CHICAGO STATE UNIVERSITY

The Economic Value of Chicago State University
FACT SHEET

CHICAGO State University (CSU) 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) 2018-19.

Economic impact analysis

In FY 2018-19, CSU added **$1.6 billion** in income to the Illinois economy, a value approximately equal to **0.2%** of the state's total gross state product (GSP). Expressed in terms of jobs, CSU's impact supported **17,525 jobs**.

OPERATIONS SPENDING IMPACT

- CSU employed 672 full-time and part-time faculty and staff (excluding research employees). Payroll amounted to $73.4 million (excluding payroll from research employees), much of which was spent in the state for groceries, mortgage and rent payments, dining out, and other household expenses. The university spent another $19.8 million on day-to-day expenses related to facilities, supplies, and professional services (excluding research expenditures).
- The net impact of the university's operations spending added **$85.2 million** in income to the state economy in FY 2018-19.

RESEARCH SPENDING IMPACT

- Research activities at CSU impact the state economy by employing people and making purchases for equipment, supplies, and services. In FY 2018-19, CSU spent $3.1 million on payroll and $7.8 million on other expenses to support research activities.
- CSU's research spending generated **$14.5 million** in added income for the Illinois economy in FY 2018-19.

STUDENT SPENDING IMPACT

- Around 8% of students attending CSU originated from outside the state. Some of these students relocated to Illinois. In addition, some in-state students, referred to as retained students, would have left Illinois for other educational opportunities if not for CSU. These relocated and retained

IMPACTS CREATED BY CSU IN FY 2018-19

$85.2 million
Operations Spending Impact

$14.5 million
Research Spending Impact

$6.7 million
Student Spending Impact

$1.5 billion
Alumni Impact

$1.6 billion
TOTAL IMPACT

– OR –

17,525
JOBS SUPPORTED

students spent money on groceries, mortgage and rent payments, and other living expenses at state businesses.

- The expenditures of relocated and retained students in FY 2018-19 added **$6.7 million** in income to the Illinois economy.

ALUMNI IMPACT

- Over the years, students have studied at CSU and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in Illinois.
- The net impact of CSU's former students currently employed in the state workforce amounted to **$1.5 billion** in added income in FY 2018-19. Approximately $875.2 million, or 60%, of the $1.5 billion in added income stems from African American CSU alumni.

Investment analysis

STUDENT PERSPECTIVE

- CSU's FY 2018-19 students paid a present value of **$23 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **$34.8 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **$288 million** in increased earnings over their working lives. This translates to a return of **$5.00** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **24.3%**.

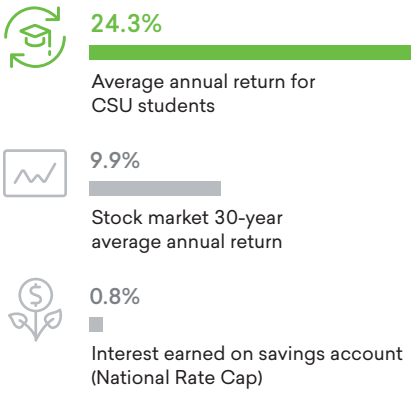
TAXPAYER PERSPECTIVE

- Taxpayers provided CSU with **$40.2 million** of funding in FY 2018-19. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **$103.5 million**. A reduced demand for government-funded services in Illinois will add another **$15.8 million** in benefits to taxpayers.
- For every dollar of public money invested in CSU, taxpayers will receive **$3.00** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **11.9%**.

SOCIAL PERSPECTIVE

- In FY 2018-19, Illinois invested **$150.3 million** to support CSU. In turn, the Illinois economy will grow by **$1 billion**, over the course of students' working lives. Society will also benefit from **$42.9 million** of public and private sector savings.
- For every dollar invested in CSU in FY 2018-19, people in Illinois will receive **$7.10** in return, for as long as CSU's FY 2018-19 students remain active in the state workforce.

STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN CSU



Source: Forbes' S&P 500, 1989-2018. FDIC.gov, 6-2019.