



**A NATIONAL NONPROFIT**

# The Center on Rural Innovation

**Changing the landscape of our  
nation's tech economy**



## **Center on Rural Innovation**

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Advancing inclusive rural prosperity through tech economy ecosystems that support scalable entrepreneurship and tech job creation.





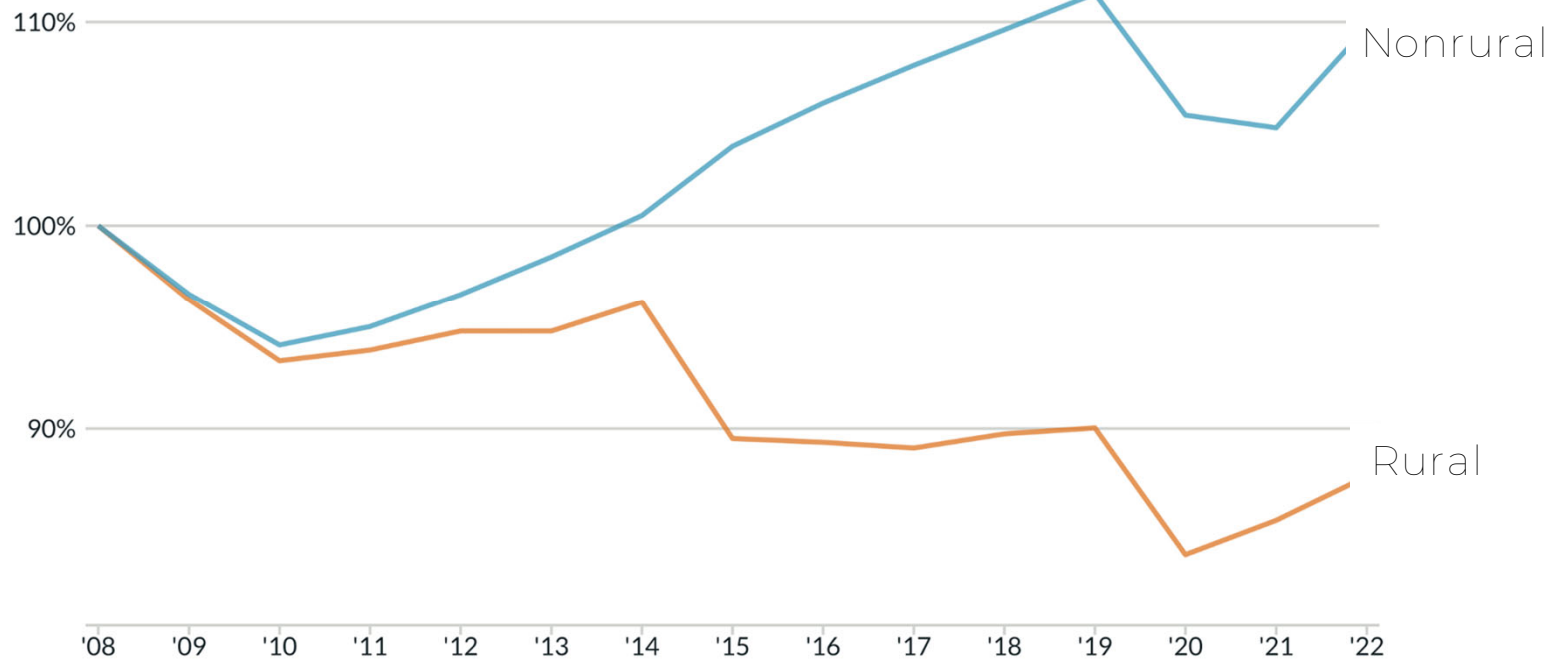
## WHO WE ARE

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**.



