

Quantifying the Impact of Remote Workers

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www.ImpactDataSource.com



www.TheImpactDashBoard.com

Impact of Remote Workers

- This webinar arose from questions from our Impact DashBoard users
 - The impact of business projects with remote workers
 - The impact of attracting remote workers to live in your community
- Focus on nuts and bolts of **economic development impact modelling**
- We'll also look at remote work trends before, during, and after the pandemic



IMPACT REPORT - EXPANSION ONLY

PROJECT D-M

Proposal

Business Retention & Expansion

Advanced Manufacturing

City of Arlington

BENEFITS

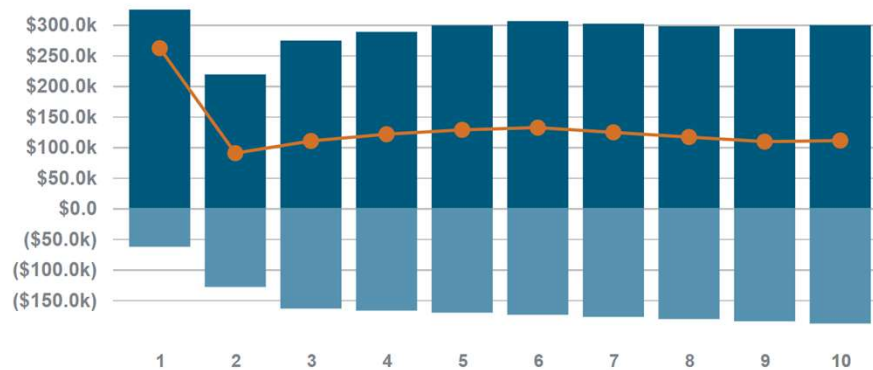
\$2,902,539

COSTS

(\$1,600,538)

NET BENEFITS

\$1,302,001



JOBS



479.8 Total

250.0 Direct

229.8 Spin-off

250.0 New Jobs @ \$45,000

*This summary does not include the impact from the company's current activity including:
65.0 Retained Jobs @ \$60,000*

SALARIES



\$39,647 Avg

\$45,000 Direct

\$33,822 Spin-off

CAPITAL INVEST.



\$45.0M

Buildings + FF&E

The diagram consists of three vertically stacked blue chevron shapes pointing downwards. Each chevron is connected to a white rectangular box with a blue border. The first chevron is labeled 'Additional Revenues' and points to a box containing two bullet points about taxes and revenues. The second chevron is labeled 'Additional Costs' and points to a box containing two bullet points about government and utility services. The third chevron is labeled 'Net Benefits' and points to a box containing three bullet points about the net result.

Additional Revenues

- **Taxes:** Sales, Property, Hotel, etc.
- **Revenues & Fees:** Utility Revenue, Utility Franchise Fees, Permits, Licenses, Fines, Fees

Additional Costs

- **Government Services:** Police, Fire, EMS, etc.
- **City-owned Utility Services:** Water, Wastewater Solid Waste

Net Benefits

- **Additional Revenue minus Additional Costs**
- This is what the City gets out of the Project
- Estimated as a stream of revenues over future years

NET BENEFITS \$1,302,001

Present Value \$1,028,776

BENEFITS

Sales Taxes	\$412,671
Real Property Taxes*	\$0
FF&E Property Taxes*	\$280,800
Inventory Property Taxes	\$546,610
New Residential Property Taxes	\$48,891
Hotel Occupancy Taxes	\$12,318
Building Permits and Fees	\$0
Utility Revenue	\$1,072,302
Utility Franchise Fees	\$230,961
Miscellaneous Taxes and User Fees	\$297,986

Benefits Subtotal **\$2,902,539**

COSTS

Cost of Government Services	(\$528,946)
Cost of Utility Services	(\$1,071,591)

Costs Subtotal **(\$1,600,538)**

*Above values exclude
Property Tax Abatement \$1,473,233
TIF #2 Contributions \$819,915

INCENTIVE ANALYSIS

\$1,000,000

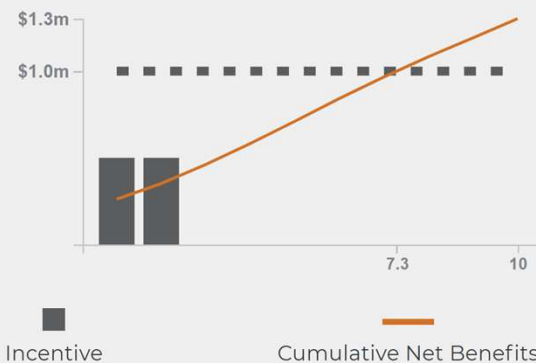
Total Incentive

\$4,000

Per Job

13.0%
Rate of Return

7.3 Yrs
Payback Period



NET BENEFITS OVER 10 YEARS

CITY **\$1,302,001**

COUNTY **\$866,103**

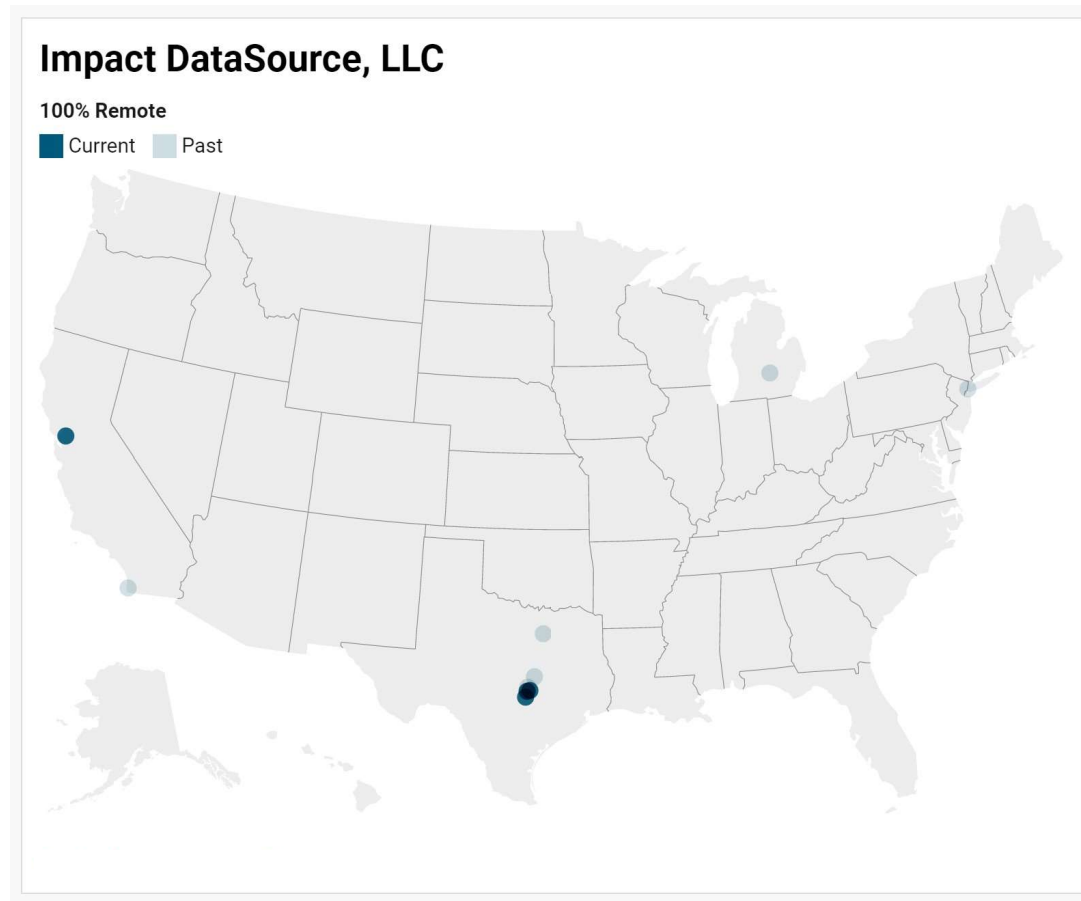
SCHOOL DISTRICT **\$1,374,008**



- Economic consulting firm based in Austin, TX
 - Founded by Jerry Walker in 1993
- We evaluate projects and incentive deals for EDOs and governments throughout the U.S.
- Developed a web-based impact model, Impact DashBoard
 - Software that enables economic developers to evaluate projects just like us

Fun Fact

Impact DataSource is 100% Remote!



Agenda

- **Remote Work Trends**
 - Before / During / After COVID-19
- **Modeling the Impact of Businesses with Remote Workers**
 - Spending differences between traditional project and project with remote workers
 - Compare economic and fiscal impact in the two cases
- **Modeling the Impact of Attracting Remote Workers**
 - Mobility Statistics
 - Review Remote Worker Attraction Programs
 - Consider economic & fiscal impact of new remote worker households relocating to your community

What effect will an increase in remote work by private businesses have on **your economic development efforts?**

What effect will an increase in remote work by private businesses have on **economic development generally**?

Remote Work Before COVID-19

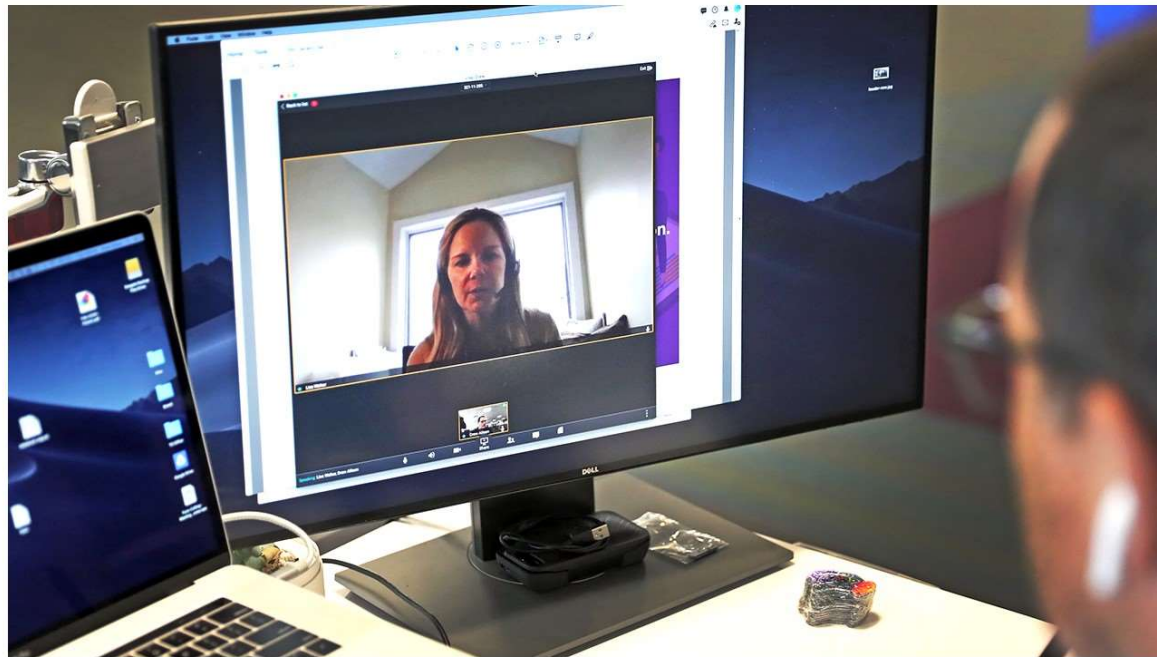


MARCH 20, 2020



Before the coronavirus, telework was an optional benefit, mostly for the affluent few

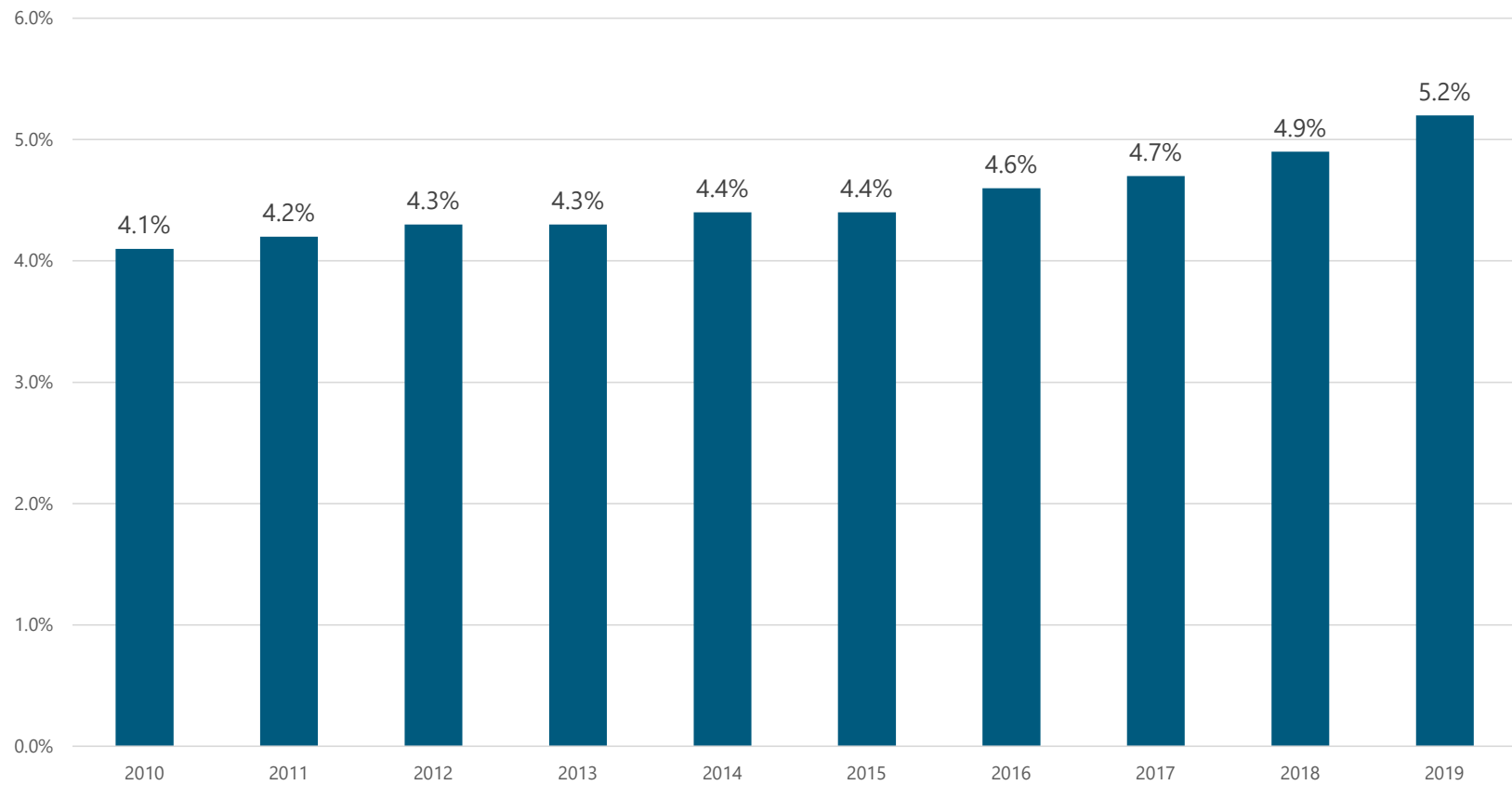
BY DREW DESILVER



(David L. Ryan/The Boston Globe via Getty Images)

