

# The Economic Impact of ACCSES NJ's Member Organizations

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Prepared for:



*and*

Commodities and Services Council  
of the  
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of Human Services

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# The Economic Impact of ACCSES NJ's Member Organizations

## Executive Summary

ACCSES New Jersey (ACCSES NJ) is the assigned statewide nonprofit agency responsible for administering the Rehabilitation Facilities Set-Aside Act, otherwise known by the New Jersey Department of Human Services the State Use Law for Rehabilitation Facilities. Through this law, the organization supports the employment of individuals with disabilities by offering and administering what is commonly referred to as “state set-aside” contracts for commodities and services. ACCSES NJ collaborates with member organizations that qualify as service providers under the program, secures state set-aside contracts, and works with its member organizations to create employment opportunities for individuals with disabilities.

The Rockefeller Institute of Government was asked by ACCSES NJ to analyze the economic landscape surrounding service providers employing individuals with disabilities and to measure the overall economic impact of ACCSES NJ and its member organizations’ activities. Using data for 2022, we looked at overall and industry-specific direct employment across all member organizations, the jobs supported indirectly along ACCSES NJ’s supply chain, the impact of employees’ spending activities, and the resulting generation of tax revenues.

Key findings of the analysis of state set-aside contract activity include:

- ACCSES NJ’s 38 member organizations directly employed 1,587 individuals and indirectly supported an additional 173 jobs through the activities of member agencies and employees.
- The organizations generated \$82.1 million in economic output across New Jersey, encompassing revenue from sales and services produced by the program and indirect and induced ripple effects across the economy.

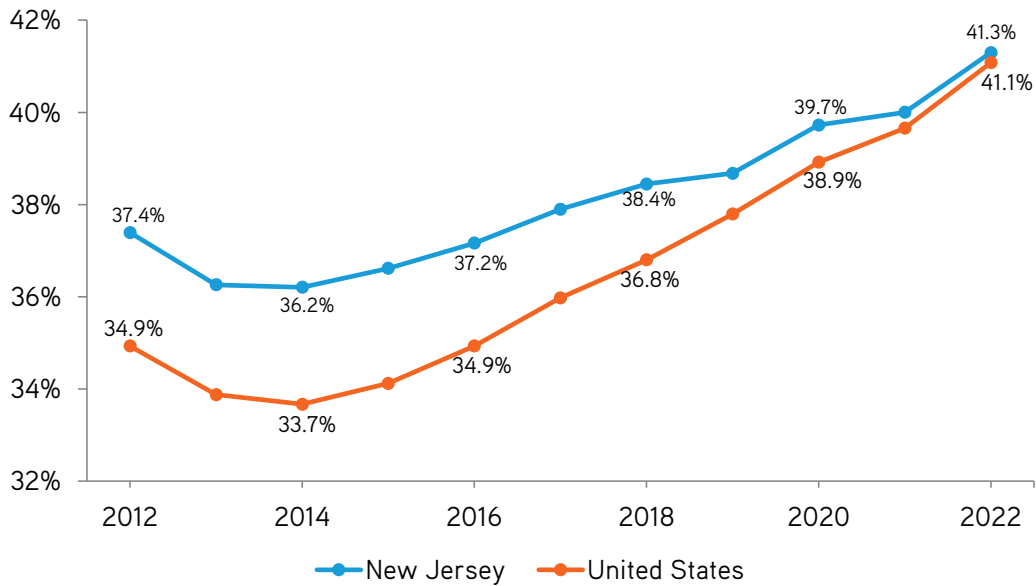
- ACCSES NJ members directly generated \$2.2 million in state and local tax revenue, plus an additional \$4.4 million in federal tax revenue. The indirect effects of ACCSES NJ's and its member organizations' activities generated an additional \$2.3 million in state and local tax revenue, and an additional \$3.1 million in federal taxes.

The economic benefits don't stop with state set-aside contract activity. While ACCSES NJ member organizations rely on these state contracts, they also employ more than 18,800 other individuals with economic activity that helps create nearly 5,000 more jobs along the organization's supply chain. This activity by member organizations outside of the state set-aside contract results in direct wages and benefits of approximately \$577 million that in turn generate \$58.8 million in additional state and local tax revenue for New Jersey.

## Introduction

Since the enactment of the Americans with Disabilities Act in 1990, significant advances have been made in creating employment opportunities for persons with disabilities. In fact, both the number and percentage of persons with disabilities of working age who are employed reached an all-time high across the country in 2022, with 44.1 percent of individuals with a disability (approximately 8.4 million people) participating in the workforce.

**FIGURE 1. Participation in the Workforce by Individuals with Disabilities: US and New Jersey, 2012–22**



*SOURCE:* American Community Survey: 2018-2022 ACS 5-Year Estimates, using variables under series C18120 and C18121 that relate to labor force participation by disability status.

