

# Grantee Economic Impact Analysis Tool User Guide

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# Grantee Economic Impact Analysis Tool

## User Guide

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### Overview

This tool estimates economic impact of program investments to local economies. Formulas in the model are designed to show how a grantee's project-specific spending translates into community-wide economic benefits. To use the tool, grantees need two types of information:

1. **Funding Received**

Total funding received from HRSA and other sources supporting your programs.

2. **Spending Information**

How you used the funding to support program activities. Spending needs to be broken down into four categories:

- a. **Personnel spending**

Total spending on people hired to perform program services using program funds. Model requires dollars spent, the type of job performed, and the percentage of individuals who live and work inside the geographic area served by the grantee.

- b. **Equipment/Supplies spending**

Actual spending on equipment and supplies used to support grantee program services. Model also requires information on whether equipment and supplies were purchased locally (i.e., inside the service area) or outside the grantee's service area.

- c. **Contract spending**

Contracts with entities whose services augment grantee program activities. Model requires information on the type of services the contractor performed and whether they operate inside the grantee's geographic service area.

- d. **Other operational spending**

Distribution of spending to program activities not falling under the Personnel, Equipment/Supplies, or Contract categories.

There are three methods used to calculate results, all using grantee service areas and economic multipliers developed by the [Bureau of Economic Analysis](#):

1. The grantee serves the **entire state**, and the tool uses pre-loaded state-level multipliers
2. The grantee serves a **portion of a state** and the tool estimates multipliers, based on the size of the population served
3. The grantee serves a portion of a state and has **purchased multipliers** from the BEA for a custom area. The grantee must enter these specific multiplier values

The tool estimates dollar values of the economic impact resulting from program activities. Users can also adjust inputs to see how the impact changes under alternate scenarios.

## Example Grantee

Here's a simple example to show how the tool works. You can use this information for practice.

### Background

**Name of Project:** Practice Scenario

**Organization Name:** ABCD

**ZIP Code:** 56560

**Analysis Use:** Practice

**Year of Project:** 2016

**State:** Minnesota

**Area Served:** Part of state

**Size of population served:** 200,000

**Grant Type:** Outreach

**HRSA Funding:** \$500,000

**Other Funding:** \$200,000

**Multipliers:** No custom multipliers. Tool will use standard estimates

### Spending

#### Personnel

What did the personnel do?	Amount Spent	% Spent Locally	Industry code
Medical care	\$ 250,000	100%	621100 - Physician, Other Provider Offices
Administration	\$ 50,000	100%	561100 - Office Administrative Services
Management consulting and technical assistance	\$ 100,000	100%	541610 - Management Consulting

#### Equipment/Supplies

What equipment/supplies were purchased?	Amount Spent	% Spent Locally	Industry code
Computers	\$ 100,000	50%	4A0000 - Retail Trade

#### Contract

Consultants or contractors	Amount Spent	% Spent Locally	Industry code
Better Care R Us	\$ 200,000	25%	541610 - Management Consulting



# Getting Started


## Registration

The Economic Analysis tool is hosted by the Rural Health Information Hub. To create scenarios, you will need to register for a free RHIhub account on the website, [www.ruralhealthinfo.org/account](http://www.ruralhealthinfo.org/account).

**RHIhub**  
Rural Health Information Hub

Formerly the  
*Rural Assistance Center*

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**Sign In**  
Get access to personalized features on RHIhub, including the Economic Impact Analysis Tool:

\* Email address

Do you have a ruralhealthinfo.org password?  
 Yes:  [Forgot password?](#)  
 No, I'm new and I'd like to sign up.

**Sign in**

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To register, you will need to provide:

1. A working e-mail address
2. A password
3. Your first and last names
4. Your role in rural health
5. Your ZIP Code

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**Register**

Sign up to get access to personalized features on RHIhub. Please provide the following information:

\* **Email address** \* indicates required field

\* **Password**

*At least 8 characters*

\* **Confirm password**






\* **First name**

\* **Last name**

\* **Role**

\* **ZIP code**

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You also need to accept the Terms of Service to register.

