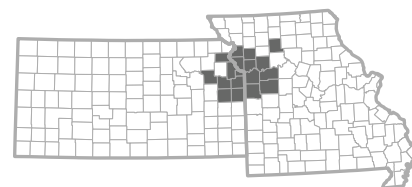


The Economic Value of the University of Kansas to Metropolitan Kansas City



THE UNIVERSITY OF KANSAS (KU) creates value in many ways. The university plays a key role in helping students increase their employability and achieve their individual potential. The university facilitates new research and encourages the development of start-up and spin-off companies. It also draws visitors and students to the region, generating new dollars and opportunities for Metropolitan Kansas City (KC Metro).¹ Additionally, the University of Kansas Health System cares for tens of thousands of patients in the study area and is one of the area's largest employers. KU provides students with the education, training, and skills they need to have fulfilling and prosperous careers. Furthermore, KU is a place for students to meet new people, increase their self-confidence, and promote their overall health and well-being.

This study measures the economic impacts created by KU on the business community. The analysis includes the University of Kansas Health System and KU Innovation Park, as well as KU's affiliates, such as KU Alumni Association and KU Endowment Association. All results reflect employee, student, and financial data, provided by the university, for fiscal year (FY) 2023 (July 2022 – June 2023).



The KC Metro (in Kansas and Missouri)

KU influences both the **lives of its students** and the **regional economy**.

One KU initiative seeks to enhance collaboration

Having spent more than 30 years at the University of Kansas, Chancellor Douglas A. Girod knows all too well the quirks of KU's structure, including the silos that often stifle collaboration.

That's why in 2024, he announced a historic shift in the university's leadership structure with an eye toward bridging longtime disconnects between the university's various campuses. Under the Chancellor's new "One KU" structure, top leaders now have responsibilities for all five KU campuses: Lawrence and Edwards,

as well as the KU Medical Center campuses in Kansas City, Salina, and Wichita. In addition, KU Medical Center and The University of Kansas Health System will collaborate more closely on their shared mission of caring, healing, teaching, and discovery that distinguishes KU as one of the nation's leading academic medical centers and a driver of economic growth in the region.

"The goal of this initiative is to eliminate barriers between our campuses and units in a way that

enhances collaboration, reduces obstacles, addresses challenges, and positions us to seize opportunities," Girod said in his announcement of the One KU initiative. "We know changes won't happen overnight, but once this new structure fully takes effect, there's no question it will benefit each aspect of our mission of education, service, and research, and do so in a way that positions KU to continue driving prosperity in our region."

¹ Strictly for the purposes of this analysis, the KC Metro is defined by the Kansas City Area Development Council (KCADC) and comprises of Atchison, Douglas, Franklin, Johnson, Leavenworth, Miami, Shawnee, and Wyandotte Counties in Kansas and Buchanan, Cass, Clay, Clinton, Jackson, Johnson, Lafayette, Livingston, Platte, and Ray Counties in Missouri.

Important note

Lightcast's approach to an economic impact study is to consider the following hypothetical question: How would economic activity change in the state if KU and its alumni did not exist in the analysis year? This means we employ counterfactual scenarios to take a conservative, net approach to measuring impacts and benefits. You can have peace of mind that their results are built on statistically robust and fiscally conservative information.

We aim to be conservative in our methodologies. The impacts presented in the analysis are reported as net impacts. The gross impacts represent an upper-bound estimate of all economic activity stemming from the university. We adjust this downward by considering several

counteractions that result in the net impact being a truer and more accurate impact. For example, for the operations impact, we estimate the counterfactual by simulating a scenario where in-state monies spent on the university are instead spent by local taxpayers and in-state students, thus creating an impact regardless of KU's presence in the state. In addition, we do not consider the entire year's student population in the student spending impact; we only consider those who would not have been in the state economy if not for KU's presence. Similarly, we only measure the impact of visitors from outside the state. In every impact, alternative scenarios are considered, measured, and net out to arrive at a more accurate calculation of the economic activity truly attributable to KU.

When reviewing the impacts estimated in this study, it is important to note that the study reports impacts in the form of added income rather than sales or output. Whereas the impact in terms of added income is \$10.4 billion, the impact in terms of sales is \$19.4 billion. Sales includes all of the intermediary costs associated with producing goods and services, as well as money that leaks out of the state as it is spent at out-of-state businesses. Income, on the other hand, is a net measure that excludes these intermediary costs and leakages and is synonymous with gross state product (GSP) and value added. For this reason, Lightcast's economic impact study focuses on added income rather than sales as the impact measure.

