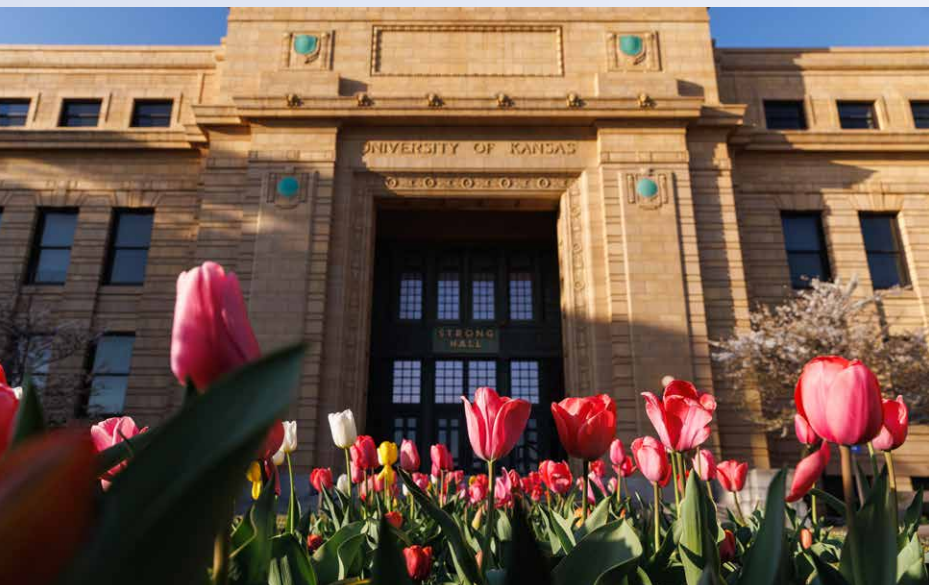


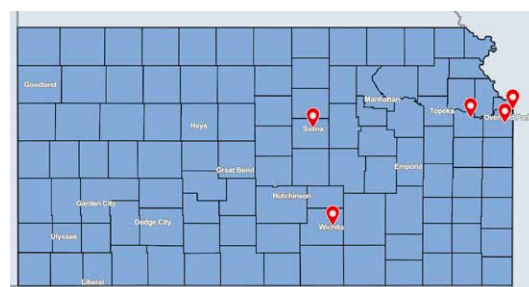
The Economic Value of the University of Kansas to Kansas





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 state, generating new dollars and opportunities for Kansas. The University of Kansas Health System cares for patients in many parts of the state and is one of the state'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.

KU influences both the lives of its students and the state economy. The university supports a variety of industries in Kansas, serves state businesses, and benefits Kansas society as a whole from an expanded economy and improved quality of life. Additionally, the benefits created by KU extend to the state and local governments through increased tax revenues and public sector savings.



KU Campuses

KU influences both the **lives of its students** and the **state 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."



This study measures the economic impacts created by KU on the business community and the benefits the university generates in return for the investments made by its key stakeholder groups—students, taxpayers, and society. 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. The following two analyses are presented:

Economic impact analysis

Investment analysis

All results reflect employee, student, and financial data, provided by the university, for fiscal year (FY) 2023 (July 2022 – June 2023). Impacts on the Kansas economy are reported under the economic impact analysis and are measured in terms of added income. The returns on investment to students, taxpayers, and society in Kansas are reported under the investment analysis.



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 \$7.8 billion, the impact in terms of sales is \$14.8 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.

Economic impact analysis



KU promotes economic growth in Kansas through its direct expenditures and the resulting expenditures of visitors, students, and businesses in the state. 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 Kansas, whose expenditures benefit state businesses. In addition, KU is a primary source of higher education to Kansas residents and a supplier of trained workers to state industries, enhancing overall productivity in the state workforce.

Operations spending impact



KU adds economic value to Kansas as an employer of state 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 state 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.¹

¹ 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.



