



Regional Plan Association

... a research and planning agency supported by voluntary membership to promote the coordinated development of the New York-New Jersey-Connecticut Metropolitan Region.

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REGIONAL PLAN LAUNCHES ECONOMIC INFORMATION SERVICE FOR STRATEGIC PLANNING, ECONOMIC IMPACT EVALUATION, COST-BENEFIT ANALYSIS

Regional Plan Association today announced the inauguration of a Regional Economic Information Service (REIS), which will be offered to the public on a subscription basis.

The Region analyzed covers parts of New York, New Jersey and Connecticut, from Trenton to New Haven, including most of the population, jobs and output of each state. The Region's Gross Product (GRP) is about 11 percent of GNP.

Battelle-Columbus Laboratories, a division of the world's largest private research organization, will serve as Technical Consultant to the Service, the Association said.

According to Regional Plan, the Service will provide a valuable new tool to help decision-makers in business and government perform strategic planning, evaluate the impact of changes in the economy, appraise the potential costs and benefits of alternate proposals, and manage resources within prescribed geographic areas.

The service is based on a combination of two unique regional resources, the Regional Accounts data base and an operational Regional Input/Output Model. Of the three main tools used to analyze the national economy--econometric models, GNP accounts and Input/Output tables--only the first had a regional equivalent until now. REIS makes regional equivalents of the other two available for the first time, the Association said.

The Service will also offer national industry forecasts, projections of demand nationwide, and access to Battelle's national Input/Output tables.

"Because of the bridge between the Accounts and the Input/Output Model, more is known about the economy of the New York Urban Region than any other metropolitan economy," said Association Chairman William S. Woodside, who is also Chairman and Chief Executive Officer of American Can Company. "We can now forecast in great detail what impact events will have on the entire Region's economy, on particular geographic areas within the Region, or any of 127 separate industries-- and not only the direct impact, but the indirect impact on industries which supply or purchase from those industries directly affected, and even the induced impact on household spending by the altered labor force.

"Our analysis of the non-defense portion of the 1982 federal budget, for example, relied on this tool to project a loss of 34,000 jobs and 1 percent of GRP as a result of multiple rounds of employment and spending reductions rippling through the economy from a direct \$2 billion budget cutback to governments, households and nonprofits in the region. Sixty percent of the private sector production losses were concentrated in Construction, Wholesale and Retail Trade, Real Estate, Health Care and Educational and Nonprofit Services.

"Regional Plan's purpose in developing this new tool was to improve the Association's analysis of public policy, but it will be very useful to government and private industry as well."

The Association said it was offering the subscription service in order to give other organizations the full benefit of this economic resource and at the same time to help underwrite the cost of maintaining and expanding the data base. Initial funding of \$150,000 was provided by the Andrew W. Mellon Foundation.

A prospectus describing the service is available from the Association.

Regional Plan Association, a nonprofit civic organization, has been monitoring the economy of the 31-county tri-state Region for more than 50 years.

Battelle-Columbus Laboratories, a division of the Battelle Memorial Institute, has pioneered in the development and use of Input/Output modeling. Through 50 years of contract research, Battelle has developed a reputation as a bridge between science and industry, a role it has played in more than 90 countries, the Association said.

Who Can Make Use of REIS, and How

REIS could prove useful to many different people for many different purposes, the Association said. Among its possible uses:

- Corporations can assess probable markets for particular products, given the Region's evolving patterns of personal consumption, imports and personal income;
- Developers drawing up Environmental Impact Statements can demonstrate the economic benefits of their proposals;
- Strategic planners can base company forecasts on detailed industrial projections of production and consumption both in the Region and the nation, and can analyze both the direct and indirect economic impacts of alternative courses;
- State and local government officials can evaluate options for economic development, infrastructure investments and growth management within their jurisdictions;
- Public policy analysts can evaluate the macroeconomic, fiscal, urban and resource implications of federal, state and local policies within the New York Urban Region.

Components of the Service

Subscribers to REIS will receive several information services, including:

- Annually updated Regional Accounts, which record output, productivity, profit margins, tax incidence, interindustry payments, investment and depreciation by industry, government revenues and expenditures, personal consumption, and commodity flows within the Region and between the Region and the rest of the country. The bottom line of the Accounts is the Gross Regional Product, a measure of all finished goods and services produced in the Region;

- Updated Regional Input/Output Tables, describing the interconnections among 127 industries within the Region and the disposition of their goods and services to all final consumers;
- Quarterly reports assessing regional economic conditions in the light of market trends and public policy;
- Access to the national equivalents of the Accounts and the Input/Output Model, as well as subregional equivalents for New York City, the Mid-Hudson, Long Island, Northern New Jersey and Southwest Connecticut;
- Up to 40 hours of consultation time or three Input/Output simulations to answer particular questions;
- Longer-term forecasts of the entire economy, known as "Alternate Futures Scenarios," which are sensitive to both technological change and socio-political forces.

Why REIS Is Unique

At present, most organizations base their plans on national econometric models in which local estimates are extrapolated from national statistics. REIS provides information gathered from the bottom up, based largely on access to special tabulations and controlled by the checks and balances of double-entry accounting. Moreover, since REIS breaks down information into 127 industry sectors, whereas most econometric models have only 25 or so, it can forecast in far greater detail. The impact of events--and how that impact will be distributed among the 127 industries--can be projected through several rounds of business and consumer spending.

There are two key distinctions between Battelle's national and regional Input/Output models and those provided by the federal government and others, the Association said:

1. Battelle's division of the economy into industry sectors is based on the actual technologies of production and the ways in which technological changes affect the economy, whereas the government tables define industry sectors in such a way that technological realities cannot be reflected in the resulting models.

2. Battelle's more current incorporation of the technologies used in each industry sector--and how they affect interindustry transactions. In contrast to Battelle's 1980 technology, price and structural relationships, most current government tables reflect conditions that are at least 10 years old.

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