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# Economic Development Report

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## SUMMARIZING THE COMMUNITY ECONOMIC IMPACT OF THE PUBLIC LANDS PARTNERSHIP, DELTA AND MONTROSE COUNTIES, COLORADO

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### *Overview*

Community Based Forestry (CBF) implies commitment to the long term ecological, economic and social well being of forest dependent communities. CBF, or community scale sustainable forestry, constitutes a departure from industrial forestry due to this commitment to the preservation of the ecological integrity of the forest ecosystem in perpetuity and to the maintenance or improvement in the quality of life in the host or gateway community in addition to seeking profits from forest products sales.

The purpose of this study is to highlight the local economic impact of community-based forestry organizations (CFO) programs by tracing the recent activities of Public Lands Partnership (PLP), a CFO located in SW Colorado, through its local economy. This approach is at variance with the more common application of the same regional economic tools, as it turns the analysis upside down. Typically, regional economic approaches take a snap shot of an entire economy and then attempt to discern the impact of an individual industry or sector on the entire economy, or

from the top down. Here, we begin with CBF programs and derive the impact on the economy from the programs upward. This is possible due to close collaboration with PLP as to the inputs, outputs, intended and unintended outcomes of its programs.

### *Public Lands Partnership*

Public Lands Partnership is a non-profit organization which began in 1992 on the Western Slope of Colorado. The organization began as loose group of residents, businesses, government agencies, and land management agencies and has since evolved into an active facilitator among local groups as well as a driving force for environmental education. PLP prides itself on bringing people together and getting them to agree toward positive action when they would not otherwise do so. The organization is funded through grants from the Ford Foundation as well as Colorado's Department of Wildlife. With the aid of these grants, PLP is able to work with the local government to promote the ecologically and economically sustainable management of public lands on the Western Slope.

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Extension programs are available to all without discrimination.

The various activities carried out by Public Lands Partnership have been grouped according to approximate function or focus and assigned a North American Industry Classification System (NAICS) code or codes. This code is then used to determine which sector to input the yearly expenditures. For example, the business administration expenditures have been assigned a NAICS code of 561, administration and support services. From this, the total expenditures can then be input into a model and traced through the economy. By using IMPLAN, an input/output model, the estimated direct, indirect and induced impacts of PLP's yearly expenditures were quantified.

### **Results**

- Over the course of 5 years, PLP directly injected almost \$600,000 of new money into the local economy.
- In the first fiscal year of funding from the Ford Foundation (2000-2001), PLP generated an additional 41 cents of economic activity in the regional economy for every dollar spent.
- PLP also created 1.7 jobs within the community in the first fiscal year.
- In the second fiscal year (2001-2002), PLP indirectly generated an additional \$54,305 of economic activity and helped in the support of 2.2 jobs.
- From 2002 to 2003, PLP had a total economic impact of \$187,579 and a total employment impact of 2.1 jobs within the regional community.
- For every dollar spent by PLP in the fourth fiscal year of funding, an additional 42 cents of economic activity was generated within the community.
- In the fifth and final year of funding, PLP had a total economic impact of \$174,198 after accounting for the indirect and induced impacts of nearly \$50,000. The employment impact was 1.8 jobs.
- PLP has the greatest impact on the Administration Support Services and Professional, Scientific, and Technical Services sectors during the focal five years of operation.

### **Concluding Remarks**<sup>3</sup>

Although input/output modeling provides a quantitative analysis of the economic impacts of programs, it

does not completely capture the value of an organization. Public Lands Partnership works with local residents and agencies to better manage public lands on the Western Slope of Colorado. PLP focuses on forming relationships within the community and coordinating the various groups within the community. These relationships form the foundation for several of the environmental education programs within the region. PLP acts as a facilitator and between groups that may not otherwise have access to lines of communication. Beyond the role of facilitator, PLP also serves as both a form leadership and coordination within the region. This will have impacts that extend beyond the scope of the input/output model. The value of the working relationships formed and the educational aspects of projects carried out by PLP cannot be fully captured by this type of approach, yet are nonetheless invaluable to the region.

### **Resources**

Seidl, A., and E. Myrick, "The community economics of community forestry: A partial analysis of Public Lands Partnership, Delta and Montrose Counties, Colorado," Department of Agricultural and Resource Economics, Cooperative Extension, Colorado State University. March 2007. EDR 07-02. <http://dare.agsci.colostate.edu/csuaecon/extension/pubstools.htm#EconDev>

Seidl, A., and E. Myrick, "Summarizing the community economic impact of Wallowa Resources, Wallowa County, Oregon," Department of Agricultural and Resource Economics, Cooperative Extension, Colorado State University. March 2007. EDR 07-03. <http://dare.agsci.colostate.edu/csuaecon/extension/pubstools.htm#EconDev>

Seidl, A., and E. Myrick, "The community economics of community forestry: A partial analysis of Wallowa Resources, Wallowa County, Oregon," Department of Agricultural and Resource Economics, Cooperative Extension, Colorado State University. March 2007. EDR 07-04. <http://dare.agsci.colostate.edu/csuaecon/extension/pubstools.htm#EconDev>

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Seidl, A., and E. Myrick, "A social benefit cost framework to analyze the community economics of community forestry: Summary," Department of Agricultural and Resource Economics, Cooperative Extension, Colorado State University. March 2007. EDR 07-05. <http://dare.agsci.colostate.edu/csuagecon/extension/pubstools.htm#EconDev>

Seidl, A., and E., Myrick. 2007. "A social benefit cost framework to analyze the community economics of community forestry." Department of Agricultural and Resource Economics, Cooperative Extension, Colorado State University. March 2007. EDR 07-06. <http://dare.agsci.colostate.edu/csuagecon/extension/pubstools.htm#EconDev>

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Seidl, A., and E. Myrick, "The economic valuation of community forestry: Analytical approaches and a review of the literature," Department of Agricultural and Resource Economics, Cooperative Extension, Colorado State University. March 2007. EDR 07-08. <http://dare.agsci.colostate.edu/csuagecon/extension/pubstools.htm#EconDev>