



**The Economic Benefits of International Education to the United States for the 2005-2006 Academic Year:
A Statistical Analysis**

NAFSA estimates that foreign students and their dependents contributed approximately \$13.49 billion to the U.S. economy during the 2005-2006 academic year. This conservative figure is based on tuition figures from the College Board, enrollment figures from the Institute of International Education's *Open Doors 2006* report, living expenses calculated from College Board figures and analysis of the data by Lynn Schoch and 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, the College Board, 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.

Minnesota

Total Number of Foreign Students: 8,708

Part 1: Net Contribution to State Economy by Foreign Students (2005-06)

Contribution from Tuition and Fees to State Economy:	\$128,002,000
Contribution from Living Expenses:	\$129,004,000
Total Contribution by Foreign Students:	\$257,007,000
Less U.S. Support of 35.9%	- \$92,183,000
Plus Dependents' Living Expenses:	+ \$5,747,000

Net Contribution to State Economy by Foreign Students and their Families:

\$170,571,000

Part 2: Contribution to State Economy by Foreign Students' Dependents (2005-06)

<i>Spouses' Contribution</i>		<i>Children's Contribution</i>	
Percent of Married Students:	11.2%	Number of Couples in the U.S.:	977
Percent of Spouses in the U.S.:	85.0%	Number of Children per Couple:	0.6
Number of Spouses in the U.S.:	977	Number of Children in the U.S.:	583
Additional Expenses for a Spouse: (% of student living expenses)	25.0%	Additional Expenses for a Child: (% of student living expenses)	20.0%
Spouses' Contribution:	\$3,887,000	Children's Contribution:	\$1,859,000

Net Contribution to State Economy by Foreign Students' Dependents:

\$5,747,000

Part 3: Foreign Student Contribution from Tuition/Fees and Living Expenses (2005-06)

Institution and City	# of Foreign Students	Tuition and Fees (thousands)	Living Expenses and Dependents (thousands)	Less U.S. Support (thousands)	Total Contribution (thousands)
Alexandria Technical College, Alexandria	2	\$14.3	\$29.6	\$2.7	\$41.1
Anoka-Ramsey Community College, Coon Rapids	15	\$95.9	\$228.9	\$19.9	\$304.9
Argosy University - Twin Cities Campus, Eagan	8	\$166.2	\$118.5	\$55.0	\$229.8
Augsburg College, Minneapolis	66	\$1,416.4	\$967.9	\$480.3	\$1,904.0
Bemidji State University, Bemidji	137	\$1,065.9	\$1,630.2	\$489.8	\$2,206.2
Bethany Lutheran College, Mankato	29	\$448.2	\$332.9	\$113.4	\$667.8
Bethel Seminary of Bethel University, St. Paul	7	\$62.6	\$95.9	\$44.1	\$114.3
Bethel University, Saint Paul	28	\$593.3	\$446.0	\$162.6	\$876.7
Carleton College, Northfield	112	\$3,635.5	\$2,015.0	\$2,272.2	\$3,378.3
Central Lakes College, Brainerd	5	\$17.4	\$74.1	\$5.7	\$85.8
Century College, White Bear Lake	95	\$661.2	\$1,438.5	\$129.3	\$1,970.4
College of Saint Benedict/Saint John's University, Collegeville	163	\$3,759.4	\$2,359.9	\$2,426.8	\$3,692.6

