

**Cross Border Community Effects
on Local Economics and Government**

by

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Cross Border Commuting Effects on Local Economics and Government¹

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AEE 99-04

A growing concern for many rural communities is the health and future of their local economy. This can be very difficult to determine because of the many components of an area's economy. Because of this, the community needs detailed information regarding economic activity in and around them for current and future decision making for rural development.

Local Situation

Teton County, Idaho and Teton County, Wyoming each border the common state line and are physically separated by the Teton Mountain Range. The primary route between the counties, Highway 22, crosses Teton Pass at 8,429 feet and is frequently closed during the winter months. Even when open the road can be hazardous. Despite these difficulties, 35% of the employed (Table 1) commute from Teton, Idaho to Teton, Wyoming for at least one job.

The Tetons are a very attractive mountainous area drawing new people to the region very rapidly. There are a wealthy group building trophy homes and the labor force to service the recreation industry. The result has been an increase in population in both those counties from 1990 to 1997. Teton County, Idaho population increased from 3,460 to

¹ Study funded by UI Cooperative Extension, University of Wyoming, Cooperative Extension, Western Rural Development Center and Teton County Commissioners.

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5,313, a 54% increase. Teton County, Wyoming increased from 11,282 to 13,969, a 25% increase during the same period. Because of the limited supply, high cost of land and housing in Teton, Wyoming (median owner occupied house value \$133,400 in 1990), many workers commute from Lincoln County, Wyoming and Teton County, Idaho (median owner occupied house value \$59,000 in 1990) to Teton County, Wyoming (Jackson Hole).

Table 1. Teton County, Idaho Employed Respondents and Spouses.		
	Employed	Commute to WY
Respondents	289	99
Spouses	226	79
Total	515	178

The study area was Teton County, Idaho which is in eastern Idaho fronting with Teton County, Wyoming. It is one of the gateways to Jackson Hole and Teton National Park. the study objectives were:

- (1) to identify the linkages between the two Teton counties;
- (2) to identify the degree of commuting from Teton County, Idaho to Teton county, Wyoming;
- (3) to access if purchasing patterns were different for commuters and other residents;
and
- (4) to access the fiscal costs to the county of this commuting workforce.

Procedure

An I/O model was constructed to show linkages between local business sectors and households, which make up the local economies of both Teton counties, and the rest of the world. These results are in other reports. Along with that a telephone survey was completed in October 1998 to determine Teton County, Idaho residents commuting patterns, job location and shopping patterns.³ Together these show Teton County's economic activity within the community and links with the outside world.

In Idaho, local governments have only property taxes and fees as locally controlled sources of revenue. The remainder of the revenue comes from state, federal and private sources. Therefore, how frequently reimbursement formulas are updated is important to Teton County taxpayers. Table 2 shows examples of the 1998 assessment rates on taxable property valuation for Teton County, Idaho. Most property will be in 5-7 tax code areas.

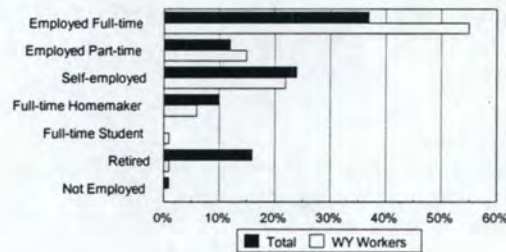
Taxing Entity	Rate in Percent
County	.002211533
County Road and Bridge	.000015789
School District 401	.005093850
Fire Protection	.001868697
Library	.000130060
Driggs	.002006181
Victor	.002980341
Tetonia City	.002447607
Cemetery Dri-Dar	.000077200

³ Phone survey conducted by the Social Survey Research Unit of the Agricultural Economics and Rural Sociology Department of the University of Idaho.

Teton County, along with each county in the state of Idaho receives state and federal aid for schools, roads or other improvements. The state aid per K through 12 student (number students in school = 1,242) for Teton County in 1996 was approximately \$2,980 per average daily attendant (ADA) and federal support was \$261 per ADA. Revenue from local property tax for maintenance and operation in FY 1997 was \$788 per student. The portion of the Teton County property tax rate, which is allocated for the school district is .005093850. In total, Teton County School District receives \$4,029 of funding per K through 12 ADA. Property tax levy for county services was .002211533.

