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Going North
Mexican Immigration in Georgia

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The following discussion is based primarily on the analysis of the public use micro-data sample (PUMS), which is prepared from the responses to the *2004 American Community Survey.* Because of the additional statistical procedures used to produce this sample, PUMS data differ from the published, pre-tabulated *American Community Survey* (ACS) data. The Survey itself is mailed to a selected number of addresses in every state: the Georgia data are based on 12,646 household interviews. The public use micro-data sample is a statistically valid selection of data from these interviews.

The survey-based data are self-reported, and differ from the information based on government or establishment data. Income data are tabulated according to the Survey's unique subject definitions, which are not the same as those used in other data sets, including the decennial census of population and housing.

Population Overview

The analysis of data from the *2004 American Community Survey (*ACS) sheds new light on the lives of 390,579 Georgia residents who declare Mexican origin, either by birth, or by culture. The data show that the Mexican community in Georgia is a relatively young, hard working group of newcomers, who arrived here during the unprecedented economic and population boom of the mid-1990s. These new workers relieved the tight labor markets of the Nineties, especially in the construction and hospitality industries.

According to the ACS, 390,579, or 4.6 percent of Georgia's residents were either born in Mexico, or reported Mexican origin. The 2000 Census reported that 3.4 percent of the state's residents were of Mexican origin. Between 2000 and 2004, the number of residents of Mexican origin increased by 115,291, or 41.9 percent, which is the seventh largest number increase in the nation, following California, Texas, Arizona, Illinois, Colorado, and Nevada (see Table 1).

Although the total number of Mexicans in Georgia comprises only 4.6 percent of the general population in 2004, in several age categories that percentage is much higher. For example, over 8 percent of those in the 25-to-34 age bracket are Mexican,; among those 20-to-24 years old, 7.3 percent are Mexican; and, most importantly, 7.2 percent of children under 5 years of age are Mexican.

Mostly foreign born, the 25-to-34 year olds are by far the largest age group among Mexicans in Georgia. By age distribution, this group constitutes a much larger portion of the community (27.8 percent), than the 18.9 percent national average. Conversely, those 45 and older make up only 8 percent of the Mexican community in Georgia compared to the 17.5 percent national average.

Of the 390,579 Mexicans in Georgia, 133,831 (34.3 percent) are U.S. citizens by birth, 11,872 (3 percent) are

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naturalized U.S. citizens, and 244,876 (62.7 percent) are not U.S. citizens. In 2004, Georgia ranked tenth in the nation based on the total number of people of Mexican decent, but ranked fifth based on the number of Mexicans who are not U.S. citizens, following only California, Texas, Arizona, and Illinois.

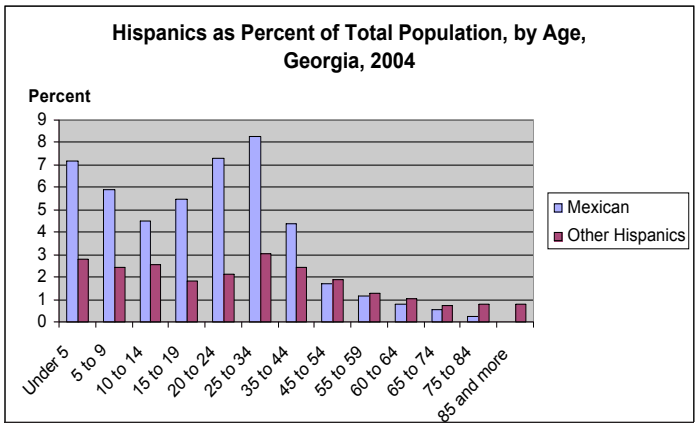
In 2004, 82.6 percent of Georgia's 47,893 children of Mexican origin under 5 years old were born in Georgia, and another 13.1 percent were born elsewhere in the United States. Next on the age scale, in the smaller (37,953) group of 5-to-9 year olds, 78.1 percent were born in the United States, and 21.9 percent were born outside of the country. The percentage of foreign born increases to 41.7 in the 10-to-14 year old group, and to over 90 percent in the population of those who are between 25 and 44 years old. The percentage of foreign born who are 55-to-64 years old also exceeds 80 percent.

In 2004, 41 percent, or 106,350 Mexican immigrants who resided in Georgia reported 2000 or later as their year of entry into the U.S., 42.6 percent (110,399) entered the United States between 1990 and 1999, 12.7 percent (32,972) came between 1980 and 1989, and the remaining 3.7 percent (9,520) arrived before 1979. In contrast, the Mexican migration to other states began in the 1950s, and has remained very high throughout the decades that followed. As a result, Mexican communities in California, Arizona, and Texas have a mix of long-timers and newcomers, and many more American-born residents of Mexican origin. (See Tables 2 and 3.)

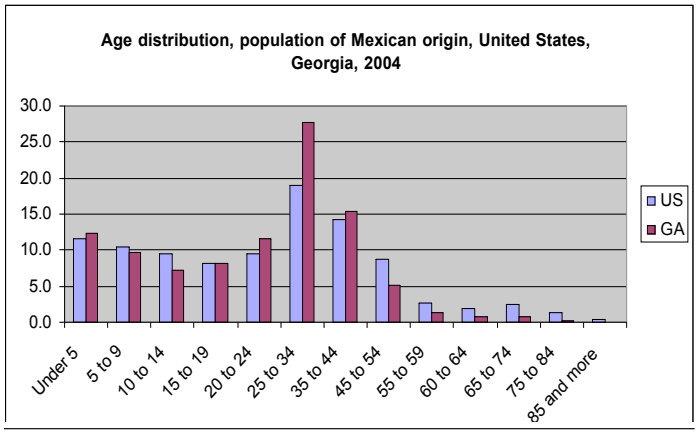
Table 1
Population by Hispanic Origin, Georgia, 2004

	Not Hispanic	Mexican	Other Hispanic	Total
Population	8,004,532	390,579	185,196	8,580,307
Percent of total	93.3	4.6	2.2	100.0

Source: Selig Center for Economic Growth, based on U.S. Census Bureau, American Community Survey, PUMS, 2004.



Source: Selig Center for Economic Growth, based on U.S. Census Bureau, American Community Survey, PUMS, 2004.



Source: Selig Center for Economic Growth, based on U.S. Census Bureau, American Community Survey, PUMS, 2004.

School Enrollment

Nationally, over 90 percent of the school-age Hispanic population (5-to-19 years old) are enrolled in schools (2003 Current Population Survey), but the number drops to just

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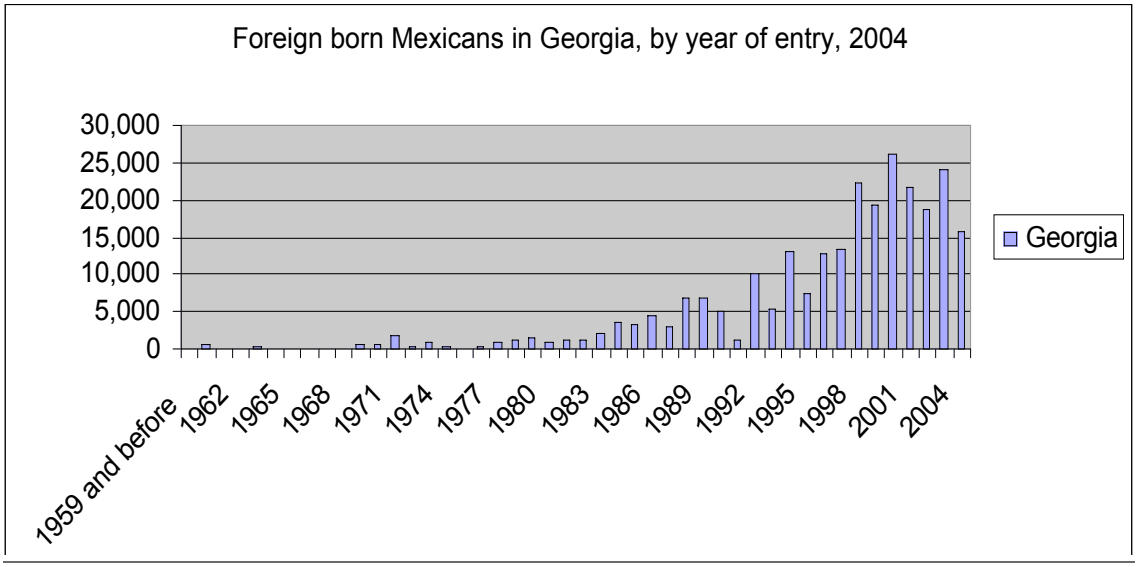
Table 2

Hispanic Residents by Year of Entry into the United States, 2004

State	1950 and before	1951 to 1979	1980 to 1989	1991 to 1999	2000 to 2004	Total
			Year of Entry, Mexican			
			Number			
Georgia	0	9,520	32,972	110,399	106,350	259,241
United States	85,938	1,930,913	2,384,055	3,777,579	2,191,356	10,369,841
			Percent			
Georgia	0.0	3.7	12.7	42.6	41.0	100.0
United States	0.8	18.6	23.0	36.4	21.1	100.0

State	1950 and before	1951 to 1979	1980 to 1989	1991 to 1999	2000 to 2004	Total
			Year of Entry, Other Hispanic			
			Number			
Georgia	1,045	17,720	20,188	37,347	26,782	103,082
United States	100,760	1,934,861	1,687,971	2,107,695	1,276,838	7,108,125
			Percent			
Georgia	1.0	17.2	19.6	36.2	26.0	100.0
United States	1.4	27.5	23.9	29.6	17.7	100.0

Source: Selig Center for Economic Growth, based on U.S. Census Bureau, American Community Survey, PUMS, 2004.



