

What was the overall growth experienced by businesses assisted by PDC?

PDC provided \$33.8 million (unadjusted) in business development loans and grants to 157 businesses in the five fiscal years 2001-02 through 2005-06. Tracking employment trends for these businesses using the Oregon Employment Department’s Covered Employment and Wage data, we found that overall, after two years from funding, the total number of jobs grew by 20 percent. For the 157 firms we tracked, we calculated that PDC’s assistance per each job created or retained was \$5,336 or, looking solely at job creation, \$26,025 per job created.

Figure 1 Jobs retained and created by 157 businesses two years after receiving PDC business finance assistance, FY 2001-02 to FY 2005-06 combined

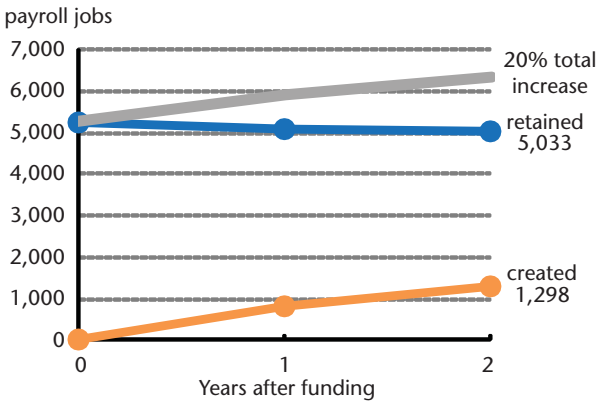
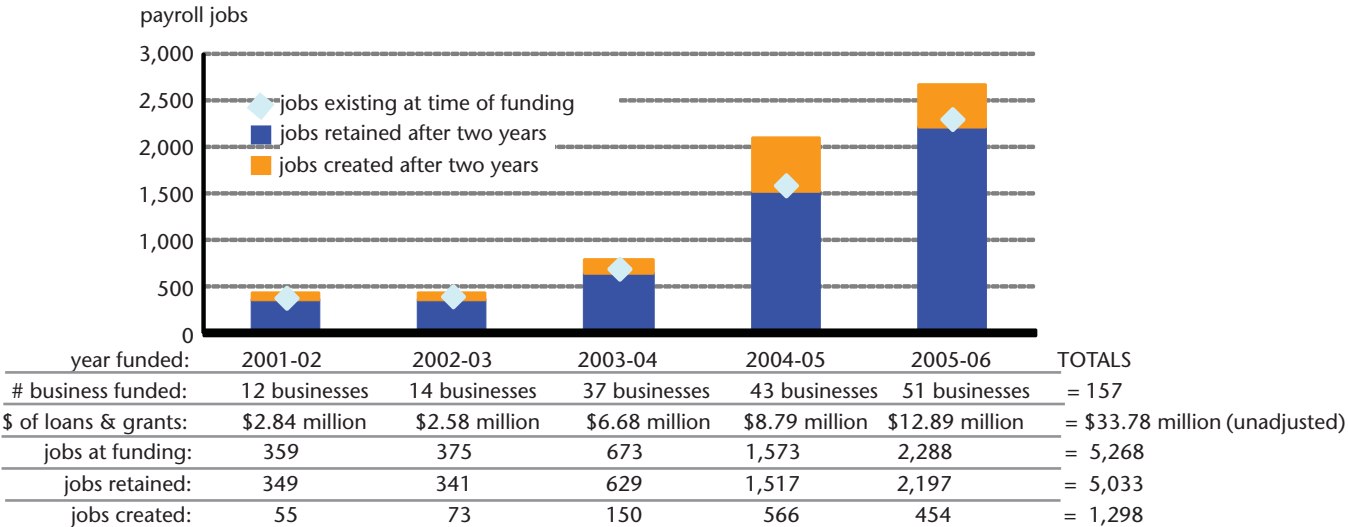


Figure 2 Jobs retained and created by 157 businesses two years after receiving PDC business finance assistance, by funding year



How does job growth compare by size of business?

Almost 81 percent of businesses fully retained employment. Of these businesses, ninety-four show an increase in employment after two years from funding. Per business size, large businesses (those employing 50 or more by our definition) created the most jobs (sixty-three percent or 813 jobs). Note also that of the 157 businesses tracked, twenty-three (15 percent) went out of business.

