



HIGHLIGHTS

1. KI BOIS Community Action Foundation employs over 920 full-time equivalent jobs in east and southeast Oklahoma. An additional 510 jobs are supported in the local economy from the non-profit's operations 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 KI BOIS Community Action Foundation is estimated to be \$825 million.
3. Between 2007 and 2017, total disposable income supported is estimated to be over \$356 million.

KI BOIS Community Action Foundation (KI BOIS) employs over 920 full-time equivalent jobs and primarily serves the five-county region of Haskell, Latimer, Le Flore, Pittsburg and Sequoyah counties. It is important to differentiate between a full-time equivalent job and an individual worker. KI BOIS currently employs close to 1,000 people. However, many of these jobs are part-time workers that do not work a full-time schedule. For the purpose of relating an accurate economic impact, employment is modeled and reported as full-time equivalent jobs.

The people employed at KI BOIS provide a valuable service to the residents of the five-county region through the various poverty relief, health, community development, housing, and educational/childhood development activities. In addition to the services directly provided by KI BOIS, 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.

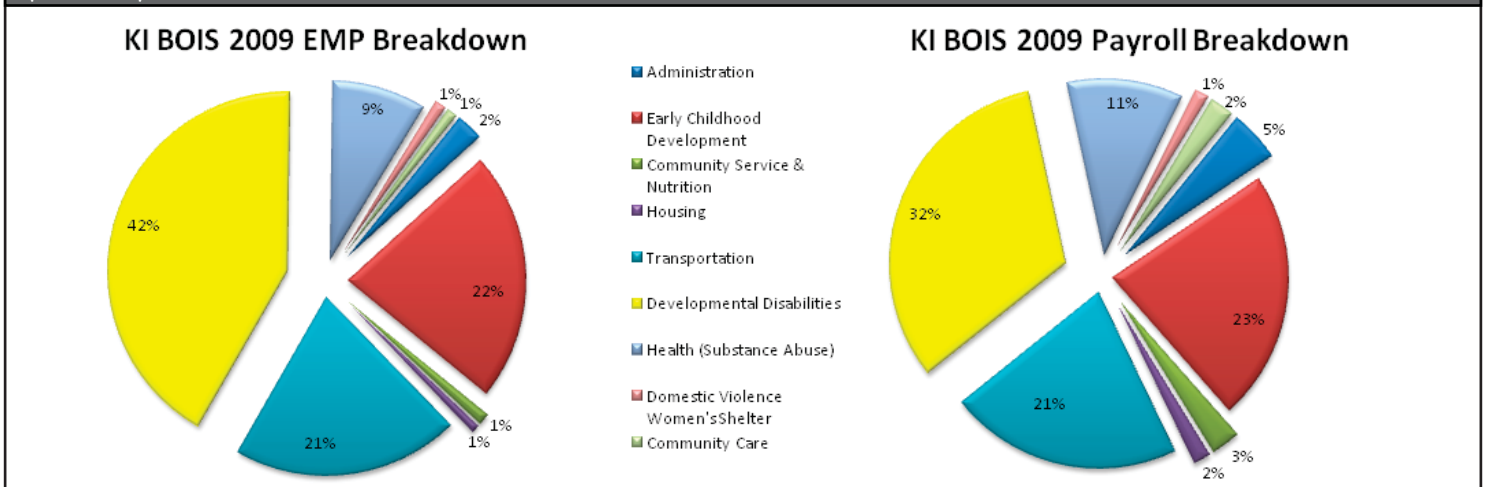
It is important to note that KI BOIS, as well as all other community action agencies, provide many valuable services to the regional economy that cannot be appropriately accounted for in an economic impact model. For example, this would include the food services programs offered to the local community. 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. Rather, these

services and other services offered by community action agencies, such as volunteer services, are better accounted for as societal impacts instead of economic impacts.

For the purposes of the economic impacts illustrated in this report, the activities performed by KI BOIS have been grouped into one of nine categories. Those activities are: Administration, Head Start/Childcare, Community Service/Nutrition, Housing, Transportation, Development Disabilities, Domestic Violence Women's Shelter, Community Care and Health programs. Employment and payroll associated with each of these categories served as inputs into KI BOIS' economic impact simulation. The relative size of the employment and payroll associated with each of the nine categories are depicted in the pie charts below.