College of Saint Catherine, St. Paul	80	\$1,661.2	\$1,130.5	\$405.4	\$2,386.4
Concordia College - Moorhead, Moorhead	145	\$2,808.1	\$1,664.5	\$1,798.1	\$2,674.4
Concordia University - Saint Paul, Saint Paul	9	\$191.8	\$134.5	\$51.4	\$274.9
Crossroads College, Rochester	3	\$26.8	\$44.4	\$15.7	\$55.5
Crown College, St. Bonifacius	7	\$109.5	\$98.2	\$51.6	\$156.1
Dakota County Technical College, Rosemount	31	\$230.3	\$469.6	\$43.1	\$656.8
Gustavus Adolphus College, Saint Peter	37	\$906.5	\$513.6	\$571.8	\$848.3
Hamline University, Saint Paul	247	\$5,713.1	\$3,795.8	\$1,386.2	\$8,122.7
Hibbing Community College, Hibbing	4	\$17.5	\$59.3	\$4.8	\$72.0
Inver Hills Community College, Inver Grove Hts	10	\$75.5	\$151.8	\$14.0	\$213.3
Itasca Community College, Grand Rapids	2	\$9.2	\$29.6	\$2.4	\$36.4
Luther Seminary, St. Paul	48	\$429.1	\$724.9	\$316.6	\$837.4
Macalester College, Saint Paul	269	\$7,659.5	\$4,862.1	\$5,032.6	\$7,489.1
Martin Luther College, New Ulm	10	\$89.3	\$100.2	\$2.2	\$187.2
Mayo Graduate School of Medicine, Rochester	46	\$955.8	\$698.5	\$316.2	\$1,338.1
Mesabi Range Community & Technical College, Virginia	5	\$22.5	\$74.1	\$6.0	\$90.5
Metropolitan State University, Saint Paul	233	\$2,064.1	\$3,300.0	\$809.7	\$4,554.5
Minneapolis College of Art & Design, Minneapolis	17	\$421.6	\$168.9	\$64.5	\$526.0
Minneapolis Community College, Minneapolis	163	\$1,195.1	\$2,177.7	\$207.7	\$3,165.1
Minnesota State Community & Technical College, Fergus Falls	8	\$61.4	\$118.5	\$11.2	\$168.7
Minnesota State University Moorhead, Moorhead	233	\$1,038.7	\$2,669.7	\$682.0	\$3,026.4
Minnesota State University, Mankato, Mankato	457	\$4,276.3	\$5,068.4	\$1,327.5	\$8,017.2
Normandale Community College, Bloomington	87	\$628.7	\$1,316.3	\$119.8	\$1,825.2
North Central University, Minneapolis	13	\$146.6	\$133.6	\$69.0	\$211.2
North Hennepin Community College, Brooklyn Park	69	\$480.4	\$1,042.9	\$93.9	\$1,429.4
Northland Community & Technical College, Thief River Falls	2	\$7.7	\$29.6	\$2.3	\$35.0
Northwestern College, St. Paul	9	\$171.9	\$127.4	\$73.5	\$225.8
Rainy River Community College, International Falls	5	\$22.9	\$74.1	\$6.1	\$90.9
Riverland Community College, Austin	51	\$381.8	\$772.6	\$71.1	\$1,083.3
Rochester Community & Technical College, Rochester	48	\$359.3	\$728.1	\$66.9	\$1,020.6
Saint Cloud Technical College, St. Cloud	6	\$44.1	\$62.1	\$6.6	\$99.6
Saint Mary's University of Minnesota, Winona	111	\$2,076.1	\$1,514.8	\$722.9	\$2,868.0
Saint Olaf College, Northfield	33	\$874.5	\$477.7	\$544.1	\$808.1
Saint Paul College - A Community & Technical College, St. Paul	7	\$48.9	\$100.1	\$9.3	\$139.7
South Central Technical College - Mankato, Mankato	5	\$17.1	\$54.5	\$4.5	\$67.1
Southwest Minnesota State University, Marshall	210	\$1,050.9	\$2,475.1	\$648.0	\$2,877.9
St. Cloud State University, St. Cloud	958	\$9,898.1	\$10,236.4	\$2,861.0	\$17,273.4
The College of Saint Scholastica, Duluth	79	\$1,746.7	\$1,130.8	\$417.7	\$2,459.8
United Theological Seminary, New Brighton	2	\$17.9	\$29.6	\$10.5	\$37.0
University of Minnesota - Duluth, Duluth	224	\$4,091.1	\$2,854.7	\$1,053.2	\$5,892.6
University of Minnesota - Morris, Morris	22	\$180.5	\$290.4	\$188.5	\$282.4

University of Minnesota - Twin Cities, Minneapolis	3,384	\$53,733.8	\$64,141.7	\$62,302.8	\$55,572.7
University of St. Thomas, St. Paul	343	\$7,357.4	\$5,457.5	\$2,559.6	\$10,255.2
William Mitchell College of Law, St. Paul	7	\$102.9	\$106.5	\$48.8	\$160.6
Winona State University, Winona	302	\$2,663.5	\$3,802.4	\$980.0	\$5,485.9

Methodology: How We Compute Economic Impact 2006

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 2006* report, funded by the Department of State, provides numbers of foreign students at universities and colleges throughout the United States during the 2005-06 academic year. In many cases, this data provide separate totals for undergraduate, graduate, and non degree students.
2. The College Board provides cost figures for tuition, living, and miscellaneous expenses at U.S. institutions for the 2005-06 academic year.

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.

Tuition, fees, living expenses, and dollar estimates are derived from College Board 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.

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.

Undergraduates and English Language Programs: The number of undergraduate students at an institution is specified by *Open Doors* data. College Board 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.

Economic impact of an undergraduate equals tuition and fees, plus room and board, plus miscellaneous figured at 50 percent of room and board, less U.S. support. We assume: (1) that spring enrollment figures are the same as the fall figures reported, (2) that all students are enrolled full time for two semesters or three quarters a year, and (3) that students live on campus for the full year. Miscellaneous expenses, enumerated in College Board 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. The percentage of U.S. support for an undergraduate is based upon the institution type. For example, research institutions (based on Carnegie code) provide on average 10.7 percent support for undergraduates; community colleges provide 7.8 percent for undergraduates.

Estimating 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. We use these percentages, adjusted for different types of institutions, as though they represented percentages of funding, not percentages of individuals. This aspect of our analysis could benefit from further study. We have done local comparisons to data reported to SEVIS and the percentages align closely, but wider research into funding percentages could be valuable.

NOTE: “U.S. support” includes funding from a U.S. college or university, the U.S. Government, a U.S. private sponsor or current employment.