THE ECONOMIC IMPACT OF PROCTER & GAMBLE ON THE GREATER CINCINNATI ECONOMY

Prepared for

THE PROCTER & GAMBLE COMPANY

By the

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Executive Summary

The *Economic Impact of Procter & Gamble on the Greater Cincinnati Economy* measures how Procter & Gamble (P&G) impacts total business sales, household earnings, and employment in Greater Cincinnati. We measure this impact by including the direct effects of P&G, such as their total local expenditures, payroll and benefits, and employment. We determine the indirect economic effects of P&G on other industries and households in Greater Cincinnati by using industry multipliers tailored to the Greater Cincinnati region.

- Based on 1996-97 fiscal year expenditures, P&G creates a business sales impact of $1.3 billion, a household earnings impact of $2.8 billion, and an employment impact of 40,926 jobs in the Greater Cincinnati economy.

- One component of P&G's impact is on-going and recurring – for every year of P&G operations an economic impact is created. The other component of this impact reflects one-time expenditures on construction. The total economic impact of P&G will be realized in the local economy over a two- to four-year period.

- P&G's on-going economic impact on business sales in Greater Cincinnati is $867 million. P&G purchased $382 million in goods and services directly from local businesses in the 1996-97 fiscal year, and this creates an indirect impact of $485 million.

- P&G's direct spending on regional payroll and benefits totaled $1.3 billion in 1996-97. Indirect earnings generated from P&G's ripple effect on the local economy is nearly $1.4 billion. P&G's on-going economic impact on household earnings in Greater Cincinnati is $2.7 billion.

- P&G employs over 15,000 people in Greater Cincinnati. This employment indirectly sustains another 19,990 full- and part-time jobs in the Greater Cincinnati economy. The total on-going employment impact of P&G is nearly 35,500 jobs.

- In addition to the above, P&G creates a one-time impact on business sales of $429 million, based on its 1996-97 construction expenditures. Local construction expenditures also create a $132 million impact on household earnings and support 5,463 local jobs.

- On the following page, P&G's total economic impacts from 1996-97 annual operations and construction are summarized in Table 1. Table 2 shows the Greater Cincinnati industries that benefit the most from P&G's business activity in the region.

For additional information contact the Economics Center for Education & Research, email Econeduc@uc.edu.
Please reference report: 1998-EI-1001 ES P&G Impact Study

Table 1: Summary of P&G's Economic Impacts from FY 1996-97 Operations and Construction

	Total P&G Operations	Total P&G Construction	Total P&G Operations and Construction
Business Sales			
Local Expenditures	$382,000,000	$190,000,000	**$ 572,000,000**
Indirect Business Sales Impact	$484,519,316	$239,210,000	**$ 723,729,316**
Total Business Sales Impact	**$866,519,316**	**$429,210,000**	**$1,295,729,316**
Household Earnings			
Local Payroll and Benefits	$1,300,158,620		
Indirect Earnings Impact	$1,393,859,972		
Total Earnings Impact	**$2,694,018,592**	**$ 131,974,000**	**$2,825,992,592**
Employment			
Local Employment	15,473		
Indirect Employment Impact	19,990		
Total Employment Impact	**35,463**	**5,463**	**40,926**

Table 2: Greater Cincinnati Industries with Largest Economic Impacts from P&G Operations

Industry	Economic Impact
Business Service	$354,722,450
Chemicals	$86,779,400
Food and Kindred Products	$51,506,250
Real Estate	$50,759,700
Transportation and Mail	$34,769,900
Retail Trade	$30,651,750
Wholesale Trade	$27,983,450
Miscellaneous Services	$26,999,100
Health Services	$26,227,550
Paper and Allied Products	$22,180,250