

1 EXECUTIVE SUMMARY

The University of Oxford is the oldest university in the English-speaking world and has been contributing to the economy for over 900 years. Over this time the University has experienced transformational change, in society and in the economy. It has been at the forefront of some of these developments through the scientific, technological and intellectual innovations of its staff and students.

Today, the University is ranked first in the world in the Times Higher Education Rankings and has the largest volume of world-leading research in the UK. The University continues its legacy of driving economic change and through its research and innovation, teaching and community engagement lays the foundations of economic impacts well into the future.

This study considered how the activities of the collegiate University of Oxford and its related organisations have contributed to the economy through their activities in 2014/15. It considered the quantifiable role that the University has on the economy through its core activities, students, graduates, business interaction, science parks, impacts on the tourism sector and its research and resulting innovation and entrepreneurship. The economic contribution was measured in terms of Gross Value Added (GVA), being revenues less cost of revenues, and the number of jobs supported.

This study estimated that in 2014/15 the University of Oxford contributed **£5.8 billion GVA** and supported **50,600 jobs** in the UK. This includes a contribution of:

- £2.3 billion GVA and 33,700 jobs in Oxfordshire; including
- £2.0 billion GVA and 28,800 jobs in Oxford City.

In 2014/15 the GVA generated by the University in the UK was double the income that it received. If long-term impacts such as the graduate premium and returns to medical research are included then the total GVA impact was 3.3 times greater than the total income of the University.

In 2014/15 the University of Oxford had a combined income of £1.9 billion and the **core activities** of the University generated £2.2 billion of GVA for the UK economy and supported 31,200 jobs. This impact was generated through the people directly employed by the University, the University's expenditure on supplies, staff spending their wages in the economy and spending on capital projects.

There were **19,835 full time students** of the University of Oxford in 2014/15. These students contributed to the economy through their expenditure, part time work and volunteering activity. In total, these activities contributed £80 million GVA for the UK economy and supported 2,000 jobs. The majority of this activity was within Oxford city where £58 million GVA and 1,600 jobs were supported.

The teaching activity of the University of Oxford will lead to increased productivity for the 7,800 **graduates** of the Class of 2015 during their working lives. The graduates who live in the UK would expect to earn at least an additional £432 million collectively during their careers.

The University of Oxford is the leading UK institution for **medical research** and in 2014/15 it received £340 million in medical research funding. The long-term outcomes of this research will include an increased quality of life for the patients who benefit from the new knowledge and a stimulation of further activity in the wider healthcare sector in the UK. These impacts have been estimated to contribute an

additional £1.8 billion to the UK economy and have been instrumental in supporting the life sciences cluster in the South East of England.

The research and innovation of the University of Oxford is also directly commercialised through **licence agreements** with companies or through the creation of **spin-out companies**. The University is the most prolific higher education institution in the UK in terms of licensing technology, accounting for £1 in every £10 of licensing income received by UK universities. The University of Oxford is also the leading university in the UK for the creation of spin-out companies, with more spin-outs emerging from it than any other higher education institution. In 2014/15 the University received £14.7 million in royalties for technology and had 136 active spinout companies. In total this activity contributed £320 million to the UK economy and supported 5,700 jobs. A large proportion of this activity was in Oxfordshire, where the licences and spinouts contributed £147 million GVA and supported 2,400 jobs.

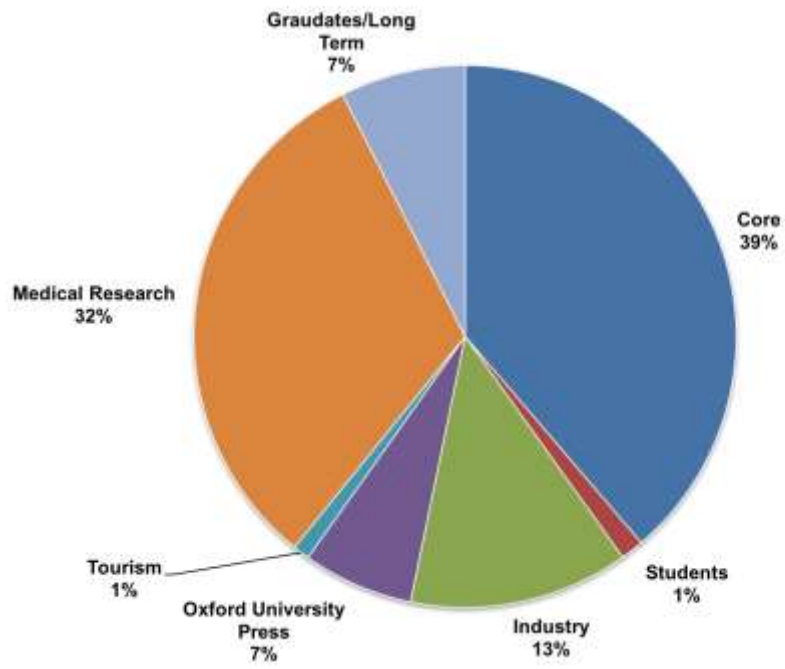
Oxford University Press (OUP), the largest University press in the world, publishes books, journals and online materials across the world. In 2014/15, OUP had a turnover of £780 million and employed 7,300 people globally. Over, 2,400 of these employees were in the UK and it has been estimated that OUP contributed £382 million GVA to the UK economy.

Oxford Science Park and Begbroke Science Park, together have 3,000 people employed across them and these employees contribute an additional £167 million GVA for the UK economy.

The University also has a quantifiable economic impact through its relationships with industry and the services that it provides for companies. These services include **contract research, consultancy, executive education, facilities hire and knowledge transfer partnerships (KTPs)**. In total these activities contributed at least £272 million GVA to the UK economy and supported 800 jobs.

The University of Oxford is also core to the **tourism sector** within Oxford City and has encouraged more visitors to come to the city than other cathedral cities in England. Visitors come to visit staff and students of the University, attend events held by the University and to visit the University itself, which is globally recognised as an ancient centre of knowledge. It was estimated that the University of Oxford was responsible for 43% of the tourism activity in Oxford City and therefore supported 3,450 jobs in the City and contributed £99 million GVA.

Figure 1.1 – UK GVA Impact by Source



Source: BiGGAR Economics