

Updating the Talent Dynamic of Minnesota's Headquarters Economy

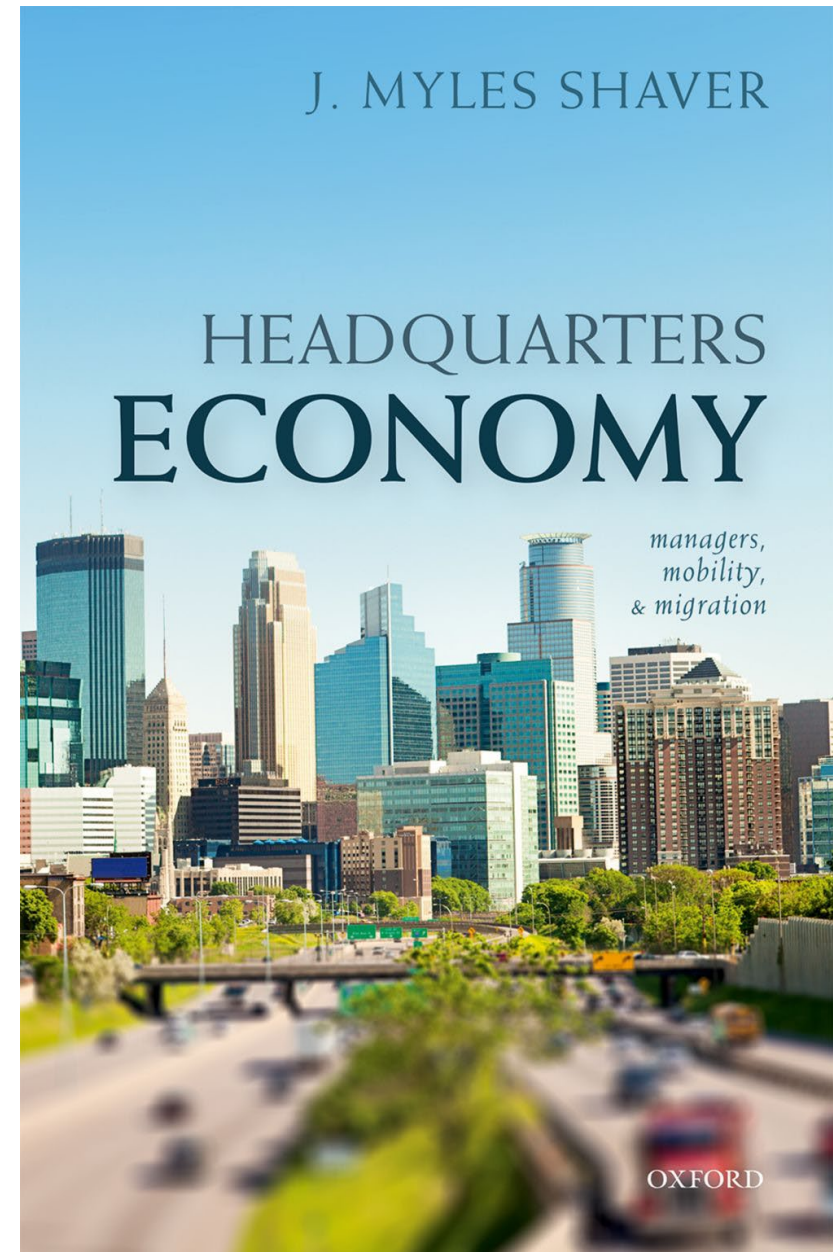
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Headquarters Economy:

