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An Examination of Incentive Programs to Attract Remote Workers

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INTRODUCTION

The rise of remote work across the United States has corresponded with an increase in a new type of local economic development strategy: remote worker attraction incentive programs. The first remote worker attraction incentive program was implemented in 2018 by the state of Vermont, followed quickly by the city of Tulsa, Oklahoma. In 2020, the Covid-19 pandemic changed the nature of work for many Americans, and the use of these attraction programs escalated quickly. Now, dozens of communities across the country have established remote worker incentive programs, seeking to benefit from the disentanglement of office space and work enabled by both new norms and new technologies.

This brief conducts a preliminary national analysis of remote work attraction programs by identifying trends in their adoption, structure, and programmatic goals. The rise of this tool, with its focus on individual community investment rather than traditional models of employer attraction or workforce development, has the potential to reshape economic development policy at the local level.

We chose to investigate 26 programs covering 36 counties and municipalities across the United States. To better understand the impact of remote worker incentive programs at the local level, we excluded those programs run at the state level. We collected population, age, employment, and income data on participating geographies to explore what may motivate communities to use this attraction tool.

REMOTE WORK LANDSCAPE

It is no coincidence that an increased number of remote worker attraction incentive policies were developed across the United States after the onset of the Covid-19 pandemic. More Americans are working from home than ever before. According to the American Time Use Survey (ATUS), 24% of employed persons performed some or all of their work from home in 2019.¹ Results from the 2021 survey indicate that this number has grown to 38% of all employed persons doing at least some of their work from

home in the post-pandemic era. While the prevalence of working from home is expected to diminish as the threat of Covid-19 fades, forced experimentation and investment during the pandemic will allow it to persist on a large scale. Evidence suggests that working from home will continue because surrounding stigma has been reduced, workers remained productive at home (and in some cases were more productive), companies made significant investments in related physical and human capital, and technological innovations that support working from home continue to develop.²

Research out of the University of Chicago into the characteristics of remote work estimates that 37% of jobs in the United States can be done completely from home, and these jobs pay better than those that must be performed in person.³ Table 1 demonstrates the occupations for which at least 75% of the job can be done from home.⁴ These “knowledge economy” occupations can be categorized as Management; Finance; Computer and Information Technology; Law; Education; and Arts, Media, and Entertainment. Together, these six major occupation groups account for 24% of jobs in the United States and provide median wages above the national level of \$45,760. Management, Business and Financial Operations, Computer and Mathematical, and Legal Occupations provide higher pay than the national median, even at the 25th percentile of annual wages. ATUS data also reveal that the majority of these work-from-home employees have advanced degrees.⁵ These high-wage jobs provide excellent opportunities for worker mobility, which makes them attractive to communities seeking to grow their local economy by attracting high-skilled, high-paid talent.

Migration trends indicate that following the onset of the Covid-19 pandemic, Americans moved out of urban areas at an increased rate, resulting in a decline in the size of the country’s major metropolitan areas. Smaller metro areas experienced higher growth rates, and non-metropolitan areas demonstrated the largest growth

¹ U.S. Bureau of Labor Statistics. (2020, June 25). [American Time Use Survey – 2019 Results](#).

² Barrero, Jose Maria; Nicholas Bloom & Steven J. Davis. (2021, April). [Why Working From Home Will Stick](#).

³ Dingel, Jonathan I. & Brent Neiman. (2020). [How many jobs can be done at home?](#) *Journal of Public Economics*.

⁴ As calculated by: Dingel, Jonathan I. & Brent Neiman. (2020). [How many jobs can be done at home?](#) *Journal of Public Economics*.

⁵ U.S. Bureau of Labor Statistics. (2022, June 23). [American Time Use Survey – 2021 Results](#).

over a decade.⁶ The unprecedented shift spurred these migration patterns to remote work, which removed prior constraints on workers who were now free to choose a cheaper or more desirable place to live. Many of these highly-educated employees greatly value their new remote work arrangements; data from the Survey of Working Arrangements and Attitudes indicates that four in ten Americans working from home at least one day a

week would seek another job if their employer mandated a return to fully in-office work.⁷ This demonstrated interest in living outside of urban centers combined with a robust desire among American workers to maintain their new remote work lifestyles and has created momentum that smaller municipalities and exurban regions have capitalized on to attract new transplants to their communities.