## WHY WE EXIST

### Rural vs. urban job growth



Employment relative to 2008 levels

## HOW DID THIS HAPPEN?



Automation



Globalization



Decline in  
entrepreneurship

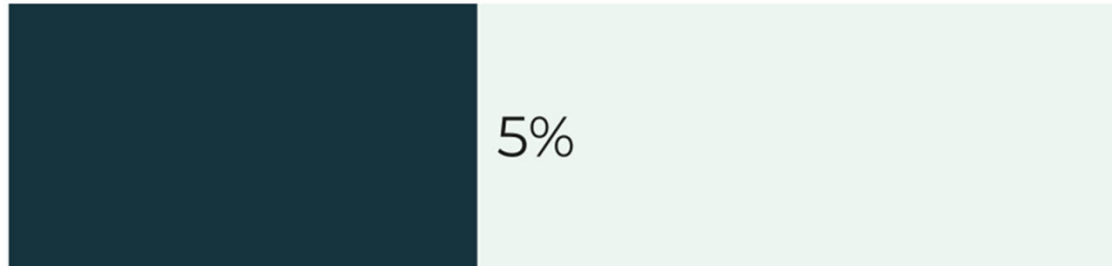
## THE CHANGE WE NEED

Rural Americans are underrepresented in tech jobs

Rural  
America's  
share of  
the **total**  
**workforce**



Rural  
America's  
share of  
the **tech**  
**workforce**



Source: ACS 5-year estimates (2021)

## HOW TECHNOLOGY HAS CHANGED THE LANDSCAPE

In rural areas, 30% of tech workers are employed by “non-tech” industries

### Missing tech employment by core non-tech rural industry

Comparison of the rate of tech employment within core non-tech rural industries to the national rate of tech employment for the same industries

Industry	Current rural tech employment	Missing rural tech employment
Manufacturing	14,634	42,836
Government	23,971	17,654
Banks	7,547	5,741
All other finance and insurance	3,822	5,172
Mining	2,296	2,336
Colleges, universities, and professional schools	15,940	2,307
Hospitals	3,733	2,185
Insurance carriers	2,496	1,930
Utilities	2,124	1,482
Elementary and secondary schools	579	228
<b>Total</b>	<b>77,143</b>	<b>81,871</b>

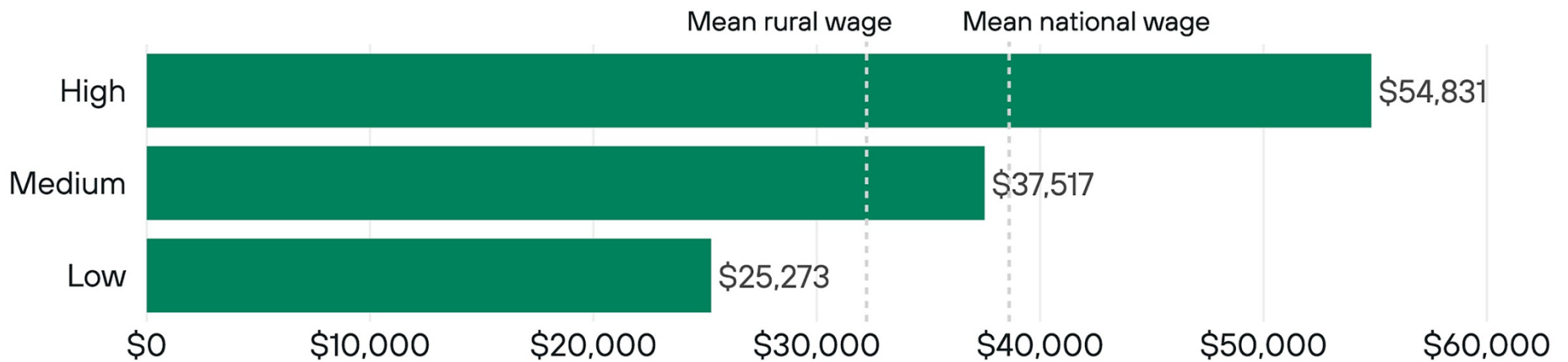
Rural employers in non-tech industries could employ over 81,000 more tech workers, if they were hiring at the same rates as the national average for those industries.

