

APPENDIX U
ASSESSMENT OF FACULTY AND STAFF
HOUSING ISSUES AT CSU (OCTOBER 2001)

**Assessment of Faculty and Staff
Housing Issues
at California State University**

Multi-Campus Summary Report



The California State University

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Study Note

This report compiles views expressed by study participants, but does not necessarily reflect those of each campus community in its entirety or the CSU system. While the study captures both qualitative and quantitative information, it is important to note that the qualitative information is based on the personal experiences of the participants; not all members of the campus community will agree with all expressed concerns or proposed solutions. Nevertheless, every effort was made to describe the opinions and range of issues raised by study participants, including opinions on issues that are peripherally related to housing, recruitment, or retention of faculty and key staff.

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Assessment of Faculty and Staff Housing Issues at California State University

Multi-Campus Summary Report

Executive Summary

Purpose of the Housing Assessment

The Assessment of Faculty and Staff Housing Issues was commissioned in May 2001 by the Office of the Chancellor to provide a systematic analysis of the impact of housing costs on the ability of California State University (CSU) campuses to attract and retain faculty and critical staff.

This report summarizes the research, findings, and conclusions of individual Housing Assessments conducted for 12 campuses of the California State University system.¹ In addition to this summary report, individual campus reports were prepared for each of the participating campuses.

Methodology

The Housing Assessment was based on a combination of quantitative and qualitative data. The qualitative analysis included a series of campus-specific “key informant” interviews of deans and search committee chairs involved in faculty and staff recruitment, a series of campus-specific focus groups of recently-hired faculty and hard-to-hire staff, and interviews with faculty who declined offers of employment at each campus. Either individually or in focus groups, BAE interviewed a total of 284 people including: 97 administrators and search committee chairs, 102 recently-hired faculty, 49 recently-hired “hard-to-hire” staff, and 36 candidates who were offered employment at the CSU, but declined positions. Through the selection of their campus participants, each campus independently determined the relative weight given to the study of housing issues for faculty and housing issues for “hard-to-hire” staff. Most campuses elected to focus primarily on faculty housing issues, though many of the conclusions and observations are relevant to the broader campus community.

The quantitative work included an analysis of a systemwide survey of 2,857 recently-hired faculty and staff (i.e., hired in the past four years, January 1997 through December 2000) conducted by the Chancellor’s Office in February 2001, and an assessment of the housing “market gap” for each campus. This part of the Assessment compared household incomes and the cost of housing (both rental and for-sale) to characterize the affordability of the local housing stock to recently-hired faculty and “hard-to-hire” staff in the areas where the majority of these individuals elected to live.

¹ Participating campuses: CSU Fullerton, Cal State Hayward, CSU San Marcos, Cal Poly Pomona, CSU Los Angeles, San Francisco State University, CSU Sacramento, CSU Fresno, CSU Northridge, CSU Dominguez Hills, Chico State, and San Diego State University.

Key Findings and Observations

Housing

- ✍ The cost of housing is one of many factors that impacts recruitment success. As in other employment sectors, prospective and current employees of CSU weigh both the favorable and unfavorable dimensions of their employment offers. While the decision-making process each candidate undertakes is individualistic, there are many common themes. At most of the participating campuses, the primary recruitment obstacles for new faculty include, in order of importance: the teaching load, housing costs, salary and support for research. Favorable recruitment factors include, in order of importance: personal reasons for locating in the area (family connections, spousal employment opportunities, already living in the area), urban amenities, CSU's emphasis on teaching and faculty collegiality.
- ✍ At some urban campuses the cost of housing is the foremost recruitment barrier. San Francisco State, CSU Hayward, and San Jose State University (though SJSU was not specifically studied in this project) are located in some of the most expensive housing markets in the nation. Many recently-hired faculty at these campuses cannot purchase a home on their CSU salary, and some do not even qualify, on their own, to rent an apartment. At these campuses, high housing costs are not only a serious recruitment barrier, they are also an important retention issue for both recently-hired faculty living in apartments (who realize they may have to leave the University in order to afford a home) and for long-term faculty who want to "cash out" on their home equity.
- ✍ Recently-hired faculty at campuses in high-cost housing markets are more likely to have higher household incomes than faculty households in low-cost housing markets. This result is believed to be caused by two factors. First, most of the higher cost housing areas are in the large metropolitan areas of the state which offer a broad range of employment opportunities for spouses or partners of faculty members. In these areas, therefore, combined household incomes are higher because they can be and because they need to be in order to afford the local housing. Second, it is believed that candidates who recognize that their household incomes will not allow them to live in certain high cost areas "exclude" themselves from these areas by not applying to fill positions for which they might otherwise be qualified.
- ✍ Recently-hired faculty at campuses in high-cost housing markets are more likely to have long commute times to their CSU campus in order to find lower cost housing. Because these individuals are spending more hours commuting, they may have less time to devote to research and preparation for teaching.
- ✍ The high cost of housing impacts the recruitment and retention of "hard-to-hire" staff (such as IT professionals) less than it affects faculty. Recently-hired critical staff are much more likely to already live in the local commute-shed of the campus when they are recruited to a local campus, and many already own a home.
- ✍ Faculty are much more likely to have relocated to accept their new position with the University than their management or staff counterparts and hence are more impacted by high housing costs.

- ✍ Even campuses with affordable housing markets are only affordable relative to other housing markets in California. The housing markets of campuses like Chico, Sacramento and Fresno are expensive relative to most of the rest of the country.

Recruitment

- ✍ Some administrators and search committee chairs believe that faculty candidates are primarily attracted to the CSU because of California's weather, quality of life, and the University's reputation, but few recently-hired faculty members indicated that these were among the primary reasons that they selected the CSU. Instead recently-hired faculty came to CSU for their personal ties to the area, the emphasis on quality teaching and faculty collegiality.
- ✍ Campus participants universally agreed that the recruitment process at most campuses could be improved. This observation is based on interviews with a combined total of 284 deans, search committee chairs, recently-hired faculty and staff, and candidates who were offered, but declined, employment with the CSU. While the actual faculty candidate visit received high marks at virtually every campus, most interviewees agreed that improvements in virtually every other aspect of the recruitment process, both before and after the candidate's visit, could be implemented and improve recruitment success. Streamlining the application process and especially shortening the time between extending a verbal offer and a written offer were two areas of improvement noted repeatedly by recent faculty hires.
- ✍ Interviews with 97 deans and search committee chairs suggest that faculty candidate pools are smaller at most urban campuses now than they were just a few years ago and many departments select second, third or lower choice candidates for a position after more-highly ranked candidates decline offers.
- ✍ Candidates decline positions at the CSU for three primary reasons: low salaries relative to the high cost of housing, the teaching load, and limited research opportunities.
- ✍ Some recently-hired faculty reported receiving higher salary offers and some reported receiving lower salary offers from their next best employment opportunity at the time they decided to join the CSU.
- ✍ Administrators and search committee chairs in areas such as San Marcos and Sacramento where housing prices have surged dramatically upward, especially over the last few years, often underestimated the impact of high housing costs on recently-hired faculty.

Additional Observations

- ✍ Relocating employees often need assistance in finding suitable housing. On those campuses where the housing affordability gap is minimal, this assistance could be a matter of simply providing standard housing information packets to employment candidates. On those campuses where the housing affordability gaps are the greatest,

the assistance could include the establishment of housing offices in which individuals are assigned either full or part-time to provide this service. Development of a campus housing assistance center could result in the more effective and efficient delivery of the service, fulfill a need identified by recently-hired faculty and relieve each individual department or search committee of this task.

- ✍ Many new employees would benefit from assistance with the establishment of their new residences and the transition into the campus community. Examples of such assistance include: increasing the moving allowance, developing mechanisms to advance funds to new hires before their first paycheck and hiring new faculty one or two months early so that they have sufficient time to prepare for their initial teaching load.
- ✍ Before embarking on a housing assistance strategy, each campus should further survey recently-hired faculty and search committee chairs about the programs they would find most valuable in order to prioritize the programs identified in the campus-specific study. In addition, each campus should undertake a market study prior to undertaking any specific real estate projects such as limited-equity, faculty housing or affordable, short-term, rental housing for faculty. A market analysis would quantify the current supply of surrounding competitive properties, current demand by CSU faculty, preferred project amenities and target rental/mortgage payments for potential project occupants.
- ✍ Each campus should routinely collect and compile detailed data on recruitment activities (such as the reasons that candidates decline positions) in order to more fully understand emerging trends.

Overview of Housing Issues and the Housing Market Gap Analysis

For this Summary Report, the participating CSU campuses have been clustered according to the level of their housing affordability gap. Campuses with similar housing affordability issues had relatively consistent survey results regarding housing dissatisfaction, homeownership rates, commute times, etc. The analysis of the systemwide housing survey of recent hires indicates that the more expensive the local housing market, the more likely faculty are:

- ✍ To have considered leaving CSU because of housing costs,
- ✍ To express dissatisfaction with their current housing,
- ✍ To commute long distances,
- ✍ To rent their home instead of own, and
- ✍ To live in two income households.

In addition, BAE completed an analysis of the affordability gap between the available housing supply and household incomes for each CSU campus. San Francisco State and CSU Hayward have the largest gap between prevailing home sale prices/market rents and the amount that CSU employee households at those campuses can afford. For example, 58 percent of San Francisco State's recently-hired, survey respondents in small employee households and 61 percent of large households cannot afford to purchase a housing unit

(condo or single-family home) in their primary commute-shed². In contrast, virtually all employee households at CSU campuses with the most affordable housing markets (Sacramento, Chico, and Fresno) can afford a wide range of single-family homes and condominiums. Most campuses participating in this assessment, however, fall between these two extremes; Fullerton, Northridge, San Diego, Los Angeles, Pomona, and Dominguez Hills all have some housing affordability issues that impact recently-hired faculty and hard-to-hire staff. San Marcos was a unique case. While homes in the San Marcos area are not as expensive as in the San Francisco Bay Area, real estate prices in northern San Diego County have surged dramatically upwards in the last two years resulting in a significant affordability gap for the reported household incomes.

