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Economist Finds Flaws in Study Claiming Benefits to Changing KS Retail Liquor Sales

A Kansas Economists has analyzed a study claiming that altering Kansas' retail liquor sales would benefit Kansas' economy and concluded the study has flaws which put into question its conclusions and claimed benefits.

Dr. David Burress, a Ph.D. who spent 20 years as a research economist at the Institute for Public Policy and Business Research at the University of Kansas, has issued his analysis of "*An Economic Case for Increased Competition in the Sale of Beer, Wine and Spirits in the State of Kansas,"* a study by grocery and convenience stores claiming that altering Kansas' retail liquor sales will create jobs and increase state revenue. Dr. Burress concludes that claims in the study were formed using insufficient data, fail to include all economic factors and does not look at the overall economic impact proposed legislation will have on rural Kansas communities.

According to Dr. Burress, problems with the grocers and convenience stores' study include:

- The study's methodologies do not arrive at credible estimates.
- There is a major error in the study's analysis of the productivity effect, which undermines the study's claims that changing current liquor laws will create thousands of new jobs.
- The study's estimated construction costs are not to be believed.
- The study uses an incorrect tax revenue estimate formula and does not include the additional cost burdens proposed changes will place on state government.
- There is an incomplete analysis of all costs involved in changing the current system.
- Data sources used to make conclusions are inadequately sourced.
- Possibly biased samples of the states used to compare to Kansas in analyzing models.
- The study does not factor in the impact on Kansas's economy when dollars currently kept in-state are taken out-of-state, which will happen if current law is changed.
- The study does not accurately reflect what will happen to rural businesses if current laws are changed.

"Dr. Burress has spent decades studying the Kansas economy. This analysis is not a generic review from someone applying random economic models. This is from an expert on the Kansas economy who understands what factors you have to consider when studying the Kansas liquor industry," said Spencer Duncan, spokesperson for Keep Kansans in Business. "Changing current retail liquor sales provides no economic or job benefits to Kansas, but guarantees that hundreds of small-businesses close and thousands of Kansans lose their jobs."

Dr. Burress is President of the Ad Astra Institute. His analysis was commissioned by Keep Kansans in Business. The complete analysis can be viewed at **www.keepkansasjobs.com**

Dr. Burress has an M.A. in Physics and Ph.D. in economics from the University of Wisconsin-Madison. He worked for 20 years as a research economist at the Institute for Public Policy and Business Research at the University of Kansas. Much of his research focused on the Kansas economy using input-output modeling, regional impact analysis, business location theory, and state and local taxation theory, generally in cooperation with KTEC or Kansas, Inc. He has testified to committees of the Kansas legislature on tax policy, retail wheeling of electricity, economic development, and other topics. He served on Governor Joan Finney's blue ribbon tax reform committee. Burress served as a Lawrence-Douglas County planning commissioner for six years, where he benefitted from a close-up view of economic development.

Keep Kansans in Business is a community of Kansans dedicated to ensuring more than 750 locally owned businesses - employing thousands of Kansans - remain strengths of their communities and pillars of the Kansas economy. Locally owned liquor stores are accountable, boost local economies, employ and use local vendors, strengthen communities, and ensure that alcohol access to minors is limited.

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