Economic Impact Studies for Public Sector Application

Robert F. Hodgin, PhD and Roberto Marchesini, PhD

University of Houston-Clear Lake
Economic Impact Structure and Flow

Facility Spending

- Non-Local Business
  - Employee Spending
  - Visitor Spending
    - Public Expenditures
- Local Businesses
  - Multiplier Effect
  - Local Sources
    - Public Revenues

Local Sources

Public Expenditures

Public Revenues
## Select Private Sector Facility Data

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local area facility expenditures</td>
</tr>
<tr>
<td>Total facility expenditures locally and outside</td>
</tr>
<tr>
<td>Net employee wages and salaries</td>
</tr>
<tr>
<td>Employees living and spending locally</td>
</tr>
<tr>
<td>Total employee count</td>
</tr>
<tr>
<td>Expenditures by non-local employees</td>
</tr>
<tr>
<td>Estimated visitor count to facility</td>
</tr>
<tr>
<td>Estimated expenditures by visitors</td>
</tr>
<tr>
<td>Count of employees living locally</td>
</tr>
</tbody>
</table>
**Select Private Sector Analyst Data**

<table>
<thead>
<tr>
<th>Measure</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of expenditures spent for renting</td>
<td></td>
</tr>
<tr>
<td>Proportion of non-housing expenditures</td>
<td></td>
</tr>
<tr>
<td>Business-to-business multiplier component</td>
<td></td>
</tr>
<tr>
<td>Consumer re-spending multiplier</td>
<td></td>
</tr>
<tr>
<td>Business payroll and profits per dollar of spending</td>
<td></td>
</tr>
<tr>
<td>Inventory-to-business-volume</td>
<td></td>
</tr>
<tr>
<td>Number of private residences</td>
<td></td>
</tr>
<tr>
<td>Full time jobs per dollar</td>
<td></td>
</tr>
<tr>
<td>Payrolls and profits per dollar</td>
<td></td>
</tr>
</tbody>
</table>
Select Local Government Data

- City/County operating budget
- Public school operating budget & enrollment
- Property tax revenues to authorities
- Sales tax revenues to authorities
- Public sector tax rates
- Property valuations
- State aid to public schools
Influencing for Public Sector Effect

- Business & Civic Leaders
  - Compelling argument
  - $benefits & $costs
  - Key partnerships
  - Funding sources
  - Short and long term effects
  - Free rider issue
  - Conduit to public sector?

- Elected Officials
  - Public law & policy constraints
  - Overlapping jurisdictions
    - Federal, state
    - County, city
    - Hospital district
  - Voter impact and timing
  - Professional & academic support
Overcoming Private/Public Inertia

- Comprehensive strategic approach
- Storyline w/economic impact
- Perpetuating the theme—humanize the issue & add $ impact
- Multiple media outlets
- Key speakers
- Repetition, repetition, repetition
- Timing and critical mass
Contact Information

- Robert F. Hodgin, PhD
- University of Houston-Clear Lake
  - Tel: 281-281-3137
  - Email: hodgin@uhcl.edu