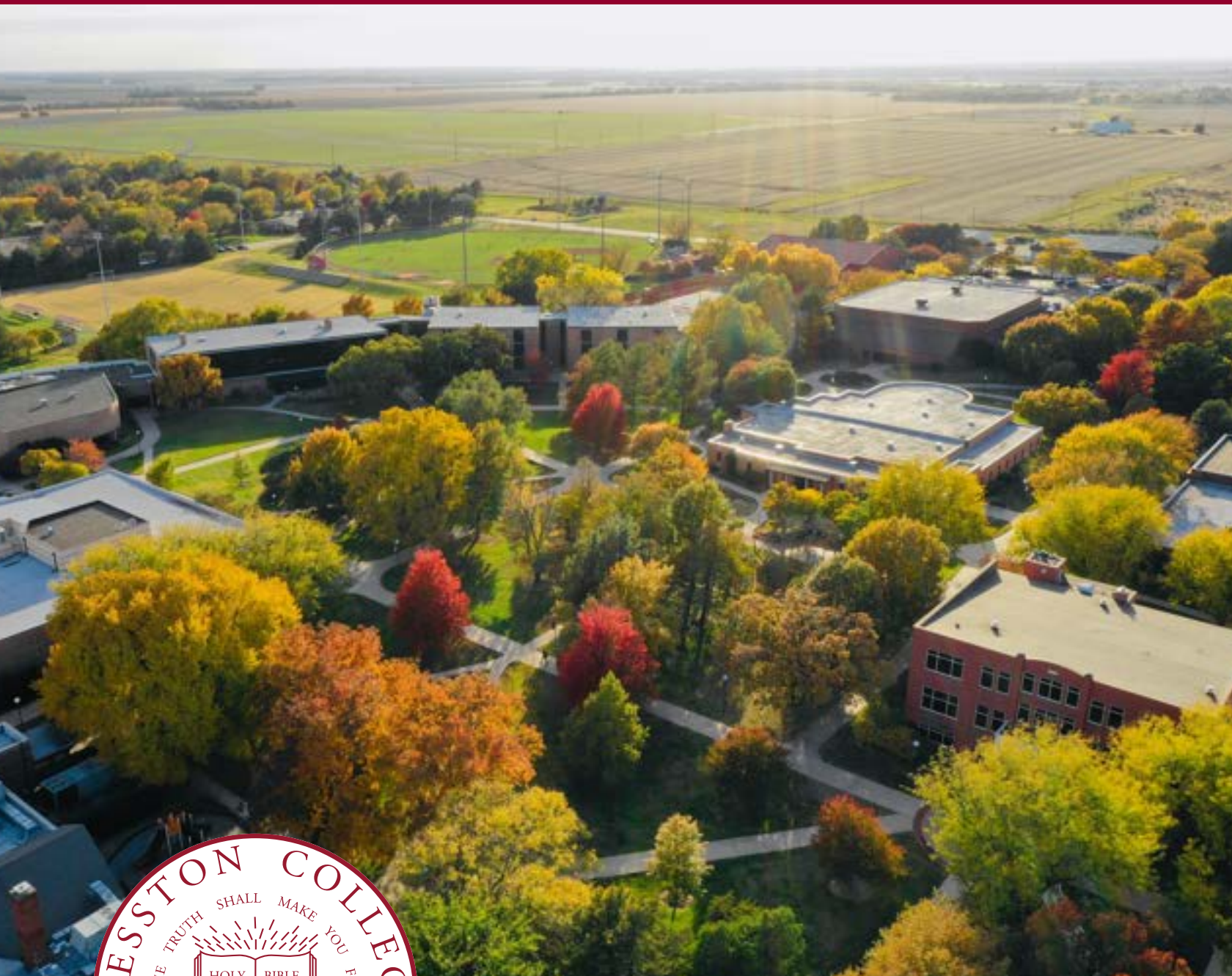


October 2022

prepared by

*Parker Philips*  
assess. analyze. assert!



