

The Athens Remote Working Economic Development Opportunity

Athens County Broadband Advisory Committee

August 26, 2021

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Center for Economic Development and Community Resilience

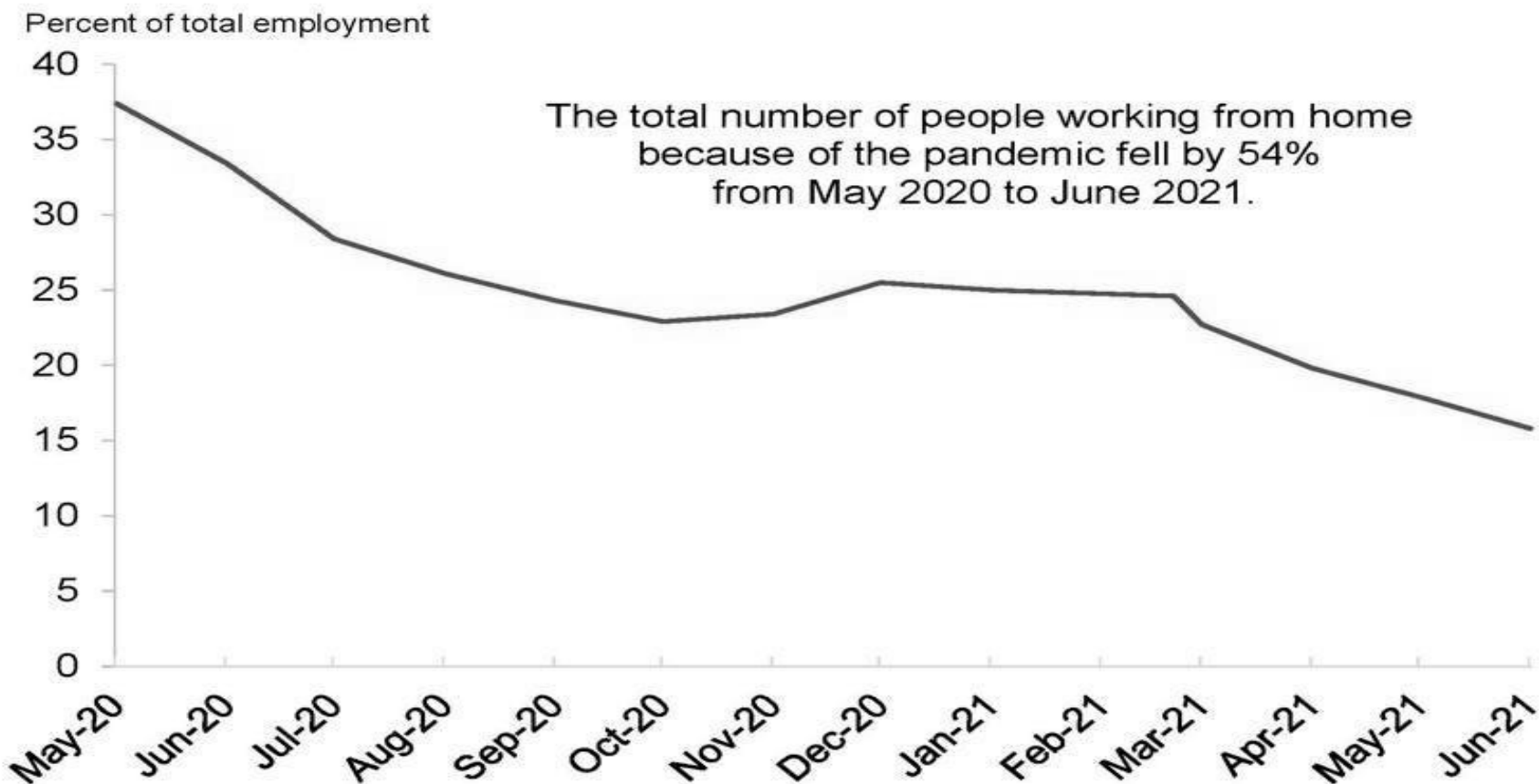
Study Goals

1. Examine prospects for attracting remote workers to relocate to non-metro areas like Athens County
2. Design a “scorecard” of remote worker attraction factors to assess Athens’ competitive position
3. Estimate the economic development significance of remote worker attraction
4. Identify other opportunities for remote work to provide economic benefits for Athens residents

