

Institutional Research Study 04-03

The Economic Impact of the University of Delaware on Newark and the State of Delaware

Fall 2003

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Introduction

During fall 2003, the Office of Institutional Research and Planning conducted a study to examine the economic impact of the University of Delaware on the local community and state of Delaware. This study replicated the economic impact model previously employed in 1999¹. A survey was administered to students, faculty and staff on the Newark campus, as well as local businesses in the Newark community. Using the responses from these three groups, this study sought to determine the full impact that student, faculty, staff, and University expenditures have on the local and state economy. The first three sections of the report describe the survey methodology and results for the economic impact of 1) students, 2) faculty and staff, and 3) local businesses on the community and state. A fourth section follows and provides an examination of University expenditures and purchasing. The report concludes with a summary of the University of Delaware's overall economic impact on Newark and the state of Delaware.

1. Student Sample: Methodology and Survey

In fall 2003, there were 21,121 undergraduate and graduate students enrolled at the University of Delaware. The Economic Impact Study was administered in October 2003 to a sample of approximately 2,600 undergraduate and graduate students at the University. A follow-up mailing was conducted in November. The students were randomly selected to ensure a representative sample by gender, ethnicity, time status, class level, residence status, and campus status. The survey instrument was identical to that utilized in the 1999 study, with the exception of a few additions within the expenditure items (cell phone fees, computer/electronics, etc.). These additions were made based on the write-in responses from the 1999 study (see Attachment A for a copy of the survey).

The original student data set contained 618 surveys. The student response rate was approximately 24%. The final student data set was weighted during analysis to correctly represent the overall percentages of students by gender, time status, class level, residence status, and campus status. The weighted data thus provide findings from the sample of students to reflect the actual Newark campus undergraduate and graduate student population. Overall, 46 questionnaires did not contain the necessary data for the weighting procedure, therefore, once the weighting procedure was completed, the resulting weighted data set contained responses from 572 students. Within the weighted data set, questionable data (notably the upper extremes reported for income and expenditures) were excluded from analysis. Student income and expenditure means calculated from the weighted data were found to be lower than those of the original data set.

¹ Kelly, Heather A. (2000). *The Economic Impact of the University of Delaware on Newark and the State of Delaware*. Office of Institutional Research and Planning, University of Delaware, Newark, Delaware.

The breakdown of overall student campus population compared to the weighted student survey respondents is presented in Table 1.

Table 1. Breakdown of Demographics for Student Campus Population and Weighted Student Survey Respondents Fall 2003

Category	Campus Population		Survey Respondents	
	n	%	n	%
<i>Gender</i>				
Male	9,157	43.4	246	43.0
Female	11,964	56.6	326	57.0
<i>Time Status</i>				
Full-Time	17,773	84.1	487	85.1
Part-Time	3,348	15.9	86	14.9
<i>Class Level</i>				
Freshman	4,667	22.1	124	21.8
Sophomore	4,274	20.2	116	20.2
Junior	3,503	16.6	96	16.8
Senior	3,979	18.8	108	18.8
Graduate	3,301	15.6	90	15.7
Continuing Education	1,397	6.6	38	6.6
<i>Residence Status</i>				
Resident	9,481	44.9	258	45.0
Non-Resident	11,640	55.1	314	55.0
<i>Campus Status</i>				
On-Campus	7,366	34.9	201	35.2
Off-Campus	13,755	65.1	371	64.8

As shown in Table 1, 57% of the respondents were female, while 43% were male. Most of the students (85%) were classified as full-time students. Twenty-two percent of the respondents were freshmen, 20% were sophomores, 17% juniors, 19% seniors, 16% graduate students, and 7% continuing education students. More than half of the respondents were non-resident students (55%) and lived off campus (65%). The majority of students (52%) lived in a house or apartment, 35% lived in residence hall or other University-approved housing, 12% lived with relatives, and 1% lived in a fraternity or sorority house. All findings reported herein refer to the weighted sample of student respondents.

Student Economic Impact

The mean monthly student income from all sources after taxes was approximately \$1,380 (see Table 2). This figure is approximately 35% more than the mean monthly income found in the 1999 Economic Impact Study.

**Table 2. Breakdown of Mean Monthly Income
by Overall Student Respondents: 1999 and 2003**

	1999		2003		<u>Percent Change</u>
	Overall Student Respondents (N=649)		Overall Student Respondents (N=572)		
	<u>n</u>	<u>\$</u>	<u>n</u>	<u>\$</u>	
<u>Total Mean Monthly Income</u>	587	1,020	502	1,380	35.3
<i>Gender</i>					
Male	257	1,074	216	1,213	12.9
Female	330	979	286	1,507	53.9
<i>Time Status</i>					
Full-Time	479	650	435	984	51.4
Part-Time	108	2,663	68	3,933	47.7
<i>Class Status</i>					
Freshman	127	455	103	219	(51.9)
Sophomore	117	574	106	432	(24.7)
Junior	92	702	83	1,335	90.2
Senior	114	982	97	1,301	32.5
Graduate	82	1,903	83	3,298	73.3
Continuing Education	56	2,556	30	3,773	47.6
<i>Residence Status</i>					
Resident	291	1,421	224	1,750	23.2
Non-Resident	296	627	278	1,082	72.6
<i>Campus Status</i>					
On-Campus	205	315	174	246	(21.9)
Off-Campus	382	1,399	328	1,981	41.6

As shown in Table 2, the groups of students in 2003 with lower mean monthly income compared to their respective findings in 1999 were freshmen and sophomores and students who lived on campus. These demographics are related due to the fact that freshmen and sophomores made up almost 80% of the students who live in on-campus housing. The mean monthly income for females increased substantially (54%) and was greater than male student income in 2003. It is also important to note the large difference in income between full-time students (\$984) and part-time students (\$3,933). This span of mean income can be attributed to the fact that part-time students tend to be older and are most likely employed full-time. Among class levels, graduate and continuing education students reported the highest mean monthly income of \$3,298 and \$3,773, respectively. These figures were higher than other students because a large proportion of part-time students are classified as graduate and continuing education students. Approximately 72% of part-time students respondents were graduate or continuing education students, and as already stated, part-time students reported a higher mean monthly income than full-time students.

Student expenditures ranged in items from housing to entertainment to medical and dental. Students were given the opportunity to indicate additional expenditure areas in the three “Other” categories. Although less than 10% of the respondents listed additional expenditures, some of these items ranged from pets, travel expenses, and charitable contributions to savings and investments and children’s tuition. While the majority of students (57%) reported that they lived in an apartment or house where they pay rent, this percentage is down from the 65% of students who rented in 1999. The current findings show a slight shift in both the proportion of students indicating that they lived in a house or apartment that they own and the proportion indicating that they lived with relatives where they do not pay rent. For these two items, the percentages rose since the 1999 study from 15% to 19% and 18% to 23%, respectively.

