White Paper

Quick Start Guides: Easy as 1-2-3

How *You* Can Analyze the Impact of New Construction and Operations with IMPLAN Cloud's In-App Quick Start Guides.

Huntersville, NC

IMPLAN

Table of Contents

01 Essential Tool for Construction & Operations

02 The Construction Phase

03 The Operations Phase

04 Using IMPLAN Cloud's Quick Start Guides

05 Preparing to Run Your Analysis

06 How to Get Started With Quick Start Guides

Essential Tools for Construction & Operations

The only thing that's constant is change.

It's an old idea – originally attributed to the Greek philosopher Heraclitus – that proves itself again and again.

No matter what industry you work in, you've likely noticed that your local economy is one of those things that constantly changes. Businesses open and close. New buildings seem to emerge from the landscape overnight. Successful businesses construct bigger and better facilities, employing more and more people in the process. Money comes and money goes.

According to the U.S. Treasury, the United States has recently experienced a striking surge in construction spending for manufacturing facilities, with real manufacturing construction spending doubling since the end of 2021.

In an environment with so much new construction on top of the ongoing operations of existing facilities, community leaders, marketers, non-profit organizations, investors, and many other decision makers seek insights about the economic impacts of all this change. Understanding how one economic event sends ripples across the community, the region, and beyond can help them impress stakeholders, earn tax incentives, win grants, garner local support, and so much more.

For decades, IMPLAN has been the tool that economists and researchers turn to when they want to measure the impact of an economic event on a region. IMPLAN has long been trusted to deliver easy to use impact modeling, and extensive economic analytics. Recently, the IMPLAN Product Development team has launched Quick Start Guides, which make it possible for those without an economics background to perform economic impact analysis quickly and easily by following a series of prompts that appear on the screen inside the application.

Let's begin by taking a look at what IMPLAN Cloud can reveal at each phase.

The Construction Phase

In assessing the economic impact of a project, you can take an extremely close look at the construction's temporary influence on the economy. Direct effects are immediate and tangible, primarily seen in increased employment and associated wages, boosted output in construction-related industries, and value added to the economy. By examining these direct effects, one can gauge the project's immediate contribution to economic growth, job creation, and income distribution.

The impact assessment extends beyond the project site by exploring indirect effects within the supply chain network. Construction projects often generate substantial demand for raw materials, equipment, and services, some of which will be supplied within the study area or from linked regions, creating a ripple effect across various industries. By tracing these indirect effects, it becomes possible to understand how the construction phase stimulates economic activities in related industries, fostering growth and stability in the broader economy.

Additionally, induced effects result from increased household spending associated with the direct and indirect jobs. As construction projects create employment opportunities, households gain income from their paid work. This, in turn, stimulates consumer spending, leading to increased demand for goods and services in local markets. (Note, however, that construction companies sometimes hire traveling crews that only stay in the region during the construction phase, which changes the local impact.)

By examining these induced effects, one can evaluate the project's impact on local businesses, retail sectors, and overall community prosperity. Understanding these economic impacts is essential for comprehensive decision-making and policy formulation, ensuring sustainable development and long-term benefits for the stakeholders involved.

