

# STIMULATING REGIONAL ECONOMIC GROWTH

A Socio-Economic Analysis of Smart Working



A Report by Jim Power  
Commissioned By Vodafone Ireland

# FOREWORD

**Ireland's economic story has changed considerably in recent years. Between 2013 and 2018, we witnessed a 65% increase in our gross domestic product (GDP), our household expenditure (personal consumption) and our average weekly earnings are rising year-on-year and we now have an employment rate of 94.66%. These figures made us the fastest growing economy in the European Union four years in a row. However, Ireland is a country divided by two macroeconomic stories. The first, a country with a progressive and developed urban economy under pressure from an increasing population and the second, a rural community requiring investment, infrastructure and jobs to ensure its growth and survival into the future.**

A closer look at Ireland's economic performance post-recession highlights that since our economy began to show signs of recovery in 2013, there has been a deepening divide between our urban and rural economies.

The socio-economic pressures on urban centres, particularly in the Greater Dublin Area, and the businesses and communities based there are well known. Our cities are growing rapidly, commercial and residential rents are rising, childcare and transportation costs are increasing, and traffic congestion is at an all-time high.

This is having a significant effect on quality of life. People are looking for alternative ways of living and working, with more flexibility and look to technological solutions to help us work and live smarter.

Vodafone Ireland has commissioned this report to better understand the impact of this. Smart working - flexible or remote working from home or a digital hub - is having a positive effect on rural economic recovery and providing a real solution to the pressures on our cities. The research examines the economic and social value of smart working in six vibrant digital hubs in Carlow, Kilkenny, Skibbereen, Tralee, Dundalk and Drogheda.

The research and conversations with people operating from the digital hubs shows how businesses have set up locally at a lower cost and with far more ease than in a city. Talent retention and productivity levels are higher because people live nearby, have shorter commute times and want to stay in their local areas - they are home.

Diverse and exciting indigenous businesses have created high-value, quality jobs, locally injecting revenue back into rural towns and reducing the migration of people to urban centres. Overall, it is stimulating local economies and breathing life back into rural towns. In some cases, businesses have outgrown the hubs and gone on to employ more people locally. Nearby businesses have reaped the rewards of this renewed local economic activity.

Throughout the research, people spoke about how smart working has revived local communities and supported other local businesses, increased pupil numbers in rural schools and members in GAA and other sports clubs. This ecosystem of good created in towns and villages across Ireland is immeasurable.

At Vodafone Ireland, we want connectivity to enable new ways of working that advance our rural communities and towns and help solve economic and social challenges in a meaningful way. We hope the findings set out in this report will provide useful evidence to start a national conversation between industry, government and communities on how advancing smart working opportunities can revitalise the regions and ensure our cities are sustainable in the long-term.



*Regina Linn*



65% increase in our gross domestic product (GDP)



94.66% employment rate



fastest growing economy in the EU 4 years in a row



# INTRODUCTION

**In 2017, Vodafone and SIRO launched the Gigabit Hub Initiative. This initiative offers free 1 Gigabit broadband connectivity to digital hubs, community centres and co-working facilities around the country. The objective was to spark a digital enabled transformation across Irish towns, and in the process, support the creation of jobs, bringing life back to rural towns across Ireland.**

The purpose of this study is to assess the impact of smart working by assessing the socio-economic value of six digital hubs: Ludgate, Skibbereen; HQ Tralee; Creative Spark, Dundalk; The Mill, Drogheda; New Work Junction, Kilkenny and Enterprise House, Carlow.

The assessment helps paint a picture of how smart working – from home or a hub – can help rural communities thrive in a meaningful way and give people a better quality of life.

A quantitative analysis of job creation, talent migration, economic activity and outputs of the businesses that operate in the six digital hubs provides insight into the potential socio-economic benefits smart working practices could have, if replicated nationally in every county.

Additionally, the study included a qualitative assessment with hub managers/owners, business owners and remote workers who operate from the digital hubs to gain insights into the societal benefits of smart working such as: quality of life, cost of living and community engagement.

This study shows clearly that the creation of viable smart working opportunities in a hub, homeworking or a hybrid model in Ireland's regions could prove transformative for people, businesses and local communities. The findings, which attest to substantial income generation and improvements in people's quality of life, offer a viable basis for wider adoption of smart working in Ireland. It also provides proof of concept that smart working and digital hubs can act as a stimulus to addressing the urban and rural socio-economic challenges that exist in Ireland.

