Jobs = People = Demand

Location Quotient = Jobs

Results:

Analysis of Study Area Employment Base

Identifies Study Area Strengths (Basic Employees)

Identifies the Study Area "Economic Base Multiplier" TE/BE

$$\frac{\textbf{Total Employees}}{\textbf{Basic Employees}}$$

Identifies economic strength of Employment Base (the higher the average income the higher the standard of living

Completes first step in "Economic Base Analysis" – "Jobs"

San Mateo County LQ

$$\frac{\text{Total Employees}}{\text{Basic Employees}} \quad \frac{309002}{50{,}839} = \mathbf{6.08}$$

Jobs = People

Economic Base Analysis Step #2

Population/Employment Ratio (P/Er)

$$\frac{\text{Total Population in Study Area}}{\text{Total Employment in Study Area}}$$

P/Er the “Ratio of Jobs = People”

San Mateo County P/Er

$$\frac{\text{Total Population}}{\text{Total Employment}} \qquad \frac{699{,}610}{309{,}002} = 2.26$$

Forecasting Formula for San Mateo County

Example (Assume +5,000 to BE in 5 years)

Forecast Basic Employment (FBE)	=	55,839
X		(x)
EBm (TE/BE in Study Area)	=	6.08
X		(x)
P/Er (TP/TE in Study Area)	=	2.26
=		(=)
Forecast Total Population	=	767,272

Demand

Economic Base Analysis # 1 Goal :

Provide a tool to Analyze potential changes in Demand (Total Population) within a study area based on changes in the Employment Base within the Study Area

*Forecasting changes in Demand is the key to recognizing opportunities

**Forecasting changes in Demand is much more difficult than forecasting changes in Supply

Supply

Five Basic Property Types

Retail	**Total Square Feet in Study Area**
Office	**Total Square Feet in Study Area**
Industrial	**Total Square Feet in Study Area**
Residential	**Total number of Units**
Land	**Total Acres/Square Feet**

Forecasting Supply Formula

Total Existing Supply

+

Pipeline (Currently under construction + planned and permitted construction)

-

Drain (Property scheduled for demolishing)

=

Forecast Supply