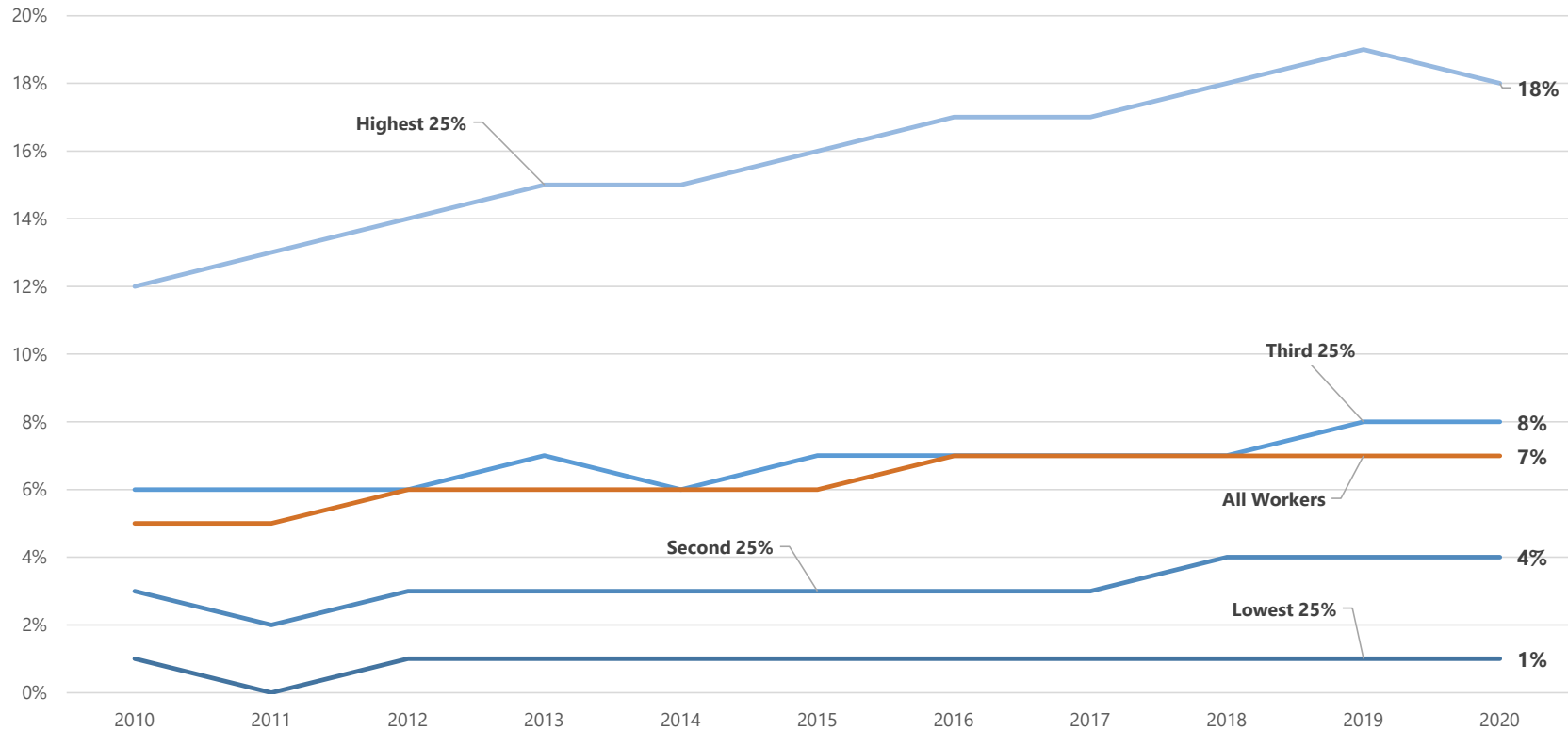
<https://www.pewresearch.org/fact-tank/2020/03/20/before-the-coronavirus-telework-was-an-optional-benefit-mostly-for-the-affluent-few/>

Share of Workers Reporting to have Worked from Home half-time or more



Source U.S. Census Bureau, American Community Survey 5-Year, Commuting Characteristics

Share of Private Industry Workers with Access to Flexible Workplace, by Average Wage

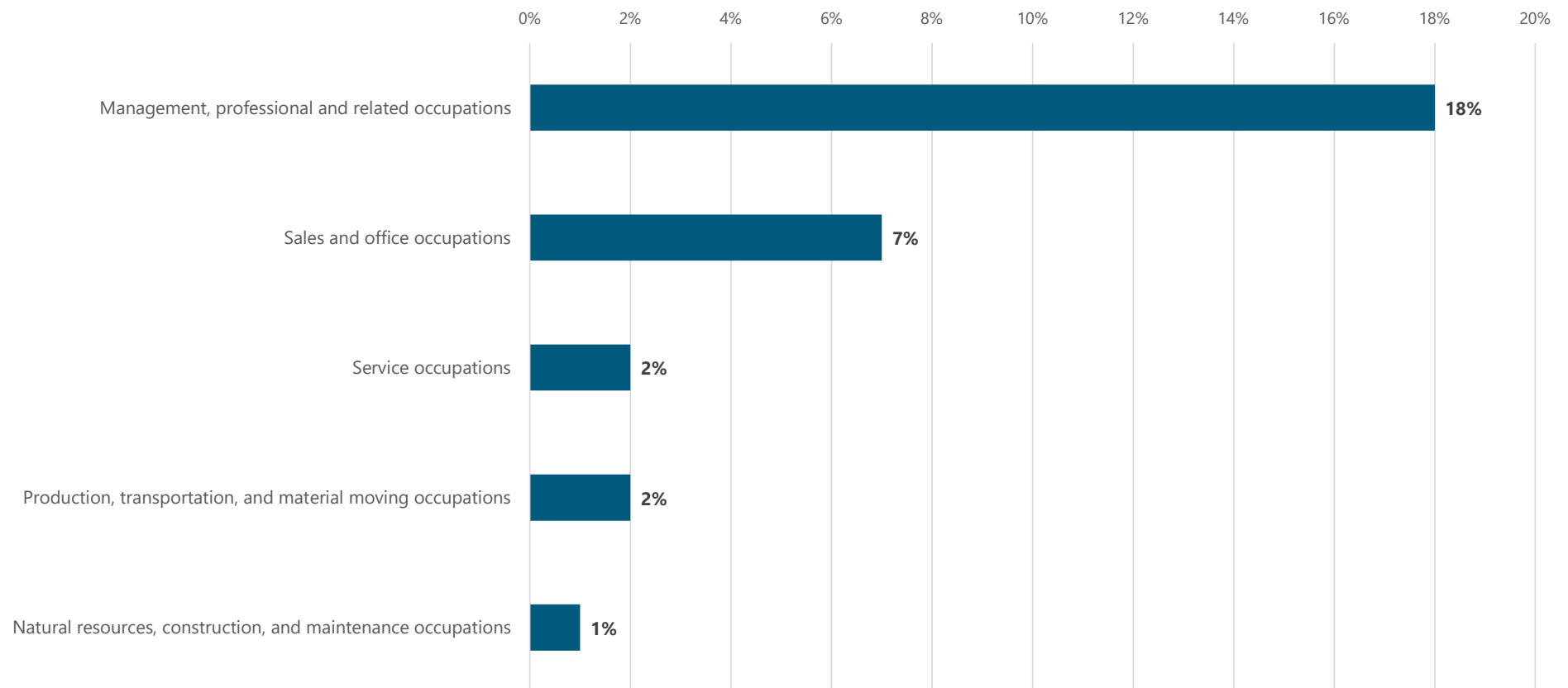


Source: U.S. Bureau of Labor Statistics, National Compensation Survey

Note: Survey taken in March each year.

2020 is likely not reflective of any response to COVID-19.

Share of Private Industry Workers with Access to Flexible Workplace, by Occupation

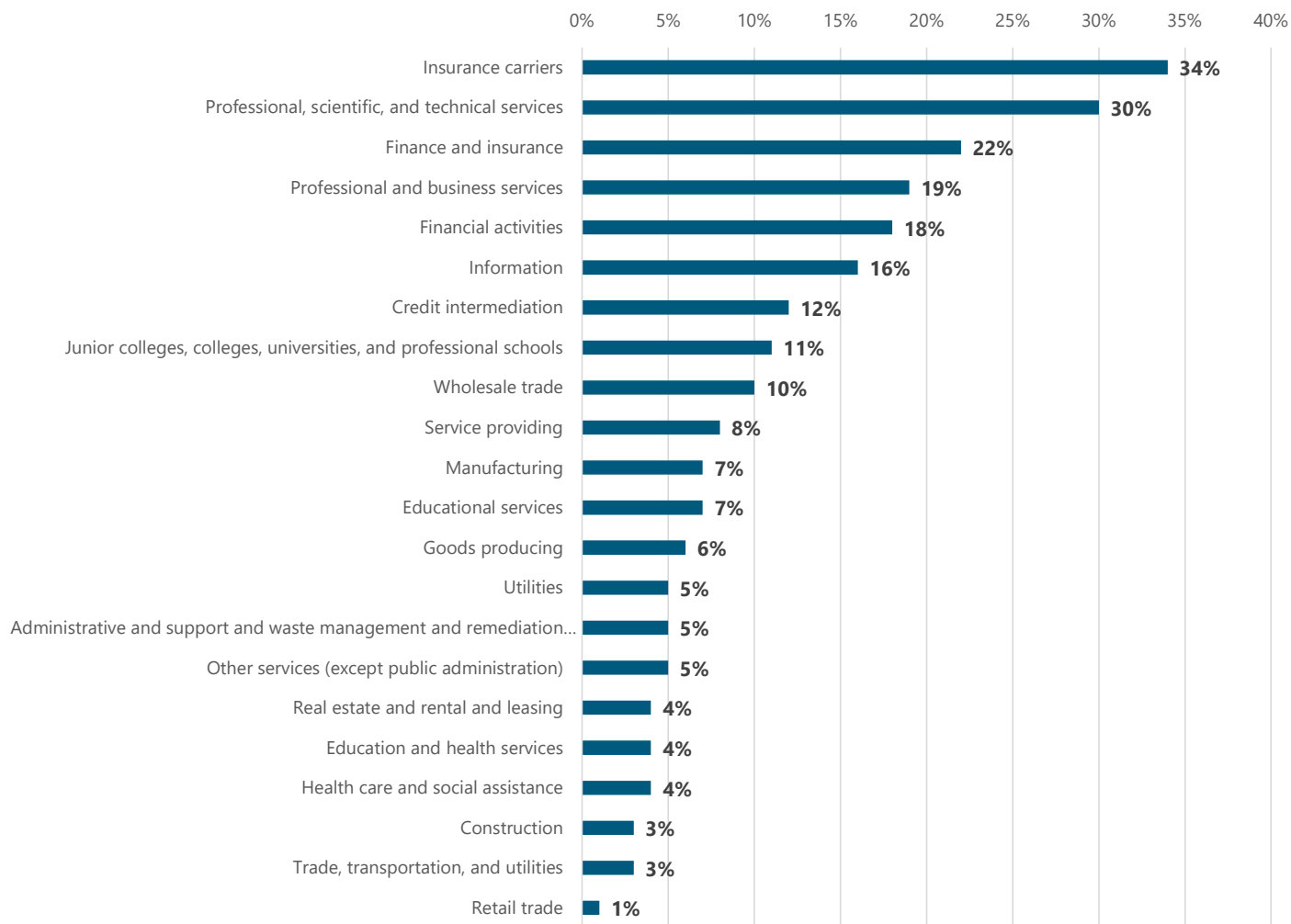


Source: U.S. Bureau of Labor Statistics, National Compensation Survey 2020

Note: Survey taken in March each year.

2020 is likely not reflective of any response to COVID-19.

Share of Private Industry Workers with Access to Flexible Workplace, by Industry



Source: U.S. Bureau of Labor Statistics, National Compensation Survey 2020

Note: Survey taken in March each year.

