



CHOATE
ROSEMARY HALL

Executive Summary

FEBRUARY 2023



The Economic Impact of Choate Rosemary Hall

CHOATE ROSEMARY HALL (Choate) is a co-educational boarding and day school located in Wallingford, Connecticut. Established in 1890, Choate has a rich history of serving students in grades nine through postgraduate. In FY22,¹ Choate served 866 students.

Choate provides exceptional educational opportunities in a variety of formats, balancing tradition and innovation to equip students with the skills and knowledge to seize tomorrow's opportunities. Furthermore, Choate prides itself on keeping up with cutting edge teaching and learning practices. Beyond the quality education Choate provides to its students, the School is tightly interwoven with the Wallingford² economy. The School purchases from local suppliers, and non-local students and visitors bring dollars to the town to spend on room and board, dining out, shopping, and other activities. Furthermore, Choate encourages civic engagement, with both students and employees volunteering at local organizations.

While we recognize Choate has an undeniable influence on the life path of its students, this analysis will focus on the impact on Wallingford from the School and its students and visitors. This study measures the economic impacts created by Choate on the business community and the growth in tax revenues. The following two analyses are presented:

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 **Economic impact analysis**

 **Taxpayer benefits analysis**

All results reflect employee, student, visitor, volunteer, and financial data, provided by the School, for FY22. Impacts on the Wallingford economy are reported under the economic impact analysis and are measured in terms of added income. The growth in tax revenues is conducted at the state and local levels.

1 Fiscal Year 2022 encompasses July 1, 2021 to June 30, 2022.
2 For the purposes of this analysis, Wallingford is represented by the 06492 zip code in New Haven County.

Economic impact analysis



Choate promotes economic growth in Wallingford through its direct expenditures and the resulting expenditures of visitors, students, and town businesses. The School serves as an employer and buyer of goods and services for its day-to-day operations. The School's activities attract visitors and students from outside Wallingford, whose expenditures benefit town vendors. In addition, Choate encourages its students and employees to volunteer in the community, helping businesses and organizations grow.

Operations spending impact



Choate adds economic value to Wallingford as an employer of town residents and a large-scale buyer of goods and services. In FY22, the School employed 455 full-time and part-time faculty and staff, 58% of whom lived in Wallingford. Total payroll at Choate was \$35.9 million, much of which was spent in the town for groceries, entertainment, dining out, and other household expenses. In addition, the School spent \$12.4 million on day-to-day expenses related to facilities, supplies, and professional services (excluding room and board for boarding students).

Choate's day-to-day operations spending added \$39.8 million in income to the town during the analysis year. This figure represents the School's payroll, the multiplier effects generated by the local spending of the School and its employees, and a downward adjustment to account for day students from Wallingford who would have contributed to the local economy whether they attended Choate or not. The \$39.8 million in added income is equivalent to supporting 502 jobs in the town.

Impacts created by Choate in FY22



Operations spending impact

\$39.8 million

+



Visitor spending impact

\$2.0 million

+



Student spending impact

\$1.2 million

+



Volunteerism impact

\$0.6 million



Total economic impact

\$43.6 million

OR

Jobs supported

564



Choate continues to invest in facilities

The operations spending impact includes expenditures Choate spent on capital improvement in FY22. In addition, the School has invested more than \$90 million in one-time construction projects over the past five years. This includes \$27 million for the St. John Hall Student Center which opened in FY18, \$38 million for Colony Hall which opened in FY20, and \$25 million for Hill House which opened in FY21. While the impact from these large capital projects is excluded from the analysis, the short-run impacts they created on the local economy is still considered substantial and notable. In fact, for every dollar Choate spends on construction, \$1.30 in additional sales will occur in Wallingford.

Visitor spending impact



Tens of thousands of visitors from outside the town were attracted to Choate during the analysis year to attend graduation, go on admission tours, participate in opening days, and attend other events sponsored by the School. While in the town, visitors spent money for lodging, food, transportation, and other personal expenses. The off-campus expenditures of the School's out-of-town visitors generated a net impact of \$2 million in added income for the town economy in FY22. This \$2 million in added income is equivalent to supporting 37 jobs.

