

# Goodwill

Economic & Fiscal Impact Model

## User Handbook

For Version 2.03

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Prepared by:



Elliott D. Pollack & Company  
7505 E. McClintock Dr.  
Scottsdale, AZ 85251

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**GOODWILL  
ECONOMIC & FISCAL IMPACT MODEL  
HANDBOOK**

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# GOODWILL ECONOMIC & FISCAL IMPACT MODEL HANDBOOK

## 1.0 Introduction

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This handbook is designed as a technical manual for the Goodwill Economic & Fiscal Impact Model. The model has been developed by Elliott D. Pollack & Company (EDPCo) to provide Goodwill organizations throughout U.S. a method to calculate the economic and fiscal impacts of job placements in the regional economy and various company operations.

The model is a custom Microsoft Excel application. The most recent set of multipliers from the Minnesota IMPLAN Group are used to calculate all the economic impacts of jobs placed in specified industries as well as Goodwill company operations. The results from the economic impact analysis are used to compute the impact on revenues of relevant government entities.

The Goodwill Model by EDPCo has two parts:

- (1) The economic & fiscal impact of placing people in jobs
- (2) The economic & fiscal impact of Goodwill operations

Goodwill can claim the operations impacts as their own direct impacts on the economy.

In terms of part (1), the model is a tool that quantifies the impact of employees that have been placed by Goodwill. The user should not claim the results as Goodwill's impact. The user can state that their Goodwill placed X number of people in jobs and the economic impact of those jobs is X. Thus, Goodwill does not explicitly claim ownership of the impacts, they are merely stating the economic impacts of employees that they helped place. Indeed, Goodwill did not create these impacts; they helped train and link the employees to jobs that then create an impact.

This handbook is composed of seven major sections. The introduction; an overview of economic impact analysis; an overview of fiscal impact analysis; a description of installation; a description of the model; a description of the output tables and a glossary of terms. An appendix is included to describe each state's respective tax structure.



## 2.0 Overview of Economic Impact Analysis

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Economic impact analysis examines the regional implications of an activity in terms of three basic measures: output, earnings and job creation. The Economic & Fiscal Impact Model calculates the impact of business operations based on the number of workers placed in those businesses as well as direct company operations.

*It is important to note that caution should be taken when publicizing employment impacts from job placement. While Goodwill's company operations are their own direct impact, employees placed into jobs should be interpreted separately. Goodwill can report the total number of jobs placed. The model then helps determine the economic and fiscal impact of those jobs. Thus, Goodwill should not explicitly claim ownership of these impacts, but simply illustrate the economic impacts of employees that they helped place. Indeed, Goodwill did not create these impacts; they helped train and link the employees to jobs that then create an impact in the economy.*

### 2.1 Economic Impact Analysis

The model computes the impact of either a portion of a business (based on the number of jobs placed) or direct Goodwill operations. The model provides the impact for up to 20 unique industries.

- (1) Economic impact of job placement – The economic impact of job placement determines the output, jobs, and payroll supported by the direct employment placed in various industries as well as spin-off impacts. The model allows the user to input up to twenty industries of job placement data and can be differentiated between different pay levels, between part and full-time employment and by length of retention.
- (2) Economic impact of Goodwill operations – The economic impact of Goodwill operations determines the output, jobs and payroll supported by various operations of the company. These include office administration and store operations. The model allows the user to input taxable purchase and sales revenue data in addition to employment and wages.

### 2.2 Economic Impact Model Overview

Economic impact analysis starts with the type of industry an employee is generally classified into, and employment (number of direct jobs). The user has a choice of industries (see Table 1). With this information, the multiplier effects are determined. When the user changes the industry, the corresponding average annual salary and set of multipliers are automatically selected. If the user input wages for the job(s) placed, then the wages will be used instead of those that are generated automatically from the set of multipliers. Additional data can be used to indicate the number of months an individual or group of individuals have been working (or is projected to work) in the placed employment and whether it is part-time or full-time employment.

The multiplier effects are separated into indirect and induced impacts. Indirect impacts are new jobs, output and income that will be generated by industries that supply goods and services



directly to the company. Induced impacts consist of the jobs, output and personal income in industries that serve the direct and indirect employees and their families. The induced impact includes not only the end-use consumer products but also any locally purchased intermediate products that were used in producing the consumer goods and services.

The results of the economic impact analysis include a breakdown of direct, indirect and induced impacts in terms of employment, output, and wages.

Table 1 provides a list of the industry breakdown for which the user would organize placements by industry. All industries are represented in the following list and grouped according to a suggested Implan sorting scheme. The NAICS codes are provided in parenthesis for ease of differentiating industry placements.

**Table 1: IMPLAN Aggregation of Industries  
(NAICS codes)**

<b>Agriculture, Mining, Construction</b>	<b>Financial Activities</b>
Farm and agricultural services (111-115)	Monetary authorities (521-523)
Mining and Mining Services (211)	Insurance carriers & related (524)
Construction, maintenance & repair (23)	Funds, trusts, and other financial vehicles (525)
<b>Manufacturing</b>	Real estate (531)
Food, Beverage & tobacco (311-312)	Rental & leasing services (532)
Textiles & leather (313-317)	Lessors of nonfinancial intangible assets (533)
Wood, paper & printing (321-323)	<b>Trade</b>
Petroleum and chemical (324-325)	Wholesale trade(42)
Plastics and non-metal minerals (326-327)	Retail trade (442-454)
Metal manufacturing (331-332)	<b>Services</b>
Machinery Manufacturing (333)	Professional, computer, scientific services (541-559)
Computer & other electronic equipment (334-336)	Admin support services (561)
Miscellaneous manufacturing (including furniture) (337-339)	Waste management and remediation services (562)
<b>Transportation and Public Utilities</b>	Educational services (611)
Transport industries - air, rail, water, truck (481-484)	Ambulatory health care (6211-6219)
Transit and ground passenger transportation (485)	Hospitals (622)
Pipeline transportation (486)	Nursing & residential care (623)
Sightseeing transportation (487-488)	Social assistance (624)
Couriers & messengers (492)	Performing arts & spectator sports (711)
Warehousing & storage (493)	Museums & similar (712)
Utilities (22)	Amusement- gambling & recreation (713)
<b>Information</b>	Accommodations (721)
Publishing industries (511)	Food services & drinking places (722)
Motion picture & sound recording (512)	Repair & maintenance (811)
Internet publishing and broadcasting (516)	Personal & laundry services (812)
Telecommunications (517)	<b>Religious, Private and Government</b>
Data processing, hosting, and related services (518)	Religious- grantmaking- & similar orgs (8131-8139)
Other information services (519)	Private households (814)
	Government & non NAICs (491 & other n.a.)



