

"Rural Revitalization through Technology"

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Overview

- The Rural revitalization through Technology (RRT) Project was funded through a grant from the U.S. Department of Labor to Experience Works
- **The total funding amount was \$927,000**
- **The project ran from October 23, 2000 through September 30, 2002**
(Initial end date of 12/31/01 was extended)

Demonstration Project

- Five States Participated:
 - Iowa
 - Minnesota
 - Montana
 - Nebraska
 - North Dakota

State Poverty Levels

(From the Census 1997 model-based estimates)

Iowa 9.9%

Minnesota 8.9%

Montana 15.5%

Nebraska 9.6%

North Dakota 12.5%



North Central Region – 25.8% of all people who are living in poverty are in rural areas

Rural State Population

(From 2000 Census - # of persons per square mile)

| | |
|--------------|------|
| Iowa | 52.4 |
| Minnesota | 61.8 |
| Montana | 6.2 |
| Nebraska | 22.3 |
| North Dakota | 9.3 |



RRT Project Goal for: Training & Employment

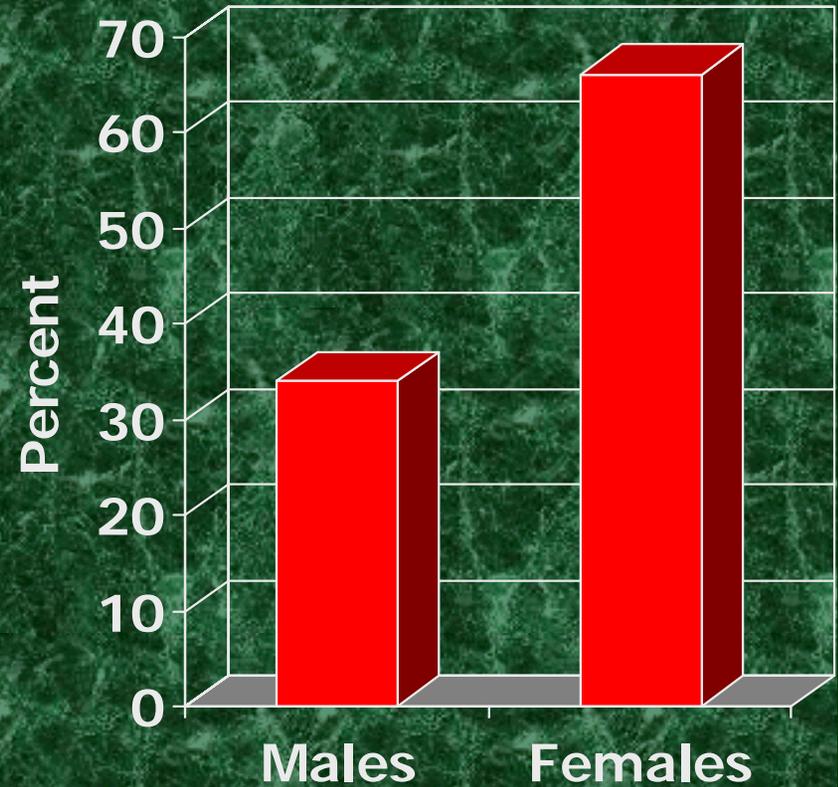
- Provide new training and employment opportunities for residents of rural America with an emphasis on farm families and others most in need including older individuals, dislocated workers, displaced homemakers, youth in school-to-career transitions and other unemployed or underemployed individuals.

Participant Profile

- 14% were WIA eligible
- 16% were from farm families
- 28% were low-skilled incumbent workers
- 16% were dislocated workers
- 19% had "other" considerations (disability, first job from school, age, etc.)

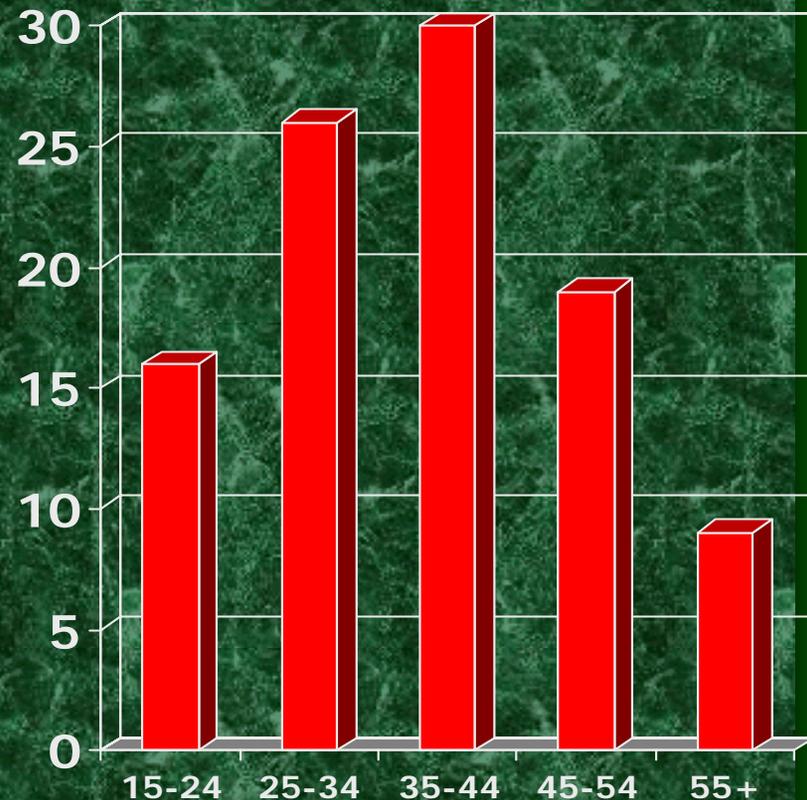
Participant Gender

- Of the 232 participants who provided gender information:
 - 66% were female
 - 34% were male



