Institutional Research Study 08-03

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

Fall 2007

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Introduction

During fall 2007, 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 originally employed in 1999. 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 students, faculty and staff, and local businesses on the community and state. A fourth section follows and provides an examination of University revenues and expenditures that have a direct impact on the local and state economy. The report concludes with a summary of the University of Delaware's overall economic impact on Newark and the state of Delaware.

Student Sample: Methodology and Results

In fall 2007, there were 20,342 undergraduate and graduate students enrolled at the University of Delaware. The Economic Impact Study was administered in November 2007 to a sample of approximately 2,650 Newark campus undergraduate and graduate students at the University. 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 the addition of an expenditure item titled "Charitable/Religious donations or contributions" and additions within existing 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). A follow-up contact was made approximately three weeks after the initial administration. Students were given the option to complete either a paper questionnaire or an identical web version of the survey.

The original student data set contained 660 surveys. The student response rate was approximately 25%. The student data set was weighted to ensure that students were accurately represented by gender, time status, class level, residence status, and campus status. The weighted data thus provide findings from the survey respondents that are able to be generalized to the actual undergraduate and graduate student populations. Thirty-four questionnaires did not contain the necessary data for the weighting procedure. Once the weighting procedure was completed the resulting data set contained responses from 626 students.

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

Table 1. Breakdown of Demographics for Student Campus Population and Weighted Student Survey Respondents Fall 2007

	Campus Po	opulation	Survey Re	spondents
Category	N	%	n	%
Gender				
Male	8,762	43.1	266	42.4
Female	11,580	56.9	360	57.6
Time Status				
Full-Time	17,679	86.9	551	88.1
Part-Time	2,663	13.1	75	11.9
Class Level				
Freshman	4,498	22.1	136	21.7
Sophomore	3,824	18.8	119	18.9
Junior	3,556	17.5	110	17.6
Senior	4,112	20.2	127	20.3
Graduate	3,302	16.2	102	16.2
Continuing Education	1,050	5.2	32	5.2
Residence Status				
Resident	8,273	40.7	256	41.0
Non-Resident	12,069	59.3	370	59.0
Campus Status				
On-Campus	7,145	35.1	222	35.4
Off-Campus	13,197	64.9	404	64.6

As shown in Table 1, 58% of the respondents were female while 42% were male. Most of the students (88%) were classified as full-time students. Twenty-two percent of the respondents were freshmen, 19% were sophomores, 18% juniors, 20% seniors, 16% graduate students, and 5% continuing education students. More than half of the respondents were non-resident students (59%) and lived off campus (65%). The majority of students (54%) lived in a house or apartment, 34% lived in a residence hall or other University-approved housing, 8% 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 reported mean monthly student income from all sources after taxes was \$1,023 (see Table 2). This figure is very close to that found in the 1999 Economic Impact Study.

Table 2. Breakdown of Mean Monthly Income by Overall Student Respondents: 1999 and 2007

	199	99	200	07	
	Overall Student Respondents (n=649)		Overall S Respor (n=6	ndents	Percent Change
	n	\$	n	\$	
Total Mean Monthly					
Income	587	1,020	480	1,023	0.3
Gender					
Male	257	1,074	211	1,051	(2.1)
Female	330	979	269	1,000	2.1
Time Status					
Full-Time	479	650	423	740	13.8
Part-Time	108	2,663	57	3,132	17.6
Class Level					
Freshman	127	455	106	360	(20.9)
Sophomore	117	574	87	432	(24.7)
Junior	92	702	90	702	0.0
Senior	114	982	96	1,004	2.2
Graduate	82	1,903	75	2,610	37.2
Continuing Education	56	2,556	26	2,562	0.2
Residence Status					
Resident	291	1,421	200	1,312	(7.7)
Non-Resident	296	627	281	817	30.3
Campus Status					
On-Campus	205	315	168	367	16.5
Off-Campus	382	1,399	312	1,376	(1.6)

Table 2 displays student income broken down by gender, time status, class level, residence status, and campus status. While most of these groups report small or moderate increases in income, a few report decreases in their mean income between 1999 and 2007. These groups include males, freshmen and sophomores, Delaware residents, and off-campus students. Seventy-three percent of resident student respondents also reported living off-campus, so this correlation could explain why both of these groups experienced a decline. The largest incomes were found among part-time students (\$3,132) as well as graduate students (\$2,610) and

continuing education students (\$2,562). This finding is not surprising since most part-time students (73%) are also categorized as one of these two class levels. These groups are more likely to maintain full-time jobs, explaining their substantially higher reported incomes.

