

The background features abstract, flowing shapes in shades of blue and green. A prominent green line curves around the central text, while a red line follows a similar path below it. Small red and green dots are placed at various points along these lines. The overall aesthetic is modern and dynamic.

# **THE ECONOMIC IMPACT OF INTERNATIONAL STUDENTS AND GRADUATES ON HOST COUNTRIES**

NOVEMBER 2023



**THE ECONOMIC IMPACT OF  
INTERNATIONAL STUDENTS AND  
GRADUATES ON HOST COUNTRIES**

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This joint publication is one of the outcomes of the **4th Conference with International Higher Education Agencies** on *The economic impact of international students* co-organized by Uni-Italia and the Italian Ministry of Foreign Affairs and International Cooperation, in collaboration with the Ministry of University and Research and the Ministry of the Interior.

This booklet is edited by Uni-Italia.

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#### FIRST EDITION

*Rome 2023, November 16<sup>th</sup>*

The following International Sister Organizations, attended as speakers at the conference, cooperated actively in the identification of the terms of references and criteria for the joint publication. They edited an abstract of their national studies which has been included in this booklet.



REPUBLIC OF ESTONIA  
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FINNISH NATIONAL  
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SERVICIO ESPAÑOL PARA LA  
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**CAMPUS  
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German Academic Exchange Service



The Power  
of International  
Education

**UNI-ITALIA** **STUDY**  
**in ITALY**

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## **Introduction**

*The economic impact of international students and graduates on host countries*, is a first joint publication, that describes the analyses made, over the years, by National Agencies to evaluate the impact of international students in the economy of the host countries.

The new needs of the higher education sector, as well the dramatic effects of the demographic changes are related to direct and indirect impacts of polycrisis as: the lower birth rate, Covid-19, wars, economic crises, natural population changes (birth decrease) labour market, etc.

While everything became so unstable, the national agencies editing this publication, decided to start sharing best practices and to cooperate for rethinking the rules in the light of an international scenario, characterized by an acceleration of the competition of the so-called emerging economies.

In the last decade, many governments alternated actions to facilitate policies of attraction and contraction of migration flows. This swing has affected international mobility and the attraction of international students, which in some countries, became a significant national income.

Years ago, top study destination countries were competing, while in recent years the geopolitical changes, especially in the old continent, leave the floor to more international cooperation to foster mobility and attract foreign students.

The purpose of our National Agencies is to support these young generations of international students, and therefore their national colleagues; consulting and listening about the choices that concern them, with the awareness that we are building a global world in which they will live.

Education is a potential drive for socioeconomic development, particularly in a globalized world, where a highly skilled workforce can be an

advantage in terms of productivity, innovation, and competitiveness. In this geopolitical framework, the *European Year of Skills 2023* was designed to promote reskilling and upskilling, helping people to get quality jobs.

For all these reasons, this first edition, aims to be updated and extended in the near future to analyse also other effects of the welcoming of international students in host countries.

Francesco Profumo

President of Uni-Italia





## **ESTONIA | *The Estonian Education and Youth Board (HARNO)***

*The Estonian Education and Youth Board (HARNO) is a government agency of the Ministry of Education and Research that implements Estonian education and youth policy. Harno's goal is to offer Estonian organizations and individuals high-quality, modern, and equally accessible educational opportunities. Harno's mission is to have for everyone the ability to create a personal learning path for their entire life cycle. HARNO's activities range from primary education to higher education, from providing tools for learning and teaching to introducing the Estonian education system on the international level. Harno promotes Estonian Higher Education on the global level and contributes various international projects all over the world.*

### ***HARNO:***

- Encourages, develops and tests innovation in the field of education and youth*
- Promotes the implementation of youth policy and organises and develops Estonian youth work services, and directs the development of the field*
- Coordinates international cooperation*
- Acts as the Academic Recognition Information Centre (Estonian ENIC/NARIC) that evaluates foreign qualifications and provides information about foreign higher education systems*

- *Coordinates national initiatives aimed to improve the competitiveness of Estonian higher education, such as scholarship schemes for improving mobility for Estonian citizens and international students coming to study in Estonia*
- *Coordinates international cooperation programmes (Nordplus, EEA/Norway grants) in education*
- *Implements the programme of academic studies of Estonian language and culture abroad*
- *Acts as the National Promotion Agency for Estonian HE abroad (Study in Estonia)*
- *Organises the preparation and conduct of examinations, tests, surveys in Estonia and develops new assessment methods and tools*
- *Runs the nationwide study counselling "Rajaleidja" (ENG Pathfinder) network*
- *Accredits and evaluates educational institutions*
- *Implements Erasmus+ and European Solidarity Corps programmes in Estonia*

*HARNO has around 400 employees working in the offices in all the 15 Estonian counties, with bigger offices in Tallinn and Tartu. In 2024, the annual budget of the Estonian Education and Youth Board will be 88 million euros.*

*For more detailed information:*

*Haridus- ja Noorteamet (EST) – <https://www.harno.ee/>*

*Estonian Education and Youth Board (ENG) – <https://www.harno.ee/en>*

## **Estonia. Economic impact of international students - “The economic impact of the study abroad”**

### **International students in Estonia**

Estonia is one of the most successful small (with populations of less than 5 million) countries in Europe in terms of international Higher Education recruitment, academic recognition and quality assurance. The number of international degree students in Estonia has increased during the last 15 years more than five times.

The main keywords of the Estonian national higher education promotion strategy have been quality and employability. Estonia encourages motivated graduates to contribute to local labour market.

When it comes to quality, international students coming to Estonia promote the development of Estonian science and bring an international point of view to the lecture halls of Estonian universities. Through domestic globalisation, they also help Estonian students to have their first taste of a global career. Connections made in Estonia can often contribute to future long-term business relations, which will later be used to benefit the Estonian labour market.

The increasing number of international students arriving in the country has a marked effect not only on the academic world, but also on the economy.

### **Economic impact of international students in Estonia. International Student Barometer 2020**

In 2020, a report, International Student Barometer. International students in Estonia, was published and the report included a chapter of the economic impact of international students.

In the academic year 2019/2020, the contribution of international students into Estonian economy was more than 55 million euros.

In the 2019/2020 academic year, there were over 5000 international graduate students in Estonia, with the addition of Erasmus+ and other mobility programs bringing the total number of international students to about 7000. Calculating for 10 months rather than 12 and considering the fact that a few hundred students of EBS and Tallinn University are studying in the Helsinki campuses of these universities, and that some exchange students only spend one semester in Estonia, the presumed housing costs of international students in Estonia were at least 15 million euro per annum.

Using similar calculations to the ones that were used for housing, the presumed living costs for international students in the 2019/2020 academic year would be at least 18 million euro.

Using the most conservative calculations again (international students receiving one visitor at a time, with one overnight visit, average consumption, most visitors being tourists who arrived by plane), the total expenses of visitors to international students in Estonia per one academic year can be said to be upwards of 2 million euro.

Together with tuition fees paid to the universities and the tax contribution of working international students and graduates, the economic impact was more than 50 million euros.

Of the factors used to assess the economic impact and net income generated by international students in Estonia, housing and living costs, income and social taxes paid by international students who participate in the Estonian job market, visits to Estonia by the friends and family of international students and the tuition fees paid by international students are just a baseline for further evaluation of the benefit of higher education.

## **Economic impact of international students in Estonia in the labour market**

Estonia has analysed the economic impact of international students during their studies and also after the studies. Estonia has the data for the academic years from 2018/2019 to 2021/2022.

In cooperation between “Study in Estonia” and the Estonian Education and Youth Board, governmental agency Statistics Estonia has analysed the economic impact of international students working in Estonia for four years in a row. Statistics Estonia has looked at the fields in which foreign students mainly go to work, their tax contribution while working in Estonia, both during their studies and after graduation, and in most recent analysis, the types of employment and entrepreneurship.

How active are international students in the Estonian labour market? What is their impact on the local economy during studies and after graduation? How do international students differ from local students? The analysis focused on the participation of international students in the Estonian labour market and its impact on the economy.

In 2020 the results showed that working international students and graduates contributed over 10 million euros in taxes. The report published in 2023 showed that working international students and graduates contributed over 22 million euros in taxes in the previous academic year 2021/2022.

Main conclusions from the report (2023):

- 1) More than half (56%) of the international students in Estonia work during their studies, whereas 86% of the local students do.
- 2) International students are more vulnerable in the labour market than local students: they often work on less secure contracts (contracts under the

law of obligations) and their number of jobs worked is higher. However, that does not mean they only work a few days a year. Long-term work (over 90 days) is predominant among both local and international students.

3) In the academic year following graduation, 63% of international and 94% of local graduates worked in Estonia. The proportion of international graduates who have stayed to work here increased significantly in the last year.

4) The number of working international graduates did not fluctuate much from month to month in the academic year under review. This means that in each month of the academic year 2021/22, there were 730–770 international graduates of 2020/21 in the Estonian labour market.

5) While among local students, women are more likely than men to work while studying, the opposite is true for international students. 62% of male and 48% of female international students worked in the academic year 2021/22. Female international students are also less likely than their male counterparts to stay in Estonia after graduation.

6) The proportion of working international students is the lowest among students in integrated studies. Only a few of them work during their studies, while 85% of Estonian students of integrated studies are employed. This is probably due to the fact that a significant proportion of international students in integrated studies are of Finnish origin and their home country supports their studies in Estonia. International bachelor's students are also less often working than students in other levels of study.

7) In the academic year following graduation, 71% of international master's and 62% of international doctoral students who graduated in 2020/21 worked in Estonia.

8) Fewer international students at schools in Tartu work during their studies, but the proportion of employed students in these schools has increased in recent years compared with previous periods.

9) More likely to work alongside their studies are international students in information and communication technologies (ICT) or engineering, manufacturing and construction, as well as business, administration and law. In the academic year 2021/22, three quarters of international ICT students worked in addition to their studies.

10) Graduates of ICT and engineering, manufacturing and construction also stay working in Estonia more often than others. This is probably partly due to the abundance of companies with an international working environment suitable for graduates in these fields.

11) Less likely to work during studies are international students of agriculture and health and welfare.

12) International students holding a citizenship from African and Asian regions are more likely to work alongside their studies. International students with citizenship from northern European countries, especially Finland, are least likely to work.

13) In the academic year 2021/22, the most common economic activities of enterprises where international students work were information and communication, education, and manufacturing.

14) Compared with local students, international students more frequently work in foreign-owned enterprises.

15) In the academic year 2021/22, employers in Estonia paid €28.5 million to international students for their work.

16) In the academic year 2021/22, international students paid €4.6 million in income tax and €9.4 million in social tax in Estonia.

17) The average monthly payments to international students were lower than those made to locals (a total of €1,273 and €1,352 per month, respectively). For both groups, the payments have increased compared with the previous academic year.

18) International students contributed the most to information and communication enterprises (in 2021/22, they paid €1.4 million in income tax and €2.7 million in social tax).

19) In the academic year 2021/22, Estonian employers paid €16.5 million to international graduates of 2020/21 for their work here.

20) In the academic year 2021/22, international graduates of the 2020/21 academic year paid €2.9 million in income and €5.5 million in social tax in Estonia. This amount has almost doubled in a year (from 4.5 to 8.4 million euros), mainly due to a large increase in the number of working international graduates.

21) International graduates contributed the most to information and communication enterprises, followed by companies engaged in manufacturing and financial and insurance activities.

22) While in previous years the average number of employment episodes of international students had started to rise, in the last academic year this trend also extended to international graduates.

