

Auburn University Economic Impact Study – 2023

The Division of University Outreach,
Office of the Vice President
for University Outreach

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Introduction

This report provides an overview of Auburn University’s economic contribution to the State of Alabama, including Auburn’s four institutional divisions and its alumni base across the state. This study is the latest of an ongoing review of the institution’s economic impact performed since 1996 by the Division of University Outreach. As with previous studies, the 2023 study utilizes institutional and regional data from the university’s previous fiscal period of 2021-2022. This review includes both direct and indirect impact through institutional spending, enhancement of human capital by the University academic programs, and creation of jobs.

Findings

The Auburn University system and its alumni contributed **\$6.34 billion** to the economy of the State of Alabama in FY2022, an overall **12 percent increase** since the previous study. This overall economic contribution is realized through two primary measures – economic impact and contribution to human capital. First, the university produces **\$2.53 billion** in economic impact directly and indirectly attributable to the Auburn system. Additionally, the university’s high quality educational programs increase human capital in Alabama representing a value of more than **\$3.81 billion** in earning power of its graduates residing in the state. Auburn’s impact is also estimated to be responsible for creating some **30,296 jobs** in addition to its own direct employment.

Post COVID – The COVID-19 pandemic and the resulting international economic downturn caused significant restrictions on Auburn’s business, travel, instructional delivery, campus activities, and other operations during the last study. Auburn’s robust institutional capacity and nimble operating responses during COVID allowed the institution to mitigate some of the downturn’s effects and still return a modest increase in impact and overall economic contributions during that challenging year. As can be seen in the current study, the decline in the pandemic along with the restoration of full business, instruction, campus activities and events at Auburn, supported a more substantial increase Auburn’s overall economic contribution to the state than in previous years.

Methodology

The AU Economic Impact Committee drew upon 2021-2022 statistical and financial data compiled by representative university offices including Auburn’s Office of Institutional Research, Office of the Controller, Alumni Affairs/Advancement, Athletics, and Auburn-Montgomery’s Office of Institutional Effectiveness. Financial and employment data quoted for Auburn University collectively reflect all 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 for select events was estimated utilizing hospitality tax and visitor spending research provided by the Auburn-Opelika Tourism Bureau. Estimates of earnings per discipline of alumni living in the state were based upon regional information reported from the Occupational Employment Statistics, Bureau of Labor Statistics, U.S. Dept. of Labor (May 2022 OES Data). 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.

This presentation reflects a conservative estimate of the Auburn University System’s economic contribution to Alabama. In compiling the report, care has been taken to compensate for overstatement of Auburn’s impact in the three key areas of study – economic impact, enhancement of human capital, and job creation. Consistent with previous studies, this review does not include estimations of the possible extended impacts of Auburn’s instructional, research, outreach programs and public service projects conducted across the state and well beyond.

Comparison to Previous Studies

The results of the Auburn University Economic Impact studies since 1996 are presented in the chart (page 3) comparing the outcome of the current 2023 study to previously published statements of Auburn’s economic contributions.

AU Economic Contributions 1996 - 2023

	1996	2001	2007	2015	2017	2019	2021	2023
Economic Impact	\$1 billion	\$1.5 billion	\$1.7 billion	\$1.93 billion	\$2.1 billion	\$2.18 billion	\$2.2 billion	\$2.53 billion
Human Capital	\$1.3 billion	\$2.4 billion	\$3.15 billion	\$3.19 billion	\$3.3 billion	\$3.38 billion	\$3.42 billion	\$3.81 billion
Overall Contribution	\$2.3 billion	\$3.9 billion	\$4.85 billion	\$5.1 billion	\$5.4 billion	\$5.57 billion	\$5.63 billion	\$6.34 billion
Job Creation*	18,859	20,000	21,500	23,600	25,826	26,623	27,312	30,296

* Consistent with the presentation in previous years' reports, these job creation figures are external to the university and do not include full-time positions directly employed in the Auburn University system.

Contributing Economic Resources

Auburn's economic impact delivers a dramatic return on investment for Alabama taxpayers and other AU stakeholders. Through its land-grant mission of Instruction, Research and Outreach, Auburn also provides significant resources across the state which contribute directly to residents' prosperity and quality of life. Together, the Auburn and Montgomery campuses, Extension offices, research installations, and outreach programs comprise a significant presence across the state. This comprehensive engagement contributes greatly to community development through support for civic infrastructure and business, as well as offering accessible educational resources and technical assistance to individuals.

Instruction – Auburn University (auburn.edu) is Alabama's flagship Land-Grant institution. There are more than 30,000 students on the Auburn campus, and some 5,200 students on the Auburn-Montgomery (aum.edu) campus. Auburn offers more than 150 majors in its undergraduate and graduate programs which are nationally and internationally recognized and taught by world-class faculty. Auburn provides the primary academic support for many of the state's major industries. In 2022, Auburn was rated as "Best-In-State: Employer" (Forbes), "Top University in Alabama" and one of the "Top 50 Public Universities in the Nation" (U.S. News & World Report), "Best College" (Money), and "Best Value University in Alabama" (Niche.com) among many other citations of excellence.

Research – Auburn is recognized for its commitment to world-class scholarship and interdisciplinary research with the elite, top-tier Carnegie R1 classification. Auburn faculty represent a significant base of expertise for research and innovation which supports industry collaboration, entrepreneurship, and economic development across the state. Through the Senior VP for Research and Economic Development and the Auburn Research and Technology Foundation, the 170-acre Auburn Research Park (thepark.auburn.edu) provides a business and research environment that fosters creativity and innovation, embraces collaboration, and promotes partnership. The university's leadership in development and application of innovative technologies supports the nation's economic and security interests. Auburn's Research and Innovation Campus at the Huntsville Research Center promotes collaboration in Alabama's aerospace and defense sector. The university is also headquarters for the Alabama Agricultural Experiment Station (aes.auburn.edu) which conducts scientific research supporting Alabama's agricultural and forestry industries.

Outreach – Auburn holds Carnegie's prestigious Community Engagement classification recognizing the quality and impact of the university's outreach in the community beyond campus. Auburn University outreach units, colleges, faculty, and students actively partner with communities, businesses, schools, and government to expand access to educational resources across the state. The Division of University Outreach and its specialized centers, institutes and offices provide a wide range of programs and services available to the public statewide. Among these, the Office of Professional and Continuing Education offers a comprehensive range of executive, professional and job training, and the Government and Economic Development Institute promotes effective government policy and management, civic

engagement, economic prosperity through its educational, consulting, and policy research services (auburn.edu/outreach). AUM also offers continuing education programs in its service area. Auburn is headquarters for the Alabama Cooperative Extension System (aces.edu) which includes extension offices in all sixty-seven counties, reaching more than one in three Alabamians with research-based educational programs that enable people to improve their lives and economic well-being.

Community Resources – Auburn University maintains world-class facilities which afford public access to learning, cultural, recreational, and natural resources. Examples include the Jule Collins Smith Museum of Art, the Jay and Susie Gogue Performing Arts Center, Davis Arboretum, Kreher Preserve & Nature Center, University Libraries, the AU Hotel and Dixon Conference Center and Rane Culinary Science Center, and the recreation and wellness centers on both campuses. Auburn’s renowned championship sports programs contribute significantly to the region’s tourism. Faculty and student civic engagement and public service activities support hundreds of community projects each year, promoting quality of life for all.

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