



The economic and social impact of The University of Manchester

Executive Summary for The University of Manchester

February 2025

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Executive Summary






London Economics were commissioned by The University of Manchester to analyse the economic and social impact of the University's activities, focusing on the 2022-23 academic year. Specifically, the analysis considers the impact associated with the University's research and knowledge exchange activities, teaching and learning activities, educational exports, operating and capital expenditures, and its contribution to tourism.

The aggregate economic impact of The University of Manchester

The total economic impact on the UK economy associated with The University of Manchester's activities in 2022-23 was estimated at approximately **£7.3 billion** (see Table 1).¹ In terms of the components of this impact, the value of the University's **research and knowledge exchange activities** stood at **£3.0 billion (42% of the total)**, while the impact associated with the University's **teaching and learning activities** accounted for **£1.6 billion (22%)**. The impact generated by the **operating and capital expenditures of the University** was estimated to be **£881 million (12%)**, and the impact of the University's **international students** accounted for **£1.6 billion (22%)**. The remaining **2%** of the economic impact (**£144 million**) was from the impact of **tourism** activities associated with the University.

The total economic impact associated with The University of Manchester's activities in 2022-23 stood at £7.3 billion.

Table 1 Total economic impact of The University of Manchester's activities in the UK in 2022-23 (£m and % of total)

Type of impact	£m	%
 Impact of research and knowledge exchange	£3,050m	42%
Research activities	£2,471m	34%
Knowledge exchange activities	£578m	8%
 Impact of teaching and learning	£1,583m	22%
Students	£778m	11%
Exchequer	£805m	11%
 Impact of international students	£1,606m	22%
Tuition fee income	£920m	13%
Non-tuition fee income	£686m	9%
 Impact of the University's spending	£881m	12%
Direct impact	£364m	5%
Indirect and induced impact	£517m	7%
 Impact of tourism	£144m	2%
Direct impact	£59m	1%
Indirect and induced impact	£84m	1%
Total economic impact	£7,263m	100%

Note: All estimates are presented in 2022-23 prices, rounded to the nearest £1m, and may not add up precisely to the totals indicated. The percentage figures in the brackets represent the proportion of total impact in that region associated with the strand/sub-strand of analysis. **Source: London Economics' analysis**

¹ All estimates here are presented in terms of economic output (equivalent to income/turnover). The impact of the University's knowledge exchange activities, educational exports, institutional expenditures and related tourism can also be converted into gross value added (GVA) and full-time (FTE) employment, and these additional findings are provided within the relevant sections throughout this report.

Compared to The University of Manchester's relevant operating costs of approximately **£1.1 billion** in 2022-23,² the total impact of the University's activities on the UK economy was estimated at **£7.3 billion**, which corresponds to a **benefit-to-cost ratio of approximately 6.4:1**.

In addition to assessing the University's impact on the UK economy as a whole, it is also possible to estimate the economic impact of a number of strands of the University's activities on **Greater Manchester**, and on the wider **North West**. Specifically, we estimated the direct, indirect and induced economic impacts of the University's research and knowledge exchange activities, the spending of the University's international students, the University's institutional expenditures, and contribution to tourism in the Greater Manchester and North West economies.³ Approximately **£3.7 billion (51%)** of The University of Manchester's total impact can therefore be disaggregated geographically, of which approximately **£2.1 billion (56%)** occurred in **Greater Manchester**, and **£2.5 billion (68%)** was generated throughout the **North West as a whole**. Compared to the University's relevant operating costs of approximately **£1.1 billion** in 2022-23, this suggests that every £1 million of the University's operational expenditure generates **£6.4 million** of economic output in the UK, of which at least **£1.8 million** is generated in **Greater Manchester**, **£0.4 million** in the **rest of the North West** and **£4.1 million** in the **rest of the UK**.⁴

