



Regional Talent Retention and Attraction Programs

Prospective Strategies for Michigan Communities

July 2024

LET'S GROW
Michigan



**PUBLIC SECTOR
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Introduction

According to some estimates, the U.S. could be facing a talent deficit of more than six million highly skilled workers by 2030, with global talent shortages in high-growth sectors like technology.¹ In other words, “the war for talent is on.”² Data presented in the Growing Michigan Together Council’s December 2023 report highlighted Michigan’s aging population and stagnant population growth as a key factor limiting economic growth and shared prosperity in the state. Of particular importance is reversing the trend of domestic outmigration from Michigan, and instead driving positive net migration by retaining and attracting young workers and their families to the state.

Additionally, despite being home to several world-class higher education institutions that attract talent from across the globe, Michigan is currently a net exporter of college-educated talent. This too must shift to support Michigan’s goal of becoming an innovation hub—a key strategy outlined in Michigan’s blueprint for growth. As a top state for patent creation, clean energy investment, and home to the second fastest growing start-up ecosystem in the world (Detroit³), Michigan is poised to succeed, but must attract and retain the workforce talent that

¹ Korn Ferry. n.d. “Future of Work: The Global Talent Crunch.” *Korn Ferry*.
<https://www.kornferry.com/content/dam/kornferry/docs/pdfs/KF-Future-of-Work-Talent-Crunch-Report.pdf>

² Burrola, Innesa. June 28, 2023. “The War for Talent is On.” *Forbes*.
<https://www.forbes.com/sites/forbesbusinesscouncil/2023/06/28/the-war-for-talent-is-on/>

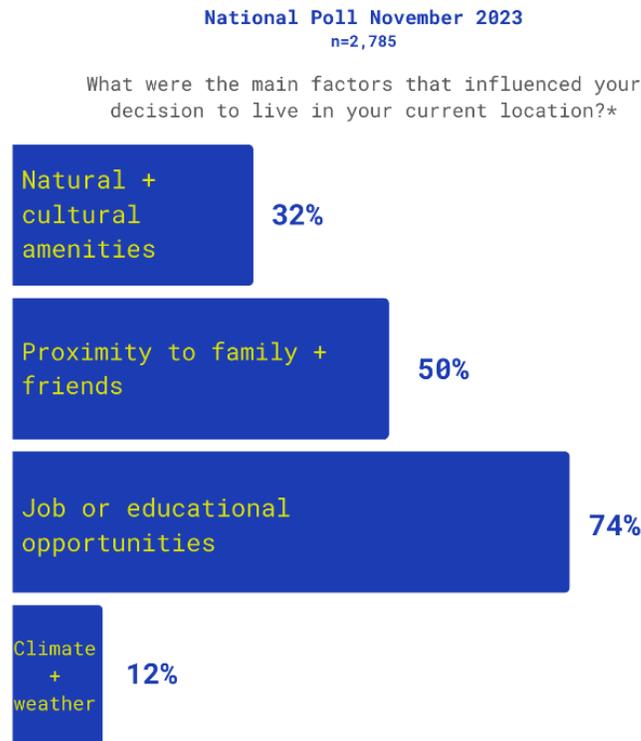
³ PitchBook. July 2024. “Global VC Ecosystem Ratings.” *PitchBook Data Inc.*
https://files.pitchbook.com/website/files/pdf/Q4_2023_PitchBook_Analyst_Note_Global_VC_Ecosystem_Rankings.pdf

innovative, high-growth companies prioritize when selecting communities to start and scale operations.

The population challenges facing each Michigan community are distinct. Some have struggled with decline for decades, while others must recruit talent to meet growing sectors. It's critical to honor the unique regional circumstances and opportunities to design effective local growth strategies. However, one thing is universally true: the likelihood of domestic migration decreases with age. In other words, retaining and attracting the young workers, recent graduates, and young families that power local economies is critical to establishing a productive cycle of population and economic growth.

