

The Impact of Economic Activities in the Power Inn Alliance Area

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POWER INN ALLIANCE



Executive Summary

The following research study was initiated by the Power Inn Alliance to identify and illustrate the size, diversity and economic impact of businesses operating within the 6.2 square mile Power Inn geographic area. The figures uncovered clearly illustrate that the area supported by the Power Inn Alliance is a driving force in the economy of both the city and region of Sacramento.

The report identified several key points:

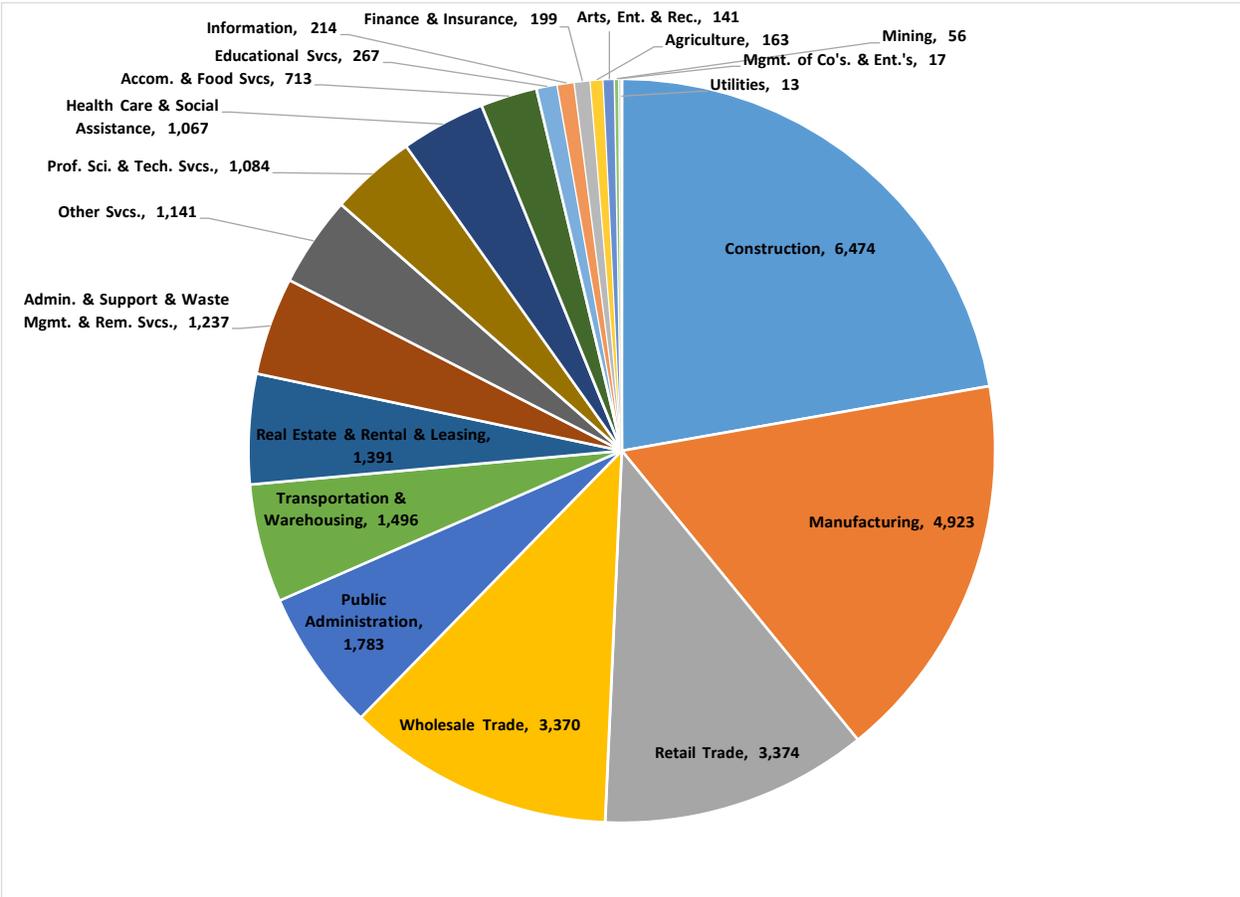
- 1) According to Reference USA, and further refined by the Burriss Service Group (BSG), the Power Inn Area is home to over 29,000 jobs; 94 percent of these are private sector jobs. These jobs make up nearly 14 percent of the city of Sacramento's private sector employment.
- 2) The largest employment sectors in the area are Construction, Manufacturing, Retail and Wholesale Trade, totaling over 18,000 jobs. These jobs make up over 62 percent of the Power Inn area's total jobs.
- 3) The Power Inn community has emerged as the largest employment hub for Manufacturing and Construction in the city of Sacramento, representing 62 and 81 percent of total city employment in these sectors, respectively. The Power Inn area is of critical importance to the future ambitions of the City in expanding their manufacturing base.
- 4) Companies located in the Power Inn area create nearly \$6.2 billion in direct output, and over \$1.7 billion in labor income to the region.
- 5) When measuring the impact, or "ripple effect" of the Power Inn area's economic activities on the Sacramento Region, an additional 28,000 jobs, \$4.2 billion in output, and nearly \$1.5 billion in labor income are generated through continued consumption activities of the companies and employees.
- 6) In total, the Power Inn business community supports nearly **58,000 jobs** in the region, over **\$10 billion in output**, and nearly **\$3.2 billion in wages**.

