traffic,

both of which are challenging in the region, and professional jobs, which brought many of them to the area. Millennials in other cities are likely to weight the factors differently.

Looking across metro areas, Washington ranks second behind San Francisco, a point ahead of number three Boston, and eleven points ahead of fourth place New York. Among the 20 cities, three (San Diego, Dallas and Los Angeles) place on par with national averages (100%) in the index. Eight of the 20 cities place above average while nine place below. The ratings show extreme variations at the top (San Francisco leads the list with a whopping 151%) but much less differentiation at the bottom of the list (Houston is lowest, rated at 91%). The tightness of the composite numbers may not be surprising given that each of these 20 metropolitan areas is large and has abundant amenities, jobs and career options to keep Millennials satisfied. Even the Detroit area, which has been through a decade of economic decline, still performs better than many cities on the most highly

CITY	MILLENNIAL INDEX	POPULATION RANK
San Francisco	151%	11
Washington	126%	7
Boston	125%	10
New York	114%	1
Denver	111%	20
Chicago	106%	3
Seattle	106%	15
Minneapolis	105%	16
San Diego	100%	17
Dallas	100%	4
Los Angeles	100%	2
Atlanta	99%	9
Philadelphia	97%	5
Tampa	96%	19
St. Louis	96%	18
Phoenix	96%	14
Miami	96%	8
Detroit	94%	12
Riverside	92%	13
Houston	91%	6

TOP 20 CITIES - MILLENNIAL INDEX



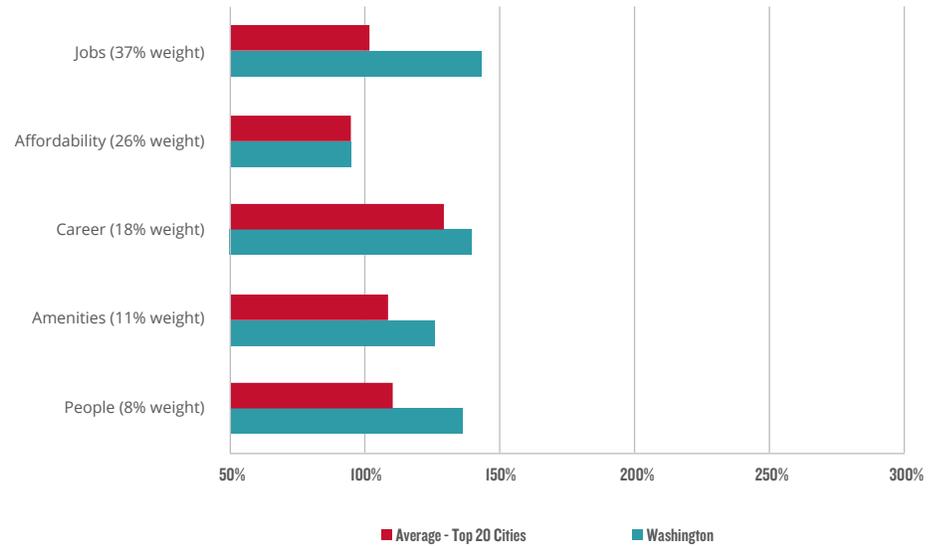
rated factors: it has better salaries than seven of the top 20 cities, faster commutes than 15 and lower costs than 12.

According to this analysis, Washington's closest "competition" among Millennials comes from San Francisco and Boston. Looking just at those top cities, Washington wins on jobs, which accounts for almost 40% of the index calculation. In fact, Washington's score on jobs is above all other cities including both San Francisco and Boston. Washington also appears to be affordable compared to those other top cities; costs in the greater Washington area are on par with the average costs across the top 20 cities and much less expensive than both San Francisco and Boston.

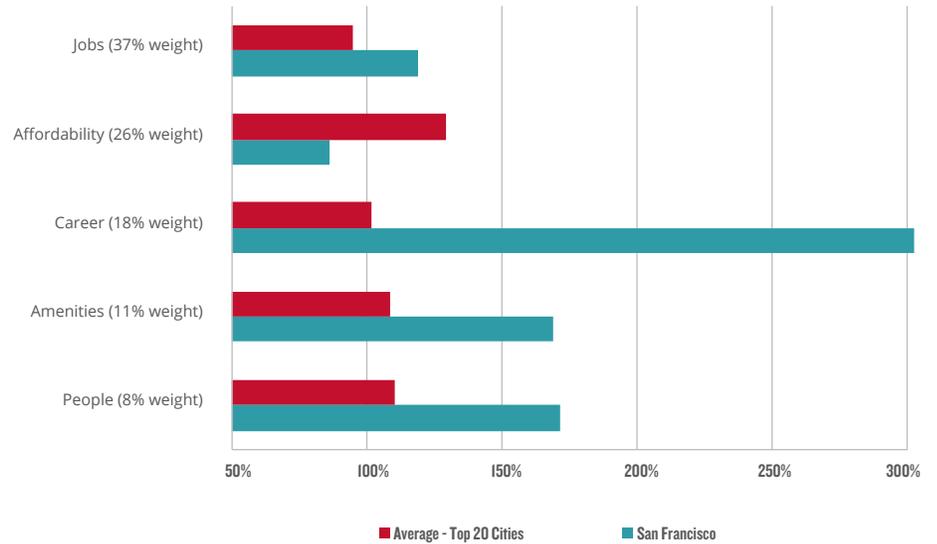
San Francisco's high score is partially driven by strong performances in both the People and Amenities categories, although together those only account for 19% of the index calculation. San Francisco is even more diverse, more international, more educated, and more social than Washington. More sun, less crime and shorter commutes help too. Boston shines in the Career category, with more large companies, more graduate schools and higher job growth than Washington. Both Boston and San Francisco surge ahead of Washington on one career factor — resources available to start-ups. San Francisco dwarfs the field with 15 times as much per capita venture capital as the nation as a whole, and Boston gets almost seven times as much, compared to Washington's double-the-average amount.

New York, with its close proximity to Washington and largest city status, is also a big draw for Millennials. New York gets the highest rating for Amenities of any city — over one-third higher than Washington's score — but falls behind in the very important Jobs category. Unemployment is above the national average and mean salaries are lower than 14 of the other 19 cities (27% lower than Washington). New York is also huge, with over 20 million residents, and more racially diverse but not as concentrated with Millennials, college graduates or professional positions as San Francisco, Washington and Boston.

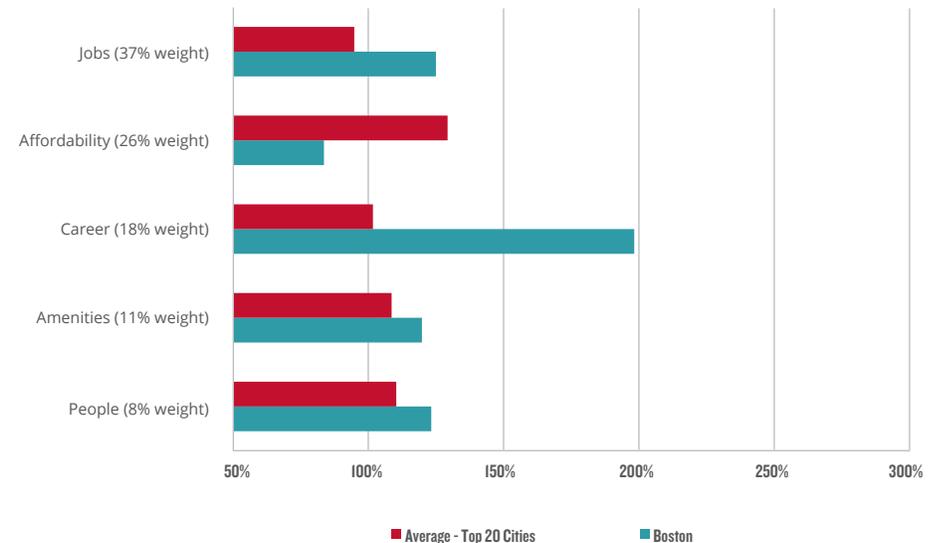
WASHINGTON VS. OTHER CITIES - BY CATEGORY



SAN FRANCISCO VS. OTHER CITIES - BY CATEGORY



BOSTON VS. OTHER CITIES - BY CATEGORY



DRIVERS OF THE OVERALL INDEX SCORE

The Millennial Index score provides a quick and easy way to capture the health of the region and compare its attractiveness across years. The score is an aggregate of five major categories, weighted based on their importance to Washington area Millennials. The chart at the right shows the relative impact of each category on the overall index.

Similar to 2015, Jobs and Affordability are the two biggest components of the Millennial Index, accounting for almost two-thirds of the overall calculation. Long-term career factors continue to claim the middle spot, only half as important as Jobs but as important as Amenities and People put together.

Jobs continue to be the top priority for Millennials, many of whom moved to the greater Washington area specifically for a work opportunity. The region continues to strongly outperform national averages on the key job factors of salary and unemployment. The delivery score for Jobs in 2016 is 143%, virtually identical to the 144% achieved in 2015.

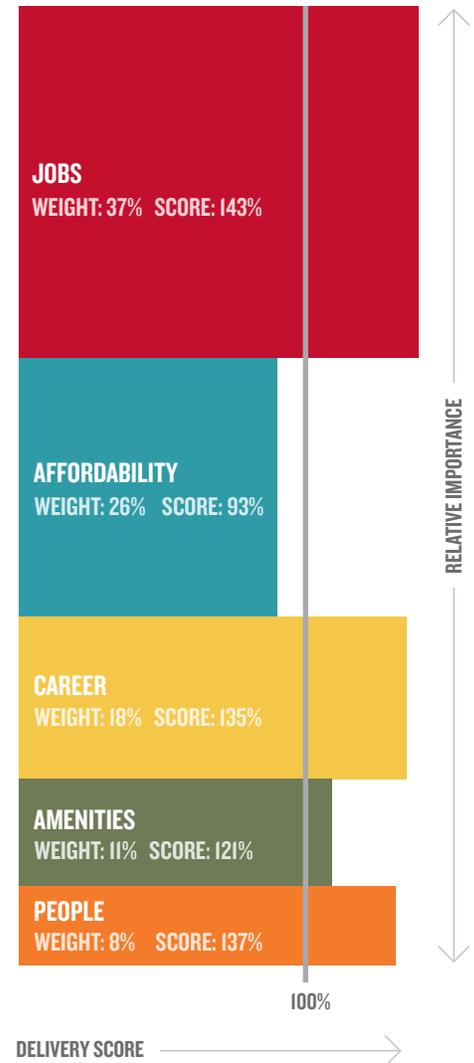
Affordability is the second highest priority for Millennials and the greater Washington area — like many cities — scores well below national averages for affordability factors such as housing, groceries, utilities and good and services. For 2016, two affordability factors were broken out as independent items to better gauge their importance to Millennials — health care and childcare. The greater Washington area's delivery score for affordability inched

up slightly from 91% in 2015 to 93% in 2016 in part because the cost of childcare (which is very expensive in the region) was deemed unimportant overall, and the cost of health care (which is more affordable in this area compared to the national average) was rated among the top third of factors. Together, the rebalancing of cost inputs helped the index from being dragged down by ever-rising housing prices.

