

Chapter 3: Economic Development

Introduction

Economic development, defined by the International Economic Development Council, is:

“The process of creating wealth through the mobilization of human, capital, physical and natural resources to generate marketable goods and services. The economic developer’s role is to influence the process for the benefit of the community through expanding job opportunities and the tax base.”

Or simply put, it is the process of creating and maintaining a stable local economy. A key element of economic development, not mentioned within the definition, is the long-term requirement of maintaining the stability of the economy. It is not an overnight, nor a static process. The local economy must be diverse and capable of adapting to changes in regional, national and international markets.

Purpose

This element provides local government with an inventory and assessment of Elbert County’s economic base, labor force characteristics, local economic development resources, and a framework to promote change within the local economy. The inventory identifies trends and characteristics of the local labor force, the economic base of the community, and local economic development programs, tools and resources. The assessment determines the adequacy of the local economy and identifies areas of strength and weakness for the local government to address in implementing its strategy.

There is little economic data available at the municipal level; therefore this element examines the local economy from a county perspective. Municipal data, wherever available, are included and analyzed as contributing factors to the local economy.

Many forces affecting Elbert County’s economy are beyond the control of the local government. However, there are factors that the local government can affect and manage to direct the county towards its economic goals. This document represents the first full revision to the original Comprehensive Plan adopted in 1993. This element examines the evolution of the local economy over the past decade and addresses the county’s strategy to develop a sustainable economic environment that complements the adopted statewide goals and objectives guiding economic development throughout the State of Georgia.

- **Statewide Economic Development Goal:** *To achieve a growing and balanced economy, consistent with the prudent management of the state’s resources, that equitably benefits all segments of the population.*

In accordance with the overall goal the state has developed a set of Quality Community Objectives to help direct local governments formulate a set of local goals, policies and objectives. The statewide objectives are as follows:

- **Regional Identity Objective:** *Regions should promote and preserve an “identity”, defined in terms of traditional regional architecture, common economic linkages that bind the region together, or other shared characteristics.*
- **Growth Preparedness Objective:** *Each community should identify and put in place the prerequisites for the type of growth it seeks to achieve. These may include housing and infrastructure to support new growth, appropriate workforce training, ordinances to direct growth as desired, or capable leadership.*
- **Appropriate Business Objective:** *The businesses and industries encouraged to expand or develop in a community should be suitable for the community in terms of job skills required, linkages to other economic activities in the region, impact on the resources of the area, and future prospects for expansion and creation of higher-skill job opportunities.*

- **Educational Opportunities Objective:** *Educational and training opportunities should be readily available in each community – to permit community residents to improve their job skills, adapt to technological advances, or pursue entrepreneurship.*
- **Employment Options Objective:** *A range of job types should be provided in each community to meet the diverse needs of the local workforce.*

Organization

The outline of this element follows the minimum planning standards set forth by the Georgia Department of Community Affairs. The first section examines the economic base of the county and discusses employment and earnings by sector, average weekly wages, derivation of personal income, and major and unique economic activities that have occurred in the county since the previous plan update. Data is derived from census records, State Department of Labor, Elbert County Chamber of Commerce and Economic Development Authority, and Woods and Poole Economics, Inc. forecasts.

The second section provides an inventory of the local labor force identifying occupational statistics, employment status, unemployment rates, and commuting patterns. Data sources include census records and State Department of Labor reports.

The third section inventories all local economic development resources including agencies, programs and tools that help facilitate economic development throughout the county. This information has been obtained from the Northeast Georgia Regional Development Center (NEGRDC) and the Elbert County Chamber of Commerce and Economic Development Authority.

The last section assesses the local economy based on analysis of the economic base, labor force, economic development programs, and local economic development issues that may affect the implementation of the county's economic development strategies. The analysis captures the county's strengths and weaknesses and presents a strategy for achieving and maintaining economic stability through the identification of goals and the policy measures needed to achieve them.

Economic Base

A community's economic base refers to two main economic sectors of a community and their ability to serve non-local (referred to as the basic sector) and local (referred to as the non-basic sector) markets. The sectors are linked in two ways. First, the basic sector purchases goods and services directly from the non-basic sector. Second, basic sector employees purchase goods and services from the non-basic sector.

Conventional economic base theory discusses the notion of a multiplier effect. It theorizes that an increase in basic industry income generates an increase in total income for the community because of the extensive linkages between the basic and non-basic sectors. Using this theory, the industries most crucial to economic growth and stability are those that produce goods and services sold outside the community.

This section inventories both the basic and non-basic sectors of the Elbert County economy. The inventory includes information on employment and earnings, wages, personal income, and major and unique economic activities.

Note:

- Within this chapter employment refers to the number of people employed by local businesses and industries. It includes people living in surrounding areas commuting to Elbert County to work, and does not include Elbert County residents commuting elsewhere to work, unless stated otherwise.

Employment and Earnings

Sector Employment

Much of the following analysis refers to the term “sector”. The federal government classifies local industries and businesses into eleven major industrial sectors as follows:

- Farming
- Agricultural Services
- Mining
- Construction
- Manufacturing
- Transportation, Communication, Public Utilities (TCU)
- Wholesale Trade
- Retail Trade
- Finance, Insurance, Real Estate (FIRE)
- Services
- Government

Each sector is a compilation of the full range of economic activities relating to that sector, as defined by the North American Industrial Classification System (NAICS formerly the Standard Industrial Classification System, or SIC).

Refer to Table 1 and Figure 1 for numerical data on Elbert County’s employment totals for each of the following sectors, and to Table 2 and Figure 2 for state employment totals.

Farming

The farming sector can be defined as: *“all establishments such as farms, orchards, greenhouses, and nurseries primarily engaged in the production of crops, plants, vines, trees (excluding forestry operations), and specialties such as sod, bulbs, and flower seed. It also includes all establishments such as ranches, dairies, feedlots, egg production facilities, and poultry hatcheries primarily engaged in the keeping, grazing or feeding of cattle, hogs, sheep, goats, poultry of all kinds, and special animals such as horses, bees, pets and fish in captivity.” Woods and Poole Economics, Inc.*

According to the 2002 Georgia County Guide the total farm gate value for Elbert County was \$56,818,000 ranking 53 out of 159 counties. The total number of farms has decreased from 558 reported in the 1967 Agricultural Census to 320 reported in the 1997 Census. The major production commodity is poultry and eggs, representing 70.3% of total farm gate production. The average farm size in Elbert County is 178 acres, compared with a 265-acre state average. The decreasing percentage share of total employment is expected to continue throughout the planning horizon.

Agricultural Services

The agricultural services sector can be defined as: *“establishments primarily engaged in performing soil preparation, crop services, veterinary services, farm labor and management, and horticultural services. Forestry includes establishments engaged in the operation of timber tracts, tree farms, forest nurseries, and related activities such as reforestation. Fisheries include commercial fishing (including shellfish) and commercial hunting and trapping.” Woods and Poole Economics, Inc.*

Despite the decline in agriculture there has been a slight increase in agricultural services employment. This sector currently employs only 84 people, but it has increased from 53 people in 1990. Much of this growth is a result of secondary employment generated from the poultry industry. Despite the small increase in total employment the percentage share continues to be insignificant, less than one percent. The moderate growth is expected to continue, reaching 1.16% by the year 2025.

Mining

The mining sector is defined as: *“establishments primarily engaged in the extraction, exploration, and development of coal, oil, natural gas, metallic minerals (such as iron and copper), and nonmetallic minerals (such as stone and sand). Mining does not include refining, crushing, or otherwise preparing mining products; this activity is classified as manufacturing.” Woods and Poole Economics, Inc.*

Mining represents a small percentage of the local economy, only 1.46% of total employment, but is an essential component because of the existence of granite quarries. This sector is expected to remain relatively constant throughout the planning horizon, provided the continued need for raw materials in the granite industry.

Construction

The construction sector is defined as: *“establishments engaged in building new structures and roads, alterations, additions, reconstruction, installation, and repairs. It includes general contractors engaged in building residential and non-residential structures; contractors engaged in heavy construction, such as bridges, roads, tunnels, and pipelines; and special trade construction, such as plumbing, electrical work, masonry, and carpentry. Employment is counted at the fixed place of business where establishment-type records are maintained and not at the job site. Establishments engaged in managing construction projects are classified under services. Establishments engaged in selling and installations of construction material are generally classified under trade, except for materials such as installed elevators and sprinkler system. The installation of pre-fabricated building materials is included in construction.” Woods and Poole Economics, Inc.*

Construction employment has remained relatively constant, decreasing slightly since 1990. Construction activity is generally cyclical and dependent on a variety of external variables such as, interest rates and housing demand, making future employment unpredictable. The county projects that the population will continue to increase slowly over the planning horizon, therefore it is safe to assume that construction employment levels should maintain relatively constant. Currently the construction sector employs 425 people and is expected to remain relatively constant throughout the planning horizon.

Manufacturing

The manufacturing sector can be defined as: *“establishments engaged in the mechanical or chemical transformation of materials or substances into new products. Included in manufacturing are establishments engaged in assembling component parts in or associated with structures, and those engaged in blending materials such as lubricating oils or liquor. Broadly defined, manufacturing industries include: food processing, tobacco products; textile mill products; apparel; wood products; furniture; paper; printing and publishing; chemicals; petroleum refining; rubber and plastics; leather, aluminum; machinery, including computers, office equipment, and engines; electronics and electrical equipment; transportation equipment; instruments; and miscellaneous industries, such as jewelry, musical instruments, and toys.” Woods and Poole Economics, Inc.*

The manufacturing sector has been the largest employer in Elbert County dating back beyond the 1980 Census. Over the past 20 years employment levels have remained relatively constant despite the nationwide shift away from the traditional manufacturing industries. The 1990 employment figures reported that 3,364 employees were engaged in manufacturing activity and the 2000 numbers report 2,842, illustrating an employment decline in the Granite Industry. The employment figures are expected to remain constant as the Granite Industry is expected to remain a major employer.

Transportation, Communication, Public Utilities

The transportation, communication, public utilities sector can be defined as: *“establishments providing, to the general public or to other business enterprises, passenger and freight transportation, communications services, or electricity, gas, steam, water, or sanitary services, and all establishments of the Postal Service.” Woods and Poole Economics, Inc.*

This sector currently employs 281 persons and represents a small percentage of the total employment. As public utilities expand to serve the increased population this sector should continue to increase and is expected to employ 364 in 2025.

Wholesale Trade

The wholesale trade sector can be defined as: *“establishments primarily engaged in selling merchandise to retailers, industry, other wholesalers or brokers. The merchandise sold by wholesalers includes all goods used by institutions such as schools and hospitals, as well as virtually all goods sold at the retail level. The three main types of wholesalers are merchant wholesalers; sales branches of manufacturing, mining, or farm companies; and agents, merchandise or commodity brokers, and commission merchants.” Woods and Poole Economics, Inc.*

Wholesale trade employment figures report 538 employees in 2000, and this figure has increased consistently since 1990. These figures are expected to increase throughout the planning horizon, forecasted to reach 925 in 2025.

Retail Trade

The retail trade sector can be defined as: *“establishments engaged in selling merchandise for personal or household consumption and rendering services incidental to the sale of goods. Buying goods for resale to the consumer is a characteristic of retail trade establishments that distinguishes them from agricultural and extractive industries. Retail establishments include hardware stores, garden supply stores, and mobile home dealers; department stores; food stores, including supermarkets, convenience stores, butchers, bakeries, and fruit stands; automobile dealers; gasoline service stations; apparel and accessory stores; furniture and home furnishing stores, including electronics and home appliances; eating and drinking places.” Woods and Poole Economics, Inc.*

The level of retail employment has remained relatively consistent over the past twenty years. Generally, retail employment levels correlate with population. Elbert County's population has not increased at a rapid rate, further illustrated by the relatively small growth in the retail employment sector. In 2000, retail trade represented the fourth largest employment sector in the county, employing 1,275 persons. This trend is expected to continue, mirroring the forecasted population projections, reaching 1,387 employees in 2025. Elbert County's total retail sales in 2001 was over \$204 million ranking seventh, ahead of Greene, Jasper, Madison, Morgan, and Oglethorpe counties, in the region. Expansion of the retail trade sector in Elbert County may prove difficult because of the limited population growth forecasted over the next twenty years. The ability of the county to attract retail businesses that are able to capture a greater percentage of the local buying power will determine its ability to increase its total retail sales.

