Keeping College Graduates in Michigan

Michigan Colleges Foundation
Student Survey Findings

April 13, 2011

Next Generation Consulting

TABLE OF CONTENTS

RATIONALE | Why This Project? Why Now?

In the State of Michigan, nearly 50% of the more than 300,000 students educated by its 15 public universities will leave the state upon graduation.[1]

The steady leak of talent out of Michigan is not new. From 2000-2010, Michigan was the only state in the nation to lose population.[2]

This is a trend that must be addressed, and if possible, reversed. Research shows that 58 percent of a city's success, as measured by per capita income, can be attributed to post-secondary degree attainment[3].

For Michigan to grow its economy, it must engage and retain its college graduates before they decide to leave, while there's still time:

> "For Michigan's turnaround, the ability to attract, engage and retain talent is a linchpin. Connecting students in personal and meaningful ways to Michigan's future before they graduate and plan their lives elsewhere is a critical component to the state's economic transformation, particularly for our major urban centers."
>
> \- Michigan Colleges Foundation, Partnership for Michigan

To address this transformation, the central questions of this study were:

Why - and how - do Michigan college students form their opinions about Michigan communities? What can we do to address their perceptions, and reposition Michigan as a smart choice for smart graduates? What - beyond jobs - do they value in "cool communities?"

Certainly, jobs are important to retain Michigan's college graduates. But, as many 20-somethings will tell you, "there's more to life than work." This study also addressed students' perceptions of seven quality of life indexes, as outlined on the following page.

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[1] "Slowing the Brain Drain", by Dustin Walsh

[2] 2010 Census shows Michigan's population declined since 2000

[3] CEO's For Cities, source: http://www.ceosforcities.org/blog/entry/2976/ceos-for-cities-launches-the-talent-dividend-prize

NEXT CITIES & THE SEVEN INDEXES

Next Cities™ are places (states/cities/regions) with the assets and amenities that attract and keep a young, educated workforce. Think bustling downtowns, walkable neighborhoods, diverse career opportunities, and a vibrant art and music scene. Next Cities™ are places the next generation proudly calls "home" because they nurture the attributes the next generation values. Next Generation Consulting ("Next Generation") groups these attributes into Seven Indexes:

Cost of Lifestyle | Recent graduates and young professionals are just getting started in their careers, and for many, affordability is key. This index includes variables that encapsulate a roof over the head and food on the table.

Earning | High school guidance counselors tell students that they'll have between nine and eleven jobs in their lifetime. The Earning index considers Michigan's average household income, the percentage of jobs in the knowledge-based sector, and more.

Learning | Is Michigan committed to high quality education for all of its residents? This index considers educational expenditures, student-teacher ratio, educational attainment, Wi-Fi hotspots, and more.

Social Capital | Great talent comes in every race, creed, and color. This index accounts for how open, safe, and accessible the state is to all people. It includes measures of diversity, integration, and crime rates.

Vitality | How committed is Michigan to an active and healthy lifestyle? This index considers water quality, air quality, physicians per capita, farmers' markets, and dog parks.

After Hours | There's more to life than work. This index considers the places to go and things to do after work and on weekends in Michigan's communities.

Around Town | How easy is it to get to where you want to go in Michigan? This index considers "walkability," commute times, public transit usage, and more.

OVERVIEW | Survey Demographics

The Michigan Colleges Foundation (MCF) Survey was open from February 21, 2011, until March 13, 2011. Students from MCF's fourteen member institutions participated and a total of 3,825[4] completed responses were captured.

Survey participants were asked general demographic and perception based questions about Michigan and their plans following graduation. Participants were also randomized into three survey "branches" - Detroit, Grand Rapids, and Lansing - and were asked a set of perception questions specific to each region.

At a quick glance, respondents were:

- Upper class-men (59% have a Junior, Senior, or 5th Year Senior class standing)
- Female (71%)
- White/Caucasian (86%)
- Average age of 21.9
- Michigan Natives (71%)
- Attending:

Adrian College	4%
Albion College	5%
Alma College	7%
Andrews University	8%
Aquinas College	16%
Calvin College	10%
Hillsdale College	8%
Hope College	19%
Kalamazoo College	2%
Madonna University	2%
Marygrove College	2%
Olivet College	2%
Siena Heights University	3%
Spring Arbor University	12%

Relationship to Michigan

Of the total respondents, 71% have lived in Michigan for more than half their lives and 29% are not originally from the state. Of the Michigan "natives" over half (54%) are from rural or small communities compared to only 38% of non-natives.

The majority (72%) of respondents had no relationship to the region in which the survey "branched" their questioning. Those that were from the region grew up in the larger metro area, not within the city boundaries.

[4] In total, more than 4,500 responses were collected. Only 3,825 were complete, valid responses.

KEY FINDINGS | What did we learn?

1. **Overall, Michigan natives are committed to staying in the state but they are not "ambassadors" of the state.**

When considering the state's ability to retain current Michigan natives, the survey results show that Michigan is performing well. More than half of natives (59%) said they are considering staying in the state after graduation. Only 11% of Michigan natives indicated they plan on leaving the state, however, 30% said they are unsure about their plans. This means Michigan has the potential to keep 89% of students originally from the state.

Furthermore, when respondents were asked what cities in which they were considering living after graduation, many Michigan cities ranked high on the list. Figure 1, is a "word cloud" image. This visual gives greater prominence to cities that were listed more frequently.

