White Paper

Using Economic Data to Drive Better Decisions

Incorporating economic analysis to make more data driven decisions for your organization.

Huntersville, NC

IMPLAN

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Essential Tools for Decision-Makers

Economic data isn't just for economists. Harnessing the power of macro economic data can help you develop well informed strategies. It also empowers you to measure and tune the efficacy of initiatives.

The IMPLAN Cloud, our Economic Impact Analysis (EIA) and analytics software, is a flexible framework for evaluating how a particular situation or activity impacts the broader economy. When EIA is coupled with a large variety of easily usable economic data, it provides your team with the tools they need to make the best data-driven decisions.

For example, when you build a new building, or create a new job, the impact is far greater than the direct investment. Your investment ripples through the local, national, and even global economy – now and in the future. Deciding where to add this building or job also will also depend on local labor availability, knowledge, skills, abilities, and wages.

Consider also the development of your ESG (Environmental, Social, and Governance) initiatives. How does your business strategy compare to competitors in your industry – or even other industries? And how do you measure progress?

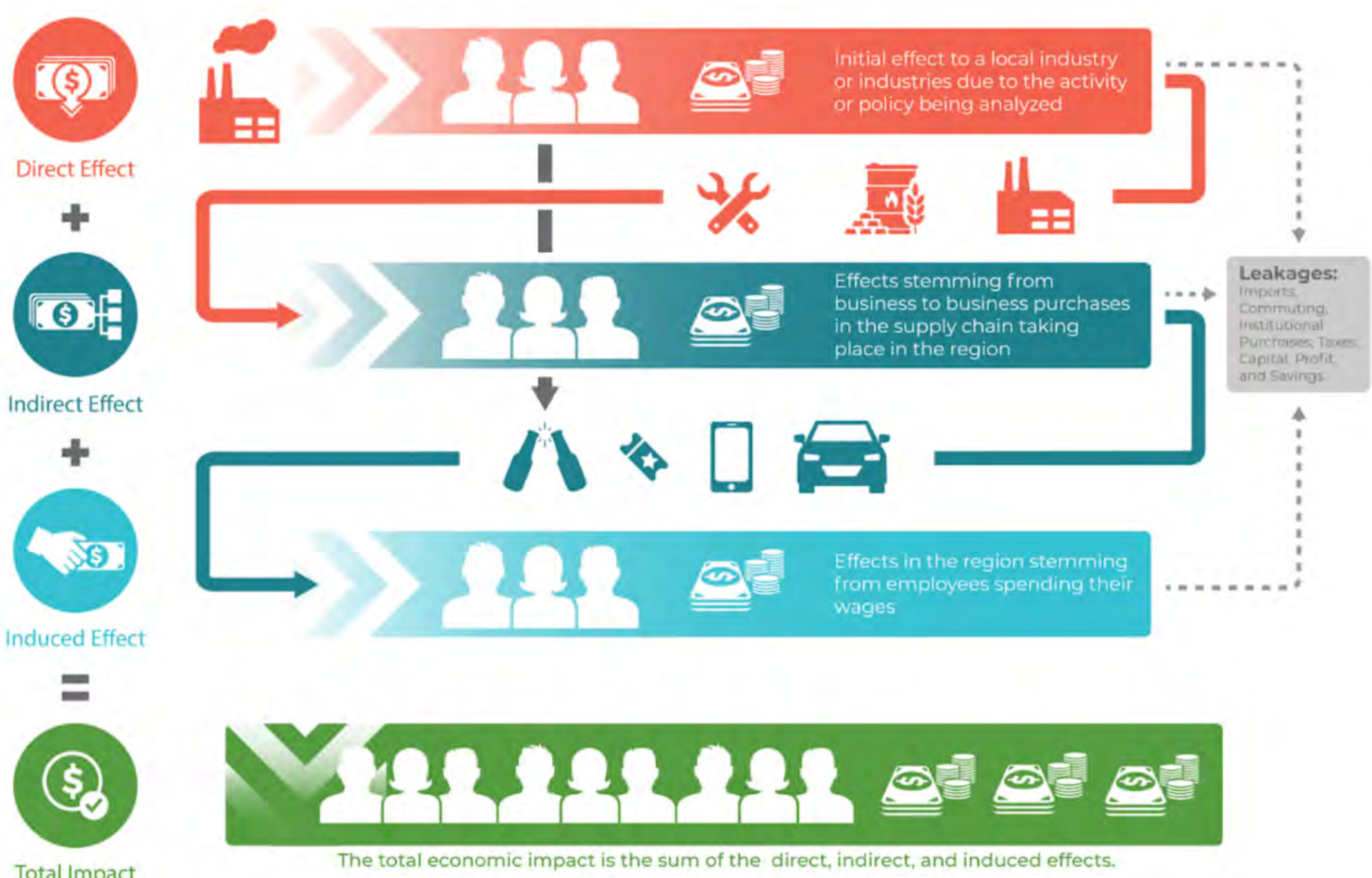
There are dozens of business decisions that can be improved by adding EIA to the decision-making process, especially when it is used in conjunction with labor market data, emissions data, and demographic data.

