

ECONOMIC AND FISCAL IMPACT OF A POSSIBLE RELOCATION OF IGT

A PRELIMINARY ANALYSIS

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October 22, 2019



APPLESEED: WHO WE ARE

A New York City-based consulting firm providing economic research and analysis and local economic development planning services to governmental, non-profit and for-profit clients

Founded in 1993

Have been working with Rhode Island clients for twenty years, including:

- Brown University
- The University of Rhode Island
- Lifespan
- Rhode Island Commerce Corporation
- Deepwater Wind

ASSIGNMENT:

Assess the potential economic and tax revenue impact of a hypothetical relocation of all but 50 of IGT's 1,100 Rhode Island employees out-of-state

Assumptions:

- IGT's Rhode Island operations are assumed to be a mix of headquarters staff, systems development, custom programming and computer facilities management
- Average salary = \$100,000
- If IGT were to relocate to these operations, only 50 employees would remain in the state
- If IGT were to remain in Rhode Island, it would over a five-year period invest \$100 million in construction, equipment, furnishings and capital

ECONOMIC IMPACT

Relocation of all but 50 jobs out-of-state would result directly and indirectly in:

- The loss of 1,534 Rhode Island jobs, with \$139 million in earnings
- A reduction of \$170.5 million in Rhode Island's annual GDP

Direct, indirect and total loss in jobs, annual earnings, value-added and output (in millions of 2020 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	1,050	\$111.2	\$127.5	\$198.5
Indirect Effect	484	\$27.8	\$143.0	\$68.2
Total Effect	1,534	\$139.0	\$170.5	\$266.7

- Rhode Island would also lose 385 person years of employment in construction and related industries with \$25.8 million in earnings as a result of the loss of \$100 million in new investment in construction, equipment and furnishings



TAX REVENUE IMPACT

- Relocation of all but 50 of the company's 1,100 jobs out-of-state would result in a reduction of \$8.145 million annually in state tax income, business and sales tax revenues
- Loss of \$100 million in new investment would result in a loss of \$5.1 million in income, business and sales tax revenues