Student spending impact



Around 77% of students attending Choate are boarding students, and these students relocated to Wallingford to attend Choate. These students may not have come to the town if the School did not exist. While attending the School, boarding students spent money on room and board and other living and personal expenses. This spending generated \$1.2 million in added income for the town economy in FY22, which supported 13 jobs in Wallingford.

Volunteerism impact



Choate encourages its students and employees to volunteer in Wallingford, where they can work with businesses and organizations to help meet their goals. The work of these student and employee volunteers allows businesses and organizations to grow, increasing their output and impacting the economy at large. Using the value per volunteer hour for Connecticut,³ the work of Choate student and employee volunteers is equivalent to \$451.6 thousand in earnings. In terms of actual impact to the Wallingford economy, Choate student and employee volunteers generated an impact of \$560.1 thousand in added income for the town in FY22, equivalent to supporting 12 jobs.

³ Value per volunteer hour by state was provided by Independent Sector (see https://independentsector.org/resource/vovt_details/).



Total impact

Choate added \$43.6 million in income to the Wallingford economy during the analysis year, equal to the sum of the operations spending impact, the visitor spending impact, the student spending impact, and the volunteerism impact. For context, the \$43.6 million impact was equal to approximately 0.8% of the total gross regional product (GRP) of Wallingford. This contribution that the School provided on its own is twice as large as the entire Arts, Entertainment, & Recreation industry in the town.

Choate's total impact can also be expressed in terms of jobs supported. The \$43.6 million impact supported 564 town jobs, using the jobs-to-sales ratios specific to each industry in the town. This means that one out of every 56 jobs in Wallingford is supported by the activities of Choate and its students. In addition, the \$43.6 million, or 564 supported jobs, stemmed from different industry sectors. For instance, among non-educational services industry sectors, Choate's activities and spending of its visitors and students in the Accommodation & Food Services industry sector supported 46 jobs in FY22. If the School did not exist, these impacts would not have been generated in Wallingford.

Choate impacts by industry (jobs supported)



One out of every 56 jobs in Wallingford is supported by the activities of Choate and its students.



Taxpayer benefits analysis



Choate paid its employees \$35.9 million in payroll in FY22, increasing the labor income in the town. When Choate spends money on its non-pay expenses, the School grows the local economy. By spending money on local businesses, the School helps make the businesses more profitable, increasing the non-labor income. In addition, as out-of-town visitors and boarding students spend money on businesses in Wallingford, they also increase the business profits, or non-labor income in the town. Labor income and non-labor income, in turn, increase tax revenues since the local government can apply tax rates to spending, properties, and business profits.

Estimating the effect of Choate on increased tax revenues begins with looking at the School's impact on Wallingford. The spending of the School and its visitors and students increases the Gross Regional Product (GRP) by \$43.6 million. To the increase in GRP, we apply a rate of taxes on production and imports as a percentage of GRP to capture the tax revenues received by the local government from this additional GRP. Summing the local tax revenues from the spending of Choate and its visitors and students, the added tax revenues that occurred in the town in FY22 is \$1.2 million.

In this analysis, we also measure the tax revenues received by the state government. To do this, we expand the School's impact from the town to the state level. Using state tax rates, as well as the impact occurring in the state rather than the town, the tax revenues received by the state government came to \$2.2 million in FY22.

Summing the tax revenues from the spending of the School and its visitors and students, the added tax revenues that occurred in Wallingford in FY22 is equal to **\$1.2 million**.



Conclusion

The results of this study demonstrate that Choate creates value for Wallingford. The School benefits town businesses by increasing local consumer spending. The School also benefits local and state government through increased tax receipts.

About the study

Data and assumptions used in the study are based on several sources, including the FY22 academic and financial reports from Choate, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, and outputs of Lightcast's Multi-Regional Social Accounting Matrix model.

The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact. For a full description of the data and approach used in the study, please contact the School for a copy of the full report.

The results of this study demonstrate that Choate creates value for both the Wallingford economy and local and state government.



Lightcast provides colleges and universities with labor market data that help create better outcomes for students, businesses, and communities. Our data, which cover more than 99% of the U.S. workforce, are compiled from a wide variety of government sources, job postings, and online profiles and résumés. Hundreds of institutions use Lightcast to align programs with regional needs, drive enrollment, connect students with in-demand careers, track their alumni's employment outcomes, and demonstrate their institution's economic impact on their region. Visit lightcast.io/solutions/education to learn more or connect with us.