# NEW JERSEY SET-ASIDE CONTRACT ACTIVITY

**38** MEMBER ORGANIZATIONS



**1,587** DIRECTLY EMPLOYED

**173** INDIRECTLY EMPLOYED



**\$82.1M** ECONOMIC OUTPUT



**\$42.7M** ECONOMIC VALUE ADDED



## TAX IMPACT

**\$4.4M** STATE & LOCAL TAX REVENUE

**\$7.5M** FEDERAL TAX REVENUE

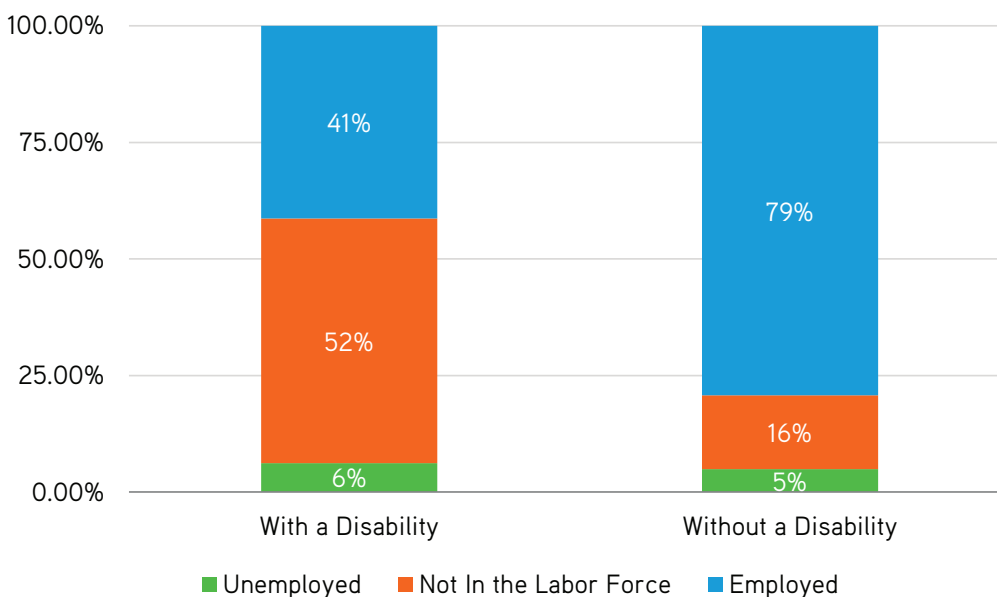


State-based organizations devoted to supporting and securing employment for individuals with disabilities have been key players in developing needed pathways to employment. Following an earlier report examining the role disability service providers play in New York State’s economy,<sup>1</sup> the Rockefeller Institute of Government turns its attention here to neighboring New Jersey and the role of ACCSES NJ, a statewide organization that helps connect businesses and organizations providing employment opportunities for individuals with disabilities to state contracts. As seen at the national level, in 2022 New Jersey hit an all-time high in the percentage (41.3 percent) and number (182,389) of working-age individuals with disabilities participating in the workforce ([Figure 1](#)).<sup>2</sup>

## ACCSES NJ

While the recent increases in employment of individuals with disabilities are notable, so too is the flip side of the equation: 52 percent of working-age individuals with disabilities in New Jersey are not participating in the labor force and an additional 6 percent are unemployed. In comparison, only 21 percent of those without disabilities are not participating in the workforce ([Figure 2](#)).<sup>3</sup>

*FIGURE 2. Labor Force Participation by Disability Status: New Jersey, 2022*



*SOURCE:* American Community Survey: 2018-2022 ACS 5-Year Estimates, using variables under series C18120 and C18121 that relate to labor force participation by disability status.

Research finds that people with disabilities face numerous obstacles to joining and advancing in the labor market, including factors such as social stigma, lack of inclusive policies, mismatches in skills, lack of accessible infrastructure, and physical barriers.<sup>4</sup> Amid this challenging landscape, ACCSES NJ plays a key role in helping individuals with disabilities obtain stable, gainful employment.

ACCSES NJ is an organization that represents a network of community-based service providers throughout New Jersey, acting as an intermediary between its member organizations and government contracts. Dedicated to “providing leadership and support to members who advocate for and serve persons with disabilities,”<sup>5</sup> ACCSES NJ helps its member organizations obtain contracts under the State Use Law for Rehabilitation Facilities, known as the “Rehabilitation Facilities Set-Aside Act.”<sup>6</sup> The Act supports the employment of individuals with disabilities through what is commonly referred to as “state set-aside (SSA) contracts.”<sup>7</sup> As a state contract holder, ACCSES NJ therein offers state government, counties, municipalities, and other eligible government authorities and commercial businesses the ability to purchase services at state contract pricing levels without needing to go through a competitive bidding process, saving time, money, and effort.

