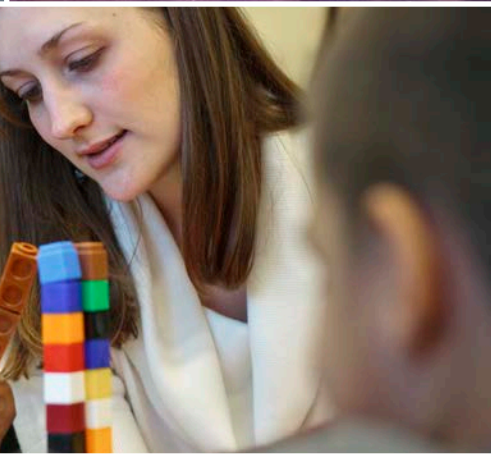
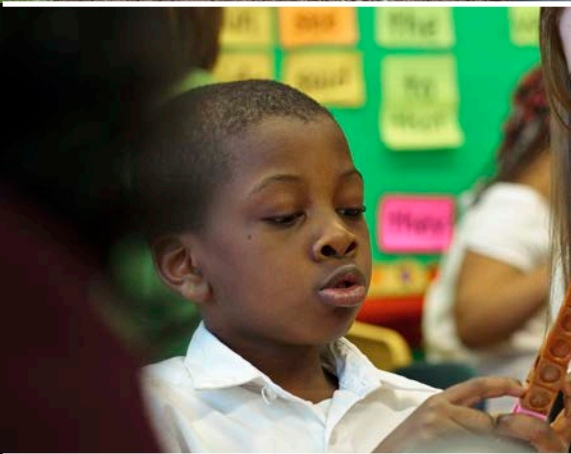


MONTCLAIR STATE UNIVERSITY



President's Message



Dr. Susan A. Cole

Montclair State University takes great pride in the caliber and commitment of its students and the quality and breadth of the education it provides them. Montclair State's many thousands of graduates have gone on to lead purposeful and productive lives and have contributed to society in innumerable ways. Its distinguished faculty continues to make important contributions in scholarship and research in fields relevant to the state and the larger world.

While the University exists for these educational purposes, it also makes an additional positive and direct contribution to the economy and quality of life of the state and the region. Montclair State employs thousands of people, makes voluminous purchases from state vendors and attracts tens of millions of dollars in out-of-state funding.

In recent years, the University has experienced significant growth in enrollments, an expansion of academic programs, and the addition of new and renovated facilities. In short, we are running a bigger and better university than we were just a few short years ago, and these advances have enabled us to contribute even more to New Jersey.

Going forward, we are determined to ensure that Montclair State continues to be an outstanding educational resource and engine of growth for New Jersey and the nation.

A handwritten signature in white ink that reads "Susan A. Cole". The signature is written in a cursive, flowing style.

2012-2013

Economic Impact Report

Montclair State University takes pride in its rich history of bold educational innovation and vital service to the state. Although the University's core mission lies in higher education, it is also an integral part of the New Jersey economy and a steady driver of its growth. In fact, Montclair State's impact extends well beyond its students and employees to create income and employment for thousands of people throughout the state, many of whom have no direct connection to the University. Now more than ever, when our state and nation continue to confront serious economic challenges, this tangible economic benefit makes Montclair State an exceptional investment for New Jersey.



2012-2013 Highlights

8,014
New Jersey
jobs were
attributable to
Montclair State
in 2012.

- **The amount of economic activity traceable to Montclair State (\$354.1 million) was more than three and a half times its total state funding (\$99.4 million) in 2012.**
- **Montclair State accounts for a large and growing number of jobs.** Including both jobs at the University and those that result from its in-state expenditures, 8,014 New Jersey jobs were attributable to Montclair State in 2012. To meet expanding student enrollments, the number of full-time faculty and staff positions rose 43% between 2000 and 2012.
- **Montclair State supports New Jersey vendors,** making more than 87% of its \$89.8 million in purchases from in-state vendors.
- **Montclair State brings significant amounts of money into New Jersey,** attracting almost \$41 million from out-of-state sources in 2012.
- **Montclair State has expanded to meet the state's educational needs,** boosting undergraduate enrollments by almost 42% and graduate enrollments by more than 19% since fall 2000.

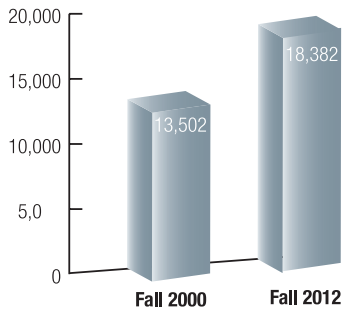
- **The skills Montclair State provides its students stay in New Jersey.** About 91% of students who have earned degrees since 2000 still live and work in New Jersey.
- **Montclair State achieved all these positive outcomes as New Jersey's share of the University's total revenue declined** from 55.2% in 1995 to 23.4% in 2012. Just between FY00 and FY12, the University's state allocation per full-time-equivalent student plummeted by almost 47% from \$4,669 to only \$2,490.



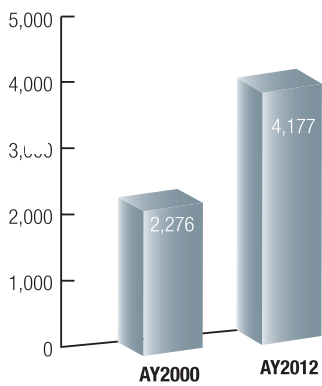
About 91% of students who have earned degrees since 2000 still live and work in New Jersey.

*Unless otherwise noted, all references are to fiscal years.

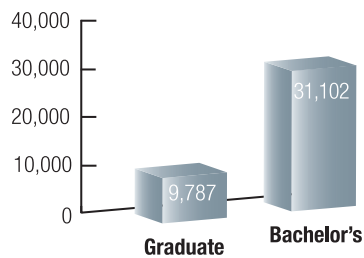
Growth in Degree Enrollments



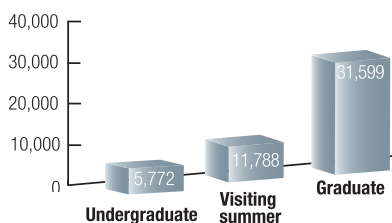
Growth in Degrees Conferred



Total Degrees Conferred AY2000-12



Non-Degree Enrollments AY2000-12



Training a Work Force

New Jersey cannot compete economically without a sophisticated work force, but it ranks a disappointing 46th in the nation in seats in public, four-year institutions of higher education per high school graduate. As a result, New Jersey is far and away the largest net exporter of college students in the United States. In the fall of 2010, of the 100,778 freshmen from New Jersey enrolled in degree-granting institutions, 34,995 students, or almost 35%, enrolled in out-of-state institutions. Their loss to New Jersey was not replaced by a comparable number of students from other states. Many of these expatriates never return to live or work in New Jersey, thereby denying the state the benefits of their intelligence, energy and ambition. With its knowledge-driven economy, New Jersey has no choice but to increase capacity in its historically under-built system of higher education.

