

Regions Financial Corporation- Supporting Alabama's Economy

Investing in the communities Regions
calls home.

This economic impact and benefits analysis quantifies the 2012 economic, employment, and tax revenue impacts for Alabama contributed by Regions Financial Corporation. The research identified various social and community benefits that result from business operations on all geographies. Included in this report is a specific analysis of "spotlight projects." The economic benefit analysis demonstrates the economic effects of commercial and residential lending by Regions and how it benefits Alabama's economy.

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Overview

Regions Financial Corporation¹ (NYSE:RF), with \$119 billion in assets, is a member of the S&P 500 Index and is one of the nation's largest full-service providers of consumer and commercial banking, wealth management, mortgage, and insurance products and services. Regions serves customers in 16 states across the South, Midwest and Texas, and through its subsidiary, Regions Bank, operates approximately 1,700 banking offices and 2,000 ATMs.²

Regions is the only Fortune 500 Company headquartered in Alabama.³ Regions Bank, the largest bank in Alabama, provides high-paying jobs and generates business activity through its expenditures. The bank pays taxes and other impositions, advances various community and state economic development activities, and facilitates economic growth through lending. This fact is not insignificant when assessing the financial impact the organization has on the state and the communities it serves.

In addition to the traditional markers of economic significance, jobs, spending, revenue, etc., the community agrees that Regions provides the depth of services typically offered by multi-national financial institutions, while maintaining the community banking service foundation from which it grew.^{4,5}

If Regions was not headquartered in the state, another lender would step in to service the accounts, but given Regions' importance to Alabama, a gap would be left within the community. The bank can make a lot of loans, but its commitment is to make a loan structured and priced appropriately for local customers. Beyond lending and banking services, Regions is invested in the state and is part of the fabric of Alabama's economy. Regions' intangible impact to the community stems from its objective to make life better by creating shared value as its associates help customers achieve their financial goals and aspirations.

At Regions, customers and communities are the heart of its business. The organization and its community partners unanimously agreed that Regions and its employees are active participants in the communities where they live and work alongside customers. The bank is actively involved and supports activities, events, and organizations that embrace children, families, and neighborhoods.⁶

¹ Throughout this report Regions Financial Corporation will be referred to as Regions Financial, Regions Bank or Regions.

² www.regions.com

³ <http://money.cnn.com/magazines/fortune/fortune500/2012/states/AL.html>

⁴ Regions Financial Corporation traces its roots back to three Alabama-based banks who became original affiliates of First Alabama Bancshares, Inc., chartered in 1970 as the first multi-bank holding company in the state of Alabama. Those three banks are: the First National Bank of Huntsville, chartered in 1856, the First National Bank of Montgomery, opened in 1871, and the Exchange Security Bank of Birmingham, chartered in 1957.

⁵ http://www.regions.com/about_regions/regions_history.rf

⁶ http://www.regions.com/about_regions/community_engagement.rf#sthash.l8pb8Fol.dpuf

Success is tied directly to the success of Regions' customers, communities, and associates. Regions wants to create shared value with the community as it partners to achieve their financial goals and aspirations.

In 2012, while the state of Alabama is just making strides back to the pre-recession jobs numbers, Regions is directly and indirectly responsible for 21,779 jobs (this is nearly 1.2% of the state's total non-farm 2012 jobs⁷). This number includes both the 11,134 direct jobs held at Regions, as well as the additional 10,645 indirect or induced jobs which are due to the operations of Regions. In addition to the employment, Regions is responsible for more than \$3.3 billion in economic activity or output (which includes \$1.9 billion in value-added or 1.07% of the \$177 billion 2012 gross domestic product in Alabama).

In addition to operational economic impact, the current analysis includes estimation of the economic benefits of the bank's loan originations. Loans are provided to both businesses and consumers across the state. Thus, in addition to its own spending and hiring, Regions facilitates economic activity throughout the state with the substantial amount of lending it offers as a service to the community and its citizens.

While the primary purpose of the research sought to provide quantitative measures, the final report focuses its narrative on the social and community benefits attributable to services provided by Regions and its associates within Alabama, the counties, and the neighborhoods Regions invests in. Four specific examples were included as spotlight projects to illuminate how Regions participates in job creation and economic development in Alabama. The specific steps taken in performance of the research included data collection, project meetings, stakeholder interviews, economic impact modeling, and data verification.

Tripp Umbach would like to recognize the efforts of Lajuana Bradford, Tim Deighton, and Vicki Faucett to facilitate the completion of our analysis. Without their assistance, and the input of many stakeholders, this report could not have been completed.

⁷ Per BLS.gov for jobs in May 2012.