Students expenditures ranged in items from housing to entertainment to medical and dental. Students were given the opportunity to indicate additional expenditure areas in three "Other" categories. Less than 10% of student respondents listed any additional expenditures, and those listed ranged from sorority and fraternity dues, gym memberships, travel expenses including public transportation, to savings and investments.

Of the 54% of students that reported living in an apartment or house, 70% indicated that they pay rent while another 12% report owning their home. The percentage of students that report renting is slightly higher than the 65% of students who rented in 1999.

The total mean monthly student expenditures in Delaware were \$813 (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 in Table 3.

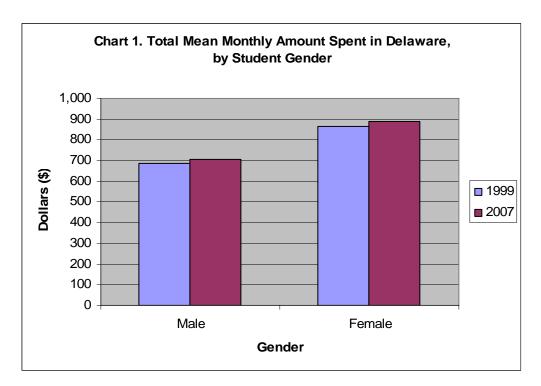
Table 3. Breakdown of Mean Monthly Amount Spent in Delaware by Overall Student Respondents

Overall Student Respondents (n=626)

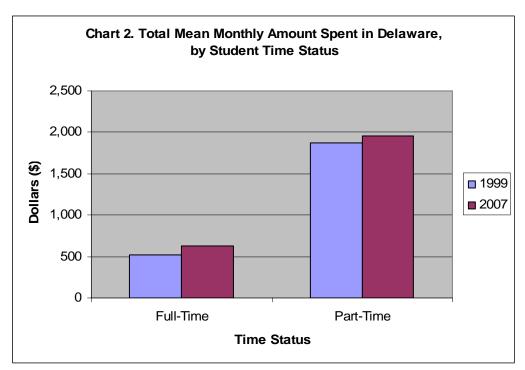
			% of Total Monthly
	n	\$	Expenditures
Housing	438	259	31.9
Utilities	432	44	5.4
Telephone and Cable	421	33	4.0
Food and Beverage	414	137	16.8
Entertainment and Recreation	418	36	4.5
Services	450	23	2.8
Clothing	430	29	3.5
Books and Educational Supplies	359	82	10.1
Other Retail	421	28	3.5
Automobile	438	87	10.7
Medical and Dental	453	16	2.0
Charitable Donations	441	7	0.9
Other - 1	89	26	3.2
Other - 2	67	4	0.5
Other - 3	65	2	0.2
Total Mean Monthly Expenditures		813	100

Students' total mean monthly expenditures in Delaware were consistent with those reported in the 1999 Economic Impact Study, increasing only one percent. However, to more accurately understand student expenditures in Delaware it is useful to examine spending of students by gender, time status, class level, residence status, and campus status.

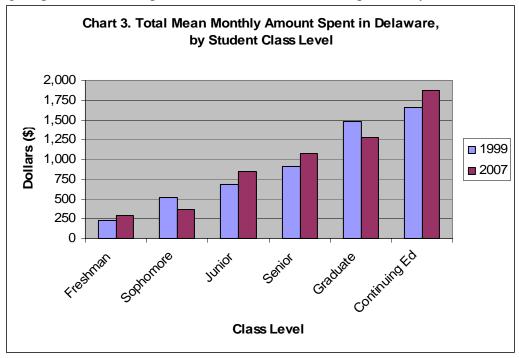
Chart 1 shows mean monthly student expenditures in Delaware by gender. The trend for female students to report a higher level of spending than their male counterparts was seen in both the 1999 and 2007 studies. Females reported spending an average of approximately \$900 in Delaware, while males reported spending only \$700 per month. Spending for both genders increased modestly from 1999 to 2007. Males and females also reported somewhat different expenditure patterns. For example, females spent a larger percentage of their total Delaware expenditures on housing, services, and clothing while males reported a larger percentage of their Delaware expenditures on food and beverage or entertainment and recreation.



The total mean monthly expenditures in Delaware for full-time students were approximately \$630 and \$1,950 for part-time students (see Chart 2). Both full-time and part-time students reported slightly higher average monthly expenditures than reported in the 1999 study, but the large difference between the two groups is essentially equal. This large expenditure difference mirrors the difference in income levels between part-time and full-time students, and 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 report larger percentages of their expenditures being made on utilities, telephone and cable, services, and automobile.



Total mean monthly expenditures in Delaware by class level are summarized below (see Chart 3). As previously noted, freshmen and sophomores were the only two class levels to report a drop in mean monthly *income* from the 1999 study. While sophomores also report a corresponding drop in Delaware expenditures, freshman students report a very modest increase.