Through its array of 38 member organizations—including such places as Goodwill Industries, occupational training and vocational rehabilitation businesses, and Arc facilities—ACCSES NJ offers services including (but not limited to):

- Call and contact center services;
- Commercial office cleaning;
- Janitorial and custodial services;
- On-site and off-site document scanning and document management services;
- Data entry;
- Secure document destruction;
- Facilities maintenance;
- Grounds maintenance;
- Packaging and fulfillment services; and,
- Trade services.

ACCSES NJ helps ensure that tailored support structures are put in place at its member organizations that are designed to assist individuals with disabilities working within these fields.

The state set-aside contracts comprise a substantial portion of the economic activity of most of ACCSES NJ’s member organizations and a critical route to service employment for individuals with disabilities: approximately 75 percent of employees at member organizations are individuals with disabilities working on set-aside contracts.<sup>8</sup> In addition, member organizations employ individuals supported by other funding sources, referred to as “non-SSA employees,” who typically perform similar tasks to those engaged under the SSA contracts, such as janitorial work and

document handling. Non-SSA employees also undertake administrative duties that support the operations of member organizations and assist them in implementing the state contracts.

The Rockefeller Institute of Government was commissioned by ACCSES NJ to measure the direct, indirect, and induced economic impact of the activity of its member organizations across the state of New Jersey. This includes understanding how much these organizations contribute to the state and local economies through employment, spending, and the generation of tax revenues.

## Modeling the Economic Impact of ACCSES NJ

This analysis uses software for economic modeling called IMPLAN (Impact Analysis for Planning). The US Forest Service developed this software in the 1970s to assess the economic impacts of forestry management and land use. In the 1990s, IMPLAN was privatized and expanded to become one of the top three software programs for conducting economic impact analysis.<sup>9</sup> IMPLAN uses input-output analysis to examine relationships between different industries and to calculate direct, indirect, and induced effects of economic activities. It is commonly used by government agencies, businesses, and researchers for economic analyses and strategic planning. (Please see the [appendix](#) for more details on the economic modeling methodology used.)

In this analysis, we distinguish the economic impact of employees funded by SSA contracts and those funded by other sources. [Part One](#) of the analysis examines the economic impact of the state set-aside contracts managed by ACCSES NJ member organizations, using data on the value of the contracts, the number of employees engaged, and their compensation. This allows for the quantification of the direct economic activities initiated by SSA contracts and the broader effects of the contracts on the economy.

[Part Two](#) of the analysis addresses the economic impact of employees whose wages come from funding sources other than state set-aside contracts. Available data here include only the number of employees and their compensation; data on the output generated by non-SSA employees—the dollar value of contracts representing the value of the goods and services provided, for example—were not publicly available and ACCSES NJ was not able to provide this information due to its confidential nature. The analysis in this part thus focuses only on the economic contributions generated by wage-induced spending. Understanding that only part of the activity is captured here in the model, the positive economic impact of contract activity is likely to significantly exceed the results shown here.

Presenting the analysis in two parts also helps clarify the different ways member organizations compensate their employees with disabilities. Some organizations operate under a Section 14(c) certificate, a program established by the federal Fair Labor Standards Act that allows less than the established minimum wage to be paid to individuals with disabilities whose productivity is affected by their disability.<sup>10</sup> The program helps create opportunities for employment for individuals who otherwise might not be offered jobs. Because of this wage distinction, there is a lower labor



income-to-worker ratio for organizations with the 14(c) certification compared to those without it, which in turn generates a smaller—though still significant—overall economic impact.

## Part One: Impact of State Set-Aside Contracts

Employment, services provided, and other contract activity at ACCSES NJ member organizations have ripple effects across other segments of the local economy. Each dollar spent on materials, services, and employee wages sets off a chain reaction of further spending, known as the multiplier effect, that increases the overall economic output of organizations’ activities.

“Direct impacts” are the jobs created by ACCSES NJ member organizations and the value of the services they offer. These organizations also generate economic activity when one of the products and service providers contracts with a cleaning supply vendor, work uniform shop, or local automotive garage to maintain company vehicles. “Indirect impacts” are the jobs and outputs generated for the organizations’ suppliers and their supply chains. Finally, “induced impacts” is a measurement of economic activity that is generated by member organizations’ employees when they circulate their income by spending their paychecks on housing, food, entertainment, and various other goods and services in their local communities.

In addition to the number of jobs created, three categories of economic impact are calculated: “Labor Income,” which includes wages and salaries, fringe benefits (such as healthcare), retirement benefits, and tax payments; “Output,” which represents the gross value of all goods and services of the state set-aside contracts for each ACCSES NJ member organization;<sup>11</sup> and, “Value Added,” a subset of Output, which subtracts the costs of input materials and service to offer a calculation of the total economic output on a net basis.

