

PREPARED FOR:

Dutchess County Industrial Development Agency
3 Neptune Road
Poughkeepsie, NY 12601

Economic and Fiscal Impact

IBM QUANTUM FACILITY

Dutchess County
Industrial Development Agency

SEPTEMBER 2026

PREPARED BY:



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ABOUT THE STUDY

The Dutchess County Industrial Development Agency retained Camoin Associates to measure the potential economic and fiscal impacts of a project proposed by the International Business Machines Corporation (IBM). The project includes the construction of a large quantum facility in the Town of Poughkeepsie. The Project is an advanced manufacturing and research and development (R&D) operation (NAICS 334111 – Electronic Computer Manufacturing), expanding IBM’s existing Poughkeepsie campus, which supports the IBM Z mainframe platform and IBM Quantum systems.

This analysis aims to provide a comprehensive assessment of the project's total economic, employment, and tax impacts on Dutchess County resulting from the construction phase and on-site operations.

The primary tool used in this analysis is the input-output model developed by Lightcast. Primary data used in this study was obtained from IBM’s application for financial assistance to the Dutchess County Industrial Development Agency and included the following data points: construction spending, new jobs, and PILOT schedule information.

The economic impacts are presented in four categories: direct impact, indirect impact, induced impact, and total impact. The indirect and induced impacts are commonly called the “multiplier effect.”

STUDY INFORMATION

Data Source:
IBM Application for Assistance
and the Dutchess County
Industrial Development Agency

Geography:
Dutchess County

Study Period:
2026 - 2056

Modeling Tool:
Lightcast

DIRECT IMPACTS

This initial round of impacts is generated as a result of spending on construction and operations.

INDIRECT IMPACTS

The direct impacts have ripple effects through business-to-business spending. This spending results from the increase in demand for goods and services.

INDUCED IMPACTS

Impacts that result from spending by facility employees and employees of suppliers. Earnings of these employees enter the economy as employees spend their paychecks in the county on food, clothing, and other goods and services.

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EXECUTIVE SUMMARY

The Dutchess County Industrial Development Agency (the Agency) received an application for financial assistance from IBM (the Applicant) for the construction of a large advanced manufacturing and research and development (R&D) facility (NAICS 334111 – Electronic Computer Manufacturing) (the Project) in the Town of Poughkeepsie (the Town) at 2455 South Road (the Site). The Project proposed by the Applicant includes a 300,000-square-foot quantum facility, a 12,000-square-foot cryogenic plant and generator building, and the renovation of building 416, totaling 44,000 square feet. The Project is expected to create at least 200 new, full-time positions while retaining over 2,000 existing employees. The Agency commissioned Camoin Associates to conduct an economic and limited fiscal impact analysis of the Project on Dutchess County (the “County”).

The following is a summary of our findings from this study, with details in the sections that follow.

Table 1

Summary of Benefits to County

Total Jobs	355
Direct Jobs	200
Total Earnings	\$ 26,495,313
Direct Earnings	\$ 16,686,050
Annual Sales Tax Revenue to County	\$ 156,488
Average Annual PILOT Payment	\$ 8,742,318
Net Benefit of PILOT vs. Property Taxes Without the Project (30 Years, Present Value)	\$ 2,385,223
Average Annual Benefit (Cost) to County of Project with PILOT compared to No Project (PILOT benefit + Sales Tax + Community Benefit)	\$ 2,541,711
Average Annual Benefit (Cost) to Applicant of Project with PILOT compared to Project Without PILOT	\$ 2,031,182