Finance, Insurance, Real Estate (FIRE)

The FIRE sector can be defined as: *“establishments, depository institutions, such as commercial banks, savings and loans, and foreign banks; credit institutions; holding companies not engaged in operation; investment companies; brokers and dealers in securities and commodity contracts; security and commodity exchanges; carriers of all types of insurance; insurance agents and insurance brokers; real estate operators including operators of nonresidential facilities, apartments, other residential properties, mobile home parks and railroad properties; real estate agents and managers; title offices; and developers not engaged in construction.” Woods and Poole Economics, Inc.*

The FIRE sector has gradually increased over the past twenty years and employs 450 persons, as reported in 2000. This trend is expected to continue and employment forecasts for 2025 estimate the FIRE sector employing 541 persons.

Services

The service sector can be defined as: *“establishments primarily engaged in providing services for individuals, businesses, governments, and other organizations. Service industries include: hotel and other lodging places;*

personal services; business services; automobile repair and automobile services; entertainment services; health services; legal services; education services; social services provided in privately owned establishments; private museums and zoos; membership organizations; professional services, and public relations; and private household employment.” Woods and Poole Economics, Inc.

As previously mentioned, Elbert County’s economy has not witnessed as dramatic a shift of manufacturing employment to the services sector as many other areas of the nation. However, service has increasingly represented a larger employment share in the county and this trend is expected to mirror the population increases forecast throughout the planning horizon. In 2000, service sector employment represented the second largest sector with 1,758 and is expected to reach 2,795 by 2025.

Government

The government sector can be defined as: *“all government workers regardless of their establishment classification includes executive offices and legislative bodies; courts; public order and safety; correctional institutions; taxation; administration and delivery of human resource programs such as health, education and public assistance services; housing and urban development programs; environmental programs; regulators, including air traffic controllers and public service commissions; and other government agencies.” Woods and Poole Economics, Inc.*

The government sector can be further defined as federal civilian, federal military, and state and local government. In 2000, all levels of government represented 1,662 employees. An increasing population demands greater public services and government employment is forecasted to reach 2,213, including 1,992 state and local officials, by 2025.

**Table 1
Elbert County Employment by Sector 1990-2025**

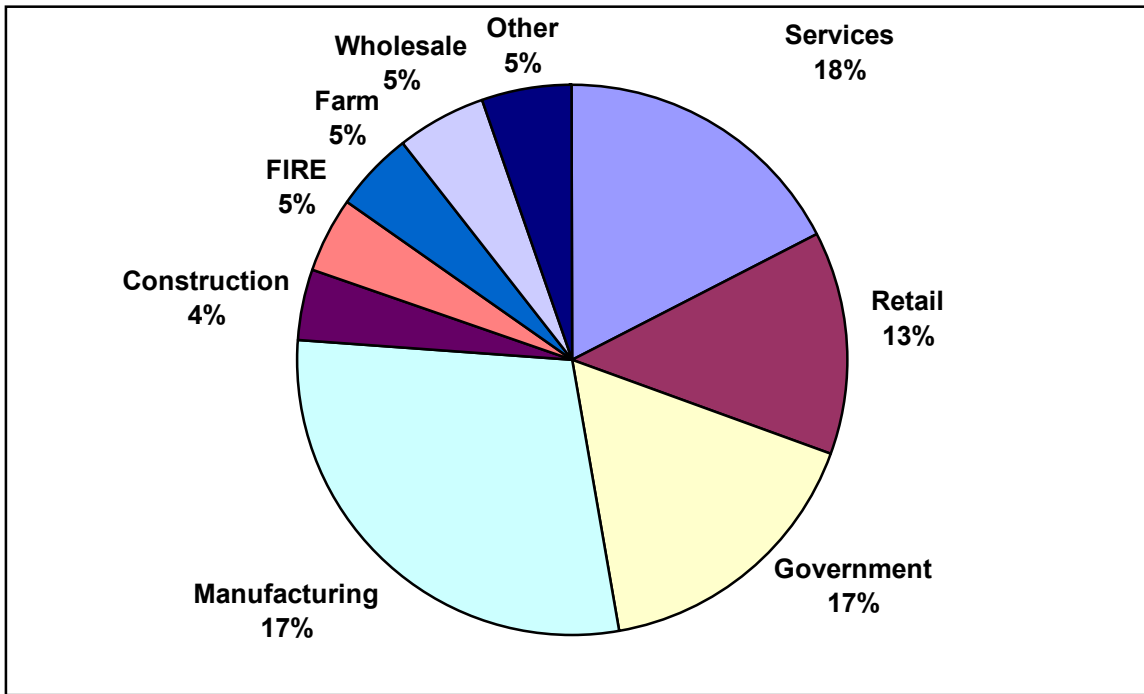
Category	1990	1995	2000	2005	2010	2015	2020	2025
Total	9,634	9,649	9,904	10,398	10,875	11,348	11,827	12,330
Farm	478	458	457	446	435	423	410	398
Agricultural Services	53	82	84	100	113	123	133	143
Mining	139	151	145	150	155	159	163	167
Construction	485	439	425	443	446	443	437	431
Manufacturing	3,364	2,769	2,842	2,869	2,898	2,922	2,943	2,966
TCU	231	217	281	304	325	342	355	364
Wholesale Trade	383	476	538	614	687	762	841	925
Retail Trade	1,117	1,308	1,275	1,288	1,307	1,328	1,354	1,387
FIRE	332	360	450	477	495	511	526	541
Services	1,572	1,758	1,745	1,919	2,109	2,317	2,544	2,795
Federal Civilian Government	156	188	151	153	152	151	148	145
Federal Military Government	84	79	73	74	75	76	76	76
State and Local Government	1,240	1,364	1,438	1,561	1,678	1,791	1,897	1,992

Source: Woods & Poole Economics, Inc.

*TCU refers to the Transportation, Communication, and Public Utilities sector.

*FIRE refers to the Finance, Insurance, and Real Estate sector.

Figure 1
Elbert County 2000 Employment by Sector (%)



*Other combines employment figures of the Agricultural Services, Mining, Transportation, and Communication, and Public Utilities.

*Government includes Federal Civilian, Federal Military, and State and Local levels of government.

Table 2
Georgia Employment by Sector 1990-2025 (x 100)

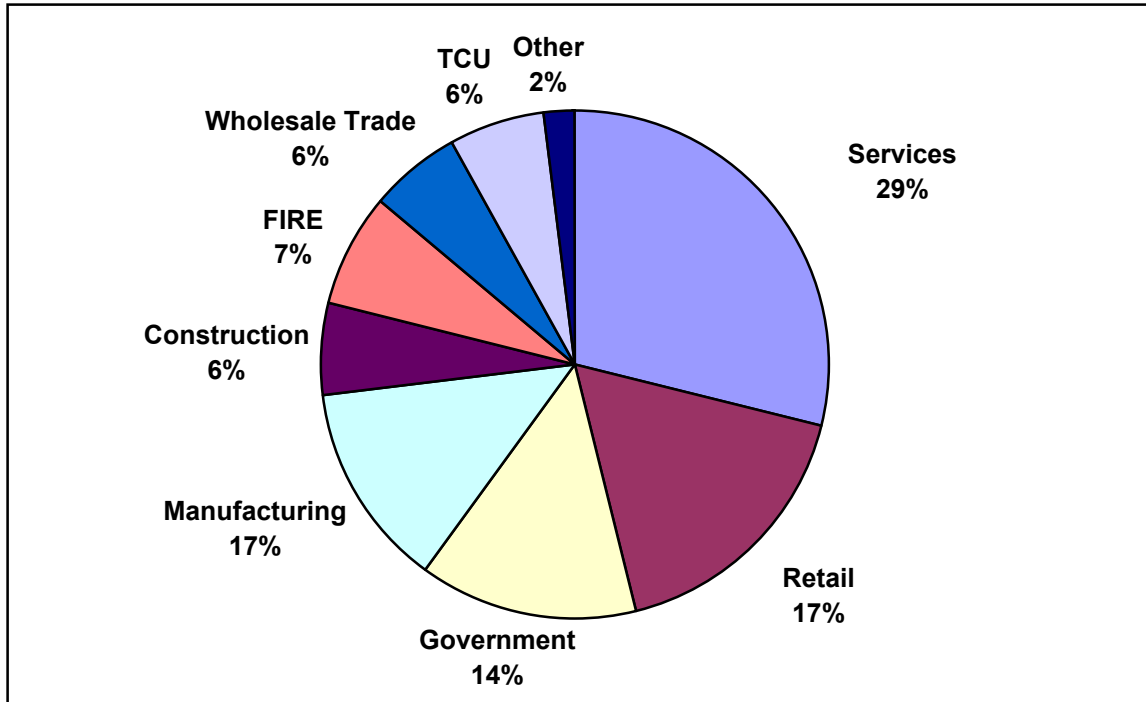
Category	1990	1995	2000	2005	2010	2015	2020	2025
Total	36,906	42,293	48,405	52,391	56,257	60,121	63,898	67,512
Farm	743	688	695	671	647	625	605	587
Agricultural Services	315	447	571	628	683	737	789	838
Mining	106	94	95	98	102	106	111	115
Construction	2,123	2,361	2,835	3,020	3,181	3,329	3,472	3,613
Manufacturing	5,725	6,034	6,156	6,299	6,429	6,537	6,614	6,659
TCU	2,163	2,419	2,893	3,162	3,405	3,626	3,815	3,965
Wholesale Trade	2,282	2,425	2,835	3,100	3,347	3,594	3,835	4,064
Retail Trade	6,066	7,249	8,147	8,797	9,430	10,047	10,631	11,165
FIRE	2,449	2,692	3,208	3,457	3,694	3,921	4,131	4,316
Services	8,766	11,254	13,979	15,706	17,441	19,260	21,129	23,010
Federal Civilian Government	1,030	983	927	924	925	928	931	936
Federal Military Government	907	947	948	947	946	945	945	944
State and Local Government	4,230	4,699	5,116	5,581	6,027	6,464	6,890	7,300

Source: Woods & Poole Economics, Inc.

*TCU refers to the Transportation, Communication, and Public Utilities sector.

*FIRE refers to the Finance, Insurance, and Real Estate sector.

Figure 2
Georgia 2000 Employment by Sector (%)



*Other combines employment figures of the Farm, Agricultural Services, and Mining Sectors.

*Government includes Federal Civilian, Federal Military, and State and Local levels of government.

The most striking differences between state and county employment percentages relate to the retail, services, and state and local government sectors. The relatively small population in Elbert County and the rural nature of the unincorporated area contributes to the discrepancy between the state and county retail sector employment percentages. The amount of retail trade present within an area is generally a reflection of the population. Elbert County has yet to experience rapid population growth and while the county population remains relatively small, retail trade can be expected to remain relatively constant throughout the planning horizon.

The difference in the service sector, although it represents the second largest employment sector for both the county and state, can be attributed to a more diverse set of services available throughout the state, particularly those typically found within larger urban areas, which are not present in Elbert County.

The contrast in percentages for the state and local government sector reflect a much more diversified economy statewide that is less reliant on government jobs.

