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# Economic Impact of St. Cloud State College: A Study into the Costs and the Economic Contributions of St. Cloud State (May 1970)

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May 20, 1970

To: President Robert H. Wick

From: Gerald K. Gamber

Subject: Economic Impact of St. Cloud State College: A Study into the Costs and the Economic Contributions of St. Cloud State College to the City of St. Cloud and the St. Cloud Area; forwarding of.

1. The subject described study, undertaken at your behest, is forwarded. This is a revision of my first study dated May 22, 1967.

2. In the preparation of this study, I received assistance and information from many sources. My colleagues in the Economics Department furnished advice and counsel. Institutional Research assisted with the difficult task of surveying the student body for the purposes of obtaining student expenditures in the St. Cloud community. Mayor Edward L. Henry and other city officials furnished important information and data. Every person, within or without the college, who was asked to furnish information or data, did so willingly and cheerfully.

3. It is hoped that the information presented will help to improve understanding of the costs and benefits of the college to the city and to the community.

Gerald K. Gamber

# ECONOMIC IMPACT OF ST. CLOUD STATE COLLEGE:

# A STUDY INTO THE COSTS AND THE ECONOMIC CONTRIBUTIONS OF ST. CLOUD STATE COLLEGE TO THE CITY OF ST. CLOUD AND THE ST. CLOUD AREA

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# I. INTRODUCTION

St. Cloud State College has undergone tremendous growth during the past eighteen years. This growth can be measured by the fact that full-time, on-campus enrollment in the fall quarter, 1952, was 1,191; in the fall quarter, 1969, it was 8,198.

This great growth in student enrollment was, of necessity, accompanied by a large increase in physical facilities to accommodate the increased student population. Land for these additional physical facilities was obtained through purchase of residential properties contiguous to the campus.

## Statement of the Problem

Increased expenses incurred by local units of government have resulted in ever-increasing tax rates and hence higher tax liabilities for property owners. These higher tax liabilities, coupled with removal from the tax rolls of the residential properties purchased by the State for expansion of the college, have evoked some criticisms by some local citizens. This dissatisfaction with removal of properties from the tax rolls has been communicated to college officials, faculty, staff personnel, and students on a number of occasions. A Home Interview Survey conducted in 1966 elicited such responses as, "Wouldn't mind continued expansion of college if City were compensated for loss of taxes by State" and, "Do not approve of continued expansion of college due to higher taxes on retired people."[1] On the one hand, the reduction in city tax

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[1]Nason, Wehrman, Knight and Chapman, Inc., Community Planning Consultants, St. Cloud, Minnesota Neighborhood Analysis and Housing Study (Minneapolis, Minnesota: December, 1966), Appendix III, pp. i and iv.

revenues resulting from the removal of these residential properties from the tax rolls has, for some citizens, assumed an exaggerated importance, in part due to public comments and emotional discussions of the matter. On the other hand, there appears to be an inadequate understanding, by many persons, of the magnitude of the college's economic contribution to the city, in terms of benefits in the form of financial revenue accruing to the city. It should be noted, however, that a large majority of those interviewed in the Home Interview Survey approved the expansion of St. Cloud State College.[2] Another, more recent survey, also reveals a high degree of approval for the college. Ninety-one and one-half per cent of those interviewed signified approval of the college.[3] (Forty and four-tenths per cent rated the college as "very good," and fifty-one and one-tenth per cent rated the college as "fairly good.") It is impossible to determine, of course, how much these approvals reflect an awareness of the cultural contribution of the college and how much they reflect an awareness of the college's economic contribution.

## General Purpose of the Study

The general purpose of this study is to improve understanding of the costs and the economic contributions of St. Cloud State College

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[2] Ibid., Appendix Table IIv.

[3] Richard P. Devine, St. Cloud Citizens' Social Characteristics and Views of their City (1969). Unpublished report to appear as a chapter in a book on Minnesota Micro-Cities to be published by the University of Minnesota Press.

to the City of St. Cloud and to estimate the economic contributions of the college to the St. Cloud Area. To that end, this study purposes (1) to ascertain, for 1969, the loss of property tax revenue by the City of St. Cloud as a consequence of the expansion of St. Cloud State College during the past eighteen years and to estimate certain other college-related costs to the city, (2) to measure the benefits in the form of financial revenue accruing to the City of St. Cloud in 1969, and (3) to measure the impact of St. Cloud State College on the St. Cloud Area economy in 1969.

## II. PROPERTY TAX LOSSES AND OTHER COSTS TO THE CITY

### Property Tax Losses

From tax ledger sheets made available by the St. Cloud City Assessor, real property taxes were computed on one hundred fifty-nine pieces of residential property purchased by the State of Minnesota during the past eighteen years. These pieces of property constituted all or parts of Blocks 7, 8, 9, 10, 11, 13, 16, 17, 18, 19, 20, 21, 22, 28, 30, and 37, of Curtis Survey; and parts of Blocks 1, 2, and 17, of Brott and Smith's Addition. These computations indicate that the City of St. Cloud would have received an additional $23,196.66 in real property tax revenue for the taxable year 1969 (in property tax parlance -- 1968 taxes due in 1969) if these properties had still been on the tax rolls. (Incidently, total tax loss for the city, Stearns County, and School District 742, combined, was $66,655.61.)

Since it could logically be assumed that some of the former property owners had built new residences within the city limits of St. Cloud, thus creating new real property tax revenue for the city, questionnaires were mailed to all such persons who could be located in the local telephone directory and in the city directory. A copy of the questionnaire is in the Appendix.

One hundred five questionnaires (representing sixty-six per cent of the former property owners) were mailed; replies were received from seventy-six respondents. This constituted returns from seventy-two per cent of the intended respondents. While the questionnaire permitted a variety of responses, the primary purpose was to elicit

information as to whether or not the respondent had built a new residence within the corporate limits of St. Cloud. Twenty-two respondents, constituting twenty-nine per cent of those replying, answered in the affirmative. Therefore, the city's property tax revenue loss in 1969 was less than $23,196.66 -- perhaps as much as thirty per cent less. Implicit here is the assumption that the new residences added at least as much in new property tax revenue as the city had lost when the corresponding old properties had been removed from the tax rolls. (One of the writer's fellow Rotarians, who built a new house in the city limits of St. Cloud to replace the one recently purchased by the State for expansion of the college, reported that the property taxes on his new house are twice as great as those on his former house.)

It should be noted that, even before the city's tax loss is reduced for the reason just discussed, property tax revenue lost by the city in 1969 amounted to one per cent of 1969 tax levies, computed by dividing the city tax levy of $2,318,993.60 into $23,196.66.[4] If the 1969 city tax revenue loss of $23,196.66 is reduced by thirty per cent, the tax loss amounted to .70 per cent (seven-tenths of one per cent) of the 1969 city tax levy, computed by dividing $2,318,993.60 into $16,237.66.

An even more pertinent relationship is disclosed by the fact that the 1969 city tax revenue loss of $23,196.66 was .39 per cent of

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[4]City of St. Cloud, Minnesota, 1969 Valuations -- Tax Levies and Tax Rates (January 10, 1970), p. 3.