23) It is not common for international graduates to earn a living solely from short-term work stints. The majority of working international graduates are (also) employed on the basis of an employment contract.

24) The number and share of international graduates working in the service sector and/or in temporary employment decreases over time after graduation.



# Economic impact of international students working in Estonia

EESTI  
STATISTIKA

Academic year 2021/2022

56% of international students in Estonia work while studying



International students paid



**4,6 million**

euros in income tax

**9,4 million**

euros in social tax

International graduates of academic year 2020/2021 paid



**2,9 million**

euros in income tax

**5,5 million**

euros in social tax

Source: Statistics Estonia

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Author: Eero Loonurm

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Estonian National Broadcasting. April 2021.

Eero Loonurm: sisserändest ja õpirände tegelikust panusest ühiskonda

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## **2018/2019**

Working international students and graduates contributed over ten million euros in taxes

<https://www.stat.ee/en/uudised/news-release-2019-155>

## **2019/2020**

Working international students and graduates contributed over 13 million euros in taxes in Estonia

<https://www.stat.ee/en/uudised/tootavad-valistudengid-ja-vilistlased-toid-eestisse-ule-13-miljoni-euro-maksutulu-0>

## **2020/2021**

International students and graduates continue to contribute more in taxes to the Estonian economy

<https://www.stat.ee/en/uudised/valisuliopilaste-ja-vilistlaste-maksupanus-eesi-majandusse-suurenes-taas>

## **2021/2022**

Working international students and graduates contributed over 22 million euros in taxes in the previous academic year

<https://www.stat.ee/en/news/working-international-students-and-graduates-contributed-over-22-million-euros-taxes-previous-academic-year>



FINNISH NATIONAL  
AGENCY FOR EDUCATION

## **FINLAND | *Finnish National Agency for Education (EDUFI)***

*Finnish National Agency for Education EDUFI is a government agency responsible for developing education and training, early childhood education and care and lifelong learning, and for promoting internationalisation in Finland, in the fields of education, training, youth, culture and sports. In the field of Higher Education we implement a number of programmes and funding instruments for Higher Education institutions as well as scholarship programmes for individuals. We promote Finland as a study destination and act in advisory roles at national as well as international levels on topics relating to internationalisation in HE.*

*International students, their studies and integration in Finland has been a subject for data collection and analysis at EDUFI for a long time. In 2014 former CIMO (which later in 2017 was merged into a new government agency EDUFI) published in cooperation with the Government Institute for Economic Research VATT a study on the economic impact of international higher education students in Finland.*

*In 2022 EDUFI published a study on the economic value of the Finnish education export which had a focus on the economic impact of international students. The study was carried out by Research Institute LABORE.*

*In addition EDUFI has over the recent years collected and analysed data on the employability and labour market integration of international degree-seeking students. The Ministry of Education and Culture and EDUFI are jointly responsible for a national-level reporting portal on education sector and nowadays this reporting portal covers the data on the employability and labour market status of higher education graduates as well. Statistical reports on employability of foreign HE graduates can be retrieved on on-going basis from this data base: <https://vipunen.fi/en-gb/>*

## **Economic Impact of Study Abroad – perspectives from the Finnish National Agency for Education EDUFI**

### **I) Outline and main findings of our 2014 study on economic impact of international higher education students**

As there was not much research available in Finland into the economic impact of international education EDUFI and the Government Institute for Economic Research VATT decided to take a look into the possibilities of studying this subject in more depth in Finland. The purpose of the study was, by means of examining statistics and research literature, to pave the way for research on the economic impact of foreign higher education students in Finland. The reported Statistics Finland figures show that when looking back from the publication year 2014, during the last ten-plus years, the number of foreign students in Finland's higher education institutions had tripled, being almost 20,000 in 2013. By that time, in particular, the numbers of students originating from Asian and African countries had increased substantially. Of the foreigners graduated in 2011, more than two thirds were still in Finland a year after graduation, while two thirds of the stayers were in employment.

The literature review included in the report first examined studies concerning the underlying mechanisms of student mobility, whereas the subsequent parts investigated the impacts of foreign students, e.g., on the education system, production, labour markets and public economy of a country. The previous studies, in most cases, support the claim that the benefits accrued to a country from educating foreigners exceed the incurred costs – at least if a significant proportion of the foreigners stay in the country and integrate well into its labour markets. In the report’s conclusion, potential research questions were sketched for the research to be conducted on the topic in Finland.

### **Immigration of employable young adults is economically beneficial**

According to the calculations of VATT (2014), the net impact of immigration on Finnish public economy depends decisively on the age of the immigrants and how well they and their offspring succeed on the labour market. At the beginning of a person’s career, between 20 and 40 years of age, the net benefit of an immigrant to the public economy is at best almost 200,000 euros, if he or she and his or her offspring succeed in the labour market as well as those born in Finland of the same age. When immigrants are young or old, costs become higher than benefits. This is also true if young adults don’t succeed in the labour market as well as those born in Finland. Similar results have been reached in Sweden and the United States, too. Immigration of young adults at the peak of their working life results in clear net benefit in the public economy. In other age groups, the cost of education, health care, pensions and other services rise considerably. These studies are not specifically about students, but the results do indicate that recruitment of international higher education students is beneficial to public economy. Higher education students belong to the most productive group: young, skilled adults. Crucial from the point

of view of productivity is that they remain in the country after graduation and find employment at their education level.

### **Higher education students from abroad have a positive impact on economy**

Based on the 2014 study and its review on research literature it seems evident that international higher education students have a positive impact on public economy – this is proven by a number of cost-benefit analyses conducted in many countries. According to an analysis made in the Netherlands, the net benefit of an international student to public economy is between 10,000 and 90,000 euros during his or her life time, depending on the type of the educational institution and the country of origin of the student. The premise is that 19% of students remain in the country and that they would earn similar salaries and their characteristics in the labour market would be similar to those of Dutch people with similar education, and that they would use public services in a similar way as Dutch people and live as long. (CPB 2012) The premises about employment, consumption and use of services have a decisive impact on the sum total of the calculation, and these results need to be interpreted with caution.

### **The complexity of economic impact**

In addition to impact on the public economy, international students have other economic effects. Students who start working contribute to increasing production in the country and strengthen international networks and business between countries. On the other hand, an increased competition for work places may lower salaries. Recruitment of international students also has an impact on the volume and quality of training provided by the higher education system. If provision remains

constant, local students may not find a place to study. Furthermore, the presence of international students may have an impact on the learning of local students. The economic impact of international students is complex and is made up of a number of factors difficult to assess. When decisions about internationalisation of education are being made, we should consider other types of impact, too, such as development of competences needed at work. An international study environment increases understanding of different cultures and establishes trust and cooperation between countries. Students whose experience of studying in another country was positive will become good ambassadors for that country even if they don't stay there. As for the home country of those studying abroad, students may take an important role in developing their societies, particularly, as many come from the developing world. (Department for... 2013.)

### **Where does the economic footprint of those studying in Finland lead to?**

The decisive point of the economic footprint of an international student is whether they stay in the country to work after their graduation or whether they move somewhere else. According to Statistics Finland, just under a half (46%) of international students who graduated in Finland in 2011 were employed in Finland a year after, 6% continued studying, 18% remained in Finland for other reasons, and 31% had left the country. The number of students remaining in Finland is relatively high, compared, for example, to the premises made in the calculations in Germany and the Netherlands.



## **II) A study on the economic value of Finnish education export (2022): perspectives on the economic impact of international students**

The recent study commissioned by EDUFI and implemented by LABORE looked at foreign students as one aspect of the Finnish education export and its economic value. All in all the conclusion is that in the academic year 2019-2020 the net value of international education in HE for the Finnish public economy was 81 million euros. The study looked into both direct and indirect economic impact of foreign students, focusing on BA and MA students (excluding the doctoral level). In 2019-2020 the income from study fees in Higher Education was estimated to be at the level of 42,7 million euros in total. At the same time fee waivers and scholarships allocated by HEIs amounted 29,5 million euros in total. As a result the net income from study fees was estimated to be at the level of 14,2 million euros. Based on the study the average unit cost of a foreign student for the host institution was, in 2019, 5,442 euros. The estimated total cost of foreign students in Finnish HE institutions in 2019 was 69,6 million euros. Taking then into account indirect economic impact of foreign students (through their consumption and salaries) the study ends up with the conclusion that the overall economic impact of foreign students to Finnish public economy, in 2019, was + 6,8 million euros (surplus).

## **III) Recent developments**

Since the publication of the first 2014 report the overall number of international degree-seeking students in Finnish higher education has gradually increased.

**A) Foreign HE students and new foreign HE students based on nationality/continent in 2021**

(Source: Vipunen database)

	Foreign students			New foreign students		
	UAS and universities	UAS	Universities	UAS and Universities	UAS	Universities
<b>Europe</b>	8,358	4,071	4,287	2,475	1,512	963
<i>EU/EEA</i>	<i>6,204</i>	<i>2,868</i>	<i>3,339</i>	<i>1,842</i>	<i>1,101</i>	<i>744</i>
<i>Non-EU/EEA</i>	<i>2,154</i>	<i>1,203</i>	<i>951</i>	<i>630</i>	<i>411</i>	<i>219</i>
<b>America</b>	1,242	408	834	357	144	213
<b>Africa</b>	2,322	1,392	930	795	600	195
<b>Asia</b>	10,737	4,368	6,369	3,441	1,683	1,758
<b>Oceania</b>	81	36	45	18	12	9
<b>Unknown</b>	51	33	18	15	12	1-4
<b>All</b>	22,791	10,308	12,483	7,101	3,963	3,138

## **B) Integration of foreign HE graduates into the Finnish labour market**

When comparing figures from 2014 study with those available for 2019 there seems to be a slightly positive development on students integration into the labour market in Finland (especially looking at the employment status after one and three years after graduation).

Percentage of foreign graduates employed in Finland after one year of graduation (Source: database Vipunen)

	<b>UAS graduates</b>			<b>University graduates (excluding doctoral students)</b>		
	2019	2018	2017	2019	2018	2017
<b>EU/EEA nationals</b>	50 %	43 %	49 %	30 %	37 %	33 %
<b>Other nationalities</b>	59 %	53 %	52 %	54 %	50 %	45 %

Percentage of foreign graduates employed in Finland after three years of graduation (Source: database Vipunen)

	UAS graduates			University graduates (excluding doctoral students)		
	2019	2018	2017	2019	2018	2017
<b>EU/EEA nationals</b>	46 %	43 %	45 %	31 %	37 %	39 %
<b>Other nationalities</b>	49 %	47 %	46 %	44 %	39 %	40 %

Percentage of foreign graduates employed in Finland after five years of graduation (Source: database Vipunen)

	UAS graduates			University graduates (excluding doctoral students)		
	2019	2018	2017	2019	2018	2017
<b>EU/EEA-nationals</b>	42 %	48 %	46 %	32 %	37 %	40 %
<b>Other nationalities</b>	42 %	46 %	43 %	34 %	35 %	37 %

Foreign graduates after one year of graduation in 2019 (Source: Database Vipunen)

	<b>Employed</b>	<b>Student and employed</b>	<b>Student</b>	<b>Unemployed</b>	<b>Other or not known</b>	<b>Emigrated</b>	<b>All</b>
<b>UAS education</b>	<b>48 %</b>	<b>10 %</b>	<b>4 %</b>	<b>3 %</b>	<b>13 %</b>	<b>21 %</b>	<b>100 %</b>
<b>EU/EEA-countries</b>	45 %	5 %	3 %	3 %	6 %	39 %	100 %
<b>Other countries</b>	48 %	11 %	5 %	4 %	15 %	17 %	100 %
<b>University education</b>	<b>34 %</b>	<b>15 %</b>	<b>4 %</b>	<b>4 %</b>	<b>18 %</b>	<b>26 %</b>	<b>100 %</b>
<b>EU/EEA countries</b>	19 %	11 %	5 %	2 %	14 %	48 %	100 %
<b>Other countries</b>	38 %	16 %	3 %	4 %	18 %	21 %	100 %
<b>All</b>	<b>40 %</b>	<b>13 %</b>	<b>4 %</b>	<b>4 %</b>	<b>16 %</b>	<b>24 %</b>	<b>100 %</b>

In the Finnish context the recruitment of international students and their integration into the labour market has over the recent years, and especially since the publication of the first 2014 report, only gained in importance as the government has set up a national “Talent Boost” action plan to facilitate and speed up recruitment and integration of foreign talent into the Finnish labour market and society at large.

