



HIGHLIGHTS

1. INCA Community Services, Inc. employs 151 people in Atoka, Johnston, Marshall, and Murray counties. An additional 189 jobs are supported in the local economy from the operations of the non-profit organization and the household demands placed upon the local economy from its employees.
2. Between 2007 and 2017, total economic activity supported through the operations and employment of INCA Community Services, Inc. is estimated to be greater than \$240 million.
3. Between 2007 and 2017, total disposable income supported by the non-profit's operations is estimated to be greater than \$90 million.

INCA Community Services, Inc. (INCA) employs 151 people in the four-county region of Atoka, Johnston, Marshall, and Murray counties in Southeast Oklahoma. The people employed at INCA provide valuable services to the residents of Southeast Oklahoma through the various poverty relief, community development, housing, and educational/childhood development activities. In addition to the services directly provided by INCA, the non-profit organization also has economic impacts that can be measured in terms of employment, output, disposable income and tax impacts generated in the regional and state economy.

It is important to note that INCA, as well as all other community action agencies, provide many valuable services to the regional economy that cannot be appropriately accounted for in an economic impact model. For example, this would include the food services programs offered to the local community. Providing nourishment to families in need is an invaluable community service. And while it is widely known that hunger decreases productivity, quantifying hunger or lack of hunger in an economic impact report is problematic.

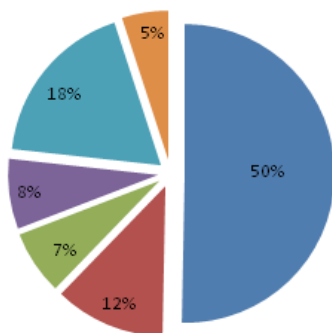
For the purposes of the economic impacts illustrated in this report, the activities performed by INCA have been grouped

into one of six categories. Those activities are: Administration, Head Start/Childcare, Developmental Disabilities, Community Services, Housing, and Transportation activities. Employment and payroll associated with each of these categories served as inputs into INCA's economic impact simulation. The relative size of the employment and payroll associated with each of the six categories are depicted in the pie charts below.

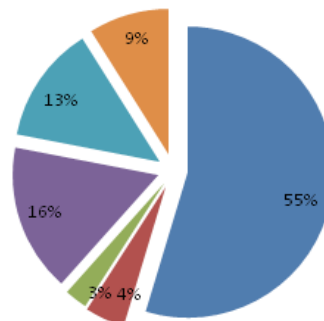
In addition to the six categories of activities performed by INCA, a few other categories were included in the analysis to reflect the impact of the community action agency on the regional economy. These additional categories include dollars from stimulus spending, assistance with tax filings and the labor force made available to the economy as a result of child care services provided by INCA. These supplemental inputs were included to account for variables that cannot be measured in terms of employment or wages. Some examples of these supplemental variables include higher participation rates in the labor force that are associated with providing child care/daycare, transfers associated with food programs, construction activity associated with housing projects, additional income available to the local economy associated with tax assistance and/or stimulus dollars.

EXHIBIT 1: EMPLOYMENT AND PAYROLL INPUTS GROUPED BY MAJOR ACTIVITY (INCA COMMUNITY SERVICES, INC.)

INCA 2009 Employment Breakdown



INCA 2009 Payroll Breakdown



OUTPUT IMPACTS (ATOKA, JOHNSTON, MARSHALL & MURRAY COUNTIES)

Economic activity may be measured by the value of output produced in the region, which includes the value of all intermediate goods purchased and the value-added activities performed within the region. For the purposes of this study, the economic impacts, including the output impacts, may be delineated into two geographies:

1. The regional economy. Most of the economic activity associated with INCA occurs in, or in close proximity, to INCA's four-county region.
2. The statewide economy. The economic impacts are not isolated to the regional economy, and due to leakages in the regional economy, some of the impacts are captured by the rest of the state.