In terms of the number of full-time equivalent (FTE) jobs supported, the University itself directly employed **10,495** FTE staff in 2022-23, which equates to around **4%** of total employment in Manchester.⁵ The analysis indicates that the University's activities supported a total of **31,310** FTE jobs across the UK economy in 2022-23, of which **19,050** were located in **Greater Manchester**, and **22,415** were supported throughout the **North West as a whole**. Compared to the **10,495** FTE jobs directly provided by the University, this suggests that **for every 100 FTE jobs directly provided by the University, around 198 additional FTE jobs are created outside the University**, of which **82** are located in Greater Manchester, **32** in the rest of the North West and **85** in the rest of the UK.⁶

The impact of The University of Manchester's research and knowledge exchange activities

To estimate the economic impact associated with the University's **research activity**, we used information on the total research-related income received by the University from Research England and other sources (e.g. UK Research Councils, central and local government, charities etc.) in 2022-23, which stood at **£377 million**.

We assessed the direct, indirect, and induced economic impacts associated with the University's research activity, using economic multipliers derived from a (multi-regional) Input-Output model. After accounting for **£267 million** of Exchequer costs and adjusting for double-

**The estimated impact of
The University of
Manchester's research
and knowledge exchange
activities in 2022-23
stood at £3.0 billion.**

² This relates to the University's total operating expenditure, excluding capital expenditure, depreciation and amortisation.

³ It is not possible to attribute the impact of the other strands of economic impact to any specific UK region (i.e. there is no regional breakdown available for the estimated productivity spillovers associated with the University's research, or for the impact of the University's teaching and learning activities).

⁴ Some of this £4.1 million may take place in Greater Manchester and the North West (e.g. through graduate mobility or productivity improvements), but it is not possible to attribute this impact to a specific UK region. Totals do not sum due to rounding.

⁵ Based on the University's **11,375** staff (in headcount terms) in 2022-23, compared to total employment in Manchester of **281,300** between July 2022 and June 2023 (based on data from the Annual Population Survey (Nomis, 2024a)).

⁶ Totals do not sum due to rounding.

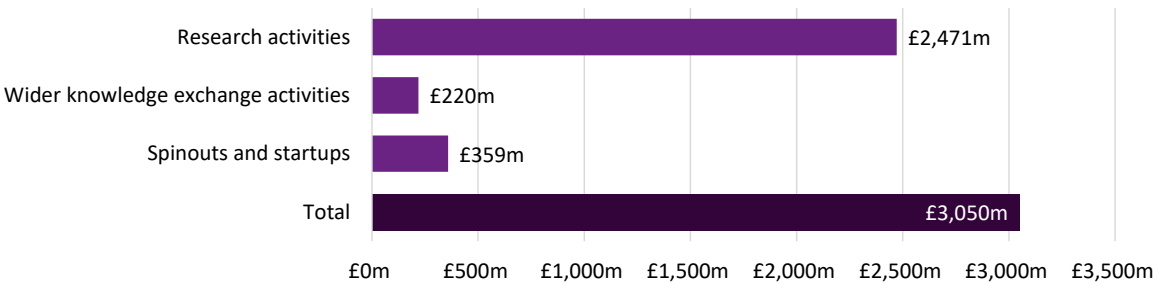
counting with other strands, the **net direct, indirect, and induced impact of the University's research** was estimated at **£526 million**.

In addition, existing academic literature⁷ finds strong evidence of **productivity spillovers** from public investment in university research. Applying estimates from the academic literature, our analysis estimates an average spillover multiplier of **5.95**, suggesting that **every £1 invested in The University of Manchester's research activities generates an additional annual economic output of £5.95 across the UK economy through positive productivity spillovers to the UK private sector**, resulting in total estimated spillovers of **£1.9 billion**. This results in a total economic impact associated with the University's research activities of **£2.5 billion** in 2022-23.

In addition to The University of Manchester's research, the analysis estimated the direct, indirect, and induced impact associated with the University's **knowledge exchange activities**. This includes the activities of the University's 343 **spinout** and **start-up companies** (of which 175 were headquartered in Greater Manchester, with a turnover of **£129 million** and employing **1,195 FTE** staff); **contract research** and **consultancy services** provided by the University; **business and community courses**; **facilities and equipment hire**; and **licensing of the University's IP** to other organisations. The analysis estimates that these knowledge exchange and commercialisation activities generated a total of **£578 million** of impact across the UK economy in 2022-23.

