

Herald-Citizen

Highlands Report Positive Progress

By Ashley Bergthold Herald-Citizen Staff

After two years of fundraising and implementation, the Cookeville-Putnam County Chamber of Commerce gave its annual progress report on the Highlands Initiative economic development plan last week at an investors meeting at the Leslie Town Centre.

The Chamber, which has partnered with its counterparts in White and Overton counties for the initiative, spent much of the last year creating a return on their investment by creating jobs and increasing earnings and capital investment in the Highlands.

In 2007, the Highlands Initiative recorded total investments at \$507,901 for the regional marketing plan. Highlands planners spent \$484,193 in 2007 on business retention and recruitment, economic engines, regional awareness, advocacy and other general expenses. As of Dec. 31, total liabilities and equity for the Highlands Initiative was nearly \$1.35 million.



Juli Golemi, left, economist with National Community Development Services (NCDS) and Tom DiFiore, NCDS president address investors on the progress of the Highlands Initiative.

"Through your investments and with the hard work of your Chamber, you have done a really good job of getting a return on your investment compared to other communities," said Juli Golemi, economist with the National Community Development Service (NCDS), an economic development consulting firm out of Atlanta. "We are here today to focus on your accomplishments."

According to Golemi, job creation is a key measurement in determining the economic impact of the initiative. In 2007, the Highlands Initiative directly created 1,147 new jobs in the three county region, which created a rippling effect by indirectly adding 650 new jobs for a total of 1,797 new jobs created in the Highlands. For every new job directly created, an additional 0.56 new jobs were created because of the additional resources going into the local economy. The new jobs created \$57 million in direct and indirect earnings for the region.

"You all had a banner year in job creation, especially if you consider the national economic situation," Golemi said. "It is really a good sign that most of those new jobs were in manufacturing. Also, earnings of \$57 million is great for a community of your size." Through the Highlands Initiative, a total of 3,593 jobs were retained directly and indirectly in the region. The job retentions lead to total earnings of \$162.3 million. For every new job directly retained, an additional 0.81 new jobs were created.

"Job retention is very important in terms of economic impact," Golemi said. "It costs less to keep jobs here than it does to bring in new ones. If you did not invest and the Chamber did not work so hard, 3,593 jobs in the region would have been lost. The Highlands numbers on job retention are impressive. Jobs kept in the region have a good rippling effect on the area economy."

It cost the Highland Initiative a total of \$275 for every new direct, indirect or induced job created. To compare, the national average for cost per new job is \$785. The total cost of every direct, indirect and induced job retained in the Highlands cost the initiative \$137. The average earning of each new direct, indirect and induced job was \$31,743 and for every retained job it was \$40,705. The figures presented for direct earnings show that for every dollar spent by the Chamber, \$72 is brought into the region. "We rarely come across a community that has created as many jobs on such a small budget," Golemi said.

The Highlands Initiative committee established goals to be accomplished during the four-year duration of the initiative. One of the goals set in 2005 was for the creation of 1,200 new jobs. NCDS reported that after only having the second year of the initiative complete, 2,107 new jobs had been created. The earnings goal was set at \$34.2 million in 2005, and as of the end of 2007, earnings were at \$58.3 million.

"We have seen good performance from this region," said NCDS President Tom DiFiore. "You all have done a great job, but do not take your foot off of the gas now. There are always people gunning for your existing industries, jobs and success."