



Volume 18, Issue 4

CSU Bakersfield

# Kern Economic Journal

Winner of the Award for Merit from California Association  
for Local Economic Development

2016 Fourth Quarter



SCHOOL OF  
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The Business Costs of  
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*KERN ECONOMIC JOURNAL* is a quarterly publication (February, May, August, November) of California State University, Bakersfield. Its purpose is to track local trends and analyze regional, national, and global issues that affect the economic well-being of Kern County. The journal provides useful information and data that can help the community make informed economic decisions. Sources of funding for this journal include university contributions and sponsorship and subscription fees.

Editorial and analytical articles on important local, regional, national, and international issues and trends are invited for consideration of publication in the journal. Articles (not exceeding 800 words in length) must be submitted to the Managing Editor in electronic copy. Individual authors are responsible for the views and research results.

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# Kern Economic Journal



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# Economy at a Glance!

2016 Fourth Quarter  
by Dr. Richard S. Gearhart III and  
Dr. Nyakundi M. Michieka



## National Economy<sup>1</sup>

The world's largest economy of more than \$16.5 trillion, the United States, grew by 1.9 percent in the fourth quarter of 2016, nearly half of the growth rate of 3.5 percent in the third quarter of 2016. The increase in real GDP reflected increases in consumer spending, inventory investment (largely for the holiday season), residential investment, and the state and local government spending attributed largely to elections season. Notably, there were declines in exports and federal government spending, largely because of uncertainty about the Presidential election, and the policies to be enacted.

Real disposable personal income, which is adjusted for inflation and taxes, increased by an almost unnoticeable 0.3-percent in the fourth quarter of 2016. The majority of the increase was in October, with a small increase in incomes in December of 2016. Real consumer spending increased by 0.6-percent in the fourth quarter of 2016, double the increase in income growth. This highlights the facilitation of spending via credit mechanisms, as consumers were likely to add to debt burdens during the holiday seasons. This is confirmed by a drawing down in the personal savings rate, which fell to 5.4-percent of income in December of 2016. This should limit growth in consumer spending in 2017, as consumers are likely to pay down debt burdens acquired in 2016.

The Conference Board's Index of Leading Economic

<sup>1</sup> U.S. economic numbers were obtained from the Bureau of Economic Analysis "U.S. Economy at a Glance". This is found at <http://www.bea.gov/newsreleases/glance.htm>. The information for the Index of Leading Economic Indicators is found at <https://www.conference-board.org/data/bcicountry.cfm?cid=1>. The University of Michigan Consumer Sentiment Index is found at <http://www.sca.isr.umich.edu/tables.html>.

Indicators – a measure of future economic activity – increased each month of the fourth quarter of 2016, rising to 124.6 in December (falling a 0.1-percent increase in November and a 0.2-percent increase in October). This compares to the indicator being 124.4 in September. Part of the slight increase may be due to the resolution of the Presidential election in the latter half of the fourth quarter of 2016, reducing economic uncertainty.

Similarly, the University of Michigan's Consumer Sentiment Index increased from 87.2 in October of 2016 to 98.2 in December of 2016, reaching a level in December not seen since 2004. The quarterly value was 93.2 in the fourth quarter of 2016, compared to 91.3 four quarters ago.

## State Economy<sup>2</sup>

In California, the unemployment rate fell slightly stable in the fourth quarter of 2016 to 5.33 percent. Among counties, San Francisco (3.0 percent), Santa Clara (3.3 percent), Orange (3.5 percent), San Luis Obispo (3.9 percent), San Diego (4.2 percent), Los Angeles (4.7 percent), and Sacramento (4.9 percent) had unemployment rates below the state average. In contrast, Riverside (5.4 percent), San Joaquin (8.0), Fresno (9.5 percent), Kings (9.9 percent), and Kern (9.9 percent) had unemployment rates above the state average.

The state's civilian labor force gained 179,200 members, where 200,300 secured paying jobs (employed) and 21,133 fewer were left jobless (unemployed).

While nonfarm industries hired 86,367 more workers,

<sup>2</sup> The California economic numbers were obtained from the Bureau of Labor Statistics "Local Area Unemployment Statistics Map". This is found at <http://data.bls.gov/map/MapToolServlet>.

farming enterprises employed 5,033 fewer workers. A wide range of industries added jobs, including construction, financial activities, education and health services, leisure and hospitality, and government. However, jobs were lost in manufacturing, information, and educational services.

### **Local Economy**

The local economy saw a sizable decrease in its labor force, falling from 402,133 in the third quarter of 2016 to 398,000 in the fourth quarter of 2016. Though this is still higher than four quarters ago, it hints that the local labor market may be reaching a “saturation point”, where the natural rate of unemployment comes into play. This decrease in the labor force was about equally matched between a decrease in employment (2,000 workers) and unemployment (2,067 workers), meaning that workers are likely moving away (in the farm sector) or becoming long-term discouraged (in the oil and gas extraction sector). Positive signs for the labor market included continued increases in the employment in general merchandise and department stores, as well as food and drinking places. There were also sizable increases in employees in the healthcare and social assistance sector. Unfortunately, personal incomes in Kern County fell by 15.38-percent, highlighting continued troubles for business profits (falling by \$120 million).

The rate of unemployment ranged from 4.37 percent in Inyokern to 19.33 percent in California City. No city in Kern County experienced an increase in the unemployment rate. In Bakersfield, 8.40 percent of persons in the labor force are unemployed. In fact, there were sizable declines in the unemployment rate in many rural communities in Kern County, hinting that these workers are able to find employment in Bakersfield itself, or are migrating to other areas.

Interestingly, and importantly, the median housing price in Kern County increased to \$211,667, the highest level since 2008, though the rate of growth is slowing. This is important, as buying a house (when prices are the highest that they have been since 2008) means that the future economic outlook is positive, as the purchase of a house is a long-term investment in a community. This is also occurring during a time of increasing mortgage rates, meaning that individuals are

more willing to engage in a significant investment in an area. Unfortunately, this price increase was met by a substantial sales decrease, as 406 fewer homes were purchased in the fourth quarter of 2016, compared to the third quarter of 2016. Most of the sales decrease was located in the City of Bakersfield, highlighting the long-term migration of long-term unemployed from the area. Coupled with the fact that there was no increase in the rate of growth of new building permits, it highlights that the home ownership market may be saturated.

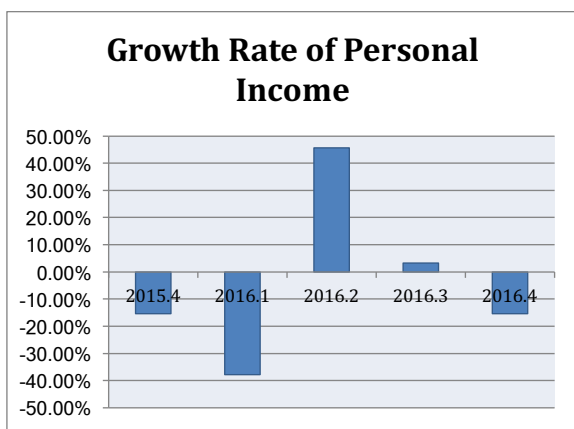
The weighted price index for the five publicly traded companies doing business in Kern County (Sierra Bancorp, Tejon Ranch Company, Chevron Corporation U.S., Granite Construction, and Wells Fargo Company) increased significantly from 100.3 in the third quarter of 2016 to 121.4 in the fourth quarter of 2016, an increase of 25.8 percentage points. Future expectations of the economic activity of local “market-makers” is optimistic, even with the continued stagnation of oil prices in Kern County. Chevron (6.3 percent), Tejon Ranch (5.7 percent), Granite Construction (13.8 percent), Sierra Bancorp (49.3 percent), and Wells Fargo (22.1 percent) all experienced an increase in share prices. This is likely related to the traditional bump that the stock market receives after the resolution of a Presidential election, as well as the historical “bump” after the Presidential election is resolved with a Republican winning office (whereas economic growth tends to be slower in the years after, compared to a Democrat winning office).

With the continued stagnation in oil prices, gas prices increased slightly, up \$0.01 per gallon since the last quarter, averaging \$2.75 a gallon. The unit price of California’s Class III milk also increased, though only slightly, from \$13.81 in the third quarter of 2016 to \$14.03 in the fourth quarter of 2016. Though the price that farmers received for their goods decreased substantially, by 4.6 percentage points since the third quarter of 2016, it was slightly negated by decreases in prices paid by farmers, a decrease of 1.13 percentage points, meaning that farmers are still worse off. Likely coupled with the new overtime and wage laws, as well as the impacts of water scarcity in California, farmers revenues now equal only 81-percent of their costs, a new low in recent history.

# Tracking Kern's Economy<sup>1</sup>

by Dr. Richard S. Gearhart III and  
Dr. Nyakundi M. Michieka

**Growth of Personal Income** – Even with oil prices stabilizing, Kern County faces the traditional cyclical downturn in economic activity that occurs near the fourth quarter of each year. Part of the downturn in personal income has been the moderation of new building permits in Kern County, as well as the stabilization of housing prices in the area. Due to the decrease in the number of individuals who are employed, it is likely that there has been a modest out-migration of individuals in Kern County that have caused economic growth to slow. On an annual basis, in the fourth quarter of 2016, personal incomes in Kern County fell by 15.38-percent, compared to the third quarter of 2016. Even though labor income did not change by much from the third quarter to the fourth quarter of 2016, property incomes fell by nearly \$50 million, and business profits fell by over \$120 million.

