

# **The Economic Impact of the Children's Home of Cincinnati, Fiscal Years 2016 – 2020**

**May 4, 2021**

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## Executive Summary

The Children’s Home of Cincinnati (Children’s Home) was founded in 1864 and has continually evolved to meet the changing needs of the community. Currently, the Children’s Home provides education and therapeutic treatment for children experiencing social, behavioral, and learning challenges. The Children’s Home also provides consultation services for parents and conducts training for caregivers and other professionals.

Through its capital and operations expenditures, the Children’s Home generated substantial impacts on economic activity, employment, and earnings within the Cincinnati Metropolitan Statistical Area (MSA)(Region).<sup>1</sup> The direct impact is the amount spent directly and locally by the Children’s Home after accounting for economic leakage.<sup>2</sup> The indirect impact is the additional economic impact resulting from increased demand, income, and jobs within other industries, or the inter-industry linkages. Direct impacts also have ripple effects known as induced impacts as a result of the increases in household income and spending.<sup>3</sup>

Table 1 summarizes the total economic impact of the Children’s Home during fiscal years 2016 and 2020. After accounting for economic leakage, the Children’s Home made approximately \$125.2 million of capital and operations expenditures in the Cincinnati MSA.<sup>4</sup> This spending supported other businesses and industries, which led to an additional \$142.7 million in economic activity in the Cincinnati MSA. In total, capital and operations expenditures made by the Children’s Home between fiscal years 2016 through 2020 generated a total of \$267.9 million in economic activity in the Cincinnati MSA.

**Table 1: Total Economic Impact, FY 2016-2020 (2020\$)**

Impact Type	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
Direct	\$21,347,411	\$22,925,665	\$27,453,510	\$24,691,016	\$28,757,887	<b>\$125,175,489</b>
Indirect	\$24,315,837	\$26,205,532	\$30,854,706	\$28,342,207	\$32,969,391	<b>\$142,687,673</b>
<b>Total</b>	<b>\$45,663,248</b>	<b>\$49,131,197</b>	<b>\$58,308,216</b>	<b>\$53,033,223</b>	<b>\$61,727,278</b>	<b>\$267,863,162</b>

Source: Economics Center analysis.

As detailed in Table 2, the Children’s Home directly and indirectly supported jobs throughout the Cincinnati MSA. Between fiscal years 2016 and 2020, a total of 3,241 full- and part-time jobs were supported by the Children’s Home. The direct spending on capital and operations expenditures directly supported 2,159 jobs, while the resulting indirect spending supported an additional 1,082 jobs in the Cincinnati MSA. On average, the Children’s Home supported 648 jobs per fiscal year.

<sup>1</sup> A Metropolitan Statistical Area (MSA) is an area comprised of different communities with close economic ties to one another. The Cincinnati MSA encompasses five counties in Ohio: Brown, Butler, Clermont, Hamilton, and Warren; seven counties in Kentucky: Boone, Bracken, Campbell, Gallatin, Grant, Kenton, and Pendleton; and three counties in Indiana: Dearborn, Franklin, and Ohio.

<sup>2</sup> Economic leakage refers to the percentage of demand for products and services that cannot be met immediately within the local economy, and thus must be imported from outside the local economy.

<sup>3</sup> Induced impacts are reported within indirect impacts for the entirety of this report.

<sup>4</sup> All dollars have been adjusted for inflation and are expressed in 2020 dollars unless otherwise noted.

**Table 2: Total Employment Impact, FY 2016-2020**

Impact Type	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
Direct	372	404	452	473	458	<b>2,159</b>
Indirect	183	199	239	229	232	<b>1,082</b>
<b>Total</b>	<b>555</b>	<b>603</b>	<b>691</b>	<b>702</b>	<b>690</b>	<b>3,241</b>

Source: Economics Center analysis.

Table 3 summarizes the earnings associated with the jobs supported by the Children’s Home during fiscal years 2016 and 2020. The 2,159 direct jobs supported received a total of \$84.8 million in earnings. The 1,082 indirect jobs supported by the Children’s Home received a total of \$62.6 million in earnings. In total, the Children’s Home was responsible for approximately \$147.4 million in earnings between fiscal years 2016 and 2020. The total earnings translate into an average of \$45,476 in annual earnings per job.