2020 is likely not reflective of any response to COVID-19.

Definition of Remote Work or WFH?

- American Community Survey
 - Commuting Question
 - *How did this person usually get to work LAST WEEK?*
 - “Worked from home”
 - “Usually” = more than 50%?
- BLS National Compensation Survey
 - Quality of Life Benefits
 - **Flexible workplace.** *This benefit permits workers to work an agreed-upon portion of their work schedule at home or at some other approved location, such as a regional work center. Such arrangements are especially compatible with work requiring the use of computers linking the home or work center to the central office.*

Definition of Remote Work or WFH?

- The definition is not clear cut
- Surveys and other data rarely make a distinction between
 - Working from home a couple days a week
 - Never going into an office
- I haven't found reliable statistics that break down "sometimes remote" vs. "100% remote"

Remote Work During COVID-19



KEY FINDINGS

Remote Work Statistics and Trends During COVID-19

Owl Labs = Video conferencing technology company so YMMV

Owl Labs in collaboration with Global Workplace Analytics (GWA) surveyed 2,025 full-time workers in the United States between the ages 21 to 65 at companies with 10 or more employees. This survey data was collected in June-July of 2020.

- 1 70% of full-time workers in the U.S are working from home during COVID-19
- 2 1 in 2 people won't return to jobs that don't offer remote work after COVID-19
- 3 77% of respondents agree that after COVID-19, being able to work from home (WFH) would make them happier
- 4 75% of people are the same or more productive during COVID-19 while working from home
- 5 In 2020, people are using video meetings 50% more than pre-COVID-19
- 6 1 in 2 people would move if they were able to WFH all or most of the time
- 7 Working remotely saves 40 minutes daily on commute
- 8 In 2020 after COVID-19, 80% expect to work from home at least 3x/week
- 9 1 in 5 people report working more during COVID-19
- 10 Only 20-25% of companies pay or share the cost of home office equipment, furniture, cable, chair
- 11 80% agree that there should be one day a week with no meetings at all
- 12 81% of respondents think their employer will support remote work after COVID-19
- 13 23% of full-time employees are willing to take a pay cut of over 10% in order to work from home at least some of the time
- 14 44% did not find it necessary to get dressed up (think: clothing, hair, makeup) for a video meeting
- 15 During COVID-19, on average, people are saving \$479.20 per month

In short

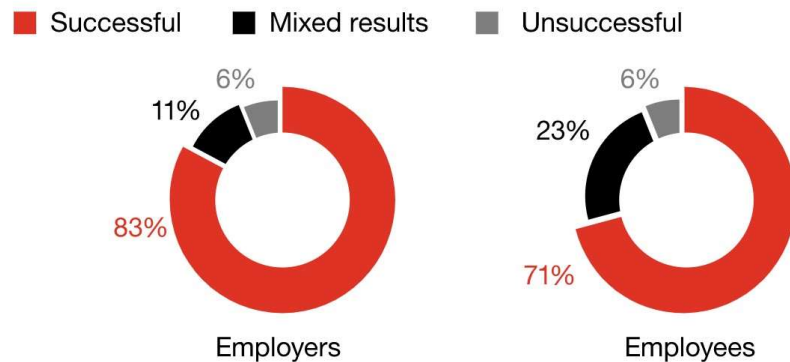
- **70% WFH**
- **Happier**
- **More Productive**
- **Working More**
- **Want to work remotely after pandemic**
- **Would Move**

OWL Labs

GWA Global Workplace Analytics

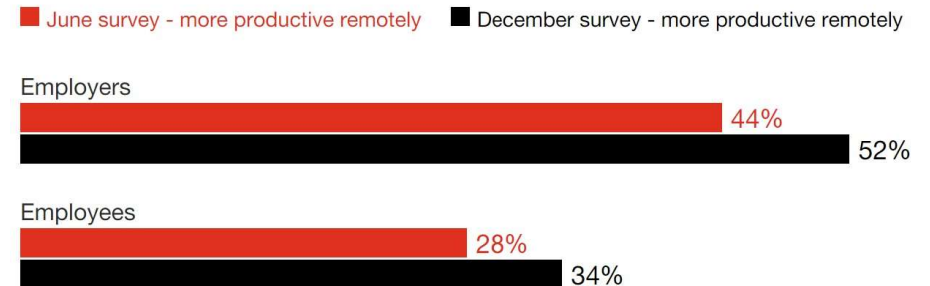
<https://www.owllabs.com/state-of-remote-work/2020>

Remote work has been a success



Q: How successful would you say the shift to remote work because of COVID-19 has been for your company? (Responding 'successful' and 'very successful')
 Source: PwC US Remote Work Survey
 January 12, 2021. Base: 133 US executives, 1200 US office workers

Productivity improved over prolonged work-from-home period



Q: Which of the following best describes your productivity working remotely compared to before COVID-19?
 Q: How has average employee productivity changed (compared to pre-COVID-19)? (Responding 'more productive' and 'much more productive')
 Source: PwC US Remote Work Survey
 June 25, 2020, Base: 118 US executives, 1,200 US office workers
 January 12, 2021. Base: 132 US executives, 1,200 US office workers

PwC's US Remote Work Survey - January 12, 2021
<https://www.pwc.com/us/en/library/covid-19/us-remote-work-survey.html>

Few executives think company culture will survive a purely remote working set up

■ To keep a strong culture, employees should be in the office...

About 1-3 days per month

6%

One day per week

5%

Two days per week

15%

Three days per week

29%

Four days per week

18%

Five days per week

21%

Employees don't need to be in the office to maintain company culture

5%

Q: If COVID-19 was not a concern, how often do you think a typical employee needs to be in the office, if at all, in order to maintain a distinctive culture for the company?
Totals do not add up to 100% due to rounding.
Source: PwC US Remote Work Survey
January 12, 2021. Base: 133 US executives

Over half of employees want to work remotely three days a week or more

I would not want to work remotely

8%

1-3 days per month

10%

One day per week

10%

Two days per week

19%

Three days per week

16%

Four days per week

10%

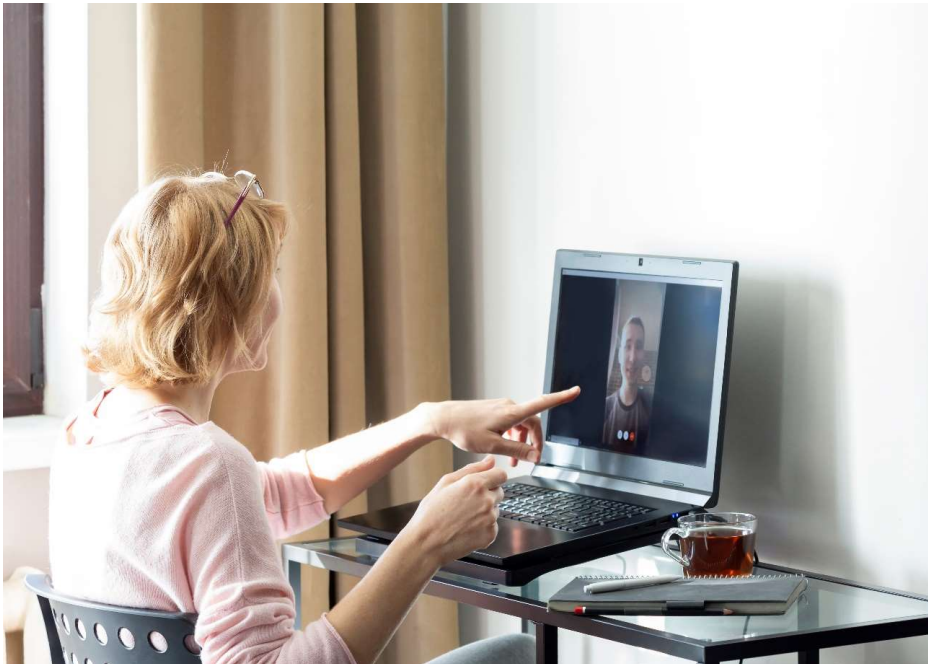
Five days per week

29%

Q: How often would you want to work remotely after COVID-19 is no longer a concern (if your employer allowed you to work remotely as you want to)?
Totals do not add up to 100% due to rounding.
Source: PwC US Remote Work Survey
January 12, 2021. Base: 1,200 US office workers

PwC's US Remote Work Survey - January 12, 2021

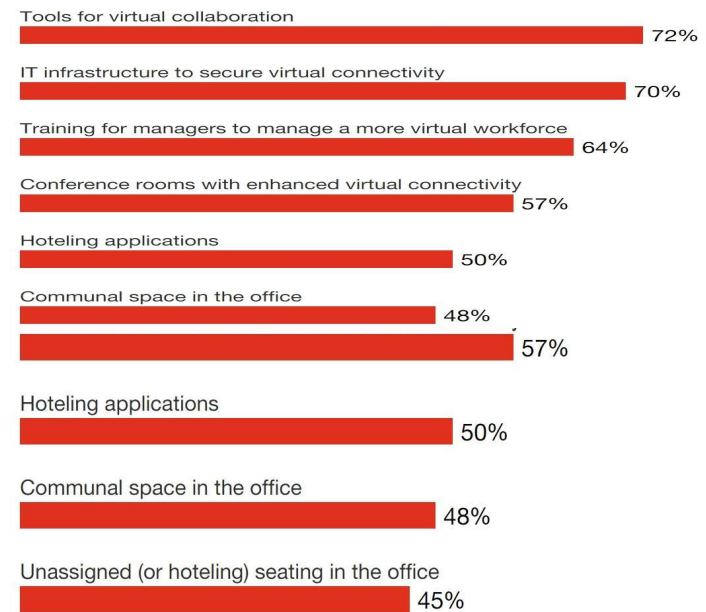
<https://www.pwc.com/us/en/library/covid-19/us-remote-work-survey.html>



PwC's US Remote Work Survey - January 12, 2021
<https://www.pwc.com/us/en/library/covid-19/us-remote-work-survey.html>

US executives planning new investment to support hybrid working

■ % planning increased investment



Q: How do you plan to change investment levels, if at all, in the following areas?
 Source: PwC US Remote Work Survey
 January 12, 2021. Base: 127 US executives

Real estate strategy in transition as companies anticipate multiple changes



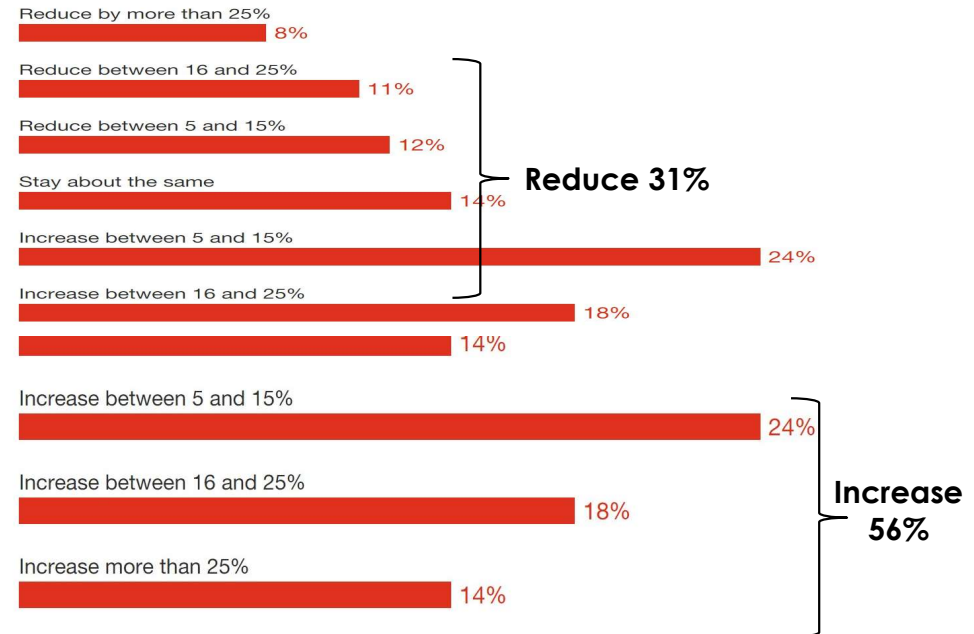
Q: What changes are you making to your real estate strategy in the next 12 months?
Source: PwC US Remote Work Survey
January 12, 2021. Base: 128 US executives

Real estate strategy in transition as companies anticipate multiple changes



Q: What changes are you making to your real estate strategy in the next 12 months?
Source: PwC US Remote Work Survey
January 12, 2021. Base: 128 US executives

Some executives expect to need more office space over the next three years due to rising headcount and social distancing needs



Q: How do you anticipate your total office space needs will be different three years from now?
Totals do not add up to 100% due to rounding.
Source: PwC US Remote Work Survey
January 12, 2021. Base: 130 US executives

