



**Economic Impact Analysis
Return on Investment
A Focus on the Future
FY 2014 - FY 2019**

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Executive Summary

- In the fall of 2013, the Aspire Clarksville Foundation launched ***Aspire Clarksville V – A Focus on the Future***, a five-year \$3.8 million economic development program targeting business recruitment, expansion and tourism events to enhance economic prosperity. The goal is 3,500 new direct jobs and a 25% - 30% increase in tourism spending.
- The total impact of the ***Aspire Clarksville V*** economic development program for new jobs is projected to be 5,652 jobs, \$238 million of new income, \$365 million of new value added, and \$1.3 billion of new output.
- 3,500 direct jobs create new income of \$153 million, new value added of \$210 million and new output of \$980 million. These are the initial and “direct” effects. Then as indirect impacts accumulate through business-to-business purchasing, and all those affected spend new income (induced impacts), the initial impacts are multiplied to create 5,652 new jobs (a multiplier of 1.61), and \$238 million of new income, a multiplier of 1.56. Value added multiplied by 1.74 to total \$365 million and output by 1.28 to total \$1.3 billion.
- The total annual impact of the ***Aspire Clarksville V*** tourism spending initiatives will be 37 jobs, \$951,776 of new income, \$1.6 million of new value added, and \$3.2 million of new output.
- Tourism spending will create 29 direct new jobs, new income of \$663,986, new value added of \$1.1 million and new output of \$2.2 million. These are the initial and “direct” effects. Then as indirect impacts accumulate through business-to-business purchasing, and all those affected spend new income (induced impacts), the initial impacts are multiplied to create 37 new jobs (a multiplier of 1.28), and \$951,776 of new income, a multiplier of 1.43. Value added multiplied by 1.50 to total \$1.6 million and output by 1.44 to total \$3.2 million.
- ***Aspire Clarksville V*** will have a total impact on income of \$239 million. New jobs will account for \$238 million of new income and tourism spending will create an additional \$951,776 of new income. New income and spending also means new sales and property taxes. New jobs will create \$16.3 million in new sales taxes every year and \$7.1 million in new property taxes. Tourism spending will create \$145,872 in new sales taxes and \$63,561 in new property taxes.
- New income will create disposable income of \$212.0 million, and based on national spending and savings patterns, this disposable income will create \$197.1 million in new consumer expenditures and \$7.7 million in new savings deposit potential. There will also be \$16.5 million in new sales taxes and \$7.2 million in new property taxes each year.
- Profits returned to the community divided by the investment in ***Aspire Clarksville V*** equals a return on this investment of **\$79.64** returned for every **\$1.00** invested. In fact, returns are even higher. Jobs created will last well beyond 2019 and tourism spending will continue to build on the success of ***Aspire Clarksville V***.

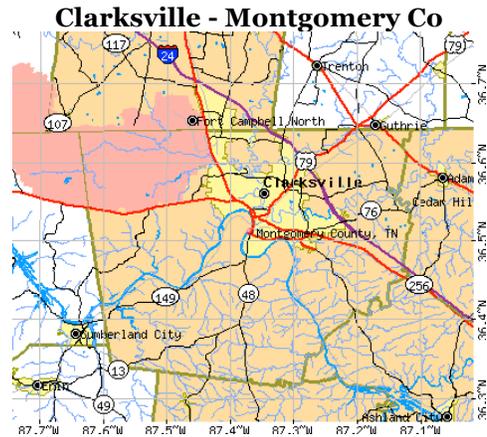
Economic Impact Analysis

A. Clarksville - Montgomery County

The Clarksville-Montgomery County Economic Development Council EDC stimulates regional economic growth through business expansion, attraction and retention programs, and through tourism spending. In the fall of 2013, the Aspire Clarksville Foundation launched **Aspire Clarksville V – A Focus on the Future**, a five-year \$3.8 million economic development program targeting business recruitment, expansion and tourism events to enhance economic prosperity.

This analysis presents the economic impact of the program’s goals for the next five years, projecting employment, earnings, and tourism spending growth from July 1st 2014 to June 30th, 2019. The analysis also includes a calculation of return on investment.

This economic impact analysis quantifies the specific goals of **Aspire Clarksville V** that generate employment, income and business activity. 3,500 direct new jobs and a 25% - 30% increase in tourism spending will play a significant role in boosting the local economy as each new success multiplies jobs, income and output.



Clarksville is the center of economic activity and jobs in the County and region. **Table 1** below shows that Clarksville has 77% of the County’s population. **Aspire Clarksville V** will have an impact on the entire region, but especially on Montgomery County. This past decade, Montgomery County increased its paid employment by 20.6% from 2000 to 2011. Montgomery County’s growth was way ahead of growth throughout Tennessee, where paid employment fell by 3.8%.

Table 1
Clarksville - Montgomery County
Population and Employment

City/County	Population Estimates 2012	Percent % Of County Population	Paid* Employees 2000	Paid* Employees 2011	Percent % Change Paid Employees 2000-2011
Clarksville	142,519	77.3%	n.a.	n.a.	n.a.
Montgomery Co	184,468	100.0	33,511	40,417	20.6%
Tennessee	6,456,243	n.a.	2,390,322	2,300,542	-3.8%

Source: U.S. Census Bureau, State and County Quick Facts, County Business Patterns.

Note: * Paid employees as of March 12.

B. Economic Impact of New Jobs

Based on past success, the EDC set a goal of 3,500 direct new jobs through business attraction and expansions. Job attraction will focus on the target industries shown in **Table 2**, below. The Input/Output model developed for Clarksville-Montgomery County uses 440 sectors that describe NAICS codes, the North American Industry Classification System. These sectors also describe the target industries.

Table 2 shows that there are 3 sectors that describe “Automotive Suppliers,” and also 3 that describe “Distribution” and “Aerospace”. Sector 386, business support services, describes “Shared Service & Back Office”. “Alternative Energy” is described by sector 243, solid-state electronics, which includes solar cells and related electronics. Sector 275 includes electrical equipment and components related to sector 243. There are 5 sectors that describe the “Professional Services” that are generally part of the economic base; sectors 113, 370, 374, 375 and 376.

Table 2
Target Industries and Sectors

Target Industry	Sector	Sector Defined	Percent of Total
1. Automotive Suppliers			35%
	283	auto parts manufacturing	
	85	tire parts manufacturing	
	150	tire manufacturing	
2. Shared Service & Back Office	386	business support services	10%
3. Distribution			10%
	319	wholesale trade	
	335	transport by truck	
	340	warehousing & storage	
4. Aerospace Suppliers			10%
	284	aircraft manufacturing	
	285	aircraft engine & parts mfg.	
	286	other aircraft parts & equipment	
5. Professional Services			20%
	113	specialty printing & related	
	370	specialized design	
	374	management consulting	
	375	environmental consulting	
	376	scientific research & development	
6. Alternative Energy			10%
	243	solid state electronics	
	275	misc. electrical equip., components	
7. Other	154	e.g. porcelain tile	5%

Source: EDC Target Industries, IMPLAN sector definitions for the Input/Output model.