Specific multiplier sets are provided for the Goodwill Operations section of the model. The following list provides the NAICS codes under which Goodwill operates, though not all states will perform function.

**Table 2: Industry Selections for Goodwill Operations  
(NAICS codes)**

<b>Goodwill Operations Industries</b>
GW Commercial Services - Miscellaneous Manufacturing (337-339)
Used clothing and merchandise stores (45331)
E-Commerce (454)
Supply chain (493)
Other miscellaneous services - including translation (54193)
Administrative, business, and management services (561110)
Security services (5616)
Janitorial Services (5617)
Charter schools (6111)
Home visitation (621610)
Individual and family services (624110)
Self help organizations (624190-624310)
GW Commercial Services - Repair & Maintenance (811)



### **3.0 Overview of Fiscal Impact Analysis**

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Fiscal impact analysis determines the public revenues that are generated by a particular economic activity. The primary revenue sources (i.e. taxes and fees) of local, county, and state governments are determined in order to examine how an activity may affect the various jurisdictions.

Fiscal effects within this model occur as a result of spending by workers directly or indirectly supported by a company as well as direct Goodwill operations activity. For instance, governing entities benefit from the spending of employees on housing and retail goods and services. Examples of these types of fiscal impacts that will be generated include State income taxes paid on wages and sales taxes paid on retail goods. Fiscal tax categories (and calculations) will vary by state. An appendix is included with this handbook describing each state's respective tax structure.

The fiscal impact analysis is set up in a similar manner as the economic impact analysis (see Section 2.0 in this handbook). The Economic & Fiscal Impact Model calculates the impact of employee placement and direct company operations on an annual basis.

#### **3.1 Fiscal Impact of Employee Placement**

This portion of the model computes the fiscal impact of each employee placed by Goodwill into any number of industries. The model provides the secondary fiscal impact of each employee placed as well as spin-off effects that occur throughout the regional economy as a result of the directly placed job. The fiscal impact includes the direct, indirect, induced and total impacts of a new employee in terms of sales taxes, income taxes, property taxes or other revenues supported by the operations of the company (taxes vary by state).

#### **3.2 Fiscal Impact of Goodwill Businesses Operations**

This portion of the model computes the fiscal impact of Goodwill business operations such as operating a new store, a job placement center or executive and administrative operations. For the fiscal impact of operations, the direct employees are the employees that work for Goodwill. The model produces primary fiscal impacts of operations such as direct sales taxes generated or property taxes paid as well as the secondary impact of the direct, indirect and induced employees in terms of sales taxes, income taxes, property taxes or other revenues (these tax categories vary by state).

#### **3.3 Fiscal Impact Model Overview**

All revenue projections are in 2010 dollars and, thus, not inflated. Revenues are based on current tax rates. The revenue impacts are revenues generated directly by the employees of a company based on data supplied by the user. This information includes the most applicable industry, direct jobs, wages, months worked in a given year, and type of employment (part-time or full-time). Additional revenues generated by related indirect and induced jobs and supported residents are included in the indirect and total impact results.



## 4.0 SYSTEM REQUIREMENTS, INSTALLATION AND USE

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### 4.1 System Requirements

#### Minimum hardware requirements

Processor: 450 MhZ or faster

Memory: 128MB of memory or more

#### Software Requirements

Excel 2000 or later

#### Preferred Monitor Resolution

1024 x 768

### 4.2 Installation

There are two Excel files that are needed to run the Model. The main application is called the Goodwill [State].xls. The second file is called Output Tables.xls.

The Model will run more rapidly if it is saved to the local hard drive (C drive). However, the Model will work if it is saved to a network drive, but the response time will be slower.

Below are the installation instructions.

- (1) Create a folder to save the files.
- (2) Save **both files** in the same folder

### 4.3 Opening the Model for the First Time

As noted in the installation process described in Section 4.2, two Excel files are included. The file names are the Goodwill [State].xls and Output Tables.xls.

The file named the **Goodwill [State].xls** is the model itself. This is the file that you will need to open whenever you would like to use the Model.

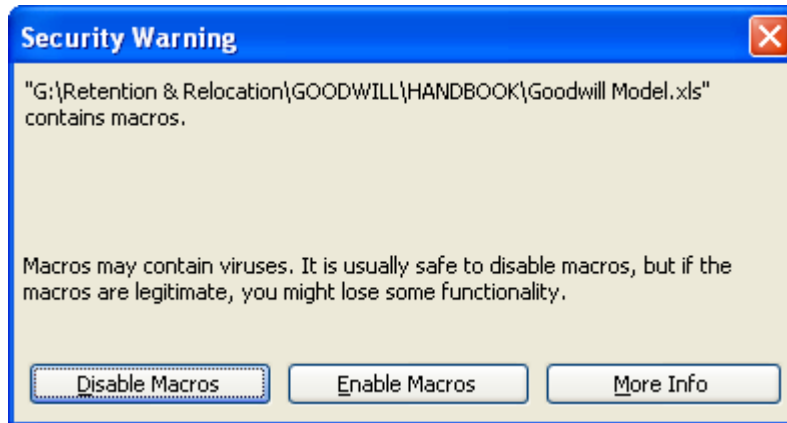
The file named **Output Tables.xls** is used by the Model. However, there will never be a reason for you to open this file. Please note that it is absolutely essential that the Output Tables file remains in the same folder as the Goodwill Model file. If, for some reason, the files are located in separate folders, you will not be able to save any tables from the Model. Also, when you do try to save tables, the program will generate an error. **It is imperative that both Excel files are located in the same folder.**

To open the Model, select the Goodwill Model file.