*Managers, Mobility, and
Migration*

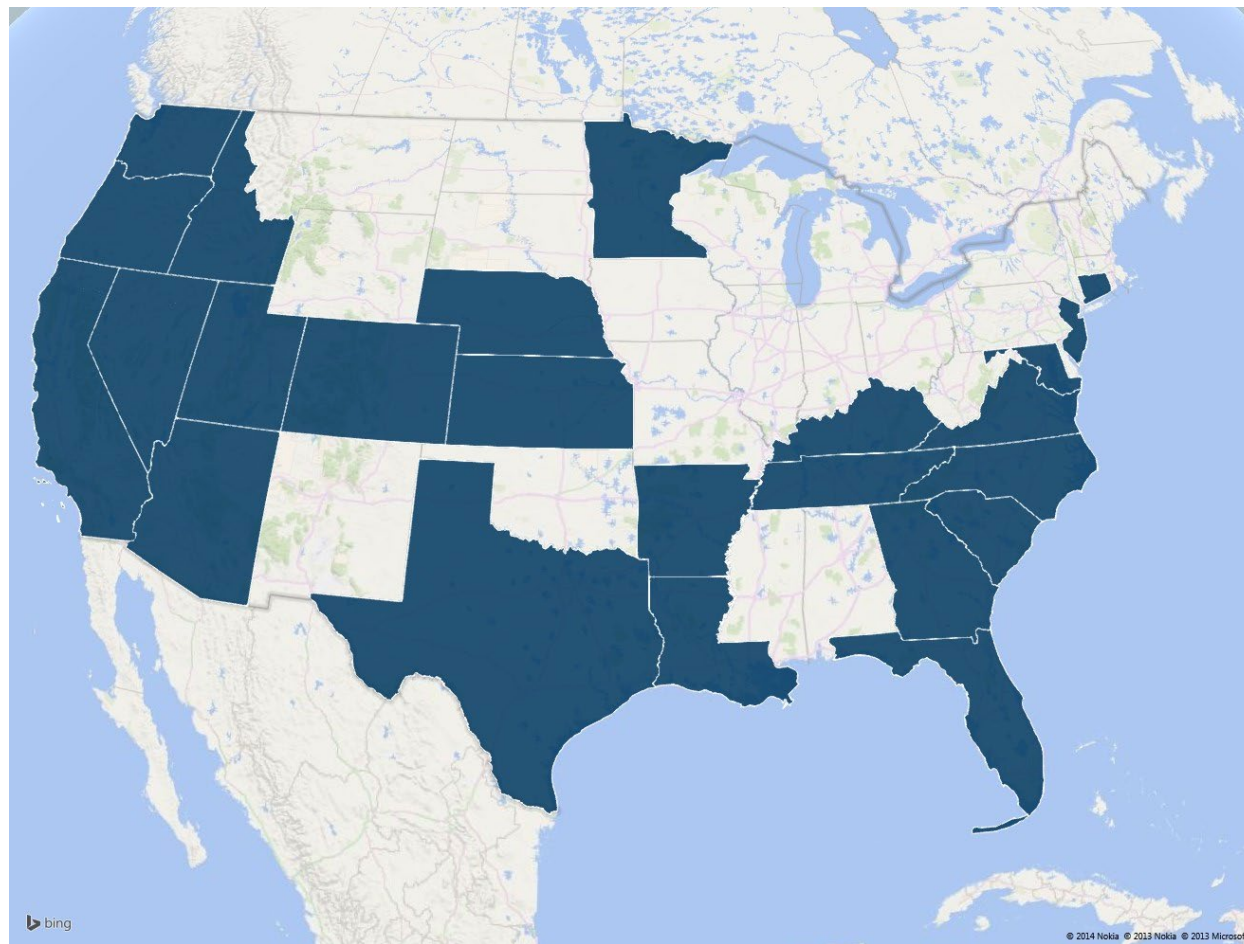


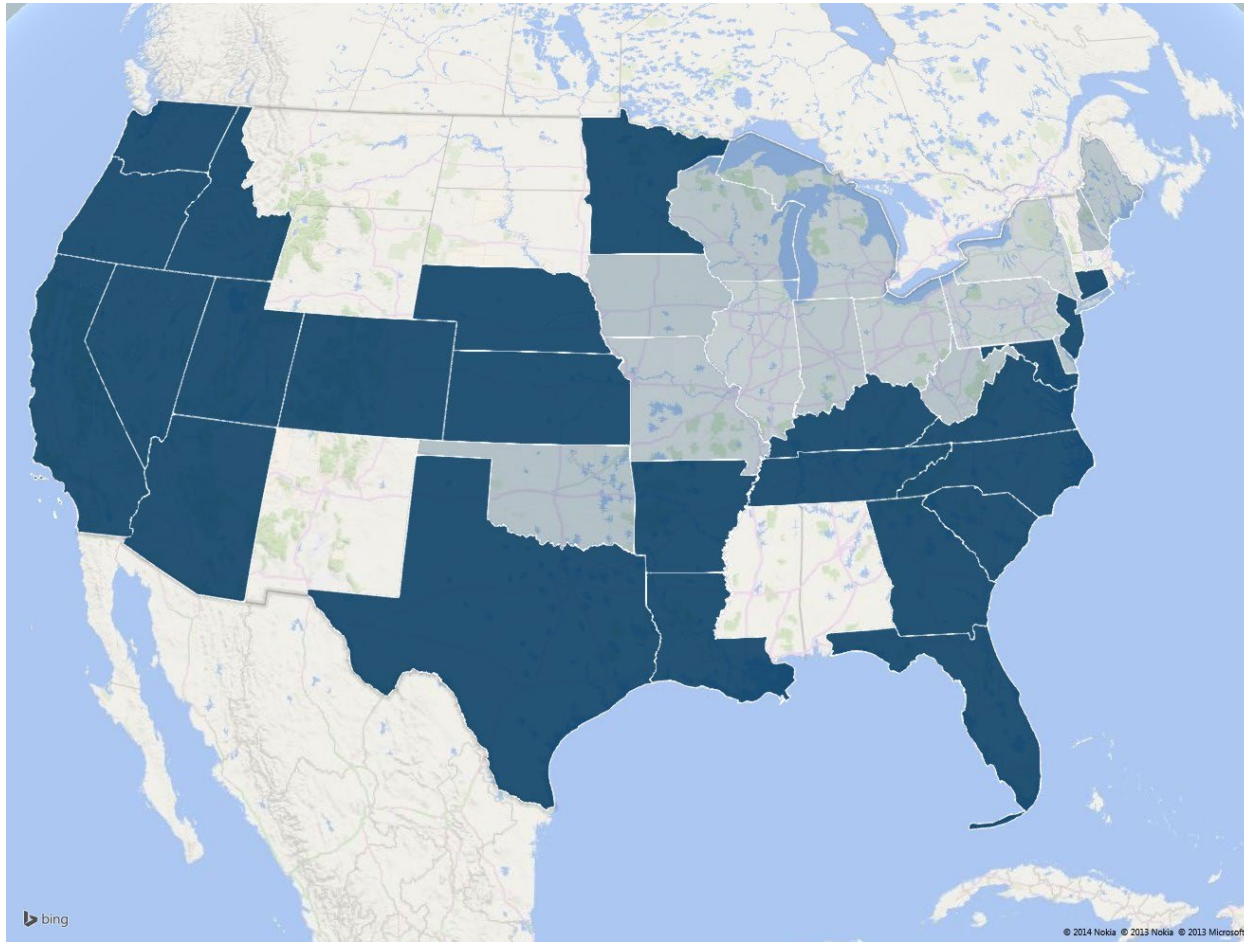
Flyover Country?



Why?

- Industry cluster
- Geographically tied input
- Geographic trends of population/economic activity





Why?

- Industry cluster
- Geographically tied input
- Geographic trends of population/economic activity
- Business-focused public policy
 - Taxes
 - Incentives
- Local 'theories'
 - Weather
 - Scandinavian heritage

My argument

Managers

Professional managerial and administrative workforce

Mobility

This workforce moves:

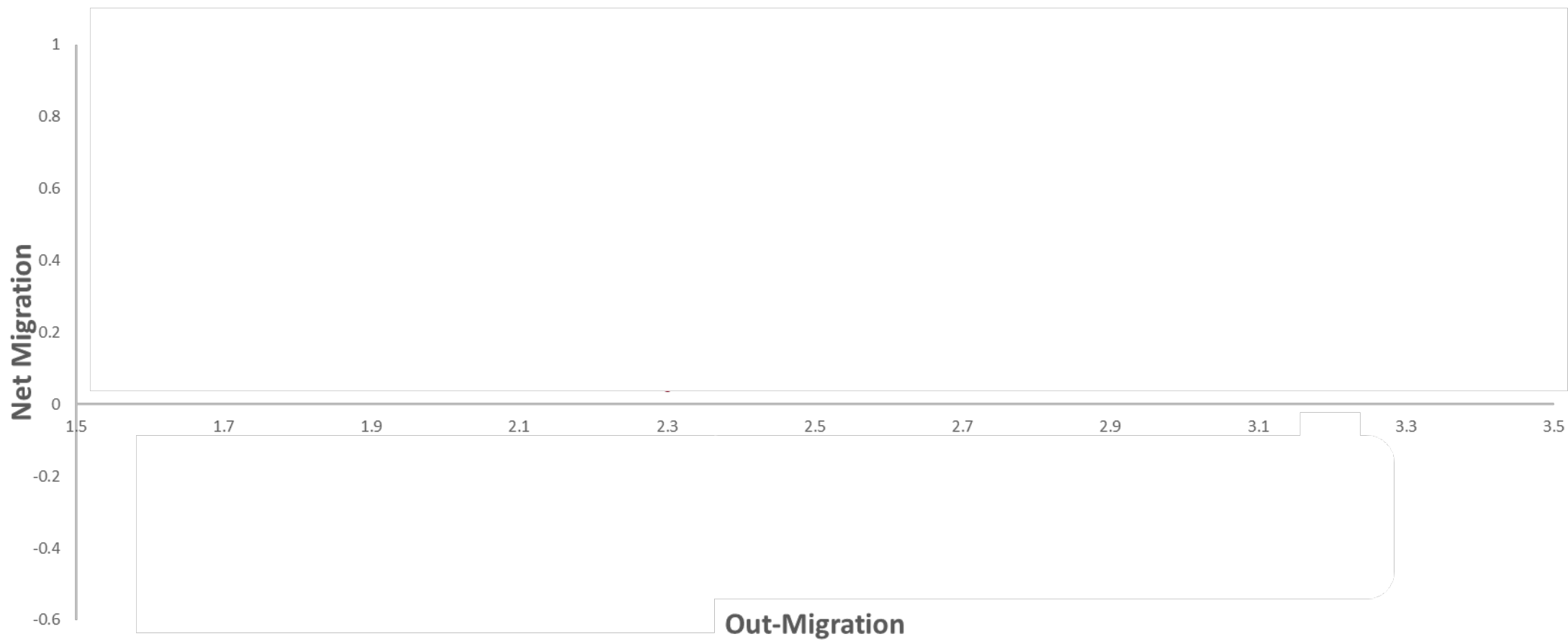
between companies and across industries

into smaller/start-up companies

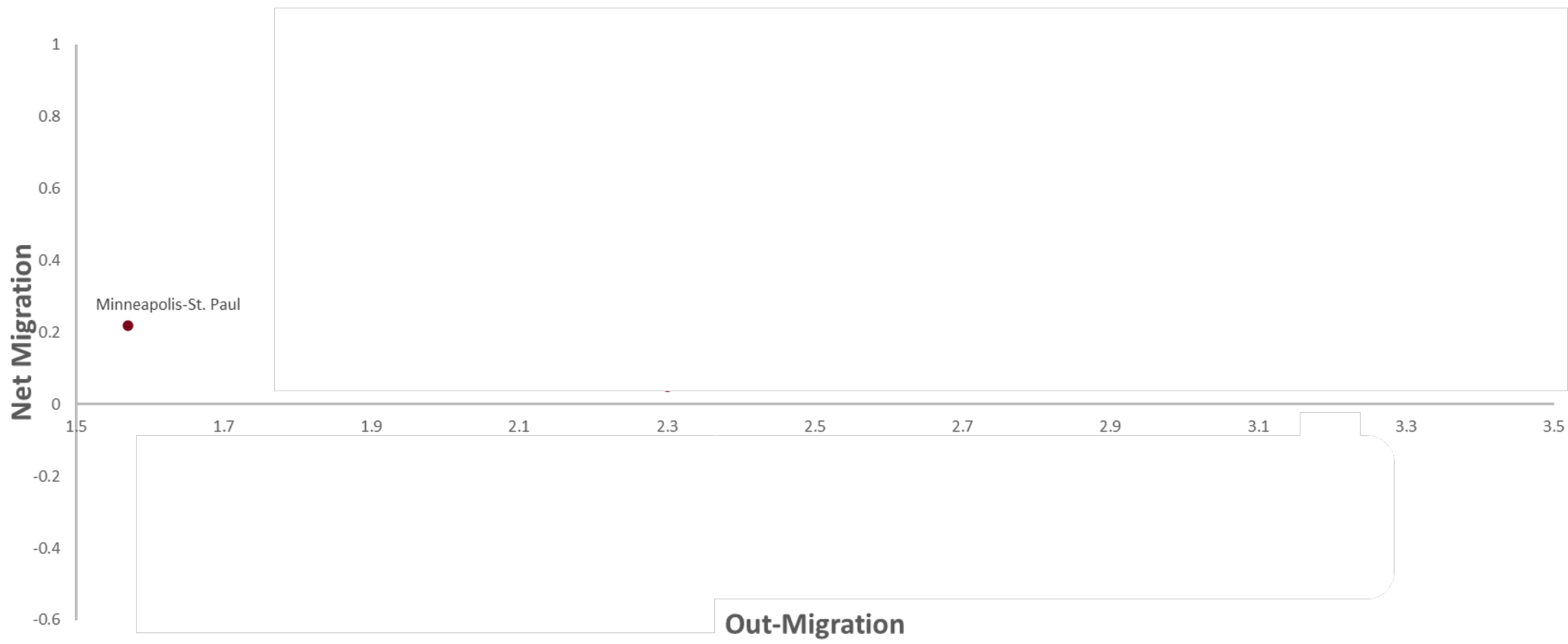