Participant Age

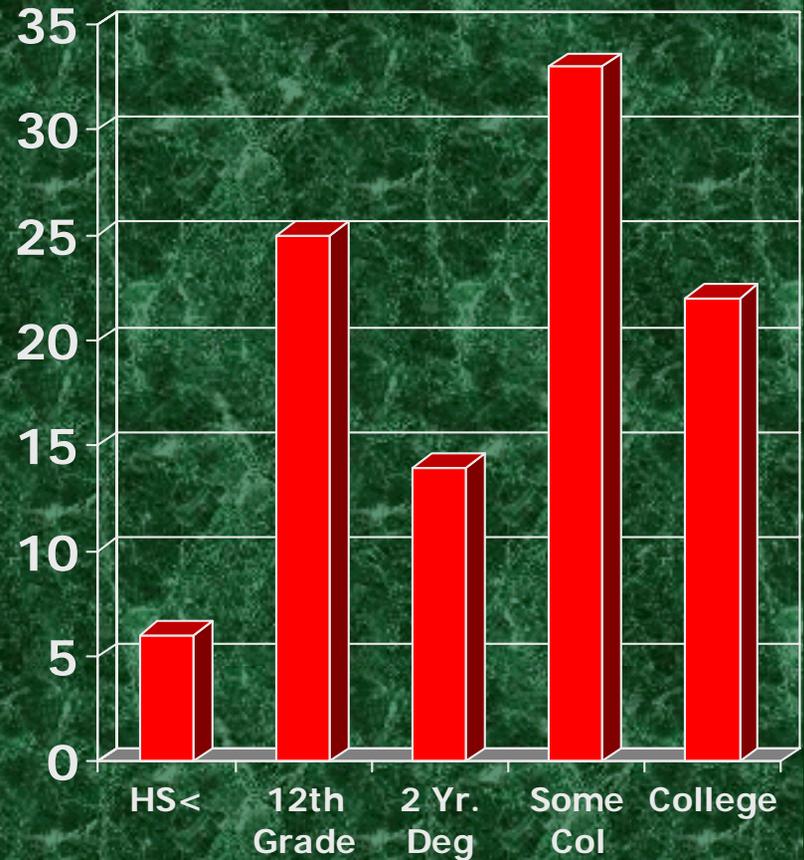
- Of the 225 participants who provided age information:
 - 16% were 15-24 yrs. old
 - 26% were 25-34 yrs. old
 - 30% were 35-44 yrs. old
 - 19% were 45-54 yrs. old
 - 9% were 55+ yrs. Old
- The mean age for participants was 37.5 years old



Participant Education

➤ Of the 221 participants who provided their highest grade:

- 6% were below HS
- 25% finished 12th grade
- 14% had a 2 year degree
- 33% had some college
- 22% finished college



IT Related Training

- All training received by participants was information and technology-related
 - Definitions of "Information & Technology Related:"
 - Any use of a computer on the job, or equipment using computer programming to operate
 - Any job involving the use of a computer
 - Working directly with software or hardware systems
 - Any job that required the use of IT tools, *i.e.*, hardware or software

Types of Training

- Proprietary software (80)
- MCSE (38)
- MS Office (37)
- Medical Transcription/
Records (30)
- Computer Basics (21)
- QuickBooks Basics (19)
- Windows (14)
- QuickBooks Adv. (13)
- Web Design (13)
- Help Desk (11)
- Graphic Design App. (5)
- CAD (4)
- Programming Langs. (3)
- Radiology (2)
- Computer Repair (2)
- Robotics (2)
- Internet Marketing (1)
- MLT (1)

RRT Project Goal for: Revitalizing Communities

- Revitalize rural communities by aiding existing businesses, attracting new businesses and distance employment opportunities that will promote sustained economic growth, discourage out-migration and expand school-to-career opportunities for rural youth.

Business Partners

- Provided assistance in obtaining IT related training to:
 - 65 Business Partners
 - 7 Townships
 - 1 Chamber of Commerce
- Business partners were typically required to:
 - Provide employment or 10% raise
(to incumbent trainees)
 - Share in training costs
 - Participate in recruiting and selecting trainees
 - Pay employees' wages during training
 - Provide space or equipment
 - Provide a training plan or proposal

Expanded Businesses

- 15 businesses were expanded as a result of their participation in the RRT Project
- Types of expansion included:
 - Hiring additional employees – in one case, started a new shift
 - Additional services offered to customers
 - Larger customer base
 - Larger service area (territory covered)

Distance Employment Results

- State managers identified 100 participants that learned skills that could be used to work from home or in a distance employment situation
- State managers identified 30 participants who were known to be actually working from home

Basic Facts of Telecommuting:

- 16% of US employers offer telecommuting.
- 67% of Americans have engaged in virtual work.
- 46% are involved in virtual work at least once a week; 14% do so daily.
- 31% work in a virtual management structure.

Basic Facts (Cont'd)

- 91% agree virtual work saves their companies time & money.
- 61% of employees in large companies have participated in virtual project teams.
- Increase in numbers in next few years will be mostly from small businesses.
- The key opportunity for technology providers lies in Internet-accessing telecommuters working in the "corporate markets or for mid-size to large businesses.