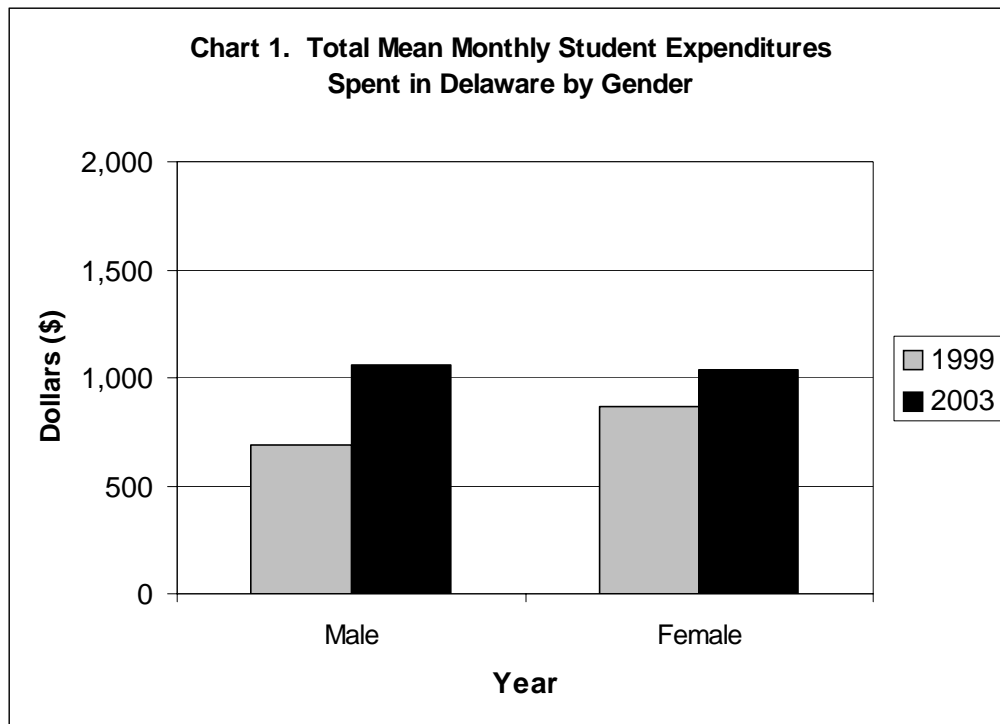
The total mean monthly student expenditures in Delaware were approximately \$1,060 (see Table 3). Please note that students were asked to exclude University tuition, housing, and meal plans from their monthly expenditures. The breakdown is summarized below:

Table 3. Mean Monthly Expenditures Spent in Delaware by Overall Student Respondents

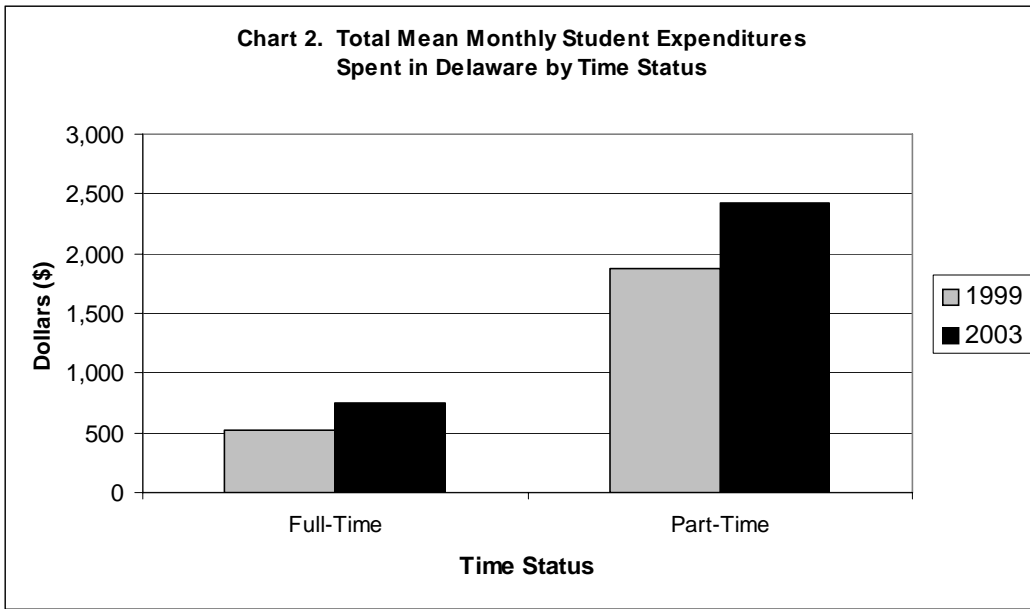
Overall Student Respondents
(N=572)

	n	\$	% of Total Monthly Expenditures
Housing	340	271	25.5
Utilities	339	38	3.6
Telephone and Cable	331	41	3.9
Food and Beverage	323	139	13.1
Entertainment and Recreation	318	46	4.3
Services	348	30	2.8
Clothing	322	39	3.7
Books and Educational Supplies	298	105	9.9
Other Retail	318	42	4.0
Automobile	342	114	10.7
Medical and Dental	340	49	4.6
Other - 1	49	61	5.7
Other - 2	29	88	8.3
Other - 3	22	0	0.0
Total Mean Monthly Expenditures		1,063	100

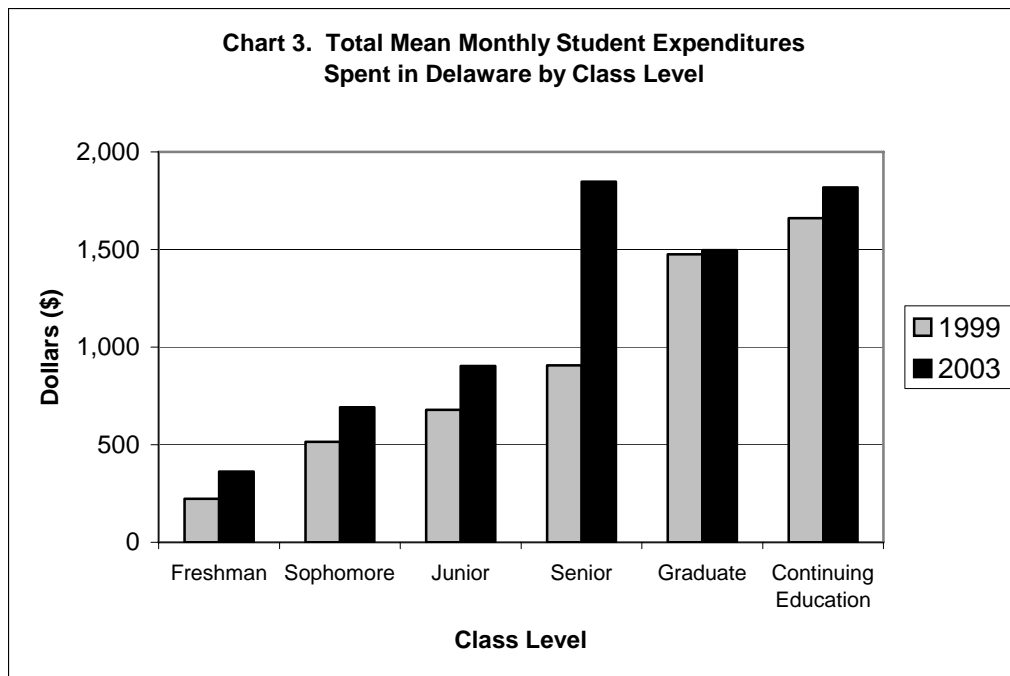
Students' total mean monthly expenditures in Delaware were approximately 36% higher than student expenditures reported in the 1999 Economic Impact Study. However, to more accurately understand student expenditures in Delaware it is useful to examine spending of student groups by gender, time status, class level, residence status, and campus status. The total mean monthly expenditures in Delaware for male students were approximately \$1,060 and \$1,030 for female students (see Chart 1). It is important to note that there was less spread between these two means than in 1999, where the mean for females was approximately \$860 and \$690 for males. The percentage of total monthly expenditures that males students spend on housing, telephone and cable, food and beverage, entertainment and recreation, books and educational supplies, and medical and dental was greater than their female peers. Female students tend to spend more on utilities, services, clothing, other retail, and automobiles.



