The Economic Impact and Contribution of the
EB-5 Immigration Program
2013

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CREATING JOBS THROUGH EB-5 INVESTMENT

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Executive Summary

Economic Impacts of EB-5 Spending

Based on the methodology described in this report, we estimate that *spending associated with EB-5 regional center investors contributed $3.58 billion to U.S. GDP and supported over 41,000 U.S. jobs in FY2013*. Likewise, spending by EB-5 investors also contributed $520 million to federal government tax revenues and $285 million to state and local government tax revenues in FY2013 (see Table 11). These estimates include direct, indirect, and induced impacts associated with investment spending, household spending, and other immigration expenses. Table 12 shows the top 10 industries impacted by EB-5 investor spending. Given our estimate of $1.68 billion in construction spending in FY2013, it's not surprising that commercial construction tops the list at 10,020 jobs supported.

Table 11: Economic Impacts of All EB-5 Spending, 2013*

Summary of National IMPLAN model (Direct All EB-5 Spending = $2.762 billion)

Impact Type	Jobs Supported	Contribution to GDP	Tax Revenue	
			Federal	State & Local
Direct Effect	16,642	$1,325,187,478	$210,328,709	$85,559,503
Indirect Effect	10,115	$1,026,582,030	$143,099,627	$83,624,250
Induced Effect	14,513	$1,230,008,960	$166,961,583	$115,916,931
Total Effect	41,271	$3,581,778,468	$520,389,919	$285,100,684
% Change from 2012	-3.6%	5.6%	16.2%	7.5%

*Includes impacts assoicated with investment, household spending and other immigration expenses.

Table 12: Total Economic Impacts of All EB-5 Spending, 2013

Top ten impacted sectors by employment (National Model)

Sector	Description	Jobs Supported	Contribution to GDP
57	Construction of new commercial structures	10,020	$711,991,858
447	Legal services	1,476	$189,853,951
395	Wholesale trade	1,456	$222,444,878
440	Real estate	1,160	$160,018,270
501	Full-service restaurants	953	$24,743,599
502	Limited-service restaurants	867	$30,906,442
464	Employment services	779	$31,454,185
436	Other financial investment activities	769	$47,327,492
482	Hospitals	743	$59,992,827
411	Truck transportation	710	$46,179,739

Furthermore, since this report is the third in our annual impact series, we've averaged our 4-year impact results (2010-2013) to show that EB-5 spending currently supports over 29,000 U.S. jobs each year and contributes $2.4 billion annually to U.S. GDP. Likewise, on average, EB-5 spending currently adds $328 million to federal government tax revenues and $192 million to state and local government tax revenues each year (see Table 22). This is clearly a much larger impact than originally estimated by the 2010 USCIS report, and is due primarily to the increased number of investors participating in the program (see Table 23-24).

Economic Impact Projections

Finally, we've also scaled these results to show potential impacts that may occur when the program's current visa limit is reached (10,000 visas/year) or increased to 20,000 visas/year. Table 22 and Figure 1 demonstrate these results.

If current regulations and investment spending patterns remain unchanged, spending associated with EB-5 investors would support nearly 68,000 U.S. jobs and contribute $5.6 billion to U.S. GDP when the current visa limit is reached (10,000 visas/year). Assuming a realized annual limit of 20,000 visas/year, spending associated with the EB-5 program would then support nearly 136,000 U.S. jobs and contribute $11.1 billion to U.S. GDP (see Figure 1).

Table 22: Projected Economic Impact of EB-5 Spending, 2013

(State Dept. issued 17,284 EB5 regional center visas between FY2010-13)

Impacts (2010-13)	Jobs Supported	Contribution to GDP	Tax Revenue	
			Federal	State & Local
4-yr Total	**117,430**	**$9,623,180,850**	**$1,314,897,013**	**$768,725,058**
Annual Avg	29,357	$2,405,795,213	$328,724,253	$192,181,265
Per Visa	6.8	$556,768	$76,076	$44,476
10,000 Visa Limit	**67,941**	**$5,567,681,584**	**$760,759,670**	**$444,761,084**
20,000 Visa Limit	135,883	$11,135,363,168	$1,521,519,339	$889,522,168

*Please note that impacts/visa can be < 10 because there are multiple visas per investor household.

Figure 1: Projected Impacts of EB-5 Investor Spending
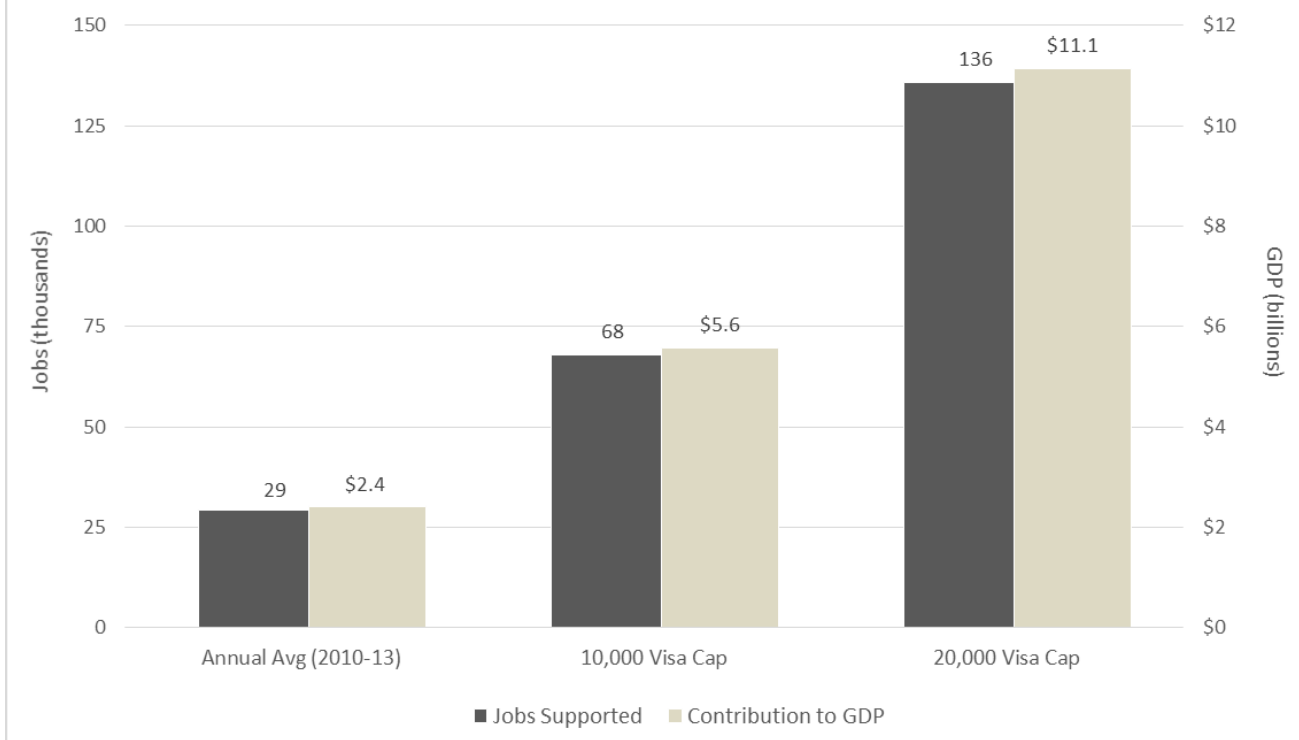
Introduction

The EB-5 Regional Center program is a federal immigration program that allows foreign investors to make targeted investments in the U.S. economy in exchange for the opportunity to apply for permanent residency. According to U.S. Citizenship and Immigration Services (USCIS), a targeted investment must be at least $500,000 dollars and must be directed to a high-unemployment or rural area of the country. In addition, the investor must also demonstrate that the $500,000 investment supported at least 10 full-time jobs (including direct and indirect jobs).[1] To ensure that their equity is directed toward a targeted investment, most EB-5 investors choose to invest through a designated Regional Center.[2] Currently, there are over 600 Regional Centers throughout the United States, each authorized by USCIS to invest capital from EB-5 investors in an approved list of sectors and regions. Many of these Regional Centers are represented nationally by a non-profit trade association known as Invest in the USA or IIUSA.

In 2010, a USCIS-commissioned report attempted to estimate the economic impacts of the EB-5 program at a national level.[3] The report used a sample of approved I-829 forms (from 2001-2006) weighted by the number of approved EB-5 visas to estimate direct investment for all EB-5 investors. The analysis utilized IMPLAN to estimate the indirect and induced impact of these investments. At the time the report estimated direct investment at $42 million and found that this spending supported approximately 2,000 U.S. jobs and contributed $117 million annually to U.S. GDP. The report also found that this spending generated $17 million annually in federal tax revenues and $10 million in state & local government tax revenues. However, the 2010 analysis was based on a sample that may not have been representative of the average EB-5 investor.[4] In addition, the EB-5 program has grown immensely since that time.

The USCIS report also limited its methodology to only measuring investment impacts at a national scale. It did not attempt to estimate impacts associated with household spending or other immigration expenses, and it did not attempt to estimate impacts at a regional scale.

Because of these limitations and given the availability of IIUSA's new regional center database, IIUSA commissioned the Alward Institute for Collaborative Science to produce an annual report series that more fully captured the ongoing impacts associated with the EB-5 Regional Center program. This report is the third in our annual impact series. The first two reports estimated economic impacts over FY2010-12 while this report estimates impacts for FY2013.

The EB-5 application process begins when an investor files form I-526 to demonstrate they have made or are planning to make the requisite investment. Once USCIS approves this form, the investor applies for a temporary residency visa that gives the applicant 2 years to relocate their household to the United

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[1] U.S. Citizenship and Immigration Services.

[2] According to *Table 7* of the 2013 Yearbook of Immigration Statistics, 94.6% of EB-5 investors granted permanent residency made targeted investments at a designated Regional Center.

[3] IFC International (2010). *Study of the United States Immigrant Investor Pilot Program (EB-5)*.

[4] USCIS comments to IFC International (2010). *Study of the United States Immigrant Investor Pilot Program (EB-5).*

States and complete the investment process. At the end of the 2-year residency period the investor files form I-829 to demonstrate that the investment supported 10 full-time jobs. If form I-829 is approved, immigration restrictions are removed and each member of the investor's household becomes a permanent resident. IIUSA's new Regional Center database contains an annual series of all USCIS approval notices and investment records for all designated Regional Centers, including statistics on approved I-526 and I-829 petitions per Regional Center and in aggregate. This database is also supplemented with approved EB-5 visa statistics produced by the Department of State. Using these statistics we are able to estimate total economic impacts attributable to all new regional center investment associated with the EB-5 immigration program.

Because IIUSA's dataset contains a complete accounting of all approved EB-5 application forms, our annual impact estimates are more reliable and representative than analysis attempted previously. In addition, because IIUSA's database is updated annually we can account for current growth trends in our analysis. Our annual reports also provide a more comprehensive picture of the program's effect on the U.S. economy because we estimate impacts associated with investment spending, household spending and other immigration expenses. Finally, these reports add to our understanding of distributional effects by modeling economic impacts at the national, state and congressional district levels.

Please note that this report does not consider impacts from the small number of EB-5 investors who make investments outside the Regional Center program. Also, because this report is based on a program-wide evaluation, the methods employed may require some thoughtful adaptation before being applied to the case of an individual Regional Center investment.

Methodology and Data

Investment

For FY2013, IIUSA provided data on the number of approved EB-5 investor applications per Regional Center (approved I-526 forms), as well as the number of investments made by each Regional Center. The dataset also contains the congressional district and state where each investment is located as well as a North American Industry Classification System (NAICS)-based description of each investment. In order to prepare this data for use in IMPLAN several estimation steps are required.

First, because the actual dollar amount per investment is not disclosed, we used the number of approved investor applications as a proxy for investment dollars. Since the vast majority of EB-5 Regional Center investors make targeted investments at the $500,000 dollar level, we assume each approved investor application represents a $500,000 dollar investment. We then multiply the $500,000 expenditure by the number of approved investor applications to estimate a total investment amount per Regional Center. This amount is then divided by the number of investment projects per Regional Center to estimate an average investment amount for each project. Since actual investment expenditures are not disclosed, we assign a center's average investment amount to each of its investment projects. This process is repeated for each Regional Center to estimate expenditure per investment project.

It's important to note that this procedure produces a conservative estimate of investment spending because it only estimates financial flows associated directly with the EB-5 investor. EB-5 funding is typically but one of many financial components in a project's entire capital stack. However, since we do not have data on total costs per project we cannot estimate the size of the capital stack per project. Instead, our Discussion section contains a preliminary estimate of the average capital stack size across all EB-5 projects and considers how this may affect the overall economic contribution of the EB-5 program.

Once investment expenditures are estimated, our next step is to allocate this to the NAICS descriptions associated with each investment project. These descriptions contain either specific NAICS codes or broad, qualitative statements about the type of economic activity undertaken. They do not contain a specific breakdown of project spending by sector. As such, we adopt a proportional method of distribution to allocate investment spending by sector. In the case that only one NAICS sector is used to describe an investment, 100% of the investment expenditure is allocated to that NAICS sector. If more than one NAICS sector is used to characterize an investment we simply divide the expenditure proportionately among these sectors. In the case where construction sectors were represented in the NAICS description, IIUSA recommended that half (50%) of the expenditure be allocated to the construction sectors and the other half (50%) proportionately allocated to the non-construction sectors. This process is repeated for each investment to estimate investment spending per sector. [5]

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[5] If no NAICS description was given for a particular investment, commercial construction was assumed.

Given the nature of investment expenditure, it is reasonable to assume that not all investment will be used to pay for portfolio company operations. In fact, it is likely that a majority of investment spending may be used to pay for capital equipment instead. As such, we also allocate investment within each sector to operational and capital expenditures. In consultation with IIUSA, we assume that 25% of sector spending is allocated to portfolio company operations and 75% to purchases of capital equipment. This method is implemented across all sectors, except construction. In the case of construction spending, 100% is allocated to operations since this type of investment is primarily used to pay for construction company operations.

After allocating sector spending to operational and capital expenditures, a NAICS-to-IMPLAN bridge is then used to map NAICS descriptions to IMPLAN industries and capital expenditure patterns. A copy of this bridge table is provided in the Appendix (see Appendix 2, Table A1). Operational and capital expenditures are then summed by IMPLAN sector according to the congressional district and states tags provided for each investment. This grouping results in a list of investment spending by sector and geography that is then used to provide direct inputs into our suite of IMPLAN models.

A nation-wide model, based on IMPLAN's 2013 SAM data, is used to estimate economic impacts for the country as a whole. State models and congressional district models are also used to estimate economic impacts at a regional scale. Operational expenditures are modeled as *industry change events* within the IMPLAN model and capital expenditures are modeled using IMPLAN's *capital expenditure patterns*. Margins are not applied to investment spending within retail sectors because it does not represent consumption. Instead, this spending is used to cover start-up costs or purchase capital equipment. As such, there are no margins associated with the direct effect and the spending should be maintained in producer prices.

For operational spending, the local purchase percentage (LPP) is set to 100% because we know the portfolio companies operate within the model's geographic boundary. However, the same may not be true for capital expenditures, which may have a higher import rate. Since we don't know what percent of capital equipment is purchased from local suppliers, the LPP for capital expenditures is set to IMPLAN's SAM model value. This allows us to use IMPLAN's regional purchase coefficients to determine what portion of the capital expenditure can be purchased from local suppliers.

We then utilize a batch procedure to process investment spending through IMPLAN's 51 state models and 436 congressional district models. The end result is a table that lists total economic impacts for every state and congressional district in the country.

Since state and congressional district models represent smaller economies, a larger portion of expenditures leak out of these models in the form of domestic or international imports. Because these leakages occur outside the model, the sum of state and congressional district impacts is substantially smaller than the sum of national level impacts. For example, the sum of employment impacts at the congressional district-level is 44% smaller than the sum of employment impacts at the national level.

Because the main purpose of this study is to estimate total impacts across the country, it's important for national, state, and congressional district results to be comparable. This means we need to capture impacts associated with domestic imports from states and congressional districts. In order to do so, we first calculate the impact percentage represented by each state and multiply it by the total impact from the national model. Doing so allows us to scale state-level impacts to match results from the national model. We then follow a similar procedure for congressional districts within each state in order to scale these results to match impacts at the state-level. By scaling regional impacts in this way state and congressional district results sum to the nation and can be interpreted as economic impacts to each state (or congressional district) plus the impacts that accrue to the rest of the nation (or state) as a result of domestic import demand from that state (or congressional district).

Based on this methodology we estimate that approximately $1.998 billion in foreign direct investment was introduced to the U.S. economy by EB-5 Regional Center investors in 2013. Nearly 85% of this investment, or $1.68 billion, was directed to the construction sector. Other sectors with high levels of EB-5 investment also include: motor vehicle parts manufacturing, mining, electric power generation, and motion picture and video production. Tables 1 and CD1 show our estimate of EB-5 Regional Center investment by state and congressional district. Table 2 displays nationwide investment by sector for both operational and capital expenditure categories. All impact results (national, state, and congressional district) are reported in the *Results* section of this report.

One final consideration worth mentioning is that EB-5 investment represents a very small percentage of the overall output generated by the investment industry. In 2013 the Securities, Commodity Contracts and Investments industry generated $448 billion dollars in output. EB-5 investment represented a little less than 1/2 of one percent of this output (0.45%).[6] As such, we assume the level of EB-5 investment does not crowd out other U.S. investment and make no attempt to further adjust the IMPLAN model. In fact, in many cases EB-5 investment may catalyze larger investment pools by providing a much needed source of gap financing for construction projects.