Source: Selig Center for Economic Growth, based on U.S. Census Bureau, American Community Survey, PUMS, 2004.

over 14.2 percent for the 20-to-30 year olds, compared to over 24 percent for the total population in that age group, a trend mirrored by the data in the *2004 American Community Survey*. While 93 percent of the school-age non-Hispanics in Georgia were enrolled in 2004, only 77.3 of Mexican youths went to school. Moreover, while over 20 percent of non-Hispanic 20-to-30 year olds were in college, only 7.1 percent of Mexicans sought higher education.

The Georgia Department of Education reports that 121,252 Hispanic students were enrolled in the state's K-12 public schools in 2004. The American Community Survey's number (108,117), however, is over 10 percent below the official enrollment figures—a difference that may be the result of the ACS undercounting the actual numbers and of sampling errors, and the fact that the counts were taken at different times of the year.

According to the 2004 ACS, the largest number of Mexican students is enrolled in grades 1-through-4 and 5-through-8 (25,947, and 24,668, respectively). The number of Mexican students in high schools is much lower: 19,780. Among the non-Hispanic students, roughly the same number (about 470,000) is enrolled in each of the grade groups (1-to-4, 5-to-8, and 9-to-12). Nationally, the percentage of Mexican youths enrolled in high schools is also smaller than in the lower grades, but the drop is not nearly as steep.

The relatively small number of Mexican and other Hispanic students in high school partially can be explained by the higher dropout rates among these populations. According to the Georgia Department of Education, the high school dropout rate of 7 percent for Hispanic students exceeds the all-student average of 5.1 percent. Other factors illustrate the point: while 26.5 percent of Mexicans between 6 and 10 years old were foreign born, the number climbs to 47.5 percent for the 11-to-16 year olds, and to 71.7 percent for the 17-to-19 year olds. In fact, 34.3 percent of high-school aged Mexicans in Georgia arrived from Mexico between 2000 and 2004, and a large percentage of them sought work and never enrolled in schools. While 70 percent of American-born Mexican teenagers are enrolled, only 31 percent of their foreign-born counterparts are in school.

The number of Mexican students in both elementary and high schools is likely to increase, with a large group of American-born children of Mexican parents preparing to enter the education system within the next five years. Currently, there are 47,893 Mexican children under the age of four—7.2 percent of the total population in that age group

Table 3

School Enrollment by Age, Georgia, 2004

Hispanic origin	Age	Not enrolled in the past 3 months	Enrolled in public school or college	Enrolled in private school or college	Percent enrolled in public or private school or college
Not Hispanic	Under 5	127,098	57,203	61,229	48.2
	5 to 19	119,619	1,440,867	147,241	93.0
	20 to 30	958,693	180,701	62,580	20.2
	31 to 40	1,187,456	61,585	25,228	6.8
	41 and older	3,149,056	48,165	23,319	2.2
Mexican	Under 5	12,899	5,770	275	31.9
	5 to 19	22,242	73,351	2,211	77.3
	20 to 30	104,488	5,615	2,316	7.1
	31 to 40	90,037	218	577	0.9
	41 and older	40,569	878	184	2.6
Other Hispanic	Under 5	3,443	2,023	3,289	60.7
	5 to 19	4,040	34,766	3,168	90.4
	20 to 30	28,856	3,556	3,656	20.0
	31 to 40	33,019	1,770	1,126	8.1
	41 and older	50,801	1,111	619	3.3
Total	Under 5	143,440	64,996	64,793	47.5
	5 to 19	145,901	1,548,984	152,620	92.1
	20 to 30	1,092,037	189,872	68,552	19.1
	31 to 40	1,310,512	63,573	26,931	6.5
	41 and older	3,240,426	50,154	24,122	2.2

Source: Selig Center for Economic Growth, based on U.S. Census Bureau, American Community Survey, PUMS, 2004.

in Georgia—which is a much higher percentage than in any other school-age group in the state in 2004.

Employment

In 2004, 197,351 Mexicans were employed in Georgia, which constitutes 4.8 percent of all employed civilians in the state. Nationally, that proportion is much higher: 8 percent. In contrast, 3.6 percent of Mexicans over 16 years old are unemployed in Georgia, compared to the 4.9 percent average of the total population in this age group. But the actual unemployment rate—or the percentage of the unemployed among those in the civilian labor force—is much lower for Mexicans than for the general population (4.8 percent for Mexicans compared to 7.3 percent for the state as a whole). Nationally, the overall unemployment rate (7.2 percent in 2004) is much lower than for Mexican workers (9.1 percent). The unemployment rates as reported by the *American Community Survey* are much higher than other estimates due to differences in sample size and wording of survey questions.

Also, the percentage of the Mexican population aged 16 or older who are in the labor force is higher in Georgia than the national average. Among other things, this statistic points to the fact that fewer Mexican youths stay in high school and continue to college. It is important to note, however, that many of the American-born teenaged Mexicans in Georgia are in school or in the military services, and only a small percentage is unemployed.

Compared to non-Hispanic workers, more Mexicans in Georgia are wage and salary employees in private establishments (72.6 percent of non-Hispanic and 86.5 percent of Mexicans), but the opposite is true in the case of government employment, where only 1.9 percent of Mexican workers find jobs, compared to 15.6 percent of the non-Hispanics. Nationally, 9.7 percent of workers of Mexican origin are government employees, compared to 15.5 percent of non-Hispanics.

In Georgia, 11 percent of working Mexicans are self-employed, 7,744 own incorporated businesses, and 17,664 are in unincorporated businesses. Only 10.6 percent of non-Hispanics in Georgia are self-employed. Nationally, 6.8 percent of Mexican workers are self-employed, compared to 10.7 percent of non-Hispanics. Most Mexican unincorporated businesses are in construction, followed by professional and personal services, manufacturing and retail. Among the incorporated businesses, construction also tops the list, followed by transportation and professional services.

Industry Impact

Although employed by every major industry sector, the bulk of Mexican workers in Georgia is concentrated in just five industries: over 90 percent of them hold jobs in construction, manufacturing, entertainment, services, and trade. Within industry sectors, construction and production workers, cleaners, and food preparation workers are the four largest occupational groups among Mexicans civilians (29.8 percent, 16.9 percent, 15.7 percent, and 9.4 percent, respectively), although thousands of Mexicans report working in transportation-related occupations, as well as office, sales, and managerial trades. In comparison, among the non-Hispanic workers, office and administrative support occupations are the largest group, followed by sales, managerial, and production and operations workers (15.1 percent, 12.1 percent, 9.7 percent, and 7.3 percent, respectively). Among non-Mexican Hispanics, construction workers are the largest occupational group at 20.4 percent, followed by 12.1 percent in managerial occupations, 10.6 percent in office work, 8.3 percent in production, and 8.1 percent in sales occupations.

Construction, manufacturing, and the entertainment (hotel/motel, recreation and food service) industries are the three largest employers of Mexicans in Georgia: 31.5 percent or 62,192 Mexicans work in construction (the proportion is even higher among the foreign-born Mexicans), 17.1 percent (33,713) hold manufacturing jobs, and 14.9 percent (29,468) work in lodging, food services, and related areas. This trend mirrors national averages, although nationally, Mexican workers are more dispersed among industries. For Georgia's non-Hispanics, the three largest employers are manufacturing, which provides12.7 percent of jobs, retail trade with 11.9 percent, and professional services with 9.8 percent (Tables 4 and 5).