Figure 1: Cities in Consideration for "Life After Graduation"

As the word cloud depicts, several Michigan communities rank high on students' lists of places to live after graduation. Grand Rapids, MI was the top named city followed by Chicago, IL; Holland, MI; Ann Arbor, MI; Seattle, WA; and Denver, CO. Other cities frequently listed were Lansing, MI; Boston, MA; Detroit, MI; Washington D.C.; and New York, NY.

Although these findings fare well for the state's efforts to retain its existing native-student population, the state struggles in developing these students as promoters for Michigan.

There is no better way to retain non-native students to Michigan than to create "ambassadors" - loyal customers - who are proud to be from Michigan and share the good reasons to call Michigan "home."

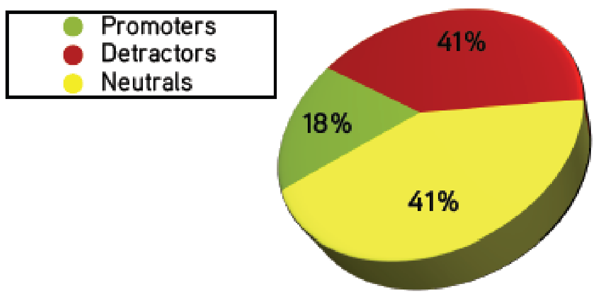
Next Generation uses the Net Promoter Score (NPS)[5] to measure respondents' likelihood – on a scale of 0 to 10 – to promote Michigan to friends or family who are considering staying/relocating.

[5] The Net Promoter Score is based on years of research on customer loyalty and profitability spanning several industries and decades. To learn more about the Net Promoter Score and how it's being used by a variety of industries, see http://www.netpromoter.com/.

Respondents who rate their likelihood of promoting the state with a 9 or 10 are considered "promoters." Respondents who give a score of 6 or less are considered "detractors." Scores of 7 or 8 are considered neutral and do not count toward the NPS. We calculate the NPS by subtracting the percentage of detractors from the percentage of promoters, as follows: Net Promoter Score (NPS) = % Promoters – % Detractors

For current students (Michigan natives) in Michigan, 41% were detractors and 18% were promoters, resulting in an NPS of -23%[6]. See Figure 2. This is 22 points below the average community NPS of -1%[7].

Figure 2: State of Michigan's Net Promoter Score: Michigan Natives



2. **The perceptions students have of Michigan and the regions of Detroit, Grand Rapids, and Lansing are not measuring up to their values and may hinder the state's ability to retain students following graduation.**

Overall, respondents have a relatively positive outlook for Michigan's economy and quality of life. They see Michigan's economy improving in the future and agree that it is a great place to live and work. However, when respondents were asked questions about specific quality of life categories, a different story emerged.

Survey respondents were asked two questions about the Seven Indexes of a Next City™ (described on page 3,), as they apply to the state and three regions:

- → How important are these categories/amenities to you? [This question determines the amenity's ***value*** to the respondent.]
- → How well does Michigan along with the regions of Detroit, Grand Rapids, and Lansing provide these amenities? [This determines the respondent's ***perception*** of the amenity's existence.]

Table 1, page 7, ranks the Seven Indexes of a Next City™ according to their value for all respondents. The "value" level represents the percent of respondents who chose "most important" or "somewhat important" for each index.

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[6] NPS scores were also captured for each region. Results: Grand Rapids, -49%; Detroit, -91%; and Lansing, -83%.

[7] Taken from a sample of seven U.S. cities: Grand Forks (ND); Des Moines (IA); Wichita (KS); Omaha (NE); and Cincinnati (OH); Rochester (MN); and Canton (OH).

Table 1: Student Values for the Seven Indexes of a Next City™

Index	Value
COST OF LIFESTYLE: I want a community where I can afford to live, work, and play (affordable housing/rent and amenities).	94%
EARNING: I want a stable economy with good jobs, a broad choice of places to work, and an environment that is friendly to entrepreneurs.	90%
LEARNING: I want to plug into a smart community with strong schools (K-12 and lifelong learning opportunities (higher education & personal enrichment)	84%
SOCIAL CAPITAL: I value living in a safe (low crime) and diverse community, with other young people. Where all people are engaged and involved in community life.	83%
VITALITY: I value living in a vibrant community where people are kind to the environment, healthy, and "out and about" - using public parks, trails, recreation areas, and attending farmers' markets.	82%
AFTER HOURS: I want plenty to do with authentic local places to have dinner, meet for coffee, hear live music, visit galleries, attend theatre, or just hang out.	77%
AROUND TOWN: I want to live in a community that's connected and easy to navigate using multiple modes of transit including foot, bike, car, and bus (walkable neighborhoods/downtown, bike lanes, public transit, etc.).	76%

Students value Cost of Lifestyle more than any other index followed by Earning and Learning.

This matches recent findings by Next Generation which identified that under-40s will choose 'Cost of Lifestyle' as the single most important factor when choosing where to live, e.g. nationally, 96% say it's either 'Very Important or 'Somewhat Important'.

Figure 3, offers another way of looking at the value students place on each index. This spider diagram is what Next Generation calls a "Handprint". This particular handprint shows the level of value, on a scale of 0-10, that Michigan students place on each index.

