



**AN ECONOMIC IMPACT ANALYSIS  
OF GREATER GALLATIN UNITED WAY  
KIDSLINK AFTERSCHOOL PROGRAM**

**2019**



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## **General Project Description**

This analysis seeks to measure the economic and social impacts of Greater Gallatin United Way's highly successful kidsLINK Afterschool Program including the program's operations, financial contributions to kidsLINK Afterschool Program partners, and impact on youth, working parents, businesses and the overall community. The study reviewed Greater Gallatin United Way's 2018-19 annual operating budget and the service elements of kidsLINK Afterschool Program.

The mission of the Greater Gallatin United Way is to improve lives by mobilizing the caring power of our communities. To accomplish this mission, Greater Gallatin United Way forges innovative partnerships, finds new solutions to old problems, cultivates the best resources, and inspires individuals to join the fight against the most daunting challenges in Gallatin, Madison, Meagher and Park Counties.

Greater Gallatin United Way 2018-2023 Strategic Plan guides their work to achieve their mission by providing inspirational leadership to mobilize people and resources to achieve long-term positive results in four community impact areas, which include: Basic Needs, Behavioral Health & Mental Well-Being, Child & Youth Success, and Senior Stability. Greater Gallatin United Way envisions communities where all individuals and families achieve their full potential through education, financial stability, and healthy living.

Greater Gallatin United Way employs a variety of strategies to achieve established community outcomes and goals for each impact area with the basis of understanding that no one organization alone in isolation can solve complex community problems. The only way to create real, lasting change is by innovating the way people, organizations, and systems work together.

This report focuses on the economic and social impact of Greater Gallatin United Way kidsLINK Afterschool Program. kidsLINK Afterschool was established in 1997 in Three Forks, Montana, to provide a solution to keep children safe while parents finished their work days. For over 20 years, kidsLINK has delivered real impact in education, financial stability and healthy living.

Today, kidsLINK is more than a safe place; it is an accessible and enriching program where children learn and build relationships. The program's success is the result of partnerships with schools and school districts, as well as MSU, Gallatin Farm To School, the Montana Raptor Center and other local organizations.

kidsLINK Afterschool operates at 32 school-based locations across four counties and enrolls over 2,600 children, serving more than 1,300 daily. This analysis of GGUW kidsLINK

Afterschool revealed the program has more than 198,000 service-days annually and supports 4,784 parents. Businesses benefit from 397,497 hours of worktime gained - worth \$9.8 million in extra income for working parents.

GGUW invests \$1.3 million into the program, which generates \$54 million to our local economy with 5,825 jobs retained. GGUW provides scholarships for more than 330 students in the 13 programs operating in Belgrade and Bozeman and helps fund 19 rural programs.

kidsLINK Afterschool Programs follow six tenets to provide quality programming:

1. Support student's academic success and interest for learning through homework, tutoring, and reading support;
2. Spark students' passion through a variety of engaging enrichment activities (STEM, art, music, cooking, world languages/cultures);
3. Provide daily snack and nutrition education;
4. Provide daily physical activity and instill the value of life-long fitness;
5. Fosters mental and emotional well-being through a skilled and well-trained compassionate staff who mentor and promote positive relationships; and
6. Build supportive and engaged relationships with families.

The overall goal of GGUW kidsLINK Afterschool is to ensure no child has to be home alone after school.

This study is primarily supported by a \$4,500 grant from NorthWestern Energy.

## **Definitions and Methods**

The Project's analysis reports on the following six categories:

1. **Gross Economic Output:** The aggregated market value of goods and services produced by businesses and government enterprises in the economy. It is essentially equal to the revenue collected by businesses (including indirect taxes) within the County or impact area.
2. **Gross County Product:** The total of value added created by the production of goods and services in the economy. It represents the sum of labor compensation, capital type income and indirect business taxes. Gross County Product is best described as new money added as a result of the combined activities of this project.
3. **Total Labor Income:** The compensation to employees and self-employed proprietors including both wages and indirect payments such as retirement benefits, health insurance and other similar fringe benefits.
4. **Total Employment:** The number of jobs generated within the impact area including full-time and part-time positions, salaried workers and sole proprietors.
5. **Capital Income:** The sum of income such as business profits, interest and rental income. Capital Income is best described as non-labor benefits.
6. **Indirect Business Tax:** Taxes and fees not based in the businesses' income. It may represent sales taxes (if any) levied by the state and county and property taxes levied against businesses as well as federal, state and local fees.

