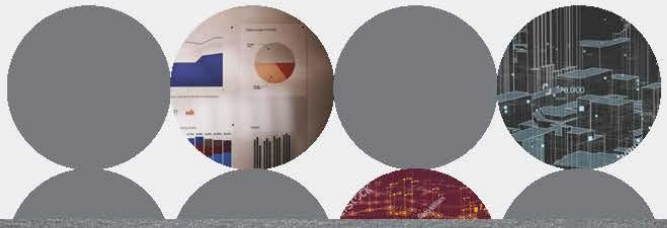
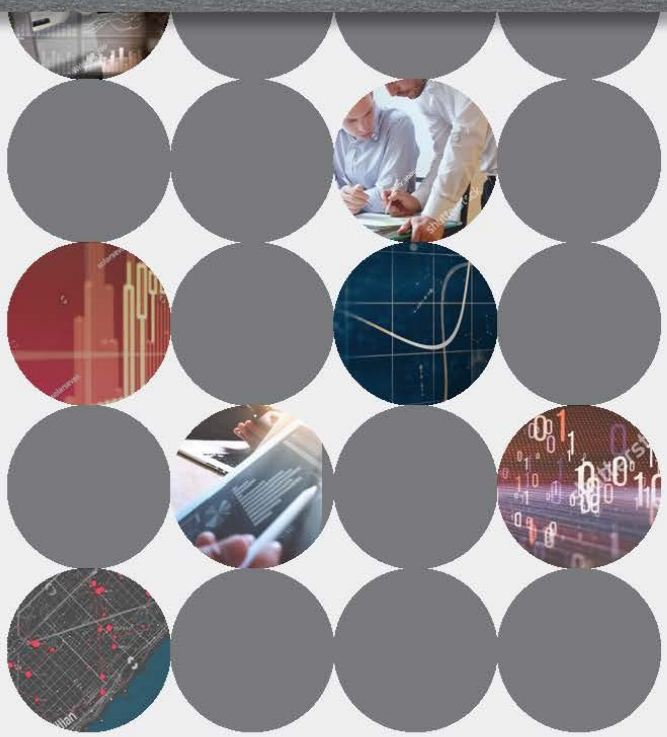
A collaboration among Geisinger Commonwealth School of Medicine, Johnson College, Keystone College, King's College, Lackawanna College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Hazleton, Penn State Scranton, Penn State Wilkes-Barre, Penn State Hazleton, The Wright Center for Graduate Medical Education, University of Scranton, Wilkes University, and the business community



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ARPA Economic Impact Analysis

City of Scranton

August 2026

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Introduction

The following analysis evaluates the economic effects of American Rescue Plan Act (ARPA) investments within the City of Scranton. Economic impact modeling was conducted using IMPLAN, an input-output modeling platform that measures how spending circulates throughout a regional economy. The analysis estimates the direct, indirect, and induced effects associated with grant-funded activities and quantifies their contribution to employment, labor income, economic output, value added, and tax revenues.

The purpose of the IMPLAN analysis is not simply to quantify spending but to understand how ARPA investments supported broader economic activity throughout the community. Accordingly, the results presented in this report should be viewed as estimates of the economic activity generated by grant-funded expenditures and the extent to which those expenditures supported local businesses, workers, households, and government revenues.

The findings are intended to provide insight into how public investments circulated through the regional economy, producing benefits that extended beyond the original grant recipients. By capturing direct spending, supply-chain interactions, and household spending effects, the analysis demonstrates the broader economic value generated through ARPA-funded initiatives and their contribution to the continued recovery and development of the Scranton area.

Economic Impact Analysis Methodology

The economic impact analysis presented in this report is based on the concept of the multiplier effect, which measures how an initial expenditure generates additional economic activity within a defined geographic area. When funds are invested in a local economy, the spending extends beyond the original recipient as businesses purchase goods and services, employees earn income, and households spend those earnings throughout the region. This circulation of dollars creates a ripple effect that supports additional production, income, employment, and business activity, resulting in an overall impact that exceeds the original investment.

To estimate these effects, this study utilized IMPLAN, an economic input-output modeling system developed by IMPLAN Group, LLC. IMPLAN combines industry-specific multipliers with regional economic data derived from federal and state sources and organized according to the North American Industry Classification System (NAICS). The software is designed to measure how changes in spending influence economic activity within a defined geography and is widely used by economists, researchers, government agencies, businesses, and academic institutions to evaluate the regional impacts of projects, investments, and policy decisions.

The analytical framework underlying IMPLAN is the input-output (I-O) model, which examines the relationships among industries within an economy. At the core of this framework are multipliers, which estimate how a change in one industry affects other sectors throughout the region. For example, spending in one industry can create demand for suppliers, contractors, and service providers, while income earned by workers leads to additional household spending. These interconnected effects allow researchers to quantify the broader economic consequences of a project or investment.

This analysis measures economic impact through four primary indicators:

- **Employment**: the number of jobs created or supported by economic activity.

- **Labor Income**: earnings generated through employment, including wages, salaries, and benefits.
- **Value Added**: the increase in the value of goods and services produced within the region and a key contributor to Gross Domestic Product (GDP).
- **Output**: the total value of goods and services produced as a result of the activity.

IMPLAN categorizes economic effects into three distinct components:

- **Direct Effects** represent the initial spending associated with a project, program, or organization, including expenditures on labor, goods, and services.
- **Indirect Effects** capture the additional economic activity generated when businesses purchase goods and services from suppliers and vendors.
- **Induced Effects** measure the economic activity that occurs when employees and business owners spend income generated through direct and indirect activity on household needs and consumer purchases.

Combined, these direct, indirect, and induced effects provide a comprehensive estimate of how spending circulates throughout the regional economy and supports additional jobs, income, business activity, and tax revenues. A complete glossary of economic impact terminology used throughout this report is provided in the appendix.

Executive Summary

This report evaluates the economic impacts of ARPA investments administered within the City of Scranton and modeled across Lackawanna County using IMPLAN. The tables throughout the report show that grant-funded activity produced direct, indirect, and induced impacts by supporting project expenditures, supplier and vendor purchases, employee earnings, household spending, and related business activity. Across program areas, the analysis demonstrates that ARPA investments generated measurable benefits in employment, labor income, value added, total output, and tax revenues.