Table 1. Occupations Most Conducive to Remote Work: National Employment & Wages, 2021

SOC Code	Occupation Title	Share of Total U.S. Employment	25 th Percentile Income	Median Income	75 th Percentile Income
11	Management Occupations	6.3%	\$74,710	\$102,450	\$160,960
13	Business and Financial Operations Occupations	6.4%	\$53,410	\$76,570	\$100,220
15	Computer and Mathematical Occupations	3.3%	\$62,590	\$97,540	\$128,030
23	Legal Occupations	0.8%	\$58,400	\$82,430	\$156,900
25	Educational Instruction and Library Occupations	5.8%	\$37,110	\$57,220	\$77,150
27	Arts, Design, Entertainment, Sports, and Media Occupations	1.3%	\$37,270	\$51,190	\$79,200

Source: Moody's Economy.com

GEOGRAPHIC & POPULATION TRENDS

The 36 communities analyzed in this brief are split into two geographic categories: 14 counties and 22 cities. Nine counties are rural, five are urban, but all are small communities- no county exceeded a size of 275,000 people in 2020. Of the cities analyzed, two are medium-sized, 8 are small, and 12 are towns with populations of less than 50,000. Overall, communities are small across all participating geographies, as 72% had populations of fewer than 100,000 people in 2020. All the same, there is a wide range of population size across the 36 geographies, from 11,221 in Greensburg, Indiana to 545,340 in Tucson, Arizona. These program locations are concentrated between two regions, the Midwest and the South. Indiana is the state with the most cities and counties participating in remote worker relocation programs (8), followed by West Virginia (6).⁸

These communities are not only small in size, but almost half (17/36) experienced a decrease in population from

2010 to 2020, and almost 20% (7/36) experienced population growth rates of less than 2%. The places where population decreased the most were Johnstown, Pennsylvania (-9.6%), Natchez, Mississippi (-8.8%), and Charleston, West Virginia (-8.1%). On the other hand, some smaller communities experienced high population growth over the same ten-year period, such as West Lafayette, Indiana (69.3%), Benton County, Arkansas (30.3%), and Washington County, Arkansas (19.8%). The growth of both West Lafayette and Washington County may be explained by the presence of major universities in these regions (Purdue University and the University of Arkansas, respectively). Interestingly, about 53% of the geographies included in these programs are home to a college or university. College towns may be particularly interested in this workforce attraction tool as a means of leveraging the existing amenities and human capital present in their communities as a direct result of being the host of a higher ed institution, but further research

⁶ Frey, William H. (2022, April 14). [New census data shows a big spike in movement out of big metro areas during the pandemic](#). *Brookings Institution*.

⁷ Barrero, Jose Maria; Nicholas Bloom & Steven J. Davis. (2021, July 18). [Let me work from home, or I will find another job](#).

