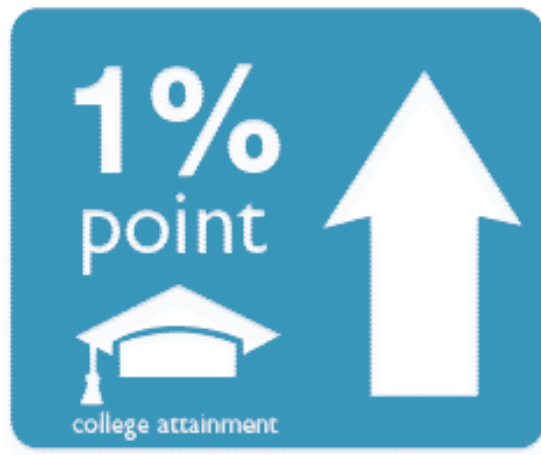
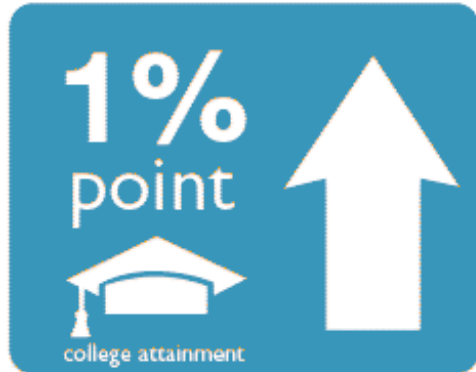


The Talent Dividend

Sponsored by:



City Dividends



 **Talent**

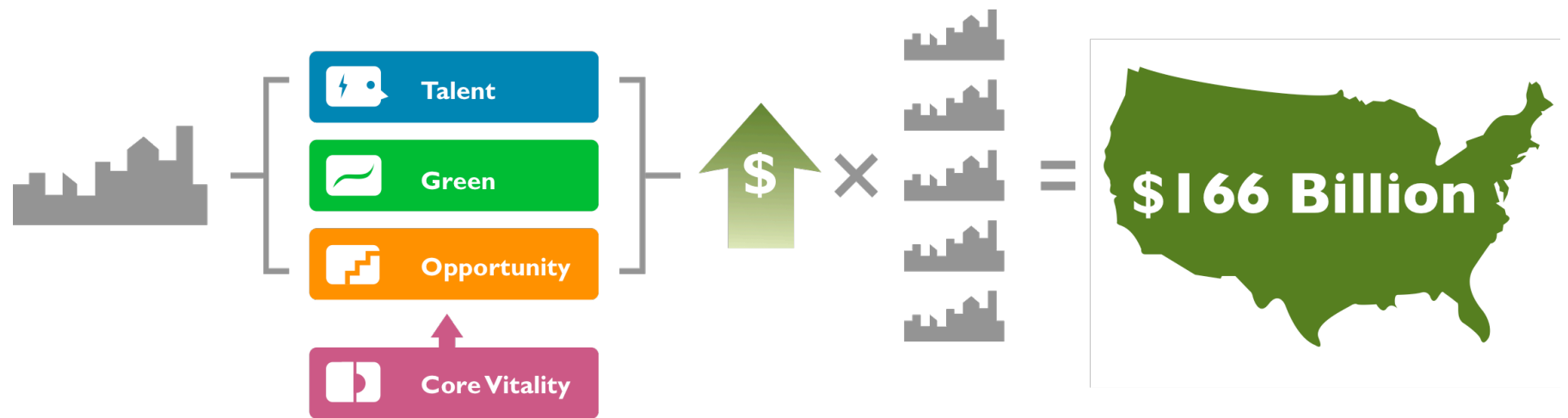


 **Green**



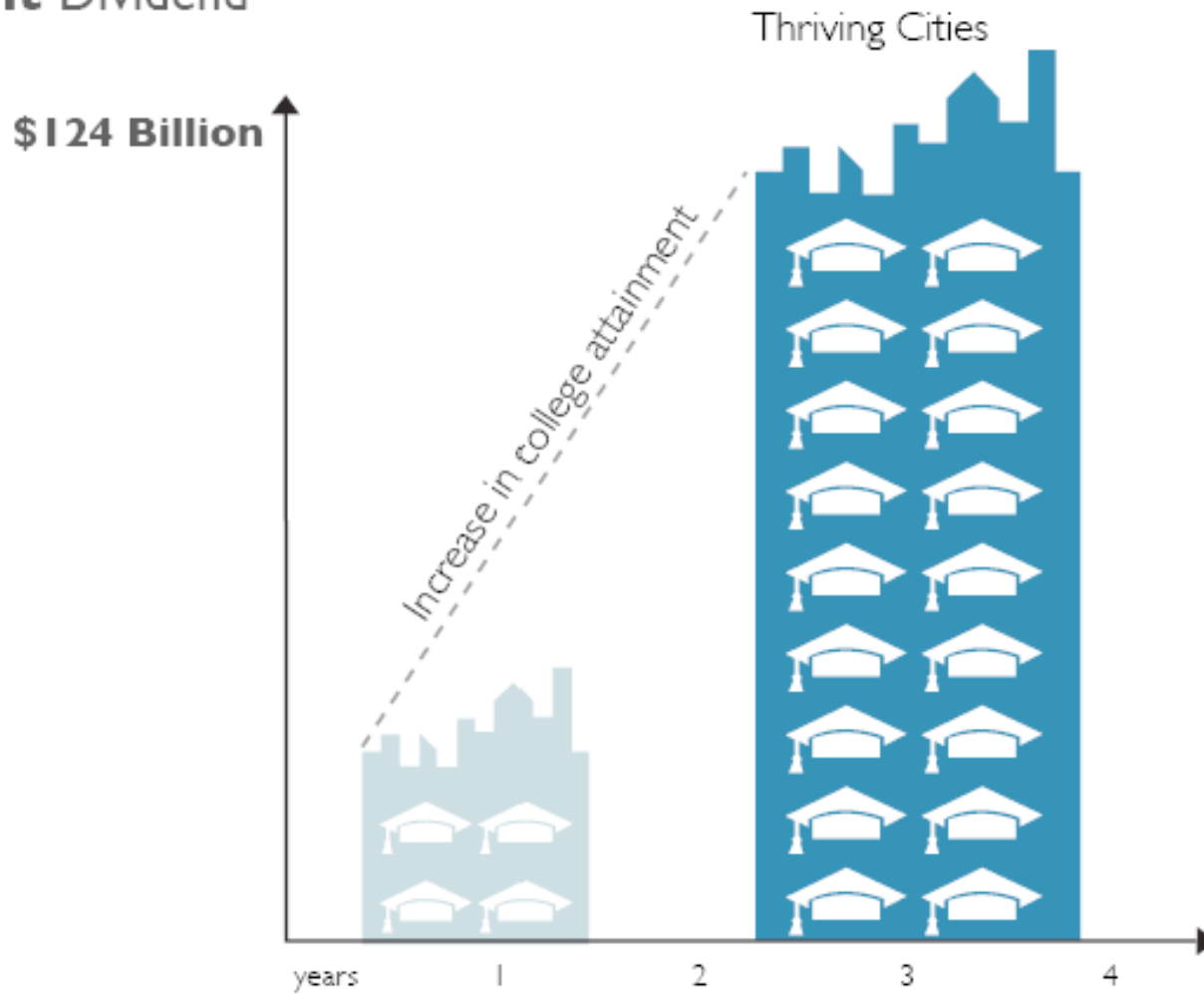
 **Opportunity**

National Gains



Talent

Talent Dividend



Talent retention is key.

