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Transformative Growth

A Comprehensive Analysis of Rowan University's Economic and Societal Contributions

Economic Impact Study – Presentation

March 5, 2024

Presentation Overview

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Section 1

Setting the Stage

Purpose of Report

- **Measurement of Economic Influence:** Assess Rowan's tangible financial contributions at local, regional, and state levels.
- **Reinforce Institutional Significance:** Highlight Rowan's recent success to attract and reassure prospective students and their families.
- **Showcasing Societal Contribution:** Demonstrate how Rowan is a beacon of positive change that benefits students, the local community, and society.
- **Inform Future Strategy Development:** Equip the university's leadership with data and insights to drive the strategic planning process.
- **Promote Increased Future Impact:** Use aspirational growth goals as an estimation to identify opportunities and interventions for elevating Rowan's economic and societal influence in the years to come.



Rowan students in a focused study session.

Image Credit: Rowan University



Section 2

Summary of Findings

Economic Impact, Explained

- Direct expenditures include annual research and operating expenditures, capital investments, student/visitor spending, and alumni wage premium
- Multiplier effect:
 - From labor income spent back into the regional economy
 - From business opportunities for vendors in the region
- Immediate impact from following the dollars spent vs. broader impact from the work itself



Summary of Findings

Statewide Economic Impact





- **\$2.9 billion** annual total economic impact from annual research and operating expenditures, annualized capital investments, ancillary spending, and alumni wage premium.
- **14,700** full-time equivalent (FTE) jobs supported.
- **\$150 million** generated in total annual tax revenue to the State of New Jersey.

Rowan Generates Outsized Impacts in New Jersey

ANNUAL ECONOMIC IMPACT	JOBS SUPPORTED
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\$2.9 billion	14,700 jobs
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ANNUAL ECONOMIC IMPACT BY CATEGORY			
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ANNUAL RESEARCH & OPERATIONS	CAPITAL INVESTMENTS	ANCILLARY SPENDING	ALUMNI WAGE PREMIUM
			
\$1,567 million	\$194 million	\$200 million	\$944 million

ANNUAL TAX REVENUE GENERATED TO THE STATE OF NEW JERSEY

 **\$150**
million

Source: Rowan University (2023), IMPLAN (2022), Econsult Solutions, Inc. (2024)

Rowan is on the Rise

Statewide Annual Total Economic Impact (\$M)



Annual Statewide Economic Impact	2015	2023	2033 (Projected)
Total Statewide Economic Impact (\$M)	\$1,498	\$2,909	\$4,827
Total Employment (FTE)	11,400	14,700	24,200
Employee Compensation (\$M)	\$684	\$1,060	\$1,790

Source: Rowan University (2023), IMPLAN (2022), Econsult Solutions, Inc. (2024)

A Valuable Investment

In FY2023, Rowan received about **\$247 million** in funding from the State of New Jersey.

Because of all the ways the University leverages those dollars with funds from other sources, and because of all the ways the University generates economic activity in the state, that funding has a significant multiplier effect throughout the state economy.

At a current annual statewide economic impact of **\$2.9 billion**, every dollar invested in Rowan by the State is producing almost **\$12** of economic activity within the state.

Rowan University, "Basic Financial Statements, Management's Discussion and Analysis and Required Supplementary Information." June 30, 2023, https://sites.rowan.edu/accounting/docs/f_493053g-1a_rowanuniversity_fs.pdf. The almost \$247 million of state funding includes state appropriations but not grants to Rowan University.

Annual Research and Operating Expenditures Footprint

- **Key Regional Player:** Rowan is a major employer and procurer of regional goods and services.
- **Economic Multiplier:** Employee earnings cycle back into the local economy, further enhanced by the university's engagement with regional suppliers.
- **Direct vs. Indirect Impact:** While direct benefits stem from research and operating expenditures, the university's broader contributions to education, scholarship, research, innovation, and service resonate throughout the region.