Executive Summary

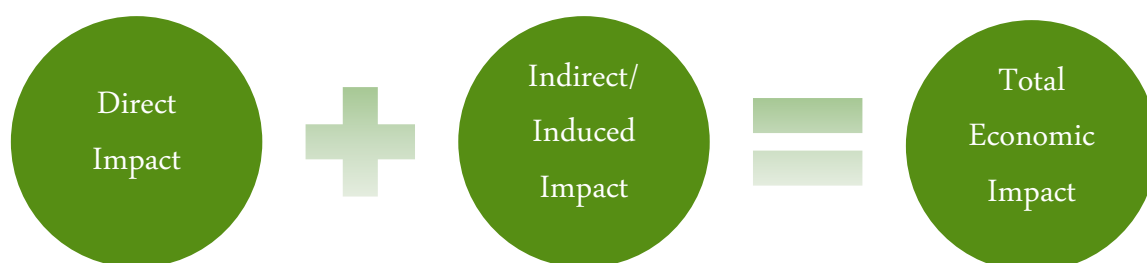
Based on 2012 data, Tripp Umbach's assessment of Regions Financial Corporation finds that:

- Regions has a **\$3.3 billion** impact on the Alabama economy through its day-to-day operations;
- Adds more than **\$3.7 billion** to the Alabama economy through the lending of the institution to both businesses and consumers in the state;
- Supports both directly and indirectly through operations nearly **22,000 jobs**;
- Provides pay and benefits to employees which is **36% higher than the average job** in the state of Alabama;
- Generated both directly and indirectly over **\$101.8 million** in state and local tax revenue;
- Provided **\$5.86 million** to Alabama charities through either associate monetary donations, associate volunteerism, or corporate donations; and
- Provided growth to many local organizations through lending to Alabama organizations and provides monies through lending to either consumers or businesses in each of the 67 counties in the state of Alabama.

Economic, Employment, and Government Revenue Impacts

Regions is an integral part of the state's economic vitality. The operations of Regions not only generate additional economic impact for the state of Alabama, but also for each of the local communities where it has operations. The organization affects business volume in those areas in the following ways:

- Direct expenditures for goods and services by the company, its employees, and visitors. This spending supports local businesses, which in turn employ local individuals to sell the goods and provide the services that Regions constituencies wish to purchase.
- Indirect and induced spending within the state of Alabama. The businesses and individuals that receive direct payments re-spend this money within the state, thus creating the need for even more jobs.



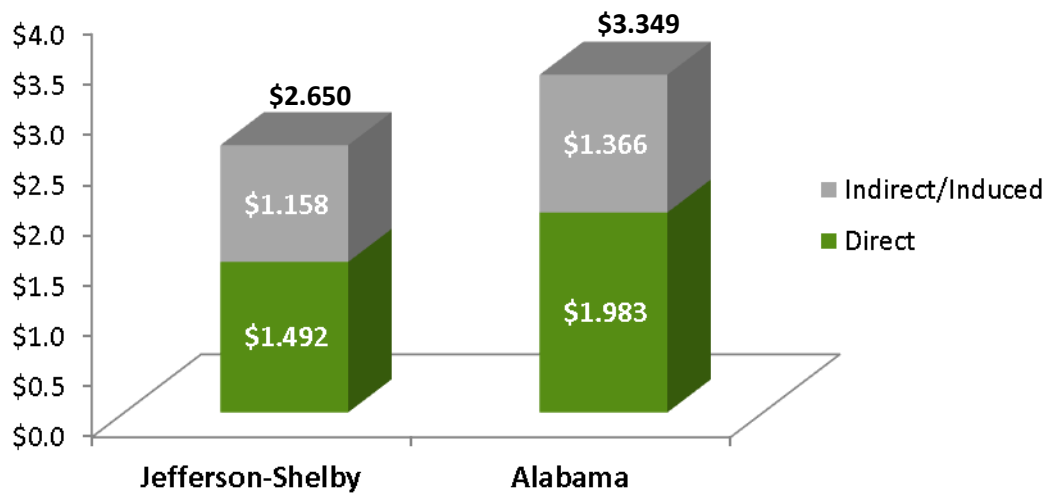
Economic Impact

Based on 2012 data, Regions is directly and indirectly responsible for \$3.3 billion in spending within the state of Alabama. This is \$1.9 billion in value-added or 1.07% of the state's GDP. This impact is felt in a variety of industries and a variety of counties and local economies throughout the state, as Regions has employees in over 95% of the state's 67 counties, and has operations or writes loans in each of the counties within the state of Alabama, helping businesses and consumers keep the economy thriving through times of economic downturn or boosting businesses in the local area.

The economic impact of Regions is not only based on its direct impact, which was greater than \$1.9 billion in 2012, but also the indirect impact of the spending of local businesses to support the Regions Bank operations (\$781 million), and the induced impacts of the household spending due to Regions Bank (\$585 million).

Regions' impact is felt throughout the state; however, in the Jefferson-Shelby Area⁸ of Alabama, this impact is dramatic. Regions has a total impact in this two-county area of the state which totals \$2.65 billion. This is nearly \$1.5 billion in direct expenditures in both direct payroll expenses and non-payroll expenditures, as well as an additional \$1.15 billion in indirect or induced spending within this area.

Figure 1. Economic Impact (in billions)



These impacts are felt in a variety of different industries and sectors of the statewide economy. The impact of an increase in business done at Regions is felt throughout the local area in a variety of industries outside of banking such as insurance agencies, real estate, restaurants, telecommunications, doctors and dental offices, etc. (see Table 1).