The combined economic impact associated with The University of Manchester's research and knowledge exchange activities in 2022-23 was therefore estimated to be **£3.0 billion** (see Figure 1). In terms of full-time equivalent (FTE) employment, the analysis estimates that the University's research and knowledge exchange activities supported approximately **10,760 FTE** jobs, of which **6,040** are located in **Greater Manchester**, with a total of **7,305** jobs supported throughout the **North West as a whole**.

Figure 1 Total economic impact of The University of Manchester's research and knowledge exchange activities in 2022-23, £m



Note: All values are presented in 2022-23 prices, rounded to the nearest £1 million, and may not add up precisely to the totals indicated. **Source: London Economics' analysis**

The impact of The University of Manchester's teaching and learning activities

With the University ranking 6th in the UK and 34th in the world in the QS World University Rankings 2025,⁸ and as the third largest higher education institution in the UK,⁹ The University of Manchester's teaching and learning activities provide substantial benefits to the UK economy. The

⁷ See Haskel and Wallis (2010), and Haskel et al. (2014a).

⁸ See QS (2024).

⁹ Based on student data published by the Higher Education Statistics Agency (see HESA, 2024e).

analysis of the impact of these activities estimates the **enhanced employment and earnings benefits to graduates** and the **additional taxation receipts to the public purse** associated with higher education qualification attainment at the University.¹⁰ The analysis is tailored to the characteristics of the **9,805** UK domiciled students who started a higher education qualification at the University in the 2022-23 academic year. Of these students, around **1 in 4 (23%)** came to the University from **Greater Manchester** with a further **1 in 4 (24%)** from **London and the South East** (combined).

Incorporating both the expected costs associated with qualification attainment and the labour market benefits expected to be accrued by students/graduates over their working lives, the analysis estimates that the **net graduate premium** achieved by representative UK domiciled students in the 2022-23 cohort completing a **full-time first degree** (with a Level 3¹¹ qualification as their highest level of prior attainment) stands at approximately **£97,000** (in 2022-23 money terms). Separately, taking account of the benefits and costs to the public purse, the corresponding **net Exchequer benefit** associated with these students was estimated at **£102,000**.¹²

The net graduate premiums and net Exchequer benefits per student were combined with information on the number of UK domiciled students starting qualifications at The University of Manchester in the 2022-23 academic year, as well as expected completion rates. The resulting aggregate economic impact generated by the University's teaching and learning activities associated with the 2022-23 cohort stood at approximately **£1.58 billion** (see Table 2). This total is split roughly evenly between the Exchequer and students/graduates: **£805 million (51%)** of the total economic benefit is accrued by the Exchequer, while the remaining **£778 million (49%)** is accrued by students/graduates undertaking qualifications at The University of Manchester.

The total economic impact of teaching and learning generated by the 2022-23 cohort of University of Manchester students stood at £1.6 billion.

¹⁰ The estimation of the net graduate premiums and net Exchequer benefits is based on a detailed econometric analysis of the Labour Force Survey. The analysis considers the impact of higher education qualification attainment on earnings and employment outcomes; however, as no information is specifically available on the particular higher education institution attended, the analysis is *not* specific to University of Manchester alumni. Rather, the findings from the analysis are adjusted to reflect the characteristics of the 2022-23 cohort of University of Manchester students to the greatest extent possible (e.g. in terms of mode of study, level of study, subject mix, domicile, gender, average age at enrolment, or duration of qualification).

¹¹ Based on the Regulated Qualifications Framework (RQF) used in England, Wales, and Northern Ireland.

¹² The full set of estimated net graduate premiums and net Exchequer benefits per student is presented in Annex A2.3.8.