Career options account for 18% of the overall index, and the greater Washington area remains well above average with a delivery score of 135%. Strong relative growth in the region's job market compensated for slight declines in the amount of money available for start-ups and the per capita number of medium and large employers in the area.

The Amenities and People categories continue to be of relatively low importance to Millennials, despite those factors being the ones most visible and most often discussed in the media. The greater Washington area — vibrant, diverse, educated and teeming with things to do — continues to score well above average in both categories but the overall impact on the index is small because Millennials place higher priorities on the traditional adult concerns of jobs, affordability and career options.

WHAT'S DRIVING THE OVERALL INDEX SCORE



WHAT'S IMPORTANT TO MILLENNIALS

The five most important factors in 2016 are the same as last year: availability of jobs, salary levels, cost of housing, crime rate and commuting, although the order has changed slightly. Salary levels moved up two spots to be the second most important factor. Cost of housing, crime rate and ease of commuting stayed in the same relative order as 2015 with only minor fluctuations in their importance. As stated last year, the top 5 factors all relate to the basic needs for physical, psychological and economic safety, primary needs that must be fulfilled before Millennials can turn their attention to leisure and social activities.

Noteworthy is that jobs and salaries are now the top two most important items, with the availability of jobs being even more pronounced as the number one priority in 2016. Clearly Millennials in the greater Washington area understand that having

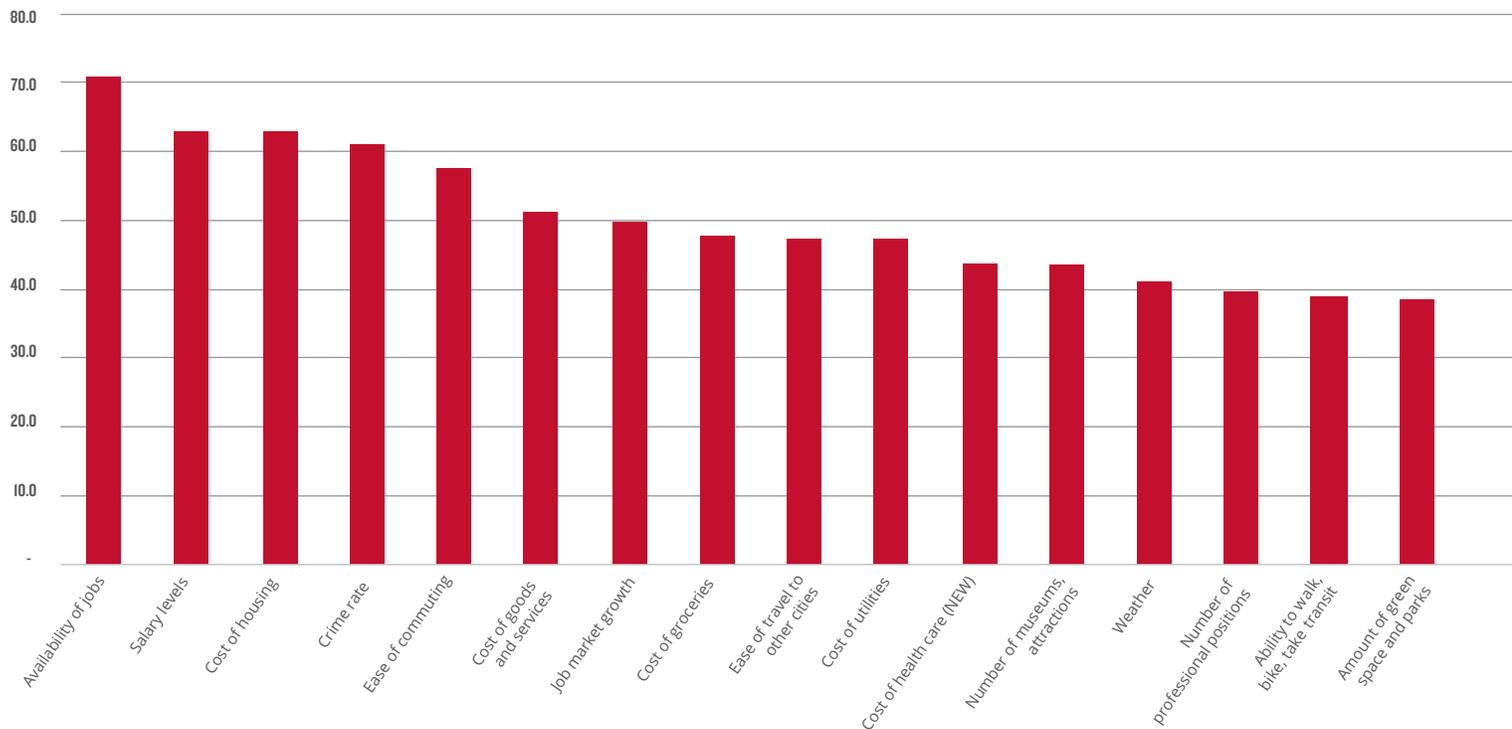
a job, and ideally a high paying one, is a lynchpin to their existence since the cost of living in the area is high, their financial resources tend to be low, and less than a quarter of them are still living at home.

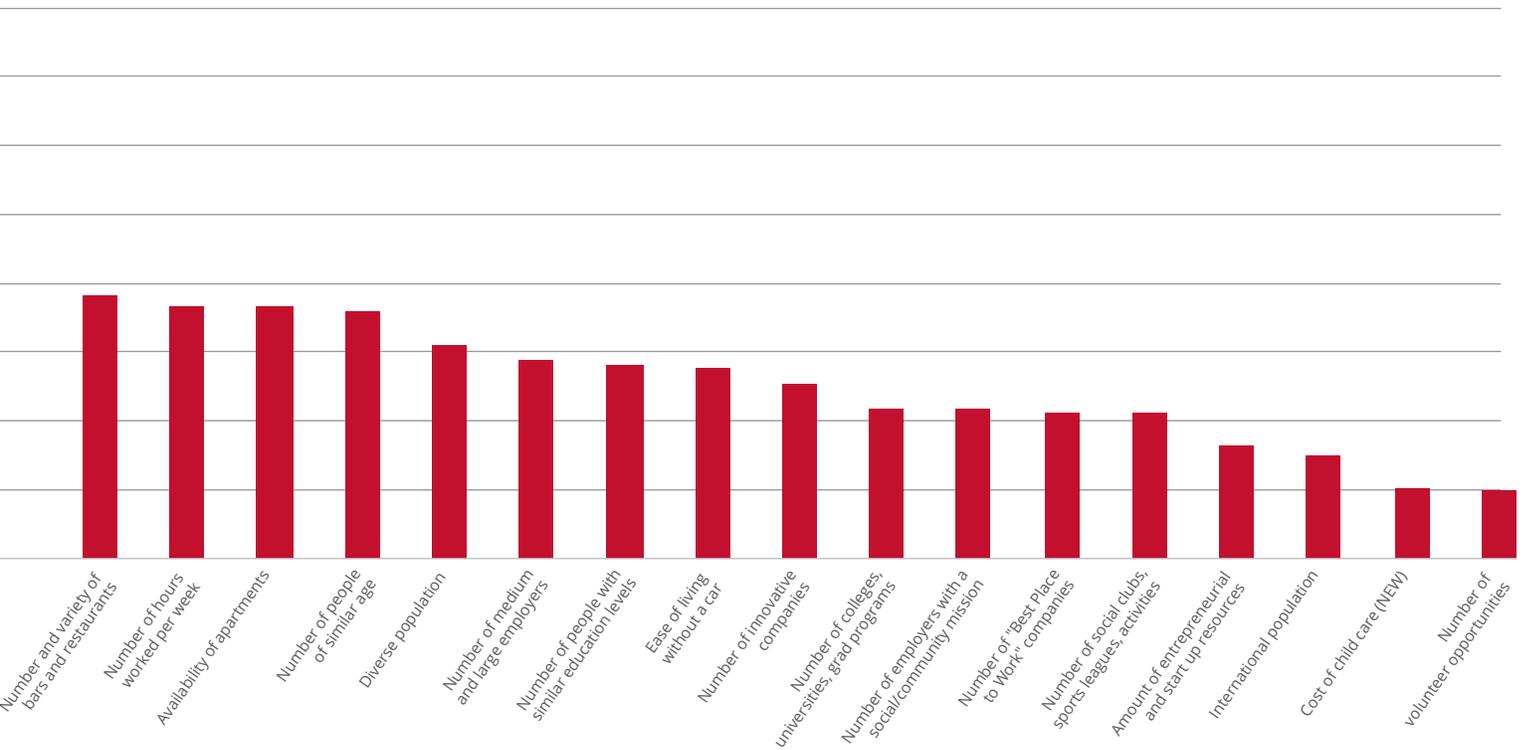
Two new factors were added to the index in 2016 — cost of health care and cost of childcare — to provide more granularity within the Affordability category. The cost of health care came into the index at number 11, placing it in the top third of factors when ranked by importance. The other four direct cost factors (housing, goods and services, groceries and utilities) were already rated among the top third, so it is not surprising to find health care rated similarly. What was surprising, however, was the cost of childcare, which came in as the next to last factor in importance. Childcare costs are ranked so low because many Millennials are not in the market for childcare and

therefore rated it as “not at all important” to their decisions. Among those Millennials with children, however, 43% rated the cost of childcare as extremely important. As more Millennials have children over the next 10–15 years, and experience the costs associated with it, we expect the cost of childcare to move up in importance among the other factors.