1969 total city revenue of $5,877,720.55 from all sources other than the sale of bonds.[5]

In terms of assessed valuations the removal of the one hundred fifty-nine pieces of residential property from the tax rolls reduced non-exempt real estate assessed valuations in the City of St. Cloud by $176,055. However, it should be noted that, notwithstanding this reduction, non-exempt real estate assessed valuations in St. Cloud rose from $7,665,630 in 1952 to $15,046,700 in 1969, an increase of 96 per cent.[6] It can be assumed that some of the increase in non-exempt real estate valuations has been caused (1) by new, more expensive residences built by former property owners, (2) by new construction to accommodate some of the increased faculty, staff, and student population, and (3) by new houses built by persons who sold their existing homes to former property owners.

Of course, the taking of residential properties for use by tax-exempt institutions is perhaps less prevalent in most other cities than it is in St. Cloud. In most cities growth comes at the edges of the cities. Schools, factories, military installations, and so on, usually are built on unimproved land. When factories are built on land formerly in residential use, the property taxes paid by the business organizations more than compensate for the taxes lost from

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[5]City of St. Cloud, Minnesota, Annual Financial Statement (Year Ended December 31, 1969).

[6]City of St. Cloud, 1969 Valuations -- Tax Levies and Tax Rates, op. cit., p. 3.

residential property tax revenues. Also, while it will be shown in the instant case that the city has gained much more than it has lost, there is little doubt that the increasing amount of tax exempt property is causing special problems. This phenomenon was remarked on by the Governor's Minnesota Tax Study Committee of 1962: "In recent years there has been a marked increase in the amount of tax exempt property. The growth of schools, church property, hospitals, plus a wide variety of other property used for charitable and public purposes, has been remarkable in the years since World War II. . . . With few exceptions counties in Minnesota have reported more substantial increase in assessed value of exempt property than of non-exempt property."[7]

This Committee made a comparison of assessed values of non-exempt real and personal property and exempt property for 1956 and 1962, by counties. The study showed that in Stearns County, in the six-year span starting with 1956 and ending in 1962, the total assessed value of non-exempt property increased 6.9 per cent, whereas the total assessed value of exempt property increased 117.6 per cent.[8] The study further showed that in 1962 exempt property assessed value was 38.6 per cent of total property assessed value (exempt and non-exempt) in Stearns County.[9] The Committee stated that it "wishes to call attention to the increasing amount of tax-exempt property and to

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[7]Report of the Governor's Minnesota Tax Study Committee, 1962, pp. 14-15.

[8]Ibid., Table 5.2.

[9]Ibid.

suggest further study by the Legislature."[10] Oscar F. Litterer has also made similar findings and recommendations:

> Exemptions. Since property taxes are the most important source of local revenue they require the best possible legislative framework and administration to avoid serious inequity among taxpayers. One problem relates to the rapidly increasing amount of property exempt from the tax base. Minnesota, like other states, never imposed a truly general property tax. Public property is largely exempt. In addition to property owned by the federal government, which the constitution exempts from state and local taxation, property owned by state and local units of government is exempt if used for a public purpose. As municipalities grow, so does public property. . . .
>
> The number of properties owned by charitable, religious and educational institutions with tax-exempt status is climbing fast. Under the Minnesota constitution all real and personal property is subject to the property tax, but the legislature was allowed and has exercised considerable freedom in exempting property owned by such institutions. In view of the rapid rise in tax-exempt properties and the resulting inequities, these laws should be re-examined.[11]

The writer made a more recent comparison of assessed values of non-exempt real and personal property and exempt real property in Stearns County for 1962 and 1968. The comparison showed that, in the six-year span starting with 1962 and ending in 1968, the total assessed value of non-exempt property increased 21.5 per cent, whereas the total assessed value of exempt property increased 35.0 per cent. The comparison further showed that in 1968 exempt property assessed value was 41.1 per cent of total property assessed value (exempt and non-exempt) in Stearns County. Thus, the total assessed value of exempt property

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[10] Ibid., p. 15.

[11] Oscar F. Litterer, Twin Cities Metropolitan Area Tax Study (Minneapolis, Minnesota: The Upper Midwest Research and Development Council, 1967), p. 11.

in Stearns County was still rising faster than the total assessed value of non-exempt property and the ratio of exempt property assessed value to total property assessed value was higher in 1968 than in 1962.

The law requires that real property exempt from the property tax rolls be assessed by local assessors every sixth year and an abstract be compiled and submitted to the Minnesota Department of Taxation. The most recent assessment was made in 1968. The St. Cloud City Assessor reports that, according to the 1968 assessment, the assessor's full and true value[12] of non-exempt real property in St. Cloud was $43,764,074, while the assessor's full and true value of exempt real property in St. Cloud was $36,169,695. Accordingly, exempt real property was 45.2 per cent of total real property in St. Cloud in the year 1968.

It would appear that the Legislature might well give consideration to the special problems of local governments which have a disproportionate ratio of exempt property to non-exempt property. St. Cloud scored a "break-through" in this regard last year when the Legislature appropriated $500,000 to replace ancient and inadequate sewer and water mains in the campus area. An escrow account has been set up and, as the city replaces the sewer and water mains, payments are made by the

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[12]Full and true value is the valuation placed on the property by the assessor. According to law, it is the market value, but in practice it has come to be only a fraction of market value. In 1962, the Minnesota Commissioner of Taxation announced a goal of evaluating all properties so the full and true value would be one-third of market value for taxation purposes.

State to the city from the escrow account. The city pays the contractor; in 1969 the contractor was paid $180,644.27.

As this report was being written, a blue-ribbon committee named by Governor Harold LeVander to study Minnesota property taxes had begun work and was holding public hearings. It is hoped that this committee will give some attention to the problems just discussed with regard to the disproportionate ratio of exempt property to non-exempt property.

Other Costs

In order to obtain an estimate of other costs to the city incident to the presence of the college in the city, the city departments were requested, through the office of Mayor Edward L. Henry, to furnish such estimates. The estimates are admittedly subjective, since no recognized standards exist for measuring costs incurred by a municipality incident to the presence of an institution such as a college. Nevertheless, the estimates represent a real attempt to quantify these costs.

(1) Civil Defense Office:

1969 budget = $10,250.
Number of shelter spaces served in the city: 116,479 spaces divided by $10,250 = $0.088 per shelter space.
Number of shelter spaces in the college area: 44,979 spaces X $0.088 = $3,958.
Since 50% of costs are reimbursed by the Federal Government, the estimated cost attributed to the college is: $3,958 divided by 2. . . . . $ 1,979

(2) Fire Department:

Larger Municipal Fire Departments are providing contracts insuring fire protection to private properties, mostly out-of-city, wherein a stand-by

fee is charged on a company's assessed building value.

Full-and-true value of the college's buildings in 1969, including as completed structures the new Centennial Library and new Education Building: $13,000,000. $13,000,000 X 40% = $5,200,000 assessed value.

Figuring the college complex for stand-by fees of $1.00 per thousand dollars of assessed value, the cost would be: 5,200 X $1.00. . . . . $ 5,200

In addition, such properties usually are charged $200 per rig, per hour, for actual fireground operations.

With many intangibles included, total dollar costs involved in actual protection of the campus would be difficult. Beyond such stand-by needs are services performed in prevention activities, testing procedures, pre-planning education for bomb scares or riot alerts and fireground operations.

Emphasis on construction of high-rise buildings could result in additional costs through need for more equipment and man-power. Crowded off-campus housing resulting in narrow and congested streets from inadequate off-street parking facilities could result in additional fire loss from delays in reaching fire buildings.

