

Working for California: The Impact of the California State University

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Overview

- Study Question
- Research Design
- Methodology
- Results
- Broader Conclusions
- Q & A

Study Question

What is the economic contribution of the CSU system and its 23 individual campuses on the regions and state of California.

Research Design

- Used IMPLAN to evaluate the fiscal impact of System-wide spending
- Scale of analysis: State, Region and Campus Level
- Impact explained through:
 - Industry Activity
 - Tax Revenue
 - Return on Statewide Investment
 - Jobs
- Quantitative and qualitative impacts of the CSU on education access, sustainability and research and innovation

Methodology: Input Data

- University Expenditures: \$7.96 billion
 - Operational: \$5.48 billion
 - Capital: \$987 million (4 year average)
 - Auxiliary Expenditures: \$1.29 billion
- Off-campus Student Expenditures: \$203 million
- Alumni Analysis
 - Life-time CSU Alumni Earning Differential: 1.96 million

Student Expenditures

- Burden to prove that individuals would not spend in the region if not for CSU
 - Out-of-region student spending only
 - Off-campus spending only to avoid double-counting

Out of region students * cost of attendance (not including tuition, books, housing and food)

+

Out of region students - # of on-campus units * cost of housing and food

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Total out of region student spending.

Alumni Spending Analysis

- Calculate earning differential of a CSU degree to assess the impact of increased spending capacity of CA-based Alumni

Degrees by campus

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Earning differential (average salary differential by level of education)

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Weighting of California out-migration rate by age

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Alumni Earning Differential

Methodology: Modeling

- IMPLAN V3 allows for assessment of regional interactions of local spending
- Scale of Analysis
 - System-wide: Statewide
 - Region (9 regions): Regional and Statewide
 - Campus (23): Regional and Statewide

Results: System-wide Fiscal Impact

- CSU-related expenditures create over **\$17 billion** annually in economic impact.
 - Statewide multiplier of \$2.13.
 - \$995 million in state and local taxes generated annually.
- Higher alumni earnings raises the impact to **\$70.4 billion** annually.
 - \$4.9 billion in state and local taxes generated annually.

The State's Return on Investment

- CSU-related expenditures create a return on investment of **\$5.43** for every \$1 the state invests.

Increase in ROI from \$4.41 in 2002-03 (23% increase), due in large part to the proportional decrease in state funding.

- Higher alumni earnings and CSU expenditures together provide a ROI of over **\$23** for every \$1 the state invests.

Supports Employment Across California

- Job Creation
 - CSU-related expenditures support over **150,000 jobs** annually in California.
 - With higher alumni earnings, CSU supports roughly **485,000 jobs** statewide annually.
- Reduced Unemployment
 - A four-year college degree reduces the likelihood that a Californian is unemployed. California's unemployment rate for workers with only a high-school degree is 13.7 percent compared to 6.4 percent for four-year degree holders.

Results: Regional and Campus

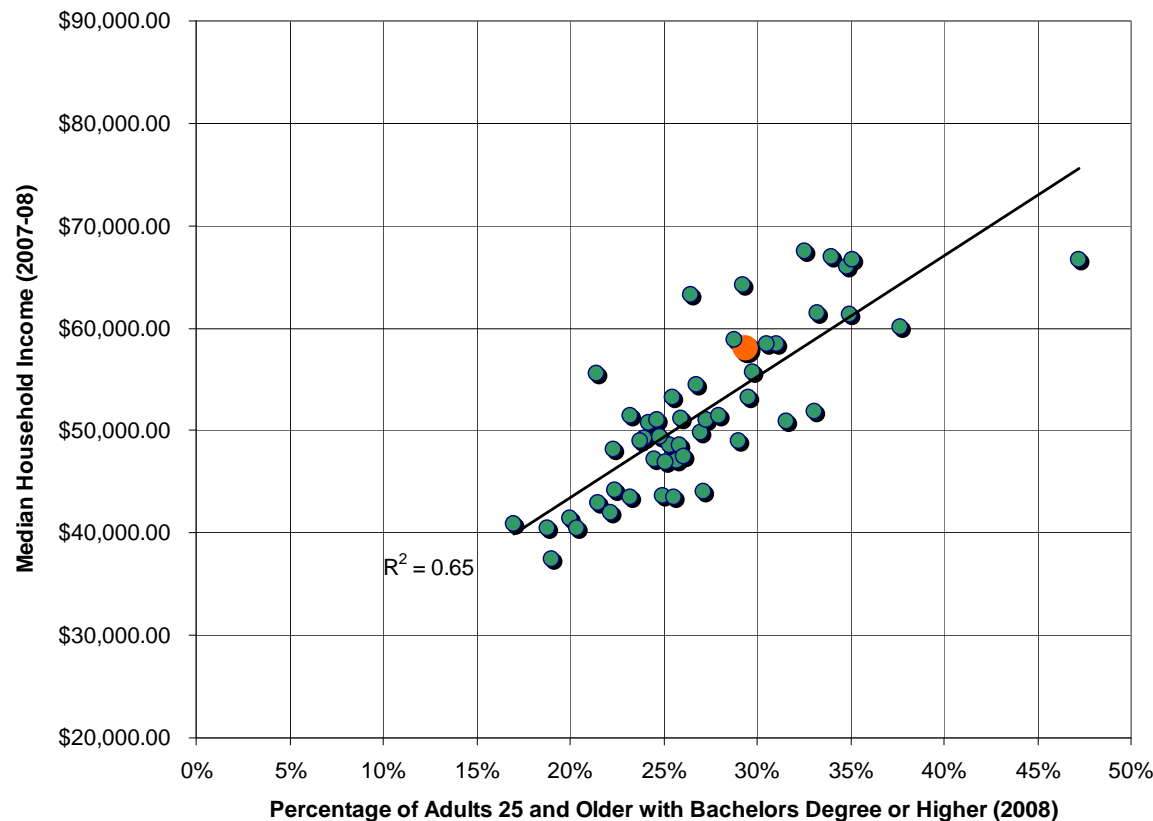
- Regional: 9 regions throughout the state
 - Regions consist of 1 to 7 campuses (most have 3 or 4)
 - Campus spending was aggregated to determine direct impacts (inputs)
 - Regional results were reported for regional and statewide impacts – Alumni impact *only* at the statewide level due to granularity of migration data
 - Smaller regions experienced ‘high’ leakages.
 - Regional Purchase Coefficient for campuses in the Inland Empire = ~ 40%
 - Regional Purchase Coefficient for Bay Area campuses = ~ 80%
- Campus: 23 individual campuses
 - Campus results were reported for regional and statewide impacts – Alumni impact *only* at the statewide level due to granularity of migration data
 - Differences in how campuses “spent” their money i.e. operational versus capital costs, greatly affected campus multipliers

