

Telework: An Economic Development Strategy for the New Economy April 27, 2009

In the early 1970s telecommuting was identified as a way to eliminate or significantly reduce rush hour traffic. Today, telecommuting or also known as telework, the use of digital technologies to allow people to work remotely, is much more than that; it is how work is accomplished in the New Economy. According to the *2008 State New Economy Index*, the New Economy is described as a global, entrepreneurial and knowledge-based economy where success lies in the extent to which knowledge, technology and innovation are embedded in products and services. Nationally, Washington ranked second overall as a New Economy state. This is attributed to strength in software, aviation, entrepreneurial activity and very strong use of digital technologies by all sectors.

Washington is home to a number of companies that create telework and other digital technology products, services and applications. In our large cities we have Microsoft which produces software that enables telework, Amazon.com, the leader in e-commerce and Expedia, the largest online travel agency in the world. But we also have many successful examples in rural Washington – from Earth and Sky Studios, a graphics design company in Twisp with customers around the country to Intelli-Check Mobilisa, Inc. which develops and markets wireless technology and identity systems for business and government clients from its headquarters in Port Townsend to Ferry County-based Shop the Frontier, a non-profit rural marketplace offering high quality products on the web to telehealth applications developed and used statewide.

The *2008 State New Economy Index* also identified Washington as having the seventh highest number of knowledge-based jobs in the country. Today, these knowledge-based jobs are driving prosperity – not only creating new goods and services but also a tech-savvy workforce that uses ubiquitous communications to work almost anywhere. WorldatWork, a human resources association, reported that 17.2 million Americans (approximately 11% of the workforce) worked from home at least one day per month in 2006. This is up from 6 million in 2000 and an increase of 39% over the past two years. Telework use is increasing in all industries and across the state but we are far from reaching its full potential.

Years ago having POTS (Plain Old Telephone Service) was all that was needed for an employee to telework a day a week at home and avoid the commute. Due to a convergence of trends such as our growing information economy, global competition, a need for business continuity, people relocating based on quality of life choices, new communications and collaboration technologies as well as an increasing availability of broadband, work can and does occur almost anywhere. As applications such as email, instant messaging, webinars, internet searches, file sharing, remote desktop control, audio and videoconferencing use continue to increase, so do opportunities to telework – working with colleagues and clients around the world.

In June 2008 the Association of Washington Cities (AWC) adopted a telework resolution that stated, “In recognition of the need to enhance our current community and economic development efforts, AWC shall work to: Recognize the importance of family wage, community-based jobs and that telework opportunities support both economic development objectives as well as transportation alternatives.” WSU Extension has researched and implemented telework in urban and rural areas since 1989 and in addition to its benefits for individuals, employers and the environment, agrees that telework also helps create and strengthen economic and community development. This includes:

- Offering economic diversification opportunities in regions experiencing declines in their traditional industries.
- Securing new leaders and skills in communities as increasing availability of broadband allows knowledge-workers to relocate to the places they want to live.
- Assisting in the transformation from an industrial economic development model of “smokestack chasing” to one focused on innovation through job creation, expansion and retention.
- Expanding workforce development offerings to include technology courses offered in classrooms and via distance education.
- Helping employers cut operating costs and increase productivity, often helping avoid layoffs.
- Providing new job options for rural residents, seniors and the disabled; while expanding the available labor pool for employers.
- Increasing the demand for and use of, broadband which results in a greater ROI for its deployment.

Leveraging use of the Kitsap Telework Pilot Project online telework toolkit, community template for telework implementation and WSU Extension’s expertise, Washington can expand telework across the state in support of our New Economy leadership while providing economic opportunities for both urban and rural communities. For this to be successful, continued investments are needed in telecommunications infrastructure, workforce development, community technology programs and local leadership capacity building.

For more information please contact:

Monica Babine, Senior Associate for Telework, WSU Extension DGSS, at babinem@wsu.edu or 425.827.8015