Table 2 Impact of The University of Manchester's teaching and learning activities associated with the 2022-23 cohort (£m), by type of impact, domicile, and level of study

Beneficiary and study level	Domicile				
	England	Wales	Scotland	Northern Ireland	Total
Students	£731m	£30m	£7m	£10m	£778m
Undergraduate	£535m	£23m	£3m	£8m	£568m
Postgraduate	£196m	£7m	£4m	£2m	£210m
Exchequer	£756m	£31m	£7m	£11m	£805m
Undergraduate	£558m	£24m	£3m	£9m	£594m
Postgraduate	£198m	£7m	£4m	£2m	£211m
Total	£1,487m	£61m	£14m	£22m	£1,583m
Undergraduate	£1,092m	£47m	£6m	£17m	£1,162m
Postgraduate	£394m	£14m	£8m	£5m	£421m

Note: All estimates are presented in 2022-23 prices, discounted to reflect net present values, rounded to the nearest £1m, and may not add up precisely to the totals indicated.

Source: London Economics' analysis

The impact of The University of Manchester's educational exports

With The University of Manchester attracting a large number of international students each year, the University's higher education offer represents a tradeable activity with imports and exports like any other tradeable sector. The economic impact of the University's contribution to educational exports is based on the **direct** injection of **tuition fee** and **non-tuition fee income** from its international students. As with the University's research and knowledge exchange activities, this income generates additional **indirect and induced impacts** throughout the UK economy, through supply chain and wage income effects. The analysis focuses on the cohort of **9,580** non-UK domiciled students who started qualifications at The University of Manchester in the 2022-23 academic year. Of these students, **390 (4%)** were EU domiciled, and **9,190 (96%)** were from non-EU jurisdictions.

Combining the estimated tuition fee income (net of The University of Manchester's cost of fee waivers and bursaries for international students) and non-tuition fee income associated with international students in the 2022-23 cohort, the **total export income (i.e. direct impact)** generated by this cohort stood at **£634 million**. Around **56%** of this income (**£357 million**) was generated from international students' (net) tuition fee expenditure accrued by The University of Manchester, while the remaining **44%** (**£277 million**) was generated from these students' non-tuition fee expenditure (e.g. including costs related to accommodation, subsistence, course-related purchases, and travel).

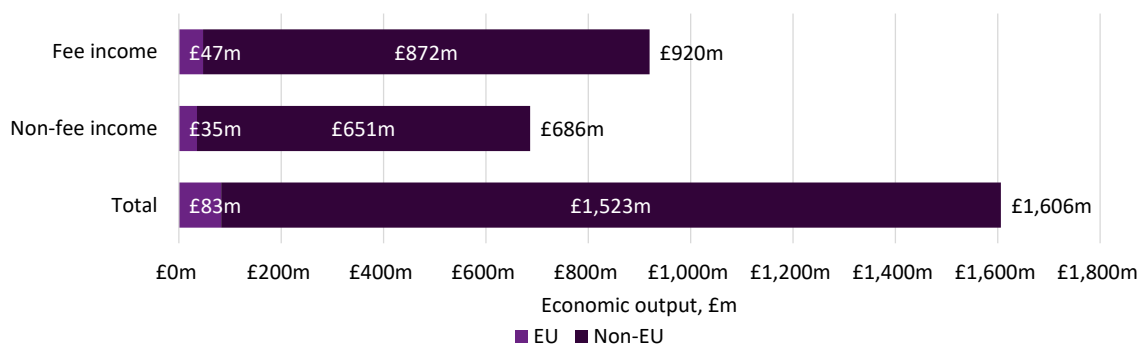
The total (direct, indirect, and induced) economic impact associated with this income was again estimated using relevant economic multipliers, identifying the extent to which the expenditures of international students generate additional activity throughout the UK economy. We thus estimate that the **total economic impact** on the UK generated by the (net) fee income and non-fee income associated with international students in the 2022-23 University of Manchester cohort amounts to **£1.6 billion**. Of this total, **£920 million** was associated with international

The impact of the export income generated by the 2022-23 University of Manchester cohort of international students stood at £1.6 billion.

students' (net) **tuition fees**, and **£686 million** was associated with their non-free expenditures over the duration of their studies at The University of Manchester (see Figure 2).

