



University of Missouri System

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Office of the President

Remarks by Stephen J. Owens, Interim President

Board of Curators

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[Open Presentation Slides](#)

Good morning.

Let me begin this morning by saying that the thoughts and prayers of the university family continue to go out to our fellow Missourians across the state who have been victimized by the recent natural disasters.

As a land-grant university, part of our unique mission is outreach and service. So I let me shine the spotlight on the extraordinary support and assistance that our faculty, staff and students have provided to those in need.

From MOREnet's emergency communications that linked Red Cross housing to Joplin schools, and provided on-the-ground video and audio communications for official State of Missouri communications, and the thousands of video streaming connections MOREnet made so that our fellow citizens could "attend" the memorial service live over the Internet...

To goods collected, services provided and monies donated by our faculty, staff and students, including a fundraising drive spearheaded by KOMU that netted \$1 million...

To the Delta Research Center that assisted flood victims and emergency relief workers in so many ways...

To individuals from all four campuses who pitched in and got their hands dirty, and who drove all night to help those in need...including members of our football and basketball teams! ...

To MU Health Care, which mobilized ambulances, personnel and supplies.

And, to MU Extension specialists, who continue to provide on-site assistance, as well as training and education, to communities, businesses, farms and families on topics such as ensuring a safe food and water supply; repairing and rebuilding homes and small businesses; insurance issues; budgeting; replacing lost documents; and dealing with stress.

And a special note in this regard: For long before the outset of the disasters, and for long after the relief agencies have departed, MU Extension specialists are on hand. We are extraordinarily proud of their work and the many ways they deliver on our unique service mission.

The statewide assistance that the people of our university have provided to our fellow citizens has been done with heart, selflessness and in accordance with the nearly 150-year-old American land-grant university mission of outreach and service.

And our ability and our willingness to help hasn't gone unnoticed.

The Missouri State Emergency Management Agency called this week to request that the University of Missouri System leverage the expertise of our faculty on all four campuses to help rebuild Joplin and the flooded Bootheel. We will indeed do so, in keeping with our historic mission and commitment to our fellow Missourians.

Now, in keeping with today's theme of Advancing Missouri through undergraduate education, and in the wake of our state's continued budget challenges, I'd like to take a few moments today to address the tangible return to the state on its investment in the university; and the priceless nature of the most important return -- a quality education.

In recent years, we've grown frustrated with the characterization of state funding for higher education—and the University of Missouri specifically—as a “cost” or “expense” to taxpayers and students. The truth is, the state's support to the university is an investment, that pays back rich dividends, and the returns compound over time. A few examples:

Yesterday, Vice President Krawitz reported that during the past ten years: state support to the university has declined by 10.5% while the state's overall budget has grown and inflation has risen by 30%. Nonetheless, we have continued to serve the state by educating 17,000 more students today than we did ten years ago.

We are becoming increasingly more efficient. As this slide shows, we are now educating students on about \$7,000 a year in state support—down from \$10,000 ten years ago.

We are also carefully leveraging the state's investment in us to create much more. As you can see from this slide, the state invested about \$450 million in the University of Missouri System—about 15% of our total operating budget. Yet we leverage that \$450 million with other sources of revenue to create a \$2.4 billion enterprise.

If you think of it in terms of return on investment, in exchange for \$450 million last year, the state and its citizens received the following directly from the University of Missouri:

- Approximately 28,000 jobs—representing \$1.3 billion in salaries/wages/benefits—making the university the second largest non-governmental employer in the state.
- Nearly \$347 million in research grants and contracts;
- About \$577 million in hospital health care, along with millions of dollars in free, uncompensated health and dental care services for indigent Missourians;
- About \$432 million in auxiliary operations; and
- About \$121 million in construction contracts for university projects.

This represents a direct economic impact on the State of Missouri of about \$2.8 billion. A \$450 million investment returns \$2.8 billion!

However, that is only a part of the story. The university's direct activities also create a significant and beneficial ripple effect on the state's economy.

