



MOVING THE PITTSBURGH REGION FORWARD: **TALENT UPDATE**

The future of the Pittsburgh region relies on the people who power it.

Five years ago, the region was at an inflection point with population, demographic and workforce challenges that made this reality clear: continuing to do things as we always had, would position the region further behind in its ability to compete for talent and the economic expansion that depends on a highly skilled, in-demand workforce.

The Allegheny Conference brought together leaders in the business, education, policy and non-profit communities to solve these challenges and put the region on a path to thriving as a globally competitive market. This involved shifting the way we operate – often as competitors for talent – to collaborators, on behalf of the region, in a way that raises the bar for all. We know that talent fuels growth and innovation and is key to our economy moving forward.

This report captures the strategies that have been put in play by the Allegheny Conference, as we work to attract companies for expansion and help companies already here continue to grow.

As the leader of the Conference's Talent Steering Committee, I applaud the progress that has been made thanks to this collaborative effort – unique among cities nationwide. Our committee will accelerate this work, as the competition continues to intensify, so that the Pittsburgh region can continue to thrive and compete on a global scale.



Eric Boughner

Chairman, BNY Mellon Pennsylvania & Global Head, Treasury Services Business Development
Chair, Allegheny Conference Talent Steering Committee



THRIVING PEOPLE, STRONG ECONOMY

Two key pillars of the Allegheny Conference's 2021 work plan are Thriving People and a Strong Economy. We cannot have one without the other.

The Talent work plan builds on progress made over the past several years in talent attraction, retention and ecosystem development, and sets a future state with conditions for growth:

- It's inclusive and provides opportunity for all to connect to in-demand jobs
- Builds on the strengths of the region and its key industry sectors such as information technology, healthcare, financial services, energy and manufacturing
- Takes into account the fierce talent competition we face from national and global markets to grow their own communities
- Expands our definition of community to include diverse professional and social networks that welcome and connect people of color

As we move the region forward, we know that talent will continue to play a critical role in ensuring that we do have a region characterized by thriving people and a strong economy. And we welcome the continued involvement of all of our members and partners on the path ahead.



TALENT ATTRACTION STRATEGIES

Attracting talent has become a high-stakes race.

As the supply of talent overall, and tech talent in particular, becomes tighter, competitive regions and companies have invested significantly to improve their talent attraction and retention strategies. The Pittsburgh region cannot afford to sit back while other regions outpace and outspend us, as talent is fueling growth and innovation for virtually all major companies and startups.

Talent Council

As part of an effort to compete at a higher level, the Conference launched the Talent Council, a collaborative group of 50+ employers working together to sell the Pittsburgh region to talent. These HR and talent professionals from across industry sectors bring global expertise and share best practices to strengthen the region's competitiveness in talent attraction and retention. The group meets bi-monthly and topics have included:

- Diversity and inclusion
- Internships and college talent pipelines
- Collectively marketing the region to talent
- Predictive analytics for talent retention



TALENT ATTRACTION STRATEGIES

Talent Toolkit

Regional employers asked for an interactive, online, dynamically updated resource that would help recruiters introduce prospective candidates to the Pittsburgh region. Our solution is a *Pittsburgh Region. Next Is Now. Talent Toolkit*, a unified brand resource that is filled with compelling images, videos and data. The toolkit has been rolled out to Conference members and their hundreds of recruiters who are selling the region to talent every day.

You can access the toolkit here:

<https://pittsburghregion.org/talent-toolkit/>

Remote Work

The COVID pandemic accelerated an already existing trend – workers in key occupations, such as tech, have been choosing to relocate from high-priced markets to lower priced, less dense areas, without giving up the amenities of cities. In an effort to capitalize on this trend as an opportunity to stabilize our population and increase our talent pool, the Conference is creating a partnership to attract this talent to the region. The plan includes a framework of partners to connect them to professional and social networks and communities, and thereby increase retention. We know that when talent leaves the region, especially diverse talent, one of the primary reasons is an inability to connect to a community here and feel at home.



