



# HSU IMPACT 2005



WHAT IS THE IMPACT OF  
HUMBOLDT STATE UNIVERSITY  
ON THE LOCAL ECONOMY?





# HUMBOLDT STATE UNIVERSITY

## Office of the President

Dear Friends,

Humboldt State's economic benefits to the North Coast community are significant in financial terms, and invaluable in putting human talent to work in highly productive ways. As you'll see in the arresting figures on these pages, the university infuses a combined total of more than \$216 million annually into the Humboldt County economy. HSU payroll (wages plus benefits) is \$86.3 million annually. The university is the county's second largest employer, and one in 14 Humboldt County residents is part of the HSU community.

HSU degrees add millions of dollars to the lifetime earning power of county residents. University operations pour \$5 million each year into local business coffers, fuel new construction to the tune of almost \$8 million, and constantly advance environmentally-sound energy technologies.

Taxpayers and businesses alike share in these tens of millions of dollars that return to us. This is enhanced by the vigorous fundraising programs championed and managed by the Office of University Advancement, the main engine of campus development. These monies are crucial to maintaining HSU's vitality amid severe state fiscal constraints. In addition, public education is an extraordinary value for the money, here at home and across California.

In human terms, HSU contributes enormously to the entrepreneurial spirit of the North Coast community, providing creative capital, state-of-the-art research, and a wealth of services and information to employers and employees. Humboldt State boasts literally hundreds of vibrant relationships with community partners, through its Office of Economic and Community Development, Service Learning Center, Career Center, Department of Economics, Schatz Energy Research Center, North Coast Small Business Development Center, Redwood Coast Rural Action team, and its illustrious trio of colleges: the College of Natural Resources & Sciences; the College of Professional Studies, and the College of Arts, Humanities & Social Sciences.

This document provides a summary of the extraordinary multiplier effects generated by Humboldt State and the CSU, fortifying the North Coast economy.

Warmly,

Rollin Richmond



# HUMBOLDT STATE UNIVERSITY'S ECONOMIC IMPACT ON HUMBOLDT COUNTY

The total budget (expenditures) for FY 02-03 for Humboldt State University (HSU) not including its auxiliaries totaled \$92 million. Annual direct expenditures by all HSU students are estimated to be \$68 million, including \$53 million from non-local students. Total direct spending by HSU and its auxiliary institutions was estimated

to be \$194.9 million dollars. The multiplier effect is estimated to add an additional \$21.4 million to the Humboldt County economy. **Consequently, the sum of direct, indirect and induced economic impacts of HSU on the County economy is \$216.3 million annually.**

## HUMBOLDT STATE IS A MAJOR COMMUNITY WITHIN HUMBOLDT COUNTY

### 1 IN 14 HUMBOLDT COUNTY RESIDENTS ARE PART OF THE UNIVERSITY COMMUNITY

Estimated 2003 Population		
Humboldt County	128,300	100%
Eureka	26,100	20%
Arcata	16,900	13%
McKinleyville	13,599	11%
Fortuna	10,900	8%
Rio Dell	3,180	2%
Other	57,621	45%
<b>Humboldt State</b>	<b>8,979</b>	<b>7%</b>

Sources: California Department of Finance, U.S. Dept. of Commerce, Bureau of Census, Census 2000

### HUMBOLDT STATE STUDENTS PROVIDE VOLUNTEER SERVICES TO THE COMMUNITY

Undergraduate students from HSU volunteer over 35,000 documented hours (through classes and clubs) in the local community per academic year. This is a conservative number since numbers are tabulated from a limited number of sources; many individual departments and clubs do not keep such data. Given the CSU formula, half of our 5,043 students under age 25 (2,521 students), most likely volunteer a total of 415,965 hours per year or 165 hours each per year or 5.5 hours each per week during the academic year.

Based on the minimum wage in California, the estimated dollar value of the volunteer service provided by Humboldt State University students is \$2,807,763.