The total mean monthly expenditures in Delaware for full-time students were approximately \$750 and \$2,420 for part-time students (see Chart 2). This is a larger spread than the figures in 1999, where full-time students spent approximately \$520 and part-time students \$1,880. Just as the breakdown of mean monthly student income indicated a large difference in full-time and part-time student income, this large expenditure difference can be explained by the fact that part-time students tend to be older and employed full-time. The percentage of total monthly expenditures that full-time students spend on food and beverage, entertainment and recreation, clothing, books and educational supplies, other retail, and automobiles was greater than their part-time peers. Part-time students tend to spend more on housing, utilities, telephone and cable, services, and medical and dental.

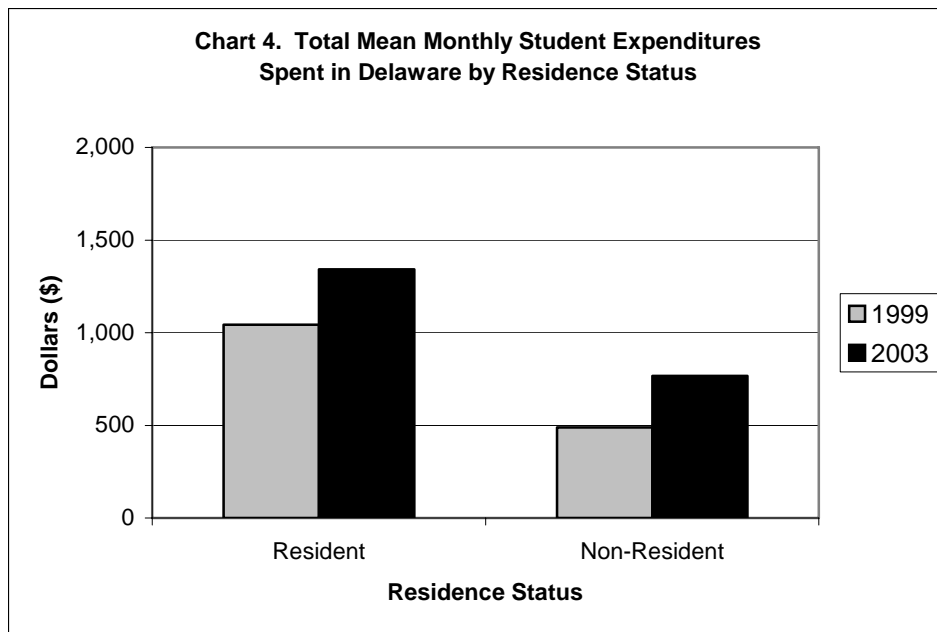


The total mean monthly expenditures spent in Delaware by class level are summarized below (see Chart 3). As previously discussed, freshman and sophomore mean monthly income were the only two class levels where income decreased since 1999. In examining the mean monthly expenditures spent in Delaware by class level, freshman and sophomore expenditures were greater than the mean monthly income of their individual class levels by 65% and 60% respectively. These figures could indicate that parents or other individuals assisted some students' spending or that freshmen and sophomores were acquiring varying amounts of monthly debt. Juniors, seniors, graduate and continuing education students' mean monthly expenditures were all less than their respective mean monthly incomes.



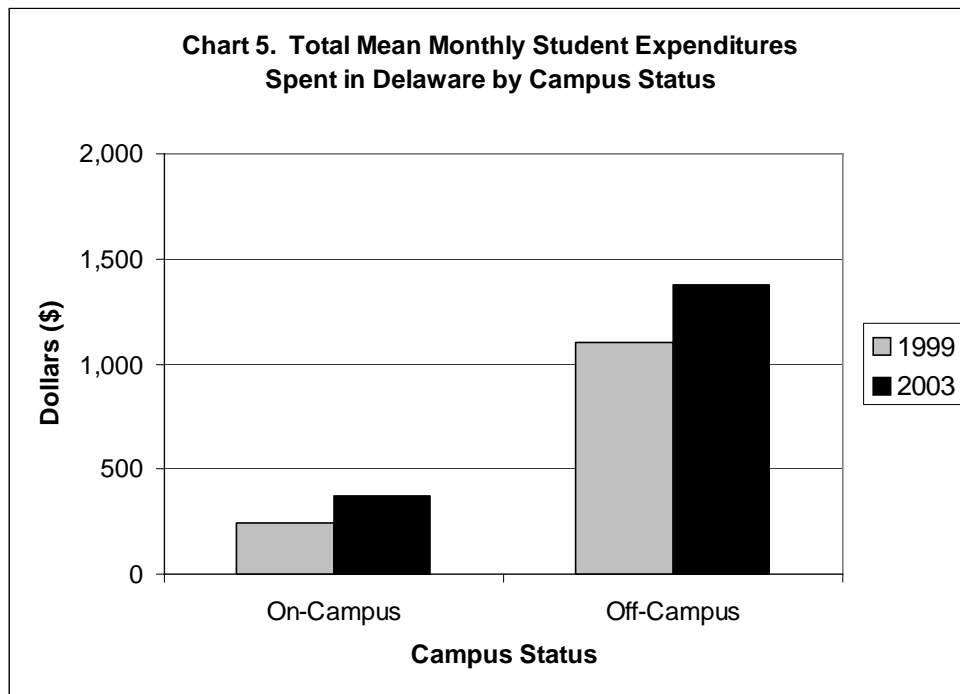
Total mean monthly expenditures increased for each class level respectively when compared to the 1999 findings, with seniors showing the largest increase. The largest expenditure category for all class levels except freshmen students was housing. Since about 90% of freshmen live on campus, their spending was very low in the housing category while they tend to spend the greatest percentage of their total monthly expenditures on automobiles and books and educational supplies (both 19%). After housing expenditures, sophomores tend to spend the largest percentage of their total monthly expenditures on books and educational supplies and automobiles (both 15%), followed by food and beverage (14%). After housing expenditures, juniors tend to spend the largest percentage of their total monthly expenditures on books and educational supplies (21%) followed by food and beverage (14%). Given that approximately 85% of part-time students at the University are seniors, graduate or continuing education students their total mean monthly expenditures are much larger than freshmen, sophomores and juniors. After housing expenditures, seniors tend to spend the largest percentage of their total mean monthly expenditures on medical and dental (12%), and food and beverage (8%). Both graduate and continuing education students tend to spend the largest percentage of their total mean monthly expenditures on housing, food and beverage, and automobiles. It is important to note that within the three highest class levels – senior, graduate, and continuing education students – both part-time and full-time students wrote additional responses that included larger expense items like charitable contributions, savings and investments, travel, and children’s tuition.

The total mean monthly expenditures in Delaware for resident students were approximately \$1,340 and \$770 for non-resident students (see Chart 4). Just as in 1999, there was a large expenditure difference between these two groups of students, however the 2003 mean monthly student expenditures surpassed the figures from 1999 by approximately 29% for resident students and 57% for non-residents. The large expenditure difference between resident and non-resident students is a function of both time and class status as previously discussed.



Specifically, part-time students' mean monthly expenditures were significantly greater than full-time students' (see Chart 2) and approximately 85% of part-time students are seniors, graduate, or continuing education students – the three class levels that reported the highest mean monthly expenditures (see Chart 3). Therefore, because most part-time students (77%) are Delaware residents, it is not surprising that residents had greater mean monthly expenditures than non-residents. The percentage of total monthly expenditures that non-resident students spend on housing, food and beverage, entertainment and recreation, clothing, books and educational supplies, and other retail was greater than their resident peers. Resident students tend to spend more on utilities, telephone and cable, services, automobiles, and medical and dental.

The total mean monthly expenditures in Delaware for on-campus students were approximately \$370 and \$1,380 for off-campus students (see Chart 5). This large expenditure difference can be attributed to the fact that on-campus students have minimal housing and utility expenses. Compared with the results from 1999, on-campus student expenditures rose approximately 52% and off-campus student expenditures rose 25%. The percentage of total monthly expenditures that on-campus students spend on food and beverage, entertainment and recreation, clothing, books and educational supplies, and other retail was greater than their off-campus peers. Off-campus students tend to spend more on housing, utilities, telephone and cable, services, automobiles, and medical and dental.