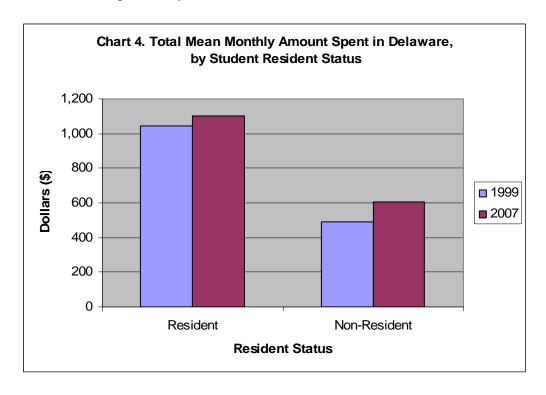


Examining mean monthly expenditures within Delaware by class level shows that expenditures for juniors and seniors were, respectively, equivalent to 121 and 107 percent of their reported mean incomes. These figures could indicate that junior and senior students were either supplementing their income level with savings, assistance from parents, or acquiring monthly

debt. Other class levels reported mean monthly expenditures that were less than their respective mean monthly income.

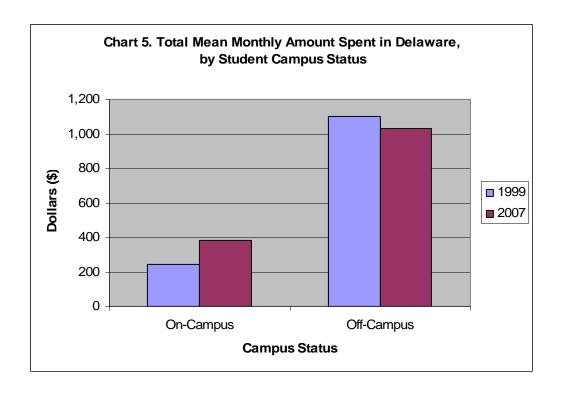
Total mean monthly expenditures in Delaware increased for each class level when compared to the 1999 findings with the exception of sophomores (28% decrease) and graduate students (13% decrease). The largest expenditure category for all class levels except freshmen students was housing. Since the majority of freshmen live on campus, their monthly housing expenditures were very low. For freshman students, the greatest percentages of their total monthly expenditures are for books and educational supplies (23%), food and beverage (19%), and automobiles (10%). These three items, in the same order, are also the greatest category of expense for sophomores and juniors. Seniors also report the highest percentage of their expenditures going to these three categories, although the percentage spent on automobile (10%) exceeds that for books and educational supplies (9%) slightly. Seniors, graduate and continuing education students reported spending more on utilities and telephone and cable than other class levels.

Resident students report outspending their non-resident counterparts by approximately \$500, with Delaware residents spending an average \$1,100 per month within Delaware and nonresidents \$600 (see Chart 4). While a similar gap between residents and non-residents was seen in the 1999 results, the current difference is smaller by approximately \$60. Both residents and non-residents report increases in their mean monthly Delaware expenditures, but nonresidents report a larger percentage increase (24%) than residents (5%). The large expenditure difference between resident and non-resident students is a function of both time status and class level as previously discussed.



Specifically, part-time students' mean monthly expenditures were significantly greater than full-time students' (see Chart 2) and a large majority 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 (76%) are Delaware residents, it is not surprising that residents had greater mean monthly expenditures than non-residents. Resident students spent higher percentages of their monthly income on utilities, telephone and cable, services and automobiles than non-residents. Non-residents tend to allocate higher percentages of their monthly expenditures for housing, food and beverage, and books and educational supplies.



The total mean monthly expenditures in Delaware for on-campus students were approximately \$380 and \$1,030 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 55% while off-campus student expenditures fell by 6%. This finding appears to correlate with the trend in expenditures by class level. Freshman students live predominantly on-campus, and they reported an increase in expenditures within Delaware. However, both sophomore and graduate students reported decreases in expenditures. Graduate students especially tend to live off-campus since graduate housing on-campus is limited. The decrease in their expenditures helps explain the overall decrease in off-campus student expenditures. The percentage of total monthly expenditures that on-campus students spend on food and beverage, entertainment and recreation, clothing, books and educational supplies, as well as medical and dental was greater than their off-campus peers. Off-campus students tend to spend more on housing, utilities, telephone and cable, and automobiles.