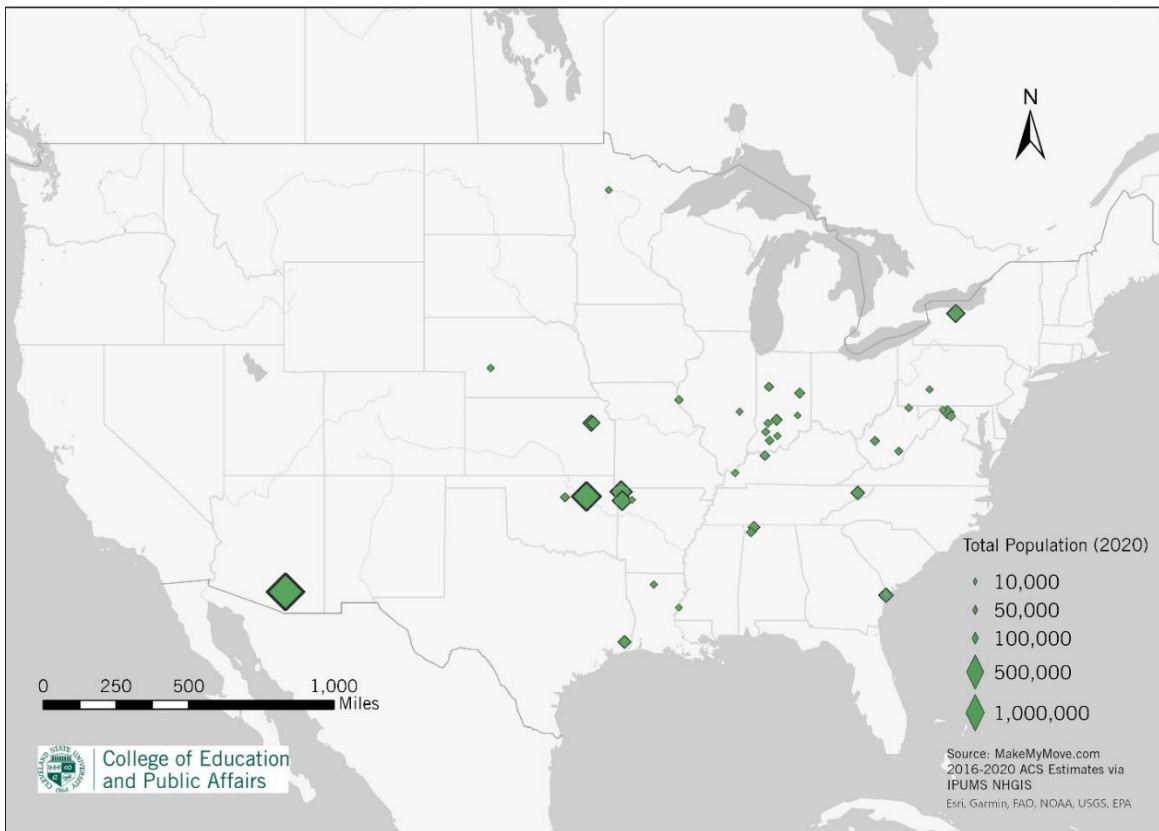
⁸ See Appendix: MakeMyMove

into the motivations of policymakers is needed to understand this trend.

Small, decreasing, or stagnating populations are not the only challenge some communities face. Like the rest of the country, their populations are also getting older. The

majority (83%) of communities analyzed experienced an increase in median age from 2010 to 2020. About 53% had a 2020 median age higher than the national median of 38.8 years old. In these places, the share of young and prime-age workers has been decreasing, which diminishes the tax base and puts a strain on the local economy.

U.S. Counties and Cities with Remote Work Incentives (2022)



PROGRAM STRUCTURE

Each remote worker incentive program is designed to fit the needs and goals of the local community. However, given budget constraints, incentive recipients are chosen following an application process, giving program managers considerable discretion over the choice of awardees. This structured application process limits the number of workers able to receive incentives in a given award cycle. Our examination found that eligibility requirements are nearly uniform across programs- with communities seeking full-time, remote workers who live outside of the program geography at the time of application, are willing to move to the new destination quickly, and will commit to remaining in the community for at least a year. Some programs include additional

minimum income requirements, indicating their desire to attract high-income earners in particular. The program explicitly seeking the highest income earners is based in Tucson, Arizona. *Remote Tucson* requires a minimum annual income of \$65,000, which is almost 1.5 times higher than the city's 2020 median income of \$45,227. Other programs target workers from specific industries, particularly tech or STEAM talent, which is the case for the Northwest Arkansas *Life Works Here* program. But across all programs, local leaders want to attract transplants who will invest in their new home financially and socially to help ensure retention and build a deeper sense of community.

Programs administered at the county level tend to be managed by larger, regional entities, and those limited to city boundaries were mostly run by city governments. With this in mind, about half the programs were started by economic development organizations. A handful (6) are run by the cities themselves: smaller towns like Quincy, Illinois; Muncie, Indiana; and Paducah, Kentucky. Another small group of programs (5) are run by nonprofit organizations with varying missions. For example, *Work from Purdue* is managed by Purdue University, *Bloomington Remote* is run and funded by The Mill, a local coworking space and entrepreneurship nonprofit, and *Tulsa Remote* is run by an independent nonprofit of the same name funded by the George Kaiser Family Foundation.⁹

Where programs vary more dramatically is in the content of their incentives. Incentives come in three main types: cash assistance, in-kind benefits, and rent or homeowner

assistance. Between these categories, 20 programs offer direct cash assistance, 18 offer in-kind benefits, and 5 offer rent or homeowner assistance. Cash assistance can take many forms. Some offer it up front upon relocation, others use a stipend system, and others offer it in the form of reimbursements for moving expenses. In-kind benefits include additional non-monetary incentives such as free memberships, reimbursements for work-from-home expenses like internet costs, gift cards to local businesses, and tickets to community events. Adding in-kind incentives allows communities to communicate some of their values or highlight local assets that may be attractive to transplants. Ascend West Virginia, for example, offers remote workers a free mountain bike in addition to its \$10,000 cash stipend, which aligns with the program funder’s goal of “outdoor economic development” to develop recreational infrastructure and expand outdoor educational opportunities across the state.

