

# 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 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 2019 is 218 jobs that generated an estimated \$16 million in employee compensation and an annual estimated economic output (goods and services produced) of over \$59 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 2019. 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 via color coordination 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 2019													
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	4	1	2	7	\$743,945	\$195,061	\$267,583	\$1,206,589	\$355,653	\$52,195	\$66,748	\$474,596
334516	Analytical Laboratory Instrument Manufacturing	3	1	1	5	\$934,049	\$148,808	\$188,508	\$1,271,365	\$259,040	\$53,547	\$62,697	\$375,284
339112	Surgical and Medical Instrument Manufacturing	2	1	1	3	\$538,181	\$118,572	\$133,493	\$790,247	\$474,204	\$69,594	\$88,997	\$632,795
813910	Business Associations	3	0	1	4	\$365,507	\$17,869	\$141,849	\$525,225	\$330,578	\$5,224	\$46,737	\$382,540
518210	Data Processing, Hosting, and Related Services	10	6	3	18	\$2,265,891	\$715,671	\$389,678	\$3,371,240	\$407,378	\$241,768	\$128,393	\$777,539

333415	AC/Heating Equipment & Commercial Refrigeration Equipment Manufacturing	3	1	1	4	\$782,903	\$127,535	\$84,337	\$994,775	\$125,829	\$24,251	\$27,788	\$177,868
519130	Internet Publishing, Broadcasting & Web Portals	3	3	2	8	\$2,155,940	\$399,301	\$310,337	\$2,865,579	\$973,404	\$125,801	\$102,251	\$1,201,457
334413	Semiconductor and Related Device Manufacturing	59	8	29	96	\$17,320,543	\$1,711,930	\$4,690,768	\$23,723,241	\$3,626,005	\$602,238	\$1,560,129	\$5,788,372
541512	Computer Systems Design Services	1	0	0	2	\$114,495	\$18,358	\$45,316	\$178,170	\$74,268	\$6,829	\$14,931	\$96,028
325414	Biological Product (except Diagnostic) Manufacturing	33	12	10	55	\$17,318,562	\$2,548,680	\$1,654,574	\$21,521,817	\$3,960,622	\$959,881	\$550,304	\$5,470,808
423850	Service Establishment Equipment and Supplies Merchant Wholesalers	1	0	0	2	\$251,308	\$39,683	\$55,951	\$346,941	\$64,481	\$14,433	\$18,609	\$97,523
541110	Offices of Lawyers	1	0	0	1	\$160,399	\$20,299	\$34,657	\$215,355	\$65,873	\$5,905	\$11,419	\$83,197
3259	Chemical Product & Preparation Manufacturing	8	5	5	17	\$4,957,936	\$965,671	\$734,605	\$6,658,212	\$780,850	\$372,520	\$244,327	\$1,397,696
423860	Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers	12	4	5	22	\$3,706,915	\$779,101	\$878,553	\$5,364,569	\$1,449,537	\$278,534	\$292,203	\$2,020,274
446110	Pharmacies and Drug Stores	72	5	10	87	\$7,294,270	\$910,747	\$1,282,479	\$9,487,496	\$2,956,862	\$256,892	\$422,557	\$3,636,310
813312	Environment, Conservation and Wildlife Organizations	3	0	0	4	\$210,095	\$27,090	\$65,654	\$302,840	\$180,913	\$8,731	\$21,632	\$211,277
	<b>TOTAL</b>	<b>218</b>	<b>47</b>	<b>70</b>	<b>335</b>	<b>\$59,120,939</b>	<b>\$8,744,376</b>	<b>\$10,958,342</b>	<b>\$78,823,661</b>	<b>\$16,085,497</b>	<b>\$3,078,343</b>	<b>\$3,659,722</b>	<b>\$22,823,564</b>

All AEIOU jobs coded NAICS 334516

All AlphaPhase jobs coded NAICS 339112

Removed Affine Technologies (NAICS 551210); no jobs/payroll

Removed SEED Protocol (NAICS 51821); no jobs/payroll

- The estimated total effect of all businesses incubated by the Ohio University Innovation Center on Athens County's economy in 2019 is 335 jobs, nearly \$22 million in annual wages/compensation and \$78 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 218 jobs.
- Businesses that supplied goods and services to Innovation Center businesses indirectly supported an estimated 47 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 70 additional jobs and generated another \$10 million in economic output in Athens county.
- Employment directly from within Innovation Center businesses generated approximately \$16 million in annual wages/compensation. Athens County businesses that supplied goods and services to Innovation Center businesses generated an estimated \$3 million in wages/compensation.
- Induced effects of Innovation Center businesses' employees spending part of their wages within Athens County generated an estimated \$3.6 million and nearly \$11 million in economic output.



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