



# 2023 Economic Contribution Analysis of Power Inn Alliance Businesses

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## 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 and their direct job contribution to the City of Sacramento. The JobsEQ Economic Impact model was used to estimate contributions of direct, indirect, and induced jobs, income, and output impacts for the regional economy in 2023.

#### Key findings:

- According to ESRI Business Analyst, the Alliance area is home to over 16,600 jobs; 96.0% 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 9,900 jobs. These jobs make up just over 60.0% of the Alliance area’s total jobs.
- Over one-third of all City manufacturing employment (36.3%), about a quarter of utilities employment (25.5%), nearly a quarter of wholesale trade employment (22.0%) and roughly a fifth of employment in construction (20.7%) are found in the business improvement district.
- Companies located in the Alliance area create nearly \$2.3 billion in direct output and over \$1.1 billion in direct labor income to the region.
- The Alliance’s businesses’ economic activities on the Greater Sacramento region’s economy add an additional 9,180 jobs, \$1.2 billion in output, and over \$641 million in labor income through supplier (indirect) and consumer (induced) impacts.
- In total, Alliance businesses support nearly 25,736 jobs, nearly \$3.6 billion in output, and nearly \$1.8 billion in labor income in the region in 2023.

# Economic Contribution of Alliance Businesses

The Power Inn Alliance is a nonprofit organization that 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 1,300 businesses which create more than 16,000 direct jobs and accounts for about 5.8% of the total jobs in the City of Sacramento. Figure 1 shows the composition of employment by major industry sector (note: 63 jobs could not be classified to an industry sector; therefore, only 16,556 jobs are included in this analysis). The largest sectors within the Alliance area are construction with 3,194 jobs, manufacturing with 2,625 jobs, and retail trade with 2,278 jobs.

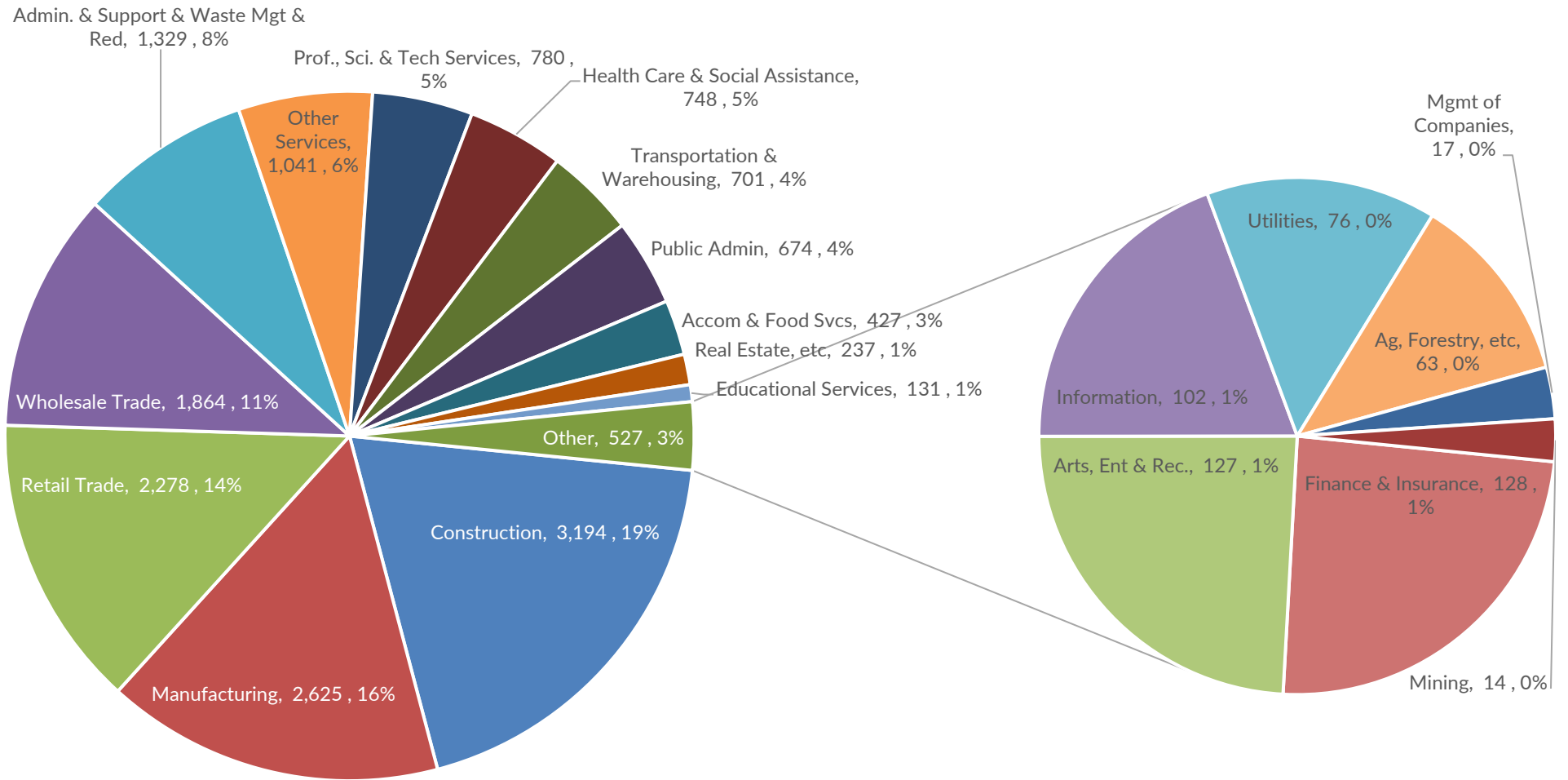
FIGURE 1 – Employment and Business Composition by Industry