Because of this flexibility, IMPLAN's impact and economic analytics software are used by a variety of different roles in organizations to support decision-making for dozens of different use cases.

Why Economic Impact Analysis?

Each decision you make has a cascading effect. Whether you're choosing to expand to a new location, add jobs, downsize, evaluate how a policy will affect your organization, quantify risk, develop the narrative, or evaluate changes in consumer or business behavior, the end effect will be more than what is immediately evident.

Each analysis not only measures the direct (e.g. the actual job added or money spent) but also the indirect and induced effects of an event. Indirect benefits include the supply chain purchases and induced benefits relate to individuals' spending their wages and compensation (e.g. at restaurants, buying houses, etc.). Adding direct, indirect, and induced effects gives the total impact, which best reflects the actual results. Additionally, the tax impact at local, state, and national levels is calculated as well as the impact to other organizations and industries.



Having the right knowledge is critical to evaluating strategic business decisions and Economic Impact Analysis is critical to gaining this knowledge. We live in a highly dynamic world, so being able to iterate on a daily basis will drive better outcomes for your organization.

History of Impact Analysis

There are two main methodologies for Economic Impact Analysis: Input-Output (I-O) and Computable General Equilibrium (CGE) modeling. The goal is the same with both models – to analyze how some sort of change affects local, regional, national, and/or international economies.

For example, several years ago, Amazon announced they were building a second headquarters that would house over 50,000 employees. Over 200 cities attempted to lure Amazon by building incentive packages and communicating the advantages of their region. Many of these cities, as well as consultants and Amazon itself, used IMPLAN Cloud to build and communicate the impact HQ2 would have on the potential sites.

Although both methodologies have their advantages, the Input-Output methodology provides very accurate modeling and facilitates the ability to easily and quickly build and execute new models, tune assumptions, and see the output. Additionally, I-O provides an excellent foundation for data transparency and reproducibility.

IMPLAN uses the Input-Output methodology for Economic Impact Analysis due to these advantages and the extensive research over many years pointing to its accuracy and efficacy.

Several academic and government clients have compared I-O and CGE models on the same analysis and report very similar results. Many clients that have built complex and custom CGE models use IMPLAN data for these models.

Why IMPLAN?

With roots tracing back to a joint project between the US Forest Service and the University of Minnesota in 1976, IMPLAN is the leading software company for economic impact analysis. Our software and data have been cited in over 5,000 public economic reports and used to drive countless decisions for our over 1,000 clients.

We aggregate nearly 100 disparate data sets – all of which are transparently documented on our support site. Our data and software supports zip code, county, metropolitan statistical area (MSA), state, country, and international regions.

Our easy-to-use and cost effective cloud-based software will prove to be a critical tool in your decision-making process. Clients can be productive in the application, exploring data, and building impact models in hours – not weeks like other solutions.

Additionally, our customer success, training, and economics teams will make sure you are up and running quickly.

Whether you are a

- financial services company looking at quantifying the impact of your loan portfolio or understanding risk around investments;
- an enterprise evaluating site selection, labor market, and expansion incentives;
- a real estate firm quantifying the impact of a new or existing development to better advocate with local planning boards, investors, and other stakeholders;
- a healthcare organization communicating community impact and expansion opportunities;
- an economic development group looking to recruit the best companies and jobs to your region;
- a consulting firm using economic analytics and impacts as a cornerstone to your strategic evaluation or creating thought leadership that sets you apart from the competition;
- an academic institution studying the economic impact of policies, investments, and transformations;
- an energy company looking at the impact of your investments, influencing policy, and helping expand the economy in the regions you serve;
- a non-profit or trade association demonstrating your value and influencing policy;
- government agency quantifying impacts for policy, investments, and other initiatives;
- or any other organization using economic data to inform and improve dozens of other types of decisions;

learn how IMPLAN can help you use economic data to drive better outcomes for your organization and communities.

Visit implan.com, email sales@implan.com, or call (800) 507-9426 to schedule a demo.

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.

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