The second largest university in New Jersey, Montclair State has been doing its part to address this grave problem. From 2000 through 2012, it conferred 31,102 baccalaureate and 9,787 graduate degrees. The University has served comparable numbers of non-degree students. During those same years, non-degree undergraduate enrollments in the fall and spring totaled 5,772; visiting summer enrollments amounted to 11,788; and non-degree, post-baccalaureate enrollments in the fall and spring numbered 31,599.

Montclair State has been growing. Between fall 2000 and fall 2012, it boosted undergraduate enrollments by almost 42% and graduate enrollments by more than 19%. Now enrolling 18,382 students, the University granted almost 84% more degrees in 2012 than it did in 2000. The University's growing reputation has brought an even swifter increase in applications. The College Board reports that Montclair State is the second most popular destination of New Jersey students' SAT scores. In 2012, Montclair State received nearly 12,500 applications for 2,207 places in its freshman class, double the number of applications it received a decade ago. More than 4,000 students applied to transfer to the University, another increase of 100% over ten years.

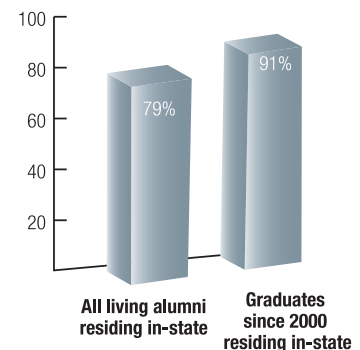
This very significant increase in educational opportunity for New Jersey students has been supported by significant academic and campus

life enhancements, including: a 67% increase in classrooms, laboratories, and specialized academic facilities and a 122% increase in on-campus housing for students since 1999; a new performing arts center and art gallery; a new student recreation center; a renovated athletic center; new parking facilities; and extensive improvements to campus technology and infrastructure. The new Heights residence complex was honored for its contribution to the state's economic recovery and was recognized as the state's Leading Public-Private Partnership project by the New Jersey Alliance for Action. As a result of an expansion of the University's degree offerings, in the fall of 2012, Montclair State offered 57 distinct bachelor's degrees, 40 master's degrees and 6 doctoral degrees. If concentrations are included, the count rises to 120 different bachelor's and 83 master's degrees.

Montclair State is a true opportunity university. In the fall of 2011, 42% of freshmen were minority students. In the fall of 2010, more than 38% of freshmen estimated that their family income was below \$50,000. Also, only 38% of their fathers and 43% of their mothers had earned a college degree, so many students were the first member of their family to attend college.

Although it attracts growing numbers of out-of-state applicants, Montclair State's primary contribution is to the human capital of New Jersey, amply repaying the state for its investment in their education. Of students who earned degrees since 2000 for whom data is available, 91% live in New Jersey. Of the total of 105,647 living graduates for whom data is available, 79% still reside in New Jersey. The skills of many of these graduates would have been lost to New Jersey if they had attended out-of-state universities.

Montclair State Graduates Live and Work in New Jersey



Quality Gets Noticed

Getting beyond the numbers, outside observers have repeatedly called attention to the quality of the education offered by Montclair State:

2012

- *U.S. News & World Report* continues to rank our graduate teacher preparation program as one of the top 20 in the nation, and it once again named Montclair State a top-tier regional university.
- The U.S. Department of State recently recognized Montclair State as a “Top Producer of U.S. Fulbright Scholars.” This year, with 11 new international Fulbright students choosing to pursue their graduate studies at Montclair State, the University has 26 Fulbright students on campus for the 2012-2013 academic year, the most in its history.
- The magazine *Diverse Issues in Higher Education* ranked Montclair State in the top 2% nationally as a producer of undergraduate degrees for minority students.
- For the 15th year in a row, *The Hispanic Outlook in Higher Education Magazine* named the University as one of the “Top 100 Colleges for Hispanics” in the nation, giving Montclair State the highest ranking in New Jersey.
- For the fourth consecutive year, *G.I. Jobs* magazine included Montclair State in its list of “Top 100 Military Friendly Schools.”
- Montclair State’s Center for Autism and Early Childhood Mental Health received a \$1.5 million grant to establish a Center of Excellence to coordinate all autism research funded by the Governor’s Council for Medical Research and Treatment of Autism.
- Montclair State University and New York Public Radio (NYPR) have entered into a partnership that makes the University the headquarters for the news bureau of NYPR’s recently-created New Jersey Public Radio.
- The Princeton Review included our School of Business in its 2012 edition of *The Best 294 Business Schools*.
- Montclair State was once again included in *The Princeton Review’s Guide to 322 Green Colleges* and *Sierra* magazine’s list of “Coolest Schools” as one of America’s most environmentally responsible and forward-looking institutions of higher education.

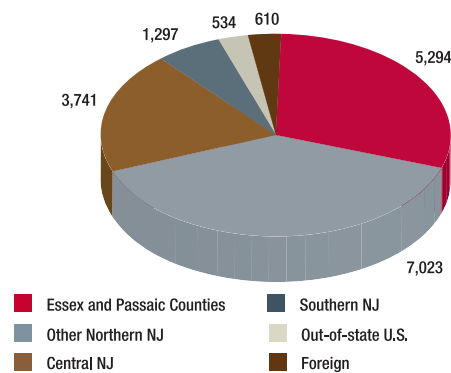
2011

- *U.S. News & World Report* ranked Montclair State’s graduate programs in elementary and secondary teacher education in the top 20 in the nation. The report also ranked Montclair State in the top tier of Northern Regional Universities.
- Montclair State was one of 12 colleges and universities — and the only academic institution in New Jersey — selected to participate in a National Genomics Research Initiative by the Howard Hughes Medical Institute and its Science Education Alliance.
- *Diverse Issues in Higher Education* magazine ranked Montclair State in the top 2% of all schools as a producer of undergraduate degrees for minorities. *The Hispanic Outlook in Higher Education Magazine* placed the University on its “Top 100 Colleges for Hispanics” list for the 14th year in a row, awarding Montclair State the top ranking in New Jersey.
- For the third consecutive year, *G.I. Jobs* magazine awarded Montclair State the designation of “Military Friendly School.”

2010

- *U.S. News and World Report* included Montclair State on its list of “Best Business Schools.” *The Princeton Review* also named Montclair State “A Best Business School.”
- The nonprofit Education Trust labeled Montclair State a “Top Gainer” and listed it among the top 25 public four-year colleges and universities in the nation for its improvements in minority graduation rates. Montclair State was the only New Jersey institution to break into the top 25. The University was also ranked in the top 25 nationally in a companion report of “Top Gap Closers,” which listed those institutions that were most successful in closing the gap between the graduation rates of minority and non-minority students.
- Montclair State was the only state college in New Jersey to make *Sierra* magazine’s list of “Coolest Schools,” which recognizes America’s most environmentally responsible and forward-looking colleges and universities. Montclair State was also included in the first release of *The Princeton Review’s Guide to 286 Green Colleges*.

