CORI

Center on Rural Innovation

Impact Report

2023

Letter from the Executive Director

Dear Rural Supporter,

In the seven short years since we started our journey, the Center on Rural Innovation and our community partners have made incredible progress in our efforts to build tech economies in rural communities across the country. And 2023 was no different.

This report highlights how our team has supported rural people and communities across the country, including:

- Working directly with **57 communities in 33 states to build and fund their tech ecosystems**, through assessment and strategy development, broadband planning, and entrepreneurship support

- Delivering tech training programs in **nine communities that provided almost 200 rural learners** skills to advance their careers in the tech sector

- Spending more than **2,300 hours on-site in Rural Innovation Network communities** providing guidance and added capacity to the leaders on the ground

- Drawing more than **30,000 readers and 1,000 downloads of our research and data analysis** of rural issues informing policy and programs benefiting rural America

- Investing in rural tech startups that raised **$26 million of follow-on funding by December 2023 and support 130 jobs in rural America**

As we look ahead to what's next, we are focused on building on this momentum and making an even greater impact. You — our sponsors, supporters, and partners — are essential in making this all possible. I'm humbled to think about how far we've come, and even more excited to see how much we can achieve in 2024 together and beyond.
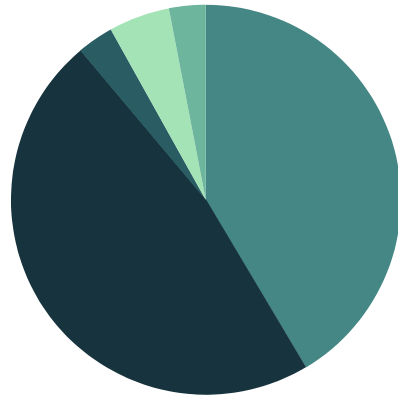
With gratitude,

Matt Dunne
CORI Founder and Executive Director

2023 Financials
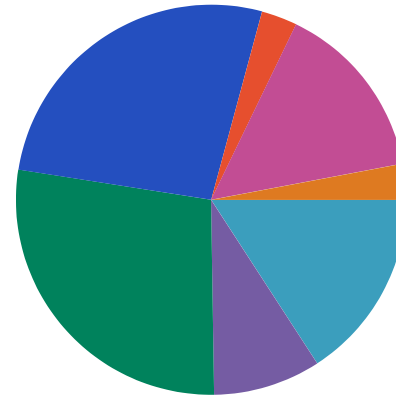
For the fiscal year ending December 31, 2023, CORI reported $5.8 million in revenue — an increase of 30% over the prior year — and $5.2 million in expenses associated with mission-related activities.

Total Revenue
$5.8M

- 47% grant funds
- 41% contributions
- 5% consulting income
- 3% other income
- 3% net assets released

Total Expenses
$5.2M

- 28% community consulting
- 27% Rural Innovation Network
- 16% general and administrative
- 15% research, mapping, and data analytics
- 3% communications and thought leadership
- 9% fundraising
- 3% other programs

To maximize all possible resources to achieve our mission, CORI partners with a board-affiliated taxable nonprofit, Rural Innovation Strategies, Inc. (RISI), and a seed fund, the CORI Innovation Fund (CIF).

Tech-Based Economic Development

22

CORI led 22 communities through strategy and assessment as part of the Rural Innovation Initiative

BUILDING TECH ECONOMY ECOSYSTEMS

Shaping economic development in rural towns takes the entire community. Through our partnerships with rural communities across the country, the Center on Rural Innovation knows how important collaboration and a community-centered approach is for success. **Our innovative model for tech-based economic development centers on leveraging communities' assets so that what makes communities special stays that way** while their economies are revitalized.

If you train workers to code, but they can't find local or remote coding jobs, these newly skilled workers will leave the area. And if you help people find remote work or start tech-based businesses but you don't have spaces for these tech workers to connect, cross-pollinate, and find support, they may lose momentum, or worse, move away. Developing, fostering, and retaining talent within a community is critical for building a healthy ecosystem where people live, play, and work.

CORI partners with leaders to craft successful strategies to develop tech-based economy ecosystems so that tech workers and companies can thrive in their rural communities.

