

It is common knowledge that UNB, STU and TC contribute a great deal to the economy of Fredericton and the surrounding area, but the extent and importance of this contribution is generally misunderstood or misconceived of. For instance, in a recent edition of "Industrial Locations", the main industries of Fredericton are listed as: wood products, dairy products, canvas boats, food processing, cotton textiles, leather footwear, plastics, bricks and tile, prefabricated steel structures, prosthetic appliances, and mobile homes. Nowhere is there a mention of the importance of the universities, nor even of the government, yet these two together are the biggest employers in the city of Fredericton. Obviously, the city's leaders do not conceive of the universities as an industry.

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Yet, it is entirely feasible to consider the universities as business firms, buying goods and services in the local economy, and producing education. Their three main types of expenditures are payroll to faculty and staff, capital expenses, and other expenses. Most of the capital and maintenance costs are spent directly in Fredericton, while salaries and wages pass through the hands of the faculty and staff before they enter the local economy. In addition, there is the expenditure of the students, who purchase such consumer items as clothing, entertainment, transportation, personal services, etc.

In order to see concisely what the economic impact of the universities is, it is necessary to measure the direct expenditures of the universities, their employees, and students, to estimate the 'value added' by the multiplier effect, to translate this 'value added' into terms of the number of indirect jobs created in the economy, and to measure the parallel growth of the city and its universities.

UNB has a gross budget of \$18 million for the fiscal year 1972-1973, including \$12.3 million for salaries and wages, \$750,000 for plumbing, heating, fuel, water, and other utilities, and between one and 1.5 million dollars for supplies (Sports equipment, furniture, maintenance equipment, etc.) STU and TC together will spend \$1,250,000 for salaries, while their other expenses are almost negligible due to the services provided them by UNB.

Saga Foods and Versa Foods, the two food services on campus, will spend approximately \$600,000 on food and general expenses in Fredericton, and an additional \$390,000 for payroll to full and part-time staff. Added together, these expenditures amount to nearly \$17 million, almost all of which is spent right here in Fredericton.

To calculate the students' contribution is much more difficult. There are altogether 6,020 university students in Fredericton. Slightly over 700 of these students are from the surrounding district, and hence contribute nothing extra to the local consumer market. Other than university costs of approximately \$750 each for tuition, books and school materials, these 5,300 students will spend approximately \$1350 each per academic year on food, lodging, recreation, transportation and other consumer goods and services. This amounts to an additional spending of roughly \$7.2 million. So, overall, the universities contribute nearly \$24 million in and around Fredericton.

# UNB PROVES WITH MONEY JO

It would be interesting to note where students, faculty and staff spend their money. A study of the spending trends of students, faculty and staff of U.P.E.I. was conducted last year by two of the university's professors. Assuming that spending in Fredericton is basically similar to spending in Charlottetown, it is possible to estimate the amounts spent by students, faculty and staff in the various consumer sectors.

TABLE I

Estimated Expenditure in the Local Economy  
by Students, Faculty and Staff (1971-1973)

Sector	Faculty & Staff (thousands)	Students (thousands)
<b>FOOD</b>		
Groceries	721.5	757.7
Restaurants & Food Services	139.3	522.1
Other	57.2	162.8
	\$ 918.0	\$1,442.6
<b>HOUSING (owned)</b>		
Property taxes	25.0	7.5
Mortgage	143.1	
Utilities, heat	70.0	22.8
Insurance	9.0	13.0
Furniture & Appliances	47.3	84.5
Other	21.6	7.0
	\$ 316.0	\$ 134.8
<b>HOUSING (rented)</b>		
Rent	783.0	860.0
Residences		550.0
Utilities & Heat	114.5	87.5
Furniture & Appliances	251.0	31.2
Other	7.3	26.3
	\$ 1,155.8	\$1,555.0
<b>CLOTHING</b>		
New Clothing	227.9	580.3
Laundry	58.0	72.8
Other	18.9	6.0
	\$ 304.8	\$ 659.1
<b>ENTERTAINMENT</b>		
Tobacco, beverages	127.7	590.7
Amusement tickets	49.1	571.2
Sports Equipment	36.5	240.3
Other	15.5	58.0
	\$ 228.8	\$1,460.2

**TRANSPORTATION**

Gas & Oil	289.5	375.0
Purchase of Autos	540.0	680.0
Upkeep & Maintenance	100.0	375.0
Taxes & Insurance	102.6	408.0
Taxis	5.4	36.0
Other (Incl. buses)	\$ 1,049.1	\$1,902.0

**PERSONAL SERVICES**

Medical Fees	42.1	142.0
Barber (Beauty) shops	32.4	51.0
Medical Insurance	49.7	46.0
Life Insurance	118.3	62.0
Toiletries	32.4	107.0
Other	11.6	250.0
	\$ 286.5	\$ 661.0

**INTEREST & CHARITY**

Interest (Except Mortgages)	63.2	27.9
Charitable donations	135.0	29.3
Other	3.8	5.3
	\$ 202.0	\$ 62.5

**MISCELLANEOUS**

Radio & Phonograph	35.4	123.8
Books & Magazines	56.2	112.8
Association & Club Dues	11.9	6.5
Hobby Supplies	42.7	82.5
Jewellery	24.8	45.5
Other	37.8	59.2
	\$ 208.8	\$ 430.3

Totals	\$ 4,669,800	\$8,308,300
		(Includes spending by students identified in Fredericton)

Grand Total \$12,978,100