Economic Impact of Power Inn Alliance Businesses

The Power Inn Alliance is a nonprofit organization which represents a coalition of over 1,300 businesses that operate in the southeastern quadrant of Sacramento. The Alliance serves as the area’s chamber of commerce, spokesperson, and business advocate. Businesses within Power Inn Alliance’s service area benefit the economy through the people they directly employ, but they also create a larger economic impact in the regional economy and beyond through supplier and consumption activities which their operations support.

According to ReferenceUSA data, 29,512 jobs are supported within the Alliance area. **Figure 1** shows the composition of employment by major industry sector (note: 389 jobs could not be classified to an industry sector; therefore, only 29,123 classified jobs are included in this analysis). The largest industries are Construction, Manufacturing, and Retail Trade with employment ranging from nearly 3,400 to 6,500.

Figure 1: Power Inn Alliance Employment by Major Sector



Source: ReferenceUSA employment

Economic impact is the “ripple effect” of certain economic activities throughout the region, as dollars are earned and spent over time and over a wider geographic area. The IMPLAN input-output model was used to measure the total economic impacts of businesses within the Power Inn area on the Sacramento Region economy (defined as El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba Counties). Overall, a total economic impact of around 58,000 jobs, \$10.4 billion in output, and \$3.2 billion in labor income is created in the Sacramento Region by businesses in the Power Inn Alliance service area. In comparison and looking at output alone, this total impact is about the size of the Sacramento Region’s entire Retail Trade sector.

The Alliance’s businesses directly benefit the regional economy through their operations and the jobs they support. **Figure 2** shows that these companies directly contribute nearly over 29,000 jobs, \$6.2 billion in output, and over \$1.7 billion in labor income to the regional economy. Additionally, these establishments generate an indirect impact through purchases made from their suppliers—around 15,000 jobs, \$2.3 billion in output, and \$810,000 in labor income are created within establishments that supply these businesses. Finally, Power Inn businesses generate an induced effect of approximately 13,000 jobs, almost \$1.9 billion in output, and \$622 million in labor income as a result of consumption activities within the regional economy of both direct and indirect employees.

Figure 2: Total Economic Impacts

	Direct	Indirect	Induced	Total
Employment	29,123	15,295	13,483	57,901
Output	\$6,192,897,425	\$2,304,852,063	\$1,865,818,982	\$10,363,568,470
Labor Income	\$1,732,745,061	\$810,219,516	\$622,363,186	\$3,165,327,763

Source: ReferenceUSA employment and IMPLAN 2014 data coefficients

Figure 3 sorts the total employment impacts by major sector. The Alliance’s largest industries by employment also see the largest total employment impacts in the Sacramento Region: Construction (over 7,400 jobs), Retail Trade (nearly 7,000 jobs), and Manufacturing (around 5,300 jobs). However Retail Trade; Administrative & Waste Services; and Professional, Scientific, & Technical Services create the largest combined impacts when considering only indirect and induced effects combined.

