

CRISPUS ATTUCKS EARLY LEARNING CENTER
ECONOMIC IMPACT ANALYSIS

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Economic Impact Analysis: Crispus Attucks Early Learning Center

Executive Summary

Crispus Attucks Association is proposing the development of a new 38,236 square foot Early Learning Center as part of a campus of buildings providing community and educational services in the southeast neighborhood of York, Pennsylvania. Crispus Attucks has operated an early learning center providing day care and early childhood education since 1931 within the existing Crispus Attucks Community Center. The new Early Learning Center (ELC) will allow CA to expand enrollment and seek national accreditation through National Association for the Education of Young Children (NAEYC). The current facility does not permit such accreditation due to its age and physical limitations. Once the current early learning center operation relocates to the new facility, the existing facility will be renovated to provide space for other educational and social programs.

The development of the Crispus Attucks Early Learning Center will have a significant positive impact on the southeast Neighborhood, the City of York and the surrounding region. It will generate direct and indirect economic impacts totaling \$1,734,474 annually, and create a total of 36 jobs. The project will also bring expanded and accredited day care and educational services to families and employees in the southeast neighborhood of York, PA. Additional benefits include the elimination of longstanding blight in the neighborhood, the rehabilitation of a significant portion of the Crispus Attucks Community Center and the expansion of other social and educational programs within the community.

early learning center, but also from the incremental expansion of other educational and social service programs into the existing space. A review of the RIMS II multipliers provided by the U.S. Bureau of Economic Analysis indicates that the multipliers for all of the uses contemplated for the existing facility are nominally higher than the multiplier for “Child day care services” (Industry I/O code 77.0700). It is also likely that the economic activity and employment generated by those uses will be similar to that of the current ELC. Therefore, utilizing the projected operating budget and employment projections for the new ELC and the RIMS II multipliers for “Child day care services” will provide a conservative estimate of the total economic impact of both the new early learning center and the additional social and educational programs that will expand in the old facility.

This economic impact analysis utilizes input/output multipliers for the York-Lancaster-Harrisburg PA region developed by the Bureau of Economic Analysis (BEA) and published through the BEA’s RIMS II software. This analysis uses economic input-output analysis methods and other regional economic analysis techniques as appropriate.

All data and multipliers used in this analysis are shown in the attached spreadsheet. Further information about the multipliers and their use may be obtained from the BEA website, www.bea.gov.

Specific Requirements and Limitations

In accordance with the Redevelopment Assistance Capital Program guidelines this analysis will specifically address the following:

- * Number of direct (permanent, non-construction) jobs created by the project.
- * Number of indirect (permanent) jobs created by support/supplier industries and secondary industries attracted by the project.
- * Average wage for direct and indirect jobs.
- * Economic circumstances of the host municipality's and county's population.
- * Project's potential to enhance regional vitality.
- * Annual spending generated by the project during normal operations. Exclude construction spending.
- * Annual spending that would be generated by support/supplier industries and secondary businesses attracted by the project.
- * Total state and local tax generation (payroll, sales, real estate, etc.)
- * Benefit to regional population that, either directly or indirectly, from the project as a result of its day-to-day operations.
- * Blighted Area And/Or Facility elimination and/or reuse.

In accordance with the guidelines, this analysis will not address the construction impact of the project with respect to either economic activity or job creation.

Findings

This economic impact analysis generated the following findings:

1. Number of direct (permanent, non-construction) jobs created by the project.

This project will provide 28 direct jobs according to the proposed operating budget and staffing plan.

2. Number of indirect (permanent) jobs created by support/supplier industries and secondary industries attracted by the project.

This project will generate an additional 8 indirect jobs.

3. Average wage for direct and indirect jobs.

The average wage for the direct and indirect jobs created is \$26,087 annually.

4. Economic circumstances of the host municipality's and county's population.

The project is situated in one of the most distressed areas of York City, but one which has seen significant reinvestment over the past decade, primarily through Crispus Attucks and its community partners. While county incomes and economic conditions are similar and in some cases better than national averages, household and per capita incomes for the city stand at just 62% of national averages. Incomes within the target area are among the lowest in the city. The following table summarizes city and county economic conditions.