**Table 3: Total Earnings Impact, FY 2016-2020 (2020\$)**

Impact Type	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
Direct	\$14,620,465	\$15,671,931	\$17,409,886	\$17,079,915	\$19,978,113	<b>\$84,760,310</b>
Indirect	\$10,747,726	\$11,537,048	\$13,107,971	\$12,550,296	\$14,685,015	<b>\$62,628,056</b>
<b>Total</b>	<b>\$25,368,191</b>	<b>\$27,208,979</b>	<b>\$30,517,857</b>	<b>\$29,630,211</b>	<b>\$34,663,128</b>	<b>\$147,388,366</b>

Source: Economics Center analysis.

In addition to the economic impact generated by the Children’s Home, there are also fiscal impacts that accrue to government entities. The earnings of individuals directly and indirectly supported by the capital and operations expenditures of the Children’s Home contributed earnings tax revenue to municipalities in the Cincinnati Region. Between fiscal years 2016 and 2020, nearly \$1.8 million in local earnings tax revenue was collected as a result of expenditures made by the Children’s Home.<sup>5</sup> This represents an average of \$353,732 in local earnings tax collections per year. These fiscal contributions support roads, services, and many other amenities in municipalities throughout the Cincinnati Region.

Furthermore, the Children’s Home received revenue from outside of the Cincinnati Region in the form of contributions and grants and for program services such as education, behavioral health, and early childhood and school age programs. These non-local dollars would not circulate in the local economy without the existence of the Children’s Home. Between fiscal years 2016 and 2020, the Children’s Home received a total of \$13.2 million in non-local revenue, or approximately \$2.6 million per fiscal year. Non-local revenue increased from \$1.8 million in fiscal year 2016 to \$3.0 million in fiscal year 2020, which represents an average annual increase of 13.1 percent. This illustrates the important role the Children’s Home plays in drawing non-local money into the economy of the Cincinnati Region.

<sup>5</sup> A blended local earnings tax rate for the Cincinnati MSA was utilized.

## Introduction

The Children's Home of Cincinnati (Children's Home) was founded in 1864 and has continually evolved to meet the changing needs of the community. The Children's Home was founded as a daycare and shelter for children experiencing neglect, abuse, and poverty. The Children's Home transitioned from traditional orphanages to focus its services on adoption and subsequently residential treatment. Currently, the Children's Home provides education and therapeutic treatment for children experiencing social, behavioral, and learning challenges. The Children's Home also provides consultation services for parents and conducts training for caregivers and other professionals.

The Children's Home offers a range of services and programs to children and their families with the mission of "creating lasting results that strengthen families and our community by guiding individuals – from infancy to independence – through comprehensive education, behavioral, and health services."

Best Point Behavioral Health by the Children's Home provides individual and family counseling services to help children attain and maintain a healthy mental state and to improve the functioning of the child and family. Best Point Behavioral Health provides these services on site as well as in homes, schools, and other community settings.

CoStars by the Children's Home focuses on early childhood programs designed to ensure children reach their developmental milestones and succeed as they progress from home to preschool to the classroom. CoStars offers preschool, school readiness programs, after-school enrichment, and a summer camp.

The Heidt Center of Excellence by the Children's Home is a program that provides specialized services to individuals on the autism spectrum and support services for their families. The Heidt Center of Excellence provides individuals on the autism spectrum academic and life skills through a specialized school for middle and high school students as well as innovative transition and work readiness programs.

Got-Special KIDS is an internet-based mail-order business that ships thousands of toys and products to children on the autism spectrum and children with other behavioral and learning challenges. Got-Special KIDS has shipped products to 47 states and nine countries and was gifted to the Children's Home in late 2019. By January 2020, the Children's Home began a job training program for students at the Heidt Center of Excellence that supports the day-to-day operations of Got-Special KIDS. The job training program features long-term coaching and continuous feedback from teachers, job coaches, and therapists. Profits are reinvested into the job training program, while losses are covered by supporters and community partners of the Children's Home.

