

Wednesday 27 September 2017

Scotland's Colleges Generate £20bn for the Economy

Scotland's colleges will generate additional value worth **£20 billion** for the Scottish economy in the long term, according to a new independent study.

This represents an additional **£55,000** boost to productivity in the Scottish economy per graduate over their working lives.

The study by the Fraser of Allander Institute which assesses the value of college graduates, demonstrates the contribution that Scotland's colleges make to the national and local economy, the benefits that colleges provide and the role that colleges play in helping to achieve the Scottish Government's Economic Strategy.

What is also outlined in the study are the benefits that a college education provides for individuals, including better employment prospects, increased earning potential, a lower likelihood of unemployment and opportunities for upskilling and retraining. There is also evidence to show that education can have a positive effect on health and wellbeing leading to better physical health outcomes and longer life expectancy, improved social mobility and reduced crime.

Shona Struthers, Chief Executive of Colleges Scotland, said:

"The fact that Scotland's colleges make a crucial contribution to the economy is well known and this research reinforces the key role that colleges play in delivering faster sustainable economic growth. The college sector underpins economic activity in Scotland not only through increasing the employability of learners and their earning potential, but also through helping to supply employers with a skilled workforce to increase productivity.

"Colleges are in a unique position to reach businesses, communities and individuals across Scotland, providing a national network with a regional focus and with 26 colleges. Everywhere from the Outer Hebrides to the Borders, their impact on the economy, both as individual institutions and as a sector, is far-reaching.

"Colleges also contribute to inclusive economic growth by widening access to education and vocational training opportunities and providing vital opportunities that would not otherwise be available, which boost labour market participation. Our colleges contain a broad mix of students in terms of age and background, and have a relatively high proportion of students from more challenging backgrounds. In fact, over 27% of full-time higher education students and 34% of full-time further education students at college were from the 20% most deprived areas and, according to the Sutton Trust, 90% of the growth in Scottish Higher Education participation for disadvantaged students since 2006 has been through college. This demonstrates the important work that colleges do to improve income equality and inclusive growth.

"Colleges are not just vital to more disadvantaged students, but to a wide range of students who feel more able to maximise their potential at college due to the more flexible learning routes and the wide range of professional, technical and vocational training available. The experience of going to college can help learners develop life skills and boost employment prospects which in turn benefits the Scottish economy through a more productive, flexible and skilled workforce.

"The clear message from this study is that it is this skilled workforce that is vital for economic growth as it is a key driver of productivity. It is the college sector who will be central to providing this workforce."

Graeme Roy, Director, Fraser of Allander Institute, said:

"Our analysis examines the economic contribution that a cohort of college graduates makes to the Scottish economy over the long-term. By boosting the stock of human capital, the college sector makes an important contribution to Scotland's sustainable economic growth rate."

Deputy First Minister, John Swinney MSP, said:

"This is a positive report which confirms what we already knew - that college graduates make a huge contribution to the Scottish economy."

"It shows that colleges are of great benefit to their graduates individually and that collectively they are delivering the long-term sustainable and inclusive economic growth which is vital to Scotland's success."

The overall findings from the report show that for the years studied:

- The Scottish economy will be better off **over £20 billion** over the working lives of the college graduates.
- There will be an **additional £55,000 boost to productivity** for the Scottish economy per graduate.
- Scotland's colleges spent over **£663 million** to support this economic activity, helping to create jobs and boost economic growth.
- The investment is also estimated to **support 13,896 FTE jobs**.
- The total costs to the public sector of investing in these learners through nationally-recognised qualifications was approximately £2.4 billion – **just 35% of the cumulative tax revenues generated** over the long-term.
- The increase in public sector revenues is estimated to be **£6.8 billion**.
- In 2015/16, over **227,000 students** attended college and are estimated to have achieved 70 million hours or **8,000 years of learning** in total.
- Colleges provide **28% of all higher education level study in Scotland**.
- Scotland's colleges also directly employ around **11,000 staff across the sector**. As well as the direct impact of providing employment, colleges also create an economic ripple effect through staff and college spending, benefitting local suppliers.

ENDS

For further information, please contact Joanne Buchan, Public Affairs and Communications Officer:

Tel: 01786 892012

Mobile: 07590 229 707

Email: joanne.buchan@collegesscotland.ac.uk