



“Growing Global, Investing Local”

Mobile Area Chamber of Commerce Economic Impact Analysis Return on Investment 2018 - 2022



Prepared by:



National
Community
Development
Services

**Economic
Strategy Center**

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Introduction

This analysis computes the economic impact of the Mobile Area Chamber of Commerce's *Partners for Growth* economic development programs from 2018 through 2022, a 5-year campaign for new jobs and growth.

Economic impacts were computed by an Input/Output, I/O model created for Mobile County. The model is based on the latest data available from IMPLAN®, the most widely used system to compute impacts. This analysis incorporates a major revision of IMPLAN® to increase industry details and incorporate newly released data and benchmarks for I/O tables from all U. S. data reporting agencies. The revised IMPLAN® data has 536 possible sectors, up from 440. The model created for Mobile County has 297 sectors, and after entering jobs by sector as inputs, 280 sectors were impacted.

Economic impacts are measured by: jobs, income, value added, and output. Income includes both wage and salary income from direct and indirect jobs, and proprietor income to those owners and self employed persons affected by indirect and induced spending. Value added includes labor income and indirect business taxes, like sales taxes. Value added also includes other income, such as rent. Output is like a country's gross national product GNP, and is the total of value added (e.g. labor) and the value of all goods used in production. Impacts also include spending and savings from disposable income, and new sales and property taxes.

Table 1 summarizes the annual economic impacts (direct, indirect, and induced) as of 2022 for *Partners for Growth* programs that created jobs and investment. **Table 1** shows that total annual job impacts are projected to be 4,379 jobs and \$1.2 billion in new output.

Table 1 includes all the other economic impacts including: income, spending, savings and taxes. Total new income of \$276.7 million converts to \$246.3 million of disposable income, \$225.3 million of new consumer spending and \$14.7 million of savings deposit potential. New annual tax revenue for Mobile County and its local taxing units will be \$13.6 million. Private sector investors in *Partners for Growth* will see \$11.90 returned each year in average corporate profits for every \$1.00 invested, and the public sector, Mobile County and local taxing units will receive \$4.53 in new annual taxes returned for every \$1.00 invested.

Table 1
Partners for Growth
Annual Economic Impact Summary: 2022

Impact Measure	Total Impact
Jobs	4,379
Income	\$276,715,698
Value Added	\$522,712,899
Output	\$1,189,637,865
Disposable Income	\$246,304,643
Consumer Spending	\$225,270,226
Savings Deposit Potential	\$14,692,072
Mobile County (& sub-units) Tax Revenue	\$13,580,553
Return on Investment - Private Sector	\$11.90 in profits for \$1.00 invested
Return on Investment - Public Sector	\$4.53 in taxes for \$1.00 invested

Source: NCDS, ESC I/O model for Mobile County, AL.

Executive Summary

- *Partners for Growth* is projected to do very well. As of 2022, 5 years of steady job growth will return \$11.90 to the community in average corporate profits each year for every \$1.00 invested in economic development. Mobile County and its taxing subdivisions will be receiving \$4.53 in new tax revenue each year for every \$1.00 invested in economic development.
- One goal of *Partners for Growth* is to create 2,000 direct new jobs with relatively high annual wages. Marketing to companies will center on 7 target industries: *aerospace, bio-medical and information technology, advanced manufacturing, maritime/shipbuilding, corporate headquarters and regional offices, energy and logistics/distribution*. The plan is to create jobs through strategies that support either business retention and expansion, or recruiting new companies. Mobile County, with 415,395 persons has 65.3% of the total area population of 635,908, so all direct job impacts, and the majority of indirect and induced impacts will occur in Mobile County.
- The ripple effect of the new jobs is computed based on multipliers. These multipliers show the effects of sales, income, spending and saving, which in turn increase the employment and earnings of other business sectors. 2,000 direct jobs will create new income of \$167.9 million, new value added of \$343.0 million and new output of \$855.4 million. These are the initial and “direct” effects. Then as indirect impacts accumulate through business-to-business purchasing, and all those affected spend new income (induced impacts), the initial impacts multiply to create 4,379 new jobs, a multiplier of 2.19, and \$276.7 million of new income, a multiplier of 1.65. Value added multiplies by 1.52 to total \$522.7 million and output by 1.39 to total almost \$1.2 billion.
- Annual new income of \$276.7 million from job creation means new disposable income, spending and savings. Average income for all 4,379 new jobs is projected to be \$63,192. New income and spending also means new sales and property taxes. New income will create disposable income of \$246.3 million in 2022. This disposable income will create \$225.3 million in new consumer expenditures and \$14.7 million in new savings deposit potential. Mobile County and its taxing units will receive \$13,580,553 in new annual taxes.
- The projected impact of new jobs is increasing consumer expenditures in Mobile County by \$225.3 million annually. Housing is the largest of ten spending categories. New spending on housing (1) is \$73.2 million. Transportation (2) is \$41.2 million and food (3), another major category, is \$29.1 million. New jobs mean residents will be spending \$23.7 million more for insurance and pensions (4), \$18.5 million for healthcare (5), \$11.5 million for entertainment (6), \$7.7 million for cash contributions (7), \$7.2 million for apparel (8), \$4.1 million for education (9), and \$2.7 million for personal care (10).
- The model computed new output of \$1.2 billion. The top 10 business sectors impacted by new output are led by housing, with \$21.2 million in new output. Housing is followed by real estate, hospitals, employment and legal services. Limited service restaurants (fast food) ranks 6th while maintenance and repair of non-residential structures ranks 7th in total impact. Architectural and engineering services, offices of physicians, and electric power, round out the “top 10”. Appendix III lists many other sectors with new business output.

Economic Impact Analysis

A. The Mobile Area

For more than 25 years, the Mobile Area Chamber of Commerce has led the region's economic development efforts backed by funding from over 160 business leaders, the City of Mobile and Mobile County. Since 2004, the Washington County Economic Development Initiative WCedi, in partnership with the Mobile Area Chamber of Commerce, has worked to provide job opportunities and foster regional business creation. The county seat, Chatom, is 61 miles north of the city of Mobile, near the Mississippi state line.

From 2013 through the first half of 2016, the Chamber's *Partners for Growth* worked with companies that made 25 investments to create jobs.

Employment increases in Mobile County are the direct impacts that generate additional indirect (business-to-business) and induced employment, income and business activity. A central question is, "where will these impacts occur?" Neighboring areas will receive some indirect and induced impacts.



Mobile is the county seat of Mobile County, which forms the Mobile Metropolitan Statistical area. Across Mobile Bay, Baldwin County is the Daphne-Fairhope-Foley Metropolitan Statistical Area. Washington County is just to the north. Together this area has a population of 635,908. **Table 2** shows that Mobile County, with 415,395 persons has 65.3% of the total area population of 635,908. Baldwin County, and the Daphne-Fairhope-Foley Metropolitan Statistical Area has a population of 203,709 which is about a third (32.0%) of the area total, and Washington County adds 16,804.

