

6 STUDENT IMPACTS

This chapter describes the impact that students at the University of Oxford have on the economy. The University’s students have an impact on the economy by:

- spending on goods and services;
- working part-time while studying; and
- undertaking unpaid voluntary work for charities and third sector organisations.

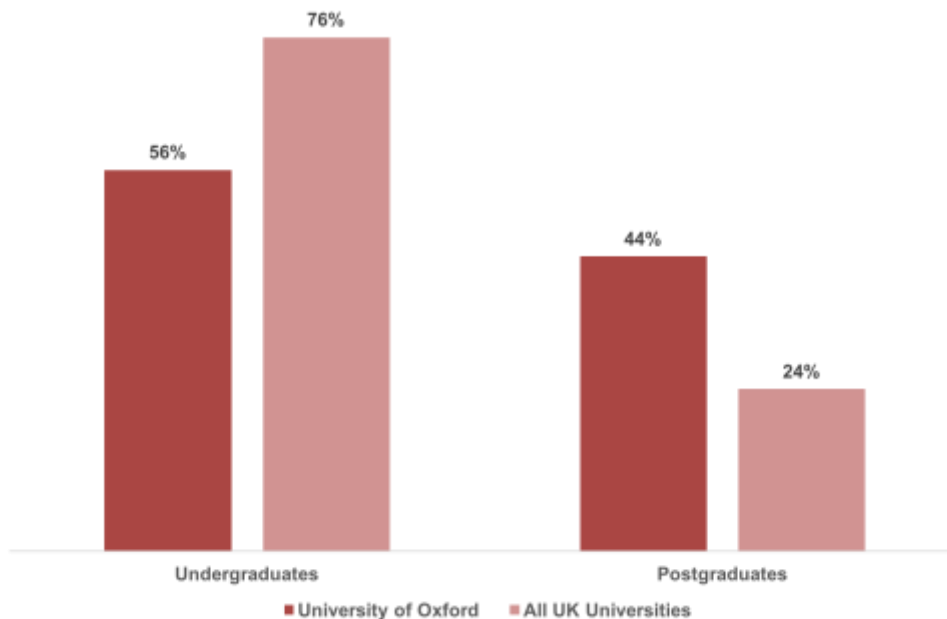
Another important impact is the increased productivity that students have in the future as a result of obtaining a degree and this is considered in Chapter 7.

6.1 Student Profile

In 2014/15 the University of Oxford had 19,835 full-time students. Of these, 56% (11,144) were undergraduates and 44% (8,691) were postgraduates.

Postgraduate students account for almost double the proportion (44%) of total students at the University of Oxford, than the average for UK institutions (24%). The student composition at the University of Oxford therefore reflects a stronger emphasis on research, with many of the postgraduate students undertaking research degrees.

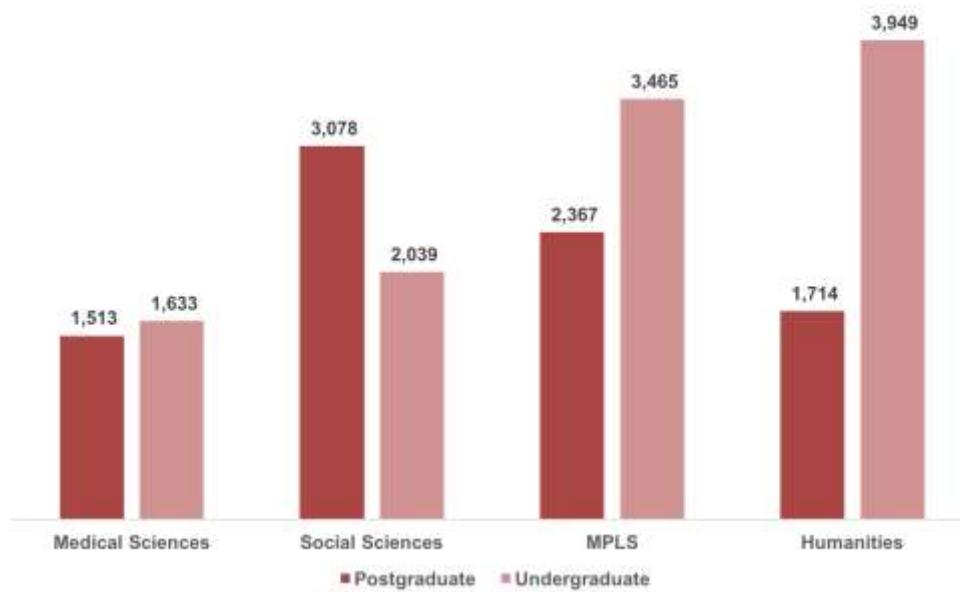
Figure 6.1 – Full-time Students by Degree Level



