



## Colleges Reap £14.9BN for Scottish Economy

Scotland's colleges contribute £14.9bn to the Scottish economy each year, representing 8.8 per cent of the total economic output of the nation, according to a study into the economic impact of the sector in Scotland.

The report by Economic Modelling Specialists International (EMSI) demonstrates the ways in which Scotland's colleges create value including increased earnings for learners; additional tax revenues for government; lower unemployment; upskilling; and increased productivity in the economy.

Taxpayers are said to receive £5.70 in benefits for every £1 spent on colleges throughout Scotland, while learners themselves will pocket £6.30 in future higher wages in return for every £1 spent on their college education.

Shona Struthers, Chief Executive of Colleges Scotland, said: "Colleges play a huge role in creating our future workforce. This report pinpoints the economic benefits that the sector contributes through increased earnings and employer benefits, ploughing money back into the economy and creating new businesses.

"The fact that the sector's economic productivity is equivalent to 8.8% of the total economic output of Scotland highlights the scale of its importance to the nation. In order for this to be sustained, it is vital that investment into the sector continues and that both society and businesses recognise the benefits that colleges bring."

The colleges sector employs over 10,000 full-time equivalent staff and has a large direct and indirect impact on the Scottish and UK economy. Figures from the EMSI report show that the total added income created by colleges and their learners represents approximately 600,000 average wage jobs.

The overall findings from the report show that:

- Every £1 that learners pay for their education at college yields **£6.30** in higher future wages. This translates to a **14.8%** annual return on their investment.
- Society will receive **£6.30** in benefits in return for every £1 invested in Scotland's colleges. The average annual return on investment is **16.4%**.
- Taxpayers see an average annual return of **15.6%** on their investment in the sector. The corresponding benefit-cost ratio is **£5.70** in benefits returned for every £1 in costs.
- The investment of **£1.2bn** by learners to attend Scotland's colleges in 2013-14 will deliver a present value of **£7.4bn** in increased earnings over their working lives.

The EMSI research is the first piece of research to be commissioned by Colleges Scotland into the wider economic impact of Scotland's colleges. The sector, which is taking a leading role in creating pathways to work, provides vocationally specific training and apprenticeships to deliver the skills needed by industry and commerce.

Dr Kjell Christophersen, Founder, Senior Economist, EMSI, said: "Our figures show that Scotland's colleges create significant positive benefits to learners, society, taxpayers and the business community.

“For every £1 invested by society in Scotland’s colleges, the return in benefits for society is £6.30 – that’s a 16.4% return on investment. The total economic impact of Scotland’s colleges to the business community in Scotland is £14.9 billion each year. Through our use of both an investment analysis and an economic impact analysis, we have been able to build a picture which demonstrates that the Scottish economy is a major net gainer from the investment made in the college sector.”

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