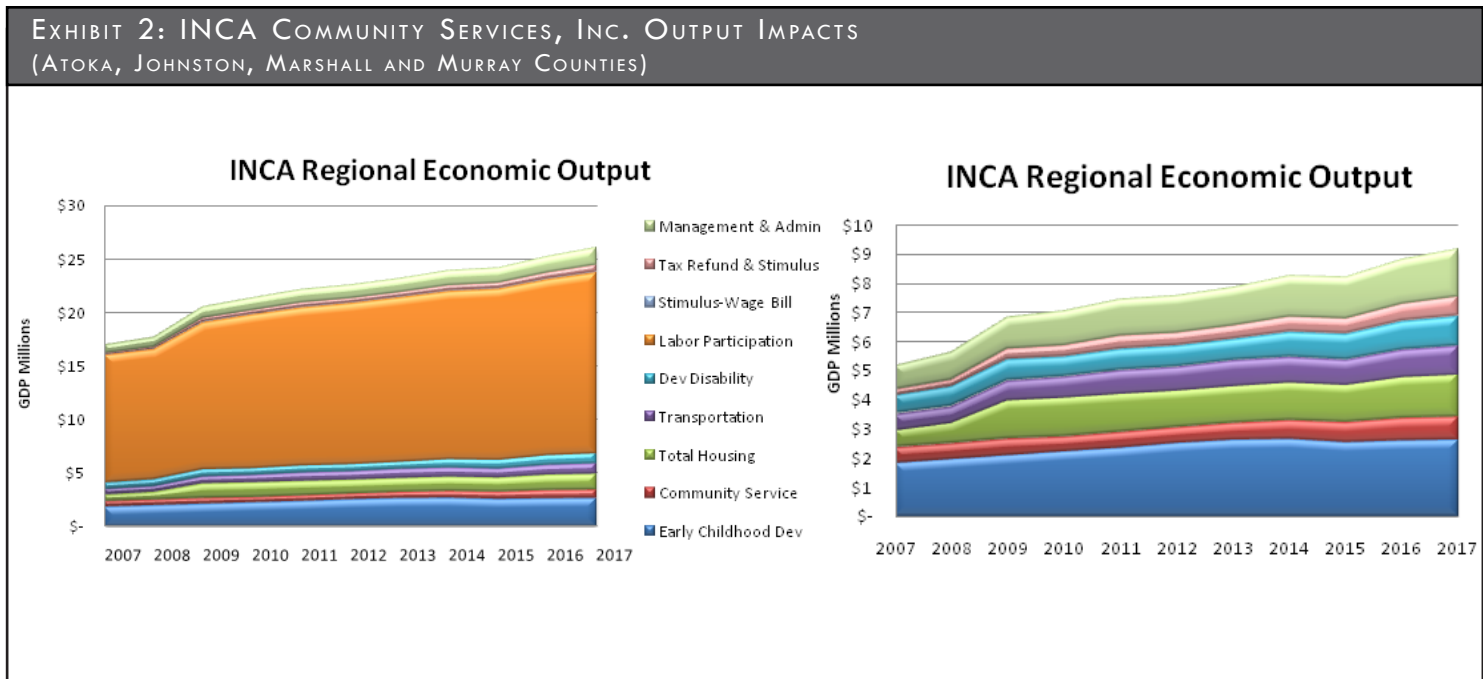
In the regional economy, INCA's operations are estimated to support approximately \$17.1 million in economic activity in 2007. This increases to \$20.5 million in 2009, and in 2010 economic output is projected to be \$21.4 million. By 2017, regional output impacts are projected to be \$26 million. From 2007 to 2017, INCA's impacts upon regional economic activity are projected to total over \$243.9 million.

At the statewide level, the impacts from INCA's economic activity increases from \$18.2 million in 2007 to over \$26.6 million in 2017. Over the entire period between 2007 and 2017, approximately \$261 million in economic activity is estimated to be generated as a result of INCA's operations. Since the regional impacts were projected to be \$243.9

million over this time frame, this means that \$17.1 million of output impacts occur in the rest of Oklahoma.

There are two graphs presented in Exhibit 2 below. The first graph contains all of the economic impacts. However, because the labor force participation impacts are so large and the other impacts from INCA's activities may not be seen well, the second graph removes the labor force participation impacts and relates all of the other impacts. As evidenced in the graphs, each of the INCA programs have varying levels of impacts. In the regional economy, the amount of economic activity generated over the 2007-17 time period ranges from \$4.9 million in the Tax Refund & Stimulus program to \$162 million from higher labor participation due to the child/daycare program.

The varying impacts discussed in the previous paragraph do not indicate that programs with lower economic impacts are less valuable to the regional and statewide economy. Nor does it reflect importance to INCA's mission of poverty relief, community development, housing, food programs and economic development. Rather, the programs provided by INCA are complementary and each program supports the nonprofit's mission. As an example, it is plausible that the organization would be less effective in its community development efforts if potential workers had fewer child care options leading to more parents staying at home rather than going into the labor force.



