



# Economic Impact

A Report of the  
Economic Contribution of  
Gloucester County College

Fiscal Year 2008





For over 40 years, Gloucester County College's mission has reflected a commitment to serving the residents of Gloucester County:

“Gloucester County College is a center for learning that strives for academic excellence, supports the economic development of the community, and seeks to enhance the community's quality of life. Through affordable, accessible programs and services, the College promotes intellectual and cultural enrichment, individual achievement, and professional development. The College promotes a respectful and welcoming environment and commits to being responsive and proactive to the needs of students, staff and community.”

As the College carries out its programs and services, the economic impact on the surrounding economy is astounding.

The College's impact on the Gloucester County economy is roughly **\$20.9** million annually due to GCC operations and capital spending. The regional economy is **\$226.3** million stronger because of GCC and its students — roughly **2.4%** of the area's total annual income.

GCC offers taxpayers a real money return of **11%** on their annual investment. Students enjoy an attractive **18.2%** rate of return on their GCC educational investment — increasing annual earnings, on average, by **\$170** per year for every credit completed at GCC.





## Major Findings

The results of this study demonstrate that GCC is a sound investment from multiple perspectives. The College enriches the lives of students and increases their lifetime incomes. It benefits taxpayers by generating increased tax revenues from an enlarged economy and reducing the demand for taxpayer-supported social services. Finally, GCC contributes to the vitality of both the local and state economies. Major findings include:

- Students enjoy an attractive **18.2%** annual return on their investment of time and money.
- For every **\$1** students invest in GCC, they receive a cumulative **\$6.50** in higher future income over the course of their working careers.
- Taxpayers see a real money return of **11%** on their annual investments in GCC.
- The State of New Jersey benefits from improved health and reduced welfare, unemployment, and crime, saving the public some **\$2.1** million each year that students are in the workforce.
- The Gloucester County economy receives roughly **\$226.3** million in regional income each year due to GCC and its students. This figure amounts to roughly **2.4%** of the area's total annual income.

# Economic Growth Analysis

GCC contributes a total of **\$226.3** million in regional labor and non-labor income to the Gloucester County economy each year.

GCC raises consumer spending, stimulates economic growth and creates a skilled workforce, accounting for about **2.4%** to the total income in Gloucester County. This affects the local economy in three ways:

## GCC Operations Effect

Direct wages, salaries and benefits of GCC faculty and staff plus college operations spending increase regional income in the Gloucester County economy by roughly **\$20.9** million each year. This is a conservative estimate discounted to account for monies withdrawn from the local economy to support the College.

- GCC employed 220 full-time and 471 part-time faculty and staff during Fiscal Year 2008, with an annual payroll of **\$23.0** million.
- GCC had a total operating budget of **\$37.6** million, of which **\$22.9** million (or **61%**) was spent in the service area.

## Student Spending Effect

About **17%** of GCC's students come from outside of Gloucester County.

- It is estimated that the spending of GCC's out-of-region students generates around **\$145,900** each year in Gloucester County income.

## Past Student Productivity Effect

The past student productivity effect is by far the largest and most important impact of GCC, stemming from higher incomes of students and their employees.

- Based on current enrollment, turnover and growth of instruction over time, the regional workforce embodies an estimated **1.1** million credit-hour equivalents (CHEs) of past and present instruction.
- The increased productivity of area workers due to the accumulation of past and present GCC skills in the workforce contributed to approximately **\$205.3** million in added income in Fiscal Year 2008.

## Grand Total of GCC's Impact on Gloucester County

	Total Income	% of Total
Total Income in Gloucester County	\$9,247,241,000	100%
College Operations Effect	\$20,875,200	0.2%
Student Spending Effect	\$145,900	< 0.1%
Past Student Productivity Effect	\$205,290,400	2.2%
<b>TOTAL Income</b>	<b>\$226,311,500</b>	<b>2.4%</b>



### Other Benefits

GCC provides additional benefits to the regional economy through its customized-training program. In Fiscal Year 2008, it offered 1,008 course sections, serving 56 clients/businesses with 18,299 registrations. GCC received \$900,825 to fund this training. The effects of the customized-training program would require further study to accurately quantify, but these benefits provide powerful statements that make the analysis of GCC's regional impact more compelling.

## Economic Growth Stimulated: Income Growth due to GCC

Spending  
effect  
\$21.0



*Amounts in millions*

# Investment Analysis

Every dollar of state or local tax money invested in GCC today returns **\$2.60** — translating to a real money return of **11%** on annual investments.\*

## GCC Helps Students Earn More

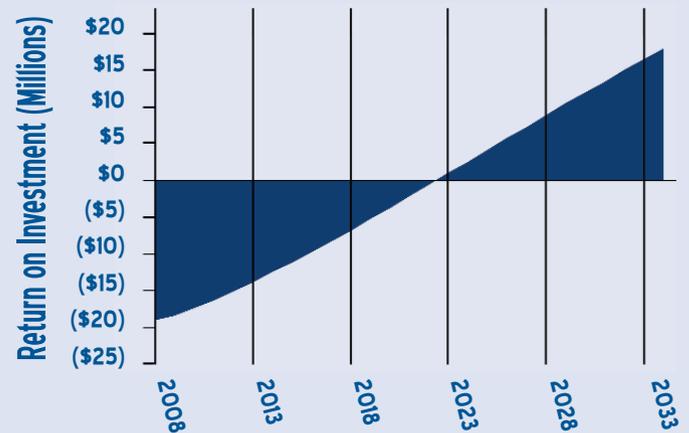
GCC students enjoy a **18.2%** annual rate of return on their educational investment. For every **\$1** students invest in GCC education, they receive a cumulative **\$6.50** in higher future income over their working career — a *cost benefit ratio of 6.5*.

