



KENTUCKY REMOTE

An Innovative Approach to
Economic Development

REMOTE WORK OPPORTUNITIES

Remote Work & Migration

- 1 in 4 Americans now work remotely full-time
- By 2025, the number of remote workers is expected to double from 2020.
- 14-23 million Americans are planning to move as a result, with 21% choosing to abandon high-priced, urban metro areas ²

Quality of Life vs Cost of Living

- Kentucky cities, such as Lexington and Louisville, are consistently ranked highly for affordability and quality of life measures
- According to a Gallop poll from December 2020, “**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.**”

PROBLEM

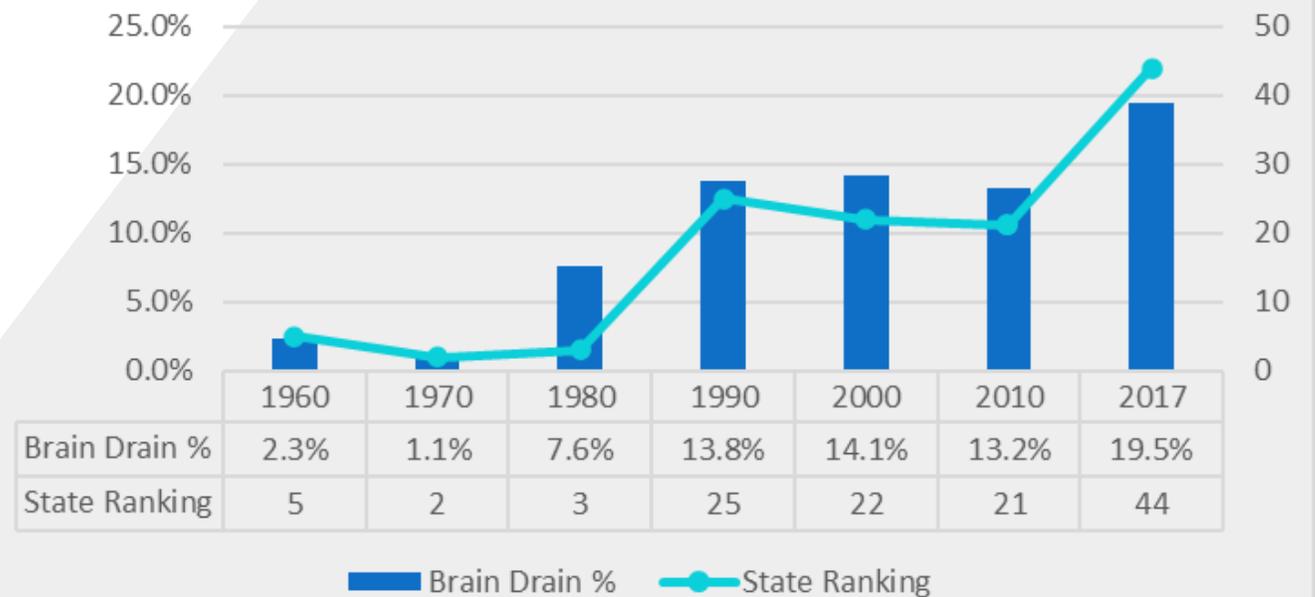
A study by the US Joint Economic Committee found that Kentucky ranks 44th in the nation for **losing our most highly-educated citizens**.

In 1970, we were the 2nd best at retaining talent, giving KY the **worst trend-line change in the nation** over the past 50 years.

This lack of robust labor supply pool creates a **barrier for new businesses and economic opportunities**.

Kentucky Outmigration Trends

(% Highly Educated among Leavers minus % among Stayers)



SOLUTION: REMOTE WORKER INCENTIVE PROGRAM



AN ECONOMIC DEVELOPMENT PROGRAM AIMED AT ATTRACTING **INDIVIDUALS** RATHER THAN COMPANIES, WHICH YIELDS ECONOMIC IMPACT SIMILAR TO ATTRACTING A **TOP PRIVATE-SECTOR EMPLOYER**.

