

THE RISE OF REMOTE WORK IN RURAL AMERICA

A REPORT BY THE CENTER ON RURAL INNOVATION
AND RURAL INNOVATION STRATEGIES, INC.



BUILDING INNOVATION IN RURAL AMERICA
FROM THE GROUND UP

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INTRODUCTION

The COVID-19 pandemic created many new normals for the country and world. With the enforcement of social distancing and facility capacity limits, circumstances changed for everyone. These changes not only affected how we moved in our day-to-day lives, but they also transformed the way we work and our perceptions of work. In an attempt to adjust to the whirlwind of health, economic, and social crises of the COVID-19 pandemic, employers and employees sought ways to push limits while exploring opportunities for non-traditional work environments. Companies across the country were forced to close their physical work locations, but some were able to leverage technology to continue operating by having their employees work remotely.

Historically, the vast majority of workers employed by businesses in the U.S. worked in a workplace — an office, a factory, or a job site. In the last quarter of the 20th century, the relationship between worker and workplace began to shift. The sudden emergence of remote work was not a singular event, but the continuation of a decades long trend of an increasing share of the workforce working remotely. This trend has been driven both by shifts in the economy to more service and knowledge-based industries, and by the emergence of communication technologies.

Remote work offers exciting opportunities for rural communities. For decades, rural economies have fallen behind the rest of the country as they've been left out of the rapidly growing knowledge, technology, and professional services industries. The COVID-19 pandemic showed that technological advancements have reached a point where many of those jobs can be done from everywhere. Thus, remote work offers an opportunity for rural workers to more fully participate in these high-growth industries, allowing them to benefit from the higher earnings and broader career opportunities found in these sectors.

The following brief explores what we've learned about remote work during the COVID-19 pandemic. We conclude the brief by exploring the implication of remote work for rural America, and share recommendations that we hope rural leaders will consider when developing economic and workforce development programs and strategies. These recommendations are suggestive, not prescriptive. The future is still unknown, which means strategies need to be adaptable, and leaders need to be focused on recognizing trends on the horizon so that they are in a position to respond proactively.



REMOTE WORK BEFORE THE PANDEMIC

Prior to the COVID-19 pandemic, remote work or telework was generally viewed as a special work arrangement granted by employers as a benefit to some workers. In reality, many of the ways of working that have come to be defined as “remote work” were already commonly practiced in the form of distributed work. Distributed work is rooted in economic shifts that began in the last part of the 20th century. During the 1980s, the U.S. economy began a major shift from a primarily production-based economy to a service-based economy. Since that shift began, many of the fastest growing jobs in the country have been in management, sales, and knowledge-based roles – such as technology, legal, financial, design, engineering, and research occupations. In these occupations, workers primarily apply knowledge and social skills to complete tasks such as processing data and information, creating knowledge, solving complex problems, and engaging with customers or clients. Workers in these fields are often expected to work both individually and collaboratively with colleagues in a team-based environment. This shift corresponded with the explosion of information technologies. These technologies were especially suited to support the work of the growing service and knowledge-based industries, making it easier for workers to communicate, share information, and collaborate from a distance.

The first signs of the shift appeared in the form of distributed teams in the 1980s and 1990s. Businesses began to expand locations nationally and internationally, and workers in management, sales, and knowledge roles began to work in distributed teams. Workers in distributed teams were still office-based, as many work functions relied on office infrastructure like computers and internet connections. With the emergence of personal computers and expanding broadband access, workers became less reliant on a permanent workplace to access the technology they needed to do their work. This increased interest in the idea that some workers in a distributed work environment no longer needed to be constrained by an office and could productively work from anywhere as remote workers.

The idea of remote work or telework was first proposed in 1973 by NASA engineer, Jack Niles, to describe the idea of moving work to workers instead of moving workers to work ([Allen, Golden & Shockley 2015](#)). Success in distributed work led to a number of federal government-funded projects assessing the effectiveness of teleworking in the 1990s. By 1997, this research resulted in more than 10,000 government employees either working from home or working from other remote locations ([Allen, Golden & Shockley 2015](#); [Avery & Zabel, 2001](#)).

Technology has played a critical role in ushering in these changes.

- Technology such as email, instant messaging, video conferencing, and cloud storage has enabled workers in management, knowledge, and sales to access the critical components of their jobs – data, connections with colleagues, documents, digital tools like word processors and spreadsheets – from any location where they have a broadband connection and access to a device.



- Technology has extended the reach of managers, allowing them to supervise some types of work from a distance instead of in person. As more work is “digitized,” it becomes easier for managers to track and ensure the quality of work products remotely. Technology also allows managers to observe the work and productivity of their employees remotely, including shared online calendars, online project management systems, and even software that monitors employee keystrokes and computer activity.
- Technology has enabled platforms that help employers expand their talent pools and connect with promising candidates, regardless of their location. The proliferation of online job boards has dramatically decreased the cost of posting jobs so that they can be seen by people living across the country, and around the world.

