

**The Economic Impact
of University System of Georgia Institutions
on their Regional Economies in FY 2021**

May 2022

**Commissioned by
The Board of Regents of the University System of Georgia**

Dr. Jeffrey M. Humphreys, Director Selig Center for Economic Growth



Executive Summary

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Introduction

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Analytic Approach

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Results

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WKF/...

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DGGHGLPSDFWUHSRUWMBL\$HUFHWRI*HRUJLDV*3

Labor Income Impact

Employment Impact

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Figure 1
Schematic Representation of Impact Relationship

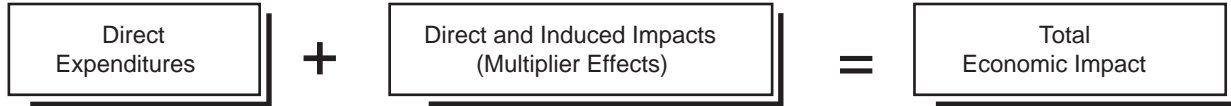


Figure 2
How Multipliers Capture the Impact of Re-spending

Initial Direct or Indirect Impact	\$100	
First Round of Re-spending	\$50 re-spent locally	\$50 leakage*
Second Round of Re-spending	\$25 re-spent locally	\$25 leakage
Third Round of Re-spending	\$12.50 re-spent locally	\$12.50 leakage
Fourth Round of Re-spending	\$6.25 re-spent locally	\$6.25 leakage
Fifth Round of Re-spending	\$3.12 re-spent locally	\$3.12 leakage
Sixth Round of Re-spending	\$1.56 re-spent locally	\$1.56 leakage
Seventh Round of Re-spending	\$.78 re-spent locally	\$.78 leakage
Total Economic Impact	\$200	Total Leakage \$100

*Leakage indicates amounts spent outside area and not re-circulated locally.

Table 1

Total Economic Impact of All Institutions of the University System of Georgia
on their Regional Economies in Fiscal Year 2021

Total for All Institutions in 2021	Initial Spending (2021 dollars)	Output Impact (2021 dollars)	Value Added Impact (2021 dollars)	Labor Income Impact (2021 dollars)	Employment Impact (jobs)
System total	13,132,946,150	19,296,498,232	13,111,890,733	8,882,265,952	152,629
Personnel services	4,898,172,361	8,540,004,087	7,030,805,492	6,012,405,283	75,117
Operating expenses	3,261,124,339	3,947,584,880	1,929,836,804	969,317,956	22,728
Student spending	4,973,649,450	6,808,909,265	4,151,248,437	1,900,542,713	54,784

Notes:

The impacts of spending on Output, Value Added, Labor Income, and Employment were estimated using IMPLAN and production functions provided by IMPLAN.

Initial spending for personnel services and operating expenses were obtained from the Board of Regents of the University System of Georgia. The author estimated initial spending by students.

Output refers to the value of total production, including domestic and foreign trade. Value added includes employee compensation, proprietary income, other property income, and indirect business taxes. Labor income includes both the total payroll costs (including fringe benefits) of workers who are paid by employers and payments received by self-employed individuals. Employment includes both full-time and part-time jobs.

Source: Selig Center for Economic Growth, Terry College of Business, University of Georgia (www.selig.uga.edu), 2022.

Table 2

Total Economic Impact of University System of Georgia
Institutions on their Regional Economies in Fiscal Year 2021

Initial

Output

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Comprehensive Universities

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(continued)

Table 2 (continued)

Total Economic Impact of University System of Georgia
Institutions on their Regional Economies in Fiscal Year 2021

Institution	Initial Spending (2021 dollars)	Output Impact (2021 dollars)	Value Added Impact (2021 dollars)	Labor Income Impact (2021 dollars)	Employment Impact (jobs)
State Universities					
Albany State University	205,697,063	231,145,754	146,836,092	95,354,648	2,278
Personnel Services	52,709,261	82,426,078	69,341,742	60,787,047	957
Operating Expenses	59,883,042	36,641,042	14,594,204	7,685,277	250
Student Spending	93,104,760	112,078,634	62,900,146	26,882,324	1,071
Clayton State University	190,844,709	306,712,742	204,846,255	127,539,295	2,456
Personnel Services	53,977,923	101,382,292	82,390,458	69,160,901	1,042
Operating Expenses	39,575,076	60,754,280	31,488,258	15,709,500	326
Student Spending	97,291,710	144,576,170	90,967,539	42,668,894	1,088