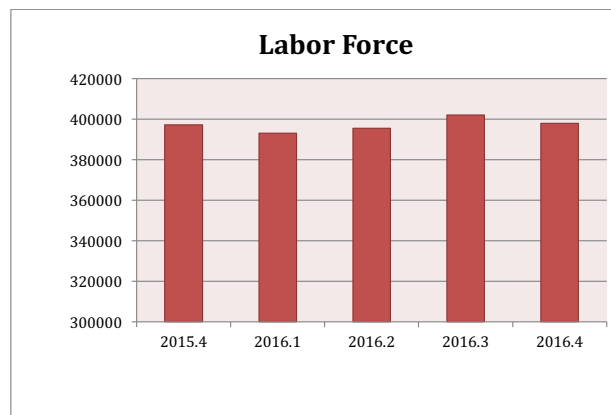


## Labor Market

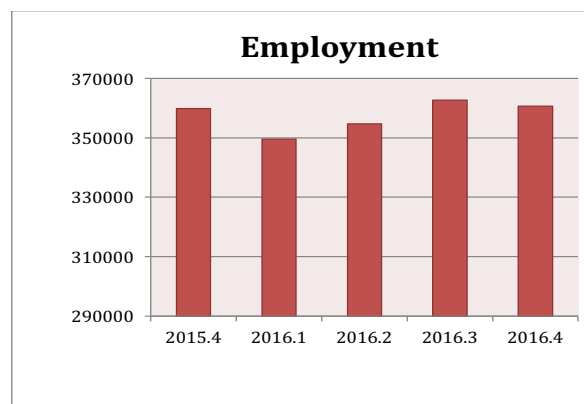
We adjust published data in three ways. Firstly, we averaged monthly data to calculate quarterly data. Secondly, we recalculated quarterly data to take into account workers employed in the “informal” market (i.e., self-employed labor and those who work outside their county of residence). Finally, we adjusted quarterly data for the effects of seasonal variations.

**Labor Force** - The civilian labor force decreased by 4,133 members from 402,133 in the third quarter of

2016 to 398,000 in the fourth quarter of 2016. More importantly, however, is the growth in the labor force from its depths in 2007 to 2009, as there are 800 more labor force participants available for work this quarter relative to the fourth quarter of 2015. Even though this is a moderate increase, this highlights that Kern County is able to absorb the cyclical farm employment losses that occur during the fourth quarter.



**Employment** –In the fourth quarter of 2016, Kern County hired 2,000 fewer workers as total employment decreased from 362,700 in the third quarter of 2016 to 360,700 in the fourth quarter of 2016. This is indicative of farm employment dropping that typically occurs in the winter months of a year.



**Unemployment** – In the meantime, 2,033 fewer workers were unemployed, as the number of jobless workers decreased from 39,400 to 37,367. This may highlight movement away from Kern County from

discouraged oil workers or migrating farmworkers, but it also hints at the quantity of local jobs in the economy that are moving away from being dominated by oil and agriculture. Unfortunately, unemployment is no different than it was four quarters ago.



**Unemployment Rate** – Fortunately, Kern County’s unemployment rate decreased further in the fourth quarter of 2016, dropping by 0.43 percentage points from 9.8 percent to 9.37 percent in the fourth quarter of 2016. This highlights that Kern County’s economy is diversifying away from oil. However, the unemployment rate is no different than it was in the fourth quarter of 2015, highlighting that the natural rate of unemployment in Kern County may be close to 9-percent.

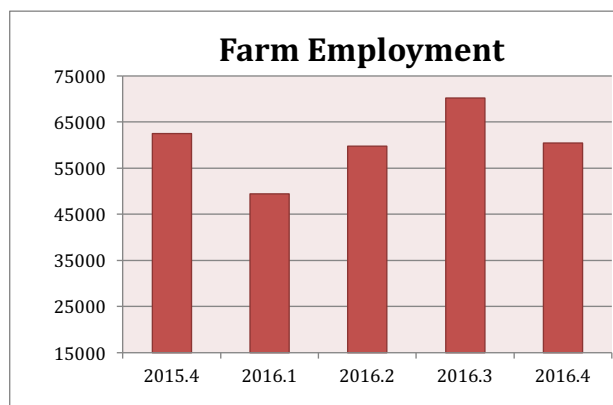


The rate of unemployment varied considerably across cities. Among cities shown below, the unemployment rate varied between 4.37 percent in Inyokern to 19.33 percent in California City. No city in Kern County experienced an increase in the unemployment rate. The largest decrease was experienced by California City, which saw a nearly 0.8-percentage point decrease in the unemployment rate. In Bakersfield, the rate of unemployment was 8.4 percent, a decline of 0.33-percentage points from the third quarter of 2016.

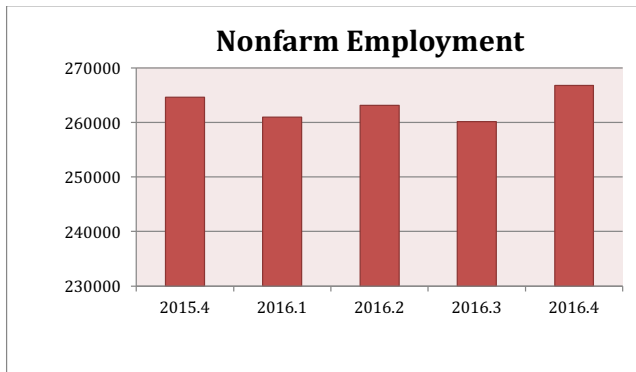
Location	Unemployment Rate (%)	Location	Unemployment Rate (%)
Inyokern	4.37	Bakersfield	8.40
Taft	6.07	Arvin	10.97
Lamont	6.23	Delano	11.27
Ridgecrest	6.3	Oildale	12.10
Tehachapi	7.17	Wasco	12.40
Frazier Park	7.27	McFarland	14.63
Rosamond	7.8	Edwards	16.33
Shafter	8.03	Mojave	17.03
Lake Isabella	8.10	California City	19.33

Note: City-level data are not adjusted for seasonality and “informal” market workers.

**Farm Employment** – In the fourth quarter of 2016, Kern County hired 9,767 fewer farm workers. As a result, farm employment decreased from 70,200 to 60,433. Though this is the cyclical nature of farm employment, there are 2,067 fewer farmworkers this quarter relative to four quarters ago, in 2015. This may highlight the unexpected nature of precipitation in California, as experts consider this year to be potentially drier than in previous years. Experience, however, has shown this to be the wettest winter in several years, and the snowpack has recently been measured to be 173-percent of normal.

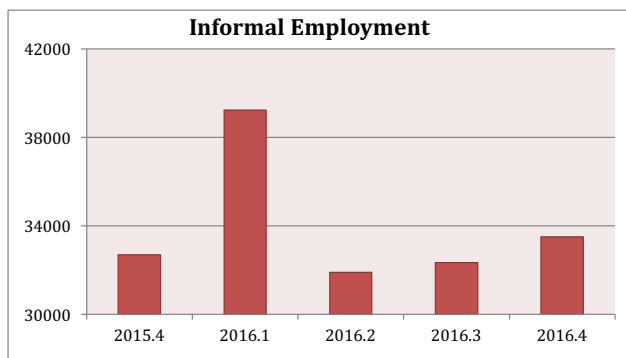


**Nonfarm Employment** – Local nonfarm industries employed 6,600 more workers this quarter. Hence, the number of nonfarm workers increased from 260,167 to 266,767. Similarly, nonfarm industries hired 2,167 more workers than four quarters ago. This highlights that Kern County’s economy continues to be resilient to employment swings in oil and agriculture.

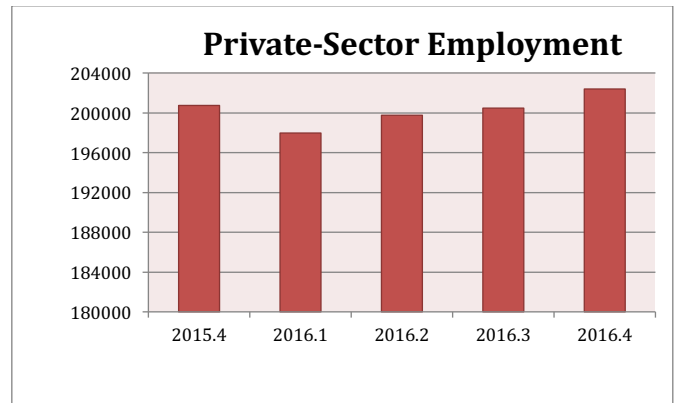


In Bakersfield, few nonfarm industries lost jobs: the biggest losses continued to be felt in oil and gas extraction, where 133 fewer workers were employed in the fourth quarter of 2016, compared to the third quarter. Similarly, durable goods manufacturing lost 233 jobs this quarter, compared to last. A number of sectors, however, gained jobs: retail trade (1,400), general merchandise stores (767), healthcare and social assistance (167), and food services and drinking places (233).

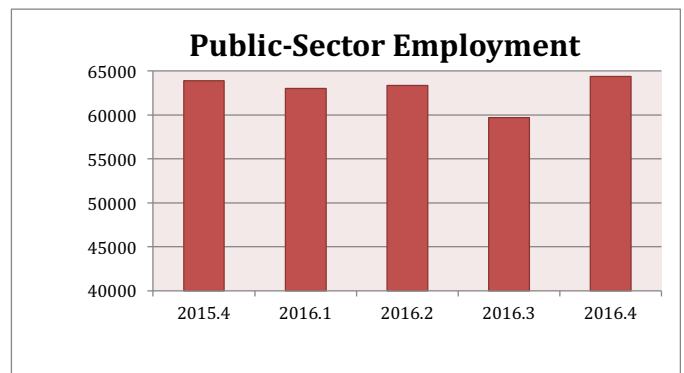
**Informal Employment** - Informal employment is the difference between total employment and industry employment. It accounts for self-employed workers and workers employed outside their county of residence. In the fourth quarter of 2016, the number of informal workers increased by 1,167 from 32,333 to 33,500 which is still much lower than earlier in the decade. Similarly, 800 more informal workers were hired this quarter relative to the fourth quarter of last year. This is worrying: more informal-sector workers provide lower tax revenues which means less spending on public goods, such as roads, community development, and fire and police; and it may mean that employers are worried about the solvency of their operations, if they are turning to more informal workers.