Economic and Fiscal Impacts from Annual Research and Operating Expenditures

Statewide Annual Economic and Fiscal Impact in FY 2023

RESEARCH & OPERATIONS



\$1.6
billion

Total Economic Impact

7,390
FTE

Total Jobs Supported

\$59
million

Total Tax Revenue

	Two-County Area	South Jersey	New Jersey
Direct Output (\$M)	\$815	\$815	\$815
Indirect and Induced Output (\$M)	\$648	\$726	\$751
Total Output (\$M)	\$1,463	\$1,541	\$1,567
Total Employment (FTE)	6,930	7,300	7,390
Employee Compensation (\$M)	\$641	\$661	\$668
Tax Revenue Generated (\$M)	-	-	\$59

Source: Rowan University (2023), IMPLAN (2022), Econsult Solutions., Inc. (2024)

Economic Impact from Capital Investments

- **Diverse Capital Initiatives:** Rowan's capital investments span new construction, major renovations, and large-scale maintenance projects. It is estimated that an annual average of **\$108 million** will be invested in capital projects from FY 2022 to 2026.
- **Boost to Construction and Related Sectors:** Rowan's infrastructural undertakings bolster the construction industry, as well as other affiliated sectors, setting off a ripple effect in the regional economy.
- **Immediate vs. Long-Term Benefits:** Direct economic benefits arise from immediate construction expenditures, whereas the broader impact stems from the enhancement of spaces that foster pivotal educational and research activities.

Annualized Economic and Fiscal Impacts from Capital Investments

Statewide Annual Economic and Fiscal Impact in FY 2023

**CAPITAL
INVESTMENT**



\$194
million

Total Economic Impact

1,000
FTE

Total Jobs Supported

\$6.3
million

Total Tax Revenue

	Two-County Area	South Jersey	New Jersey
Direct Output (\$M)	\$108	\$108	\$108
Indirect and Induced Output (\$M)	\$71	\$82	\$86
Total Output (\$M)	\$179	\$190	\$194
Total Employment (FTE)	940	990	1,000
Employee Compensation (\$M)	\$59	\$62	\$63
Tax Revenue Generated (\$M)			\$6.3

Source: Rowan University (2023), IMPLAN (2022), Econsult Solutions, Inc. (2024)

Economic Impact from Student/Visitor Spending

- **Estimation and Impact:** Calculated by combining student/visitor numbers with typical spending patterns, this influx supports local businesses and boosts regional tax revenues.
- **Diverse Spending Sources for the Local Area:** Spending spans in-person students and a wide range of visitors for athletic, performing arts, and other community events.
- **Less Tangible Influences:** Beyond direct economic stimulus, increased visitation and spending to Rowan campuses contribute to the long-term vibrance of the local community.

Annual Ancillary Spend by Rowan University Students

Student Type by Living Arrangement	Ancillary Spend per Student	# of Students	Aggregate Ancillary Spend (\$M)
<i>Undergraduate</i>	<i>\$17,600</i>	<i>14,147</i>	<i>\$249.3</i>
On Campus	\$21,600	5,080	\$109.7
Off Campus	\$16,000	5,895	\$94.4
With Parents or Relatives	\$14,300	3,172	\$45.2
<i>Graduate</i>	<i>\$16,000</i>	<i>2,823</i>	<i>\$45.2</i>
On Campus	\$22,200	72	\$1.6
Off Campus	\$16,000	2,515	\$40.3
With Parents or Relatives	\$14,400	236	\$3.4
<i>Professional, Medical or PhD</i>	<i>\$23,100</i>	<i>1,968</i>	<i>\$45.5</i>
On Campus	\$24,000	4	\$0.1
Off Campus	\$23,200	1,872	\$43.5
With Parents or Relatives	\$20,700	92	\$1.9
Total Aggregate Student Spend	—	18,938	\$340.0
<i>Minus Non-Modeled Amount</i>			<i>(\$147.7)</i>
Total Modeled Spend			\$192.3

Source: Rowan University (2023) & Econsult Solutions, Inc. (2024)

Approximately 4,000 distance learning students were excluded from these counts. Examples of non-modeled spending include transactions such as online purchases or expenditures that go beyond the region's bounds.

Annual Ancillary Spend by Visitors of Rowan University

Visitor Type	# of Visitors	Aggregate Ancillary Spend (\$M)
Athletic Event Visitors	17,600	\$0.4
Cultural & Attraction Event Visitors	26,900	\$0.4
Student Affiliated Visitors	52,700	\$1.9
Total Aggregate Visitor Spend	97,200	\$2.7
<i>Minus Non-Modeled Amount</i>		<i>(\$0.4)</i>
Total Modeled Spend		\$2.3

Source: Rowan University (2023) & Econsult Solutions, Inc. (2024)

Estimated Annual Overall Expenditure by Students and Visitors of Rowan University

