

How REMI Tax-PI Evaluates Fiscal Policy and Socioeconomic Indicators (SEI)

Regional Economic Models, Inc.

Introduction

Importance of Economic Modeling

What is REMI Tax-PI?

Modeling Fiscal Policy Changes

REMI SEI: Evaluating Socioeconomic Indicators

Conclusion

Q&A

About Us



We are the nation's leader in dynamic local, state and national policy modeling.

From the start, REMI has sought to improve public policy through economic modeling software that informs policies impacting our day-to-day lives.

We were founded in 1980 on a transformative idea: government decision-makers should test the economic effects of their policies before they're implemented.



*what does **REMI** say?sm*

At REMI, we're inspired by a single goal: *improving public policies.*

Our models are built for any state, county, or combination of counties in the United States.

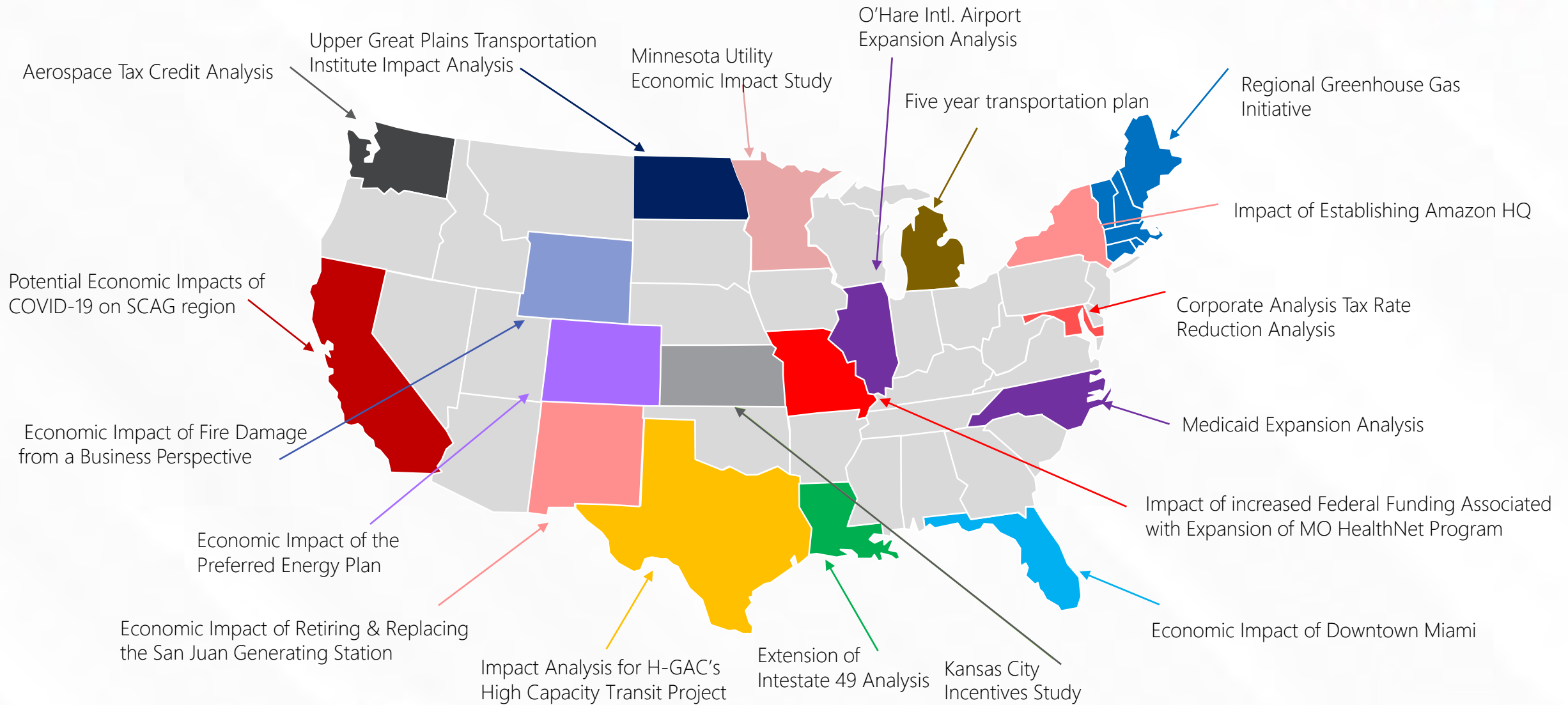
Our Representative Clients

Our model users and consulting clients use REMI software solutions to perform rigorous economic analysis that critically influences policy.



what does **REMI** say? sm

The REMI Model: Our Studies & Applications



what does **REMI** say? sm

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*what does **REMI** say?*sm

Why Economic Modeling?

- You need a *software solution* that can clarify, calculate and communicate a *quantitative narrative* to policy makers and the general public about policies for your economy.
- Economic policy modeling can help agencies forecast the effects of policies before they are implemented
- Guide Policy-making Process
 - *Formalize your decision-making process*
 - *Get policy right*
 - *Pass/Block legislation*
 - *Modernize and advance your agency*
- Bidders for grants, contracts from Tax-PI will want to demonstrate that their proposals will have a positive economic impact in host communities and remain competitive
- Policy organizations and regional planners can use models to add quantitative rigor to their proposals, making the benefits clearer to stakeholders and decision-makers

Economic Modeling: Why does it matter?



Clarify

- Understand economic, fiscal and demographic implications of policies before implementation
- Ensure that public policy serves the broad-based interests of the public



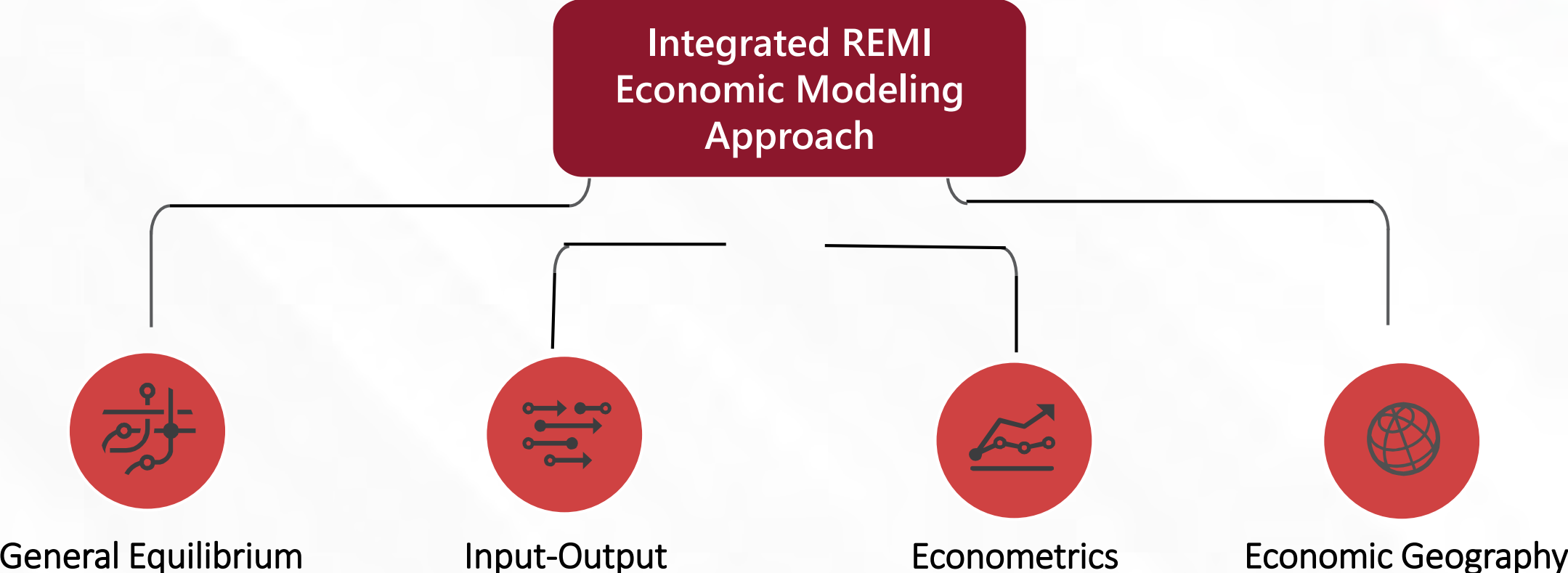
Predict

- Make predictions about the effects of policies before implementation
- Avoid unwanted negative impacts
- Make effective use of resources



