



# Starter for ten

The impact of universities on city  
economies

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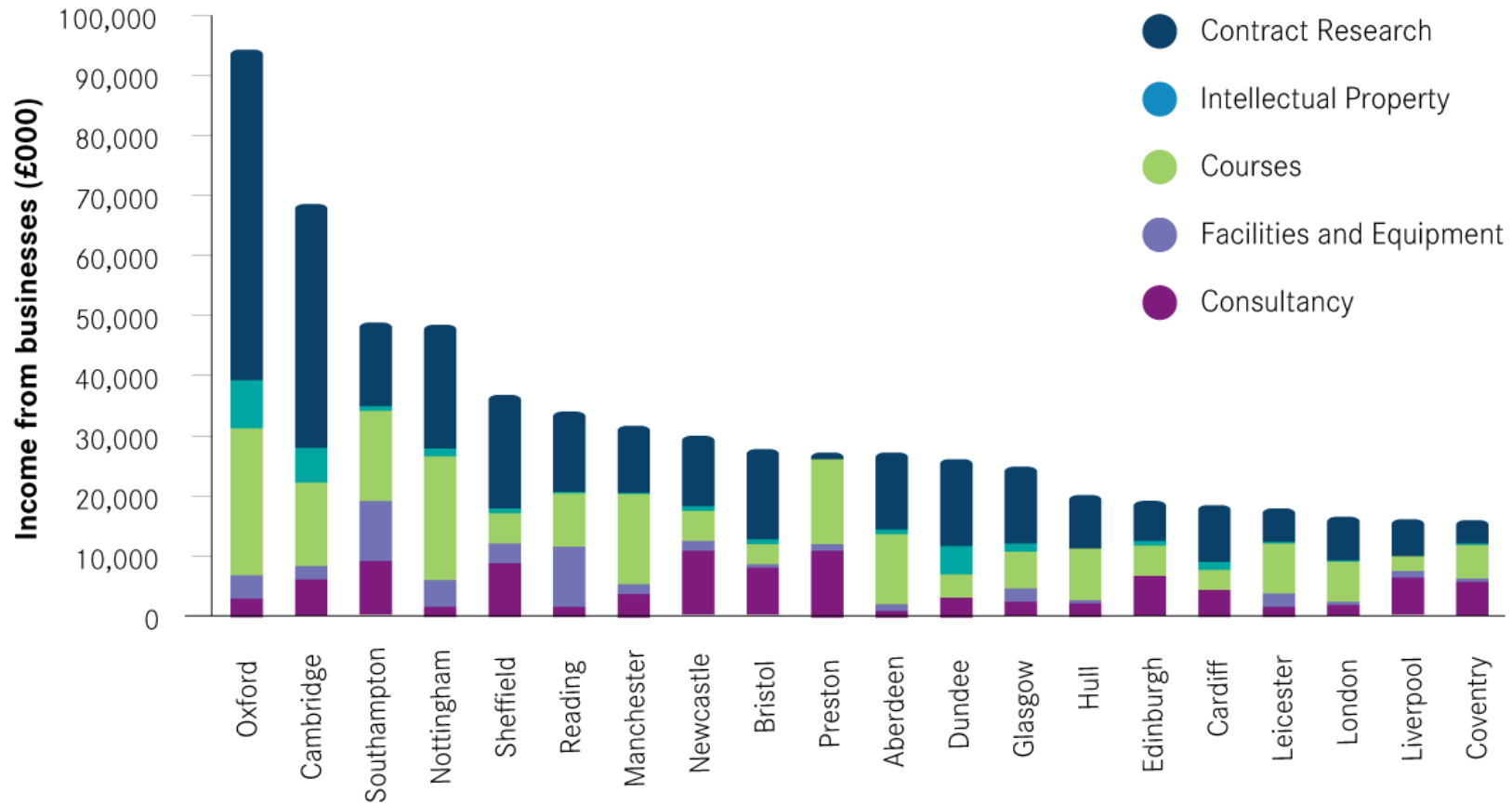
# Centre for Cities

The Centre for Cities is a non-partisan  
research and policy institute, helping  
cities improve their economic  
performance