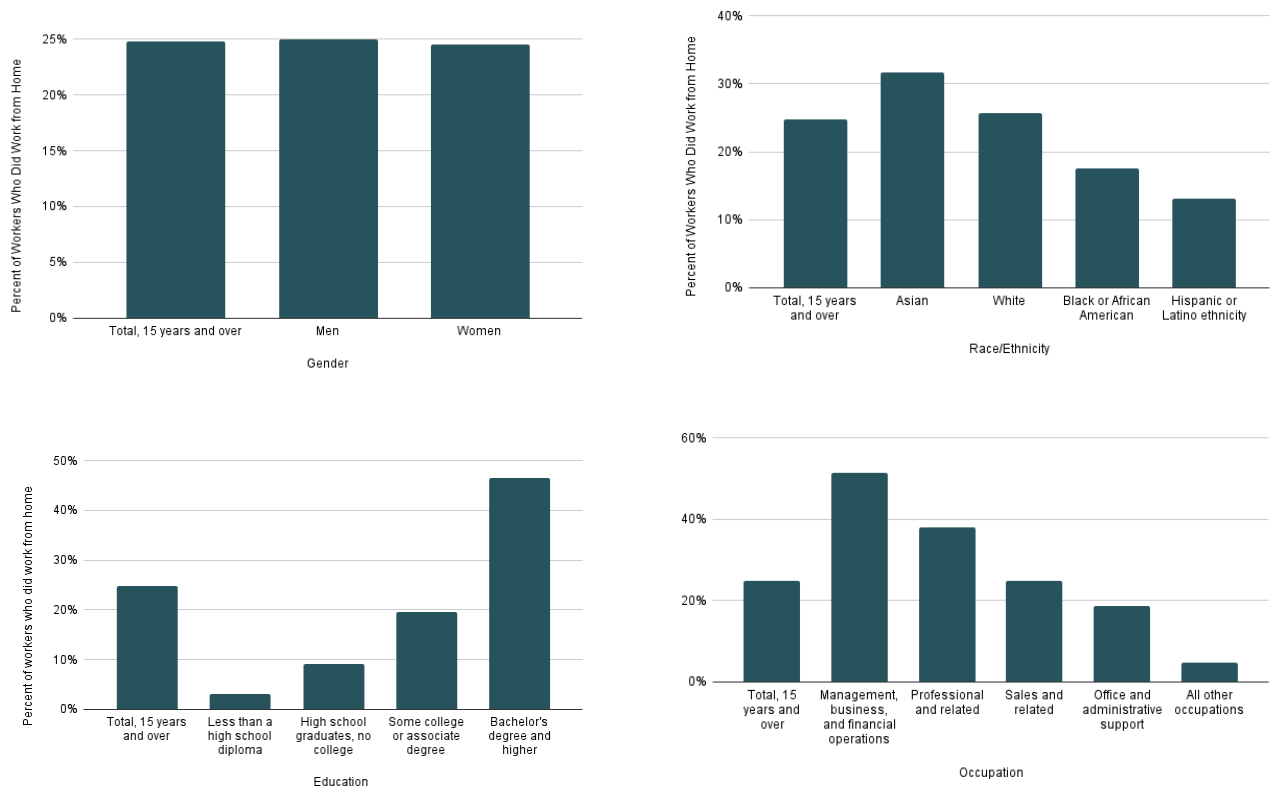
Given that remote work was not common prior to the COVID-19 pandemic, very little data was collected on its prevalence. Now that the data exists, we can draw a few insights.

- Less than 6% of people worked remotely full-time prior to the pandemic. In 2019, it was estimated that about 6% of Americans and 5% of rural Americans primarily worked from home (American Community Survey). The share of people employed by a business or organization and working remotely was likely even smaller, given that measure also includes people who have home-based businesses. Even with the relatively small number of remote workers in the U.S., there has been a growing trend of employees and job-seekers looking for remote work opportunities. In 2017, “remote work/work from home” was the fourth most-searched phrase by job-seekers (Spector, 2018). This suggests that while companies may have been slower to incorporate a remote work culture, job-seekers and employees have been interested in remote work for some time.
- Before the COVID-19 pandemic, more than 25% of workers worked remotely some of the time (BLS). This includes people who had days in which they only worked from home, and those who worked hybrid days where some of their work was done in the office, and some of it was done at home, often after the typical workday had ended. Those that did work from home were more likely to be college-educated workers working in high-skilled occupations. Prior to the COVID-19 pandemic, 47% of workers with a college degree worked from home some of the time, compared to 9% of those with just a high school degree (Figure 1). Those that worked from home some of the time were most likely to work in technology, business, finance, and sales occupations. More than 30% of Asian workers and 25% of White workers worked remotely some of the time prior to the pandemic, while only 17% of Black workers and 13% of Hispanic workers worked remotely (Figure 1).



