

White Paper

IMPLAN for Associations:

Demonstrating Economic Impact to
Key Stakeholders



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INTRODUCTION

IMPLAN is a widely used modeling system that helps organizations estimate the economic impact of entire industries, policies, and events. It provides insights into how spending and investments ripple through local, regional, and national economies by analyzing and reporting jobs, contribution to gross domestic product, taxes, and more.

IMPLAN helps associations provide data-driven insights to policymakers, supporting informed decisions on regulations, funding, and economic development initiatives. It showcases the importance of industries by quantifying the economic contributions. Economic impact reports generated using IMPLAN provide compelling statistics that can be shared with journalists and the public, helping to shape narratives and increase visibility. Also, Associations can use IMPLAN to back their lobbying efforts with credible economic data, strengthening their case when advocating for policy changes or funding at all levels of government.



WHY ASSOCIATIONS NEED ECONOMIC IMPACT ANALYSIS

Industry associations operate in a highly competitive environment where demonstrating value is essential. Economic impact analysis provides a data-driven approach to quantify and communicate an industry's contributions, reinforcing an association's relevance and influence. By showcasing jobs supported, tax revenue generation, and overall economic contributions, associations can strengthen their advocacy efforts, provide policymakers with evidence-backed arguments for policy changes, and secure funding or regulatory considerations. Additionally, demonstrating economic impact enhances member engagement by proving the association's role in driving industry growth and protecting members' interests. It also improves public perception by positioning the industry as a key economic driver, shaping narratives through media and public outreach.

Key stakeholders benefit from economic impact analysis in different ways. Policymakers require credible economic data to guide decisions on regulations, funding, and industry support. Association members expect their organization to promote and protect their interests, ensuring a strong industry presence. The media seeks compelling economic stories that illustrate the industry's importance, while the public gains insight into how an industry supports jobs, wages, and local economies.

Despite its advantages, conducting and leveraging economic impact analysis presents challenges without the right tools. Accessing accurate, industry-specific data can be difficult, and properly executing impact assessments requires expertise in economic modeling. Additionally, poorly executed or biased studies can undermine an association's credibility. However, by using reliable methodologies available in IMPLAN and presenting findings strategically, associations can maximize the effectiveness of economic impact analysis, strengthening their influence and demonstrating their value.

UNDERSTANDING ECONOMIC IMPACT ANALYSIS

IMPLAN utilizes an economic modeling technique called Input-Output analysis, which is a type of applied economic analysis that tracks interdependence among various producing and consuming industries of an economy. It measures the relationship between a given set of demands for final goods and services and the inputs required to satisfy those demands. An IMPLAN analysis allows you to show the multiplier, or ripple effect, of the direct spending of your organization and how it continues to support businesses in your region.

To show the contribution of the industry that your association represents, a simple Industry Contribution Analysis Event set to show the effects of 100% of the industry will detail the interconnectedness of your industry through all other industries. After you select your region of study (maybe the county or the state or even the congressional district), one more click to run and IMPLAN will give you the detailed results of the analysis.

Your results will show you the direct, indirect, induced, and total impacts from your analysis. The direct effect is what is attributable to your industry. The indirect effect represents the supply chain, or business-to-business spending as your industry spends money in the region on all the goods and services they require. The induced effect shows the household spending of all the folks supported in the direct and indirect effects. The total impact is simply the summation of these three effects.

Looking at the multiplier is an easy way to communicate the value of your industry. Calculated simply as the total effect divided by the direct effect, it shows the ripple of the initial investment. For example, you may have a direct employment of 10, indirect employment of 2, and induced employment of 3, for a total of 15. The employment multiplier is then $15/10$ or 1.5. This means that for every direct job in your industry, an additional .5 jobs are supported in the regional economy.

IMPLAN will calculate the direct, indirect, induced, and total effects for employment, labor income, value added (contribution to GDP), and output. As there are different relationships between each of these indicators, they will each have a unique multiplier.

You can also create multiple regions in IMPLAN. Perhaps you want to report to your county and your state. In this case, you can link these two regions using a technique called Multi-Regional Input-Output (MRIO) with just the click of a button. This will allow you to maintain the economic integrity of your local region while being able to report results easily to different geographic audiences.

STRENGTHENING POLICY ADVOCACY WITH IMPLAN

In the hallowed halls of Congress, data speaks volumes. By providing lawmakers with clear, evidence-based insights into the economic ramifications of their decisions, associations can influence the course of policy debates and shape legislative outcomes. In our white paper, [Maximizing Policy Advocacy Results: How Showing Your Value at the Congressional District Level Drives Favorable Outcomes](#), we delve into the profound impact that data-driven advocacy can have on shaping congressional decisions.

At the heart of this approach lies IMPLAN's power to estimate the ripple effects of economic activities within specific geographic areas. To see an example of how IMPLAN helps you influence legislation, discover how the Pennsylvania Manufacturers' Association uses economic impact analysis for lobbying on the IMPLAN [blog](#).



DEMONSTRATING VALUE TO ASSOCIATION MEMBERS

Demonstrating value to association members is crucial for retention and engagement, and economic impact analysis with IMPLAN serves as a powerful tool to showcase the benefits of membership in your association. By quantifying an industry's contributions to local economies, job creation, and overall growth, you can provide members with clear evidence of their collective impact.

Economic impact reports tailored for member engagement help visualize key metrics, such as industry employment, taxes, and regional economic influence. These tools not only reinforce the importance of the association's advocacy and support efforts but also empower members with data to strengthen their own business strategies, stakeholder communications, and policy discussions. By leveraging economic impact analysis, you can effectively demonstrate your industry's role in fostering industry success and delivering tangible value to your members.

ENGAGING THE MEDIA AND PUBLIC WITH DATA-DRIVEN STORIES

Engaging the media and the public with data-driven stories is a powerful way for associations to raise awareness and shape industry narratives. By using economic impact analysis with IMPLAN data, associations can craft compelling stories that highlight your industry's contributions to the economy.

Associations can leverage insights from IMPLAN to secure media coverage, positioning you as authoritative sources, and drive discussions on policy and economic development. By strategically presenting economic analysis, associations can enhance their visibility, influence public opinion, and strengthen advocacy efforts.

BUILDING STRONGER RELATIONSHIPS WITH ALL STAKEHOLDERS

Building stronger relationships with stakeholders requires aligning association goals with the interests of policymakers, members, the media, and the public. Economic data from IMPLAN plays a crucial role in bridging these gaps by providing objective, quantifiable insights that build trust and credibility.

By leveraging IMPLAN, associations can present stakeholders with clear, evidence-based narratives that highlight their industry's contributions and justify policy recommendations. Tools such as IMPLAN-generated reports coupled with the story of your association, ensure that key messages resonate with different audiences. When used strategically, these insights not only strengthen stakeholder relationships but also enhance the association's influence in shaping policy, driving industry growth, and fostering long-term engagement.

TRANSFORMING INSIGHTS INTO IMPACT

Telling the story of all of the great things your association does is vitally important to secure funding, drive growth, encourage engagement, and influence policy. The process is simple with foresight, data, and IMPLAN. For more information about how economic impact analysis can benefit your organization or to inquire about IMPLAN's host of exciting products, visit implan.com.

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.