- For every credit-hour equivalent completed, GCC students earn, on average, **\$170** more each year they are in the workforce.
- The average annual income of the typical associate degree graduate from GCC at the midpoint of his or her career is **\$42,600**, **37%** more than someone with a high school diploma.
- The associate degree graduate will see an income increase of approximately **\$466,000** over the course of their working career — about **\$11,600** per year
- GCC students recoup the initial education investment within 8.3 years.

## Earnings by Education Level



## Taxpayer long-term investment growth



## GCC Increases Taxable Income

Higher student income and associated effects on business productivity add **\$28.5** million in income annually to the state economy.

- The activities of GCC's 2007-2008 student body will generate about **\$18.5** million in labor income in the state economy each year (in aggregate).
- Once GCC's students become active in the workforce, they will promote business output, raise consumer spending and increase property income in the state. All of this contributes an additional **\$10** million in taxable income each year.

\* This is a "real" return meaning that results reflect current year dollars. The unadjusted or 'nominal' return would be significantly higher.



### GCC Reduces Social Costs

The state and local community will avoid social costs amounting to **\$15** per year for every credit-hour equivalent earned by GCC students. This translates to saving the State of New Jersey **\$2.1 million** each year as long as students are in the workforce. Social savings break down as follows:

- **\$1.2 million in Health Benefits:** absenteeism savings (\$368,900), fewer smokers (\$581,400) and fewer alcohol abusers (\$271,200)
- **\$582,000 in Crime Benefits:** law enforcement savings in incarceration (\$300,400), crime victim savings (\$96,300) and added productivity (\$185,300)
- **\$251,600 in Welfare and Unemployment Benefits:** welfare savings (\$171,600) and unemployment savings (\$80,000)

## Investment Analysis at a Glance

### Added Annual Benefits

BENEFIT TYPES:	ANNUAL AMOUNTS
<b>Higher Earnings</b>	
Aggregate (all students)	\$22,969,700
Per credit-hour equivalent (CHE)	\$170
Per full-time equivalent (FTE) student	\$5,109
<b>Social Savings</b>	
Aggregate (all students)	\$2,055,100
Per credit-hour equivalent (CHE)	\$15
Per full-time equivalent (FTE) student	\$457

# About GCC

The College enriches the lives of students ...

Through dedicated faculty and staff, Gloucester County College not only delivers quality education and instruction but also works to develop students' sense of responsibility, the ability to communicate effectively and a greater facility to think clearly and critically. The College also respects the diversity of its student body and recognizes the worth and potential of each person. The College continually affirms the following core values and beliefs:

## Quality Campus Environment

- In 2008, GCC's accreditation was re-affirmed by the Middle States Commission of Higher Education — successfully demonstrating that programs, services and practices reflect the Commission's *Characteristics of Excellence*.
- GCC enrolls approximately 31% of the county's public high school graduates every fall. In fall 2008, 425 GCC Students were New Jersey Student Tuition Assistance Rewards Scholarship (NJ STARS) recipients, attracting the highest number of the county's best and brightest students since the program's inception.

## Commitment to Students

- GCC awarded over 674 degrees and certificates in academic year 2007-2008 and 57% of graduates continued their education. Top transfer schools include Rowan, Rutgers and Fairleigh Dickinson Universities.
- GCC's athletic program has won seven Collegiate Athletic Administrators of New Jersey (CAANJ) Cups since 1998, ranking it as the top county college program in the state.

## Commitment to Faculty and Staff

- In Fiscal Year 2008, GCC awarded \$215,000 for professional development. These funds provided the opportunity for faculty and staff to represent the College at national conferences, attend training seminars and earn advanced degrees.

## Commitment to Excellence in Education

- GCC students continually rate faculty at or above the national average on all measures of teaching effectiveness.
- GCC is technologically driven — all classrooms are Smart Room technology compatible, giving students the opportunity to learn in state-of-the-art environments. Every GCC instructor has the option to use eLearning technology that allows students to be taught and collaborate virtually from any location with an internet connection 24 hours a day, 365 days a year.

## Contribution to Community

- In Fiscal Year 2008, the College's continuing education division served roughly 26,834 individuals (duplicated headcount) through its non-credit and customized-training program, realizing a 22% annual increase in enrollment across all programs.
- In 2008, thousands of residents from the surrounding area participated in more than 200 community events hosted by GCC including the Delaware Valley Regional Chili Cook-Off, exhibits at the Dr. Ross Beitzel Art Gallery and numerous educational fairs and sports competitions on the GCC campus.

## Commitment to Access and Diversity

- GCC enrolled 7,981 students in credit programs in academic year 2007-2008 — Fall enrollments have increased 33% over the last 10 years.
- GCC continues to offer students one of the lowest tuition rates in New Jersey. The average cost of attendance for a full-time degree-seeking student is \$3,136 per academic year.
- Minority enrollment continues to grow at GCC — the proportion of minority students mirrors the overall county population (15.3% spring 2009).



This summary was adapted from the documents that comprise the full impact study titled "The Economic Contributions of Gloucester County College on the Local Economy" by Dr. M. Henry Robison, Co-Principal and Dr. Kjell A. Christophersen, Co-Principal.

EMSI is a leading provider of socioeconomic impact and strategic planning tools to community and technical colleges. To date the model developed by EMSI has been successfully applied to generate more than 800 studies in the United States, Canada and the UK. Questions concerning the approach, assumptions and/or results should be directed to EMSI, c/o Drs. Kjell Christophersen and Hank Robison, PO Box 9008, Moscow, ID 83843; phone: 866-999-3674; fax: 208-882-3317; e-mail: [info@economicmodeling.com](mailto:info@economicmodeling.com).

Report designed by the GCC departments of Institutional Research and Assessment and Public Relations and Marketing.

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