



# The Economic Impact of G4S in the United Kingdom 2013

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# Context

These calculations highlight the economic contribution of G4S to the UK national and regional economies in terms of jobs, output and Gross Value Added (GVA)\* supported.

This covers G4S operations and the knock-on impacts as G4S spends with suppliers and employees spend their incomes.

Estimates are based on 2013 data provided by G4S.

\***Gross Value Added (GVA)** measures the value of all goods and services produced in an economy and forms a common performance indicator used by the Government to measure economic performance.

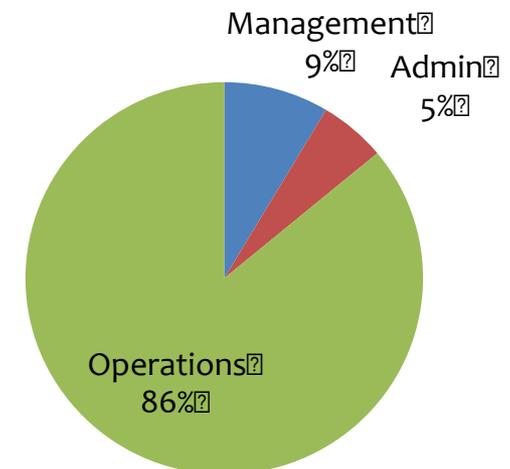
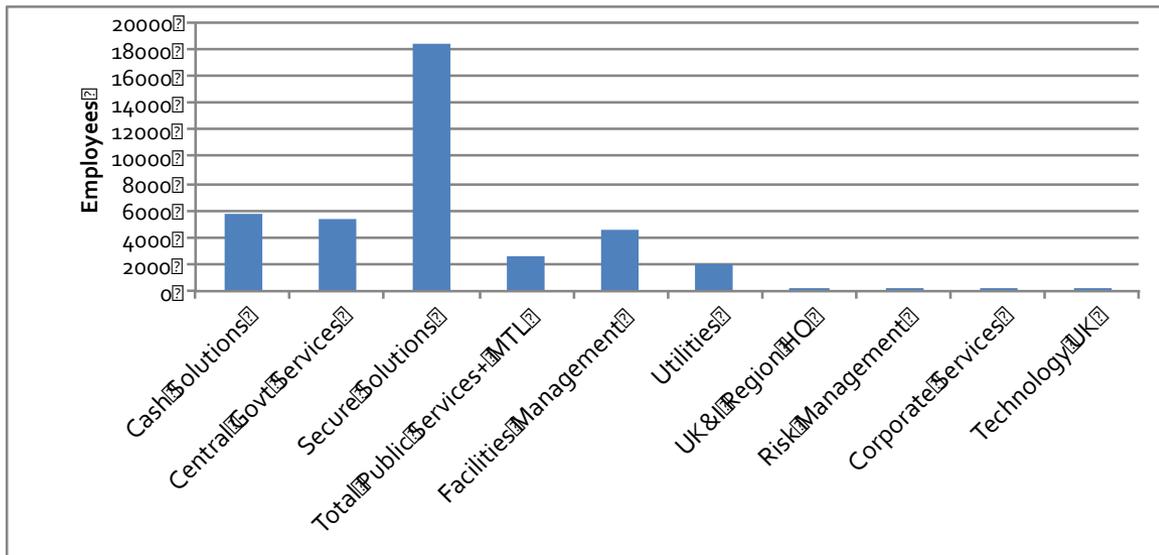
# Economic Approach

The economic impact of G4S's activities on national income and employment can be estimated by bringing together the following effects:

- **Direct impact:** persons employed directly by G4S (including contractor employees) who receive wages and salaries;
- **Indirect impact:** income and employment created in businesses which supply the goods and services used by G4S in its day to day activities; and,
- **Induced impact:** further income and employment generated as wages created directly and indirectly are spent within the economy.