City Grants generated construction- and redevelopment-related activity through building rehabilitation, property improvements, facility upgrades, and related professional and material purchases. Business Start-Up & Expansion Grants supported new and emerging enterprises by strengthening business operations, vendor demand, employment, and industry-specific economic activity. Local Arts Grants supported cultural organizations through programming, operations, staffing, and vendor purchases, while Nonprofit Recovery Grants helped sustain organizational capacity and service delivery. Disaster Recovery assistance increased household purchasing power for flood-impacted residents, and Wage Boost Grants supported employee compensation and workforce retention, generating additional local spending across consumer-oriented industries.

The industry and tax tables further show that the benefits of these investments extended beyond the original grant recipients. Spending circulated through sectors tied to construction, professional services, real estate, finance, retail, transportation, healthcare, food services, facility operations, and other local support industries. In addition to private-sector economic activity, the modeled impacts generated local, state, and federal tax revenues through business production, employee earnings, household spending, and related transactions. Overall, the findings indicate that Scranton's ARPA-funded programs

contributed to recovery, stabilization, and long-term community development by supporting businesses, nonprofits, households, workers, cultural organizations, and the broader regional economy.

From 2023 through 2025, the City of Scranton's American Rescue Plan Act (ARPA) initiatives demonstrated advancement in economic recovery, public health, childcare access, housing stability, nonprofit resilience, arts and culture, small business development, and critical infrastructure improvements. Grants administered through the City of Scranton, the Scranton Area Community Foundation, and United Neighborhood Centers helped sustain business operations, preserve jobs, expand educational and childcare opportunities, strengthen behavioral health and wellness initiatives, promote homeownership, assist residents affected by flooding, improve municipal infrastructure, and enhance the community's overall quality of life.

The aggregate estimated impact indicates that the grant programs generated approximately $24.6 million in total economic output (direct, indirect, and induced). The largest contribution came from City Grants in 2022, which accounted for more than $12.2 million in economic activity, followed by Nonprofit Recovery Grants at $5.2 million.

Aggregate Estimated Impact	
	Output
City Grants 2022	$12,187,447.64
City Grants 2023	$2,238,859.77
Business Start-Up & Expansion Grants 2022	$2,281,281.63
Business Start-Up & Expansion Grants 2023	$928,310.09
Local Arts Grants	$545,001.34
Disaster Recovery - Individual Assistance Grants	$383,598.80
Nonprofit Recovery Grants	$5,170,260.66
Wage Boost Grants	$874,471.78
Total	$24,609,231.71
Source: IMPLAN	

Additionally, the aggregate tax impact shows that the grant-funded activities generated an estimated $2.75 million in total tax revenue (direct, indirect, and induced). Again, City Grants in 2022 produced the largest tax impact at approximately $1.44 million, while Nonprofit Recovery Grants contributed about $414,000 in tax revenues.

Aggregate Tax Impact	
	Effect
City Grants 2022	$1,435,234.59
City Grants 2023	$262,607.04
Business Start-Up & Expansion Grants 2022	$295,817.76
Business Start-Up & Expansion Grants 2023	$121,842.84
Local Arts Grants	$38,168.79
Disaster Recovery - Individual Assistance Grants	$55,881.18
Nonprofit Recovery Grants	$413,977.35
Wage Boost Grants	$127,389.65
Total	$2,750,919.20

Source: IMPLAN

Economic Impact Models

The study area for all models was defined as Lackawanna County, reflecting the primary geographic area in which funded activities occurred. Individual grant programs were modeled according to the nature of the expenditures they supported, ensuring that each analysis reflected the most appropriate spending pattern or industry sector available within IMPLAN. Additionally, where program funding spanned multiple years, expenditures were modeled according to the year in which activity occurred to provide a more accurate representation of economic conditions and industry relationships at the time of investment. The inputs used to develop the model came from the funded grants, grant uses, and grantee reports.

City Grants

Grant programs supporting building rehabilitation, property improvements, facility upgrades, and related redevelopment activities were modeled using a construction-based industry sector. This approach captures not only direct construction expenditures but also associated costs such as permitting, architectural and engineering services, legal services, materials purchases, equipment acquisition, and contractor spending. Because these expenditures generate demand across multiple industries, the resulting impacts reflect both the immediate construction activity and the broader supply-chain effects generated throughout the regional economy.

The following economic impact model evaluates the estimated direct, indirect, and induced effects city grant programs had on the economy, as well as their impact on local, state, and federal taxes and industry growth. Impact in construction or rehabilitative work occurs during the work process. It is not considered annual or ongoing impact. This economic impact analysis does not serve as a tool to measure a return on investment to investors nor is it to be deemed as an affirmation or endorsement of any project.

Program Year 2022

City grant investments in 2022 generated an estimated total economic impact of 69.1 jobs, $4.4 million in labor income, $6.2 million in value added, and $12.2 million in total output across Lackawanna County. Direct project activity supported 42.1 jobs and $7.6 million in output, while indirect supplier and vendor activity supported 11.8 jobs and $2.3 million in output. Induced household spending supported an additional 15.2 jobs and $2.3 million in output. Together, these figures show that 2022 grant-funded construction and redevelopment activity produced benefits that extended beyond the initial project expenditures.

Estimated Impact Summary				
Impact	Employment	Labor Income	Value Added	Output
Direct Effect	42.14	$2,876,002.76	$3,456,766.68	$7,591,271.42
Indirect Effect	11.76	$716,148.73	$1,313,102.67	$2,301,352.76
Induced Effect	15.18	$775,431.72	$1,386,857.93	$2,294,823.46
Total Effect	69.07	$4,367,583.21	$6,156,727.29	$12,187,447.64

Source: IMPLAN

The industry detail shown below demonstrates that the benefits of 2022 City grant spending were concentrated most heavily in construction-related activity while also reaching supplier and retail sectors. Maintenance and repair construction of nonresidential structures accounted for the largest impact, with $7.6 million in impact output and estimated growth of 6.4 percent within that industry. Other leading affected industries included retail building material and garden equipment and supplies stores, with $432,500.43 in impact output; wholesale other durable goods merchant wholesalers, with $234,952.31; commercial and industrial machinery and equipment rental and leasing, with $135,482.40; and wholesale household appliances and electrical and electronic goods, with $83,792.40. The top ten industries together accounted for approximately $8.7 million in impact output.

