FORT HAYS STATE UNIVERSITY

# The Economic Impact of Fort Hays State University on the Local Economy: Fiscal Year 2022

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# The Economic Impact of Fort Hays State University on the Local Economy: Fiscal Year 2022


## Docking Institute Policy Fellows:

Dr. Emily Breit, Dr. Tom Johansen,
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EXECUTIVE SUMMARY

# The Economic Impact of Fort Hays State University on the Local Economy: Fiscal Year 2022

Dwight D. Eisenhower's description of the university, students, and graduates of Fort Hays Kansas State College in 1966 still applies today. The unique opportunities provided by FHSU include the economic impact created because of the existence of the university. Since the beginning of the university in 1902, Fort Hays State University (FHSU) has supported and contributed to the economy of Ellis County and the State of Kansas.

This report evaluates the impact that Fort Hays State University has on the Ellis County economy and the benefits that are generated by the university. The results of the analysis indicate that FHSU creates a positive net impact on the local economy. During fiscal year 2022, FHSU spent $33.8 million on payroll and benefits for 1,035 full-time and part-time employees and spent an additional $39.9 million on goods and services to carry out its operations. This initial round of spending creates more spending across other businesses throughout the economy, resulting in the commonly referred to multiplier effects.

**The total economic impact for FY2022 (the fiscal year starting July 1, 2021 and ending June 30, 2022) is estimated between $167,862,253 and $239,200,242.**

The economic impact reported in this study was estimated using two approaches to measure the demand-side effects. The Caffrey-Isaacs method produced a FY2022 total economic impact estimate of **$239,200,242**. The IMPLAN method produced an estimate of **$167,862,253.**

The total economic impact of the university upon the local economy is determined by combining a direct impact with an indirect impact and an induced impact. The estimated economic impact as estimated by the Caffrey-Isaacs method:

- The direct impact is the sum of all local expenditures associated with the university, which was estimated to be **$132,889,023**.
- The indirect impact is the additional business spending to support the initial expenditure, which was estimated to be **$26,577,805**.
- The induced impact is the additional expenditures resulting from the incomes created by the direct impact, which was **$79,733,414**.

The economic impact as estimated by IMPLAN method:

- Direct impact estimated at **$114,757,410**.
- Indirect impact estimated at **$2,634,147**.
- Induced impact estimated at **$50,470,697**.

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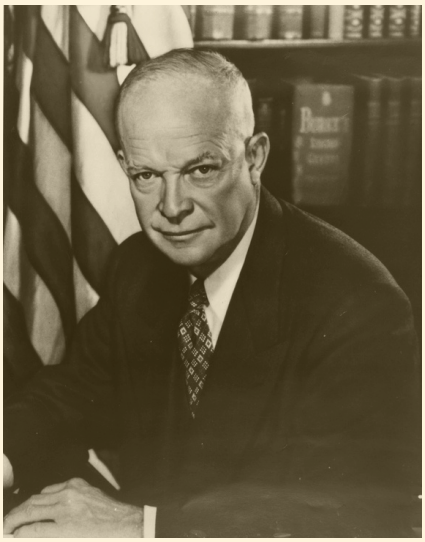
## INTRODUCTION



"The wide open spaces of the Kansas prairie provide a splendid background for the educational institutions there. The region, stimulating in its climate and in its distant horizons, free of the many afflictions that accompany great concentrations of populations, permits concentration on physical, mental, and moral development that is scarcely possible in the crowded conditions of many other sections.

The attitude of Kansas toward initiative and achievement and excellence fosters effort; from the date of its founding, the entire state has been dedicated to high standards of education and to individual self-reliance, responsibility, and progress. Today, therefore, young people maturing in the colleges of western Kansas are enjoying opportunities, almost unique, to learn and to live by timeless traditions of the human greatness that is possible to all who earnestly and perseveringly use their talents and their energies for worthy goals."

"To students of Fort Hays Kansas State College go my best wishes that they may strive, in the spirit of their forebears, for the betterment of themselves and their communities of Kansas and the Republic."

Dwight D. Eisenhower

Fort Hays State University is an economic driver for Western Kansas. The university employs hundreds of workers, purchases goods and services from local vendors, and educates the regional workforce. The purpose of this study is to provide information on the university's economic contribution to the local economy. This report estimates the short-term magnitude of the economic impact of Fort Hays State University upon the Hays and Ellis County local economy for fiscal year 2022. The estimation models used in this study follow a demand-side methodology. The Caffrey-Isaacs approach utilizes linear cash flow modeling to track the flow of institutional funding. In contrast, the IMPLAN methodology combines the U.S. Bureau of Economic Analysis (BEA) input-output tables with other data to track funding flow.