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Table 2 (continued)

Total Economic Impact of University System of Georgia
Institutions on their Regional Economies in Fiscal Year 2021

State Colleges

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Table 3

On-Campus and Off-Campus Jobs that Exist
Due to Institution-Related Spending in Fiscal Year 2021

<u>Institution</u>	<u>Total Employment Impact</u>	<u>On-Campus Jobs</u>	<u>Off-Campus Jobs That Exist Due to Institution-Related Spending</u>
System Total	152,629	50,888	101,741
Research Universities	84,935	30,070	54,865
Augusta University	11,283	5,541	5,742
Georgia Institute of Technology	28,105	9,256	18,849
Georgia State University	9,677	4,361	14,917
University of Georgia	29,411	10,713	5,768
Regional Universities	39,958	9,207	22,958
Georgia Southern University	9,613	3,250	6,363
Kennesaw State University	14,446	4,022	10,424
University of West Georgia	4,917	1,473	3,444
Valdosta State University	4,084	1,406	2,678

Notes: On-campus and off-campus jobs reported for Augusta University exclude employment impacts for the AU Health System, Inc., which are reported in Appendix 3.

Source: Selig Center for Economic Growth, Terry College of Business, University of Georgia (www.selig.uga.edu), 2022.

Table 4

Total Economic Impact of All USG Institutions on Their Regional Economies
in FY 2021 Compared to FY 2020

<u>Impact Category</u>	<u>Fiscal Year 2021 (2021 dollars/jobs)</u>	<u>Fiscal Year 2020 (2020 dollars/jobs)</u>	<u>Percent Change</u>
Initial Spending	13,132,946,150	12,606,286,003	4.2
Output Impact	19,296,498,232	18,584,935,804	3.8
Value Added Impact	13,111,890,733	12,714,706,137	3.1
Labor Income Impact	8,882,265,952	8,798,237,646	1.0
Employment Impact	152,629	155,010	-1.5

Source: Selig Center for Economic Growth, Terry College of Business, University of Georgia (www.selig.uga.edu), 2022.

Table 5

Output Impact For All USG Institutions
in FY 2021 Compared to FY 2020, With Percent Change

Institution	Output Impact in FY 2021 (2021 dollars)	Output Impact in FY 2020 (2020 dollars)	Percent Change
System Total	19,296,498,232	18,584,935,802	3.8
Research Universities	11,525,010,099	11,212,559,998	2.8
Augusta University	1,424,485,256	1,452,453,819	-1.9
Georgia Institute of Technology	4,191,622,850	4,008,439,560	4.6
Georgia State University	2,831,478,423	2,786,822,976	1.6
University of Georgia	3,077,423,571	2,964,843,643	3.8
Comprehensive Universities	3,905,522,721	3,606,538,422	8.3
Georgia Southern University	1,032,034,518	961,126,047	7.4
Kennesaw State University	1,842,463,978	1,650,279,707	11.6
University of West Georgia	626,706,803	626,323,337	0.1
Valdosta State University	404,317,423	368,809,331	9.6
State Universities	2,508,682,671	2,396,145,672	4.7
Albany State University	231,145,754	214,895,053	7.6
Clayton State University	306,712,742	292,455,756	4.9
Columbus State University	283,182,500	272,665,158	3.9
Fort Valley State University	147,465,579	140,985,030	4.6
Georgia College & State University	285,281,637	282,507,363	1.0
Georgia Southwestern State University	103,180,597	89,737,776	15.0
Middle Georgia State University	267,738,078	247,992,739	8.0
Savannah State University	161,184,100	162,883,237	-1.0
University of North Georgia	722,791,683	692,023,560	4.4
State Colleges	1,357,282,741	1,369,691,710	-0.9
Abraham Baldwin Agricultural College	119,696,860	115,093,083	4.0
Atlanta Metropolitan State College	73,875,746	74,647,381	-1.0
College of Coastal Georgia	98,748,886	99,716,374	-1.0
Dalton State College	130,673,091	132,070,425	-1.1
East Georgia State College	63,927,337	70,056,633	-8.7
Georgia Gwinnett College	512,945,913	508,419,001	0.9
Georgia Highlands College	175,687,450	174,859,790	0.5
Gordon State College	122,148,230	129,708,936	-5.8
South Georgia State College	59,579,227	65,120,087	-8.5