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[6] BEA Gross Output by Industry table.

Table 1: EB-5 Investment by State, 2013

Scaled to match National IMPLAN model

State	Operations	Capital Expenditure	Total Investment
CA	$335,332,622	$103,104,878	$438,437,500
NY	$373,791,667	$5,250,000	$379,041,667
TX	$174,187,500		$174,187,500
FL	$138,704,545	$11,795,455	$150,500,000
MD	$119,089,286	$13,767,857	$132,857,143
NV	$121,000,000		$121,000,000
DC	$110,142,857		$110,142,857
ID	$32,187,500	$32,812,500	$65,000,000
VA	$40,833,333		$40,833,333
WA	$36,687,500	$812,500	$37,500,000
AL	$27,250,000	$8,250,000	$35,500,000
CO	$35,000,000		$35,000,000
VT	$20,937,500	$12,562,500	$33,500,000
GA	$32,000,000		$32,000,000
WI	$31,500,000		$31,500,000
MS	$23,000,000		$23,000,000
PA	$18,700,000	$3,300,000	$22,000,000
MI	$5,375,000	$16,125,000	$21,500,000
LA	$16,250,000	$2,250,000	$18,500,000
SD	$6,750,000	$11,250,000	$18,000,000
AZ	$17,500,000		$17,500,000
HI	$17,000,000		$17,000,000
MT	$3,125,000	$9,375,000	$12,500,000
CT	$7,000,000		$7,000,000
IL	$4,812,500	$1,312,500	$6,125,000
UT	$6,000,000		$6,000,000
OH	$4,500,000		$4,500,000
SC	$1,000,000	$3,000,000	$4,000,000
NC	$2,000,000		$2,000,000
IN	$875,000		$875,000
MA	$500,000		$500,000
Total	**$1,763,031,810**	**$234,968,190**	**$1,998,000,000**

CD1: EB-5 Investment by top 25 Congressional Districts, 2013

Scaled to match National IMPLAN model

Congressional District	Operations	Capital Expenditure	Total Investment
CA34	$149,000,000		$149,000,000
NY07	$122,500,000		$122,500,000
TX30	$116,145,833		$116,145,833
MD02	$99,089,286	$13,767,857	$112,857,143
DC01	$110,142,857		$110,142,857
NV01	$108,000,000		$108,000,000
CA33	$43,200,000	$53,100,000	$96,300,000
FL22	$95,000,000		$95,000,000
NY12	$63,458,333		$63,458,333
ID02	$25,937,500	$32,812,500	$58,750,000
NY14	$40,833,333		$40,833,333
NY10	$40,833,333		$40,833,333
NY17	$40,833,333		$40,833,333
NY08	$40,833,333		$40,833,333
VA11	$40,833,333		$40,833,333
CO02	$35,000,000		$35,000,000
CA51	$34,333,333		$34,333,333
CA27	$33,500,000		$33,500,000
VT01	$20,937,500	$12,562,500	$33,500,000
TX32	$30,625,000		$30,625,000
AL07	$24,000,000		$24,000,000
WI04	$23,625,000		$23,625,000
CA47	$23,600,000		$23,600,000
CA37	$5,900,000	$17,700,000	$23,600,000
FL21	$23,500,000		$23,500,000

Table 2: EB-5 Investment by Sector, 2013

National Estimate

IMPLAN Sector	Operational Expenditure	IMPLAN Capital Expenditure Pattern	Capital Expenditure
24 Gold ore mining	$12,500,000	2121All-Metal mining	$37,500,000
30 Stone mining and quarrying	$2,312,500	2123All-Nonmetallic minerals, except fuels	$6,937,500
37 Drilling oil and gas wells	$750,000	2111All-Oil and gas extraction	$2,250,000
42 Electric power generation - Fossil fuel	$750,000	2211All Electric and gas services	$2,250,000
44 Electric power generation - Solar	$3,875,000	2211All Electric and gas services	$11,625,000
45 Electric power generation - Wind	$937,500	2211All Electric and gas services	$2,812,500
52 Construction of new health care structures	$93,217,443	2300All-Construction	$0
54 Construction of new power and communication structures	$19,400,000	2300All-Construction	$0
55 Construction of new educational and vocational structures	$13,000,000	2300All-Construction	$0
56 Construction of new highways and streets	$8,500,000	2300All-Construction	$0
57 Construction of new commercial structures	$1,470,841,638	2300All-Construction	$0
60 Construction of new multifamily residential structures	$77,250,000	2300All-Construction	$0
61 Construction of other new residential structures	$500,000	2300All-Construction	$0
63 Maintenance and repair of residential structures	$2,000,000	2300All-Construction	$0
89 Animal, except poultry, slaughtering	$750,000	3110All-Food and kindred products	$2,250,000
92 Poultry processing	$1,500,000	3110All-Food and kindred products	$4,500,000
109 Wineries	$41,667	3120All-Tobacco manufactures	$125,000
127 Men's and boys' cut and sew apparel manufacturing	$218,750	3140All-Apparel and other textile products	$656,250
128 Women's and girls' cut and sew apparel manufacturing	$18,293	3140All-Apparel and other textile products	$54,878
165 Other basic organic chemical manufacturing	$1,000,000	3250All Chemicals and allied products	$3,000,000
226 Copper rolling, drawing, extruding and alloying	$1,100,000	3310All-Primary metal indsutries	$3,300,000
263 Lawn and garden equipment manufacturing	$4,187,500	3330All-Industrial machinery and equipment	$12,562,500
264 Construction machinery manufacturing	$83,333	3330All-Industrial machinery and equipment	$250,000
336 Storage battery manufacturing	$83,333	3340All-Electronic and other electric equipment	$250,000
343 Automobile manufacturing	$2,750,000	3363All-Motor vehicles and equipment	$8,250,000
345 Heavy duty truck manufacturing	$1,000,000	3363All-Motor vehicles and equipment	$3,000,000
350 Motor vehicle engine and engine parts manufacturing	$5,375,000	3363All-Motor vehicles and equipment	$16,125,000
380 Surgical appliance and supplies manufacturing	$656,250	3391All-Instruments and related products	$1,968,750
411 Truck transportation	$562,500	4840All-Trucking and warehousing	$1,687,500
412 Transit and ground passenger transportation	$1,750,000	4850All-Local and interurban passenger transportation	$5,250,000
414 Support activities for transportation	$4,589,286	4870All-Transportation services	$13,767,857
416 Warehousing and storage	$562,500	4840All-Trucking and warehousing	$1,687,500
423 Motion picture and video industries	$23,600,000	5120All-Motion pictures	$70,800,000
465 Business support services	$1,312,500	5410All-Business services, excluding computer rental	$3,937,500
468 Services to buildings	$2,875,000	5410All-Business services, excluding computer rental	$8,625,000
502 Limited-service restaurants	$3,181,818	7200All-Eating and drinking places	$9,545,455
	$1,763,031,810		**$234,968,190**
Investment Total (2013)		**$1,998,000,000**	

Household Spending

In addition to investment spending, we are also interested in estimating the impacts of spending associated with EB-5 households once they immigrate to the U.S. However, because data is not available on household spending, an estimation technique is required to approximate these expenditures.

Table 3 shows the number of approved EB-5 Regional Center visas, as well as the average EB-5 household size.[7] By dividing visa counts by average HH size we can estimate the number of EB-5 households that immigrated to the United States. Based on information provided by IIUSA, we also assume that EB-5 investors meet the SEC's definition of an accredited investor. This gives us a basis from which to estimate spending per household. According to the SEC, an individual qualifies as an accredited investor if their annual income exceeding $200,000 dollars.[8] Assuming that each EB-5 investor has an annual *investment* income of $200,000 dollars, and then subtracting 15% ($30,000) for capital gains tax and another 10% ($20,000) for savings, we estimate that each EB-5 household is left with $150,000/year for consumption. This results in an *average propensity to consume (APC)* of 88.2%, which is well below the 90% mark assumed in many macroeconomic models. It is also well below the actual *APC* observed in 2012 (92.8%) and 2013 (95.1%).[9] As such, it seems a reasonably conservative estimate of household spending. At the national-level, we then multiply the number of EB-5 households by $150,000 dollars to get a total estimate of household spending (see Table 3). This figure is then used as an input to our national IMPLAN model.

Since we've already made adjustments to account for taxes and savings, household spending is modeled as an *institutional spending pattern* (i.e. households with annual income exceeding $150,000) since the model will spend 100% of the value entered. Also, since we don't know what percent of household consumption will be purchased from local producers, the local purchase percentage (LPP) is set to IMPLAN's SAM model value. This allows us to use IMPLAN's regional purchase coefficients to determine what portion of household consumption can be purchased from local suppliers.

Furthermore, we don't need to set margins for retail spending because IMPLAN's *institutional spending patterns* are pre-margined. For each retail sector listed in the spending pattern, the model already allocates margins between producing, transportation, wholesale and retail sectors.

A similar exercise is completed to estimate household spending at the state level. Based on information provided by IIUSA, we assume EB-5 settlement patterns mimic national immigration trends. This allows us to assign EB-5 households by state using the settlement pattern for all persons gaining legal permanent residency in 2013 (see Table 4).[10] Please note that Guam, Puerto Rico, and other U.S.

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[7] Average household size is calculated as the total # of EB-5 individuals granted permanent residency (including investors, spouses and children) divided by the total # of EB-5 investors granted permanent residency. Visa counts were obtained from *Tables 5 & 6* of the State Department's Visa Office Report (2013). Average HH Size was calculated from *Table 7* of the 2013 Yearbook of Immigration Statistics.

[8] U.S. Securities and Exchange Commission.

[9] BEA Personal Consumption Expenditure Table 2.1.

[10] Settlement patterns obtained from *Table 4* of the 2013 Yearbook of Immigration Statistics.

territories are not included within this analysis. As such, the data associated with these places is proportionately distributed across all other states so it does not interfere with our estimates.

Once this adjustment is made, percent of legal permanent residents is multiplied by total visa count to estimate the number of EB-5 immigrants settling in each state. This number is then divided by average household size to estimate the number of EB-5 households per state (see Table 3-4). The household estimates are then multiplied by $150,000 to estimate total household spending per state (see Table 4). These estimates are then entered into our state models as *institutional spending patterns* for households with annual income exceeding $150,000. Local purchase percentage (LPP) is also set to IMPLAN's SAM model value (regional purchase coefficient) within each state model.

Based on recommendations from IIUSA, household spending for congressional districts is estimated by inversely weighting state-level spending against a congressional district's geographic size. This is done to reflect an assumed urban bias in the general settlement pattern of EB-5 households. Without further information to help us determine where EB-5 households settle within a state this seems like the most reasonable method to adopt to distribute household spending to the congressional district level. For more information on the weighting computation, see Appendix 3.

We then utilize a batch procedure to process household spending through IMPLAN's 51 state models and 436 congressional district models. The end result is a table that lists total economic impacts for every state and congressional district in the country.

Lastly, impact results are scaled up to account for leakage from domestic imports (as was the case with the state and congressional district results in the *Investment* section). To do this we follow the same estimation procedure. First, we calculate the impact percentage represented by each state and multiply it by the total impact from the national model. Doing so allows us to scale state-level impacts to match results from the national model. We then follow a similar procedure for congressional districts within each state in order to scale these results to match impacts at the state-level. By scaling regional impacts in this way state and congressional district results sum to the nation and can be interpreted as economic impacts to each state (or congressional district) plus the impacts that accrue to the rest of the nation (or state) as a result of domestic import demand from that state (or congressional district).

Table 3: Visa and Household Variables, 2013

Variable	2013 Value
Approved Visa Count	7,139
Average HH Size	2.902
Household Count	2460.03
Household Spending	$369,004,135

Sources: Visa count from U.S. Department of State | Avg HH size from U.S. Department of Homeland Security.

Table 4: EB-5 Household Expenditure, 2013

Estimated Distribution by State

State	Household Count Estimate	Household Expenditure
Alabama	9.83	$1,473,870.43
Alaska	3.90	$584,284.63
Arizona	40.25	$6,036,909.10
Arkansas	7.47	$1,120,718.28
California	476.62	$71,492,616.74
Colorado	27.86	$4,178,390.04
Connecticut	27.55	$4,132,569.67
Delaware	6.04	$906,517.34
DC	7.67	$1,150,892.67
Florida	255.92	$38,387,583.02
Georgia	60.83	$9,125,127.78
Hawaii	15.73	$2,359,730.98
Idaho	5.53	$830,150.05
Illinois	89.65	$13,446,771.32
Indiana	19.31	$2,896,909.67
Iowa	10.46	$1,569,608.93
Kansas	12.69	$1,903,017.34
Kentucky	13.08	$1,962,248.56
Louisiana	11.08	$1,662,739.77
Maine	3.27	$490,408.75
Maryland	63.25	$9,487,965.54
Massachusetts	73.49	$11,023,134.32
Michigan	42.37	$6,355,416.58
Minnesota	32.01	$4,801,621.63
Mississippi	4.53	$679,650.62
Missouri	16.03	$2,404,061.26
Montana	1.37	$206,173.42
Nebraska	10.55	$1,583,019.77
Nevada	24.82	$3,723,166.49
New Hampshire	5.80	$870,010.05
New Jersey	132.10	$19,814,685.69
New Mexico	9.37	$1,405,326.13
New York	332.07	$49,809,894.38
North Carolina	41.99	$6,298,047.98
North Dakota	3.33	$500,094.35
Ohio	34.59	$5,188,300.88
Oklahoma	11.81	$1,771,889.12
Oregon	18.08	$2,711,765.56
Pennsylvania	61.66	$9,249,178.06
Rhode Island	8.56	$1,283,510.99
South Carolina	10.86	$1,629,585.19
South Dakota	3.33	$498,976.78
Tennessee	21.08	$3,162,146.31
Texas	230.42	$34,563,630.69
Utah	13.94	$2,090,396.59
Vermont	2.35	$352,575.10
Virginia	69.46	$10,419,273.95
Washington	57.37	$8,606,202.74
West Virginia	2.16	$323,518.28
Wisconsin	14.97	$2,244,993.79
Wyoming	1.57	$234,857.72
Total	**2,460**	**$369,004,135**

Source: Author's calculation based on immigration data from U.S. Department of Homeland Security.

Other EB-5 Spending

In addition to estimating economic impacts associated with investment and household spending, we are also interested in estimating impacts associated with moving and immigration expenses. These include impacts associated with expenditures on moving services, plane tickets, new automobiles, government services, legal services, and investment services. Collectively, we have modeled these expenses as *Other EB-5 Spending*. We assume these expenses are one-time purchases paid for through savings. As such, they are not reflected in the *household spending pattern* and are modeled separately from our estimate of annual household expenditures. Table 5 shows our estimated total for each of these spending categories and the associated IMPLAN sectors used to model these impacts. Table 6 shows the major assumptions used to calculate these estimates. A description of our estimation technique for each spending category is given below.

Table 5: Estimated Spending for Other Immigration Services, 2013

Total expenditures on flights, moving services, automobiles, and other fees

Category	Expenditure	IMPLAN Sector
Flight Expenditures	$4,869,315	408 Air Transportation
Airport fees from foreign airlines	$17,042	414 Support activities for transportation
Government taxes from foreign airlines	$412,056	Federal Government (NonDefense) Spending Pattern
Moving Expenditures	$26,525,049	411 Truck Transportation
Automobile Expenditures	$71,586,802	343 Automobile Manufacturing
Investment Fees	$91,908,000	436 Other financial investment activities
Attorney Fees	$199,800,000	447 Legal Services
Government Immigration Fees	$12,567,545	Federal Government (NonDefense) Spending Pattern
Total	**$407,685,808**	

Table 6: Key Cost Assumptions, 2013

Per Investor Costs	Value
Annual Household Expenditure	$150,000
Automobile Cost*	$29,100
Attorney Fee	$50,000
Regional Center Fee	$18,000
Broker	$5,000

*2013 Ford Explorer starting at $29,100 (quote as of 4/12/2013).

Flight Expenditures

Although data is not available regarding model of transportation utilized when immigrating to the U.S., it's reasonable to assume that most EB-5 households do so by air transportation. To estimate flight expenditures we first examine the distribution of EB-5 visas by country of origin and choose a list of countries from major world regions where a majority of EB-5 immigrants are represented. In FY2013 this list includes Iran, Mexico, China, South Korea, Japan, Great Britain, and Russia.

We then calculate the percent of visas issued to EB-5 immigrants from these countries, as well as the percent of visas issued to EB-5 immigrants from all other countries. The percent of immigrants from all other countries is allocated proportionately across the percent of immigrants from our list of selected countries. This enables us to account for all visas without having to collect flight prices for all countries. This method assumes that all EB-5 immigrants travel from our list of selected countries, but given the fact that spending on flights is a small portion of total EB-5 spending and that 94% of all EB-5 regional center immigrants originate from this list of selected countries, it does not seem to be an unreasonable simplification. Finally, we multiply our adjusted country shares by the total count of EB-5 regional center visas to estimate the number of EB-5 immigrants traveling from each of these countries (see Table 8).

Next, we use our list of selected countries to look up price information for flights between the U.S. and other major cities within these countries. When selecting routes, we try to simulate an actual consumer experience. For example, in consultation with IIUSA we assume that EB-5 immigrants fly economy class during late summer. Using well-known travel websites, we look up flight information to compare prices and layovers and select flights that offer the best combination of price and route. Because prices constantly change we record flight information mid-week in order to avoid higher weekend prices (see Table 7).