Mexicans and the Construction Boom

The construction industry is the prime example of Mexican workers' impact on the state's economy. 1996 was a watershed year in Mexican migration to Georgia, with at least 10,000 Mexicans arriving each year since then. The peak occurred in 2000, when over 25,000 new arrivals began looking for jobs. Most found work in the construction industry, which employed 62,192 Mexicans, or 31.5 percent of Mexican workers in the state in 2004. These workers held 17.4 percent of construction jobs in the state, and together with other Hispanics held close to a quarter (23 percent) of all construction jobs in Georgia.

The new migrants found work quickly in this rapidly expanding industry, which between 1996 and 2004 built 71,414 homes a year on average in Georgia. Nonresidential construction activity was also brisk in the years leading to and following the 1996 Olympics in Atlanta, and the area became a hot market for real estate and construction.

As reported by the Economic Census, the 1997-2002 percentage increases in the number of construction firms, the number of employees, and sales were considerably higher in Georgia than the U.S. average. Georgia employers, however, were better able to contain the cost of labor, and the average annual pay in construction increased by little more than half of the national average rate of increase.

In 2004, the U.S. Bureau of Labor Statistics reported

Table 4

Employed Civilians by Industry Sector, and Hispanic Origin, Georgia, 2004

Industry Sector	Not Hispanic/Latino		Mexican		Other Hispanic/Latino		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Construction	275,328	7.3	62,192	31.5	19,503	22.5	357,023	8.8
Manufacturing	480,416	12.7	33,713	17.1	11,973	13.8	526,102	12.9
Recreation	284,460	7.5	29,468	14.9	6,014	7.0	319,942	7.9
Professional services	371,239	9.8	19,295	9.8	6,321	7.3	396,855	9.7
Retail trade	451,257	11.9	16,654	8.4	7,557	8.7	475,468	11.7
Wholesale trade	148,727	3.9	9,760	4.9	3,339	3.9	161,826	4.0
Service industries	196,768	5.2	7,938	4.0	6,614	7.6	211,320	5.2
Agriculture	42,693	1.1	4,874	2.5	NA	0.0	47,567	1.2
Transportation	212,911	5.6	3,906	2.0	4,681	5.4	221,498	5.4
Medical	305,111	8.0	2,860	1.4	2,783	3.2	310,754	7.6
Social and community services	80,071	2.1	2,414	1.2	1,733	2.0	84,218	2.1
Finance	259,991	6.9	1,325	0.7	6,079	7.0	267,395	6.6
Administration	224,242	5.9	1,193	0.6	3,565	4.1	229,000	5.6
Utilities	45,345	1.2	816	0.4	360	0.4	46,521	1.1
Information	114,735	3.0	403	0.2	1,850	2.1	116,988	2.9
Education	289,541	7.6	378	0.2	4,144	4.8	294,063	7.2
Mining	8,705	0.2	162	0.1	NA	0.0	8,867	0.2
Total	3,791,540	100.0	197,351	100.0	86,516	100.0	4,075,407	100.0

NA Not available.

Source: Selig Center for Economic Growth, based on U.S. Census Bureau, American Community Survey, PUMS, 2004

Table 5

Employed Civilians by Hispanic Origin as Percent of Industry Total Employment, 2004, Georgia

Industry Sector	Non-Hispanic	Mexican	Other Hispanic	Total
Construction	77.1	17.4	5.5	100.0
Agriculture	89.8	10.2	0.0	100.0
Entertainment	88.9	9.2	1.9	100.0
Manufacturing	91.3	6.4	2.3	100.0
Wholesale trade	91.9	6.0	2.1	100.0
Professional services	93.5	4.9	1.6	100.0
Service industries	93.1	3.8	3.1	100.0
Retail trade	94.9	3.5	1.6	100.0
Social and community services	95.1	2.9	2.1	100.0
Mining	98.2	1.8	0.0	100.0
Transportation	96.1	1.8	2.1	100.0
Utilities	97.5	1.8	0.8	100.0
Medical	98.2	0.9	0.9	100.0
Administration	97.9	0.5	1.6	100.0
Finance	97.2	0.5	2.3	100.0
Information	98.1	0.3	1.6	100.0
Education	98.5	0.1	1.4	100.0
All industries	93.0	4.8	2.1	100.0

Source: Selig Center for Economic Growth, based on U.S. Census Bureau, American Community Survey, PUMS, 2004

that the annual average construction pay in Georgia was $38,431. According to the ACS, 69.7 percent of construction workers—and 80.1 percent of the Mexican construction workers—in Georgia made between $10,000 and $30,000 a year. This relatively low labor cost was in part facilitated by the influx of over 81,000 Hispanic workers, over 80 percent of who were on the lowest rungs of the pay scale. The influx fueled the state's construction boom during the tight labor market of the late 1990s, and helps it sustain a steady growth today.

Georgia's booming construction industry is a unique example, however, and should not be automatically applied to other industries that employ large numbers of Hispanic workers. The entertainment and leisure industry, for instance, did not increase its rate of sales or employment as fast as construction did, but its average wages—albeit low—were very close to the national average.

Table 6

Growth in Georgia's Construction Industry, 1997-2002*

	Georgia		United States	
1997-2002 change in:	**Number change**	**Percent change**	**Number change**	**Percent change**
Establishments	2,361	13.2	53,873	8.2
Sales ($1000)	12,779,722	44.7	337,974,541	39.4
Payroll ($1000)	2,164,574	46.2	80,107,540	46.0
Paid employees	57,311	34.9	1,528,229	27.0
Average annual pay ($)	2,378	8.3	4,604	15.0

*Establishments with payroll.
Source: Selig Center for Economic Growth, based on 1997 and 2002 Economic Census.

Table 7

Annual Wages in Construction, by Hispanic origin, 2004

	$10,000 to $30,000	**$31,000 to $50,000**	**Over $50,000**	**Total**
Not Hispanic/Latino				
Number	182,561	53,125	39,642	275,328
Percent	66.3	19.3	14.4	100.00
Mexican				
Number	49,815	11,540	837	62,192
Percent	80.1	18.6	1.3	100.0
Other Hispanic/Latino				
Number	16,629	2,058	816	19,503
Percent	85.3	10.6	4.2	100.0
Total Hispanic				
Number	66,444	13,598	1,653	81,695
Percent	81.3	16.6	2.0	100.0
Total				
Number	249,005	66,723	41,295	357,023
Percent	69.7	18.7	11.6	100.0

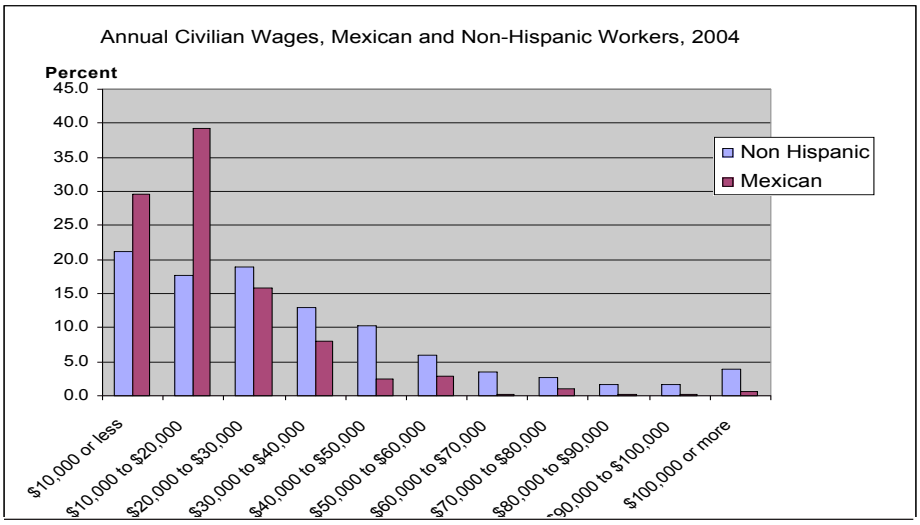
Source: Selig Center for Economic Growth, based on data from the American Community Survey, PUMS, 2004

Wages

A review of annual wages reveals that 84.5 percent of Mexican civilians employed in Georgia make $30,000 or less, compared to the 57.5 percent of the non-Hispanic workers, and 39.2 percent of Mexicans earn between $10,000 and $20,000 a year.

Although the majority of Mexican construction workers find themselves at the lower end of the industry pay scale, a relatively large group (19.9 percent) takes home an average wage of $30,000 or more, including 1.3 percent who earn more than $50,000.

