

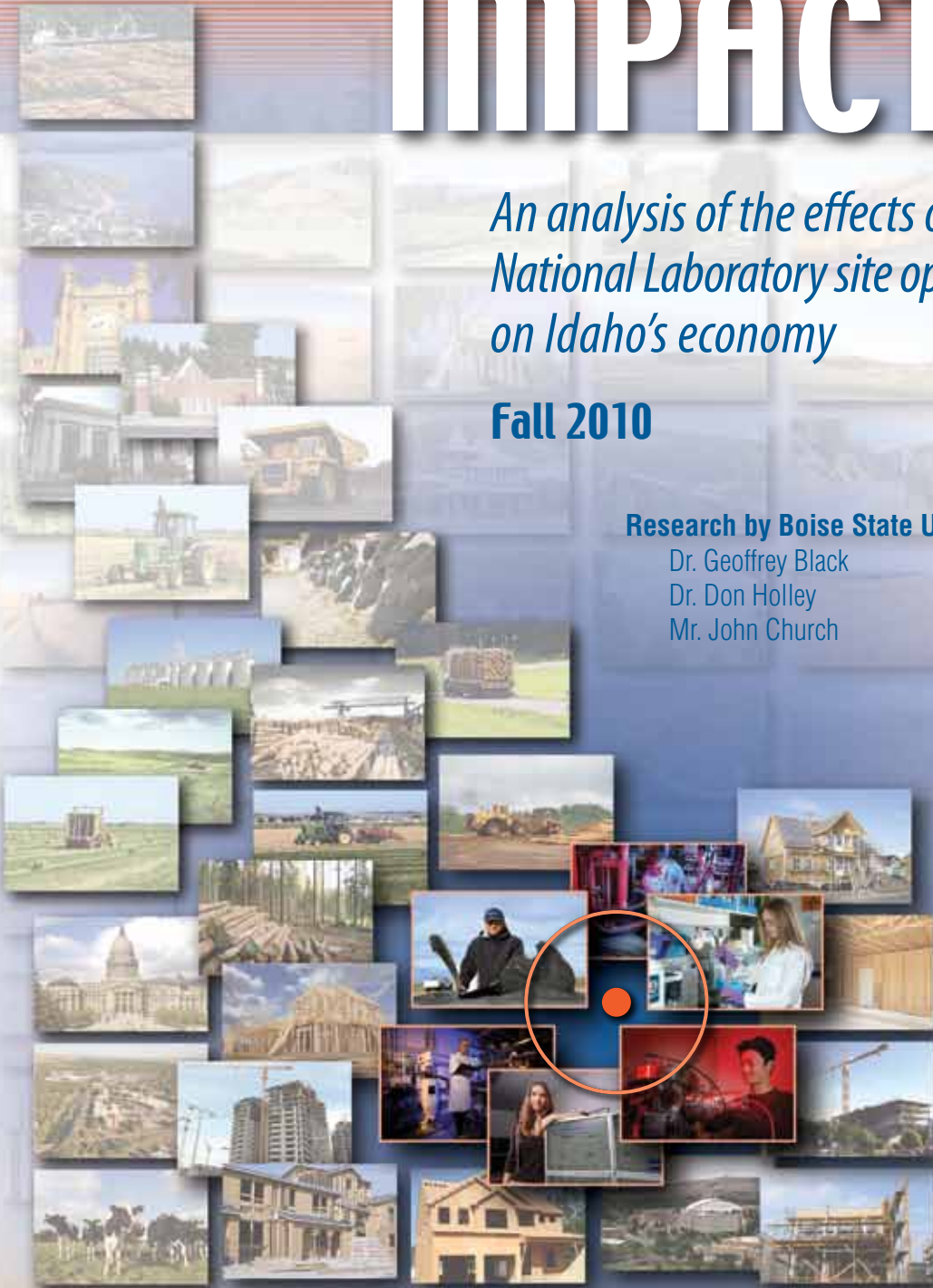
INL IMPACTS

*An analysis of the effects of Idaho
National Laboratory site operations
on Idaho's economy*

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Research by Boise State University

Dr. Geoffrey Black
Dr. Don Holley
Mr. John Church





This study evaluates three principal dimensions of the lab's impacts for calendar year 2009: economic, such as personal income; fiscal, such as income and property taxes; and social, such as those resulting from company and employee contributions.

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Section 1: Introduction

Idaho National Laboratory (INL) is a multidimensional applied engineering and science center operated for the U.S. Department of Energy (DOE) by Battelle Energy Alliance (BEA). The lab's primary missions include research into energy supply and security, environmental sustainability, national and homeland security and enabling science and technology. In addition to Battelle-managed research and development, the broader INL Site is home to extensive operations, cleanup and administrative activities conducted by three other contracting companies and the DOE-Idaho Operations Office. Because of the importance of capturing the full range of economic impacts resulting from these co-located operations, whenever "INL" or "the lab" is cited in ensuing pages, the terms are referring to the combination of DOE and the private contractors doing business at the INL Site.

The lab commissioned this analysis by Boise State University to evaluate the economic impact of INL site operations on the state of Idaho, the eastern Idaho region in which most of the lab's activities take place and the individual communities in which the lab's employees live. This study evaluates three principal dimensions of the lab's impacts for the calendar year 2009.

