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CSU promotes economic growth in Illinois through its direct expenditures and the resulting expenditures of students and state businesses. The university serves as an employer and buyer of goods and services for its day-to-day and research operations. The university's reputation and activities attract students from outside Illinois, whose expenditures benefit state vendors. In addition, CSU is a source of higher education to Illinois residents and a supplier of trained workers to state industries, enhancing overall productivity in the state workforce.

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CSU adds economic value to Illinois as an employer of state residents and a large-scale buyer of goods and services. In FY 2018-19, the university employed 672 full-time and part-time faculty and staffers to state industries, enhancing

the university did not exist. In addition, some in-state students, referred to as retained students, would have left Illinois if not for the existence of CSU. While attending the university, these relocated and retained students spent money on groceries, accommodation, transportation, and other household expenses. This spending generated \$6.7 million in added income for the state economy in FY 2018-19, which supported 127 jobs in Illinois.



The education and training CSU provides for state residents has the greatest impact. Since its establishment, students have studied at CSU and entered the state workforce with greater knowledge and new skills. Today, thousands of former CSU students are employed in Illinois. As a result of their CSU educations, the students receive higher earnings and



An investment analysis evaluates the costs associated with a proposed venture against its expected benefits. If the benefits outweigh the costs, then the investment is financially worthwhile. The analysis presented here considers CSU as an investment from the perspectives of students, taxpayers, and society in Illinois.

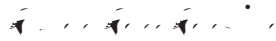
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In FY 2018-19, CSU served 3,595 students. In order to attend the university, the students paid for tuition, fees, books, and supplies.

They also took out loans and will incur interest on those loans. Additionally, students gave up money they would have otherwise earned had they been working instead of attending college. The total investment made by CSU's students in FY 2018-19 amounted to a present value of \$57.8 million, equal to \$23 million in out-of-pocket expenses (including future principal and interest on student loans) and \$34.8 million in forgone time and money.

In return for their investment, CSU's students will receive a stream of higher future earnings that will continue to grow throughout their working lives. For example, the average CSU bachelor's degree graduate from FY 2018-19 will

The students' benefit-cost ratio is 5.0. In other words, for every dollar students invest in CSU, in the form of out-of-pocket expenses and forgone time and money, they will receive a cumulative value of \$5.00 in higher future earnings. Annually, the students' investment in CSU has an average annual internal rate of return of 24.3%, which is impressive compared to the U.S. stock market's 30-year average rate of return of 9.9%.



CSU generates more in tax revenue than it takes. These benefits to taxpayers consist primarily of taxes that the state and local government will collect from the added revenue created in the state. As CSU students will earn more, they will make higher tax payments throughout their working lives. Students' employers will also make higher tax payments as they increase their output and purchases of goods and services. By the end of the FY 2018-19 students' working lives, the state and local government will have collected a present value of \$103.5 million in added taxes.

Benefits to taxpayers will also consist of savings generated by

average annual internal rate of return for taxpayers is 11.9%, which compares favorably to other long-term investments in the public and private sectors.

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Society as a whole in Illinois benefits from the presence of CSU in two major ways. Primarily, society benefits from an increased economic base in the state. This is attributed to higher student earnings and increased business output, which raise economic prosperity in Illinois.

Benefits to society also consist of the savings generated by the improved lifestyles of CSU students. As discussed in the previous section, education is statistically correlated with a variety of lifestyle changes that generate social savings. Note that these costs are avoided by the consumers but are distinct from the costs avoided by the taxpayers outlined above. Healthcare savings include avoided medical costs associated with smoking, alcohol dependence, obesity, drug abuse, and depression. Savings related to crime include reduced security expenditures and insurance administration, lower victim costs, and reduced expenditures by the criminal justice system. Income assistance savings include reduced welfare and unemployment claims. For a list of study

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The results of this study demonstrate that CSU creates value from multiple perspectives. The university benefits state businesses by increasing consumer spending in the state and supplying a steady flow of qualified, trained workers to the workforce. CSU enriches the lives of students by raising their lifetime earnings and helping them achieve their individual potential. The university benefits state and local taxpayers through increased tax receipts and a reduced demand for government-supported social services. Finally, CSU benefits society as a whole in Illinois by creating a more prosperous economy and generating a variety of savings through the improved lifestyles of students.

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Data and assumptions used in the study are based on several sources, including the FY 2018-19 academic and financial reports from CSU, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, outputs of Emsi's Multi-Regional Social Accounting Matrix model, and a variety of studies and surveys relating education to social behavior. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness. For a full description of the data and approach used in the study, please contact the university for a copy of the main report.



Emsi is a labor market analytics firm that integrates data from a wide variety of sources to serve professionals in higher education, economic development, workforce development, talent acquisition, and site selection. Emsi is a leading provider of economic impact studies and labor market data to educational institutions in the U.S. and internationally. Since 2000, Emsi has completed over 2,000 economic impact studies for institutions across three countries. For more information about Emsi's products and services, visit www.economicmodeling.com.