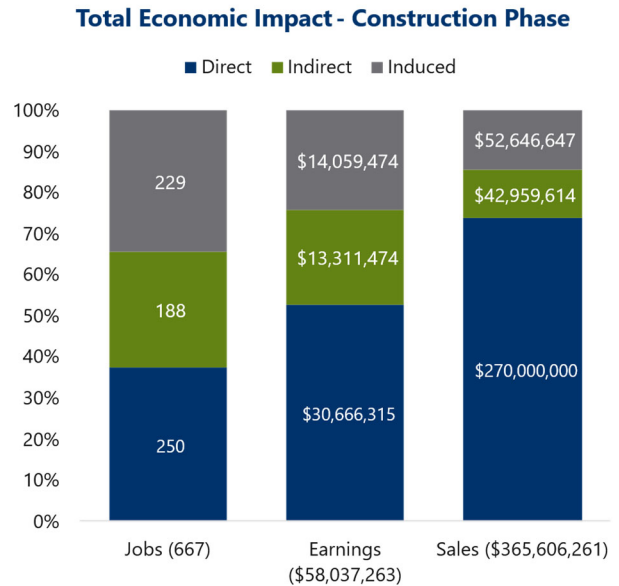
- ◆ The Project would support 355 new jobs in the County, with \$26.5 million in associated earnings. These figures include net new jobs resulting from on-site operations.
- ◆ The Applicant has negotiated the terms of a proposed 30-year PILOT agreement with the Agency, under which the Applicant would pay an average of \$8.7 million annually. On a present-value basis, the PILOT is projected to generate a net benefit of \$2.4 million to the County over the 30-year term, as payments run ahead of the property taxes the Site would otherwise generate from year 5 through year 16. In nominal terms, the PILOT averages \$210,575 less annually than those property taxes over the full term.
- ◆ Through negotiations with the Agency, the Applicant could obtain a sales tax exemption of up to \$104.2 million. However, assuming that the Project would not occur absent IDA benefits, this is not a “cost” to the state and County since no future revenue stream would exist without the exemptions, but rather revenue the County and State are willing to forgo as an incentive for the Project to move forward.
- ◆ Sales tax from construction and operations earnings, together with the increase in property tax revenue relative to the no-project baseline, would benefit the County by \$5.1 million over the 30-year life of the PILOT (in present value).

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Construction Impact

- ♦ The construction associated with the Project would result in approximately 250 new direct construction jobs, generating around \$30.7 million in on-site earnings and an additional \$27.4 million in indirect and induced earnings. Figure 1 displays more details on the economic impact of construction.
- ♦ Sales associated with the construction phase would be taxed, generating sales tax revenue for the County. Sales tax associated with the construction phase of the Project is estimated to contribute approximately \$342,783 to the County.

