



Assessing & Understanding the Strength of University of California’s Financial Position

INTRODUCTION: The University of California isn’t just a public university system. It is the third largest employer in California and second largest healthcare delivery system by inpatient volume, behind only Kaiser. It is inclusive of ten academic campuses, five major medical centers, national research laboratories, numerous auxiliary enterprises, endowments, real estate and investment holdings—and funded by an equally diverse mix of state appropriations, tuition, patient care revenues, research grants, private donations, investment returns, and other income generating activities. This can make understanding the institution’s overall financial health somewhat opaque, especially when its top administrators make claims of financial distress.

The purpose of this policy brief is to assess and better understand UC’s overall financial condition by analyzing its publicly available financial statements, and by contextualizing these figures alongside some of its major spending initiatives.

Overall, the data shows that UC maintains a very strong financial position. This financial strength is supported by stable state appropriations, solid investment returns, and continued profitability at its medical centers. Over the last 10 years, UC revenues have doubled, UC investment assets have doubled, and private gifts have doubled. Salaries for UC’s top executives have also more than doubled, even as its frontline workers struggle to keep up with the cost of living, as UC facilities impose staffing cuts and layoffs that degrade the quality of services, and as students brace for a newly-announced round of tuition hikes.

UC Revenues Double to \$60 Billion in 10 Years, Fueled By Diverse Revenue Streams

Over the last 10 years, UC revenues have more than doubled—from \$29 billion in [2015](#) to \$61 billion in [2025](#). Medical Center revenues have increased by 167%—from \$9.5 billion to over \$25 billion, and now comprise 42% of total annual revenues. In 2025, the University recorded \$13.3 billion from student fees and educational activities, \$8.7 billion from contracts and grants, and \$4.8 billion from state appropriations. The depth and diversity of the University of California’s revenues support the system’s continued financial strength. The three major bond rating agencies continue to [affirm](#) UC’s financial position and resilience.

University of California Revenues: 2015 vs 2025

In Billions

Revenue Source	2015	2025	Increase (\$)	Change (%)
Medical Centers	\$9.5	\$25.3	\$15.8	167%
Grants & Contracts	\$5.6	\$8.7	\$3.0	53%
Educational Activities	\$2.7	\$7.3	\$4.6	167%
Student Tuition & Fees	\$3.8	\$6.0	\$2.2	58%
State Educational Appropriations	\$2.8	\$4.8	\$2.0	73%
Auxiliary Enterprises	\$1.4	\$2.2	\$0.8	60%
Private Gifts	\$1.0	\$2.2	\$1.2	124%
Other	\$0.9	\$2.4	\$1.4	149%
DOE Laboratories	\$1.2	\$1.2	\$0.0	0%
Investment Income	\$0.3	\$0.6	\$0.3	88%
Total	\$29.3B	\$60.7B	\$31.4B	107%

UC Reports \$5.5 Billion in Profit in 2025

In Fiscal Year 2025, even as it imposed hiring freezes that degrade the quality of its services, the University of California reported [\\$5.5 billion](#) in surplus revenue.ⁱ UC Medical Centers generated more than \$1.9 billion in net operating income, and project healthy financial surpluses well into the next decade.ⁱⁱ UC auxiliary enterprise revenues—from housing, food service, parking, bookstores, student centers and childcare centers—exceeded expenses by \$411 million.ⁱⁱⁱ Investment returns from UC’s endowment and working capital pools added \$4.5 billion to UC’s bottom line, while stronger than expected investment returns in UC’s pension plan (UCRS) erased [\\$2.5 billion](#) from long-term pension liabilities.

Unrestricted Capital Reserves Grow to \$24.5 Billion

Over the last decade, UC endowment and working capital pools have nearly doubled,^{iv} growing from [\\$22.2 billion](#) in 2016 to [\\$41.5 billion](#) today. While \$17 billion are [restricted assets](#), the majority of these funds—\$24.5 billion—are unrestricted.^v

UC surplus revenues are invested into “funds functioning as endowments” (FFE)s^{vi} and the Blue and Gold Pool (BGP). The latter was created in 2018 explicitly for

reinvestment of UC’s “[long-term excess capital reserves](#).” UC currently [holds](#) \$7 billion in BGP and \$10.5 billion in unrestricted FFEs.^{vii} These investments generate hundreds of millions of dollars of unrestricted investment returns each year. Chancellors have significant [discretionary power](#) to designate how these funds are spent,^{viii} including to fund their own salary increases.