Sector Earnings

Earnings represent the total of wages, salaries and other earned income paid to employees of businesses and industries in a given geographic area. This section examines trends in sector earnings for both the county and state, and forecasts earnings for each sector through the year 2025. Refer to Table 3 and Figure 3 for county earnings and 4 for state data.

Since 1990, the total earnings reported by local industries and businesses in Elbert County have grown by 26%. This figure is greater than the 3% increase in total employment over the same time period, indicating that on average, Elbert County employees are earning higher wages today than they were in 1990, discounting for inflation.

The two leading sectors in earnings percentage for the county are the manufacturing (\$78.1 million) and state and local government sectors (\$37.0 million). The two combined represent 56% of the total earnings. Both sectors are expected to continue providing the majority of county earnings, however the reliance on manufacturing earnings should decrease slightly as the services sector continues to expand within the county.

As in the comparison of employment percentages, similar differences are evident between state and county earnings. The higher percentage of earnings reflected in the manufacturing sector for the county illustrates the dependence on the manufacturing sector and the abundance of well-paying jobs. The state and local government sector is much more important locally and is reflected in its high percentage share of the total earnings. The large discrepancy between the services percentage reflects an overall lack of higher paying, professional services employment in the county as compared to the state.

Table 3
Elbert County Earnings by Sector 1990-2025 (x 1,000)

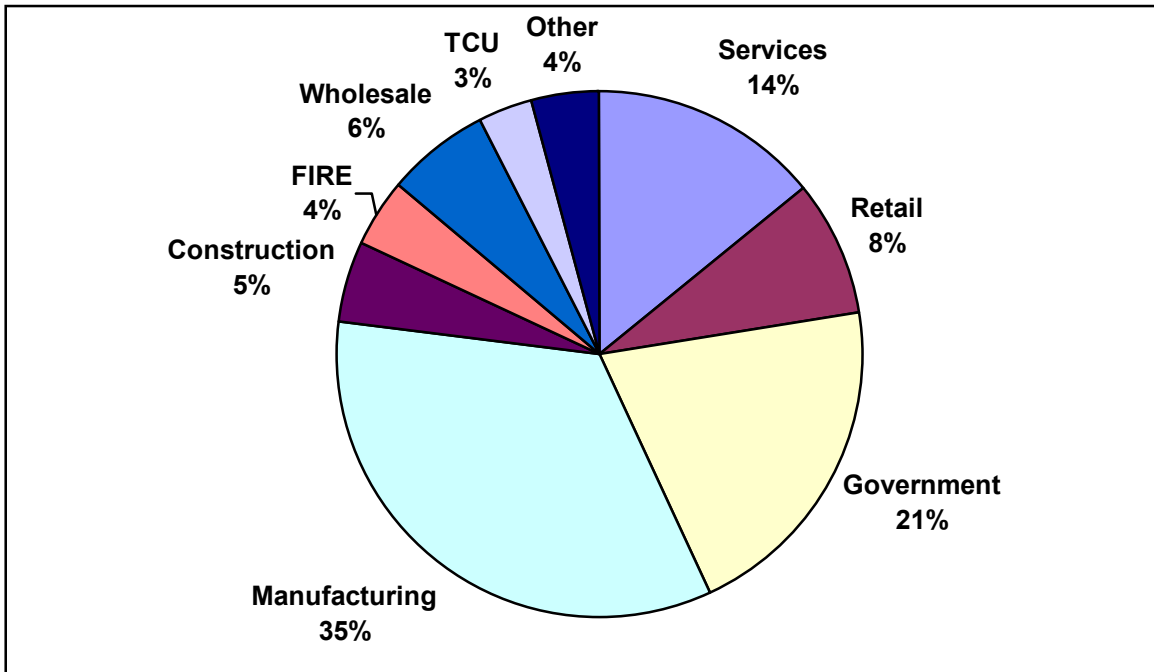
Category	1990	1995	2000	2005	2010	2015	2020	2025
Total	183,594	197,781	230,995	254,754	278,771	303,628	329,658	357,186
Farm	2,809	3,199	4,010	4,422	4,847	5,281	5,733	6,210
Agricultural Services	569	1,798	1,176	1,471	1,726	1,973	2,222	2,477
Mining	2,974	4,300	4,808	5,060	5,267	5,470	5,681	5,902
Construction	10,552	9,238	11,722	12,604	13,044	13,287	13,457	13,622
Manufacturing	69,587	66,553	78,126	83,758	89,536	95,281	101,050	106,921
TCU	5,240	5,368	7,606	8,763	9,890	10,968	11,967	12,866
Wholesale Trade	10,430	11,704	14,736	17,183	19,617	22,183	24,934	27,930
Retail Trade	15,095	17,119	19,496	20,121	20,870	21,663	22,548	23,580
FIRE	5,746	6,957	9,321	10,625	11,746	12,871	13,993	15,107
Services	23,356	28,337	32,648	38,437	45,005	52,467	60,986	70,764
Federal Civilian Government	7,123	10,492	9,365	9,878	10,227	10,490	10,694	10,847
Federal Military Government	921	889	941	998	1,056	1,112	1,168	1,222
State and Local Government	29,192	31,827	37,040	41,434	45,940	50,582	55,225	59,738

Source: Woods & Poole Economics, Inc.

*TCU refers to the Transportation, Communication, and Public Utilities sector.

*FIRE refers to the Finance, Insurance, and Real Estate sector.

Figure 3
Elbert County 2000 Earnings by Sector (%)



*Other combines employment figures of the Farm, Agricultural Services, and Mining Sectors.

*Government includes Federal Civilian, Federal Military, and State and Local levels of government.

Table 4
Georgia Earnings By Sector 1990-2025 (x 100,000)

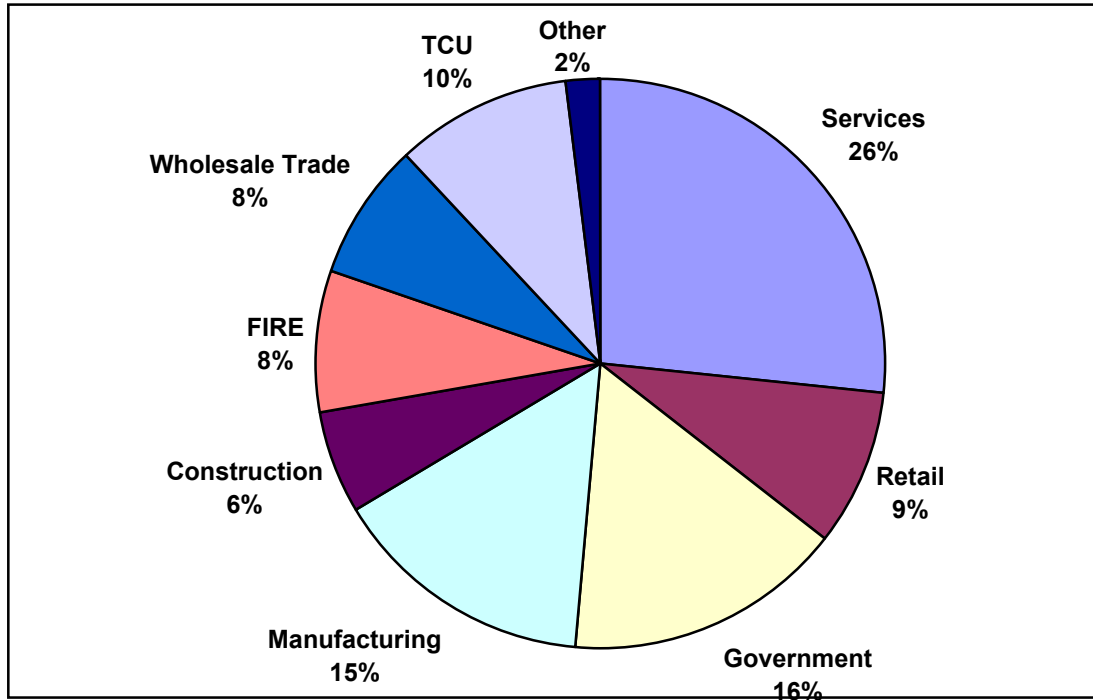
Category	1990	1995	2000	2005	2010	2015	2020	2025
Total	102,642	123,514	157,037	178,093	199,848	222,606	245,945	269,434
Farm	1,391	1,734	1,521	1,641	1,763	1,891	2,027	2,173
Agricultural Services	475	660	914	1,056	1,205	1,361	1,521	1,681
Mining	374	360	411	426	445	467	491	515
Construction	5,975	6,661	8,829	9,693	10,490	11,253	11,997	12,728
Manufacturing	17,974	20,801	23,821	25,923	28,002	29,978	31,782	33,368
TCU	8,981	11,644	15,095	17,259	19,388	21,490	23,473	25,358
Wholesale Trade	9,091	10,085	13,433	15,109	16,737	18,399	20,049	21,651
Retail Trade	9,414	11,217	13,631	15,087	16,557	18,031	19,472	20,843
FIRE	6,601	8,476	13,360	14,277	16,258	18,271	20,247	22,117
Services	22,532	30,045	42,216	50,430	59,371	69,323	80,183	91,809
Federal Civilian Government	4,781	5,147	5,322	5,498	5,670	5,915	6,139	6,372
Federal Military Government	2,765	3,080	3,305	3,452	3,602	3,755	3,912	4,071
State and Local Government	12,287	13,603	16,179	18,243	20,332	22,473	34,651	26,846

Source: Woods & Poole Economics, Inc.

*TCU refers to the Transportation, Communication, and Public Utilities sector.

*FIRE refers to the Finance, Insurance, and Real Estate sector.

Figure 4
Georgia 2000 Earnings By Sector (%)



*Other combines employment figures of the Farm, Agricultural Services, and Mining Sectors.

*Government includes Federal Civilian, Federal Military, and State and Local levels of government.

Average Weekly Wages

Another variable to consider when analyzing the local economy is the average weekly wage paid by industrial sector. Since 1990 the average weekly wage for all industries in Elbert County increased by 43%, or an average of \$12.90 per year, to \$431.00. During the same time frame the state average weekly wage increased by 55%, or \$23.40 per year, to \$658.00. See Table 4 for a detailed state and county comparison.

The overall percentage increases in the county wages was below the state increase and on average county industries are paying well below state average wages. The only sectors comparable in actual wages were retail trade and state government. The largest discrepancies in actual wages are in the TCU and FIRE sectors. The majority of high-paying employment opportunities found in these two sectors is generally located in major metropolitan areas.

Of note is that two of the largest employment sectors, service and retail respectively, represent the two lowest average weekly wages paid to their employees. The lower service sector wages reflect the lack of the higher-wage engineering, computer, legal or health service firms in the county. Retail generally pay lower wages with many jobs starting at minimum wage. An over-dependence on retail or low-wage service jobs can pose problems for the community.

Table 4
State and County Comparison of Average Weekly Wages by Sector

Category	County			State		
	1990	1995	2000	1990	1995	2000
All Industries	302	359	431	424	509	658
Agricultural Services	-	322	320	276	322	403
Mining	383	393	505	589	734	879
Construction	320	370	443	434	508	655
Manufacturing	301	389	469	450	555	721
TCU	378	425	521	603	737	949
Wholesale Trade	391	405	-	603	729	988
Retail Trade	203	221	273	236	275	350
FIRE	384	470	502	544	693	967
Services	238	301	368	414	501	657
Federal Government	-	-	-	543	666	847
State Government	-	-	507	451	493	588
Local Government	-	340	377	387	440	549

Source: U.S. Bureau of Labor Statistics

Sources of Personal Income

Sources of personal income are indicators of how a community obtains its wealth. Table 5 and Figure 4 illustrate actual and percentage income figures respectively. Table 6 and Figure 5 chart the same information for the state.