# Fact 1: The level of university-business interaction varies hugely

## Income from businesses per university in a city, 2004/08

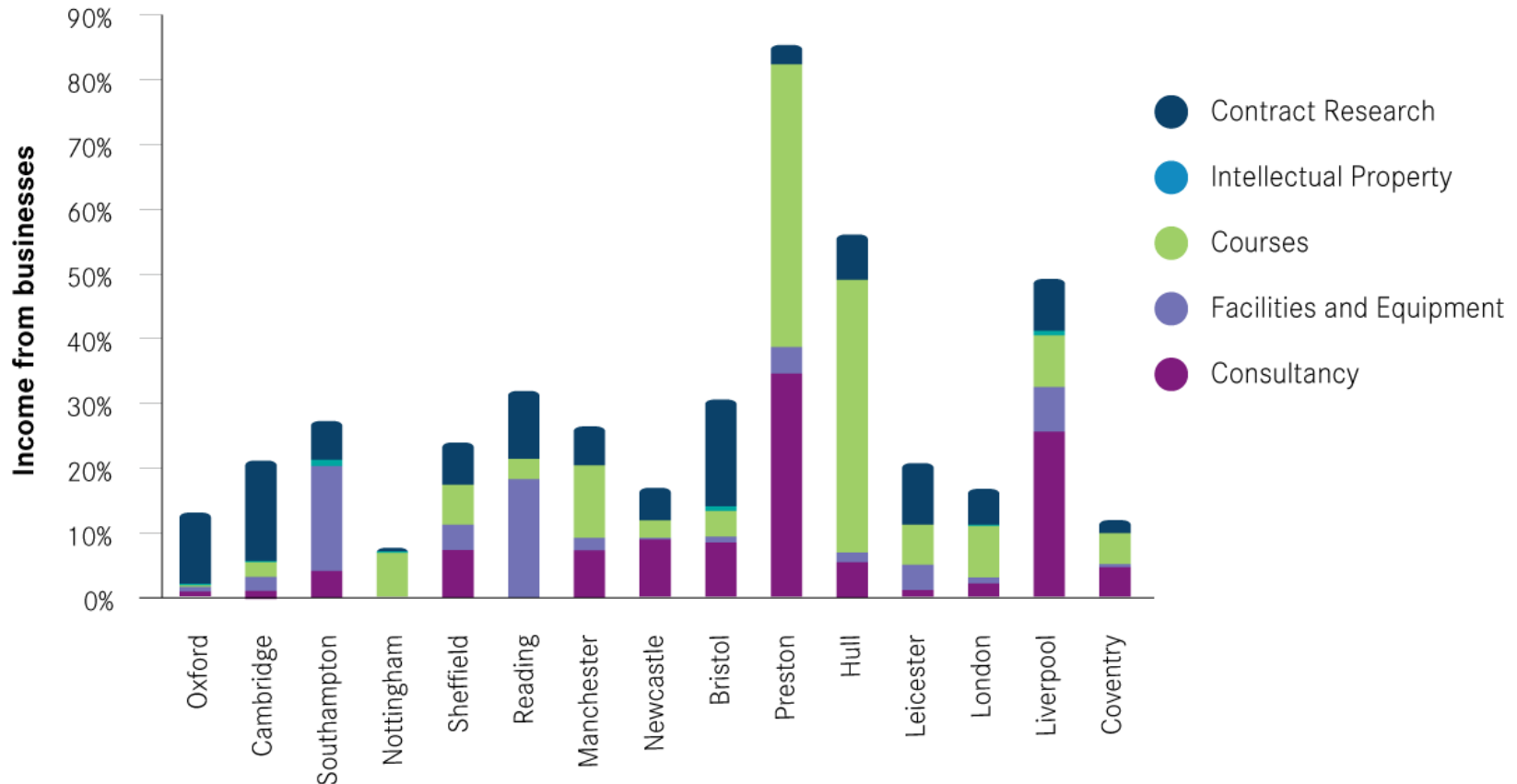


Source: HEFCE, Higher Education Business Community Interaction (HE-BCI), 2004/05, 2005/06, 2006/07, 2007/08