KU's operations spending added \$4.7 billion in income to the state during the analysis year. This figure represents the university's payroll, the multiplier effects generated by the in-state spending of the university and its employees, and a downward adjustment to account for funding that the university received from state sources. The \$4.7 billion in added income is equivalent to supporting 53,031 jobs in the state.

Jayhawks Elevate initiative drives continuous improvement across campus

There's no question that higher education faces challenges related to enrollment, funding, costs, and a rapidly changing workforce.

To address these challenges, KU launched the Jayhawks Elevate initiative, which is designed to foster continuous improvement throughout the university in a way that makes KU more efficient, more effective, and better positioned to address challenges and opportunities. Through this initiative, all employees are empowered to submit recommendations for improvement through the Jayhawks Elevate online portal for consideration by relevant administrators. Recommendations that result in changes are subsequently publicized—and applauded!—in a way that encourages other staff to submit their ideas for improvement.

So far, based on ideas submitted by staff, KU in recent years has:

- replaced inefficient freezers, redesigned trash collection, and enhanced network security
- redesigned the student billing, deposit, and collection notice processes
- provided enhanced training and onboarding opportunities for new employees
- rezoned parking lots and reallocated office space to reflect evolving usage trends
- brought food trucks to campus to better serve students and staff

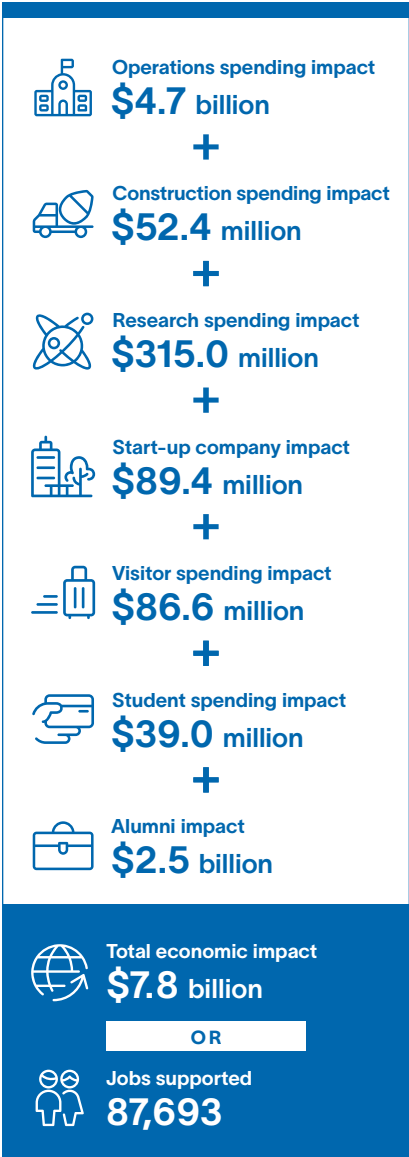
"Continuous improvement is an ongoing process of reflection and action, where we constantly seek to better our operations and, in turn, our mission of education, service, and research," said Jeff DeWitt, the university's Chief Financial Officer. "Jayhawks Elevate empowers employees to be part of this process in a way that benefits the university and the region we serve."

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 state economy. In FY 2023, KU's construction spending generated \$52.4 million in added income, which is equivalent to supporting 670 jobs.

Impacts created by KU in Kansas in FY 2023



Master Plan provides blueprint for physical spaces to support university goals

Like many universities, KU expanded its physical footprint over time to meet the demands of the day. But given recent changes to technology and hybrid work, KU now finds itself with more square footage than is needed in the future.

For these reasons, KU recently launched its 2024 Master Plan to align with new realities and create a sustainable campus for generations to come. KU's plan has been developed to address needs like technology, amenities, and accessibility—none of which would have been possible if the plan had not been built on data-driven recommendations that address

deferred maintenance costs and, thus, call for a reduction of the campus footprint. This will allow KU to divest under-performing assets while maintaining capacity for core academic and research functions.

The process for this work was unlike any master plan KU has done. First, KU started the process during the pandemic with an empty campus and questions of what campus would look like after the pandemic. Add to that the impact of climate change on aging infrastructure—which requires an emphasis on maintenance and repair over new construction—and goals to grow enrollment, improve health and wellness,

and serve communities. The new master plan needed to support all these efforts.