# Hesston College

**GO EVERYWHERE AND MAKE AN IMPACT**



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# Hesston College

## Start Here, Go Everywhere

Hesston College, a college of the Mennonite Church USA in Hesston, Kansas, plays a vital role in the educational, cultural, spiritual and economic life of the local community and Kansas. Emphasizing community and relationship, Hesston College – one of the top five employers in the city of Hesston – works closely with local businesses, health care systems, service organizations and individuals to provide its students with a plethora of opportunities to learn, grow and serve their neighbors and live out the College’s mission and core values. Hesston College attracts students looking for a unique educational and career foundation with an associate degree in 50+ areas of study or a bachelor’s degree from the highly ranked nursing program, the longstanding aviation program or the hands-on business management and engineering programs. As one of Kansas’ two-year Christian liberal arts colleges and with a student to faculty ratio of 9:1, Hesston College attracts students from around Kansas, other states, and many international students drawn to its supportive faculty, staff and community.

<p>Hesston College generates <b>\$26.5M</b> in economic impact per year</p> 	<p><b>\$151,416</b> in community contributions</p> 
<p><b>\$1.5M</b> in state &amp; local tax revenue</p>	<p>Kansas alumni generate <b>\$7.1M</b> in economic impact annually</p> 
<p>Supports and sustains <b>208 JOBS</b></p> 	

### Contributing to the Economy

The combined economic contribution of Hesston College in 2021 was \$26.5 million. This includes a direct impact of \$15.5 million and indirect/induced impact of \$11 million. Operational and capital spending in Kansas generated \$23.4 million of the total impact, and \$3.1 million in impact was generated from student and visitor spending in 2021.

### Supports and Sustains Jobs

As a result of operations, student spending and visitor spending, Hesston College supports 208 jobs (direct and indirect/induced). Hesston College employs 113 people.

### Contributes to the State and Local Tax Base

In 2021, Hesston College, its suppliers, students and visitors contributed an estimated \$1.5 million in state and local taxes through spending in the local and statewide economy. Of this \$1.5 million, \$618,046 was generated in local taxes only.



## Alumni Continue to Contribute to Kansas

Alumni utilize the education and values nurtured at Hesston College to transform their communities and workplaces. Nearly 600 alumni living and working in Kansas are continuing to make a positive economic impact after graduation. Hesston College graduates are an integral part of the workforce of Kansas and impact the economy over their careers through their spending and the extra earning power from earning a Hesston College degree. Each year, Hesston College alumni generate \$7.1 million in economic output for the Kansas community, support and sustain 44 jobs and contribute \$439,970 in state and local taxes. These impacts are based on the added value of earning a degree or credential from Hesston College, not alumni full wages.

## Mission to Serve and Give Back

Service to others is a key component of the Hesston College mission. Hesston College offers the local community access to a variety of concerts, Dyck Arboretum of the Plains, galleries and workshops, and hosts local organizations on campus that promote service and volunteer opportunities, including M2 Prison Ministry, Big Brothers Big Sisters and Mennonite Disaster Services. Also, the nursing program offers opportunities to address social determinants of health hands-on through course offerings in population-based nursing.

Based upon assumptions derived from the U.S. Census Bureau and the Points of Light Foundation regarding donation amounts and volunteerism rates by age, income level and employment status, it is estimated that Hesston College staff, faculty and students give \$70,607 annually in charitable donations and volunteer for an estimated 6,217 hours, valued at \$80,809. In 2021, the combined impact of charitable giving and volunteerism totaled \$151,416. These benefits were in addition to the \$26.5 million in annual economic impact.



