



# HISTORIC BUILDING PURCHASE ALLOWS ACCELERATOR TO AMPLIFY ECONOMIC IMPACT

In March of 2018, The Accelerator completed the purchase of its new home at 1501 Howard Avenue in Windsor. Built in 1929 as the home of the Purity Dairy, the 55,000 square foot facility served as an economic driver of its time. The Accelerator's plans for this facility re-envision it as an innovation hub that will drive future prosperity for our region.

By increasing our footprint by nearly tenfold, we are now positioned to make significant economic impact in Windsor-Essex. Attracting startups and small business from Windsor-Essex and from as far away as Silicon Valley, The Accelerator's unique environment combines a lean startup model with a truly collaborative ecosystem.

CURRENT MEMBERS  
(May 2019)

**35**

GRADUATE COMPANIES  
(Since 2011)

**26**

LONG-TERM SMES  
(May 2019)

**7**

## ECONOMIC IMPACT

Since opening in 2011, The Accelerator annually surveys its clients to gain a better perspective of the economic impact The Accelerator has had on the region. The optional survey is anonymous to encourage a higher response rate, and for fiscal year 2018, we received a total of 15 valid survey responses

from our members, amounting to an approximate 40% response rate of our 2018 membership roster. The survey focused on employment and economic data for the 2018 fiscal year. The following pages elaborate on the results and explain how we reached these figures.

## MEASURING IMPACT

In an effort to capture the total economic impact The Accelerator has on the local economy we use the following 3-step model<sup>1</sup>.

### STEP 1: MEASURE DIRECT IMPACT

Direct impact measures changes in the economic activity during the first round of spending.

### STEP 2: MEASURE INDIRECT IMPACT

Indirect impact is calculated through the use of industry-defined multipliers – factors that measure a change in a variable in response to a change in some other variable – which are applied to the direct impact

totals. Depending on the value of the multiplier, an initial incremental amount of spending leads to a corresponding increase in spending, which in turn increases income further and, hence, further increases consumption.

Multipliers vary widely by industry and area (1.0 – 3.0), and tend to be higher for large urban regions because more of the spending tends to stay within that region. Economist Enrico Moretti, Professor of Economics at University of California, Berkely, suggests that the innovation sector, under which category business incubators and accelerators fit, has the highest multiplier of all – three times larger than that of manufacturing. For the purpose of our study we have used a conservative multiplier of 1.5.

### STEP 3: CALCULATE TOTAL IMPACT

Using a multiplier of 1.5, we have calculated The Accelerator's 2018 economic impact as follows:

ACCELERATOR MEMBERS	DIRECT IMPACT	TOTAL IMPACT
Expenditures (including salaries)	\$865,800	\$1,298,700
Debt and Angel Capital Raised	\$150,000	\$225,000
ACCELERATOR OPERATIONS		
Expenditures	\$2,138,000	\$3,207,000
Debt and Angel Capital Raised	\$760,000	\$1,140,000
<b>TOTAL (2018)</b>	<b>\$3,913,800</b>	<b>\$5,870,700</b>

TOTAL ECONOMIC IMPACT  
(2011-2018)

**\$20,000,000**

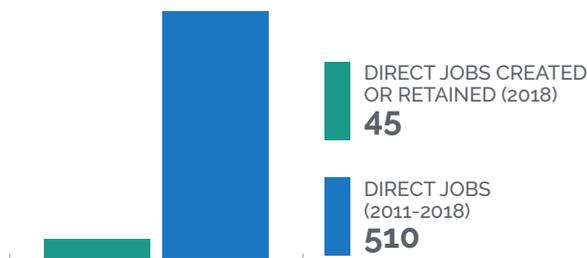
<sup>1</sup> Based on Economic Impact Report by University of Toronto

# For each high-tech job in a city, five additional jobs are ultimately created.

—Enrico Moretti, Professor of Economics, University of California, Berkeley

## JOB CREATION

Out of the 15 companies responding to the survey in 2018, the current full time number of employees was 45. Accelerator companies hired 18 new employees or contract employees during fiscal year 2018, and there are already plans among current member companies to hire an additional 16 new employees in fiscal year 2019.