Inform

- Inform policy with standard metrics rather than ideology or intention
- Address stakeholders with evidence that communicates how policy benefits or disadvantages their communities broadly



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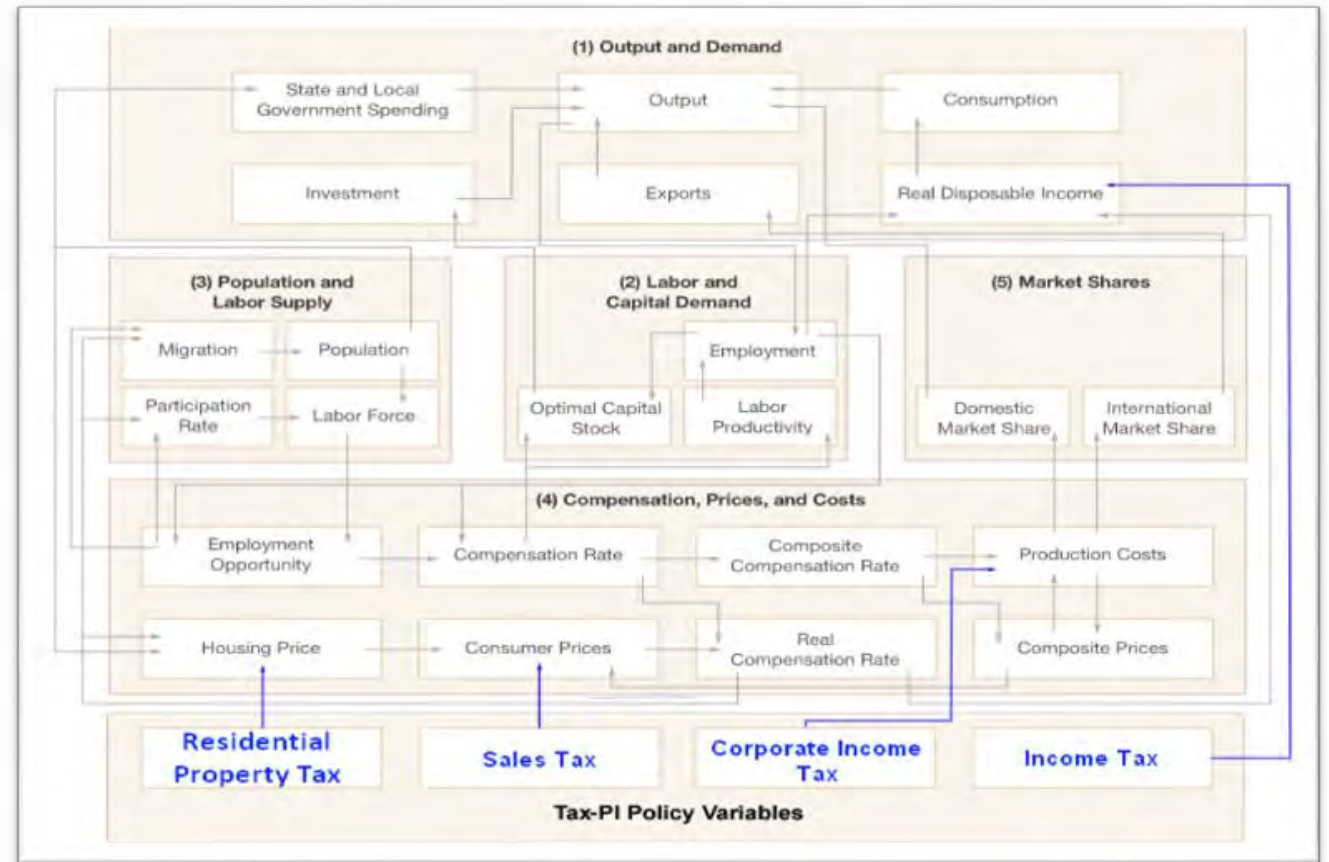
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Model Simulation: REMI Tax-PI

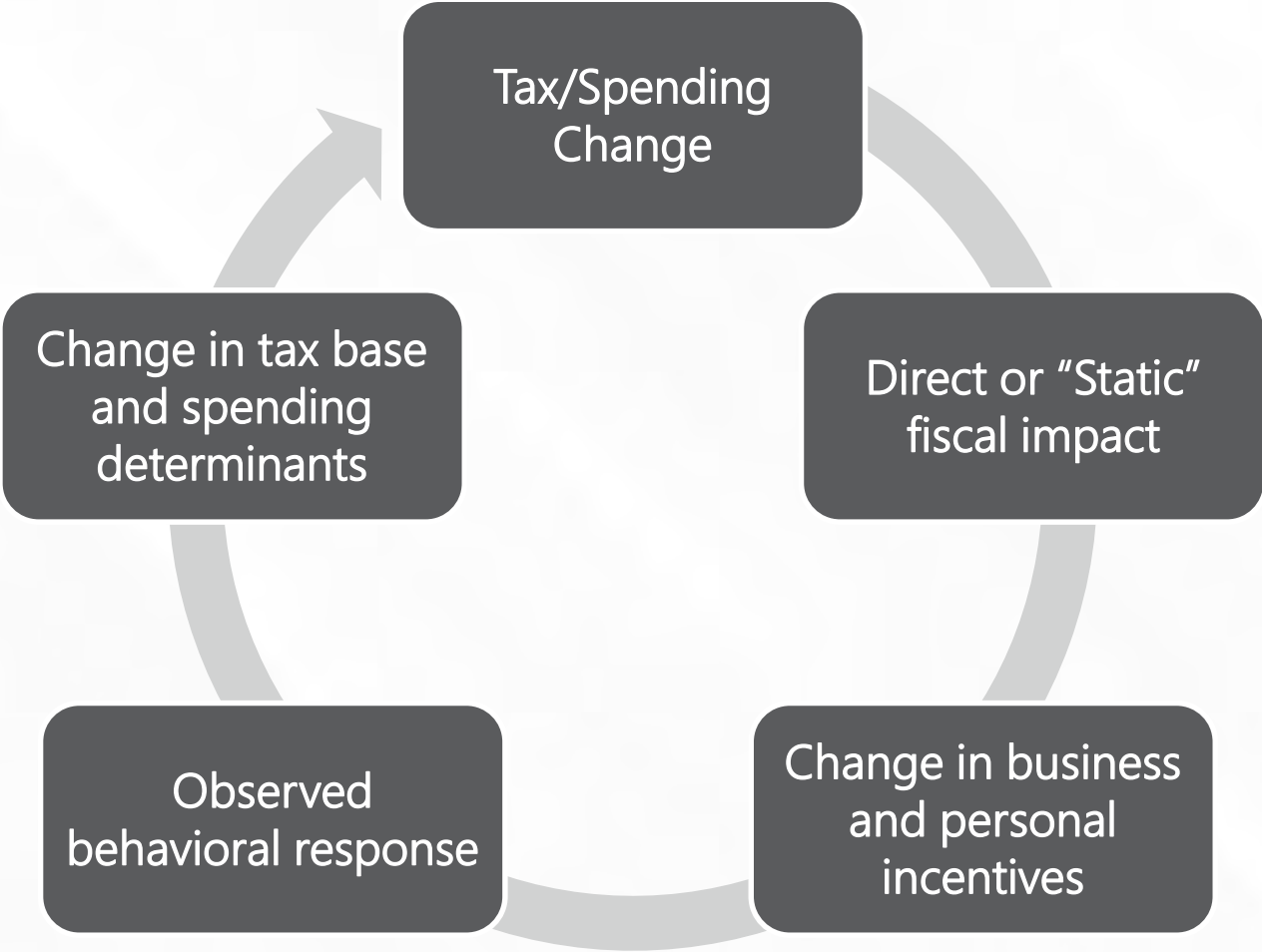


REMI Tax-PI is the only commercially available dynamic macroeconomic and fiscal impact analysis tool.

Tax-PI allows users to understand the deep linkages and relationship between a budget and its economic foundation



what does **REMI** say?sm



Key Advantages of Tax-PI



Dynamic Evaluations

The credible economic and fiscal impacts produced using Tax-PI gives decision-makers the confidence to enact state, local, and regional policies.

Customized Models

Every model is custom-made and fully equipped with the complete inter-industry relationships found within your local, state, and regional economies.

Intuitive Software

Tax-PI is a desktop application with extensive user service and support functions. These are combined with unlimited assistance and professional training provided by REMI's expert staff members.

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Child Tax Credit in Oregon and its Effect on Socioeconomic Indicators

Regional Economic Models, Inc.