Top Industries by Estimated Growth			
Industry	Industry Total Output	Impact Output	Estimated Growth %
Maintenance and repair construction of nonresidential structures	$118,656,110.62	$7,608,589.93	6.41%
Stone mining and quarrying	$6,419,105.65	$32,861.76	.51%
Retail - Building material and garden equipment and supplies stores	$140,992,949.12	$432,500.43	.31%
Commercial and industrial machinery and equipment rental and leasing	$45,278,408.18	$135,482.40	.30%
Asphalt paving mixture and block manufacturing	$52,884,946.18	$63,005.79	.12%
Ready-mix concrete manufacturing	$31,869,652.45	$33,776.14	.11%
Wholesale - Petroleum and petroleum products	$45,950,981.21	$44,913.11	.10%
Wholesale - Other durable goods merchant wholesalers	$264,228,505.71	$234,952.31	.09%
Wholesale - Household appliances and electrical and electronic goods	$96,718,242.00	$83,792.40	.09%
Other concrete product manufacturing	$22,632,530.74	$17,318.36	.08%
Total Output Impact - Top Ten Industries	$825,631,431.87	$8,687,192.62	
Source: IMPLAN			

The tax impact estimates further show how 2022 City grant activity translated into public revenue. Total modeled tax impacts were approximately $1.4 million, including $961,848.91 in federal revenue, $288,120.23 in state revenue, $93,893.07 in sub-county special district revenue, $51,446.47 in sub-county general revenue, and $39,925.92 in county revenue. Direct effects generated the largest share of tax revenue at $754,157.00, while indirect and induced effects generated an additional $353,544.77 and $327,532.82, respectively. These results illustrate that grant-funded projects contributed to government revenues in addition to private-sector economic activity.

Tax Impact						
Impact	Sub County General	Sub County Special Districts	County	State	Federal	Total
Direct Effect	$17,775.38	$23,238.02	$7,769.06	$93,892.05	$611,482.49	$754,157.00
Indirect Effect	$19,002.38	$40,645.79	$18,652.91	$108,591.66	$166,652.01	$353,544.77
Induced Effect	$14,668.71	$30,009.25	$13,503.94	$85,636.51	$183,714.40	$327,532.82
Total Effect	$51,446.47	$93,893.07	$39,925.92	$288,120.23	$961,848.91	$1,435,234.59
Source: IMPLAN						

Program Year 2023

City grant investments with a program year of 2023 generated an estimated total economic impact of 12.2 jobs, $802,739.64 in labor income, $1.1 million in value added, and $2.2 million in total output across Lackawanna County. Direct project activity supported 7.4 jobs and $1.4 million in output, while indirect supplier and vendor activity supported 2.1 jobs and $412,172.76 in output. Induced household spending supported an additional 2.7 jobs and $419,899.90 in output. Together, these figures show how

2023 grant-funded redevelopment, rehabilitation, and improvement projects supported employment, worker earnings, business activity, and broader regional economic output.

Estimated Impact Summary				
Impact	Employment	Labor Income	Value Added	Output
Direct Effect	7.44	$532,970.48	$640,595.56	$1,406,787.10
Indirect Effect	2.08	$128,318.48	$234,243.23	$412,172.76
Induced Effect	2.68	$141,450.67	$254,518.90	$419,899.90
Total Effect	12.20	$802,739.64	$1,129,357.69	$2,238,859.77
Source: IMPLAN				

The industry results for 2023 show that City grant impacts were concentrated most heavily in construction-related activity while also reaching supplier, equipment, retail, and materials sectors. Maintenance and repair construction of nonresidential structures accounted for the largest impact, with $1.4 million in impact output and estimated growth of 1.2 percent within that industry. Other leading affected industries included retail building material and garden equipment and supplies stores, with $74,888.93 in impact output; wholesale other durable goods merchant wholesalers, with $41,275.41; commercial and industrial machinery and equipment rental and leasing, with $24,632.55; and wholesale household appliances and electrical and electronic goods, with $15,620.19. The top ten industries together accounted for approximately $1.6 million in impact output.

Top Industries by Estimated Growth			
Industry	Industry Total Output	Impact Output	Estimated Growth %
Maintenance and repair construction of nonresidential structures	$118,656,110.62	$1,409,996.50	1.19%
Stone mining and quarrying	$6,419,105.65	$6,244.35	.10%
Commercial and industrial machinery and equipment rental and leasing	$45,278,408.18	$24,632.55	.05%
Retail - Building material and garden equipment and supplies stores	$140,992,949.12	$74,888.93	.05%
Asphalt paving mixture and block manufacturing	$52,884,946.18	$11,624.09	.02%
Ready-mix concrete manufacturing	$31,869,652.45	$6,599.19	.02%
Wholesale - Petroleum and petroleum products	$45,950,981.21	$7,660.20	.02%
Wholesale - Household appliances and electrical and electronic goods	$96,718,242.00	$15,620.19	.02%
Wholesale - Other durable goods merchant wholesalers	$264,228,505.71	$41,275.41	.02%
Other concrete product manufacturing	$22,632,530.74	$3,324.77	.01%
Total Output Impact - Top Ten Industries	$825,631,431.87	$1,601,866.20	
Source: IMPLAN			

The tax estimates below demonstrate the fiscal contribution associated with 2023 City grant activity. Total modeled tax impacts were approximately $262,607.04, including $175,990.95 in federal revenue, $52,717.79 in state revenue, $17,179.76 in sub-county special district revenue, $9,413.24 in sub-county general revenue, and $7,305.31 in county revenue. Direct effects generated the largest share of tax revenue at $137,989.25, while indirect and induced effects generated an additional $64,688.62 and

$59,929.17, respectively. These estimates provide an additional measure of the broader public value created by the investment.