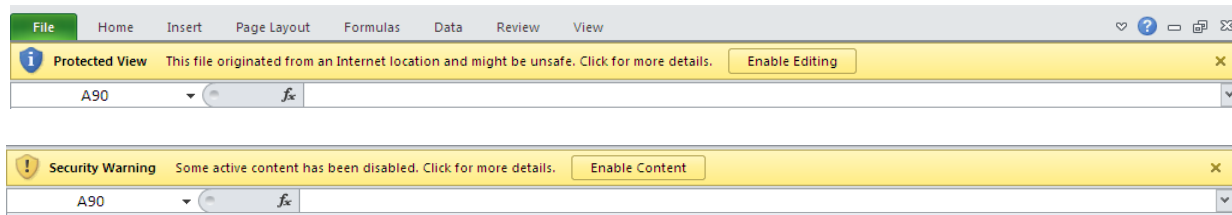
Since the Goodwill Model is a custom Excel file, several macros exist in the program. When you open the Goodwill Model, Excel will alert you to possible security issues because it noticed the presence of macros.



When operating in Excel 2000 or Excel 2003, the following dialog box will appear.

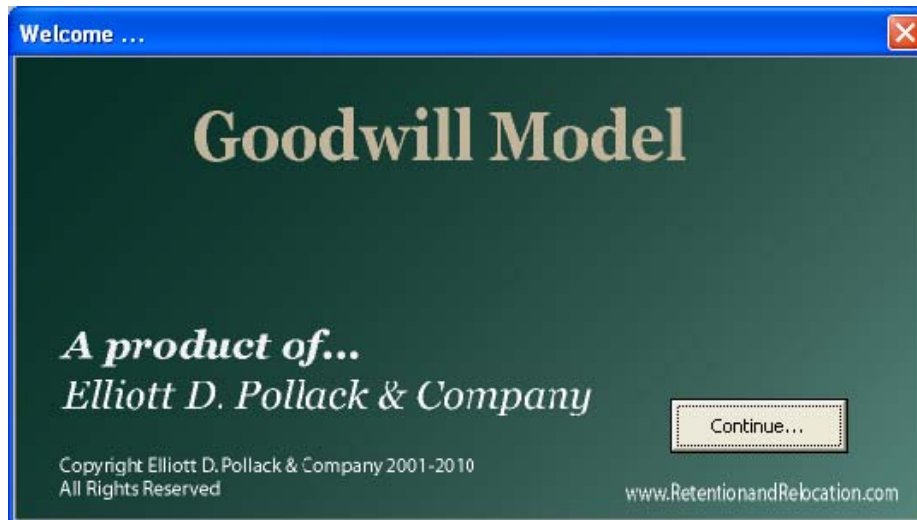


When operating in Excel 2007 or later, the security warnings appear across the top of the screen as follows:



This message indicates that the macros may contain viruses. However, you may trust that the Goodwill Model does not contain a harmful virus. Select **ENABLE** on each of the options. The Goodwill Model will then begin loading. Please note that if you select the **DISABLE MACROS** button or ignore the security warnings, the Goodwill Model will not work.

Next, the opening screen will appear. You will need to select the "Continue" button.



## 5.0 Description of Model

The Economic & Fiscal Impact Models has been developed in Microsoft Excel and is designed to be used by Goodwill and its members. This section will describe the components of the model, the data inputs and results of the analysis.

### 5.1 Model Design

The Economic & Fiscal Impact Model is comprised of three major sections:

1. Inputs Worksheet
2. Job Placement Impact Tables
3. Operations Impact Tables

The model calculates economic and fiscal impacts based on data entered in the Inputs Worksheet, the main page of the model.

### 5.2 Inputs

The Economic & Fiscal Impact Model allows for 50 different industry job placement categories on the Inputs Worksheet. An illustration can be found on the following page. Not all inputs need to be entered in order to calculate the company's economic and fiscal impact.

Input Item	Command	Use
Name of Organization	Enter name of company or report	Will be provided on all output tables. The user should use this box to distinguish each run of the model (ex. Jan. 2009 or Goodwill So Cal).
Industry	Select an industry from the drop down box	Provides information on correct multipliers to run the model. The list of categories contain the NAICS category in parenthesis.
Jobs	Enter the number of jobs in each industry	The number of jobs will be used to determine the level of impact on the economy.
Hourly/Annual	Select whether the employee is paid an Annual salary or an Hourly wage.	This decision leads to the following input box to enter an hourly rate or annual wage.
Hourly Rate/ Annual Wage	Enter either the total salary earnings of an employee or their hourly wage.	If left blank, the model will use a regional industry average wage for the selected job type.
Hours/Week	Choose from a drop-down menu the number of hours per week an employee works.	40 hours per week is considered full-time. There is no option to insert more than full-time. Less than full-time workers will be assigned lower impacts than full-time workers.
Mos. Employed	Choose from a drop-down menu the number of months an employee worked up to the present time.	The model is designed to calculate annual impacts. If a worker has been placed for more than 12 months, their impact would be a multiple of the full annual impact. Otherwise, employees working less than the full year will be assigned less than the annual impact.
<b>ADDITIONAL GOODWILL OPERATIONS IMPACTS</b>		
Input Item	Command	Use
Direct taxable sales at outlet	Enter the taxable sales (if any) by the company over the operations period	Sales taxes will be generated by this figure. It is important to only enter TAXABLE sales by the company.
Taxable purchases (supplies)	Enter the value of taxable purchases made in the region.	Sales taxes will be generated by this figure. It is important to only enter TAXABLE purchases.



