JOB GENERATION IN THE COLORADO MOUNTAIN RESORT ECONOMY

SECOND HOMES AND OTHER ECONOMIC DRIVERS IN EAGLE, GRAND, PITKIN AND SUMMIT COUNTIES

EXECUTIVE SUMMARY

PREPARED FOR THE NORTHWEST COLORADO COUNCIL OF GOVERNMENTS

JUNE 2004

LLOYD LEVY CONSULTING
WITH
HAMMER • SILER • GEORGE • ASSOCIATES

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EXECUTIVE SUMMARY

This report presents the findings of an economic analysis of four resort counties in the Colorado Mountains: Eagle, Grand, Pitkin and Summit. The study is part of an ongoing effort to understand the economic effects of second homes in these areas.

OBJECTIVES OF THE STUDY

The specific goals achieved by the study are, for each county, to:

- Identify the major economic drivers;
- Measure the importance of each driver in terms of jobs generated; and
- Determine the ratio of secondary jobs to direct basic jobs for each driver.

This approach leads ultimately to an estimate of total jobs attributed to each of the economic drivers in the county economy. More specifically, the study determined:

- Direct basic spending of dollars from outside the county;
- Direct basic jobs resulting from basic spending;
- Total jobs, including the primary or direct basic jobs resulting from basic spending and the secondary jobs resulting from the recirculation of business, government and employee spending stimulated by direct basic sales;
- The ratio of secondary to basic jobs;
- The number of basic jobs and total jobs generated for each million dollars of direct basic spending; and
- The number of basic and total jobs generated for each unit of driver activity.

An analysis of the entire economy of each county was necessary to ensure that the findings regarding second homes are realistic in the context of the other major economic drivers.

ECONOMIC DRIVERS

The analysis of economic drivers, as performed here, is an extension of regional economic base analysis. In this kind of analysis, the economic activities of a region—measured by the jobs generated in local businesses—are divided into two categories. The first category includes jobs that are "basic," meaning that they are supported directly by the initial expenditures of dollars brought in from outside the local area. The second category is jobs that are non-basic (or "secondary") meaning that they deliver goods and services to local residents who are part of the local labor force.

A classic example of an economic driver is a local industry, such as agriculture, mining or manufacturing, which sells its products to buyers from outside of a county. This kind of economic driver still exists in the four-county study area, as it has for years, but the economic influence of such activities has become less over time.

More important to the study area are the flows of dollars from visitors and seasonal residents who come to enjoy the region's amenities. These include destination skiers, summer visitors and a growing number of second-home owners. All of these visitors bring with them dollars earned elsewhere. They spend them locally on activities, products, services and—in the case of second-home buyers—housing.

To be comprehensive—and to ensure the accuracy of an estimate of any one driver—an attempt has been made to evaluate all significant economic drivers. The list of drivers identified for the study is shown on Figure 1.

Figure 1: Economic Drivers in the Mountain Resort Economy (Lloyd Levy Consulting with Hammer Siler George Associates).

DRIVERS BY MAJOR GROUP AND TYPE
SECOND HOMES
Construction, Units < 3,000 Sq. Ft.
Construction, Units 3,000 + Sq. Ft.
Owner Spending, Units < 3,000 Sq. Ft.
Owner Spending, Units 3,000 + Sq. Ft.
WINTER VISITORS
Destination Skiers
Day Skiers (Non-Local)
Other Winter Visitors
SUMMER VISITORS
Destination Visitors
Day Visitors
RESIDENT SPENDING OF NON-LOCAL INCOME
Of Retirees
Of Others
OTHER BASIC DRIVERS
Agriculture, Mining & Manufacturing
I-70 Through Traffic
Federal & State Government

Importance of Second Homes

Over the past 50 years, the economies of the four study counties have developed in stages, emerging first as ski resorts. More recently, they have been transitioning into year-round resorts and trade centers. A common theme in the growth of amenity-rich resorts is the development of vacation homes, or "second homes." The region under study—comprising Eagle, Grand, Pitkin and Summit counties—has followed this pattern.

Today, more than half of all dwelling units in the total housing stock of the region are second homes, according to an analysis prepared by the Northwest Colorado Council of Governments (NWCCOG). Second homes are defined as housing units of various kinds, whose owners maintain a usual, or primary, residence elsewhere and who spend only part of their time in Colorado's mountain resort area.

Second home development, like any economic activity, creates demand for a range of goods and services from businesses, local governments and their employees. In turn, working families require housing and create their own demand for private and government services. Service providers, in turn, employ more workers with additional needs for housing, services and so forth. Second homes are thus participants in the cycle of job generation in the local economy.

