



The University of Georgia

Public Affairs
News Service

Wednesday, November 5, 2003

WRITER: **Larry B. Dendy**, 706/542-8078, ldendy@uga.edu

CONTACT: **Arlethia Perry-Johnson**, 404/657-1295, arlethia.perryjohnson@usg.edu

UGA GRADS GIVE STATE ECONOMY BIG BOOST, REPORT SHOWS

ATHENS, Ga. – Wages earned by University of Georgia graduates pumped \$211 million into Georgia's economy in 1998, the second-highest impact on the state's economy among graduates of the state's 34 public colleges and universities, according to a new report on higher education in Georgia.

The report, commissioned by the University System of Georgia's Intellectual Capital Partnership Program (ICAPP) to demonstrate the importance of the university system to the state's economy, shows that 14,383 UGA graduates living in Georgia earned \$518 million in wages in 1998, the latest year for which data is available. Those earnings translate to \$211 million in "educational value" – the portion of wages attributable to higher education.

Clarke County received \$20.4 million in educational value from graduates of university system institutions. Fourteen other counties also received more than \$10 million in educational value from university system graduates, ranging from Fulton (\$276.1 million) to Whitfield (\$10.1 million). All the counties are home to major university system institutions.

Altogether, more than half of the state's 159 counties received at least \$1 million in economic benefit from earnings of system graduates.

According to the report, titled "Value of University System of Georgia Education," university system graduates annually earn an average of \$14,000 more than a person with only a high school diploma. Over the course of a working career, a public college or university graduate will earn nearly \$1 million more than a high-school-educated neighbor.

The study, conducted by researchers at the Georgia Institute of Technology, analyzed the earnings of nearly 90,000 people who graduated from University System of Georgia institutions between 1992 and 1997. Their increased earnings from their college degrees added \$1.25 billion to Georgia's economy in 1998, the researchers found.

MORE

“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, 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.”

The study shows UGA’s 14,383 graduates had an annual wage of \$36,018, which equates to an average educational value of \$14,682. Georgia State University’s 11,767 graduates had lower total wages—\$499.6 million—than UGA’s, but their earnings translated into a higher educational value of \$217.8 million because of GSU’s location in Atlanta and the type of instructional programs it offers.

Georgia Tech ranks third in overall economic impact with 5,472 graduates earning a total of \$254.6 million, or \$101.9 million in economic value. Tech graduates lead all system institutions with an average wage of \$46,535, which equates to an average educational value of \$18,621.

The Medical College of Georgia’s 1,517 graduates have total wages of \$66 million, equal to \$29.4 million in educational value to the state. The average wage of medical college graduates is \$43,509—fourth behind Georgia State, UGA, Georgia Tech and Southern Polytechnic State University—but that translates to average educational value of \$19,362, the highest in the state.

Drummond said university system schools benefit Georgia in many ways, including producing an educated work force, generating new knowledge through research, creating and expanding business, and developing educated and responsible citizens.

“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,” he said.

University System Chancellor Thomas C. Meredith said the study sends a clear message about the importance of supporting higher education in the state.

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

The report identifies the 10 educational programs offered by university system institutions that had the greatest total economic impact on Georgia in 1998, and the University of Georgia offers degrees in each program. While degrees in dentistry, medicine and law offer the greatest earnings potential, programs in business administration, nursing and teaching have the greatest total economic impact because of the large numbers of students who graduate with these majors.

General business administration and management led the list with an economic value of \$83.6 million, followed by nursing (\$68.3 million), pre-elementary/early childhood/kindergarten

MORE

teacher education (\$55.1 million), junior high/intermediate/middle school teacher education (\$49.6 million), liberal arts and sciences/liberal studies (\$48.4 million) and accounting (\$37.1 million).

Other programs include computer and information sciences (\$36.2 million), general education administration and supervision (\$35.7 million), law (\$31.5 million) and general business (\$31 million).

UGA offers all the programs except nursing, and UGA and the Medical College of Georgia jointly offer a nursing degree.

The report also lists the 10 occupations expected to see the largest numerical growth in Georgia by 2010, and UGA offers training in all the fields. They include nursing, computer support, accounting and auditing, computer software, network and computer systems administration, preschool and elementary school teaching, computer systems software, computer systems analysis and secondary school teaching.

##

Public Affairs
News Service