## Fact 2: University interaction is much wider than local business base

### Income from businesses - Percentage that came from businesses based in the same Government Office Region, 2004/08

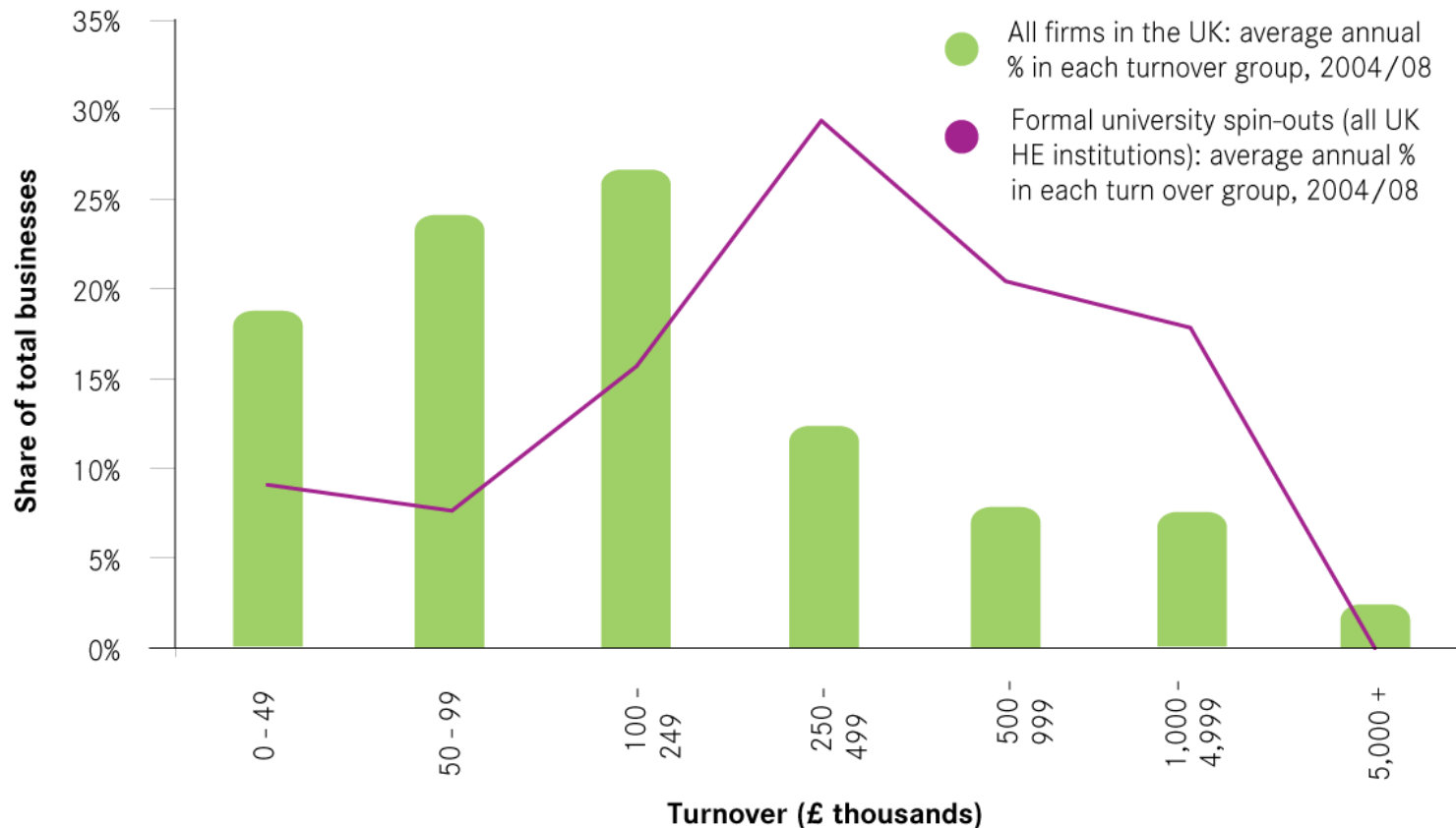


Source: HEFCE, Higher Education Business Community Interaction (HE-BCI), 2004/05, 2005/06, 2006/07, 2007/08