UC’s Expansion Efforts Include the Acquisition of 8 Hospitals Since 2023 for Nearly \$1.6 Billion

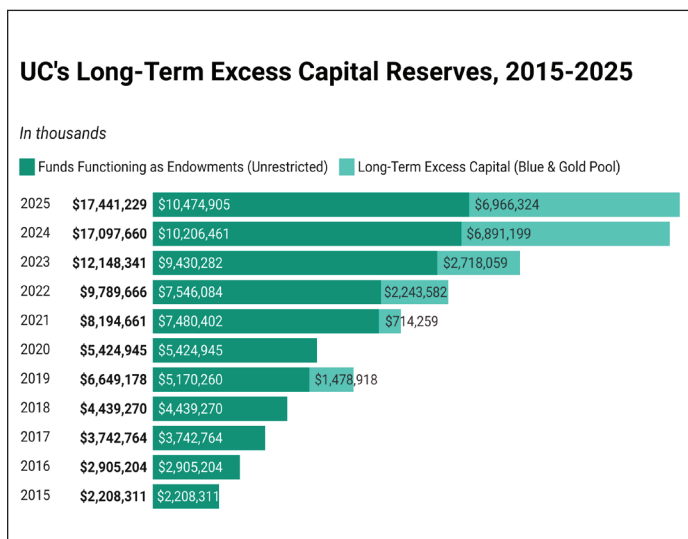
UC’s financial strength allows the system to invest billions of dollars in new construction and acquisitions. Since 2015, UC capital assets have grown by [\\$24 billion](#). In the last two years alone, UC has spent nearly \$1.6 billion to acquire eight new hospitals across California.^{ix} It also recently integrated UCSF Benioff Children’s Hospital Oakland into UCSF Health, where it plans to invest [\\$1.6 billion](#) to modernize the Oakland campus, including adding a new hospital building.

In FY 2025, UC saw the completion of 150 capital projects worth [\\$3.2 billion](#), and has [\\$27 billion](#) in capital investments planned over the next six years. While the planned capital has diverse project objectives, the largest portion of these investments is oriented towards hospital and clinical enterprises across the University’s health system.

Average Salaries For UC Executives More than Double

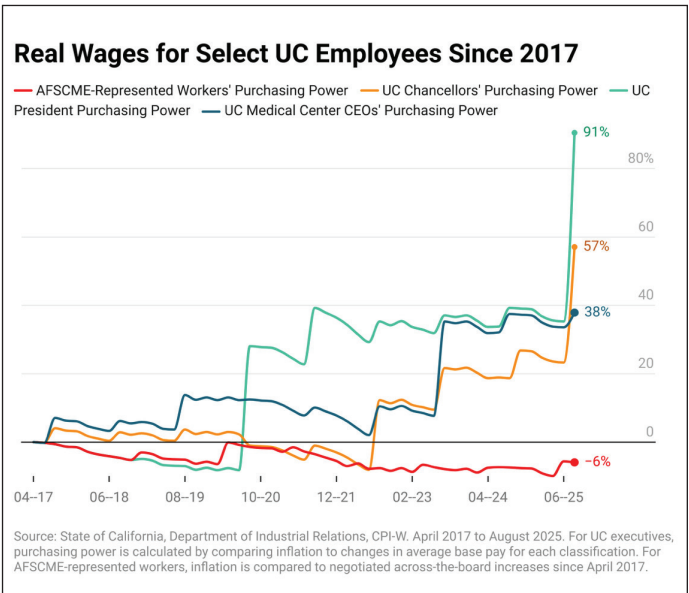
In the last 10 years, the base salaries for UC’s top executives—UC President, Chancellors and CEOs—have more than doubled; from an average of [\\$540,000](#) in 2015 to more than \$1.2 million in 2025. In 2023, UCSD Chancellor Khosla received a [\\$500,000](#) pay increase. In 2025, UCLA CEO Johnese Spisso was given a “market-based salary adjustment” of [\\$317,000](#).