The cost of housing affects recruitment success at all campuses. For campuses with moderate, marginal, or very constrained housing affordability in the local market, the cost of housing can reduce recruitment success. For campuses with highly affordable housing markets, this factor can improve recruitment success.

Conclusions

CSU campuses in very expensive housing markets such as the San Francisco Bay Area are facing a severe recruitment and retention challenge. These campuses should seriously consider implementing some of the solutions recommended by the study participants.

While not as high as the San Francisco Bay area, the housing markets in the LA and San Diego areas are still relatively expensive. Campuses in these areas appear to be experiencing smaller candidate pools and also face a recruitment challenge because of high housing costs, salaries, workload and other considerations. Like the campuses in the ultra-high cost San Francisco Bay Area, these campuses should provide housing information packets to prospective employees, establish faculty housing assistance programs, and consider providing affordable temporary faculty housing to assist new faculty with their adjustment to the local housing market.

Finally, CSU campuses in affordable housing markets in the Central Valley and the North and Central Coast of California probably receive a recruitment benefit from their housing costs relative to other campuses in California. However, since few of these campuses were studied for this report, they may face other equally important recruitment barriers, such as the lack of spousal employment opportunities, rural locations, regional growth limitation policies that drive up housing costs or other factors that were not captured by this analysis. These campuses should, at a minimum, develop a campus-specific housing information packet to distribute to faculty and hard-to-hire staff candidates.

² The primary commute-shed for each campus was defined as a circle with the campus in its center, and a diameter of ten to twenty miles, that was selected for each campus based on analysis of campus-specific employee survey results indicating that a majority (more than 50 percent) of all recently-hired campus employees lived within that distance from the campus.

Assessment of Faculty and Staff Housing Issues at California State University

Multi-Campus Summary Report

Introduction

The need for successful recruitment outcomes, especially faculty recruitments, has never been greater for the CSU. According to the report *Bridging the Gap: Meeting the Enrollment and Resource Challenge*¹, roughly one quarter of CSU's faculty will be replaced/hired by 2005 and roughly half of CSU's faculty will be replaced/hired by 2010. This enormous recruiting challenge is driven by two primary factors: the age distribution of the existing faculty and the tremendous growth needed to provide the State's citizens with access to higher education. By 2005, the Full Time Equivalent Students (FTES) served by the University is projected to increase to 325,000 from a level of just under 280,000 FTES in 1999.

The above figures indicate that the CSU is entering an era during which faculty recruitments will be intense. According to the recently-published *Report on Faculty Recruitment Survey*, in the period between 1994 and 1996, the CSU conducted roughly 630 searches per year and hired 463 faculty per year. By 1999 the number of searches increased dramatically with an average of roughly 889 searches per year with 616 faculty successfully hired per year. While these numbers still reflect favorable recruiting rates, success has decreased slightly. Anecdotal evidence from many campuses has also suggested that the high cost of housing in some areas of the state has reduced recruiting success and that the impacts have actually been far more significant than these numbers suggest. This conclusion seems logical since there is ample evidence that housing in California is expensive; in fact, it is among the most expensive in the U.S. In 2000, the median house sale price in California overall was \$236,400, compared with \$151,000 for the U.S. The highest housing prices in California occur in large urban areas. For example, San Francisco led the state in median housing prices (\$550,000) for a single family home in 1999, followed by San Jose (\$480,000), San Diego (\$340,000), Hayward/Oakland (\$330,000), Los Angeles (\$320,000), and Sacramento (\$250,000).² With CSU campuses in all of these areas, it also seems highly plausible that CSU faculty and staff might be deterred from accepting or continuing employment with the CSU because of the cost of housing or, at the very least, face high housing costs once they accepted their position. Up until now, however, there had not been a broad based, multi-campus study to formally assess the impact of the cost of housing on recruitment and retention of faculty and critical staff.

Purpose of the Assessment

The purpose of this Housing Assessment was to provide a systematic analysis of the impact of housing costs on the ability of CSU campuses to attract and retain faculty and staff. The results of this study are intended to assist the campuses and the Chancellor's

¹ http://www.calstate.edu/Cornerstones/reports/TF2_Report.pdf

² 2001, National Association of Home Builders, www.nahb.com

Office as each continues to consider various strategies to mitigate housing cost impacts on recruitment.

Scope and Focus of the Study

Twelve of the CSU's 23 campuses elected to participate in this assessment. The participating campuses were: Fullerton, Hayward, San Marcos, Cal Poly Pomona, Los Angeles, San Francisco, Sacramento, Fresno, Northridge, Dominguez Hills, Chico, and San Diego. The remaining campuses elected not to participate either because housing was not perceived to be a critical issue in their region or because it was known to be such a critical issue that these campuses had already completed significant housing and retention studies of their own.

Each campus determined the extent to which the study focused on faculty alone or faculty and "hard-to-hire" or critical staff, such as Information Technology specialists. In most cases, campuses elected to include both faculty and "hard-to-hire" staff in their study, but because of their larger numbers and typically lower starting salaries, most campus studies focused more heavily on faculty concerns relating to housing. The conclusions and observations from the study are, however, generally applicable to the broader campus community. The findings for each campus were compiled in individual campus reports. This report summarizes the findings of the Assessments across all 12 participating campuses.

Methodology

The individual campus Assessments were based on a combination of quantitative and qualitative data, including results of the systemwide Housing Assistance Needs Survey of recently-hired faculty and staff (i.e., employees hired over the four-year period from January 1997 through December 2000) conducted by the Chancellor's Office in February 2001, a series of campus-specific "key informant" interviews of deans, department chairs, and search committee chairs involved in faculty and staff recruitment, and campus-specific focus groups of recently-hired faculty and staff. In order to more fully understand the relationship between household incomes and the cost of housing (both rental and for-sale housing), the campus Assessments also included a market "gap" analysis in the areas where the majority of surveyed CSU faculty and staff currently live.

The following describes the method of data collection from each source and the approach used to analyze data for this Assessment:

- ✍ **Systemwide Survey** – In February 2001, the CSU Chancellor's Office conducted a systemwide Housing Assistance Needs Survey of faculty, management, and support staff hired over the four-year period from January 1997 through December 2000. The survey instrument was developed in the Chancellor's Office and e-mailed to more than 7,000 personnel systemwide. Participation in the web-based survey was voluntary. The Chancellor's Office conducted data entry and initial analysis of the 2,857 completed surveys. BAE was provided with the raw data and conducted additional analysis of the survey results focused on responses related to housing issues. BAE also cross-tabulated selected responses to gain additional insights on

housing issues by employment category, campus location, housing tenure and household income.

- ✍ **“Key Informant” Interviews** – BAE conducted a series of key informant interviews at each participating campus. A campus liaison arranged the interviews based on selection criteria and direction provided by BAE. Targeted key informants included deans, search committee chairs, and other personnel with first-hand, recent recruitment experience. In most cases, these interviews were conducted during a two-day campus visit, but in some cases the interviews were conducted by phone at the request of the campus. Appendix B presents the interview guide used for these interviews.
- ✍ **Focus Groups** – BAE also conducted focus groups on most campuses with faculty and staff hired within the last two years. Typically, two focus groups, each consisting of between seven and twelve individuals, were conducted on each campus. As with the key informant interviews, a few of the focus group activities on certain campuses were replaced by individual phone interviews because of the difficulty of convening a faculty focus group in summer. The focus groups followed the general discussion guide shown in Appendix C. Focus group participants also completed a confidential one-page survey that compared the CSU employment offer they accepted with either their former place of employment or their other best offer. A sample of the confidential survey form is also shown in Appendix C.
- ✍ **Declinee Interviews** – In addition to the above, BAE also conducted interviews with faculty who were offered positions, but declined employment with the CSU within the past two years. Campus representatives selected the list of potential interviewees and provided the last known contact information for each to BAE. Because a number of the potential declinees had moved or changed their telephone numbers, the total number of declinees interviewed was relatively small. The results obtained from this group, however, were fully consistent with all of the other data collected in the course of the study. A sample of the Declinee Interview Form and Confidential Survey is provided in Appendix D.
- ✍ **Market Gap Analysis** – BAE assessed the extent of the housing market affordability gap by comparing campus-specific household incomes (based on responses to the systemwide survey of recently-hired faculty and staff) with the cost of for-sale and rental housing currently available within the campus’ primary commute-shed (the area around the campus where, according to the responses obtained via the systemwide housing survey, the majority of respondents live). BAE analyzed data for recent home sales, current market rental rates, and rental vacancies for units in the areas where most recently-hired faculty and staff currently live. The home sales data was obtained through the subscription service, First American Real Estate Solutions (FARES), for the period April to June, 2001. Rental data was obtained through the subscription service RealFacts for Spring, 2001. To identify housing affordability gaps, BAE compared the distribution of these housing costs to the household income distributions for each major employment category and by the size of the employee household. For the purposes of this study, households with two or fewer members were classified as “small” and households with three or more members were classified as “large.”

In total, BAE interviewed, either individually or in focus groups, a total of 284 people: 97 administrators and search committee chairs, 102 recently-hired faculty, 49 recently-hired “hard-to-hire” staff, and 36 candidates who were offered positions, but declined employment with the CSU. A breakdown of the study participants by campus is provided in Appendix A.

Housing Issues by Campus

Not surprisingly, the cost of housing was found to be an important recruitment obstacle at nearly every CSU campus in this study. In Table 1, the CSU campuses are grouped according to the results of the market gap analysis conducted by BAE. This gap analysis compared the household income distributions of survey respondents to recent home sale prices and rental rates in the area surrounding each campus.