RETAINING COLLEGE TALENT

- **While the region annually graduates more than 40,000 college students, nearly half leave for other markets.** From Conference research, departing graduates cite an inability to find a job here and/or the perception that the region lacks the adequate social and cultural infrastructure for them to stay. Competitive regions retain upwards of 60-75%. The Conference is launching a college student retention strategy in 2021 that will activate regional stakeholders to engage students from freshman year through graduation to make Pittsburgh a top destination of choice to live and work.
- **The Pittsburgh Passport** In 2019, The Passport launched in collaboration with 35+ regional employers, to give college interns a complete immersion into what it's like to live, work and play in Pittsburgh and connect them to opportunities in the region. The first-of-its-kind initiative engaged more than 1,500 interns from around the world in all that the city has to offer, from a kick-off celebration at Heinz Field to kayaking on the Allegheny River, to professional development seminars, Warhol Museum nights, and corporate open houses, to meet hiring managers and talk about opportunities in Pittsburgh.



Allegheny Conference, 2020 Passport participation data

RETAINING COLLEGE TALENT

- **A Virtual Pivot** In 2020, the program grew virtually and opened up to all college students with over 1,700 students participating, 46% of whom identified as students of color. The Passport provided an inside look into life in Pittsburgh through cooking classes with local chefs, non-profit leadership discussions, diverse professional meet-ups, tech talks, and of course, multiple opportunities to engage with HR and corporate staff to talk about follow-on internships and full-time jobs.
- **PwC Passport Case Study** In 2021, the Allegheny Conference collaborated with PwC on a national case study to showcase the Passport to a national audience and share program outcomes such as:
 - Increased offer acceptance rates
 - Increased intern satisfaction
 - Enhanced diversity
 - Higher employee engagement.

Read the full report here: <http://bit.ly/Passport2Future>



For more information or to register to participate in the 2021 Passport go to www.pittsburghpassport.com



SHPE National Convention



GROWING AN ECOSYSTEM FOR DIVERSE TALENT

An Inclusive, Welcoming Environment for Diverse Talent

The Allegheny Conference is helping to catalyze partners in the region to ensure we have the right conditions to support business expansion, attract diverse talent and help them thrive. Our HR partners have learned from diverse talent leaving the region that they find it difficult to connect and find a sense of community here. Partners like Vibrant Pittsburgh and other groups that provide resources and engagement opportunities are crucial to retaining diverse talent, but there is also a need to attract more national social and professional groups to the region that diverse talent can easily plug into to foster networking and community.

Diverse Talent Organizations

In addition, regional employers have asked for more tools and resources to attract and hire diverse talent. The Allegheny Conference will:

- Connect employers to national talent organizations that provide access to a critical mass of diverse talent; including college and early-career talent
- Facilitate opportunities for employers to collectively sell the region to diverse talent
- Continue brokering relationships and finding resources that support our regional goal of building a more diverse, inclusive workforce



GROWING AN ECOSYSTEM FOR DIVERSE TALENT

- **A Focused Need For Inclusive Tech Growth** Tech continues to be a major driver for the regional economy, supported by our strong R&D and technical expertise in areas like robotics, AI, and life sciences, but we need to work harder to ensure that our tech talent pool can grow in an equitable, inclusive way. Intentional pathways into tech careers that provide family-sustaining wages and upward mobility for diverse talent, elevate our local community and provide the talent our companies need to thrive and grow. The Conference, Partner4Work, InnovatePGH, foundations, community groups and tech training providers continue to work together to catalyze efforts around this important work.
- **Tech Training Opportunities** In 2021, two national tech training providers, Per Scholas and Year Up, launched cohorts in the region and will bolster support for tech bootcamps as viable long-term technical talent solutions. As an employer community, we can support these efforts by hiring graduates and as a broader community, we can encourage young people, displaced workers and anyone interested in tech, to explore the possibilities available to them to start their career in tech and thrive in Pittsburgh.
- **Equity in Tech** Local training providers like WITPGH, AcademyPGH, and LevelUp412 are working to accelerate regional DEI efforts to provide equitable access to tech training with a focus on helping women and people of color enter the tech market. Learn more about these programs by clicking through the links below





TALENT TRENDS

Diversity, Equity and Inclusion (DEI)

Accelerating Corporate Responsibility – In the wake of George Floyd’s murder in May 2020, national attention on racial equity and inclusion took on a heightened level of urgency and many leaders in the corporate community started shifting from performative allyship, to focusing on sustainable, systemic changes to address DEI challenges in the workplace and communities. The Allegheny Conference’s HR-Talent Council, which represents 50+ regional employers, validated that improving DEI within their organizations is the number one talent priority in 2020-2021.