Table 2
County Population & Employment
Percent of Total & Percent Change

County	Population Estimates 2015	% of Population	Population 2000	Percent Change 2000 to 2015	Total Employment 2014	% of Total Employment 2014
Mobile ¹	415,395	65.3%	399,843	3.9%	142,481	69.4%
Baldwin ²	203,709	32.0%	140,415	45.1%	56,531	27.6%
Washington	16,804	2.6%	18,097	- 7.1%	6,148	3.0%
Total	635,908	100.0%	558,355	100%	205,160	100.0%

Source: U.S. Census, July 1, 2015 population estimates, U.S. Census, 2000, Employment, 2014 actual.

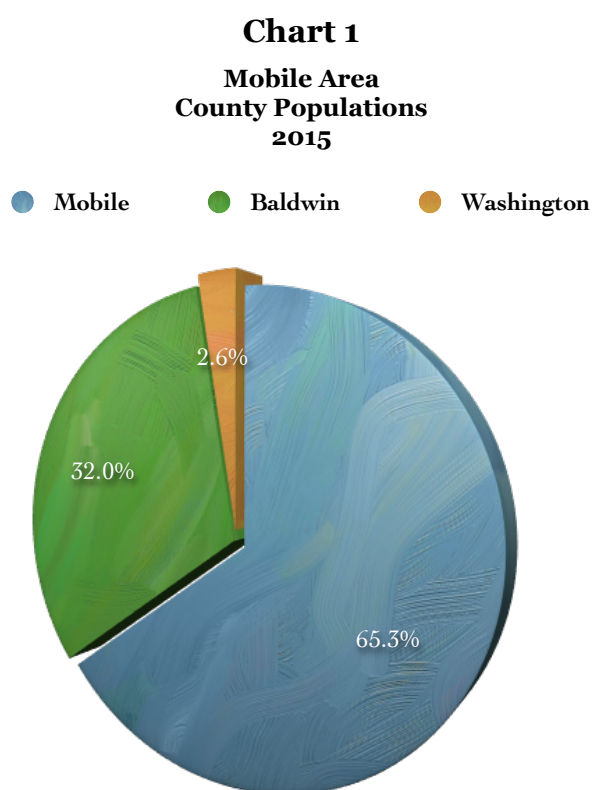
Notes: 1) Mobile County = Mobile Metropolitan Statistical Area.
2) Baldwin County = Daphne-Fairhope-Foley Micropolitan Statistical Area.

But while Baldwin County has only one third of total CSA population, this County and Metropolitan Statistical area grew by 45.1% from 2000 to 2015, much faster than Mobile County, which grew by 3.9% during this period while Washington County lost 7.1%.

Table 2 also shows that Mobile County has 69.4% of total employment versus 27.6 % for Baldwin and 3.0% for Washington County, so Mobile County is an employment center and also has two thirds of the CSA population.

This means that direct impacts from new jobs and spending will occur in Mobile County, and these direct impacts will then create relatively smaller indirect and induced impacts in Baldwin and Washington Counties. Concentrations of employment include primary jobs and also commercial jobs from consumer spending.

Chart 1 illustrates Mobile County's population size relative to Baldwin and Washington Counties.



Source: Table 2.

B. The Input/Output Model

This analysis quantifies the economic impacts of jobs created by new and expanding companies in Mobile County. Employment increases in these sectors are the direct impacts (inputs) that generate additional indirect and induced employment, income and business activity.

The Input/Output model is based on Mobile County. The latest socio-economic data was assembled to create the “*Mobile County Input/Output Model*”, in other words, the “Input/Output” or I/O model shown in **Table 3**.

The model, summarized in **Table 3** is based on data for IMPLAN® released in January, 2016. IMPLAN® is the most widely used system to compute impacts. This analysis incorporates a major revision of IMPLAN® to increase industry details and incorporate newly released data. The I/O model uses Bureau of Economic Analysis BEA data and benchmarks for I/O tables. It also incorporates revisions to the National Income and Product Accounts, and new data from the Census Bureau. It includes the latest regional accounts, and latest results from the Census of Agriculture, Bureau of Labor Statistics Survey and Commodity Flow Survey. The revised IMPLAN® system has 536 possible sectors, up from 440.

The model computed total new output for 280 of 297 sectors in the model. Sectors in the model are defined by groups of NAICS codes, the North American Industry Classification System. The I/O model contains all the linkages in the county economy.

Table 3
Mobile County
Input/Output Model
Summary Information

Model Year¹	2014
Gross Regional Product	\$18,518,350,337
Total Personal Income	\$14,151,854,080
Total Employment	234,523
Total possible sectors	536
Number of sectors in Mobile County	297
Number of sectors with new output	280
Land Area (square miles)	1,233
Population²	415,123
Total Households	154,982
Average Household Income³	\$91,313

Source: NCDS, ESC. MIG, Inc., IMPLAN®.

Note: 1) Data was released January 2016 for 2014 “tax split” data. This tax split data includes the ability to separate state and local tax impacts. See **Appendix I & Table 11**.

2) Population data in the IMPLAN model differs slightly from the 415,395 Mobile County total in **Table 2** because the model uses 2014 actual data and **Table 2** uses 2015 estimates.

3) Average household income in this model is much different than U.S. Census definitions for median household income. This is because “IMPLAN®” data used in the model includes other forms of income. It includes imputed income resulting from home ownership (the largest portion by far), free checking, services provided by non-profits to households and some other “income” type items.

C. Planning for More Success - Partners for Growth

In 1985, the Mobile Chamber of Commerce launched a five-year initiative called “Tell the World,” to establish a new approach to economic development and to market Mobile to prospective companies looking to expand or relocate. Thirty years, and five subsequent multi-year initiatives later, Mobile is consistently listed among various “top places” rankings and the Chamber’s *Partners for Growth* is recognized as a best practice model for public-private economic development partnerships.