In November 2023, the Growth Office conducted a national poll to gain a better understanding of the factors that high-demand, young talent prioritize when selecting a community to call home. The top four factors are summarized in Exhibit 1 below.

EXHIBIT 1: November 2023 National Poll Results



*Respondents were asked to rank the factors 1-6, with 1 being the most important factor when considering moving to a new location. The graph reflects the percentage of respondents who ranked each factor as 1 or 2.

N=2, 785

Respondents' top three motivators were:



Job and educational opportunities



Proximity to family and friends



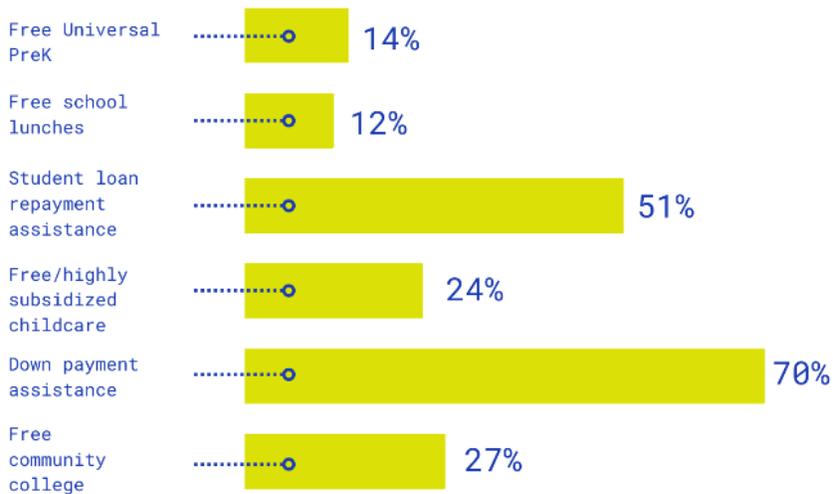
Natural and cultural amenities

A community, state, or region cannot exercise direct control over each of these three drivers of home selection. However, in addition to policy work and placemaking focused on retaining and attracting talent, communities can 1) proactively communicate local opportunities and unique natural and cultural resources and 2) deploy relocation-focused market interventions to tip the scales in their favor. Talent retention and attraction programs that do just that are becoming more common across the country. In a national poll, respondents were asked which policies and program benefits would have the greatest impact on their relocation decisions, should they choose to move, with follow-up polls conducted in May and June of 2024 validating the consistent results presented in Exhibit 2.

EXHIBIT 2: 2024 National Polling Results

National Poll May 2024

Which of the following, if offered, would most strongly cause you to consider moving to a new location?*

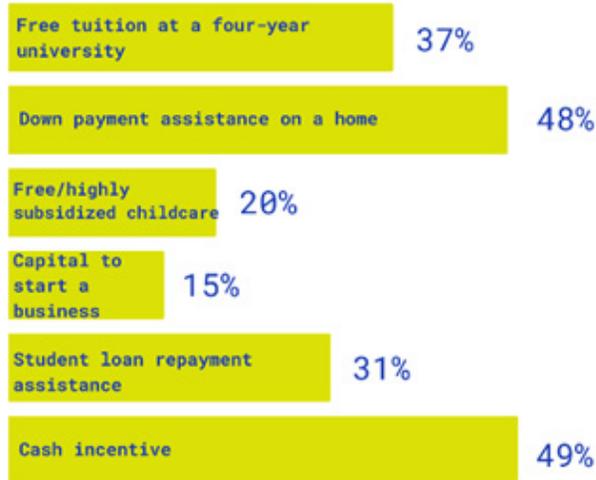


*Graph shows responses from participants who indicated they plan to move or were not sure of their relocation plans. n=3,678

Among respondents who identified as parents, the most motivating program benefits were instead down payments assistance, which remained first, followed by free universal pre-k in the place of student loan repayment assistance.