6

Our entrepreneurship team worked with six rural communities to design and pilot three intensive workshops and two multi-week boot camps for local entrepreneurs — programs that community leads continue to facilitate independently.

$4.6M

$4.6M in federal, state, and regional grant funds received by Rural Innovation Network communities in 2023 with assistance from CORI's grant support team

A key component of tech-based economic development is cultivating home-grown businesses through community-centered entrepreneurship programming.

At the Center on Rural Innovation, we work directly with rural leaders to implement strategies that align with the needs of entrepreneurs in their area. For some rural communities, like Red Wing, Minnesota, this means developing a robust slate of entrepreneurship programs.

Red Wing Ignite partnered with CORI in 2023 to co-design and implement three key initiatives to support early-stage tech startup founders. Twenty local founders enrolled in a series of programs, each building on the previous one, to guide them through the stages of startup development and acceleration. The program series also included a custom ideation workshop, and a two-day startup sprint where entrepreneurs worked to refine their product offerings and sharpen their pitches — crucial steps for effective fundraising.

Red Wing Ignite and CORI also launched a comprehensive two-week customer discovery boot camp that introduced founders to the customer discovery process, helping them to validate their business solutions through direct engagement with potential customers.

Mentorship also provides valuable guidance and expertise and has made a proven difference for rural entrepreneurs.

According to Ramsey Shaffer from Red Wing, Minnesota, one of the hurdles he faced as a rural entrepreneur was validation. "What we really needed to get off the ground was the confidence that we had an idea that was really worth pursuing," the Uptrends.AI co-founder shared.

Validation for Shaffer and his co-founder often came from his community in Red Wing. Connecting with other entrepreneurs tackling similar issues helped with this particular barrier, alongside participation in community programs like Red Wing Ignite's pitch competition. Through its national network of mentors, CORI connects the next generation of rural tech startups based with experienced leaders across the country who can provide expertise and insight that can help today's founders reach their goals.

Experience and visibility at the national level

Earned confidence is just one benefit of participating in pitch competitions. CORI's annual Small Towns, Big Ideas pitch event provides founders with feedback from experts, essential connections to angel investors, and a $10,000 cash prize for the winner.

The 2023 event featured a diverse group of 10 pre-seed or seed-stage tech startups from Rural Innovation Network communities, with 50% of the competing founders identifying as female or nonbinary, and 30% identifying as people of color. The 10 startups represented a large range of industries including med tech and mobility tech, software-as-a-service platforms, and artificial intelligence/machine learning. Kanesha Barnes-Adams, a founder based in Pine Bluff, Arkansas, won the 2023 competition with her pitch for Bearapy Bookshelf, which offers a suite of services to help young children process trauma.

More than 200 people registered to watch the event, which was sponsored by Venable, Robert and Jeanette Delves, Nick Greenfield, and Colin and Tiffany Polidor.

"What we really needed to get off the ground was the confidence that we had an idea that was really worth pursuing."

— Ramsey Shaffer, co-founder, Uptrends.AI

Barnes-Adams joins an exclusive group of Small Towns, Big Ideas winners, all of whom are prime examples of tech-based businesses that can succeed in rural areas. For the 2021 winners, Kall Morris, Inc. (KMI), the cash prize was a vital injection of early capital. "It led to us having 10 employees by December, $880,000 in awards, and a physical location and lab opening by the end of [2022]," said the founders of KMI, a space-tech startup based in Marquette, Michigan.

A Community of Practice

63

2,350 hours spent on-site in member communities, averaging 63 hours per community

COLLABORATION ACROSS 38 RURAL COMMUNITIES

The journey to creating a successful, thriving tech economy ecosystem is not linear—especially in small towns where resources, community participation, and competing priorities impact the daily work. And while each rural community is unique, rural leaders across the country share common experiences and have a wealth of knowledge about how to succeed despite challenging circumstances. **To harness this expertise and lived experience, in 2019, CORI created a one-of-a-kind community of practice, the <u>Rural Innovation Network</u>.**

Network members receive intensive, hands-on guidance, capacity, and mentorship from CORI as well as support from their fellow members. Rural leaders in the Network have access to CORI's economic expertise, data and mapping tools, accelerated programming, working groups, and national resources and partnerships to draw from as they advance their tech economy strategies.