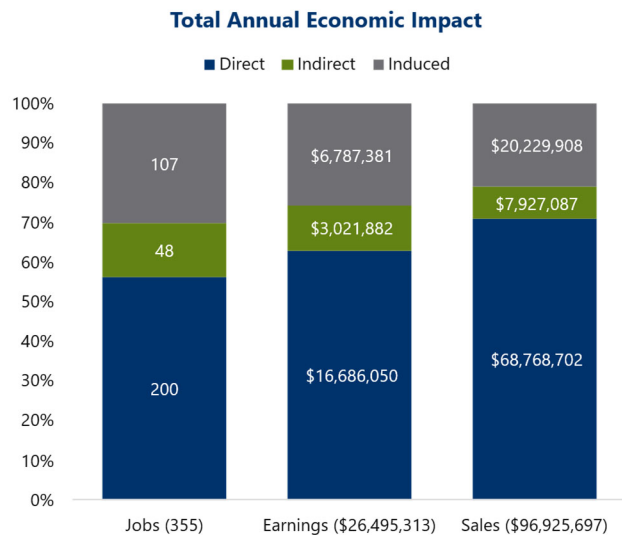
Figure 1



Annual Impact

- ♦ The Project would support 200 net new jobs in the County, with nearly \$16.7 million in associated earnings and \$68.8 million in associated sales. Figure 2 summarizes the Project's annual economic impact.
- ♦ Sales associated with the on-site operations are estimated to generate \$156,488 in sales tax revenue for the County annually.
- ♦ On a present-value basis, the PILOT is projected to generate a net benefit of \$2.4 million to the affected taxing jurisdictions over the 30-year term, as payments run ahead of the no-project baseline from year 5 through year 16. The schedule of payments to be made by the Applicant under the proposed 30-year PILOT agreement would be approximately \$6.3 million less than the property tax payments generated by the Site if the Project were not to occur, in nominal terms. In other words, the PILOT costs the affected taxing jurisdictions an average of \$210,575 annually on a nominal basis, with shortfalls concentrated in the initial construction years and the final years of the agreement.

Figure 2



ECONOMIC IMPACT ANALYSIS

The estimates of direct economic activity generated during the construction phase and Project operation, as provided by the Applicant, were used as the direct inputs for the economic impact model. Camoin Associates used the input-output model designed by Lightcast to calculate total economic impacts. Lightcast allows the analyst to input the amount of new direct economic activity (spending or jobs) occurring within the County to estimate the spillover effects that the net new spending or jobs have as these new dollars circulate through the Dutchess County economy. This is captured in the indirect and induced impacts and is commonly called the “multiplier effect.” See Attachment A for more information on economic impact analysis.

CONSTRUCTION PHASE IMPACTS

The Applicant anticipates that the total cost of the Project exceeds \$2.5 billion, of which construction-related hard costs amount to \$900 million.¹ It is assumed that 30%² of the construction spending would be sourced from within the County, representing \$270 million in net new spending in the County associated with the construction phase of the Project.

Table 2

Construction Phase Spending - County

Total Construction Cost	\$ 900,000,000
Percent Sourced from County	30%
Net New Construction Spending	\$ 270,000,000

Source: Applicant, Camoin Associates, Lightcast

Based on the \$270 million in net new direct spending associated with the construction phase of the Project, there would be \$365.6 million in total one-time construction-related spending supporting 667 jobs over the construction period across the County and \$58.0 million in earnings. Table 3 outlines the economic impacts of construction.

Table 3

County Economic Impact - Construction Phase

	Jobs	Earnings	Sales
Direct	250 \$	30,666,315 \$	270,000,000
Indirect	188 \$	13,311,474 \$	42,959,614
Induced	229 \$	14,059,474 \$	52,646,647
Total	667 \$	58,037,263 \$	365,606,261

Source: Lightcast, Camoin Associates

¹ Includes total hard costs as provided by the Applicant in Exhibit A: IDA Summary.

² Camoin Associates conducted an industry analysis to determine the percentage of construction-related spending that would likely be sourced from within Dutchess County.

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IMPACTS OF ON-SITE EMPLOYMENT

According to the Applicant, 200 jobs would be created on-site for manufacturing technicians and professionals once construction is completed. The Applicant also provided salary ranges for the job positions, with an estimated \$16.7 million in total new earnings.

Table 4

On-Site Jobs

	Jobs	Annual Earnings	Total Earnings
Manufacturing Technician (HS)	90	\$ 68,000	\$ 6,120,000
Manufacturing Technician (Tech Cert)	51	\$ 83,500	\$ 4,258,500
Manufacturing Professional (BS)	40	\$100,000	\$ 4,000,000
Manufacturing Professional (Advanced Degree)	19	\$121,450	\$ 2,307,550
Total	200	\$ 83,430	\$16,686,050

Source: Applicant, Camoin Associates

The table below displays the economic impact of the 200 new jobs.

Table 5

County Economic Impact - On-Site Operations

	Jobs	Earnings	Sales
Direct	200	\$ 16,686,050	\$ 68,768,702
Indirect	48	\$ 3,021,882	\$ 7,927,087
Induced	107	\$ 6,787,381	\$ 20,229,908
Total	355	\$ 26,495,313	\$ 96,925,697

Source: Lightcast, Camoin Associates

IMPACTS ON SCHOOL DISTRICT ENROLLMENTS

The Project is not expected to have any impact on the school district in terms of additional enrollment.

