

## Barton Community College Economic Impact – 02/11/2019

- **2017 received \$8,083,163 in local property taxes from Barton County.**
- The college spent \$7,053,455 in Barton County.
- Employees living in Barton County were paid \$12,652,375 in wages.
- Students living in Barton County spent \$2,630,880.
- **Total Direct Economic impact (without any multipliers) \$22,336,880.**
- **Multiplier of 2 = \$44,673,420.** Economic impact studies concerned with geographic areas the size of counties use multipliers ranging from 1.9 to 3.0. A very conservative 2.0 was chosen for this study.
- **Multiplier of 2.2 = \$49,141,136** (generally accepted multiplier, Congressional Budget Office (CBO), from Fort Riley Economic Impact Fiscal Year 2017)
- **Multiplier of 2.8 = \$62,542,788** (used by Economic Modeling Study Impact (EMSI)).

To place these rates of returns in context below is the percentage increase for each multiplier.

- No Multiplier = 175% increase in return of investment. In dollars: \$8 invested returns \$22.
- Multiplier of 2 = 451% increase in return of investment. In dollars: \$8 invested returns \$45.
- Multiplier of 2.2 = 504% increase in return of investment. In dollars: \$8 invested returns \$49.
- Multiplier of 2.8 = 678% increase in return of investment. In dollars: \$8 invested returns \$63.
- (Rounding was used in the above calculations)

According to Yserte and Gallo-Rivera in *The impact of the university upon local economy. Three methods to estimate demand – side effects*. Published in The Annuals of Regional Science – February 2010.

The three methods are:

1. Simplified ACE method – identifies the different economic impacts that the college would generate on its location and proposed a series of simple models for each of them.
2. Ryan Short Cut model – adaptation of the ACE method. This model enormously reduces the complexity of the different sub models and simplifies the process of collecting data.
3. Input-output model – shows where the resources that the college gives its providers go by identifying the products generated.

They also state “Nowadays, colleges are not only recognized as institutions that offer education and investigation, but also as important players in the regional/local development by interacting with their governments as well as with private companies as key members of the economic growth and development of a specific territory.”