

UNC WGED January 25, 2024

COVID's Unexpected Rural Dividend

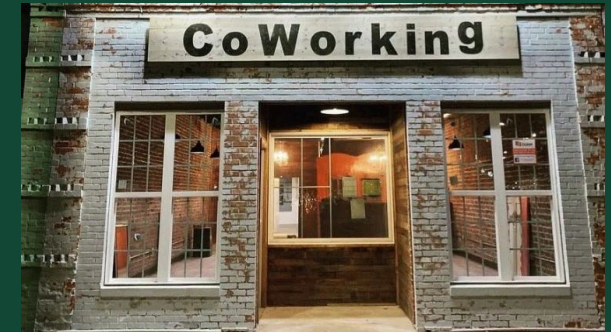
**Capitalizing on Remote Work as a
Rural Economic Development Strategy**

Dr. Jason Jolley and Brent Lane

Center for Economic Development and Community Resilience

Remote Work (RW) Key Points

1. RW is the “New Normal” for many workers
2. RW favors rural America by devaluing proximity
3. RW benefits address a range of rural challenges
4. “Rural remote readiness” is required & possible



COVID's Unexpected Rural Dividend

Remote workers' increased access to jobs enables them to remain, return, or relocate to where they'd rather live...

...and many prefer rural areas.



Remote Work Is Poised to Devastate America's Cities

Remote Work Is Bleeding Cities Dry

America's Downtowns Are Hurting

Superstar Cities Are in Trouble

Remote Work Favors Rural America

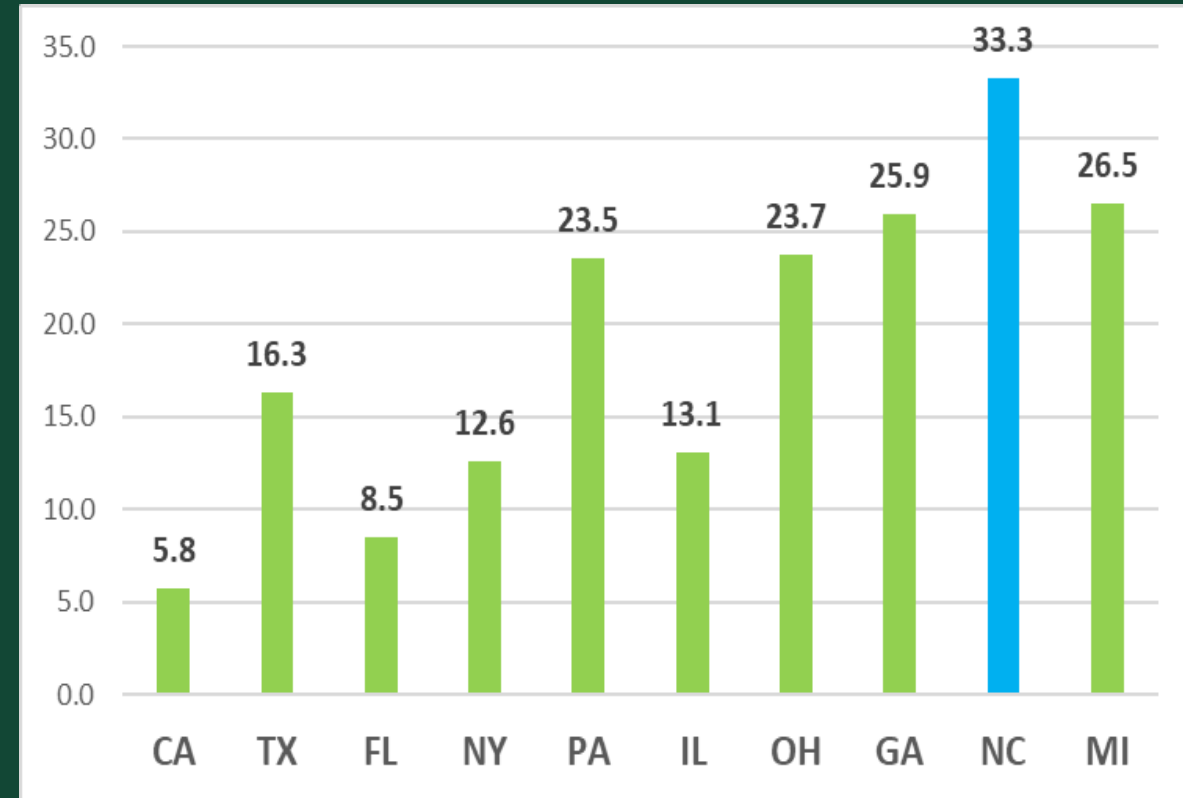
After decades of economic forces favoring cities, Remote Work **reduces geographic barriers** and increases rural access to employment



NC has the largest share (33.3%) of rural residents in the top 10 US states

**NC's 3.5 million rural pop. =
30th largest state**

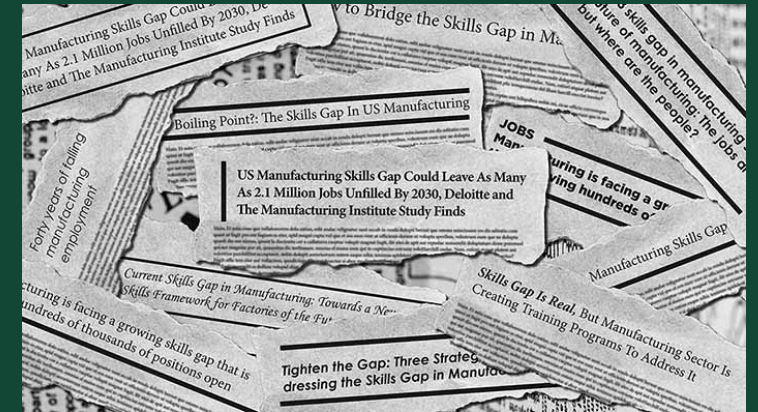
Utah, Iowa, Nevada, Arkansas, Mississippi, Kansas, New Mexico, Nebraska, Idaho, West Virginia, Hawaii, New Hampshire, Maine, Rhode Island, Montana, Delaware, South Dakota, North Dakota, Alaska



Pre-COVID: US Jobs More Mobile Than People

Geographic “Skills Gaps” expanding due to jobs moving while relocation of people more inhibited

- Unemployment AND open jobs increasing
- Upward mobility impaired
- Total commuting times and costs increasing
- Workforce participation declining