There are five categories used to analyze the sources of personal income. These categories are defined as followed:

1. **Wage and Salary:** Total income earned as compensation for working or rendering services;
2. **Other Labor Income:** Total employer contributions to private pension or worker's compensation funds;
3. **Proprietor's Income:** Measures total profits earned from partnerships and proprietorships;
4. **Dividends, Investment, Rent and Interest Income (DIRI):** Total income derived from investments and rental property; and
5. **Transfer Payments:** Total income from payments by the government under a variety of different programs including, Social Security, Unemployment Insurance, Food Stamps, Veterans Benefits, to name a few.

Associated with these categories is a category termed **Residence Adjustment Income (RAI)** that relates to the total income within the county. It is a measure of the personal income of county residents earned outside of the county. A positive number indicates that the amount of income earned outside the county by residents is greater than the amount of income earned inside the county by non-residents. Simply put, there are more people commuting out of the county to work than there are commuting into the county.

Between 1990 and 2000 Census years Elbert County residents experienced a 32% increase in total personal income. This figure is well below the 51% increase for the state, which is illustrated in the differences between real wages paid in the county and elsewhere in the state. When comparing the sources of total income, county and state percentage shares by type of income are relatively similar. The differences are apparent in wage and salary income, with a larger percentage of state income derived from this. The reasoning for this is illustrated in the percentage of income derived from RAI. This figure is relatively small in Elbert County, in comparison with other counties throughout the region, because of the high percentage of county residents working in the county. It represents a negative number for the state because of the lack of commuters working outside the state.

The higher percentage of transfer payments for Elbert County is attributed to its elderly population, which is expected to increase throughout the planning horizon.

Table 5
Elbert County Total Personal Income by Type (x 1,000)

Category	1990	1995	2000	2005	2010	2015	2020	2025
Total Income	305,288	343,203	402,297	441,989	483,504	527,630	574,910	625,914
Wage and Salary	136,095	143,752	167,797	185,747	203,864	222,702	242,532	262,606
Other	20,877	22,829	22,116	24,157	26,162	28,200	30,298	32,484
Proprietor's	26,622	31,200	41,082	44,850	48,745	52,726	56,828	61,096
DIRI	63,619	66,822	85,018	92,477	100,343	108,596	117,203	126,130
Transfer Payments	60,405	79,657	85,213	94,516	105,130	117,197	130,930	146,579
Less: Social Insurance	(10,743)	(12,031)	(13,475)	(15,502)	(17,689)	(19,996)	(22,426)	(24,981)
RAI	8,413	10,974	14,546	15,744	16,949	18,205	19,545	21,000

Source: Woods & Poole Economics, Inc.

*DIRI: Dividends, Investment, Rent, and Interest

*RAI: Residence Adjusted Income

*Categories do not add to the total because of the contributions paid to social insurance programs

Figure 5
Elbert County Percentage Personal Income By Type

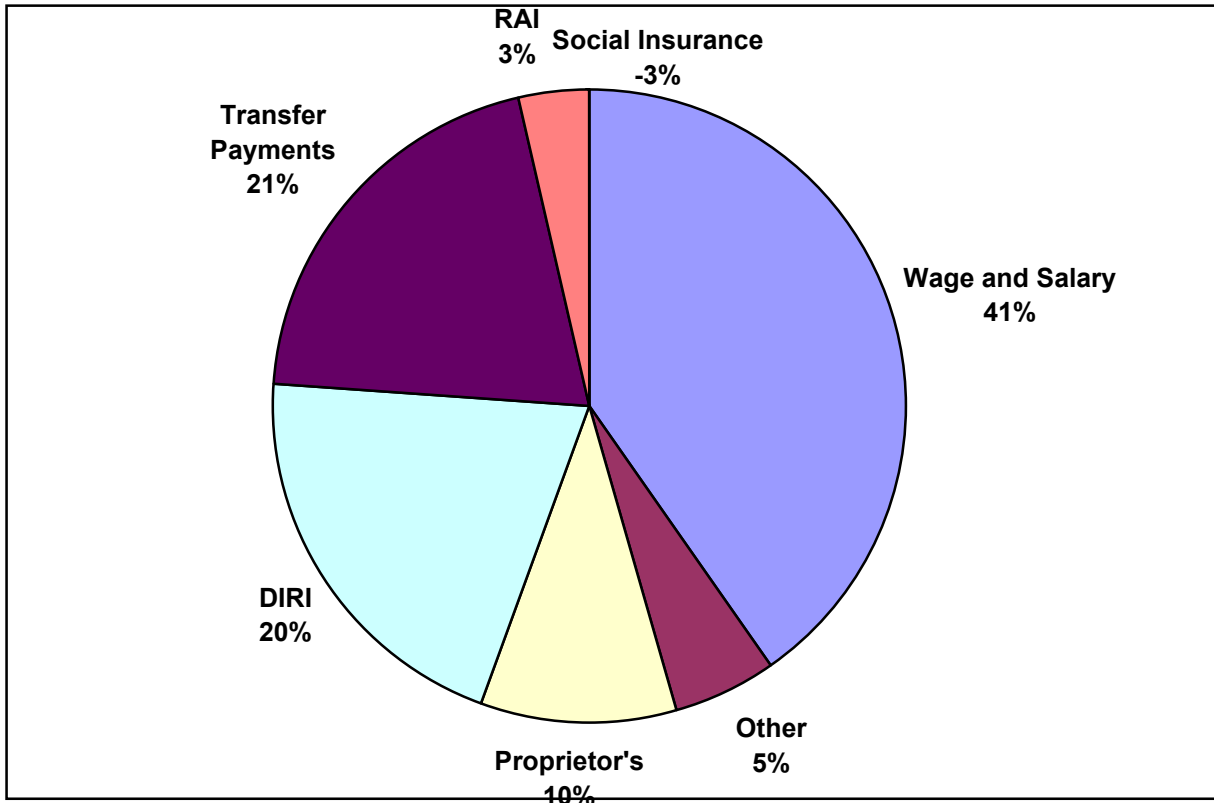


Table 6
Georgia Total Personal Income By Type (x 100,000)

Category	1990	1995	2000	2005	2010	2015	2020	2025
Total Income	134,782	163,230	203,905	231,841	261,193	292,236	324,550	357,693
Wage and Salary	81,356	96,423	124,507	141,630	159,337	177,925	197,065	216,414
Other	11,702	14,092	15,789	17,663	19,551	21,489	23,433	25,344
Proprietor's	9,584	12,999	16,741	18,800	20,960	23,193	25,447	27,675
DIRI	23,367	26,625	32,898	37,038	41,450	46,123	51,043	56,189
Transfer Payments	14,750	20,607	23,416	26,777	30,675	35,210	40,504	46,704
RAI	(136,775)	(245,276)	(331,309)	720,692	1,964,981	3,317,010	4,704,668	6,028,798

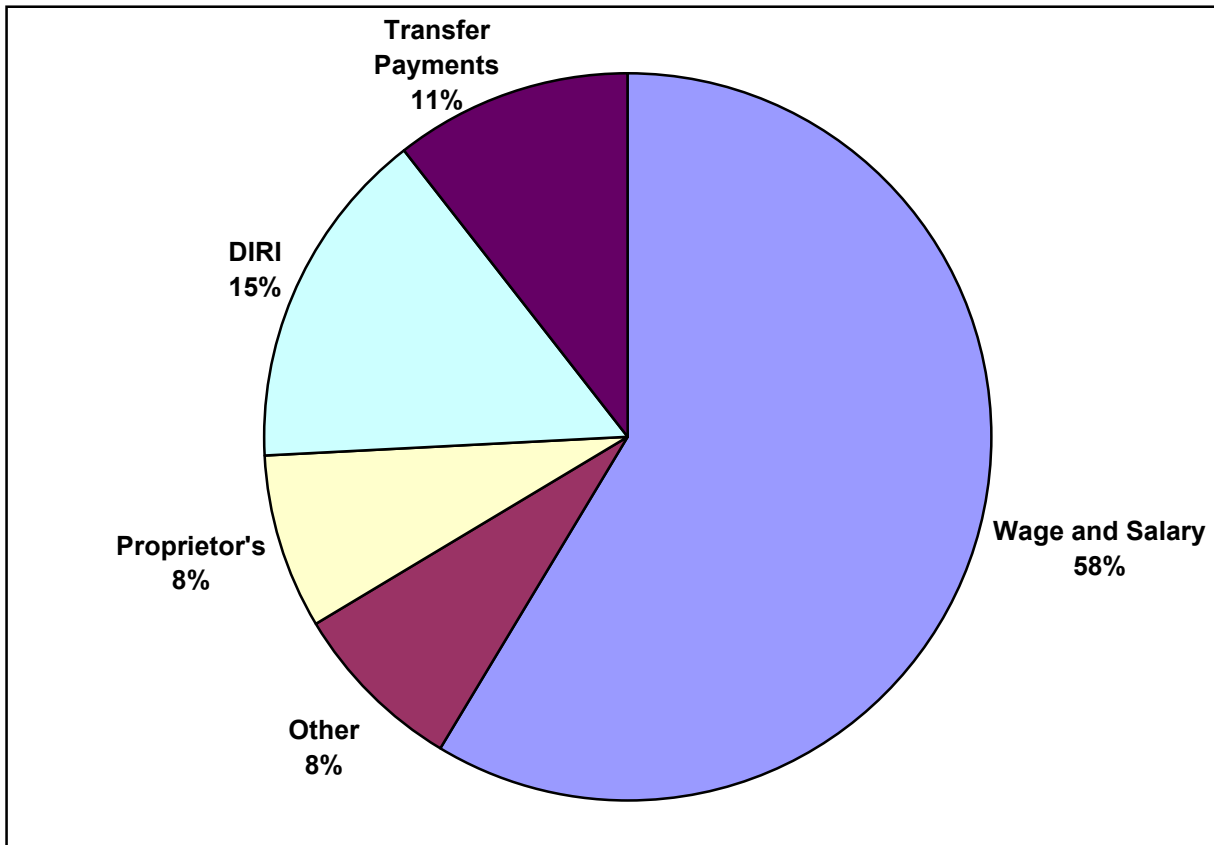
Source: Woods & Poole Economics, Inc.

*DIRI: Dividends, Investment, Rent, and Interest

*RAI: Residence Adjusted Income - *() reflects a negative number

*Categories do not add to the total because of the contributions paid to social insurance programs

Figure 6
Georgia Percentage Personal Income By Type



Major Economic Activities

The Economic Development Authority and County Chamber of Commerce work together in the promotion of Elbert County to both existing and prospective businesses. Through their combined efforts, the county has increased its industrial and commercial base since the 1993 Comprehensive Plan and has seen only one plant closing.

The City of Elberton also has a Downtown Development Authority, “Mainstreet Elberton”, which works with business owners to rent, renovate, and sell buildings as well as work to revitalize and refurbish downtown areas and structures. The organization operates a website serving to promote downtown Elberton to both visitors, as well as potential business owners. Mainstreet Elberton maintains an active database of available buildings located within the downtown to effectively attract potential businesses.

In 1996 the City of Elberton opened a fully serviced industrial park, investing in the purchase of land and extension of necessary infrastructure. Business has located within the industrial park and there remains affordable, fully serviced sites. The park also houses an existing structure suitable for manufacturing or distribution industries.

There have been several other business startups since the previous plan, the majority of which have located in the City of Elberton and primarily within the retail and service sectors.

The Elbert County Chamber of Commerce produces a business and newcomer’s guide that provides information on Elbert County and its municipalities. It is a useful guide to all of the services and amenities within the county and surrounding area, and serves to enlighten new residents as well as prospective businesses on what Elbert County has to offer.

As part of the county’s marketing program, the Economic Development Authority maintains an active relationship with existing industries and facilitates communication between industry officials and local government. The authority administers Business Retention and Expansion Process (BREP) surveys intended to gather information on local businesses and identify strategies to facilitate economic development throughout the county.