It is important to note that jobs created by the innovation sector create disproportionately more jobs than other sectors. According to Enrico Moretti, the innovation sector has the largest multiplier of all: "For each new high-tech job in a city, five additional jobs are ultimately created outside of the high-tech sector in that city, both in skilled occupations (lawyers, teachers, nurses) and in unskilled ones (waiters, hairdressers, carpenters)." This is more than three times that of the manufacturing sector.

Based on the Economic Impact Report by the University of Toronto, and using a conservative multiplier in this case of 2.5, we estimate the total jobs created to be close to 1,300 jobs in Windsor and the broader Essex region over the past 8 years.



ACCELERATOR FULL TIME STAFF (May 2019) **2**

ACCELERATOR PART TIME STAFF (May 2019) **2**

## REVENUES GENERATED BY ACCELERATOR MEMBERS

In 2018, the revenues generated by Accelerator members totalled \$1.6 million.

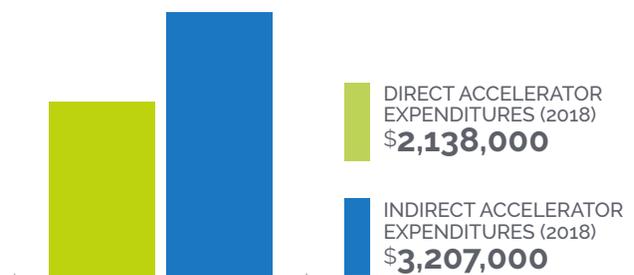
## GROSS EXPENDITURES BY ACCELERATOR MEMBERS

The 2018 average gross expenditures of responding companies operating out of The Accelerator was \$865,800. Out of the total expenditures, \$602,000 or 70%, was directed towards salaries.



## ACCELERATOR EXPENDITURES

The Accelerator had expenditures in 2018 of approximately \$2,138,000. This includes the purchase of 1501 Howard Avenue for \$1.7 million.



# The Accelerator is a place where you can dare to dream and have a family to support you through your journey to success.

—Michael Hoppe, Creative Director Geopogo & Accelerator Graduate

## INTANGIBLE IMPACTS

The impact of The Accelerator, however, is much greater than simply the numbers presented in this report. The Accelerator has evolved to become the region's entrepreneurial hub and has developed incredible programs and partnerships that are helping to grow our region's entrepreneurial ecosystem.

Since 2011, The Accelerator has provided significant support to many local not-for-profit organizations, including nearly \$200,000 in free or reduced rates for office, boardroom and meeting room space. As a result, these organizations are able to spend more money on hiring additional staff and expanding their programming.

The Accelerator has also provided event space to collaborative organizations such as Windsor Endowment for the Arts, the Windsor Essex Economic Development Corporation, and Windsor-Essex Chamber of Commerce. We have also hosted Accelerator-related events that are open to the public, such as our Windsor Women Accelerate networking series.

The Accelerator has also provided volunteer opportunities to clients from various local organizations such as WEST, NCCE, YMCA, the University of Windsor VIP program, co-op programs at various high schools in Windsor Essex as well as to individuals who have contacted us directly looking for volunteer opportunities.

## INTERNATIONAL COLLABORATION

### A2X PROJECT

Short for Accelerator-to-eXport, The Accelerator's A2X Project represents the most unique cross-border entrepreneurial collaboration ever created between Canada and the United States. Through the A2X Project, The Accelerator provides a launching pad for Canadian startups to enter the U.S. and global markets, while simultaneously acting as a landing pad for US startups wishing to enter the Canadian market.

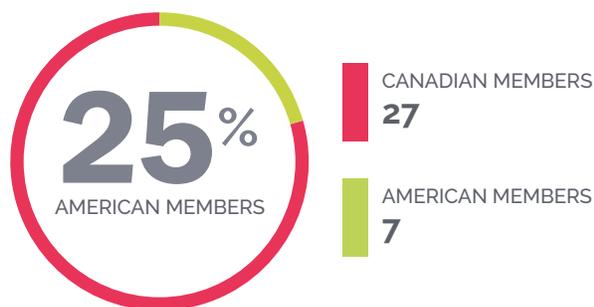
As of May 2019, 25% of our current membership is comprised of US startups expanding into Canada.