Table 2. Incentive Programs

Program Name	City/Counties	State	Management Organization Type	Incentive Type			Total Incentive Value
				Cash/ Reimbursement	Homeowner/Rent Assistance	In-kind	
Finding NWA: Life Works Here Talent Incentive	Madison, Benton, and Washington Counties	AK	Economic Development Org	x		x	\$10,000 + mountain bike
Remote Shoals	Lauderdale and Colbert Counties	AL	Economic Development Org	x			\$10,000
Remote Tucson	Tucson city	AZ	Other	x		x	\$1,500 + in-kind†
Savannah Technology Workforce Incentive	Savannah city	GA	Economic Development Org	x			\$2,000
Quincy Workforce Relocation Assistance Program	Quincy city	IL	City		x		\$5,000* or \$3,500**
Choose Southern Indiana	Daviess, Dubois, Greene, & Orange Counties	IN	Economic Development Org	x			\$5,000
Get Paid to Live in Greensburg, Indiana	Greensburg city	IN	City	x		x	\$5,000 + in-kind
Get Paid to Live in Muncie, Indiana	Muncie city	IN	City	x		x	\$6,000
Work From Purdue	West Lafayette city	IN	Other	x		x	\$5,000 + in-kind
Bloomington Remote	Bloomington city	IN	Other			x	\$2,200 (in-kind value)

⁹ Brad and Alys Smith Outdoor Economic Development Collaborative. (n.d.). [Who We Are](#).

Choose Topeka	Topeka city	KS	Economic Development Org		x	x	\$10,000* or \$5,000**
Remote Workers Incentive Program	Paducah city	KY	City	x		x	\$2,500 + in-kind
Welcome to Ruston	Ruston city	LA	City	x		x	\$10,000 + in-kind
218 Relocate Incentive Package	Bemidji city	MN	Economic Development Org	x		x	\$1,000 + in-kind
Shift South	Natchez city	MS	Economic Development Org		x		\$6,000
Greater ROC Remote	Rochester city	NY	Economic Development Org	x	x		\$19,000
Tulsa Remote	Tulsa city	OK	Other	x		x	\$10,000 + in-kind
Get Paid to Live in Stillwater, Oklahoma	Stillwater city	OK	Economic Development Org/City	x	x	x	\$6,500 + in-kind
Cambria/Somerset Work From Home	Johnstown city	PA	Economic Development Org	x		x	\$2,500 + in-kind
Get Paid to Live in Beaumont, Texas	Beaumont city	TX	Economic Development Org††			x	\$2,000 (in-kind value)
Ascend West Virginia	Morgantown city; Greenbrier, Morgan, Berkeley, and Jefferson Counties	WV	Other	x		x	\$12,000 + in-kind
Grow the Boro	Owensboro city	KY	Economic Development Org	x		x	\$5,000 + in-kind
Move to Mattoon	Mattoon city	IL	Economic Development Org	x		x	\$5,000 + in-kind
Charleston Roots Initiative	Charleston city	WV	Economic Development Org	x			\$5,000
Get Paid to Live in North Platte, Nebraska	North Platte city	NE	TBD	TBD	TBD	TBD	TBD
Johnson City Remote	Washington County	TN	Economic Development Org	x		x	\$2,500

†In-kind benefits refer to non-monetary incentives such as memberships, tickets, discounts, etc.

†† The Beaumont Economic Development Foundation has preliminary marketing information about the program on their [website](#), but we cannot be sure that the City does not management the organization instead due to limited information.

*For homebuyers

**For lease/renters

DISCUSSION & CONCLUSIONS

Regardless of geography or population dynamics, the ultimate goal of these remote worker attraction incentive programs is to increase economic growth within the given communities. Attracting remote workers offers many potential benefits to communities that may have been struggling to maintain or promote

economic prosperity through other policies and methods.

Remote workers arrive already employed and earn high salaries, allowing communities to stimulate the local economy without needing to attract employers or increase local employment opportunities through other

potentially costly incentives. For smaller communities, attracting a group of high-impact individuals is less resource-intensive than attracting an employer and hoping workers will follow. An influx of remote workers is also an influx of younger workers, who can help reverse aging population trends and contribute to the overall long-term health of the community. For most of these communities, however, it remains to be seen if these theoretical returns will be realized. The majority of programs are new - only one or two years into operation. For this reason, examining one of the earliest established programs for insight into what impact communities might realize is important.

