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INSIGHT

Remote Worker Relocation Assistance Programs

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In recent years, a number of U.S. cities and states have started programs to offer financial incentives to certain individuals—particularly those engaging in remote work—to relocate to certain places. While some of these remote worker relocation assistance programs (RWRAPs) existed before the COVID-19 pandemic, several of them expanded during that time, as many professions adjusted their practices to allow some individuals to live in places other than where their job had been located.

A number of researchers have begun to analyze the economic impacts of RWRAPs. This Insight summarizes selected RWRAPs, discusses the emerging research on the programs' impacts, and presents considerations for Congress.

How do Remote Worker Relocation Assistance Programs Work?

Broadly, RWRAPs offer cash or other benefits (e.g., networking assistance or coworking space) to individuals who relocate to an area and make a commitment to stay there for a certain period of time. For example, the Northwest Arkansas Council's Life Works Here program, which began in November 2020, offered individuals $10,000 (and a free bicycle) to move to northwest Arkansas and stay in the area for at least six months. While the program is now closed, the Northwest Arkansas Council reported that it received over 66,000 applications and made 100 awards. Of those applicants, 65% had no prior connection to northwest Arkansas.

Similarly, the Remote Shoals program, started in June 2019 and administered by the Shoals Economic Development Authority, offers full-time remote workers up to $10,000 to move to The Shoals region of Alabama. As of February 2022, the program had received over 2,300 applications and selected 102 applicants.

Another RWRAP that has received national attention serves Tulsa, Oklahoma. Started in 2018 with funds from a private foundation, the Tulsa Remote program offers remote workers living outside of Oklahoma

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$10,000 to move to Tulsa and stay for at least one year. As of December 2023, over 2,800 people had participated in the program.

What Are the Programs' Impacts?

Although some RWRAPs are relatively new (and therefore may not be mature enough in their implementation to provide conclusive evidence), researchers and government officials have developed some findings about the programs' initial outcomes and effectiveness.

Some research has found positive impacts associated with the programs. For example, a 2022 study from the Brookings Institution focused on Tulsa Remote found that, compared to individuals who were accepted into the program but had not yet moved, program participants had an approximately $26,500 increase in real annual income after moving to Tulsa (due to in part lowered costs of living)—despite the two groups' income being relatively similar in 2018. In addition to the financial support offered by the program, the researchers noted that the program's non-financial benefits, such as assistance with connecting to various community networks, contributed to higher incomes.

Other studies on Tulsa Remote found similarly positive outcomes. In 2021, the Economic Innovation Group found that the program was responsible for generating almost 600 jobs in the Tulsa area that year, nearly 400 of which resulted directly from relocated remote workers, with the remainder being created indirectly from economic demand generated by the relocated workers. The study also concluded that by 2025 the program would add approximately $500 million in new earnings to the regional economy.

Not all analysis of RWRAPs has reached similar findings. For example, in analyzing the Choose Topeka program (which provides up to $10,000 for remote workers to relocate to Topeka, Kansas), the Kansas Policy Institute noted that from 2019 to 2021, Shawnee County (where Topeka is located) had lost a far greater number of residents to outmigration than had been brought in by Choose Topeka, potentially offsetting the benefits of the new residents.

In Vermont, which has offered a new resident relocation incentive since 2018, a 2019 report from the state auditor found that it was difficult to assess whether the incentive truly caused people to move to Vermont, or whether the individuals who received the funds would have relocated to the state regardless of the incentive. The report characterized the relocation incentive as being of "questionable value."

Considerations for Congress

While the federal government does not offer RWRAPs and does not play a direct role in implementing state or local economic development, Congress does maintain an interest in regional economic development policy, for example through funding seven federal regional commissions and authorities. (See CRS Report R45997, *Federal Regional Commissions and Authorities: Structural Features and Function*.) These entities administer certain workforce development programs, such as the Appalachian Regional Commission's Partnerships for Opportunity and Workforce and Economic Revitalization (POWER) Initiative, which works to ease the economic effects of energy transition in coal industry-dependent communities.

Congress has not authorized any federal RWRAPs. However, previous Congresses have considered certain relocation assistance benefits for unemployed workers. For example, in the 116th Congress, the ELEVATE Act of 2019 (H.R. 556 and S. 136) would have provided $2,000 or more to fund up to 90% of certain relocation expenses for eligible unemployed individuals that had received (or had a reasonable expectation of receiving) a job offer in the area to which they wanted to relocate. Should Congress propose similar programs again it may consider including aspects of RWRAPs which researchers have noted as particularly useful, such as Tulsa Remote's emphasis on non-financial benefits.

There may be a risk of RWRAPs creating a "race to the bottom," whereby when one jurisdiction offers an RWRAP, other jurisdictions feel pressure to also offer a similar benefit to keep pace, with potentially negative fiscal consequences. Should this become a concern, Congress may be able to encourage states and cities offering RWRAPs to take a more collaborative approach, including through programs similar to those implemented by the regional commissions and authorities. Alternatively, Congress may decide it does not have a role in such state- and local-specific economic development efforts.

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