Remote Work After COVID-19



Future of Remote Work

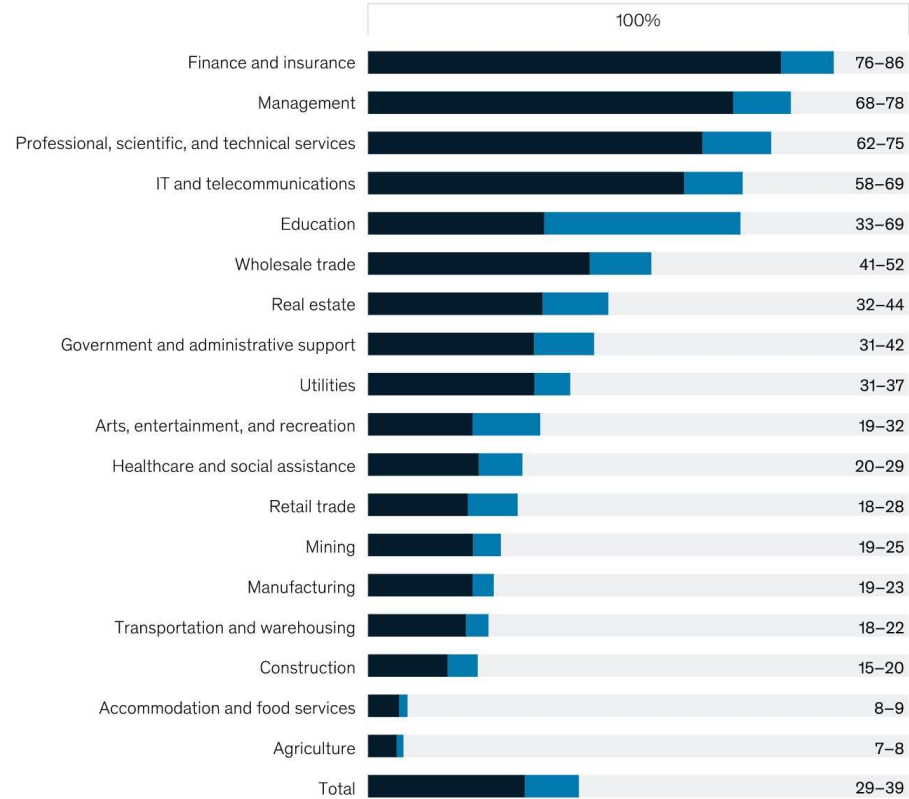
*"More than **20 percent** of the workforce could work remotely **three to five days a week** as effectively as they could if working from an office. If remote work took hold at that level, that would mean **three to four times** as many people working from home than before the pandemic and would have a profound impact on urban economies, transportation, and consumer spending, among other things."*

"What's next for remote work: An analysis of 2,000 tasks, 800 jobs, and nine countries"

<https://www.mckinsey.com/featured-insights/future-of-work/whats-next-for-remote-work-an-analysis-of-2000-tasks-800-jobs-and-nine-countries#>

Potential share of time spent working remotely by sector in the United States, %

■ Effective potential (no productivity loss) ■ Theoretical maximum



Note: The theoretical maximum includes all activities not requiring physical presence on-site; the effective potential includes only those activities that can be done remotely without losing effectiveness. Model based on more than 2,000 activities across more than 800 occupations.
Source: McKinsey Global Institute analysis

McKinsey
& Company

“What’s next for remote work: An analysis of 2,000 tasks, 800 jobs, and nine countries”

<https://www.mckinsey.com/featured-insights/future-of-work/whats-next-for-remote-work-an-analysis-of-2000-tasks-800-jobs-and-nine-countries#>

Future of Remote Work

“More than half the workforce, however, has little or no opportunity for remote work.

...

*Many of such jobs are low wage and more at risk from broad trends such as automation and digitization. **Remote work thus risks accentuating inequalities at a social level.**”*

“What’s next for remote work: An analysis of 2,000 tasks, 800 jobs, and nine countries”

<https://www.mckinsey.com/featured-insights/future-of-work/whats-next-for-remote-work-an-analysis-of-2000-tasks-800-jobs-and-nine-countries#>

Other Downsides of Remote Work Trends

- Working from home can be lonely
- Communication and collaboration can be a challenge
- Challenging to build a remote company culture
- Additional stress during COVID-19 when workers may have multiple family members working or learning from home

Remote Work Trend Take Aways

- Remote work will be more prevalent in the future
 - Possibly 20% of the workforce
 - 3-4 times more people working remotely than pre-pandemic
- Most likely to work remotely:
 - **Occupations:** Management and professional occupations
 - **Industries:** Finance, Insurance, Management, Professional Services, IT & Telecommunication
- Least Likely to work remotely:
 - **Occupations:** Natural Resources, construction, production, transportation and material moving occupations
 - **Industries:** Retail Trade, Transportation, Utilities, Construction, Health Care



Modeling the Impact of Businesses with Remote Workers

Business Response to COVID-19

- Many businesses in professional services, technology, or management will allow workers to work remotely at least a few days a week – maybe 100%
- But businesses will still need real estate

Let's look at some headlines with **mixed messages** on remote work / real estate trends

May 21, 2020 - Technology

Facebook could have 50% of staff on remote work by 2030



Sara Fischer, author of [Media Trends](#)

May 21, 2020 - Technology

Facebook could have 50% of staff on remote work by 2030



Sara Fischer, author of [Media Trends](#)

<https://www.axios.com/facebook-permanent-remote-work-1cc2f0e0-0222-4316-adec-3bd8eafe2303.html>

Facebook makes big remote work moves with plan for new hubs in Dallas, Denver and Atlanta

Taylor Hatmaker @tayhatmaker / 1:28 PM CDT • May 21, 2020

 Comment

<https://techcrunch.com/2020/05/21/facebook-hubs-remote-work/>



Facebook doubles down on work-from-office with massive NYC lease near Penn Station

Danny Crichton @dannycrichton / 9:41 AM CDT • August 4, 2020

 Comment

<https://techcrunch.com/2020/08/04/facebook-nyc-lease/>

Dropbox is the latest San Francisco tech company to make remote work permanent

PUBLISHED TUE, OCT 13 2020 3:10 PM EDT



Jessica Bursztynsky
@JBURSZ

SHARE    

<https://www.cnbc.com/2020/10/13/dropbox-latest-san-francisco-tech-company-making-remote-work-permanent.html>

REAL ESTATE

REI Built an Elaborate HQ. Because of Covid-19, the Outdoor Retailer Wants to Sell It

Surprised by how productive remote work has been, companies are reconsidering the need for central offices



<https://www.wsj.com/articles/rei-built-an-iconic-hq-because-of-covid-19-the-outdoor-retailer-wants-to-sell-it-11597263188>

Pinterest pays \$89.5 million to terminate San Francisco office lease



Katie Dowd, SFGATE

Aug. 30, 2020 | Updated: Aug. 30, 2020 7:35 a.m.



1 of 3



Pinterest canceled its lease for the San Francisco high-rise project 88 Bluxome, seen here in an artist's rendering.

Courtesy IwamotoScott Architecture

<https://www.sfgate.com/business/article/Pinterest-terminate-SF-office-lease-88-Bluxome-15525421.php>

BUSINESS

Facebook Buys REI's Elaborate New Headquarters as Covid-19 Pandemic Prompts a Sale

Purchase of complex near Seattle is latest sign that big technology companies are driving commercial real estate markets during pandemic



<https://www.wsj.com/articles/facebook-buys-reis-elaborate-new-headquarters-as-covid-19-pandemic-prompts-a-sale-11600124280>

Long-term Business Trends

- Tech and other firms are embracing remote work
 - But still need real estate
- Change in Spending
 - Spend differently on real estate
 - Spend more on technology
 - Virtual Collaboration
 - IT Infrastructure / Digital Security
- Workers may not be in the office everyday
 - Less “daytime population” and spending
 - Maybe you won’t need a Starbucks on every corner

Headquarters Project Example

Let's compare a Typical HQ and a Remote-Style HQ Project

Headquarters Project Example

Typical Headquarters

- Traditional real estate needs for office activities
- All workers come into the office every day

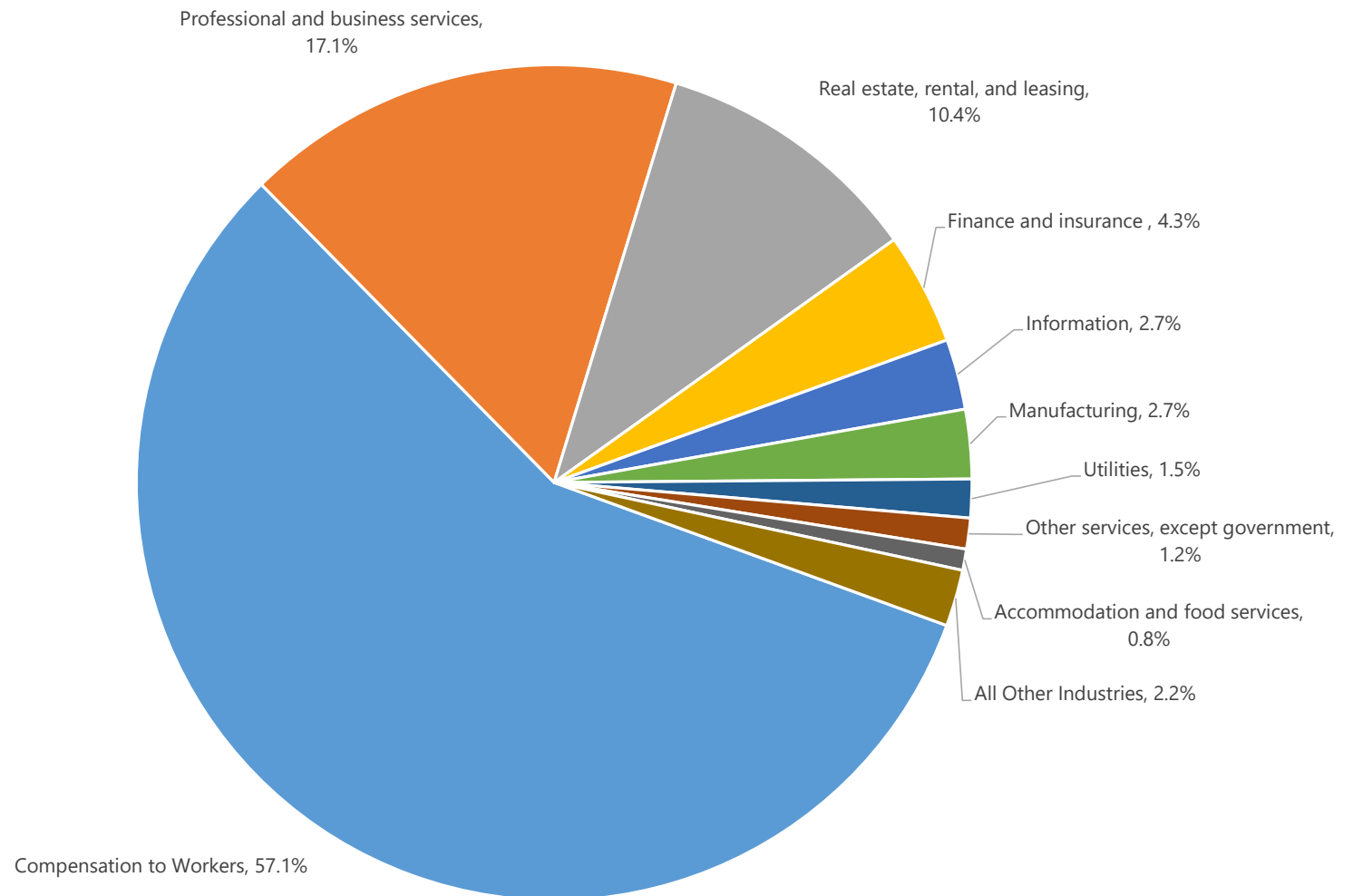
Remote-Style Headquarters

- Smaller office, fewer dedicated desks, more focus on meeting rooms, hoteling spots
- More technology to support onsite and remote activities
- Some workers come into the office every day
- Some onsite 3x week
- Some 100% remote

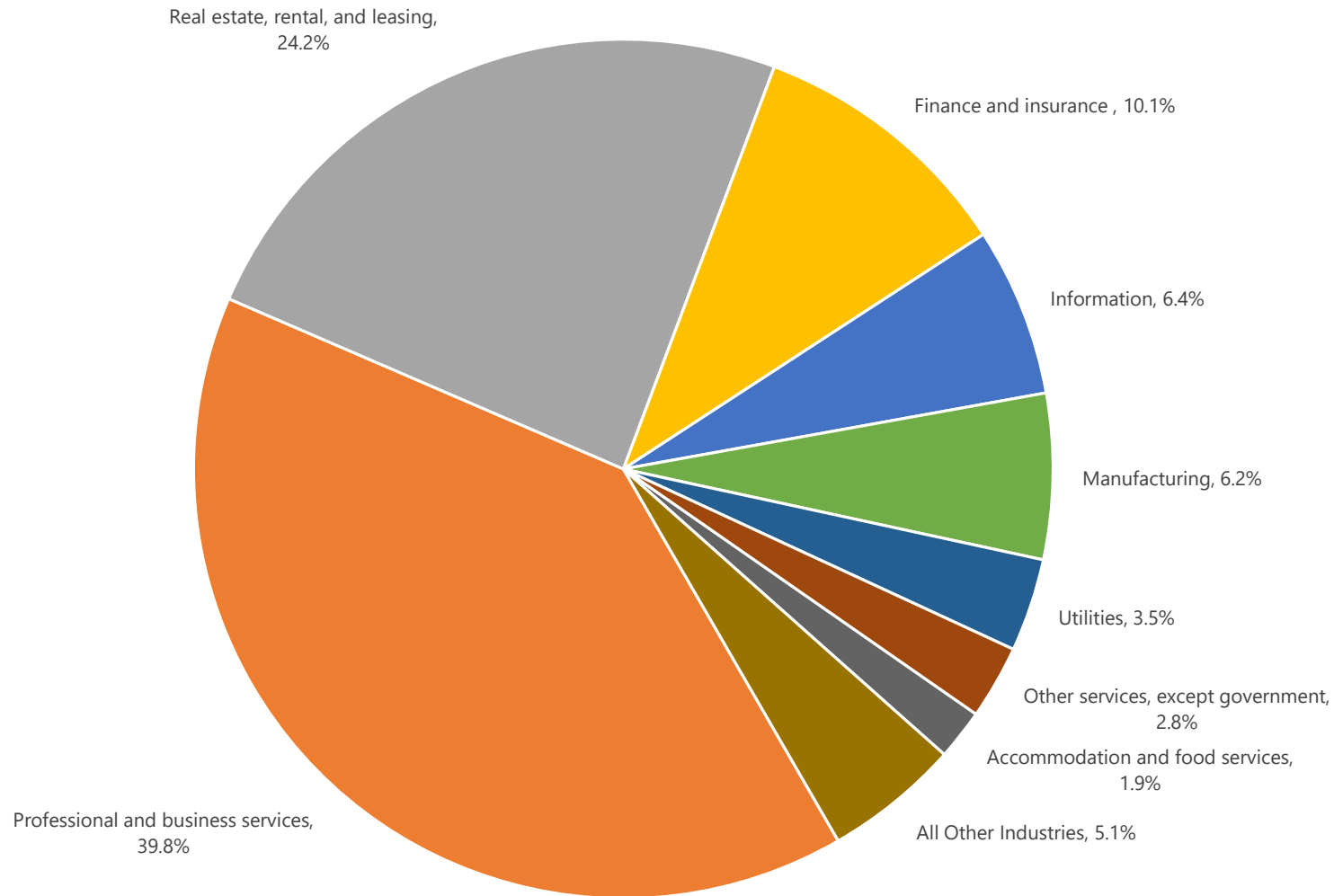
Economic Impact Refresher

- All starts with **spending**
 - Direct – the company in our case
 - Indirect – local suppliers to the direct company
 - Induced – local businesses serving workers

How does a Headquarters Spend Money?