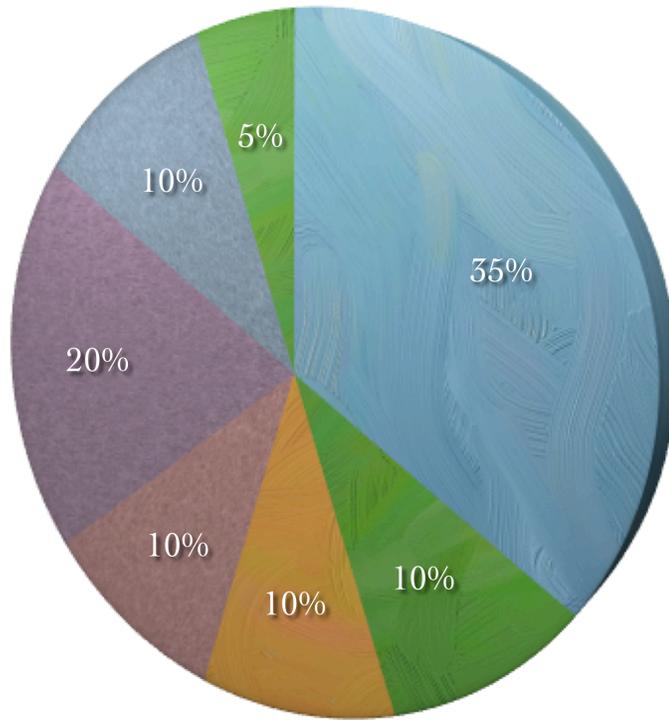
Companies that do not fit with these targets are included in “Other” with 5% of the total. A good example is the recent location of Florim USA, which makes flooring and related products.

Each target industry was assigned a “percent of total” to reflect that industry’s potential to create new jobs. Automotive suppliers have very significant potential for Montgomery County, so 35% of

new employment is expected to be from automotive suppliers. **Chart 1** is drawn from **Table 2** to illustrate all the target industries.

Chart 1
Clarksville-Montgomery County
Target Industries
2014 to 2019

- | | |
|---|--|
| <ul style="list-style-type: none"> ● Auto Supply ● Distribution ● Professional Services ● Other | <ul style="list-style-type: none"> ● Shared Service ● Aerospace ● Alternative Energy |
|---|--|



Source: EDC Target Industries, IMPLAN sector definitions for the Input/Output model.

Table 3, which follows shows a summary of the impacts expected from *Aspire Clarksville V* programs. **Table 3** shows the “direct” job totals and the total of “direct, indirect, and induced” impacts. The direct impact is the result of *Aspire Clarksville V* success. Indirect impacts come from the purchases of goods and services, business to business. As all those impacted by the new jobs spend their earnings, there are “induced” impacts.

The total impact of the *Aspire Clarksville V* economic development program for new jobs is projected to be 5,652 jobs, \$238 million of new income, \$365 million of new value added, and \$1.3 billion of new output.

Table 3
Impact of New Jobs
Montgomery County - 2019

Impact Type	Jobs	Income ⁴	Value Added ⁵	Output ⁶
Direct Impact¹	3,500	\$153,051,290	\$209,567,656	\$979,624,025
Indirect Impact²	1,325	\$55,810,069	\$93,164,672	\$170,621,075
Induced Impact³	827	\$29,167,042	\$62,742,463	\$105,799,968
Total Impact	5,652	\$238,028,401	\$365,474,790	\$1,256,045,069

Sources: NCDS Input/Output model for Clarksville-Montgomery County, TN. County data, MIG, Inc., IMPLAN.

- Notes:
- 1. Direct Impact:** Impact generated directly from the jobs created.
 - 2. Indirect Impact:** Changes in employment, income, and output (business sales) in various industry sectors of the local economy supplying goods and services to the companies that expanded.
 - 3. Induced Impact:** The ripple effect of increased income as employees spend.
 - 4. Income:** Employee compensation + proprietor income (owner wages).
 - 5. Value Added:** Labor income + indirect business taxes + other property type income.
 - 6. Output:** Value Added + intermediate inputs (goods used in production)

Chart 2

Direct, indirect and induced impacts in **Table 3** are measured by: jobs, income, value added, and output. Income includes both wage and salary income from direct and indirect jobs, and proprietor income to those owners and self employed persons affected by indirect and induced spending. Value added includes labor income and indirect business taxes, like sales taxes. Value added also includes other income, such as rent. Output is like a country's gross national product GNP, and is the total of value added (e.g. labor) and the value of all goods used in production.

**Job Creation: 3,500 New Jobs
Multiply to 5,652**

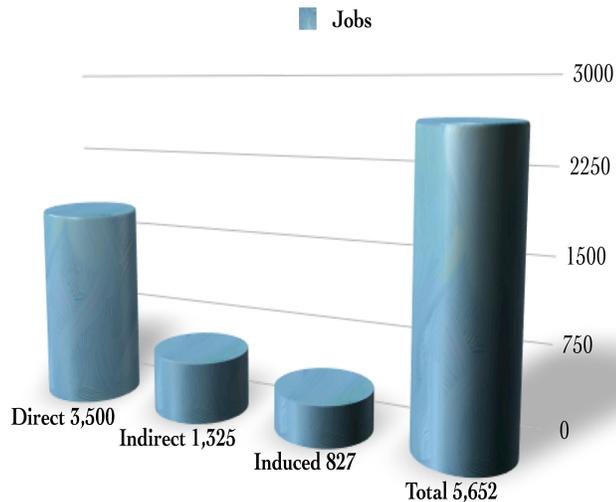


Chart 2 shows how the new 3,500 jobs will multiply through indirect and induced jobs to total 5,652 new jobs.

Sources: NCDS Input/Output model for Clarksville-Montgomery County, TN. County data, MIG Inc., IMPLAN.

C. New Jobs Multiply Through the Economy

The ripple effect of the new jobs is computed based on multipliers. These multipliers show the effects of sales, income, spending and saving, which in turn increase the employment and earnings of other business sectors.

Table 4, which follows, shows that 3,500 direct jobs will create new income of \$153 million, new value added of \$210 million and new output of \$980 million. These are the initial and “direct” effects. Then as indirect impacts accumulate through business-to-business purchasing, and all those affected spend new income (induced impacts), the initial impacts are multiplied to create 5,652 new jobs (a multiplier of 1.61), and \$238 million of new income, a multiplier of 1.56. Value added multiplied by 1.74 to total \$365 million and output by 1.28 to total \$1.3 billion.

Table 4
New Jobs, Income, Value Added and Output
Multiply for Greater Impact

	Direct Impact	Multiplier	Total Impact
Jobs	3,500	1.61	5,652
Income	\$153,051,290	1.56	\$238,028,401
Value Added	\$209,567,656	1.74	\$365,474,790
Output	\$979,624,025	1.28	\$1,256,045,069

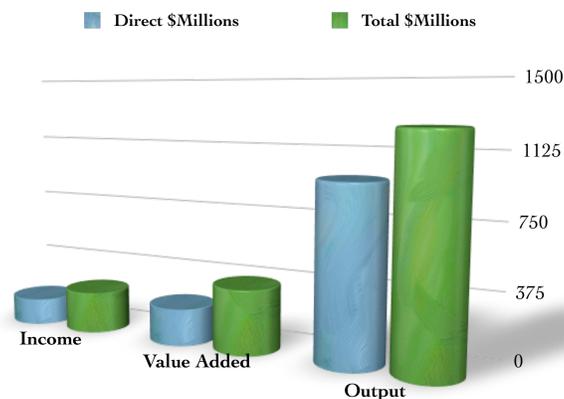
Sources: NCDS I/O model for Clarksville-Montgomery County, TN. County data, MIG, Inc., IMPLAN.

The fact that the output multiplier drops to 1.28, lower than the other multipliers, means that some income earned in Montgomery County is being spent outside this County. Some of the output (new sales) is going to other communities. This also shows how income from jobs occurs primarily in Montgomery County, creating the relatively high income and value added multipliers.

Chart 3 illustrates the multiplier effects for income, value added and output.

Chart 3

Direct Impacts
Multiply to Total Impacts



Sources: NCDS I/O model for Clarksville-Montgomery County, TN. County data, MIG, Inc., IMPLAN.