In addition to the nine categories of activities performed by KI BOIS, other categories were included in the analysis to reflect the impact of the community action agency on the regional economy. These supplemental variables include the labor force made available to the economy as a result of child care services provided by KI BOIS, tax refunds resulting from tax assistance, new constructions, and the impact of temporary stimulus dollars. These supplemental inputs were included to account for activities that are better accounted for by variables other than employment or wages. One example of this type of variable is the higher participation rates in the labor force that are associated with providing child care/daycare in the regional economy.

EXHIBIT 1: EMPLOYMENT AND PAYROLL INPUTS GROUPED BY MAJOR ACTIVITY (KI BOIS)



OUTPUT IMPACTS (HASKELL, LATIMER, LE FLORE, PITTSBURG AND SEQUOYAH 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 KI BOIS occurs in, or in close proximity to, the agency's five-county region in east and southeast Oklahoma.
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, KI BOIS' operations are estimated to support approximately \$61.6 million in economic activity in 2007. This increases to \$70.2 million in 2009, and in 2011 economic output is projected to be \$74.7 million. By 2017, regional output impacts are projected to be \$84.4 million. From 2007 to 2017, the agency's impacts upon regional economic activity are projected to be \$825 million.

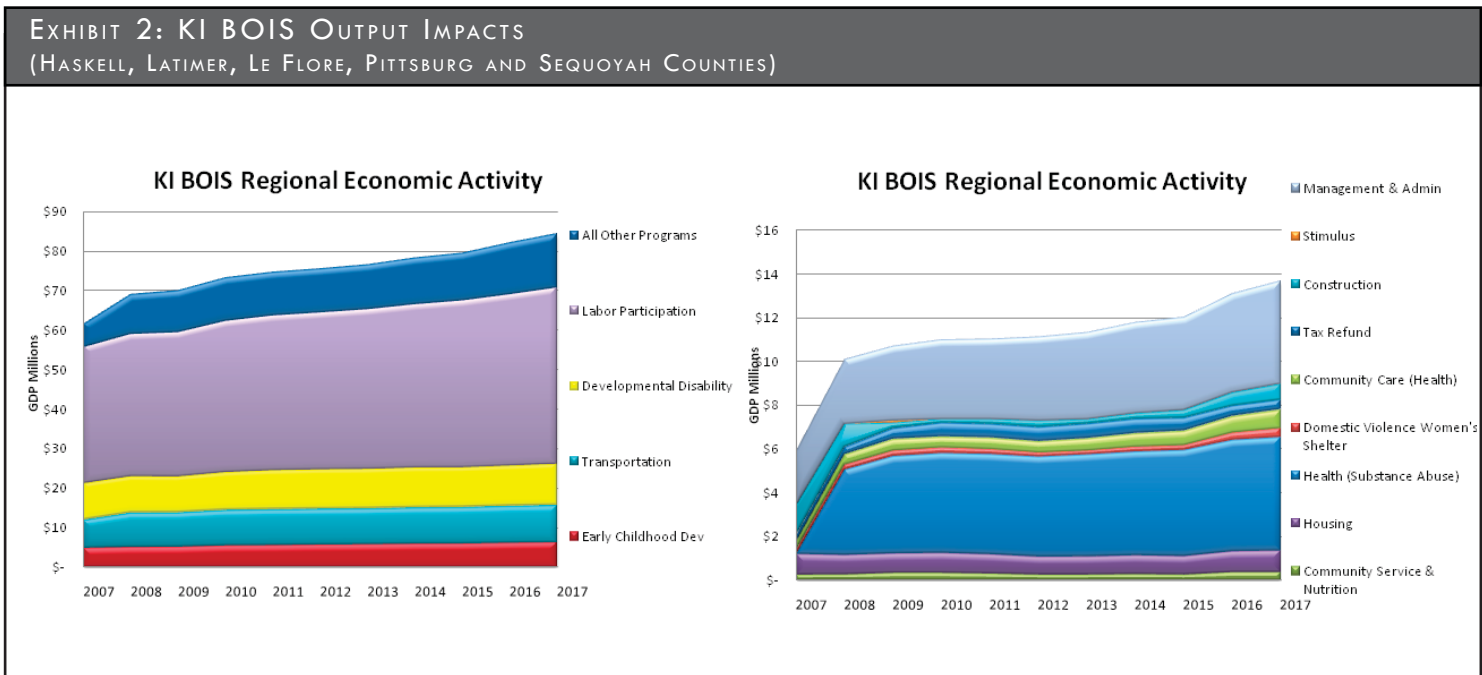
At the statewide level, the impacts from KI BOIS' economic activity increase from \$66.8 million in 2007 to over \$86 million in 2017. Over the entire period between 2007 and 2017, almost \$850 million in economic activity is estimated to be generated as a result of the non-profit's operations. Since the regional impacts were projected to be \$825 million over