## HOW TECHNOLOGY HAS CHANGED THE LANDSCAPE

Workers in highly digital jobs earn more than those in jobs that use less technology

### Mean annual wage of rural workers by digitalization level

Avg. median earnings in the past 12 months in 2019 inflation-adjusted dollars





## HOW DO WE FILL THESE GOOD-PAYING JOBS?

1. Local and national employers must look at the rural workforce as an untapped resource.
2. Rural Americans will need the skills and training to do the work.



## WHY VISIBILITY MATTERS IN TECH

- Nearly 60% of rural adults find tech work appealing
- More than 1/3 of rural tech workers plan on pursuing digital skills training in the next two years
- Of those who are aware of a tech job in their community, 44% felt optimistic about getting a job locally...

... whereas among those who were unaware of local opportunities, only 15% believed they could be hired into a local tech job.



An aerial photograph of a town with a waterfront. In the foreground, there are several large, flat-roofed buildings, likely industrial or commercial. A street with cars and a few trees runs between the buildings and the waterfront. In the middle ground, there is a marina with many boats docked. Beyond the marina, there is a large body of water, possibly a lake or bay, with a distant shoreline visible under a clear sky.

## TECH DRIVES REGIONAL ECONOMIES

3 to 5 new jobs

For every high-tech job created, three to five additional jobs are created by other firms locally.

3x growth

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





## TECH DRIVES REGIONAL ECONOMIES

3rd

Tech jobs were the third-fastest-growing occupation in rural counties between 2014 and 2019.

18,000

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





## OUR VISION

In the age of the internet, there should be no limit to where tech talent and visionary founders can thrive.



