

## Metal Fabrication Company

The Institute for Decision Making (IDM) at the University of Northern Iowa completed the following economic impact analysis of the impact of a metal fabrication company in Black Hawk County, Iowa. IDM used IMPLAN\* to complete the analysis.

## Economic Indicators by Impact

Impact	Employment	Labor Income	Value Added	Output
<b>Direct</b>	185.00	\$7,854,153.85	\$10,735,300.42	\$33,000,000.00
<b>Indirect</b>	35.21	\$2,185,188.17	\$3,373,391.91	\$6,846,710.53
<b>Induced</b>	33.37	\$1,600,405.43	\$2,933,903.74	\$5,102,989.98
<b>Totals</b>	253.59	\$11,639,747.45	\$17,042,596.07	\$44,949,700.51

**Employment** is the total employment in the area generated by the company's sales. An additional 68.9 jobs in the area are supported due to the multiplier effect of the company's operations.

**Labor income** includes all forms of income, including employee compensation (wages and benefits) and proprietor (business owner) income.

**Value added** is a measure of the contribution to gross domestic product (GDP).

**Output** is the total output in the region generated directly by the company's operations and indirectly from the multiplier effect. This impact occurs each year.

## Total Economic Impact

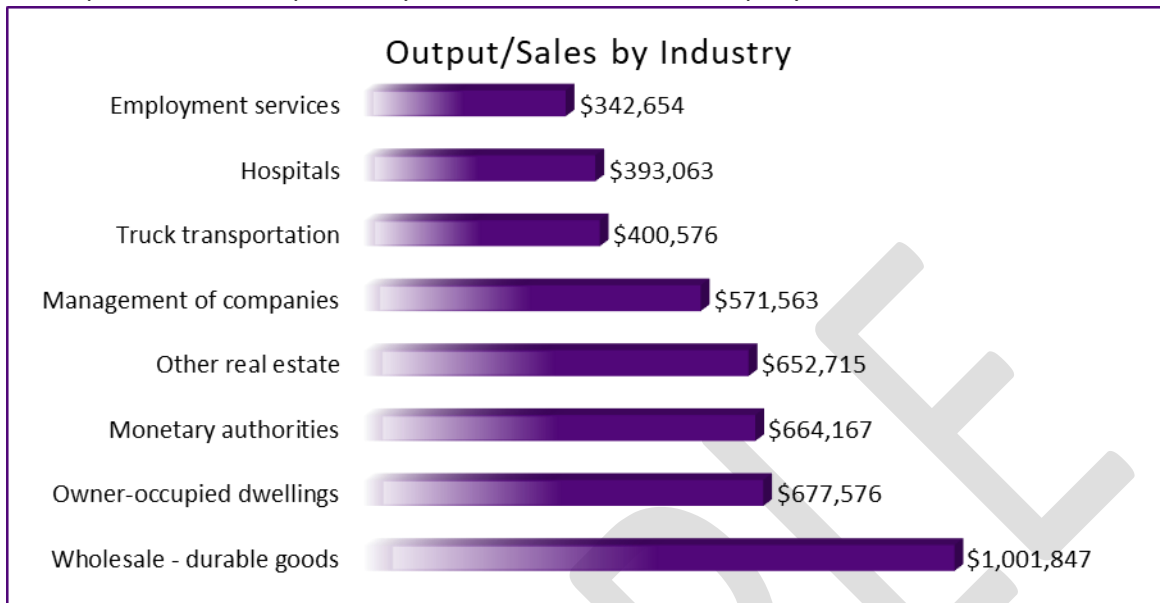
The total economic impact of this metal fabrication company is \$44.95 million per year and the company supports an additional 68.9 jobs in the area, in addition to the 185 jobs at the company. Labor income accounts for \$11.64 million of the total output, and \$17 million is contributed to the GDP.