National Pulse Poll June 2024

Which of the following, if offered, would most strongly cause you to consider moving to a new location?*



*Graph shows responses from participants who indicated they plan to move or were not sure of their relocation plans. n=888

Across polls, the three most frequently identified program benefits include:



Down payment assistance



Monetary incentives



Free or subsidized post-secondary education

Talent Retention and Attraction Programs

In the context of the “talent war” and the mobility of talent under the new norms established with remote work, economic development has evolved to include a greater focus on talent attraction and retention. As such, establishing amenity-rich communities is critical to leverage unique regional assets as magnets for talent. As a complement, developing regionally specific talent retention and attraction programs to highlight those assets and address local challenges can support a broader growth strategy and kickstart growth by connecting communities to a highly mobile talent pool.

The following report is not a comprehensive collection of strategies; instead, it provides examples of talent attraction and retention programs deployed across the United States, consistent with the strategies national poll respondents identified as the most impactful to their future relocation decisions. Many other program ideas could be ideal for the specific challenges and opportunities facing a given Michigan community.

The program types displayed below are separated into three categories. In each section the report reviews example programs and discusses their relative efficacy where available. A common type of program, **monetary benefits** programs, center direct payments to movers. **Housing** programs offer some form of down payment or rental assistance to support talent retention and attraction, and, finally, **higher education** programs, often targeted at recent college graduates and young professionals, offer student debt support to local talent.

As you’ll see in the examples below, most programs have been deployed in small cities and even rural areas. However, examples from larger cities and states have been included as well.

Overall, the number of applicants across programs is impressive, while the number of accepted applicants is often markedly lower, either due to administrative challenges, lack of funding (over-subscribed programs), local market challenges (e.g. housing), poor fit candidates, or even modest goals. It’s important to note that even relatively low numbers of new residents bring substantial economic impact. In the case of Michigan, even 30 new residents in each Michigan county would cut our talent loss from college grad outmigration *in half*. If those new residents had spouses, a program that size could close the gap completely.

This perhaps contextualizes the cities that set ten- or 15-person goals for their first program enrollments.

Also of note is the importance of public/private partnerships for programs in achieving scale. While regionally-specific programs, tailored to address local challenges and highlight local assets, may well be most high-impact locally, pairing that offering with the support of public / private partnerships for additional resource and / or larger institution or state support for administration of the program may help to optimize resident conversion.

Finally, in addition to primary program benefit by which each example below is categorized, note the role of companion benefits and benefits distribution in the most successful programs. Companion benefits play an important role in branding, signaling who the program is intending to speak to (e.g. industry professionals, remote workers, outdoors-enthusiasts, etc.), while providing critical community connection that appeals to highly mobile talent and increases retention of new (or retained) residents. Benefits distribution is also critical to program design; successful programs thoughtfully design what portion of benefits are delivered upfront versus those given overtime or at different milestones.



Program Categories



Monetary Benefits

Ascend WV

\$12,000 cash incentive for any qualifying individual moving to West Virginia from out of state. The incentive is distributed via \$10,000 paid in equal monthly installments for the first 12 months of residence in WV, the final \$2,000 paid as a lump sum at the end of the second year of residence in WV. Ascend WV is the result of statewide public private partnership initiated with \$25 million in philanthropic seed funding. Ascend WV partners with interested WV communities to deploy the cash incentive.

Companion Perks

- One year of free outdoor pass to state and partner organization recreation facilities
- Two years of free outdoor recreation equipment rentals
- Free co-working space access
- Free outdoor recreation-focused welcome events
- Remote worker certification and entrepreneurship resource navigation services

Impact

As of May 2024, Ascend WV has attracted 50,000 program applicants with 600 confirmed incentive recipients.

Choose Southern Indiana

\$5,000 for certain remote workers to move to rural southern Indiana communities. Limited to currently out of state, fully remote workers who make a minimum two-year commitment to living in southern Indiana. This program includes opportunities for in-person defense-sector workers and nurses moving from out of state to access a similar cash incentive.

Companion Perks

- One annual pass to Indiana State Parks
- Free checking account with a local bank that includes a \$250 account bonus
- Free quarterly cultural events for new residents

Impact

Launched in 2022, Choose Southern Indiana has received 3,049 applications over its first two years resulting in 44 program awards to individuals moving to southern Indiana from 15 different states.

