



THE ECONOMIC IMPACT OF
London's International Students

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London & Partners Who we are

The Mayor of London's official promotional agency for London.

Purpose:

To support the Mayor's priorities by promoting London internationally as a leading world city in which to invest, work, study and visit.

Mission

To tell London's story brilliantly

A not-for-profit public private partnership, funded by the Mayor of London, European and national funds, our network of partners and other commercial ventures.

Our areas of operation

International promotion of London

Major events

Leisure tourism

Dot London

Higher education

Meetings, incentives, conferences and events

International trade, investment and regeneration

Study London What we do

Promote London's universities to prospective students worldwide

Target key markets in line with market conditions and mayoral priorities

Engage with London's universities to support their marketing strategies



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Main findings

- **112,200 international students** came to London in 2016-17
- Main countries of origin were **China, US and Italy**
- Net Economic Benefit of **£2.68bn**, with total spend of £3.45bn and total costs £0.77bn
- **£24,000 net benefit per student**
- Almost **40,000 jobs** secured or 1 job for every 3 international students



Sources

Data

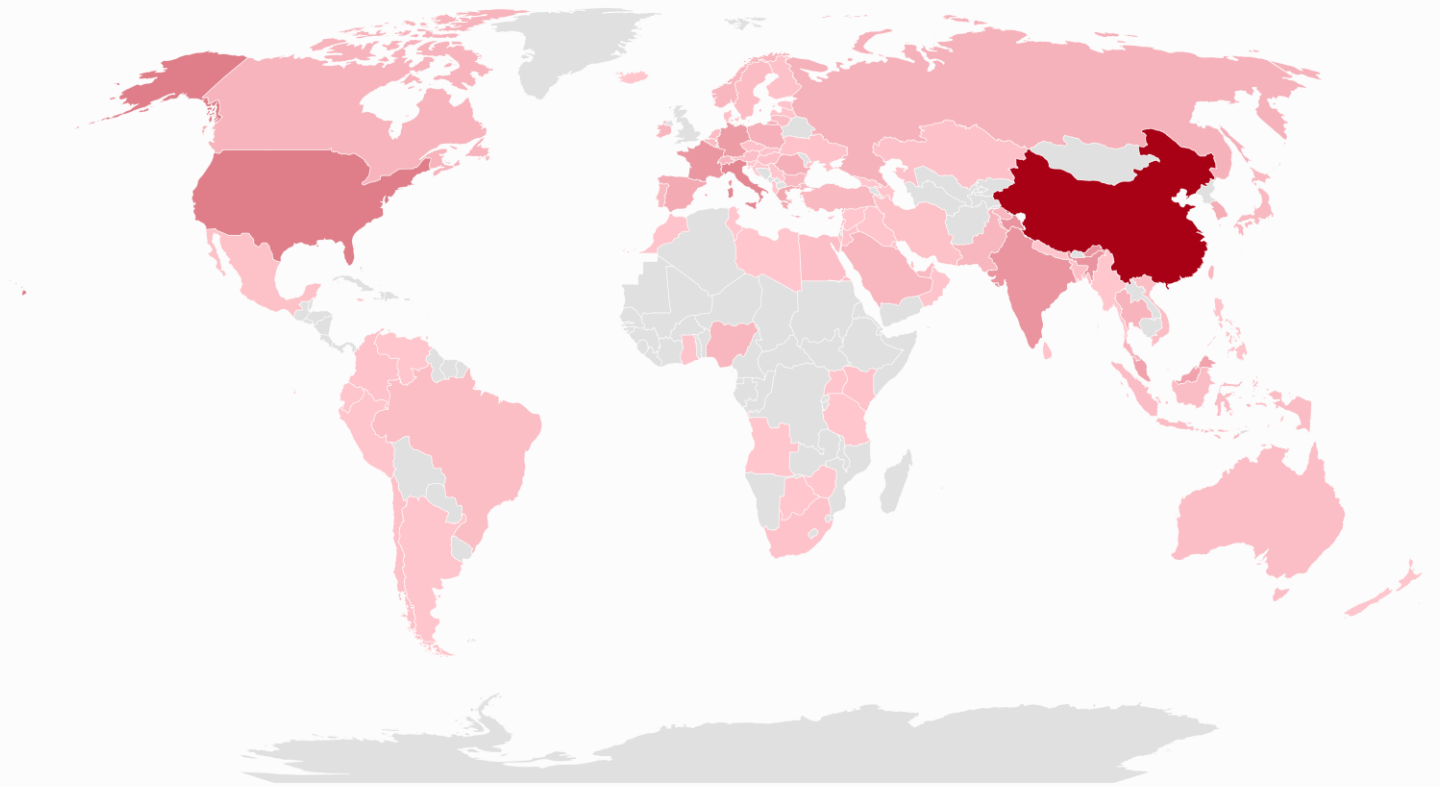
- Higher Education Statistical Authority (HESA)
- Student Income and Expenditure Survey (SIES)
- International Passenger Survey (IPS)
- Higher Education Funding Council for England (HEFCE)
- Student Loans Company (SLC)

Papers:

- London & Partners (2015) similar report
- Higher Education Policy Institute Report (HEPI) by London Economics

Students come from across the globe.

