

CHAPTER 5: Economy

Description of Local Employment Numbers and Income

According to information from the Wyoming Department of Employment, Research and Planning, as of December 2006, Johnson County had a labor force consisting of 3,847 persons. Of that number, 3,738 were employed and 109 were unemployed, resulting in an unemployment rate of 2.8 percent. These figures represent a countywide decrease from the year 2000 totals and a slight decrease from the December 2005 totals. Statewide, the December 2006 unemployment rate was 3.1 percent.

Figures for the City of Buffalo are available for 2000. That year there were 1,711 persons in the labor force. Of this total, 7 were in the armed forces, 1,557 employed, and 147 unemployed.

Taking a look at income, the August 30, 2006, final report of the Wyoming Housing Database Partnership noted that Johnson County had an estimated median family income (defined as the mid-point of all family incomes) of \$54,600 for 2006. This compared less favorably to the statewide median family income of \$58,800. In fact, the County has consistently been below the state level median family income throughout the 2000's.

A look at the per capita personal income (the average individual income) for Johnson County follows the same trend as was stated in the paragraph above. According to the U.S. Department of Commerce Bureau of Economic Analysis, Johnson County's per capita personal income in 2001 was \$26,948; Wyoming's average was \$29,587.

Employment Type and Categories

Information available for Johnson County indicated that in 2001 there were 3,118 full- and part-time workers and 1,875 full- and part-time proprietors in the county for a total of 4,993 employed persons, whether full-time or part-time employed. The most substantial numbers of employed persons were found within the following employment categories:

Government and government enterprises	17%
Farm, forestry, fishing, related activities	12%
Retail trade	11%
Accommodation and food services	11%
Construction	7%
Finance and insurance	5%
Mining	5%

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, Regional Economic Information System

Sales Tax Collections

Department of Revenue, State of Wyoming statistics are available for six years of Johnson County sales tax collections by employment sector. Total sales tax collections have fluctuated from Fiscal 1998 through 2003 although they have generally increased during this time span. In Fiscal 98 the total sale tax collection for the County stood at \$4,118,063. By Fiscal 03 the total was \$5,787,535.

Looking more closely at Fiscal 03, the individual sector tax collections were as follows:

Sector	Sales Tax Collections
Agriculture	\$ 48,886
Mining	673,330
Construction	173,417
Manufacturing	346,995
Transportation, Communication, Public Utilities	628,579
Wholesale Trade	355,258
Retail Trade	2,091,757
Finance, Insurance, Real Estate	1,043
Service	874,451
Government	593,818
TOTAL	\$5,787,535

Department of Revenue, State of Wyoming

Assessment of Current Economy

In 2000, 18 percent of Johnson County's population was aged 65 and over; statewide it was 12 percent. Along with an aging population base, the recent influx of retirees to the Buffalo area has added population and an accompanying need for more infrastructure and services to support that growth. However, the employment base itself has not grown, and the county continues to be below the state average in median family income and per capita income.

Johnson County continues to have a shortage of employees, which is reflected in the low unemployment rate. Buffalo is the primary site of the county's employment base, and the city will be unable to generate much if any economic growth if potential employees are not available to fill new positions.

Plans remain in the works for expanded natural gas and coal bed methane drilling throughout the region, along with the potential for a coal gasification plant. While most activity is likely to occur in Campbell County where the City of Gillette is taking steps to accommodate the potential increased workforce population, Buffalo has not responded with much interest in the development of affordable, workforce housing to help house regional energy workers. Without the availability of reasonably cost housing options –

whether owned or rental units – the growth of the local economy will be further hampered. More affordable housing options will provide better chances for entry level workers, single person households, and energy-related employees to live in and contribute to the City.