(3) Health Department:

Estimated costs incident to the college:

| | | |
|---|---|---|
| Salaries: | | |
| Sanitarian . . . . . | $1,600 | |
| Lodging Inspector. . . . . | 4,000 | |
| Health Director. . . . . | 1,000 | |
| Humane Officer . . . . . | 800 | |
| Stenographer . . . . . | 520 | |
| Nurse (Educational and Mantoux). . . . . | 260 | |
| Commodities -- Office Supplies . . . . . | 100 | |
| Contractual Services -- Mileage. . . . . | 420 | 8,700 |

(4) Parks Department:

Portion of total Parks Department expenditure attributed to the college:

Labor in maintenance of park and playgrounds by various percentages according to the use of various areas. . . . . $20,395

| | | |
|---|---|---|
| Labor in maintenance of skating, hockey, and sliding areas by percentages according to the use of various areas | $ 4,176 | |
| Labor in street tree program | 5,372 | |
| Labor in construction and other | 4,093 | |
| Commodities, utilities, materials, and supplies | 11,930 | |
| Construction and rejuvenation of facilities | 10,003 | $55,969 |

(5) Police Department:

| | |
|---|---|
| Services now rendered to the college campus community under existing conditions of 365 days, around the clock, preventative and protective patrol, traffic and parking enforcement, etc., involving approximately 4.3 officers with a total equipment and personnel cost of $10,620 per unit | 45,666 |

(It should be noted that these costs should be partially offset by revenue from fines and court costs. Records of the St. Cloud Municipal Court do not include an offender's occupation, so city revenue from college-related fines and court costs cannot be fully determined. However, the St. Cloud Municipal Court did report that 1,649 cars were tagged on campus last year, producing a total of $8,731.)

(6) Public Works Department:

(A) Current operating costs for routine services provided to the campus:

1. Engineering Division:

a. Services routinely provided:

| | |
|---|---|
| Director of Public Works spends approximately 10% of work-year in consultation with college administration, faculty, organizations and committees | $ 2,000 |
| Engineering staff members investigate routine problems, check traffic counts, etc.. | 3,000 |

b. Special services provided on a project basis:
The State pays only 5% engineering services on $500,000 utility

installation during 1969-70. Actual cost is approximately 10%. Therefore, net cost to city = $25,000.

In the past, the State has paid no engineering costs in conjunction with miscellaneous utility changes required by State's construction. Estimated value of this service during past five years = $15,000.

Averaging out these special services over a 5-year period, the estimated average cost per year: $40,000 divided by 5. . . . . $ 8,000

Subtotal, Engineering Division . $13,000

2. Inspection Division:

The city's protective inspection staff provides routine inspection of all state construction and receives no fee therefor. Permit fees for the amount of construction accomplished at State College, if these were private facilities, would average approximately. . . . . 5,000

3. Street Division:

The city street department provides routine maintenance (including repair, sweeping, snowplowing, signing, etc.) of the public streets within and bordering the campus. Because of the large amount of traffic and parking requirements on these streets, the cost per mile is substantially higher than in a residential area. Estimated total routine maintenance costs for on-campus streets. 8,000

Street lighting of on-campus streets is estimated at. . . . . 1,000

Subtotal, Street Division. . . . $ 9,000

Estimated total current operating costs directly attributable to St. Cloud State College for routine services provided by the Public Works Department . . . . . $ 27,000

(B) Airport costs attributable to the college:

| | | |
|---|---|---|
| Operating and Maintenance Costs . . . . | $ 4,700 | |
| Bond Payments . . . . . | 7,000 | 11,700 |

(C) Permanent Improvement Funds costs attributable to the college:

| | | |
|---|---|---|
| 1969 public improvements paid by the ad-valorem tax levy . . . . . | 23,600 | |
| "1965 Storm Sewer Fund" . . . . . | 23,600 | |
| "1966 Storm Sewer Fund" . . . . . | 4,700 | 51,900 |

(7) Recreation Department:

The Recreation Department's subjective estimate of the cost to the department incident to the college . 9,400

(8) Water Utility:

Total pumpage for the City of St. Cloud for the year ending December 31, 1969, was 1,412,000,000 gallons. Utility cost of production was $822,153, or $585 per one million gallons.

College consumption for 1969 was 66,579,000 gallons. At a production cost of $585/million gallons, this would equal $39,000 per year. However, metered water revenue from the college was $23,000 for the year. The difference of $16,000 could be considered an implicit (though not "out-of-pocket") cost. In addition, the city pays the Utility $50 annually for each fire hydrant in the city. There are 30 hydrants on the campus for which the Utility receives $1,500 from the General Fund.
Total. . . . . 17,500

**Recapitulation of subjective estimates of costs to the city incident to the presence of the college in the city:**

| | | |
|---|---|---|
| (1) | Civil Defense Office | $ 1,979 |
| (2) | Fire Department | 5,200 |
| (3) | Health Department | 8,700 |
| (4) | Parks Department | 55,969 |
| (5) | Police Department | 45,666 |
| (6) | Public Works Department | 90,600 |
| (7) | Recreation Department | 9,400 |
| (8) | Water Utility | 17,500 |
| | | $235,014 |

## III. BENEFITS ACCRUING TO THE CITY

A second purpose of this study was to measure the benefits, in the form of financial revenue, accruing to the City of St. Cloud by reason of the presence of St. Cloud State College within the city. The major obstacle to this measurement arose from the fact that no direct dollar transactions occurred between the college and the city government. Therefore, the financial benefits to the City of St. Cloud had to be measured in an indirect manner, because direct dollar spending by the college accrued to the community at large in the form of an increase in income.

In creating a model for use in measuring the financial benefits accruing to the City of St. Cloud, an assumption was made that the revenues of the city government are a function of certain variables. The city derives approximately forty per cent of its revenue from property taxes. The property tax is a function of property values which, in turn, are a function of present market prices for properties. Market prices for properties are determined by supply and demand forces which are directly affected by two variables: population and income. The non-property-tax revenues (from licenses, permits, cigarette and liquor taxes, bank excise and mortgage registration taxes, revenue from the use of money and property, charges for current services, and revenue from the municipal water and sewerage utility, from the parking system, and from refuse service) are even more obviously a function of population and income. In other words, it is a logical assumption that city revenue is an indirect function of city population and the income of the city population.

To test this assumption, the ten-year period from 1960 to 1969 was selected. City revenue data was obtained from the official annual financial statements of the City of St. Cloud. City population for each of the first six years was computed by taking the official census figures for the years 1960 and 1965, noting that the population increased at an average annual compound rate of 2.225 per cent between 1960 and 1965, and then applying that rate of increase to the other four years. City population figures for the years 1966 to 1969 were based on preliminary 1970 census figures released on May 11, 1970, which indicate that city population in 1970 was 39,567. This reflects an average annual compound rate of population increase of .948 per cent between 1965 and 1970; this rate was then applied to the years 1966 through 1969. The income of the city population was estimated by multiplying the per capita gross national product of the United States in each of the ten years[13] by the city population. The resultant figure will be called "gross city product," or G.C.P. Per capita G.N.P. is considered an adequate measure of per capita G.C.P. under the assumption that the population of St. Cloud is comprised of average U.S. citizens with respect to their incomes. This view is supported by data in the County and City Data Book for 1967 -- the latest edition published. This statistical abstract supplement reveals that in 1959 the median income of families[14] in the United States was $5,660; the

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[13] U.S. Bureau of the Census, Statistical Abstract of the United States, 1966 (Washington: 1966), Table 456, p. 323, for years 1960-1964; U.S. Bureau of the Census, Statistical Abstract of the United States, 1969 (Washington: 1969), Table No. 459, p. 313, for years 1965-1968; U.S. Department of Commerce, Survey of Current Business, Vol. 50, No. 3 (Washington: March 1970), Table S-1 for 1969 total G.N.P. and Table S-13 for 1969 United States population.

