

VERMONT EMPLOYMENT GROWTH INCENTIVE (VEGI)

The State of Vermont offers incentives to encourage business recruitment, growth, and expansion through the Vermont Employment Growth Incentive program (VEGI). The VEGI program can provide a performance-based cash incentive for prospective job and payroll creation and capital investment that is beyond organic growth and which occurs because of the incentive. Companies must be authorized to earn the incentive through application to the Vermont Economic Progress Council (VEPC).

Once authorized, to actually earn the incentive each year the company must maintain or increase their base payroll, meet their payroll performance measure, and meet either their new qualifying job or their capital investment performance measure. The earned incentive is then paid out in five cash installments if the performance measures are maintained.

ESTIMATE OF PROJECTED DIRECT AND INDIRECT ECONOMIC ACTIVITY 2007-2020 (For all Active Applications Approved through December 31, 2015)

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|---|-----------------------|
| Total Full-time Job Creation (Direct and Indirect): | 7,842 |
| New Qualifying FT Jobs | (3,249) |
| New Non-Qualifying FT Jobs | (687) |
| New Indirect Jobs | (3,906) |
| Total Retained Full Time Jobs | 5,535 |
| Total Qualifying Full Time Payroll: | \$147.3 million |
| Weighted Average Wage (Full time jobs) | \$45,101 |
| Average Total Compensation (Full Time jobs) | \$55,242 |
| Average % of Health Care Premium Paid by Employer | 73% |
| Total Qualifying Capital Investments | \$687.4 million |
| Approximate Value of Vermont Biz-to-Biz Interaction | \$167 million/Year |
| Total Net Revenue Return to Vermont: | \$26.2 million |
| Total Net New Revenue/Qualifying Job | \$8,074 per job* |

PROJECTED/ACTUAL ECONOMIC ACTIVITY 2007-2013

| | <u>PROJECTED</u> | <u>ACTUAL</u> |
|--------------------------------------|-----------------------|-----------------------|
| New Qualifying Jobs | 2,166 | 3,897 |
| New Qualifying Payroll | \$100.8 million | \$242.6 million |
| New Capital Investments | \$443.8 million | \$623.4 million |
| Net Incentive Installments Paid: | \$11.9 m | \$10.4 m |
| Net Revenue Return to Vermont | \$14.7 million | \$36.6 million |
| Net New Revenue/New Qualifying Job | \$4,515 | \$9,390* |

***Note: These figures *do not* represent a cost per job. They show the net new tax revenue generated to Vermont per new qualifying job created.**