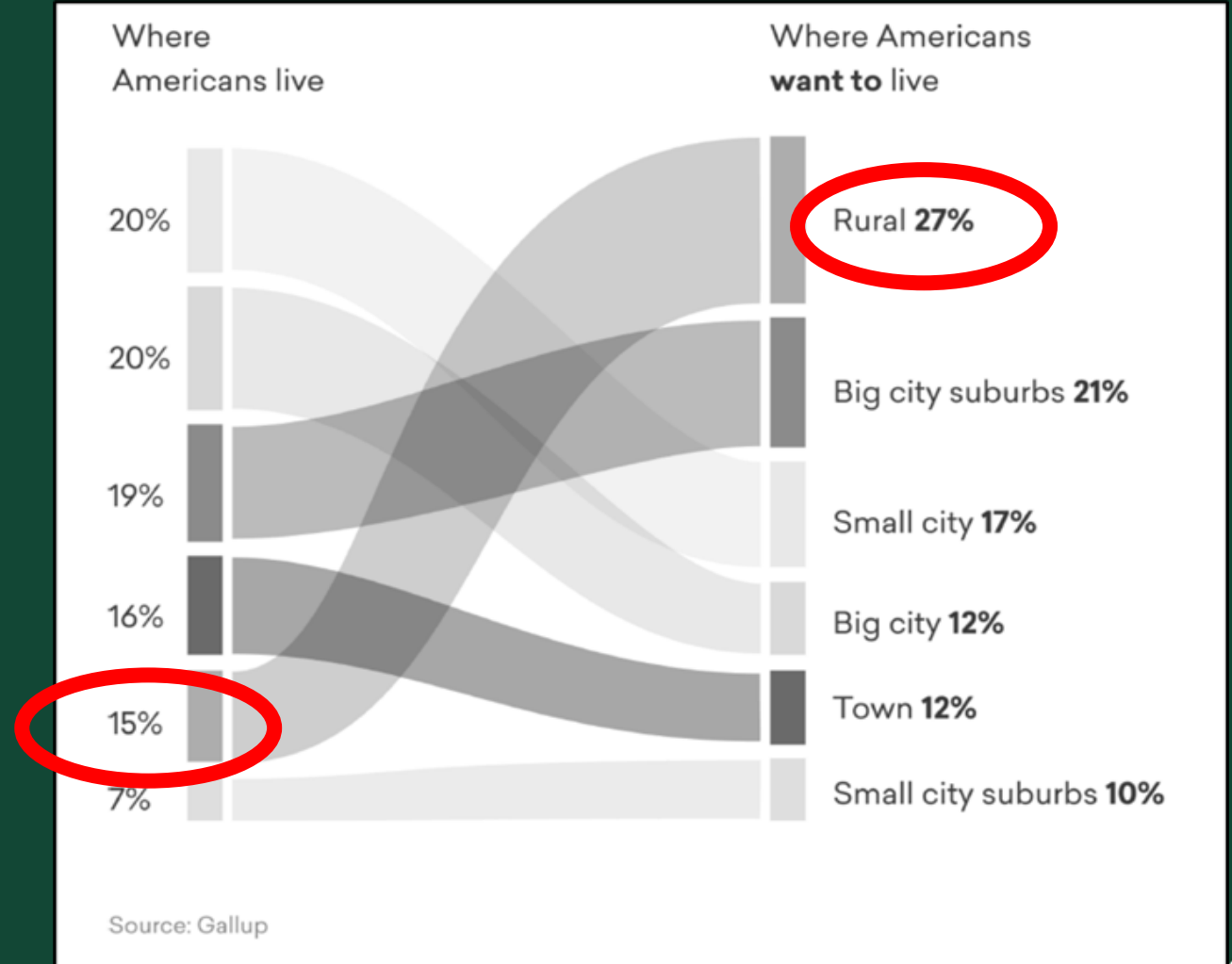


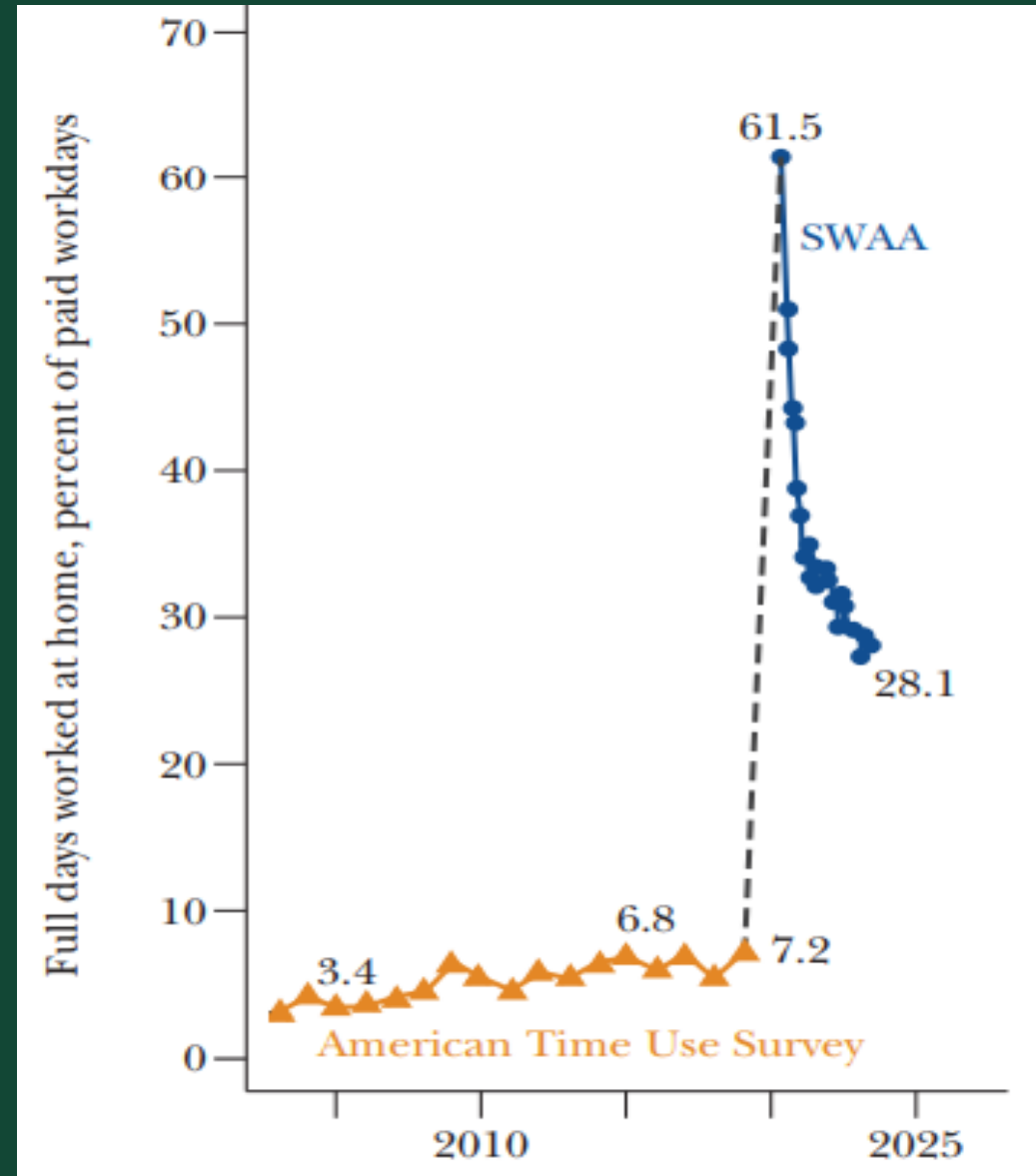
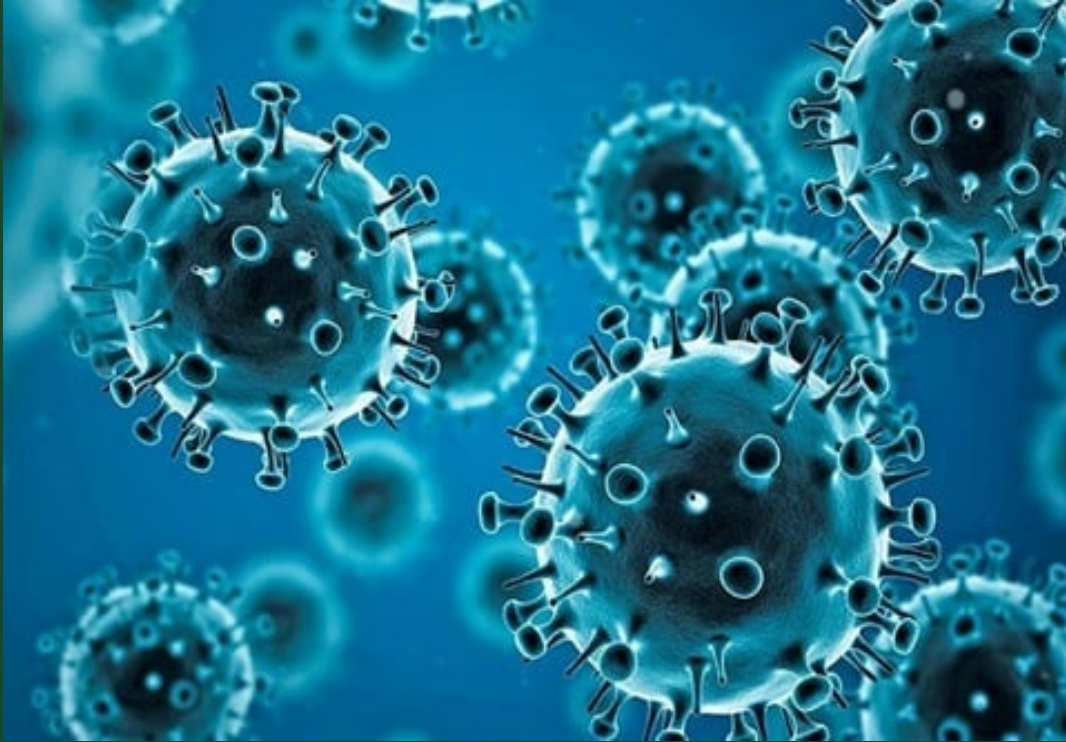
An inefficient market for both labor and capital.