In 2003, the estimated total annual expenditures in Delaware by the overall University student population were approximately \$194,350,950² (see Table 4 and Chart 6). The breakdown of these annual expenditures is summarized below:

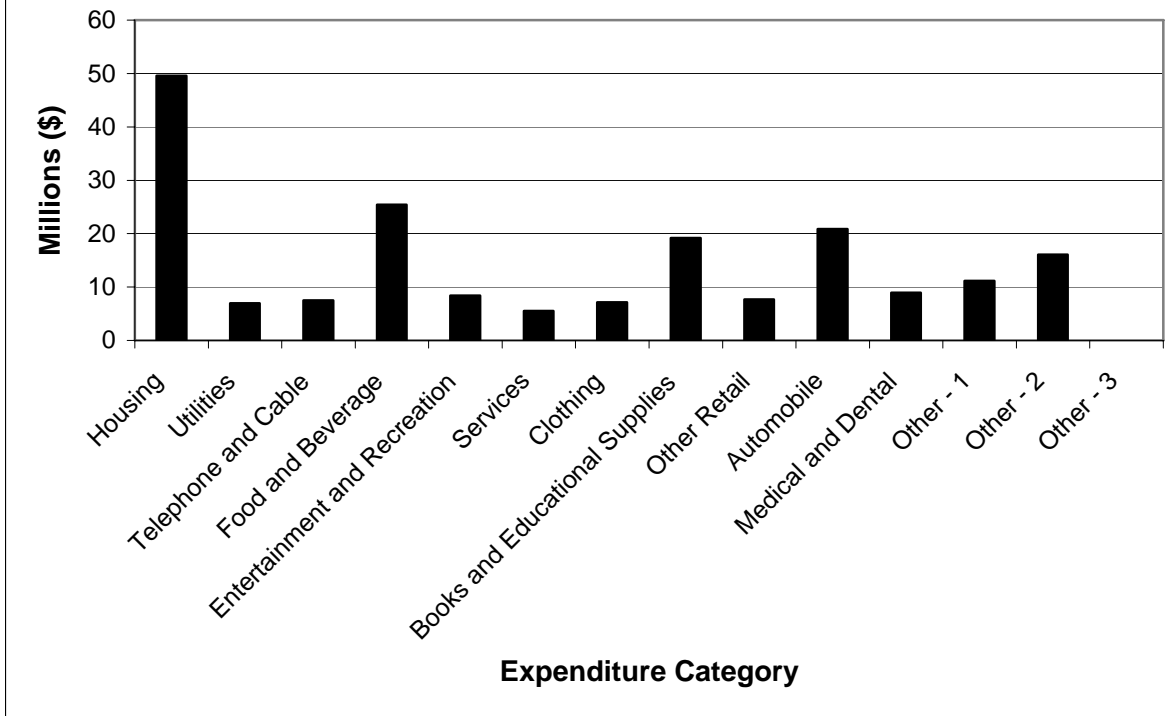
Table 4. Annual Expenditures Spent in Delaware by Overall University Student Population

	Expenditures Per Year (\$) ²	% of Total Annual Expenditures
Housing	49,547,608	25.5
Utilities	6,947,635	3.6
Telephone and Cable	7,496,133	3.9
Food and Beverage	25,413,718	13.1
Entertainment and Recreation	8,410,295	4.3
Services	5,484,975	2.8
Clothing	7,130,468	3.7
Books and Educational Supplies	19,197,413	9.9
Other Retail	7,678,965	4.0
Automobile	20,842,905	10.7
Medical and Dental	8,958,793	4.6
Other - 1	11,152,783	5.7
Other - 2	16,089,260	8.3
Other - 3	0	0.0
Total Annual Expenditures	194,350,948	100

The total annual expenditures in the state of Delaware by the overall University student population were approximately 36% higher than those found in the 1999 Economic Impact Study. Compared to the categorical breakdown of the 1999 study, the most notable increase in annual student expenditures occurred in the medical and dental category, followed by books and educational supplies. Three items – utilities, clothing, and other retail – showed a decrease in student expenditures. All other items, including the combined figure from the three “Other” categories, showed increased expenditures from 1999 to 2003.

² The annual expenditures for each category were calculated by multiplying the mean monthly expenditure by the student headcount for each term by the number of months in each term. The terms (number of months) included fall 2003 (4), winter 2004 (1), spring 2004 (4), and summer 1 and 2 2003 (1.5 each). The total annual expenditures were the sum of these categories.

**Chart 6. Annual Expenditures
Spent in Delaware by Overall University Student Population**



Students were asked to indicate up to six Newark businesses that they frequent on a regular basis. Of the top 24 businesses that students mentioned, more than half (58%) were in the food and beverage industry, 29% were retail stores, and 13% were grocery stores.

2. Faculty and Staff Sample: Methodology and Survey

In fall 2003, there were 3,823 faculty and staff employees at the University of Delaware, with 3,641 of these employees on the Newark campus. The Economic Impact Study was administered in October 2003 to a sample of approximately 1,940 faculty and staff members on the Newark campus. A follow-up mailing took place in November. Faculty and staff were randomly selected to ensure a representative sample by both employment and time status. The survey instrument was identical to that utilized in the 1999 study, with the exception of a few additions within the expenditure items (cell phone fees, computer/electronics, etc.). These additions were made based on the write-in responses from the 1999 study (see Attachment B for a copy of the survey).

The original faculty and staff data set contained 781 surveys. The faculty and staff response rate was approximately 40%. The final data set was weighted during analysis to give correct representation to overall percentages of faculty and staff members by employment and time status. The weighted data thus provide findings from the sample of faculty and staff to represent the Newark campus faculty and staff population. Overall, 6 questionnaires did not contain the necessary data for the weighting procedure, therefore, once the weighting procedure was completed, the weighted data set contained responses from 775 faculty and staff members. Within the weighted data set, questionable data (notably the upper extremes reported for expenditure items) were excluded from analysis. Faculty and staff expenditure means calculated from the weighted data were found to be lower than those of the original faculty and staff data set.

Twenty-seven percent of the respondents were faculty members, 36% were professional staff, 24% were salaried staff, and 13% were hourly staff. Seventy-five percent of the respondents were Delaware residents while 25% of the respondents were Delaware non-residents. Close to seventy-five percent of the respondents lived in Delaware, 15% lived in Maryland, 10% lived in Pennsylvania, and less than 1% lived in New Jersey. Overall, respondents' employment and residence status were very similar to those in the 1999 Economic Impact Study. The average round-trip daily commute for faculty and staff respondents was 18 miles. This figure remained the same as in 1999, along with the average faculty and staff household, which consisted of 3 members. All findings reported herein refer to the weighted sample of faculty and staff respondents.