While manufacturing production workers in Georgia make an average of $27,227 a year (based on a 40-hour per week/52-week scale), 73 percent of their Mexican counterparts earn $20,000 or less in annual wages (compared to 27.3 percent of non-Hispanics), 22.7 percent make between $20,000 and $40,000, and the remaining 4.1 percent earn $50,000 a year or more. Over 70 percent of the Mexican workers have relatively low-paying jobs in food processing, textiles, and wood, paper, and furniture manufacturing; the remaining 30 percent are employed in better paid, durable goods manufacturing. Only about 3.3 percent of Mexican workers—most of who



Source: Selig Center for Economic Growth, based on data from the American Community Survey, PUMS, 2004

Table 8

Manufacturing Wage Ranges, by Wage Range and Hispanic Origin, Georgia, 2004

	Not Hispanic/Latino		Mexican		Other Hispanic/Latino		Total	
Wage range	Number	Percent	Number	Percent	Number	Percent	Number	Percent
10,000 or less	42,794	8.9	7,294	21.6	453	3.8	50,541	9.6
10,000 to 20,000	88,337	18.4	17,422	51.7	2,183	18.2	107,942	20.5
20,000 to 30,000	113,967	23.7	4,972	14.7	3,450	28.8	122,389	23.3
30,000 to 40,000	72,607	15.1	2,679	7.9	1,604	13.4	76,890	14.6
40,000 to 50,000	50,502	10.5	0	0.0	1,680	14.0	52,182	9.9
50,000 to 60,000	35,854	7.5	186	0.6	195	1.6	36,235	6.9
60,000 to 70,000	20,912	4.4	224	0.7	1,334	11.1	22,470	4.3
70,000 to 80,000	16,961	3.5	661	2.0	0	0.0	17,622	3.3
80,000 to 90,000	8,664	1.8	0	0.0	0	0.0	8,664	1.6
90,000 to 100,000	11,248	2.3	275	0.8	280	2.3	11,803	2.2
100,000 or more	18,570	3.9	0	0.0	794	6.6	19,364	3.7
Total	480,416	100.0	33,713	100.0	11,973	100.0	526,102	100.0

Source: Selig Center for Economic Growth, based on data from the American Community Survey, PUMS, 2004

are in paper manufacturing—make more than the $41,473 average annual wage in manufacturing.

Over 90 percent of those in the recreation, amusement and other entertainment industry, the third largest employer of Mexican workers, report less than $20,000 in annual wages, compared to 74.1 percent of non-Hispanics, and 52.3 percent of other Hispanics.

Income

Georgia's Mexican residents reported $4.7 billion in personal income in 2004, which constitutes 2.4 percent of the state's total money income of $195.6 billion. The personal income reported by the *American Community Survey* is lower than other personal income estimates, however, because it excludes capital gains, money received from the sale of property, and the value of in-kind income such as food stamps and public housing, and some types of lump sum receipts. As such, it corresponds closely to money income.

Compared to total personal income as reported by the Georgia Department of Revenue, money income represents about 77 percent of income in Georgia. So, based on income figures supplied by the ACS and data from the Georgia Department of Revenue, Georgia's Mexican taxpayers should have contributed an estimated personal income tax of $316,942,153 in 2004, or 2.4 percent of the state's total income tax collections (excluding corporate income tax).

Wages and salaries income comprises the bulk of income for Mexican respondents (88.4 percent of total income, compared to 78.7 percent for non-Hispanic and 82 percent

Table 9

Money Income and Population in Georgia, by Hispanic Origin, 2004

	Personal Income		Population	
	Dollars	Percent	Number	Percent
Non-Hispanic	186,781,123,561	95.5	8,004,532	93.3
Mexican	4,700,002,690	2.4	390,579	4.6
Other Hispanic	4,146,419,373	2.1	185,196	2.2
Total:	195,627,545,625	100.0	8,580,307	100.0

Source: American Community Survey, 2004.

Table 10

Estimated State Taxes Collected in Georgia, by Hispanic Origin, 2004

Personal Income	
Non-Hispanic	$242,669,320,000
Mexican	$6,098,496,000
Other Hispanic	$5,336,184,000
Total	$254,104,000,000

	Taxes per thousand dollars of personal income	Taxes Collected, 2004			
		Non-Hispanic	Mexican	Other Hispanic	Total
Selective sales tax	3.57	865,454,089	21,749,632	19,030,928	906,234,648
General Sales and Use tax	19.29	4,681,485,412	117,649,895	102,943,658	4,902,078,966
Personal Income tax	26.88	6,522,480,180	163,915,732	143,426,266	6,829,822,178
Estate taxes	0.26	62,719,128	1,576,188	1,379,164	65,674,480
Property taxes	0.25	61,562,611	1,547,123	1,353,733	64,463,467
Other	1.72	417,955,092	10,503,583	9,190,636	437,649,311
Other taxes and fees	2.23	542,236,831	13,626,894	11,923,532	567,787,257
Total	51.97	12,611,656,511	316,942,153	277,324,384	13,205,923,048

Source: Selig Center for Economic Growth, based on data from the Georgia Department of Revenue, 2004 Statistical Report;

for other Hispanics). The portion provided by self-employment (8.4 percent) is larger than it is for non-Hispanics (6.3 percent), but smaller than for other Hispanics (11.7 percent). Compared to other groups, Mexican respondents reported that only a relatively small portion of their income is derived from supplemental Social Security and public assistance. ■

Table 11

Money Income by Source and Hispanic Origin, Georgia, 2004

	Income (in thousands of dollars)							
	Total		Non-Hispanic		Mexican		Other Hispanic	
State/Source of Income	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Total person's income	195,627,546	100.0	186,781,124	100.0	4,700,003	100.0	4,146,419	100.0
Wages or salary income last year	154,576,354	79.0	147,022,997	78.7	4,152,687	88.4	3,400,670	82.0
Self-employment income last year	12,632,234	6.3	11,750,518	6.3	394,887	8.4	486,829	11.7
Interest, dividends, and net rental income last year	6,069,549	3.1	6,036,457	3.2	6,959	0.1	26,133	0.6
Retirement income last year	8,265,995	4.2	8,157,578	4.4	43,702	0.9	64,715	1.6
Social security income last year	9,488,251	4.9	9,408,749	5.0	35,159	0.7	44,343	1.1
Supplementary Security Income last year	700,686	0.4	693,789	0.4	3,838	0.1	3,060	0.1
Public assistance income last year	126,410	0.1	124,838	0.1	971	0.0	601	0.0
All other income last year	3,768,066	1.9	3,586,197	1.9	61,800	1.3	120,068	2.9

Source: Selig Center for Economic Growth, based on data from: U.S. Census Bureau, American Community Survey, 2004.

The Town-and-Gown Economy

Jeffrey M. Humphreys

How much does a region benefit economically from hosting an institution of higher education? Traditionally, the benefits are discussed in broad, qualitative terms that often fail to satisfy those who demand tangible evidence of the economic linkages between the academic community and the community as a whole; however, this report quantifies the economic benefits that the University System of Georgia's 34 institutions convey to the communities in which they are located.

The benefits are estimated for three important categories of college/university-related expenditures: Spending by the institutions themselves for salaries and fringe benefits, operating supplies and expenses, and other budgeted expenditures; spending by the students who attend the institutions; and spending by the institutions for capital projects (construction). The economic impact estimates are based on regional input-output models of each institution's regional economy, certain necessary assumptions, and available data regarding annual spending in the specified categories. Moreover, the emphasis is on funds received by recipients in the region that hosts each college or university. The study reports expenditures and impacts for the 2005 fiscal year (July 1, 2004 through June 30, 2005).

The study does not account for all of the short-term impacts of the 34 institutions of their host communities, however. For example, several sources of college/university-related spending are identified, but no dollar amounts are estimated for them. To do so would require collecting survey data, a task beyond the resources available to this study. The study also does not quantify the many long-term benefits flowing to the economic development of the host communities through the presence of an institution of higher education nor does it measure intangible benefits (such as cultural opportunities, intellectual stimulation, and volunteer work) to local residents. Finally, the study is not a net benefit analysis; it estimates only economic benefits and does not calculate what the presence of a tax-exempt college/university costs the community.

Highlights

In the simplest terms, the total economic impact of all 34 institutions on their host communities was $9.9 billion in FY 2005. The output impact of each institution is the change in regional output that is due to spending by the institution and spending by the students who attend that particular college or university. Of the FY 2005 total, $6.6 billion (66 percent) is initial spending by the institutions and students; $3.3 billion (34 percent) is the induced or re-spending (multiplier) impact. Dividing the FY 2005 total output impact ($9.9 billion) by initial spending ($6.6 billion) yields an average multiplier value of 1.51. On average, therefore, every dollar of initial spending generates an additional 51 cents for the economy of the region hosting the institution.