Table 1. Top 10 Industries Economically Impacted by Regions Bank in 2012	
1	Monetary authorities and depository credit intermediation activities
2	Non-depository credit intermediation and related activities
3	Securities, commodity contracts, investments, and related activities
4	Insurance agencies, brokerages, and related activities
5	Imputed rental activity for owner-occupied dwellings
6	Food services and restaurants
7	Real estate establishments
8	Telecommunications
9	Offices of physicians, dentists, and other health practitioners
10	Wholesale trade businesses

⁸ This area throughout this report contains both Jefferson County and Shelby County for analysis.

Employment Impact

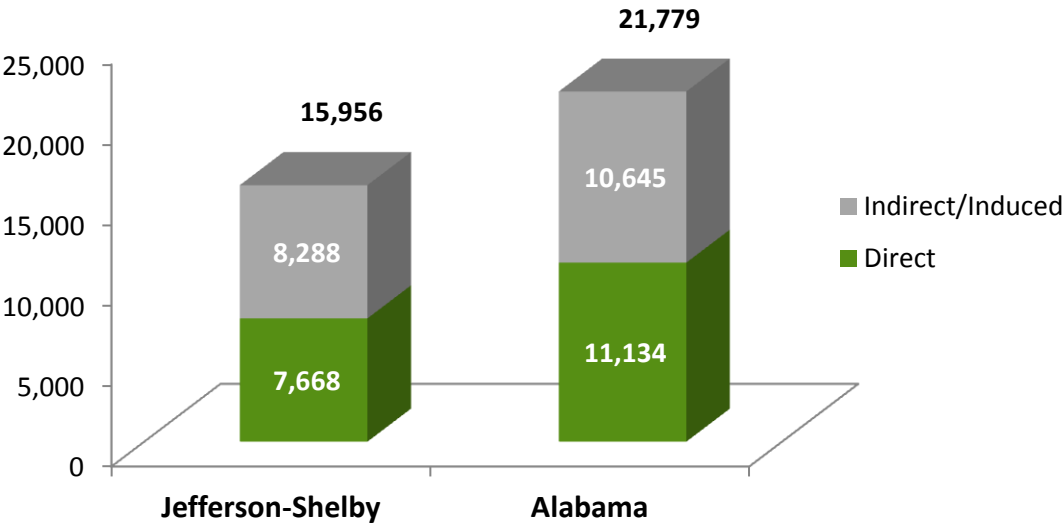
Based on 2012 data, the direct employment impact of Regions is 11,134, along with 10,645 indirect and induced jobs which are directly related to Regions' operations in Alabama. This means that in Alabama, 21,779 jobs are a result of the business operations of Regions or nearly one in every 84 jobs across all industries. Table 2 below shows the top 10 industries Regions has an impact on employment through the state of Alabama.

Table 2. Top 10 Industries Regions Has An Employment Impacts On For 2012	
1	Non-depository credit intermediation and related activities
2	Monetary authorities and depository credit intermediation activities
3	Food services and restaurants
4	Securities, commodity contracts, investments, and related activities
5	Insurance agencies, brokerages, and related activities
6	Real estate establishments
7	Employment services
8	Services to buildings and dwellings
9	Civic, social, professional, and similar organizations
10	Maintenance and repair construction of nonresidential structures

These jobs are jobs that are well compensated and important to the community and local economy. In 2012, payroll at Regions was nearly \$599 million. This means that in 2012, the average Alabama-based employee of Regions made 36% more than the average working person in Alabama.

In 2012, greater than 68% of its Alabama direct employees resided in the Jefferson-Shelby Area. The total employment impact in the Jefferson-Shelby Area is 15,956 jobs. Of those jobs sustained in the Jefferson-Shelby Area, 7,668 are direct employees of Regions and 8,288 are either indirect or induced jobs.

Figure 2. Employment Impact (jobs)



Government Revenue Impact

Regions has a significant impact on government revenue collected by the state of Alabama. In 2012, the company generated more than \$101.8 million in state government revenue. This includes approximately \$41.5 million attributed to sales tax, property tax, payroll tax, and other state and local taxes paid by Regions.

Spotlight on Community Projects

Science and Engineering Services, LLC – North Alabama

Science and Engineering Services, LLC (SES) is poised for growth and the company credits Regions Bank for providing the necessary capital to finance the expansion of the defense aviation maintenance sector in Huntsville. In the past two years, SES has added nearly 400 jobs, employing aviation technicians, welders, and quality assurance staff within the Huntsville region.

SES utilizes an operating line of credit offered by Regions to capitalize on opportunities present in the marketplace. SES has been partnering with Regions since 2009. In addition to operating cash flow, SES continues to increase its footprint in Huntsville, having recently expanded total operations to 1.2 million square feet in 2013.

“Other banks want our business, but Regions’ is the only bank that works with us at the local community level that benefits our community.”

The impact of this project alone is not just the addition of 400 direct jobs to the local economy, but an additional 572 jobs in the state through indirect and induced employment. Additionally, the impact of this funding is seen not only through the direct infusion of capital to fund the project, but through the annual operations once the project is completed. The estimated annual impact of this project alone is \$216.3 million being added to the Alabama economy on an annual basis.