Among the participating campuses, San Francisco State and CSU Hayward have the largest housing affordability gaps in the study. These campuses were characterized as located in “Very Low Affordability” markets. Focus groups and interviews with deans, chairs, recently-hired faculty, hard-to-hire staff, and declines confirmed that high housing costs have been a barrier to successful recruitment at these campuses. San Francisco and CSU Hayward study participants reported that:

- ✍ The high cost of housing has reduced the size of candidate pools.
- ✍ Third and lower choice candidates are often hired because first and second choice candidates refuse offers of employment due to the high cost of housing.
- ✍ The high cost of housing is a significant obstacle to recruitment that often results in having to repeat a search if an appropriate candidate is not hired. Repeating searches and having unfilled tenure/tenure track faculty positions increases the committee work and other service requirements for existing faculty.
- ✍ Many recently-hired faculty and staff plan to leave the campus because of high housing costs.

At the other end of the housing market spectrum, CSU Chico, Fresno and Sacramento have relatively affordable housing in relation to household incomes of faculty and staff. These campuses were characterized as “Highly Affordable” for purposes of this study. Deans, chairs, recently-hired faculty and hard-to-hire staff all viewed the cost of housing as an attractive feature for candidates considering these campuses. By California standards, relatively affordable housing markets allow these campuses to compete successfully for faculty candidates from other areas of the country, both inside and outside of California.

However, most campuses fall between these two extremes. San Marcos, Cal State LA, San Diego State and Fullerton, Cal Poly Pomona, Northridge and Dominguez Hills have housing affordability gaps that make it particularly difficult to recruit certain candidates such as single faculty and staff, faculty and staff with large families, and employees in households earning less than \$50,000 annually. According to study participants, these campuses primarily attract faculty and hard-to-hire staff with pre-existing connections to the local area, such as family or friends who live nearby. These personal connections often facilitate decisions to join the CSU campus, overriding other considerations such as the teaching load, housing costs, and salary. These campuses have been characterized as either “Marginally Affordable” (i.e., roughly 25 percent of households are unable to purchase a single family home, but most can afford a condominium) or “Moderately Affordable” (i.e., most households can afford to purchase a single family home, but they must choose from a relatively small selection of options). Table 1 provides a summary of the findings from the market gap analyses developed for each campus.

Table 1: Summary CSU Housing Market Gap Analysis

Campus		Median Price	Median Size	Median price/sq ft	Housing Affordability Gap for CSU Employee Households
Very Low Affordability Housing Markets		Campuses with a majority of households who are unable to purchase or rent affordable housing			
San Francisco	Single Family Home	\$ 515,000	1,478	\$ 419.34	Fifty-eight percent of SF State's small households and 61 percent of large households cannot afford to purchase any housing unit (condo or single family home) in the primary commute shed. Households earning more than \$100,000 in annual income can afford to purchase housing. Seventy percent of small households and 78 percent of large households cannot afford the average rent in the area.
	Condo	\$ 499,000	1,127	\$ 495.35	
	Rental Units	\$ 2,316*	807	\$ 2.87	
Hayward	Single Family Home	\$ 355,000	1,414	\$ 276.31	Thirty-eight percent of CSU Hayward small households and 33 percent of large households (those earning less than \$50,000) cannot afford to purchase any housing unit (condo or single family home) in the primary commute shed. Forty percent of small households and 35 percent of large households cannot afford the average rent in the area.
	Condo	\$ 250,000	1,016	\$ 257.08	
	Rental Units	\$ 1,534	828	\$ 1.85	
Marginal Affordability Housing Markets		Campuses with a moderate percentage of households unable to purchase single-family housing or find affordable rental units			
San Marcos	Single Family Home	\$ 279,000	1,844	\$ 178.46	Fifty percent of CSU San Marcos' small households and 18 percent of large households (Those earning less than \$50,000) can afford to purchase only eight and one percent respectively of single-family homes in the primary commute shed. Twenty-five percent of small households and 18 percent of large households cannot afford the average rent in the area.
	Condo	\$ 183,000	1,231	\$ 166.02	
	Rental Units	\$ 942	856	\$ 1.10	
Fullerton	Single Family Home	\$ 245,000	1,585	\$ 173.06	Twenty-seven percent of small CSU Fullerton households and 20 percent of large households (those earning less than \$50,000) can afford to purchase only 12 and three percent respectively of single-family homes in the primary commute shed. Roughly 15 percent of small and large households cannot afford the average rent in the area.
	Condo	\$ 154,000	1,081	\$ 145.71	
	Rental Units	\$ 973	828	\$ 1.18	
Northridge	Single Family Home	\$ 250,000	1,673	\$ 173.66	Eighteen percent of large CSU Northridge households (those earning less than \$50,000) can afford only four percent of single-family homes in the commute-shed. Thirty percent of small households (those earning less than \$50,000) can afford 11 percent of single-family homes. Seventy-eight percent of small households and 81 percent of large households can afford the average rent of small and large units respectively.
	Condo	\$ 139,000	1,241	\$ 124.11	
	Rental Units	\$ 1,073	829	\$ 1.29	
San Diego	Single Family Home	\$ 255,000	1,452	\$ 210.00	Twenty-nine percent of San Diego State's small households and eight percent of large households (those earning less than \$50,000) can afford to purchase only 19 and five percent respectively of single-family homes in the primary commute shed. Roughly 21 percent of small and eight percent of large households cannot afford the average rent in the area.
	Condo	\$ 175,000	1,049	\$ 190.00	
	Rental Units	\$ 1,074	847	\$ 1.27	
Los Angeles	Single Family Home	\$ 267,000	1,514	\$ 201.81	Fouty-four percent of CSULA's small households and 15 percent of large households (those earning less than \$50,000) can afford to purchase 25 percent and eleven percent of single-family homes respectively. Forty percent of small households cannot afford the average rent in Los Angeles County. Larger households encounter fewer affordability problems.
	Condo	\$ 164,000	1,218	\$ 147.59	
	Rental Units	\$ 1,186	854	\$ 1.39	

Table 1: Continued

Campus		Median Price	Median Size	Median price/sq ft	Housing Affordability Gap for CSU Employee Households
Moderate Affordability Housing Markets		Campuses with employee households that encounter some difficulty in locating affordable single-family homes.			
Pomona	Single Family Home	\$ 201,000	1,580	\$ 147.13	Thirty-four percent of Cal Poly Pomona's small households and 21 percent of large households (those earning less than \$50,000) can afford to purchase 49 and 18 percent respectively of single family homes in the primary commute shed. Roughly 30 percent of small and six percent of large households cannot afford the average rent in the area.
	Condo	\$ 135,000	1,226	\$ 115.41	
	Rental Units	\$ 915	881	\$ 1.04	
Dominguez Hills	Single Family Home	\$ 220,000	1,380	\$ 202.28	Fifty percent of CSUDH's small households and 19 percent of large households (earning less than \$50,000) can afford to purchase 40 and 25 percent, respectively, of single-family homes in the primary commute shed. Fifty percent of small households fall within this income range, but only 45 percent of units are affordable to them. In addition, 42 percent of small households cannot afford the average rent in the area.
	Condo	\$ 235,000	1,338	\$ 195.36	
	Rental Units	\$ 1,186	854	\$ 1.39	
High Affordability Housing markets		Campuses with a large majority of employee households who can afford a wide array of housing options.			
Sacramento	Single Family Home	\$ 145,000	1,347	\$ 120.88	Twenty-six percent of small CSU Sacramento households (those earning less than \$50,000) can afford 77 percent of small units. Twenty-two percent of large households (those earning less than \$50,000) can afford 63 percent of large units. Ninety-five percent of small households and 94 percent of large households can afford the average rent of small and large units respectively.
	Condo	\$ 79,500	994	\$ 94.21	
	Rental Units	\$ 745	820	\$ 0.91	
Chico	Single Family Home	\$ 151,500	1,560	\$ 110.21	Forty-nine percent of small Chico State households (those earning less than \$50,000) can afford 93 percent of small units. Thirty-nine percent of large households (those earning less than \$50,000) can afford 57 percent of large units. Ninety-two percent of small households and ninety-one percent of large households can afford the average rent of small and large units respectively.
	Condo	\$ 74,000	1,035	\$ 97.84	
	Rental Units	\$ 778	850	\$ 0.92	
Fresno	Single Family Home	\$ 112,500	1,602	\$ 78.67	Thirty-eight percent of small CSU Fresno households and 33 percent of large households (earning less than \$50,000) can afford to purchase 94 and 80 percent respectively of housing units (condo and single family homes) in the primary commute shed. Less than two percent of small and three percent of large households cannot afford the average rent in the area.
	Rental Units	\$ 541	892	\$ 0.61	

*Note: rental rates are average rents per month

Chancellor's Office Housing Survey, 2001; First American Real Estate Solutions, 2001; BAE, 2001

Campuses with “Very Low Affordability” housing markets have high median home prices (between \$355,000 and \$515,000) and high average rents (between \$1,500 and \$2,316). At these campuses, San Francisco and Hayward, a significant segment of the population cannot afford to purchase a home or find an affordable rental unit in the primary commute-shed. The primary housing issues for employees at these campuses are:

- ✍ All new faculty and hard-to-hire staff experience extreme difficulty locating and affording rental or ownership housing.
- ✍ Only households with higher incomes can afford to purchase homes.
- ✍ Some faculty live with friends or family in order to find affordable housing options; while grateful for the assistance, some of these faculty noted that such arrangements make them feel insecure.
- ✍ Single faculty and faculty with larger families either find creative housing solutions (e.g., living in subsidized city housing or sharing residences) or devote a disproportionately large portion of their household income to housing.
- ✍ Many faculty pursue summer teaching, other moonlighting opportunities, or have a highly-paid working spouse or partner to increase household income in order to afford housing.
- ✍ Commuting distance and time are important issues for homeowners. Many recently-hired faculty and staff homeowners accept long commute distances in order to afford a home and regularly spend in excess of one to two hours per day commuting to their campus.