Looking at all 33 factors, it is important to note that not a single Career or People factor is ranked in the top third of importance. Five of the top 11 items are affordability-related, four are job-related and two are amenity-related. The Amenities factors are all in the top half of factors, confirming that Millennials rate non-work activities and quality of life as very important. The Career and People factors, on average, are low in overall importance to Millennials.

FACTOR IMPORTANCE





WHAT'S MOST IMPORTANT: THE TOP 5

I. AVAILABILITY OF JOBS

For the second year in a row, availability of jobs is the number one factor Millennials consider when deciding where to live and work. Most Millennials we surveyed are supporting themselves (only 23% still live with a parent or grandparent) and 58% are paying back student loans. Among the 33 factors we researched, only job availability was deemed “extremely important” by over half of respondents.

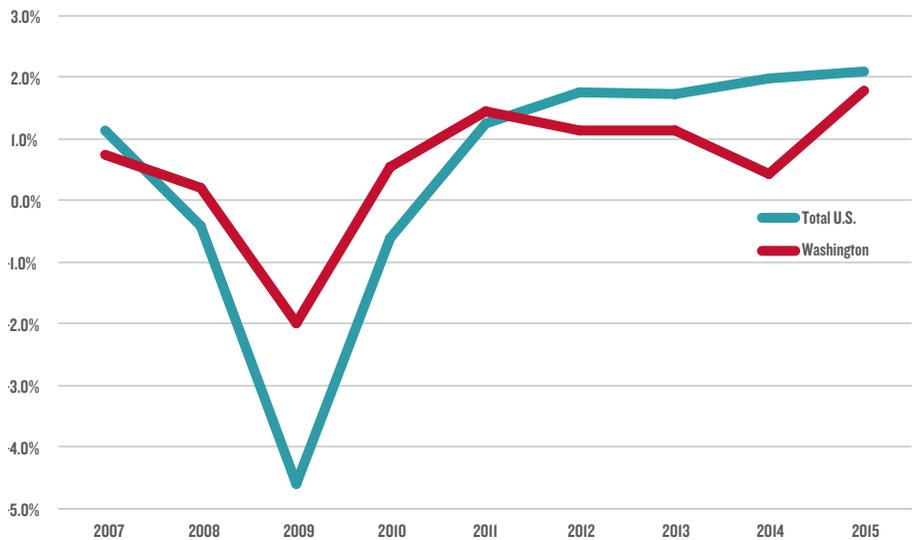
The strong job market brings many Millennials to the greater Washington area: 39% of those surveyed said they live in the greater Washington area because they got a permanent job here, a rate that goes even higher among respondents living in Arlington (58%) and the District (51%).

The greater Washington area economy has been a strong reason why Millennials come and stay in the area. Washington did not hemorrhage jobs during the recession like the rest of the country and it bounced back more quickly. Job growth has continued in recent years, bringing more opportunity for Millennials to find first time employment and mid-career opportunities.

The Millennials we surveyed agreed that jobs are a major positive factor about the greater Washington area. When asked to tell us about the best part of living in the Washington area, 43% wrote about jobs or opportunities. As one respondent put it, “There are a variety of industries in the area — government, tourism, restaurant, healthcare. There are career opportunities for everyone.”

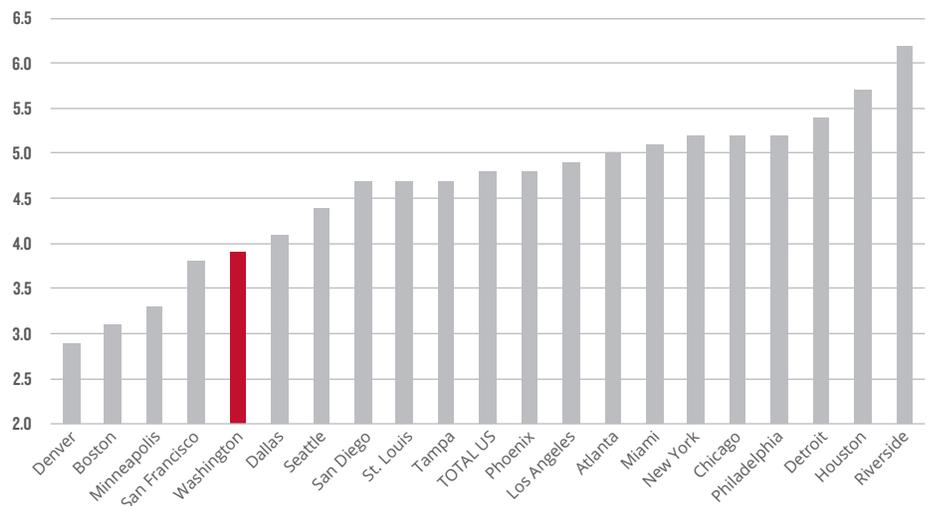
The flip side of attracting so many people to the region for jobs is that they might also be more inclined to leave for a job opportunity in another city. Fully 66% of Millennials we surveyed said they were open to moving out of the greater Washington area for the right job. Residents of Arlington are even more

JOB GROWTH GREATER WASHINGTON AREA VS TOTAL U.S.



Source: Bureau of Labor Statistics

UNEMPLOYMENT RATES IN MAJOR CITIES, Q3 2016



Source: Bureau of Labor Statistics

vulnerable to leaving for the right job (78%) and those that live here because they got a permanent job here are also more likely to leave for a job (73%). As one Millennial noted based on his own experience, “It’s a transient city where people come and succeed then move on again.”

Washington area Millennials are highly educated professionals who are almost universally vulnerable to being lured away

by opportunities in other cities. The only groups less likely to consider moving for the right job are Millennials who agree that the greater Washington area is a good place to raise a family and those who rank Amenities as their top priority among the five index categories.

2. SALARY LEVELS

Salary levels moved up two places in the 2016 survey to become the second most important factor Millennials consider when thinking about where to live and work. Forty-three percent of respondents rated the factor “extremely important” and only 3% said it was unimportant. Every group in the survey rated this factor with similar importance. Millennials making over \$150,000 per year are just as focused on salary levels as those making less than \$50,000 per year. As costs in the area rise and Millennials inch closer to their retirement years, it makes sense that salaries are top-of-mind.

Salaries are likely a big reason why Millennials moved to the area in the first place, or decided to stay here, so their expectations are high. Wages in the Washington region have consistently been at least 20% higher than the national average, and in the latest available data the gap widened to 36%. The average salary is now \$65,910, a substantial increase over the 28% differential we reported in last year’s report. Only San Francisco has higher average wages than the Washington area. The high preponderance of professional jobs in the Washington area (similar to tech-heavy San Francisco) helps push the average salary 6% higher than Boston, 10% higher than New York and up to 46% higher than the other major cities in the country.

Together, job availability and salary levels are responsible for 17% of the 2016 Millennial Index value. The large improvements in these top-rated factors added (or preserved) 1 point to the overall index.

AVERAGE ANNUAL WAGE	
San Francisco	\$66,900
Washington	\$65,910
Boston	\$62,070
New York	\$59,990
Seattle	\$59,060
Denver	\$54,450
San Diego	\$54,210
Los Angeles	\$54,000
Minneapolis	\$53,450
Philadelphia	\$52,420
Houston	\$51,830
Chicago	\$51,600
Detroit	\$49,910
Atlanta	\$49,430
Dallas	\$49,030
TOTAL US	\$48,320
St. Louis	\$47,200
Phoenix	\$46,700
Riverside	\$45,210
Miami	\$45,110
Tampa	\$44,510

Source: Bureau of Labor Statistics, May 2015

3. COST OF HOUSING

Along with having a job to bring money in, most adults are also acutely aware of costs, watching their hard-earned money flow out again. Of the typical household expenses, housing is the biggest and most visible, whether it's rent, a mortgage payment, or the sticker price to buy a home. Like many cities, the greater Washington area has high housing costs. The median home value across the region has been stable for several years and has not yet reclaimed its peak value from 2007, but it is still twice the national average.

Housing costs are among the top three most important factors in the Millennial index for the second year in a row and unfortunately the greater Washington area only delivers at 44% of the national average. This factor is a significant drag on the overall attractiveness of the region.

Almost half (46%) of respondents in the survey rated housing costs as "extremely important" with even higher concern among those in exurb counties (63%) and those with only a high school education (71%). Not all Millennials have high salaries to offset high housing costs, but the concern cuts across every demographic group. As one respondent noted, "The housing market and cost of living are extremely high and it is very hard to save a significant amount of money even with a dual income."

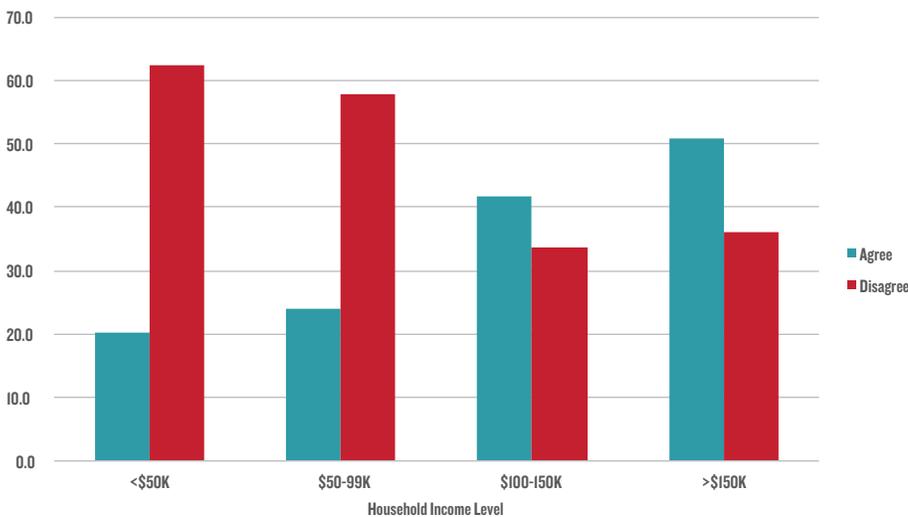
This year's survey dug deeper into Millennials' attitudes toward housing since it was a hot-button issue in 2015. When given the statement "I can afford to buy a home in the DC area" half of Millennials (52%) *disagreed*. Only 12% of Millennials felt confident enough in their purchasing power to strongly agree with the statement. Amazingly, 36% of those making over \$150,000 per year feel they cannot afford a home in this area.

