



Economic Benefits of LBNL Second Campus

LBNL Community Advisory Group

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Purpose of Economic Benefit Analysis

- Demonstrates the economic benefits of development projects or major institutions
- Looks at one-time as well as ongoing benefits
- Economic benefits include:
 - Job generation
 - Wages
 - Local and Regional Sales
- Standard method of economic analysis

Type of Effects – LBNL as an example

- **Direct Effects** Operating data from LBNL on jobs, wages paid to workers, and expenditures on goods and services
- **Indirect Effects** Spending made by LBNL workers, suppliers and supplier jobs and wages
- **Induced Effects** Spending by employees of LBNL suppliers
- **Multiplier Effects** Indirect and induced effects comprise multipliers, measuring how dollars cycle through the economy

Method of Measuring Economic Benefits

- The IMPLAN model is a complex input-output model of the US economy, developed in the 1980s by the US Forest Service and the University of Minnesota and updated annually
- IMPLAN is one of the standard models for estimating US economic benefits
- IMPLAN is used by more than 1,500 organizations, including the US Federal Reserve, USDA, most states and localities, and many corporations and universities

Approach to Estimating Economic Benefits

- Obtain or estimate direct effects
- Analyze direct effects geographically
- Implement IMPLAN model
- Process results by type and location of impact

Representative Economic Benefits of LBNL

Second Campus – Baseline Information

- Extrapolated from 2010 Economic Impact Study for LBNL
- Derived from existing benefits of:
 - Joint BioEnergy Institute in Emeryville
 - Joint Genome Institute in Walnut Creek
- Current (FY 2009) direct effects of JBEI and JGI:
 - \$60 million in spending – approx. 60% in the Bay Area
 - 185 FTE jobs
 - \$19 million in employee wages - \$18.5 million in the Bay Area

Representative Bay Area Benefit of LBNL

Second Campus – Minimum Second Campus Benefits

- Analysis assumes JGI and JBEI comprise 40% of campus
- Bay Area impacts are regional, but concentrated in communities closest to campus location

- For all of LBNL, 25-30% of Bay Area benefits are in Berkeley

➤ Prospective Second Campus Economic Benefits

- Spending Benefits \$280 million, including \$55 million Bay Area
0.28 Bay Area multiplier
- Job Benefits 925 jobs, including an additional 1.0 Bay Area job
per LBNL employee
- Personal Income Benefits \$70 million, contributing \$1.47 in Bay Area wages
per \$1.00 earned by a LBNL employee

- The impacts are even greater at the statewide and national levels

Economic Benefits of LBNL

Second Campus

➤ Questions and Answers

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