Campuses in “Marginally Affordable” housing markets have median home prices of around \$250,000 and average rents of around \$1,000 per month. At these campuses (Los Angeles, Fullerton, Northridge, San Marcos and San Diego), a smaller percentage of households are unable to purchase a single-family home or find an affordable rental unit within the primary commute-shed. Most households can afford to purchase a condominium. The primary housing issues for employees at these campuses are:

- ✍ Most faculty and hard-to-hire staff experience a challenging housing search.
- ✍ The high cost of housing is a strain on household finances.
- ✍ Some apparently affordable neighborhoods within reasonable commuting distance of campus often have other attributes that diminish their overall desirability and effectively eliminate them as viable areas in which to own a home.
- ✍ Recently-hired faculty have a very difficult time locating acceptable, affordable rental housing. Most recently-hired faculty who are currently renting would like to purchase a home, but cannot afford to save for the down-payment.
- ✍ Commuting distance and time are important issues for homeowners. Most recently-hired faculty and staff homeowners live outside the normal commute distance in order to find a desirable neighborhood and regularly spend 45 minutes or more commuting to their CSU campus.

The San Marcos analysis was especially interesting. While average housing prices in the northern San Diego County market are not nearly as high as they are in a “Very Low Affordability” region such as the San Francisco area, the market gap analysis for the San Marcos campus, surprisingly, revealed many of the same “Very Low Affordability” characteristics. This is especially surprising in light of the fact that the San Marcos campus has one of the highest rates of faculty homeownership in the CSU System (90

percent). There appear to be two factors contributing to this result. First, the area around San Marcos has experienced a very sharp increase in housing costs (31 percent) in the past two years due to rapid urbanization, the development of many large, expensive, new homes and the overall desirability of the area. And second household incomes in the San Marcos area are, not surprisingly, lower than they are in the San Francisco Bay Area.

Campuses in “Moderately Affordable” housing markets have median home prices of about \$225,000 and average rents of \$1,000 per month. At these campuses (Pomona and Dominguez Hills), most households can afford to purchase both single-family homes and condominiums, but many households must choose from a limited supply of affordable single-family homes. Faculty focus groups at campuses in this category did not find housing as affordable as the market gap analysis suggested. One possible reason for this divergence was that the market gap analysis did not attempt to evaluate the desirability of the housing stock, just its affordability. In other words, the focus group participants were, in effect, relating that some fraction of the “affordable” housing stock was, in reality, either “undesirable” or “unacceptable” for one reason or another and therefore, not a viable housing option. (This observation is also true of other market categories.) The primary housing issues for employees at campuses in markets characterized by the gap analysis as “moderately affordable” are:

- ✍ Many faculty and hard-to-hire staff experience a challenging housing search.
- ✍ Most recently-hired faculty felt that housing was not as expensive as perceived by outsiders, yet more expensive than the market gap analysis suggested. High housing costs are a financial burden on many recently-hired faculty households.
- ✍ Recently-hired faculty who are homeowners report frustration with long commutes, low quality schools, and the challenge of saving the required large down-payment.
- ✍ Participants describe the rental market as “very tough.” Most advertised rental units are either low quality or very expensive.
- ✍ Faculty at Cal Poly Pomona and Dominguez Hills commute longer distances overall than faculty in marginally affordable housing markets. Faculty focus group participants from these campuses indicated that they were unhappy with their housing options close to campus because of concerns about the neighborhood, the quality of the public school and the housing itself. The fact that faculty may be unhappy with neighborhoods that are near their campus and are choosing instead to live further from the campus, is another reason why the market gap analysis may, as noted by the focus group input, underestimate the extent of the housing difficulties being experienced by faculty at these campuses.

Finally, campuses in “Highly Affordable” housing markets have median home prices of less than \$150,000 and average rents of about \$600 per month. At these campuses (Sacramento, Chico, and Fresno), virtually all households can afford to purchase a single-family home or rent an acceptable housing unit. In addition, households in these markets can choose from a wide variety of affordable housing units.

Charts representing the four market characterizations, “Very Low Affordability,” “Marginal Affordability,” “Moderate Affordability” and “High Affordability” are provided in Appendix G.

Systemwide Survey

In February 2001, the Chancellor's Office conducted a systemwide survey of faculty and staff hired between 1/1/97 and 12/31/00. Systemwide, a total of 2,857 out of 7,000 surveyed employees responded to the voluntary survey, for an overall response rate of approximately 40 percent. In general, the results gathered through the systemwide survey were consistent with the findings of the focus groups, key informant interviews, market gap analysis and declinee interviews undertaken by BAE.

When grouped according to the results of the housing affordability gap analysis, campuses with similar housing affordability gaps had fairly consistent responses with regard to levels of dissatisfaction with their current housing, homeownership percentages, commute times, etc. The systemwide survey indicates that the more expensive the local housing market, the more likely faculty are:

- ✍ To have considered leaving CSU because of high housing costs,
- ✍ To express dissatisfaction with their current housing,
- ✍ To commute long distances,
- ✍ To rent rather than own their home, and
- ✍ To live in two income households.

Table 2 indicates that a higher percentage of faculty in less affordable communities have considered leaving the CSU because of high housing costs than those in the more affordable housing markets. (Note: This table includes campuses that did not participate in the Housing Needs Assessment, but were included in the systemwide survey. See the explanatory note at the bottom of the table.) For example, 82 percent of San Francisco State's faculty have considered leaving due to housing costs, compared with only five percent of CSU Bakersfield's faculty. Table 2 also indicates that a higher percentage of faculty in communities with very low affordability are dissatisfied with their current housing situation. San Francisco State has the highest percent of faculty who are dissatisfied with their housing (73 percent), while Bakersfield has the lowest percentage (20 percent).

Table 2: Percent of Faculty Considered Leaving CSU Because of Housing Costs, Percent Dissatisfied with Housing, Percent Homeowners

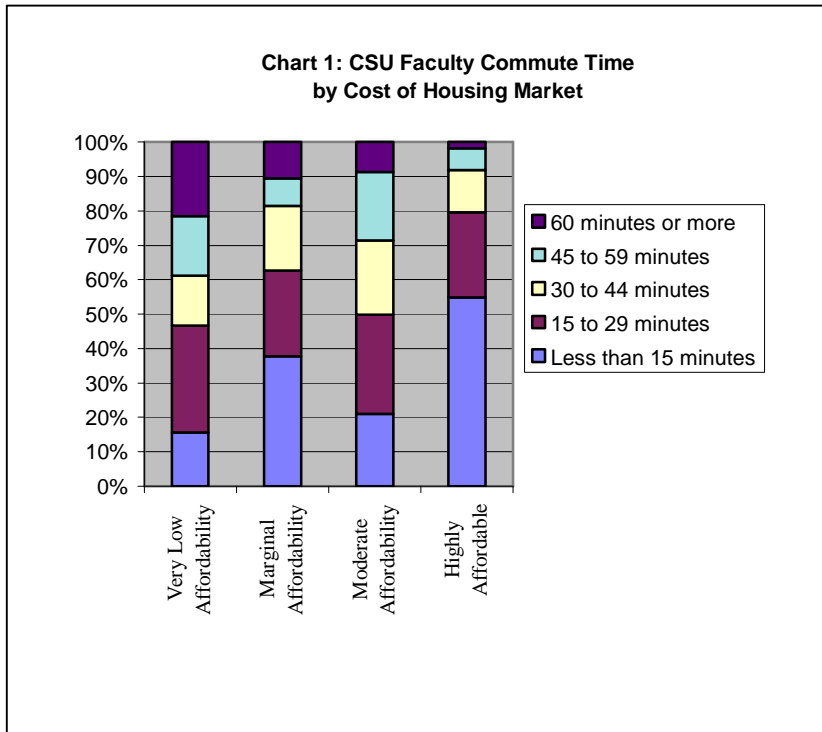
Campus	Considered Leaving CSU	Dissatisfied With Housing	Percent Homeowners
Very Low Affordability			
San Francisco State University	82%	73%	37%
<i>San Jose State University*</i>	79	67	39
CSU, Hayward	68	65	41
Marginally Affordable			
CSU, San Marcos	47	30	90
<i>Sonoma State University</i>	59	48	48
CSU, Fullerton	54	47	49
San Diego State University	36	40	62
CSU, Northridge	36	35	67
CSU, Los Angeles	36	32	48
Moderately Affordable			
Cal Poly University, Pomona	43	40	59
CSU, Dominguez Hills	43	29	54
<i>CSU, Long Beach</i>	36	41	50
Highly Affordable			
<i>CSU, San Bernardino</i>	44	33	65
<i>Cal Poly University, San Luis Obispo</i>	39	39	66
CSU, Sacramento	33	37	51
<i>CSU, Stanislaus</i>	23	23	64
CSU, Chico	22	29	59
<i>Humboldt State University</i>	17	33	57
CSU, Fresno	17	25	67
<i>CSU, Bakersfield</i>	5	20	58
Total	44	42	55

*Campuses in italics did not participate in the study, they have been placed in categories based on the percent of faculty who have considered leaving CSU, who are dissatisfied with their housing and their percent of homeownership, rather than through completion of a comprehensive market gap analysis.

Source: Chancellor's Office Housing Survey, 2001; BAE, 2001; n=964

Finally, Table 2 indicates that faculty living in very low affordability communities (San Francisco, San Jose, Hayward) have much lower homeownership rates than faculty who live in highly affordable communities (Fresno, Chico, San Bernardino).

