

## Tip sheet: Costing

### What is costing and economic analysis?

At its most basic level, economic analyses are designed to inform decision-making by providing information on the cost of developing, implementation, and sustaining any intervention or program. Like many things, cost analyses range from informal (“back of the envelope” estimates) to rigorous (PhD economics-driven cost effectiveness analysis). The level of cost analysis depends on the goals and needs of the project.

### Why is this step important?

- When considering a new intervention, one of the most important factors for decision-makers is the costs of starting and doing the program (adoption and implementation) and sustaining the program (maintenance).

### What costs should be included?

- **Activities drive costs:** Staff time is the main expense; include engagement, implementation, labor, technology, and interventions.
- **Costs can be predicted:** Process mapping clarifies who does what and identifies key activities.
- **Exclude research-only costs:** Remove expenses that won’t occur outside the study.

#### Key Steps

1. Design your economic analysis with a specific user perspective (e.g. society, health system, and patient) in mind.
2. Develop a process map (flow diagram) of your intervention to identify relevant activities, resources, costs, and staffing.
3. Decide if you want to measure costs prospectively (best) or retrospectively (cheapest)
4. Complete analyses and share estimates on “What will it cost to sustain or replicate this effort?” with partners.

#### Pro Tips

*Think about costs broadly; include user burdens. Conduct periodic quality checks on cost collection and tracking.*

*Adapt data collection instruments as needed. Do a quick check on your data for face validity. Look for ways to combine cost data collection with other assessments to boost efficiency. Consult with an economist or expert when considering a complex analysis.*

#### Common Pit Falls

1. Not engaging an expert when pursuing more complicated analyses or when publishing.
2. Failing to think about costs and your economic evaluation early and often.
3. Using a burdensome or impractical data collection method.

#### Actions to Avoid Them

1. Connect with an economist when approaching complex analyses or publishing.
2. Plan for costing from the outset.
3. Look for existing data collection templates to modify and consider staff burden to track.