

## S. Carolina College Highlights Major Impact of its Business Development Center

*As the current recession continues, business incubators and accelerators have become increasingly important in helping communities and regions stabilize and even strengthen their economies. A textbook example comes from Spartanburg Community College in South Carolina, where a new accelerator has already had a major effect on its area.*

### Growing list of start-ups turn to Center for assistance, space

Housed at Spartanburg Community College's [Tyger River campus](#) in Duncan, The Center for Business and Entrepreneurial Development opened in late 2006 and quickly became a key economic development engine for Spartanburg County. It has provided workforce services, soft landings, small business incubation, and assistance with special projects to four expanding companies and furnished facilities to five other firms inside an 180,000-square foot warehouse and 16,000 square feet of office space.

The first tenant to manufacture a product in the facility, Master Precision Global, was provided 42,000 square feet in the Center and is projected to bring 120 jobs to the region, and other manufacturers have followed.<sup>1</sup> "So far the Center has been very successful," says Mike Forrester, director of economic development at SCC.

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**— Gina Misch, Spartanburg Community College**

Despite the current activity, the Center is in need of an extensive renovation to accommodate more start-ups and better serve existing tenants. With enhancements in mind, SCC is applying for two major economic development grants that will help fund a \$1.7 million remodeling project. An integral part of making a case for the grants—as well as identifying the best industries to target for future growth—is a recently completed study that measured the economic impact of the Center on the county.

### Study shows the Center has helped create 5,000 jobs

Gina Misch, former economic development project manager at SCC, had read where other incubators and agencies calculated their return on investment and economic impact, and she knew the most powerful evidence would come through hard data. She was already aware that the Center had assisted in creating more than 2,300 jobs from November 2007 to June 2009 in Spartanburg County. Yet to get the complete picture of the Center's impact, she used EMSI's input-output model to:

1. Estimate how many additional jobs had come about indirectly;
2. Calculate the total job loss in Spartanburg County due to businesses retracting or closing altogether; and
3. Analyze the economic base (i.e. the basic and non-basic industries) of the county to see what sectors the county relies on.

The IO tool showed the accelerator brought nearly 2,700 jobs to the region through indirect impacts on other industries—the most coming in transportation and warehousing—for a total of **more than 5,000 direct and indirect jobs**. Misch then accounted for layoffs and business closures in the county and estimated that the total job loss (including the indirect impact) was 3,386. With the initial level of analysis complete, Misch had the concrete results she was looking for: The Center helped generate **1,621 net jobs**, resulting in **\$58.7 million in earnings**. "We were quite delighted to see the other industries that are impacted, as well as the earnings, with EMSI's model," she says.

Misch also differentiated in SCC's report between basic industries (those that depend on income from outside the region and thus bring money in the region) and non-basic industries (those that circulate money already present in the region). Her analysis showed that almost all of the companies represented at the Center fit into the basic

<sup>1</sup> <http://www.timesanddemocrat.com/articles/2008/03/19/business/doc47e13730a4692873770855.txt>



industries category, and therefore are real drivers of the economy. As the report states, these companies represent “a greater economic impact because [they] bring new income into the region, while also supporting local businesses via consumption through its employees’ earnings.”

### Center moves forward on grant applications, attracting new firms

With the data-driven study complete, the Center is moving forward on applying for two grants—an \$850,000 EDA grant and \$500,000 Appalachian Regional Commission grant that would go a long way toward funding the renovation. According to Misch, “The report is the meat of being able to prove that the renovation project is well worth the money.” Forrester and other county stakeholders are also actively seeking new companies to attract to the Center, and the study has helped inform decision-makers on what types of businesses to seek and the economic impacts those firms would have on Spartanburg County.

### About EMSI

Economic Modeling Specialists Inc. (EMSI) is a professional services firm that offers integrated regional data, web-based analysis tools, data-driven reports, and custom consulting services. EMSI has served thousands of workforce, education, economic development, and other policy professionals in the U.S., Canada, and the United Kingdom, and the company’s web-based **Strategic Advantage** research and analysis suite is used by over 2,500 professionals across the U.S. For more information, call (866) 999-3674 or visit [www.economicmodeling.com](http://www.economicmodeling.com).