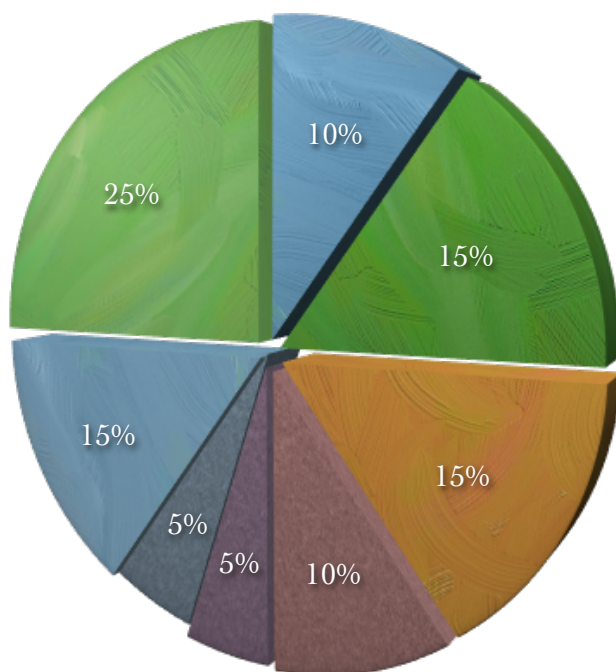
With the current *Believe in the Future* program expiring in 2017, Chamber and *Partners for Growth* leaders are planning for a successor multi-year initiative called *Building Local, Going Global*.

One goal of the plan is to create 2,000 direct new jobs with relatively high annual wages. In fact, the average wage used for the 20 sectors that define target industries was \$74,663. Marketing to companies will center on 7 target industries: *aerospace, bio-medical and information technology, advanced manufacturing, maritime/shipbuilding, corporate headquarters and regional offices, energy and logistics/distribution*. The plan is to create jobs through strategies that support either business retention and expansion, or recruiting new companies.

In order to compute the potential impacts of 2,000 jobs, it was necessary to distribute the job goals into sectors in the I/O model. **Chart 2** shows how the 2,000 jobs goal was divided 75% between the 7 target industries and 25% for jobs that will be created in “other” sectors. Sectors in the I/O model with 50 or more employees were used to define each of the 7 target industries and the “other” category.

Chart 2

Partners for Growth
Job Goals by Target Industry



Source: Partners for Growth

The I/O model built for Mobile County has 297 sectors. Sectors that define NAICS codes were selected based on a review of all possible sectors and a detailed review of corporate profiles. Some sectors and NAICS codes were adjusted prior to running the inputs to the model, based on a review of actual sector employment.

D. Economic Impact of New and Expanding Jobs

The result of 20 inputs to sectors defining target industries was very significant impacts (outputs) on additional jobs, income and output. **Table 4** shows a summary of the impacts created by new jobs.

Table 4
Annual Impact of New & Retained Jobs
Mobile County: 2022

Impact Type	Jobs	Income⁴	Value Added⁵	Output⁶
Direct Impact¹	2,000*	\$167,858,542	\$343,049,520	\$855,411,917
Indirect Impact²	1,246	\$64,932,785	\$99,695,875	\$192,603,120
Induced Impact³	1,120	\$43,924,371	\$79,967,504	\$141,622,828
Total Impact	4,379	\$276,715,698	\$522,712,899	\$1,189,637,865

Sources: NCDS Input/Output model for Mobile County, AL. County data, MIG, Inc., IMPLAN®.

*2000 jobs adjusted to 2013 jobs by Input / Output model to account for present value of future jobs

- Notes:
- 1. Direct Impact:** Impact generated directly from the jobs created.
 - 2. Indirect Impact:** Changes in employment, income, and output (business sales) in various industry sectors of the local economy supplying goods and services to the companies that expanded.
 - 3. Induced Impact:** The ripple effect of increased income as employees spend.
 - 4. Income:** Employee compensation + proprietor income (owner wages).
 - 5. Value Added:** Labor income + indirect business taxes + other property type income.
 - 6. Output:** Value Added + intermediate inputs (goods used in production).

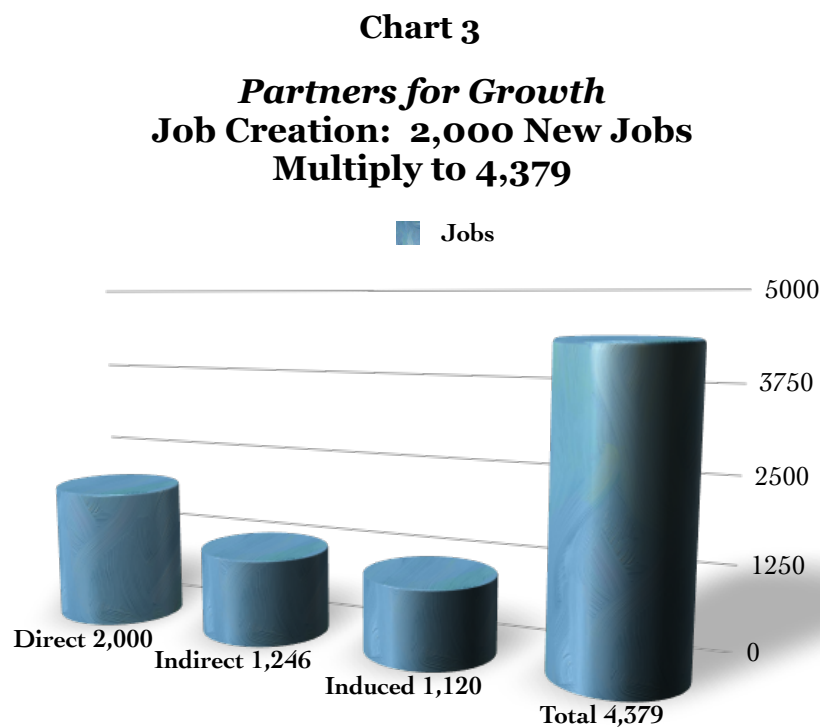
Table 4 shows the “direct” job totals and the total of “direct, indirect, and induced” impacts. The direct impact is the total 2,000 new jobs to be added from 2018 through 2022.

Indirect impacts come from the purchases of goods and services, business-to-business. As all those impacted by the new jobs spend their earnings, there are “induced” impacts. The total impact of new jobs adjusted to 2022 is 4,379 jobs, \$276.7 million of new income, \$522.7 million of new value

added, and almost \$1.2 billion of new output. Average income for all 4,379 new jobs is projected to be \$63,192.

Direct, indirect and induced impacts in **Table 4** are measured by: jobs, income, value added, and output. Income includes both wage and salary income from direct and indirect jobs, and proprietor income to those owners and self employed persons affected by indirect and induced spending. Value added includes labor income and indirect business taxes, like sales taxes. Value added also includes other income, such as rent. Output is like a country's gross national product GNP at the local level, and is the total of value added (e.g. labor) and the value of all goods used in production. Impacts also include spending and savings from disposable income, and new sales and property taxes.

Chart 3 shows how the 2,000 new jobs multiplied through indirect and induced jobs to total 4,379 new jobs in the community.



Source: Table 4.

E. Jobs Multiply Through the Economy

The ripple effect of the new jobs is computed based on multipliers. These multipliers show the effects of sales, income, spending and saving, which in turn increase the employment and earnings

of other business sectors. **Table 5**, below, shows that 2,000 direct jobs created new income of \$167.9 million, new value added of \$343.0 million and new output of \$855.4 million.