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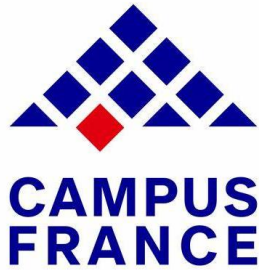
### **The 2022 report on the economic value of Finnish education export**

[https://www.oph.fi/sites/default/files/documents/Selvitys\\_suomalaisen\\_koulutusviennin\\_taloudellisesta\\_arvosta\\_0.pdf](https://www.oph.fi/sites/default/files/documents/Selvitys_suomalaisen_koulutusviennin_taloudellisesta_arvosta_0.pdf)

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Netherlands: Central Planbureau (2012) De economische effecten van internationalisering in het hoger onderwijs.



## **FRANCE | *Campus France***

*The Campus France agency supports the appeal of French higher education by promoting it to international students. Its missions are also to manage scholarships from French and foreign governments, to support students and researchers with respect to mobility, to manage the France Alumni network and to analyse student mobility in France and around the world.*

*The agency coordinates the Campus France Forum in France (372 higher education institutions). Worldwide, it relies on 275 Campus France Agencies, under the authority of French embassies in 134 countries.*

## **INTERNATIONAL STUDENTS: A CONTRIBUTION OF 5 BILLION EUROS TO THE FRENCH ECONOMY**

Campus France, in partnership with the Kantar Public institute, carried out a survey of 10,000 international students to find out more about their resources, expenses and living conditions. This study enables us to assess the economic impact of their presence in France: their contribution amounts to 5 billion euros for the country, giving a net positive balance

of 1.35 billion euros when related public expenditure is taken into account. The survey also showed the positive long-term impact on France's international image.

Their contribution amounts to 5 billion euros for the country, giving a net positive balance of 1.35 billion euros when related public expenditure is taken into account. The survey also enables us to assess the positive long-term impact on France's international image.

### **A large-scale survey**

Between February and April 2022, a 50-question survey was distributed to **9,992 international students who had stayed in France in the last three years**. This sample is made representative of the 302,863 international students in France via statistical adjustment, applied on four determining criteria: **student's geographic origin, type of higher education institution attended, level of study, and receipt of French government scholarships** (*Appendix 1*).

### **How do international students finance their studies?**

The survey identifies five main sources of funding: **family** is by far the most frequently cited source of funding for the study stay (77%), and accounts for 53% of income spent. **Personal savings** come next (48%). In third place is **CAF aid (46%)**, then **paid activities** (student job, 34%). Finally, 18% of respondents say they finance their studies through **study grants** awarded by the governments of their home countries or by the French government. 48% of students worked during their studies. For more than half of them, these jobs are considered essential to meet their expenses.



## The impact of the COVID-19 crisis

While, in the majority of cases, the health crisis had no impact on the length of stay (78%), it did generate **unforeseen expenses** for 60% of them (daily living expenses, return trips to the country of origin, health). In particular, the crisis has had a negative impact on the **sources of income** of 62% of students, and to a lesser extent on the support provided by families, which has fallen in 31% of cases. For 60% of students, the health crisis has prevented their relatives from visiting them in France.

## Five billion euros in financial contribution from international students in France

On average, international students spend **867 euros per month**: 48% of this budget goes on **rent** and 21% on daily living expenses (clothing, food) (*Appendix 2*). According to the survey results, they pay an average of 2,822 euros in **tuition fees** (including CVEC) (*Appendix 3*).

Their stay also generates revenue for the French economy in a wide variety of sectors:

- The survey shows that 38% of respondents received **visits from relatives** during their stay (family and/or friends), and for an average total duration of 23 days.
- They spend 1,692 euros on average on **transport** by rail, air and road (excluding commuting) to get to France.
- A quarter of respondents took **French courses** before or during their stay in France, 58% of them at French institutions, at an average cost of 1,632 euros.
- 20% of respondents said they had held several **jobs in France** during their study stay, and 28% had a single job. This represents an average of €13,300 and €7,800 respectively in employee social security contributions.
- For students involved in these procedures, the costs of studying in France and obtaining visas and residence permits represent an annual contribution of 34.8 million euros.

In total, adding up all revenues over the period, the more than 300,000 international students contribute **5 billion euros** to the French economy.

### **Public expenditure less than revenues: a net contribution of 1.35 billion euros**

Several types of public expenditure are earmarked for international students in any given year:

- The share of **domestic education expenditure** for higher education attributable to international students: 3.1 billion euros.  
- *Appendix 4.*
- Total annual amount of **French government scholarships** for international students: 53 million euros.
- Amount of **housing subsidies** benefiting international students: 206.6 million euros.
- Social security **expenditure** attributable to international students: 247.2 million euros.
- Cost of government services (**Campus France** and **diplomatic services**) designed to bring international students to France and promote cultural diplomacy and influence: 86.9 million euros.

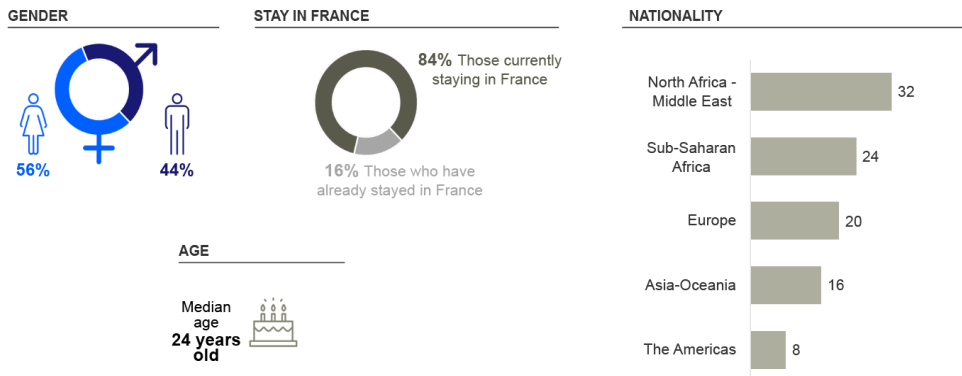
By subtracting total expenditure from revenue, a net contribution of **1.35 billion euros** is revealed: this is the direct economic impact of international students in France.

### **France's influence**

In addition to the immediate economic benefits for the French economy, the survey enables us to assess the long-term impact of the presence of international students on France's international image. According to respondents, this stay in France has direct positive effects on the desire to **work with French companies** (88% of respondents), to **consume French products** (80%), or the desire to **return to France for tourism** (88%). International students will also be the country's **first influencers**,

recommending France as a destination for work (84%), vacation (93%), study (90%), or living (75%).

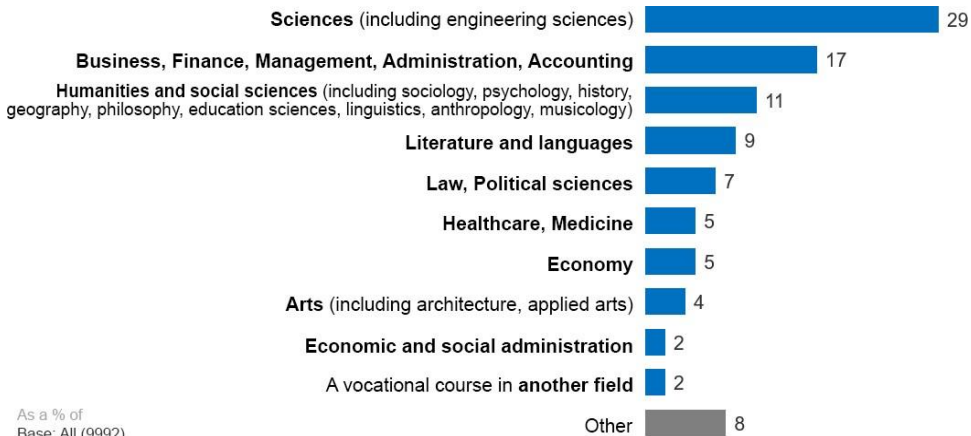
## Sample structure



Base: All (9992)

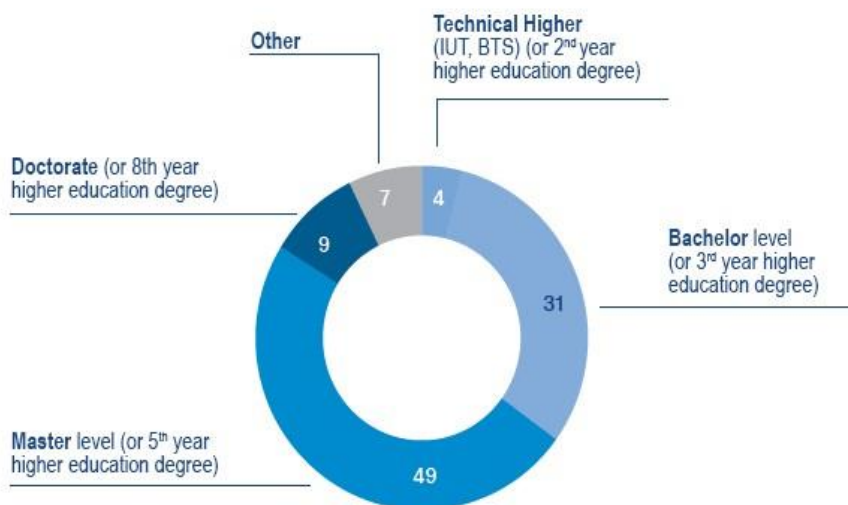
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## Fields of study of students surveyed



As a % of  
Base: All (9992)

## International students' educational level (%)



Source: OECD, mobile student database, reference year 2019.