Other programs and services offered by the Children's Home include educational evaluations, the Mighty Meals program, the Family Visitation Center, the Levine Family Health Center, and professional training. The Olympus Center at the Children's Home offers diagnostic services for children and adults to identify learning disorders that impact a person's academic performance. The Mighty Meals program is a new initiative that provides children with healthy, take-home meals during the week. The Family Visitation Center

provides a space where children can spend time with their parents in a safe environment and is a collaboration between the Hamilton County Court of Domestic Relations, Hamilton County Juvenile Court, and the Children’s Home. The Levine Family Health Center is a school-based health center to address the physical health of children through a partnership between the Cincinnati Health Department and the Children’s Home. The Children’s Home also provides consultation and coaching services to caregivers, teachers, and administrators to teach the most effective practices to address the needs of children and the adults who care for them.

The Children’s Home has experienced a substantial growth in the number of clients served in recent years. The number of clients served grew from 7,801 in 2016 to 14,007 in 2020.<sup>6</sup> This represents a 79.5 percent increase in clients served by the Children’s Home, or a growth rate of approximately 15.8 percent per year. Additionally, the Children’s Home provided services to children residing in 177 different neighborhoods in 2016 and increased to 240 distinct neighborhoods in 2020. This represents an increase of 63 neighborhoods or approximately a 35.6 percent increase between 2016 and 2020.

The impacts of the Children’s Home extend beyond those experienced by the children and families it serves. Through its capital and operations expenditures, the Children’s Home generates substantial impacts on economic activity, employment, and earnings within the Cincinnati Metropolitan Statistical Area (MSA)(Region).<sup>7</sup> This report analyzes the direct and indirect impacts generated by the Children’s Home through the capital and operations expenditures made during fiscal years 2016 and 2020. Additionally, the fiscal impacts and the impact of non-local revenue are also explored.

## **Economic Impact**

The Children’s Home of Cincinnati makes capital and operations expenditures, which generate economic activity in the Cincinnati Region. These expenditures in turn stimulate additional economic activity for the businesses and industries supported by the Children’s Home. The direct impact is the amount spent directly and locally by the Children’s Home after accounting for economic leakage.<sup>8</sup> The indirect impact is the additional economic impact resulting from increased demand, income, and jobs within other industries. Direct impacts also have ripple effects known as induced impacts as a result of the increases in household income and spending.<sup>9</sup>

### **Capital Expenditures**

Each year the Children’s Home makes capital investments on construction, renovations, and information technology, among other things. However, capital expenditures vary from

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<sup>6</sup> The number of clients served in 2020 declined due to the impact of the COVID-19 pandemic. Prior to the pandemic, the number of clients served grew from 6,657 in 2015 to 14,273 in 2019, which represents a 114.4 percent increase in clients.

<sup>7</sup> A Metropolitan Statistical Area (MSA) is an area comprised of different communities with close economic ties to one another. The Cincinnati MSA encompasses five counties in Ohio: Brown, Butler, Clermont, Hamilton, and Warren; seven counties in Kentucky: Boone, Bracken, Campbell, Gallatin, Grant, Kenton, and Pendleton; and three counties in Indiana: Dearborn, Franklin, and Ohio.

<sup>8</sup> Economic leakage refers to the percentage of demand for products and services that cannot be met immediately within the local economy, and thus must be imported from outside the local economy.

<sup>9</sup> Induced impacts are reported within indirect impacts for the entirety of this report.

year to year. Between fiscal years 2016 and 2020, the Children’s Home made a total of nearly \$16.5 million of capital expenditures. Capital expenditures were lowest in fiscal year 2019 (\$707,326) and highest in fiscal year 2018 (\$7.1 million), as detailed in Table 4. On average, the Children’s Home made \$3.3 million of capital expenditures annually between fiscal years 2016 and 2020. Approximately 52.8 percent, or \$8.7 million, of the total capital expenditures were construction related expenses. Information technology comprised an additional 13.0 percent, or \$2.1 million, of the total capital expenditures between fiscal years 2016 and 2020.

**Table 4: Capital Expenditures, FY 2016-2020 (2020\$)**

Expenditure	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
Construction	\$790,580	\$811,990	\$2,284,152	\$471,954	\$4,347,342	<b>\$8,706,018</b>
IT	\$873,860	\$427,193	\$264,392	\$158,291	\$419,477	<b>\$2,143,213</b>
Other	\$96,860	\$373,683	\$4,573,625	\$77,081	\$504,318	<b>\$5,625,567</b>
<b>Total</b>	<b>\$1,761,300</b>	<b>\$1,612,866</b>	<b>\$7,122,169</b>	<b>\$707,326</b>	<b>\$5,271,137</b>	<b>\$16,474,798</b>

Source: Children’s Home.