Table 5
Jobs, Income, Value Added and Output
Multiply for Greater Annual Impact: 2022

	Jobs	Income	Value Added	Output
Direct Impact	2,000	\$167,858,542	\$343,049,520	\$855,411,917
Multiplier	2.19	1.65	1.52	1.39
Total Impact	4,379	\$276,715,698	\$522,712,899	\$1,189,637,865

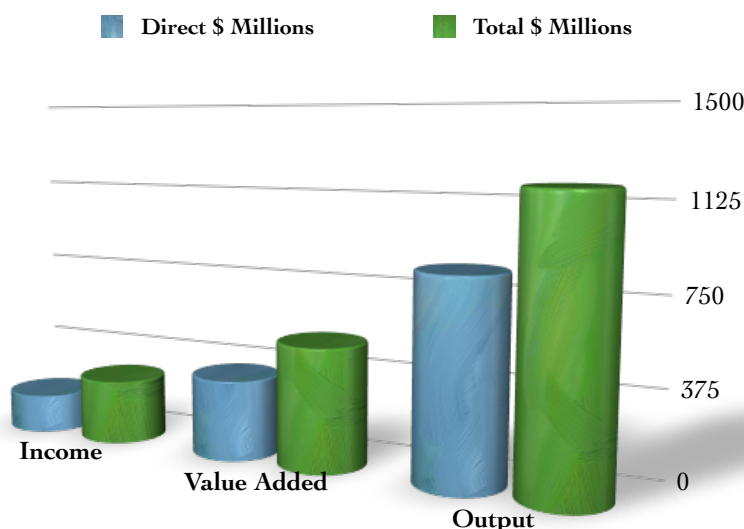
Sources: NCDS I/O model for Mobile County, AL. County data, MIG, Inc., IMPLAN®.

These are the initial and “direct” effects. Then as indirect impacts accumulated through business-to-business purchasing, and all those affected spent new income (induced impacts), the initial impacts multiplied to create 4,379 new jobs, a multiplier of 2.19, and \$276.7 million of new income, a multiplier of 1.65. Value added multiplied by 1.52 to total \$522.7 million and output by 1.39 to total almost \$1.2 billion.

Chart 4

Chart 4 illustrates the multiplier effects for income, value added and output. While all direct impacts of new jobs will occur in Mobile County, there will be some indirect and induced impacts in neighboring counties.

Partners for Growth
Direct Job Impacts
Multiply to Total Impacts



Source: Table 5.

F. Spending From New Jobs - Making an Impact

Annual new income of \$276.7 million from job creation means new disposable income, spending and savings. New income and spending also means new sales and property taxes. **Table 6** shows that new income will create disposable income of \$246.3 million by 2022. This disposable income will create \$225.3 million in new consumer expenditures and \$14.7 million in new savings deposit potential. **Table 6** also shows that Mobile County and its taxing units are receiving \$13,580,553 in new annual taxes (see **Table 11**). Detailed impacts of new jobs on annual Mobile County tax revenue appear in **Appendix I**.

Table 6
Partners for Growth
New Payrolls Generate
New Annual Spending, Savings, and Taxes

Total New Income	\$276,715,698
Disposable Personal Income¹	\$246,304,643
Consumer Expenditures²	\$225,270,226
Savings Deposit Potential³	\$14,692,072
Mobile County Taxes⁴	\$3,560,148
Mobile County: Cities, Townships, etc	\$6,841,187
Mobile County: School Districts, Fire, etc.	\$3,179,218

Sources: National Community Development Services Input/Output model for Mobile County, AL. County data, MIG, Inc., IMPLAN. DPI, PCE and savings deposit percent of income, Bureau of Economic Analysis, 2004-2013. Last revision, December, 2015.

Notes: **1. Disposable Personal Income:** Personal income less taxes. U.S. 10-year average annual percent, Bureau of Economic Analysis.
2. Consumer Expenditures: Disposable personal income less interest, personal transfer payments, and personal savings. U.S. 10-year average annual percent, Bureau of Economic Analysis.
3. Savings Deposit Potential: Personal savings rate computed from 10-year average of both National Income and Product Accounts NIPAs and Flow of Funds Accounts FFAs = 5.965% of disposable personal income.
4. County tax impacts: computed from I/O model, see **Appendix I and Table 11**.

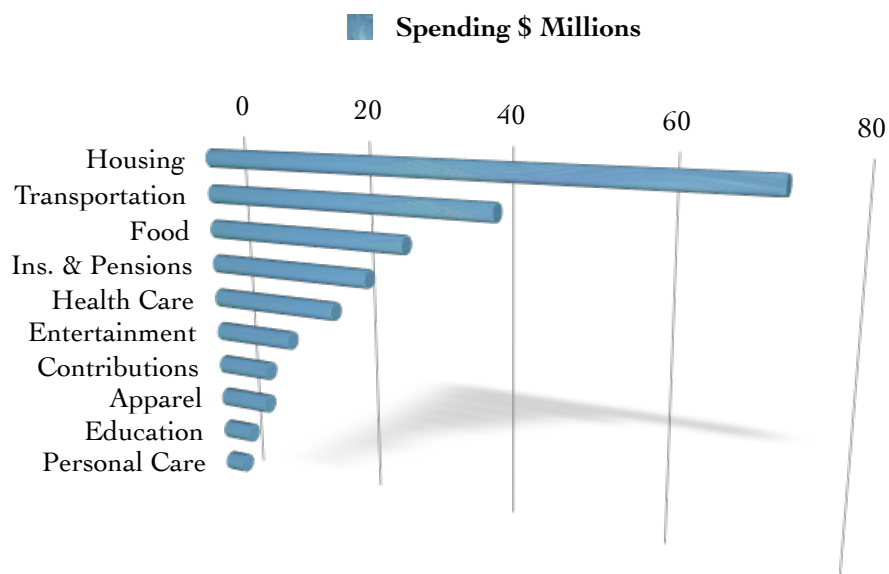
The projected impact of new jobs is increasing consumer expenditures in Mobile County by \$225.3 million annually, a benefit to all businesses. **Table 7** shows that housing leads the list of 10 major spending categories, followed by transportation and food. Health care and entertainment are in the middle and personal care ranks last among major categories. **Chart 5** shows the distribution of spending by category based on **Table 7**. For detailed spending by category, see **Appendix II**.

