

PATHFINDER – ECONOMIC IMPACT ANALYSIS FREMONT COUNTY

Henry Williams
henry.williams@colostate.edu

Willie Wilkins, MS, Extension
Professor Rebecca Hill, Extension
Professor Tim Komarek
Jeremy McNeely, Pathfinder

PROJECT INTRODUCTION

County administrators are often interested in **economic impact analysis**, as part of a broader economic development strategy or for budgeting purposes. Economic impact analysis can be performed for public or private entities.

Our project performed an **economic impact analysis** for **Pathfinder Event Center**, located in Florence, CO, in Fremont County. Opened in 2022, Pathfinder features an outdoor arena, covered arena, auditorium, commercial kitchen, small pavilion, meeting room, and classroom. Common events held at the Center include weddings, rodeos, 4-H events, Colorado Outdoorsmen Days, craft fairs, and funerals.

As a form of **input-output (I-O) modeling**, this **analysis by parts (ABP)** study estimates the economic impact in Fremont County of external visitors to Pathfinder.

We estimate the economic impact of Pathfinder for Fremont County across **four metrics**: 1) output, 2) value added, 3) labor income, and 4) jobs.

In terms of output, we find that **the economic impact of Pathfinder in 2023 exceeded its total budget**.

METHODOLOGY - BACKGROUND

I-O modeling is widely used for economic impact analysis, for private and public entities, at the local, regional, national, and international levels. **ABP** enables us to estimate the impact of the Pathfinder Event Center without having to define the full sectoral detail for the Center in an I-O table.

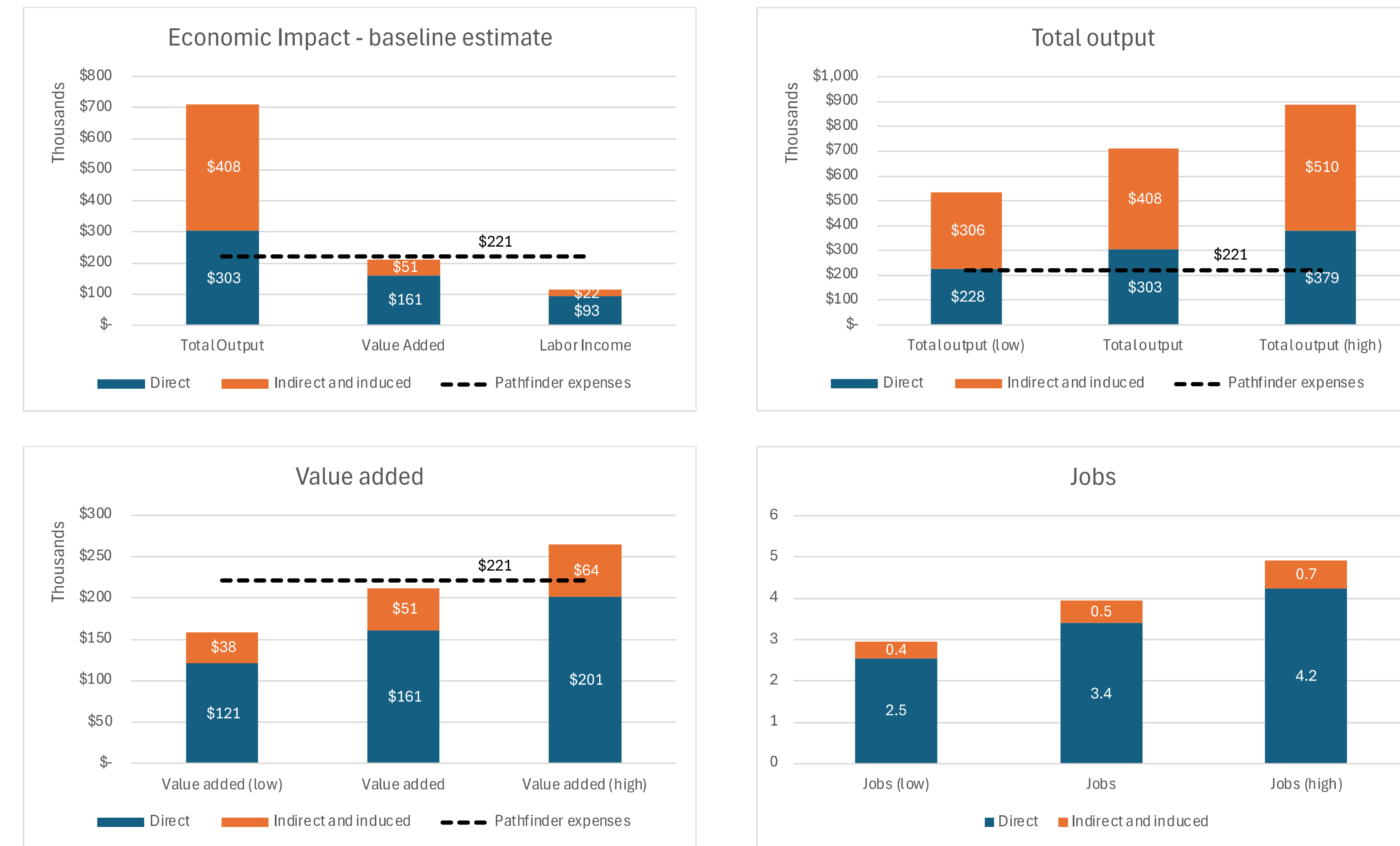
We estimate economic impact for:

- **Total Output:** The total sales revenue or value, aggregating across all sectors
- **Value Added:** The sum of labor income, taxes, and ownership income (ex. profit, rent, dividends, interest)
- **Labor Income:** All income from employment, including wages, salary, benefits, and proprietor income.
- **Employment:** The annual average of monthly jobs, including both part- and full-time jobs.

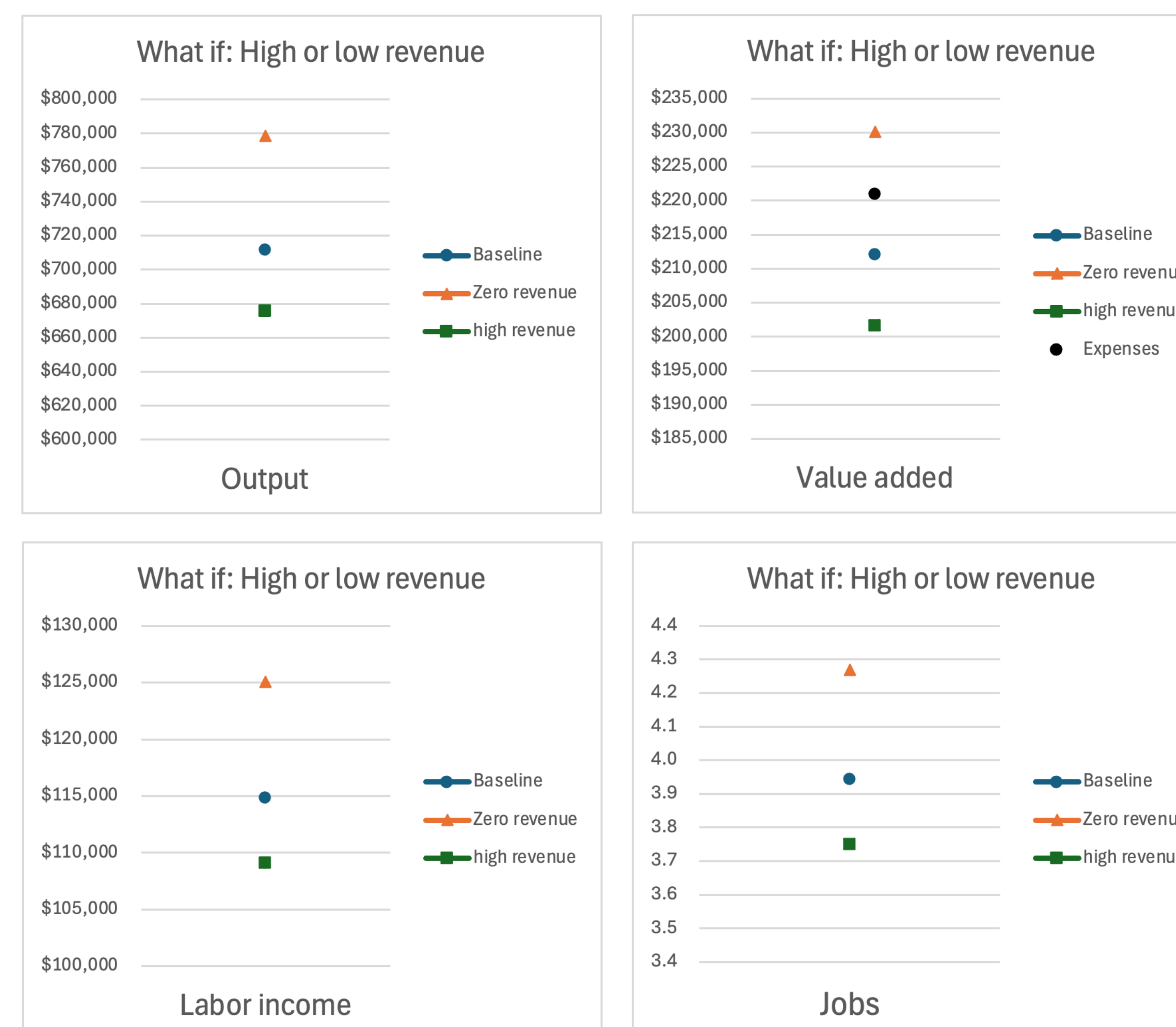
The channels through which Pathfinder impacts the above metrics are:

- **Direct revenue:** (External) revenue earned by Pathfinder for use of facilities
- **External visitor expenditure:** Expenditure within Fremont County by external visitors—those residing outside the county—to Pathfinder.