EMPLOYMENT IMPACTS (ATOKA, JOHNSTON, MARSHALL & MURRAY COUNTIES)

INCA employs 151 people in Southeast Oklahoma. In addition to the impacts that the non-profit has within the regional economy, the individuals employed by INCA also have an impact upon the regional economy from the wages that they earn at INCA. INCA's total employment impact, which includes the 151 people directly employed by the non-profit, is estimated to be 340 jobs in the four-county region in 2010.

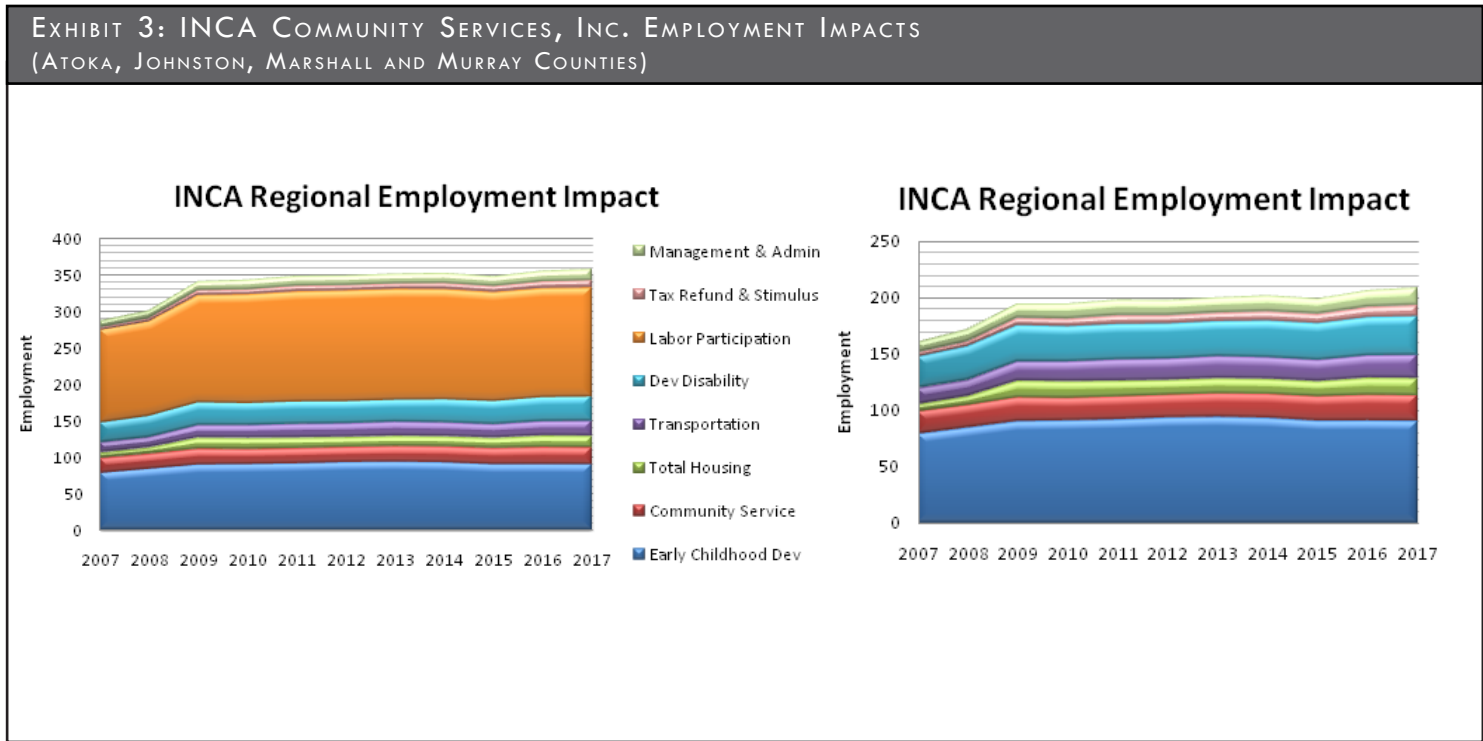
INCA's employment impacts were smaller in 2007 mostly as a result of lower staffing levels in previous years. Projecting into the future, if INCA's level of activity remains relatively stable through 2017, it is forecasted that the total impact of the organization would also remain relatively stable in the regional economy with a slight increase from 340 jobs in 2010 to 356 jobs in 2017.