The Operations Phase

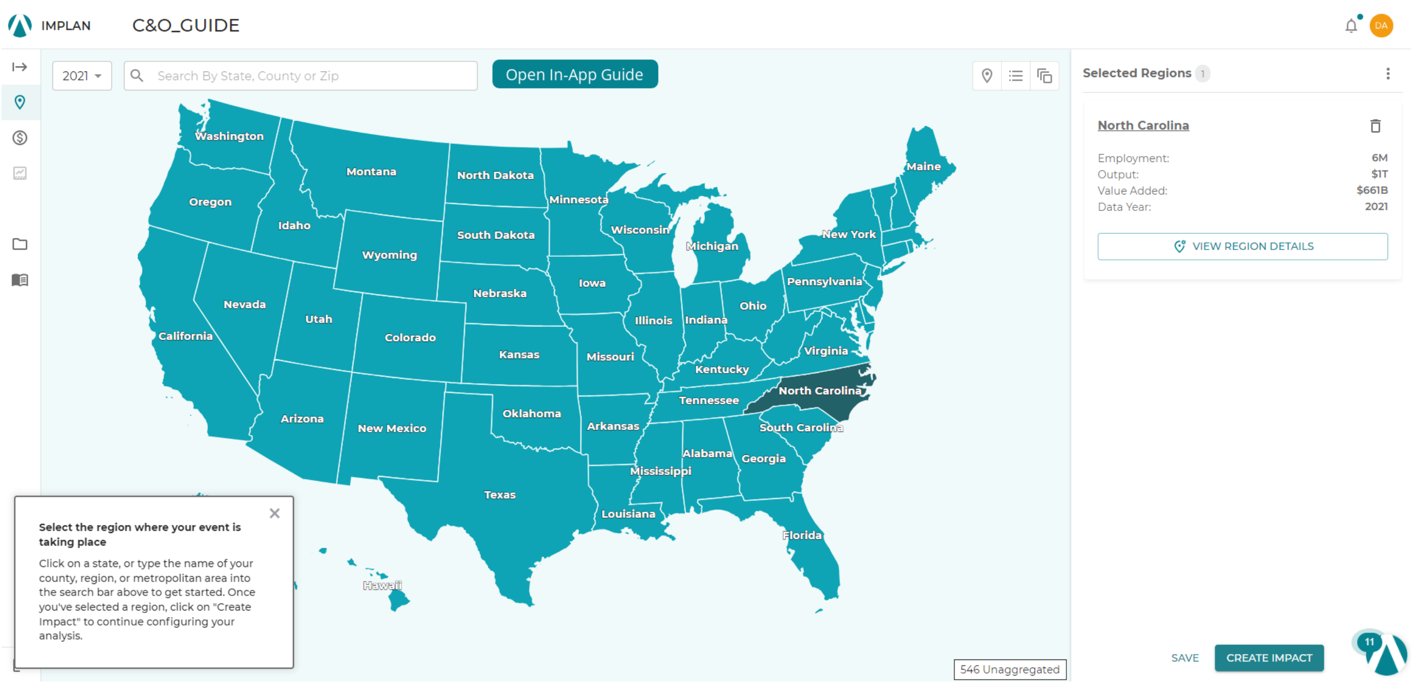
During the operations phase, it is imperative to conduct an economic impact analysis to understand the sustained effects of the project on the economy. Ongoing direct effects include the stable employment opportunities provided by the operational activities, ensuring a consistent income source for the workforce. Indirect effects persist through the supply chain network, as operational entities continue to generate demand for goods and services, stimulating economic activities in interconnected industries. Moreover, induced effects remain prevalent as the employees spend their income, further bolstering local businesses and retail sectors.

Staffing, maintenance, and other operational expenses are significant economic contributors during this phase. The allocation of resources towards these areas not only ensures the smooth functioning of the project but also injects capital into the local economy. Maintenance activities generate employment in various specialized fields, from technicians to contractors, while staffing needs lead to job creation. Operational expenses, ranging from utilities to procurement, foster economic growth by supporting local suppliers and service providers, creating a cyclical flow of revenue within the community.

Furthermore, operational entities have the potential for long-term contributions to the local economy. Through sustained employment, these entities become integral parts of the social fabric. They can support local education and healthcare infrastructure, enhance the overall quality of life, and attract ancillary businesses, leading to a thriving local economy. By recognizing and harnessing these long-term contributions, the project can leave a lasting positive impact, creating a legacy of sustainable economic development for the region.