The sections that follow include a discussion of the economic environment for which the study was conducted, details of economic impact theory and methodology, and the university-related expenditures used to estimate the economic impact. The spending estimates, data sources and assumptions are presented for each of the FHSU spending units. The total of these expenditures, the direct impact, is the primary source of Fort Hays State University's economic impact on the local economy.

# ECONOMIC ANALYSIS

The university's impact on the local economy is partly a function of how well the local, state, and national economies are performing. In 2022, the U.S. grappled with high inflation and tight labor markets as it emerged from the shadows of the COVID-19 pandemic.

The headline rate of consumer inflation hit a 40-year high in 2022 at nearly 9%. Aggressive monetary policy responses by the Federal Reserve resulted in consumer inflation decreasing to 7.1%, yet still far above the Federal Reserve's target of 2%. High inflation not only reduces the purchasing power of American households, it may also result in households delaying or eliminating certain types of spending. According to the most recent Consumer Expenditure Survey from the Bureau of Labor Statistics, U.S. households spent $5,577 per month on average in 2021, with the largest portion of this spending (34%) going towards housing. While the details of these spending figures will likely change because of the high inflation in 2022, other data sources indicate that overall consumption spending has remained robust. Data from the Bureau of Economic Analysis shows that personal consumption expenditures accounted for nearly 68% of U.S. gross domestic product - nearly the highest the figure has been in 70 years.

Labor market conditions across the U.S. were very tight in 2022. The year 2022 saw the lowest yearly unemployment rate on record for Ellis County, the State of Kansas, and the United States since 1990. Ellis County's labor force, which includes those persons who are working or who wish to work, averaged 16,931 persons in the first six months of 2022, of which nearly 98.3% were employed. The average weekly wage was $885, which is less than the average for the State of Kansas ($1,039) and for the United States ($1,294). It is worth noting that Kansas ranks 44th among all states in average weekly wages.

In addition to high inflation and tight labor markets, the local economy continues to contend with long-term population changes in the area. From 1990 to 2021, the annual growth rate in the resident population for Ellis County averaged 0.3%. This compares with 0.5% and 0.9% for the State of Kansas and the United States over the same period. Moreover, the resident population has slightly decreased since 2012 when Ellis County reached a 50-year high of 29,100 residents. The resident population is strongly correlated with the number of private establishments and the labor force in the local economy. In the first six months of 2022, Ellis County averaged 1,044 private establishments and a labor force of 16,931 persons. These figures have contracted by 2.3% and 6.3%, respectively, since the first half of 2012.

Gross domestic product (GDP) is the market value of all goods and services produced in an economy. Ellis County's inflation-adjusted GDP in 2021 was $1.514 billion, an increase of 0.6% from the previous year (in contrast, GDP for the State of Kansas increased by 2.5% from the previous year). Ellis County's GDP ranked 16th of the 105 counties in Kansas, although the percentage increase from the previous year ranked 54th. For some historical context, Ellis County's GDP increased each year, on average, by 6.3% from 2012-2015, the 5th highest among the counties in Kansas. It is important to note that GDP is influenced by the size of an economy's labor force and the number of establishments. Despite the economic challenges to the local economy, living standards in a material sense are strong. Personal income in Ellis County was $64,100 per person in 2021, which was the same as that for the nation and above the Kansas average of $58,924.

# THE THEORY AND METHODOLOGY OF ECONOMIC IMPACT

## Short-Run Approach

Economic impact is defined as “the difference between existing economic activity in a region given the presence of the institution and the level that would have been present if the institution did not exist” (Beck, Elliott, Meisel, and Wagner, 1995). Many studies have been completed estimating the short-run economic impact of educational institutions. Two methods that are often used to assess the economic impact of colleges and universities are Input-Output analysis and the Caffrey-Isaacs approach. These methods utilize multipliers to estimate the economic impact contributed by the university to the economy of the region. A summary of these methods is provided by Stokes and Coomes (1998). The economic impact of Fort Hays State University to Ellis County will be estimated using both approaches.