Free   
1 Gb

**This initiative offers free 1 Gigabit broadband connectivity to up to 15 digital hubs, community centres and co-working facilities around the country.**

# THE NATIONAL ECONOMIC STORY

**The Irish economy has experienced strong and sustained economic recovery since 2013. In 2018 alone, Ireland's gross domestic product (GDP) increased by 8.2% and household expenditure (personal consumption) increased 3.4% – according to the Dublin Economic Monitor, August 2019.**

However, there are justifiable concerns that the recovery has been concentrated in the Greater Dublin Area (GDA) and that rural and regional economies have not experienced the same level of recovery – particularly in terms of economic activity, employment opportunities and income levels.

In 2014, one year on from the beginning of Ireland's post-recession recovery, statistics highlight a significant gap already emerging in the economic activity between the GDA and the regions. Gross Value Added (GVA) (the value of final goods and services produced per person) in the Dublin region was 65% higher than the national average. By 2016, disposable income per capita in Dublin was 18.4% higher than the national average and 40.6% above the lowest, which was the Border region.

Consequently, the GDA region has seen a significant increase in demand on public and private services and the housing market as more and more people seek to live where employment opportunities and economic output are highest. In the GDA, rental prices and the cost of living dramatically increased between 2013 and 2018. According to the Mercer Cost of Living Report for 2019, Dublin ranks as the most expensive city in the Eurozone.

According to the Dublin Economic Monitor, August 2019, rents in Dublin City alone had increased to €1,650, while outside the GDA residential rents are reported as €850. In 2018, childcare costs in the GDA were reported at an average cost of €1,047, €300 above the national average.

In terms of the business environment, rising business costs in the GDA are prevalent with office rents rising higher than the national average and additional pressures such as high wage levels and recruitment and retention increasingly affecting competitiveness.

This pressure is also apparent on our roads as traffic congestion into urban centres has increased across the country. For example,



Vodafone Ireland's network data shows that more than 22,000 people commute from Kilkenny, Carlow and Wexford to the GDA everyday and 43,000 people commute into Cork City.<sup>1</sup>

It is clear from a number of different metrics that Ireland's economic performance is varied from a regional perspective. Ireland's regions are being seen as attractive, more affordable places to live but have lacked the high value jobs required by citizens to live and work in the area. In parallel, the greater Dublin area has seen exponential growth and the creation of high-value jobs at high wage levels, which has brought a large migration of workers and increasing pressure on the economy and society.

The challenge for industry bodies, business owners, policymakers and community representatives, is to invest in the right infrastructure to ensure there is equilibrium between both the small and large economies in Ireland and to support equal migration between urban and rural areas and the businesses in both.



**GVA per person in the Dublin region was 65% higher than the national average.**



**Dublin ranked as the most expensive city in the Eurozone.**

<sup>1</sup> The Vodafone network data, which was captured for network improvement purposes, was gathered anonymously, processed and deleted, so only aggregated metadata remains to show the volume of motorway users. This data is not stored in any additional locations or shared with any third parties. Note this is also based on CSO census data from 2011, 2016 with a trended yearly increase to bring it up to 2019.



**GDP increase between 2013 and 2018**

# IRELAND'S ECONOMIC RECOVERY MYTH OR REALITY?

## Post-recovery economic activity in the Regions and the Greater Dublin Area

**NATIONAL GVA 2008 - 2017** (measure of the value of the final goods and services produced in a region)

Source: CSO, County Incomes & Regional GDP, April 3rd 2019.