Conclusions: Investing in CSU is Investing in California

- California reaps a five-fold benefit from every dollar the state invests in the CSU.
- CSU sustains over 150,000 jobs in California annually, and by providing education to those that would otherwise not have access, decreases statewide unemployment.
- System generates nearly \$1 billion annually in tax revenue.

University Education is Correlated with Higher Income Statewide

State Median Household Income by Adult Education Attainment Rate, 2007-2008.



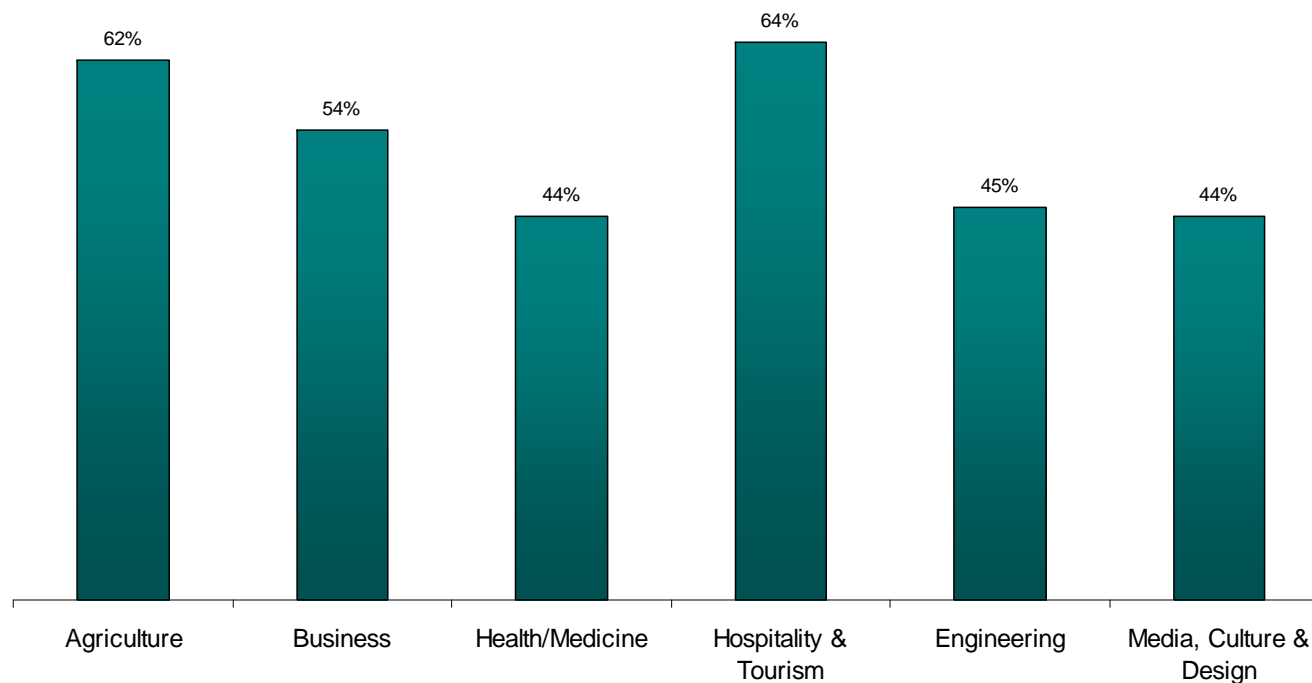
University educational attainment is highly correlated with the income of **everyone** in a state.