Source: Selig Center for Economic Growth, Terry College of Business, University of Georgia (www.selig.uga.edu), 2022.

Appendix 1

Study Areas for Institutions

Research Universities

Augusta University – Richmond, Columbia, Burke, McDuffie, Lincoln, Jefferson, Jenkins, and Warren
Georgia Institute of Technology – Atlanta MSA
Georgia State University – Atlanta MSA
University of Georgia – Clarke, Oconee, Madison, Jackson, Oglethorpe, Barrow, Gwinnett, Walton, and Elbert

Comprehensive Universities

Georgia Southern University – Bulloch, Screven, Candler, Emanuel, Evans, Tattnall, Jenkins, Chatham, Effingham, Bryan, and Liberty
Kennesaw State University – Atlanta MSA
University of West Georgia – Atlanta MSA
Valdosta State University – Lowndes, Brooks, Lanier, Berrien, Cook, and Echols

State Universities

Albany State University – Dougherty, Lee, Worth, Mitchell, Terrell, Sumter, Tift, and Crisp
Clayton State University – Atlanta MSA
Columbus State University – Muscogee, Harris, Chattahoochee, Marion, Talbot, Troup, and Stewart
Fort Valley State University – Peach, Houston, Crawford, Bibb, Taylor, and Macon
Georgia College & State University – Baldwin, Putnam, Hancock, Wilkinson, Washington, Jones, and Bibb
Georgia Southwestern State University – Sumter, Schley, Lee, Macon, Crisp, Webster and Marion
Middle Georgia State University – Bibb, Houston, Jones, Monroe, Peach, Crawford, Twiggs, Baldwin, Wilkinson, Dodge, Laurens, Lamar, Bleckley, and Pulaski
Savannah State University – Chatham, Effingham, Bryan, Liberty, and Bulloch
University of North Georgia – Lumpkin, Hall, Dawson, Forsyth, White, Oconee, Clarke, Barrow, Madison, Jackson, Gwinnett, Fannin, Gilmer, and Union

State Colleges

Abraham Baldwin Agricultural College – Tift, Worth, Cook, Colquitt, Irwin, Turner, Decatur, Seminole, Miller, Grady, Early, Thomas, Mitchell, and Baker
Atlanta Metropolitan State College – Atlanta MSA
College of Coastal Georgia – Glynn, Brantley, McIntosh, Camden, and Wayne
Dalton State College – Whitfield, Murray, Catoosa, Gordon, Walker, Bartow, and Gilmer
East Georgia State College – Emanuel, Bulloch, Candler, Jefferson, Johnson, Burke, and Toombs
Georgia Gwinnett College – Atlanta MSA
Georgia Highlands College – Floyd, Polk, Bartow, Chattooga, Gordon, Cobb, Paulding, Douglas, and Carroll
Gordon State College – Atlanta MSA
South Georgia State College – Coffee, Atkinson, Bacon, Jeff Davis, Ware, Pierce, Brantley, and Clinch

Note:

Study areas were defined by the author based on commuting data obtained from the Residence County to Workplace County Flows for Georgia, 5-Year ACS, 2009-2013, U.S. Census Bureau (data extracted on March 8, 2018).

Source: Selig Center for Economic Growth, Terry College of Business, University of Georgia (www.selig.uga.edu), 2022.