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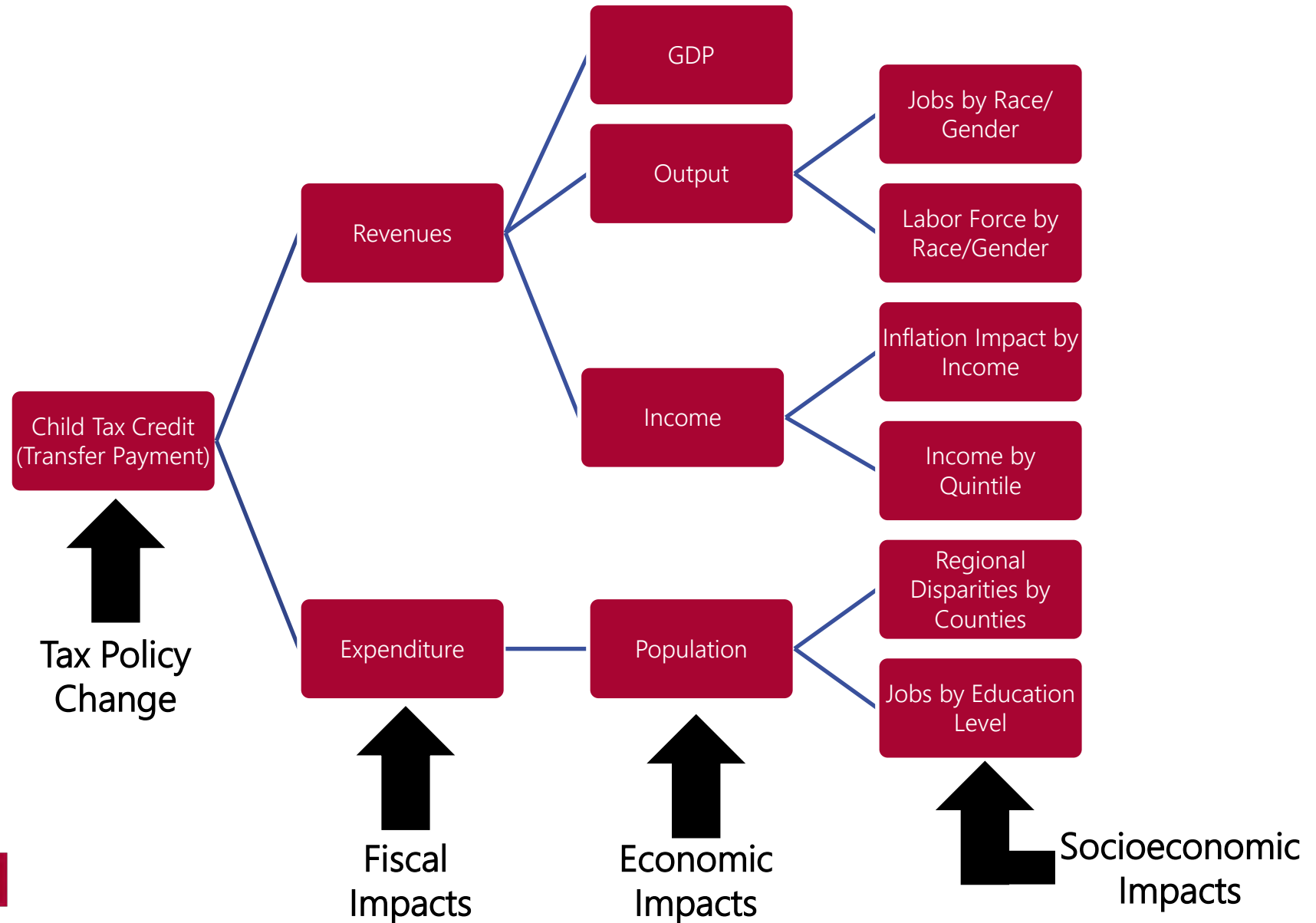
Methodology

Notable Results

Highlights

Upcoming Developments

Tax, Economics, and SEI



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Model Simulation: Variables and Inputs



Increase in Transfer Payments

- Benefits distributed through the Child Tax Credit in Oregon can be modeled through REMI using the Transfer Payments policy variable
- **Assumption:** payments total \$100 million per year for the program, the inputs to the model are \$100 million in Transfer Payments annually

The screenshot shows the REMI software interface with the title bar "\$100 million increase in transfer payments". The main menu includes "Save Forecast", "Import", "Export", "Print", and "Tools". The navigation tabs are "Select Inputs", "Inputs List" (highlighted), "Forecast Options", and "Results".

Policy Variable Inputs										
Active	Edit	Group								
<input checked="" type="checkbox"/>			New Variable List							
Active	View	Category	Detail	Region	Units	2020	2021	2022	2023	2024
<input checked="" type="checkbox"/>		Transfer Payments	Other transfer receipts of individuals from governments	Oregon	2012 Fixed National \$ (M)	0	100	100	100	100

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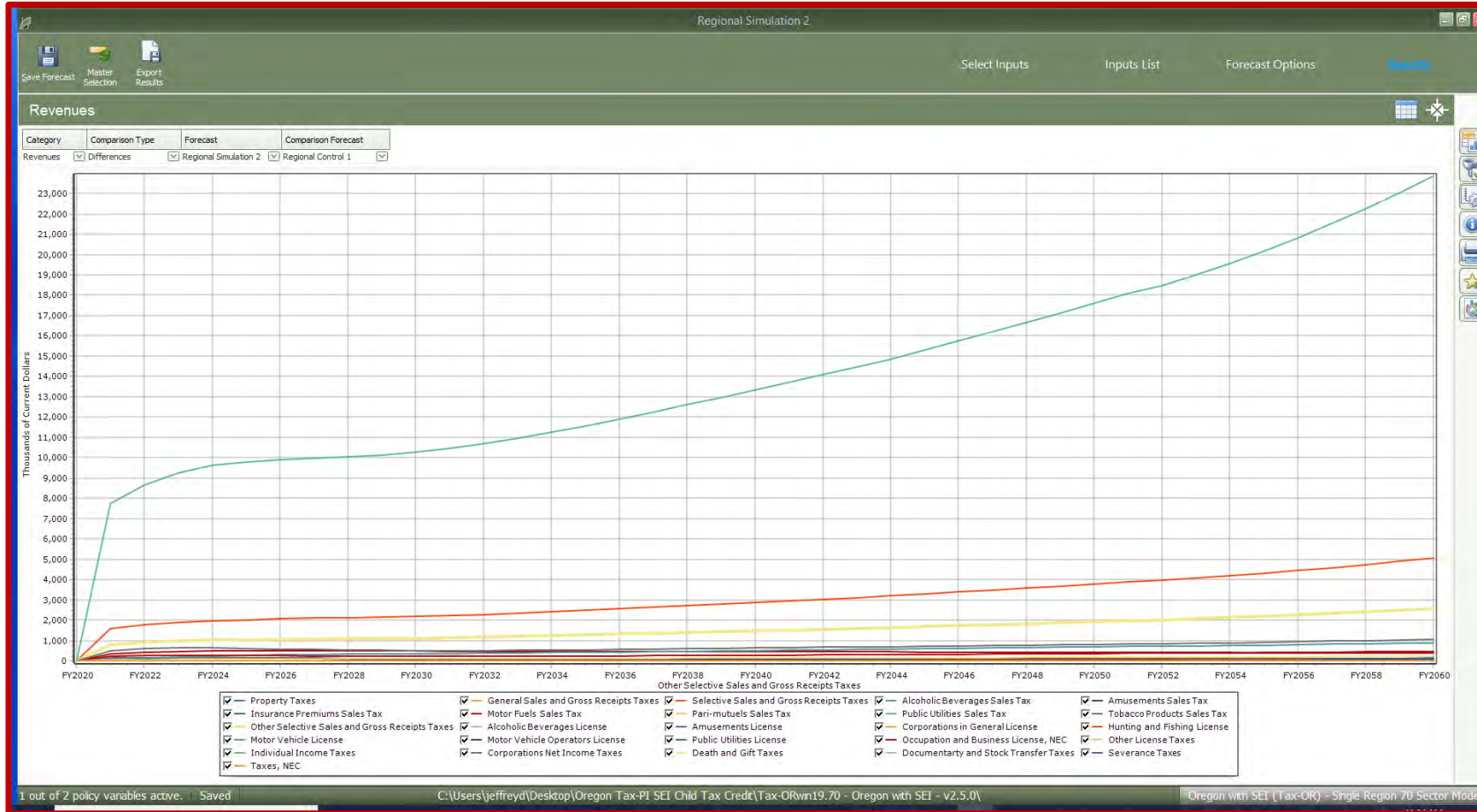
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Economic Results – Fiscal Impacts (Revenues)



- Revenues stemmed primarily from **‘Individual Income Taxes’** and **‘Selective Sales Taxes’**.