Sources of Montclair State Students
Fall 2012



Montclair State draws students from an ever-widening geographic base. In the fall of 2012, although close to 29% of all students hailed from the University’s home in Essex and Passaic Counties, 38% came from the rest of northern New Jersey (Bergen, Hudson, Morris, and Sussex Counties), more than 20% from central New Jersey, and 7% from the south of the state. Every one of New Jersey’s 21 counties was represented. The 5.6% of students who came from elsewhere were particularly diverse: 33 states and the District of Columbia and 86 foreign countries were represented, with the largest international contingents coming from China (86), India (48), and the Republic of Korea (55).

Montclair State has earned accreditation from 12 different agencies, including the most prestigious accreditation agencies in the fields of business, the arts, teacher education and audiology. In August 2012, the Middle States Association gave an overwhelmingly positive review of the University’s mid-term *Periodic Review Report* in support of its regional accreditation. Reviewers noted that the University’s “student-centered philosophy” is evident in its attention to affordability and to issues of student advising. They commended the University no less than seven times for its strategic planning, assessment, technology, budgeting, and student service programs. The Middle States report concluded that the “President, faculty, administration, students, Trustees, and community partners of Montclair State University will move through the challenging landscape of the 21st Century successfully to sustain their strong institution and to provide increasingly engaging opportunities for their students.”

Collaboration with the Corporate Community

Companies need employees who can communicate, solve problems, and continue to learn in response to evolving economic and social conditions. Montclair State's **Center for Career Services and Cooperative Education** offers programs designed to produce just such graduates. Between June 2005 and fall 2012, 2,882 students worked an average of 34.5 hours per week for more than 1,395 organizations in special internship and cooperative education programs. While students gained hands-on experience, they provided their labor and ideas to such well-known (as well as numerous smaller) institutions as:

| | | | |
|---------------------------------------|--|--|--|
| A.G. Edwards & Sons, Inc. | Disney Worldwide Services, Inc. | Morgan Stanley Dean Witter | Six Flags Great Adventure |
| ABC News, <i>Good Morning America</i> | Donna Karan International | Mountainside Hospital | Smith Barney, Inc. |
| ABC NewsOne | Drug Enforcement Agency | Movado Group, Inc | Sodexo |
| Albert Einstein College of Medicine | Duff & Phelps, LLC | MSNBC | Solomon R. Guggenheim Museum |
| <i>All My Children</i> | EMI Music North America | National Academy of Television Arts & Sciences | Sony BMG Music Entertainment, Inc. |
| American Cancer Society | Englewood Hospital and Medical | National Organization for Women | Sony Pictures |
| Ameriprise Financial Services | Enterprise Rent-A-Car | NBA | Sports Authority |
| Anthropologie | Entertainment Tonight /Insider | NBC Sports | Sports Radio 66 WFAN |
| Apple Montessori Schools | Ernst & Young, LLP | NBC Universal | Standard & Poor's |
| Applebee's | ESPN Radio 1050AM | Neiman Marcus | Standard Chartered Bank |
| Armani Exchange | Esprit | Nets Basketball | Staples, Inc. |
| Atlantic Health System | Essex County Hospital Center | <i>New Jersey Business</i> magazine | Sundance Channel |
| Atlantic Records | Extended Stay Hotels | New Jersey Jackals | Superior Court Of New Jersey – Essex |
| Avalon Publishing Group | Fair Isaac Corporation | New Jersey Network (NJN) | Superior Court Of New Jersey – Bergen |
| Avis Budget Group | Fairlawn Health Center | New Jersey Performing Arts Center | Target |
| Bally Total Fitness | <i>Family Circle</i> | New Jersey Sports & Exposition | TGI Friday's |
| Barclay's PGA Tour | Fort Lee Police Department | New Jersey State Police | <i>The Colbert Report</i> |
| Barneys New York | Fox News Channel | New Jersey Symphony Orchestra | The Conference Board |
| BASF Corporation | Fred Astaire Dance Studios | New Line Cinema | <i>The Daily Show with Jon Stewart</i> |
| Bauer Media Group | GNC | New York Giants | The Donna Karan Company |
| Bayer HealthCare | Gold's Gym | New York Life | The Estee Lauder Companies, Inc. |
| BBDO | <i>Good Housekeeping</i> | New York Red Bulls | <i>The Martha Stewart Show</i> |
| Bear Stearns | <i>Guiding Light (CBS)</i> | New York Sports Club | The NASDAQ OMX Group Inc. |
| Bellevue Hospital Center | Hampton Inn & Suites | Newark Beth Israel Medical Center | <i>The New York Times</i> |
| Bergen County Health Department | Harrah's Entertainment Inc. | Newark Liberty International Airport | The Rachael Ray Show |
| Bergen County Prosecutor's Office | HealthCare Institute of New Jersey | Newark Public Schools | The Salvation Army |
| Berlex Laboratories, Inc. | Hearst Magazines | NFL Films | <i>The View</i> |
| Best Buy/Geek Squad | Hilton Short Hills | New Jersey Department of Corrections | The Weinstein Company |
| BET Networks | <i>Hispanic Outlook in Higher Education Magazine</i> | New Jersey Performing Arts Center | Time Warner Cable |
| <i>Billboard</i> magazine | Holy Name Hospital | NJT | TriStar Studios |
| Bleecker and Sullivan Advertising | Homewood Suites | Northwest Airlines | U.S. Department of State |
| Bloomingdales | Horizon Blue Cross Blue Shield of NJ | Norwegian Cruise Line America | U.S. District Court of New Jersey |
| Cablevision | Houlihan's | Novartis Pharmaceutical Corp. | UBS Financial Services, Inc. |
| Capitol Records | ITT | NY1 News | United Airlines |
| Cardinal Health Healthcare Marketing | John Wiley & Sons, Inc. | NYC Board of Education | United Health Group |
| Care Plus NJ, Inc. | Johnson & Johnson | NYU Medical Center | United Nations |
| Catholic Charities | Kenneth Cole Productions | Ogilvy CommonHealth Worldwide | United Parcel Service |
| CBS News | King World Productions | Oppenheimer & Co., Inc. | Universal Music Group |
| CBS Sports | KPMG | Outback Steakhouse | Universal Pictures |
| Cendant | L'Oreal USA | Overlook Hospitals | <i>USA Today</i> |
| Cerebral Palsy of North Jersey | La Quinta Inns & Suites | Oxygen Media | Valley National Bank |
| Cesna Group | LabCorp of America | Passaic County Prosecutor's Office | Verizon Wireless |
| Charlie Brown's | Lea & Perrins, Inc. | Passaic County Superior Court | Versace |
| Chili's Southwest Grill & Bar | Liberty Health | Pathmark Pharmacy | Viacom /Viacom Media Networks/MTV |
| Chubb Group of Insurance Companies | Liberty Science Center | <i>People</i> magazine | Virgin Mobile USA |
| Citigroup | Lifetime Television (NY) | Pfizer, Inc. | WABC-TV |
| Classic Rock 102.9 | Liz Claiborne, Inc. | PGA Tour | Walgreens Pharmacy |
| CNBC | Louis Vuitton North America | Polo Ralph Lauren | Walmart |
| CNN New York | Madison Square Garden Network | PriceWaterhouse Coopers LLP | Walt Disney World Resort |
| Coach | Maimonides Medical Center | Progressive | Warner Music Group |
| Colgate-Palmolive Company | Major League Baseball | Prudential Financial | WCBS-TV |
| Columbia University | March of Dimes | Public Relations Society of America | Wegmans |
| Commerce Bank | Marriott Vacation Club International | Radio Disney 1560 AM | Wells Fargo Securities, LLC |
| Community Food Bank of New Jersey | Marvel Comics | Ralph Lauren Childrenswear | Westchester County Forensic Laboratory |
| Conde Nast Publications | MBNA | Rasmussen Reports | Western Union |
| <i>Cosmopolitan</i> magazine | Meadowlands Hospital Medical Center | Rite Aid Pharmacy | Westwood One Radio Sports |
| Costco Wholesale | Mellon Financial | Robert Wood Johnson University | Whole Foods Market |
| County of Middlesex Public Health | Mercedes-Benz USA | Roche | Whoop, Inc. |
| Courtyard by Marriott | Merck & Co. Inc. | Saint Barnabas Medical Center | WINS 1010 |
| Covenant House – New Jersey | Merrill Lynch | St. Joseph's Healthcare System | WPIX-TV /CW11 WPLJ FM Radio 95.5 |
| Crane's Mill Retirement Community | Metropolitan Opera Guild | Scotttrade | Wyeth |
| Crowne Plaza | Miramax | <i>Seventeen</i> magazine | YMCA of Greater Bergen County |
| CVS Pharmacy | Montclair Public Schools | Shop Rite Supermarkets, Inc. | Yogi Berra Museum |
| <i>Dan Rather Reports</i> | Montclair YMCA | Showtime Networks | Z100/WHTZ Radio |
| Daughters of Israel | <i>Montel Williams Show</i> | Siemens Corporation | |
| Deloitte & Touche | Moody's Corporation | SIRIUS XM Radio | |



