

The Role of Economic Development in Communities: A Public Information Series on the Value of Economic Development

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Article 9: Jobs, Jobs, and More Jobs

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I want to shift our focus from the investment side to employment. Clearly one of the main reasons a community invests in economic development is to create jobs for current and future generations.

Economic Development Organizations (EDOs) have different strategies for creating jobs, but they all have an employment component to their strategic plan. You always hear that you need rooftops to grow economic development. That's really not completely accurate. Yes, for retail you need rooftops. But not so much for *primary* jobs.

Primary jobs are those jobs that create spin-off jobs. The spin-offs are grouped as either *indirect* or *induced* jobs. Indirect jobs are those created by the enterprise by way of vendor relationships, suppliers, and others that grow directly as a result of the enterprise. For

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example, when Weatherford located to Waller County, some of the indirect jobs were construction jobs and perhaps more jobs as a result of them doing business locally.

Induced jobs are a little more removed. They result from employees spending money in the area. For example, additional employees going to lunch or buying groceries may require the restaurant and grocery store to hire more people to handle the increase in business. There are variations on this, but these definitions provide a good framework for understanding the relationship to primary jobs.

Primary jobs are generally the higher paying jobs within strong industry sectors like technology or manufacturing. They employ skilled labor and professionals that generally have expendable income.

This is where the WCEDP concentrates its efforts. Hopefully attracting industry leaders with strong jobs provides opportunity for direct employment for citizens and contract opportunities for local businesses. If employees from the new companies relocate to the area, then as the rooftops increase, so will additional retail jobs.

Currently the unemployment rate in Waller County generally follows that of the Houston region. Starting from 2005 through May of 2014 the average unemployment rate for the region is 6.27% and Waller County is 6.47%. Generally, our rates are close to the area average. But, as we get more primary jobs, the average unemployment rate will drop.

As our base of primary jobs increases, our overall unemployment rate will drop. Probably more importantly, local jobs means citizens can work locally and spend less time in traffic. No matter how you define it, a good quality of life includes a good (local) job!

Stay tuned for the next part in this series on economic development. If you have any questions or feedback, please feel free to email me at vyokom@wallercounty.org.

About the Waller County Economic Development Partnership (WCEDP): The WCEDP is a Texas non-profit corporation with an IRS 501 (C) 6 tax designation. We are non-political and have a 24-member board, which includes representation from every community in Waller County that has an economic development program. To learn more, visit www.wallercounty.org.

Mission: The WCEDP is organized to operate a charitable service center to foster increased, environmentally balanced business commerce, positive growth, and overall cooperation and coordination for all communities throughout Waller County, Texas.

