

PRESS RELEASE
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Investing in Research, Innovation and Education really pays off !

Gross Value Added and Jobs created by Research Universities in Europe

In 2014, upon the proposal of the LERU Enterprise and Innovation Community, the Rectors of the LERU universities decided to embark on a new and challenging project: to quantify the combined economic value of the LERU members and, by extrapolating its results, to present an estimation of the economic contribution of research universities in Europe. LERU commissioned the independent consultancy BiGGAR Economics to undertake a study, leading to 9 months of data gathering, individual site visits to LERU universities and data analysis. It resulted in the now publicly available report *"The Economic Contribution of LERU Universities"*. The report offers telling figures about and an insightful analysis of the economic contribution of LERU universities, and research universities in general, to the European economy. Although it focuses on the economic impact, the report also acknowledges the diverse ways in which universities contribute to society and how their activities bring about wider benefits.

Through this report, LERU aims to contribute to a much needed understanding and recognition of the multidimensional and far-reaching impact of research universities. Such an acknowledgement should be accompanied by practical, European and national measures to enable the development of research universities' activities, such as providing the appropriate framework conditions and adequate funding.

"The Economic Contribution of LERU Universities"

How is the economic contribution measured?

In order to illustrate the scale and breadth of the economic contribution made by LERU members, the report focuses on quantifying the economic value generated by LERU universities. This value is calculated using two widely accepted measures of economic impact: jobs and gross value added (GVA, a measure of the economic value of goods and services produced in a given area; it is the total value of output less the value of intermediate inputs). The base year for all data is 2014.

The starting point for quantifying the economic value of the LERU universities was to consider the various activities undertaken by all LERU universities and to identify those that are likely to generate economic value. 18 sources of impact were identified and these were grouped into 5 themes:

- core contributions, including direct effects, supplier effects, staff spending and capital spending;
- student-related contributions from student spending, working, volunteering and undertaking replacements;
- the knowledge transfer, enterprise and innovation activity created by the LERU universities;
- the tourism contribution created by visitors to staff and students and attendance at conferences and events held at the LERU universities; and
- the life-time productivity gains from teaching and learning delivered by each institution (graduate premium).

What are the main findings?

One of the key findings of this study is that LERU universities contributed a total economic value of €71.2 billion in GVA and 900,065 jobs across Europe in 2014.

This total economic value is the result of calculating the following contributions:

- **core contribution:** in 2014 LERU universities generated €23.9 billion in GVA and 375,683 jobs through people employed directly at the LERU universities, through expenditure on supplies, through money spent by staff in the local economies and by capital projects;
- **student-related contribution:** student expenditure, student employment (outside the LERU universities), student volunteering and student placements were worth €9.7 billion in GVA and supported 220,184 jobs in Europe;
- **knowledge transfer, enterprise and innovation activity:** technology licensing, consultancy, contract and collaborative research, spin-outs and start-ups, research and science parks, workforce training and staff volunteering made a combined contribution of €21.9 billion in GVA and 298,489 jobs across Europe;
- **tourism contribution:** visits to staff and students and attendance at conferences at the LERU universities created a contribution of €0.3 billion in GVA and 5,708 jobs across Europe;
- **graduate premium:** the life-time productivity gains from teaching and learning was estimated to be worth €15.4 billion in GVA.

Some other relevant findings include:

- **international (non-EU students):** LERU members attract over 50,000 students from outside the EU, which contributes to European exports earnings, estimated at €1.7 billion per year for the European economy through the fees they pay and their spending in the wider economy;
- **economic contribution of the research universities sector:** by extrapolating the impact of LERU universities, the research universities sector was estimated to contribute over €300 billion GVA and to support 3.8 million jobs across Europe, representing 2.2% of all GVA and 1.8% of all employment in the EU;
- **for each €1 in GVA directly generated by the LERU universities, there was a total contribution of almost €6 to the European economy, and every job directly created by the LERU universities supported almost 6 jobs in the European economy.**

Despite the impressive figures, the study represents only a snapshot of the contributions of the LERU universities to the European economy: a picture of the economic contribution in 2014. The long-term effects deriving from some of the activities should not be neglected.