Chart 1 illustrates that faculty in less affordable housing markets are much more likely to commute long distances and spend more time commuting than faculty who live in highly affordable housing markets.



Additional observations derived from the systemwide housing needs assessment survey are contained in charts and tables in Appendix F.

Housing Assistance Strategies

Focus group participants, deans and search committee chairs from most campuses developed a similar list of recommended housing assistance strategies. BAE has summarized the support for housing assistance strategies in Table 3. All CSU campuses would benefit from the development of detailed housing information packages for faculty and hard-to-hire staff candidates. In addition, campuses with housing affordability issues would also benefit from the establishment of a mechanism to actively assist newly hired faculty and staff in securing housing. Finally, campuses with very low housing affordability may benefit from the development of subsidized temporary and/or permanent faculty housing.

Table 3: Preferred Housing Assistance Strategies

Preferred Housing Assistance Programs	Very Low Affordable		Marginally Affordable					Moderately Affordable		Highly Affordable		
	San Francisco State	CSU, Hayward	CSU, San Marcos	CSU, Fullerton	CSU, Northridge	San Diego State	CSU, Los Angeles	Cal Poly Pomona	CSU, Dominguez Hills	CSU, Sacramento	CSU, Chico	CSU, Fresno
Provide permanent affordable limited-equity housing for incoming faculty and hard-to-hire staff.	XXX			XX								
Provide temporary affordable housing for incoming faculty and hard-to-hire staff, to allow them the chance to familiarize themselves with the area, save for a down payment, and settle into their university work.	XXX			XX				X			X	
Provide financial assistance to faculty and staff for home purchase. A forgivable down payment program received the most support, but university sponsored mortgage insurance, low-interest loans, and assistance with closing costs were also favored.	XXX			XX				XX				
Establish a faculty housing office, similar to that provided to students, which would provide housing leads, connect new faculty with existing faculty from different neighborhoods for questions about the neighborhood, provide information about schools, housing costs, crime, commuting times. Make real estate and mortgage broker referrals. Provide a university-wide subscription to rental listing services for new faculty members. Provide a matchmaking service to help faculty and staff locate potential partners for co-purchase or rental.	XXX			XX				XXX				
Develop a mechanism to provide faculty a cash advance to minimize the financial difficulties caused by high rental move-in costs	XX			XX								
Provide commuter assistance to faculty who have long commutes due to the lack of affordable housing (commuter subsidy, van pools, car pool matching, etc.)	XX			XX				XX				
Develop a standard package of detailed housing information for all faculty and staff candidates. Currently, information is provided by individual departments resulting in duplicated efforts and varying degree of information quality. The standard housing information package should include current housing costs, neighborhood descriptions, school and crime statistics, mortgage rates, as well as contact information and web-sites for real estate agents, mortgage brokers, and rental agencies.	XXX			XXX				XX			XX	

Source: BAE, 2001

Key: X = somewhat important, XX = important, XXX = very important

Recruitment Issues by Campus

Attraction Factors

Most campuses benefit from an array of attractive features which bring candidates to the CSU. Among these are:

- ✍ Location near friends and/or family,
- ✍ Employment opportunities for spouses or partners,
- ✍ Features of the community in which the campus is located, such as ethnic diversity, business mix, natural environment, and urban amenities such as the arts, sporting events and cultural events,
- ✍ Faculty collegiality, and
- ✍ Campus and/or department reputation.
- ✍ CSU's emphasis on teaching
- ✍ Job fit and job satisfaction

Table 4 summarizes the relative strength of each attraction factor based on interviews with recently-hired faculty and those involved in their recruitment including deans and search committee chairs. Among study participants, the most often-noted reason for accepting a position at a specific campus was its location, specifically its proximity to family and friends and employment opportunities for spouses and partners.

Table 4: Overall Attractive Factors by Campus

Campus	Campus location: near friends, family, spouse job opportunities	Urban Living: arts, ethnic diversity, activities	Emphasis on Teaching	Faculty Collegiality	Research Opportunities	Natural Environment	Campus Reputation	Business Community: research & consulting opportunities
Very Low Affordability Housing Markets								
San Francisco	XX	XX			X		X	
Hayward	XX	XX	X	X				
Marginal Affordability Housing Markets								
San Marcos	XX		X	XX		X		
Fullerton	XX	X		X	X			X
Northridge	XX	X	X		X		X	
San Diego	XX	X			X	X		X
Los Angeles	XX	XX	X					X
Moderate Affordability Housing Markets								
Pomona	XX		X	X	X		X	
Dominguez Hills	XXX	XX	X					
High Affordability Housing markets								
Chico			XX	XX		XX		
Sacramento		XX	X	X	X	X		
Fresno		X	XX			X	XX	
Overall Importance	26%	19%	14%	10%	8%	7%	7%	4%
Overall Ranking	1	2	3	4	5	6	7	8

Source: BAE, 2001

Key: BAE staff distributed 6 X's between each major attraction factor based on the compilation of interviews with dean's, search committee chairs, declines and faculty and staff focus group participants

In contrast to the factors which attract candidates to the CSU, most campuses face an array of issues, in addition to the high cost of housing, that make recruiting a challenge. Among them are:

- ✍ Teaching load,
- ✍ Salary,
- ✍ Research support and time,
- ✍ Facility quality, and
- ✍ Committee assignments and University service demands.

Among recently-hired faculty, the most-frequently mentioned recruitment obstacles were the high cost of housing and the teaching load. Recently-hired faculty seemed less concerned about current salaries, and BAE’s confidential survey (see Appendix C) found that many recently-hired faculty accepted positions at CSU for less salary than their next highest offer. Many of these faculty appear to have decided to join the CSU either for personal reasons, including being near family and friends and/or the focus of the University on quality teaching.

Table 5 indicates the relative importance of each recruitment issue for recently-hired faculty, by campus. Overall the teaching load, housing costs and salary are the most important issues, followed by time and funding for research, and the quality of facilities.

Table 5: Overall Recruitment Issues by Campus

Campus	Teaching Load	Housing Costs	Salary	Time for Research	Research Funding	Facilities	University Service Requirements	Distance from Urban Center
Very Low Affordability Housing Markets								
San Francisco State University	X	XX	X			X		
CSU, Hayward	XX	XX				X		
Marginal Affordability Housing Markets								
CSU, San Marcos		XX				X	XX	
CSU, Northridge	XX	X	XX		X			
San Diego State University		X		XX	X	X		
CSU, Fullerton	XX	X	X	X				
CSU, Los Angeles	X	XX	XX					
Moderate Affordability Housing Markets								
Cal Poly University, Pomona	XX	X		X	X			
CSU, Dominguez Hills	X		XX		XX			
High Affordability Housing markets								
CSU, Sacramento	XX		XX	X				
CSU, Chico	XX			XX				X
CSU, Fresno	XX			X				X
Overall	28%	18%	17%	13%	8%	7%	3%	3%
Overall Ranking of Issue	1	2	3	4	5	6	7	7

Source: BAE, 2001

Key: For each campus, BAE staff distributed 5 X's between major recruitment issues based on the compilation of interviews with dean's, search committee chairs, declinees and faculty and staff focus group participants.

However, for candidates who declined offers of employment with the CSU, low salary relative to housing costs, high teaching loads, and relatively few opportunities for research were all about equally important in their decision process. Most of these candidates chose to stay in their current position or accepted a new position with a higher salary, in an area with lower housing costs or with a greater emphasis on research. CSU administrators and search committee chairs consistently expressed their opinion that the high cost of housing

and salaries are the most important inhibitors to recruitment success, followed by the teaching load and the reduced emphasis on research.

The Recruitment Process

All campuses identified opportunities to improve the recruitment process at their campus. During the course of this study, BAE interviewed nearly 100 deans and search committee chairs and over 150 recently-hired faculty and staff, who generated the following list of recommended improvements to the recruitment process:

Before the Campus Visit

- ✍ Assess the market for a particular position before the initiation of the recruitment process in order to formulate a competitive offer package.
- ✍ Advertise available positions aggressively and start the process early in the year in order to make timely offers so that candidates are not lost to other universities.
- ✍ Proactively “shop” for faculty candidates at annual conferences and through contacts, rather than waiting for faculty to respond to advertisements.
- ✍ Reduce the quantity of documents to be submitted by candidates prior to the interview; require interviewed candidates to complete the more extensive document submittals.
- ✍ Educate search committee chairs about housing costs because many of the people responsible for recruiting often have not been in the local housing market for years.
- ✍ Schedule campus interviews so that candidates can stay the weekend to explore the area and its housing options.

During the Campus Visit

- ✍ Encourage more faculty and students to attend candidate presentations.
- ✍ Provide more time for the candidate interviews so that candidates do not have to “be ‘on’ for 10 hours straight.”
- ✍ Provide a standardized, thorough, and honest overview of the housing issues/costs.
- ✍ Describe the salary range clearly at the interview and make sure that the candidate knows that being hired at the top of the salary range is rare.

After the Campus Visit

- ✍ Provide a solid offer package detailing salary, teaching load, start-up funding, summer stipend, benefits, etc.
- ✍ Simplify the process whereby candidates are reimbursed for expenses incurred during the campus visit.
- ✍ Provide the formal written offer from the University as quickly as possible.
- ✍ Provide information to candidates about housing, neighborhoods, commuting and cost of living in the area. Provide a real estate contact for candidates who accept positions.
- ✍ Allow a standard period of time, five days for example, for faculty to consider a CSU offer.