As second homes have grown to be a large part of the economic and physical landscape, the size and scope of the job-generating effects of second homes have become especially important in the management of development in Colorado's mountain resorts. Increasing numbers of second homes have begun absorbing large amounts of land in an area where land available for development is limited by terrain and the public domain. The consequence is a growing impact on real estate prices and the cost of living, as well as increasing demands for service from local governments.

Given these circumstances, the counties and their communities share a common interest of growing importance. Each in its own way is seeking to reconcile competing demands. On the one hand is the demand for second homes—and the benefits of a successful second-home development sector as an economic driver. On the other hand are the associated demands of a large and growing resort and of a second home-driven workforce requiring housing and services that are affordable, convenient and responsive to the workforce's needs.

As growth and new development continue, planners and policy makers have sought better information to evaluate and plan for the demands brought on by second home development and by the region's other important economic drivers. The current study contributes to that effort by specifying and quantifying the total job-generation effects—including the direct and the secondary effects—of all of the region's economic drivers.

STUDY TEAM

The work of estimating the basic sales, basic jobs and total jobs of each of the drivers of these four resort counties was performed by Lloyd Levy Consulting of Denver, Colorado, in association with the Denver office of Hammer Siler George Associates.

The project was principally funded by a grant to the NWCCOG from the Colorado Department of Local Affairs (DOLA), Office of Smart Growth. In addition, DOLA staff in the Colorado Demography Section provided technical assistance and much of the data that underlies the analysis.

Besides commissioning the study, the NWCCOG was directly involved on several levels. Linda Venturoni, Director of Special Projects for NWCCOG, was the project manager and worked closely with the consultants on all stages of the analysis. A Steering Committee composed of NWCCOG representatives assisted in the design of the project and review of the results. Liz Finn, NWCCOG Assistant Executive Director, was project administrator and provided editorial review of the report. NWCCOG also provided data from two recent studies that were of critical importance to the analysis: the 2003 Resort Homeowners Survey and the 2000 Analysis of Assessor's Data.

The U. S. Forest Service-Region II provided additional funding and data used in the economic modeling phase of the study. The Forest Service's involvement in this study and in the

related Building Bridges project reflects the importance of forest resources in the Colorado mountain resort economies.

METHODS

Measuring the effects of a driver on a local economy requires, first, identifying all of the purchases of each driver from each industry. This is a large task dependent on pre-existing, driver-specific expenditure studies. Armed with these estimates, the secondary effects of each of these purchases may be traced throughout the rest of the economy. The secondary effects consist of the services and supplies provided (by indirect basic industries) to each of the primary industries serving this driver, as well as the services provided directly and indirectly to the workers in those industries.

For example, destination skiers purchase ski-lift tickets from ski resorts (typically classified as part of the larger recreation industry), spend money for overnight accommodations, go to eating and drinking places, buy gifts and other items from retail stores, and pay for transportation services as part of their visit. Second home owners and their guests make purchases from other additional industries: construction, real estate and rental, and a variety of household, professional and personal services.

The analytical methods used to implement the approach include the following:

- Estimates of sales and expenditures were based on previous studies, supplementary research and surveys and professional judgments about the relative size of certain factors. Available measures of economic activity were combined with measured and estimated spending rates to calculate total spending for each driver. This enabled the study team to establish consistent estimates of the dollar in-flows associated with each economic driver.

- Next, the dollars of spending by driver were translated into categories of consumption expenditures by commodity and service. This was done by applying local and national survey data. Then, personal consumption expenditures were converted into dollars of spending by industry, using national data available from the U.S. Bureau of Economic Analysis.

- Dollars of spending by industry were entered into the IMPLAN economic impact modeling system[1] to produce initial estimates of the numbers of jobs generated by each driver. The job-generation effects are expressed in terms of "basic" jobs and secondary jobs, as well as a ratio of secondary to basic jobs. Together, these results measure the total impact of each driver on the local economy.

- The final step involved adjusting the model's estimates of jobs by driver. The adjustments are made in order to match the actual number of jobs "on the ground." As a result, the findings presented in this report are consistent with the official job totals by industry prepared for each county by the DOLA staff in the Colorado Demography Section.

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[1] The IMPLAN System software and data are products of the Minnesota IMPLAN Group, Inc. (MIG), Stillwater MN 55082. The MIG website address is www.implan.com.

Summary Findings

The specific goals and objectives of the study, introduced earlier, can be broadly summarized in terms of three key questions. The analysis has sought to answer these questions in quantitative and specific terms for Eagle, Grand, Summit and Pitkin counties. The questions are:

- How big is the economic base of each county?
- What share of the economic base is due to second homes or other drivers? and
- What is the total effect of second homes and other economic drivers, as measured by the basic and secondary jobs they generate?