In 2007, the estimated total annual expenditures in Delaware by the overall University student population were \$144,402,298¹ (see Table 4 and Chart 6). The breakdown of these annual expenditures is summarized below:

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

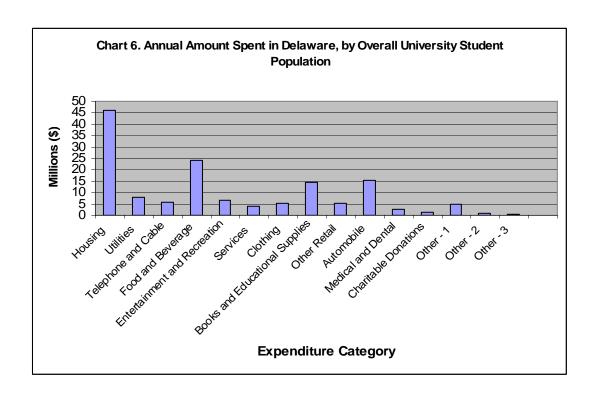
	Expenditures Per Year (\$) ²	% of Total Annual Expenditures
Housing	46,003,067	31.9
Utilities	7,822,618	5.4
Telephone and Cable	5,836,438	4.0
Food and Beverage	24,265,592	16.8
Entertainment and Recreation	6,439,577	4.5
Services	4,017,499	2.8
Clothing	5,077,140	3.5
Books and Educational Supplies	14,584,295	10.1
Other Retail	5,058,131	3.5
Automobile	15,434,629	10.7
Medical and Dental	2,848,857	2.0
Charitable Donations	1,247,412	0.9
Other - 1	4,658,661	3.2
Other - 2	764,438	0.5
Other - 3	343,944	0.2
Total Annual Expenditures	144,402,298	100

The total annual expenditures in the state of Delaware by the overall University student population were consistent with those found in the 1999 Economic Impact Study, approximately 1% higher. Compared to the categorical breakdown of the 1999 study, the most notable increase in annual student expenditures occurred in the books and educational supplies category, followed by medical and dental and utilities.

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¹ 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 2007 (4), winter 2008 (1), spring 2008 (4), and summer 1 and 2 2007 (1.5 each). The total annual expenditures were the sum of these categories.



Students were asked to indicate up to six Newark businesses that they frequent on a regular basis. Of the top 25 businesses that students mentioned, more than two-thirds (67%) were in the food and beverage industry, 24% were retail stores, and 12% were grocery stores.

Faculty and Staff Sample: Methodology and Results

In fall 2007, there were 4,004 faculty and staff employed by the University of Delaware, with 3,765 of these employees on the Newark campus. The Economic Impact Study was administered in November 2007 to a sample of 2,050 faculty and staff on the Newark campus. Faculty and staff were given the option to complete a paper questionnaire or complete an identical web version of the survey. A follow-up contact was made approximately three weeks after the initial administration. Employees 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 the addition of an expense item titled "Charitable/Religious donations or contributions" and additions within existing 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 882 surveys. The faculty and staff response rate was approximately 43%. The data set was weighted to ensure that faculty and staff members were accurately represented by both employment and time status. The weighted data thus provide findings from the survey respondents that are able to be generalized to the actual faculty and staff population. Overall, 5 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 877 faculty and staff members.

Twenty-seven percent of the respondents were faculty members, 38% were professional staff, 23% were salaried staff, and 12% were hourly staff. Seventy-five percent of the respondents were Delaware residents while 25% of the respondents were Delaware non-residents. Of non-residents, 57% lived in Maryland, 37% lived in Pennsylvania, and 5% lived in New Jersey. Only 1% reported living in any other state. The average round-trip daily commute for faculty and staff respondents was 20 miles. This figure increased approximately 2 miles compared with the 1999 findings. The average faculty and staff household size of 3 members did not change. All findings reported herein refer to the weighted sample of faculty and staff respondents.

Faculty and Staff Economic Impact

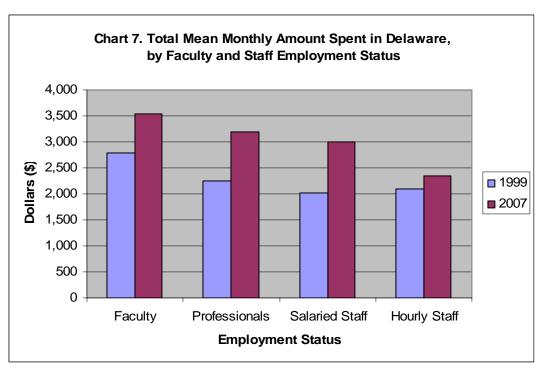
Faculty and staff expenditures ranged in items from housing to retail to education and tuition. The total mean monthly faculty and staff household expenditures in Delaware were approximately \$3,141 (see Table 5). Faculty and staff were given the opportunity to indicate additional expenditure areas in three "Other" categories. Some of the most common items mentioned were home improvements and repairs, vacation, and subscriptions or memberships (i.e. newspaper, professional associations, etc.). 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. Breakdown of Mean Monthly Amount Spent in Delaware by Overall Faculty and Staff Respondents