Table 7
Partners in Growth
New Annual Spending by Category: 2022

Rank	Spending Category	Spending in Millions
1	Housing	\$73.2
2	Transportation	\$41.2
3	Food	\$29.1
4	Personal insurance and pensions	\$23.7
5	Health care	\$18.5
6	Entertainment	\$11.5
7	Cash contributions	\$7.7
8	Apparel and services	\$7.2
9	Education	\$4.1
10	Personal care	\$2.7

Sources: NCDS Input/Output model for Mobile County, AL. Bureau of Labor Statistics, Consumer Expenditure Survey, South, 2014. Data released December 2015. See **Appendix II**.

Chart 5
Partners for Growth
Distribution of New Annual Spending
Major Categories: 2022



Source: Table 7.

G. New Output by Sector

Detailed outputs from jobs come from the I/O model built for Mobile County. Output by sector differs from spending categories due to definitions and the way data is collected and structured. For example, in this analysis housing is the largest spending category with \$73.2 million based on Bureau of Labor Statistics BLS, surveys, and also ranks 1st in this I/O model, with \$21.2 million in new output based on the way the National Income and Product Accounts (NIPAs) are assembled and what is included in “housing”. The definitions of “housing spending” and “housing output” are much different. Housing spending as defined by the BLS is larger than output because it includes spending for utilities, operations, supplies, furnishings and equipment.

The model computed total output for 280 business sectors that had new business (new output) adjusted to 2022. Sectors in the model are defined by groups of NAICS codes. **Table 8** shows the “top 10” sectors impacted.

Table 8
Partners in Growth
New Annual Output
Top 10 Sectors (Investors): 2022

Rank	Output Category	Output in Millions
1	Housing	\$21.2
2	Real estate	\$21.1
3	Hospitals	\$11.1
4	Employment services	\$9.4
5	Legal services	\$7.4
6	Limited service restaurants	\$7.2
7	Maintenance and repair, non residential	\$7.0
8	Architectural, engineering services	\$6.5
9	Offices of physicians	\$6.4
10	Electric power	\$5.9

Sources: NCDS Input/Output model for Mobile County, AL. County data, MIG, Inc., IMPLAN®. See **Appendix III**.

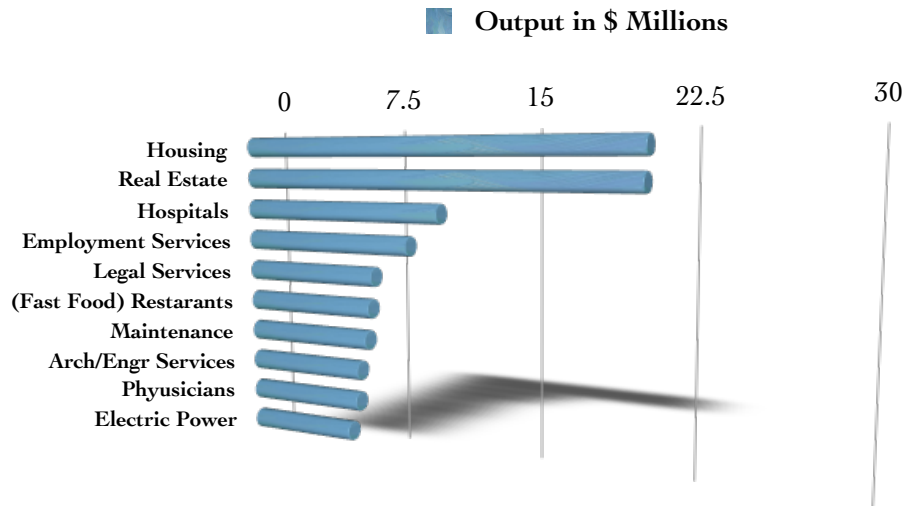
Total output is the best way to see total impacts because it captures everything, like “Gross Domestic Product”. Total new output is \$1,189,637,865. Output is the sum of all labor income, indirect business taxes, other property type income and all the intermediate inputs, i.e. goods used in production.

Chart 6 was created from **Table 8**, and illustrates the top 10 business-to-business impacts by sector from new jobs ranked by total output.

Housing, with \$21.2 million in new output leads the list of sectors with the most impact, followed by real estate, hospitals, employment and legal services. Limited service restaurants (fast food) ranks 6th while maintenance and repair of non-residential structures ranks 7th in total impact. Architectural and engineering services, offices of physicians, and electric power, round out the “top 10”. **Appendix III** lists many other sectors with new business output. The “top 10” and many other sectors represent groups of potential investors in economic development.

Chart 6

Partners for Growth Annual Output by Sector Top 10 Business-to-Business Impacts 2022



Source: Table 8.

Return on Investment

Private Sector Return on Investment

From a private sector point of view, return on investment ROI, is based on output generated from new and retained jobs and the profits from that output. New output from new and expanding companies is expected to reach \$1,189,637,865 by 2022.

Net profits from output measure returns to the business community. Profit margins vary from one business sector to the other, so a good way to summarize ROI for Partners for Growth investors is to use the average net profit among all firms in the U.S. securities markets today. This average was 7.84% in January of 2015 according to NYU's Stern School of Business, and several studies have confirmed a 25-year average rate of 8%.

Dividing net profits returned to the community by the investment in economic development equals the return on this investment.

Table 9 shows that the 5-year total investment goal (2018 - 2022) in *Partners for Growth* is \$11 million. *Partners for Growth* is a public private partnership with \$3 million of the 5-year total invested by the public sector, and \$8 million invested by private companies.

Table 9
Partners for Growth
Campaign Goal

Public	Private	Total
\$3,000,000	\$8,000,000	\$11,000,000

Source: Mobile Area Chamber of Commerce, Partners for Growth.

Table 10 shows the computations for a return on investment based on average net profits returned to the community divided by the 5-year amount of private investment:

Partners for Growth is projected to do very well. As of 2022, job growth will return \$11.90 to the community each year in average corporate profits for every \$1.00 invested in economic development. This ROI is understated because jobs will last well past 2022.

Table 10
Private Sector
Annual Return on Investment
2022

	Computations	
Net Profit	\$1,189,637,865 (2022 output) x 8% average net profit =	\$95,171,029
5-year ROI	\$95,171,029 net profits/\$8,000,000 investment =	\$11.90 to \$1.00

Source: NCDS, ESC I/O model. ESC assumptions.

Public Sector Return on Investment

Table 11 shows that Mobile County and its taxing subdivisions are receiving \$13,580,553 in new annual sales and excise taxes, customs duties, property taxes, motor vehicle licenses, severance taxes, other taxes, and special fees and assessments. New jobs are projected to generate \$3,560,148 in new County taxes each year, while Mobile County cites, townships and villages will receive \$6,841,187 each year. Special districts, like school and fire will receive \$3,179,218.