this time frame, this means that a net \$25 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 for the community action agency. However, because the labor force participation, transportation, developmental disability, and early childhood impacts are so large relative to the other service categories, the second graph removes these four categories and relates all of the other impacts.

As evidenced in the graphs, each of the KI BOIS programs has varying levels of impacts. In the regional economy, the amount of economic activity generated over the 2007-17 time period ranges from \$2.8 million in the Domestic Violence Women's Shelter program to over \$438 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 the agency's mission for providing poverty relief, community development, or housing assistance. Rather, the programs provided by the non-profit are complementary and each program supports its mission. For example, if KI BOIS did not provide childcare/daycare alternatives, then it is possible that the community action agency's goals of poverty reduction would be less effective since some parents would opt to stay at home rather than enter the labor force.



EMPLOYMENT IMPACTS (HASKELL, LATIMER, LE FLORE, PITTSBURG AND SEQUOYAH COUNTIES)

KI BOIS employs over 920 full-time equivalent jobs in Haskell, Latimer, Le Flore, Pittsburg and Sequoyah counties. In addition to the impacts that the non-profit has within the regional economy, the individuals employed by KI BOIS also have an impact upon the regional economy from the wages that they earn. The agency's total employment impact, which includes the more than 920 people directly employed by the non-profit, is estimated to be 1,436 jobs in the regional economy in 2011.

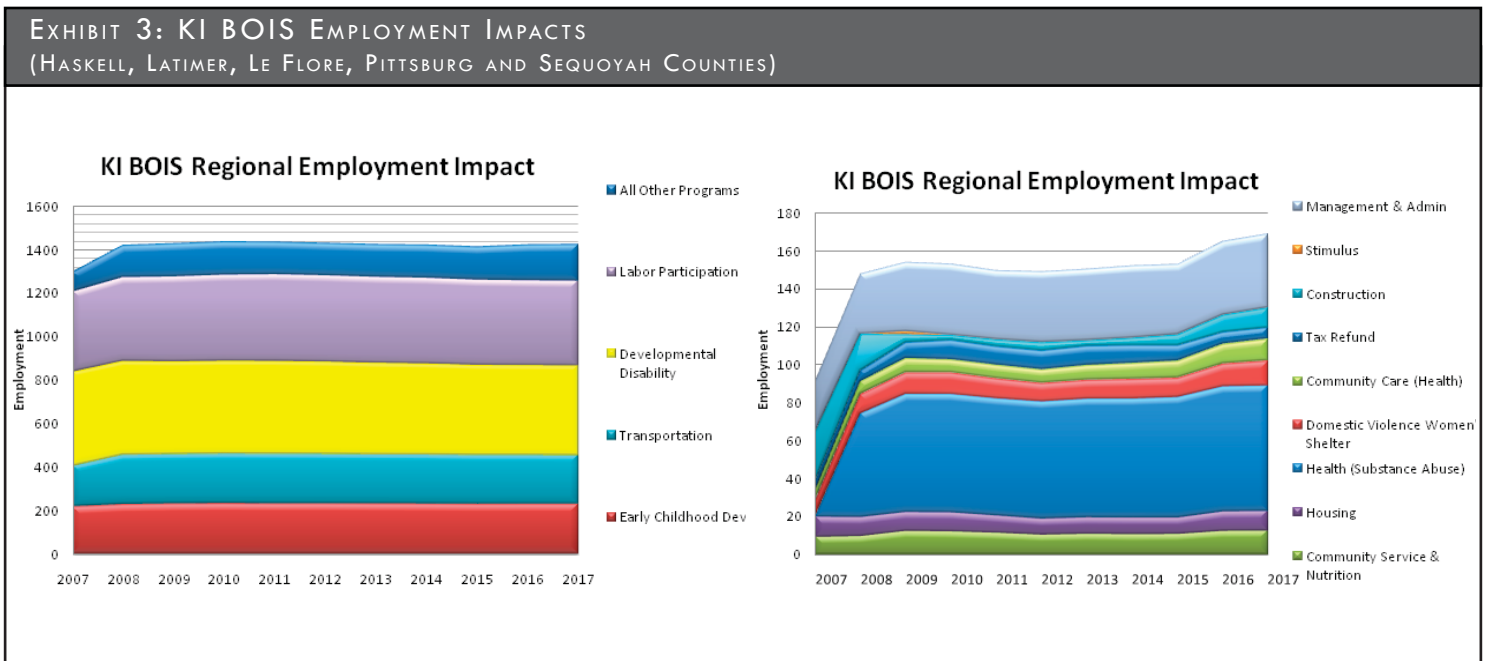
KI BOIS' employment impacts totaled 1,295 jobs in 2007 and were smaller than present levels mostly as a result of lower staffing levels in previous years. Projecting into the future, if the agency's level of activity remains relatively stable through 2017, it is forecasted that the total impact of the organization would also remain relatively stable in the regional economy with a slight decrease from 1,436 jobs in 2011 to 1,425 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 KI BOIS in the five-county region. It is assumed that the presence of affordable childcare in the regional economy will increase the participation rate in the local labor force. This ultimately means more people 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 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 smaller programs were grouped into the "All Other Programs" category. The second exhibit in the employment series gives a break out of the activities consisted in "All Other Programs." In this second exhibit, it can be observed that the stimulus impacts are temporary and relatively small in the larger picture.

