A NATIONAL NONPROFIT

The Center on Rural Innovation

Changing the landscape of our nation's tech economy
Introductions

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We believe that **small towns are home to big ideas** — and new models of economic development can empower rural communities across the U.S. to participate in and benefit from **the nation's growing tech economy**.
We are facing the largest rural opportunity gap in history.
Employment in tradable sectors has fallen

Change in rural tradable goods sectors in CSG South states
Nonmetro employment: 1969-2020

~800k rural manufacturing jobs lost since 1995

Source: Bureau of Economic Analysis
Rural tradable services growth has stalled

Change in tradable services sectors in CSG South states

2001 - 2020: 100 = 2001 employment level

Rural areas  Non-rural areas

Source: Bureau of Economic Analysis

We are facing the largest rural opportunity gap in history.
Rural America has been left out of the tech economy

Workers in metro areas are more than twice as likely to be employed in tech occupations than workers in rural America.

Source: ACS 5-year estimates (2021)
Entrepreneurship is at an all time low

Rural startup rates collapsed during the Great Recession and never recovered.

Source: Business Dynamic Statistics
Digging deeper...

This opportunity gap is even more pronounced for the rural Black population.

The employment rate is 30% lower than that of the metro Black population ...

... and per capita income is 50% lower.

And nearly 50% of the rural Black population lives in persistent-poverty areas — compared to 12% of the rural white population, and 9% of the metro Black population.

Sources: American Community Survey.
New models of economic development
Why tech-based economic development?

Local job creation

Each high-tech job created leads to the creation of three to five additional jobs in the local economy.\(^1\) \(^2\)

Higher earnings, job security, and career growth opportunities

Software developers in rural areas earn an average of $38 per hour, more than twice the median hourly wage of the average rural worker ($14.68).\(^3\)

Sources: (1) Moretti (2012); (2) Bartik & Sutherland (2019); (3) CORI analysis of EMSI BG data
The opportunity for the rural tech economy

3x
Computer occupations are expected grow three times as fast as the national average...¹

3 to 5 new jobs
... and for every one high-tech job created, three to five additional jobs are created by other firms locally.²³

2nd
Tech jobs were the second-fastest-growing occupation in rural America between 2019 and 2021...⁴

18,000
... and in 2019, more than 18,000 people graduated from a rural postsecondary institution with a degree or certificate in a tech-related field.⁵

Sources: (1) Zilberman & Ice (2021); (2) Moretti (2012); (3) Bartik & Sutherland (2019); (4) American Community Survey; (5) IPEDS
Geographically, tech jobs are clustered in a few large cities

Between 2014 and 2019, 96% of new tech jobs created were in metropolitan areas.

Source: Bureau of Economic Analysis and RUCC data
# Addressing equity through tech

<table>
<thead>
<tr>
<th>RACE</th>
<th>GENDER</th>
<th>INTERSECTION OF RACE AND GENDER</th>
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<tr>
<td><strong>Latinx</strong> workers comprise <strong>less than 7% of tech occupations</strong>, but 18% of the U.S. workforce.</td>
<td><strong>Women</strong> account for only <strong>26%</strong> of roles in computer and math occupations.</td>
<td><strong>Less than 2%</strong> of all tech workers in Silicon Valley are Black, Latinx, Native American, or Alaska Native <strong>women</strong>.</td>
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<td><strong>Black workers</strong> account for <strong>less than 4% of tech roles</strong> at large US tech companies, but <strong>13%</strong> of the U.S. workforce.</td>
<td>Across large tech companies, <strong>women</strong> account for <strong>less than 33%</strong> of the total workforce and only <strong>25% of technical roles</strong>.</td>
<td><strong>Women of color account for 80% of new female-led small businesses.</strong> In tech, Black women specifically account for <strong>less than 4%</strong> of female-led tech startups.</td>
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**Sources:** (1) Deleersnyder et. al. (2021); (2) Goins et. al. (2022); (3) NGCP (2022); (4) Hupfer et. al. (2021); (5) Kapor Center (2018)
Technology is enabling innovation to take place in new areas

**Knowledge spillovers:**
Physical closeness and unexpected interactions

**Talent:**
Proximity to large talent pools

**Access to capital:**
Large pools of capital and investors

**Access to customers:**
Proximity to profit

- Internet expanding access to knowledge
- Remote work
- Growing fully remote investment
- Networking and customer relations platforms

Knowledge spillovers:
- Physical closeness and unexpected interactions

Talent:
- Proximity to large talent pools

Access to capital:
- Large pools of capital and investors

Access to customers:
- Proximity to profit
Supporting rural ecosystem builders
CORI’s tech economy ecosystem model

A model for community progress:
- Clear outcomes
- Deep understanding of required elements
- Awareness of interdependence of all elements
Our comprehensive approach to this work

We partner with communities throughout the entirety of their economic development journey.