Vibrant Index –Vibrant Pittsburgh is working to help regional companies improve their DEI efforts through the Vibrant Index diagnostic. The tool identifies areas of success, as well as what critical actions are needed to improve the practices, policies and culture of organizations in the region. The summary results for the 2021 Index will be available publicly in June. Read more about the Index [here](#).



TALENT TRENDS

Demographic and Migration Shifts

- **The region has continued to lose population** each year from out-migration, more deaths than births, declining fertility replacement rates and a decline in immigration.¹
- **The region has been unable to attract a significant diverse population.** The U.S. population is 38% racially diverse; competitive benchmark regions are 36% diverse. The Pittsburgh region is only 14% diverse.²
- **Talent moving from larger to mid-size markets** presents an opportunity for the Pittsburgh region to compete for what once was an out-of-reach target
 - Major cities will see the biggest out-migration: 20% of those planning to move are currently based in a major city and searching for less expensive housing in a small or mid-size metro. More than half are moving more than two hours away from their current homes.³
 - 15.9 million people in the U.S. moved during the first six months of the pandemic, an increase of 600,000 over the same time-frame in 2019. ⁴
 - Between 14 to 23 million Americans are considering moving as a result of the remote work opportunity as more companies make that a permanent benefit.⁵



TALENT TRENDS

COVID Impact

- **Remote work and hybrid workforces**
The immediate shift to remote work for a significant portion of the workforce swept in a new era of working from anywhere that is likely here to stay, at least in some form. National data and Allegheny Conference member surveys show a hybrid workforce—part in the workplace and part somewhere else—will be the new norm, at least for certain occupations such as those in tech, finance and some administrative functions.⁶ By November 2020, remote work as a key feature in job postings was up 154%, according to LinkedIn.⁷
- **Displaced and reskilled workers**
Displacement of workers from sectors such as retail and hospitality, and reshaping of industries, supply chains and product or service delivery, have created a heightened need to reskill workers to meet the new demands. The Workforce Investment Boards began immediate reskilling programs and economic recovery task forces at the outset of the pandemic.
- **Upskilling for a tech-forward economy**
2020 brought dramatic shifts in the way we work and many of those shifts require new skill sets. Consulting firms reported and employers agree that the ability to develop a workforce with digital and transferable skills is imperative for success in a constantly changing work landscape. Upskilling won't happen by accident; it has to be an integrated part of a company's strategic talent plan to give organizations a competitive advantage to pivot during times of change.

