

APPENDIX B: STUDENT SPENDING METHODOLOGY

Student Spending Methodology

Aggregate student spending estimates were calculated using three main inputs of data. The first is the estimated average annual student budgets provided by the Office of Financial Aid. The second is student enrollment by category and location of residence provided by Student Research and Information and the Registrar. The third input includes spending capture rates that estimate the percentage of student spending that occurred in the City of San Diego, other San Diego County, and other California. These capture rates reflect several factors, such as the residential location of students, the distribution of retail and entertainment venues, and the expectation that students who do not live in San Diego make expenditures there because of time spent on or around campus. For example, for students living off campus in the City of San Diego, 85.0 percent of spending is assumed to occur within the City of San Diego, 10.0 percent within Other San Diego County, and the remaining 5.0 percent within Other California. These percentages were then applied to the estimated average annual budget multiplied by the number of enrolled students by geography. This process was repeated for every student category by location to arrive at an aggregate student spending estimate.

The reader should be aware of one limitation in interpreting the estimates of UC San Diego student spending impacts. The analysis in this report does not discount student spending impacts in San Diego or San Diego County by taking into account the share of student spending that can be attributed to commuter students, or students who live locally with family and would be spending money in the community whether or not they attended UC San Diego. There is no way to estimate how these students' spending habits may have been different if there were no UC campus in San Diego – perhaps some of them would have moved out of the community to attend another college, or some might have commuted to a different college nearby – but it is realistic to assume that some of their spending would have occurred in the San Diego area even if they had not attended UC San Diego. However, the fact that their attendance at UC San Diego anchors them in the San Diego community, and therefore encourages them to spend their money in the greater San Diego area, renders it reasonable to attribute a significant portion of the impact of their spending to the presence of UC San Diego.

International Student Spending Methodology

Informed by average student budget estimates from the Financial Aid Office, CBRE Consulting collaborated with University Extension and a local agency called San Diego Homestay to create budget estimates for international students based on housing type and geography. Specific geographic capture rates were then applied to personal spending based on University sponsored trip information provided by University Extension. Budgets for international students were assumed to be the same as undergraduate students living in similar locations on a full time equivalent (FTE) basis, with a few exceptions. First, the personal budget for international students was applied on a total student basis rather than an FTE basis to reflect the larger amount of discretionary income of most international students coming to the United States through the UC San Diego Extension program. Second, specific budget estimates for international students living with a family ("homestay" students) were developed using information provided by San Diego Homestay. The agency estimated student budget to be \$700 per month for lodging and food, and \$600 per month for all other expenses. This equates to a \$15,600 total annual budget comprised of \$8,400

for food and rent, and \$7,200 for transportation and personal expenses. CBRE Consulting then applied the budget proportions from undergraduate students living off campus, to calculate the student spending by category (food, personal, transportation, and rent).