For each county, the key results are presented in the following summary tables.

Eagle County

Total basic spending associated with the economic drivers of Eagle County is estimated to be almost $1.8 billion in 2002, the benchmark year of the study. Table 1 presents summary results of the economic base analysis for Eagle County.

Table 1: Eagle County—Summary of Base Analysis by Economic Driver for 2002 (Lloyd Levy Consulting with Hammer Siler George Associates).

DRIVER	ESTIMATED BASIC SPENDING		ESTIMATED DIRECT BASIC JOBS		ESTIMATED TOTAL JOBS		RATIO: SECONDARY TO DIRECT BASIC JOBS
	MILLIONS	SHARE OF TOTAL	AMOUNT	SHARE OF TOTAL	AMOUNT	SHARE OF TOTAL	
SECOND HOMES							
Construction, Units < 3,000 Sq. Ft.	$40.6	2.3%	430	2.2%	883	2.6%	1.05
Construction, Units 3,000 + Sq. Ft.	$102.5	5.8%	1,086	5.6%	2,229	6.6%	1.05
Owner Spending, Units < 3,000 Sq. Ft.	$390.7	22.1%	6,219	32.0%	8,793	26.2%	0.41
Owner Spending, Units 3,000 + Sq. Ft.	$143.4	8.1%	2,283	11.7%	3,228	9.6%	0.41
TOTAL, SECOND HOMES	$677.2	38.4%	10,018	51.5%	15,133	45.1%	0.51
WINTER VISITORS							
Destination Skiers	$322.4	18.3%	3,060	15.7%	5,672	16.9%	0.85
Day Skiers (Non-Local)	$48.3	2.7%	421	2.2%	829	2.5%	0.97
Other Winter Visitors	$16.3	0.9%	130	0.7%	251	0.7%	0.93
TOTAL, WINTER VISITORS	$387.0	21.9%	3,611	18.6%	6,752	20.1%	0.87
SUMMER VISITORS							
Destination Visitors	$134.7	7.6%	1,099	5.6%	2,070	6.2%	0.88
Day Visitors	$18.8	1.1%	95	0.5%	189	0.6%	0.99
TOTAL, SUMMER VISITORS	$153.5	8.7%	1,194	6.1%	2,259	6.7%	0.89
RESIDENT SPENDING OF NON-LOCAL INCOME							
Of Retirees	$210.8	11.9%	1,422	7.3%	2,863	8.5%	1.01
Of Others	$163.5	9.3%	1,388	7.1%	2,946	8.8%	1.12
TOTAL, RESIDENT SPENDING	$374.3	21.2%	2,810	14.4%	5,809	17.3%	1.07
OTHER DRIVERS							
Agriculture, Mining & Manufacturing	$111.9	6.3%	772	4.0%	1,894	5.6%	1.45
I-70 Through Traffic	$47.6	2.7%	737	3.8%	1,209	3.6%	0.64
Federal & State Government	$13.1	0.7%	312	1.6%	476	1.4%	0.53
TOTAL, OTHER DRIVERS	$172.6	9.8%	1,821	9.4%	3,579	10.7%	0.97
TOTAL, ALL DRIVERS	**$1,764.6**	**100.0%**	**19,454**	**100.0%**	**33,530**	**100.0%**	**0.72**

Note: Lift ticket and on-mountain spending by second home owners and guests are included under destination skiers. Spending by Retirees includes Medicare payments. Resident Spending of Non-Local Income of Others includes allowances for Dividends, Interest & Rent, basic income of sole proprietors, and an allowance for spending by non-resident commuters working in the local economy. Through travel to enjoy local attractions, such as car touring to view scenery and wildlife, is not part of I-70 Through Traffic. Detail may not add up to totals because of rounding.

In Eagle County (Table 1):

- The share of Estimated Basic Spending attributed to each major category of driver is: Second Homes, 38.4 percent; Winter Visitors, 21.9 percent; Summer Visitors, 8.7

percent; and Resident Spending of Non-Local Income, 21.2 percent. Other Drivers contribute 9.8 percent.

- Total spending related to economic drivers directly supports the 19,454 jobs identified under Estimated Direct Basic Jobs. These, in turn, support 10,966 secondary jobs, adding up to 33,530 Estimated Total Jobs. The average effect countywide is the about 0.72 secondary jobs for every direct basic job generated (see the column headed Ratio: Secondary to Direct Basic Jobs).

- The number of Estimated Total Jobs generated by Second Homes—combining Construction and Owner Spending—is 15,133, or 45.1 percent of total jobs. This is more than twice the share of the next largest categories, Winter Visitors with 6,752 jobs, or 20.1 percent of Estimated Total Jobs, and Resident Spending of Non-Local Income with 5,809 jobs, or 17.3 percent of total jobs.

