The Economic and Community Impact of Middlebury College

Middlebury College’s economic impact and its role as a leading employer in the town of Middlebury, Addison County, and Vermont are frequently topics of discussion in the local community and at the state level. This document addresses questions commonly asked by local residents, town officials, state representatives, College employees, and others. It also provides examples of the institution’s voluntary efforts to improve the town’s quality of life.

Local Economic Impact

- **Middlebury College is the largest employer in the town of Middlebury and in Addison County.**
  - The College employs 1,502 faculty and staff, including 1,098 full-time employees.
  - The College provides one out of every 10 jobs in Middlebury.

- **The College created nearly $220 million in economic activity through its annual expenditures in 2011.**
  - Much of the institution’s expenditures are spent locally in the town, county, and state. They fall into four categories:
    - Wages and benefits
    - Annual capital construction projects
    - The purchase of goods and services
    - Student and visitor spending

- **About 45 percent of the College’s payroll goes to town residents.**
  - In 2011, the College paid its Vermont employees $60.6 million in wages and $19 million in benefits, a total of $79.6 million. Wages paid by the College accounted for at least 17 percent of the income of Middlebury residents in 2011, and nearly one out of every four dollars earned in Middlebury was earned at the College. During July 2014
Middlebury College spent about $7 million on goods and services in the town of Middlebury.

In 2011, Middlebury College students spent $5.8 million in the town of Middlebury, and $16 million at Vermont businesses.

The College has identified a number of projects that cost more than $260 million. More than 40 percent of the spending on this construction was with Vermont-based general contractors, although the College hired local contractors to complete major portions of the work for nearly all of the projects, including the new Field House and Squash Center, at a combined cost of $40 million.

The College pays close to $113 million in wages in area industries, including construction, health care, and manufacturing, that is a result of spending by the College and its employees, students, and visitors. In 2011, Middlebury College’s expenditures created 607 jobs elsewhere in Addison County. The 1,376 individuals directly employed by the College that year, combined with these additional jobs at other organizations or businesses, represented nearly 14 percent of the workforce in Addison County, or 1,985 jobs.

In 2013, the College was responsible for creating 457 jobs in Vermont above the 1,985 it created in Addison County (1,376 at the College and 607 elsewhere in the county), bringing the estimated total number of jobs it provided directly and indirectly in the state to 2,420.

With these jobs, the College created an accompanying $97.1 million in wages paid by Vermont employers. This figure includes the College’s payroll of $60.6 million, plus $36.6 million created through the multiplier process in Addison County and the rest of Vermont ($19.3 million and $17.3 million, respectively).

The College supports the local community by donating to local nonprofits, investing in municipal projects, helping to create new jobs, supporting the town’s budget, and encouraging volunteerism.

According to a 2014 study commissioned by the Better Middlebury Partnership (BMP), about one in every 10 customers in the town are Middlebury College students, and they are responsible for 13.1 percent of Middlebury’s total retail commerce.

The students and events on campus attract nearly 5,000 visitors to Vermont annually, and in 2011 they spent $3.9 million on lodging, restaurants, and shopping.

Economic Ripple Effect in Addison County

The College has an economic ripple effect, also called an indirect or multiplier effect, in Addison County.

The ripple effect describes growth in jobs and wages in area industries, including construction, health care, and manufacturing, that is a result of spending by the College and its employees, students, and visitors.

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The College had a similar impact on earnings in the county, creating $79.9 million in wages in 2011 ($60.6 million paid directly to College employees, plus $19.3 million paid to Addison Country workers by their own employers as a result of the multiplier process).

Economic Impact Throughout Vermont

The College is one of Vermont’s top 10 employers. Middlebury College is the eighth largest employer in Vermont.

The state collects millions of dollars in tax revenues as a result of the College’s economic activity.

In 2011, Vermont collected an estimated $10.7 million in revenues from the statewide education property tax, the individual income tax, the general sales tax, and other smaller sales taxes.

The College has an economic ripple effect on jobs and wages in the state.

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Supporting the Well-Being of the Town of Middlebury

The College seeks to improve the quality of life in the town of Middlebury.

The College, which pays taxes to the town, contributes to the well-being of the local community by donating to local nonprofits, investing in municipal projects, helping to create new jobs, supporting the town’s budget, and encouraging volunteerism.

The town and community receive funding annually that would not exist without the College.

In 2013, the funding exceeded $2 million and fell into four categories:

- **Donations to nonprofits:** In 2013, the College donated $6,501,266 to local nonprofits. This included the United Way of Addison County, which received an annual gift to support child-care services that totaled $120,115.
- **Bridge payments:** Beginning in 2011, the College made a payment of $600,000 to the town, the first in a series of annual $600,000 payments that will extend over 30 years to fund $9 million toward the $16 million cost of the Cross Street Bridge.
- **Taxes:** Despite being a nonprofit, the College is the town’s largest taxpayer as it is required to pay taxes on all property being used for purposes that are not directly tied to the mission of educating students. In 2013, the College paid $699,498 in taxes to the town.
Voluntary payments: Along with the required taxes, the College and the town of Middlebury have a long-term agreement that the College will voluntarily pay the town a sum every year, referred to as a payment in lieu of taxes. In 2013, the sum, which is tied to the annual performance of the College’s endowment, was $251,617, and the College made a similar payment of $112,937 to the town of Ripton.

The College is committed to a vibrant downtown.

The College and the town will jointly fund the construction of a new town hall and a new town recreation facility at a total cost of $7.5 million. The College will contribute $5.5 million and the town will cover the remaining $2 million.

The College acquired and transferred to the town the vacant Lazarus property, which will allow for the widening of Printer’s Alley. This will improve pedestrian, bicycle, and vehicular access to the riverfront and Marble Works area.

The College has committed to transferring to the town the title to College-owned property behind Ilsley Library. This will be joined with land already owned by the town to create a single parcel that can be developed as envisioned by the town’s Economic Development Initiative, which was endorsed by the Vermont Council on Rural Development.

Creating Jobs in the Local Economy

The College has made a variety of efforts to increase the number of jobs in Middlebury.

In 2013, the College donated 40 percent of the funds needed to hire a business development director for the town, whose charge is to recruit and retain businesses offering high-quality jobs.

The College joined with the online education company K-12 in 2010 to launch Middlebury Interactive Languages (MIL), a growing for-profit company headquartered in Middlebury that currently employs 45 staff members. MIL offers students in grades 4-12 online language courses and operates a residential summer language program for students in grades 8-12.

Volunteerism

Middlebury College students play a key role as volunteers in the community.

Every year about 1,500 Middlebury College students volunteer an estimated 65,000 hours for a variety of organizations in Middlebury.

For more information, contact

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