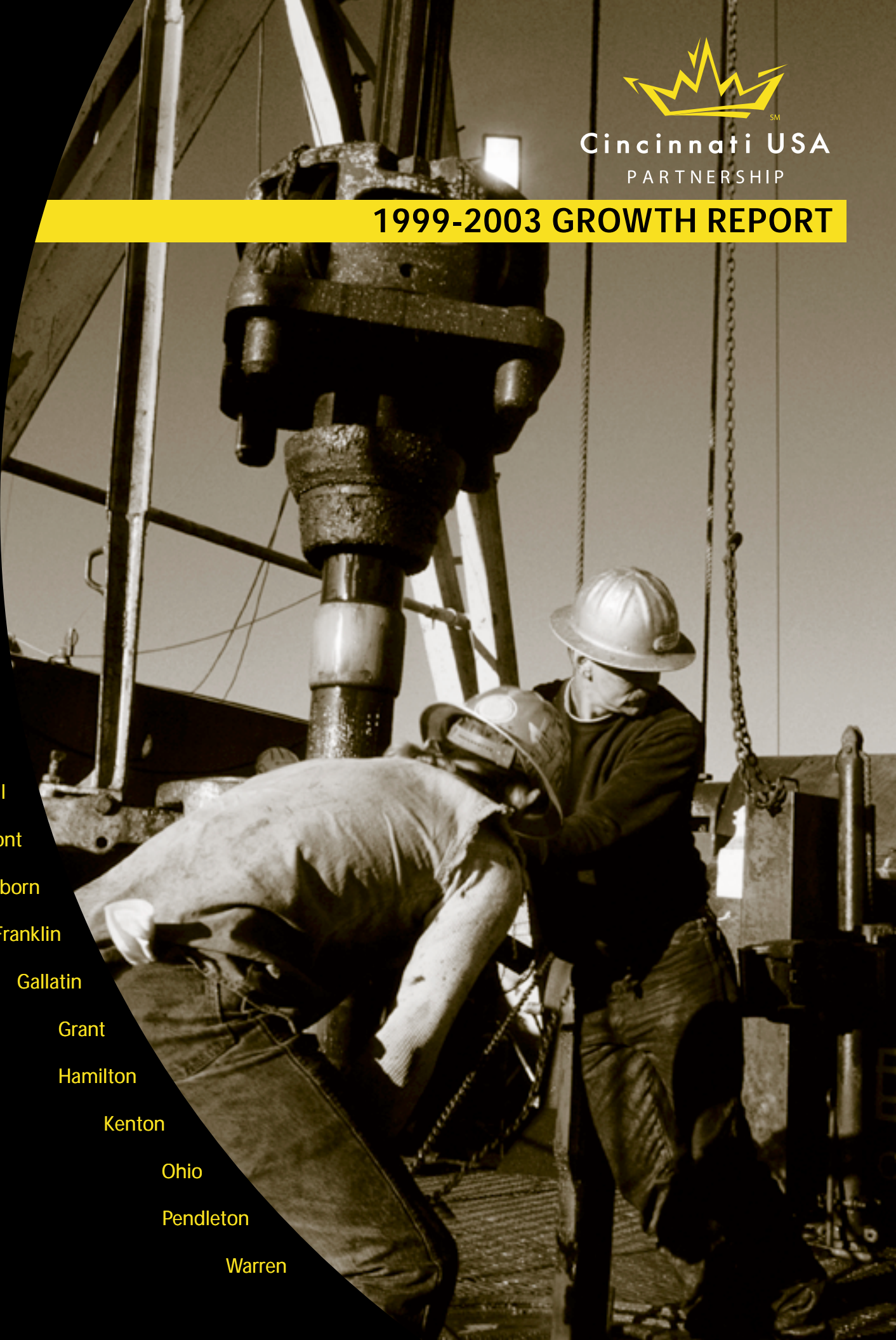




Cincinnati USA
PARTNERSHIP

1999-2003 GROWTH REPORT

- Ohio
- Kentucky
- Indiana
- Boone
- Bracken
- Brown
- Butler
- Campbell
- Clermont
- Dearborn
- Franklin
- Gallatin
- Grant
- Hamilton
- Kenton
- Ohio
- Pendleton
- Warren