Source: HESA

The majority of students are split between the four academic divisions within the University. The Mathematical, Physical and Life Sciences Division (MPLS) is the base for 30% of students, followed by the Humanities Division (29%), the Social Sciences Division (26%) and then Medical Sciences Division (16%).

Figure 6.2 - Full Time Students by Division

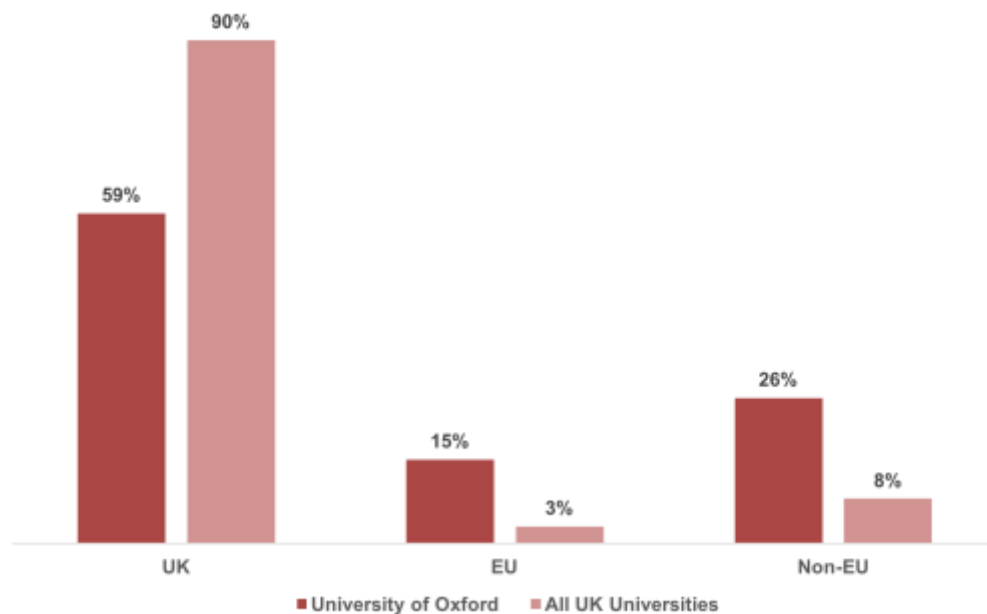


Source: University of Oxford

The University of Oxford also has a substantial international student body. In 2014/15, 41% of all full-time students at the University were from outside the UK. On average across UK universities 10% of the student body is from outside the UK.

The international student body is split between those from the rest of the EU, which account for 15% of the student population and those from outside the EU, which account for 26%. This is significantly higher than the average for UK institutions, as shown in Figure 6.3.

Figure 6.3 – Full-time Students by Domicile 2014/15 (University of Oxford vs UK)



Source: HESA

6.2 Student Spending

Students at the University of Oxford have an impact on the economy through their spending, in the same way that University employees have an impact through spending their wages. The money that students spend generates economic activity in the businesses from which they purchase goods and services.

The University publishes the anticipated costs of student life and this has been used as the basis of our student spending assumptions⁹. The University estimates that on average students at the University will have a monthly spend of £1,201.