RRT Project Goal for: Expansion of Technology

- Encourage the expansion of new technology into rural areas that have traditionally been technologically isolated.

Encouraging Technology Expansion

- Three states noted that the technology infrastructure exists – that what is needed is a skilled workforce to leverage it (IA, NE, ND)
- Through the RRT Project, Experience Works:
 - **Provided training funds**
 - **Located training providers for training**
 - **Created a skilled workforce to keep businesses in rural areas and not go on to more urban locations**
 - **Began to break the cycle of IT-skilled labor leaving rural areas for jobs and business not coming in due to lack of skilled labor**

RRT Project Goal for: Strategic Alliances

- Develop innovative strategic alliances that promote these goals and that involve public/private partnership.

Types of Strategic Alliances

- Community leaders
- State Economic Development Agencies
- Economic Developers
- Development Corporations
- Industry Partnerships
- Business Associations
- One-Stop Centers
- Chambers of Commerce
- Training Providers
- Community Colleges

Example Alliances

- Over 18 different alliances were identified, such as:
 - Iowa Department of Economic Development
 - Northwest Minnesota Rural Tele-work Initiative
 - Imperial and N. Platte Chambers of Commerce
 - Leading Change, Inc. (training providers)
 - Horizon Healthcare Technology
 - One-Stop Center Staff
 - Northeast Training Providers Group
 - Trail County Technology Center
 - Mid Plains Community College

Outcomes of Alliances

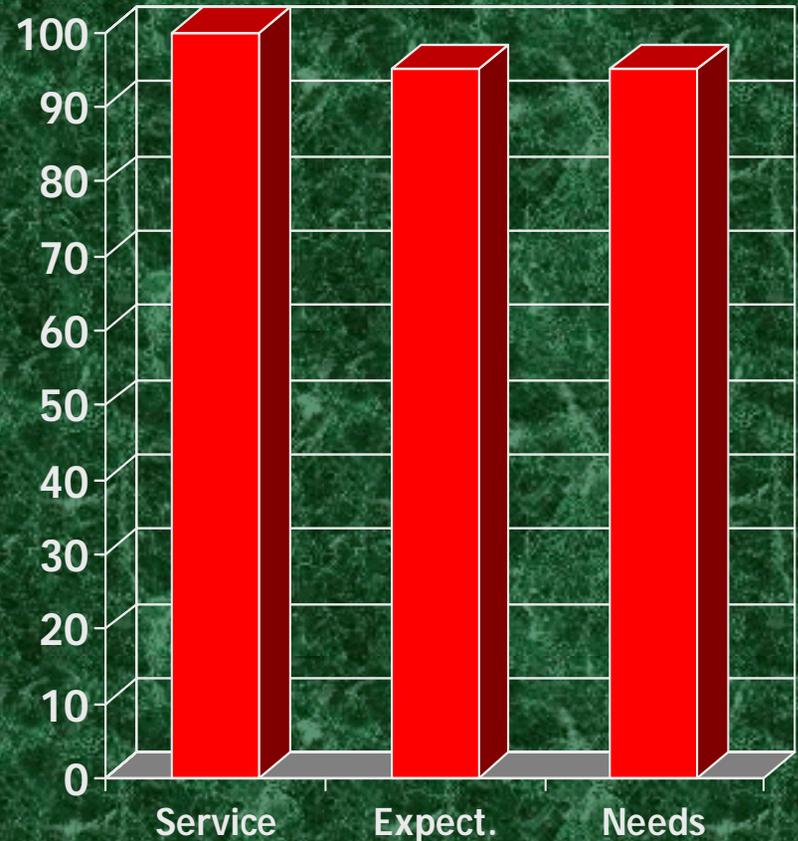
- Recruited business partners
- Provided training and recruited participants
- Provided classroom space and hardware
- Promoted the RRT project
- Operated the RRT project (contractor)
- Expansion of a business into a small rural community (decision pending)

Satisfaction Survey Results

- States conducted a satisfaction survey of employers and participants
- Data compiled August, 2002
- Asked about service satisfaction, service expectations, and meeting needs
- A 4-point scale was used:
 - Not at all
 - Somewhat Satisfied
 - Satisfied
 - Very Satisfied