*“What I love about Hesston College’s mission statement and what is central to what we do is to educate and nurture each student in Christ-centered community. From faith formation to academics to social justice to emotional well-being, Hesston supports its students as they go on to make an impact in the world.”*

— *Dr. Joseph A Manickam, '87*  
President, Hesston College

## Hesston Student Profile

342



students enrolled

41.2%



student athletes

45%

of students from Kansas

36%



first generation to attend college

50+



majors offered

33.6%



Pell Grant eligible



Kansas Independent College Association

prepared by

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# Introduction to Hesston College

Hesston College, a college of the Mennonite Church USA in Hesston, Kansas, plays a vital role in the educational, cultural, spiritual and economic life of the local community and Kansas. Emphasizing community and relationship, Hesston College – one of the top five employers in the city of Hesston – works closely with local businesses, health care systems, service organizations and individuals to provide its students with a plethora of opportunities to learn, grow and serve their neighbors and live out the College's mission and core values. Hesston College attracts students looking for a unique educational and career foundation with an associate degree in 50+ areas of study or a bachelor's degree from the highly ranked nursing program, the longstanding aviation program or the hands-on business management and engineering programs. As one of Kansas' two-year Christian liberal arts colleges and with a student to faculty ratio of 9:1, Hesston College attracts students from around Kansas, other states, and many international students are drawn to its supportive faculty, staff and community.

## The Hesston College Mission

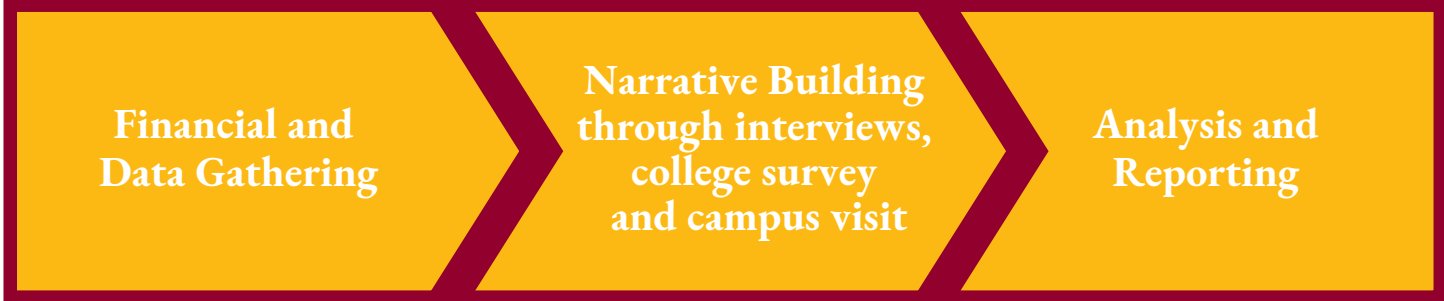
*Hesston College, a college of Mennonite Church USA, educates and nurtures each student within Christ-centered community, integrating thought, life and faith for service to others in the church and the world.*





# About the Study

In January 2022, Kansas Independent College Association (KICA) and Hesston College engaged Parker Philips, Inc. to measure the economic contribution of Kansas’ private, independent colleges and universities. The goal of this analysis is to tell Hesston College’s story from a numbers and narrative perspective. To develop this report, Parker Philips gathered student, financial and employment data about Hesston College, toured the campus and met with key faculty, staff and leadership, and researched secondary data and information to inform the writing and key messages.



The primary tool used in the performance of this study is the Input-Output model and data set developed by IMPLAN Group LLC. Financial data used in this study were obtained from Kansas and included the following data points: operational expenditures, capital expenditures and payroll and benefits for employees for FY 21. Secondary data were used to estimate spending by visitors (day and overnight) and students (undergraduate and graduate) exclusive of tuition and fees. Additional information on the methodology and assumptions used to complete this study can be found in Appendix B.

The impact presented in this analysis is broken down into three categories: direct impact, indirect impact and induced impact. The indirect and induced impacts are commonly referred to as the “multiplier effect.” The following graphic provides an overview of the types of impact detailed in this report.