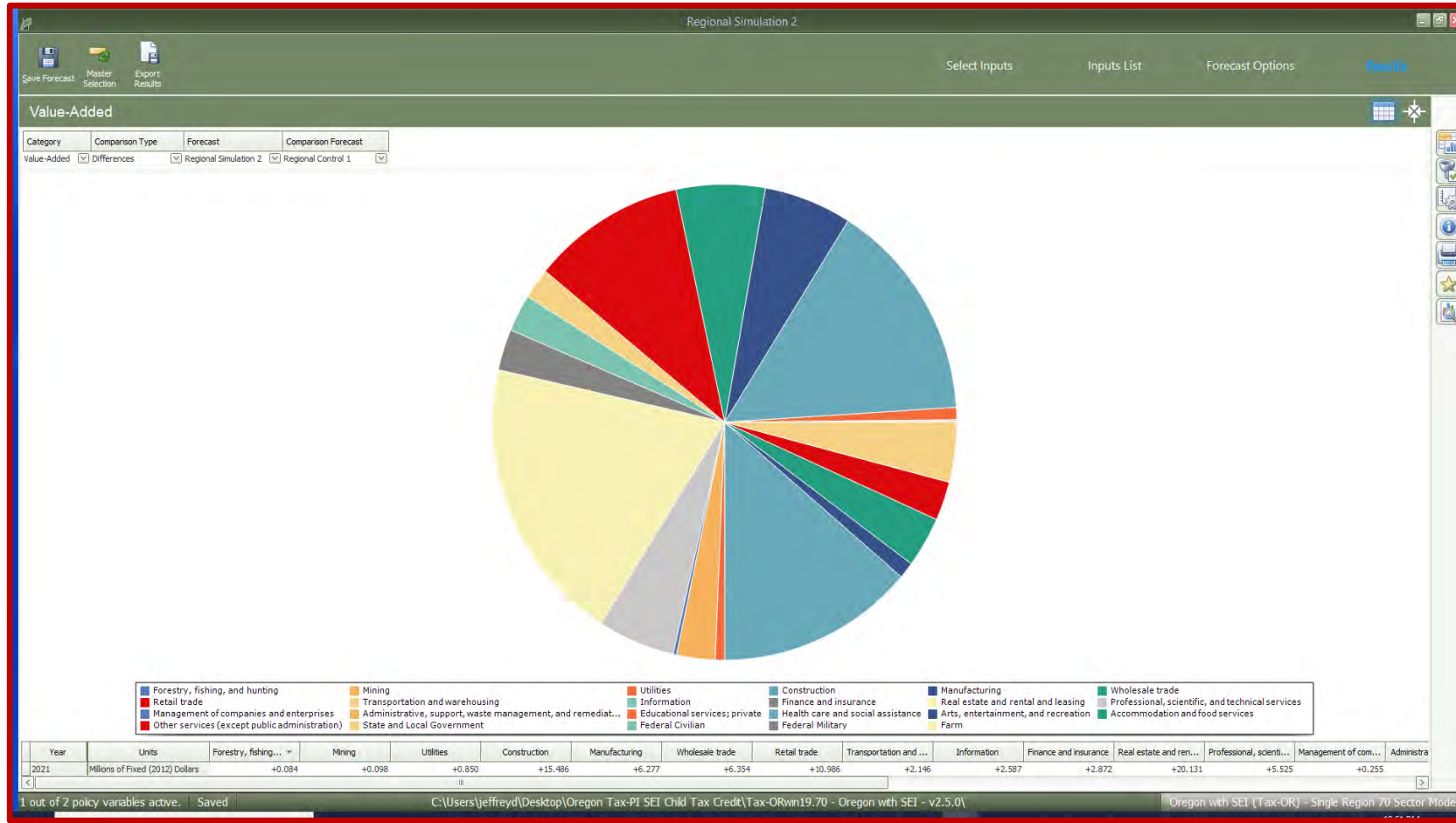
Note: Oregon does not have a general sales or use/transaction tax.

Economic Results – GDP, Output, and Income



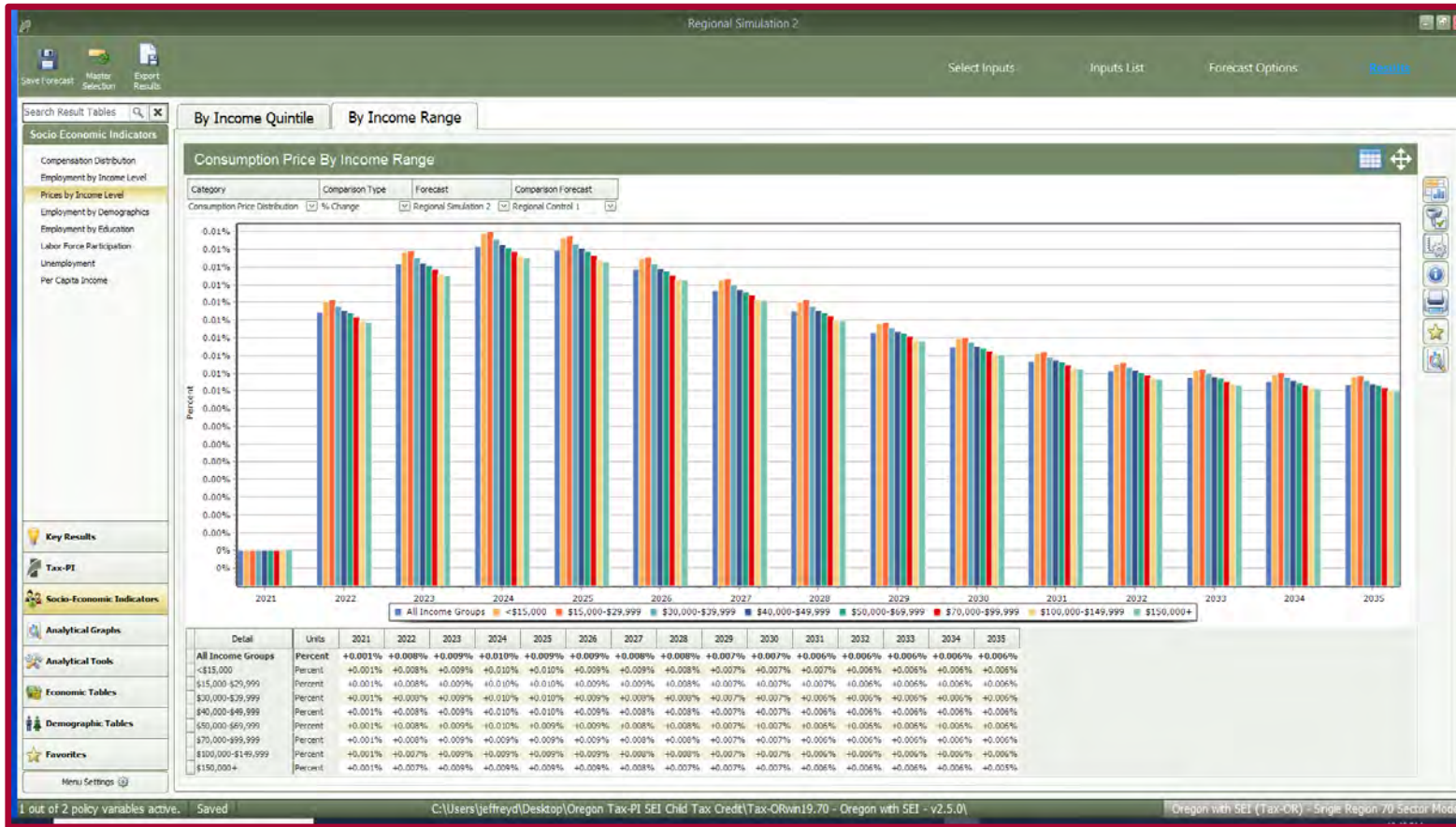
- **GDP** increased significantly from 2022-2024. However, Personal Income, Output, and GDP followed the trend downward.

