SIMPSON UNIVERSITY



2019 ECONOMIC IMPACT

INSTITUTIONAL BRIEF PREPARED BY

ECONSULT SOLUTIONS INC.

Economic Impact Brief

Founded in 1921, Simpson University is a private, evangelical Christian school based in Redding, California. It is affiliated with the Christian and Missionary Alliance and is committed to the holistic education of students. The University offers undergraduate, graduate, adult study, and seminary programs in more than 30 content areas and specializations to its student body of over 800 students. Simpson University develops its students spiritually and professionally, feeding their minds and souls to equip them to better serve through their work. Beyond the classroom, community service is core to their longstanding motto, "Gateway to World Service." Serving the local and global community is an essential component of the Simpson experience. As Simpson comes up on its centennial anniversary, it continues to distinguish itself as a professional institution of strong faith, a voice of the Gospel, and a vessel for change.

Simpson University At-a-Glance

Year established
1921

Campus
85 acres

Enrollment
834

Religious Affiliation
Evangelical Protestant

Programs
25 Liberal Arts and Graduate Degrees, an adult degree-completion program, and a Seminary Track

Employees
258

Annual Operating Budget
$18 million



Each year, Simpson University's activity generates an economic impact of over $100 million within California, supporting 800 jobs.

In addition to educating and credentialing students, universities also make a significant economic impact on their local and state economies. Through their daily annual operations, universities employ faculty and staff and they purchase various goods and services from local vendors. In addition, they invest in new development and renovations on their campus. Above and beyond their own spending, universities attract students and visitors to campus, which helps to generate additional economic activity in the area. Furthermore, graduates have higher earning potential as a result of gaining a degree, which positively contributes to the regional economy. Combined, these expenditures support a substantial volume of direct economic activity, jobs, and spillover benefits that help to support various local and state tax bases.

Situated in the six-county region (comprising of Shasta, Tehama, Trinity, Siskiyou, Lassen, and Modoc), Simpson plays a notable role in the local economy through each of these economic impact categories. Through a deep Christian mission of serving others, Simpson University generates social impacts as they prepare students to become faith-driven, contributing members of society during and after their college experience. The purpose of this brief is to articulate and quantify these economic and social benefits.

Annual Economic Impact

within the State of California

ECONOMIC IMPACT

$108
million

SIMPSON UNIVERSITY

JOBS SUPPORTED

800
jobs

ANNUAL ECONOMIC IMPACT BY CATEGORY

OPERATIONS	CAPITAL	ANCILLARY SPENDING	WAGE PREMIUM
$38 *million*	**$1.4** *million*	**$7.5** *million*	**$62** *million*

ANNUAL FISCAL IMPACT

STATE OF CALIFORNIA

$6.9
million

$6.9 Million in Tax Revenue to the State of California

Although Simpson University is exempt from most direct taxes as a non-profit institution, its economic activity still generates state and local tax revenues. Spending by the institution, including wages and the spending of students and visitors it attracts, results in private sector activity that generates income, sales and business tax for the California state government. Further, its alumni add to the tax base through their additional earnings and subsequent spending within the State economy. Simpson's economic activity is estimated to generate a total of $6.9 million each year in tax revenues for the state. Above and beyond these tax revenues, this activity also grows various tax bases for multiple local municipalities.

Impact from Annual Operations

Simpson University's most direct and consistent economic contribution is through its ongoing operating activity. Simpson is a large employer and procures a significant volume of goods and services, producing a large spillover effect within the regional and state economy. Simpson's operating budget was $18 million in FY 2019. Of this total, $8.7 million went to compensation (wages and benefits) for Simpson's nearly 260 employees, who recirculate those dollars in the local economy in the form of household spending. The remaining $9.3 million was spent on goods and services, and this procurement activity supports suppliers across a range of sectors. The total impact of Simpson's annual operations within the Region is $30 million, supporting 310 jobs with $11 million in earnings. Impacts within the state of California are even larger at $38 million.