GRAND COUNTY

Total spending associated with the economic drivers of Grand County is estimated to be a little more than $600 million in 2002. Table 2 presents summary results of the economic base analysis for Grand County.

Table 2: Grand County—Summary of Base Analysis by Economic Driver for 2002 (Lloyd Levy Consulting with Hammer Siler George Associates).

DRIVER	ESTIMATED BASIC SPENDING		ESTIMATED DIRECT BASIC JOBS		ESTIMATED TOTAL JOBS		RATIO: SECONDARY TO DIRECT BASIC JOBS
	MILLIONS	SHARE OF TOTAL	AMOUNT	SHARE OF TOTAL	AMOUNT	SHARE OF TOTAL	
SECOND HOMES							
Construction, Units < 3,000 Sq. Ft.	$59.6	9.9%	574	11.2%	1,073	12.4%	0.87
Construction, Units 3,000 + Sq. Ft.	$9.0	1.5%	87	1.7%	163	1.9%	0.87
Owner Spending, Units < 3,000 Sq. Ft.	$70.3	11.7%	1,044	20.5%	1,409	16.3%	0.35
Owner Spending, Units 3,000 + Sq. Ft.	$7.0	1.2%	104	2.0%	141	1.6%	0.36
TOTAL, SECOND HOMES	$145.9	24.2%	1,809	35.4%	2,786	32.2%	0.54
WINTER VISITORS							
Destination Skiers	$135.6	22.5%	1,009	19.8%	1,779	20.6%	0.76
Day Skiers (Non-Local)	$19.6	3.2%	162	3.2%	283	3.3%	0.75
Other Winter Visitors	$7.1	1.2%	50	1.0%	88	1.0%	0.76
TOTAL, WINTER VISITORS	$162.3	26.9%	1,221	23.9%	2,150	24.9%	0.76
SUMMER VISITORS							
Destination Visitors	$145.2	24.1%	1,030	20.2%	1,771	20.5%	0.72
Day Visitors	$21.2	3.5%	116	2.3%	181	2.1%	0.56
TOTAL, SUMMER VISITORS	$166.4	27.6%	1,146	22.5%	1,952	22.6%	0.70
RESIDENT SPENDING OF NON-LOCAL INCOME							
Of Retirees	$49.1	8.1%	300	5.9%	561	6.5%	0.87
Of Others	$51.0	8.5%	302	5.9%	576	6.7%	0.91
TOTAL, RESIDENT SPENDING	$100.1	16.6%	602	11.8%	1,137	13.2%	0.89
OTHER DRIVERS							
Agriculture, Mining & Manufacturing	$16.8	2.8%	170	3.3%	348	4.0%	1.05
I-70 Through Traffic	-	-	-	-	-	-	-
Federal & State Government	$11.8	2.0%	156	3.1%	267	3.1%	0.71
TOTAL, OTHER DRIVERS	$28.6	4.7%	326	6.4%	615	7.1%	0.89
TOTAL, ALL DRIVERS	**$603.4**	**100.0%**	**5,104**	**100.0%**	**8,640**	**100.0%**	**0.69**

Note: Lift ticket and on-mountain spending by second home owners and guests are included under destination skiers. Spending by Retirees includes Medicare payments. Resident Spending of Non-Local Income of Others includes allowances for Dividends, Interest & Rent, basic income of sole proprietors, and an allowance for spending by non-resident commuters working in the local economy. Through travel to enjoy local attractions, such as car touring to view scenery and wildlife, is not part of I-70 Through Traffic. Detail may not add up to totals because of rounding.

In Grand County (Table 2):

- The share of Estimated Basic Spending attributed to each major category of driver is: second homes, 24.2 percent; Winter Visitors, 26.9 percent; Summer Visitors, 27.6

percent; and Resident Spending of Non-Local income, 16.6 percent. Other Drivers contribute 4.7 percent.

- All of the economic drivers combined directly support the 5,104 Estimated Direct Basic Jobs. These, in turn, support 3,536 secondary jobs, adding up to 8,640 Estimated Total Jobs. The average effect countywide is about 0.69 secondary jobs for every direct basic job generated (see the column headed Ratio: Secondary to Direct Basic Jobs).

- The number of Estimated Total Jobs generated by Second Homes—combining Construction and Owners Spending—is 2,786, or 32.2 percent, making second homes Grand County's largest driver. However, the next largest major categories of driver also large shares to Estimated Total Jobs. These are Winter Visitors with 2,150 jobs (24.9 percent) and Summer Visitors with 1,952 jobs (22.6 percent).