Of the nearly \$16.5 million invested by the Children’s Home on capital expenditures during fiscal years 2016 through 2020, approximately \$9.6 million remained in the Cincinnati Region after accounting for economic leakage. This represents the direct economic impact of capital expenditures. This led to further indirect economic activity of \$9.8 million due to the spending of businesses and industries supported by the capital expenditures made by the Children’s Home. As detailed in Table 5, the Children’s Home generated a total of \$19.4 million in economic activity as a result of its capital expenditures between fiscal years 2016 and 2020, or an average of \$3.9 million per fiscal year.

**Table 5: Economic Impact of Capital Expenditures, FY 2016-2020 (2020\$)**

Impact Type	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
Direct	\$1,037,923	\$942,626	\$4,416,078	\$394,169	\$2,810,334	<b>\$9,601,130</b>
Indirect	\$968,049	\$933,830	\$4,370,874	\$410,552	\$3,140,084	<b>\$9,823,389</b>
<b>Total</b>	<b>\$2,005,972</b>	<b>\$1,876,456</b>	<b>\$8,786,952</b>	<b>\$804,721</b>	<b>\$5,950,418</b>	<b>\$19,424,519</b>

Source: Economics Center analysis.

The capital expenditures made by the Children’s Home supported a total of 127 full- and part-time jobs in the Cincinnati Region between fiscal years 2016 and 2020, as detailed in Table 6. The spending by the Children’s Home supported 56 jobs directly. Furthermore, the resulting spending by other businesses and industries as a result of the Children’s Home supported an additional 71 jobs. On average, 25 jobs were supported each fiscal year due to the capital expenditures made by the Children’s Home.

**Table 6: Employment Impact of Capital Expenditures, FY 2016-2020**

Impact Type	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
Direct	6	5	21	3	21	<b>56</b>
Indirect	7	7	32	3	22	<b>71</b>
<b>Total</b>	<b>13</b>	<b>12</b>	<b>53</b>	<b>6</b>	<b>43</b>	<b>127</b>

Source: Economics Center analysis.

Table 7 summarizes the earnings supported by the capital expenditures made by the Children’s Home during fiscal years 2016 and 2020. In total, the Children’s Home supported \$6.5 million in earnings. The direct jobs supported had total earnings of \$3.5 million, or approximately \$62,842 per job. The indirect jobs had total earnings of \$2.9 million, or approximately \$41,525 per job.

**Table 7: Earnings Impact of Capital Expenditures, FY 2016-2020 (2020\$)**

Impact Type	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
Direct	\$392,315	\$350,493	\$1,376,618	\$161,636	\$1,238,092	<b>\$3,519,154</b>
Indirect	\$295,727	\$281,920	\$1,329,932	\$122,128	\$918,595	<b>\$2,948,302</b>
<b>Total</b>	<b>\$688,042</b>	<b>\$632,413</b>	<b>\$2,706,550</b>	<b>\$283,764</b>	<b>\$2,156,687</b>	<b>\$6,467,456</b>

Source: Economics center analysis.

## Operations Expenditures

As summarized in Table 8, the Children’s Home spent a significant amount on day-to-day operations during fiscal years 2016 through 2020. Operations expenditures consist of salaries, employee benefits, supplies, occupancy, and insurance, among other things. In total, the Children’s Home spent \$141.4 million on operations expenditures. Salaries, employee benefits, and payroll taxes collectively accounted for three-fourths of total operations expenditures between fiscal years 2016 and 2020. The Children’s Home spent a total of \$81.2 million on salaries and \$25.6 million on employee benefits and payroll taxes. Operations expenditures grew from \$24.7 million in fiscal year 2016 to \$31.7 million in fiscal year 2020. This represents a 28.5 percent increase in operations expenditures, or approximately 6.5 percent per fiscal year.

