



**Economic Contribution Analysis of  
Power Inn Alliance Businesses  
December 2022**

# Economic Contribution Analysis of Power Inn Alliance Businesses

## Jobs, output, and income impacts

### Summary and key findings

The Power Inn Alliance Property and Business Improvement District (“Alliance”) engaged the Greater Sacramento Economic Council (“GSEC”) to prepare an economic contributions analysis of the businesses located in the Alliance area in the City of Sacramento (“City”) and region. GSEC examined the employment profile of the businesses in the Alliance, their direct job contribution to the City of Sacramento, and used EMSI’s Input-Output model to estimate contributions of direct, indirect, and induced jobs, income, and output impacts for the regional economy.

#### Key findings:

- According to ESRI Business Analyst, the Alliance area is home to over 16,170 jobs; 96.3% of these are private sector jobs. These jobs make up nearly 6.0% of the City’s private sector employment.
- The sectors with the largest employment in the area are Construction, Manufacturing, Retail Trade, and Wholesale Trade, totaling over 9,800 jobs. These jobs make up over 61.0% of the Alliance area’s total jobs.
- Almost exactly one-third of the City’s manufacturing jobs (32.9%) are found in the Alliance’s area. The area is also home to significant shares of employment in utilities (24.9%), wholesale trade (24.8%), mining (24.4%), and construction (20.3%).
- Companies located in the Alliance area create nearly \$2.3 billion in direct output and over \$1 billion in direct labor income to the region.
- The Alliance’s businesses’ economic activities on the Greater Sacramento region’s economy add an additional 12,605 jobs, \$1.5 billion in output, and over \$738 million in labor income through supplier (indirect) and consumer (induced) impacts.
- In total, Alliance businesses support nearly 28,700 jobs, nearly \$3.8 billion in output, and nearly \$1.8 billion in labor income in the region.

## Economic Contribution of Alliance Businesses

The Power Inn Alliance is a nonprofit organization which represents a coalition of businesses that operate in the southeastern quadrant of Sacramento. The Alliance serves as the area's chamber of commerce spokesperson and business advocate. Businesses within the Alliance's benefit the economy through the people they directly employ, but they also create a larger economic impact in the regional economy and beyond through supplier and consumption activities which their operations support.

According to ESRI Business Analyst, a leading GIS database, the Alliance area is home to over 1,500 businesses which create more than 16,000 direct jobs and accounts for about 6% of the total jobs in the City of Sacramento. Figure 1 shows the composition of employment by major industry sector (note: 90 jobs could not be classified to an industry sector; therefore, only 16,083 jobs are included in this analysis). The largest sectors within the Alliance area are construction with 3,126 jobs, manufacturing with 2,554 jobs, and retail trade with 2,226 jobs.

