Carleton College and St. Olaf College Economic Impact in Northfield, MN

April 2025

PARKER STRATEGY GROUP

Carleton

ST. OLAF COLLEGE

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ECONOMIC IMPACT BY THE NUMBERS

Northfield School District Boundary	Rice County
Carleton College	**Carleton College**
$127 MILLION GENERATED IN ECONOMIC IMPACT	$141.8 MILLION GENERATED IN ECONOMIC IMPACT
930 JOBS SUPPORTED AND SUSTAINED	1.038 JOBS SUPPORTED AND SUSTAINED
$6.1 MILLION LOCAL AND STATE TAXES GENERATED	$7.7 MILLION LOCAL AND STATE TAXES GENERATED
St. Olaf College	**St. Olaf College**
$162.9 MILLION GENERATED IN ECONOMIC IMPACT	$181.6 MILLION GENERATED IN ECONOMIC IMPACT
1,071 JOBS SUPPORTED AND SUSTAINED	1,214 JOBS SUPPORTED AND SUSTAINED
$7.3 MILLION LOCAL AND STATE TAXES GENERATED	$9.1 MILLION LOCAL AND STATE TAXES GENERATED
Combined Impact	**Combined Impact**
$289.9 MILLION GENERATED IN ECONOMIC IMPACT	$323.5 MILLION GENERATED IN ECONOMIC IMPACT
2,001 JOBS SUPPORTED AND SUSTAINED	2,252 JOBS SUPPORTED AND SUSTAINED
$13.4 MILLION LOCAL AND STATE TAXES GENERATED	$16.8 MILLION LOCAL AND STATE TAXES GENERATED

Study Overview

Parker Strategy Group was contracted by Carleton College and St. Olaf College to measure the current economic impact of their colleges on two geographies.

Northfield Public School District boundary (zip codes: 55088; 55065; 55057; 55053; 55046; 55024; 55021; 55019; 55018)
Rice County boundary (zip codes: 55018; 55019; 55021; 55046; 55049; 55052; 55053; 55057; 55087; 55088; 55946; 56052; 56069; 56071; 56096)

The study utilizes actual financial data provided by Carleton College and St. Olaf College. The data has been analyzed and modeled using IMPLAN (see Appendix B for more details on methodology).

DIRECT

These are the direct expenditures by Carleton College and St. Olaf College for operations, capital spending, and pay and benefits

INDIRECT

Local revenue and supply chain impacts. These impacts measure the estimated increase in demand for goods and services in industry sectors that supply or otherwise support Carleton College and St. Olaf College and their key constituencies.

INDUCED

Represents the third wave of economic impact and measures the estimated effect of increased household income resulting from expenditures by Carleton College, St. Olaf College, and their suppliers. Induced impacts reflect the reinvestment of earned wages, as measured throughout the first two levels of economic impact. This reinvestment can occur anywhere within the economy on household goods, entertainment, food, clothing, transportation, and other household goods.

Combined Economic Impact: Northfield School District Boundary

As a result of the operations and spending of Carleton College and St. Olaf College within the Northfield, MN School District boundary, **$289.9 million** in economic impact is generated annually. These are annual economic impacts and include spending on operations, spending by students, and spending by visitors to campus.

Combined Impact of Carleton College and St. Olaf College on Northfield School District

Northfield School District	Operations	Students	Visitors	Total
Direct	$181,962,178	$53,323,586	$4,899,749	$240,185,513
Indirect	$18,153,555	$7,911,572	$641,837	$26,706,964
Induced	$18,411,425	$4,330,321	$309,538	$23,051,284
Total	**$218,527,158**	**$65,565,479**	**$5,851,124**	**$289,943,761**

Source: Parker Strategy Group using data from Carleton College and St. Olaf College in IMPLAN

Carleton College

Carleton College generates a total economic impact as a result of operations, student, and visitor spending of **$127 million annually**. This includes a direct impact of $103.6 million, $11.5 million indirect impact, and $12 million in induced impact in FY23.

Economic Impact of Carleton College (Northfield School District)

Northfield School District	Operations	Students	Visitors	Total
Direct	$80,123,855	$21,364,725	$2,105,940	$103,594,520
Indirect	$7,993,600	$3,181,228	$275,865	$11,450,693
Induced	$10,082,052	$1,741,889	$133,041	$11,956,982
Total	**$98,199,507**	**$26,287,842**	**$2,514,846**	**$127,002,195**

Source: Parker Strategy Group using data from Carleton College in IMPLAN

St. Olaf College

St. Olaf College generates a total economic impact as a result of operations, student, and visitor spending of **$162.9 million annually**. This includes a direct impact of $136.6 million, $15.3 million indirect, and $11.1 million in induced impact in FY23.

