ALABAMA TECHNOLOGY NETWORK

Executive Summary

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The Economic Value of the Alabama Technology Network



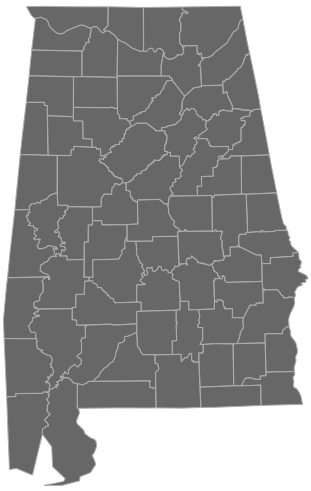
Reflects FY 2023-24

Lightcast



THE ALABAMA TECHNOLOGY NETWORK (ATN) is a leading provider of workforce training, technical assistance, and engineering services to incumbent workers across the state of Alabama. Established in 1987 with the development of five "Centers of Excellence", ATN has a rich history of providing extensive, high-quality training, technical assistance, and engineering services in areas of Continuous Improvement, Environmental Health and Safety, Food Industry, Industrial Maintenance and Technology, and Leadership and Management Development.

ATN influences both the lives of workers in Alabama and the state economy as a whole. The network supports a variety of industries in Alabama, serves state businesses, and benefits Alabama taxpayers from an increased tax base. This study measures the economic impacts created by ATN on the business community and the benefits the network generates in return for the investments made by state and local taxpayers. The following two analyses are presented:



Alabama

Economic impact analysis

Taxpayer investment analysis

All results reflect employee, financial, and business data provided ATN for fiscal year (FY) 2023-24. Impacts on the Alabama economy are reported under the economic impact analysis and are measured in terms of added income. The returns on investment to taxpayers in Alabama are reported under the taxpayer investment analysis.

ATN is a leading provider of workforce training, technical assistance, and engineering services to incumbent workers across the state of Alabama.

Economic impact analysis



ATN promotes economic growth in Alabama through its direct expenditures and the resulting expenditures of employees and state businesses. The network serves as an employer and buyer of goods and services for its day-to-day operations. ATN helps businesses retain their employees, hire new employees, reduce costs, and avoid unnecessary investments, ultimately allowing businesses to invest in the most productive and beneficial avenues.

Operations spending impact

ATN adds economic value to Alabama as an employer of state residents and a large-scale buyer of goods and services. In FY 2023-24, ATN had 56 employees, 98% of whom lived in Alabama. Total payroll at ATN was $7.4 million, much of which was spent in the state for groceries, mortgage and rent payments, dining out, and other household expenses. In addition, ATN spent $3.4 million on expenses related to facilities, supplies, and professional services.

ATN's operations spending added $8.5 million in income to the state during the analysis year. This figure represents the network's payroll, the multiplier effects generated by the in-state spending of ATN and its employees, and a downward adjustment to account for funding that the network received from state sources. The $8.5 million in added income is equivalent to supporting 63 jobs in the state.