Economic Results – Value Added



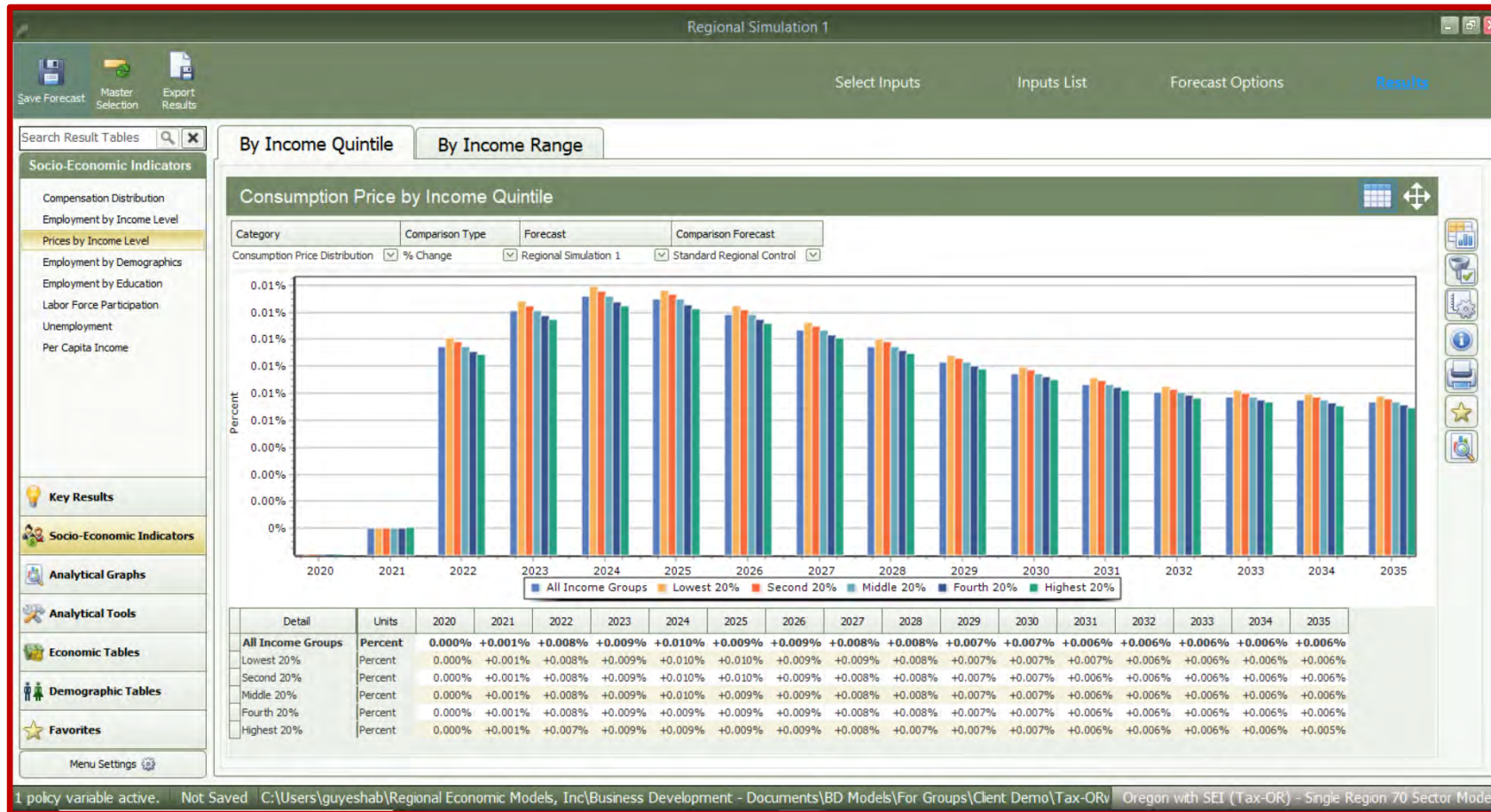
- ‘Real estate and rental and leasing’, ‘Construction’, and ‘Health care and social assistance’ were the biggest value-adds to Oregon.

SEI Results – Consumption Price by Income Range



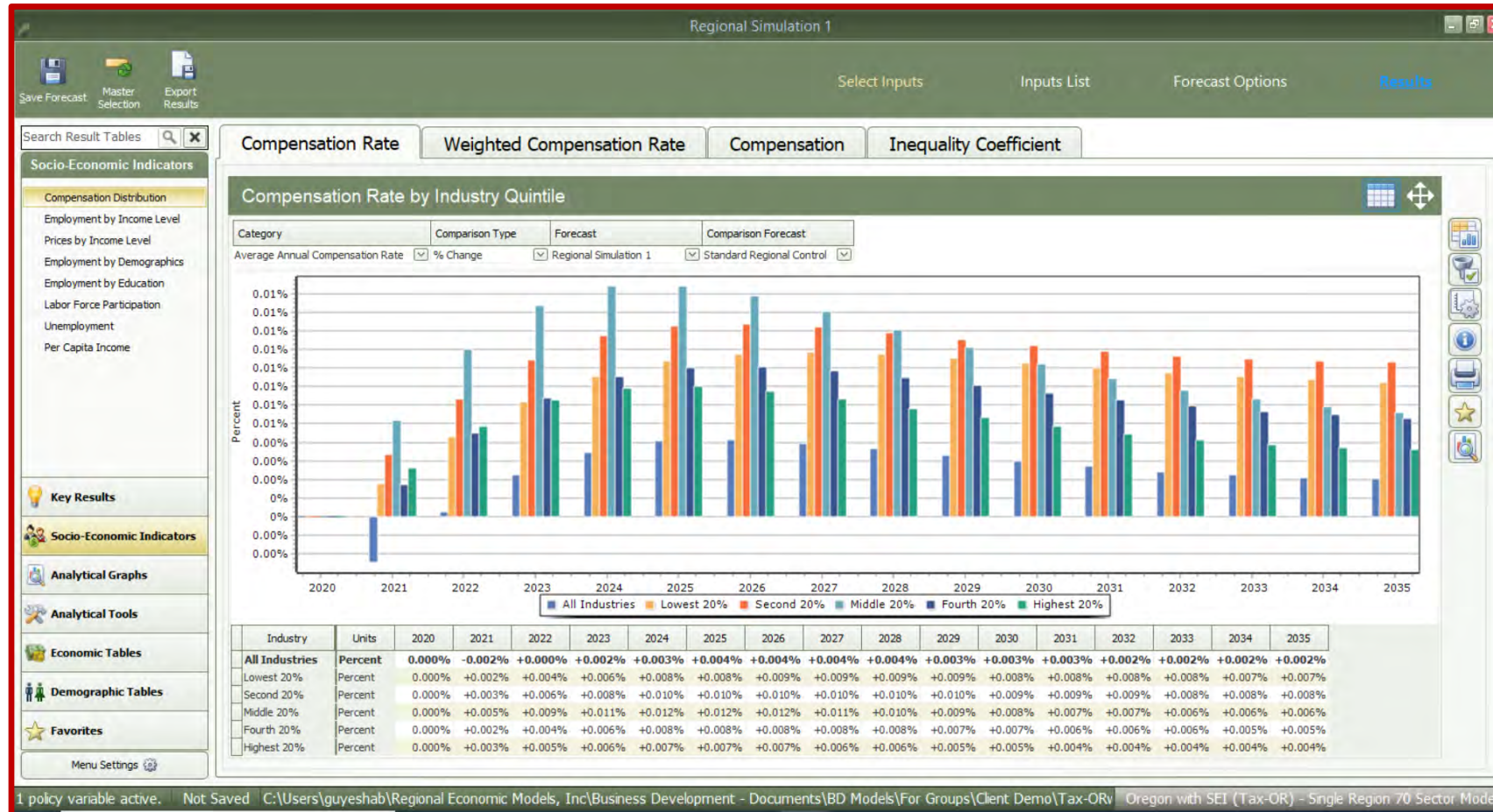
- The first, second, and middle 20% income groups increased their consumption power within Oregon.