After submitting your information, you will receive an e-mail containing a link. Clicking on the link will take you to the registration confirmation page; you will then be able to log in to the site and begin creating scenarios with the economic analysis tool. If the link in the e-mail isn't active, copy and paste it into your web browser.

# Create a Scenario

## Adding Background Information

When creating a scenario, the background information is used to provide context to the analysis, as well as tell the tool the funding amounts and formulas it will be using to make its calculations. Using the example on page 3, we can start entering information.

You can also review what information you need to complete a scenario using the Checklist of Inputs link at the top of the Create a Scenario page. If you miss a field, the tool will point out which field you need to complete. Also note the small **i** icon next to some of the fields. These links to additional information about what is needed for that particular field.

**ECONOMIC IMPACT ANALYSIS TOOL**

- Econ Tool Home
- About the Tool
- Help
- My Account
- My Scenarios
- Create a Scenario**

Logged in as [Name] | Sign Out

Rural Health > Economic Impact Analysis Tool > My Scenarios

### Create a Scenario

Before you get started, you may want to review the [checklist of inputs](#) needed to complete a scenario.

Please provide some background information about your project.

**\* Project Name**

**\* Organization**

**\* Organization ZIP code**

**Purpose of your scenario**  
*Will show on report*

**\* Year of Project**

**\* State Served**

**\* Area served**

Please tell us how much of the state you are serving, by listing either:

Population served

Percent of the state population served

 %

**\* Grant Type**

 **i**

**\* HRSA funding**

 **i**

**\* Other funding**

 **i**

**Create** **Cancel**

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1. **Name of Project**

Enter the name of your project. This can be the same as your organization if you choose. This scenario can be named, Practice Scenario

2. **Organization**

Enter your organization's name. For this scenario, ABCD

3. **Organization ZIP Code**

Enter the ZIP Code for your location. For this scenario, the ZIP is 56560

4. **Purpose of the Scenario**

This explains the purpose for the analysis and what it can be used for. In this scenario, we're using it for practice.

5. **Year of Project**

Enter a year for the analysis. If your program is for the current year or a future year, use the most recent year available. Population figures are added for each year as that data becomes available from the U.S. Census Bureau. The year selected determines which modeling assumptions are used. For example, if you enter 2010, then the underlying state population in 2010 is used to estimate multipliers. For this scenario, the year is 2016.

6. **State Served**

Select the state where your program is located using the drop-down menu. For this scenario, use the State of Minnesota.

7. **Area Served**

This helps determine formulas that will be used to calculate the economic impact of your program. You can choose the Entire State, in which case the tool will provide the appropriate formulas, or Part of the State, where you'll have the option of using multipliers you've purchased. For this scenario, we serve Part of the State.

- **Population served/Percent of the state served**

Enter the population reached through the services your program provides, by either population numbers or the percentage of the state's population. If the program serves the entire state, enter the state's population. If the service area is a number of counties, enter the sum of the county populations. For this scenario, we only serve part of the state, with a total of 200,000 people.

**\* Area served**

Please tell us how much of the state you are serving, by listing either:

Population served

Percent of the state population served

**8. Grant Type**

There are three grant types to choose from, based on what your funding is earmarked to support. For this scenario, we use the Outreach grant type.

**9. HRSA Funding**

Enter the total funding received from HRSA. Use whole dollar amounts only (no cents). You don't need to use dollar signs, commas or decimal points. For this scenario, the amount is \$500,000.

**10. Other Funding**

Enter other, supplementary funding amounts you received as a result of the HRSA grant. These sources could be private or public, and often include the commitment of matching funds, up to a certain level, tied to the receipt of HRSA funding. Sources could include a Community Health Center, State Health Systems, charitable organizations (e.g., United Way), and contributions from foundations, individuals, and other network members. If you received no supplemental funding, leave this field blank or enter a zero. For this scenario, enter \$200,000.