### PER REGION - GVA per Region at Basic Prices, 2008 to 2017

€ million

REGION	2008	2009	2010	2011	2012	2013	2014	2015 <sup>a</sup>	2016 <sup>a</sup>	2017 <sup>b</sup>
<b>Northern and Western</b>	<b>20,301</b>	<b>18,249</b>	<b>18,571</b>	<b>20,182</b>	<b>20,136</b>	<b>18,424</b>	<b>19,096</b>	<b>21,182</b>	<b>20,774</b>	<b>22,548</b>
Border	8,561	7,406	7,193	7,698	7,401	7,103	7,054	7,635	8,059	8,685
West	11,740	10,843	11,378	12,484	12,736	11,321	12,041	13,548	12,715	13,863
<b>Eastern &amp; Midland</b>	<b>94,553</b>	<b>87,142</b>	<b>85,784</b>	<b>84,376</b>	<b>86,839</b>	<b>93,076</b>	<b>103,634</b>	<b>118,637</b>	<b>129,708</b>	<b>140,922</b>
Dublin	68,587	63,122	64,694	64,540	66,834	72,591	81,439	89,995	98,521	109,610
Mid East	19,634	18,282	15,779	14,530	14,700	15,479	16,787	22,027	24,825	25,285
Midland	6,332	5,737	5,312	5,306	5,306	5,006	5,408	6,615	6,362	6,027
<i>Dublin plus Mid East</i>	<i>88,222</i>	<i>81,404</i>	<i>80,472</i>	<i>79,070</i>	<i>81,533</i>	<i>88,070</i>	<i>98,226</i>	<i>112,022</i>	<i>123,346</i>	<i>134,895</i>
<b>Southern</b>	<b>53,581</b>	<b>49,459</b>	<b>48,167</b>	<b>51,727</b>	<b>53,027</b>	<b>52,505</b>	<b>55,035</b>	<b>103,776</b>	<b>102,619</b>	<b>109,704</b>
Mid West	14,800	13,170	13,135	13,503	13,978	13,243	12,642	*	*	*
South East	11,298	9,273	8,824	8,960	9,143	11,100	10,776	12,752	15,039	14,348
South West	27,483	27,016	26,209	29,265	29,906	28,162	31,617	*	*	*
<b>State</b>	<b>168,436</b>	<b>154,850</b>	<b>152,522</b>	<b>156,285</b>	<b>160,002</b>	<b>164,006</b>	<b>177,764</b>	<b>243,595</b>	<b>253,101</b>	<b>273,174</b>

<sup>a</sup> Data for 2015, 2016 and 2017 suppressed for reasons of confidentiality

<sup>b</sup> Preliminary

### PER PERSON - Indices of GVA per person at Basic Prices, 2008 to 2017 (State = 100)

REGION	2008	2009	2010	2011	2012	2013	2014	2015 <sup>a</sup>	2016 <sup>a</sup>	2017 <sup>b</sup>
<b>Northern and Western</b>	<b>66.6</b>	<b>64.8</b>	<b>66.8</b>	<b>70.8</b>	<b>69</b>	<b>61.6</b>	<b>58.9</b>	<b>47.6</b>	<b>45</b>	<b>45.2</b>
Border	59.9	55.9	54.9	57.7	54.1	50.7	46.4	36.7	37.3	36.1
West	72.5	72.8	77.5	82.3	82	71.1	69.8	57.3	51.8	50.6
<b>Eastern &amp; Midland</b>	<b>116.8</b>	<b>117.2</b>	<b>117.1</b>	<b>112.1</b>	<b>112.7</b>	<b>117.9</b>	<b>121.1</b>	<b>101.1</b>	<b>106.4</b>	<b>107.1</b>
Dublin	145.1	146.3	153.1	148.8	150.5	159.5	165.1	133.2	140.3	147.4
Mid East	83.3	83.8	72.9	65.2	64.5	66.2	66.3	63.4	68.8	66.6
Midland	62.4	61	56.7	55.2	53.9	49.6	49.4	44.1	40.8	37.5
<i>Dublin plus Mid East</i>	<i>124.6</i>	<i>125.3</i>	<i>125.9</i>	<i>120.5</i>	<i>121.3</i>	<i>127.9</i>	<i>131.6</i>	<i>109.5</i>	<i>116</i>	<i>119.9</i>
<b>Southern</b>	<b>94</b>	<b>94.5</b>	<b>93.6</b>	<b>98.5</b>	<b>98.6</b>	<b>95.3</b>	<b>92.2</b>	<b>126.8</b>	<b>120.7</b>	<b>119.5</b>
Mid West	84.5	82	83.2	84.7	85.7	79.2	69.8	*	*	*
South East	75.7	67.4	65.1	64.3	64.1	75.9	68	58.7	66.6	59.1
South West	112	120	118.5	129.3	129.1	118.6	122.8	*	*	*
<b>State</b>	<b>100</b>	<b>100</b>	<b>100</b>							

<sup>a</sup> Data for 2015, 2016 and 2017 suppressed for reasons of confidentiality