FISCAL IMPACT ANALYSIS

In addition to the Project's economic impact on the local economy, there would also be a fiscal impact in the form of annual property and sales tax revenue. The following section of the analysis outlines the impact of Project completion on local taxing jurisdictions, including costs and benefits to municipal budgets.

PAYMENT IN LIEU OF TAXES (PILOT)

The Applicant has applied to the Agency for a Payment In Lieu of Taxes (PILOT) agreement. The Applicant has proposed a 30-year PILOT payment schedule based on the current tax rate, taxable value, and assessed value of the Project. The affected jurisdictions under the proposed PILOT include the County, Town, and School District, leaving taxes paid to the special districts (Arlington Fire, Consolidated Lighting, and Poughkeepsie Library) unchanged. Under the proposed terms, property taxes would be levied on the current assessed value of \$109.2 million for the first four years of the PILOT with no annual escalation. After the assessed value increases to \$145 million in year five, property taxes would be levied with a 0.25% annual escalation for the remainder of the PILOT. Based on the proposed terms of the PILOT, Camoin Associates calculated the potential impact on the affected jurisdictions.

Table 6 calculates the fiscal impact to the affected taxing jurisdictions as the difference between the PILOT payments associated with the Project and the property tax payments without the Project. On a present-value basis, the PILOT is projected to generate a net benefit of \$2.4 million to the affected taxing jurisdictions over the 30-year term: PILOT payments run ahead of the no-project baseline from year 5 through year 16, and the present value of those early gains outweighs the shortfall in the later years. In nominal terms, the schedule averages \$210,575 less annually than the property taxes the Site would otherwise generate, for a nominal total of \$6.3 million over the 30 years. The amended PILOT includes no property tax abatement: the Applicant pays the full, unabated tax on the negotiated assessed values throughout the term. As context, the Applicant will pay \$2.0 million less per year, on average, under the PILOT than it would under full, unabated taxation at an assumed market growth rate on the completed development — a difference driven by the PILOT's fixed 0.25% annual escalation rather than by any reduction in the tax rate or assessed value.