In April 2005, a report prepared by the Wadley-Donovan Group for the Wyoming Business Council took a look at the primary target industries for various zones within Wyoming. Johnson and Sheridan Counties were included as Zone 2. The report included an assessment of the location resources for industrial, office, and other operations and a definition of the three primary target industries within the Zone. As noted in the report, the assessment results were used as the foundation to identify the three target industries for each zone. In the case of Zone 2, Johnson and Sheridan Counties, the report identified the following as their key assets and challenges.

Key Assets	Key Challenges
Modest population gains (1.3% between '04 and '09) resulting in low infrastructure impact	Isolation from large urban centers limits diversity of cultural, recreational and shopping amenities
Modest-to-low wages compared to the nation	Higher median age (42.5 years) compared to Wyoming and the U.S.
Technical and professional wages lower than the statewide norm	Projected declines in concentration of working age residents and youths, necessitates attraction of workers from outside the region
Satisfactory availability of mining engineers, technicians, electricians, forklift & heavy equipment operators, laborers and material handlers, machine operators, and welders.	Higher wages for office/clerical, unskilled manufacturing, and material handler positions than the state average
Community college presence – Sheridan College has campuses in Sheridan (main campus), with outreach centers in Buffalo and Kaycee	Job preparedness, work ethic, and customer service training improvements required at high school and community college levels
Well rated public and private K-12 education	High perceived costs for rail and air freight. Overnight mail/package delivery services limited and costly.
Among the lowest, if not the lowest, electric power costs in the nation	Housing costs 15% higher than the state average, and lack of affordable options for service-based workers
A very good outdoor and recreationally-directed quality of life	

Opportunities for Economic Improvement

Buffalo has tremendous resources for further economic development, beginning with a setting that is striking and to a downtown that has the potential to be very inviting. At the outset, the City needs to decide which of its attributes it would like Buffalo to be known for.

There are several approaches that could be further explored and then developed as economic development tools:

- **Natural resources:** Become known as ‘The’ entry to the Big Horn Mountains, promote wildlife viewing opportunities, access to scenic views and photography sites
- **History:** Promote the Main Street Historic District, sponsor tours that highlight the region’s Indian wars, Fort Phil Kearney, and Johnson County range war
- **Energy:** Big George energy development, secondary location for worker housing
- **Retirement:** Retirees moving to Buffalo for its scenery and amenities
- **Economic:** Create housing trust or encourage housing authority to stimulate more affordable housing availability, leading to job growth and potential diversification
- **Downtown:** Consider Main Street Program participation, publicize special events, make downtown the place for specialty stores, encourage the development of apartments in upper floors of buildings

Again looking at the Wadley Donovan Group report for the Wyoming Business Council, they identified three primary and secondary target industries as a best fit under current conditions for Zone 2. None are ranked in order of preference and all are subject to the approval of the community or local economic development agencies. It is up to the local communities to decide which targets, if any, they wish to pursue.

The report identified the following primary targets based on Zone 2’s assets, challenges, and overall industry trends:

Primary Targets

1. Knowledge-Based: mobile entrepreneurs, lone eagles and defense industry
 - Data processing and information retrieval services
 - Engineering, research and testing labs
 - Internet service providers
 - Mobile entrepreneurs (including consultants, financial/investment services and business services)
 - Archival services for educational institutions
 - Data processing services / information services operations
2. Privately-Owned Small Manufacturing and Service Operations from California (owners nearing retirement), possibly Colorado
3. Creative Arts, Western Arts and Home Furnishings
 - Artists, artisans, crafters, writers and musicians, with a focus on the Western Theme
 - Production companies, sound and recording studios
 - Equipment: kilns, forges, imaging, sound, software

- Services: agents/dealers, studios, printing, public relations, graphics
- Products: Western furniture, metal sculptures, Western home décor, Western art

Buffalo is experiencing growth, and the potential for economic development is strong. The potential will best be realized if the City chooses to pursue more housing options, provides a commitment to the downtown, and understands that the area's natural resources and history can easily make Buffalo a destination site for visitors. With leadership provided by the City and the Buffalo Area Chamber of Commerce, positive change can be made for the entire community, not just its economy.