### Economic Impact

Our analysis of direct, indirect, and induced impacts of ACCSES NJ member organization activity in 2022 shows that the total economic impact of the state set-aside program amounted to 1,760 jobs and labor income of approximately \$33.9 million. The total output from these activities was \$82.1 million, with a total value added of \$42.7 million to New Jersey’s economy in 2022.

**TABLE 1. Economic Impact in New Jersey of ACCSES NJ Member Organizations’ State Set-Aside Contract Activity, 2022**

Impact Type	Employment	Labor Income	Output	Value Added
Direct	1,587	\$20,857,000	\$47,534,500	\$21,851,300
Indirect	82	\$6,673,900	\$16,644,800	\$9,708,200
Induced	91	\$6,357,900	\$17,915,300	\$11,188,200
<b>TOTAL</b>	<b>1,760</b>	<b>\$33,888,700</b>	<b>\$82,094,600</b>	<b>\$42,747,700</b>

*NOTE:* Numbers in columns may not sum to total due to rounding.

*SOURCE:* Rockefeller Institute of Government analysis (IMPLAN).

**Direct impact** reflects the immediate economic benefits generated by the state set-aside contracts, including employing 1,587 individuals and generating labor income of approximately \$20.9 million. Member organizations also produced an output of \$47.5 million and added \$21.9 million in value to the economy.

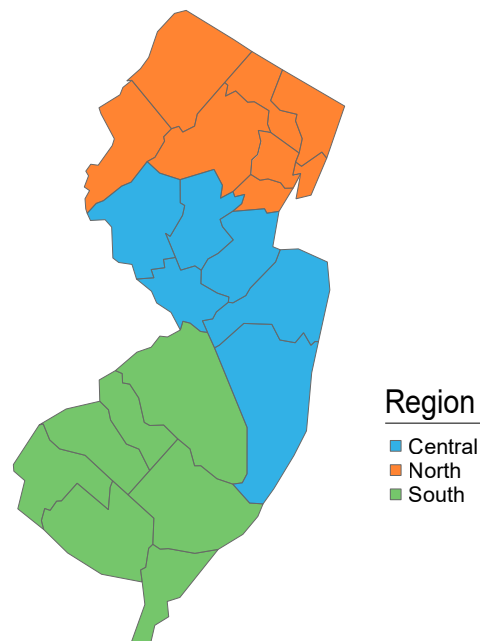
**Indirect impact** is the additional economic activity generated by other suppliers and service providers as a result of their association with organizations operating state set-aside contracts. It results in an additional 82 jobs and contributes approximately \$6.7 million in labor income. The output from these activities amounts to \$16.6 million. The value added comes to \$9.7 million, the net economic boost provided by businesses that supply goods and services to support the member organizations' activities.

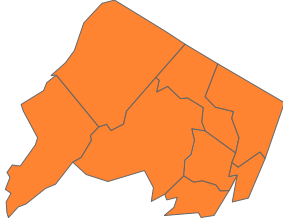
The **induced impact**—the effect of employees spending the income they earn in the local economy—results in the support of an additional 91 jobs and the creation of an additional \$6.4 million in labor income. The output from this consumption-driven activity totals \$17.9 million, with a value-added of \$11.2 million.

### Impact of State Set-Aside Contracts by Region

To gain a better understanding of ACCSES NJ's varying economic impact across the state, we examined member organizations' activities in three regions: North, Central, and South New Jersey.<sup>12, 13</sup> North New Jersey contains a dense population and a high concentration of urban centers, located close to the broader New York City metropolitan area. South New Jersey shares cultural similarities with Philadelphia while also including several agricultural communities. Central New Jersey is often described as a cultural and economic blend of the North and South regions.

New Jersey Counties by Region





### North New Jersey

North New Jersey—part of and directly influenced by the New York City metropolitan area—represents ACCSES’s largest concentration of member organizations. Its 19 member organizations directly employ 900 people under state set-aside contracts, with wages and benefits totaling \$13.8 million and an economic output exceeding \$14.6 million. Including indirect and induced effects, the total impact of ACCSES member organizations in 2022 in North New Jersey amounted to 975 jobs, \$19.7 million in labor income, \$30.0 million in output, and \$22.5 million in value-added.

### ACCSES NJ Member Organizations: North New Jersey

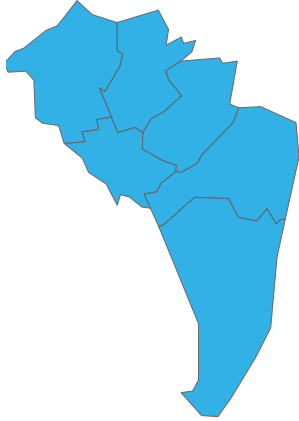
Abilities Northwest	Center for Family Services	JESPY House
Arc of Morris County	Employment Horizons	Jewish Vocational Service
Arc of Bergen/Passaic Counties	FEDCAP Rehabilitation Services	North Jersey Friendship House
Arc of Union County	Goodwill Industries of Greater NY & Northern NJ	Pathways to Independence
BrightStar Scanning Solutions	Hudson Community Enterprises	SCARC, Inc.
Care Plus NJ, Inc.	Inroads to Opportunities	
Catholic Charities	Inspiritec	