While fully remote work was rare prior to the pandemic, more than a quarter of wage and salary workers had already gained experience working remotely, although these workers were mainly Asian or White, highly educated, and working in service industries. This experience has been critical for many workers as they transitioned to a fully remote work environment during the pandemic, but also raises important issues around equity in remote work opportunities for Black and Hispanic workers, and those who do not have college degrees.

**FIGURE 1:
PERCENT OF WAGE AND SALARY WORKERS ABLE TO WORK AT HOME, 2017-2018**



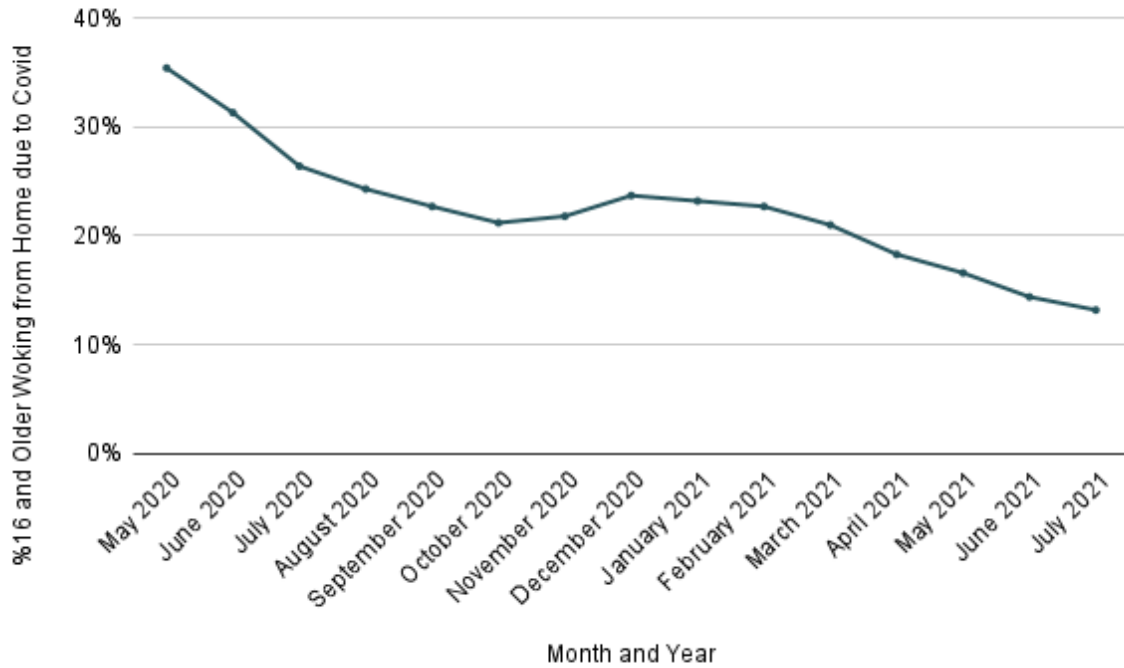
(Source: Bureau of Labor Statistics)

REMOTE WORK BEFORE THE PANDEMIC

The COVID-19 pandemic forced companies to push their remote working capabilities to unseen limits. As local and federal governments, public health entities, and advocates instilled the importance of social distancing in an effort to curb the devastating results of the pandemic, many companies, social and religious entities, schools, and organizations closed their physical locations. During the first peak of the pandemic in May 2020, an estimated 42% of the employed population in the U.S. worked from home, with more than 35% of workers working from home specifically due to the COVID-19 pandemic (Bloom, 2020).