- The economic impacts of the lab's activities in eastern Idaho and the entire state on incomes, employment and the total output of goods and services.
- The fiscal effect of the lab's operations on revenues for state and local governments, including school districts.
- The social impacts of the lab and its employees on the quality of life in Idaho, including

contributions to education, charitable giving and volunteerism.

To analyze these dimensions of INL's contributions, this report considers:

- Goods and services purchased in the state
- The number of employees
- The income of employees
- Tax revenues generated by the lab and its employees
- The contributions, of both time and money, to nonprofit organizations in the local communities and in the state

This study estimates that in 2009 the lab:

- Generated a total economic impact exceeding \$3.5 billion
- Boosted personal income in Idaho by nearly \$2 billion
- Was responsible for more than 24,000 jobs in Idaho

These are impressive data points in any setting, but they are especially significant in a rural state such as Idaho and in the rural communities of eastern Idaho. They demonstrate the crucial part that INL plays in the economic well-being of eastern Idaho, where the lab's operations are based.

In addition, this study finds that the lab plays a crucial role in stabilizing the Idaho economy. This is demonstrated by the lab's share of statewide personal income, employment and tax revenues, which have increased steadily over the past few years. The infusion of spending and employment in the state during a time when other sectors of Idaho's economy have been in decline has mitigated the effects of statewide decreases in economic activity.

This analysis evaluates the economic impact of INL operations on the state of Idaho, the eastern Idaho region and the communities where lab employees live.



In addition to research and development, the broader INL Site is home to extensive operations, cleanup and administrative activities.

Section 2: INL Impacts at a Glance

Idaho National Laboratory has the largest impact on employment in Idaho of any employer other than state government.

- INL is the second-largest employer in the state, ranking only behind state government. It is by far the largest employer in eastern Idaho.
- INL is responsible for more than 24,000 jobs in Idaho.
- Employment at INL accounts for 3.5 percent of total Idaho employment.

Idaho National Laboratory has the largest impact on Idaho's economic activity and income

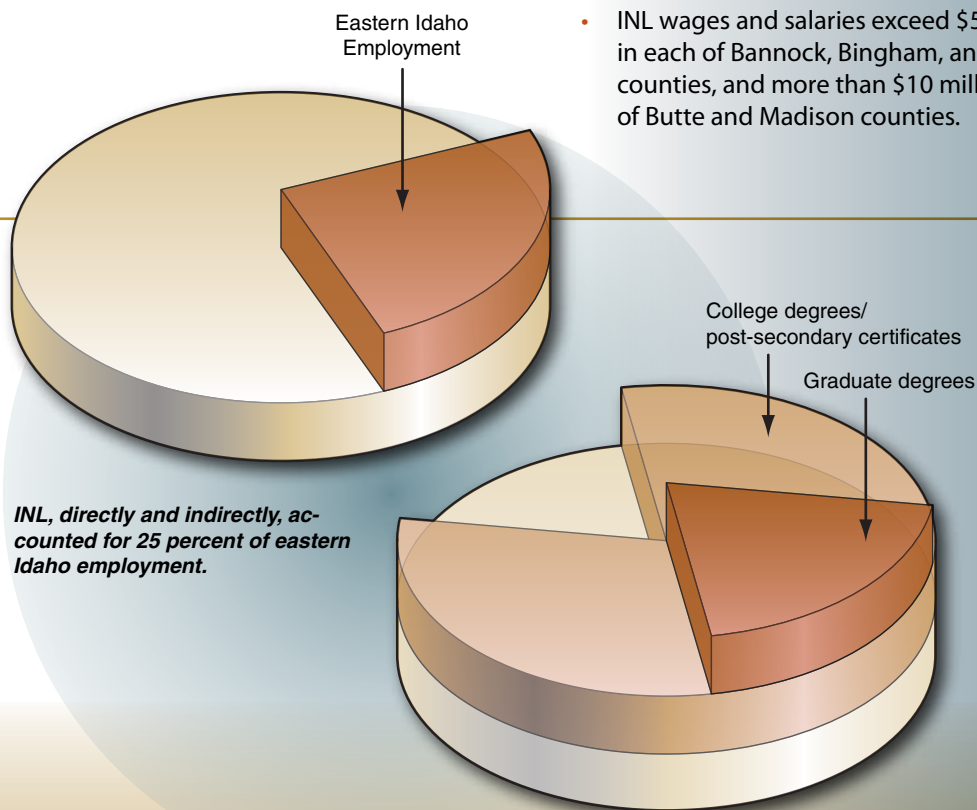
- INL directly employed 8,016 workers in Idaho.
- The secondary effects in Idaho accounted for an additional 16,133 workers, for a total of over 24,000.
- INL brought money into Idaho and generated additional output of more than \$3.5 billion in Idaho.

- INL accounted for over 6.5 percent of state-wide economic output.
- INL increased personal income in the state by nearly \$2 billion.
- INL accounted for 3.5 percent of all personal income in the state.

Idaho National Laboratory is crucial to the economy of eastern Idaho

- INL is the largest employer and economic entity in eastern Idaho.
- INL directly employed 8,016 workers in eastern Idaho. The secondary effects accounted for an additional 12,695 jobs, for a total of more than 20,000 workers and 25 percent of eastern Idaho employment.
- INL increased the economic output of eastern Idaho by \$2.75 billion per year and increased the region's personal income by \$1.9 billion.
- Wages and salaries paid to INL employees totaled \$419.2 million in Bonneville County, which is 30.6 percent of all wages earned in the county.
- INL wages and salaries exceed \$50 million in each of Bannock, Bingham, and Jefferson counties, and more than \$10 million in each of Butte and Madison counties.