**Private-Sector Employment** - Nonfarm employment is comprised of private-sector employment and public-sector employment. In the fourth quarter of 2016, private companies hired 1,933 more workers as their employment increased from 200,467 to 202,400. Similarly, the private sector employed 1,667 more workers this quarter than four quarters ago. This hints at continued diversification (especially retail and merchandise) in Kern County.



**Public-Sector Employment** - The public sector consists of federal, state, and local government agencies. The local government labor market includes county and city agencies and public education. In the fourth quarter of 2016, government agencies hired 4,667 more workers as their employment increased from 59,700 to 64,367; this is intriguing, though it may reflect on the recent presidential election and the government “churn” that occurs as appointments come and go. Even more intriguing, there are 500 more public sector employees this quarter, compared to the fourth quarter of 2015.

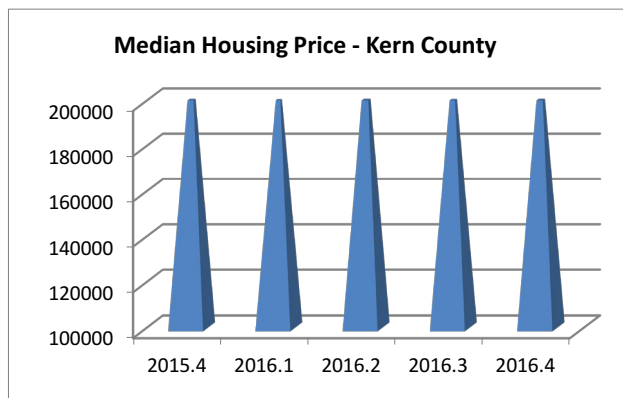


## Housing Market

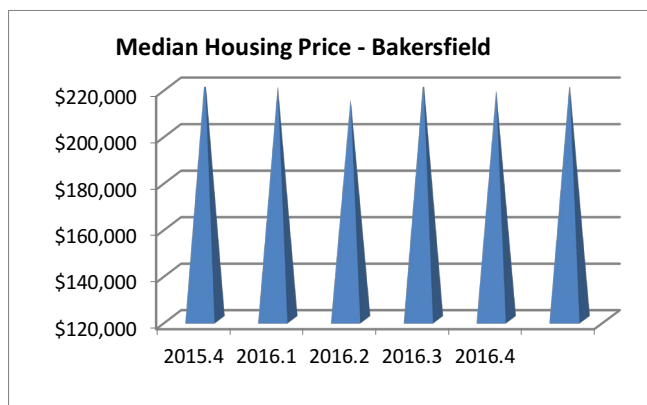
**Housing Price** - In the fourth quarter of 2016, Kern County’s housing prices increased moderately, by slightly over \$3,000, hinting that the homeowner



market may be saturated with available properties. The median sales price for all residential units increased from \$208,333 in the third quarter of 2016 to \$211,667 in the fourth quarter of 2016, the highest housing prices have been since 2008. Overall, the county's median sales prices are \$5,583 higher (or 2.7 percent) than they were four quarters ago.



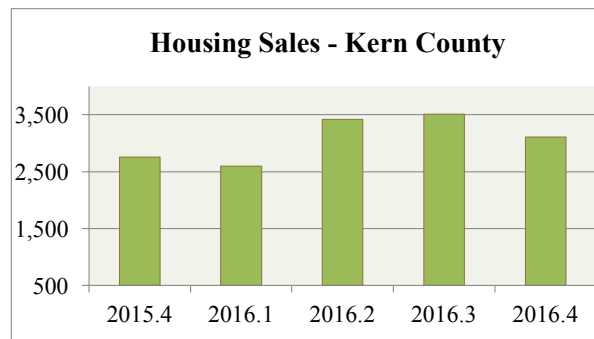
In Bakersfield, the median housing price appreciated \$3,167 (or 3.94 percent) from the third quarter of 2016, even with 133 fewer oil and gas extraction workers this quarter. This hints at continued economic development in the goods producing and service sector space. The city's median sales price has appreciated \$1,166 (or 0.5 percent) since the fourth quarter of 2015.



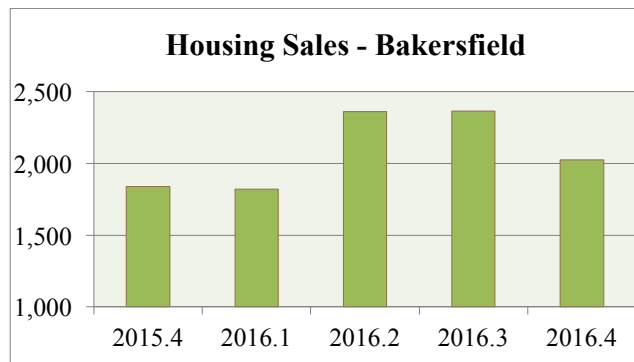
Housing prices varied across the county. Within the previous four quarters (2015 fourth quarter to 2016 fourth quarter), the median sales price appreciated in all the major cities of Kern County except Taft. In dollar value, Rosamond had the largest appreciation of \$65,833.

Location	Median Price 2016.4.2	Median Price 2015.4	Price Change 2015.4 to 2016.4	% Price Change 2015.4 to 2016.4
Kern County	\$211,167.00	\$206,083.00	\$5,583.33	2.7
Bakersfield	\$221,500.00	\$220,333.00	\$1,166.67	0.5
California City	\$126,417.00	\$102,583.00	\$23,833.33	23.2
Delano	\$182,083.00	\$180,000.00	\$2,083.33	1.2
Ridgecrest	\$188,750.00	\$155,167.00	\$24,333.33	15.7
Rosamond	\$233,000.00	\$167,167.00	\$65,833.33	39.4
Taft	\$97,333.00	\$100,166.67	-\$2,833.33	-2.8
Tehachapi	\$248,833.00	\$236,667.00	\$12,166.67	5.1

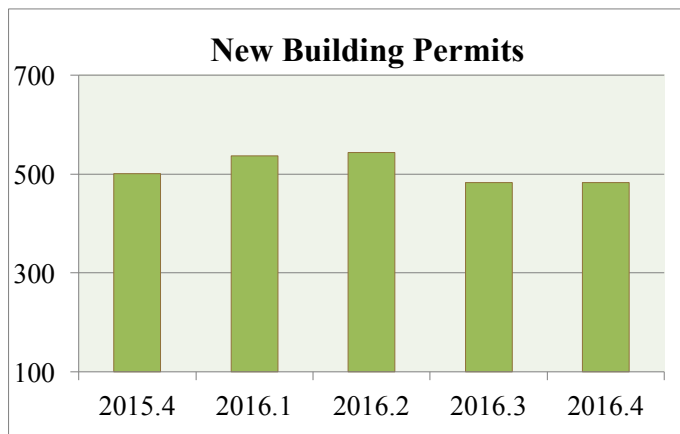
**Housing Sales** – In the fourth quarter of 2016, price appreciation was accompanied by a substantial decrease in sales, as incomes are likely stressed and cannot afford the continued price increases. In Kern County, 406 fewer homes were sold as total sales decreased from 3,512 to 3,106. It may hint that the previous increase in sales in the early part of 2016 was related to oil and gas workers willing to sell at low prices to migrate to other areas with job opportunities. Compared to four quarters ago, there are still 349 more units being sold. This hints that long-term unemployed oil and gas extraction workers may be seeking alternatives elsewhere.



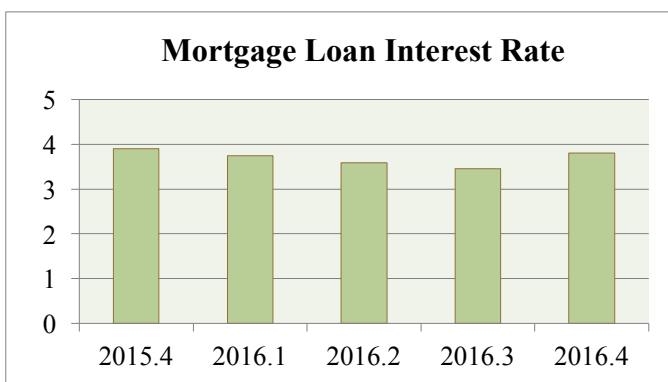
In Bakersfield, sales of residential units decreased by 340 units, from 2,367 in the third quarter of 2016 to 2,027 in the fourth quarter of 2016. This means that a majority of the decrease in housing sales in Kern County was located in Bakersfield. This hints that many of the oil and gas extraction workers, who lived in the Bakersfield MSA, may be choosing to relocate.



**New Building Permits** – In the fourth quarter of 2016, Kern County issued no increase in the rate of permits for construction of new privately-owned dwelling units compared to the third quarter of 2016, issuing 483 total permits (the same number as in the third quarter of 2016). The county issued 501 four quarters ago, showing stabilization in new building permits. This hints that the growth in the market may be saturated for now, as developers seek new places for growth.



