



WSU Catalyst for Kansas

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We need to be careful that plan well for economic development

- A lot of money can be (and has been) spent to no real outcome
- A unified, well-developed plan focused on effective approaches is a necessity
- Without an effective plan and implementation of that plan...

Growth and Economic Development

- All economic development involves economic growth, but not all economic growth is economic development
- Economic development is focused on the quality of life in the community and meeting the needs of the people for good jobs and a good future for their children
- Raw economic growth can degrade the community and make it a very bad place to live

Kansas Competitiveness

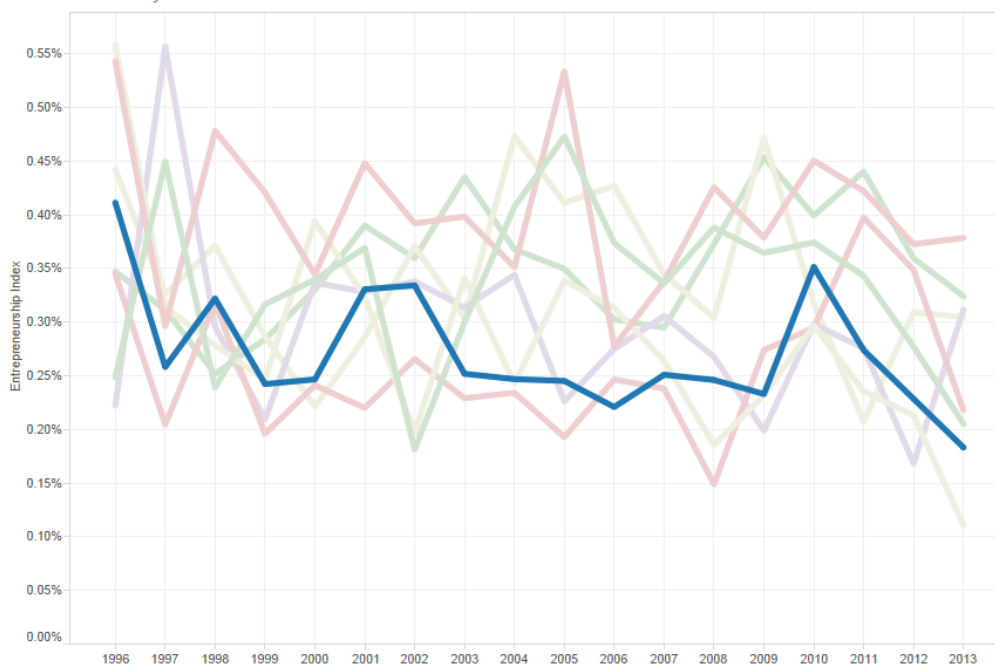
- Global competitiveness is based on the willingness of businesses to locate or expand in your community
- Competitiveness is a mix of factors including geographic location, natural resources, institutional effectiveness, quality of life, community interest and values
- How do we stack up?

SBIR/STTR Awards 1983-present

- Kansas 297
- California 22,588
- Massachusetts 14,792
- Texas 4,422
- States of Similar Size
 - Iowa 270
 - Arkansas 308
 - Mississippi 162
 - Nevada 273
 - **Utah 1,189**

Kansas Lags in New Business Formation

Kauffman Index of Entrepreneurial Activity
Kansas and Nearby States



Other Indicators

- Gross State Product per capita 33rd
- Massachusetts 5th; California 12th; Texas 22nd
- Percent below poverty 39th
- Massachusetts 44th; California 20th; Texas 8th

http://www.statemaster.com/graph/eco_gdp_percap-product-current-dollars-per-capita;

Other Indicators

- **Best educated:**
 - Kansas 13th; Massachusetts 3rd; California 46th; Texas 24th
- **Percent College Educated:**
 - Kansas 25th; Massachusetts 2nd; California 11th; Texas 35th
- **Overall Tax Burden:**
 - Kansas 28th; Massachusetts 7th; California 9th; Texas 50th

High Demand Jobs in Kansas: Low Pay, Little Education

Registered Nurses
Heavy and Tractor-Trailer Truck Drivers
Customer Service Representatives
Laborers and Freight, Stock, and Material Movers, Hand
Landscaping and Grounds keeping Workers
Nursing Assistants
Personal Care Aides
Retail Salespersons
Cashiers
Combined Food Preparation and Serving Workers,
Including Fast Food
Waiters and Waitresses

What is the result?

“The net out-migration of income in Kansas relates primarily to the net out-migration of taxpayers; a loss of \$735 million out of about \$2.9 billion (or 25 percent) related to the out-migration of higher-income taxpayers.”

<https://business.ku.edu/sites/businessdev.drupal.ku.edu/files/images/general/Research/Kansas%20Perspective%20on%20Taxpayer%20Migration.pdf>

We have a lot to gain and a lot to lose...