Respondent Employment Status

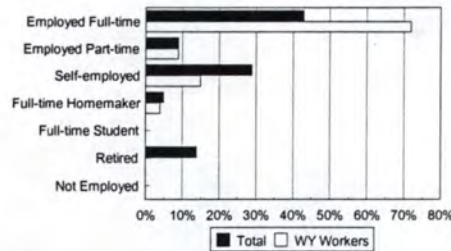
Figure 1.
Respondent Employment Status



- Teton County respondents working in Wyoming were more likely to be holding formal jobs than were Teton County respondents in general. Ninety-two percent of out-commuters to Wyoming were full-time, part time, or self-employed compared to only 73 percent of all respondents. The percentage of respondents employed full-time and part-time was greater for out-commuters to Wyoming. However, the percentage of respondents who were self-employed was greater for all respondents.
- Much of the difference in employment status between the two groups resulted from less out-commuters to Wyoming being retired. Sixteen percent of the all respondents were retired as opposed to only 1 percent of out-commuters to Wyoming. If retired respondents are excluded, the percent of all respondents holding formal jobs is more comparable with that for out-commuters to Wyoming (87 percent vs. 92 percent).

Spouse (Partner) Employment Status

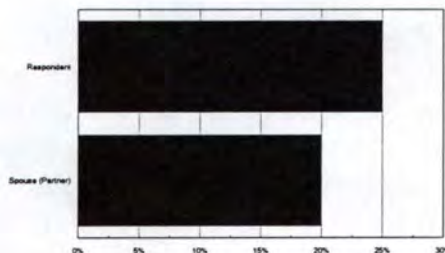
Figure 2.
Spouse (Partner) Employment Status



- The spouses (partners) of Teton County respondents working in Wyoming were also more likely to be holding formal jobs than were Teton County respondents in general. Ninety-six percent of the spouses (partners) of out-commuters to Wyoming were full-time, part time, or self-employed compared to only 81 percent of all respondents. The percentage of spouses (partners) of respondents employed full-time or part-time was greater for out-commuters to Wyoming. However, the percentage of spouses (partners) of respondents who were self-employed was substantially higher for all respondents (29 percent vs. 15 percent).
- Again, much of the difference in employment status between the two groups resulted from less out-commuter spouses (partners) being retired. Fourteen percent of the spouses (partners) for all respondents were retired as opposed to zero percent for spouses (partners) of out-commuters to Wyoming. If retired respondents are excluded, the percent of spouses (partners) of all residents holding formal jobs is comparable to that for out-commuters to Wyoming (94 percent vs. 96 percent).

Working More Than One Job

Figure 3.
Working More Than One Job

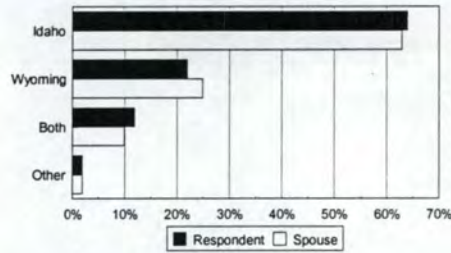


- The survey results indicate that a high percent of Teton County residents hold more than one job. About 25 percent of respondents held more than one job and 20 percent of their spouses (partners) held more than one job. This compares with an average of 95 percent for Idaho.⁴

⁴ Idaho Department of Labor, conversation with Krissa Wrigley, 1996 data, April 26, 1999.

Work Location

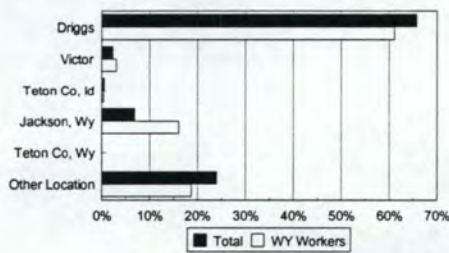
Figure 4.
Location of Work



- Sixty five percent of respondents in Teton County worked in Idaho. Twenty two percent of respondents worked in Wyoming, with 12 percent working in both Teton County and Wyoming. An additional 2 percent of respondents worked outside the two-state area.
- Sixty three percent of respondents' spouses (partners) worked in Idaho. Twenty five percent of respondents' spouses (partners) worked in Wyoming, with 10 percent working in both Teton County and Wyoming. An additional 2 percent of respondents' spouses (partners) worked outside the two-state area.