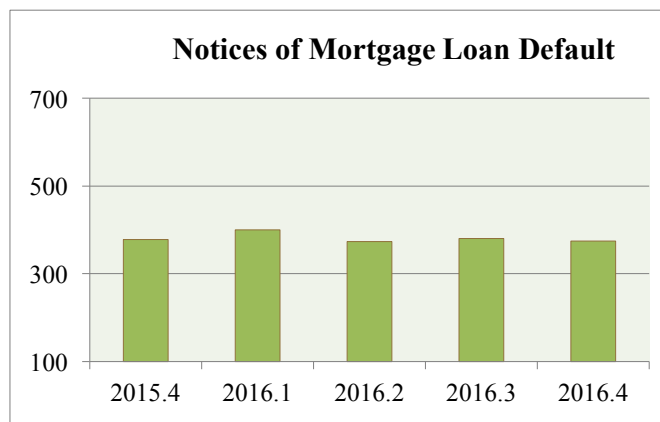
**Mortgage Interest Rate** – In the fourth quarter of 2016, the interest rate on thirty-year conventional mortgage loans increased from 3.45 percent to 3.81 percent, highlighting that some of the slowdown in home sales and new building permits may be due to the expectation that interest rates may continue to rise. If the long-term costs of borrowing increase, this may highlight further slowing of the housing and construction sectors in the near future.



**Housing Foreclosure Activity** –

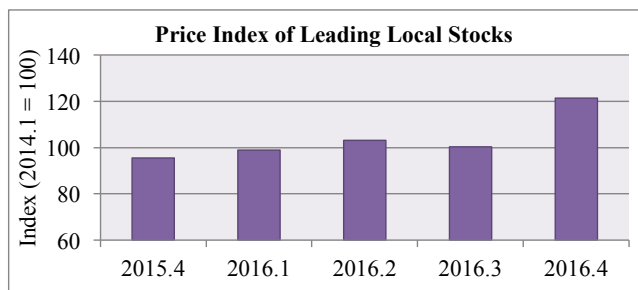
Kern County has reached a 10-year low in foreclosure activity, as the number of new foreclosures decreased slightly from the third quarter of 2016, to 375 new foreclosures in the fourth quarter of 2016. The

number of default notices is only 3 units lower than what it was four quarters ago. This is an encouraging sign that the immediate, short-run effects from oil and gas extraction disemployment has occurred, and that many of the income-distressed families have left.

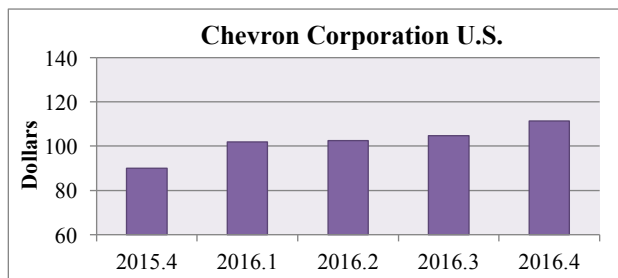


**Stock Market**

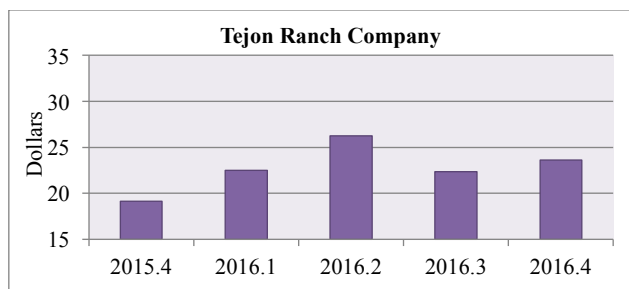
In the fourth quarter of 2016, the composite price index (2014.1=100) of the five publically traded companies doing business in Kern County has increased substantially to a new high, rising by 21.0 percentage points from the previous quarter, from 100.3 to 121.4. The index is 25.8 percentage points higher than that of four quarters ago. Average “close” prices were measured for five local market-movers: Chevron Corporation U.S., Tejon Ranch Company, Granite Construction, Wells Fargo Company, and Sierra Bancorp.



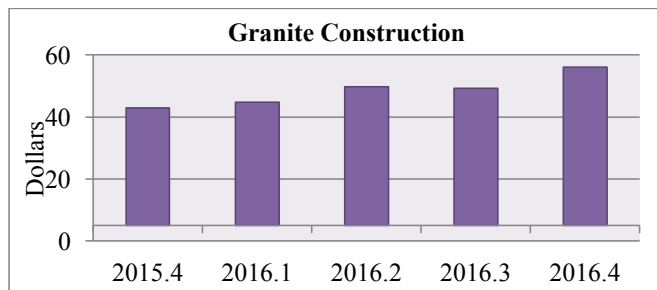
**Chevron Corporation U.S.:** CVX gained \$6.59 (or 6.3 percent) per share as its price increased from \$104.76 to \$111.35. Relative to the fourth quarter of 2015, CVX was up \$21.39 (or 23.8 percent).



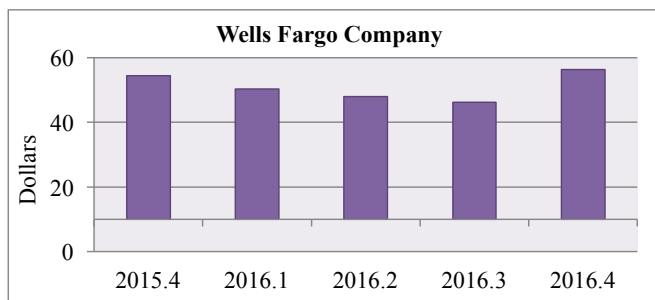
**Tejon Ranch Company:** TRC gained \$1.28 (or 5.7 percent) per share as its stock price increased from \$22.35 to \$23.63. Similarly, TRC was up \$4.48 (or 23.4 percent) relative to the fourth quarter of 2015.



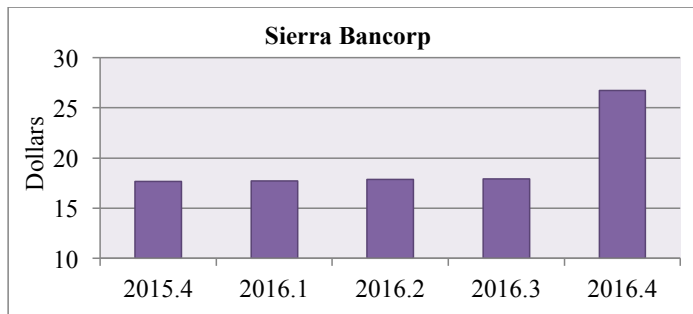
**Granite Construction:** GVA gained \$6.81 (or 13.8 percent) per share as its stock price increased from \$49.32 to \$56.13. Likewise, GVA has increased \$13.22 (or 30.8 percent) since the fourth quarter of 2015.



**Wells Fargo Company:** WFC gained \$10.18 (or 22.1 percent) per share as its stock price increased from \$46.15 to \$56.33. Relative to one year ago, WFC is up \$1.97 (or 3.6 percent).

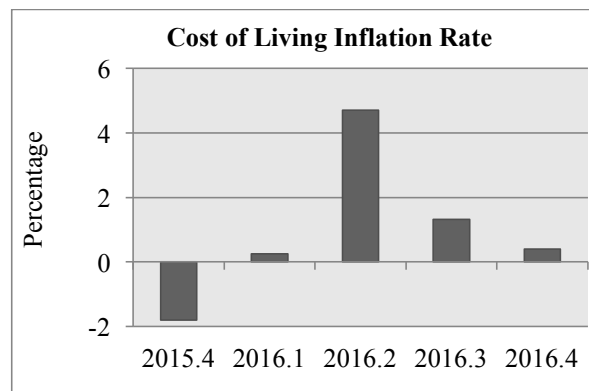


**Sierra Bancorp:** BSRR gained \$8.84 (or 49.3 percent) per share as its price increased from \$17.92 to \$26.76. Similarly, BSRR has gained \$9.11 (or 51.6 percent) since the fourth quarter of 2015.

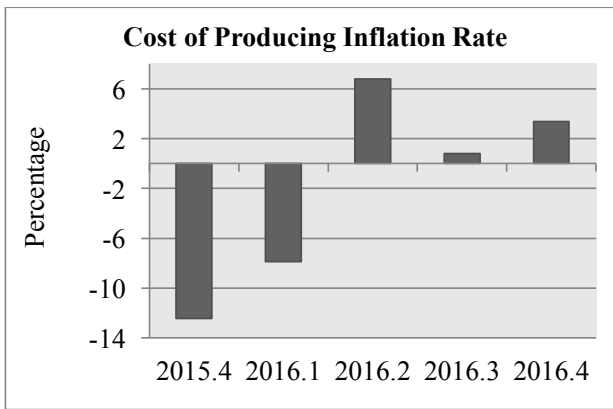


## Inflation

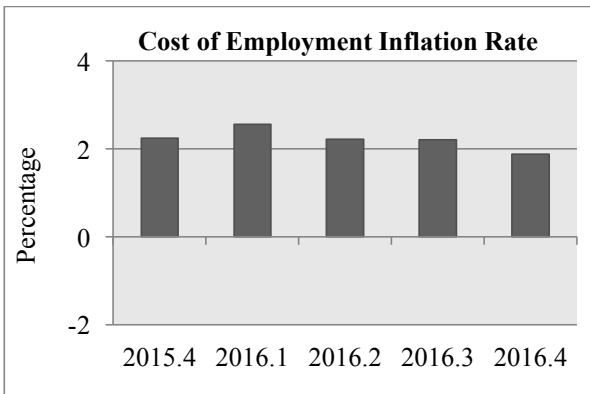
**Cost of Living** – In the fourth quarter of 2016, the Consumer Price Index for all urban areas (1982-84 = 100) increased slightly from 240.97 to 241.21. As a result, inflation for the cost of living increased at an annual rate of 0.39 percent. The cost of living inflation rate was 1.32 percent last quarter and -1.8 percent a year ago.



**Cost of Production** – The Producer Price Index for all commodities (1982 =100) increased from 185.6 to 187.17. As a result, the cost of production increased at an annual rate of 3.38 percent. The cost of production inflation rate was 0.80 percent last quarter and -12.45 percent four quarters ago.