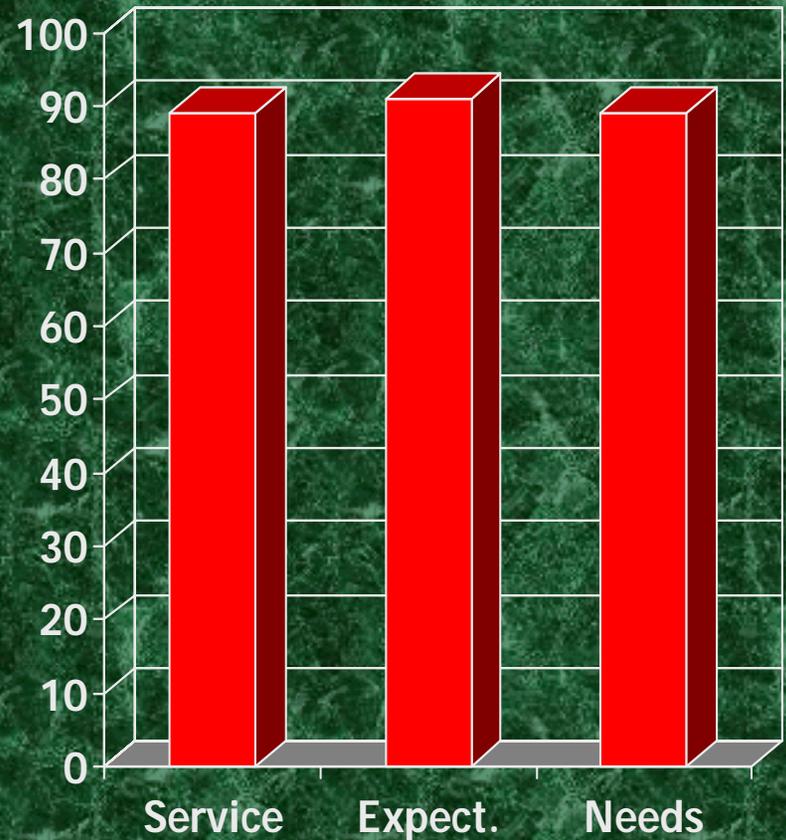
Employer Satisfaction

- Overall response rate for employers was 59%
- Satisfaction rates (satisfied + very satisfied) were:
 - 100% for service satisfaction
 - 95% for service expectations
 - 95% for meeting needs



Participant Satisfaction

- Overall response rate for participants was 52%
- Satisfaction rates (satisfied + very satisfied) were:
 - 89% for service satisfaction
 - 91% for service expectations
 - 89% for meeting needs



RRT Project Results for: MN & ND – September 2002

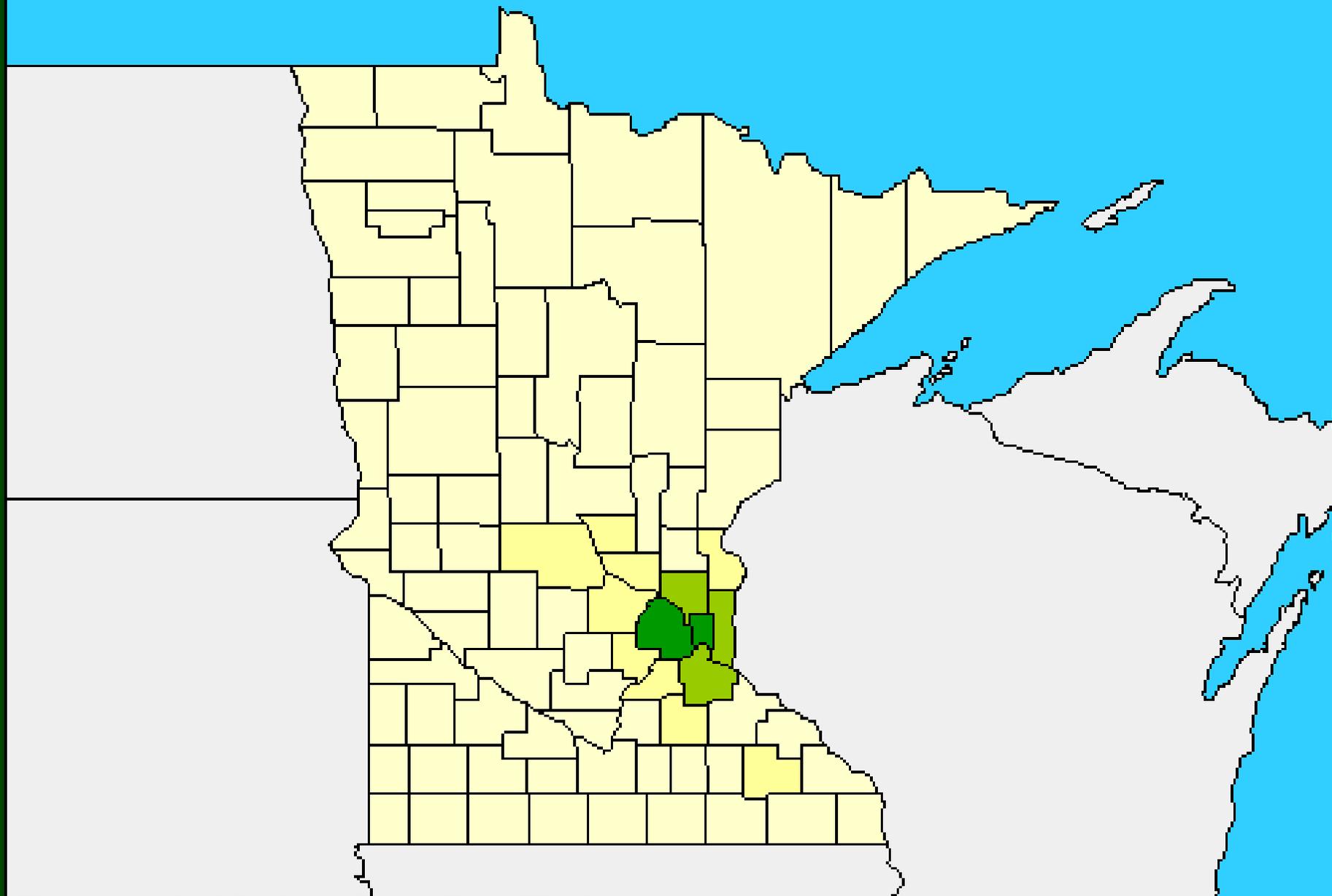
- 122 participants in IT training
- Courses include:
 - Computer basics
 - QuickBooks Basics, QuickBooks Advanced
 - MCSE, Microsoft Office
 - HTML / Website Design
 - Graphic Design
 - Computer repair
 - Programming languages
 - Proprietary software

RRT Project Results (Cont'd)

Partnering

| | |
|----------------------------|------------------------------|
| Internet sales | Nursing homes |
| Indian Health services | Manufacturing |
| Call centers | Resort centers |
| Chamber of Commerce | Medical transcriptions |
| Customer & retail services | Bookkeeping |
| Airline ticketing | Transportation |
| Bed & Breakfast | Pharmacy |
| Tourism | Total = 27 businesses |

**Persons per Square Mile, Minnesota by County
Census 2000**



Minnesota:

(26 counties in NW area of the state.)

