The Economic Impact of Hamilton County Development Company Investment Programs on Hamilton County and Greater Cincinnati

Prepared for
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Executive Summary

Hamilton County Development Company (HCDC) business investment programs, including SBA 504 and Ohio 166 loans, business microloans, enterprise zone and community reinvestment area agreements, and the small business incubator, have a significant impact on economic activity in Hamilton County and Greater Cincinnati.

From 1997 to 1999, investment dollars generated through HCDC programs created 4,327 new jobs in Hamilton County and generated $100 million in household income for county residents. Over this same period, day to day operations of firms relying on HCDC programs for investment support generated 20,336 jobs in Hamilton County and increased Hamilton County household incomes by $634 million.

Overall, direct and indirect economic impacts of HCDC investment program dollars were to increase total economic output of Hamilton County businesses by $99 million in 1997, by $143 million in 1998, and by $248 million in 1999. Continued operations of firms seeking investment support from HCDC contributed $600 million to total business production in Hamilton County 1997. In 1998 the total contribution of these firms to Hamilton County business output was $1.2 billion, and in 1999 this figure increased to $1.8 billion.

The impacts are even larger for Greater Cincinnati. From 1997 to 1999, investment dollars generated 8,500 jobs and $228 million in household earnings for Greater Cincinnati (including Hamilton County), while the operation of firms using HCDC programs added 36,806 jobs to the Greater Cincinnati economy and generated over $1 billion in earnings for Greater Cincinnati households. Impacts on total economic output for the region of continued operations of these firms totaled $700 million in 1997, $1.4 billion in 1998, and $2 billion in 1999.

Because of associated increases in economic activity in Hamilton County and the Greater Cincinnati Region, HCDC supported investment dollars and business operations of HCDC assisted firms also generate tax revenues for jurisdictions in the region. Over the three years from 1997 and 1999, total estimated property and sales taxes generated for Hamilton County alone equal $3 million.
Over the three-year period, total estimated additional property, sales, and earnings tax revenues for all jurisdictions in the Greater Cincinnati Region are $19 million.

The estimated tax revenue impact consider only those generated by those firms participating in HCDC programs during the year the investment took place. Day to day operation of these firms will continue to generate economic output and tax revenues in subsequent years. The best measure of the financial return on HCDC investment programs is the performance of those specific projects funded through these programs in terms of their ability to generate a stream of income into the future.

For additional information contact the Economics Center for Education & Research, email Econeduc@uc.edu.
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