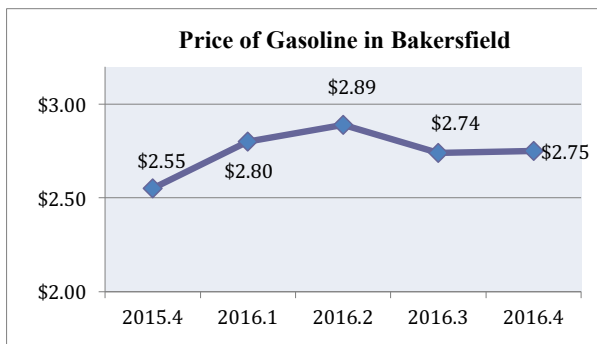


**Cost of Employment** - The Employment Cost Index (December 2005 = 100) for all civilian workers increased from 127.40 to 128.00. As a result, the cost of employment grew at an annual rate of 1.88 percent. The cost of employment inflation rate was 2.21 percent last quarter and 2.25 percent four quarters ago.

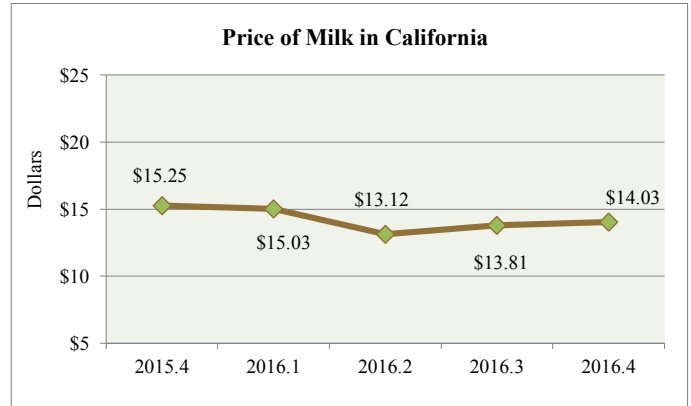


## Commodity Prices

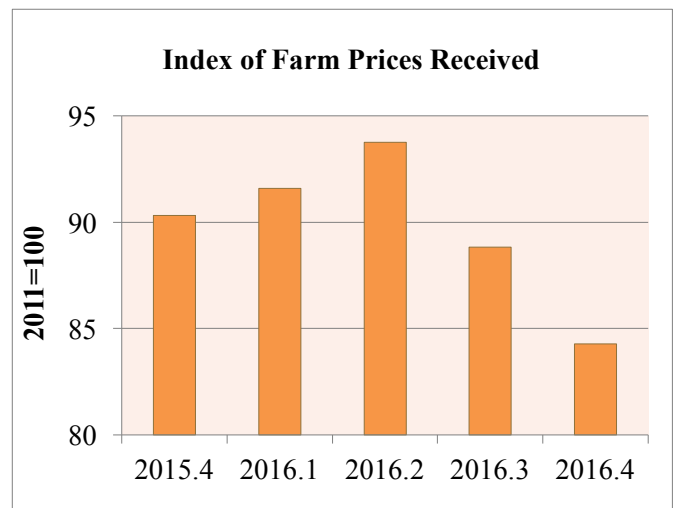
**Price of Gasoline** - In the Bakersfield metropolitan area, the average retail price of regular gasoline increased \$0.01 per gallon from \$2.74 to \$2.75. Compared with the fourth quarter of last year, the average gasoline price is up \$0.20.



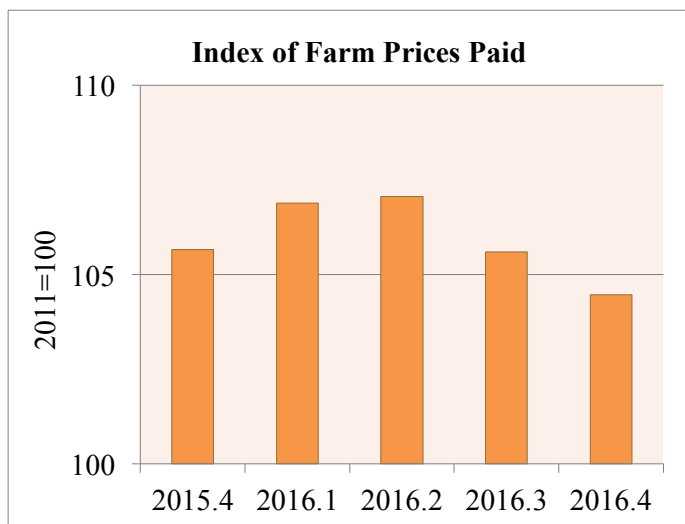
**Price of Milk** - The unit price of California's Class III milk continued to increase, rising \$0.22 (or 1.6 percent) from \$13.81 to \$14.03, slowly increasing to levels found in 2015. Noticeably, the price fell substantially from November to December, falling from \$14.16 to \$13.78. Even more noticeably, the price is still down since the fourth quarter of last year, falling by \$1.22 (or 8.0 percent).



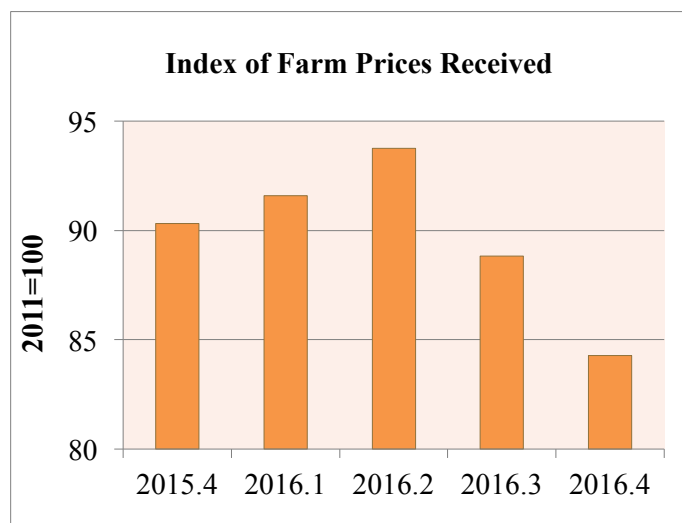
**Farm Prices** - In the fourth quarter of 2016, the national Index of Prices Received by Farmers for all farm products (2011 = 100) continued its freefall drop, decreasing by 4.56 points from 88.83 to 84.27. The index was 90.33 four quarters ago.



Meanwhile, the national Index of Prices Paid by Farmers for commodities, services, interest, taxes, wages, and rents fell slightly by 1.13 point to reach 104.47, ameliorating some of the decrease in revenues from farmers. The index was 105.67 four quarters ago.



We measure the Index of Farm Price Parity as the ratio Index of Prices Received to the Index of Prices Paid. In the fourth quarter of 2016, the gap between prices paid and prices received widened slightly, as the Index of Farm Price Parity decreased to 81.0 percent. This hints that revenues for farmers have been offset by increased costs, including the potential costs of labor from the new increase in the minimum wage, as well as any water costs that may be passed onto farmers. Four quarters ago, the price ratio was 85.7 percent, meaning that conditions for farmers are still much worse than they have been in recent history.



<sup>1</sup> Source - Online databases: [labormarketinfo.edd.ca.gov](http://labormarketinfo.edd.ca.gov), [bakersfieldgasprices.com](http://bakersfieldgasprices.com), [dqnews.com](http://dqnews.com), [economagic.com](http://economagic.com), [bea.gov](http://bea.gov), [bls.com](http://bls.com), [gpoaccess.gov](http://gpoaccess.gov), [dairy.nu](http://dairy.nu), [msn.com](http://msn.com), [census.gov](http://census.gov), [kerndata.com](http://kerndata.com), and [bry.com](http://bry.com)

# Do Low Oil Prices Increase College Enrollment? The Case of CSUB<sup>1</sup>

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This article explores whether low oil prices are accompanied by increased undergraduate enrollment at California State University Bakersfield (CSUB). Historically, low oil prices have been accompanied by job losses, especially in energy rich regions such as Kern County where the oil industry provides a significant amount of jobs. The most recent drop in oil prices saw employment in the oil and gas industry decline from 12,200 to 8,400 between July 2014 and December 2016 (California Department of Finance 2017). People who worked in the oil industry have been forced to seek alternative forms of employment or go back to school to seek training in different careers. Kern County is California's top oil producing county where 7% of its population works in oil related industries (Holsonbake and Evans 2012). Layoffs in Kern County may have significant effects on enrollment in institutions of higher learning.

