

Impact Area Economic Analysis

Direct Economic Impact: This is the initial injection into the economy. In our case, the \$304.6 million of personal income is the direct impact.

Indirect Economic Impact: This is the economic activity that stems from a direct monetary injection. For example, a consumer's income is used to buy goods from a store. When that store uses the consumer's money to purchase goods and services, these are indirect impacts.

Induced Economic Impact: The increase in economic activity that stems from households spending both direct and indirect income. For example, when workers employed at the providers of goods and services of the above store (which benefitted from an indirect impact) spend money received from the indirect impact, this is an induced impact.

Impact Area Multiplier Results	
	Conservative Multiplier
Direct Job Impact (No. of Jobs)	5,500
Total Personal Income	\$278,262,000
Tax Revenue Impact	\$8,542,628
Indirect & Induced Economic Activity	\$417,393,000
Total Monetary Impact	\$704,197,628

Conservative Multiplier is 1.5 times the personal income impact

Employment: Office occupancy went from 14.4 Million Square Feet (MSF) in 2007 to 13.3 MSF in 2010. Moreover, sublet vacancy went from a quarterly average of 30,000 SF in 2007 to 167,000 SF in 2010. The loss in occupied space of 1.1 MSF from 2007 to the present was used to determine the job loss figure. At 200 SF per worker, 5,500 jobs have been lost in the Impact Area. Construction of the Rt. 29 slip-ramp would increase the probability of replacing those jobs.

Personal Income: The Impact Area has an average per capita income of \$50,593. Given the number of lost and recoverable jobs, the construction of the Rt. 29 slip-ramp would help to recover \$304.6 million in personal income. In other words, the Impact Area stands to lose \$304.6 million in personal income per year if every effort is not done to regain the 5,500 workers.

Tax Revenue: The tax revenue impact was calculated by multiplying the personal income impact by the PA personal income tax rate (3.07%). If the personal income is not recouped, the Impact Area will lose \$9.4 million in income tax revenue per year.

Total Monetary Impact: The Impact Area not only has lost the \$304.6 million in personal income, but the associated indirect and induced monetary impacts. Using a conservative economic multiplier (1.5 times the personal income impact), the Impact Area would gain \$704 million per year in tax revenue and direct, indirect, and induced economic activity.