**Adding Spending**

Once you've submitted your background information, a summary page opens for your review, to ensure you have the correct funding amount. If the amount is correct, use the "Add Spending" link to move to the next screen, where you will start adding spending items to the scenario. You'll be able to enter your spending data in four categories, which are (with examples):

**1. Personnel**

- a. Network Coordinator
- b. Medical Director
- c. Administrative Assistant
- d. Physicians
- e. Nurses

**2. Equipment/Supplies**

- a. Computers
- b. Software



- c. Office supplies
- d. Medical supplies
- e. Instructional materials


**3. Contract**

- a. Contracts with consulting, accounting, or legal firms
- b. Contracted individuals hired to perform health-related and other services specific to grantee activities.

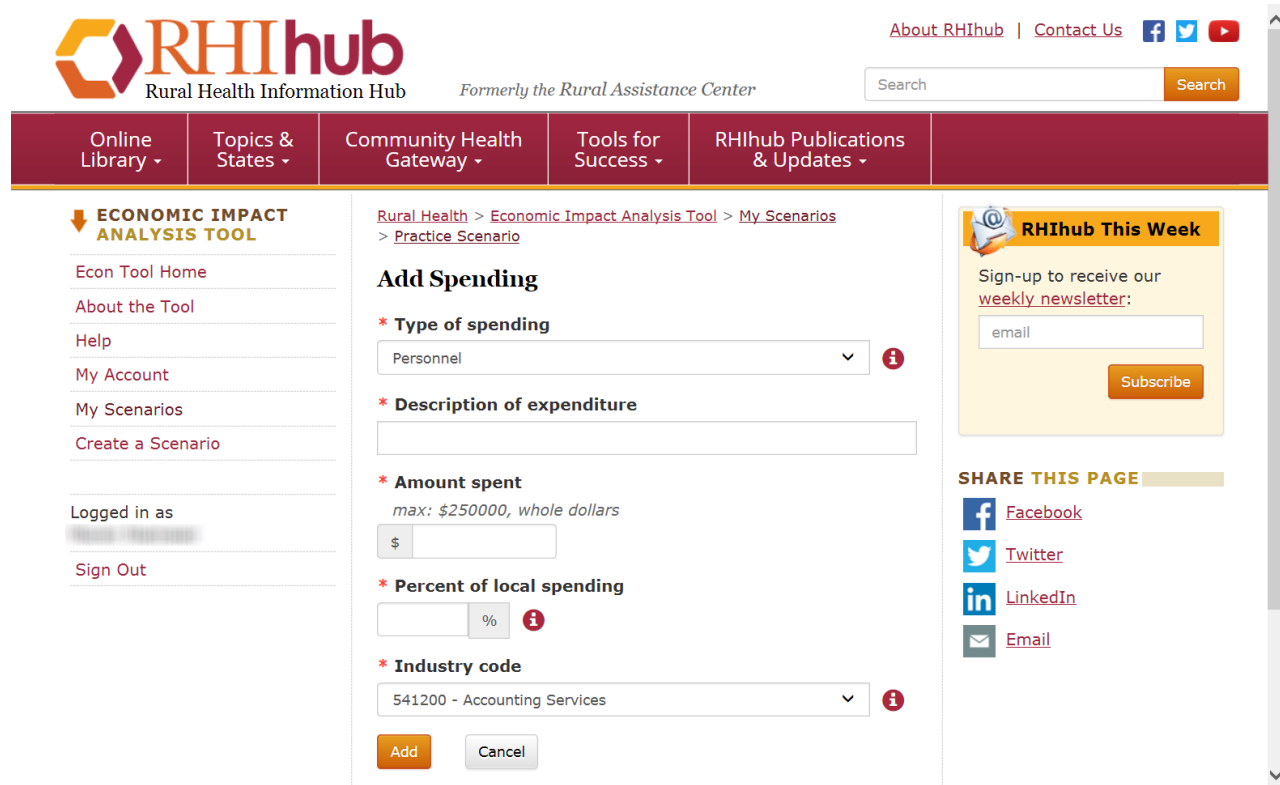
**4. Other Operational**

- a. Program-related activities not captured in the previous categories. This category is not used in the example above and will not be used in the practice scenario.