Figure 3: Michigan Student's Value Level Handprint

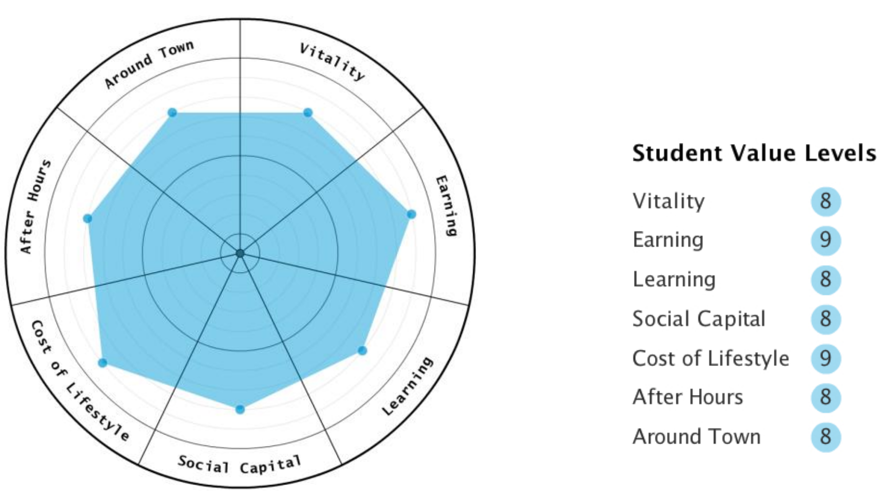


Table 2, compares students' perceptions of the state and three regions and offers an average variance compared to the value level for each index and overall. The "perception" level represents the percent of respondents who chose "completely agree" or "agree" with how well the state and each region offer amenities in each index. (A ranking of specific attributes within each Index can be found on pages 16-17.)

Table 2: Student Perceptions for State & Regions in the Seven Indexes of a Next City™

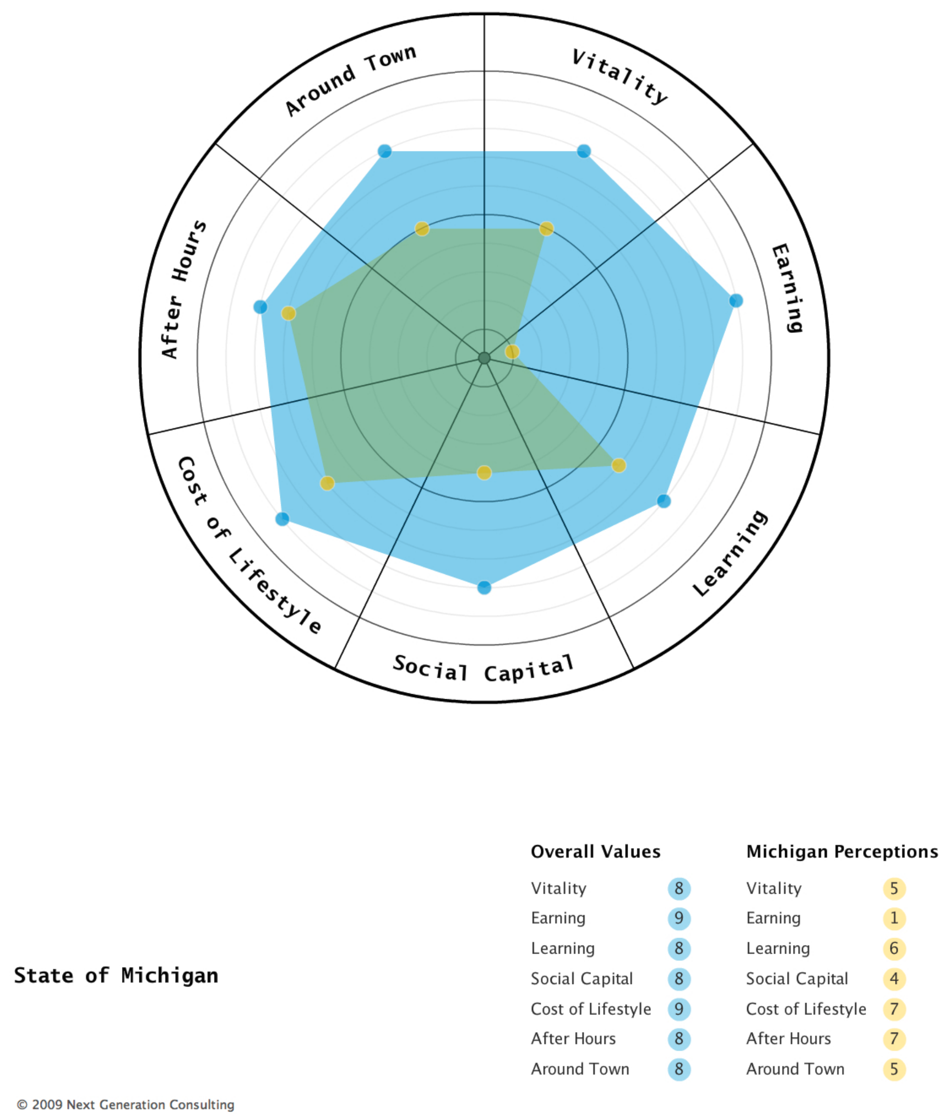
Index	Value	Perception				Average Variance from Value per Index
		Michigan	Detroit	Grand Rapids	Lansing	
COST OF LIFESTYLE: I can afford to live, work, and play in [Michigan/Detroit/Grand Rapids/Lansing] (affordable housing/rent and amenities).	94%	69%	11%	46%	21%	-56%
EARNING: [Michigan/Detroit/Grand Rapids/Lansing]'s economy is stable and offers good jobs, broad choices of places to work, and an environment that is friendly to entrepreneurs.	89%	11%	34%	38%	24%	-63%
LEARNING: I believe [Michigan/Detroit/Grand Rapids/Lansing] offers strong schools (K-12) and lifelong learning opportunities (higher education & personal enrichment).	84%	64%	10%	46%	23%	-46%
SOCIAL CAPITAL: [Michigan/Detroit/Grand Rapids/Lansing]'s communities are safe (low crime) and diverse, with other young people. All people are engaged and involved in community life.	83%	42%	34%	55%	36%	-37%
VITALITY: [Michigan/Detroit/Grand Rapids/Lansing]'s communities are vibrant communities, where people are kind to the environment, healthy, and "out and about" - using public parks, trails, recreation areas, and attending farmer's markets.	82%	54%	54%	71%	44%	-30%
AFTER HOURS: [Michigan/Detroit/Grand Rapids/Lansing] offers plenty to do with authentic local places to have dinner, meet for coffee, hear live music, visit galleries, attend theatre, or just hang out.	77%	67%	8%	43%	24%	-46%
AROUND TOWN: [Michigan/Detroit/Grand Rapids/Lansing]'s communities are connected and easy to navigate using multiple modes of transit including foot, bike, car, air, and bus (walkable neighborhoods/downtown, bike lanes, public transit, etc.).	76%	51%	7%	32%	23%	-49%
Average Variance for all Indexes compared to Value for Michigan & Regions	84%	-32%	-61%	-36%	-56%	-46%