Unique Activities

The tourism sector is often overlooked in economic development strategies, however it can serve as a major stimulant to a local economy. The main purpose of promoting a local tourism industry is to generate revenue in the community through increased expenditures on goods and services by people outside of the community. In essence, it is an effort to attract consumers from outside the local economy to spend their money inside the local economy.

Elbert County is in a potentially unique situation with its location in proximity to two state parks, Richard B. Russell and Bobby Brown respectively. Increased awareness of the economic impact of tourism has generated greater interest from the county in promoting tourism as a viable economic development initiative.

In addition to the state parks, the county is also rich in historical and cultural resources. The Revolutionary and Civil wars, respectively, have left their mark on Elbert County and serve today as an untapped resource capable of generating tourism interest. The county houses the Georgia Guidestones, a granite monument located north of Elberton, which attracts visitors from across the Southeast.

Perhaps the most unique economic activity in the county relates to the Granite Industry. Elbert County is a major international supplier of granite finished and unfinished products, and is referred to as the Granite Capital of the World. Elberton houses the Granite Museum and the Economic Development Authority is working closely with the Elberton Granite Association to identify opportunities to utilize inactive granite quarries as potential tourist attractions.

Aside from all of the aforementioned unique attractions, the downtown squares of both Bowman and Elberton offer visitors a unique opportunity to experience a semblance of small-town Georgia, as it once existed.

The City of Elberton has consolidated each of its utilities (electric, natural gas, water, and sewer) and has added a telecommunications department to form Elberton Utilities. Consolidation of services occurred in 1998, including the addition of the telecommunications department offering dial-up and high speed Internet as well as cable television. Elberton Utilities also operates a marketing department to promote the use of broadband service, in addition to managing a variety of other citywide promotional activities.

The availability of each these services within the city can be an economic stimulant attracting business and industry. It allows the city to operate more efficiently and provides customers a greater level of service.

Labor Force

Employment by Occupation

Table 7 depicts the percentage of total employment by occupational classification for the Census years 1990 and 2000 (1990 data is aggregated in select categories to account for the 2000 classification system). The table offers a comparison between Elbert County, Georgia, and national figures related to occupational characteristics.

There has been a national trend over the last decade that has seen a shift in employment from the manufacturing sector, and other “blue collar” associated jobs, to the service sector. While Elbert County has seen an increase in service occupations this trend has not held true for the county because of the reliance on manufacturing sector employment. The county is well below state and national averages in the *Management, professional and related occupations* and *Service occupations*, but continues to exceed state and national averages in *Construction, extraction, and maintenance occupations* (despite a large decrease in county occupations between Census years), and *Production, transportation, and material moving occupations* all of which are generally related to the manufacturing sector.

Table 7
Employment by Occupation

Occupation	Percentage of Total Employment					
	1990			2000		
	Elbert	Georgia	U.S.A.	Elbert	Georgia	U.S.A.
Management, professional, and related occupations	19.3	28.3	30.1	20.4	32.7	33.6
Service occupations	11.0	12.0	13.2	11.5	13.4	14.9
Sales and office occupations	20.8	28.3	28.1	23.4	26.8	26.7
Farming, fishing, and forestry occupations	2.4	2.2	2.5	1.1	0.6	0.7
Construction, extraction, and maintenance occupations	23.3	12.8	10.7	11.3	10.8	9.4
Production, transportation, and material moving occupations	23.2	16.5	15.4	32.3	15.7	14.6

Source: U.S. Bureau of the Census

Employment Status

Table 8 identifies the labor force participation rates for Elbert County and compares them with state and national averages. The labor force identifies persons 16 years of age and older who are working or seeking work.

Table 8
Labor Force Participation Rates

	1990			2000		
	Elbert	Georgia	U.S.A.	Elbert	Georgia	U.S.A.
Total in labor force	60.5%	67.9%	65.3%	58.6%	66.1%	63.9%
Civilian labor force	60.4%	66.4%	64.4%	58.5%	65.0%	63.4%
Armed forces	0.1%	1.5%	0.9%	0.1%	1.1%	0.5%
Males in labor force	71.7%	76.6%	74.4%	66.2%	73.1%	70.7%
Females in labor force	50.9%	59.9%	56.8%	51.9%	59.4%	57.5%

Source: U.S. Bureau of the Census

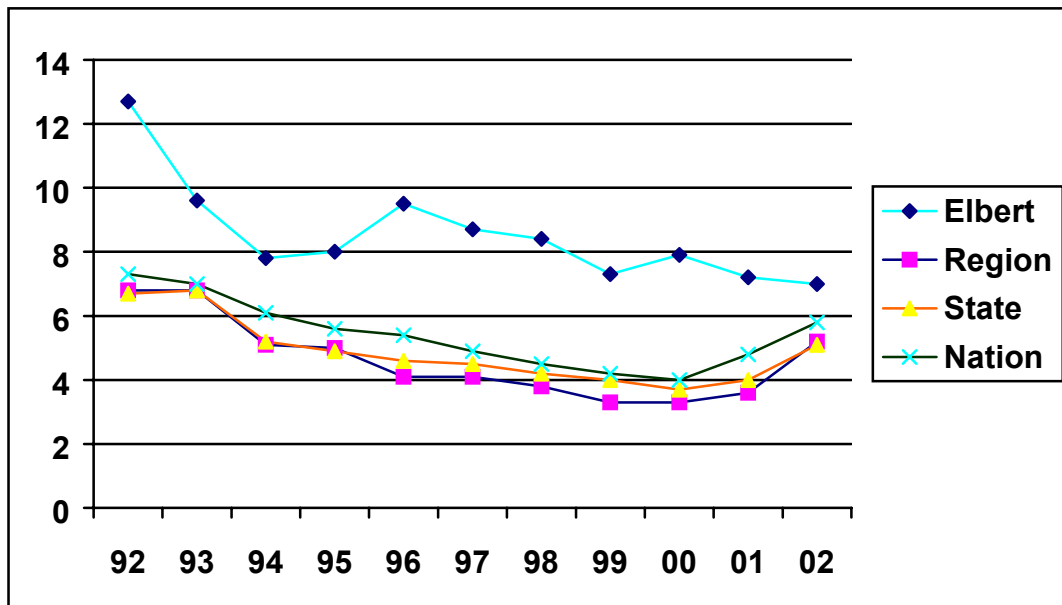
In 1990 the total labor force consisted of 14,350 residents, 16 years of age or older. This figure increased by 9.2% to 15,681, as reported in 2000. Overall the county is well below state and national averages relating to participation rates and has seen a decrease in both total and male participation rates. Despite the increase in female participation rates, it remains well below state and federal averages. The minimal armed forces rates reflect a lack of major military installations within the county.

Unemployment Rates

According to the Georgia Department of Labor, Elbert County had a 2001 unemployment rate of 7.0. This figure was higher than the Northeast Georgia region, state and national rates. Figure 7 illustrates the unemployment rates over the past ten years for Elbert County, the Northeast Georgia region, Georgia, and the nation.

Over the past decade unemployment rates have steadily decreased but the county's rate has remained above the region, state, and national averages. Historically economists have considered an unemployment rate under five as meaning that virtually everyone in the area that is actively looking for work is able to find it. The lack of employment opportunity within reasonable proximity to Elbert County may contribute to the higher rates. A worker's inability to travel to employment opportunities in Athens or Anderson may be a cause of increased unemployment. Elbert County does have a relatively self-contained local economy, but the high unemployment rate reflects the need for continued economic diversification to ensure an adequate supply of job opportunities exist to maintain a high level of employment. Low unemployment rates minimize the community impacts associated with jobless residents including crime, poverty, stress, substance abuse, and domestic violence.

**Figure 7
Unemployment Rates**



Source: U.S. Bureau of Labor Statistics

Commuting Patterns

Examining Elbert County’s commuting patterns provides insight for economic development planning, land use issues, and traffic patterns. Table 9 illustrates the local commuting statistics of the local labor force.

**Table 9
Commuting Patterns to Work**

Commuting Category	1990	2000
Number of residents commuting to work	8,015	8,576
Percent working in Elbert County	78.6	72.7
Percent working outside Elbert County	21.4	27.3
Mean travel time to work (minutes)	18.2	21.2
% of commuters traveling more than 30 minutes to work	19.9	22.7
% of workers who worked at home	173	208
Number of workers employed in Elbert County	7,773	7,762
Total number of residents employed in Elbert County	6,303	6,238

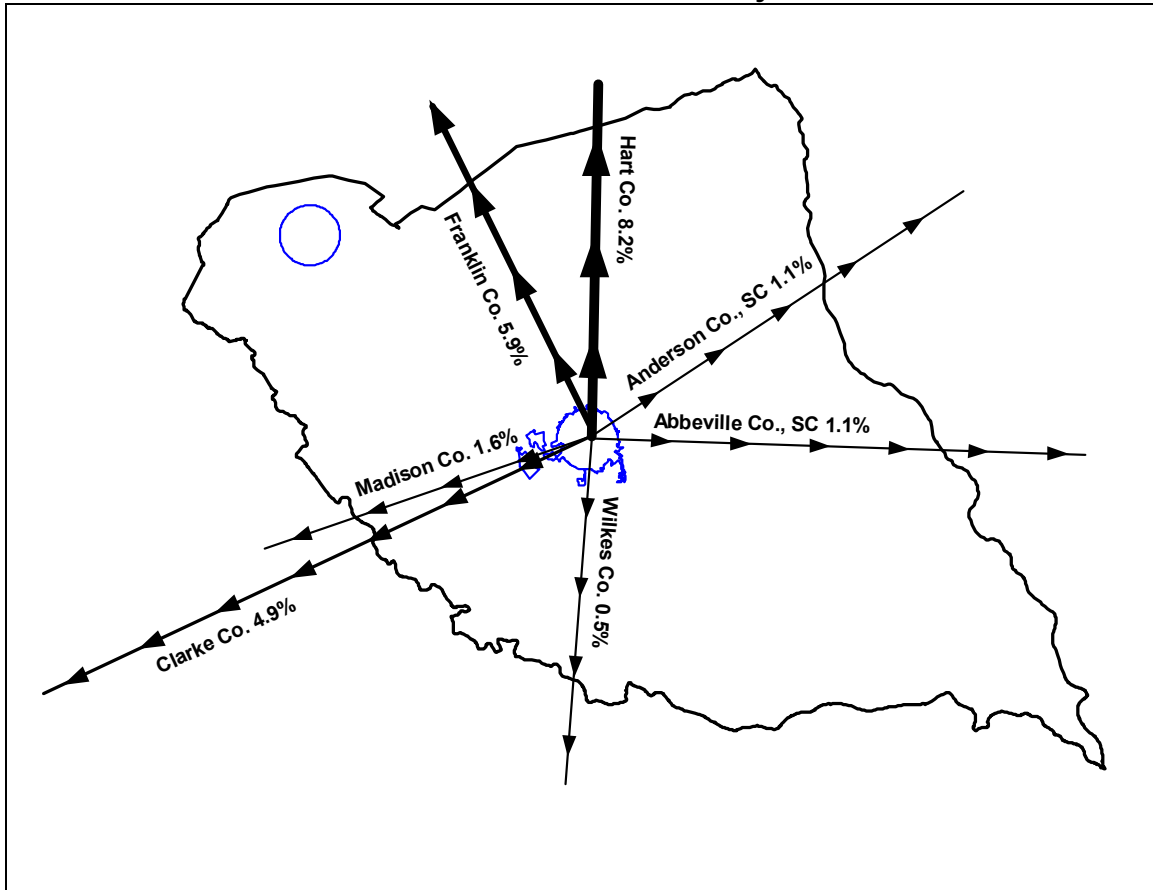
Source: U.S. Bureau of the Census

Examining Elbert County’s commuting patterns helps illustrate the nature of the local economy. Census data reports an increase in residents commuting to work from 8,015 to 8,576. Combining this increase with increases in mean travel time to work (increasing from 18.2 to 21.2 minutes) and percent of commuters traveling greater than thirty minutes to work (increasing from 19.9% to 22.7%) helps to explain the decrease in total number of residents working in the county (decreasing from 6,303 to 6,238).