Furthermore, we noticed that American Airlines and China Eastern Airlines offer competitively priced routes from Shanghai to Los Angeles. Because 85% of EB-5 regional center immigrants originate from mainland China, we don't want to over-estimate U.S. flight expenditures by assuming that all Chinese immigrants travel on a U.S. carrier. As such, we allocate half of our Chinese visa count to American Airlines and the other half to China Eastern Airlines.

Although it may seem reasonable to assume that all flight revenues accruing to U.S carriers will impact the U.S. economy, there may still be some portion of the base fare that airline companies pays to foreign airports. The International Air Transport Association (IATA) estimates that 14.4% of global airline revenues are used to pay for airport infrastructure. This estimate is calculated using ticket revenues plus the portion of airport fees levied on top of the base fare. It excludes passenger taxes levied by governments.[11] Since we don't how much of this estimate is divided between U.S. and foreign airports, we simply assume that half flows to the foreign airport. In practice, we add the base fare and U.S. airport fee together and reduce the total by 7.2% to account for the portion of the fare that is paid to foreign airports. The remaining ticket fare can then be interpreted as airline revenues that are likely to

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[11] International Air Transportation Association (2013). *IATA Economic Briefing: Infrastructure Costs*.

impact the United States (see Table 7). We also assume that only half the taxes from each flight will impact the U.S. economy since the other half may flow to foreign governments.

Once the U.S. portion of the ticket price is determined we multiply this by our estimate of EB-5 immigrants to estimate total international flight expenditure by selected country of origin. Finally, all revenues from foreign carriers are dropped (except U.S. taxes and fees) since they are unlikely to impact the U.S. economy (see Table 8).

After international flight expenditures are tallied, we then estimate the cost of the domestic leg of the journey. In cases where the destination state is easily reached via international flights no additional flight expense is required (i.e. California, New York, Illinois, Texas, etc.). However, in cases where a domestic flight may be required to reach the destination state we gather additional price information for domestic flights (see Appendix 2, Table A2).

Prices are gathered for routes between large international airports and states not easily accessible directly via international flights. For example, an EB-5 immigrant may disembark from an international flight in Dallas/Ft. Worth but then embark on a domestic flight if Little Rock, Arkansas is the final destination. To ensure conservative cost estimates we choose domestic routes from international airports that are closest to the state of final destination. For example, it isn't unreasonable to think the connection between an international destination and Little Rock may be the Dallas/Ft. Worth international airport. In the case where two international airports are approximately the same distance from a final destination state, the less expensive flight option is chosen.

Once domestic flights prices are gathered we then estimate visa counts per state by multiplying the annual visa total by the adjusted state-of-residence percentages used earlier for annual household expenditures. We then multiply these state-level visa counts by domestic flight prices to estimate domestic flight expenditures per state. These expenditures are then summed to a national total and added to our international flight expenditures to derive a grand total flight expenditure estimate that is used as an input into our national IMPLAN model.

Please note that we do not attempt to model flight expenditures by state or congressional district because we have no basis for knowing how these expenditures will actually be distributed across U.S. regions. U.S. airline carriers are large companies with national operations. Without further information it is difficult to know how flight revenues will actually be distributed across the U.S. As such, flight expenditures are only modeled at the national level. This logic will hold true for all other expenses in our *Other EB-5 Spending* category. Table 5 shows the IMPLAN sectors used to model flight expenditures, U.S. government taxes from foreign airlines, and U.S. airport fees from foreign airlines.

Table 7: International flight prices for EB-5 immigrants, 2013

Departure: August 1st (prices as of 4/22/2013; MEX-LAX & NRT-LAX prices as of 2/23/2015)

Route	Price	Taxes & Fees	Base Fare	Fare to US	US Taxes*	US Airport Fee	Airline	Stops	Layover (mins)
				Economy Class					
KWI-JFK	$858.89	$228.79	$630.10	$588.91	$109.90	$4.50	**AA**	1	100
MEX-LAX	$254.67	$86.67	$168.00	$160.08	$38.84	$4.50	**United**	0	0
PVG-LAX	$1,639.69	$188.49	$1,451.20	$1,350.89	$89.75	$4.50	**AA**	0	0
PVG-LAX	$1,405.99	$224.79	$1,181.20	$1,100.33	$107.90	$4.50	China Eastern Airlines	0	0
ICN-LAX	$1,451.69	$251.49	$1,200.20	$1,117.96	$121.25	$4.50	Thai Airways Intl	0	0
NRT-LAX	$799.50	$217.50	$582.00	$544.27	$104.25	$4.50	Singapore Airlines	0	0
LHR-JFK	$920.29	$270.39	$649.90	$607.28	$130.70	$4.50	*Aer Lingus*	1	130
SVO-JFK	$691.49	$154.49	$537.00	$502.51	$72.75	$4.50	*Aeroflot*	0	0

*Half of the total for taxes & fees (minus $4.50 airport fee for US taxes).

Source: Travelocity

Table 8: EB-5 flight expenditure by country of origin, 2013

Country	Visa Count	Visa %	Adjusted Visa %	Adjusted Visa Count	Flight Expenditure*
Iran	78	1.09%	1.86%	133.00	$92,940.91
Mexico	63	0.88%	1.65%	118.00	$23,471.97
China (AA)	3,046	42.67%	43.44%	3,101.00	$4,467,407.89
China(CEA)	3,046	42.67%	43.44%	3,101.00	$0.00
South Korea	308	4.31%	5.08%	363.00	$0.00
Japan	70	0.98%	1.75%	125.00	$0.00
Great Britian	49	0.69%	1.46%	104.00	$0.00
Russia	39	0.55%	1.32%	94.00	$0.00
Sub total	6,699	93.84%			
Other Countries	440	6.16%			
Total	7,139	100.00%	100.00%	7,139.00	$4,583,820.77
Adjustment		0.77%			
US taxes from foreign airlines					$412,055.89
US airport fees from foreign airlines					$17,041.50

*Revenue to foreign airlines not included.

Source: Visa statistics from U.S. Department of State.

Moving Service Expenditures

Another category of *Other EB-5 Spending* we are interested in estimating is spending on professional moving services. To do so we average price quotes from seven (7) international moving companies for a full-service move between Shanghai and Los Angeles (see Table 9). Shanghai was chosen as the port of origin because most EB-5 immigrants originate from mainland China.[12] Los Angeles was chosen as the most likely destination port because of its proximity to Shanghai. During our conversations with these moving companies we learned that they utilize local moving companies from the foreign country to help provide services. Since we don't know what percent of moving expenditures will go to these foreign companies, we adopt a conservative approach and simply assume that half of all moving expenditures will not impact the U.S. economy. As such, we decrease our average moving quote by half and then multiply it by our estimated number of EB-5 households to derive an estimate of total spending on international moving services.

Next, we turn our attention to the domestic leg of the move. If the destination state does not have access to a Pacific port it is likely the immigrant households will be charged for additional mileage. To estimate the cost of this domestic leg we use Moving.com to look up average moving costs from Los Angeles to a major city within the final destination state. This process is repeated for all states not sharing a border with the Pacific Ocean (see Appendix 2, Table A3). Since these online calculators often over-estimate the cost of moving, we spot check these prices with an actual quote for a full-service move from Los Angeles to Birmingham, Alabama ($5,895 for a 5-bedroom home, no packing required). Using this as a guide, we found that entering a value of 5 for the *number of rooms* yielded the most reasonable results. For example, the price estimate generated for a move between Los Angeles and Birmingham when "5" is entered for *Number of Rooms* and "none" is selected for *Packing Service* is listed at $5,731. This is a reasonably close match to the actual quote.

Once domestic moving prices are obtained for each state, we multiply them by the estimated number of EB-5 households per state to derive an estimate of domestic moving expenditures. These estimates are then summed to a total and added to our international moving expenditures to produce a grand total estimate that is used in our national IMPLAN model (see Table 5). Again, we don't attempt to model these expenditures at a state or congressional district level. Since moving companies often have national operations, without further information it is difficult to know how these revenues will be distributed across states. As such, moving expenditures are only modeled at a national level. Table 5 shows the IMPLAN sector used to model these expenditures.

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[12] Visa counts obtained from *Tables 5 & 6* of the State Department's Visa Office Report (2013).

Table 9: Price quotes for moving service from Shanghai to LA*

1 - 40' shipping container (quote as of April 12, 2013)

Company	Moving Quote	Declared Value**	Insurance (% of value)	Insurance Estimate	Total Cost
Schumacher Cargo Logistics	$7,900	$10,000	3.5%	$350	$8,250.00
International Sea and Air	$8,625	$10,000	3.0%	$300	$8,925.00
Prisma Cargo Solutions	$8,945	$10,000	3.0%	$300	$9,245.00
Cardinal International	$6,550	$10,000	3.0%	$300	$6,850.00
UniGroup Relocation	$15,000	$10,000	2.7%	$270	$15,270.00
Legends Intl Transport	$6,995	$10,000	3.0%	$300	$7,295.00
Southern Winds International	$7,295	$10,000	2.5%	$250	$7,545.00
Average Cost					$9,054.29
Revenue to USA (1/2 of total)***					**$4,527.14**

*Includes packing, unpacking, and door-to-door shipment. Does not include taxes.

**Based on recommendation from Schumacher Cargo Logistics.

***Discount for use of foreign moving company in Shanghai.

Automobile Expenditures

The next category of *Other EB-5 Spending* we are interested in estimating is spending on new automobiles. IIUSA suggested that EB-5 households are likely to buy a new automobile once they immigrate to the United States. Again, since we have no data documenting actual expenditures, we utilize an estimation technique. First, we assume each EB-5 household purchases one (1) new, mid-sized, mid-priced vehicle with seating capacity to accommodate an entire family. In consultation with IIUSA, the 2013 Ford Explorer (starting at $29,100) is chosen as the vehicle best matching our consumers' preferences.[13] We then multiply the total number of EB-5 households by the cost of this vehicle to estimate total automobile expenditures (see Tables 3 & 5-6). These totals are then used to estimate impacts in our national IMPLAN model. As with previous estimates, these impacts are only modeled at the national level.

Automobile purchases are normally modeled through retail sector 396 (Retail Stores – Motor Vehicle and Parts). Typically, when modeling retail purchases, a large portion of consumer spending is not counted toward impact results because values are converted from purchaser prices to producer prices. This means impacts only accrue to the margin that the local retail store keeps. However, in this case we know which sector produces automobiles (343 Automobile Manufacturing). This means we can capture a fuller set of impacts along the entire value chain by margining the producing sector instead. By doing so the model is able to capture a more complete set of margin impacts, including impacts from margins attributable to local producers, wholesalers, transporters and retailers.

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[13] Price quoted as of April 12, 2013.

Investment and Legal Fees

The EB-5 program was recently highlighted in a Washington Post article where one investor reported spending an additional $84,000 dollars on attorney fees and investment charges.[14] IIUSA mentioned that many EB-5 investors face similar costs when undertaking the immigration process. For example, it is not uncommon for a Regional Center to charge $30,000 dollars for their investment service or for an investor to pay at least $50,000 dollars for an immigration attorney. Because these costs are substantial, we are interested in including them in our impact analysis. However, as with other immigration expenses, we don't have data on actual expenditures so an estimation technique is required. In consultation with IIUSA, we assume that each EB-5 household spends $50,000 on attorney fees and $5,000 on an investment broker. We also assume that only 60% of the regional center fee ($18,000) impacts the U.S. economy since the rest is likely to be paid to overseas marketing firms (see Table 6).

According to IIUSA, investment and legal fees are paid early in the application process, so we use the approved I-526 count to estimate revenue totals associated with each of these fees (see Tables 5-6 & 10). These totals are then used to estimate impacts in our national IMPLAN model. Table 5 shows the IMPLAN sectors used to model these expenses. As with previous estimates, these impacts are only modeled at the national level.

Federal Immigration Fees

The last category of immigration costs we consider in our analysis is spending on federal immigration fees. To enter the program, EB-5 investors must first fill out an application form (I-526) so their investment can be considered by the U.S. Citizenship and Immigration Services (USCIS). To do so each investor is required to pay a $1,500 fee when submitting their application.[15] Once USCIS approves the investment application, the investor and each household member may apply for a 2-year temporary residency permit from the U.S. Department of State. For each visa application the State Department requires a $405 application fee (prior to September 12, 2014) [16] and USCIS requires a $165 immigration fee.[17] Once the temporary residency permit is approved, EB-5 investors have 2 years to demonstrate their investment supported 10 full-time jobs. They do so by filling out another form to document job creation and request permanent residency status (Form I-829). To submit this form each investor is required to pay a $3,750 application fee and each household member is required to pay an additional $85 fee for required biometric services.[18]

To calculate government revenues associated with these fees we assume that all spending occurs in the year the data is reported. We then multiply annual form counts by associated fees to derive an annual revenue estimate. For example, approved I-526 and I-829 counts are multiplied by associated application fees to derive government revenues associated with these forms, and approved visa counts

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[14] Sullivan, Kevin (2013). *Foreign citizens making big investments in U.S. in exchange for green cards*. Washington Post (March 21, 2013).

[15] U.S. Citizenship and Immigration Services: I-526 Form.

[16] U.S. Department of State: Visa Fee.

[17] U.S. Citizenship and Immigration Services: Immigration Fee.

[18] U.S. Citizenship and Immigration Services: I-829 Form.

are multiplied by associated application, immigration, and biometric fees to derive government revenues associated with these forms. Table 10 shows approval counts, fees, and revenue estimates associated with each form. Revenue estimates are then summed to a grand total that is used in our national IMPLAN model. These expenditures are modeled using IMPLAN's *Federal Government (Nondefense) Spending Pattern*. As with annual household expenditures, local purchase percentage (LPP) is set to IMPLAN's SAM model value in order to utilize the model's regional purchase coefficients to estimate the percent of government expenditures that can be purchased from U.S. producers. Again, these impacts are only modeled at the national level.

Table 10: Federal Immigration Fees, 2013

Type	Count	Fee	Revenue
I-526 Form	3,996	$1,500	$5,994,000
Visa Application	7,139	$405	$2,891,295
Immigration Fee	7,139	$165	$1,177,935
I-829 Form	506	$3,750	$1,897,500
Biometrics	7,139	$85	$606,815
Federal Nondefense Spending			$12,567,545

Sources: USCIS and State Department.

The IMPLAN Modeling System

Input-output (I-O) models provide a means of examining inter-industry relationships within an economy. By describing the study area economy in terms of the flow of dollars from purchasers to producers within a region, I-O models can be used to estimate the economic impacts that are likely to occur in a local economy in response to a change in exogenous final demand (i.e. a change in demand related to outside capital, investment, government spending, households or exports).

In 1973 Professor Wassily Leontief won the Nobel Memorial Prize in Economics for his insight that an input-output table could be transformed (as follows) to represent the economy-wide impact that would occur in response to a change in an industry's final demand sales:

$$\Delta X = (I - A)^{-1} * \Delta Y$$

In this formulation Δ**Y** is a vector of ***final demand*** changes by industry. Δ**X** is a vector that represents the ***economy-wide output*** that will be required to supply each industry's change in final demand. ***(I-A)⁻¹*** represents the Leontief inverse, also known as the ***output multiplier matrix***, and is derived from the original input-output table (Miller & Blair, 2009).

The multiplier matrix is used to transform a change in final demand to a predicted change in total output. For a particular industry, a total multiplier derived in this fashion represents the total output across all local industries that will be required to supply the change in final demand for that particular

industry. For example, an industry multiplier of 1.6 means that for every $1 dollar increase in an industry's final demand sales, an additional $0.6 dollars of output will be required from other local industries in order to supply that additional dollar of final demand.

The multiplier includes an accounting of the **direct effect** associated with the initial change in final demand faced by industries directly impacted by an increase in EB-5 investment spending. It also includes an estimate of **indirect effects**, or the inter-industry transactions that occurs as other industries respond to the new input demands of directly-affected industries. Lastly, the multiplier includes an estimate of **induced effects**, or the increase in economic activity that occurs as households spend additional labor income attributable to increased production in directly- and indirectly-affected industries (Wang & vom Hofe, 2007). The **total effect** is the sum of the direct, indirect and induced effects; it represents the entire response in the study area economy required to meet the new demand created by EB-5 investors and their households.

In this manner IMPLAN estimates the regional economic impact that is likely to occur in response to a particular industry's change in final demand. Once an analyst provides an accurate estimate of the change in final demand the model can then predict *indirect* and *induced effects* to estimate the total change in regional output.

Study Area Models and Accounting Period

This analysis utilizes study area models based on 2013 IMPLAN data and include the U.S. economy as a whole (1), as well as each state (51), and each congressional district (435) for a total of 487 single-region models. All impacts are assumed to occur in FY2013.

IMPLAN Definitions

Social Accounting Matrix (SAM) A Social Accounting Matrix is an extended I-O table which includes not only the inter-industry transactions, but also industry-institution[19] transactions and inter-institution transactions. Thus, a SAM provides a fuller picture of the study area economy and the response of the economy to an impact. This study uses the IMPLAN software and data system to model the economic impacts associated with spending related to the EB-5 program.

Local Purchase Percentage (LPP) The local purchase percentage is the percent of direct spending that is purchased within the local study area.

Regional Purchase Coefficient (RPC) The regional purchase coefficient is the percent of indirect and induced spending that is purchased within the local study area.

