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.

### 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.

**Student spending impact**
- 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.

**Alumni impact**
- Brookdale’s alumni spend money in the county, which adds to the local economy. The alumni impact is $479.6 million in added income.

**Total impact**
- The total economic impact of Brookdale in FY 2013-14 is $578.8 million in added income and 8,861 jobs.

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**Impacts Created by Brookdale in FY 2013-14**

<table>
<thead>
<tr>
<th>Added Income</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations spending impact</td>
<td>$84.8 million</td>
</tr>
<tr>
<td>Student spending impact</td>
<td>$14.4 million</td>
</tr>
<tr>
<td>Alumni impact</td>
<td>$479.6 million</td>
</tr>
<tr>
<td><strong>Total impact</strong></td>
<td><strong>$578.8 million</strong></td>
</tr>
</tbody>
</table>
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.

**STUDENT RATE OF RETURN**

<table>
<thead>
<tr>
<th>Average Annual Return for Brookdale Students</th>
<th>Average Return for Rental Landlord*</th>
<th>Stock Market 10-year Average Return**</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.6%</td>
<td>9.1%</td>
<td>7.2%</td>
</tr>
</tbody>
</table>

* RealityTrac’s Q3, 2014

For every $1 spent by...

**STUDENTS**

$3.60

Gained in lifetime earnings for STUDENTS

**TAXPAYERS**

$5.80

Gained in added state revenue and social savings for TAXPAYERS

**SOCIETY**

$10.80

Gained in added taxes and public sector savings for SOCIETY

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For every $1 spent by...