## Expenses of foreign students in France

Area of expenditure	Monthly exp. (€)	%
Rent + charges	413	48%
Daily living expenses (clothing, food excluding university catering, etc.)	181	21%
Expenses for social and leisure activities (outings, sport, tourism, weekends etc.)	38	8%
Other regular monthly expenses	38	5%
University catering costs	69	4%
Daily transport costs	25	4%
Other healthcare costs linked to regular treatment expenses	19	4%
Communication costs (internet subscriptions, phone, etc.)	38	3%
Insurance (on a monthly basis)	46	2%
<b>Total</b>	<b>867</b>	<b>100%</b>

## Tuition

Type of higher education institution	Headcount	Average costs (€; survey)	Total tuition fees
Universities	202,397	1,104	223,446,288
Engineering schools	14,922	3,474	51,839,028
Business schools	44,726	10,700	478,568,200
Art and architecture schools	8,499	4,001	34,004,499
STS	4,454	2,892	12,880,968
CPGE (preparatory schools)	1,051	1,104	1,160,304
Other	26,814	2,659	71,298,426
<b>Total</b>	<b>302,863</b>	<b>2,822</b>	<b>873,197,713</b>

## Share of domestic expenditure on higher education attributable to international students

Type of higher education institution	Headcount	Average cost (€)	Total expenditure
Universities	202,397	10,271	2,078,819,587
Engineering schools	14,922	10,848	161,873,856
Business schools	44,726	8,271	369,928,746
Art and architecture schools	8,499	11,625	98,800,875
STS	4,454	14,761	65,745,494
CPGE (preparatory schools)	1,051	16,367	17,201,717
Other	26,814	11,625	311,712,750
<b>Total</b>	<b>302,863</b>	<b>10,249</b>	<b>3,104,083,025</b>

## Economic impact of international students in France: summary and global calculation

Economic contribution	Totals (€ million)
Monthly expenditure of international students	2,835.9
Tuition fees	873.2
Economic impact of relatives visiting students	392.5
Economic impact on the French transport sector	461.2
Costs of French language training (French institutions)	73.1
Employee social security contributions	375.4
Visa fees, procedural Studies in France fees, residence permit costs	34.8
<b>Total income</b>	<b>5,046.2</b>
The cost of training international students for France	Totals (€ million)
French government grants and scholarships	53.0
Domestic expenditure on higher education (international students)	3,104.1
Housing subsidies	206.6
Campus France+ diplomatic network operating costs (cooperation and student mobility)	86.9
Social security expenditure (CSBM) for international students	247.2
<b>Total expenditure</b>	<b>3,697.8</b>
<b>TOTAL INCOME-EXPENDITURE</b>	<b>1,348.1</b>

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Deutscher Akademischer Austauschdienst  
German Academic Exchange Service

## **GERMANY | *The German Academic Exchange Service (DAAD)***

*The DAAD is the world's largest funding organisation for the international exchange of students and researchers. Since it was founded in 1925, around 2.9 million scholars in Germany and abroad have received DAAD funding. It is a registered association and its members are German institutions of higher education and student bodies. Its activities go far beyond simply awarding grants and scholarships. The DAAD supports the internationalisation of German universities, promotes German studies and the German language abroad, supports countries in the Global South in building and improving their higher education systems and advises decision makers on education, foreign science and development policy. Its budget is derived mainly from the federal funding for various ministries, primarily the German Federal Foreign Office, but also from the European Union and a number of enterprises, organisations and foreign governments. Its head office is in Bonn, but the DAAD also has an office in the German capital, Berlin. It maintains contact with its partner countries on every continent via a network of regional offices, information centres and information points, which offer academic advice to students and researchers around the world who are interested in studying abroad or becoming better acquainted with the German research sector. The DAAD also hosts the National Agency for Erasmus+ higher education cooperation in Germany.*

*In 2022, the DAAD funded more than 140,000 German and international scholars worldwide. The funding offers range from a year abroad for*



*undergraduates to doctoral programmes, from internships to visiting lectureships, and from information gathering visits to assisting with the establishment of new universities abroad. Voluntary, independent selection committees decide on the funding. The selection committee members are appointed by the DAAD's Executive Committee according to certain appointment principles. The DAAD supports the international activities of German higher education institutions through marketing services, publications, the staging of events and training courses.*

For more detailed information, please refer to DAAD website [www.daad.de](http://www.daad.de) and its [annual report](#).

## **International students in Germany**

German universities and research institutions continue to enjoy great popularity. According to new data released by DAAD in its publication “Wissenschaft Weltoffen 2023” around 370,000 international exchange students attended German universities in the 2022/23 winter semester, a new record. Germany has thus overtaken Australia in the list of most popular countries for students, and now holds third place in the global rankings. Compared to last year, this was a clear rise of 5%. In terms of the number of international first-year exchange students, Germany returned to pre-pandemic levels for the first time, reaching 80,000 students. For the first time, India ranks first among countries of origin, coming ahead of China, with around 42,600 students. The number of Ukrainian students at German higher education institutions has also risen strongly, jumping 43% within a year to reach 9,100.

## **International Students contribution to the host countries' labour market**

International students are highly important to Germany. They do not only strengthen the internationalization of the German higher education and science system and society at large and foster cross-border knowledge transfer and understanding between people, Germany also profits financially from international student's stay in the country – and student mobility represents a significant means of recruiting qualified international professionals for the local labour market.

In **March 2023** DAAD has issued a position paper highlighting the contribution international students can make to the German labor market. While Germany urgently needs a highly educated workforce for long-term sustainable growth, the country is facing skills shortages. International students are becoming increasingly a focus in this regard: highly educated and acquainted with the host country's language they are referred to as "ideal immigrants". But numerous challenges remain in attracting the right candidates, preparing them for study in Germany, ensuring study success and not least successfully integrating them in the labour market. The DAAD paper gives ten recommendations how to address the issue.

As of 2024, DAAD will start a new funding programme supporting German higher education institutions to:

- attract international students for studying in Germany (including study preparation);
- enhance the study success of international students;
- integrate international students in the German labour market;
- attract international academics for the German labour market;
- support further qualification of international academics based on specifics of the German labour market.

## **The financial impact of international student mobility on the economy of host countries**

DAAD is also interested in analyzing the financial contribution international students make towards the economy of their host country. In 2013 DAAD commissioned a study on the topic titled “The Financial Impact of Cross-border Student Mobility on the Economy of the Host Country”. The study came to the conclusion that in the event that **“30 % of the international students remain in Germany after completing their studies, the investment Germany makes on providing places of study could already be amortised after a period of five years.”** DAAD is currently working on a new study on this topic and will make new data available in the course of the year 2024. A brief overview of the 2013 study is provided below.

### Brief summary: “The Financial Impact of Cross-border Student Mobility on the Economy of the Host Country” (2013)

In 2013 DAAD commissioned Prognos AG to carry out a study of the financial and economic effects of cross-border student mobility in different European countries. The authors of the study are Claudia Münch and Markus Hoch. Data used in the study is from 2010/2011, the study was published in November 2013.

#### *Study design:*

The study started from the assumption that the surge of international student mobility induces effects not only at the individual level of the students concerned but also on the societal, financial, and economic development of the involved host countries. On the one hand, host countries have to provide places of study, accommodation and advisory services for the international students at their higher education institutions. On the other hand, they stand to benefit from their presence, e.g. as result of their expenditure.

The study employed a model for calculating the short- and long-term financial and economic effects of international student mobility developed

on the basis of an analysis of the available national and international literature.

The study addressed the following main questions:

- What are the costs and returns resulting for host countries from cross-border student mobility?
- At which institutional level are the costs and returns realised?
- Over what time scales are the costs and returns from student mobility realised?

Beside Germany, the countries embraced by the study were the Netherlands, Austria, Poland, Switzerland and Spain. The analysis solely took into account mobile foreign students<sup>1</sup> who are residing in a host country within the context of learning mobility for degree purpose at Bachelor's or Master's level (so-called degree mobility). In order to obtain a valid data resource, the countries embraced by the study were asked to complete a short questionnaire on the number of international students they were hosting and the respective framework of studies. The country data were then compared and supplemented with the official international statistics.

The study used the following three quantifiable chain effects triggered by international students:

- Costs of financing places of study;
- Expenditure on the part of international students, such as accommodation, living expenses, leisure and travel activities;
- The income of international students: In the event that international students remain in a host country following their studies and enter into gainful employment, that country will benefit from direct

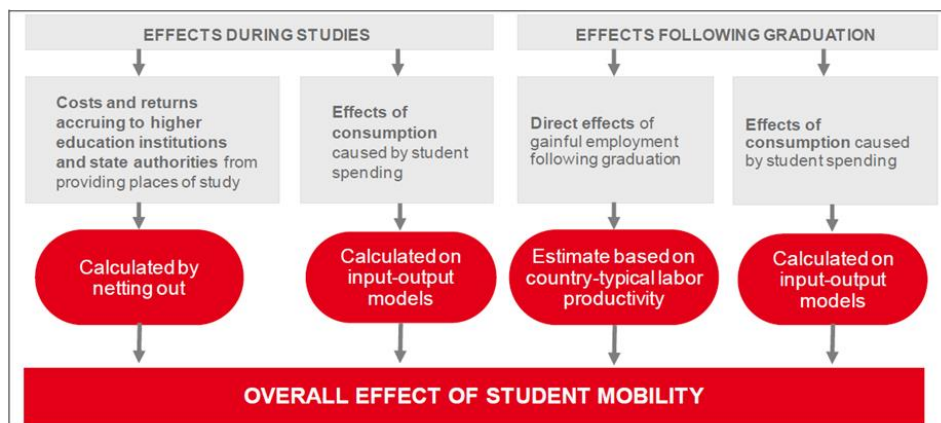
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<sup>1</sup> I.e. students of foreign nationality who obtained their higher education entrance qualifications within the school system of another country. The analysis does not include non-mobile foreign students, i.e. students of foreign nationality who obtained their higher education entrance qualifications within the German school system.

taxation of their income and social insurance contributions.

In the model, used in the study, the three cause and effect chains were spread over two time domains: effects during the actual period of studies and effects following graduation. Figure 1 gives an overview of how the calculation was carried out.

**Figure 1:** Overview of calculation steps.



*Source: own research Prognos AG 2013*

*Overall assessment of effects / conclusion:*

The study came to the conclusion that the annual level of long-term returns depends on the number of international students who, once they have graduated, choose to remain in a host country and pursue gainful employment. Hence, the proportion of international students who choose to remain in a host country (the retention rate) also determines the period necessary to amortize the investment a host country makes when providing places of study. (see table 1).

**Table 1:** Netting out the aggregate costs and returns of state funding in the event that 20 % or 30 % of international students remain in a host country, in million euros and years.

	Aggregate costs accruing to states for providing places of study for international students (based on four years)	Total returns for the state				
		During the actual period of studies (student consumer spending)	After completion of studies, p.a. (retention rate 20%)	Period of employment needed to cover costs (in years) (retention rate 20%)	After completion of studies, p.a. (retention rate 30%)	Period of employment needed to cover costs (in years) (retention rate 30%)
Germany	-8.353	1.603	907	7,4	1.361	5,0
The Netherlands	-1.622	343	132	9,7	198	6,5
Austria	-2.683	683	296	6,7	445	4,5
Poland	-282	93	24	7,8	37	5,2
Switzerland	-2.126	229	76	24,9	114	16,6
Spain	-2.495	545	193	10,1	289	6,7

*Source: own research Prognos AG 2013*

**The model calculations of the study show that the economies of host countries benefit significantly from value creation resulting from student mobility.** It is typical for investment in education that there is a time discrepancy between the costs and benefits, and that these are spread over different actors. The period needed before the returns accruing to the state offset the costs of providing places of study depends on the proportion of international students who choose to remain in a host country and are gainfully employed. However, the country's economy already stands to benefit in the short term in the form of value creation and employment effects from student consumer spending. In addition to this, student mobility gives rise to chain effects that cannot be expressed in mere economic terms. The extent of such effects is a function of the

quantity and quality of student mobility. On the one hand, this refers to the possibility of cross-border knowledge transfer which benefits the participating countries. On the other hand, student mobility represents a significant means of recruiting qualified international professionals for the local labour market. Furthermore, the student body is able to acquire multicultural competences which on the level of the individual are valuable for future careers, and on the societal level contribute towards understanding and breaking down prejudices between peoples. Moreover, cross-border student mobility facilitates the formation of international networks, which can in the long term lead to intensified economic relations among participating countries.