## DIRECT

Investment in construction and expenditures for operations

## INDIRECT

Purchases from local suppliers

## INDUCED

Household spending from earnings of direct and indirect expenditures

# HESSTON COLLEGE STUDY PROFILE

Data Source: Hesston College and Kansas Independent College Association  
 Study Type: Economic Contribution Analysis  
 Geography: Kansas  
 Study Year: Fiscal Year 2021  
 Methodology: IMPLAN



# Hesston College Contributes to the State and Local Economy

Hesston College contributes to the local and statewide economy through its expenditures on operations, capital projects, wages, the spending of students off-campus and the spending of visitors to campus. The direct, day-to-day expenditures of Hesston College, combined with the student and visitor spending, cause a ripple effect throughout the statewide economy.

The total economic impact of Hesston College in 2021 totaled \$26.5 million. This contribution to the local and statewide economy is a point-in-time snapshot depicting how the expenditures of Hesston College and its faculty, staff, students and visitors make an impact.

## OPERATIONS CONTRIBUTION

Hesston College operations and capital spending in 2021 contributed a total of \$23.4 million. Hesston College's operations generated \$13.6 million in direct economic impact, \$4.5 million in indirect economic impact and \$5.3 million in induced economic impact.





## STUDENT SPENDING CONTRIBUTION

Hesston College students contributed a total of \$2.5 million to the state's economy in 2021 as a result of their spending. They generated \$1.6 million in direct economic impact, \$477,696 in indirect economic impact and \$434,656 in induced economic impact.

## VISITOR SPENDING CONTRIBUTION

Visitor spending at Hesston College in 2021 contributed a total of \$666,727. Visitors to Hesston College generated \$398,058 in direct economic impact, \$150,222 in indirect economic impact and \$118,447 million in induced economic impact.

### HESSTON COLLEGE COMBINED ECONOMIC IMPACT (FY 21)

 <b>Operations</b>	\$13,561,770 Direct	\$4,547,854 Indirect	\$5,289,507 Induced
	<b>Total \$23,399,131</b>		
 <b>Student Spending</b>	\$1,555,677 Direct	\$477,696 Indirect	\$434,656 Induced
	<b>Total \$2,468,029</b>		
 <b>Visitor Spending</b>	\$398,058 Direct	\$150,222 Indirect	\$118,447 Induced
	<b>Total \$666,727</b>		
 <b>Combined Economic Impact</b>	\$15,515,505 Direct	\$5,175,772 Indirect	\$5,842,610 Induced
	<b>Total \$26,533,887</b>		

Source: Parker Phillips using IMPLAN with data from KICA and Hesston College





# Creating and Sustaining Jobs Throughout Kansas

Hesston College supports a total of 208 full- and part-time jobs throughout the state. Beyond the direct jobs at the college, indirect and induced jobs include construction for campus projects, retail, restaurants, daycare, real estate and banking – to name a few.

## OPERATIONS

Hesston College operations supported and sustained a total of 171 jobs: 113 direct jobs, 24 indirect jobs and 34 induced jobs.

## STUDENT SPENDING





Students from Hesston College supported and sustained a total of 30 jobs as a result of student spending: 24 direct jobs, 3 indirect jobs and 3 induced jobs.

## VISITOR SPENDING

Visitors to Hesston College supported and sustained a total of 7 jobs as a result of their spending: 5 direct jobs, 1 indirect job and 1 induced job.

Based on analysis by industry sectors, other jobs supported by the college outside of the higher-education and health-care sectors include jobs in real estate, retail and services (e.g., restaurants, child-care centers and entertainment).

