

**Economic and Fiscal Effects on Michigan of the Caraco Pharmaceutical Laboratories, Ltd., Facility Expansion  
Net Benefits with the Incentive Package**

Economic/Fiscal Indicator	2007	2008	2009	2010	2015	2017	Total 2007-2017
Total employment	147	306	697	991	1,640	1,648	—
Manufacturing	6	128	271	410	650	649	—
Chemical and pharmaceutical mfg.	0	119	252	386	626	626	—
Other manufacturing	6	9	19	24	24	23	—
Nonmanufacturing	141	178	426	581	990	999	—
Retail trade	16	26	58	80	128	127	—
Services	39	101	222	318	511	517	—
Other	86	51	146	183	351	355	—
In current dollars (thousands):							
Personal income	6,500	15,015	34,912	53,589	115,356	126,953	854,065
Gross state revenue	458	1,059	2,462	3,779	8,134	8,951	60,220
MEGA cost	0	161	341	569	1,079	1,189	8,193
State revenue net of MEGA cost*	458	898	2,121	3,210	7,055	7,762	52,027
Adjusted for inflation (thousands of 2007 dollars):							
Personal income	6,500	14,067	31,680	46,719	87,491	92,490	675,357
Gross state revenue	458	992	2,234	3,294	6,169	6,521	47,619
MEGA cost	0	158	324	525	873	915	6,889
State revenue net of MEGA cost*	458	834	1,910	2,769	5,296	5,606	40,730

\*These estimates do not include any state government revenue losses due to the Investment Tax Credit.

## **REMI Terms and Definitions**

**Benefits estimated by the model:** the total number of jobs created in Michigan (by major industry, including spin-off jobs), and the associated personal income and state government revenue generated due to the gain in economic activity resulting from the project.

**Direct jobs:** the jobs created at the project facility itself, as estimated at the end of the incentive period.

**Employment multiplier:** the total number of jobs created (direct plus spin-off) for every direct job introduced constitutes the employment multiplier. The numerator of the employment multiplier equals the number of jobs (direct and spin-off) created on average over the incentive period when the facility is at full operations. The denominator of the employment multiplier represents the direct jobs created yearly over the same period.

**Personal income:** the income of Michigan residents from all sources, after deduction of contributions to social insurance programs but before deduction of income tax and other personal taxes.

**Spin-off jobs:** Spin-off jobs are generated from two sources: increased purchases from Michigan suppliers; and spending by people who receive income due to the increased economic activity.

**Total employment effects:** direct jobs created at the facility itself plus spin-off jobs, as estimated at the end of the incentive period.

*REMI estimates do not include the nonmeasurable effects that would produce additional economic and fiscal benefits for Michigan, such as the intangible advantages of influencing other location and expansion decisions.*