Thwarted Rural Relocation & Retention

2018-2021 Gallup Polls:

“If Americans did sort themselves according to their desires, **there would be an exodus from the big cities and, to a lesser degree, from small cities and town, accompanying a movement to rural areas.**”





Remote Work by any other name...

- Work from Home
- Hybrid Work
- Telecommuting
- Telework
- Work from Anywhere
- Mobile work
- Virtual work
- Distributed work

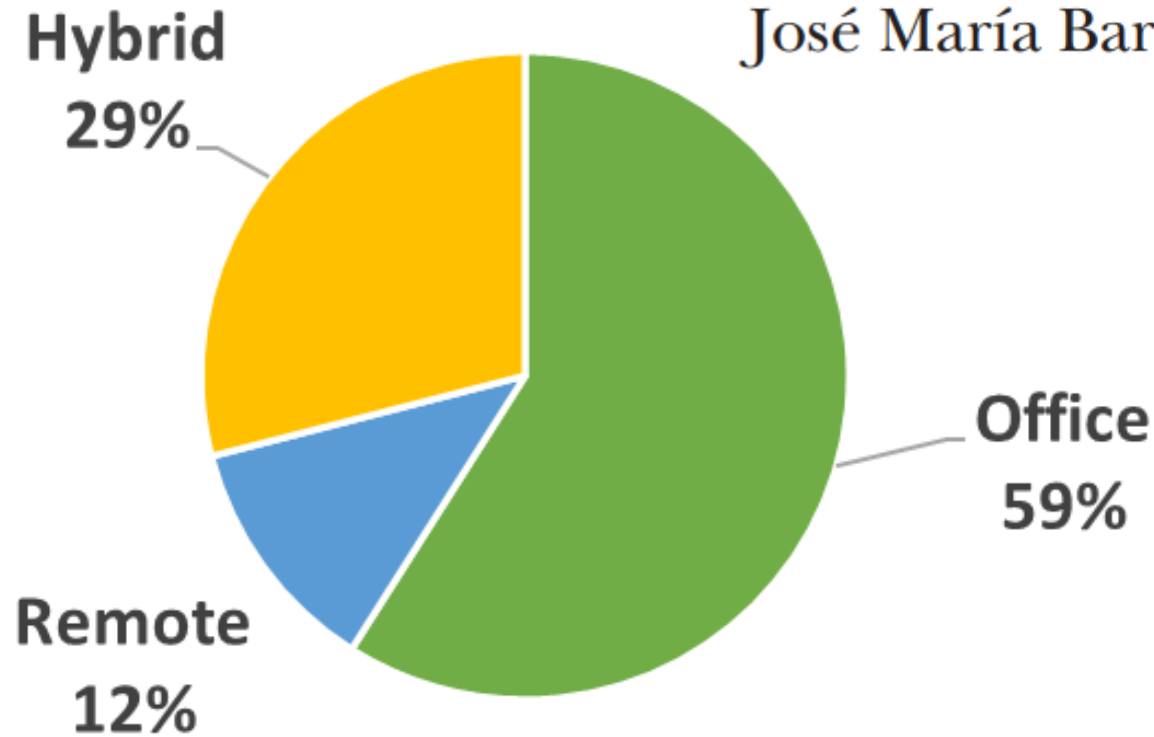


... is the “New Normal”

Journal of Economic Perspectives—Volume 37, Number 4—Fall 2023—Pages 23–50

The Evolution of Work from Home

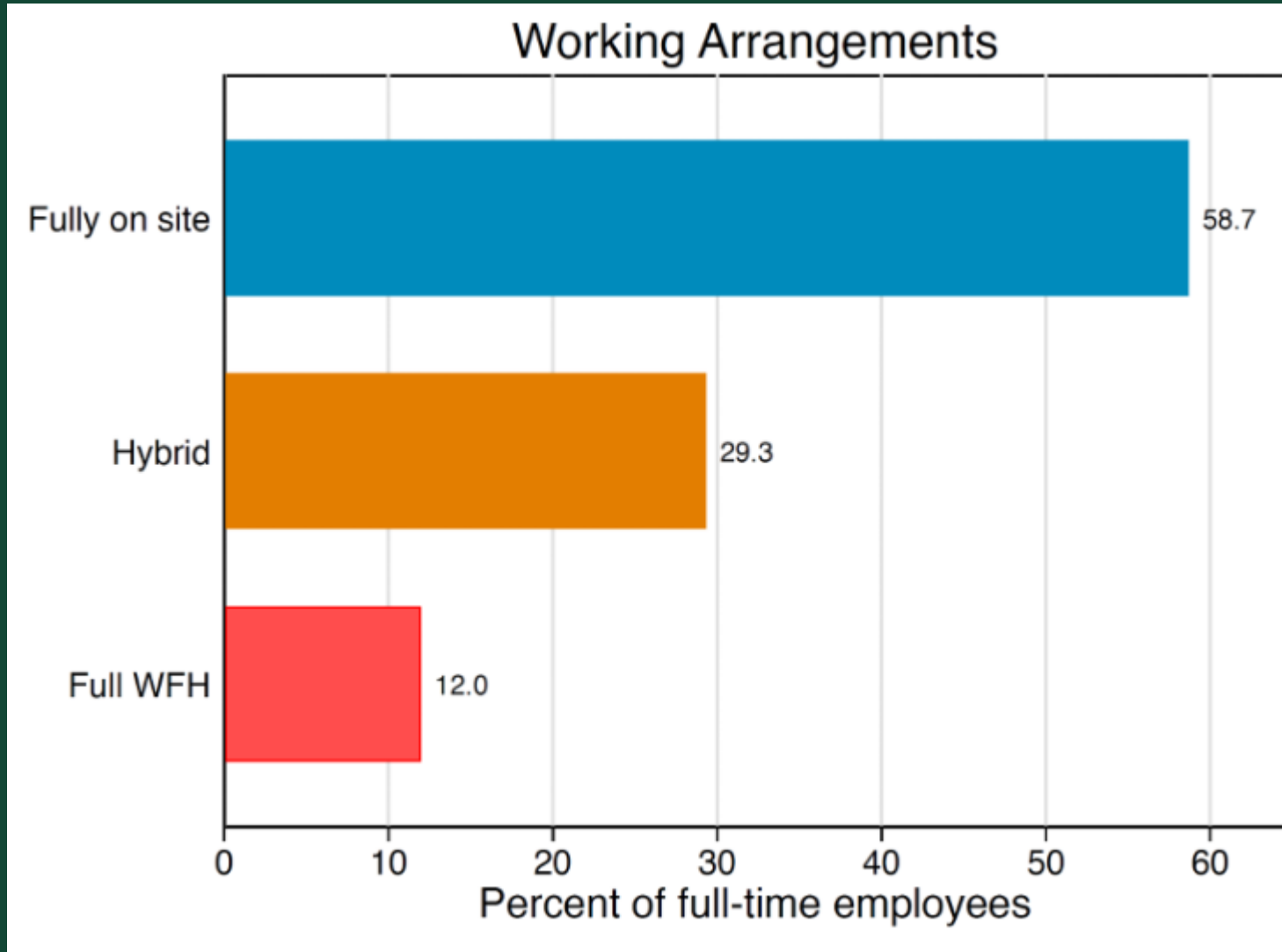
José María Barrero, Nicholas Bloom, and Steven J. Davis



