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Scholars' Day Presentation Abstract: The Economic Impact of Ramapo College on Surrounding Communities

With the academic assistance and guidance from Dr. Steindel of the Anisfield School of Business (ASB), we (Kevin Duque and Robert Walshe) have prepared data that examine Ramapo College's direct statewide economic impact from 2016 to 2018. The project focuses on deriving "Gross Domestic Product (GDP)" calculations by utilizing three diverse methods. The first takes into account the difference between an economic entity's sales and purchases, otherwise denoted as the value added that inputs into production have accumulated through business operations. The second method permits an examination of the organization's generated income – for our case in particular, we had to accumulate and consider the salaries and wages of the staff over the past four years. The last and most inclusive method required collecting salary data from the Bureau of Labor Statistics (BLS) and GDP estimates from the Bureau of Economic Analysis (BEA). Considering that Ramapo College is a public educational institution associated with the state government, the salaries at the college had to be compared, year by year, to the aggregated salary amounts earned by New Jersey employees who provide educational services. The results of each of these three methods were averaged so that a total GDP calculation could be derived for each year.

Three research setbacks were encountered and are worth mentioning. The first was related to the availability of needed data on the online software programs maintained by BLS and BEA. We initially planned on incorporating GDP and salary figures generated by state government institutions and comparing them to the salaries paid by Ramapo College – such a procedure came to a halt upon the realization that both the Departments of Labor and Commerce do not present online databases with similar industry titles. While the BEA presented GDP estimates for "Government Enterprises," the Bureau of Labor Statistics' wage-related platform did not. Thus, our focus of the data collection transitioned away from governmental institutions and toward educational services. The second setback was related to the lack of county-level data on the part of BLS – total annual wages earned by educational providers in New Jersey were available online, but according to several BLS records, those attributable to Bergen County were deemed "ND," or not disclosable (data did not meet BLS or State agency disclosure standards). The last complexity dealt with was related to the application of an education-related multiplier – we were indeed capable of providing theoretical background on the Multiplier Theory, but due to the coronavirus pandemic and the various due date ambiguities that ensued, we were unable to derive a figure and apply it mathematically. This has meant that we were incapable of truly calculating the indirect impact of Ramapo College and answering relatable questions such as, "how does the institution's existence affect consumer spending behaviors in Bergen County and New Jersey, and do the services provided attract more individuals than if the college itself had been replaced with another organization?" These are the types of questions we were planning to tackle with the inclusion of the multiplier effect. **Regardless of the setbacks encountered here, we have made an attempt to provide a reasonable and sober estimation of Ramapo College's multiplier within a specified bound. The implications of the potential multipliers are subsequently explored.**

Despite the recent complications brought about by the coronavirus pandemic, our research does indeed present an important implication. Ramapo College's GDP increased from 2016 to 2018, specifically by 3.326 percent between 2017 and 2018. The *real* incremental change is lower when one considers the inflation rate (calculated by the BLS by computing the percentage change in the Consumer Price Index (CPI)) of 1.9 percent during this same time frame (the growth in GDP is still positive nonetheless). This may suggest that the college itself has been expanding over the past three years, a reality that is supported by the fact that the institution's revenues have increased by 4.37 percent since 2016 and that total salaries and wages have risen by 9.05 percent. Thus, the research conducted lends support to the various business initiatives and programs that were launched since 2016.