## Caffrey-Isaacs Approach

The Caffrey-Isaacs approach was developed in 1971 for the American Council of Education to provide a framework for estimating the economic impact of universities. Economic information required by this model includes spending by faculty, staff, students, the university, and constituents. Other economic activities occurring because of the university location and facilities are also estimated. Previous Fort Hays State University economic impact studies utilized the Caffrey-Isaacs method. FHSU expenditures are associated with the following categories: the university, faculty and staff, students, visitors, food service, Victor E. Tiger Apparel, the Memorial Union, the FHSU Foundation, and the Athletic Corporation. Expenditures for FY2022 are associated with spending to local businesses in the Ellis County economic region.

A spending or output multiplier is estimated to show how dollars “ripple” through the regional economy. For example, if this total effect multiplier is estimated to be 2.0, then for every dollar that FHSU spends in Ellis County, an **additional** $2.00 of spending is produced in Ellis County, effectively growing the economy.

Multipliers can be divided into a direct effect, an indirect effect, and an induced effect. The direct effect is the amount of money that FHSU spends in the regional economy, that is, FHSU purchases goods and services from firms located in the county. Those businesses that receive money from FHSU also purchase goods and services and hire people that will spend their wages and salaries in the economy. This additional amount of spending by businesses that receive income, as a result of FHSU spending, is the indirect effect. Employees of FHSU and employees of FHSU vendors also spend a portion of their wages and salaries locally, that is, the induced effect. In practice, multipliers are often estimated based on similar studies or averages. In previous FHSU studies, the multiplier was estimated to be 1.8, based on an average of peer universities. The indirect effect is estimated to be 20% of the direct effect. The induced effect is estimated to be 60% of the direct effect. By breaking down the total effect multipliers, the relationship between FHSU and the regional economy can be better analyzed.

## Input-Output Approach

An alternative methodology to the Caffrey-Isaacs approach is Input-Output analysis using the IMPLAN (Impact Analysis for Planning) system. IMPLAN is widely used by many universities, economic development professionals, and others who estimate the economic impact of programs and events. IMPLAN analysis follows the flow of expenditures through industries and institutions of a regional economy. Estimating the economic impact is not an exact science, therefore results may vary. The key difference between these two estimates is the methodology. In the Caffrey-Isaacs estimates, the methodology used was based on several assumptions (as discussed in the previous section) and an average multiplier. The average multiplier, which has been used for several years, is based on multipliers used at other universities. In the IMPLAN estimates, Bureau of Economic Analysis (BEA) data are utilized and the multipliers are based on economic data specific to the region in question. With this data, spending patterns are estimated, and

conclusions can be made about the economic impact. The Caffrey-Isaacs estimates are assumption driven while the IMPLAN estimates are data driven.

Input-Output analysis was developed by Wassily Leontief in 1936. For this work, Leontief won the Nobel Prize in Economics. Input-Output (I-O) Models estimate inter-industry relationships in a region by measuring the distribution of inputs purchased and output sold by each industry. The I-O models calculate a total effect multiplier similar to the Caffrey-Isaacs approach, which shows how the impact of one dollar "ripples" throughout the regional economy, creating additional expenditures and jobs.

IMPLAN was utilized to quantify the economic interaction between FHSU and various industries, businesses, and other institutions in the Ellis County economy. The IMPLAN software and database is a system that produces appropriate multipliers for each county in the state of Kansas. IMPLAN total effect multipliers measure changes in output, income, employment, and value added for FHSU on the local economy.

## Data Estimation

Employment, salaries, and operating expenditure data were obtained from Fort Hays State University. A survey was conducted during Fall 2022 of FHSU faculty and students to assess spending and visitor patterns for FY2022. Additional information was obtained from local agencies. Employment, salary, and student and faculty spending data were provided by zip code, allowing for the allocation of spending to be assessed at the county level.

# CAFFREY-ISAACS APPROACH

## University Expenditures (Other than Employment)

University operating expenditures, obtained from FHSU financial statements, were $72,518,590 for FY2022. Next, the proportion of these expenditures spent locally is applied. Some university expenditures are required to use state contracted vendors, so these expenditures are not likely to be local. Currently, computer access to data that track expenditures by vendor address or zip code is unavailable. For this report, 55% of expenditures are assumed to be local expenditures. This percentage is consistent with that used in other studies. This gives a figure of **$39,885,224** in local expenditures.

