

ECONOMY

Rising rents have college students feeling the pinch, K-State inflation report finds

**Jason Alatidd**

Topeka Capital-Journal

Published 3:55 a.m. CT Oct. 24, 2023 | Updated 3:55 a.m. CT Oct. 24, 2023

Kansas State University students are paying more to go to college — and not just through rising tuition.

Inflation among goods that students buy has surpassed the increase in costs for a typical American over the past year, according to a new report from the Economics Club at K-State.

"Generally, residents in Manhattan have discovered that their dollar has quite a bit less value than it did one year ago," said Emily Thornton, a senior from Kingman studying economics and marketing.

Inflation for students is higher than for average Americans

The Economics Club calculates an annual Student Price Index based on goods that a typical student buys. This year's numbers show higher inflation than the national Consumer Price Index compiled by the U.S. Bureau of Labor Statistics.

Inflation was 7.8% in the Student Price Index, compared to 3.7% in the Consumer Price Index. This year's student inflation figure is also up from last year's 3.8%.

Student inflation has historically lagged, showing milder price increases than national figures in recent years. That's why the Economics Club said it is "not terribly surprising" that inflation for students is catching up with national trends.

"Obviously, K-State students would prefer continued mild inflation, so this is generally disappointing data," the club said in its news release.

The 2023 index was the first time since 2018 that inflation for students was higher than inflation for an average American.

"Generally Manhattan, Kansas has a pretty stable economy," said Dan Kuester, a K-State economics professor and the club's adviser. "We were less affected by the housing crisis than major urban areas and while this year's data is a bit concerning, we still have experienced less overall inflation in the past five years than the average American."

Students have also been hit harder by inflation in the past two decades. Since data collection for the project began in 2002, the Student Price Index has increased more than 150%, compared to nearly 70% for the Consumer Price Index.

Rising housing costs fuel higher inflation

Housing costs — particularly for off-campus rental units — was a big source of inflation for students. Housing costs aren't just affecting students in college towns.

"When we study national trends, we see apartment rents increasing fairly dramatically," she said.

Off-campus housing prices jumped 15.1%, compared to an increase of 6.7% for on-campus dorms and a decrease of 2.9% for fraternity and sorority housing.

Ticket prices for K-State athletics are up

The club reported a 34.1% increase in the cost of tickets to K-State sporting events.

"At first glance the higher ICAT Ticket Prices may seem ridiculous but when we consider that the prices have returned to pre-Covid levels and 2020 prices, this appears to be much more reasonable," said Michelle Olberding, a senior from Seneca studying economics and accounting.

"Also, we know as economists, the supply of seats to these games is perfectly inelastic and demand increases dramatically among students as our favorite K-State teams continue to win championships! As economists, this gives us a great opportunity to explain the relationship between prices and demand."

K-State football is coming off a Big 12 championship, while Wildcat basketball is coming off an NCAA tournament run to the Elite Eight.

Tuition increase contributed to higher inflation

The club noted that a tuition increase contributed to higher costs for students.

Tuition increased 5% at K-State this academic year, and other universities also raised their tuition. For many, it was the first increase after years of keeping tuition flat.

Despite a campaign promise from Gov. Laura Kelly to "continue supporting tuition freezes" after using her line-item veto power last year to block tuition increases, the governor's budget proposal this year had no such tuition freeze. University leaders subsequently told lawmakers to expect tuition increases because of "incredibly high inflation rates" causing higher costs in higher education.

Food and gas saw lower inflation

Food and gas, which are where consumers often notice price increases, saw relatively mild inflation.

"We want to draw attention to the big changes in the SPI but also to the prices that demonstrated mild inflation," said Chipo Sekabanja, a junior from Uganda studying economics. "For instance, the price of groceries and gas were each only up by less than four percent. These prices are very important to the average student."

One area where food prices increased was pizza, which saw a 40% increase due largely to delivery costs.

"Pizza Shuttle has increased their delivery fees substantially and the club uses the delivered cost in the SPI," said Alex Nold, a sophomore in economics from Kansas City, Kan. "This has caused me to pick up pizzas instead of getting them delivered I miss the wonderful times when pizza was cheaper."

Beer prices, which are also tracked by the club, saw a decrease.

Students calculate inflation by collecting prices on goods

The Student Price Index is based on prices of a bundle of goods a typical K-State student would purchase, as compared to the prices of the previous year.

"This is a great project for our students to work with real data and solve problems reflecting trends in our economy," Kuester said. "I am very proud of our club members who worked

very hard on this project and our student committee who carefully studies and reflects on the data."

Students collect the data by gathering prices from local restaurants, grocery stores, gas stations, bars, bookstores and movie theatres. They must also determine how to use the data, such as this year's adjustment to the weighting of higher textbook prices.

"These discussions are part of the learning experience and demonstrate how working with real data requires careful reflection on the part of economists," Kuester said.

Jason Alatidd is a statehouse reporter for the Topeka Capital-Journal. He can be reached by email at jalatidd@gannett.com. Follow him on X @Jason_Alattidd.