

# Assessment of the Economic Value and Job Creation Impacts of Project Capital Investment Activity under the EB-5 Regional Center Program

Federal Fiscal Years 2014-15

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# Study Background and Context

- This study sought to build upon past impact assessment studies (in 2013, 2015, 2017, and 2018), which had various limitations and/or lacked a robust state-by-state project data set that was used in this impact contribution study
  - Although more robust by using a “CGGE” input-output tool that allows for accurate impact measurement within the U.S. economy as a whole, it measures only the project capital investment effects
  - Does not measure impacts of “operations” of projects or the economic contributions of investor households after they establish residency [By excluding two program activity areas—results are likely conservative]
- EB-5 capital investment under the regional center program has led to substantial new investment and economic benefits for the U.S. economy



- A jointly sponsored economic contribution study by the EB-5 Investment Coalition and IIUSA clearly shows how EB-5 investment capital has been a

# EB-5 RC Study-Background and Context

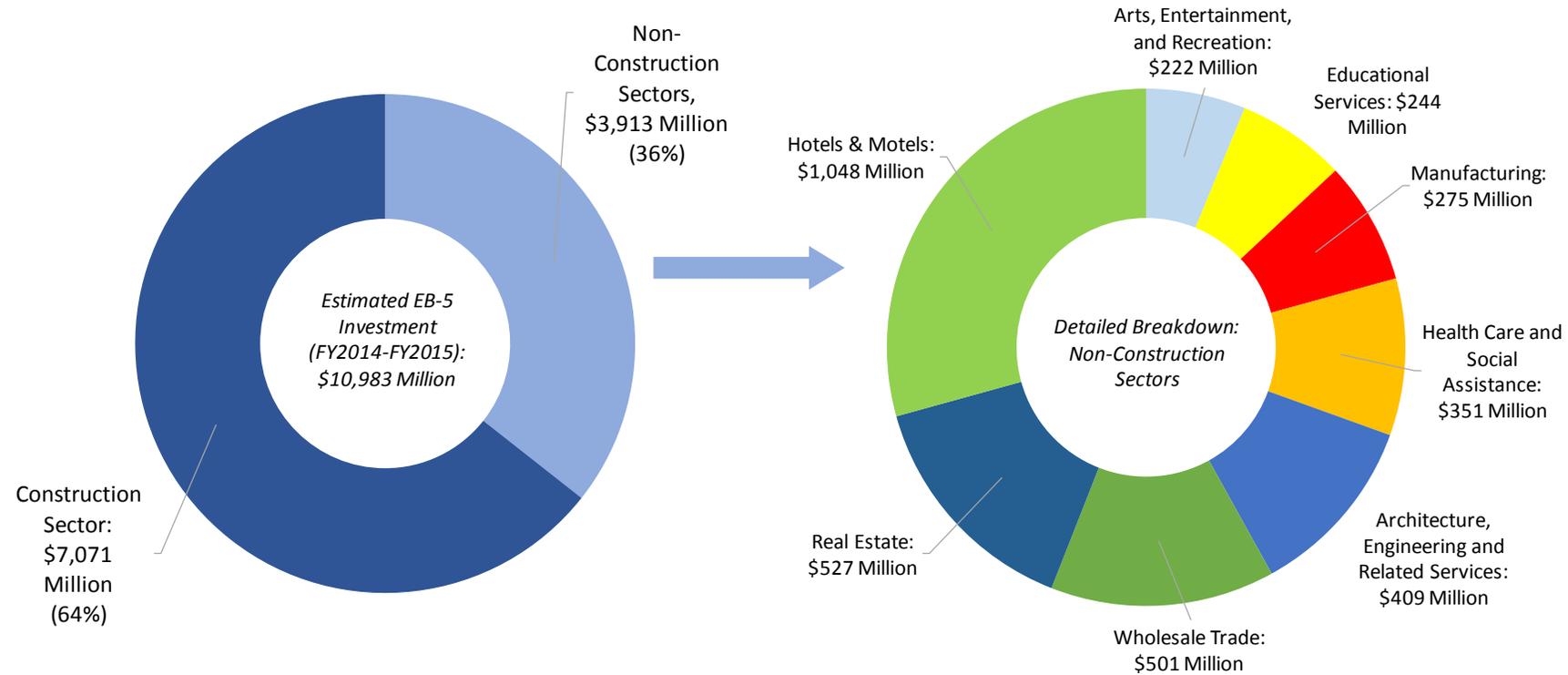
Region	EB-5 Regional Center Number of Projects	EB-5 Investment (\$ Millions)
Northeast	58	\$3,820.0
Midwest	24	\$379.5
South	128	\$2,613.0
West	139	\$4,171.3
<b>United States Total</b>	<b>349</b>	<b>\$10,983.8</b>