Tulsa Remote partnered with the Economic Innovation Group to produce a study of its remote worker attraction incentive program, describing its participants and effects. Their survey of about 500 out of 1,000 participants revealed that Tulsa Remote incentive recipients had a median age of 35 years old and a median income of \$85,000. 61% of participants were non-Hispanic White, 13% were Black or African-American, and 9% were Hispanic or Latino of any Race. 88% had earned a Bachelor's degree or higher, and only 13% had school-aged children. Most worked in "knowledge economy" industries such as Professional, Scientific, & Technical Services (31%), Information (14%), and Education Services (12%). More than half reported having a personal connection to the city through family or friends, and 21% were "boomerangs" who returned to the city after living elsewhere. Most participants report using their \$10,000 incentive to pay for housing (61%). Other top uses included living expenses (37%), local experiences (24%), and savings (23%). While *Tulsa Remote* requires that participants remain in the city for one year after their arrival, the program evaluation occurred too soon after its establishment to capture what percentage will remain in Tulsa long-term. Despite this, survey results indicate that about 43% of participants under 30 expect to be living in Tulsa five years in the future, and that the likelihood of remaining increases about 10% with each decade increase in age, with exception of those 50 and over.¹¹

From these and other statistics, Tulsa Remote calculated that the program's economic impact in 2021 would be positive overall. They estimated the creation of 198 induced jobs from the 394 direct remote jobs belonging to program members. Together, this resulted in 592 direct and induced full-time equivalent (FTE) jobs brought to the city as a result of Tulsa Remote. A combined \$62 million in new labor income was also estimated for 2021, with \$53 million stemming from the direct labor income of remote workers. An analysis of return on investment revealed that for every dollar spent by the initiative toward relocating a remote worker, \$13.77 was in new local labor income.¹²

These early results seem to confirm the goals of many communities that have initiated remote work incentive programs. *Tulsa Remote* has so far succeeded in attracting young, highly educated, high-income workers who spent most of their local incentive dollars through housing and living expenses. The program reported a positive return on its investment and generated large amounts of publicity for the city. Preliminary results from the Ascend West Virginia program show similar outcomes in terms of remote worker demographics. The first class of 53 Ascend participants was relocated to Morgantown and had an average annual income of \$105,000. 93% have a Bachelor's degree or higher, and many bring along family or a partner, resulting in an additional 57 new residents to the Morgantown area (over 110 total).¹³ Note that the discretion program managers have over choosing who relocates is a crucial and attractive feature to communities since it allows cities or regions to tailor incentives to their needs, whether that be an increase in youth population, homeowners, or families.

Additional early research on remote worker attraction incentive programs suggests that this model is an effective local economic development strategy, especially when compared to employer attraction incentives. While traditional employer attraction incentives create jobs with larger supply chain multipliers, remote worker incentives produce greater agglomeration effects as a result of increased density in

¹¹ Newman, Daniel; Kennedy O'Dell & Kenan Fikri. (2021, November). [How Tulsa Remote is Harnessing the Remote Work Revolution to Spur Economic Growth](#). *Economic Innovation Group*.

¹² Newman, Daniel; Kennedy O'Dell & Kenan Fikri. (2021, November). [How Tulsa Remote is Harnessing the Remote Work Revolution to Spur Economic Growth](#). *Economic Innovation Group*.

¹³ Ascend West Virginia. (n.d.). [Meet the 2021 Ascend Morgantown Class](#).

workers with post-secondary degrees, contributing to a more productive community.¹⁴ Thus, as Strauss and Jow's work indicates, incentives for remote workers result in a faster return on investment and a higher likelihood of attracting highly educated workers, despite creating fewer indirect jobs for every new worker drawn to the region.

Despite these early successes, questions remain about this economic development model's effectiveness and best use. Due to the lack of data, the long-term effects of these policies are not yet clear. Most programs require that participants remain in an area for a single year, and the incentive benefits only last for the same period. Given the mobility of this class of workers, it is uncertain if these policies will be sufficient to keep someone in the community more permanently. The discretion program managers have over choosing candidates may help mitigate this concern, as candidates with families or those interested in buying a home may be favored over workers with greater mobility. However, this same discretion raises equity concerns, as there is little available information about participant selection procedures or protections for minority populations. In addition, it is not clear how many remote workers would have relocated to these geographies even without these incentives. Evidence from the Tulsa Remote evaluation reports high familiarity of applicants with the area,

indicating that some level of incentive may not have been needed to induce a move to the city. It is also important to note that evidence from Tulsa Remote is particular to that singular city and may not be replicable in other places. Tulsa has qualities like a warmer climate and a larger population that may make it more successful than those programs established in smaller communities of the Midwest or the Northeast. Additionally, incentives are not large in value for most of these programs and are often accompanied by an extensive marketing campaign for the region. Therefore, one may look at this model as part of a larger worker attraction strategy that also entices transplants who do not work fully remote due to a greater awareness of benefits like low cost of living or proximity to recreational opportunities.