Findings

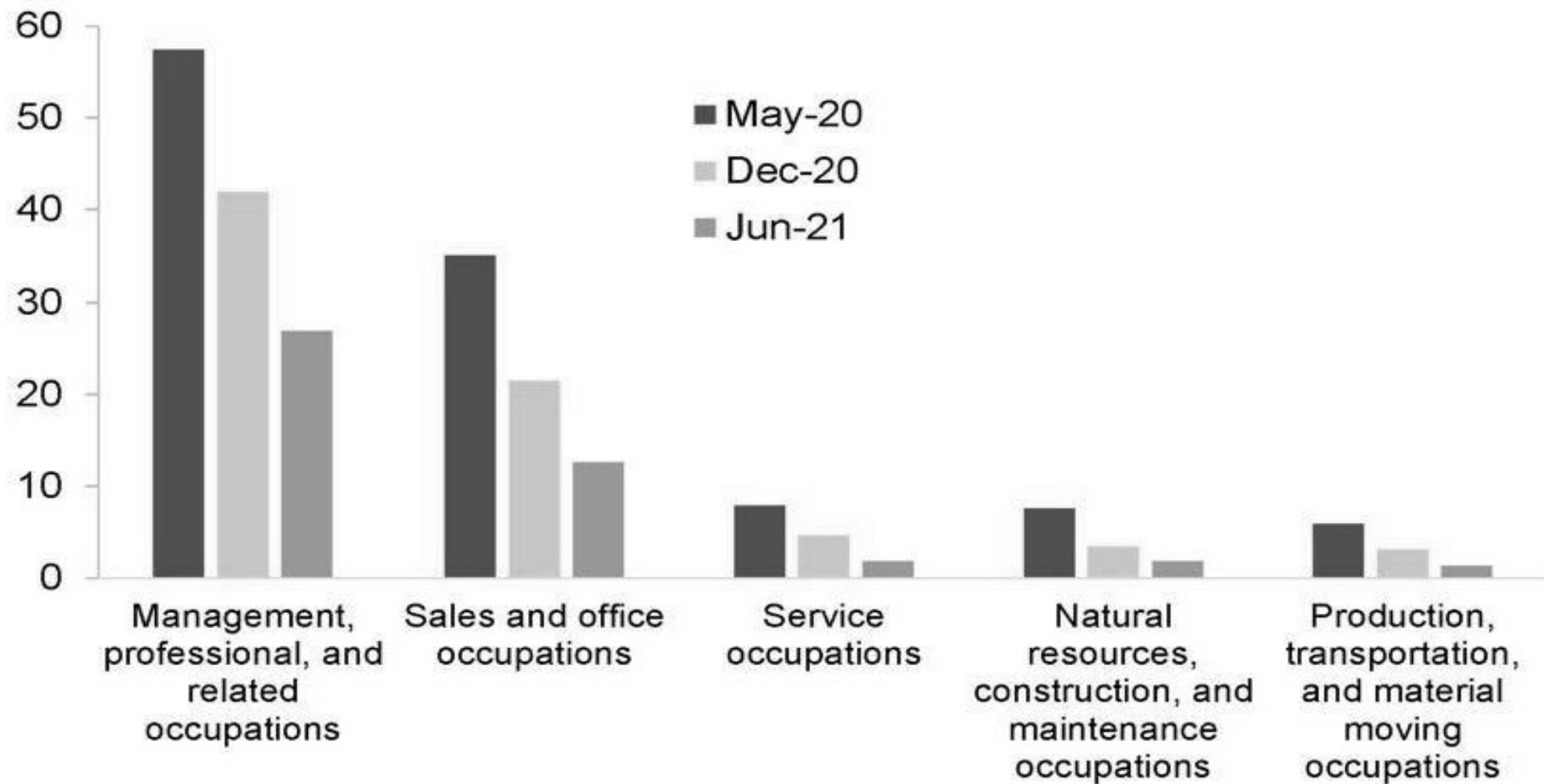
1. Remote working (RW) – “digital commuting” - accelerated by COVID pandemic, is a sustained but evolving trend
2. RW enables previously thwarted non-metro location preferences
3. Athens is positively positioned to attract RW relocations
4. Economic impacts of “incented” RW attraction are minimal
5. RW offers more/other benefits to current/prospective residents
- 6. Emphasizing resident RW benefits may better address Athens’ priorities than relocation incentives**

WFH surged at the start of the pandemic



Who works from home?

Percent of employment
who telecommuted
due to coronavirus pandemic



Job Titles Most Associated with Remote Work	Total Jobs	Remote Jobs	% Remote
Remote Medical Coders	5,666	5,326	94%
Virtualization Engineers	5,972	5,597	94%
Assembler Testers	10,107	9,359	93%
Remote Developers	17,820	16,281	91%
English Instructors	45,710	40,076	88%
Instructors	52,648	40,259	76%
Home Visitors	13,850	10,518	76%
Field Nurses	24,461	17,169	70%
Materials Testers	10,761	7,244	67%
Appointment Setters (Sales and Related)	43,071	28,765	67%
English Teachers	174,026	109,100	63%
Travel Consultants (Office and Administrative Support)	4,709	2,794	59%
Sales Leaders (Sales and Related)	24,416	12,856	53%
Product Development Scientists	29,830	14,016	47%