Also somewhat surprising is that attitudes toward being able to buy a house in the greater Washington area do not vary significantly by geography. The people who feel least able to afford a house live in Alexandria and those who are most confident live in Prince George's County. But the total range of responses spans just 13%, from a low of 21 to a high of 34. Even Millennials living in counties beyond the immediate urban core do not feel able to buy a home, and many are wary of the commuting tradeoff of moving to a less expensive area. As one respondent noted, "It's almost impossible to own a home in a nice neighborhood unless you move further north, then you have to deal with hours of commuting."

MEDIAN SALES PRICE EXISTING SINGLE-FAMILY HOMES	
San Francisco	\$830,733
San Diego	\$577,833
Los Angeles	\$492,033
Boston	\$416,533
Seattle	\$408,567
Washington	\$389,600
New York	\$388,633
Denver	\$383,400
Miami	\$312,567
Riverside	\$310,800
Minneapolis	\$234,733
Chicago	\$233,033
TOTAL US	\$232,933
Phoenix	\$231,033
Dallas	\$224,267
Philadelphia	\$223,633
Houston	\$214,267
Tampa	\$201,833
Atlanta	\$183,767
St. Louis	\$162,700
Detroit	\$100,300

Source: Realtor.org; Q1 - Q3 2016

"I CAN AFFORD TO BUY A HOME IN THE DC AREA."



Source: Kogod Millennial Index Survey. Please rate how much you agree or disagree with the following statements about living in the Washington, DC area.

"I CAN AFFORD TO BUY A HOME IN THE DC AREA."	
	% AGREEING
Prince George's	34%
Fairfax	32%
District	32%
Other counties	31%
Arlington	28%
Montgomery	26%
Alexandria	21%

4. CRIME RATE

Crime is the fourth most important factor according to Washington area Millennials, moving down a notch as salary levels moved up. Unfortunately, the area's delivery score on crime is the second worst of 33 factors in the index due to violent crime rates that are almost double the national average. While it's true that the suburbs are much safer, crime in the District is widely reported and likely has an impact on any Millennial who works or socializes in the city center. Worse still is that the District's crime rate is so high it gets extra attention: 44% above peer-sized cities and 75% above large cities with 1 million or more residents.

Crime was mentioned by 10% of survey respondents when asked about what is negative or challenging about living in the greater Washington area, the same percent as in 2015. When given the statement, "I'm concerned about crime in the area," 39% agreed, but 28% disagreed and 33%

were neutral. Residents of Prince George's County were the most concerned, with 51% agreeing to the statement. Interestingly, residents of the non-border counties were also more concerned, possibly because they perceive or experience the crime rate in the District as so much higher than the safe places they live. Millennials who live in the District do not report being more concerned about crime. There could be several reasons: they expect and accept that they live in a higher crime area; they live in the safer parts of the District; or they feel they can handle whatever comes their way so there's no need to be concerned. Another group who is more concerned are parents, with half of them agreeing that they are concerned about crime. The only group significantly less concerned about crime is Millennials living in Arlington, Alexandria and Fairfax County, although 26-33% still report being concerned.

DC	1,203
MD suburbs	370
VA suburbs	185
Total US	386
Cities > 1 million population	687
Cities 500-999K population	836

Source: FBI

5. EASE OF COMMUTING

Commuting continues to be a source of frustration for greater Washington area Millennials. It is very important to them, yet the greater Washington area performs poorly compared to national averages: only 43% of Washington area commuters get to work in less than 30 minutes compared to 62% of the nation as a whole. Compared to other major metropolitan areas, Washington comes in as the second worst commute in the country, just barely above New York.

While the Washington area is relatively compact, extensively walkable and cyclable, and blessed with an assortment of rail and bus commuting options, the majority of Millennials are driving alone to work always or often, three times the number who are using Metro. And 2016 saw a significant jump in the number of Millennials who reported driving 100% of the time — 47% now say they always drive versus just 40% in 2015. Service interruptions from Metro's SafeTrack program may be to blame for the increased daily reliance on driving, as well as significant upticks in those bicycling or using a hired car every day.

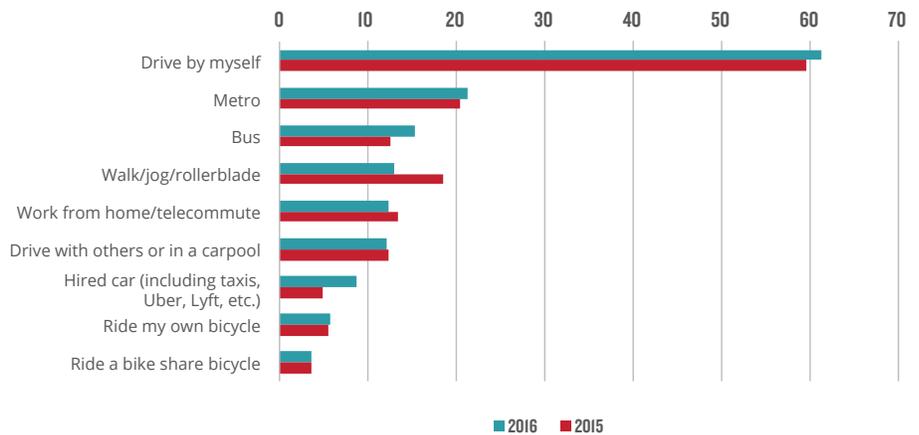
Despite SafeTrack, regular Metro usage remained virtually flat among Millennials we surveyed from 2015 to 2016, although the number of people who said they never use Metro inched up slightly from 38% to 41%. Residents of the District are the heaviest users of Metro — 46% use it always or often — but 25% of District Millennials are still driving to work regularly. The next highest Metro usage is among Millennials in Prince George's County, 33% of whom use the Metro regularly to commute. When asked about potential reasons for not using Metro, 57% agreed that they could use Metro to commute but don't because it takes longer than driving, it's too unreliable, and/or it's too expensive.

PERCENT OF WORKERS COMMUTING 29 MINUTES OR LESS



Source: US Census

HOW MILLENNIALS COMMUTE IN THE GREATER WASHINGTON AREA PERCENT OF MILLENNIALS SAYING THEY USE EACH OPTION OFTEN OR ALWAYS



Source: Kogod Millennial Index Survey. How often do you use each of the following commuting options to get to and from work or school?

The most universally shared opinion among Millennials we surveyed was that traffic in the greater Washington area is horrendous. A full 80% agreed with that statement with only 6% disagreeing. Even those Millennials who do not commute via car experience the frustration of getting around the region by car. As one respondent commented, "There is never a good way to get into or out of the city during rush. It is even worse if you're commuting from MD to VA or vice versa. It also does not take much for a traffic jam to occur." Or, put more succinctly by another Millennial: "The traffic. Everywhere, all of the time, no matter what." The issue is so top-of-mind and pervasive that 32% of respondents wrote "traffic" in their response to what is the worst or most challenging part of living in the greater Washington area.

Perhaps if Millennials found their commutes faster or less stressful they would not rate this factor so high in importance. The good news, perhaps, is that the majority of Millennials surveyed are coping — only 31% agree that their commute is killing them. Still, the inconvenience of commuting is a persistent, daily issue that diminishes the attractiveness of the region.

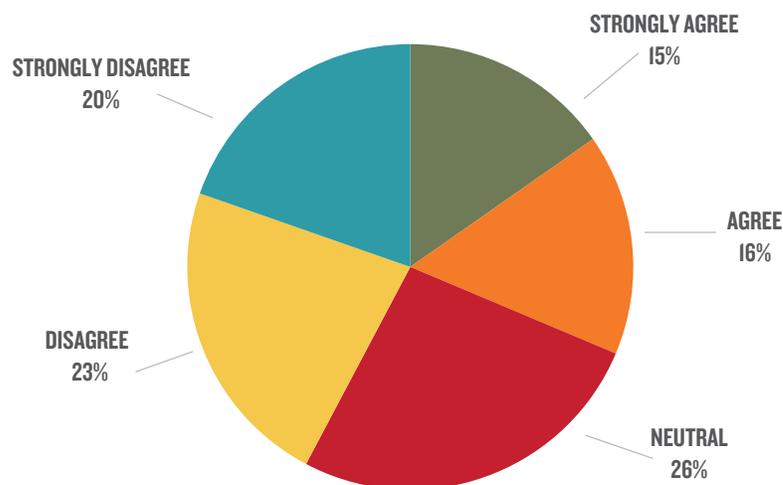
THE DC DILEMMA

In the 2015 report we outlined the DC Dilemma: Millennials want to live close to where they work, have affordable housing and be in a safe environment. Unfortunately, the close-in areas are either very expensive or unsafe, and living farther away means a long, frustrating commute. Millennials must make trade-offs because they can only achieve two of their three desires: affordable, safe, easy commute. The fact that all three of these factors (housing costs, crime rate and ease of commuting) are in the top five most important factors reinforces the size of the dilemma.

The situation has not improved in 2016. Crime and commute times are just as bad as they were in 2015 and housing costs have gone up. And once again, we find Millennials lamenting the situation when asked about the negative sides to living in the Washington area. Indeed, 44% percent of respondents agreed with the statement, "I wish I could afford to live closer to where I work."

One potential solution to the commuting hassle and the DC Dilemma is increased use of telecommuting. Only 12% of Washington area Millennials are telecommuting often or always yet 34% say that telecommuting is a viable option for their current job. The federal government has studied telework extensively and has found significant benefits to employees and the potential for long-term cost savings due to reduced space and energy usage. Allowing employees to work from home would reclaim precious time that is now wasted; make living farther away in safe, affordable neighborhoods more appealing; and cut down slightly on the overall volume of traffic on the roads.

"MY COMMUTE IS KILLING ME."



Source: Kogod Millennial Index Survey. Please rate how much you agree or disagree with the following statements about living in the Washington, DC area.

“ Living in DC is near to impossible if you don't have a very (very) high paying job, and/or are willing to sacrifice living space for easier commute/ access to the district.”

“ Too many people, too much traffic and stress. Housing costs too much to live close to work, especially in D.C. so most people have to commute 3-6 hours a day.”



JOBS

As noted above, Jobs are the most important category to greater Washington area Millennials, 37% of whom rank it as their top priority when thinking about a place to live and work. Three of the jobs factors — availability of jobs, salary levels and ease of commuting — are so critical that they are in the top five of all 33 factors surveyed. The other four jobs factors pale in comparison, with three of them relegated to the bottom third of importance.