Faculty and Staff Economic Impact

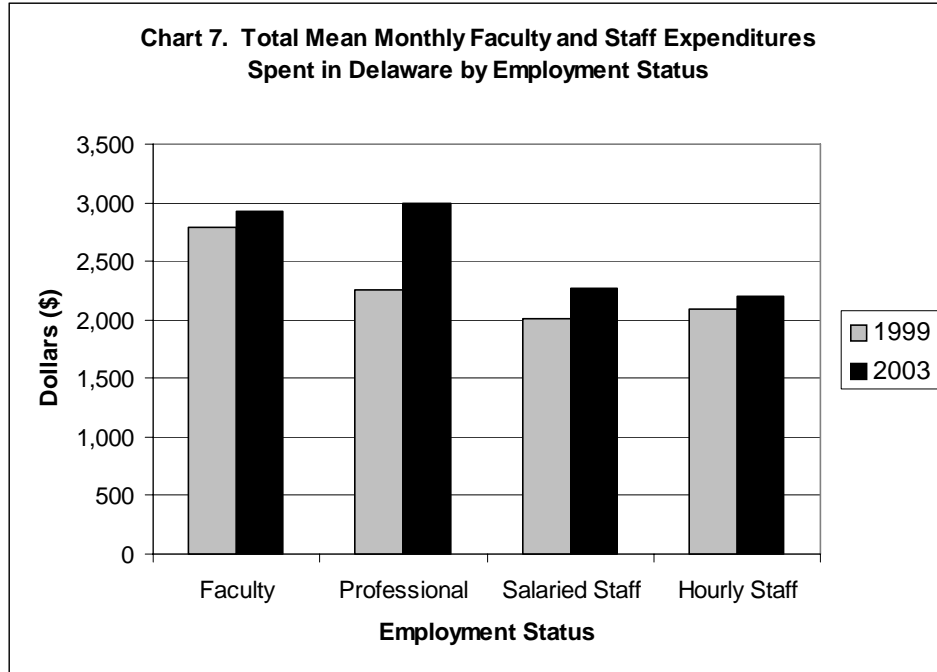
Faculty and staff expenditures ranged in items from housing to retail to education and tuition. The total mean monthly faculty and staff household expenditures in Delaware were approximately \$2,730 (see Table 5). Faculty and staff were given the opportunity to indicate additional expenditure areas in the three "Other" categories. As in 1999, some of the most common items mentioned were home improvements and repairs, vacation, and charitable contributions. Additional items included pets, savings, and investments. The breakdown of faculty and staff monthly expenditures is summarized in Table 5 on the following page.

**Table 5. Mean Monthly Expenditures Spent in Delaware
by Overall Faculty and Staff Respondents**

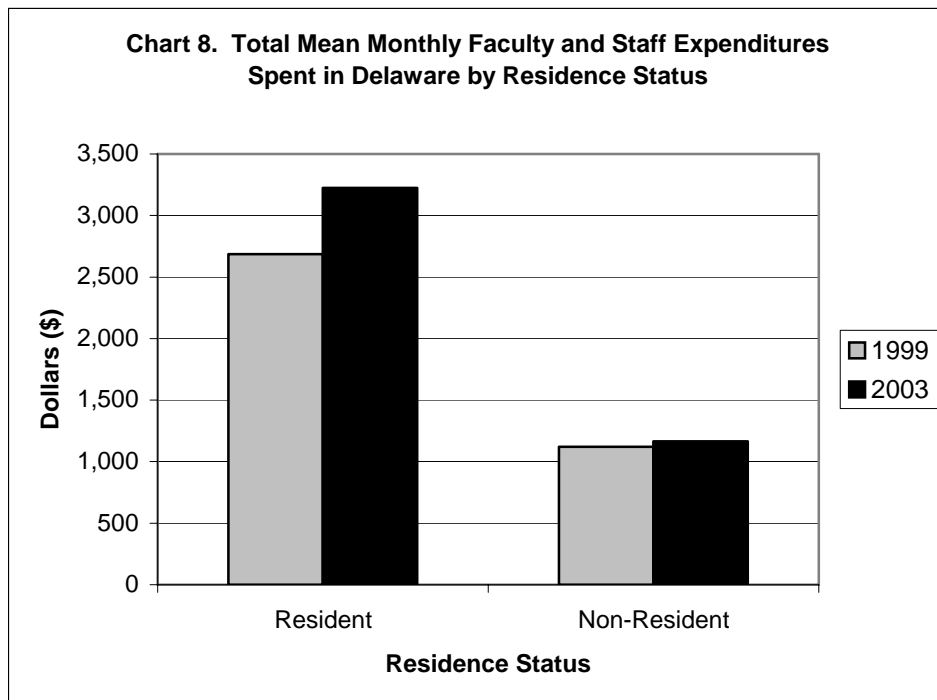
Overall Faculty and Staff
Respondents (N=775)

	n	\$	% of Total Monthly Expenditures
Housing	589	767	28.1
Utilities	587	160	5.9
Telephone and Cable	592	89	3.3
Food and Beverage	602	392	14.4
Automobile	591	375	13.7
Medical and Dental	584	99	3.6
Services	573	116	4.3
Clothing	589	89	3.3
Other Retail	548	119	4.4
Entertainment and Recreation	553	70	2.6
Education and Tuition	429	145	5.3
Other - 1	479	153	5.6
Other - 2	79	114	4.2
Other - 3	28	40	1.5
Total Mean Monthly Expenditures		2,728	100

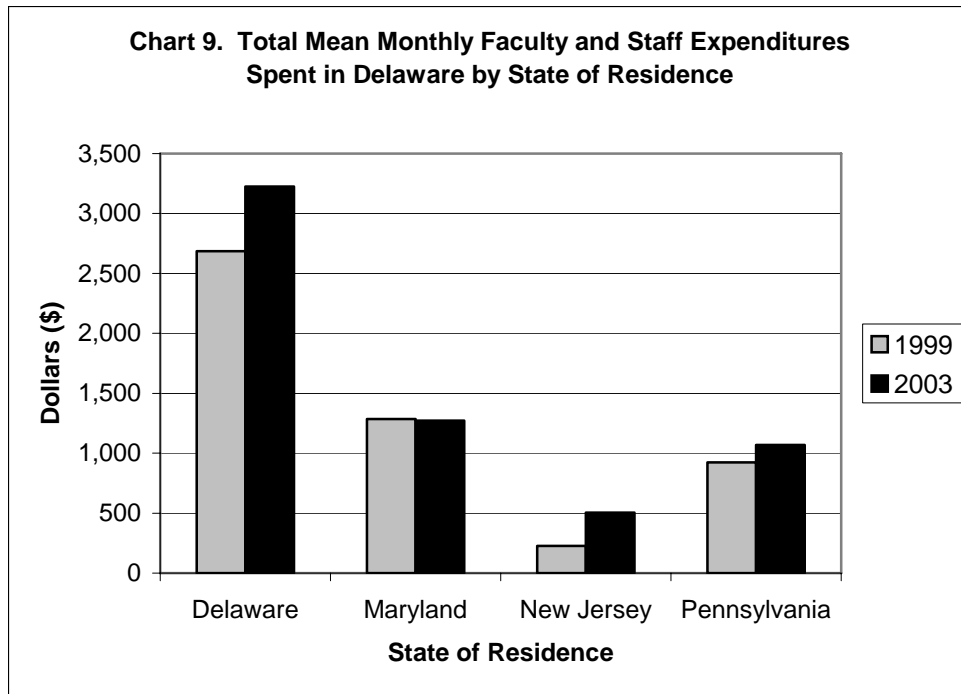
Faculty and staff household expenditures in Delaware were approximately 26% higher than the expenditures reported in the 1999 Economic Impact Study. To more accurately understand faculty and staff expenditures it is useful to examine spending of groups by employment status, residence status, and state of residence. Professional staff members tend to spend the most in Delaware followed by faculty, salaried staff, and hourly staff (see Chart 7). This is a change from the 1999 results that showed faculty with the highest expenditures. Although all employment categories reported higher expenditures in Delaware in 2003, professional staff expenditures showed the largest increase and rose 33% compared to 1999. The largest expenditure category for all employment status groups except hourly staff was housing. After housing expenditures, faculty and professional staff tend to spend the greatest percentage of their total monthly expenditures on food and beverage followed by automobiles. After housing expenditures, salaried staff tend to spend the greatest percentage of their total monthly expenditures on automobiles followed by food and beverage. Hourly staff members spend the greatest percentage of their total monthly expenditures on automobiles, followed then by housing and finally food and beverage.



