

# Get more bang for your buck in economic development

The advice "less is more" should be followed during actions such as applying makeup or cologne, or selecting jewelry for an evening out (for instance, don't wear a tiara to dinner). But can the phrase also apply to economic development?

Our first instinct is to believe that creating more jobs in the community, whatever they may be, is a good thing. But maybe it's just as important to evaluate the quality, as well as the quantity, of jobs so community planners can more appropriately determine how and what kind of businesses we attract to our area.

The Northwest Area Foundation, which serves Minnesota, Iowa, North Dakota, South Dakota, Montana, Idaho, Washington and Oregon, offers a free Internet tool that helps community planners conduct such evaluations.

The foundation's Wage & Benefits Metric tool assigns a one-, two- or three-star rating to jobs based on nine attributes. A three-star job is considered the highest quality; for example, it's full-time, greater pay, permanent and offers benefits.

A single company can have jobs in each rating category, but is considered of higher quality if there are more three-star than one- or two-star jobs.

And it's entirely possible that a company, particularly if it's small, has the same rating for all of its jobs.

According to a news release issued by the foundation, "users (of the tool) can determine if the proposed jobs will offer wages and benefits that allow individuals and families to be self-sustaining

within the local economy. This metric puts previously hard-to-calculate information a few keystrokes away from community decision makers."

The tool is composed of eight steps. A key step involves choosing a "scoring threshold," which is determined by the wage level thresholds — or a measurement of how the wages for the respec-

tive jobs compare to current wage trends in the local area. This is an important indicator of how the jobs will impact the community, for better or for worse.

Assigning values to jobs and companies isn't a new concept, but it's one that isn't always fully embraced because it can cause some discomfort among the business community, governments and stakeholders.

"From an economic development standpoint, it makes sense to take an objective approach to evaluating which businesses and jobs you want to attract to this area," said Gary Spanner, manager of Pacific Northwest National Laboratory's economic development office. "I'd like to see us continue to aim high in terms of seeking the three-star jobs because the one- and two-star jobs will follow."

Dean Schau, regional economist for the state Employment Security Department, said new jobs "with decent pay and good benefits add to the economic vitality of our community. A poor-paying job without benefits detracts from our economic well-being"

Aside from ratings, it's also important to determine if a business' revenue comes from a primary or secondary source. In a primary sector business, revenue is brought into the community from an outside source. In the secondary sector, businesses such as coffee shops, dry cleaners, attorneys and accountants generate revenue by recycling money already in the community.

It isn't difficult to deduce that there are advantages to having funding come into the community vs. only recycling what's here. On an elementary level, it's like getting a college scholarship instead of your family having to pay the tuition.

"Not only do I see value in the Wage & Benefits Metric tool, but I think it can be further customized to include point values for primary versus secondary businesses. This, paired with the other nine attributes the tool evaluates, would give us extremely valuable information to help with future economic development decisions," Spanner continued.

And even though the job rating con-

cept can cause discomfort, it's important — and responsible — to attract and retain businesses that will sustain our community for years to come. When Hanford's cleanup mission is complete, we'll need to replace the lost jobs with ones of comparable value if we want to maintain this area's quality of life.

Carl Adrian, president and CEO of TRIDEC, says, "The quality of Hanford jobs has certainly helped our community grow and prosper. It has allowed us to attract and retain highly educated individuals and other scientific and technical businesses. I see a bright future for the Tri-Cities, but it's imperative that we continue to run economic development as a business — evaluating what's best for this area in the long-term — and make the tough calls on what industries and companies to pursue."

For more information about the Wage & Benefits Metric tool, go to [www.jobmetric.nwaf.org](http://www.jobmetric.nwaf.org).

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Economic Diversity