ANNUAL OPERATIONS	CITY OF REDDING	SIX COUNTY REGION	STATE OF CALIFORNIA
Direct Output ($M)	$18	$18	$18
Indirect & Induced Output ($M)	$8	$12	$20
Total Impact ($M)	$26	$30	$38
Employment Supported (FTE)	290	310	350
Earnings ($M)	$10	$11	$13

Impact from Capital Investments

Simpson University also expends significant resources to improve its campus through capital investments. Simpson's construction expenditures averaged $800,000 per year from 2017 to 2019, including a range of capital investments such as new construction, renovation and maintenance of its campus and infrastructure. These investments are above and beyond Simpson's operational activity and create demand within the local construction industry, generating spillover effects in multiple sectors of the economy. The annual economic impact of Simpson's capital investments within the region is $1.1 million, supporting 5 jobs and $200,000 in earnings each year, with even larger impacts within California totaling $1.4 million.

ANNUAL CAPITAL INVESTMENTS	CITY OF REDDING	SIX COUNTY REGION	STATE OF CALIFORNIA
Direct Output ($M)	$0.8	$0.8	$0.8
Indirect & Induced Output ($M)	$0.2	$0.3	$0.6
Total Impact ($M)	$1.0	$1.1	$1.4
Employment Supported (FTE)	5	5	10
Earnings ($M)	$0.2	$0.2	$0.3





Impact from Ancillary Spending

Simpson University also brings spending power into the local economy through the students it attracts or retains in the region, as well as visitors that it draws. Simpson's more than 830 students represent a significant base of demand for local merchants for everyday needs such as food, entertainment, and even housing. Additional spending occurs from visitors to campus, most notably for events like commencement and prospective student visits, which collectively attract an estimated 10,000 visitors per year. Ancillary spending (above and beyond expenditures like room and board captured by the institution) by students and visitors is estimated to generate $6.2 million in economic impact within the region annually, supporting 70 jobs and $1.2 million in earnings. Impacts within California total $7.5 million.

ANNUAL ANCILLARY SPENDING	CITY OF REDDING	SIX COUNTY REGION	STATE OF CALIFORNIA
Direct Output ($M)	$4.2	$4.2	$4.2
Indirect & Induced Output ($M)	$0.6	$2.0	$3.3
Total Impact ($M)	$4.7	$6.2	$7.5
Employment Supported (FTE)	60	70	80
Earnings ($M)	$1.1	$1.2	$1.6





Impact from Wage Premium

Simpson University's core mission—educating its students and preparing them for the future—is also an economic driver for the region and state. Talented students who are retained or attracted within a region are greater participants in the local economy thanks to the education and credentialing they receive, which increases their earning power and their household spending. Two-thirds of Simpson's 13,400 active alumni live in the state of California. Alumni working within the state earn an additional $52 million annually due to the increased earning power attributable to their degrees from Simpson. The annual economic impact of household spending from these additional wages is estimated at $62 million within California.

ANNUAL WAGE PREMIUM	CITY OF REDDING	SIX COUNTY REGION	STATE OF CALIFORNIA
Direct Wage Premium ($M)	$16	$20	$52
Total Impact ($M)	$23	$58	$62
Employment Supported (FTE)	50	350	360
Earnings ($M)	$2	$17	$18





Social and Community Impact

Simpson University's mission is to extend its impact beyond the economy and into the lives of those in Redding and around the world. Simpson embeds its motto "Gateway to Service" into the core structure of the university's functions, giving students the ability to develop their own leadership skills and passion in serving others. On average about 400 students participate in some form of community service per year, resulting in hundreds of hours served in churches, camps, and clinics. In addition, Simpson students and faculty have opportunities to serve internationally through the university's mission trips in countries such as India, Philippines, Taiwan, and Thailand. Simpson has continually proven its commitment as a civic partner by sponsoring local and global service initiatives, greatly benefitting the local community and those around the world.

Local Community Service

Holding true to their mission and motto, Simpson University students are given the opportunity to engage in various community service activities in Redding and the region. Simpson students and faculty serve a wide range of community members, from kindergarten students to high schoolers to business and educational leaders.

Day of Service

For the past fifteen years, members of the Simpson University community kick off the school year with their annual Day of Service in Shasta County. In September of 2019, about 120 students, staff, and faculty members participated in Carr Fire Recovery efforts in the Whiskeytown National Recreation Area by helping with cleanup and brush clearing from downed and burned trees. This tradition holds true to the university's motto, starting the school year by serving the local community.