As Montclair State's *Mission Statement* declares, "The University will serve as a center for the creation of new knowledge and for the development of innovative applications of existing knowledge." Given Montclair State's growing collaboration with industry, its experience sponsoring highly regarded conferences focusing on issues related to business and the environment, and the breadth of expertise represented by its faculty, the University is a major resource supporting the New Jersey business community. Not only do businesses consult faculty members on topics ranging from economic forecasting to forensic accounting, but students themselves advise local companies.

The **PSEG Institute for Sustainability Studies** was founded in 2009 to play a transformative role in cross-disciplinary research and education to address the sustainability issues of our time. The mission of the Institute is to conduct research, education and outreach to balance preservation of the Earth's life-support systems with the production of sustainable goods and services.

The **Bristol-Myers Squibb Science Teaching and Learning Center** houses Montclair State's Professional Resources in Science and Math (PRISM) program, which helps numerous school districts improve science and mathematics teaching by designing professional development programs. PRISM scientists, educators and classroom teachers are content-area specialists in curriculum, professional development and pedagogy. PRISM is also home to an interactive science broadcasting program for K-12 students, "The Rainforest Connection Live," a collaborative venture with the Smithsonian Tropical Research Institute in Panama and the New Jersey Education Research and Education Network.

Generously funded by grants from Roche and Merck, the **Science Honors Innovation Program (SHIP)** is a research-intensive program for undergraduates majoring in one of the disciplines of the College of Science and Mathematics. Because SHIP provides financial support for student research, travel to conferences and workshops, summer stipends, and scholarships, it is an unparalleled opportunity for undergraduates to get involved in the research community, get a head start on graduate school, and compete for awards, fellowships and admission to doctoral programs.

The **Novartis Graduate Fellows** program recruits the best graduate students with a focus on programs that would steer them to the pharmaceutical industry and covers the full cost of tuition for a master's degree plus an annual research stipend.

The Sokol Institute for Pharmaceutical Life Sciences is home to a research partnership with **Celgene**

Corporation to identify new drug targets for treating neglected parasitic diseases like river blindness and elephantiasis. These diseases affect the lives of over 120 million people and place over one billion people at risk of infection in endemic areas.

Dupont has made a major award to Montclair State to sponsor research in environmental remediation.

The **Battelle Memorial Institute** has opened a regional office on the campus of Montclair State to house the Battelle Environmental Assessment & Monitoring Section of its Environmental Solutions product line.

SIROM Scientific Solutions is an incubator company located at Montclair State specializing in cost-effective, environmentally friendly solutions to problems of environmental contamination.

TechLaunch, an investor-led technology accelerator, partnered with the New Jersey Economic Development Authority, Casabona Ventures and JumpStart NJ Angel Network to help a select group of portfolio companies in pursuing their start-up dreams. Montclair State hosted ten teams of aspiring technology entrepreneurs in the fall of 2012 as they participated in an intensive 12-week technology accelerator and business boot camp called **LaunchPad 1**. Among other things, the 2012 portfolio companies developed a social media platform for athletes, smartphone parental controls that prevent texting while driving, an online pop culture lesson library for teachers, a community-based mobile social networking app, and an event-based photo-sharing service. Activities included one-on-one mentoring and coaching from more than 75 successful entrepreneurs and angel investors, regular guest speakers and networking opportunities, weekly dinners and social events, and trips to Fortune 100 companies. At Montclair State, LaunchPad 1's inaugural class of innovators enjoyed access to campus workspace, conference rooms and even optional housing.

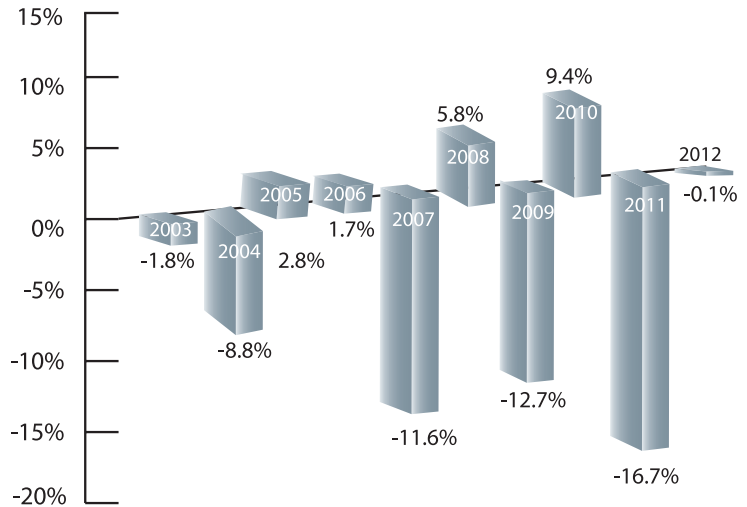
Students in the University's School of Business routinely work with firms to tackle real-world challenges as part of their course work. The Marketing Department has received the **Target Case Competition Grant**, which allows two sections in the Consumer Behavior course to work on a contemporary business problem with Target Corporation. Students enrolled in the course, Independent-Owned and Franchised Retailing, work on a consulting project every semester to come up with a solution to a critical problem faced by a local business entity. Students of the School of Business recently joined forces with the national food chain Smashburger to develop a marketing strategy for the brand that would appeal to the college scene.