Household (Institutional) Spending Pattern is the bundle of goods that an average household consumes over a year. Each good is associated with a coefficient that represents the proportion of that good to the entire bundle. The *Household Spending Pattern* is used to estimate economic impacts associated with the annual spending undertaken by EB-5 households once they immigrate to the U.S. The *Household*

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[19] Institutions include households, government, inventory, capital, and exports. Institutional demand is also known as final demand.

Spending Pattern is distinct from the overall level of household expenditure in that it represents a bundle of goods, not just the total spending level.

Average Propensity to Consume (APC) The average propensity to consume is the portion of disposable (post-tax) income that is allocated to consumption.

Gross Domestic Product (GDP) is calculated as the proportion of total revenue (output) that is paid to the components of value added, such as employee compensation, proprietor income, taxes on production, and profits. The contribution to GDP of a particular business or program (such as EB-5) would then be the total Value-Added associated with that business or program. This includes the direct, indirect, and induced Value-Added, as calculated with IMPLAN.

Tax Revenue is calculated as the proportion of value added paid to federal or state & local government. Total tax revenue is the sum of tax revenue generated by direct, indirect and induced spending.

Employment (*# of jobs supported*) is calculated as total revenue (output) divided by output per worker for a given industry. Total employment is the sum of employment generated by direct, indirect and induced spending. Please note that IMPLAN's employment data follows the same definition as the Bureau of Economic Analysis' REA data and the Bureau of Labor Statistics' QCEW data, which is full-time and part-time annual average. Thus, it adjusts for seasonality but does not indicate the number of hours worked per day. IMPLAN employment data also includes self-employed and temporary workers.

Results

Economic Impacts of All EB-5 Spending

Based on the methodology described above we estimate that *spending associated with EB-5 regional center investors contributed $3.58 billion to U.S. GDP and supported over 41,000 U.S. jobs during FY2013*. Likewise, spending by EB-5 investors also contributed $520 million to federal government tax revenues and $285 million to state and local government tax revenues in FY2013 (see Table 11). These estimates include direct, indirect, and induced impacts associated with investment spending, household spending, and other immigration expenses.

Table 12 shows the top 10 industries impacted by EB-5 investor spending. Given our estimate of $1.68 billion in construction spending during FY2013, it's not surprising that commercial construction tops the list at 10,020 jobs supported. The following sections discuss economic impact results by spending category.

Table 11: Economic Impacts of All EB-5 Spending, 2013*

Summary of National IMPLAN model (Direct All EB-5 Spending = $2.762 billion)

Impact Type	Jobs Supported	Contribution to GDP	Tax Revenue Federal	Tax Revenue State & Local
Direct Effect	16,642	$1,325,187,478	$210,328,709	$85,559,503
Indirect Effect	10,115	$1,026,582,030	$143,099,627	$83,624,250
Induced Effect	14,513	$1,230,008,960	$166,961,583	$115,916,931
Total Effect	41,271	$3,581,778,468	$520,389,919	$285,100,684
% Change from 2012	-3.6%	5.6%	16.2%	7.5%

*Includes impacts assoicated with investment, household spending and other immigration expenses.

Table 12: Total Economic Impacts of All EB-5 Spending, 2013*

Top ten impacted sectors by employment (National Model)

Sector	Description	Jobs Supported	Contribution to GDP
57	Construction of new commercial structures	10,020	$711,991,858
447	Legal services	1,476	$189,853,951
395	Wholesale trade	1,456	$222,444,878
440	Real estate	1,160	$160,018,270
501	Full-service restaurants	953	$24,743,599
502	Limited-service restaurants	867	$30,906,442
464	Employment services	779	$31,454,185
436	Other financial investment activities	769	$47,327,492
482	Hospitals	743	$59,992,827
411	Truck transportation	710	$46,179,739

*Includes impacts assoicated with investment, household spending and other immigration expenses.

Economic Impacts of EB-5 Investments

In this section we discuss economic impacts associated with EB-5 investor capital. Since we've analyzed investments at the national, state, and congressional district levels, we divide our discussion accordingly.

National Impacts

Investment represents the largest component of EB-5 spending ($1.998 billion) and has the largest impact on the U.S. economy ($2.577 billion). Investment spending typically represents a temporary infusion of capital and economic impacts associated with investment are also temporary. As such, start-up costs, capital equipment purchases, and construction spending do not need to be modeled separately because they are all funded through a one-time infusion of capital. Although investments are typically undertaken to increase a firm's operating revenues, estimating impacts associated with projected sales is beyond the scope of this analysis. However, this would be a fruitful area of research for future studies. Economic impacts associated with EB-5 investments during FY2013 are summarized in Table 13.

According to our estimates, spending associated with EB-5 investments contributed $2.577 billion to U.S. GDP and supported over 30,000 U.S. jobs during FY2013. Investment spending also contributed $381 million to federal tax revenues and $199 million to state and local government tax revenues (see Table 13). These results represent total impacts that include direct, indirect and induced effects. Compared to FY2012, the impact of EB-5 investor capital on gross domestic product (GDP) and government tax revenues has increased, while the impact on employment has decreased. The decrease in employment impacts are likely due to an increase in labor productivity and a decrease in labor force participation. Put differently, job creation through construction projects may be more capital intensive now than in previous years.

Table 14 shows the top 10 industries impacted by EB-5 investor capital. Again, given our estimate of $1.68 billion in construction spending during FY2013, it is not surprising that commercial construction tops the list at 10,020 jobs supported.

Table 13: Economic Impacts of EB-5 Investment, 2013

Summary of National IMPLAN model (Direct Investment = $1.998 billion)

Impact Type	Jobs Supported	Contribution to GDP	Tax Revenue	
			Federal	State & Local
Direct Effect	12,047	$906,293,635	$151,143,844	$48,739,971
Indirect Effect	7,379	$760,175,909	$106,253,430	$64,950,033
Induced Effect	10,741	$910,418,914	$123,576,521	$85,793,753
Total Effect	30,167	$2,576,888,457	$380,973,796	$199,483,757
% Change from 2012	-9.0%	1.9%	12.1%	5.2%

Table 14: Total Economic Impacts of EB-5 Investment, 2013

Top ten impacted sectors by employment (National Model)

Sector	Description	Jobs Supported	Contribution to GDP
57	Construction of new commercial structures	10,020	$711,991,858
395	Wholesale trade	1,151	$175,857,934
440	Real estate	722	$99,682,586
501	Full-service restaurants	584	$15,165,744
502	Limited-service restaurants	551	$19,638,525
449	Architectural, engineering, and related services	499	$35,247,957
464	Employment services	489	$19,732,538
52	Construction of new health care structures	459	$35,223,772
482	Hospitals	456	$36,855,261
411	Truck transportation	434	$28,217,985

State-level Impacts

Table 15 contains FY2013 impact results from our state-level models. These results are reported as impact totals that include direct, indirect and induced effects. Because state models are scaled to account for leakage from domestic imports, state-level results should be interpreted as economic impacts to each state, plus impacts to the rest of the country because of domestic imports from those states.

California, New York, Florida, Texas, Maryland and Nevada top the list of states with the largest level of EB-5 investment (see Table 1). As such, it is no surprise that these states are also associated with the largest number of employment impacts. Over 12,000 U.S. jobs were supported in California and New York alone during FY2013. To illustrate the distribution of investment impacts across states we have provided the following 3 maps to visualize jobs supported, contribution to GDP, and federal tax revenue by state.

Table 15: Total Economic Impacts of EB-5 Investment by State, 2013

Scaled to match National IMPLAN model

State	Direct Investment	Jobs Supported*	Contribution to GDP	Tax Revenue	
				Federal	State & Local
CA	$438,437,500	6,085	$572,653,094	$84,115,675	$50,940,204
NY	$379,041,667	6,024	$543,901,026	$84,786,407	$53,828,105
FL	$150,500,000	2,755	$176,893,641	$28,815,858	$10,918,299
TX	$174,187,500	2,737	$208,034,491	$32,259,897	$7,240,110
MD	$132,857,143	2,042	$180,321,238	$28,542,837	$16,467,267
NV	$121,000,000	2,027	$156,792,495	$22,784,432	$9,494,497
DC	$110,142,857	1,584	$173,836,587	$21,083,542	$11,836,560
ID	$65,000,000	821	$62,208,742	$8,197,678	$4,730,905
VA	$40,833,333	736	$51,268,721	$8,255,387	$3,854,390
CO	$35,000,000	627	$44,328,722	$7,006,200	$3,045,773
WI	$31,500,000	561	$40,183,233	$6,174,590	$2,844,020
GA	$32,000,000	532	$31,882,540	$4,529,719	$1,706,328
WA	$37,500,000	524	$47,359,560	$7,716,964	$3,470,924
AL	$35,500,000	461	$30,660,679	$4,208,010	$1,683,931
MS	$23,000,000	445	$26,162,595	$3,835,391	$2,128,560
LA	$18,500,000	303	$25,758,323	$3,573,271	$1,367,784
VT	$33,500,000	294	$47,442,275	$4,472,587	$2,403,517
AZ	$17,500,000	279	$20,931,273	$3,109,896	$2,315,222
PA	$22,000,000	205	$36,203,846	$3,734,427	$1,299,948
MI	$21,500,000	194	$19,412,412	$2,768,056	$1,488,484
SD	$18,000,000	193	$16,185,916	$2,117,201	$1,367,284
HI	$17,000,000	180	$18,527,420	$2,350,876	$1,072,701
CT	$7,000,000	115	$9,783,719	$1,497,630	$737,728
MT	$12,500,000	107	$11,546,489	$1,435,642	$1,592,538
UT	$6,000,000	91	$6,341,518	$920,935	$381,416
IL	$6,125,000	73	$6,502,190	$977,593	$402,860
OH	$4,500,000	71	$4,864,513	$716,595	$326,264
NC	$2,000,000	39	$2,246,941	$331,615	$172,840
SC	$4,000,000	38	$2,838,301	$372,151	$254,301
IN	$875,000	15	$1,129,318	$171,320	$66,782
MA	$500,000	8	$686,639	$111,412	$44,214
Total	**$1,998,000,000**	**30,167**	**$2,576,888,457**	**$380,973,796**	**$199,483,757**

*Sorted by Jobs Supported.

U.S. Jobs Supported by EB-5 Investments, 2013

Jobs Supported
- 8 – 107
- 108 – 303
- 304 – 821
- 822 – 6,085

U.S. GDP Contributed by EB-5 Investments, 2013

GDP ($MM)

- $0.7 - 9.7
- $9.8 - $30.6
- $30.7 - $62.2
- $62.3 - $572.6

0   250   500   1,000 Miles

U.S. Federal Tax Contributed by EB-5 Investments, 2013

N

Federal Tax ($MM)

- $0.1 - $1.4
- $1.5 - $3.8
- $3.9 - $8.2
- $8.3 - $84.7

0   250   500   1,000 Miles

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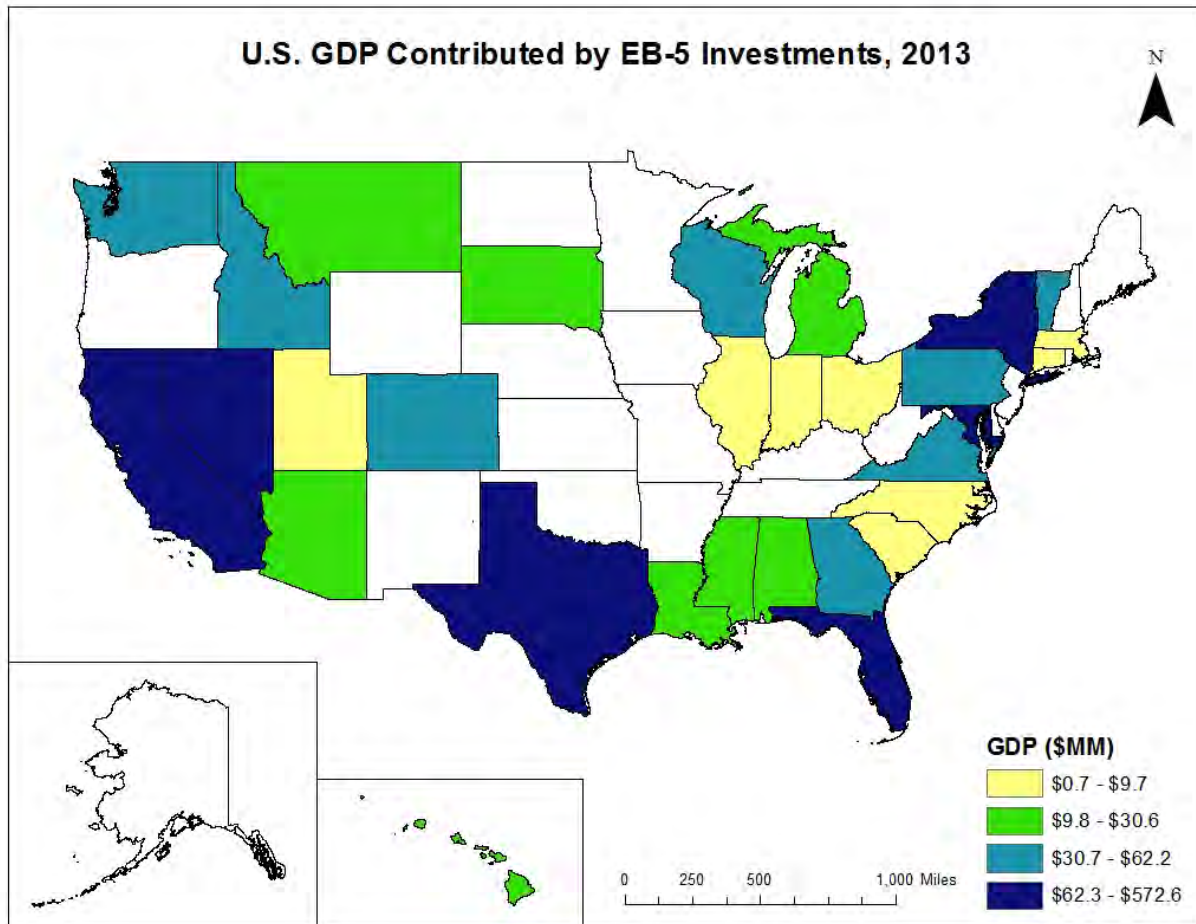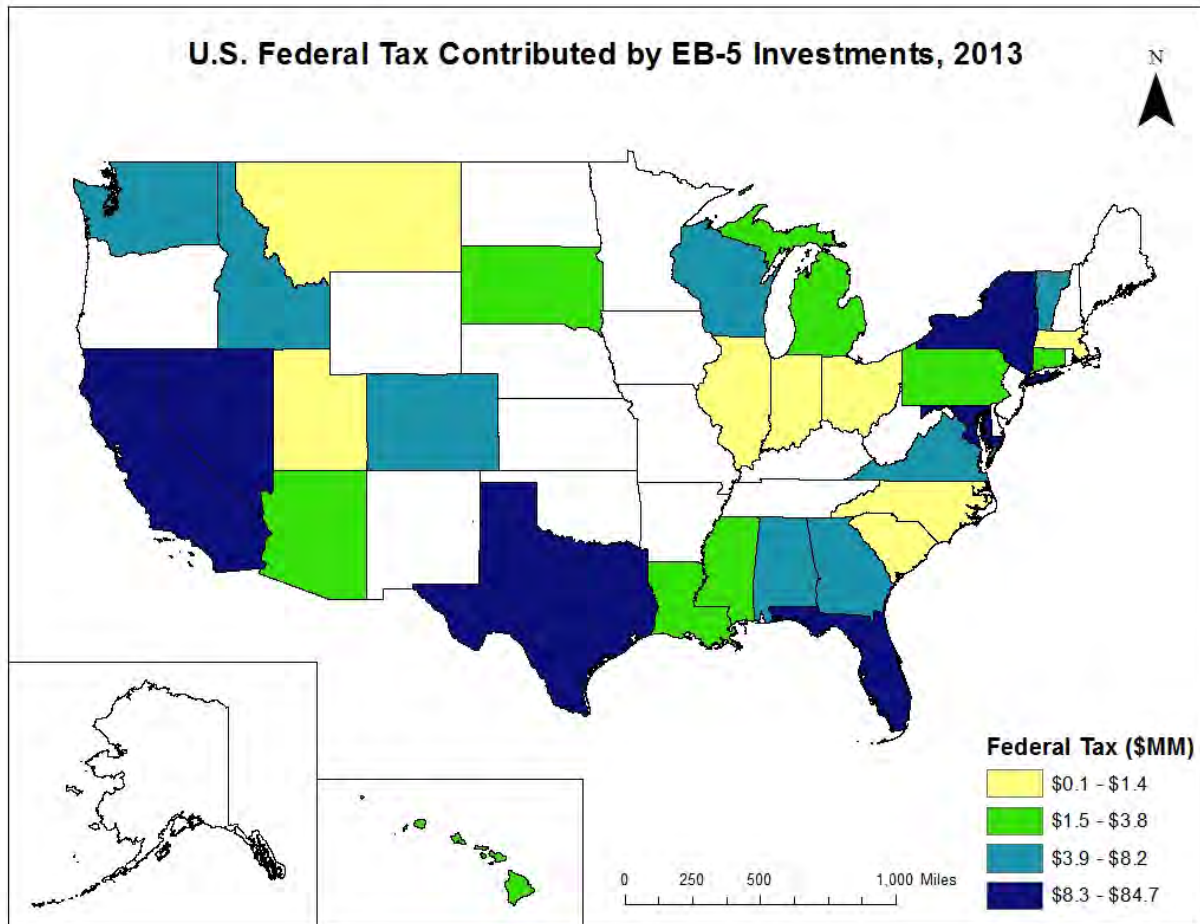
Congressional District-level Impacts