## Background and Methodology:

The analysis seeks to measure the economic impact of Greater Gallatin United Way including its operations, financial contributions to other organizations and its highly successful kidsLINK Afterschool Program.

Greater Gallatin United Way (GGUW) has a relatively small budget of \$1.8 million but its far reaching programs and targeted investments in sister activities, magnify benefits across thousands of local families. A challenge for this analysis was to monetize the social impacts of kidsLINK Afterschool Program. GGUW staff reviewed materials and compiled data to better understand how many children/parents benefit from kidsLINK Afterschool Program services and how the benefits filtered into the workforce and local employers.

GGUW has several programs that serve Gallatin, Park, Meagher and Sweetgrass Counties. A review of GGUW kidsLINK Afterschool shows the program has more than 198,000 service-days and annually 4,784 working parents and 2,658 children.

The following table summarizes the results of the internal study and the data points that were used in this analysis:

397,497 hours	Number of hours of workforce time gained when kidsLINK enables parent to work full 8 hours daily instead of 6 hours part time.
\$9,814,207	Value of extra income/workforce time when parents are free to work 8 hours instead of 6.
149,061 events	Estimated number of times the kidsLINK program eliminated the parental need to arrange child care or check on their children's welfare.
37,263 hours saved	Estimated workforce hours saved by eliminating the parental need to arrange child care or check on their children's welfare (estimate 15 min/day).
\$920,082	Value of workforce hours kidsLINK saved employers at \$24.69/hr.
\$5,962,458	Value of kidsLINK and GGUW programs in the community, assuming total benefit of \$30 per child day
\$493,369	Value of kidsLINK scholarships provide for children in Belgrade and Bozeman
\$9,742,500	Value to youth for kidsLINK STEM (science, technology, engineering and math) programs that are balanced with arts, social and emotional learning, career awareness and leadership skill training.

\$496,872	Value of 198,749 children snacks provided annually.
\$3,974,972	Value of 397,497 hours/year of youth mentoring at \$10 hour
\$745,307	Health value of 149,061 hours of physical activity that youth enrollees experience through kidsLINK program at \$5/hr.
\$308,625	Value of MSU students and pre-service teachers providing volunteer mentorship and teaching.
\$1,500,000	Value of 1,000 literacy kits, assumes early read and literacy skills add \$1,500 of economic benefit over a child's lifetime.
\$491,000	Value of 491 attendees to Resilience Workshops to promote trauma-responsive programs and prevent staff burnout, at \$1000 per enrollee.
\$322,299	Program value leveraged by GGUW investment in sister programs, as reported by the receiving entities.

The economic impact analysis that follows represents a community-wide view of economic impacts and is more comprehensive than measuring direct expenditures and employment. For example, the analysis measures the economic “footprint” as dollars multiply inside and outside of the market area and includes both direct and indirect impacts. Once the gross economic output is computed the analysis then seeks to quantify the economic benefits to the local project area.

## **About the Northern Rocky Mountain Economic Development District**

The Northern Rocky Mountain Economic Development District has prepared economic impact reports for state agencies, cities, counties, economic development districts and private corporations. Each report is based on datasets that are specific to the project's location and unique industry sectors. Rob Gilmore, the report's author has more than 15 years' experience analyzing projects and is recognized for his work in creating solutions that monetize social impacts. Rob is the recipient of the Ford Foundation's Award for Innovations in American Government and the Council of State Government's Award for Innovation.



## **Summary of Economic Impacts**

The Economic Impact Report that follows shows that the total economic impact of the Greater Gallatin United Way exceeds \$54 million when valuing its operations, its investment in other programs and the resulting social impacts. The study shows that each dollar invested in the GGUW program returns \$29.57 and that a local job is supported for every \$314 of GGUW expenditures.

Of the total \$54 million in economic benefits, the majority, or \$29.4 million, are retained in the local market. The activities of the GGUW support over 5,800 local jobs including 4,784 working parents directly served by kidsLINK programming.

Capital income, or nonpayroll-related benefits total \$8.7 million. GGUW operations, its investments and the social value of its programs create an estimated \$2.4 million in indirect tax benefits.