Revenue: An Increasingly Self-Reliant Institution

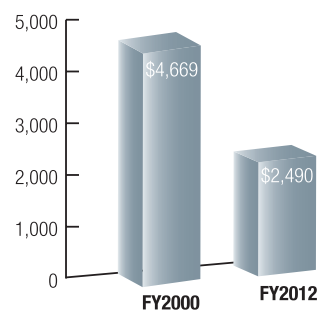
University revenue in 2012 totaled roughly \$351 million. New Jersey, however, has made inflation-adjusted direct appropriations for its public colleges and universities six times during the ten year period of 2003 to 2012. Consequently, New Jersey spent \$4.28 per \$1,000 in personal income on higher education versus a national average of \$5.62 in 2012.

Change in Inflation-Adjusted Direct State Appropriations for New Jersey's Public Colleges and Universities, FY2003-12



As a result of declining state support for higher education and growing enrollment demand by New Jersey's high school graduates, the University's state allocation per full-time-equivalent student plummeted by almost 47% — from \$4,669 to \$2,490 — between 2000 and 2012, and that figure is not adjusted for inflation. As a result, Montclair State receives less state support per full-time-equivalent student than any other senior public institution of higher education in New Jersey. Its support per student is less than two-thirds of the average of other colleges and universities in the sector and less than half of what the best-funded institutions receive.

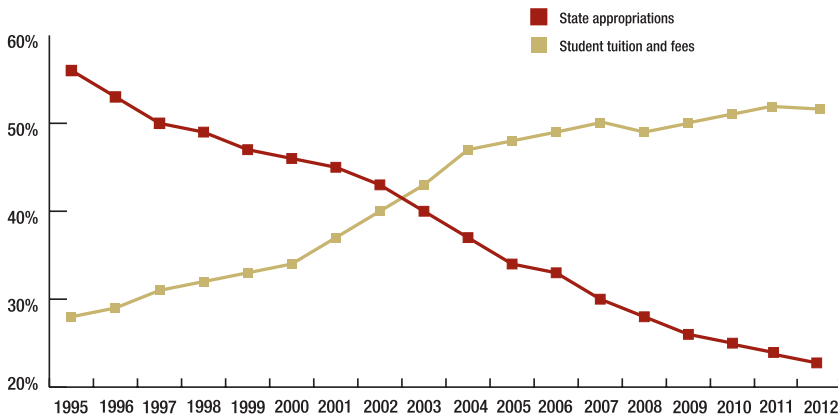
Montclair State's Declining State Allocation Per Full-Time Equivalent Student



The share of total University revenue derived from state appropriations declined from 55.2% in 1995 to only 23.4% in 2012.

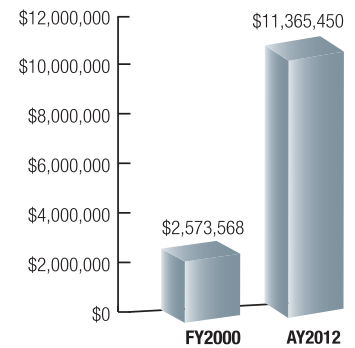
The share of total University revenue derived from state appropriations declined from 55.2% in 1995 to only 23.4% in 2012. Montclair State has necessarily become more dependent on other sources of revenue. Student tuition and fees in particular rose from about one-third of revenue in 2000 to more than half in 2012. Even so, the University's 2013 annual, full-time, undergraduate, in-state tuition and fee total of \$11,058 is the third lowest total of New Jersey's senior public institutions.

Major Sources of Revenue, 1995-2012

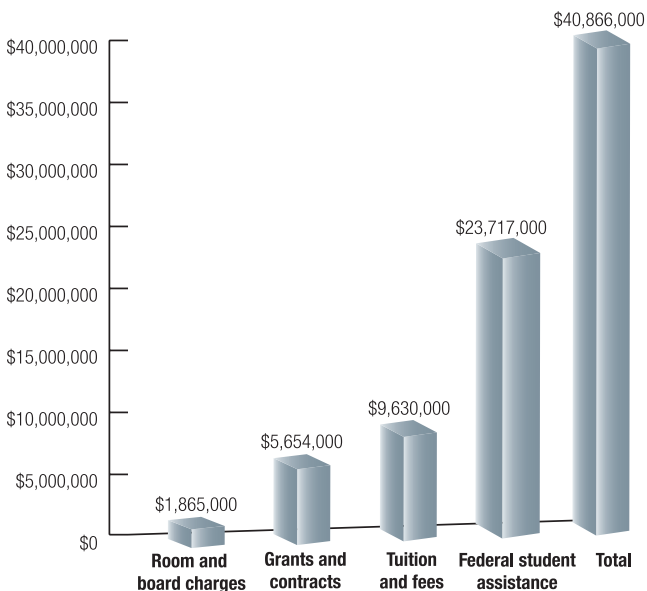


The University has redoubled its efforts to attract private money. To mark its centennial, Montclair State succeeded in raising \$60.3 million — 20% above its target — from over 23,000 donors during its “Campaign for a Second Century,” which ran from July 2001 through September 2008. Since then, the University has received another \$25.9 million. Montclair State is also aggressively seeking external grants. It succeeded in attracting almost \$81 million of such money from 2000 to 2012, of which more than half came from the federal government. During that period, the University's annual income from external grants shot up more than 340%. Montclair State brought almost \$41 million into New Jersey from all out-of-state sources in 2012. Federal student assistance came to \$23.7 million and charges to out-of-state students totaled \$11.5 million.

Growth in External Grants FY2000-12



Revenue from Out-of-State Sources, FY2012

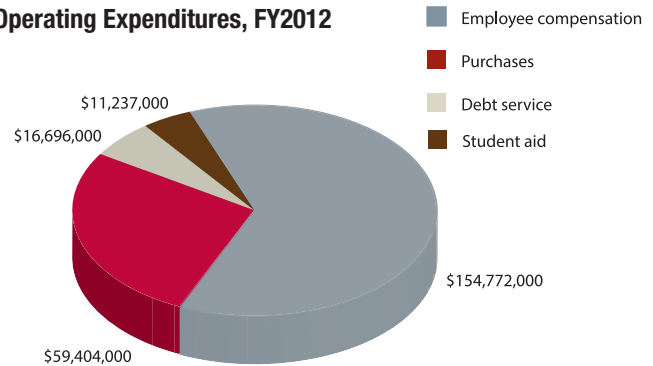


Montclair State brought almost \$41 million into New Jersey from all out-of-state sources in 2012.