INL brought money into Idaho and generated additional output of more than \$3.5 billion.



Nearly 80 percent of INL employees have post-secondary certificates or college degrees, and over 20 percent have graduate degrees.

Idaho National Laboratory and its employees contribute significantly to tax revenue to the state and local communities

- Directly and indirectly, INL annually accounted for over \$135 million in personal income, corporate income, sales and other taxes paid to the state of Idaho.
- The total fiscal effects of INL accounts for over 6 percent of total tax revenue to the state.
- Taxes paid by INL and its employees exceed the cost of state-provided services.
- Annual property tax payments by INL employees amount to more than \$17 million to local governments.

Idaho National Laboratory provides high-quality jobs and a well-educated work force to Idaho

- Nearly 80 percent of INL employees have post-secondary certificates or college degrees.
- Over 20 percent of INL employees have graduate degrees.
- The average INL employee earns more than \$80,000 annually in gross income.
- Over 80 percent of INL employees are married.

Idaho National Laboratory and its employees contribute significantly to improving the quality of life in Idaho

- INL primary employers paid \$2.5 million to Idaho colleges and universities for the continuing education of their employees.
- In Idaho, INL employees made charitable contributions of \$33.3 million.

- In eastern Idaho, contributions were \$33.1 million.
- In Idaho, INL employees donated 240,951 hours to a wide range of community groups and associations. This is equivalent to 119.3 full-time employees, and the equivalent of \$9.9 million.
- Monetary charitable contributions amounted to \$34.1 million, with one-fifth of INL employees donating to a variety of charitable causes.





Section 3: INL Activities and Work Force

The economic, fiscal and social impacts of Idaho National Laboratory, highlighted in the previous section and detailed in the following section, are considerable and result from the size of the facility, its location, the nature of its work force and the extent of its accomplishments. INL provides Idaho and the nation with an exceptional facility and a world-class resource for research in science, technology and engineering. This section describes the activities of the lab and the work force that supports these activities.

Activities and Facilities

INL is one of the largest of the 10 multiprogram national laboratories owned by the Department of Energy in terms of geographic size. The lab occupies an 890-square-mile desert operations Site in rural east-central Idaho in addition to numerous leased and owned buildings in Idaho Falls, and conducts a range of science-based applied engineering research. Research activities of the lab are managed for the DOE by Battelle Energy Alliance (BEA).

Each of the INL Site contractors – BEA, along with CH2M-WG Idaho (CWI), Bechtel BWXT Idaho (BBWI) and Bechtel Marine Propulsion – is responsible for distinct operations and facilities. In addition, the DOE maintains a staff within the state.

Of all the national labs, INL is unique in its combination of sustainable energy and security research. Since its establishment in 1949, INL has a long and successful history of nuclear energy research, development, demonstration and deployment. Major facilities for nuclear energy research include the Advanced Test Reactor Complex and the Materials and Fuels Complex, located in the southwestern and eastern parts of the INL Site, respectively. These facilities are both supported by the Research and Education Campus in Idaho Falls. INL has developed partnerships with world-class organizations in developing a broad spectrum of energy-related research. These research activities include energy sources such as nuclear, fossil fuels, hydropower, wind, biofuels, hydrogen and geothermal energy.

In addition to energy, security systems and process testing and development is another major focus of INL's activities. The lab conducts research into unique security technologies and solutions for the

INL provides Idaho and the nation with an exceptional facility and a world-class resource for research.

Department of Homeland Security, Department of Defense and other agencies. Other research areas and activities include environmental sustainability, biotechnology, systems modeling and engineering, materials processing, remote sensing and automation.

Work force

The unique activities of INL require a unique work force. In general, the lab's employees are well-educated, highly productive, well-paid and stable. INL's work force comprises highly-educated professionals and managers, supported by office staff, technicians, construction and other personnel.

Educational attainment is high among INL workers and well above state and national averages. Surveys show over 20 percent of employees have graduate or professional degrees, nearly 80 percent have earned at least a technical/vocational certificate or college degree and 99 percent have at least a high-school diploma. These figures compare with statewide averages of 26 percent of Idahoans earning a college degree and 90 percent

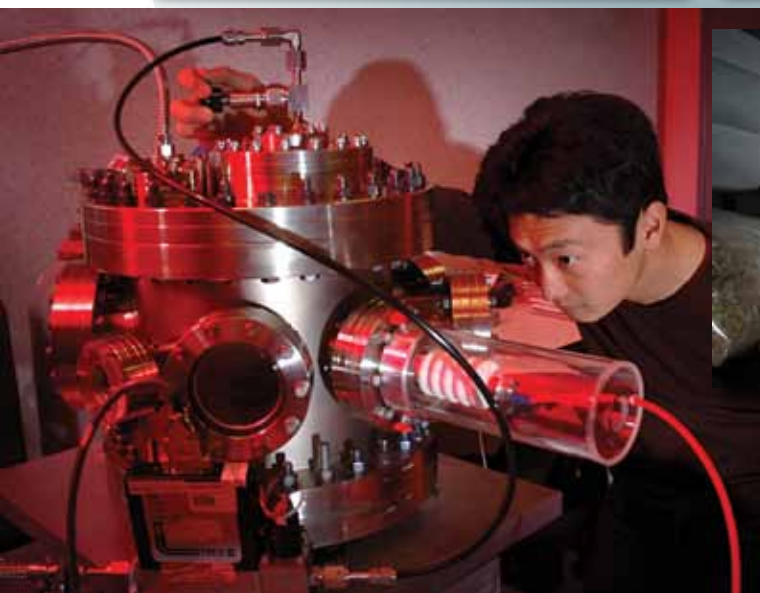
possessing a high-school diploma or equivalent. The high educational and productive nature of INL employees correlates to a work force that is relatively highly paid compared to the rest of the state and, especially, the eastern Idaho region. The relatively high earnings of INL employees help to generate the magnitude of the economic impacts of the lab in terms of the fiscal and social contributions to the state's economy. For example, the relatively high average earnings by INL employees generate relatively high income tax and sales tax revenues for the state and property tax revenues for local governments. In addition, the earnings of INL workers enable them to make above-average charitable contributions, mostly to local organizations.