Source: Emsi Job Posting Analytics, 2020

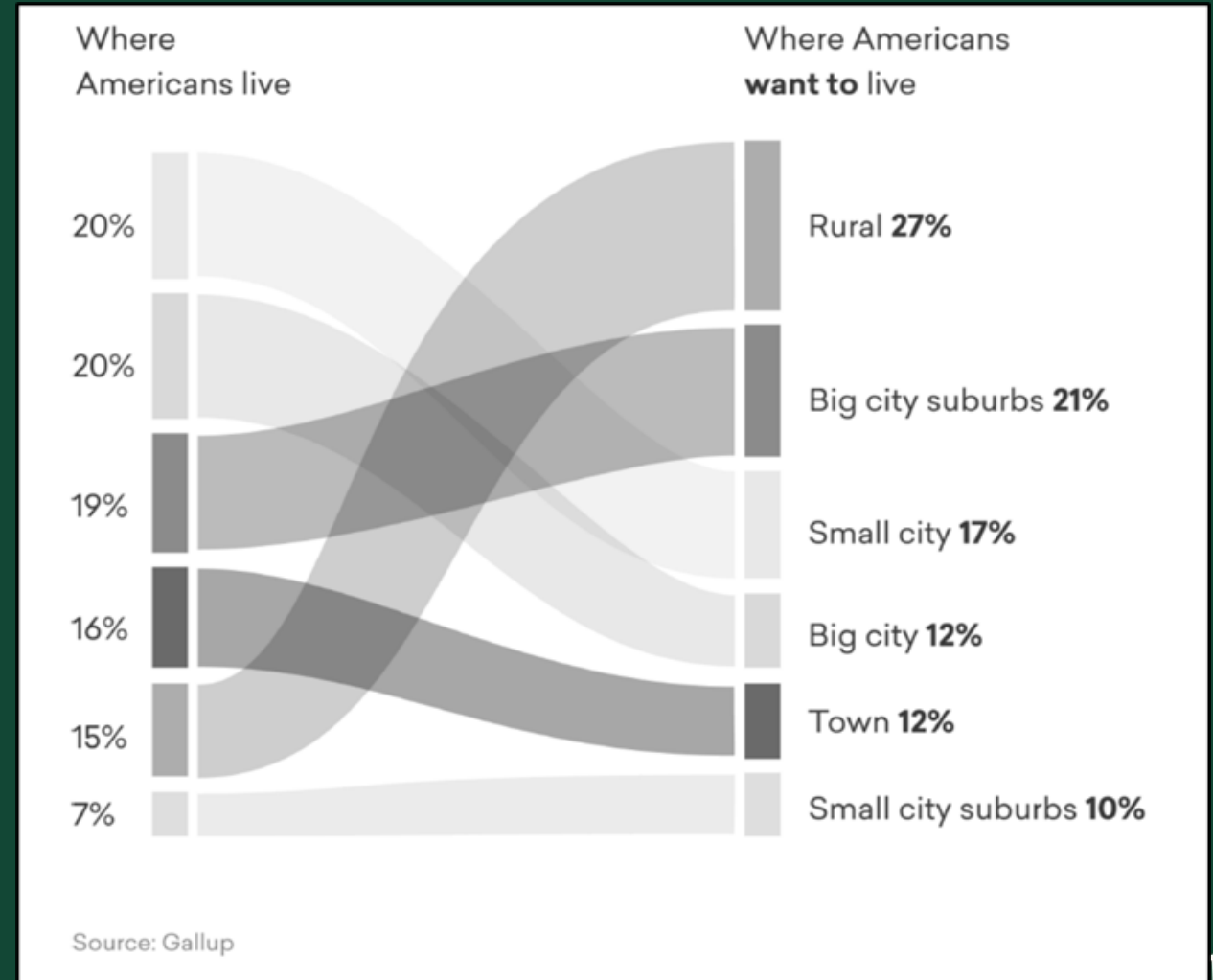
Indeed.com Open Remote Working Jobs

	US	OHIO
TOTAL	127,865	3,024
ENTRY	57,391	1,444
MIDLEVEL	56,437	1,161
SENIOR	7,102	115
\$40,000+	109,192	2,372
\$55,000+	88,618	1,903
\$70,000+	68,531	1,510
\$100,000+	43,268	969

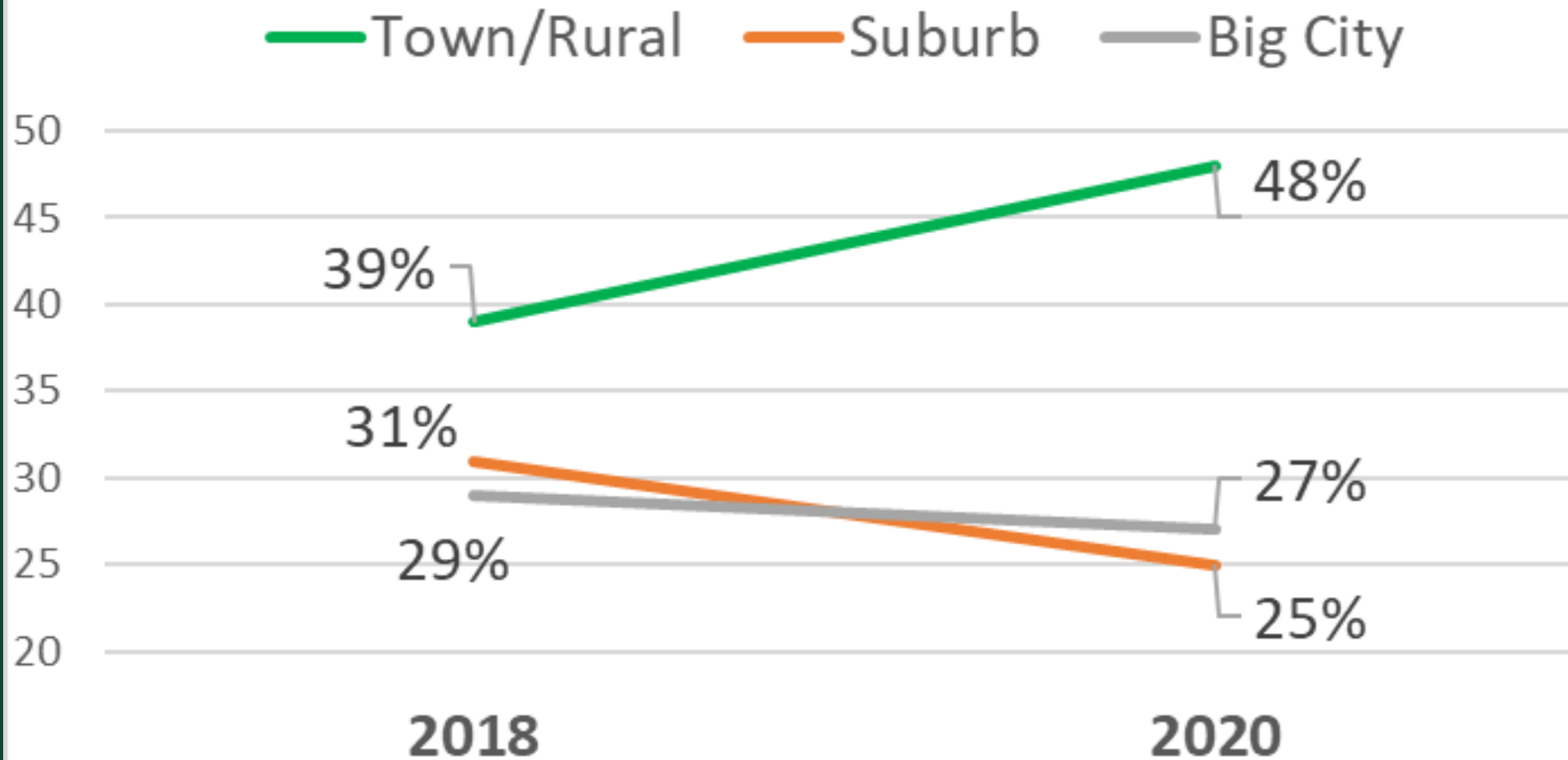
RW is enabling Relocations to Non-Metro Areas

2018 Gallup Poll:

“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.”



