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prepared by

Parker Phillips
assess. analyze. assert!



MIDAMERICA
NAZARENE UNIVERSITY

ECONOMIC IMPACT REPORT



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PIONEER FOR LIFE

Established in Olathe, Kansas in 1966 and affiliated with the Church of the Nazarene International, MidAmerica Nazarene University (MNU) is a mission-driven university that fosters a Christlike atmosphere and helps students navigate their journey to pioneer for life. MNU is as much a community as a university. Faculty and staff are dedicated to knowing each student and supporting them as they prepare for a life of meaning and purpose. With traditional undergraduate, graduate, professional, online and certification programs, MNU meets students wherever they are in their journey to provide a relevant education that prepares them to make valuable contributions in the world. MNU continually works with regional and national employers to understand developing technology and professional practices so that university programs provide an edge for traditional, professional and graduate students. In this supportive, safe and caring environment, faculty and staff cultivate MNU's pioneering spirit in students' education, careers, civic and spiritual lives.

Contributing to the Economy

The combined economic contribution of MNU in 2021 was \$84.8 million. This includes a direct impact of \$50.5 million and indirect/induced impact of \$34.3 million. Operational and capital spending in Kansas generated \$59.3 million of the total impact, and \$25.5 million in impact was generated from student and visitor spending in 2021.

MNU
generates
\$84.8M
in economic
impact per year



\$5.9M in state & local
tax revenue

Supports and sustains **764**
JOBS



\$662,364
in community
contributions



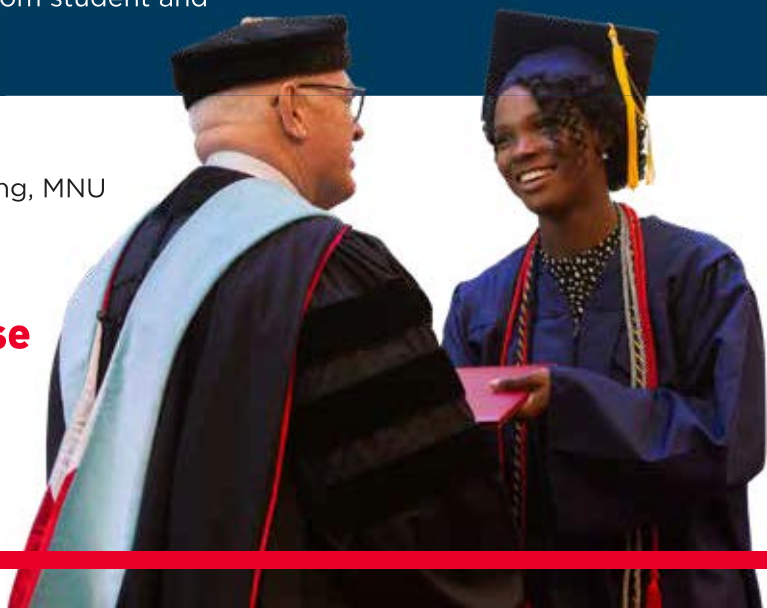
Kansas alumni
generate
\$186.2M
in economic impact annually

Supports and Sustains Jobs

As a result of operations, student spending and visitor spending, MNU supports 764 jobs (562 direct and 202 indirect/induced). MNU employs 345 people.

Contributes to the State and Local Tax Base

In 2021, MNU, its suppliers, students and visitors contributed an estimated \$5.9 million in state and local taxes through spending in the local and statewide economy. Of this \$5.9 million, \$2.6 million was generated in local taxes only.



Alumni Continue to Contribute to Kansas

Many alumni settle in the Olathe and adjacent Kansas City metros after coming to MNU for their education. Their contributions to the region and state extend beyond the economic benefits that a skilled and educated workforce with a reputation for excellence brings. They are leaders in business, state and local government, healthcare, education and a host of other areas, creating very tangible, long-term outcomes that make the community a much better place in which to live.