Economic Impact of St. Olaf College (Northfield School District)

Northfield School District	Operations	Students	Visitors	Total
Direct	$101,838,323	$31,958,861	$2,793,809	$136,590,993
Indirect	$10,159,955	$4,730,344	$365,972	$15,256,271
Induced	$8,329,373	$2,588,432	$176,497	$11,094,302
Total	**$120,327,651**	**$39,277,637**	**$3,336,278**	**$162,941,566**

Source: Parker Strategy Group using data from St. Olaf College in IMPLAN

Combined Employment Impact: Northfield School District

Overall, Carleton College and St. Olaf College has supported **2,001 jobs** across the Northfield School District boundary, (1,706 direct,169 indirect, and 126 induced).

Combined Employment Impact of Carleton College and St. Olaf College

	Operations	Students	Visitors	Total
Direct	1,092	572	42	1,706
Indirect	116	49	4	169
Induced	100	24	2	126
Total	**1,308**	**645**	**48**	**2,001**

Source: Parker Strategy Group using data from Carleton College and St. Olaf College in IMPLAN

Carleton College

Overall, Carleton College has supported **930 jobs** across the Northfield School District geographic boundary, (791 direct, 73 indirect, and 66 induced).

Employment Impact of Carleton College (Northfield School District)

	Operations	Students	Visitors	Total
Direct	543	230	18	791
Indirect	51	20	2	73
Induced	55	10	1	66
Total	**649**	**260**	**21**	**930**

Source: Parker Strategy Group using data from Carleton College in IMPLAN

St. Olaf College

Overall, St. Olaf College has supported **1,071 jobs** across Northfield School District geographic boundary (915 direct, 96 indirect, and 60 induced).

Employment Impact of St. Olaf College (Northfield School District)

	Operations	Students	Visitors	Total
Direct	549	342	24	915
Indirect	65	29	2	96
Induced	45	14	1	60
Total	**659**	**385**	**27**	**1,071**

Source: Parker Strategy Group using data from St. Olaf College in IMPLAN

Combined Local And State Tax Impact: Northfield School District

Spending by Carleton College and St. Olaf College community yields **$13.4 million** in state and local taxes. State ($9.2 million) and local taxes ($4.2 million) paid include payroll taxes, income taxes, sales taxes, and unemployment taxes.

Combined Total Local and State Tax Impact (Northfield School District)

Impact	Sub County General	Sub County Special Districts	County	State	Total
Direct	$1,077,119	$998,263	$989,859	$7,225,179	$10,290,419
Indirect	$149,561	$138,382	$137,270	$773,973	$1,199,186
Induced	$254,233	$235,109	$233,251	$1,231,291	$1,953,884
Total	**$1,480,914**	**$1,371,754**	**$1,360,379**	**$9,230,443**	**$13,443,490**

Source: Parker Strategy Group using data from Carleton College and St. Olaf College in IMPLAN

Carleton College

Spending by Carleton College yields **$6.1 million** in state and local taxes. State ($4.3 million) and local taxes ($1.8 million) paid include payroll taxes, income taxes, sales taxes, and unemployment taxes.

Carleton College Total Local and State Tax Impact (Northfield School District)

Impact	Sub County General	Sub County Special Districts	County	State	Total
Direct	$453,305	$420,401	$416,797	$3,303,781	$4,594,284
Indirect	$64,029	$59,243	$58,767	$331,427	$513,466
Induced	$131,896	$121,974	$121,010	$638,758	$1,013,638
Total	**$649,230**	**$601,618**	**$596,574**	**$4,273,966**	**$6,121,388**

Source: Parker Strategy Group using data from Carleton College in IMPLAN

St. Olaf College

Spending by St. Olaf College community yields **$7.3 million** in state and local taxes. State ($5 million) and local taxes ($2.3 million) paid include payroll taxes, income taxes, sales taxes, and unemployment taxes.

