NAFSA

Association of
International Educators

The Economic Benefits of International Education to the United States for the 2007-2008 Academic Year: A Statistical Analysis

NAFSA estimates that foreign students and their dependents contributed approximately $15.54 billion to the U.S. economy during the 2007-2008 academic year. This conservative figure is based on tuition figures from Peterson's, enrollment figures from the Institute of International Education's *Open Doors 2008* report, living expenses calculated from Peterson's figures and analysis of the data by Jason Baumgartner at Indiana University – Bloomington's Office of International Services.

NAFSA's annual *Economic Impact Statements* estimate the amount of money foreign students bring to the United States to support their education. This report does not rely on a "multiplier effect." Although this might provide a more accurate estimate of actual economic impact, there is no consensus on the appropriate size of such a multiplier. Along with our partners at the Institute of International Education and Indiana University, we are committed to continuing efforts to improve our data and methodology. By any measure, international education makes a significant contribution to the U.S. economy.

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Nevada

Total Number of Foreign Students:	3,066

Part 1: Net Contribution to State Economy by Foreign Students (2007-08)

Contribution from Tuition and Fees to State Economy:		$31,262,000
Contribution from Living Expenses:		$51,078,000
Total Contribution by Foreign Students:		$82,340,000
Less U.S. Support of 18.8%	-	$15,516,000
Plus Dependents' Living Expenses:	+	$1,281,000

Net Contribution to State Economy by Foreign Students and their Families: ***$68,105,000***

Part 2: Contribution to State Economy by Foreign Students' Dependents (2007-08)

Spouses' Contribution		***Children's Contribution***	
Percent of Married Students:	8.0%	Number of Couples in the U.S.:	244
Percent of Spouses in the U.S.:	85.0%	Number of Children per Couple:	0.6
Number of Spouses in the U.S.:	244	Number of Children in the U.S.:	148
Additional Expenses for a Spouse: (% of student living expenses)	25.0%	Additional Expenses for a Child: (% of student living expenses)	20.0%
Spouses' Contribution:	$864,000	Children's Contribution:	$417,000

Net Contribution to State Economy by Foreign Students' Dependents: ***$1,281,000***

Part 3: Foreign Student Contribution from Tuition/Fees and Living Expenses (2007-08)

Institution and City	# of Foreign Students	Tuition and Fees (thousands)	Living Expenses and Dependents (thousands)	Less U.S. Support (thousands)	Total Contribution (thousands)
College of Southern Nevada, Las Vegas	766	$4,566.7	$13,735.5	$675.1	$17,627.2
Deep Springs College, Dyer	***	$12.0	$40.4	$2.0	$50.4
Great Basin College, Elko	***	$0.0	$0.0	$0.0	$0.0
Morrison University, Reno	***	$16.1	$41.8	$4.8	$53.0
Truckee Meadows Community College, Reno	100	$507.9	$1,926.9	$89.9	$2,344.9
University of Nevada - Las Vegas, Las Vegas	1409	$15,928.6	$21,634.1	$7,700.1	$29,862.6
University of Nevada - Reno, Reno	785	$10,224.1	$14,964.1	$7,043.4	$18,144.8
Western Nevada Community College, Carson City	***	$7.1	$15.9	$0.9	$22.2

Methodology: How We Compute Economic Impact (2008)

We define economic impact as the amount of money that foreign students collectively bring into the United States to pay for their education and to support themselves while they (and in some cases, their families) are here. The goal of our economic impact formula is to use data already collected for other purposes to provide a reasonable estimate of the economic resources that foreign students import to the United States to support their education here each year.

The data sets used for these reports come from two sources:

1. The Institute of International Education's *Open Doors 2008* report, funded by the Department of State, provides numbers of foreign students at universities and colleges throughout the United States during the 2007-08 academic year. In many cases, this data provide separate totals for undergraduate, graduate, and non degree students. (http://opendoors.iienetwork.org)

2. Peterson's provides cost figures for tuition, living, and miscellaneous expenses at U.S. institutions for the 2007-08 academic year. (http://www.petersons.com/)

The extensive data provided by these two sources (which collect it directly from surveys of the institutions involved) allow us to make our estimates sensitive to differences between institutions. However, there are still areas where our estimates and formulas could be improved. For example, we compute economic impact only for students reported in *Open Doors*. Universities that do not provide information to the Institute of International Education are not represented. Also, enrollment reports represent peak enrollment, and not necessarily enrollment levels throughout the year.

Estimating Expenses

Tuition, fees, living expenses, and dollar estimates are derived from Peterson's data collected on surveys completed by institutions every year. We try to make our calculations sensitive not only to differing costs at institutions, but differing costs for ESL students, undergraduates, graduate students, and students on practical training.

(1) Undergraduates and English Language Programs:
The number of undergraduate students at an institution is specified by *Open Doors* data. Peterson's data provide undergraduate tuition and fee amounts, on-campus room and board amounts, and miscellaneous expenses. These categories are sometimes broken down into averages for international, out-of-state, flat rate, and in-state, students. When multiple averages are available, we choose averages in the order given above.

(2) Graduate Students:
The number of graduate students at an institution is specified by *Open Doors* data. Peterson's data provide graduate tuition and fee amounts, on-campus room and board amounts, and miscellaneous expenses. If there are no differentiated graduate expenses provided by an institution in the Peterson's data, then the undergraduate expenses would be applied.

(3) Students on Practical Training:
We assume these students earn enough in their U.S. jobs to pay living and educational expenses for the year, and so import no funds for their support. Therefore, net economic impact of students in practical training is zero.

Economic impact of an international student equals tuition and fees, plus room and board, plus miscellaneous figured at 50 percent of room and board, less U.S. support. We assume: (a) that spring enrollment figures are the same as the fall figures reported, (b) that all students are enrolled full time for two semesters or three quarters a year, and (c) that students live on campus for the full year. The miscellaneous expenses, enumerated in Peterson's data, average about 40 percent of room and board expenses. We use a 50 percent figure as an approximation that includes all extra expenses except for travel.

Estimating U.S. Support

The *Open Doors* survey asks schools to report the percentage of their students who are self-funded, the percentage who have U.S. source income, etc. The U.S. support percentage includes funding from a U.S. college or university, the U.S. Government, a U.S. private sponsor or current employment. For this analysis the percentages are calculated based upon the institution's Carnegie classification and the academic career of the student. For example, this process will differentiate the level of support between undergraduates and graduates at a particular research institution while it also differentiates between a baccalaureate classified institution from an associate's classified institution.

Individual Institution Enrollment Figures

For institutions with fewer than 10 international students enrolled, enrollment totals are suppressed for confidentiality reasons. In the reports, this is indicated by three asterisks (***).