“We knew this master plan would be different,” said Barbara Bichelmeyer, Provost and Executive Vice Chancellor for the Lawrence and Edwards campuses. “Though it started like most master plans with data gathering, unlike most master plans, all the recommendations it provides are founded on a key recommendation for a new data structure that will be the basis for all future decisions. As a result, this master plan will preserve KU’s heritage while allowing us to be adaptable and sustainable.”



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,² created a net total of \$315.0 million in added income for the state economy. This added income is equivalent to supporting 3,460 jobs.

² Excludes indirect costs because indirect costs are not necessarily spent during the analysis year.



KU research developments

Fiscal year	Inventions	Patents	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 maintains commitment to technology transfer, commercialization

As a leading national research institution, KU has a responsibility to contribute to the health, vitality and prosperity of the state of Kansas. Included in that mission is a specific emphasis on encouraging the commercialization of KU discoveries into new products, technologies and companies that create jobs and benefit society.

Related to this priority, in recent years KU has achieved the following milestones in technology transfer and research commercialization:

- 6 faculty named fellows in the National Academy of Inventors
- 50+ start-up companies built upon discoveries by KU researchers
- One of the nation's top 100 universities for issued patents in 2022 and 2023
- 305+ new inventions disclosed by KU faculty from 2019 through 2023
- 450+ U.S. patent applications filed in the past five years (includes all patent applications)
- 250 U.S. patents issued to KU in the past five years (all patent types)
- Expansion of KU Innovation Park from 10 companies in 2012 to 50 companies by 2024

"KU takes pride in working to identify discoveries that lead to new products, treatments and companies," said Tricia Bergman, Associate Vice Chancellor for Economic Development. "As we contribute to the vitality of our society, we have a responsibility to contribute to its prosperity. That's another way we can build healthy communities, as well as help ensure that our discoveries change the world."



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 Kansas. 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 \$89.4 million in income to the Kansas economy, which is equivalent to supporting 568 jobs.³

³ 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.



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 2nd 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.

Visitor spending impact



Hundreds of thousands of visitors from outside the state were attracted to KU during the analysis year to attend commencement, athletic events, performances, campus tours, conferences, and other activities sponsored by the university.⁴ While in the state, visitors spent money for lodging, food, transportation, and other personal expenses. The off-campus expenditures of the university's out-of-state visitors generated a net impact of \$86.6 million in added income for the state economy in FY 2023. This \$86.6 million in added income is equivalent to supporting 1,664 jobs.

⁴ 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.



KU drives tourism, visitor spending

While KU is known for being one of the nation's top academic research institutions, the university also happens to be a powerful driver of tourism and out-of-town and -state guest visits—resulting in millions of dollars in expenditures in the Kansas economy each year.

KU's status as a magnet for tourism starts with the university's 30,000 students, who in turn end up hosting their families on campus for events throughout the year. Whether it's move-in weekend at the residence halls, sorority and fraternity events in the fall, or graduation events in the spring, Lawrence and Kansas City are constantly playing host to KU parents who are in town to enjoy a bit of college life with their child.

Then there's the university's spectacular new Jayhawk Welcome Center, which hosts thousands of prospective students and their families

for campus visits throughout the year. In its first year, the facility brought more than 48,000 people through its doors and hosted 774 events. Those numbers are expected to increase dramatically in the coming years.

Additionally, KU is home to some of the region's most popular attractions, which collectively host hundreds of thousands of guests each year. Perhaps the most high-profile examples are Kansas Athletics facilities like Allen Fieldhouse and David Booth Kansas Memorial Stadium, which combine to host approximately 40 home football and basketball games each year. Additionally, KU is the home to the Lied Center—one of the Midwest's premier performance facilities—as well as the Spencer Museum of Art and the Natural History Museum, which welcome guests of all ages throughout the year.