The top origin countries in 2016-17 were China, the US and Italy.



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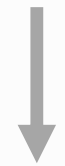
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Chinese students are relatively under-represented and Italian and Singaporean students are relatively over-represented in London.

Rank	Country of origin	Number of students in London	% of London's students to UK students from each country
1	China	17,795	18%
2	United States	6,550	35%
3	Italy	5,725	39%
4	India	4,545	26%
5	France	4,255	30%
6	Germany	3,855	26%
7	Hong Kong	3,775	22%
8	Malaysia	3,155	18%
9	Singapore	2,780	37%
10	Greece	2,670	25%
Total International Students in London		112,205	24%

Our calculations estimated the net economic benefit, using total spending less total costs

$$\text{NET ECONOMIC BENEFIT} = \text{Total spending by students} - \text{Total cost of students}$$



Tuition Fees
+
Subsistence Spending
+
Visitors' Spending



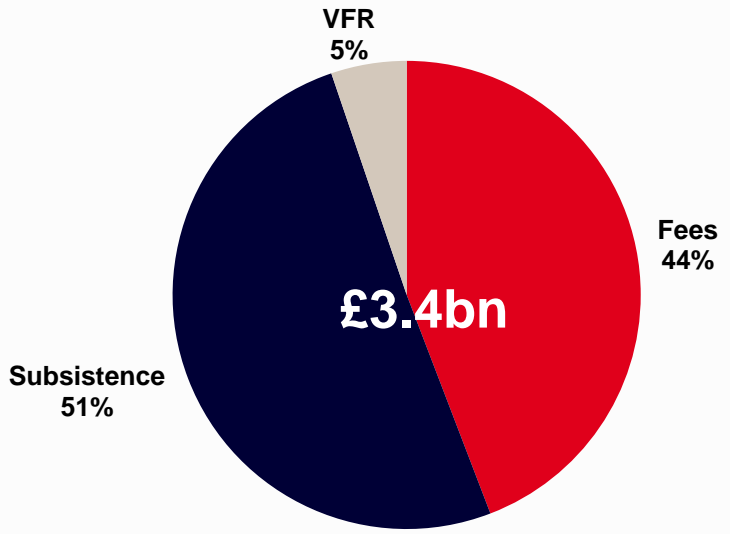
Grants
+
Unpaid Loans
+
Other public Costs

We estimated the direct economic impact (total spending) at £3.4 billion

Total spending by channel in the academic year 2016-17

Spending channel	Impact (£m)
Fees	£1,523
Subsistence	£1,745
VFR	£180
Total	£3,448

Share of overall expenditure by spending channel, 2016-17

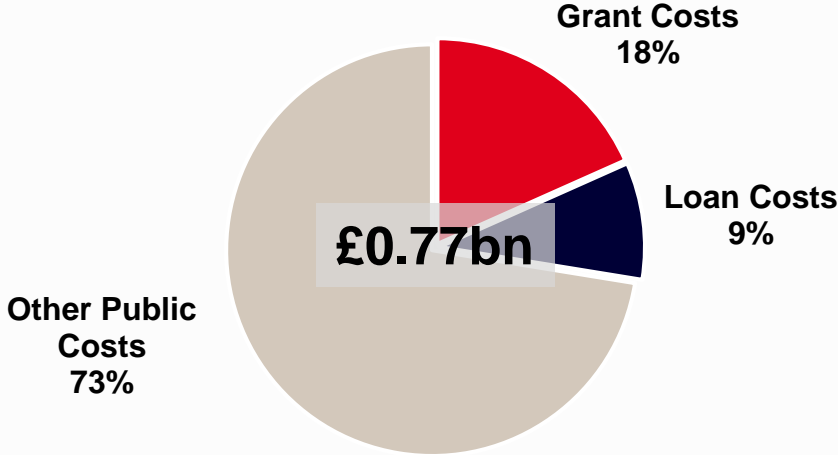


We then estimated each cost category, finding a total cost of £0.77bn

Total Costs (£M) of International Students in London 2016-17

	EU	Non-EU	Total
Public Funding Grants	£141	£0	£141
Unpaid Loans	£71	£0	£71
Other Public Costs	£201	£357	£558
Total	£413	£357	£770

Share of overall costs by category, 2016-17



We found a net economic benefit of £2.7bn to London.