TABLE 2. Economic Impact of ACCSES NJ Members’ State Set-Aside Contract Activity: North New Jersey, 2022

Impact	Employment	Labor Income	Output	Value Added
Direct	900	\$13,840,800	\$14,649,800	\$13,034,400
Indirect	25	\$2,152,700	\$5,225,000	\$3,090,100
Induced	50	\$3,667,800	\$10,165,200	\$6,401,700
<b>TOTAL</b>	<b>975</b>	<b>\$19,661,300</b>	<b>\$30,040,000</b>	<b>\$22,526,300</b>

NOTE: Numbers in columns may not sum to total due to rounding.

SOURCE: Rockefeller Institute of Government analysis (IMPLAN).



### Central New Jersey

Central New Jersey has a diverse economy with a mix of suburban and urban areas; it hosts a range of industries, including pharmaceuticals, technology, higher education, and healthcare. Eight ACCSES member organizations are located in Central New Jersey, and these organizations directly employ 453 people, whose wages and benefits amount to \$3.8 million, and which generate \$24 million in economic output. The ripple effect of these organizations' activities increased their economic impact to a total of 521 jobs, \$9.1 million in labor income, \$37.8 million in total output, and \$13.9 million in value-added.

### ACCSES NJ Member Organizations: Central New Jersey

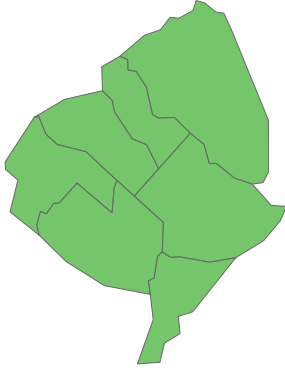
Arc of Mercer County	The Arc, Ocean County Chapter	ESW Occupational Services
Arc of Monmouth County	Center for Educational Advancement	Midland Adult Services
Arc of Somerset County	Center for Vocational Rehabilitation	

TABLE 3. Economic Impact of ACCSES NJ Members' State Set-Aside Contract Activity: Central New Jersey, 2022

Impact	Employment	Labor Income	Output	Value Added
Direct	453	\$3,772,200	\$23,972,100	\$5,606,700
Indirect	44	\$3,657,700	\$9,092,300	\$5,359,900
Induced	24	\$1,658,900	\$4,716,400	\$2,950,000
<b>TOTAL</b>	<b>521</b>	<b>\$9,088,800</b>	<b>\$37,780,700</b>	<b>\$13,916,700</b>

NOTE: Numbers in columns may not sum to total due to rounding.

SOURCE: Rockefeller Institute of Government analysis (IMPLAN).



### South New Jersey

In South New Jersey—which spans from the counties and cities across the Delaware River from Philadelphia to Cape May and includes urban areas and agricultural land—ACCSES NJ’s 11 member organizations directly employ 234 people, with wages and benefits totaling \$3.2 million, and create more than \$8.9 million in economic output. The total impact in South New Jersey in 2022, when considering direct, indirect, and induced effects, amounted to 264 jobs, \$5.1 million in labor income, \$6.3 million in value-added, and \$14.3 million in output.

### ACCSES NJ Member Organizations: South New Jersey

Abilities Solutions	Career Opportunity Development, Inc.	Jersey Cape Diagnostic Center
Arc of Camden County	Community Quest, Inc.	OTC Services
Arc of Salem County	Easterseals New Jersey	St. John of God Community Services
Bestwork Industries for the Blind, Inc.	Goodwill Industries of Southern New Jersey & Philadelphia	

TABLE 4. Economic Impact of ACCSES NJ Members’ State Set-Aside Contract Activity: South New Jersey, 2022

Impact	Employment	Labor Income	Output	Value Added
Direct	234	\$3,244,000	\$8,912,700	\$3,210,100
Indirect	13	\$863,500	\$2,327,500	\$1,258,100
Induced	17	\$1,031,200	\$3,033,600	\$1,836,500
<b>TOTAL</b>	<b>264</b>	<b>\$5,138,600</b>	<b>\$14,273,800</b>	<b>\$6,304,700</b>

NOTE: Numbers in columns may not sum to total due to rounding.

SOURCE: Rockefeller Institute of Government analysis (IMPLAN).

## Tax Impact of State Set-Aside Contracts

An important aspect of an organization’s economic impact is the generation of tax revenues for federal, state, and local governments. Our analysis estimates that ACCSES NJ and its member organizations directly contributed \$4.4 million in federal taxes in 2022, primarily through payroll taxes (e.g., withholding for Medicare and Social Security). The ripple effect of member activities throughout the economy stimulated another \$3.2 million in federal taxes generated (indirect plus induced), for a total federal tax impact of \$7.5 million.