*Source: IIUSA*

*Prepared by Economic & Policy Resources, Inc.*



# EB-5 RC Study-Profile of Capital Investment



Source: IIUSA

Prepared by: EPR, IIUSA

# EB-5 RC Study-Profile of Capital Investment

NAICS	Industry Name	Northeast	Midwest	South	West	Total US
11	Agriculture, Forestry, Fishing & Hunting			\$3.00	\$31.58	\$34.58
21	Mining			\$58.50		\$58.50
22	Utilities					\$0.00
23	Construction	\$2,818.00	\$132.50	\$1,386.03	\$2,734.24	\$7,070.76
31	Manufacturing	\$95.00	\$33.50	\$132.75	\$13.36	\$274.61
42	Wholesale Trade	\$377.17		\$15.13	\$108.21	\$500.50
44	Retail Trade				\$111.25	\$111.25
48	Transportation and Warehousing				\$39.92	\$39.92
51	Information				\$0.50	\$0.50
52	Finance and Insurance					\$0.00
53	Real Estate and Rental and Leasing	\$142.25		\$315.83	\$69.35	\$527.43
54	Professional, Scientific & Technical Services		\$11.25	\$144.25	\$253.46	\$408.96
55	Management of Companies and Enterprises					\$0.00
56	Administration & Waste Management	\$26.50		\$4.25		\$30.75
61	Educational Services	\$4.00	\$34.00	\$203.88	\$1.88	\$243.75
62	Health Care and Social Assistance	\$15.00	\$47.00	\$28.15	\$260.66	\$350.81
71	Arts, Entertainment, and Recreation	\$170.00		\$52.00		\$222.00
72	Accommodation and Food Services	\$168.08	\$121.25	\$269.25	\$489.10	\$1,047.69
81	Other Services (except Public Administration)	\$4.00			\$57.73	\$61.73
	<b>Total, All Industries</b>	<b>\$3,820.00</b>	<b>\$379.50</b>	<b>\$2,613.00</b>	<b>\$4,171.25</b>	<b>\$10,983.75</b>

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# EB-5 Joint RC Impact Study-Results

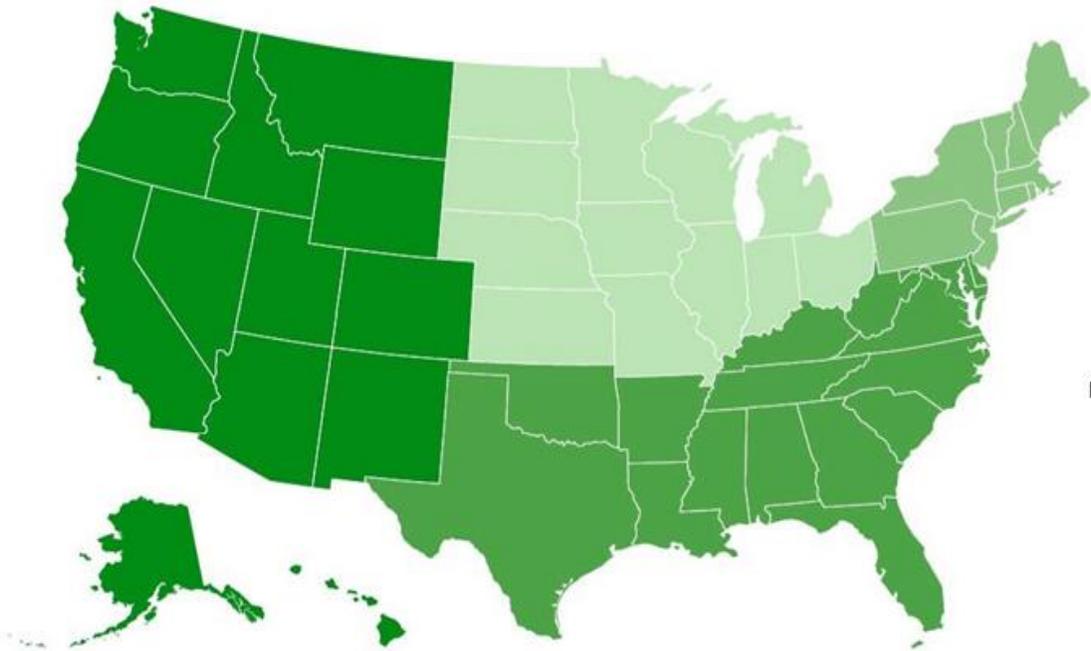
Total Jobs Generated in Region	Jobs Generated by Project Location				
	Northeast	Midwest	South	West	Total
Northeast	<b>73,956</b>	1,185	9,093	6,240	90,474
Midwest	12,819	<b>9,645</b>	11,876	13,224	47,564
South	20,828	2,409	<b>63,258</b>	15,961	102,456
West	6,220	1,157	7,161	<b>100,176</b>	114,714
Total	113,823	14,396	91,388	135,601	<b>355,208</b>