The number of hours worked per week is the highest rated of the remaining jobs factors, and its importance score rose slightly in 2016. Still, it only comes in at just over half as important as the top-rated factor in our study. According to WalletHub’s analysis of the hardest working cities in 2016, Washington comes in just behind San Francisco and well above many of the other large cities in the country. Given the high prevalence of professional jobs in the greater Washington area, it’s not surprising that

the hours worked each week are high, and most Millennials seem to understand that. Only one person in our survey mentioned the hours worked per week as a negative or challenge of living in the area.

The remaining three jobs factors — number of innovative companies, number of employers with a social/community service mission, and number of “Best Place to Work” companies — fell into the bottom third in terms of importance. As noted in 2015, Millennials are often portrayed as being focused on innovative companies and those with a community service mission, but the reality is that they are choosing careers based on what the company does or sells, the pay and the benefits. It is also very likely that the Millennials living in the greater Washington area, many of whom came here for a job, are those for whom high salaries are far more important than hours worked or company mission.

JOB FACTORS	IMPORTANCE	DELIVERY
Availability of jobs	70.7	123%
Salary levels	62.9	136%
Ease of commuting	57.6	70%
Number of hours worked per week	36.6	79%
Number of innovative companies	25.3	91%
Number of employers with a social/community mission	21.6	593%
Number of “Best Place to Work” companies	21.2	138%



AFFORDABILITY

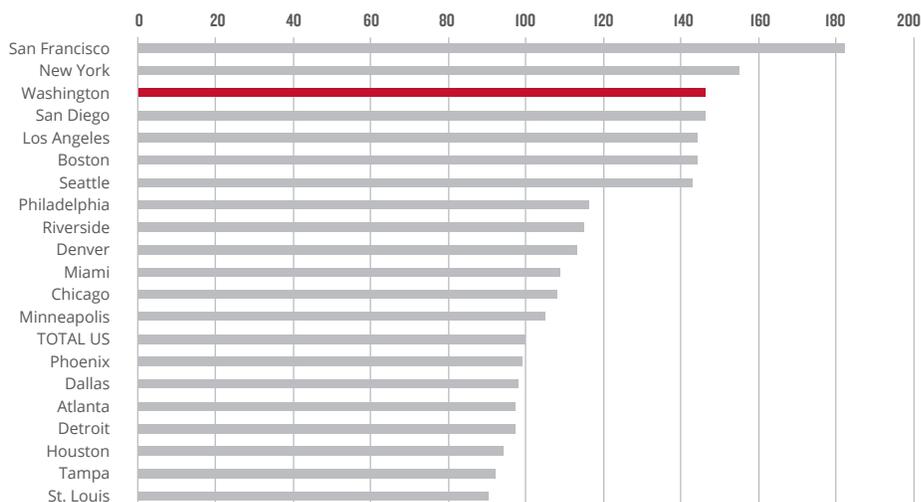
The cost of living remains a top-of-mind concern for Millennials in the greater Washington area: half of respondents rated Affordability as either their first or second priority, and 38% specifically mentioned something about how expensive the area is when they were asked about the worst or most challenging part of living in the region. Of the eight cost factors, five fell in the top third most important.

“ The high cost of living makes it very, very difficult to save money towards retirement. Many people are living paycheck to paycheck.”

“ It is very hard to save a significant amount of money even with a dual income, if the combined income is less than \$150,000 annually (without kids).”

Overall, affordability is an issue that cuts across all groups, regardless of age, marital status, goals, presence of children and whether or not they have student loans to pay off. One group that stands out is Millennials who do not have a Bachelor’s degree. They are twice as likely to rank affordability as their #1 priority, not surprising since 57% of them are making under \$50,000 per year. On the flip side, Millennials with a graduate or professional degree, those who live in the District or Arlington, those making over \$150,000 per year and those who ranked Amenities as their top priority are not nearly as focused on affordability. These characteristics seem to describe the stereotypical Millennial we read about in the press: urban, educated, highly paid and focused on having a good

COST OF LIVING INDEX



Source: Council for Community and Economic Research

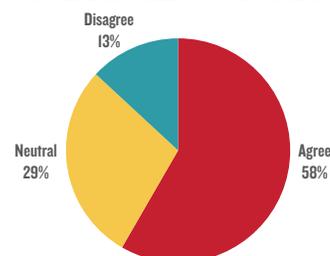
time, regardless of the high costs involved. As Nerdwallet noted about Arlington, “If you move here, be ready to give up a big chunk of your salary for housing. The median rent is one of the highest among the 100 cities in our analysis.”

Affordability is a well-known challenge for city dwellers across the country, but not all costs are created equal. Most households spend the largest part of their income on housing, so areas with expensive housing rise to the top for overall cost of living. Many cities also have affordable suburban areas where residents can find a reprieve from

the sky-high prices in the urban center. As noted in last year’s report, the Maryland and Virginia suburbs of Washington were almost as expensive as the District itself, which makes the entire region less affordable to Millennials. The chart above (which includes cities and their suburbs) shows the Washington area as the third most expensive place to live in the country, beyond the perennial high-ticket cities New York and San Francisco. Indeed, several studies have estimated that one needs a household income of over \$80,000 per year to live comfortably in Washington.

AFFORDABILITY FACTORS	IMPORTANCE	DELIVERY
Cost of housing	62.8	43%
Cost of goods and services	51.1	86%
Cost of groceries	47.9	88%
Cost of utilities	47.3	87%
Health care (new)	43.7	102%
Availability of apartments	36.5	96%
Ease of living without a car	27.6	231%
Child care (new)	10.2	85%

“EVEN WITH A GOOD SALARY IT’S HARD TO MAKE ENDS MEET IN THIS AREA.”



Source: Kogod Millennial Index Survey. Please rate how much you agree or disagree with the following statements about living in the Washington, DC area.



K ST NW
1700

EXCEPT BUSES
AND TAXICABS

metrobus
43
MT PLEASANT VIA
ADAMS MORGAN

smart water

CAREER OPTIONS

While the Jobs category focuses on the day-to-day issues of being employed, getting to work, and earning an income, the career category includes items with a longer horizon. Only 17% of Millennials we surveyed ranked Career as their top priority, but a slightly higher percent placed it as their lowest priority (19%). It's easy to look around the greater Washington area and feel like everyone is career-focused, but our data says otherwise. It may be more accurate to say they are job-focused, and many of those jobs are demanding.

Among the career factors, job market growth is ranked highest at #7 among all 33 factors. That's not surprising since a growing job market delivers immediate benefits in terms of job availability and salaries, the most important items for Millennials. The greater Washington area improved considerably on this measure, adding almost 53,000 jobs to the economy by the end of 2015, just slightly below the per capita job growth shown across the country, but significantly higher than any of the previous five years.

The number of professional positions is another important career concern for Washington area Millennials, 52% of whom have a Bachelor's degree or higher. On this measure, the region delivers. One third of all workers in Washington are employed in information, finance, real estate, education, scientific services or management of companies, a rate well ahead of all other major cities in the country.

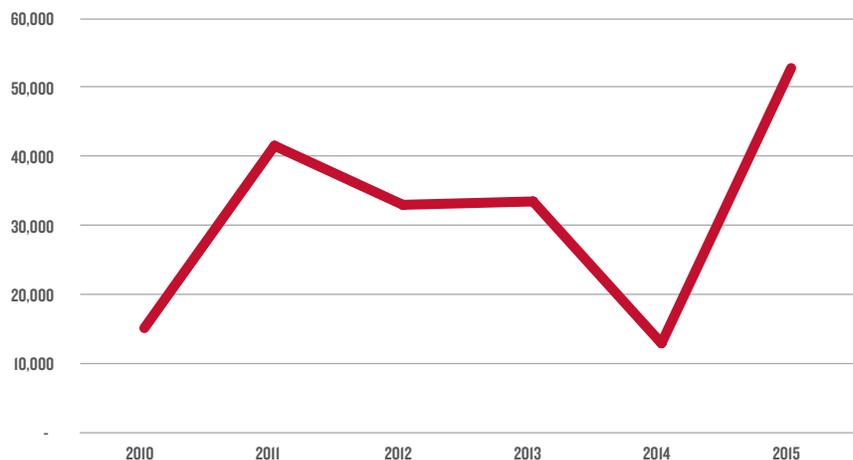
Higher education continues to be a place where the greater Washington area shines. Millennials living in the area have access to dozens of colleges and universities, and those institutions draw residents: 17% of respondents who have a graduate or professional degree said they moved to the area to attend college or grad school and decided to stay. There are currently over 45,000 students in part time graduate programs in the greater Washington area, a per capita rate almost double the

national average. Clearly Millennials who are interested in furthering their career goals through additional education can find what they need in the Washington region.

Entrepreneurial and start-up resources remained a relatively unimportant factor in 2016, especially among the more educated and higher paid Millennials who were attracted to the Washington area for professional jobs. Indeed, when asked about their goals over the next 3-5 years, only 4% said starting a business was their top goal. Consistent with our findings in 2015, those with less than a Bachelor's degree rate this factor the most important, likely because they are not on the traditional professional career path. The Washington area continued to perform well in this area, landing over \$900 million in venture capital funding in 2015.

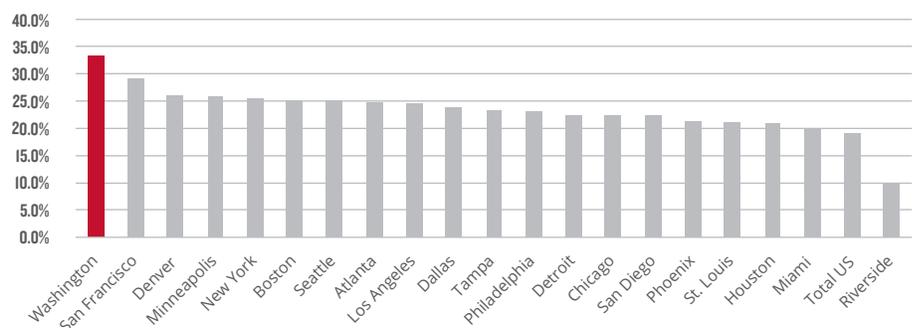
CAREER OPTIONS FACTORS		
	IMPORTANCE	DELIVERY
Job market growth	49.6	97%
Number of professional positions	39.6	173%
Number of medium and large employers	29.0	107%
Number of colleges, universities, grad programs	21.7	140%
Amount of entrepreneurial and start up resources	16.5	200%

JOBS ADDED IN THE GREATER WASHINGTON AREA



Source: Bureau of Labor Statistics

PERCENT OF WORKERS IN PROFESSIONAL JOBS



Source: Bureau of Labor Statistics



AMENITIES

The Amenities category includes all the factors that define life outside of the office. Washington has long been praised for its green space, fitness levels, walkability and cultural activities, and now the city's restaurant scene has achieved national recognition as Bon Appetit's Restaurant City of the Year for 2016. Washington is fortunate to have moderate weather and be close to the ocean, mountains and other major East Coast cities. And the region has multiple public transit options, a large bike share program, an extensive network of parks and playgrounds, and enough museums and history to keep one busy for a lifetime. Clearly the region has much to offer.

