



SOCRATES ACADEMY

Economic Impact Report

2023

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Executive summary

This study assesses the potential economic impact of Socrates Academy's proposed high school building and athletic field ("the Project") and the impact of the Academy's ongoing operations.

It estimates that the Project would lead to:

- a \$44M increase in the region's GDP;
- an increase of nearly \$15M in household earnings;
- adding 285 new construction-related jobs; and
- a change of 573 jobs across all industries in the region.

It estimates that the Academy's operations after construction would lead to an annual impact of:

- a \$7.8M increase in regional GDP; and
- an almost \$3M increase in local household earnings.

\$44M

increase in the
region's GDP

573

new jobs across
all industries in
the region
during
construction



Introduction

Socrates has developed an ambitious, forward-thinking three-year plan to enhance existing educational services and take the Academy to the next level, through the construction of a new state-of-the-art high school. The benefits of the new high school for students and families are self-evident. But the entire community will benefit from Socrates' growth. The new facility's construction and ongoing operation will significantly impact the local economy. To quantify the economic activity that the Project would catalyze, this report uses the multiplier effect.

In its simplest form, the **multiplier effect** is how many times money spent is circulated in a community's economy



Initial project investment



Workers receive more income



Suppliers receive more orders



Shops see increases in demand



Demand for transport and utilities increases



Suppliers employ more workers

Methodology

Calculating the multiplier effect estimates the impact of funds as they circulate through the regional economy. It quantifies the cumulative ripple effects of economic activity – the number of times dollars from the Project are partially recycled and turnover in the local economy – generating indirect economic benefits.

This study uses the Regional Input–Output Modeling System (RIMS II).

RIMS II is an economic model that the US Department of Commerce’s Bureau of Economic Analysis (BEA) developed and maintains. It is frequently employed to assess how projects will ripple throughout county, state, or regional economies. This study uses the most recent available BEA RIMS II data on regional input-output economic accounts for the Charlotte-Concord-Gastonia, NC-SC Metropolitan Statistical Area Type II.

IMPACT TYPE	DEFINITION	EXAMPLE
Direct	Impacts generated by Socrates' spending	Jobs created
Indirect	The increase in demand for goods and services in industry sectors that supply Socrates	Increased demand for construction supplies
Induced	Impact created as a result of household spending by Socrates' employees and supplier employees	Jobs generated in the local economy

Project impact

\$44M

The economic activity surrounding the Project would lead to an estimated \$44M increase in the region's GDP.

\$15M

The economic activity surrounding the Project would lead to an increase of almost \$15M in local household earnings.

285

The Project's impact is projected to add 285 new construction-related jobs locally.



573

The Project's ripple effect would add an estimated change of 573 jobs across all industries in the region.

\$37M

The Project's ripple effect would add an estimated change of \$37M in household earnings across all industries in the region.

Operating impact

After the Project is completed, the Academy's day-to-day operations will continue to have a significant impact on the regional economy. This section outlines the Academy's post-Project construction, ongoing annual economic impact.

\$7.8M

The annual economic activity fueled by employees' disposable income is estimated to lead to an increase in regional GDP of \$7.8M.

\$3M

The economic activity will lead to an increase in local household earnings of almost \$3M each year.



487

The Project's ripple effect would add an estimated change of 487 jobs across all industries in the region.

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