SUPPORTING JOBS & THE LOCAL ECONOMY

M&A-RCIO

LIFETIME EARNINGS PREMIUM

NET GAINS TO EXCHEQUER

INCREASING EXPORT EARNINGS

MAJOR SOCIO-CULTURAL IMPACT

DRIVING RESEARCH & INNOVATION

DELIVERING FOR IRELAND
AN IMPACT ASSESSMENT OF IRISH UNIVERSITIES

INDECON
International Economic Consultants
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120,000 STUDENTS IN 2017

1,606 MILLION NET LIFETIME GAIN TO EXCHEQUER FROM STUDENT COHORT THAT STARTED UNIVERSITY IN 2017-18

2,566 MILLION DIRECT, INDIRECT AND INDUCED NON-RESEARCH EXPENDITURE IN 2017

21,801 FULL-TIME JOBS SUPPORTED...

120,000 STUDENTS IN 2017

386 MILLION EXPORT EARNINGS FROM INTERNATIONAL STUDENTS

MASTERS DEGREE HOLDER
NET LIFETIME EARNINGS GAIN
€106,000

PHD HOLDER
NET LIFETIME EARNINGS GAIN
€146,000

UNDERGRADUATE DEGREE HOLDER
NET LIFETIME EARNINGS GAIN
€222,000

2,802 MILLION CONTRIBUTED TO THE IRISH ECONOMY IN 2017-18

8,891 NET LIFETIME INCOME GAIN FOR STUDENT COHORT THAT STARTED UNIVERSITY IN 2017-18

INCLUDING 15,724 DIRECTLY EMPLOYED IN 2017

MORE THAN 2 MILLION VISITORS

ATTENDED EVENTS OR ATTRACTIONS LOCATED IN OR RUN BY IRISH UNIVERSITIES IN 2017
€1,606 MILLION
NET LIFETIME GAIN TO EXCHEQUER FROM STUDENT COHORT THAT STARTED UNIVERSITY IN 2017-18

€8,891 MILLION
CONTRIBUTED TO THE IRISH ECONOMY IN 2017-18

€2,566 MILLION
NET LIFETIME INCOME GAIN FOR STUDENT COHORT THAT STARTED UNIVERSITY IN 2017-18

€2,802 MILLION
DIRECT, INDIRECT AND INDUCED NON-RESEARCH EXPENDITURE IN 2017

€386 MILLION
EXPORT EARNINGS FROM INTERNATIONAL STUDENTS

€1,531 MILLION
ECONOMIC CONTRIBUTION FROM RESEARCH AND DEVELOPMENT IN UNIVERSITIES 2017-18
Universities play a central role in the economic, social and cultural life of the nation. They feed the talent pipeline for the growing knowledge economy. They are centres of creativity and learning. They generate cutting-edge research and innovation. They nurture culture, heritage and sports. They support communities and are significant employers in their local economies.

The full impact of Irish universities on the economy and society as a whole has, however, never been measured before. Impact assessments have become widely used in most developed countries to provide an understanding of how universities contribute to the national economy and the social and cultural fabric of the country. They have become essential tools for policy makers to use when evaluating investment decisions on higher education. They also enable international comparisons of different university systems.

WHY AN IMPACT STUDY?

Indecon Research Economists (Indecon) were appointed by the Irish Universities Association to conduct the Impact Assessment of Irish Universities following a competitive tender process. Indecon is the largest independent economic research consultancy practice in Ireland and is part of the Indecon International Consultancy Group which includes the leading European consultancy, London Economics. In addition to numerous sectoral economic assessments in Ireland, Indecon has also carried out a number of impact assessments of university systems in the UK and elsewhere.

Indecon assembled a broad range of data from the universities themselves as well as from public bodies such as the Higher Education Authority, the Central Statistics Office, the Department of Education and Skills and others. Their detailed independent assessment was completed throughout much of 2018 and the early part of 2019. All findings and conclusions in the report are entirely attributed to Indecon.
WHAT’S COVERED?

This summary report outlines the key findings of a rigorous socio-economic impact assessment of the university sector in Ireland by Indecon Research Economists. The Indecon assessment covers the combined impact of the seven Irish universities – Dublin City University, Maynooth University, NUI Galway, Trinity College Dublin, University College Cork, University College Dublin and University of Limerick.