### HESSTON COLLEGE EMPLOYMENT CONTRIBUTION (JOBS, FY 21)

 <b>Operations</b>	<b>113 Direct</b>	<b>24 Indirect</b>	<b>34 Induced</b>
	<b>Total Jobs 171</b>		
 <b>Student Spending</b>	<b>24 Direct</b>	<b>3 Indirect</b>	<b>3 Induced</b>
	<b>Total Jobs 30</b>		
 <b>Visitor Spending</b>	<b>5 Direct</b>	<b>1 Indirect</b>	<b>1 Induced</b>
	<b>Total Jobs 7</b>		
 <b>Combined Employment Impact</b>	<b>142 Direct</b>	<b>28 Indirect</b>	<b>38 Induced</b>
	<b>Total Jobs 208</b>		

# Generating Local and State Tax Revenues

Hesston College's employees, suppliers and related constituencies contribute to the local and statewide tax bases. In FY 21, the college contributed an estimated \$1.5 million (\$790,968 direct and \$682,891 million indirect and induced) through local spending (operational, capital, students and visitors) as well as direct and indirect support of jobs. At the state and local levels, Hesston College contributes to the tax bases through its purchasing. Specific taxes include employee and employer contributions to state and local social-insurance funds, sales and use taxes, personal property taxes, taxes paid on motor-vehicle licenses and payments of fines and fees.

## HESSTON COLLEGE STATE AND LOCAL TAX IMPACTS (FY 21)

<b>Sub County General</b>	<b>\$109,609 Direct</b>	<b>\$30,999 Indirect</b>	<b>\$78,087 Induced</b>
	<b>Total \$218,695</b>		
<b>Sub County Special Districts</b>	<b>\$87,619 Direct</b>	<b>\$24,649 Indirect</b>	<b>\$61,895 Induced</b>
	<b>Total \$174,163</b>		
<b>County</b>	<b>\$113,211 Direct</b>	<b>\$31,877 Indirect</b>	<b>\$80,100 Induced</b>
	<b>Total \$225,188</b>		
<b>State</b>	<b>\$480,529 Direct</b>	<b>\$118,750 Indirect</b>	<b>\$256,534 Induced</b>
	<b>Total \$855,813</b>		
<b>Total</b>	<b>\$790,968 Direct</b>	<b>\$206,275 Indirect</b>	<b>\$476,616 Induced</b>
	<b>Total \$1,473,859</b>		

Source: Parker Philips using IMPLAN with data from KICA and Hesston College





## Lark Athletics: #GoLarks

Hesston College athletics has long been a gathering place for families, the region, the city of Hesston and the campus community. Hesston College athletic teams are members of the National Junior College Athletic Association (NJCAA), and the college is a member of the Kansas Jayhawk Community College Conference. The official mascot for the Hesston College athletic teams is the Lark. Hesston offers five male and six female competitive athletic programs (baseball, softball, men's and women's soccer, men's and women's basketball, volleyball, golf, cross country/track and flag football). In addition, the college offers athletic camps during the summer and other breaks. Community engagement goes beyond being a spectator or student-athlete, current students serve as coaches for community athletic programming and the college hosts multiple fun runs and a yearly golf tournament. Disc golf and dance are also enjoyed by students.

## Hesston College Alumni Make an Impact in Kansas and Everywhere

Alumni utilize the education and values nurtured at Hesston College to transform their communities and workplaces. Nearly 600 alumni living and working in Kansas are continuing to make a positive economic impact after graduation. Alumni of Hesston College have gone on to be physicians, organic and sustainable farmers, entrepreneurs and everything in between. The graduates of Hesston are ready to #GoEverywhere. Hesston College graduates are an integral part of the workforce of Kansas and impact the economy over their careers through their spending and the extra earning power from earning a Hesston College degree. Each year, Hesston College alumni generate \$7.1 million in economic output for the Kansas community, support and sustain 44 jobs and contribute \$439,970 in state and local taxes. These impacts are based on the added value of earning a degree or credential from Hesston College, not alumni full wages.

# Hesston College Gives Back

Service to others is a key component of the Hesston College mission. Hesston College offers the local community access to a variety of concerts, Dyck Arboretum of the Plains, galleries and workshops, and hosts local organizations on campus that promote service and volunteer opportunities, including M2 Prison Ministry, Big Brothers Big Sisters and Mennonite Disaster Services. Also, the nursing program offers opportunities to address social determinants of health hands-on through course offerings in population-based nursing.

