



University  
*of Exeter*

Partnerships  
for Progress

# Economic impact of the University of Exeter in the UK

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, and the 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.

The University supported economic output of almost **£1.6 billion** in 2020/21. The gross value-added contribution supported from the University's core activities totals **£899.8 million** and supported some **15,540 jobs**. This contribution comprised of the University's day-to-day operations and spending with suppliers and on wages (**£796.7 million;**

**13,980 jobs**), the spending of its students (**£101.7 million; 1,540 jobs**) and their visitors (**£1.3 million; 20 jobs**).

The total GVA impact is equivalent to 9% of Exeter's GDP in the 2020/21 academic year, and 0.9% of GDP in Cornwall and the Isles of Scilly.

### 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 UK, 2020/21

Measure	Total contribution			
	University spending <sup>1</sup>	Student spending	Visitor spending	Total
Output	£1,362.3m	£196.5m	£2.6m	<b>£1,561.4m</b>
Gross Value Added (GVA)	£796.7m	£101.7m	£1.3m	<b>£899.8m</b>
Jobs (Headcount)	13,980	1,540	20	<b>15,540</b>

Source: Oxford Economics, University of Exeter

<sup>1</sup> 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 supported around £101.7 million in GVA across the UK and 1,540 jobs.

**In the 2020/21 academic year, the total gross value added impact of the University's expenditure was £796.7 million, supporting 13,980 jobs within the UK.** The University's UK GDP multiplier was 2.4. This means

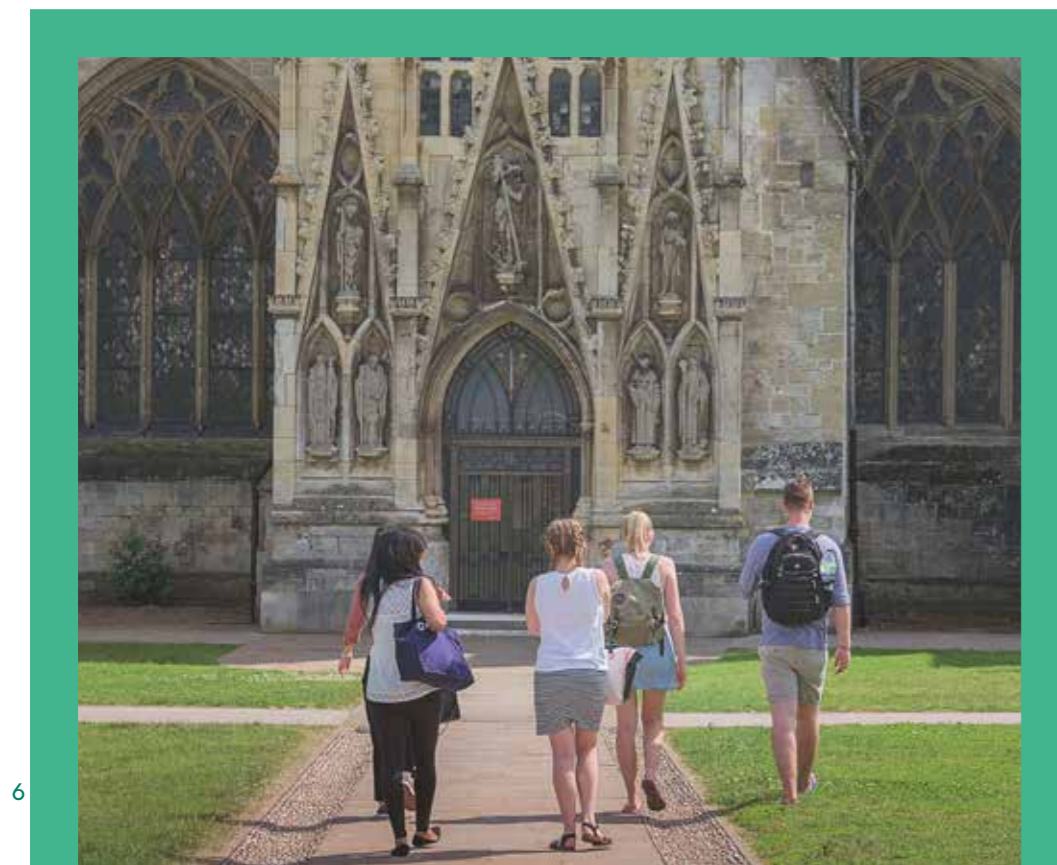
that for every £1 million of gross value added generated by the University, an additional £1.4 million is supported within the wider economy because of its spending with suppliers and on wages.



