



**The Economic Benefits of International Education to the United States for the 2004-2005 Academic Year:
A Statistical Analysis**

NAFSA estimates that foreign students and their dependents contributed approximately \$13.29 billion to the U.S. economy during the 2004-2005 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 2005* 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.

Michigan

Total Number of Foreign Students: 20,879

Part 1: Net Contribution to State Economy by Foreign Students (2004-05)

Contribution from Tuition and Fees to State Economy:	\$330,641,000
Contribution from Living Expenses:	\$310,035,000
Total Contribution by Foreign Students:	\$640,676,000
Less U.S. Support of 35.6%	- \$228,328,000
Plus Dependents' Living Expenses:	+ \$14,691,000

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

\$427,039,000

Part 2: Contribution to State Economy by Foreign Students' Dependents (2004-05)

Spouses' Contribution

Percent of Married Students:	12.3%
Percent of Spouses in the U.S.:	85.0%
Number of Spouses in the U.S.:	2,571
Additional Expenses for a Spouse: (% of student living expenses)	25.0%
Spouses' Contribution:	\$9,921,000

Children's Contribution

Number of Couples in the U.S.:	2,571
Number of Children per Couple:	0.6
Number of Children in the U.S.:	1,545
Additional Expenses for a Child: (% of student living expenses)	20.0%
Children's Contribution:	\$4,770,000

Net Contribution to State Economy by Foreign Students' Dependents:

\$14,691,000

Part 3: Foreign Student Contribution from Tuition/Fees and Living Expenses (2004-05)

Institution and City	# of Foreign Students	Tuition and Fees (thousands)	Living Expenses and Dependents (thousands)	Less U.S. Support (thousands)	Total Contribution (thousands)
Adrian College, Adrian	13	\$227.5	\$172.0	\$139.5	\$260.0
Albion College, Albion	20	\$453.0	\$300.7	\$263.1	\$490.6
Alma College, Alma	16	\$316.6	\$260.3	\$200.6	\$376.2
Alpena Community College, Alpena	2	\$8.1	\$28.5	\$1.9	\$34.7
Andrews University, Berrien Springs	507	\$8,365.9	\$7,434.2	\$3,269.1	\$12,531.1
Baker College of Muskegon, Muskegon	5	\$38.3	\$71.1	\$23.5	\$85.8
Baker College of Owosso, Owosso	12	\$91.8	\$174.1	\$56.4	\$209.5
Bay de Noc Community College, Escanaba	1	\$4.1	\$12.6	\$0.8	\$15.8
Calvin College, Grand Rapids	324	\$5,757.5	\$4,608.4	\$3,133.6	\$7,232.2
Calvin Theological Seminary, Grand Rapids	121	\$1,131.8	\$1,524.8	\$999.2	\$1,657.3
Center for Humanistic Studies Graduate School, Farmington Hill	1	\$15.4	\$15.2	\$9.2	\$21.3
Central Michigan University, Mount Pleasant	389	\$4,272.2	\$5,679.8	\$2,004.5	\$7,947.5
Cleary University, Howell	3	\$33.1	\$38.2	\$7.9	\$63.4