### Inputs Worksheet Economic and Fiscal Impact Model State

Name of Organization:

**JOB PLACEMENT IMPACTS**

Industry	Jobs	Hourly / Annual	Hourly Rate / Annual Wage	Hours/week	Mos. Employed
Industry 1	0	Hourly	0	40	12
Industry 2	0	Hourly	0	40	12
Industry 3	0	Hourly	0	40	12
Industry 4	0	Hourly	0	40	12
Industry 5	0	Hourly	0	40	12
Industry 6	0	Hourly	0	40	12
Industry 7	0	Hourly	0	40	12
Industry 8	0	Hourly	0	40	12
Industry 9	0	Hourly	0	40	12
Industry 10	0	Hourly	0	40	12
Industry 11	0	Hourly	0	40	12
Industry 12	0	Hourly	0	40	12
Industry 13	0	Hourly	0	40	12
Industry 14	0	Hourly	0	40	12
Industry 15	0	Hourly	0	40	12
Industry 16	0	Hourly	0	40	12
Industry 17	0	Hourly	0	40	12
Industry 18	0	Hourly	0	40	12
Industry 19	0	Hourly	0	40	12
Industry 20	0	Hourly	0	40	12

**OPERATIONS IMPACTS**

Note: Truncated to fit page (model allows for 50 inputs)

Name of Organization:

Industry of Operations	Jobs	Hourly / Annual	Hourly Rate / Annual Wage	Hours/week	Mos. Employed	Direct taxable sales at outlet	Taxable purchases (supplies)
Operation 1	0	Hourly	\$0	40	12	\$0	\$0
Operation 2	0	Hourly	\$0	40	12	\$0	\$0
Operation 3	0	Hourly	\$0	40	12	\$0	\$0
Operation 4	0	Hourly	\$0	40	12	\$0	\$0
Operation 5	0	Hourly	\$0	40	12	\$0	\$0

Fiscal Impacts Model® Version 2.03

In order to generate the impact tables after the minimum data inputs are entered, the user must click on the “run model” button. The model will indicate if all required entries have been entered and offer a last chance to check all inputs.

The options to run the model, clear all values, minimize the table menu (or show the table menu) and save your inputs for use next time you open the model are also given on the inputs page.



### 5.3 Running the Model

#### Model Menu

When the model is first opened, the Model Menu appears on the right hand side of the screen. From the model menu the user can perform the following functions:

- ◆ Print this Table
- ◆ Print all Tables
- ◆ Save (Export) Tables
- ◆ Run the Model
- ◆ Clear all values
- ◆ Return to Inputs
- ◆ Close the Model.

The selections for viewing the tables are initially unavailable until the user has entered data and selected to **Run the Model**. Once the **Run the Model** button has been selected, the user then has the option to select which table to view. When a button is pressed, the corresponding table will appear.

The Job Placement Impacts provide the economic and fiscal impacts by industry and aggregated based on inputs entered in the Inputs Worksheet. There are four separate tables:

#### Job Placement Impact

- Economic Impact by Industry Selected
- Fiscal Impact by Industry
- Summary Impact by Industry
- Summary Placements (all industries)

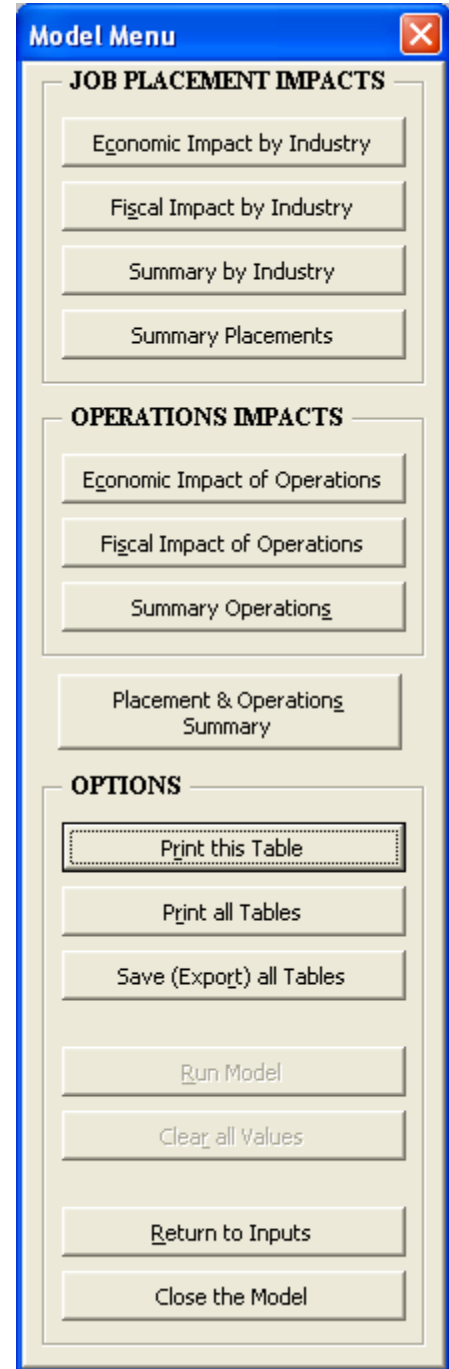
Goodwill Operations Impacts Tables are also separated into three major tables:

#### Operations Impacts

- Economic Impact of Operations
- Fiscal Impact of Operations
- Summary of Operations

In addition, a Placement & Operations Summary table is available that provides the economic and fiscal impacts of both placements and operations for the entered data.

For a description of each table and its values, see Section 6.0 of this handbook.



### Error Codes

The model is designed to provide the user with simple error codes if the inputs page has not been completed correctly. An example of an error code is if the user has not selected at least one industry or input jobs for any industry selected.

