

## **Arapahoe/Douglas Works! Economic Impact Report**

Arapahoe/Douglas Works! calculated the economic impact of its programs and services on the metro-Denver region, producing figures for growth in jobs, sales, and business earnings, as well as cost per placement and return on investment. The WIB released this impact analysis in a glossy 41-page publication, "[Economic Impact of Workforce Center Operations](#)."

The Arapahoe/Douglas Works! growth calculations involved looking at how job placements created a ripple effect on key regional economic indicators. To calculate the return on public investment, the WIB compared the economic benefits against the cost of offering services and public assistance benefits to customers who found gainful employment.

In addition to looking at the metro-area as a whole, the study evaluated the specific impact on each of the region's high-growth industry sectors. It also calculated the separate impact of various workforce programs, such as adult, dislocated worker, youth, incumbent worker, and public assistance.

To conduct the study, the WIB used its list of job placements, categorized by industry and occupation, in an economic input-output model developed by Idaho-based Economic Modeling Specialists, Inc. The model uses known economic relationships between industries, supplied by the U.S. Bureau of Economic Analysis, to determine the effect that adding a job in one industry might have on other industries within the region. It also determines the effect of these placements on regional earnings and sales.

Conducting the analysis required the help of a variety of Colorado agencies. While the WIB used its own internal data on performance, it also needed information on the frequency of job placements by industry and occupation, as well as other public service expenditures. To ensure that the calculations were accurate, Arapahoe/Douglas Works! had its entire process reviewed and validated by a number of university professors.

The report includes contributions from representatives of Arapahoe/Douglas Works!, the Colorado Department of Labor and Employment, University of Colorado at Boulder LEEDS School of Business, Economic Modeling Specialists, Inc., Innovation Economics, Market Views, LLC, Workforce Board of Metro Denver, and Arapahoe County government.

Arapahoe/Douglas Works! estimates that it spent 300-360 hours of the director's, economist's, and marketing staff's time on the project, from conception to publication. Because of the steep learning curve, this time commitment should fall to 40-80 hours for any subsequent reports.

WIBs interested in replicating this study could build on Arapahoe/Douglas Works! initial effort by following the study methodology on p. 13 of the report and getting phone support from Arapahoe/Douglas Works! staff, which should bring a WIB's initial development time down to 200-240 hours. Arapahoe/Douglas Works! suggests that WIBs replicating the study not be afraid to involve economic development agencies, state labor market information departments, higher education, and other partners in the process.

Arapahoe/Douglas Works! thinks that demonstrating a WIB's return on investment is critical during this recession, when money is tight and governments are looking for any program that can be cut. It is important to show the business and economic relevance that the publicly funded workforce system has on community economic vitality.

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