SEI Results – Consumption Price by Income Quintile



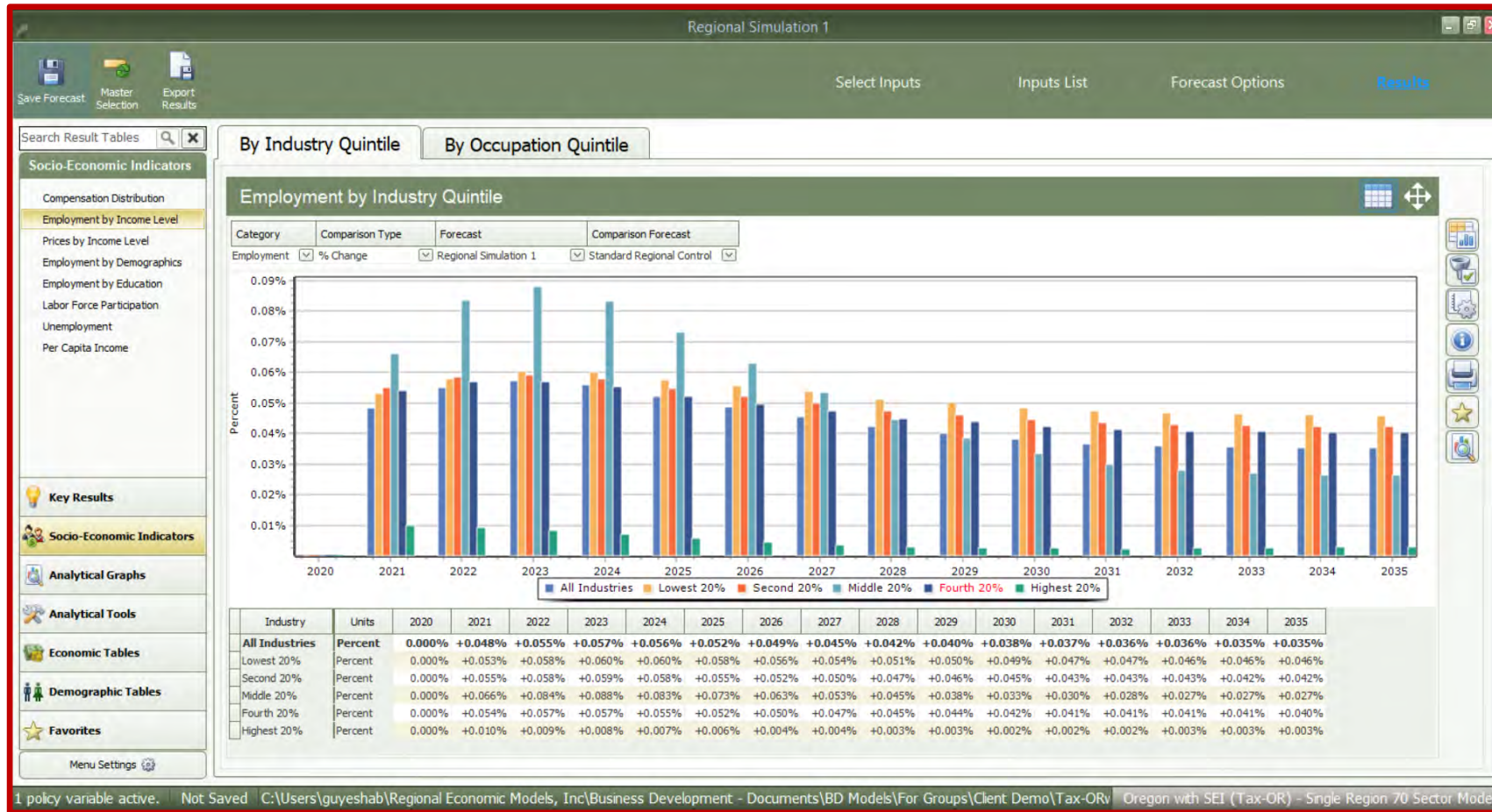
- There is a relatively normal distribution for consumption price changes.

SEI Results – Compensation Distribution



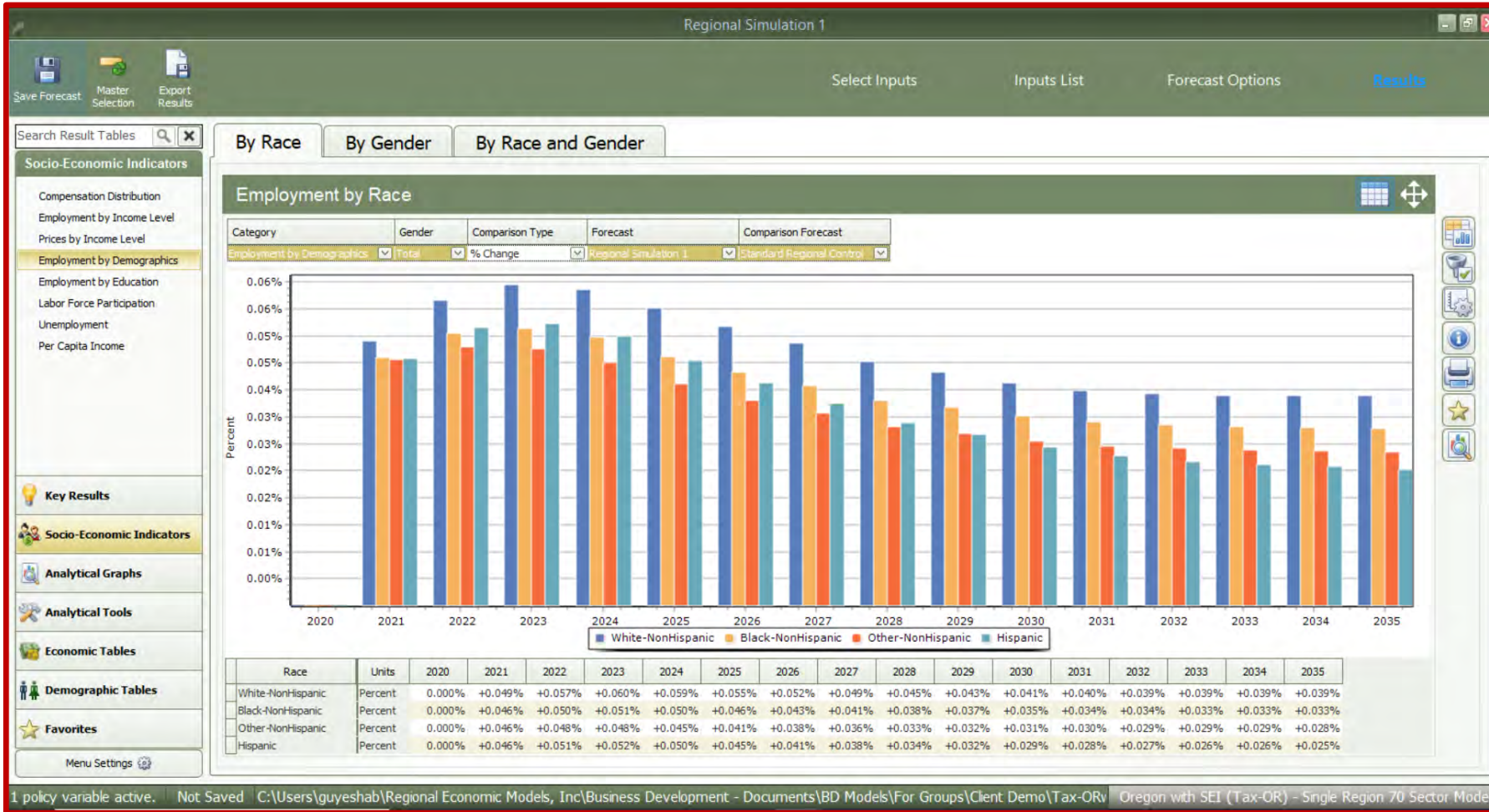
- The first, second, and middle 20% income groups receive the largest percentage increase from the baseline