# BUILDING A TECH ECONOMY ECOSYSTEM

## Necessary Infrastructure



Broadband Infrastructure

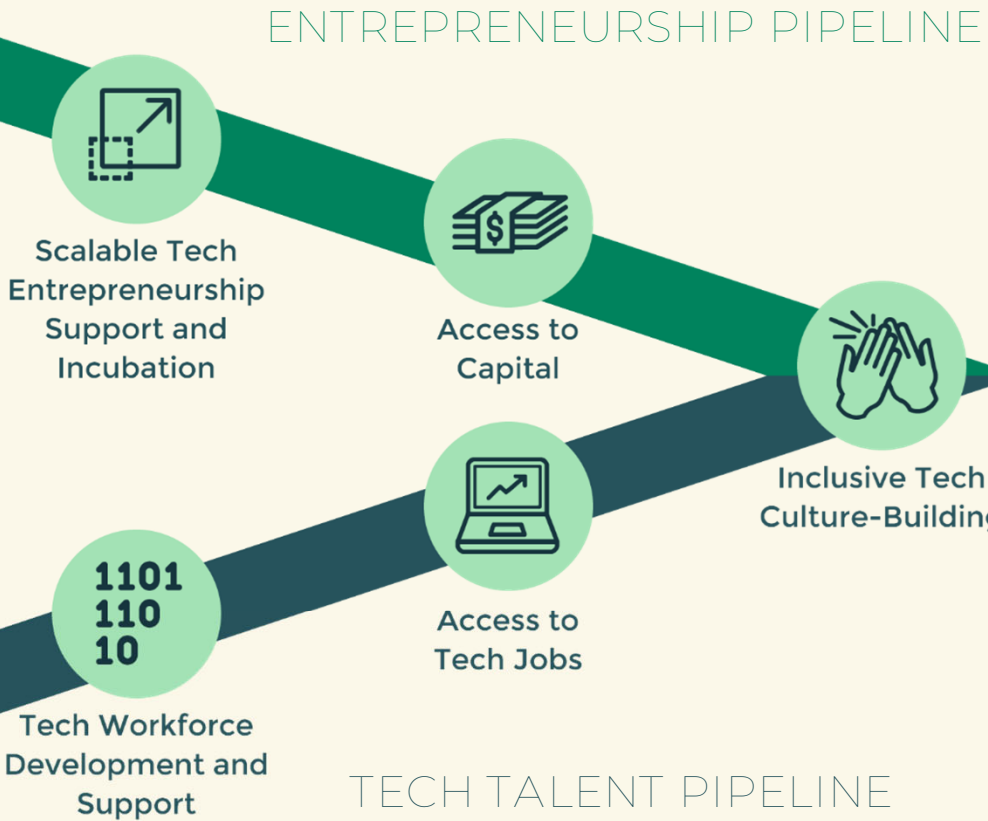


Local Leadership Capacity



Coworking and Entrepreneurship Spaces

## Direct Drivers



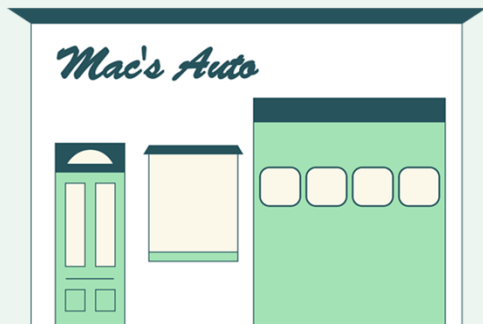
## OUTCOMES

## WHAT DOES SCALABLE TECH ENTREPRENEURSHIP LOOK LIKE?

### Small businesses

The local auto shop — if it's tech-enabled, it has a website with their number to call and book an appointment

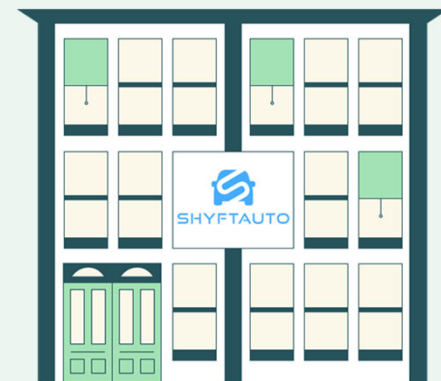
- *Small local businesses are invaluable community assets, but not the focus of this work*