<sup>b</sup> Preliminary

## GVA at Basic Prices, Population and Persons at work for each region 2017†

### 2017 – GVA, POPULATION AND EMPLOYMENT

REGION	GVA (€m)	Population (000)	Persons at work (000)	GVA %	Population %	Persons at work %
<b>Northern and Western</b>	<b>22,548</b>	<b>875</b>	<b>394</b>	<b>8.3</b>	<b>18.2</b>	<b>18</b>
Border	8,685	409	160	3.2	8.5	7.3
West	13,863	465	235	5.1	9.7	10.7
<b>Eastern &amp; Midland</b>	<b>140,922</b>	<b>2,308</b>	<b>1,089</b>	<b>51.6</b>	<b>48.2</b>	<b>49.6</b>
Dublin	109,610	1,330	696	40.1	27.7	31.7
Mid East	25,285	683	274	9.3	14.3	12.5
Midland	6,027	295	118	2.2	6.2	5.4
Dublin plus Mid East	134,895	2,013	970	49.4	42	44.2
<b>Southern</b>	<b>109,704</b>	<b>1,610</b>	<b>712</b>	<b>40.2</b>	<b>33.6</b>	<b>32.4</b>
Mid West	*	489	198	*	10.2	9
South East	14,348	427	173	5.3	8.9	7.9
South West	*	694	340	*	14.5	15.5
<b>State</b>	<b>273,174</b>	<b>4,793</b>	<b>2,194</b>	<b>100</b>	<b>100</b>	<b>100</b>

† Data for 2017 suppressed for reasons of confidentiality

\* Preliminary

## INCOME

Source: CSO, County Incomes & Regional GDP, April 3rd 2019.

### DISPOSABLE INCOME

Disposable income per capita in Dublin in 2016 was 18.4% higher than the national average and 40.6% above the lowest, which was the Border region.

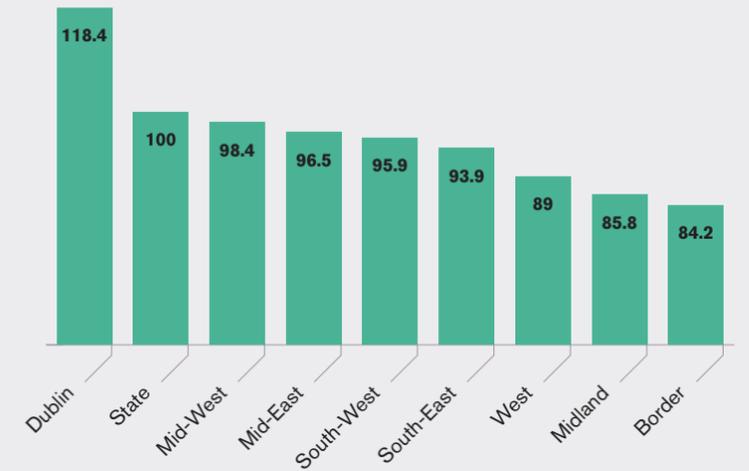


# 40.6%

Dublin income is 40.6% higher than the Border region

## DISPOSABLE INCOME PER PERSON BY REGION (2016)

Source: CSO, County Incomes & Regional GDP, April 3rd 2019.

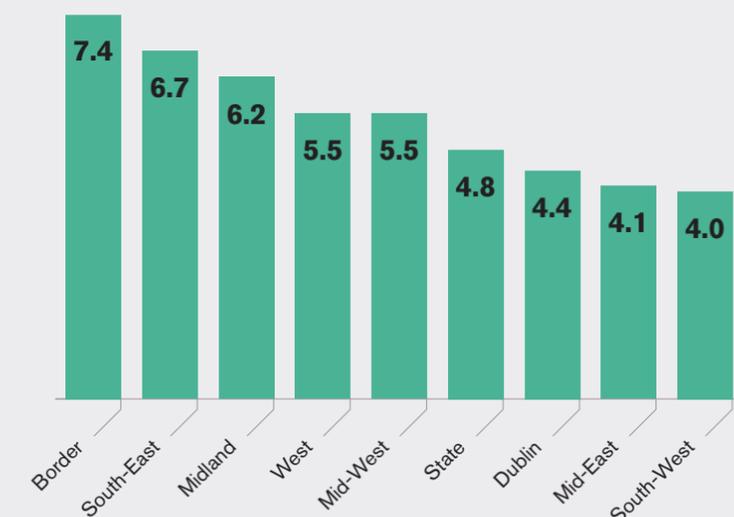


## THE LABOUR MARKET

Source: CSO, Labour Force Survey May 21st 2019

In the first quarter of 2019, the Border region had the highest rate of unemployment at 7.4% of the labour force, while the South West had the lowest rate at just 4%. The national average stood at 4.8%, so there is considerable variation across the regions.