Tax Impact						
Impact	Sub County General	Sub County Special Districts	County	State	Federal	Total
Direct Effect	$3,252.39	$4,251.90	$1,421.52	$17,179.57	$111,883.87	$137,989.25
Indirect Effect	$3,476.89	$7,437.02	$3,412.95	$19,869.18	$30,492.57	$64,688.62
Induced Effect	$2,683.96	$5,490.84	$2,470.84	$15,669.04	$33,614.50	$59,929.17
Total Effect	$9,413.24	$17,179.76	$7,305.31	$52,717.79	$175,990.95	$262,607.04
Source: IMPLAN						

Business Start-Up & Expansion Grants

Economic impacts associated with small business grant programs were estimated using industry-specific models tailored to the primary economic activity of each recipient. This section includes grants administered through start-up and expansion funding. Businesses were classified according to the industry that most closely matched their operations, allowing the analysis to apply the appropriate economic multipliers and production relationships. This methodology recognizes that spending in retail trade, professional services, hospitality, manufacturing, and other sectors generates different patterns of economic activity and community impact.

For businesses that subsequently ceased operations, impacts were still included for the period during which grant funding supported economic activity. While these impacts do not represent ongoing annual contributions, they accurately reflect the economic benefits generated by the funded expenditures at the time they occurred. For ongoing businesses, economic impact is generated annually.

Program Year 2022

Program year 2022 Business Start-Up & Expansion Grants supported new and emerging enterprises across a range of industries and generated an estimated total economic impact of 19.2 jobs, $828,577.20 in labor income, $1.2 million in value added, and $2.3 million in total output throughout Lackawanna County. Direct business activity accounted for 13.6 jobs and $1.4 million in output, while indirect supplier and vendor purchases generated an additional 2.8 jobs and $452,696.66 in output. Induced household spending resulting from employee and owner earnings supported another 2.8 jobs and $424,239.69 in output.

Estimated Impact Summary				
Impact	Employment	Labor Income	Value Added	Output
Direct Effect	13.59	$539,231.62	$733,616.09	$1,404,345.28
Indirect Effect	2.78	$145,993.87	$225,274.24	$452,696.66
Induced Effect	2.81	$143,351.72	$256,388.99	$424,239.69
Total Effect	19.18	$828,577.20	$1,215,279.32	$2,281,281.63
Source: IMPLAN				

The industry impacts below show where grant activity produced the greatest economic effects in 2022. Because grant recipients were modeled according to their primary industry, the impacts reflect the diverse ways business activity circulated through the regional economy. Full-service restaurants generated the largest impact output at $499,178.90, followed by computer systems design services at $280,019.16, other real estate at $178,520.81, employment services at $137,770.64, and other educational services at $104,375.27. In terms of relative industry growth, computer systems design services experienced the largest estimated increase, with impact output equal to 1.18 percent of total industry output, followed by fitness and recreational sports centers at 0.29 percent, full-service restaurants at 0.15 percent, other educational services at 0.11 percent, and other ambulatory health care services at 0.10 percent. The top ten industries accounted for approximately $1.5 million in impact output, illustrating the broad distribution of benefits across technology, hospitality, professional services, healthcare, education, and real estate sectors.

Top Industries by Estimated Growth			
Industry	Industry Total Output	Impact Output	Estimated Growth %
Computer systems design services	$23,671,608.55	$280,019.16	1.18%
Fitness and recreational sports centers	$11,327,295.36	$32,577.38	.29%
Full-service restaurants	$322,943,191.97	$499,178.90	.15%
Other educational services	$90,856,289.82	$104,375.27	.11%
Other ambulatory health care services	$103,331,195.72	$101,507.12	.10%
Printing	$148,449,607.50	$103,815.67	.07%
Community food, housing, and other relief services, including rehabilitation services	$55,240,197.47	$27,596.72	.05%
Employment services	$283,168,234.61	$137,770.64	.05%
Other real estate	$768,077,993.76	$178,520.81	.02%
Retail - Health and personal care stores	$168,358,513.18	$38,188.79	.02%
Total Output Impact - Top Ten Industries	$1,975,424,127.94	$1,503,550.46	
Source: IMPLAN			

The tax table below captures the public revenue generated by 2022 start-up grant activity. Total modeled tax impacts were approximately $295,817.76, including $181,640.82 in federal revenue, $68,175.69 in state revenue, $23,545.84 in sub-county special district revenue, $12,112.69 in sub-county general revenue, and $10,342.72 in county revenue. Direct effects generated the largest share of tax revenues at $182,049.23, while indirect and induced activity generated an additional $53,214.58 and $60,553.95, respectively. These findings indicate that the program not only supported business development and economic activity but also contributed measurable revenues to local, state, and federal governments.

Tax Impact						
Impact	Sub County General	Sub County Special Districts	County	State	Federal	Total
Direct Effect	$7,226.36	$13,756.98	$5,980.31	$39,965.13	$115,120.46	$182,049.23
Indirect Effect	$2,174.20	$4,240.25	$1,865.55	$12,377.11	$32,557.46	$53,214.58
Induced Effect	$2,712.14	$5,548.61	$2,496.86	$15,833.45	$33,962.90	$60,553.95
Total Effect	$12,112.69	$23,545.84	$10,342.72	$68,175.69	$181,640.82	$295,817.76
Source: IMPLAN						

Program Year 2023

For Business Start-Up & Expansion Grants with a program year of 2023, an estimated total economic impact of 8.2 jobs, $323,673.87 in labor income, $475,273.27 in value added, and $928,310.09 in total output throughout Lackawanna County was generated. Direct business activity supported about six jobs and $556,616.87 in output, while indirect supplier and vendor purchases supported 1.2 jobs and $204,986.09 in output. Induced household spending resulting from employee and owner earnings supported another 1.1 jobs and $166,707.14 in output. Together, these findings show how 2023 grant investments supported recipient businesses while also producing additional economic activity through business-to-business purchases and household spending. These findings do not include economic impact generated by the business start-up grantees in 2022.