The study is carried out by assessing whether enrollment in undergraduate programs at the beginning of every academic year grows following periods of sustained low oil prices. For example, oil prices declined at an average of 1% between August 1994 and July 1995, during which CSUB enrollment in the Fall 1995 semester grew at 5% compared to the -4% and 2% in the years before and after (U.S. Energy Information Administration 2017). This spike may not be attributed solely to oil industry workers going to school, but we can surmise that there is a possible connection between oil prices and college enrollment. The investigative process is repeated for the whole period since CSUB's existence (1965 to 2016). Enrollment data was obtained from the Institutional

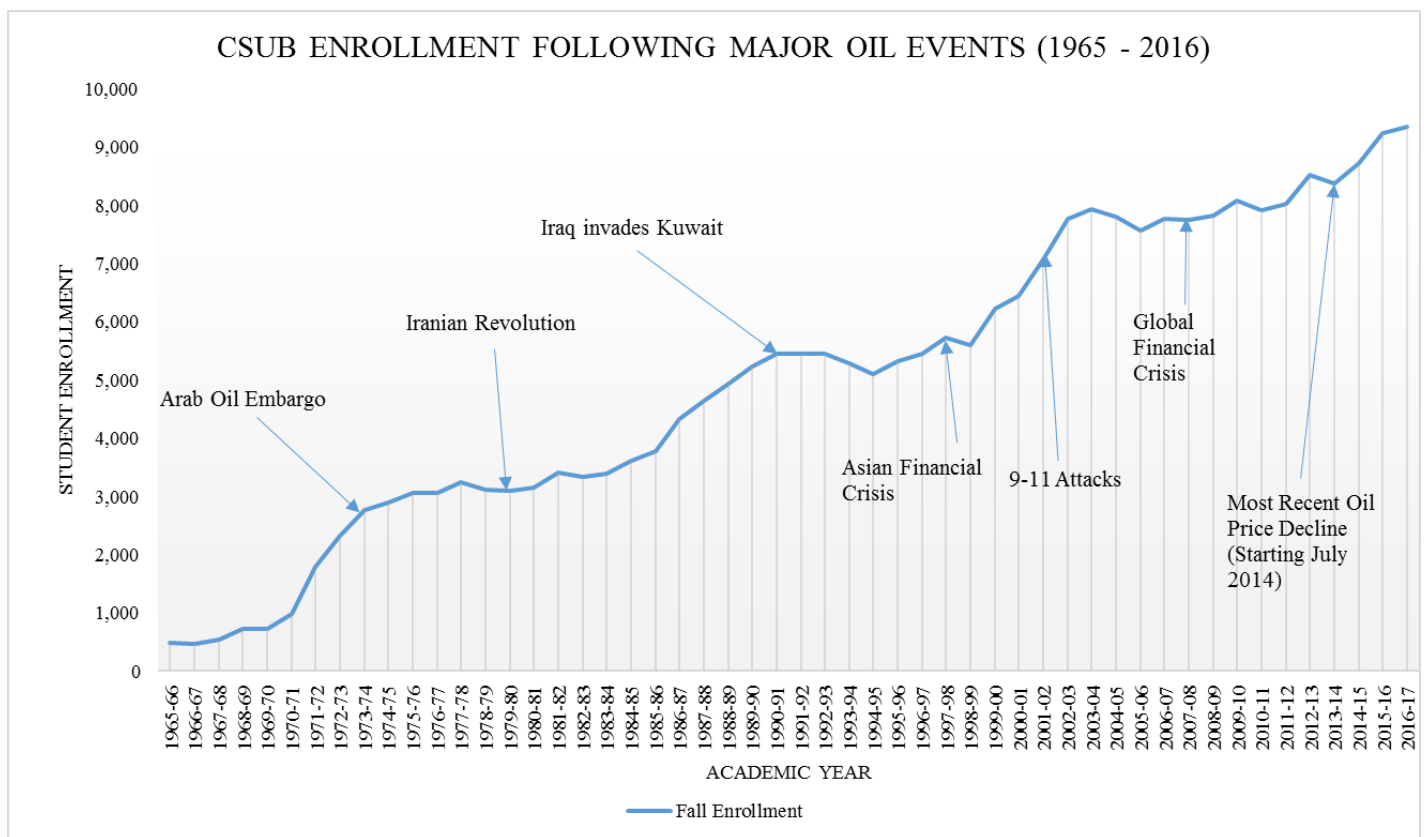
<sup>1</sup>from 1956-57 to 1969-70 the Bakersfield campus (Known as Bakersfield Residence Center) was a satellite campus administered by CSU Fresno. In fall 1970, the Bakersfield campus was no longer administered by CSU Fresno.

Research Planning, and Assessment Division at CSUB (2017) while oil price data derived from the U.S. Energy Administration (2017). The analysis will be split into three time periods, with the first section analyzing patterns between 1965 and 1985, the second looking at the 1982 to 2004, period and the third section covering 2005 to 2016. Enrollment will also be assessed during times periods where major events affecting production took place.

### 1965 – 1985

The period between 1965 and 1985 was marked by two major incidents: The Yom Kippur War of 1973 and the Iranian Revolution of 1979. Both periods saw oil prices increase by 15% and 3% respectively. During the war, Arab members of the Organization of Petroleum Exporting Countries (OPEC) imposed an embargo against the U.S. in retaliation to the U.S.’s decision to re-supply the Israeli military (U.S. Department of State 2017). This caused oil shortages, driving prices up. The three years following the high oil prices saw the speed of enrollment growth change from 19%, to 5% to 6%. Oil production experienced negative growth during this period, but bounced back in 1976 and 1977 where it grew by 17% and 26% (California Department of Conservation 2017). The 1979 Iranian Revolution caused oil shortages and drove prices up by 14% over 12 months. Subsequently, CSUB enrollment growth increased by 2% and 8% in the 1980 and 1981 academic years. Prices did not seem to contribute to enrollment numbers in this period. Figure 1 presents a graphical illustration of CSUB enrollment during major oil events.

Figure 1: CSUB Enrollment and Major Oil Events



### 1986 – 2004

In 1990, Iraq invaded Kuwait, knocking supply from two big oil producers and causing a spike in prices. The spike did not last long, and enrollment figures did not change much in the years to follow. The Asian financial crisis of 1997 tipped Asia into a recession, causing oil prices to plummet. There is no clear pattern as to how college enrollment and oil production patterns reacted to this shock. In addition, college enrollment did not change much for two years following the September 11, 2011 attacks that caused prices to skyrocket (due to fears that oil from the Middle East would be curtailed).

## 2005 – 2016<sup>2</sup>

In August 2008, oil prices dropped from \$116.67 a barrel to \$64.15 in July 2009. The 2009 academic year witnessed an 8% increase in enrollment in male students, while female enrollment continued to decline as it had in the years before. Overall enrollment increased by 1%, deviating from the -2% in the 2008 and -1% in the 2010 academic years.

The Fall 2012 semester was also accompanied by increased enrollment following the 1% average drop in oil prices from August 2011 to July 2012. Overall undergraduate enrollment grew by 8%, with 10% more male students joining the university compared to the previous year. A similar scenario was witnessed in the Fall semester of 2015 where oil prices averaged a 5% drop in the 12 months preceding August, causing total enrollment to grow by 6%. Both male and female population grew at 6% during this period, and dropped in the Fall 2016 semester.

## Conclusion

The main findings of this study were as follows: (1) changes in prices did not seem to contribute to CSUB enrollment between 1965 and 2004; (2) the period between 2004 and 2016 witnessed growth in enrollment numbers following periods of low oil prices; (3) between 2004 and 2016, total student enrollment at CSUB grew at an average of 5% in periods following low oil prices, translating to an average of 419 students

(using an undergraduate student population of 8,366); (4) male student population grew at an average 8% while female student enrollment grew 3% following periods of low oil prices between 2004 and 2016. There are other factors in the economy which affect enrollment but are not taken into account in this analysis.

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	Female	Male	Grand Total	WTI Spot Price	Female Growth	Male Growth	Total Growth	Average growth in oil prices in the 12 months preceding the Fall quarter
Fall 2004	4,504	2,295	6,799	44.9				4%
Fall 2005	4,474	2,320	6,794	64.99	-1%	1%	0%	3%
Fall 2006	4,651	2,322	6,973	63.8	4%	0%	3%	2%
Fall 2007	4,706	2,313	7,019	72.36	1%	0%	1%	0%
Fall 2008	4,576	2,278	6,854	116.67	-3%	-2%	-2%	5%
Fall 2009	4,482	2,449	6,931	71.05	-2%	8%	1%	-4%
Fall 2010	4,299	2,554	6,853	76.6	-4%	4%	-1%	2%
Fall 2011	4,310	2,707	7,017	86.33	0%	6%	2%	2%
Fall 2012	4,572	2,990	7,562	94.13	6%	10%	8%	-1%
Fall 2013	4,516	2,987	7,503	106.57	-1%	0%	-1%	2%
Fall 2014	4,813	3,073	7,886	96.54	7%	3%	5%	0%
Fall 2015	5,100	3,254	8,354	42.87	6%	6%	6%	-5%
Fall 2016	5,056	3,310	8,366	44.72	-1%	2%	0%	0%

Source: Adapted from the Institutional Research and Planning Assessment (2017) and the U.S. Energy Information Administration (2017)

<sup>2</sup>Focusing on recent oil price declines occurring in July 2009 (-4%), July 2012 (-1%) and July 2015 (-5%).

<sup>3</sup>Average means the average of all the growth rates between August 2011 and July 2012.

# The Costs of Overtime Regulation

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As of December 1st, 2016, the salary threshold for exemption from the overtime requirements of the Fair Labor Standards Act (FLSA) has been increased from \$455 per week (\$23,660 annually; roughly \$11.38 hourly) to \$913 per week (\$47,476 annually; roughly \$22.83 hourly). California, on the other hand, bases their overtime income limits on the minimum wage. By 2022, when the minimum wage is \$15 an hour, the overtime law will be set at \$62,400 (up from its current value of \$43,680 in 2017 for California, an increase of about \$2,000 from the 2016 value). This means that large increases in the number of employees who will be capable of earning overtime can have a large impact in Kern County. The fact that the overtime pay will be coupled with minimum wage increases, annually, until 2022 means that businesses will have to continually adjust their rules annually, or adjust based on the 2022 expectations immediately.

Before exploring the data behind this change, we can examine some of the changes that could be made by businesses to cope with the higher labor costs that might be imposed. The first is that businesses may be more keen in employing workers as “part-time”, rather than “full-time”. Not only do “part-time” workers not have the same required non-wage benefits (health insurance contributions, retirement contributions, vacation time off, etc.), there is more leeway for the firms to increase the hours per week of these employees to 40. Or, in other words, employers now have more ability to have their workers go over without fear of paying the extra overtime monies.

A second mechanism that may kick in is the increased technological innovation and adoption in a market. As anyone in Human Resources (HR) or a legal department can tell you, the cost of hiring a worker is not only the wage and non-wage compensation that they are paid, but the cost of violating a labor act that can subject the firm to penalties. By technological adoption, however, these costs are altered, as there can be no overtime violation.