US full days worked from home, %



Nick Bloom
Stanford Professor



Nick Bloom
Stanford Professor

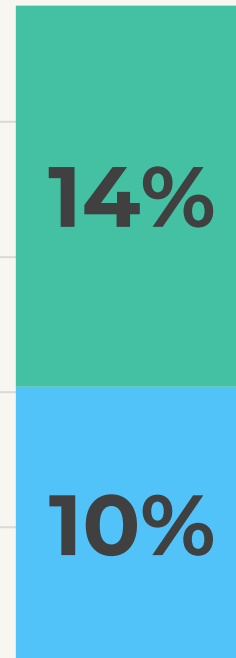


Survey of Business Uncertainty

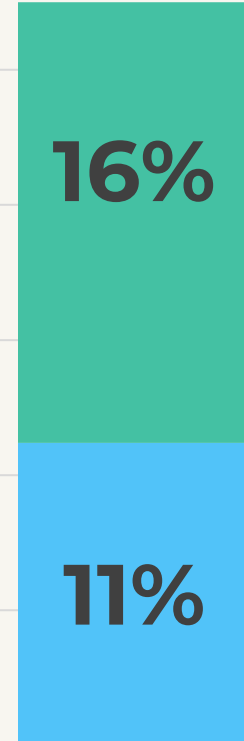


Monthly Report: August 2023

■ Remote ■ Hybrid

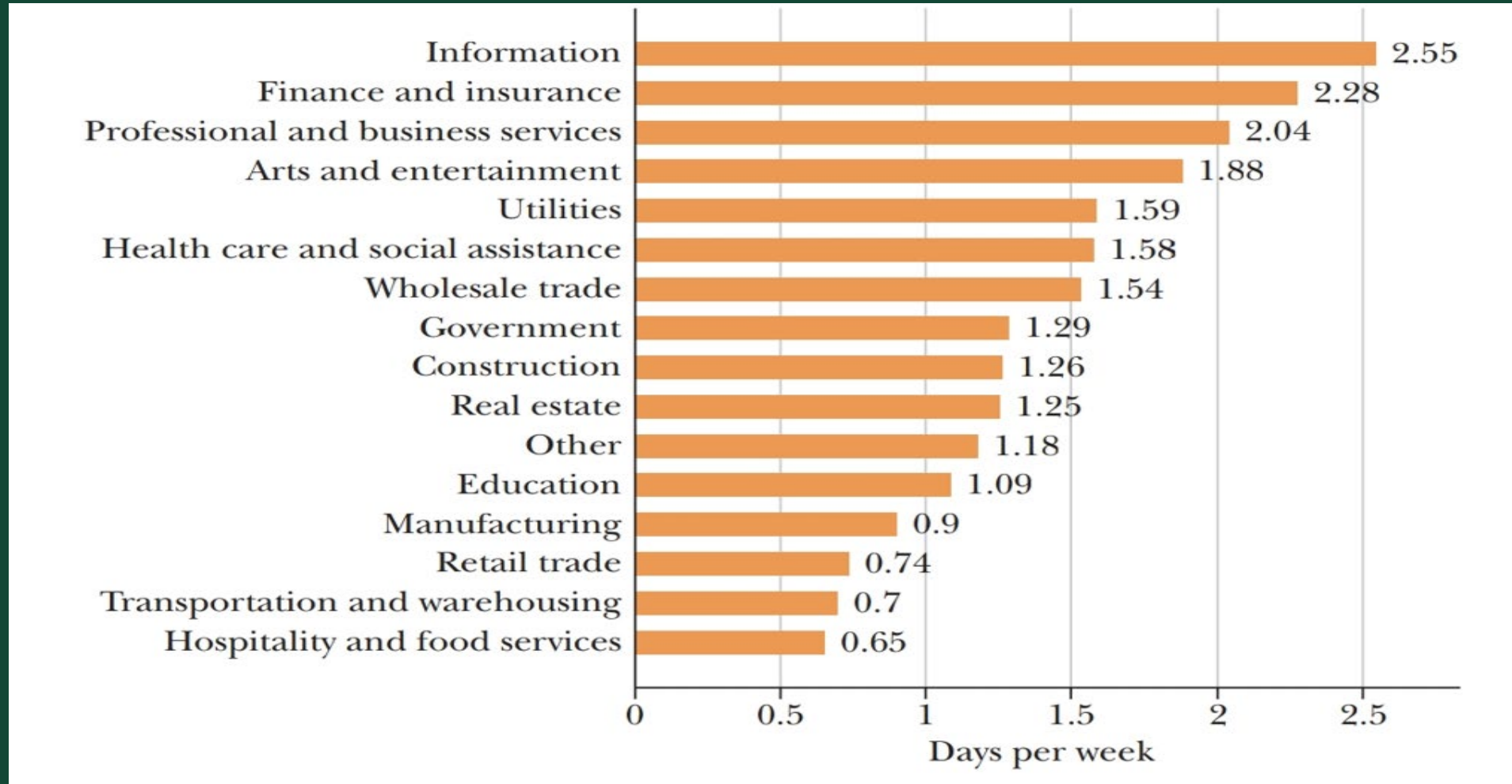


2023



2028

Expand the Remote Work Pie because...



...Remote Work Favors Rural America

RW reduces job market inefficiencies by **expanding both commuting sheds and labor sheds**

- Commuting further, but less often, increases job options
- Near- and long-term effect on housing location