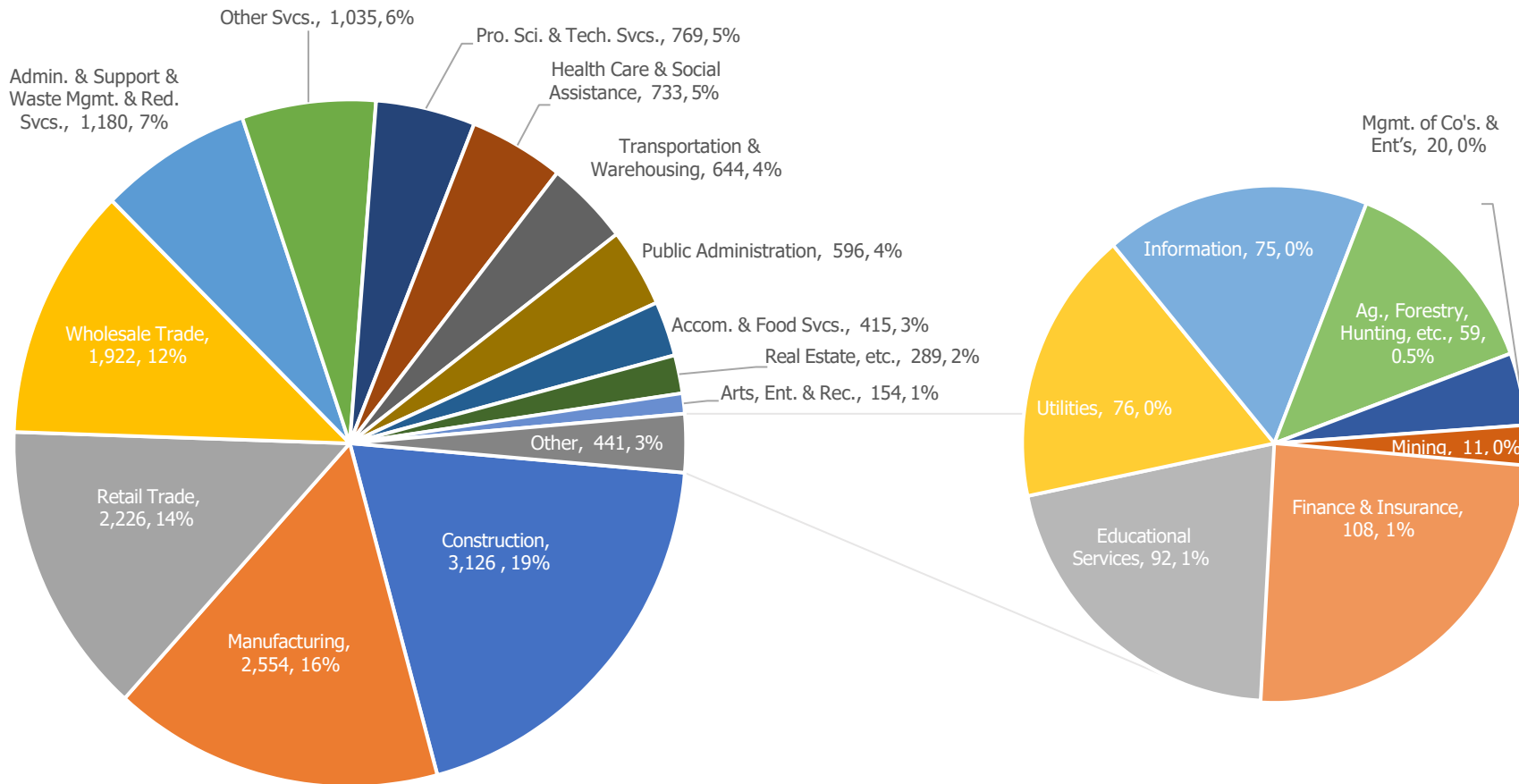
FIGURE 1 – Employment and Business Composition by Industry

Sector	Establishments		Employment	
	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing & Hunting	11	0.7%	59	0.4%
Mining	2	0.1%	11	0.1%
Utilities	2	0.1%	76	0.5%
Construction	172	11.3%	3,126	19.3%
Manufacturing	116	7.6%	2,554	15.8%
Wholesale Trade	155	10.2%	1,922	11.9%
Retail Trade	216	14.2%	2,226	13.8%
Transportation & Warehousing	70	4.6%	644	4.0%
Information	17	1.1%	75	0.5%
Real Estate, Rental & Leasing	57	3.7%	289	1.8%
Professional, Scientific & Tech Services	101	6.6%	769	4.8%
Management of Companies & Enterprises	7	0.5%	20	0.1%
Administrative & Support & Waste Management & Remediation	72	4.7%	1,180	7.3%
Educational Services	9	0.6%	92	0.6%
Health Care & Social Assistance	40	2.6%	733	4.5%
Arts, Entertainment & Recreation	19	1.2%	154	1.0%
Accommodation & Food Services	54	3.5%	415	2.6%
Other Services (except Public Administration)	201	13.2%	1,035	6.4%
Public Administration	23	1.5%	596	3.7%
Unclassified Establishments	162	10.6%	90	0.6%
<b>Total</b>	<b>1,524</b>	<b>100.0%</b>	<b>16,173</b>	<b>100.0%</b>

Source: ESRI Business Analyst, 2022.

Chart 1 graphically illustrates the share of employment by sector. The pie chart shows that four sectors (construction, manufacturing, retail trade, and wholesale trade) account for just under two-thirds (60.8%) of all Alliance area employment and that several sectors individually account for less than 1.0% of Alliance area employment (management of companies and enterprise, mining; agriculture, forest, fishing, and hunting; utilities, information, and educational services)

Chart 1 - Share of Employment by Sector



Source: ESRI Business Analysis, 2022.