Food Purchases

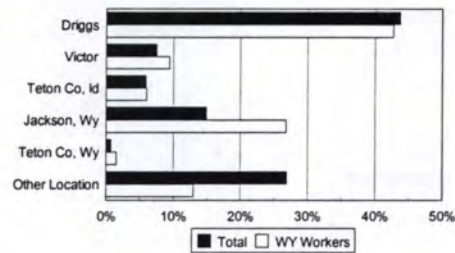
Figure 5.
Food Purchases



- Regardless of work location, Teton County respondents purchased most of their food in Teton County. Nearly 70 percent of all respondents' food purchases were made in Teton County, primarily Driggs. Out-commuters to Wyoming made nearly 65 percent of their food purchases in Teton County, primarily Driggs. For all respondents the most common outside location of food purchases was "other locations" (27 percent), probably Idaho Falls or Rexburg. For out-commuters to Wyoming the most common outside locations for food purchase were "other locations", probably Idaho Falls and Rexburg, and Jackson, Wyoming (16 percent). Out-commuters to Wyoming purchased four times more food in Teton County than in Jackson, Wyoming.

Food From Restaurants

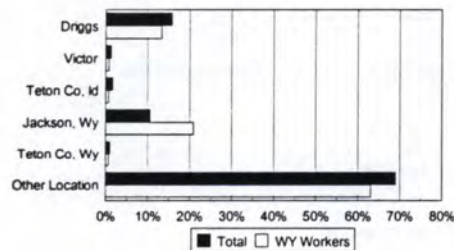
Figure 6.
Food From Restaurants



- Regardless of work location, Teton County respondents purchased most of their food from restaurants in Teton County. Nearly 60 percent of all respondents' food from restaurant purchases were made in Teton County, primarily Driggs. Out-commuters to Wyoming also made nearly 60 percent of their food from restaurant purchases in Teton County, primarily Driggs. For all respondents the most common outside location of food purchases from restaurants was "other locations (27 percent)". For out-commuters to Wyoming the most common outside location for food purchases from restaurants was Jackson, Wyoming (27 percent). Out-commuter to Wyoming purchased over two times more food from restaurant in Teton County than in Jackson, Wyoming.

General Merchandise

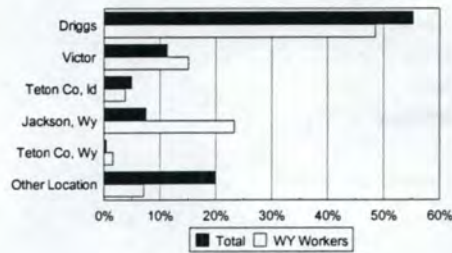
Figure 7.
General Merchandise Purchases



- Regardless of work location, Teton County respondents purchased most of their general merchandise outside Teton County. Less than 20 percent of all respondents general merchandise purchases were made in Teton County, primarily Driggs. Out-commuters to Wyoming made only 15 percent of their general merchandise purchases in Teton County, primarily Driggs. For all respondents the most common location of general merchandise purchases was "other locations". For out-commuters to Wyoming the most common location of general merchandise purchases was also "other locations". Out-commuters purchased twice as much general merchandise in Jackson, Wyoming as in Teton County.

Transportation Needs

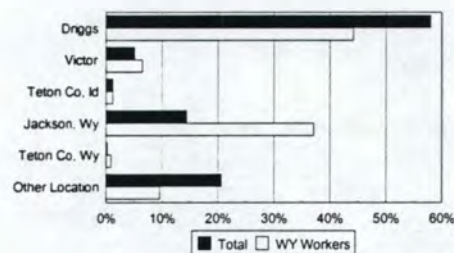
Figure 8.
Transportation Needs Purchases



- Regardless of work location, Teton County respondents purchased most their transportation needs in Teton County. Over 70 percent of all respondents transportation need purchases were made in Teton County, primarily Driggs. Out-commuters to Wyoming made nearly 70 percent of their transportation need purchases in Teton County, primarily Driggs. For all respondents the most common outside location of transportation needs purchases was “other locations” (20 percent). For out-commuters to Wyoming, the most common outside location for transportation needs purchases was Jackson, Wyoming (23 percent). Out-commuter to Wyoming purchased two times more transportation needs in Teton County than in Jackson, Wyoming. Much of the out-of-county transportation needs purchases may have involved the buying of new and used motor vehicles which may not be available in Teton County.