EKY Remote

\$5,000 incentive for out-of-state remote workers/entrepreneurs to relocate to rural eastern Kentucky. Additional cash incentives can be added for qualified program participants who have a spouse who will take a new in-person local position.

Companion Perks

- Guaranteed high-speed internet access
- Free access to business training and peer support for entrepreneurs and young professionals

Impact

The EKY Remote program began as a partnership between five counties managed by the nonprofit economic organization Shaping Our Appalachian Region. Since its launch in 2022, the program has received more than 1,100 applications with five households successfully relocating to eastern Kentucky.

Welcome to Ruston

\$10,000 cash incentive distributed over a three-year period for qualified remote workers and entrepreneurs; priority given to applicants who currently live a minimum of 100 miles outside the city of Ruston, Louisiana.

Companion Perks

- Free lifetime alumni association membership for graduates of Grambling State or Louisiana Tech Universities
- Discounted university sporting event tickets
- Access to a community liaison to support the move

Impact

Launched in 2021, Welcome to Ruston is heavily focused on attracting alumni from its local higher education institutions. As of June 2023, a little under 200 applications had been received with 17 successful awards.

Remote Shoals

Up to \$10,000 cash incentive for remote workers to locate in rural Alabama managed by the Shoals Economic Development Association (Shoals EDA). The incentive payments must be collected in person and are divided into three installments (25 percent paid upon relocation, 25 percent paid after six months of residency, 50 percent paid after one year of residency). The program began in 2019 and as of February 2022 had received 2,300 applicants, 50 of whom were successful. Including applicants' household members, 102 people have moved to the Shoals communities. A new round of applications opened on May 1, 2024.

Impact

Launched in 2019 with the goal of attracting ten remote workers, over the first three years of the program, 2,300 applications were submitted with 50 awardees ultimately moving to the Shoals communities. The International Economic Development Council recognized the Shoals EDA with a Silver Innovation Programs and Incentive Programs award for the creation of Remote Shoals in 2021.

Remote Tucson

\$1,000 cash incentive with numerous additional incentives for remote workers relocating to Tucson, Arizona, while maintaining a remote work position outside of Tucson. Remote Tucson launched in late 2020 led by the nonprofit economic development organization Startup Tucson in partnership with the city leadership and several other public and private partners. Recipients must remain in Tucson for a minimum of one year to receive all program incentives.

Companion Perks

- \$1,000 in Airbnb credits
- Free high-speed internet
- Free introductory access to co-working spaces
- Free home inspections and discounted closing costs for new home purchases
- Gift certificates and discounted access to shopping, dining, and cultural attractions

Impact

Launched with the modest goal of selecting ten recipients in 2021, Remote Tucson received more than 600 applications in the first year and easily met their goal. Of note, home and rent prices have increased in Tucson by approximately 40 percent since 2020, more than half of this increase is attributed to the influx of remote workers seeking a low cost of living while being compensated by a remote employer at a rate well above the local average.⁴

⁴ Rico, Gabriela. March 9, 2024. "High-paid out-of-state remote workers contribute to rising Tucson rent prices." *Arizona Daily Star*. https://tucson.com/news/local/subscriber/tucson-rent-prices-affordability-housing-economy/article_67699ff8-dc1a-11ee-9d0c-ff1dbcb0f2ef.html



Housing

Tulsa Remote

An independent nonprofit entity funded by the George Kaiser Family Foundation, Tulsa Remote was established in 2018 to offer \$10,000 grants for full-time remote workers living outside Oklahoma who relocate to the city of Tulsa. Qualified applicants can choose to receive monthly disbursements for rent or mortgage payments or as a lump sum with proof of purchase of a qualifying home.

Companion Perks

- \$500 travel reimbursement for program finalists to visit Tulsa
- Three years of free access to co-working space
- Regular remote worker networking events
- Access to program specific benefits via Benepass, a digital well-being platform that connects remote workers to services like exercise facilities, spas, and healthcare providers.