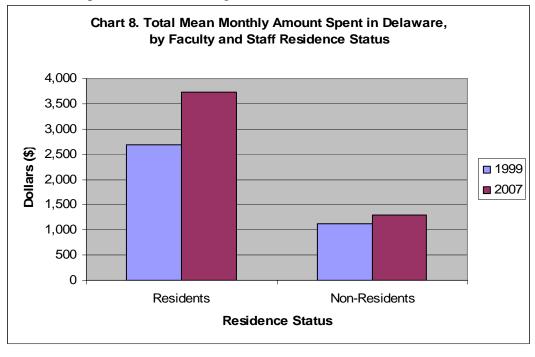
Overall Faculty and Staff Respondents (n=877)

			o. (=
	n	\$	% of Total Monthly Expenditures
Housing	729	820	26.1
Utilities	731	212	6.8
Telephone and Cable	723	115	3.7
Food and Beverage	737	411	13.1
Automobile	735	405	12.9
Medical and Dental	713	110	3.5
Services	716	117	3.7
Clothing	710	90	2.9
Other Retail	682	127	4.0
Entertainment and Recreation	691	64	2.0
Education and Tuition	582	192	6.1
Charitable Donations	523	96	3.1
Other - 1	461	183	5.8
Other - 2	132	128	4.1
Other - 3	68	71	2.3
Total Mean Monthly Expenditures		3,141	100

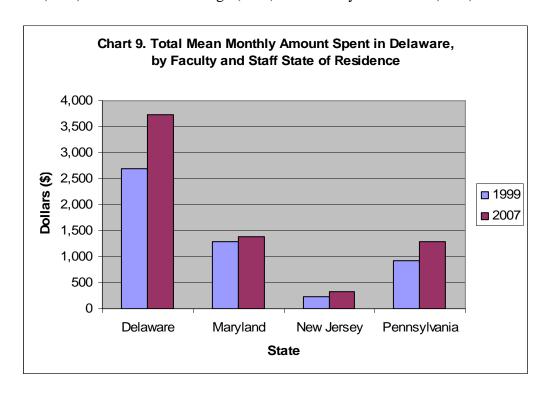
Faculty and staff mean monthly household expenditures in Delaware averaged approximately 35% higher than those reported in the 1999 Economic Impact Study. To better understand faculty and staff expenditures it is necessary to examine expenditures broken down by employment status, residence status, and state of residence. Faculty members report spending the most in Delaware followed by professionals, salaried staff, and hourly staff (see Chart 7). This is consistent with the 1999 results which also showed faculty with the highest expenditures. Faculty and staff in every category reported higher expenditures in Delaware in 2007, but salaried staff experienced the largest increase in expenditures – 49% from the 1999 results. Each group reported that their greatest expenditure item in Delaware was housing. After housing expenditures, faculty members as well as salaried staff members tend to spend the greatest percentage of their total monthly expenditures on food and beverage followed by automobiles. After housing expenditures, both professional and hourly staff members tend to spend the greatest percentage of their total monthly expenditures on automobiles followed by food and beverage.



The total mean monthly expenditures in Delaware for resident faculty and staff members were approximately \$3,730 and \$1,290 for Delaware non-resident faculty and staff members (see Chart 8). These values represent an increase of 39% for resident faculty and staff expenditures since 1999, and a 15% 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 followed by food and beverage and automobiles. Delaware non-residents tend to spend the greatest percentage of their total monthly expenditures in Delaware on food and beverage (22%) followed by automobiles and education and tuition. Non-residents also spent larger percentages of their Delaware expenditures on clothing and other retail than Delaware residents.



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 within 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, with Delaware residents reporting the largest mean dollar amount increase of \$1,045. Maryland residents tend to spend the greatest percentage of their total monthly expenditures in Delaware on food and beverage (18%), education and tuition (16%) and automobiles (15%). Pennsylvania residents tend to spend the greatest percentage of their total monthly expenditures in Delaware on food and beverage (23%) and automobile (17%) followed by other retail (12%). New Jersey residents tend to spend the greatest percentage of their total monthly expenditures in Delaware on automobiles (29%) and food and beverage (21%) followed by other retail (10%).