Expenditures: Major New Jersey Employer

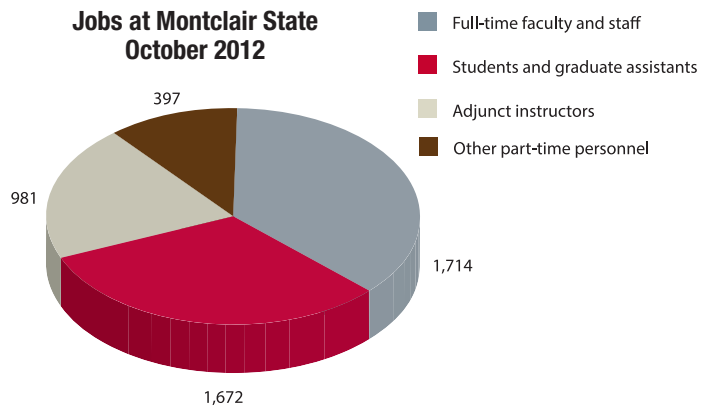
Montclair State spent more than \$242 million on operating expenditures and another \$30.4 million on capital expenditures in 2012. Gross employee compensation accounted for 63.9% of the operating budget, followed by purchases from vendors (24.5%), debt service (6.9%) and student aid (4.6%).

Operating Expenditures, FY2012

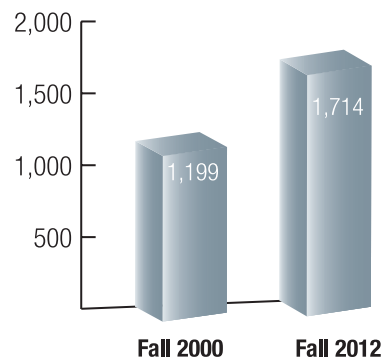


The University has a strong and direct impact on the state economy by means of the jobs it provides. In October 2012, Montclair State employed 4,764 people. To meet expanding student enrollments, the number of full-time faculty and staff positions rose 43% between 2000 and 2012.

**Jobs at Montclair State
October 2012**

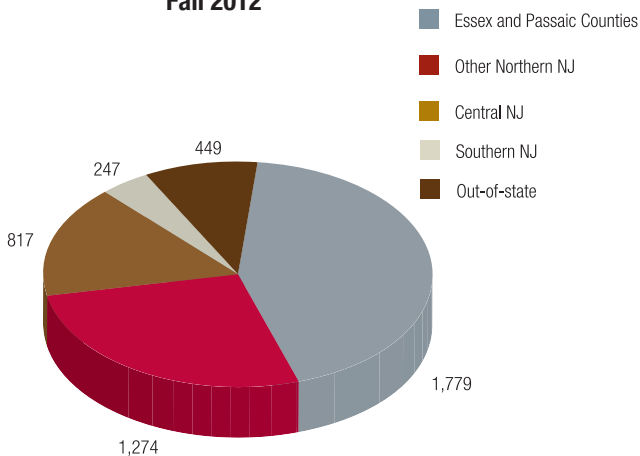


Full-Time Faculty and Staff Positions



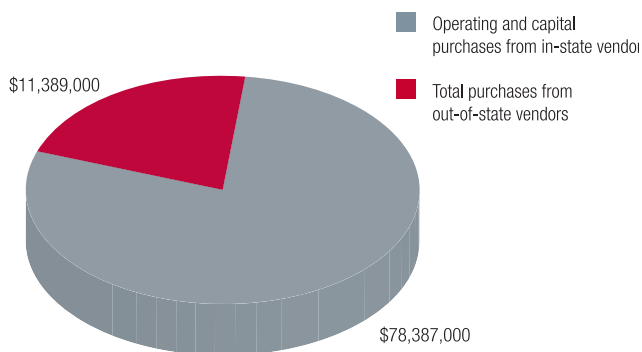
More than 90% of Montclair State's employees live in-state, paying New Jersey property, income and sales taxes. The University draws its employees from across New Jersey. Many employees live in Essex and Passaic Counties, but 49% live elsewhere in the state, including 1,064 employees from central and southern New Jersey.

Homes of Montclair State Employees Fall 2012



Of the \$89.8 million of purchases from vendors for both operating and capital expenditures in 2012, more than 87% went to New Jersey vendors.

Supporting New Jersey Vendors, FY2012



Disinterested outside observers have repeatedly praised Montclair State's financial management. Moody's Investor Services and Fitch Ratings have assigned the University credit ratings of A1 and A respectively. In its June 2012 Rating Update Report, Moody's cited such University strengths as:

- strong market position and healthy student demand,
- a robust cash flow operating margin providing ample debt service coverage,
- growing balance sheet resources with good unrestricted liquidity, and
- a leadership team that has a successful track record of executing complex, integrated financial and capital plans in an era of weak state support.

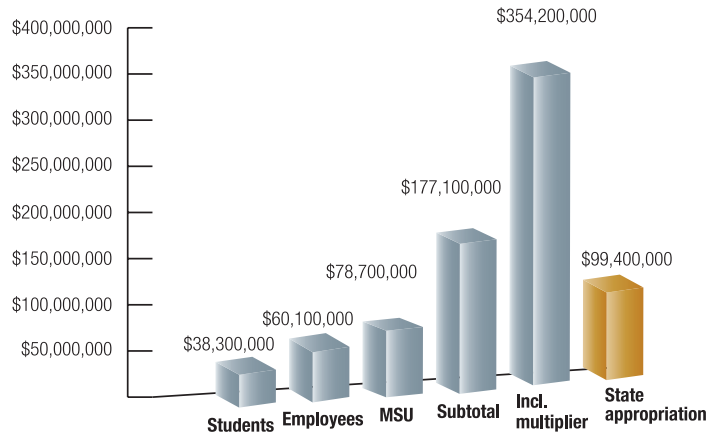
Of the \$89.8 million of purchases from vendors for both operating and capital expenditures in 2012, more than 87% stayed in New Jersey.