**Table 8: Operations Expenditures, FY 2016-2020 (2020\$)**

Expenditure Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
Salaries	\$14,228,150	\$15,321,438	\$16,033,268	\$16,918,279	\$18,740,021	<b>\$81,241,156</b>
Employee Benefits and Payroll Taxes	\$4,624,899	\$5,416,823	\$5,135,328	\$5,239,588	\$5,170,870	<b>\$25,587,508</b>
Professional Fees and Contract Service Payments	\$2,299,661	\$2,067,324	\$2,300,894	\$2,416,368	\$2,284,125	<b>\$11,368,372</b>
Depreciation	\$1,144,835	\$1,342,359	\$1,689,823	\$1,630,023	\$1,932,945	<b>\$7,739,985</b>
Supplies	\$838,350	\$947,587	\$1,154,692	\$748,001	\$644,367	<b>\$4,332,997</b>
Travel	\$576,407	\$546,503	\$591,163	\$581,536	\$503,640	<b>\$2,799,249</b>
Occupancy	\$412,741	\$451,877	\$349,647	\$554,980	\$582,503	<b>\$2,351,748</b>
Interest	\$117,719	\$300,452	\$425,262	\$463,507	\$464,410	<b>\$1,771,350</b>
Information and Technology	\$0	\$0	\$0	\$474,173	\$520,439	<b>\$994,612</b>
Insurance and Licenses	\$119,563	\$126,202	\$131,422	\$131,776	\$166,439	<b>\$675,402</b>
Printing and Publications	\$109,861	\$112,555	\$119,808	\$139,434	\$174,687	<b>\$656,345</b>
Other	\$185,982	\$201,823	\$485,968	\$516,473	\$493,211	<b>\$1,883,457</b>
<b>Total</b>	<b>\$24,658,168</b>	<b>\$26,834,943</b>	<b>\$28,417,275</b>	<b>\$29,814,138</b>	<b>\$31,677,657</b>	<b>\$141,402,181</b>

Source: Children's Home audited financials.

As detailed in Table 9, approximately \$115.6 million of the \$141.4 million spent by the Children's Home on operations expenditures between fiscal years 2016 and 2020 remained in the Cincinnati Region after accounting for economic leakage. The inter-industry linkages led to an additional \$132.9 million in economic activity in the Cincinnati Region. Operations expenditures made by the Children's Home had a total economic impact of \$248.4 million in the Cincinnati MSA during fiscal years 2016 through 2020.

**Table 9: Economic Impact of Operations Expenditures, FY 2016-2020 (2020\$)**

Impact Type	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
Direct	\$20,309,488	\$21,983,039	\$23,037,432	\$24,296,847	\$25,947,553	<b>\$115,574,359</b>
Indirect	\$23,347,788	\$25,271,702	\$26,483,832	\$27,931,655	\$29,829,307	<b>\$132,864,284</b>
<b>Total</b>	<b>\$43,657,276</b>	<b>\$47,254,741</b>	<b>\$49,521,264</b>	<b>\$52,228,502</b>	<b>\$55,776,860</b>	<b>\$248,438,643</b>

Source: Economics Center analysis.

The Children’s Home also supported a substantial number of jobs, directly and indirectly, in the Cincinnati Region, as detailed in Table 10. Between fiscal years 2016 and 2020, the Children’s Home directly created 2,103 jobs, or an average of 421 jobs per fiscal year. Direct employment grew from 366 jobs in fiscal year 2016 to 437 jobs in fiscal year 2020. This represents a 19.4 percent increase in direct employment. Additionally, the operations expenditures of the Children’s Home indirectly supported a total of 1,011 full- and part-time jobs as a result of the inter-industry relationships in the Cincinnati Region. In total, 3,114 jobs in the Cincinnati Region were supported by the Children’s Home during fiscal years 2016 and 2020.

**Table 10: Employment Impact of Operations Expenditures, FY 2016-2020**

Impact Type	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
Direct	366	399	431	470	437	<b>2,103</b>
Indirect	176	192	207	226	210	<b>1,011</b>
<b>Total</b>	<b>542</b>	<b>591</b>	<b>638</b>	<b>696</b>	<b>647</b>	<b>3,114</b>

Source: Economics Center analysis.