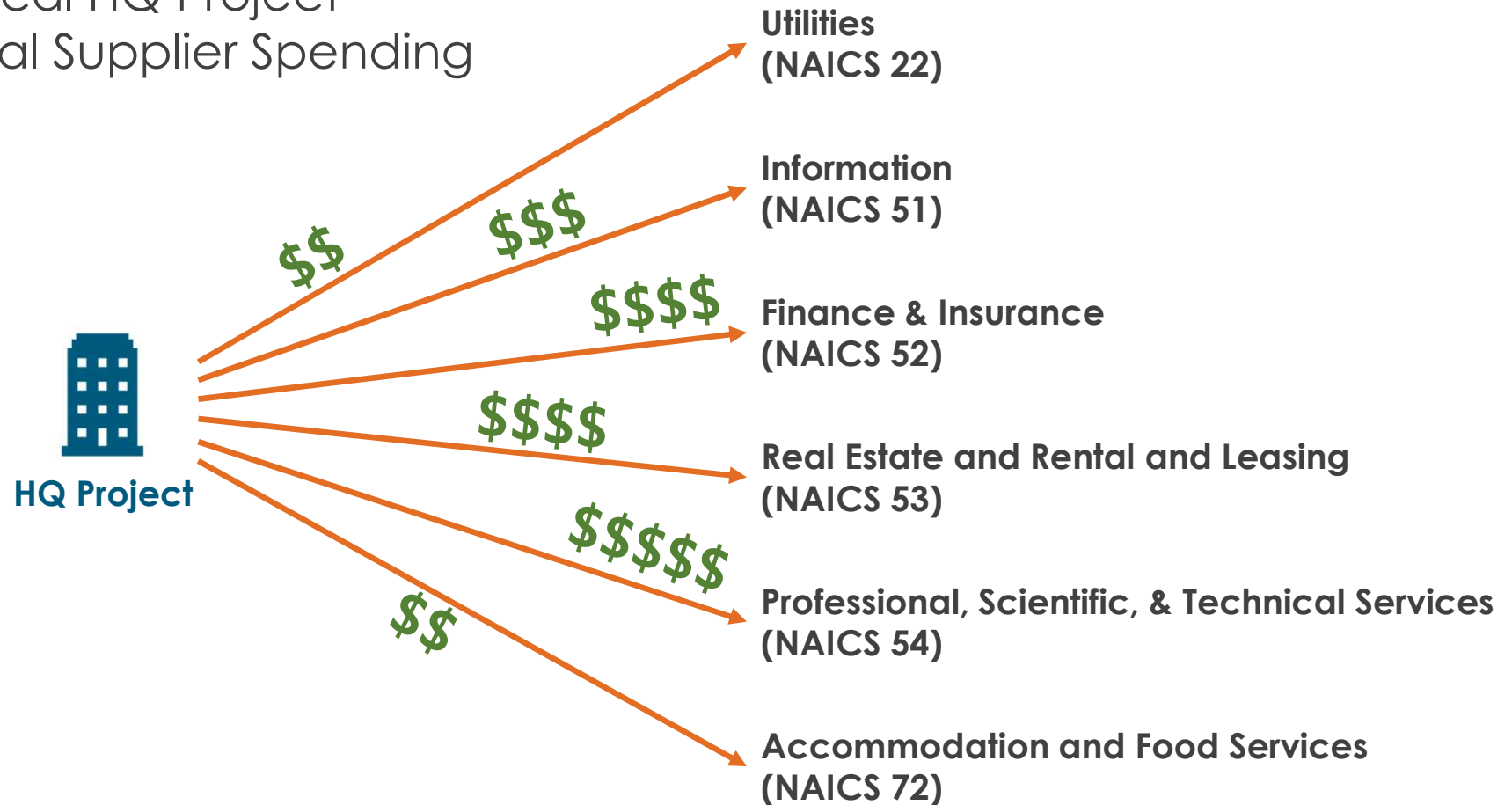
How does a Headquarters Spend Money? (excluding compensation to workers)



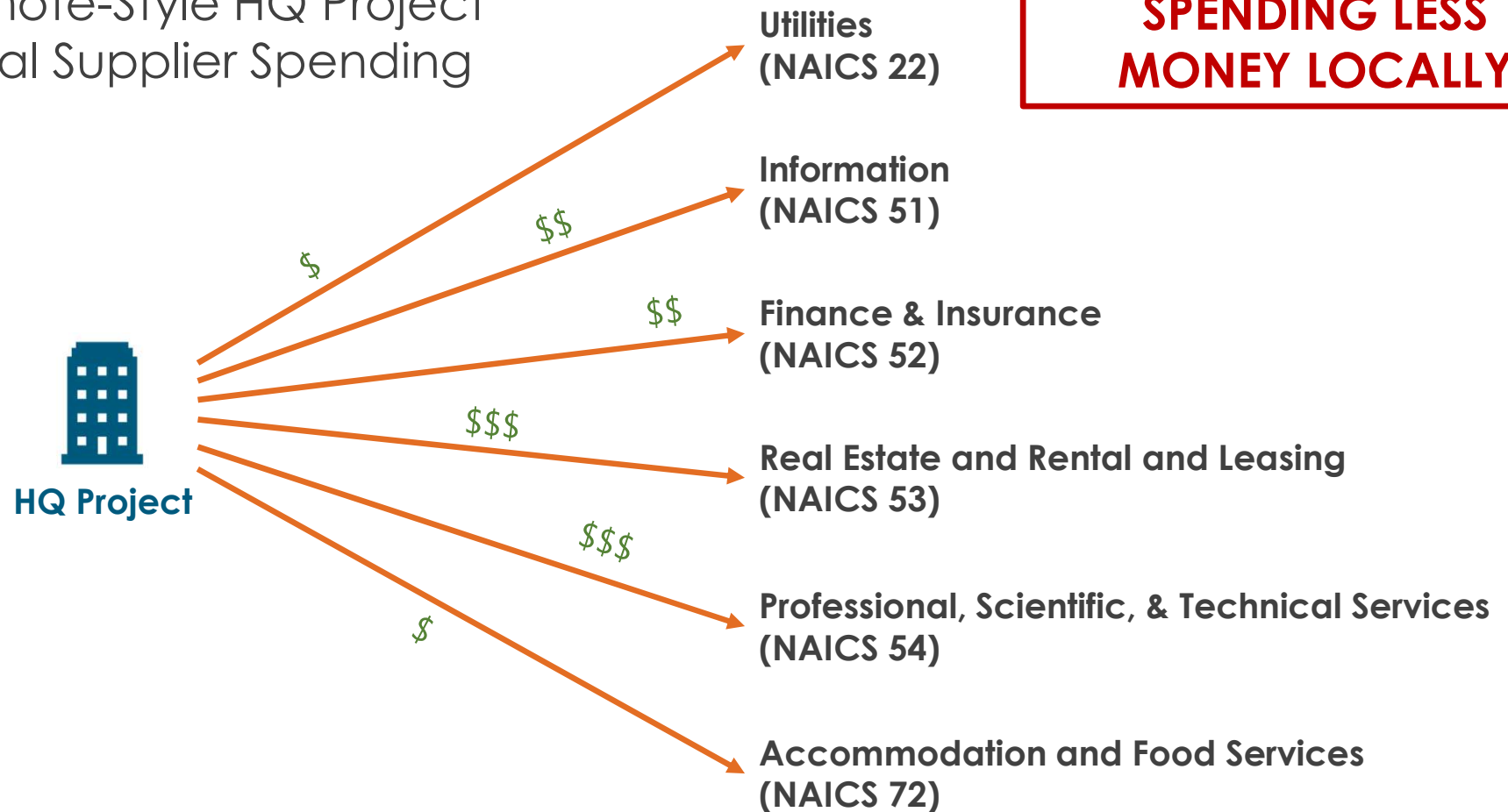
Indirect Economic Impact

- A company **spending less** on real estate and more on technology will likely **reduce the impact** of the company in your community
 - Real estate is 'locally supplied'
 - Technology, in most cases, is 'imported'
- The more a company spends within your local economy, the larger the impact
 - This is the indirect economic impact - the company spending money at local suppliers
- When less money is spent locally, the indirect economic impact will be lower

Typical HQ Project Local Supplier Spending



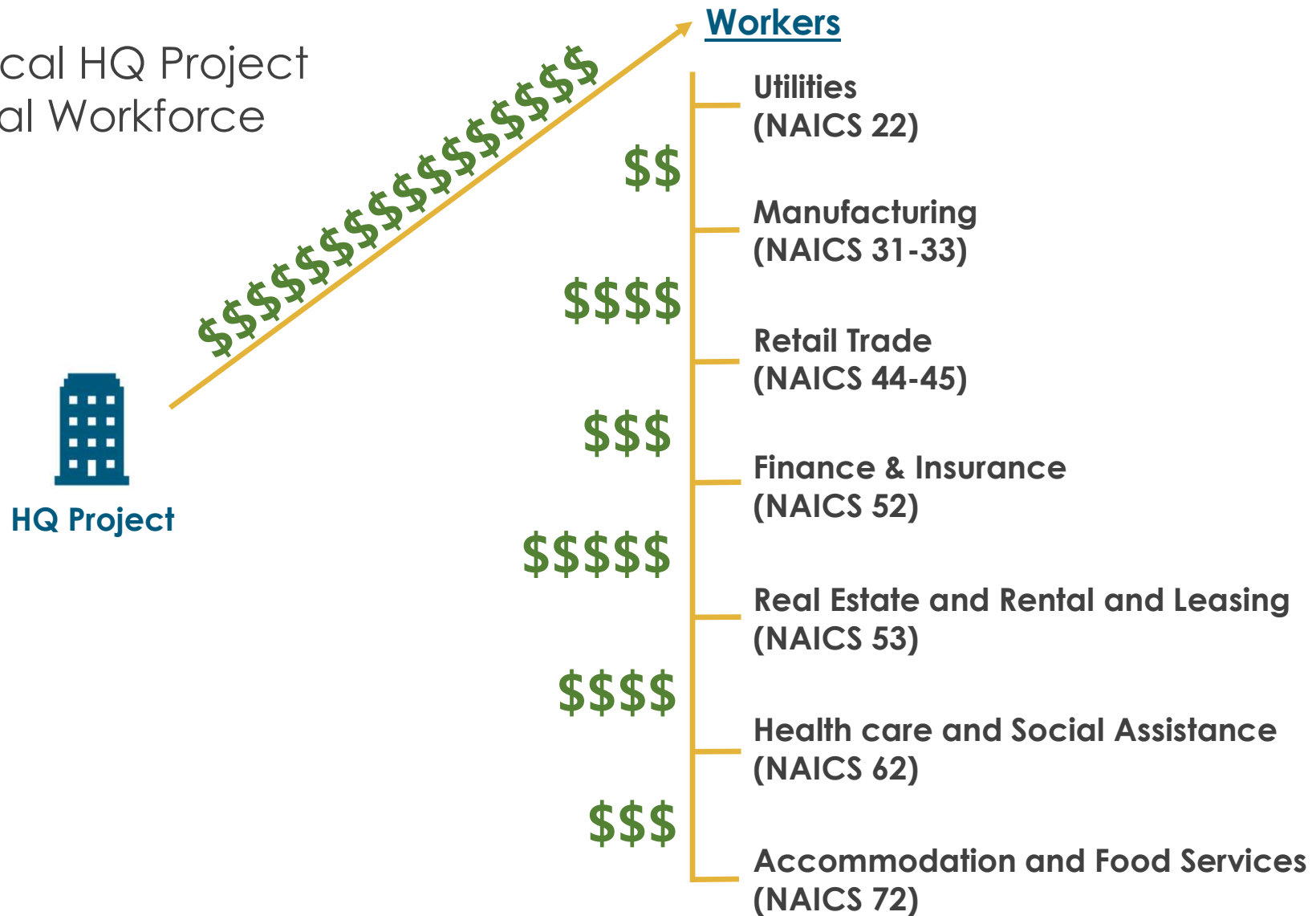
Remote-Style HQ Project Local Supplier Spending



