

The employment estimates presented in Table 5.1 are not equivalent to the direct employment effects of the Program. To equal the direct effects, one would have to assume that the activity associated with the ERIP project did not displace any pre-existing economic activity; therefore all of the employees working on ERIP projects would have been unemployed if it were not for the ERIP expenditure. In periods of high unemployment (such as 1991 and 1992), it is reasonable to assume that some fraction of these employees would have been without employment, but the exact number is unknown. We conclude that the estimates presented in Table 5.1 represent upper bounds for the direct effects of the Program; however, they may be underestimates of the total employment effects of ERIP since indirect and induced effects are not included.

The distribution of jobs per invention is highly skewed (Fig. 5.1). In 1992, for example, three inventions with known employment each supported more than 40 FTEs, for a total of 247 FTEs. Another four inventions with known employment each supported 20 or more FTEs for a total of 100. Thus, these seven technologies supported more than half of the total of 668 FTEs supported by all ERIP projects in 1992. This is similar to the trend documented in previous ERIP evaluations.

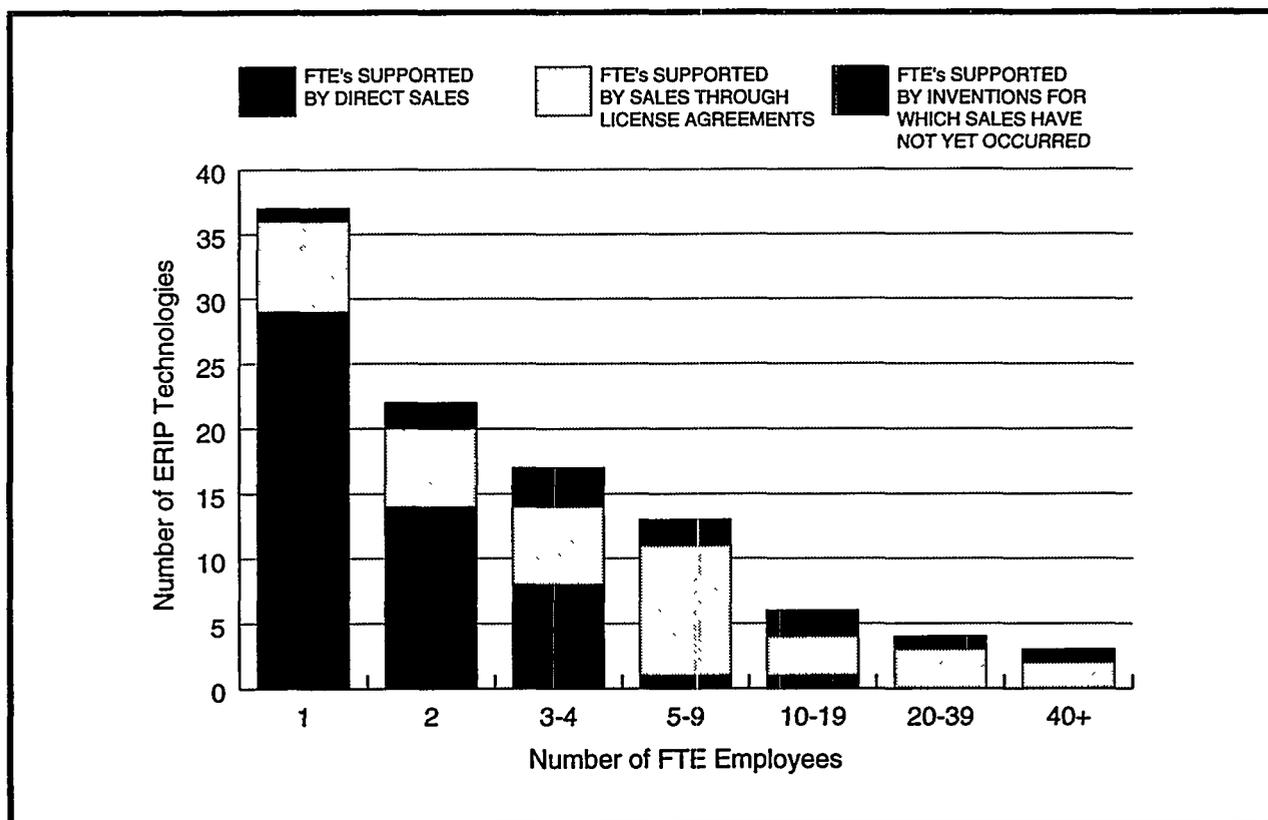


Fig. 5.1 Distribution of FTE's for 102 ERIP Technologies Supporting Jobs in 1992