

The “Remote Work” Opportunity for Wisconsin

—Dale Knapp, Director of Research & Analysis, Wisconsin Counties Association

The state of Vermont, the city of Tulsa, and Colbert and Lauderdale counties in Alabama are ahead of the game. Each offer up to \$10,000 for telecommuters to relocate to their respective state, city, or counties.

The hope is that once these workers relocate, they will appreciate the local amenities and remain there long term, bringing incomes and purchasing power that will stimulate local economies. These programs were started before the 2020 pandemic.

COVID-19 has created illness, death, and economic pain. It is likely to have long-lasting impacts as well. One is a large increase in the number of people working remotely, which ultimately may impact where people choose to live. State, county, and municipal officials in Wisconsin need to begin thinking about how to take advantage of this major shift.

Technology & Work at Home

With advances in technology, the number of Americans working from home at least half time has been growing rapidly. During 2010-2017, remote work increased 91%.¹ Despite rapid growth, these remote workers represented a small fraction of the workforce; in 2017 they constituted less than 4% of those employed.

By necessity, work-at-home numbers soared with the onset of the pandemic. Stanford economist Nicholas Bloom estimates that up to 42% of employees nationally were working from home in June.

When the pandemic has run its course, many if not most of these workers will return to their previous

place of work. However, some will continue to telecommute, either full time or on a part-time basis – working from home several days a week and going to the office the remainder of the time.

According to the Survey of Business Uncertainty from the Federal Reserve of Atlanta (FRA), the number of new telecommuters could be in the tens of millions. Their May survey indicated that, following the pandemic, just over 10% of employees will work from home full time, up from 3.4% in 2019. Another 10% of workers will work from home two to four days per week, up from 2.9% last year. In other words, within two years about 20% of all employees are expected to be working remotely at least part time.

These percentages indicate as many as 200,000 workers in Wisconsin and 10 million nationally will begin working remotely full time, joining the 5.5 million Americans who did so in 2019. Similar numbers of workers will begin working remotely on a part-time basis. As technology advances, those numbers will likely continue to grow.

Implications for Residential Location

The dramatic shift in where many Americans do their jobs will likely impact where some of them choose to live. For both single persons and families, the decision on where to live depends on a variety of factors, including commute time, public safety, cultural and recreational amenities, and affordability. Families with children also consider the quality of local schools.

For those who work remotely full time, commute time is no longer a factor in the location decision,

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giving increasing importance of these other factors. The surge in remote work means local amenities will become the most important driver of residential location for a growing number of Americans.

There is an increasing consensus that a surge in working from home will positively impact suburban and some rural areas at the expense of urban locations. For rural and suburban areas to benefit though, broadband must be available, reliable, and affordable.

Bits of anecdotal evidence are already appearing that support the consensus view. One example is a recent CNBC report that tech workers are leaving San Francisco and buying houses in the Lake Tahoe area at unprecedented rates. The report notes that many of these home buyers no longer see any reason to live in the city anymore.

For Wisconsin and its cities and counties, this shift can be a double-edged sword. On one side is the

opportunity to address the demographic challenges the state and many counties face. Over the past decade, 13 Wisconsin counties lost population and another 24 had meager gains of less than 1%. Attracting telecommuters will not solve their population challenges, but it can be part of the solution.

On the other side is competition from other parts of the country. States and localities will be targeting Wisconsin residents who are working remotely. The state cannot afford population losses from residents leaving.

Wisconsin, like nearly every other state, is behind Vermont, Tulsa, and northern Alabama in creating policies to attract telecommuters. If policymakers procrastinate, the state will likely lose out on an opportunity to attract new residents and ameliorate its long-term demographic challenges. ♦

¹ Analysis by FlexJobs and Global Workplace Analytics, 2020



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