### UNEMPLOYMENT RATE BY REGION (Q1 2019)



### EMPLOYMENT BETWEEN 2012 AND Q1 2019



# 29.7%

Dublin saw the strongest growth to their labour market experiencing an increase of 29.7%



# 14.2%

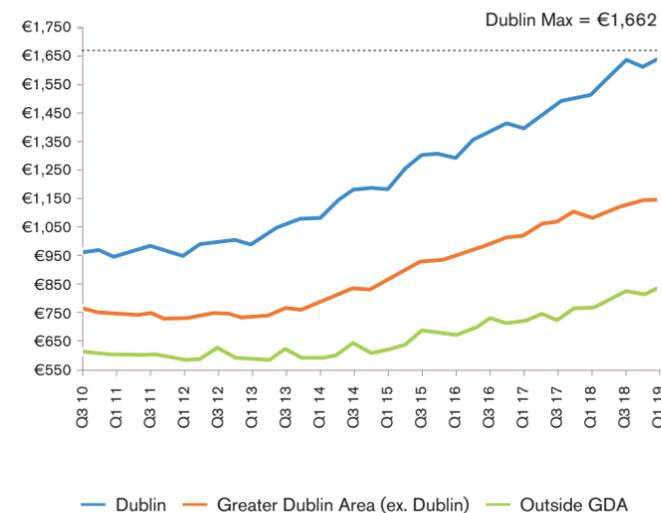
The Mid-West experienced the slowest growth at 14.2%

## GREATER DUBLIN AREA Socio-Economic Pressures

Source: Dublin Economic Monitor, August 2019

### RESIDENTIAL RENTS €

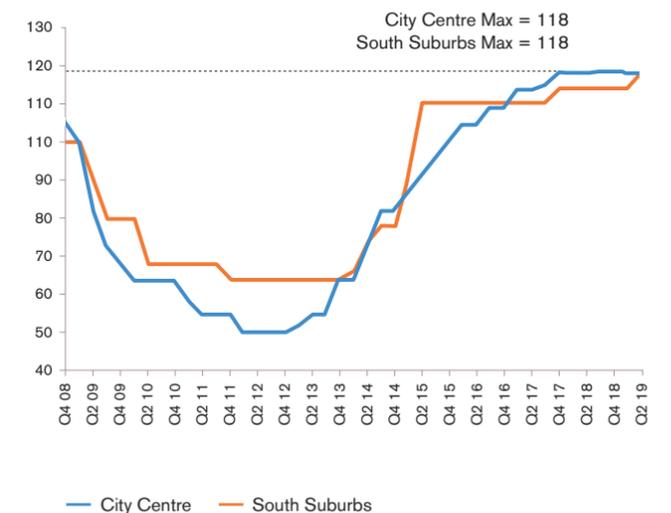
Source: RTB. Note. GDA (Ex. Dublin) is Kildare, Meath and Wicklow



### OFFICE RENTS €

Dublin Office Rents Index (2006 = 100)

Source: CBRE



# SMART WORKING AS A SOLUTION TO THE ECONOMIC DIVIDE



## CASE STUDY: FINLAND

Finland has been at the forefront of smart working for decades, formally incorporating this practice into national legislation in 1996. The Nordic nation embraces a culture of remote, flexible working, allowing employees to adjust their typical working hours by starting or finishing three hours earlier.

The widespread adoption of technology made it possible for employees to work remotely, allowing staff to enjoy the benefits of a greater work-life balance, shorter commutes and financial savings, while employers have access to a wider talent pool and greater levels of staff retention and productivity. These practices have benefited

Finland which was voted the third most prosperous country globally in the 2018 Legatum Prosperity Index.

The success of remote working and flexible practices seen in Finland is a blueprint for what rural Ireland has the potential to become. Co-working hubs and home working have the ability to rejuvenate regions by bringing high quality, high-value roles to the region, breathing new life into the local economy. The Vodafone – SIRO Gigabit Hubs Initiative is a positive step in rebuilding rural Ireland and reducing the divide between Ireland's urban and rural economies.