In looking at the variances in Table 2, page 8, the closer the difference is to "0," the better the match between respondent's value for that index, and their perception that the index is strong. The average variance between value and perception for all indexes in the state and the three regions is -46%. Ideally, the variance for each index would be less than 15%.

This indicates the State of Michigan has significant perception problems with gaps in all seven indexes, the largest being the low perception of Earning opportunities in the state. This Earning gap along with the overall gap is impacting Michigan's ability to retain college graduates and it must be addressed to keep students in the state following graduation.

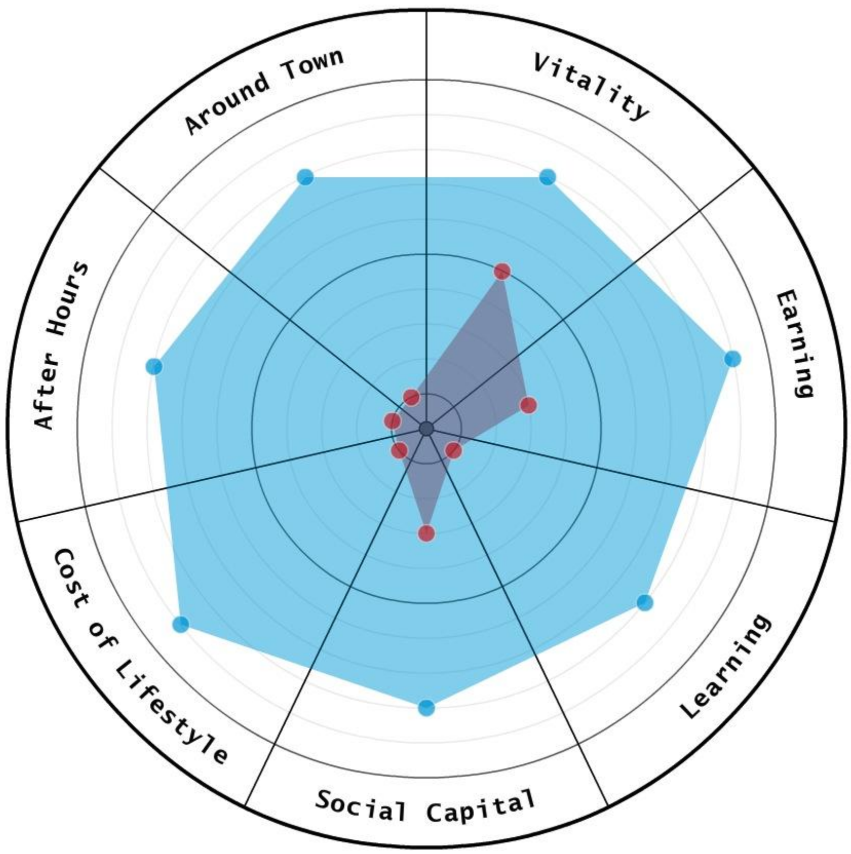
Figures 4-7, takes Figure 3: Michigan Student's Value Level Handprint, and lays the perception levels on top of it to provide a visual diagram of the variances between value and perception in each index for the State of Michigan, Detroit, Grand Rapids, and Lansing.

Figure 4: State of Michigan Value vs. Perception Diagram



In looking at Figure 5 below, you can see the Detroit region suffers from the biggest perception problem among the three regions. Detroit's average variance between value and perception is -61%, with the largest variances in Cost of Lifestyle (-82%) and Learning (-74%). On the flip side, respondents saw some potential in Detroit's Vitality opportunities with the lowest variance among the indexes at -28%.