Overall Ancillary Spend	Total Count	Aggregate Ancillary Spend (\$M)
Rowan Students (in-person only)	18,938	\$340.0
Housing		\$153.9
Food		\$79.7
Transportation		\$46.6
Personal		\$59.7
Rowan Campus Visitors	97,200	\$2.7
Hotel		\$0.3
Food		\$1.4
Transportation		\$0.7
Other Retail		\$0.3
Total	116,138	\$342.7
<i>Minus Student + Visitor Non-Modeled</i>		<i>-\$148.1</i>
Amounts		
Total Modeled Spend		\$194.6

Source: Rowan University (2023) & Econsult Solutions, Inc. (2024)

Estimated Annual Economic and Fiscal Impact from Ancillary Spending Associated with Rowan University

Statewide Annual Economic and Fiscal Impact in FY 2023

**ANCILLARY
SPENDING**



\$205
million



Total Economic Impact

1,680
FTE



Total Jobs Supported

\$6.8
million



Total Tax Revenue

Student and Visitor Spend	Two-County Area	South Jersey	New Jersey
Direct Output (\$M)	\$137	\$137	\$137
Indirect and Induced Output (\$M)	\$57	\$65	\$68
Total Output (\$M)	\$194	\$202	\$205
Total Employment (FTE)	1,630	1,670	1,680
Employee Compensation (\$M)	\$43	\$45	\$46
Tax Revenue Generated (\$M)	-	-	\$6.8

Source: IMPLAN (2022) & Econsult Solutions, Inc. (2024)

Economic Impact from Alumni Wage Premium

- **Higher Earnings:** Education and credentials from Rowan equate to elevated earning power for alumni.
- **Local Economic Boost:** Rowan alumni in the region possess higher spending power, stimulating the local economy and counties, enriching the state of New Jersey's income tax base.
- **Community Impact:** Long-term influence of their occupational and civic contributions to the region.

Estimated Wage Premium for Rowan University

Category	Degree Level	Wage Premium
Without Rowan - Earnings	Associate's	\$45,300
With Rowan - Earnings	Bachelor's	\$56,100
Wage Premium – Bachelor's		\$10,800
Without Rowan - Earnings	Bachelor's	\$71,300
With Rowan - Earnings	Graduate	\$96,300
Wage Premium – Graduate/Professional		\$25,000

Source: U.S. Department of Education College Scorecard (2023), ACS (2021), Econsult Solutions, Inc. (2024)

Aggregate Wage Premium for Rowan University

Estimated Employed Alumni	Two County	South Jersey	New Jersey
<i>Bachelor's</i>			
Alumni	24,600	45,300	58,600
Wage Premium	\$10,800	\$10,800	\$10,800
Total Bachelor's Wage Premium (\$M)	\$265.7	\$489.2	\$632.9
<i>Graduate/Professional</i>			
Alumni	4,900	9,400	11,700
Wage Premium	\$25,000	\$25,000	\$25,000
Total Graduate Wage Premium (\$M)	\$122.5	\$235.0	\$292.5
Grand Total - Regionally Inclusive (\$M)	\$388.2	\$724.2	\$925.4

Source: U.S. Department of Education College Scorecard (2023), ACS (2021), Econsult Solutions, Inc. (2024)

Estimated Rowan University Alumni and Employed Rowan University Alumni by Location

Rowan Alumni*	Two County	South Jersey (incl. Two County Area)	New Jersey (incl. South Jersey)
Undergraduate	34,200	63,100	81,700
Graduate	6,100	11,800	13,500
Professional, Medical or PhD	700	1,300	2,900
Total Alumni	41,000	76,200	98,100

Source: Rowan University (2023) *All geography counts are inclusive of their respective sub-geographies.

Est. Employed Alumni (Bachelor's & Graduate)	Two County	South Jersey	New Jersey
Alumni: Regionally Inclusive	29,400	54,700	70,400

Source: Bureau of Labor Statistics (2023) & Econsult Solutions, Inc. (2024)

Estimated Annual Economic and Fiscal Impact from Alumni Wage Premium Associated with Rowan University

Statewide Annual Economic and Fiscal Impact in FY 2023

**WAGE
PREMIUM**



\$944
million

Total Economic Impact

4,630
FTE

Total Jobs Supported

\$78
million

Total Tax Revenue

Impact Type	Two-County Area	South Jersey	New Jersey
Wage Premium (Inclusive – \$M)	\$388	\$724	\$925
Induced Output (\$M)	\$380	\$697	\$944
Total Output (\$M)	\$380	\$697	\$944
Total Employment (FTE)	1,940	3,560	4,630
Employee Compensation (\$M)	\$116	\$206	\$283
Tax Revenue Generated (\$M)			\$78