The total mean monthly expenditures in Delaware for resident faculty and staff members were approximately \$3,220 and \$1,160 for Delaware non-resident faculty and staff members (see Chart 8). This was an increase of 20% for resident faculty and staff expenditures since 1999, while only a 4% increase for non-resident faculty and staff members. Delaware residents tend to spend the largest percentage of their total monthly expenditures in Delaware on housing (30%) followed by both food and beverage (14%) and automobiles (14%). Delaware non-residents tend to spend the greatest percentage of their total monthly expenditures in Delaware on food and beverage (22%) followed by automobiles (17%) and education and tuition (9%).



The total mean monthly faculty and staff expenditures in Delaware also varied by state of residence. As was the case in 1999, Delaware residents tend to spend the most in the state of Delaware, followed by Maryland, Pennsylvania, and New Jersey residents (see Chart 9). Each groups' total mean monthly expenditures in Delaware increased since the 1999 study, except for Maryland residents whose expenditures decreased by about 1%. Delaware residents tend to spend the greatest percentage of their total monthly expenditures on housing (30%) followed by both food and beverage (14%) and automobiles (14%). Maryland residents tend to spend the greatest percentage of their total monthly expenditures in Delaware on food and beverage (19%) and automobiles (19%) followed by other retail (9%). Pennsylvania residents tend to spend the greatest percentage of their total monthly expenditures in Delaware on food and beverage (26%) followed by education and tuition (17%) and automobiles (14%). New Jersey residents tend to spend the greatest percentage of their total monthly expenditures in Delaware on food and beverage (18%) and automobiles (15%).



In 2003, the estimated total annual expenditures in Delaware by the University’s Newark campus faculty and staff population were approximately \$119,191,780³ (see Table 6 and Chart 10). The breakdown of these annual expenditures is summarized below:

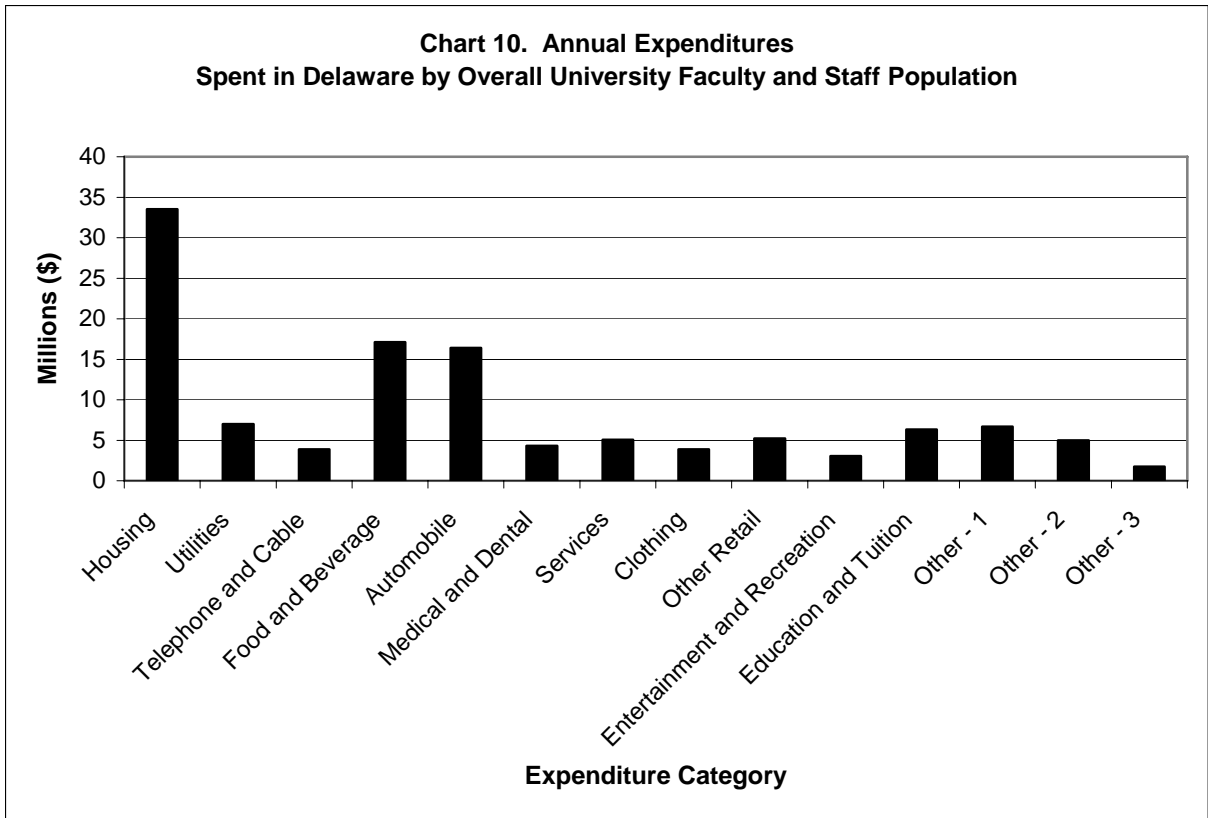
Table 6. Annual Expenditures Spent in Delaware by Overall University Faculty and Staff Population

	Expenditures Per Year (\$) ³	% of Total Annual Expenditures
Housing	33,511,764	28.1
Utilities	6,990,720	5.9
Telephone and Cable	3,888,588	3.3
Food and Beverage	17,127,264	14.4
Automobile	16,384,500	13.7
Medical and Dental	4,325,508	3.6
Services	5,068,272	4.3
Clothing	3,888,588	3.3
Other Retail	5,199,348	4.4
Entertainment and Recreation	3,058,440	2.6
Education and Tuition	6,335,340	5.3
Other - 1	6,684,876	5.6
Other - 2	4,980,888	4.2
Other - 3	1,747,680	1.5
Total Annual Expenditures	119,191,776	100

The total annual expenditures in the state of Delaware by the overall University faculty and staff population were approximately 26% higher than those found in the 1999 Economic Impact Study. Compared to the categorical breakdown of the 1999 study, the most notable increase in annual faculty and staff expenditures occurred in the other retail category, followed by services. Only one item – education and tuition – showed a decrease in faculty and staff expenditures. All other items, including the combined figure from the three “Other” categories, showed increased expenditures from 1999 to 2003.

³ The faculty and staff annual expenditures were based on the employee counts of the Newark campus only (n=3,641).

**Chart 10. Annual Expenditures
Spent in Delaware by Overall University Faculty and Staff Population**



Faculty and staff were asked to indicate up to six Newark businesses that they frequent on a regular basis. Of the top 25 businesses that faculty and staff mentioned, 40% were in the food and beverage industry, 36% were retail stores, 16% were grocery stores, and 8% provided banking services.

3. Local Business Sample: Methodology and Survey

During October 2003, the Economic Impact Study was administered to business owners and managers of approximately 330 local businesses surrounding the University's campus in the Newark area. A follow-up mailing was conducted in November. The targeted businesses were located on Main Street and within an approximate five-mile radius of the University. While all of the businesses that were administered surveys in the 1999 study were contacted again in 2003, some additional businesses in the current study included hotels, motels, and automotive sales, among others. The survey instrument used was identical to that administered in 1999 (see Attachment C for a copy of the survey).

The business data set contained 99 surveys. The business response rate was approximately 33%. The breakdown of the products and services of the business respondents is summarized below:

Table 7. Products and Services of Local Business Respondents

Business Products and Services	n	Percentage
Service	40	40.4
Retail	35	35.4
Food and Beverage	19	19.2
Personal Services	4	4.0
Entertainment	1	1.0
Total	99	100

The service category included businesses such as beauty and barber service, dry cleaning, hotels and motels, copy services, banking services, and automobile care while the personal service category included businesses such as chiropractic health care and weight loss services.