- A significant though smaller share of Estimated Total Jobs—1,137 (13.2 percent)—is generated by Resident Spending of Non-Local Income.

PITKIN COUNTY

Total spending associated with the economic drivers of Pitkin County is estimated to be more than $1.3 billion in 2002. Table 3 presents summary results of the economic base analysis for Pitkin County.

Table 3: Pitkin County—Summary of Base Analysis by Economic Driver for 2002 (Lloyd Levy Consulting with Hammer Siler George Associates).

DRIVER	ESTIMATED BASIC SPENDING		ESTIMATED DIRECT BASIC JOBS		ESTIMATED TOTAL JOBS		RATIO: SECONDARY TO DIRECT BASIC JOBS
	MILLIONS	SHARE OF TOTAL	AMOUNT	SHARE OF TOTAL	AMOUNT	SHARE OF TOTAL	
SECOND HOMES							
Construction, Units < 3,000 Sq. Ft.	$18.5	1.4%	201	1.7%	359	1.9%	0.79
Construction, Units 3,000 + Sq. Ft.	$97.0	7.3%	1,057	9.0%	1,880	9.8%	0.78
Owner Spending, Units < 3,000 Sq. Ft.	$192.0	14.5%	2,979	25.2%	3,817	19.9%	0.28
Owner Spending, Units 3,000 + Sq. Ft.	$145.6	11.0%	1,200	10.2%	1,867	9.7%	0.56
TOTAL, SECOND HOMES	$453.1	34.1%	5,437	46.0%	7,923	41.3%	0.46
WINTER VISITORS							
Destination Skiers	$232.5	17.5%	1,770	15.0%	3,094	16.1%	0.75
Day Skiers (Non-Local)	$42.7	3.2%	247	2.1%	507	2.6%	1.05
Other Winter Visitors	$14.2	1.1%	86	0.7%	156	0.8%	0.81
TOTAL, WINTER VISITORS	$289.4	21.8%	2,103	17.8%	3,757	19.6%	0.79
SUMMER VISITORS							
Destination Visitors	$208.9	15.7%	1,444	12.2%	2,492	13.0%	0.73
Day Visitors	$35.6	2.7%	156	1.3%	268	1.4%	0.72
TOTAL, SUMMER VISITORS	$244.5	18.4%	1,600	13.6%	2,760	14.4%	0.73
RESIDENT SPENDING OF NON-LOCAL INCOME							
Of Retirees	$220.5	16.6%	1,386	11.7%	2,422	12.6%	0.75
Of Others	$92.3	7.0%	1,168	9.9%	2,171	11.3%	0.86
TOTAL, RESIDENT SPENDING	$312.8	23.6%	2,554	21.6%	4,593	23.9%	0.80
OTHER DRIVERS							
Agriculture, Mining & Manufacturing	$24.2	1.8%	58	0.5%	86	0.4%	0.48
I-70 Through Traffic	-	-	-	-	-	-	-
Federal & State Government	$3.5	0.3%	56	0.5%	85	0.4%	0.52
TOTAL, OTHER DRIVERS	$27.7	2.1%	114	1.0%	171	0.9%	0.50
TOTAL, ALL DRIVERS	**$1,327.4**	**100.0%**	**11,808**	**100.0%**	**19,204**	**100.0%**	**0.63**

Note: Lift ticket and on-mountain spending by second home owners and guests are included under destination skiers. Spending by Retirees includes Medicare payments. Resident Spending of Non-Local Income of Others includes allowances for Dividends, Interest & Rent, basic income of sole proprietors, and an allowance for spending by non-resident commuters working in the local economy. Through travel to enjoy local attractions, such as car touring to view scenery and wildlife, is not part of I-70 Through Traffic. Detail may not add up to totals because of rounding.

In Pitkin County (Table 3):

- The share of Estimated Basic Spending attributed to each major category of driver is: Second Homes, 34.1 percent; Winter Visitors, 21.8 percent; Summer Visitors, 18.4 percent; and Resident Spending of Non-Local Income, 23.6 percent. Other Drivers contribute 2.1 percent.

- All of the economic drivers combined directly support the 11,808 Estimated Direct Basic Jobs. These, in turn, support 7,396 secondary jobs, adding up to 19,204 Estimated Total Jobs. The average effect countywide is about 0.63 secondary jobs for every direct basic job generated (see the column headed Ratio: Secondary to Direct Basic Jobs).

- The number of Estimated Total Jobs generated by Second Homes—combining Construction and Owner Spending—is 7,923, or 41.3 percent, making second homes Pitkin County's dominant driver. The next largest economic driver is Resident Spending of Non-Local Income, which generates 4,593 jobs, or 23.9 percent of Estimated Total Jobs.