## Fact 3: University spin-outs are high value but are few in number

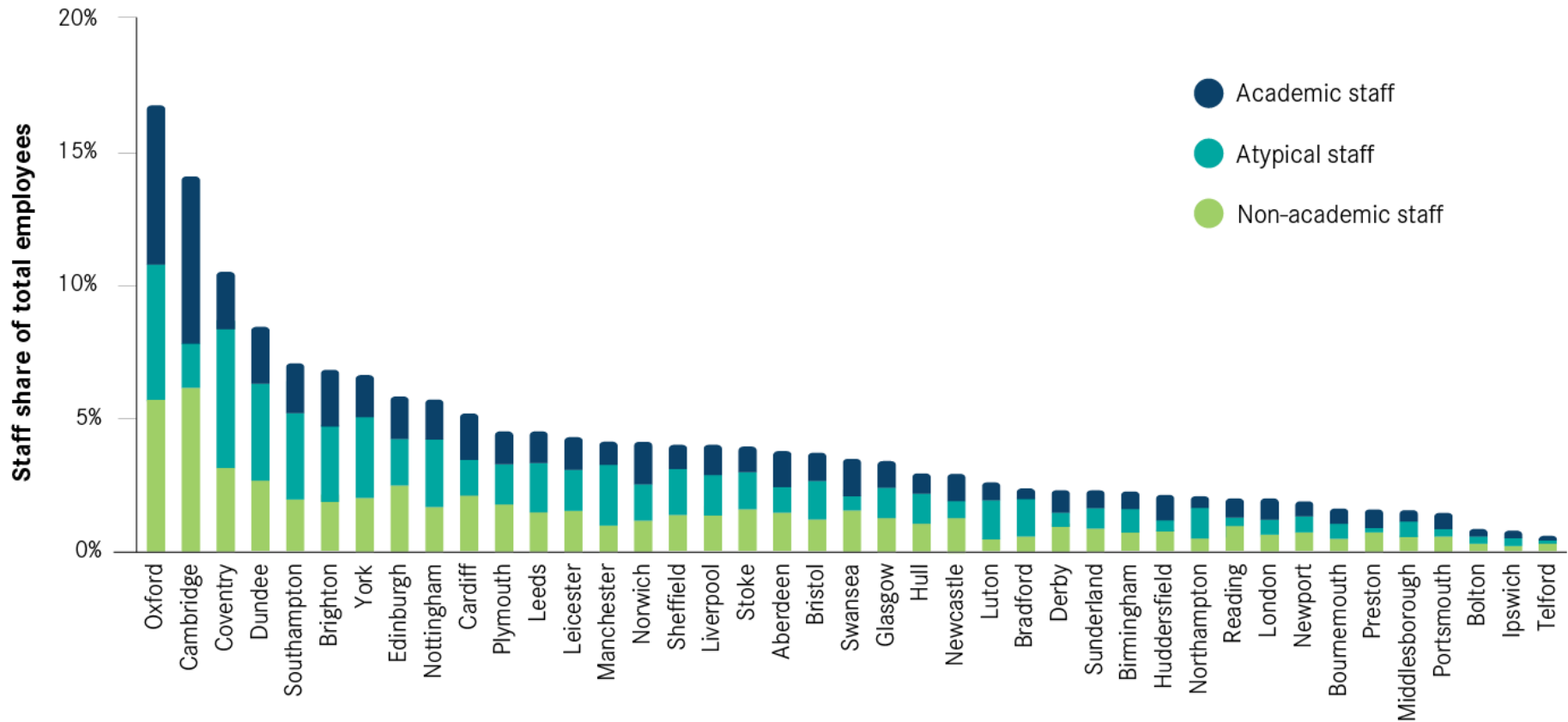
### Comparing average annual turnover of UK universities' formal spin-outs to average annual turnovers of all UK businesses, 2004/08