All items of your HRSA and Other Funding grant spending should be entered into the tool. The tool will track spending you enter and compare it to total available spending to ensure all funding is allocated into spending categories. After entering an item, you will see a quick summary page of how much funding has been allocated and how much is still available.

Also note the small  image next to some of the fields. These are informational icons with additional information about what is needed for that particular field.

**Personnel**



The screenshot shows the RHIhub website interface. At the top, there is a navigation bar with the RHIhub logo (Formerly the Rural Assistance Center) and a search bar. Below the navigation bar, there are several menu items: Online Library, Topics & States, Community Health Gateway, Tools for Success, and RHIhub Publications & Updates. The main content area is divided into a left sidebar and a central form. The sidebar contains links for the Economic Impact Analysis Tool, including Econ Tool Home, About the Tool, Help, My Account, My Scenarios, Create a Scenario, and a login/sign out section. The central form is titled 'Add Spending' and is for the 'Personnel' category. It includes fields for 'Description of expenditure', 'Amount spent' (with a maximum of \$250,000), 'Percent of local spending', and 'Industry code' (selected as 541200 - Accounting Services). There are 'Add' and 'Cancel' buttons at the bottom of the form. On the right side of the form, there is a 'RHIhub This Week' newsletter sign-up box and a 'SHARE THIS PAGE' section with social media links for Facebook, Twitter, LinkedIn, and Email.

In this category, enter all spending related to personnel positions and hiring.

1. In the Type of spending field, select the Personnel category

- For the Name of Expenditure field, use the personnel descriptions in the first column of the table on page 2. The first item we're adding is titled, Medical care.
- Next, enter the expenditure amount into the Amount spent field. For this item, \$250,000
- Enter the Percent of local spending for this personnel spending amount. If the individual lives in the service area, this number will be 100%. For example, if a physician is hired to practice 50% of his or her time in the service area, the value of this entry will be 50%. For the example grantee, each of these entries will be 100%. This field greatly influences the outcome of the analysis, so please be sure you estimate correctly.
- Using the drop-down menu, choose the Industry Code that best matches this job. These codes are used to classify each position. If you're unsure which code to use, you can review the classifications on the [Industry Code page](#), available by clicking on the **i** icon next to the field. For this item, choose the code: 621A00 - Physician, Other Provider Offices.
- Click the Add button. This will take you to a summary page that shows how much funding has been allocated and how much is left. This page also allows you to view or update your scenario at any time. To continue adding spending, use the Add Spending link.
- Using the example information, add the two remaining items of Personnel spending.

## Equipment/Supplies

The screenshot shows the RHIhub website interface. At the top, there is a navigation bar with the RHIhub logo (Rural Health Information Hub, Formerly the Rural Assistance Center) and a search bar. Below the navigation bar, there are several menu items: Online Library, Topics & States, Community Health Gateway, Tools for Success, and RHIhub Publications & Updates. The main content area is titled 'ECONOMIC IMPACT ANALYSIS TOOL' and contains a sidebar with links like 'Econ Tool Home', 'About the Tool', 'Help', 'My Account', 'My Scenarios', and 'Create a Scenario'. The main form is titled 'Add Spending' and includes fields for 'Type of spending' (Equipment/Supplies), 'Description of expenditure', 'Amount spent' (with a max value of \$250,000), 'Percent of local spending', and 'Industry code' (541200 - Accounting Services). There are 'Add' and 'Cancel' buttons at the bottom of the form. On the right side, there is a 'RHIhub This Week' newsletter sign-up box and a 'SHARE THIS PAGE' section with social media links for Facebook, Twitter, LinkedIn, and Email.

Once all the Personnel funding is entered, you can begin entering spending for equipment and supplies purchases.

