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Darla Moore school study confirms economic value of higher-education investment in S.C.

A new study by The Darla Moore School of Business at the University of South Carolina confirms and quantifies the belief that investments in higher education yield bountiful economic and societal returns for the state.

If by 2030, South Carolina is among the nation's leaders in educational attainment -- as measured by bachelor's-degree-holding residents -- it would mean \$6.9 billion in new annual personal income, \$7.8 billion in gross state product and 44,514 additional permanent jobs per year.

"The Moore school report demonstrates that higher education is the smartest financial investment South Carolina can make," said Ken Wingate, chairman of the state's Commission on Higher Education. "As noted in our new Action Plan, if South Carolina doesn't focus on higher education, it will fall further behind in the Knowledge Economy, becoming the equivalent of a third-world nation inside the United States."

In 2008, a legislatively appointed Higher Education Study Committee, which commissioned the study through a request by the CHE, published "Leveraging Higher Education for a Stronger South Carolina: The Action Plan Framework." The plan set forth a goal of South Carolina being among the top states in educational attainment, defined as 29 percent of the working-age residents (ages 25-65) holding bachelor's degrees. The committee focused on the bachelor's degree as the standard, as it is the most consistent measure across states, but it stressed the importance of other higher-education degrees, including associate, graduate and professional, along with certificate programs. The Moore school report, helmed by economists Dr. Douglas Woodward and Dr. Paulo Guimaraes, explored the potential ramifications of the state's reaching that goal.

The report reveals that economic benefits begin to accrue to the state as it moves toward the 2030 goal and stated that, after reaching the goal in 2030, each dollar spent by the state on higher education could boost South Carolina's annual economic activity -- measured by gross state product -- more than 25-fold.

"South Carolina's business community is dedicated to creating a highly skilled, capable workforce, and this new study strongly underscores why," said Otis B. Rawl Jr., president and chief

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executive officer of the South Carolina Chamber of Commerce. “An educated and well-prepared workforce is key to increasing wealth among South Carolinians and competing in the global marketplace.”

Other key findings:

- On average, over a lifetime, individuals with bachelor’s degrees earn \$1.2 million more than individuals who completed high school.
- On average, individuals earn in additional income 8.2 times what they invested in a four-year degree.
- Every region of South Carolina would experience the positive impact and economic benefits.

Also suggested is that higher educational attainment has the potential to decrease significantly the state’s unemployment rate, to bring down the share of the population in prison and to relate positively to per-capita income and better access to affordable healthcare.

“This study reveals that funding for education is not simply providing a vital public service, but is an investment in South Carolina’s future with multiple economic and social returns,” according to the report. “With a better educated population, South Carolinians, the state’s communities and the state as a whole will be in substantially better shape to brave the future.”

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