
**The Economic Effects on Michigan of
the Keebler Company Facility Expansion Decision**

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**Economic and Fiscal Effects on Michigan of the Keebler Company Facility Expansion
Net Benefits with the Incentive Package**

Economic/Fiscal Indicator	2006	2007	2008	2009	2010	2015	Total 2006-2015
Total employment	586	811	776	740	715	664	—
Manufacturing	261	381	372	363	358	352	—
Nonmanufacturing	325	430	404	377	357	312	—
Retail trade	69	93	86	79	73	61	—
Services	121	163	146	131	121	104	—
Other	135	174	172	167	163	147	—
In current dollars (thousands):							
Personal income	27,800	42,600	45,000	46,200	47,100	52,200	458,600
Gross state revenue	2,138	3,276	3,461	3,553	3,622	4,014	35,266
MEGA cost	314	498	513	529	546	686	5,526
State revenue net of MEGA cost*	1,824	2,778	2,948	3,024	3,076	3,328	29,740
Adjusted for inflation (thousands of 2005 dollars):							
Personal income	22,239	32,386	32,926	32,803	32,892	34,030	320,834
Gross state revenue	1,710	2,490	2,532	2,522	2,530	2,617	24,672
MEGA cost	252	378	376	376	381	447	3,857
State revenue net of MEGA cost*	1,458	2,112	2,156	2,146	2,149	2,170	20,815

*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.