D. Tourism Spending and the Input/Output Model

Aspire Clarksville V will promote and attract tours and events that create new spending, jobs and income. The goal is a 25%-30% increase in tourism spending by 2019.

Table 5 shows that the reported “Economic Impact” of tourism spending ranged from about \$3 million in FY 2013 to just over \$4.7 million in FY 2012. **Table 5** also shows how these totals were adjusted to remove tax impact calculations. The Clarksville-Montgomery County EDC records direct event revenue and tax impacts with multipliers. In order to use annual totals as inputs to the Input/Output I/O model it was necessary to subtract tax impacts. This is because the I/O model computes tax impacts automatically. This calculation also allowed both new jobs and tourism spending to be inputs to the same I/O model. The adjusted totals are “Direct Event Revenue” for each fiscal year.

Table 5
Clarksville-Montgomery County EDC
Tourism Spending: FY 2010 - FY 2013

Fiscal Year (July 1 - June 30)	Economic Impact¹	Adjusted to Direct Event Revenue²
2010	\$3,238,896	\$2,816,431
2011	\$3,396,133	\$2,953,159
2012	\$4,738,847	\$4,120,737
2013	\$2,990,598	\$2,600,520

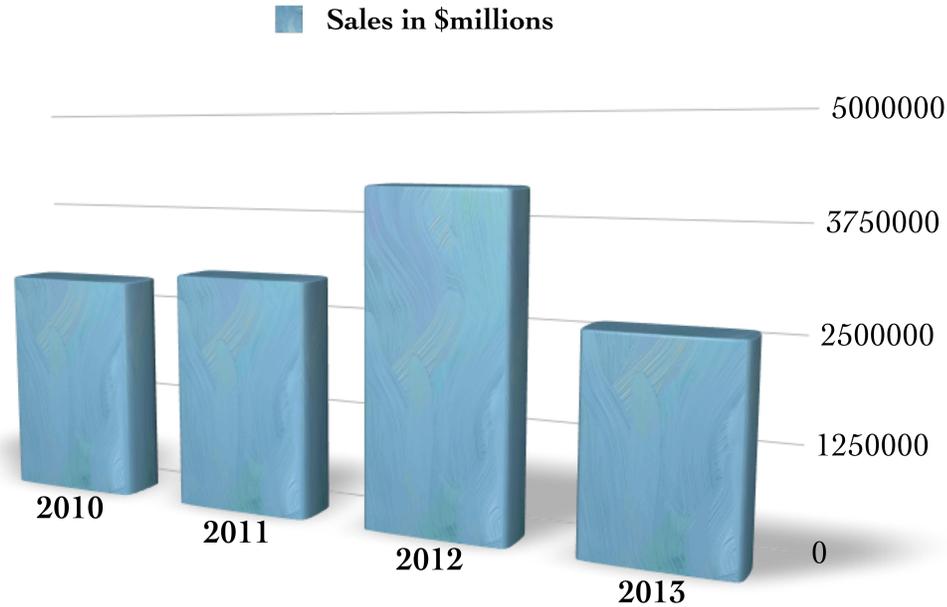
Source: Clarksville-Montgomery County Economic Development Council.

- Notes:
1. “Economic Impact” as reported by EDC.
 2. Direct City & County sales tax @ 2.5%, and indirect City & County sales tax at 5 x 2.5%, removed from the “Economic Impact” calculation to allow the Montgomery County Input/Output model to compute all impacts, including tax impacts.

Direct event revenue for 2012 is \$4,120,737, much higher than any other year. **Chart 4**, which follows, shows that 2012 was a peak for tourism spending, but this was due to over \$1 billion spent on the construction of Hemlock Semiconductor before the project was placed on hold. It was a huge construction project that led to full hotel rooms and big increases in food services and drinking places, sector 413. Tourism is still recovering. Some events were lost to other communities when there were no rooms available. In order to compute a 25%-30% increase in tourism spending, 2012 was dropped from an average computation. A more realistic average was computed for 2010, 2011 and 2013. This resulted in average annual direct event revenue of \$2,790,037. A 27.5% increase in tourism spending is a goal of \$3,557,297

Chart 4

Clarksville-Montgomery County Tourism Spending: FY 2010 - FY 2013



Source: Clarksville-Montgomery County Economic Development Council.

In order to create impacts for the I/O model, tourism spending was distributed over sectors where tourism spending occurs. National spending patterns were used to create a spending profile. According to the U.S. Department of Commerce, in 2012, tourism spending resulted in \$865 billion in new output in the United States.

Table 6
U.S. Direct Tourism Output by Category

Tourism Goods & Services Group	Output	Percent of Total
Traveler accommodations	\$174,173	20.1%
Transportation		
Passenger air	\$137,730	15.9%
All other transportation	\$221,230	25.6%
Food services & drinking places	\$135,419	15.6%
Recreation, entertainment & shopping		
Recreation & entertainment	\$ 87,837	10.2%
Shopping	\$108,987	12.6%
Total tourism goods and services	\$865,375	100.0%

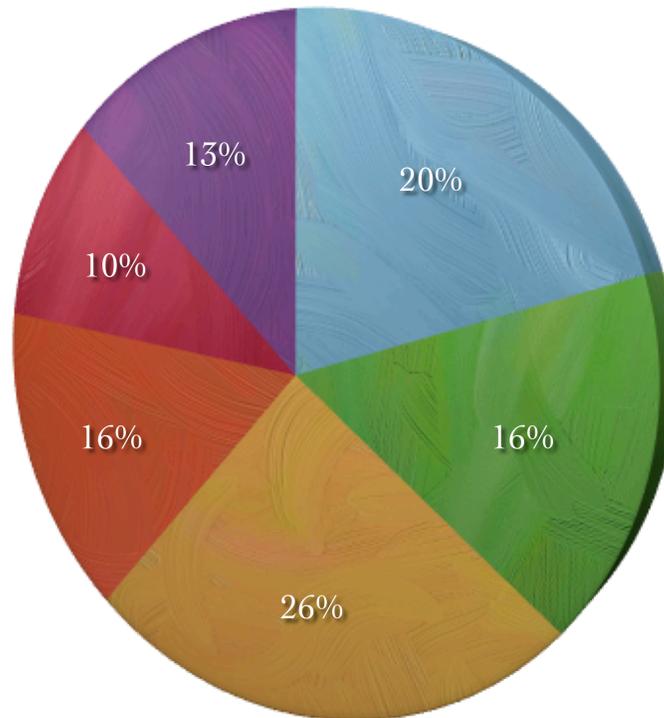
Source: U.S. Department of Commerce, Bureau of Economic Analysis, Annual Average 2012.

Table 6, above, shows how this new output was allocated among categories in the tourism goods and services group. Tourists spent 20.1% on accommodations, 15.9% on airlines, 25.6% on other transportation, 15.6% on eating and drinking places, 10.2% on recreation and entertainment, and 12.6% on shopping. **Chart 5**, below, illustrates spending for the tourism goods and services group.

Chart 5

**U.S. Direct Tourism Output
Annual Average 2012**

- Accomodation
- Passenger Air
- Other Trans
- Eat & Drink
- Recreation, Ent.
- Shopping



Source: U.S. Department of Commerce, Bureau of Economic Analysis, 2013

Tourism spending can be allocated to sectors that describe these spending categories. This made it possible to describe spending inputs and calculate outputs in the Montgomery County I/O model.