Figure 5: Detroit Region Value vs. Perception Diagram



Detroit Region

Overall Values		Detroit Perceptions	
Vitality	8	Vitality	5
Earning	9	Earning	3
Learning	8	Learning	1
Social Capital	8	Social Capital	3
Cost of Lifestyle	9	Cost of Lifestyle	1
After Hours	8	After Hours	1
Around Town	8	Around Town	1

Among the three regions, Grand Rapids ranked at the top with an average variance between value and perception of -36%, compared to Detroit's (-61%) and Lansing's (-56%). Grand Rapids largest variances were in Earning (-52%) and Cost of Lifestyle (-48%) . However, although a perception problem exists overall, as Figure 6 shows, Grand Rapids can "play-up" on its strong perception in Vitality. Seventy-one percent of respondents agree Grand Rapids is a vibrant community.

Figure 6: Grand Rapids Value vs. Perception Diagram

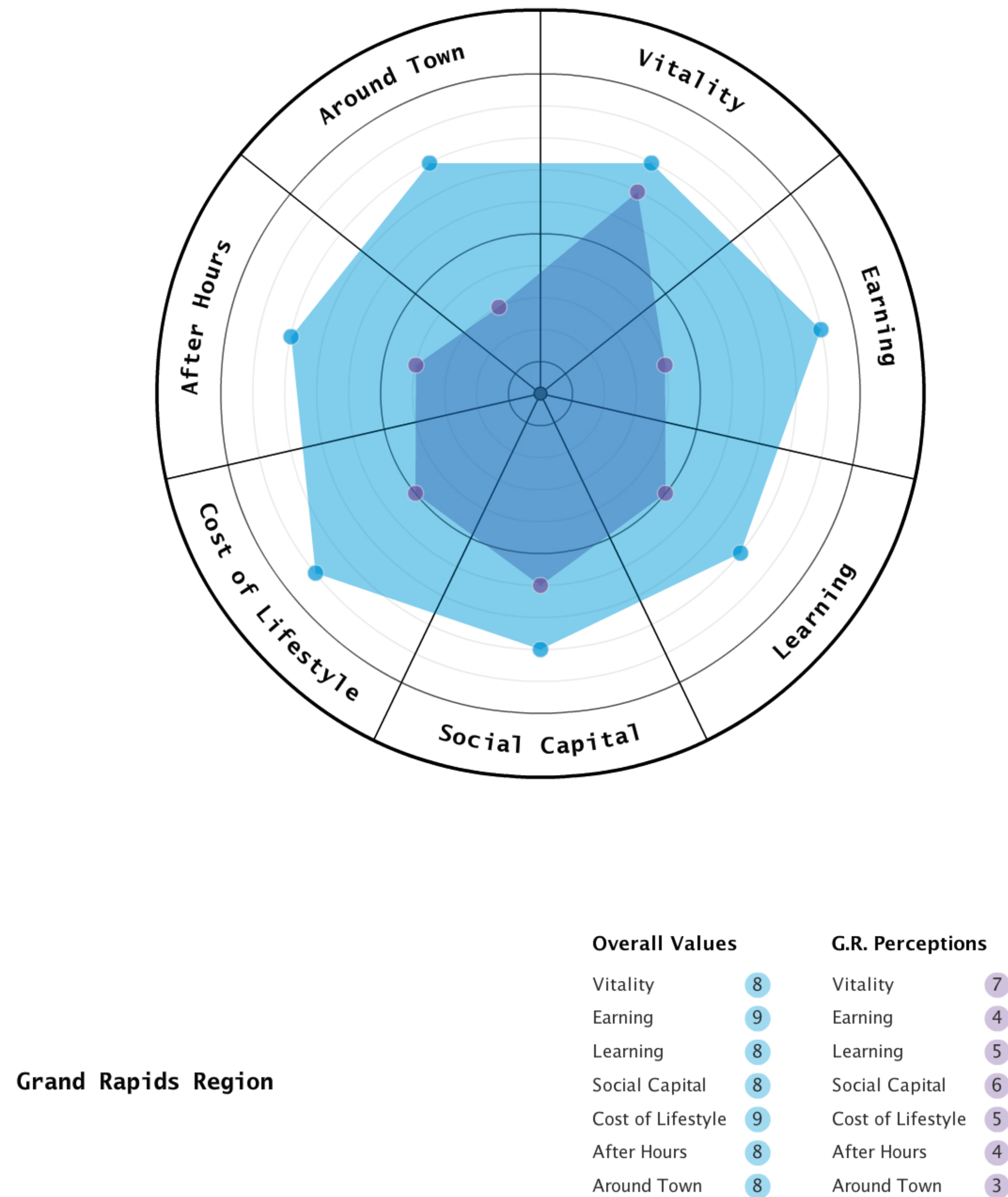
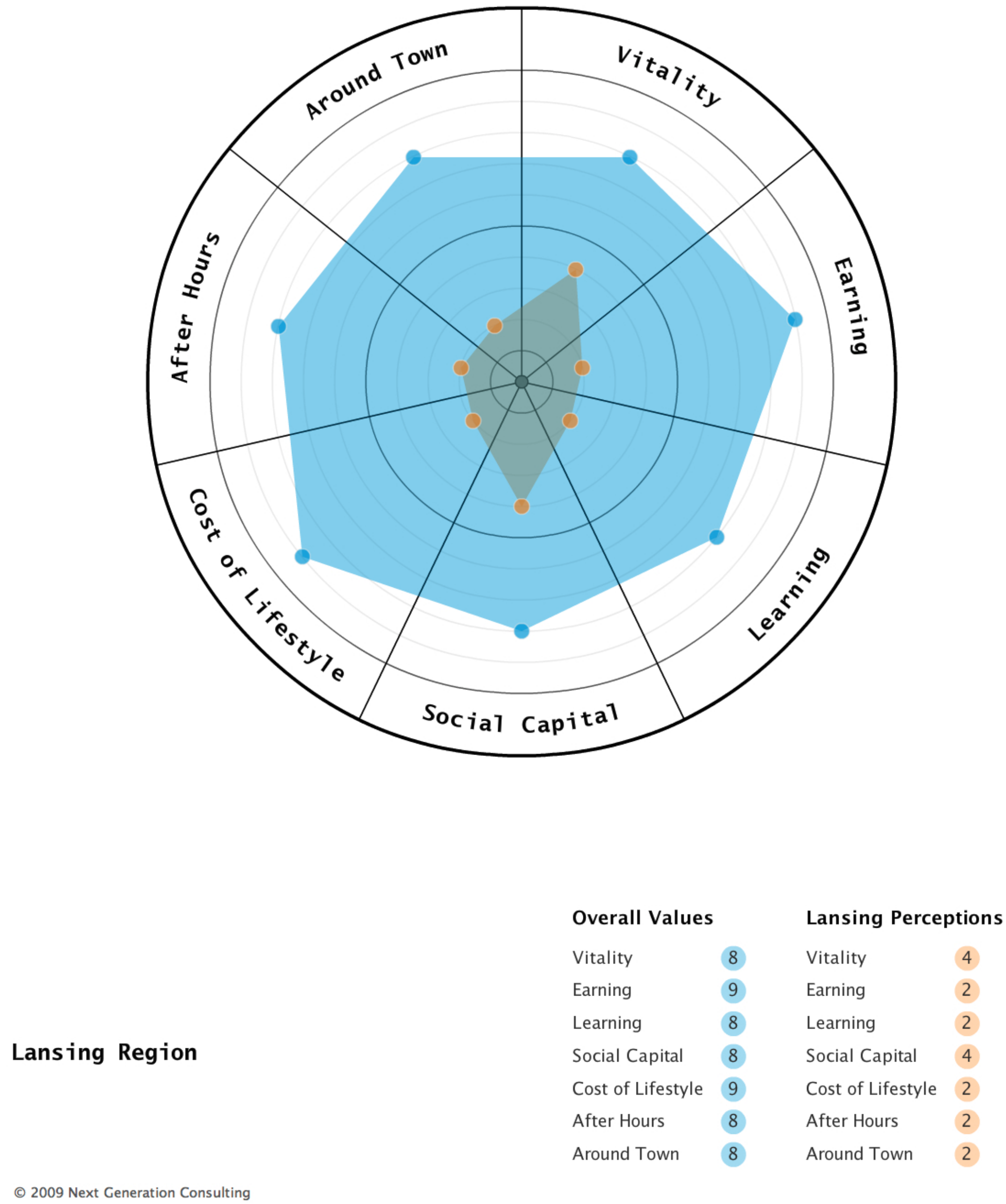