The attached Economic Impact Report details the direct and indirect economic impacts. The study categories are described in the “Definitions and Methods” section.

Benefit summary:

- \$54.0 million in Gross Economic Output
- \$29.4 million in Gross County Product.
- \$18.2 million in Total Labor Income
- 5,825 total jobs (full and part-time).
- \$8.7 million in Capital Income.
- \$2.4 million in Indirect Business Taxes and Fees.

## How To Read This Analysis

The report has several headings, including direct impact, indirect and induced impact and total impact. Definitions for these headings are posted in Wikipedia at <http://en.wikipedia.org/wiki/MIG, Inc.> A summary of the website follows:

The Multiplier Model is derived mathematically using the input-output model and Social Accounting formats. The Social Accounting System provides the framework for the predictive Multiplier Model used in economic impact studies. Purchases for final use drive the model. Industries that produce goods and services for consumer consumption must purchase products, raw materials, and services from other companies to create their product. These vendors must also procure goods and services. This cycle continues until all the money is leaked from the region's economy.

There are three types of effects measured with a multiplier: the direct, the indirect, and the induced effects. The direct effect is the known or predicted change in the local economy that is to be studied. The indirect effect is the business to business transactions required to satisfy the direct effect. Finally, the induced effect is derived from local spending on goods and services by people working to satisfy the direct and indirect effects.

1. **Direct effects** take place only in the industry immediately affected: if DEMCO (example name for this hypothetical company) adds 39 employees, the manufacturing industry gains 39 employees.
2. **Indirect effects** concern inter-industry transactions: because DEMCO is expanding, they have an increased demand for locally produced materials needed to produce their product. This will affect all of their suppliers, possibly resulting in a few more jobs. Supplier employment gain would be the Indirect effects.
3. **Induced effects** measure the effects of the changes in household income: employees hired by DEMCO and suppliers may add expenditures in restaurants and shops. These changes affect the related industries.<sup>[1]</sup>
4. **Impacts** the total changes to the original economy as the result of a defined event. i.e. Direct effects + Indirect effects + Induced effects = Impacts
5. **Frequency** (not included in the Wikipedia definition) identifies whether the event provides a one-time benefit or if the benefit is annually reoccurring. Events are reported in this analysis as either 'one-time' or 'on-going'.

# Economic Impact Analysis –Greater Gallatin United Way 2018

## Gross Economic Output

*Represents the total economic impacts including direct and indirect benefits.*

The aggregated market value of goods and services produced by firms and government enterprises in the County's economy. It is essentially equal to the revenue collected by businesses (including indirect taxes) within the County.

Target Industry	Frequency	Direct Impact	Indirect/and Induced	Total Impact
GREATER GALLATIN UNITED WAY ANNUAL OPERATIONS AND GRANTS PROGRAMS				
GGUW Operations	On Going	\$1,826,494	\$1,365,387	\$3,191,881
Value of Programs that receive GGUW funding	On Going	\$322,299	\$240,933	\$563,232
SOCIAL BENEFITS – GREATER GALLATIN UNITED WAY KIDS LINK (KL) PROGRAMS				Social Impacts converted to economic benefits
Value KL STEM programming	One Time	\$9,742,500	\$5,795,041	\$15,537,541
Value KL Slots of Service	On Going	\$5,962,458	\$2,741,409	\$8,703,867
Value KL Scholarships	On Going	\$493,369	\$226,840	\$720,209
Value of KL Literacy Programs	One Time	\$1,500,000	\$763,936	\$2,263,936
Value of KL Adverse Childhood Experience Programs	On Going	\$491,000	\$367,045	\$858,045
Value of KL, MSU Pre-Service Teacher Services	On Going	\$308,625	\$157,180	\$465,805
Value of KL Snack Programs	On Going	\$496,872	\$243,048	\$739,920
Value KL Sustaining Parents Employment Services	On Going	\$920,082	\$266,540	\$1,186,622
Value of KL Programs to the local workforce	On Going	\$9,814,207	\$2,843,089	\$12,657,296
Value of KL Mentoring Programs	On Going	\$3,974,972	\$2,024,415	\$5,999,387
Value of KL Youth Activities Program	On Going	\$745,307	\$379,578	\$1,124,885
<b>Totals:</b>		\$36,598,185	\$17,414,440	\$54,012,625

## Gross County Product

*Shows what amount of the total economic impact is retained in the local area.*

The total value added created by the production of goods and services in the local economy. It is analogous to the concept of Gross Domestic Product at the national level. It represents the sum of labor compensation, capital type income (profits, interests and rents), and indirect business taxes (which are mainly sales taxes, but also include property taxes and government mandated fees).