Quality of place

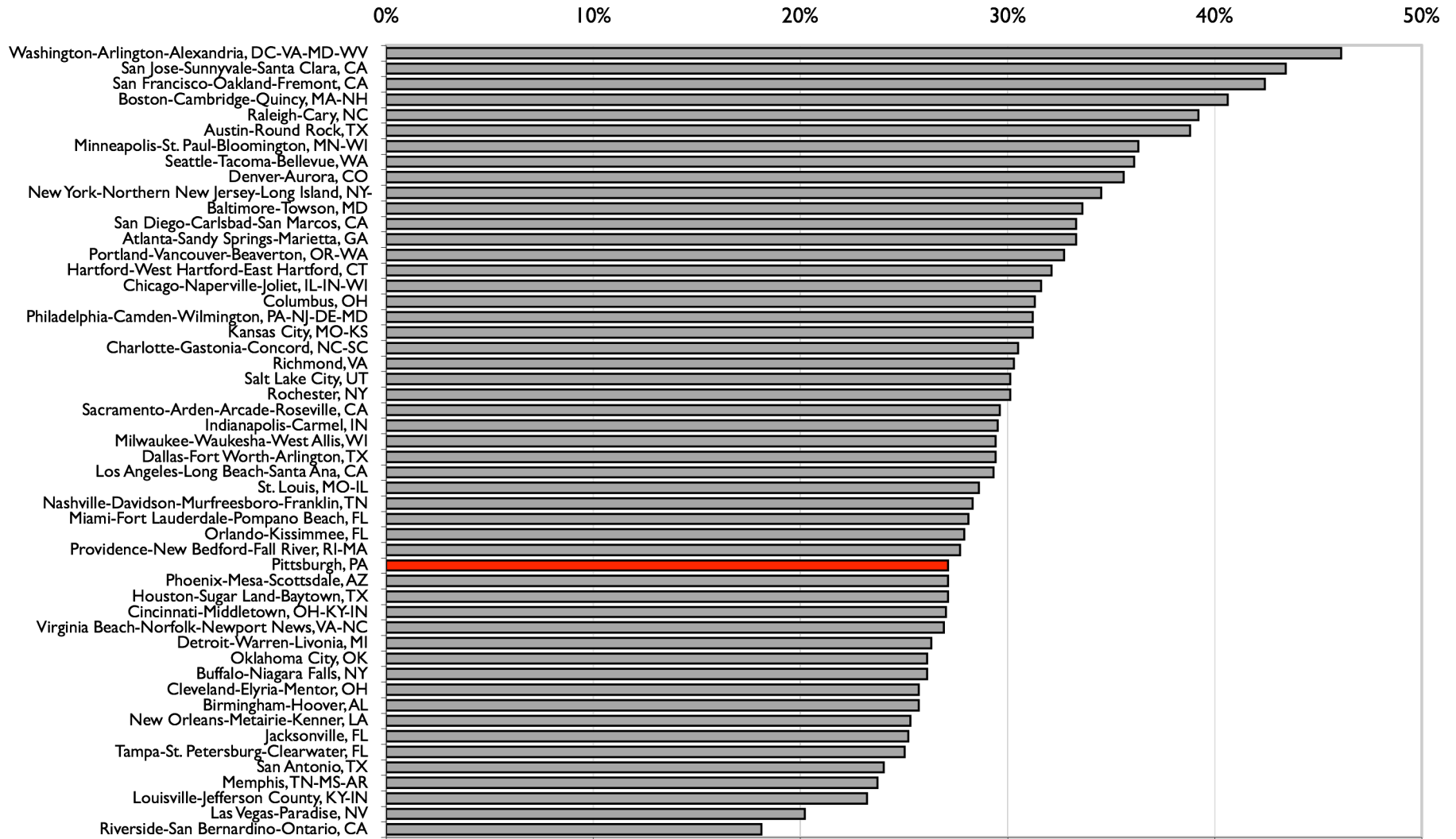
Quality of opportunity

The Approach

- Cities differ in educational attainment
- Differences reveal opportunities for improvement
- Improvement gains estimated from evidence
- Gains represent potential payback from better policies