After an Offer has been Accepted

- ✍ Provide a relocation reimbursement that more nearly matches the actual cost of relocating to or within California.
- ✍ Simplify the reimbursement process for moving costs.
- ✍ Provide better information on housing costs and neighborhoods to ease the transition into the new community for recently-hired faculty.
- ✍ Provide a comprehensive orientation for new employees, including a campus tour, housing information, a mentor program, an introduction to the campus culture and people from their division/department, a thorough explanation of benefits and a description of how to use the campus facilities.
- ✍ Provide temporary (transitional) affordable faculty housing.
- ✍ Provide a housing subsidy or some form of meaningful housing assistance.

Overall

- ✍ Streamline the recruitment process to ensure that candidates are not unnecessarily discouraged from applying for a position.
- ✍ Benchmark the CSU against other universities to identify best recruitment practices.
- ✍ Keep candidates informed throughout the various stages of the recruitment process and especially after the campus visit.
- ✍ To gain a better understanding of the underlying issues that affect faculty attraction and retention, hire a third party to interview declines and faculty who leave the campus.

Retention

Overall, according to interviews with deans and search committee chairs, the CSU experiences relatively low turnover among faculty and hard-to-hire staff. However, CSU campuses in high housing cost areas have more serious retention issues than the CSU as a whole. Campuses such as San Francisco State and Hayward are currently experiencing relatively high rates of turnover by CSU standards among faculty, hard-to-hire staff, and senior administrators. During campus visits, focus group participants often lamented that they simply could not afford to live in the area long-term. For these campuses, the high cost of housing outranks all other retention issues by a large margin.

Overall, the most-frequently mentioned issues affecting retention included:

- ✍ The high cost of housing,
- ✍ The teaching load,
- ✍ Alternative opportunities at other universities, particularly for top faculty who publish,
- ✍ Personal issues,
- ✍ Salary, and
- ✍ More favorable research opportunities.

Less frequently mentioned retention issues included:

- ✍ Frequent administrative tasks, significant committee work,
- ✍ Inability to exercise a full voice in the affairs of the University,
- ✍ Departmental politics,
- ✍ The slow pace of decision-making,
- ✍ Urban sprawl and pollution,
- ✍ Commute distance and time, and
- ✍ Limited PhD programs.

Conclusions

CSU campuses in very expensive housing markets such as the San Francisco Bay Area are experiencing a very significant recruitment and retention challenge as a consequence of the high cost of housing in the area. At these campuses, the cost of housing overwhelms other recruitment obstacles. These campuses should consider implementing a range of solutions including:

- ✍ Developing comprehensive housing information packets for all potential faculty and staff candidates,
- ✍ Devoting campus resources to actively assist faculty in locating and securing acceptable housing,
- ✍ Developing university-owned affordable, temporary and permanent faculty housing, and,
- ✍ Exploring supplemental income strategies with the Chancellor's Office.

CSU campuses in the LA Basin and San Diego, with relatively expensive housing markets compared to the rest of the county, are also experiencing a significant obstacle to successful recruiting because of high housing costs in combination with salary, workload and other issues. As with their counterparts in the San Francisco Bay Area, these campuses should provide housing information to all candidates, devote resources to actively assist faculty in locating and securing acceptable housing and investigate the value of developing at least, temporary (transitional) faculty housing to assist recently-hired faculty transition into the local housing market.

CSU campuses in affordable housing markets in the Central Valley and the North Coast of California probably enjoy a recruitment benefit by virtue of their lower housing costs relative to other regions of California. Since few of these campuses were studied for this report, BAE must emphasize that these campuses may face other, equally significant recruitment barriers, such as less extensive employment opportunities for spouses and partners, rural locations, etc. Nevertheless, these campuses should also develop campus-specific housing information packets to distribute to faculty and hard-to-hire staff candidates in order to counteract the stereotype of high housing costs, to improve the effectiveness and efficiency of providing this service to prospective employees and assist recently-hired faculty with their house search.

As the Office of the Chancellor further considers various housing programs, it should consider completing a cost/benefit analysis to determine the desirability, viability and constraints associated with the various types of housing assistance programs that could be implemented for the CSU system. Possible programs to analyze include, but are not limited to: university-sponsored mortgage insurance, down-payment loans and/or assistance, reduced interest mortgage rates, and housing development grants to housing impacted campuses. A targeted program that benefits high housing cost areas will have a bigger impact on recruitment and retention for those campuses than a systemwide program that spreads the benefit across all campuses regardless of their specific housing situation. Sample housing assistance programs developed by other public institutions and private companies are briefly discussed in Appendix E. Some of these programs are

currently being offered or are under development on CSU campuses where the need is high and land, or other necessary resources, are available.

Additional Study Recommendations

This study accomplished its goal of attempting to develop a deeper understanding of the impact of housing costs on recruitment and retention. The results of this work quantified and documented some of the issues directly and indirectly related to the impact of the cost of housing. Because of the enduring nature of the problem and the significant recruiting that will be conducted over the next several years, it is clear this will not be the last such study undertaken by the CSU. Accordingly, BAE offers the following observations relating to future housing studies:

- ✍ Before moving forward on specific real estate projects, each campus should complete a market analysis for any proposed limited-equity faculty housing or affordable, temporary faculty housing project. A market analysis will quantify the current supply of surrounding competitive properties, current demand by CSU faculty, preferred project amenities and target rental/mortgage payments for potential project occupants.
- ✍ Because of the high level of recruiting the CSU will be undertaking over the next decade, the Chancellor's Office, in conjunction with campuses, should consider developing a more extensive recruiting database so that trends can be revealed and responded to in a timely manner.
- ✍ Future surveys of CSU employees should seek to identify household income levels in smaller income intervals. The income intervals used in this study were derived from the recently-completed systemwide survey of recently-hired faculty, management, and support staff. The large intervals, \$25,000, almost certainly obscured some important information relating to housing affordability.
- ✍ If possible, future housing studies involving significant numbers of campus contacts should be conducted during the academic year, rather than over the summer as this one was. Conducting the study during the academic year would facilitate the logistics of the study, allow more campus individuals to participate and increase access to declines.

Appendix A: Study Participants

Table 6: CSU Campus Interviews

Campus	Administrators	Faculty	Staff	Declinees	Total
Chico	6	6	4	0	16
Dominguez Hills	10	9	0	2	21
Fresno	4	6	2	0	12
Fullerton	13	9	10	5	37
Hayward	9	17	6	4	36
Los Angeles	6	8	7	0	21
Northridge	5	6	2	1	14
Pomona	10	19	0	10	39
Sacramento	8	4	2	4	18
San Diego	8	5	0	1	14
San Francisco	9	7	6	6	28
San Marcos	9	6	10	3	28
Total	97	102	49	36	284

Source: BAE, 2001

Appendix B: Key Informant Interview Guide

Interview Guide for Deans and Search Committee Chairs

1. Tell me briefly about your position and how you are involved in recruitment efforts.
2. What are the key factors that positively and negatively influence your ability to attract new faculty? How about hard-to-hire staff?
3. Tell me about a recent recruitment process that was successful/unsuccessful. Why was it successful/unsuccessful? Why was CSU chosen/not chosen by the candidate?
4. What could be done to improve the success of your recruitment efforts (at the department, campus, and system levels)?
5. What percent of the time do you get first or second choice in your recruitment efforts? How often are you unable to fill a position, because you cannot find a qualified candidate vs. when you can find but cannot hire a qualified candidate?
6. Which universities/colleges/employers are you competing against to attract new hire faculty? What about hard-to-hire staff?
7. For faculty and hard-to-hire staff that chose competitors, why do they chose those competitors?
8. Do you have a sense that potentially qualified candidates do not apply to the CSU specifically because of (or the perception of) the cost or unavailability of housing? If so, describe. How big an issue do you think this is?

Housing Questions

9. Do recruitment candidates ask about housing?
10. Is housing a factor in your recruitment efforts? How important is it?
11. Can you give some examples of how it impacted your recruitment efforts for faculty? What about for hard-to-hire staff?
12. What are the three most important housing issues for new hires/recruits?
13. What programs could CSU put in place to address these housing issues?
14. Do you have any housing assistance programs now? For example do you provide any special materials to candidates to address housing issues?

Retention Questions

15. Is retention of faculty, hard-to-hire staff, new hires an issue?
16. What is your employee turnover rate for faculty? Hard-to-hire staff? New hires?
17. What are the key factors affecting retention of faculty, hard-to-hire staff, new hires?
18. Do housing issues affect retention? Which ones?
19. Do you think that faculty/hard-to-hire staff have left CSU because of housing issues?
20. Is there something that we should have asked you about but didn't?
21. Do you have any last comments/recommendations/questions?

Appendix C: Focus Group Guide and Confidential Survey

Focus Group Questions: Recently-Hired CSU Faculty and Hard-to-Hire Staff

Recruitment Questions

1. Briefly discuss your recruitment experience when you came here to the university. Pick one thing that was good about the experience and one thing that could have worked better about the recruitment process itself.
2. What could your department or this university do to make recruitment efforts more successful? What could the Chancellor's Office do?
3. Why did you choose to come to CSU? What factors influenced you the most in your decision?

Housing Questions

4. Were you adequately informed regarding housing issues when you decided to accept the position? How did you obtain the information you did have?
5. Was housing an important factor when you choose to come to CSU? Why or why not? How did it impact your decision to join CSU, if at all?
6. For renters, tell us about your housing search when you came to this area. Easy? Hard? Now for homeowners, tell us about your housing search when you came to this area?
7. What are your main housing concerns?
8. What could the University do to help address these issues?
9. Of the solutions we just outlined, which ones would have been most helpful when you first came to CSU?

Retention

10. What factors would or have influenced you to considered leaving the university?
11. For faculty or hard-to-hire staff who have left the university, do you know why they left?
12. Is there anything that we missed? Is there anything that you came wanting to say that you didn't get a chance to say?

Appendix C: (Continued)
Faculty and Staff Confidential Survey

Your individual data will be held completely confidential. Summary data will be incorporated into campus level and CSU wide reports on recruitment, retention and housing.