**FIGURE 2:
PERCENT OF THE U.S. POPULATION 16 AND OLDER, WORKING FROM HOME DUE TO COVID-19 (MAY 2020-JULY 2021)**



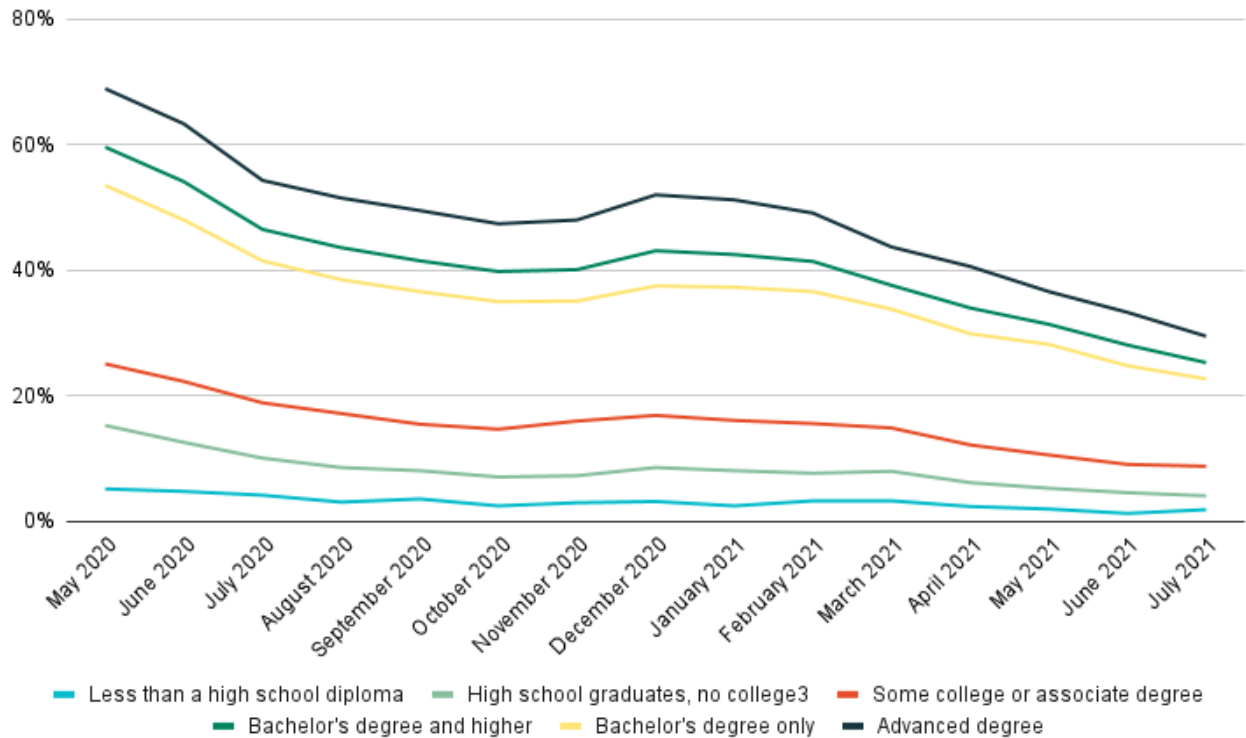
(Source: Bureau of Labor Statistics)

Note: The BLS determines remote workers due to the pandemic based on the answers to the question: "At any time in the last four weeks, did you telework or work at home for pay because of the coronavirus pandemic?" This question was asked to all employed individuals, age 16 and older. Employed people that teleworked or worked at home for pay at some point in the last four weeks specifically because of the coronavirus pandemic, were included. These workers did not have to work remotely the entire time to be included. Those working from home unrelated to the pandemic were not included in this assessment (U.S. Bureau of Labor Statistics, 2021).

Similar patterns around who worked remotely before the pandemic emerged. During the first pandemic peak, more than 50% of workers in management and professional occupations worked remotely, including more than 75% of tech workers, and more than 80% of education workers (U.S. Bureau of Labor Statistics, 2021). Together, management and professional workers accounted for 73% of all remote workers in May 2020. Of the U.S. employees working from home because of COVID-19, almost 60% were workers with a bachelor's degree or higher, compared to 15% with a high school diploma or less (Figure 3). Workers in these occupations that could shift to a remote arrangement were much more resilient than other workers. In May 2020, just 15% of workers in management and professional occupations reported being unable to work because their employer closed or lost business due to the pandemic. Among these occupations, tech workers were least impacted, with just 6% reporting that they were unable to work. Workers in occupations that were less conducive to remote work experienced much more severe economic impacts: 53% of personal care workers, 40% of food preparation and serving workers, 27% of construction workers, and 22% of manufacturing workers reported that they were unable to work due to the pandemic.



**FIGURE 3:
PERCENT OF THE U.S. POPULATION 16 AND OLDER, WORKING FROM HOME DUE TO COVID-19 BY EDUCATION LEVEL (MAY 2020-JULY 2021)**

