

Economic Analysis of the Ohio University Innovation Center

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Executive Summary

The purpose of this report is to identify the number of jobs, annual wages and economic output directly associated with businesses incubated by the Ohio University Innovation Center and to estimate the indirect and induced effects of these businesses on the Athens County economy.

This report takes data provided by the Innovation Center including number of full and part-time employees, annual wages, and the North American Industrial Classification System (NAICS) code for each Incubator business.

The total estimated economic activity of all businesses incubated by the Ohio University Innovation Center on Athens County's economy in 2020 equates to 286 jobs that generated an estimated \$24 million in employee compensation and an annual estimated economic output (goods and services produced) of over \$66 million.

Introduction

This report presents an assessment of the calculated effect of the Ohio University’s Innovation Center on the economy of Athens County in 2020. It identifies the number of jobs, annual wages and economic outputs associated with businesses the Innovation Center incubated and the total effect on the local economy from these businesses.

All businesses have “direct,” “indirect” and “induced” effects on the economy:

- **Direct:** the actual number of jobs, income and output created in the local economy from incubating businesses.
- **Indirect:** the jobs, income and output of businesses that account for supplying goods and services to incubating businesses within the local economy.
- **Induced:** the jobs, income and output generated in the local economy as a result of incubating businesses’ employees working and living in the county.

This study estimates the direct, indirect and induced employment, annual wages and economic output of the Innovation Center businesses on the Athens County economy.

Each business is categorized into one of four general industry sectors. The categories are as follows:

Manufacturing
Service
TIPU
Trade

Total Economic Activity of Innovation Center Businesses as of Q4 2020													
NAICS	Industry Sector	Employment				Sales/Output				Compensation			
		Direct	Indirect	Induced	Total	Direct	Indirect	Induced	Total	Direct	Indirect	Induced	Total
926110	Administration of General Economic Programs	3	1	1	4	\$404,501	\$70,702	\$117,040	\$592,243	\$55,879	\$24,536	\$39,015	\$119,429
334516	Analytical Laboratory Instrument Manufacturing	2	0	1	3	\$625,022	\$98,698	\$123,121	\$846,841	\$178,601	\$35,278	\$41,195	\$255,074
339112	Surgical and Medical Instrument Manufacturing	2	1	1	3	\$549,985	\$119,510	\$133,070	\$802,565	\$ 218,131.00	\$43,047	\$44,524	\$305,702
813910	Business Associations	3	0	1	3	\$301,573	\$13,091	\$113,810	\$428,474	\$272,940	\$4,007	\$37,938	\$314,885
333415	Air-Conditioning and Warm Air Heating Equipment and Commercial and Industrial Refrigeration Equipment Manufacturing	2	0	0	3	\$624,275	\$101,717	\$65,519	\$791,512	\$86,774	\$17,639	\$21,841	\$126,253

334413	Semiconductor and Related Device Manufacturing	24	3	9	36	\$6,733,494	\$583,990	\$1,479,317	\$8,796,800	\$3,344,216	\$219,180	\$494,967	\$4,058,363
519130	Industry Publishing and Broadcasting	3	2	1	6	\$1,371,558	\$260,604	\$193,416	\$1,825,579	\$688,431	\$82,303	\$64,474	\$835,208
325414	Biological Product (Except Diagnostic) Manufacturing	18	6	5	30	\$9,571,520	\$1,391,479	\$892,162	\$11,855,161	\$2,133,007	\$514,682	\$298,510	\$2,946,200
423850	Service Establishment Equipment and Supplies Merchant Wholesalers	1	0	0	2	\$254,864	\$37,251	\$54,970	\$347,086	\$64,073	\$13,517	\$18,393	\$95,983
325900	Chemical Product and Preparation Manufacturing	8	4	4	17	\$4,906,504	\$927,112	\$703,806	\$6,537,423	\$762,061	\$353,046	\$235,488	\$1,350,595
423860	Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers	16	6	7	29	\$5,327,142	\$1,000,343	\$1,210,817	\$7,538,303	\$2,137,450	\$359,198	\$405,130	\$2,901,778
541711	Research and Development in Biotechnology (except Nanobiotechnology)	1	0	0	2	\$207,792	\$90,092	\$76,124	\$374,008	\$156,254	\$29,242	\$25,470	\$210,967
446110	Pharmacies and Drug Stores	58	4	7	70	\$5,714,021	\$678,176	\$978,231	\$7,370,428	\$2,384,527	\$205,272	\$326,088	\$2,915,887
51821	Data Processing, Hosting, and Related Services	1	1	0	2	\$231,908	\$70,517	\$38,358	\$340,783	\$39,901	\$23,344	\$12,786	\$76,032
813312	Environment, Conservation, and Wildlife Organizations	3	0	0	4	\$207,143	\$17,328	\$61,333	\$285,805	\$149,342	\$5,889	\$20,445	\$175,676
511210	Periodical Publishers	3	1	1	5	\$876,248	\$131,607	\$172,566	\$1,180,421	\$385,684	\$49,470	\$57,524	\$492,679
334413	Semiconductor and Related Device Manufacturing	33	4	13	50	\$9,258,554	\$802,986	\$2,034,060	\$12,095,600	\$4,598,298	\$301,372	\$680,580	\$5,580,250
	TOTAL	181	33	51	269	47166104	\$ 6,395,203.00	\$ 8,447,720.00	\$ 62,009,032.00	\$ 17,655,569.00	\$ 2,281,022.00	\$ 2,824,368.00	\$ 22,760,961.00

Notes:

All OsteoDX (formerly AEIOU) jobs coded NAICS 334516

All AlphaPhase jobs coded NAICS 339112

All Digital Edge jobs coded NAICS 511120

Source: JobsEQ®

Data as of 2020Q4

Note: Figures may not sum due to rounding.

- The estimated total effect of all businesses incubated by the Ohio University Innovation Center on Athens County's economy in 2020 is 269 jobs, nearly \$23 million in annual wages/compensation, and \$62 million in economic output. It should be noted that these effects will be repeated for each year in which these jobs exist.
- These businesses directly created an estimated 181 jobs.
- Businesses that supplied goods and services to Innovation Center businesses supported an estimated 33 jobs in Athens County.
- The induced effects of Innovation Center businesses' employees spending part of their wages at businesses in Athens County supported an estimated 51 additional jobs and generated nearly \$8 million in economic output in Athens county.
- Employment directly from within Innovation Center businesses generated nearly \$18 million in annual wages/compensation. Athens County businesses that supplied goods and services to Innovation Center businesses generated \$2 million in wages/compensation.
- Induced effects of Innovation Center businesses' employees spending part of their wages within Athens County generated nearly \$3 million in compensation and \$8 million in economic output.



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