## Fact 4: Universities play an important role in employment...

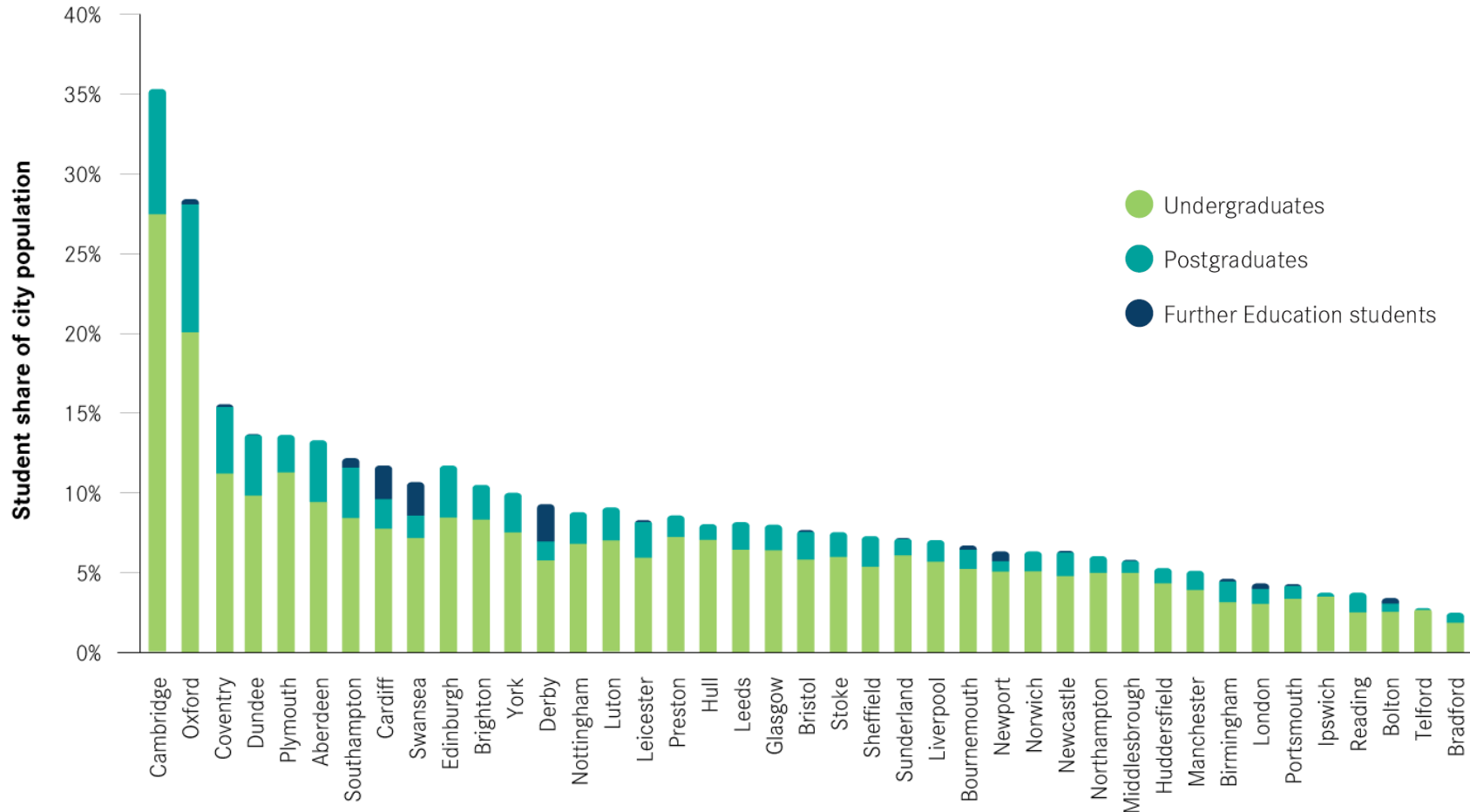
### University staff in each city as a percentage of city employees, 2008/09





...and consumption

### Students in 2008/09 as percentage of 2009 population for each university city



Source: HESA (2010) Students in Higher Education Institutions 2008/09, Table 0 - All students by institution, mode of study, level of study and domicile; NOMIS 2010, mid-year population estimates, 2009 data.



