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Economic Impact of UCSC

The community impact of the University of California's Santa Cruz campus has just been reported in an economic study compiled for the University of California.

Under the study authorized by Elmo R. Morgan, vice president of the university for physical planning and construction, economists made extensive surveys of the spending habits of students, faculty and staff at UCSC, in its first year of operation and for the past year at UC's largest campus at Berkeley.

The study was designed to show the importance of the university campus as an economic factor in the development of the community around it.

It shows that in the past year the total economic impact of all factors involved at the 27,000 student Berkeley campus, including visitors and university spending, plus all types of expenditures by students, faculty and staff, totalled \$318 million.

At the Santa Cruz campus, in its first year of activity, UCSC generated total expenditures, including construction costs, of \$16.9 million.

Of the \$16.9 million, \$8,790,000 was spent with the City of Santa Cruz, an additional \$3,690,000 in other areas of Santa Cruz county and \$4.5 million in other counties, state and nation.

In 1965-66, non-housing expenditures

by students, faculty and staff at the Santa Cruz campus amounted to \$3.34 million, of which \$2.5 million was spent within Santa Cruz county in a survey which included 1000 questionnaires, which is virtually a total head count compilation rather than a sampling.

It is estimated that these expenditures will rise to \$12.5 million by 1970-71 with an enrollment of 4000 students. Of this total \$9.3 million will be spent within Santa Cruz county.

By 1975-76 when the campus enrollment grows to 7500, the non-housing expenditures should total more than \$22 million, of which \$13.6 million will be spent in Santa Cruz with another \$3.2 million in the remainder of the county.

Actually, since the study, which was headed by Dr. David Bradwell, was undertaken, the enrollment and staff data for Santa Cruz has been increased so that the projections are on the low side.

The survey showed that the per capita non-housing expenditures by students at the Santa Cruz campus amounted to \$140 for the year. Of this sum, of this sum \$940 was spent in the city, \$40 in the county and \$430 in other areas.

Faculty and staff had per capita expenditures of \$9240, of which \$5620 was spent in the city, \$1350 was in the county and \$2270 was elsewhere.

Forgetting inflation, these figures

brought forward to 1975 would create total non-housing expenditures of more than \$25 million for goods and services.

An interesting sidelight of the survey is the fact that those involved in the survey were surprised at the amount of spending generated in Santa Cruz, a much higher percentage than in Berkeley where spending takes place throughout the entire San Francisco Bay area.

We would anticipate with the increase of retail shopping facilities in the area in the years ahead that this figure would increase in the Santa Cruz sector rather than decline as faculty, staff and students use more and more goods and services within the Santa Cruz community.

Another important factor is the fact that construction at the campus is estimated to run about \$10 million a year. A survey of construction workers showed that they spent all but one-eighth of their buying in the Santa Cruz area, compared to one-quarter for faculty and staff. With labor costs about 45 per cent of total construction, these purchases represent a sizeable portion of local services and purchases.

Within two or three years, the university will be the largest employer in the Santa Cruz area. Within the next decade, the university will become a major economic generator whose impact will rival that of retail trade, agriculture, industry or the tourist and recreation field.