Table 7, which follows shows that the “Accommodations” category includes sectors 411 and 412. Transportation includes public and private transit, and auto rentals. Gasoline stations are also more appropriate to “transportation” than “shopping”. Food services and drinking places are well defined by sectors 324 and 413. Recreation, entertainment and shopping were also well defined by 8 sectors in Montgomery County, ranging from 402, performing arts to 330, gift and souvenir shops.

Table 7
Montgomery County
Sectors Selected to Define Spending Categories

Sectors by Tourism Spending Category	Sector Definitions
Accommodations:	
411	Hotels, motels, resorts
412	Other traveler accommodations (bed & breakfast, etc.)
Transportation:	
332	Passenger air
336	Transit and ground passenger transportation
338	Scenic and sightseeing transportation
362	Automotive equipment, rental and leasing
326	Gasoline stations
Food services & drinking:	
324	Food and beverage stores
413	Food services and drinking places
Recreation, entertainment:	
402	Performing arts, spectator sports and related
403	Spectator sports
404	Promoters of performing arts, sports and related
406	Museums, historic sites and related
409	Amusement, gambling, and recreation industries
Shopping:	
325	Drug stores
327	Clothing stores
330	Miscellaneous retail stores (gift shops, souvenir shops)

Source: Clarksville-Montgomery County Input/Output model.

E. Economic Impact of Tourism Spending

In order to calculate the impact of tourism spending, annual spending, “Direct Event Revenue” from **Table 5** was allocated according to the 2012 average U.S. spending patterns for tourism goods and services by category shown in **Table 6**. Spending by category was then allocated by sector according to current employment patterns in the sectors shown in **Table 7**.

Estimated spending in Montgomery County for each sector was then used as the set of inputs for the I/O model. Tourism spending in Montgomery County resulted in very significant impacts.

Table 8 shows that the total annual impact of the *Aspire Clarksville V* tourism spending initiatives will be 37 jobs, \$951,776 of new income, \$1.6 million of new value added, and \$3.2 million of new output.

Table 8
Annual Impact of Tourism Spending
Montgomery County - 2019

Impact Type	Jobs	Income ⁴	Value Added ⁵	Output ⁶
Direct Impact ¹	29	\$663,986	\$1,100,294	\$2,221,926
Indirect Impact ²	5	\$176,549	\$310,568	\$565,318
Induced Impact ³	3	\$111,241	\$238,872	\$402,706
Total Impact	37	\$951,776	\$1,649,735	\$3,189,949

Sources: National Community Development Services Input/Output model for Clarksville-Montgomery County, TN. County data, MIG, Inc., IMPLAN.

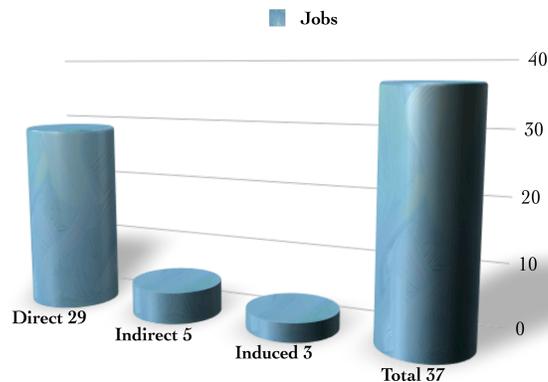
- Notes:
1. **Direct Impact:** Impact generated directly from the jobs created.
 2. **Indirect Impact:** Changes in employment, income, and output (business sales) in various industry sectors of the local economy supplying goods and services to the companies that expanded.
 3. **Induced Impact:** The ripple effect of increased income as employees spend.
 4. **Income:** Employee compensation + proprietor income (owner wages).
 5. **Value Added:** Labor income + indirect business taxes + other property type income.
 6. **Output:** Value Added + intermediate inputs (goods used in production)

Chart 6

Direct, indirect and induced impacts in **Table 8** are measured by: jobs, income, value added, and output. This is the same set of impacts as **Table 3** “Impacts of New Jobs”, and the definitions of jobs, value added and output are the same.

Chart 6 shows how the new 29 jobs multiplied through indirect and induced jobs to total 37 new jobs in the community.

Annual Tourism Spending Creates Jobs That Multiply



Source: NCDS Input/Output model for Clarksville-Montgomery County, TN.

F. Tourism Spending Multiplies Through the Economy

The ripple effect of tourism spending is computed based on multipliers, just like those for new jobs. These multipliers show the effects of spending on sales and income, which in turn increase the employment and earnings of other business sectors.

Table 9
Tourism Spending Means
New Jobs, Income, Value Added and Output
Multiply for Greater Impact

	Direct Impact	Multiplier	Total Impact
Jobs	29	1.28	37
Income	\$663,986	1.43	\$951,776
Value Added	\$1,100,294	1.50	\$1,649,735
Output	\$2,221,926	1.44	\$3,189,949

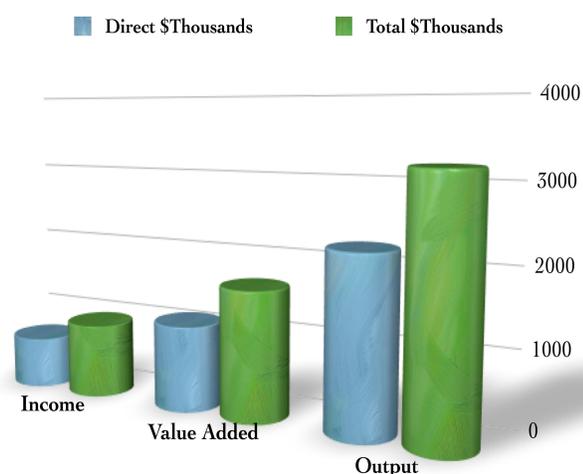
Source: NCDS I/O model for Clarksville-Montgomery County, TN. County data, MIG, Inc., IMPLAN.

Table 9 shows that tourism spending created 29 direct new jobs, new income of \$663,986, new value added of \$1.1 million and new output of \$2.2 million. These are the initial and “direct” effects. Then as indirect impacts accumulate through business-to-business purchasing, and all those affected spend new income (induced impacts), the initial impacts are multiplied to create 37 new jobs (a multiplier of 1.28), and \$951,776 of new income, a multiplier of 1.43. Value added multiplied by 1.50 to total \$1.6 million and output by 1.44 to total \$3.2 million.

Chart 7 illustrates the multiplier effects for income, value added and output.

Chart 7

Direct Tourism Spending Impacts
Multiply to Total Impacts



Source: NCDS I/O model for Clarksville-Montgomery County, TN. County data, MIG, Inc., IMPLAN.

G. Spending From New Jobs & Tourism - Making an Impact

Total new income of \$238,028,401 from job creation, (see **Table 3**), and new income of \$951,776 from tourism spending (see **Table 8**), means new disposable income, spending and savings.

Table 10
Total Annual New Income
Jobs and Tourism Spending

Total impact new income: job creation	\$238,028,401
Total impact new income: tourism spending	\$951,776
Total Annual New Income	\$238,980,177

Sources: National Community Development Services Input/Output model for Clarksville-Montgomery County, TN. County data, MIG, Inc., IMPLAN.

Table 10 shows that *Aspire Clarksville V* will have a total impact on income of \$238,980,177, or approximately \$239 million, in new income for Clarksville-Montgomery County. New jobs accounted for \$238 million of new income and tourism spending created an additional \$951,776 of new income.

New income and spending also means new sales and property taxes. **Table 11** shows that new jobs are creating \$16.3 million in new sales taxes every year and \$7.1 million in new property taxes. Tourism spending will create \$145,872 in new sales taxes and \$63,561 in new property taxes.