The employment impacts attributable to KI BOIS 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 region. The statewide impacts of KI BOIS equal 1,361 jobs in 2007. By 2017, the statewide employment impact is projected to be 1,484 jobs. Since the regional impact is projected to be 1,436 jobs in 2017, this indicates that 48 jobs would be supported outside the regional economy.



DISPOSABLE INCOME IMPACTS (HASKELL, LATIMER, LE FLORE, PITTSBURG AND SEQUOYAH 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 the agency's operations are not confined to the counties within which it operates. Much like employment and output impacts, there are also disposable income impacts that occur outside the counties in which KI BOIS operates. Exhibit 4 relates disposable income impacts supported by KI BOIS in the local economy.

In 2011, KI BOIS is projected to support \$31.1 million in disposable income in the region. Between 2007 and 2017 disposable income supported by the non-profit is estimated to increase from approximately \$21.6 million to \$42.5 million. Over the entire 2007-17 time period, KI BOIS is projected to support over \$356 million in disposable income in the regional economy.

At the statewide level, KI BOIS is projected to support \$32.7 million in disposable income impacts in 2011. Between 2007 and 2017, disposable income supported by the agency is estimated to increase from \$24.0 million to \$52.9 million. Close to \$392 million in disposable income is supported by KI BOIS during the time period 2007-17, with \$36 million supported outside the five-county region.