Figure 7, provides a visual for the variances in each index for the Lansing region. Like Detroit, Lansing battles a big perception problem with an average variance between value and perception of -56%. The largest variances are in Cost of Lifestyle (-73%) and Earning (-65%). Lansing's lowest variances were in Vitality (-39%) and Social Capital (-47%).

Figure 7: Lansing Region Value vs. Perception Diagram



Typically, Next Generation would recommend focusing any marketing efforts on highlighting the strengths of each region. For example, Grand Rapids is currently the most appealing region based on perception levels, and has strengths in Vitality that can be leveraged.

However, prior to launching any marketing efforts, it would be wise for the state and each region to determine if these perception issues are in fact the reality or if they are just mis-guided perceptions. If it's the reality, efforts beyond marketing will need to be done.

3. The perceived lack of "Earning" opportunities in Michigan is the primary reason college graduates will leave the state.

As Table 1 shows, Earning is the second most valued index for Michigan students. It's also the index with the largest discrepancies between value and perception.

While 89% of students value Earning, only 11% agree that Michigan has broad enough employment opportunities. This indicates students are not confident about job opportunities in the state and will be tempted to leave the state to pursue their careers.

Following graduation, students often take one of two approaches to deciding on a place to live. Some students decide where they want to live, then look for a job in that place. Other students look for the best job and move to the place where that job is. - place being a secondary consideration.

When we asked survey respondents about which approach they favored, just over half (51%) of students indicated they will go where they can find the best job. Nearly a third (31%) indicated they will first choose where they want to live, then look for a job.

Therefore promoting Earning opportunities, coupled with affordability and a strong quality of place, will be a key marketing strategy in reaching emerging professionals.

4. Educating students about life after college in Michigan will require word of mouth, technology, and carefully crafted visits.

The majority (80%) of survey respondents are most likely to reach out to friends & family to learn about potential areas to live. First-hand visits were a close second (79%), followed by internet sources (71%).