The stability of the INL work force is demonstrated by the fact that over 90 percent of INL employees own their own home and many have second homes in Idaho. In addition, over 80 percent of all INL employees are married, and about half report having at least one child living at home. These are all well above the corresponding state and national averages.

In general, the lab's employees are well-educated, highly productive, well-paid and stable.



Beyond its primary nuclear energy mission, INL conducts research on sustainable energy and environmental systems and performs broad-spectrum national and homeland security work.

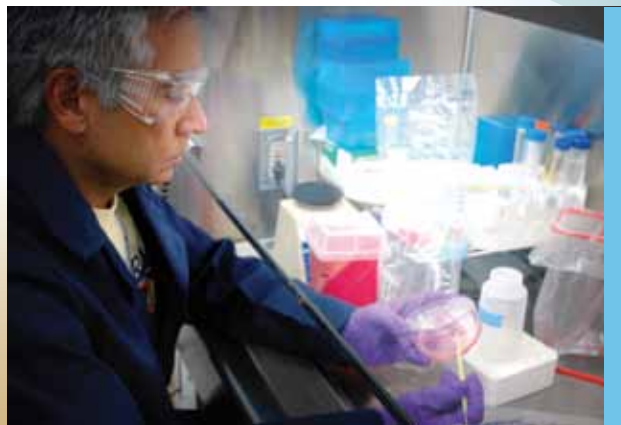


Section 4: Economic Impacts

As the second-largest employer in the state and the largest employer in eastern Idaho, INL generates significant economic impacts in the state and the eastern Idaho region. These impacts stem from the wages and salaries paid to INL employees and the purchases of goods and services as part of its operations. Effects also stem from the purchases by suppliers and the purchases on the part of INL employees and the employees of INL suppliers. These avenues of economic impacts

are well known and can be estimated by the use of a technique known as Input-Output (I-O) analysis. The impacts of wages and purchases by the lab are termed direct effects. For example, the immediate effects of hiring the employees themselves, the added employment in medical and dental services, and the additional employment of those providing the services purchased by INL employers constitute some of the direct effects of the lab's activities. These expenditures directly increase employment, income and output in the Idaho economy.

The purchases on the part of suppliers of goods and services to INL are termed the indirect impacts of the lab's operations. These effects stem from the fact that when purchases are made from one industry, those input suppliers must purchase inputs from other industries. For example, when equipment is purchased from a firm, that company must then purchase its



inputs from others. These inter-industry effects constitute the indirect effects.

Subsequent economic impacts occur when purchases of goods and services from firms in the study area are made by households that receive income from the lab's activities. These are termed the induced effects of the lab's activities. For example, when employees in the affected industries spend their income on items such as food, clothing, entertainment and automobiles, these purchases will stimulate economic activity throughout the study area's economy.

The direct, indirect and induced effects cumulatively constitute the total impacts of INL on employment, personal income and total output in the study area. This study estimates these impacts on the counties immediately surrounding the lab, the broader eastern Idaho economy and the economy of the state as a whole. This analysis

employs a sophisticated I-O model, known as IMPLAN, originally developed for estimating the effects of government operations that has since been refined and widely used for a variety of economic activity assessment by both the private and public sectors, including business operations, capital investments, administration and management activities, government grants and government-sponsored research operations. As a result, it is ideally suited for the type of economic analysis undertaken in this study.

The model disaggregates the Idaho economy into 440 sectors, including several state and local government sectors, to account for the flows of activity throughout the Idaho economy. Information about purchases that INL makes in Idaho, location of major suppliers, purchases made outside the state, taxes paid, sales of services and other data were provided by each of the primary employers at INL. The primary employers also provided data on number of employees, employee compensation and benefits, payments to retirees and other separated employees, federal and state income, unemployment, workers' compensation and other taxes paid. In addition to data provided by the primary employers, an extensive survey was completed by INL employees. The data from this survey were used primarily in analyzing the fiscal and social impacts of INL, as described in the following two sections of this report.

The IMPLAN model tracks the effects of INL purchases on Idaho suppliers and their employees. It also tracks the effects of the purchases made by INL employees and retirees throughout the Idaho economy. In effect, the model shows the direct jobs and incomes at the facility itself and the indirect and induced jobs and incomes elsewhere in the economy attributable to the multiplier effects of facility procurement and employee spending.