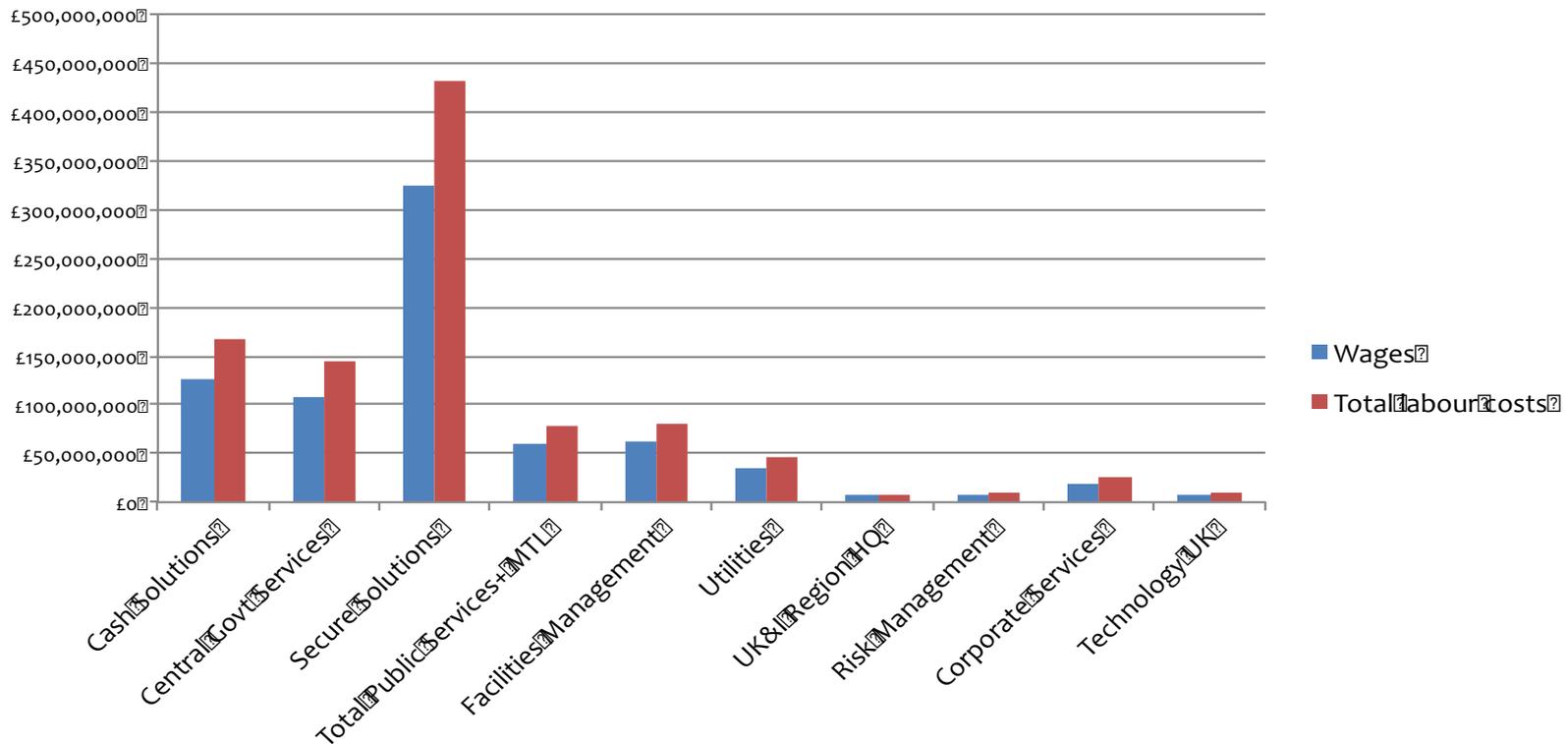
# Direct Impacts - Employment

- G4S directly employed **39,255 people living and working in the UK in 2013**. This was equivalent to **36,403 FTEs** – representing **85% FT** and **15% PT jobs**.
- **47% of these were in Secure Solutions**
- **Just under one in ten jobs is in Management**