Target Industry	Frequency	Direct Impact	Total Impact
GREATER GALLATIN UNITED WAY ANNUAL OPERATIONS AND GRANTS PROGRAMS			
GGUW Operations	On Going	\$1,826,494	\$1,823,185
Value of Programs that receive GGUW funding	On Going	\$322,299	\$321,715
SOCIAL BENEFITS – GREATER GALLATIN UNITED WAY KIDS LINK (KL) PROGRAMS			Social Impacts converted to economic benefits
Value KL STEM programming	One Time	\$9,742,500	\$7,351,030
Value KL Slots of Service	On Going	\$5,962,458	\$5,058,973
Value KL Scholarships	On Going	\$493,369	\$418,609
Value of KL Literacy Programs	One Time	\$1,500,000	\$1,066,060
Value of KL Adverse Childhood Experience Programs	On Going	\$491,000	\$490,110
Value of KL, MSU Pre-Service Teacher Services	On Going	\$308,625	\$219,342
Value of KL Snack Programs	On Going	\$496,872	\$433,133
Value KL Sustaining Parents Employment Services	On Going	\$920,082	\$766,844
Value of KL Programs to the local workforce	On Going	\$9,814,207	\$8,179,668
Value of KL Mentoring Programs	On Going	\$3,974,972	\$2,825,038
Value of KL Youth Activities Program	On Going	\$745,307	\$529,694
<b>Totals:</b>		<b>\$36,598,185</b>	<b>\$29,483,401</b>

## Total Labor Income

*Is a subset of Gross County Product and shows the local benefit to salaries and wages.*

The compensation to employees and self-employed proprietors including both wages and indirect payments such as retirement benefits, health insurance and other similar fringe benefits.

Target Industry	Frequency	Direct Impact	Total Impact
GREATER GALLATIN UNITED WAY ANNUAL OPERATIONS AND GRANTS PROGRAMS			
GGUW Operations	On Going	\$1,826,494	\$1,722,716
Value of Programs that receive GGUW funding	On Going	\$322,299	\$303,986
SOCIAL BENEFITS – GREATER GALLATIN UNITED WAY KIDS LINK (KL) PROGRAMS			Social Impacts converted to economic benefits
Value KL STEM programming	One Time	\$9,742,500	\$6,298,592
Value KL Slots of Service	On Going	\$5,962,458	\$2,961,143
Value KL Scholarships	On Going	\$493,369	\$245,022
Value of KL Literacy Programs	One Time	\$1,500,000	\$682,415
Value of KL Adverse Childhood Experience Programs	On Going	\$491,000	\$463,102
Value of KL, MSU Pre-Service Teacher Services	On Going	\$308,625	\$140,407
Value of KL Snack Programs	On Going	\$496,872	\$277,411
Value KL Sustaining Parents Employment Services	On Going	\$920,082	\$261,306
Value of KL Programs to the local workforce	On Going	\$9,814,207	\$2,787,259
Value of KL Mentoring Programs	On Going	\$3,974,972	\$1,808,386
Value of KL Youth Activities Program	On Going	\$745,307	\$339,072
<b>Totals:</b>		\$36,598,185	\$18,290,817

## Total Employment

*This table restates the Labor benefit shows the benefit to salaries and wages as jobs.*

The number of jobs generated within the County, and includes: \* full-time and part-time positions \* salary workers \*sole proprietors.