The I-O model used for this study is able to separately analyze the effects on the overall economy of the state and the impacts on the economy of eastern Idaho, composed of Bannock, Bear Lake, Bingham, Bonneville, Butte, Caribou, Clark, Custer, Franklin, Fremont, Jefferson, Lemhi, Madison, Oneida, Power and Teton counties.

This study first determines the amounts and types of spending by INL. It is estimated that, in 2009, the five primary employers at Idaho National Laboratory spent over \$1.1 billion in the state of

INL generates significant economic impacts in the state and the eastern Idaho region.

INL wages and purchases create expanding employment and business activity impacts throughout Idaho's economy.

	Statewide	16 Counties in Eastern Idaho
Gross Income to Employees	\$ 685,496,432	\$ 658,833,152
Separated Employees	\$ 3,118,793	\$ 3,109,270
Universities	\$ 2,500,000	\$ 2,500,000
Employer Medical Insurance	\$119,454,385	\$118,768,920
Purchases of Goods	\$ 61,963,151	\$ 52,208,105
Purchases of Services	\$ 234,308,031	\$ 198,011,742
Retiree Income	\$ 30,035,501	\$ 24,678,142
Payment in Lieu of Taxes	\$ 67,624	\$ 67,624
Total	\$ 1,103,096,844	\$ 1,058,176,955

Table 1 - Spending by the five primary employers at Idaho National Laboratory in 2009.

	The State of Idaho		16 Counties in Eastern Idaho	
	Spending	Employment	Spending	Employment
Gross Salaries Paid by Five Primary Employers	\$685.5 million	8,016	\$658.8 million	7,971
Purchases of Goods	\$62.0 million	92	\$52.2 million	82
Purchases of Services	\$234.3 million	814	\$198.0 million	517
Employer Contribution to Medical Insurance	\$119.5 million	1,165	\$118.8 million	1,008
Retiree Income	\$30.0 million		\$24.7 million	
Separated Employees	\$3.1 million		\$3.1 million	
Idaho Universities	\$2.5 million	48	\$2.5 million	48
Payment in Lieu of Taxes	\$67,624		\$67,624	

Table 2 - The direct effects on the state and on eastern Idaho of salaries, purchases and related spending.

Idaho, and over \$1.0 billion of that was spent in eastern Idaho. **Table 1** shows the expenditures of the five major business entities at INL. As shown, most INL expenditures are for salaries to employees. In addition, large amounts are spent on medical care, purchases of goods and purchases of professional and business services.

It is important to note that this is money spent in Idaho. Records show that nationally, these employers spent a total of \$663.5 million on wages and salaries. Of that amount, \$651.6 million was paid to Idaho residents. For other expenditures, the data for this study did not include expenditures going to other states. These would be included in determining INL impacts nationally, but this study focuses on the Idaho and eastern Idaho economies. We do not have records of how much was spent nationally on other items, but:

- \$119.5 million was spent in the state for the medical care of INL employees. It is important

to note that this constitutes only the employer contribution and does not include any amounts paid by employees.

- \$62.0 million was spent on purchases of equipment and supplies from Idaho firms.
- \$234.3 million was spent on purchases of professional and business services provided by Idaho firms.

This volume of spending will generate direct effects for the overall economy of the state and the eastern Idaho economy.

Direct Effects

The five primary employers at INL had 8,016 employees in Idaho in 2009 and paid them \$662.6 million in gross salary. Of that number, 7,971 employees were from the 16 counties in eastern Idaho (Bannock, Bear Lake, Bingham, Bonneville, Butte,

	Idaho Production	Idaho Employment	Idaho Wages And Salaries
Total Direct Effect	\$1,611,318,691	10,136	\$805,718,762
INL Direct	\$1,211,757,568	8,016	\$685,946,432
Other Direct	\$399,561,123	2,120	\$119,772,330
Indirect Effect	\$557,127,391	5,369	\$181,762,002
Induced Effect	\$705,594,810	7,020	\$213,587,409
Total Effect	\$2,874,040,806	22,523	\$1,201,068,171

Table 3 - The combined INL economic impact on the state of Idaho.

	Eastern Idaho Production	Eastern Idaho Employment	Eastern Idaho Wages and Salaries
Direct Effect	\$1,378,797,700	9,687	\$757,314,180
Indirect Effect	\$284,461,496	2,952	\$88,347,655
Induced Effect	\$498,901,205	5,575	\$152,696,196
Total Effect	\$2,162,160,358	18,217	\$998,358,037

Table 4 - The combined INL economic impact on the eastern Idaho region.

Caribou, Clark, Custer, Franklin, Fremont, Jefferson, Lemhi, Madison, Oneida, Power and Teton) with gross salaries of \$658.8 million. In addition, the contractors spent money on separated workers, tuition at Idaho universities, purchases of goods and services, retiree income, employer contributions to medical insurance and payments in lieu of taxes to Butte, Clark, Bingham and Jefferson counties. **Table 2** summarizes the direct effects of these activities on the state and on eastern Idaho.

Total Effects

The direct expenditures delineated previously will generate indirect and induced effects on the state and eastern Idaho. These effects, and their combined total effect on the state as a whole, are summarized in **Table 3**.

The combination of the direct, indirect and induced effects on the economy of the 16 eastern Idaho counties is shown in **Table 4**.

