

State New Markets Study Comparison

State New Markets initiatives have consistently proven to be revenue positive from day one and provide strong revenue returns over the life of the initiative. The Missouri and Florida New Markets initiatives each had preliminary and retroactive studies completed to project and measure the state impact. The results listed below compare projections (before New Markets existed) and actuals (after New Markets investments).

Florida New Markets

Washington Economics Group (“WEG”) performed the study, “The Potential Benefits of A Florida New Markets Tax Credits Program: An Economic Impact Brief” dated December 10, 2007, using a REMI 70-sector model of the Florida economy. On April 9, 2013, WEG issued the report, “The Economic Impact of Florida’s New Markets Development Program: *Interim Analysis of Florida’s NMDP Investments, 2010-2012*,” employing the Florida MIG IMPLAN model utilized by Florida economic development agencies, such as Enterprise Florida.

While the two studies used different econometric models based on economic facts and assumptions that changed over time to reflect vastly different economic conditions both nationally and in Florida, results for the most recent calendar year, 2012, show that New Markets in Florida is exceeding initial expectations.

Florida New Markets	WEG 2007 Study ¹	WEG 2013 Study ²
Direct Jobs	2,366	2,824
Indirect/Induced Jobs	1,781	4,269
Total Employment	4,149	7,094
Labor Income	\$247.4M	\$366M

Missouri New Markets

Dr. Tom Tanner, an economist from the Carl Vinson Institute of Government at the University of Georgia at Athens, performed the preliminary New Markets study in Missouri. The 2007 Regional Dynamics impact Analysis for the state of Missouri estimated the potential impact of \$187.5M of New Markets investments.

Nationally respected economist Donald Phares, Ph.D., Professor Emeritus of Economics and Public Policy at the University of Missouri-St. Louis, performed a comprehensive economic and fiscal impact study of Missouri’s New Markets Development program in 2011, four years after the program was implemented. The study contains an in-depth analysis of 31 companies representing \$197M of New Markets investments.

The two studies were completed by different economists and used different econometric models based on economic facts and assumptions that changed over time to reflect vastly different economic conditions both nationally and in Missouri, the results for 2013 show that actual performance as reported by the companies that received investment, exceed expectations.

Missouri New Markets	Dr. Tanner 2007 ³	Dr. Phares 2011 ⁴	Actual 2013 ⁵
Direct Jobs	-	2,316	4,997
Retained Jobs (Indirect/Induced)	-	1,472	2,327
Total Employment	5,649	3,786	7,324

¹Source: *Analysis of the Economic Benefit Realized From the Florida New Markets Tax Credits Program*; WEG Inc. 2007

²Source: *Analysis of the Economic Benefit Realized From the Florida New Markets Tax Credits Program*;

³Source: *Missouri New Markets Development Program Economic Impact Analysis*; Tom Tanner, Ph.D.,

⁴Source: *Missouri New Markets Development Program, Associated Economic and Fiscal Impacts*; Donald

⁵Source: Annual New Markets portfolio company data; Advantage Capital Partners, 2013