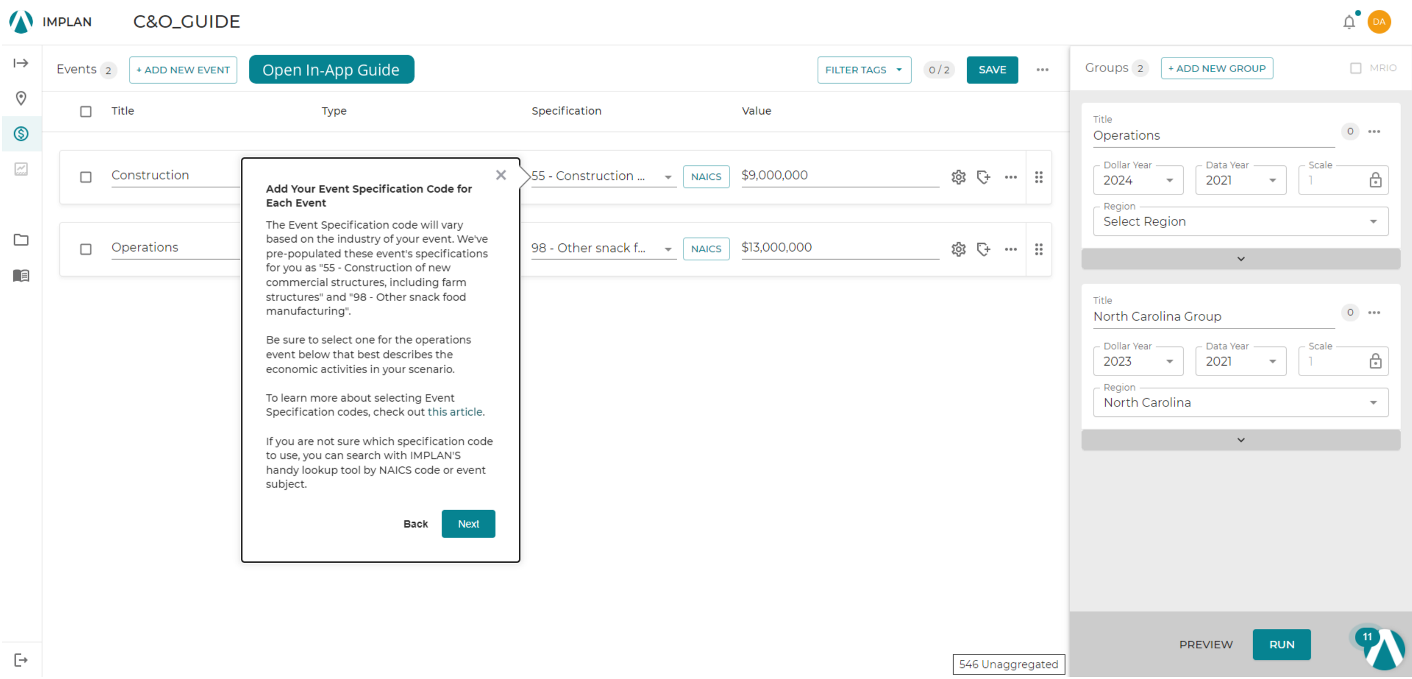
Conducting Your Analysis with the Quick Start Guides

Conducting such in-depth research may sound challenging, but the new Quick Start Guides in IMPLAN Cloud aim to make revelatory insights accessible even to beginners. Let’s take a look at what you’ll see when you start an analysis with the Construction and Operations Quick Start Guide.