The Impact Report, for the first time, provides measurements and insights on the collective contribution of the seven universities including:

- The overall contribution of universities to the Irish economy;
- The direct impact of university expenditure on the economy;
- The indirect and induced impacts of university expenditure;
- The contribution of universities to research and innovation;
- The export earnings of Irish universities through international students;
- The total impact of universities on lifetime earnings of graduates and the associated exchequer benefits;
- The employment and local economic dividend of universities;
- The wider social and cultural contribution of universities.
LEADERS IN EUROPE

Ireland is the EU’s most highly educated Member State.

The educational attainment of Ireland’s population is now well ahead of the EU average. Based on Eurostat data for 2017, 46% of 25 to 64 year-olds in Ireland have a third level qualification as against the EU average of 31%. This is cited as one of the key reasons for our success in continuing to attract foreign direct investment and for the growth in the knowledge economy.

Source: Indecon analysis of Eurostat data.
Ireland has moved towards becoming a more highly skilled and educated population in recent decades. In 2000 less than 78,000 students were enrolled, compared to over 120,000 by 2017. This reflects both a growth in the university aged cohort and a shift to more highly skilled employment. Some sectors of the Irish economy now have over 65% graduate employment. The importance of higher education is evident in the high value-added sectors of the Irish economy such as information and communication, professional, scientific and technical activities.
Irish universities are major drivers of research and innovation in Ireland. Their cumulative expenditure of €632 million in 2017 spans the full range of research fields including engineering and technology, natural sciences, medical and health sciences, social sciences, agriculture and food and humanities.

Irish universities account for 20% of total annual national expenditure on R&D and represent 83% of all R&D expenditure in the higher education sector. Irish universities accounted for 50% of total funding raised by Irish enterprises and institutions under the EU’s Horizon 2020 programme between 2015 and 2017.

The spillover impact of university-based research on the wider economy adds a further €373 million benefit to the economy. Spillovers are enabled through direct R&D collaborations between the universities and firms, the publication and dissemination of research findings, or through universities’ graduates who enter into the labour market.

That, combined with indirect and induced effects of €526 million, brings the total research impact to the economy of €1,531 million.
And Innovation

Research

Direct Research Expenditure €373 Million

Spillover Research Impact €632 Million

Indirect and Induced Research Impact €526 Million

Delivering for Ireland: An Impact Assessment of Irish Universities
The impact of university R&D on innovation in Irish enterprise is also very substantial. This encompasses patents, research agreements and collaborations with enterprise, licences, options and assignments, invention disclosures, spin-outs and incubator companies.

Through its university graduates, Ireland’s educated workforce has been widely cited as a key reason for Ireland’s success in continuing to attract foreign direct investment and in supporting indigenous enterprises. In the 2018 IMD World Competitiveness Yearbook, Ireland was ranked 9th in the world in terms of the ability of university education to meet the needs of a competitive economy.
In 2017 there were:

- 584 Research Agreements and Enterprise Collaborations
- 119 Licences, Options and Assignments
- 93 Active Spin-outs
- 188 Incubator Companies at Universities
Educating students to the highest possible standards of excellence is at the heart of the university mission. Equipping students with the education and skills to succeed in their careers and in life is a core objective. The Indecon analysis has found that university graduates with an undergraduate degree have a 95% probability of employment. This rises to 96% for those with a Master’s degree and 97% for those with a PhD.

Indecon economic modelling has found that third level graduates have an earnings premium of 38% to 43% over those with no formal education/primary education.

The analysis shows that the net lifetime earnings gain of students entering university in 2017-18 and completing a full-time undergraduate degree is €106,000 in today’s money terms. This figure is net of the costs incurred by students in obtaining their degrees as well as the costs of income foregone while attending university and all taxes and charges.

The net lifetime earnings gain for Master’s Degree holders rises to €146,000 in today’s money terms. The net lifetime earnings gain for PhD graduates rises by a further €116,000 on top of the undergraduate earnings premium totalling €222,000.

