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NEW STUDY ON VALUE OF A COLLEGE DEGREE IN GEORGIA SHOWS PAYOFFS

FOR GRADUATES, STATE: HIGHLIGHTS DISCIPLINES IN DEMAND

ATLANTA -- (Nov. 5) – A new report on higher education in Georgia shows that, 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.**

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.

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*. Other institutions near the top of this list because of their location in metropolitan areas and the types of instructional programs they offer include the *Georgia Institute of Technology* (\$18,621), *Georgia State University* (\$18,513) and *Southern Polytechnic State University* (\$17,034). In terms of the total impact of graduates' degrees on the state's economy, however, the top three USG institutions are *Georgia State* (\$217.8 million in total educational value from 11,767 graduates), the *University of Georgia* (\$211 million from 14,383 graduates) and *Georgia Tech* (\$101.9 million from 5,472 graduates). The impact of Waycross College, though much smaller than these institutions (\$1.3 million from 201 graduates), tells only part of the story. The role of Waycross College as a transfer institution provides an access point to the University System of Georgia and has a major impact on local students.

"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."

Value of a USG Education

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Add One

Previous studies of the economic impact of the University System (released in 2002 and 2000) have been calculated on expenditure data, including the cost of constructing buildings and employing workers, and purchases made by students, noted Youtie. While this data is useful, “Universities are not in the business of spending money. They are in the business of educating people. So the methodology we used, comparing the annual earnings of higher-education graduates to the annual earnings of high-school graduates, is uniquely appropriate to measure the value of education.”

Youtie cautioned that comparing earnings of college graduates to persons with high-school diplomas can be problematic because of the difficulty in accounting for individual differences in energy, creativity and intelligence that affect earning potential.

The educational value for counties included in the Waycross College service area are listed in the report as follows: Appling (\$238,374), Atkinson (\$776,500), Bacon (\$1.3 million), Brantley (\$1.5 million) Charlton (\$901,278), Clinch (\$653,214), Long (\$795,361), Pierce (\$1.4 million), Ware (\$4.4 million) and Wayne (\$2 million).

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.

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. Waycross College offers programs in business, nursing, medical laboratory technology and early childhood education. Some programs are cooperative 2+2 programs offered with 4-year institutions in the University System of Georgia. These programs allow student to begin their first 2 years of study at Waycross College and complete the last 2 years on the Waycross College campus. Call our admissions office at (912) 285-6133 and ask for more information on our 2+2 programs.

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

“Georgia is one of the very few states that conduct supply and demand analyses for its graduates,” noted Joy Hymel, executive director of the ICAPP program. “These studies help the University System prepare Georgians for jobs that are in high demand and have a good future. This is good for Georgians and the state economy because companies will be able to find the educated talent they need to succeed.”

— MORE —

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Add Two

In-migration of higher-education graduates from other states has helped meet Georgia's demands in many specialized areas, though this migration may be expected to slow in the future, according to the latest study. "Because in-migrants tend to have higher education levels than those staying in the state, the decline in in-migration may have a detrimental effect on the state's ability to fill higher education-related occupations," the report said.

The study confirms that the University System of Georgia is the major source of recent college graduates in Georgia — about half of all Georgians who hold recent postsecondary degrees were educated by a USG institution.

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.

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