*The real story is about people
working in partnership
to grow the regional economy.*

Economic development results over the past five years have proven the power of partnership. One thousand and twenty-three businesses have achieved the designation of Cincinnati USA Growth Businesses. These businesses have:

- Added or retained at least 20 jobs, and/or
- Had new construction of at least 20,000 square feet, and/or
- Had a level of investment that equaled or exceeded \$500,000

The results don't stop there. More than 38,000 jobs were created and more than 63,000 jobs were retained. The total economic impact of capital investment by Cincinnati USA Growth Businesses over the five-year span totals \$16.8 billion. And, after adjusting for inflation, the level of investment is up 16.9 percent over the previous five-year period.

Success like this does not occur in a vacuum. It takes a concentrated, collaborative effort on the part of industry and government. It takes time and resources. It takes a sustained commitment to grow our economy.

Our region has that commitment.

This **Cincinnati USA Growth Report** was prepared by the University of Cincinnati Economics Center for Education and Research for the Cincinnati USA Partnership, the regional economic development initiative supported by the Greater Cincinnati Chamber of Commerce. It analyzes our record of growth, detailing capital investments by industry, by state and by county.

Although on the surface, the report is about numbers, the real story is about people working in partnership...dedicated partners who work together to help Cincinnati USA capture its place as one of the world's favorite America's favorite business centers.



SUMMARY (1999–2003)

In this report, we present our analysis of the results from the past five years of the Partnership for Greater Cincinnati's Capital Investment Survey. In the first section we describe how "Cincinnati USA Growth Businesses" are defined, discuss a summary of the results from the 1999 through 2003 period, and discuss comparisons of economic impact results for the past five years. The second section of the report presents the economic impact results of the capital investment survey by business type, state and county.

A. Cincinnati USA Growth Report Highlights

- For each of the past five years (1999–2003), the Partnership for Greater Cincinnati surveyed Cincinnati USA businesses to determine total business investment in the region and the new and retained jobs associated with this investment.
- The following analysis examines the survey results, which each year report on businesses that added or retained at least 20 jobs, and/or had new construction of at least 20,000 square feet, and/or had a level of investment that was equal to or exceeded \$500,000. During the five-year period, a total of 1,023 businesses achieved the distinction of being Cincinnati USA Growth Businesses.
- According to the 1999–2003 survey results, a total of 38,241 new jobs resulted directly from investment and 63,259 jobs were retained. Of the total 101,500 jobs that were created or retained, 38 percent were in manufacturing, 42 percent were in the office/service area, 14 percent were in distribution, and five percent were in R&D. These jobs paid \$3.9 billion in household earnings to Cincinnati USA workers.

B. Detailed Survey Results

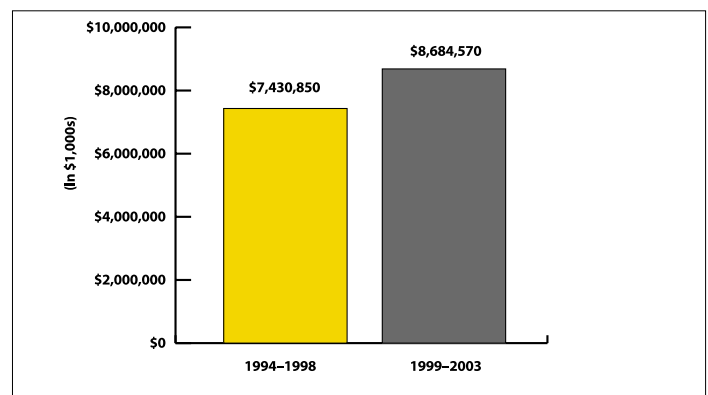
- One positive sign for the region is the large proportion of investment in the manufacturing sector and in research & development (R&D) over the past five years.
- Another important characteristic of this growth is that most of the total economic impact has been spread across eight counties, with Hamilton County accounting for more than 40 percent of the total.
- The total economic impact of capital investment by Cincinnati USA Growth Businesses from 1999 through 2003 is \$16.8 billion. Of this, \$5 billion enters the homes of Cincinnati USA workers in the form of wages. The economic boost created by business investment and employment will support 195,911 jobs in the region.¹