Table 11
Mobile County
Annual Taxes Received by
Mobile County and Taxing Subdivisions
2022

Governmental Unit	Tax on Production & Imports*	Households	Corporations	Total
Mobile County	\$3,527,351	\$22,668	\$10,129	\$3,560,148
Mobile County: Cities, townships, villages, etc.	\$6,438,961	\$390,239	\$11,987	\$6,841,187
Mobile County School districts, fire districts, etc.	\$3,134,185	\$29,395	\$15,638	\$3,179,218
Total	\$13,100,497	\$442,302	\$37,754	\$13,580,553

Source: NCDS, ESC, I/O model, IMPLAN®.

Notes: * Tax on production and imports includes sales and excise taxes, customs duties, property taxes, motor vehicle licenses, severance taxes, other taxes, and special fees and assessments.

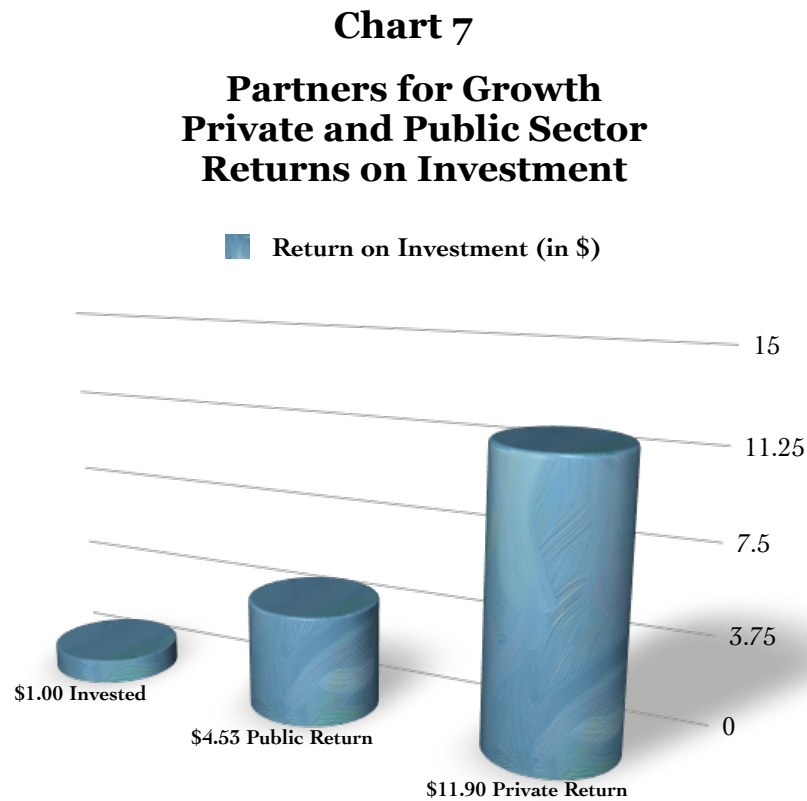
Table 13 shows how \$13,580,553 in total Mobile County public sector tax revenue can be divided by the \$3,000,000 invested by the public sector in Partners for Growth to compute a public sector return on investment. For every \$1.00 invested by the Mobile County public sector, \$4.53 is being returned in the form of new tax revenue.

Table 12
Public Sector
Return on Investment
2022

Taxing Unit	Taxes Returned
Mobile County	\$3,560,148
Cities, townships, villages, etc.	\$6,841,187
School districts, fire districts, etc.	\$3,179,218
Total	\$13,580,553
5-Year Return on Investment	
\$13,580,553 / \$3,000,000	\$4.53 to \$1.00

Source: NCDS, ESC I/O model.

Chart 7 illustrates the private and public sector ROIs.



Tables 10, and 12.

APPENDIX I

Mobile County Tax Impacts From *Partners for Growth: 2022*

Description	Employee Compensation	Tax on Production and Imports*	Households	Corporations
Dividends				\$10,129
Social Ins Tax- Employee Contribution	\$0			
Social Ins Tax- Employer Contribution	\$0			
Tax on Production and Imports: Sales Tax		\$1,499,948		
Tax on Production and Imports: Property Tax		\$1,879,486		
Tax on Production and Imports: Motor Vehicle Lic.		\$4,400		
Tax on Production and Imports: Severance Tax		\$0		
Tax on Production and Imports: Other Taxes		\$143,517		
Tax on Production and Imports: S/L Non-Taxes		\$0		
Corporate Profits Tax				\$0
Personal Tax: Income Tax			\$0	
Personal Tax: Non-Taxes (Fines- Fees			\$0	
Personal Tax: Motor Vehicle License			\$4,286	
Personal Tax: Property Taxes			\$18,382	
Personal Tax: Other Tax (Fish/Hunt)			\$0	
Total State and Local Tax	\$0	\$3,527,351	\$22,668	\$10,129
Total				\$10,129

Source: NCDS, ESC Input/Output model for Mobile County, AL. County data, MIG Inc., IMPLAN®, 2014.

Notes: * “Tax on production & imports less subsidies that are netted out.” As part of the 2003 NIPA revision, this replaced indirect business taxes and nontax payments as one of the three components of value added. This component (column) includes sales and excise taxes, customs duties, property taxes, motor vehicle licenses, severance taxes, other taxes, and special assessments. It excludes most nontax payments, and subsidies are netted out. S/L Non-taxes = State & Local Non-taxes such as fees and assessments.

APPENDIX II

Distribution of Annual Spending from Jobs: 2022

Categories	Share of Total* (%)	Expenditure Total = \$225,270,226
FOOD	12.9%	\$29,059,859
Food at home	7.5%	\$16,895,267
Food away from home	5.4%	\$12,164,592
ALCOHOLIC BEVERAGES	.7%	\$1,576,892
HOUSING	32.5%	\$73,212,823
Shelter	17.9%	\$40,323,370
Owned dwellings	10.7%	\$24,103,914
Mortgage interest and charges	5.5%	\$12,389,862
Rented dwellings	6.1%	\$13,741,484
Other lodging	1.2%	\$2,703,243
Utilities, fuels and public services	8.2%	\$18,472,159
Natural gas	.5%	\$1,126,351
Electricity	3.7%	\$8,334,998
Fuel oil and other fuels	.1%	\$225,270
Telephone services	2.7%	\$6,082,296
Water and other public services	1.1%	\$2,477,972
Household operations	2.2%	\$4,955,945
Housekeeping supplies	1.2%	\$2,703,243
Household furnishings and equipment	3.0%	\$6,758,107
APPAREL AND SERVICES	3.2%	\$7,208,647
TRANSPORTATION	18.3%	\$41,224,451
Vehicle purchases	7.2%	\$16,219,456
Cars and trucks, new	3.6%	\$8,109,728
Cars and trucks, used	3.5%	\$7,884,458
Gasoline and motor oil	5.2%	\$11,714,052
Other vehicle expenses	5.1%	\$11,488,782
Vehicle finance charges	.5%	\$1,126,351
Maintenance and repairs	1.6%	\$3,604,324
Vehicle insurance	2.2%	\$4,955,945
Vehicle rental and leases	.8%	\$1,802,162
Public transportation	.8%	\$1,802,162
HEALTH CARE	8.2%	\$18,472,159
Health insurance	5.5%	\$12,389,862
Medical services	1.3%	\$2,928,513
Drugs	1.1%	\$2,477,972
Medical supplies	.2%	\$450,540
ENTERTAINMENT	5.1%	\$11,488,782
PERSONAL CARE PRODUCTS/SERVICES	1.2%	\$2,703,243
EDUCATION	1.8%	\$4,054,864
CASH CONTRIBUTIONS	3.4%	\$7,659,188
PERSONAL INSURANCE AND PENSIONS	10.5%	\$23,653,374
Life and other personal insurance	.6%	\$1,351,621
Pensions and Social Security	9.9%	\$22,301,752
OTHER (reading, tobacco & miscellaneous)	2.2%	\$4,955,945