In employment terms, these educational exports supported an estimated **13,180 full-time equivalent jobs** across the UK as a whole, including **8,210** supported in **Greater Manchester** and a total of **9,590** jobs supported throughout the **North West as a whole**.

Figure 2 Impact of The University of Manchester's educational exports associated with international students in the 2022-23 cohort (£m), by domicile and type of income



Note: All estimates are presented in 2022-23 prices, discounted to reflect net present values, rounded to the nearest £1m, and may not add up precisely to the totals indicated.

Source: London Economics' analysis

The impact of The University of Manchester's expenditure

The University of Manchester's significant physical footprint supports jobs and promotes economic growth throughout Greater Manchester and the wider UK economy. This is captured by the **direct, indirect, and induced impact** associated with the University's expenditures. The **direct impact** of the University's physical footprint was based on its operating and capital expenditures. In the 2022-23 academic year, The University of Manchester incurred a total of **£1.2 billion** of expenditure (including **£1.1 billion** of operating expenditure¹³ and **£79 million** of capital expenditure). From this total, we deducted **£857 million** to avoid double-counting across other areas of economic impact, which resulted in a net direct impact of **£364 million**.

The impact of the University's expenditure on the UK economy in 2022-23 stood at £881 million.

In addition, the University's income in 2022-23 stood at **£1.3 billion**, which was larger than that of Manchester City, Manchester United, or Manchester Airports Group.¹⁴

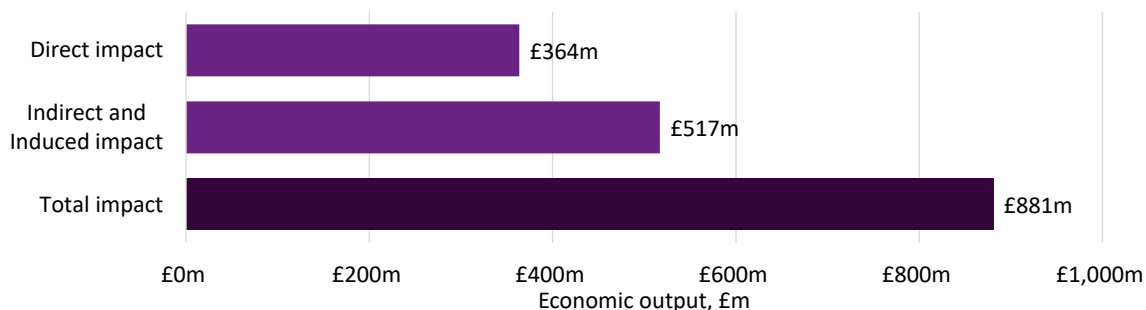
Again, the direct increase in economic activity resulting from the University's expenditures generates additional rounds of spending throughout the economy (through the University's supply chains and the spending of its staff). Applying relevant economic multipliers, the **total direct, indirect, and induced impact** associated with the University's expenditures in 2022-23 was estimated at **£881 million** (see Figure 3). The majority of this impact (**£499 million, 57%**) occurred in **Greater Manchester**, and a total of **£600 million (68%)** was accrued throughout the **North West**

¹³ The total operational expenditure (excluding capital expenditure) of the University stood at **£1.2 billion**. From this, for the purpose of the analysis, we excluded a total of **£96 million** in depreciation and amortisation costs, as it is assumed that these are not relevant from a procurement perspective (i.e. these costs are not accounted for as income by other organisations).

¹⁴ See [here](#), [here](#) and [here](#) for the relevant 2022-23 financial statements.

as a whole. In addition, around one-third (**31%**) of the University's procurement expenditure took place in Greater Manchester.