Source: CSU Public Affairs, Service Learning at HSU, The University of Texas, Austin (serviceleader.org)

### HUMBOLDT STATE STUDENTS CONTRIBUTE TO THE LOCAL ECONOMY

There were 7,550 students enrolled in Humboldt State's 2004 fall semester (7,092 FTE). Approximately two-thirds of the student body are under age 25 (about 5,043 students). Nationwide, young adults under age 25 who earn less than \$10,000 per year spend an average of \$15,866 per year. The largest single expenditure is for housing costs (31.4 percent of total spending), followed by transportation expenses (16.8 percent) and food purchase (16.5 percent). After deducting tuition and fees, expenditures by students living at home total \$6,919 per year. After deducting tuition and fees, expenditures by students not living at home total \$10,719 per year. **The total annual direct student expenditures that flow into the Humboldt County economy are estimated to be \$68,341,008.**

Sources: The Impact of Humboldt State University on the Economy of Humboldt County. Daniel M. Ihara, Ph.D. and Alisande Evans

Consumer Expenditure Survey 2002/2003, U.S. Department of Labor, Bureau of Labor Statistics

### LOCAL BUSINESSES BENEFIT DIRECTLY

HSU and its auxiliaries purchase supplies and services from Humboldt County businesses in the following amounts:

HSU	\$1,600,976
Foundation	\$284,299
University Center	\$3,432,940
Associated Students	\$174,334
<b>Total*</b>	<b>\$5,492,549</b>

\* 2003-2004

Sources: Heidi Chen, Dixie Johnson, Lori Rudebeck



# HUMBOLDT STATE IS A MAJOR EMPLOYER IN HUMBOLDT COUNTY

## HUMBOLDT STATE PROVIDES LOCAL EMPLOYMENT AND PAYROLL (WAGES PLUS BENEFITS) IN EXCESS OF \$86.3 MILLION

	Full-Time Equivalent	Wages	Payroll
<b>Humboldt State 03/04</b>	<b>1014 (794 full-time, 534 part-time)</b>	<b>\$56,529,717</b>	<b>\$75,981,055</b>
University Center 02/03	207 (55 full-time, 400 part-time)	\$3,153,097	\$4,246,365
Associated Students 02/03	25 ( 0 full-time, 60 part-time varies)	\$93,332	\$93,332
The HSU Foundation	208 (55 full-time, 761 part-time)	\$5,106,242	\$5,994,287
<b>Total</b>	<b>1454</b>	<b>\$64,882,388</b>	<b>\$86,315,039</b>

Sources: Heidi Chen, Dixie Johnson, Lori Rudebock

## HSU IS THE SECOND LARGEST EMPLOYER IN HUMBOLDT COUNTY

Humboldt State University, together with its auxiliaries, is the second largest employer in Humboldt County and one of only two employers with 1,000 employees or more.

Even excluding the large number of part-time jobs among the auxiliary employers, Humboldt State provides approximately 1,543 quality jobs to the local economy. Approximately 900 of these jobs are full-time jobs receiving employer-paid benefits (medical / dental / vision care, retirement contributions, etc.).

Source: The Impact of Humboldt State University on the Economy of Humboldt County. Daniel M. Ihara, Ph.D. and Alisande Evans

## HUMBOLDT STATE INCREASES THE EARNING POTENTIAL OF HUMBOLDT COUNTY RESIDENTS

Through education, professional development and training Humboldt State University expands human capital. Lifetime earnings of college graduates across the nation are nearly double those of high school graduates--\$2.1 million versus \$1.2 million. Increased earnings for local residents through higher education means increased spending for local businesses and increased tax revenue for local governments.

Source: U.S. Census Bureau

## CONSTRUCTION AT HSU BENEFITS LOCAL ECONOMY

In addition to the recurring annual expenditures above, the University also obtains funding each year for capital projects. In 2003/2004 two projects, the Energy Conservation Project and the Forbes Complex Renovations Phase 1, had a total construction cost of \$7,873,167. In addition, over \$31 million will be expended between 2004 and 2007 on the Behavioral and Social Sciences Building (BSS) currently under construction. It is difficult to determine the total amount of local expenditures. However, it is estimated that half of the total construction costs including local labor, materials, and equipment invoiced were locally expended.

Sources: The Impact of Humboldt State University on the Economy of Humboldt County. Daniel M. Ihara, Ph.D. and Alisande Evans, Bob Schultz Administrative Affair

## FOR COMPARISON, FTE FOR THE MAJOR COUNTY EMPLOYERS ARE

County of Humboldt	1972
<b>Humboldt State &amp; Auxiliaries</b>	<b>1454</b>
St. Joseph Health System	947
The Pacific Lumber Company	914*
Eureka City Schools	592

\*Not including 15 part-time and 50-60 seasonal.