Estimated Impact Summary				
Impact	Employment	Labor Income	Value Added	Output
Direct Effect	5.97	$202,623.53	$274,939.49	$556,616.87
Indirect Effect	1.18	$64,892.48	$99,284.10	$204,986.09
Induced Effect	1.06	$56,157.87	$101,049.68	$166,707.14
Total Effect	8.22	$323,673.87	$475,273.27	$928,310.09
Source: IMPLAN				

The industry distribution for 2023 illustrates how start-up grant impacts reached beyond the initial recipients. Grant-supported business activity generated demand across hospitality, security, retail, personal services, research, professional services, and administrative support sectors. Full-service restaurants generated the largest impact output at $252,282.61, followed by scientific research and development services at $165,991.29, investigation and security services at $61,833.10, other real estate at $42,580.48, and retail clothing and clothing accessories stores at $42,070.52. In terms of relative industry growth, investigation and security services experienced the largest estimated increase, with impact output equal to 0.31 percent of total industry output, followed by full-service restaurants at 0.08 percent, retail clothing and clothing accessories stores at 0.06 percent, personal care services at 0.06 percent, and scientific research and development services at 0.04 percent. The top ten industries accounted for approximately $601,835.89 in impact output, demonstrating that the program supported a diverse mix of service, retail, hospitality, and professional sectors.

Top Industries by Estimated Growth			
Industry	Industry Total Output	Impact Output	Estimated Growth %
Investigation and security services	$20,076,534.31	$61,833.10	.31%
Full-service restaurants	$322,943,191.97	$252,282.61	.08%
Retail - Clothing and clothing accessories stores	$73,256,623.71	$42,070.52	.06%
Personal care services	$44,368,375.51	$25,123.52	.06%
Scientific research and development services	$388,286,322.37	$165,991.29	.04%
Business support services	$50,492,109.90	$14,410.36	.03%
Retail - Miscellaneous store retailers	$81,490,008.88	$11,065.01	.01%
Electronic and precision equipment repair and maintenance	$34,317,400.09	$2,740.45	.01%
All other miscellaneous professional, scientific, and technical services	$41,611,683.06	$2,986.43	.01%
Management of companies and enterprises	$350,796,487.27	$23,332.60	.01%
Total Output Impact - Top Ten Industries	$1,407,638,737.07	$601,835.89	

Source: IMPLAN

The tax impacts associated with 2023 start-up and expansion grant activity are summarized below. Total modeled tax impacts were approximately $121,842.84, including $71,477.14 in federal revenue, $29,775.09 in state revenue, $10,576.24 in sub-county special district revenue, $5,316.71 in sub-county general revenue, and $4,697.66 in county revenue. Direct effects generated the largest share of tax revenue at $74,267.81, while indirect and induced activity generated an additional $23,780.19 and $23,794.83, respectively. These estimates show that 2023 grant activity contributed measurable public revenues alongside its employment, labor income, value added, and output impacts.

Tax Impact						
Impact	Sub County General	Sub County Special Districts	County	State	Federal	Total
Direct Effect	$3,267.97	$6,474.97	$2,870.56	$17,973.87	$43,680.44	$74,267.81
Indirect Effect	$982.96	$1,920.84	$845.92	$5,579.25	$14,451.22	$23,780.19
Induced Effect	$1,065.77	$2,180.42	$981.19	$6,221.97	$13,345.48	$23,794.83
Total Effect	$5,316.71	$10,576.24	$4,697.66	$29,775.09	$71,477.14	$121,842.84

Source: IMPLAN

Local Arts Grants

Arts and cultural grants were analyzed using IMPLAN sector classifications specifically associated with arts organizations. This methodology reflects the spending patterns and economic relationships unique to cultural institutions, including expenditures on personnel, programming, facilities, and supporting services. As with other nonprofit-supported activities, tax impact estimates were adjusted where appropriate to account for the tax-exempt status of eligible organizations.

Local Arts Grants supported cultural organizations through operating activity, programming, employment, and vendor purchases, generating an estimated total economic impact of 4.3 jobs, $176,327.57 in labor income, $294,455.01 in value added, and $545,001.34 in total output throughout Lackawanna County. Direct arts and cultural activity supported 3.1 jobs and $346,417.00 in output, while indirect supplier and vendor purchases supported 0.6 jobs and $100,349.35 in output. Induced household spending supported another 0.6 jobs and $98,234.99 in output. Together, these results show that Local Arts Grant funding supported cultural programming and organizational activity while also generating broader economic benefits through vendor relationships and household spending.

Estimated Impact Summary				
Impact	Employment	Labor Income	Value Added	Output
Direct Effect	3.14	$113,241.73	$187,189.29	$346,417.00
Indirect Effect	0.57	$30,055.64	$47,699.75	$100,349.35
Induced Effect	0.59	$33,030.20	$59,565.97	$98,234.99
Total Effect	4.30	$176,327.57	$294,455.01	$545,001.34

Source: IMPLAN

The industry results below show that arts and cultural grant impacts were concentrated most heavily in the performing arts sector while also reaching related professional, administrative, real estate, education, and marketing industries. Performing arts companies accounted for the largest impact, with $346,483.29 in impact output and estimated growth equal to 10.4 percent of total industry output. Other leading affected industries included other real estate, with $31,160.90 in impact output; management of companies and enterprises, with $10,918.19; employment services, with $6,452.31; and legal services, with $5,146.06. In terms of relative industry growth, the top affected industries included performing arts companies, independent artists, writers, and performers, promoters of performing arts and sports and agents for public figures, office administrative services, and environmental and other technical consulting services. The top ten industries accounted for approximately $395,952.78 in impact output, demonstrating that arts grant activity supported both core cultural industries and a range of local support services.

Top Industries by Estimated Growth			
Industry	Industry Total Output	Impact Output	Estimated Growth %
Performing arts companies	$3,343,223.15	$346,483.29	10.36%
Independent artists, writers, and performers	$2,218,194.56	$2,307.39	.10%
Promoters of performing arts and sports and agents for public figures	$18,935,167.55	$4,684.98	.02%
Office administrative services	$11,277,484.92	$546.56	.00%
Environmental and other technical consulting services	$13,057,153.20	$610.57	.00%
Other real estate	$768,077,993.76	$31,160.90	.00%
Management consulting services	$45,571,538.56	$1,812.73	.00%
Accounting, tax preparation, bookkeeping, and payroll services	$64,833,885.50	$2,411.41	.00%
Other educational services	$90,856,289.82	$3,358.06	.00%
Advertising, public relations, and related services	$70,234,300.87	$2,576.91	.00%
Total Output Impact - Top Ten Industries	$1,088,405,231.88	$395,952.78	
Source: IMPLAN			

The tax impact estimates below illustrate the public revenues generated through arts and cultural grant-supported activity. While many arts organizations operate under tax-exempt structures, their expenditures on payroll, goods, services, and local vendors, along with the household spending generated by employee earnings, produced measurable tax revenues at the local, state, and federal levels. Total modeled tax impacts were approximately $38,168.79, demonstrating that investments in arts and culture not only support creative programming and community engagement but also contribute to the broader fiscal health of the region.