In FY 2005, value added comprises $6.1 billion (61 percent) of the $9.9 billion output impact, with domestic and foreign trade comprising the remainder $3.8 billion (39 percent) of the output impact. The $6.1 billion value-added impact reported for FY 2005 equals 1.7 percent of Georgia's gross state product. Labor income received by residents of the communities that host one or more institutions equals $4.5 billion, and represents 73 percent of the value-added impact.

The collective or rolled up employment impact of all 34 institutions on their host communities in FY 2005, including multiplier effects, is 109,698 full- and part-time jobs. Approximately 39 percent of these positions are on

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campus, employees of the University System of Georgia, and 61 percent are off-campus positions in either the private or public sectors. On average, for each job created on campus there are 1.6 off-campus jobs that exist because of spending related to the institution. The 109,698 jobs generated by the University System of Georgia account for 2.8 percent of all the jobs in Georgia, or about one job in 36.

Institutions' Initial Spending

Institution-specific data on expenditures for personnel services and number of positions were obtained from the Board of Regents for FY 2005. The expenditure amounts were treated as an industry change and are reported in the first column of Tables 1 and 2, respectively. These amounts were allocated to various economic sectors recognized by the IMPLAN software based on the typical expenditure pattern for households of moderate income.

To avoid double counting, the estimates of initial spending do not include expenditures arising from two budgetary classes: auxiliary enterprise funds (self-supporting activities for housing, food service, bookstore, athletics, and other) and student activity funds (cultural and recreations programs operated by students). The spending associated with such activities is included in the student's personal expenditures, however. Expenditures for the Medical College of Georgia do not account for spending by the hospital and clinics operating by MCG Health, Inc. and therefore are not comparable to previously published estimates for the institution.

Since a detailed analysis of spending patterns at each institution was not practical, budgeted expenditures for operating expenses were allocated to various economic sectors based on a typical expenditure pattern estimated for US colleges that was developed by the IMPLAN modelers.

Institution-specific data on capital projects (construction) also were obtained from the Board of Regents. The economic impacts associated with capital projects funded through state appropriations as well as public/private ventures are estimated. In the case of capital projects funded through state appropriations, expenditures were allocated to the fiscal year of reported funding, regardless of whether or not all of the funds were actually spent during that year. These amounts therefore are included in the economic impacts expressed in Tables 1-3, although they are reported in the Appendix.

It should be noted that previous editions of this study did not include the impacts of public/private ventures. The FY 2005 capital project impacts therefore are not directly comparable to those for FY 2004 or earlier fiscal years.

Students' Personal Expenditures

College students spend significant amounts of money in the local economy as a part of their living expenses, so the dollar value of this spending was estimated. Since a detailed survey of students' spending habits at each institution

METHODOLOGY

Estimating the economic impact of the University System of Georgia institutions on their regional economies in FY 2005 involved four basic steps. First, initial spending (and employment) for each institution were obtained for Budget Unit "A" and "Budget Unit "B"; and then the institutional expenditures were allocated to industrial sectors recognized by the economic impact modeling system. Second, spending by students was estimated and then allocated to industrial sectors. Third, expenditures associated with capital projects (construction) funded were obtained for each institution and were allocated to the appropriate industrial sectors. Finally, the IMPLAN Professional Version 2.0 modeling system was used to build regional economic models that are specific to each institution.

The geographic areas corresponding to the regional models that were built for each institution, which include the labor force directly involved in their economic spheres, are reported in Appendix 1.These geographic areas are based on an analysis of commuting patterns data obtained from Census 2000 (Residence County to Workplace County Flows for Georgia, U.S. Census Bureau, Internet Release Date: March 6, 2003).

For analytical purposes, all dollar amounts were converted to inflation-adjusted dollars, but the amounts expressed in this report have been re-inflated to 2005 dollars. Type SAM (social accounting matrices) multipliers from the IMPLAN modeling system were used to estimate the economic impacts associated with all categories of spending. Type SAM multipliers capture the original expenditures resulting from the impact, the indirect effects of industries buying from industries, and the induced effects of households' expenditures based on information in the social account matrix. The multipliers account for Social Security and income tax leakage, institutional savings, commuting, inter-institutional transfers, and people-to-people transfers.

Whenever appropriate, the IMPLAN software applied margins to convert purchaser prices to producer prices. In input-output models, all expenditures are in terms of producer prices, which allow all spending to be allocated to the industries that actually produce the good or service. The margins are derived form U.S. Bureau of Economic Analysis data. The margins used differed depending on the consumer. For example, households pay transportation, wholesale, and the full retail margins. In contrast, institutions of higher education may pay little or no retail margin as they have typically more buying power than a household. In addition, some sectors of the model do not have margins. For example, because there usually are no wholesalers or retailers involved when someone rents a room, hotel and lodging do not have margins.

was not practical, typical expenditure levels per student per semester were estimated based on data obtained from annual Consumer Expenditure Surveys conducted by the U.S. Bureau of Labor Statistics (BLS); a special BLS study published in the July 2001 issue of the Monthly Labor Review that examined the expenditures of students and non-students; and a sample of recent estimated costs of attendance prepared by individual institutions. Although the latter was not detailed enough to be used in the IMPLAN model, the sample was used to develop a profile of average expenditures for some of the items typically purchased by students.

The Consumer Expenditure Surveys cover consumer units consisting of one person at various income levels, but no recent data are available specifically for college students; therefore, to adapt the data for this study, spending estimates for several categories of goods or services were increased, decreased, or eliminated. For example, compared to a weighted average of consumer units at lower income levels, students' expenditures for books and for eating out were increased substantially, while their expenditures for groceries, cash contributions, insurance and pensions, and health care were reduced. Spending for vacations and travel—which do not take place locally—were eliminated entirely. In addition, expenditures for tuition were eliminated because of possible double counting. (System institutions receive payments from students for tuition, which in turn support the institutions' expenditures, which has already been estimated.) After adjustment, the average expenditure per student was estimated at $3,450 for Summer Semester 2004, at $5,750 for Fall Semester 2004, and at $5,750 for Winter Semester 2005.

The final step in estimating students' personal expenditures was to multiply the number of semesters of student spending by the average spending per semester. These amounts are reported in the first column of Tables 1 and 2. The number of semesters of students' spending equals each institution's FTE enrollment as reported in the Semester Enrollment Reports issued by the Board of Regents.

Results

■ Total Initial Spending

For FY 2005, total initial spending for all 34 institutions was $6.6 billion. Spending originating from personnel services accounted for 36 percent ($2.4 billion) of initial spending, spending due to operating expenses accounted for 24 percent ($1.6 billion) of initial spending, and students' personal expenditures accounted for 40 percent ($2.7 billion) of initial spending.

■ Total Output Impact

The output impact was calculated for each category of initial spending, based on the impact of the first round of spending and the impacts generated by the re-spending of these amounts--the multiplier effect. Output impacts for FY 2005 are reported in the second column of Tables 1 and 2.

Measured in the simplest and broadest possible terms, the total economic impact of the 34 institutions of the University System of Georgia was $9.9 billion in FY 2005 (Table 1). Of the output impact, $6.6 billion (66 percent) was initial spending by the institutions and students, while $3.3 billion (34 percent) was the induced/re-spending impact or multiplier effect. The multiplier captures the regional economic repercussions of the flows of re-spending that take place throughout the region until the initial spending has completely leaked to other regions. The average multiplier value for all institutions in FY 2005 was 1.51, obtained by dividing the total output impact ($9.9 billion) by initial spending ($6.6 billion). On average, therefore, every dollar of initial spending generated an additional 51 cents for the economy of the region hosting the institution. Thus, for all institutions, the output impact was 1.51 times greater than their initial spending.

That the estimates for the various institutions show differing outcomes is not surprising, given the differences in budgets, staffing, enrollment, and regional economies. Institutions located in the largest metropolitan areas (e.g., Atlanta)—where multipliers are the highest, or institutions that have the largest budgets, staffs, and enrollments—had the largest economic impacts. Thus, for the most part, institutions with large initial spending will rank highly on the various indicators of economic impact, including value-added, labor income, and employment impact.

■ Total Value-Added Impact

Because value-added impacts exclude expenditures related to foreign and domestic trade, they provide a much more accurate measure of the actual economic benefits flowing to businesses and households in a region than the more inclusive output impacts. The value-added impacts for FY 2005 are reported in the third column of Tables 1 and 2.