- In the past five years, investment by Cincinnati USA Growth Businesses totaled \$8.3 billion and directly accounted for 101,500 new and retained jobs. One job in Cincinnati USA was either created or retained for every \$81,367 in investment spending by the Growth Businesses.
- During this five-year period, 45 percent of investment occurred in the manufacturing industry, followed by 32 percent in the office/service industry and 13 percent in the distribution industry. In addition, three percent of total investment occurred in R&D, while the remainder was in other areas.
- The eight counties with the largest dollar amounts of investment over the five-year period were:
 - Hamilton County, \$3,277 million,
 - Butler County, \$1,523 million,
 - Boone County, \$1,128 million,
 - Clermont County, \$828 million,
 - Warren County, \$572 million,
 - Dearborn County, \$509 million,
 - Kenton County, \$278 million, and
 - Campbell County, \$137 million.
- Seventy-five percent of new investment during the past five years originated from Ohio businesses. Kentucky businesses accounted for 19 percent, and Indiana businesses accounted for six percent.

C. Investment Trends in Cincinnati USA

- After adjusting investment figures for inflation, the level of total investment during the past five years increased by 16.9 percent, compared with the previous five-year period. **Figure 1** shows total investment for the two periods, 1994–1998 and 1999–2003.

Figure 1: Total Business Investment in Cincinnati USA 1994–1998 and 1999–2003 (2003 dollars)

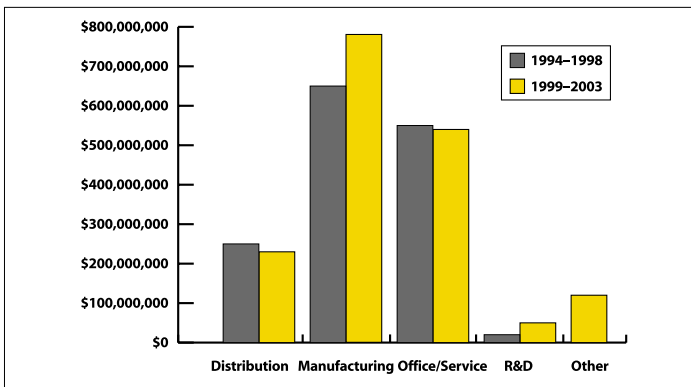


¹ The total economic impact of Cincinnati USA's Growth Businesses' investment includes the direct impact and the multiplier effects of the investment spending, and the direct impact and multiplier effects of the employee earnings whose jobs were created or retained due to the investments.

SUMMARY (1999–2003)

- **Figure 2** presents investment trends by business type. The higher level of manufacturing investment in the second period shows the continuing importance of the manufacturing sector to the economic vitality of the Cincinnati USA region. Investment in R&D shows a likewise increased level. This shift is accounted for by the successful efforts by the Partnership to focus more on attracting and growing businesses with higher wage rates.

Figure 2: Average Annual Investment by Business Type 1994–1998 and 1999–2003 (2003 dollars)



Some notes on the numbers in **Figures 1** and **2**:

- The total investment figures are calculated in inflation-adjusted 2003 dollars in order to get an accurate sense of true growth in investment spending during those periods.
- Secondly, the two periods in question were vastly different in macroeconomic terms. In simplified terms, the first period essentially saw a continuous expansion in economic activity during which national non-agricultural employment increased by 13.6%. However, the second period, in which national non-agricultural employment increased by 3.3%, had three distinct trends occur: the rapid expansion in business spending of 1999 and 2000, the precipitous decline in 2001 and the stagnation in capital spending in 2002 and 2003. This is not meant to be a precise narrative of the business cycles of the past 10 years, but rather to highlight the vast differences between the two periods.

ECONOMIC IMPACT RESULTS

The following 15 tables present the results of the capital investment survey indicating the economic impact of new business investment. The data is presented in various ways, including by business type, state and county.