Table 6.1 – Monthly Average Student Expenditure Profile

Type of Expenditure	Monthly Spend (mid point)
Food	£282
Accommodation (inc Utilities)	£568
Personal items	£182
Social Activities	£84
Study Costs	£55
Other	£32
Total	£1,201

Source: University of Oxford, Living Costs, adjusted for mid-point between lower and upper range

As with the staff spending impact it was necessary to exclude spending on VAT. VAT at the rate of 20% was therefore deducted from VAT applicable items.

The type of accommodation a student lives in influences his or her expenditure. For example, students living in their parental or guardian home are unlikely to spend money on housing costs and will spend significantly less on food and household goods. The accommodation expenditure of students in institution maintained properties has already have been included in the direct income of the university and so was excluded here. Finally, postgraduates were assumed to incur costs for 12 months of the year, while undergraduates for 9 months.

The students of the University of Oxford were much more likely than students of other UK institutions to reside within University or College maintained properties. Therefore, a much larger proportion of the expenditure of the students is maintained within the University itself and has already been considered as part of the direct contribution of the University (Chapter 5).

A breakdown of students by accommodation type and degree level is given in Table 6.2. All students are assumed to live in Oxford City.

⁹ Source: <http://www.ox.ac.uk/students/fees-funding/living-costs>

Table 6.2 – Full-Time Students by Accommodation Type and Degree Level

	Undergraduates	Postgraduates	Total
University/College/PPH accommodation	9,223	5,028	14,521
Parental/Guardian Home	31	126	158
Rented Accommodation/Own Residence	1,889	3,537	5,426
Total	11,144	8,691	19,835

Source: University of Oxford (adjusted to account for students whose location is unknown)

The assumptions in Table 6.1 and Table 6.2 allow the direct spend to be calculated for each spending category. The economic impact of this expenditure was estimated by applying appropriate turnover/GVA ratios and turnover/employee ratios to each of the categories. (For example the impact of expenditure on accommodation was estimated using ratios for the rental sector and the impact of expenditure on entertainment was estimated using ratios for the arts, entertainment and recreation sector.) The indirect impacts were then estimated by applying the appropriate multipliers for each category of expenditure.

The economic contribution of student expenditure is summarised in Table 6.3. This shows that students contributed £73.1 million GVA and supported 1,747 jobs in the UK through their spending. Of this, £56.7 million GVA and 1,428 jobs were estimated to be in Oxfordshire and £52.7 million GVA and 1,287 jobs in Oxford City.

Table 6.3 – Student Spending Contribution in 2014/15

	Oxford City	Oxfordshire	UK
GVA (£m)	52.7	56.7	73.1
Employment	1,351	1,428	1,747

Source: BiGGAR Economics

6.3 Student Part-time Work

Students also have an impact on the economy if they undertake part-time employment in local businesses. In fact, in many places some businesses would not have the additional labour they require without a student workforce.

However, the University of Oxford strongly advises its students against relying on income from employment, because of the adverse effect this may have on their studies¹⁰. In particular, undergraduate students are not allowed to work part time while they are studying.

The University’s Paid Work Guidelines for graduate students recommend that full-time graduate students on a taught course do not undertake more than eight hours of paid work each week¹¹. Labour Force Survey¹² data indicates that 33% of undergraduate and postgraduate students work while studying and on average

¹⁰ Source: https://uni-of-oxford.custhelp.com/app/answers/detail/a_id/876/~can-i-work-while-studying%3F

¹¹ Paid Work Guidelines for Oxford Graduate Students http://www.admin.ox.ac.uk/media/global/wwwadminoxacuk/localsites/educationcommittee/documents/notesofguidance/Oxford_Policy_on_Paid_Work_June_2013.pdf

¹² ONS (2016), Labour Force Survey, Table A06: Educational Status, Economic Activity & Inactivity of Young People

work 14.2 hours a week¹³. As the University of Oxford advises postgraduate students against working more than 8 hours and as students are encouraged to discuss their plans to work with their supervisor or College Director, it is likely that fewer students will undertake part-time employment. It was therefore assumed that 10% of postgraduate students work eight hours per week. It was also assumed that students undertake part-time work where they live.

