

## The Economic Value of Union College of Union County, New Jersey



UNION COUNTY, NJ

The Union College of Union County, New Jersey (Union) 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 received by each of these groups. Results of the analysis reflect fiscal year (FY) 2021-22.

### **Economic impact analysis**

In FY 2021-22, Union added **\$408.6 million** in income to the Union County economy, a value approximately equal to **0.9%** of the county's total gross regional product (GRP). Expressed in terms of jobs, Union's impact supported **4,713 jobs**. For perspective, the activities of Union and its students support **one out of every 71 jobs** in Union County.

### **Operations spending impact**

- Union employed 968 full-time and part-time faculty and staff. Payroll amounted to \$48.2 million, much of which was spent in the county for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$35.9 million on day-to-day expenses related to facilities, supplies, and professional services.

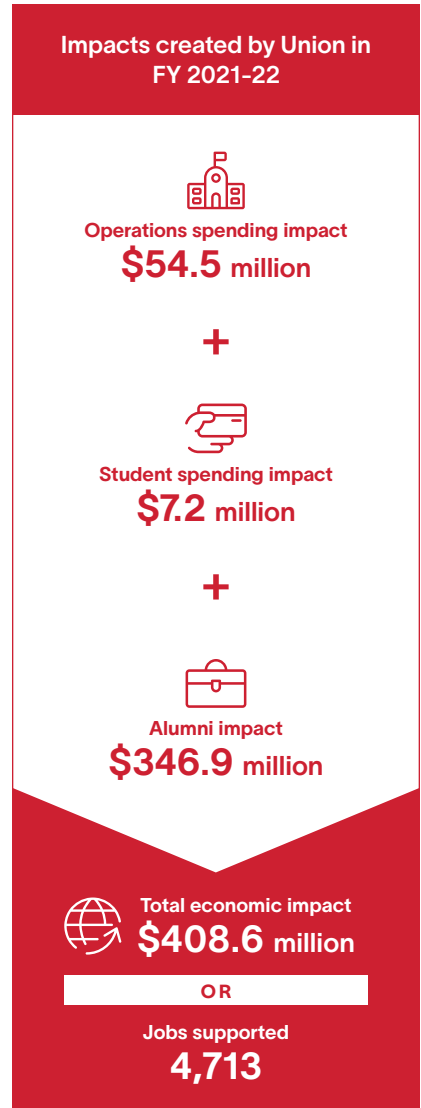
- The net impact of the college's operations spending added **\$54.5 million** in income to the county economy in FY 2021-22.

### Student spending impact

- Some in-county students, referred to as retained students, would have left Union County for other educational opportunities if not for Union. These retained students spent money on groceries, mortgage and rent payments, and other living expenses at county businesses.
- The expenditures of retained students in FY 2021-22 added **\$7.2 million** in income to the Union County economy.

### Alumni impact

- Over the years, students have studied at Union and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in Union County.
- The net impact of Union's former students currently employed in the county workforce amounted to **\$346.9 million** in added income in FY 2021-22.



## Investment analysis

### Student perspective

- Union's FY 2021-22 students paid a present value of **\$33.6 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$46.9 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value **\$410.3 million** in increased earnings over their working lives. This translates to a return of **\$5.10** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **19.0%**.

### Taxpayer perspective

- Taxpayers provided Union with **\$33.6 million** of funding in FY 2021-22. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$127.3 million**. A reduced demand for government-funded services in New Jersey will add another **\$22.3 million** in benefits to taxpayers.
- For every dollar of public money invested in Union, taxpayers will receive **\$4.40** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **11.6%**.

### Social perspective

- In FY 2021-22, New Jersey invested **\$139.7 million** to support Union. In turn, the New Jersey economy will grow by **\$1.4 billion**, over the course of students' working lives. Society will also benefit from **\$31.8 million** of public and private sector savings.
- For every dollar invested in Union in FY 2021-22, people in New Jersey will receive **\$10.40** in return, for as long as Union's FY 2021-22 students remain active in the state workforce.

### Students see a high rate of return for their investment in Union



Average annual return for Union students  
**19.0%**



Stock market 30-year average annual return  
**9.6%**



Interest earned on savings account (National Rate Cap)  
**0.4%**

Source: Forbes' S&P 500, 1992-2021. FDIC.gov, 2-2022.

### For every \$1...



**Students** gain in lifetime earnings  
**\$5.10**



**Taxpayers** gain in added tax revenue and public sector savings  
**\$4.40**



**Society** gains in added income and social savings  
**\$10.40**