- Winter Visitors and Summer Visitors are both significant drivers. However, they now generate the minority share of Estimated Total Jobs. Winter Visitors generate 3,757 jobs (20 percent of Estimated Total Jobs) and Summer Visitors generate about 2,760 jobs (14 percent of Estimated Total Jobs).

SUMMIT COUNTY

Total spending associated with the economic drivers of Summit County is estimated to be more than $1.3 billion in 2002. Table 4 presents the summary results of the economic base analysis for Summit County.

Table 4: Summit County—Summary of Base Analysis by Economic Driver for 2002 (Lloyd Levy Consulting with Hammer Siler George Associates).

DRIVER	ESTIMATED BASIC SPENDING		ESTIMATED DIRECT BASIC JOBS		ESTIMATED TOTAL JOBS		RATIO: SECONDARY TO DIRECT BASIC JOBS
	MILLIONS	SHARE OF TOTAL	AMOUNT	SHARE OF TOTAL	AMOUNT	SHARE OF TOTAL	
SECOND HOMES							
Construction, Units < 3,000 Sq. Ft.	$48.2	3.0%	407	3.2%	792	3.8%	0.95
Construction, Units 3,000 + Sq. Ft.	$27.3	1.7%	231	1.8%	449	2.1%	0.94
Owner Spending, Units < 3,000 Sq. Ft.	$339.6	21.1%	2,554	20.4%	3,489	16.6%	0.37
Owner Spending, Units 3,000 + Sq. Ft.	$102.1	6.4%	767	6.1%	1,049	5.0%	0.37
TOTAL, SECOND HOMES	$517.2	32.2%	3,960	31.6%	5,779	27.6%	0.46
WINTER VISITORS							
Destination Skiers	$527.1	32.8%	4,535	36.2%	8,022	38.3%	0.77
Day Skiers (Non-Local)	$78.1	4.9%	713	5.7%	1,258	6.0%	0.76
Other Winter Visitors	$27.0	1.7%	208	1.7%	380	1.8%	0.83
TOTAL, WINTER VISITORS	$632.2	39.3%	5,456	43.5%	9,660	46.1%	0.77
SUMMER VISITORS							
Destination Visitors	$162.1	10.1%	1,186	9.5%	2,137	10.2%	0.80
Day Visitors	$22.9	1.4%	119	0.9%	227	1.1%	0.91
TOTAL, SUMMER VISITORS	$185.0	11.5%	1,305	10.4%	2,364	11.3%	0.81
RESIDENT SPENDING OF NON-LOCAL INCOME							
Of Retirees	$121.5	7.6%	589	4.7%	1,031	4.9%	0.75
Of Others	$72.0	4.5%	409	3.3%	751	3.6%	0.84
TOTAL, RESIDENT SPENDING	$193.5	12.0%	998	8.0%	1,782	8.5%	0.79
OTHER DRIVERS							
Agriculture, Mining & Manufacturing	$23.9	1.5%	95	0.8%	219	1.0%	1.31
I-70 Through Traffic	$47.6	3.0%	615	4.9%	965	4.6%	0.57
Federal & State Government	$8.2	0.5%	114	0.9%	187	0.9%	0.64
TOTAL, OTHER DRIVERS	$79.7	5.0%	824	6.6%	1,371	6.5%	0.66
TOTAL, ALL DRIVERS	**$1,607.6**	**100.0%**	**12,543**	**100.0%**	**20,956**	**100.0%**	**0.67**

Note: Lift ticket and on-mountain spending by second home owners and guests are included under destination skiers. Spending by Retirees includes Medicare payments. Resident Spending of Non-Local Income of Others includes allowances for Dividends, Interest & Rent, basic income of sole proprietors, and an allowance for spending by non-resident commuters working in the local economy. Through travel to enjoy local attractions, such as car touring to view scenery and wildlife, is not part of I-70 Through Traffic. Detail may not add up to totals because of rounding.

In Summit County (Table 4):

- The share of Estimated Basic Spending attributed to each major category of driver is: Second Homes, 32.2 percent; Winter Visitors, 39.3 percent; Summer Visitors, 11.5 percent; and Resident Spending of Non-Local Income, 12.0 percent. Other Drivers contribute about 5.0 percent.

- Total spending related to economic drivers directly supports the 12,543 basic jobs identified under Estimated Direct Basic Jobs. These, in turn, support 8,413 secondary jobs, adding up to 20,956 Estimated Total Jobs. The average effect countywide is about 0.67 secondary jobs for every direct basic job generated (see the column headed Ratio: Secondary to Direct Basic Jobs).

