



The Economic Contribution of the International Institute's 2017 Refugee Employment Program on the St. Louis MSA Economy February 25, 2019

The St. Louis Regional Chamber has estimated the economic contribution of The International Institute's Refugee Employment Program's 465 entry-level job placements on the St. Louis MSA regional economy. The International Institute provided information about the number of job placements, hourly wages, full-time or part-time positions, and whether the position provided benefits. All job placements occurred in 2017.

Economic Impact and Contribution Definitions

While the terms economic impact and economic contribution are often used interchangeably, there is a distinction between the terms. Economic contribution is that portion of the region's economy that can be attributed to an existing job, business, or industry. Economic contribution analysis tracks the gross economic activity of a job or business as it cycles through the region's existing economy. Economic impact analysis looks at the addition of brand-new jobs, businesses and revenues brought into the region for the first time. This analysis is a contribution analysis, because the jobs filled through the International Institute's work are not necessarily brand new to the region. In the text that follows, the word impact refers to the ripple effects of the recently filled jobs within the region's economy.

The economic impact of a business, organization, or event measures the amount of dollars associated with that entity and the way that the money circulates through the region. The estimates presented in this summary were developed with a computer model called IMPLAN, which stores a profile of the St. Louis MSA economy in a database. The model uses production functions for each industry in the region to calculate how spending in one industry circulates through other industries in the St. Louis MSA. This economic impact can be expressed either as an annual flow of dollars (output) or an equivalent number of employees.

Three levels of impact that we consider when we develop these figures are the direct impact, the indirect business spending impact, and the induced household spending impact. All three of these can be expressed in terms of an annual flow of dollars (output) or annual jobs. The total impact is the sum of the following three factors:

Direct Impact: the most basic part of an organization's economic impact measuring the dollars and jobs that the organization directly generates. When expressed in dollars, the direct impact approximates of a company's output. Alternatively, the direct impact is the average annual value of output associated with the given number of jobs in that industry.

Indirect Business Impact: the secondary measure of an organization's economic impact representing the dollars and jobs generated by the operating expenses of the organization. Examples include purchasing raw materials from a local supplier or the professional services of an accounting or law firm. This spending generates revenue and employment at firms that supply those goods or services. Every dollar an organization spends locally to conduct its business supports another business in some way.

Induced Household Spending Impact: the tertiary measure of an organization's economic impact measuring the business revenue generated by the personal spending of the organization's employees. Think of an organization's employee spending money at the local grocery store. The employee's paychecks support revenue and jobs the same way the organization's spending on equipment supports revenue and jobs.

This summary combines the indirect business impact and the induced household spending impact and refers it as "indirect impacts."

Other Definitions from IMPLAN:

- **Jobs** include full-time and part-time workers of firms, as well as self-employed individuals.
- **Labor income** includes all forms of employment income, including employee compensation (wages and benefits) and proprietor income.
- **Output** represents the value of industry production. For manufacturers this would be sales plus or minus change in inventory. For service sectors production equals sales. For retail and wholesale trade, output equals gross margin and not gross sales.

Note that labor income and output impacts are separate measures that cannot be combined.

Table 1 presents the number of 2017 job placements which were used to estimate the regional economic contribution by IMPLAN industry sector. Most of the 465 positions are full-time positions however 42 placements are identified as part-time. This analysis assumes part-time jobs are half-time positions, bringing the total number of full-time equivalent jobs in this analysis to 444 placements. The analysis that follows estimates the annual impact of these job placements. Average employee compensation is based on average employee salary provided by the International Institute. Wages used in the analysis were adjusted to reflect the value of benefits by sector for those positions that offer benefits.