*Prepared by Economic & Policy Resources*



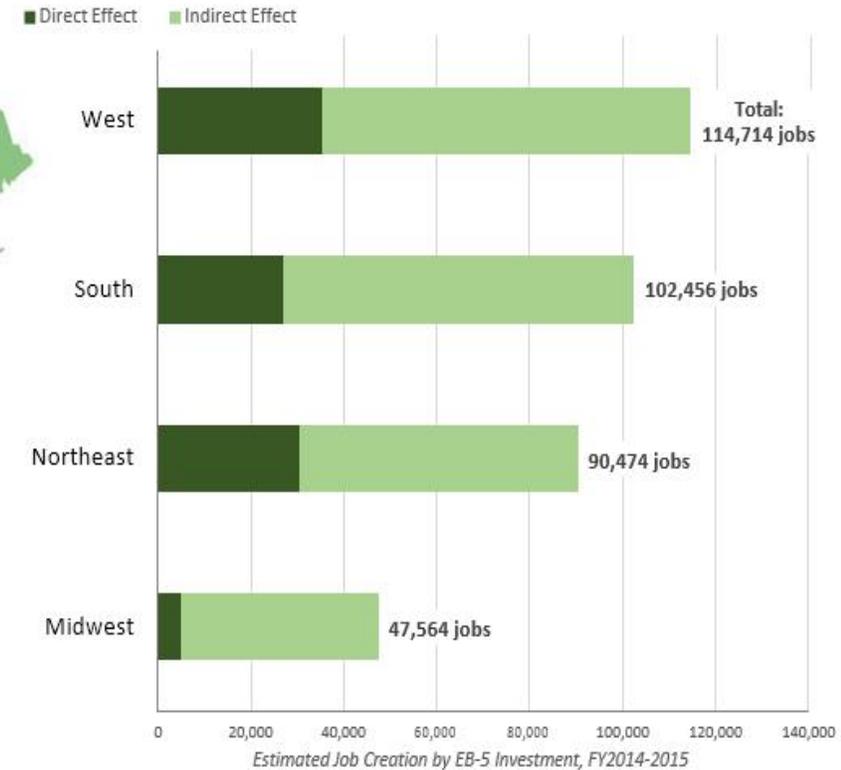
# EB-5 Joint RC Impact Study-Results

EB-5 Contribution to U.S. Job Creation by Region  
114,000+ jobs 47,000+ jobs



Source: IIUSA  
Prepared by: EPR, IIUSA

\* Sorted by total estimated EB-5 job creations in FY2014-FY2015



# EB-5 Joint RC Impact Study-Results

NAICS	Industry Name	Northeast	Midwest	South	West	Total US
	<b>Total Output (Direct + Indirect)</b>	<b>\$14,454.63</b>	<b>\$7,789.61</b>	<b>\$14,921.72</b>	<b>\$18,324.27</b>	<b>\$55,490.23</b>
11	Agriculture, Forestry, Fishing & Hunting	\$67.02	\$109.82	\$176.64	\$317.70	\$671.18
21	Mining	\$32.58	\$33.50	\$187.11	\$84.14	\$337.33
22	Utilities	\$144.94	\$98.52	\$216.67	\$158.46	\$618.59
23	Construction	\$285.25	\$195.55	\$364.46	\$440.64	\$1,285.90
31	Manufacturing	\$2,254.17	\$2,735.76	\$3,565.45	\$3,845.36	\$12,400.74
42	Wholesale Trade	\$803.15	\$497.53	\$851.84	\$930.86	\$3,083.37
44	Retail Trade	\$779.13	\$437.66	\$881.40	\$1,045.91	\$3,144.10
48	Transportation & Warehousing	\$351.92	\$324.43	\$589.47	\$518.48	\$1,784.29
51	Information	\$816.02	\$343.88	\$758.84	\$1,162.06	\$3,080.81
52	Finance & Insurance	\$1,408.61	\$561.88	\$902.77	\$1,086.95	\$3,960.21
53	Real Estate & Rental and Leasing	\$204.27	\$141.33	\$352.79	\$449.75	\$1,148.13