The above description is taken from the executive summary (in English) of the study:

[https://eu.daad.de/medien/eu.daad.de.2016/dokumente/service/medien-und-publikationen/studien-und-auswertungen/the\\_financial\\_impact\\_of\\_cross-border\\_student\\_mobility.pdf](https://eu.daad.de/medien/eu.daad.de.2016/dokumente/service/medien-und-publikationen/studien-und-auswertungen/the_financial_impact_of_cross-border_student_mobility.pdf)

The full version of the study (German only) is available at:

[https://eu.daad.de/medien/eu.daad.de.2016/dokumente/service/medien-und-publikationen/studien-und-auswertungen/studentische\\_mobilit%C3%A4t\\_und\\_ihre\\_finanziellen\\_effekte\\_auf\\_das\\_gastland\\_prognos.pdf](https://eu.daad.de/medien/eu.daad.de.2016/dokumente/service/medien-und-publikationen/studien-und-auswertungen/studentische_mobilit%C3%A4t_und_ihre_finanziellen_effekte_auf_das_gastland_prognos.pdf)

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<https://www2.daad.de/hochschulen/ausschreibungen/projekte/de/11342-foerderprogramme-finden/?s=1&projektid=57711918> and, Profi plus - Akademische Anpassungsqualifizierung für den deutschen Arbeitsmarkt“ (German only):

<https://www2.daad.de/hochschulen/ausschreibungen/projekte/de/11342-foerderprogramme-finden/?s=1&projektid=57711799>



## ITALY | *Uni-Italia*

*Uni-Italia is a recognized non-profit Association, jointly founded by the Ministry of Foreign Affairs and International Cooperation, the Ministry of University and Research, the Ministry of the Interior, Italian Trade Agency and the Conference of Italian Rectors (CRUI), that promotes the **Study in Italy** abroad, the attraction of international students and researchers to Italian Higher Education Institutions and supports the internationalization of academic cooperation.*

*To pursuit its scope, Uni-Italia implements government initiatives and programs and organizes national and international conferences to create a fruitful dialogue based on the exchange of experiences regarding policies on student international mobility and academic cooperation. Uni-Italia has a widespread presence in **Third Countries** throughout manifold Centers, that actively organize and participate in Education Fairs organized by the local or international subjects. The Centers are located within the diplomatic structures and Italian Cultural Institutes in the following countries: **China** (Beijing, Shanghai, Chongqing, Canton); **Colombia** (Bogotá); **India** (Mumbai, New Delhi, Bangalore); **Indonesia** (Jakarta), **Iran** (Tehran); **Morocco** (Rabat, Casablanca) and **Vietnam** (Hanoi, Ho Chi Minh City). This last center works as **regional hub** for other countries such as: Cambodia, Thailand, Myanmar, Philippines, Laos, Malaysia, Australia and New Zealand, Japan and South Korea. Uni-Italia has an **EU Liaison Office** in Bruxelles to multiply and strengthen the participation in European networks. In Italy, the association offers support to foreign students, facilitating their integration into the social, academic, and cultural fabric of the country and organizes networking events to ensure a fulfilling educational experience.*

## ***International Students in Italy: main features and economic impact survey 2023***

The present study aims to assess the investment made by international students, regularly enrolled in the country, and to measure the overall attractiveness of the system.

To achieve this goal Uni-Italia, in cooperation with Bocconi University, conducted a national survey and assigned it to some of the most active Italian universities in the internationalization of their study programs. The study, of extreme importance for Italy, tries to explore and deepen, for the first time at national level, the economic benefits of attracting international students and to identify how students perceive the value of their study experience in Italy.

It is as well important to quantify the economic impact of international students in the host cities, identifying the sectors in which their presence has a greater impact (for instance: housing, food and culture).

The study highlights the state of the art as a contribute to the Italian international promotion strategy.

### **Main purpose of the survey**

The main purpose of the survey is to assess the economic impact of international degree-seeking students who choose to undertake a cycle of university studies in Italian universities. The issue requires to be approached with a twofold point of view: the impact on students in terms of costs and the impact on their host cities in terms of wealth distribution.

Specifically, along with the general focus on the characteristics of international students and their motivation in choosing Italy, a focus is added on assessing how financially burdensome it can be for international students and their families to choose to study in the Italian context and how the costs incurred are distributed among different items. The economic quantification of costs is countered by surveying students' perceptions. It is then considered of particular interest to quantify the economic spillovers of

the presence of foreign students in host cities, focusing on the ability to create and redistribute wealth as well as the identification of the agents on which there are greater economic spillovers (housing, food, culture, etc.). The presence of universities capable of capturing the interest of international students thus represents not only a cultural asset for cities but also a chance for redistribution of wealth that falls on different local realities.

### **Profile of respondents: who are the international students who choose to study in Italy?**

The demographic characteristics of the students are described, taking into consideration the individual demographic variables and bivariate calculations of the same to identify the respondents and to assess the representativeness of the sample.

The respondents are 2,700 international degree seeking students out of 109,681<sup>2</sup> and they are enrolled in one of the 27 Italian Universities characterized by a higher level of internationalization. The sample is considered to be sufficiently representative of the international student population, the response rate drops especially for some questions, but never goes below 2.5%.

Most of the international students in Italy, 53% of the respondents, come from Asia, followed right after by Europe with 24%, then Africa and America, with respectively 12% and 11%.

The first country with the largest number of respondents is Iran, followed by India and Turkey, even if considering all the international students enrolled in Italian Universities, which also include students with foreign

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<sup>2</sup> Number of international students enrolled in the academic year 2021/2022. Source: USTAT (<https://ustat.mur.gov.it/>).

citizenship residing in Italy, the leader country of origin is Romania, followed by Albania and China.

The majority of the respondents is of female gender (54%), and the average age is 24.5. This is not so surprising, because the majority of English-taught courses, offered by the Italian universities, belongs to the second cycle. In fact, the majority of the respondents is enrolled in a Master's degree.

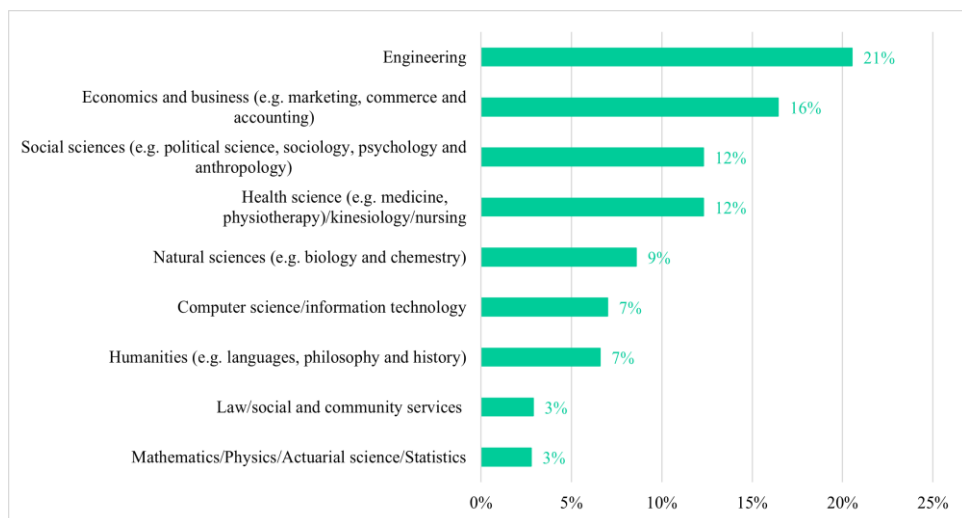
The prevalence of international students, 93.8% choose Italy for a degree: in particular 57.3% for a Master's degree (two-year study cycle), 29.4% for a Bachelor's degree (three year-study cycle) and 7.1% for a University Professional degree.

In conclusion, within this sample, **the typical profile of the international student in Italy is not very young, and mostly looking for specialization.** All nations are very well represented within the sample, with a clear prevalence of students from Asian nations.

70.15% of the **students have never had a previous international experience**, which means that they **decide to start having it in Italy**. It is interesting however to notice that 29.85% of the sample declare a past foreign experience, 7.21% of which in Italy and 13.6% obtained a past study degree not in their country of origin.

As regards the field of **study**, (figure 1), the **clear prevalence is engineering and economics**, as a natural consequence of the high response rates obtained from the Politecnico of Turin and Bocconi University. The following main fields are **Social Sciences** and **Health Sciences**, which makes it possible to conclude that Italy attracts foreign students **not only in STEM** disciplines.

**Figure 1:** *Distribution of the respondents based on the field of study.*



## **Characteristics related to the students' experience - Living in Italy**

This section analyses the main features of Italian living, considering the following aspects: accommodation, transportation, place where to have the lunch or dinner and ways to spend free time, evaluating the different choices, or sometimes, the different available choices of the students in association with the different areas in which the University is located.

It is important to highlight that **international students in Italy have the same rights and duties, benefits and costs, as Italian ones**, in terms of access to services, e.g. annual ticket for transportation. This is the effect of a decennial strategy aimed at attracting more international students.

### **Accommodation**

Students tend to live in apartments, possibly shared (Table 1). A very small percentage live in a host family, and 2.4 % have purchased homes. A qualitative analysis of the accommodation of the 2.22 % who opted for

"other" reveals that a considerable number of students report that they are currently at home and taking online classes remotely<sup>3</sup>.

**Table 1**

Room, apartment, or house that I am renting by myself	34.8%
Room, apartment, or house that I am renting with people who are not family members	29.5%
University residence or college	21.4%
Room, apartment, or house that I am renting with members of my family (or with my partner)	8.4%
Room, apartment, or house that I (or a family member) purchased	2.4%
Other, specify:	2.2%
Homestay (that is, living with a host family)	1.3%

## **Transportation**

Students seem to move by public transportation for the most part (56.19%) or, having accommodation near the university site, they reach it by walking or biking (39.98%). The average price of transportation for those who

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<sup>3</sup> For this category of students, a lot of questions are not relevant. This could be a partial explanation for the high drop rate.

move by public transportation tends to be very low per month due to the conditions offered by annual subscriptions, therefore this is not a major cost item. Additionally, students seem to be satisfied with the possibility of containing this expense.

## **Food**

The habits related to lunch and dinner tend to differ; students choose to have dinner at home often or always and tend to do the same also for lunch. When a university's canteen is available, students tend to choose it for lunch. It is quite interesting to note, that there is a relevant percentage of students that never go to a restaurant neither for lunch nor for dinner. International students in Italy are quite sensitive to economic issues and tend to select the cheaper options.

## **Free time**

International students' free time behavior reveals a preference for "home habits," that is, spending time alone and/or with friends at home, while visiting museums/theatre or cinema is not usual.

Finally, to complete the picture, it is important to consider that international students travel to visit other Italian places (mainly) only sometimes and they limit travel home and receive family members infrequently.

## **Characteristics related to economic aspects of being enrolled in an Italian University**

Among the key points, the study addresses the characteristics related to economic aspects of being enrolled in Italian universities. Additionally, it refers to their capability of attracting international students by offering economic facilitations.

In Italy, international students can apply for several scholarship programs. At national level there are grants provided by the Ministry of Foreign Affairs and International Cooperation in favor of foreign citizens, not residing in Italy, to foster international cultural, scientific, and technological cooperation and to promote Italian language and culture. Grants are offered to pursue study, training, and/or research programs at Italian HEIs. The program ***Invest Your Talent in Italy*** promoted by the Italian Ministry of Foreign Affairs and International Cooperation, the Ministry of University and Research, ITA-Italian Trade Agency and Uni-Italia, offers a number of scholarships in favor of international students interested in attending higher education courses (Laurea Magistrale or Master Universitario) in Italy. International students, coming from 17 strategic countries, have the opportunity to carry out a study period in Italy and the chance to develop their skills through a wide range of Master's and Postgraduate courses held in English in the fields of Engineering-Advanced Technologies, Architecture-Design, Economics-Management. In addition, the Program includes a mandatory 3-month internship at selected Italian companies.