Table 1
Number of Job Placements and Average Employee Salary
The International Institute's Refugee Employment Program
2017

IMPLAN Sector	Sector Description	Jobs	Average Employee Salary
63	Maintenance and repair construction of residential structures	8	\$ 27,950
90	Meat processed from carcasses	4	\$ 21,060
96	Cookie and cracker manufacturing	26	\$ 20,540
97	Dry pasta, mixes, and dough manufacturing	25	\$ 23,067
105	All other food manufacturing	17	\$ 20,678
114	Narrow fabric mills and schiffli machine embroidery	5	\$ 19,552
128	Women's and girls cut and sew apparel manufacturing	4	\$ 20,020
129	Other cut and sew apparel manufacturing	16	\$ 21,385
130	Apparel accessories and other apparel manufacturing	6	\$ 21,233
154	Printing	3	\$ 18,720
164	Other basic inorganic chemical manufacturing	1	\$ 32,240
166	Plastics material and resin manufacturing	3	\$ 21,320
174	Pharmaceutical preparation manufacturing	1	\$ 24,960
179	Soap and other detergent manufacturing	54	\$ 20,268
187	Other miscellaneous chemical product manufacturing	1	\$ 20,800
237	Prefabricated metal buildings and components manufacturing	6	\$ 18,460
279	Special Tool, die , jig, and fixture manufacturing	13	\$ 22,080
327	Small electrical appliance manufacturing	1	\$ 25,834
395	Wholesale trade	3	\$ 19,413
396	Retail - Motor vehicle and parts dealers	1	\$ 24,960
398	Retail - Electronics and appliance stores	1	\$ 20,800
400	Retail - Food and beverage stores	2	\$ 17,264
402	Retail- Gasoline stores	2	\$ 18,720
403	Retail - Clothing and clothing accessories stores	1	\$ 17,430
405	Retail - General merchandise stores	2.5	\$ 19,302
407	Retail - Nonstore retailers	2	\$ 20,800
414	Scenic and sightseeing transportation and support activities for transportation	1	\$ 27,352
463	Facilities support services	5	\$ 19,240
464	Employment services	30.5	\$ 21,845
467	Investigation and security services	1	\$ 22,880
470	Other support services	18.5	\$ 20,350
471	Waste management and remediation services	4	\$ 20,800

IMPLAN Sector	Sector Description	Jobs	Average Employee Salary
472	Elementary and secondary schools	2	\$ 34,320
480	Home health care services	2	\$ 20,800
482	Hospitals	14	\$ 21,223
483	Nursing and community care facilities	16.5	\$ 21,361
487	Child day care services	2.5	\$ 16,640
495	Gambling Industries (besides casino hotels)	11	\$ 23,863
497	Fitness and recreational sports centers	3	\$ 23,573
499	Hotels and motels, including Casino Hotels	47	\$ 19,333
501	Full Service Restaurants	13.5	\$ 19,537
502	Limited-service restaurants	6.5	\$ 18,240
504	Automotive repair and maintenance, except car washes	5	\$ 20,134
509	Personal care services	1	\$ 19,240
511	Dry Cleaning and Laundry Services	5	\$ 16,952
514	Grantmaking, giving, and social advocacy organizations	44.5	\$ 17,816
517	Private Households	2	\$ 36,400
	Total Jobs / Average Employee	444	\$ 20,687

Source: International Institute.

Number of jobs adjusted to reflect part-time positions as half-time positions.

Table 2 presents the annual job, labor income, and output impacts of the 444 job placements. The 444 direct jobs generated an additional 536 indirect jobs throughout the region, for a total regional employment impact of 980 jobs. Direct labor income associated with the 444 jobs of \$13.5 million generated another \$31.9 million in indirect labor income, for a total labor income impact of over \$45.4 million. Direct output generated by the new job placements totals over \$153.5 million. The indirect output is \$97.2 million, resulting in a total regional output impact of over \$250.7 million.

Table 2
Employment and Output Impact Estimates
New Jobs
2017

	Jobs	Labor Income	Output
Direct	444	\$13,468,000	\$153,509,000
Indirect	536	\$31,954,000	\$97,167,000
Total	980	\$45,422,000	\$250,676,000
Impacts were calculated using IMPLAN Professional for Windows, ver. 3.0 (base year 2016).			
Estimates based on number of employees by IMPLAN sector and wage levels. Employee compensation levels for positions offering benefits were estimated using IMPLAN's employee compensation ratio for each sector.			
2019 dollars			
Geographic Area: St. Louis, MO-IL MSA			
All numbers are rounded			

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