

Speech for the Technology Executives of Georgia Breakfast—

The Economic Impact of Georgia Tech
or
Georgia Tech: A Hell of an Economic Advantage

Good morning. I'd like to begin my remarks with a question for you.

When you think of Georgia Tech, what leaps to your mind? (Hold up your hand and tick off the following answers) A high quality technological education? Engineering? Architecture? Yellow Jacket sports? (Pause) A bunch of guys wearing glasses and pocket protectors and carrying calculators?

Georgia Tech is all of the above—although I will say that many of our students have abandoned their glasses for contact lenses. But, we are also much more. One often-overlooked facet of Georgia Tech is our economic impact on the state of Georgia.

With a budget of \$370 million per year, Georgia Tech is bigger than many international corporations. However, unlike most international corporations, the bulk of our 3,500 staff and faculty are local— living and working here in Georgia.

Georgia Tech can trace its commitment to economic development for Georgia back to the Institute's beginnings. Tech's foresighted founders looked at the addition of a technological institute as a method to lift Georgia out of the economic slump begun during Reconstruction. In a key editorial supporting the need for a technological institute in the South, Tech supporter and famous editor of the *Atlanta Constitution* Henry Grady predicted: "...the technological school will be recognized ten years from now as the most important factor in the new era that will open gloriously for Georgia."

His optimism was not universally shared. In those days, Georgia was primarily agrarian—and farming rather than manufacturing and technology was seen as the key to a successful future. In fact, one Georgia state representative went so far as to label the idea of a technological school "a hydra-headed monster that should be strangled at birth."

History does not record whether that individual was a particularly rabid supporter of the University of Georgia.

Through the years, Georgia Tech has maintained its commitment to economic

prosperity for Georgia. Although our primary concern will always be education, we have discovered a definite link between providing educational opportunities and bolstering economic growth.

Through education, we improve the quality of life and economic condition for thousands of Georgians. As educators, we reach more than 14,000 students each year. Of that number, more than 60 percent of our undergraduates and 29 percent of our graduate students come from Georgia counties. Each year, we accept approximately 80 percent of the applicants from Georgia.

Through the university and graduate-level education we provide, we prepare thousands of Georgia students for productive careers. After just four years at Georgia Tech, the average management major can expect to enter the workforce and earn around \$27,000 a year; the average starting salary for chemical engineering majors is \$39,000, and the average for architecture students is approximately \$26,000. I don't know about this audience, but those figures are substantially higher than the one I was awarded upon graduation.

It might surprise you to know that we also have several other programs to educate Georgians who are either not ready for the college experience or not interested. One such program is a statewide adult satellite literacy program. This program has helped thousands of Georgia adults improve their futures by learning to read.

Research and Economic Development

Our designation as a research university is also important to the economic development of Georgia. In recent years, research universities have undergone dramatic changes. Funding from government entities has fallen and many universities have drastically cut back their research initiatives.

Not Georgia Tech. Thirty percent of our research funding comes from industry. In fact, we are ranked sixth in the nation for the amount of funding we receive from industry.

Why are we ranked so highly? Contrary to the stereotype of academic research as being archaic and irrelevant, the research undertaken by our academic faculty and researchers from the Georgia Tech Research Institute is both useful and practical. As a result, we continue to receive grants and funding from government and industry. In fact, many government and industry groups have relocated to Georgia to take advantage of proximity to our research centers and research faculty. One example is the relocation of the Army Environmental Policy Institute, a government think tank and recent addition to the Tech campus.

Business partnerships

Through partnerships with businesses, we strengthen Georgia industry. Georgia's thriving pulp and paper industry is a perfect example. For the past several years, industry growth has been around 1 - 2 percent per year. This year, due to technological advances such as a fully computerized pilot plant developed with the help of Georgia Tech researchers, growth is expected to increase 3 to even 6 percent per year.

Yet another example of Georgia Tech working to strengthen industry in Georgia is our participation in GCATT, the Georgia Center for Advanced Telecommunications Technology. GCATT's mission is to create innovative statewide telecommunications programs, to conduct state-of-the-art telecommunications research, and to provide a public policy focus for the research generated in order to help shape and support the continued emergence of the advanced telecommunications industry.

GCATT's goals include more jobs for Georgians as well as more dollars for Georgia. Industry experts have estimated those figures at more than 300 jobs for Georgia and more than \$9.7 million in increased incomes for Georgia citizens.

Inside Georgia Tech, an entire division has been created to encourage economic development in Georgia. Through our innovative Economic Development Institute and its 18 industrial extension offices, we see to it that Georgia's businesses have access to the information that increases their competitiveness and delivers jobs to our citizens. A small unit of EDI, Tech's Advanced Technology Development Center—or ATDC as those of us who must have an acronym for everything labeled it—was founded in 1980 to stimulate the technology base here in Georgia. In 1994 alone, ATDC's 58 graduate companies posted revenues exceeding \$200 million. All of these companies are located in Georgia and together these companies employ more than 5,000 people.

EDI and ATDC help thousands of Georgia companies. Today, I'd like to tell you about three of those firms.

The Rotary Corporation is located in Glennville, Georgia, a small south Georgia town with a population of less than 1,000. A family-owned business, the Rotary Corporation manufactures lawn mower parts. Since working with Georgia Tech, the number of employees working for the Rotary Corporation has doubled and sales have increased to more than \$46 million a year.

In Savannah, a building products company turned to Georgia Tech for help in avoiding Chapter 11 bankruptcy. EDI engineers developed a \$2,000 quality inspection system allowing the company to avoid a \$100,000 purchase. The company has since emerged from bankruptcy protection.

And, in Milledgeville, a yarn-making firm reduced its monthly energy bill by \$19,000 after implementing EDI's energy conservation recommendations.

The Olympics

As you can see, both individual businesses and large industries throughout Georgia benefit from interaction with Georgia Tech.

The state itself benefits as well.

The most obvious example is this summer's Olympic Games when Georgia will take the world stage for an incredible two weeks. Although we can't take all the credit—I don't think Billy Payne and ACOG would appreciate that action on our part, Georgia Tech was instrumental in luring the Olympics to Georgia. Through a state-of-the-art multimedia display, we showed Olympic organizers what an Atlanta-staged Olympics would look like. It was an amazing demonstration—as most of the buildings and Olympic venues existed solely in planning stages. It was also a superb demonstration of the power of technology, as well as yet another example of the benefits Georgia Tech brings to the state of Georgia.

I'd like to close with a quote from Atlanta Mayor Bill Campbell, delivered in a recent speech to the students of Georgia Tech. He said: "Not much happens in the area of economic development without the direct involvement of Georgia Tech."

I don't think we could ask for a more ringing endorsement. Except of course from the one we received from the Governor. During my recent inauguration, Governor Miller said: "Georgia Tech is good for Georgia."

I think they are both right and as we move toward the next century, we will continue to work toward enhancing educational opportunities for Georgians, continue to strengthen the economic base of this state, and continue to develop partnerships aimed at a stronger Georgia.

Thank you.