Appendix 2

Economic Impact of Capital Outlays in Fiscal Year 2021

<u>Institution</u>	<u>Initial Spending (2021 dollars)</u>	<u>Output Impact (2021 dollars)</u>	<u>Value Added Impact (2021 dollars)</u>	<u>Labor Income Impact (2021dollars)</u>	<u>Employment Impact (jobs)</u>
System Total	183,330,000	267,710,136	157,751,910	102,619,782	1,804
Research Universities	110,370,000	162,248,479	97,013,210	63,387,050	1,115
Augusta University	11,000,000	9,725,667	5,558,337	2,813,033	43
Georgia Institute of Technology	0	0	0	0	0
Georgia State University	4,800,000	8,643,359	5,433,216	3,537,856	56
University of Georgia	94,570,000	143,879,453	86,021,657	57,036,161	1,016
Comprehensive Universities	30,160,000	48,501,622	27,616,630	17,664,313	287
Georgia Southern University	7,500,000	11,643,178	5,450,173	2,877,461	61
Kennesaw State University	16,960,000	28,430,246	17,190,263	11,188,388	176
University of West Georgia	4,400,000	6,396,561	3,839,562	2,708,917	36
Valdosta State University	1,300,000	2,031,637	1,136,632	889,547	14
State Universities	41,700,000	55,266,767	32,410,431	21,019,658	387
Albany State University	800,000	1,314,444	614,782	473,581	11
Clayton State University	3,000,000	5,484,962	3,185,425	1,959,846	31
Columbus State University	0	0	0	0	0
Fort Valley State University	1,000,000	1,683,142	949,158	745,386	12
Georgia College & State University	4,100,000	3,978,295	2,266,337	1,372,560	29
Georgia Southwestern State University	0	0	0	0	0
Middle Georgia State University	11,000,000	10,455,722	5,810,186	3,502,679	74
Savannah State University	0	0	0	0	0
University of North Georgia	21,800,000	32,350,202	19,584,543	12,965,606	230
State Colleges	1,100,000	1,693,268	711,639	548,761	15
Abraham Baldwin Agricultural College	1,100,000	1,693,268	711,639	548,761	15
Atlanta Metropolitan State College	0	0	0	0	0
College of Coastal Georgia	0	0	0	0	0
Dalton State College	0	0	0	0	0
East Georgia State College	0	0	0	0	0
Georgia Gwinnett College	0	0	0	0	0
Georgia Highlands College	0	0	0	0	0
Gordon State College	0	0	0	0	0
South Georgia State College	0	0	0	0	0

Notes: The impacts of spending on Output, Value Added, Labor Income, and Employment were estimated using IMPLAN and production functions provided by IMPLAN. Initial spending for capital projects were obtained from the Board of Regents of the University System of Georgia. Output refers to the value of total production, including domestic and foreign trade. Value added includes employee compensation, proprietary income, other property income, and indirect business taxes. Labor income includes both the total payroll costs (including fringe benefits) of workers who are paid by employers and payments received by self-employed individuals. Employment includes both full- and part-time jobs. Estimates for Augusta University exclude impacts associated with the AU Health System, Inc., which are reported in Appendix 3.

Source: Selig Center for Economic Growth, Terry College of Business, University of Georgia (www.selig.uga.edu), 2022.

Appendix 3

Combined Economic Impact of Augusta University and AU Health System, Inc. in Fiscal Year 2021

<u>Institution</u>	Initial Spending (current dollars)	Output Impact	Value Added Impact	Labor Income Impact	Employment Impact
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Appendix 5

Augusta University's Albany, Savannah, and Rome Clinical Campuses: Economic Impact of FY 2021 Expenditures

Augusta University has established clinical campuses in Albany, Savannah, and Rome, which generate economic impacts for their host communities. Appendix 5 documents the economic impact that the Albany, Savannah, and Rome clinical campuses had on their host communities in FY 2021.

Albany: In FY 2021, total expenditures at the Albany clinical campus were \$1,443,412, including \$665,054 personnel expense, \$160,478 operating expense, and \$617,880 in student spending (Assistant Vice Chancellor for Fiscal Affairs/Budget Director, Board of Regents, University System of Georgia provided the estimates for personnel and operating expenses as well as enrollment).