Presence and engagement in the Kansas City community

As the saying goes, great cities have great universities. While the KU Lawrence campus is just minutes away from Kansas City, KU educates, employs, serves, and cares for the KC Metro through multiple locations across the region. KU is proud to be Kansas City's top-tier research university. Key locations across the region include:



- Nearly one hundred University of Kansas Health System departments, offices, clinics, and hospitals across both sides of the state line, serve patients from the bi-state region and beyond. In FY 2018-19, the Health System's Kansas City locations delivered care to 289,794 patients. In the same year and area, the Health System employed 11,902 people, providing more than \$1.2 billion in wages and benefits.
- KU Medical Center's primary campus in Kansas City, Kansas, providing healthcare education and research. In FY 2023, the Medical Center taught 3,908 students and employed 3,700 faculty and staff.
- In FY 2023, KU Edwards Campus (KUEC) in Overland Park, Kansas, taught at least one class to 3,004 students, of whom

1,823 take the majority of their classes through KUEC. KUEC employs 114 faculty and staff.

- KU Clinical Research Center, a unit of the Medical Center, with offices in Fairway, Kan.
- KU Juniper Gardens in Kansas City, Kansas, focused on developing evidence-based solutions for child development and care through collaborations among the local community and educators and KU faculty, students, and staff. An additional 67 KU employees primarily work at Juniper Gardens or other locations in the KC Metro.
- KU Leavenworth teaches classes at Fort Leavenworth and in the City of Leavenworth. In FY 2023, KU taught 90 students, mostly members of the military and their dependents, in Leavenworth.

Source: KU AIRE, Health System locations webpage, Health System FY 2018-29 Annual Report

Economic impact analysis



KU promotes economic growth in the KC Metro through its direct expenditures and the resulting expenditures of visitors, students, and businesses in the region. The university serves as an employer and buyer of goods and services for its day-to-day operations, construction, and research activities. Numerous start-up companies formed as a result of research programs and knowledge at KU drive new jobs and impact the regional economy. The university's reputation and activities attract visitors and students from outside the KC Metro, whose expenditures benefit regional businesses. In addition, KU is a primary source of higher education to residents of the KC Metro and a supplier of trained workers to regional industries, enhancing overall productivity in the regional workforce.

Operations spending impact



KU adds economic value to the KC Metro as an employer of regional residents and a large-scale buyer of goods and services. In FY 2023, payroll at KU was \$2.8 billion, much of which was spent in the region for groceries, mortgage and rent payments, dining out, health care, recreation, and other household expenses. In addition,



the university spent \$2.2 billion on expenses related to facilities, supplies, and professional services.²

KU's operations spending added \$5.7 billion in income to the region during the analysis year. This figure represents the university's payroll, the multiplier effects generated by the in-region spending of the university and its employees, and a downward adjustment to account for funding that the university received from regional sources. The \$5.7 billion in added income is equivalent to supporting 60,838 jobs in the region.

KU taps local firms for major campus projects

The University of Kansas is proud of its commitment to choose Kansas and Kansas City-based companies to develop campus infrastructure projects whenever possible. That commitment is on full display as the university continues to develop its Gateway District, a \$760 million project that will transform the northeast corner of the Lawrence campus with the assistance of a number of local firms.

KU launched the project in October 2022 by partnering with Kansas City-based HNTB—a global leader in multipurpose entertainment design—as the lead architect, in partnership with Lawrence-based firm Multistudio. In summer 2023, the university tapped Turner Construction's Kansas City branch as the construction manager for the first phase of the project. Most recently, in fall 2024, the university announced it would be working with Edgemoor Infrastructure and Real Estate's Kansas City branch to explore development of the second phase of the project in partnership with Kansas City-based Sunflower Development Group.

"KU is a national brand that attracts national firms anytime the university seeks to develop a project," said Jeff DeWitt, Chief Financial Officer for KU. "That said, we remain committed to working with local design, construction, architecture, and financial firms to the greatest extent possible so we can ensure our expenditures end up in the pockets of Kansas workers."