The majority of the employment migration is into contiguous counties Hart and Franklin, and into the Athens Metropolitan Area. Of the 8,576 total employed residents of Elbert County, Hart, Franklin and Clarke counties attract 8.2%, 5.9%, and 4.9% of workers respectively. These figures increased for Hart and Franklin counties, up from 6.0% and 2.8% respectively, and decreased slightly for Clarke County, down from 5.2%, between 1990 and 2000 Census years.

Despite the increase in outward commuters, Elberton continues to attract a labor pool from outside of the county. According to Department of Labor statistics (reporting only on employment covered by unemployment insurance and excluding all government agencies) the county employed a total of 1,524 residents from outside Elbert County. The result is a net loss of 814 commuters working outside of the county. The Economic Development Authority and Chamber of Commerce are working to increase the availability of local employment opportunities through the recruitment of industry that can take advantage of the local labor force’s characteristics. Figure 8 illustrates the directional distribution of Elbert County commuters.

Figure 8
Directional Distribution of Elbert County Commuters



Source: Georgia Department of Labor

Local Economic Development Resources

Economic Development Agencies

The Economic Development Authority of Elbert County serves an important role in expanding industrial development in the county. The Authority works closely with city and county officials to promote Elbert County as a viable location to prospective businesses and industries. The Authority also works closely with existing businesses and industries to maintain the health of the local economy. This organization has a full-time director who implements a program of work that serves all of Elbert County.

The Elbert County Chamber of Commerce is a nonprofit organization that promotes the entire county to help improve existing businesses and create a better business environment. It serves existing businesses through various

volunteer committees, events, and promotions. The mission of the Chamber is to serve the needs of its membership and to advance the interest of economic development while enhancing the quality of life in Elbert County. Small business represents a significant portion of Elbert's local economy. One of the Chamber's main responsibilities is to ensure that they meet the needs of the small businesses. The chamber provides newsletters, and networking opportunities to help educate and inform small business owners of pertinent economic development information.

The City of Elberton has a Downtown Development Authority, "Mainstreet Elberton". This organization strives to promote the downtown as a viable location for new business. Downtown Elberton offers the county numerous resources for economic development, including necessary infrastructure and available building space, and present an opportunity to increase economic stability throughout the county.

Several agencies provide economic assistance to Elbert County. Georgia Power Company's Community Development Department offers Georgia communities development assistance in six program areas: research and information, business retention and expansion, leadership development, downtown revitalization, board governance, industrial location, and demographic and labor market analysis. A Georgia Power district office is located in Social Circle.

The Georgia Department of Industry, Trade and Tourism (GDITT) is another resource for industrial recruitment and tourism development. The University of Georgia Small Business Development Center (SBDC) in Athens provides management consulting for entrepreneurs and conducts marketing analyses and surveys designed to evaluate a community's economic development potential. The Institute of Community and Area Development (ICAD) offers technical assistance, training, and research services for local government community organizations.

Finally, the Northeast Georgia Regional Development Center (RDC) provides assistance in many community development areas. The RDC prepares local comprehensive plans, which includes economic development information for communities, and provides assistance through the administration of various financial grants. Additional services include the preparation of special economic development surveys and evaluations on how to improve, promote or reorganize a segment of the community. The RDC is actively involved in youth job training programs that are designed to employ residents and enhance job skills. The center also has a comprehensive network of elderly-related programs that address social, health, and employment needs.

Economic Development Programs and Tools

The Directors of the Economic Development Authority and Chamber of Commerce, Allen Nicas and Phyllis Brooks respectively, are the current local contacts for prospective statewide developers.

Georgia Power Resource Center, located in downtown Atlanta, introduces prospective industries from other states and countries to the state's economic development resources. Georgia Power's database includes industrial parks and sites located throughout Georgia. The database can display photographs of a site or park and a list of its utility and infrastructure features. The Georgia 100 software is a computer program designed to meet the business needs of companies through geographic analysis. Georgia's SBDC's are equipped with the Georgia 100 program.

The Elberton Industrial Park is located in Elberton, along Georgia Highway 72. The Park is fully serviced with water, sewer, gas, electricity, roads, and broadband telecommunications. The park has available, affordable sites for construction and has an available facility suitable for manufacturing or distribution.

Elbert County qualifies to capitalize on Georgia's existing "Business and Expansion Act" (BEST) program. The state program classifies counties in a tier system according to their economic status based on unemployment rates, poverty rates, and per capita income (Elbert County is classified as Tier 1). A Tier 1 status refers to the counties ranked 1 through 71 and represents the least developed counties in the state. This status allows businesses that create 5 or more jobs to qualify for a \$3,500 job tax credit.

Some federal and state grants and lending programs promote economic development in eligible communities. The county intends to seek all available funding for which it qualifies to promote economic stability in the region. There are a variety of programs available from the Department of Community Affairs (DCA), U.S. Department of Agriculture (USDA), Economic Development Administration (EDA), and the OneGeorgia Authority, to name a few.

Elbert County has established a 100% Freeport tax exemption. This exempts businesses from paying taxes on inventories of raw materials for manufactured goods or finished goods held by the manufacturer or producer for up to 12 months. Elbert County grants ad valorem tax abatements for new and expanding businesses while the City of Elberton does not levy ad valorem taxes on businesses operating within the city limits.

A revolving loan fund is available to industries seeking to locate in Elbert County. The loan is available at a lower interest rate with the amount of the loan tied to the number of low-moderate-income resident jobs that are created.

Educational and Training Opportunities

The Elbert County Public School System offers a comprehensive education program from Pre-Kindergarten to Grade 12. The county also houses the Elberton Christian School offering a private college preparatory experience to students enrolled in Kindergarten through Grade 12, and the Crossroads Alternative Elementary School.

The County implements a number of volunteer programs aimed at instilling greater value in education among children of all ages. Programs provide opportunities for children to increase knowledge and learn life skills increasing the probability that they remain in school through graduation.

The Athens Area Technical Institute is a unit of the State Board of Post-Secondary Vocational Education. The institution opened a satellite campus in Elbert County and offers diplomas and associate degrees in a variety of vocational-technical fields. In addition, a job placement service is available to students enrolled in programs of study at the institution assisting students in securing full or part-time employment. The Campus offers a variety of continuing education and adult education programs.

The Elbert County Adult Literacy program is administered by Athens Tech and serves both individuals and industries. The program helps adults gain their high school or general equivalency diplomas and strives to improve the educational levels of the local labor force.

Georgia also has a unique manpower-training concept known as "Quick Start." The state designed this program to train workers for specific, clearly designed jobs in a new or expanding company. Employees learn new skills and receive the opportunity to earn higher pay. Additionally, the company realizes one of its primary goals: increase production with minimum expenditures of time and money.

When a company selects a plant site in Elbert County, the Director of Quick Start from Athens Area Technical Institute and the State Training Coordinator from the Department of Technical and Adult Education, consult with company officials. Together, they discuss the company's manpower needs, job requirements, and start-up schedule. Training coordinators develop a training plan and submit it to the company for approval. Training facilities are set up at Athens Tech or, if more suitable, on the plant site.

The local State Employment Agency in Athens will recruit, test, and screen applicants in accordance with company specifications. Costly recruitment hours are saved and only qualified applicants are referred to the company for final selection and enrollment. Once the company accepts an employee, the trainee begins an on-the-job training program. The trainee is able to contribute to the company but also sharpens his or her skills under the guidance of state-paid instructors.

There are a variety of higher education institutions operating in the vicinity of Elbert County. Included is the University of Georgia, Georgia Institute of Technology, Georgia State University, and a variety of Junior and Community Colleges located throughout the region.

The Northeast Georgia Regional Development Center (RDC) provides staff support for the regional Workforce Investment Board (WIB). The WIB is a group of appointed local business, industry and education representatives that focus on meeting the local business needs for skilled workers and the training, education and employment of local individuals.

Assessment of Local Economic Development

Local Economic Development Issues Analysis

Infrastructure Capacities

Timing and location of infrastructure expansion are a major issue in economic development. The main issues of concern, for economic development purposes, are infrastructure capacities for water, sewer and roads. The county does not operate a public water or sewerage system in the unincorporated areas of the county limiting the areas that can be actively promoted for development. To fully promote the county for economic development purposes, the municipalities must continue to monitor the effectiveness of their infrastructure networks to ensure the capability of handling economic expansion.

Education

The lack of a highly skilled labor force has long been a problem throughout the northeast Georgia region. Low educational levels increase the difficulty in matching the labor force skills to prospective high wage industries and limit the type of employers that the county can successfully recruit. Despite the recent increases in the high school graduation rate, the percentage of residents with post-secondary education continues to be well below the state average. The county must continue its efforts to promote higher education to its students ensuring the development of a local labor pool that can serve as an asset for economic development. Athens Tech is a valuable resource in terms of providing advanced education opportunities to the local labor force and working with local businesses and industries in identifying educational needs for the local economy.

Tourism

As previously mentioned, Elbert County has a location advantage in relation to its proximity to two major recreation areas in Richard B. Russell and Bobby Brown state parks. Tourism is often an untapped resource in economic development planning and Elbert County has not begun to approximate its potential for utilizing tourism as an economic development strategy. The types of development adjacent to Lake Russell are currently limited according to federal regulations but development has already begun with the construction of a new state golf course, which could stimulate tourism development increasing state and local revenues. In addition to natural resources, the county is steeped in history, particularly related to the Revolutionary and Civil Wars. Strategies combining natural and historic resource tourism opportunities may provide optimal opportunity for the county to develop a tourism industry.

Increase Local Employment

Decreasing the outflow of the local labor force is an important issue in creating economic stability. As the commuting patterns section stated, Elbert County has a net outflow of commuters. To improve commuting patterns, the county must be successful in improving the education level of its labor force, attracting business that best match the skills of local workers, and attracting residents that best match the requirements of local employers. It is not an easy task and one that requires not only cooperation on various levels (as demonstrated in the administration of the Business Retention and Expansion Process by the Economic Development Authority linking local businesses and industries with county and city governments), but also specific marketing and recruitment strategies aimed at employer-employee compatibility.

Economic Diversification

As discussed throughout this plan, Elbert County is the Granite Capital of the World. An economic dependency on a single industry increases the potential of boom-bust cycles, which may destroy local economics during downturns in the dominant industry's economy. In order to fully stabilize the local economy, the county realizes the importance of the promotion of alternative employers to the Granite Industry ensuring a variety of job types are available to the population decreasing the dependency on a single natural resource industry.

The abundance of granite supply in the county illustrates that the Granite Industry is likely to remain a dominant employment sector for the foreseeable future, and beyond. However, economic diversification does not solely imply a need for increased employment in alternative sectors it can also relate to diversifying the types of exports within the dominant industry. Shifts in international granite markets have forced the granite industry to diversify in terms of export products. While this may result in the short-term reduction of granite industries it will result in long-term stability of the local economy.

Downtown Development

Both Bowman and Elberton possess functional downtown squares, reminiscent of historic small towns throughout the state. These assets need to be fully utilized to develop a diverse, multi-functional local economy because of their proximity to existing infrastructure. Business retention and expansion needs to be focused within the central business districts of the municipalities to maximize local economic development efforts.

Economic Base Assessment

The economic base inventory, previously discussed, provides an overview of the county's economic makeup. The assessment attempts to look at some of the underlying factors that have led to the existing conditions of the local economy and identify strategies for improving them.