- Winter Visitors are the largest driver, supporting about 9,660 jobs or 46.1 percent of Estimated Total Jobs. Second Home construction and spending generate 5,779 jobs, or 27.6 percent of Estimated Total Jobs.

- Other drivers' contributions are summer visitors, about 2,400 jobs (11 percent), resident spending of non-local income, 1,800 jobs (9 percent), and other drivers, 1,400 jobs (7 percent). Among the drivers in the last category, I-70 through traffic is estimated to be the largest job generator.

FOUR-COUNTY REGION

Estimated Basic Spending for the economic drivers of the four-county region, including Eagle, Grand, Pitkin and Summit counties, is more than $5.3 billion for the benchmark year 2002. Table 5 presents summary results of the analysis for the entire four-county region. Across the region, Second Homes—combining the Construction and Owner Spending segments—is the largest driver, supporting 31,621 jobs or 38.4 percent of Estimated Total Jobs. Winter Visitors support 22,319 jobs, or 27 percent of Estimated Total Jobs, and Resident Spending of Non-Local Income supports 13,321 jobs, or 16.2 percent of Estimated Total Jobs.

Table 5: Four-County Region—Summary of Base Analysis by Economic Driver for 2002 (Lloyd Levy Consulting with Hammer Siler George Associates).

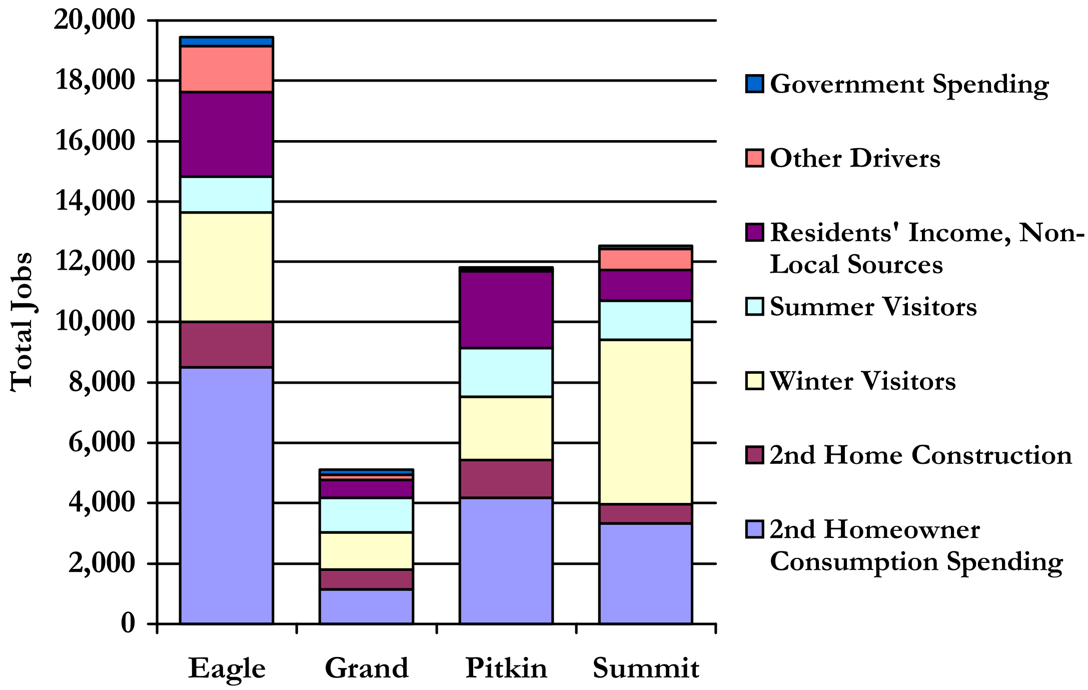
DRIVER	ESTIMATED BASIC SPENDING		ESTIMATED DIRECT BASIC JOBS		ESTIMATED TOTAL JOBS		RATIO: SECONDARY TO DIRECT BASIC JOBS
	MILLIONS	SHARE OF TOTAL	AMOUNT	SHARE OF TOTAL	AMOUNT	SHARE OF TOTAL	
SECOND HOMES							
Construction, Units < 3,000 Sq. Ft.	$166.9	3.1%	1,612	3.3%	3,107	3.8%	0.93
Construction, Units 3,000 + Sq. Ft.	$235.8	4.4%	2,461	5.0%	4,721	5.7%	0.92
Owner Spending, Units < 3,000 Sq. Ft.	$992.6	18.7%	12,796	26.2%	17,508	21.3%	0.37
Owner Spending, Units 3,000 + Sq. Ft.	$398.1	7.5%	4,354	8.9%	6,285	7.6%	0.44
TOTAL, SECOND HOMES	$1,793.4	33.8%	21,223	43.4%	31,621	38.4%	0.49
WINTER VISITORS							
Destination Skiers	$1,217.6	23.0%	10,374	21.2%	18,567	22.6%	0.79
Day Skiers (Non-Local)	$188.7	3.6%	1,543	3.2%	2,877	3.5%	0.86
Other Winter Visitors	$64.6	1.2%	474	1.0%	875	1.1%	0.85
TOTAL, WINTER VISITORS	$1,470.9	27.7%	12,391	25.3%	22,319	27.1%	0.80
SUMMER VISITORS							
Destination Visitors	$650.9	12.3%	4,759	9.7%	8,470	10.3%	0.78
Day Visitors	$98.5	1.9%	486	1.0%	865	1.1%	0.78
TOTAL, SUMMER VISITORS	$749.4	14.1%	5,245	10.7%	9,335	11.3%	0.78
RESIDENT SPENDING OF NON-LOCAL INCOME							
Of Retirees	$601.9	11.4%	3,697	7.6%	6,877	8.4%	0.86
Of Others	$378.8	7.1%	3,267	6.7%	6,444	7.8%	0.97
TOTAL, RESIDENT SPENDING	$980.7	18.5%	6,964	14.2%	13,321	16.2%	0.91
OTHER DRIVERS							
Agriculture, Mining & Manufacturing	$176.8	3.3%	1,095	2.2%	2,547	3.1%	1.33
I-70 Through Traffic	$95.2	1.8%	1,352	2.8%	2,174	2.6%	0.61
Federal & State Government	$36.6	0.7%	638	1.3%	1,015	1.2%	0.59
TOTAL, OTHER DRIVERS	$308.6	5.8%	3,085	6.3%	5,736	7.0%	0.86
TOTAL, ALL DRIVERS	**$5,303.0**	**100.0%**	**48,908**	**100.0%**	**82,332**	**100.0%**	**0.68**

