

School District Economic Impact


What are the economic benefits of funding your school district?

Traditionally, the benefits of funding public education have been measured over the long-term. As students graduate from high school and enter the workforce or attend college, they contribute back to society and their communities through both civic engagement (e.g. voting and volunteering) and financial support (e.g. paying taxes to fund social security or donations to charitable organizations). Beyond public education's long-term benefits, there are more immediate economic impacts that school districts have on their communities. Until now, no one has measured them systematically.

ASBO New York has developed a tool that measures the economic impact of funding your school district. This analysis uses a multiplier calculated by economists that measures both the direct and spillover impact of school district spending in terms of employment, income and taxes generated. Local and regional numbers are presented in millions while statewide numbers are presented in billions. A list of key terms and model methodology can be found at the bottom of this page.

The Levittown school district spends \$207M in order to educate students in the district. This spending also contributes to local, regional, and statewide economic well-being. The following tables estimate that contribution.

Local Impact

	Direct	Spillover	Total
Employment (FTE)	1,000	1,000	2,000
Income	\$118.9M	\$58.5M	\$177.4M
Income Tax	\$7.2M	\$3.1M	\$10.3M
Sales Tax	\$2.8M	\$1.3M	\$4.1M

The Levittown school district directly employs about 1,000 people. The district's purchase of goods and services as well as employee personal spending is responsible for about 1,000 additional spillover jobs in the Long Island region. The school district is responsible for a total of about 2,000 jobs. These jobs generate \$177.4 million in income. \$118.9 million is directly connected to Levittown employees. Another \$58.5 million is generated by spillover spending that generate additional jobs. This income generates an estimated \$10.3 million in state income tax in total and \$4.1 million in sales tax.


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Regional Impact

	Direct	Spillover	Total
Employment (FTE)	73,000	56,000	129,000
Income	\$6,574M	\$3,437M	\$10,011M
Income Tax	\$392.9M	\$179.7M	\$572.6M
Sales Tax	\$153.5M	\$80.2M	\$233.7M

Schools in the Long Island region generate a total of 129,000 jobs. 73,000 are directly employed through the school districts and 56,000 others are employed by spillover effects of school spending. Schools produce \$10,011 million in income for the region. This generates \$572.6 million in income tax to New York State and \$233.7 million in sales tax to the state and counties in the region.

Statewide Impact

	Direct	Spillover	Total
Employment (FTE)	384,000	256,000	640,000
Income	\$32.4B	\$15.5B	\$48.0B
Income Tax	\$1.8B	\$0.7B	\$2.6B
Sales Tax	\$0.7B	\$0.3B	\$1.1B

In New York State 640,000 jobs are generated by school districts. An estimated 384,000 work directly for the school districts earning \$32.4B in income. The spending of the school districts and their employees produces an additional \$15.5B in income from an estimated 256,000 spillover jobs in New York State. The combined income produces \$2.6B in income tax and \$1.1B in sales tax.

Conclusion

This analysis shows the economic impact of public education goes far beyond the people directly employed by school districts. School district spending in 2019-20 resulted in an estimated 600,000 jobs around the state. There are 384,000 jobs directly funded by schools and another 251,000 jobs that result from spending of school districts and school employees. As voters go to the polls to decide on school budgets, they should consider both the long-term benefits of funding public education and the immediate economic impact of school district spending.