

## Economic Impact Analysis Summary ABC Company

Using numbers provided by Anderson County Economic Development Corporation, the Institute for Decision Making (IDM) at the University of Northern Iowa completed the following economic impact analysis for the expansion of ABC Company in Anderson County, Iowa. IDM used IMPLAN\* to complete the analysis.

- The first area of analysis is called **Operations Output** and is the total output in the region generated directly by the firm's new sales and indirectly from the multiplier effect. This impact occurs each year. Payroll impacts are included in the total impacts.

	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total Impacts</u>
Operations	\$25,000,000	5,998,932	3,923,344	\$34,922,276

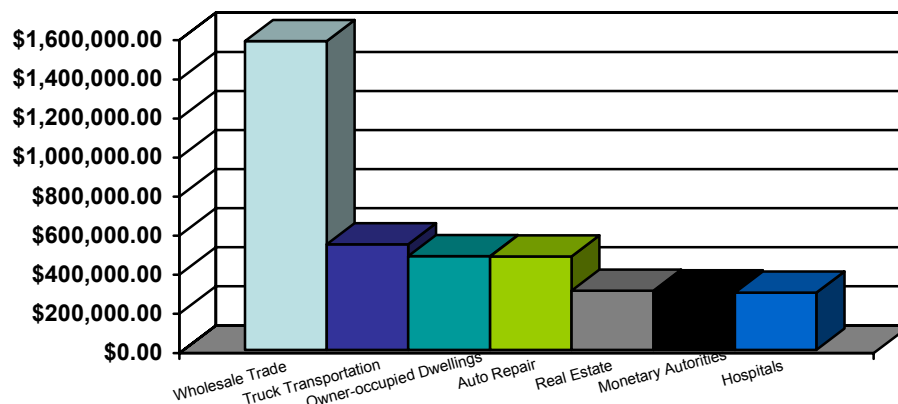
- Operations Employment** that is the total employment in the region generated by the firm's new sales.

	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total Impacts</u>
Operations	150.0	54.8	48.2	253.0 employees

The total economic impact from this company expansion would be \$34,922,276 and would create 253.0 new jobs.

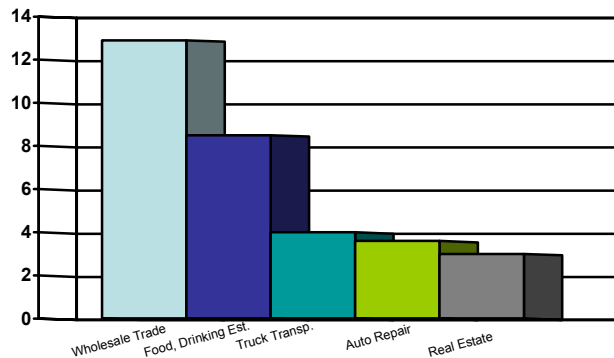
Some related industries that contribute significantly to the total economic impact include:

### Operations Impacts – Other Industries



Several industries are projected to see an increase in employment as a result of the plastics company expansion. Some of the most significant employment impacts are projected to be in the following industries:

### Employment Impact – Other Industries



The construction of a new building may have some impact on the local economy, depending upon whether the building supplies are purchased locally.

Direct effects are those directly tied to the ABC Company expansion.

Indirect effects are the results of local industries purchasing from each other. This includes business growth/decline resulting from changes in sales for suppliers to the directly affected businesses.

Induced effects reflect changes in spending from households as income/population increases or decreases due to the changes in production. This includes shifts in spending on food, clothing, shelter and other consumer goods and services, as a result of the change in workers and payroll of directly and indirectly affected businesses.

This analysis is based on the following numbers provided by Anderson County Economic Development Corporation:

NAICS 326199 – Plastics products  
 Projected increase in total employment: 150  
 Projected increase in annual sales: \$25 million  
 Counties for analysis: Anderson

IMPLAN is a PC based economic analysis system composed of data files and software. For additional information on IMPLAN, please refer to their website at [www.implan.com](http://www.implan.com).