## PAYROLL OF MAJOR EMPLOYERS (WAGES PLUS BENEFITS)

County of Humboldt	\$ 91,978,677
<b>Humboldt State &amp; Auxiliaries</b>	<b>\$ 86,321,970</b>
The Pacific Lumber Company	\$ 62,000,000*
St. Joseph Health System	\$ 46,572,018
Eureka City Schools	\$ 36,948,121

\*Estimate

## PAYROLL LOCAL PRIVATE SECTOR EMPLOYER

Healthcare & Social Assistance	\$180.6 million
Manufacturing	\$132.2 million
<b>Humboldt State &amp; Auxiliaries</b>	<b>\$86.3 million</b>
Finance/Insurance/Real Estate	\$57.9 million
Construction	\$56.3 million
Transportation and warehousing	\$26.1 million

Source: US Census Bureau: 2002 County Business Patterns (NAICS)

# HUMBOLDT STATE BENEFITS HUMBOLDT COUNTY'S ECONOMY IN MANY WAYS

## HUMBOLDT STATE INCREASES THE LOCAL TOURISM INDUSTRY

Local economic benefits of friends and family visiting Humboldt State students throughout the year are not completely quantified, but at times may be substantial. This number is estimated to be nearly \$5 million. Annual commencement ceremonies alone attract more than 17,000 people, approximately 77 percent from outside Humboldt County. Nearly \$2.4 million is absorbed into the Humboldt County economy during that week-end alone each year. It is estimated that over \$1.5 million is infused into the local economy each football season. Extended Education organizes many conferences and workshops each year; ten of such events were tabulated for 03-04 bringing an additional \$700,000 to the County. In addition, the Humboldt Orientation Program (HOP) brings to campus more than 1,800 new students and their families prior to their first year at Humboldt State, bringing \$650,000 into the County's economy for that event.

Considering the limited number of events to which numbers of non-local visitors can be assessed, a conservative figure of nearly \$9 million is added to the County in the form of tourism dollars.

Sources: John T. Yenney-Economic Impact of the Humboldt State University Football Program 1997, Peter Kenyon (1998) Impact on the Humboldt County Economy, Dan Collen and Tom Trepiak HSU Athletics, Carl Hansen Extended Education, Kay Libolt HOP

## FOR MORE INFORMATION

[www.calstate.edu/pa/news/2004/impactNR.shtml](http://www.calstate.edu/pa/news/2004/impactNR.shtml)

[www.humboldt.edu](http://www.humboldt.edu)

## TOTAL EXPENDITURES OF HUMBOLDT STATE, AUXILIARIES AND STUDENTS

University Center (UC)	\$13,086,191
HSU Foundation	\$11,943,239
Associated Students	\$1,298,313

\*Not including 15 part-time and 50-60 seasonal.

Humboldt State University's total budget (expenditures) for FY02/03 was \$92,289,074;

After deducting HSU financial aid, other grants to students, and student expenditures to UC to avoid double counting, the total direct expenditures for HSU and its auxiliaries were \$101,329,729.

## HSU'S ANNUAL ECONOMIC BENEFITS ON THE HUMBOLDT COUNTY ECONOMY

Total Direct Estimated Expenditures:	
HSU and Auxiliaries	\$101,400,000
Student	\$68,400,000
Construction	\$7,800,000
Local Businesses	\$5,500,000
Tourism	\$9,000,000
Community Service	\$2,800,000
Sub-Total	\$194,900,000
Multiplier effect*	\$21,400,000
<b>Total</b>	<b>\$216.3 million</b>