Similarly, although this report assesses the quantifiable economic impact of the LERU universities, there are, however, significant wider, unquantifiable benefits of higher education to individuals and to society, such as greater social cohesion, improved social mobility, better health and wellbeing and greater civic engagement.

A wider acknowledgement (and support) to research universities is needed

“As the figures in the report demonstrate, investing in research, innovation and education really pays off!” states LERU Secretary-General, Prof. Kurt Deketelaere. “In 2014, LERU universities received €16.3 billion in income and generated a total economic impact of €71.2 billion. That implies that LERU universities generated €4.37 GVA for every €1 income earned”.

“The wide impact of research universities (and universities in general) should be better acknowledged. As indicated in the report, the contribution of research universities is greater than that of the direct GVA and employment of the automotive industry, the pharmaceutical and real estate sectors in Europe. That is certainly not a negligible fact” states LERU Chair Prof. Alain Beretz.

The LERU-BiGGAR report provides sound evidence of how research universities make essential contributions to the European economy. As such, the impact of universities should be better understood and recognised, and their economic and societal contributions should be better taken into consideration by European and national policymakers. Providing universities with adequate funding will clearly benefit the European economy, contributing to Europe's growth and competitiveness. However, although funding is certainly essential in allowing universities to develop their full potential, this remains insufficient if the appropriate framework conditions are not created. "On issues such as the EU Copyright reform, the General Data Protection Regulation or Open Access, we often fail to realise how much is at stake for European universities and, therefore, for the European economy and the internal market. Although at first sight it might not be obvious to everyone, issues such as the lack of a text and data mining exception, barriers to the processing of personal data for scientific purposes or the absence of an EU level playing field in such domains are very closely related to the advancement of knowledge, to universities' activities and therefore, to Europe's competitiveness", explains Prof. Deketelaere.

The figures on how universities contribute to society and the economy are presented here. Now it is up to the EU and national policymakers to do their part.

More information

- [Full report](#)
- [Methodological approach](#)
- [Infographics](#)

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Contact details

Prof. Kurt Deketelaere, Secretary-General LERU: +32 499 80 89 99 / kurt.deketelaere@leru.org

Ms Alea López de San Román, Policy Officer LERU: +32 483 59 97 52 / alea.lopezdesanroman@leru.org

About LERU

The League of European Research Universities (LERU) is an association of twenty-one leading research-intensive universities that share the values of high-quality teaching within an environment of internationally competitive research.

Founded in 2002, LERU advocates education through an awareness of the frontiers of human understanding; the creation of new knowledge through basic research, which is the ultimate source of innovation in society; and the promotion of research across a broad front in partnership with industry and society at large.

The purpose of the League is to advocate these values, to influence policy in Europe and to develop best practice through mutual exchange of experience. LERU regularly publishes a variety of papers and reports which make high-level policy statements, provide in-depth analyses and make concrete recommendations for policymakers, universities, researchers and other stakeholders.

The LERU universities are:

- University of Amsterdam
- Universitat de Barcelona
- University of Cambridge
- University of Edinburgh
- University of Freiburg
- Université de Genève
- Universität Heidelberg
- University of Helsinki
- Universiteit Leiden
- KU Leuven
- Imperial College London
- University College London
- Lund University
- University of Milan
- Ludwig-Maximilians-Universität München
- University of Oxford
- Pierre & Marie Curie University
- Université Paris-Sud
- University of Strasbourg
- Utrecht University
- University of Zurich

League of European Research Universities (LERU)

Minderbroedersstraat 8
3000 Leuven, Belgium

www.leru.org
@LERUnews

+ 32 16 32 99 71