Table 11 summarizes the earnings impact associated with operations expenditures made by the Children’s Home during fiscal years 2016 through 2020. The Children’s Home spent a total of \$81.2 million on earnings for its employees. Earnings grew from \$14.2 million in fiscal year 2016 to \$18.7 million in fiscal year 2020. This represents a 7.1 percent increase in direct earnings per fiscal year. The operations expenditures of the Children’s Home also indirectly supported \$59.7 million in earnings for individuals throughout the Cincinnati Region. The Children’s Home had a total earnings impact of \$140.9 million as a result of its operations expenditures between fiscal years 2016 and 2020.

**Table 11: Earnings Impact of Operations Expenditures, FY 2016-2020 (2020\$)**

Impact Type	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
Direct	\$14,228,150	\$15,321,438	\$16,033,268	\$16,918,279	\$18,740,021	<b>\$81,241,156</b>
Indirect	\$10,451,999	\$11,255,128	\$11,778,039	\$12,428,168	\$13,766,420	<b>\$59,679,754</b>
<b>Total</b>	<b>\$24,680,149</b>	<b>\$26,576,566</b>	<b>\$27,811,307</b>	<b>\$29,346,447</b>	<b>\$32,506,441</b>	<b>\$140,920,910</b>

Source: Economics Center analysis.

## Fiscal Impact

In addition to the economic impact generated by the Children’s Home, there are also fiscal impacts that accrue to government entities. The earnings of individuals directly and indirectly supported by the capital and operations expenditures of the Children’s Home contributed earnings tax revenue to municipalities in the Cincinnati MSA, as detailed in Table 12. Between fiscal years 2016 and 2020, more than \$1.0 million in local earnings tax revenue was generated as a result of direct expenditures made by the Children’s Home. The expenditures made by other business and industries supported by the Children’s Home generated an additional \$751,538 in local earnings tax revenue. In total, the Children’s

Home directly and indirectly generated nearly \$1.8 million in earnings tax revenue for municipalities in the Cincinnati MSA during fiscal years 2016 and 2020. This represents an average of \$353,732 in local earnings tax collections per year. These fiscal contributions support roads, services, and other amenities in municipalities throughout the Cincinnati MSA.

**Table 12: Local Earnings Tax Collections, FY 2016-2020 (2020\$)**

<b>Impact Type</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>Total</b>
Direct	\$175,446	\$188,063	\$208,919	\$204,959	\$239,737	<b>\$1,017,124</b>
Indirect	\$128,973	\$138,445	\$157,296	\$150,604	\$176,220	<b>\$751,538</b>
<b>Total</b>	<b>\$304,419</b>	<b>\$326,508</b>	<b>\$366,215</b>	<b>\$355,563</b>	<b>\$415,957</b>	<b>\$1,768,662</b>

Source: Economics Center analysis.

## Non-Local Revenue

A portion of the revenue received by the Children’s Home between fiscal years 2016 and 2020 came from sources outside of the Cincinnati Region. These dollars would not circulate in the local economy without the existence of the Children’s Home. Therefore, this illustrates the important role the Children’s Home plays in drawing non-local money into the economy of the Cincinnati Region. Revenue received from local sources are excluded from this section because these dollars are assumed to support other local organizations if not for the Children’s Home. Therefore, these local dollars would circulate in the Cincinnati Region regardless of the Children’s Home. The non-local revenue received by the Children’s Home supports its expenditures. Therefore, the economic impact resulting from non-local revenue is already captured in the economic impact analysis.

As detailed in Table 13, the Children’s Home received revenue from outside of the Cincinnati Region in the form of contributions and grants and for program services such as education, behavioral health, and early childhood and school age programs. Between fiscal years 2016 and 2020, the Children’s Home received a total of \$13.2 million in non-local revenue, or approximately \$2.6 million per fiscal year. This non-local revenue represented an average of 9.0 percent of the total public support and revenue in a given fiscal year. Program service revenue comprised 86.7 percent of the non-local revenue, while contributions and grants comprised the remaining 13.3 percent of non-local revenue. Specifically, education related program service revenue accounted for 59.8 percent of the total non-local revenue received by the Children’s Home between fiscal years 2016 and 2020. Additionally, non-local revenue increased from \$1.8 million in fiscal year 2016 to \$3.0 million in fiscal year 2020. This represents a 13.1 percent growth in non-local revenue per fiscal year. The impacts resulting from non-local revenue are already included in the economic, employment, and earnings impacts detailed previously.