Medical Needs

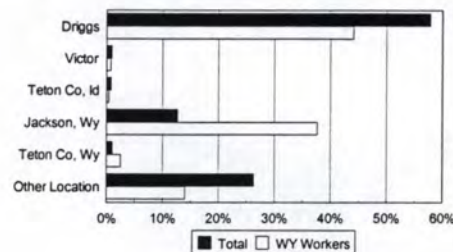
Figure 9.
Medical Needs Purchases



- Regardless of work location, Teton County respondents purchased most of their medical needs in Teton County. Sixty five percent of all respondents medical needs purchases were made in Teton County. Out-commuters to Wyoming purchased over 50 percent of their medical needs in Teton County. For all respondents the most common outside location of medical needs purchases was “other locations” (21 percent). For out-commuters to Wyoming, the most common outside location for medical needs purchases was Jackson, Wyoming (37 percent). Out-commuters to Wyoming purchased almost as much medical services from Jackson, Wyoming as

they did from Teton County. Much of the out-of-county medical needs purchases may have involved medical procedures that were not available in Teton County.

Figure 10.
Medical Care Items Purchases

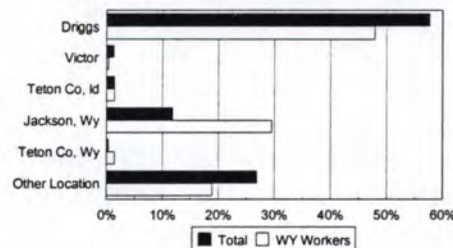


Medical Care Items

- In general, Teton County residents purchased most of their medical care items in Teton County. Sixty percent of all respondents medical care items purchases were made in Teton County. However, out-commuters to Wyoming purchased less than one-half of their medical care items in Teton County. For all respondents the most common outside location of medical care item purchases was “other locations” (26 percent). For out-commuter to Wyoming, the most common outside location for medical care item purchases was Jackson, Wyoming (38 percent). Out-commuters to Wyoming purchased almost as many medical care items from Jackson, Wyoming as they did from Teton County.

Professional Services

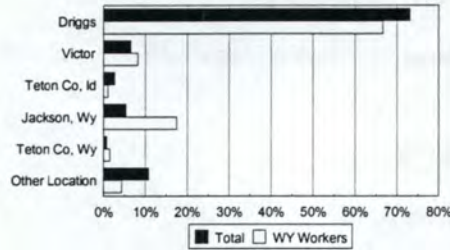
Figure 11.
Professional Service Needs Purchases



- In general, Teton County residents purchased most of their professional services in Teton County. Over 60 percent of all respondent professional services were purchased in Teton County. Out-commuters to Wyoming purchased about one-half of their professional services in Teton County. For all respondents the most common outside source of professional service was “other locations” (27 percent). For out-commuters to Wyoming the most common outside source of professional services was Jackson, Wyoming (30 percent).

Other Services

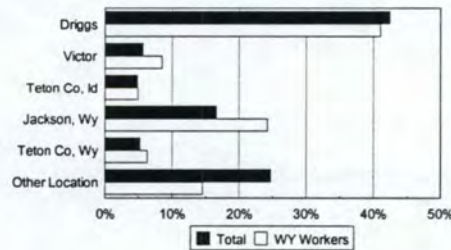
Figure 12.
Other Service Needs Purchases



- Regardless of work location, Teton County residents purchased most of their other services in Teton County. Over 80 percent of all respondent other services were purchased in Teton County. Out-commuters to Wyoming purchased over 75 percent of their other services in Teton County. For all respondents the most common outside location for other services purchases was “other locations” (11 percent). For out-commuters to Wyoming the most common location of other service purchases was Jackson, Wyoming (18 percent). Out-commuter to Wyoming purchased over four times as much other services in Teton County as in Jackson, Wyoming.

Recreation and Entertainment

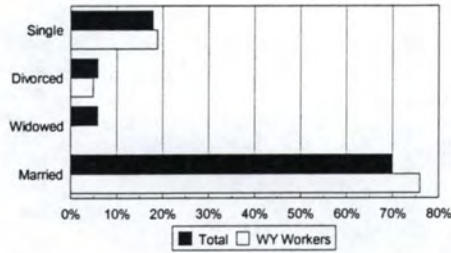
Figure 13.
Recreation and Entertainment Purchases



- Regardless of work location, Teton County residents made about one-half of their recreation and entertainment purchase in Teton County. Fifty three percent of all respondent recreation and entertainment purchases were made in Teton County. Out-commuters to Wyoming made 55 percent of their recreation and entertainment purchases in Teton County. For all respondents the most common outside location for recreation and entertainment purchases “other locations” (25 percent). For out-commuters to Wyoming the most common outside location for recreation and entertainment purchases was Jackson, Wyoming (24 percent). Out-commuters to Wyoming made over twice as much recreation and entertainment purchases in Teton County as in Jackson, Wyoming.