A third mechanism is that workers may be paid lower hourly wages, but compensated by other, non-wage benefits (such as health insurance, retirement benefits, vacation and sick pay, etc.) to reduce the burden of

having to pay higher hourly wages and overtime wages. Similarly, firms can “compensate” by passing on these higher labor costs to consumers, largely through higher prices in labor-intensive industries.

This is not to say that there are not quite substantial benefits from the new overtime law. It prevents workers from being exploited by unscrupulous firms that pressure them to work more than a 40-hour work week. There is a sizable strand of research that suggests that “efficiency wages”, where workers are paid more than market wages, increase effort and productivity, as workers would lose more from losing their job. In this way, the overtime law may increase productivity as workers want to showcase their case for why they should earn the extra overtime hours. A third benefit is that it fights the tremendous poverty facing low-income, low hourly wage workers, and can help alleviate the tremendous issues that these families face.

However, in this article, we focus mainly on the costs to businesses, and set aside (momentarily) the benefits to working families and society that these changes can make. Though undoubtedly important, they are not the main thrust of the article (but should not be ignored in any calculation of the social impacts of this legislation).

We now move to looking at the proposed overtime impacts in Kern County, utilizing wage data from a variety of industries and looking at the total aggregate business cost, as well as the total aggregate increase in income.

According to the Employment Development Department from the State of California, in 2016 the mean annual wage in Kern County was \$46,996, an average hourly wage of \$22.60. If incomes are distributed “normally” in Kern County (more on this in just a second), the average is a good representation of the median (or middle) individual in Kern County. This means that with the new overtime laws, by 2022, slightly over 80-percent of households in Kern County will be affected by the new overtime laws, a quite substantial fraction of individuals will be affected. In fact, nearly 185,000 households in Kern County will be affected.

What the Employment Development Department wage statistics tells us, however, is that the average is not a



good representation of the median. The median (or 50th percentile wage), for all workers in Kern County in 2016, was \$16.68 (an annual wage of \$34,694). This highlights that a substantially higher fraction of workers in Kern County (close to 62-percent of workers and households, in fact) were earning below the old income thresholds for overtime. By 2022, with minimal wage inflation, nearly 80-percent of workers will earn an income below the “exemption” threshold. Out of the close to 300,000 employees in Kern County, this would be nearly 240,000 workers impacted by the new overtime law; an incredibly high number.

However, even though this number is high, we should analyze the number of new workers being included in the new overtime laws. From the minimum wage increase of \$10 to \$15, this means that nearly 54,000 new workers will be covered by the overtime laws.

Looking deeper, we can look at industry level impacts, and estimate the number of employees impacted by the new overtime laws.

Industry	25 <sup>th</sup> Percentile Wage	50 <sup>th</sup> Percentile Wage	75 <sup>th</sup> Percentile Wage	Number of Workers Impacted by 2022
<b>Community and Social Service Occupations</b>	\$15.26	\$22.13	\$31.56	3,950
Child, Family, and School Social Workers	\$21.01	\$25.18	\$28.87	750
<b>Healthcare Support Occupations</b>	\$11.33	\$13.74	\$17.15	6,050
Medical Assistants	\$12.23	\$14.53	\$18.04	1,620
<b>Healthcare Practitioner Occupation</b>	\$24.63	\$35.88	\$49.58	4,500
<b>Food Preparation and Serving-Related Occupations</b>	\$9.46	\$10.02	\$12.12	21,940
<b>Building and Grounds Cleaning and Maintenance Occupations</b>	\$9.71	\$12.46	\$16.87	6,780
<b>Sales and Related Occupations</b>	\$9.52	\$11.75	\$19.87	25,640
<b>Office and Administrative Support Occupations</b>	\$12.42	\$16.41	\$21.50	35,130
<b>Farming, Fishing, and Forestry Occupations</b>	\$9.35	\$9.52	\$10.21	39,410
<b>Construction and Extraction Occupations</b>	\$16.17	\$22.18	\$29.71	13,600
Construction Laborers	\$14.27	\$16.75	\$18.88	2,410
Service Unit Operators, Oil, Gas, and Mining	\$21.05	\$27.05	\$30.68	1,300
Roustabouts	\$12.75	\$14.93	\$18.99	2,270
Derrick Operators	\$24.35	\$27.78	\$32.47	600

The above table highlights the potential massive increase in wages that may need to be paid for overtime work. For the rest of this article, we will assume that during any year, 25-percent of workers that are hourly will earn overtime pay.

For the food and restaurant industry, labor costs account for, on average, about 30-percent of total revenues. This means that we could see, at the very least, a 15-percent increase in restaurant prices, a not negligible pass through to consumers, by 2022. This means that an annual restaurant budget of \$5,000 would increase by nearly \$750 annually; in an area of cash being constrained for many families, this represents a sizable increase in annual family expenditures.

Farms are expected to be dramatically impacted by rising labor costs; as much as 40-percent of total costs are labor-related for labor-intensive crops, according to the U.S. Department of Agriculture. Since most agricultural laborers were covered under the older overtime laws, only a few new ones will be impacted. However, this can still have a substantial impact, as nearly all farmworkers will be impacted by the new minimum wage legislation. In fact, the rise to \$10.50, coupled with the new overtime laws, means that farm costs in 2017 will likely rise by 5-percent; by 2022, farm costs will have likely risen by nearly 20-percent. This will have a substantial impact on the industry and on food prices. In fact, it is not unlikely that food prices this year will increase by 5-percent, meaning that a \$10,000 grocery bill will be increased by \$500 (by 2022, this may have increased by \$2,000). But, similarly, this will impact the restaurant industry, as another cost that they face will increase.

Again, the new overtime law will put strains on the budgets of lower income families who do not have much disposable incomes. It is likely that, through a variety of mechanisms, food costs will increase by as much as \$1,250. For a family earning \$25,000, this represents about 5-percent of their annual family budget, a non-trivial amount.

What does this mean for employers? Employers are going to be threatened by rising costs in a variety of arenas. In fact, by 2022, it may be that average business costs will have risen by nearly 10-percent in Kern County, a non-trivial amount. Businesses will need to ensure that they are following proper protocol for reporting time, and not skirting the laws.

Perhaps there are efficiency gains that employers can accomplish, as the “leaning out” of business in Kern County following a long period of low oil prices contin-

# Featured Article: Special Event Economic Development

Industry experts estimate that over one billion dollars is generated annually by locally sponsored special events that are intended to raise money for local and national community concerns. Just about any community in the United States hosts unique, fun, interesting and financially viable fun runs, fairs, festivals and other special events for this purpose. These events are usually short term in duration with high visitor volume designed to generate spending by visitors in off-site locations such as motels, restaurants and gasoline stations as well as on-site expenditures including admissions, parking, event activities, souvenirs, food and beverages.

Civic, business and community leaders as well as residents organize themselves into specific working committees, band together in the importance of this common cause, apply event management skills, establish a community identity and tradition, work hard, have fun and raise money for projects that meet the unique needs of that community or for national projects of local importance.

How is this effort done? What does it take to plan, organize and conduct such an event? The following are suggestions that have proven successful in many communities that rely on the volunteer efforts of local leaders and residents.

## Community Self-Assessment

The first step is to self-assess the purpose of such an adventure. The community leaders should ask themselves at least these three questions: (1) what will be the specific use of the new dollars generated and are those needs compelling? (2) can the event be hosted with the level of quality that the local community would be pleased? (3) will the work effort be financially justified and have the impact on the community as desired? There might be other reasons why a local community would decide to engage in such an effort: the creation of a sense of community, of local pride, civic cohesion, fun and relaxing experience development or for a unique community identity.

A second consideration is also a self-assessment effort: (1) what type of special event seems appropriate for the local community to host? (2) can an organizing committee be established with the commitment and know-how necessary for success? (3) is there a target market of visitors and locals that would be interested in this hosted event? (4) can a special event be established into a tax exempt status to make use of these important benefits?

Each community is different in geographic location, weather patterns, physical resources, local history, unique cultural elements, a special name or local legends. The special event needs to capture something unique, interesting, attractive, compelling or fun about the community. Many types of venues are possible from classic fun runs, to arts and crafts fairs to highly specific and localized historical reenactments with period customs and associated events. The list of possibilities is endless but each community should determine that one idea that that community can get their collective heart into.

## The Organizing Committee

As important as the concept is, the community must also have a base of citizens that are willing and capable of serving as an organizing committee to wrestle with a number of key issues. If this initial committee cannot pull together the beginning ideas, then the possibility of future success is limited. There are at least six considerations that make for a successful organizing committee: (1) the right number of citizens and community leaders are selected to serve on this committee. If too few individuals are involved, then the work load seems overwhelming. If too many participants are involved, then extreme ideas may drag down the momentum. There is no right number for the size of the committee but experience has taught that about 12 members are usually effective, (2) the committee members must be interested in the special event concept and be willing to look for solutions rather than problems. In the early stages optimism and positive attitude are critical, (3) the community members must be individuals that are well organized, have the ability to follow through on assignments and have a commitment to details, (4) one of the most essential characteristics of an organizing committee member is that they are deadline oriented, (5) the committee member must be available for the work assignments of the committee. Members who have time flexibility and time availability to complete tasks is essential, (6) community connections is an outstanding attribute to bring to the success of organizing

the project. Those committee members that can make important contacts and decisions are most helpful.

The organizing committee's primary purpose is to determine if an appropriate theme exists for the community special event and if the community has the commitment and resources to pull together this type of project. A Governing Committee will also be needed and it is possible and probable that as the organizing committee comes to the close of their work they will be reconstituted into the governing committee. Some of the other start up issues that the organizing committee might focus on include: tax exempt status procedures, determining the size and location of the intended event target market, and determining local community interest and support.