## Faculty and Staff Expenditures

This estimate includes total spending on local purchases of goods and services by university faculty and staff. Payroll records were used to calculate employee net pay. Only those faculty and staff that reside in the local area were considered in this study; that is, those that live within Ellis County and the four contiguous counties; Rooks, Russell, Rush, and Trego. Net pay to faculty and staff is defined as the gross pay minus all deductions that result in the paycheck received by the employee. Payroll deductions include required withholdings such as federal and state income tax, social security, Medicare taxes, and the required state retirement employee contribution. Health and supplementary life insurance is deducted and employees can elect to have voluntary tax-sheltered supplementary retirement annuity payments withheld. Other voluntary deductions may include: deferred compensation, flexible spending accounts, medical and dependent care, long-term care insurance, parking fees, organizational dues, athletic ticket payments, United Way donations, Foundation donations, Learning Quest, and Savings Bonds.

The total net pay for each classification of employee, living in the Ellis County economic region, is presented in Table 1.

### Table 1: FHSU Employee Net Pay

| Employee Type | Number of Employees | Net Pay |
|---|---|---|
| Faculty | 281 | $13,686,033 |
| Academic (Non-faculty) | 35 | $2,648,173 |
| FHSU Online | 50 | $434,799 |
| Adjunct | 30 | $262,110 |
| Staff | 548 | $16,432,886 |
| **Total Faculty/Staff Net Pay** | **944** | **$33,464,001** |

Source: University Payroll

The category of Temporary Staff employees must also be considered. A Temporary Staff employee is a part-time employee who may work in a variety of capacities for the university, including secretarial, clerical, maintenance, custodial, etc. The total net pay for Temporary Staff with a local address (32 employees) was $175,184. The Senior Companion and Foster Grandparent Program employees working locally had a total net pay of $145,959. Added to the net pay for FHSU employees identified in Table 1, the total net pay for all employees at FHSU is $33,785,144.

It was assumed for this study that all of net pay was spent and no additional savings were withheld. Faculty and staff have the opportunity to participate in voluntary tax-sheltered savings programs at FHSU that would be payroll deducted and thus not included in net pay.

The proportion of faculty and staff disposable income that is spent locally is an empirical question. The percentage of income spent locally was estimated based on the results of the survey conducted during the fall of 2022. Previous FHSU economic impact studies have used 90% as the percentage spent locally. The survey gave slightly different results. With the increased use of online purchasing, our new estimate of the average percentage spent locally was reduced to 85%. The gravity model concerning expenditure patterns predicts that a higher percentage of disposable income is spent locally when competitive businesses are farther away. Hays is the center of a trade area with little competition for goods and services in close proximity. Salina, which is 101 miles away, is the closest larger trade center. With higher average gas prices, consumers tend to travel less to shop and spend disposable income.

Full-time employees who were covered by health insurance were also responsible for purchase of local health services and medications covered by insurance. Health insurance premiums are deducted from gross pay for the employee and are not included in the net pay figures. Insurance payments to local providers of health care goods and services are associated with the employee and must be included as a part of expenditures. The Kansas Health Policy Authority has the ability to identify organizations such as FHSU in their claims database. Adjusting for the number of employees and assuming a regional annual inflation rate of 7.8%, the FY2022 expenditures were estimated to be $5,819,116.

Assuming 85% of spending is local, total FHSU employee expenditures are estimated to be **$34,536,488**.

## Student Expenditures

Spending by university students is another major source of the economic impact of the university. Enrollment at FHSU has declined since 2020 due primarily to the COVID-19 pandemic. Student expenditures have also decreased, based on our estimates.

FHSU Online enrollment also significantly impacts the economy by increasing university revenues and thus university expenditures. This spending component is included in both the university spending and in faculty/staff spending.

There are students who reside in university-owned facilities such as residence halls, students who live off campus in the community, and students who live outside the local community.

## Residence Hall Students

These students do not purchase local housing services and most of their food expenditures are related to a university meal plan.  It would not be appropriate to count either of these student expenditures, because they are considered revenue to this university activity. From this revenue, university housing services make expenditures that are included in the university operations expenditures model. Nevertheless, they purchase a variety of goods and services in the local community including such items as: entertainment, food, beverages, clothing, school supplies, hygienic needs, insurance, medical and dental care, dry cleaning, and many other items.

