ABAC Economic Impact Over $260 Million

TIFTON—The total economic impact of Abraham Baldwin Agricultural College on Tifton and the surrounding area totaled $261,313,451 during the 2012 fiscal year, according to a new study commissioned by the Board of Regents of the University System of Georgia.

The annual study of the University System of Georgia’s economic impact on the State indicated a 7.4 percent increase from fiscal year 2011 to 2012. In cash, that is a jump of $980 million, from $13.2 billion to a new high of $14.1 billion of direct and indirect spending fueling the regions served by the System’s 31 colleges and universities.

ABAC President David Bridges believes the economic impact of the college will be even higher in next year’s study.
“Look at the facts,” Bridges said. “We have more students this fall. More importantly, we have more residential students staying on campus in ABAC Lakeside and ABAC Place and in rental properties around town. We have over 900 students enrolled in bachelor’s degree programs. Those students are going to be here for four years or more.”

To calculate the economic impact for FY12, the Selig Center for Economic Growth in the University of Georgia’s Terry College of Business analyzed data collected between July 1, 2011, and June 30, 2012. The annual study is conducted on behalf of the Board of Regents and the study is conducted by Dr. Jeffrey M. Humphreys, director of the Selig Center.

“We have been analyzing the University System’s economic impact for a number of years and what is clear is the importance of these colleges and universities on local and state economies from just about every variable: direct spending, income, production of goods and services and jobs,” Humphreys said.

Dr. Jeff Gibbs, a retired professor of economics at ABAC, analyzed the data and found that ABAC sustained 15,205 jobs in Tifton and surrounding communities for the time period analyzed. He said that figure is based on direct expenditures of $107,369,226 from student spending, personnel services, operating expenses, and capital outlays.

“ABAC shows its importance as an economic engine for this area by not only educating people for future jobs but by directly supporting present jobs,” Gibbs said. “Job growth continues to be slow for the economy as a whole.”

Gibbs said ABAC today provides 512 direct jobs but expenditures support an additional 1,191 jobs, resulting in a ratio of 2.32 off-campus jobs for each on-campus position.

The FY 2012 study found that Georgia’s public university system generated nearly 139,263 full- and part-time jobs, or 3.6 percent of all the jobs in Georgia. The bottom line is that one out of every 28 jobs in the State of Georgia is due to the University System.

Both Humphreys and Gibbs believe there is a broader scope to the economic impact picture that is hard to capture in pure numbers.
“Our studies focus on spending and its economic impact, but do not attempt to measure the value the University System adds in terms of quality of life, the creation of a highly educated workforce to meet the needs of businesses, government and communities, or the overall health of communities,” Humphreys said.

Gibbs echoed those sentiments.

“You should also remember that these numbers, impressive as they are, do not reflect the intangible contributions to the area that affect our quality of life or the impact that ABAC retirees have on the economy,” Gibbs said. “Related activities at the Georgia Museum of Agriculture also have an impact.”

One of Bridges’ mantras from the time he assumed the ABAC presidency in 2006 has been that colleges are stabilizers to the community, no matter the economic climate.

“We have some businesses in Tift County that have been here a long time,” Bridges said. “That’s great. But we have other businesses that are gone before you know it. Businesses come and go,” Bridges said. “Colleges come and grow.”

Humphreys takes that analysis a step further.

“Even in the worst economic times in a generation or two, our colleges and universities proved to be strong pillars and drivers of the economies of their host communities,” Humphreys said. “That’s due to rising demand for higher education regardless of the overall economic climate.”

Bridges reasons that since ABAC has over 3,400 students from 24 countries, 21 states, and 151 Georgia counties, Tifton and the surrounding area will continue to benefit from the presence of ABAC students for many years to come.

“Some of these bachelor’s degree graduates will choose to get jobs in this area and raise their families here,” Bridges said. “It’s a win-win situation for ABAC and for this community.”

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