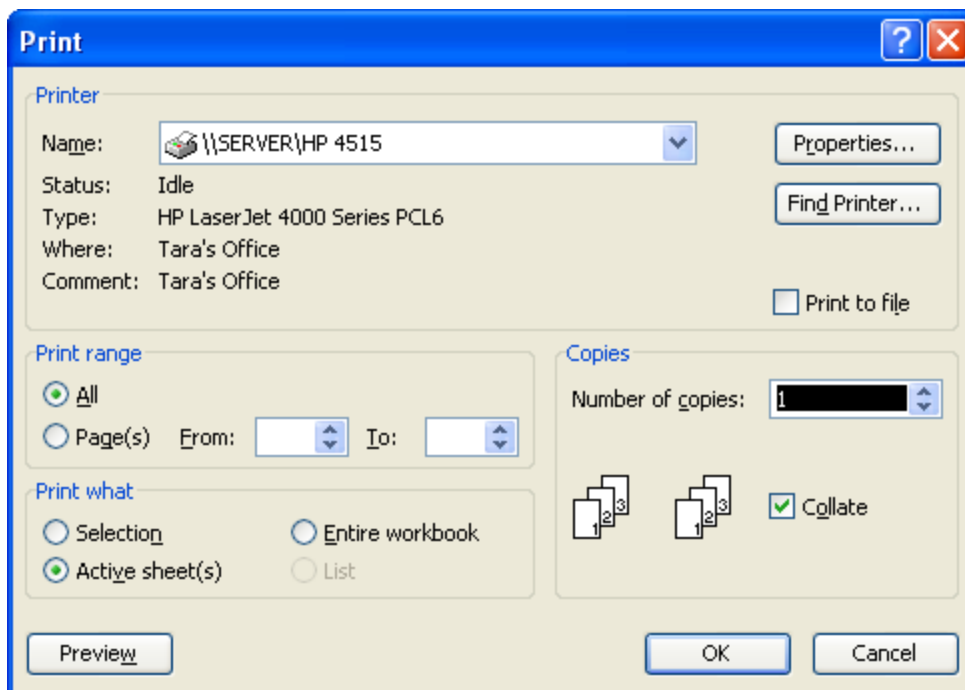


### Return to Inputs

If the user needs to make any changes to the Inputs Worksheet once the user has selected to run the model, the menu of tables allows the user to return to the Data Inputs Worksheet by selecting the “Return to Inputs” button.

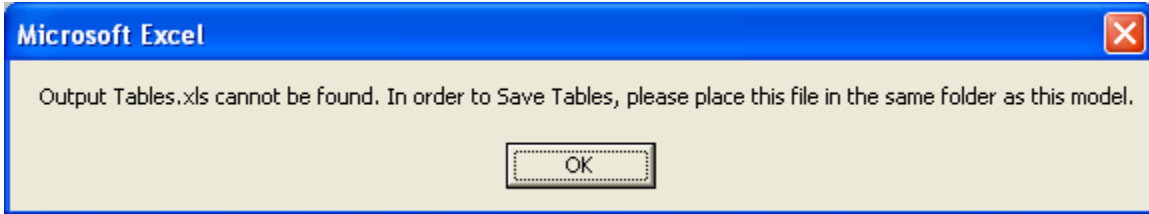
### Print Function

The user can choose to print the active table or print all impact tables. Once the user selects a print function, the table will be displayed in print preview. The user will first make sure it is indeed the correct view and select print from the print preview screen within Excel. The Print dialog box will appear if the user decides to cancel the action, or needs to select a local printer (see below). When Print All Tables is selected, the Data Inputs Worksheet will also be printed.

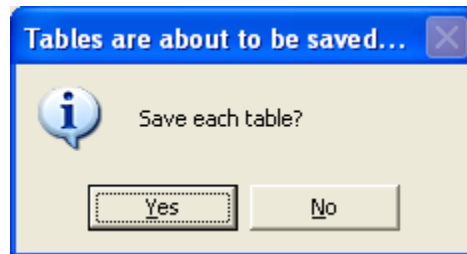


### Export Function

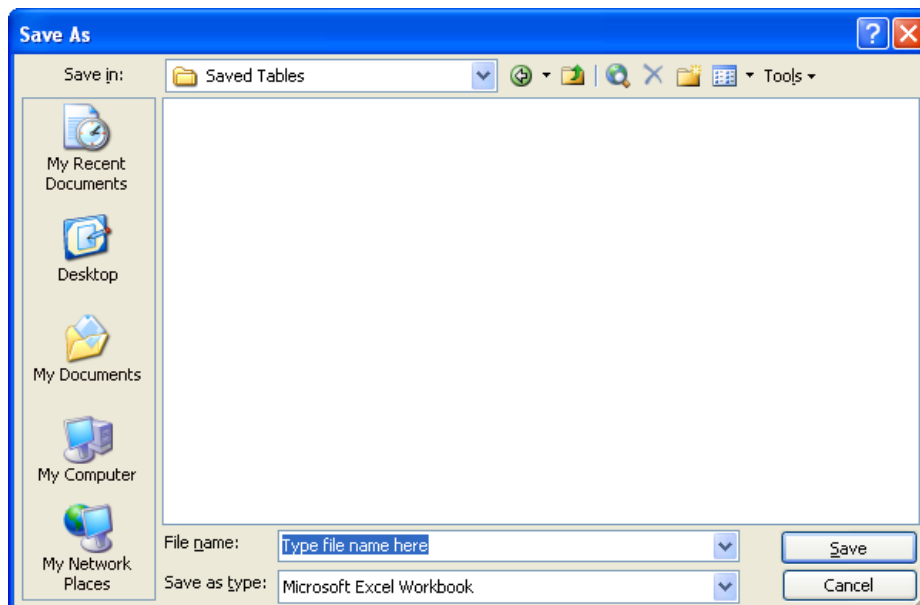
The “Save (Export) Tables” button allows the user to export the impact tables to a separate Excel file. As described in Section 2.0, the model requires that the Output Tables.xls file must be in the same folder as the folder in which the model is located. If the model cannot find this file, the tables cannot be exported and the following prompt will be given.



If the model finds the Output Tables.xls, it is ready to proceed and a prompt is given to ensure the user indeed is ready to export the tables.



Once the user chooses “Yes” in the dialog box above, the “Save As” dialog box appears. The model prompts the user to name the file and choose a location for the file to be saved (see below).



The user is next reminded that once the model has completed saving, the model will remain open and the user will return to where they were before saving.