1. Since coming to CSU, have you considered leaving the university?
 ___yes ___no
 Why or why not?

2. How many offers did you receive during your job search?
 _____ Total number of offers (including CSU)

Please complete the form below which compares CSU's offer with that of your other top choice. Please indicate the name of your other top offer employer (whether or not it was by an educational institution or other employer). If you did not receive an offer from any employer besides CSU, please leave the second column blank.

	CSU Campus: (location) _____	Other top offer (name of employer): _____	Check top 3 influences of decision
1. Job Title			
2. Annual Salary	\$	\$	
3. Retirement/health benefits	high average low	high average low	
4. Please describe other benefits: (e.g. bonus, housing, relocation costs, research stipend, etc.) and dollar value of benefit.	Benefit type: Dollar value: \$ _____ Benefit type: Dollar value: \$ _____	Benefit type: Dollar value: \$ _____ Benefit type: Dollar value: \$ _____	
5. Work Load (4/4 or 2/2) (Please describe)			
6. Which job has the better fit/satisfaction? Check one			
7. Which employer provides better research opportunities & support?			
8. Which employer has a better reputation?			
9. Which location offers a higher quality of life?			
10. Do you have personal connections to the area? (Please describe)			
11. Was spouse's job options a consideration? (please describe)			
12. Cost of living	high average low	high average low	

Appendix D: Declinee Interview Form and Confidential Survey

Declinee Interview Questions:

1. Briefly discuss your recruitment experience when you came to the CSU campus. What was good about the experience? What was bad about it?
2. Why did you choose not to come to CSU? What three factors influenced you the most in your decision?
3. Was housing cost or availability an important factor? Why or why not? How did it impact your decision not to join CSU, if at all?
4. Could the University have done something to help address these issues during the recruitment process and thereby could they have changed your decision? What could the university have done?
5. How would you compare your CSU offer with the offer you accepted?

	CSU Campus:	Other top offer (name of employer):_____	Top 3 influences
1. Job Title			
2. Annual Salary	\$	\$	
3. Work Load (4/4 or 2/2) (Please describe)			
4. Which job has the better fit/satisfaction? Check one			
5. Which employer provides better research opportunities/support?			
6. Which employer has a better reputation?			
7. Which location offers a higher quality of life?			
8. Do you have personal connections to the area? (Please describe)			
9. Was spouse job options a consideration? (please describe)			
10. Cost of living	high average low	high average low	
11. Other _____ _____			

6. Would you consider the CSU in the future?
7. Is there anything that we missed? Is there anything that you want to say about the CSU recruitment process that you didn't get a chance to say?

Appendix E: Examples of Employer Housing Programs

Public institutions and private companies throughout the country have recognized that high housing costs limit their ability to attract top candidates and increase employee turnover. Many of these employers have developed programs to assist their employees with housing costs. For example, the University of California offers a number of mortgage assistance programs for faculty. One such program authorizes the granting of special housing allowances to assist new professors with down-payments, mortgage payments, and other related housing costs. In addition, the UC Berkeley, Davis, Irvine, Los Angeles, Santa Barbara, and Santa Cruz campuses have developed for-sale housing on land owned by the University and ground-leased to the home-buyer. All units have resale restrictions that control price and determine eligibility for new buyers, and thus maintain the developments as long-term affordable housing resources for UC faculty. The University of California has developed a total of 859 units as of June, 2000.

Other large employers who have implemented housing assistance programs include: Colgate-Palmolive, the First Federal Savings and Loan Bank of Raleigh, North Carolina, Mutual Benefit Life, the University of Pennsylvania, Tulane University, Georgia Tech University, and Health Midwest. In addition, Fannie Mae (FNMA) offers technical assistance to employers developing an employer-assisted housing plan. Fannie Mae helps employers identify lender partners, provide employees with homebuyer education, and craft an effective homebuyer assistance program for their employees.

The CSU has also begun to explore housing assistance programs for its employees. CSU, Channel Islands, San Francisco State, and CSU Monterey Bay all have developed either for-sale housing or rental units for faculty and staff at below-market rates. Fullerton, San Jose State, and Cal Poly San Luis Obispo are currently in the process of developing housing for employees and other campuses are at various stages of evaluation based on the magnitude of the perceived need.

Appendix F: Additional Tables and Charts

Chart F-1 reveals that CSU faculty who teach at campuses in expensive housing markets have higher household income than faculty who teach at campuses in highly affordable housing markets.

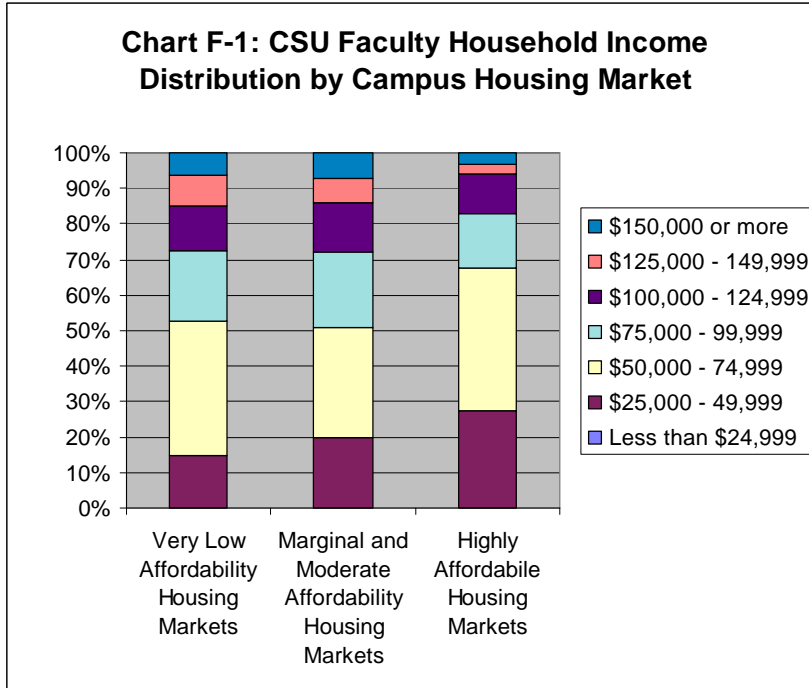


Table F-1 shows that in recent years CSU campuses in urbanized areas have hired a higher percentage of faculty who already lived in the area than campuses located in less urbanized areas. This result may be the result of two forces:

- ? Large urban areas are more likely to have qualified candidates who already live in the area and,
- ? Campuses in urban areas have a more difficult time attracting candidates from outside their immediate area because of their relatively higher housing costs.

Table F-1: Percent of faculty who already lived in area prior to accepting CSU position

Campus	Already lived in Area
Low Affordability	
San Francisco State University	31.7%
San Jose State University	37.3
CSU, Hayward	13.5
Marginally Affordable	
CSU, Northridge	46.7
Sonoma State University	22.2
CSU, Fullerton	23.6
CSU, San Marcos	20.6
San Diego State University	21.3
CSU, Los Angeles	48.0
Moderately Affordable	
CSU, Dominguez Hills	42.9
Cal Poly University, Pomona	32.5
CSU, Long Beach	25.9
Highly Affordable	
CSU, Sacramento	20.6
CSU, San Bernardino	18.6
CSU, Stanislaus	14.3
CSU, Chico	3.9
CSU, Fresno	8.7
Cal Poly University, San Luis Obispo	5.9
Humboldt State University	16.7
Total	23.6

Source: Chancellor's Office Housing Survey, 2001; BAE, 2001; n=922

Chart F-2 shows that overall, faculty who relocated to accept a position had lower household incomes than faculty who did not relocate. This is probably because the majority of relocating faculty moved to lower cost campuses and are less likely to have a working spouse (see also Table F-2).

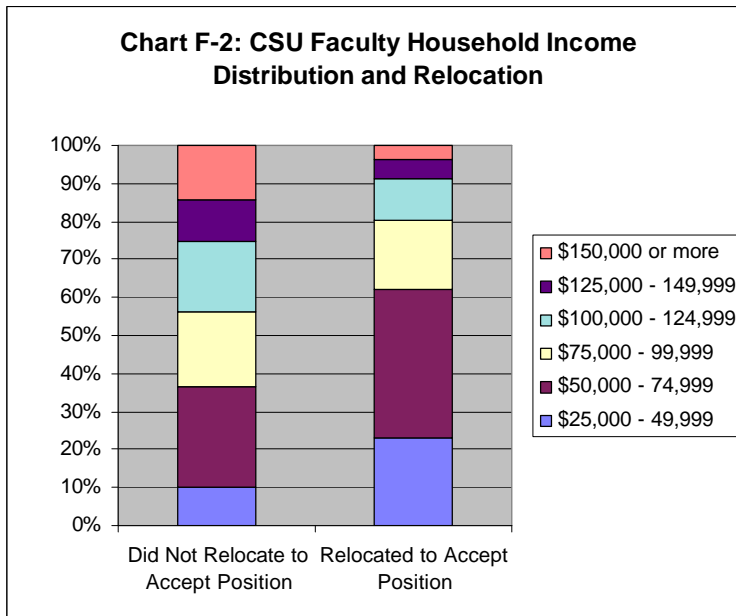


Table F-2 reveals that faculty households in urban campuses with low housing affordability are generally more likely to have two or more incomes.