St. Olaf College Total Local and State Tax Impact (Northfield School District)

Impact	Sub County General	Sub County Special Districts	County	State	Total
Direct	$623,814	$577,862	$573,062	$3,921,398	$5,696,136
Indirect	$85,532	$79,139	$78,503	$442,546	$685,720
Induced	$122,337	$113,135	$112,241	$592,533	$940,246
Total	**$831,683**	**$770,136**	**$763,806**	**$4,956,477**	**$7,322,102**

Source: Parker Strategy Group using data from St. Olaf College in IMPLAN

Combined Economic Impact: Rice County

As a result of the operations and spending of Carleton College and St. Olaf College in Northfield, MN, **$323.5 million** in economic impact is generated annually from operations, student, and visitor spending in Rice County.

Combined Impact of Carleton College and St. Olaf College

	Operations	Students	Visitors	Total
Direct	$184,435,174	$53,323,586	$4,899,749	$242,658,509
Indirect	$24,986,157	$10,979,356	$884,523	$36,850,036
Induced	$35,528,973	$7,854,757	$580,904	$43,964,634
Total	**$244,950,304**	**$72,157,699**	**$6,365,176**	**$323,473,179**

Source: Parker Strategy Group using data from Carleton College and St. Olaf College in IMPLAN

Carleton College

Carleton College generates a total economic impact as a result of operations, student, and visitor spending of **$141.8 million annually**. This includes a direct impact of $103.6 million, $15.6 indirect, and $22.6 in induced impact in FY23.

Economic Impact of Carleton College (Rice County)

	Operations	Students	Visitors	Total
Direct	$80,123,855	$21,364,725	$2,105,940	$103,594,520
Indirect	$10,854,693	$4,407,476	$380,173	$15,642,342
Induced	$19,199,741	$3,159,099	$249,676	$22,608,516
Total	**$110,178,289**	**$28,931,300**	**$2,735,789**	**$141,845,378**

Source: Parker Strategy Group using data from Carleton College in IMPLAN

St. Olaf College

St. Olaf College generates a total economic impact as a result of operations, student, and visitor spending of **$181.6 million annually**. This includes a direct impact of $139.1 million, $21.2 million indirect, and $21.4 million in induced impact in FY23.

Economic Impact of St. Olaf College (Rice County)

	Operations	Students	Visitors	Total
Direct	$104,311,319	$31,958,861	$2,793,809	$139,063,989
Indirect	$14,131,464	$6,571,880	$504,350	$21,207,694
Induced	$16,329,232	$4,695,658	$331,228	$21,356,118
Total	**$134,772,015**	**$43,226,399**	**$3,629,387**	**$181,627,801**

Source: Parker Strategy Group using data from St. Olaf College in IMPLAN

Combined Employment Impact: Rice County

Overall, Carleton College and St. Olaf College have supported a combined total of **2,252 jobs** across Rice County.

Combined Employment Impact of Carleton College and St. Olaf College

	Operations	Students	Visitors	Total
Direct	1,110	580	42	1,732
Indirect	164	70	6	240
Induced	226	50	4	280
Total	**1,500**	**700**	**52**	**2,252**

Source: Parker Strategy Group using data from Carleton College and St. Olaf College in IMPLAN

Carleton College

Overall, Carleton College has supported **1,038 jobs** across Rice County, (792 direct, 102 indirect, and 144 induced).

Employment Impact of Carleton College (Rice County)

	Operations	Students	Visitors	Total
Direct	541	233	18	792
Indirect	71	28	3	102
Induced	122	20	2	144
Total	**734**	**281**	**23**	**1,038**

Source: Parker Strategy Group using data from Carleton College in IMPLAN

St. Olaf College

Overall, St. Olaf College has supported **1,214 jobs** across Rice County (940 direct, 138 indirect, and 136 induced).

Employment Impact of St. Olaf College (Rice County)

	Operations	Students	Visitors	Total
Direct	569	347	24	940
Indirect	93	42	3	138
Induced	104	30	2	136
Total	**766**	**419**	**29**	**1,214**

Source: Parker Strategy Group using data from St. Olaf College in IMPLAN

Combined Local And State Tax Impact: Rice County

Spending by Carleton College and St. Olaf College community yields **$16.8 million** in state and local taxes. State ($11.6 million) and local taxes ($1.8 million) paid include payroll taxes, income taxes, sales taxes, and unemployment taxes.