## Fact 5: Universities' principle role is as an educator

### Relationship between higher level qualifications and business productivity (as measured by GVA growth rate), 1998-2007



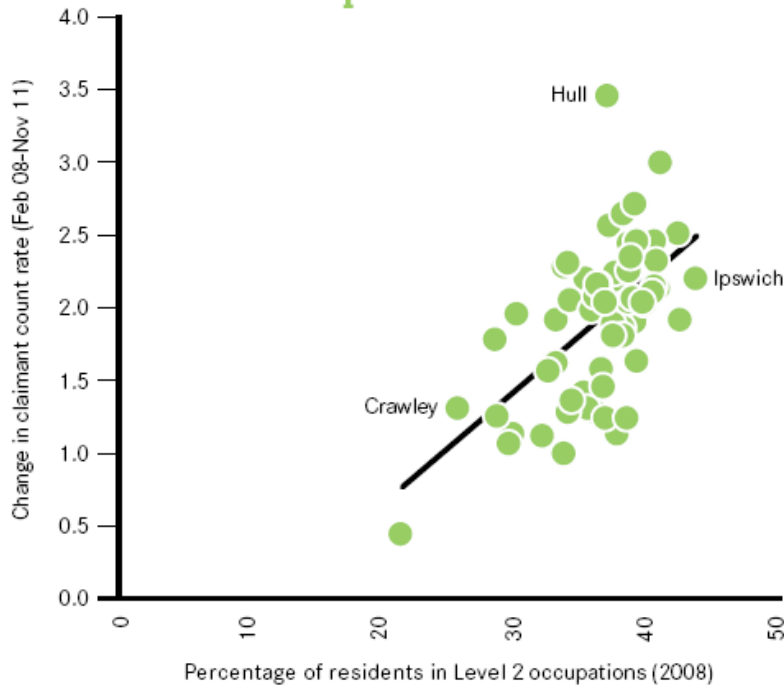
Source: NOMIS 2010, Labour Force Survey (Dec-Nov 1998 data);  
ONS, Regional Gross Value Added (1998-2007), own calculations