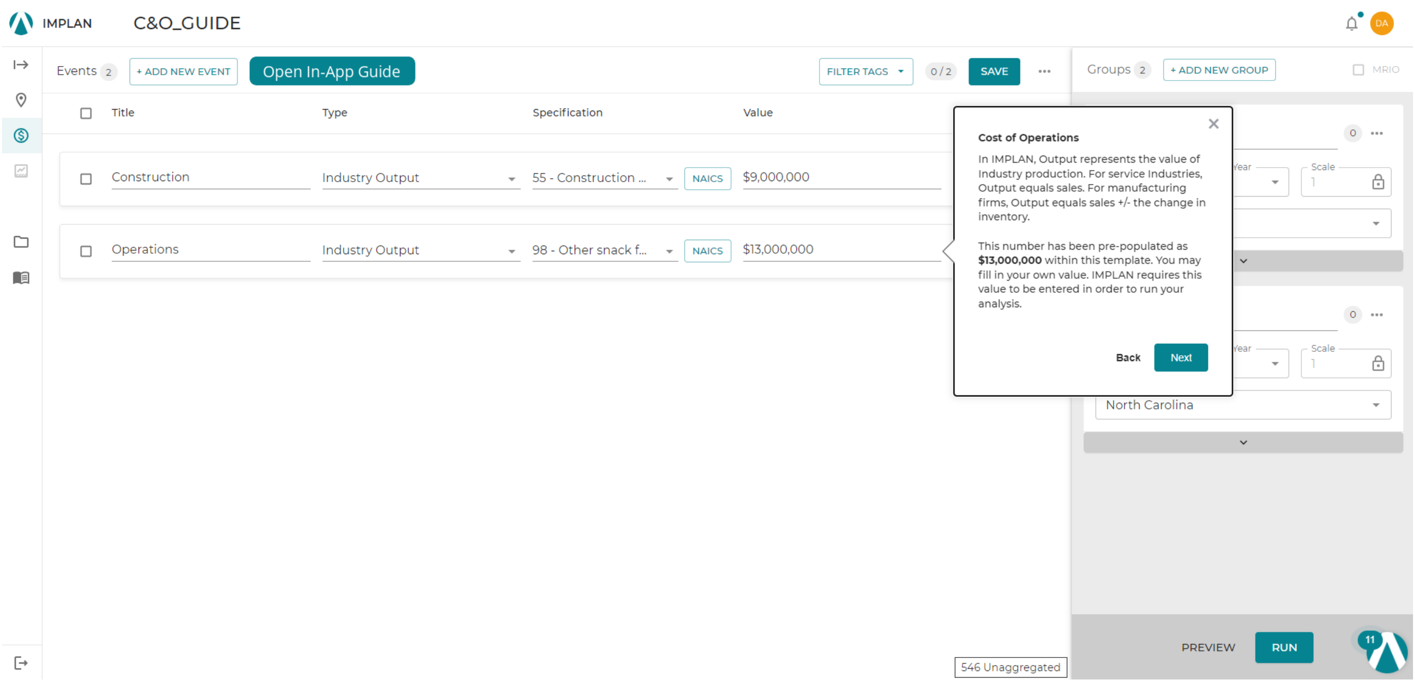
Conducting Your Analysis with the Quick Start Guides

To begin, you'll be prompted to select the region where your event is taking place.



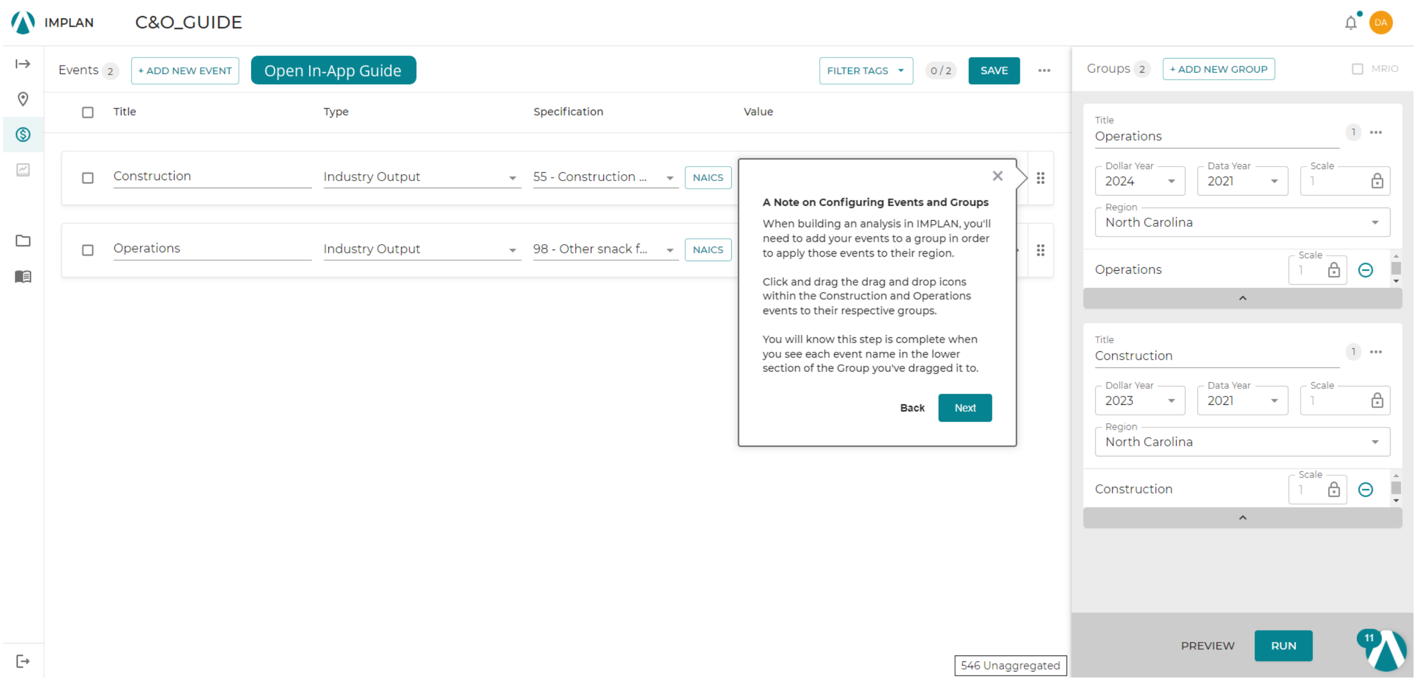
Conducting Your Analysis with the Quick Start Guides