Impact:

Tulsa Remote successfully attracted 70 remote workers in its first year. By December 2023, that number had grown to 2,819, generating more than \$563 million in direct employment income within the community.

Move to Michigan

\$10,000–\$15,000 in funding provided directly to the lender at closing for the purchase or construction of a new home with a cost of at least \$200,000 in southwest Michigan. Half the loan is forgiven after each year of residency. The program is currently closed to new applicants.

Companion Perks

- Free welcome tour
- Opportunity to select two additional services or memberships free for one year:

- Car service to and from regional airports
- South Shore Rail pass
- Athletic club membership
- Driving range pass
- Co-working space
- Park and beach passes

Impact

The Move to Michigan program was deployed in 2020 by the Cornerstone Alliance, a nonprofit economic development organization based in Benton Harbor, serving the southwest Michigan region. With 4,000 applicants, the program generated significant interest but only resulted in seven awardees and was discontinued in 2022.

Applicants were constrained by the availability of affordable housing stock as they often found themselves outbid or otherwise unable to secure a desirable new home. While the program itself didn't attain its goal of local population growth, it did reveal that the vast majority of applicants sought the program because they had local family, friends, or experience vacationing in southwest Michigan.

Greater ROC Relocate

\$9,000 home purchase grant via a competitive application process for remote workers who live a minimum of 300 miles from the area of Rochester, New York and relocate to the region.

Companion Perks

- Peer and networking support for new community members

Impact

The 2024 application period is anticipated to open later this summer. Between 2019 and 2023, the program had 4,000 applicants from across the country (all 50 states represented). To date, the program has selected 32 recipients who successfully relocated to the region, which has brought a total of 71 new jobs.

Choose Topeka

Up to \$15,000 in housing incentives for rent or home purchase. Funding is provided via a 50/50 partnership between local economic development organizations (EDOs) and employers who opt in to the program. EDOs reimburse employers for 50 percent of their match after the first year if the employee has been retained to that point.

Companion Perks

- Eligible military personnel transition to civilian life and “boomerangs”—former residents returning to Topeka—are eligible for a \$5,000 cash incentive that is not tied to housing.

Impact

Since its launch in 2019, Choose Topeka has received approximately 6,000 applications resulting in 150 awards as of March 2024.

Move to Jackson

Recipients are given a one-year membership to the Ella Sharp Park golf course and a one-month YMCA membership. For certain qualified applicants whose household income does not exceed 120 percent of the area median income, \$25,000 in down-payment assistance could also be available, but this is not contingent on being a new resident.

Impact

Launched in 2023, the Move to Jackson incentives have not drawn any new residents, though the incentives have generated approximately 1,500 applications with more than 130 qualified applicants. The City of Jackson is prioritizing staff resources in 2024 to actively engage qualified applicants. Launched in late 2023, the 100 Homes Program aims to add single-family housing by constructing houses in vacant city-owned lots. This program is designed to help retain city residents through the provision of affordable, safe housing, but may also be accessed by others seeking to relocate to Jackson who meet the program requirements. The program’s goal is to build 100 new homes between 2023 and 2026 to expand affordable housing and return city-owned property to private ownership.



Higher Education

Maine Student Loan Repayment Tax Credit (SLRTC)

Available to any resident who files a Maine tax return and is making qualified student loan payments on an associates', bachelor's, or graduate degree from any accredited community college, college, or university in the country. \$2,500 annual credit limit with a \$25,000 lifetime limit.

Impact

Created by statute in 2008 as the Educational Opportunity Tax Credit (EOTC), Maine's higher education tax credit program was specifically developed to retain graduates from Maine's higher education institutions and expand opportunities for career transition, growth, and economic mobility. Several policy changes have taken place since the initial EOTC legislation, most significantly in 2022 when the tax credit expanded to student loans from any accredited institution in the country and became a refundable credit for all applicants at a fixed rate. At its pre-pandemic peak in 2019, EOTC issued approximately 15,000 credits worth \$30 million. This decreased in following years as federal student loan interest was frozen throughout the pandemic.