- Significant loss of farms from '92-'97. Face a continuing and accelerating exit of farmers.
- Non-farms employment prospects limited; unemployment rates as high as 14%.
- Employment in IT occupations grow to 8,800 needed each year through 2006.
- 60% of all new jobs require computer skills.

Minnesota RRT Business Partners

- **Time Communications**
 - In-bound call center
 - 13 trainees were trained & hired
 - Project reimbursed company for training costs
- **E-Travel Experts**
 - In-bound call center
 - 40 trainees were trained & hired

Minnesota Results:

- Enrolled (target was 30) 72
- New Hires 42%
- Completions 70 94%
- Wage Increase \$ 346 Month
- Participating Businesses 8
- Townships 1

Minnesota Results:

- Participants included the following:
 - 72 total participants:
 - 100% from Rural areas
 - 21% from farm families
 - 28% dislocated workers
 - 58% low-skilled incumbent workers
 - Placed 67 trainees into jobs!

Minnesota Results:

- Training Topics:
 - Proprietary call center
 - Computer basics
 - QuickBooks
 - Web Design

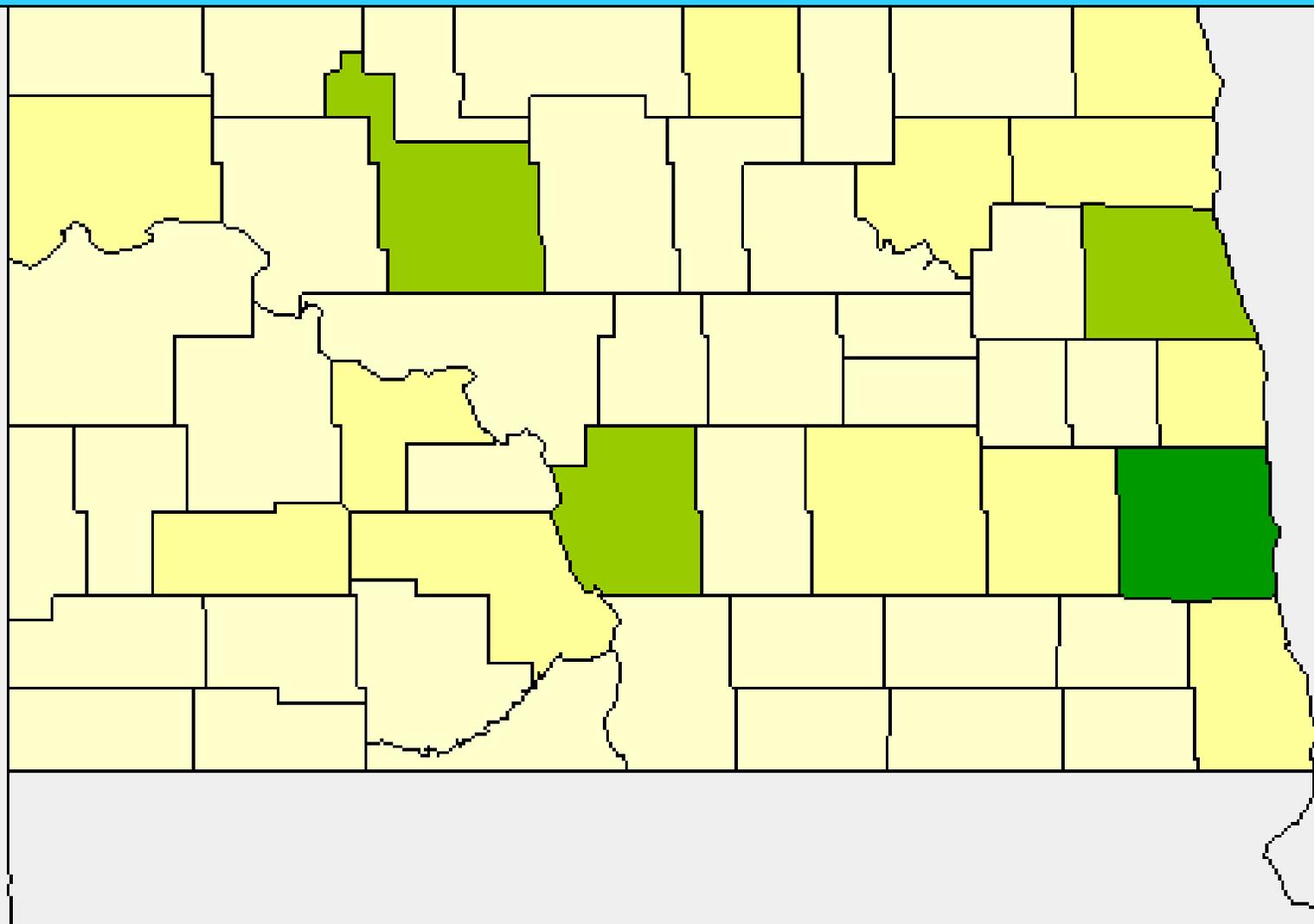
Minnesota Facts:

- Barrier: Lack of computers for trainees
- MN townships mandated to have clerks online for reporting by end of 2002
 - **RRT assisted 7 MN townships around Melrose, population 2,561**
- Partnerships included donated computers and modems

Minnesota Satisfaction Rating

- Participants: 85% - 91%
- Businesses: 100%

**Persons per Square Mile, North Dakota by County
Census 2000**



North Dakota:

- Traill County, highly agricultural with dropping population.
 - Median income \$17,696 in county.
- Major crop losses due to too much rain and crop diseases.
- County has relatively new business incubator and seeking assistance to attract technology businesses.

North Dakota RRT Business Partners

- Traill County Technology Center (TCTC)
 - Incubator for start-up businesses
- National Technical Support Center
 - Trained a total of 18 in tech support
 - Stanton, Mayville, Maddock & Cooperstown
 - Trained residents how to advertise their hospitality offerings on the Internet, take reservations, etc.

North Dakota

RRT Business Partners (Cont'd)

- Grafton Chamber of Commerce
 - Trained 3 in new software
- ComMark
 - Trained 3 in tech support
- Amber Computers
 - Trained 2 in computer help desk
- Uniband
 - Located on the Turtle Mountain Chippewa reservation
 - Trained 17 for medical records coding

North Dakota Results:

- Enrolled (target was 30) 50
- New Hires 90%
- Completions 29 95%
- Wage Increase \$ 460 Month
- Participating Businesses 11
- Chamber 1

North Dakota Results:

- Participants included the following:
 - 50 total participants:
 - 100% from rural areas
 - 18% from farm families
 - 32% were dislocated workers
 - 3% were low-skilled incumbent workers
- Placed 32 trainees into jobs!

North Dakota Results:

- Training Topics:
 - Proprietary software
 - Computer basics/Windows/Office
 - QuickBooks
 - Computer repair
 - Graphic design/web design
 - Programming languages

North Dakota Facts:

- Trained 22 displaced Native American workers to do medical records coding.
- Trained 18 to provide technical support for a wireless Internet service.
- Trained 5 new hires in technical support and tourism.
- Trained 3 incumbents to improve IT skills in order to performs their jobs.

North Dakota Satisfaction Rating

- Participants: 80% - 87%
- Employers: 100%

Montana:

- 20% live in poverty.
- Deer Lodge County lost mining and smelting industries + 2 large employers.
- State changing from natural resources production to service economy; low wages; slipped to 47th in per capita income.
- Has fewer high tech jobs than any other state.
- Tech companies beginning to move into the state.

Montana Results:

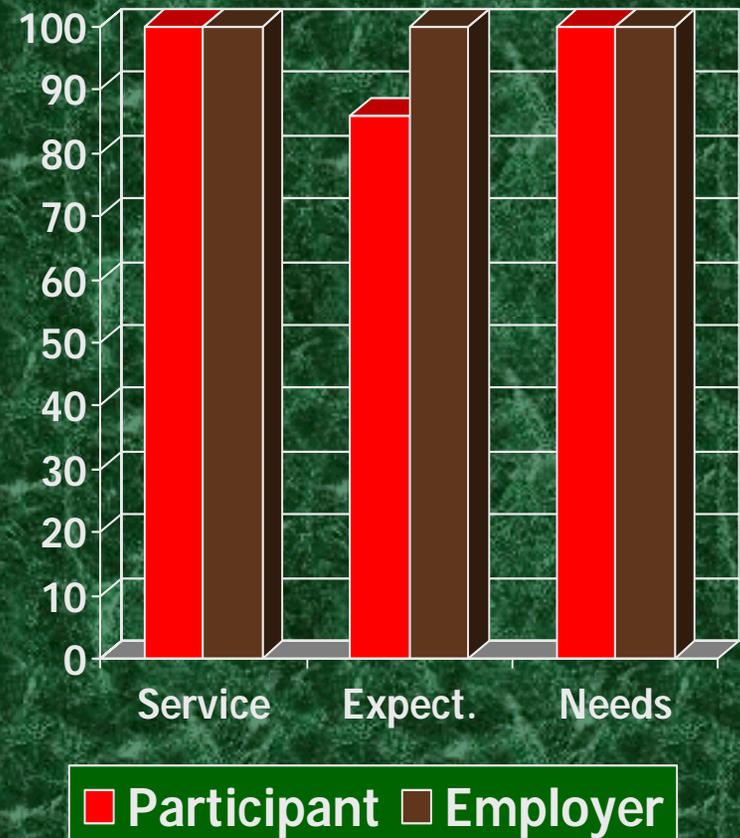
- Participants included the following:
 - 26 total participants:
 - 100% were from rural areas
 - 12% were WIA eligible
 - 8% were farm families
 - 4% were dislocated workers
 - 23% were low-skilled incumbent workers
 - 100% new hires. All 26 placed!

