

**Hemlock Semiconductor  
Economic and Fiscal Effects on Michigan - Net Benefits with the Incentive Package**

Economic/Fiscal Indicator	2006	2007	2008	2009	2010	2015	2020	2022	Total
Total Employment	168	571	934	769	471	428	453	463	
Manufacturing	10	53	139	148	153	148	151	152	
Non-Manufacturing	158	518	795	621	318	280	302	311	
Retail Trade	20	82	125	96	50	42	41	41	
Services	42	180	301	251	162	154	166	171	
Other	96	256	369	274	106	84	95	99	
In Current Dollars (Thousands):									
Personal Income	\$6,927	\$25,630	\$46,480	\$43,370	\$32,470	\$35,460	\$44,190	\$48,220	\$619,627
Gross State Revenue	533	1,974	3,579	3,339	2,500	2,730	3,403	3,713	47,713
Mega Cost	0	0	235	340	349	420	541	606	6,478
State Revenue Net of MEGA Cost*	\$533	\$1,974	\$3,344	\$2,999	\$2,151	\$2,310	\$2,862	\$3,107	\$41,235
Adjusted for Inflation (Thousands of 2005 Dollars):									
Personal Income	\$6,765	\$24,509	\$43,539	\$39,798	\$29,198	\$28,863	\$32,573	\$34,148	\$508,561
Gross State Revenue	521	1,888	3,353	3,064	2,248	2,222	2,508	2,629	39,160
Mega Cost	0	0	220	312	314	342	399	429	5,193
State Revenue Net of MEGA Cost*	\$521	\$1,888	\$3,133	\$2,752	\$1,934	\$1,880	\$2,109	\$2,200	\$33,967

\* These estimates do not include any state government revenue losses due to the Investment Tax Credit, the Renaissance Zone Credit or the property tax abatement.

## **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.*