Dothan Airport Authority and Commercial Jet – Central Alabama

The Dothan Airport Authority is renovating hangars and upgrading infrastructure to attract Commercial Jet, an aviation service provider. Commercial Jet will attract planes from throughout the Southeast due to the unique services offered. The facility will employ hundreds of people and will triple the company’s capacity to provide freighter conversion and maintenance, repair, and overhaul services.

The Dothan Airport Authority’s \$6 million loan from Regions Bank is combined with other investments, and meant a total of approximately \$14 million invested into this project. Regions has been a long-time partner with the City of Dothan, and its loan of \$6 million came at a crucial time for the development of the project, allowing for immediate renovations to begin.

The Commercial Jet economic development story is a positive one for Dothan and the state’s Wiregrass region. According to analysis completed by Troy University – *Sorrells Business College, CIBED*, the project will directly employ 500 people and create approximately 1,500 other jobs in the community and region. Direct, indirect, and induced wages will exceed \$74 million per year flowing into the community. This dollar inflow has the potential to increase annual sales tax collections by \$1.9 million per year and create demand for housing units providing property tax collections of approximately \$395,000 per year.

Horizon Shipbuilding – South Alabama

Horizon designs and constructs a wide variety of steel and aluminum ships and fiberglass and aluminum boats and industrial products for commercial and various government entities, both domestically and internationally. Primary efforts and product are focused on design and construction of boats, ships, and craft, and barges up to 250 feet in length and 1,500 tons maximum launch weight.

Horizon began banking with Regions in 2007. The organization utilizes Regions for interest-bearing accounts, and most recently, as a way to reduce its cost of borrowing money. Regions was instrumental in helping Horizons acquire an adjacent shipyard, which has enabled it to triple production capacity, which has opened up additional opportunities and increased its borrowing power. Regions provided approximately \$2.0 million in financing which allowed the company to triple its capacity from 10 to 30 acres. The impact of this funding is not only the \$2.6 million spent on the construction costs,⁹ but the additional jobs which will be sustained due to the project as well as the potential future annual growth. The company projects that 100 additional jobs will be created in the year post-construction, and an additional 400 jobs five years out. Tripp Umbach estimates the impact of just the additional jobs and operations from the project in 2014 to cause a job growth of 220 jobs and \$42.6 million in economic impact in the first year, growing to a growth of 880 jobs and \$190.2 million in economic activity by the year 2019. Again, it is important to note these are in addition to the current operations of the organization and are annual impacts.

In addition to serving economic development needs, Regions has a very prominent presence on the Gulf Coast. Bank associates are active in both the Bayou La Batre and the Mobile Chambers of Commerce. Regions associates volunteer in the city's annual "Taste of the Bayou," and "Seafood Bash," in which Montgomery legislators are treated to the Gulf's best fresh seafood. Regions has been generous with its support of local schools, and is a very important community member in Bayou La Batre, as well as greater Mobile.

Children's of Alabama – North Central Alabama

Children's is the 3rd largest pediatric medical facility in the U.S. and the only free-standing Children's Hospital in the State of Alabama. During 2012, there were over 634,000 outpatient visits and 14,000 inpatient visits to Children's from every county in Alabama and from 47 other states. Regions is Children's primary operating bank and has offered short-term financing vehicles to the hospital over the years.

Children's of Alabama constructed a new 12-story hospital in 2012. The cost of the expansion project totaled approximately \$400 million (\$320 million for construction and \$80 million for equipment and furnishings), with financing for the project comprised of bonds, requests for state, county, and local government support, and funds donated by employees and individuals to the Keeping Promises capital campaign. The Keeping Promises campaign ended two years early and exceeded its \$100 million goal by

⁹ 80% of the project was funded through Regions Bank.

\$10 million. An estimated 2,000 jobs with a \$71 million construction payroll have been generated by the project, bringing a significant economic boost to the state of Alabama, Jefferson County, and the city of Birmingham.¹⁰

Regions Bank financed \$235 million in bonds for the project, with the rest financed through \$110 million in capital campaign contributions and operating cash flow. It is estimated that in addition to the generation of construction costs, added medical tourism and additional indirect spending during the construction phase this project added 1,000 jobs to the local economy.

Children's is the primary beneficiary of the Regions Tradition, the first Champions Tour major to be hosted in Alabama. The community support and relationship is important to Children's and they believe there is not another company that could come in and take Regions' place in the community.

¹⁰ <http://childrenalnews.org/who-we-are/growth-expansion/>

Economic Benefits

Regions' impact reaches beyond that of its day-to-day operations on the state and local economies. Regions has provided additional benefits through the loan originations in the state and throughout each county in Alabama. This lending impact is even more important to an economy during an economic downturn. During this time, the lending activity is important to maintaining the day-to-day operations of many local households and businesses both small and large.

The effect of changes in bank capital on the extension of bank credit is a key determinant of the linkage between financial conditions and real activity, which greatly affects not only lending institutions, but the economies in which they reach¹¹.

Table 3 in Appendix B shows the lending within each county in the state of Alabama. The bank's loan originations to Alabama businesses and consumers in 2012 totaled a little over \$3.8 billion. With such a large amount of lending activities in the market, Regions spurred economic activity throughout this volatile time in the state's economy. This is an economic benefit separate from the bank's operational or day-to-day business impact. The economic activity the bank empowered throughout the state is vital to the state's ability to recover and grow the market currently and into the future.