## Local Off-Campus Students

Some students will reside in group housing, such as fraternities or sororities; some students will rent private quarters, living alone or with a roommate(s); and some

students will live at home with parents. The expenditure patterns for these students will vary depending upon the circumstances.

### Students Living in Other Communities

Students who commute to campus from surrounding areas will likely make some local expenditures on gasoline, food and other items. Students associated with online courses and programs may not come to the university and thus may not make any local purchases.

Student spending data for FY2022 were collected for on-campus students as part of a survey conducted during the fall of 2022. The survey was administered to all FHSU students, then filtered to provide results for on-campus students. Detailed data were collected on such things as student income, expenditures, housing, visitors, and employment. Tuition and fees are not included in measuring the local economic impact of students because they are a revenue component that funds spending that is accounted for in the university's operation budget.

Total FHSU student spending was estimated to be $34,004,531. The percentage of income spent locally was estimated based on the results of this survey. Our estimate of the average percentage spent locally is 70%. Assuming 70% of spending is local, total FHSU student expenditures are estimated to be **$23,803,172**.

## Visitor Expenditures

Many people visited Fort Hays State University's campus in FY2022 as prospective students and their parents, as conference and commencement attendees, and as audiences for cultural and sporting events. These events have an economic impact on Hays and Ellis County because they are sponsored and/or supported by FHSU. This report estimates the expenditures of visitors that attend the various events. These groups include visitors attending special athletic events, events held at the Memorial Union on the FHSU campus, those that come to Hays to visit university students, and those that come to visit FHSU faculty and staff.

### Special Events

The economic impact of high school state sporting events and other outside-sponsored events hosted at FHSU has been studied for the fiscal year 2022 by the Hays Convention and Visitors Bureau (CVB) and the FHSU Athletic Department. Many events were hosted by FHSU during FY2022 including: state football, state wrestling, middle school wrestling tournament, Federated Football tournament, FHSU women's regional basketball tournament, and the High Plains Band and Orchestra Camp. It is estimated that in Hays and Ellis County, visitors attending these various events spent a total of approximately **$1,993,952**. Only overnight visitors are included in the estimates, therefore, the estimates are conservative in that day visitors also spend money in the community. Day visitor information cannot be reliably estimated.

### Special Memorial Union Events

The Memorial Union on the FHSU campus hosts many events during the year from outside organizations. Using past spending data and adjusting for the increase in the price level, as measured by the regional Consumer Price Index, total spending in the local economy for FY2022 was estimated to be **$241,336.**

### Student Visitors

Not only does student spending impact the economy, student visitors spend a substantial amount that also impacts the economy. Students have visits from friends and family throughout the year. While the primary purpose is to visit the student, some visitors combine the visit with attending some university activity or events. Another category of student visitors includes those prospective students and their families interested in attending FHSU. Based on responses from the 2022 student survey, student visitor expenditures were estimated to be **$16,521,966.**

### Faculty and Staff Visitors

Faculty and staff spending data were collected as part of a survey conducted during the fall of 2022. The survey was administered to all faculty and staff at FHSU and then results were filtered to provide expenditure data for those faculty and staff that reside in the Ellis County area. Detailed data were collected on such things as income, expenditures, housing, visitors, and employment. Based on the survey, faculty and staff visitor expenditures were estimated to be **$11,798,449**.

## Victor E. Tiger Apparel and Food Services

Estimated net salaries and local expenditures for the Victor E. Tiger Apparel during FY2022 were $68,703 and $3,103. Assuming 85% of payroll was spent locally, the total local expenditure was **$61,501.**

Estimated total salaries spent locally and the local expenditures for Chartwells, the university food service provider, were estimated to be $521,106. As in the case of university employees, it is assumed that these employees spend 85% of their net pay locally, therefore total local spending for Chartwells is estimated to be **$445,824.**

## FHSU Athletic Association

Total spending by the FHSU Athletic Association was $2,380,289. Of this total, local expenditures were calculated to be 85% or **$2,023,245.**

## FHSU Foundation

The FHSU Foundation is a private foundation that supports the university through its fundraising efforts for student scholarships and departmental support money. Foundation spending consists of three areas: employee salaries, operating expenses, and expenditures made by the foundation on behalf of university departments. FY2022 salaries were $968,282, of which it is assumed that 85% is spent locally amounting to $823,040. Local operating expenses, those expenditures necessary to operate the foundation, spent locally were $340,007. Fund expenses and reimbursement payments were $414,819. These expenditures do not include money paid out as scholarships. The total direct expenditure for the FHSU Foundation for the FY2022 was **$1,577,866.**

