

FACT SHEET

Demonstrating the Economic Value of the Kansas Independent College Association

APRIL 2014

KICA's 18 member institutions generate a positive impact on the Kansas economy and create lifelong benefits for their students. The institutions further benefit society as a whole in Kansas through the added income and social savings generated by students who remain in the state. The benefits of education extend as far as the state and local government, in the form of increased tax revenues and reduced government expenditures. This fact sheet presents the results of the analysis for the 2012-13 Fiscal Year.

IMPACT ON THE STATE ECONOMY

In Fiscal Year (FY) 2012-13, KICA's member institutions added **\$971.6 MILLION** in income to the Kansas economy, approximately equal to **0.8%** of the state's gross state product. The economic impacts of the institutions break down as follows:

Impact of the institutions' operations

- KICA's member institutions employed 4,392 employees in FY 2012-13. Payroll amounted to **\$177.6 MILLION**, much of which was spent in the state to purchase groceries, clothing, and other household goods and services. The institutions spent another **\$181.1 MILLION** to support their day-to-day operations.
- The net impact of the institutions' payroll and expenses in Kansas during the analysis year was approximately **\$223.9 MILLION** in added state income.

Impact of student spending

- Out-of-state students who lived in the state but off-campus while attending the institutions spent money at in-state businesses to purchase groceries, rent accommodation, pay for transportation, and so on.
- The off-campus expenditures of out-of-state students during the analysis year added approximately **\$15.6 MILLION** in income to the economy.

Impact of visitor spending

- Visitors who came from outside the state impacted the economy through their off-campus expenditures at hotels, restaurants, gas stations, and other businesses.
- Visitor spending added approximately **\$12.2 MILLION** in income to the state economy during the analysis year.

Impact of student productivity

- Over the years, students have studied at KICA's member institutions and entered or re-entered the workforce with newly-acquired

INCOME CREATED BY KICA'S MEMBER INSTITUTIONS IN FY 2012-13 (ADDED INCOME)

\$223.9 MILLION

Operations effect

\$15.6 MILLION

Student spending effect

\$12.2 MILLION

Visitor spending effect

\$720 MILLION

Student productivity effect

\$971.6 MILLION

Total effect

JOB EQUIVALENTS BASED ON INCOME

Job equivalents are a measure of the average-wage jobs that a given amount of income can potentially support. They are calculated by dividing income by the average income per worker in the state. Based on the added income created by KICA's member institutions, the job equivalents are as follows:

Operations effect = **5,015** job equivalents

Student spending effect = **349** job equivalents

Visitor spending effect = **273** job equivalents

Student productivity effect = **16,127** job equivalents

Overall, the added income created by the institutions and their students supported **21,763** job equivalents.

skills. In FY 2012-13, many of these former students were still employed in Kansas.

- The accumulated contribution of former students employed in the state workforce amounted to **\$720 MILLION** in added income during the analysis year.

BENEFITS TO STUDENTS, SOCIETY, & TAXPAYERS

Benefits to students

- The 2012-13 student population at KICA's member institutions paid a total of **\$201.9 MILLION** to cover the cost of tuition, fees, books, and supplies. They also forwent **\$294.4 MILLION** in money that they would have earned had they been working instead of learning.
- In return for the monies invested in the institutions, students will receive a present value of **\$1.4 BILLION** in increased earnings over their working lives.
- Dividing benefits to students by the costs of education yields a return of **\$2.80** in higher future income for every \$1 that students invest in their education. The average annual return for students is **12.5%**.

Benefits to society

- Society as a whole in Kansas will receive a present value of **\$2.3 BILLION** in added state income over the course of the students' working lives.
- Society will also benefit from **\$496.5 MILLION** in present value social savings related to reduced crime, lower unemployment, and increased health and well-being across the state.

Benefits to taxpayers

- The net present value of the added tax revenue stemming from the students' higher lifetime incomes and the increased output of businesses amounts to **\$212.6 MILLION** in added tax revenue across the state.
- Savings to the public sector add another **\$84.1 MILLION** in reduced government expenditures due to a reduced demand for publicly-funded services in Kansas.