Talent Attraction Program (TAP) Reverse Scholarship

Up to \$15,000 student loan payment for recent college graduates (within the last seven years) with degrees in high-demand STEAM fields who relocate to certain urban Hamilton, Ohio, neighborhoods for a full-time in-person position located within Butler County or a full-time remote position.

Impact

The program is currently fully subscribed pending additional funding. Since 2018, approximately 120 people have applied for the program.



Effective Strategies for Target Communities

Many of the talent attraction and retention programs identified above are in relatively early stages of deployment. Drawing long-term data trends, therefore, remains a challenge. However, the various programs reviewed above were designed to target specific talent demographics—remote workers, recent graduates, and professionals in critical industries to name a few. To compare their relative impact and efficacy at attracting (accepted) applicants meeting their desired criteria, see each programs’ target demographic and community type, displayed in Exhibit 3.

Following the COVID-19 pandemic, a significantly larger number of Americans found themselves with the opportunity to work in a completely remote setting. As a result, for communities seeking talent, retention and attraction strategies that prioritize place have become even more important. Common differences between the characteristics that attract individuals to rural and urban communities are well documented. Rural community appeal is often grounded in access to natural spaces, lower cost of living, and a close-knit community atmosphere. Conversely, access to more diverse employment opportunities, cultural amenities, dense public spaces, and public services like transit, often draw people to cities and suburbs. To that end,

many of the programs reviewed also contain companion benefits related to place-based experiences—access to cultural or recreational opportunities, for example. An additional column is included in Exhibit 3 to identify the presence of that common form of companion benefit.

EXHIBIT 3: Programs Organized by Target Communities

	Program	Primary Benefit	Community Characteristics	Cultural or Recreational Perks
On-site and target-sector workers	Ascend WV	Cash	Urban/suburban/rural	Yes
	Choose Topeka	Housing	Rural	Yes
	Move to Jackson	Housing	Urban/suburban	Yes
Remote workers	Choose Southern Indiana	Cash	Rural	Yes
	EKY Remote	Cash	Rural	Yes
	Greater ROC Relocate	Cash/housing	Urban/suburban	No
	Move to Michigan	Housing	Rural	Yes
	Move to Ruston	Cash	Rural	Yes
	Remote Shoals	Cash	Rural	No
	Tulsa Remote	Cash	Urban/suburban	Yes
Recent college graduates	Maine Student Loan Repayment Tax Credit	Higher education	Urban/suburban/rural	No
	TAP Reverse Scholarship	Higher education	Rural	No



Conclusion

Regional talent retention and attraction programs are growing in popularity as regions across the United States seek a competitive advantage keeping and connecting to young talent. National pole results indicated that monetary benefits, housing assistance, and higher education opportunities are each a potentially compelling value proposition for young talent and help decrease the barriers that may deter highly mobile talent from putting down roots in a new community. However, it's important to note that these are not an exhaustive list of program benefits. Many others exist, and many other exciting program designs could successfully drive growth for Michigan communities without these program benefits.

Beyond these primary benefits, integrating companion benefits such as cultural and recreation opportunities ensures that new community members have opportunities to establish a meaningful connection to their new home. In partnership with critical investment in placemaking and policy priorities that underpin growth, these multifaceted programs can address (new) residents' practical, professional, and recreational needs, and create a more attractive, more integrated, and more supportive environment with increased likelihood of long-term talent retention.

The most successful regions and communities engage multiple public and private stakeholders to deploy retention and attraction programs. Promising strategies combine highly visible program benefits (e.g., monetary, housing, and higher education supports) with proactive engagement opportunities to facilitate early integration into the community. Regardless of the intervention strategy, new programs should be tailored to community needs, opportunities and challenges. This is critical to target the strategy appropriately (e.g., recruiting teachers versus broadly recruiting remote workers), and to ensure the program is in harmony with the local community (e.g., a benefit for rehabbing homes would not work in a community with a housing shortage).



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