Gallup Poll of Residence Preference (%)



Attracting
Remote
Workers
to Your
Community



tulsa
remote

en Shovel

ASCEND
— — — — —
WEST VIRGINIA

Major “Score Card” RW Attraction Factors

INTERNET ACCESS:

Accessible, affordable, sufficient - from multiple ISPs.

ATTAINABLE HOUSING

A primary motivation for many remote workers is home ownership.

CHILD CARE

Availability and affordability of acceptable pre-school, daycare, and afterschool care for remote worker families.

COST OF LIVING

Desire locations that increase the spending power of stable or even declining income.

REMOTE WORKSPACES

Abundant dedicated and informal remote workspaces.

OUTDOOR RECREATION

Prospective relocating remote workers seeking non-metro locales emphasize regional outdoor recreation opportunities.

PROFESSIONAL EDUCATION

Professional development through training certifications and post-secondary/graduate education.

TRAVEL ACCESS

Expeditious ground transportation and commercial/charter air travel to major business metros.

POLITICAL ALIGNMENT

Preference to live in communities with compatible political values.

FINANCIAL INCENTIVES (?)

Monetary/assistance for location identification, selection, and relocation.

Internet Access

Accessible, affordable, and adequate internet service is an absolute prerequisite for remote workers whose bandwidth and speed requirements exceed those of the typical residential user

- US Federal Communications Commission defines high-speed broadband internet as (min.) 25 Mbps download & 3 Mbps upload.
- Many remote working applications, such as video conferencing, already exceed that standard.
- Equally important is reliability and affordability, with strong preference for multiple (3 or more) ISPs.

Internet Access – Athens (FCC 2019)

- 78% of Athens census blocks households had access to three or more broadband providers
- 11 ISPs with 7 offering residential service
- 13% of consumers in Athens have access to only 1 wired ISPs.
- 13,000 people lack access to 25 Mbps wired broadband, and 1,000 people have no access to any wired internet.
- Average download of 53.33 Mbps is slower than Ohio and US.

Relocating remote workers considering Athens may be discouraged by real/perceived lower quality of broadband access.

Attainable Housing

A primary motivation for many relocating remote workers is attainable home ownership

- 2 million urban renters are employed in jobs that could be done remotely where they could afford to buy a house.
- Millennials, with an average age of 38, could be the largest first-time home buyer segment to benefit from remote working.
- “Remote Work Ready” communities offering attainable houses are well positioned to attract such remote workers.

Attainable Housing- Athens

The ability to purchase a first home is likely to be Athens' most compelling attraction for remote workers.

- 13k owner-occupied houses with a median value of \$122,000.
- Median list price of homes for sale was \$165,000 in May 2021
- Housing costs are well below that of the U.S., at only 85% of the national average

Cost of Living

- Surveys have shown that many employees are willing to accept lower compensation in order to work remotely.
- Remote workers therefore often seek locations that increase the spending power of stable or even declining income.

Cost of Living- Athens

- Athens County is a relatively less expensive place to live with a cost of living 87% of the U.S. cost.
- Some notable costs are higher in Athens, with grocery (104%), health (102%), and utilities (105%) being higher than the U.S.

Athens will be viewed as having a favorable cost of living by most RW relocation prospects.

Remote Workspaces

- RW is evolving from temporary to codified employment arrangement
- RW reliance on improvised “work from home” arrangements will shift to more structured settings.
- Most RW will likely continue to be home-based, but an increasing share use **combination of formal and informal spaces.**
- Surveys indicate that co-working sites are important for entry and early career remote workers.

Remote Workspaces- Athens

- Athens County has few designated formal coworking spaces, with those limited to the City of Athens.
- The City also has numerous informal remote working spaces
- Sufficiently capable formal and informal spaces appear inadequate in the rest of the county.

Childcare

- Post-COVID, childcare is the most critical factor in need of optimization to support remote working.
- Harvard Business Review (2021) found 63% of U.S. working parents had difficulty finding childcare during the pandemic.
- This was a major reason that 2.3 million women left the U.S. labor force since February 2020, accounting for 80% of all discouraged workers during the pandemic.
- Where childcare was a problem before the pandemic, remote working did not provide a sustainable solution.

Broadband access, attainable housing, and childcare constitute the essential RW triad for younger households.

Childcare - Athens

Childcare may be an important advantage for Athens County, or at least the City of Athens, in supporting remote work

- The job search firm Zippia recently researched over 500 locations and ranked Athens as the top city for working families.
- Favorable childcare availability and costs based on percentage of median income to the average daycare cost.
- Average monthly cost for full-time daycare is comparatively for RW families from other areas.
- Lack of affordable and available childcare may hinder remote workers outside of the City.

Outdoor Recreation

- Prospective relocating remote workers seeking non-metro locales emphasize regional outdoor recreation opportunities
- Recreation includes open green spaces, natural assets, parks, etc.
- This preference is especially influential among younger remote workers.

Outdoor Recreation - Athens

Athens has distinctive outdoor recreation assets to differentiate the county in the market for remote workers.

- Athens is about half an hour South of Hocking Hills State Park and Wayne National Forest
- Abundant hiking trails, rock formations, waterfalls, caves, and cabins for weekend getaways.
- A premier asset currently in development is the Baileys Trail System, 88 miles of multi-skill level mountain biking trails.

