



# The Economic Value of the University of Victoria to British Columbia

The University of Victoria (UVic) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students, taxpayers, and society. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, this study calculates the benefits received by each of these groups. Results of the analysis reflect fiscal year (FY) 2019-20.



## ECONOMIC IMPACT ANALYSIS

In FY 2019-20, UVic added **\$3.3 billion** in income to the British Columbia economy, a value approximately equal to **1.2%** of the province's total gross provincial product (GPP). Expressed in terms of jobs, UVic's impact supported **40,595 provincial jobs**. For perspective, the activities of UVic and its students support **one out of every 69 jobs** in British Columbia.

### OPERATIONS SPENDING IMPACT

- UVic employed 7,635 full-time equivalent (FTE) employees (not including research employees) in FY 2019-20. Payroll amounted to \$344 million (excluding payroll from research employees), much of which was spent in the province for groceries, mortgage and rent payments, dining out, and other household expenses. The university spent another \$94.1 million on day-to-day expenses related to facilities, supplies, and professional services (excluding research expenditures).
- The net impact of the university's operations spending added **\$396.4 million** in income to the provincial economy.

### RESEARCH SPENDING IMPACT

- Research activities at UVic impact the provincial economy by employing people and making purchases for equipment, supplies, and services. They also facilitate new knowledge creation in British Columbia through inventions, patent applications, and licenses. In FY 2019-20, UVic spent \$49.6 million on payroll and \$54.5 million on other expenses to support research activities.



- UVic’s research spending generated **\$129.8 million** in added income for the British Columbia economy in FY 2017-18.
- UVic’s research activities create a provincial economic impact beyond spending. UVic’s “total factor productivity” measures the impact in terms of total output growth that is a research from UVic’s research and development. It is estimated to have a total economic impact of \$24 million\* annually on British Columbia. From 1971, 49 years, UVic’s cumulative economic impact on British Columbia from research activities using total factor productivity calculations summed to \$1.2 billion.

#### CONSTRUCTION SPENDING IMPACT

- UVic spends money on construction each year to maintain its facilities, create additional capacities, and meet its growing educational demands. While the amount varies from year to year, this spending generates a short-term infusion of spending and jobs in the provincial economy. The construction spending impact is heavily dependent on the on-going capital projects at UVic, and FY 2019-20 was a slower year for capital projects.
- The net impact of UVic’s construction spending in FY 2019-20 was **\$19.1 million** in added income for British Columbia.

#### SPIN-OFF COMPANY IMPACT

- UVic creates an exceptional environment that fosters innovation and entrepreneurship, evidenced by the number of spin-off companies created as a result of the university.
- In FY 2019-20, UVic’s spin-off companies generated **\$151.5 million** in added income for the British Columbia economy.

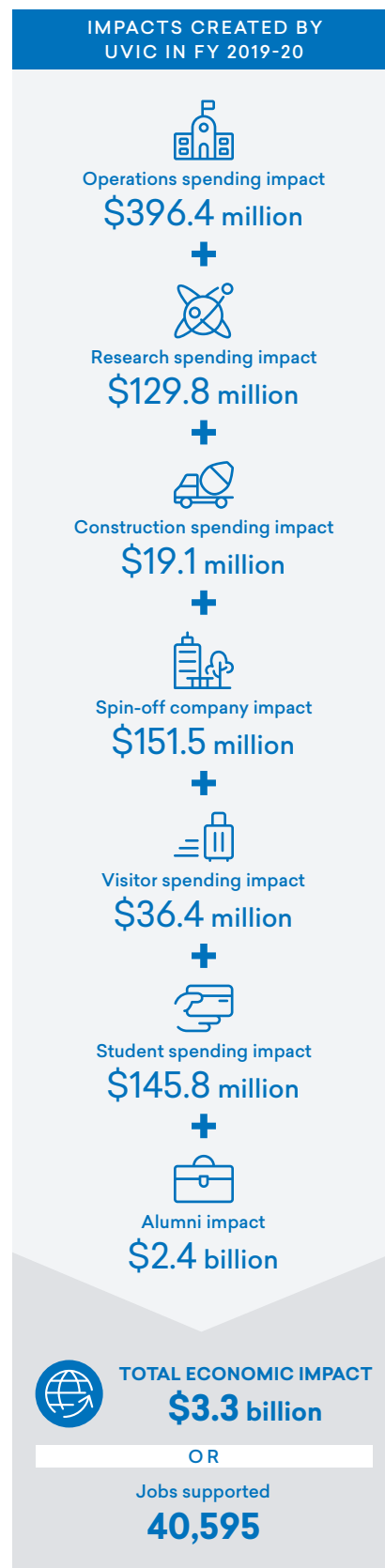
#### VISITOR SPENDING IMPACT

- Out-of-province visitors attracted to British Columbia for activities at UVic brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other provincial businesses.
- Visitor spending added approximately **\$36.4 million** in income to the British Columbia economy.

#### STUDENT SPENDING IMPACT

- Around 19% of students attending UVic originated from either outside the province or outside Canada in FY 2019-20, and some of these students relocated to British Columbia to attend UVic. In addition, a number of local students would have left the province if not for UVic.
- These students spent money on groceries, mortgage and rent payments, and so on at provincial businesses. This spending in FY 2019-20 added **\$145.8 million** in income to the British Columbia economy.

\* Total factor productivity was calculated by UVic.



## ALUMNI IMPACT

- Over the years, students have studied at UVic and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in British Columbia.
- The net impact of UVic's former students currently employed in the provincial workforce amounted to **\$2.4 billion** in added income in FY 2019-20.



## INVESTMENT ANALYSIS

### STUDENT PERSPECTIVE

- UVic's FY 2019-20 students paid a present value of **\$214.4 million** to cover the cost of tuition, fees, and supplies. They also forewent **\$399.5 million** in money that they would have earned had they been working instead of attending university.
- In return for their investment, students will receive **\$872.9 million** in increased earnings over their working lives. This translates to a return of **\$1.40** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **9.3%**.

### TAXPAYER PERSPECTIVE

- Provincial taxpayers provided UVic with **\$243.7 million** of funding in FY 2019-20. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$649.6 million**. A reduced demand for government-funded services in British Columbia will add another **\$11.7 million** in benefits to taxpayers.
- For every dollar of public money invested in UVic, taxpayers will receive **\$2.70** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **15.6%**.

### SOCIAL PERSPECTIVE

- In FY 2019-20, society in British Columbia invested **\$993.6 million** to support UVic, including all student and all university costs. In turn, the British Columbia economy will grow by **\$4.2 billion**, over the course of students' working lives. Society will also benefit from **\$29.2 million** in present value social savings related to reduced crime, reduced demand for income assistance, and increased health and well-being across the province.
- For every dollar invested in UVic in FY 2019-20, people in British Columbia will receive **\$4.20** in return, for as long as UVic's FY 2019-20 students remain active in the provincial workforce.

### For every \$1...



**Students** gain in lifetime earnings  
**\$1.40**



**Taxpayers** gain in added tax revenue and public sector savings  
**\$2.70**



**Society** gains in added income and social savings  
**\$4.20**