Table 6

Property Tax Comparison

Year	A Property Tax Payment Without Project*	B PILOT Payment	C Property Tax Payment With Project and No PILOT	D Benefit (Cost) of Project to Municipalities (B-A)	E Benefit (Cost) of PILOT to Applicant (C- B)
1 (Construction)	\$ 6,620,644	\$ 6,620,644	\$ 6,620,644	\$ -	\$ -
2 (Construction)	\$ 6,753,056	\$ 6,620,644	\$ 6,753,057	\$ (132,412)	\$ 132,413
3 (Construction)	\$ 6,888,117	\$ 6,620,644	\$ 6,888,118	\$ (267,473)	\$ 267,474
4 (Construction)	\$ 7,025,880	\$ 6,620,644	\$ 7,025,880	\$ (405,236)	\$ 405,236
5	\$ 7,166,397	\$ 8,788,516	\$ 8,788,516	\$ 1,622,119	\$ -
6	\$ 7,309,725	\$ 8,810,487	\$ 8,964,286	\$ 1,500,762	\$ 153,799
7	\$ 7,455,920	\$ 8,832,512	\$ 9,143,572	\$ 1,376,592	\$ 311,060
8	\$ 7,605,038	\$ 8,854,594	\$ 9,326,443	\$ 1,249,556	\$ 471,849
9	\$ 7,757,139	\$ 8,876,731	\$ 9,512,972	\$ 1,119,592	\$ 636,241
10	\$ 7,912,282	\$ 8,898,923	\$ 9,703,232	\$ 986,641	\$ 804,309
11	\$ 8,070,527	\$ 8,921,171	\$ 9,897,296	\$ 850,644	\$ 976,125
12	\$ 8,231,938	\$ 8,943,473	\$ 10,095,242	\$ 711,535	\$ 1,151,769
13	\$ 8,396,576	\$ 8,965,831	\$ 10,297,147	\$ 569,255	\$ 1,331,316
14	\$ 8,564,508	\$ 8,988,246	\$ 10,503,090	\$ 423,738	\$ 1,514,844
15	\$ 8,735,798	\$ 9,010,717	\$ 10,713,152	\$ 274,919	\$ 1,702,435
16	\$ 8,910,514	\$ 9,033,243	\$ 10,927,415	\$ 122,729	\$ 1,894,172
17	\$ 9,088,724	\$ 9,055,827	\$ 11,145,963	\$ (32,897)	\$ 2,090,136
18	\$ 9,270,499	\$ 9,078,466	\$ 11,368,883	\$ (192,033)	\$ 2,290,417
19	\$ 9,455,909	\$ 9,101,163	\$ 11,596,260	\$ (354,746)	\$ 2,495,097
20	\$ 9,645,027	\$ 9,123,915	\$ 11,828,185	\$ (521,112)	\$ 2,704,270
21	\$ 9,837,928	\$ 9,146,726	\$ 12,064,749	\$ (691,202)	\$ 2,918,023
22	\$ 10,034,686	\$ 9,169,592	\$ 12,306,044	\$ (865,094)	\$ 3,136,452
23	\$ 10,235,380	\$ 9,192,515	\$ 12,552,165	\$ (1,042,865)	\$ 3,359,650
24	\$ 10,440,087	\$ 9,215,497	\$ 12,803,208	\$ (1,224,590)	\$ 3,587,711
25	\$ 10,648,889	\$ 9,238,535	\$ 13,059,272	\$ (1,410,354)	\$ 3,820,737
26	\$ 10,861,867	\$ 9,261,632	\$ 13,320,458	\$ (1,600,235)	\$ 4,058,826
27	\$ 11,079,104	\$ 9,284,786	\$ 13,586,867	\$ (1,794,318)	\$ 4,302,081
28	\$ 11,300,686	\$ 9,307,997	\$ 13,858,604	\$ (1,992,689)	\$ 4,550,607
29	\$ 11,526,700	\$ 9,331,268	\$ 14,135,777	\$ (2,195,432)	\$ 4,804,509
30	\$ 11,757,234	\$ 9,354,597	\$ 14,418,492	\$ (2,402,637)	\$ 5,063,895
Total	\$ 268,586,779	\$ 262,269,536	\$ 323,204,993	\$ (6,317,243)	\$ 60,935,457
Average	\$ 8,952,893	\$ 8,742,318	\$ 10,773,500	\$ (210,575)	\$ 2,031,182
Present Value**	\$ 110,002,744	\$ 112,387,966	\$ 129,589,770	\$ 2,385,222	\$ 17,201,804

Source: Applicant, Camoin Associates

* Assumes 2% annual increase per year

** Present Value calculation assumes a 6.25% discount rate

The 6.25% discount rate is consistent with rates used by other New York State Industrial Development Agencies, and the PILOT generates a net present-value benefit to the affected taxing jurisdictions even at discount rates as low as 3%.

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OTHER EXEMPTIONS

The PILOT program would offer the Applicant property tax benefits, but there are other benefits to working with the Agency. These include sales tax exemptions on construction materials and on furniture, fixtures, and equipment. The sales tax exemption applies to purchases of materials, equipment, and furniture, fixtures, and equipment (FF&E) tied to building the Project and runs through December 31, 2031, which covers interior fit-out completed after the Certificate of Occupancy. It is a one-time benefit tied to the construction and fit-out of the Project and does not extend to the Project's ongoing operations. Once the Project is complete, all taxable sales generated by on-site operations, including purchases of supplies, equipment, and other taxable goods and services used in ongoing operations, remain fully subject to sales tax. The recurring sales tax revenue discussed below is unaffected by the exemption and continues for the life of the Project.

