Paying Dividends on Investments in Rural America: Socio-Economic Benefits Assessment System (SEBAS)

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Program Director
Rural Policy Research Institute
University of Minnesota

William F. Hagy III
Acting Deputy Under Secretary for Rural Development
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Socio-Economic Benefits Assessment System (SEBAS)

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William F. Hagy III, Acting Deputy Under Secretary for Rural Development

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• Assess the effectiveness of Rural Development’s programs in measures of local and regional economic performance, for example, Gross Domestic Product. SEBAS incorporates the indirect effects of Rural Development programs. Provides an estimate of the economic impact of the loan.
RD PROGRAMS IN SEBAS

- Business & Industry Guaranteed Loans
- IRP – Intermediary Relending Program
- REAP – Rural Energy for America Program
  Guaranteed Loans
SEBAS IS

1. An economic model for measuring these economic indicators
2. A system of consistent economic indicators
3. A large nation-wide regional economic information system
4. A process for data collection and data entry
SEBAS consists of one model for each county in the US

Each county model has
- 54 producing sectors
- 9 household income-size classes
- 10 occupational groups
- 9 federal & 16 state/local tax revenue categories
PRIMARY SEBAS INDICATORS

1. Direct jobs (Provided by SEBAS user)
2. Adjusted Net Jobs
3. Direct full-time equivalent (FTE) employment
4. Total full-time equivalent employment
5. Total Gross Domestic product (GDP)
6. GDP/FTE
7. Tax Revenues
WHY DISPLACEMENT EFFECTS?

- In the long run, all “new activity” replaces “old activity” somewhere.
- SEBAS predicts the intraregional displacement effects of projects
- Estimated displacement based on regional sectoral structure
  - For example, retail verses manufacturing
SEBAS INFORMATION SYSTEM

- Uses input-output data
- Detailed interregional flow data
- Sectoral occupational demand data
- Interfaced with USDA RD’s GLS project database
- Project cost data estimated allowing cost-effectiveness analysis
SEBAS PROCESS

- Web-based interface for USDA RD
- Overnight updates give national and state offices next day access to projected impacts of projects
- User’s may do “what if” analyses
- Actual direct effects confirmed annually and updated

FUTURE PROCESS

- We are working to extend SEBAS include a variety of sustainability indicators
SEBAS allows the user to select by:

- borrower
- state
- county
- NAICS
- Congressional District
- Fiscal Year
- Program
- Compares applications by industry and makes comparison; and

- Pro Forma compares active loans by industry
### SEBAS RESULTS

#### Projected Benefits

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<tr>
<th>Borrower/Recipient</th>
<th>Program</th>
<th>Direct Jobs</th>
<th>Adj. Net Jobs</th>
<th>Direct FTE Emp</th>
<th>Total FTE Emp</th>
<th>Total GDP (000)</th>
<th>Total FTE (000)</th>
<th>Tax Rev. (000)</th>
<th>Subsidy Cost</th>
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**Obligation Dates:**
- Fiscal Year: All
- Request Type: All
• Graphs compares loan results with National results
• Compares Industry selected
National heat map compares states by program, Impact Type and NAICS codes.
Pie Chart shows loans by industry in specific state and program.

Impact Types compare GDP and FTE.
• Heat map can be used to compare Direct and Total FTE; Total GDP; Total GDP Per FTE and Tax Revenue

• Used for outreach and marketing
• Used to Calculate projected GDP for new applications
• Assists State to determine Economic Impacts of each proposed loan
SEBAS allows the user to compare different loans to determine best economic benefits
Allows user to select specific congressional district to show economic benefits of all loans made in that specific district.
### SEBAS RESULTS

#### Projected Benefits

Program: BR and RE/EE-9006 Co-Funded  
Type of Assistance: All  
Fiscal Year: All  
Obligation Dates:  
Request Type: All

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QUESTIONS
Professional Performance for the Home
Viking Founder

Fred E. Carl, Jr.
Inspired by Chambers Range
Received AGA approval in 1986 and began full production in 1987.
What is Viking Range Corporation?
Viking Hospitality Group
THE ALLUVIAN
Professional Performance for the Home
www.vikingrange.com