This is a £24,000 net benefit per student.

$$\begin{array}{rcl} \text{Net Economic Benefit} & = & \text{Total Spending by Students} - \text{Total cost of students} \\ \text{£2.68bn} & & \text{£3.45bn} - \text{£0.77bn} \end{array}$$



£24,000

NET BENEFIT PER STUDENT

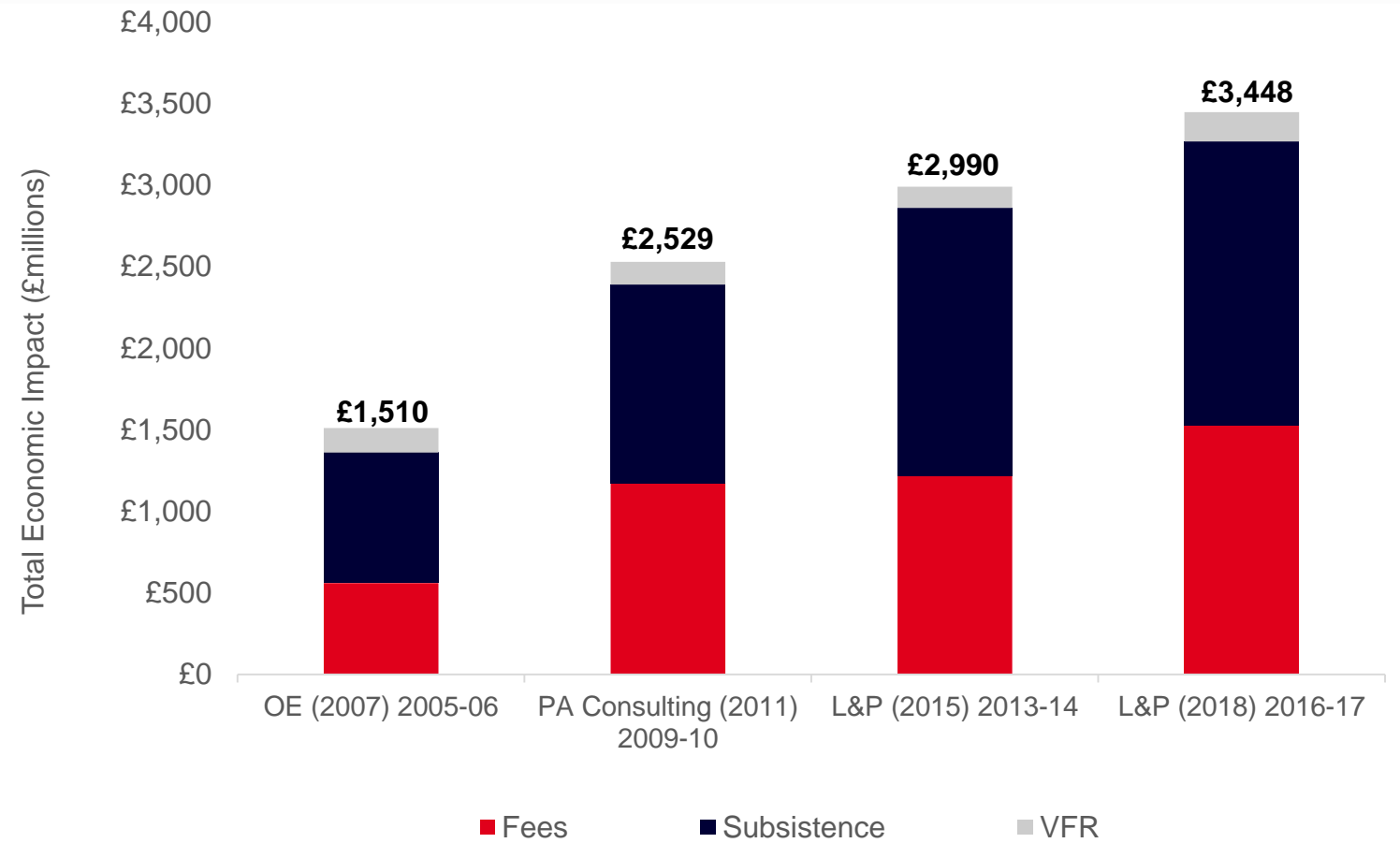
**We compared this year
with previous years'
studies**

**15%↑ 2013-14
(11% ↑ real terms)**

36% ↑ 2009-10

128% ↑ 2005-06

**Overall expenditure broken down by spending channel comparison
(£m in nominal terms), 2005-6 to 2016-17**



International students have positive things to say about London

Aspects considered prior to choosing London, StudyLondon Survey 2018



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Suggestions for future research



EU student access to tuition-fee loans – what are the benefits/costs of providing loans to EU students?



Life-time value of a student – What future activities do students partake in and what how does this contribute to London; trade, investment, or tourism within London?



Cultural diversity – How do students coming from a diverse range of origin countries contribute to our culture?



Talent for the city – How many continue in jobs, how do they fill skill shortages?



Volunteering and work – How do students contribute to the city in their time outside of studying?

The Study London Team



Lalage Clay
Director of Education
and Talent



Janina Smith
Senior Marketing
Manager



Anne Grenyer
Stakeholder
Marketing Manager



Kathy Li
Marketing
Executive (China)



James Farrell
International
Marketing Manager

Contacts

Feel free to share this research with your university colleagues but please do not circulate it externally. Please credit London & Partners if you quote the figures.

For more information about the Study London team, please contact:

Anne Grenyer
Stakeholder Marketing Manager,
Higher Education
agrenyer@londonandpartners.com
020 7234 5755