Nearly 11,000 alumni living and working in Kansas are continuing to make a positive economic impact after graduation. MNU graduates are an integral part of the Kansas workforce and impact the economy over their careers through their spending and the extra earning power from earning a MNU degree. Each year, MNU alumni generate \$186.2 million in economic output for the Kansas community, support and sustain 1,169 jobs and contribute \$11.6 million in state and local taxes. These impacts are based on the added value of earning a degree or credential from MNU, not alumni full wages.

Mission to Serve and Give Back

The University's students, faculty and staff actively engage the local community to address its needs through Passion to Serve projects with local schools, the Christmas Child program, Heart to Heart International and Hope International, as well as through local church ministries and community service activities. 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 MNU staff, faculty and students give \$259,370 annually in charitable donations and volunteer for an estimated 35,584 hours, valued at \$402,994. In 2021, the combined impact of charitable giving and volunteerism totaled \$662,364. These benefits were in addition to the \$84.8 million in annual economic impact.



"At MidAmerica Nazarene University we function as a community on mission together. Our expectations are high because we create a culture and community that allows students to grow academically, spiritually, and personally."

— David J. Spittal, Ed.D.
President, MidAmerica Nazarene University

MNU Student Profile

2,230



students enrolled

42.6%



student athletes

61.5%

of students from Kansas

8%



first generation to attend college

50+



majors offered

39%



Pell Grant eligible



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Introduction

Established in Olathe, Kansas in 1966 and affiliated with the Church of the Nazarene International, MidAmerica Nazarene University (MNU) is a mission-driven university that fosters a Christlike atmosphere and helps students navigate their journey to pioneer for life. MNU is as much a community as a university. Faculty and staff are dedicated to knowing each student and supporting them as they prepare for a life of meaning and purpose. With traditional undergraduate, graduate, professional, online and certification programs, MNU meets students wherever they are in their journey to provide a relevant education that prepares them to make valuable contributions in the world. MNU continually works with regional and national employers to understand developing technology and professional practices so that university programs provide an edge for traditional, professional and graduate students. In this supportive, safe and caring environment, faculty and staff cultivate MNU's pioneering spirit in students' education, careers, civic and spiritual lives.



The MNU Mission

MISSION

A transformative university that nurtures Christlike community, pursues academic excellence, and cultivates a passion to serve.

VISION

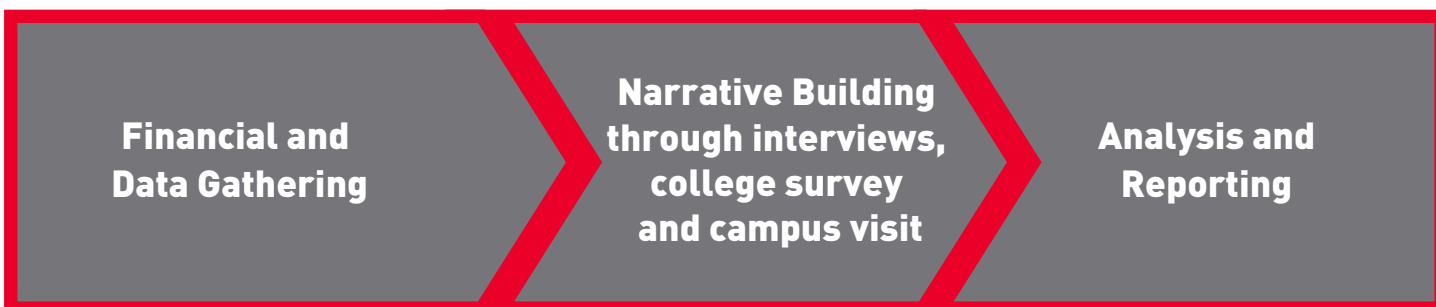
To impact the world for Jesus Christ through servant leaders recognized for their excellence, integrity, and spiritual vitality.





