



The Perryman Group

## Buy the Basin: Potential Benefits of Increasing Local Purchases June 2020

Increasing local spending can lead to significant benefits in the Permian Basin Region including additional retail sales and jobs, as well as tax receipts to local entities. The Perryman Group estimated the economic benefits if people in the Region increased spending at local retail stores, restaurants, and personal services establishments to levels consistent with patterns in other areas. These amounts are fully adjusted to reflect goods and services that are available in the Permian Basin and income levels of area residents.

Increasing local purchases to levels seen in other areas would lead to increases in direct spending at local retail, restaurant, and personal services firms of an estimated \$2.4 billion. When multiplier effects are considered, this increase in local spending leads to total economic benefits of \$921.5 million in gross product, \$554.8 million in personal income, and 13,809 jobs. The potential gain in retail sales reflects an 11.3% increase over current levels, and the increase in employment would bring a 5.4% increment to the region.

Spending locally can have a major impact on the economy of the Permian Basin Region. Jobs can be created with very little incremental spending per person, and choosing local establishments can make a very real difference in overall performance.

A job would be created in the Permian Basin if everyone in the area spent just another

**+\$0.49** per year  
at a **retail store**,

**+\$0.23** per year  
at a **local restaurant**,

\_\_\_\_\_ or \_\_\_\_\_

**+\$0.37** per year  
for **personal services**.

### The Potential Impact of Increased Local Purchases on Economic Activity in the Permian Basin

Results based on 2019 spending levels

Economic Indicator	Retail	Restaurants	Personal Services	Total
Direct Spending	\$1,407.9 m	\$751.8 m	\$244.8 m	\$2,404.6 m
Gross Product	\$427.1 m	\$380.3 m	\$114.1 m	\$921.5 m
Personal Income	\$257.8 m	\$215.6 m	\$81.4 m	\$554.8 m
Employment	5,839	6,603	1,367	13,809

Source: US Multi-Regional Impact Assessment System, The Perryman Group

Notes: Monetary values given in millions of 2019 US dollars. Components may not sum due to rounding. Direct Spending estimates are based on the potential gains if local consumers exhibited purchasing patterns consistent with local product and service availability and those observed in other comparable areas. The measures of potential economic gains reflect simulations of the Permian Basin submodel of the US Multi-Regional Impact Assessment System, with overall benefits constrained to reflect those achieved through the incremental direct spending.

## THE PERRYMAN GROUP



The Perryman Group is a focused team of analysts who know how to address complex economic information tasks and present our findings effectively.

Our in-house professionals bring expertise in **economics, finance, statistics, mathematics, real estate, valuation, systems analysis, engineering, technical communications, and marketing.** Dr. Ray Perryman, President and CEO, has 40 years of experience in developing systems, analyzing complex problems, and communicating effectively. We have considerable pride in what we do. Our enthusiasm is both unbridled and contagious; every day brings a new opportunity for us to tackle a different problem or create a product or service specifically tailored to our clients.

### OUR SERVICES

#### IMPACT ASSESSMENT

We have developed and continually maintain an extensive set of economic impact evaluation models that can be applied in a variety of contexts.

#### EXPERT TESTIMONY

We help clients analyze and communicate complex information in common-sense terms through comprehensive, objective analyses and clear, concise expert reports and presentations.

#### FORECASTING

We are at the cutting edge of econometrics and other advanced statistical methods and have provided innovative approaches for many complex applications.

#### SPEECHES

Dr. Perryman addresses dozens of audiences throughout the world every year, catering to a wide variety of events.

### M. RAY PERRYMAN, PH.D.

Dr. Perryman is the President and CEO of the Perryman Group and Distinguished Professor of Economic Theory and Method at the International Institute for Advanced Studies. Over the past 40 years, Dr. Perryman has helped recruit corporations providing tens of thousands of jobs through economic development work, resolved billion-dollar legal issues, and revamped public policy through impact assessments and other studies. His firm has measured economic impacts for corporate locations and expansions involving billions in investments, and his economic forecasts are used by corporations and government agencies alike.

He has provided economic analysis and expert testimony for civil litigation across a wide range of practice areas including antitrust

and competition, patent infringement and other intellectual property disputes, securities, and commercial and complex litigation. His work combines strong expertise in economic damages calculation, asset valuation, market analysis, and statistical methods and econometrics.



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