

The Economic Value of Brooklyn College

Brooklyn College 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, Brooklyn College added **\$2.6 billion** in income to the New York City* economy. Expressed in terms of jobs, Brooklyn College's impact supported **20,533 jobs**.

Operations spending impact

- Brooklyn College employed 2,514 full-time and part-time faculty and staff. Payroll amounted to \$217.4 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$108.7 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending was **\$284.6 million** in income added to the regional economy in FY 2021-22.

Student spending impact

- Around 8% of students attending Brooklyn College originated from outside the region. Most of these students relocated to New York City. Some in-region students, referred to as retained students, would have left New York City for other educational opportunities if not for Brooklyn College. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.
- The expenditures of relocated and retained students in FY 2021-22 added **\$52.1 million** in income to the New York City economy.**

* For the purposes of this analysis, New York City comprises the counties of Bronx, Kings, New York, Queens, and Richmond.

** Note that many student activities and expenses associated with these activities were affected by COVID-19 in FY 2021-22, reducing the student spending impact.

Impacts created by Brooklyn College in FY 2021-22



Operations spending impact
\$284.6 million

+



Student spending impact
\$52.1 million

+



Alumni impact
\$2.3 billion



Total economic impact
\$2.6 billion

OR

Jobs supported
20,533



Alumni impact

- Over the years, students have studied at Brooklyn College and entered or re-entered the workforce with newly acquired knowledge and skills. Today, thousands of these former students are employed in New York City.
- The net impact of Brooklyn College's former students currently employed in the regional workforce amounted to **\$2.3 billion** in added income in FY 2021-22.

Investment analysis

Student perspective

- Brooklyn College's FY 2021-22 students paid a present value of **\$68.8 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$191.9 million** in time and money had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$1.9 billion** in increased earnings over their working lives. This translates to a return of **\$7.30** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **21.7%**.

Taxpayer perspective

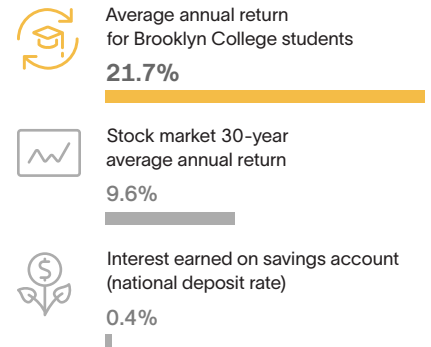
- Taxpayers provided Brooklyn College with **\$200.9 million** of funding in FY 2021-22. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$628.1 million**. A reduced demand for government-funded services in New York will add another **\$121.6 million** in benefits to taxpayers.
- Total taxpayer benefits at the state level amount to **\$749.6 million**, the sum of the added tax revenue and public sector savings in present value terms. For every dollar of public money invested in Brooklyn College, taxpayers will receive **\$3.70** in return over the course of students' working lives. The average annual rate of return for taxpayers is **8.9%**.

Social perspective

- In FY 2021-22, the New York state society invested **\$539.1 million** to support Brooklyn College. In turn, the New York economy will grow by **\$6.6 billion**, over the course of students' working lives. Society will also benefit from **\$252 million** of public and private sector savings.
- For every dollar invested in Brooklyn College in FY 2021-22, people in New York will receive **\$12.70** in return, for as long as Brooklyn College's FY 2021-22 students remain active in the state workforce.



Students see a high rate of return for their investment in Brooklyn College



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