Interestingly, the Millennials who live in Arlington are most focused on the region's amenities: 25% rate amenities as their top priority versus 11% of those living elsewhere. It's not hard to imagine how Millennials who want easy access to travel, nearby recreation, a vibrant bar

and restaurant scene and a safe place to live would be attracted to Arlington. In the spring of 2016 Nerdwallet declared Arlington to be the best city in the country for recent grads, likely adding an extra incentive for new arrivals in the region to settle there.

Aside from crime, the greater Washington area delivers on par or above average on the amenities that are important to Millennials. Traveling to other cities is very easy from the Washington area, with three airports, frequent rail service and a variety of city-to-city buses. Airlines even increased the available seat miles from the Washington area by 40% in 2015, giving residents substantially more options. There are plenty of attractions in the area plus a full host of professional sports teams and entertainment venues. As one respondent noted, "It has the amenities and opportunities of a large city while having a small city feel and feeling like a small community."

AMENITIES FACTORS	IMPORTANCE	DELIVERY
Crime rate	60.9	54%
Ease of travel to other cities	47.4	169%
Number of things to do	43.5	104%
Weather	41.2	99%
Ability to walk, bike, take transit	38.9	202%
Amount of green space and parks	38.5	150%
Number and variety of bars and restaurants	38.3	99%



THE FOUNTAIN

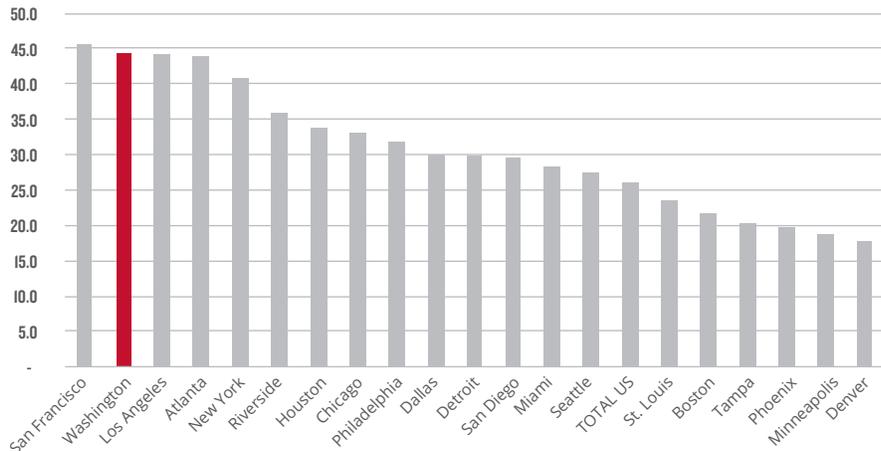
DUPONT

PEOPLE

Millennials are a social and connected generation, but those in the greater Washington area do not rate people factors as very important when making decisions about where to live and work. Only 9% of Millennials in this year's survey said it was their top concern, up slightly from 7% who ranked it number one last year. One possible explanation is that the Millennials we surveyed already live in the greater Washington area, surrounded by a highly educated, diverse, liberal population, so they don't feel the need to rate people factors higher than Jobs, Affordability, Career or Amenities.

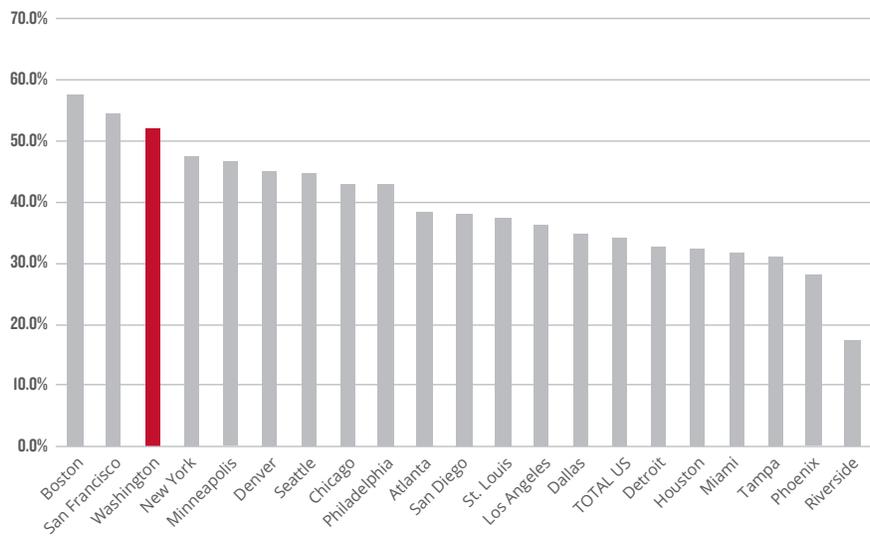
It's also easy to see why Washington area Millennials might take the people around them for granted: the DC area has one of the most educated and diverse populations in the country. When asked what was best about living in the area, 25% of respondents said something about people or diversity. Millennials notice and appreciate that the people around them are energetic, international, racially diverse and accepting, plus many of them do important and interesting things in their professional lives. More than anything else, the hard working, professional, international, educated, active people in the greater Washington area differentiate the city from other major metros in the country.

NON-WHITE POPULATION



Source: US Census

MILLENNIALS WITH A BACHELOR'S DEGREE OR HIGHER



Source: US Census, Adults 25-34

PEOPLE FACTORS

	IMPORTANCE	DELIVERY
Number of people of similar age	35.7	107%
Diverse population	31.2	131%
Number of people with similar education levels	28.2	153%
Number of social clubs, sports leagues, activities	21.1	155%
International population	15.0	171%
Number of volunteer opportunities	9.9	121%



35

35

MARC

35

WHERE THE WASHINGTON AREA SHINES ... AND COMES UP SHORT

As discussed throughout the report, there are many ways that the greater Washington area is superior to other locations. Factors with high delivery show where Washington has an edge. For instance, the area has almost six times as many employers with a social or community mission per capita as the nation as a whole, and over twice as many options to get around without a car. The region also has much more than its fair share of professional positions, entrepreneurial resources and international residents. Taken together, all of these items are what makes Washington an attractive and unique city. Unfortunately, many of these factors are low on the list of Millennials' priorities, so they do not drive the Millennial Index to similarly lofty levels.

At the other end of the spectrum are the factors where Washington lags behind, sometimes substantially. Unfortunately, five of the bottom seven factors are among the ten most important to Millennials. In most of these cases, other major cities also perform below national averages (urban areas are generally more expensive, for instance) but there are notable exceptions. The crime rate in Washington is very high, and commute times are the second worst in the nation. Improvements in these important factors would drive the Millennial Index score higher in a hurry. At the same time, any additional erosion among these important factors will push the score lower.

	FACTOR RANK	DELIVERY
Number of employers with a social/community mission	27	593%
Ease of living without a car	24	211%
Ability to walk, bike, take transit	15	202%
Amount of entrepreneurial and start up resources	30	200%
Number of professional positions	14	173%
International population	31	171%
Ease of travel to other cities	9	169%
Number of social clubs, sports leagues, activities	29	155%
Number of people with similar education levels	23	153%
Amount of green space and parks	16	150%
Number of colleges, universities, grad programs	26	140%
Number of "Best Place to Work" companies	28	138%
Salary levels	2	136%
Diverse population	21	131%
Availability of jobs	1	123%
Number of volunteer opportunities	33	121%
Number of people of similar age	20	107%
Number of medium and large employers	22	107%
Number of things to do	12	104%
Health care (new)	11	100%
Weather	13	99%
Number and variety of bars and restaurants	17	99%
Job market growth	7	97%
Cost of utilities	10	96%
Availability of apartments	19	96%
Number of innovative companies	25	91%
Cost of groceries	8	89%
Cost of goods and services	6	88%
Child care (new)	32	85%
Number of hours worked per week	18	79%
Ease of commuting	5	70%
Crime rate	4	54%
Cost of housing	3	44%



LOOKING AHEAD

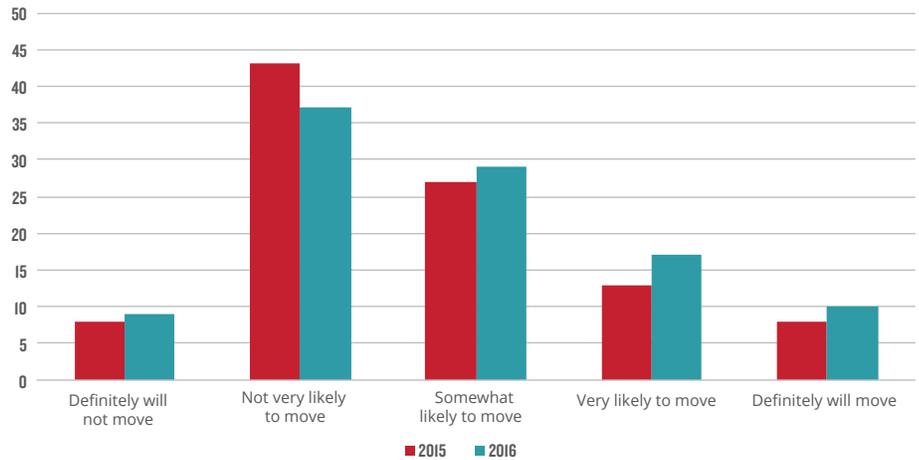
WILL THEY STAY OR WILL THEY GO?

Overall, few Millennials are strongly tied to the greater Washington area. Only 27% of respondents agreed with the statement, “I love DC and plan to stay here forever.” The groups who agree at a higher rate give some clues to the barriers most Millennials have when committing to the region. Almost half (49%) of Millennials who believe the greater Washington area is a good place to raise kids agree with the statement, possibly because they value the strong school districts or because they have found a place to live and lifestyle they know they can afford.

