



## Regional Economic Multipliers

The Bureau of Economic Analysis (BEA) prepares economic multipliers for states and local area economies. The multipliers are produced by the BEA's Regional Input-Output Modeling System (RIMS II) using state and local area personal income data and national input-output accounts data. RIMS multipliers can be used not only to estimate industry-wide impacts but also the impacts on each of the 20 industry sectors in RIMS II (table 1).

RIMS multipliers are used to study how one industry's production affects the production of other industries in an economy. They are used to estimate how much additional production is created for every initial increase in production and how many additional jobs are created for every new job that is created.

### Uses of the regional economic multipliers

The regional economic multipliers are widely used by both the public and private sectors to study economic impacts. For example:

- Federal Government agencies use the regional economic multipliers to study the local impact of government regulation on specific industries and to assess the local economic impacts of Federal actions such as military base closings.
- State and local governments use the multipliers to estimate the regional economic impacts of government policies and projects and of events, such as firms locating within their state, or to assess the impacts of tourism.
- Businesses and private consultants use the multipliers to estimate the economic impacts of a wide range of projects,

such as building a new sports facility or expanding an airport; of natural disasters, such as Hurricane Katrina; or of special events, such as national political conventions.

### Information required from users

To effectively use the RIMS II multipliers for impact analyses, users must provide geographically and industrially detailed information on the initial changes in output, earnings, or employment that are associated with a project or special event under study. To provide this information, the user must answer five questions about the project or event:

- What is the affected region?
- Which industries are initially affected?
- Is there more than one phase of the project or program?
- What are the initial changes in output, earnings, or employment?
- Should the initial changes be separated into production costs, transportation costs, and trade margins?

### Availability

Multipliers can be ordered from the BEA Web site. A fee is charged to cover the cost of preparing multipliers. Detailed information on RIMS II is available on our Web site at <[www.bea.gov](http://www.bea.gov)>.

### For more information

Call the Regional Input-Output Modeling System (RIMS) staff at 202-606-5343, or e-mail <[rimsread@bea.gov](mailto:rimsread@bea.gov)>.

**Table 1. RIMS II Industry Aggregations**

Number	RIMS industries	Input-Output industries included in aggregation
1	Agriculture, forestry, fishing, and hunting.....	1111A0–115000
2	Mining.....	211000–21311A
3	Utilities*.....	2211A0–221300
4	Construction.....	230000
5	Manufacturing.....	311111–33999A
6	Wholesale trade.....	420000
7	Retail trade.....	4A0000
8	Transportation and warehousing.....	481000–493000
9	Information.....	511110–514200
10	Finance and insurance.....	52A000–525000
11	Real estate and rental and leasing.....	531000–533000
12	Professional, scientific, and technical services.....	541100–5419A0
13	Management of companies and enterprises.....	550000
14	Administrative and waste management services	561300–562000
15	Educational services.....	611100–611B00
16	Health care and social assistance.....	621A00–624A00
17	Arts, entertainment, and recreation.....	711100–713A00
18	Accommodation and food services.....	7211A0–722000
19	Other services*.....	8111A0–813B00, S00A00
20	Households.....	H00000

\* Includes Federal Government enterprises.