Metro Variations in Educational Attainment

Four Year College Attainment Rate



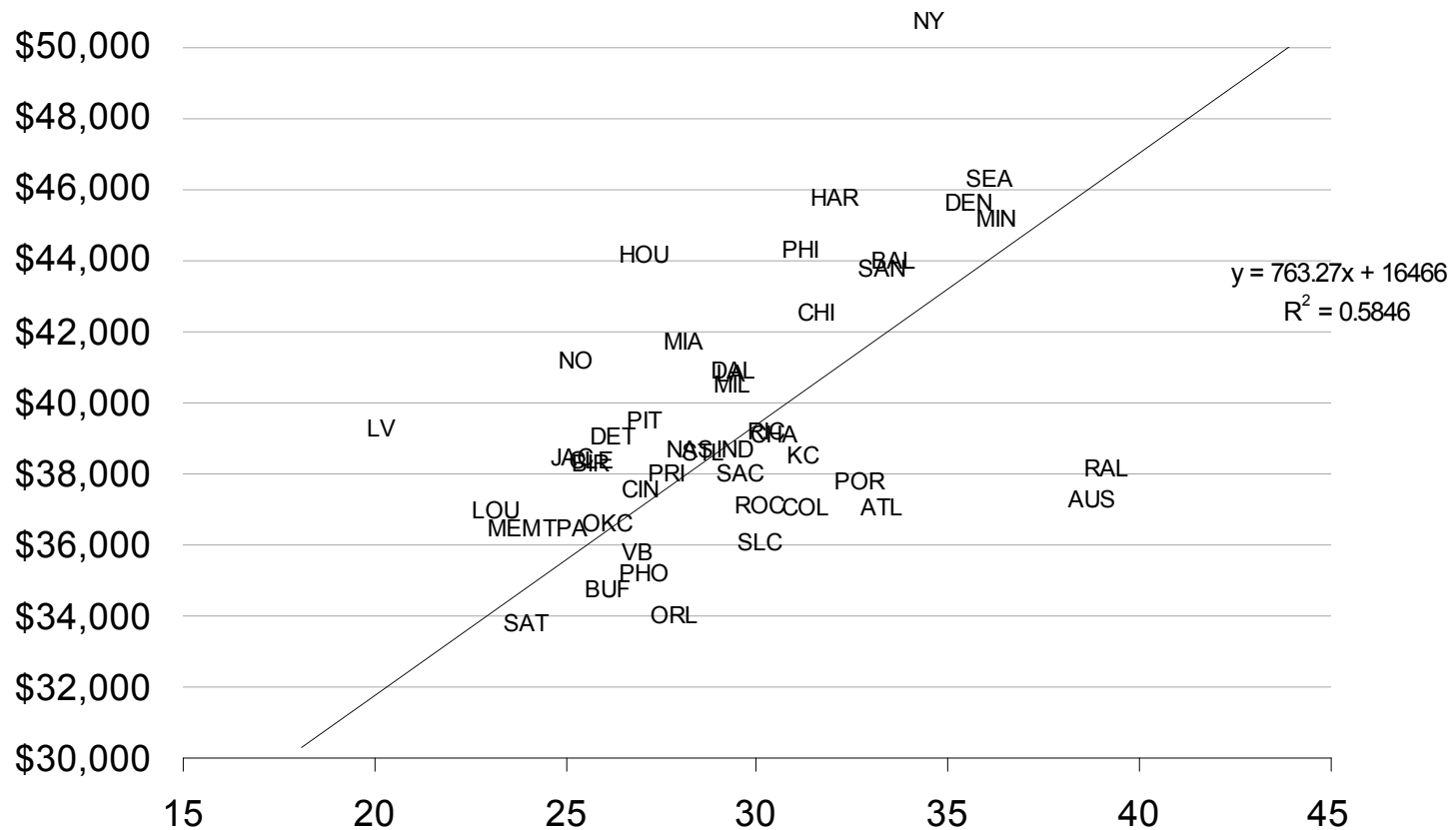
The Hypothesis

- Better-educated = higher incomes
- Better-skilled = more innovation and productivity