Table 7

Sales Tax Exemption by Taxing Jurisdiction

Jurisdiction	Rate	Exemption Amount
State	4.00%	\$ 51,279,600
County	3.75%	\$ 48,074,625
MCTD	0.375%	\$ 4,807,463
Sales Tax Exemption	8.125%	\$ 104,161,688

Source: Applicant, Camoin Associates

The additional incentive offered by the Agency will benefit the Applicant. Still, it will not adversely affect the County because, without the Project, the County would, by definition, receive no associated sales tax revenue.

COMMUNITY BENEFITS AGREEMENT

Separate from its application to the Agency, the Applicant has agreed to enter into a community benefits agreement (CBA) with the Town. The Agency is not, and will not be, a party to the CBA, and it is separate from the financial assistance under review in this analysis. Under the proposed community benefits agreement, the Applicant will make annual payments of \$1.8 million to the Town for a period of thirty years, for a total maximum payment of \$54.0 million. These funds are in addition to the proposed PILOT payments and will be allocated towards the Town's public works projects. Because the CBA is a private agreement between the Applicant and the Town rather than a form of IDA assistance, it is not included in the fiscal benefit-to-cost analysis presented later in this report.

Table 8

Community Benefits Agreement

	Total Payments
Annual Payment	\$ 1,800,000
Total	\$ 54,000,000

Source: Applicant, Camoin Associates

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SALES TAX REVENUE

SALES TAX REVENUE – CONSTRUCTION PHASE

The one-time construction-phase earnings (see Table 3) would result in additional sales tax revenue for the County. While the Project itself will not be subject to sales tax (due to the exemption), affected workers will spend a portion of their earnings on goods and services within the County, generating taxable sales. Based on household spending patterns in the Northeast, it is assumed that approximately 10% of earnings are saved and 90% are spent.³ Of that 90% spent, it is assumed that 70% is spent within Dutchess County, and of that, 25% of those purchases would be taxable.⁴ When construction-related workers spend their earnings, the County is expected to gain around \$342,783 in additional sales tax revenue.

Table 9

One-Time Sales Tax Revenue, Construction Phase	
Total New Earnings	\$ 58,037,263
Total New Earnings Spent (90%)	\$ 52,233,537
Amount Spent in County (70%)	\$ 36,563,476
Amount Taxable (25%)	\$ 9,140,869
County Sales Tax Rate*	3.75%
New County Tax Revenue	\$ 342,783

Source: Camoin Associates

*Does not include MTA tax

SALES TAX REVENUE – EMPLOYEE EARNINGS

The earnings generated by on-site jobs at the Project (as described under Impacts of On-Site Employment) would result in additional annual sales tax revenue for the County. It is assumed that 70% of the earnings would be spent within Dutchess County, and 25% of those purchases are taxable. Table 10 displays the County's annual tax revenue of \$156,488.

Table 10

Annual Sales Tax Revenue, On-Site Operations	
Total New Earnings	\$ 26,495,313
Total New Earnings Spent (90%)	\$ 23,845,782
Amount Spent in County (70%)	\$ 16,692,047
Amount Taxable (25%)	\$ 4,173,012
County Sales Tax Rate*	3.75%
New County Tax Revenue	\$ 156,488

Source: Camoin Associates

Note: The amended application phases in the 200 new FTEs through 2032, while this analysis assumes all 200 positions are filled beginning in year 5.

*Does not include MTA tax

³ Source: Bureau of Labor Statistics, Consumer Expenditure Survey. Although this figure is not precise, it is considered conservative based on the results of the BLS Consumer Expenditure Survey, which found that households in the Northeast within the typical earning brackets of this project have limited savings.