College for Creative Studies, Detroit	70	\$1,417.5	\$708.8	\$156.6	\$1,969.7
Concordia University, Ann Arbor	3	\$52.8	\$45.5	\$30.1	\$68.2
Cornerstone University, Grand Rapids	33	\$485.1	\$573.0	\$113.2	\$944.9
Crankbrook Academy of Art, Bloomfield Hill	16	\$286.4	\$169.8	\$35.9	\$420.2
Davenport University - Western Region, Grand Rapids	147	\$1,539.1	\$1,544.3	\$326.8	\$2,756.6
Delta College, University Center	49	\$207.3	\$629.7	\$41.9	\$795.1
Eastern Michigan University, Ypsilanti	970	\$14,272.6	\$13,881.6	\$3,943.1	\$24,211.0
Ferris State University, Big Rapids	230	\$2,847.4	\$3,462.9	\$726.4	\$5,583.9
Finlandia University, Hancock	28	\$411.6	\$327.0	\$37.2	\$701.4
Glen Oaks Community College, Centreville	8	\$27.4	\$100.4	\$6.5	\$121.3
Gogebic Community College, Ironwood	13	\$37.1	\$166.4	\$10.2	\$193.2
Grace Bible College, Grand Rapids	1	\$10.0	\$14.8	\$9.4	\$15.3
Grand Rapids Community College, Grand Rapids	93	\$418.5	\$1,194.0	\$80.7	\$1,531.8
Grand Valley State University, Allendale	164	\$2,029.2	\$2,245.1	\$585.0	\$3,689.3
Great Lakes Christian College, Lansing	5	\$46.8	\$61.7	\$41.3	\$67.2
Henry Ford Community College, Dearborn	222	\$799.2	\$2,848.3	\$182.5	\$3,464.9
Hillsdale College, Hillsdale	20	\$330.0	\$308.3	\$222.4	\$415.9
Hope College, Holland	48	\$974.4	\$698.7	\$583.4	\$1,089.7
Jackson Community College, Jackson	17	\$59.2	\$219.1	\$13.9	\$264.4
Kalamazoo College, Kalamazoo	20	\$487.0	\$304.1	\$276.2	\$514.9
Kalamazoo Valley Community College, Kalamazoo	112	\$416.3	\$1,438.3	\$92.7	\$1,761.8
Kettering University, Flint	100	\$2,224.0	\$1,208.0	\$84.5	\$3,347.5
Kirtland Community College, Roscommon	3	\$14.7	\$37.7	\$2.7	\$49.7
Lake Michigan College, Benton Harbor	257	\$755.6	\$3,299.6	\$202.7	\$3,852.6
Lake Superior State University, Sault Ste. Marie	355	\$3,086.4	\$4,480.5	\$934.8	\$6,632.0
Lansing Community College, Lansing	489	\$1,760.4	\$6,279.1	\$402.0	\$7,637.5
Madonna University, Livonia	127	\$1,492.5	\$1,650.3	\$397.5	\$2,745.4
Marygrove College, Detroit	24	\$292.6	\$333.5	\$78.3	\$547.7
Michigan State University, East Lansing	3,315	\$56,464.4	\$42,908.1	\$43,434.7	\$55,937.7
Michigan Technological University, Houghton	599	\$11,273.2	\$7,874.0	\$3,697.6	\$15,449.6
Mid Michigan Community College, Harrison	8	\$42.0	\$100.4	\$7.2	\$135.2
Monroe County Community College, Monroe	4	\$12.1	\$50.2	\$3.2	\$59.2
Montcalm Community College, Sidney	1	\$3.6	\$12.6	\$0.8	\$15.3
Mott Community College, Flint	31	\$131.0	\$398.0	\$26.5	\$502.5
North Central Michigan College, Petoskey	3	\$10.3	\$37.7	\$2.4	\$45.5
Northern Michigan University, Marquette	65	\$532.0	\$922.2	\$180.0	\$1,274.1
Northwestern Michigan College, Traverse City	32	\$134.9	\$440.3	\$28.8	\$546.4
Northwood University, Midland	198	\$2,769.8	\$2,963.3	\$629.4	\$5,103.7
Oakland Community College, Bloomfield Hills	769	\$2,941.4	\$9,870.0	\$641.0	\$12,170.4
Oakland University, Rochester	274	\$3,273.3	\$4,477.0	\$1,579.7	\$6,170.6
Olivet College, Olivet	36	\$558.8	\$440.1	\$348.8	\$650.1
Rochester College, Rochester Hills	23	\$243.3	\$333.2	\$122.7	\$453.9
Sacred Heart Major Seminary, Detroit	6	\$55.5	\$77.0	\$44.1	\$88.5
Saginaw Valley State University, University Center	311	\$3,227.2	\$4,206.1	\$929.5	\$6,503.9
Southwestern Michigan College, Dowagiac	74	\$230.1	\$949.2	\$59.0	\$1,120.3

University of Detroit Mercy, Detroit	444	\$9,057.6	\$9,587.4	\$2,237.0	\$16,408.0
University of Michigan, Ann Arbor	4,632	\$118,989.7	\$96,727.7	\$103,518.4	\$112,198.9
University of Michigan, Dearborn	267	\$4,216.6	\$4,225.3	\$1,225.7	\$7,216.2
University of Michigan, Flint	61	\$635.6	\$947.1	\$197.4	\$1,385.2
Walsh College of Accountancy and Business Administration, Troy	95	\$695.4	\$1,237.9	\$211.7	\$1,721.6
Wayne County Community College, Detroit	51	\$136.2	\$654.8	\$39.5	\$751.4
Wayne State University, Detroit	3,066	\$38,031.9	\$44,102.5	\$32,551.7	\$49,582.7
Western Michigan University, Kalamazoo	1,467	\$19,395.2	\$22,519.6	\$16,809.9	\$25,104.9
Western Theological Seminary, Holland	9	\$84.2	\$114.2	\$74.3	\$124.0

Methodology: How We Compute Economic Impact 2005

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 formulas 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 2005* report, funded by the Department of State, provides numbers of foreign students at universities and colleges throughout the United States during the 2004-05 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 2004-05 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 and current employment.