Table 11
New Annual Sales and Property Taxes

New annual sales taxes: job creation	\$16,336,588
New annual sales taxes: tourism spending	\$145,872
Total Sales Taxes	\$16,482,460
New annual property taxes: job creation	\$7,118,385
New annual property taxes: tourism spending	\$63,561
Total Property Taxes	\$7,181,946

Sources: National Community Development Services Input/Output model for Clarksville-Montgomery County, TN. County data, MIG, Inc., IMPLAN.

Table 12 shows that new income of \$239.0 million will create disposable income of \$212.0 million, and based on national spending and savings patterns, this disposable income will create \$197.1 million in new consumer expenditures and \$7.7 million in new savings deposit potential. **Table 12** also shows that there will be \$16.5 million in new sales taxes and \$7.2 million in new property taxes each year.

Table 12
New Payrolls Generate Annual
Income, Spending, Savings and Taxes: 2019

Total New Income (see Tables 3 & 8)	\$238,980,177
Disposable Personal Income¹	\$211,975,417
Consumer Expenditures²	\$197,137,138
Savings Deposit Potential³	\$7,737,103
Sales Taxes⁴	\$16,482,460
Property Taxes⁴	\$7,181,946

Sources: National Community Development Services Input/Output model for Clarksville-Montgomery County, TN. County data, MIG, Inc., IMPLAN. DPI, PCE and savings deposit percent of income, Bureau of Economic Analysis.

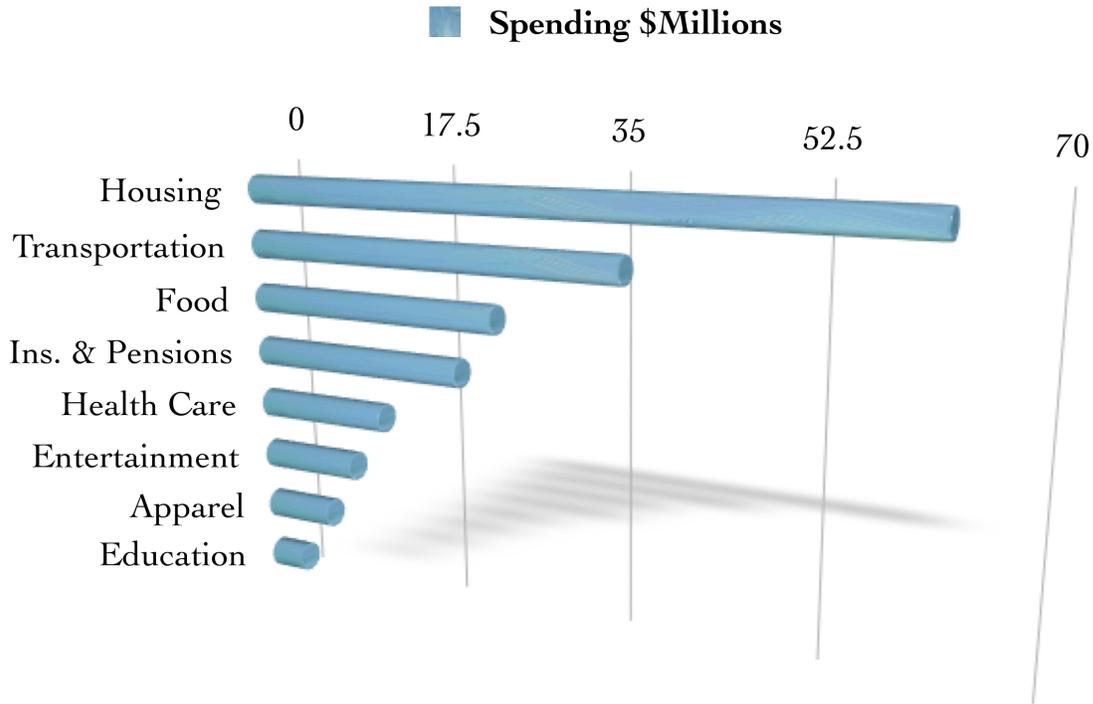
- Notes: **1. Disposable Personal Income:** Personal income less taxes. U.S. 10-year average annual percent, Bureau of Economic Analysis.
2. Consumer Expenditures: Disposable personal income less interest, personal transfer payments, and personal savings. U.S. 10-year average annual percent, Bureau of Economic Analysis.
3. Savings Deposit Potential: Personal savings rate computed from 10-year average of both National Income and Product Accounts NIPAs and Flow of Funds Accounts FFAs = 3.65% of disposable personal income. Source, Bureau of Economic Analysis, 2012.
4. State and local tax impacts: computed from I/O model.

The projected impact of new jobs and tourism spending will increase consumer expenditures in the Clarksville-Montgomery County Area by \$197.1 million annually, a benefit to all businesses.

Housing is always the largest spending category and **Chart 8** shows estimated spending by category based on regional spending patterns. New spending on housing will be \$63.1 million. Transportation is \$37.5 million and food, another major category, is \$25.4 million. New jobs and tourism spending mean residents are spending \$21.7 million more for insurance and pensions, \$13.4 million for healthcare, \$9.9 million for entertainment, \$6.9 million for clothing, and \$3.5 for education. For detailed spending by category, please see **Appendix I**.

Chart 8

Aspire Clarksville V Average Annual Spending Major Categories



Source: NCDS Input/Output model for Clarksville-Montgomery County, TN. Bureau of Labor Statistics, Consumer Expenditure Survey, South, 2012. See **Appendix I**.

H. New Output by Sector

Detailed outputs from new jobs come from the model built for Clarksville-Montgomery County. Output by sector will differ from spending categories due to definitions and the way data is collected and structured. For example, housing is the largest spending category based on Bureau of Labor Statistics surveys, but ranks 2nd in this I/O model based on the way the National Income and Product Accounts (NIPAs) are assembled. The model computed total output for 161 business sectors in the model that had new business (new output) adjusted to 2019. Sectors in the model are defined by groups of NAICS codes.

Total output is the best way to see total impacts because it captures everything, like “Gross Domestic Product”. The total new output in our model is \$1,256,045,069 for output from new jobs and \$3,189,949 for output from tourism to total \$1,259,235,018.

Output is the sum of all labor income, indirect business taxes, other property type income and all the intermediate inputs, i.e. goods used in production. **Appendix II and Appendix III** detail sectors with new output. They also include the top 10 sectors impacted by new output.

Chart 9 was created from **Appendix II** and illustrates the top 10 impacts from new jobs.

\$ millions

1. Real Estate:	\$24.1
2. Housing:	\$18.4
3. Banks, CUs	\$15.9
4. Mgt. Companies	\$15.2
5. Restaurants	\$13.4
6. Maintenance	\$ 7.7
7. Electric Power	\$ 7.4
8. Securities	\$ 6.7
9. Services to Bldgs	\$ 6.2
10. Doctors, Dentists	\$ 5.8

Chart 9
Clarksville-Montgomery County
Total Output by Sector
Top 10 Sectors in 2019
New Jobs

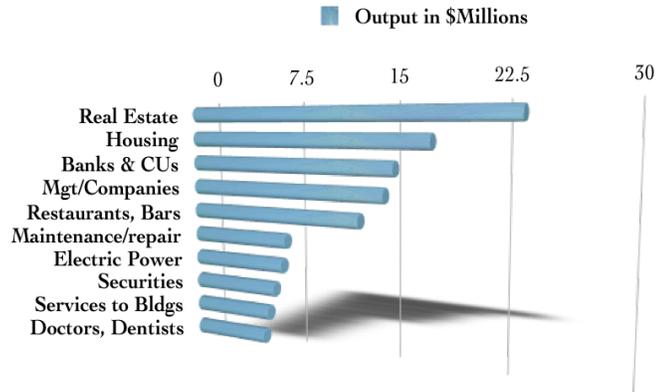
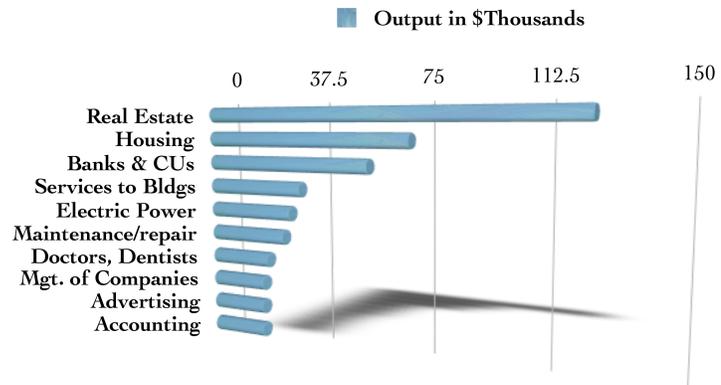


Chart 10 was created from **Appendix III** and illustrates the top 10 impacts from tourism spending.