Looking ahead, KU will supercharge its ability to host out-of-town and -state guests when it opens its new Gateway District conference center in 2025 or 2026. Once complete, the center will be the largest of its kind in the region and position KU to bring all sorts of conferences, concerts, and events to Lawrence, resulting in tremendous tourism expenditures and economic growth.

"KU exists, first and foremost, for our students," said Karla Leeper, Vice Chancellor for Communications and Public Affairs. "But there's something for everyone on our campus, which is why the university continues to serve as one of the region's most prolific tourist attractions and a place that attracts visitors from across the country."

KU student spending fuels local economies

There's no question that KU students add energy to the cities in which KU has campuses, including Lawrence, Kansas City, Overland Park, Wichita, and Salina. But these students also add something more tangible—dollars.

For Lawrence—a city of 94,000 residents—the university's 26,000 main campus-based students have an enormous impact on the local economy. Specifically, these students spend money on necessities like groceries and housing. They frequent restaurants and entertainment venues. And they welcome their families to

Lawrence for games and special events, which results in overnight stays for local hotels and patronage for shops and dining establishments.

Additionally, these students spend on tuition, which in turn enables KU to employ thousands of staff in numerous counties across Kansas, the majority of whom also live and spend money in Kansas.

"Students are crucial to the spirit of Lawrence," said Karla Leeper, Vice Chancellor for Communications and Public Affairs, "and they are equally crucial to the local economy."

While student spending has always fueled the state economy, it has become more apparent in recent years as KU has recruited all-time numbers of students. In fact, in fall 2024, KU recorded its largest freshman class and its highest overall enrollment in history.

Notably, KU student spending doesn't stop after graduation. Approximately one-third of KU's out-of-state students stay in the Kansas City Metropolitan Area after they graduate to pursue their careers.

Student spending impact



Approximately 42% of credit students attending KU originated from outside the state in FY 2023, and the majority of these students relocated to Kansas to attend KU. These students may not have come to the state if the university did not exist. In addition, some in-state students, referred to as retained students, would have left Kansas 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 \$39.0 million in added income for the state economy in FY 2023, which supported 739 jobs in Kansas.

Alumni impact



The education and training KU provides for state residents has the greatest impact. Since the establishment of the university, students have studied at KU and entered the state workforce with greater knowledge and new skills. Today, tens of thousands of former KU students are employed in Kansas. According to Lightcast's Alumni Pathways data, more graduates of KU work in Kansas than graduates of

KU alumni fill critical, varied roles across the state

KU alumni fill hundreds of different roles across Kansas. The table below shows the most common positions held by KU graduates in Kansas. Many are recognized by the Kansas Department of Labor as "high demand, high wage" roles* and are indicated by an asterisk.

Occupation (based on SOC 5-Digit)	Share of KU alumni**	Occupation (based on SOC 5-Digit)	Share of KU alumni**
Chief Executives*	7.11%	Customer Service Representatives	0.90%
Postsecondary Teachers*	3.26%	Industrial Engineers*	0.89%
General and Operations Managers*	3.13%	Business Operations Specialists, All Other*	0.88%
Lawyers*	2.99%	Market Research Analysts and Marketing Specialists*	0.82%
Financial Managers*	2.75%	Sales Representatives of Services, Except Advertising, Insurance, Financial Services, and Travel*	0.79%
Marketing Managers*	2.61%	Education Administrators, Kindergarten through Secondary*	0.78%
Sales Managers*	2.59%	Human Resources Managers*	0.75%
Managers, All Other*	2.55%	Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products*	0.70%
Registered Nurses*	2.31%	Mental Health and Substance Abuse Social Workers	0.68%
Software Developers*	2.19%	Civil Engineers*	0.68%
Medical and Health Services Managers*	1.78%	Teachers and Instructors, All Other*	0.66%
First-Line Supervisors of Office and Administrative Support Workers*	1.70%	Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	0.64%
Accountants and Auditors*	1.47%	Real Estate Sales Agents*	0.61%
Management Analysts*	1.47%	Training and Development Specialists*	0.58%
Pharmacists*	1.34%	Human Resources Specialists*	0.58%
Project Management Specialists	1.23%	Graphic Designers*	0.58%
Social and Human Service Assistants	1.17%	Family Medicine Physicians	0.58%
Computer and Information Systems Managers*	1.14%	Education Administrators, Postsecondary*	0.56%
Public Relations Specialists*	1.04%	Secondary School Teachers, Except Special and Career/Technical Education*	0.54%
Mechanical Engineers*	1.02%	Personal Financial Advisors*	0.53%
Architectural and Engineering Managers*	1.02%	Natural Sciences Managers	0.52%
Computer Occupations, All Other*	1.02%	Nurse Practitioners*	0.51%
Computer User Support Specialists*	0.99%	Social and Community Service Managers*	0.51%
Public Relations Managers	0.92%		
Physical Therapists*	0.92%		
Computer Systems Analysts*	0.92%		