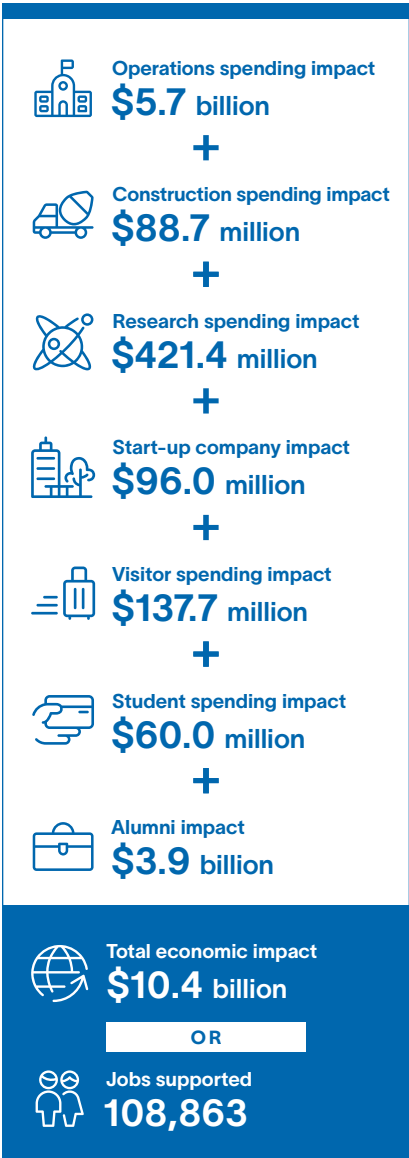
Construction spending impact



KU invests in capital projects each year to maintain its facilities, create additional capacities, and meet its growing educational demands. While the amount varies from year to year, these quick infusions of income and jobs have a substantial impact on the regional economy. In FY 2023, KU's construction spending generated \$88.7 million in added income, which is equivalent to supporting 915 jobs.

² Employees and finances of the University of Kansas Health System and KU Innovation Park, as well as KU's affiliates, such as KU Alumni Association and KU Endowment Association are included in the operations spending impact. Research employees and their payroll, as well as non-pay expenses for research and construction, are excluded from this impact as they are measured in the following impacts.

Impacts created by KU in the KC Metro in FY 2023



Research spending impact



Research activities impact the economy by employing people and requiring the purchase of equipment and other supplies and services. Over the last four years, KU received 241 invention disclosures, filed 166 new patent applications, and produced 107 licenses.

In FY 2023, KU spent \$154.3 million on payroll to support research activities. This, along with \$218.6 million in other research spending,³ created a net total of \$421.4 million in added income for the regional economy. This added income is equivalent to supporting 4,337 jobs.

KU research developments

Fiscal year	Invention disclosures	Patent applications	Licenses
FY 2020	62	38	34
FY 2021	61	43	36
FY 2022	55	41	21
FY 2023	63	44	16
Total	241	166	107

Source: KU

KU Medical Center receives \$27 million National Institutes of Health grant to accelerate clinical and translational research in the region

In September 2022, KU Medical Center announced a five-year, nearly \$27 million grant from the National Institutes of Health (NIH) to fund Frontiers Clinical and Translational Science Institute at the University of Kansas.

The Frontiers institute is part of a network of 62 such hubs nationwide that are funded with a grant from the NIH's National Center for Advancing Translational Sciences. The institute accelerates research by connecting scientists to resources; facilitating collaboration among researchers, communities, and institutions; and offering training.

While this grant is awarded to the University of Kansas and administered through KU Medical

Center, it represents a far-reaching regional initiative with principal investigators at both KU Medical Center and Children's Mercy Kansas City.

"The University of Kansas is proud to celebrate this accomplishment," said Douglas A. Girod, Chancellor of the University of Kansas. "The impact of this grant goes far beyond its direct funding, impacting the entire region with the power of its partnerships, collaborations and innovations. This work helps ensure KU is ahead of the curve nationally."

The award propelled KU into a unique class, making KU one of only 28 U.S. universities with a cancer center, Alzheimer's disease research

center, and a clinical and translational science institute, all recognized with a national designation by appropriate agencies within the NIH.



³ Excludes indirect costs because indirect costs are not necessarily spent during the analysis year.



Start-up company impact



KU creates an exceptional environment that fosters innovation and entrepreneurship, evidenced by the number of KU start-up companies operating in the region. Start-up companies, created specifically to license and commercialize KU technology or knowledge, have a strong and clearly defined link to KU. In FY 2023, KU start-up companies added \$96.0 million in income to the KC Metro economy, which is equivalent to supporting 651 jobs.⁴

KU start-up companies are making a difference

KU has a strong history of translating technology out to society through the creation of start-up companies that have licensed KU technology. This effort is often supported by the KU Innovation Park, where these companies can transition while continuing to receive various forms of business support. Examples of active KU start-ups include the following:

- **CureBridge:** The CureBridge Collaborative is a public-private partnership between BioNovus Innovations and the KU Medical Center's Institute for Advancing Medical Innovations (IAMI). CureBridge enables early-stage development and commercialization for life science innovations by combining in-kind resources and industry expertise to build regional biotech companies and pursue small business grants (Small Business Innovation Research, Small Business Technology Transfer) to accelerate development. To date CureBridge has started numerous new companies focused in the therapeutics and medical diagnostics space.
- **Bond Biosciences:** Hereditary Haemochromatosis (HH) is a genetic disorder characterized by excessive absorption of dietary iron, resulting in a build-up of iron in tissues and organs, which can lead to joint issues,

cirrhosis, heart failure, and diabetes. Using a novel approach, KU researchers developed an oral therapeutic designed to rapidly bind iron in the digestive tract, thus inhibiting its absorption and reducing or eliminating the need for regular blood draws. KU start-up Bond Biosciences is advancing BBI-001 toward the market with early-stage clinical data showing promising results. Bond will complete its Phase I trial in 2024 and is primed to move into Phase II studies.

- **Icorium Engineering:** Hydrofluorocarbon (HFC) refrigerants are used for cooling (AC, refrigerators, etc.), but are also a major contributor to global warming, and therefore are likely to be replaced by alternative cooling methods. KU researchers have created a system and method for separating refrigerants into their components. Those components can then be reused for other purposes, thus creating value-add products from refrigerant waste. KU start-up Icorium Engineering, housed at the KU Innovation Park, has received both small business grants (Small Business Innovation Research) and successfully competed in national pitch competitions; it is poised to complete a capital raise to fund building its pilot demonstration plant.

- **Innara Health:** The "NTrainer" is an FDA-cleared medical device to improve critical key pre-feeding skill in newborns and preterm infants known as non-nutritive suck (NNS) based upon technology created at KU. In 2023, Innara Health, a KU start-up, closed its partnership with Cardinal Health (a leading multinational health care services company), which will lead to increased access to new markets and an improved second-generation device. Thus far, there are already over 200 NTrainer devices manufactured and in use.
- **Terrametrics Agriculture, Inc.:** The GreenReport® is a tool developed by the Kansas Biological Survey at KU using satellite imagery to show vegetation conditions. KU start-up Terrametrics licensed use of The GreenReport®, which now leverages both current satellite data with historic data to present a more complete picture of vegetation conditions, trends, and changes over time in the U.S. The GreenReport® is now incorporated into predictive tools and third party market reports that help forecast crop yields used across the country in agriculture and commodities.

⁴ Only the start-up companies formally formed and affiliated with KU were included. The KU Innovation Park formed other start-up companies that were not attributed to KU and thus excluded from this impact.



Visitor spending impact



Hundreds of thousands of visitors from outside the region were attracted to KU during the analysis year to attend commencement, athletic events, performances, campus tours, conferences, and other activities sponsored by the university.⁵ While in the region, visitors spent money for lodging, food, transportation, and other personal expenses. The off-campus expenditures of the university's out-of-region visitors generated a net impact of \$137.7 million in added income for the regional economy in FY 2023. This \$137.7 million in added income is equivalent to supporting 2,195 jobs.

The University of Kansas Health System serving the region

The University of Kansas Health System is the region's premier academic health system, providing a full range of care. It includes The University of Kansas Physicians, the region's largest multispecialty physician group. The Health System is affiliated with the University of Kansas Schools of Medicine, Nursing and Health Professions, and their leading-edge research projects. The Health System in Kansas City has received Magnet nursing designation four times in a row for the highest level of care and has ranked every year since 2007 on U.S. News & World Report's Best Hospitals lists (best in Kansas and Kansas City). It provides the

region's most experienced, nationally verified burn center and Level I Trauma Center, as well as a leading transplant program in liver, pancreas, kidney, heart, and blood and marrow. The cancer program is part of The University of Kansas Cancer Center, one of 56 National Cancer Institute-designated comprehensive cancer centers.

In the Kansas City metropolitan area, the Health System offers more than 150 hospital and clinic locations, including its flagship hospital in Kansas City, Kansas, a hospital at Indian Creek Campus in Overland Park, hospitals in Liberty,

Olathe, and Miami County, and two mental and behavioral health hospitals in the Kansas City area. In addition to Kansas City metropolitan locations, the Health System has locations in Great Bend and Topeka.

In total, the University of Kansas Health System includes nine hospitals, with 1,400+ practicing physicians caring for 62,000+ inpatients and 1.75 million outpatients last year. As the region's leading academic medical center, the Health System serves patients from every county in Kansas, 98% of Missouri counties, all 50 states, and 26 countries.



