

**The Economic Effects on Michigan of
the Hyundai America Technical Center, Inc., Expansion Decision**

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**Economic and Fiscal Effects on Michigan of the Hyundai America Technical Center, Inc., Expansion
Net Benefits with the Incentive Package**

Economic/Fiscal Indicator	2006	2007	2008	2009	2010	2011	2015	2020	2025	2026	Total 2006-2026
Total employment	108	989	921	674	786	1,188	1,015	971	1,004	1,014	
Manufacturing	3	22	7	0	0	0	0	0	0	0	
Nonmanufacturing	105	967	914	674	786	1,188	1,015	971	1,004	1,014	
Retail trade	11	122	131	112	130	198	172	166	172	174	
Services	20	309	425	460	555	831	753	734	752	758	
Other	74	536	358	102	101	159	90	71	80	82	
In current dollars (Thousands):											
Personal income	5,300	59,100	71,000	68,600	83,600	125,400	141,200	164,400	198,000	206,000	2,854,200
Gross state revenue	408	4,545	5,460	5,275	6,429	9,643	10,858	12,642	15,226	15,841	219,488
MEGA cost	0	353,08	743	1,031	1,351	2,078	2,485	3,230	4,384	4,683	53,468
State revenue net of MEGA cost*	408	4,192	4,717	4,244	5,078	7,565	8,373	9,412	10,842	11,158	166,020
Adjusted for inflation (Thousands of 2005 dollars):											
Personal income	3,888	45,536	52,507	49,317	60,136	89,720	92,455	98,115	106,676	108,592	1,770,423
Gross state revenue	299	3,502	4,038	3,792	4,625	6,899	7,110	7,545	8,203	8,351	136,146
MEGA cost	0	272	550	741	972	1,486	1,627	1,928	2,362	2,469	32,623
State revenue net of MEGA cost*	299	3,230	3,488	3,051	3,653	5,413	5,483	5,617	5,841	5,882	103,523

*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.