

The Economic Value of California State University Channel Islands to Ventura and Santa Barbara Counties



Ventura and Santa Barbara
Counties, California

California State University Channel Islands (CSUCI) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students, taxpayers, and society. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, this study calculates the benefits received by each of these groups. Results of the analysis reflect fiscal year (FY) 2021-22.

Economic impact analysis

In FY 2021-22, CSUCI added **\$344 million** in income to the Ventura and Santa Barbara Counties economy, a value approximately equal to **0.4%** of the region's total gross regional product (GRP). Expressed in terms of jobs, CSUCI's impact supported **3,405 jobs**.

Operations spending impact

- CSUCI employed 995 full-time and part-time faculty and staff (excluding research employees). Payroll amounted to \$102.6 million (excluding payroll from research employees), much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The university spent another \$68.8 million on day-to-day expenses related to facilities, supplies, and professional services (excluding construction and research expenditures).



- The net impact of the university's operations spending added **\$146.9 million** in income to the regional economy in FY 2021-22.

Construction spending impact

- CSUCI invests in construction each year to maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the regional economy.
- The net impact of CSUCI's construction spending in FY 2021-22 was **\$2.2 million** in added income for Ventura and Santa Barbara Counties.

Research spending impact

- Research activities at CSUCI impact the regional economy by employing people and making purchases for equipment, supplies, and services. They also facilitate new knowledge creation in Ventura and Santa Barbara Counties through inventions, patent applications, and licenses. In FY 2021-22, CSUCI spent \$1.2 million on payroll and \$1.2 million on other expenses¹ to support research activities.
- CSUCI's research spending generated **\$2.4 million** in added income for the Ventura and Santa Barbara Counties economy in FY 2021-22.

Visitor spending impact

- Out-of-region visitors attracted to Ventura and Santa Barbara Counties for activities at CSUCI brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other regional businesses.
- Visitor spending added approximately **\$3.2 million** in income to the Ventura and Santa Barbara Counties economy.

Student spending impact

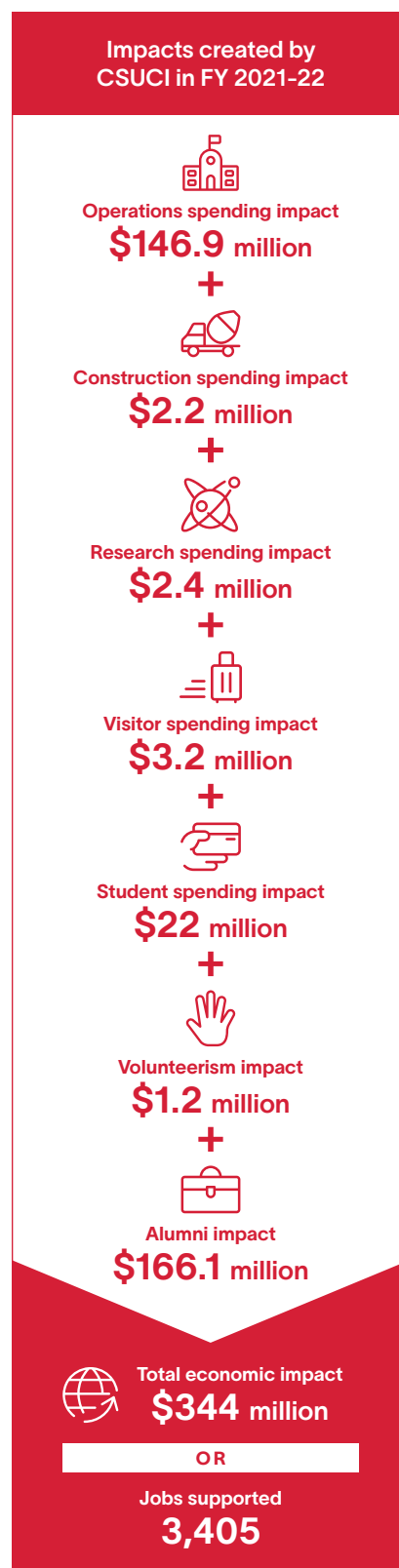
- Around 44% of students attending CSUCI originated from outside the region. Some of these students relocated to Ventura and Santa Barbara Counties. In addition, some in-region students, referred to as retained students, would have left Ventura and Santa Barbara Counties for other educational opportunities if not for CSUCI. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.
- The expenditures of relocated and retained students in FY 2021-22 added **\$22 million** in income to the Ventura and Santa Barbara Counties economy.

Volunteerism impact

- The work of CSUCI's student volunteers allow businesses and organizations to grow, increasing their output and impacting the economy at large. Using the value per volunteer hour for California,² the work of CSUCI student volunteers is equivalent to \$623.7 thousand in earnings.

¹ Excludes indirect costs because indirect costs are not necessarily spent during the analysis year.

² By state value per volunteer hour was provided by Independent Sector (see https://independentsector.org/resource/vovt_details/).



- In terms of actual impact to the regional economy, CSUCI student volunteers generated an impact of **\$1.2 million** in added income in FY 2021-22.

Alumni impact

- Over the years, students have studied at CSUCI and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in Ventura and Santa Barbara Counties.
- The net impact of CSUCI's former students currently employed in the regional workforce amounted to **\$166.1 million** in added income in FY 2021-22.

Investment analysis

Student perspective

- CSUCI's FY 2021-22 students collectively paid a present value of **\$35.4 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$35 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$827.8 million** in increased earnings over their working lives. This translates to a return of **\$11.70** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **32.7%**.

Taxpayer perspective

- Taxpayers provided CSUCI with **\$130.4 million** of funding in FY 2021-22. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$336.3 million**. A reduced demand for government-funded services in California will add another **\$69.5 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$405.7 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in CSUCI, taxpayers will receive **\$3.10** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **6.6%**.

Social perspective

- In FY 2021-22, California invested **\$225.6 million** to support CSUCI. In turn, the California economy will grow by **\$4.2 billion**, over the course of students' working lives. Society will also benefit from **\$112.9 million** of public and private sector savings.
- For every dollar invested in CSUCI in FY 2021-22, people in California will receive **\$19.20** in return, for as long as CSUCI's FY 2021-22 students remain active in the state workforce.

Students see a high rate of return for their investment in CSUCI



Average annual return for CSUCI students
32.7%



Stock market 30-year average annual return
9.6%



Interest earned on savings account (national deposit rate)
0.4%

Source: Forbes' S&P 500, 1992-2021. FDIC.gov, 2-2022.

For every \$1...



Students gain in lifetime earnings
\$11.70



Taxpayers gain in added tax revenue and public sector savings
\$3.10



Society gains in added income and social savings
\$19.20