Table 1: Capital and Construction Investment by Business Type, 1999–2003

	Total Investment	Construction Investment	Non-construction Investment	Local Investment
Distribution	\$1,064,149,404	\$425,659,762	\$638,489,642	\$681,055,619
Manufacturing	\$3,696,370,512	\$1,478,548,205	\$2,217,822,307	\$2,365,677,128
R&D	\$227,888,000	\$91,155,200	\$136,732,800	\$145,848,320
Services	\$2,611,057,590	\$1,044,423,036	\$1,566,634,554	\$1,671,076,858
Other	\$659,303,600	\$263,721,440	\$395,582,160	\$421,954,304
Total	\$8,258,769,106	\$3,303,507,642	\$4,955,261,464	\$5,285,612,228

Table 2: Economic Impact of Investment by Business Type, 1999–2003

	Business Sales	Household Earnings	Jobs
Distribution	\$1,522,025,584	\$456,692,339	16,945
Manufacturing	\$5,286,823,886	\$1,586,341,249	59,703
R&D	\$325,942,358	\$97,800,838	3,609
Services	\$3,734,528,665	\$1,120,566,334	40,429
Other	\$942,985,020	\$282,947,960	11,338
Total	\$11,812,305,513	\$3,544,348,720	132,024

ECONOMIC IMPACT RESULTS

Table 3: Employment and Earnings by Business Type, 1999–2003

	New Jobs	Retained Jobs	Total Jobs	Total Earnings
Distribution	6,927	6,934	13,861	\$524,668,027
Manufacturing	11,465	27,244	38,709	\$1,787,947,762
R&D	1,725	3,243	4,968	\$860,205,488
Services	16,866	25,296	42,162	\$620,142,901
Other	1,258	542	1,800	\$59,281,066
Total	38,241	63,259	101,500	\$3,852,245,246

Table 4: Economic Impact of Employment and Earnings by Business Type, 1999–2003

	Business Sales	Household Earnings	Jobs
Distribution	\$680,848,276	\$195,294,261	8,917
Manufacturing	\$2,290,892,524	\$657,194,331	29,768
R&D	\$1,089,579,357	\$312,603,421	13,503
Services	\$810,237,513	\$232,394,039	10,691
Other	\$74,148,757	\$21,275,975	1,009
Total	\$4,945,706,427	\$1,418,762,027	63,887

Table 5: Total Economic Impact by Business Type, 1999–2003

	Business Sales	Household Earnings	Jobs
Distribution	\$2,202,873,859	\$651,986,600	25,862
Manufacturing	\$7,577,716,409	\$2,243,535,579	89,471
R&D	\$1,415,521,716	\$410,404,259	17,111
Services	\$4,544,766,178	\$1,352,960,373	51,120
Other	\$1,017,133,777	\$304,223,935	12,347
Total	\$16,758,011,940	\$4,963,110,747	195,911

Table 6: Capital and Construction Investment by State, 1999–2003

	Total Investment	Construction Investment	Non-construction Investment	Local Investment
Indiana	\$509,080,000	\$203,632,000	\$305,448,000	\$325,811,200
Kentucky	\$1,548,541,930	\$619,416,772	\$929,125,158	\$991,066,835
Ohio	\$6,201,147,176	\$2,480,458,870	\$3,720,688,306	\$3,968,734,193
Total	\$8,258,769,106	\$3,303,507,642	\$4,955,261,464	\$5,285,612,228

Table 7: Economic Impact of Investment by State, 1999–2003

	Business Sales	Household Earnings	Jobs
Indiana	\$728,124,060	\$218,477,720	8,952
Kentucky	\$2,214,839,783	\$664,575,137	24,229
Ohio	\$8,869,341,669	\$2,661,295,863	98,843
Total	\$11,812,305,513	\$3,544,348,720	132,024

Table 8: Employment and Earnings by State, 1999–2003

	New Jobs	Retained Jobs	Total Jobs	Total Earnings
Indiana	73	25	98	\$3,007,630
Kentucky	13,142	12,690	25,832	\$822,265,675
Ohio	25,026	50,544	75,570	\$3,026,971,940
Total	38,241	63,259	101,500	\$3,852,245,246

Table 9: Economic Impact of Employment and Earnings by State, 1999–2003

	Business Sales	Household Earnings	Jobs
Indiana	\$3,761,944	\$1,079,438	50
Kentucky	\$1,068,135,103	\$306,380,624	13,597
Ohio	\$3,873,809,380	\$1,111,301,965	50,241
Total	\$4,945,706,427	\$1,418,762,027	63,887