Source: Bureau of Labor Statistics, Consumer Expenditure Survey, 2014, Region of Residence, South. BLS data released December, 2015. NCDS ESC I/O model for Mobile County, AL.

Note: * All shares are % of total. Shaded, major categories total 100%.

APPENDIX III

Mobile County Annual Output by Sector¹ - 2022 And Top 10 Sectors for Business-to-Business Impacts (Sectors used for direct job impacts are shaded)

Sector	Description	Total
172	Pesticide and other agricultural chemical ma...	\$361,497,732
357	Aircraft manufacturing	\$150,813,054
395	Wholesale trade	\$78,710,950
471	Waste management and remediation services	\$75,447,271
249	Machine shops	\$46,019,866
363	Ship building and repairing	\$36,400,628
37	Drilling oil and gas wells	\$32,469,161
461	Management of companies and enterprises	\$22,900,811
441 ²	1. Imputed rental activity for owner-occupied dwellings = HOUSING + includes mortgage payments.	\$21,249,112
440	2. Real estate establishments: Lessors of industrial commercial and residential real estate, agents & brokers (commissions), REITs, managers' offices, listing services, appraisal services, escrow agencies.	\$21,056,382
411	Truck transportation	\$19,053,433
451	Custom computer programming services	\$18,735,202
456	Scientific research and development services	\$18,615,670
358	Aircraft engine and engine parts manufacturi...	\$15,279,109
452	Computer systems design services	\$14,987,856
414	Scenic and sightseeing transportation and su...	\$14,531,182
482	3. Hospitals	\$11,125,997
38	Support activities for oil and gas operation...	\$11,121,452
252	Metal coating and nonprecious engraving	\$9,890,835
464	4. Employment services	\$9,353,893
447	5. Legal services	\$7,367,440
502	6. Limited-service restaurants	\$7,181,976
62	7. Maintenance and repair construction of nonre...	\$7,032,063
449	8. Architectural, engineering, and related serv...	\$6,520,518
475	9. Offices of physicians	\$6,374,071
49	10. Electric power transmission and distribution	\$5,906,705
462	Office administrative services	\$5,507,973
526	Other local government enterprises	\$5,094,330
433	Monetary authorities and depository credit intermediation activities = Banks and Credit Unions. Output of commercial banks, savings institutions, and credit unions which includes: 1) funds, trusts, and other financial vehicles, 2) administrative expenses of pension funds, 3) service charges on deposit accounts and cash management, 4) service charges and fees on credit card accounts, 5) loan origination on all other consumer loans, 6) other products supporting financial services, and 7) ATM and other electronic transaction fees.	\$4,674,771
427	Wired telecommunications carriers	\$4,209,767
501	Full-service restaurants	\$3,877,221
465	Business support services	\$3,680,687
504	Automotive repair and maintenance, except ca...	\$3,494,473
405	Retail - General merchandise stores	\$3,372,898
42	Electric power generation - Fossil fuel	\$3,370,490

438	Insurance agencies, brokerages, and related ...	\$3,335,345
436	Other financial investment activities	\$3,131,393
416	Warehousing and storage	\$3,058,694
468	Services to buildings	\$2,855,588
507	Commercial and industrial machinery and equi...	\$2,845,616
454	Management consulting services	\$2,841,703
396	Retail - Motor vehicle and parts dealers	\$2,823,578
448	Accounting, tax preparation, bookkeeping, an...	\$2,557,492
428	Wireless telecommunications carriers (except...	\$2,517,966
457	Advertising, public relations, and related s...	\$2,491,955
483	Nursing and community care facilities	\$2,446,357
425	Radio and television broadcasting	\$2,324,681
400	Retail - Food and beverage stores	\$2,289,337
442	Automotive equipment rental and leasing	\$2,250,602
430	Data processing, hosting, and related servic...	\$2,216,325
434	Non-depository credit intermediation and rela...	\$2,185,103
479	Medical and diagnostic laboratories	\$2,100,813
437	Insurance carriers	\$2,094,264
518	Postal service	\$1,968,718
409	Rail transportation	\$1,900,577
415	Couriers and messengers	\$1,898,252
460	Marketing research and all other miscellaneo...	\$1,885,476
445	Commercial and industrial machinery and equi...	\$1,870,590
467	Investigation and security services	\$1,703,812
476	Offices of dentists	\$1,699,486
399	Retail - Building material and garden equipm...	\$1,694,932
439	Funds, trusts, and other financial vehicles	\$1,674,328
162	Industrial gas manufacturing	\$1,663,397
508	Personal and household goods repair and main...	\$1,554,428
63	Maintenance and repair construction of resid...	\$1,550,718
503	All other food and drinking places	\$1,517,347
477	Offices of other health practitioners	\$1,499,236
453	Other computer related services, including f...	\$1,464,735
217	Iron and steel mills and ferroalloy manufact...	\$1,447,033
446	Lessors of nonfinancial intangible assets	\$1,444,030
407	Retail - Non-store retailers	\$1,423,039
20	Extraction of natural gas and crude petroleu...	\$1,406,969
401	Retail - Health and personal care stores	\$1,396,990
469	Landscape and horticultural services	\$1,390,338
361	Propulsion units and parts for space vehicle...	\$1,302,997
506	Electronic and precision equipment repair an...	\$1,285,244
478	Outpatient care centers	\$1,181,040
403	Retail - Clothing and clothing accessories s...	\$1,130,281
480	Home health care services	\$1,125,439
463	Facilities support services	\$1,122,811
473	Junior colleges, colleges, universities, and...	\$1,059,148
164	Other basic inorganic chemical manufacturing	\$1,001,793
50	Natural gas distribution	\$976,394
509	Personal care services	\$965,000
417	Newspaper publishers	\$964,145
402	Retail - Gasoline stores	\$926,282
514	Grant-making, giving, and social advocacy org...	\$899,613
485	Individual and family services	\$873,546
219	Rolled steel shape manufacturing	\$835,625