[14] Family median income is the amount of income which divides the distribution of families into two equal groups -- one having incomes above the median and the other having incomes below the median.

median income of families in Minnesota was $5,573; and the median income of families in St. Cloud was $5,592.[15] The results are summarized in Table I.

TABLE I

CITY OF ST. CLOUD GROSS CITY PRODUCT: 1960 TO 1969

| Year | City Revenue* | St. Cloud Population | United States Per Capita G.N.P. | Gross City Product |
|---|---|---|---|---|
| 1960 | $ 2,466,173 | 33,815 | $ 2,788 | $ 94,276,220 |
| 1961 | 2,939,767 | 34,567 | 2,830 | 97,824,610 |
| 1962 | 3,058,495 | 35,336 | 3,002 | 106,078,672 |
| 1963 | 2,912,199 | 36,122 | 3,111 | 112,375,542 |
| 1964 | 3,120,655 | 36,925 | 3,272 | 120,818,600 |
| 1965 | 3,686,967 | 37,746 | 3,520 | 132,865,920 |
| 1966 | 3,754,628 | 38,104 | 3,796 | 144,642,784 |
| 1967 | 4,855,534 | 38,465 | 3,966 | 152,552,190 |
| 1968 | 4,638,607 | 38,830 | 4,278 | 166,114,740 |
| 1969 | 5,877,721 | 39,198 | 4,588 | 179,840,424 |

*From all sources other than the sale of bonds.

To test the validity of the assumption that city revenue is an indirect function of G.C.P., a coefficient of correlation (r) was computed by means of the standard formula:

$$r = \frac{\Sigma X_i Y_i - \frac{(\Sigma X_i)(\Sigma Y_i)}{10}}{\sqrt{\left(\Sigma X_i^2 - \frac{(\Sigma X_i)^2}{10}\right)\left(\Sigma Y_i^2 - \frac{(\Sigma Y_i)^2}{10}\right)}}$$

where $X_i$ refers to G.C.P. in years i and $Y_i$ refers to city revenue in years i.

The resultant coefficient of correlation (r) is .95, which is considered very satisfactory. (If there is perfect agreement

[15] U.S. Bureau of Census, County and City Data Book, 1967 (Washington: 1967), pp. 3 and 515.

between the two series, then r will be 1.00, that is, 100 per cent. If there is exact disagreement, one moving up when the other moves down, the computed coefficient will be -1.00, that is, -100 per cent. Various degrees of agreement or disagreement will register on the scale between these two extremes -- a coefficient of zero meaning that no relationship is registered.)

With this solid foundation for support, the least squares method was chosen to determine a linear relationship between G.C.P. and city revenue. The regression equation which resulted was:

$$Y = -841,330 + 0.03504155X$$

where Y stands for city revenue and X stands for G.C.P.

Figure 1 shows the trend line computed by the least squares method.

It follows from the equation that $\frac{dY}{dX} = 0.03504155$; accordingly, an increase of one dollar in G.C.P. will generate an increase of 3.504 cents in city revenue.

The next task was to determine the college's contribution to the City of St. Cloud's G.C.P.

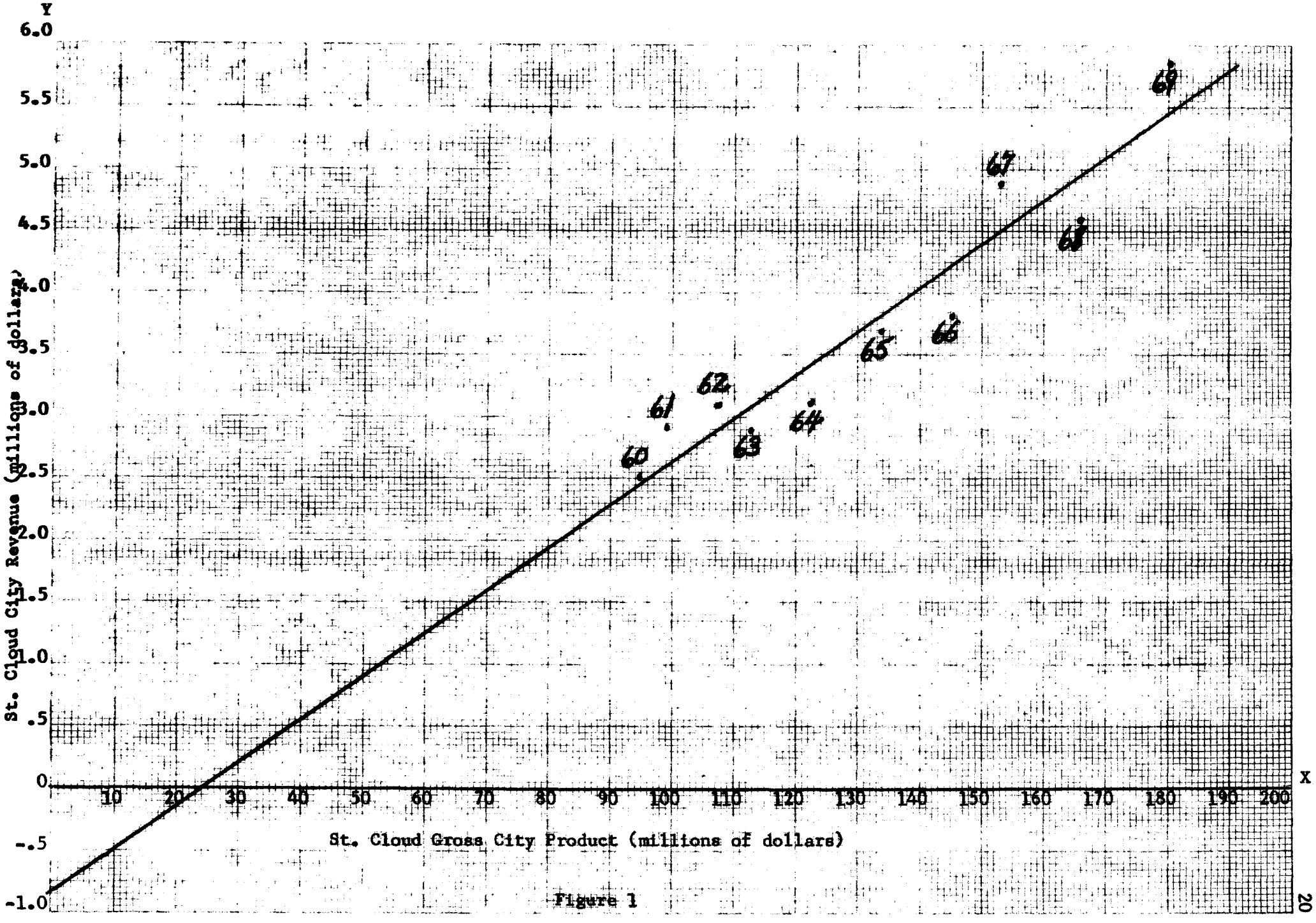
Y
6.0
5.5
5.0
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
.5
0
-.5
-1.0
St. Cloud City Revenue (millions of dollars)
60
61
62
63
64
65
66
67
68
69
10
20
30
40
50
60
70
80
90
100
110
120
130
140
150
160
170
180
190
200
X
St. Cloud Gross City Product (millions of dollars)

