



University
of Exeter

Partnerships
for Progress

Economic impact of the University of Exeter in Heart of the South West Local Enterprise Partnership area

OCTOBER 2022

£1.56 billion

Total economic output supported by the University of Exeter in 2020/21.

The University of Exeter is an important part of the UK economy, supporting economic output of almost **£1.6 billion** and contributing **£900 million** to UK GDP in 2020/21.

The University also has a profound impact on the regional and local economies where its Exeter and Cornwall campuses and research sites are situated. Through its own expenditure, and by attracting students and visitors who in turn spend money, it stimulates thousands of local jobs and supports economic activity.

In the Heart of the South West LEP, which includes Devon, Plymouth, Torbay and Somerset, the total output supported by the University of Exeter in 2020/21 is equal to **£951.4 million**, which translates to a **£582.5 million** gross value-added contribution to the LEP area, as well as **12,300** jobs. This GVA contribution is built up of the University's

day-to-day operations, spending with suppliers and on wages (**£409.9 million; 8,480 jobs**), its students (**£171.0 million; 3,740 jobs**) and their visitors (**£1.6 million, 80 jobs**) The total GVA contribution is equal to **1.5%** of the LEP area's GDP.

What is the difference between output and GVA?

The output supported by the University is the total value of goods and services that are produced by a sector. The GVA contribution is the turnover minus the cost of goods and services purchased to create that turnover, because some of a firm's revenues are used up to pay for the cost of creating the good or service. The remainder, is therefore, the value added to that good or service.

Table 1 University of Exeter's total contribution to output, GVA and jobs in the Heart of the South West LEP area, 2020/21

Measure	Total contribution			
	University spending ¹	Student spending	Visitor spending	Total
Output	£639.0m	£309.3m	£3.1m	£951.4m
Gross Value Added (GVA)	£409.9m	£171.0m	£1.6m	£582.5m
Jobs (Headcount)	8,480	3,740	80	12,300

Source: Oxford Economics, University of Exeter

¹ The University's day-to-day operations and spending with suppliers and on wages.



The economic impact of students

The University of Exeter's teaching and research facilities draw students from the rest of the UK, and retains local students who might otherwise go elsewhere to study. It also attracted students from more than 130 countries around the world in 2020/21. Students make a sizeable contribution to the local economy through their expenditure on housing, travel, food, entertainment, course costs, and personal spending. Not accounting tuition fees, the average subsistence spending per student was £13,700 per year in 2020/21. This expenditure contributed around £171 million in GVA across the Heart of the South West LEP area and supported 3,740 jobs.



Table 2 University of Exeter's expenditure impact on GVA and jobs in the Heart of the South West LEP area, 2020/21

	Key measures of direct economic impact of the University of Exeter, 2020/21 ²	Indirect ³			Induced ⁴	Total
		Operational	Capital	Total		
GVA	£307.8m	£19.9m	£7.0m	£26.9m	£75.2m	£409.9m
Jobs (Headcount)	5,630	600	180	780	2,070	8,480

Source: Oxford Economics, University of Exeter



Impact of the University of Exeter's Heart of the South West-based campuses

- In 2020/21, the University earned £501.6 million in income across its Devon and Cornwall campuses of which £455.2 million was generated in the LEP area. This includes revenue from tuition fees, research grants and endowments.
- The total expenditure impact on gross value added generated from this output is equal to **£409.9 million**.
- As a major employer within the area, the University directly employed **5,630** people at its Exeter campuses, equivalent to **5%** of the city's total employment in 2020/21.

Impact of the University of Exeter in the Heart of the South West LEP area

- The University total contribution to local GVA was £582.5 million to local GVA and supported 12,300 jobs in 2020/21.
- 4,011 of the University's employees live in the Heart of the South West LEP area.
- The University spent £47.7 million with local suppliers and contractors during 2020/21. This spending contributed £26.9 million to Heart of the South West GVA and supported 780 jobs.
- £233.7 million of wages were paid to staff who live in the Heart of the South West (78% of the University wage bill).
- The wage-stimulated consumption of the University's employees, and those employed throughout the University's supply chain supported £75.2 million GVA in the Heart of the South West and 2,070 local jobs.

² Economic activity generated by the university itself.

³ The indirect impact is the economic activity generated through supplier purchases made in order to fulfil the university's orders.

⁴ The induced impact arises as the University of Exeter and its suppliers pay wages to their staff, which are spent in the consumer economy.



Table 3: Key measures of direct economic impact of the University of Exeter, 2020/21

Measure	Total
Income	£501.6m
Jobs (Headcount)	6,362
Direct GVA contribution	£334.4m
Wages	£298.7m
Operational expenditure	£141.7m
Capital expenditure	£30.5m

Source: Oxford Economics, University of Exeter

The University's economic impact goes far beyond its core economic contribution.

More than 9,650 students graduated from the University of Exeter in 2020/21, enhancing the talent pool of skilled workers available to local employers, and the rest of the UK. In 2020/21, Oxford Economics estimate the University contributes **£970 million** to UK labour force productivity as a result of increased earnings potential accrued by its undergraduate students.

Reflecting its status as the only research-intensive Russell Group university in the peninsula, Exeter's research and innovation is generating new discoveries and tackling societal challenges on a local, national and global level. Whether it is world-leading climate science, life-changing health and medicine or innovative, interdisciplinary humanities and social science enquiry, the University's research is making the world greener, healthier and fairer.

Local businesses are able to take advantage of the University's research capability through collaboration and access to specialist equipment and academic staff. This expenditure stimulates general demand as research facilities are developed and researchers are deployed and creates productivity gains as the benefits of R&D-driven innovation are realised over time when new products and processes gradually enter the economy. Between 2016/17 and 2020/21, the University undertook £604 million of R&D across its campuses. Oxford Economics estimates this R&D will produce £260 million of yearly benefits from 2030, once the benefits of R&D are dispersed amongst the wider economy.

To find out more about the economic impact of the University of Exeter read 'The Economic Impact of the University of Exeter' produced by Oxford Economics on behalf of the University of Exeter in June 2022.



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