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Economic & Workforce Brief

Information You Can Use About Pennsylvania Economic & Workforce Development

Role of Biotechnology & Pharmaceuticals in the Economy of Bucks & Montgomery Counties

Research reported in this *Brief* was prepared by Penn State's Workforce Education & Development Initiative, a collaboration between Penn State Outreach and Penn State's College of Education.

This *Brief* results from analysis of Pennsylvania economic and workforce opportunities and issues conducted by the Workforce Assessment Center in Penn State Outreach in collaboration with the Institute for Research in Training and Development, a research unit in Penn State's College of Education.

Contact Rose M. Baker, Program Manager of the Workforce Assessment Center, at rmb194@psu.edu, 814.865.9919 (voice), or 814.865.3589 (fax) for information about additional services available to help plan and evaluate economic and workforce development in the Commonwealth.

The **biotechnology and pharmaceuticals industry** is an important part of the history and economy of Bucks and Montgomery counties in Pennsylvania. The industry creates jobs and compensation for workers throughout these counties and influences tax revenues in the counties.

The impact of jobs in biotechnology and pharmaceuticals in Bucks and Montgomery counties:

- *For every 100 jobs* — Due to the need to supply the biotechnology and pharmaceuticals industry, other industries in Bucks and Montgomery counties employ an additional 101 workers. Spending of income earned by biotechnology and pharmaceuticals employees and by workers in Bucks and Montgomery industries that supply biotechnology and pharmaceuticals on such items as housing, food, health care, and other retail goods and services creates an additional 113 jobs in Bucks and Montgomery counties. In short, every 100 jobs in Bucks and Montgomery biotechnology and pharmaceuticals industry are associated with 314 total jobs in the counties.
- *For every 100 jobs* — The biotechnology and pharmaceuticals industry generates \$10.7 million compensation (wages, pensions, income of proprietors) for its own Bucks and Montgomery employees and \$5.6 million compensation for employees whose jobs are created because their Bucks and Montgomery firms supply the biotechnology and pharmaceuticals industry in the counties. Spending of income by biotechnology and pharmaceuticals employees and workers in supplying industries generates an additional \$4.1 million compensation for other Bucks and Montgomery workers. In this way, the biotechnology and pharmaceuticals industry is responsible for generating \$20.4 million annual compensation for every 100 biotechnology and pharmaceuticals workers employed in Bucks and Montgomery counties.
- *For every 100 jobs* — Business activity by the biotechnology and pharmaceuticals industry, the industry's impact on Bucks and Montgomery industries that supply it, and the effect of spending by workers employed in the biotechnology and pharmaceuticals industry and its supplying industries generate \$740,000 in property taxes that are paid annually by businesses and individuals in Bucks and Montgomery counties to local governments.

This Brief contains an analysis of activity of establishments primarily engaged in biotechnology and pharmaceuticals in North American Industry Classification System codes 5417 and 32541. Information provided in this Economic & Workforce Brief was calculated using IMPLAN, a macroeconomic model applied by Penn State's Office of Economic and Workforce Development to identify the impact of economic activity on Pennsylvania and its counties. For more information, contact Rose M. Baker (rmb194@psu.edu; 814.865.9919) or David L. Passmore (dlp+irtd@psu.edu; 814.863.2583). Dollar values displayed in this Brief are expressed as year 2006 dollars.