The user will not be able to open the newly saved file through the model. In order to open the new file, the user must either close the Model or create another session of Excel and will be prompted to do so (see below).

### Closing the Model

To close the model, the user must select the “Close the Model” button. Once the model is closed, all values will be lost unless the tables are saved to another Excel file (see “Save All Tables” above). As a safeguard, the model prompts the user to make sure it is time to close the model (see below).



## 6.0 Description of Output Tables

### 6.1 Economic Impact by Industry Table

The Economic Impact by Industry table lists jobs, wages and output generated from day to day operations of the company at which the placed employee is working. This data is described by type of impact (direct, indirect and induced).

Economic impacts are based on IMPLAN multipliers and are regional in nature and, thus, provided for the multiplier set as a whole.

For a list of definitions associated with this table, see the glossary of this handbook.

<i>June 1, 2010</i>			
<b>ABC Services Economic Impact by Industry Selected State</b>			
Impact Type	Jobs	Wages (\$mil)	Economic Output (\$mil)
<b>Professional, computer, scientific services (541-559)</b>			
Direct	100	\$3.7	\$7.7
Indirect	18	\$0.9	\$2.6
Induced	27	\$1.2	\$3.8
Total	145	\$5.9	\$14.2
<b>Total Impact</b>			
Direct	100	\$3.7	\$7.7
Indirect	18	\$0.9	\$2.6
Induced	27	\$1.2	\$3.8
Total	145	\$5.9	\$14.2
<b>NOTES</b>			
1 The total may not equal the sum of the impacts due to rounding.			
2 All dollar figures are in 2010 dollars. Inflation has not been included in these figures.			
Source: Goodwill; Elliott D. Pollack & Company; IMPLAN.			

### 6.2 Fiscal Impact by Industry Table

This table estimates the direct, indirect and induced fiscal impact on the economic region(s). Fiscal impact analysis studies the public revenues associated with a particular economic activity. The primary revenue sources of local, county, and state governments (i.e. taxes) are analyzed to determine how an activity may affect the various jurisdictions.



The revenue impact for each category is net of any shared revenues. For a description of the tax categories, see the appendix of this handbook. For a list of definitions associated with this table, see the glossary of this handbook.

<b>ABC Services Fiscal Impact of Operations State</b>						June 1, 2010
Impact Type	Secondary Impact from Employees					Total Revenues
	Employees Spending Sales Tax	Income Tax	Vehicle License Tax	Unemp. Tax	HURF Tax	
<b>Professional, computer, scientific services (541-559)</b>						
Direct Revenues	\$57,700	\$59,500	\$6,500	\$18,900	\$7,700	<b>\$150,300</b>
Indirect Revenues	\$12,200	\$16,900	\$1,200	\$3,400	\$1,400	<b>\$35,100</b>
Induced Revenues	\$17,100	\$21,000	\$1,700	\$5,000	\$2,000	<b>\$46,800</b>
<b>Total Revenues</b>	<b>\$87,000</b>	<b>\$97,400</b>	<b>\$9,400</b>	<b>\$27,300</b>	<b>\$11,100</b>	<b>\$232,200</b>
<b>Total Impacts</b>						
Direct Revenues	\$57,700	\$59,500	\$6,500	\$18,900	\$7,700	<b>\$150,300</b>
Indirect Revenues	\$12,200	\$16,900	\$1,200	\$3,400	\$1,400	<b>\$35,100</b>
Induced Revenues	\$17,100	\$21,000	\$1,700	\$5,000	\$2,000	<b>\$46,800</b>
<b>Total Revenues</b>	<b>\$87,000</b>	<b>\$97,400</b>	<b>\$9,400</b>	<b>\$27,300</b>	<b>\$11,100</b>	<b>\$232,200</b>
<b>NOTES</b>						
1 The total may not equal the sum of the impacts due to rounding.						
2 All dollar figures are in 2010 dollars. Inflation has not been included in these figures.						
3 The figures for the State do not include revenues distributed to counties, cities, and towns.						
4 All of the above figures are representative of the major revenue sources for the State. The figures are intended only as a general guideline as to how the State could be impacted by the construction.						
5 The above figures are based on the current economic structure and tax rates of the State.						
Source: Elliott D. Pollack & Company; IMPLAN; Department of Revenue; Tax Research Association.						

### 6.3 Summary by Industry

The Summary by Industry table estimates the direct, indirect and induced economic and fiscal impact on the region. The table details the number of jobs created throughout the economy along with their respective economic output. In addition, a total fiscal benefit is illustrated. The following table lists each industry separately. For a list of definitions associated with this table, see the glossary of this handbook.



<b>ABC Services Impact of Job Placement Summary by Industry State</b>											June 1, 2010
Industry	Professional, computer, scientific services (541-	Textiles & leather (313- 317)	Warehousing & storage (493)	Machinery Manufacturing (333)							
Total jobs placed	100	50	40	150	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Economic Impact</b>											
Total jobs created	145	78	47	286	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total economic impact	\$14,150,730	\$12,862,458	\$2,371,307	\$61,322,997	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Fiscal Impact</b>											
State	\$232,200	\$118,100	\$53,000	\$575,900	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Industry											
Total jobs placed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Economic Impact</b>											
Total jobs created	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total economic impact	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Fiscal Impact</b>											
State	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>NOTES</b>											
1 The total may not equal the sum of the impacts due to rounding.											
2 All of the above figures are based on current tax rates.											
The figures are intended only as a general guideline as to how the area could be impacted.											
Source: Elliott D. Pollack & Company; IMPLAN; Department of Revenue; Tax Research Association.											

## 6.4 Summary of Placements Table

The Summary of Placements Table estimates the total direct, indirect and induced economic and fiscal impact of employees. The economic impact portion of the table details the number of jobs created throughout the economy along with their respective wages and economic output. Fiscal impact analysis studies the public revenues associated with a particular economic activity. The primary revenue sources of local, county, and state governments (i.e. taxes) are analyzed to determine how an activity may affect the various jurisdictions.