Based upon assumptions derived from the U.S. Census Bureau and the Points of Light Foundation regarding donation amounts and volunteerism rates by age, income level and employment status, it is estimated that Hesston College staff, faculty and students give \$70,607 annually in charitable donations and volunteer for an estimated 6,217 hours, valued at \$80,809. In 2021, the combined impact of charitable giving and volunteerism totaled \$151,416. These benefits were in addition to the \$26.5 million in annual economic impact.

## Conclusion

The annual combined economic impact of operations and student and visitor spending (\$26.5 million) and Kansas-based alumni (\$7.1 million) totals \$33.6 million. Hesston College gives students the educational and spiritual foundation to go anywhere and put their degree to work. Hesston College is a true community partner and asset to the local economy empowering their students to achieve success in their chosen field.



# Appendix A: Terms & Definitions

**Direct Economic Impact** – All direct expenditures made by an organization due to its operating expenditures. These include operating expenditures, capital expenditures, and pay and benefits expenditures.

**Direct Employment** – Total number of employees, both full-time and part-time, at the organization based on total jobs, not FTEs.

**Dollar Year** – Presented in 2021 dollars.

**Government Revenue/State and Local Tax Impact** – Government revenue or tax revenue that is collected by governmental units at the state and local levels in addition to those paid directly by an organization. This impact includes taxes paid directly by the organization itself, employees of the organization and vendors who sell products to the organization, and at the household level.

**IMPLAN Data Year** – 2020

**Indirect Economic Impact** – The indirect impact includes the impact of local industries buying goods and services from other local industries. The cycle of spending works its way backward through the supply chain until all money is spent outside of the local economy, either through imports or by payments to value added (multiplier effect).

**Indirect Employment** – Additional jobs created as a result of an organization's economic impact. Local companies or vendors that provide goods and services to an organization increase their number of employees as purchasing increases, thus creating an employment multiplier.

**Induced Economic Impact** – The response by an economy to an initial change (direct effect) that occurs through re-spending of income received by a component of value added. IMPLAN's default multiplier recognizes that labor income (employee compensation and proprietor income components of value added) is not lost to the regional economy. This money is recirculated through household spending patterns causing further local economic activity (multiplier effect).

**Induced Employment** – Additional jobs created as a result of household spending by employees of an organization and the employees of vendors. This is another wave of the employment multiplier.

**Multiplier Effect** – The multiplier effect is the additional economic impact created as a result of the organization's direct economic impact. Local companies that provide goods and services to an organization increase their purchasing by creating a multiplier (indirect/supply-chain impacts). Household spending generated by employees of the organization and the organization's suppliers create a third wave of multiplier impact (induced/household-spending impacts).

**Study Year** – FY 2021

**Total Economic Output/Economic Impact** – Includes organizational spending on operations, capital expenditures, labor income expenditures and value added to the economy as a result of expenditures made by an organization. It is the combined impact of direct, indirect and induced impacts.



# Appendix B: Data & Methods

Kansas Independent College Association provided the primary economic data used to complete the contribution analysis. Data supplied included operating expenditures, capital spending (three year average), pay and benefits and total employees. Primary and secondary data were used to complete the input-output models in IMPLAN. The study approach and economic-impact findings are a conservative estimate of impact and are based on actual financial information. The study is a snapshot in time of Kansas' independent colleges and universities.

## OVERVIEW AND THE IMPLAN MODEL

The most common and widely accepted methodology for measuring the economic impacts of economic sectors is input-output (I-O) analysis. At its core, an I-O analysis is a table that records the flow of resources to and from companies/organizations and individuals within a region at a given time. For a specified region such as a state, the I-O table accounts for all dollar flows among different sectors of the economy in a given period. With this information, a model can then follow how a dollar added into one sector is spent and represented in other sectors of the economy, generating outgoing ripples of subsequent economic activity. This chain of economic activity created by one event is called the "economic multiplier" effect.