About the Study

In January 2022, Kansas Independent College Association (KICA) and MidAmerica Nazarene University engaged Parker Philips, Inc. to measure the economic contribution of Kansas' private, independent colleges and universities. The goal of this analysis is to tell MNU's story from a numbers and narrative perspective. To develop this report, Parker Philips gathered student, financial and employment data about MNU, 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 KICA 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

MIDAMERICA NAZARENE UNIVERSITY STUDY PROFILE

Data Source: MidAmerica Nazarene University and Kansas Independent College Association

Study Type: Economic

Contribution Analysis

Geography: Kansas

Study Year: Fiscal Year 2021

Methodology: IMPLAN



MidAmerica Nazarene University Contributes to the State and Local Economy

MNU contributes to the local and state 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 MNU, combined with the student and visitor spending, cause a ripple effect throughout the statewide economy.

The total economic impact of MNU in 2021 totaled \$84.8 million. This contribution to the local and statewide economy is a point-in-time snapshot depicting how the expenditures of MNU and its faculty, staff, students and visitors make an impact.

OPERATIONS CONTRIBUTION

MNU operations and capital spending in 2021 contributed a total of \$59.3 million. MNU's operations generated \$33.9 million in direct economic impact, over \$11.3 million in indirect economic impact and \$14.1 million in induced economic impact.





STUDENT SPENDING CONTRIBUTION

MNU students contributed a total of \$21.7 million to the state's economy in 2021 as a result of their spending. They generated \$14.4 million in direct economic impact, \$3.9 million in indirect economic impact and \$3.4 million in induced economic impact.

VISITOR SPENDING CONTRIBUTION

Visitor spending at MNU in 2021 contributed a total of \$3.8 million. Visitors to MNU generated \$2.3 million in direct economic impact, \$858,975 in indirect economic impact and \$677,278 in induced economic impact.

MNU COMBINED ECONOMIC IMPACT (FY 21)

 Operations	\$33,862,670 Direct	\$11,355,634 Indirect	\$14,057,957 Induced
	Total \$59,276,261		
 Student Spending	\$14,374,461 Direct	\$3,925,884 Indirect	\$3,447,083 Induced
	Total \$21,747,428		
 Visitor Spending	\$2,276,102 Direct	\$858,975 Indirect	\$677,278 Induced
	Total \$3,812,355		
 Combined Economic Impact	\$50,513,233 Direct	\$16,140,493 Indirect	\$18,182,318 Induced
	Total \$84,836,044		



Creating and Sustaining Jobs Throughout Kansas

MNU supports a total of 764 full- and part-time jobs throughout the state. Beyond the direct jobs at the University, indirect and induced jobs include construction for campus projects, retail, restaurants, daycare, real estate and banking – to name a few.

OPERATIONS

MNU operations supported and sustained a total of 495 jobs: 345 direct jobs, 61 indirect jobs and 89 induced jobs.

STUDENT SPENDING





Students from MNU supported and sustained a total of 230 jobs as a result of student spending: 187 direct jobs, 21 indirect jobs and 22 induced jobs.

VISITOR SPENDING

Visitors to MNU supported and sustained a total of 39 jobs as a result of their spending: 30 direct jobs, 5 indirect jobs and 4 induced jobs.

Based on analysis by industry sectors, other jobs supported by the University 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).

MNU EMPLOYMENT CONTRIBUTION (JOBS, FY 21)

 Operations	345 Direct	61 Indirect	89 Induced
	Total Jobs 495		
 Student Spending	187 Direct	21 Indirect	22 Induced
	Total Jobs 230		
 Visitor Spending	30 Direct	5 Indirect	4 Induced
	Total Jobs 39		
 Combined Employment Impact	562 Direct	87 Indirect	115 Induced
	Total Jobs 764		

Generating Local and State Tax Revenues

MNU's employees, suppliers and related constituencies contribute to the local and statewide tax bases. In FY 21, the University contributed an estimated \$5.9 million (\$3.7 million direct and \$2.2 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, MNU 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.