- Rural economic development expertise
- Grant writing support
- Access to data and research
- National partnerships and resources
- CORI Innovation Fund
- Nationwide network and community

Assessment  Strategy  Funding

Community of practice (Rural Innovation Network)
CORI’s Rural Innovation Network

- **28** communities across 21 states and four time zones
- **1,900,000+** covering a population of more than 1.9 million people, which is more than Phoenix, AZ
- **7,000** Network residents completed more than 7,000 hours of digital skills training in 2020
CORI’s Rural Innovation Initiative

We've helped our communities raise more than $18.5M in federal funding and matching dollars through the Economic Development Administration’s highly competitive Build to Scale Venture Challenge Grant (formerly called the i6 Challenge).
Expanding our work across the South
What we look for in a community

- Micropolitans
- Populations 5,000 - 49,999
- Excited leadership
- Higher ed institution within 30 minutes
- Adequate broadband
- Tech talent
- Diversity
In 2021, Shenandoah Valley secured $2.5M in federal and local match

3 Yr Impact: 15+ tech startups, 36 new entrepreneurs, 50 jobs

“The positive spillover effects of spending by these businesses and employees will have an outsized impact on this rural region.”
Cape Girardeau, Missouri

- **Scalable tech entrepreneurship support and incubation**
  - Codefi: Entrepreneur support and formal incubator efforts (founded in 2014)
  - Launched 1st50K startup competition in 2015

- **Coworking and entrepreneurship space**
  - Codefi: Coworking space and entrepreneur networking

- **Digital workforce development and support**
  - Code Labs One: 20-week adult coding course

- **K-12 STEM Education**
  - Youth Coding League: After school program for middle schools using Google’s CS First curriculum

- **Broadband**
  - Downtown Cape Connect: Delivers free public WiFi
  - 10GB fiber

- **Access to digital jobs**
  - Codefi: Pairs entrepreneurs needing tech talent with newly skilled workers and expert support
Wilson, North Carolina

- **Scalable tech entrepreneurship support and incubation**
  - RiOT Accelerator Program: 12-week guided program for early stage startups
  - Network of more than 75 companies representing a variety of technology resources and services

- **Coworking and entrepreneurship space**
  - GigEast Exchange fosters a culture of innovation through wraparound supports for startups, including coworking space

- **Broadband**
  - North Carolina’s first gigabit city
  - Fiber to the home for every resident and business in Wilson

- **Inclusive tech culture**
  - “To be in Wilson is to feel like you belong.”
    - Kellianne Davis, Downtown Business Specialist
Pine Bluff, Arkansas

- **Coworking and entrepreneurship space**
  - The Generator innovation hub powered by Go Forward Pine Bluff

- **Scalable tech entrepreneurship support and incubation**
  - Gentrepreneurship Program: 13-week accelerator for startups

- **Tech workforce development and access to tech jobs**
  - Summer Tech Academy
  - Host AmeriCorp VISTAs

- **Access to Capital**
  - Pitch competitions
Building inclusive tech ecosystems

Grant supported tech ecosystem building projects for distressed and BIPOC majority communities in the south

1. **Walton Family Foundation** - The Delta region
2. **Microsoft** - Selma, AL
3. **T.L.L. Temple Foundation** - Nacogdoches County, TX
Tennessee Rural Broadband Project

- Worked with The Ayers Foundation to deliver broadband technical assistance in at-risk and distressed counties with significant gaps in broadband availability.
  - Engaged with county mayors, and expanded to involve a diversity of stakeholders, including internet service providers, municipal utilities, electric cooperatives, and rural telephone companies
- Applied for broadband infrastructure funding through the Tennessee Emergency Broadband Fund - American Rescue Plan (TEBF-ARP) grant program.
- Recently it was announced that 13 at-risk and distressed counties we worked with across Tennessee have secured more than $80.4 million in broadband expansion grants from the state.
Thank you

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