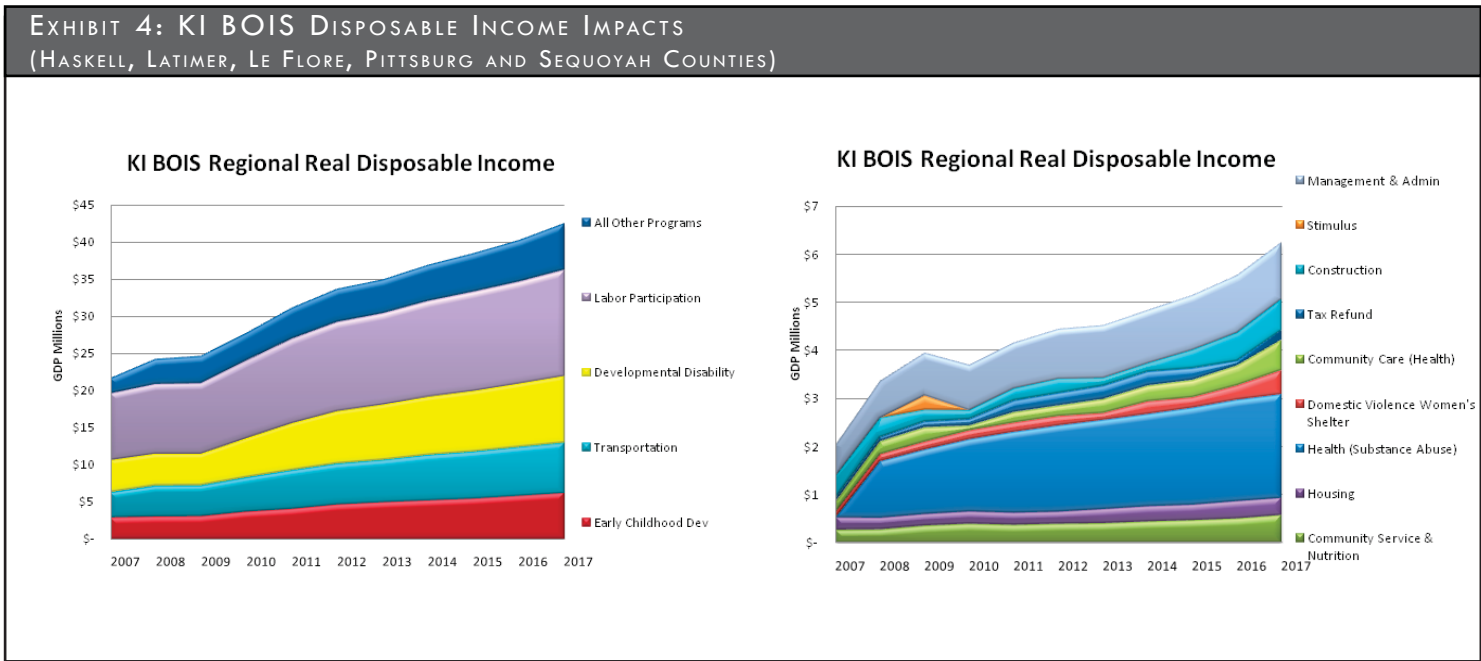
Comparative to real disposable income, total personal income represents income before taxes; this is estimated to equal \$25.9 million in 2007 and is projected to increase to \$61.6 million by 2017. Over the entire time frame of 2007-

2017, the community agency's operations are projected to support over \$470 million in personal income impacts for the regional economy. In 2011, \$39.1 million in personal income impacts is projected to be supported by KI BOIS. At the statewide level the agency's operations are projected to generate \$504 million in total personal income during the time period 2007-2017, with close to \$34 million in personal income supported outside the local economy.

If total personal income supported by the community action agency's operations is divided by the jobs supported by the non-profit's operations, then the per-job personal income is estimated to be \$20,000/job in 2007 and \$27,200/job in 2011. Likewise, the per-job disposable income is estimated to be \$16,700/job in 2007 and \$21,700/job in 2011.

Additionally, statewide per job personal income is estimated to be \$21,200/job in 2007 and \$28,600/job in 2011, which are higher figures than the local estimate. The per-job disposable income is estimated to be \$17,700/job in 2007 and \$22,700/job in 2011.

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 KI BOIS.



ESTIMATED TAX IMPACTS (HASKELL, LATIMER, LE FLORE, PITTSBURG AND SEQUOYAH COUNTIES)

The estimated tax impacts discussed in this section relate the total state and local tax impacts supported by KI BOIS' operations in the five-county region. Federal taxes are not included in these impacts. Exhibit 5 relates total state and local tax impacts projected to be supported by KI BOIS 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 KI BOIS. Rather, this category relates sales taxes (state, city & county) paid by people who are employed by the agency as well as the sales taxes paid by organizations and people who support the non-profit's operations. Likewise, the income taxes depicted in the exhibit below do not relate income taxes paid by the community action agency. Rather, these include individual and corporate income taxes paid either by the people who are employed because the agency operates in the region or by the organizations and businesses that provide inputs or receive demands from the nonprofit'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 \$580,000 in 2007 to \$665,000 in 2009. Sales tax impacts are projected to increase to over \$770,000 by 2011, and by 2017, sales tax impacts are projected to increase to \$1.1 million. Over the entire 2007-2017 time frame, sales tax impacts resulting from KI BOIS' operations are estimated to total over \$9.0 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 \$655,000 in 2007 to over \$731,000 in 2009