Montana Results:

- 69% of participants completed training
- Training topics:
 - Medical transcription
 - Call center
 - QuickBooks
 - Internet marketing
- Average wage increase for participants that completed training was \$555.36 per month
- 4 businesses were assisted

Montana Satisfaction Ratings:

- Response rate for participants was 78%
- Response rate for Employers was 50%
- Satisfaction rates (satisfied + very satisfied) were:
 - 86% to 100% for participants on all items
 - 100% for employers on all items



Iowa:

- 1.4% of farm owners expected to leave farming in each year in next six years resulting in loss of 7,000 jobs by 2006.
- Occupations in computer support specialist predicted to grow 5.1% during the same period.

Iowa Results:

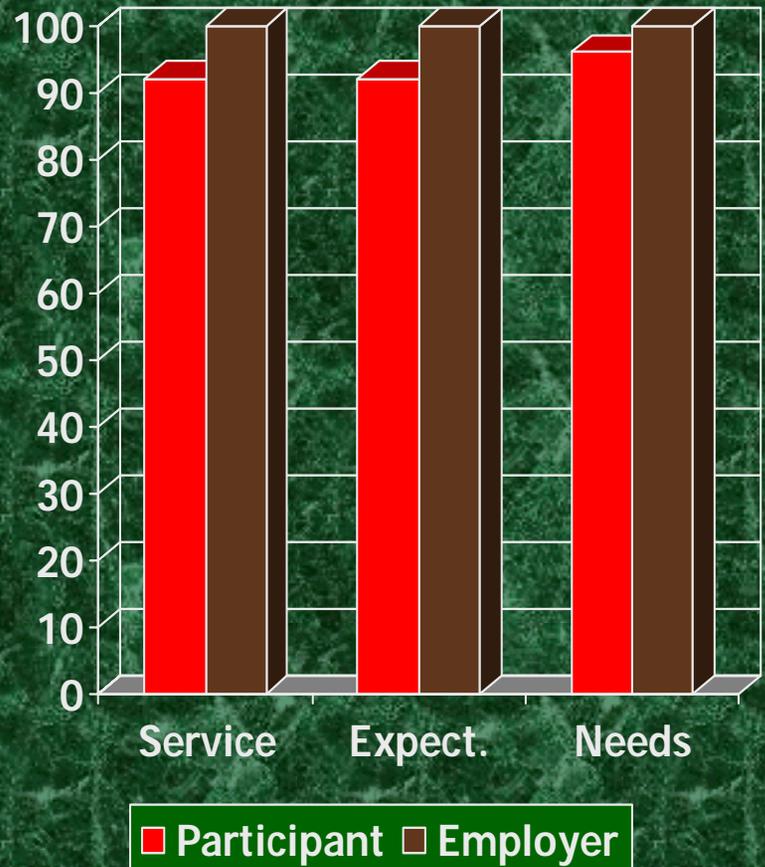
- Participants included the following:
 - 42 total participants:
 - 100% were from rural areas
 - 10% were WIA eligible
 - 7% were farm families
 - 5% were dislocated workers
 - 5% were low-skilled incumbent workers
- **38% new hires, 62% incumbents**

Iowa Results:

- 100% of participants completed training
- Training topics:
 - MCSE
 - Microsoft Office
 - Help Desk
 - Robotics
- Average wage increase for participants that completed training was \$553.48 per month
- 14 businesses were assisted

Iowa Satisfaction Ratings:

- Response rate for participants was 62%
- Response rate for Employers was 21%
- Satisfaction rates (satisfied + very satisfied) were:
 - 92% to 96% for participants on all items
 - 100% for employers on all items



Nebraska:

- Decline in agricultural jobs by 7%.
- Move toward larger farms incorporating sophisticated technology.
- 1/4 non-farm employment since 1998 in the service industry.
- Businesses beginning to locate or expand customer support centers.

Nebraska Results:

- Participants included the following:
 - 52 total participants:
 - 100% were from rural areas
 - 14% were WIA eligible
 - 17% were farm families
 - 0% were dislocated workers
 - 27% were low-skilled incumbent workers
 - 6% new hires, 94% incumbents

Nebraska Results:

- 100% of participants completed training
- Training topics:
 - MCSE
 - Medical records
 - Radiology tech.
 - Web design
 - CAD
 - MLT
 - Computer basics/MS Office
- Average wage increase for participants that completed training was \$272.42 per month
- 28 businesses were assisted

Nebraska Satisfaction Ratings:

- Response rate for participants was 56%
- Response rate for Employers was 50%
- Satisfaction rates (satisfied + very satisfied) were:
 - 78% to 100% for participants on all items
 - 86% to 100% for employers on all items



Lessons Learned: Recruiting Participants

- Allow business to take the lead in recruiting and screening participants
- Invite referrals from One-Stop centers
- Use Experience Works staff to recruit participants
- Working at home requires great discipline. This factor should be considered in the selection process.
- General announcements and press releases were less effective than other methods. Often led to interest from inappropriate populations

Lessons Learned: Recruiting Business Partners

- Networking was critical
 - Attend Economic Development meetings or conferences to promote the project
 - Attend business association meetings
 - Make phone calls and send e-mails to publicize the program
 - Send letters to economic developers around the state
- Work with economic developers

Lessons Learned: Recruiting Partners (Cont'd)

- Avoid using vendors alone as contacts, they gloss over the commitments the business must make
- It is time consuming to make the contacts needed. Having someone full-time would be optimal.
- Aid small business by getting computers donated. Talk to large businesses that are going to update their computers about donations.
- Getting started is the hardest part. Once there is momentum, it begins to get easier.