Migration

Mobility is pronounced because retention is high

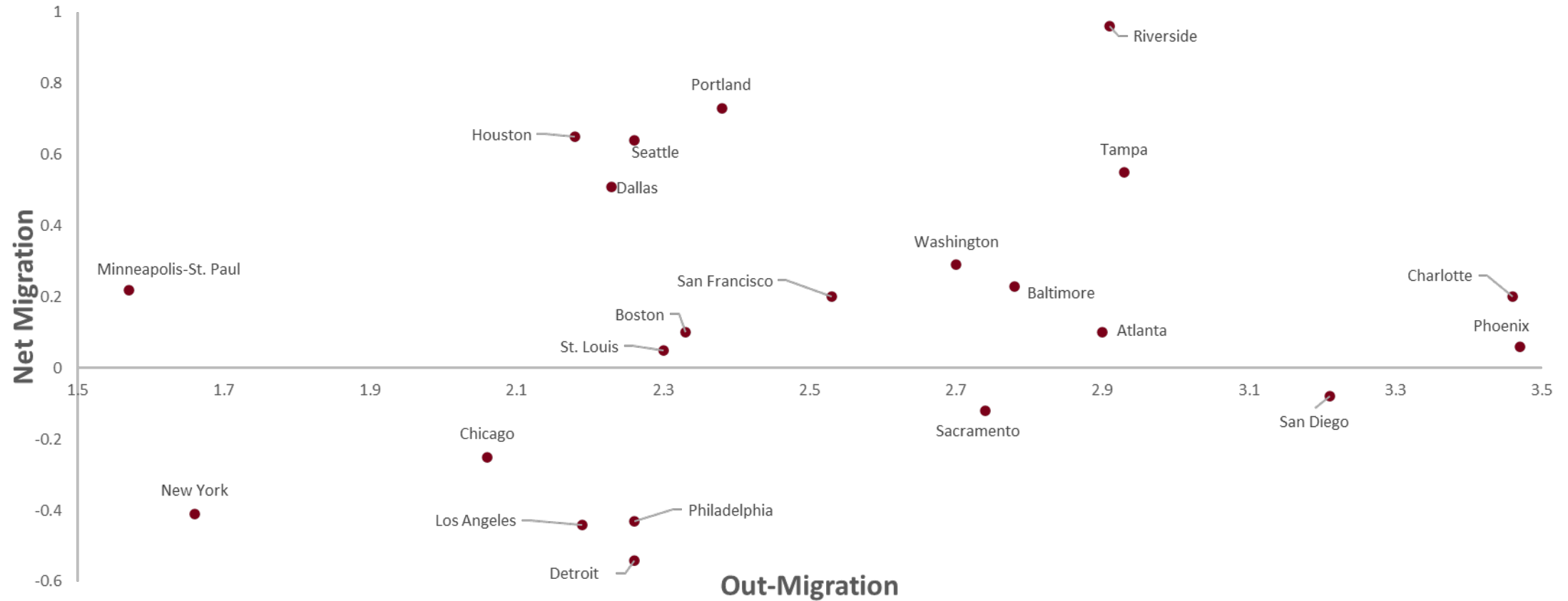
Employed, high earning, college degree holders