RESULTS

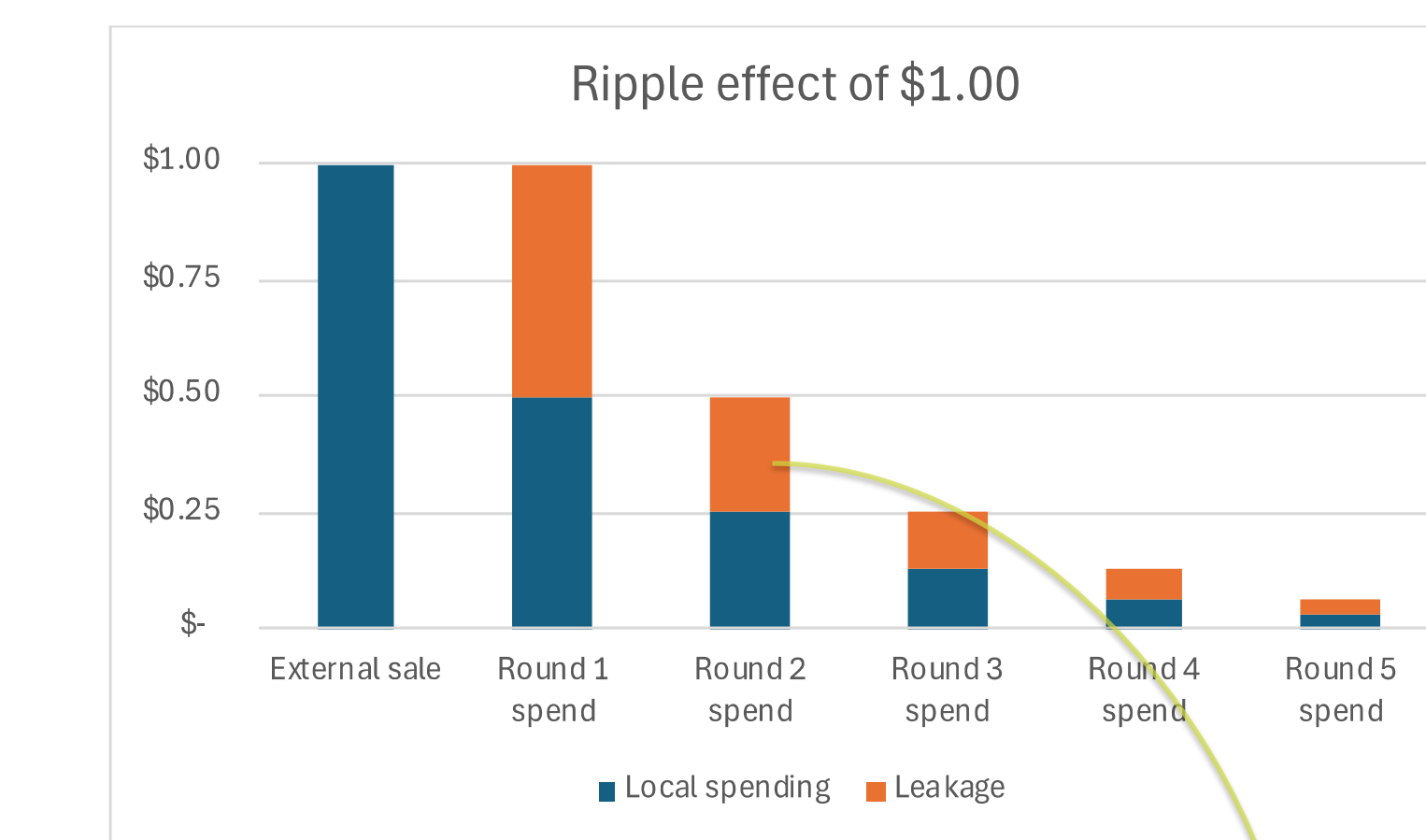


Metric	Estimate \$	% Fremont GDP	% expense	Multiplier
Total output	\$711,591	0.04%	322%	2.35
Value added	\$212,025	0.01%	96%	1.32
Labor income	\$114,829	-	52%	1.24
Jobs	3.9	-	-	1.16