As shown in the preceding tables, a large majority of the lab's impacts occur in the eastern part of the state, constituted of the 16 counties of the region. To determine the regional distribution of the lab's impacts, this study separates the 16 counties in eastern Idaho into two categories: those counties that are most affected by INL, defined as those in which 15 or more employees reside, from those

counties that are least involved. The nine eastern Idaho counties most involved are: Bannock, Bingham, Bonneville, Butte, Custer, Fremont, Jefferson, Madison and Power counties. The seven eastern Idaho counties determined to be least involved are: Bear Lake, Caribou, Clark, Franklin, Lemhi, Oneida and Teton counties.

Of the nine counties most involved, the impact of INL on employment is significant. However, it is not only the direct, indirect and induced effects of employment, but also the expenditures by these workers that generate economic activity. These expenditures – the amount of money these employees have to spend – are dependent on the amount of money earned (see **Table 5**, next page).

Table 6 (next page) shows the direct effects, as well as the total impacts, of employment and labor income on these nine counties and for eastern Idaho as a whole.

Multipliers

An important result of I-O analysis is the calculation of multipliers. These are concise measures of the impacts of employment, income and total output on an economy from an operation's economic activity. These multipliers of the activities of INL for eastern Idaho and for the state as a whole are summarized on the following page.

County	Employment	Gross Earnings By INL Employees (in Millions)
Bannock	761	\$53.9
Bingham	1,215	\$86.3
Bonneville	4,927	\$419.3
Butte	239	\$17.3
Custer	71	\$4.9
Fremont	37	\$2.4
Jefferson	741	\$53.0
Madison	151	\$10.3
Power	15	\$0.833

Table 5 - INL employment and labor income of the most affected eastern Idaho counties.

	9 Counties Most Involved	All of Eastern Idaho
Total Employment	15%	13%
Total Labor Income	24%	22%

Table 6 - Employment and labor income attributable to INL operations as a percent of total employment and labor income in eastern Idaho.

Statewide Employment Multiplier:

- For every direct job created by the activity at INL, a total of 2.22 jobs are created. The employment multiplier is 2.22.
- For every million dollars spent in Idaho by INL employers, total employment increased by 20.4 workers.

Statewide Output Multiplier:

- For every direct dollar of output created at INL, total output of the state increases by \$1.78. The output multiplier is 1.78.

Statewide Income Multiplier:

- For every dollar of income earned by direct employment, total income increases by \$1.49. The income multiplier is 1.49.

Eastern Idaho Employment Multiplier:

- For every direct job created in eastern Idaho by the activity at INL, 1.88 jobs are created. The employment multiplier is 1.88.
- For every million dollars spent in Idaho by the INL employers, total employment increases by 17.37 workers.

Eastern Idaho Output Multiplier:

- For every direct dollar of output created at INL, total output of the state increases by \$1.57. The output multiplier is 1.57.

Eastern Idaho Income Multiplier:

- For every dollar of labor income earned by direct employment, total income increases by \$1.32. The income multiplier is 1.32.

Summary of Economic Impacts

The annual impacts of INL operations on employment, output and income in Idaho are large by any measure. They are especially significant in Idaho's largely rural economy and crucial to the economy of eastern Idaho. The lab's 8,016 employees made INL the second-largest employer in Idaho in 2009, ranking behind only state government. In total, the combined direct, indirect and induced effects of INL's activities are estimated to be responsible for 24,149 jobs in the state on an annual basis. With approximately 683,000 jobs in Idaho, INL annually accounts for over 3.5 percent of all jobs in the state. The effect on employment is even greater in eastern Idaho, where INL is responsible for over 15 percent of all jobs in the region.

In addition to the lab's impact on employment, the direct, indirect and induced effects of its operations contribute nearly \$2.9 billion to Idaho's production, amounting to about 6 percent of the state's total output. Additionally, the lab contributes \$1.83 billion to personal income in the state, amounting to 3.5 percent of all personal income in Idaho.

Section 5: Fiscal Impacts and Economic Diversity and Stability

In addition to the data used in the economic impact analysis, described above, demographic and fiscal data were provided by the five primary employers at INL and were used to analyze the fiscal impacts of the lab. This included information about taxes paid by INL and its employees, employee location by zip code, payments in lieu of taxes and other data. Further, INL employees were surveyed in order to obtain both fiscal and socio-demographic data. The employee survey provided data on housing status, property taxes paid, marital status, total number of children and number of children living at home, grade level of children, school districts attended, education level, types and amounts of volunteer activities and charitable contributions, and a variety of other information. The fiscal data and some demographic data from INL employers and employees are used in the fiscal impacts described in this section, while other data from these sources are used in the following section.

The tax revenues paid by INL employees and the lab itself, in the form of personal income tax, sales tax, property tax, corporate income tax and other taxes constitute the fiscal impacts of INL. These tax payments from INL and its employees constitute a significant portion of state and local tax revenues. Beyond INL's contributions to employment, output, personal income and tax revenues in Idaho, the presence of the lab and its steady level of activity add a measurable degree of stability to the revenue stream for state and local governments as well as to the overall level of the state's economic activity. Additionally, the multi-faceted nature of the lab's activities adds diversity to Idaho's economy, which acts as a further stabilizing force. The economic diversity and stability of the lab's activities are especially important during periods when other sectors of Idaho's economy experience economic decline.

The presence of the lab and its steady level of activity add a measurable degree of stability to Idaho's economy.

