

## Universities UK report demonstrates importance of universities to the North West economy

Universities UK published the report *'Making an Economic Impact: Higher Education and the English Regions'* on the 15<sup>th</sup> June to coincide with Universities Week. The report considers the impact of higher education across the nine English regions and comes at a crucial time. As the recession ends, universities are well positioned to contribute to economic recovery with a wealth of resources on which to capitalise. In addition to creating value through the provision of skills, knowledge exchange and business and community interaction, they also have an important role to play as major businesses and employers, often proving to be the largest employer in their locality.

*The collective impact of the higher education sector in the North West is extensive, and the Universities UK report confirms this fact. Universities contribution to economic well-being is considerable. In the North West, we have a rich and diverse HE sector, which through their multiple interactions, is also a source of knowledge, skills and innovation for the economy as a whole.*

*Professor Paul Wellings, Vice-Chancellor of Lancaster University and NWUA Chair.*

The report highlights the importance of the North West's fourteen universities to both the regional and national economy. Together they form a significant sector in their own right with total revenue of £2.26 billion, only behind London and the South East. The impact of this is significant: for every £1 million of university output in the North West, £1.4 million more is generated in other UK industries through 'knock on' multiplier effects.

Key findings for the North West include:

### **Income**

- 36% of the universities' revenue comes from the private sector.
- 80% of the total £2.26 billion income received by universities in the NW was associated with teaching and research activity, such as tuition fees, research grants and funding council grants.
- A further 18% came from residence, catering and conference income.
- The international revenue of universities in the NW is £240 million.

### **Employment and Local Spend**

- The off-campus expenditure of the NW's 30,000 international students equates to £205 million.
- The region's universities provided 32,308 full-time equivalent (FTE) jobs in 2007/8. Over 14,000 are highly specialised academic posts, with almost 5,000 more staff in library, clerk and administrative posts.
- Sizeable university estates require almost 3,000 support staff such as cleaners and porters.
- Institutional expenditure generated an additional 35,185 FTE jobs in other parts of the economy, most of which are within the NW. This indicates an overall UK employment multiplier of 2.09.

### **Expenditure & Output Generated**

- NW universities spent just over £2.2 billion in 2007/8. The similarity of this to the revenue is characteristic of non-profit-making institutions.
- NW universities generated an additional £3.17 billion in other industries throughout the UK through 'knock-on' multiplier effects. £2.63 billion of this remained in the NW region.

- For every £1 million of university output, £1.4 million more is generated in other UK industries, equating to an output multiplier of 2.4. The output is largely generated in the manufacturing, wholesale, retail and business sectors.

## Notes

1. Professor Paul Wellings is Vice-Chancellor of Lancaster University and the Chair of NWUA. Interview requests should be directed to his office on 01524 592001
2. Data relates to the 2007/8 academic year.
3. The report, '*Making an economic impact: Higher education and the English regions*', follows on from Universities UK's latest UK-wide study of the impact of the higher education sector on the whole UK economy which was published in November last year.
4. Last year's UK-wide report found that universities in the UK now generate £59 billion for the UK economy putting the higher education sector ahead of the agricultural, advertising, pharmaceutical and postal industries. For more information on the UK-wide report, visit: [www.universitiesuk.ac.uk/Newsroom/Media-Releases/Pages/Universities%E2%80%99valuetoconomyincreases%E2%80%933UUKreport.aspx](http://www.universitiesuk.ac.uk/Newsroom/Media-Releases/Pages/Universities%E2%80%99valuetoconomyincreases%E2%80%933UUKreport.aspx)
5. Both reports were produced for Universities UK by Ursula Kelly, Donald McLellan and Emeritus Professor Iain McNicoll, of the University of Strathclyde.
6. **Universities Week** is took place from 14-20 June 2010, and aimed to increase public awareness of the wide and varied role of the UK's universities.

Over 100 universities and linked organisations are involved in the week. Nationwide activity will include open days and debates for members of the public to attend. A full list of events taking place can be found at [www.universitiesweek.org.uk](http://www.universitiesweek.org.uk)

Supporters can also find out more about the campaign by joining the Universities Week Facebook fan page [www.facebook.com/ukuniversities](http://www.facebook.com/ukuniversities)