This pop-up helps you choose the proper Event Specification Code for each Event.



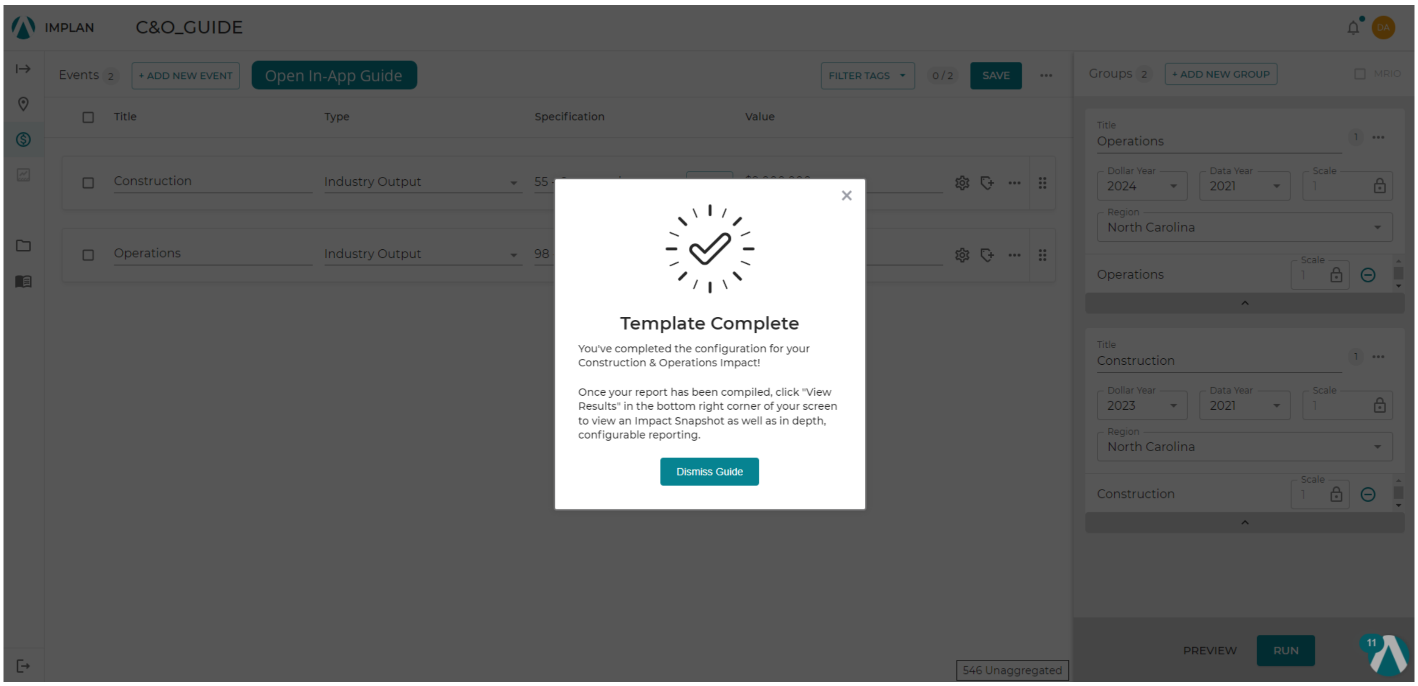
Conducting Your Analysis with the Quick Start Guides

The guide offers easy-to-understand explanations of each step.