Impacts created by ATN in FY 2023-24

Operations spending impact
$8.5 million

+

Business support impact
$383.8 million

Total economic impact
$392.3 million

OR

Jobs supported
3,687

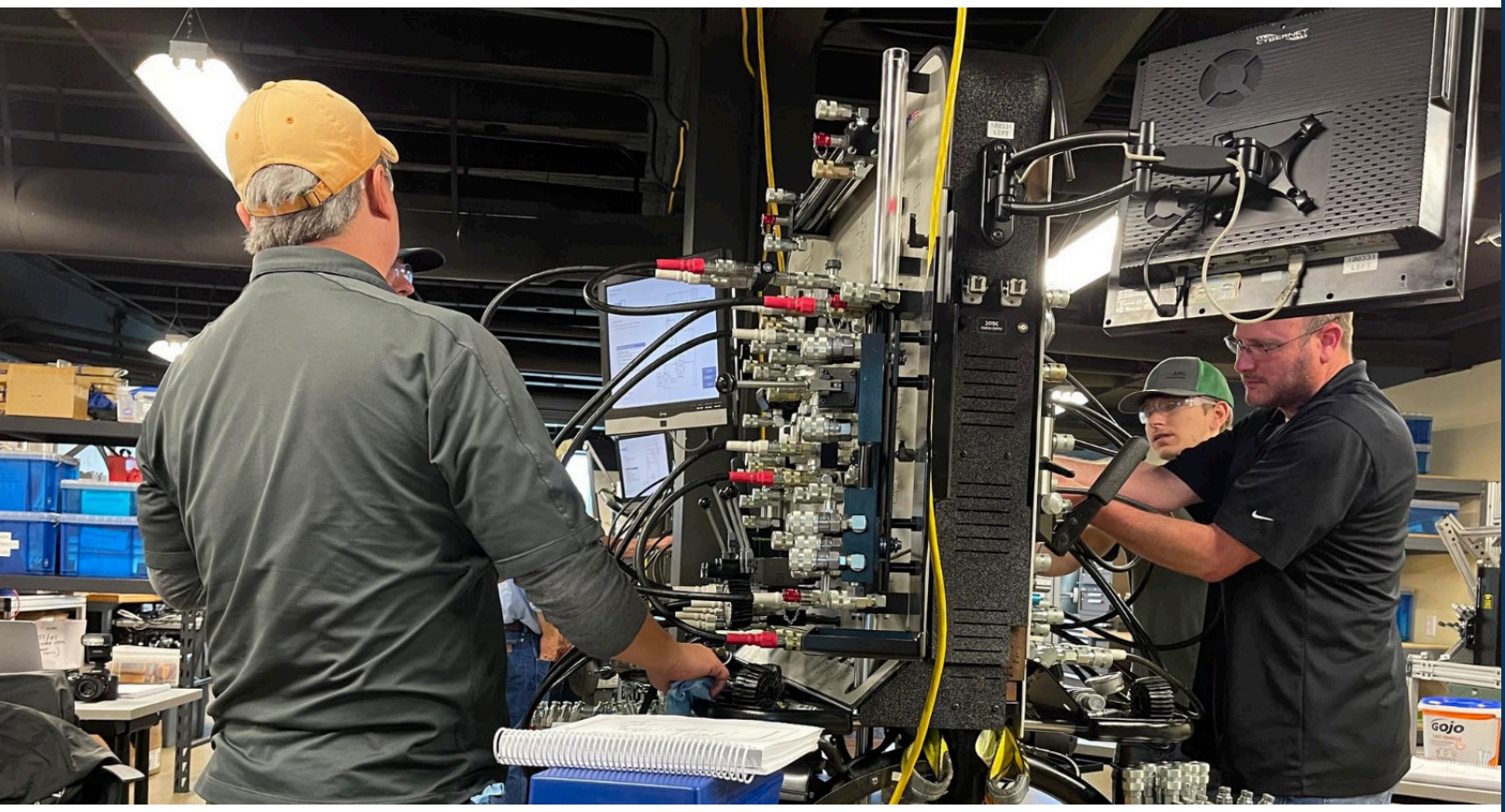
Business support impact

The main mission of ATN is to provide extensive workforce training, technical assistance, and engineering services to Alabama companies. These businesses will create an impact on the state economy through the retention and creation of new jobs and increased business investment, which in turn will increase demand for goods and services across the state economy. ATN helped businesses retain or grow by more than 3,000 jobs in FY 2023-24.*

The jobs retained or created, along with the additional spending of the businesses supported by ATN, created $383.8 million in added income in FY 2023-24, which is equivalent to supporting 3,624 jobs.

Total impact

ATN added $392.3 million in income to the Alabama economy during the analysis year, equal to the sum of the operations spending impact and the business support impact. ATN's total impact can also be expressed in terms of jobs supported. The $392.3 million impact supported 3,687 state jobs, using the jobs-to-sales ratios specific to each industry in the state.



* The business support impact is limited to those businesses that responded to an independent third-party survey where they quantified monetary or job related impacts. The business support impact can therefore be considered conservative because it does not include all businesses ATN served in FY 2023-24.

Taxpayer investment analysis



An investment analysis evaluates the costs associated with a proposed venture against its expected benefits. If the benefits outweigh the costs, then the investment is financially worthwhile. The analysis presented here evaluates ATN as an investment from the perspective of taxpayers in Alabama. As with the economic impact analysis, this analysis considers only FY 2023-24 activities.

ATN generates more in tax revenue than it takes. These benefits to taxpayers consist of taxes that the state and local government will collect from the added revenue created in the state. This growth in tax base stems from tax revenues resulting from the operations spending of ATN, as well as the tax revenues from workers whose jobs were either created or retained and the increased investment of companies supported. Total taxpayer benefits amount to $37.1 million in added taxes in FY 2023-24.

Taxpayer costs are $5.7 million, equal to the amount of state and local government funding ATN received in FY 2023-24. These benefits and costs yield a benefit-cost ratio of 6.5. This means that for every dollar of public money invested in ATN in FY 2023-24, taxpayers will receive a cumulative present value of $6.50.

Taxpayer investment analysis results

Present value benefits
$37.1 million

Present value costs
$5.7 million

Net present value
$31.4 million

Benefit-cost ratio
6.5

For every dollar of public money invested in ATN, taxpayers will receive a cumulative value of **$6.50** in FY 2023-24.

Conclusion

*The results of this study demonstrate that ATN creates value from **multiple perspectives**.*

The network benefits state businesses by increasing consumer spending in the state and supplying a steady flow of qualified, trained workers to the workforce. Finally, ATN benefits state and local taxpayers through increased tax receipts.



About the study

Data and assumptions used in the study are based on several sources, including the FY 2023-24 financial reports from ATN, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, and outputs of Lightcast's Multi-Regional Social Accounting Matrix model. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness. For a full description of the data and approach used in the study, please contact ATN for a copy of the main report.

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