Combined Total Local and State Tax Impact (Rice County)

Impact	Sub County General	Sub County Special Districts	County	State	Total
Direct	$1,102,307	$1,006,633	$1,096,721	$8,076,400	$11,282,061
Indirect	$225,315	$205,457	$223,722	$1,186,162	$1,840,656
Induced	$456,463	$416,138	$453,100	$2,312,831	$3,638,532
Total	**$1,784,085**	**$1,628,228**	**$1,773,543**	**$11,575,393**	**$16,761,249**

Source: Parker Strategy Group using data from Carleton College and St. Olaf College in IMPLAN

Carleton College

Spending by Carleton College yields **$7.7 million** in state and local taxes. State ($5.4 million) and local taxes ($2.3 million) paid include payroll taxes, income taxes, sales taxes, and unemployment taxes.

Carleton College Total Local and State Tax Impact (Rice County)

Impact	Sub County General	Sub County Special Districts	County	State	Total
Direct	$459,568	$419,917	$457,593	$3,697,997	$5,035,075
Indirect	$95,546	$87,125	$94,870	$503,056	$780,597
Induced	$234,791	$214,049	$233,061	$1,189,565	$1,871,466
Total	**$789,905**	**$721,091**	**$785,524**	**$5,390,618**	**$7,687,138**

Source: Parker Strategy Group using data from Carleton College in IMPLAN

St. Olaf College

Spending by St. Olaf College community yields **$9.1 million** in state and local taxes. State ($6.2 million) and local taxes ($2.9 million) paid include payroll taxes, income taxes, sales taxes, and unemployment taxes.

St. Olaf College Total Local and State Tax Impact (Rice County)

Impact	Sub County General	Sub County Special Districts	County	State	Total
Direct	$642,739	$586,716	$639,128	$4,378,403	$6,246,986
Indirect	$129,769	$118,332	$128,852	$683,106	$1,060,059
Induced	$221,672	$202,089	$220,039	$1,123,266	$1,767,066
Total	**$994,180**	**$907,137**	**$988,019**	**$6,184,775**	**$9,074,111**

Source: Parker Strategy Group using data from St. Olaf College in IMPLAN

Appendix A: Terms and definitions

Direct economic impact: All direct expenditures made by Carleton College and St. Olaf College.

Direct employment: Total number of employees, both full-time and part-time.

Dollar year: Presented in 2024 dollars.

Government revenue/state and local tax impact: Government revenue or tax revenue that is collected by governmental units at the state and local levels in addition to those revenues paid directly by the colleges. This impact includes taxes paid directly by the Carleton College and St. Olaf College, by employees of the businesses and by vendors who sell products to Carleton College and St. Olaf College — and also taxes paid at the household level.

Indirect economic impact: Includes the impact of local suppliers buying goods and services from other local industries. The cycle of spending works its way backward through the supply chain until all money is spent outside of the local economy, either through imports or by payments to value added (multiplier effect).

Indirect employment: Additional jobs created as a result of Carleton College and St. Olaf College economic impact. Local companies or vendors that provide goods and services to Carleton College, St. Olaf College and businesses in the supply chain increase their number of employees as purchasing increases, thus creating an employment multiplier.

Induced economic impact: The response by an economy to an initial change (direct effect) that occurs through respending of income received by a component of value added. IMPLAN's default multiplier recognizes that labor income (employee compensation and proprietor income components of value added) is not lost to the regional economy. This money is recirculated through household spending patterns, causing further local economic activity (multiplier effect).

Induced employment: Additional jobs created as a result of household spending by employees of Carleton College, St. Olaf College, and employees of vendors. This is another wave of the employment multiplier.

Multiplier effect: The additional economic impact created as a result of the college's direct spending. Local companies that provide goods and services to these businesses increase their purchasing by creating a multiplier (indirect/supply-chain impacts). Household spending generated by employees of the colleges and their suppliers creates a third wave of multiplier impact (induced/household-spending impacts). The multipliers in this study are derived by IMPLAN.

Study year: 2024

Subcounty general taxes: Includes city and township taxes.

Subcounty special districts taxes: Includes city, fire, police, emergency medical services and other special taxes levied at the local level.

Total economic impact: Includes spending on operations, capital expenditures, labor income expenditures and value added to the economy as a result of expenditures. It is the combined impact of direct, indirect and induced impacts.

Value added: The total market value of all final goods and services produced within a region in a given period of time (usually a quarter or year). It is the sum of the intermediate stages of production.

Appendix B: Data and methods

Data used to complete the economic impact analysis was provided by Carleton College and St. Olaf College. Primary and secondary data were used to complete the input-output models in IMPLAN. The study approach and economic impact findings are a conservative estimate of impact and are based on actual financial information. These findings represent a snapshot of the economic impact of Carleton College and St. Olaf College.