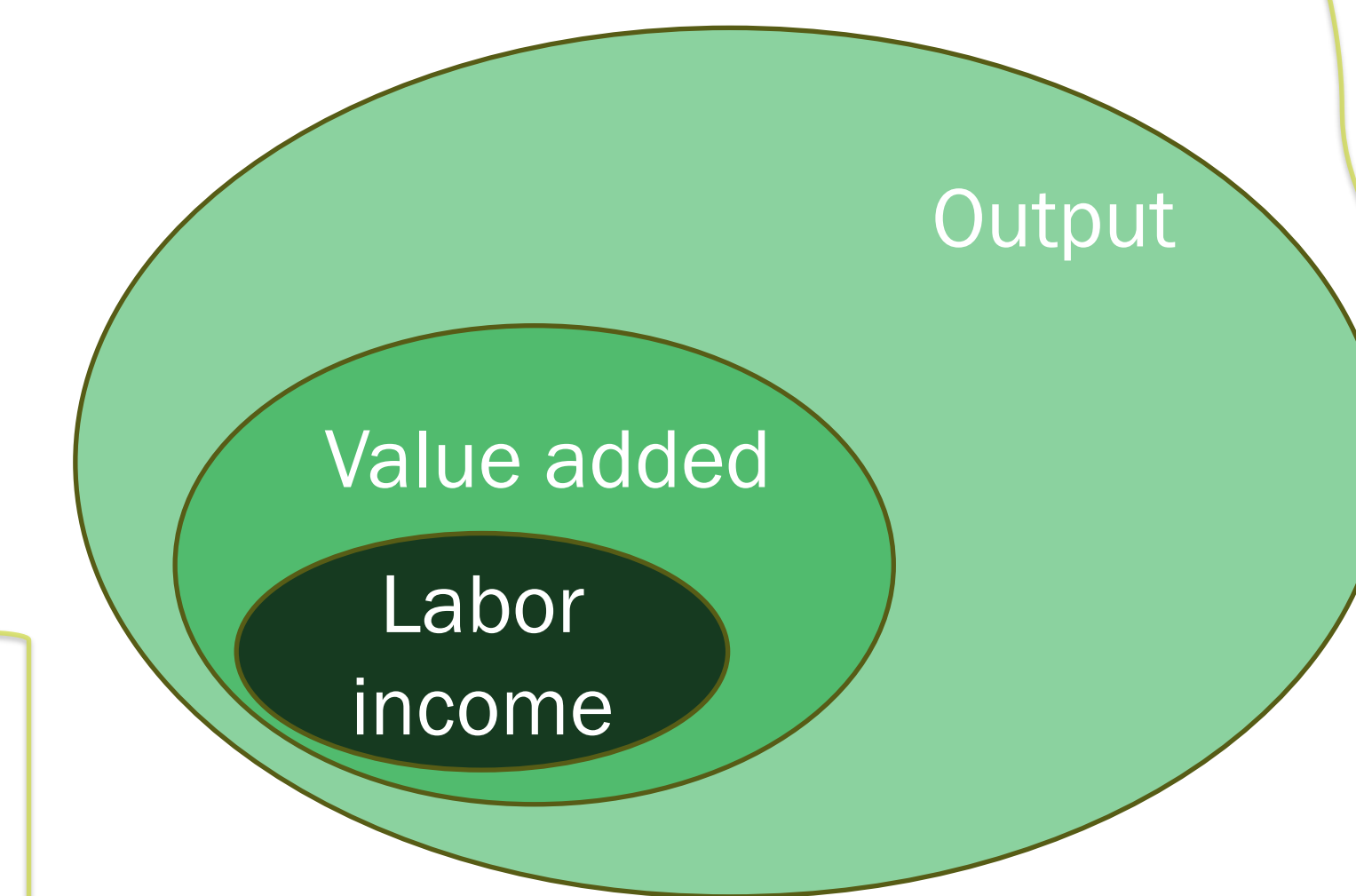


METHODOLOGY - CONCEPTS

- By “**shocking**” the output of one sector, a researcher can model the impact across all sectors and for the entire economy
- Example: Impact of \$1.00 coffee purchase



Category	Amount
Gasoline	\$5,498
Recreation	\$12,365
Accommodation	\$97,650
Food/drink	\$187,837



Secondary Effect

$$Total = Direct + Indirect + Induced$$

$$Total = Direct \times Multiplier$$

$$\$2.3 = \$1 \times 2.3$$



Total impact can be decomposed into:

- **Direct effect:** The impact directly attributable to external visitor expenditure and revenue.
- **Indirect effect:** The impact of additional input purchases by all sectors, resulting from direct impact.
- **Induced effect:** The impact of additional household spending, resulting from additional labor income.

HOW DOES THIS APPLY TO YOUR EDUCATION

I-O modeling is a widely used tool in academia as well as the public and private sectors. One application of I-O models enables understanding how production processes and final consumption impact the **environment**. In particular, IO models enable the attribution of **greenhouse gas emissions** to various industrial sectors and final consumption goods. **My research** will apply this method.

NEXT STEPS

We have developed a template for CSU Extension to perform similar economic impact analysis studies in the future.