ECONOMIC IMPACT RESULTS

Table 10: Total Economic Impact by State, 1999–2003

	Business Sales	Household Earnings	Jobs
Indiana	\$731,886,003	\$219,557,159	9,002
Kentucky	\$3,282,974,887	\$970,955,760	37,826
Ohio	\$12,743,151,050	\$3,772,597,827	149,084
Total	\$16,758,011,940	\$4,963,110,747	195,911

Table 11: Capital and Construction Investment by County, 1999–2003

	Total Investment	Construction Investment	Non-construction Investment	Local Investment
Boone	\$1,127,957,835	\$451,183,134	\$676,774,701	\$721,893,014
Brown	\$852,155	\$340,862	\$511,293	\$545,379
Butler	\$1,522,725,373	\$609,090,149	\$913,635,224	\$974,544,239
Campbell	\$137,300,000	\$54,920,000	\$82,380,000	\$87,872,000
Clermont	\$827,919,302	\$331,167,721	\$496,751,581	\$529,868,353
Dearborn	\$509,080,000	\$203,632,000	\$305,448,000	\$325,811,200
Gallatin	\$3,000,000	\$1,200,000	\$1,800,000	\$1,920,000
Grant	\$2,500,000	\$1,000,000	\$1,500,000	\$1,600,000
Hamilton	\$3,277,424,497	\$1,310,969,799	\$1,966,454,698	\$2,097,551,678
Kenton	\$277,784,095	\$111,113,638	\$166,670,457	\$177,781,821
Warren	\$572,225,849	\$228,890,340	\$343,335,509	\$366,224,543
Total	\$8,258,769,106	\$3,303,507,642	\$4,955,261,464	\$5,285,612,228

Table 12: Economic Impact of Investment by County, 1999–2003

	Business Sales	Household Earnings	Jobs
Boone	\$1,613,289,146	\$484,076,484	17,467
Brown	\$1,218,815	\$365,712	13
Butler	\$2,177,915,024	\$653,495,655	23,740
Campbell	\$196,376,666	\$58,923,924	2,274
Clermont	\$1,184,151,731	\$355,311,389	13,290
Dearborn	\$728,124,060	\$218,477,720	8,952
Gallatin	\$4,290,823	\$1,287,486	55
Grant	\$3,575,686	\$1,072,905	45
Hamilton	\$4,687,616,152	\$1,406,545,597	52,559
Kenton	\$397,307,462	\$119,214,339	4,389
Warren	\$818,439,947	\$245,577,510	9,242
Total	\$11,812,305,513	\$3,544,348,720	132,024

Table 13: Employment and Earnings by County, 1999–2003

	New Jobs	Retained Jobs	Total Jobs	Total Earnings
Boone	10,914	10,496	21,410	\$678,768,972
Brown	65	30	95	\$3,309,496
Butler	6,101	8,116	14,217	\$502,982,817
Campbell	305	75	380	\$11,557,809
Clermont	2,263	4,736	6,999	\$307,739,058
Dearborn	73	25	98	\$3,007,630
Gallatin	0	50	50	\$1,059,155
Grant	40	0	40	\$952,440
Hamilton	11,667	32,430	44,097	\$1,899,138,638
Kenton	1,883	2,069	3,952	\$129,927,299
Warren	4,930	5,232	10,162	\$313,801,931
Total	38,241	63,259	101,500	\$3,852,245,246

ECONOMIC IMPACT RESULTS

Table 14: Economic Impact of Employment and Earnings by County, 1999–2003

	Business Sales	Household Earnings	Jobs
Boone	\$881,332,134	\$252,799,656	11,143
Brown	\$4,139,517	\$1,187,778	51
Butler	\$643,652,566	\$184,648,434	8,409
Campbell	\$15,024,727	\$4,309,619	190
Clermont	\$394,184,850	\$113,081,154	5,223
Dearborn	\$3,761,944	\$1,079,438	50
Gallatin	\$1,324,791	\$380,131	16
Grant	\$1,191,312	\$341,831	17
Hamilton	\$2,428,523,573	\$696,689,557	31,253
Kenton	\$169,262,139	\$48,549,388	2,231
Warren	\$403,308,874	\$115,695,042	5,304
Total	\$4,945,706,427	\$1,418,762,027	63,887