**Table 2: University of Exeter's expenditure impact on GVA and jobs in the UK, 2020/21**

	Key measures of direct economic impact of the University of Exeter, 2020/21 <sup>2</sup>	Indirect <sup>3</sup>			Induced <sup>4</sup>	Total
		Operational	Capital	Total		
<b>GVA</b>	£334.4m	£132.3m	£26.9m	£159.2m	£303.2m	£796.7m
<b>Jobs (Headcount)</b>	6,362	2,960	410	3,370	4,250	13,980

Source: Oxford Economics, University of Exeter



In 2020/21, the University of Exeter earned £501.6m of income, including revenue from tuition fees, research grants, and endowments. Of this total, £455.2 million (91%) was generated in Exeter and £46.3 million (9%) in Cornwall.<sup>5</sup> The direct gross value added generated from this output is equal to £334.4million.

The University of Exeter directly employed 6,362 members of staff in 2020/21, of which 5,630 staff were employed at the University's Exeter campuses, equal to one in every 18 jobs in Exeter. 671 members of staff were employed at the Cornwall campuses. A small number of staff, 61 people, were employed at locations overseas.<sup>6</sup>

- Many of the University's employees live in the local communities. Some 2,426 of the University's employees live within Exeter (equal to almost 2% of Exeter's total population within the same year). 913 employees live within the Cornwall and Isles of Scilly LEP.
  - In 2020/21, the University of Exeter spent some £141.7 million on operational goods and services with suppliers located across the UK.<sup>7</sup>
- The University's Exeter campus spent an estimated £123.8 million of this total and the remaining £17.9 million was undertaken by its Cornwall campus.
- A substantial proportion of the University's operational spending was spent with local firms. In 2020/21, the University spent around £22 million (15%) with just under 330 firms located in Exeter and £12.1 million (9%) with almost 320 firms in the Cornwall and Isles of Scilly LEP.
  - The University of Exeter invested around £30.5 million into long-term capital projects during 2020/21, mostly (£29.4 million) in the Exeter campuses.

<sup>2</sup> Economic activity generated by the university itself.  
<sup>3</sup> The indirect impact is the economic activity generated through supplier purchases made in order to fulfil the university's orders.  
<sup>4</sup> The induced impact arises as the University of Exeter and its suppliers pay wages to their staff, which are spent in the consumer economy.  
<sup>5</sup> Totals may not sum due to rounding.  
<sup>6</sup> Staff employed overseas by the University undertake academic roles such as research and/or teaching.  
<sup>7</sup> University of Exeter. '2020/21 financial accounts'.

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.** In 2020/21, the University of Exeter received **£94.6 million** in research funding and generated 6,070 research outputs. Total research funding has increased by 37% (after adjusting for inflation) since 2013/14.

The 2021 Research Excellence Framework (REF), released in May 2022, evaluates the quality of research undertaken by Higher Education Institutions in the UK. Overall, over 99% of the University's research was rated of international quality, of which just under 47% was world-leading, and an additional 42% was scored as internationally excellent.<sup>8</sup> Further, some 89% of the University's research outputs were either world-leading (42%), or internationally excellent (44%).

The University has improved its research capabilities since the 2014 REF results. Indeed, the size of the University's full-time equivalent (FTE) staff submitted for assessment has risen by 70% since 2014, and the proportion of the University's world-leading research has risen by over 60%.<sup>9</sup>

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

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

Source: Oxford Economics, University of Exeter

Local businesses are able to take advantage of the University's research capability through collaboration and access to specialist equipment and academic staff. **Between 2016/17 and 2020/21, the University undertook £604 million of research and development across its campuses. This expenditure stimulates general demand as research facilities are developed and researchers are deployed, and drives productivity gains as the benefits of R&D-driven innovation are realised over time when new products and processes gradually enter the economy. 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. In other words, for every £1 million that the University of Exeter spent on R&D between 2016/17 and 2020/21, the UK economy's long-run productive capabilities will increase by around £430,000 from 2030.**

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.

<sup>8</sup> REF framework assesses research over four categories: outputs, impacts, environmental and overall. The 99% of international quality research is scored within the overall category.  
<sup>9</sup> University of Exeter. 'REF 2021'.



University  
of Exeter

Partnerships  
for Progress