In 2007, the estimated total annual expenditures in Delaware by the University's Newark campus faculty and staff population were \$141,917,608² (see Table 6 and Chart 10). The breakdown of these annual expenditures is summarized below:

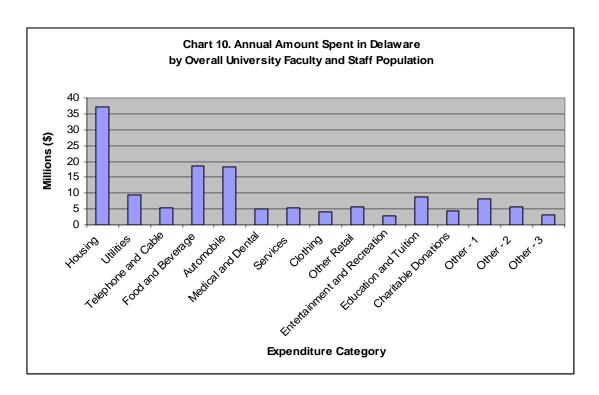
Table 6. Annual Amount Spent in Delaware by Overall University Faculty and Staff Population

	Expenditures Per Year (\$) ³	% of Total Annual Expenditures
Housing	37,035,401	26.1
Utilities	9,590,810	6.8
Telephone and Cable	5,203,381	3.7
Food and Beverage	18,553,619	13.1
Automobile	18,301,966	12.9
Medical and Dental	4,985,161	3.5
Services	5,267,988	3.7
Clothing	4,077,043	2.9
Other Retail	5,740,119	4.0
Entertainment and Recreation	2,877,966	2.0
Education and Tuition	8,671,849	6.1
Charitable Donations	4,346,768	3.1
Other - 1	8,279,687	5.8
Other - 2	5,766,775	4.1
Other - 3	3,219,075	2.3
Total Annual Expenditures	141,917,608	100

The total annual expenditures in the state of Delaware by the overall University faculty and staff population were approximately 50% higher than those found in the 1999 Economic Impact Study. Compared to the categorical breakdown of the 1999 study, the most notable increases in annual faculty and staff expenditures occurred in the telephone and cable, utilities and other retail categories. No items showed a decrease in faculty and staff expenditures when comparing results with the 1999 study.

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² The faculty and staff annual expenditures were based on the fall 2007 employee counts of the Newark campus (N=3,765).



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, 48% were in the food and beverage industry, 28% were retail stores, 20% were grocery stores, and 4% provided banking services.

Local Business Sample: Methodology and Results

During November 2007, the Economic Impact Study was administered to business owners and managers of approximately 300 local businesses surrounding the University's campus in the Newark area. A follow-up mailing was conducted approximately three weeks later. The targeted businesses were located on Main Street and within an approximate five-mile radius of the University. 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 111 surveys. The business response rate was approximately 37%. The breakdown of the products and services of the business respondents is summarized below:

Business Products and Services	n	Percentage
Service	39	35.1
Retail	39	35.1
Food and Beverage	26	23.4
Personal Services	6	5.4
Entertainment	1	1.0
Total	111	100.0

Table 7. Products and Services of Local Business Respondents

The service category included businesses such as beauty and barber service, dry cleaning, hotels and motels, copy services, banking services, and automobile care. 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. Respondents also indicated that the same number of employees are employed in the Newark area. In 1999, the average respondent employed only 5 to 9 of these employees in the Newark area. Forty-four percent of the business respondents employed 1 to 4 current University of Delaware students and 40% employed 1 to 4 University of Delaware alumni. These percentages are slightly lower than those reported in 1999, where 46% of respondents employed 1 to 4 current students, and 51% employed 1 to 4 University of Delaware alumni.

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- 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. Eighteen 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 compared with 21% of respondents in 1999. Additionally, 20% of business respondents indicated that 50 to 74% of their profit comes from sales to the University and its community. This is substantially higher than the 12% of 1999 respondents making the same selection. There were also several businesses that attribute most or all of their profits to the University and its community. Six percent of business respondents attributed 75 to 100% of their sales income to the University and its community in 2007, whereas 7% of respondents indicated sales income at this level in 1999.
- Up slightly from 24% in 1999, 25% 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 21% of the respondents indicated that 50 to 74% of their business income could be attributed to the University and its community. Again, this number is substantially higher than the 13% of 1999 respondents making the same selection. Eleven percent of business respondents indicated that 75 to 100% of their sales income comes from the University and its community, comparable to the 12% of business respondents in 1999 attributing 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 45% of the respondents indicated that their business would decline. An additional 18% 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% indicated a small impact or decline.
- 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 of student discounts along with general sales and promotions. Many such marketing events are timed to coincide with University of Delaware special events, when respondents report they often experience a surge in business. 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 are of great importance to their business. Several other businesses stated that with the absence of the University, their business would not survive

in Newark. Other respondents noted that they enjoy employing and working with students. Others commented on the positive relationship they have cultivated with the University through their participation in University events and networking opportunities. Business respondents also noted that they also thrive on the additional business generated by visitors drawn to Newark because of the University and its events. Several noted that they appreciate that the University makes Newark "an interesting and diverse community." One business respondent praised Newark's "communal feeling" which is created by the University, and the "fresh, inventive ideas" of the University community.