Table 15: Total Economic Impact by County, 1999–2003

	Business Sales	Household Earnings	Jobs
Boone	\$2,494,621,279	\$736,876,140	28,609
Brown	\$5,358,332	\$1,553,490	64
Butler	\$2,821,567,591	\$838,144,089	32,149
Campbell	\$211,401,393	\$63,233,542	2,464
Clermont	\$1,578,336,582	\$468,392,542	18,513
Dearborn	\$731,886,003	\$219,557,159	9,002
Gallatin	\$5,615,614	\$1,667,616	71
Grant	\$4,766,998	\$1,414,735	63
Hamilton	\$7,116,139,725	\$2,103,235,154	83,811
Kenton	\$566,569,602	\$167,763,726	6,619
Warren	\$1,221,748,821	\$361,272,553	14,546
Total	\$16,758,011,940	\$4,963,110,747	195,911

The **Cincinnati USA Growth Report** was prepared by the University of Cincinnati Economics Center for Education and Research for the Cincinnati USA Partnership.

Key Assumptions

We used the following assumptions to determine the economic impact of Cincinnati USA's investment spending:

- Total investment includes both construction and non-construction investment. It was assumed that construction accounts for 40% of total investment and non-construction 60%.
- The portion of investment that is spent locally generates an economic impact to Cincinnati USA. We assumed that all expenditures on construction investment stay within the Cincinnati USA region, and 40% of the non-construction expenditures are spent locally.
- Non-construction expenditures were assumed to comprise industrial machinery and equipment (40%), electronic equipment (40%), and business services (20%).
- Total earnings for new and retained jobs are generally based on county-level covered employment and payroll data for the second quarter of the year (the most recent available). Average annual earnings were calculated by county and by industry. The source for Ohio data is *Ohio Labor Market Information: Covered Employment and Payroll*, *Ohio Bureau of Employment Services*. The source for Kentucky data is *Total Wages and Employment Covered by Kentucky Unemployment Insurance Law*, *Workforce Development Cabinet, Department for Employment Services*. Indiana's earnings were calculated from *Covered Employment and Payrolls*, *Department of Workforce Development, Labor Market Information*.
- Five-year growth investment data not available for Ohio County (IN) or Pendleton County (KY).
- We assumed that earnings in the R&D sector were identical to earnings in the manufacturing sector. We assumed that earnings in the distribution and warehouse sector were comparable to earnings in the transportation, communication, and utilities sector. For earnings in unspecified industries we used average earnings for all industries in the county. The following table shows all earnings data used in this analysis.
- The total economic impact refers to the economic impact of the investment spending along with the impact generated from the earnings associated with the new and retained jobs that were supported by the investment.
- The economic impacts are reported in terms of business sales, household earnings, and employment.
 - Business Sales:** The total business sales impact includes all of the local spending on investment and payroll in addition to the indirect impact that this spending creates on business sales. The indirect impact represents the value of additional local business activity that is indirectly linked to the direct investment.
 - Household Earnings:** The economic impact is also represented in terms of household earnings. This reflects the additional business activity that is directly attributed to wages for Cincinnati USA workers. Additional household earnings are generated from both the direct expenditures of the investment and payroll and the indirect consequences this has on other businesses and industries in the area.
 - Employment:** The economic impact is reported in terms of the number of full and part-time jobs that the investment will directly and indirectly support.

2003 GROWTH COMPANIES

The Cincinnati USA Growth Business roster over the past five years includes 1,023 companies that have demonstrated a tangible commitment to the region. As with honorees from prior years, the most recent additions to the list—the 2003 Growth Businesses—span a broad cross-section of the community, both in terms of industry and geographic location. In every case, *at a minimum*, each company on this list during 2003 added or retained at least 20 jobs, had new construction of at least 20,000 square feet, or had a level of investment that equaled or exceeded \$500,000.

