

Incubator Study

Pattern For Progress
2009 - 10 Fellows Program

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Project Team

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Overview

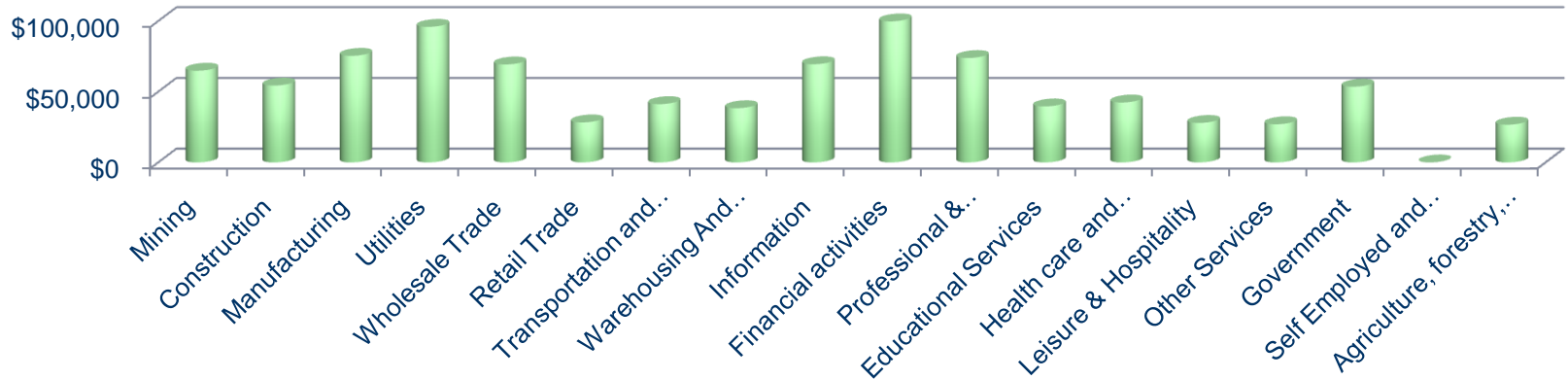
- **The U.S. is facing an employment crisis.**
- **Based on workforce quality, economic, immigration & infrastructure policies, the Boston Consulting Group says that the U.S. is falling behind in innovation.**
- **US Census says national population in that period has increased 2.98% and jobs 5.13%.**
- **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



Background

- **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

	2000	2008
Reporting Units *	67,081	73,783
Average Wage	\$ 39,464	\$ 51,996

	2000 – 2008	
	Jobs Lost	Jobs Gained
Below \$ 56,500 **	14,946 (29)***	52,800 (35)***
Above \$ 56,500 **	24,181 (17)***	29,886 (12)***

* 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