Respondent Marital Status

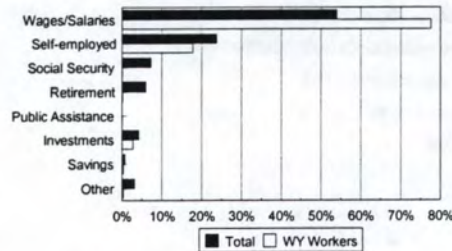
Figure 14.
Respondent Marital Status



- The marital status of respondents was similar between all respondents and out-commuters to Wyoming, except for a higher percent of widowed respondents for the total group (6 percent vs. 0 percent). This suggests that out-commuter to Wyoming tended to be younger.

Source of Household Income

Figure 15.
Source of Household Income



- The primary source of household income for both groups was labor earnings. However, out-commuters to Wyoming were more dependent on labor earnings than all respondents (78 percent vs. 54 percent). The percent of household income from wages and salaries was higher for out-commuters to Wyoming. The percent of household income from self-employed earnings was higher for all respondents. The difference in the importance of labor earnings between the two groups reflects the fact that out-commuters to Wyoming were less likely to be retired and were probably younger.

Education Attainment

Figure 16.
Respondent Education Attainment

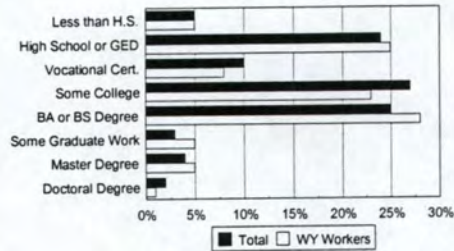
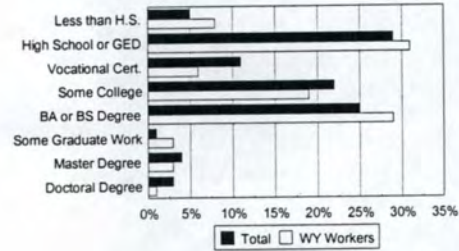


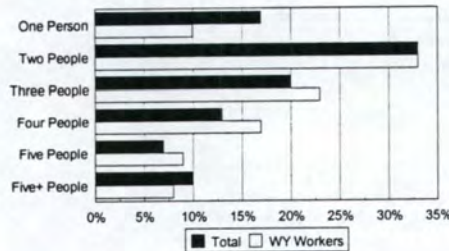
Figure 17.
Spouse (Partner) Education Attainment



- The educational attainment of respondents and spouses (partners) was very similar between out-commuters to Wyoming and all respondents. While it is sometimes suggested that in-migrants into an area may have a higher educational attainment than existing residents this does not appear to be the case in Teton County.

Number of People in Household

Figure 18.
Number of People in Household

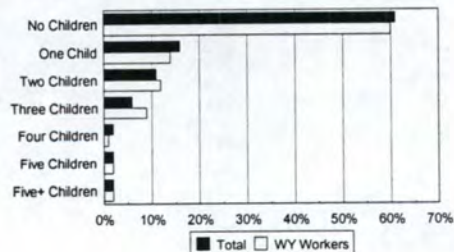


- The average household size was seven percent higher for out-commuters to Wyoming compared to all respondents. The average household size for all respondents was 3.0 people compared to 3.2 people for out-commuters to Wyoming. All respondents had a higher percent of one-person households. This probably reflects the higher percent of all respondents that were widowed.

Number of School Age Children

- The average number of school age children was 12 percent higher for out-commuters

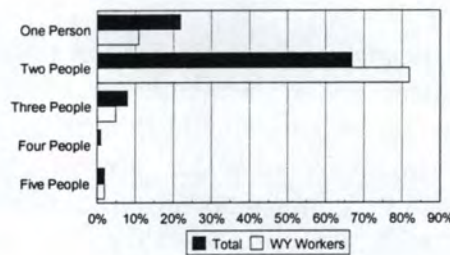
Figure 19.
Number of Children K through 12th Grade



to Wyoming compared to all respondents. The average number of school age children for all respondents was 0.83 children, compared to 0.93 children for out-commuters to Wyoming. This probably reflects that out-commuters to Wyoming were probably younger.