Induced Economic Impact

- A **company that employs remote workers** will likely **reduce the impact** of the company in your community
 - Workers typically spend their earnings close to where they live
- The more workers that live and re-spend their earnings within the local economy, the larger the impact
 - This is the induced economic impact - the workers spending money at local businesses
- When fewer workers reside in the local economy, the induced economic impact will be lower

Typical HQ Project Local Workforce



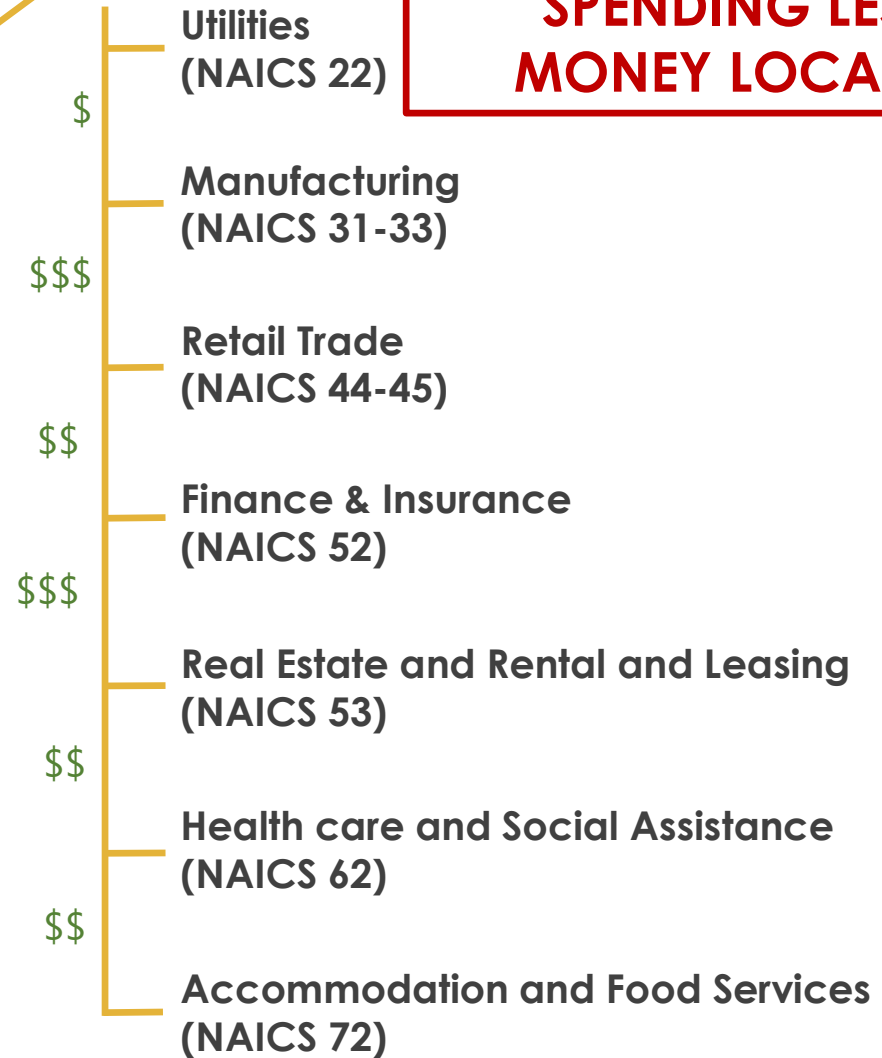
Remote-Style HQ Project Local Workforce



HQ Project

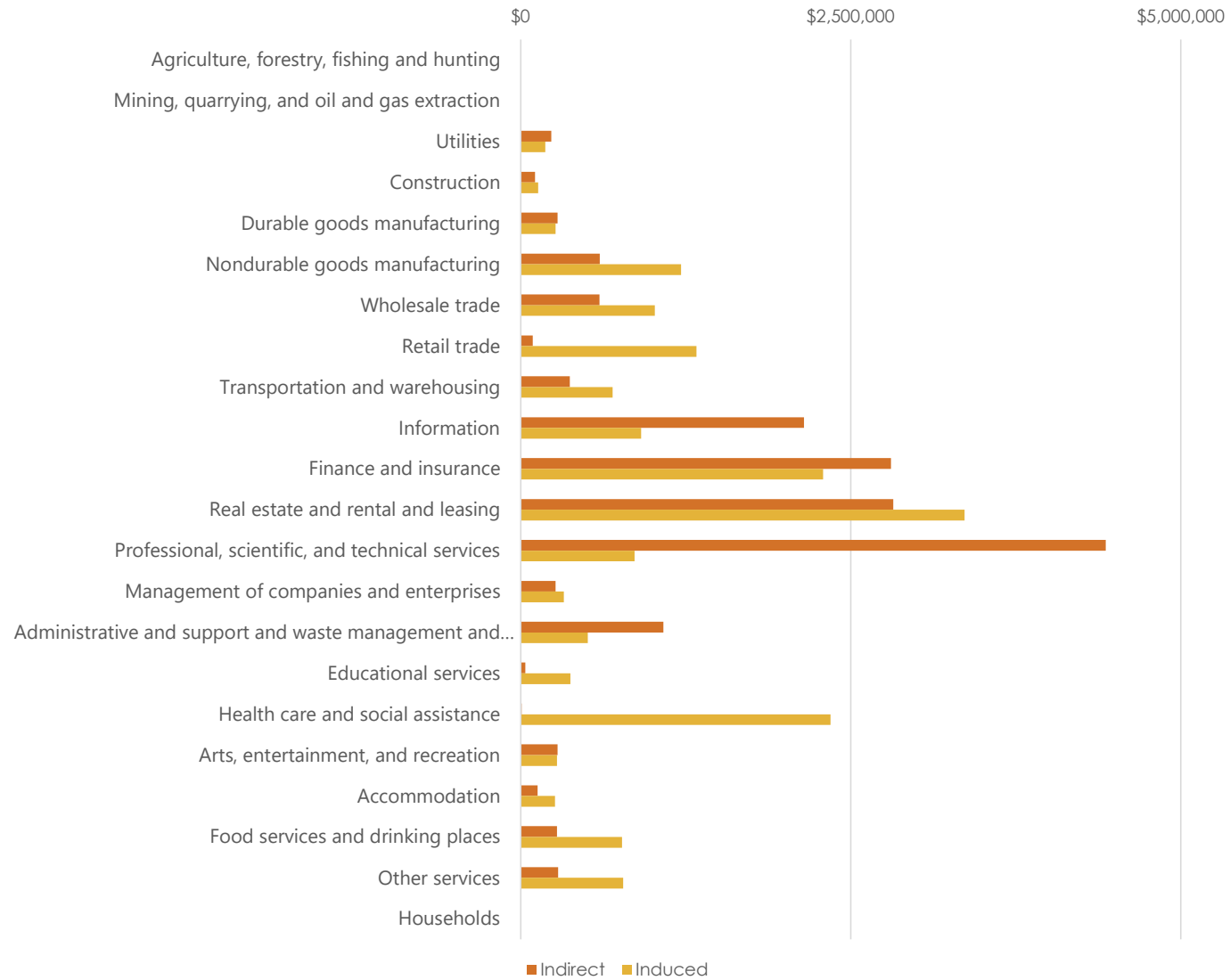
\$\$\$\$\$\$\$\$\$

Workers



**SPENDING LESS
MONEY LOCALLY**

Spin-off Impact by Sector





FACT SHEET
HEADQUARTERS PROJECT
Typical

RECRUITMENT
Project Type

**PROFESSIONAL & FINANCIAL
SERVICES**
Industry

PROJECT INFO

NAICS	551114 Corporate, Subsidiary, and Regional Managing Offices
SPACE	35,000 SF Office
FACILITY	Land purchase and construction of a new building
BREAK GROUND	July 2021
BEGIN OPERATIONS	January 2022

EMPLOYMENT

 **100**
New Jobs

CAPITAL INVESTMENT

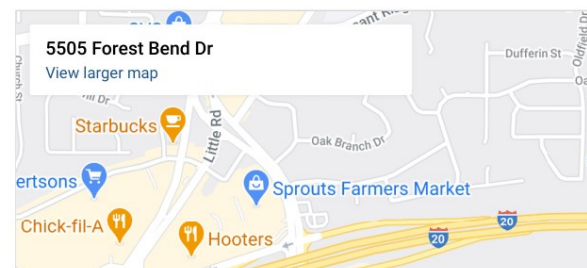
 **\$7.5M**

\$5.0M Buildings & Improvements
\$2.5M Furniture, Fixtures, & Equipment

PAYROLL

 **\$125,000**
Avg Annual Salary

\$12.5M
Annual Payroll



ADDRESS

5505 Forest Bend Dr, Arlington, TX 76017, USA

COMPANY INFO

Company Name	Confidential
Year Established	1993
State of Formation	Texas
Business Structure	C Corp
Ownership	Private





FACT SHEET
HEADQUARTERS PROJECT
Remote-Style

RECRUITMENT
Project Type

PROFESSIONAL & FINANCIAL SERVICES
Industry

PROJECT INFO

NAICS	551114 Corporate, Subsidiary, and Regional Managing Offices
SPACE	26,250 SF Office
FACILITY	Land purchase and construction of a new building
BREAK GROUND	July 2021
BEGIN OPERATIONS	January 2022

EMPLOYMENT

 **75**
New Jobs

CAPITAL INVESTMENT

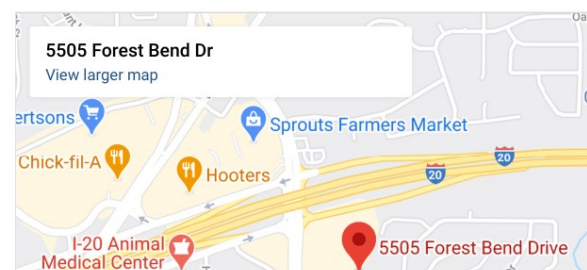
 **\$5.0M**

\$4.0M Buildings & Improvements
\$1.0M Furniture, Fixtures, & Equipment

PAYROLL

 **\$116,667**
Avg Annual Salary

\$8.8M
Annual Payroll



ADDRESS

5505 Forest Bend Dr, Arlington, TX 76017, USA

COMPANY INFO

Company Name	Confidential
Year Established	1993
State of Formation	Texas
Business Structure	C Corp
Ownership	Private

HIRING DETAILS

The company indicates it will hire 100 workers at an average annual salary of \$125,000. This analysis only includes 75 workers because 25 of the 100 will be fully remote. Details about the hiring are shown below.

- 50 workers on site 5 days per week @ \$110,000 average salary
- 25 workers on site 3 days per week @ \$130,000 average salary
- 25 fully remote @ \$150,000 average salary



Conclusion for Evaluating Businesses with Remote Workers

- Clarify if the workers will be coming into the office and how frequently
 - Consider requiring employee address / zip code list
- Understand capital investment may be less
 - Consider calculating “taxable-property-per-worker” to compare to current



Modeling the Impact of Attracting Remote Workers

Long-term Employment Trends

- Some workers may not visit the office everyday
 - May choose to live farther away
- Some workers may be 100% remote
 - Work from anywhere
- Let's get some context
 - Mobility statistics
 - Remote worker attraction programs



SMALL BUSINESS PLAYBOOK

Vast migration of over 14 million Americans coming due to rise in remote work, study shows

PUBLISHED THU, OCT 29 2020•9:00 AM EDT | UPDATED THU, OCT 29 2020•9:47 AM EDT



Lori Ioannou
@LORIIOANNOU1

SHARE    

KEY POINTS

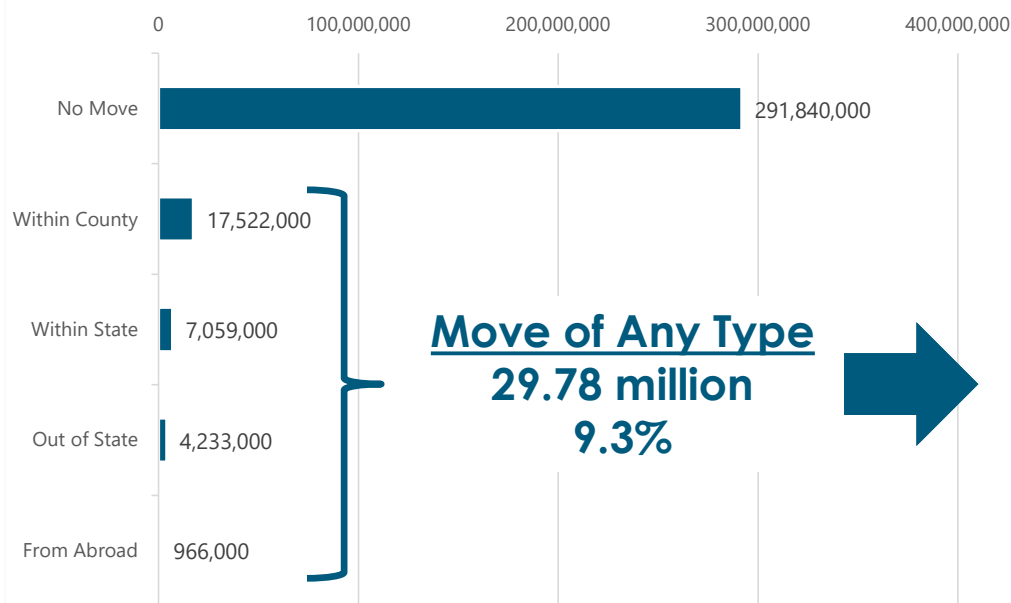
- Fourteen million to 23 million Americans are planning to relocate to a new U.S. city or region due in part to the growing acceptance of remote work, according to Upwork's Remote Workers on the Move report released Thursday.
- Companies of all sizes are adopting a remote work policy, and this is widening the talent pool for SMBs.

