ECONOMIC IMPACT OF HB 4157: Support for Outdoor Products Manufacturing

Oregon House Bill 4157 provides state funding for outdoor products manufacturing companies with SCALABLE, HIGH GROWTH business models.

It aims to help Oregon-based companies **GROW IN PLACE** and to entice out-of-state companies to **RELOCATE TO OREGON**

Each grant increases the ability to

produce initial products which enhances

access to new markets which leads to

accelerated revenue growth which leads to

increased survival rates and accelerated jobs growth

HB 4157 is Smart Money:

National research shows combining early investment funds with mentoring and coaching increases startup survival rates by 50%. (Sources: Kauffman Foundation and Ford Foundation).

Every job in a manufacturing company **supports another 2.2 – 2.4 indirect jobs**; Every dollar in final sales of manufactured products **supports \$1.33 in output from other sectors**—this is the largest multiplier of any economic sector. (Source: Manufacturing Institute)

Early state investment helps accelerate revenue, jobs and investment

We anticipate 20 companies receiving assistance from a state investment of \$250,000 in the half biennium, and \$500,000 for full bienniums. From that, we can expect the following economic impact and state ROI:

Third Biennium '23-'24 Second Biennium '21-'22 \$22 MM total business revenues 353 employees \$20 MM total business First Half-Biennium '20/21 776 indirect jobs revenues \$22.6MM payroll 120 direct employees \$36.0 MM investment \$ 264 indirect jobs \$1.25 MM total business \$1.9 MM state tax revenue \$6.2 MM payroll revenues (379% ROI) 23 direct employees \$28.8 MM investment \$ 50 indirect jobs \$521k state tax revenue (104% ROI) \$845 k direct payroll \$480 k investment \$ \$71k state tax revenue (28% ROI)

Economic Benefits of HB 4157, Jan. 2020 Contact Erik Kancler with questions at erik@kanclerconsulting.com Source of calculations: Scruggs & Associates; Based on data from 16 companies participating in Bend Outdoor Worx, Oregon Employment Department, Oregon Department of Revenue