\$ thousands

1. Real Estate	\$127.2
2. Housing	\$ 73.8
3. Banks, CUs	\$ 59.8
4. Services to Bldgs	\$ 35.1
5. Electric Power	\$ 31.1
6. Maintenance	\$ 28.4
7. Doctors, Dentists	\$ 22.1
8. Mgt of Companies	\$ 20.2
9. Advertising	\$ 20.0
10. Accounting	\$ 19.9

Chart 10
Clarksville-Montgomery County
Total Output by Sector
Top 10 Sectors in 2019
Tourism Spending



Because input sectors are excluded from these outputs, sectors like 411 hotels, and 413, restaurants are not shown as top outputs, but these sectors are normally among the top 10.

Source: NCDS Input/Output model for Clarksville-Montgomery County, TN. County data, MIG, Inc., IMPLAN. See **Appendix II & III**.

Return on Investment

Aspire Clarksville V investors are providing \$3,800,000 over 5 years to create new jobs, income and output for the area. Output from new jobs and output from tourism spending can be used to compute a return on this investment.

Output from new jobs in 2019 is projected to be \$1,256,045,069. The 2019 output is from 3,500 new direct jobs, but many of these jobs will be created in previous years. **Table 13**, below, shows the total new output of \$3.768 billion for all 5 years using a simple 20% average of \$251,209,014 per year accumulating each year.

Tourism spending occurs each of the 5 years of *Aspire Clarksville V*, with a new goal of 25%-30% more than previous years. New output from tourism spending is projected to equal \$3,189,949 in 2019, but it will take 5 years to reach this goal. Table 13 shows how new output from tourism spending increases each year, a 27.5% increase from 2014 to 2019 to total \$14,573,693.

Table 13
Total New Output - Jobs and Tourism
2015 to 2019

Year	Output from New Jobs	Output from Tourism Spending
2015	\$251,209,014	\$2,639,527
2016	\$502,418,028	\$2,777,133
2017	\$753,627,042	\$2,914,739
2018	\$1,004,836,056	\$3,052,345
2019	\$1,256,045,069	\$3,189,949
Total	\$3,768,135,209	\$14,573,693
Total Output Jobs & Tourism		\$3,782,708,902

Source: NCDS Input/Output Model for Montgomery County.

Note: The goal of a 27.5% increase in tourism spending and related output is based on an average computed for FY 2010 through FY 2013. Output of \$3,189,949 in 2019 is an increase of 27.5% over the output of \$2,501,921 in 2014.

Net profits from output measure returns to the community. Profit margins vary from one business sector to the other, so a good way to summarize Return on Investment ROI for *Aspire Clarksville V* investors is to use the average net profit among all firms in the U.S. securities markets today. This average was 8.32% in the 2012 Value Line database, and studies have confirmed a 25-year average rate of 8%.

A return on investment can be computed for the combined output of \$3,782,708,902 from job creation and tourism spending divided by the investment.

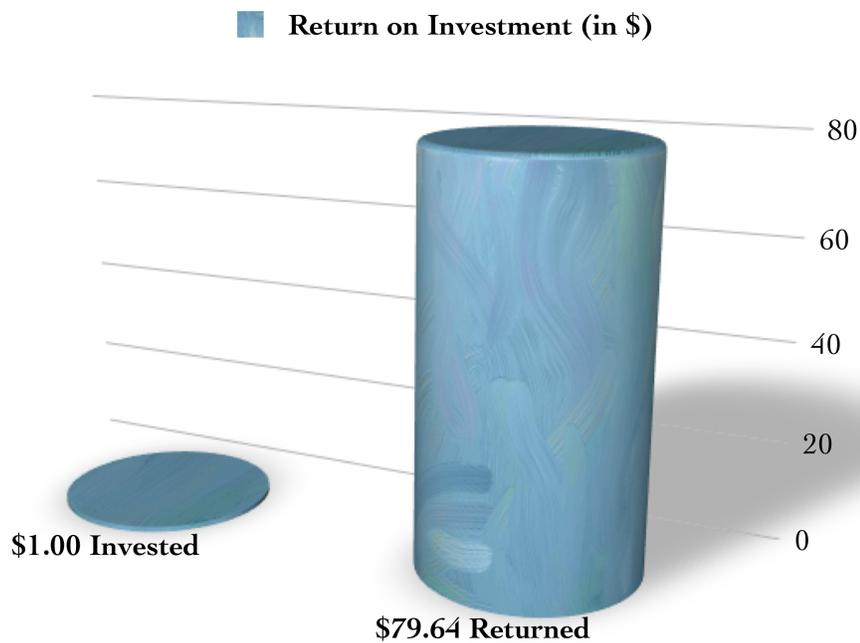
$$\mathbf{\$3,782,708,902 \text{ output} \times 8\% \text{ profit} = \$302,616,712 / \$3,800,000 = \$79.64}$$

Dividing net profits returned to the community by the investment in *Aspire Clarksville V* equals the return on this investment of \$79.64 returned for every \$1.00 invested.

In fact, returns are even higher. Jobs created will last well beyond 2019 and tourism spending will continue to build on the success of *Aspire Clarksville V*.

Chart 11 illustrates the overall ROI for *Aspire Clarksville IV*. \$79.64 will be returned to the community for every \$1.00 invested and returns will continue in the future.

Chart 11
Aspire Clarksville V
Return on Investment



Source: NCDS Input/Output model for Clarksville-Montgomery County, TN.