<https://www.cnbc.com/2020/10/28/vast-migration-of-over-14-million-americans-coming-due-to-remote-work.html>

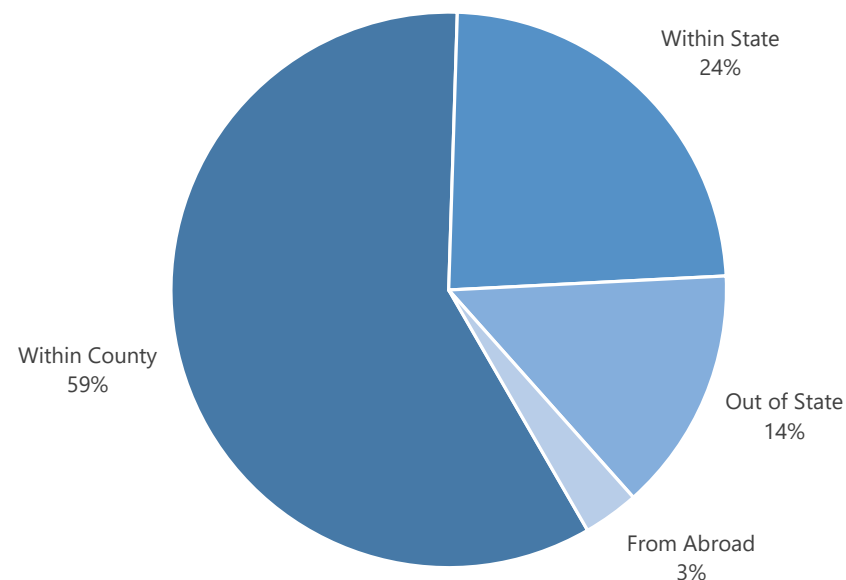
US Annual Migration 2019-2020

- What percent of the population moved (changed residences) from 2019 to 2020?
 - **9.3% of moved residences (29.78 million people)**
 - 5.4% same moved within county (17.52 million people)
 - 2.2% moved within state (7.06 million people)
 - 1.3% moved out of state (4.23 million people)
 - 0.3% moved from abroad (0.97 million people)
 - **90.7% did not move (291.84 million people)**

US Annual Migration 2019-2020

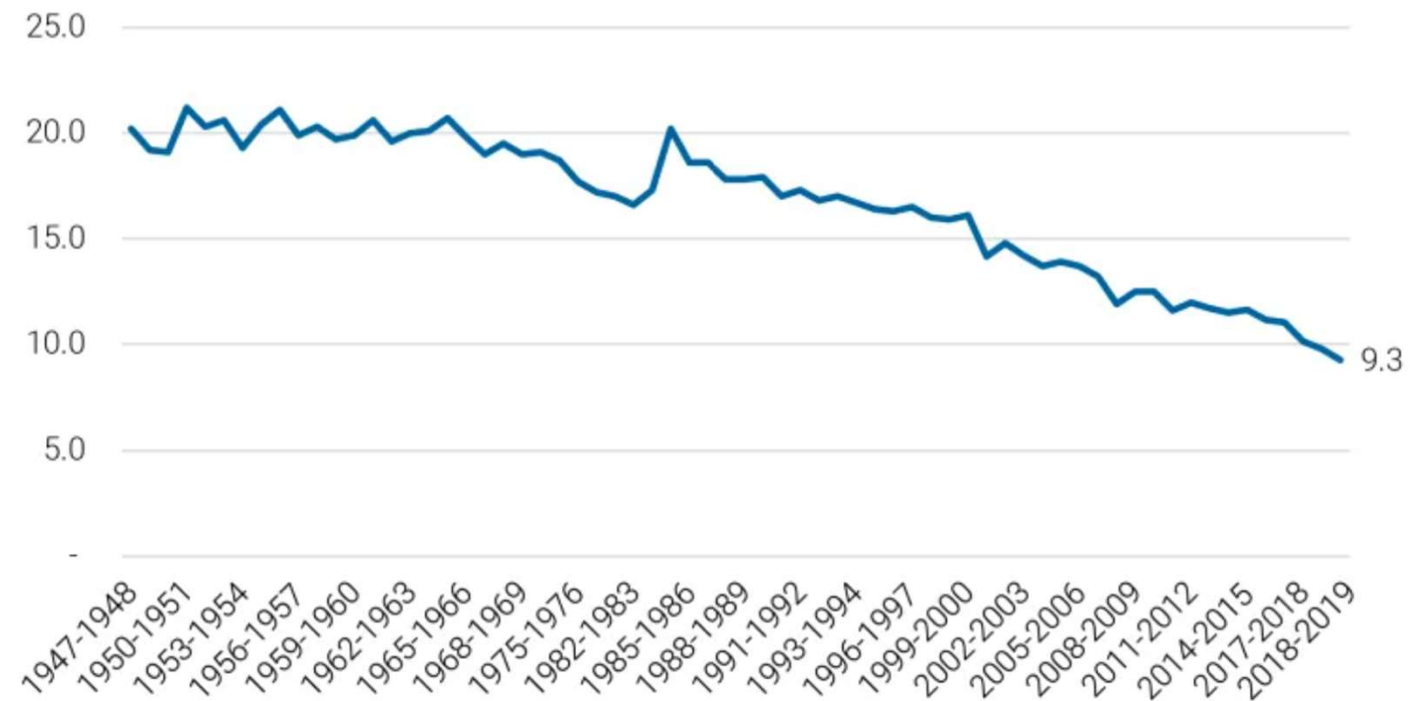


Type of Move Among Movers



Current Population Survey Annual Social and Economic Supplement,
<https://www.census.gov/topics/population/migration/data/tables.html>

Figure 1. US annual migration rates, 1947-2020

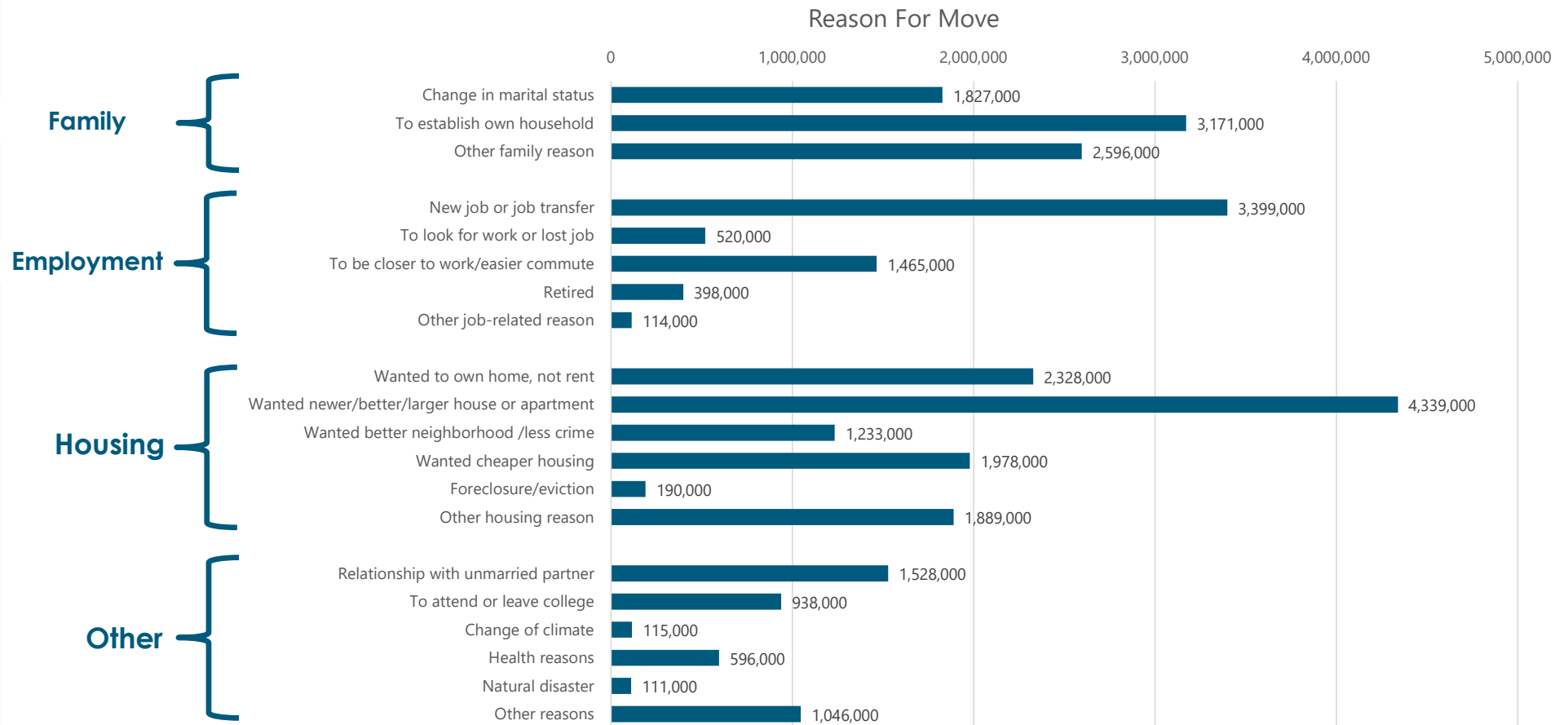


Source: William H. Frey analysis of U.S. Census Bureau Current Population Surveys.

B Metropolitan Policy Program
at BROOKINGS

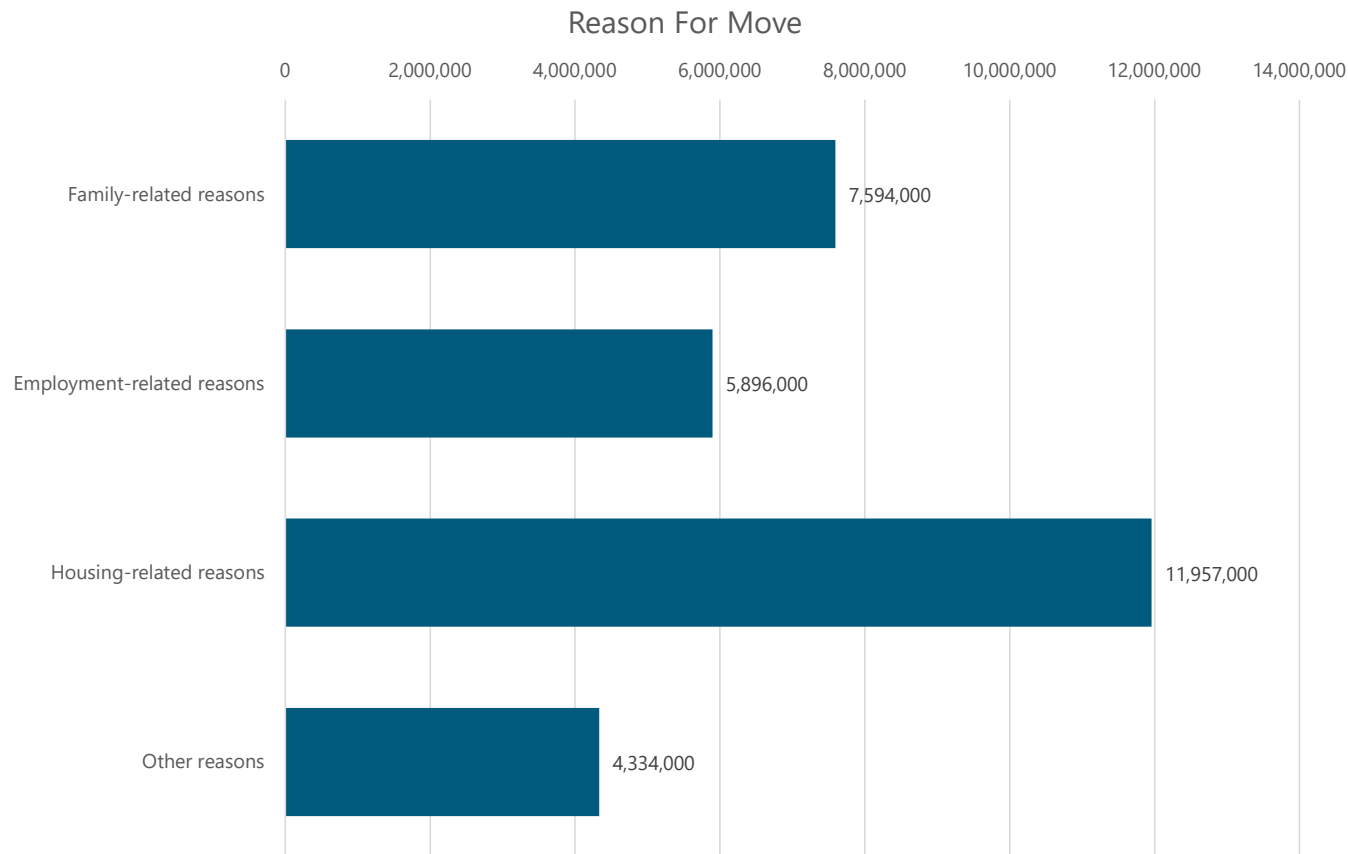
<https://www.brookings.edu/blog/the-avenue/2020/12/15/just-before-covid-19-american-migration-hit-a-73-year-low/>

US Annual Migration 2019-2020



Current Population Survey Annual Social and Economic Supplement,
<https://www.census.gov/topics/population/migration/data/tables.html>

US Annual Migration 2019-2020



Current Population Survey Annual Social and Economic Supplement,
<https://www.census.gov/topics/population/migration/data/tables.html>

