Study: UNK adds millions to Kearney economy

KEARNEY — A study released today shows that the University of Nebraska at Kearney directly contributes $115 million a year to the Kearney-area economy.

"Our university enjoys tremendous support from the Kearney-area community," said UNK Chancellor Doug Kirsten. "This study confirms that, in return, UNK is a significant contributor to the local economy."

UNK economist Bree Dority and Shawn Kaskie, director of the UNK Center for Rural Research and Development, conducted the study using IMPLAN software and fiscal year 2009-2010 data.

In their report, the two noted, "Estimating the economic impact of UNK involves tracing the flows of spending attributable to UNK operations and activities to identify changes in output and jobs ... due to this activity."

In all, the two found university and university-related spending totaled more than $164 million, which includes UNK faculty/staff payroll and physical plant expenditures at $69.8 million, UNK student spending at $75.9 million, campus-related visitor spending at $13.6 million, and spending by UNK-related units such as bookstores, dining services and others at $5.9 million.

Dority and Kaskie estimated that about 50 percent of the $164 million, or $82 million, represented direct expenditures in the Kearney area, which had multiplier effects. The estimated spending multiplier was what they called a conservative 1.41.

"The dollars spent in the Kearney community are subject to multiplier effects as subsequent rounds of re-spending occur," Dority said. "For this study, we estimated that for every $1 spent locally by UNK, an employee, a student or a visitor, another 41 cents was generated."

Of all the categories, student spending, $75.9 million, was the largest. Student enrollment in 2009 included students from all 93 Nebraska counties, 46 countries around the world and 47 states. The estimated average amount directly spent locally per student was $6,500.

"What that means is for every student recruited to UNK, about $6,500 is going to local businesses," Dority said.

Direct spending by the university was $68.9 million, with the faculty and staff payroll accounting for 60 percent of that total.

"This is the money that circulated directly into the community’s economy from UNK employees’ wages and salaries," Kaskie said. The remainder represented university expenditures for maintenance, equipment and capital outlays.

UNK-related visitors to Kearney spent $13.6 million locally. Among the visitors included in this category were those who attended UNK Alumni Association events, out-of-town athletic teams, and those who came to Kearney to visit UNK students, faculty and staff.

"Visiting athletic teams alone spent nearly a quarter of a million dollars on food and lodging in Kearney," Kaskie said.

UNK and UNK-related organizations had more than 1,600 full- and part-time employees in fiscal year 2009-2010. However, an estimated 730 jobs at Kearney-area businesses are needed to support student and visitor spending. With an estimated employment multiplier of 1.3, the university’s overall employment impact is more than 3,000 jobs.

"This means that one additional job is created in the local area for every three jobs directly created by UNK," Dority said, adding that at least 9 percent of the area’s total non-farm employment is a result of UNK’s presence.