

What is the Economic Impact of the Independence Steam Electric Station?



Total Economic
Output
\$668 Million

Total Employment
1,267



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What is the Economic Impact of the Independence Steam Electric Station in Newark, Arkansas?

The economic impact of the Independence Steam Electric Station in Newark, Arkansas in terms of economic output is estimated to be \$668 million. The estimated value added is \$178 million. The total number of jobs created and supported is estimated at 1,267. This is displayed in table 1.

Table 1
Total ISES Economic Impact

Final Demand Output Dollars	AECC	Entergy	Total ISES
Direct	\$133,920,628	\$248,703,998	\$382,624,626
Indirect	\$49,600,262	\$92,112,647	\$141,712,910
Induced	<u>\$50,322,372</u>	<u>\$93,453,676</u>	<u>\$143,776,048</u>
Total Demand Output	\$233,843,262	\$434,270,322	\$668,113,584
Value Added	AECC	Entergy	Total ISES
Direct	\$12,352,956	\$22,940,674	\$35,293,629
Indirect	\$37,733,116	\$70,074,169	\$107,807,285
Induced	<u>\$12,253,314</u>	<u>\$22,755,630</u>	<u>\$35,008,944</u>
Final Value Added	\$62,339,386	\$115,770,472	\$178,109,858
Total Employment Impact - Jobs	AECC	Entergy	Total ISES
Direct	169	314	483
Indirect	128	236	364
Induced	<u>147</u>	<u>273</u>	<u>420</u>
Final Employment Impact - Jobs	444	823	1,267

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The number of Arkansas counties potentially affected by the Independence Steam Electric Station economic impact is eight (8). Five (5) of those counties are located in the Arkansas Delta Region and three (3) of those counties are outside of the Arkansas Delta Region. Only 49% of the total economic impact is captured inside the state of Arkansas. This is due to the nature of the operating characteristic of the power plant. Table 2 displays the estimated distribution of the economic impact by Arkansas counties and the portion outside of the state of Arkansas.

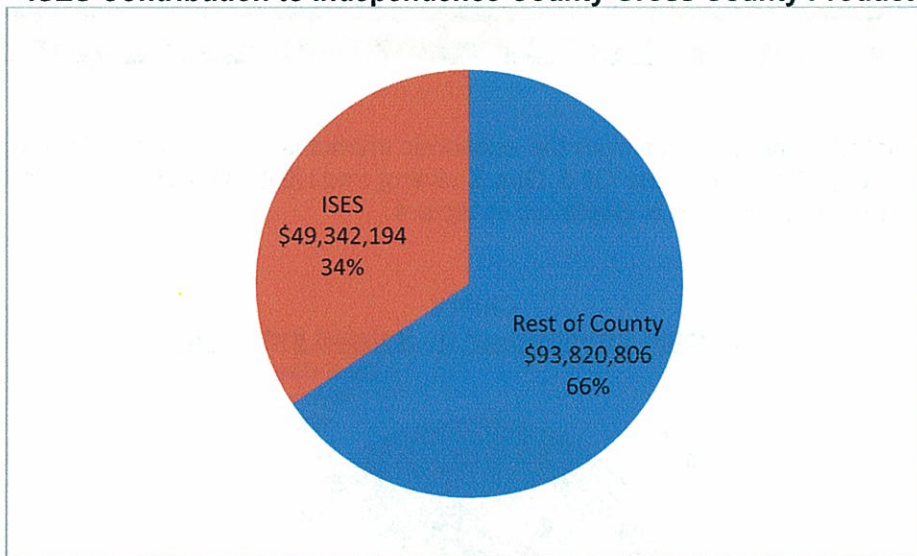
The majority (27%) of the economic impact retained in Arkansas is found in Independence County. The economic impact of the Independence Steam Electric Station accounts for approximately one-third (34%) of the Independence County gross county product. See Chart 1.

Table 2
ISES Power Plant Economic Impact Summary

Economic Impact Distribution	Jobs	Value Added	Economic Output	Percentage
Independence County*	351	\$49,342,194	\$185,089,083	27.70%
Jackson County*	82	\$11,462,982	\$42,999,157	6.44%
Lawrence County*	61	\$8,588,139	\$32,215,241	4.82%
Sharp County*	8	\$1,179,050	\$4,422,770	0.66%
White County*	47	\$6,550,275	\$24,570,947	3.68%
Izard County	18	\$2,521,856	\$9,459,814	1.42%
Stone County	17	\$2,429,060	\$9,111,726	1.36%
Cleburne County	44	\$6,208,205	\$23,287,797	3.49%
Out of State	639	\$89,828,097	\$336,957,048	50.43%
Total Employment Estimate	1,267	\$178,109,858	\$668,113,584	100.00%

* = Delta Region

Chart 1
ISES Contribution to Independence County Gross County Product



Approximately 57% of the economic impact in terms of economic output is directly reflected in two industries, Oil & Gas & Mining and Utilities. Many other industries are also affected by the Independence Steam Electric Station economic impact. On a total industry impact basis these two industries account for 92% of the total economic impact. The summary of this information is displayed in table 3.