Source: IMPLAN (2022), State of New Jersey Department of the Treasury (2022), Econsult Solutions, Inc. (2024)

Aggregate Economic Impact

Annual Economic and Fiscal Impact of Rowan University in FY 2023

Annual Impact	Two-County Area	South Jersey	New Jersey
Research and Operating Expenditures (\$M)	\$1,463	\$1,541	\$1,567
Capital Investments (\$M)	\$179	\$190	\$194
Ancillary Spending (\$M)	\$190	\$200	\$200
Alumni Wage Premium (\$M)	\$380	\$697	\$944
Total Economic Impact (\$M)	\$2,213	\$2,628	\$2,904
Total Employment (FTE)	11,410	13,520	14,700
Employee Compensation (\$M)	\$858	\$973	\$1,060
Tax Revenue Generated (\$M)	-	-	\$150

Source: Rowan (2023), IMPLAN (2022) & Econsult Solutions, Inc. (2024)



Section 3

Impacts on the Broader Rowan Community

Serving the Local Community

- **Local Economic Opportunity:** A key economic driver in Glassboro, influencing local business and employment opportunities.
- **Educational Resources and Public Engagement:** Public access to Rowan's institutional programming offers significant educational and cultural benefits to the community. (e.g. free events at library, artist talks at art gallery)
- **Campuses as a Community Amenity:** Rowan's campus serves as a vibrant hub with its cultural, educational, and recreational amenities available to the public. (e.g. **Planetarium, art gallery, Meditation Walk, public art**)
- **Volunteer Services and Service Learning:** community cleanup "Back to the Boro", The Shop Pantry, Fresh For All Market, blood drives, VCE volunteer opportunities
- **Partnerships for Community Development:** Projects like **Rowan Boulevard** have revitalized Glassboro, promoting economic and social vibrancy.

Serving the Broader Region

- **Workforce Development:** Rowan is instrumental in shaping New Jersey's future workforce, offering career advancement services and connecting students with job opportunities
- **Diversity and Economic Growth:** The university's commitment to diversity enriches the regional economy by developing a skilled and inclusive workforce, as seen in its partnerships with community colleges and specialized healthcare training centers.
- **Research and Innovation:** Rowan's significant research funding and outputs, including patents and invention disclosures, bolster local economic vitality and position the university as a leader in public research and innovation.
- **Entrepreneurial Ecosystem:** Rowan catalyzes economic renewal and commercial activity, supporting startups and established companies with cutting-edge facilities and resources.
- **Alumni Influence:** Rowan alumni, empowered by their education, have made wide-reaching economic and societal impacts, exemplified by successful ventures and contributions to civic engagement and community development.

Living the Mission and Purpose

- **Accessible and Affordable Education:** Rowan actively lowers educational expenses to improve access and affordability for a wider student population.
- **Diversity and Inclusion:** The university prioritizes creating an inclusive environment that supports diversity in its student and faculty bodies.
- **Community Service:** Rowan extends its commitment to service through programs that encourage student engagement at local, regional, and global levels.
- **Thought Leadership:** The university fosters intellectual growth and societal advancement through robust research funding and innovative initiatives
- **Institutional Mission and Societal Impact:** Rowan's institutional mission is to provide valuable educational pathways and practical applications of knowledge, driving positive societal change.