Remote work is here to stay for sizeable portions of the working population, and innovations that will make it easier to expand are sure to continue. It is imperative, then, that leaders and practitioners pay attention to the results of these programs in the coming years, as their success could lead to a shift in how small counties and cities throughout the U.S. approach economic development. Individuals have more freedom to move and more power than ever to influence the fortunes of small communities, potentially turning the tide for small metro areas and rural counties nationwide in a way that would not have been possible prior to the pandemic.

¹⁴ Strauss, Steven & Alex Jow. (2022, May 2). [Remote Work Attraction Incentive Programs as a Tool for Urban Economic Development \(Working Paper\)](#).

APPENDIX

Table A1. Program Geography Demographics

Geographic Area Name	% Change Population, 2010-2020	Median Age Change in Years, 2010-2020
Johnstown city, Pennsylvania	-9.6	3.1
Natchez city, Mississippi	-8.8	0.7
Charleston city, West Virginia	-8.1	-0.9
North Platte city, Nebraska	-4.0	1.9
Muncie city, Indiana	-3.3	0.0
Greene County, Indiana	-2.8	1.9
Rochester city, New York	-2.7	1.3
Mattoon city, Illinois	-2.5	4.4
Greenbrier County, West Virginia	-1.4	1.4
Orange County, Indiana	-1.4	2.5
Quincy city, Illinois	-1.0	1.7
Paducah city, Kentucky	-0.7	2.8
Topeka city, Kansas	-0.3	2.1
Greensburg city, Indiana	0.3	3.2
Colbert County, Alabama	0.9	0.9
Beaumont city, Texas	1.1	0.9
Lauderdale County, Alabama	1.2	1.6
Dubois County, Indiana	1.7	0.7
Ruston city, Louisiana	1.9	0.2
Morgan County, West Virginia	2.2	5.0
Tulsa city, Oklahoma	3.7	0.1
Tucson city, Arizona	5.2	1.3
Madison County, Arkansas	5.7	2.5
Owensboro city, Kentucky	5.8	0.0
Morgantown city, West Virginia	6.5	2.1
Daviess County, Indiana	7.2	-1.0
Washington County, Tennessee	7.6	1.2
Bloomington city, Indiana	7.9	0.9
Savannah city, Georgia	8.3	1.1
Jefferson County, West Virginia	9.4	2.5
Stillwater city, Oklahoma	12.3	0.2
Bemidji city, Minnesota	15.7	-1.0
Berkeley County, West Virginia	16.6	1.8
Washington County, Arkansas	19.8	1.6
Benton County, Arkansas	30.3	1.1
West Lafayette city, Indiana	69.3	-1.0

Source: IPUMS National Historical Geographic Information System: Version 17.0 [U.S. Census Bureau, ACS 5-year estimates].
 Minneapolis, MN: IPUMS. 2022. <http://doi.org/10.18128/D050.V17>

Appendix: MakeMyMove

The large concentration of remote worker attraction incentive programs in Indiana may be connected to the launch of [MakeMyMove](#) in early 2021. MakeMyMove is an online directory designed to connect remote workers with communities offering incentives to relocate, and was founded with the goal of attracting tech talent to Indiana.¹⁵ The programs that now exist in southern Indiana, Muncie, Greensburg, Bloomington, and West Lafayette were all established after the launch of MakeMyMove, indicating the potential influence of the company to initiate programs within the state. Not limited to Indiana, MakeMyMove provides a valuable resource to small communities across the country hoping to capitalize on the remote work revolution, providing program design, advertising, and hosting services that help streamline the program development and application processes. In the end, this may contribute to the wider and continued diffusion of remote worker attraction incentive programs.

¹⁵ Brown, Alex. (2022, January 31). [MakeMyMove Secures \\$2.6M in Funding](#). *Inside Indiana Business*.

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