

## Fact Sheet: Economic Impact of RUG & UMCG

In 2014 BiGGAR Economics<sup>1</sup> was commissioned by the Nederlandse Federatie van Universitair Medische Centra (NFU) to assess the economic impacts of the eight university medical centres (UMCs) in the Netherlands, both individually and as a group. In parallel to this study BiGGAR Economics was also commissioned to undertake an economic impact study of the University of Groningen (RUG). This fact sheet presents the key findings for RUG and UMCG combined.

### Economic Impact of RUG and UMCG

Together RUG and the UMCG are one of the main economic drivers in the Northern Netherlands. Both institutions are highly regarded by international standards and have excellent reputations in important fields of research. In 2012 RUG and the UMCG were one of the largest employers in the Northern Netherlands, directly employing 12.579 full time equivalent staff and generating €1,4 billion income.

In 2012 RUG and UMCG contributed €5,4 billion gross value added (GVA) to the Dutch economy and supported 60.402 jobs. This means that every €1 GVA directly generated by the two institutions generated €5,68 GVA for the Dutch economy and each direct job supported a total of 4,80 Dutch jobs.

The economic impact of RUG and UMCG included:

- €2,5 billion GVA and 29.997 jobs supported by the **core operations** of RUG and UMCG. This includes the staff directly employed by the two institutions and the money they spent in the economy as well as the money RUG and UMCG spent on supplies and capital projects;
- €0,8 billion GVA and 13.194 jobs generated by **students** studying at RUG. This includes the effects of student expenditure on the Dutch economy and of part-time jobs undertaken by students while studying;
- €1,1 billion GVA and 9.076 jobs supported by the **valorisation activity** undertaken by RUG and UMCG. This includes the economic impact of impacts of technology licensing, spin-out and start-up businesses, collaborative and contract research, workforce training, health gains generated by medical research and the economic benefits of social contributions made by staff;
- €201,5 million GVA and 3.397 jobs supported by the wider **catalytic effect** that RUG and UMCG have on the Dutch economy. This includes the role the institutions have played in helping to attract, stimulate and retain investment in important sectors such as health and life sciences and energy and the contribution they have made to the development of physical clusters of activity such as the Groningen Healthy Ageing Campus;
- €4,8 million GVA and 76 jobs supported by additional **tourism activity** generated by visitors to staff, students and patients and attendance at conferences and open days; and
- €870,3 million GVA and 4.662 jobs associated with the impact of **teaching and learning** on enhanced lifetime earnings for RUG and UMCG graduates.

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<sup>1</sup> BiGGAR Economics is an independent economic consultancy based in Scotland with substantial experience of assessing the economic impacts associated with higher education and research activity. Further information about BiGGAR Economics can be found at [www.biggareconomics.co.uk](http://www.biggareconomics.co.uk)

A break-down of the total impact of RUG and UMCG by source for the Northern Provinces and the Netherlands as a whole is provided below.

	Groningen		Northern Provinces		Netherlands	
	GVA (€m)	Jobs (ftes)	GVA (€m)	Jobs (ftes)	GVA (€m)	Jobs (ftes)
Core Impact	1.029,8	13.494	1.262,9	16.263	2.459,1	29.997
Direct Effect	955,5	12.579	955,5	12.579	955,5	12.579
Supplier Effect	27,0	326	113,8	1.314	577,9	6.370
Staff Spending Effect	45,2	558	181,7	2.207	876,2	10.442
Capital Spending	2,0	31	11,9	163	49,5	606
Student Impact	357,7	8.148	469,4	9.593	784,7	13.194
Student Spending	277,0	2.810	321,1	3.278	453,9	4.712
Part-time work	80,7	5.338	148,3	6.315	330,8	8.482
Valorisation Impact	191,5	1.776	245,7	2.098	1.103,9	9.076
Technology Licensing	7,1	92	18,2	221	88,6	982
Start-ups and spin-outs	74,2	1.237	55,6	919	190,5	3.034
Collaborative Research	30,8	400	69,0	879	486,6	4.891
Workforce Training	2,8	46	5,3	79	13,1	169
Social Returns to Medical Research	10,8	-	31,8	-	259,4	-
Social Impact of Staff Time	65,7	-	65,7	-	65,7	-
Catalytic Impact	25,1	399	31,1	488	201,5	3.397
Zernike Science Park	25,1	399	31,1	488	27,9	728
Inward Investment	-	-	-	-	148,5	2.256
Investment retained	-	-	-	-	25,0	412
Tourism Impact	7,6	159	8,1	151	4,8	76
Visits to Staff & Students	0,8	17	1,1	20	1,8	29
Conferences	1,9	41	2,4	44	1,6	26
Visits to Patients	3,4	72	3,8	72	0,8	12
Open Days	1,4	29	0,8	15	0,6	10
Sub-Total	1.611,7	23.975	2.017,1	28.593	4.554,0	55.740
Impact of Teaching and Learning	274,8	178	595,5	1.140	870,3	4.662
Total inc. Impact of Teaching and Learning	1.886,5	24.154	2.612,6	29.733	5.424,4	60.402