University Revenue and Expenditures

University Revenue

The University's largest source of operating revenue in fiscal year 2007 was tuition and fees. In addition to operating revenue, the University generated revenue through special events and activities. For example during the 2006-07 fiscal year, Clayton Hall hosted close to 380 events. Approximately 72% of the events hosted were external, and included meetings and events sponsored by corporate, government, non-profit, religious, social, and educational organizations. The external events generated approximately \$2.1 million in revenue. Conference locations in Wilmington and Lewes also hosted external events and generated approximately \$972 thousand in combined revenue. In addition, during the 2006-07 fiscal year approximately \$47,000 individuals visited the Bob Carpenter Center for intercollegiate athletic events, concerts, and tradeshows. More than 90 events were held, generating a total of approximately \$1.1 million.

University Expenditures

The University of Delaware is one of the largest employers in the state of Delaware. During fall 2007, the University employed approximately 3,760 faculty and staff members on the Newark campus. The University compensated these employees approximately \$227,723,165; a figure approximately 47% greater than that reported in the 1999 study.

The University makes numerous purchases through both Delaware and non-Delaware vendors. During the 2006-2007 fiscal year, the University purchased approximately \$124,042,608 worth of products and services through Delaware vendors. Purchasing in the state of Delaware constitutes 35% of the University's overall purchasing. This in-state spending figure is over \$61 million greater than that of 1999, nearly doubling since the 1999 study.

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 1.8³ to the direct expenditures of students as well as faculty and staff members. Purchases made by the University were multiplied by 1.9⁴ to derive its actual economic impact. The estimated total economic impact of student, faculty, and staff direct expenditures and University purchasing is summarized in Table 8.

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

	Estimated Percen Spending in Change Delaware since Per Year 1999		Overall Economic Impact	Percent Change since 1999	
Student Expenditures ³	144,402,298	1.0	259,924,136	-4.3	
Faculty and Staff Expenditures ³	141,917,609	50.2	255,451,696	42.3	
University Purchases ⁴	124,042,608	97.4	235,680,956	97.4	
Total	410,362,515	36.6	751,056,788	31.6	

Interestingly, the annual expenditures of faculty and staff were found to have increased substantially compared to students, as previously noted. This trend can be attributed to the inherent differences in the two populations. While students maintain a somewhat transient Delaware residency, a large majority of faculty and staff members live in Delaware on a more permanent basis. This fact helps to explain why student respondents report essentially no differences in their income level compared with students surveyed in the 1999 study. However, over the eight year period faculty and staff income levels have grown as the University raises employee compensation through cost of living and merit-based salary increases, as well as adjusting starting salaries to remain competitive in the labor market. Such increases would account for their higher expenditures.

During 2007, the University and its community spent approximately \$410 million in Delaware, which is a 37% increase in total expenditures since 1999. These estimated expenditures are more than 3 times the 2007 fiscal year state operating appropriations level

³ Regional Input-Output Modeling System (RIMS II). Regional Economic Analysis Division, Bureau of Economic Analysis, U.S. Department of Commerce, 2007. The multiplier and number of jobs created used to calculate student/faculty and staff economic impact represents that given for the RIMS II "Other Services" industry.

⁴ D

⁴ Regional Input-Output Modeling System (RIMS II). Regional Economic Analysis Division, Bureau of Economic Analysis, U.S. Department of Commerce, 2007. The multiplier and number of jobs created used to calculate overall University economic impact represents that given for the RIMS II "Educational services" industry.

(\$123 million). The estimated total economic impact of the University of Delaware is approximately \$751 million, nearly a 32% 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 the local community and state. According to the Bureau of Economic Analysis, approximately 18 jobs are generated for each additional \$1 million spent by students, faculty and staff. Another 21 jobs are created by each additional \$1 million spent by the University. Therefore, the estimated expenditures made by students, faculty, staff, and the University support approximately 7,760 jobs in the state of Delaware.

Conclusion

In 2007, the University of Delaware continues to provide a tremendous benefit to the economy of the surrounding community and the state of Delaware through the vast and farreaching 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 the surrounding 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 2007 – one that is more than 3 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 the 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 in the present study – were adopted from Southeastern Louisiana University with the permission of Donald Boeckman.

ATTACHMENT A



2007 Economic Impact Study Student Questionnaire

The University of Delaware, via the Office of Institutional Research and Planning, is administering this questionnaire to students in order to support an economic impact study. This study will determine the economic impact that student expenditures at the University have on the community and State. This questionnaire is being distributed to a group of randomly selected students at the University and your information will be compiled with other student respondents. Your assistance is essential in demonstrating the impact of the University student body. Please contact Lynne Foote via phone at (302) 831-2021 or via email at LFoote@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 16, 2007*.