⁴ A retail leakage analysis of Dutchess County suggests that a vast majority of the goods and services that employees will be purchasing are available within the county (food, clothing, vehicles, computers, etc.), but there still will be some outside spending on travel and through purchases made online and in neighboring counties. Based on third-party proprietary retail spending data, 70% is a reasonable estimate of in-county spending. (Source: Lightcast Consumer Spending In-Region Availability Analysis)

BENEFITS TO COST COMPARISON

Economic and fiscal benefits are not directly comparable, and both should be considered when evaluating the Project's impacts on Dutchess County.

ECONOMIC BENEFITS

As described above, annual economic activity resulting from the Project is expected to generate 355 jobs, \$26.5 million of new earnings, and \$96.9 million in new sales of goods and services.

FISCAL BENEFITS AND COSTS TO DUTCHESS COUNTY

In addition, while tax abatements are often considered costs, they can represent foregone revenue rather than an expenditure of funds or a reduction in revenue already received. However, it is useful for the Agency's evaluation of a Project to see a ratio of fiscal benefits to costs, or foregone revenue. The ratio below reflects only the impacts of the IDA's financial assistance (the PILOT and the sales tax exemption). It excludes the Community Benefits Agreement, which is a private agreement between the Applicant and the Town and not a form of IDA assistance. The property tax comparison uses the no-project baseline (rather than a comparison to full, unabated taxation) for consistency with the assumption, described above, that the Project would not occur absent the requested assistance. The sales tax exemption cost reflects only the County's own share of the combined 8.125% rate; the jurisdiction breakdown is presented in the Other Exemptions section above.

The table below compares Dutchess County's fiscal benefits (not the economic benefits) of the Project to the foregone revenues or estimated costs.

Table 11

Fiscal Benefits and Costs of Financial Assistance in Dutchess County, 30 Years

One-time Sales Tax Revenue from Construction Earnings*	\$ 342,783
Sales Tax Revenue from On-Site Employee Spending, 26 Years*, Present Value**	\$ 2,408,144
Increase in Property Tax Revenue, 30 Years, Present Value***	\$ 2,385,223
Total Fiscal Benefit	\$ 5,136,149
Foregone One-Time Sales Tax on Construction Sales (County's portion)****	\$ 48,074,625
Total Fiscal Costs	\$ 48,074,625

Fiscal Benefits to Costs (\$5,136,149 / \$48,074,625) 0.11

Note*: Sales tax revenue reflects the County's 3.75% share of the combined 8.125% rate (State 4.00%, County 3.75%, MCTD 0.375%); see the jurisdiction breakdown in the Other Exemptions section.

Note:** On-site employment would not begin until the construction phase is complete in year 4. Therefore, only 26 years of sales tax revenue for on-site employment is calculated. However, the amended application phases in the 200 new FTEs through 2032, while this analysis assumes all 200 positions are filled beginning in year 5. As a result, sales tax revenue from on-site employee spending in the early years of operations is modestly overstated.

Note*:** Present Value calculation assumes a 6.25% discount rate. The property tax comparison uses the no-project baseline, consistent with the but-for assumption applied to the sales tax exemption.

Note**:** The PILOT includes no property tax abatement. Foregone property tax relative to full, unabated taxation on the completed development (\$17.2 million, present value) is presented as context in the Fiscal Impact Analysis section and is not included in this ratio. This table also excludes the Community Benefits Agreement, a private agreement between the Applicant and the Town that is separate from the IDA's financial assistance.

ATTACHMENT A: WHAT IS ECONOMIC IMPACT ANALYSIS?

An economic impact study aims to ascertain the total cumulative changes in employment, earnings, and output in a given economy due to some initial “change in final demand”. To understand the meaning of “change in final demand”, consider the installation of a new widget manufacturer in Anytown, USA. The widget manufacturer sells \$1 million worth of its widgets per year exclusively to consumers in Canada. Therefore, the annual change in final demand in the United States is \$1 million because dollars are flowing in from outside the United States and are, therefore, “new” dollars in the economy.

