

OPPORTUNITIES FOR EDDS TO ADDRESS POPULATION DECLINE THROUGH WORK FROM HOME AND HYBRID WORKPLACE STRATEGIES

A CASE STUDY FROM SOUTHEASTERN OHIO





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Introduction

Rural population decline is a well-known challenge facing staff at Economic Development Districts (EDDs) across the country, but the recent trend toward work from home and hybrid work may help to alleviate this issue. As a result of the COVID-19 pandemic, the number and percent of home-based workers <u>more than tripled</u> between 2019 and 2021, from 5.7% (roughly 9 million workers) to 17.9% (about 28 million workers) and indications are that this will <u>remain a permanent fixture</u> of the American workforce in the years ahead. With proper programing and infrastructure support, EDDs can leverage these trends to maintain current residency figures and attract new residents to their regions. This can help to mitigate or stop population decline and could reverse it in certain cases.

In August 2021, the <u>Ohio University Voinovich School of Leadership and Public Services</u> conducted a study of the <u>potential economic development opportunities</u> of increased work from home opportunities focusing on southeastern Ohio and in particular Athens County. This county and the surrounding region are served by the <u>Buckeye Hills Regional Council (BHRC)</u>, the EDD that covers Athens, Hocking, Meigs, Monroe, Morgan, Noble, Perry, and Washington counties. The research demonstrates that with proper economic planning, the rise of hybrid working can be a boon to the economies of rural and semi-rural areas across the country.

Hybrid Work as a Solution to Rural Population Loss

For years both entry level jobs and career advancement have been geographically locked to place. The ability to work from home has decoupled many jobs from geography, allowing people to have the jobs they want while living in the communities they want. Research shows that most people want to live in rural or semi-rural areas and many residents who move out of rural and suburban communities do so as a result of economic pressure, not because of a desire to live somewhere else. According to Frank Newport, author of a <u>Gallup Poll on American living preferences</u>, "Many Americans are constrained by financial, family and other factors that make moving to a different type of place difficult, if not impossible. Still, if Americans did sort themselves according to their desires, there would be an exodus from the big cities and, to a lesser degree, from small cities and towns, accompanying a movement to rural areas."

This Gallup Poll found that "nearly half of Americans (48%) at the end of 2020 said that, if able to live anywhere they wished, they would choose a town (17%) or rural area (31%) rather than a city or suburb. This is a shift from 2018, when 39% thought a town or rural area would be ideal." By decoupling employment from geography, people will be able to live in their communities of preference without taking an economic loss. This is a trend that rural and small metropolitan EDDs can leverage to benefit their regions.

Reap the Benefits Internally

Staff at BHRC in Ohio have found that providing more flexibility in working options can help employers in their region compete in a more competitive labor market. Younger workers in particular are attracted to flexible workplaces. By adopting a hybrid or work from home model, small businesses that cannot compete for employees by offering higher salaries may find themselves able to attract workers through workplace flexibility.

As an organization, BHRC has found this model to be effective for attracting its own talent. According to Sam Miller, BHRC Development Director, "Buckeye Hills is trying to lead by example by putting together a very efficient remote workplace and giving other organizations in our region a model to mimic." When EDDs adopt a hybrid work model it also allows them to place workers regionally and make connections with their regions as residents and economic development professionals. Chasity Schmelzenbach, BHRC Executive Director, says, "We get perspective amongst employees about what they are seeing in the various counties they are embedded in. This gives us a connection to the grassroots work being done in our counties."

EDDs play a leadership role in their communities both through their planning function and through their participation in the local economy as an employer. By implementing their own hybrid work policy, Buckeye Hills is supporting the adoption of similar policies in their region.

Attraction to Counter Population Loss

EDDs will only be able to take advantage of this work from home revolution if they have the infrastructure to support it. As part of its study, Ohio University created a <u>Remote Work Ready</u> <u>scorecard</u> to evaluate the existing work from home infrastructure in a community. It outlines 10 categories of attraction that regions should be evaluating. Many of these categories are familiar to EDDs and other regional planning organizations, including the importance of a strong broadband network to remain competitive in the modern digital economy. The scorecard also includes issues such as the availability of affordable housing stock, childcare options, and overall cost of living. These amenities are no less important in a work from home world than they were previously.