University Economic Impact on Local Businesses

The results of the business survey questions 2 through 7 – addressing company employees, profits, and impact – were both quantitative and qualitative in nature and are detailed in the bullet points that follow. For those items that asked about employees and profits, the quantitative changes since 1999 are noted. Regarding business impact, the first open ended question was addressed by analyzing themes of the most common responses, while summaries and quotes were used in describing business responses to the final two open ended questions.

- The business respondents indicated that, on average, 10 to 19 of their employees were employed in Delaware. The average business respondent also indicated that these employees were employed in the Newark area. In 1999, the average respondent employed only 5 to 9 of these employees in the Newark area. Thirty-eight percent of the business respondents employed 1 to 4 current University of Delaware students and almost half (49%) employed 1 to 4 University of Delaware alumni. These percentages are lower than those in 1999, where 46% of respondents employed 1 to 4 current students, and 51% employed 1 to 4 University of Delaware alumni.

- Business respondents were asked to indicate what approximate percentage of their business income comes from the sales of products and services to the University of Delaware and its community. Twenty-seven percent of the business respondents indicated that for their *company as a whole* 26 to 49% of their sales income could be attributed to the University and its community. This is a greater percentage of respondents attributing this level of sales income to the University (only 21% indicated this level of sales income in 1999). An additional 7% of business respondents indicated that 50 to 74% of their profit comes from sales to the University and its community. Compared to the 1999 study, there were also a greater percentage of businesses that attribute most or all of their profits to the University and its community. Nine percent of business respondents attributed 75 to 100% of their sales income to the University and its community in 2003, whereas only 7% of respondents indicated sales income at this level in 1999.
- Up slightly from 24% in 1999, 26% of the business respondents indicated that for the part of their company that is *located in the Newark area*, 26 to 49% of their business income could be attributed to the University and its community. An additional 13% of the respondents indicated that 50 to 74% of their business income could be attributed to the University and its community. Compared to the 1999 study where 12% of the business respondents indicated that 75 to 100% of their sales income comes from the University and its community, 15% of the business respondents in 2003 attributed this highest level of sales income to the University and its community.
- The business respondents were asked to indicate how their business would be impacted if student enrollment declined at the University. Approximately 33% of the respondents indicated that their business would decline. An additional fifteen percent of the business respondents indicated that they would experience a small impact or decline. These percentages increased since the 1999 Economic Impact Study, where 28% indicated that their businesses would decline, and 13% a small impact or decline. Finally, 8% of business respondents in 2003 specifically mentioned that their business would be negatively impacted if an enrollment decline led to a reduction of University faculty and staff.
- The business respondents were also asked to indicate in what ways the University and its community influenced their business decisions. Many businesses noted that having a customer base of students, faculty and staff, and visitors influenced their decisions to offer specific products and services. Business respondents indicated that marketing toward the clientele of a University community involves the use and timing of student discounts along with general sales and promotions. A number of respondents valued students as a recruiting pool of quality candidates for seasonal part-time positions as well as full-time positions after graduation. Other business decisions mentioned by respondents that are influenced by the University and its community included adjusting hours of operation and the decision to locate businesses in close proximity to the University of Delaware campus.

- Finally, business respondents were asked to share how the University and its community affected their business as a whole. A number of business respondents indicated that the University and its community was an asset to their business. Several other businesses stated that their success was based solely on the University. One business noted that it was grateful for its relationship with the University and those students who work at the organization to fulfill their internship requirement. In addition, other respondents commented on the positive relationship they have cultivated with the University through their participation in University events and networking opportunities. Another business respondent mentioned that its employees enjoy the convenience of the University's Continuing Education program for their professional development. Business respondents noted that they also thrive on the additional business generated by visitors drawn to Newark because of the University and its events. Several respondents valued the advantages of a university town that has made Newark a "nice community" that felt "more alive" during school sessions. Business respondents also noted how the University enhanced Newark through the "cultural enrichment it brings to the community." One business appreciated how the Newark community stood out from surrounding areas because of the "diversity of style" brought by students, faculty, and staff from various cultures.

4. University Economic Impact

University Revenues

The University's largest source of operating revenue in fiscal year 2003 was tuition and fees. In addition to operating revenue, the University generated revenue through special events and activities. For example during the 2002-03 fiscal year, Clayton Hall hosted a number of meetings and events both internally and externally. Approximately 70% of the events hosted were external, and included meetings and events sponsored by corporate, government, non-profit, religious, social, and educational organizations. These external events generated approximately \$1.9 million in revenue. Conference locations in Wilmington and Lewes also hosted external events and generated approximately \$780,000 in combined revenue. In addition, during the 2002-03 fiscal year approximately 284,000 individuals visited the Bob Carpenter Center for intercollegiate athletic events, concerts, and tradeshow. Seven of the events at the Bob Carpenter Center included 1 concert, 1 comedic show, 1 family sporting show, and 4 family shows. Approximately 28,330 individuals attended these seven events generating approximately \$467,560 in revenue.

University Expenditures

The University of Delaware is the 8th largest employer in the state of Delaware. During fall 2003, the University employed approximately 3,600 faculty and staff members on the Newark campus. The University compensated these employees approximately \$193,035,080.

The University makes numerous purchases through both Delaware and non-Delaware vendors. During the 2002-2003 fiscal year, the University purchased approximately \$94,893,400 worth of products and services through Delaware vendors. Purchasing in the state of Delaware accounts for 56% of the University's overall purchasing. This in-state spending figure is over 32 million dollars more than that of fiscal year 1999, where purchases made in Delaware were only 41% of the overall University's overall purchasing. The 2003 figure of University purchasing in the state of Delaware is a 51% increase from 1999.

Summary of Overall Economic Impact

The expenditures of students, faculty, staff, and the University account for a large part of the economic impact on the state of Delaware. These direct expenditures create a “multiplier” effect, where employees and businesses make subsequent (indirect) purchases after receiving paychecks and profits from the revenue of the initial (direct) purchases. The total economic impact of the University of Delaware was calculated by applying a multiplier of 1.8⁴ to the direct expenditures. The estimated total economic impact of student, faculty, and staff direct expenditures and University purchasing is summarized in Table 8.

Table 8. Annual Expenditures Spent in Delaware by the University of Delaware and Its Community

	Estimated Spending in Delaware Per Year	Percent Change since 1999	Overall Economic Impact	Percent Change since 1999
Student Expenditures	194,350,948	35.9	349,831,706	28.8
Faculty and Staff Expenditures	119,191,776	26.1	214,545,197	19.5
University Purchases	94,893,449	51.0	170,808,208	43.1
Total Economic Impact	408,436,173	36.0	735,185,111	28.8

During 2003, the University and its community spent approximately \$410 million in Delaware, which is a 36% increase of total expenditures since 1999. These estimated expenditures are more than 4 times the state operating appropriations level (\$100 million). The estimated total economic impact of the University of Delaware is approximately \$735 million, nearly a 29% increase compared to the results in the 1999 study.

The economic impact of the University of Delaware is also responsible for generating additional jobs for businesses that provide products and services to the University and its community. According to the Bureau of Economic Analysis, approximately 20 jobs are generated for each additional \$1 million of output⁴. The estimated spending from students, faculty, staff, and the University therefore support approximately 8,170 jobs in the state of Delaware.

⁴Regional Input-Output Modeling System (RIMS II). Regional Economic Analysis Division, Bureau of Economic Analysis, U.S. Department of Commerce, 2004.