Figure 8, page 14, shows the sources students are most likely to use in learning about potentials areas to live.

Figure 8: Sources Used for Gathering "Life After College" Information

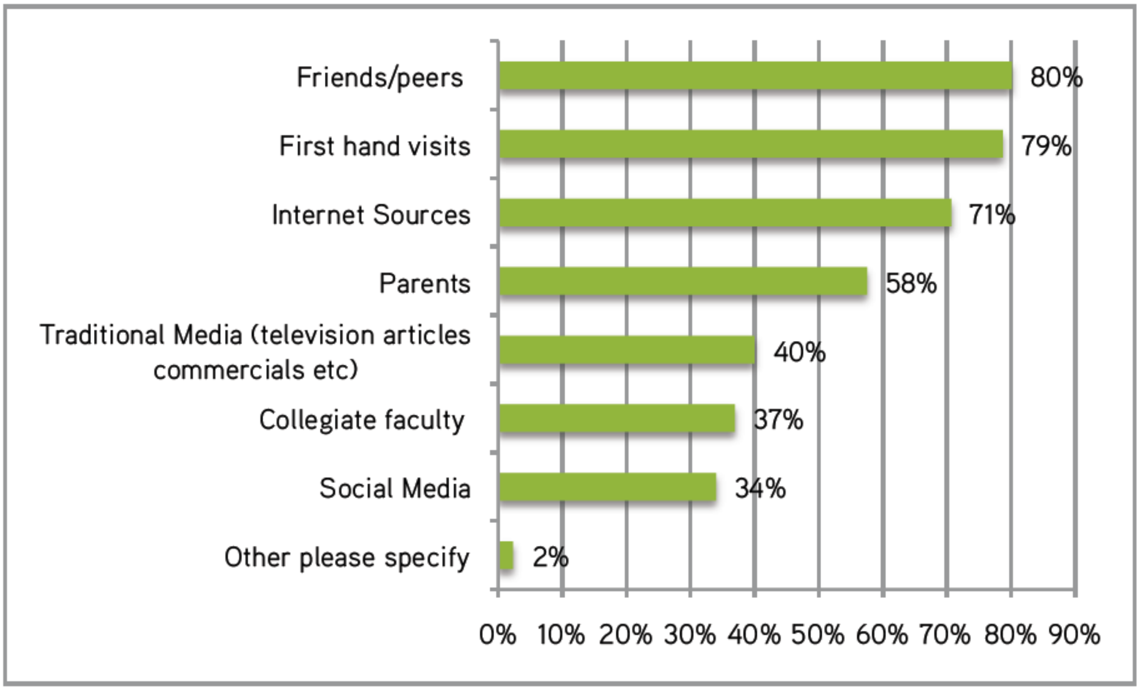
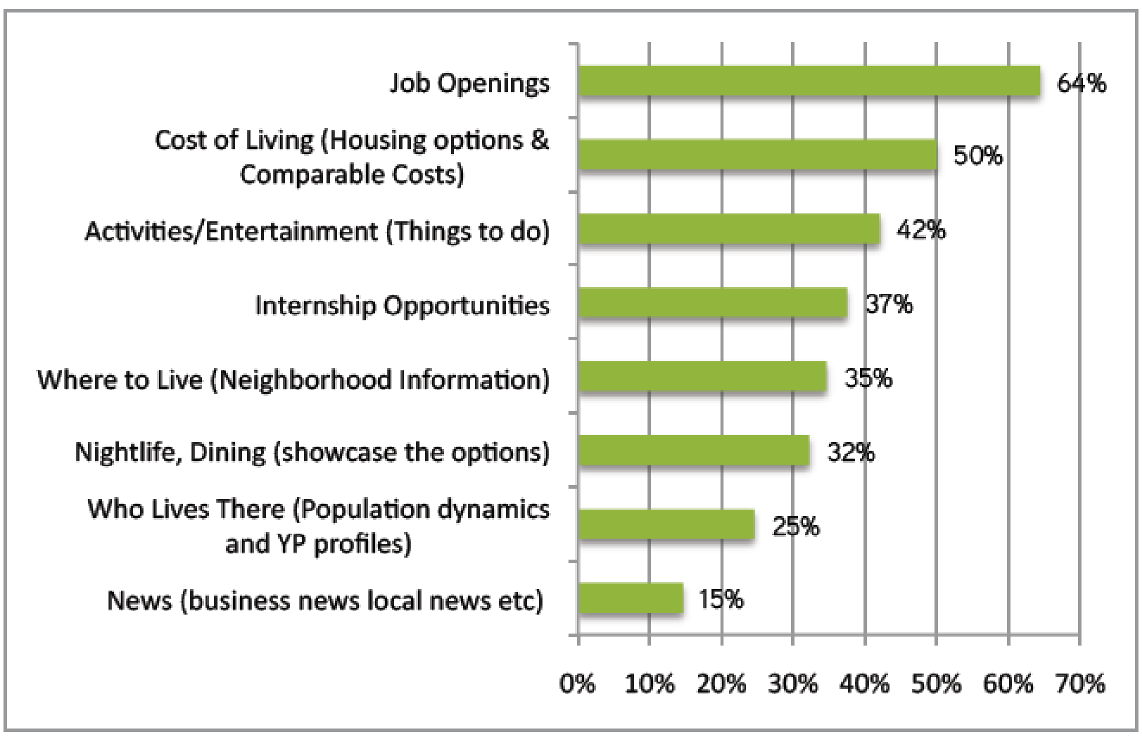


Figure 9, provides insight into what students are most interested in learning about potential areas to live after graduation.