Here, then, are the 2003 Cincinnati USA Growth Businesses:

BOONE COUNTY

Anderson Griffin Developers
Cincinnati Machine
Citigroup
Crum & Crum Logistics
DHL Airways Inc.
FedEx Ground
Mamor Packaging
Mubea, Inc.
Obara USA
Opera Portables
PediaMed Pharmaceuticals, Inc.
Silverman and Company, Inc.
Ticona
U S Worldwide Logistics
Z F Lemforder Corporation

BUTLER COUNTY

Accurate Converting, Inc.
Amkotron
Bio Medical Applications of Ohio, Inc.
Brilliant Promotions, Inc.
Butler County Surgical Properties
Copper Brazing Concepts
Deveroes
Diebold, Inc.
E S M Manufacturing
Excelsior Steel Processing, Inc.
First Financial Bank
Health Alliance of Greater Cincinnati
Hightech Signs
Interscope Manufacturing, Inc.
Iron Mountain Information Systems, Inc.
Nova Systems Solutions
On Point Packaging
Parillo Performance
Pierre Foods, Inc.
Planes Moving & Storage
Ransohoff Inc.
Rieman & Arszman Custom Distributors
Ryerson Tull

BUTLER COUNTY (continued)

Schumacher Dugan Construction, Inc.
Sensus LLC
Stericycle, Inc.
Sugarcreek
Takumi Stamping Inc.
Terry Industries
Valeo
Winelco

CAMPBELL COUNTY

Newport on the Levee LLC

CLERMONT COUNTY

Beaumont Machine Repair
Ernst Concrete Company
International Paper Technology Center
Midwestern Plumbing Service, Inc.
Remington Engineering & Machining
Specialty Storage Company
Total Quality Logistics
United Mercantile Corp.
Xpedx, Division of International Paper

DEARBORN COUNTY

First Baptist Church Greendale Youth Center
Regency Commercial

GRANT COUNTY

Sun Manufacturing

2003 GROWTH COMPANIES (continued)

HAMILTON COUNTY

Ardus Medical, Inc.
Barron Peck Bennie & Schlemmer
Brown-Campbell Co.
Bway Manufacturing, Inc.
Caruso Inc.
Clear Channel Communication, Inc.
Cold Jet, Inc.
Convergys
dunnhumby USA LLC
Eagle Realty
EMI Network, Inc.
F&M Mafco, Inc.
Faxon Maching, Inc.
Fifth Third Bank
Fisher Design, Inc.
Ford Motor Company
Gallenstein Investments, Inc.
Givaudan Flavors Corp.
Haney Graphics, Inc.
Harris Motor Express
Heroux Devtek, Inc.
Hewlett Packard Company
Imperial Pools Manufacturing
Industrial Sorting Services
JTM Provisions Co.
Kohnen & Patton LLP
Lamar Advertising
The LandBank Group, Inc.
Libby Perszyk Kathman
Liberty Mutual
Marketing Research Services
Medpace
Molecular Research Center, Inc.
National Bedding Company
nBank N.A.
Patheon, Inc.
Procter & Gamble Company
Quick Pak, Inc.
Ross Sinclair & Associates, Inc.
Rough Brothers Inc.

HAMILTON COUNTY (continued)

Shaw Environmental & Infrastructure
Smurfit-Stone Container Corporation
Squire Sanders & Dempsey LLP
Stock Manufacturing & Design Co.
TechSolve, Inc.
think3
Toyobo Stearns Co. Ltd.
Uptown Rentals
Verst Group Logistics
Whittmanhart, Inc.
Wornick Co.'s

KENTON COUNTY

Alstom Power
Huff Realty Center
Kroger Company
Murphy Catton, Inc.
Omnicare, Inc.
Toyota Motor Manufacturing
North America, Inc.

WARREN COUNTY

ARI Metal Products
Ashley F. Ward, Inc.
Blinds Plus Office
Boar's Head Ohio Premium Provision
Cedar Village Office Park
Greenwood Office Center
Nu-Tech Polymers Company, Inc.
PC Corporation
Pump Pro's Inc.
Quebecor World
Seapine Software, Inc.
Small Office Center
Spear, Inc.
Tipton Construction Fountains Office Park
Wall 2 Wall Soccer

NOTE: No qualified growth investments publicly reported in 2003 for Brown County (OH), Gallatin County (KY), Ohio County (IN), and Pendleton County (KY).

The Cincinnati USA Partnership is the best first contact for businesses interested in relocating or expanding in Cincinnati USA. Our economic development professionals work in partnership with more than 150 other local public and private economic development teams, providing a unified response to business growth needs. To learn more, please call us at (513) 579-3120 or visit our Web site at www.CincinnatiUSA.org.

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Cincinnati USA
PARTNERSHIP