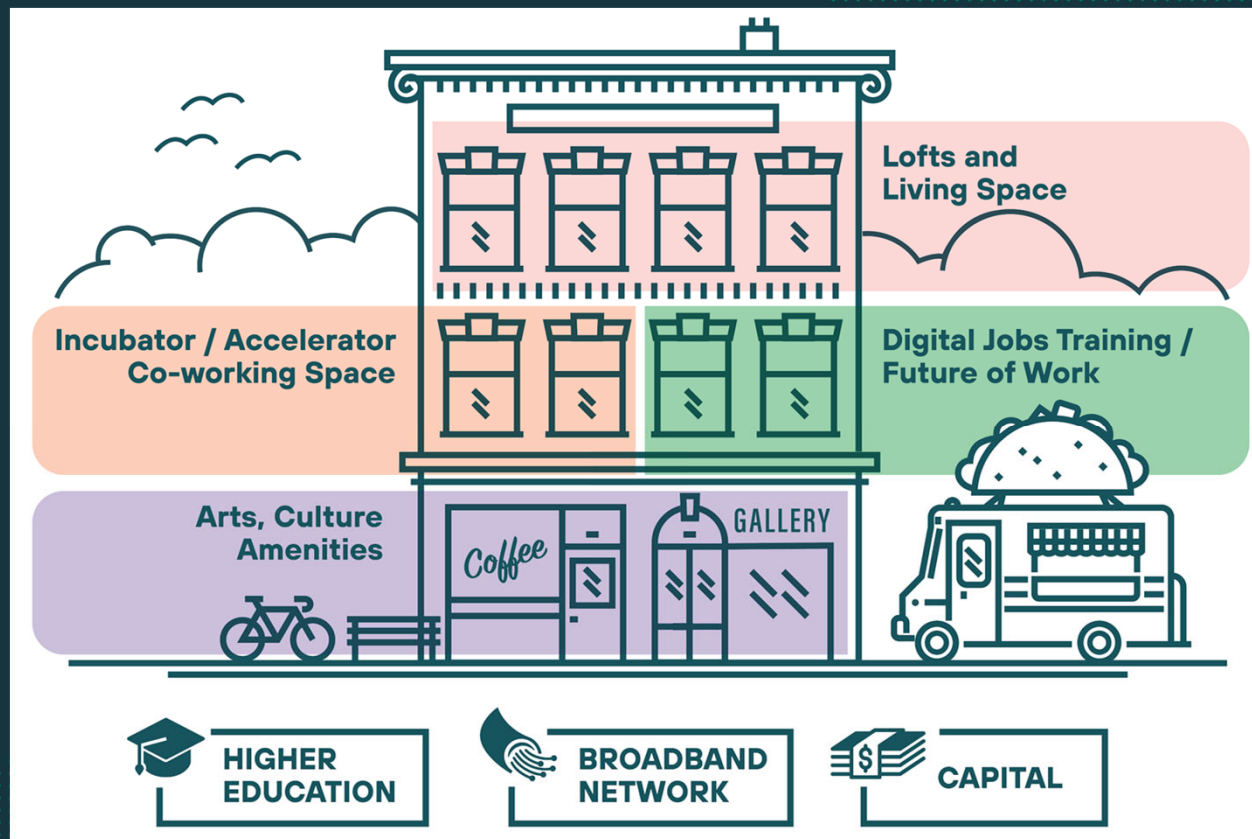
### Scalable tech startups

The platform that powers and enables the auto shop to schedule appointments and track service and payments digitally

- *Focusing on scalable tech entrepreneurship inspires a culture of innovation and creates high-paying jobs*



## HELPING COMMUNITIES BUILD INNOVATION HUBS



Connecting key assets in one centralized location.



## OUTCOMES OF A THRIVING TECH ECOSYSTEM



## THE RURAL INNOVATION NETWORK

- Through the Rural Innovation Initiative, we have helped rural communities raise more than \$40M to support the development of their local tech economies.
- Our Rural Innovation Network includes 38 communities across 24 states and growing.
- Our Network communities cover a population of nearly 2.9M .
- Our Network is home to more than 20 incubators and accelerators that support local tech startup founders and innovators.



## WHERE WE WORK



Communities that have:

- A population between 5,000-50,000, and are not suburbs of urban areas
- Fiber internet at least in the downtown core, or at least 75% of population has access to broadband
- A postsecondary institution in the region
- Local leadership capacity



## EXAMPLES FROM OUR NETWORK



We've seen this take different forms across the country:

- Aberdeen, South Dakota
  - Partnered with local ag coop to launch Northern Innovation and Startup center
- Cherokee Nation, Oklahoma
  - Applying to fund healthtech incubator
- Northeast Kingdom, Vermont
  - Creation of a forestry accelerator



