# UPPER MISSISSIPPI RIVER RESTORATION
# FEASIBILITY REPORT
# WITH INTEGRATED ENVIRONMENTAL ASSESSMENT

## GILEAD SLOUGH
## HABITAT REHABILITATION AND ENHANCEMENT PROJECT

**POOL 25, UPPER MISSISSIPPI RIVER MILES 252-248**
**CALHOUN COUNTY, IL**

Appendix K: Economics

US Army Corps of Engineers
St. Louis District

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Upper Mississippi River Restoration
Leading·Innovating·Partnering

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# 1 GENERAL

The U.S. Army Corps of Engineers (USACE) Institute for Water Resources, Louis Berger, and Michigan State University have developed a regional economic impact modeling tool, RECONS (Regional ECONomic System), that provides estimates of jobs and other economic measures such as labor income, value added, and sales that are supported by USACE programs, projects, and activities. This modeling tool automates calculations and generates estimates of jobs, labor income, value added, and sales through the use of IMPLAN®'s multipliers and ratios, customized impact areas for USACE project locations, and customized spending profiles for USACE projects, business lines, and work activities. RECONS allows the USACE to evaluate the regional economic impact and contribution associated with USACE expenditures, activities, and infrastructure.

# 2 DESCRIPTION OF METRICS

"Output" is the sum total of transactions that take place as a result of the construction project, including both value added and intermediate goods purchased in the economy. "Labor Income" includes all forms of employment income, including employee compensation (wages and benefits) and proprietor income. "Value Added" or "Gross Regional Product" represents the value-added output of the study regions. This metric captures all final goods and services produced in the study areas because of the existence of the project. It is different from output in the sense that one dollar of a final good or service may have multiple transactions associated with it. "Jobs" is the estimated worker-years of labor required to build the project. The secondary impacts are a summary of the multiplier effects, which include both indirect and induced effects. Indirect impacts include industries that support the direct and indirect industries spend their salaries in the impact area, creating jobs, income, and value added. The jobs and output at each level (Local, State, US) are inclusive. For example, the state job impact value contains the local job impact value within it.

# 3 ASSUMPTIONS

Input-output analysis rests on the following assumptions. The production functions of industries have constant returns to scale, so if output is to increase, inputs will increase in the same proportion. Industries face no supply constraints; they have access to all the materials they can use. Industries have a fixed commodity input structure; they will not substitute any commodities or services used in the production of output in response to price changes. Industries produce their commodities in fixed proportions, so an industry will not increase production of a commodity without increasing production in every other commodity it produces. Furthermore, it is assumed that industries use the same technology to produce all their commodities. The costs were calculated using FY 2025 price levels.

# 4 RESULTS

## 4.1 Minimum Alternative RECONS Results

The expenditures associated with All Work Activities, with Ability to Customize Impact Area and Work Activity at Calhoun (IL) are estimated to be $12,451,000. Of this total expenditure, $7,504,237 will be captured within the local impact area. The remainder

of the expenditures will be captured within the state impact area and the nation. These direct expenditures generate additional economic activity, often called secondary or multiplier effects. The direct and secondary impacts are measured in output, jobs, labor income, and gross regional product (value added) as summarized in the following tables. The regional economic effects are shown for the local, state, and national impact areas. In summary, the expenditures $12,451,000 support a total of 58.9 full-time equivalent jobs, $3,596,731 in labor income, $5,359,489 in the gross regional product, and $9,030,152 in economic output in the local impact area. More broadly, these expenditures support 194.2 full-time equivalent jobs, $14,328,356 in labor income, $19,793,248 in the gross regional product, and $32,532,149 in economic output in the nation.

Table 1: Gilead Slough Habitat Rehabilitation and Enhancement Project Implementation Report Regional Economic Development (RED) Summary for Minimum Alternative

| Area | Output | Jobs* | Labor Income | Value Added |
|---|---|---|---|---|
| **Local** | | | | |
| Direct Impact | $7,504,237 | 48.3 | $3,330,076 | $4,573,839 |
| Secondary Impact | $1,525,915 | 10.6 | $266,654 | $785,650 |
| Total Impact | $9,030,152 | 58.9 | $3,596,731 | $5,359,489 |
| **State** | | | | |
| Direct Impact | $10,312,000 | 71.5 | $5,819,094 | $7,109,674 |
| Secondary Impact | $9,730,191 | 46.7 | $3,352,136 | $5,799,711 |
| Total Impact | $20,042,192 | 118.1 | $9,171,230 | $12,909,385 |
| **US** | | | | |
| Direct Impact | $12,364,310 | 104.9 | $7,940,904 | $8,780,782 |
| Secondary Impact | $20,167,839 | 89.3 | $6,387,452 | $11,012,465 |
| Total Impact | $32,532,149 | 194.2 | $14,328,356 | $19,793,248 |

*Jobs are presented in full-time equivalence (FTE). FY 2025 Price levels.