PRIMARY BENEFITS

1. Add high-income citizens to the tax base at No Risk to the State
2. Increase pool of talented workers needed to attract Tier 1 companies (chicken/egg)
3. Less expensive than traditional incentives

RESEARCH: 26 OTHER STATES HAVE SUCCESS WITH INCENTIVES

Examples	Oklahoma	Alabama	Vermont	West Virginia
	"Tulsa Remote"	"Remote Shoals"	"Remote Worker Grant"	"Ascend WV"
Launch Year	2018	2019	2019	2021
Applicants	25,000+	1,800+	2,000+ <small>"thousands" per report</small>	10,000+
Recruited	1,100+	70+	140+	110+
Incentive	\$10,000 Over 1 year	Up to \$10,000 Salary-Tiered	Up to \$7,500 Reimburse Expenses	\$12,000 Over 2 Years
Retention	88% Since 2018	--	--	--
Location	Tulsa, OK	"Shoals" Region	State-wide	Morgantown or Lewisburg
Funded	Non-profit	Government	Government	Non-profit

TULSA REMOTE METRICS PER HARVARD CASE STUDY & INTERVIEWS

- Largest and longest-running program (so far)
- **10,000** applications at launch in 2018
- Since 2018, program has recruited **1,200 new residents** and **88% have elected to stay** past the one-year requirement
- Average annual salary of recruits **>\$100,000**
- Median age is **35**
- **88%** hold a bachelor's degree or higher
- On average, **one additional household member** or employable adult moves for every two program members

2021 ECONOMIC IMPACT RESULTS FROM TULSA REMOTE PROGRAM

- **13 to 1 Return**

Every \$1 spent created \$13.77 in new local labor income

- **1 new job created for every 2 relocated**

New spending from recruits induced 1 new job for every 2 remote workers who relocated

- **By 2025, expected to add \$500M in new earnings and support 5,000 high-impact jobs**

TYPICAL PROGRAM OPERATION



APPLICATION & SELECTION

Identify and Recruit diverse, talented, and community-minded applicants



FINANCIAL INCENTIVE

Up to \$15,000 relocation grant paid to each participant over 1-5 years



COMMUNITY & RETENTION

Coworking and regular community-building events ensure retention

PUBLIC-PRIVATE PARTNERSHIP

Private capital funds and operates



Private capital funds up-front costs
Can scale faster than other states

New tax revenue is shared



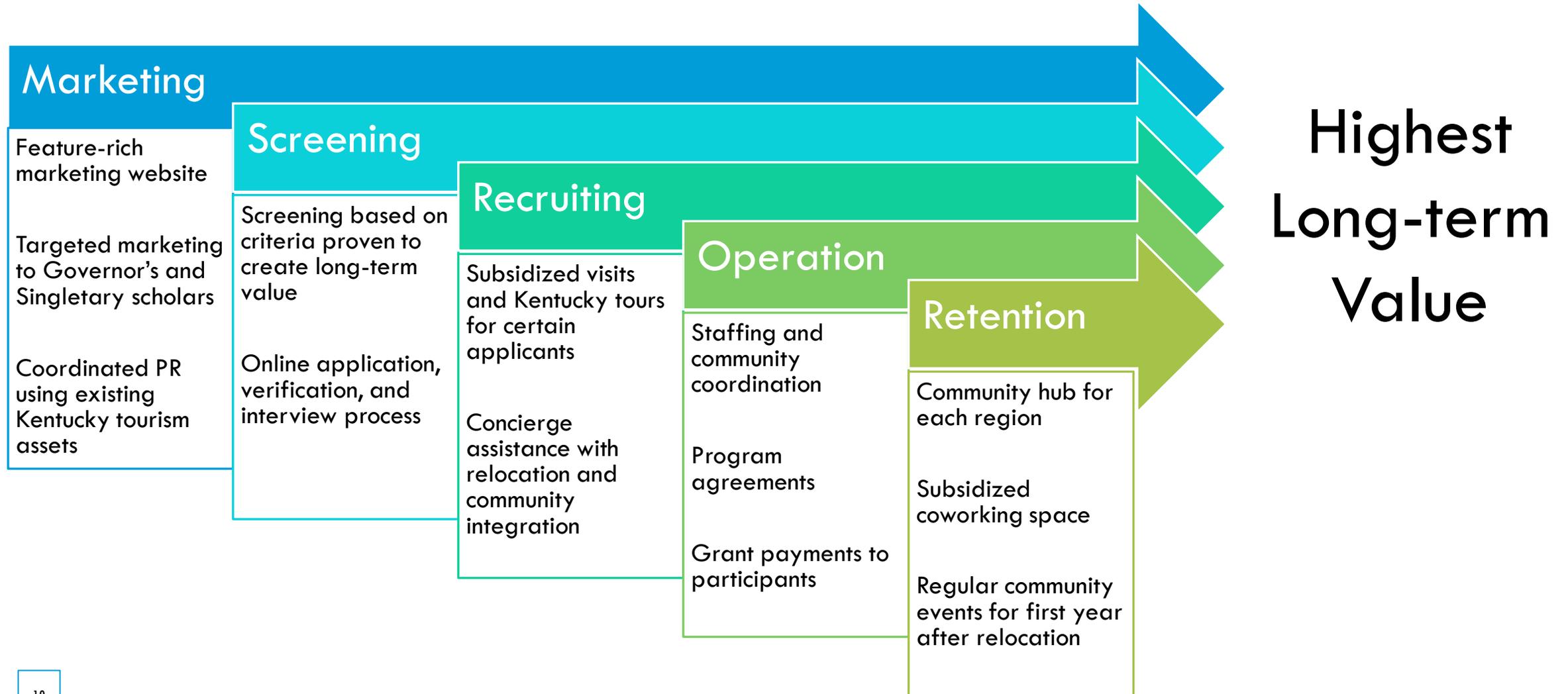
Future tax revenue is tracked and shared
Public/private both benefit from high returns

