

Contribution Studies

RIMS II multipliers are often used to conduct industry contribution studies. These studies recognize that an industry supports a region by purchasing intermediate inputs from other local industries. The industry's workers also support the region by purchasing goods and services for their own consumption.

An industry's contribution to a region can be calculated in two steps:

1. Collect information on the total value of the industry's output.
2. Multiply the total value of the industry's output by any one of the four final-demand multipliers for the industry. The results can be interpreted as the total amount of local economic activity that is currently supported by the industry.

To give an example of how to conduct an industry contribution study, consider the fish processing industry in Bellingham, Washington. The industry's sales are estimated to be \$118.5 million. A local fish processing company wants to estimate the industry's contribution to the region to show the industry's importance to the community.

To conduct the impact study, the following decisions are made:

- **Final-demand change.** There is no final-demand change, per se. Since the company is interested in estimating the contribution made by the entire fish processing industry, the industry's total output is used with the final-demand multipliers for the industry.
- **Final-demand industry.** The seafood product preparation and packaging industry from the benchmark series is chosen for the analysis because it most closely matches the industry under consideration.
- **Final-demand region.** The final-demand region is the Bellingham, Washington, Metropolitan Statistical Area. Since the company is interested in including the contribution made by the spending of workers, Type II multipliers are used in the analysis.

Table 1 shows the Type II final-demand multipliers for the seafood product preparation and packaging industry in Bellingham, Washington. Using these multipliers, the industry supports \$181.4 million in gross output (\$118.5 million x 1.5311). This value includes the \$118.5 in sales made by the preparation and packaging industry. The value added portion of this output, which is equivalent to gross domestic product, is \$54.8 million (\$118.5 x 0.4628). The earnings portion of this value added is \$34.3 million (\$118.5 x 0.2898). The employment supported by this industry, which includes both full- and part-time jobs, is 774 jobs (\$118.5 million x 6.5286).

Further examples and tips on how to use RIMS II multipliers in an economic impact study are available in the [RIMS II Handbook](#). Additional information is available on the [RIMS II website](#).

Table 1. Type II Final-demand Multipliers for Bellingham, WA Metropolitan Statistical Area

Industry ¹	Output	Value added	Earnings	Employment
Seafood product preparation and packaging	1.5311	0.4628	0.2898	6.5286

1. Detailed industry from the benchmark series