

Steps for Preparing Economic Impact Study

- I. Determine medical service area of study
- II. Prepare secondary data tables in Excel
- III. Collect primary data from local sources
Typically, through one or two conference calls and follow-up emails; with 3 to 4 local people who know the community well(may be health providers, community residents, Chamber, health board members, etc.)
 - a. Need total wages, salaries & benefits and proprietor income, when applicable, (labor income) for providers willing to share data
 - a. Need total number of FT & PT employees for providers who share income data (*not FTEs*)
 - b. For providers without income data, need the type of employees with no. of FT & PT by type
EXAMPLE: For a physician office: one FT family practitioner, one FT LPN, one half-time medical assistant, one receptionist, & one three-quarter time office manager
- IV. Derive economic impact
 - a. Prepare for Implan model
 - a) Implan3 software and Implan3 appliance (Black Box; i.e. external hard drive) installed
 - b) Check for Implan3 software updates
 - c) Have Structural Matrices installed for year of data
 - d) Implan data available and saved on Implan3 appliance
 - e) Need local primary data (direct economic activities or direct impact)
 - b. Run Implan model
 - a) Open the Implan software
 - b) Build the study area in Implan
 - c) Verify selected sector data in Implan
 - d) Create shadow industry sector, if required
 1. If needed sector has no data, need to create shadow industry; i.e., hospital
 2. Creating shadow industry means editing the data in Implan
 3. Need to have data for three fields in edit screen; *employment, output, & employee compensation*
 4. Edit all shadow industry data; then move to next step
 5. Construct model to derive Type II multipliers
 6. Generate reports from Implan
 - c. Prepare economic impact tables in Excel
 - a) Utilize multipliers from reports in economic impact tables in Excel
 - b) Calculate local retail sales capture ratio & determine local sales tax rate:

$$\frac{\text{Total local retail sales subject to sales tax}}{\text{Total personal income}}$$

(Data available from state tax agency & U.S. Dept. of Commerce, Bureau of Economic Analysis)

- V. Prepare study in Word
- a. Pull everything together in a Word document
 - b. Cover with picture of local health providers (if available) & inside cover
 - c. Introduction
 - d. Secondary data tables with corresponding text
 1. National and state health trends, and/or economic & demographic data
 2. Identify medical service area
 3. Economic & demographic data for medical service area
 - e. Figures; i.e., national health expenditures & medical service area (Optional)
 - f. Section to explain multiplier effects
 - g. Economic Impact Tables with corresponding text
 1. Direct economic activities (direct impacts) table
 2. Employment impact table
 3. Income impact table
 4. Sales tax impact, if applicable
 5. Other economic impact tables; i.e., construction, etc.
 - h. Summary
 - i. References and appendices, if needed

Modifications

- Mold the model to fit the situation, the service area, and the industry
- Medical service area can be zip code area, county, multi-county, state, multi-state, or national
- Powerful tool to illustrate the importance of an industry or group of industries to the economy
- Tool used in the community health engagement process

Implan Changes

- With latest data for 2008, sectors have changed again
- Implan has to adjust to changes due to their source data
- Implan may change software periodically (just changed to Version 3.0)

2008 Implan Breakdown of Health Sectors

325	Retail Stores – Health and personal care (includes pharmacies)
379	Veterinary services (optional)
394	Offices of physicians, dentists, and other health practitioners
395	Home health care services
396	Medical and diagnostic labs and outpatient and other ambulatory care (Other medical and health services)
397	Private hospitals
398	Nursing and residential care facilities