Incubator Study

Pattern For Progress
2009 - 10 Fellows Program

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Project Team

- Melinda Beuf, Ulster County Development Corp.
- John Cappello, Jacobowitz & Gubits
- Deborah Lastro, Leyland Alliance
- Christopher Wood, DTZ International
Overview

- The U.S. is facing an employment crisis.
- Based on workforce quality, economic, immigration & infrastructure policies, the Boston Consulting Group says that the U.S. is falling behind in innovation.
- US Census says national population in that period has increased 2.98% and jobs 5.13%.
- The Manhattan Institute says 1.5 million residents left New York between 2000-2008, and those coming in are of a lower income profile.
- The trends show that the Hudson Valley is losing ground in job creation in the economic sectors that will support jobs paying an above-median wage.
- MIT research indicates that 66% of jobs generated were created by firms of 20 or less employees and 80% of jobs from companies with 100 or less employees.
Overview

Hudson Valley Region Industry Projections to 2016

Annual Wage in 2006

Employed 2006

Employed 2016
New York was the birthplace of the incubator industry in 1959. There are now over 5,000 programs in 100 countries.

The Incubator concept was designed to provide assistance to early-stage companies.

Incubators were originally predicated upon inexpensive real estate, but the concept now involves a full service operation.

Our team visited a number of facilities to analyze their level of success and derive some recommendations for action.

Facilities visited were 160 Varick Street, Hudson Valley Center for Innovation, Hudson Valley Technology Development Center, Orange County Business Accelerator.
## Labor Statistics

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<tr>
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<th>2000</th>
<th>2008</th>
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<tbody>
<tr>
<td>Reporting Units *</td>
<td>67,081</td>
<td>73,783</td>
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<tr>
<td>Average Wage</td>
<td>$39,464</td>
<td>$51,996</td>
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<table>
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<tr>
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<th>2000 – 2008</th>
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<tbody>
<tr>
<td></td>
<td>Jobs Lost</td>
</tr>
<tr>
<td>Below $ 56,500 **</td>
<td>14,946 (29)***</td>
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<tr>
<td>Above $ 56,500 **</td>
<td>24,181 (17)***</td>
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* Number of Companies Reporting  
** HUD 2010 Low Income Limit, Family of 4  
*** Number of Industry Classifications  

Data Source: NYS and U.S. Bureau of Labor Statistics
Preliminary Conclusions

- HV faces a number of challenges in the need to develop a coherent job creation strategy, many of which are political.

- The existing incubation/acceleration facilities meet a variety of needs but there is scope for more to be done.

- This subject is worthy of further study before final recommendations are developed. Our interim recommendations are as follows:
  - Pattern for Progress could take the lead in further developing a strategy since this has regional implications.
  - An in-depth dialogue should be commenced with centers of higher learning in the Hudson Valley to establish their perspective and interest in incubation and job creation.
  - An investigation of new industry activities should be undertaken in the HV and beyond to establish what needs might arise from their successful operation.
  - Allocation of funding will be needed to permit this additional research work to be properly undertaken.
Questions & Comments