To avoid double counting those students who work part-time for the University were excluded, as the impact of this activity was included in Core Impacts (Chapter 3). Based on previous experience and consultations undertaken during the study it was assumed that 25% of those students undertaking part-time work, work for the University of Oxford.

To account for the fact that some of the part-time jobs undertaken by students might otherwise have been undertaken by other residents of Oxford it was also necessary to estimate how much of the part-time employment is additional. The majority of part time employment undertaken by students involves unskilled or semi-skilled roles¹⁴. The lower the level of unemployment, the less likely the companies would be able to fill these roles without the student population. In particular, the youth unemployment rate (16-24 years old) gives the best indicator of the availability of replacement labour.

It was assumed that at 50% youth unemployment, the additionality of student labour would be 10%. This is because there would be a significantly larger pool of workers, however, as not all of the positions that are filled by students could be easily filled by the wider workforce there is a minimum additionality set at 10%. It was assumed that the relationship between the additionality of student labour and the youth unemployment rate was linear. The Annual Population Survey published by the ONS indicates that 16.7% of young people in the Oxford City were unemployed in 2015/16. The additionality of student labour is therefore assumed to be inversely proportional to the youth unemployment rate and was calculated to be 69.9%.

Table 6.4 – Key Assumptions for Student Part-time Work Impact

	Value	Source
Proportion of full-time post graduate students who work	10%	BiGGAR Economics Assumption
Proportion of employed students who work for the University of Oxford	25%	BiGGAR Economics Assumption
Average number of hours worked per week	8	Paid Work Guidelines for Graduate Students, University of Oxford
Youth unemployment rate in Oxford City	16.7%	ONS, Annual Population Survey, Unemployment Rate - Aged 16-24, April 2015 - mar 2016
Proportion of labour supply that is additional	69.9%	BiGGAR Economics Calculation

¹³ National Union of Students (2010), Still in the Red

¹⁴ In some cases, students, particularly postgraduates will be undertaking very high value work and so this is a conservative assumption.

These assumptions were then used to estimate how many additional hours of work students from the University of Oxford contribute to the local economy. This figure was then converted into a full-time equivalent number of jobs.

The GVA contribution of these additional jobs was estimated by applying an estimate of the average GVA/employee for sectors in which students typically work (such as retail and tourism). Indirect effects were then captured by applying appropriate multipliers.

In this way it was estimated that part-time student employment supported 227 jobs across the UK and generated £6.4 million GVA. In Oxfordshire this was estimated to be £5.5 million GVA and 205 jobs and £5.2 million GVA and almost 200 jobs in Oxford City. The impact of student employment in each study area is summarised in Table 6.5.

Table 6.5 – Student Part-time Work Contribution in 2014/15

	Oxford City	Oxfordshire	UK
GVA (£m)	5.2	5.5	6.4
Employment	199	205	227

Source: BiGGAR Economics

6.4 Student Volunteers

Students can also have an impact on the economy through the time that they spend volunteering for third sector organisations. This volunteering activity allows these organisations to operate at a larger scale than they otherwise would have done and although these are not profit seeking organisations this constitutes economic activity.

The largest organiser of student volunteering programmes is the Oxford Hub. The Oxford Hub is a volunteering group of over 40 student groups and projects engaged in a diverse range of activity including community gardens, homeless charities, schools projects and support for elderly people¹⁵.

The economic impact of student volunteering was quantified by the output that they would provide to the organisations that they volunteer with. Data provided by The Oxford Hub indicates that there were 577 volunteers in 2014/15. Each contributed an average of 19 hours of voluntary work in the year totalling 10,963 hours of volunteering in total.

