

Florida MEP 5-Year Economic Impact Strong, Despite Weak Economy

*Independent Study Finds Florida MEP Generated \$4.1 Billion in Economic Output,
21,000 Jobs in Past Five Years*

Celebration, FL – Calling the findings proof of the investment return on training and technical assistance programs, the Florida Manufacturing Extension Partnership ([Florida MEP](#)) today released the results of a five-year economic impact study. The impact study, conducted by an independent third-party evaluator, concluded that Florida MEP was responsible for creating or retaining 21,534 jobs and generating \$4.1 billion in economic output over the past five years (Quarter 3 2004 through Quarter 2 2009).

“Despite the steepest economic decline since the Great Depression, Florida MEP over the past five years helped create and retain more than 21,000 jobs in Florida paying in total more than \$1 billion in wages and benefits,” said Gene Lussier, chair of the Florida MEP board of directors.

“This impact emphasizes the importance of providing training and technical assistance to small and mid-size manufacturers, so they can survive the economic downturn.”

The Florida MEP is an affiliate of the National Institute of Standards and Technology (NIST) under the U.S. Department of Commerce. As a member of the national network of manufacturing extension centers throughout the country, Florida MEP is subject by law to independent third-party evaluations of the program’s economic impact. The impact results announced today were based on assessments of 733 companies that were clients of Florida MEP from 2004 to 2009.

“As a direct result of Florida MEP programs and services over the past five years, manufacturers in our state created 2,318 jobs and retained 4,608 jobs that otherwise would not have existed,” Lussier stated. “Our projects with them achieved more than \$124 million in total cost savings, and they consequently increased or retained nearly \$720 million in sales.”

Each of these effects, in turn, generated subsequent ripples throughout the Florida economy.

The sum of these direct, indirect and induced effects suggest that manufacturing firms assisted by Florida MEP were responsible for creating or retaining more than 21,534 jobs that paid a total of \$1 billion in employee wages and benefits. Total economic output increased or retained as a result of Florida MEP programs totaled \$4.1 billion over the last five years.

Lussier noted with particular pride the role Florida MEP plays in contributing to the state coffers.

At a time of sharply decreased tax revenues, the Florida MEP program successfully bolstered state and local revenues by more than \$114 million. The impact study concluded that the program generated or retained \$406.4 million in additional tax and non-tax revenues at the federal, state and local government levels over the past five years, including \$114.7 million at the state and local levels.

“The economic impact study illustrates the importance of supporting programs that help manufacturers become more efficient in terms of production processes, labor utilization and energy consumption. Florida MEP provides this assistance to companies in every manufacturing sector; and we pay back taxpayers’ investment many-fold,” said Lussier.

Lussier emphasized that the value to manufacturers of Florida MEP programs becomes even more apparent in a challenging economy.

“Surprisingly, it’s during tough times like this when the value of MEP training and technical assistance programs becomes even more apparent,” Lussier said. “We can help manufacturers identify growth opportunities, upgrade critical employee skills, improve production efficiencies, cut energy costs, improve supply chain performance and enhance customer satisfaction. Tough times winnow out the competition, but they can also propel the growth of well-prepared firms that implement the initiatives needed to become next generation manufacturers capable of surviving in a global economy.”

The Florida MEP chairman cited examples of the kinds of assistance for manufacturers that contributed to the economic impact. They include:

- Launching an innovative two-week intensive job training and placement program to offer out-of-work Floridians a chance at employment in the manufacturing sector; the Mobile Outreach Skills Training program has an impressive 95 percent success rate in placing graduates into jobs;
- Helping companies like Vought Aircraft Industries, a tier-1 integrator, implement a lean transformation project to identify efficiency improvements and drive down costs; Vought earlier this year was ranked No. 2 in the country on the list of SixSigma’s *Top 10 Best Places to Work for Six Sigma Professionals*, beating out such well-known industry giants as Textron, Chevron and Xerox;
- Partnering with regional workforce boards on training programs that guide small and mid-size manufacturers through the complex world of government procurement, so that Florida firms successfully qualify to become federal agency vendors;
- Providing customized training through an innovative MEP Gulf Coast Hurricane Assistance Program to enable storm battered manufacturers to rebound from the natural disasters of 2007.

“Nationwide, the productivity gap between large and small firms widened during the past decade. But as large manufacturers increase their dependence on suppliers for parts and services, the performance of small manufacturers become even more critical to the health of the economy. Florida MEP is working to help small and mid-size firms unlock their potential. We know that with the use of modern manufacturing equipment, methodologies and management practices, Florida firms can thrive. Today’s economic impact results demonstrate that our efforts are making a positive difference,” said Lussier.