As may be seen from Exhibit 3, the labor force participation activities account for the largest employment impact. These impacts are as a result of the presence of the Head Start/Child Care activities performed by INCA in Southeast Oklahoma. It is assumed that the presence of affordable childcare opportunities in the regional economy will increase the participation rate in the local labor force, which ultimately means more people in the region are able to seek employment and be employed in the regional economy. That is, with affordable daycare options, a fraction of the families

sending their children to daycare are assumed to enter the labor force and seek employment opportunities to earn an income for their families. Geographic regions that have more childcare workers and options for childcare also have higher participation rates in the labor force.

Because the labor force participation impacts are so large and make it difficult to see the other impacts, the second Exhibit in the employment series relates the economic impacts of all other activities of the community action agency. The stimulus impacts are temporary and relatively small in the larger picture, but the tax assistance provided by the community action agency represents income, spending and saving that occurs in the local economy that otherwise would not have occurred without the tax assistance.

The employment impacts attributable to INCA are not confined to the regional economy, and some impacts are expected to occur outside the regional economy. These impacts would be attributable to business linkages and income spent outside the four-county region. The statewide impacts of INCA total 356 jobs in 2010, which means that 14 jobs outside the four-county region are supported by the services and employment activities provided by INCA. By 2017 the statewide employment impact is projected to be 401 jobs with 45 jobs supported outside the local economy.



DISPOSABLE INCOME IMPACTS (ATOKA, JOHNSTON, MARSHALL & MURRAY COUNTIES)

Disposable income represents the earned income that is available for spending or saving by workers and their families after paying taxes. The impacts from INCA's operation are not confined to the four counties within which it operates. Much like employment and output impacts, there are also disposable income impacts that occur outside the counties that INCA operates. Exhibit 4 relates disposable income impacts supported by INCA.

In 2010, INCA is projected to support \$6.6 million in disposable income in the region. Between 2007 and 2017, disposable income supported by INCA is estimated to increase from \$5.1 million to \$12 million, and over the entire 2007-17 time period, INCA is projected to support over \$88.5 million in disposable income in the regional economy.

Comparatively, total personal income, which represents income before taxes, is estimated to equal \$6.4 million in 2007 and projected to increase to \$16.4 million by 2017. Over the entire time frame of 2007-2017, INCA's operations are projected to support approximately \$122 million in personal income impacts for the regional economy. In 2010, \$8.75 million in personal income impacts is projected to be supported by INCA's operation.