Note: Lift ticket and on-mountain spending by second home owners and guests are included under destination skiers. Spending by Retirees includes Medicare payments. Resident Spending of Non-Local Income of Others includes allowances for Dividends, Interest & Rent, basic income of sole proprietors, and an allowance for spending by non-resident commuters working in the local economy. Through travel to enjoy local attractions, such as car touring to view scenery and wildlife, is not part of I-70 Through Traffic. Detail may not add up to totals because of rounding.

Overall, the analysis summarized in Table 5 shows the similarity in the economies of all the counties in the study. Each is clearly dominated by economic drivers that rely on various aspects of an amenity-rich, resort environment. These drivers, including Second Homes, Winter Visitors and

Summer Visitors, generate from 72 percent (in Eagle County) to 85 percent (in Summit County) of Estimated Total Jobs in the counties studied. This is illustrated in Figure 2.

Figure 2: Total Jobs Generated by Economic Drivers (Lloyd Levy Consulting with Hammer Siler George Associates).



At the same time, the mix of drivers varies from county to county, giving each a distinctive character:

- Although jobs attributable to Second Homes (both from Construction and from Owner Spending) are a large share of employment in all four counties (ranging from about 28 percent of total jobs in Summit County to about 45 percent of total jobs in Eagle County) they are most important in Eagle and Pitkin counties, where they generate a larger share of Estimated Total Jobs than Winter Visitors and Summer Visitors combined.

- Across the four counties, Second Home Construction now accounts for about 9.5 percent of Estimated Basic Spending and supports 7,828 Estimated Total Jobs (3,107 from units of less than 3,000 square feet and 4,721 from units of 3,000 square feet or more). Because second home construction has a strong "ripple effect" in the local economy, changes in this activity are important to monitor. (Measures of the ripple effects of economic drivers for the study area as a whole are in the column headed Ratio: Secondary to Direct Basic Jobs in Table 5.)

- The analysis indicates that Grand and Summit counties still rely more on traditional visitor markets such as destination skiing and summer tourism. In these counties, Winter Visitors and Summer Visitors are still the most important drivers. Proximity to the population centers of the Colorado Front Range may explain why visitor markets still generate the largest share of Estimated Total Jobs in these two counties.

- Finally, Resident Spending of Non-Local Income emerges as an important source of job generation in all four counties. Households in this category—some retirees and some still in the labor force but receiving income from dividends, interest and rents—generate about 9 percent of all jobs in Summit County, 13 percent of all jobs in Grand County, 17 percent of all jobs in Eagle County, and 24 percent of all jobs in Pitkin County. Region wide, 13,321 jobs, or 16.2 percent of Estimated Total Jobs are attributed to this driver. This source of job generation is certainly worth watching in the future because of its linkage to the wealth of many households that flock to amenity-rich, resort communities.