SEI Results – Employment by Industry Quintile



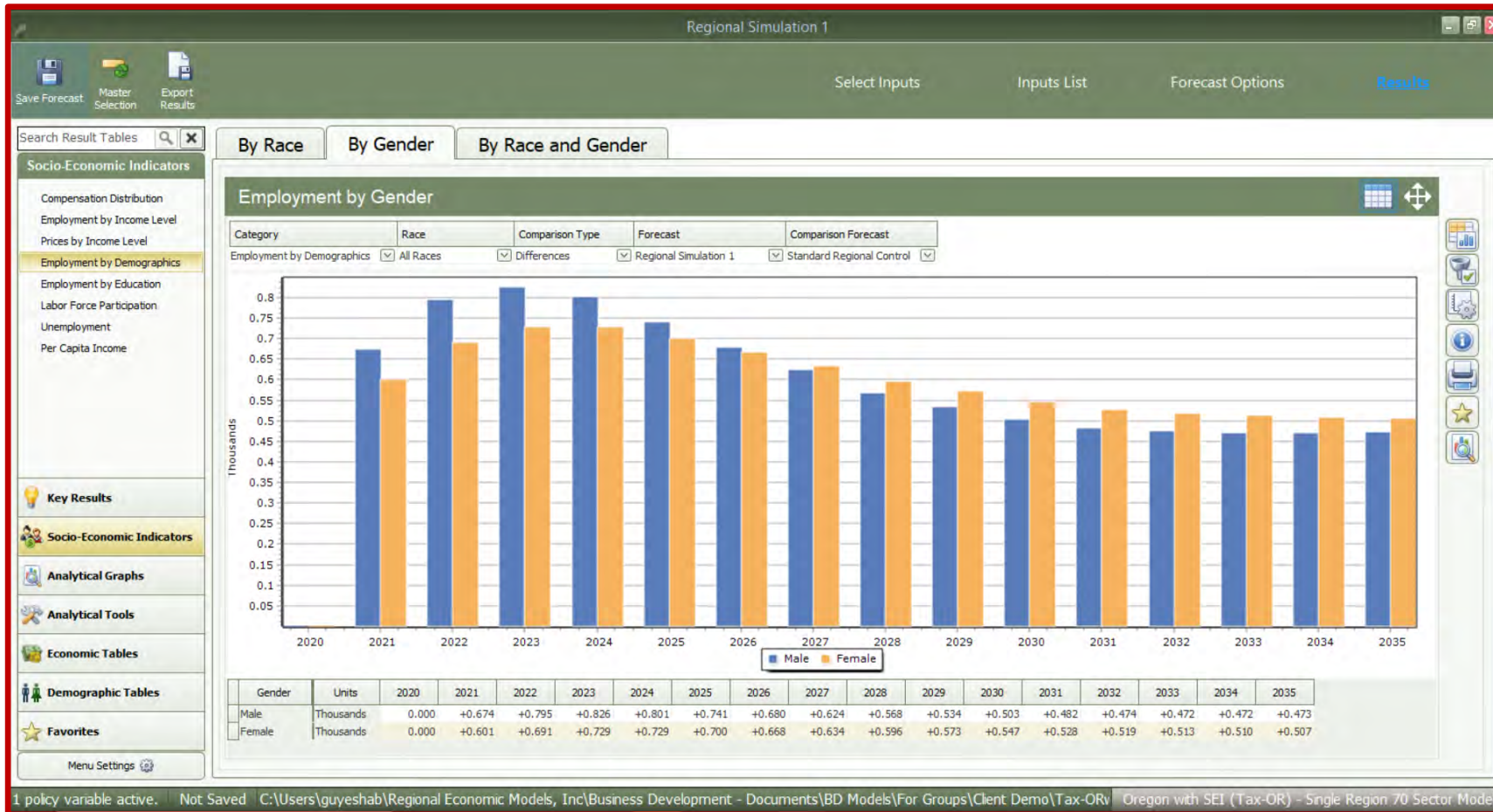
The first four quintiles receive the largest percentage increase from baseline.

SEI Results – Employment by Race



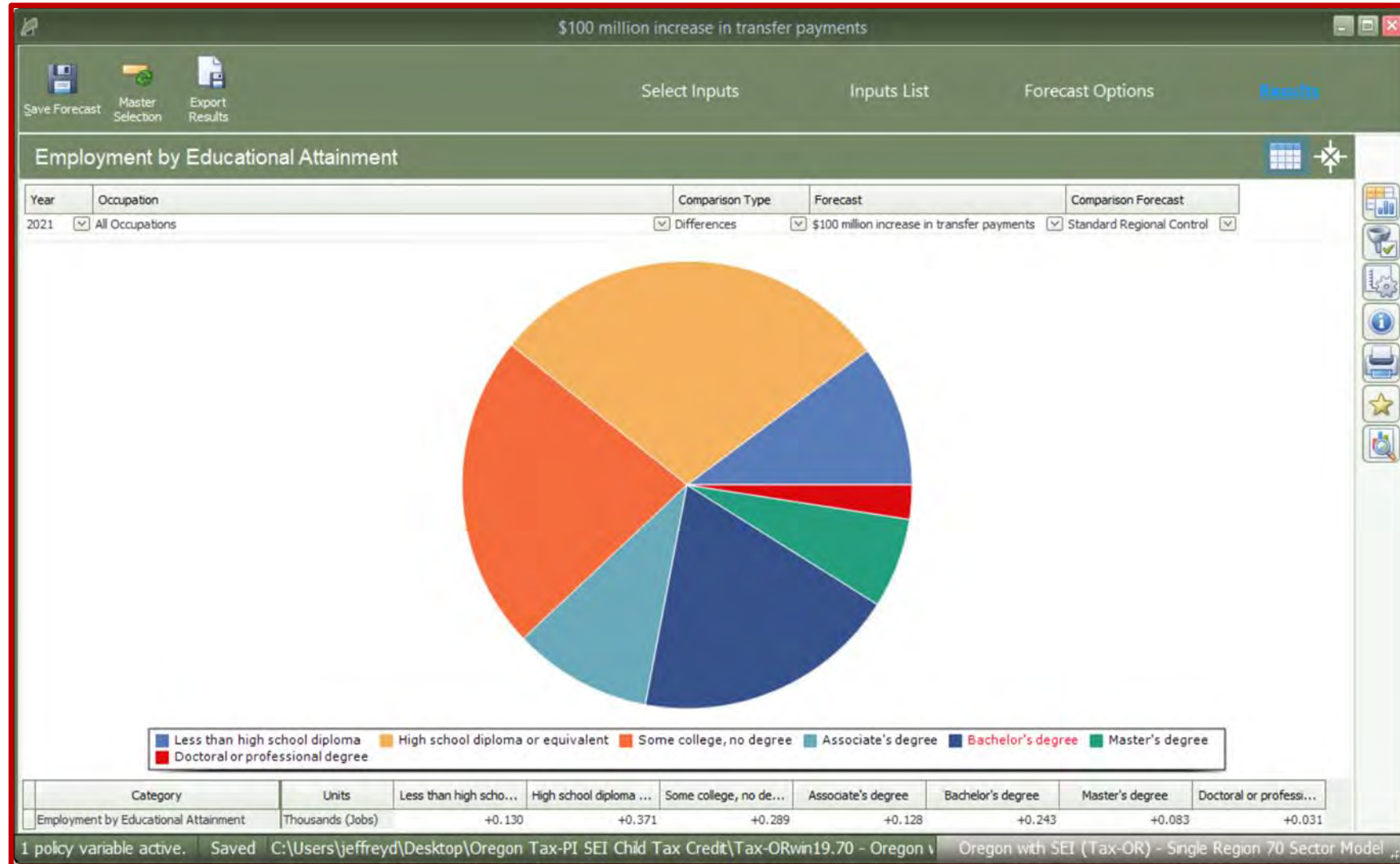
- Relatively normal distribution for consumption price changes in years 2021-2026.
- The largest percentage increase in employment in the outer years is for the white non-Hispanic population.
- Note: Oregon’s population is 86% white non-hispanic.