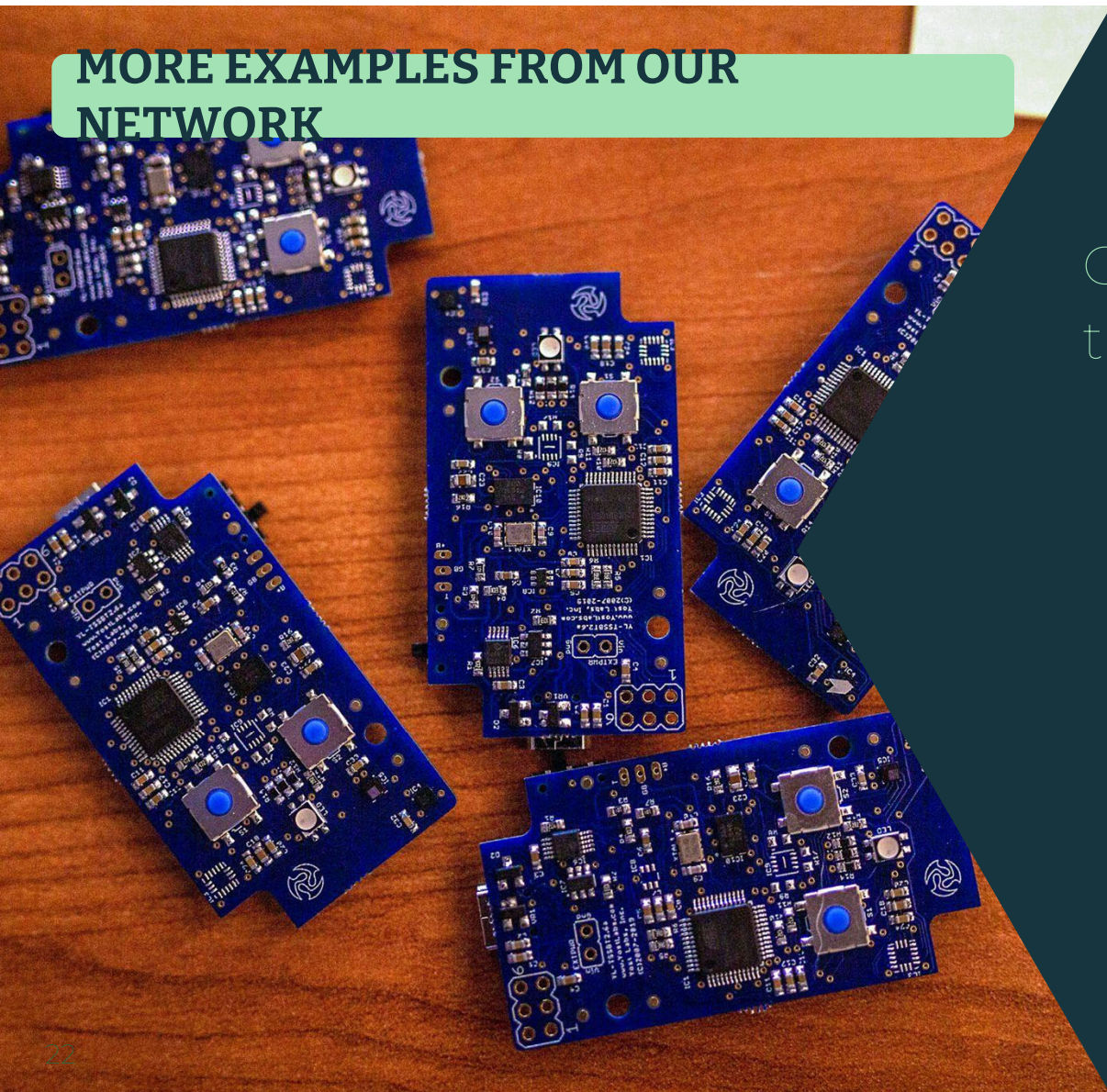
## CASE STUDY: TAOS, NEW MEXICO



The UNM-Taos HIVE has taken a comprehensive approach to building its tech ecosystem:

- Physical space: The HIVE
  - Coworking
  - Classes
- Tech training partnerships with CORI
- EDA Build to Scale funding for the HIVE Pollinator
  - Eship, mentorship, incubation, acceleration

## MORE EXAMPLES FROM OUR NETWORK



Other communities taking the lead in different ways:

- Portsmouth, Ohio
  - Kricker Innovation Hub
- Norfolk, Nebraska
  - Northeast NE Innovation Hub
- Rutherford Co., North Carolina
  - XRAIL Center



## Recommendations from what we've learned:

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- Most communities already have what they need to succeed
- Collaboration is the key to success
- There's no one-size-fits-all approach

# Thank you

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