KY benefits without risk



Potential to add 10,000 remote workers within 10 years
Could add **\$1B to tax base** | Could **↑ tech talent pool 10%**

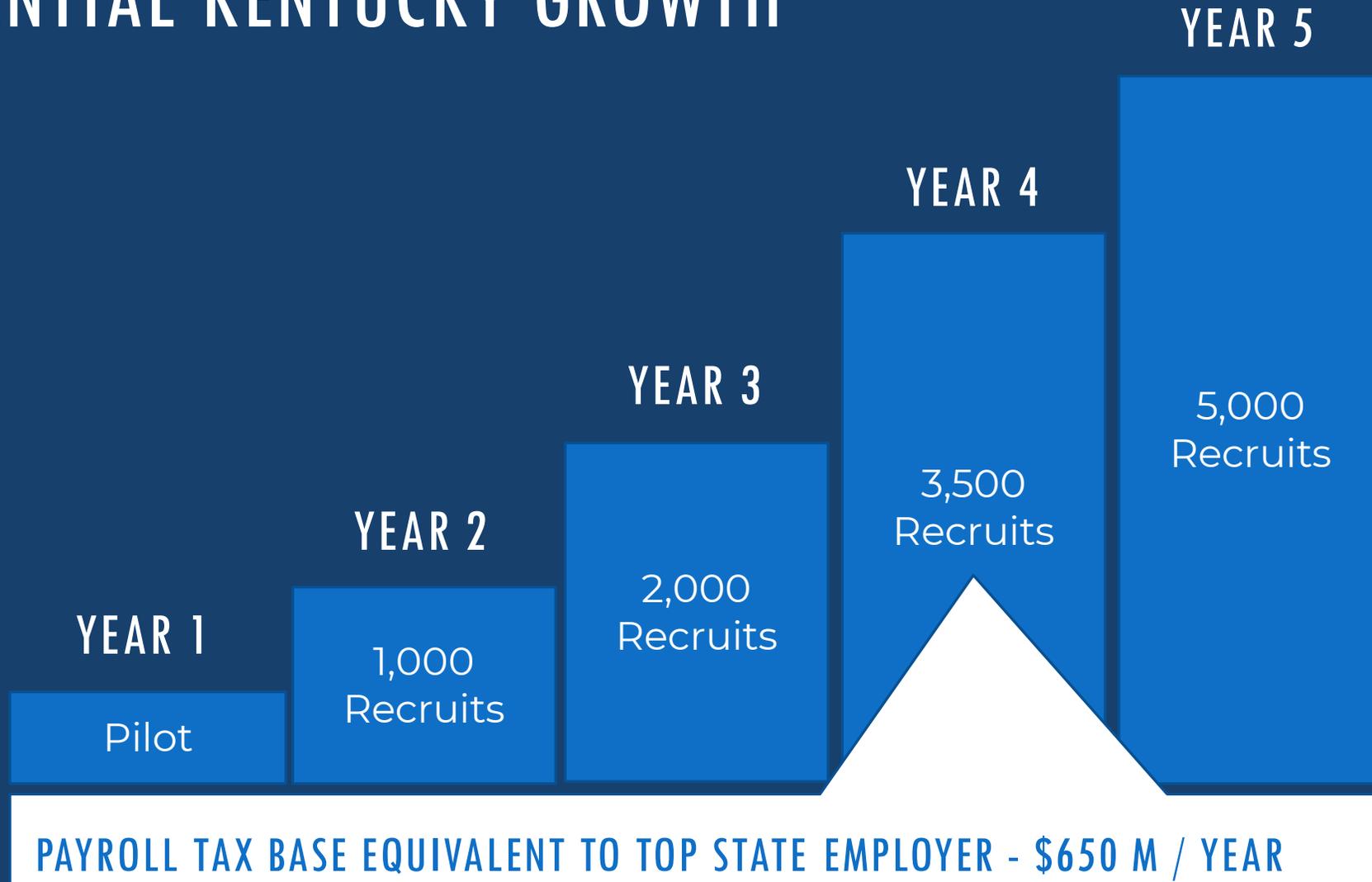
PRIVATE PARTNER CAN OPTIMIZE PROCESS AT EVERY STAGE



KENTUCKY ALSO REAPS INTANGIBLE PROGRAM BENEFITS

- **Program can target former Kentucky, UL, Centre, Transy, Morehead graduates, such as Singletary or Governor's scholars, to bring high-achieving Kentuckians back home. We would aim to create the largest talent database of any state in the country.**
- **Rigorous selection process can target diverse and community-minded citizens**
- **Improving the talent pool will help current employers and attract new ones**
- **Small businesses will benefit immediately from increased local spending**
- **STEM and entrepreneurial communities will benefit from agglomeration effects**

POTENTIAL KENTUCKY GROWTH



APPENDIX

“WORK FROM ANYWHERE IS HERE TO STAY...POLICY MAKERS AND POLITICIANS SHOULD VIEW THIS AS AN OPPORTUNITY FOR ATTRACTING TECH WORKERS AND FUTURE ENTREPRENEURS.”

- Prithwiraj Choudhury, Harvard Business School Professor specializing in the study of Remote Work