## The Community Event

The local special event constitutes an excellent mechanism for the generation of local economic impact and the opportunity to build an enjoyable and meaningful community experience. Even though most special events are a onetime occurrence in the community the idea that this onetime event would occur annually and be passed down to the next generation as a community tradition is meaningful. With this long term view each year the event can experience continuous improvement adjusting for fine tuning and smoother operation. There are five initial concepts that must be settled by the organizing committee to assist in the long term success of the event. They include: (1) *the theme*: this is the main idea that underlines the special event. The theme may be obvious to all or something that is newly created. The theme must be understandable to the community, promotable, and connects closely to the heart of that community (2) *the name*: the event name needs to be descriptive, memorable, in good taste and perhaps even trademarkable. Many events are named after a person or a product. The local community should be careful if that is the direction taken. The name of the event should be viewed from the long term perspective (3) *the location*: the actual location of the special event must be studied, perhaps pilot tested and then selected with great care. The current size with growth potential should be considered as well as its convenience, accessibility, long term potential, and expansion ability. The site must be well drained, have sufficient parking, support staging needs and vendors, safety and security measures and with safe entrance and exist points (4) *the date*: the date of the event may be determined by such factors as the season of the year, historical and cultural dates, or even the weather. The selected date should connect closely to the theme avoiding all known conflicts or competing events (5) *the time frame*: a well sequenced, time sensitive, master calendar must be put into place that details all dates, activities, responsible party, reporting due dates and follow up actions.

## Event Management

The management of the event will for the most part determine the success or failure of the project. A local special event may or may not be successful based on the theme, timeliness of the event, or the location, but the event most certainly will not be successful if the organizing structure is not in place to assure all necessary details needing attention. Event management is generally based on the existence of local citizens and leaders participating on specific results driven committees. These committees identify the work to be completed, assign the work tasks and manage the follow up action reports. The most successful approach is to have a governing committee (which again is probably made up of many members of the organizing committee) and then at least eight sub committees. The following is a short description of each of these committees:

*Governing Committee*: This is the primary committee for the special event. There should be two types of members on this committee: executive and management. The executive members should be key individuals such as government leaders, civic and business community leaders that provide overall executive level decision making functions. The management members of this committee should be the chairpersons of each of the sub committees. The executive members should: provide overall management of the event, provide guidance, leadership, vision and decision making, manage legal matters, maintain control through report reviews and hold the special event notebook of history, duties and functions. The management members as chairpersons of each of the sub committees will have specific responsibilities and duties peculiar to their subcommittee. These management heads meet with the executive

committee to give reports, resolve issues and make decisions. The governing committee should have a chair and a vice chair with the vice chair rotating to the chair position on a term basis allowing continuity over time.

**Volunteer Committee:** Vital to the success of the special event will be the core of volunteers engaged to put the event on with pride, passion and dedication. The volunteer committee recruits and trains volunteers as well as creates role statements, provides volunteer identifying t-shirts, send thank you notes and conducts an end of event appreciation party. The chair of this committee and members should be people who have contact with typical volunteer groups such as schools, youth organizations, churches, senior and civic volunteer groups. The chair of the volunteer committee sits on the governing committee.

**Finance Committee:** This committee should be small, consist of individuals with specific training in accounting, financial records and with business contacts. The chair should be well versed in financial record keeping. The committee should: control the overall event budget, maintain financial records, establish contracts with vendors and establish and account for: admission fees, parking fees, booth rental space, percent of gross sales fees and entry fees to the event. The chair of this committee sits on the governing committee.

**Publicity Committee:** This committee is primarily responsible for all communication specifically to the media and to the general public. Committee members with public relations, advertising or artwork backgrounds are helpful. The chair is someone with experience with the media and the committee should: create a promotion strategy including timelines, concept and contacts, develop media sponsors, coordinate signs, banners, billboards, posters, news releases, marques, bumper stickers, utility inserts, on-site brochures, and public service announcements. Overtime mailing lists and other successful approaches will be developed. The chair of this committee sits on the governing committee.

**Facilities Committee:** This committee is responsible for the physical site where the event will be hosted. The chair and members should have both management and hands on skills with an understanding of electricity, carpentry and the like. This committee should: create a base map that identifies key locations within the site, entrance, exit and travel paths both to and on the site; understands and oversees compliance with all codes and standards for drinking water, restrooms, and safety support, and users with disability rules; design rest and shade areas, exit and entrance points, parking lots and staging areas, public announcement systems; design trash removal, pest control and continuous clean up schedules and information booths throughout the site. This committee will work closely with the security committee, the entertainment committee and the on-site sales committee. The chair of this committee sits on the governing committee.

**Security Committee:** This committee assists with a multitude of services that are essential to a successful event. The chair should be someone with police, emergency, security or a public safety background. The members should also bring maturity and reliability to their assignment. The committee should: host the command post to respond to safety issues; provide a lost and found location for children, adults and articles; provide contact with local emergency resources; provide a communication system with cell phones, walkie talkies, with preset passwords and codes; issue credentials, passes, and special location entry cards; secure special event permits, insurance and code compliance; provide emergency response, crowd control and oversee security issues; maintains visitor count. This committee will want to run some test scenarios to practice committee member response. The chair sits on the governing committee.

**Entertainment Committee:** Depending on the type of special event this committee may play a minimal to significant role. The chair must understand the theme of the event and bring a variety of venues that best match that theme. Each event will be different but entertainment may range from: parades, races, skits, reenactments, fun runs, sports tournaments, theater productions, roving entertainers, rides, auctions, or high profile professional entertainers. The committee should: establish the entertainer contracts, schedules and performances; the overall entertainment schedule for the day, time, location and venue; provide the necessary stages, sound systems, lights and sitting areas; provide booths, exhibit areas and display locations; the contracting with emcees as necessary; the provision of dressing rooms, preparation and staging areas. The facilities committee and the entertainment committee, depending on the dynamics of the special event will need close contact, communication and coordination. The chair of this committee sits on the governing board.

**On-site Sales Committee:** Generally, at most community special events the visitor will have the opportunity to purchase souvenirs, crafts, food and beverage items and depending on the event a much larger array of items from vendor booths. It is the responsibility of the on-site sales committee to coordinate and oversee these types of services. This committee should: create guidelines, criteria and application procedures for these on-site sales options; provide a

variety, balance and fairness in the type and size of booths; coordinate with the finance committee, a booth/vendor space permit and pre-agreed rent or percent of gross sales program; comply with local health codes and with the security committee requirements for items that connect to their work. The purpose of some special events are the sales of items and so this committee may become a significant contributor to the success of the event. The chair of this committee sits on the governing committee.

**Local Committee:** Depending on the size of the event and the size of the community it should not be forgotten that the special event will impact the local residents of the community. The event may alter traffic patterns, pollution, congestion and other less desirable elements. The event may also generate a new and perhaps large revenue to the community and in this regard it is important to have a local committee that works to keep harmony with local residents. The purpose of the local committee is to be sensitive to local needs and concerns and to be a controlled voice for the residents if concerns emerge. Members of the local committee should: be representatives of the local business community to validate fairness and opportunity concerns; represent the local chamber of commerce to assure local image control; and local government representatives that provide or are impacted by the event. The members of this committee should be supportive of the event but also able to provide an appropriate perception of quality, image, safety, fairness and long term community impact. The chair of this committee sits on the governing committee.

### Review and Records

When the special event comes to a close it is important that a review be made of the successful and the concern areas of that experience. The governing committee should call all sub-committees together for this very purpose. It is important that two functions occur: (1) an opportunity for committee members to share, discuss, debate, evaluate and prioritize the strengths and weaknesses of the management of the event and of the event in total, and (2) to produce a written record of the committee's work so that errors can be avoided and future success building will be in play. Each committee will be best suited to recommend the type of review process that would make most sense for their work but the following are common approaches: (1) formal surveys circulated to key individuals seeking responses to critical questions (2) focus groups asking a small number of highly involved and committed individuals to assess success and concern areas (3) record reviews were collected committee reports are assessed in detail (4) a town meeting inviting all interested parties an opportunity to share ideas, thoughts and concerns (5) an outside review may be solicited from a source not directly involved in the event. This might be a university, private firm, a chamber of commerce or some government agency.

Reports and records will be helpful and each subcommittee should file a report with the governing committee that might include the following: title of committee, committee chair with contact information, committee membership with contact information, outline of activities conducted by the committee, concern areas, suggested improvements, and the date and signature of the chair.

Other necessary reports would include: transactions of money, the issuing of contracts, accounting of budgets; compliance with laws, ordinances and codes; not for profit status report, incident reports of injuries, safety or hazards and all contracts.

A committee notebook should be kept that contains the work of the committees. This notebook could and should be used year after year as the basic guidelines for the committee's future work. The governing committee should be responsible for this historical account. A photographer or videographer might be considered to also provide a pictorial record of the event. The notebook should contain: (1) a detailed guide sheet of the duties of the chair and each member of the committee (2) contact information of past committee members (3) copies of: budgets, contracts, press releases, reports, maps, permits, training programs, media contacts, flyers, brochures, press releases, codes and standards, incident reports, passes, schedules, applications and the like (4) the calendar and timeline for the execution of the committee member duties (5) helpful hints, warnings, suggestions or other information that the committee would want to know.

### Conclusion

All of this may seem overwhelming but the potential economic reward for the community may be significant. Creating local economic development is hard work but the contribution of new dollars that come to the community as well as the special event tradition that can build community pride is well worth the effort.



# CSU Bakersfield

School of Business and Public Administration

KERN ECONOMIC JOURNAL is a quarterly publication of California State University, Bakersfield. Its purpose is to track local trends and analyze regional, national, and global issues that affect the well-being of Kern County. The journal provides useful information and data that can help the community make informed economic decisions. Please visit <http://www.csu.edu/kej> for more information.