Figure 1

Expenditures Other Than Student

The following expenditures were made by the St. Cloud State College and by ARA Slater School and College Services:

| | 1969 |
|---|---|
| St. Cloud State College: | |
| Faculty Salaries | $ 6,363,772 |
| Staff Salaries | 1,355,824 |
| Utilities | 446,480 |
| Purchases Locally of Supplies, Equipment, and Services | 403,309 |
| Preventative Maintenance, Repairs, and Betterments | 62,231 |
| Land Acquisition | 284,440 |
| New Buildings | 2,201,035 |
| Equipment Associated with the New Buildings | 109,387 |
| ARA Slater School and College Services Spending in St. Cloud: | |
| Labor | 367,425 |
| Food | 488,402 |
| Supplies and Service | 102,841 |
| | $12,215,146 |

Student Expenditures

The student body was surveyed, using a sampling method, to get an estimate of the expenditures of college students in the St. Cloud Area. The sample comprised ten per cent of the student body. In order to get a representative and unbiased sample the selection process was proportionate stratified randomized selection using seven full-time, on-campus student classifications, as reflected in Table II.

An information form with an accompanying letter was sent to each student in the sample. Included was a self-addressed and stamped envelope. The letter explained the purpose of the survey and asked

for the student's cooperation in completing and returning the form. Directions on the form specified that the amount was to be an estimate of the expenditures in the St. Cloud Area for a typical academic quarter. Response was 69.3 per cent after one follow-up was carried out. Students were asked to estimate their expenditures for the following needs: recreation and entertainment; clothing; laundry and dry cleaning; medical and health (doctor, dental, and hospitalization; drugs and medicines; premiums for health insurance policies); grooming needs; snacks and refreshment (off-campus); food (off-campus); rent (off-campus); contributions to church and other organizations; automobile expenses (automobile purchases, gasoline, oil, servicing, repairs, insurance, and fines for traffic violations); books, stationery, and educational supplies; transportation (other than automobile) and utilities (telephone, electricity, water, etc.); and insurance (other than automobile and health) and finance (interest on real estate and consumer loans). A copy of the form is in the Appendix.

The results were tallied by specific need for each of the seven classifications of full-time, on-campus students. The proportions of students in each stratum were determined and the average expenditure per student was calculated for each classification. The average expenditure was multiplied by three to get the average expenditure for an academic year (three quarters). This figure for each classification was multiplied by the number of students attending college in that classification to get the total expenditure for an academic year for each of the seven full-time, on-campus student classifications. A

similar procedure was followed to obtain an estimate of spending by part-time students and by summer-school students.

The results of the student survey, representing student spending in the St. Cloud Area during 1969, appear in Table II. Tables III through XI reflect spending in thirteen categories for each of the nine classifications of students. Table XII is a consolidated statement of student expenditures in the thirteen categories.

Since Table II represents student spending in the St. Cloud Area, it was necessary to make an adjustment to obtain an estimate of student spending in the City of St. Cloud. Table II indicates that 85.09 per cent of the full-time, on-campus students reside in the St. Cloud Area (classifications 2, 3, 4, 5, and 7). Other college records and surveys indicate that 81 per cent of the students live on campus and elsewhere in the City of St. Cloud. Therefore, the spending for classifications 2, 3, 5, and 7 was reduced by 4.09 per cent (even though it is recognized that these students spent significant sums of money in St. Cloud although residing in Waite Park, Sauk Rapids, and Sartell, or in St. Cloud, Le Sauk, and Haven townships). A similar reduction was made for the same four classifications of summer students. These adjustments reduced student spending to $9,361,372 in the City of St. Cloud.

TABLE II

AVERAGE STUDENT EXPENDITURES IN THE ST. CLOUD AREA IN 1969

| Classification | No. of Students | Per Cent of Total | Average Student Expenditure | Total Expenditure |
|---|---|---|---|---|
| 1. Married and commuting from outside the St. Cloud Area | 382 | 4.66 | $ 714 | $ 272,748 |
| 2. Married and residing in the St. Cloud Area temporarily | 530 | 6.46 | 2,958 | 1,567,740 |
| 3. Married and residing in the St. Cloud Area permanently | 105 | 1.28 | 3,192 | 335,160 |
| 4. Single student and living on campus | 3,011 | 36.73 | 519 | 1,562,709 |
| 5. Single student and living off-campus in the St. Cloud Area | 2,425 | 29.58 | 1,230 | 2,982,750 |
| 6. Single student and commuting from outside the St. Cloud Area | 840 | 10.25 | 663 | 556,920 |
| 7. Single student and a resident of the St. Cloud Area | 905 | 11.04 | 936 | 847,080 |
| | 8,198[1] | 100.00 | | $8,125,107 |
| 8. Part-time students, converted into full-time-equivalent students | 329 | 100.00 | 714[2] | 234,906 |
| 9. Summer students, 1969 | 3,097[3] | 100.00 | Various | 1,274,975 |
| | | | | $9,634,988[4,5] |

1/ Based on full-time, on-campus enrollment in the fall, 1969.

2/ This classification assigned the same average student expenditure as the "married and commuting" classification because most are married and commuting.

3/ The average enrollment for the two summer sessions was 2,651, plus 446 "full-time-equivalent" part-time students. The average student expenditure during one quarter of the academic year (one-third of the fourth column), was applied to the number of summer students in each classification.

4/ Board and room charges for on-campus residents are not included.

5/ Totals for each classification may not equal totals for corresponding tables (tables III through XII) because of rounding.

TABLE III

MARRIED AND COMMUTING FROM OUTSIDE THE ST. CLOUD AREA -- 382 STUDENTS

| Category of Expenditure | Average Annual Expenditure | Total Annual Expenditure |
|---|---|---|
| Recreation and entertainment | $ 39 | $ 14,898 |
| Clothing | 39 | 14,898 |
| Laundry and dry cleaning | 6 | 2,292 |
| Medical and health | 18 | 6,876 |
| Grooming needs | 18 | 6,876 |
| Snacks and refreshment (off-campus) | 18 | 6,876 |
| Food (off-campus) | 126 | 48,132 |
| Rent (off-campus) | 159 | 60,738 |
| Contributions to church and other organizations | 3 | 1,146 |
| Automobile expenses | 132 | 50,424 |
| Books, stationery, and educational supplies | 111 | 42,402 |
| Transportation (other than automobile) and utilities | 18 | 6,876 |
| Insurance (other than automobile and health) and finance | 24 | 9,168 |
| | $711 | $271,602 |

TABLE IV

MARRIED AND RESIDING IN THE ST. CLOUD AREA TEMPORARILY -- 530 STUDENTS

| Category of Expenditure | Average Annual Expenditure | Total Annual Expenditure |
|---|---|---|
| Recreation and entertainment | $ 174 | $ 92,220 |
| Clothing | 123 | 65,190 |
| Laundry and dry cleaning | 69 | 36,570 |
| Medical and health | 150 | 79,500 |
| Grooming needs | 48 | 25,440 |
| Snacks and refreshment (off-campus) | 78 | 41,340 |
| Food (off-campus) | 585 | 310,050 |
| Rent (off-campus) | 921 | 488,130 |
| Contributions to church and other organizations | 45 | 23,850 |
| Automobile expenses | 381 | 201,930 |
| Books, stationery, and educational supplies | 144 | 76,320 |
| Transportation (other than automobile) and utilities | 159 | 84,270 |
| Insurance (other than automobile and health) and finance | 87 | 46,110 |
| | $2,964 | $1,570,920 |