Figure 9: Most Important "Life After College" Information



As Figure 8 & 9 show, in today's digital age, it will be important to use both traditional web technology and social media in unique ways to showcase job opportunities, quality of life experiences, housing information, and more.

5. Promoting specific quality of life amenities - like good-paying jobs, affordable housing, commute times, access to parks, bike and hike trails - is key to marketing post-graduate life in Michigan.

What is the next generation really looking for in a "cool city?" To help us dive deeper we asked respondents to identify what they value MOST in each index when considering a place to call home. Table 3, displays the top assets, in each index, that students are looking for in a community of choice.

Table 3: Most Desired Community Assets

Students were asked: When considering the "_*(insert index)*_" opportunities in a community and their impact on you choosing a place to call home, please check the ONE thing you value **MOST**:

		% of Agreement
COST OF LIFESTYLE		
Affordable housing market (home ownership)	**1885**	**45.83%**
Affordable cost of goods and services	713	17.34%
Affordable rental properties	587	14.27%
Availability of city living (downtown apartments/condos)	575	13.98%
Low taxes (property tax, sales tax, etc.)	320	7.78%
Other (please specify)	33	0.80%
Total	4113	
EARNING		
Good paying job opportunities	**2082**	**50.61%**
Opportunities to advance my career, not just start it	1713	41.64%
Availability of entrepreneurial support	208	5.06%
Other (please specify)	111	2.70%
Total	4114	
LEARNING		
Quality of K-12 education system	**2168**	**52.57%**
Availability of advanced degree programs (graduate programs)	829	20.10%
Availability of continued learning (personal enrichment)	797	19.33%
Free WiFi accessibility	239	5.80%
Other (please specify)	91	2.21%
Total	4124	
SOCIAL CAPITAL		
Public safety (low crime)	**1216**	**29.59%**
Close to family	979	23.83%

Presence of other young, active residents	748	18.20%
Ease of engaging with the community (get involved)	649	15.79%
A diverse make-up of residents	470	11.44%
Other (please specify)	47	1.14%
Total	4109	

VITALITY		
Variety of outdoor amenities (parks, bike & hiking trails)	**2125**	**51.54%**
Good environmental quality/ awareness	931	22.58%
Farmer's markets / "Buy Local" awareness	673	16.32%
Nearby natural resources	246	5.97%
Dog parks	85	2.06%
Other (please specify)	63	1.53%
Total	4123	

AFTER HOURS		
Variety of social activities (restaurants, bars, clubs, shopping, etc.)	**1513**	**36.72%**
Variety of cultural activities (theaters, galleries, concerts, festivals, etc)	1380	33.50%
Thriving downtown area & stroll districts	696	16.89%
Availability of Participatory Sports (leagues, etc.)	240	5.83%
Other (please specify)	148	3.59%
Proximity to Major Sports Teams (pro teams)	143	3.47%
Total	4120	

AROUND TOWN		
Ease of commute from home to office	**2748**	**66.83%**
Availability of public transportation (buses/trains)	678	16.49%
Availability of bike lanes for commuting	463	11.26%
Proximity to a major airport	149	3.62%
Other (please specify)	74	1.80%
Total	4112	

MCF should consider highlighting the highest ranking amenities in all marketing efforts to students with special emphasis on job opportunities, housing options, and recreational activities.

CONCLUSION | Where do we go from here?

On the first page of this report, we shared the quantitative importance of growing Michigan's economy by retaining and engaging a college educated workforce.

In this study, we learned what Michigan college students are looking for, when choosing where to relocate after graduation. We learned that - in their eyes - Grand Rapids is the most attractive region in Michigan. We also learned that college students' perceptions of Michigan - on the whole - are not strong.

As the Michigan Colleges Foundation sets out to address these findings, we strongly encourage you to:

- Measure how well Michigan really scores in the seven indexes. It's possible that students' perceptions of Detroit, Lansing, and Grand Rapids are worse than the reality. By addressing these gaps, you develop strong talking points, to share what life in Michigan is really like.

- Parents, peers, college professors, and college faculty influence students' post-graduate decisions. Whenever possible, make sure that these influentials have the right information about Michigan's possibilities, so that they don't inadvertently steer students out of Michigan

- Focus on the "Convincibles." Half (50%) of all survey respondents indicated they are considering staying in the state following graduation. Another 31% are unsure. Taken together, 80% of survey respondents could be convinced to stay. **We call this group your "Convincibles," and they should be the focus of ongoing marketing initiatives.** The Convincibles see potential in Michigan and may have connections here - friends & family. As they think about life after college, the Partnership for Michigan has the opportunity to develop a more positive perception of Michigan and create stronger connections for them - making them nostalgic for Michigan before they ever have a chance to leave.

There's a saying in business, "It's easier to keep your current customers than it is to attract new ones." The same is true in workforce and economic development; it is more cost-effective to retain the young talent already living, studying, and working in Michigan than to convince new migrants to relocate to Michigan.

A smart investment in Michigan's future is to invest in encouraging the Convincibles to stay.