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# Georgia Southern University's Economic Impact on Nine-County Region Surpasses \$700 million in 2008-09

SEPTEMBER 2, 2009



**GEORGIA  
SOUTHERN  
UNIVERSITY**

Georgia Southern University had a regional economic impact of more than \$700 million during the 2008-09 fiscal year.

According to a study released by Georgia Southern University's Bureau of Business Research and Development (BBRED), the institution pumped \$700,966,000 into the economies of nine Southeast Georgia counties in 2008-09. This is the third straight year that Georgia Southern has generated more than \$700 million.

'Despite difficult economic times, Georgia Southern continues to make a major economic impact on the region,' said Bruce Grube, president of Georgia Southern University. 'This past year, we celebrated an all-time high enrollment and we expect that trend to continue as Georgia Southern continues to build its reputation both in the state and nationally.'

In addition to the overall impact, the report reveals that Georgia Southern was responsible for 9,059 jobs in the nine-county region, which includes the counties of Bulloch, Bryan, Candler, Chatham, Effingham, Emanuel, Evans, Jenkins and Screven.

In compiling the annual report, BBRED calculated the economic impact based on four categories:

Spending on operating expenditures

- *Faculty and staff payments in the form of salaries and payroll*
- *Students' expenditures for goods and services*
- *Spending on construction projects*

During the 2008-09 fiscal year, Georgia Southern spent \$140.6 million on non-personnel operating expenses. These expenses include everything from printing and publications to electricity, gasoline and office furniture.

In addition, the University spent \$112.3 million on salaries. That figure includes money for faculty, staff and support services, as well as payments for casual labor and other part-time employees.

Georgia Southern's record-breaking number of students had a direct economic impact on the regional economy. Enrollment during the fall 2008 semester set a new record of 17,764, an increase of more than 900 students from the previous year. Spring semester 2009 broke new ground as well at 16,730 students, an increase of more than 800 from the previous year.

Student expenditures had the greatest economic impact in 2008-09, accounting for 42 percent of the total, as well as the largest increase (20 percent) from 2007-08. Georgia Southern University students spent an estimated \$192.7 million in the region, *not including* fees for tuition and on-campus housing. The three largest categories of expenditures by students were off-campus housing (\$57.8 million), entertainment (\$45.3 million) and food (\$33.4 million).

The University's total economic impact was 6.3 percent lower than in 2007-08 (\$748 million), due to significant reductions in construction projects and expenditures. Spending on construction projects in 2008-09 was \$13 million, an 84-percent decrease from \$80.6 million the previous year. According to BBRED, this year's drop continues a trend from 2006-07, when construction spending hit an unusually high mark of about \$101 million due to several major projects underway at the same time. Many of the larger construction projects on campus were completed during the last several years and as a result construction spending has been reduced.

When operating expenditures, salaries and payroll, student expenditures and major construction projects are combined, and the sum is adjusted for 2009 dollars, the University was directly responsible for expenditures of \$458,809,239 in the region.

The report notes that Georgia Southern University's impact goes far beyond direct spending by the institution and the spending of students and faculty. For example, budget expenditures translate into the demand for goods and services for other businesses. In turn, these businesses hire additional staff and order additional supplies to meet the demands of the University.

To compensate for these additional expenditures, a multiplier of 1.53 is used to measure the University's economic impact more accurately. This means that for every dollar directly spent by the University, the re-spending of that dollar in the region adds an extra 53 cents to the total economy. Thus, the direct expenditures of \$458.8 million resulted in a total economic impact of just under \$701 million.

The study also shows that Georgia Southern University was directly responsible for 6,719 direct jobs during the last fiscal year. Full-time employees at the University accounted for 1,939 of those jobs.

The 6,719 jobs are divided into four categories. Non-personnel operating expenses created 2,410 jobs, and expenditures of households receiving salaries and/or other payroll from the University created 654 jobs. Also, spending by students created 3,502 jobs, and construction expenditures created 153 jobs.

The BBRED report states that, for every 100 jobs created by Georgia Southern, the secondary spending associated with those jobs created an additional 35 jobs in the region. Using a multiplier of 1.348, the final tally shows that the University was responsible for 9,059 jobs in 2008-09.

With record levels of students attending this fall, Georgia Southern University's future economic impact on the region is promising. This follows a record summer 2009 semester that featured the highest summer enrollment in school history (9,892). In addition, Georgia Southern University expects to set an all-time record for retention of current students this year. This means that, while the institution adds a record number of new students, students are also valuing their education and staying beyond their first year at record levels.

**By the Numbers: Georgia Southern University Total Regional Economic Impact:**

2008-09 – \$700,966,000

2007-08 – \$748,099,767

2006-07 – \$719,233,212

2005-06 – \$653,440,929

2004-05 – \$549,249,613

*The BBRED report notes that the figures in the annual economic impact studies are conservative. The estimates do not include the cumulative impacts of the thousands of visitors that Georgia Southern University brings to the region for athletic events, visits to campus by students' families during the SOAR student orientation program, participants in conferences and the growing number of research dollars and activity at the university.*

Georgia Southern University, a Carnegie Doctoral/Research University, offers 115 degree programs serving nearly 18,000 students. Through eight colleges, the University offers bachelors, masters and doctoral degree programs built on more than a century of academic achievement. The University, one of Georgia's largest, is a top choice of Georgia's HOPE scholars and is recognized for its student-centered approach to education. Visit: [www.georgiasouthern.edu](http://www.georgiasouthern.edu).