There are four other main programmes through which the students of the University of Oxford can volunteer their time for third sector organisations. These are organised by the Careers Service and include:

- **The Student Consultancy:** an initiative in which third sector organisations and small local businesses within Oxfordshire can approach teams of students to spend seven to eight weeks working on particular projects. In 2014/15, 450 students were involved in this programme and spent an average of 16 hours each volunteering;
- **Micro Internships:** these are short, full time work placements that cover one week of the academic calendar. In these internships, the students contribute to work projects that their placement organisation is undertaking and also

¹⁵ Source: <https://www.oxfordhub.org/about>

participate in work shadowing. Approximately half of these micro internships are with third sector organisations. In 2014/15, 250 students were involved in this programme;

- **Major Internships:** the Major Internships organised by the University of Oxford place students in organisations all over the world, with 70% placed outside the UK. The majority of these placements are with commercial companies, however a small proportion are with third sector organisations in the UK. In 2014/15, 350 students were involved in this programme for 8 weeks each; and
- **Insight into Teaching:** this programme provides an opportunity for students of the University to go into local schools to experience the day to day running of a school. In this programme, students are given the chance to observe lessons and can support the school by contributing to activities. These placements are in a mixture of third sector and public sector schools. In 2014/15, 130 students were involved in this programme and spent an average of 35 hours volunteering in local schools.

The total hours that the students spend on voluntary activities throughout the year was then converted into full time equivalent employees.

The value of the hours volunteered to organisations is estimated by assuming that the average output of a student's voluntary work is equivalent to the average GVA per employee in the charity sector (£14,752)¹⁶. This GVA per employee was then applied to find the total GVA contribution. The assumptions used to quantify the economic contribution from is given in Table 6.6.

Table 6.6 – Key Assumptions for Student Volunteering

Programme	Oxford Hub	Student Consultancy	Micro Internship	Major Internship	Insight into Teaching
Number of Students	577	450	250	350	130
% with 3 rd Sector	100%	100%	50%	10%	100%
Average Annual Hours	19	16	35	280	35

Source: University of Oxford

Based on consultation with the Careers Service, it was assumed that students would be likely to undertake these placements where they live and therefore at least half of these placements would be within Oxford City.

The economic contribution of this volunteering activity was estimated to be £0.6 million GVA in the UK and 8 jobs supported in the supply chain of these third sector organisations.

Table 6.7 – Volunteering Contribution in 2014/15

	Oxford City	Oxfordshire	UK
GVA (£m)	0.2	0.4	0.6
Employment	1	2	8

Source: BiGGAR Economics

¹⁶ UK Civil Society Almanac 2016 give a total GVA in UK charity sector of £12.2 billion, with total employment at 827,000.

However, in practice the value of the volunteering undertaken by students at the University of Oxford is greater than this figure suggests as the calculations are only a crude method which captures the value of the students' time. It does not reflect the wider community benefits such as:

- the value of the volunteering to the service supported as many organisations could not run without these additional volunteers;
- the value of this time and the value of the existence of the service to service users. The impacts will range from reducing isolation to increasing employability which will all contribute to increasing mental and physical health therefore wellbeing;
- the value of the impacts on the service users to society as the improvement in wellbeing will result in cost savings in health and social services. This improvement in wellbeing and the improvement in employability will result in savings to welfare and increased productivity; and
- volunteering creates positive effects, known as externalities, in the communities where it takes place. Even those who are not volunteering or receiving volunteering services benefit from the increased sense of community.¹⁷

6.5 Summary of Student Contributions

Students through their spending, part-time work and volunteering supported economic activity in 2014/15 with an estimated value of £58.2 million GVA and 1,551 jobs in Oxford City and £62.5 million GVA and 1,635 jobs in Oxfordshire. In the UK this was estimated to amount to £80.1 million GVA and 1,981 jobs.

Table 6.8 – Student Contributions Summary

	Oxford City	Oxfordshire	UK
GVA (£m)			
Student Spending	52.7	56.7	73.1
Student Part-time Work	5.2	5.5	6.4
Student Volunteering	0.2	0.4	0.6
Total GVA	58.2	62.5	80.1
Employment			
Student Spending	1,351	1,428	1,747
Student Part-time Work	199	205	227
Student Volunteering	1	2	8
Total Employment	1,551	1,635	1,981

Source: BiGGAR Economics

¹⁷ Legatum Institute (2014), Wellbeing and Policy