The primary tool used in the performance of this study is the I-O model and data set developed and maintained by IMPLAN Group LLC (formerly Minnesota IMPLAN Group Inc.). IMPLAN is a widely accepted and used software model first developed by the U.S. Forest Service in 1972. Data used in the baseline IMPLAN model and data set come largely

from federal-government databases. The I-O tables themselves come from the Bureau of Economic Analysis. Much of the annual data on labor, wages, final demand and other market data come from the Bureau of Labor Statistics, the U.S. Census Bureau and other government sources.

Government agencies, companies and researchers use IMPLAN to estimate the economic activities associated with spending in a particular industry or on a particular project. The IMPLAN model extends conventional I-O modeling to include the economic relationships among government, industry and household sectors, allowing IMPLAN to model transfer payments such as taxes.

Producers of goods and services must secure labor, raw materials and other services to produce their product. The resources transferred to the owners of that labor or those raw materials and services are then used to secure additional goods and services or inputs to the products they sell. For example, an organization in a region may develop a company that produces tractors with a value of \$1 million. However, to produce that product, they may be required to spend \$500,000 in wages and benefits, \$200,000 to suppliers of tractor parts, \$100,000 for electricity, \$50,000 for transportation of goods and raw materials to and from the plant and \$50,000 in various professional services fees associated with operating a business (e.g., attorneys and accountants). The suppliers will, in turn, spend those resources on labor and raw materials necessary to produce tractors. Workers and the owners of the company will buy goods and services from other firms in the area (e.g., restaurants and gas stations) and pay taxes. The suppliers,



LARKS

# Appendix B: Data & Methods

employees and owners of this second tier will, in turn, spend those resources on other goods and services whether within the study region or elsewhere. The cycle continues until all of the money leaves the region.

## IMPLAN METHODOLOGY

The model uses national production functions for more than 536 industries to determine how an industry spends its operating receipts to produce its commodities. These production functions are derived from U.S. Census Bureau data. IMPLAN couples the national production functions with a variety of county-level economic data to determine the impacts at a state and congressional-district level. IMPLAN collects data from a variety of economic data sources to generate average output, employment and productivity for each industry in a given county. IMPLAN combines this data to generate a series of economic multipliers for the study area. The multiplier measures the amount of total economic activity generated by a specific industry's spending an additional dollar in the study area. Based on these multipliers, IMPLAN generates a series of tables to show the economic event's direct, indirect and induced impacts to gross receipts, or output, within each of the model's more than 536 industries. The model calculates three types of effects: direct, indirect and induced. The economic impact of Kansas' independent colleges and universities is the sum of these three effects.

## CONSIDERATIONS CONCERNING IMPLAN

There are three important points about the use of IMPLAN (or any other I-O model):

It is a fixed-price model. The model assumes that changes in consumption are not limited by capacity and do not affect prices. This assumption does not cause a problem for the analysis presented here, because we are taking a snapshot of Kansas' independent colleges and universities in a specific year. As in many studies using this type of model, the direct impacts are not calculated by the model; they reflect actual spending levels and patterns created by each college or university. Changing the level of direct spending allows us to calculate the magnitude of the indirect and induced effects associated with the initial level of spending.

Because the model continues to calculate additional spending until all of the money leaves the region (i.e., "leakage"), the larger and more economically diverse the region, the longer it will take for spending to leave the region and the larger the impact is likely to be. For example, an employee of a college or university may spend some amount of their income on buying a car. If there are no car manufacturers in the state or county, this spending will leave the region and the multiplier effect will stop. At the national level, a portion of that same spending by that same individual may go to a national auto producer. That spending would lead to more spending at the national level than would be captured by a more regional model. The national impact will be larger than the sum in the individual states, and the individual state impact will be larger than the sum of the impacts in its congressional districts.





Hesston College