New research shows that the broader public value of universities to society is too often neglected and universities must promote their wide range of community engagement projects if they are to defeat ongoing spending cuts, writes Faiza Shaheen of the New Economics Foundation.

The scramble for university places this year demonstrates that students value a university education – well, at least at current fee levels. But what kind of scramble would there be among the wider public if a university was to threaten closure? Would those that have not been to university care if their local universities were to shut up shop? After all, universities can sometimes seem like a black box of activity divorced from local communities and educating a privileged few.

While this may be one view, recent research by the New Economics Foundation, Degree of value: How Universities Benefit Society (http://www.neweconomics.org/publications/degrees-of-value), found that universities are often involved in a wide array of community engagement projects – from mentoring activities to sharing sporting facilities with local communities. They are also important employers and drivers for local and regional economies (http://www.universitiesuk.ac.uk/Publications/Documents/EconomicImpact4Full.pdf). However, the value of this contribution is barely ever recognised. The common focus is almost always on the private returns to graduates rather than the broader public value to society. It is no surprise then that the government feels justified in withdrawing state support and shifting the burden of funding on to students.

The NEF research was funded by Universities UK, and aims to explore the direct and indirect social benefits delivered to society using Social Return on Investment (SROI (http://www.neweconomics.org/projects/social-return-investment)) methodology. SROI allows researchers to evaluate the value of services, institutions, infrastructure and even jobs, based on stakeholder research. This approach helps take into account all material economic, social and environmental outcomes. It further provides guidance on placing monetary value on these outcomes in order to demonstrate financial value to donors and society.

Using this approach, we found that mentoring activities organised by just one university, the University at Warwick, were delivering a value of £954,000 a year to participants and the local community. The local primary school Head Teacher told us that the mixing of local pupils with international students had bought added benefits because of the cultural exchange.

The research also uncovered robust data highlighting the indirect benefits to society, namely through increasing the likelihood that those who attend university are interested in politics, have higher levels of interpersonal trust and better health. Even when controlling for gender, age and income the total value for all graduates in the UK from just these three social outcomes totalled £1.31 billion.

Newspaper headlines regarding the lack of students from underprivileged backgrounds at top universities appear every so often, but what is the value when universities are increasing access for those from low-income backgrounds? The research found that Manchester Metropolitan University (MMU), who have more than 40 per cent of undergraduate students from low-income families generate a value of £147.2 million to society through increasing the productivity of locals and delivering fairness.

But there are many others ways that universities are delivering benefits for society. The research did not consider, for example, the broader social value delivered by cancer research, or academics providing evidence to support public policy formation. While it is true that universities can always do more to open access those from low-income backgrounds and engage with local communities, the likelihood is that, in sum, universities across the UK are generating billions of pounds in social value every year.

In an on-going period of public spending cuts universities would be doing themselves a favour by promoting and capturing the value of this public contribution much more. And, for those who wish to continue to fight against student fees, one powerful counter-argument is nested in the fact that we do not yet know the full returns to society from public investment in higher education and so we cannot fairly apportion costs to students. It is possible that this ignorance is resulting in public investment levels that produce sub-optimal
outcomes for the rest of us in society.

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