* Based on the 2024 High Demand Jobs table accessed January 2025 at <https://klic.dol.ks.gov/vosnet/gsipub/documentView.aspx?docid=403>

** Share of KU alumni holding this position in Kansas, January 2025; source: Lightcast Alumni Pathways data



any other university. Many KU alumni are employed in the state workforce in industry sectors such as Government, Education; Professional & Technical Services; Health Care & Social Assistance; Manufacturing; and Finance & Insurance, with their top occupations being chief executives, postsecondary teachers, managers (such as operations, financial, sales, and marketing), registered nurses, lawyers, and software developers.

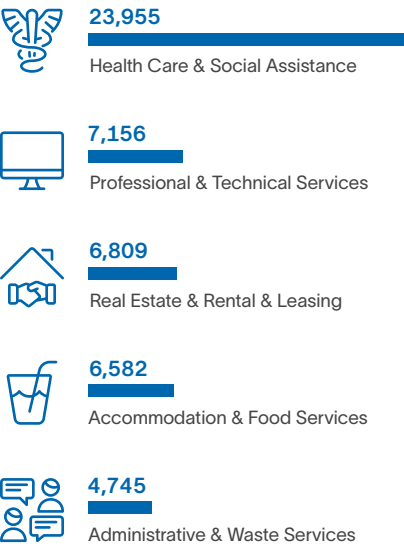
As a result of their education from KU, the students receive higher earnings and increase the productivity of the businesses that employ them. In FY 2023, KU alumni generated \$2.5 billion in added income for the state economy, which is equivalent to supporting 27,560 jobs.

Total impact

KU added \$7.8 billion in income to the Kansas 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 \$7.8 billion impact was equal to approximately 3.9% of the total gross state product (GSP) of Kansas. This contribution that the university provided on its own is nearly twice as large as the entire Accommodation & Food Services industry in the state.

KU's total impact can also be expressed in terms of jobs supported. The \$7.8 billion impact supported 87,693 state jobs, using the jobs-to-sales ratios specific to each industry in the state. This means that one out of every 23 jobs in Kansas is supported by the activities of KU and its students. In addition, the \$7.8 billion, or 87,693 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 23,955 jobs in FY 2023. If the university did not exist, these impacts would not have been generated in Kansas.

KU impacts by industry (jobs supported)




One out of every 23 jobs in Kansas is supported by the activities of KU and its students.

Investment analysis



An investment analysis evaluates the costs associated with a proposed venture against its expected benefits. The analysis presented here evaluates KU as an investment from the perspectives of students, taxpayers, and society in Kansas. As with the economic impact analysis, this analysis considers only FY 2023 activities.

Student perspective

 In FY 2023, KU served 26,708 credit and 22,379 non-credit students. In order to attend the university, the students paid for tuition, fees, books, and supplies. They also took out loans and will pay interest on those loans. Additionally, students gave up money they would have otherwise earned had they been working instead of attending college. The total investment made by KU's students in FY 2023 amounted to a present value of \$555.8 million, equal to \$350.6 million in out-of-pocket expenses (including future principal and interest on student loans) and \$205.2 million in forgone time and money.

