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The Economic Contribution of the Finnish Universities:

Executive Summary Report



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BiGGAR Economics

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Executive Summary

Introduction

This report summarises the economic contribution made by 14 publicly-owned Universities in Finland. This report was commissioned by UNIFI and its partners in order to better understand the collective role played by the institutions in supporting the wider economy.

There are 17 towns and cities throughout Finland that have main university campuses or host a University Consortia. The Universities are central features in these locations, bringing an added attractiveness and vibrancy to the areas.



The main university towns in Finland have grown at seven times the rate of non-university towns over the last 35 years.

Wider Role of Higher Education

Successive governments have managed the placement of the Universities throughout the country in order to extend the reach of education to as many people as possible.

As a group, the Universities are firmly embedded into the wider economic, social and commercial life of Finland and have an active approach to transferring knowledge, collaborating and supporting innovation. This ensures that the benefits of higher education are widely disseminated.

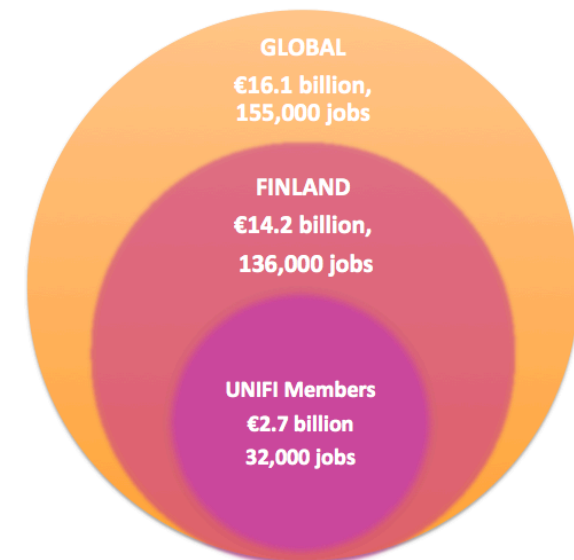
They have been key drivers in the transition of the country from a resource-based to a knowledge-based economy and play a central role in keeping the country strong and building-in economic resilience.

Total Economic Contribution

In 2016, the 14 Finnish Universities had a core income of €2.7 billion and employed 32,000 people. The work of the Universities and the expenditure of those directly employed by them has a multiplier effect

throughout the economy which generates further activity throughout the supply chain.

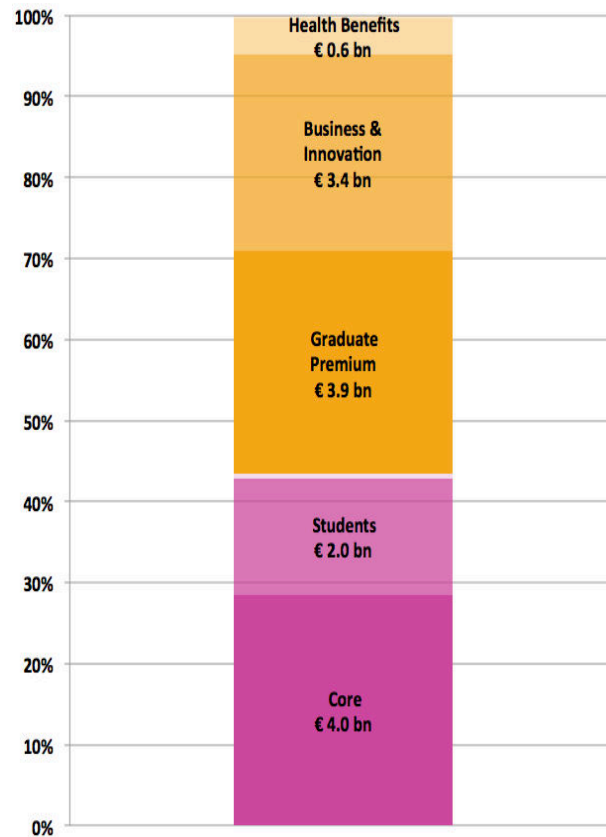
This creates a total economic contribution of €16.1 billion GVA and supports 155,000 jobs in Finland and beyond. **88% of this impact occurs in Finland, amounting to €14.2 billion GVA and 136,000 jobs.** A further 8% occurred in Europe and the remaining 4% occurred elsewhere in the world.



To put this in context, this €14.2 billion represents 6.6% of Finnish economic output and 136,000 jobs is equivalent to 5.5% of total employment in Finland.

Sources of Contribution

Contributions fall into two main groups: *Incidental* and *Purposeful* Benefits.



43% of the total contribution comes from the *incidental benefits* (core and student activities). The remaining 57% of the contribution comes from *purposeful benefits* (graduate premium, business and innovation support and health research) that represent the wider added value work of the Universities.

Core Contribution

The core University activities of employing staff, purchasing supplies and investing in capital and infrastructure is worth €4.0 billion GVA and 60,000 jobs in Finland.

From the core income of the Universities:

- €1.7 billion was spent on wages and salaries which supports a further 18,000 jobs in Finland through expenditure in the economy;
- €532 million was spent on buying in goods and services which supports 7,000 jobs in Finland throughout the supply chain; and
- €267 million was spent on improving buildings and research infrastructure at all sites throughout the country. This supports 3,000 jobs in Finland, mainly in the construction sector.

The supply chain for Finnish Universities has a strong local component: over 93% of expenditure on goods and services was with Finnish companies.

Student Contribution

There were 148,100 full-time students at the Finnish Universities in the 2015/16 academic year.

Students also create an economic contribution whilst studying. This arises from:

- their spending habits,
- working part-time, and
- volunteering for businesses and organisations.

This supports an estimated €2.0 billion GVA and 35,000 jobs in Finland and €2.3 billion GVA and 38,000 jobs globally through multiplier effects.



Tourism Contribution

A further economic contribution comes from tourism expenditure that arises as a result of: visits to staff and students from friends and family, business trips and from people attending conferences and events hosted by the Universities.

This supports an estimated €78 million GVA and 2,000 jobs in Finland.



The increasing internationalisation of the student population at Finnish Universities and the growing involvement of the Universities in global research networks are all factors in supporting this element of the contribution.

Business & Innovation

Throughout the Finnish University network, there are many good examples of research and support services for both new start business and also for existing business that want to grow and enter new markets.: a key driver for economic growth and development. Examples of this work include:

- Support to Spin-outs and start-up companies;
- University owned enterprises;
- Services to Businesses;
- Science and business park services.
- Technology licensing and innovation; and
- Student placements.

Collectively these activities generate an economic contribution of €3.4 billion GVA and 39,000 jobs in Finland and €4.3 billion GVA and 49,000 jobs globally through multiplier effects.



Graduate Premium

As a general rule, an individual with a degree will earn more over the course of their working life than one who has not been to university. This is referred to as the graduate premium and it differs according to degree subject.

There were approximately 33,000 graduates from Finnish Universities in 2016 and it is estimated that this group of people will generate an additional €4.0 billion GVA globally over their working life.



A Responsive Sector

It is clear that the Universities play a central role in the economic life of the country; therefore any changes in their scale will have implications across the economy.

The Universities as a group have recently experienced a significant number of changes in terms of scale and funding. They have responded by streamlining their services and maximising individual competitive advantages. Looking to the future, there is a focus on further developing and extending the contribution of the Universities through collaborative ventures, building networks and attracting international students.