Economic Impact Model
Round-by-round, capacity constrained

Local capacity constraints set supply limits on local purchasing, resulting in feasible economic impact targets for both large and small projects.

Supporting a process

Our economic life cycle accounting engine is an input-output based mathematical model similar to other regional impact models. The difference is that we designed our model specifically to support performance management functions, while other models are designed for technical specialists to perform research studies of potential policy and economic development impacts. We explicitly state our results as pro forma impacts. As with all models, our projected impacts represent budget numbers to manage to rather than actual results. The actual results will depend on whether the projected connections in the local economy are realized.

Local purchasing

Regional modelers devise methods to estimate local purchasing patterns, and then use these patterns to estimate local economic impacts. We designed our model differently due to our view that multipliers are not an input to the economic development process, but an outcome of your efforts. We focus on local purchasing targets to create a budgeted impact that you can manage to and hit. Our model includes two local purchasing options: a capacity-constrained upper limit, and a target based on simple location quotients. The model identifies the key local connections; you deliver the relationships and the budgeted impact.

An input-output model maps a system of economic connections.

Tracing connections

Our life cycle accounting engine uses a round-by-round algorithm to compute pro forma impacts. By tracing each demand/supply connection back through the supply chain and forward through the spending of income, we give you information on where connections begin to weaken and on the largest connections by value. These data help you set priorities for improving and measuring performance.

With round-by-round tracing of connections back through the supply chain and forward through the spending of income, we support improving, measuring, and auditing local economic outcomes.

Abatement impacts

Our model includes production value, gross local product, earnings, workforce employment, energy fuel use and emissions, and economic system roles so you can plan and manage more than just the jobs performance of your local economy. With Government Accounting Standards Board guidance on reporting the costs of economic incentives, our model allows you to measure and report the impacts as well, giving citizens a balanced accounting of economic development efforts.

Economic accounting

Economic accountants collect and present data to support managing the economy. We designed our new breed of apps specifically for this purpose – supporting performance management processes that improve local economic performance. Our models were developed in consultation with Dr. David Vogt, a recently retired Distinguished Research Staff Member at Oak Ridge National Laboratory. His experience in regional modeling dates back to the early practitioners of regional science. At Oak Ridge National Laboratory, he founded and managed the Regional Studies Program which specialized in assessing regional impacts of national policies.

State-specific energy parameters account for regional differences in climate and fuel mix.

Energy impacts

With sustainability becoming a larger component of planning, we developed state-specific energy parameters to estimate energy fuel use and associated emissions for your economic development projects. These parameters were developed from a variety of data sources, including the State Energy Data System.

Our apps are at www.decisioncommerce.com. No registration required. Just go.

DECISION COMMERCE GROUP