The Network brings together diverse national, regional, and local partners who are on similar journeys to bring sustainable change to their communities. By the end of 2023, the Network consisted of 38 community members in 24 states representing 2.5 million people.

4

Four new communities representing two new states added to the Rural Innovation Network

73

events held for Network members

The Network included

38 communities located in

24 states by December

CORI partnered with **107** core collaborators across all member communities

The Rural Innovation Network is a first-of-its-kind community of practice specifically for small towns committed to growing their own tech economies.

For Network members, the community of practice offers a wide range of strategies for tech talent development, including different certifications with CORI's national partners CanCode, Grow With Google, and Cisco. Cross-community collaboration can flourish in new ways: Interest from Network communities seeking tech education opportunities for children has allowed Cape Girardeau's innovative Youth Coding League to grow to 90-plus schools in 10 states.

Earlier-stage communities also have the chance to receive guidance directly from more experienced communities, which is particularly helpful when it comes to navigating grant funding processes.

Network membership also comes with priority access to CORI's in-house specialists in strategy development, entrepreneurship program design, federal funding opportunities, broadband planning, and storytelling to amplify their success stories.

But it doesn't stop there: The on-the-ground experience of those same rural leaders informs best practices, CORI's data analysis and research, and new partnerships around the country. **That two-way flow of ideas and information is what sets the Network apart.**

What does that look like in action?

As part of its long-running tech talent development efforts, CORI convened a workforce roundtable in Chambers County, Alabama, aimed at bridging gaps between employers, higher education, and potential employees. The roundtable, part of a multi-year project funded by Ascendium Education Group, was successful in engaging key stakeholders but the interaction that reshaped CORI's approach to community engagement happened outside the meeting. A student intern not involved in the event offered unexpected insights that filled critical gaps in the discussions and illuminated the depth of perspective these discussions missed when students weren't involved. As a result, CORI adjusted the process to include students as core participants —across the six communities involved in the project. Doing so helped ensure that the training offerings better reflected each community's diverse voices and needs, making the programming that much more relevant and effective.

It is through that process, connecting nationally and engaging locally, that the Network provides a rare chance to ground-truth what CORI knows about tech-based economic development in rural places. By establishing a benchmark for data collection and analysis, CORI can study short- and long-term impact in a way that better informs the broader field of organizations focused on rural issues.

Research, Data, and Storytelling

ARTICULATING THE LANDSCAPE OF RURAL ECONOMIC DEVELOPMENT

Rural America has undergone seismic changes in the last 20 years. **The Center on Rural Innovation is committed to using data to craft timely, actionable research that reflects this evolution and the opportunities that accompany it.**

Data for rural places is notoriously hard to find and use. Without data visualizations, maps, or even raw data in an accessible form, small economic development teams often struggle to contextualize their region's assets. This data gap also means that policymakers and philanthropists do not see the full complexity of issues facing rural America, and that the media is often forced to rely on anecdotes when discussing rural issues.

To close this data gap, CORI builds data-driven maps, tools, and other resources to highlight rural America's opportunities and challenges. And by championing leaders and innovators from across the Rural Innovation Network communities, CORI shines a light on new stories of life and success in rural areas. In developing these resources, **CORI makes data about rural communities more accessible, broadens the conversation, and is changing the narrative about what's possible in rural America.**

30,379
unique visits to the research page on the CORI website

7
original reports published on the CORI website with 978 downloads in 2023

17
national presentations given by CORI staff, including to the Federal Reserve, U.S. House Committee on Agriculture, and the National Association of Development Organizations.

11,416
subscribers across all social media platforms

4,993
newsletter subscribers

56
media outlets mentioned over the course of 2023

As part of the Rural Aperture Project, CORI released the second and third parts of the multi-story series in 2023. Funded by the Robert Wood Johnson Foundation's Thrive Rural Initiative, **the Rural Aperture Project provides all those advancing rural prosperity with accessible data, graphics, and narratives to inform how they can better tell stories, conduct research, distribute resources, make investments, or develop policy that is backed by data.**

"Who lives in rural America," the second story of the four part series, examines how data can lead to misconceptions about rural demographics and provides six recommendations for using data effectively to advance rural racial equity. It also applies a rural lens to all of the U.S. Census Bureau's racial and ethnic categories to better show how they are distributed across rural America, and understands how historical factors have influenced the current geography.