Economic Characteristics	York City		York County		U.S.
	Number	Percent	Number	Percent	
In labor force (population 16 years and over)	19,641	64.6	203,496	68.2	63.90%
Mean travel time to work in minutes (workers 16 years and over)	19.2	(X)	23.9	(X)	25.5
Median household income in 1999 (dollars)	26,475	(X)	45,268	(X)	41,994
Median family income in 1999 (dollars)	30,762	(X)	52,278	(X)	50,046
Per capita income in 1999 (dollars)	13,439	(X)	21,086	(X)	21,587
Families below poverty level	1,872	20	4,819	4.6	9.20%
Individuals below poverty level	9,650	23.8	25,269	6.7	12.40%

Source: U.S. Census Bureau, American Factfinder.

5. Project's potential to enhance regional vitality.

The Crispus Attucks Early Learning Center has the potential to enhance local and regional vitality in both the short run and long run. Aside from direct and indirect economic impacts totaling \$1,734,474 annually, and the creation of 36 jobs, the provision of high quality, accredited daycare in the southeast neighborhood provides a much needed support service to low and moderate income households within the immediate area. Employers in the immediate area will also benefit from the provision and expansion of this service.

The impact of accreditation is difficult to quantify, but will likely provide significant long-term benefits for the children enrolled in the program. Children enrolled in such high quality programs generally tend to perform better in school, leading to better educational and employment prospects as they reach adulthood.

***6. Annual spending generated by the project during normal operations.
Exclude construction spending.***

The annual direct spending according to the proposed operating budget is \$915,000.

7. Annual spending that would be generated by support/supplier industries and secondary businesses attracted by the project.

The annual indirect spending attributable to this project is \$819,474.

8. Total state and local tax generation (payroll, sales, real estate, etc.)

The annual total estimated tax generation from all sources is \$71,057. This is made up of \$45,040 in payroll taxes and \$26,017 in sales tax. The project is expected to be tax exempt and therefore no real estate tax is projected. No PILOT payments are projected since Crispus Attucks already pays significant taxes on the residential and commercial properties in its portfolio. As a non-profit, the savings on real estate taxes translate directly to reduced enrollment rates for children in this low income neighborhood.

9. Benefit to regional population that, either directly or indirectly, from the project as a result of its day-to-day operations.

Aside from direct and indirect economic impacts totaling \$1,734,474 annually, and the creation of 36 jobs, the provision of high quality, accredited daycare in the southeast neighborhood provides a much needed support service to low and moderate income households within the immediate area. Employers in the immediate area will also benefit from the provision and expansion of this service.

10. Blighted Area and/or Facility elimination and/or reuse.

The new facility will be constructed on a long-blighted site adjacent to the Crispus Attucks Community Center, and within a campus of educational, service and commercial building in the heart of the southeast neighborhood of York. This project follows nearly \$50 million in commercial and residential redevelopment and public improvements within the immediate area over the past 20 years.

While the simplifying assumptions for this study focused primarily on the development of the new Early Learning Center, the project will also lead to the rehabilitation and reuse of a significant portion of the Crispus Attucks community Center for other community purposes.

Conclusions

The development of the Crispus Attucks Early Learning Center will have a significant positive impact on the southeast Neighborhood, the City of York and the surrounding region. It will generate direct and indirect economic impacts totaling \$1,734,474 annually, and create a total of 36 jobs. The project will also bring expanded and accredited day care and educational services to families and employees in the southeast neighborhood of York, PA. Additional benefits include the elimination of longstanding blight in the neighborhood, the rehabilitation of a significant portion of the Crispus Attucks Community Center and the expansion of other social and educational programs within the community.

Assumptions, Multipliers and Calculations

		Project Totals	Notes
Revenues		\$ 915,000	Client estimate
Payroll		\$ 563,000	Client estimate
Employees		28	Client estimate
Total Dev Cost		\$ 9,747,181	Client Estimate
Multipliers			
Final Demand output \$	1.8956	\$ 1,734,474	
Final Demand Earnings	0.5597	\$ 315,111	Direct Effect figure is more
Final Demand Employment (jobs)	34.6721	31.72	appropriate
Direct Effect Earnings	1.6738	\$ 942,349	
Direct Effect Jobs	1.2901	36.12	
Average Wage		\$ 26,087	
Expenditures Subject to sales tax (%)		25%	Estimate based on FEDFIT
Estimated Annual Sales Tax		\$ 26,017	
Estimated Annual Real Estate Tax		0	(exempt)
Payroll Taxes		\$ 45,040	Client estimate
Total Estimated Taxes		\$ 71,057	

Multipliers obtained from BEA RIMS II software. See discussion of methodology in report body.