¹¹ Berrospide, Jose M. & Edge, Rochelle M. "The effects of bank capital on lending: What do we know, and what does it mean?" The Federal Reserve Board. August 17, 2010.
<http://www.federalreserve.gov/pubs/feds/2010/201044/201044pap.pdf>

Volunteerism, Community Service, and Education

In addition to helping the local community, residents, and local businesses with financial matters, Regions and its associates give back to the community in a variety of ways. Through Tripp Umbach's proprietary models on community benefits and through data collected from Regions on associate volunteerism and charitable giving, Tripp Umbach estimates the impact of Regions associates to be nearly \$2.36 million. This total includes the \$1.67 million that employees donate in charitable contributions to local charities within Alabama, as well as \$684,000 in the in-kind donations of time spent volunteering in local charitable organizations. Regions also donated \$3.5 million to charitable organizations in 2012; bringing the total amount of charitable contributions and in-kind donations from Regions Bank and its associates to \$5.86 million in Alabama.

Regions' objective is to make life better by providing customers with the financial services that they need, want, and understand. Regions Bank focuses on understanding the customers' needs and ensuring they receive guidance, advice, and education to use financial services in a productive way.

Financial Literacy and Educational Programs

Regions works closely with community partners and non-profit organizations to provide financial education resources to students and adults. As an example, since 2010, Regions Bank has worked with EverFi, a leading education technology company, to provide free online financial education courses to students and Regions Bank customers through the Regions Financial Learning Center.

Regions associates are also involved with Junior Achievement in many communities. As an example, in Birmingham, Ala., associates collected more than \$35,000 for the purchase of Junior Achievement teaching materials.

What A Difference A Day Makes

Regions' What A Difference A Day Makes associate volunteer program encourages associates to perform voluntary community service work in their communities. Regions allows active associates the opportunity to take one day per calendar year, with pay, to volunteer in the community.

Types of volunteer activities eligible for this program include:

- Nonprofit 501(c)(3) organizations supporting the following areas:
 - o Arts/culture
 - o Community development
 - o Economic development
 - o Education
 - o Health/human services
- Regions-sponsored charitable events such as the Regions Tradition or local market-sponsored charitable events (e.g., Relay for Life, March of Dimes, Habitat for Humanity)

Regions Economic Development Into the Future

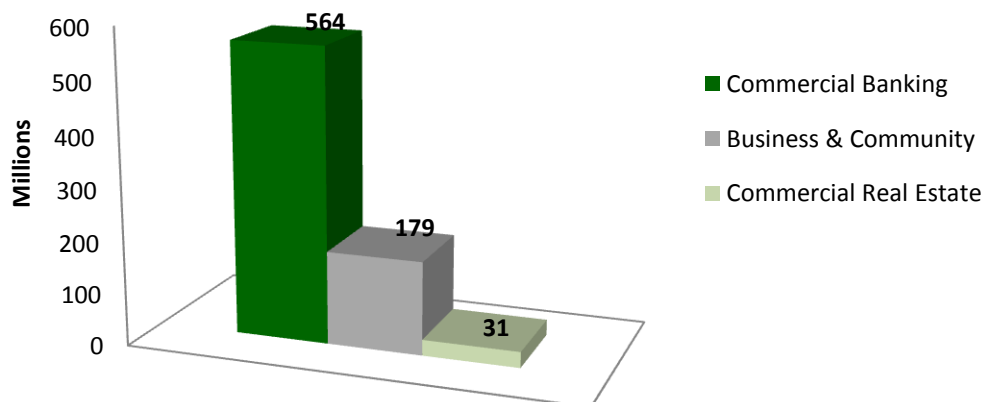
\$1 Billion Loan Pool

Regions announced in February 2013 the creation of a \$1 billion economic development loan pool to provide capital and spur business growth in the state of Alabama.¹² State officials led by Governor Robert Bentley expressed gratitude that Regions stepped forward and set an example for a nation struggling to recover from the worst economic downturn since the Depression. “The bank initiated this, and we were very excited by it because one of the [biggest] problems that states are having is the ability to acquire capital.”¹³

Regions partners with the Alabama Commerce Department and with the business community to identify prospective projects for financing. The funding has been made available for 2013. The loan pool intends to serve as an additional resource in growing the state’s economy and creating jobs.

From January 2013 through July 2013, greater than \$750 million in loans and credit have been issued to Alabama businesses. This has resulted in more than 1,550 direct jobs for Alabama.

Figure 3. Alabama Economic Development Pool
Total Commitment July YTD
\$774,011,709



¹² <http://businessfacilities.com/feature-story-accelerating-in-alabama/>

¹³ Ibid.

Appendix A: Methodology

A. Study Methodology

In order to fully quantify the impact of Regions Financial Corporation within the various geographical areas throughout this study, it was necessary for Tripp Umbach to establish a study methodology. It was critically important that the methodology used would ensure a comprehensive, yet conservative, estimate of the operation's impact, based on information compiled using uniform and consistent techniques. In addition, the study team sought to develop a reproducible methodology, assuring that subsequent studies could build upon the information and knowledge gained through this effort.