**Table 13: Non-Local Revenue, FY 2016-2020 (2020\$)**

Revenue Type	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
Contributions and Grants	\$244,219	\$137,875	\$528,130	\$672,162	\$173,811	<b>\$1,756,197</b>
Education	\$921,238	\$1,286,962	\$1,681,407	\$1,807,196	\$2,194,558	<b>\$7,891,361</b>
Behavioral Health	\$448,706	\$398,794	\$269,364	\$443,170	\$198,896	<b>\$1,758,930</b>
Early Childhood and School Age	\$216,054	\$319,653	\$401,832	\$431,929	\$430,476	<b>\$1,799,944</b>
<b>Total</b>	<b>\$1,830,217</b>	<b>\$2,143,284</b>	<b>\$2,880,733</b>	<b>\$3,354,457</b>	<b>\$2,997,741</b>	<b>\$13,206,432</b>

Source: Children's Home.

## Conclusion

The Children's Home was founded in 1864 and has continually evolved to meet the changing needs of the community. Currently, the Children's Home provides education and therapeutic treatment for children experiencing social, behavioral, and learning challenges. The Children's Home also provides educational evaluations, consultation services for parents, and training for caregivers and other professionals.

The Children's Home spent money on capital investments and day-to-day operations, which generated economic activity, jobs, and earnings in the local economy. Approximately \$125.2 million was spent directly by the Children's Home and retained in the local economy, which led to further indirect spending of \$142.7 million between fiscal years 2016 and 2020. The Children's Home directly supported 2,159 jobs with total earnings of \$84.8 million. An additional 1,082 jobs with total earnings of \$62.6 million were indirectly supported by the Children's Home. During fiscal years 2016 and 2020, the Children's Home generated a total of \$267.9 million in economic activity, supported 3,241 jobs, and generated \$147.4 million in earnings in the Cincinnati Region.

Additionally, the Children's Home generated nearly \$1.8 million in local earnings tax revenue as a result of its capital and operations expenditures during fiscal years 2016 and 2020. This represents an average of \$353,732 in local earnings tax collections per year for local governments. The Children's Home also received revenue from outside of the Cincinnati Region in the form of contributions and grants and for program services. Between fiscal years 2016 and 2020, the Children's Home received a total of \$13.2 million in non-local revenue. These non-local dollars would not circulate in the local economy without the existence of the Children's Home. Therefore, this illustrates the important role the Children's Home plays in drawing non-local money into the economy of the Cincinnati Region.

## Methodology

An economic impact analysis measures the effect of an organization's expenditures on its surrounding community. The dollars spent by an organization and its employees stimulate other businesses and industries. These dollars are then spent by other entities and households. The total economic impact is the sum of the direct and indirect impact. The direct impact is the amount spent directly and locally by an organization. The indirect impact is the additional economic impact resulting from increased demand, income, and jobs within other industries, or the inter-industry linkages. The direct impact has ripple effects due to increased household income and spending, which is referred to as induced impacts. Induced impacts are reported within indirect impacts for the entirety of this report.

For fiscal years 2016 through 2020, capital expenditure data was provided by the Children's Home, while operations expenditure data was retrieved from audited financials. Capital and operations expenditures were factored for economic leakage to represent only the economic impact of money retained in the Cincinnati MSA. Economic leakage refers to the percentage of demand for products and services that cannot be met immediately within the local economy, and thus must be imported from outside the local economy. Economic leakage estimates were obtained from Emsi.

The post-leakage expenditures were used in an input-output model that uses multipliers to represent the inter-industry linkages and household economic relationships. Multipliers are used to determine the total economic impact when applied to the direct impact. This means that multipliers reflect how many additional dollars will be spent in a local economy by other businesses and households for every dollar spent by the organization or industry. These multipliers are location and industry specific and are obtained from the Regional Industrial Multiplier System (RIMS) created by the U.S. Bureau of Economic Analysis.

In addition to the economic impact generated by the Children's Home, there are also fiscal impacts that accrue to government entities. Specifically, the earnings of individuals directly and indirectly supported by the Children's Home generate earnings tax revenue for municipalities in the Cincinnati Region. To estimate the fiscal impact, a blended local tax rate of 1.2 percent was applied to the total earnings resulting from the capital and operations expenditures of the Children's Home between fiscal years 2016 and 2020.