Millennials who telecommute always or often are also much more likely to agree that DC is a place to stay forever (42%) as are those who live in the District (40%). We know that traffic and commuting are significant stressors for Millennials, so it is easy to see why telecommuters and District residents are happier with their lives in the region. Indeed, 29% of District residents strongly agree that DC is a manageable and highly livable city, over three times the rate of people living in Fairfax and Montgomery Counties.

When asked about their five-year plans, 45% of Millennials said they are unlikely to move, a significant drop from 52% in the 2015 survey. Half of the Millennials who grew up in the area report being unlikely to move, a significant margin above the 41% reported by those who did not grow up here, but still

LIKELIHOOD TO MOVE IN THE NEXT 5 YEARS



Source: Kogod Millennial Index Survey. How likely is it that you will move away from the Washington, DC area within the next 5 years?

a relatively low level of commitment given the roots they likely have in the region. As noted earlier, 66% of Millennials are open to moving out of the greater Washington area for the right job, so it's not surprising that few Millennials are certain they will remain in the region long term.

The high cost of living is certainly a driver or contributing factor as Millennials decide where to put down permanent roots. When given the statement, “It's too expensive to live here permanently,” 47% of respondents agreed, and it was a largely universal sentiment shared across sub-groups. On the positive side, half of Millennials do not agree with the statement, so they see the Washington area as a viable option for their future.

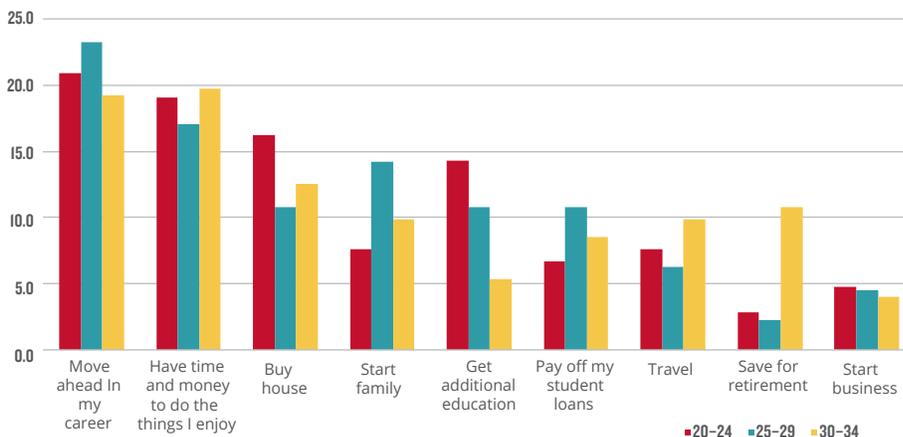
MILLENNIAL GOALS

While the 2015 Millennial Index survey helped us better understand what Millennials feel is important when they decide on a place to live and work, we could not interpret the data based on what each individual respondent was working toward. Therefore, in the 2016 survey we added a question about short term goals: When thinking about your personal goals over the next 3-5 years, what is most important to you? We were curious to see if the Washington area Millennials are interested in settling down with a house and children, and if they are thinking ahead to retirement yet.

Given the job-focused and professional nature of the area, it is not surprising that “moving ahead in my career” earned the top spot with 21% of responses. Perhaps more surprising is that almost as many people said “have time and money to do the things I enjoy” (19%). It is unclear if this goal is a continuation of their present lifestyle, or a desire to stop being stressed, over-worked and broke so they can enjoy their lives. Thirteen percent said that buying a house is their top goal while 11% said starting a family. The remaining five goals each earned less than 10% of responses, with “start a business” as the least popular choice.

3-5 YEAR GOALS

PERCENT RANKING EACH GOAL AS THEIR TOP PRIORITY



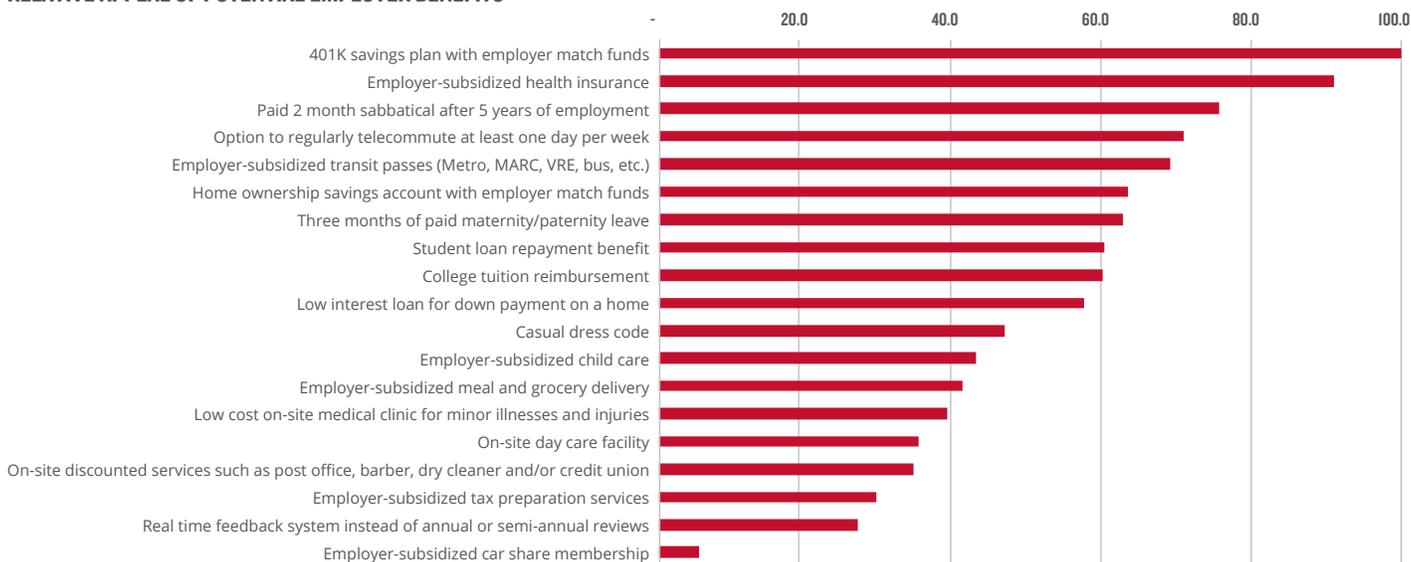
Source: Kogod Millennial Index Survey. When thinking about your personal goals over the next 3 - 5 years, what is most important to you?

PREFERRED BENEFITS

Another question raised after the 2015 Millennial Index survey was if and how much Millennials would value non-traditional benefits offered by employers. We saw that greater Washington area Millennials were concerned over costs and commutes, and that over half of them were at least somewhat likely to move away from the area within five years. It's possible that employer-funded or employer-subsidized programs could improve their work-life balance and financial outlook, keeping them from switching jobs and/or cities.

Below are the ratings for the 19 benefits we devised and queried, ranked by relative appeal and also split by age group. The top rated benefits are the traditional and familiar 401K plan with match funds and employer-subsidized health insurance. Next on the list is a paid sabbatical after five years of employment and the option to regularly telecommute, less common benefits that some area employers are already offering. Particularly interesting is how universally appealing three months of paid maternity/paternity leave was to Millennials given that only half of respondents had kids or were planning to start a family in the next 3-5 years.

RELATIVE APPEAL OF POTENTIAL EMPLOYER BENEFITS



Source: Kogod Millennial Index Survey. How appealing would each one be when it comes to keeping you happily employed and living in the DC area?

WHEN CHILDREN ENTER THE MIX

Millennials are marrying and having children later than some previous generations, but they are not giving up those traditional goals altogether. The largest bubble of Millennials is now in their late twenties, and the oldest are 35 in 2016. Among the Washington area Millennials we surveyed, 21% have children and 31% are married but do not yet have children. Sixty-nine percent of Millennials with children in our survey were age 30–34, consistent with the trend toward later family development. Those with children and those thinking about children in the near future have different perspectives on what is important in a place to live and work, and employers and community leaders should understand how the needs of their Millennial constituents will be changing as more of them cross 30 and look ahead to children.

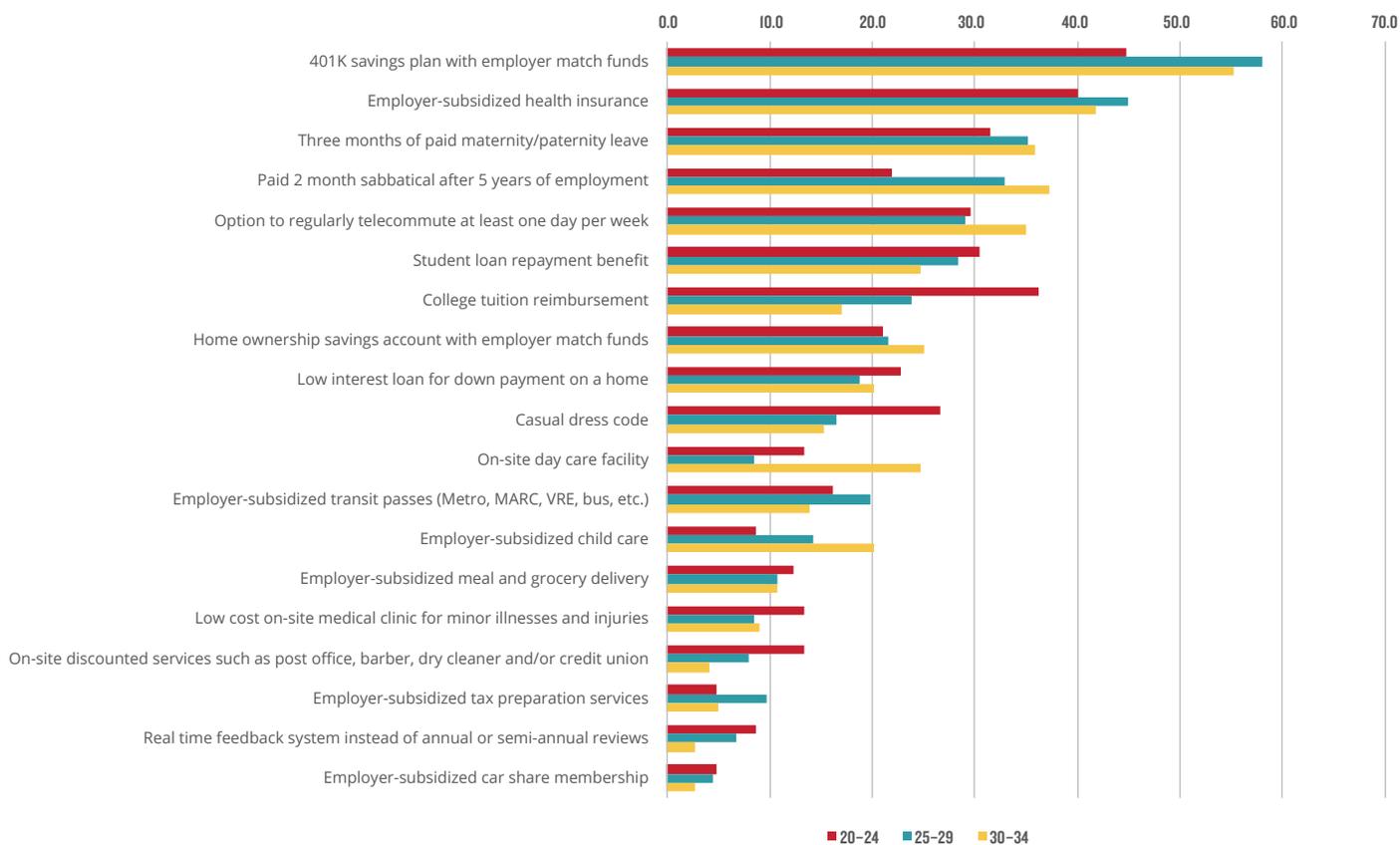
As expected, one of the biggest shifts that occurs when a Millennial moves from single to married to married with a child or children is the rebalancing of what’s important away from the area’s amenities. The bar/restaurant scene plummets from 67% of single Millennials ranking it as important to just 51% of those with kids. At the same time, Millennial parents put more emphasis on the crime rate (important to 87% of them versus 73% of those without kids) and the number of colleges and universities in the area (important to 51% of them versus 36% of those without kids).