Stimulating New Jersey's Economy

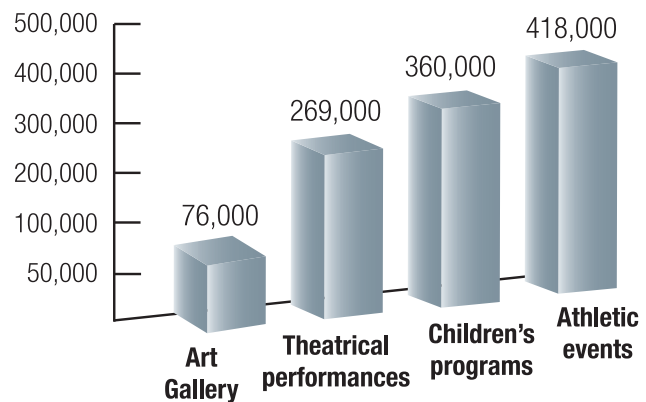
To calculate their short-term economic impact, many universities rely on the Ryan-New Jersey Model, a modified form of the classic Caffrey and Isaacs Model developed for the American Council on Education. These models estimate an institution's economic impact by means of the direct and indirect contributions it makes to cash flow in its host economy. Montclair State's direct, in-state expenditures (including capital expenditures) totaled \$78.7 million in 2012. University employees and students accounted for another \$60.1 million and \$38.3 million respectively, making for total direct expenditures within New Jersey of \$177.1 million.*

In-State Expenditures Attributable to Montclair State, FY2012



This figure, however, underestimates the University's true impact. It does not attempt to include the effects of hosting visitors at athletic, artistic and other events. From 2000 through 2012, athletic events at Montclair State enjoyed attendance of more than 418,000 spectators. Theatrical performances drew about 269,000 guests to the campus during the same period, and 360,000 children attended special programs on campus. Attendance at the University's George Segal Gallery between 2000 and 2012 added another 76,000 visitors.

Attendance of Events, FY2000-12



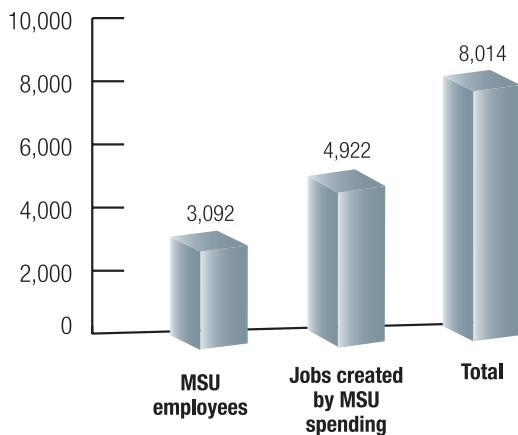
* This report relies on data from the U.S. Census Bureau, the U.S. Department of Labor's Bureau of Labor Statistics, and the U.S. Department of Commerce's Bureau of Economic Analysis to derive conservative estimates of consumer spending.

In addition, to measure short-term economic impact accurately, it is necessary to apply a multiplier to direct spending to capture the indirect, “ripple effect” of an institution’s expenditures. The individuals and businesses whose incomes are directly affected by an institution’s spending themselves spend or invest some of those dollars locally, creating additional income and employment for thousands of people, many of whom have no direct connection to the institution. Economic impact studies produced by other universities in the region conservatively estimate that every dollar spent generates another dollar’s worth of in-state economic activity. If this multiplier of 2 is applied to estimate the combined effect of direct and indirect spending, Montclair State’s total short-term economic impact on New Jersey in 2012 becomes \$354.2 million —more than three and a half times the state’s \$99.4 million total funding of the University.

Spending naturally translates into jobs. Applying a conservative coefficient to expenditures of \$177.1 million yields an estimate of 4,922 jobs attributable to direct spending by the University, its employees and its students. Even without counting graduate assistants and student workers, when its own employees are included, a total of 8,014 New Jersey jobs were attributable to Montclair State in 2012. Montclair State not only drives job growth, but also heightens wages and salaries throughout the state. Because the University both stimulates demand for local businesses and directly competes with them for employees, average compensation in the area is higher than would be the case without it. As a result, Montclair State’s presence benefits *all* workers in New Jersey.

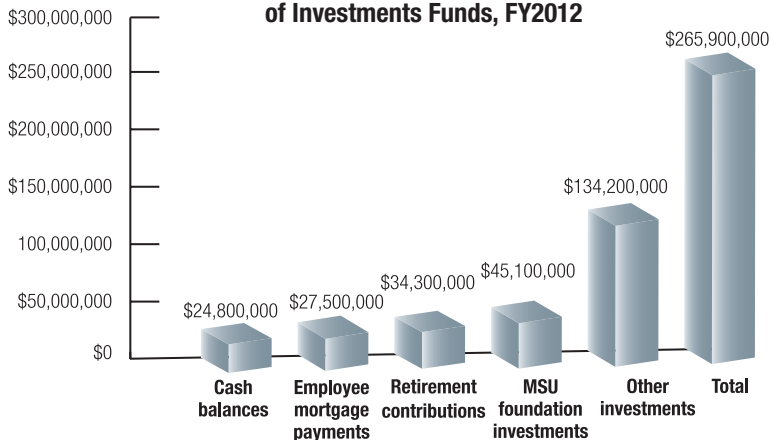
Montclair State’s total short-term economic impact on New Jersey in 2012 was \$354.2 million — more than three and a half times the state’s \$99.4 million total funding of the University.

New Jersey Jobs Attributable to Montclair State, FY2012



The University also makes a sizeable contribution to New Jersey’s credit base. At the end of fiscal year 2012, Montclair State’s cash balance in banks totaled \$34.3 million and the Foundations amounted to \$12.2 million. The market value of Montclair State University Foundation investments and other University investments amounted to \$45.1 million and \$134.2 million respectively. Employee mortgage payments along with University and employee contributions to retirement systems added another \$24.8 million and \$27.5 million. In total, the University was thus a source of about \$278.1 million in investment funds.

Montclair State as a Source of Investments Funds, FY2012

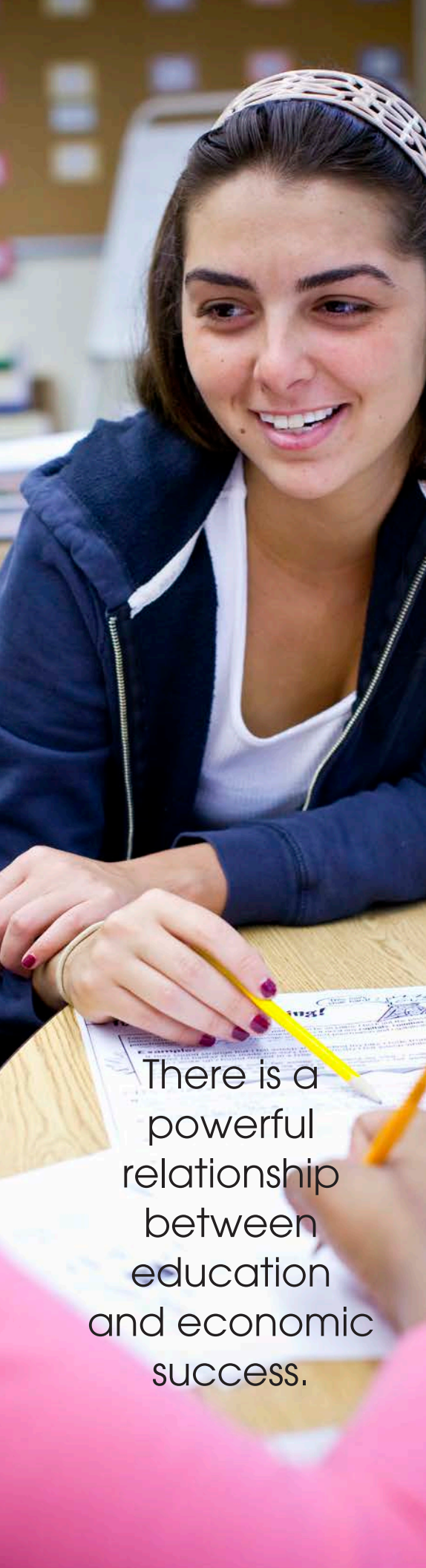


The Long-Term Economic Impact of Higher Education

The facts and figures cited above speak only to Montclair State's short-term impact. The University's long-term impact is measured by its contribution to students' earnings. There is a powerful relationship between education and economic success. The U.S. Census Bureau estimated in 2003 that, compared to the lifetime earnings of a high school graduate, holders of a bachelor's degree earn an additional \$900,000 and holders of a master's degree earn an additional \$1.3 million. University graduates are thus likely to spend, save and invest more, and pay more in taxes than peers who lack university degrees, and more than 83,000 Montclair State alumni are spending, saving and investing their money and paying taxes here in New Jersey.