54	Professional, Scientific & Technical Services	\$1,026.62	\$366.16	\$753.84	\$1,001.16	\$3,147.78
55	Management of Companies and Enterprises	\$407.66	\$290.81	\$279.58	\$421.69	\$1,399.74
56	Administration & Waste Management	\$318.74	\$191.73	\$415.60	\$450.77	\$1,376.85
61	Educational Services	\$160.00	\$51.70	\$82.99	\$100.39	\$395.08
62	Health Care & Social Assistance	\$866.96	\$461.17	\$789.19	\$884.23	\$3,001.55
71	Arts, Entertainment & Recreation	\$108.19	\$58.84	\$110.26	\$162.75	\$440.04
72	Accommodation & Food Services	\$292.91	\$157.60	\$358.98	\$478.04	\$1,287.53
81	Other Services (ex. Public Administration)	\$257.23	\$163.15	\$317.12	\$357.22	\$1,094.73
93	Government	\$108.03	\$72.11	\$149.09	\$161.88	\$491.11
98	Non-NAICS Industries	\$199.28	\$116.98	\$215.79	\$242.25	\$774.30
	<b>Total Indirect Output</b>	<b>\$10,892.68</b>	<b>\$7,410.11</b>	<b>\$12,319.85</b>	<b>\$14,300.71</b>	<b>\$44,923.35</b>
	<b>Total Direct Output</b>	<b>\$3,561.96</b>	<b>\$379.50</b>	<b>\$2,601.87</b>	<b>\$4,023.55</b>	<b>\$10,566.88</b>

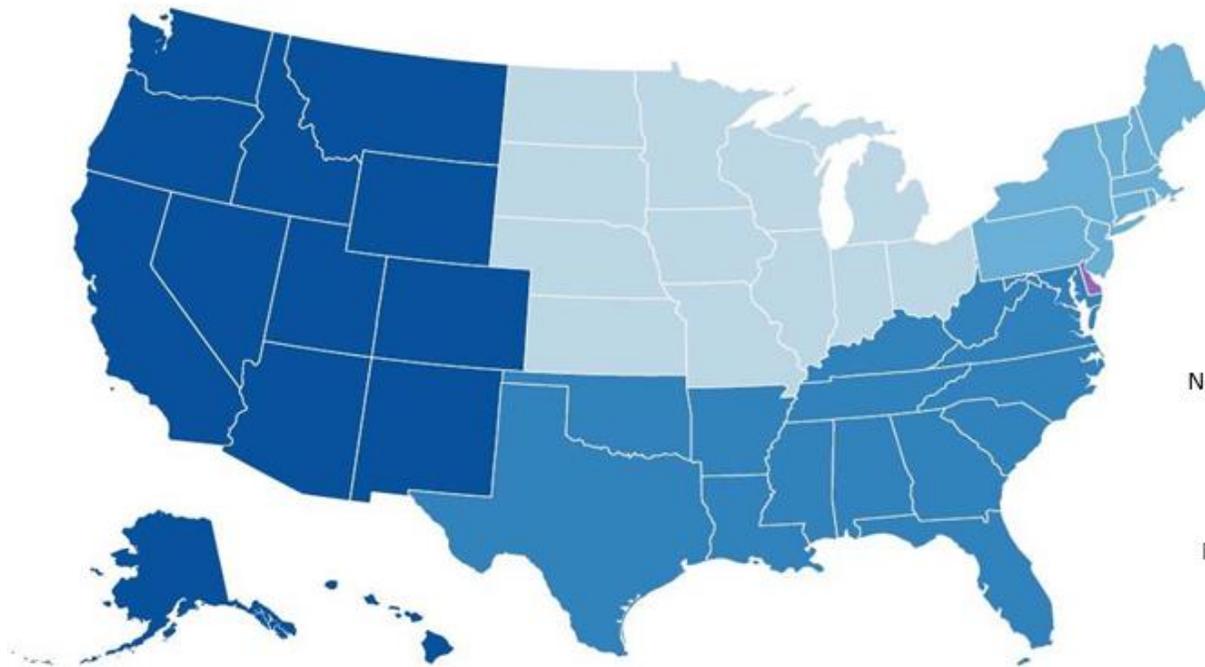
Notes: NAICS is North American Industrial Classification System; Total Indirect equals the sum of all listed industries; in Millions of \$2015