In Italy there are several opportunities to obtain financial support: **international students** are eligible to the **same financial** services as **Italian** students and can apply for scholarships provided by regional bodies, entitled to carry out policies for the *Right to University Studies*, *Diritto allo Studio Universitario* – DSU or by Higher Education Institutions.



A DSU grant includes free accommodation, free meals at the University canteens, contribution to cover extra expenses (sporting activities, books, etc.), exemption from paying tuition fees, and other additional services, that may vary according to the Region. Students coming from non-EU countries must certify that they do not belong to a high-income and/or high-status family and provide proof of their family income, as Italian and EU students do. Furthermore, each University provides its own merit-based scholarships, whose terms and conditions depend on the respective institutions.

**International students** in Italy are **mostly scholarship holders** (Table 2), the main part of these students are regional scholarship holders (48%) and most of them receive a tuition fee-waiver (Table 3).

**Table 2**

**ARE YOU A SCHOLARSHIP HOLDER?**

	<b>Percentages</b>
<b>Yes</b>	57.36
<b>No</b>	42.64

**Table 3**

**HAVE YOU RECEIVED A TUITION AND FEE WAIVER?**

	<b>Percentages</b>
<b>Yes</b>	<b>62</b>
<b>No</b>	<b>38</b>

**Economic impact**

The evaluation of the economic aspects related to the study experience in Italy quantify students' expenses and an important issue is related to the balance between the Government/Regional expenditure to support international students with scholarships and the total expenditure of students.

The main cost item for international students is accommodation, while university-related expenses seem to have little importance.

**Table 4**

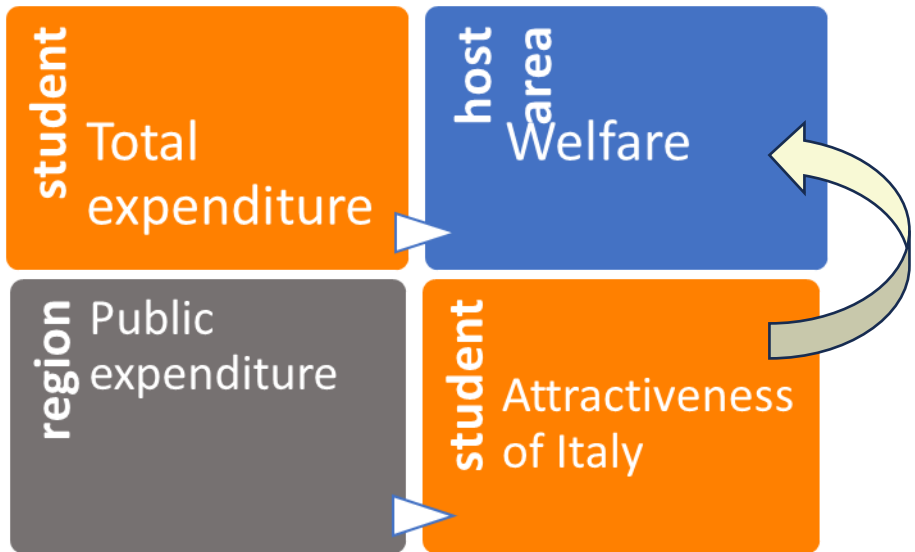
	Not at all important	Very little important	Somewhat important	Very important
Accommodation (e.g., rent payments, including utilities such as heating, electricity)	2.8%	2.3%	13.3%	81.6%
School-related expenses (e.g., tuition, textbooks, school supplies)	13.5%	30%	28.2%	28.2%
Social activities (e.g., going to pubs or coffee shops with friends)	11.6%	38.4%	39.9%	10.2%
Food, clothing, transportation	2%	16%	42%	36.3%

The responses reflect two kinds of students: those who have exemption, even partial, from tuition fees and those who do not. It is reasonable to expect that the amount of tuition depends on the university in which the student is enrolled as well as the student's capability to access fee-waivers and scholarships.

To better understand the economic impact of the presence of international students in Italy, it is necessary to create groups of students to maximize the homogeneity within groups and the heterogeneity between groups. Applying a cluster analysis based on the expenditures of the international students produces two distinct clusters: the major cluster (cluster 2) is

characterized by low expenditures in each item. This cluster includes 87.5% of students. The other, named cluster 1 (12.5% of students) is characterized by greater income at disposal. The distribution of the two clusters is heterogeneous in the different areas considered. Cluster 2 appears to be preponderant in all areas except in Milan and Rome, where cluster 1 prevails. Finally, after considering the costs from the students' point of view, the costs as an economic return for the host city were evaluated, and evidence shows that the **increase in the number of international students produces effects in terms of welfare** for a very wide category of stakeholders. There are many aspects that can attract foreign students, starting from the prestige of the university at the same time costs are a key point for international students in Italy, and scholarships can be considered as the main tool at our disposal to attract international students.

The following scheme summarizes the relation between public expenses for scholarships as the element that can increase the number of international students in Italy. Students ideally belonging to cluster 2, characterized by low expenditures i.e. are attracted by economic support, but they also have the characteristics of cluster 1, where a more international environment represents an element of attractiveness in itself. Therefore, the basic and fundamental relation concerning “public expenditure for scholarships imply welfare for cities/areas” is the main focus.



To evaluate the relation described and to quantify it by computing the difference between the public expenses and the students' expenditure/economic revenues, the total number of respondents who completed the questionnaire was considered, i.e. 2,700 students. Starting from the maximum costs for regional scholarships, the maximum cost for each University was computed, taking into account the number of students who received the scholarship in each University and the different cost for the scholarship in different regions. To compute the total positive impact on the economic set up of the cities involved, we added the total expenditure of scholarship holders and those who do not have any. The difference between these two values was also considered, as the quantification of the “economic convenience of international students”.

These data have been aggregated into the following areas, that took into consideration the main cities of Milan, Turin and Rome by themselves, and the other groups of cities, involved in the survey, aggregated together to ensure that each area is well represented in the sample.

The analysis showed that in 2023, the city of Milan has the highest income, with more than 8.5 million of euros, the city of Turin reached more than 1.7 million of euros and the city of Rome a few thousand above the million.

Padua and Bologna had an income of almost 1,8 million, while other towns in the north of the country (Brescia, Genoa, Trento, Pavia and Trieste) almost 1.6 million. Venice, Pisa and Siena reached almost 2 million, while Naples, Bari, Messina and Palermo gained a quarter of that amount, a little more than 500,000 euros.

We can affirm that **in 2023** the total amount gained by the **27 universities** that promoted the survey within their international students, have made towns and territories earn almost **18 million euros**, considering only the 2,700 respondents.

These conclusions show a clear indication to policymakers, that the increase in the number of international students in our country makes public expenditure largely offset by the economic effects on the host area.

# Nuffic

## NETHERLANDS | *Nuffic*

*Nuffic is founded in 1952 and is the national Dutch organisation for internationalisation in education and research. Nuffic delivers knowledge, expertise and service to all educational sectors: from primary and secondary education to vocational and higher education and research. On behalf of the Ministry of Education, Culture and Science, the Ministry of Foreign Affairs and the European Commission, we work with our partners at home and abroad to connect people, support their development and with that to help build a peaceful and prosperous society for everyone.*

*Besides its headquarters in The Hague, Nuffic is present in several regions around the globe to boost collaboration in education and research. Its international work covers over 30 countries. In addition to its regional offices in South Africa, Jordan and Indonesia, Nuffic operates three smaller project offices in Benin, Ethiopia and Lebanon.*

*Nuffic's ambition is for all pupils and students to have the opportunity to acquire international competencies, whether at home or abroad. This will prepare them for the society and labour market of the future and ensure that they are ready to tackle the global challenges of our time. After all, international problems require international solutions. Economic, political or social tensions do not stop at national borders. The changes that the world is experiencing require significant changes to education.*

*With a team of highly skilled researchers, Nuffic conducts research in a wide range of areas, including international student mobility, stay rates of international students, inclusive internationalisation and international competences. By sharing data and research with our stakeholders, Nuffic contributes to internationalisation policy and helps organisations and*

*companies navigate the increasingly international labour market. Further, Nuffic supports educational institutes and professionals in integrating internationalization in educational programs. Doing so, we pay special attention to being inclusive and working towards a sustainable future.*

*Through programmes like the Orange Knowledge Programme and as the acting National Agency Erasmus+, Nuffic facilitates the exchange of over 32,000 students and staff members each year. Over 800 partnerships around the world and hundreds of successful capacity building projects in emerging countries, are a testament to Nuffic's ability to collaborate across borders and cultures. International mobility would not be possible without the valuation of credentials. As a National Centre of Expertise for Academic Recognition and Credential Evaluation, Nuffic evaluates over 49,000 credentials every year. In doing so, we open the door to life-changing experiences for thousands of students. In addition, Nuffic coordinates and participates in EU-funded projects aiming to improve diploma recognition procedures in Europe. Furthermore, Nuffic is proud to be an 'EU Pillar Assessed' organisation.*

*For more information please visit [our website](#) and our interactive dashboards showing the latest facts and figures and publications.*

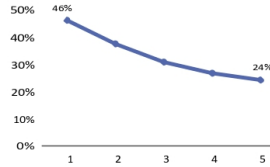


# Stay rate of international graduates in the Netherlands

In the academic years 2006-2007 to 2015-2016, almost 139,000 international students graduated from Dutch institutions of higher education. How many of them have stayed in the Netherlands? Are there differences between European and non-European students and between the various fields of study? Where do they work, and what do international students ultimately contribute to the Dutch public finances?

## A quarter stay in the Netherlands

One year after graduating, 46% of international graduates are still living in the Netherlands. After 5 years, the stay rate has fallen to 24%, which equates to almost 33,500 international graduates.

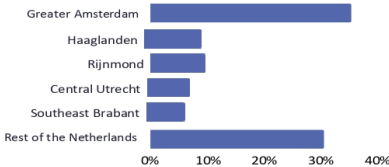


## Higher stay rate for non-European students

Of graduates from outside the European Economic Area (EEA), 38% still live in the Netherlands 5 years after graduating. The stay rate of European students is significantly lower: 19%. In absolute terms, however, there are more European (18,000) than non-European (15,000) 'stayers'.

## Higher stay rates for Education and Engineering

In relative terms, international students who graduate in the fields of Education and Engineering are the most likely to stay in the Netherlands. Economics has the largest number of 'stayers'.



## Amsterdam is a popular place to work

Five years after graduating, 74% of graduates who stay in the Netherlands are in employment. Around a third of them work in the labour market region of Greater Amsterdam. The other regions in the top 5 are Haaglanden, Rijnmond, Central Utrecht and Southeast Brabant.

## International students generate €1.5 billion

The current intake of international students (2021-2022) will ultimately contribute around €1.5 billion to the Dutch public finances. The majority of this comes from non-European students.



## Summary

In the academic years 2006-2007 to 2015-2016, a total of 138,640 international students graduated from Dutch higher education institutions. How many of them remain in the Netherlands? Where do they live and work? What is their annual salary? And are there differences in stay rates between men and women, between graduates of research universities (RU) and graduates of universities of applied sciences (UAS) and between European and non-European graduates? The key findings from this analysis, based on microdata from Statistics Netherlands (CBS), can be found below. You can learn more about these (and other interesting results!) in the main body of this report.

