

# ECONOMIC IMPACT REPORT



## Hanson Aggregates Honeoye Falls, New York

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# Hanson Aggregates

## Honeoye Falls, New York

### OVERALL IMPACT

Economic impact is a way of quantifying an organization's footprint on the local economy. It measures the goods or services produced by a company as well as the ripple effect that activity has on the local economy. It is one way of assessing the benefits that a company provides to its community.

The total impact of Hanson Aggregates' operations on the local area economy is substantial. In 2009, we estimate that it totaled approximately **\$23.3 million**. To put this amount into perspective, it's about \$8,805 for each of the 2,647 residents of Honeoye Falls and over \$29 for each of the 800,000 residents living in Monroe and Livingston counties. Any way it's expressed, \$23.3 million will make a difference in the local economy.

And there is much more to the story. To produce its products, Hanson Aggregates employs some 30 local residents at good wages. Its total payroll for 2009 was nearly \$1,774,000. In addition, Hanson Aggregates purchases significant amounts of other inputs from local businesses large and small.

Hanson's employees and suppliers spend a large share of what they receive from the company on other local goods and services. These businesses will then help provide jobs for local residents and income for their own suppliers. These individuals and businesses will in turn spend a large share of what they earn locally. Thus, there are many citizens in Monroe and Livingston Counties who will not work at Hanson but whose livelihood will benefit from the company's presence in the community.

Since a portion of Hanson's products will be sold to clients outside Monroe and Livingston counties, some of its income will be what regional economists call "export sales." In other words, when Hanson Aggregates sells to an out-of-town customer, it brings new money into the region. This new money circulates many times in the local economy, so that the company's impact is much greater than its revenues alone might indicate.



## *How was the economic impact estimate derived?*

1. We began with Hanson Aggregates' total estimated sales for 2009 based on the information made available to us by the company. Hanson also provided us with an estimate of the percentage of its sales that will be made to businesses outside the area.
2. Since some of the sales from the operation were to customers outside of Monroe and Livingston counties, some of Hanson's income represents new money brought into the local economy by its operations. Such "export" income generates what regional economists call a "multiplier" effect. What this means is that such income has an additional economic impact as a significant portion of it is spent on wages earned by local employees, goods and services purchased from local vendors, etc.
3. This additional impact is specific to the individual industry that generates it. To estimate this impact, we used multipliers from the RIMS II regional economic model for the Rochester, New York metropolitan statistical area. [This model is provided by the Bureau of Economic Analysis, U. S. Department of Commerce; it is the standard model used for such estimates.] The size of the multiplier takes into account the fact that some suppliers are in the local area while others are located elsewhere.
4. The final \$23.3 million estimate of overall economic impact on the Monroe and Livingston counties' economy was then found by determining the dollar value of sales outside the area and multiplying it by the RIMS II multiplier, and then adding to this value the total amount of sales within the region.



## CONCLUSION

The Hanson Aggregates operation is an important part of the local economy. Beyond its direct economic impact, it has indirect effects on employment, local small businesses and the tax revenues of local governments that reach far beyond what it pays to its employees and suppliers. In short, Hanson's operation in Monroe and Livingston counties makes an important difference to the economic health of the region.



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