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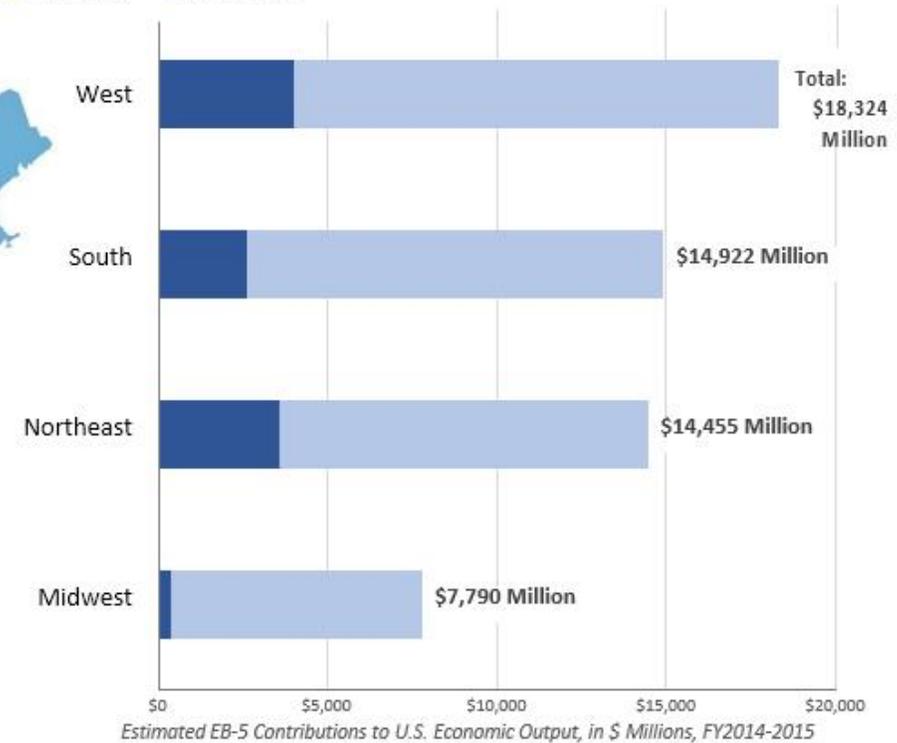
# EB-5 Joint RC Impact Study-Results

EB-5 Contributions to U.S. Economic Output by Region  
 \$18 Billion+ \$7 Billion+



