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**Economic Impact of Institutes
of Higher Education**

**E-Commerce and
Sales Tax Collection**



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Major Impact

Independent Colleges and Universities Support Kansas Communities

By Matt Lindsey, President, Kansas Independent College Association & Fund

Conversations about higher education in Kansas often focus on Jayhawks and Wildcats. Yet while the major public universities of the state get the lion's share of the headlines and are crucially important to the state's economy, most Kansans may not realize the enormous economic asset that is the state's private non-profit college sector.

Across 19 institutions, in 17 cities, Kansas' non-profit colleges are among the largest employers and largest contributors to economic growth each year. In total, the economic impact of these colleges to the state is nearly one billion dollars each year. That's according to a 2014 study commissioned by the Kansas Independent College

Association (KICA), the statewide association of the nonprofit colleges. Put another way, the amount of economic growth fostered by these colleges is equivalent to having Kansas host the NFL Super Bowl nine times a year. Alternatively, it's similar to creating nearly 22,000 new jobs each year.

Integral to Community

The economic impact of these colleges derives in many respects from how integral they are to their respective communities. Kansas' private non-profit colleges employ more than 4,400 faculty and staff, making them collectively the seventh largest non-governmental employer based in Kansas. These employees

almost all live in Kansas. The salaries the colleges pay them, and the other direct local spending by the colleges on supplies and local services, generates more than \$230 million each year alone.

These employees are often well-educated and highly involved in their communities serving on local boards, with civic organizations, and as mayors, city councils, county commissioners, and school board members. The quality-of-life impacts from having them choose Kansas as home are difficult to quantify.

Integral to Economy

Much of the rest of the colleges' contributions to local economic growth comes from their students who buy food, clothes, entertainment, and often housing and transportation locally while they are in school. With 25,000 students, the private non-profit colleges are a substantial part of the customer base in many Kansas towns. Whether you visit a coffee shop in Ottawa, a burger joint in Salina, or a movie theater in Olathe, you are likely to see Kansas' private college students, generating \$15.6 million a year in income to the economy.

When they graduate, these students take jobs in Kansas. They become teachers, nurses, or business leaders. More than a few of Kansas' city managers are alumni of these institutions. There are more than 270,000 living alumni of these colleges, and nearly half live in Kansas. Because these alums have received a high-quality education, they provide a lifetime of increased income (and thereby spending) to the Kansas economy that exceeds what would have existed without the private colleges.

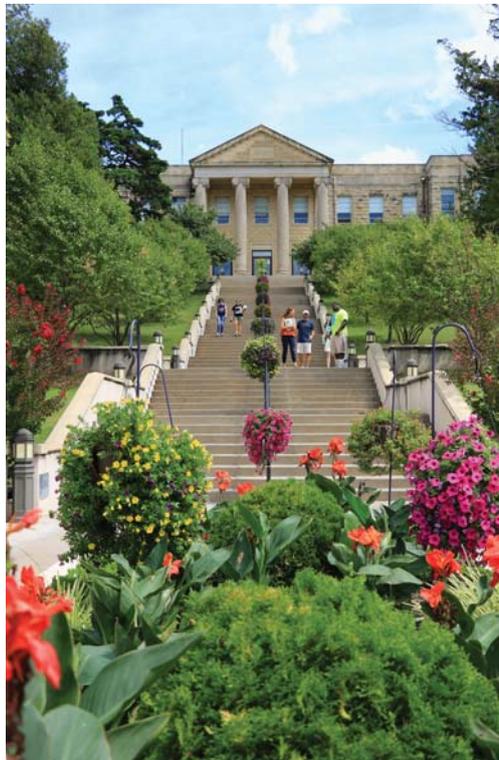
Moreover, it's striking how many residents of these communities came originally to attend the local non-profit college and, while they were in school, they found a place to call home – and stayed. Nearly one-third of the private college students in Kansas come from out of state, and about a third of those stay in Kansas after they graduate. Some towns, like Hillsboro and Hesston, are now noting that out-of-state students who graduated many years ago from the local college are deciding to come back and retire here.