Finland, voted the third most prosperous country globally.



Smart working is the combined use of technology with flexibility and agility for employees to work from home, from a hub or using a hybrid model (part-home, part-office).



## 15 Enterprise Hubs

1 Gigabit per second broadband connectivity

The Vodafone – SIRO Gigabit Hubs Initiative is a positive step in rebuilding rural Ireland and reducing the divide between Ireland's urban and rural economies.



# NATIONAL ECONOMIC VALUE OF SMART WORKING

**Businesses, large and small can benefit from smart working. It is as much about being able to manage assets and resources more effectively, as it is about employee engagement. It enables companies to grow by attracting and retaining top talent, reducing overheads, increasing productivity and operational efficiencies, making a real difference to the bottom line. It also allows people to achieve a good quality of life and brings revenue into towns as people choose to work and live outside Dublin and other cities.**

Gigabit connectivity is fundamental to enabling smart working. It is playing a transformative role in businesses and the lives of many employees as it becomes available in more locations, not just our major urban centres. In creating opportunities for local business development – this connectivity can

support the migration of high-value businesses and jobs to any location in Ireland. It can act as an economic stimulus for regional towns and villages while relieving pressure on urban areas in the short-term.

Smart working also supports global challenges such as the environment, cost of living, health, lifestyle and diversity by allowing people a choice between where, how and when they work, reducing commuter numbers to larger centres and encouraging creativity and innovation in a collaborative work environment.

The experience in the six digital hubs analysed for this report clearly demonstrates the positive impact smart working is having on towns and their surrounding areas. The data analysed included the number of businesses that are supported in the hubs, the total annual gross and net wages

earned by those working in the hubs, the taxes they pay, plus the income generated and indirect employment supported in the local areas as a result of economic activity and spending.

This income multiplier effect seeks to capture how many times a given euro spent in an economy literally turns-over or otherwise results in other transactions. When an employee in a hub receives income, they spend some of that income in the broader economy, thereby supporting other income and other jobs in the town or region. Every euro earned, percolates down through the economy to generate a significant economic impact.



Through examining this data, we can see the potential significant economic, social and financial contribution of smart working.



**This connectivity can support the creation and migration of high-value businesses and jobs to any location.**

# NATIONAL IMPACT OF DIGITAL HUBS

The experience in the six digital Hubs analysed for this report clearly demonstrates the economic and financial impact that they are having in the towns where they are located. The benefits have been the creation of high-quality, high-paid and high-value added jobs and activities in rural towns. The benefits for those involved are very significant and very real and create a template for what is possible.

The research for this report clearly indicates that the demand for workspace in hubs is very strong and is growing. In the context of congestion in urban areas; environmental considerations; and the desire for improved quality of life, the potential for future increased economic contribution from hubs that provide high quality broadband connection is significant.

At a national level, the potential to make a very significant economic, social and financial contribution is very real.

**Note:** These calculations are based on the assumption of one new hub in every county; 200 employees per hub; and average salary of €50,000 per worker. The number of employees and the salary are based on the average growth potential of the hubs analysed for this report.

By applying an average of the findings from the economic data collected at each hub to the scenario where there is one hub in each of the 26 counties in the Republic of Ireland, the following could be achieved at a national level:



**1,040**

Number of Businesses



**5,200**

Direct Staff Employed



**€312M**

Economic Contribution (income multiplier effect)



**3,640**

Indirect Employment



**€260M**

Gross Wages Earned



**€208M**

Net Wages Earned



**€52M**

Employee Taxes Relating to Hub Staff



**8,840**

Total Employment Supported



**€1.56M**

Commercial Rates



# REGIONAL ECONOMIC IMPACT

Captured below is the combined and individual economic data collected from each of the six hubs involved in the report. All of the digital hubs are operating at or close to full capacity and all want to expand their physical space further to satisfy growing demand.

