

CENTER FOR ECONOMIC AND BUSINESS RESEARCH

Economic Impact Studies

*Measuring the Broader Economic Value of an
Organization, Project, or Event*

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What Is an Economic Impact Study?

An economic impact study estimates the economic activity created by an organization, project, event, or industry, including effects on businesses, workers, households, and government revenues.

At the Center for Economic and Business Research (CEBR), we use economic data and established analytical methods to help clients quantify their economic contributions and communicate their importance to decision-makers, stakeholders, and the communities they serve.

Studies help organizations understand and communicate how their activities affect the broader economy.



How Economic Impact Is Measured

DIRECT, INDIRECT, AND INDUCED EFFECTS

01

Direct Effects

Economic activity of the organization, project, or event itself, such as, payroll, operating expenditures, supplier purchases, visitor spending, and construction.

02

Indirect Effects

Additional activity generated when the organization buys goods and services from other businesses, rippling through the supply chain.

03

Induced Effects

Additional activity created when employees spend the income they earn from jobs supported by the organization or project.

Together these effects give the total economic contribution.

How the Effects Ripple Outward

1 An organization operates

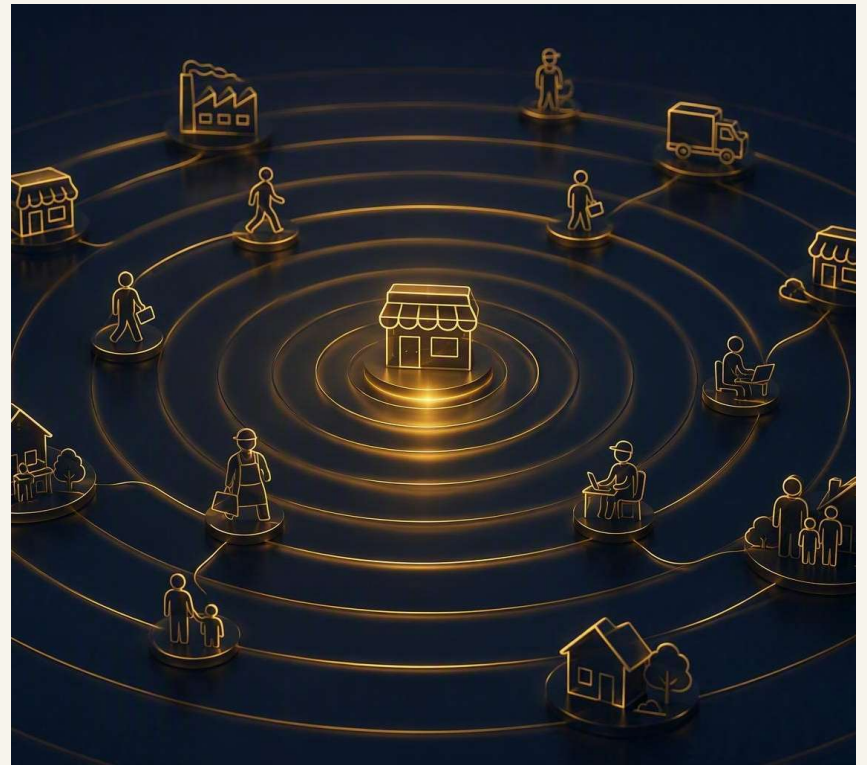
It employs workers and purchases materials: the direct effect.

2 Suppliers respond

Local suppliers expand their own activity and buy from other businesses: the indirect effect.

3 Households spend

Employees buy groceries, meals, and housing in the community: the induced effect.



Why Conduct an Economic Impact Study?

Demonstrate economic contribution

Quantify output, employment, labor income, value added, and tax revenue.

Communicate with stakeholders

Provide board members, leadership, government officials, funders, partners, and the public with credible evidence.

Inform public policy

Help agencies evaluate projects and the economic role of key industries.

Support funding and investment

Inform capital decisions, facility expansions, grant applications, economic development initiatives, and public funding.

Evaluate events and programs

Assess the economic impact of festivals, sporting events, campuses, hospitals, nonprofits, tourism, and development projects.

Who Conducts Economic Impact Studies?

USEFUL FOR ORGANIZATIONS OF MANY TYPES AND SIZES

Businesses

Evaluate a facility, expansion, or major investment.

Nonprofits

Show the value of operations and programs to funders.

Government agencies

Assess projects, programs, and development initiatives.

Economic development organizations

Support business attraction and retention.

Colleges and universities

Measure employment, spending, and construction impact.

Event organizers

Estimate activity from visitors and event operations.

Industry and trade associations also use impact analysis to show an industry's importance to the regional or national economy.

What Are the Typical Deliverables?

Impact estimates

- Output: total value of production
- Employment: jobs supported
- Labor income and earnings
- Value added to gross regional product
- Tax revenue, where applicable

Scope of analysis

Geographic analysis by city, county, metro area, multi-county region, or state

Industry-level analysis identifying the industries most affected by the activity examined

Final report

- Executive summary
- Purpose and background
- Methodology
- Data and assumptions
- Results and interpretation
- Limitations and considerations

Results may be reported in total or split into direct, indirect, and induced effects. CEBR can also provide charts, tables, infographics, and presentation materials.



How Much Does a Study Cost?

There is no single standard price; the cost depends on scope and complexity.

- **Scope of the analysis**

One organization and one geography requires less work than many.

- **Data availability and quality**

Detailed client data on employment, payroll, and expenditures lowers cost and raises precision.

- **Number of entities examined**

Affects data preparation, industry classification, and quality control.

- **Geographic areas**

Multiple counties, regions, or states add additional analysis and reporting.

- **Complexity and reporting needs**

Scenario analysis, fiscal analysis, or custom modeling and stakeholder presentations expand the scope of work.

What Information Does a Client Provide?

REQUIREMENTS DEPEND ON THE TYPE OF STUDY

Organization or project

Description, primary activities, locations, and time period examined.

Operating expenditures

Total spending, purchases of goods and services, major categories, and locations.

Visitors or participants

Counts, origin, length of stay, and event-related spending.

Employment and payroll

Headcount, full- and part-time split, payroll, and employee residence.

Capital investment

Total investment, construction spending, timeline, and construction employment.

Additional detail

Suppliers, students, industry classifications, funding sources, projected activity.

Clients do not need every piece of information before contacting CEBR. We help identify the data needed and address gaps with appropriate assumptions.

How Can CEBR Help You?

We design economic impact studies tailored to each client's questions and objectives. Our process begins with a discussion of your goals, the activity to be examined, and the information available.

- Define the study scope
- Identify the relevant data
- Develop a credible approach to measuring impact
- Provide a cost estimate and project timeline

Ready to begin?

Interested in understanding the economic contribution of your organization, project, event, or industry? Contact CEBR to discuss your economic impact study.

Contact CEBR

Center for Economic and Business Research

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Start the conversation

Tell us about your organization, project, event, or industry and the questions you need answered.

The Center staff will define the scope, cost, and timeline and provide a project-specific proposal.