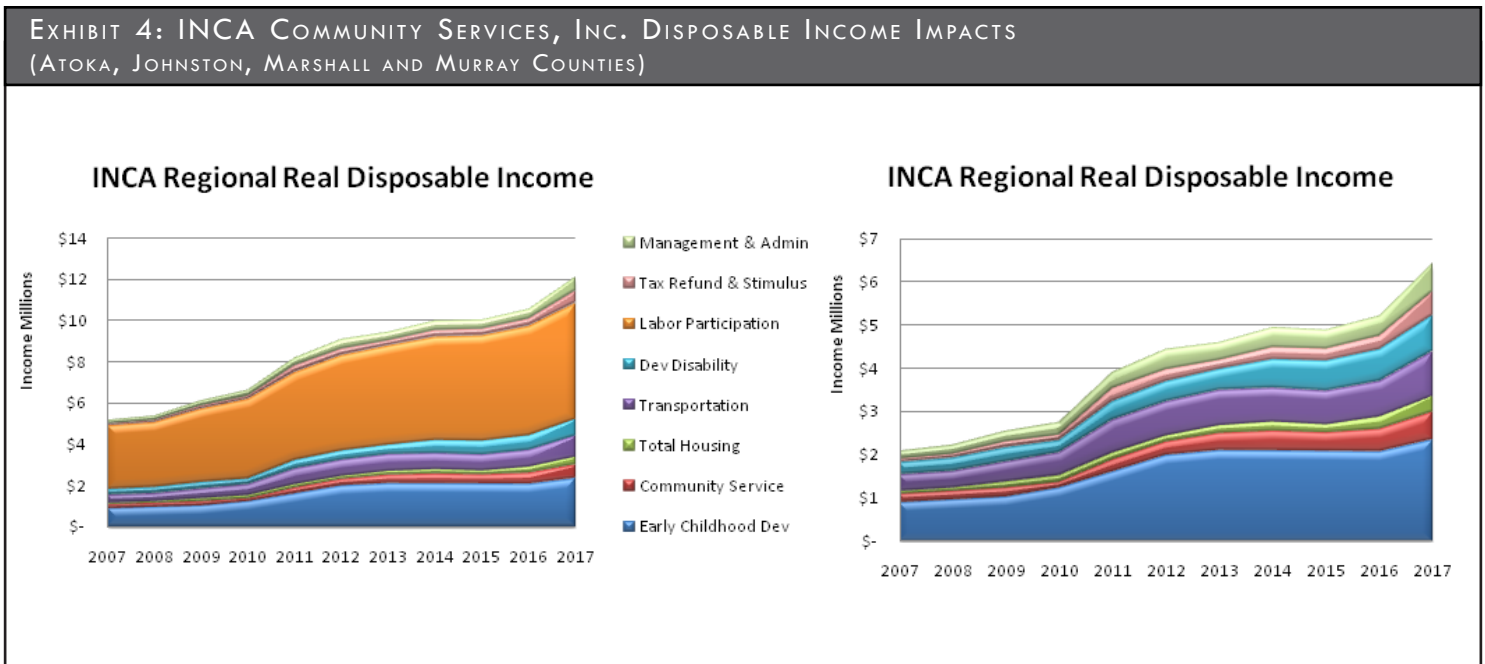
If total personal income supported by INCA's operations is divided by the jobs supported by the non-profit's operations, then the per job personal income is estimated to be

\$22,300/job in 2007 and \$25,600/job in 2010. Likewise, the per job disposable income is estimated to be \$17,900/job in 2007 and \$19,400/job in 2010.

It must be noted that these per job income measures are not the same variable as per capita income reported by the Bureau of Economic Analysis (BEA). BEA's per capita income measure divides total personal income earned in the region by the region's total population; conversely, per job figures discussed herein divide total personal income by the number of jobs supported by INCA.

At the statewide level, INCA is projected to support over \$116.8 million in disposable income and \$142 million in total personal income during time period 2007-2017.

Additionally, statewide per job personal income is estimated to be \$23,400/job in 2007 and \$26,000/job in 2010, which is higher than the local estimate. However, the per job disposable income is estimated to be lower than the regional estimates with \$16,200/job in 2007 and \$16,300/job in 2010.



ESTIMATED TAX IMPACTS (ATOKA, JOHNSTON, MARSHALL & MURRAY COUNTIES)

The estimated tax impacts discussed in this section relate to the total state and local tax impacts supported by INCA's operation in Atoka, Johnston, Marshall and Murray counties. Federal taxes are not included in these impacts. Exhibit 5 relates total state and local tax impacts projected to be supported by INCA between 2007 and 2017. As may be seen from the graph, sales taxes, income taxes and other taxes are displayed.

It should be noted that the sales tax impacts do not indicate sales taxes paid by INCA. Rather, this category relates sales taxes (state, city & county) paid by people who are employed by INCA as well as the sales taxes paid by organizations and people who support the non-profit's operations. Likewise, the income taxes depicted in Exhibit 5 do not relate income taxes paid by INCA. Rather, these include individual and corporate income taxes paid either by the people who are employed because INCA operates in the region or the organizations and businesses that provide inputs or receive demands from the non-profit's activities in the region. The 'other taxes' category includes professional and business license impacts, insurance trust fund taxes, fees and fine impacts.

Estimated sales tax impacts increased from approximately \$165,000 in 2007 to \$199,000 in 2009. Sales tax impacts are projected to increase to over \$209,000 by 2010, and by 2017, sales tax impacts are projected to increase to \$345,000. Over the entire 2007-2017 time frame, sales tax impacts resulting from INCA's operations are estimated to total \$2.75 million in the regional economy.