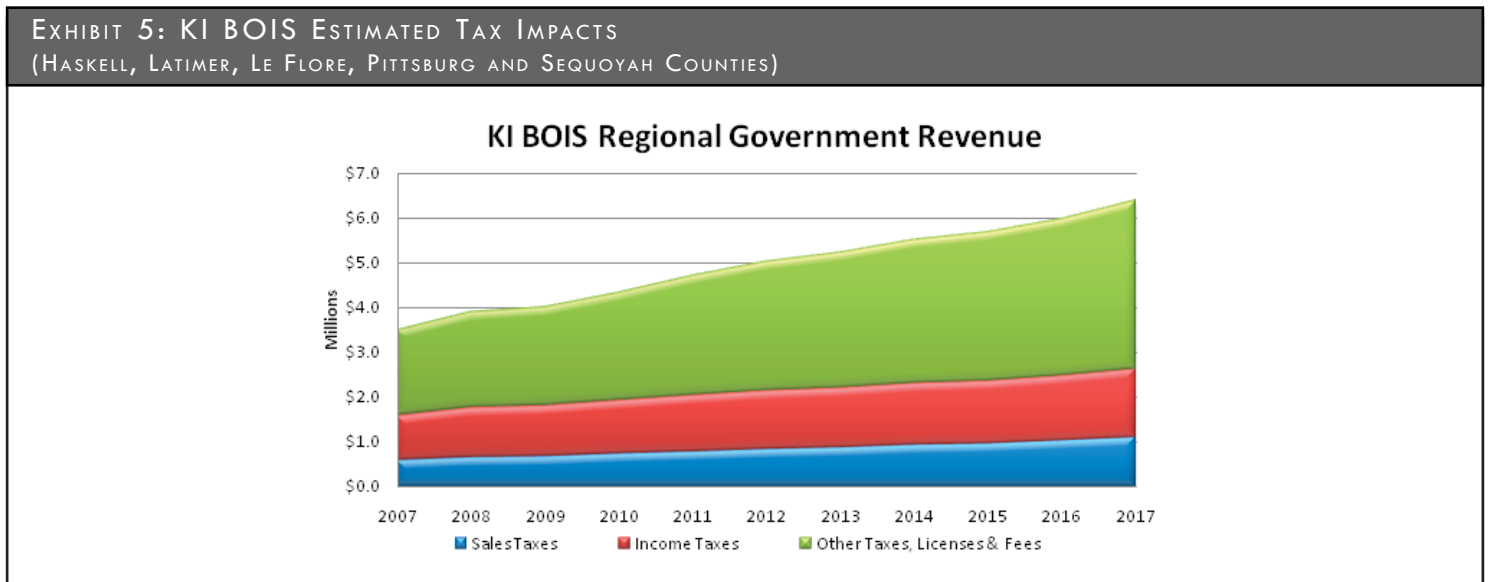
and \$828,000 in 2011. By 2017, sales tax impacts are projected to increase to \$1.3 million. Over the entire 2007-2017 time frame, statewide sales tax impacts resulting from KI BOIS' operations are estimated to total \$10.1 million, which means that \$1.1 million of sales taxes are generated outside the regional economy.

As for income tax impacts in the five-county region, the community action agency's operations is estimated to support approximately \$998,000 in 2007 which increases to \$1.1 million in 2009. In 2011 income taxes are projected to increase to \$1.3 million and by 2017, income tax impacts are projected to increase to over \$1.5 million. Cumulatively, during the entire 2007-2017 time frame, income tax impacts resulting from KI BOIS' operations are estimated to total over \$14.1 million in the local economy.

Statewide income tax impacts from the agency's operations are estimated to be \$1.1 million in 2007 and increase to \$1.2 million in 2009. In 2011, statewide income tax impacts are projected to be \$1.4 million and \$1.9 million by 2017.

Over the entire 2007-17 time frame, income tax impacts from KI BOIS' operations are estimated to be \$15.8 million, which means \$1.7 million is generated outside local economy.

Combining all sources of tax revenue in the regional economy, total state and local taxes estimated to result from KI BOIS' operations will be over \$54 million over the entire 2007-2017 time period. Statewide, the total state and local taxes generated from the agency's operation is over \$61 million during the entire 2007-17 time period.



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