The economic impact accruing to Albany includes:

- \$1,443,412 in initial expenditures and 4 on-campus jobs,
- \$1,882,682 in output (sales),
- \$1,331,736 in gross regional product (value added),
- \$966,109 in income, and
- 14 jobs.

Savannah: Total expenditures at the Savannah clinical campus were \$1,989,054, including \$938,678 personnel expense, \$123,556 operating expense, and \$926,820 in student spending (Assistant Vice Chancellor for Fiscal Affairs/Budget Director, Board of Regents, University System of Georgia provided the estimates for personnel and operating expenses as well as enrollment).

The economic impact accruing to Savannah includes:

- \$1,989,054 in initial expenditures and 4 on-campus jobs,
- \$2,796,106 in output (sales),
- \$2,031,827 in gross regional product (value added),
- \$1,454,558 in income, and
- 20 jobs.

Rome: Total expenditures at the Rome clinical campus were \$1,506,923, including \$546,052 personnel expense, \$261,691 operating expense, and \$699,180 in student spending (Assistant Vice Chancellor for Fiscal Affairs/Budget Director, Board of Regents, University System of Georgia provided the estimates for personnel and operating expenses).

The economic impact accruing to Rome includes:

- \$1,506,923 in initial expenditures and 5 on-campus jobs,
- \$2,154,922 in output (sales),
- \$1,468,346 in gross regional product (value added),
- \$985,484 in income, and
- 18 jobs.

Source: Selig Center for Economic Growth, Terry College of Business, University of Georgia, (www.selig.uga.edu), 2022.

Appendix 6

Augusta University and UGA Medical Partnership's Athens Campus: Economic Impact of FY 2021 Expenditures

In partnership, Augusta University and the University of Georgia opened a new campus in Athens in FY 2011, which generates significant economic impacts for Athens' regional economy. Appendix 6 documents the economic impact that the Athens campus had on its host community in FY 2021.

Appendix 7

Combined Economic Impact of UGA's Griffin Campus (Budget Unit "A" and Budget Unit "B")
On Its Regional Economy in Fiscal Year 2021

<u>UGA's Griffin Campus</u>	Initial Spending (current dollars)	Output Impact (current dollars)	Value Added Impact (current dollars)	Labor Income Impact (current dollars)	Employment Impact (jobs)
Total	22,725,962	39,555,376	28,759,673	21,560,272	340
Personnel Services	14,037,332	26,365,166	21,426,209	17,985,771	259
Operating Expenses	5,672,400	8,708,071	4,513,295	2,251,684	47
Student Spending	3,016,230	4,482,139	2,820,169	1,322,817	34

Notes: The impacts of spending on Output, Value Added, Labor Income, and Employment were estimated using IMPLAN and production functions provided by IMPLAN. Initial spending for personnel services and operating expenses were obtained from the Board of Regents of the University System of Georgia. The author estimated initial spending by students. Output refers to the value of total production, including domestic and foreign trade. Value added includes employee compensation, proprietary income, other property income, and indirect business taxes. Labor income includes both the total payroll costs (including fringe benefits) of workers who are paid by employers and payments received by self-employed individuals. Employment includes both full-time and part-time jobs. The total employment impact of 340 jobs consists of 183 on-campus jobs (expressed on a FTE basis) and 157 off-campus jobs. For each FTE job created on the Griffin campus, there are 0.9 off-campus jobs that exist because of spending related to UGA at Griffin.

Source: Selig Center for Economic Growth, Terry College of Business, University of Georgia (www.selig.uga.edu), 2022.

Appendix 8

Total Economic Impact of Information Technology Services in Athens
On the Regional Economy in Fiscal Year 2021

	Initial Spending (current dollars)	Output Impact (current dollars)	Value Added Impact (current dollars)	Labor Income Impact (current dollars)	Employment Impact (jobs)
<u>ITS in Athens</u>					

Notes: The impacts of spending on Output, Value Added, Labor Income, and Employment were estimated using IMPLAN and production functions provided by IMPLAN. Initial spending for personal services and operating expenses were obtained from the Board of Regents of the University System of Georgia. ITS operating expenditures expensed by USG instituta10ualTw(\$52,098,913) ar the)T.
