

Economic Development Toolbox: Business Retention and Expansion

September 2019



Employee Turnover is Expensive

Retention was cited as a top economic development issue in the NWCCOG region at the NWCCOG Economic Development District board of director's meeting on August 21st: retention of workers, businesses, people. In response to this need, NWCCOG is starting a series on Business Retention & Expansion, as well as a page on our website which will serve as a "[BRE Toolbox](#)". The page has just been started, so stay tuned as content will continue to be added.

Business Retention and Expansion (BRE) is a structured program to keep existing employers in the region and help them grow. Addressing workforce needs, access to capital, providing tax and non-tax incentives, assistance with infrastructure, land and buildings, and providing technical assistance are all part of the BRE process.

A recent news article in the Vail Daily highlights the impact employee turnover has on an organization:

Vail seeks ways to retain town employees (Vail Daily, 9/5/19)

<https://www.vaildaily.com/news/vail-seeks-ways-to-stop-rise-in-employee-turnover-rates/>

Even good pay and benefits aren't always enough to fill a staff. The town of Vail is working now - and with some difficulty - to fill its winter seasonal positions, primarily bus drivers and parking attendants. The town also has a rapidly-aging staff, and is looking to both replace retiring employees and fill leadership roles as they open up in coming years. Town finance director Kathleen Halloran and town human resources director Krista Miller provided the Vail Town Council with an overview of town staffing and its problems.

With a tight job market throughout the valley, Miller told council members "there's been some poaching" of town employees by other organizations. In the past six weeks alone, four town employees have accepted positions with Vail Health. Miller said that "almost half" of departing employees have left for better opportunities, either locally or regionally. In exit interviews, Miller said many people cite higher wages and lower housing costs as reasons for leaving.

To illustrate the cost of employee turnover - by the numbers: (source: Town of Vail)

- \$15,000: Average cost of replacing a Town of Vail employee.
- 37%: Town of Vail employees who are 50 or older.
- 16% to 18%: Estimated staff turnover in 2019.
- 11%: Average turnover 2014 - 2018.

We will continue this series on Business Retention and Expansion with quarterly bulletins.
Stay tuned!