Professional Education

Remote workers, particularly those early in their careers, are concerned with continued advancement in their professional trajectories.

- This requires access to technical training and certification, continuing education for accreditation, as well as academic and executive education.
- Current residents benefit from remote working-focused upskill training enabling mid-career shifts and displaced worker re-employment.

Professional Education - Athens

Athens County is home to two post-secondary institutions:

- Hocking College with 3,500 students enrolled in more than 60 associate and vocational programs; and
- Ohio University, with a 2020 on-campus enrollment of nearly 23,000 students at its City of Athens campus, spanning 250 areas of undergraduate study, as well as master's and doctoral degrees.

Travel Access

- **Remote workers preferring non-metro locations still require expeditious ground transportation or air service to major business metros.**
- Public and private transportation options to nearby cities are desired to access medical, retail, and business services not locally available.
- Convenient access to an airport with direct flights to major US cities and one stop service to international centers are a priority.

Travel Access - Athens

- Athens has excellent ground transportation with highway accessibility to the capital city and economic center of Columbus, Ohio, with travel times of 60-90 minutes.
- John Glenn Columbus International Airport provides nonstop flights to 47 destinations and one-stop flights to numerous international destinations.
- **But Athens County lacks a closer airport with scheduled commercial service. The nearest airport offering commercial services is Parkersburg WV with limited flights.**

Political Alignment

2021 survey of the most mobile remote working segment - young (18-35), unmarried, current remote workers- revealed a distinctive preference for location compatible political values.

- 50% of this group cited “political leanings of area” as one of the most important factors to consider when moving.
- Importance has risen in consecutive surveys, with the respondents self-identifying as liberal (40%), moderate (22%), and conservative (11%) in their own political orientation.

Political Alignment- Athens

The “BestPlaces Liberal/Conservative Index” rates the political orientation of counties

- After the 2020 elections, the political climate of Athens County was rated as “Somewhat liberal”.
- 56.6% of the county’s electorate people voted Democrat in the 2020 presidential election, 41.6% voted for the Republican Party, and the remaining 1.9% voted Independent.
- A closer examination of the 2020 election results show that the majority of Democratic votes came from precincts in the City of Athens, while the rest of the county voted mostly Republican.

Financial Incentives (?)

- Numerous states and cities have recently begun programs offering financial incentives to attract relocating remote workers.
- These programs often target higher income demographic or occupational categories to achieve economic development outcomes.

The implementation experience of these programs is limited with little, if any, information as yet available on their performance.

Financial Incentives - Athens

- Athens County does not currently offer financial incentives for remote workers.
- 2021 survey of 104 current Athens remote workers asked what types of incentives would be most attractive
- Property tax reductions, income tax credits, cash incentives, free co-working space, city-wide Wi-Fi, and fiber internet were important to 50%+ of respondents.

Athens & Remote Worker Attraction Factors

FAVORABLE	<ul style="list-style-type: none">• ATTAINABLE HOUSING• COST OF LIVING• CHILDCARE• OUTDOOR RECREATION• PROFESSIONAL EDUCATION
UNCERTAIN	<ul style="list-style-type: none">• INTERNET ACCESS• REMOTE WORKSPACES• POLITICAL ALIGNMENT
NEGATIVE	<ul style="list-style-type: none">• TRAVEL ACCESS• FINANCIAL INCENTIVES

Financial Incentives Significance?

Ten current state and city RW attraction incentive programs were examined to assess potential economic impacts

- **Implementation limited to date with little to no information yet available on actual performance.**
- Evaluation of programs' strategies, targeted RWs, and capacities.
- Economic impacts of optimal program outcomes were estimated based on average \$100k annual incomes

RW Incentives Costly and/or Small Scale

Program Region	Per Worker Incentive	Budget	Remote Workers Capacity
Vermont	\$10,000	\$500,000	50
Topeka, Kansas	\$15,000	\$900,000	60
Baltimore, Maryland	\$5,000	\$100,000	20
Maine	\$15,660	\$5,000,000	319
Tulsa, Oklahoma	\$10,000	\$1,000,000	100
Fayetteville, Arkansas	\$10,200	\$1,000,000	98
Savannah, Georgia	\$2,000	\$100,000	50
Remote Shoals, Alabama	\$10,000	\$100,000	10
Hawaii	\$665	\$33,250	50
West Virginia (per city)	\$14,500	\$3,000,000	207

Likely to “Succeed Too Small”

