

Economic Development Insight

Job Types

By Joan Bethell

When we think about economic development, the ultimate outcome most people think of is job creation. With this in mind, let's explore this aspect a little.

There are two distinct classifications of jobs. Primary jobs are those that produce something that is exported to, and paid for with funds generated, outside of the community. This means new money is coming into the community. The employees of primary employers, such as industrial occupations, are those who hold primary jobs, also referred to as 'base' jobs. Secondary jobs are those created as the money circulates within the community.

The income earned enables us to pay our bills (money owed) and expenses (what it costs to survive), and the balance is considered spendable income. The greater the amount of this spendable income that is retained within the community, and the longer it stays, the stronger the local economy.

Income from primary jobs can create anywhere from one to five more secondary jobs (like retail and services), depending on the loyalty of the residents to the local vendors. The moment the money leaves the community, it ceases to add to the local economy. The community's loss of spendable income is called retail 'leakage.' However, every time the money changes hands within the community, not only does it cause a neighbor to prosper but, the taxes from that exchange provide an additional means for local government to function. So, the more we spend locally, the more tax money is accrued to maintain and improve our community.

Economic developers typically seek to attract or develop industry that creates primary jobs, and encourage support of local businesses, so that a greater number of secondary jobs are created as a result. A community with an abundance and diversity of businesses is a desirable place to live. Retailers, especially national chains, track information on communities' housing stock (number of homes), the levels of household spendable income, and leakage rates. As the first two factors increase and the last remains low, the community becomes progressively more feasible a place for them to do business. Ultimately, this produces vibrant retail and service sectors, providing the existing residents even more options to spend their money locally and attracting buyers from an enlarging geographic radius.

There are four main ways to increase the number of primary jobs: Business start-up, business retention, business expansion and business attraction. Details on each of these approaches will be provided in future articles but, for now, suffice it to say that each of these is dependent on an overall business-friendly environment. One in which the governmental systems are responsive to business needs, that provides easy access to markets, has an abundant and qualified workforce, and strong local support.

In these times of questionable economic future, communities that build their capacity will not only survive easier but will emerge much stronger than those who do nothing. Community capacity-building is a process that includes, among other things, strategies to accommodate and

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strengthen the business environment, workforce evaluation and (re)training, improving infrastructure and reducing costs (for business and government.)

Greene County is favorably positioned to weather the current recession and grow despite it. We have various assets with which to a) foster emerging industries like tourism and the abundance of entrepreneurial opportunities inherent therein; b) support our existing businesses, and c) attract new companies through development of the WestGate@Crane Technology Park. So, let's rally together to make good things happen. Contact GCEDC if you'd like to be a part of forging our future success.

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