In terms of goals, the focus on retirement saving goes way up among parents: 27% put it in their top two short term goals compared to 10% of single Millennials. Conversely, building a career takes a step down as parents can no longer focus all their time and energy at work. They are

more concerned about commuting, traffic and the number of hours worked each week and they rate telecommuting higher as a preferred benefit — 79% put it on their list of top benefits versus 65% of those without children.

In terms of costs, there is not a big difference between single Millennials, married Millennials and Millennials with children, even though children bring additional costs to a family. One reason for this is geography since Millennials with children are much less likely to be living in the District or Arlington and much more likely to be living in the less-expensive outlying counties. Millennials with children are more focused on affordability, however: 39% rate it as their number one concern versus 26% of those without children.

BENEFIT DESIRABILITY BY AGE GROUP PERCENT PLACING EACH BENEFIT AMONG THEIR TOP FOUR



Source: Kogod Millennial Index Survey. Assuming all these benefits were available from your employer, which four would be most desirable to you?

CONCLUSION

Millennials in the Washington area tend to be highly educated, diverse and interested in social and cultural amenities. But they are also regular working stiffs who are predominantly focused on having a job, affording a place to live, getting to and from work without tearing their hair out, and being safe as they go about their daily lives. They are getting married and having children, and their priorities and goals are shifting as a result. The greater Washington area — with its sky-high salaries and strong job market — remains an attractive place for Millennials to live and work, but they are not committed to staying in the region forever. Employers and government leaders seeking to keep Millennials in the area should focus on how to mitigate the “three C’s” of Millennial concern — costs, crime and commutes — to preserve and increase the appeal of this unique and vibrant mid-size city.

METHODOLOGY

The *Kogod Greater Washington Index: Millennials* was created using publicly available data weighted based on survey responses from a representative pool of greater Washington area Millennials. The survey was conducted online via computer, tablet and mobile devices by Prizma Research in the fall of 2016. Five hundred and four responses were gathered from adults ages 20–34 who are non-temporary residents of the Washington metropolitan statistical area (MSA). Younger Millennials were excluded from the survey to focus on adults with more experience making decisions about living and working in the greater Washington area.

The index uses a variety of sources to measure how the greater Washington area compares to other places to live and work in the United States. Whenever possible, the greater Washington area was compared to the total US per capita incidence, average or median. When complete tracking data was not available, the greater Washington area was compared to average values for all cities measured by the source.

The Millennial Index is a weighted average comparison of how well the greater Washington area performs on 33 factors and how important each factor is to the Millennials residing in the region. Below is a detailed summary of how the scores were developed.

Importance Score: For each of the 33 factors, survey respondents were asked to rate how important each item was when deciding where to live and work. Ratings were done on a five-point scale from “1 - not at all important” to “5 - extremely important.” The importance score was calculated using the percentage of respondents who rated the factor a “5” or “4” discounted by the percentage who rated the factor a “1” for not at all important. This method avoids the common problem of regression to the mean and allows clearer differentiation between the factors.

JOBS	
Availability of jobs	Bureau of Labor Statistics
Salary levels in the area	US Census
Average number of hours people work each week	Wallethub
Number of innovative companies in the area	Innovation-cities.com
Number of companies nationally recognized as a “best place to work”	Glassdoor.com
Number of area employers whose mission includes social and community responsibility	Bureau of Labor Statistics
Ease of commuting to work	US Census

LONG TERM CAREER AND EDUCATION OPTIONS	
The number of colleges, universities and graduate school programs in the area	Department of Education
The number of medium and large employers	US Census
Availability of professional positions	US Census
Resources available to support entrepreneurs and start-ups	National Venture Capital Association
The growth of the area’s job market	Bureau of Labor Statistics

PEOPLE	
Number of people similar in age to me	US Census
Number of people with a similar education level as me	US Census
Diverse population	US Census
International population	US Census
Number of social clubs, sports leagues and organized activities to participate in	Meetup.com
Number of volunteer opportunities	Corporation for National and Community Service

AMENITIES	
Ability to walk, bicycle or use public transportation to get around	US Census
Ease of traveling to other cities or countries via plane, train or bus	Bureau of Transportation Statistics
Weather	BestCities
Number of museums, attractions, sports events and things to do	Institute of Museum and Library Services; TripAdvisor
Amount of green space and park land	Trust for Public Land
Number of bars and restaurants	US Census
Crime rate	FBI

COST OF LIVING	
Availability of apartments to rent	US Census
Housing costs	Council for Community and Economic Research
Ability to live and get around without owning a car	Bureau of Transportation Statistics; US Census; US PIRG
Cost of groceries	Council for Community and Economic Research
Cost of goods and services	Council for Community and Economic Research
Cost of utilities such as electricity and internet	Council for Community and Economic Research
Cost of childcare (new in 2016)	Care.com
Cost of health care (new in 2016)	Council for Community and Economic Research

Delivery Score: The delivery score rates how well the greater Washington area is delivering against the 33 factors. The delivery scores are calculated as an index between the Washington MSA value and the national average (or composite of available cities when national data was unavailable) for each measure. As with any index, 100% means the greater Washington area is on par with the nation. Values over 100% indicate DC is doing better than the national average and values below 100% indicate DC is doing worse. For most of the factors, bigger values are better, such as salary levels or amount of parkland. In this case, the greater Washington area value is the numerator and the national average is the denominator. For some factors, smaller values are more desirable, such as crime rate or commuting time. In those cases, the national value is the numerator and the greater Washington area is the denominator.

Factor Weights: To aggregate importance and delivery scores for each major category — Jobs, Affordability, Career, Amenities and People — each factor within

the category was weighted based on its relative importance to the other factors in the category. For example, if four factors comprise the category and their individual importance scores are 50, 30, 15 and 5 (totaling 100 points), then half of the category score comes from the first factor, 30% from the second, 15% from the third and 5% from the fourth.

Category Weights: To arrive at an overall score for how well the greater Washington area is doing regarding Millennial desires, the five category delivery scores were combined into a weighted average. The weights (relative importance) for each of the five categories were calculated by combining results from two questions on the Millennial survey — one which required respondents to rank each category according to how important it is, and one which asked respondents to rate the importance of each category on the five point importance scale.

IN THEIR OWN WORDS

WHAT MILLENNIALS LOVE ABOUT THE WASHINGTON AREA

“THRIVING AND DIVERSE”
“ENERGETIC”
“SMALL TOWN FEEL WITH BIG CITY AMENITIES”
“A REcession-PROOF ECONOMY AND INCREDIBLE OPPORTUNITY FOR YOUNG PEOPLE”
“A BUSTLING INTERNATIONAL CITY THAT ALWAYS HAS THINGS TO DO”
“CAREER OPPORTUNITIES, AVAILABILITY OF ARTS, DIVERSE CULTURE AND GOVERNMENT ALL COLLIDING IN ONE CITY”
“DRIVE A SHORT DISTANCE AND BE IN THE MOUNTAINS, CITY, OR BEACH”
“BE EXPOSED TO PEOPLE, PLACES AND EXPERIENCES THAT YOU CANNOT RECEIVE ANYWHERE ELSE IN THE COUNTRY”
“A LOT OF REALLY SMART PEOPLE DOING A LOT OF REALLY SMART THINGS”
“A BEAUTIFULLY GREEN CITY”
“INTELLECTUALLY STIMULATING”
“LIVING HISTORY TAKES PLACE HERE EVERY DAY”
“VIBRANT RESTAURANT AND BAR SCENE”
“THE POPULATION IS DIVERSE, INTELLIGENT, AND LIBERAL. THE PEOPLE ARE VERY ACCEPTING”
“BE EXPOSED TO PEOPLE, PLACES AND EXPERIENCES THAT YOU CANNOT RECEIVE ANYWHERE ELSE IN THE COUNTRY”



About Kogod School of Business

The Kogod School of Business is the leading destination for the study of business in the Washington, D.C. metro area. The School has been a part of the D.C. business community for 60 years and is accredited by the Association to Advance Collegiate Schools of Business. AACSB accreditation represents the highest standard of achievement for a business school worldwide.

Kogod's Washington, D.C. location serves as a laboratory for learning through work, internships, and other forms of experiential education. The School's educators know that conducting business in the capital, where so many industries and sectors meet, is unlike doing business anywhere else in the world and are committed to preparing Kogod graduates to excel in this dynamic environment.