“THE TULSA REMOTE PROGRAM...HAS SHOWN PAYOFF IN BOTH **INCOME TAX REVENUE**, PROJECTING A BOOST OF \$1.4 MILLION IN 2020, **AND IN COMMUNITY ENGAGEMENT**; MANY OF THE 300-SOME PARTICIPANTS CONTINUE TO VOLUNTEER LOCALLY.”

- Article in reference to [Harvard's case study](#) on the Tulsa Remote program

AUSTIN, TEXAS: TRANSFORMATION INTO TECHNOLOGY HUB

- ✓ **Austin fuels growth by marketing its high quality of life and low cost of living, which attracts a bright and diverse workforce**
- ✓ **Public-private partnerships and tax incentives help attract high-tech industry**
- ✓ **In 2021, Austin had the biggest influx of tech workers into US cities while SF Bay had the biggest migration out**

Lasting Impact of Targeted Recruiting

- Software company Trilogy spent \$75M hiring and training recruits, bringing 900 high-tech workers to Austin over five years
- 20 years later, those recruits remain in Austin, leading and starting more than 4 dozen new tech companies in the city

At Trilogy, we woke up and realized there wasn't enough talent here, and we went out and did something about it. You either have to invest a lot of money to import it, or you're going to wake up every day saying, 'I can't grow.'

- Trilogy CEO Joe Liemandt