At the statewide level, a similar trend is expected with marginally higher impacts. Sales tax impacts are estimated to increase from

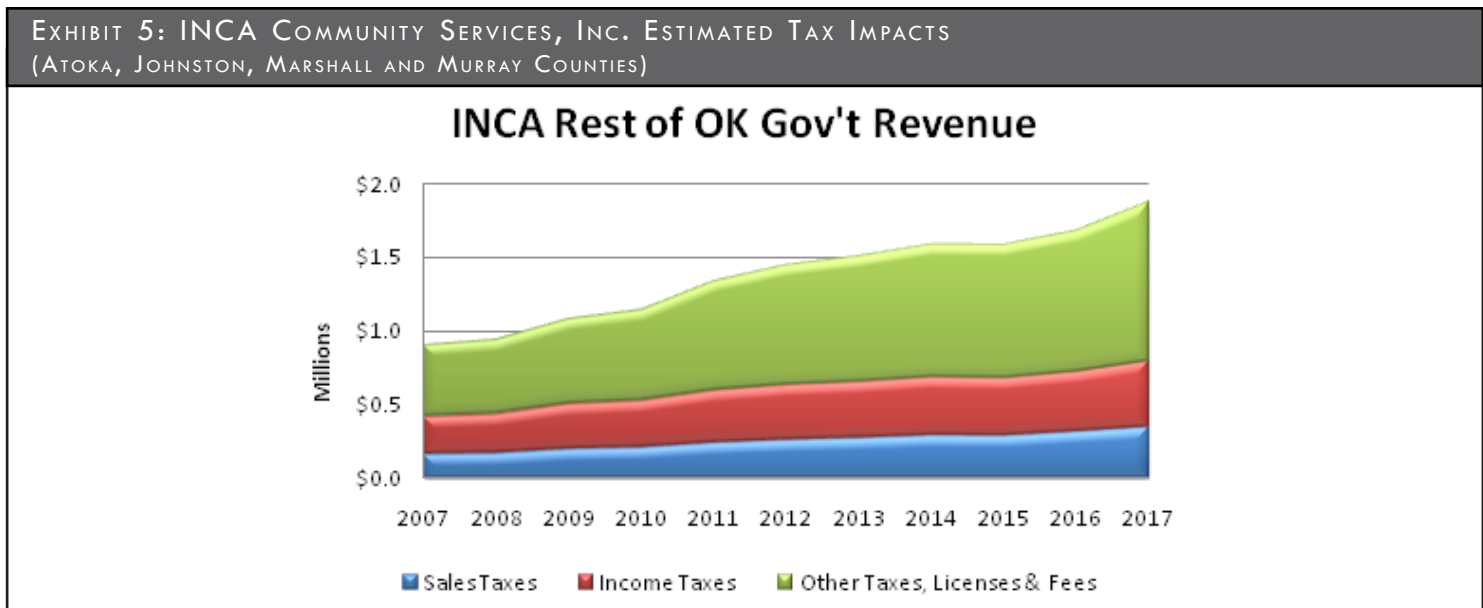
\$199,000 in 2007 to over \$238,000 in 2009. By 2017, sales tax impacts are projected to increase to \$527,000. Over the entire 2007-2017 time frame, statewide sales tax impacts resulting from INCA's operations are estimated to total \$3.72 million, which means that 0.97 million of sales taxes are generated in the rest of Oklahoma.

Returning to the regional economy, estimated income tax impacts from INCA's operations equaled approximately \$253,000 in 2007 and increased to \$303,000 in 2009. Income taxes are projected to increase to \$315,000 in 2010. By 2017, income tax impacts are projected to increase to over \$445,000, and during the entire 2007-2017 time frame, income tax impacts resulting from INCA's operations are estimated to total \$3.87 million in the region.

Statewide income tax impacts from INCA's operation are estimated to be \$288,000 in 2007 and increase to over \$342,000 in 2009. Statewide income tax impacts are expected to reach \$691,000 by 2017, and over the entire 2007-17 time frame income tax impacts from INCA's operated are estimated to be \$5.09 million.

Combining all sources of tax revenue in the regional economy, total state and local taxes estimated to result from INCA's operations equal approximately \$15.1 million over the entire 2007-2017 time period.

Statewide, the total state and local taxes generated from INCA's operation is approximately \$20.4 million over the entire 2007-17 time period.



Project Coordinator:

Wanda & Byron DeBruler
DeBruler, Inc.

Economic Impact Analysts:

Jon Chiappe and Aldwyn Sappleton
Oklahoma Department of Commerce

Economic Impact Software:

REMI Policy Insight+ version 1.2.2, Regional Economic Modeling, Inc.