

The Economic Impacts of the Massachusetts Manufacturing Extension Partnership Program On the Massachusetts Economy

The Massachusetts Manufacturing Extension Partnership (MEP) program is supported by the National Institute of Standards and Technology in the U.S. Dept. of Commerce and the Commonwealth of Massachusetts to help small- and medium-size manufacturers identify and implement advanced manufacturing and management technologies. Through a network of resources, the MEP links client firms with local and national sources of expertise to address specific problems.

Massachusetts MEP clients are surveyed by an independent third party survey company to determine the economic impact resulting from their relationship with the MEP program.

The effects of this increased economic activity extend beyond the client firms. Increased sales by Massachusetts MEP client firms require that they increase their purchases of intermediate goods and services from companies located in Massachusetts and elsewhere to support their increased output.

Impact reported by Massachusetts MEP clients since 2000¹:	
Created and Retained Jobs	4323
Created and Retained Sales	\$430.8 million
New Investments	\$98.6 million
Cost Savings	\$85.3 million

The supplying companies generate additional demands of their own. In this way, dollar expenditures for final demand can be traced backward to all of the affected industries in the regional economy. In addition, the income from new jobs generated by Massachusetts MEP clients and the supplying firms result in increased demand for consumer goods. Each of these effects generates subsequent, although diminishing ripples, throughout the Massachusetts economy.

The sum of these direct, indirect, and induced effects suggests that small- and medium-size manufacturing companies that increased or retained jobs or sales and/or increased investments with assistance from the Massachusetts MEP are responsible for the following impacts on the Massachusetts economy since 2000:²

Impact on the Massachusetts' economy since 2000²:	
Jobs	10,368
Employee Compensation	\$776.6 M
Economic Output	\$2.372 B
Gross State Product	\$1.169 B
Tax and non-tax revenue at the Federal level	\$233.6 M
Tax and Non-tax Revenue at the State and Local Level	\$81 M

* Impacts reported in each year were modeled separately. Results shown are not cumulative

¹ No client is surveyed more than once in a 12 month period. Data is from twenty-two quarterly surveys, Quarter 1 2000 – Quarter 3 2006, which were conducted from April 2000 – November 2006. Clients are asked about impacts experienced over the past year.

²Reported impacts modeled using IMPLAN Pro version 2.0 software. All results, except tax and employment, are presented in 2004 dollars. Modeling procedures available upon request.