

UC's economic impact on California hits new high of \$82B annually

Press Release

- The University of California is an essential economic engine for the state, contributing roughly \$82 billion annually to California's economic output.
- Over a half-million jobs in California — or one in every 45 — are supported by the University, and UC-related spending generates nearly \$12 billion annually in federal, state and local tax revenues.

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The study by Beacon Economics revealed that every dollar invested in UC by the state of California generates over \$21 in economic output, including nearly \$10 in labor income. The University's total economic impact on labor income in the state is over \$37 billion annually. These figures reflect University spending as well as its direct and indirect economic impacts.

"UC's economic ripple effect is so large that it touches every region in the state, including those without a campus or medical center," said UC President Michael V. Drake, M.D. "Beyond economic impact, the University's contributions in health, innovation and social equity are even more important to the lives of Californians."

The report, "[The University of California Economic, Fiscal and Social Impact Analysis](#)," for the first time includes an analysis of UC's social impact on the state as well as its economic and fiscal contributions. "The report underscores UC's remarkable power to fuel California's leadership in numerous economic sectors while stimulating equity and opportunity across social and ethnic groups," said John A. Pérez, chair of the UC Board of Regents. "The University's impact is truly transformative and far-reaching."

Research and innovation

The economic impact study reaffirmed that UC is a world leader in innovation, averaging five inventions every day. In fiscal year 2019 UC received over 500 patents, bringing the University's total to over 5,000 active U.S. patents and nearly 6,000 foreign patents. This reputation for excellence attracted nearly \$6 billion in federal, state and private research awards to the University in fiscal year 2019 alone.

"UC researchers are tackling some of the state's most urgent problems with ingenuity and innovation, bringing to bear solutions in various fields from hydrology to artificial intelligence and energy sustainability to entertainment," said Theresa Maldonado, Ph.D., UC's vice president of Research and Innovation.

Groundbreaking work conducted at UC institutions has been recognized around the world, recently in November 2020, when three UC faculty and one UC alumnus won Nobel Prizes. There are now 68 UC-affiliated Noble laureates.

Health care

University of California Health (UCH) is an integral part of the state's health care delivery system, a driver of medical breakthroughs, the leading source of California health care professionals and an economic engine in its own right.

"The academic health centers and health professional schools of UCH are a pillar of California's health care system," said Dr. Carrie L. Byington, executive vice president of University of California Health. "The pandemic has underscored the vital role that UCH plays in the health and well-being of all Californians, in addition to its substantial economic impact."

At the onset of the pandemic, UCH hospitals quickly began in-house testing for SARS-CoV-2, implemented surge plans that increased capacity by nearly 40 percent and initiated hundreds of research projects and clinical trials focused on COVID-19. By the end of 2020, UCH had performed more than 400,000 tests for its patients and hundreds of thousands more for public health agencies, nursing homes, first responders and other hospitals. UCH participation in clinical trials led to emergency use authorization of two vaccines.

UCH also operates the nation's largest health sciences instructional program. Nearly 15,000 students and trainees attend UC's 20 professional schools and more than 70 percent of graduates remain in California.

In 2018-19, UCH hospitals contributed approximately \$1.7 billion in unreimbursed expenses to serve Medicare, Medi-Cal and uninsured patients, demonstrating our commitment to serving the most vulnerable populations. Additionally, UCH provided nearly a billion dollars in community benefits in the form of free health services and health professions education. As a major employer, UCH hospitals spend \$5.4 billion annually on salaries and wages.

Social equity

A UC education contributes to closing the economic opportunity gap, according to the study. Roughly 40 percent of undergraduates are the first in their family to attend college, and 37 percent are from low-income families. Remarkably, within six years of graduation, most first-generation UC graduates earn more than their parents, and most low-income graduates earn more than their parents in just five years.

The study also put a dollar value on what a UC education means to individual Californians. University graduates earn \$9,000 more annually compared to non-UC college graduates, and \$45,000 more annually compared with Californians who do not have a college degree.

High student debt is a pronounced economic problem often hitting those who can least afford it. However, nearly half of California residents who enter UC as freshmen graduate without any student debt. Almost 60 percent of California residents enrolled at the University have all their tuition and fees covered by financial aid, according to the study.

Rural impact

Since its founding in 1868 as a land grant university, UC has contributed to the health and success of California's rural regions. Through its Agriculture and Natural Resources (ANR) Division, which has offices in every county, the University provides research and education in agriculture, natural resources and nutrition. ANR also

provides leadership and growth opportunities for the state's youth through programs like 4-H.

In fiscal year 2019, ANR generated 24 ideas that led to patents and offered more than 40,000 educational events across California on topics such as drought, climate change and invasive species. To date, ANR has certified over 5,900 UC Master Gardeners. These volunteers assist home gardeners and community organizations with up-to-date information and helping hands. In 2019, they volunteered nearly half a million hours, valued at roughly \$15 million.

ANR partners with state and federal agriculture and social services agencies to manage two statewide nutrition education programs: California Expanded Food Nutrition Program in 24 counties and CalFresh Healthy Living Program in 31 counties. In 2019, these programs shared valuable information about healthy lifestyle choices with tens of thousands of Californians of all ages.

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