# Direct Impacts – Labour Costs

- G4S **wage expenditure** was **£755,529,855**
- Total **labour costs** were **£1,004,854,707**
- The average wage in 2013 was **£26,664**, *slightly higher than the UK average in the same period (£26,500)*



# Direct Impacts – Output and GVA

Generating:

**£1,533,587,250 direct output** for the UK economy and  
**£1.04 billion of which is GVA**



# Impact on Suppliers (Indirect)

- In total, **£491 million** was spent on suppliers in 2013. Of these, **95.7% were on suppliers based in the UK, with 49.7% being SMEs.**

- G4S spent **a total of £469,970,711 with UK-based suppliers in 2013 FY**. In turn, this supports employment and income in G4S's immediate supplier industries, and their subsequent suppliers.
- In total, this expenditure supported approximately **9,002 FTE jobs along the G4S supply chain – with approximately half of the supply businesses being SMEs.**

Indirect	Value
Employment supported amongst suppliers	9,002 FTEs
Output generated amongst suppliers	£780,936,988
GVA generated	£348,917,428

# Indirect Impacts – Output and GVA

It is estimated that G4S expenditure on suppliers generated:

**£780,936,988 Output – of which £349 million is GVA**



# Impact of Employee Expenditure (Induced)

- Expenditure by G4S employees supports further employment and output in consumer industries.
- In total, this wage expenditure supported a further c. **11,351 FTE jobs**.

Indirect	Value
Employment supported in consumer sectors	11,351 FTEs
Output generated in consumer sectors	£578,631,059
GVA generated	£347,836,467

# Induced Impacts – Output and GVA

It is estimated that expenditure by G4S employees generated:

**Turnover/output of £578,631,059 - £348 million of which is GVA.**



# Summary of Total Economic Impact in the UK

	Values			
	FTE Employment	Output	GVA	Tax Paid
Direct	36,403	1,533,587,250	1,042,428,442	259,456,248
Indirect	9,002	780,936,988	348,917,428	84,767,295
Induced	11,351	578,631,059	347,836,467	99,048,784
<b>Total</b>	<b>56,756</b>	<b>2,893,155,297</b>	<b>1,739,182,337</b>	<b>443,272,327</b>

# Economic Impacts by UK Region

	Values			% of Total GVA Contribution
	FTE Employment	Output (£)	GVA (£)	
East of England	2,997	152,783,363	91,843,714	5%
East Midlands	3,149	160,522,029	96,495,711	6%
London	7,254	369,760,798	222,276,851	13%
North East	3,148	160,448,327	96,451,406	6%
North West	7,190	366,517,929	220,327,443	13%
Northern Ireland	2,524	128,682,949	77,356,066	4%
Scotland	7,528	383,764,097	230,694,750	13%
South East	8,753	446,189,330	268,220,860	15%
South West	2,864	146,002,819	87,767,678	5%
Wales	2,432	123,966,048	74,520,563	4%
West Midlands	6,795	346,397,399	208,232,250	12%
Yorkshire & the Humber	2,121	108,120,209	64,995,045	4%

# Economic Impacts by G4S Business Unit

	Values			% of Total G4S Contribution
	FTE Employment	Output £	GVA £	
Cash Solutions	8,469	484,165,535	291,049,757	17%
Central Govt Services	8,145	413,565,090	248,609,226	14%
Secure Solutions	27,542	1,243,375,783	747,439,034	43%
Total Public Services + MTL	3,537	227,781,317	136,927,749	8%
Facilities Management	5,270	234,035,328	140,687,266	8%
Utilities	2,916	131,728,140	79,186,642	5%
UK & Ireland Region HQ	200	24,656,904	14,822,174	1%
Risk Management	147	29,682,359	17,843,161	1%
Corporate Services	209	76,050,025	45,716,474	3%
Technology UK	321	28,114,817	16,900,853	1%