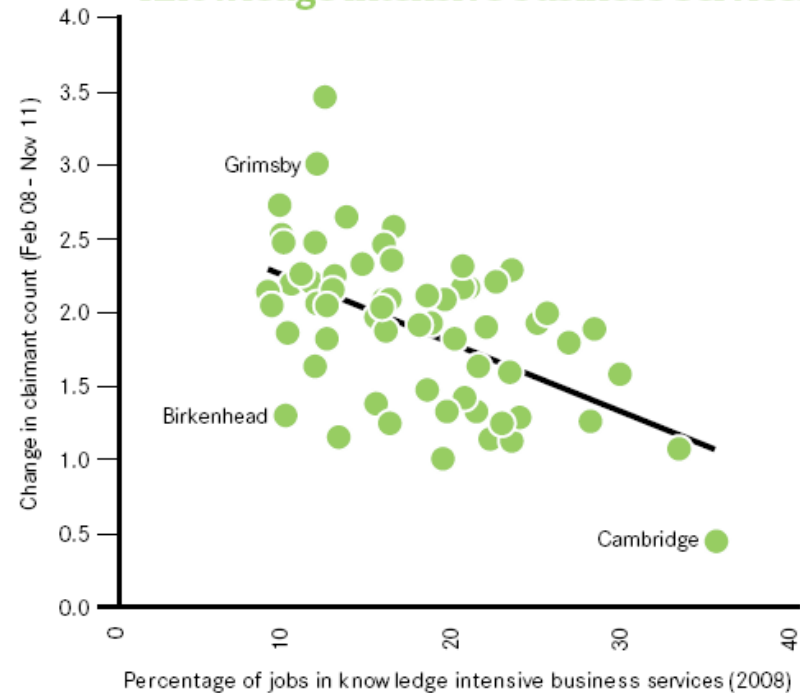


# “Knowledge workers” are important...

### Level 2 occupations



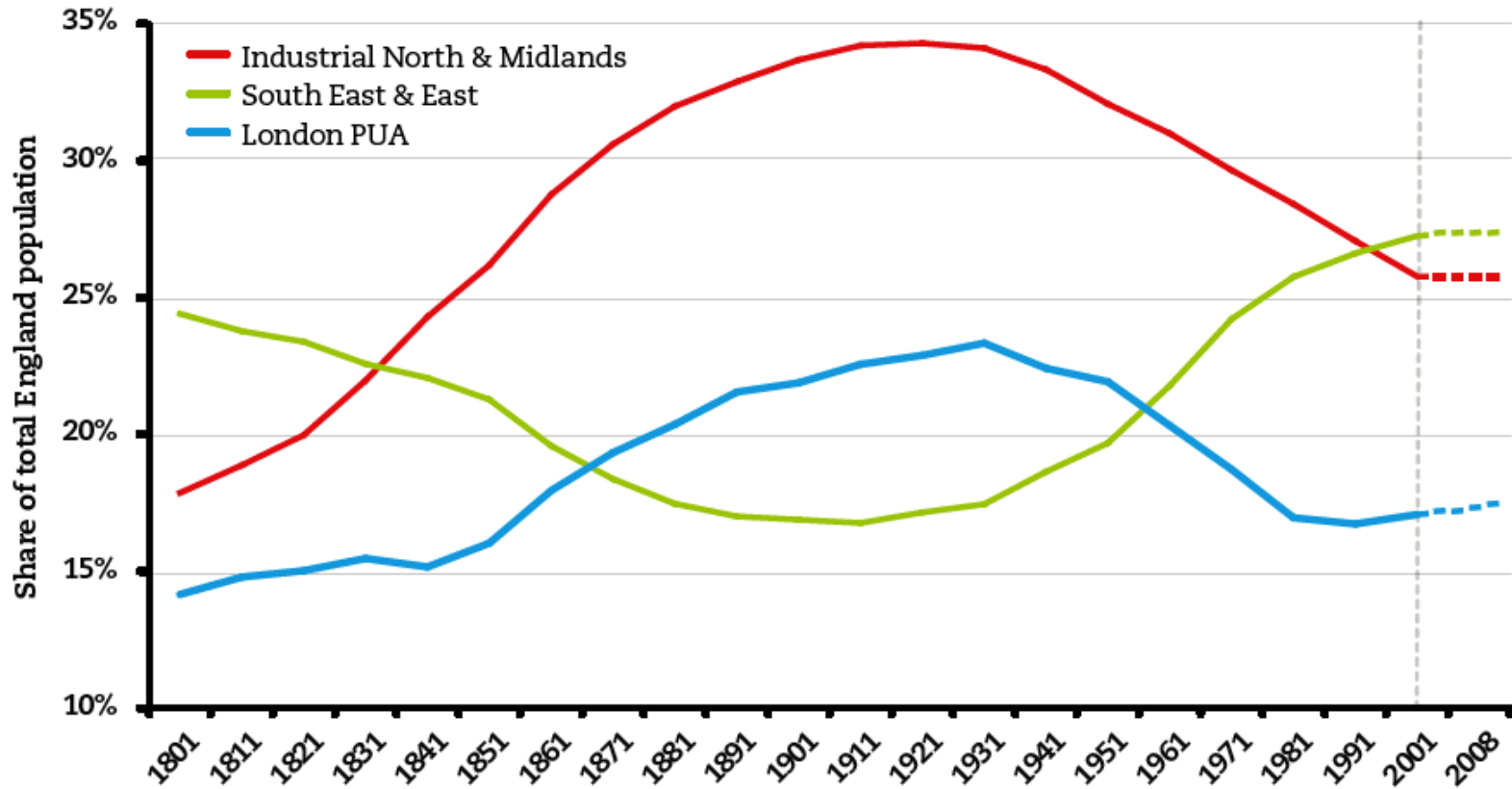
### Knowledge intensive business services



Source: NOMIS 2011, Claimant Count February 2008-November 2011 data, Annual Population Survey, January-December 2008 data



...but people follow opportunity...