Target Industry	Frequency	Direct Impact	Total Impact
GREATER GALLATIN UNITED WAY ANNUAL OPERATIONS AND GRANTS PROGRAMS			
GGUW Operations	On Going	\$1,826,494	57
Value of Programs that receive GGUW funding	On Going	\$322,299	10
Number of employees in the workforce that benefit from GGUW and kidsLINK services		n/a	4,784
SOCIAL BENEFITS – GREATER GALLATIN UNITED WAY KIDS LINK (KL) PROGRAMS			
			Social Impacts converted to economic benefits
Value KL STEM programming	One Time	\$9,742,500	157
Value KL Slots of Service	On Going	\$5,962,458	196
Value KL Scholarships	On Going	\$493,369	16
Value of KL Literacy Programs	One Time	\$1,500,000	49
Value of KL Adverse Childhood Experience Programs	On Going	\$491,000	15
Value of KL, MSU Pre-Service Teacher Services	On Going	\$308,625	10
Value of KL Snack Programs	On Going	\$496,872	11
Value KL Sustaining Parents Employment Services	On Going	\$920,082	31
Value of KL Programs to the local workforce	On Going	\$9,814,207	335
Value of KL Mentoring Programs	On Going	\$3,974,972	129
Value of KL Youth Activities Program	On Going	\$745,307	24
<b>Totals:</b>		\$36,598,185	5,825

## Capital Income

*Is a subset of Gross County Product and shows non-labor benefits including interests and profits that are realized by both the direct and indirect impacts*

The sum of all property type income (such as business profits, interest income and rental income) generated within the County.

Target Industry	Frequency	Direct Impact	Total Impact
GREATER GALLATIN UNITED WAY ANNUAL OPERATIONS AND GRANTS PROGRAMS			
GGUW Operations	On Going	\$1,826,494	\$8,754
Value of Programs that receive GGUW funding	On Going	\$322,299	\$1,545
SOCIAL BENEFITS – GREATER GALLATIN UNITED WAY KIDS LINK (KL) PROGRAMS			Social Impacts converted to economic benefits
Value KL STEM programming	One Time	\$9,742,500	\$673,914
Value KL Slots of Service	On Going	\$5,962,458	\$1,880,737
Value KL Scholarships	On Going	\$493,369	\$155,623
Value of KL Literacy Programs	One Time	\$1,500,000	\$304,491
Value of KL Adverse Childhood Experience Programs	On Going	\$491,000	\$2,353
Value of KL, MSU Pre-Service Teacher Services	On Going	\$308,625	\$62,649
Value of KL Snack Programs	On Going	\$496,872	\$89,734
Value KL Sustaining Parents Employment Services	On Going	\$920,082	\$398,099
Value of KL Programs to the local workforce	On Going	\$9,814,207	\$4,246,391
Value of KL Mentoring Programs	On Going	\$3,974,972	\$806,895
Value of KL Youth Activities Program	On Going	\$745,307	\$151,293
<b>Totals:</b>		\$36,598,185	\$8,782,480

## Indirect Business Tax

*Is a subset of Gross County Product and shows the direct and indirect local tax benefit including state, federal and local government taxes.*

Are taxes and fees that are not based in the businesses' income. For the most part they represent sales taxes levied by the State and the county, but also include property taxes levied against businesses as well as fees imposed by federal, state and local governments.

Target Industry	Frequency	Direct Impact	Total Impact
GREATER GALLATIN UNITED WAY ANNUAL OPERATIONS AND GRANTS PROGRAMS			
GGUW Operations	On Going	\$1,826,494	\$91,733
Value of Programs that receive GGUW funding	On Going	\$322,299	\$16,187
SOCIAL BENEFITS – GREATER GALLATIN UNITED WAY KIDS LINK (KL) PROGRAMS			Social Impacts converted to economic benefits
Value KL STEM programming	One Time	\$9,742,500	\$378,616
Value KL Slots of Service	On Going	\$5,962,458	\$217,092
Value KL Scholarships	On Going	\$493,369	\$17,964
Value of KL Literacy Programs	One Time	\$1,500,000	\$79,168
Value of KL Adverse Childhood Experience Programs	On Going	\$491,000	\$24,660
Value of KL, MSU Pre-Service Teacher Services	On Going	\$308,625	\$16,289
Value of KL Snack Programs	On Going	\$496,872	\$65,992
Value KL Sustaining Parents Employment Services	On Going	\$920,082	\$107,439
Value of KL Programs to the local workforce	On Going	\$9,814,207	\$1,146,017
Value of KL Mentoring Programs	On Going	\$3,974,972	\$209,794
Value of KL Youth Activities Program	On Going	\$745,307	\$39,336
<b>Totals:</b>		<b>\$36,598,185</b>	<b>\$2,410,287</b>