- **Five years after graduating, 24% of international graduates are still in the Netherlands.** This equates to almost 33,500 people. This percentage (the stay rate) has remained stable since the 2010-2011 graduate cohort.
- **Among the international graduates who remain in the Netherlands after graduating, the percentage of those in employment increased with each year after graduation to 74% after 5 years.** Female graduates had a slightly higher labour market participation rate than male graduates.
- **The stay rate of students from outside the European Economic Area (EEA) is substantially higher than that of students from the EEA.** After 5 years, the stay rate of non-EEA students was 38%, compared to 19% for EEA students.
- Of the international degree students who were still in the Netherlands 5 years after graduating, around two-thirds graduated from a research university. The remaining graduates graduated from a university of applied sciences. The average stay rate 5 years after graduating is also slightly higher (24%) among RU graduates than among UAS graduates (22%).
- The stay rate is highest among Education graduates. Graduates with a degree in Engineering also have a relatively high stay rate. Economics has the largest absolute number of ‘stayers’.
- **Around 3 in 5 of the graduates who remain in the Netherlands are women.** The average stay rate among female graduates 5 years

after graduating (24%) is also slightly higher than that of male graduates (22%).

- **Five years after graduating, 35% of the graduates who are in employment work in the labour market region of Greater Amsterdam.** The other regions in the top 5 are Haaglanden, Rijnmond, Central Utrecht, and Southeast Brabant.
- Greater Amsterdam is the most important labour market region for all fields of study apart from Agriculture & Natural Environment (where FoodValley is the most popular) and Engineering (where Southeast Brabant is number 1 - Eindhoven University of Technology and ASML, among others, are based here).
- **North Holland and South Holland are the most popular provinces to live in among international graduates.** Nearly half (49%) of those who were still living in the Netherlands 5 years after graduating lived in a municipality in one of these provinces.
- Amsterdam is far and away the most popular municipality in which to live: 5 years after graduating, a quarter of graduates were living in this municipality. Other popular municipalities include Rotterdam, The Hague, Utrecht, and Eindhoven.
- **Five years after graduating, the average gross annual salary of an international graduate in employment is around € 46,000.** There are major differences between the various types of institutions: after 5 years: international RU graduates earn, on average, 10,000 euros more each year than UAS graduates. Education, Healthcare, and Engineering graduates often earn relatively more than other graduates.
- **The current intake of international degree students (2021-2022) will ultimately contribute around € 1.5 billion to the Dutch treasury.** This is almost twice as much as the intake of 2017-2018. Overall, research university graduates from outside the EEA contribute the most: almost € 900 million.

## **Opportunities and recommendations**

There has been talk of skills shortages in the Dutch labour market for some time now. Almost all sectors are facing a shortage of qualified personnel, and Engineering, Healthcare and Education in particular have large numbers of unfilled vacancies. International graduates can play a role in resolving these skills shortages. Based on this and previous research, we believe that there are opportunities to increase the stay rate of international graduates. The following recommendations suggest how we might respond to these opportunities at a national level.

### **Earlier guidance**

International graduates who do not stay in the Netherlands usually leave within the first year after they obtain their degree. Providing them with more information and guidance at that stage, as well as prior to graduation, may help to remove barriers for many international graduates. This might include guidance concerning the Dutch labour market, offering them opportunities to gain work experience (e.g., internships with Dutch companies), and providing them with specific information on the various types of residence permits.

### **Better accommodation**

The situation in the Dutch housing market clearly has a negative impact on international graduates' plans to remain in the Netherlands. In a survey conducted in 2021, almost half (48%) of respondents (international students who had just graduated) said that the housing market had a negative impact on their plans to remain here, making it the most mentioned factor (Nuffic, 2021). If the housing situation for young international talent is improved, this may have a positive impact on the stay rate of international graduates.

### **Better Dutch language proficiency**

International students also frequently indicate that lack of proficiency in Dutch has a negative impact on their plans to remain in the Netherlands (36% said that this factor had a negative or very negative impact; Nuffic,

2021). Initiatives to enable international students/ graduates to learn the Dutch language could therefore result in a higher stay rate.

For more information about this research, you can find the complete publication by this clicking on [this link](#) or search for ‘Stay rate and labour market position of international graduates in the Netherlands’.



SERVICIO ESPAÑOL PARA LA  
INTERNACIONALIZACIÓN DE LA EDUCACIÓN

## **SPAIN | *The Spanish Service for the Internationalization of Education (SEPIE)***

*The Spanish Service for the Internationalization of Education (SEPIE), an organization attached to the Ministry of Universities, is the National Agency in Spain of the Erasmus+ program of the European Union in the fields of education and training. On the other hand, SEPIE is also in charge of fostering the international projection of Spanish Universities. To this end, SEPIE collaborates with educational administrations and Universities and participates in activities and fairs at the European and international level with the aim of contributing, among other issues, to:*

- *Promote abroad the educational and research offer of Spanish universities and research centres.*
- *Improve the reception of international students, faculty and researchers in Spain and of Spaniards abroad.*
- *Promote the European Higher Education Area and the Ibero-American Knowledge Area.*
- *Generate actions and procedures that enable the attraction of international students, researchers and professors to Spanish universities.*

## Introduction

This is a summary of the sixth issue of the study of the economic impact of international students in Spain<sup>4</sup>. First launched by the Association of North American Programs (APUNE) in 2006, we continue to incorporate educational categories to now include US study abroad (SA), Erasmus+, language and culture, undergraduate, graduate, and the Instituto Cervantes' (IC) programs.

This research maintains its initial aim to serve as an information piece to advocate with Spanish authorities and stakeholders for the removal of barriers that negatively impact enrollments, and to inform the greater public on the benefits of this economic activity. The analysis herein not only measures expenditures made by these international students in Spain, but also accounts for the considerable multiplier effect of those expenditures.

Leontief's input-output model serves as a conceptual framework for this research. Our analysis, as in any other economic impact study, is an approximate process where "output numbers should be regarded as a 'best guess' rather than as being inviolably accurate"<sup>5</sup>. Producing these measures allows us to raise awareness on the benefits of this activity, helps advocate for reasonable legislation, provides data for strategic planning, and favors the quality of educational programs of all types. All of these fortify Spain's assets as an excelling educational destination for all kinds of students.

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<sup>4</sup> See The Economic Impact of International Students in Spain 2020 at:

[https://www.spaineduprograms.es/files/ugd/bedbcb\\_046f87784449423faac4cae59c89247b.pdf](https://www.spaineduprograms.es/files/ugd/bedbcb_046f87784449423faac4cae59c89247b.pdf).

<sup>5</sup> Journal of Travel Research, p. 81, A Guide for Undertaking Economic Impact Studies: The Springfest Example, retrieved June 20, 2016, from [http://agrillife.org/cromptonrpts/files/2011/06/3\\_4\\_7.pdf](http://agrillife.org/cromptonrpts/files/2011/06/3_4_7.pdf).

## Findings

Our findings show that 1,044,898 internationals enrolled at Spanish institutions in the 2018-2019 academic year. We determine that their overall economic impact<sup>6</sup> on the Spanish economy amounts to 3,795,740,732 euros and that the multiplier effect for student spend is 2.27<sup>7</sup> (see Table 1).

**Table 1:** Overall impact of international students in Spain

CATEGORY	DIRECT IMPACT	INDIRECT IMPACT	TOTAL
US Study Abroad	163,241,808	328,132,172	491,373,980
ERASMUS+	-61,913,332	245,534,400	183,621,068
Language & Culture	316,427,904	351,724,286	668,152,190
Undergraduates	248,155,385	533,153,205	781,308,590
Master's programs	1,016,193,240	663,767,612	1,679,960,852
Instituto Cervantes	-8,675,948	0	(8,675,948)
SUM	€ 1,673,429,057	€ 2,122,311,675	€ 3,795,740,732
Multiplier Effect		2.27	

Enrollment in Spanish language programs is the most numerous, accounting for 47% of the total. IC students completing courses at its centers abroad and candidates for the institute's standardized testing

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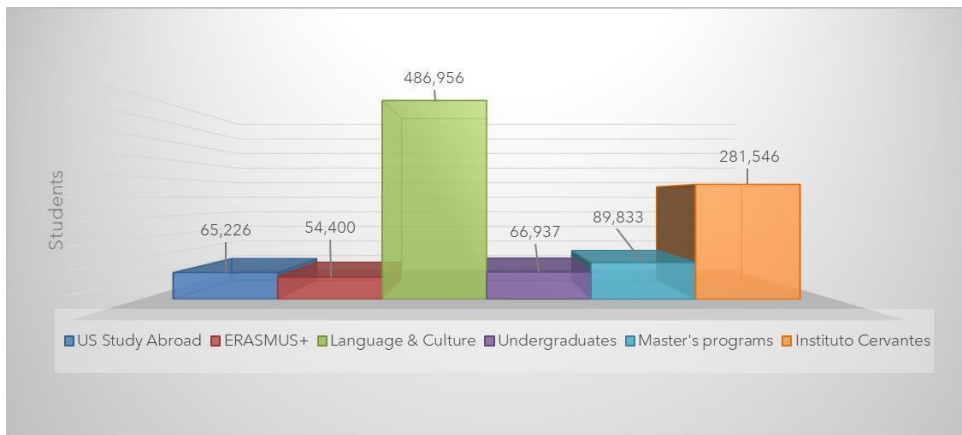
<sup>6</sup> The overall economic impact of international students in Spain is the addition of all direct and indirect effects (Type I indicators) for the six categories in this study.

<sup>7</sup> A multiplier effect of 2.27 indicates that for each euro spent on their academic program, these international students spent an additional 1.27 euros on a broad range of sectors of the Spanish economy.



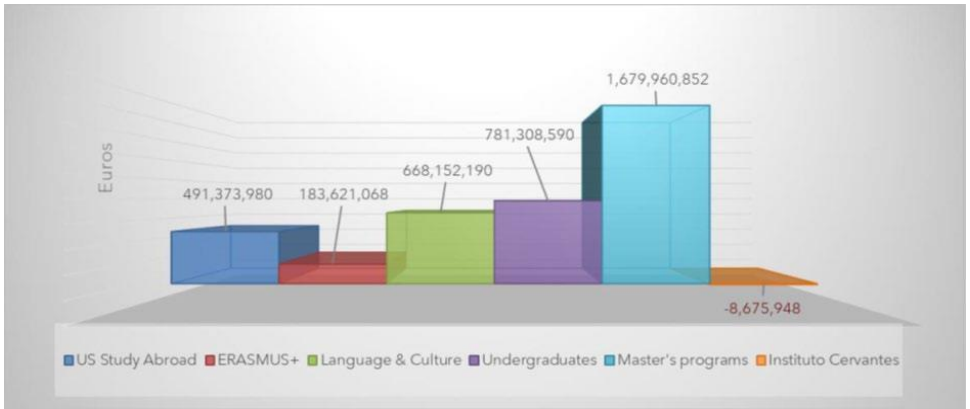
follow, with 27%. The remaining 26% include master's, undergraduate, SA, and Erasmus+ (see Chart 1).