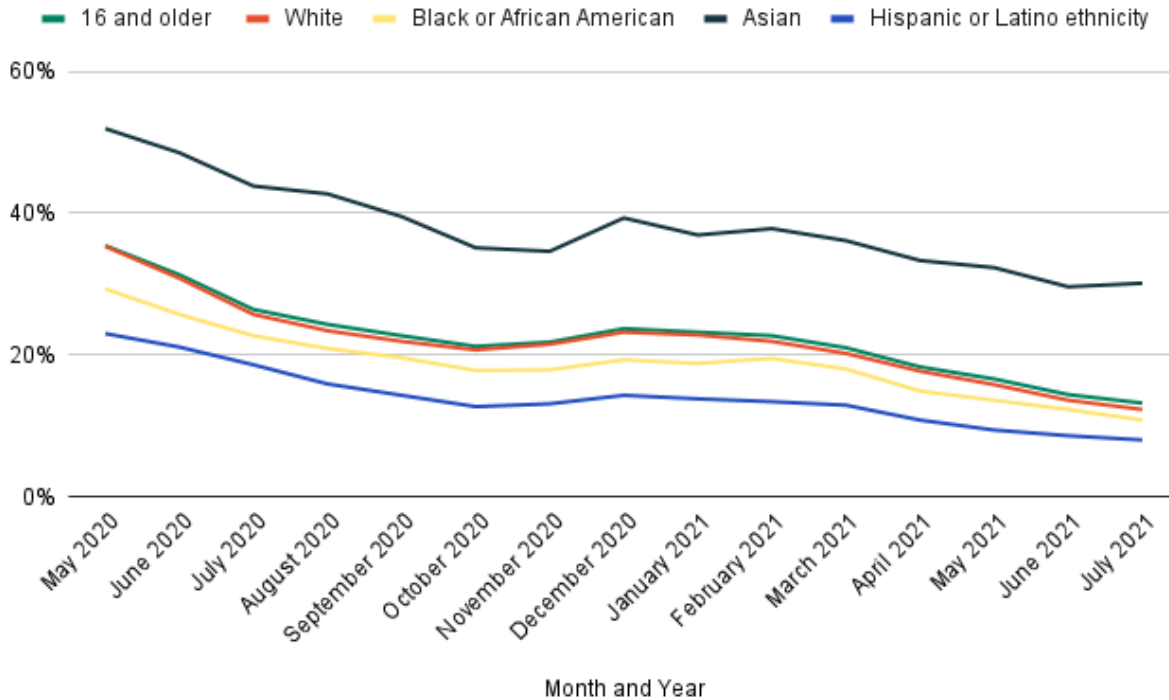


(Source: Bureau of Labor Statistics)

Before the pandemic, Asian and White workers were most likely to work remotely. The pandemic also highlighted the racial inequalities and digital divide faced by many Black, Hispanic, and Native American workers in the U.S. While the pandemic increased remote work across all racial groups, less than 30% of Black and 23% of Hispanic workers worked remotely at the peak of the pandemic (Figure 4). Potential explanations for racial disparities of the lower rates for Black, Hispanic, and Native American workers transitioning to remote work stem from barriers to education and employment in occupations requiring specialized skills. A higher proportion of Black and Hispanic workers are employed in lower-paid, consumer-facing service jobs or in frontline positions. During the pandemic, they worked in many “essential” industries that required them to physically show up to their jobs (U.S. Bureau of Labor Statistics, 2021; Tomer & Kane, 2020). Additionally, Black and Hispanic adults are less likely to own a traditional computer or have high-speed internet at home, making remote work impossible. Sixty-nine percent of Black adults and 67% of Hispanic adults reported they owned a laptop or desktop, compared to 80% of White adults (Atske & Perrin, 2021).



**FIGURE 4:
BLS: PERCENT OF THE U.S. POPULATION 16 AND OLDER, WORKING FROM HOME DUE TO COVID-19 BY RACE AND ETHNICITY (MAY 2020-JULY 2021)**



(Source: Bureau of Labor Statistics)

REMOTE WORK IN THE FUTURE

As the U.S. transitions back to normal operation, and the ability to work in-office now becomes an option, the number of remote workers working from home as a result of the COVID-19 pandemic has steadily declined. As of July 2021, a little more than 13% of the employed population continued to work from home some of the time due to COVID, down from a peak of 37% in May 2020 (Figure 2). Of those continuing to work from home, 78% worked in management, professional, and related occupations ([U.S. Bureau of Labor Statistics, 2021](#)).

This newfound potential of remote work has forced companies to decide whether to remain remote or shift back to in-person work settings. In a 2021 PEW Research study, more than 50% of respondents who had the ability to work from home stated that they wanted to continue working from home permanently once the pandemic is over ([Parker, Horowitz & Minkin, 2020](#)). Using a bi-weekly poll of members, LinkedIn developed a Workforce Confidence Index, assessing professionals' sentiments about the labor market and their future expectations ([Anders, 2020](#)). More than 50% of the U.S. professionals that responded to the survey felt their companies will allow them to work remotely at least part-time after the pandemic ([Stoller, 2021](#)).





Confidence was even higher for digital-heavy industries like tech, finance, and media, with more than 75% feeling that remote work will allow for a more efficient and effective work culture (Anders, 2020). This sentiment is also present in classic white-collar fields like legal, public administration, and education, where an in-person work environment has traditionally been the culture. Even in industries where remote work has typically not been viewed as a feasible option — such as hardware and networking, energy and mining, and transportation and logistics — between 50-60% employees express that remote working can play an effective role in their industry.



