Projected Annual Economic Impact of Primary Industry Growth 2012 Calendar Year

(Analysis prepared February 2013)

SUMMARY (PRIMARY INDUSTRIES: 24 Companies)	Jobs	Business Sales or Output	Labor Income	Value Added
Direct Effects	3,774	$447,185,336	$184,545,716	$280,293,163
NKY Indirect/Induced Effects	2,175	274,111,653	91,661,348	157,204,233
Total Impact on NKY*	**5,949**	**$721,296,989**	**$276,207,064**	**$437,497,396**
Other Metro Indirect/Induced Effects	345	56,191,056	18,404,867	29,566,693
Total Impact on Cincinnati MSA*	**6,294**	**$777,488,045**	**$294,611,931**	**$467,064,089**

FROM NEW BUSINESS (PRIMARY INDUSTRIES: 12 Companies)	Jobs	Business Sales or Output	Labor Income	Value Added
Direct Effects	2,120	$158,111,266	$92,140,033	$149,509,408
NKY Indirect/Induced Effects	897	107,996,471	36,185,271	63,418,184
Total Impact on NKY	**3,017**	**$266,107,737**	**$128,325,304**	**$212,927,592**
Other Metro Indirect/Induced Effects	131	20,564,834	6,836,527	10,977,999
Total Impact on Cincinnati MSA	**3,148**	**$286,672,571**	**$135,161,831**	**$223,905,591**

FROM EXPANDING BUSINESS (PRIMARY INDUSTRIES: 12 Companies)	Jobs	Business Sales or Output	Labor Income	Value Added
Direct Effects	1,654	$289,074,070	$92,405,683	$130,783,756
NKY Indirect/Induced Effects	1,278	166,115,181	55,476,077	93,786,047
Total Impact on NKY	**2,932**	**$455,189,251**	**$147,881,760**	**$224,569,803**
Other Metro Indirect/Induced Effects	214	35,626,222	11,568,340	18,588,694
Total Impact on Cincinnati MSA	**3,147**	**$490,815,473**	**$159,450,100**	**$243,158,497**

* NKY includes Boone, Campbell and Kenton Counties in Kentucky. In addition to the 3 counties listed for NKY, the Cincinnati MSA includes Bracken, Gallatin, Grant and Pendleton Counties in Kentucky; Franklin, Dearborn and Ohio Counties in Indiana; and Butler, Warren, Hamilton, Clermont and Brown Counties in Ohio.
Totals may not sum due to rounding.

In addition, the new and expanding businesses in Northern Kentucky are projected to invest nearly $258 million in land, buildings and equipment in 2012.

Janet Harrah, senior director
Center for Economic Analysis and Development
Haile|US Bank College of Business
2622 Alexandria Pike
Highland Heights, KY 41099
harrahj1@nku.edu

DEFINITIONS

Business Sales or Output: Output represents the value of industry production. For manufacturers this would be sales plus/minus change in inventory. For service sectors production = sales. For retail and wholesale trade, output = gross margin and not gross sales.

Labor Income: All forms of employment income, including employee compensation (wages and benefits) and proprietor income.

Multiplier Impacts: Multipliers break the effects of a change (or stimuli) on economic activity down into three components.

1. **Direct effects** are the changes in the industries to which a final demand change was made. For example a firm hires 100 new employees.
2. **Indirect effects** are the changes in inter-industry purchases as they respond to the new demands of the directly affected industries. For example, an auto firm expands production and hires 100 new workers. This change in production will likely lead to additional impacts on the firm's supply chain.
3. **Induced effects** typically reflect changes in spending from households as income increases or decreases due to the changes in production.

Value Added: The difference between total output and the cost of intermediate inputs. It equals gross output (sales or receipts and other operating income, plus inventory change) minus intermediate inputs (consumption of goods and services purchased from other industries or imported). It is a measure of the contribution to GDP made by an individual producer, industry or sector.

Data and software sources: The input data for this project were supplied to the CEAD by Tri-ED. CEAD used economic impact assessment methodology to estimate the potential economic impacts arising from the proposed projects. Note this analysis produced estimates of these projects. It did not produce net impacts on the economy. In other words, as these projects go online other firms may be reducing jobs. The estimates presented are for the proposed new projects; they do not show estimates for ***net*** future economic activity.

Primary Industry: A primary industry is one that generates additional dollars and revenues from outside of the local economy. For example, goods that are manufactured in one area and sold in another area generate dollars and revenues from those other areas.

Janet Harrah, senior director
Center for Economic Analysis and Development
Haile|US Bank College of Business
2622 Alexandria Pike
Highland Heights, KY 41099
harrahj1@nku.edu