## Notes

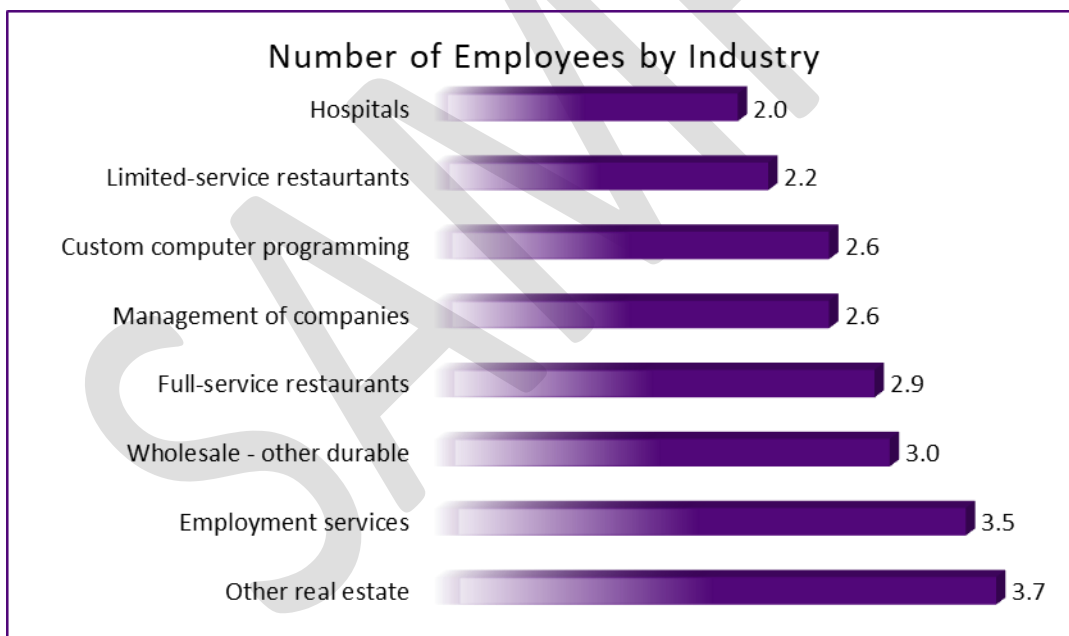
- **Direct** effects are those directly tied to the metal fabrication company.
- **Indirect** effects are the result of local industries purchasing from each other. This includes business growth/decline resulting from changes in sales for suppliers to the directly affected businesses.
- **Induced** effects reflect changes in spending from households as income/population increases or decreases due to the changes in production. This includes shifts in spending on food, clothing, shelter and other consumer goods and services, as a result of the change in workers and payroll of directly and indirectly affected businesses.

## Industries Impacted by Investment

The top 8 industries impacted by the metal fabrication company's investment in the area are:



The presence of the metal fabrication company helps to support employment in other industries in the area. The top 8 industries supported are:



## Analysis Parameters

This analysis is based on the following information:

- NAICS 332999 – Misc. Metal Fabrication
- Total employment: 185
- Annual sales: \$33 million
- Area for analysis: Black Hawk County

*\*IMPLAN is a PC based economic analysis system composed of data files and software. For additional information on IMPLAN, please refer to their website at [www.implan.com](http://www.implan.com)*

## Tax Impacts

IMPLAN estimates that the tax impacts attributed to the company are as follows. Taxes are included in the total impacts shown on page 1, so these are not additional impacts.

Impact	Sub County General	Sub County Special District
Direct*	\$52,775.89	\$39,632.66
Indirect	\$37,357.62	\$27,962.81
Induced	\$53,547.56	\$40,035.93
<b>Totals</b>	<b>\$143,681.07</b>	<b>\$107,631.40</b>

**Sub County General** taxes include local and city taxes.

**Sub County Special District** taxes include things like police districts, school district and school districts.

Other taxes include:

Impact	County	State	Federal	Total (all 5 categories)
Direct*	\$20,281.03	\$320,543.19	\$1,631,092.33	\$2,064,325.10
Indirect	\$14,201.18	\$149,673.10	\$459,637.69	\$688,832.40
Induced	\$20,284.19	\$177,167.66	\$357,242.29	\$648,277.64
<b>Totals</b>	<b>\$54,766.41</b>	<b>\$647,383.95</b>	<b>\$2,447,972.31</b>	<b>\$3,401,435.14</b>

\*Direct taxes are paid by the metal fabrication company, and are estimated by IMPLAN. Taxes are an average for the industry, or what a typical company in this industry would pay. If you are able to obtain tax information from the metal fabrication company, you should use those numbers.

Indirect taxes are what the suppliers to the metal fabrication company pay, and induced taxes are paid by individuals who are spending their paychecks. IMPLAN does not provide separate estimates on individual or household sales taxes or property taxes paid.

Sales tax and property taxes paid by businesses (taxes on production and imports, or TOPI) are included in the IMPLAN estimates.

IMPLAN notes:

- Tax data is based on existing relationships – *collected* and *reported* taxes.
- Local tax policy changes may not be fully reflected in IMPLAN.
- Taxes are industry and geographically specific, however the breakout of tax by type (sales, property, etc.) is not industry specific.
- Taxes on Production and Imports (TOPI) includes all direct government subsidies.