MNU STATE AND LOCAL TAX IMPACTS (FY 21)

Sub County General	\$569,781 Direct	\$101,840 Indirect	\$242,935 Induced
	Total \$914,556		
Sub County Special Districts	\$453,145 Direct	\$80,980 Indirect	\$192,561 Induced
	Total \$726,686		
County	\$586,078 Direct	\$104,726 Indirect	\$249,198 Induced
	Total \$940,002		
State	\$2,112,629 Direct	\$387,790 Indirect	\$798,140 Induced
	Total \$3,298,559		
Total	\$3,721,633 Direct	\$675,336 Indirect	\$1,482,834 Induced
	Total \$5,879,803		

Source: Parker Philips using IMPLAN with data from KICA and MNU



MNU Student-Athletes On a Mission to Victory

MNU Pioneers are competing in the NAIA division as a member of the Heart of America Athletic Conference. Offering 14 sports for men and women with 465 student-athletes – MNU fields competitive teams with a mission on and off the field. Athletic events are a major draw for visitors from on and off campus – athletic events from home and away are livestreamed attracting wide national and international audiences. Season ticket holders and members of the Pioneer Athletic Association turn up to cheer on the student-athletes in their quest for team championships and personal accomplishment. Pioneer Pete is MNU's trusted mascot helping fans root on their teams to victory.

COMPETITIVE • DISCIPLINE • FAMILY • INTEGRITY • PASSION

MNU Alumni Make an Impact in Kansas

Many alumni settle in the Olathe and adjacent Kansas City metros after coming to MNU for their education. Their contributions to the region and state extend beyond the economic benefits that a skilled and educated workforce with a reputation for excellence brings. They are leaders in business, state and local government, healthcare, education and a host of other areas, creating very tangible, long-term outcomes that make the community a much better place in which to live. Two standout examples include:

Representative Ron Ryckman MNU Class of 1994, currently represents the 78th District in the Kansas House of Representatives and serves as Speaker of the House. First elected to the Kansas House in 2012, this MNU student-athlete has continued to make an impact and made state history having been elected Speaker of the House for a third consecutive term.

Soaring above the earth through the clouds, MNU Alumna Tammie Jo Shults, Class of 1983 has a storied career as an author, a retired United States Navy Fighter pilot – one of the first females to serve – and a commercial airline pilot for Southwest Airlines. Her service to our country and citizens saved lives on April 17, 2018, when as captain of Southwest Airlines Flight 1380 she safely landed a Boeing 737-700 after the aircraft experienced engine failure causing rapid decompression of the aircraft. Passengers, Southwest Airlines officials and fellow captain Sully Sullenberger credited her calm demeanor and competence for landing the plane safely.

Nearly 11,000 alumni living and working in Kansas are continuing to make a positive economic impact after graduation. MNU 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 MNU degree. Each year, MNU alumni generate \$186.2 million in economic output for the Kansas community, support and sustain 1,169 jobs and contribute \$11.6 million in state and local taxes. These impacts are based on the added value of earning a degree or credential from MNU, not alumni full wages.

MNU

Gives Back

The University's students, faculty and staff actively engage the local community to address its needs through Passion to Serve projects with local schools, the Christmas Child program, Heart to Heart International, Pioneer Trek and Hope International, as well as through local church ministries and community service activities. 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 MNU staff, faculty and students give \$259,370 annually in charitable donations and volunteer for an estimated 35,584 hours, valued at \$402,994. In 2021, the combined impact of charitable giving and volunteerism totaled \$662,364. These benefits were in addition to the \$84.8 million in annual economic impact.

Conclusion

MidAmerica Nazarene University's annual combined economic impact from operations and student and visitor spending (\$84.8 million) plus the impact of Kansas-based alumni (\$186.2 million) total nearly \$271 million. The impact of MNU is felt far beyond what economic measurement can capture – the University is making an impact on the hearts and minds of all who interact with students, staff, faculty and alumni.





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 and MidAmerica Nazarene University 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



Appendix B: Data & Methods Continued

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, 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.





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