On the basis of these figures, the total lifetime income benefits, expressed in current money terms, for the cohort of students who entered university in 2017-18 is €2,566 million. These estimates are based on a conservative modelling approach including a 4% discount rate in accordance with the latest Staff Paper on appraisal parameters published by the Department of Public Expenditure and Reform.
Net earnings gain compared to those with no third level education:

- Undergraduate degree holder: €106,000
- Master’s degree holder: €146,000
- PhD holder: €222,000
University graduates also contribute directly to the Exchequer in the form of higher personal taxes arising from their earnings premium. Indecon has calculated the additional taxes paid by graduates over their lifetime and deducted the costs incurred by the Exchequer in providing university education. The analysis shows a net gain to the Exchequer of €62,000 on average. This can rise to €126,000 for PhD holders.
Combining the Exchequer gain for the full cohort of students who entered university in 2017-18 yields a cumulative Exchequer gain of €1,606 million over the lifetime of those students in today’s money terms.

This analysis which shows a substantial yield to the Exchequer, takes full account of tax receipts from these individuals had they not attended university and is a realistic estimate of the actual net benefit of these graduates to the Exchequer.
Direct Impact
The seven universities covered by this study employed a total of 15,724 full-time equivalents (FTEs) in 2017. In addition, Indecon estimates that a further 6,077 FTEs are accounted for through indirect and induced employment. This brings the total employment benefit from Irish universities to 21,801 FTEs.

Indirect and Induced Impact
Universities also contribute to the wider economy through other forms of expenditure. This includes indirect or knock-on business activity arising from university expenditure as well as the induced effects such as additional impact of household consumption.

Cumulatively, this amounts to an impact of €3.96 billion.
AND WIDER ECONOMY IMPACT ON EMPLOYMENT

€626 MILLION INDIRECT

€1,170 MILLION INDUCED

€2,160 MILLION DIRECT

DELIVERING FOR IRELAND – AN IMPACT ASSESSMENT OF IRISH UNIVERSITIES
Universities have attracted increasing numbers of international students in recent years with more than 100 countries represented across the seven universities. Apart from the fees generated from these students, they also bring spending power to the local economy and are, in effect, regarded as export earnings for Ireland.

Irish universities represent the largest destination for international students in Ireland, accounting for 73% of all international students studying in Ireland.

Indecon has estimated the net benefit to the Irish economy arising from the international student cohort. The analysis deducts the costs to the Exchequer and accounts for the varying fee levels between EU and non-EU students.
ESTIMATED TOTAL ANNUAL EXPORT INCOME GENERATED FOR THE IRISH ECONOMY FROM INTERNATIONAL STUDENTS

€386 MILLION

IN 2017-18 THERE WERE 16,701 FULL-TIME NON-IRISH STUDENTS LIVING IN IRELAND
The significant role of the seven IUA universities in Irish social and cultural life should not be underplayed. They are deeply embedded in the communities in which they are located with socio-cultural activities spanning tourism, sport, music and entertainment, arts and culture.

Culturally, universities provide support and creative skills for the wider community. The majority of people in arts-related occupations have a degree or higher including over 80% of authors, writers and translators.
The university experience has a powerful and life-lasting impact on graduates well beyond their academic qualification. A survey of alumni by Indecon that attracted 6,600 respondents showed the vast majority saying that university had a very positive or positive impact on a range of social, cultural and economic outcomes.

75% + OF ALUMNI SAY UNIVERSITY HAD A VERY POSITIVE OR POSITIVE IMPACT ON:

- Providing skills for creative activities
- Increasing local spend
- Developing cultural activities
- Facilitating social mobility

AND CULTURAL IMPACTS
University students are actively engaged in a variety of volunteering activities.

Over 17,500 students from the 2017-18 academic year engaged in volunteering representing a value of €28.4 million.*

* Based on formally recorded hours on StudentVolunteer.ie and estimates from CSO and other data. It is likely that the actual level of voluntary activities is higher but not all are formally recorded.
Irish universities play an important role in supporting social mobility and access to higher education. Across the seven university campuses, the student body is increasingly reflective of our diverse society by supporting social mobility and access to higher education for those from socio-economically disadvantaged backgrounds and for those with disabilities.

The Higher Education Access Route (HEAR) and Disability Access Route to Education (DARE) have successfully promoted access to education nationally. Between 2015-2017 over 15,600 students accepted an offer through either DARE or HEAR.

25% OF NEW UNIVERSITY ENTRANTS IN 2017-18 CAME FROM PRIORITY ACCESS SCHEMES