Story Three, "The equity of economic opportunity in rural America," explored how the booming knowledge economy of the last four decades has contributed to the growing disparity in opportunity between rural and nonrural places, the underlying context for how that happened, and how we can begin to address it going forward.

"By embracing diversity in economic strategies and fostering local innovation, we can empower rural areas to thrive in the rapidly evolving knowledge economy."

— from Story Three, "The equity of economic opportunity in rural America"

Since their publication, more than 2,000 people read Story Two and Three and the findings and recommendations have been presented to audiences across the country, shifting the conversation about racial and economic equity in rural places.

Rural Startup Investment

6/10

10 portfolio companies in the CORI Innovation Fund, 6 of which are located in Rural Innovation Network communities

EMPOWERING TECH-ENABLED RURAL ENTREPRENEURS NATIONWIDE

The Center on Rural Innovation launched the CORI Innovation Fund (CIF) to enhance entrepreneurial equity in America through investing in growth businesses in rural areas. CIF seeks attractive, technology-enabled operating startups located in rural areas under-served by traditional venture capital institutions. **CIF identifies, funds, and supports the best and most innovative rural tech entrepreneurs to enhance economic growth and tech job creation in small communities across the United States.**

DIRECT INVESTMENT OPPORTUNITIES FOR VERMONT-BASED STARTUPS

In November of 2023, CORI received a highly-competitive U.S. Economic Development Administration Build to Scale Capital Challenge grant. The $520,758 in grant and matching funds helped create the Green Mountain Launchpad, a regional tech a startup catalyst supporting the deployment of the Green Mountain Accelerator Fund, $3 million pre-seed investment fund for rural Vermont startups capitalized by the State Small Business Credit Initiative (SSBCI).

4X

First exit from the Fund's investment portfolio by Disa Technologies that resulted in a 4X return on CIF's initial investment in Disa.

$12M

$12M assets under management of the CORI Innovation Fund (increase of $7.5M)

$40,000,000

$40M in follow-on funding received by CIF portfolio companies through the end of 2023.

130 jobs supported by CIF portfolio companies in 2023

In 2023, the CORI Innovation Fund reached key milestones in its mission to improve entrepreneurial equity in America.

Early in the year, Fund II made its inaugural investment in DifferentKind, based in Buena Vista, Colorado. Founded by Dr. Carolyn Brown and Dr. Matthew Allen, DifferentKind provides innovative software solutions designed to improve patient experiences and outcomes at dental practices. This investment arrived at a crucial time for the founders, who were poised to expand their operations. "As a rural digital health company, we're excited to continue showing that innovation can happen anywhere," said Allen, DifferentKind's CEO, reflecting on the significance of the CORI Innovation Fund's support.

The momentum continued with Fund II's second investment in Barn Owl Precision Agriculture (BOPA), a La Junta, Colorado-based startup founded by Sarah Hinkley. BOPA offers "Farm Robots as a Service" that leverage autonomous nano tractors to help small and mid-sized farms address labor shortages and improve efficiency. Their innovative technology, which includes drone imaging and weeding solutions, not only reduces manual labor but also promotes regenerative farming practices. This investment is particularly noteworthy as it supports a woman-founded startup that is innovating within one of rural America's core industries — agriculture.

These investments highlight CORI's commitment to supporting non-traditional rural founders in the tech sector. **CORI believes that we can improve upon the tech economies of the past by actively including marginalized individuals and communities in developing tech economy ecosystems.** Investing in the futures of women, nonbinary founders, and founders of color lies at the heart of CORI's approach.

Tech Workforce Development

CONNECTING COMMUNITY MEMBERS TO FOSTER FUTURE GROWTH

Assumptions about where tech economy jobs and tech talent can exist have been challenged in recent years, due in part to the COVID-19 pandemic. Tech giants have come to embrace distributed teams, with an influx of people leaving urban areas to work remotely in rural America.