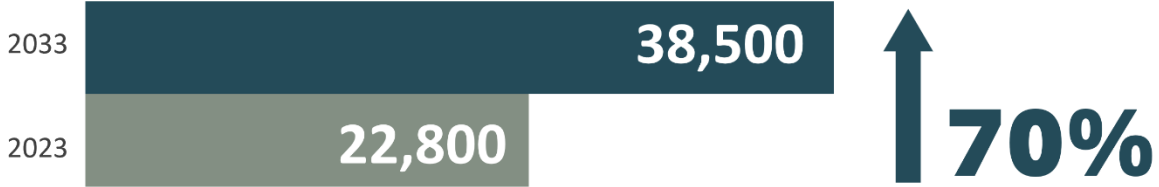
Section 4

Continued Growth into the Future

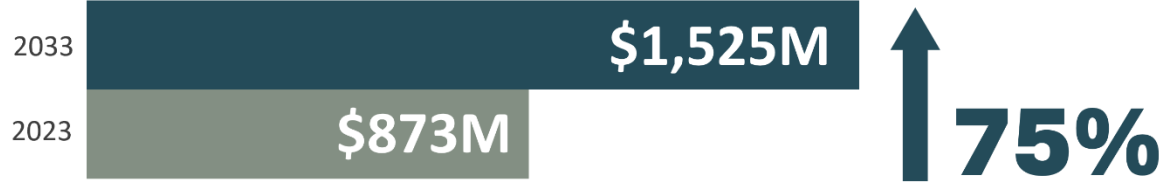
Growth Projections



Student Enrollment



Research and Operating Budget



 **\$1-1.5B**
Capital Investment

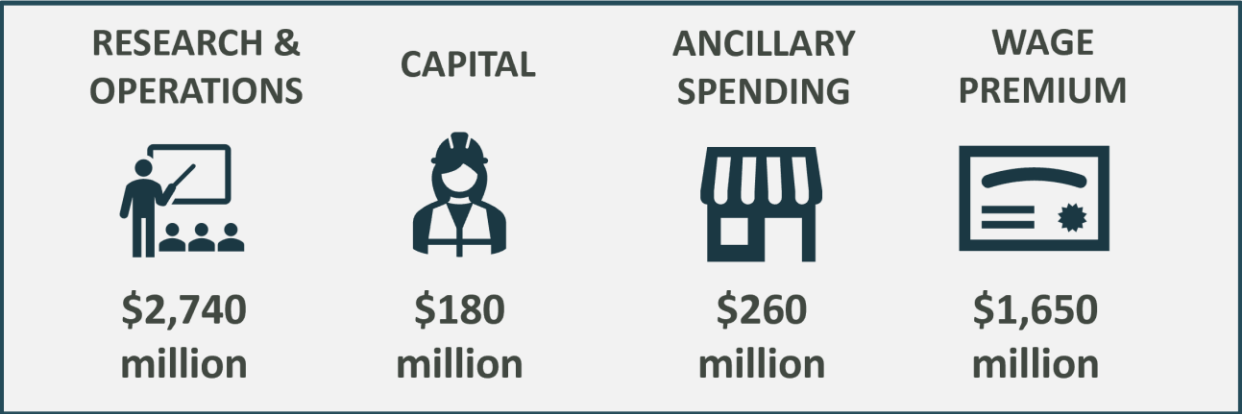
Source: IMPLAN (2022) & Econsult Solutions, Inc. (2024)

Projected Economic Impact of Aspirational Growth

Projected Statewide Annual Economic Impact by 2033



Projected Statewide Annual Economic Impact by Category



Source: IMPLAN (2022) & Econsult Solutions, Inc. (2024)

Aggregate Current and Prospective Economic Impact

Annual Economic Impact of	Two County		South Jersey		New Jersey	
	2023	2033	2023	2033	2023	2033
Operations (\$M)	\$1,463	\$2,560	\$1,541	\$2,690	\$1,567	\$2,740
Capital Investments (\$M)	\$179	\$160	\$190	\$170	\$194	\$180
Ancillary Spending (\$M)	\$194	\$240	\$202	\$250	\$205	\$260
Alumni Wage Premium (\$M)	\$380	\$660	\$697	\$1,220	\$944	\$1,650
Total (\$M)	\$2,217	\$3,620	\$2,630	\$4,330	\$2,909	\$4,830
Total Employment (FTE)	11,410	18,500	13,520	22,100	14,700	24,200
Employee Compensation (\$M)	\$858	\$1,440	\$973	\$1,640	\$1,060	\$1,790

Source: IMPLAN (2022), State of New Jersey Department of the Treasury (2022), Econsult Solutions, Inc. (2024)

Growth in Return-on-Investment Terms

Should Rowan achieve its multifaceted aspirational growth goals, the university will:

- **Generate nearly \$3.6 billion in total economic impact within Gloucester and Camden counties**, supporting approximately 18,500 jobs with \$1.4 billion in earnings.
- **Contribute over \$4.3 billion in total economic impact within South Jersey**, supporting 22,100 jobs with nearly \$1.6 billion in employee compensation.
- **Create around \$4.8 billion in total economic impact across New Jersey**, supporting 24,200 jobs with about \$1.8 billion in employee compensation.

The successful achievement of Rowan University's 10-year goals is expected to result in a comprehensive ROI, reflecting the university's ambitious growth while offering compelling opportunities for those looking to be part of its economic and strategic advancements.

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