Conclusion

In 2003, the University of Delaware continued to provide an increasing benefit to the economy of its surrounding community and the state of Delaware through the vast and far-reaching effects of both direct and indirect expenditures. Since the 1999 Economic Impact Study, students, faculty, staff and University expenditures have increased within the local economy. Local businesses, on the receiving end of many of these purchases, continue to find the University and its community key to the success of their businesses. Comparing the current overall findings to those in 1999, this impact on the local and state economy generated a significantly greater return in 2003 – one that is more than 4 times the value of the state’s annual investment in the University of Delaware.

The University of Delaware’s mission focuses on education, research and service for the betterment of its students, as well as its surrounding communities and the state of Delaware. In addition to these benefits and its economic impact, the University of Delaware provides a range of benefits including, but not limited to, employment opportunities, cultural exhibits and events, and support for the area’s unique social and geographical environment.

Acknowledgements

The methodology and survey instruments of the 1999 Economic Impact Study – replicated here in this current study – were adopted from Southeastern Louisiana University with the permission of Donald Boeckman.

- 8) What is your average monthly income from all sources after taxes (i.e., job, family, and other sources of income)? \$ _____
- 9) Please indicate approximately how much you spend *each month regardless of source of income* on the following items (please *exclude* University tuition, housing, and meal plans):

Item	Total Dollar Amount Spent Each Month	Approximate Percentage of Total Dollar Amount Spent in Delaware
a) Housing – rent or house payment	\$	%
b) Utilities – electric, gas, heat, water, garbage fees, sewer fees	\$	%
c) Telephone and Cable – local and long distance telephone fees, cell phone fees, cable fees	\$	%
d) Food and Beverage – groceries and items purchased at restaurants and other establishments	\$	%
e) Entertainment and Recreation – special events, concerts, movies, sports equipment, etc.	\$	%
f) Services – beauty and barber services, child care, cleaning services, etc.	\$	%
g) Clothing – buying clothes, dry cleaning, etc.	\$	%
h) Books and Educational Supplies – textbooks, paper, pens, pencils, art supplies, etc. (overall costs/12 months)	\$	%
i) Other retail – household goods, apartment/home furnishings, computer/electronics, other personal items, gifts	\$	%
j) Automobile – car payment, insurance, gasoline, parking fees, vehicle maintenance and repairs	\$	%
k) Medical and Dental – money spent on health care and prescriptions not covered by insurance payment	\$	%
l) Other (please specify):	\$	%
m) Other (please specify):	\$	%
n) Other (please specify):	\$	%

10) Please list up to six (6) Newark businesses that you frequent on a regular basis:

- | | |
|----------|----------|
| 1. _____ | 4. _____ |
| 2. _____ | 5. _____ |
| 3. _____ | 6. _____ |

Please return your completed questionnaire in the enclosed envelope to the Office of Institutional Research and Planning, 325 Hullihen Hall by *November 21, 2003*.

Thank you for your time and assistance!



2003 Economic Impact Study
Faculty and Staff Questionnaire

The University of Delaware, with the help of the Office of Institutional Research and Planning, is administering this questionnaire to faculty and staff in order to support an economic impact study. This study will determine the economic impact that University faculty and staff expenditures have on the community and State. This questionnaire is being distributed to a group of randomly selected faculty and staff at the University and your information will be compiled with other faculty and staff respondents. Your assistance is essential for a successful and meaningful study. Please contact Allison Ohme via phone at (302) 831-2021 or via email at aohme@udel.edu if you have any questions. Please return your completed questionnaire in the enclosed envelope to the Office of Institutional Research and Planning, 325 Hullihen Hall, by Friday, November 21, 2003.

Please note: There are no identifying marks on this questionnaire. The information you provide on this questionnaire is completely anonymous and confidential.

1) Please indicate your University employment status: [] Faculty [] Salaried Staff [] Professional [] Hourly

2) Where do you live? [] New Castle County, DE [] New Jersey [] Kent County, DE [] Pennsylvania [] Sussex County, DE [] Other (please specify) [] Maryland [] _____

3) Please indicate your average round-trip daily commute to the University: _____ miles.

4) How many members are in your household? _____

5) Please list up to six (6) Newark businesses that you frequent on a regular basis:

- 1. _____ 4. _____
2. _____ 5. _____
3. _____ 6. _____

Please turn over. =>

6) Please indicate approximately how much *you and your household members* spend each month on the following items:

Item	Total Dollar Amount Spent Each Month	Approximate Percentage of Total Dollar Amount Spent in Delaware
a) Housing – rent or house payment, including insurance and taxes	\$	%
b) Utilities – electric, gas, heat water, garbage fees, sewer fees	\$	%
c) Telephone and Cable – local and long distance telephone fees, cell phone fees, cable fees	\$	%
d) Food and Beverage – groceries and items purchased at restaurants and other establishments	\$	%
e) Automobile – car payment, insurance, gasoline, parking fees, vehicle maintenance and repairs	\$	%
f) Medical and Dental – money spent on health care, life insurance, and prescriptions not covered by insurance payment	\$	%
g) Services – beauty and barber services, child care, cleaning services, etc.	\$	%
h) Clothing – buying clothes, dry cleaning, etc.	\$	%
i) Other retail – household goods, apartment/home furnishings, computer/electronics, other personal items, gifts	\$	%
j) Entertainment and Recreation – special events, concerts, movies, sports equipment, etc.	\$	%
k) Education and Tuition	\$	%
l) Other (i.e., vacation, home improvement/repairs, unexpected expenditures, charitable contributions) (please specify):	\$	%
m) Other (please specify):	\$	%
n) Other (please specify):	\$	%

Please return your completed questionnaire in the enclosed envelope to the Office of Institutional Research and Planning, 325 Hullihen Hall by *November 21, 2003*.

Thank you for your time and assistance!



2003 Economic Impact Study Business Questionnaire

The Office of Institutional Research and Planning at the University of Delaware is administering this questionnaire to Newark area businesses in order to support an economic impact study. This study will determine the economic impact that expenditures by the University community have on the community and State. This questionnaire is being distributed to businesses in the Newark area and the information that you provide will be compiled with other business respondents. Your assistance is essential to make this study successful and meaningful. Please contact Allison Ohme via phone at (302) 831-2021 if you have any questions regarding the study. Please return your completed questionnaire in the enclosed postage-paid envelope or fax it to the Office of Institutional Research and Planning at (302) 831-8530 by **Friday, November 21, 2003**. Thank you in advance for your assistance.

1) What is your main product or service? _____

2) How many employees are employed by your business:

a) in Delaware? (please check one)

1 - 4 5 - 9 10 - 19 20 - 49 50 - 99 100 - 249 250 or more Don't know

b) in the Newark area? (please check one)

1 - 4 5 - 9 10 - 19 20 - 49 50 - 99 100 - 249 250 or more Don't know

3) How many of your employees are:

a) current University of Delaware students? (please check one)

1 - 4 5 - 9 10 - 19 20 - 49 50 - 99 100 - 249 250 or more Don't know

b) University of Delaware alumni? (please check one)

1 - 4 5 - 9 10 - 19 20 - 49 50 - 99 100 - 249 250 or more Don't know

Please turn over. ⇒

- 4) What approximate percentage of your business income comes from the sales of products and services to the University of Delaware and its community:
- a) for your company as a whole?
- less than 25% 26 – 49% 50 – 74% 75 – 100% Don't know
- b) for the part of your company located in the Newark area?
- less than 25% 26 – 49% 50 – 74% 75 – 100% Don't know
- 5) How would your business be impacted if student enrollment at the University of Delaware declined?
- 6) Please indicate in what ways the University of Delaware and its community influence your business decisions.
- 7) Please share with us how the University of Delaware and its community affect your business as a whole.

Thank you for your time and assistance!