Employment Assessment

Table 10 presents the location quotient analysis for each of the major industry sectors of the local economy. In order to get a closer look at the existing specialization of the economy it is important to refine the search beyond major industrial sectors and look at sub-categories within each of those sectors. The 2001 U.S. Census Bureau County Business Patterns reveals employment data at the sub-category level and allows for a more detailed local analysis to take place.

As mentioned previously, economic base theory's guiding principle is that all economic activity can be classified as either basic (export oriented) or non-basic (local serving). Based on this principle, the theory further states that an area's economic stability is dependent on outside demand for locally produced goods and services. The location quotient analysis attempts to identify the basic sectors of the county and in which of those sectors the county enjoys a competitive advantage over other local economies.

Industries with location quotients greater than 1.25 indicate relatively high production of a good or service and are categorized as basic industries that help to support the economy as a whole. Conversely, those industries with location quotients less than 0.75 indicate sectors that are not meeting local needs. A location quotient between 0.75 and 1.25 are generally considered self-sufficient.

The analysis reveals seven sub-sectors of the local economy with location quotients above 1.25. Of these sectors the largest location quotients were generated by sub-categories of the mining and manufacturing sectors related to the Granite Industry. The other major sector identified is the Plastics and Rubber Products sub-category of the manufacturing sector illustrating the relative strength of this industry.

The analysis also revealed eleven sectors with location quotients under 0.75, indicating that these may not be meeting local needs. Of particular concern should be the low location quotients for service sector industries. The most telling statistic is the low value for professional, scientific and technical employment (0.30) indicating the lack of high wage, service sector employment. Since retail and service sectors should, at a minimum, adequately serve the local population lower values within the services sector may reveal gaps in the local economy requiring increased employment to meet local demand for those goods and services.

Table 10
Elbert County Location Quotient Analysis

Major Industrial Sector	NAICS Code	Sub-Sector	2001 County Employment	2001 State Employment	County LQ
Agricultural Services	11	Totals	9	9,331	0.55
Mining	21	Totals	215	6,839	17.95
	2123	Nonmetallic mineral mining and quarrying	215	6,163	19.92
Construction	23	Totals	172	194,679	0.50
	325	Special Trade Contractors	132	114,937	0.66
Manufacturing	31-33	Totals	3,094	491,688	3.59
	311	Food Manufacturing	630	61,078	5.89
	313	Textile Mills	179	43,510	2.35
	326	Plastics and Rubber Products	485	28,314	9.78
	327	Nonmetallic Mineral Products	1,373	20,362	38.50
	336	Transportation Equipment Manufacturing	427	45,769	5.33
TCU	22,48-49,51	Totals	152	298,743	0.29
Wholesale Trade	42	Totals	289	201,981	0.82
	421	Durable Goods	266	127,921	1.19
Retail Trade	44-45	Totals	714	464,576	0.88
	441	Motor Vehicle and Parts Dealers	113	58,495	1.10
	445	Food and Beverage Stores	212	96,535	1.25
	453	General Merchandise Stores	150	81,068	1.06
FIRE	52,53	Totals	225	234,165	0.55
Services	54-56,61-62,71-72,81,95	Totals	1,255	1,593,895	0.45
	54	Professional, Scientific, and Technical	109	205,699	0.30
	56	Admin., Support, Waste Management and Remediation	69	334,934	0.12
	61	Educational Services	8	65,033	0.07
	62	Health Care and Social Assistance	599	361,620	0.95
	621	Ambulatory Health Care Services	146	121,593	0.69
	622	Hospitals	215	140,044	0.88
	623	Nursing and Residential Care Facilities	238	50,891	2.67
	71	Arts, Entertainment, and Recreation	10	36,750	0.16
	72	Accommodation and Food Services	289	303,213	0.54
	722	Food Services and Drinking Places	263	258,898	0.58
	81	Other Services	171	145,486	0.67
Unclassified	99	Totals	2	2,686	0.43
Total Employment			6,127	3,498,583	

Source: U.S. Census Bureau County Business Patterns

- Shaded areas represent totals for the major industrial sector.
- NAICS is the North American Industrial Classification System code.
- Total employment differs from the total stated in “Sector Employment” because of the difference in reporting requirements for the County Business Patterns and the fact that they do not collect employment data for Farm or Government employment.
- County LQ refers to the location quotient value. The location quotient is a ratio comparing the percentage of employment in a specific industry in the local economy with the employment percentage in the same industry in the state economy.

The location quotient is meant to serve as a guideline for the county to help identify potential strengths and weaknesses in the local economy that could be further pursued. Its general assumptions are that demand is constant throughout the state, labor productivity does not vary, and that each firm within an industry produces an identical product. Every community does not need to be self-sufficient in every sector and a location quotient less than one may not be cause for alarm.

According to economic base theory’s general principles, basic (export) employment is the engine that drives local economic activity and linkages it creates lead to increased non-basic (local serving) employment. The economic base ratio examines the relationship between basic and non-basic employment in the economy and is used to estimate a multiplier effect to forecast the increase in overall employment that can be expected from an increase in basic sector employment.

For example, an employment multiplier of 1.5 indicates that for every 100 new basic jobs 150 new non-basic jobs are created. The use and reliance on multipliers is not a recommended strategy because they are inaccurate, and generally inflated. However, they do serve as a general guideline to illustrate the significance of new export industries locating within a community and the linkages that they create within the local economy.

Using 2001 County Business Pattern data for Elbert County employment the economic base ratio can be estimated at 2,436:3,691. This information can be used to generate an employment multiplier to identify the potential impacts created by export-based industry. The ratio creates a 2.52 employment multiplier. This indicates that in a perfect economy, without any leakages, every new job created in the basic sector would lead to 2.52 new jobs in the non-basic sector.

Earnings Assessment

Another method of identifying potential target industries is to analyze sector per capita earnings. Table 11 identifies those sectors within the local economy that are paying higher wages, compared to overall wages in the county.

The table looks at employment and earnings data, from the previous section titled, Economic Base, for the years 1990, 1995 and 2000 within each of the major industrial sectors and for the county as a whole. Per capita earnings is calculated and the cumulative increase is tracked from 1990 to 1995, and 1990 to 2000. An overall earnings index is calculated by dividing sector per capita earnings by the total county per capita earnings. An index greater than 1 indicates a sector in which the employees generally earn higher wages than the average county employee earns.

**Table 11
Overall Earnings Index**

Elbert County Total	1990	1995	2000	TCU	1990	1995	2000
Total Employment	9634	9649	9904	Overall Earnings Index	1.19	1.21	1.16
Gross Earnings (000's)	183594	197781	230995	Total Employment	231	217	281
Per Capita Earnings	19057	20498	23323	Gross Earnings (000's)	5240	5368	7606
Cumulative Per Capita Earnings Growth %		7.56	13.79	Per Capita Earnings	22684	24737	27068
				Cumulative Per Capita Earnings Growth %		9.05	9.42
Farm	1990	1995	2000	Wholesale Trade	1990	1995	2000
Overall Earnings Index	0.31	0.34	0.38	Overall Earnings Index	1.43	1.20	1.17
Total Employment	478	458	457	Total Employment	383	476	538
Gross Earnings (000's)	2809	3199	4010	Gross Earnings (000's)	10430	11704	14736
Per Capita Earnings	5877	6985	8775	Per Capita Earnings	27232	24588	27390
Cumulative Per Capita Earnings Growth %		18.86	25.63	Cumulative Per Capita Earnings Growth %		-9.71	11.40
Agricultural Services	1990	1995	2000	Retail Trade	1990	1995	2000
Overall Earnings Index	0.56	1.07	0.60	Overall Earnings Index	0.71	0.64	0.66
Total Employment	53	82	84	Total Employment	1117	1308	1275
Gross Earnings (000's)	569	1798	1176	Gross Earnings (000's)	15095	17119	19496
Per Capita Earnings	10736	21927	14000	Per Capita Earnings	13514	13088	15291
Cumulative Per Capita Earnings Growth %		104.24	-36.15	Cumulative Per Capita Earnings Growth %		-3.15	16.83
Mining	1990	1995	2000	FIRE	1990	1995	2000
Overall Earnings Index	1.12	1.39	1.42	Overall Earnings Index	0.91	0.94	0.89
Total Employment	139	151	145	Total Employment	332	360	450
Gross Earnings (000's)	2974	4300	4808	Gross Earnings (000's)	5746	6957	9321
Per Capita Earnings	21396	28477	33159	Per Capita Earnings	17307	19325	20713
Cumulative Per Capita Earnings Growth %		33.10	16.44	Cumulative Per Capita Earnings Growth %		11.66	7.18
Construction	1990	1995	2000	Services	1990	1995	2000
Overall Earnings Index	1.14	1.03	1.18	Overall Earnings Index	0.78	0.79	0.80
Total Employment	485	439	425	Total Employment	1572	1758	1745
Gross Earnings (000's)	10522	9238	11722	Gross Earnings (000's)	23356	28337	32648
Per Capita Earnings	21695	21043	27581	Per Capita Earnings	14858	16119	18709
Cumulative Per Capita Earnings Growth %		-3.00	31.07	Cumulative Per Capita Earnings Growth %		8.49	16.07

Elbert County Total Manufacturing	1990 1990	1995 1995	2000 2000	TCU Total Government	1990 1990	1995 1995	2000 2000
Overall Earnings Index	1.09	1.17	1.18	Overall Earnings Index	1.32	1.29	1.22
Total Employment	3364	2769	2842	Total Employment	1480	1631	1662
Gross Earnings (000's)	69587	66553	78126	Gross Earnings (000's)	37236	43208	47346
Per Capita Earnings	20686	24035	27490	Per Capita Earnings	25159	26492	28487
Cumulative Per Capita Earnings Growth %		16.19	14.37	Cumulative Per Capita Earnings Growth %		5.30	7.53

Source: Woods and Poole Economics, Inc.; Calculations by NEGRDC

The earnings index should be compared with the economic base analysis to help develop strategies for further economic development within the county. What this initial analysis suggests is that opportunity may exist for the county to increase wages through the increased strengthening of the manufacturing sector (an overall location quotient of 3.59 and earnings index of 1.18). The earnings analysis further reflects the lack of high paying service sector employment opportunities in the county. In comparison with the location quotient analysis this reflects the need for increased service sector industries in the county.

Potential Trade Market Area

A trade market area is the geographic area from which the community draws the majority of its retail trade customers. Because Elberton is the economic engine of Elbert County its boundaries will be used to illustrate the potential trade area of the county. A trade area generally extends beyond the municipal boundary, and the assumption is that the majority of trade area residents shop in the community.