1. In the Type of spending field, select the Equipment/Supplies category
2. For the Name of Expenditure field, use the descriptions in the first column of the Equipment/Supplies table on page 2. The only item we're adding is Computers.
3. Next, enter the expenditure amount into the Amount spent field. For this item, \$100,000
4. Enter the Percent of local spending for this expenditure as a percentage of the total amount spent in the local service area. In this example, 50 percent of the computer purchase was spent locally.
5. Using the drop-down menu, choose the Industry Code that best matches this job. These codes are used to classify the expenditure. If you're unsure which code to use, you can review the classifications on the Industry Code page. For this item, choose the code: 4A0000 - Retail Trade.
6. Click the Add button. This will take you to a summary page that shows how much funding has been allocated and how much is left. This page also allows you to view or update your scenario at any time. To continue adding spending, use the Add Spending link.

## Contract

The screenshot shows the RHIhub website interface. At the top, there is a navigation bar with the RHIhub logo (Rural Health Information Hub, Formerly the Rural Assistance Center) and links for 'About RHIhub', 'Contact Us', and social media icons. A search bar is also present. Below the navigation bar is a main menu with categories: 'Online Library', 'Topics & States', 'Community Health Gateway', 'Tools for Success', and 'RHIhub Publications & Updates'. The main content area is divided into three columns. The left column contains the 'ECONOMIC IMPACT ANALYSIS TOOL' sidebar with links like 'Econ Tool Home', 'About the Tool', 'Help', 'My Account', 'My Scenarios', and 'Create a Scenario'. The middle column displays the 'Add Spending' form for a 'Contract' scenario. The form includes fields for 'Type of spending' (Contract), 'Description of expenditure', 'Amount spent' (with a maximum of \$250,000), 'Percent of local spending', and 'Industry code' (541200 - Accounting Services). There are 'Add' and 'Cancel' buttons at the bottom of the form. The right column features a 'RHIhub This Week' newsletter sign-up box and a 'SHARE THIS PAGE' section with social media sharing options for Facebook, Twitter, LinkedIn, and Email.

With Equipment/Supplies entries complete, you can now enter spending for contracted services used to augment program activities.

1. In the Type of spending field, select the Contract category
2. For the Name of Expenditure field, use the descriptions in the first column of the Contract table on page 2. The only item we're adding is the name of the contractor, Better Care R Us.
3. Next, enter the expenditure amount into the Amount spent field. For this item, \$200,000
4. Enter the Percent of local spending for the amount spent on contractors based in the local service area. If hiring an out-of-state or out-of network entity, this entry will be zero. If the contractor is completely located within the program service area, this value will be 100. Values between 0 and 100 can be entered, as appropriate to the grantee scenario. For this example, 25% of spending on the Better Care R Us contract was made to contractors who were based in and conducted the work inside the grantee's local program service area.
5. Using the drop-down menu, choose the Industry Code that best matches this contractor's work. These codes are used to classify the expenditure. If you're unsure which code to use, you can review the classifications on the Industry Code page. Better Care R Us provided management/operations program consulting services in this example. For this item, choose the code: 541610 - Mgt Consulting
6. Click the Add button.

### **Other Operational (not in example)**

In this category, enter all spending for program activities that were not captured in other categories. The process you will use is the same as for those categories, excepting that you use the appropriate category name.

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## **Review and Share Your Scenario**

Your Economic Impact Report results page is broken down by:

1. Total economic impact
2. Ratio Economic impact to total spending
3. Ratio: Economic impact to HRSA funding
4. Project Information Summary
5. Spending details
  - a. Impact of Personnel spending
  - b. Impact of Equipment/Supplies spending
  - c. Impact of Contract spending
  - d. Impact of Other Operational spending

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**Practice Scenario**

You have a funding total of \$ 700,000 and have entered \$ 700,000 in spending.

This scenario was created: 10/3/2017

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**Economic Impact Report**

Total economic impact <span style="color: red;">i</span>	\$ 729,000
Ratio of economic impact to total spending	1.04
Ratio of economic impact to HRSA funding	1.46

*\* Ratios show the dollars returned to a community per dollar invested.*

**Project Information**

[Update](#)

<b>Organization</b>	ABCD Organization	
<b>Purpose</b>	Example project scenario	
<b>Year of Project</b>	2016	
<b>State Served</b>	Minnesota	
<b>Area served</b>	Part of State, Using Standard Multipliers	
<b>Population served</b>	200,000	
<b>Grant type</b>	Outreach	
<b>Funding</b>	HRSA	\$ 500,000
	Other Sources	\$ 200,000
	<b>Total</b>	<b>\$ 700,000</b>
<b>Total spending</b>	\$ 700,000	