In return for their investment, KU's students will receive a stream of higher future earnings that will continue to grow throughout their working lives. For example, the average KU bachelor's degree graduate from FY 2023 will see annual earnings that are \$33,900 higher than a person with a high school diploma or equivalent working in Kansas. Over a working lifetime, the benefits of a bachelor's degree over a high school diploma will amount to an undiscounted value of \$1.5 million in higher earnings per graduate. The present value of the cumulative higher future earnings that KU's FY 2023 students will receive over their working careers is \$3.2 billion.

The students' benefit-cost ratio is 5.7. In other words, for every dollar students invest in KU in the form of out-of-pocket expenses and forgone time and money, they will receive a cumulative value of \$5.70 in higher future earnings. Annually, the students' investment in KU has an average annual internal rate of return of 22.3%, which is impressive compared to the U.S. stock market's 30-year average rate of return of 10.1%.

Students see a high rate of return for their investment in KU



Average annual return for KU students

22.3%



Stock market 30-year average annual return

10.1%



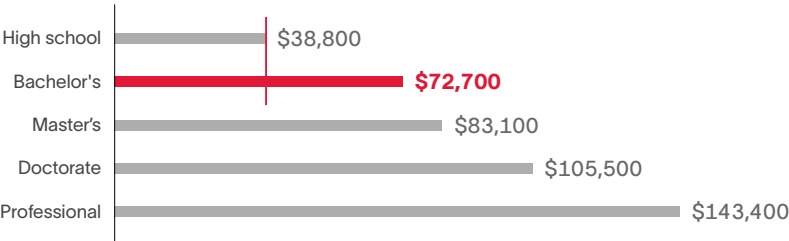
Interest earned on savings account (national deposit rate)

0.5%

Source: Forbes' S&P 500, 1994-2023; FDIC.gov, March 2023

Average earnings by education level at career midpoint

The average bachelor's degree graduate from KU will see an increase in earnings of **\$33,900** each year compared to a person with a high school diploma or equivalent working in Kansas. Students who graduate with an advanced degree from KU will experience even higher earnings, on average.



Source: Data provided by KU and Lightcast's Alumni Pathways



Taxpayer perspective



KU generates more in tax revenue than it receives. These benefits to Kansas taxpayers consist primarily of taxes that the state and local governments will collect from the added revenue created in the state. As KU students will earn more, they will make higher tax payments throughout their working lives. Students' employers will also make higher tax payments as they increase their output and purchases of goods and services. By the end of the FY 2023 students' working lives, the state and local governments will have collected a present value of \$1.1 billion in added taxes.

Benefits to taxpayers will also consist of savings generated by the improved lifestyles of KU students and the corresponding reduced government services. Educational attainment is statistically correlated with a variety of lifestyle changes. The education that KU students receive will generate savings in three main categories: 1) health care, 2) justice system, and 3) income assistance. Improved health will lower students' demand for health care services. In addition, costs related to the justice system will decrease. KU students will be more employable, so their reduced demand for income assistance such as welfare and unemployment benefits will benefit taxpayers. For a list of study references, contact the university for a copy of the main report. Altogether, the present value of the benefits associated with an education from KU will generate \$95.8 million in savings to state and local taxpayers.

Total taxpayer benefits amount to \$1.1 billion, the present value sum of the added tax revenue and public sector savings. Taxpayer costs are \$401.9 million, equal to the amount of state and local government funding KU received in FY 2023. These benefits and costs yield a benefit-cost ratio of 2.9. This means that for every dollar of public money invested in KU in FY 2023, Kansas taxpayers will receive a cumulative present value of \$2.90 over the course of the students' working lives.

For every dollar of public money invested in KU, Kansas taxpayers will receive a cumulative value of **\$2.90** over the course of the students' working lives.

Social perspective



Society as a whole in Kansas benefits from the presence of KU in two major ways. Primarily, society benefits from an increased economic base in the state. This is attributed to the added income from students' increased lifetime earnings (added student income) and increased business output (added business income), which raise economic prosperity in Kansas.