Figure 3: Employment Impacts by Major Sector

<i>Industry</i>	<i>Direct</i>	<i>Indirect</i>	<i>Induced</i>	<i>Total</i>
Construction	6,474	786	167	7,427
Retail Trade	3,374	1,513	2,078	6,965
Manufacturing	4,923	340	61	5,324
Wholesale Trade	3,370	1,049	386	4,804
Administrative & Waste Services	1,237	2,367	825	4,429
Professional, Scientific & Technical Services	1,084	2,341	652	4,077
Health & Social Services	1,067	7	2,625	3,699
Transportation & Warehousing	1,496	1,678	404	3,579
Real Estate & Rental	1,391	1,273	863	3,526
Accommodation & Food Services	713	519	1,787	3,019
Other Services	1,141	538	1,320	2,999
Finance & Insurance	199	1,056	983	2,238
Government	1,783	136	138	2,057
Management of Companies	17	831	116	964
Arts, Entertainment & Recreation	141	248	422	812
Information	214	345	189	748
Educational Services	267	21	388	676
Ag, Forestry, Fish & Hunting	163	58	20	241
Utilities	13	102	54	168
Mining	56	89	4	149
TOTAL	29,123	15,295	13,483	57,901

Source: ReferenceUSA employment and IMPLAN 2014 data coefficients

Total output impacts by major sector are displayed in Figure 4. The Manufacturing, Construction, and Wholesale Trade sectors see the largest total output impacts in the Sacramento Region; nearly \$2.3 billion, about \$1.3 billion, and around \$1.1 billion, respectively. Real Estate & Rental; Finance & Insurance; and Professional, Scientific & Technical Services have the largest combined indirect and induced effects, combined.

Figure 4: Output Impacts by Major Sector

<i>Industry</i>	<i>Direct</i>	<i>Indirect</i>	<i>Induced</i>	<i>Total</i>
Manufacturing	\$2,207,493,928	\$114,463,277	\$27,392,014	\$2,349,349,219
Construction	\$1,095,973,004	\$136,155,761	\$29,484,979	\$1,261,613,744
Wholesale Trade	\$763,231,020	\$237,534,974	\$87,346,931	\$1,088,112,926
Real Estate & Rental	\$274,604,197	\$236,573,340	\$397,518,516	\$908,696,053
Retail trade	\$317,991,991	\$128,301,176	\$180,506,483	\$626,799,650
Government	\$504,912,762	\$39,610,521	\$40,139,051	\$584,662,334
Professional, Scientific & Technical Services	\$167,194,828	\$290,081,983	\$81,542,883	\$538,819,693
Transportation & Warehousing	\$203,384,052	\$226,958,195	\$54,644,368	\$484,986,615
Finance & Insurance	\$36,906,689	\$218,111,765	\$225,010,922	\$480,029,377
Administrative & Waste Services	\$234,512,544	\$165,025,073	\$52,694,191	\$452,231,807
Health & Social Services	\$127,474,784	\$737,709	\$269,272,746	\$397,485,240
Information	\$88,777,794	\$139,532,694	\$98,620,251	\$326,930,739
Other Services	\$62,484,891	\$61,949,718	\$94,419,022	\$218,853,630
Accommodation & Food Services	\$43,120,278	\$30,505,104	\$107,739,843	\$181,365,224
Management of Companies	\$3,155,828	\$154,276,295	\$21,557,268	\$178,989,392
Utilities	\$7,769,100	\$77,038,233	\$40,143,887	\$124,951,220
Arts, Entertainment & Recreation	\$7,650,600	\$13,949,064	\$31,500,940	\$53,100,605
Mining	\$13,767,601	\$27,940,447	\$1,055,845	\$42,763,893
Educational Services	\$18,219,453	\$1,012,433	\$22,549,615	\$41,781,501
Ag, Forestry, Fish & Hunting	\$14,272,081	\$5,094,302	\$2,679,225	\$22,045,608
TOTAL	\$6,192,897,425	\$2,304,852,063	\$1,865,818,982	\$10,363,568,470

Source: ReferenceUSA employment and IMPLAN 2014 data coefficients

All representations included in this report have been produced from primary research or secondary review of publicly and/or privately available data and/or research reports. Efforts have been made to qualify and validate the accuracy of the data and the reported findings; however, neither the Burriss Service Group nor the Power Inn Alliance are responsible for applications or decisions made by the recipients of this study based upon components of this study.

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