Lessons Learned: Overcoming Barriers

- Key concerns cited by business were:
 - Requirement for 10% raise
 - Amount of “red tape” that would be involved
 - Suspicion of government programs
 - Speed with which RRT can meet their needs

Lessons Learned: Overcoming Barriers (Cont'd)

- How States addressed concerns about “red tape”:
 - Explain that Experience Works will interface with the government, and that “red tape” will be minimal
 - Use existing contacts in the community to support the program

Lessons Learned: Overcoming Barriers (Cont'd)

- How States addressed concerns about speed of the program:
 - Have a roster of training providers to draw from
 - Create a pool of potential participants that can be drawn from when the time is right

Lessons Learned: Strategic Alliances

- The most valuable alliances offer multiple benefits, such as trainees, training delivery, business partners, or donations. Training vendors are an example of such partners.
- Written letters to everyone involved help clarify expectations
- Be visible and involved statewide and the alliances will come naturally
- Build on the relationships already established

Lessons Learned: Strategic Alliances (Cont'd)

- Avoid having the strategic partner be the primary contact person with businesses
- Be certain the alliance will accomplish the program's goals and not have these goals subverted by the partner
- The personal interaction between principal players is a key to making an alliance work.
- The most valuable alliances have a life span beyond the immediate project. This leads to more commitment and better work.

Lessons Learned: Overall Program

- Start by being business driven, not participant driven. Find businesses that need the training or employees first and they will find participants
- Require businesses to agree to hiring or raises up front
- Networking in rural areas is critical. Program personnel can tap into a diverse group of people rapidly
- It is typically not the IT infrastructure, but the skilled workforce that is needed to make the program a success in rural areas

Lessons Learned: Overall Program (Cont'd)

- Require an Employer Training Proposal specifying the funds needed, the purpose, when they will employ or give raises, and the employer's signature
- One program cannot revitalize a community. We must use alliances to leverage the strengths of several programs working together
- Be aware of, or involved in, the selection of participants to avoid dropouts

Lessons Learned: Overall Program (Cont'd)

- For distance learning, ensure technology is in place and up to date, e.g., check if the phone lines are adequate for purpose
- Keep in close contact with students throughout training
- DOL should work with economic developers, not just workforce or job developers. Must create jobs, then train people for them.
- Insist vendors use experienced trainers

Lessons Learned: Overall Program (Cont'd)

- Business is not necessarily efficient, politics can get in the way of progress in the private sector
- Help entrepreneurial ventures to realistically assess the skill levels required for success
- Determine key points in time to collect data. Once trainees are out the door, it can be hard to get the data that is needed.

Summary of Results vs. Goals

| Goal | Sub-Goal | Results |
|--|---|--|
| <p>Provide new training and employment opportunities for residents of rural America with an emphasis on farm families and others most in need including older individuals, dislocated workers, displaced homemakers, youth in school-to-career transitions, and other unemployed or underemployed individuals.</p> | <ul style="list-style-type: none">• Minimum of 150 total participants• 90% trainees from target populations• 90% training completion rate• 80% placement rate in training-related job• 90% prior wages for dislocated workers• Incumbent workers will receive a 10% wage increase• No specific wage increase goal | <ul style="list-style-type: none">• 242 participants received training• 100% trainees from "rural" areas• 94% of participants completed training• 90% of those completing training placed in training-related job• 49% of dislocated workers attained 90% of prior wages• 87% of incumbent workers attained a 10% increase in wages• Overall, participants had a 32% increase in average wages |

Summary of Results vs. Goals

| Goal | Results |
|--|--|
| Address the critical and growing shortage of information technology workers | <ul style="list-style-type: none">• All training received was IT-related• Types of training received included:<ul style="list-style-type: none">–MCSE–Medical transcription–Proprietary software–Windows/MS Office–Help desk–Programming languages |
| Revitalize rural communities by aiding existing businesses, attracting new businesses and distance employment opportunities that will promote sustained economic growth, discourage out-migration, and expand school-to-career opportunities for rural youth | <ul style="list-style-type: none">• Provided assistance to:<ul style="list-style-type: none">–65 business partners–7 townships–1 Chamber of Commerce• 15 businesses were expanded as a result of RRT• 100 participants learned skills they could use for home-based, distance employment• 30 participants actually worked from home |

Summary of Results vs. Goals

| Goal | Results |
|--|--|
| Encourage the expansion of new technology into rural areas that have traditionally been technologically isolated | <ul style="list-style-type: none">• Brought broadband service to a rural community through a wireless ISP• Used distance learning to facilitate acquisition of IT-related skills• Demonstrated opportunity for technology-related jobs in rural communities• Created skilled workers to support keeping and building businesses in rural areas |
| Develop innovative strategic alliances that promote these goals and that involve public/private partnership | <ul style="list-style-type: none">• Developed 18 strategic alliances with a variety of organizations, including:<ul style="list-style-type: none">– State Economic Development agencies– Development corporations– Industry partnerships– Business associations– Chambers of Commerce– Training providers– Community colleges– One-Stop Centers |

Summary of Results vs. Goals

| Goal | Results |
|--|---|
| <p>Gain knowledge and experience that will enable Experience Works to establish a highly successful and replicable national model for revitalizing rural America</p> | <ul style="list-style-type: none">• Developed lessons learned related to:<ul style="list-style-type: none">– Recruiting participants– Recruiting business partners– Overcoming employer-related concerns regarding working with the government and the 10% raise requirement– Forming strategic alliances– Overall program implementation |