More educated workers means more fast-growing, higher paying knowledge-based jobs, which means more growth and more benefit for the entire state.

Educating Future Generations

CSU's Awarded **71,000 bachelor's degrees** in 2006-07, half of all the bachelor's degrees statewide and **18,000 master's degrees** in 2006-07, one-third of all the master's degrees statewide.

Percentage of California Bachelor's Degrees Awarded by the CSU, 2007



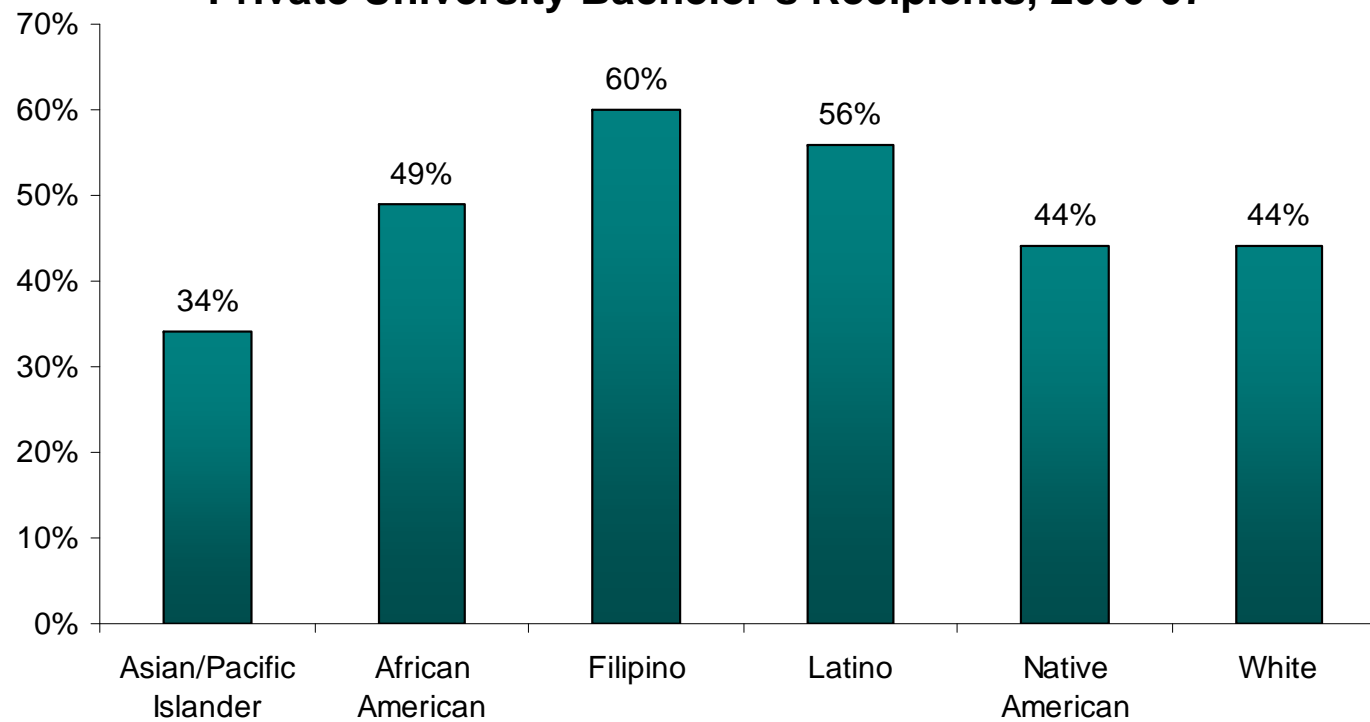
Making Higher Education Accessible

- One of the most **affordable systems** in the country.
- More than half of students received **financial aid** in 2008-09.
- More than 10,000 disabled students are currently enrolled.
- More than 95 percent of disabled students who enroll at the CSU **graduate**.
- Provide a wide range of **services that ensure the admission, retention, and graduation** of foster youth.
- Provides **benefits to military personnel**; waiving of non-resident fees, use Department of Defense tuition assistance waivers at all campuses.

Educating the Diversity of California

As of 2006-07, 56% of all bachelor's degrees granted to Latinos in California were CSU degrees.

CSU Bachelor's Degrees Recipients as a Percentage of All California Public and Private University Bachelor's Recipients, 2006-07



Supporting Sustainability and Innovation

- CSU has a strong commitment to sustainability, both institutionally and by training the next generation of sustainable leaders.
 - Increased course offerings in sustainability and Green Business Certificate programs
 - System-wide commitment to on-campus sustainability
 - Energy: Currently 23% of electric power is renewable, goal to double by 2014, will exceed target.
 - Sustainable Design: The CSU currently has 33 LEED™ certified /to be certified projects across 16 campuses
- CSU is a valuable and sought after research partner by communities, private companies and governments.

Q & A

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