Table CD2 contains the top 25 investment impacts from our congressional district models. These results are reported as impact totals that include direct, indirect and induced effects. Because congressional district results are scaled to account for leakage from domestic imports, these results should be interpreted as economic impacts to each congressional district, plus impacts to the rest of the state because of domestic imports from each congressional district.
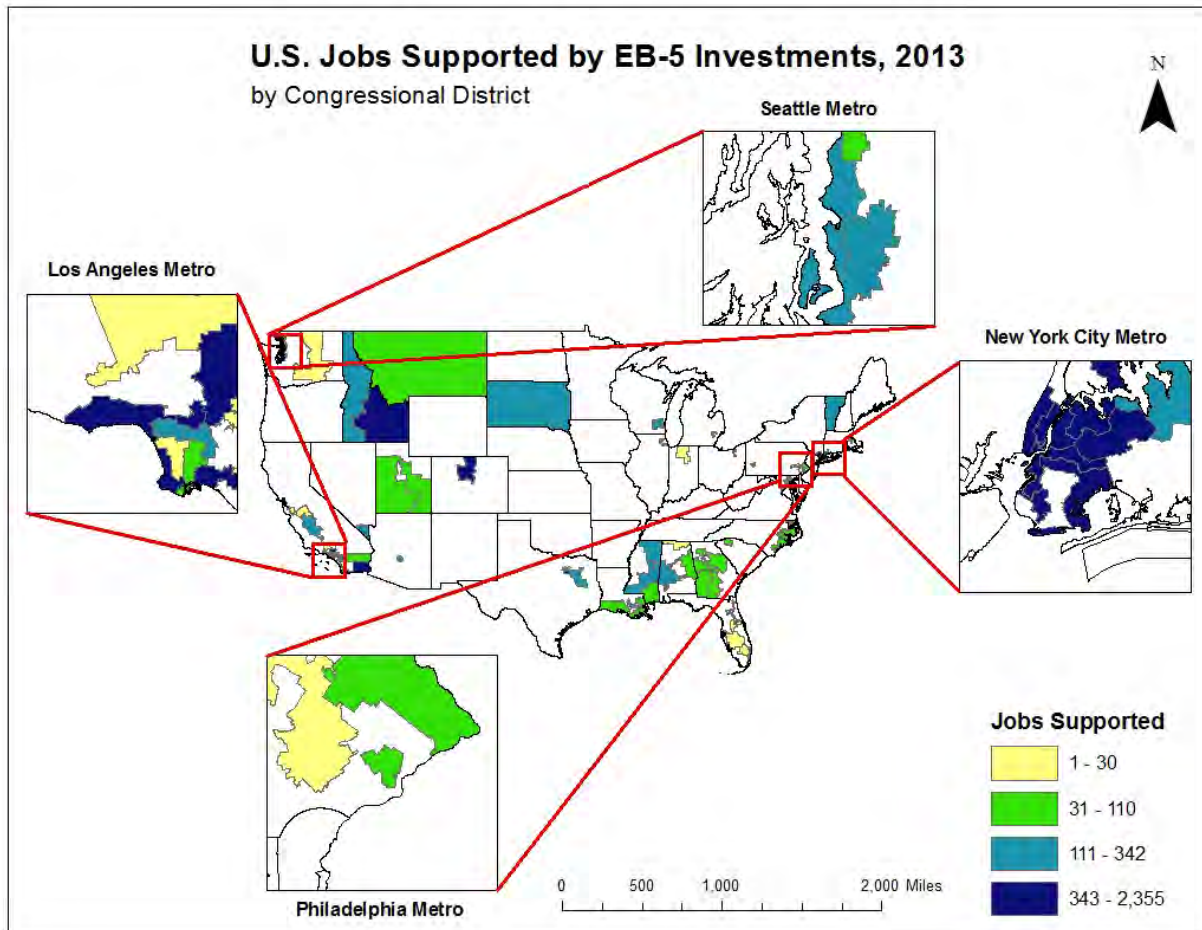
California's 34th Congressional District, New York's 7th Congressional District, Nevada's 1st Congressional District, and Texas' 30th Congressional District top the list of districts with the largest level of investment. As such, it is no surprise that these districts are associated with the largest number of employment impacts. Over 8,100 U.S. jobs were supported in these districts alone during FY2013. To illustrate the distribution of investment impacts across districts we have provided the following 3 maps to visualize jobs supported, contribution to GDP, and federal tax revenue by Congressional District.

CD2: Top 25 Employment Impacts by Congressional District, 2013

Investment impacts scaled to match with corresponding state totals

Congressional District	Direct Investment	Jobs Supported*	Contribution to GDP	Tax Revenue	
				Federal	State & Local
CA34	$149,000,000	2,355	$201,642,500	$26,234,229	$15,424,043
NY07	$122,500,000	2,111	$182,071,957	$29,829,760	$19,629,649
NV01	$108,000,000	1,864	$142,549,299	$20,555,089	$9,034,779
TX30	$116,145,833	1,798	$139,220,441	$21,345,077	$4,628,222
FL22	$95,000,000	1,728	$113,642,975	$18,031,930	$6,650,560
MD02	$112,857,143	1,722	$152,346,082	$23,734,353	$13,799,288
DC01	$110,142,857	1,584	$173,836,587	$21,083,542	$11,836,560
CA33	$96,300,000	951	$111,653,447	$17,566,824	$10,101,564
NY12	$63,458,333	749	$86,190,620	$10,066,126	$5,111,177
NY08	$40,833,333	744	$53,329,946	$9,071,659	$6,368,534
NY14	$40,833,333	738	$62,248,649	$10,799,322	$7,216,672
VA11	$40,833,333	736	$51,268,721	$8,255,387	$3,854,390
ID02	$58,750,000	704	$55,192,523	$7,098,045	$4,208,879
NY17	$40,833,333	703	$63,585,934	$10,635,873	$7,300,756
CO02	$35,000,000	627	$44,328,722	$7,006,200	$3,045,773
CA27	$33,500,000	586	$49,551,511	$9,420,523	$5,124,176
CA51	$34,333,333	568	$48,799,557	$7,654,886	$4,891,711
TX32	$30,625,000	502	$37,569,959	$5,840,028	$1,405,230
NY10	$40,833,333	486	$55,616,369	$7,046,335	$3,561,990
FL21	$23,500,000	428	$28,142,113	$4,838,923	$1,682,302
CA47	$23,600,000	420	$40,003,177	$6,450,388	$3,850,968
WI04	$23,625,000	404	$29,102,084	$4,245,519	$1,923,726
FL23	$17,727,273	376	$19,738,560	$3,609,102	$1,654,761
NY06	$21,625,000	348	$28,209,552	$5,132,226	$3,197,808
AL07	$24,000,000	342	$23,625,646	$3,204,734	$1,174,651

*Sorted by Jobs Supported.

U.S. Jobs Supported by EB-5 Investments, 2013
by Congressional District

Seattle Metro

Los Angeles Metro

New York City Metro

Philadelphia Metro

Jobs Supported

- 1 - 30
- 31 - 110
- 111 - 342
- 343 - 2,355

0   500   1,000   2,000 Miles

U.S. GDP Contributed by EB-5 Investments, 2013
by Congressional District

Seattle Metro

Los Angeles Metro

New York City Metro

Philadelphia Metro

GDP ($MM)

$0.1 - $2.5

$2.6 - $8.9

$9.0 - $27.9

$28.0 - $201.6

0   500   1,000   2,000 Miles

U.S. Federal Tax Contributed by EB-5 Investments, 2013
by Congressional District

Seattle Metro

Los Angeles Metro

New York City Metro

Philadelphia Metro

N

Federal Tax ($MM)

- $0.02 - $0.37
- $0.38 - $1.4
- $1.5 - $4.2
- $4.3 - $29.8

0   500   1,000   2,000 Miles

Economic Impacts of EB-5 Household Spending

In this section we discuss economic impacts associated with EB-5 household spending. Since we've analyzed household spending at the national, state, and congressional district levels, we divide our discussion accordingly.

National Impacts

Household spending represents a permanent impact to the U.S. economy. Since households are expected to spend their income year after year, it is possible to calculate the present value of household expenditures, and use this as an input into the IMPLAN model. Obviously, this would generate a much larger impact to the U.S. economy. However, because input-output models are based on production undertaken at a fixed price level and a fixed level of technology, long-term projections must be undertaken with precaution. We prefer to adopt a more conservative approach and focus only on impacts that occur in FY2013 (see Table 16).

According to our estimates, spending associated with EB-5 households contributed $435 million to U.S. GDP and supported over 5,200 U.S. jobs during FY2013. Household spending also contributed $59 million to federal tax revenues and $41 million to state and local government tax revenues. These results are impact totals that include direct, indirect and induced effects. For all indicators, this represents more than a 10% increase from the annual impact results reported in FY2012 (see Table 16).

Table 17 shows the top-10 industries impacted by EB-5 household spending. Restaurants top the list at 418 U.S. jobs supported. Real estate establishments and hospitals come in second with 391 U.S. jobs supported.

Table 16: Economic Impacts of EB-5 Household Spending, 2013

Summary of National IMPLAN model (Direct HH Spending = $369 million)

Impact Type	Jobs Supported	Contribution to GDP	Tax Revenue	
			Federal	State & Local
Direct Effect	2,515	$186,316,226	$25,672,892	$20,275,110
Indirect Effect	1,182	$117,784,926	$15,949,909	$8,809,630
Induced Effect	1,556	$131,816,067	$17,893,813	$12,423,778
Total Effect	5,252	$435,917,220	$59,516,612	$41,508,518
% Change from 2012	11.6%	13.6%	26.9%	8.9%

Table 17: Total Economic Impacts of EB-5 HH Spending, 2013

Top ten impacted sectors by employment (National Model)

Sector	Description	Jobs Supported	Contribution to GDP
501	Full-service restaurants	229	$5,953,701
502	Limited-service restaurants	209	$7,430,635
440	Real estate	198	$27,339,448
482	Hospitals	193	$15,556,304
395	Wholesale trade	162	$24,719,577
400	Retail - Food and beverage stores	131	$5,693,088
485	Individual and family services	127	$2,857,994
405	Retail - General merchandise stores	126	$5,549,988
475	Offices of physicians	120	$10,254,391
464	Employment services	113	$4,543,602

State-level Impacts

Table 18 contains impact results for our state-level models. These results are totals that include direct, indirect and induced effects. Because state models are scaled to account for leakage from domestic imports, state-level results should be interpreted as economic impacts to each state, plus impacts to the rest of the country because of domestic imports from those states.

California, New York, Florida, Texas, New Jersey, and Illinois top the list of states with the largest level of EB-5 household spending. As such, it is no surprise that these states are also associated with the largest number of employment impacts. During FY2013 over 3,100 jobs were supported in these states alone. To illustrate the distribution of household spending impacts across states we have provided the following 3 maps to visualize jobs supported, contribution to GDP, and federal tax revenue by state.

Table 18: Total Economic Impacts of HH Spending by State, 2013

Scaled to match National IMPLAN model

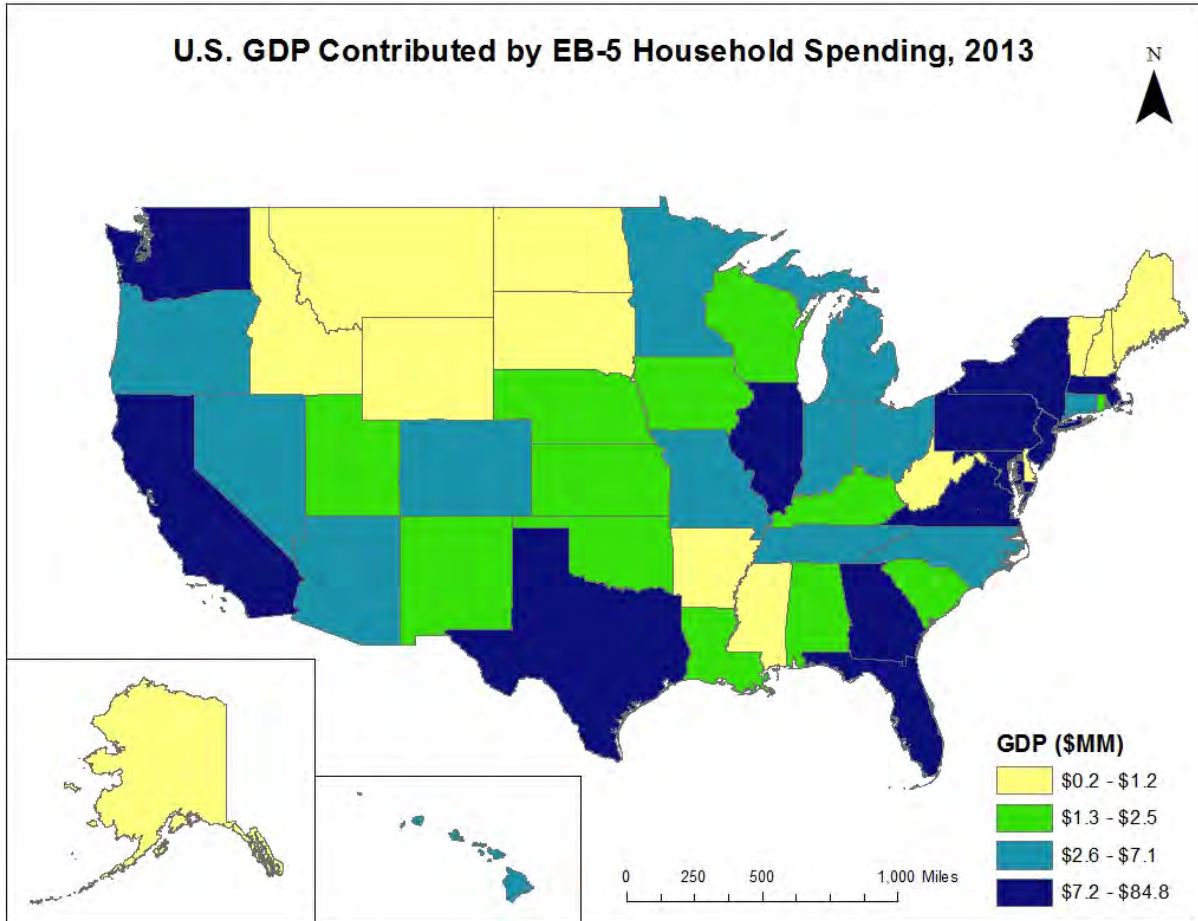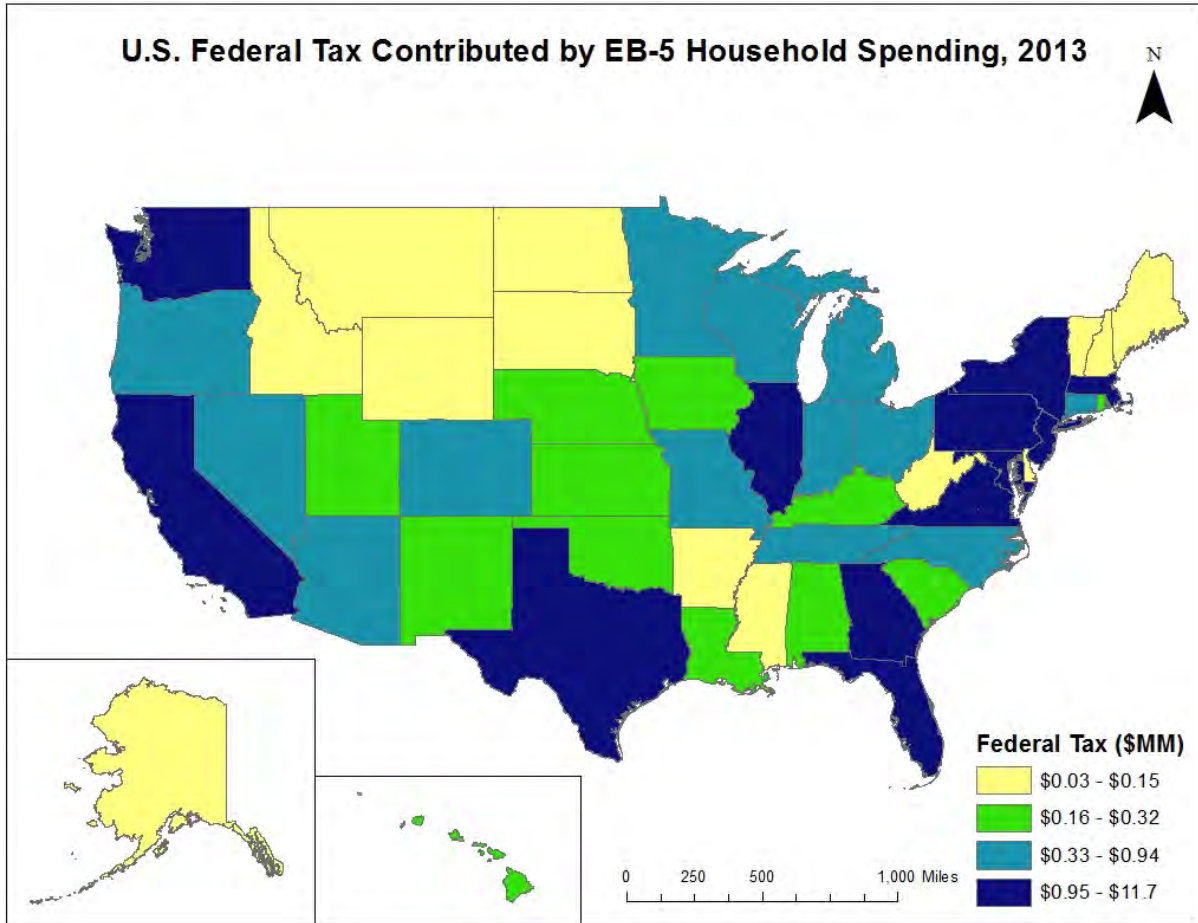| State	Direct HH Spending	Jobs Supported*	Contribution to GDP	Tax Revenue	
				Federal	State & Local
CA	$71,492,617	965	$84,830,989	$11,669,596	$8,800,348
NY	$49,809,894	656	$64,341,373	$8,634,164	$7,279,305
FL	$38,387,583	562	$42,937,015	$5,944,386	$3,809,769
TX	$34,563,631	509	$39,745,790	$5,426,297	$3,198,656
NJ	$19,814,686	272	$24,184,780	$3,617,103	$2,178,938
IL	$13,446,771	195	$16,239,325	$2,204,168	$1,511,290
MA	$11,023,134	157	$13,926,256	$1,979,745	$1,052,208
VA	$10,419,274	152	$11,835,829	$1,653,627	$1,056,529
PA	$9,249,178	140	$10,858,655	$1,495,435	$936,360
GA	$9,125,128	139	$10,307,909	$1,327,958	$860,131
MD	$9,487,966	135	$11,436,424	$1,587,325	$1,085,156
WA	$8,606,203	116	$9,891,004	$1,408,372	$1,036,294
NC	$6,298,048	97	$7,104,663	$923,085	$599,776
MI	$6,355,417	96	$7,059,886	$944,981	$675,045
AZ	$6,036,909	87	$7,032,246	$924,109	$704,562
OH	$5,188,301	80	$5,892,811	$764,646	$525,558
MN	$4,801,622	74	$5,464,913	$764,956	$527,915
CO	$4,178,390	59	$4,831,626	$652,411	$418,650
CT	$4,132,570	57	$5,239,879	$792,829	$495,177
NV	$3,723,166	51	$4,287,567	$574,820	$443,217
TN	$3,162,146	46	$3,833,469	$474,001	$328,645
IN	$2,896,910	45	$3,302,803	$427,374	$295,440
OR	$2,711,766	42	$2,966,214	$401,300	$219,531
MO	$2,404,061	37	$2,730,748	$353,183	$234,178
WI	$2,244,994	36	$2,534,045	$336,813	$228,920
UT	$2,090,397	32	$2,289,804	$302,050	$203,954
HI	$2,359,731	32	$2,678,844	$323,930	$270,355
KY	$1,962,249	31	$2,143,028	$273,272	$194,611
KS	$1,903,017	29	$2,096,324	$276,498	$201,995
OK	$1,771,889	27	$1,948,748	$257,317	$165,686
LA	$1,662,740	25	$1,859,980	$231,861	$187,955
NE	$1,583,020	25	$1,805,384	$230,437	$148,631
IA	$1,569,609	25	$1,797,184	$224,954	$154,441
SC	$1,629,585	24	$1,791,899	$222,424	$163,647
AL	$1,473,870	23	$1,540,859	$196,944	$145,382
NM	$1,405,326	22	$1,507,141	$192,334	$153,865
RI	$1,283,511	19	$1,585,190	$219,946	$150,940
AR	$1,120,718	18	$1,213,873	$155,643	$119,749
NH	$870,010	14	$1,010,672	$144,503	$71,643
ID	$830,150	14	$909,760	$119,082	$76,836
DC	$1,150,893	13	$1,500,298	$169,372	$133,114
DE	$906,517	13	$1,131,805	$136,675	$71,584
MS	$679,651	11	$706,679	$88,951	$79,641
SD	$498,977	8	$572,041	$72,103	$42,006
AK	$584,285	8	$711,213	$83,882	$50,638
ME	$490,409	8	$558,701	$71,410	$56,464
ND	$500,094	8	$548,225	$74,753	$43,689
VT	$352,575	6	$391,346	$52,914	$38,841
WV	$323,518	5	$347,140	$45,037	$37,842
MT	$206,173	3	$213,631	$29,955	$18,066
WY	$234,858	3	$241,234	$37,681	$25,346
Total	**$369,004,135**	**5,252**	**$435,917,220**	**$59,516,612**	**$41,508,518**