Table 3
Total ISES Economic Impact

2013 Economic Impact by Industry	Direct	Induced	Indirect	Total
Agriculture, Forestry, Fishing	\$0	\$140,416	\$132,170	\$272,587
Oil & Gas & Mining	\$292,564,083	\$5,019,877	\$4,725,091	\$302,309,051
Utilities	\$90,060,543	\$117,399,596	\$110,505,458	\$317,965,597
Construction	\$0	\$3,522,105	\$3,315,274	\$6,837,379
Manufacturing	\$0	\$3,709,326	\$3,491,501	\$7,200,827
Wholesale	\$0	\$783,990	\$737,951	\$1,521,941
Retail	\$0	\$374,443	\$352,454	\$726,897
Transportation & Warehousing	\$0	\$6,260,220	\$5,892,596	\$12,152,816
Media	\$0	\$1,064,822	\$1,002,292	\$2,067,115
Finance, Insurance, Real Estate	\$0	\$3,381,689	\$3,183,103	\$6,564,792
Professional & Management	\$0	\$3,615,716	\$3,403,387	\$7,019,103
Education	\$0	\$35,104	\$33,043	\$68,147
Health Care & Social Services	\$0	\$1,322,252	\$1,244,604	\$2,566,856
Other Industries	\$0	\$432,950	\$407,525	\$840,475
Total Economic Impact by Industry	\$382,624,626	\$147,062,505	\$138,426,452	\$668,113,584

The total estimated number of jobs from the economic impact is 1,267. Approximately one-third of those are directly attributed to the Oil & Gas & Mining and Utilities industries. (See Chart 2) The employment (jobs) estimate is displayed in table 4.

Chart 2
Estimated Employment by Related Industries

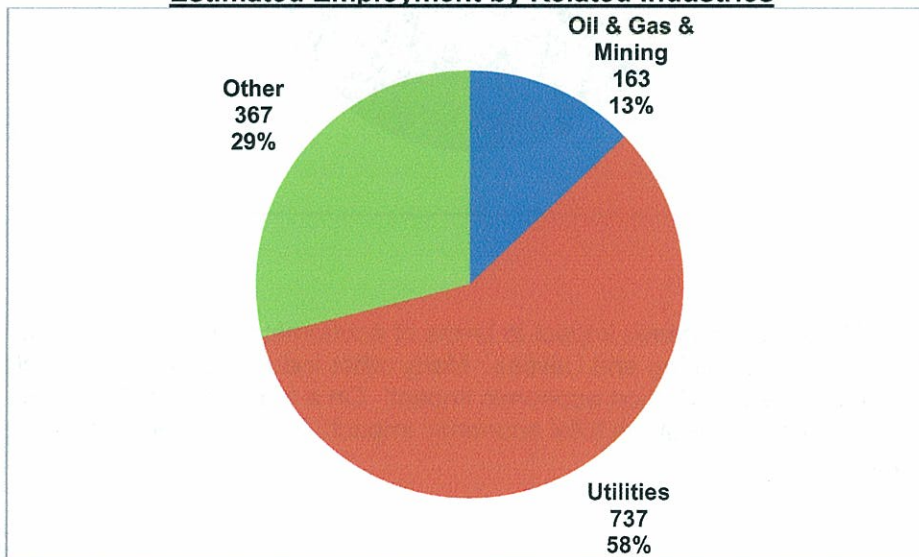


Table 4

Total ISES Employment Impact				
2013 Employment Impact by Industry	Direct	Induced	Indirect	Total
Agriculture, Forestry, Fishing	0	9	6	14
Oil & Gas & Mining	131	17	14	163
Utilities	351	206	180	737
Construction	0	0	3	3
Manufacturing	0	103	86	189
Wholesale	0	0	0	0
Retail	0	6	3	9
Transportation & Warehousing	0	23	23	46
Media	0	6	6	11
Finance, Insurance, Real Estate	0	6	6	11
Professional & Management	0	6	3	9
Education	0	6	6	11
Health Care & Social Services	0	11	9	20
Other Industries	0	23	21	44
Total Employment Impact by Industry	483	420	364	1,267

The estimated fiscal impact is approximately \$22.7 million. This is displayed in table 5.

Table 5

ISES Power Plant Economic/Fiscal Impact Summary			
	Estimated Fiscal Impact	2013	Percent of Total
AECC	Property Tax	\$1,317,585	5.78%
	Sales & Use Tax	\$6,654,178	29.22%
	Fiscal Impact	\$7,971,763	35.00%
Entergy	Property Tax	\$2,446,887	10.74%
	Sales & Use Tax	\$12,357,473	54.26%
	Fiscal Impact	\$14,804,361	65.00%
Total	Property Tax	\$3,764,472	16.53%
	Sales & Use Tax	\$19,011,651	83.47%
	Fiscal Impact	\$22,776,123	100.00%