Merges people - and place-based economic development strategies

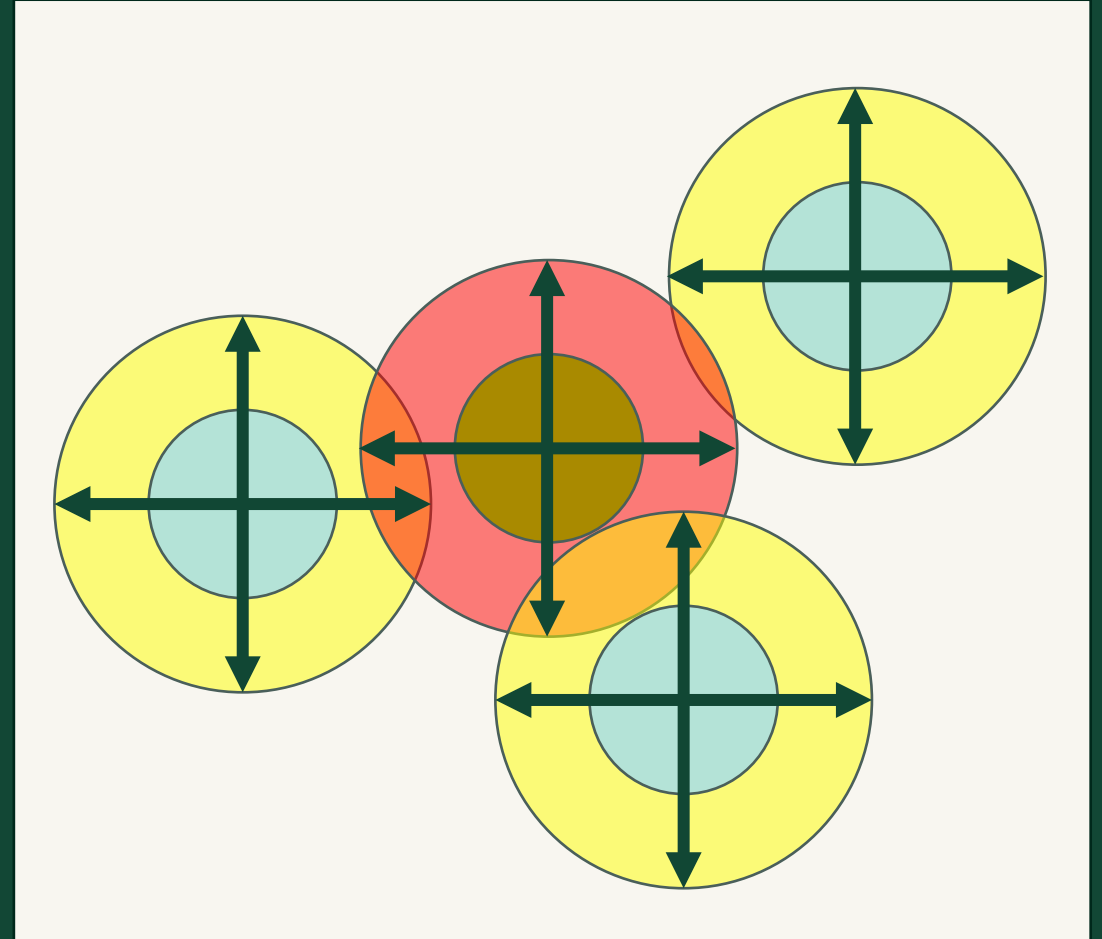
Remote Work and Housing Location

National Housing Survey Special Topics Report



Remote workers accept longer,
but less frequent, commutes
This improves job access and
optimization

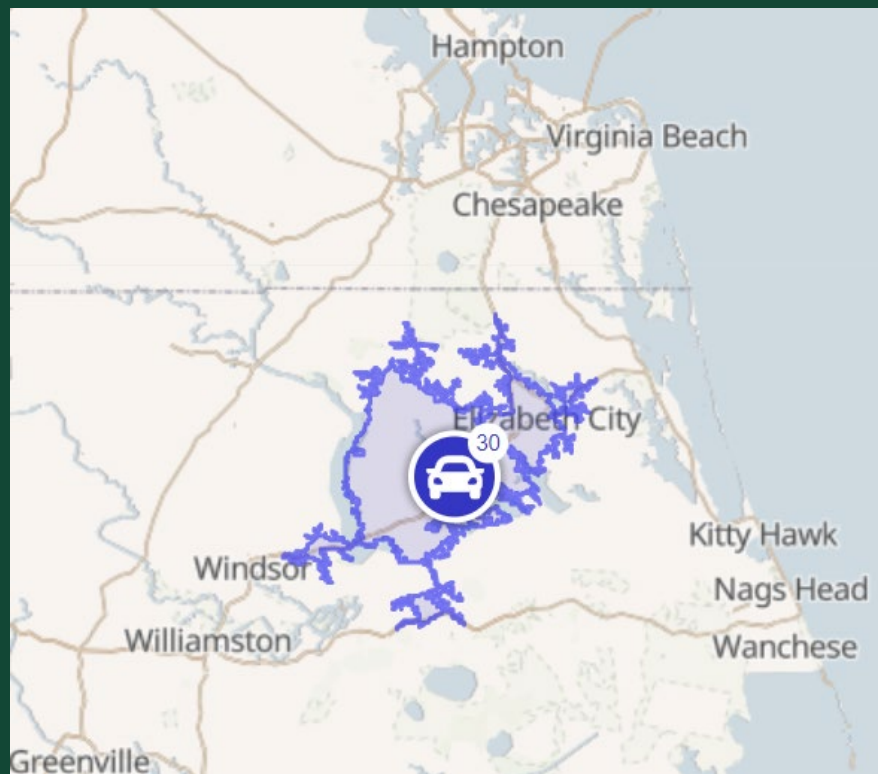
“More and better jobs”



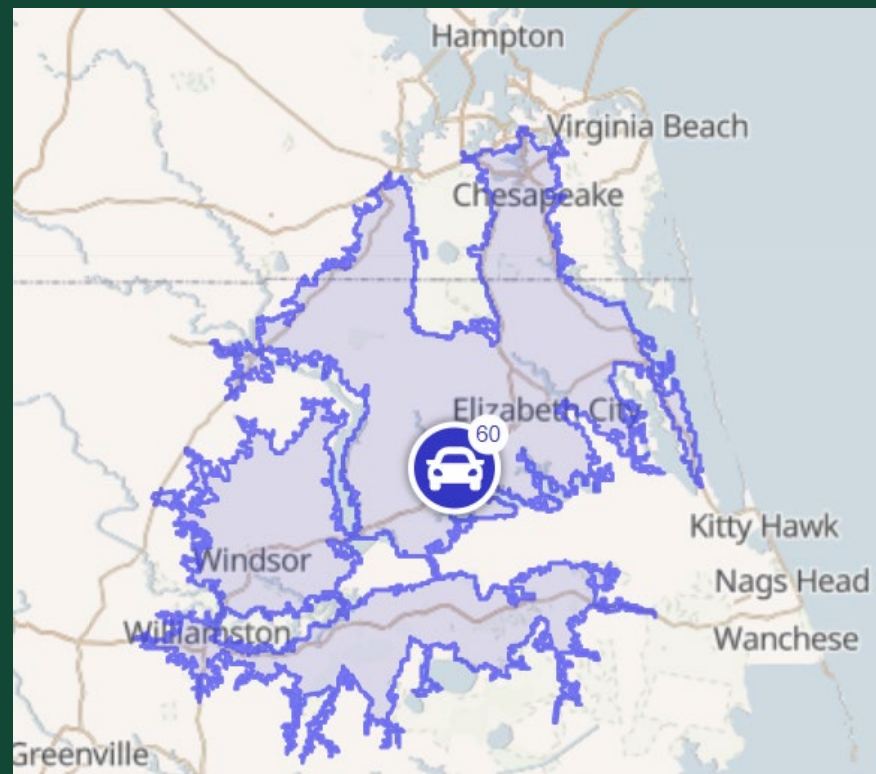
RW Commuting Shed Extension Effect Hertford, NC