Total Direct & Indirect Economic Impact of the Six Digital Hubs analysed in Dundalk, Drogheda, Kilkenny, Carlow, Kerry and Cork



**176**

Number of Businesses



**€22.81M**

Employee Taxes Relating to Hub Staff



**€18.25M**

Net Wages Earned



**424** Full Time

**38** Part Time

Direct Staff Employed



**€27.36M**

Economic Contribution



**321**

Indirect Employment

# THE MILL ENTERPRISE HUB, DROGHEDA

- Opened in 2014 as a registered charity
- Reached full capacity within a year
- Double its size to 15,000 feet in 2016 with support from local agencies, businesses and government bodies

"The economic benefit of opening the hub 5 years ago has been instrumental in bringing jobs to Drogheda... they don't have to go to Dublin. They can scale and grow a business from the Drogheda region."

Breannán Casey, Innovation Manager, The Mill Drogheda

"It is amazing, the quality of life. The amount of time dedicated to spending at work, I can actually spend it working! I am not spending it in traffic... and that's priceless"

Colin Guilfoyle, MD Nebula Innovations, Drogheda

## Direct & Indirect Economic Impact of The Mill, Drogheda



**33**

Number of Businesses



**75** Full Time

**3** Part Time

Direct Staff Employed



**€3.12M**

Gross Wages Earned by Hub Staff



**€2.5M**

Net Wages Earned by Hub Staff



**€0.62M**

Employee Taxes Relating to Hub Staff



**€3.75M**

Local Economic Contribution (income multiplier effect)



**54**

Indirect Employment

# NEW WORK JUNCTION, KILKENNY

- Opened in 2015 and set up as a co-working centre
- Industries supported include IT, mining, energy, pharmaceutical, construction

“The biggest benefit for Irish companies is that the entire country becomes their talent pool. Hiring good people and keeping them is a lot easier when you move their desk to a hub five minutes from where they live.”

Tom O’Neill  
New Work Junction, Kilkenny

“Normally you would not have companies like ours in Kilkenny so this is bringing in a lot of jobs, a lot of tech jobs, jobs that require a skill set where, in the past, they might have had to go to Dublin.”

Zac Casstephens, Trademark Specialist,  
Trademark Now, Kilkenny

## Direct & Indirect Economic Impact of the New Work Junction, Kilkenny



Number of Businesses



Direct Staff Employed



Gross Wages Earned by Hub Staff



Net Wages Earned by Hub Staff



Employee Taxes Relating to Hub Staff



Local Economic Contribution (income multiplier effect)



Indirect Employment



Commercial Rates

# ENTERPRISE HOUSE, CARLOW

- Opened in 2005 as a social enterprise
- Set up as a co-working centre specifically for entrepreneurs
- Industries supported include childcare, finance, engineering, adult education and architecture

“The hub has an amazing impact on the local economy. Technology is great, all the facilities are great but it is about people doing business with people.”

Kieran Comerford Head of Enterprise,  
Carlow County Council

“The hub afforded us the opportunity to locate a business in my hometown, which I would not otherwise be able to do. The best thing is work life balance. My commute is now 10 minutes, if I was travelling to Dublin it could be 1 3/4 hours, so that headache is now gone.”

Philip Clarke MD,  
Forest Rock Technologies, Carlow

## Direct & Indirect Economic Impact of the Enterprise House, Carlow



Number of Businesses



Direct Staff Employed



Gross Wages Earned by Hub Staff



Net Wages Earned by Hub Staff



Employee Taxes Relating to Hub Staff



Local Economic Contribution



Indirect Employment



Commercial Rates

# HQ, TRALEE

- Opened in 2017 and set up as a co-working centre
- Industries supported include fintech, design and marketing, engineering, professional services, e-commerce
- Second premise opened in Listowel

“We can work from anywhere; we have a global workforce across Ireland and the US so it doesn't really matter where we work. This is fantastic. I have a young family, so I can meet them on Banna beach, which is one of the best beaches in the world. I love sea swimming so I can be out on Fenit in 10 minutes and that is something money can't buy!”

Richard Sharp, General Manager  
Horizon Controls

“The fact that we are based in the centre of town means that you have the community aspect, that quality of life. Everything is on your doorstep.”