Tax Impact						
Impact	Sub County General	Sub County Special Districts	County	State	Federal	Total
Direct Effect	$493.09	$319.98	$2.97	$2,153.42	$21,262.60	$24,232.06
Indirect Effect	$114.52	$74.39	$0.73	$503.75	$5,931.22	$6,624.61
Induced Effect	$118.39	$76.94	$0.78	$522.45	$6,593.56	$7,312.12
Total Effect	$726.00	$471.31	$4.48	$3,179.62	$33,787.38	$38,168.79
Source: IMPLAN						

Disaster Recovery – Individual Assistance Grants

As part of the various disaster relief programs created by the City of Scranton in response to the September 9, 2023, flood that impacted portions of Keyser Valley and North Scranton, the Scranton Area Community Foundation handled applications for the ARPA Disaster Recovery Grant program. For 90 impacted individuals, a total of $383,690.00 was granted in disaster relief assistance funds. These grants were analyzed using the IMPLAN specification for an increase of household income within the range of $40,000 - $50,000. This impact occurs in the use year and is not ongoing on an annual basis.

Disaster recovery assistance provided direct support to households affected by the September 2023 flood and generated additional economic activity as recipients used funds for recovery-related needs. Because the funding was modeled as an increase in household income, the estimated impacts were entirely induced effects resulting from recipient household spending. The assistance generated an estimated total economic impact of 2.3 jobs, $122,383.52 in labor income, $234,917.43 in value added, and $383,598.80 in total output throughout Lackawanna County. These findings show how recovery assistance supported local economic activity as households used funds for essential purchases, replacement goods, repairs, services, and other recovery-related needs.

Estimated Impact Summary				
Impact	Employment	Labor Income	Value Added	Output
Direct Effect	0.00	$0.00	$0.00	$0.00
Indirect Effect	0.00	$0.00	$0.00	$0.00
Induced Effect	2.26	$122,383.52	$234,917.43	$383,598.80
Total Effect	2.26	$122,383.52	$234,917.43	$383,598.80

Source: IMPLAN

The industry impacts below identify the sectors most affected by disaster recovery spending. Because assistance increased household purchasing power during the recovery period, impacts were concentrated in industries tied to housing, retail purchases, food services, personal services, healthcare, financial activity, and other consumer-oriented spending. Owner-occupied housing accounted for the largest impact output at $49,583.24, followed by monetary authorities and depository credit intermediation at $21,563.93, hospitals at $17,596.03, limited-service restaurants at $13,518.78, and tenant-occupied housing at $13,026.81. In terms of relative industry growth, the top affected industries included death care services, amusement parks and arcades, tenant-occupied housing, museums, historical sites, zoos, and parks, and funds, trusts, and other financial vehicles. The top ten industries accounted for approximately $42,478.43 in impact output, reflecting the broad distribution of household spending across local consumer-facing sectors.

Top Industries by Estimated Growth			
Industry	Industry Total Output	Impact Output	Estimated Growth %
Death care services	$9,562,477.33	$888.80	.01%
Amusement parks and arcades	$4,055,618.29	$306.63	.01%
Tenant-occupied housing	$236,376,539.52	$13,026.81	.01%
Museums, historical sites, zoos, and parks	$5,456,225.35	$232.83	.00%
Funds, trusts, and other financial vehicles	$97,875,838.24	$4,140.57	.00%
Limited-service restaurants	$331,294,032.86	$13,518.78	.00%
Fitness and recreational sports centers	$11,327,295.36	$453.40	.00%
Private households	$4,454,279.43	$173.69	.00%
Retail - General merchandise stores	$178,489,837.35	$6,904.48	.00%
Retail - Clothing and clothing accessories stores	$73,256,623.71	$2,832.43	.00%
Total Output Impact - Top Ten Industries	$952,148,767.43	$42,478.43	

Source: IMPLAN

The tax impact table below shows how recovery-related household spending generated public revenues. Total modeled tax impacts were approximately $55,881.18, including $29,633.74 in federal revenue, $15,546.62 in state revenue, $5,535.10 in sub-county special district revenue, $2,652.89 in sub-county general revenue, and $2,512.83 in county revenue. Because the model reflects an increase in household income, all tax impacts were generated through induced effects. These estimates demonstrate that, in addition to helping residents recover from flood impacts, the assistance supported local business activity and contributed measurable revenues to local, state, and federal governments.

Tax Impact						
Impact	Sub County General	Sub County Special Districts	County	State	Federal	Total
Direct Effect	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Indirect Effect	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Induced Effect	$2,652.89	$5,535.10	$2,512.83	$15,546.62	$29,633.74	$55,881.18
Total Effect	$2,652.89	$5,535.10	$2,512.83	$15,546.62	$29,633.74	$55,881.18

Source: IMPLAN

Nonprofit Recovery Grants

Funding awarded to nonprofit organizations was modeled using industry output analyses to estimate the economic activity supported through organizational operations and program delivery. This section includes wellness, COVID-19, housing, and affordable childcare grants. Grant award amounts were treated as expenditures occurring within the local economy and were entered into IMPLAN as industry output events. Because nonprofit organizations operate under different tax structures than private businesses, tax impact estimates were adjusted to exclude categories of taxes not typically paid by nonprofit entities, resulting in a more accurate representation of their economic contribution.

Nonprofit Recovery Grants supported organizational operations, service delivery, staffing, and purchases from vendors. The impact table below presents the economic activity generated by this funding, including direct nonprofit expenditures and the indirect and induced effects that occurred as organizations bought goods and services and as employees and suppliers spent income locally. The total annual output for 2025 exceeded $5 million, supporting over 41 jobs in Lackawanna County.