APPENDIX I

Distribution of New Annual Spending

Categories	Share of Total* (%)	Expenditure Total = \$197,137,138
FOOD	12.9%	\$25,430,691
Food at home	7.6%	\$14,982,422
Food away from home	5.2%	\$10,251,131
HOUSING	32.0%	\$63,083,884
Shelter	17.4%	\$34,301,862
Owned dwellings	10.8%	\$21,290,811
Mortgage interest and charges	5.8%	\$11,433,954
Rented dwellings	5.5%	\$10,842,543
Other lodging	1.1%	\$2,168,509
Utilities, fuels and public services	7.8%	\$15,376,697
Natural gas	.4%	\$788,549
Electricity	3.4%	\$6,702,663
Fuel oil and other fuels	.1%	\$197,137
Telephone services	2.6%	\$5,125,566
Water and other public services	1.2%	\$2,365,646
Household operations	2.2%	\$4,337,017
Housekeeping supplies	1.3%	\$2,562,783
Household furnishings and equipment	3.4%	\$6,702,663
APPAREL AND SERVICES	3.5%	\$6,899,800
TRANSPORTATION	19.0%	\$37,456,056
Vehicle purchases	7.1%	\$13,996,737
Cars and trucks, new	3.6%	\$7,096,937
Cars and trucks, used	3.5%	\$6,899,800
Other vehicles	.1%	\$197,137
Gasoline and motor oil	6.0%	\$11,828,228
Other vehicle expenses	5.1%	\$10,053,994
Vehicle finance charges	.5%	\$985,686
Maintenance and repairs	1.5%	\$2,957,057
Vehicle insurance	2.3%	\$4,534,154
Vehicle rental and leases	.7%	\$1,379,960
Public transportation	.8%	\$1,577,097
HEALTH CARE	6.8%	\$13,405,325
Health insurance	3.9%	\$7,688,348
Medical services	1.6%	\$3,154,194
Drugs	1.1%	\$2,168,509
Medical supplies	.3%	\$591,411
ENTERTAINMENT	5.0%	\$9,856,857
PERSONAL CARE PRODUCTS AND SERVICES	1.3%	\$2,562,783
EDUCATION	1.8%	\$3,548,468
CASH CONTRIBUTIONS	3.6%	\$7,096,937
PERSONAL INSURANCE AND PENSIONS	11.0%	\$21,685,085
Life and other personal insurance	.8%	\$1,577,097
Pensions and Social Security	10.2%	\$20,107,988
OTHER	3.1%	\$6,111,251

Source: Bureau of Labor Statistics, Consumer Expenditure Survey, 2012, Region of Residence, South.

Note: * All shares are % of total. Shaded, major categories total 100%. BLS data released Sept., 2013.

APPENDIX II

Clarksville-Montgomery County Annual Output by Sector¹ New Jobs (See Top 10 Sectors)

Sector	Description	Total
0	Total	\$1,256,045,069
283	Motor vehicle parts manufacturing	\$562,690,191
113	Printing	\$128,905,072
275	All other miscellaneous electrical equipment and component manufacturing	\$111,326,479
85	All other textile product mills	\$54,725,730
319	Wholesale trade businesses	\$53,284,962
154	Brick, tile, and other structural clay product manufacturing	\$46,731,953
386	Business support services	\$27,137,026
335	Transport by truck	\$27,058,784
360	1. Real estate establishments: Lessors of industrial commercial and residential real estate, agents & brokers (commissions), REITs, managers' offices, listing services, appraisal services, escrow agencies.	\$24,077,063
361 ²	2. Imputed rental activity for owner-occupied dwellings = HOUSING + includes mortgage payments	\$18,397,454
354	3. Monetary authorities and depository credit intermediation activities = Banks and Credit Unions. Output of commercial banks, savings institutions, and credit unions which includes: 1) funds, trusts, and other financial vehicles, 2) administrative expenses of pension funds, 3) service charges on deposit accounts and cash management, 4) service charges and fees on credit card accounts, 5) loan origination on all other consumer loans, 6) other products supporting financial services, and 7) ATM and other electronic transaction fees.	\$15,912,548
381	4. Management of companies and enterprises	\$15,178,372
413	5. Food services and drinking places	\$13,434,591
340	Warehousing and storage	\$7,695,142
39	6. Maintenance and repair construction of nonresidential structures	\$7,680,638
31	7. Electric power generation, transmission, and distribution	\$7,419,275
356	8. Securities, commodity contracts, investments, and related activities	\$6,705,259
388	9. Services to buildings and dwellings	\$6,247,253
394	10. Offices of physicians, dentists, and other health practitioners	\$5,829,959
382	Employment services	\$5,558,527
351	Telecommunications: wired and wireless broadband internet service providers (e.g. cable, DSL), local & long distance telephone carriers, cable television, satellite television distribution systems, cellular telephone services, paging services, and satellite tracking stations.	\$4,875,658
368	Accounting, tax preparation, bookkeeping, and payroll services	\$4,530,225
397	Private hospitals	\$4,428,322
329	Retail Stores - General merchandise	\$4,395,602
320	Retail Stores - Motor vehicle and parts	\$3,979,917
367	Legal services	\$3,403,464

432	Other state and local government enterprises	\$3,371,844
414	Automotive repair and maintenance, except car washes	\$2,917,053
331	Retail Nonstores - Direct and electronic sales	\$2,719,963
339	Couriers and messengers	\$2,582,052
23	Mining copper, nickel, lead, and zinc	\$2,531,605
389	Other support services	\$2,504,233
377	Advertising and related services	\$2,413,889
398	Nursing and residential care facilities	\$2,281,506
341	Newspaper publishers	\$2,241,588
180	Nonferrous metal foundries	\$2,209,038
348	Radio and television broadcasting	\$2,124,542
390	Waste management and remediation services	\$2,103,106
385	Facilities support services	\$1,976,571
323	Retail Stores - Building material and garden supply	\$1,837,321
330	Retail Stores - Miscellaneous	\$1,832,633
324	Retail Stores - Food and beverage	\$1,815,066
396	Medical and diagnostic labs and outpatient and other ambulatory care services	\$1,787,468
327	Retail Stores - Clothing and clothing accessories	\$1,679,387
417	Commercial and industrial machinery and equipment repair and maintenance	\$1,649,631
107	Paperboard container manufacturing	\$1,646,462
365	Commercial and industrial machinery and equipment rental and leasing	\$1,589,115
431	State and local government electric utilities	\$1,583,079
326	Retail Stores - Gasoline stations	\$1,565,359
372	Computer systems design services	\$1,525,319
369	Architectural, engineering, and related services	\$1,502,215
427	US Postal Service	\$1,486,799
325	Retail Stores - Health and personal care	\$1,334,351
374	Management, scientific, and technical consulting services	\$1,303,221
387	Investigation and security services	\$1,242,494
355	Non-depository credit intermediation and related activities	\$1,195,463
423	Religious organizations	\$1,194,499
344	Directory, mailing list, and other publishers	\$1,115,634
362	Automotive equipment rental and leasing	\$1,043,012
322	Retail Stores - Electronics and appliances	\$1,032,876
419	Personal care services	\$1,004,626
393	Other private educational services	\$985,831
424	Grant-making, giving, and social advocacy organizations	\$911,068
376	Scientific research and development services	\$847,017
321	Retail Stores - Furniture and home furnishings	\$818,012
370	Specialized design services	\$791,554
346	Motion picture and video industries	\$755,643
366	Lessors of nonfinancial intangible assets	\$711,642
400	Individual and family services	\$703,732
399	Child day care services	\$692,466
371	Custom computer programming services	\$644,724
422	Other personal services	\$614,300
429	Other Federal Government enterprises	\$574,050
40	Maintenance and repair construction of residential structures	\$561,029
358	Insurance agencies, brokerages, and related activities	\$561,012
328	Retail Stores - Sporting goods, hobby, book and music	\$551,857
425	Civic, social, professional, and similar organizations	\$524,078

171	Steel product manufacturing from purchased steel	\$469,051
75	Fiber, yarn, and thread mills	\$462,581
380	All other miscellaneous professional, scientific, and technical services	\$418,826
416	Electronic and precision equipment repair and maintenance	\$397,299
409	Amusement parks, arcades, and gambling industries	\$388,681
395	Home health care services	\$381,816
392	Private junior colleges, colleges, universities, and professional schools	\$366,834
167	Ground or treated mineral and earth manufacturing	\$355,678
421	Dry-cleaning and laundry services	\$324,032
179	Ferrous metal foundries	\$316,512
407	Fitness and recreational sports centers	\$305,491
420	Death care services	\$304,508
363	General and consumer goods rental except video tapes and discs	\$302,706
334	Transport by water	\$291,914
379	Veterinary services	\$283,856
428	Federal electric utilities	\$276,303
418	Personal and household goods repair and maintenance	\$271,900
116	Asphalt paving mixture and block manufacturing	\$256,562
391	Private elementary and secondary schools	\$246,044
415	Car washes	\$228,648
375	Environmental and other technical consulting services	\$209,160
403	Spectator sports companies	\$187,247
410	Other amusement and recreation industries	\$182,232
411	Hotels and motels, including casino hotels	\$164,937
352	Data processing, hosting, ISP, web search portals and related services	\$155,051
336	Transit and ground passenger transportation	\$136,176
342	Periodical publishers	\$124,652
378	Photographic services	\$116,607
162	Concrete pipe, brick, and block manufacturing	\$107,146
152	Other rubber product manufacturing	\$103,836
	161 sectors with new output. Please contact NCDS, ESC for detailed output in sectors with less than \$100,000	

Source: National Community Development Services Input/Output model for Clarksville-Montgomery County, TN. County data, MIG, Inc., IMPLAN.