At the state level, ACCSES NJ’s member organizations were directly responsible for an estimated \$1.1 million in state income and sales taxes, with indirect and induced impacts contributing an estimated additional \$1.2 million, for a total of \$2.4 million in state taxes. And considering both the direct and ripple-effect impacts on locally (county and sub-county levels, including property and sales taxes), the estimated economic activity of ACCSES NJ member organizations totaled \$2.1 million in 2022.

Taken together, ACCSES NJ and its member organizations contributed an estimated \$11.9 million in tax revenue to public finances.

TABLE 5. Tax Impacts of ACCSES NJ Members’ State Set-Aside Contract Activity, 2022

Government Level	Direct	Indirect	Induced	Total
Federal	\$4,381,300	\$1,551,200	\$1,561,400	\$7,493,900
State	\$1,141,200	\$528,200	\$704,900	\$2,374,300
County	\$165,700	\$68,300	\$101,100	\$335,100
Sub-County (General)	\$348,500	\$146,400	\$238,000	\$732,800
Sub-County (Special Districts)	\$502,900	\$210,000	\$287,100	\$1,000,000
<b>TOTAL</b>	<b>\$6,539,600</b>	<b>\$2,504,100</b>	<b>\$2,892,500</b>	<b>\$11,936,200</b>

NOTE: Federal includes income, corporate, and payroll taxes; State includes income, sales, and business taxes; County includes property and local sales taxes; Sub-County (General) includes taxes by municipalities for services, such as municipal administration and public works; Sub-County (Special Districts) includes taxes for specific purposes within sub-county regions (e.g., fire protection and parks). Numbers in rows and columns may not sum to total due to rounding.

SOURCE: Rockefeller Institute of Government analysis (IMPLAN).

## Impact by Industry

Our analysis also examined the industry sectors most impacted by the state set-aside contracts facilitated by ACCSES NJ.

The sector receiving the largest benefit was services to buildings, which includes activities such as janitorial work, landscaping, and carpet cleaning—the majority of the state set-aside contract types facilitated by ACCSES NJ. In this sector, ACCSES NJ member organizations’ activities supported 483 jobs and generated an economic output of \$20.4 million in 2022. Business support services, which involve document preparation and handling, employed 477 people and generated an output of \$9.9 million. Together, these two sectors received 37.0 percent of the total economic output and 54.5 percent of the total employment impact from ACCSES NJ activity.

Another industry sector meaningfully impacted by ACCSES NJ activity is dry cleaning and laundry services, employing 210 people and generating an output of \$7.1 million. The economic impact effects in these and other industries, including food services and retail driven by the spending power of member organizations and their employees, appear in [Table 6](#) (the top 10 industry sectors by output are listed).

**TABLE 6. ACCSES NJ Members’ Economic Impact: Top 10 Industry Sectors, 2022**

Industry	Employment	Output
Services to Buildings	483	\$20,444,709
Business Support Services	477	\$9,913,610
Dry Cleaning and Laundry Services	210	\$7,060,002
Couriers and Messengers	164	\$6,487,785
Other Real Estate	11	\$2,254,961
Office Administrative Services	64	\$2,083,039
Employment Services	12	\$1,623,394
Management of Companies and Enterprises	4	\$1,373,632
Wholesale—Professional and Commercial Equipment and Supplies	112	\$1,071,251
Hospitals	5	\$1,019,065

*NOTE:* Top 10 impacted industry sectors listed. Total employment across all sectors is estimated at 1,761, and total output across all industries is estimated at \$82 million.

*SOURCE:* Rockefeller Institute of Government analysis (IMPLAN); “North American Industry Classification System (NAICS) at BLS,” US Bureau of Labor Statistics, accessed May 29, 2024, <https://www.bls.gov/bls/naics.htm>; Candi Clouse, “IMPLAN Industries NAICS Correspondences,” IMPLAN Support, June 27, 2017, <https://support.implan.com/hc/en-us/articles/115009674428-IMPLAN-Industries-NAICS-Correspondences>.

## Part Two: Impact of Non-SSA Employment

The second part of our study examines the economic effects generated by employees at ACCSES NJ member organizations that are not working on state set-aside contracts. For this group (here referred to as “non-SSA employees”), available data consist only of the number of employees and their respective wages. Specific figures on revenue, size of contracts, or other economic output measures associated with these non-SSA employees are not available from ACCSES NJ due to data privacy and other restrictions. This part of the analysis, therefore, measures only the economic impact of these workers’ earnings and spending.

In 2022, total non-SSA direct employment in ACCSES NJ’s member organizations totaled 18,803 jobs, generating approximately \$577.0 million in direct labor income. Indirect effects stemming from the economic activities of suppliers and service providers created an additional 2,229 jobs and generated \$176.4 million in labor income. The induced impact—reflecting the economic stimulation from employees spending their earnings—supported another 2,536 jobs and contributed \$173.7 million in labor income.

