



COLLEGE OF BUSINESS

The Economic Impact of the Marketing Association for Rehabilitation Centers (MARC) on Western North Carolina's Economy

Submitted to:

Marketing Association for Rehabilitation Centers, Inc.

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Executive Summary

Purpose and Process

The purpose of this study is to update and expand upon the 2005 economic impact study of the Marketing Association for Rehabilitation Centers, Inc. (MARC), conducted by the Center of Regional Development (currently the Institute for the Economy and the Future) at Western Carolina University.

In order to examine the regional economic impact of MARC, the research team collected extensive data from MARC's member organizations, MARC workers and MARC member staff. Data gathered included 2008 MARC official financial data, a census of MARC members and a survey of MARC member employees, collecting 540 responses, a 49% response rate. Actual data were used to determine the direct economic impact; an IMPLAN analysis was used to determine indirect and induced effects. No figures were taken at face value, but were rigorously analyzed and adjusted to ensure credibility of the results. For example, the researchers met with MARC leadership to discuss the proper use of financial and employee data; as a result, several million dollars in purchases were removed from the direct impact since they were already known to be out of the region. In this and other ways, WCU and MARC made decisions to ensure the credibility of direct impact and the validity of the data going into the IMPLAN analysis and the resultant economic impacts.

Results

The Marketing Association for Rehabilitation Centers generated an estimated total economic impact in 2008 of **\$60.7 million in the 21-county region it serves**. MARC members have a direct workforce of approximately 1,105 people with and without disabilities. However, due to indirect and secondary impacts, the economic activity of MARC supports the equivalent of 532 jobs in rural communities throughout the region. **Thus, for every two direct jobs created by MARC, one additional job is created elsewhere in the region.**

Taken separately, the direct impact of MARC in terms of payroll and operating expenditures was determined to be \$45,852,464 in 2008. The indirect and induced effects of payroll and operating expenditures were determined to be \$7,492,205 and \$7,351,879, respectively for 2008.

In addition to this overall impact, the study determined several other key metrics of MARC's impact.

- **The annual regional economic impact of MARC is \$54,929 per job.** Thus, for every investment in MARC at a rate of \$10,000 per job created, there is a **5.5:1 payback ratio**.
- Jobs created by MARC pay an average wage of **\$9.79 per hour plus benefits**, inclusive of the full workforce, both disabled and non-disabled.
- Compared to the 2005 study, MARC has a **31% annual growth rate** in economic impact.

This study is specifically designed to quantify the tangible impact of MARC on the region in financial terms only. However, MARC also provides intangible benefits to the community that are essential to regional community development. For example, MARC has grown into a major service provider in western North Carolina, which may explain why the population of people with disabilities in the region served by MARC is 35.7% higher than the national average. Further, this study determined that in the region served by MARC, there is a **50.1% higher occurrence of employment among people with disabilities** than the national average.

These extensive vocational services offered contribute to the reputation of the region as a supporter of independent living and promoter of enhanced well-being for hundreds of people with disabilities.

Therefore, both economic and non-economic factors are important to the quality of life in western North Carolina and should be considered in future decision making.

About the Researchers

Inhyuck “Steve” Ha (Ph.D., University of Minnesota-Twin Cities) is an assistant professor of Economics at Western Carolina University. His concentrations are regional economics, community economic development, economic impact analysis, tourism, and econometric modeling. Dr. Ha has worked at the Humphrey Institute of Public Affairs at University of Minnesota and in the Haas Center for Business Research and Economic Development at the University of West Florida as Forecasting Program Director.

Jessica Hollars is a Research Associate at Western Carolina University. Ms. Hollars joined the IEF in March of 2008. Currently, she is in the process of executing an economic impact analysis of the equine industry in North Carolina. Before joining the IEF, Ms. Hollars began working for the Department of Economics at WCU as an undergraduate research assistant. She gained valuable tools on how to manipulate data and analyze key variables. Ms. Hollars graduated cum laude from Western Carolina University in the fall of 2007. She holds a Bachelor’s Degree in Accounting and Corporate Finance and a minor in Economics.

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