New Markets Program Economic Impact

2012 Regional Economic Models, Inc (REMI) Impact Results

The success of the federal New Markets program has led to the creation of eleven state programs. The New Markets program has consistently proven to incentivize new investment behavior.

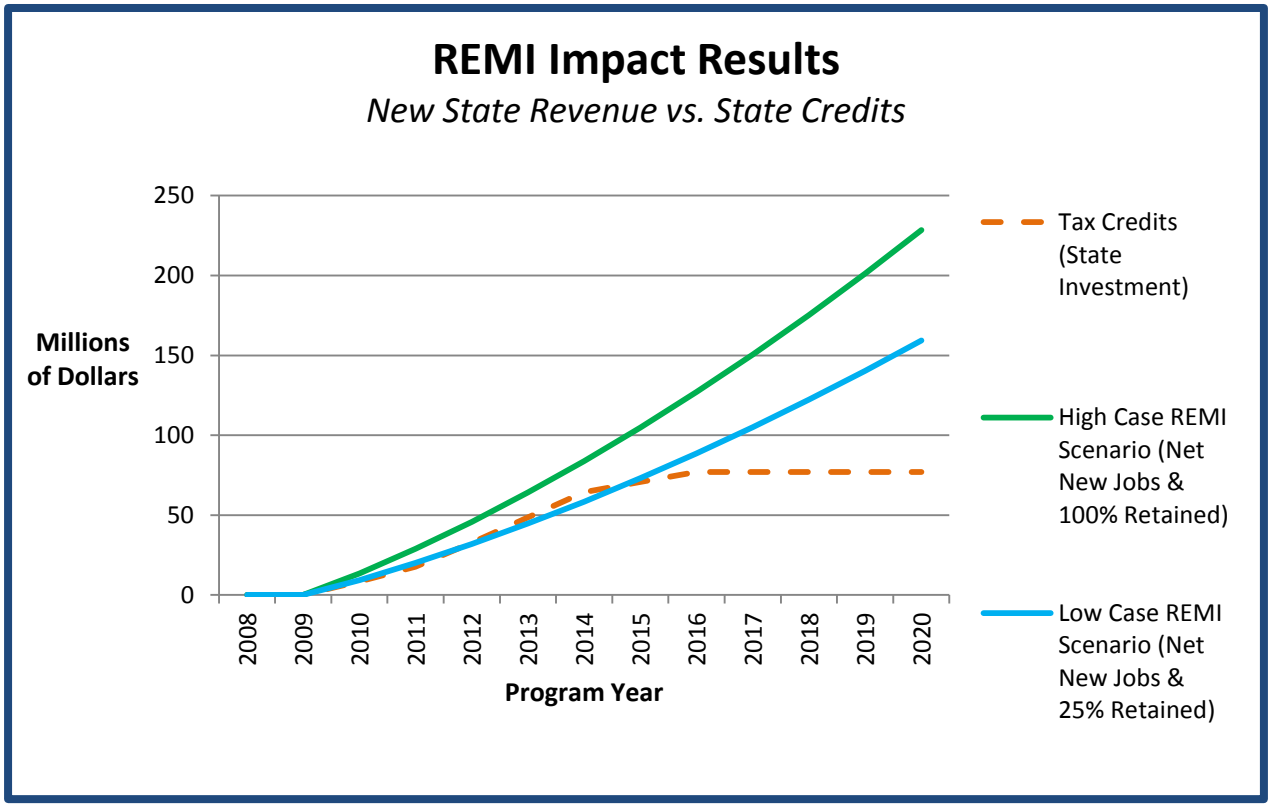
"An estimated 88 percent of investors said that they would not have made the same investment without the NMTC." – *GAO Report 07-296*

The chart below compares the results from two different REMI models to the cost of a New Markets Program.

High Case Scenario (Confident) – This scenario attributes all net new jobs and all retained jobs to the New Markets financing.

Low Case Scenario (Conservative) – This scenario attributes all net new jobs and 25% of retained jobs to the New markets financing.

The High Case and Low Case scenarios show a positive return to the state over the life of the program when compared to the cost of the credits. More significantly, the High Case scenario is cash flow positive beginning day one and the Low Case scenario remains revenue neutral beginning day one before turning positive in the sixth year of the program.



2012 REMI models completed for 2010 investment and actual job data from Missouri New Markets Development Program prepared using a 23-sector, 1-region econometric model built by Regional Economic Models, Inc.