

## Highlands Expected To Reap Nearly \$154 Million From New Jobs

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The local numbers remain hopeful when it comes to new jobs and their economic impact on the three counties of Overton, Putnam and White, which comprise the Highlands of Tennessee. That's the conclusion outlined at the Highlands Initiative annual meeting, held March 31 at the new Highlands Visitor Center.

In 2008, the Highlands Initiative assisted in the relocation and/or expansion of 11 companies, resulting in the creation of 540 gross new manufacturing jobs — 340 in 2008 and 200 additional jobs planned by 2010.

According to an analysis of those numbers presented at the meeting by speaker Tom DiFiore, president of National Community Development Services (NCDS) Inc. of Atlanta, a consulting firm that helped the Cookeville-Putnam County Chamber of Commerce develop and implement the Highlands Initiative, those 540 jobs will add \$18.6 million to the local economy in the form of direct earnings. But the benefits don't stop there; those jobs also produce indirect and induced economic effects.

"The employee paycheck of these new jobs gets spent in town and creates growth in the local economy. That's induced economic impact," said DiFiore. "And then the manufacturing company that added those jobs will buy goods and services, say from a local trucking company, to support the increased production they create from adding those jobs. That's indirect economic impact."



**Economic growth:** Tom DiFiore, president of National Community Development Services (NCDS) Inc. of Atlanta addresses members of the Highlands initiative about the continuing work needed to bring jobs into the Highlands area.

His analysis, based on a multiplier of 1.59 (from government and industry figures for our region), indicates that those initial 540 jobs will likely create 316 indirect and induced jobs. And considering every direct dollar injected into the economy creates 55 cents in indirect and induced earnings, according to established figures, the \$18.6 million in earnings from the initial 540 jobs will generate \$10.2 million in additional earnings. Put it all together, and you have a total of \$28.8 million in earnings being injected into the local economy through a total of 856 new jobs.

Furthermore, based on the industries involved and data for our particular region, NCDS has determined that those 856 jobs will likely produce increased local production of goods and services to the tune of \$154 million.

The Highlands Initiative is performing very efficiently in bringing those jobs here, according to the "Score Card" portion of the NCDS analysis, which reports that for every dollar spent by the Highlands Initiative to recruit new jobs in 2008, the direct benefit realized was \$44, and the total benefit was \$69. The cost of recruiting 540 direct jobs in 2008 was \$777 per job, or 58 percent of the national average of \$1,351. If you take into account direct, indirect and induced jobs, the cost of recruitment for each new job goes down to \$490, or 66 percent of the national average of \$748.

"The Score Card is really just a measure of the efficiency of the organization. The Cookeville-Putnam County Chamber of Commerce, which spearheads the Highlands Initiative, makes good use of its staff's time and its limited marketing budget," said DiFiore. "And a lot of it has to do with the area itself. The Highlands area, as I see it, is pretty attractive and has a lot to offer companies looking to relocate or expand."

In addition to the new jobs it helped facilitate, the Highlands Initiative assisted in securing the city and county's funding for the infrastructure of Highlands Regional Business Park, provided funding for Phase I Environmental Study of the Upper Cumberland Regional Airport Business Park, opened the regional Highlands Visitor Center at 470-A Neal Street, completed requirements to receive the American Association of Retirement Communities Seal

of Approval, and made progress toward many more of its long-term goals in 2008.

"The willingness of these three counties to work together, not as independent counties, but together, to bring industry and jobs to our area and address education, workforce and economic development concerns collectively has been very encouraging and very effective," said Highlands Initiative Chair Bob Allen.

Highlands Initiative is a four-year partnership between Putnam, Overton and White counties begun in 2005 to improve the economic and jobs picture; maximize regional benefits of tourist, medical, retail and retiree development; and advocate for improvements to infrastructure, transportation, education and recreational enhancements for the Highlands of Tennessee. Goals are currently being discussed for the next four-year leg of the Highlands Initiative, set to begin in 2010.

"Despite the difficult economic conditions everyone is dealing with right now, the hard work of county, city and chamber leaders in Overton, Putnam and White counties have produced these encouraging results that will affect the Highlands economy positively for a long time to come," said George Halford, president/CEO of the Cookeville-Putnam County Chamber of Commerce. "We look forward to more growth as we continue our three-county partnership and promotion of the Highlands of Tennessee."