30 min. = 2,003 jobs

60 min. = 20,034 jobs

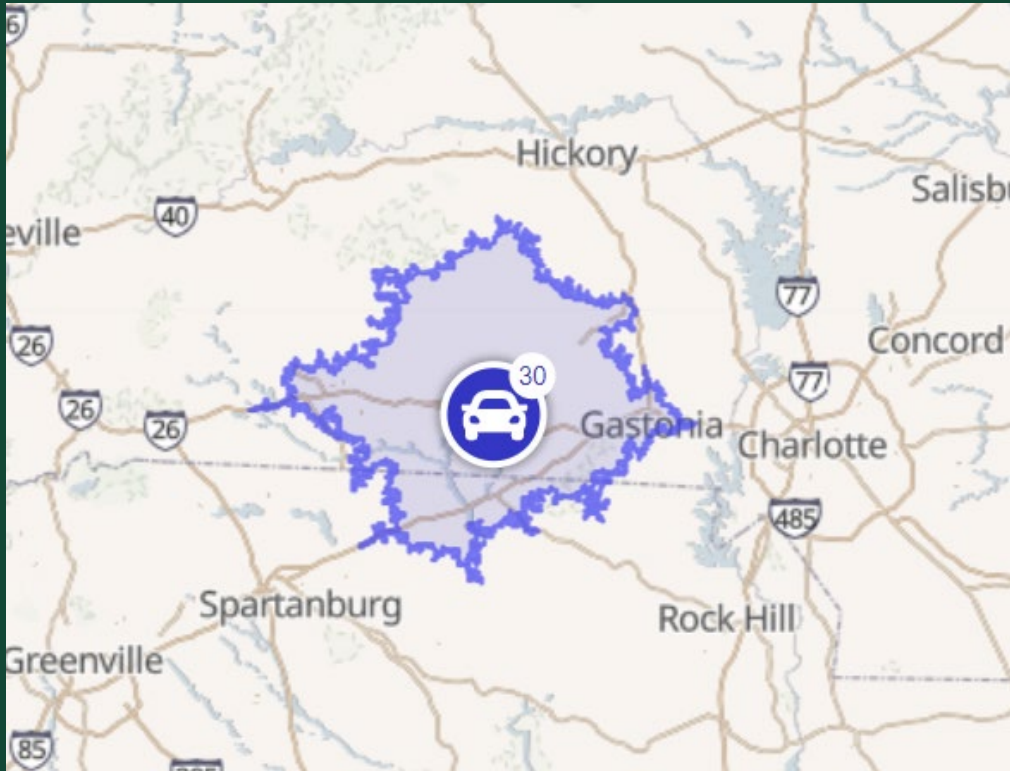


Indeed.com



RW Commuting Shed Extension Effect Shelby, NC

30 min. = 6,524 jobs



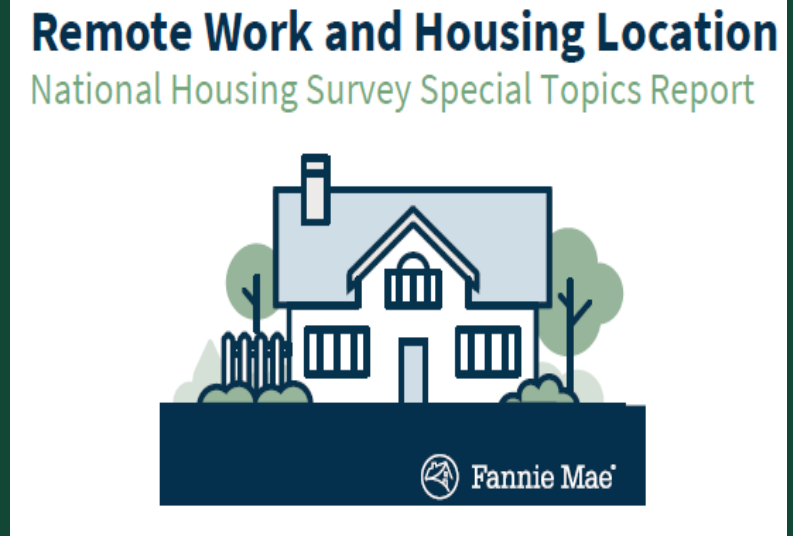
60 min. = 56,841 jobs



Indeed.com

Remote work enables more people to remain in - or return to - their rural hometowns

- 32% would relocate/commute further
- 79% prefer non-metro homes
- **33% of 18-34 age group want to buy a house in a rural community**

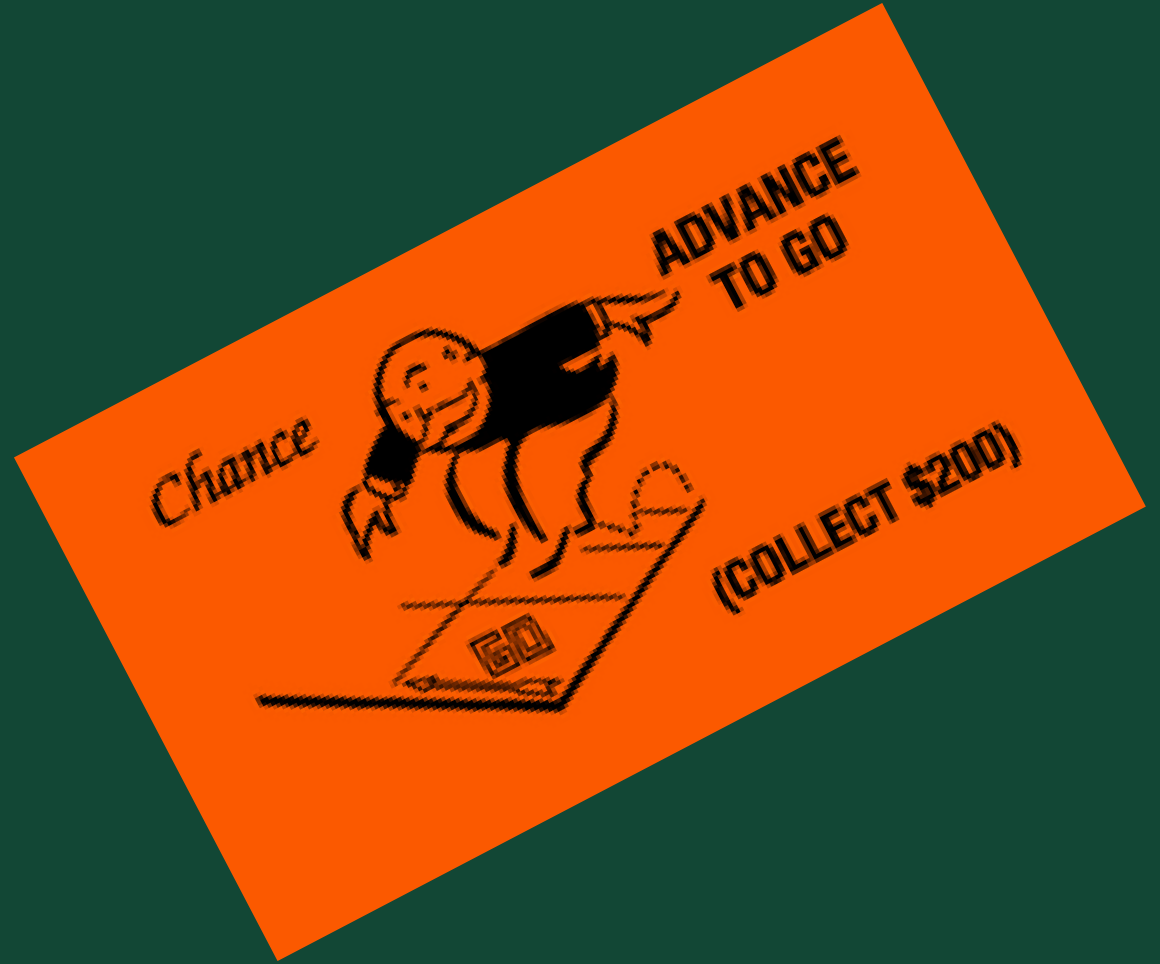


RW Addresses a Range of Rural Challenges

- Income stability, growth, and equity
- Workforce participation and entry level
- Displaced worker re-employment
- Economic/employment diversification
- **Out-migration by youth and prime working age**

The Unexpected Dividend

Ohio University evaluation
of **high profile remote
worker attraction**
programs led to
recognition of remote
work benefits for **current
rural residents and
communities**