⁵ Even though KU reported hundreds of thousands of out-of-state visitors, this number is conservative because KU was unable to collect visitor data for all events hosted by the university.



Student spending impact



Approximately 51% of credit students attending KU originated from outside the region in FY 2023, and the majority of these students relocated to the region to attend KU. These students may not have come to the region if the university did not exist. In addition, some in-region students, referred to as retained students, would have left if not for the existence of KU. While attending the university, these relocated and retained students spent money on groceries, accommodation, transportation, and other household expenses. This spending generated \$60.0 million in added income for the regional economy in FY 2023, which supported 1,029 jobs in the KC Metro.

Alumni impact



The education and training KU provides for regional residents has the greatest impact. Since the establishment of the university, students have studied at KU and entered the regional workforce with greater knowledge and new skills.

KU provides the largest share of college graduate talent in the KC Metro

Now more than any time in living memory, filling vital jobs is critical and difficult. The top challenge for many commercial, public service, healthcare, and government organizations is the ability to find talent to fill crucial roles. KU is positioned to continue to be the top supplier of talent with its focus on growing its number of graduates, evidenced by recent initiatives, investments and record-setting numbers of new students. The following are example occupations (SOC codes) for which more KU graduates than graduates of any other other university presently hold positions in the KC Metro.

- All occupations for people with a college degree
- Computer and Information Systems Managers (11-3021)
- Information Security Analysts (15-1212)
- Software and Web Developers, Programmers, and Testers (15-1250)
- Architects, Except Landscape and Naval (17-1011) (KU is tied for first)
- Architectural and Engineering Managers (11-9041)
- Civil Engineers (17-2051)
- Engineers (17-2000)
- Registered Nurses (29-1140)
- Physicians (29-1210)
- Pharmacists (29-1050)
- Substance Abuse, Behavioral Disorder, and Mental Health Counselors (21-1018)
- Medical and Health Services Managers (11-9111)
- Elementary School Teachers (25-2021)
- Secondary School Teachers (25-2031)
- Postsecondary Teachers (25-1099)
- Social Workers (21-1020)
- Healthcare Social Workers (21-1022)
- General and Operations Managers (11-1021)
- Marketing Managers (11-2021)
- Accountants and Auditors (13-2011)

KU graduates also hold the most positions as compared to any other university in the industry classification of "Executive, Legislative, and Other General Government Support."

Source: Lightcast profiles based on SOC and defined geography



Today, tens of thousands of former KU students are employed in the KC Metro. According to Lightcast's Alumni Pathways data, many KU alumni are employed in the regional workforce in industry sectors such as Professional & Technical Services; Government, Education; Health Care & Social Assistance; Finance & Insurance; and Manufacturing, with their top occupations being chief executives, postsecondary teachers, managers (such as operations, financial, sales, and marketing), software developers, and lawyers.

As a result of their education from KU, the students receive higher earnings and increase the productivity of the businesses that employ them. In FY 2023, KU alumni generated \$3.9 billion in added income for the regional economy, which is equivalent to supporting 38,897 jobs.

Total impact

KU added \$10.4 billion in income to the KC Metro economy during the analysis year, equal to the sum of the operations, construction, and research spending impacts; the start-up company impact; the visitor and student spending impacts; and the alumni impact. For context, the \$10.4 billion impact was equal to approximately 5.6% of the total gross regional product (GRP) of the KC Metro. This contribution that the university provided on its own is larger than the entire Construction industry in the region.

KU's total impact can also be expressed in terms of jobs supported. The \$10.4 billion impact supported 108,863 regional jobs, using the jobs-to-sales ratios specific to each industry in the region. This means that one out of every 17 jobs in the KC Metro is supported by the activities of KU and its students. In addition, the \$10.4 billion, or 108,863 supported jobs, stemmed from different industry sectors. For instance, among non-education industry sectors, the activities of KU and its alumni in the Health Care & Social Assistance industry sector supported 26,512 jobs in FY 2023. If the university did not exist, these impacts would not have been generated in the KC Metro.

KU impacts by industry (jobs supported)



One out of every 17 jobs in the KC Metro is supported by the activities of KU and its students.



Lightcast provides colleges and universities with labor market data that help create better outcomes for students, businesses, and communities. Our data, which cover more than 99% of the U.S. workforce, are compiled from a wide variety of government sources, job postings, and online profiles and résumés. Hundreds of institutions use Lightcast to align programs with regional needs, drive enrollment, connect students with in-demand careers, track their alumni's employment outcomes, and demonstrate their institution's economic impact on their region. Visit lightcast.io/solutions/education to learn more or connect with us.