Figure 2 shows the share of employment by sector in the City of Sacramento attributable to the Alliance area. According to ESRI Business Analyst, the Alliance accounts for nearly 6% of all employment in the city. Several sectors are disproportionately represented in the Alliance area. Nearly one-third of all City manufacturing employment (32.9%), nearly a quarter of utilities employment (24.9%), nearly a quarter of wholesale trade employment (24.8%), and over a fifth of employment in mining and construction (24.4% and 20.3%, respectively) are found in the business improvement district.

FIGURE 2 – Share of Alliance Area Jobs in City of Sacramento

Sector	Employment		Percent of City
	Power Inn Alliance Area	City of Sacramento	
Agriculture, Forestry, Fishing & Hunting	59	422	14.0%
Mining	11	45	24.4%
Utilities	76	305	24.9%
Construction	3,126	15,425	20.3%
Manufacturing	2,554	7,752	32.9%
Wholesale Trade	1,922	7,740	24.8%
Retail Trade	2,226	23,342	9.5%
Transportation & Warehousing	644	4,105	15.7%
Information	75	7,592	1.0%
Finance & Insurance	108	14,264	0.8%
Real Estate, Rental & Leasing	289	7,666	3.8%
Professional, Scientific & Tech Services	769	24,053	3.2%
Management of Companies & Enterprises	20	234	8.5%
Administrative & Support & Waste Management & Remediation	1,180	8,786	13.4%
Educational Services	92	15,737	0.6%
Health Care & Social Assistance	733	42,391	1.7%
Arts, Entertainment & Recreation	154	5,518	2.8%
Accommodation & Food Services	415	21,763	1.9%
Other Services (except Public Administration)	1,035	18,379	5.6%
Public Administration	596	57,605	1.0%
Unclassified Establishments	90	1,913	4.7%
<b>Total</b>	<b>16,173</b>	<b>285,037</b>	<b>5.7%</b>

Source: ESRI Business Analyst, 2022.

Economic contributions include the “multiplier effects” of economic activities throughout the region. These multiplier effects are the impacts of direct activities on suppliers (or indirect effects) and consumers (induced effects). Businesses create demand for suppliers, and combined the workers and firms create demand for local goods and services. EMSI’s Input-Output model was used to estimate the total economic contributions of businesses within the Alliance’s area on the Greater Sacramento metropolitan economy (defined as El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba Counties). Overall, a total economic contribution of nearly 28,700 jobs, \$3.8 billion in output, and \$1.8 billion in income is created in the Greater Sacramento region by businesses in the Alliance service area.

The Alliance's businesses directly benefit the regional economy through their operations and the jobs they support (supplier or indirect impacts and consumer or induced impacts). Figure 3 shows that these companies directly contribute over 16,000 jobs, \$2.9 billion in output, and \$1.0 billion in labor income to the regional economy. Additionally, these establishments generate an indirect impact through purchases made from their suppliers – nearly 5,500 jobs, \$574 million in output, and \$327 million in labor income are supported within establishments that supply these businesses. Additionally, Alliance businesses generate an induced impact of over 7,100 jobs, almost \$901 million in output, and nearly \$412 million labor income because of consumption activities within the regional economy of both direct and indirect employees.

FIGURE 3 – Economic Contribution

Impact	Direct	Indirect	Induced	Total
Employment	16,084	5,476	7,129	28,689
Output/Sales	\$2,289,782,632	\$574,378,814	\$900,591,231	\$3,764,752,677
Earnings/Income	\$1,041,995,396	\$326,935,042	\$411,476,552	\$1,780,406,990

Source: ESRI Business Analyst, 2022; EMSI, 2022; GSEC.

Figure 4 shows employment impacts by sector. The Alliance's largest sectors by employment also see the largest total employment impacts in the Greater Sacramento region. Construction generates over 5,250 total jobs, manufacturing over 5,130 jobs, and retail trade nearly 3,380 jobs.

