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BC GRADUATES CONTRIBUTE TO LOCAL ECONOMY: STATE STUDY

BAINBRIDGE - A new report on higher education in Georgia shows that the increased earnings of graduates of Bainbridge College contributed over \$2 million to the Southwest Georgia economy.

Commissioned by the USG's Intellectual Capital Partnership Program (ICAPP), the "Value of University System of Georgia Education" study was conducted by researchers at the Georgia Institute of Technology. The authors analyzed the earnings of nearly 90,000 University System students who graduated between 1993 and 1997 and found that, overall, the increased earnings resulting from their college degrees added \$1.25 billion to the state's economy during 1998 – the most recent year for which data was available. These graduates had widespread impact on the state, bringing at least a million dollars per year in additional economic impact to more than half of Georgia's 159 counties.

For recent graduates of the University System of Georgia (USG), a college degree is worth an average of \$14,000 a year more than a high-school graduate could expect to make. Over the course of a working career, the average graduate of a public college or university in Georgia can expect to earn nearly \$1 million more than a high-school-educated neighbor.

Additional annual earning power attributed to a college degree ranged from \$5,706 for graduates of a two-year college up to \$19,362 for graduates of the Medical College of Georgia.

The study documented the effects of all types of postsecondary education on earning power. Using data released by the U.S. Census Bureau, the researchers showed that taking postsecondary courses for less than one year after high school increases one's average annual earnings by 5 percent over those of a high school graduate. Completing one or more years of college without earning an associate or bachelor's degree increases one's average earnings by 6 percent. But an associate degree can boost one's earnings by 16 percent; a bachelor's degree by 34 percent; a master's degree by 40 percent; a doctoral degree by 46 percent; and a professional degree by 51 percent.

"This report shows how much a degree is worth economically," said Clifford Brock, Bainbridge College President. "What does not show is how much richer a person's life is with the degree. The appreciation of history, literature and the arts are worth as much as the additional income."

"The economic value of college graduates is so massive, so widespread and so long-lasting that we tend to take it for granted," said Bill Drummond, a professor in Georgia Tech's City and Regional Planning Program, who collaborated with Jan Youtie, a researcher in Georgia Tech's Economic Development Institute (EDI), in preparing the report. "It is one of the huge, but hidden, drivers of Georgia's rapid economic growth, which is the envy of most other states in the country."

"Georgia benefits from the University System in many ways, including the production of an educated labor force, the generation of new knowledge through research, the creation and expansion of businesses, and — perhaps most important in a democracy — the development of educated and responsible citizens," Drummond said. "But this study has shown that one factor alone — the direct economic impact of University System graduates — more than justifies Georgia's investment in higher education."

"As our funding partners struggle with grave budget issues, I would encourage them not to harm this generator of economic growth," said University System Chancellor Thomas C. Meredith. "Georgia so far has resisted the trend we see in many states to reduce substantially the state's investment in higher education," he noted. "Our economy has benefited from that decision, and as this study has shown, those benefits will continue to increase in the decades to come."

In addition to measuring the value of a college education, Drummond and Youtie also looked at the educational specialties that offer the greatest financial rewards, the demand for specific college disciplines, occupations in which shortages are anticipated and migration patterns related to occupational needs.

Not surprisingly, the programs with the greatest earnings potential are professional degrees in dentistry, medicine and law. But business administration, nursing and teaching are the programs with the greatest total economic impact, thanks to the large number of students who graduate with these majors.

Recent statistics for Fiscal Year 2003 show that BC's most popular majors included computer information systems, nursing, general studies and education.

"In the 21st Century," Brock said, "it is inconceivable that a young person would plan his life without higher education."

Projections from the Georgia Department of Labor (DOL) indicate that occupations requiring a higher-education degree will make up 25 percent of all the state's jobs by 2010, a figure that has increased from 23 percent in 2000. The DOL forecasts that the top three occupations requiring higher education, based on numeric employment increases, will be registered nurses, computer support specialists and accountants and auditors. In terms of percentage increase, demand will grow the most for survey researchers, computer support specialists and physician's assistants.

The study found that significant shortages of labor exist in just 12 specialties, among them elementary and kindergarten teachers, registered nurses, pharmacists, medical records and health information technicians, and medical and clinical laboratory technicians. A shortfall in information technology graduates reported in a 2001 study has been significantly reduced, largely through shrinkage of the industry, though scarcities continue in certain software engineering and systems occupations.

Data from this and other studies helps the University System to anticipate the future needs of Georgia employers.

The ICAPP-commissioned study adapted analysis techniques used by the U.S. Census Bureau in its 2002 report, "The Big Payoff," which examined the benefits of college education on a national basis. The study also relies on an analysis of U.S. Census Bureau data, combined with Georgia Department of Labor information.

Full copies of "The Value of University System of Georgia Education" may be downloaded from the ICAPP website at: <http://www.icapp.org/publications.htm>. News releases detailing the economic impact of specific USG institutions also may be found at this address.