This change in final demand translates into the first round of buying and selling that occurs in an economy. For example, the widget manufacturer must buy its inputs of production (electricity, steel, etc.), lease or purchase property, and pay its workers. This first round is commonly referred to as the “Direct Effects” of the change in final demand and is the basis of additional rounds of buying and selling described below.

To continue this example, the widget manufacturer’s vendors (the supplier of electricity and the supplier of steel) will enjoy additional output (i.e. sales) that will sustain their businesses and cause them to make additional purchases in the economy. The steel producer will need more pig iron, and the electric company will purchase additional power from generation entities. In this second round, some additional purchases will be made in the US economy, and some will “leak out.” What remains will cause a third round (with leakage) and a fourth (and so on) in ever-diminishing rounds of industry-to-industry purchases. Finally, the widget manufacturer has employees who will naturally spend their wages. Again, those wages will either be for local goods and services or “leak” out of the economy. Purchasing local goods and services will stimulate other local economic activity. Together, these effects are referred to as the “Indirect Effects” of the change in final demand.

Therefore, the total economic impact of the new widget manufacturer is the initial \$1 million of new money (i.e., Direct Effects) flowing into the US economy, plus the Indirect Effects. The ratio of Total Effects to Direct Effects is called the “multiplier effect” and is often reported as a dollar-of-impact per dollar-of-change. Therefore, a multiplier of 2.4 means that for every dollar (\$1) of change in final demand, an additional \$1.40 of indirect economic activity occurs for a total of \$2.40.

Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e. how the “local economy” is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider the impact of the widget manufacturer on the entire North American continent, it would have to conclude that the change in final demand is zero and, therefore, the economic impact is zero. This is because the \$1 million of widgets purchased by Canadians is not causing total North American demand to increase by \$1 million. Presumably, those Canadian purchasers will have \$1 million less to spend on other items. A commensurate reduction in the purchases of other goods and services will cancel out the effects of additional widget production.

Changes in final demand, and therefore Direct Effects, can occur in a number of circumstances. The above example is easiest to understand: the effect of a manufacturer producing locally but selling globally. If, however, 100% of domestic demand for a good is being met by foreign suppliers (say, DVD players being imported into the US from Korea and Japan), locating a manufacturer of DVD players in the US will cause a change in final demand because all of those dollars currently leaving the US economy will instead remain. A situation can be envisioned whereby a producer serves both local and foreign demand, and an impact analysis would have to be careful in calculating how many “new” dollars the producer would be causing to occur domestically.

ATTACHMENT B: DATA SOURCES

**Lightcast**

Lightcast (formerly Emsi Burning Glass) is a global leader in labor market analytics, offering a data platform that gives a comprehensive, nuanced, and up-to-date picture of labor markets at all scales from national to local. Key components of the platform include traditional labor market information, job postings analytics, talent profile data, compensation data, and skills analytics. Lightcast integrates government data with information from online job postings, talent profiles, and resumes to produce timely intelligence on the state of the labor market. Job and compensation data is available by industry, occupation, educational program, and skill type. [Click to learn more.](#)

**esri**

Esri ArcGIS Business Analyst combines proprietary statistical models covering demographic, business, and spending data with map-based analytics to offer insights on market opportunities for industries, businesses, and sites. Business Analyst integrates datasets covering a wide range of topics including demographics, consumer spending, market potential, customer segmentation, business locations, traffic counts, and crime indexes, which can be overlaid spatially to produce customizable maps and uncover market intelligence. Data can be pulled for standard and custom geographies, allowing for valuable comparison between places. [Click to learn more.](#)

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ABOUT CAMOIN ASSOCIATES

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Amazon, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$6 billion. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 44 states and garnered attention from national media outlets including Marketplace (NPR), Crain's New York Business, Forbes magazine, The New York Times, and The Wall Street Journal. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com.

Leading action to
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