Estimated Impact Summary				
Impact	Employment	Labor Income	Value Added	Output
Direct Effect	31.29	$1,329,488.00	$2,328,511.35	$3,479,269.22
Indirect Effect	4.17	$218,014.68	$355,077.53	$749,131.64
Induced Effect	5.68	$316,665.25	$571,233.99	$941,859.80
Total Effect	41.14	$1,864,167.92	$3,254,822.86	$5,170,260.66
Source: IMPLAN				

The industry detail below illustrates the broader economic reach of nonprofit grant funding. While nonprofit organizations were the direct recipients, their operating expenditures supported activity in sectors providing professional services, facility-related goods and services, administrative support, supplies, and other inputs needed to maintain programs and services.

Top Industries by Estimated Growth			
Industry	Industry Total Output	Impact Output	Estimated Growth %
Community food, housing, and other relief services, including rehabilitation services	$55,240,197.47	$1,001,163.86	1.81%
Child day care services	$59,137,892.45	$1,005,715.44	1.70%
Offices of other health practitioners	$100,819,791.84	$891,211.91	.88%
Owner-occupied housing	$1,288,703,334.57	$671,828.06	.05%
Other ambulatory health care services	$103,331,195.72	$53,312.14	.05%
Maintenance and repair construction of residential structures	$46,727,171.66	$21,517.33	.05%
Other real estate	$768,077,993.76	$192,824.93	.03%
All other miscellaneous professional, scientific, and technical services	$41,611,683.06	$9,463.69	.02%
Insurance carriers, except direct life	$145,830,638.27	$30,733.16	.02%
Other federal government enterprises	$1,563,722.22	$305.58	.02%
Total Output Impact - Top Ten Industries	$2,611,043,621.03	$3,878,076.11	
Source: IMPLAN			

Although nonprofit organizations are exempt from certain taxes, the economic activity they support still generates significant public revenue. Employee payroll, household spending, and purchases from taxable businesses produced tax revenues at the local, state, and federal levels. Altogether, these impacts exceeded $400,000 in total tax revenue, with $10,847.31 remaining within the region.

Tax Impact						
Impact	Sub County General	Sub County Special Districts	County	State	Federal	Total
Direct Effect	$4,609.77	$2,996.58	$30.87	$20,383.89	$267,715.51	$295,736.62
Indirect Effect	$802.88	$521.66	$5.23	$3,537.96	$43,272.28	$48,140.01
Induced Effect	$1,135.15	$737.70	$7.48	$5,009.56	$63,210.83	$70,100.72
Total Effect	$6,547.80	$4,255.94	$43.58	$28,931.41	$374,198.62	$413,977.35
Source: IMPLAN						

Wage Boost Grants

Programs designed to support employee compensation and workforce retention were modeled using IMPLAN's household spending framework. Because these funds ultimately increase household purchasing power, expenditures were assigned to a household income spending pattern representative of local income levels. This approach captures the economic activity generated when employees spend additional earnings within the regional economy on goods and services such as housing, healthcare, retail purchases, transportation, and other household needs. Furthermore, funds used to reimburse small businesses employees for childcare expenses were included in the wage boost model as they also enhanced household purchasing power.

Similar to the disaster recovery model, the funding from wage boost grants was modeled as an increase in household income, the estimated impacts were entirely induced effects resulting from recipient household spending. The assistance generated an estimated total economic impact of approximately five jobs, $278,991.85 in labor income, $535,530.00 in value added, and $874,471.78 in total output throughout Lackawanna County.

Estimated Impact Summary				
Impact	Employment	Labor Income	Value Added	Output
Direct Effect	0.00	$0.00	$0.00	$0.00
Indirect Effect	0.00	$0.00	$0.00	$0.00
Induced Effect	5.15	$278,991.85	$535,530.00	$874,471.78
Total Effect	5.15	$278,991.85	$535,530.00	$874,471.78
Source: IMPLAN				

The industry impacts below show how wage support translated into demand across a variety of sectors. Impacts were concentrated in industries tied to housing, retail purchases, food services, personal services, healthcare, financial activity, and other consumer-oriented spending. Limited-service restaurants accounted for the largest impact among the top ten industries by estimated growth at $30,818.12, closely followed by tenant-occupied housing at $29,696.59. In terms of relative industry growth, the top affected industries included death care services, amusement parks and arcades, tenant-occupied housing, museums, historical sites, zoos, and parks, and funds, trusts, and other financial vehicles. The top ten industries accounted for approximately $96,836.04 in impact output, reflecting the broad distribution of household spending across local consumer-facing sectors.

Top Industries by Estimated Growth			
Industry	Industry Total Output	Impact Output	Estimated Growth %
Death care services	$9,562,477.33	$2,026.16	.02%
Amusement parks and arcades	$4,055,618.29	$699.02	.02%
Tenant-occupied housing	$236,376,539.52	$29,696.59	.01%
Museums, historical sites, zoos, and parks	$5,456,225.35	$530.77	.01%
Funds, trusts, and other financial vehicles	$97,875,838.24	$9,439.07	.01%
Limited-service restaurants	$331,294,032.86	$30,818.12	.01%
Fitness and recreational sports centers	$11,327,295.36	$1,033.59	.01%
Private households	$4,454,279.43	$395.95	.01%
Retail - General merchandise stores	$178,489,837.35	$15,739.82	.01%
Retail - Clothing and clothing accessories stores	$73,256,623.71	$6,456.95	.01%
Total Output Impact - Top Ten Industries	$952,148,767.43	$96,836.04	
Source: IMPLAN			

The tax impact estimates below summarize the fiscal effects of Wage Boost Grant-supported spending. Total modeled tax impacts were approximately $127,389.65, including $67,554.62 in federal revenue, $35,440.88 in state revenue, $12,618.10 in sub-county special district revenue, $6,047.67 in sub-county general revenue, and $5,728.38 in county revenue. Because the model reflects an increase in household income, all tax impacts were generated through induced effects.