In 2025, UC’s Chief Investment Officer was also awarded a cash bonus of nearly [\\$2 million](#) to complement his \$1 million salary.



UC Expands its Mortgage Assistance Program to Include Chancellors

UC offers its executives and senate faculty housing assistance through its self-sustaining Mortgage Origination Program (MOP)—which provides low-interest loans (at a minimum rate of 3.25%) with repayment periods of up to 30 years. Since the program’s inception in 1984, UC has funded nearly 9,000 MOP loans with an aggregate dollar amount of [\\$4.8 billion](#). In 2023, the UC Regents approved expanding UC Chancellors’ [participation](#) in the MOP program to support the purchase of second homes, despite the fact that they already benefit from free, university-provided housing. That year, UCLA Chancellor Block received a [loan](#) for \$2.4 million at a sub-market interest rate of 3.25% before retiring the following year. In 2024, UCSF CEO Suresh Gunasekaran received two housing loans at an interest rate of 4.15%—again, well below the market rate—for a total of \$4.7 million.



Real Wages for Frontline UC Workers Have Lagged Behind Inflation

Despite its historically strong financial position and comparatively lavish spending on acquisitions and high-paid executives, UC’s lower-paid frontline workers are falling behind. These include custodians, food service workers, groundskeepers and patient care technicians. Since frontline patient care workers’ last negotiated wage increase in the previous collective bargaining agreement, AFSCME-represented workers have seen their real wages fall by up to 6% as inflation has increased by 36%. In contrast, the purchasing power of the UC President has increased by more than 90%.

Today, the median salary of a UC service worker is \$54,000 while the median salary for a UC patient care technical worker is \$76,000—roughly twenty and fifteen times less, respectively, than the average for UC’s top executives.

Students Experience Food and Housing Insecurity

After recent tuition increases approved by the UC Regents, undergraduate [tuition](#) is now \$15,588 for residents and \$54,858 for non-residents—an [increase](#) of 39% and 53%, respectively, over a 10-year period.

UC Senior Executives' Base Salaries: 2015 vs 2025

Title	2015	2025	Individual (2025)	Increase (%)
UC President	\$570,000	\$1,475,000	James B. Milliken	159%
Chancellor UCSF	\$772,500	\$1,227,316	Sam Hawgood	59%
Chancellor UCSD	\$436,119	\$1,227,316	Pradeep Kholsa	181%
Chancellor UCLA	\$441,334	\$1,010,229	Julio Frenk	129%
Chancellor UCB	\$516,446	\$976,731	Richard Lyons	89%
Chancellor UCD	\$424,360	\$923,640	Gary May	118%
Chancellor UCI	\$485,000	\$923,640	Howard Gillman	90%
Chancellor UCSB	\$389,340	\$880,000	Dennis Assanis	126%
Chancellor UCR	\$383,160	\$824,000	S. Jack Hu	115%
Chancellor UCSC	\$383,160	\$820,440	Cynthia Larive	114%
Chancellor UCM	\$383,160	\$810,120	Juan Munoz	111%
CEO UCLA	\$600,000	\$2,209,718	Johnese Spisso	268%
CEO UCSF	\$991,942	\$2,080,906	Suresh Gunasekaran	110%
CEO UCSD	\$429,982	\$1,510,548	Patricia Maysent	251%
CEO UCI	\$550,000	\$1,290,413	Chad Lefteris	135%
CEO UCD	\$848,720	\$1,096,603	Michael Condrin	29%
Avg. Base Salary	\$537,826	\$1,205,414		124%