Employed, high earning, college degree holders



Employed, high earning, college degree holders



A key insight

What affects talent attraction and retention are not the same

- Economic opportunities – driver of attraction
- Quality of life factors – more important in retention

What has changed in the last 10 years?

Dynamic of talent retention remains strong and very similar to 2015

- Desire to look to for regional opportunities remains strong
- Directionally, fewer would prefer to live elsewhere: 25% (2025 data) vs 28% (2015 data)
- Directionally, more talent not raised in MN: 44% (2025 data) versus 41% (2015 data)

Dual careers are even more pronounced in the recent data

- 80% (2025 data) versus 69% (2015 data) of married respondents report being in dual career household
- Dual careers more prevalent among younger respondents

Important quality of life factors

Safe place to live and work	91
Availability of good jobs for me	88
Availability of high quality healthcare (e.g., high quality medical facilities nearby)	76
Outdoor activities (e.g., parks, water sports, wilderness areas)	73
Strong local economy	73
Good place to raise children	72
Availability of good jobs for my spouse/significant other	70
Good quality public schools	68
Favorable cost of living	65
Amenities such as restaurants and shopping	63
Community that shares my values	62
Ease of travel to other US or international cities	59
Family located nearby	54
Friends located nearby	54
Good transportation/easy to get around	50
Availability of cultural events (e.g., music and theatre)	47
Good climate	42
Low taxes	30
Vibrant Downtown area	29
Availability of professional and college sports events	27
Strong religious community with which I am affiliated	15



Perceived strength of Twin Cities quality of life factors

Outdoor activities (e.g., parks, water sports, wilderness areas)	94
Availability of high quality healthcare (e.g., high quality medical facilities nearby)	91
Availability of professional and college sports events	89
Good place to raise children	88
Ease of travel to other US or international cities	88
Amenities such as restaurants and shopping	87
Availability of cultural events (e.g., music and theatre)	84
Availability of good jobs for me	84
Availability of good jobs for my spouse/significant other	82
Strong religious community with which I am affiliated	76
Friends located nearby	76
Good quality public schools	75
Safe place to live and work	68
Family located nearby	68
Strong local economy	68
Community that shares my values	67
Good transportation/easy to get around	38
Favorable cost of living	35
Good climate	34
Vibrant Downtown area	26
Low taxes	10

Quality of life regional performance perception: changes

Dimensions on which the Twin Cities performs very well or extremely well *compared to other locations*.

- Headwinds:
 - Strength of local economy: ↓ 10 (to 68%)
 - Favorable cost of living: ↓ 7 (to 35%)
 - High quality public schools: ↓ 6 (to 75%)
 - Though same high proportion send their kids to public schools in these data
- Tailwinds:
 - Good climate: ↑ 16 (to 34%)
 - Strong religious community to which I am affiliated: ↑ 9 (to 76%)
 - Ease of travel to US and international cities: ↑ 7 (to 88%)

MN and highly-educated, high-earning talent dynamic

- We do an amazing job of retaining this talent
 - It has been a key part of the economic engine
- We struggle at talent attraction
 - This is what has constrained growth
- Understanding what this talent base values and its assessment of the local environment
 - Important for corporate actions and policy