*Sorted by Jobs Supported.

IIUSA ⟩ INVEST IN THE USA
CREATING JOBS THROUGH EB-5 INVESTMENT

U.S. Jobs Supported by EB-5 Household Spending, 2013

N

Jobs Supported

- 3 - 14
- 15 - 32
- 33 - 97
- 98 - 965

0   250   500   1,000 Miles

IIUSA · INVEST IN THE USA
CREATING JOBS THROUGH EB-5 INVESTMENT

U.S. GDP Contributed by EB-5 Household Spending, 2013

GDP ($MM)
- $0.2 - $1.2
- $1.3 - $2.5
- $2.6 - $7.1
- $7.2 - $84.8

0 250 500 1,000 Miles

U.S. Federal Tax Contributed by EB-5 Household Spending, 2013

Federal Tax ($MM)
- $0.03 - $0.15
- $0.16 - $0.32
- $0.33 - $0.94
- $0.95 - $11.7

0   250   500   1,000 Miles

Congressional District-level Impacts

Table CD3 contains the top 25 household spending impacts from our congressional district models. These results are impact totals that include direct, indirect and induced effects. Because congressional district results are scaled to account for leakage from domestic imports, these results should be interpreted as economic impacts to each congressional district, plus impacts to the rest of the state because of domestic imports from each congressional district.
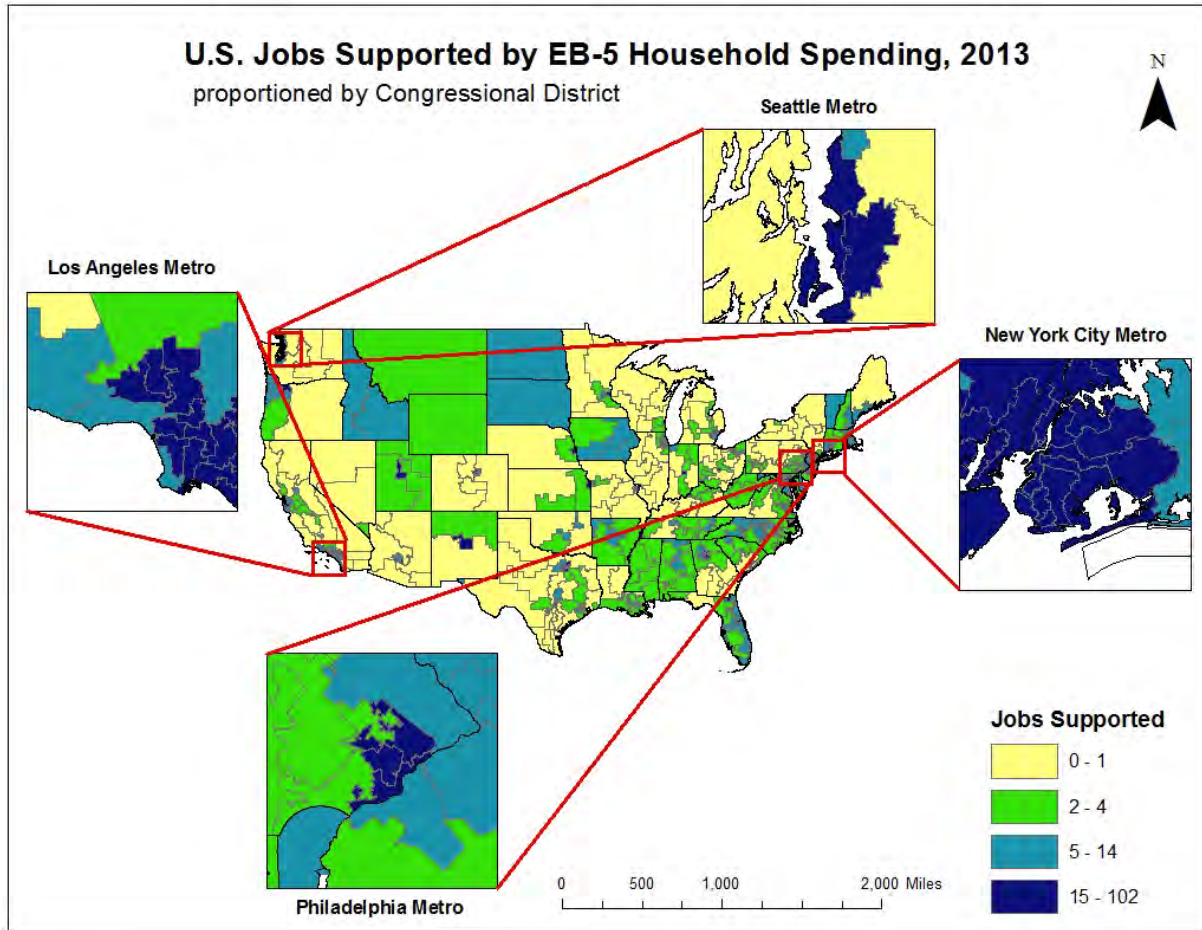
Since we assumed an urban settlement pattern for EB-5 immigrants, it's not surprising that household expenditures supported the most jobs in urban districts such as Florida's 24th Congressional District, New York's 13th Congressional District, New York's 15th Congressional District, New Jersey's 8th Congressional District, California's 34th Congressional District, and California's 12th Congressional District. Together EB-5 household spending in these districts supported over 530 local jobs. To illustrate the distribution of household spending impacts across districts we have provided the following 3 maps to visualize jobs supported, contribution to GDP, and federal tax revenue by Congressional District.
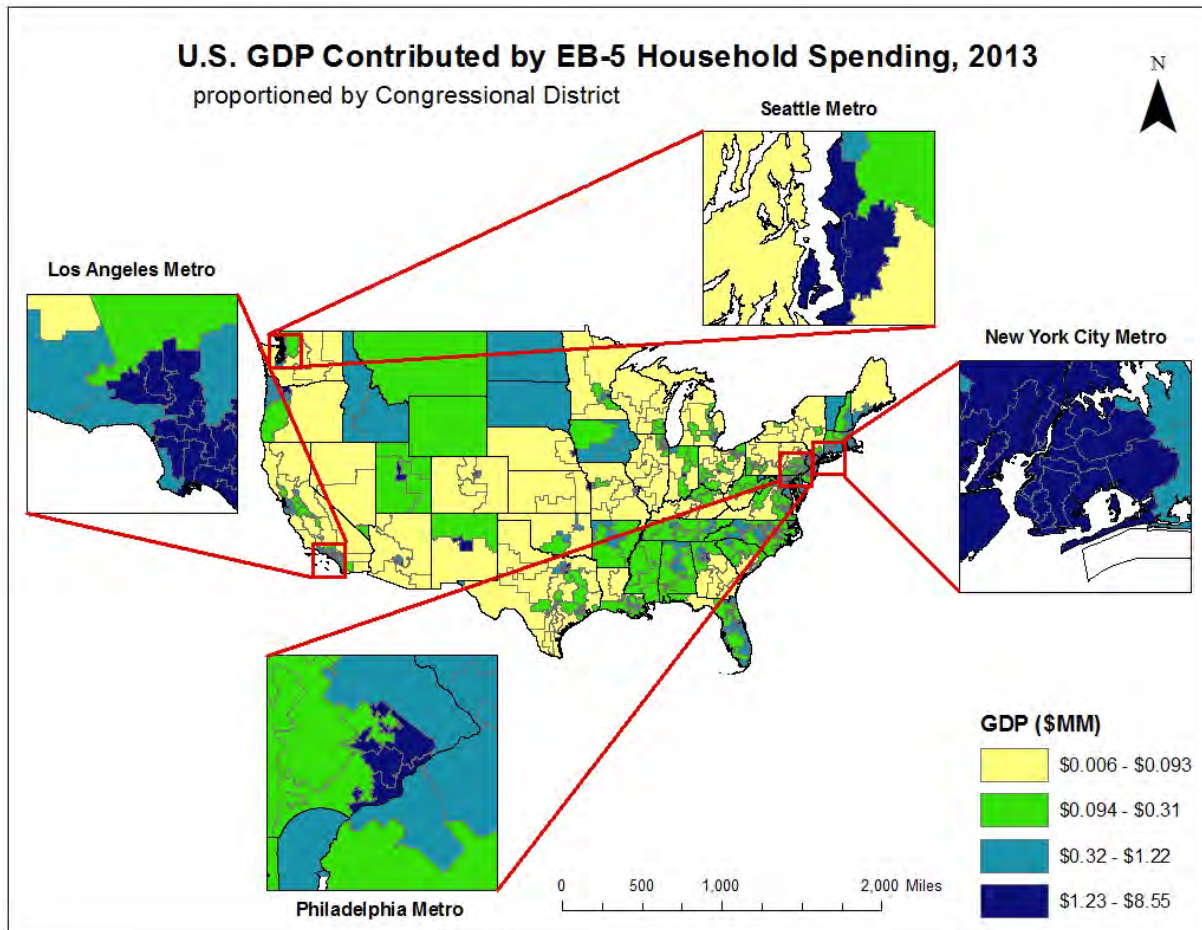
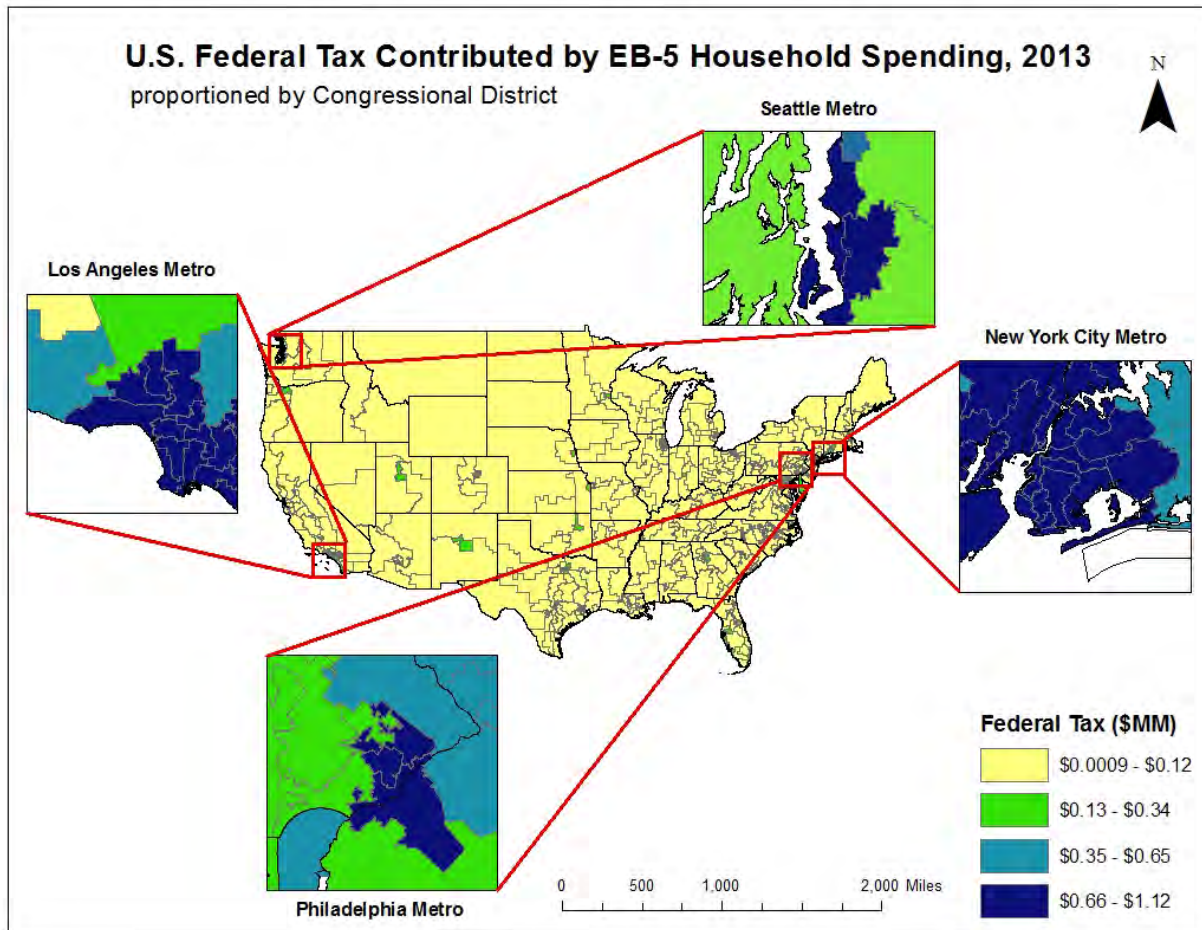**CD3: Top 25 Employment Impacts by Congressional District, 2013**

Household spending impacts scaled to match with corresponding state totals

Congressional District	Direct HH Spending	Jobs Supported*	Contribution to GDP	Tax Revenue	
				Federal	State & Local
FL24	$6,914,580	101.5	$7,874,601	$1,054,307	$666,819
NY13	$7,994,580	100.2	$5,576,208	$1,053,731	$1,020,938
NY15	$5,577,440	95.5	$3,735,584	$699,730	$849,122
NJ08	$6,142,221	83.0	$7,513,757	$1,106,788	$668,574
CA34	$5,880,478	78.8	$6,840,198	$838,664	$647,615
CA12	$7,188,435	78.0	$8,520,084	$1,063,578	$800,220
MA07	$5,986,437	77.8	$7,464,276	$969,998	$510,211
NY09	$5,230,885	71.5	$7,350,388	$936,967	$828,038
CA37	$5,072,212	68.7	$6,002,057	$737,738	$594,023
NY07	$5,026,287	66.5	$8,376,991	$1,120,290	$816,624
FL23	$4,378,882	64.3	$4,940,766	$765,872	$438,487
FL22	$4,242,725	61.7	$4,796,787	$636,399	$413,490
CA40	$4,859,177	61.4	$5,351,384	$722,129	$550,809
NJ10	$4,431,459	60.3	$5,448,562	$793,617	$483,305
VA08	$4,326,204	60.2	$5,054,115	$710,978	$444,157
FL13	$3,940,844	60.1	$4,443,135	$604,074	$413,778
TX09	$3,600,033	55.7	$4,348,208	$685,356	$357,797
NY10	$5,722,767	55.6	$8,550,743	$934,109	$659,541
CA43	$3,891,405	54.7	$4,715,511	$654,661	$486,452
CA46	$3,910,077	53.3	$4,774,771	$661,699	$458,310
TX07	$3,680,319	52.8	$4,280,435	$609,278	$332,769
WA07	$3,916,906	52.8	$4,631,630	$713,378	$462,269
NY12	$5,498,177	52.4	$8,422,383	$870,724	$616,957
FL27	$3,510,584	50.9	$4,015,344	$584,128	$340,890
VA11	$3,488,168	48.9	$3,886,127	$538,291	$346,793

*Sorted by Jobs Supported.