What is the accumulated value of these educated graduates who study here, stay here, and often retire here? KICA's study found that adds \$720 million in new income to Kansas each year.

Vitality of Communities

Private colleges are also major contributors to the visitor economy in Kansas. According to KICA, the private non-profit colleges bring in more than 260,000 non-local visitors each year for athletic events, music and theater performances, commencement ceremonies, and campus tours for prospective students. That is nearly 100,000 more than come to Kansas for the state's outdoor activities like hunting, fishing, and camping.

Whether it's Southwestern College partnering with the Winfield community for the South Kansas Symphony, the long-running performance of Handels' *Messiah* at Lindsborg's Bethany College by the Bethany Oratorio Society, or the role Baker University plays in the Baldwin City Maple Leaf Festival, Kansas' private non-profit colleges care deeply about the connections they have with their place.



Southwestern College in Winfield

The benefits provided by the private non-profit colleges do not stop at income growth, either. Colleges have been demonstrated to have highly positive effects on their local communities in terms of health, safety, and civic engagement. The students who graduate these colleges are less prone to abuse tobacco, alcohol, or drugs, less susceptible to obesity, and less likely to develop severe psychological disorders. They are less likely to commit crimes. They are less likely to rely on federal, state, and local assistance programs like food stamps, public housing, and other public benefits.

These benefits add up for a community. In KICA's study, they add up to nearly almost \$500 million in avoided costs. And because the graduates are more likely to be productively employed and those with college degrees earn significantly more over their lifetime, they pay more in taxes because of the increased income, too, which helps support the rest of the public goods that citizens in Kansas depend upon.

If you are not an alum of one of Kansas' 19 private non-profit colleges, or you don't live close to their campuses, it can be easy to overlook them. Individually, they are significantly smaller, both in enrollment and in budgets, than the state universities that are the metaphorical – and even literal, in one case – “gorillas” of Kansas' higher education ecosystem.

But for city and county leaders looking to foster economic growth, attract a better talent pool for an educated workforce, and promote a vibrant, healthy civic space, the Kansas' private colleges should not be ignored. They are, and always have been, a critical component to Kansas' future.

Editor's Note: View the full summary from KICA at <http://www.kscolleges.org/economic-impact>

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Kansas' Independent Colleges & Universities: Generating Income and Creating Economic Growth for all Kansans

Source: Kansas Independent College Association <http://www.kscolleges.org/economic-impact>

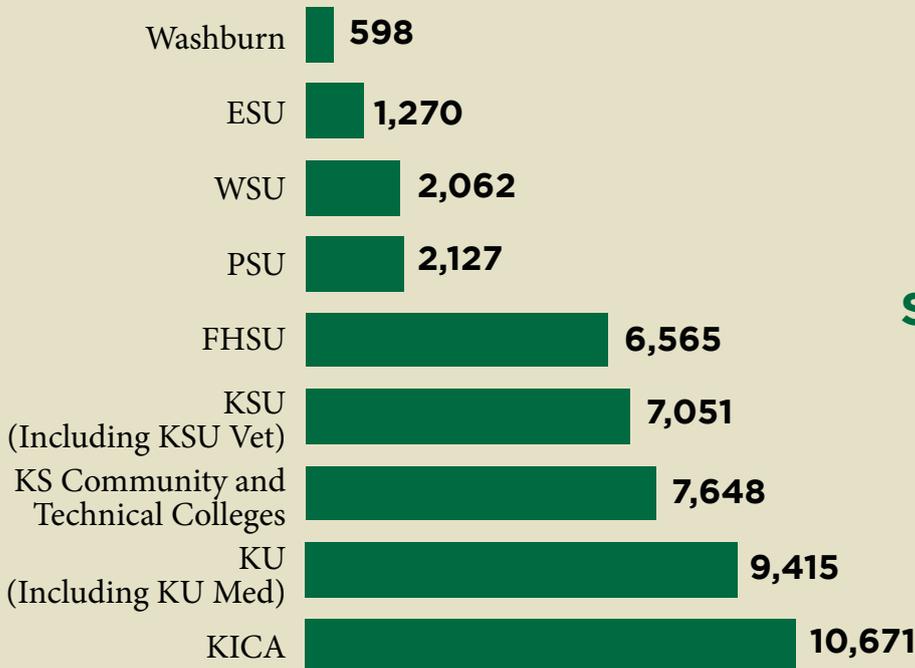
To get the same economic growth from operational spending, Kansas would have to annually recruit companies like:

KICA colleges are major purchasers of supplies and services and their thousands of employees spend their income on groceries, housing, and others goods and services sold in Kansas. All of this creates a ripple effect on the state economy, generating even more jobs and income.

Number of out-of-state students

By recruiting a substantial number of students from out-of-state, KICA colleges inject new money into the Kansas economy. These students come to Kansas explicitly to attend a KICA college and buy computers and cheeseburgers and gasoline, generating still more economic growth for Kansas.

47,407
total out-of-state bachelor's degree students



STUDENT SPENDING

\$16M



\$231M

\$98
KIC COLLI

\$14

VISITOR SPENDING

261,500

Average number of visitors KICA colleges and universities bring to their campuses each year. Compare this to Kansas visitors for...



Fishing:
28,000



Hunting:
112,000



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3

Amount per year injected into the Kansas economy from their consumption of goods and services.



\$793
per KICA student

\$630K

The amount per year the **Kansas State Fair** generates in additional net income to the state.



\$14
The amount in addition



Rosetta Stone (language learning software)

\$237M



DinEquity Inc. (Applebees, IHOP)

\$156M



DST Systems

(business software)

\$143M

OPERATIONS

IM



81M

KICA
COLLEGES

\$720M



**STUDENT
PRODUCTIVITY**

14M

DING



s and
r.

In addition to hosting athletic events, concerts, art exhibits, cultural and other events, KICA colleges bring a large number of people to Kansas—these students and their families visit for tours, orientations, and graduations.

Wildlife
Watching:
34,000

4.1M

ount per year KICA generates
tional net income to the state .



**Employers want
college graduates with the
broad skills they can get
from studying the liberal arts.**

The greatest impact of KICA's institutions is derived from the education they provide their students. Nearly 100,000 KICA graduates live and work in Kansas today, adding millions in income and increased productivity to businesses and communities throughout the state.

**KICA colleges award more degrees annually
than all but one university in Kansas.**

more than

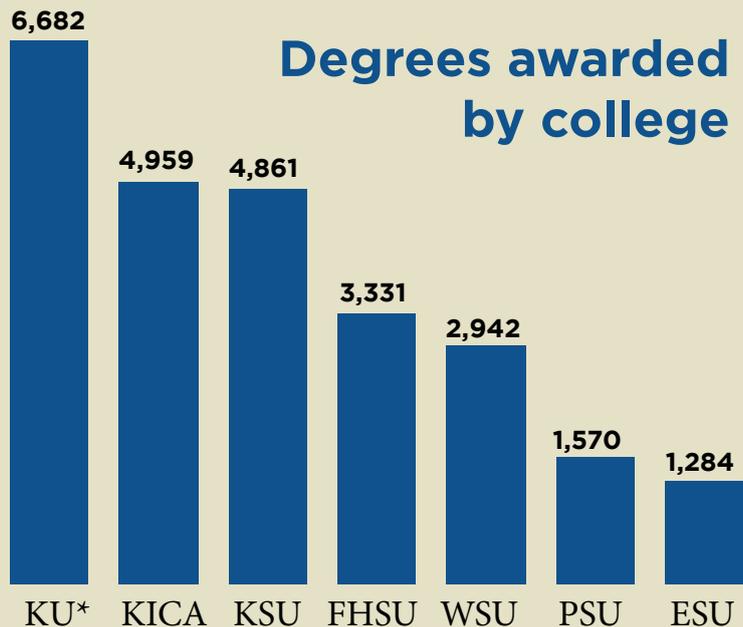
20%

of the bachelor's degrees

more than

25%

of the master's degrees



*including KU Med



25,629
total degrees
awarded