Remote Worker Attraction Programs

Alabama

Arkansas

Georgia

Hawaii

Kansas

Maryland

Maine

Oklahoma

Vermont

West Virginia

Modest, unscalable impacts

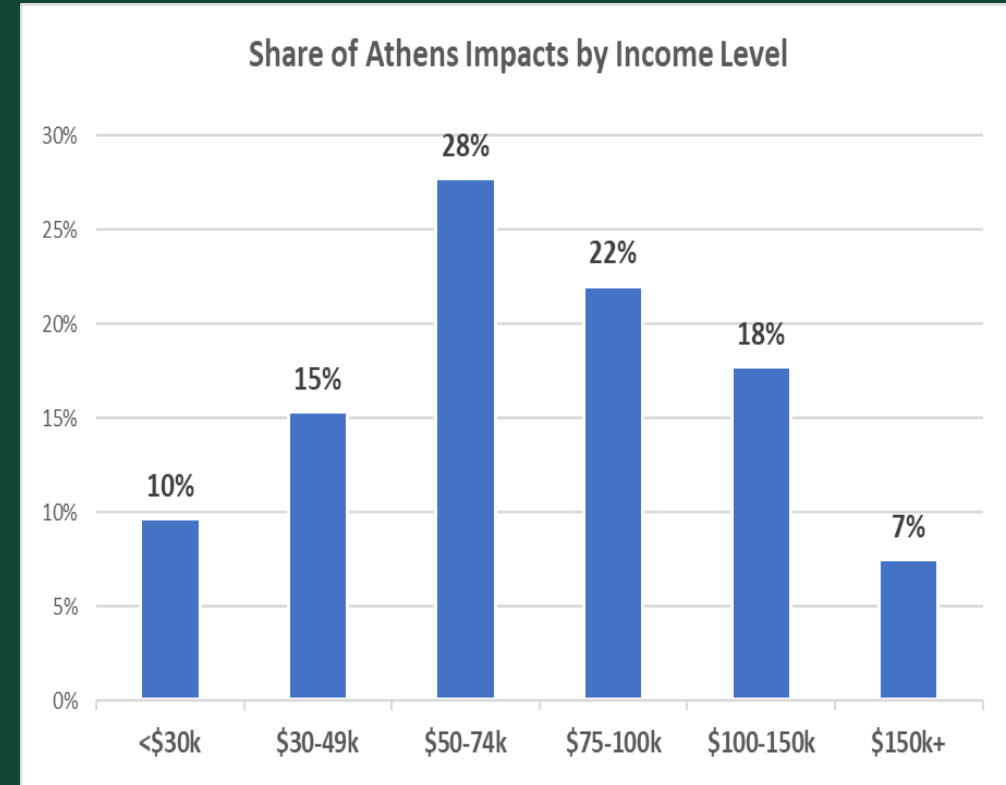


tulsa
remote



Remote Work by Current Rural Residents

- Comparable, but greater, impacts
- More remote workers
- Diverse occupations & incomes
- Economically scalable with upside potential
- **Numerous resident and community benefits**



Resident Remote Work Benefits



- Increases number/variety of jobs
- Improves disposable income and time
- Reduces barriers to workforce participation
- Improves skill to employment matching
- Enhances in-place upward mobility
- **Optimizes residence options**

Community Remote Work Benefits

- Enhances local spending
- Strengthens local tax base
- Increases workforce participation
- Improves graduate/youth retention
- Diversifies economies
- **Assures “Prime working age” vitality**





Rural Remote Work Strategy Portfolio

CONTINUE- Support continued remote working

CONVERT- Help commuters become remote workers

UPSKILL– Emphasize remote work training/placement

RETAIN - Support remote work for graduates

REPATRIATE - Attract former residents

PRACTICE - “Walk the Talk” in public employment

“Rural Remote Readiness” Required...



“Rural Remote Ready” Scorecard



1. Internet Access

2. Attainable Housing

3. Childcare

4. Cost of Living

5. Remote Workspaces

6. Recreation

7. Professional Education

8. Remote Work Training

9. Air Travel Access

10. Incentives

...But Rural is Readier than You'd Think

We have tools,
infrastructure, experience,
skills,

...and cultural norms...

not widely available before
COVID



So, Make the Easy Improvements First ...



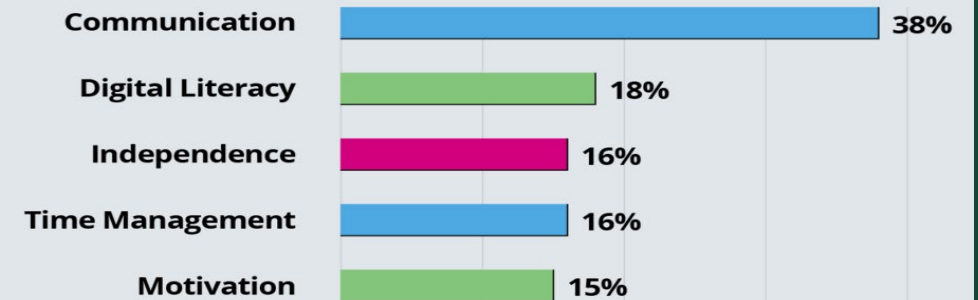
...And Growing the Remote Workforce Pie

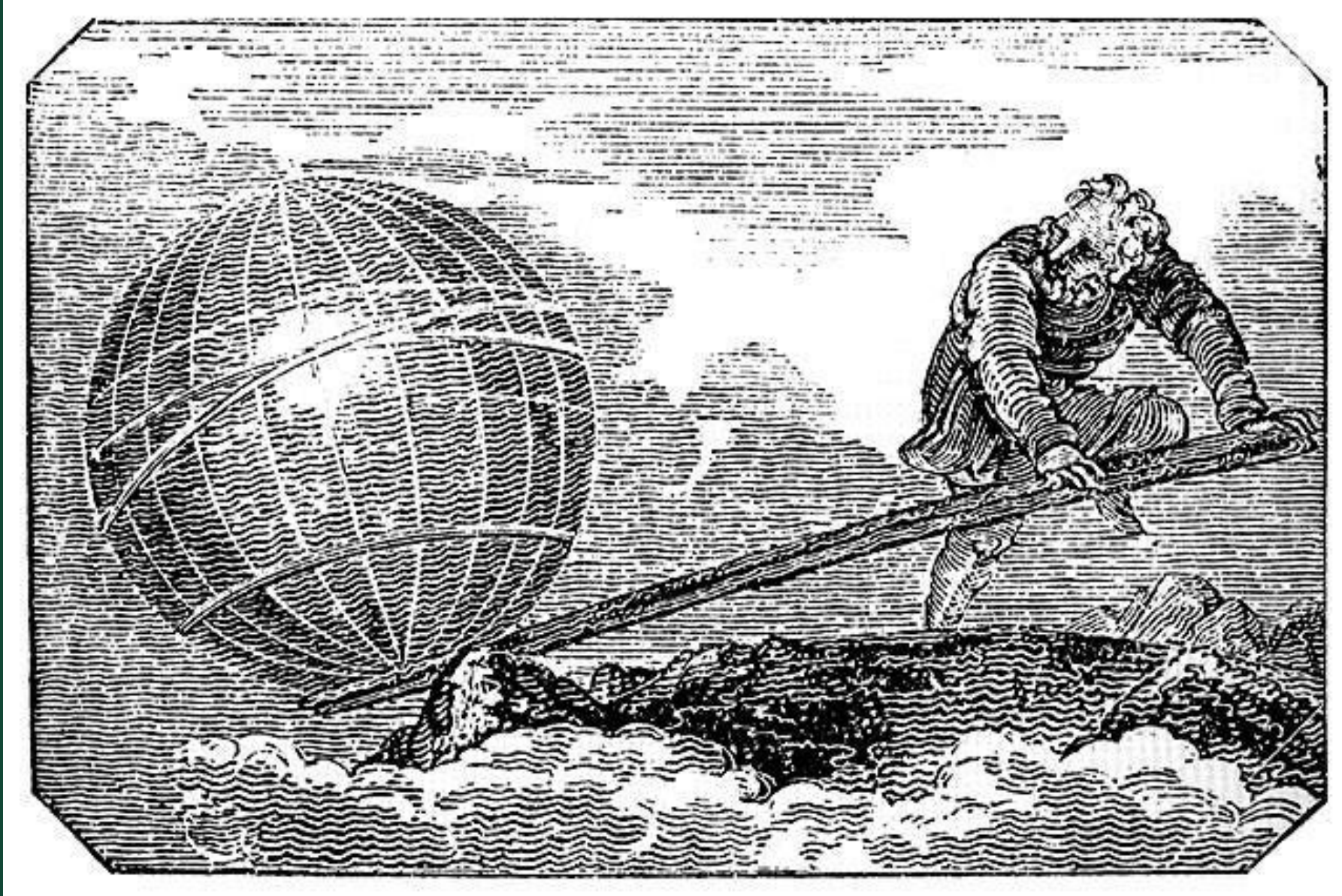
**Evolve workforce
development to prepare
rural residents for - and
place them in - remote and
hybrid jobs**