U.S. Jobs Supported by EB-5 Household Spending, 2013
proportioned by Congressional District

Seattle Metro

Los Angeles Metro

New York City Metro

Jobs Supported
0 - 1
2 - 4
5 - 14
15 - 102

0   500   1,000   2,000 Miles

Philadelphia Metro

N

U.S. GDP Contributed by EB-5 Household Spending, 2013
proportioned by Congressional District

Seattle Metro

Los Angeles Metro

New York City Metro

Philadelphia Metro

GDP ($MM)
- $0.006 - $0.093
- $0.094 - $0.31
- $0.32 - $1.22
- $1.23 - $8.55

0   500   1,000   2,000 Miles

U.S. Federal Tax Contributed by EB-5 Household Spending, 2013
proportioned by Congressional District

Seattle Metro

Los Angeles Metro

New York City Metro

Philadelphia Metro

N

Federal Tax ($MM)

- $0.0009 - $0.12
- $0.13 - $0.34
- $0.35 - $0.65
- $0.66 - $1.12

0   500   1,000   2,000 Miles

Economic Impacts of Other EB-5 Spending

Economic impacts associated with spending on other immigration services are summarized in Table 19. These expenditures include spending on flights, moving services, automobiles, investment services, legal services, and government fees during FY2013. Because we have no basis for modeling these impacts at a state or district level, impacts are only estimated at the national level. According to our estimates, spending associated with these services contributed $568 million to U.S. GDP and supported over 5,800 U.S. jobs during FY2013. Spending on these services also contributed $79 million to federal tax revenues and $44 million to state and local government tax revenues. These results are impact totals that include direct, indirect and induced effects. For all indicators, this represents more than a 15% increase from the annual impacts reported in 2012 (see Table 19).

Table 20 breaks out total impacts by spending type, including investor/legal fees, moving expenses, and government fees. The moving expense category includes impacts associated with spending on flights, moving services, and automobiles. It's interesting to note that over 4,400 U.S. jobs were supported from investment and legal service fees paid by EB-5 investors.

Table 21 shows the top 10 industries impacted by spending on these services. Given the substantial investment service and attorney fees incurred by investors during the immigration process, it's not surprising that the legal and investment service industries top the list with over 1,700 U.S. jobs supported. Again, these results are impact totals that include direct, indirect and induced effects.

Table 19: Economic Impacts of Other EB-5 Spending, 2013

Summary of National IMPLAN model (Direct Other Immigration Costs = $395 million)

Impact Type	Jobs Supported	Contribution to GDP	Tax Revenue	
			Federal	State & Local
Direct Effect	2,080	$232,577,617	$33,511,973	$16,544,422
Indirect Effect	1,555	$148,621,195	$20,896,288	$9,864,587
Induced Effect	2,216	$187,773,979	$25,491,249	$17,699,400
Total Effect	5,851	$568,972,791	$79,899,510	$44,108,408
% Change from 2012	17.8%	19.2%	31.0%	17.6%

Table 20: Total Economic Impacts of Other EB-5 Spending, 2013

Summary of National IMPLAN model (Direct Other Immigration Costs = $395 million)

Expense Type	Jobs Supported	Contribution to GDP	Tax Revenue	
			Federal	State & Local
Invstor/Legal Fees	4,477.3	$427,691,842	$60,463,682	$31,367,569
Moving Expenses	1,219.0	$124,543,272	$17,035,091	$11,670,145
Government Fees	155	$16,737,677	$2,400,739	$1,070,692
Total	5,852	$568,972,791	$79,899,512	$44,108,406
% Change from 2012	17.8%	19.2%	31.0%	17.6%

Table 21: Total Economic Impacts of Other EB-5 Spending, 2013

Top ten impacted sectors by employment (National Model)

Sector	Description	Jobs Supported	Contribution to GDP
447	Legal services	1,244	$159,981,020
436	Other financial investment activities	529	$32,568,954
440	Real estate	239	$32,996,236
411	Truck transportation	222	$14,410,979
464	Employment services	178	$7,178,045
395	Wholesale trade	143	$21,867,367
501	Full-service restaurants	140	$3,624,154
396	Retail - Motor vehicle and parts dealers	137	$13,144,852
502	Limited-service restaurants	108	$3,837,283
435	Securities and commodity contracts inter	99	$4,454,093

Discussion and Conclusion

Study Comparison

The 2010 USCIS report estimated that, between 2001 and 2006, the EB-5 program supported approximately 2,000 U.S. jobs annually, contributed $117 million to U.S. GDP each year, generated $17 million annually in federal tax revenue, and created an additional $10 million each year in state & local government tax revenue.

However, after averaging our 4-year impact series we estimate that, between 2010 and 2013, EB-5 spending supported over 29,000 U.S. jobs each year and contributes $2.4 billion annually to U.S. GDP. Likewise, EB-5 spending generated $328 million annually in federal tax revenue and created an additional $192 million each year in state & local government tax revenue (see Table 22). This is clearly a much larger impact than previously estimated, but is not unreasonable given the program's recent growth trend and the conservative assumptions adopted by this study.

Furthermore, if the sample used by the USCIS study was not representative, it is possible that results were biased. However, it is difficult to determine whether this is the case since we don't have access to the original sample. It is also difficult to determine the direction and magnitude of any bias in the original sample because the previous analysts were never able to compare their sample against a population of EB-5 investor data.[20] It is assumed that the results in this study are more reliable and accurate since they are based on a complete population of investor data.

Assuming the results from the original study were not under or over-estimated to a large extent, we can look at recent approval trends to see what portion of our result is attributable to increased investment activity and what portion is attributable to the inclusion of additional spending categories. Table 23 shows recent growth trends in approved I-526 forms and Regional Center visas. From this table it is clear that an increase in investment activity is responsible for the large increase in economic impact results. For example, between 2006 and 2013 the number of approved I-526 forms grew by a factor of 11, and the number of approved Regional Center visas grew by a factor of 105.[21] This level of growth implies a much greater level of investment activity, which in turn, generates a much larger impact on the U.S. economy.

However, our results are also larger because we have included additional spending categories, such as household spending and other immigration expenses. The original study only estimated impacts for investment spending. Thus, a direct comparison between these sets of results will not yield an accurate measure of investment growth. In order to know what percent of the difference is due to increased investment activity we must decompose our results.

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[20] IFC International (2010). *Study of the United States Immigrant Investor Pilot Program (EB-5)*.

[21] I-526 counts obtained from USCIS (FY2008-2015).

Table 24 illustrates the difference in annual impact results between the two studies and decomposes the difference into the portion attributable to investment spending and the portion attributable to other spending categories (i.e. household spending and other immigration expenses). For instance, the USCIS study estimated annual investment spending at $42 million, while our study estimates annual investment spending at $1.3 billion. However, if household spending and other immigration expenses are also included then our annual spending estimate increases to $1.8 billion. The column labeled *Increase Factor* shows the increase in annual averages between the two studies for investment spending only and for all spending combined. The final column then compares the % difference in these increase factors to determine what percent of the difference is attributable to increased investment activity and what percent is attributable to other spending categories. Following this methodology, we determine that 32.5% of the difference in direct spending is due to the inclusion of additional spending categories (i.e. household spending and other immigration expenses) and that 67.5% of the difference is attributable to an increase in investment activity (i.e. increased number of investors).

This same exercise is repeated for the increase in economic impacts related to the program, including the impact on GDP, tax revenue, and employment. In the case of GDP, 68% of the increase is due to increased investment activity, while 32% of the difference is due to the inclusion of other spending categories. For federal tax revenue, 70% of the increase is due to increased investment activity, while 30% of the difference is due to the inclusion of other spending categories. For state & local tax revenue, 64% of the increase is due to increased investment activity, while 36% of the difference is due to the inclusion of other spending categories. And finally, for employment 72% of the increase is due to increased investment activity, while 28% of the difference is due to the inclusion of other spending categories. In summary it appears that roughly 70% of the difference in study results are due to an increase in investment activity. This seems to be the major theme for the EB-5 Regional Center program in recent years. Economic impacts are increasing because more and more investors are participating in the program (see Figure 3).

Projections

Furthermore, we've also scale these results to show potential impacts that may occur when the current visa limit is reached (10,000 visas/year) or increased (20,000 visas/year). To do so, we simply divided our 4-year impact totals by the number of visas issued between 2010 and 2013 (17,284) to derive average impacts per visa.[22] This average is then multiplied by a 10,000 visa limit and a 20,000 visa limit to predict the impact level associated with these thresholds (see Table 22).

It's important to note that a linear projection technique is valid for predicting economic impact results since the underlying production function is also linear. However, this procedure assumes that inflation, economic structure, and investor spending patterns all remain constant. It also assumes that the program's rules and regulations do not change. Given the fact that the program already hit its annual visa limit in 2014, these are probably not unreasonable, short-run assumptions. However, in the long-run these assumptions may be less valid. For example, if Congress were to change the minimum

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[22] Visa counts obtained from *Tables 5 & 6* of the State Department's Visa Office Report (2010-2013).

investment threshold, then a linear projection technique may not make sense. In this case, it may be better to undertake an entirely new estimation process.

With those caveats in mind, Table 22 and Figure 1 show our projected impact results. If current conditions remain unchanged, spending associated with EB-5 investor households will support nearly 68,000 U.S. jobs and contribute $5.6 billion to U.S. GDP when the 10,000 visa limit is reached. At the 20,000 visa limit, EB-5 investor spending will support nearly 136,000 U.S. jobs and contribute $11.1 billion to GDP (see Figure 1). Since the program reached its annual visa limit in FY2014, it will be interesting to compare these projections with actual impact results when our fourth report is released.

EB-5 Capital Stack and the Economic Contribution of the EB-5 Program

EB-5 investor funding represents but one source of financing typically found in the capital stack of a development project. Other sources of financing may also including traditional construction loans, developer equity, tax credits, and other sources of domestic investment. However, during a time when traditional sources of financing have become difficult to secure, EB-5 capital has become an increasingly important source of construction funding for at least two reasons. First, since EB-5 investors are primarily motivated to obtain a residency visa, they may be willing to accept below market returns so long as their initial capital is returned and the investment creates sufficient jobs to qualify for permanent residency. Second, EB-5 financing is flexible. It can take the form of equity or debt in order to fill any gap in the development finance package. Given these characteristics, it's not hard to see why EB-5 capital has become known for its ability to catalyze larger investment pools. Even local governments have started leveraging EB-5 financing as a way to fund large-scale infrastructure projects (Calderon and Friedland, 2015).

As such, there has been increased interest in understanding the economic contribution of the entire EB-5 capital stack. Still, it's been difficult to measure the full economic contribution of the EB-5 capital stack because of a lack of readily available data on EB-5 project costs. Consequently, most program-wide evaluations have been focused solely on the economic impacts attributable to the EB-5 investor's portion of the capital stack.

However, for this year's report IIUSA has made available their preliminary database of regional center project costs. The database is collected primarily through an annual survey administered by IIUSA to its regional center members and includes data on total costs and sources of financing by project, including the portion of each project that is funded through EB-5 investor capital. The survey is a new initiative and still requires a sample strategy designed to draw a representative dataset, but to-date IIUSA has collected complete cost information on 121 individual regional center projects.[23] Using this database we are able to calculate EB-5 investor funding as an average share of total project costs.

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[23] According to IIUSA project cost data collected by this survey does not include land costs. Because land costs are asset swaps they do not generate economic impacts beyond transaction costs and are typically not included in an analysis of economic impacts. Since land costs are not included in this survey all project costs can be applied to the multiplier matrix as a direct effect.

Based on this list, we estimate that the average share of EB-5 investor funding consists of approximately 34.5% of total project costs. This implies a total cost-to-EB-5 capital ratio of approximately 1.898:1. Assuming this ratio is representative of the average regional center project, we apply this figure to our initial estimate of economic impacts in order to derive a preliminary estimate of the total economic contribution associated with the entire EB-5 capital stack.

Before proceeding, please note that the domestic sources of funding within the EB-5 capital stack do not represent an increased level of investment in the same way as the foreign direct investment contributed by the investor immigrant. It is clear that the investor immigrant's portion of the capital stack represents new investment in the U.S. economy. However, the domestic portion of the capital stack is derived from funding that would have likely been invested in the U.S. economy with or without the EB-5 program. As such, the jobs and income supported by this domestic investment aren't considered *economic impacts* because they don't stem from new investment. In this case, it is better to refer to these effects as an *economic contribution*. An **economic impact** typically refers to a marginal increase in jobs or income associated with new investment, whereas an **economic contribution** refers to jobs or income supported by existing levels of investment. Applying this terminology to the EB-5 program, the jobs and income supported by the investor immigrant's capital may be referred to as an economic impact, while the jobs and income supported by domestic sources of financing may be referred to as an economic contribution. In cases where new and existing levels of investment are mingled the term *economic contribution* is preferred.

Finally, it is also important to acknowledge that the economic contribution of the EB-5 capital stack is still a preliminary estimate because IIUSA must still determine if their sample is statistically representative of the average regional center project. In addition, the economic contribution of the full capital stack is only estimated at the national level because we don't know the geographic location of each project in the database. As IIUSA continues to builds this database across all regional center projects the sample should become more robust and allow for more precise estimation.

With that said, when we apply a total cost-to-EB-5 equity ratio of 1.898:1 to our initial impact estimates, the level of income and the number of jobs supported by the program nearly triples. For example, estimating the contribution of the full capital stack increases employment from 30,167 jobs supported to 87,424 jobs supported. Likewise, the capital stack's contribution to GDP increases from $2.576 billion to $7.467 billion (see Table 25). If impacts from household spending and other immigration expenses are added to this contribution, the number of jobs supported increases to 98,527 and the contribution to GDP increases to $8.472 billion (see Table 26). Although two-thirds of this contribution is attributable to domestic sources of investment, it is clear from these numbers that the EB-5 capital stack plays an important role in supporting a significant level of employment and income.

Conclusion

We believe the methodology and results outlined in this report provide a significant contribution to our understanding of the economic impact and contribution of the EB-5 Regional Center program. The study is updated, careful, and comprehensive; and results are based on a complete population of investment

records. As such, the report provides more reliable and detailed results than those produced by any previous study. Most importantly though, the report demonstrates the EB-5 Regional Center program's increasing contribution to U.S. capital markets and the U.S economy.

Table 22: Projected Economic Impact of EB-5 Spending, 2013

(State Dept. issued 17,284 EB5 regional center visas between FY2010-13)

Impacts (2010-13)	Jobs Supported	Contribution to GDP	Tax Revenue	
			Federal	State & Local
4-yr Total	**117,430**	**$9,623,180,850**	**$1,314,897,013**	**$768,725,058**
Annual Avg	29,357	$2,405,795,213	$328,724,253	$192,181,265
Per Visa	6.8	$556,768	$76,076	$44,476
10,000 Visa Limit	**67,941**	**$5,567,681,584**	**$760,759,670**	**$444,761,084**
20,000 Visa Limit	135,883	$11,135,363,168	$1,521,519,339	$889,522,168

*Please note that impacts/visa can be < 10 because there are multiple visas per investor household.

Table 23: Factor increase in approved forms

Year	Approved I-526s		Approved Visas	
	Count	Increase	Count	Increase
2006	336	-	68	-
2010	1,369	4.07	936	13.76
2011	1,571	1.15	2695	2.88
2012	3,677	2.34	6514	2.42
2013	3,699	1.01	7139	1.10
2006-2013		11.01		104.99

Source: USCIS and U.S. State Department.