165	Other basic organic chemical manufacturing	\$760,911
512	Other personal services	\$758,491
455	Environmental and other technical consulting...	\$745,005
406	Retail - Miscellaneous store retailers	\$741,159
450	Specialized design services	\$734,551
487	Child day care services	\$716,476
472	Elementary and secondary schools	\$715,882
397	Retail - Furniture and home furnishings stor...	\$711,956
408	Air transportation	\$690,981
435	Securities and commodity contracts intermedi...	\$678,386
516	Labor and civic organizations	\$676,369
515	Business and professional associations	\$650,661
364	Boat building	\$648,978
511	Dry-cleaning and laundry services	\$614,083
474	Other educational services	\$552,466
398	Retail - Electronics and appliance stores	\$537,616
410	Water transportation	\$534,411
443	General and consumer goods rental except vid...	\$528,600
418	Periodical publishers	\$528,392
470	Other support services	\$505,245
412	Transit and ground passenger transportation	\$490,697
481	Other ambulatory health care services	\$486,898
459	Veterinary services	\$470,565
524	Local government passenger transit	\$468,740
432	Internet publishing and broadcasting and web...	\$435,918
426	Cable and other subscription programming	\$426,290
505	Car washes	\$425,604
47	Electric power generation - Biomass	\$408,793
160	All other petroleum and coal products manufa...	\$405,915
404	Retail - Sporting goods, hobby, musical inst...	\$402,419
484	Residential mental retardation, mental healt...	\$394,856
496	Other amusement and recreation industries	\$360,171
523	Other state government enterprises	\$356,609
486	Community food, housing, and other relief se...	\$355,019
513	Religious organizations	\$332,172
51	Water, sewage and other systems	\$326,178
495	Gambling industries (except casino hotels)	\$322,242
466	Travel arrangement and reservation services	\$313,629
154	Printing	\$285,591
423	Motion picture and video industries	\$273,027
15	Forestry, forest products, and timber tract ...	\$272,592
429	Satellite, telecommunications resellers, and...	\$263,408
517	Private households	\$254,648
492	Independent artists, writers, and performers	\$250,598
106	Bottled and canned soft drinks & water	\$250,206
458	Photographic services	\$241,779
510	Death care services	\$239,140
491	Promoters of performing arts and sports and ...	\$224,284
488	Performing arts companies	\$221,323
177	Paint and coating manufacturing	\$218,241
497	Fitness and recreational sports centers	\$218,019
21	Extraction of natural gas liquids	\$205,331
218	Iron, steel pipe and tube manufacturing from...	\$184,656
489	Commercial Sports Except Racing	\$156,662

420	Directory, mailing list, and other publisher...	\$140,447
431	News syndicates, libraries, archives and all...	\$129,431
499	Hotels and motels, including casino hotels	\$128,395
246	Metal barrels, drums and pails manufacturing	\$117,067
19	Support activities for agriculture and fores...	\$109,432
158	Asphalt shingle and coating materials manufa...	\$107,323
520	Other federal government enterprises	\$105,869
149	Paperboard container manufacturing	\$103,252
424	Sound recording industries	\$102,747
	280 sectors with new output. Please contact NCDS, ESC for detailed output in sectors with less than \$100,000	

Source: National Community Development Services Input/Output model for Mobile County, AL. County data, MIG, Inc., IMPLAN®, 2014, data released January, 2016.

Notes: 1. Sectors used to define inputs are shaded and not used in the “top 10 impacts” because these inputs are the direct impacts that create outputs from indirect and induced effects, the very important business-to-business impacts.

2. Sector 441 treats homeownership and maintenance like a rental industry and includes purchases made by homeowners for the upkeep of residences and payments on mortgages. This approach was created by the Bureau of Economic Analysis, BEA, to manage home ownership spending in the National Income and Product Accounts, NIPAs.

APPENDIX IV

METHODOLOGY

Regional economic impact analysis focuses on what investors in economic development programs demand: ***measurability, accountability, and return on their investment***. In order to estimate economic impacts of job creation, the model translates the change in initial employment into changes in employment and earnings from other interdependent sectors. These effects are defined as:

- ◆ *Direct Impact* represents the jobs created.
- ◆ *Indirect Impact* represents the changes in employment, income, and output (business sales) in various industry sectors of the local economy that supply goods and services to the companies that have expanded. Examples include industries such as food suppliers to restaurants, construction services, professional business services, and manufacturing support services.
- ◆ *Induced impact* captures the ripple effect of increased household and/or institutional income. The spending of wages and salaries by direct and indirect employees on items such as food, housing, transportation and medical services creates induced employment in other sectors of the economy.
- ◆ *Total impact* is the sum of the direct, indirect and induced impacts. The total effect measures the impact of an activity as it “ripples” throughout the region’s economy.

Regional economic impact analysis has some limitations:

- ◆ All benefits do not accrue to the county being studied. The benefits of job creation rarely accrue solely to the immediate area. The methodology used in this study uses single county data. For metropolitan areas where there are many inter-county transactions, outputs will be less than if all spending occurred in the county study area. For smaller MSAs, 2 or 3 counties, most impacts usually flow to one employment center (county).
- ◆ Program impacts are calculated based on the current structure of the regional economy. Annual impacts may increase and decrease over time as changes occur within the regional economy.

APPENDIX V

ABOUT NCDS AND THE ECONOMIC STRATEGY CENTER



National Community Development Services, Inc. (NCDS) is a pioneer in nonprofit, community-based fundraising. Since 1977, NCDS has raised over \$1.7 billion for more than 700 organizations, in 44 states across the U.S.

The Economic Strategy Center is the economic research and analysis division of NCDS. The ESC applies research tools and techniques to evaluate the economic impacts of development programs. It conducts in depth research using local, state and national sources.

The ESC has provided research and economic analysis services to hundreds of organizations throughout the U.S. It performs studies to identify economic trends and measure a program's economic impact by quantifying its return on investment (ROI).

The ESC helps clients address three types of issues:

- **Market Analysis** - How will my organization be affected by changes in the economy? What should I do to respond to them?
- **Cost/Benefit Analysis** - What will be the economic impact/benefits and costs of my project/program? What should I do to maximize net value? What is the return on investment?
- **Economic Development Strategy** - How can my project/program affect business growth and attraction? How can I best target my efforts?

The ESC uses the latest data and techniques available. We are members of *C2ER - The Council for Community and Economic Research* (formerly ACCRA), *The International Economic Development Council*, and *The Association of Public Data Users*.

For more information visit: <http://www.ncdsinc.net/ESC.htm>