# SUMMARY

## G4S's Supply Chain

9,000 jobs supported by G4S's procurement activity with businesses based in the UK

Resulting in an additional **£349million** million contribution to the UK economy and **£85 million** in tax receipts

## G4S itself

Directly contributes **£1.04 billion** to the UK economy

Directly employs 39,255 people in 36,403 jobs i.e. 85% people are in full-time and 15% in part-time jobs

**£259m** in tax receipts paid by G4S and its staff

## Spending of Wages

An **additional 11,351** jobs are supported in the UK through G4S's staff and supply chain's spending of their wages

This spending also results in an additional **£348million** contribution to the economy and **£99million** in tax receipts

## In total in 2013:

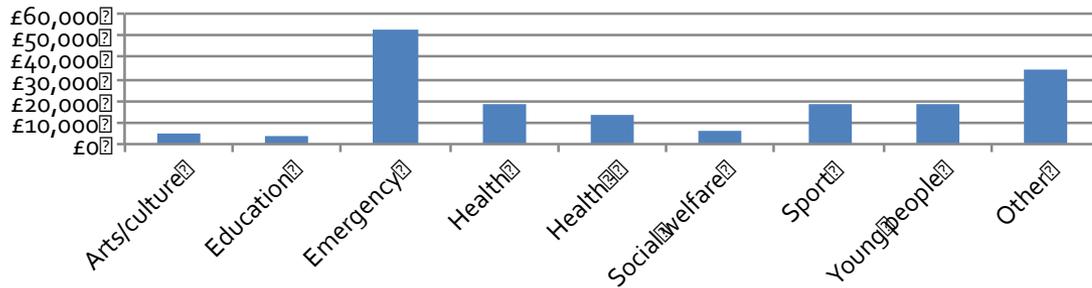
**56,755 jobs in the UK** were dependent on G4S

**£1.74 billion** were **ADDED** to the economy -  
£4.77million per day

**£443million in tax payable to the Exchequer** is supported by G4S; equivalent to **£17** for every household in the UK

# Impact on the Community

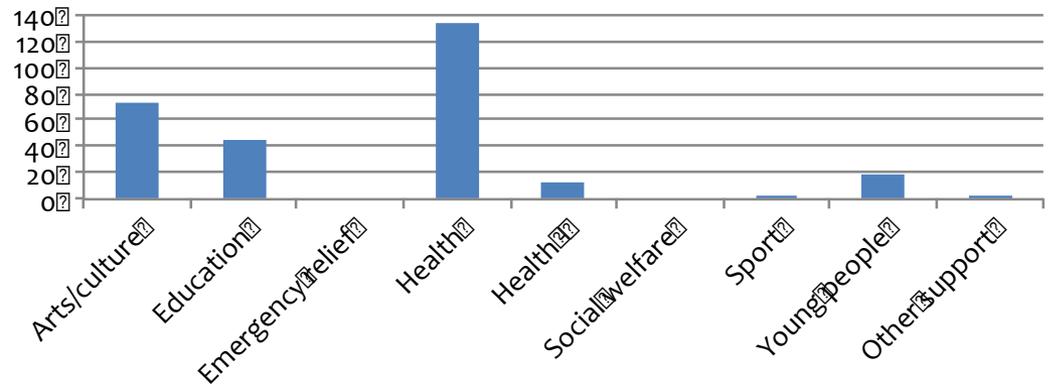
## G4S Investment on Community and Education Support Activities in the UK



G4S invested **£169,681** in the UK community with the largest spend on **emergency relief of £52,500**.

An additional **£7,540** was spent on these activities through volunteering with the greatest investment of time and money in **health related activities**. In total, **£177,221** is spent the community including volunteering activities.

## Expenditure on Volunteering Activities





Warwick Economics and Development is a multi- disciplinary consultancy with outstanding expertise in applying economic principles to public policy, growth and development, and corporate issues.

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