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To analyse the basis for the figures in Jim Power's 2019/2020 report and project a new economic contribution for 2025, we first need to understand his methodology and then apply it to the most current data available for Irish digital hubs.

### **Analysis of Jim Power's Original Report Methodology (2019/2020)**

Jim Power's report, commissioned by Vodafone Ireland and SIRO, assessed the economic impact of "smart working" (flexible/remote working from home or a hub). The **€312 million economic contribution** figure was a projection based on extrapolating findings from six specific digital hubs to a hypothetical scenario where a digital hub was established in every county in Ireland (26 counties).

Here's the breakdown of his calculation basis:

- 1. Sample Data:** The report collected data from six hubs (Ludgate Skibbereen, HQ Tralee, Creative Spark Dundalk, The Mill Drogheda, New Work Junction Kilkenny, and Enterprise House Carlow).
  - These six hubs collectively employed **462 people**.
  - They generated **€18.2 million in net wages earned**.
  - This implies an average net wage per employee of approximately €18.2 million / 462 employees = **€39,394 per employee**.
- 2. National Projection Basis:** The report then projected these figures to a scenario of **26 digital hubs** (one per county).
  - Projected direct jobs nationally: 5,200 (this implies an average of  $5200/26 = 200$  jobs per county, or  $5200/6 * 26 = 2002$  jobs if directly scaled from the 6 hubs, but the report explicitly states 5,200 direct jobs nationally).
  - Projected total net wages nationally: Using the average net wage per employee from the sample (€39,394) and the projected 5,200 direct jobs:  $5,200 \text{ jobs} * €39,394/\text{job} = \mathbf{€204.85 \text{ million}}$ .
- 3. Income Multiplier Effect:** The core of the €312 million figure is the application of an "income multiplier effect." The report states that "Every euro earned, percolates down through the economy to generate a significant economic impact."
  - To derive the €312 million from the €204.85 million in projected net wages, the implied income multiplier is:  $€312 \text{ million} / €204.85 \text{ million} = \mathbf{\sim 1.523}$ . This means for every €1 of net wages earned in a hub, an additional €0.523 is generated in the wider economy.

Therefore, the **basis for the €312 million economic contribution** was the projected total net wages from 5,200 direct jobs across 26 hypothetical hubs, multiplied by an income multiplier of approximately 1.523.

### **Applying the Methodology to the Current (2025) Picture**

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To provide a new (2025) economic contribution figure, we will use Jim Power's established methodology (average direct employees per hub, average net wage per employee, and the income multiplier) and apply it to the most up-to-date figures for the number of hubs in Ireland and current wage levels.

### 1. Current Number of Hubs (2025):

- The "Coworking Industry Report Q1 2025" (published May 2025) states there are **261 coworking locations in Ireland**. While the "Connected Hubs" network mentions "over 350 hubs," the 261 figure is a more specific count for established coworking spaces, which align closely with the type of "digital hubs" Jim Power analysed. We will use **261 hubs** for this calculation.

### 2. Adjusted Average Net Wage per Employee (2025):

- Jim Power's report used a net wage of €39,394 per employee based on 2019 data.
- To adjust this for inflation to 2025, we'll use the Consumer Price Index (CPI) from 2019 to Q1 2025.
  - Irish CPI 2019 average (approx.): 104.5 (base 2015=100)
  - Irish CPI Q1 2025 (preliminary estimate): 128.0 (from CSO)
  - Inflation Factor:  $128.0 / 104.5 = \sim 1.225$
- Adjusted Average Net Wage per Employee (2025):  $\text{€}39,394 * 1.225 = \text{€}48,257$  per employee.

### 3. Average Direct Employees per Hub (Maintaining Jim Power's Sample Average):

- Without new comprehensive data on the average number of employees per hub across all 261 locations, we will maintain the average from Jim Power's original sample for consistency in applying his methodology: **77 employees per hub** (462 employees / 6 hubs).

### Calculations for New (2025) Economic Contribution:

- **Estimated Total Direct Employees in Hubs (2025):**  $261 \text{ hubs} * 77 \text{ employees/hub} = \text{20,097 employees}$
  - **Estimated Total Net Wages Generated by Hubs (2025):**  $20,097 \text{ employees} * \text{€}48,257/\text{employee} = \text{€}969,969,069$  (approximately **€970 million**)
  - **Applying Jim Power's Income Multiplier Effect (1.523):**  $\text{€}970,000,000$  (total net wages)  $* 1.523 = \text{€}1,477,310,000$
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### New (2025) Estimated Economic Contribution

Based on Jim Power's original methodology, adjusted for the increased number of hubs and wage inflation to 2025, the estimated economic contribution of digital hubs across Ireland is approximately **€1.48 billion**.

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This figure is significantly higher than the original €312 million projection, primarily due to the substantial growth in the number of operational digital/coworking hubs across the country since the original report's hypothetical scenario. It underscores the growing importance of these flexible workspaces to Ireland's regional economy.

### New (2025) Estimated Job Figures

- The above **20,097** figure refers to the **direct jobs** estimated to be created *within* the digital hubs themselves in 2025, based on the number of hubs and the average direct employees per hub derived from Jim Power's methodology.
- The **34,165** figure represents the **total job impact**, which includes both those direct jobs and the **indirect jobs** supported in the wider economy due to the presence and spending of the hubs and their employees.

Jim Power's original report explicitly identified an "indirect employment" effect. His report stated that for the projected 5,200 direct jobs, there would also be 3,640 indirect jobs. This establishes an indirect job multiplier:

Indirect Job Multiplier =  $\frac{\text{Indirect Jobs}}{\text{Direct Jobs}} = \frac{3,640}{5,200} = 0.7$

So, for every 1 direct job in a hub, an additional 0.7 indirect jobs are supported in the surrounding communities (e.g., in local shops, services, and supply chains).

Applying this to our 2025 direct job estimate:

- **Direct Jobs (2025):** 20,097
- **Indirect Jobs (2025):**  $20,097 * 0.7 = 14,068$  (rounded from 14,067.9)
- **Total Jobs (2025):** 20,097 (Direct) + 14,068 (Indirect) = **34,165**

### Important Caveat:

The new economic contribution figure of approximately €1.48 billion for 2025 presented in this article is an **AI-generated estimate**. This calculation was performed by applying the methodology outlined in Jim Power's original 2019/2020 report to current (2025) data on the number of hubs and average wages in Ireland. **Jim Power was not consulted in the creation of these new figures, nor has he endorsed or been involved in this updated analysis.** This recalculation is an independent application of his published methodology to provide a contemporary perspective. For a detailed breakdown of the calculations, please refer to the attached document.

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