PSU’s impact in Oregon: $1.5 billion
“The educational and economic contributions of Portland State are vital to the quality of everyday life in our city and our region.”

MAYOR TED WHEELER
From the desk of President Rahmat Shoureshi

A Portland State education creates a pathway to prosperity for nearly 28,000 students. We don’t make products—we help build an educated citizenry. Our spending on education ripples through the community.

This report quantifies the many ways PSU executes on our motto, Let Knowledge Serve the City, and it demonstrates how we serve the region. It brings readers up-to-date on the metrics that matter most to Oregonians. PSU provides living-wage jobs; purchases services and supplies through a diverse array of businesses; creates cultural experiences; funds research; and incubates small businesses.

When Oregonians earn a college degree, their lifetime earnings are likely to increase, as are their contributions to the wellbeing of our state.

A PSU education is about much more than generating income and tax revenues. It is about serving the community and preparing our students for a future where 64 percent of all new jobs in Oregon will require postsecondary education and training.

~Rahmat Shoureshi

Measuring the value of Oregon’s urban research university

Every dollar PSU spends in any of its many roles has the regional economic impact of roughly $2.40. Using this 2.4 multiplier, Portland State’s 2018 economic impact was over $1.5 Billion. Read more about the economic multiplier effect at pdx.edu/president.

The economic multiplier effect

<table>
<thead>
<tr>
<th>Employer</th>
<th>$333M x 2.4 = $799M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchaser</td>
<td>$171M x 2.4 = $410M</td>
</tr>
<tr>
<td>Researcher</td>
<td>$60M x 2.4 = $144M</td>
</tr>
<tr>
<td>Real Estate Developer</td>
<td>$61M x 2.4 = $146M</td>
</tr>
<tr>
<td>Community Partner</td>
<td>$23M</td>
</tr>
</tbody>
</table>

$1.5 Billion

PSU’s Economic Impact / 2018 Fiscal Year
Let knowledge serve

Experiential learning is a hallmark of a PSU education. Our students learn how to think critically, communicate clearly, adapt to new situations and work with people who are unlike themselves—skills highly valued by employers.

Education Pays

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Median Annual Earnings ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No high school diploma</td>
<td>27,040</td>
</tr>
<tr>
<td>High school diploma</td>
<td>37,024</td>
</tr>
<tr>
<td>Some college, no degree</td>
<td>40,248</td>
</tr>
<tr>
<td>Associate's degree</td>
<td>43,472</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>60,996</td>
</tr>
<tr>
<td>Master's degree</td>
<td>72,852</td>
</tr>
<tr>
<td>Professional degree</td>
<td>95,472</td>
</tr>
<tr>
<td>Doctoral degree</td>
<td>90,636</td>
</tr>
</tbody>
</table>

Unemployment Rate (%)

- 1.5
- 2.2
- 2.5
- 3.4
- 4
- 4.6
- 6.5
Learn by doing

PSU prepares more students for the region’s workforce than any other Oregon university. During the 2017-18 academic year, 6,350 students graduated from Portland State. About 63% of PSU students remain in the Portland metro area.

Through our new PSU CO-OP program, students test their education in the real world. The businesses that host PSU CO-OP students enjoy the benefits of working with Oregon’s most diverse student body.

“PSU is incredibly important to our city and for our company. More Columbia Sportswear employees attend PSU than any other university.”

TIM BOYLE, CEO COLUMBIA SPORTSWEAR
Investing in our own backyard

In 2018, PSU paid over $200 million to businesses and organizations for goods and services. As you would expect, most of those dollars were spent locally. In fact, buying local accounted for 67% of all purchasing.

Through our new Equity in Public Contracting Policy, we are creating more opportunities for Portland’s minority, women and emerging small businesses (MWESB). This year alone, PSU made 21% of all construction purchases with MWESB businesses.