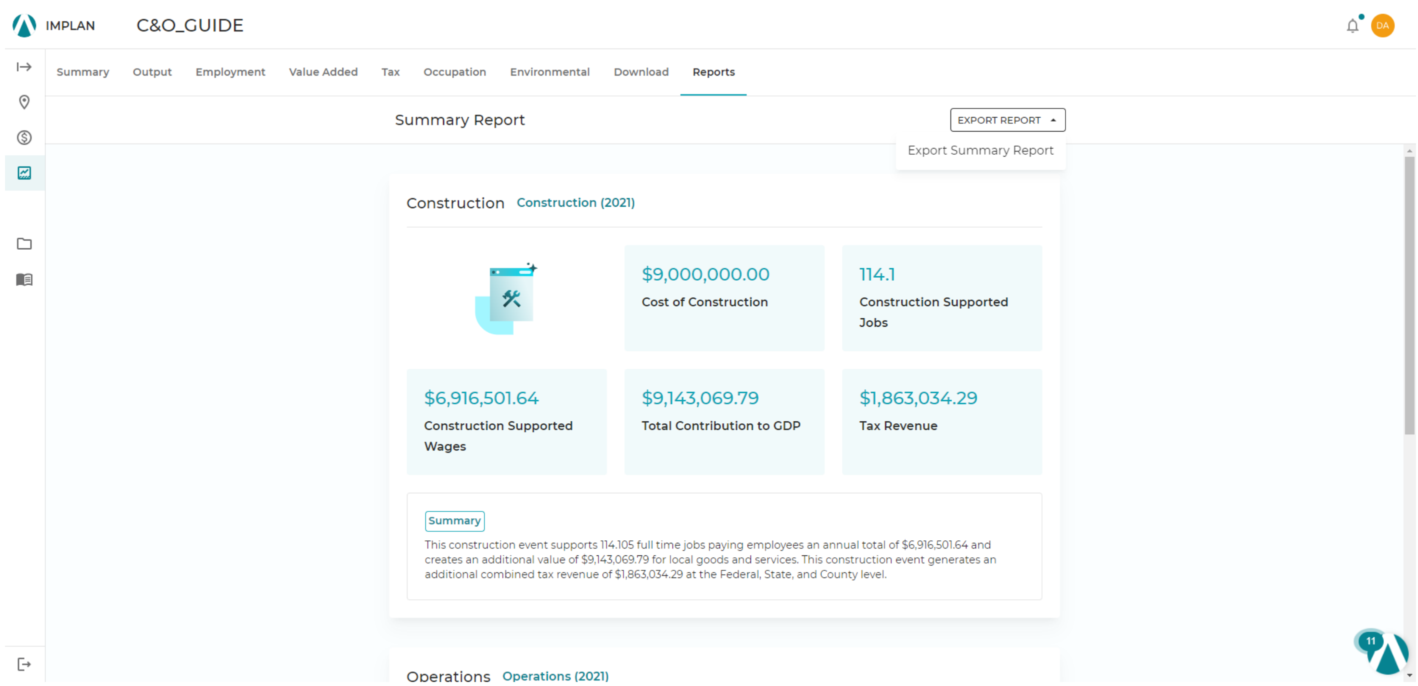
Conducting Your Analysis with the Quick Start Guides

After completing each step in the process, you'll always know what's next.