TABLE V

MARRIED AND RESIDING IN THE ST. CLOUD AREA PERMANENTLY -- 105 STUDENTS

| Category of Expenditure | Average Annual Expenditure | Total Annual Expenditure |
|---|---|---|
| Recreation and entertainment | $ 123 | $ 12,915 |
| Clothing | 162 | 17,010 |
| Laundry and dry cleaning | 54 | 5,670 |
| Medical and health | 216 | 22,680 |
| Grooming needs | 48 | 5,040 |
| Snacks and refreshment (off-campus) | 84 | 8,820 |
| Food (off-campus) | 669 | 70,245 |
| Rent (off-campus) | 747 | 78,435 |
| Contributions to church and other organizations | 63 | 6,615 |
| Automobile expenses | 336 | 35,280 |
| Books, stationery, and educational supplies | 174 | 18,270 |
| Transportation (other than automobile) and utilities | 276 | 28,980 |
| Insurance (other than automobile and health) and finance | 243 | 25,515 |
| | $3,195 | $ 335,475 |

TABLE VI

SINGLE STUDENT AND LIVING ON-CAMPUS -- 3,011 STUDENTS

| Category of Expenditure | Average Annual Expenditure | Total Annual Expenditure |
|---|---|---|
| Recreation and entertainment | $ 93 | $ 280,023 |
| Clothing | 69 | 207,759 |
| Laundry and dry cleaning | 21 | 63,231 |
| Medical and health | 18 | 54,198 |
| Grooming needs | 30 | 90,330 |
| Snacks and refreshment (off-campus) | 42 | 126,462 |
| Food (off-campus) | 27 | 81,297 |
| Rent (off-campus) | 15 | 45,165 |
| Contributions to church and other organizations | 12 | 36,132 |
| Automobile expenses | 42 | 126,462 |
| Books, stationery, and educational supplies | 123 | 370,353 |
| Transportation (other than automobile) and utilities | 21 | 63,231 |
| Insurance (other than automobile and health) and finance | 4 | 12,044 |
| | $517 | $1,556,687 |

TABLE VII

SINGLE STUDENT AND LIVING OFF-CAMPUS IN THE ST. CLOUD AREA -- 2,425 STUDENTS

| Category of Expenditure | Average Annual Expenditure | Total Annual Expenditure |
|---|---|---|
| Recreation and entertainment | $ 135 | $ 327,375 |
| Clothing | 78 | 189,150 |
| Laundry and dry cleaning | 21 | 50,925 |
| Medical and health | 27 | 65,475 |
| Grooming needs | 27 | 65,475 |
| Snacks and refreshment (off-campus) | 57 | 138,225 |
| Food (off-campus) | 207 | 501,975 |
| Rent (off-campus) | 357 | 865,725 |
| Contributions to church and other organizations | 9 | 21,825 |
| Automobile expenses | 126 | 305,550 |
| Books, stationery, and educational supplies | 120 | 291,000 |
| Transportation (other than automobile) and utilities | 51 | 123,675 |
| Insurance (other than automobile and health) and finance | 12 | 29,100 |
| | $1,227 | $2,975,475 |

TABLE VIII

SINGLE STUDENT AND COMMUTING FROM OUTSIDE THE ST. CLOUD AREA -- 840 STUDENTS

| Category of Expenditure | Average Annual Expenditure | Total Annual Expenditure |
|---|---|---|
| Recreation and entertainment | $129 | $108,360 |
| Clothing | 75 | 63,000 |
| Laundry and dry cleaning | 9 | 7,560 |
| Medical and health | 27 | 22,680 |
| Grooming needs | 21 | 17,640 |
| Snacks and refreshment (off-campus) | 51 | 42,840 |
| Food (off-campus) | 48 | 40,320 |
| Rent (off-campus) | 36 | 30,240 |
| Contributions to church and other organizations | 4 | 3,360 |
| Automobile expenses | 120 | 100,800 |
| Books, stationery, and educational supplies | 108 | 90,720 |
| Transportation (other than automobile) and utilities | 9 | 7,560 |
| Insurance (other than automobile and health) and finance | 24 | 20,160 |
| | $661 | $555,240 |

TABLE IX

SINGLE STUDENT AND A RESIDENT OF THE ST. CLOUD AREA -- 905 STUDENTS

| Category of Expenditure | Average Annual Expenditure | Total Annual Expenditure |
|---|---|---|
| Recreation and entertainment | $150 | $135,750 |
| Clothing | 105 | 95,025 |
| Laundry and dry cleaning | 12 | 10,860 |
| Medical and health | 27 | 24,435 |
| Grooming needs | 30 | 27,150 |
| Snacks and refreshment (off-campus) | 57 | 51,585 |
| Food (off-campus) | 81 | 73,305 |
| Rent (off-campus) | 57 | 51,585 |
| Contributions to church and other organizations | 24 | 21,720 |
| Automobile expenses | 213 | 192,765 |
| Books, stationery, and educational supplies | 126 | 114,030 |
| Transportation (other than automobile) and utilities | 18 | 16,290 |
| Insurance (other than automobile and health) and finance | 33 | 29,865 |
| | $933 | $844,365 |

TABLE X

PART-TIME STUDENTS CONVERTED INTO FULL-TIME-EQUIVALENT STUDENTS -- 329 STUDENTS

| Category of Expenditure | Average Annual Expenditure | Total Annual Expenditure |
|---|---|---|
| Recreation and entertainment | $ 39 | $ 12,831 |
| Clothing | 39 | 12,831 |
| Laundry and dry cleaning | 6 | 1,974 |
| Medical and health | 18 | 5,922 |
| Grooming needs | 18 | 5,922 |
| Snacks and refreshment (off-campus) | 18 | 5,922 |
| Food (off-campus) | 126 | 41,454 |
| Rent (off-campus) | 159 | 52,311 |
| Contributions to church and other organizations | 3 | 987 |
| Automobile expenses | 132 | 43,428 |
| Books, stationery, and educational supplies | 111 | 36,519 |
| Transportation (other than automobile) and utilities | 18 | 5,922 |
| Insurance (other than automobile and health) and finance | 24 | 7,896 |
| | $711 | $233,919 |

TABLE XI

SUMMER SCHOOL STUDENTS -- 3097 STUDENTS

| Category of Expenditure | Average Annual Expenditure | Total Annual Expenditure |
|---|---|---|
| Recreation and entertainment | $ 38.12 | $ 118,046 |
| Clothing | 26.16 | 81,029 |
| Laundry and dry cleaning | 7.59 | 23,507 |
| Medical and health | 15.46 | 47,893 |
| Grooming needs | 9.38 | 29,058 |
| Snacks and refreshment (off-campus) | 16.44 | 50,903 |
| Food (off-campus) | 67.95 | 210,456 |
| Rent (off-campus) | 99.56 | 308,323 |
| Contributions to church and other organizations | 5.09 | 15,771 |
| Automobile expenses | 56.02 | 173,495 |
| Books, stationery, and educational supplies | 40.61 | 125,760 |
| Transportation (other than automobile) and utilities | 17.61 | 54,549 |
| Insurance (other than automobile and health) and finance | 11.40 | 35,299 |
| | $411.39 | $1,274,089 |

