

# DEMONSTRATING THE VALUE OF THE *West Yorkshire Consortium of Colleges*

## FACT SHEET

## ANALYSIS OF THE SOCIAL & ECONOMIC IMPACT OF LEARNING

### OVERVIEW

The West Yorkshire Consortium of Colleges (WYCC) has a significant positive impact on its main stakeholder groups: learners, society, taxpayers, and the local business community. Using a two-pronged approach that involves an investment analysis and a regional economic impact analysis, the model applied in this study calculates the benefits to each of these groups. This fact sheet presents the key findings.

## INVESTMENT ANALYSIS

### BENEFITS TO LEARNERS

- Learners as a whole paid a total of **£48.1 million** to cover the cost of tuition fees and books and supplies at WYCC member colleges in 2011-12. All learners also forwent **£557.9 million** in earnings that they would have generated had they been working instead of learning.
- In return for the monies that learners invest in WYCC member colleges (i.e., in the form of tuition fees and forgone earnings), they will receive a present value of **£1.7 billion** in increased earnings over their working lives.
- Every £1 that learners pay for their education at WYCC member colleges yields **£2.80** in higher future wages. This translates to a **10.3%** annual return on their investment.

### BENEFITS TO SOCIETY

- Society as a whole invested **£1.3 billion** in WYCC and its member colleges through direct outlays and the loss of potential output from learners who spent time at one of the member colleges rather than working.
- In return, society in the UK will receive a present value of **£3.7 billion** over the course of the learners' working lives, in the form of an expanded tax base and a variety of social benefits related to reduced crime, lower unemployment, and increased health and well-being.
- Society will receive **£2.90** in return for every £1 invested in WYCC and its member colleges. The average annual return on investment is **11.3%**.

### BENEFITS TO TAXPAYERS

- Taxpayers in the UK paid **£219.3 million** to support the operations of WYCC member colleges in 2011-12.
- The present value of the added tax revenue stemming from the learners' higher lifetime incomes and the increased output of businesses amounts to **£578.2 million** in benefits to taxpayers. Avoided costs to the public sector adds another **£43.4 million** in benefits due to a reduced demand for government-funded social services in the UK.

### FOR EVERY £1 SPENT

<b>£2.80</b>	Gained in lifetime higher earnings for learners
<b>£2.90</b>	Gained in added income and savings to society
<b>£2.80</b>	Gained in added tax receipts and avoided costs to taxpayers

- Taxpayers see an average annual return of **11.3%** on their investment in WYCC member colleges. The corresponding benefit-cost ratio is **£2.80** in benefits returned for every £1 in costs.

## REGIONAL IMPACT ANALYSIS

### IMPACT OF STAFF & MEMBER COLLEGE EXPENDITURE

- WYCC member colleges employed **5,993** full-time equivalent (FTE) staff in 2011-12. Staff costs amounted to **£170.2 million**, much of which was spent in the West Yorkshire Region to purchase groceries, clothing, and other household goods and services.
- The WYCC member colleges are buyers of goods and services and spent **£101.8 million** to support their operations in 2011-12. Member college expenditure further benefited many local suppliers in the West Yorkshire Region.
- The net impact of staff and member college expenditure in the West Yorkshire Region comes to approximately **£214.2 million** in added income in the regional economy each year.

### IMPACT OF LEARNER EXPENDITURE

- Learners at WYCC member colleges who relocate to the West Yorkshire Region from outside of the area spend money at local shops to buy books and supplies, purchase groceries, rent accommodation, pay for transport, attend sporting events, and so on.
- The expenditure of the WYCC member colleges' out-of-region learners annually adds approximately **£5.3 million** in income to the West Yorkshire Region's economy.

### IMPACT OF ADDED WORKFORCE SKILLS

- Many of WYCC member colleges' learners stay in the West Yorkshire Region. Their enhanced skills and abilities **bolster the output** of local employers, leading to higher regional income and a more robust economy.
- The accumulated contribution of former WYCC member college learners who are currently employed in the regional workforce amounts to **£1.6 billion** in added income in the West Yorkshire Region's economy each year.

### TOTAL IMPACT ON LOCAL BUSINESS COMMUNITY

- Altogether, the economic contribution of WYCC and its member colleges to the local business community in the West Yorkshire Region is **£1.8 billion** each year.
- Total added income created by WYCC and its member colleges' learners is approximately equal to **3.8%** of the total economic output of the West Yorkshire Region in 2011-12 and represents roughly **77,042** average wage jobs.

#### INCOME CREATED BY WYCC AND ITS MEMBER COLLEGES

Impact of staff and member college expenditure

**£214.2 MILLION**

Impact of non-local learner expenditure

**£5.3 MILLION**

Impact of learner skills

**£1.6 BILLION**

Total income created per year

**£1.8 BILLION**

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