## Table 2: Direct Impact Expenditures*

| **University Operations Expenditures (Excluding Wages and Salaries)** | **$39,885,224** |
|---|---|
| Faculty and Staff Expenditures | $34,536,488 |
| Student Expenditures | $23,803,172 |
| Student Visitor Expenditures | $16,521,966 |
| Faculty and Staff Visitor Expenditures | $11,798,449 |
| Food Services | $445,824 |
| Victor E. Tiger Apparel | $61,501 |
| Memorial Union Events | $241,336 |
| FHSU Athletic Association | $2,023,245 |
| FHSU/CVB Events | $1,993,952 |
| FHSU Foundation | $1,577,866 |
| **Total** | **$132,889,023** |

*All figures are rounded to nearest dollar.

## Total FHSU Direct Economic Impact

The total direct impact of spending related to Fort Hays State University upon the local economy is the sum of the spending components previously discussed. A summary is presented in Table 2.

## Indirect and Induced Spending Impacts

For FY2022, the direct impact of FHSU on the local economy was $132,889,023. This direct impact produces an indirect impact as local business establishments purchase materials and supplies from other local enterprises to support their sales. The indirect impact is estimated to be 20% of the direct impact, or $26,577,805. The income received by local residents from the initial dollars spent is partially spent within the local economy, thus creating additional sales. This induced impact is estimated to be 60% of the direct impact, or $79,733,414. Using the Caffrey-Isaacs approach, the total economic impact of Fort Hays State University on the local economic region is **$239,200,242**. These impacts are summarized in Table 3.

## Table 3: Direct, Indirect, and Induced Impacts*

| Direct Impact | $132,889,023 |
|---|---|
| Indirect Impact | $26,577,805 |
| Induced Impact | $79,733,414 |
| **Total Economic Impact** | **$239,200,242** |

*All figures are rounded to nearest dollar.

# IMPLAN

An alternative methodology to the Caffrey-Isaacs approach which has been employed in previous economic impact studies of FHSU is the Input-Output methodology using the IMPLAN data. IMPLAN was also utilized to quantify the economic interaction between FHSU and various industries, businesses, and other institutions. Figure 1 illustrates the historical economic impact estimates using the two methodologies.

This study customized the IMPLAN model for FHSU spending. The impacts of FHSU operating costs and employee compensation were estimated using Institutional Spending Patterns for State and Local Government, Education sector.

The impacts of all the other categories of expenditures were examined using Industry Spending Patterns. All impacts were for FY2022. Three categories of impacts were calculated which reflects the contribution of FHSU to the region. These are:

- Output – overall economic contribution
- Employment – jobs created due to the presence of the university
- Labor Income – contribution to earnings in the state

The estimates from IMPLAN are summarized in Table 4 below.

### Table 4: FHSU Economic Impact: IMPLAN*

| Impact Type | Output | Employment | Labor Income |
|---|---|---|---|
| Direct Effect | $114,757,410 | 1,915 | $87,840,374 |
| Indirect Effect | $2,634,147 | 14 | $688,159 |
| Induced Effect | $50,470,697 | 358 | $14,226,286 |
| Total Effect | $167,862,253 | 2,287 | $102,734,819 |

*All figures are rounded to nearest dollar.

