

The proposed \$700 million development fund is associated with financing the new and expanding primary sector businesses in North Dakota in the 2021-2022 biennium year<sup>1</sup>. The North Dakota Department of Commerce utilized the **Regional Economic Model Policy Insight (REMI PI<sup>+</sup>)**<sup>2</sup> to project the potential economic impacts of the proposed funds at the state level. The projected economic impacts include increases in the state economy size (as measured by the state gross domestic product (GDP) and output); payroll creation (as measured by personal income, earnings by the place of work, wages, and salaries); and new jobs created (as measured by employment). The study also estimates tax revenues from the sales and use tax and individual income tax. The economic impacts are projected for five years from 2021-2025 and ten years from 2021-2030. The estimated impacts are substantial, and the findings of this analysis are outlined below.

The analysis projected that from 2021-2025, the average annual economic impacts from the increase in investment funding for North Dakota in a given year would be:

- An increase in the state economy's size of \$322 million in economic output and \$180 million in the State GDP.
- An increase of 3,859 jobs in total employment, with 83 percent occurring across all private non-farm industries. This estimate consists of full-time and part-time workers.
- An increase of \$101 million in personal income and \$79 million in wages and salaries. These increases are driven almost entirely by the growth in labor income derived from the jobs created across all industries.
- An increase of \$2.4 million in tax revenues from the sales and use tax and \$1.05 million in tax revenues from individual income tax.

In the ten year projection period (2021-2030), the analysis projected the average annual economic impacts from the increase in investment funding for North Dakota in a given year would be:

- An increase in the state economy's size of \$387 million in economic output and \$220 million in the State GDP.
- An increase of 4,224 jobs across all industries, with 86 percent occurring across all private non-farm industries. This estimate consists of full-time and part-time workers.
- An increase of \$132 million in personal income and \$96 million in wages and salaries, driven almost entirely by the growth in labor income derived from the jobs created across all industries.
- An increase of \$3.09 million in tax revenues from the sales and use tax and \$1.45 million in tax revenues from individual income tax.

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<sup>1</sup>That is from July 1, 2021 to June 30, 2022

<sup>2</sup>Regional Economic Models, Inc. (REMI) is an independent company with offices in Amherst, MA and Washington, D.C. that provides non-partisan economic analysis and modeling software to its clients, who include federal, state, and local government agencies, non-profit organizations, universities, and private companies.