

FACT SHEET

The Economic Value of Brookdale Community College | September 2016

Brookdale Community College (Brookdale) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students, taxpayers, and society. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, this study calculates the benefits to each of these groups. Results of the analysis reflect Fiscal Year (FY) 2013-14.

IMPACTS CREATED BY BROOKDALE IN FY 2013-14

ADDED INCOME	JOBS
Operations spending impact	
\$84.8 million	1,583
Student spending impact	
\$14.4 million	271
Alumni impact	
\$479.6 million	7,007
Total impact	
\$578.8 million	8,861

IMPACT ON BUSINESS COMMUNITY

During the analysis year, Brookdale and its students added **\$578.8 million** in income to the county economy, approximately equal to **1.7%** of the total Gross Regional Product. By comparison, this impact from the college is slightly larger than the entire Transportation & Warehousing industry in Monmouth County. Brookdale’s implicit income multiplier is **\$1.42**. Another way to state the impact is that for every dollar Brookdale spent on its employees in FY 2013-14, an additional \$0.42 in income was created in Monmouth County. The economic impacts of Brookdale break down as follows:

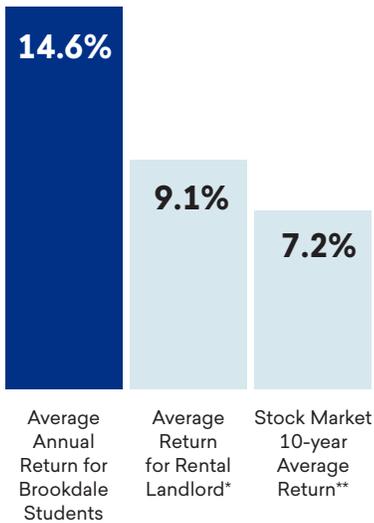
Operations spending impact

- Brookdale employed **1,347** full-time and part-time employees in FY 2013-14. Payroll amounted to **\$70 million**, much of which was spent in Monmouth County to purchase groceries, clothing, and other household goods and services. The college spent another **\$50.2 million** to support its day-to-day operations.
- The net impact of college payroll and expenses in Monmouth County during FY 2013-14 was approximately **\$84.8 million** in added income.

Impact of student spending

- A number of students would have left the county if not for Brookdale. These retained students spent money on groceries, transportation, rent, and so on at Monmouth County businesses.
- The expenditures of retained students during FY 2013-14 added approximately **\$14.4 million** in added income to the Monmouth County economy.

STUDENT RATE OF RETURN



* RealtyTrac's Q3, 2014

** Forbes' S&P 500, 1994-2014.

Alumni impact

- Over the years, students have studied at Brookdale and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in Monmouth County.
- The accumulated contribution of former students currently employed in the Monmouth County workforce amounted to **\$479.6 million** in added income during FY 2013-14.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

Student perspective

- Brookdale's FY 2013-14 students paid a total of **\$41.4 million** to cover the cost of tuition, fees, and supplies. They also forwent **\$115.2 million** in money that they would have earned had they been working instead of learning.
- In return for the monies invested in the college, students will receive a present value of **\$556.2 million** in increased earnings over their working lives. This translates to a return of **\$3.60** in higher future earnings for every \$1 that students invest in their education. The average annual return for students is **14.6%**.

Taxpayer perspective

- In FY 2013-14, state and local taxpayers in New Jersey paid **\$39.6 million** to support the operations of Brookdale. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$217.2 million** in benefits to taxpayers. Savings to the public sector add another **\$14.3 million** in benefits due to a reduced demand for government-funded services in New Jersey.
- Dividing benefits to taxpayers by the associated costs yields a **5.8** benefit-cost ratio, i.e., every \$1 in costs returns \$5.80 in benefits. The average annual return on investment for taxpayers is **19.7%**.

Social perspective

- The economic base in New Jersey will grow by **\$2.6 billion** over the course of the students' working lives. Society will also benefit from **\$44.2 million** in present value social savings related to reduced crime, lower unemployment, and increased health and well-being across the state.
- For every dollar that society spent on Brookdale educations during the analysis year, society will receive a cumulative value of **\$10.80** in benefits, for as long as the FY 2013-14 student population at Brookdale remains active in the state workforce.