2020 Migration Trends: U-Haul Ranks 50 States by Migration Growth

Rank	State (LY Rank)
1.	Tennessee (12)
2.	Texas (2)
3.	Florida (1)
4.	Ohio (7)
5.	Arizona (20)
6.	Colorado (42)
7.	Missouri (13)
8.	Nevada (24)
9.	North Carolina (3)
10.	Georgia (16)
11.	Arkansas (23)
12.	Indiana (9)
13.	Wisconsin (41)
14.	Oklahoma (14)
15.	South Carolina (4)
16.	West Virginia (22)
17.	Utah (8)

Rank	State (LY Rank)
18.	Kentucky (37)
19.	Montana (26)
20.	Minnesota (15)
21.	Kansas (18)
22.	Alabama (6)
23.	New Hampshire (31)
24.	Iowa (30)
25.	South Dakota (28)
26.	Vermont (10)
27.	Delaware (21)
28.	Virginia (39)
29.	Maine (33)
30.	Idaho (11)
31.	Mississippi (25)
32.	Nebraska (19)
33.	Wyoming (27)
34.	Alaska (17)

Rank	State (LY Rank)
35.	Rhode Island (35)
36.	Washington (5)
37.	North Dakota (32)
38.	Washington, D.C. (38)
39.	New Mexico (36)
40.	Michigan (48)
41.	Pennsylvania (46)
42.	New York (43)
43.	Connecticut (34)
44.	Louisiana (40)
45.	Oregon (29)
46.	Maryland (45)
47.	Massachusetts (47)
48.	New Jersey (44)
49.	Illinois (50)
50.	California (49)

<https://www.uhaul.com/Articles/About/22746/2020-Migration-Trends-U-Haul-Ranks-50-States-By-Migration-Growth/>

Remote Worker Attraction Programs

- Vermont - Remote Worker Grant Program
 - Started in 2018
 - **Up to \$5,000** grant to offset cost of relocating as incentive to live and work in the state
 - Increase population of taxpayers, school enrollment and strengthen employment base
 - \$500k in total funds per year, \$5,000 per grantee
 - 140 grantees in 2019 led to 298 new residents
 - Vermont population ~ 600k

<https://accd.vermont.gov/economic-development/remoteworkergrantprogram/annual-reports>

Remote Worker Attraction Programs

- **Northwest Arkansas Council** – Talent Incentive
 - \$1 million over six months to attract top talent to the region through the Life Works Here initiative
 - **\$10,000** cash incentive to move to region
 - <https://findingnwa.com/incentive/>
- **Savannah, GA** – Savannah Technology Workforce Incentive
 - Funds capped at 50 households / \$100k per year
 - **Up \$2,000** reimbursement for moving expenses
 - <https://seda.org/resources-and-data/incentives-database/creative-incentive/>

<https://www.lonelyplanet.com/articles/us-towns-incentivizing-remote-work>

Remote Worker Attraction Programs

- **Startup Tucson** – Remote Tucson

- **Relocation package valued at \$7,650**

- \$1,500 relocation
 - \$500 Coworking sampler pack
 - \$1,500 free internet for 1 year + Other benefits
 - New residents are paired with community ambassadors
 - <https://www.startuptucson.com/perks-benefits>

- **The Shoals, AL**

- **\$10,000 cash** paid in installments over 1 year (25-25-50)
 - Must make more than \$52,000 per year
 - <https://remoteshoals.com/>

<https://www.lonelyplanet.com/articles/us-towns-incentivizing-remote-work>

Remote Worker Attraction Programs

- **Tulsa Remote** – George Kaiser Family Foundation
 - **\$10,000 cash** paid in installments over first year (upfront-monthly-1 year)
 - Plus free desk space and other perks
 - 375 Members in 2020
 - Originally launched in November 2018
 - <https://tulsaremote.com/>
- **Choose Topeka**
 - Up to **\$5K in funds for renting** in the first year, up to **\$10K in funds for home purchase**
 - <https://choosetopeka.com/apply/>

<https://www.lonelyplanet.com/articles/us-towns-incentivizing-remote-work>

Goals of Remote Worker Attraction Programs

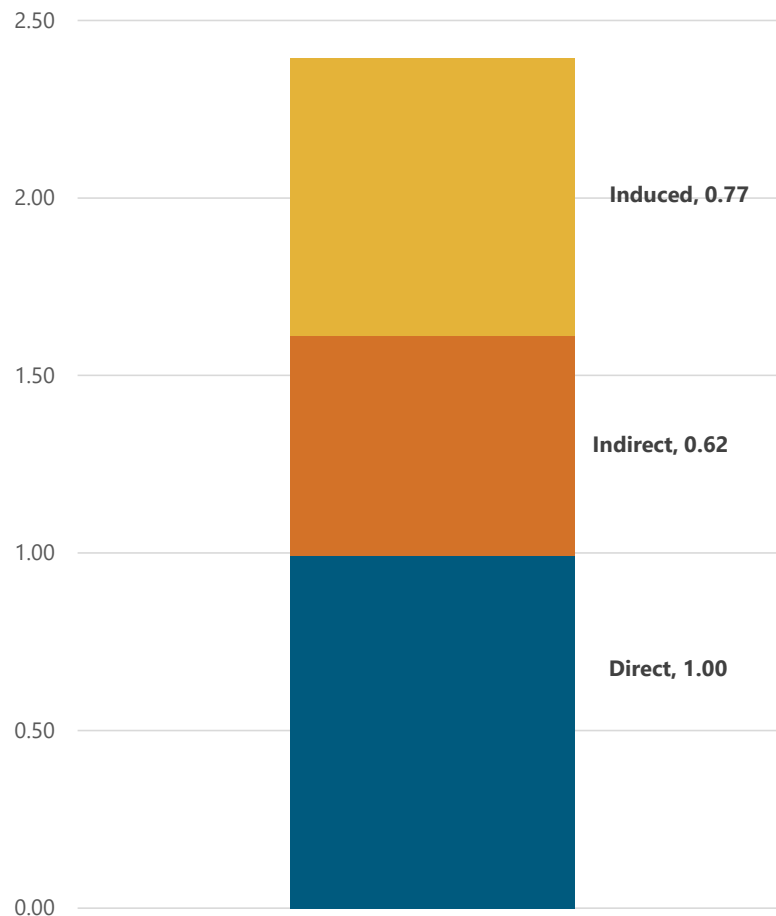
- Attract high-earning workers
- Diversify the economy / boost workforce
- Develop “knowledge worker” sector and benefit from future business creation
- Stabilize declining population
 - Fixed cost of government and education spread over more residents
- Others?

Economic Impact Associated with Attracting Remote Workers

- A new worker household will generate economic benefits through their local spending
- In a typical ED project, economic impact is generated by
 - The company's spending – the **indirect** impact
 - The worker's spending – the **induced** impact
- Compared to a typical ED project, the economic impact of new remote workers will be lower

2.39 Employment Multiplier

RIMS II Model for Cook County, IL
NAICS 541511
Custom Computer Programming



- Typical Employment Multiplier for Computer Programming
- **Total Impact = Direct + Indirect + Induced**
- For a remote worker:
 - Direct = 1.00
 - Indirect = 0.00
 - Induced < than typical case
 - Less worker spending recycled in economy because indirect effects are 0.00
 - They may spend differently than typical households if they are buying some 'business services' like co-working space, tax consultants, etc.

Economic Impact Associated with Attracting Remote Workers

- Detailed approach to estimate the impact would be done by modeling household expenditures
 - Dependent on earnings
 - Should you include the impact/earnings of a spouse?
- In all reality, the economic impact will most likely be modest
 - Employment multiplier = 1.10 to 1.25
 - Depends on earnings, region, and other factors
- This neglects the possible upside from creating a tech ecosystem that may connect entrepreneurs and workers
 - May generate new businesses and strengthen other industries

Fiscal Impact Associated with Attracting Remote Workers

REVENUES

- Residential Property Tax
 - Are they building new properties? Is it “net new” tax?
- Sales Tax
 - Do these households spend in similar patterns to existing residents?
- Income Tax
 - Are you able to capture this?
 - Governments at all levels are playing catch up on this
- Publicly-owned Utilities and other charges and fees
 - As the population increases, it is reasonable to assume some other government revenues may increase accordingly

Fiscal Impact Associated with Attracting Remote Workers - Continued

COSTS

- Cost of Government
 - As the population increases, it is reasonable to assume the cost to provide services to residents will increase
 - Police, Fire, EMS
 - Other functions of local government
- Cost of Education
 - New residents will likely increase the public K-12 enrollment and present new costs to the school system

Evaluating Remote Workers

- Economic impact may be modest but positive
- Fiscal impact could be mixed
 - New Residents will bring revenues and impose costs for local governments
 - The way this shakes out in any community is likely dependent on the current government capacity
 - Cities experiencing growth may ultimately hit fixed costs that require additional investments beyond the new revenues generated
 - Cities that are losing population may have excess capacity in their ability to provide services and the new residents can be served with minimal incremental costs

Impact Example: Remote Worker Attraction Program

- 100 remote workers (jobs) over 5 years
- \$85,000 average salary
- \$10,000 grant per job
- Do the workers **BUILD** new homes?
 - 100% build new homes
 - 50% build new homes

Evaluating Remote Workers

- **Bottomline – it depends**
- Economic impact may be modest but positive
- Fiscal impact could be mixed
 - New Residents will bring revenues and impose costs for local governments
 - The way this shakes out in any community is likely dependent on the current government capacity
 - Cities experiencing growth may ultimately hit fixed costs that require additional investments beyond the new revenues generated
 - Cities that are losing population may have excess capacity in their ability to provide services and the new residents can be served with minimal incremental costs

Let's take questions!

Paul Scheuren

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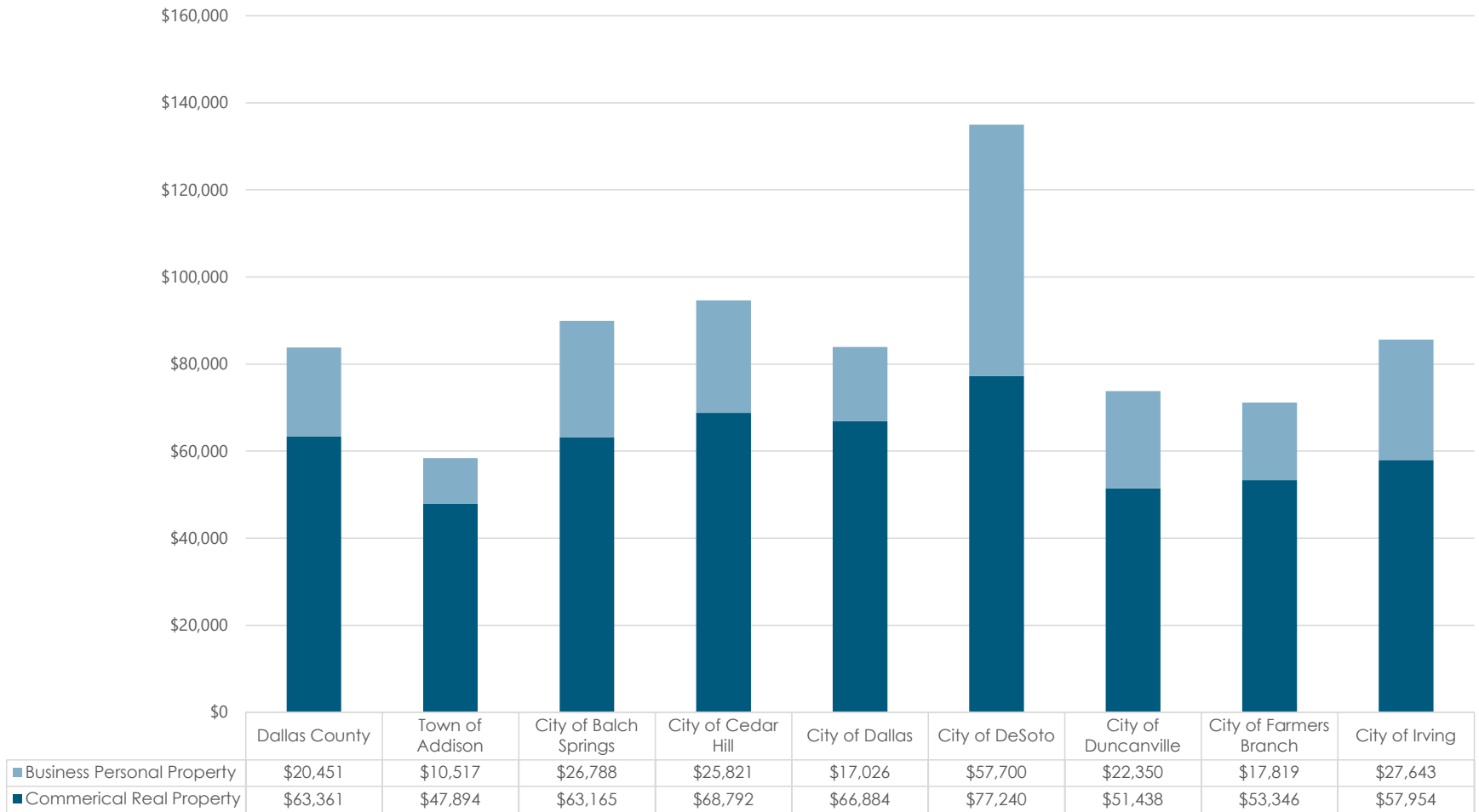


www.ImpactDataSource.com



www.TheImpactDashBoard.com

Taxable Property Per Worker



Taxable Property Value: Dallas Central Appraisal District (DCAD) - Certified EVR Dated August 20, 2020 for Tax Year 2020
 Worker Count: U.S. Census Bureau, Longitudinal Employer-Household Dynamics 2018