Notes: 1. Sectors used to define inputs excluded and shaded. This Appendix shows all outputs from inputs used to model job creation.

2. Sector 361 treats homeownership and maintenance like a rental industry and includes purchases made by homeowners for the upkeep of residences and payments on mortgages. This approach was created by the Bureau of Economic Analysis, BEA, to manage home ownership spending in the National Income and Product Accounts, NIPAs.

APPENDIX III

Clarksville-Montgomery County Annual Output by Sector¹ Tourism Spending

(See Top 10 Sectors)

Sector	Description	Total
0	Total	\$3,189,949
411	Hotels and motels, including casino hotels	\$680,843
413	Food services and drinking places	\$569,620
409	Amusement parks, arcades, and gambling industries	\$204,713
326	Retail Stores - Gasoline stations	\$174,265
336	Transit and ground passenger transportation	\$161,583
362	Automotive equipment rental and leasing	\$128,522
360	1. Real estate establishments: Lessors of industrial commercial and residential real estate, agents & brokers (commissions), REITs, managers' offices, listing services, appraisal services, escrow agencies.	\$127,165
403	Spectator sports companies	\$104,401
330	Retail Stores - Miscellaneous	\$83,320
361 ²	2. Imputed rental activity for owner-occupied dwellings = HOUSING + includes mortgage payments	\$73,806
354	3. Monetary authorities and depository credit intermediation activities = Banks and Credit Unions. Output of commercial banks, savings institutions, and credit unions which includes: 1) funds, trusts, and other financial vehicles, 2) administrative expenses of pension funds, 3) service charges on deposit accounts and cash management, 4) service charges and fees on credit card accounts, 5) loan origination on all other consumer loans, 6) other products supporting financial services, and 7) ATM and other electronic transaction fees.	\$59,797
327	Retail Stores - Clothing and clothing accessories	\$54,223
404	Promoters of performing arts and sports and agents for public figures	\$36,297
388	4. Services to buildings and dwellings	\$35,063
412	Other accommodations	\$35,040
31	5. Electric power generation, transmission, and distribution	\$31,061
39	6. Maintenance and repair construction of nonresidential structures	\$28,438
325	Retail Stores - Health and personal care	\$24,806
338	Scenic and sightseeing transportation and support activities for transportation	\$22,346
394	7. Offices of physicians, dentists, and other health practitioners	\$22,118
381	8. Management of companies and enterprises	\$20,234
377	9. Advertising and related services	\$20,019
368	10. Accounting, tax preparation, bookkeeping, and payroll services	\$19,877
324	Retail Stores - Food and beverage	\$19,590
382	Employment services	\$19,138
319	Wholesale trade businesses	\$18,740
402	Performing arts companies	\$18,307

341	Newspaper publishers	\$17,773
348	Radio and television broadcasting	\$17,557
351	Telecommunications	\$17,310
397	Private hospitals	\$17,022
432	Other state and local government enterprises	\$15,727
427	US Postal Service	\$14,220
356	Securities, commodity contracts, investments, and related activities	\$14,180
367	Legal services	\$13,966
390	Waste management and remediation services	\$12,694
335	Transport by truck	\$12,101
329	Retail Stores - General merchandise	\$10,755
320	Retail Stores - Motor vehicle and parts	\$10,334
386	Business support services	\$10,131
113	Printing	\$10,088
155 sectors with new output. Please contact NCDS, ESC for detailed output in sectors with less than \$10,000		

Source: National Community Development Services Input/Output model for Clarksville-Montgomery County, TN. County data, MIG, Inc., IMPLAN.

- Notes: 1. Sectors used to define inputs excluded and shaded. This Appendix shows all outputs from inputs used to model tourism spending inputs.
2. Sector 361 treats homeownership and maintenance like a rental industry and includes purchases made by homeowners for the upkeep of residences and payments on mortgages. This approach was created by the Bureau of Economic Analysis, BEA, to manage home ownership spending in the National Income and Product Accounts, NIPAs.

APPENDIX IV

METHODOLOGY

Regional economic impact analysis focuses on what investors in economic development programs demand: ***measurability, accountability, and return on their investment.*** In order to estimate economic impacts of job creation, the model translates the change in initial employment into changes in employment and earnings from other interdependent sectors. These effects are defined as:

- ◆ *Direct Impact* represents the jobs created.
- ◆ *Indirect Impact* represents the changes in employment, income, and output (business sales) in various industry sectors of the local economy that supply goods and services to the companies that have expanded. Examples include industries such as food suppliers to restaurants, construction services, professional business services, and manufacturing support services.
- ◆ *Induced impact* captures the ripple effect of increased household and/or institutional income. The spending of wages and salaries by direct and indirect employees on items such as food, housing, transportation and medical services creates induced employment in other sectors of the economy.
- ◆ *Total impact* is the sum of the direct, indirect and induced impacts. The total effect measures the impact of an activity as it “ripples” throughout the region’s economy.

Regional economic impact analysis has some limitations:

- ◆ All benefits do not accrue to the county being studied. The benefits of job creation rarely accrue solely to the immediate area. The methodology used in this study uses single county data. For metropolitan areas where there are many inter-county transactions, outputs will be less than if all spending occurred in the county study area. For smaller MSAs, 2 or 3 counties, most impacts usually flow to one employment center (county).
- ◆ Program impacts are calculated based on the current structure of the regional economy. Annual impacts may increase and decrease over time as changes occur within the regional economy.

APPENDIX V

ABOUT NCDS AND THE ECONOMIC STRATEGY CENTER



National Community Development Services, Inc. (NCDS) is a pioneer in nonprofit, community-based fundraising. Since 1977, NCDS has raised over \$1.5 billion for more than 500 organizations, in 44 states across the U.S.

The Economic Strategy Center is the economic research and analysis division of NCDS. The ESC applies research tools and techniques to evaluate the economic impacts of development programs. It conducts in depth research using local, state and national sources.

The ESC has provided research and economic analysis services to hundreds of organizations throughout the U.S. It performs studies to identify economic trends and measure a program's economic impact by quantifying its return on investment (ROI).

The ESC helps clients address three types of issues:

- **Market Analysis** - How will my organization be affected by changes in the economy? What should I do to respond to them?
- **Cost/Benefit Analysis** - What will be the economic impact/benefits and costs of my project/program? What should I do to maximize net value? What is the return on investment?
- **Economic Development Strategy** - How can my project/program affect business growth and attraction? How can I best target my efforts?

The ESC uses the latest data and techniques available. We are members of *C2ER - The Council for Community and Economic Research* (formerly ACCRA), *The International Economic Development Council*, and *The Association of Public Data Users*.

For more information visit: <http://www.ncdsinc.net/ESC.htm>