Tax Revenues

Tax revenues generated by payments from current and former INL employees include personal income tax, sales tax, vehicle license fees, property

The tax revenue generated by INL's presence in the state contributes significantly to state and local government, and all levels of Idaho education.



The lab's share of personal income and employment has increased significantly over the past few years, during a time when other sectors of the state's economy have been in decline.

tax and others. In addition, several of the lab's five primary employers pay corporate profits tax, sales tax, motor vehicle fees and other taxes. The following table shows the direct payments by INL and its employees in state taxes as well as the total fiscal impact of these payments, including the indirect and induced effects.

As shown in **Table 7**, total taxes and fees attributable to INL and its employees amounted to more than \$135 million of Idaho's total tax receipts in 2009. This represents 5.7 percent of Idaho's FY 2009 total general fund revenues.

To determine the extent to which these payments by INL and its employees constitute a net gain in revenue for Idaho, the tax revenues and fees collected by the state must be compared to the cost of providing services to these entities. For some taxes, there is a net loss to the state because the cost of providing services associated with the economic activity exceeds the tax revenue generated by the activity. For example, the cost of providing educational services, roads, sewer and other services often exceeds property tax revenues on average. This is not true for INL and its employees. On a statewide basis, the fiscal impacts are positive – the revenue per family exceeds the per-family cost of providing services. In addition, the tax revenues and other contributions by the INL and its employees generate important employment effects. For example, these effects account for nearly 600 jobs in education at the local level and over 100 jobs sustained in higher education.

Stability and Diversity

In the past, Idaho's economy was heavily dependent on economic activity in a relatively few sectors, including agriculture, construction and natural resource production. Declines in one

or more of these sectors could cause significant downward pressure on statewide economic activity. Over recent decades, the state's economy has become more diversified, with increases in many of the types of activities undertaken at INL and related activities. For example, the economy of eastern Idaho would be much more reliant on agriculture-related industries such as farm and dairy production, agricultural input production, and agriculture-related transportation. As these markets are inherently volatile, the presence of the variety of economic activities of the lab and the indirect and induced effects on other industries in eastern Idaho dampen the effects of volatility in any one sector of the economy. In effect, with a greater diversity of industries, weakness in one industry is offset by strength in another.

The role that INL plays in stabilizing the Idaho economy is demonstrated by the fact that the lab's share of personal income and employment have increased significantly over the past few years, caused by a relatively steady level of activities at the lab during a time when other sectors of the state's economy have been in decline. This is also reflected in the impacts of the lab on revenues to state and local governments. As with employment and income, the share of INL's contribution to tax revenues in Idaho from the fiscal effects of personal income tax, corporate income tax, sales tax, property tax and other tax payments by the lab and its employees has been relatively stable over recent years. The stabilizing effects of INL and its relative increase in the share of employment, output, income and tax revenues allow for more effective functioning of state and local governmental services. This, in turn, allows state and local governments to be better able to maintain services during economic declines, as witnessed over the past two years, when such services are needed most.

	Direct	Total
Personal Income Taxes	\$ 40.8	\$ 53.8
Idaho Sales Taxes	\$ 37.2	\$ 49.0
Corporate Income Taxes	\$ 5.4	\$ 7.1
Sales & Franchise Taxes Paid by INL	\$ 8.3	\$ 8.3
Vehicle License Fees and Motor Fuels Taxes	\$ 10.5	\$ 13.9
Other Idaho Product Taxes (Beer, Wine, Alcohol, & Cigarette Taxes)	\$ 2.4	\$ 3.1
Total Idaho Tax Impact	\$ 104.6	\$ 135.3

Table 7 - Direct and total fiscal impacts to the state of Idaho from taxes paid by INL and its employees (in millions).

Section 6: Social Impacts

The important contributions of INL to the quality of life in Idaho and its communities go beyond economic and fiscal impacts to the social fabric of these areas. INL employees are generous with both their time and their money, giving back to their communities through civic, religious and local associations. The public spirit of INL employees is demonstrated by the fact that more than two-thirds of INL employees participate in some type of community service activity for at least 8 hours per month. These activities span a wide range and include youth sports, scouting, religious organizations, civic boards, political groups and other activities. In total, INL employees contribute 240,951 hours per year, equivalent to 119.3 full-time employees. Valued at the average gross wage of employees, this amounts to \$9.9 million of in-kind contributions.

In addition to time, INL employees contribute monetarily for charitable causes, including church and political causes. Nearly 20 percent of INL employees report contributing annually to charities, churches and political causes. In

2009, charitable contributions of INL employees totaled \$34.1 million. The lab itself contributed \$997,000 in equipment to various organizations in the state.

INL and its employees also value the importance of education. The lab contributed more than \$4.5 million for educational funding and economic development grants. INL also invested more than \$3.1 million in continuing education to help its employees gain skills and increase earnings potential. Nearly all of these funds went to universities and colleges in Idaho.

Employees also made more than 150 presentations to schools and service organizations across the state, attended by more than 10,000 students as well as business and community members. INL awarded 39 grants totaling \$70,000 to public schools and schoolteachers throughout the state to help improve math, science and technology education. Additionally, INL scientists, engineers and researchers supported physics-teacher workshops where high-school science teachers from across Idaho and the nation were brought to INL to get a hands-on opportunity to learn about nuclear energy and how to encourage student interest and achievement in science.