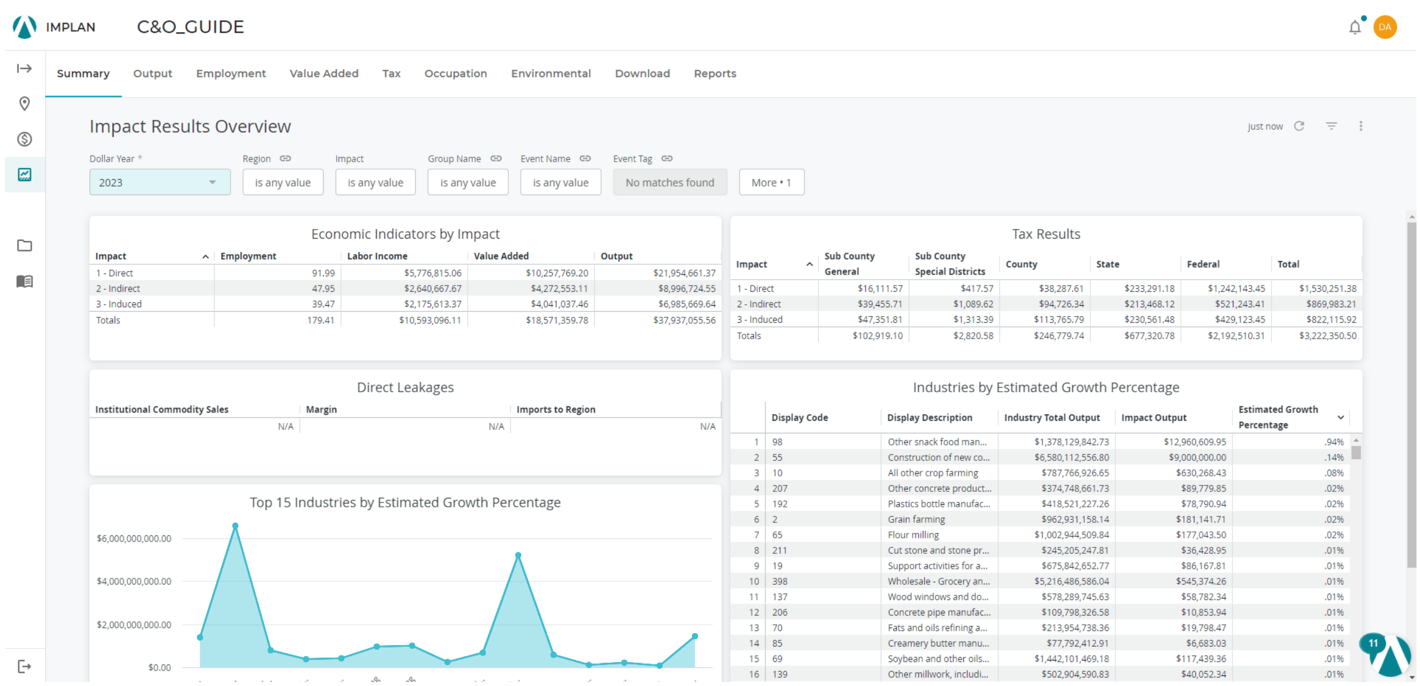
Conducting Your Analysis with the Quick Start Guides

This screen will appear when you've completed the template for your Construction & Operations Impact.



Conducting Your Analysis with the Quick Start Guides

The results are straightforward to interpret and even include a summary of the findings.



With just a few guided steps, you can reveal a wealth of information about the impact of your economic event.

Preparing to Run Your Analysis

As you can see, it is beneficial to begin your analysis with some background knowledge and key information about the economic event you are exploring. The more robust your data, the more meaningful your economic impact analysis can be.

IMPLAN comes with a rich set of data (at the county, state, and national level) on commodities, core competencies, demographics, employment and wages, environmental factors, industries, occupations, taxes, and trade flows.

Many organizations already have the data they need at hand. If you find you don't have some of the data you need to conduct your study, there are a variety of methodologies you can use to gather it. IMPLAN users often use surveys, interviews, questionnaires, and even public sources to gather the information they need to input in IMPLAN Cloud. You may also find it helpful to leverage government databases and industry reports.

Data quality and relevance are key for accurate assessment of your project's impact. An analysis is only as strong as the data used to create it, so make sure you pay close attention to this aspect of your study to get the best results.

Try the Quick Start Guides for Yourself

Economic impact analysis is an indispensable tool for building prosperous communities. IMPLAN's Quick Start Guides ensure that anyone, regardless of their expertise, can unlock valuable insights. Armed with this knowledge, we encourage you to apply these insights to your own projects. Experience the power of economic analysis firsthand with IMPLAN's Quick Start Guides by scheduling a demo today.

IMPLAN

IMPLAN has been redefining the field of economics for over 40 years. Created by academics to serve the needs of the United States Forest Service, it has been transformed today to serve as a solution-provider for anyone interested in understanding their economy.

16905 Northcross Drive, Suite 120
Huntersville, NC 28078
(800) 507-9426

IMPLAN