

Auburn University Economic Impact Study – 2015

Executive Summary

Introduction

This summary report provides an overview of the economic contribution to the State of Alabama by Auburn University including its four divisions and alumni base across the state. The report reflects both direct and indirect impact through spending, creation of jobs, and enhancement of human capital. This report is based upon a study performed in January and February 2015, and is part of an ongoing review of Auburn’s economic impact over the last twenty years.

Findings

The Auburn University system and its alumni contributed **\$5.1 billion** to the economy of the State of Alabama in 2014. This was realized through **\$1.93 billion** in economic impact directly and indirectly attributable to the Auburn system. This represents an **8 to 1 return** relative to the university’s annual state appropriation. Auburn’s impact is estimated to be responsible for creating some **23,600 jobs** in addition to its own direct employment. Additionally, the university’s high quality educational programs increase human capital in Alabama representing a value of more than **\$3.19 billion** in earning power.

Auburn’s economic impact delivers a dramatic return on investment for Alabama taxpayers and other stakeholders. Auburn’s leadership in development and application of innovative technologies promotes the economy of the state as well as the economic and security interests of the nation as a whole. Auburn provides the primary academic support for a number of major state industries. Additionally, the Auburn and Montgomery campuses, Extension offices, research installations, outreach programs, museum, nature preserves and faculty engagement extend the university’s significant presence across the state. This presence contributes greatly to community quality of life through support for civic infrastructure and business, and direct assistance to individuals.



Methodology

The committee drew upon 2013-2014 statistical and financial data compiled by a number of university offices including Business and Finance, Institutional Research, Student Financial Aid, Campus Planning, Alumni, Development, Athletics, University Outreach, Research, Communications & Marketing, and Extension, and the Auburn-Montgomery offices of the Chancellor and University Outreach. Financial and employment data quoted for Auburn University collectively reflect four institutional divisions: Auburn University Main Campus, Auburn University at Montgomery, the Alabama Agricultural Experiment Station, and the Alabama Cooperative Extension System. Student spending information was drawn from surveys of expenditures compiled by both the Auburn and Auburn Montgomery Student Financial Services offices. Visitor spending was estimated utilizing research provided by the Alabama Bureau of Tourism and Travel and the Auburn-Opelika Tourism Bureau. Estimates of alumni earning per discipline were based upon regional information reported by the Bureau of Labor Statistics.

Economic multipliers used were generated by the U.S. Bureau of Economic Analysis Regional Input-Output Modeling System (RIMS II). The multiplier is state and county specific. In compiling the report, care has been taken to compensate for overstatement of the Auburn’s impact in the key areas of study. This study does not include an estimate of the economic value of outreach programs and services delivered across the state. Nor does it estimate Auburn’s substantive impact beyond the state. Thus, this presentation reflects a conservative estimate of the Auburn University system’s economic contribution to Alabama.

Comparison to Previous Studies

The 2015 study was preceded by studies performed in 1996, 2001, and 2007. These studies were not exact replications, but similar methodologies and sources of data were utilized in each. The results of the studies are presented in the chart below as a historical reference comparing the outcome of the current study to previously published statements of Auburn’s economic contributions.

AU Economic Contributions 1996 - 2015

	1996	2001	2007	2015
Economic Impact	\$1 billion	\$1.5 billion	\$1.7 billion	\$1.93 billion
Human Capital	\$1.3 billion	\$2.4 billion	\$3.15 billion	\$3.19 billion
Overall Contribution	\$2.3 billion	\$3.9 billion	\$4.85 billion	\$5.1 billion
Job Creation*	18,859	20,000	21,500	23,600

* Consistent with the presentation in previous years’ reports, these job creation figures do not include full time positions directly employed by the Auburn University system.



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