Best case estimates @ average RW \$100k annual income

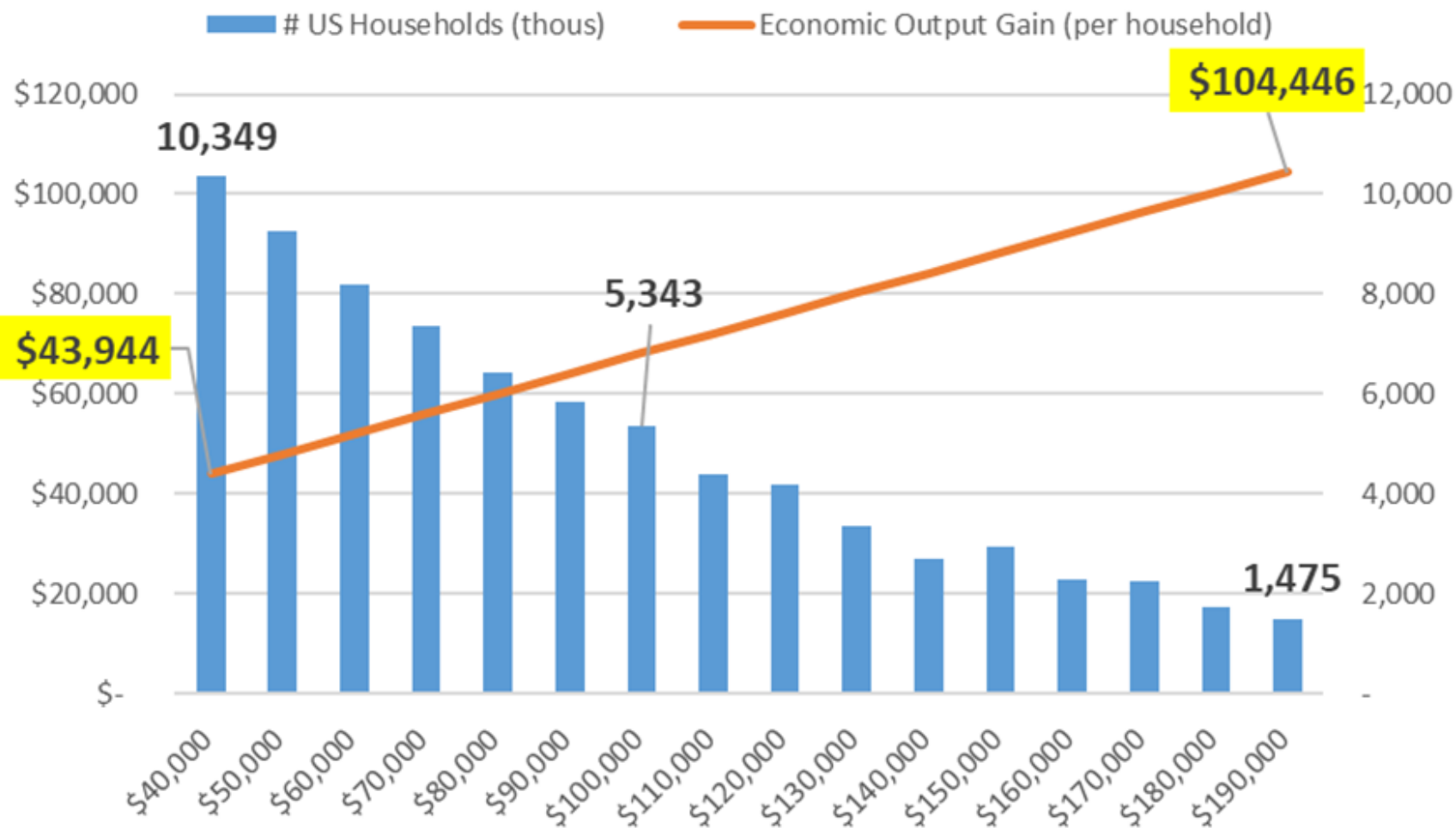
Program Region	Employment	Labor Income	Output
Vermont	11.5	\$448,392	\$1,611,340
Topeka, Kansas	18.6	\$724,264	\$2,634,873
Baltimore, Maryland	7.2	\$281,658	\$1,024,673
Maine	127.6	\$5,168,336	\$18,219,433
Tulsa, Oklahoma	45.0	\$1,822,690	\$6,425,348
Fayetteville, Arkansas	49.0	\$1,984,707	\$6,996,490
Savannah, Georgia	26.5	\$1,062,174	\$3,729,398
Remote Shoals, Alabama	5.8	\$231,747	\$813,687
Hawaii	31.5	\$1,255,296	\$4,407,470
West Virginia	138.6	\$5,593,891	\$19,640,717

Financial Incentives Significance?

Successful RW attraction lacks most of the direct, indirect and induced impacts of conventional economic development

- Increasing RW attraction impacts requires either/both increasing program capacity to attract more RW, or targeting higher income RWs
- Diminishing ROI as market shrinks and incentive appeal decreases with higher income prospects

Remote Worker Impact vs # of Households by Income Level (2019)



Don't Like the Answer, Change the Question

From:

“How can we attract \$100k remote workers to move here?”

To:

“How can remote work enable living wage entry jobs and upward mobility for current residents?”