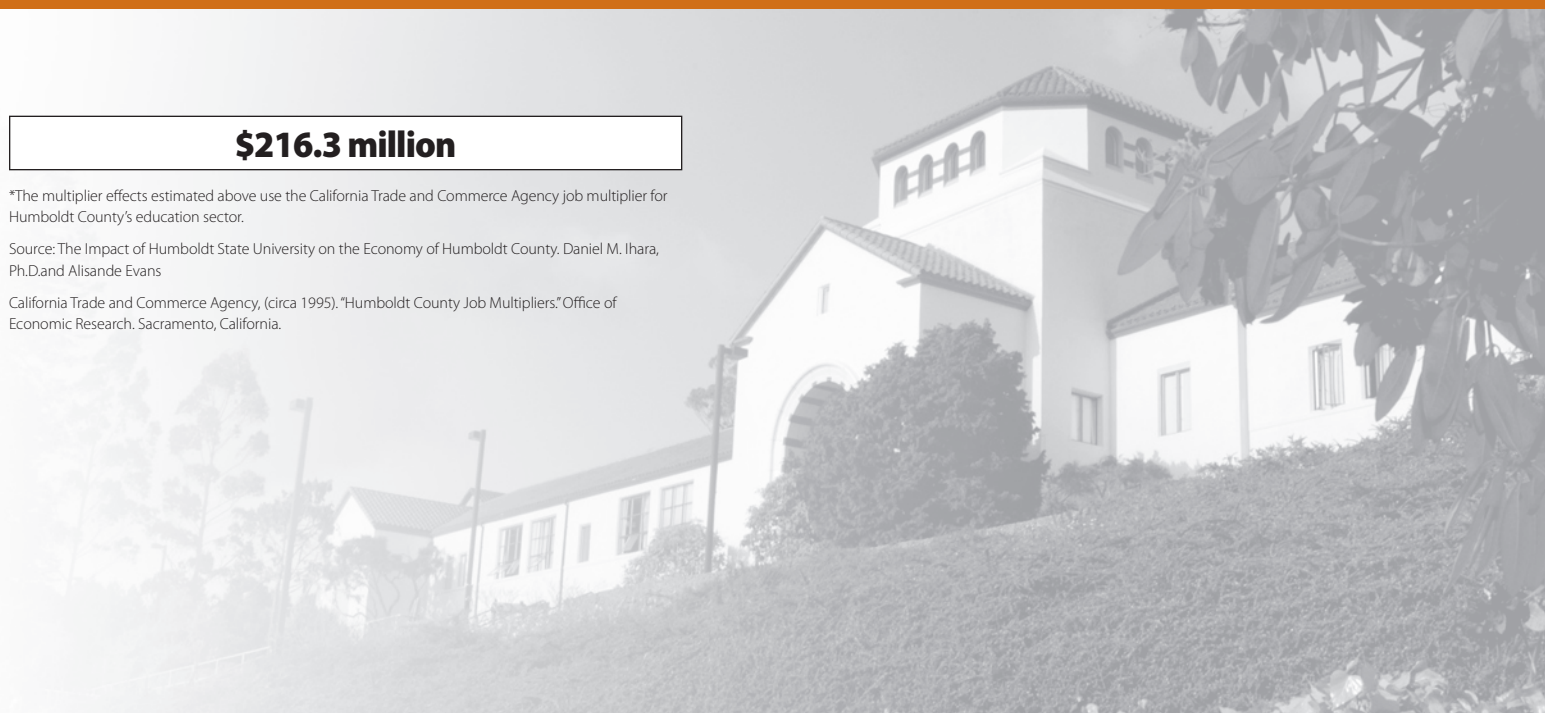
## SUMMARY – THE ANNUAL DIRECT AND INDIRECT SPENDING ASSOCIATED WITH HSU

**\$216.3 million**

\*The multiplier effects estimated above use the California Trade and Commerce Agency job multiplier for Humboldt County's education sector.

Source: The Impact of Humboldt State University on the Economy of Humboldt County. Daniel M. Ihara, Ph.D. and Alisande Evans

California Trade and Commerce Agency, (circa 1995). "Humboldt County Job Multipliers." Office of Economic Research. Sacramento, California.





## ACKNOWLEDGEMENTS

This report was produced in the President's Office at HSU. Special thanks to Daniel M. Ihara and Alisande Evans for their excellent research contributions which form the basis for this report, to Peter Kenyon for his inspiration and for the liberal extractions from his 1998 study, to Heidi Chien, Dixie Johnson, Lori Rudebock, Carl Hansen, Kristine Perry, Dan Collen, Tom Trepiak, Kay Libolt and Bob Schultz for their patience in providing HSU and auxiliary data, to Steve Hackett and Maggie Gainer for their guidance, to James Mabry for his assistance in researching local data and to Mary Greta for her editorial attention.



# HUMBOLDT STATE UNIVERSITY