Evolving the University District

In partnership with the State of Oregon, the City of Portland, OHSU and others, PSU is building the University District (see map on pg. 12), while meeting regional goals for retail and commercial development, transit planning, housing and small business development. Since our 2014 impact report, we have spent $142 million on the renovation of three campus buildings: the Karl Miller Center, Viking Pavilion and 724 Harrison Building. In 2019, we begin construction of the $70 million Fourth and Montgomery Building in partnership with Oregon Health Sciences University, Portland Community College and the City of Portland.
Discoveries that transform our world

The increase of funded research at Portland State continues. In 2018, of the 787 grant proposals we submitted, 395 were funded: An impressive success rate of over 50%. PSU scholars continue to partner with colleagues from other Oregon universities in three state-wide Signature Research Centers.

By collaborating across disciplines, PSU identifies new solutions. The Homelessness Research & Action Collaborative and Digital City Testbed Center are exploring ways to make cities more human, healthy and safe.

$60M
2018 Research Expenditures
Small business is big business in Oregon. The state has **300,000** qualified “microenterprises” comprised of fewer than five employees. That’s **86%** of all registered businesses according to the U.S. Department of Commerce. PSU’s Business Outreach Program has a 20-year record of success helping these microenterprises thrive. Over **650** companies have gone through the program. More than **1,650** students have been placed as consultants, providing **$1 million** of student consulting services.

- 140 startups
- 10 PSU faculty business incubated
- $180M capital raised
- $75M+ revenue generated

Through its commitment to engaged learning, PSU continues to differentiate itself from its competitors in an increasingly competitive higher education market. Partnerships with PGE, Intel, the City of Portland, Multnomah County, and OHSU (among many others) enable us to contribute to the well-being of our community.

In 2017 our students contributed **942,000** service hours, worth **$23 million** to our local economy.

Chemistry professor David Peyton’s anti-malaria drug discovery led to the creation of DesignMedix, a start-up company committed to fighting diseases worldwide.

Architecture students and faculty helped design and build a village of sleeping pods to shelter homeless in Northeast Portland.
PSU Portfolio

- 50 PSU buildings spread over 50 acres of downtown
- 16 buildings constructed or remodeled since 2000
- Completed the $200 million Robertson Life Sciences Building with OHSU and OSU
- Invested $142 million in the renovation of the Karl Miller Center, Viking Pavilion and 724 Harrison Building
- Broken ground on the $70 million collaborative development at Fourth & Montgomery which will be completed in 2020
U.S. News & World Report ranked Portland State among the nation’s most innovative universities.

pdx.edu/president
In this report, we blend two methods to evaluate the economic impact of Portland State University on our city, metro region and state. One method is quantitative – it estimates the direct and indirect (or multiplier) effects of PSU spending on the broader economy. The second is qualitative and takes a more holistic view of the university’s contributions – by illustrating the many roles an urban research university plays in its community.

We divide the quantitative impacts into Direct and Indirect (or Multiplier) effects. Direct expenditures benefit the city, Portland metro region and the state of Oregon. Expenditures of this type cross many program categories, including: instruction and research; academic and student services; public service and auxiliary programs; operation and maintenance of the physical plant; institutional support and student aid. Every dollar of direct expenditures yields an economic multiplier (or ripple) effect – generating additional rounds of spending. This multiplier measures indirect effects like:

- Faculty, student and staff spending on housing and retail purchases.
- PSU purchasing with local business vendors that enables additional spending in the community.

Using the nationally recognized input-output IMPLANS model, we are able to calculate the economic benefits generated by PSU spending. Using proprietary IMPLANS higher education data, we are able to determine that each dollar of direct spending stimulates a total direct - plus indirect - spending benefit to the region of approximately $2.40 dollars; with similar benefits statewide.

This is the quantitative effect; however, the impact of an urban research university on its community extends well beyond dollars and cents. There are qualitative benefits that catalyze the present and future economic vitality of a city and region. These benefits spring from the broader roles the university plays: as an Educator; a Workforce Developer; an Employer; a Purchaser; a Real Estate Developer; a Researcher; a Business Accelerator; and a Community Partner...all roles we valuate in this report

This methodology derives from *PORTLAND STATE UNIVERSITY ECONOMIC BENEFITS ASSESSMENT*, a report prepared for PSU in August 2004 by E.D. Hovee and Company. We have applied this method to the six impact reports written since 2004. Because we continue (and will continue) to use this methodology, readers can make an “apples-to-apples” comparison of PSU’s economic impact over time.