TABLE XII

CONSOLIDATED STATEMENT OF STUDENT EXPENDITURES IN THE ST. CLOUD AREA BY CATEGORY OF EXPENDITURE

| Category of Expenditure | Average Annual Expenditure | Total Annual Expenditure[1] |
|---|---|---|
| Recreation and entertainment | $ 115.33 | $1,102,418 |
| Clothing | 78.03 | 745,892 |
| Laundry and dry cleaning | 21.19 | 202,589 |
| Medical and health | 34.49 | 329,659 |
| Grooming needs | 28.55 | 272,931 |
| Snacks and refreshment (off-campus) | 49.48 | 472,973 |
| Food (off-campus) | 144.08 | 1,377,234 |
| Rent (off-campus) | 207.20 | 1,980,652 |
| Contributions to church and other organizations | 13.75 | 131,406 |
| Automobile expenses | 128.69 | 1,230,134 |
| Books, stationery, and educational supplies | 121.91 | 1,165,374 |
| Transportation (other than automobile) and utilities | 40.94 | 391,353 |
| Insurance (other than automobile and health) and finance | 22.51[2] | 215,157 |
| | $1,006.15 | $9,617,772 |

1/ Total in each category from Tables III through XI.

2/ This is merely an arithmetic average obtained by dividing each category total by 9,559 students -- 8,198 full-time, on-campus students, plus 329 part-time full-time-equivalent students, plus 1,032 summer students (3,097 divided by 3, since summer student spending is for one quarter). The utmost caution should be exercised in translating this figure into an average annual student expenditure in St. Cloud, because 4,233 single students living on-campus and married and single commuting students have very low food and rent expenditures, yet their numbers bring down the average spending in the food and rent categories, above. For other categories, the averages may be instructive.

Total Spending by College Groups

Spending in the City of St. Cloud by faculty, staff, students, schools, institutes, and bureaus of St. Cloud State College, and by ARA Slater School and College Services totaled approximately $21,546,518 in the year 1969.

Spending by Visiting Groups and Individuals

St. Cloud State College has served as a meeting place for many state and regional organizations and professional groups. Scores of workshops, conventions, conferences, short courses and institutes have been conducted on the campus annually because of its central location and suitable facilities for accommodating large groups. Had it not been for the college most of these meetings would have been held in other cities. It is estimated that persons who attended meetings that lasted more than one day spent in the neighborhood of $15 per day in the city. Thus, a two-day meeting for 200 persons brought approximately $6,000 in business to St. Cloud.

Not only has the college served as a meeting place, but its own concerts, lectures, exhibits, plays, demonstrations, contests, and athletic events have attracted thousands of persons to the campus annually. Also, during each school year hundreds of recruiters for schools, business, and industry have come to the campus to interview students -- and have spent money in the city.

All monies so spent, although not quantified, were additions to the City of St. Cloud's G.C.P. and were made possible by the presence of St. Cloud State College in the city.

## IV. IMPACT OF THE COLLEGE ON THE ST. CLOUD AREA ECONOMY

The analysis in this section is based on a valuable input-output model developed by one of the writer's colleagues at the college.[16]

St. Cloud State College is treated as a separate industry in Professor Masih's Economic Base Study. The college is a permanent unit of the area economy and thus it acts and behaves like any other economic unit. Thus, it is a sector to which other industries make sales. Based on the expenditure data on page 21 and in Table II, the purchases of the college from other industries in the St. Cloud area economy during 1969 were as follows:

| Industry | Amount |
|---|---|
| Food and Kindred Products | $ 488,402 |
| Printing and Publishing | 11,432 |
| Contract Construction | 2,263,266 |
| Wholesale and Retail | 5,059,368 |
| General Services | 2,008,485 |
| Medical and Health | 329,659 |
| Finance, Insurance, and Real Estate | 932,366 |
| Transportation, Communication, and Utility | 837,833 |
| Households | 9,889,323 |
| | $21,820,134 |

[16]Nolin Masih, An Economic Base Study of the St. Cloud Area (St. Cloud, Minnesota: St. Cloud State College, July, 1969).

Table XIII reflects the impact of St. Cloud State College on the St. Cloud Area economy. One dollar's worth of spending by the college produces about $0.0089 of additional business for the "Lumber Products" industry, $0.0084 of additional business for the "Stone and Rock Products" industry, $0.0112 of additional business for the "Metal Fabrication" industry, and so on. If the "Industry Multipliers" column is summed, the total amount of business produced from one dollar's worth of college spending can be obtained. The original dollar would be included in the aggregate estimate. Therefore, for each dollar's worth of spending by the college, approximately $1.4344 of total business is created. New business amounts to $0.4344, while one dollar represents the original basic income. In addition, about $0.0464 of taxes result for the "Local Government" sector and about $0.6700 is derived for the "Households" sector.

As indicated on page 36, the college exported $21,820,134 worth of services in 1969. After this figure is multiplied by each of the industry multipliers developed by Professor Masih, the estimated business activity produced in the economy can be determined, as reflected in Table XIII. The business thus produced represents the ultimate effect of college spending on the economy after this new money has worked its way through all sectors of the economy. As a result of the college spending, a total of $31,298,800 worth of business was produced in the economy. Of this total, $21,820,134 represented the original amount of basic income which flowed into the economy and additional business of $9,478,666 was produced in the economy.

In addition, approximately $1,012,454 accrued indirectly to local government in the form of taxes and approximately $14,619,490 accrued to household income.

TABLE XIII

IMPACT OF ST. CLOUD STATE COLLEGE ON THE ST. CLOUD AREA ECONOMY

| Industries | Industry Multipliers | Value of Business Produced |
|---|---|---|
| Lumber Products | .0089 | $ 194,199 |
| Stone and Rock Products | .0084 | 183,289 |
| Metal Fabrication | .0112 | 244,386 |
| Tools and Machines | .0004 | 8,728 |
| Optics | .0062 | 135,285 |
| Food and Kindred Products | .0673 | 1,468,495 |
| Paper Products | .0036 | 78,552 |
| Printing and Publishing | .0111 | 242,204 |
| Rubber and Plastics | .0092 | 200,745 |
| Miscellaneous Manufactures | .0011 | 24,002 |
| Contract Construction | .1905 | 4,156,736 |
| Wholesale and Retail | .7031 | 15,341,736 |
| General Services | .1217 | 2,655,510 |
| Medical and Health | .0469 | 1,023,364 |
| Finance, Insurance, and Real Estate | .1335 | 2,912,988 |
| Transportation, Communication and Utility | .1113 | 2,428,581 |
| | 1.4344 | $31,298,800 |
| Local Government | .0464 | $ 1,012,454 |
| Households | .6700 | 14,619,490 |
| | 2.1508 | $46,930,744 |

# V. SUMMARY AND CONCLUSIONS

## Property Tax Losses and Other College-Related Costs to the City

Property tax revenue lost by the City of St. Cloud in 1969 as a consequence of residential properties having been removed from the tax rolls incident to the expansion of St. Cloud State College amounted to $23,197, which was one per cent of 1969 tax levies and was .39 per cent (thirty-nine hundredths of one per cent) of 1969 total city revenue from all sources other than the sale of bonds. Further, if account is taken of the new residences built within the city limits by some of the citizens whose former residences were purchased by the State, the city tax loss amounted to approximately $16,238, which was .70 per cent of the 1969 city tax levy and was .28 per cent of 1969 total city revenue from all sources other than the sale of bonds.