\* Sorted by total estimated EB-5 contributions to U.S. economic output

■ Direct Effect ■ Indirect Effect



Source: IIUSA  
 Prepared by: EPR, IIUSA



# EB-5 Joint Impact Study-Results

NAICS	Industry Name	Northeast	Midwest	South	West	Total US
	<b>Total Labor Income (Direct + Indirect)</b>	<b>\$6,546.63</b>	<b>\$2,850.76</b>	<b>\$5,988.52</b>	<b>\$7,635.85</b>	<b>\$23,021.76</b>
11	Agriculture, Forestry, Fishing & Hunting	\$12.17	\$12.69	\$34.16	\$52.59	\$111.61
21	Mining	\$14.74	\$14.51	\$63.42	\$30.76	\$123.44
22	Utilities	\$36.89	\$24.27	\$53.40	\$41.60	\$156.16
23	Construction	\$185.99	\$127.50	\$237.63	\$289.38	\$840.49
31	Manufacturing	\$474.14	\$539.17	\$573.29	\$527.71	\$2,114.30
42	Wholesale Trade	\$217.97	\$135.02	\$231.18	\$255.91	\$840.07
44	Retail Trade	\$356.22	\$200.10	\$402.98	\$481.78	\$1,441.08
48	Transportation & Warehousing	\$149.23	\$130.06	\$249.72	\$218.51	\$747.52
51	Information	\$191.83	\$78.53	\$167.41	\$279.01	\$716.77
52	Finance & Insurance	\$443.54	\$167.53	\$252.33	\$311.06	\$1,174.46
53	Real Estate & Rental and Leasing	\$10.28	\$36.79	\$89.82	\$116.90	\$253.79
54	Professional, Scientific & Technical Services	\$675.05	\$251.66	\$515.83	\$673.18	\$2,115.72
55	Management of Companies and Enterprises	\$97.39	\$69.48	\$66.79	\$101.39	\$335.05
56	Administration & Waste Management	\$207.95	\$129.78	\$303.10	\$305.35	\$946.19
61	Educational Services	\$154.08	\$49.79	\$79.92	\$97.43	\$381.23
62	Health Care & Social Assistance	\$693.44	\$370.77	\$624.09	\$705.72	\$2,394.02
71	Arts, Entertainment & Recreation	\$60.98	\$32.74	\$60.29	\$88.88	\$242.89
72	Accommodation & Food Services	\$125.72	\$68.20	\$154.23	\$204.42	\$552.57
81	Other Services (ex. Public Administration)	\$159.60	\$101.80	\$201.04	\$215.64	\$678.08
93	Government	\$117.43	\$77.94	\$156.21	\$174.34	\$525.92
98	Non-NAICS Industries	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01
	<b>Total Indirect Labor Income</b>	<b>\$4,384.65</b>	<b>\$2,618.30</b>	<b>\$4,516.86</b>	<b>\$5,171.55</b>	<b>\$16,691.37</b>
	<b>Total Direct Labor Income</b>	<b>\$2,161.98</b>	<b>\$232.45</b>	<b>\$1,471.66</b>	<b>\$2,464.30</b>	<b>\$6,330.39</b>