Sector	Establishments		Employment	
	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing & Hunting	13	0.9%	63	0.4%
Mining	2	0.1%	14	0.1%
Utilities	2	0.1%	76	0.5%
Construction	176	11.9%	3,194	19.2%
Manufacturing	118	8.0%	2,625	15.8%
Wholesale Trade	149	10.1%	1,864	11.2%
Retail Trade	208	14.1%	2,278	13.7%
Transportation & Warehousing	67	1.3%	701	4.2%
Information	17	1.2%	102	0.6%
Finance & Insurance	19	1.3%	128	0.4%
Real Estate, Rental & Leasing	53	3.6%	237	1.4%
Professional, Scientific & Tech Services	93	6.3%	780	4.7%
Management of Companies & Enterprises	6	0.4%	17	0.1%
Administrative & Support & Waste Management & Remediation	73	4.9%	1,329	8.0%
Educational Services	9	0.6%	131	0.8%
Health Care & Social Assistance	40	2.7%	748	4.5%
Arts, Entertainment & Recreation	16	1.1%	127	0.8%
Accommodation & Food Services	56	3.8%	427	2.6%
Other Services (except Public Administration)	187	12.7%	1,041	0.063
Public Administration	22	1.5%	674	4.1%
Unclassified Establishments	150	10.2%	63	0.4%
<b>Total</b>	<b>1,326</b>	<b>100.0%</b>	<b>16,619</b>	<b>100.0%</b>

Source: ESRI Business Analyst, 2024.

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 (60.2%) 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, arts, entertainment and recreation; and educational services).

Chart 1 - Share of Employment by Sector



Source: ESRI Business Analysis, 2024.

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. Over one-third of all City manufacturing employment (36.3%), about a quarter of utilities employment (25.5%), nearly a quarter of wholesale trade employment (22.0%) and roughly a fifth of employment in construction (20.7%) are found in the business improvement district.

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

Sector	Employment		
	Power Inn Alliance Area	City of Sacramento	Percent of City
Construction	3,194	15,464	20.7%
Manufacturing	2,625	7,231	36.3%
Retail Trade	2,278	23,172	9.8%
Wholesale Trade	1,864	8,479	22.0%
Administrative & Support & Waste Management & Remediation	1,329	9,335	14.2%
Other Services (except Public Administration)	1,041	19,004	5.5%
Professional, Scientific & Tech Services	780	24,784	3.1%
Health Care & Social Assistance	748	44,296	1.7%
Transportation & Warehousing	701	4,223	16.6%
Public Administration	674	55,207	1.2%
Accommodation & Food Services	427	21,979	1.9%
Real Estate, Rental & Leasing	237	7,420	3.2%
Educational Services	131	15,876	0.8%
Finance & Insurance	128	14,625	0.9%
Arts, Entertainment & Recreation	127	5,769	2.2%
Information	102	7,753	1.3%
Utilities	76	298	25.5%
Agriculture, Forestry, Fishing & Hunting	63	432	14.6%
Unclassified Establishments	63	1,502	4.2%
Management of Companies & Enterprises	17	191	8.9%
Mining	14	78	17.9%
<b>Total</b>	<b>16,619</b>	<b>287,118</b>	<b>5.8%</b>

Source: ESRI Business Analyst, 2024.