In total, non-SSA employment at ACCSES member organizations in 2022 reached 23,568 jobs and produced labor income of \$927.1 million.

**TABLE 7. Economic Impact of Non-SSA Employment at ACCSES NJ Member Organizations, 2022**

Impact	Employment	Labor Income
Direct	18,803	\$576,968,700
Indirect	2,229	\$176,446,400
Induced	2,536	\$173,675,800
<b>TOTAL</b>	<b>23,568</b>	<b>\$927,090,900</b>

SOURCE: Rockefeller Institute of Government analysis (IMPLAN).

## Top Industry Sectors for Non-SSA Employment

Like the employment patterns for state set-aside contract workers, the economic impact of non-SSA employees at ACCSES NJ member organizations falls primarily into two industry sectors: services to buildings and business support services. Together, these two sectors capture nearly half (44.4 percent) of the total direct and indirect non-SSA employment. ACCSES NJ notes that businesses such as these, which offer similar services whether provided by individuals with disabilities working under state set-aside contracts or non-SSA employees, typically are structured to offer robust support to workers with disabilities that are designed to ensure smooth and successful operations.<sup>14</sup>

**TABLE 8. Economic Impact of Non-SSA Employment at ACCSES NJ Member Organizations: Top 10 Industry Sectors, 2022**

Industry	Employment
Services to Buildings	5,827
Business Support Services	4,649
Couriers and Messengers	2,985
Wholesale—Drugs and Druggists’ Sundries	2,412
Dry Cleaning and Laundry Services	1,275
Wholesale—Professional and Commercial Equipment and Supplies	947
Other Real Estate	292
Management of Companies and Enterprises	275
Employment Services	137
Hospitals	126

NOTE: Top 10 impacted industry sectors listed. Total employment across all sectors is estimated at 23,595.

SOURCE: Rockefeller Institute of Government analysis (IMPLAN).



## Tax Impact of Non-SSA Employment

Direct federal taxes from non-SSA employment amounted to \$128.1 million in 2022. When indirect and induced effects are included, federal taxes reach \$212.7 million. Total state tax contributions were \$67.3 million (direct: \$33.6 million), and the county tax impact reached \$9.1 million (direct: \$4.4 million). Economic impacts from sub-county local taxes were observed, too, totaling \$44.7 million (direct: \$21.3 million).

Altogether, in 2022 non-SSA employees at ACCSES member organizations contributed and stimulated total tax contributions within New Jersey of \$121.1 million, with another \$212.7 million impact on federal tax revenue.

**TABLE 9. Tax Impact of Non-SSA Employment at ACCSES NJ Member Organizations, 2022**

Government Level	Direct	Indirect	Induced	Total
Federal	\$128,058,500	\$41,572,500	\$43,050,300	\$212,681,300
State	\$33,629,000	\$13,962,700	\$19,738,600	\$67,330,300
County	\$4,372,800	\$1,841,400	\$2,901,700	\$9,115,900
Sub-County (General)	\$9,371,500	\$3,978,600	\$6,505,700	\$19,855,900
Sub-County (Special Districts)	\$11,920,800	\$5,028,000	\$7,848,100	\$24,796,900
<b>TOTAL</b>	<b>\$187,352,600</b>	<b>\$66,383,300</b>	<b>\$80,044,417</b>	<b>\$333,780,300</b>

*NOTE:* Federal includes income, corporate, and payroll taxes; State includes income, sales, and business taxes; County includes property and local sales taxes; Sub-County (General) includes taxes by municipalities for services, such as municipal administration and public works; Sub-County (Special Districts) includes taxes for specific purposes within sub-county regions (e.g., fire protection and parks). Numbers in rows and columns may not appear to sum to total due to rounding.

*SOURCE:* Rockefeller Institute of Government analysis (IMPLAN).

## Conclusion

ACCSES NJ and its membership organizations make a large economic impact on New Jersey while providing essential pathways to employment for individuals with disabilities. Through the state set-aside program, ACCSES NJ supports the direct employment of more than 1,500 employees, and it generates an estimated \$82.1 million in total economic output. The work of ACCSES NJ also generates millions of dollars in tax revenues annually at the local, state, and federal levels. Outside of the state set-aside program, ACCSES NJ member organizations directly employ more than 18,800 workers, with labor income for those workers exceeding \$577 million.

The importance of ACCSES NJ in providing reliable employment to people with disabilities in New Jersey is clear, and the economic impact of its work is significant. As the landscape for jobs changes, including the increasing use of automation and artificial intelligence, disruptions in the labor market may be particularly concerning for individuals with disabilities and those organizations supporting their employment. ACCSES NJ currently provides job training and skill development services as it advocates for inclusive employment policies, efforts that may become more critical with each passing year if both the opportunities for employment for individuals with disabilities and the economic impact in New Jersey that those jobs make are to be preserved.

