

Conventions Are Big Business And Important To Santa Cruz

(Editor's note: Postwar America spends hundreds of millions of dollars annually attending organizational get-togethers than can be lumped for descriptive purposes under the term "conventions." Involving fantastic sums of money and cut-throat competition among cities, the convention business bids fair to rise in the near future to the rank of a specialized industry—if, indeed it has not already arrived at that estate. This is the first of four weekly articles on conventions and Santa Cruz.)

By John J. Corrigan

Every convention which comes to Santa Cruz is important to every man, woman and child who lives here.

They are important because they bring here one of the props of civilized existence — money. And the amount of money they bring has a direct bearing on the welfare of all Santa Cruzans, as we shall, shortly see.

First, though, it might be well to take a look at the word "convention" as seen through three pair of eyes—Webster's, the convention delegate's, and yours. The way you should see it, anyway.

The dictionary says a convention is "a meeting or assembly, especially a formal assembly, as of representatives or delegates, for action or particular matters."

Convocation, conference, confabulation, assembly, meeting—no matter what the official name for an organizational gathering, the dictionary covers it under the heading of "convention."

To the delegate who takes a few days off from the routine of earning a living, a convention is something to be approached in a holiday mood and entered into with bubbling spirits. There is business to be conducted, true enough—but who ever heard of a convention that left its delegates with no free time for fun?

Extra bills are tucked into the wallet and the checkbook is definitely not left at home by the conventioneer. He has new sights to see, a new city to explore, new friends to make and, generally, he isn't going to be . . . uh, thrifty about it.

This last is especially true if the convention is a businessmen's affair and the delegate is living on that most revered of business institutions, the expense account. And often delegates bring along their families, who must also eat, sleep, sightsee and be amused.

Everyone who comes to a convention in Santa Cruz puts money into your pocket, although

you probably haven't caught anyone in the act. This outside money, you might figure, lands exclusively in the cash registers of hotels, restaurants and taverns.

But that's not the half of it—or to put it more accurately, that's only 52 per cent of it. The rest goes to stores, theaters, for transportation, amusement, etc. Here's a breakdown on how the conventioneer spends his dollar, as estimated by the International Association of Convention Bureaus:

Lodging, 25.41 cents; hotel restaurants, 13.74 cents; other restaurants, 13.42 cents; stores and shops, 19.95 cents; recreation (sports, theaters, etc.), 9 cents; refreshments, 6.67 cents; side trips and other local transportation, 3.24 cents; gasoline and other auto expenses, 2.11 cents.

Thus the money is pretty well spread around town and more than likely some is spent in the industry that keeps your family in hamburger. Oh no, some are sure to say, we have nothing to do with tourists, conventioners or visitors of any stripe.

Well, that convention money still manages to reach your purse or pocket. It's been fairly well established that hotelmen, barkeepers and other direct recipients don't bury the day's take behind the barn.

They buy homes, furniture, cars, clothes, food, luxuries, necessities, business supplies and equipment. The dollar that came out of the conventioneer's fist first begins a trip around town and the business it generates is a chain reaction phenomenon.

Some of it "percolates up" to the banker and some of it "trickles down" to the laborer, to borrow contemporary political phraseology. More money means better business in the banking and laboring fields and at all points between as well.

Some conventions leave sums that are not piddling by any standard in the host town. IACB figures that a 1400-delegate affair that lasts three days drops more than \$100,000 in local tills.

That might ring a bell if you're convention-minded: 1400 delegates were here for three days in February for the seventh annual California recreation conference. Just nine more the same size each year would mean more than one million dollars in outside money turned loose here annually.

Throw in a few score smaller conventions for rounding-out purposes and you have a multi-million dollar business—one that wouldn't strain our facilities, either. And one of the nicest things about convention money is that it is earned elsewhere and comes here, as Harry Lucas, president of the chamber of commerce, observed a few months

ago, "at full face value—100 cents on the dollar."

So a convention creates sales, raises employment, gives a shot in the arm to general business activity and boosts the amount of money in circulation. There are other benefits, too.

A conventioneer who has had a good time invariably vows to return for a vacation or a weekend. He praises the merits of the convention city to his friends and urges them to go there. Sometimes he comes back with furniture and family to stay for good.

A well-run convention is insurance for the future. Organizations don't forget where they staged successful conventions. They come back, and it is sort of repeat business that gives a city the reputation of "a good convention town." Such a place attracts additional conventions.

We've gone into the importance of the convention and the convention dollar and we've established that delegates must and do spend during the one day to a week a convention is in town. Now, just how much does the average conventioneer spend?

Estimates vary, and for a good reason. Some sources say the average is about \$15, others swear it tops \$30.

The membership of the organization convening must be taken into consideration when trying to arrive at a good average figure. It is social, fraternal, industrial, religious, professional? To what social strata do delegates belong? What opportunities for spending does the convention site offer?

Last year IACB kept close tabs on cash outlay at a state conference of an organization considered in the "low spender" bracket. They found the average delegate parted with \$26.75 per day—some, of course, spent less and some spent more.

If you prefer nice round figures you can knock off \$1.75 and work with an even \$25 in computing how much money a convention of, say, 500 or 1000 will leave in Santa Cruz. One thousand delegates (not including families and other guests) might well spend \$25,000 each convention day.

Keeping in mind that the average convention lasts three days, consider this: 8666 delegates signed in at conventions in Santa Cruz last year. That figure multiplied by three days multiplied by \$25 comes to nearly \$650,000.

Sounds like a lot of money, doesn't it? It is a lot of money. But here is something sadder to ponder: In 1949 Santa Cruz played host to 25,225 registered convention delegates—about three times as many as last year.

That's one way of saying convention revenue has slipped to

33 per cent of what it was six years ago. Since there is a consistent trend toward more and bigger conventions, the conclusion is inescapable that it is going someplace else.

A recent chamber of commerce statement said there were only a dozen convention cities in California prior to World War II and that the number has more than doubled since 1941. If the conventions aren't coming here, they must be going someplace.

Santa Cruz can handle conventions up to 2000 comfortably, although there have been much larger ones here (the Elks' convention in 1948 was the biggest ever staged here, with 8000 delegates). Our biggest competitor for conventions of just the right size is San Jose, with its 3000 capacity civic auditorium.

One recent estimate is that San Jose nets some three million dollars annually from conventions attended by 1000 persons or less. Here is one target for Santa Cruz to shoot for, with its hotels, motels, Casino and active auditorium that can accommodate 2000.

In addition, Santa Cruz has superior climate and scenic attractions and is just "over the hill" from San Jose.

Another competitor—comparatively new but potentially formidable—is the Monterey peninsula, which last year organized a convention bureau for the purpose of attracting every possible convention dollar. Peninsula representatives have been beating the drums energetically ever since.

This brings us to the question of how an organization picks a convention site. Cities submitting bids must satisfy a few basic requirements: ample housing for all delegates, large and small meeting quarters, restaurant facilities, amusement opportunities.

From there on it's a selling job and the city with something to sell and a well-oiled sales program walks off with the marbles. Someone has to convince an organization that such and such a town is the best possible site and back up his arguments with plenty of solid reasons.

Inducing conventions to come here is the job of the undermanned and weak-budgeted convention bureau of the Santa Cruz chamber of commerce. The bureau's efforts are aided and guided by the chamber's convention committee, which is composed of local residents who volunteer their services.

Heading the convention bureau is Mrs. Ernest Dillon. Committee chairman for 1955 is Fred Mommer, an executive at County bank.

How committee and bureau function to bring conventions here and to keep them happy after they arrive will be related next week.

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