

## **IN BRIEF—Governor’s proposed budgetary Higher Education reductions:**

Earlier this month, Governor Arnold Schwarzenegger released his proposed 2008-2009 Budget to be considered by the CA State Legislature. The governor’s proposal would increase funding under his “compact” with the UC system but then apply a reduction of \$332 million, or 10 percent – the same percentage reduction proposed for most state General Fund programs. That would leave UC with a net state funding reduction of \$109 million, or 3.4 percent, compared with the current year. At the same time, it also would leave state funding more than \$400 million below the level in the Regents’ proposed budget for 2008-09. Other proposed cuts to higher education include a reduction of total funding for the California State University (CSU) by \$312.9 million; as well as a cut in local assistance to community colleges by \$483.5 million. The governor’s budget can be found online at [www.ebudget.ca.gov](http://www.ebudget.ca.gov)

## **Investing in College Pays off**

- Over an adult’s working life, high school graduates can expect, on average, to earn \$1.2 million; those with a bachelor’s degree, \$2.1 million; and people with a master’s degree, \$2.5 million. A bachelor’s degree results in over \$80,000 in more income tax revenue to the state over a lifetime when compared to a high school degree.
- Persons with doctoral degrees earn an average of \$3.4 million during their working life, while those with professional degrees do best at \$4.4 million. A professional degree results in over \$200,000 in more income tax revenue in a lifetime when compared to a high school degree.

## **Education and the Economy: Economists on Higher Education—In their own words:**

In a global environment in which prospects for economic growth now depend importantly on a country’s capacity to develop and apply new technologies, our universities are envied around the world. If we are to remain preeminent in transforming knowledge into economic value, the U.S. system of higher education must remain the world’s leader in generating scientific and technological breakthroughs and in preparing workers to meet the evolving demand for skilled labor.

-Alan Greenspan  
Former Chairman, U.S. Federal Reserve

## **UC’s by the numbers:**

- Above and beyond the employees working at each campus, UC expenditures indirectly created at least 255,509 jobs statewide in 2002.
- Combined with direct employment (114,000 in 2002), that means nearly 370,000 California jobs in 2002 were dependent on UC expenditures.
- In 2002, the total impact of UC expenditures on Gross State Product was between \$14.29 billion and \$16.65 billion.
- With respect to fiscal impacts, in 2002 UC campuses generated between \$4.2 and \$4.9 billion in state and local government tax revenues.

- The federal monies UC brings into California will create over 60,000 California jobs, and a gross state product impact of \$3.07 billion, through 2011.
- Long-range upper-limit forecasts indicate that UC expenditures in the 10-year period from 2002 through 2011 will result in approximately \$144 billion in Gross State Product, \$56 billion in California state and local government tax revenues, and over 2,300,000 jobs statewide.

**Facts about UC's impact on California:**

- UC research, and the undergraduates and graduate students educated at the university, have been critical to the creation and development of many of California's leading industries – from agriculture to biotechnology to information technology. And today, the university is helping California take a leading global role in critical new industries – from nanotechnology to digital media to "green" technology.
- More than 200,000 students benefit from a publicly supported education each year at UC.
- Nearly 400,000 jobs in California are directly dependent on UC (including non-university jobs created by direct university expenditures, but not including spin-off companies). UC is expected to have a hand in creating more than 2 million California jobs this decade.
- UC contributes more than \$14 billion in California economic activity and more than \$4 billion in state and local tax revenues each year, again not including spin-off companies. More than 1,100 California biotech, high-tech, and other R&D-intensive companies put UC research to work, and UC produces an average of 3 inventions every single day.
- For every \$1 in research funding provided by the State of California, UC secures \$6 more in federal and private research dollars – an extremely successful leveraging.
- UC is a major player in health care, health research, and health education in California – educating, for example, two-thirds of California's medical students.
- UC makes a real difference for California farmers and ranchers – delivering the innovative technologies, research breakthroughs, and real-world solutions they need to compete globally and farm more sustainably. California's \$34 billion agricultural sector produces more than 350 commodities and employs 7 percent of the state's private-sector workforce – while feeding the nation.