Tripp Umbach determined that the use of the IMPLAN Pro, economic impact model software, was most appropriate for this analysis. The IMPLAN econometric model operates by estimating the direct impact, indirect impacts, and induced impacts of specific economic activity. Direct economic impacts are those attributable to the initial economic activity. For example, an operation with 10 full-time employees creates 10 direct jobs. Indirect economic impacts are those economic activities undertaken by vendors and suppliers within the supply chain of the direct activity because of the initial economic activity. For example, suppliers of goods, materials, and services used in the direct activities produce indirect economic impacts. Induced economic impacts result from the spending of wages paid to employees in local industries involved in direct and indirect activities. Tripp Umbach selected the IMPLAN model due to its frequent use in economic impact in addition to its development independent of local influences.

Tripp Umbach collected employment information concerning the economic activity of Regions Bank operations themselves, and followed up in-person to ensure the data was the most current available.

In this report, the impact was measured using IMPLAN datasets. The IMPLAN¹⁴ data files include information for 528 different industries (generally three- or four-digit SIC¹⁵ code breakdown) and 21 different economic variables. IMPLAN sources its employment data from ES202 employment security data supplemented by county business patterns and REIS data. Employment data utilized in the analysis includes full-time and part-time positions.

It should be noted that, at the time of performing the Regions Bank assessment, the most recent IMPLAN data files for each of the counties measured in Alabama and at the state level were for 2011. While the data is not current, it is unlikely that the fundamental economic structure of Alabama's economic fabric has changed to an extent that would invalidate the analysis.¹⁶ IMPLAN data and accounts closely follow the accounting conventions used in the "Input/ Output Study of the U.S. Economy" by the U.S. Bureau of Economic Analysis and the rectangular format recommended by the United Nations.

¹⁴ Minnesota IMPLAN Group, 1725 Tower Drive West, Suite 140, Stillwater, MN 55082

¹⁵ Standard Industrial Classification

¹⁶ The data set used in this study is the most current available for the methodology employed. Oftentimes it is difficult to obtain complete and current data sets for entire states and economies.

By deriving the direct and actual employment numbers from IMPLAN for each county, Tripp Umbach was able to conduct input-output modeling to analyze the current impact of the industry in each county. Tripp Umbach supplied additional information as required to supplement the data supplied by Regions Bank.

Appendix B: Table of 2012 Consumer & Business Lending Data

2012 Loan Originations	Consumer Loans	Business Loans	Total Loans	2012 Loan Originations	Consumer Loans	Business Loans	Total Loans
Autauga	\$21,124,004	\$17,910,974	\$39,034,978	Jefferson	\$298,563,565	\$681,014,734	\$979,578,299
Baldwin	\$183,054,408	\$57,893,985	\$240,948,393	Lamar	\$762,828	\$0	\$762,828
Barbour	\$505,657	\$0	\$505,657	Lauderdale	\$28,584,580	\$47,856,955	\$76,441,535
Bibb	\$4,241,433	\$0	\$4,241,433	Lawrence	\$8,417,223	\$976,226	\$9,393,449
Blount	\$15,488,927	\$1,409,779	\$16,898,706	Lee	\$22,883,608	\$32,773,131	\$55,656,739
Bullock	\$1,811,932	\$0	\$1,811,932	Limestone	\$36,144,874	\$39,801,466	\$75,946,340
Butler	\$874,792	\$0	\$874,792	Lowndes	\$1,975,916	\$0	\$1,975,916
Calhoun	\$20,940,657	\$95,822,524	\$116,763,181	Macon	\$966,143	\$0	\$966,143
Chambers	\$1,233,761	\$0	\$1,233,761	Madison	\$98,594,290	\$118,142,475	\$216,736,765
Cherokee	\$9,124,175	\$7,852,863	\$16,977,038	Marengo	\$2,869,244	\$3,905,414	\$6,774,658
Chilton	\$19,443,310	\$4,179,004	\$23,622,314	Marion	\$297,424	\$0	\$297,424
Choctaw	\$4,064,460	\$7,411,428	\$11,475,888	Marshall	\$23,888,805	\$43,791,188	\$67,679,993
Clarke	\$3,859,292	\$3,027,131	\$6,886,423	Mobile	\$141,619,871	\$217,210,659	\$358,830,530
Clay	\$2,040,791	\$0	\$2,040,791	Monroe	\$1,188,409	\$2,096,500	\$3,284,909
Cleburne	\$849,855	\$0	\$849,855	Montgomery	\$69,807,605	\$143,240,811	\$213,048,416
Coffee	\$12,230,092	\$7,236,455	\$19,466,547	Morgan	\$23,073,209	\$44,133,489	\$67,206,698
Colbert	\$17,968,796	\$19,458,165	\$37,426,961	Perry	\$67,000	\$0	\$67,000
Conecuh	\$2,497,952	\$9,498,818	\$11,996,770	Pickens	\$426,488	\$0	\$426,488
Coosa	\$3,887,475	\$0	\$3,887,475	Pike	\$2,505,855	\$823,176	\$3,329,031
Covington	\$8,626,314	\$5,100,449	\$13,726,763	Randolph	\$1,519,308	\$0	\$1,519,308
Crenshaw	\$1,465,364	\$0	\$1,465,364	Russell	\$3,492,843	\$2,772,656	\$6,265,499
Cullman	\$15,089,994	\$40,465,693	\$55,555,687	Saint Clair	\$130,312,459	\$1,562,390	\$131,874,849
Dale	\$6,538,786	\$0	\$6,538,786	Shelby	\$22,353,939	\$175,133,547	\$197,487,486
Dallas	\$4,087,951	\$25,309,301	\$29,397,252	Sumter	\$1,692,542	\$4,562,143	\$6,254,685
De Kalb	\$15,185,968	\$24,841,949	\$40,027,917	Talladega	\$5,000,980	\$2,003,140	\$7,004,120
Elmore	\$36,761,532	\$7,653,441	\$44,414,973	Tallapoosa	\$9,651,577	\$9,561,081	\$19,212,658
Escambia	\$5,905,954	\$10,353,286	\$16,259,240	Tuscaloosa	\$65,884,413	\$235,173,984	\$301,058,397
Etowah	\$10,405,646	\$32,419,955	\$42,825,601	Walker	\$5,235,929	\$4,728,647	\$9,964,576
Fayette	\$2,233,967	\$1,334,213	\$3,568,180	Washington	\$2,687,764	\$0	\$2,687,764
Franklin	\$623,557	\$0	\$623,557	Wilcox	\$592,951	\$0	\$592,951
Geneva	\$4,548,780	\$0	\$4,548,780	Winston	\$5,807,150	\$0	\$5,807,150
Greene	\$444,587	\$0	\$444,587				
Hale	\$1,666,668	\$0	\$1,666,668				
Henry	\$1,439,195	\$0	\$1,439,195				
Houston	\$27,611,207	\$116,828,714	\$144,439,921	Jefferson-Shelby Area		\$1,177,065,785	
Jackson	\$9,521,006	\$9,776,598	\$19,297,604	Total Alabama		\$3,811,315,574	