### 4.2 Intermediate Alternative RECONS Results

The expenditures associated with All Work Activities, with Ability to Customize Impact Area and Work Activity at Calhoun (IL) are estimated to be $15,875,000. Of this total expenditure, $9,567,887 will be captured within the local impact area. The remainder of the expenditures will be captured within the state impact area and the nation. These direct expenditures generate additional economic activity, often called secondary or multiplier effects. The direct and secondary impacts are measured in output, jobs, labor income, and gross regional product (value added) as summarized in the following tables. The regional economic effects are shown for the local, state, and national impact areas. In summary, the expenditures $15,875,000 support a total of 75.2 full-time equivalent jobs, $4,585,825 in labor income, $6,833,338 in the gross regional product, and $11,513,426 in economic output in the local impact area. More broadly, these expenditures support 247.6 full-time equivalent jobs, $18,268,625 in labor income, $25,236,351 in the gross regional product, and $41,478,425 in economic output in the nation.

Table 2: Gilead Slough Habitat Rehabilitation and Enhancement Project Implementation Report Regional Economic Development (RED) Summary for Intermediate Alternative

| Area | Output | Jobs* | Labor Income | Value Added |
|---|---|---|---|---|
| **Local** | | | | |
| Direct Impact | $9,567,887 | 61.6 | $4,245,841 | $5,831,636 |
| Secondary Impact | $1,945,538 | 13.6 | $339,984 | $1,001,702 |
| Total Impact | $11,513,426 | 75.2 | $4,585,825 | $6,833,338 |
| **State** | | | | |
| Direct Impact | $13,147,780 | 91.1 | $7,419,334 | $9,064,820 |
| Secondary Impact | $12,405,975 | 59.5 | $4,273,967 | $7,394,620 |
| Total Impact | $25,553,754 | 150.6 | $11,693,300 | $16,459,440 |
| **US** | | | | |
| Direct Impact | $15,764,471 | 133.8 | $10,124,637 | $11,195,480 |
| Secondary Impact | $25,713,954 | 113.8 | $8,143,988 | $14,040,871 |
| Total Impact | $41,478,425 | 247.6 | $18,268,625 | $25,236,351 |

*Jobs are presented in full-time equivalence (FTE). FY 2025 Price levels.

### 4.3 Maximum Alternative RECONS Results

The expenditures associated with All Work Activities, with Ability to Customize Impact Area and Work Activity at Calhoun (IL) are estimated to be $20,535,000. Of this total expenditure, $12,376,477 will be captured within the local impact area. The remainder of the expenditures will be captured within the state impact area and the nation. These direct expenditures generate additional economic activity, often called secondary or multiplier effects. The direct and secondary impacts are measured in output, jobs, labor income, and gross regional product (value added) as summarized in the following tables. The regional economic effects are shown for the local, state, and national impact areas. In summary, the expenditures $20,535,000 support a total of 97.2 full-time equivalent jobs, $5,931,963 in labor income, $8,839,218 in the gross regional product, and $14,893,115 in economic output in the local impact area. More broadly, these expenditures support 320.3 full-time equivalent jobs, $23,631,257 in labor income, $32,644,313 in the gross regional product, and $53,654,139 in economic output in the nation.

Table 3: Gilead Slough Habitat Rehabilitation and Enhancement Project Implementation Report Regional Economic Development (RED) Summary for Maximum Alternative

| Area | Output | Jobs* | Labor Income | Value Added |
|---|---|---|---|---|
| **Local** | | | | |
| Direct Impact | $12,376,477 | 79.7 | $5,492,179 | $7,543,474 |
| Secondary Impact | $2,516,638 | 17.6 | $439,784 | $1,295,745 |
| Total Impact | $14,893,115 | 97.2 | $5,931,963 | $8,839,218 |
| **State** | | | | |
| Direct Impact | $17,007,222 | 117.9 | $9,597,229 | $11,725,737 |
| Secondary Impact | $16,047,665 | 77.0 | $5,528,561 | $9,565,261 |

| Area | Output | Jobs* | Labor Income | Value Added |
|---|---|---|---|---|
| Total Impact | $33,054,888 | 194.8 | $15,125,790 | $21,290,999 |
| **US** | | | | |
| Direct Impact | $20,392,026 | 173.1 | $13,096,656 | $14,481,838 |
| Secondary Impact | $33,262,113 | 147.2 | $10,534,601 | $18,162,475 |
| Total Impact | $53,654,139 | 320.3 | $23,631,257 | $32,644,313 |

*Jobs are presented in full-time equivalence (FTE). FY 2025 Price levels.