Training Business and Educational Leaders

Simpson University prides itself on supporting their local business and educational leaders. For example, the university organizes an annual Business Leadership Luncheon for local community leaders, which draws about 400 people a year. In addition, its School of Adult Studies ASPIRE program has helped more than 4,000 adults from the six-county region complete their bachelor's degree. Many of those graduates serve in key leadership and business roles in the area. Furthermore, the School of Education has helped more than 3,000 students earn their teaching credential, and many of them serve as teachers and administrators in Northern California.

Campus Serves as a Local Amenity

Simpson University hosts numerous community events on campus each year, including the Redding Regional Science Bowl and College Quest information fair. The Music Department hosts fall, Christmas and spring concerts on campus that draw many local residents. In addition, it is home to a community choir and Shasta Symphony Orchestra that combines musicians from Simpson and the nearby Shasta Community College. These are just some of the many ways that Simpson opens its doors to welcome the community on campus.

KinderCollege Day

KinderCollege Day is held annually at Simpson University in partnership with College OPTIONS. In May of 2019, about 1,400 Shasta County kindergarteners and their parents attended the event aimed at providing them with information about post-high school education options. This event is a great way to get young people and their parents thinking about their long-term academic goals.

Upward Bound and GEAR UP Programs

In April of 2017, Simpson University was awarded five federal grants (Upward Bound and GEAR UP) whose main objectives are to ensure students complete their secondary education and pursue post-secondary education. The total funding for these grants exceeds $10.5 million and helps to serve 1,090 students in 10 middle schools and 13 high schools in Shasta, Tehama, Trinity, Siskiyou, Modoc, and Lassen counties. All of the students are either low-income and/or first-generation.

The Simpson University team has made a significant impact on these students, their parents, and their communities. More than 32,000 hours are spent each year administering these programs, the vast majority of which are spent working directly with students. The services provided to the students include tutoring, college campus visits, culturally enriching activities, counseling, academic advising, career planning, and financial aid.

Notably, almost all students in the programs are exceeding the minimum GPA requirements. Of the 2019 graduating class, 45 out of 49 students are attending either a community college or four-year institution. This is a 92 percent success rate. Furthermore, Administrators within the schools have indicated that these programs are beginning to change the culture about higher education.

"Potentially, a rising ninth grader could earn 18 units of college coursework by the time they graduate high school with the help of Upward Bound"

David Radford, Project Director, Upward Bound, Siskiyou County

Global Community Service

Simpson University's commitment to service does not stop in Shasta County or even the State of California. Students and faculty participate in global mission trips, serving those in need through a variety of means. Over the past twenty-five years, more than 1,700 students have participated in global mission trips, traveling to nearly 30 percent of the world.



WorldSERVE Teams

WorldSERVE is Simpson University's year-long discipleship program that organizes student-led mission trips around the globe. In 2019, WorldSERVE began its 25th year since relaunching mission trips, and about 30 students completed missions. Their places of service range from churches to youth programs to orphanages.

During the summer of 2019, students traveled to various countries as a part of different programs:

- **India**: Sponsored by the School of Nursing, students spent time with impoverished communities and participated in ministry work in a local village.
- **Philippines**: Partnering with Christian & Missionary Alliance Envision, students interacted with and trained at-risk people in Manila.
- **Taiwan**: Students helped at a ministry coffee shop, supporting them in their goal to begin a church for local youth.
- **Thailand**: In collaboration with other university students, Simpson students helped to teach English and ran a youth retreat.



Gateway to World Service

Simpson University actively cultivates an academic community that prepares its students for a lifetime of service in their professional and personal lives. In pursuit of its mission, it is an important contributor to the vitality of the local, regional, and statewide economies. Notably, Simpson's core value of local and global service benefits both the students who are gaining leadership experience and the communities on the receiving end of such service.





"I am very proud to be part of Simpson University's rich heritage as it nears its centennial. Our commitment to Christ-infused academic excellence and global service has not wavered. Located in a world-class region of outdoor adventure opportunities, Simpson is a vital partner in far Northern California communities, and we are actively expanding our outreach to help meet educational needs."

— Norman Hall, Ed.D., President, Simpson University