METRO FREIGHT: Goods Trade in Metropolitan America

Wichita, KS Profile

Total Trade by Value

\$56.3 billion

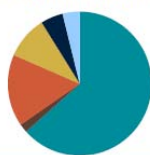
rank across 100 metros: 63

International Trade Share

25.6 percent

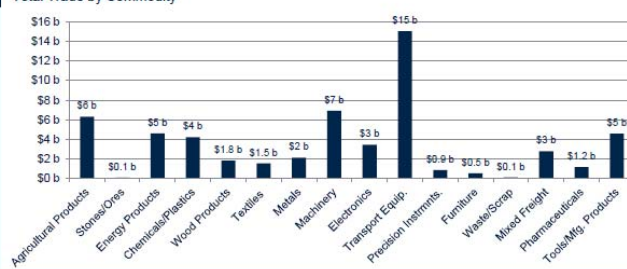
rank across 100 metros: 3

Trade by Transportation Mode

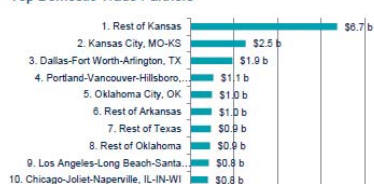


	Value (\$ m)	Share
Truck	\$35,692	63.4%
Rail	\$1,072	1.9%
Water	\$17	0.0%
Air (Includes Truck-Air)	\$9,090	16.2%
Multiple Modes	\$5,411	9.6%
Pipeline	\$2,833	5.0%
Other	\$2,153	3.8%

Total Trade by Commodity



Top Domestic Trade Partners



Top International Trade Partners



Largest Port Complexes Used for International Trade



Note: Trade includes the value of all goods moving to or from the selected metro area; Port complexes include all port facilities—of all modes—in a given metro area.

Advanced Industrial Exports Primarily in One Economic Cluster



Business Recruitment Incentives

- “With few exceptions, incentives will not effectively influence firm location decisions.
- The truly important factors in business location decisions are transportation considerations, labor quality, and markets.
- The best way for government to influence firm location is to create and sustain quality communities”

http://icma.org/en/Article/102200/Incentives_for_Business_Attraction_and_Retention

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Key Business Location Factors

1. Access to markets
2. An educated, skilled work force
3. Ready, affordable sites
4. High quality infrastructure and amenities
5. Access to capital
- 6 Cooperative/pro-business attitude
7. Quality of life

http://icma.org/en/icma/knowledge_network/documents/kn/document/5090/communitybased_entrepreneurship_development

Economic Incentives

- Incentives have generally been available to individual companies

These create market distortion; create losers as well as winners; and are ineffective over the long-run

- Very few net new jobs come from business incentives and, as we have learned from Boeing, they often do not achieve desired objectives

Best overall approach to Economic Development: Building Indigenous Clusters

- Businesses in clusters have already chosen your area
- Easier to fill-in, grow, and sustain clusters than to create new ones
- Clusters link to other regions and areas
- Building new businesses within clusters easier than generally starting new businesses
- In Southcentral Kansas, key clusters account for 70 percent of total regional GDP

Incentives

- Build economic incentives that affect a whole cluster rather than an individual business
- Do not invest in random recruitment but only in recruitment that might be necessary to enhance the competitiveness of a key cluster
- Make community investments that enhance the ability of enterprises in a cluster to compete
- Focus on clusters that bring greatest return

Effective Economic Innovation Based in Clusters

Clusters- Existing

- Aviation
- Oil & Gas Production & Transportation
- Heavy Machinery & Metals (excludes aircraft)

Effective Economic Innovation Based in Clusters

Clusters- Emerging & Growing

- **Agriculture Inputs & Processing**
- **Transportation & Logistics**
- **Data Systems**
- **Advanced Materials: Composites, Metal Alloys, Plastics, Soy Polymers**

WSU, Innovation and Clusters

- Recent BREG study highlighted key developments needed from WSU
- Requesting funding to assist with developing a program in chemical and materials engineering
- Need program in supply chain management
- Focus on recruiting and developing relationships with businesses that fit within the identified clusters
- Looking carefully at relationship with WATC

Innovations

- Started “badge programs”
- Expanding distance education
- “Market-based tuition” for business and other partners to meet “just in time” education needs
- Instate tuition for key trading metropolitan areas starting with Oklahoma City and Tulsa MSAs
- Rest of OK and all of TX get 33 percent discount on out-of-state tuition
 - 30% of out-of-state students stay upon graduation growing the Kansas workforce and economy
- “Ideas Lab” under development

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Innovations

- New Master's of Innovation Design
- Extensive undergraduate research program
- Extensive internship and co-op program

WSU Research and Ventures (Tech Transfer) Office Metrics					
Proposed Metric Theme/Area		FY2013	FY2014	FY2015	Totals
Technology Knowledge Transfer Activities					
1	Number of IP Disclosures Received	16	22	41	100
2	Number of Provisional patents filed	3	4	11	25
3	Number of Patent Applications Filed	2	3	9	24
4	Number of Patents Issued	1	0	2	5
5	Number of Registered Copyrights	1	3	9	15
6	Number of Registered Trademarks			4	4
7	Contractual Agreements	6	42	160	230

Innovations

- Experiential Engineering Building
- GoCreate Maker's Space in partnership with Koch

**Innovation Campus: Live, Learn, Work, Play
environment as core to an “Innovation District”**

Innovation Campus Update

- Two buildings under construction
- Developing a commercial zone to provide support system
 - Restaurants and coffee shop
 - Hotel
 - Condos/apartments
 - Retailer/destination retailer
- Exploring community partnership in recreation

Innovation Campus Master Plan



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Wichita State University

- Innovating for the people of Kansas
- Creating a “university of the future” grounded in excellence and the interests of the people
- Creating a great place to study, work, live and play to enhance creativity, innovation, and entrepreneurship