Montclair State's
direct, in-state
expenditures
(including capital
expenditures)
totaled
\$78.7 million
in 2012.





There is a powerful relationship between education and economic success.

Conclusion

Montclair State University is committed to serving the educational needs of New Jersey. The University also has had a significant impact on New Jersey by serving as an engine of economic growth for the entire state. Because Montclair State's impact has only grown over time, with enrollments and investments steadily increasing, the University has continued to make a positive and stabilizing contribution to New Jersey's economy even as other sectors have experienced downturns. Although this contribution comes as a by-product of the University's core missions of teaching, research and scholarship, it represents a tangible economic impact that materially benefits the citizens of New Jersey and returns their investment many times over.



Montclair State People in the 21 Counties of New Jersey

| County | Employees | Students | Alumni |
|---------------|------------------|-----------------|---------------|
| Atlantic | 35 | 168 | 533 |
| Bergen | 521 | 3,659 | 16,051 |
| Burlington | 47 | 226 | 948 |
| Camden | 38 | 157 | 597 |
| Cape May | 6 | 49 | 212 |
| Cumberland | 17 | 67 | 162 |
| Essex | 1,421 | 2,996 | 14,155 |
| Gloucester | 20 | 118 | 303 |
| Hudson | 262 | 1,245 | 3,582 |
| Hunterdon | 39 | 169 | 1,175 |
| Mercer | 54 | 183 | 957 |
| Middlesex | 231 | 1,143 | 4,111 |
| Monmouth | 131 | 716 | 4,899 |
| Morris | 376 | 1,610 | 10,546 |
| Ocean | 80 | 489 | 3,423 |
| Passaic | 556 | 2,298 | 10,400 |
| Salem | 4 | 23 | 66 |
| Somerset | 85 | 369 | 2,668 |
| Sussex | 115 | 509 | 2,907 |
| Union | 238 | 958 | 4,373 |
| Warren | 39 | 203 | 1,156 |

Appendix: A Note on Methodology

The methodology used to calculate short-term economic impact is commonly referred to as the Ryan/New Jersey model. It represents a modified form of the classic economic impact model developed by John Caffrey and Herbert Isaacs for the American Council on Education.* A number of institutions have relied on the Ryan/New Jersey model over the past two decades, and it has undergone several modifications.†

The major difference between the Caffrey and Isaacs and Ryan/New Jersey models is that the latter substitutes estimated values derived from available data for information collected from surveys of faculty, staff and students. Many institutions found that they needed to make this substitution because survey response rates were often very low due to the sensitive nature of the information being requested. The calculation variables substituted for survey data are:

1. an estimate of non-housing expenditures by an average middle-income family in New Jersey;
2. an estimate of in-state expenditures by employees and students;
3. an estimate of the percentage of New Jersey residents who rent;
4. an estimate of the median rent in New Jersey;
5. an estimate of in-state spending on non-housing items by non-local, full-time employees;
6. an estimate of average annual college-related expenditures by full-time students;
7. an estimate of average annual college-related expenditures by part-time students;
8. the coefficient for estimating jobs attributable to University expenditures; and
9. a multiplier.

* John Caffrey and Herbert H. Isaacs, 1971, *Estimating the Impact of a College or University on the Local Economy*, Washington, D.C.: American Council on Education.

† Research and Planning Committee, 1983, *Handbook for Conducting a Study of the Economic Impact of a Community College*, Lincroft, NJ: Council of County Colleges of New Jersey. G. Jeremiah Ryan, 1985, "A Shortcut to Estimating Economic Impact," *Community/Junior College Quarterly* 9:197-214. College Outcomes Evaluation Program, 1989, *Procedures Manual for the Assessment of Community/Society Impact at New Jersey Institutions of Higher Education*, Trenton, NJ: New Jersey Department of Higher Education. College Outcomes Evaluation Program, 1990, *Handbook for Calculating Short-Term Economic Impact at New Jersey's Institutions of Higher Education*, Trenton, NJ: New Jersey Department of Higher Education. G. Jeremiah Ryan and Patricia Malgieri, 1992, *Economic Impact Studies in Community Colleges: The Short Cut Method, Second Edition*, Resource Paper No. 48, National Council for Resource Development.

The data for the charts in this report were obtained from the following Montclair State University offices: Institutional Research, Advancement Services, Budget and Planning, Research and Sponsored Programs, Treasury and Finance, and Human Resources, as well as the New Jersey Association for State Colleges and Universities.

The following table presents the calculation variables used in this study and their sources.

| Calculation Variables Used in 2012 Economic Impact Study | | |
|--|-----------|---|
| | Estimate | Source |
| Estimate of non-housing expenditures by "all consumer units" in the New York Metropolitan Statistical Area (MSA) | 0.73 | 2011 Consumer Expenditure Survey, Bureau of Labor Statistics, U.S. Dept. of Labor (Table 21 – Northeast MSAs) |
| Estimate of in-state expenditures by employees and students | 0.75 | 2007 Economic Census, U.S. Census Bureau |
| Estimate of the percentage of state residents who rent | 0.35 | 2011 American Community Survey, U.S. Census Bureau |
| Estimate of the state's median monthly rent | \$1,135 | 2011 American Community Survey, U.S. Census Bureau |
| Estimate of in-state spending on non-housing items by non-local, full-time employees | \$2,298 | Equals 5% of disposable income of non-local, full-time employees |
| Estimate of average annual college-related expenditures by full-time students | \$2,400 | Montclair State Financial Aid Office (as reported in the 2010-11 Common Data Set) |
| Estimate of average annual college-related expenditures by part-time students | \$888 | Equals 37% of estimated expenditures for full-time students based on FT versus PT credit loads |
| Coefficient for estimating jobs attributable to expenditures | 0.0000278 | 2003 Bureau of Economic Analysis, U.S. Dept. of Commerce via American Assoc. of Universities |
| Multiplier | 2.0 | Conservative figure used by Rutgers and other regional universities in their economic impact studies |

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