Benefits to society also consist of the savings generated by the improved lifestyles of KU students. As discussed in the previous section, education is statistically correlated with a variety of lifestyle changes that generate social savings. Note that these costs are avoided by the consumers but are distinct from the costs avoided by the taxpayers outlined above. Health care savings include avoided medical costs associated with smoking, obesity, substance abuse, and depression. Justice system savings include avoided costs to the government and society due to less judicial activity. Income

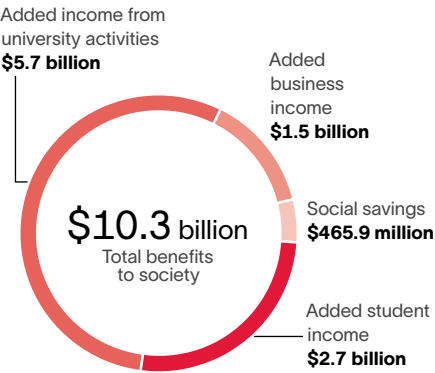


assistance savings include reduced welfare and unemployment claims. For a list of study references, contact the university for a copy of the main report.

Altogether, the social benefits of KU equal a present value of \$10.3 billion. These benefits include \$2.7 billion in added student income, \$1.5 billion in added business income, \$5.7 billion in added income from university activities, as well as \$465.9 million in social savings related to health, the justice system, and income assistance in Kansas. In FY 2023, the total costs incurred by KU and its students amounted to \$5.8 billion. The cost includes all the university and student costs.

The benefit-cost ratio for society is 1.8, equal to the \$10.3 billion in benefits divided by the \$5.8 billion in costs. In other words, for every dollar invested in KU, people in Kansas will receive a cumulative value of \$1.80 in benefits. To put another way, people in Kansas will not only recoup their initial investment, but for every dollar invested they will receive an additional \$0.80 in additional benefits. The benefits of this investment will occur for as long as KU's FY 2023 students remain employed in the state workforce.⁵

Social benefits in Kansas from KU



Source: Lightcast impact model

Summary of investment analysis results

The results of the analysis demonstrate that KU is a strong investment for all three major stakeholder groups—students, taxpayers, and society. As shown, students receive a great return for their investments in an education from KU. At the same time, taxpayers’ investment in KU returns more to government budgets than it costs and creates a wide range of social benefits throughout Kansas.

Summary of investment analysis results

Student perspective		Taxpayer perspective		Social perspective	
Present value benefits \$3.2 billion		Present value benefits \$1.1 billion		Present value benefits \$10.3 billion	
Present value costs \$555.8 million		Present value costs \$401.9 million		Present value costs \$5.8 billion	
Net present value \$2.6 billion		Net present value \$745.1 million		Net present value \$4.6 billion	
Benefit-cost ratio	Rate of return	Benefit-cost ratio	Rate of return	Benefit-cost ratio	Rate of return
5.7	22.3%	2.9	n/a*	1.8	n/a*

* The rate of return is not reported for the taxpayer and social perspectives because it is not appropriate to measure an internal rate of return.

5 Lightcast applies attrition factors, such as out-migration, unemployment, and retirement to predict how long KU's former students will be active in the Kansas workforce.

Conclusion

*The results of this study demonstrate that KU creates value from **multiple perspectives**.*

The university benefits state businesses by increasing consumer spending in the state and supplying a steady flow of qualified, trained workers to the workforce. KU enriches the lives of students by raising their lifetime earnings and helping them achieve their individual potential. The university benefits state and local taxpayers through increased tax receipts and a reduced demand for government-supported social services. Finally, KU benefits society as a whole in Kansas by creating a more prosperous economy and generating a variety of savings through the improved lifestyles of students.

About the study

Data and assumptions used in the study are based on several sources, including the FY 2023 academic and financial reports from KU, KU alumni records matched to Lightcast's Alumni Pathways database, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, outputs of Lightcast's Multi-Regional Social Accounting Matrix model, and a variety of studies and surveys relating educational attainment to social behavior. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness. For a full description of the data and approach used in the study, please contact the university for a copy of the main report.



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.