Source: <https://www.ucop.edu/institutional-research-academic-planning/content-analysis/employees/2015/2015-annual-report-executive-compensation.pdf>; <https://regents.universityofcalifornia.edu/regmeet/sept24/g2.pdf>; <https://regents.universityofcalifornia.edu/regmeet/may25/b1.pdf>; <https://regents.universityofcalifornia.edu/aar/health.pdf>; <https://regents.universityofcalifornia.edu/regmeet/april24/b1.pdf>; <https://www.universityofcalifornia.edu/press-room/university-california-president-michael-v-drake-md-names-new-uc-riverside-chancellor>; <https://news.ucsb.edu/2025/021958/dr-dennis-assanis-appointed-uc-santa-barbaras-next-chancellor>; https://www.ucop.edu/academic-personnel-programs/_files/2025-26/2025-06-25-president-drake-salary-program-letter.pdf

At the same time, UC's own Basic Needs Annual [Report](#) found that 48% of undergraduates experienced food insecurity in 2024. These are the poorest results since surveying began in 2018. Hundreds of thousands of students require assistance with basic needs annually, such as assistance applying for CalFresh, grocery cards, campus food pantries, and emergency housing. The hardships UC students face will only worsen, particularly as affordable housing options on and near UC campuses are limited. Between Fall 2014 and Fall 2024, UC added nearly [53,000 students](#) without adding commensurate housing. As of Fall 2024, UC was able to house just [41%](#) of its students.

CONCLUSION: The data strongly suggests that the University of California's financial position is as strong now as it has been at any time in its 150-year history. Indeed, a comprehensive review of UC's finances does not support UC leaders' claims of financial distress. Instead, distress appears to be more consistent with the experience of UC students, who are being asked to pay higher tuition, and with UC's lowest-paid frontline workers, who cannot afford to live in the communities where they work. The good news is that according to its own financial statements and projections, UC is sufficiently resourced to address the needs of both constituency groups.

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- i UC's 2025 Annual Financial Report Statement of Revenues, Expenses, and Changes in Net Position (p31) reports \$63.3 billion in revenues (operating: \$51.9; nonoperating: \$11.4) compared with \$57.8 billion in total expenses.
 - ii Projected Financial Performance tables for UC Medical Centers can be found within the following documents: [UCSF](#), [UCLA](#), [UC San Diego](#), [UC Davis](#), [UC Irvine](#).
 - iii UC's 2025 Annual Financial Report Statement of Revenues, Expenses, and Changes in Net Position (p31) reports \$2.23 billion in Auxiliary Enterprises net revenue. In contrast, Auxiliary Enterprises expenses are listed as \$1.819 billion (p4, Facts in Brief).
 - iv These funds include UC's Short Term Investment Pool (STIP), Total Return Investment Pool (TRIP), Blue & Gold Pool, and the General Endowment Pool (GEP).
 - v UC's 2025 Annual Financial Report records a total of \$41.5 billion in UC endowment and working capital investment pools (p58, Table 3.7a). The Statement of Net Position (p30) lists a total of \$17 billion in restricted (expendable and nonexpendable) assets.
 - vi FFEs are invested in UC's General Endowment Pool.
 - vii Table 17.1a of UC's 2025 Annual Financial Report summarizes endowment, FFE, and donor gifts by restrictions. Over the last 10 years, the unrestricted FFE category has grown especially rapidly. Blue & Gold Pool (BGP) holdings are listed in Table 3.7a.
 - viii UC's [Accounting Manual](#) states that "The Chancellor may determine the fund designation when new funds are established from monies generated within the University." [UCLA Policy 193](#) states that Chancellors have "unlimited authority for allocation and reallocation of funds administratively designated as endowments and as FFEs."
 - ix "UCSF Health Welcomes St. Mary's and Saint Francis Hospitals," [UCSF Press Release, August 1, 2024](#); "UC San Diego Health Completes Acquisition of Alvarado Hospital Medical Center," [UCSD Press Release, December 11, 2023](#); "UCI Health buying 4 Tenet hospitals, 3 in Orange County, for \$975 million," [Orange County Register, February 2, 2024](#); "Transactions: UCLA Health acquires three MOBs in L.A. area," [Healthcare Real Estate Insights, January 14, 2025](#).