

This research brief series is intended to provide overviews of different strands of research associated with the Impact of Higher Education Institutions on Regional Economies research initiative.

The initiative is a major research venture jointly funded by the Economic and Social Research Council (ESRC) together with the four UK Higher Education Funding Bodies in England, Scotland, Wales and Northern Ireland. The initiative involves researchers from across the UK and is coordinated by the University of Strathclyde.

The initiative, which began in 2007, aims to promote better understanding of the key economic and social impacts generated by higher education institutions in the UK. There are nine projects, involving academics from across the UK, examining issues of:

- higher education institutions and regional competitiveness
- influence of students and graduates on regions
- knowledge exchange between University and Industry
- universities and community engagement

For further information about the initiative and related research, please see:
<http://www.impact-hei.ac.uk>

R E S E A R C H B R I E F S E R I E S

No. 2

The Impact of Economics and
Quality of Life on Graduate Flows
and Subsequent Innovative
Capacity of Cities in the UK

In countries moving towards a knowledge-based economy, such as the United Kingdom, people are the most important economic resource. Indeed, they are much more important than physical resources. This means that universities, which play a primary role in the generation and transfer of knowledge, potentially stand at the centre of the socio-economic development of the country and of local regions.

However, the impact of Higher Education Institutions on local economies is poorly understood. This project looks at the way young people make their choices about where to go to university, at their work aspirations and at the factors that influence their decisions. It assesses the extent to which a city's innovative capacity and economic performance attracts students and graduate employees. It also looks at whether students and graduates act as a stimulus for innovation and knowledge-based economic activity.

Key Findings

Choice of university is affected more by teaching and social life than by research

Attractive courses and high quality teaching are the most important influences on students' university choice. Quality of life in the host city and the 'feel' of the university is also important but research quality is less significant.

Criteria for selecting a university vary according to students' academic level and social background

- Undergraduates are more concerned with social aspects of a university and city
- Post-graduates and ethnic minority students look for research and teaching quality, and employment prospects
- EU students are concerned with research reputation
- First generation immigrants prefer universities with a track record for alumni employment

Graduates want to gain experience and qualifications in order to secure their desired long-term employment

Most graduates hope for permanent employment in the long-term but they may get intermediate jobs, acquire additional qualifications or take time out. Over 53 per cent end up away from their home town and they tend to work in cities with larger populations and with a higher share of professional employment.

Graduates seek employers who offer more than monetary returns

Graduates want employers who provide stimulating work and opportunities for training and development. Although salary is important, the reputation of the company and its location are also significant.

Cities that are good to live in may not be good to work in

Graduates want:

- to live in cities that are friendly, have restaurants and clubs, affordable housing and good healthcare.
- to work in cities that are friendly, offer graduate level employment, high salaries, have low unemployment and a choice of reputable employers.

Cities' economic and social outcomes are affected less by a university than by geography

University cities have:

- A higher than average per capita Gross Value Added (GVA), but they are more economically divided.
- A greater number of economically active graduates but poorer average performance of children at Key Stage 2.
- Larger migrant populations but they are no more ethnically diverse.
- Higher crime rates and greater polarisation in labour markets.

Implications

- Retaining graduates in local employment is a key issue in the economic development of UK cities.
- Cities that start from a low economic base will struggle to improve their relative position regardless of whether they have a university or not.
- Smaller cities suffer from not being able to offer the range of employers that larger cities can. However, graduates are attracted to live in cities with good public services and a dynamic social scene even if these cities cannot provide the jobs they want.
- Local authorities and regional development agencies could play a role in attracting graduates by providing good public services and encouraging employers into the locality.

- Employers need to broaden their 'offers' to potential graduate employees beyond the traditional package of benefits based on monetary returns.
- Universities need to consider non-academic as well as academic factors in attracting prospective students and tailor their offers to different student groups.
- New universities with interesting and varied courses could challenge the dominant position of research led universities.

Methodology

The study uses three core data sets:

1. A survey of 3,295 final year students (2007) at Sussex University, from a questionnaire about their plans for the future and their experiences and choices to date.
2. Neighbourhood statistics for the largest 100 cities in the UK, including population demographics, socio-economic characteristics, business demographics, labour market demographics and university characteristics.
3. Annual surveys 'Destinations of Leavers' from Higher Education Statistics Agency, containing data on individual qualifications, domicile before Higher Education, location of university and domicile six months after leaving, subject of study, labour market status and, if employed, standard occupational classification and standard industrial classification.

Further Information

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