Figure 3 Jobs lost, retained and created after two years, for business receiving assistance FY 2001-02 through FY 2005-06, by size of business (n=157)

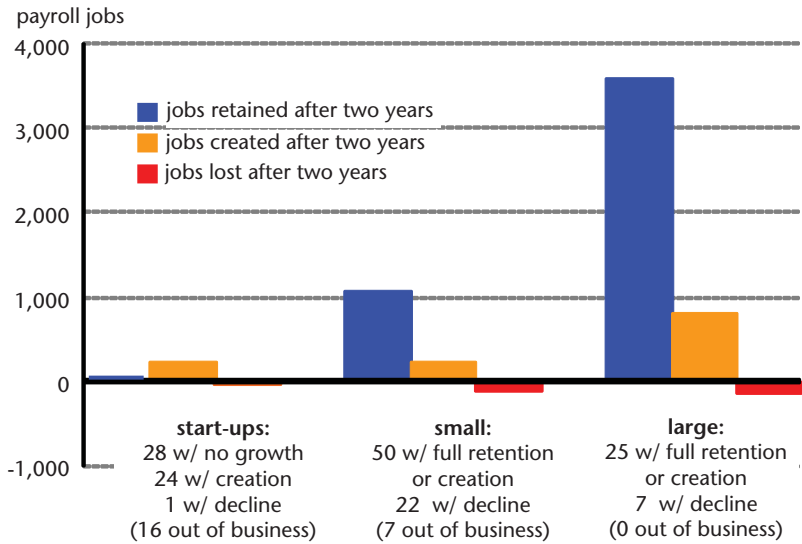
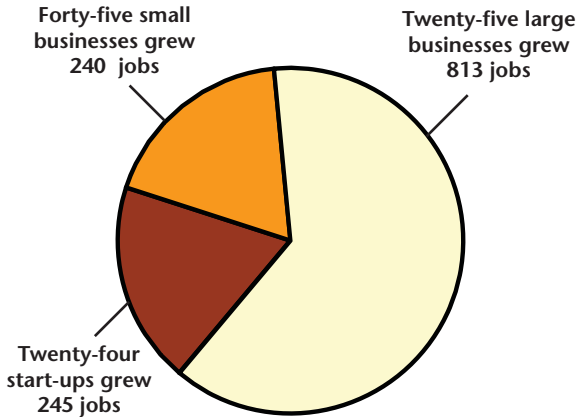


Figure 4 Contribution to job creation after two years by size of business receiving assistance FY 2001-02 through FY 2005-06 (n=94)



Methodology

The methodology to determine growth in jobs and wages follows closely the method PDC uses to verify job growth for businesses assisted by its Quality Jobs Program. The Oregon Employment Department's Quarterly Covered Employment Wage (QCEW) data was the external data set used to measure job and wage growth.

The QCEW is reported on a quarterly basis. Starting with the quarter of the fiscal year a business received PDC funding, we averaged the four quarters after the "funding" quarter to compute the average number of jobs for that business one year after funding. Sequentially, we averaged the next four quarters to compute the two-year change.

Businesses were tracked and matched to the QCEW data set using their business Federal Tax Identification number.

Definitions

Data reported from the Oregon Employment Department's (OED) **Quarterly Covered Employment Wages (QCEW)** data are often referred to as "payroll jobs and covered wages" because they represent wages paid to all employees covered by Oregon's unemployment insurance law. Businesses self report employment and wage data. PDC agrees to and observes OED's confidentiality requirements when working with the QCEW data set.

The population of **businesses assisted by PDC** analyzed in this report received at least one of the following loans or grants:

Direct Tax Increment loan, Enterprise Fund loan, Hatfield grant, Quality Jobs loan, or Economic Development loan.

Businesses receiving Storefront Improvement or Technical Assistance grants were not included.

Businesses receiving more than one loan or grant were only counted once.

During the period of FY 2001-02 through FY 2005-06, an additional 18 businesses received \$7.8 million in PDC business assistance (job projections: 146 retained; 223 created). We did not include these 18 in this analysis because these businesses could not be tracked in the QCEW data. Most of these businesses were Limited Liability Corporations that are exempt from paying unemployment insurance. Most of these businesses received funding to upgrade or create business properties, and did not own or operate the business that subsequently occupied the business property.

Methodology and analysis by Sharon Meross, PDC Performance Measurement Manager, using ACT! and OED data. August 2009.