Snapshot

The combined economic impact of the University System's 34 institutions on their host communities in FY 2005 includes:

- **$9.9 billion in output (sales);**
- **$6.1 billion in valued added (gross regional product);**
- **$4.5 billion in labor income; and**
- **109,698 full- and part-time jobs.**

TABLE 1

Total Economic Impact of all 34 Institutions of the University System of Georgia on their Regional Economies in FY 2005

Total for All 34 Institutions in 2005	Initial Spending (current dollars)	Output Impact (current dollars)	Value Added Impact (current dollars)	Labor Income Impact (current dollars)	Employment Impact (jobs)
System Total	**6,604,968,339**	**9,941,390,018**	**6,094,645,930**	**4,474,278,265**	**109,698**
Personal Services	2,394,512,085	4,720,950,694	3,416,807,415	2,964,599,409	59,519
Operating Expenses	1,554,235,704	1,979,135,659	729,990,060	473,072,668	11,652
Student Spending	2,656,220,550	3,241,303,665	1,947,848,455	1,036,606,188	38,527

Notes:

The impacts of spending on Output, Value Added, Labor Income, and Employment were estimated using the IMPLAN Professional System, version 2.0, Type SAM multipliers, and production functions provided by MIG, Inc.

Initial spending for personal 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.

Estimates for the Medical College of Georgia do not include impacts associated with the hospital and clinics operated by MCG Health Inc.

Source: Selig Center for Economic Growth, Terry College of Business, University of Georgia, 2006.

The 34 institutions collectively generated a value-added impact of $6.1 billion in FY 2005. For all institutions combined, the value-added impact equaled 92 percent of initial spending and 61 percent of the $9.9 billion output impact (with domestic and foreign trade comprising the remaining 39 percent of the output impact). The $6.1 billion value-added impact reported for FY 2005 equals 1.7 percent of Georgia's gross state product.

■ Labor Income Impact

Collectively, the 34 University System institutions generated a labor income impact of $4.5 billion in FY 2005 (see the fourth column of Table 2). The labor income received by residents of the communities that host these institutions represents 73 percent of the value-added impact and 68 percent of the initial spending.

■ Employment Impact

The economic impact of hosting a unit of the University System of Georgia probably is most easily understood in terms of its effects on employment. Collectively, the 34 institutions generated an employment impact of 109,698 jobs in FY 2005 (column five of Table 2). Approximately 39 percent of these positions are on campus and 61 percent are off-campus positions in either the private or public sectors. On average, for each job created on campus there are 1.6 off-campus jobs that exist because of spending related to the University System.

The employment impact associated with the University System accounts for 2.8 percent of all the jobs held by Georgians, or about one job in 36. For all institutions combined, 16.6 jobs were generated for each million dollars of initial spending in FY 2005.

End Note

Since this study intentionally focused only on the short-term impacts of several types of college/university-related spending, there was no attempt to evaluate the long-term impacts of the University System's institutions on the economic development of the host communities and the

continued on page 20

TABLE 2

Total Economic Impact of University System of Georgia Institutions on their Regional Economies in FY 2005

Institution	Initial Spending (current dollars)	Output Impact (current dollars)	Value Added Impact (current dollars)	Labor Income Impact (current dollars)	Employment Impact (jobs)
Research Universities and Regional Universities					
Georgia Institute of Technology	978,043,516	1,652,296,917	1,060,750,862	822,021,388	14,828
Personal Services	486,560,373	992,715,792	729,001,528	624,974,778	10,014
Operating Expenses	293,534,793	400,496,957	172,199,277	110,718,134	2,294
Student Spending	197,948,350	259,084,168	159,550,057	86,328,476	2,520
Georgia State University	656,684,220	1,045,507,612	672,395,283	487,189,649	13,083
Personal Services	245,107,441	500,085,999	367,238,492	314,834,454	8,438
Operating Expenses	121,168,429	165,321,429	71,082,262	45,703,418	947
Student Spending	290,408,350	380,100,184	234,074,529	126,651,777	3,698
Medical College of Georgia	531,224,056	870,932,252	533,608,652	441,971,642	9,346
Personal Services	319,358,970	615,077,686	440,095,805	385,488,255	7,372
Operating Expenses	178,401,236	215,917,343	70,103,552	44,180,201	1,435
Student Spending	33,463,850	39,937,223	23,409,295	12,303,186	539
University of Georgia	1,344,679,021	2,055,579,330	1,223,105,074	917,800,610	20,750
Personal Services	508,441,851	1,002,312,695	724,553,011	626,902,918	12,117
Operating Expenses	454,680,970	576,057,977	209,571,502	137,850,526	3,326
Student Spending	381,556,200	477,208,658	288,980,561	153,047,166	5,307
Georgia Southern University	317,743,770	406,004,713	234,503,244	168,688,461	5,555
Personal Services	94,496,964	172,396,122	120,045,342	107,838,606	1,859
Operating Expenses	45,226,806	49,363,284	10,750,608	7,318,657	306
Student Spending	178,020,000	184,245,307	103,707,294	53,531,198	3,390
Valdosta State University	199,276,629	268,228,942	157,374,165	111,351,314	3,465
Personal Services	57,935,015	107,836,348	76,157,052	67,713,712	1,358
Operating Expenses	27,997,614	33,465,712	7,935,008	5,346,257	193
Student Spending	113,344,000	126,926,882	73,282,105	38,291,345	1,914
State Universities and State Colleges					
Albany State University	85,338,738	119,264,794	70,225,557	50,799,221	1,611
Personal Services	26,909,989	51,006,656	36,380,094	32,100,605	816
Operating Expenses	17,727,949	20,840,015	6,207,085	4,040,130	130
Student Spending	40,700,800	47,418,123	27,638,378	14,658,486	665
Armstrong Atlantic State University	122,066,908	170,463,019	103,230,402	72,271,575	2,045
Personal Services	34,480,027	66,139,114	47,443,076	41,706,296	842
Operating Expenses	19,073,331	23,188,018	7,436,119	4,892,628	149
Student Spending	68,513,550	81,135,887	48,351,207	25,672,651	1,054

(continued)

TABLE 2 (continued)

Total Economic Impact of University System of Georgia Institutions on their Regional Economies in FY 2005

Institution	Initial Spending (current dollars)	Output Impact (current dollars)	Value Added Impact (current dollars)	Labor Income Impact (current dollars)	Employment Impact (jobs)
Augusta State University	115,241,623	160,912,248	96,660,487	66,732,420	2,406
Personal Services	31,513,318	60,693,891	43,427,241	38,038,743	1,198
Operating Expenses	17,411,255	21,072,680	6,841,830	4,311,813	140
Student Spending	66,317,050	79,145,677	46,391,416	24,381,864	1,068
Clayton College & State University	106,668,969	162,409,226	103,146,573	70,961,912	1,732
Personal Services	29,936,015	61,077,632	44,852,401	38,452,072	834
Operating Expenses	16,200,404	22,103,726	9,503,807	6,110,617	127
Student Spending	60,532,550	79,227,868	48,790,365	26,399,223	771
Columbus State University	136,863,005	188,072,396	111,066,703	77,177,460	2,598
Personal Services	36,931,672	70,582,377	50,519,382	44,331,441	1,270
Operating Expenses	24,914,533	29,068,945	8,349,116	5,533,876	177
Student Spending	75,016,800	88,421,074	52,198,205	27,312,143	1,151
Fort Valley State University	72,895,628	107,883,130	65,893,374	49,528,825	1,389
Personal Services	29,369,444	56,362,125	40,587,339	35,579,351	825
Operating Expenses	15,140,734	18,000,572	5,708,310	3,660,283	114
Student Spending	28,385,450	33,520,433	19,597,725	10,289,191	450
Georgia College & State University	115,743,330	145,523,102	84,896,648	62,206,049	1,982
Personal Services	38,318,842	67,915,505	46,931,312	42,601,188	903
Operating Expenses	16,231,838	16,773,405	3,043,542	1,987,276	68
Student Spending	61,192,650	60,834,192	34,921,794	17,617,585	1,011
Georgia Southwestern State University	50,802,619	64,550,699	35,744,000	25,864,493	789
Personal Services	15,061,309	27,181,007	18,823,517	16,940,222	331
Operating Expenses	10,703,510	11,290,970	2,123,192	1,420,520	57
Student Spending	25,037,800	26,078,722	14,797,291	7,503,751	401
Kennesaw State University	338,865,177	511,495,436	320,353,573	218,862,551	4,631
Personal Services	88,153,402	179,856,972	132,078,820	113,230,866	1,748
Operating Expenses	62,921,375	85,849,519	36,912,202	23,733,260	492
Student Spending	187,790,400	245,788,945	151,362,551	81,898,425	2,391
North Ga. College & State University	86,882,132	124,258,739	77,014,763	53,913,449	1,422
Personal Services	26,492,849	51,270,255	36,895,251	32,188,403	612
Operating Expenses	10,210,183	12,318,023	3,926,235	2,591,930	73
Student Spending	50,179,100	60,670,461	36,193,277	19,133,116	737
Savannah State University	70,568,559	100,555,788	59,441,133	43,140,013	1,177
Personal Services	22,412,234	42,990,838	30,838,297	27,109,354	565
Operating Expenses	17,039,625	20,715,579	6,643,237	4,370,948	133
Student Spending	31,116,700	36,849,371	21,959,599	11,659,711	479

