SB 350 Study: Economic Model & Methodology

IMPLAN data description

(Early Release Materials to Stakeholders)

March 28, 2016

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1 IMPLAN Data Description

The SB350 economic impact analysis uses data from the Minnesota IMPLAN Group (MIG) for two parts of the study: (1) developing the social accounting matrix (SAM) for the BEAR model and (2) downscaling state-wide results to disadvantaged communities. In this note we offer a brief description of the relevant IMPLAN data.

The IMPLAN system consists of 6 primary components: employment, value-added, output, final demand, inter-institutional transfers, and national input-output structural matrices. Together these components provide a descriptive set of regional accounts tracking the flow of income and expenditure throughout the California state economy

Table 1: IMPLAN Components

- **Employment**: Full and part time annual average employment
- **Value-Added**: Includes employee compensation, proprietary income, other property type income, and indirect business taxes
- **Output**: Includes total industry output for 536 industries.
- **Final Demand** (Institutions): Household and government sector purchases of goods and services. There are 13 institutional subcomponents, including household personal consumption expenditures, 3 categories of federal government expenditures, federal government sales, 3 categories of state/local government expenditures, state/local government sales, inventory purchases and sales, capital formation, and foreign exports.
- **Inter-Institutional Transfers**: Includes monetary transfers between institutions, such as household tax payments and savings (household transfers) from government payments to households and savings (government transfers), household and government borrowing (capital transfers), and exports/imports (trade transfers).

- **National Structural Matrices**: Includes national use and make matrices for the 536 industries. The use matrix shows the consumption of commodities by industries and the make matrix shows the production of commodities by each industry.

Detailed descriptions of all IMPLAN data and their sources are available on the provider's own commercial website (www.implan.com). The data is collected from a number of federal and state government agencies, and is available at the national, state, and county level. For this analysis, 2013 IMPLAN data is used, consisting of a statewide data set for California and equally detailed individual datasets for each of the state's 58 counties.

While we use IMPLAN to calibrate a more sophisticated long term forecasting model, the IMPLAN data are the national standard for detailed evaluation of economic structure and impact assessment. The most detailed structural dataset of its kind, IMPLAN supports hundreds of multiplier oriented impact assessments across the country every year.

Table 2: IMPLAN Social Accounting Matrix Structure

	Industry	Commodity	Factors	Institutions	Trade	Total
Industry		Make				Total Industry Output
Commodity	Use			Consumption	Exports	Total Commodity Output
Factors	Value Added				Exports	Total Factor Income
Institutions	Sales/Taxes	Sales	Distribution	Transfers	Exports	Total Institutional Income
Trade	Imports		Imports	Imports	Trans-shipments	Total Imports
Total	Total Industry Expenditures	Total Commodity Expenditures	Total Factor Expenditures	Total Institutional Expenditures	Total Exports	