



The National Association of Independent Colleges and Universities (NAICU) commissioned an economic and community impact study to highlight the contributions of private, nonprofit higher education institutions in the United States. Conducted by Parker Strategy Group, this analysis leverages IPEDS data to quantify their economic influence across New Jersey. The study presents findings for fiscal year 2024 (FY24), offering a snapshot of the annual aggregate impact of private, nonprofit higher education on New Jersey’s economy.

Private, nonprofit colleges and universities in New Jersey contributed \$12.5 billion to the economy through operations, employment, and wages. They supported 64,488 jobs as a result of daily expenditures and workforce activity. Workers at these institutions earned a combined \$5.0 billion in labor income. Additionally, private, nonprofit institutions generated \$1.8 billion in total tax revenue across local, state, and federal levels.

Economic Indicators (FY24)

Impact	Employment	Labor Income	Value Added	Economic Impact
Direct	33,235	\$2.8B	\$3.8B	\$5.1B
Indirect	9,420	\$663.1M	\$1.2B	\$2.5B
Induced	21,833	\$1.5B	\$2.9B	\$4.9B
Total	64,488	\$5.0B	\$7.9B	\$12.5B

Source: Parker Strategy Group using data from IPEDS

Local, State, and Federal Tax Impacts (FY24)

Impact	Sub County General	Sub County Special Districts	County	State	Federal	Total
Direct	\$41.3M	\$39.4M	\$26.7M	\$153.7M	\$636.1M	\$897.1M
Indirect	\$14.8M	\$14.3M	\$9.6M	\$52.0M	\$163.3M	\$254.0M
Induced	\$46.8M	\$46.7M	\$31.2M	\$148.5M	\$382.2M	\$655.4M
Total	\$102.9M	\$100.4M	\$67.4M	\$354.1M	\$1.2B	\$1.8B

Source: Parker Strategy Group using data from IPEDS

NAICU Economic Impact Study Profile

Data sources:

IPEDS data

Study type:

Economic contribution analysis

Geography:

United States

Study year:

Fiscal year 2024 (FY24)

Methodology:

IMPLAN

STUDY OVERVIEW

The National Association of Independent Colleges and Universities (NAICU) engaged Parker Strategy Group to measure the economic contributions of the private, nonprofit sector of higher education. This analysis provides a complete assessment of the total economic, employment, and federal, state, and local tax impact from these private nonprofit institutions located across the country. Subcounty tax revenues consist of general taxes (including city and township taxes) as well as special district taxes, which support local services such as fire protection, police, emergency medical services, and other community-based programs.

The methodology in this study uses the input-output model and data set developed by IMPLAN Group LLC. Data categories included in operational expenditures, capital expenditures, and payroll and benefits for employees for the most recent year in which data are available (FY2024). Secondary data were used to estimate spending by visitors (day and overnight) and students (undergraduate, graduate, and professional) exclusive of tuition and fees.

The impact presented in this analysis is broken down into three categories: direct impact, indirect impact, and induced impact. The indirect and induced impacts are commonly referred to as the “multiplier effect.” The graphic below provides an overview of the types of impact detailed in this report.

DIRECT

Impacts generated because of spending by the private, nonprofit sector of higher education on operations, capital expenditures, pay and benefits, student spending, and visitor spending.

INDIRECT

The increase in demand for goods and services in industry sectors that supply or support the private, nonprofit sector of higher education, their students, faculty and staff, and visitors. Often referred to as the supply chain.

INDUCED

The third wave of impact created because of household spending by private, nonprofit sector of higher education employees, employees of suppliers, and students. Induced impacts estimate the effect of increased