(continued)

TABLE 2 (continued)

Total Economic Impact of University System of Georgia Institutions on their Regional Economies in FY 2005

Institution	Initial Spending (current dollars)	Output Impact (current dollars)	Value Added Impact (current dollars)	Labor Income Impact (current dollars)	Employment Impact (jobs)
Southern Polytechnic State University	72,371,633	112,529,454	72,650,814	51,065,492	1,248
Personal Services	23,636,517	48,224,938	35,414,016	30,360,521	673
Operating Expenses	9,320,016	12,716,170	5,467,495	3,515,409	73
Student Spending	39,415,100	51,588,346	31,769,303	17,189,562	502
State University of West Georgia	190,554,019	289,701,987	183,891,455	126,287,106	3,515
Personal Services	52,903,879	107,938,336	79,264,591	67,953,725	1,904
Operating Expenses	28,816,440	39,316,964	16,904,879	10,869,248	225
Student Spending	108,833,700	142,446,687	87,721,985	47,464,133	1,386
Dalton State College	61,041,584	77,877,392	45,522,862	31,393,908	929
Personal Services	14,733,139	27,300,449	19,362,863	17,213,666	328
Operating Expenses	10,167,395	11,489,855	3,070,799	2,063,827	67
Student Spending	36,141,050	39,087,088	23,089,200	12,116,415	534
Macon State College	93,598,109	125,758,349	72,635,962	49,087,426	1,520
Personal Services	20,965,149	40,084,956	28,721,192	25,239,564	507
Operating Expenses	18,525,460	21,941,353	6,836,701	4,369,607	138
Student Spending	54,107,500	63,732,040	37,078,069	19,478,255	875
Associate Degree Colleges					
Abraham Baldwin Agricultural College	57,976,277	72,040,370	40,681,250	28,033,624	941
Personal Services	13,632,306	25,066,297	17,663,511	15,763,060	310
Operating Expenses	10,460,371	11,591,409	2,693,922	1,780,813	67
Student Spending	33,883,600	35,382,664	20,323,817	10,489,751	564
Atlanta Metropolitan College	33,510,039	50,940,517	32,180,787	22,132,988	510
Personal Services	9,253,630	18,879,928	13,864,488	11,886,059	229
Operating Expenses	5,628,709	7,679,774	3,302,026	2,123,088	44
Student Spending	18,627,700	24,380,815	15,014,273	8,123,841	237
Bainbridge College	41,762,692	48,912,123	26,117,205	17,148,541	672
Personal Services	7,169,630	12,864,149	8,935,822	8,044,385	190
Operating Expenses	9,557,562	10,234,615	2,138,011	1,366,587	53
Student Spending	25,035,500	25,813,359	15,043,372	7,737,569	429
Coastal Georgia Community College	45,812,098	59,078,601	34,152,621	23,536,096	769
Personal Services	11,179,865	20,576,383	14,586,984	12,978,566	279
Operating Expenses	8,624,983	9,645,469	2,462,816	1,625,227	58
Student Spending	26,007,250	28,856,749	17,102,821	8,932,303	432

(continued)

TABLE 2 (continued)

Total Economic Impact of University System of Georgia Institutions on their Regional Economies in FY 2005

Institution	Initial Spending (current dollars)	Output Impact (current dollars)	Value Added Impact (current dollars)	Labor Income Impact (current dollars)	Employment Impact (jobs)
Darton College	66,957,744	89,405,518	52,135,880	35,476,507	1,152
Personal Services	15,440,723	29,267,187	20,874,589	18,419,054	412
Operating Expenses	11,315,321	13,301,678	3,961,832	2,578,717	83
Student Spending	40,201,700	46,836,653	27,299,459	14,478,736	657
East Georgia College	23,434,050	28,741,628	15,607,679	10,558,875	440
Personal Services	4,749,503	8,724,338	6,105,308	5,465,072	142
Operating Expenses	4,752,297	5,273,338	1,241,616	830,416	33
Student Spending	13,932,250	14,743,952	8,260,755	4,263,387	265
Gainesville College	82,288,252	114,922,360	70,668,803	45,893,249	1,357
Personal Services	16,440,646	32,327,123	23,378,302	20,229,339	522
Operating Expenses	9,295,206	11,830,335	4,351,446	2,868,555	68
Student Spending	56,552,400	70,764,902	42,939,055	22,795,355	767
Ga. Highlands College (formerly Floyd)	53,099,326	69,457,472	41,318,930	27,718,464	1,015
Personal Services	12,665,728	23,950,421	17,028,107	15,014,642	418
Operating Expenses	6,374,048	7,455,764	2,249,437	1,399,069	45
Student Spending	34,059,550	38,051,287	22,041,386	11,304,753	552
Georgia Perimeter College	313,382,095	463,467,474	289,657,790	192,421,888	4,575
Personal Services	69,133,079	141,050,325	103,580,404	88,799,732	1,707
Operating Expenses	49,192,916	67,118,498	28,858,537	18,555,034	384
Student Spending	195,056,100	255,298,651	157,218,849	85,067,122	2,484
Gordon College	53,665,730	78,557,802	48,942,922	32,060,786	780
Personal Services	10,761,603	21,956,603	16,123,847	13,823,013	273
Operating Expenses	8,033,827	10,961,302	4,712,965	3,030,272	63
Student Spending	34,870,300	45,639,897	28,106,110	15,207,501	444
Middle Georgia College	47,333,763	57,429,607	31,725,808	21,980,942	773
Personal Services	10,814,004	19,742,501	13,800,335	12,407,301	270
Operating Expenses	9,122,159	9,749,091	1,982,855	1,371,869	52
Student Spending	27,397,600	27,938,015	15,942,618	8,201,772	451

(continued)

TABLE 2 (continued)

Total Economic Impact of University System of Georgia Institutions on their Regional Economies in FY 2005

Institution	Initial Spending (current dollars)	Output Impact (current dollars)	Value Added Impact (current dollars)	Labor Income Impact (current dollars)	Employment Impact (jobs)
South Georgia College	24,974,903	31,303,639	17,526,160	12,153,731	440
Personal Services	6,055,183	11,089,172	7,759,191	6,958,393	156
Operating Expenses	4,320,470	4,660,478	934,741	630,054	25
Student Spending	14,599,250	15,553,989	8,832,228	4,565,284	259
Waycross College	13,618,125	17,327,383	9,818,510	6,847,607	253
Personal Services	3,497,786	6,406,575	4,475,906	4,012,050	97
Operating Expenses	2,143,939	2,325,412	483,098	324,402	13
Student Spending	7,976,400	8,595,396	4,859,506	2,511,155	143

Notes:

The impacts of spending on Output, Value Added, Labor Income, and Employment were estimated using the IMPLAN Professional System, version 2.0, Type SAM multipliers, and production functions provided by MIG, Inc.

Initial spending for personal 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.

Estimates for the Medical College of Georgia do not include impacts associated with the hospital and clinics operated by MCG Health Inc.

Source: Selig Center for Economic Growth, Terry College of Business, University of Georgia 2006.

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state. After all, colleges and universities not only spend money year by year, but also have long-term impacts on the labor force, local business and industry, and local government.

A college or university improves the skills of its graduates, thereby increasing their productivity and their lifetime earnings. Local businesses benefit from easy access to a large pool of part-time and full-time workers. Moreover, companies and agencies that depend on highly specialized skills often cluster around universities. This may be particularly true of high-tech and information-based companies, which despite the recent recession and sub-par recovery, are still expected to account for a disproportionately high share of future economic growth.