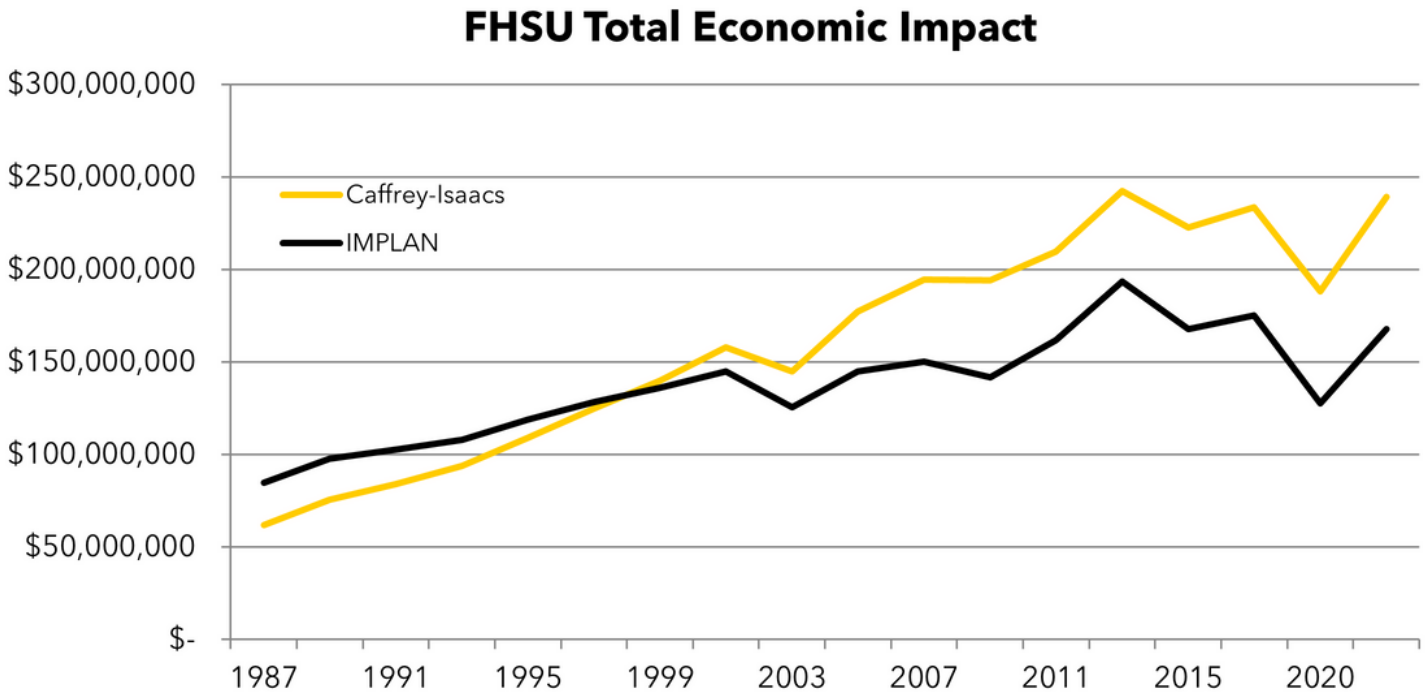
For FY2022, the IMPLAN direct impact of FHSU on the local economy produced an indirect impact estimated at $2,634,147. The induced effect was estimated to be $50,470,697. The total IMPLAN estimated economic impact of FHSU on the Hays and Ellis County region is **$167,862,253**. The number of jobs created in the local economy due to the presence of FHSU is associated with employment opportunities at the university and jobs created by business enterprises resulting from university-related expenditures. The total impact of FHSU in terms of employment was **2,287** jobs in the Hays and Ellis County region. The contribution to wages and salaries of workers in the region was **$102,734,819**.

## Historical Total Economic Impact

Fort Hays State University has had a positive economic impact on Hays and Ellis County for many years. Figure 1 summarizes graphically the economic impact study results since 1987. As the economy has grown, so has the economic impact of FHSU.

However, the economic impact of FHSU is cyclical with the economy. The economic impact grows with an expanding economy and contracts with a recessionary economy.

Figure 1: FHSU's Impact on the Ellis County Economy



## The Economic Impact of Fort Hays State University

This study estimates a significant contribution to the local economy by FHSU. The actual economic impact of Fort Hays State University is likely larger than the value estimated in this study due to the conservative spending estimates. This study only estimates the short-term economic benefit. The long-term economic impact was estimated in a study by Johansen and Arano (2010). Estimating the long-term economic impact using the human capital approach is beyond the scope of this report.

FHSU also benefits the regional economy because of the development of human capital which has long-term economic benefits. These benefits include a better educated state work force that results in both productivity and earnings gains. There is a consistent positive correlation between the education level within a state and the per capita income for that state. Specifically, the primary impact of FHSU in the long-run is the large number of job-ready graduates produced each year who make life-long contributions to the economy of the Ellis County region and the State of Kansas.

Fort Hays State University is a driving force in the economy of Western Kansas through educational, operational, research, and other activities. Students who earn an education at FHSU often enter the Kansas workforce. This study analyzes the direct, indirect, and induced impact that FHSU has on Ellis County. The results indicate that in FY2022, the economic impact of FHSU on the local economy is estimated to be between $167,862,253 and $239,200,242.

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