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HEARD ON THE STREET

For Newly Remote Workers, Small Town U.S.A. Will Lose Its Allure Soon Enough

Lower taxes? Cheaper housing? Shorter commute? For some knowledge workers fleeing the big city amid the pandemic, the perks of relocating to a distant burg will soon grow stale.



ILLUSTRATION: ALICIA TATONE; PHOTOS: GETTY IMAGES (2)

By [Laura Forman](#)

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America's smaller cities are finally getting their big break. Will it last?

For decades a handful of urban areas have attracted the lion's share of well-compensated knowledge workers. For nearly as long, the rest have tried mostly in vain to compete. Tax incentives and cheap housing have occasionally convinced big companies to relocate their headquarters, but the hoped-for flood of bright young things rarely seemed to follow.

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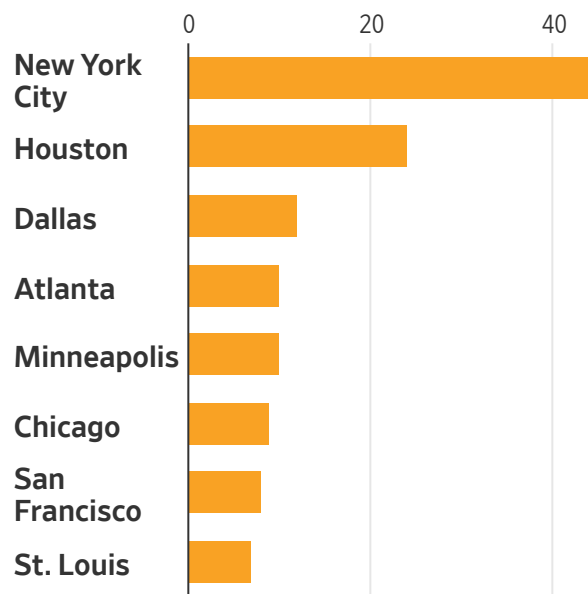
America's smaller cities are attracting sought-after 'knowledge workers' fleeing the pandemic. Will it last? Join the conversation below.

The Covid-19 pandemic seems to have changed that with the broader adoption of permanent work-from-home policies and a newfound appreciation for cheaper, more-spacious surroundings. Many coveted knowledge workers have already made their move or are considering it. They might soon get homesick for the big city lights, though.

Young people with the most valuable degrees have historically gravitated toward major coastal cities and companies with the most competitive applicant pools hire them disproportionately. More than 11% of Silicon Valley-based Google and Facebook and more than 21% of New York-based Goldman Sachs employees are Ivy League graduates, for example, according to talent innovation company SHL.

I Want To Be A Part Of It

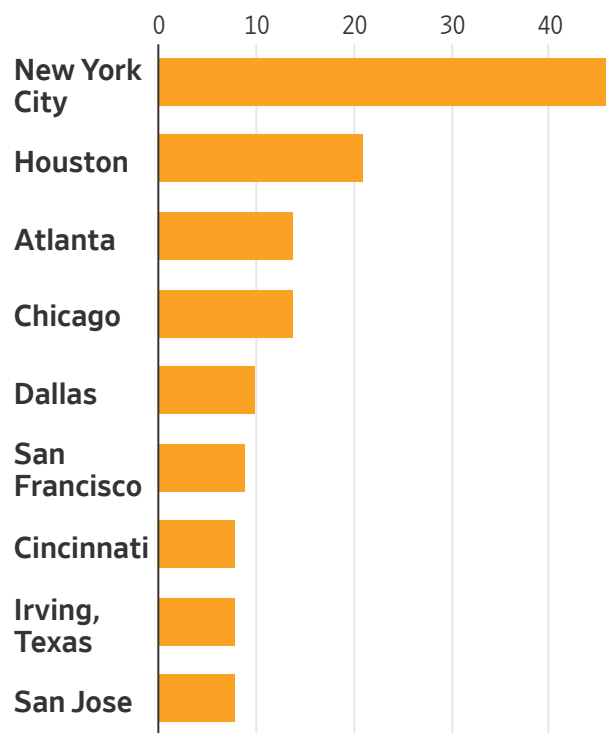
2009 top U.S. cities by number of Fortune 500 headquarters



Source: Fortune

King Of The Hill

2019 top U.S. cities by number of Fortune 500 headquarters



Source: Fortune

Now many of these professionals want to pack up and take their lucrative jobs with them. Facebook Chief Executive Officer Mark Zuckerberg said recently that 75% of his employees have expressed some degree of interest in leaving the Bay Area. Meanwhile, a 2018 Bloomberg analysis of U.S. Census data showed more people were leaving New York City daily on a population adjusted basis than any other U.S. city. The pandemic has predictably accelerated this trend. Zillow and Redfin are both reporting spikes in single family home searches in smaller cities, suggesting the exodus could be more than temporary.

Cities have long tried to lure entire companies. In 2018, investment management firm Alliance Bernstein threatened to shake up the finance world when it announced it would move its headquarters to Nashville from New York City, citing benefits like lower cost of living, shorter commute times and no state income tax. Late last year, JP Morgan was reportedly shrinking its Manhattan presence and even weighing selling its investment banking headquarters there. The Dallas area, also free of state income tax, has seen a recent influx of San Francisco-based companies moving to the area.

Small cities have also attempted to lure individual workers in recent years. In 2017, the city of Lincoln, Kan., was actually offering free land in a “brand new subdivision” on a first

come, first served basis. The Remote Worker Grant Program in Vermont last year offered up to \$10,000 over two years to select remote workers living full-time in the state. That trend is picking up steam amid the pandemic. In Kansas, the “Choose Topeka,” program is offering up to \$15,000 for professionals to relocate. And as of last week, Savannah, Ga., said it was offering \$2,000 to tech workers who moved there.

The key difference in the pandemic-induced wave of relocations could be that the movement is organic, led by employees themselves rather than their bosses. But even that could falter. Smaller towns, away from buzzing business headquarters and bustling city life, might struggle to retain their charm for transplants unless they attract a critical mass of big city refugees. While the promise of more land, more space and less commute may sound compelling, there is the threat of boredom or, a worse fate for many, career marginalization.

Working away from main offices also could be more “work” than employees bargained for. Y. Sekou Bermiss, associate professor of management at the McCombs School of Business at The University of Texas at Austin, says his research has shown remote employees actually end up working more to compensate for lost facetime.

And they might not feel so much wealthier after relocating. Companies like Facebook are planning to offer remote employees “localized” compensation, commensurate with a lower cost of living. Meanwhile, perks like free food, happy hours and on site child care won’t be available.

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[The Shift to Remote Work Could Be a Big Swing and a Miss](#)

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Along with in-person collaboration, big office settings also offer the ancillary benefits of friendship and even love at work. Mr. Bermiss warns against major corporations trading office space for a remote workforce, noting its employees are going to be “itching to get back together” once the pandemic subsides. Indeed, a survey by Vault.com last year found

that 58% of workers had participated in an office romance at some point in their working lives.

Meanwhile, not everyone wants to leave “the city.” Facebook’s Mr. Zuckerberg said 38% of his employees would prefer to move to another big U.S. city rather than a smaller one.

The coronavirus could very well precipitate a temporary dispersion of American’s top talent, but it isn’t likely to stick. The gating factor preventing most smaller cities from growing may be that they are small to begin with. No one wants to “make” a city; ambitious professionals want to be made by them.

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