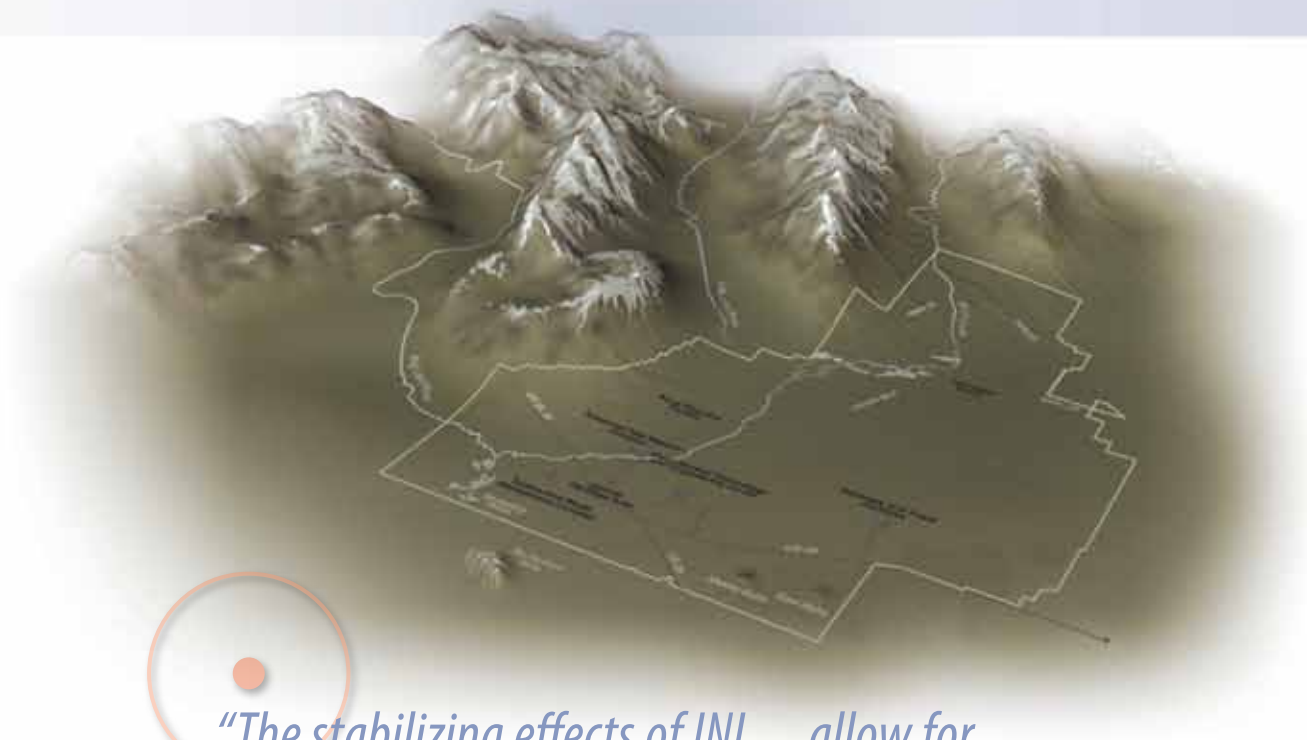
INL employees are generous with both their time and their money, giving back to their communities.

Section 7: Summary

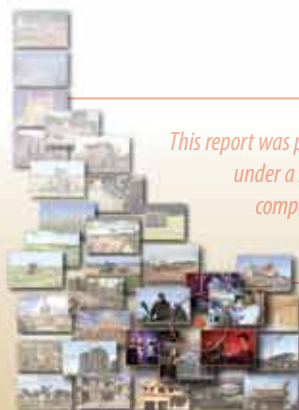
Idaho National Laboratory is, above all else, a world-class science and engineering center known nationally for its research and development activities in energy, security and environmental sustainability. Idaho benefits greatly from the lab's sustained presence. The purpose of this report is to quantify many of the benefits received by Idaho as a whole and, especially, by the eastern portion of the state where the lab is located and most of its employees live. By doing so, this report clearly demonstrates INL's role in significantly increasing employment, personal income and total economic activity in the state. This report also demonstrates INL's heritage role as a stabilizing force in Idaho's economy. This is especially evident during the ongoing period of economic difficulties faced by Idaho and the rest of the nation. The continued and substantial economic activity generated by INL's facilities and operations have helped diversify and stabilize the Idaho economy and mitigate the effects of

declines in other sectors of the state's economy. Because of ongoing INL operations, Idaho's economy is more diverse, stable and resilient. Further, this dimension of INL's presence has grown substantially over the past few years.

While many of the benefits of INL are demonstrated in this report, it is important to realize that many are difficult to quantify. For example, the presence of a highly skilled and well-educated work force in the rural eastern part of the state contributes broadly to an improved quality of life for the surrounding communities. While some of these are described in this report, including the large amount of volunteerism, charitable contributions, educational outreach and other activities that improve conditions for Idaho's citizens, these types of benefits extend beyond those quantified in this report. As with the impacts of the lab on the economic well-being of the state, INL's activities, employees and sustained presence makes the lab a significant contributor to the quality of life in its surrounding communities and to the state as a whole.



“The stabilizing effects of INL ... allow for more effective functioning of state and local governmental services.”



This report was prepared by Boise State University researchers under a subcontract with Battelle Energy Alliance, the company that manages Idaho National Laboratory for the U.S. Department of Energy.