Overview and the IMPLAN model

The most common and widely accepted methodology for measuring the economic impacts of economic sectors is input-output (I-O) analysis. At its core, an I-O analysis is a table that records the flow of resources to and from companies/organizations and individuals within a region at a given time. For a specified region like a state or the nation, the input-output table accounts for all dollar flows between different sectors of the economy in a given time period. With this information, a model can then follow how a dollar added into one sector is spent and respent in other sectors of the economy, generating outgoing ripples of subsequent economic activity. This chain of economic activity generated by one event is called the "economic multiplier" effect.

The primary tool used in the performance of this study is the I-O model and dataset developed and maintained by IMPLAN Group LLC (formerly Minnesota IMPLAN Group Inc.). IMPLAN is a widely accepted and used software model first developed by the U.S. Forest Service in 1972. The data used in the baseline IMPLAN model and dataset comes largely from federal government databases. The input-output tables themselves come from the Bureau of Economic Analysis. Much of the annual data on labor, wages, final demand and other market variables comes from the Bureau of Labor Statistics, the Census Bureau and other government sources.

Government agencies, companies and researchers use IMPLAN to estimate the economic activities associated with spending in a particular industry or on a particular project. The IMPLAN model extends conventional I-O modeling to include the economic relationships between government, industry and household sectors, allowing IMPLAN to model transfer payments such as taxes.

As explained above, the model works by tracking the flow of resources to and from companies/organizations and individuals within a region. Producers of goods and services must secure labor, raw materials and other services to produce their product. The resources transferred to the owners of that labor or those raw materials and services are then spent to secure additional goods and services or inputs to the products they sell. For example, an organization in a region may develop a company that produces trains with a value of $1 million. However, to produce that product, they may be required to spend $500,000 in wages and benefits, $200,000 to suppliers of parts, $100,000 for electricity, $50,000 for transportation of goods and raw materials to and from the plant, and $50,000 in various professional services associated with operating a business (e.g., attorneys and accountants). The suppliers will, in turn, spend those resources on labor and raw materials necessary to produce the trains. Workers and the owners of the company will buy goods and services from other firms in the area (e.g., restaurants and gas stations). The suppliers, employees and owners of this second tier will, in turn, spend those resources on other goods and services, either within the study region or elsewhere. The cycle continues until all the money leaves the region.

IMPLAN methodology

The model uses national production functions for over 450 industries to determine how an industry spends its operating receipts to produce its commodities. These production functions are derived from U.S. Census Bureau data. IMPLAN couples the national production functions with a variety of county-level economic data to determine the impacts at a state and congressional district level. To estimate these regional impacts, IMPLAN combines national industry production functions with county-level economic data. IMPLAN collects data from a variety of economic data sources to generate average output, employment and productivity for each industry in a given county. IMPLAN combines this data to generate a series of economic multipliers for the study area. The multiplier measures the amount of total economic activity generated by a specific industry spending an additional dollar in the study area. Based on these multipliers, IMPLAN generates a series of tables to show the economic event's direct, indirect and induced impacts to gross receipts, or output, within each of the model's more than 450 industries.

The model calculates three types of effects: direct, indirect and induced. The economic impact of the Carleton College and St. Olaf College is the sum of these three effects.

DIRECT

Investment in construction and expenditures for operations

INDIRECT

Purchases from local suppliers

INDUCED

Household spending from earnings of direct and indirect expenditures

Considerations concerning IMPLAN

There are three important points about the use of IMPLAN (or any other input-output model):

1. It is a fixed price model. The model assumes that changes in consumption are not limited by capacity and do not affect prices. This simplifying assumption does not cause a problem for the analysis presented here because we are taking a snapshot in a specific year.

2. As in many studies using this type of model, the model does not calculate the direct impacts; the direct impacts reflect actual spending levels and patterns. Changing the level of direct spending allows us to calculate the magnitude of the indirect and induced effects associated with the initial level of spending.

3. Because the model continues to calculate additional spending until all the money leaves the region (i.e., "leakage"), the larger and more economically diverse the region, the longer it will take for spending to leave the region and the larger the impact is likely to be. For example, employees may spend some amount of their income on buying a car. If no car manufacturers are in their state or county, this spending will leave the region and the multiplier effect will stop. At the national level, some portion of that same spending by that same individual may go to a national auto producer. Therefore, that spending would lead to more spending at the national level than would be captured by a more regional model. The national impact will be larger than the sum of the individual states, and the individual state impact will be larger than the sum of the impacts in its congressional districts.