A new category of attraction specific to the new hybrid work paradigm is the availability of remote work locations. Places like coffee shops, libraries, and coworking spaces are necessary parts of an effective work from home infrastructure. Hybrid and fully remote workers will still need access to certain office equipment and coffee will always be a key part of a productive workday.

The researchers found that Athens County already had a strong infrastructure of attainable housing, low cost of living, attractive outdoor recreation, and access to professional education. The <u>role of EDDs in housing</u> has grown in the past years in response to population migration from the hybrid work shift as well as other economic forces. Housing affordability has become the <u>largest</u> <u>consideration</u> among hybrid workers considering relocation. It has also changed the housing needs to include luxury housing as high wage earners move into places like the Buckeye Hills region in Ohio. Going forward, BHRC staff expect housing to play a much larger role in its CEDS and regional planning efforts.

Retention in Addition to Attraction

Regions must ensure they do not "succeed too small" when capturing the economic benefits now available to them. Many regions have chosen to prioritize attracting new residents from outside of their regions and focusing on those who are going to be able to work entirely remotely. This could lead to EDDs missing the economic advantages of maintaining existing residents.

Buckeye Hills benefits from a number of colleges and universities in their region. In the past students would leave the region shortly after graduating but work from home employment options allow recent graduates to remain in the region they have come to enjoy while still benefiting from a high salary job that would normally require relocation to a large metro area. This and other retention strategies can help to bolster the population of a region.

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As this new labor market takes shape it is important to ensure that attraction of new residents does not overshadow the need to serve residents that have been in the community for years. "Don't forget about the local folks as you make plans to attract new people to your region," says Sam Miller, BHRC's Development Director. "We would be exacerbating extractive economies if we don't listen to rural folks." As regional economies adjust to this new environment, EDDs are wellpositioned to model and support new workplace strategies that can increase the quality of life for people across the economic spectrum.

A somewhat paradoxical element that specifically affects those with a hybrid work schedule is the continued need for a strong commuter infrastructure. When workers are commuting fewer days out of the week, they are willing to accept <u>longer commute</u> times than if they had to commute daily. Longer commutes happening on fewer days will influence the way commuting infrastructure should be built. As a designated Regional Transportation Planning Organization (RTPO), BHRC is in a strong position to study these new commute patterns and make infrastructure recommendations to local and state governments. Rail travel is a particularly attractive transit option given the announced <u>Amtrak expansion</u> coming to the state of Ohio. This increases the size of commuter sheds that would encompass a rural region. Existing residents are also able to take advantage of the work from home and hybrid environments, allowing them to seek career advancement while remaining in place.

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Lessons Learned

- BHRC has used internal hybrid work policies to better integrate their staff into the communities that they serve. This helps to get buy-in from regional stakeholders when it comes time to start new initiatives and brings community concerns to the organization more efficiently.
- Taking advantage of the new hybrid work economy requires infrastructure to support hybrid workers. The cornerstone of this infrastructure is a strong broadband network. BHRC <u>manages</u> <u>and participates</u> in a number of programs that strengthen the regions broadband network and has made broadband deployment one of its CEDS goals.
- In the rush to attract new residents to a community, do not neglect current residents. By doing things like holding <u>conversation sessions</u> while planning CEDS, BHRC is ensuring that the entire community benefits from the economic prosperity of the region.
- Taking advantage of the features and amenities a particular region is key to attracting and retaining residents. BHRC has a number of colleges and universities in its region that help to bring an educated workforce into the area.Promoting and supporting the region's rural character and hybrid work possibilities may help to retain these residents long term.
- Hybrid workers are attracted to rural communities because of the lower cost of housing and living in these areas. BHRC is planning to increase its role in the regional housing conversation as it develops its 2025-2030 CEDS[G(1] . The NADO Research Foundation has a <u>number of</u> <u>resources</u> for EDDs exploring how best to support their regions with housing-related challenges and opportunities.
- The work from home and hybrid work models will alter the way traditional commuter infrastructure is used. As an RTPO, BHRC already has the internal expertise to respond to study and respond to these changes. EDDs that are not RTPOs should look into forming partnerships with organizations that oversee transportation in their regions to ensure they remain connected to the transportation changes that are occurring.

This case study was written by NADO Research Foundation Program Manager Joe D'Antonio.

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