Tax Impact						
Impact	Sub County General	Sub County Special Districts	County	State	Federal	Total
Direct Effect	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Indirect Effect	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Induced Effect	$6,047.67	$12,618.10	$5,728.38	$35,440.88	$67,554.62	$127,389.65
Total Effect	$6,047.67	$12,618.10	$5,728.38	$35,440.88	$67,554.62	$127,389.65
Source: IMPLAN						

Summary, Findings & Conclusion

The ARPA investments administered within the City of Scranton generated substantial economic benefits that extended well beyond the organizations, businesses, and households that directly received grant funding. Across all programs analyzed, ARPA investments generated approximately $24.6 million in total economic output and an estimated $2.75 million in combined federal, state, and local tax revenues.

City Grant programs produced the largest contribution to both economic output and tax revenues, generating more than $12.2 million in economic activity and approximately $1.44 million in tax impact. Investments in building rehabilitation, redevelopment projects, facility improvements, and construction-related activities generated substantial demand across construction, professional services, retail building supply, equipment rental, wholesale trade, and related industries. These investments not only improved

physical assets within the community but also supported significant employment and business activity throughout the regional supply chain.

Business Start-Up and Expansion Grants supported new and emerging firms across diverse sectors including hospitality, technology, real estate, professional services, healthcare, education, retail trade, and scientific research. The analysis shows that grant-supported businesses generated economic activity extending beyond their own operations by purchasing supplies and services, employing workers, and contributing to local spending patterns. Importantly, the distribution of impacts across a variety of industries highlights the role that small businesses play in creating a diversified and resilient local economy.

Arts and cultural investments produced meaningful economic and community benefits despite representing a relatively small share of overall funding. Local Arts Grants supported performing arts organizations, independent artists, cultural programming, and related support services. The findings illustrate that arts organizations function as economic drivers as well as cultural assets, generating employment, vendor spending, and economic activity that extends into professional services, real estate, administrative support, and other sectors.

Disaster Recovery grants provided critical assistance to residents impacted by the September 2023 flood while simultaneously generating economic benefits throughout the community. By increasing household purchasing power, recovery assistance supported spending on housing, repairs, replacement goods, healthcare, food services, and other essential needs. Unlike capital projects or business investments, these impacts were generated entirely through household expenditures, demonstrating how direct assistance to residents can contribute to economic stabilization while helping affected families recover from unexpected hardship.

Nonprofit Recovery Grants played a particularly important role in sustaining organizations that provide essential services throughout the community. Funding supported operations, staffing, program delivery, wellness initiatives, childcare services, housing assistance, and community-based programs. The analysis indicates that nonprofit organizations generated significant economic activity through employee compensation, purchases from local vendors, and continued service delivery. In addition to supporting vulnerable populations and addressing community needs, nonprofit organizations served as important economic contributors that helped generate employment, output, and tax revenues within the region.

Wage Boost Grants and related employee-support initiatives further strengthened the local economy by increasing household income and consumer spending. These investments supported workforce retention, employee compensation, and childcare-related assistance, resulting in increased expenditures across housing, healthcare, retail trade, restaurants, financial services, and other consumer-oriented industries.

Overall, the City of Scranton's ARPA-funded initiatives advanced economic recovery while creating lasting value for residents, organizations, businesses, and the broader regional economy. The modeled impacts indicate that grant-funded activities generated substantial economic output, supported employment and labor income, stimulated business growth, and contributed meaningful tax revenues at multiple levels of government.

Appendix A – Glossary of Terms

Definitions *(procured from www.implan.com)*

Direct effects represent the response for a given business—i.e., the organization's direct spending on a local/regional/state level.

Employee Compensation is the total payroll cost the employer pays to the employee. This includes wages and salaries, all benefits (e.g., health, retirement), and payroll taxes (both sides of social security, unemployment taxes, etc.).

Employment Multiplier - Measures the number of jobs generated across all industries by the activity within a given industry. The multiplier estimates the number of new jobs a local economy can support in all industries due to the dollars injected into the community.

Indirect Business Taxes (IBT) -IBT combines excise, sales, and property taxes with fees, fines, licenses, and permits.

Indirect effects - Represent the response by all local industries caused by purchasing goods and services.

Induced effects - This represents the response by all local industries to the expenditure of new household income generated by the direct and indirect effects.

Labor Income - All forms of employment income, including Employee Compensation (wages and benefits) and Proprietor Income**.**

Other Property Type Income (OPTI or OPI) - OPI represents property income minus proprietor income. It includes corporate profits, capital consumption allowance, payments for rent, dividends, royalties, and interest income.

Output - Output represents the value of industry production. In IMPLAN, these are annual production estimates for the year of the data set and are in producer prices. For manufacturers, this would be sales plus/minus change in inventory. For service sectors, production = sales. For Retail and wholesale trade, output = gross margin and not gross sales.

Output Multiplier - Measures the increase in total output generated in a defined regional economy for each dollar spent by a given industry**.**

Proprietor Income - Proprietor income consists of payments from self-employed individuals and unincorporated business owners. This income also includes the capital consumption allowance and is recorded on Federal Tax Form 1040C.

Value Added - The difference between an industry's and an establishment's total output and the cost of its intermediate inputs. It equals gross output (sales or receipts and other operating income, plus inventory change) minus intermediate inputs (consumption of goods and services purchased from other industries or imported). Value added consists of compensation of employees, taxes on production and imports less subsidies (formerly indirect business taxes and nontax payments), and gross operating surplus (formerly "other value added").

Value-Added (Earnings) Multiplier - Measures an industry's earnings (purchasing power) through payroll and the multiplier effect for households employed by all industries within a defined area. Consequently, the Value-Added impact represents the amount of dollars that aggregate households in a given area will gain in household income based on the dollars through the organization's operating expenditures.

Appendix B – Disclaimer

The results presented in this report are fair and reasonable; however, they cannot be used as the basis for issuing bonds, as there is no assurance that the actual impacts and revenues will be sufficient to meet any obligations. The Institute has utilized sources that are considered reliable but cannot guarantee their accuracy. Additionally, the estimates and analyses included in this report are based on trends and assumptions, which often lead to discrepancies between projected and actual results. Moreover, the assumptions and methodologies used in this report may differ from those employed by other industry experts, as opinions vary. Because events, circumstances, and opinions frequently change, these differences may be significant. It is important to note that the numbers presented in this analysis do not necessarily account for transfer activity that may occur within the Project from elsewhere in the County or State.

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