

## The Multiplier Effect

[Photo: Dr. Farmer.jpg] **10/19/20** — The *Merriam-Webster Unabridged Dictionary* defines the multiplier effect as, “The effect of a relatively small change in one economic factor in inducing a disproportionate increase or decrease in another.” For example, the annual budget of Weatherford College has a disproportionately high economic impact on the local economies of each of the communities in which our campuses are located. Weatherford College hires employees and attracts students from across the state. These employees and students then rent or purchase housing as well as goods and services. The \$63 million annual budget of WC has a powerful economic impact on the businesses of our service area. Over the cumulative 151-year history of Weatherford College, the multiplier effect of the WC monetary expenditures has had a pervasive influence on the economic development of our region.

The economic concept of the multiplier effect can also loosely be related to social science applications. Educational attainment, for example, is correlated to social mobility. While many individuals use educational attainment to realize the American Dream, regrettably, others experience downward social mobility due to a lack of education and the consequences associated with the resulting poor life choices. A spiraling effect can result that either lifts individuals higher and higher, or descends them lower and lower. A disproportionate increase or decrease in social mobility results from educational attainment or the lack thereof. Victor Hugo wrote, “He who opens a school door, closes a prison.”

A business-friendly environment allows societies to maximize the positive effects of the multiplier effect. As institutions like Weatherford College produce an abundant supply of highly qualified laborers, businesses grow and prosper. The business sector enjoys reasonable labor costs, lower recruitment and retention costs, and perhaps most importantly, citizens with enough discretionary income to purchase goods and services. As businesses prosper and economic development occurs, the tax base grows and diversifies. With effective management, this disproportionate increase can result in a variety of improved health care opportunities, social services, and enhanced educational opportunities. Such conditions can result in an upward societal spiral with broad reaching benefits.

Some would argue that the educated citizenry that Weatherford College helps to produce has a social multiplier effect on our society. Educated citizens tend to make better employees and tend to give back to society. They tend to make better choices in everything from diet and exercise to criminal behaviors. Educated citizens are more likely to be family oriented, to participate in churches, civic organizations, or social clubs. In general, educated citizens are more likely to make wise choices that benefit themselves, their loved ones, and society at large. Thomas Jefferson stated, “An educated citizenry is a vital requisite for our survival as a free people.”

Weatherford College and our collaborative stakeholders and generous donors are doing a greater job than ever before of educating our citizens and supporting our local business communities. We are leveraging the benefits of the multiplier effect to serve society and improve the human condition like never before. I am so incredibly thankful to be able to interact with so many amazing individuals that collectively create such a dynamic team! I welcome all of our citizens in each of the communities that we serve to become a part of the Weatherford College community. Together, we will continue to make this world an even greater place!

**Tod Allen Farmer**

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