For a description of the tax categories, see the appendix of this handbook. For a list of definitions associated with this table, see the glossary of this handbook.



<i>June 1, 2010</i>	
<b>ABC Services Impact of Job Placement Summary Total State</b>	
<b>Economic Impact</b>	
Jobs	
Jobs Placed	340
Indirect jobs	101
Induced jobs	114
Total Jobs Impacted	555
Wages (\$mil)	
Direct wages	\$13.8
Indirect wages	\$6.2
Induced wages	\$5.2
Total wages	\$25.3
Economic Output (\$mil)	
Direct output	\$55.4
Indirect output	\$18.9
Induced output	\$16.4
Total output	\$90.7
<b>Fiscal Impact</b>	
State	
Direct	\$551,600
Indirect	\$226,200
Induced	\$201,400
Total revenues	\$979,200
<b>NOTES</b>	
1 The total may not equal the sum of the impacts due to rounding.	
2 All of the above figures are based on current tax rates.	
Source: Elliott D. Pollack & Company; IMPLAN	

## 6.5 Economic Impact of Operations (Goodwill)

The Economic Impact of Operations table estimates the direct, indirect and induced economic impact on the region. This data is described by type of impact (direct, indirect and induced) and relate to the impact of direct Goodwill operations. There are a number types of industry operations to choose from such as used clothing stores, administrative and management operations, interpretation services, e-commerce, charter school, Goodwill commercial services, family services and self help services.

Economic impacts are based on IMPLAN multipliers and are regional in nature and, thus, provided for the multiplier set as a whole.

For a list of definitions associated with this table, see the glossary of this handbook.



<b>Economic Impact of Operations</b>			
Impact Type	Jobs	Wages (\$mil)	Economic Output (\$mil)
<b>Used clothing and merchandise stores (45331)</b>			
Direct	100	\$1.7	\$3.3
Indirect	5	\$0.2	\$0.6
Induced	11	\$0.5	\$1.5
<b>Total</b>	<b>116</b>	<b>\$2.4</b>	<b>\$5.4</b>
<b>Administrative, business, and management services (561110)</b>			
Direct	40	\$4.2	\$9.4
Indirect	21	\$1.0	\$2.9
Induced	31	\$1.3	\$4.1
<b>Total</b>	<b>91</b>	<b>\$6.5</b>	<b>\$16.3</b>
<b>Total</b>			
Direct	140	\$5.9	\$12.6
Indirect	26	\$1.2	\$3.6
Induced	42	\$1.7	\$5.6
<b>Total</b>	<b>208</b>	<b>\$8.8</b>	<b>\$21.8</b>
<b>NOTES</b>			
1 The total may not equal the sum of the impacts due to rounding.			
2 All dollar figures are in 2010 dollars. Inflation has not been included in these figures.			
Source: Goodwill; Elliott D. Pollack & Company; IMPLAN. Fiscal Impacts Model® Version 2.01			

### 6.6 Fiscal Impact of Operations (Goodwill)

The Fiscal Impact of Operations Table estimates the direct, indirect and induced fiscal impact on the region. Primary revenues include taxable sales at Goodwill stores and taxable purchases made by the company. Secondary revenues relate to the impacts of employees and the various taxes they pay within the economy.

<b>Fiscal Impact of Operations</b>								
Impact Type	Primary Revenues		Secondary Impact from Employees					Total Revenues
	Direct Sales Tax	Supplies & Materials Taxes	Employees Spending Sales Tax	Income Tax	Vehicle License Fees	Unemp. Tax	Motor Vehicle Tax	
<b>Used clothing and merchandise stores (45331)</b>								
Direct Revenues	\$0	\$0	\$46,422	\$77,700	\$7,500	\$43,100	\$18,500	\$193,222
Indirect Revenues	N/A	N/A	\$3,800	\$13,400	\$400	\$2,100	\$900	\$20,600
Induced Revenues	N/A	N/A	\$3,700	\$28,800	\$900	\$4,900	\$2,100	\$40,400
<b>Total Revenues</b>	<b>0</b>	<b>0</b>	<b>\$53,922</b>	<b>\$119,900</b>	<b>\$8,800</b>	<b>\$50,100</b>	<b>\$21,500</b>	<b>\$254,222</b>
<b>Administrative, business, and management services (561110)</b>								
Direct Revenues	\$0	\$0	\$58,602	\$258,100	\$3,000	\$17,200	\$7,400	\$344,302
Indirect Revenues	N/A	N/A	\$17,100	\$61,700	\$1,600	\$9,000	\$3,900	\$93,300
Induced Revenues	N/A	N/A	\$15,400	\$77,300	\$2,300	\$13,200	\$5,700	\$113,900
<b>Total Revenues</b>	<b>0</b>	<b>0</b>	<b>\$91,102</b>	<b>\$397,100</b>	<b>\$6,900</b>	<b>\$39,400</b>	<b>\$17,000</b>	<b>\$551,502</b>
<b>TOTAL</b>								
Direct Revenues	\$0	\$0	\$105,024	\$335,800	\$10,500	\$60,300	\$25,900	\$537,524
Indirect Revenues	N/A	N/A	\$20,900	\$75,100	\$2,000	\$11,100	\$4,800	\$113,900
Induced Revenues	N/A	N/A	\$19,100	\$106,100	\$3,200	\$18,100	\$7,800	\$154,300
<b>Total Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$145,024</b>	<b>\$517,000</b>	<b>\$15,700</b>	<b>\$89,500</b>	<b>\$38,500</b>	<b>\$805,724</b>
<b>NOTES</b>								
1 The total may not equal the sum of the impacts due to rounding.								
2 All dollar figures are in 2010 dollars. Inflation has not been included in these figures.								
3 The figures for the State do not include revenues distributed to counties, cities, and towns.								
4 All of the above figures are representative of the major revenue sources for the State. The figures are intended only as a general guideline as to how the State could be impacted.								
5 The above figures are based on the current economic structure and tax rates of the State.								
Source: Elliott D. Pollack & Company; IMPLAN; Various Tax Associations. Fiscal Impacts Model® Version 2.01								



## 6.7 Summary of Operations Table

The Summary of Operations Table estimates the total direct, indirect and induced economic and fiscal impact of Goodwill Operations. The economic impact portion of the table details the number of jobs created throughout the economy along with their respective wages and economic output. Fiscal impact analysis studies the public revenues associated with a particular economic activity. The primary revenue sources of local, county, and state governments (i.e. taxes) are analyzed to determine how an activity may affect the various jurisdictions.