CORI's tech talent development efforts foster partnerships among rural community leaders, world-class tech skilling partners, local tech employers, remote tech employers, and local institutions of higher education. Through these collaborations, **we provide rural Americans with greater access to tech jobs and opportunities to gain the skills needed to participate in the growing tech economy.**

Alongside local partners from our Rural Innovation Network, we identify and implement workforce development strategies, pilot tech skilling initiatives, and connect job seekers with tech employment in 38 communities across the country.

10 Rural Innovation Network communities engaged CORI for tech workforce development assistance

40 employers participated in tech workforce roundtable discussions facilitated by CORI in six Rural Innovation Network communities.

82 rural individuals completed a tech skilling program offered in partnership with CORI

42% completion rate of tech skilling programs offered with CORI's support, 10% higher than the national average.

12

"The overall goal is to foster a conducive environment for the growth and development of the tech sector within rural communities."

Currently, 12% of America's workforce lives in rural areas, but only 5% of the nation's tech employment is based there. The Center on Rural Innovation addresses this gap by partnering with local leaders through the Rural Innovation Network. CORI guides communities in developing local tech talent pipelines so that home-grown rural entrepreneurs, local institutions, and remote tech employers have a pool of rural tech talent to hire from.

In 2022, CORI, supported by Ascendium, studied rural America's tech employment landscape. The report examined pathways to tech skilling for rural learners and identified two main barriers to the success of national skilling programs in rural areas: a lack of awareness of tech careers and the failure to meet the specific needs of rural learners. With continued funding from Ascendium **in 2023, CORI began implementing a tech workforce pilot program in six rural communities, diverse in population, to address local gaps in tech talent pipelines and identify effective pathways for tech skilling by establishing cross-sector workforce collaborations.**

The pilot program operates in six rural communities — Ada, Oklahoma; Chambers County, Alabama; Cochise County, Arizona; Selma, Alabama; Taos, New Mexico; and Wilson, North Carolina — five of which are members of the Rural Innovation Network. A critical early step in the pilot program included facilitating employer roundtables in each of the six communities, bringing together a diverse array of stakeholders, including local employers and community leaders. These discussions sought to identify challenges and opportunities within the tech talent pipeline specific to each community. After the conversations, participants received a comprehensive report that included key findings and specific, actionable recommendations. By coordinating roundtable discussions in the different communities, CORI uncovered unique regional needs and preferences, and identified common themes across the pilot to inform tech talent strategies for the entire Rural Innovation Network. Findings from the employer roundtables also informed the selection of tech skilling partners for each community, aligned with their specific workforce and employer needs.

The next phase of the pilot project includes addressing the common challenges employers and communities face in building robust tech talent pipelines in rural areas. One common recommendation is to implement successful models of curriculum alignment — such as industry advisory boards, joint curriculum development initiatives, and internships — so that current education curricula meet the real-world requirements of the tech industry. The overall goal is to foster a conducive environment for the growth and development of the tech sector within rural communities.

Broadband Advocacy

SUPPORT FOR STRATEGIC INFRASTRUCTURE DEPLOYMENT

Broadband is essential infrastructure, connecting people to their jobs, healthcare providers, educational opportunities, and each other. For rural communities, access to broadband is critical for participation in the tech economy and allows communities to drive their own outcomes. Without it, they may struggle to achieve the local wealth creation and quality tech employment that can help them thrive in the digital age. However, rural broadband comes with local and place-specific challenges that impede this critical infrastructure.

CORI works alongside community leaders and internet service providers to help facilitate the deployment of fast, reliable broadband in rural communities. From policy consultation and strategic planning to feasibility studies and analyses, CORI's experts help communities navigate the unique obstacles that accompany rural broadband deployment and realize what's possible when broadband comes to town.

800

800 users of the Broadband Climate Risk Mitigation Tool in 2023

2,445

Provided broadband education by hosting virtual events, including 16 webinars that combined had 2,445 viewers."

60

Created 60 written pieces addressing current industry challenges and timely broadband topics

40

40 support requests addressed via the Help Desk feature in National Broadband Resource Hub

The popularity of this tool illustrates the importance of providing local leaders with the data they need to make informed decisions on how to best serve their communities.