## Appendix I: Multiplier Methodology

This study employed an input-output model with relevant multipliers to measure the economic impact of ACCSES NJ's annual contracts on New Jersey's economy. The model quantified the number of jobs created, the value of goods and services produced, and the overall economic value generated by these contracts.

An economy comprises a complex network of many interconnected firms. Economic activity generated in one industry creates demand in hundreds of other industries. For instance, when an ACCSES NJ member organization fulfills a contract for janitorial services, the firm may need to hire more people to meet the demand and purchase additional intermediate inputs such as cleaning supplies, uniforms, and vans from suppliers. These suppliers, in turn, experience increased economic activity, leading them to hire more workers and buy additional inputs. Economic activity in one industry thus trickles into several of the other 546 industries in the economy. The US Bureau of Economic Analysis regularly surveys firms to map the flow of economic activity through the economy using Input-Output (I-O) tables, which show the interactions between different industries.

The process through which economic activity flows through a region is called the "multiplier effect." Every dollar of economic activity is multiplied as it works through all industries within an economy. The Bureau of Economic Analysis uses its regional input-output data—that is, historical data on how money flows from one industry to another within a region—to generate regional multipliers. Regional multipliers are then used to calculate the impact of economic activity or investment on a local economy.

Three types of effects are estimated and distinguished: direct, indirect, and induced effects. ACCSES NJ member organizations spend money on the goods and services and payroll required to produce their chief outputs and fulfill their contracts. The **direct effects** of ACCSES NJ members are immediate effects of the economic activity, including the jobs they create and the services they provide. ACCSES NJ members also generate secondary effects for their suppliers and vendors. ACCSES NJ's **indirect effects** are business-to-business transactions supporting the initial activity (e.g., suppliers increasing production). ACCSES NJ's main goal is to support organizations that create employment opportunities and advocate for the disabled population in New Jersey. The **induced effects** are the economic impacts generated through the activities of employees. Workers circulate their earnings within the community by purchasing housing, food, entertainment, and various other goods and services.

We used the IMPLAN modeling system to analyze the data and perform the input-output analyses. IMPLAN is based on the input-output tables published by the US Bureau of Economic Analysis<sup>15</sup> and employment data from the US Bureau of Labor Statistics.<sup>16</sup> IMPLAN uses these data to build input-output multipliers at the state and county level. This level of detail makes it possible to estimate the impact of ACCSES NJ on different regions within New Jersey. The software was used to estimate economic effects relating to production, employment, and final demand. The software was also used to estimate the fiscal impacts on the state through resulting tax revenues.



## Appendix II: Margins

Importantly, IMPLAN adjusts input data for sales and figures based on the margins associated with selling those products. Margins account for the difference between the producer's price and the final purchaser's price, such as transportation and warehousing. This adjustment reduces the "output" because it differentiates between the production value (producer price) and what's counted at the point of final sale (purchaser price). Therefore the \$47.1 million in output calculated from IMPLAN for the state set-aside contracts is less than the \$53.1 million in contracts reported by ACCSES NJ.

## Appendix III: Assigning Industry Classifications

Data on the number of employees working in each industry within each region was not available from ACCSES NJ. This is because individuals can work in multiple industries throughout the year. For example, the same employee may engage in janitorial work or document handling in a given year, and a detailed breakdown of hours and payrolls specific to each of these industries is not available. Given this constraint, we use proportional allocations to allot the number of employees and associated payroll to individual industry classifications. The proportional allocation is based on each industry's share of total output. For example, if janitorial services account for 60 percent of ACCSES NJ member organizations' total output in a given region, we multiply the payroll and number of employees corresponding to that county by 60 percent.

A limitation of this method is that it assumes that the ratio of output to employment and compensation is the same across all industries. Indeed, janitorial services might be more labor-intensive (requiring more employees per dollar of output) compared to something such as media services, which might be more heavily weighted toward technological resources. Nonetheless, the proportional allocation is a practical and reasonable approach for economic analysis.

The data on sales and services provided by ACCSES NJ contains an "item description." In most cases, it is possible to accurately assign the observation to an industry based on the description. In some cases, however, there was not enough direct information to determine the industry. We first look for similarities in contract patterns (for example, facility types where services were rendered and similarities in providers of services) and make the best matches possible. For other unclear observations, we tend to assign the time to the most commonly observed industry in the dataset. In the case of services, for example, we assign items to "Janitorial Services"; and for products, we assign items to "Professional and commercial equipment and supplies." The economic multipliers for related industries in which ACCSES NJ member organizations are engaged are not significantly different, and therefore these assumptions and approximations likely do not significantly affect the overall accuracy of the analysis.



# ENDNOTES

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