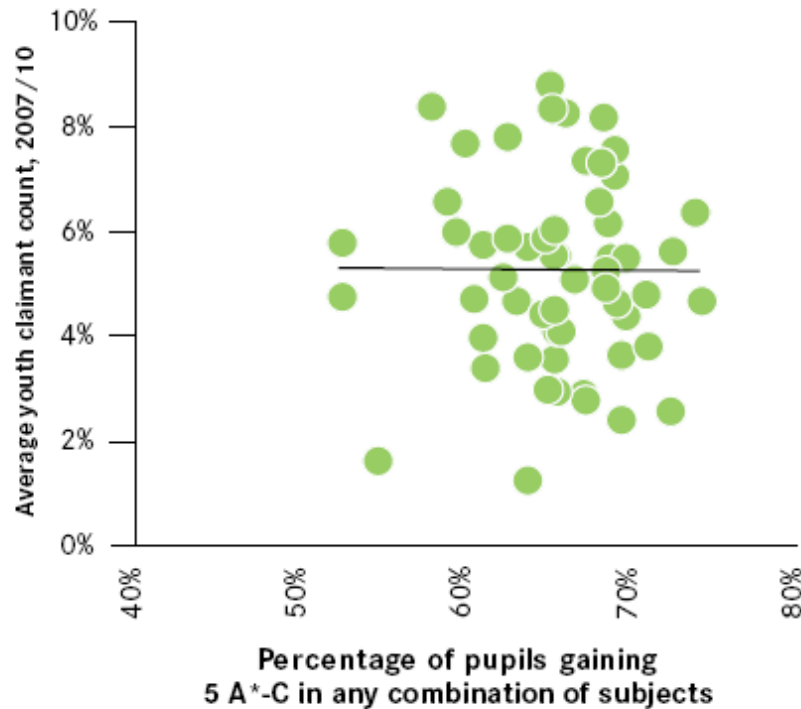


Source: Data courtesy of Dr Humphrey Southall and the Great Britain Historical GIS Project at the University of Portsmouth. Data for 2008 is an estimate from NOMIS 2010, Mid-year population estimates 2008 data<sup>38</sup>

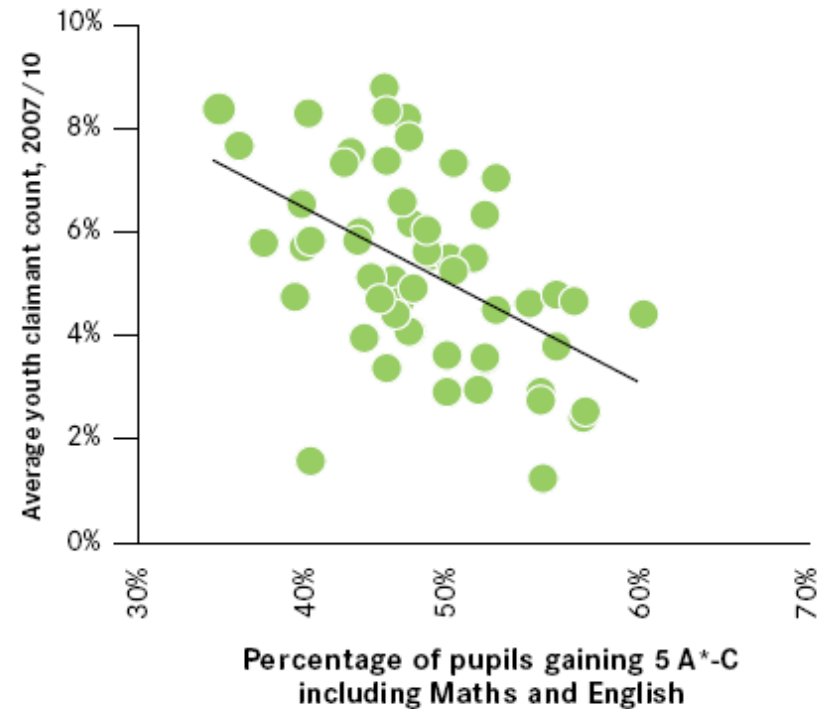


...And graduates are only part of the skills story

5 A\*-C



5 A\*-C inc Maths & English



Source: NOMIS 2011, claimant count 2007 to 2010 data; Neighbourhood Statistics 2011, GCSE and Equivalent Results for Young People by Gender, Referenced by Location of Educational Institution, 2006/07 to 2009/10 data. Cities in England only.

- The main impact of a university on its city economy is through the attraction of students as consumers and through their levels of employment in a city economy.
- The direct impact of universities on businesses in their host cities is currently low, but their impact goes far beyond the business base of their host city.
- Graduates are important for economic performance, but they follow economic opportunity.



# Any Questions?

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