In other words, there is also an indirect return on the state's investment in the university. Here I have listed some of the more obvious sources of the indirect impact of our university system:

- Our employees pay around \$80 million in state income taxes, and what they purchase results in additional sales tax revenues to the state;
- Similarly, the jobs, salaries and wages of the individuals and companies who do business with us also generate state income and sales taxes;
- Our 72,000 students—and their families and relatives who visit—also spend money off-campus and across the state;
- It's estimated that every job at one of our research parks and incubators generates an additional 2.57 jobs; and
- An additional 94 cents of spending occurs for every research dollar.

All of this is to say our university is a major player in our state's economy. Few private businesses create as much in-state economic activity as we do—directly, indirectly or induced.

When the money we spend circulates through Missouri's economy, we estimate we have at least a \$5.46 billion economic impact on our state. This number is based on an multiplier of 1.95 used in the 2006 economic impact study undertaken for the University of Missouri System.

It is important to note, however, that the Association of Public and Land-grant Universities is reviewing economic impact multipliers for higher education. Thus far, the results show multipliers between 3 and 18. If we were to use this same range, for instance, our economic impact on Missouri could be somewhere between \$8.4 billion and \$35 billion.

No matter the multiplier, though—we would all love to achieve on our own investments what the state receives on its investment in the university.

My point here is, increased state investment in the university will create and sustain jobs, salaries, and tax revenues. Increased state investment also will help assure continued quality of education and availability of student financial aid; and provide resources for disaster relief. And, decreased state aid has just the opposite effect.

State financial support to higher education and the university is not a "cost" or a "line-item expense." It is a richly rewarding investment in the state and its citizens.

I agree with comments made yesterday about the need to aggressively examine other potential sources of revenue. If you recall, that was one of the comments to the survey of college presidents that I shared with you at our last meeting. I look forward to continuing our discussion on this topic.

You've now seen the immediate dollars-and-cents return on the state's investment in our enterprise. But too often, I'm afraid, we do a disservice to the value of the university by "monetizing" it; and expressing it in terms of tangible, immediately measureable dollars and cents. And, as I have just shown, I am as guilty of this as anyone.

So what price, what value, do we as citizens of Missouri...and as citizens of the United States...place on our primary role, which is to educate students, and help prepare them to be highly productive members of society and engaged citizens in our democracy?

There is, I believe, an inherent value to learning; to being well-educated. It has a value that, in my opinion, is far greater than anything we can monetize or reduce to graphs and pie charts.

If Thomas Jefferson were alive today, he might well describe our role in educating the public as "priceless." He certainly described public higher education as a requirement for a democracy—and we know how much we as Americans value our democratic society.

Often the real value of a quality education cannot be shown in economic terms. The real value of education shows itself in the ability to think through a problem when the answer is not obvious. The real value of education is demonstrated by the capacity to make qualitative judgments by evaluating the facts. It's the ability to weigh options and seriously consider an argument from a perspective much different than yours. And to express your position in a thoughtful and civil manner.

Jefferson understood that to have a functioning democracy it would take well-educated citizens who would think carefully about the interests of others – even when those interests were in conflict with theirs. He underscored that point when he said, "Whenever the people are well-informed, they can be trusted with their own government."

That is part of what we are striving for today in public higher education. And that is not something that shows up in an economic calculation or in a cost-benefit ratio. The critical thinking skills gained from college also propel us to learn new things. Those skills provide us with a powerful engine to keep learning, well after we have left the classroom and our favorite professors.

Many of us in this room have benefited from a college education. Think how often the knowledge and skills you learned have helped you over the years. Think about how your education opened doors for you to be who you are today. And think how your life might have been different had you not gone to college.

I'm sure you are aware that there is a great deal of discussion these days about the value of learning in light of increasing student debt and a tough job market. That is why I've asked the chancellors this morning to have a panel discussion with you about how their campuses are advancing a quality undergraduate education. Each of them will provide about five minutes of overview comments, and they will discuss what their campuses offer that undergraduates would not get at other public or even private universities. Then they will be happy to take your questions.

And with that, I invite our chancellors to join me up here for a special panel discussion that will elaborate further on the ways in which we are Advancing Missouri's quality undergraduate education.

 **Advancing** *Missouri*SM