FIGURE 4 – Employment Impact by Industry

Sector	Direct	Indirect	Induced	Total
Construction	3,126	802	1,329	5,257
Manufacturing	2,554	1,141	1,443	5,138
Retail Trade	2,226	565	587	3,378
Wholesale Trade	1,922	1,192	1,317	4,431
Admin. & Support & Waste Management & Remediation	1,180	366	391	1,937
Other Services (except Public Administration)	1,035	153	235	1,424
Professional, Scientific & Tech Services	769	189	258	1,216
Health Care & Social Assistance	733	159	241	1,132
Transportation & Warehousing	644	287	270	1,200
Public Administration	596	182	472	1,250
Accommodation & Food Services	415	51	74	541
Real Estate, Rental & Leasing	289	178	208	675
Arts, Entertainment & Recreation	154	29	29	212
Finance & Insurance	108	61	72	241
Educational Services	92	8	14	114
Utilities	76	58	121	255
Information	75	35	36	146
Agriculture, Forestry, Fishing & Hunting	59	7	12	78
Management of Companies & Enterprises	20	10	16	46
Mining	11	2	4	17
<b>Total</b>	<b>16,084</b>	<b>5,476</b>	<b>7,129</b>	<b>28,689</b>

Source: ESRI Business Analysis, 2022; EMSI, 2022; GSEC.

Total output impacts by sector are displayed in Figure 5. The wholesale trade, manufacturing, and construction sectors see the largest total output impacts in the Greater Sacramento region; over \$864 million, just over \$702 million, and nearly \$574 million, respectively.

FIGURE 5 – Economic Output by Industry

Sector	Direct	Indirect	Induced	Total
Wholesale Trade	\$500,778,032	\$148,981,242	\$214,448,970	\$864,208,245
Manufacturing	\$457,935,548	\$91,209,047	\$152,856,646	\$702,001,242
Construction	\$344,242,749	\$77,596,319	\$125,108,061	\$546,947,129
Retail Trade	\$204,258,564	\$63,491,689	\$79,978,767	\$347,729,019
Professional, Scientific & Tech Services	\$131,662,778	\$29,559,697	\$57,164,573	\$218,387,047
Admin. & Waste Mgmt & Remediation	\$106,387,278	\$33,002,106	\$42,519,912	\$181,909,297
Public Administration	\$89,801,084	\$12,269,222	\$38,016,539	\$140,086,845
Real Estate, Rental & Leasing	\$84,719,945	\$27,760,358	\$36,973,828	\$149,454,131
Health Care & Social Assistance	\$75,512,908	\$17,044,812	\$32,475,915	\$125,033,635
Other Services	\$70,525,720	\$15,872,138	\$27,870,958	\$114,268,816
Transportation & Warehousing	\$61,198,798	\$18,323,622	\$21,646,568	\$101,168,988
Utilities	\$51,496,691	\$7,947,818	\$23,960,865	\$83,405,375
Finance & Insurance	\$32,604,693	\$12,003,693	\$14,365,869	\$58,974,254
Information	\$28,003,470	\$7,445,066	\$12,482,076	\$47,930,612
Accommodation & Food Services	\$22,360,760	\$5,369,988	\$9,053,654	\$36,784,402
Arts, Entertainment & Recreation	\$10,702,225	\$2,960,741	\$4,490,266	\$18,153,232
Agriculture, Forestry, Fishing & Hunting	\$5,636,971	\$786,712	\$2,327,217	\$8,750,900
Educational Services	\$5,224,472	\$1,228,280	\$2,227,904	\$8,680,656
Mining	\$3,924,379	\$824,559	\$1,525,850	\$6,274,789
Management of Companies & Enterprises	\$2,805,566	\$701,704	\$1,096,794	\$4,604,064
<b>Total</b>	<b>\$2,289,782,632</b>	<b>\$574,378,814</b>	<b>\$900,591,231</b>	<b>\$3,764,752,677</b>

Source: EMSI, 2022; GSEC.

**Data Sources and Use**

GSEC's analysis began with extracting direct employment data for the Alliance geography from ESRI Business Analyst. Using EMSI, GSEC gathered average wages and gross regional product per job. With these data, GSEC utilized EMSI's Input-Output model to estimate indirect and induced economic impacts. These data are for informational purposes only; GSEC is not responsible for actions or decisions made by the recipients of this report.

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