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. JobsEQ’s Economic Impact 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 about 25,700 jobs, nearly \$3.6 billion in output, and about \$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 16,500 jobs, \$2.3 billion in output, and \$1.1 billion in labor income to the regional economy. Additionally, these establishments generate an indirect impact through purchases made from their suppliers – nearly 3,500 jobs, \$472 million in output, and \$225 million in labor income are supported within establishments that supply these businesses. Additionally, Alliance businesses generate an induced impact of over 5,600 jobs, roughly \$784 million in output, and nearly \$416 million in 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	16,556	3,483	5,697	25,736
Output/Sales	\$2,336,993,216	\$472,693,284	\$784,404,646	\$3,594,091,146
Earnings/Income	\$1,180,865,874	\$225,194,668	\$416,284,803	\$1,822,345,345

Source: ESRI Business Analyst, 2024; JobsEQ, 2024; 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 4,670 total jobs, manufacturing over 4,503 jobs, and retail trade nearly 3,000 jobs.

FIGURE 4 – Employment Impact by Industry

Sector	Direct	Indirect	Induced	Total
Construction	3,194	380	1,098	4,673
Manufacturing	2,625	680	1,198	4,503
Retail Trade	2,278	336	424	3,038
Wholesale Trade	1,864	765	872	3,501
Administrative & Support & Waste Mgt & Remediation	1,329	181	305	1,816
Other Services (except Public Administration)	1,041	95	236	1,373
Professional, Scientific & Tech Services	780	162	365	1,307
Health Care & Social Assistance	748	98	204	1,050
Transportation & Warehousing	701	171	182	1,055
Public Administration	674	56	292	1,022
Accommodation & Food Services	427	31	54	512
Real Estate, Rental & Leasing	237	337	164	738
Educational Services	131	8	42	181
Finance & Insurance	128	50	55	234
Arts, Entertainment & Recreation	127	21	41	189
Information	102	76	83	261
Utilities	76	22	43	142
Agriculture, Forestry, Fishing & Hunting	63	6	23	92
Management of Companies & Enterprises	17	2	6	25
Mining	14	5	8	27
<b>Total</b>	<b>16,556</b>	<b>3,483</b>	<b>5,697</b>	<b>25,736</b>

Source: ESRI Business Analyst, 2024; JobsEQ, 2024; 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 \$778 million, nearly \$677 million, and just over \$513 million, respectively.

FIGURE 5 – Economic Output by Industry

Sector	Direct	Indirect	Induced	Total
Wholesale Trade	\$485,666,104	\$128,954,225	\$163,432,751	\$778,053,079
Manufacturing	\$470,665,941	\$76,870,868	\$129,050,246	\$676,587,056
Construction	\$351,731,075	\$46,788,814	\$114,582,797	\$513,102,686
Retail Trade	\$209,030,103	\$56,040,479	\$59,968,851	\$325,039,432
Professional, Scientific & Tech Services	\$133,546,121	\$24,923,988	\$61,393,681	\$219,863,790
Admin, Support, Waste Mgt & Remed.	\$119,820,926	\$23,780,059	\$52,198,667	\$195,799,652
Public Administration	\$101,553,575	\$8,722,589	\$46,479,645	\$156,755,809
Health Care & Social Assistance	\$77,058,192	\$14,830,327	\$36,964,548	\$128,853,068
Other Services (except Public Admin)	\$70,934,565	\$16,112,133	\$30,371,679	\$117,418,377
Real Estate, Rental & Leasing	\$69,476,218	\$20,172,633	\$11,193,006	\$100,841,857
Transportation & Warehousing	\$66,615,461	\$15,659,395	\$25,434,055	\$107,708,911
Utilities	\$51,496,691	\$6,124,661	\$11,200,270	\$68,821,622
Finance & Insurance	\$38,642,599	\$12,857,658	\$10,671,424	\$62,171,681
Information	\$38,084,720	\$10,294,784	\$10,673,731	\$59,053,236
Accommodation & Food Services	\$23,007,336	\$5,487,896	\$8,211,051	\$36,706,282
Arts, Entertainment & Recreation	\$8,825,861	\$1,874,547	\$3,390,118	\$14,090,526
Educational Services	\$7,439,194	\$1,000,897	\$4,067,387	\$12,507,479
Agriculture, Forestry, Fishing & Hunting	\$6,019,139	\$673,512	\$2,121,102	\$8,813,753
Mining	\$4,994,665	\$928,127	\$1,766,506	\$7,689,298
Management of Companies & Enterprises	\$2,384,731	\$595,689	\$1,233,131	\$4,213,551
<b>Total</b>	<b>\$2,336,993,216</b>	<b>\$472,693,284</b>	<b>\$784,404,646</b>	<b>\$3,594,091,146</b>

Source: JobsEQ, 2024; GSEC.

**Data Sources and Use**

GSEC's analysis began with extracting direct employment data for the Alliance geography from ESRI Business Analyst. Using JobsEQ, GSEC gathered average wages and gross regional product per job. With these data, GSEC utilized JobEQ's Economic Impact 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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