Figure 3 Impact associated with The University of Manchester's expenditure in the 2022-23 academic year (£m)



Note: All estimates are presented in 2022-23 prices, rounded to the nearest £1m, and may not add up precisely to the totals indicated.

Source: London Economics' analysis

In terms of the number of FTE jobs supported, the University's expenditures¹⁵ supported a total of **6,065** FTE jobs across the UK economy in the 2022-23 academic year, of which **3,960** were based in **Greater Manchester**, while **4,550** jobs were supported across the **North West as a whole**.

In total, the University employed **10,495** FTE staff in 2022-23, of which around **three-quarters (74%)** lived in Greater Manchester.

The impact of The University of Manchester's contribution to tourism

As a final strand of impact, the University attracts a range of visitors to Manchester, including business visitors, friends and family visiting the University's staff and students, and participants in study trips to the University.

To understand the economic impact associated with the University's contribution to tourism through the attraction of these visitors, we estimated the number of visitors to Manchester in 2022-23 that were associated with the University's presence. The analysis focuses only on visits to Manchester that involved overnight stays by visitors from overseas, as it is assumed that any domestic (day or overnight) visits to Manchester would have displaced activity from other regions of the UK (and should not be considered 'additional' to the UK economy). Out of a total of **1,230,000** overnight visits from overseas visitors to Manchester, we estimate that approximately **51,000** resulted from the University's activities. Combined with information on the average trip expenditure per visitor, the **direct impact** of the University's contribution to tourism was estimated at **£59 million**.

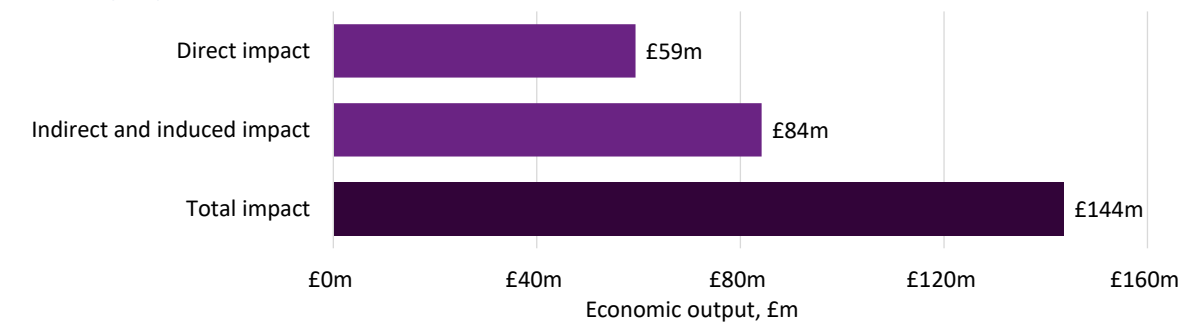
¹⁵ Again, after adjusting for double-counting with the other strands of economic impact considered here.

As with the University’s research and knowledge exchange activities, educational exports, and the spending of the University, this visitor expenditure results in subsequent rounds of expenditure throughout the UK economy. Again, this is measured by the **indirect, and induced impacts** associated with these expenditures, estimated by applying relevant economic multipliers to the direct impact. Using this approach, the analysis indicates that the **total direct, indirect, and induced impact** of the visitor expenditure generated by The University of Manchester stood at approximately **£144 million** (see Figure 4).

The impact of the University’s contribution to tourism in 2022-23 stood at **£144 million.**

In terms of the number of FTE jobs supported, the University’s contribution to tourism activities supported an estimated **1,295** FTE jobs across the UK economy in the 2022-23 academic year, of which **840** were based in **Greater Manchester**, while **970** jobs were supported across the **North West as a whole**.