Both occupational and
remote working digital skills

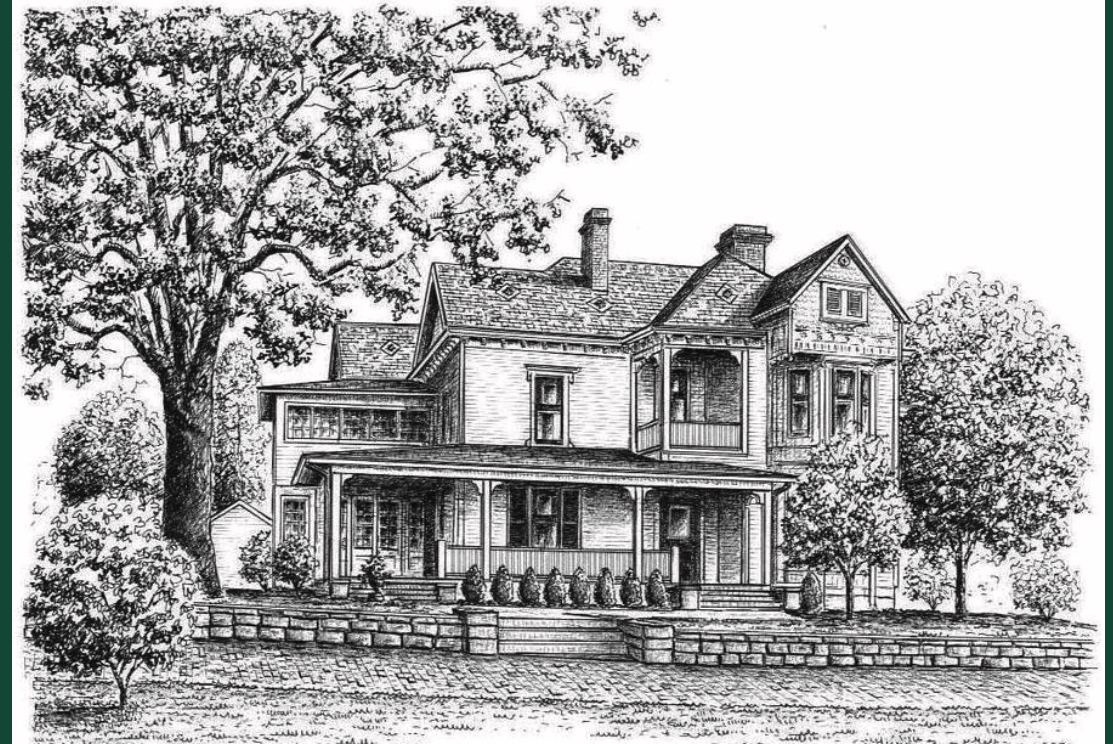
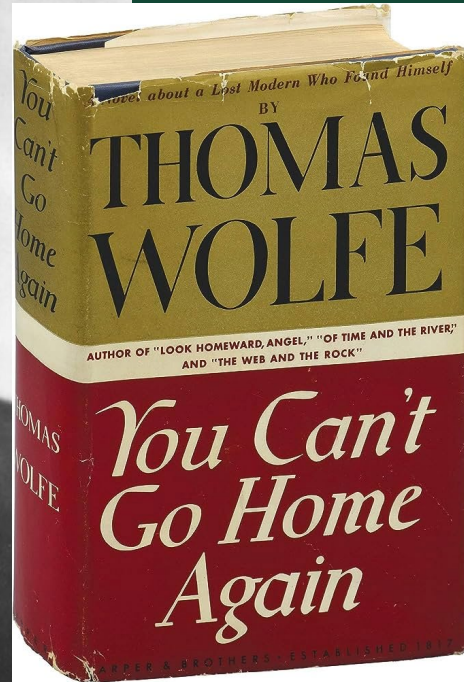
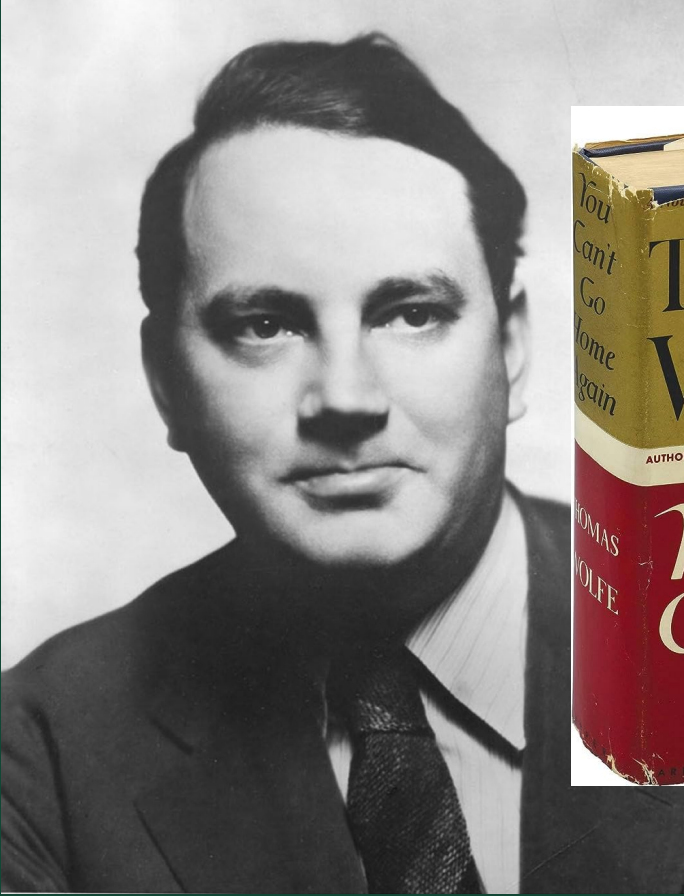


What Skills Are Remote Employers Looking For?*





Thomas Wolfe, UNC 1920 1900-1938



COVID's Unexpected Rural Dividend

**Maybe You CAN Go Home Again...
or Never Have to Leave**

Brent Lane
brent.lane@ohio.edu

Jason Jolley
jolleyg1@ohio.edu

Center for Economic Development and Community Resilience