Technology has played a central role in enabling the shift to remote work and is also leading firms to increase investments in technology. In a November 2020 PEW Research Center study assessing how the COVID-19 pandemic has transformed work, 65% of the surveyed remote workers identified video conferencing and instant messaging platforms as a good substitute for in-person contact. Video conferencing platforms like Zoom and Webex were used at least some of the time by 81% of remote workers, and 57% used instant messaging platforms like Slack or Google Chat (Parker, Horowitz & Minkin, 2020). Companies are also providing hardware, internet support, and communication tools, or subsidizing the cost for employees to purchase office furniture and other basic remote work essentials that many new remote workers lacked (Sull, Sull & Bersin, 2020). These investments in support of work during the pandemic have sparked a wave of innovation among established companies and startups developing technologies and tools to support remote work. These investments will not only make remote working more common in the future, but they will also make remote workers more productive.



The growth of remote work opportunities has also created more flexibility in where people are choosing to live. Without commuting restrictions, remote workers are given the opportunity to choose homes in communities with amenities, in locations not solely based on proximity to the office. Instead of focusing on living as close as possible to the physical office, remote workers are given the opportunity to expand their community selections. Many workers are also opting to live further away from where their company's head office is located. Although many remote workers are choosing to settle in suburban communities, some are considering rural areas for their safe environments to raise children and their appealing local landscapes (Sutherland, 2021).

(Courtesy Canva)



Rural places like Winhall, Vermont; Traverse City, Michigan; and Taos, New Mexico, experienced an influx of new residents during the pandemic. With companies either going fully remote or incorporating a hybrid work environment, many urban residents are taking advantage of the ability to work from anywhere.

Selling their urban homes at premium values, many urban remote workers use the large profits from the sale of their homes to purchase larger homes in suburban and rural areas. For remote workers, larger homes are often a necessity to support home offices. When comparing remote households in the same commuting zones to similar non-remote households, remote households spent over 7% more on housing. Remote households on average had larger homes with more rooms compared to similar non-remote households. Households with remote workers are generally not located in the least expensive commuting zones and are more likely to be located in above-average housing cost suburban areas with urban amenities (Thompson, 2018). As higher incomes enter the community, many current residents feel the pressures of increased home values, property taxes, and other economic costs (Markarian, 2021).

In addition to those looking for a change of pace and environment, some remote workers are being incentivized to move to small cities and rural areas dubbed “Zoom Towns.” Programs such as Life Works Here, an Arkansas-based relocation initiative, Remote Tucson, an Arizona-based relocation initiative, and Ascend West Virginia, a West Virginia relocation initiative, offered between \$7,000 and \$25,000 in monetary incentives and gifts for those looking to relocate to these natural amenities-rich communities for at least a year. Many applicants were young professionals from coastal cities – New York, Los Angeles, and San Francisco – tired of stagnant wages and rising living costs. They were enticed by the prospect of bigger living spaces, access to nature, higher quality of life, and more disposable income than in traditional business hubs (Johanson, 2021).

Like any change to the structure of work, the shift towards remote work has costs and benefits for both firms and workers. When work shifts from taking place in a central office to taking place in distributed locations, firms are able to save both money and energy. Having a remote workforce can mean that firms are able to spend less money on office space as companies have the ability to downsize or eliminate previously rented spaces. If a firm still holds a physical office space but also has a remote workforce, implementing practices that are more energy efficient – such as flexible heating and lighting – can save both energy and money for the company (Hampton, 2017). Remote work options have a positive impact on recruitment efforts for firms because businesses who face local worker shortages may be able to recruit from a larger talent pool across a broader geographic area and overcome such shortages (Davies, 2021). On the whole, remote workers report greater satisfaction with their work arrangement than those in traditional workplace settings, which can result in a lower turnover rate and lead to another benefit for firms: lower recruitment costs (Phillip & Williams, 2019; Davies, 2021; Devarter, 2021).



For firms, the costs of remote work center on infrastructure and training. With more staff members operating entirely on the internet, firms have to invest more in cloud usage or online data storage, cybersecurity, and licensing for operating platforms like Slack and Zoom. In addition, a 2021 working paper estimated that firms will have to offer a 3-15% premium to workers to compensate them for their home office expenses ([Stanton & Tiwari, 2021](#)). Firms may also run up against costs related to more systemic factors: Notably, because 19% of rural households lack access to broadband, businesses with staff based in rural areas may also face the challenge of limited rural broadband access, hindering employees' ability to perform daily tasks efficiently ([Martin, 2021](#)). Although initiatives across the country such as [PuebloConnect](#) and the [American Connection Project](#), and organizations such as the [Center on Rural Innovation](#) are seeking to expand investment in rural broadband, slow or limited broadband can be a limiting factor for firms who strive to be reliant on the internet for all their business ([Devarter, 2021](#)).