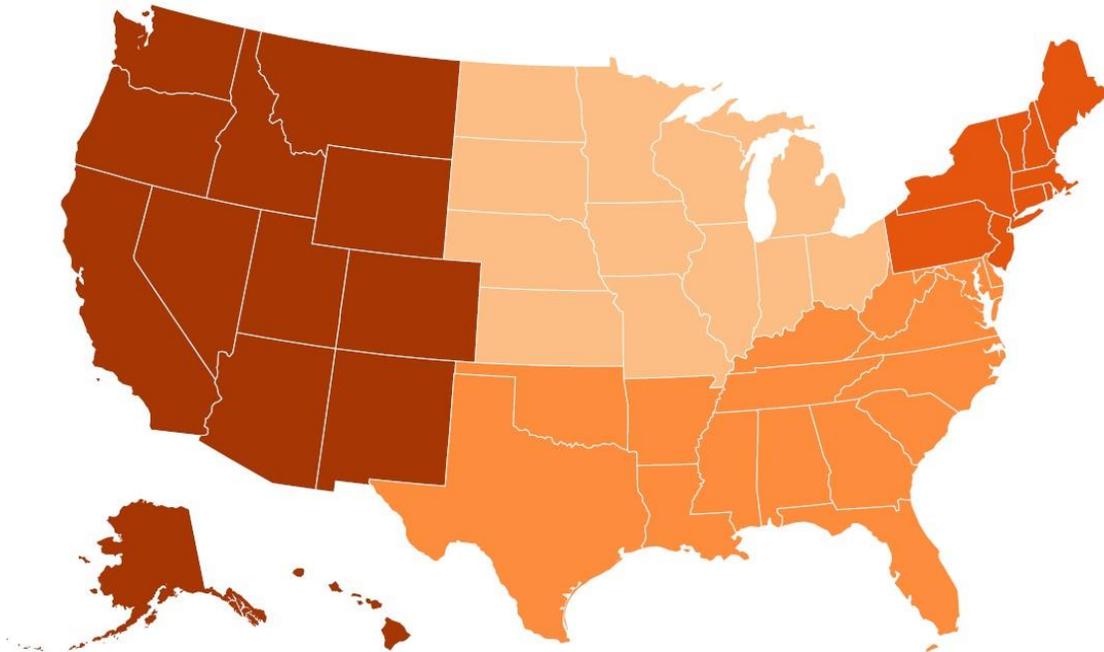
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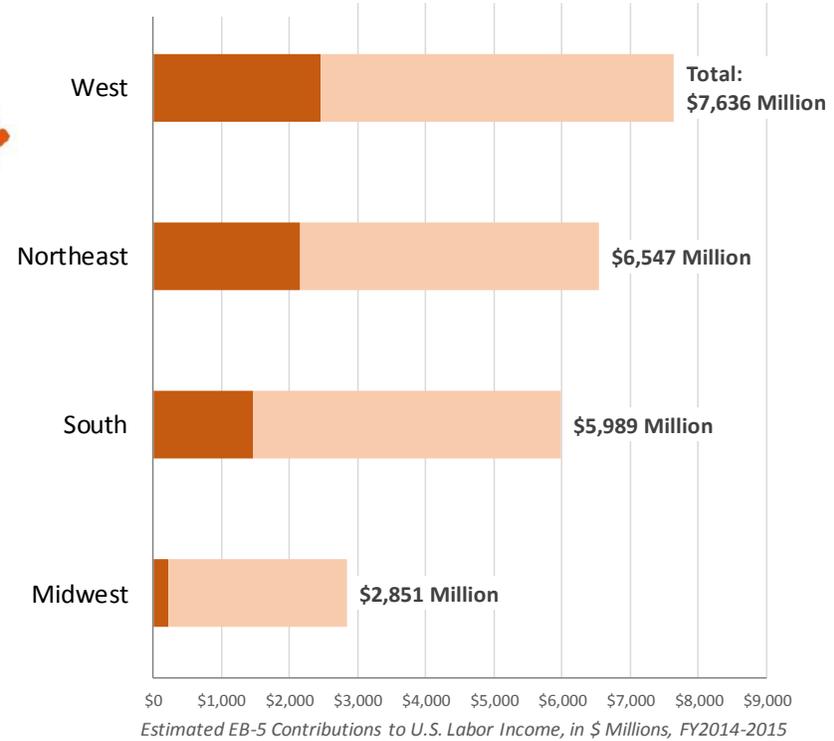
# EB-5 Joint Impact Study-Results

EB-5 Contributions to U.S. Labor Income by Region  
 \$7.5 Billion+ \$2.5 Billion+



\* Sorted by total estimated EB-5 contributions to U.S. labor income

■ Direct Effect ■ Indirect Effect



Source: IIUSA  
 Prepared by: EPR, IIUSA



# EB-5 Joint Impact Study-Results

- This study illustrates the potential of an unconstrained EB-5 regional center program
  - The FFY 2014-15 period was the last time program activity was demonstrably unconstrained by lack of an adequate number of visas or lack of a long-term program re-authorization
  - Illustrates the broad geographic impacts and significant contributions of an unconstrained regional center program to capital investment, job, output, and income growth in the U.S. economy
- Program impacts in fact represented significant portions of job, output, and labor income growth during the study timeframe
  - Comprised an estimated 6.6% of all U.S. net job growth over the period
  - Comprised an estimated 3.4% of all U.S. output growth over the period
  - Comprised approximately 2.0% of all U.S. labor income over the period
- As long as the regional center program is constrained for whatever reason—this represents “lost opportunity” versus its normal operating potential