Number of Wage Earners

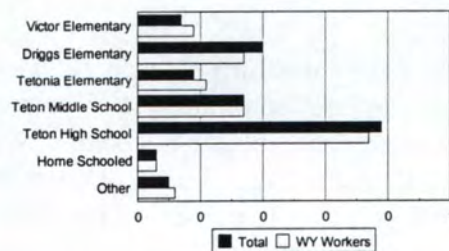
Figure 20.
Number of Wage Earners in Household



- The number of wage earner per household was three percent higher for out-commuters to Wyoming compared to all respondents. The average number of wage earners per household was 1.95 for all respondents compared to 2.01 for out-commuters to Wyoming. All respondents had twice as many single person wage earner households as did out-commuters to Wyoming. Out-commuters had over 20 percent more dual wage earner households than did all respondents.

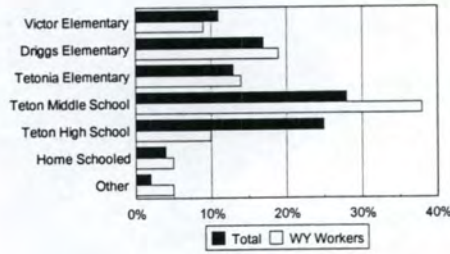
School Attended

Figure 21.
School Attended by Oldest Child



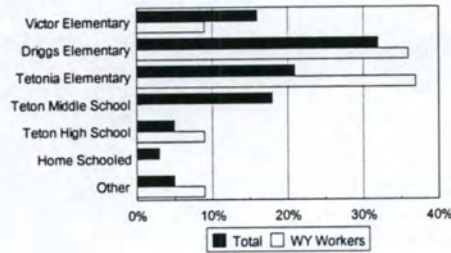
- The distribution of schools attended by the oldest child was similar between all respondents and out-commuters to Wyoming. For all respondents 36 percent of the oldest children attended elementary school, with 17 percent attending Teton Middle School, and 39 percent attending Teton High School. For out-commuters to Wyoming 37 percent of the oldest children attended elementary school, with 17 percent attending Teton Middle School, and 37 percent attending Teton High School.

Figure 22.
School Attended by Second Oldest Child



- The distribution of schools attended by the second oldest child was somewhat different between all respondents and out-commuters to Wyoming. For all respondents 41 percent of the second oldest children attended elementary school, with 28 percent attending Teton Middle School, and 25 percent attending Teton High School. For out-commuters to Wyoming 42 percent of the second oldest children attended elementary school, with 38 percent attending Teton Middle School, and 10 percent attending Teton High School.

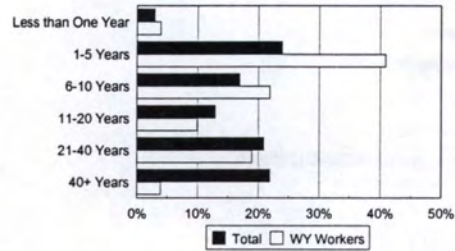
Figure 23.
School Attended by Third Oldest Child



- The distribution of schools attended by the third oldest child was substantially different between all respondents and out-commuters to Wyoming. For all respondents 69 percent of the third oldest children attended elementary school, with 18 percent attending Teton Middle School, and 5 percent attending Teton High School. For out-commuters to Wyoming, 82 percent of the third oldest children attended elementary school, with 0 percent attending Teton Middle School, and 9 percent attending Teton High School.

Years Lived in Idaho

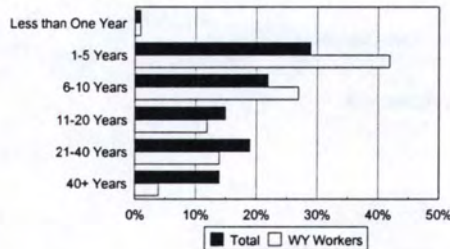
Figure 24.
Years Lived in Idaho



- All respondents had lived in Idaho twice as long as out-commuters to Wyoming. The average residency for all respondents was 24 years compared to 12 years for out-commuters to Wyoming. The majority of out-commuters to Wyoming had lived in Idaho for one to five years.