Remote work has a wide array of benefits on levels related to personal finances, lifestyle, and preferences towards comfort, control, and flexibility. A 2021 survey found that when an employee shifts to remote work, they save an average of \$4,000 per year by not spending as much on things like gas, coffee, lunch, and business clothing ([Pelta, 2021](#)). Because remote workers are not required to be in a physical office, they are able to live in areas based more on their personal preferences than on the demands of a workplace — meaning in a home that is cheaper, closer to family, or in a place with an overall lower cost of living. In rural America, where public transportation is limited and more than 1 million workers do not have access to a car, the lack of commute is a major benefit both in reducing transportation costs and in the value of time gained ([Bellis, 2020](#)).

It is essential to realize how different types of people experience the benefits of remote work differently. As we noted above, the occupations with the largest share of low-income workers are the least likely to have the option to work remotely. This means that those in professions related to law, management, and technology will be more likely to experience the benefits of remote work than those in occupations like food services, manufacturing, and agriculture ([Tanguay & Lachappelle, 2020](#)). Lower-paid workers are more likely to live farther away from work than higher-paid workers, and are also less likely to rely on nannies or childcare centers due to prohibitive costs. If these lower-paid workers were given greater ability to pursue remote work, it could relieve the physical and monetary costs associated with transportation and childcare, under the assumption that an employer offers flexibility for caregiver duties. Remote work can also offer benefits to people with disabilities who may face barriers to participating in traditional work arrangements because of issues around transportation or proper accommodations in the workplace ([Williams, Korn & Boginsky, 2020](#)).

As we imagine what the future of remote work could look like, it is possible that it could look more like distributed work than fully remote work.





(Bricks Coworking and Innovation Space; Waterville, Maine; courtesy of the Center on Rural Innovation)

In a hybrid version of this future, employers may permit some workers to work remotely several days a week, but still require them to come into the office on a weekly basis. In this scenario, workers with remote-friendly jobs might enjoy some additional flexibility in location, and benefit from less time commuting. Yet, this version of a distributed work future would limit the impact on rural areas, especially those that are distant from large metropolitan areas that are home to the headquarters of large employers. We could imagine a second version of a distributed work future in which employers establish small remote locations away from a central headquarters to serve small groups of remote workers. In this scenario, an employer might choose to rent a space, or cover the cost of a coworking space for a group of employees. In this model, employees would benefit from greater flexibility in choosing where to live, while employers could enjoy the benefits of an extended talent pool, and some of the productivity benefits of having employees colocated. An example of this model in practice can be found in Pax8 which is developing “remote work hubs” in rural Colorado supported by the state’s Location Neutral Employment (LONE) incentive program.

IMPLICATIONS FOR RURAL AMERICA

Over the past year, remote work has been one of the most exciting and talked-about trends in rural development. In theory, remote work offers an opportunity for rural areas to leverage local strengths and assets to attract new residents who can bring their job with them, and expand the job market for existing residents. After more than a decade of lagging economic growth in rural areas, it is no surprise that remote work opportunities are exciting to economic development leaders who see the opportunity to increase employment and grow the local talent base. While the rate of remote work will decline from its peak during the pandemic, it is expected that far more people will be working remotely in the new-normal than before the pandemic. If the rate of full-time remote workers settles at 12%, twice the pre-pandemic rate, it would mean an additional 9 million remote workers in the economy.



When considering how to incorporate remote work into economic development strategies, it is critical to consider a multifaceted approach that combines broadband, housing, workforce development, and quality of life. There are generally two types of remote work strategies, each requiring a different focus. First are strategies that aim to attract and retain remote workers. The second strategy focuses on expanding employment opportunities by increasing remote work among existing residents and workers. While these strategies focus on the same outcome of increasing remote employment, they each require their own targeted approach.

We recommend that rural leaders consider the following when developing economic and workforce development programs and strategies:

Build the broadband infrastructure of the future, and make sure people know where it is.

Remote workers require fast and reliable broadband to be productive. Over time, the demand for broadband speed among remote workers will likely grow, so we recommend focusing broadband expansion efforts on providing fiber to the home as a future-proof technology. When attracting remote workers, we recommend not only focusing on building broadband infrastructure, but making efforts to clearly communicate where broadband is available, and where it is not, to potential residents. This could include publishing detailed broadband maps of the area or building online tools that help people check access at a given address. If your community does not have 100% broadband coverage, you risk remote workers moving to homes only to find that they are unable to work remotely.

When working to increase remote employment for local workers, focus workforce development efforts on skills aligned with remote work professions.