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

1)	Gender:		Male Female		2) Student status:	θ Full-time θ Part-time	e
3)	Classification:	θ	Freshman Sophomore Junior Senior		θ Masterθ Doctorateθ Continuing	Education	
4)	Delaware residence	e s	tatus:		Resident Non-resident		
5)	Where do you live?	•		θ	On-campus Off-campus Out-of-state		
6)	How would you claplace of residence?		ify your		 θ Dormitory or other θ Fraternity or sorori θ Apartment or house θ Live with relatives θ Other (please speci 	y house	l housing
7)	If you live in an ap	arı	ment or hous	se, j	please check one of the following	wing:	
 θ I live in an apartment or house v θ I live in an apartment or house v θ I live in an apartment or house v θ Other (please specify) 				hat belo	I own.	ative where I do not	t pay rent.

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, sewer fees	\$	%
e) 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.	\$	%
) Services – beauty and barber services, child care, cleaning services, etc.	\$	%
n) Clothing – buying clothes, dry cleaning, etc.	\$	%
Books and Educational Supplies – textbooks, paper, pens, pencils, art supplies, etc. (overall costs/12 months)	\$	9/0
Other retail – pet care/supplies, household goods, apartment/home furnishings, computer/electronics, other personal items, gifts	\$	%
Automobile – car payment, insurance, gasoline, parking fees, vehicle maintenance and repairs	\$	%
) Medical and Dental – money spent on health care and prescriptions not covered by insurance payment	\$	%
n) Charitable/Religious donations or contributions	\$	%
Other (please specify):	\$	%
Other (please specify):	\$	%
o) Other (please specify):	\$	9/0

Please return your completed questionnaire in the enclosed envelope to the Office of Institutional Research and Planning, 325 Hullihen Hall by *November 16*, 2007.

ATTACHMENT B



2007 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 in demonstrating the impact of the University community. Please contact Lynne Foote via phone at (302) 831-2021 or via email at Ifoote@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 16, 2007*.

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 Un	iversity employment status:		Faculty	θ Salaried S	
			θ	Professional	θ	Hourly
2)	Where do you live?	 θ New Castle County, DE θ Kent County, DE θ Sussex County, DE θ Maryland 		θ Pennsylvania	specif	ÿ)
3)	Please indicate your ave	erage round-trip daily commut	e to	the University: _		miles.
4)	How many members are	e in your household?				
5)	Please list up to six (6)	Newark businesses that you fi	equ	ent on a regular b	asis:	
	1	4				
	2	5				
	3	6				

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 – pet care/supplies, 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) Charitable/Religious donations or contributions	\$	%
l) Other (i.e., vacation, home improvement/repairs, unexpected expenditures) (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 16*, 2007.

Thank you for your time and assistance!



2007 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 Lynne Foote 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 16, 2007*. 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)											
θ 1 - 4	θ 5 - 9	θ 10 - 19	θ 20 - 49	θ 50 - 99	θ 100 - 249	θ 250 or more	θ Don't know				
b) in the Newark area? (please check one)											
θ 1 - 4	θ 5 - 9	θ 10 - 19	θ 20 - 49	θ 50 - 99	θ 100 - 249	θ 250 or more	θ Don't know				
3) How many of your employees are:											
a) current University of Delaware students? (please check one)											
θ 1 - 4	θ 5 - 9	θ 10 - 19	θ 20 - 49	θ 50 - 99	θ 100 - 249	θ 250 or more	θ Don't know				
b) U	University	of Delaware	alumni? (ple	ase check one	e)						
θ 1 - 4	θ 5-9	θ 10 - 19	θ 20 - 49	θ 50 - 99	θ 100 - 249	θ 250 or more	θ Don't know				

	Thank you for your time and assistance!										
		se return your com stitutional Researd	1 1		_						
7)	Pleas	e share with us how e.	the University of I	Delaware and its co	ommunity affect y	our business as a					
	Please decisi	e indicate in what wa ons.	ys the University o	of Delaware and it	s community influ	uence your business					
5)	How	would your business	be impacted if stu	dent enrollment a	the University of	Delaware declined?					
5 \	11		o 26 – 49%		o 75 – 100%	θ Don't know					
	b) fo	or the part of your co	mpany located in t	he Newark area?							
		θ less than 25%	o 26 – 49%	o 50 – 74%	o 75 – 100%	θ Don't know					
	a) for your company as a whole?										
4) What approximate percentage of your business income comes from the sales of products services to the University of Delaware and its community:											