The University of California generates $46.3 billion in annual economic activity for California and contributes $32.8 billion to the gross state product, according to an economic impact report produced by Economic & Planning Systems Inc. That’s a strong return on investment for the state’s foundational investment of $3.35 billion for UC activities.

UC commissioned the independent study—the first conducted systemwide since 2003—to examine state and regional impacts of spending at UC’s 10 campuses, five health centers and other entities. The report highlights UC’s value to the public.

EVERY $1 THE CALIFORNIA TAXPAYER INVESTS IN UC, LEVERAGED BY REVENUES FROM OTHER SOURCES, RESULTS IN $13.80 IN OVERALL ECONOMIC OUTPUT

1 IN 46 JOBS IN CALIFORNIA SUPPORTED BY UC OPERATIONS AND SPENDING BY FACULTY, STAFF, STUDENTS AND RETIREES. THAT’S A TOTAL OF 430,000 JOBS.
UC’s 10 campuses, five health centers and other entities leverage significant additional non-state revenue, making economic contributions to all regions of California. The impact ranges from $5.8 million in Inyo-Mono to $13.2 billion in the San Francisco Bay Area.

Key findings:

UC brings in about $8.5 billion in annual funding from outside the state, including $7.2 billion from the federal government. This leveraging of California-based funds with out-of-state money is critical to UC’s educational, research and public service missions.

Every $1 from California sources (governmental and private) is supplemented with roughly $2.27 in out-of-state funds, much of it from the federal government.
A HEALTHY IMPACT

UC Health—UC’s five academic medical centers and 16 health professional schools—plays a major role in the university’s economic contribution to California, generating about 117,000 jobs in the state, $12.5 billion in contribution to gross state product and $16.7 billion in economic activity. This is the first report to isolate the economic contributions of the UC Health enterprise.

$16.7 BILLION
UC HEALTH-GENERATED ECONOMIC ACTIVITY IN STATE OF CALIFORNIA

ONE HUNDRED SEVENTEEN THOUSAND JOBS UC HEALTH GENERATES IN THE STATE

$12.5 BILLION
UC HEALTH’S CONTRIBUTION TO THE GROSS STATE PRODUCT

38%
UC HEALTH’S SHARE OF UC’S OVERALL ECONOMIC CONTRIBUTION TO GROSS STATE PRODUCT
An investment in UC pays dividends beyond what can be measured in its spending impact. The report did not examine some of the more complicated effects that add to UC’s total economic impact such as spinoff companies created by UC research, tax revenue generated by UC activities and economic contributions of UC alumni. Those topics may be the subject of future research.
State investment in UC plays a foundational role. The economic impact report concluded that every $1 reduction in state funding to UC has the potential to reduce the state’s economic output by $2.10. The actual results would be larger—this analysis only includes the effect of reduced state appropriation, not resulting impacts on UC’s other revenue sources and California’s economic competitiveness as a whole.