**Spending Details**

**Personnel**

	Amount	% Local	Industry code <span style="color: red;">i</span>	Description	
<a href="#">Edit</a> Administration	\$ 50,000	100%	561100	Office Administrative Services	<span style="color: red;">✕</span>
<a href="#">Edit</a> Management consulting and technical assistance	\$ 100,000	100%	541610	Mgt Consulting	<span style="color: red;">✕</span>
<a href="#">Edit</a> Medical Care	\$ 250,000	100%	621100	Physician, Other Provider Offices	<span style="color: red;">✕</span>
<b>Subtotal:</b>	<b>\$ 400,000</b>			<b>Impact compared to spending: 1.47</b>	

**Equipment and supplies**

	Amount	% Local	Industry code <span style="color: red;">i</span>	Description	
<a href="#">Edit</a> Computers	\$ 100,000	50%	4A0000	Retail Trade	<span style="color: red;">✕</span>
<b>Subtotal:</b>	<b>\$ 100,000</b>			<b>Impact compared to spending: 0.7</b>	

**Contracts**

	Amount	% Local	Industry code <span style="color: red;">i</span>	Description	
<a href="#">Edit</a> Better Care R US	\$ 200,000	25%	541610	Mgt Consulting	<span style="color: red;">✕</span>
<b>Subtotal:</b>	<b>\$ 200,000</b>			<b>Impact compared to spending: 0.37</b>	

Note that you can edit individual spending items, changing categories, names, spending amounts and industry codes. You can also delete an item and add a new item to the list, making sure to check that your spending matches with the funding amount.

### Spending summary

This particular example shows a relatively low return on total program spending: the grantee generates an additional 4 cents of value for each dollar of total funding in the grant. Or said differently, for every dollar of funding received (HRSA+ Other), the program created \$1.04 in value to the community.

The low multiplier is the consequence of relatively large out-of-area spending. Only 25% of consultants and 50% of equipment are purchased inside the region served by the grantee. If these percentages were higher, economic impact would rise.

If we consider the economic return on HRSA funding, the return is higher. This grantee created \$1.45 in benefits in the community for every dollar HRSA granted to the program.

### Print and/or e-mail the report

When you are satisfied with the report, you can save or share it in several ways. On the top of your Economic Impact Report summary page, there is a “Share this Scenario” section. Choose the option you want to use:

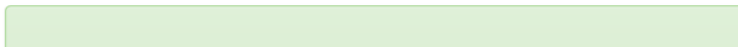
1. **E-mail** sends a PDF link of the summary to any address you choose to enter
2. **Save as PDF** converts the summary to PDF so you can save to your computer
3. **Print** sends the scenario to your printer

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### Practice Scenario

You have a funding total of \$ 700,000 and have entered \$ 700,000 in spending.

This scenario was created: 10/3/2017



 Email as PDF

 Save as PDF

 Print

## **Troubleshooting the tool**

### **Which Industry should I use if nothing currently in the model matches?**

The industry categories are based on a review of a large number of grantee programs. First, please read through the descriptions of the included industry codes to be sure none apply. The labels for some of industries do not fully capture the breadth of activities in that industry. If none of the industry codes directly apply to your item, use the closest matching category.

### **What method should I use when entering monetary values and percents?**

Note all monetary values may be entered without commas, decimal places, or the “\$” sign. (e.g., 1000 rather than \$1,000.00). Percentages entered into the program should be entered as a whole number only (i.e. 100, 50, 25, etc.).

### **I want to create another scenario. What do I do?**

To create a new scenario, use the Create a Scenario link on the left side of the page. You will have to be registered and logged into your account to create a scenario. For more help, contact the Rural Health Information Hub at:

- Telephone: 800.270.1898
- E-mail: [info@ruralhealthinfo.org](mailto:info@ruralhealthinfo.org)