Ken Tobin, Co-owner  
HQ Kerry

“Being able to work in technology in Kerry is actually amazing”

Jann le Roux, Head of Software Development & Technical Architect, XINTEC

## Direct & Indirect Economic Impact of HQ Tralee

 **41**  
Number of Businesses

 **141** Full Time  
**12** Part Time  
Direct Staff Employed

 **€8.46M**  
Gross Wages Earned by Hub Staff

 **€6.77M**  
Net Wages Earned by Hub Staff

 **€1.69M**  
Employee Taxes Relating to Hub Staff

 **€10.16M**  
Local Economic Contribution (income multiplier effect)

 **107**  
Indirect Employment

# CREATIVE SPARK, DUNDALK

- Opened in 2012 and set up as a co-working centre for creative businesses
- Supports 72 full-time employees with an additional 30 people using the print studio, and approximately 50 people hot-desking a year
- Industries supported include graphic design, media, professional services, marketing, architecture

“The energy and the vibe around the place, meeting other people, you get to learn so much more. You get to bounce ideas off everyone.... The hub brings business into the town, it brings people into the town, who otherwise may not be here, and it brings the community together.”

Rachel O'Halloran,  
Architectural Spaces, Dundalk

“Economically for Dundalk and its surrounding areas, it is perfect!”

Gavin McLaughlin,  
Dundalk Sport

## Direct & Indirect Economic Impact of Creative Spark

 **39**  
Number of Businesses

 **72**  
Direct Staff Employed

 **€3.24M**  
Gross Wages Earned by Hub Staff

 **€2.59M**  
Net Wages Earned by Hub Staff

 **€0.65M**  
Employee Taxes Relating to Hub Staff

 **€3.88M**  
Local Economic Contribution (income multiplier effect)

 **50**  
Indirect Employment

# LUDGATE HUB, SKIBBEREEN

- Opened in 2016 to facilitate up to 75 people in a creative co-working environment
- It also runs digital education courses for children and adults
- Industries supported include tech, bio-economy, aviation services, e-commerce, media production
- Plans for a second building to open in the next year

“The hub has facilitated the employment of more people in the town. We are now able to make our lives and employment in the town and we bring our families with us so there is more children in the schools”

Oliver Farrell, Chairman, Vilicom Skibbereen

“We employ young, local people, they’ve stayed in Skibbereen, they are bringing their skills, their salary and everything else. They stay in the local area; they don’t have to move to Dublin or Cork to get a good, quality career.”

Wendy Wilde, Xsellco Skibbereen

“It has a great impact on my work life balance as I don’t have a long commute each day.”

Cathy Limerick, Accounts executive, Six-West Skibbereen

## Direct & Indirect Economic Impact of Ludgate

 **21**  
Number of Businesses

 **54**  
Direct Staff Employed

 **€3.51M**  
Gross Wages Earned by Hub Staff

 **€2.81M**  
Net Wages Earned by Hub Staff

 **€0.71M**  
Employee Taxes Relating to Hub Staff

 **€4.21M**  
Local Economic Contribution (income multiplier effect)

 **38**  
Indirect Employment



# CONCLUSION

Ireland's economic recovery has been a story of innovation, growth, drive and ambition by industry, government and communities. The growth of digital hubs and smart working is making a significant contribution to the renaissance of regional towns and is helping to alleviate urban migration and slower regional economic recovery.

To create a successful town, it is necessary to create an environment where people want to work, live and socialise. To achieve this, communities, industry and policymakers must foster an environment of creativity and innovation where high value-added activities are generated and high quality skilled employment is sustained.

The evidence gathered in this report suggests that smart working is generating a number of economic and social benefits that help create that environment:

- **High-quality, highly skilled jobs in the regions**
- **Business creation, growth and expansion**
- **Increased economic activity, local spending and employment in rural towns**
- **Reduction in congestion and commute times**
- **Increased productivity**
- **Less pressure on housing in the cities**
- **Public and private support for entrepreneurs**
- **Employees from global companies basing themselves anywhere in Ireland**
- **Reduction in office costs for businesses**
- **Improved employee work/life balance, quality of life and well-being**
- **Higher talent retention rates**
- **Employment of younger graduates locally**
- **Increased innovation, creativity and knowledge sharing**

The reality is that having access to smart working opportunities means that businesses can now be based in any location, retain local skills, knowledge and talent, and compete on a level playing field with national and international organisations. This helps businesses and individuals in numerous ways, but it also helps alleviate the significant and dangerous problem of congestion in the larger cities in Ireland.

We have an opportunity to be future-focused and to be a world leader in stimulating and sustaining regional socio-economic success through the blueprint of smart working, digital hubs and promoting a culture of agility and innovation in an increasingly digitised, global economy.



