

# The New Face of Economic Development

The pandemic has redefined economic development for many rural communities.

By Trevor Jones / OTELCO

**T**raditionally, the goal of economic development has been to bring large employers to a community. These employers provide jobs and bear more of the tax burden so that more families come to town. Done well, this leads to a healthy cycle of growth for a community. The tools of this mode of economic development have been industrial parks, highways and public utilities such as water and electricity.

That may be changing. I live in Maine, a very rural state with an aging, shrinking population. Apart from its well-known tourism industry, the Maine economy is driven largely by small businesses and cottage industries, and the state has known for years that better broadband is an essential tool for these industries to succeed.

Maine's leaders also know that work will soon become less location-specific for many people. At the ribbon cutting for a community network in Rockport, Maine, almost seven years ago, Sen. Angus King said, "For the first time in history, people can work where they live instead of living where they work."

Though King's words may have been true for some then, they have become significantly more so now thanks to the disruptive influence of a major global pandemic that rapidly forced remote work into the mainstream.

## RISE OF REMOTE WORK

COVID-19 has driven remote work forward like nothing ever has before. According to Statista, only 17 percent of respondents worked remotely five days a week before the pandemic. After the pandemic, that number increased to 44 percent. Many of those people have now been working remotely for a year or more, and those of us who are hiring know that prospective employees now want and expect the option to work remotely.

Here in Maine, that means that people "from away" are starting to move here, lured by the state's open spaces and quality of life. Real estate prices have skyrocketed because demand exceeds supply in much of the state – at least in those areas with good broadband connectivity. Meanwhile, news outlets report an exodus from major cities. A recent article in *The Atlantic* noted that rents are falling rapidly in pricey coastal "superstar cities," and migration is taking people away from populous states to more rural locales.

This trend toward remote work may change the way towns and cities look at future economic development. Rather than starting by trying to attract employers, it may soon be more effective to start with residents. Consider what will happen if those remote employees who moved into rural areas are able to maintain their remote work environment after the pandemic is over. They will begin to patronize local restaurants, shops and service providers. This will create jobs and fuel local economies.

Economies such as Maine's, which enjoys a healthy tourist component, also will benefit from the increased capacity for remote work. Seasonal residents able to work remotely can spend more time in their vacation homes. Some may even make their residency permanent, although here in Maine that may require hardy souls.

## ENABLING RURAL BUSINESS LOCATIONS

The migration to rural communities will also make it possible to start businesses in rural communities where it might not have been feasible before because availability of talent is now much less of an issue. When skilled professional staff can work from anywhere, it's no longer necessary to place primary offices where there are large numbers of available workers. In addition, skilled professionals who will form the basis for these future organizations are already distributing themselves to rural communities where they will start their own businesses or join local operations in the future.

If it's true that the economic development of the future starts with people rather than businesses, then the tools that drive economic development will change. Instead of industrial parks and transportation, the focus will be on broadband, schools and quality of life.

Personally, I'm excited at the prospect of what might happen when leaders at the local level focus more on making communities great places to live than on bringing in the next big employer. ❖

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