



University
of Exeter

Partnerships
for Progress

Economic impact of the University of Exeter in Cornwall and the Isles of Scilly 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.

Home to the University's Penryn and Truro campuses, the University of Exeter supported around £73.5 million gross value-added contribution to Cornwall's GDP in 2020/21. This contribution comprised of the University's

day-to-day operations and spending with suppliers and on wages (**£47.2 million**), the spending of its students (**£26.1 million**) and their visitors (**£0.2 million**).

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 Cornwall and the Isles of Scilly, 2020/21

Measure	Total contribution			
	University spending ¹	Student spending	Visitor spending	Total
Output	£78.9m	£45.8m	£0.4m	£125.0m
Gross Value Added (GVA)	£47.2m	£26.1m	£0.2m	£73.5m
Jobs (Headcount)	1,370	520	10	1,900

Source: Oxford Economics, University of Exeter

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

The 1,900 jobs that are in some way connected to the University in 2020/21, is equal to 1% of the LEP area's total employment in that academic year. 1,370 of these jobs were supported because of the University's day-to-day operations, spending with suppliers, and impacts arising from the spending of wages throughout the consumer economy. An additional 520 jobs were stimulated through student subsistence expenditure, and 10 from the spending of student visitors to the Duchy.

The economic impact of students

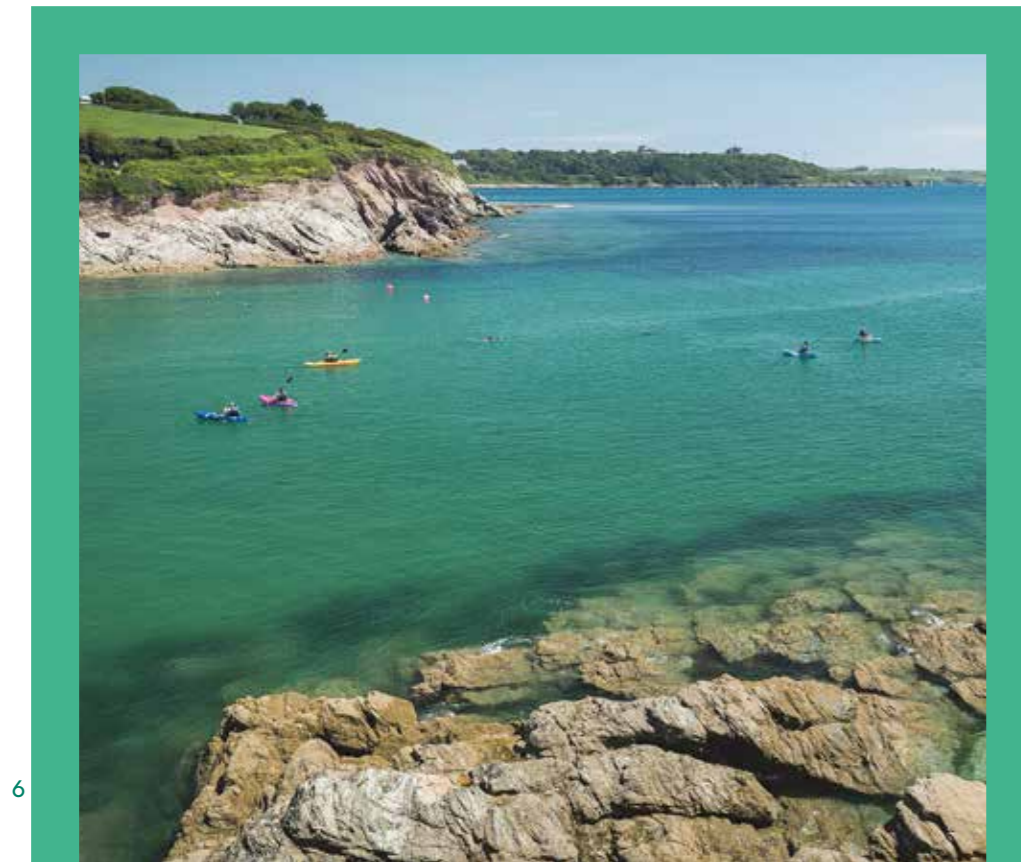
The University of Exeter's teaching and research facilities draw students from the rest of the UK, and retains local students who might otherwise go elsewhere to study. It also attracted students from more than 130 countries around the world in 2020/21. Students make a sizeable contribution to the local 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 £26.1 million to GVA across the Cornwall & the Isles of Scilly and supported 520 jobs.



Table 2: University of Exeter's expenditure impact on GVA and jobs in Cornwall and the Isles of Scilly, 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	£26.6m	£8.7m	£0.9m	£9.5m	£11.0m	£47.2m
Jobs (Headcount)	671	360	40	400	300	1370

Source: Oxford Economics, University of Exeter



Impact of the University of Exeter's Cornwall campuses

- In 2020/21, the University earned £501.6 million in income across its Devon and Cornwall campuses, of which £46.3 million was generated in Cornwall alone. This includes revenue from tuition fees, research grants and endowments.
- The direct gross value added generated from this output is equal to £26.6 million.
- As a major employer within the LEP, 671 people are employed at the University's Cornwall campuses.
- The University paid £24 million to employees who work at the its Cornwall campuses.
- The University's Cornwall campuses spent £17.9 million on operational goods and services with suppliers across the UK.

Impact of the University of Exeter in Cornwall

- 913 of the University's employees live in Cornwall & the Isles of Scilly.
- £31.1 million of wages were paid to staff who live in the area.
- The University spent £12.1 million on operational goods and services with almost 320 suppliers in Cornwall & the Isles of Scilly.
- The University spent £1.2 million on capital expenditure with firms located in Cornwall & the Isles of Scilly during 2020/21.
- The University's spending with local suppliers and contractor contributed £9.5 million to local GVA and supported 400 jobs during 2020/21.

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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