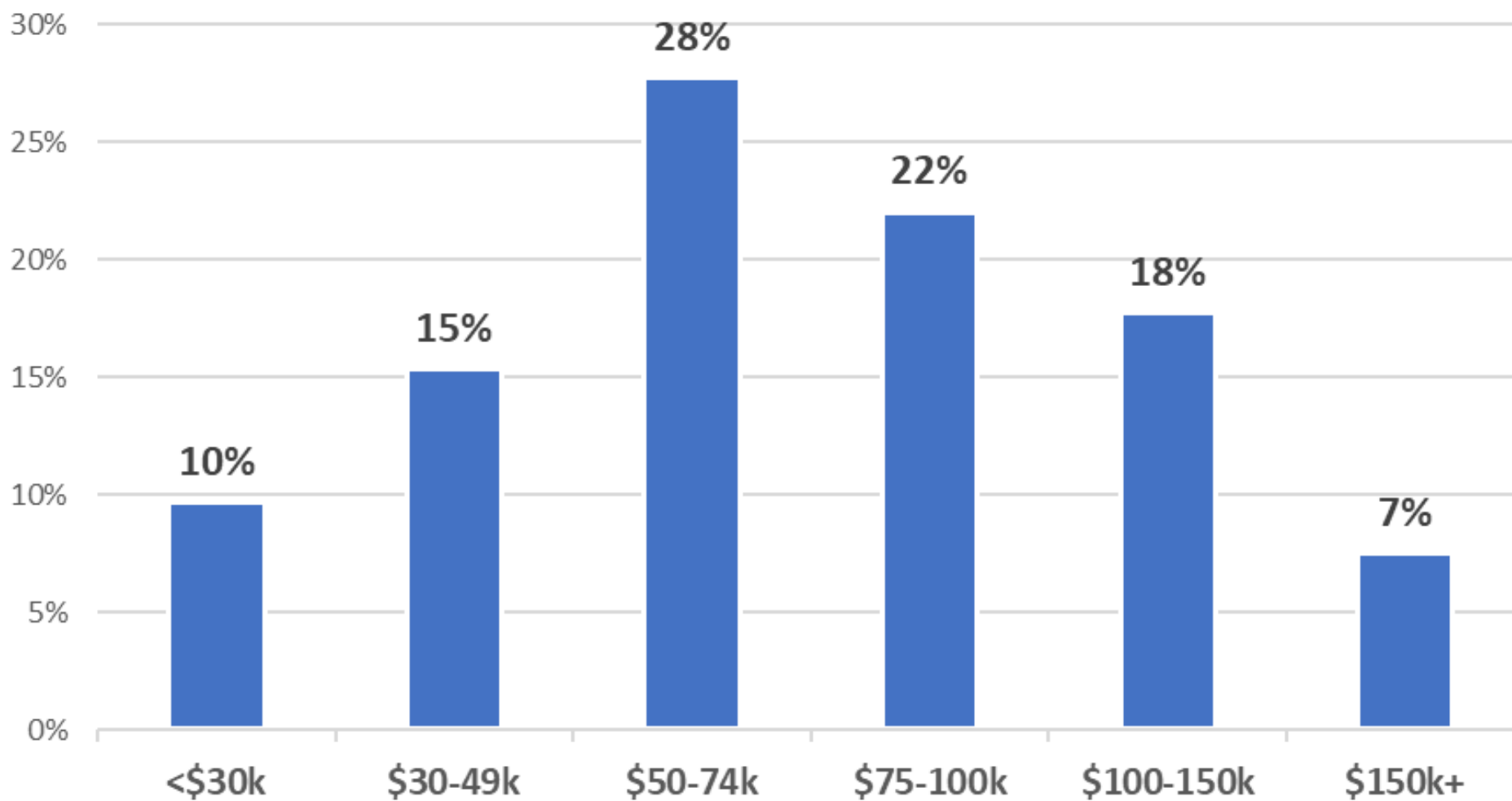
Current Athens RW Income Diversity

Athens County Remote Workers by Income Range	
Income Level	Share
<\$30k	15.4%
\$30-49k	24.4%
\$50-74k	28.2%
\$75-100k	17.9%
\$100-150k	10.3%
\$150k+	3.8%