Appendix C: Definition of Terms

Study Year	Fiscal Year 2012 (FY '12)
Multiplier Effect	The multiplier effect is the additional economic impact created as a result of the organization's direct economic impact. Local companies that provide goods and services to an organization increase their purchasing by creating a multiplier.
Direct Impact	Direct impact includes all direct effects the company has on the regional area due to the company operations. These items include direct employees, company spending, and employee spending, and spending by visitors to the company.
Indirect Impact	The impact of local industries buying goods and services from other local industries. The cycle of spending works its way backward through the supply chain until all money leaks from the local economy, either through imports or by payments to value added. The impacts are calculated by applying direct effects to the Type I Multipliers.
Induced Impact	The response by an economy to an initial change (direct effect) that occurs through re-spending of income received by a component of value added. IMPLAN's default multiplier recognizes that labor income (employee-compensation and proprietor-income components of value added) is not leakage to the regional economy. This money is recirculated through the household spending patterns, causing further local economic activity.
Indirect Tax Payments	Government revenue that is collected by governmental units in addition to those paid directly by an organization, including taxes paid directly by employees of the organization, visitors to the organization, and vendors who sell products to the organization.
Indirect Employment	Indirect employment is the additional jobs created, as a result of the organization's economic impact. Local companies that provide goods and services to an organization increase their number of employees as purchasing increases, thus creating an employment multiplier.
Total Economic Impact	The total economic impact of an organization includes both the direct impact and the indirect impact generated in the economy, as a result of the organization. Direct impact includes items such as organizational spending, employee spending, and spending by visitors to the organization. Indirect impact, also known as the multiplier effect, includes the re-spending of dollars within the local economy.

Appendix D: Tripp Umbach Qualifications



Founded in 1990, Tripp Umbach is a nationally recognized consulting firm that provides a comprehensive scope of services, ranging from research and strategic planning to impact analyses for organizations, communities, and corporations throughout the world. Headquartered in Pittsburgh, Pennsylvania, with offices throughout the United States, Tripp Umbach has completed thousands of assignments worldwide and provided the blueprint for its clients to leverage their assets and seize new opportunities. Its work has generated billions of dollars in economic impact. For more information, visit www.trippumbach.com.

Appendix E: Frequently Asked Questions

What is economic impact?

This is a common analysis used by the Bureau of Economic Analysis, the Federal Reserve, state agencies, universities, and private sector firms. Economic impact begins when a company spends money. Economic impact studies measure the direct economic impact of a company's spending, plus additional indirect spending in the economy that is generated by or results from direct spending. Economic impact has nothing to do with dollars collected by companies, their profitability, or even their sustainability, since all operating organizations have a positive economic impact when they spend money and attract spending from outside sources.

Direct economic impact measures the dollars that are generated within Alabama due to the presence of Regions Bank. This includes not only spending on goods and services with a variety of vendors within the state and the spending of its staff and visitors, but also the business volume generated by businesses within Alabama that benefit from Regions Bank's spending. It is important to remember that not all dollars spent by a company remain in the state. Dollars that "leak" out of the state in the form of purchases from vendors not located in Alabama are not included in the company's economic impact on the state.