SEI Results – Employment by Gender



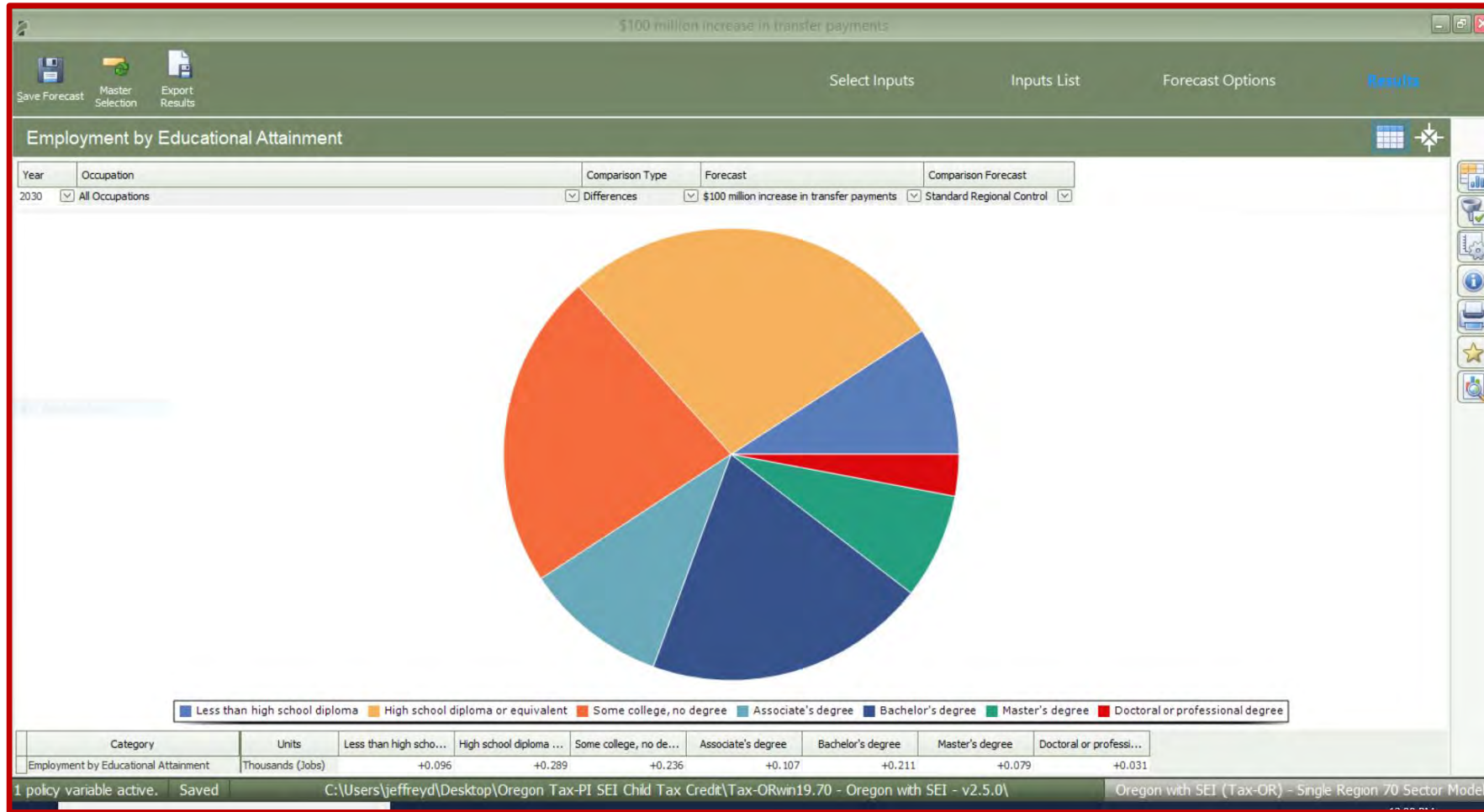
- There is a larger increase in male employment in the first few years (2021- 2026), but the longer-term increases are majority female employment.
- This is due to a construction boom at the beginning.

SEI Results – Employment by Educational Attainment (2021)



- The majority employment increase in 2021 comes from jobs not requiring a college degree.

SEI Results – Employment by Educational Attainment (2030)



- The majority employment increase in 2030 also comes from jobs not requiring a college degree.

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Income Quintiles



2024

Middle 20% peaked at:

.09%

Race and Gender



2022-2040

Average growth rate of yearly Male/Female employment:

.6%

Fiscal and Economic



2022-2060

'Income Taxes' and 'Select Sales Taxes & Gross Receipts':

%100

Educational Attainment



2030

Jobs created from those not needing a college degree increased by:

3.67%

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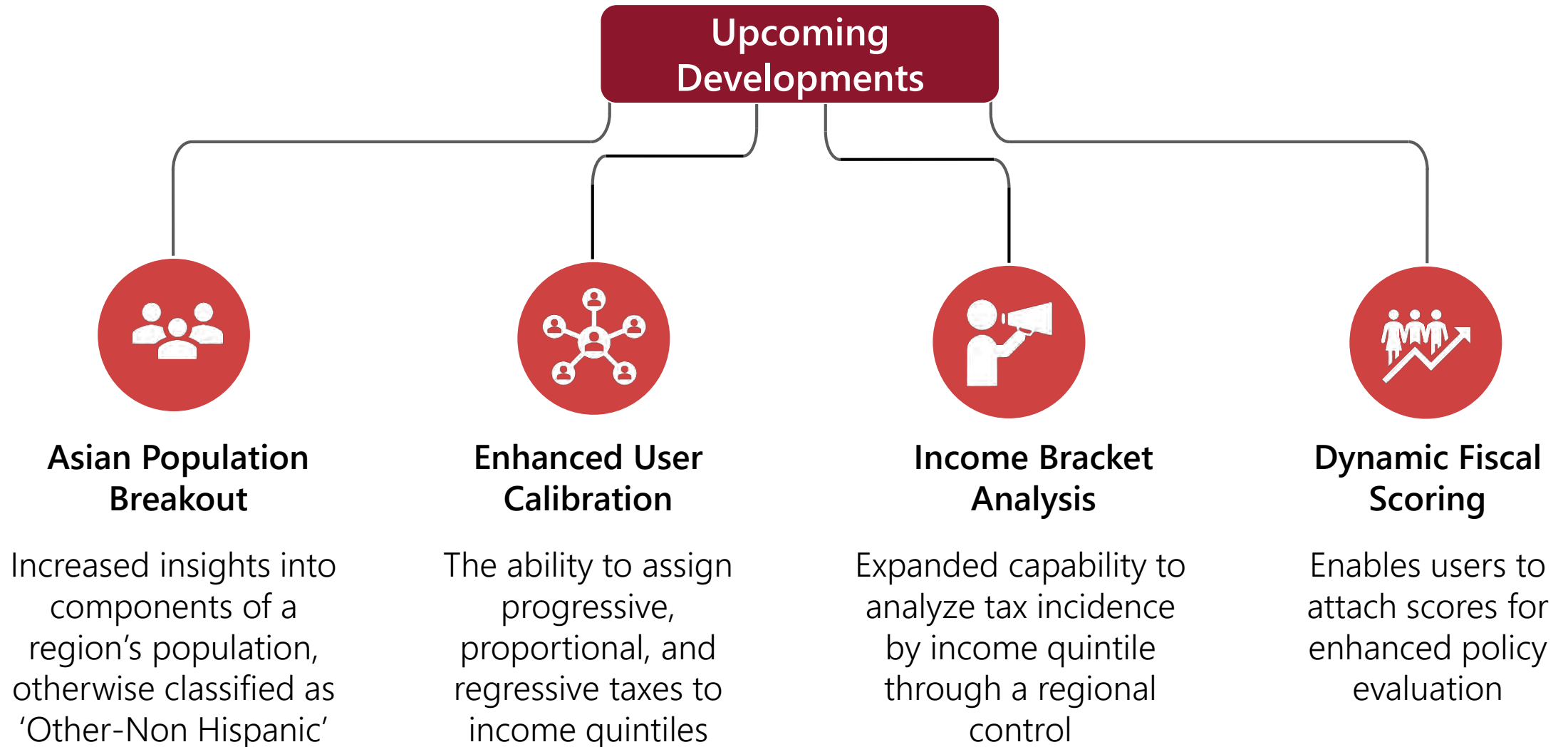
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Upcoming Developments for Tax-PI and SEI



REMI SEI & Census Data Improvements



Gaps to be Met

The ability of users to efficiently and dynamically interpret census data that address upcoming changes to the socioeconomic makeup of a region

Structural shift in economic geography:

- States and Localities Face Ongoing and Persistent Challenges

Analysis to highlight socioeconomic challenges for states and cities, in particular, the widening of income and racial disparities

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*what does **REMI** say?sm*

The logo for REMI SEI, featuring a stylized red and grey graphic to the left of the text "REMI SEI" in a bold, red, sans-serif font.

REMI SEI is the premiere modeling solution for evaluating the socioeconomic indicators (SEI) of projects and policies across a variety of topic areas.

The industries of economic development that rely on dynamic SEI impact analysis to influence their policies and practices include:

- Education
- Transportation
- Taxation
- Healthcare and Social Services
- Housing and Community Development
- Labor and Workforce Development
- Consulting Firms
- Energy and Environment
- Immigration

Capabilities



Jobs by Race/Gender



Jobs by Education Level



Regional Disparities by County



Income by Quintile



Labor Force by Race/Gender



Inflation Impact by Income

Forecasting revenues

- Property taxes
- Sales/use taxes
- Licensing fees
- Alcohol taxes
- Gasoline taxes

Forecasting expenditures

- Education
- Judicial & Corrections
- Public health
- Parks & Recreation
- Transportation

REMI SEI

- ü Jobs by Race/Gender
- ü Regional Disparities by County
- ü Labor Force by Race/ Gender
- ü Jobs by Education Level
- ü Income Quintile
- ü Inflation Impact by Income

REMI Tax-PI

- ü State and Local Tax Changes
- ü State and Local Fiscal Budgets
- ü Education and Infrastructure Investments

How do they work together?

Thank you for attending!

For more information, please contact
info@remi.com