

Energizing Indiana's Economy

What industry invests about \$2.5 billion annually in Indiana? Indiana's electric and natural gas utilities. Whether through the jobs it creates, the products it purchases or the taxes it pays, the industry is an economic engine for the state.

The Indiana Business Research Center, a part of the Kelley School of Business at Indiana University, recently completed an assessment of the economic contributions of Indiana's energy industry. This study provides an important insight into the impact and significance of Indiana's five investor-owned electric utilities and nine natural gas utilities on our state's economy.

The study noted that the companies analyzed directly employ 11,500 people with a payroll of over \$1 billion. Together, these companies spend another \$7.8 billion to purchase the products necessary for their business. These expenditures create jobs in other industries, which supply the energy business and spur an additional \$1.2 billion in economic performance for those other industries. As a matter of fact, for every 100 jobs directly in the energy industry, 143 additional "ripple-effect" jobs are created in other industries.

Indiana's utility investments led to an additional 9,000 jobs working directly on many projects as well as nearly 7,000 additional jobs created throughout Indiana's economy. For investments made by utilities, every 100 jobs directly linked to the investments supported

approximately 179 additional ripple-effect jobs.

But even this does not tell the full story of the benefits created for Indiana's economy by the energy companies. As tax-paying entities, the companies paid \$312 million in taxes to state and local governments. In addition, because of the ripple effect in Indiana's economy from utility operations and investments, Indiana and local governments received \$160 million in revenue from other suppliers and companies. As a result, Indiana's investor-owned electric and natural gas utilities generated nearly half a billion dollars in taxes paid to state and local governments.

Finally, Indiana's energy companies are deeply rooted in the state with strong support to the communities they serve. One example is the hiring of military veterans. Indiana's energy providers reported that approximately 7% of their new hires in recent years have been veterans. By contrast, veterans accounted for only 4.6% of Indiana's total labor force in 2016.

Not only is the availability of reliable energy fundamental to our daily lives, but this industry also forms an important pillar of Indiana's energy-intensive economy.

*Mark Maassel, President
Indiana Energy Association*



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111 Monument Circle, Suite 4600 | Indianapolis, IN 46204 | 317.916.1300