



Building a Future

Intentional Job Growth for Kansas

Blake Flanders, PhD

President and CEO, Kansas Board of Regents

September 17, 2020

Kansas Board of Regents
Building a Future for Kansas Families, Businesses and the Economy



Return to Campus

- Universities and colleges are taking extensive precautions
- Mix of in-person, online and hybrid instruction
- De-densified classrooms
- Extensive cleaning and sanitation procedures
- Masks required on university campuses
- Robust testing capabilities at universities – entry, prevalence and symptomatic
- Quarantine procedures for positive tests



Kansas economy faces long-term challenges

- Stagnant employment
- Sluggish GDP and wage growth





Slow population growth and outmigration

- 1.9 percent population growth since 2010 (national average is 5.8)
- Net outmigration of more than 52,000 during the past decade
- Evidence that workers are leaving to pursue more lucrative career opportunities in other states
- Wage data indicates that workers with more education are leaving the state



Lagging Wages

- Fewer than half of engineering graduates from Kansas universities initially stay in the state
- A survey of engineering students indicated that the quality of a job and wages were most important for graduates
- Kansas trails Missouri, Texas and most states in the region for wages earned by engineers, even when adjusted for cost of living
- This mirrors a broader pattern of wages in Kansas lagging behind most states in the region



Added challenges arising with pandemic

- COVID-19 pandemic exacerbating these existing challenges with GDP shrinking 32.9 percent in the second quarter of 2020
- Many jobs are being automated or simply vanishing
- Aviation appears to have a long recovery
- Commercial real estate at risk of decline in 2021



Where did unemployment peak during COVID?

19.2% for workers with a **high school diploma**

13.9% for workers with an **associate's degree**

8.5% for workers with a **bachelor's degree**



Who lost income because of the pandemic?

60% of workers **without a high school diploma**

54% of workers with an **associate's degree**

42% of workers with a **bachelor's degree**



Higher education is
poised to be an effective
partner and has made a
commitment to grow the
state's economy



Higher education is an economic engine

- Serves as a key workforce training partner for Kansas employers
- Recruits twice as many students to Kansas as those who leave for college
- Generates economic impact by bringing students and visitors to communities across Kansas
- Striving to be a more intentional partner in economic development



Building a Future

Family

Business

Economic Prosperity



Economic Prosperity

- The public higher education system has unique capacity to encourage intentional job creation and the importation of dollars through
 - Workforce education
 - Research enterprise
 - Business and industry partnerships
- Universities are hubs of innovation



Economic Prosperity

- Our System is focused on direct investment and direct jobs
- Our System has statewide reach
- Our Plan will leverage the core strengths of each university
 - Historical expertise
 - Emerging capabilities



Core strengths



Cybersecurity



Medical Research



Food & Ag Systems



Rural Health



Biosecurity



Aviation & Advanced
Manufacturing



Polymers and
Advanced Materials



Small Business
Development



University expertise

- Kansas State University – intelligent food and ag systems, digital agriculture and advanced analytics, biosecurity and biodefense
- University of Kansas – Drug development and diagnostics and security
- Wichita State University – Innovation Campus, National Institute for Aviation Research, National Institute for Digital Transformation, Firepoint



University expertise

- Emporia State University – Venture Alliance, Tech Central, Small Business Development Center, employer training programs
- Fort Hays State University – Cybersecurity and cloud computing, incubator recruitment
- Pittsburg State University – Applied research and development in polymers and plastics, technology, rural health, Block 22
- Washburn University – Expansion of financial services and access to capital, explore and support expansion of capital formation statewide



Measuring Progress

Family
Sustaining
Jobs

Capital
Investment

Existing
Business
Expansion

Business
Attraction

Business
Formation



Statewide initiative – Information Systems

- The Department of Commerce has made cybersecurity a priority
- Many state universities share a strength in this field
- Presents opportunity for statewide coordination



Moving Kansas Forward

- Economic prosperity is a statewide, 105 county focus for the System
- The Board's plan is focused on long-term, sustainable growth of jobs and investments over the next decade
- System will partner with business, industry and the Department of Commerce to drive prosperity



Summary

- The Kansas economy was struggling before COVID
- COVID made the Kansas economy far worse
- Higher Education knows we must help
 - Economic prosperity is a statewide, 105 county focus for the System
 - The Board's plan is focused on long-term, sustainable growth of Kansas jobs and investments over the next decade
 - Our System will partner with business, industry and the Department of Commerce to drive prosperity