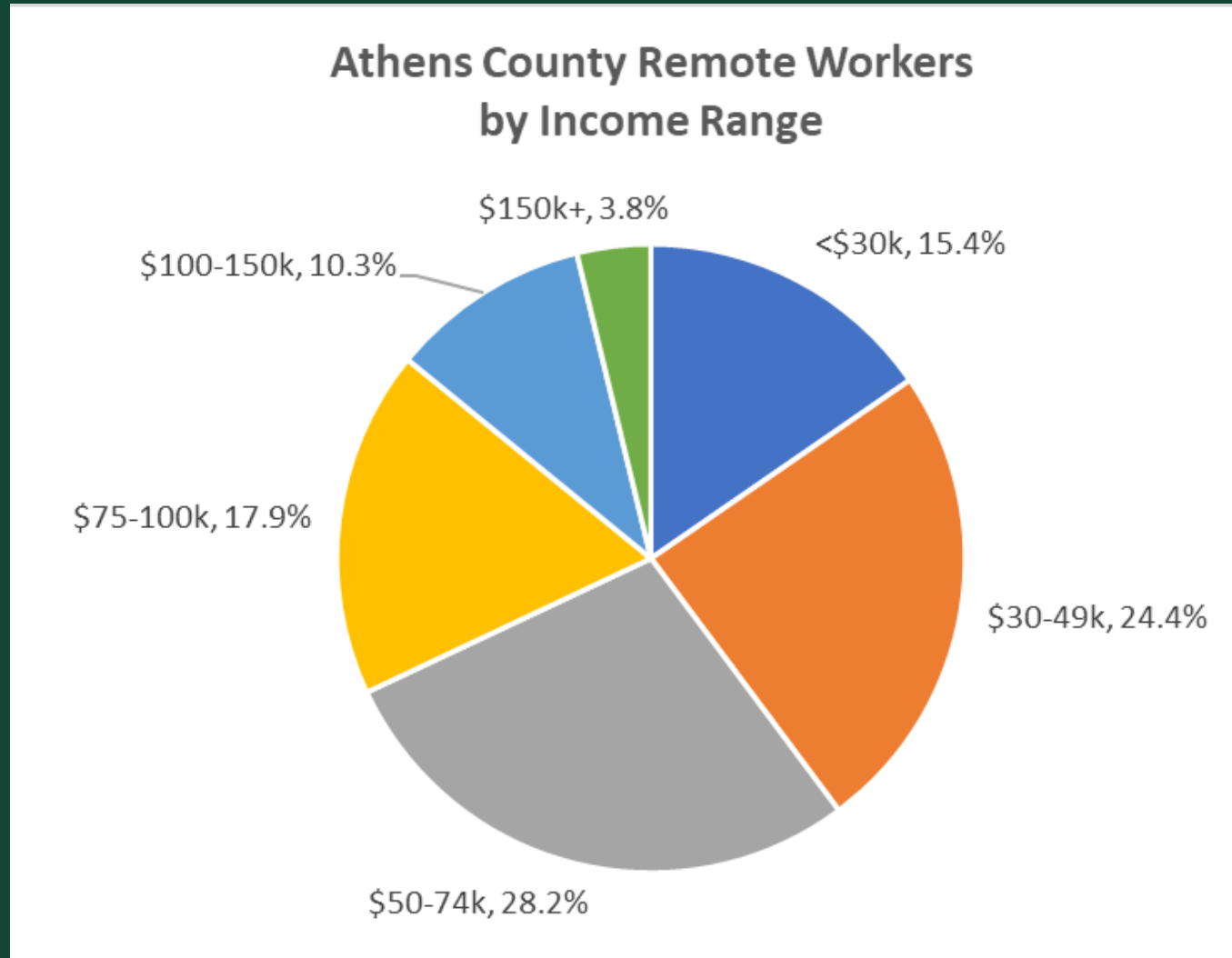
Economic Impact of Current Athens RW

Economic Impacts of Adding 100 Athens Remote Workers					
Annual Household Income Level	Direct Impacts		Induced Impacts		
	Employment	Income	Employment	Labor Income	Output
<\$30k	15	\$616,000	4	\$138,105	\$496,293
\$30-49k	24	\$976,000	6	\$273,519	\$786,334
\$50-74k	28	\$1,974,000	10	\$397,138	\$1,444,789
\$75-100k	18	\$1,611,000	8	\$326,262	\$1,150,137
\$100-150k	10	\$1,339,000	6	\$258,591	\$907,939
\$150k+	4	\$570,000	3	\$110,080	\$386,501
TOTAL	100	\$7,086,000	37	\$1,503,694	\$5,171,992

Share of Athens Impacts by Income Level



Diverse Remote Workers Benefits Athens



RW Economic Strategy Portfolio

CONTINUE: Support continued remote working by current residents

CONVERT: Help physical out-commuters become remote workers

UPSKILL: Remote work training and outplacement for current residents

RETAIN: Support remote work for Athens graduates and likely out-migrants

REPATRIATE: Target enabling return of remote working former residents

(RE)CONNECT: Attract remote working residents with connections to Athens

INCENTIVIZE(?): Attract remote workers with no connection using incentives

ATHENS AFFINITY TAXONOMY

Affinity Level

Continue

Convert

Upskill

Retain

Repatriate

Reconnect

Incentivize



Remote Work Portfolio “ROI Capture”

1. Imports income for local spending and reduces leakage.
2. Saves commuting costs, time, and negative impacts.
3. Retains graduates and early career residents.
4. Increases labor force participation accessibility.
5. Enhances upward mobility opportunities for residents.
6. Diversifies economy in both employment and employers.
7. Grows social capital/prime working age (25-54) population.

Conclusion: Enabling>Incenting

Rather than incenting RW relocations, emphasize enabling RW by both current and prospective residents

A comprehensive plan would start with:

- defining how RW outcomes address Athens economic priorities and goals
- assessing Athens' **“Remote Work Readiness”** for diverse opportunities
- identifying key leverage points where intervention would maximize outcomes



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Resident Remote Work's Benefits

1. Increase Athens income and local spending from “traded” remote worker earnings

- Remote work can increase the number of Athens residents employed outside of the county whose incomes then accrue in Athens and grow the local “economic pie”.
- Not only might remote work increase Athens residents’ employment opportunities, thereby enabling them to maximize their earning potential
- Those increased earnings are imported into the Athens economy to circulate therein with benefits to local businesses and employees.

Resident Remote Work's Benefits

2. Reduced physical commuting benefits wallets and environment.

- Remote work, by reducing physical commuting, is a significant cost savings for workers, as well as benefit to the environment.
- In Athens County, during 2019, 10,834 of the county's 21,275 employed residents "out commuted".
- Replacing a daily automobile commute of 50 miles with remote work saves that employee over \$2,500 and 250 hours annually.
- Converting just 10% of Athens out-commuting (1,083) with remote work could put additional \$2.7 million into residents' pockets and 270,750 hours back into their schedules.

Resident Remote Work's Benefits

3. Retain local graduates/early career residents.

- Recent school graduates – whether high school or postsecondary – who desire to remain in their community are often compelled to relocate for early career employment due to a lack of job opportunities aligned with their skillsets and professional interests.
- Proactive remote working outplacement would greatly increase their prospects of employment in an intended field while enabling continued local residency.

Resident Remote Work's Benefits

4. Increase labor force participation.

- The labor force participation rate is the proportion of the working-age population that is either working or actively looking for work.
- This rate has been declining across the U.S. for several years.
- The decline has been attributed to several factors, some of which – regional skills gaps, workplace accessibility, work schedule imbalance – could be addressed by the location and work schedule flexibility afforded by remote work.

Resident Remote Work's Benefits

5. Enhance upward socioeconomic mobility opportunities for residents.

- Like labor force participation, socioeconomic mobility - the movement of people from one social class or economic level to another – has also been declining across the U.S. from causes that may be addressable through increased remote work.
- By expanding the scale, scope, and diversity of avenues for employment, remote working increases opportunities for both workforce entry and career advancement enabled by worker experience and skills growth.
- It may also provide greater variety for flexible mid-career training and facilitate re-employment adjustments by mediating relocation.

Resident Remote Work's Benefits

6. Diversify employment and employer regional portfolios.

- Remote work can infuse a community with skills and knowledge it may not otherwise possess.
- Increased remote work both by current and new residents often involves occupations or industries uncommon in a regional economy due to the lack of a local employer in such sectors.
- Conversely, diversification can also result an enhanced ability to attract locally under-represented business and industry types as otherwise workforce- or skill-constrained location decisions are mediated through increased reliance on remote workers beyond the local labor shed.

Resident Remote Work's Benefits

7. Increase Athens human/social capital.

As remote workers migrate into a community, they contribute skills and capabilities – “social capital” – that extend beyond their economic value. Many areas of the U.S. are experiencing declines in the share of prime work age (25-54) segments in their population, a segment whose diverse roles as citizens, parents, volunteers, entrepreneurs, etc. are key to sustained community vitality. Fortuitously, this essential “young professional” demographic closely mirrors that of many prospective relocating remote workers.