### GREAT LAKES INTERNATIONAL INNOVATION SUMMIT (GLIn2)

The Great Lakes International Innovation Summit (GLIn2) began in 2016 as a collaborative event between the Michigan Business Innovation Association and the Wisconsin Business Innovator's Support Association. It now includes Illinois, Indiana, Ohio, Minnesota, and Ontario. This multi-day event offers educational and networking opportunities for entrepreneurial support professionals working with incubators, accelerators, co-working spaces, makerspaces, economic development agencies, universities and more. The Accelerator has presented at GLIn2 since 2017 and is part of the planning committee for the 2019 event. Our goal is to bring a future GLIn2 conference to Windsor-Essex.

### CANADIAN AND AMERICAN MEMBER BREAKDOWN

(May 2019)



MEMBERS ENGAGED IN CROSS-BORDER BUSINESS OR PARTNERSHIPS (2018) **46%**

MEMBERS PLANNING ON FIRST TIME CROSS-BORDER BUSINESS PARTNERSHIPS (2019) **23%**

<sup>2</sup> These include: WETech Alliance, Windsor Youth Centre, RDEE, and Junior Achievement

Based on a model that encourages true collaboration,  
The Accelerator provides incredible opportunities for  
innovation and business success.

—Christopher Pressey, Accelerator President

## PROGRAMS & PARTNERSHIPS

### CITY THRIVE

In collaboration with Enactus, The Accelerator hosts the City Thrive program, which helps guide individuals currently on assistance start their own business ventures. 2019 marks the 11<sup>th</sup> City Thrive cohort with The Accelerator, and a number of the program graduates have become Accelerator members.

### HACKFORGE AT THE ACCELERATOR

Hackforge is a registered non-profit focused on technology. A member-driven organization, Hackforge host events and programming for beginners, professionals, and hobbyists. Hackforge operates as a community workshop and collaboration space within The Accelerator.

### HIGH SCHOOL ENTREPRENEURSHIP OUTREACH AND SUMMIT

Through our annual High School Entrepreneurial Outreach Program, we introduce entrepreneurship to high school students. In 2016 alone, more than 800 students attended and between 2014 to 2018, more than 2,500 students were reached through this program.

The Accelerator also hosts an annual High School Entrepreneurial Summit each fall. Providing an opportunity for high school students to meet and interact with successful young local entrepreneurs, exit surveys of students show that **interest in entrepreneurship-as-a-career increased from 20% to more than 80% over the past 5 years.**

### WINDSOR WOMEN ACCELERATE NETWORKING SERIES

The Accelerator created the first women's entrepreneurial networking series in Windsor. The Windsor Women Accelerate (W/WA) Networking Series aims to connect successful local female entrepreneurs to aspiring female entrepreneurs and keynote speakers that inspire and empower.

More than 500 women have participated in these events to date and in June, 2019 we will be hosting our 10<sup>th</sup> bi-annual W/WA event.

## ABOUT THE ACCELERATOR

Located in Windsor, Ontario, The Accelerator is a unique entrepreneurial ecosystem specifically designed to help accelerate the growth of startups and emerging businesses. Featuring on-site training and mentoring programs in a truly inspiring and collaborative environment, together with our members and community partners, we're working hard to create the future of Windsor-Essex.

The magic that makes The Accelerator successful is social capital – the idea that a network provides value to its members by allowing them to access the social resources embedded within that network. In other words, everyone who becomes a member of The Accelerator immediately gains access to the knowledge, experience and connections that The Accelerator has been building since 2011.

### GET IN TOUCH

For more information on our impact numbers, partnership and sponsorship opportunities, or to talk about how we can help you build your business, please connect with us.

#### The Accelerator

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### COVER IMAGE: THE HISTORIC PURITY DAIRY BUILDING

Our sincerest thanks to the Leo Page Estate, the Dr. Honoré and Rosemary (Ratigan) Schiller Estate, and Irene Schiller, great granddaughter of Leo Page, for generously allowing us access to the historical photos that document our building's incredible entrepreneurial legacy.