The total economic impact reflects the "multiplier" of spending by employees and by companies that do business with Regions Bank. Support businesses may include lodging establishments, restaurants, construction firms, vendors, temporary agencies, etc. Spending multipliers attempt to estimate the ripple effect that every dollar of direct spending generates throughout the Alabama economy.

What is the multiplier effect?

Multipliers are a numeric way of describing the secondary economic activity that results from a company's direct operations. For example, an employment multiplier of 1.8 would suggest that for every 10 employees hired in the given industry, eight additional jobs would be created in other industries, such that 18 total jobs would be added to the given economic region for every 10 direct hires. The multipliers used in this study are Type SAM (Social Accounting Matrix). Type SAM multipliers capture the direct, indirect (Type I), and induced effects of economic activity (the induced effects are based on information in the social account matrix). Theoretically, one could internalize any of the institutions (households, state and local government, federal government, capital). When one internalizes an institution, one builds into the SAM multipliers the activities of that institution. It is assumed that every dollar collected by that institution will be re-spent for that institution's operations. Any inter-institution transfers are also internalized. The multipliers used in this study are decidedly conservative and at the low end of the scale of what are typically observed in studies of this nature. In addition, the study considers only the spending that occurs within Alabama, and employee compensation only includes dollars available for spending; deferred compensation was not included in the analysis.

The multiplier model is derived mathematically using the input-output model and social accounting format described above. The multipliers are applied to the value of purchases for final use to calculate the total economic impact of each dollar spent. Industries that produce goods and services for consumer consumption must purchase products, raw materials, and services from other companies to create their product. These vendors must also procure goods and services. This cycle continues until all the money is leaked from the region's economy. There are three types of effects measured with a multiplier: the direct, the indirect, and the induced effects. The direct effect is the known or predicted change in the Alabama economy that is to be studied. The indirect effect is the business-to-business transactions required to satisfy the direct effect. Finally, the induced effect is derived from spending on goods and services by people working to satisfy the direct and indirect effects. For example, industries that produce goods and services for consumer consumption must employ people and purchase products, raw materials, and services from other companies to create their product; this is the direct economic impact. These vendors must procure goods and services; this is the indirect effect. The employees of Regions Bank and the companies receiving money from the organization spend their income with retailers, restaurants, and other businesses; this is the induced economic impact.

- 💡 Direct effects take place only in the industry immediately being studied.
- 💡 Indirect effects concern inter-industry transactions. Because Regions Bank is in business, it has a demand for Alabama-produced materials needed to operate.
- 💡 Induced effects measure the effects of the changes in household income. Employees of Regions Bank and suppliers purchase from Alabama retailers and restaurants.
- 💡 Total economic impacts are the total changes to the original economy as a result of Regions Bank's operations (i.e., direct effects + indirect effects + induced effects = total economic impact).

What methodology was used in this study?

IMPLAN (IMPact analysis for PLANning) data and software. Using classic input-output analysis in combination with regional specific social accounting matrices and multiplier models, IMPLAN provides a highly accurate and adaptable model for its users. The IMPLAN database contains county, state, zip code, and federal economic statistics that are specialized by region, not estimated from national averages, and can be used to measure the effect on a national, regional, or local economy of a given change or event in the economy's activity.

In this report, the impact was measured using IMPLAN datasets. The IMPLAN data files include information on the economic value of activity across 528 different industries (generally three- or four-digit SIC code breakdown) and 21 different economic variables. IMPLAN sources its employment data from ES202 employment security data supplemented by county business patterns and REIS data. Employment data utilized in the analysis includes full-time and part-time positions.

It should be noted that at the time of performing the Regions Bank assessment, the most recent IMPLAN data files available for Alabama were from 2011. While the data is not current, it is unlikely that the fundamental economic structure of Alabama's economic fabric has changed to an extent that would invalidate the analysis. IMPLAN data and accounts closely follow the accounting conventions used in the "Input/Output Study of the U.S. Economy" by the U.S. Bureau of Economic Analysis and the rectangular format recommended by the United Nations.

By collecting the direct and actual employment numbers from IMPLAN for the state of Alabama, Tripp Umbach was able to conduct input-output modeling to analyze the current impact of industries throughout Alabama. Tripp Umbach collected employment information concerning the economic activity of Regions Bank operations themselves and followed up in-person to ensure the data were the most current available.

Tripp Umbach supplied additional information as required to supplement the data supplied by Regions Bank.

What is employment impact?

Employment impact measures the direct employment, plus additional employment, created in the economy as a result of the operations of Regions Bank. Indirect and induced employment impact refers to other employees throughout the region who exist because of Regions Bank's economic impact. In other words, jobs related to the population, such as city services (police, fire), employees at local hotels and restaurants, clerks at local retail establishments, and residents employed by vendors used by Regions Bank.

Is this a one-time impact or does the impact repeat each year?

The results presented in the Regions Bank economic impact study are generated on an annual basis. The economic impact in future years can either be higher or lower, based on the number of employees, capital expenditures, and operating expenditures.