The Hub

In 2023, CORI assisted small towns in their broadband journeys in part by scaling the National Broadband Resource Hub, an initiative made possible through the support of ConnectED New York, a sponsored project of Rockefeller Philanthropy Advisors. The Hub empowers government and community leaders with expertise and technical support needed to build a better broadband future for rural America. Last year, CORI's experts added 60 new blog posts and 20 in-depth resources to the platform to help users navigate current industry challenges and understand timely broadband topics.

The team also helped rural community leaders make strategic decisions and overcome barriers with short-term, high-leverage expertise by fielding more than 40 requests for support from the Hub and implementing a series of webinars aimed to educate on the latest broadband topics. These CORI-hosted webinars reached 2,391 registrants, 1,145 live attendees, and more than 1,300 on-demand views. These webinars created a meaningful conversation around broadband news and technical assistance, and engagement grew as leaders found opportunities to have their questions answered or to learn from each other.

Broadband Climate Risk Mitigation Tool

Building broadband infrastructure that is meant to last introduces a host of challenges and uncertainties, particularly when considering the evolving frequency and severity of natural disasters. The Broadband Climate Risk Mitigation Tool built by CORI helps communities and organizations make informed decisions about broadband deployment while considering natural hazard risks. The interactive tool combines hazard risk data with broadband access information so communities can maximize the resilience and effectiveness of their broadband infrastructure projects funded under the Broadband Equity Access and Deployment (BEAD) program.

In 2023, the tool gained over 3,400 views and reached roughly 800 active users. The popularity of this tool illustrates the importance of providing local leaders with the data they need to make informed decisions on how to best serve their communities.

Mapping our Trajectory

In 2023, CORI committed to two ambitious strategic goals. **Between 2024-2026, CORI will look to triple the growth rate of tech jobs and double the growth rate of high-tech businesses in Rural Innovation Network communities,** while ensuring that this growth reflects the gender and racial demographics of the Network.

KEY OBJECTIVES AND OUTCOMES

- **Triple the rural tech job growth rate:** CORI aims to increase the annual growth rate of tech jobs in its network communities from 2.4% to 7%, resulting in 5,500 additional tech jobs by 2026.

- **Double the high-tech business growth rate:** The goal is to increase the growth rate of high-tech businesses from 11.6% to 21% per year, adding 2,000 new high-tech businesses in network communities by 2026.

- **Reflect diversity in tech growth:** CORI strives to ensure that the growth in tech jobs and high-tech businesses reflects the gender and racial demographics of the network, aiming for 50% of new tech jobs to go to women and 20% to racial and ethnic minorities.

Measuring our Impact

To better understand our progress, CORI updated its methodology for measuring its impact, prioritizing tracking the effectiveness of initiatives and programs in building tech economy ecosystems in Rural Innovation Network communities. This new impact-tracking methodology will be a critical tool for measuring our success in building vibrant tech ecosystems.

CORI will track tech job growth in Network communities using annual labor market data from Lightcast, focusing on both wage and salary employment, and self-employment in computer and math occupations. To ensure inclusivity, CORI will also monitor the percentage of new tech jobs in Network communities that go to women and people of color.

The growth of high-tech businesses will be monitored by tracking businesses operating in industries with a tech job concentration at least five times greater than the national average. The industries that met this criteria are in the table below.

Top 3 industries with highest concentration of tech jobs

Industry	Tech Employment	Total Employment	Tech Share
Computer systems design and related services	1,306,100	2,456,800	53.2%
Software publishers	297,200	635,800	46.7%
Computer and peripheral equipment manufacturing	39,200	163,100	24.0%

This strategic approach not only measures success but also informs future efforts to close the rural opportunity gap. Tech jobs and businesses have a proven multiplier effect on communities, which is why we focus on them to catalyze widespread benefits. Consequently, this impact measurement process is designed to capture CORI's contributions to building tech economy ecosystems, though they do not yet reflect the entire range of the organization's impact on communities. new tech jobs in Network communities that go to women and people of color.

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Center on Rural Innovation