

Elevate Hoover

Projected Economic Impact Analysis & Return on Investment 2024 – 2028

Five Year Strategies

- I. Foster Economic Growth
- II. Be the Voice of Business
- III. Cultivate Talent

Goals & Outcomes

- *Increase Hoover's Population by 4.9%
- *Increase Hoover's Labor Participation Rate by 2%
- *Increase Sales Tax Revenue by 2% Annually
- *Increase Visitor Spending Impact by 20%

3,307 TOTAL NEW JOBS

Direct: 1,844
Indirect: 766
Induced: 697

NEW PERSONAL INCOME

\$219,122,342
(Annually by 2028)

NEW BUSINESS OUTPUT

\$572,834,442
(Annually by 2028)

Annual Tax Revenue Increases

5-County Region	\$1,776,671
County Municipalities	\$4,047,584
Special Tax Districts (e.g., schools)	\$2,011,021
State of Alabama	\$11,861,534

Top Ten New Annual Business Outputs by 2028 (in \$ Millions)



New Annual Consumer Spending by 2028

Housing	\$59.2 million
Transportation	\$32.8 million
Food	\$22.3 million
Personal insurance and pensions	\$20.2 million
Healthcare	\$14.9 million
Entertainment	\$9.2 million
Cash contributions	\$6.8 million
Apparel and services	\$4.3 million
Education	\$3.1 million
Personal care	\$2.0 million

Projected Return on Investment

Private Sector:

\$19.78 for every \$1 invested

(Based on \$2,250,000 investment from private sector and 7.7% average net profit margin on \$572.8 million in new business output.)

Public Sector:

\$6.27 for every \$1 invested

(Based on \$7.84 million in new annual tax revenues and a five-year investment of \$1,250,000.)



Analysis Source: Economic Strategy Center IMPAN Input/Output Model for Hoover, AL / Five-County Region

Impact Measure	Increased Population	Increased Visitor Spending
Jobs	3,185	122
Income	\$214,281,029	\$4,841,313
Value Added	\$310,124,105	\$7,733,465
Output	\$559,027,898	\$13,806,544
Disposable Income	\$182,781,718	\$4,129,640
Consumer Spending	\$176,018,794	\$3,976,843
Savings Deposit Potential	\$6,762,924	\$152,797
County Tax Revenue	\$1,697,151	\$79,520
County - Municipalities Tax Revenue	\$3,873,251	\$174,333
County - Special Taxing Districts Revenue	\$1,921,967	\$89,054
State of Alabama Tax Revenue	\$11,439,554	\$421,980
Private Sector Return on Investment ROI	Population & Tourism	\$19.78 : \$1.00
Public Sector ROI	Population & Tourism	\$6.27 : \$1.00

This summary is the analysis of the projected impacts of *Elevate Hoover* from 2024 through 2028. Economic impacts were computed by an Input/Output, I/O model for the City of Hoover. The I/O model includes data from 5 counties: Blount, Jefferson, Shelby, St. Clair, and Walker. The model includes 428 of 546 total sectors, making it much more accurate than one or two county models. Most impacts will accrue to Jefferson and Shelby Counties which have 89.1% of employment.

Elevate Hoover has quantitative goals that will increase Hoover's: *labor participation rate, annual sales tax revenue, total population, business licenses and permits tax revenue, and visitor spending*. Increased population and visitor spending are the only inputs needed for the Hoover I/O model. The I/O model calculated increases in tax revenue, and increased population can be converted to increased jobs, which increases the labor participation rate. Therefore, this impact analysis and Table 1 above have two sets of impacts: one from *increased population* and another set of impacts from *increased visitor spending*. Economic impacts include "direct, indirect, and induced" impacts and these are measured by: jobs, income, value added, and output (total business activity). Impacts also include spending, savings, and new tax revenue. New output and tax revenue are used to calculate the return on investment for both private and public investors. Table 1 summarizes projected 5-year total economic impacts in 2023 dollars from *Elevate Hoover* projects that will increase population and visitor spending.

Elevate Hoover developed quantitative goals to increase Hoover's: *labor participation rate, sales tax revenue, population, license and permit tax revenue, and visitor spending*. The Hoover Input/Output model calculated impacts based on inputs that increase total population by 4.9%, and visitor and spending by \$10 million. These inputs calculated new tax revenues, including sales taxes, and the labor force participation rate will increase by 1,756 more employed persons.

The goal to increase population by 4.9% will help fill; 1,756 direct jobs, income of \$129.6 million, value added of \$164.7 million, and new output (new business) of \$299.3 million. These are the initial and "direct" impacts that will multiply from the impact of sales, income, spending and saving. The initial impacts will multiply to create; 3,185 jobs, a multiplier of 1.81 and \$214.3 million of income, a multiplier of 1.65. Value added will multiply by 1.88 to total \$310.1 million, and output (total business) by 1.87 to total \$559.0 million.

The goal to increase visitor spending by \$10 million will also create direct jobs, income, value added and output. After the initial impacts multiply, increased visitor spending will create; 122 jobs, a multiplier of 1.39 and \$4.8 million of income, a multiplier of 1.67. Value added will multiply by 1.78 to total \$7.7 million, and output by 1.82 to total \$13.8 million.

In 2023 dollars, the 5-County study area and its' taxing units will receive a total of \$7,492,369 in new annual taxes from the population increase, and \$342,907 from increased visitor spending. (\$7,835,276 annually)

Total income of \$214,281,029 from the 4.9% population increase will create disposable income, spending and savings. In 2023 dollars, total income after taxes, will create disposable income of \$182,781,718, consumer spending of \$176,018,794 and \$6,762,924 in savings deposit potential. Total income of \$4,841,313 from a \$10 million increase in visitor spending, will create \$4,129,640 in disposable income, \$3,976,843 in consumer spending, and \$152,797 in savings.

The projected impacts will increase consumer expenditures, a benefit to all businesses. Housing with \$59.2 million in spending leads the list of 10 major spending categories. *Elevate Hoover* projects will also create increased total output, which is "business activity". Real estate, with \$22.5 million from more population and \$564,624 in new output from more visitor spending, leads the list of the "Top 10" sectors with new output.