Finally, the outreach and service units of the college or university provide valuable services to local businesses and households. Cultural and educational programs and facilities often are available to the general public and provide intangible benefits to the host community by improving residents' quality of life. ■

TABLE 3

On-Campus and Off-Campus Jobs That Exist Due to Institution-Related Spending in FY 2005

Institution	Total Employment Impact	On-Campus Jobs	Off-Campus Jobs
System Total	109,698	42,422	67,276
Research Universities and Regional Universities			
Georgia Institute of Technology	14,828	6,471	8,357
Georgia State University	13,083	6,653	6,430
Medical College of Georgia	9,346	4,920	4,426
University of Georgia	20,750	8,631	12,119
Georgia Southern University	5,555	1,241	4,314
Valdosta State University	3,465	940	2,525
State Universities and State Colleges			
Albany State University	1,611	623	988
Armstrong Atlantic State University	2,045	584	1,461
Augusta State University	2,406	956	1,450
Clayton College & State University	1,732	616	1,116
Columbus State University	2,598	1,001	1,597
Dalton State College	929	237	692
Fort Valley State University	1,389	605	784
Georgia College & State University	1,982	718	1,264
Georgia Southwestern State University	789	248	541
Kennesaw State University	4,631	1,106	3,525
Macon State College	1,520	351	1,169
North Georgia College & State University	1,422	424	998
Savannah State University	1,177	398	779
Southern Polytechnic State University	1,248	501	747
State University of West Georgia	3,515	1,519	1,996
Associate Degree Colleges			
Abraham Baldwin Agricultural College	941	220	721
Atlanta Metropolitan College	510	162	348
Bainbridge College	672	151	521
Coastal Georgia Community College	769	205	564
Darton College	1,152	302	850
East Georgia College	440	110	330
Gainesville College	1,357	411	946
Georgia Highlands College (formerly Floyd)	1,015	328	687
Georgia Perimeter College	4,575	1,203	3,372
Gordon College	780	195	585
Middle Georgia College	773	200	573
South Georgia College	440	117	323
Waycross College	253	75	178

Notes:

Employment includes both full-time and part-time jobs.
Estimates for the Medical College of Georgia do not include impacts associated with the hospital and clinics operated by MCG Health Inc.

Source: Selig Center for Economic Growth, Terry College of Business, University of Georgia, 2006.

TABLE 4

Study Areas for Institutions
(Counties)

Research and Regional Universities

Georgia Institute of Technology – Atlanta MSA
Georgia State University – Atlanta MSA
Medical College of Georgia – Richmond, Columbia, Burke, McDuffie, Jefferson, Lincoln, Warren, and Glascock
University of Georgia – Clarke, Oconee, Madison, Oglethorpe, Jackson, Barrow, Walton, and Gwinnett
Georgia Southern University – Bulloch, Screven, Candler, Jenkins, Evans, Tattnall, and Emanuel
Valdosta State University – Lowndes, Brooks, Lanier, Echols, Cook, and Berrien

State Universities and State Colleges

Albany State University – Dougherty, Lee, Worth, Mitchell, Terrell, Colquitt, Baker, Sumter, Calhoun, and Tift
Armstrong Atlantic State University – Chatham, Effingham, Bryan, Liberty, and Bulloch
Augusta State University – Richmond, Columbia, Burke, McDuffie, Jefferson, Lincoln Warren, and Glascock
Clayton College & State University – Atlanta MSA
Columbus State University – Muscogee, Harris, Chattahoochee, Marion, Talbot, Stewart, Troup, Meriwether
Dalton State College – Whitfield, Murray, Catoosa, Gordon, Walker, and Gilmer
Fort Valley State University – Peach, Houston, Bibb, Crawford, Macon, and Taylor
Georgia College & State University – Baldwin, Hancock, Putnam, Wilkinson, Jones, and Washington
Georgia Southwestern State University – Sumter, Schley, Macon, Lee, Crisp, Marion, Webster, and Dooly
Kennesaw State University – Atlanta MSA
Macon State College – Bibb, Houston, Jones, Monroe, Peach, Crawford, Twiggs, Baldwin, Wilkinson, and Laurens
North Georgia College & State University – Lumpkin, Hall, Dawson, White, Forsyth, and Union
Savannah State University – Chatham, Effingham, Bryan, Liberty, and Bulloch
Southern Polytechnic State University – Atlanta MSA
State University of West Georgia – Atlanta MSA

Associate Degree Colleges

Abraham Baldwin Agricultural College – Tift, Berrien, Worth, Colquitt, Irwin, Cook, and Turner
Atlanta Metropolitan College – Atlanta MSA
Bainbridge College – Decatur, Seminole, Miller, Grady, Early, Mitchell, and Baker
Coastal Georgia Community College – Glynn, Brantley, McIntosh, Camden, and Wayne
Darton College – Dougherty, Lee, Worth, Mitchell, Terrell, Colquitt, Baker, Sumter, Calhoun, and Tift
East Georgia College – Emanuel, Candler, Bulloch, Johnson, Jefferson, Toombs, Treutlen, and Jenkins
Gainesville College – Hall, Gwinnett, Jackson, White, Habersham, Lumpkin, Banks, and Forsyth
Georgia Highlands College – Floyd, Polk, Chattooga, Bartow, and Gordon
Georgia Perimeter College – Atlanta MSA
Gordon College – Atlanta MSA
Middle Georgia College – Bleckley, Dodge, Pulaski, Twiggs, and Laurens
South Georgia College – Coffee, Atkinson, Bacon, Jeff Davis, Ware, Telfair, Ben Hill, and Irwin
Waycross College – Ware, Pierce, Brantley, Bacon, Coffee, Clinch, and Atkinson

Note:

Study areas were defined by the author based on commuting data obtained from the Residence County to Workplace County Flows for Georgia, U.S. Census Bureau, Internet Release date March 6, 2003.

Source: Selig Center for Economic Growth, Terry College of Business, University of Georgia, 2006.

TABLE 5

Economic Impact of Capital Outlays in FY 2005

Institution	Initial Spending (2005 dollars)	Output Impact (2005 dollars)	Value Added Impact (2005 dollars)	Labor Income Impact (2005 dollars)	Employment Impact (jobs)
System Total	420,475,000	716,318,737	348,234,099	297,398,477	8,131
Research Universities and Regional Universities					
Georgia Institute of Technology	2,000,000	3,432,037	2,398,574	1,739,094	31
Georgia State University	7,710,000	14,283,573	8,342,073	6,682,949	137
Medical College of Georgia	0	0	0	0	0
University of Georgia	46,680,000	85,109,311	44,659,470	37,961,052	886
Georgia Southern University	40,900,000	60,565,971	23,997,058	21,501,406	852
Valdosta State University	35,590,000	56,189,266	23,601,672	20,430,275	720
State Universities and State Colleges					
Albany State University	0	0	0	0	0
Armstrong Atlantic State University	4,365,000	7,333,941	3,394,265	2,921,424	86
Augusta State University	35,060,000	57,700,041	27,485,283	22,625,008	698
Clayton College & State University	3,600,000	6,937,000	3,619,718	3,011,633	68
Columbus State University	4,500,000	7,133,493	3,235,353	2,837,595	89
Dalton State College	0	0	0	0	0
Fort Valley State University	795,000	1,243,645	867,554	637,115	14
Georgia College & State University	33,125,000	45,957,206	18,938,926	17,227,139	577
Georgia Southwestern State University	4,635,000	6,621,422	2,791,893	2,560,185	87
Kennesaw State University	63,170,000	121,705,380	64,332,396	54,660,712	1,204
Macon State College	6,060,000	10,290,605	5,134,442	4,270,329	127
North Georgia College & State University	0	0	0	0	0
Savannah State University	4,975,000	8,398,641	3,965,037	3,471,911	102
Southern Polytechnic State University	0	0	0	0	0
State University of West Georgia	50,075,000	96,476,126	50,996,432	43,329,666	955
Associate Degree Colleges					
Abraham Baldwin Agricultural College	4,715,000	7,167,806	3,004,679	2,666,404	97
Atlanta Metropolitan College	0	0	0	0	0
Bainbridge College	1,035,000	1,439,245	539,650	487,515	20
Coastal Georgia Community College	4,790,000	7,232,115	3,132,758	2,797,787	97
Darton College	4,845,000	8,279,381	3,898,809	3,377,437	102
East Georgia College	4,850,000	7,351,520	3,040,061	2,717,594	100
Gainesville College	4,200,000	6,645,146	4,337,262	2,587,012	81
Georgia Highlands College	3,950,000	6,217,947	2,684,073	2,355,467	79
Georgia Perimeter College	10,990,000	21,173,692	11,192,227	9,509,596	210
Gordon College	16,135,000	30,375,264	15,777,142	13,233,125	293
Middle Georgia College	21,725,000	31,058,963	12,867,292	11,799,047	419
South Georgia College	0	0	0	0	0
Waycross College	0	0	0	0	0

The impacts of spending on Output, Value Added, Labor Income, and Employment were estimated using the IMPLAN Professional System, version 2.0, Type SAM multipliers, and production functions provided by MIG, Inc.

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-time and part-time jobs.

Estimates for the Medical College of Georgia do not include impacts associated with the hospital and clinics operated by MCG Health Inc.

Source: Selig Center for Economic Growth, Terry College of Business, University of Georgia, 2006.