Subjective estimates of other costs to the city, incident to the presence of the college in the city, were $235,014. This, plus the adjusted tax loss of $16,238, constituted total college-related "costs" and comprised 4.3 per cent of 1969 total city revenue from all sources other than the sale of bonds.

## Benefits Accruing to the City

As summarized on page 35, total spending in St. Cloud by college groups in 1969 was approximately $21,546,518. Therefore, the indirect contribution of St. Cloud State College to City of St. Cloud revenue in 1969 was approximately $755,023, computed as follows: $21,546,518 X 0.03504155 = $755,023.

It should now be apparent that the expansion of St. Cloud

State College has occasioned a level of college-related spending and accompanying increased city revenue which is so much greater than the decreased property tax revenue and concomitant decreased city revenue that no real comparison between the two exists. Further, even when the significant subjective estimates of other costs to the city are included, total college-related costs are approximately one-third of the estimated increase in city revenue indirectly flowing from college-related spending.

Benefits Accruing to the St. Cloud Area Economy

As indicated in Table XIII, the $21,820,134 of college-related spending in 1969 had an ultimate effect on the St. Cloud Area economy amounting to approximately $46,930,744. It is thus apparent that St. Cloud State College is a major source of income for the St. Cloud Area economy.

Implications for the Future

The projected full-time, on-campus enrollment at the college in the year 1980 is 16,984; the projected part-time, on-campus enrollment in the year 1980 is 3,510.[17] These 3,510 part-time, on-campus students convert into 1,073 full-time-equivalent students, giving a projected total of 18,057 full-time, on-campus and part-time full-time-equivalent students at the college in 1980. Projected enrollments are based on two factors: (1) increasing college-age population in Minnesota, and (2), changes in the proportion of this age group who will

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[17] St. Cloud State College, Self-Evaluation Report, Institutional Data (Unpublished), Table 4, p. 57.

attend college.[18]

Based on information furnished by Institutional Research, the writer projected full-time summer students, plus part-time full-time-equivalent summer students in the year 1980 to be 5,020. This is equivalent to 1,673 full-time students for an academic year.

Accordingly, St. Cloud State College may have an additional 10,171 full-time, on-campus students in 1980 (including summer students and part-time regular and summer students converted into full-time-equivalents). Assuming that student spending and other college-related spending for additional faculty, staff, land, buildings, equipment, operating expenses, and so on, increase at the same rate as in the past, the indirect contribution of St. Cloud State College to the City of St. Cloud revenue in 1980 will be approximately $1,558,366, computed as follows:

(1) 1969 college-related expenditures of $21,546,518 divided by 9,559 students = $2,254 average per-student expenditure.

(2) $2,254 average student expenditure X 10,171 additional students in 1980 = $22,925,434 additional college-related expenditures in 1980.

(3) 1969 college-related expenditures of $21,546,518 + 1980 additional college-related expenditures of $22,925,434 = total college-related spending of approximately $44,471,952 in 1980.

(4) $44,471,952 X 0.03504155 = $1,558,366.

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[18] Ibid., p. 52.

It is also possible to estimate the impact St. Cloud State College will have on the entire St. Cloud Area economy in 1980. Table XIII reveals that the sum of the industry multipliers is 2.1508, that is, each dollar of college spending results in 2.1508 dollars of income in the St. Cloud Area economy. Accordingly, the projected total college-related spending in the St. Cloud Area in 1980 of $45,040,527 X 2.1508 = $96,873,165 of additional income for the St. Cloud Area economy.

The college will therefore have a powerful effect on the St. Cloud Area economy in the future. This prediction is also consistent with that made in a recent study prepared for The Housing and Redevelopment Authority of St. Cloud: "Looking to the coming decade, the expansion of St. Cloud State College . . . will be the single most dynamic element in the local economy." "The future growth of St. Cloud will be determined largely by three forces of change -- the movement of workers from the farms to metropolitan employment centers; the expansion of the Twin Cities metropolitan area in a northwesterly direction towards St. Cloud; and the growth of St. Cloud State College, the single most dynamic economic force in the local community."[19]

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[19]Robert Gladstone and Associates, Land Use and Marketability Study (Washington: November, 1969), pp. iii and 25.

# APPENDIX

QUESTIONNAIRE SENT TO FORMER PROPERTY OWNERS

INFORMATION FORM SURVEYING STUDENT EXPENDITURES IN THE ST. CLOUD AREA

St. Cloud State College
St. Cloud, Minnesota

February 1, 1970

Mr. & Mrs. John Q. Citizen
1234 Any Avenue South
St. Cloud, Minnesota 56301

Dear Mr. and Mrs. Citizen:

The St. Cloud State College is conducting a study into the impact upon the local community of the College's rapid expansion in the past several years. As a part of the study, it is necessary that we obtain information regarding actions taken by residents to obtain housing accommodations following the sale of their residences to the College. Accordingly, we would appreciate it very much if you would indicate, by placing a check mark in the appropriate space below, which action was applicable to your case. If none of the listed actions was applicable to your situation, please explain briefly under "Other action."

_____I built a new residence within the city limits of St. Cloud.

_____I built a new residence outside the city limits of St. Cloud.

(Note: A new house, built by a developer or contractor, would be considered as having been "built" by you if you were the first owner and occupant.)

_____I bought an existing house in the St. Cloud area. The former owner, to the best of my knowledge, did _____ did not _____ build a new residence within the city limits of St. Cloud.

_____I moved into a rented house or apartment.

_____I did not reside in the house prior to sale to the College. To the best of my knowledge, the tenants at the time of the sale did ___ did not _____ build a new house within the city limits of St. Cloud.

_____Other action:

A stamped, self-addressed envelope is enclosed for your convenience.

Sincerely,

G. K. Gamber
Instructor of Economics

# STUDENT EXPENDITURES IN THE ST. CLOUD AREA

(The St. Cloud Area is here defined as consisting of the cities of St. Cloud, Waite Park, Sauk Rapids, and Sartell, and the townships of St. Cloud, Le Sauk, and Haven.)

PART I: Please check the one category that pertains to you.

___1. Married and commuting from outside the St. Cloud Area.

___2. Married and residing in the St. Cloud Area temporarily.

___3. Married and residing in the St. Cloud Area permanently.

___4. Single student and living on-campus.

___5. Single student and living off-campus in the St. Cloud Area.

___6. Single student and commuting from outside the St. Cloud Area.

___7. Single student and a resident of the St. Cloud Area.

PART II: Please complete the following by writing in an estimate of your expenditures for a typical quarter. Include only money you spend in the St. Cloud Area. Make estimates in even dollar amounts.

_____1. Recreation and entertainment.

_____2. Clothing.

_____3. Laundry and dry cleaning.

_____4. Medical and Health. (Doctor, dental, and hospitalization; drugs and medicines; premiums for health insurance policies.)

_____5. Grooming needs.

_____6. Snacks and refreshment (off-campus).

_____7. Food (off-campus, e.g., "single student and living on-campus" category should not include amounts paid to Garvey Commons and dormitory dining rooms).

_____8. Rent (off-campus, i.e., amounts paid for board in campus dormitories should not be included).

_____9. Contributions to church and other organizations.

_____10. Automobile expenses. (Automobile purchases, gasoline, oil, servicing, repairs, insurance, and fines for traffic violations.)

_____11. Books, stationery, and educational supplies.

_____12. Transportation (other than automobile) and Utilities (telephone, electricity, water, etc.).

_____13. Insurance (other than automobile and health) and finance (interest on real estate and consumer loans).