The Evidence

Education Explains Most Differences in Metro Income

Annual Per Capita Income, 2005



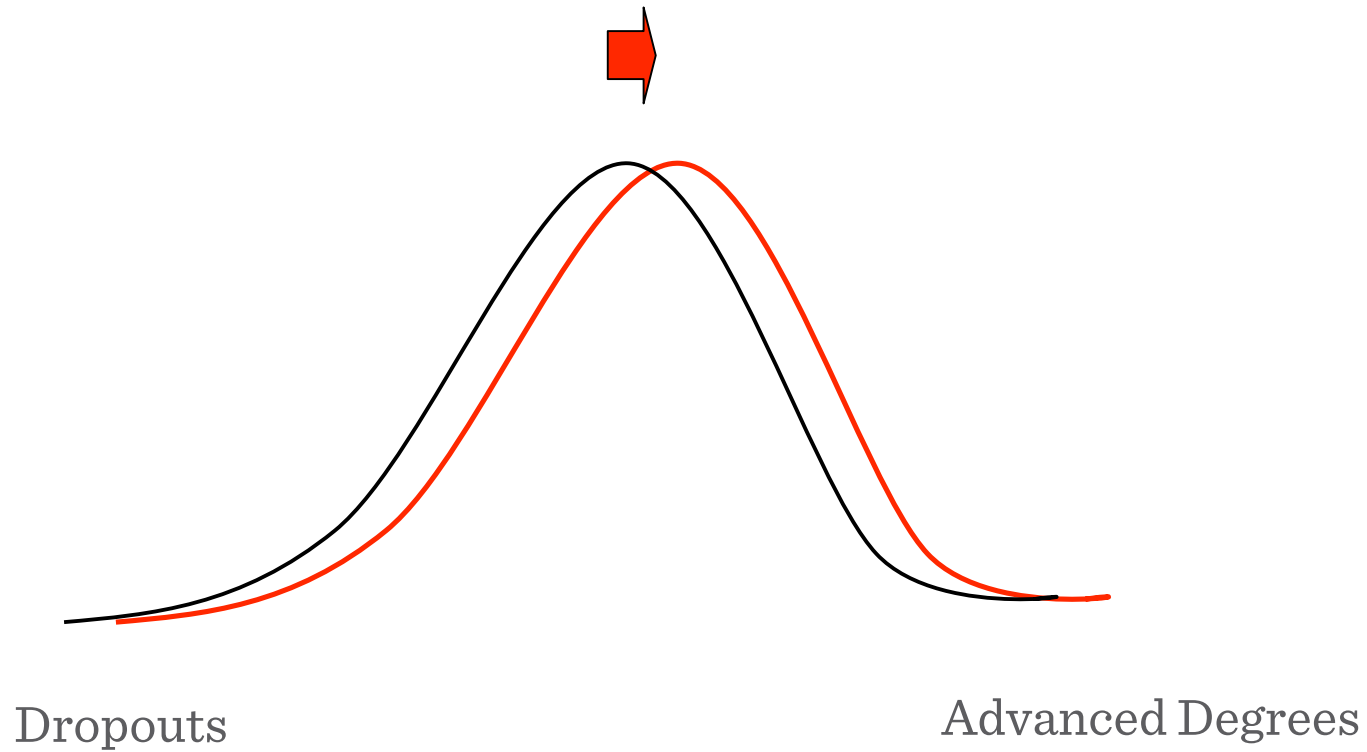
Percent of Population with a 4-Year College Degree, 2006

Sources: BEA (Income), Census (Education)

Estimating the Gain

- Each 1 percentage point increase associated with \$763 increase in per capita income or about \$1,900 to \$2,290 per year for average household (2.5-3 people)
- Important to note: education gains are product of shift in entire skill distribution - not just moving a certain number of people from no degree to college graduation

Shifting the Distribution



Educational Attainment

Talent Measures	%	No. of People
Educational Attainment (Population 25 and Older)		
Less than High School	10.2%	168,577
High School Only	37.5%	619,769
Some College/AA	24.7%	408,221
Four-year Degree	27.6%	456,150
Educational Attainment of Young Adults (25 to 34)		
Less than High School	5.3%	13,245
Four-year Degree	37.4%	93,461
Talent Dividend		
Goal	28.6%	
Additional degree holders		16,527

Why Focus on Educational Attainment?

Unemployment by Education Level	
Overall	9.8%
Less than High School	15.0%
High School Only	10.8%
Some College/AA	8.5%
Four-year Degree	4.9%

Source: Bureau of Labor Statistics, September 2009

Three-quarters of the workers that were fired over the last year were let go on a permanent, not a temporary basis.

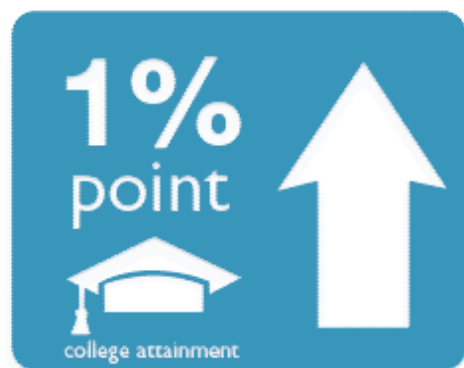
-- David Rosenberg, July 2009

Pittsburgh's Talent Dividend

If we increase Pittsburgh's college attainment rate from 27.6 percent to 28.6 percent (*16,527 additional new grads*)...

The Pittsburgh Talent Dividend =
\$1.8 billion annually

Capturing the Talent Dividend



Strategy Buckets:

Re-engage adults with some college, no 4-year degree

Increase transfer rate of students in 2-year institutions to 4-year institutions

Retain current students for timely completion

Increase college-going behavior of high school students

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www.ceosforcities.org/talentdividendtour