For a description of the tax categories, see the appendix of this handbook. For a list of definitions associated with this table, see the glossary of this handbook.

<b>Impact of Goodwill Operations Summary Total State</b>	
<b>Economic Impact</b>	
Jobs	
Jobs Placed	162
Indirect jobs	26
Induced jobs	42
Total Jobs Impacted	230
Wages (\$mil)	
Direct wages	\$5.9
Indirect wages	\$1.2
Induced wages	\$1.7
Total wages	\$8.9
Economic Output (\$mil)	
Direct output	\$12.4
Indirect output	\$3.5
Induced output	\$5.6
Total output	\$21.5
<b>Fiscal Impact</b>	
State	
Direct	\$546,555
Indirect	\$111,800
Induced	\$154,600
Total revenues	\$812,955
<b>NOTES</b>	
1 The total may not equal the sum of the impacts due to rounding.	
2 All of the above figures are based on current tax rates.	
Source: Elliott D. Pollack & Company; IMPLAN	
Fiscal Impacts Model® Version 1.05	



## 6.8 Summary of Placements & Operation Table

The Summary of Placements & Operations Table summarizes both the Placement Impacts and Operations Impacts from each run of the model. The results in this table are also found in the individual summary tables but are provided here for an overall synopsis of total impacts. For a list of definitions associated with this table, see the glossary of this handbook.

<b>Impact of Goodwill Placements &amp; Operations</b>			
<b>Economic Impact</b>			
	<u>Placements</u>	<u>Operations</u>	<u>Total</u>
<b>Jobs</b>			
Direct jobs	110	140	250
Indirect jobs	35	26	61
Induced jobs	26	42	69
<b>Total Jobs Impacted</b>	<b>172</b>	<b>208</b>	<b>380</b>
<b>Wages (\$mil)</b>			
Direct wages	\$2.9	\$5.9	\$8.8
Indirect wages	\$1.5	\$1.2	\$2.8
Induced wages	\$1.1	\$1.7	\$2.8
<b>Total wages</b>	<b>\$5.6</b>	<b>\$8.8</b>	<b>\$14.4</b>
<b>Economic Output (\$mil)</b>			
Direct output	\$11.9	\$12.6	\$24.5
Indirect output	\$4.6	\$3.6	\$8.2
Induced output	\$3.5	\$5.6	\$9.1
<b>Total output</b>	<b>\$20.0</b>	<b>\$21.8</b>	<b>\$41.7</b>
<b>Fiscal Impact</b>			
<b>State</b>			
Direct	\$319,800	\$537,524	\$857,324
Indirect	\$146,000	\$113,900	\$259,900
Induced	\$111,200	\$154,300	\$265,500
<b>Total revenues</b>	<b>\$577,000</b>	<b>\$805,724</b>	<b>\$1,382,724</b>
<b>NOTES</b>			
1 The total may not equal the sum of the impacts due to rounding.			
2 All of the above figures are based on current tax rates.			
Source: Elliott D. Pollack & Company; IMPLAN			
Fiscal Impacts Model® Version 2.01			



## 7.0 Glossary of Terms

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### GOODWILL Economic & Fiscal Impact Model Glossary of Terms

**Direct Impact** Direct employees consist of the employees placed in the respective industry. Direct revenues are the revenues generated by the spending of the direct employees or revenues generated by the operations of Goodwill.

**Economic impact** Examines the economic implications of an activity in terms of sales or output, earnings, and employment. The different types of economic impacts are known as direct, indirect, and induced, according to the manner in which the impacts are generated.

**Fiscal Impact** Fiscal impact analysis studies the public revenues associated with a particular economic activity. The primary revenue sources of local, county, and state governments (i.e. taxes) are analyzed to determine how an activity may affect the various jurisdictions.

**IMPLAN** The Minnesota IMPLAN Group developed the multipliers used in this model. The IMPLAN multipliers are used to estimate the impacts of project expenditures on a region (gross receipt or sales), earnings (the sum of wages and salaries, proprietors income, and other labor income), and employment (number of jobs).

**Indirect Impact** The jobs, wages and output created by businesses that provide goods and services essential to the direct company. Also referred to as “supplier” impacts. These businesses range from manufacturers (who make goods) to wholesalers (who deliver goods) to janitorial firms who clean the buildings.

**Induced Impact** The spending of the wages and salaries of the direct and indirect employees on items such as food, housing, transportation and medical services creates induced employment in all sectors of the economy. Also referred to as the “consumer” impacts.

**Industry** An industry refers to the job category that the employee or group of employees was placed. A list of the industry breakdown by the Minnesota IMPLAN Group can be found on page 3 of the handbook.

**Inputs Worksheet** The first page of the model which allows the user to input the necessary data to calculate the output tables. Not all inputs need to be entered in order to calculate the company’s economic and fiscal impact.

**Jobs** Jobs, or employment, refers to total wage and salary and self employed jobs in a region. Jobs include both part time and full time workers.

**Operations Impact** Determines the output, jobs, and payroll supported by the operations of the company as well as the fiscal impact. The operational phase impacts are generally considered the long-term consequences of a company.



**Output** Output, also referred to as sales or activity, relates to the gross receipts for goods or services generated by the company's operations.

**Total Impact** Total impacts are a sum of the direct, indirect and induced impacts (whether economic or fiscal), but may not always be exact due to rounding.

**Total Revenues** A sum of all estimated revenues. The total may not be an exact sum due to rounding.

**Wages** Personal income, or earnings/wages, refers to the total wage and salary payments as well as benefits including health and life insurance, retirement payments and any other non-cash compensation.