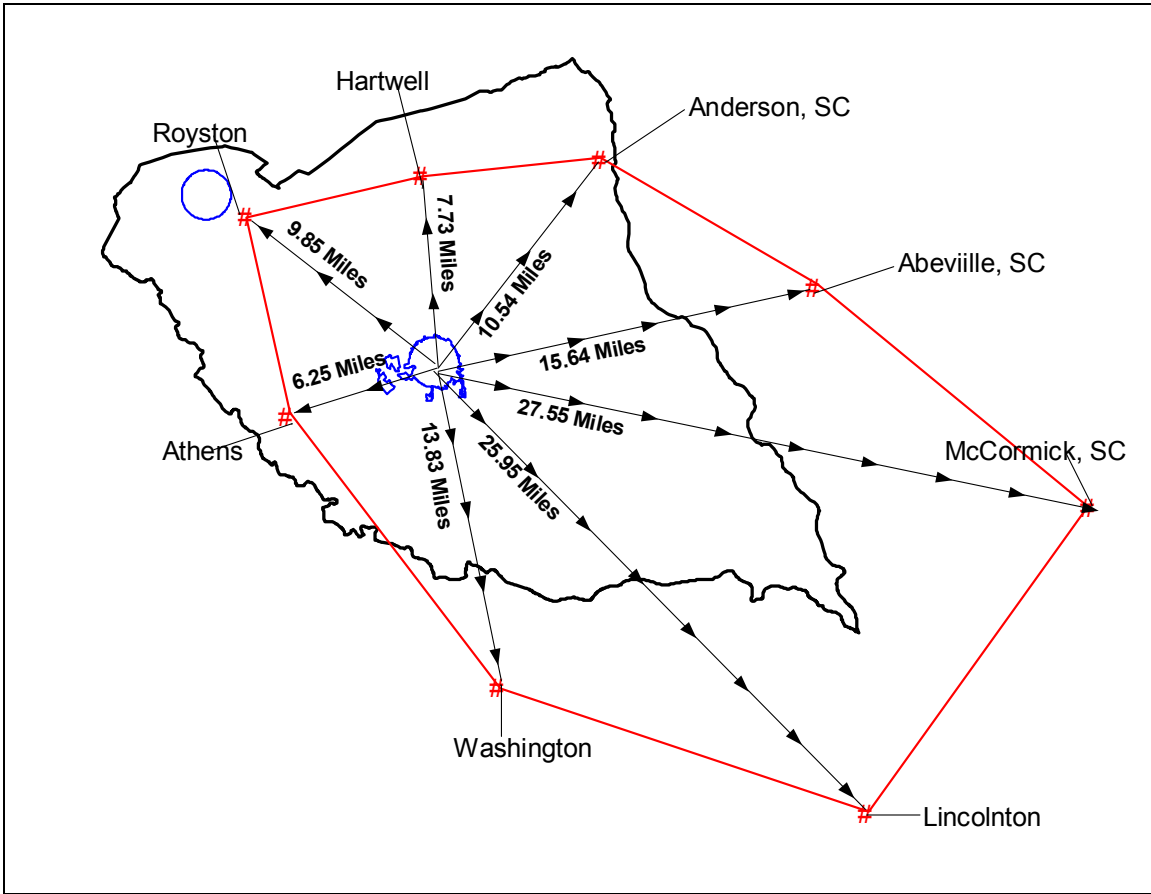
The trade area is considered an appropriate assessment for goods and services bought based on comparisons of price and quality (for example furniture, automobiles, medical services, etc.) and not necessarily appropriate for convenience goods (such as groceries or gasoline). However, once shoppers are in the community the probability increases that they will also purchase convenience goods.

The trade area is generated using a simple approach, commonly known as Reilly's Law of Retail Gravitation. This generates an estimate of the maximum distance customers are willing to travel to shop. The argument is that people are generally attracted to larger communities to do their shopping but the time and distance that they are willing to travel influences their shopping patterns.

Figure 9 illustrates the potential trade market area for the City of Elberton, and thus Elbert County, in relation to surrounding communities. The trade area illustrates that the majority of Elbert County residents likely do their shopping in Elberton. It also illustrates portions of Wilkes and Lincoln counties, south of Elbert County, and Abbeville and McCormick counties in South Carolina are willing to travel to Elberton to shop.

This geographic information can be utilized further to illustrate demographic characteristics of the representative populations within the trade area using Census data. The major assumption is that populations in comparative communities are relatively homogeneous in terms of cultural, economic, and social characteristics. It also assumes that all surrounding communities have equal access to the City of Elberton in terms of road networks and the absence of natural impediments.

**Figure 9
Potential Trade Market Area**



To further illustrate Elberton’s ability to attract consumers outside of its boundary Trade Area Capture and Pull Factors can be used. Table 12 illustrates both the trade area capture and pull factors for each of the identified retail sales categories.

**Table 12
Trade Area Capture and Pull Factor for Retail Trade Sectors**

Retail Category	Actual Sales (000)	Trade Area Capture	Pull Factor
Food & Beverage Stores	35,355	13,586	2.86
Food Service & Drinking Places	13,659	7,471	1.58
General Merchandise Stores	23,452	10,196	2.15
Clothing & Clothing Accessories stores	7,003	7,833	1.65
Furniture/Home Furnishings/Appliance Stores	3,363	3,195	0.67
Motor Vehicle & Parts Dealers	68,103	12,427	2.62
Gasoline Service Stations	19,313	11,618	2.45
Building Material & Garden Equipment & Supplies	9,332	4,948	1.04
Health & Personal Care Stores	14,742	22,684	4.78

Source: 2002 Georgia County Guide; Calculation by NEGRDC

The table illustrates the 2001 actual retail sales in Elbert County. According to the Existing Land Use section the majority of county retail activity is located in the City of Elberton, therefore it is safe to assume the majority of this retail activity takes place in Elberton.

The Trade Area Capture analysis provides an estimate of customer equivalents attracted to the city by each of the retail trade sectors. To interpret this value it should be compared to the municipal population (2000 Census total of 4,743). A trade area capture value greater than the population total indicates an attraction of consumers from outside its boundary or local consumers are spending more for this item than the statewide average. The opposite is true if this value is less than the municipal population.

While this does not reflect the actual number of customers for each sector, it does provide an estimate based on the assumption that local residents will consume goods and services at a similar rate as the statewide averages for each retail trade category. This can be used to compare retail sector over time to identify strengthening segments of the retail sector or areas decreasing in sales.

The Pull Factor attempts to remove the influence of the local population and focus attention on the community's ability to draw customers from surrounding areas. A Pull Factor of one (1) means that the community is drawing all of its customers from within its boundaries and none from the outside. Pull Factors greater than one (1) illustrate the extent a community is attracting outside consumers, and a value less than one (1) illustrates that not all shoppers within the community are being captured, or that local shoppers are spending less than the state average.

For example, the Pull Factor for Food & Beverage Stores is 2.86. This figure implies that this sector attracted outside purchases equal to 186% greater than the city population. The interpretation is that all residents of Elberton (4,743) shop within the city and it attracts 186% of the city population (8,843) from outside the city boundary.

These tools are used mainly for comparison purposes to help communities assess growth and decline of various sectors of the local economy. They are best used to compare Trade Area Capture and Pull Factors over time to determine successes or failures in attracting consumers from outside the community. While these tools provide comparisons between economic sectors over time, they do not provide reasons for the growth or decline. As with all of the tools discussed in this chapter, further analysis is needed at a local level to identify root causes of economic shifts.

Labor Force Assessment

The labor force assessment attempts to determine whether or not the jobs available in the community are appropriate to the residents in terms of skill and education levels required, and wages paid. The inventory and economic base analyses sections have identified strengths and weaknesses of the local economy, which are directly related to the characteristics of the local labor force.

Economic development is dependent upon the availability of a quality workforce. A key ingredient in assessing the quality of the workforce is the level of educational attainment. As discussed in the Population and Community Facilities chapters, as well as elsewhere in this chapter, local educational attainment is a problem in Elbert County as it is elsewhere in the state and the nation. In the 1997 survey of the National Association of Business Economists the most serious problem identified in the national economy is "...the poorly prepared labor force and the nation's education system."

One of the resources most often overlooked in developing economic development strategies is Human capital. No factor is more important for economic vitality than a quality school system, both because they prepare the future workforce and because they provide an attraction for potential businesses seeking to relocate. Properly training a community's youth cannot be underestimated in its contributions to creating a healthy community.

Elbert County's recognition of this has resulted in the creation of volunteer programs aimed at helping its youth deal with a wide range of issues and focusing children on the importance of education. The county has implemented a Mentor Program, in which volunteers are paired with a school-aged child needing additional guidance outside of the educational environment. This program allows children dealing with difficulties at home and/or school an avenue to deal with their problems. An uneducated or unskilled labor force cannot be cured overnight and must be dealt with as part of a long-term commitment.

There is also increasing recognition that education can no longer solely be focused on youth. Employment trends have changed over the past twenty years and adults are increasingly changing occupations and, in some cases, professions. Education has now become a life-long pursuit, acquiring a broad range of transferable skills as well as specialized training.

The availability of adult education programs at Athens Tech provides the county an invaluable resource to provide training and retraining opportunities to the local labor force. Collaboration between the college, local government, and private sector industry is essential to identify shifts in industrial employment needs and be able to meet those changes through changing educational programs.

Economic Development Agencies, Programs and Tools Assessment

The Economic Development Authority, Chamber of Commerce, and Elberton Downtown Development Authority are hard at work promoting the county for economic development purposes, as witnessed through the administration of the Business Retention and Expansion survey and the creation of the Mainstreet Elberton website.

The current availability of a well-sited, fully serviced industrial park is one of the county's strongest assets. It has both available land for new construction and a vacant facility for immediate relocation.

The availability of the Athens Tech Campus and the variety of educational and training opportunities it provides is a tremendous resource not only for Elbert County, but also for adjacent local economies. The ability to continually develop a qualified, productive workforce will determine the region's overall economic effectiveness and Athens Tech plays a major role in developing that labor force.

Goals and Policies

Note: All goals and policies refer to the county as a whole, unless otherwise stated, due to the comprehensive nature of the Economic Development chapter.

Vision Statement: *Increase local employment opportunities through the promotion of orderly economic growth fostering both the attraction of new and retention of existing businesses and industries that diversifies the local economy and maximizes the strengths of the local labor force.*

Goal 1.1: Attract new business and industry to the county focusing on maximizing the compatibility with the local labor force and minimizing the net loss of commuters to non-local markets.

Policy 1.1.1: Improve and nurture the small business environment promoting local entrepreneurship.

Policy 1.1.2: Maximize retail and service business potential through strategic marketing to prospective firms and promoting existing downtown locations as viable business sites.

Policy 1.1.3: Target specific industries for business recruitment, based on further economic analysis, that promote quality growth and maximize the skill levels of the labor force.

Goal 1.2: Diversify the local economy decreasing the dependency on the granite industry and increasing the variety of available jobs.

Policy 1.2.1: Determine key factors associated with retaining existing business and industry and facilitating their expansion where appropriate.

Policy 1.2.2: Monitor local economic conditions and characteristics to identify potential development strategies.

Goal 1.3: Utilize local assets to stimulate tourism through marketing and promoting Elbert County as an attractive tourist destination.

Policy 1.3.1: Address the potential for tourism related development on Lake Russell with state and federal agencies.

Policy 1.3.2: Collaborate on a multi-jurisdictional level to promote tourism throughout the region.

Goal 1.4: Coordinate economic growth with the Future Land Use map and all other sections of the Comprehensive Plan to ensure that quality development occurs in suitable locations.

Policy 1.4.1: Recruit and locate business and industry that is compatible with adjacent land uses.

Policy 1.4.2: Coordinate economic development initiatives with environmental protection policies and regulations ensuring the preservation of existing natural and cultural resources.

Policy 1.4.3: Concentrate economic development in areas served by existing or planned supporting infrastructure.

Policy 1.4.4: Develop the downtown district as an attractive business location and facilitate public access to businesses on the downtown square. *(Applicable to the municipalities of Bowman and Elberton)*

Goal 1.5: Investment in the long-term stability of the local economy, focusing on future prosperity, inter-regional cooperation, and improving the overall business climate.

Policy 1.5.1: Evaluate economic subsidies based on their long-term costs and benefits on the community as a whole.

Policy 1.5.2: Focus public investments and subsidies on equitable initiatives that do not sacrifice long-term economic health for short-term revenue increases.

Policy 1.5.3: Support, promote and strengthen local economic development organizations increasing the efficiency of economic development initiatives throughout the county.

Goal 1.6: Increase the marketability of Elbert County as a viable business location through the development of the local labor force.

Policy 1.6.1: Work closely with Athens Tech to assist local residents with job training and employment placement to develop a highly skilled workforce.

Policy 1.6.2: Continue to support grassroots efforts promoting secondary and post-secondary education to local youth.