Campus	Two or More Incomes
Very Low Affordability	
San Francisco State University	68%
San Jose State University	56%
CSU, Hayward	56%
Marginally Affordable	
CSU, San Marcos	67%
CSU, Northridge	68%
CSU, Los Angeles	55%
CSU, Fullerton	60%
San Diego State University	52%
Sonoma State University	41%
Moderately Affordable	
Cal Poly University, Pomona	67%
CSU, Dominguez Hills	46%
CSU, Long Beach	57%
Highly Affordable	
CSU, San Bernardino	58%
Cal Poly University, San Luis Obispo	52%
CSU, Chico	51%
CSU, Sacramento	61%
CSU, Stanislaus	50%
CSU, Fresno	43%
Humboldt State University	33%
Total	57%

Source: Chancellor's Office Housing Survey, 2001; BAE, 2001; n=962

Table F-3 shows that CSU faculty who own their home are both more likely to be satisfied with their housing situation than renters, and less likely to have considered leaving the CSU because of housing issues.

	Considered Leaving CSU	Satisfied with housing
Homeowners	31%	79%
Renters	61%	30%
Total	44%	57%

n = 964

The more expensive the housing market, the more likely it is that faculty who currently rent their housing will be unable to afford the down-payment for a house. Table F-4 shows the magnitude of this effect at campuses in expensive housing markets.

CSU Campus	Can't afford down-payment	Can't afford monthly payment	Other debts too high	Other financial reason	Total Financial Reasons
San Jose State University	31	27	3	4	66
<i>San Francisco State University</i>	28	30			58
CSU, Hayward	27	24	5		57
<i>Sonoma State University</i>	11	26	7		44
CSU, Fullerton	21	15	1	3	40
CSU, Los Angeles	20	8	8		36
CSU, Sacramento	10	15	7		32
CSU, Long Beach	16	11		2	30
<i>CSU, San Bernardino</i>	14	9	2	2	28
CSU, Northridge	13	12		1	27
San Diego State University	12	14	1		26
<i>Cal Poly University, San Luis Obispo</i>	8	13	4		25
Cal Poly University, Pomona	13	3	8		23
<i>Humboldt State University</i>	7	7	7		20
CSU, Chico	12	6	2		20
CSU, San Marcos		3	7		10
CSU, Fresno	4		4		8
Total	15	14	3	1	33

Source: February 2001 Housing Survey, CSU Chancellor's Office; BAE, 2001

Appendix G: Sample Housing Affordability Charts

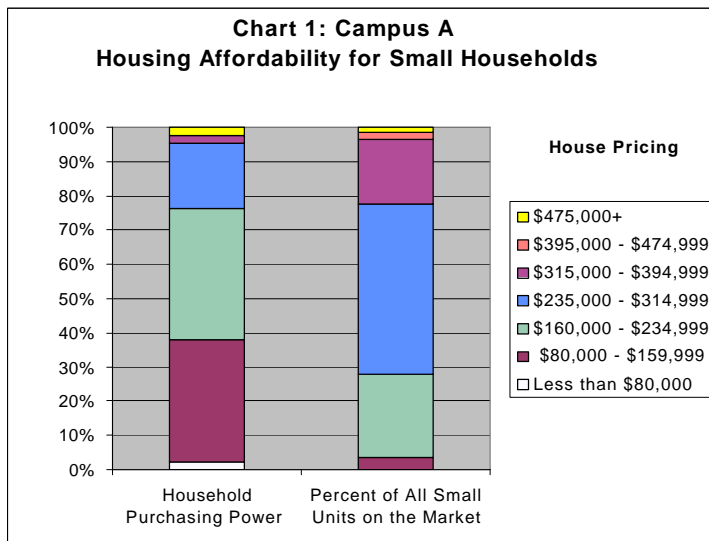
The following charts provide a comparison of housing markets of “Very Low Affordability,” “Marginal Affordability,” “Moderate Affordability,” and “High Affordability.”

When reading the charts, the “Purchasing Power” bar describes the percent of households that can purchase a home in each price range. Purchasing power is a direct function of household income. The bar on the right describes the distribution of actual home prices in the campus commute-shed.

To use these charts, first select a housing price range of interest, for example, the third category from the bottom in the housing prices legend shows houses priced between \$160,000 and \$234,999. Then, by looking at the bar on the right, note that 28% of the houses in the market are priced within or below this price range. Next, find the corresponding shaded area on the bar showing household purchasing power. In Chart 1: Campus A (“Very Low Affordability”), for example, the third shaded band from the bottom, which extends from approximately 38% to approximately 75%. The difference between these two numbers, i.e., 37%, provides the percentage of households with gross incomes capable of purchasing homes in the price range from \$160,000 to \$234,999. These households could, therefore, also afford all houses less than \$160,000. Therefore, 37% of households have incomes that would allow them to purchase only 28% of the housing units in the market suitable for their needs.

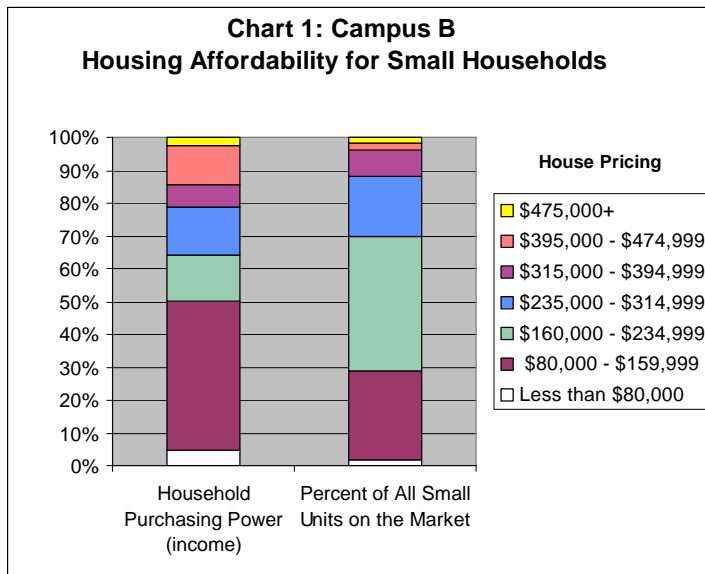
In a “Very Low Affordability” market, like that shown in Chart 1: Campus A, the percentage of low-income households exceeds the percentage of low-priced homes. In Chart 1, the approximately 36 percent of households have incomes that would allow them to purchase a house priced between \$80,000 and \$159,999; in this market, only four percent of homes are priced less than \$160,000. In markets with “very low affordability,” a significant percentage of households will be unable to purchase housing.

Market Characterization: “Very Low Affordability”



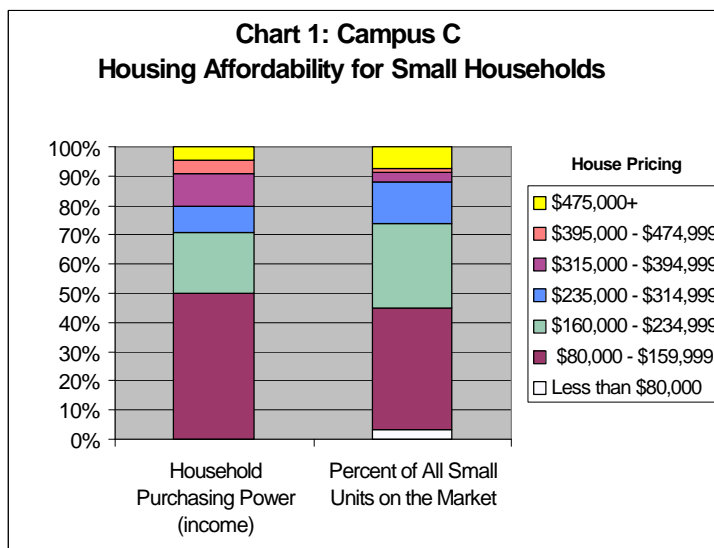
In a “Marginally Affordable” market, like that shown in Chart 1: Campus B, the percent of households at the lower levels of purchasing power exceeds the proportion of available housing that is affordable. Markets with marginal affordability offer few affordable housing options for those at the bottom half of the income distribution.

Market Characterization: “Marginal Affordability”



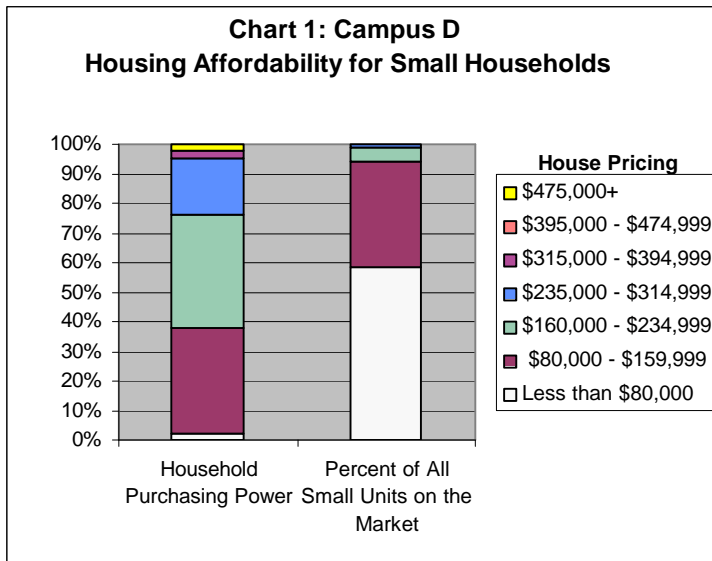
In a “Moderate Affordability” market, like that shown in Chart 1: Campus C, the distribution of households and home prices are largely similar at every level of affordability, indicating that a sufficient supply of affordable homes are available at each income range.

Market Characterization: “Moderate Affordability”



In a “High Affordability” market, like that shown in Chart 1: Campus D, the percentage of low-priced homes exceeds the percentage of low-income households. These markets provide households with many housing options from which they can choose an affordable home.

Market Characterization: “High Affordability”



Sources: First American Real Estate Solutions, 2001; February 2001 Housing Survey, CSU Chancellor’s Office; Bay Area Economics, 2001.