Table 24: Increase in EB-5 Regional Center Investment Activity

| Annual Impact | USCIS Study (2001-2006) | Alward Institute (2010-2013) | | Increase Factor | | Due to ↑ |
		Investment	All Spending	Invstment	All	Investment
Initial Spending	$41,657,457	$1,387,625,000	$1,838,560,733	33.31	44.14	67.5%
GDP	$117,000,000	$1,827,339,441	$2,405,795,213	15.62	20.56	68.3%
Federal Tax	$17,000,000	$252,871,787	$328,724,253	14.87	19.34	70.0%
State/Local Tax	$10,000,000	$141,759,912	$192,181,265	14.18	19.22	64.4%
Jobs Supported	$2,000	22,867	29,357	11.43	14.68	71.6%

Table 25: Economic Impacts of Entire EB-5 Capital Stack, 2013

Summary of National IMPLAN model (Direct Investment = $5.790 billion)

| Impact Type | Jobs Supported | Contribution to GDP | Tax Revenue | |
			Federal	State & Local
Direct Effect	34,912	$2,626,438,954	$438,014,860	$141,248,436
Indirect Effect	21,384	$2,202,989,783	$307,922,440	$188,225,196
Induced Effect	31,127	$2,638,394,012	$358,124,758	$248,630,296
Total Effect	87,424	$7,467,822,749	$1,104,062,061	$578,103,928

Table 26: Impacts of Capital Stack and All Other Spending, 2013

Summary of National IMPLAN model (Direct All EB-5 Spending = $6.554 billion)

| Impact Type | Jobs Supported | Contribution to GDP | Tax Revenue | |
			Federal	State & Local
Direct Effect	39,508	$3,045,332,797	$497,199,725	$178,067,968
Indirect Effect	24,120	$2,469,395,904	$344,768,637	$206,899,413
Induced Effect	34,900	$2,957,984,059	$401,509,820	$278,753,474
Total Effect	98,527	$8,472,712,760	$1,243,478,183	$663,720,854

Figure 1: Projected Impacts of EB-5 Investor Spending
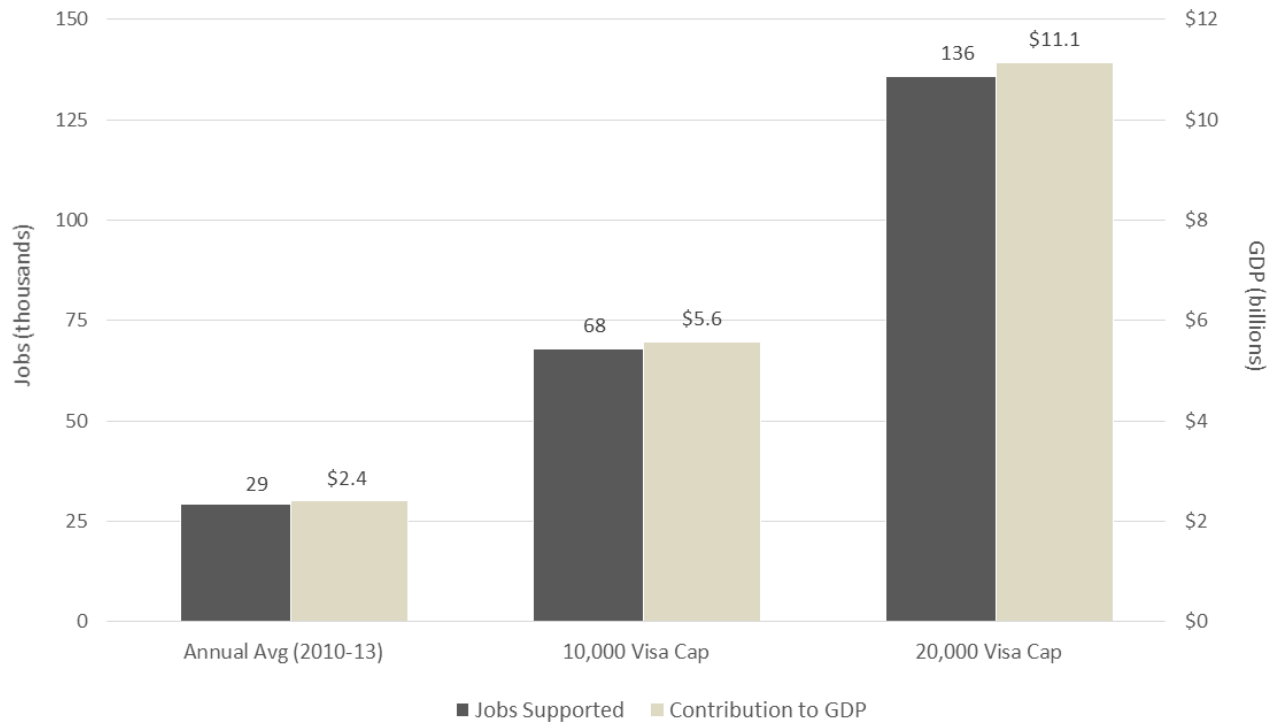
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Appendix 1: Real Estate Purchases

Another major expense an EB-5 household may incur when immigrating to the U.S. is the purchase of a new home. Although housing purchases represent large transactions, they are essentially asset swaps that do not generate economic impacts beyond those associated with real estate or mortgage finance charges. In addition, the operational costs associated with home ownership are already included in the household spending pattern discussed previously. As such, we don't typically estimate economic impacts for housing purchases. However, we can estimate the total value of homes purchased by EB-5 households (see Table H1).

To estimate the total value of home purchases we multiply our estimated household count by the homeownership rate in each state.[24] This produces an estimate of the number of homes purchased. In consultation with IIUSA, we assume $500,000 as the average purchase price paid by EB-5 households. We then multiply the number of home purchases by $500,000 to derive at a total home value by state. Following this method, we estimate that 1,500 homes were purchased by EB-5 households in 2013 for a total value of $750 million dollars (see Table H1). California, New York, Florida and Texas top the list with the highest number of home purchases.

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[24] American FactFinder (U.S. Census): 2013 American Community Survey (1-year estimates) – Selected Housing Characteristics.

Table H1: Estimated Home Purchases by EB-5 Households, 2013

State	Homeownership Rate	Household Count	Home Purchases	Housing Expenditure ($)
Alabama	0.68	9.83	6.68	$3,340,773
Alaska	0.635	3.90	2.47	$1,236,736
Arizona	0.621	40.25	24.99	$12,496,402
Arkansas	0.657	7.47	4.91	$2,454,373
California	0.538	476.62	256.42	$128,210,093
Colorado	0.645	27.86	17.97	$8,983,539
Connecticut	0.663	27.55	18.27	$9,132,979
Delaware	0.717	6.04	4.33	$2,166,576
DC	0.407	7.67	3.12	$1,561,378
Florida	0.648	255.92	165.83	$82,917,179
Georgia	0.627	60.83	38.14	$19,071,517
Hawaii	0.562	15.73	8.84	$4,420,563
Idaho	0.694	5.53	3.84	$1,920,414
Illinois	0.659	89.65	59.08	$29,538,074
Indiana	0.685	19.31	13.23	$6,614,610
Iowa	0.708	10.46	7.41	$3,704,277
Kansas	0.661	12.69	8.39	$4,192,982
Kentucky	0.674	13.08	8.82	$4,408,518
Louisiana	0.66	11.08	7.32	$3,658,027
Maine	0.702	3.27	2.30	$1,147,556
Maryland	0.665	63.25	42.06	$21,031,657
Massachusetts	0.615	73.49	45.19	$22,597,425
Michigan	0.706	42.37	29.91	$14,956,414
Minnesota	0.716	32.01	22.92	$11,459,870
Mississippi	0.672	4.53	3.04	$1,522,417
Missouri	0.67	16.03	10.74	$5,369,070
Montana	0.669	1.37	0.92	$459,767
Nebraska	0.66	10.55	6.97	$3,482,643
Nevada	0.543	24.82	13.48	$6,738,931
New Hampshire	0.702	5.80	4.07	$2,035,824
New Jersey	0.64	132.10	84.54	$42,271,329
New Mexico	0.679	9.37	6.36	$3,180,721
New York	0.537	332.07	178.32	$89,159,711
North Carolina	0.643	41.99	27.00	$13,498,816
North Dakota	0.648	3.33	2.16	$1,080,204
Ohio	0.661	34.59	22.86	$11,431,556
Oklahoma	0.655	11.81	7.74	$3,868,625
Oregon	0.608	18.08	10.99	$5,495,845
Pennsylvania	0.689	61.66	42.48	$21,242,279
Rhode Island	0.604	8.56	5.17	$2,584,135
South Carolina	0.682	10.86	7.41	$3,704,590
South Dakota	0.672	3.33	2.24	$1,117,708
Tennessee	0.664	21.08	14.00	$6,998,884
Texas	0.618	230.42	142.40	$71,201,079
Utah	0.692	13.94	9.64	$4,821,848
Vermont	0.71	2.35	1.67	$834,428
Virginia	0.656	69.46	45.57	$22,783,479
Washington	0.619	57.37	35.51	$17,757,465
West Virginia	0.723	2.16	1.56	$779,679
Wisconsin	0.672	14.97	10.06	$5,028,786
Wyoming	0.691	1.57	1.08	$540,956
Total		**2,460**	**1,500**	**$750,212,710**

Source: U.S. Department of Homeland Security | American Community Survey.

Appendix 2: Additional Tables

Table A1: NAICS to IMPLAN Sector Crosswalk, 2013

Industry Description	IMPLAN Sector	IMPLAN Capital Expenditure Pattern
Gold mining	24 Gold ore mining	2121All-Metal mining
Stone mining	30 Stone mining and quarrying	2123All-Nonmetallic minerals
Oil well	37 Drilling oil and gas wells	2111All-Oil and gas extraction
Electric power	42 Electric power generation - Fossil fuel	2211All-Electric and gas services
Electric power - solar	44 Electric power generation - Solar	2211All-Electric and gas services
Electric power - wind	45 Electric power generation - Wind	2211All-Electric and gas services
Hopsitals or health care facilities	52 Construction of new health care structures	2300All-Construction
Power line construction	54 Construction of new power and communication structures	2300All-Construction
School construction	55 Construction of new educational and vocational structures	2300All-Construction
Highway construction	56 Construction of new highways and streets	2300All-Construction
Commercial construction	57 Construction of new commercial structures	2300All-Construction
Multi-family construction	60 Construction of new multifamily residential structures	2300All-Construction
Single-family construction	61 Construction of other new residential structures	2300All-Construction
Meat processing and poducts	89 Animal, except poultry, slaughtering	3110All-Food and kindred products
Poultry processing	92 Poultry processing	3110All-Food and kindred products
Wineries	109 Wineries	3120All-Tobacco manufactures
Chemicals	165 Other basic organic chemical manufacturing	3250All Chemicals and allied products
Copper alloying	226 Copper rolling, drawing, extruding and alloying	3310All-Primary metal indsutries
Agriculture implements	263 Lawn and garden equipment manufacturing	3330All-Industrial machinery and equipment
Construction machinery manufacturing	264 Construction machinery manufacturing	3330All-Industrial machinery and equipment
Automobile manufacturing	343 Automobile manufacturing	3363All-Motor vehicles and equipment
Motor vehicle engine parts	350 Motor vehicle engine parts manufacturing	3363All-Motor vehicles and equipment
Surgical appliance manufacturing	380 Surgical appliance and supplies manufacturing	3391All-Instruments and related products
Taxi/Limo service	412 Transit and ground passenger transportation	4850All-Local and interurban passenger transportation
Warehouse storage	416 Warehousing and storage	4840All-Trucking and warehousing
Motion pictures	423 Motion picture and video industries	5120All-Motion pictures
Telemarketing	465 Business support services	5410All-Business services, excluding computer rentals
Fast-food restaurants	502 Limited-service restaurants	7200All-Eating and drinking places

Table A2: Domestic flight prices from travelocity, 2013

Departure: August 1st (prices as of 4/12/2013 @ 2pm)

Route	Economy Class			
	Price	Airline	Stops	Layover (mins)
DFW-BHM	$201.90	American	0	0
LAX-ANC	$223.50	Alaska Airlines	0	0
LAX-PHX	$78.90	Delta	0	0
DFW-LIT	$108.90	US Airways	0	0
California*	n/a	-	0	0
LAX-DEN	$128.90	Frointer	0	0
JFK-BDL	$716.79	Delta	1	59
JFK-ILM	$239.30	US Airways	1	59
DC*	n/a	-	0	0
Florida*	n/a	-	0	0
Georgia*	n/a	-	0	0
Guam*	n/a	-	0	0
LAX-HNL	$375.50	Delta	0	0
LAX-BOI	$189.80	Alaska Airlines	1	0
Illinois*	n/a	-	0	0
ORD-IND	$175.90	US Airways	0	0
ORD-DSM	$121.90	United	0	0
ORD-MCI	$244.90	United	0	0
ORD-SDF	$128.90	American	0	0
ORD-MSY	$105.90	Spirit	0	0
JFK-PWM	$150.90	JetBlue	0	0
Maryland*	n/a	-	0	0
Massachusetts*	n/a	-	0	0
ORD-DTW	$101.90	Delta	0	0
ORD-MSP	$83.90	Spirit	0	0
DFW-JAN	$167.90	American	0	0
ORD-MCI	$244.90	American	0	0
SEA-BIL	$148.90	Alaska Airlines	0	0
ORD-OMA	$260.90	United	0	0
LAX-LAS	$64.90	Spirit	0	0
JFK-MHT	$243.79	American	1	100
New Jersey*	n/a	-	0	0
LAX-ABQ	$182.90	United	0	0
New York*	n/a	-	0	0
ATL-CLT	$99.90	US Airways	0	0
ORD-FAR	$395.80	Delta	1	40
ORD-CVG	$472.90	Delta	0	0
DFW-TUL	$88.90	American	0	0
SEA-PDX	$82.90	Alaska Airlines	0	0
Pennsylvania*	n/a	-	0	0
Puerto Rico*	n/a	-	0	0
DCA-PVD	$122.80	US Airways	1	45
ATL-CAE	$163.30	US Airways	1	36
ORD-FSD	$429.90	United	0	0
ORD-BNA	$183.90	United	0	0
Texas*	n/a	-	0	0
LAX-SLC	$122.90	Delta	0	0
JFK-BTV	$111.90	JetBlue	0	0
Virginia*	n/a	-	0	0
Washington*	n/a	-	0	0
DCA-CRW	$258.90	US Airways	0	0
ORD-MKE	$81.90	United	0	0
LAX-CYS	$220.90	Frointer	1	58
Other*	n/a	-	0	0
Unknown*	n/a	-	0	0
Total				

*If large int'l airport present in state then domestic flight unnecessary.

Table A3: Prices for domestic moving service, 2013

August 1st (estimates obtained from Moving.com on 4/24/13)

City	State	Price
Birmingham	AL	$5,731.00
Anchorage	AK	$0.00
Phoenix	AZ	$3,167.00
Little Rock	AR	$5,078.00
Los Angeles	CA	$0.00
Denver	CO	$4,075.00
Hartford	CT	$6,830.00
Wilmington	DE	$6,500.00
DC	DC	$6,544.00
Miami	FL	$6,516.00
Atlanta	GA	$5,886.00
Guam		n/a
Honolulu	HI	$0.00
Boise	ID	$3,765.00
Chicago	IL	$5,615.00
Indianapolis	IN	$5,713.00
Des Moines	IA	$5,095.00
Kansas City	KS	$4,944.00
Louisville	KY	$5,732.00
New Orleans	LA	$5,413.00
Portland	ME	$6,974.00
Baltimore	MD	$6,527.00
Boston	MA	$6,870.00
Detroit	MI	$5,919.00
Minneapolis	MN	$5,281.00
Jackson	MS	$5,430.00
Kansas City	MO	$4,944.00
Billings	MT	$4,357.00
Omaha	NE	$4,943.00
Las Vegas	NV	$2,870.00
Manchester	NH	$6,867.00
Newark	NJ	$6,801.00
Albuquerque	NM	$3,762.00
New York	NY	$6,876.00
Charlotte	NC	$6,196.00
Fargo	ND	$5,124.00
Cincinnati	OH	$5,738.00
Tulsa	OK	$4,768.00
Portland	OR	$0.00
Philadelphia	PA	$6,537.00
Puerto Rico		n/a
Providence	RI	$6,836.00
Columbia	SC	$6,172.00
Sioux Falls	SD	$4,958.00
Nashville	TN	$5,548.00
Dallas	TX	$4,789.00
Salt Lake City	UT	$3,560.00
Burlington	VT	$6,647.00
Fairfax	VA	$6,385.00
Seattle	WA	$0.00
Charleston	WV	$6,035.00
Milwaukee	WI	$5,575.00
Cheyenne	WY	$4,152.00
Other		n/a
Unknown		n/a
Average		**$4,981.27**

Appendix 3: Congressional district weighting for household spending

In order to reflect an assumed urban bias in the settlement pattern of EB-5 households, the following weight is used to distribute a state's household spending estimate to each of its congressional districts:

$$w_i = \frac{\frac{1}{A_i}}{\sum_{i=1}^{n}\left(\frac{1}{A_i}\right)}$$

Where w_i is the weighting used to distribute a portion of a state's household spending estimate to a given congressional district i located within that state,

$i - n$ are the congressional districts within a given state,

A_i is the area in square miles of a given congressional district i

This particular weighting distributes a state's household spending estimate to each of its congressional districts in a manner that is inversely proportional to the congressional district's geographic size. The weighting is used to reflect an assumed urban bias in the settlement pattern of EB-5 households. The sum of weights assigned to congressional districts within a state is as follows:

$$\sum_{i=1}^{n} w_i = 1$$

Where w_i is the weighting used to distribute a portion of a state's household spending estimate to a given congressional district i located within that state,

$i - n$ are the congressional districts within a given state

Normalizing within-state weights so that they sum to 1 ensures that within-state Congressional District estimates sum to the total state spending estimate.