TALENT TRENDS

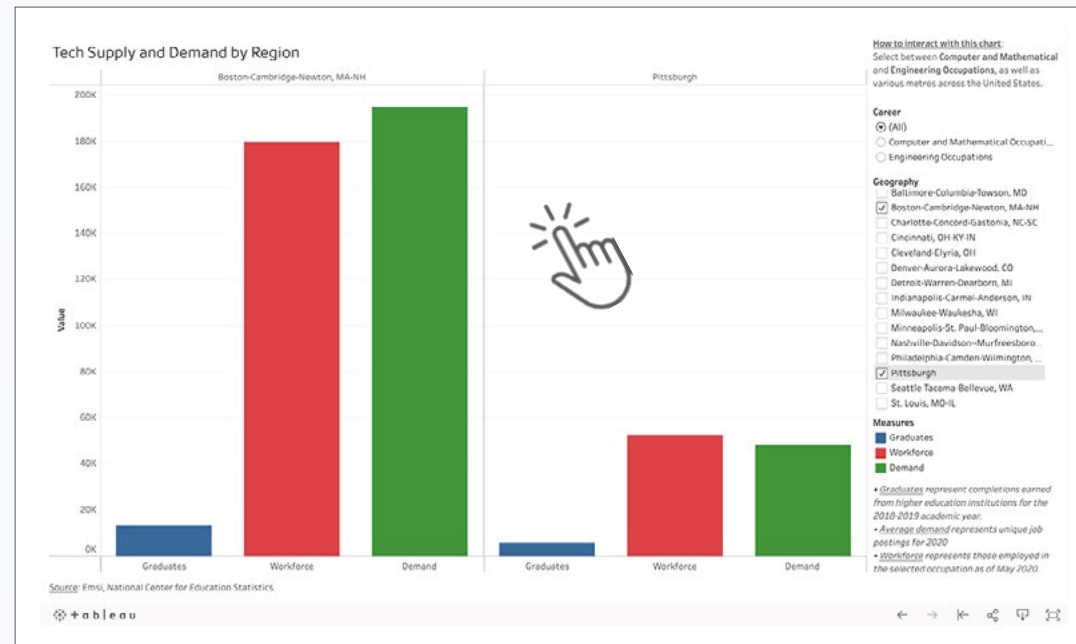
- **Increased Competition for Tech Talent**

Demand for tech talent has continued to surge over the last year, with 307,000 tech job postings in March 2021 alone, while the unemployment rate for tech talent stood at 1.9%, the lowest rate since August 2019, and well below the national unemployment rate overall.⁸

- **Supply and Demand Imbalance**

The demand for new hires in computer science/mathematical fields greatly exceeds our annual number of graduates. While we have a shortage, markets we compete with have fewer tech college student graduates to draw from and greater demand for new hires. (Pittsburgh's ratio of demand to graduates is 1.5:1, Seattle's is 6:1, Nashville's is 5:1 and Austin's is 3:1, as examples.) This presents two challenges for the Pittsburgh region: Students will perceive much greater opportunity in other markets and be drawn to them. Those cities are recruiting outside their markets for college talent and that makes Pittsburgh an ideal target. Competing with these markets while they are heavily investing in talent attraction and retention programs reinforces the need for more aggressive college recruiting and hiring by the Pittsburgh region's employers.

Explore this interactive chart of how we compare to benchmark regions around the country.





PITTSBURGH REGION WORKFORCE AT A GLANCE

- 1.3 million people strong who are educated and globally competitive
- Among the top 40 major metros, Pittsburgh has the fifth largest share of educated millennials
- 88 universities and post-secondary institutions
- 143K student enrollment, 45K annual completions

Employment by key industry sector:⁹

- | | |
|-------------------------------|---------|
| • Advanced Manufacturing | 94,900 |
| • Business/Financial Services | 258,365 |
| • Energy | 38,800 |
| • Healthcare/Life Sciences | 145,120 |
| • Information Technology | 36,870 |

HOW WE GOT HERE

The Allegheny Conference's *Inflection Point* reports 2016-2018, sounded the alarm of a growing shortage of talent for key occupations, such as information technology, and a mismatch between the education and training systems and projected workforce demand. They laid out a series of recommendations that the region has since adopted to turn our inflection point into a sustained trajectory of growth. Click below to read the reports.





GET INVOLVED:

If you're interested in getting more involved in our work, have questions about talent efforts in the region or need assistance with talent for a business expansion, we're here to help.

- **Linda Topoleski**, VP Talent Strategy & Programs
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END NOTES:

- ¹ Allegheny Conference Market Research and U.S. Census population estimates
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- ³ EMSI Talent Attraction Scorecard 2020 and RedFin Data 2020
- ⁴ U.S. Postal Service 2020
- ⁵ Upwork 2020 <https://bit.ly/2PWsNKO> and Bureau of Labor Statistics, March 2020
- ⁶ PwC's US Remote Work Survey, January 12, 2021 <https://pwc.to/3xNGoEr>
- ⁷ LinkedIn World Economic Graph, 2020.
- ⁸ CompTIA and Bureau of Labor Statistics March 2021 Employment Report
- ⁹ EMSI Data, 2019