

2017 Sacramento Talent Acquisition Trends

By Allison Davis, Executive Recruiter at Nelson Staffing

The world of work for young professionals is changing in an exciting way! Sweeping global forces and technological advancements continue to reshape how companies of all sizes do business, while shifting local economic trends continuously pose challenges for employers.

The California Employment Development Department (EDD) reports that in the Sacramento/Roseville/Arden/Arcade metropolitan area, the unemployment rate in April was just 4.4% – down from 5.0% in March and from 5.1% last April. With these area unemployment numbers continuing to trend downward and reaching near-record lows, young job seekers can be more selective about where they want to work – and more demanding about their expected compensation levels. This means employers need to be up-to-date on the latest workplace trends to ensure their offerings are competitive for the new generation of applicants coming through!

A recent workplace trends survey from Nelson found several common trends impacting employers' efforts to attract and retain the talent necessary for business success. More than 500 California business managers (including many in the Sacramento area) shared their perspectives and experiences. These responses formed a unique, comprehensive snapshot of current workplace trends. And as graduation season continues and new grads enter the Sacramento market, it's important for employers to understand how these trends are influencing their efforts to engage new graduates and other young professionals.

2017 Workplace Trends

1. Sacramento area employers are cautiously optimistic about the economy through the rest of 2017.

On a scale of 1 (very weak) to 4 (very strong), Sacramento area employers rated current economic conditions a 2.6. A more recent poll of Sacramento area employers from the NELSONtalks Business event in May revealed an updated rating of 2.7, meaning employers' optimism is slowly rising.

This optimism is impacting hiring plans; now that optimism is growing, employers are more likely to ramp up hiring across the board – including hiring of recent graduates and young professionals. With the low unemployment rate, these job seekers are entering a job market with more choices than other recent graduates have had, meaning top candidates will be both selective about opportunities and more willing to negotiate offers than in recent years.

2. California employers are reporting significant challenges attracting key talent.

Survey respondents named "talent acquisition and management" the number one business challenge their businesses currently face. With most companies continuing to increase headcount, competing for talent will remain a significant challenge throughout the rest of 2017.

This challenge is compounded in California with a very tight housing market. Although Sacramento isn't experiencing the same challenges as some of our neighbors in the San Francisco Bay Area, the average one-bedroom apartment cost has risen over 50% in the

past five years.¹ Employers are still competing to keep young talent in the area instead of losing them to other metro areas that pay similar wages with much lower housing costs. Employers should understand why young professionals want to stay local and capitalize on these opportunities by selecting office locations nearer to more affordable housing locations or neighborhoods where young professionals want to be AFTER work. Offering social opportunities to engage with coworkers or get involved in community volunteer efforts can also help engage young professionals.

3. Work formats are changing.

Companies reported increasingly utilizing independent contractors and offering flexible work options for millennials (including flexible schedules, work-at-home arrangements, and part-time scheduling options) to most employees. These arrangements are becoming the norm, not an exception or unexpected perk. Employers relying on these offerings to differentiate their opportunities from competitors' may need to investigate other options.

Today's young professionals are used to a more blurred line between work and home life. Employers need to be sure to set clear expectations and guidelines managers, who may or may not share this perspective with their supervisees.

4. Employers are not raising wages to compete for increasingly scarce talent.

Most employers surveyed indicated they'd be willing to pay higher than budget to attract and retain top talent. However, nearly half of employers reported that current wages were flat or lower than wages from the past several years. And with a better compensation package reported as the top reason employees leave, stagnant wages are a significant concern.

Some recent studies have debunked the myth that Millennials job hop more than their Baby Boomer counterparts. The Bureau of Labor Statistics reported last year that Boomers actually switched jobs in their twenties twice as frequently as Millennials do now.² But with switching jobs still one of the fastest ways to grow salary³, employers need to make sure their salary offerings are competitive.

Overall, to engage and retain top performers, including young professionals, employers need to focus on what these professionals need and expect from their employers.

Nelson's workplace trends survey can help you stay up-to-date on what the Sacramento workforce, including young professionals, expect at work. The full survey results of Nelson's workplace trends survey can be found in Nelson's 2017 Advisor and Salary Guide, which also contains salary projections for more than 200 positions in the Sacramento area. **Request your copy now at nelsonjobs.com/advisor.**

¹ <https://www.rentjungle.com/average-rent-in-sacramento-rent-trends/>

² <https://www.bls.gov/news.release/pdf/nlsoy.pdf>

³ <https://www.forbes.com/sites/cameronkeng/2014/06/22/employees-that-stay-in-companies-longer-than-2-years-get-paid-50-less/#69ac1be9e07f>

Allie Davis joined Nelson in in 2014 as a Temporary Staffing Supervisor in the San Francisco region. After a year within the organization, she was promoted to Executive Recruiter for the Modesto, Sacramento, and Fairfield regions. Allie is passionate about bringing people together and being a helpful resource for both candidates and clients. In her short time as an Executive Recruiter, she has developed a significant number of meaningful relationships and has proven her ability to follow through and deliver high quality service. Allie serves a variety of companies throughout diverse industries with talent needs of all types. Allie is a graduate of Sonoma State University with a Bachelor's Degree in Business Administration.