

You ask a great question, "Where will the jobs come from?"

Routt County Future Job Creation - 101

Your question is at the core of economic development in any community. The labor market can be classified into two very broad categories of jobs - "Primary" and "Secondary." A primary job is associated directly with any industry that brings in "new" dollars into the local economy. Industries that bring in "new" dollars into an economy are often referenced as economic drivers.

Locally we have 5 economic drivers, agriculture, mining, visitors, health care, residential life/style (RLS). All these drivers bring in "new" dollars into the economy that spin around in very predictable ways before flying out of here. Locally, depending on the industry that brought the new dollar in to the valley, on average a dollar will spin around 1 to 3 times before leaving the valley.

The first three drivers are well understood. The last two are highly interdependent on the visitor economy. To put it simply, we live in the house that tourism built and we keep doing things such as improvements in technology, transportation, health care, and recreation/culture infrastructure and amenities that make it easier and nicer to live here. The nicer it is to live here the more folks associated with the RLS industry group will come. In turn, they bring in more dollars that are new, i.e., primary dollars.

More primary dollars flowing into the economy means an increase small-business opportunities. New money from primary jobs coming into the local economy and the resulting secondary jobs create markets for goods and services, such as restaurants, automobiles, retail shops, insurance, banking services, dry cleaning, and etc., that are produced or sold locally.

In 2007, the net migration associated with RLS economy brought \$26 million new dollars into the local economy. Assuming about 25% of household earnings is spent locally and a dollar spin factor of 2X, \$13 million of direct economic impact occurred. Based on the average wage for all industries sectors in Routt County combined this level of direct economic impact created 338 jobs.

Since all the jobs created are not full-time ones, we need to translate jobs to people to complete the calculation of economic impact. The civilian workforce in Routt County is about 15,000, the number of jobs is 20,000. So the number of people associated with the RLS economic driver impact in 2007 was 250.

The average household size in Routt County is 2.3 this would mean that 250 people will need 109 dwelling units. Obviously this model is simplistic, however, the number of jobs, people, households and dwelling units is in the ball park. (This "quick-n-dirty" impact model is just "workforce" dwelling units needed and does not include the dwelling units that will be occupied by fulltime RLS industry group or those associated with second homes purchases.)

It is highly unlikely that there will be much dramatic growth in "new" dollars from the industries associated with Agriculture and mining and for that matter visitors. Any growth in new dollars from

these industries will likely be incremental at best. Locally the growth in new dollars will come from health care and RLS industries. Since the new dollars associated with the RLS industry are cumulative and compounding the number of dwelling units needed in the next 20 years would be in the 2,000 range.

(This job creation forecast was developed by using data from The Community Indicators Project.)

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