

## MAKING BETTER LOCAL DECISIONS

# Economic Impact Analysis

### ECONOMIC CHANGES AFFECT COMMUNITIES

What happens in business happens to communities, too. So, when a business or industry considers growing or shrinking, communities must understand the local impacts and make proactive decisions to respond. More complete knowledge of the interactions in your local economy also helps agencies respond to natural and economic disasters.

That's why the University of Minnesota Extension offers Economic Impact Analysis. An impact analysis uses IMPLAN™ software and descriptive reports to inform future plans.

Extension's Economic Impact Analysis reports provide communities with useful information:

- Organizations and industries use reports to educate the greater community about their contributions, creating stronger support.
- Communities quantify the effects of a recent crisis or event, increasing outside support to help them overcome hurdles.
- Economic development officers use reports to develop proposals, make a case, and describe their economy.
- Economic development organizations and businesses use analysis to inform strategic plans.
- Local policy makers use economic impact analysis to inform public finance decisions.



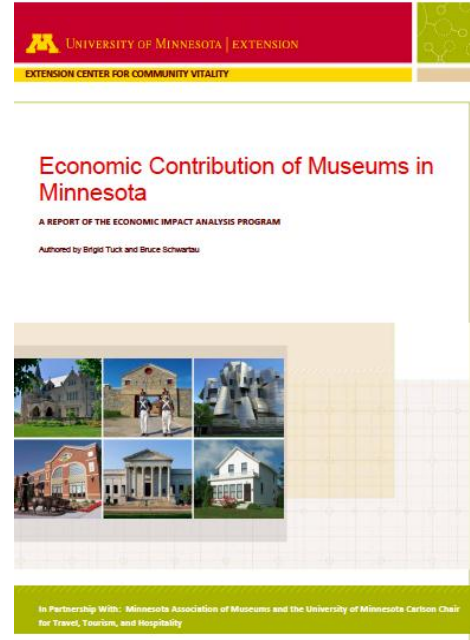
### What questions does an Economic Impact Analysis report answer?

- How many jobs are affected by this event?
- Which businesses are most affected?
- How far-reaching are the effects of an industry or event?
- How are industries affected by each other?
- How much will total wages change?
- How much does this change contribute to, or take away from, the local economy?

## GET YOUR COMMUNITY TALKING ABOUT ECONOMIC IMPACT!

A Community Economics Extension educator near you can deliver economic impact analysis to you in several ways.

- *Economic Futures Workshop* - This three-hour workshop helps communities explore the economic effects of current or potential industries on the local economy. How much will the expansion or contraction of one business affect the number of jobs and income of other businesses in the area? A concise report about the current economy and economic shocks will be presented.
- *Basic Economic Impact Analysis* - The analysis answers the question, "What is the economic impact of 'X' on our local economy?" A six - twelve month study explores the key issue and answers questions about either an opportunity or risk. Communities review initial findings and inform it by adding local contextual information.
- *Advanced Economic Impact Analysis* - This is a 12-24 month in-depth study of a regional or statewide issue. It is also available for statewide commodity studies or specific industry-wide studies.
- *Extended Economic Impact Analysis Strategies* - This is an in-depth study of a regional or even statewide issue that is more open-ended in nature. It sets economic baseline data, informs initiative implementation, monitors changes over time, creates priority projects or initiatives, and suggests modifications or redirection of strategies



## WHO SPONSORS ECONOMIC IMPACT ANALYSIS?

- Local or regional economic development organizations
- Industry or commodity associations
- Chambers of Commerce
- Any organization or community planning for the future

## HOW TO GET GOING

The analysis is affordable and adaptable to local concerns. The Community Economics Extension Educator in your area can talk with you to determine whether an Economic Impact Analysis can answer your questions.

To find the contact information for the educator in your area, use the interactive map at [www.extension.umn.edu/community/about/educators/](http://www.extension.umn.edu/community/about/educators/). For more information about this and other programs for communities at Extension, visit [www.extension.umn.edu/community](http://www.extension.umn.edu/community).