Not all jobs can be done remotely, and the remote work trends that emerged during the COVID-19 pandemic emphasized that remote workers will have occupations like management, legal, finance, technology, sales, and other knowledge-based occupations. For local workers who already work in these occupations, workforce development programs can support remote employment by offering training to workers in the technical and interpersonal skills specific to working in a remote environment. Programs like Utah State University's [Rural Online Initiative](#) is an example of this type of training program.

When targeting workers who do not have experience working in remote-friendly occupations, workforce development strategies will also need to prepare workers and businesses for these occupations. This may require adopting a different approach to workforce development by looking at demand outside of the local market, and aligning training programs around in-demand skills in remote-friendly occupations. Some remote-friendly occupations are more conducive to training than others, particularly those that require a very high degree of training or education. Occupations that are remote-friendly and do not require a high degree



of specialized skills like sales may offer more accessible pathways to remote work. Technology occupations are also a promising field for people who are interested in moving into a remote career because there is a high demand for these skills, they are high-paying, and it is more common for people to pursue skills based training through non-traditional pathways. Yet, it is critical to keep in mind that many employers are cautious about hiring entry-level workers remotely. This practice could shift in the future as companies become better equipped to incorporate entry-level remote workers, but in the near term, workforce strategies aimed at supporting local workers to pursue remote careers in tech should include pathways for people to gain in-person experience with local employers to make themselves more competitive when applying for remote jobs.

When attracting remote workers, incorporate housing into your economic development strategy.

Typically, housing policy follows economic development policy. When a new business commits to coming to a rural area with new jobs, the wheels of housing development start turning to meet new housing demand. When considering a remote work strategy, housing should be at the forefront of your considerations. Remote workers who move to your area will need a place to live, and as we've noted, they tend to demand larger houses that can accommodate home offices. Neglecting housing can diminish the impact of your remote worker attraction efforts and create issues of housing affordability for existing residents.

Create spaces, places, and programs where remote workers can meet and network.

One drawback to remote work that many workers experience is isolation. This can be particularly true in a rural community where people are more physically distant. Often remote workers are not engaged by professional networking organizations like the Chamber of Commerce or the Rotary Club because they are not part of the local business community. Remote work strategies should proactively address this issue by creating places, spaces, and programs to help remote workers to make personal and professional connections. We recommend that those serious about adopting a remote work strategy develop coworking spaces as critical infrastructure. Not only do coworking spaces provide productive spaces for remote workers to work and network, they can also serve as a critical source of broadband access for those who might have limited home service. Coworking spaces can also serve as remote work hubs for pods of distributed workers working for a single company. If your community is not ready for a coworking space, consider creating a remote worker membership option at the chamber of commerce, or consider hosting events for remote workers at a local cafe or restaurant to build relationships and combat isolation.



When attracting remote workers, target connected workers.

While some communities have made a media splash by offering cash to remote workers that relocate, there are strategies for attracting remote workers who do not require paying them to move. We recommend starting with workers and professionals that are already connected to your community because they grew up in or attended college in the community. During the pandemic, people who left urban cores to work remotely in rural areas were more likely to move to a place where they had pre-established relationships. Marketing efforts that target these populations can leverage existing relationships and connections to the community. As an example, Innovate Marquette in Marquette, Michigan, developed the Make It Marquette marketing campaign in partnership with Northern Michigan University. The university has leveraged its alumni connections to distribute the marketing materials, inviting alumni to return to a community they know and love as a remote worker.

Invest in quality of life.

Remote workers by definition have flexibility in where they choose to live because they are not tied to an office. This creates an opportunity for rural areas, but only if they offer a quality of life that is attractive to remote workers. Any remote worker strategy should include investing in quality of life as a central element as neglecting quality of life will likely diminish the effectiveness of any other remote work strategies.

Incentivize remote workers.

As we noted, some local areas are competing for remote workers by offering relocation subsidies for people who move to an area and bring a remote job with them. While these incentives have not been fully studied to understand their costs and benefits, they have been leveraged as a marketing strategy to raise awareness about a rural area's remote work assets. We would generally advise against offering incentives until the recommendations above are addressed, such as expanding broadband access, developing a coworking space, creating programs to network and connect remote workers, ensuring housing supply, and investing in quality of life.

While it is generally easier for local areas to incentivize remote workers, states could do more to incentivize remote hiring in rural or distressed areas. The best example of such a policy is Colorado's Location Neutral Employment (LONE) incentive. The LONE program is a variation of the state's job creation tax incentive program, and provides additional incentive when companies hire workers in rural areas, coal impacted rural areas, and in tribal lands. When appropriately targeted, such policies could increase demand for talent located in lagging rural regions, creating new opportunities for people living in these areas.



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