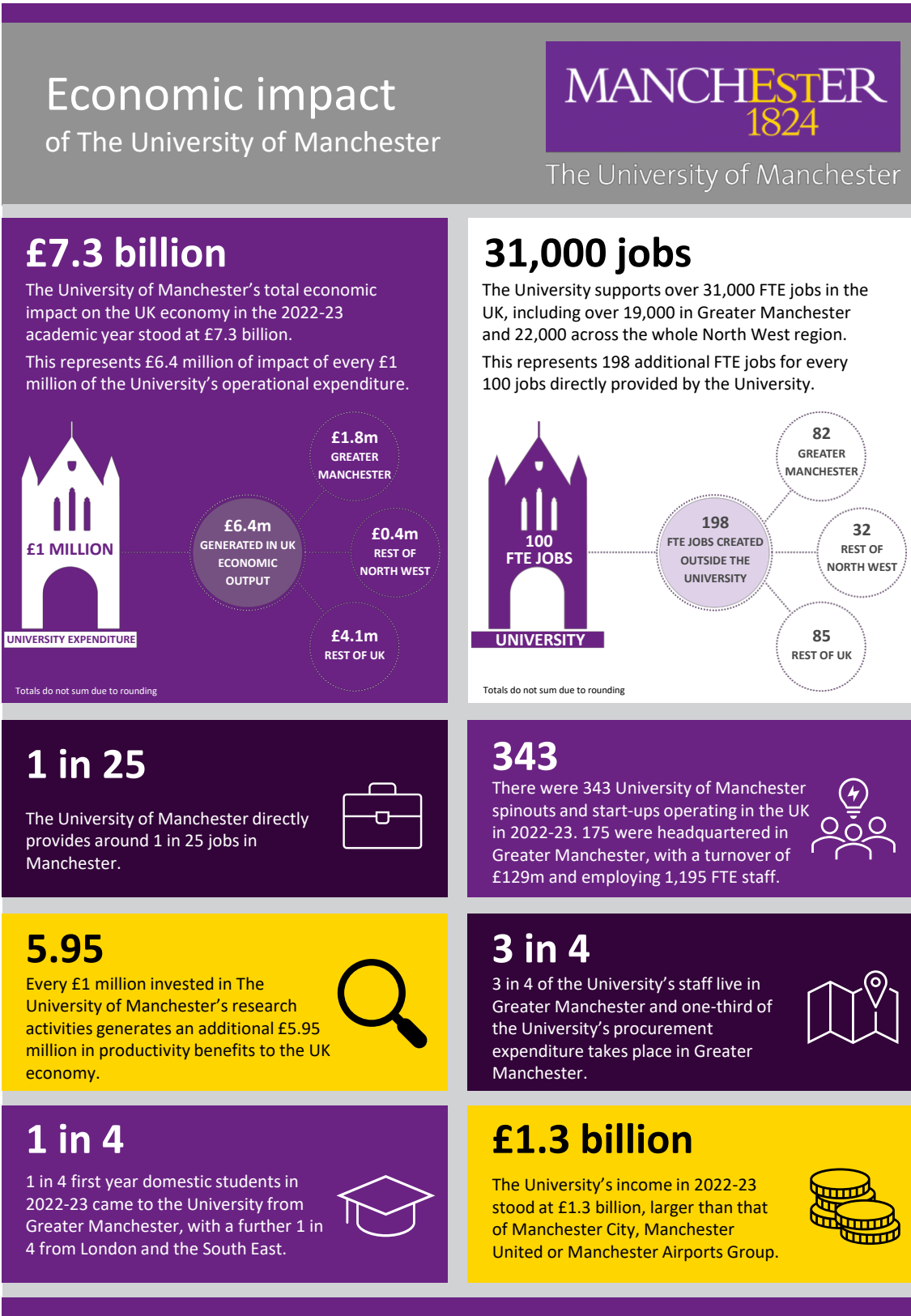
Figure 4 Impact associated with The University of Manchester’s contribution to tourism in 2022-23 (£m)



Note: All estimates are presented in 2022-23 prices, rounded to the nearest £1m, and may not add up precisely to the totals indicated.
Source: *London Economics’ analysis*

Figure 5 summarises a range of key impact statistics for The University of Manchester in the 2022-23 academic year.

Figure 5 The University of Manchester’s key statistics from 2022-23





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