A Summary of the Economic Effects of the ISU Research Park Corporation
and its Tenants

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An assessment of the potential statewide economic effects of the ISU Research Park Corporation and its tenants was completed in February, 2002. The Research Park currently houses 43 public and private institutions, providing space, material assistance, and human resources to its tenants. This research was conducted by staff of the Department of Economics at ISU using an input-output econometric model of the Iowa economy. An input-output model is used to document the magnitude of industrial interactions that exist among Iowa industries. Data for the study were obtained from surveys of tenants and from secondary sources. This short document summarizes the total economic values that were identified.

Several kinds of economic data are presented in the accompanying table. The *direct* data pertain only to the ISU Research Park and its tenants. The *indirect* data refer to the firms that supply goods and services to the ISU Research Park and its tenants. The *induced* data represent economic activity that results from worker spending in the direct sector and in the supplying sectors (the indirect column) on household goods and services. All of these values can be summed to arrive at *total economic values*.

The direct value of all goods and services produced on-site at the ISU Research Park from all activities (industrial output) was $87.9 million. There were almost 910 direct jobs at the ISU Research Park, which included many student jobs, and total labor income was $36.7 million. The ISU Research Park required inputs of goods and services amounting to $17.9 million. This indirect activity supported 211 additional jobs and $6.6 million in labor income. Finally, when the direct workers and the indirect workers spent their earnings, they stimulated $28.5 million in induced sales (output), creating 428 more jobs and $10.2 million in labor income. Summed, all economic activity in the state that was linked to the activities currently located at the ISU Research Park amounted to $134.2 million in total industrial output, $54.8 million in labor income, and 1,550 total jobs.

All job-holders with linkages to the ISU Research Park also contributed portions of their earnings to state taxes and fees. The $54.8 million in total labor income would be expected to generate $3.7 million in tax collections (income, sales, and licenses) for state government and $1.4 million in charges and fees from miscellaneous sources, for a total of just under $5.1 million in state government own-source revenues.