Years Lived in Current County

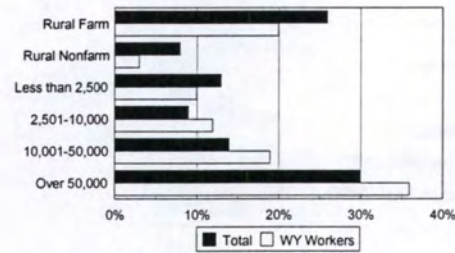
Figure 25.
Years Lived in Current County



- All respondents had also lived in their current county of residence longer than out-commuters to Wyoming. The average residency for all respondents was 19 years compared to 11 years for out-commuters to Wyoming. The majority of out-commuters to Wyoming had lived in their current county of residence for one to five years. All respondents were more likely to have spent more years living somewhere else in Idaho than were out-commuters to Wyoming.

Respondent's Community Size Up to Age 18

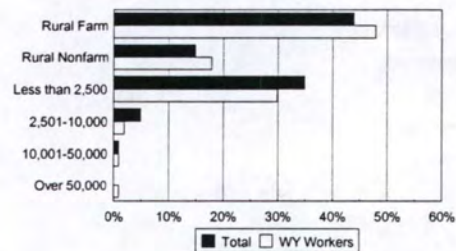
Figure 26.
Respondent Community Size Growing Up



- All respondents were more likely to have grown up in rural areas or in rural communities with populations of less than 2,500. Out-commuters to Wyoming were more likely to have grown up in communities with populations greater than 2,500. The majority of out-commuters to Wyoming grew up in communities of over 50,000.

Respondent's Current Community Size

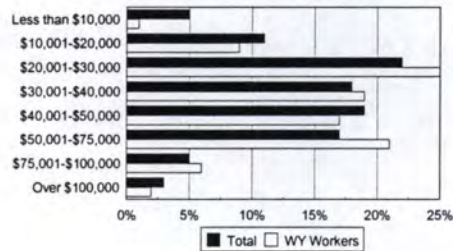
Figure 27.
Respondents Current Community Size



- Out-commuters to Wyoming were more likely to live in rural areas of Teton County than were all respondents (66 percent vs. 59 percent). This may reflect that out-commuters live in rural areas of the county closer to Jackson, Wyoming. It also might reflect the desire of out-commuters to Wyoming for a rural life-style.

Respondent's Total Household Income Before Taxes in 1997

Figure 28.
Respondent's Total Household Income



All respondents had a higher percent of households with lower household incomes than out-commuters to Wyoming. Sixteen percent of all respondents had a total household income of less than \$20,000 in 1997. Only 10 percent of out-commuters to Wyoming had a total household income of less than \$20,000 in 1997. This difference may result from the larger percent of all respondents with single wage earner households.

Fiscal Effects

In Idaho, owner occupied housing and improvements have an exemption from property taxes of \$50,000 or one-half of the value of improvements, which ever is less. This reduces property taxes from owner occupied housing. For example, the median value of homes in Teton County, Idaho was \$59,000 in 1990. If that value compounded at the CPI rate till 1998 it would be worth \$72,370. Assuming \$20,000 for land the building and improvements would be valued at \$52,370. The homeowners' property tax exemption would be \$26,185. The net taxable value for the housing would be \$46,185. Using the example of the public school. The property tax revenue generated for the District would be \$235. The local property tax contribution from housing is \$788 leaving a net shortfall of \$553. That is covered by residential property of families without children in school and business and agricultural/forestry property taxes. State revenue are based and ADA and are adjusted annually.

Summary

The majority of the respondents were people who do not commute to other counties or states for work. They tend to do the majority of their food, food from restaurants, medical need, medical care item and transportation needs purchases inside Teton County. The people who out commuted to other counties still seemed to do the majority of their purchasing in Teton County also, although both groups purchased the majority of their

general merchandise from outside Teton County. For all respondents the most common location of general merchandise purchases was "other locations", and for out-commuters it was Jackson, Wyoming.

Regardless of work location the majority of all respondents purchase "professional services," "other services," and "recreation and entertainment" from Teton County, Idaho.

When looking at household size, income, and children, the out-commuters tended to have larger and younger families, with most of the oldest children being in elementary, as was the case for all respondents. All respondents had a higher percent of one-person households, which probably reflects respondents that were widowed. Out-commuter households tended to have more than one wage earner, higher income, and have not lived in Teton County Idaho for more than 5 years. Where all respondents have lived in Idaho twice as long, the average being 24 years, and had incomes under \$20,000, which was most like due to the one wage earner families.

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