**Chart 1:** Enrollment figures by category



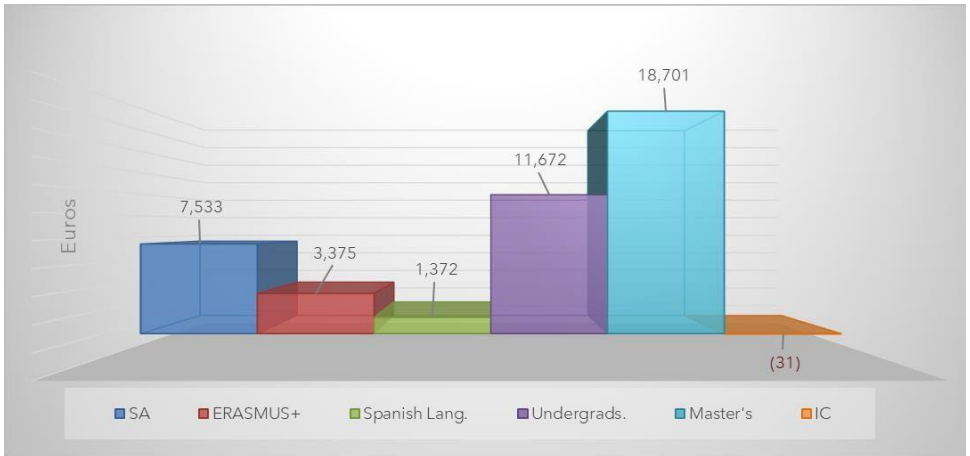
Master's programs remain the category with the largest impact, followed by undergraduate degrees, Spanish language, SA, and ERASMUS+. Instituto Cervantes' activities have a negative impact as the result of the public funding received by the institute which exceeds its yearly revenue (see Chart 2).

**Chart 2: Economic impact by category**



The highest per-student impact is also that of internationals enrolled in master's degrees followed by undergraduates. These two categories represent 15% of the international student population, yet they account for 65% of the overall economic impact from the export of education. These findings place universities and graduate professional schools at the forefront of the industry (see Chart 3).

**Chart 3: Per-student impact**

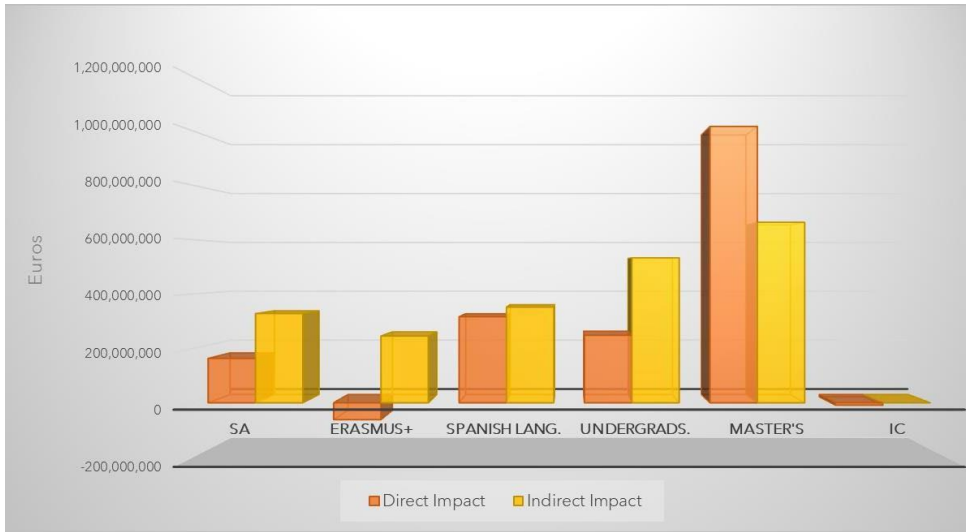


A 2.27 multiplier<sup>8</sup> indicates a high level of dependence on students attending onsite programs. In all categories, except for master's degrees, participants spend more on the extra academic aspects of their experience than on their tuition (see Chart 4). This implies that a lack of internationals arriving in the country will result in immense (indirect impact) losses of revenue across industries.

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<sup>8</sup> 44 Miller, Ronald E.; Blair, Peter D. *Input-Output Analysis: Foundations and Extensions*. Cambridge, GBR: Cambridge University Press, 2009. Retrieved February 10, 2017, from: <http://site.ebrary.com/lib/mitlibraries/Doc?id=10329730&ppg=44> (p. 244).

**Chart 4:** A comparison of direct and indirect impacts for the six categories



## Conclusion

International students and the academic providers that recruit them contribute to the financing of the Spanish taxation system in two ways. First, a portion of their indirect spending (2,122,311,675 euros) is subject to a value added tax of 4% to 21%. Second, at least three types of programs (SA, language schools, and IC) hire 7,791 faculty and staff for whom they make payments to the social security administration<sup>9</sup>.

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<sup>9</sup> We considered that Erasmus+, undergraduate, and masters' programs did not require hiring additional personnel to host international students.

If not for the international education market, these highly qualified personnel would be likely to become part of the unemployed population obliged to survive on public funding. To these positions we should add all jobs created as the result of the indirect spending of students in their host communities, including neighborhood cafés and restaurants, grocery stores, gyms, pharmacies, clothing stores, travel and transportation, hotels, etc.

It is important that those who have not worked in international education understand that this is not an industry of large corporations. Most stakeholders are mid to small schools, professionals and public servants who believe in the social impact of their work, local businesses, and host citizens who profit from an international presence in their communities.

Spain has remained a preferred educational destination for international students throughout the past three decades, a trend which continued in 2018-2019. This was also the last academic year before the COVID-19 pandemic impacted the globe, bringing student mobility almost to a dead stop. It is important to employ these findings as a base on which to predict how different categories of programs can best recover, helping Spain regain its place as a privileged global destination.

While the focus of this study is on the economic impact of this sector on the Spanish economy, we highlight the need for the recognition of all added social benefits of the export of education as a pending subject with the broader public in Spain. These comprise the constructive social outcomes that derive from the presence of international students, including: the modernization of educational

institutions<sup>10</sup>, the internationalization of host communities, the development of the socio-cultural environment, and eventually the enhancement of the policies and politics that will shape Spain's international relations. The carbon footprint estimates for these categories<sup>11</sup> should also be considered and become a component of future studies.

Prepared for the SEPIE, in Madrid, on October 30, 2023, by the authors of *The Economic Impact of International Students in Spain 2020*, Dr. Cristina Grasset/Spain Education Programs and Ms. Bárbara García Menendez/The Association of North American Programs in Spain.

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<sup>10</sup> Dr. Alvaro Escribano, Director of the Carlos III International School at Universidad Carlos III de Madrid. Personal communication, March 2, 2017.

<sup>11</sup> Wiedmann, T. (2009). A review of recent multi-region input–output models used for consumption-based emission and resource accounting, *Ecological Economics*, Volume 69, Issue 2 (pp. 211-222).



## **UNITED KINGDOM / *British Council***

*The British Council is the United Kingdom's international organisation for cultural relations and educational opportunities.*

*The roots of the British Council lie in Europe. Our first offices opened in Europe in 1938 and we have supported educational and cultural relations with countries of Europe ever since.*

*We support peace and prosperity by building connections, understanding and trust between people in the UK and countries worldwide, and we combine the UK's deep expertise in arts and culture, education and the English language. We work with people in over 200 countries and on the ground in more than 100 countries.*

*Our higher education work supports internationalisation, mobility of academics and students, and partnerships between UK and European higher education institutions. We provide insights and knowledge to inform current debates and conduct research to understand the impact of our work and foster innovation within the sectors and communities in which we work.*

*Through our Study UK campaign we promote UK higher education to international audiences and support the recruitment of international students to UK universities. We work with agents and counsellors to promote the UK to prospective international students.*

*Our international programmes, resources and collaboration opportunities help young people in the UK and other countries to gain the knowledge*

*and skills to contribute effectively to life and work in a global society, while broadening their horizons and understanding of the world.*

*International students offer both a cultural and social benefit to the UK and make a significant contribution to our economy. UK universities continue to attract students from all over the world, and it is vital that the UK remains an open and welcoming destination for international students, where their contribution is recognised and valued.*

*Higher education is one of the UK's most important and successful exports – alongside generating a significant economic contribution to the UK, our universities have a hugely positive global impact, creating opportunity for millions of learners and helping address some of the most pressing global challenges.*

For more information visit <https://www.britishcouncil.org>

## **Data on mobility in UK Higher Education Institutions**

According to a Universities UK International (UUKi) report of 2021, the UK remains the second most popular study destination for international students, only behind the United States<sup>12</sup>.

In 2019/2020, 538,615 international students were studying at a UK HE institution, representing 27.5% of the total student population in the UK<sup>13</sup>. Of these, 143,000 were students arriving from an EU country (26%).

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<sup>12</sup> Universities UK International. 2021. Universities UK International. London: Universities UK.



The top sending countries and territories for international students were from outside the EU – China (and Hong Kong), India, and the U.S, followed by Italy and France.

Number of international students in UK HE in 2019/20 and variation compared to 2018/19

EU Sending Countries	France	Poland	Portugal	Italy	Germany
Number of international students in UK HE, 2019/20	13 430	9 125	6 990	13 605	12 400
	-1.8%	8.9%	17.7%	-2.6%	-8.0%

In 2021-22 the total number of non-EU students grew by 23.8% whilst EU students fell by 21.4%<sup>14</sup>.

French and Italian students remain the two largest cohorts from the EU with 11,870 and 11,320 students respectively studying in the UK in 2021-22.

The mobility of international students and academics to the UK, particularly from EU countries, has a substantial impact on the HE sector

<sup>13</sup> Updated data on the number of international students in UK HE institutions, for the academic year 2020/21.

<sup>14</sup> HESA's Higher Education Student Statistics for the UK, 2021/22.

in the UK. In addition, international research collaborations remain a popular approach in UK HE with more than half of UK HE publications having been authored with at least one international co-author.

### **The effects of mobility in higher education**

International students improve the diversity of the student body and bring social and intellectual benefits to the UK, as well as creating a more global perspective.

Students from overseas have improved the academic debate. Without international participants, courses would be more limited, and discussions would be overly monocultural, as sharing and spreading knowledge from different countries and cultures presents a great benefit to those involved.

UK HE institutions benefit from recruiting international students, who enrich the cultural and intellectual diversity of the academic community. In addition, having large numbers of international students, particularly at the postgraduate level, can also intensify an institution's world-class prestige, which will attract even more international students as a result.

### **The economic impact of international students**

There are a range of benefits associated with international students to the UK economy. From the perspective of higher education institutions, these predominantly relate to the direct economic benefits associated with international students' tuition fees, as well as the indirect economic impacts associated with higher education institutions' spending of this fee income.

In addition to tuition fees, the UK economy benefits from the non-tuition fee expenditure of international students studying in the UK, as well as the spending of visitors (e.g., friends and family) coming to the UK to visit these students during their studies.

Other benefits include the cultural diversity that they bring to the United Kingdom, the longer-term business, investment and trade links, as well as the soft diplomatic power that the UK may exert across the globe. In addition, at an operational level, the fee income received by higher education institutions increases the breadth and depth of the university education offer available to both UK domiciled and international students (including, importantly, the cross-subsidisation of research activities).

International students are clear-eyed about what they are looking for in a study destination and increasingly we hear from students that employability skills and careers advice are at the top of their list.

Recent research published by Universities UK International (UUKI), the Higher Education Policy Institute (HEPI) and Kaplan International Pathways in collaboration with London Economics, shows that the economic benefit of international students rose from £31.3 billion to £41.9 billion between 2018/19 and 2021/22.

In total, 381,000 first year international students enrolled into UK universities in 2021/22, highlighting the global appeal of the country's higher education institutions and positioning the UK as one of the leading destinations for international students. International students in Glasgow, London, Sheffield, Nottingham and Newcastle are among those to deliver the greatest financial contributions.

On average, each of the 650 parliamentary constituencies in the UK is £58 million better off because of international students – equivalent to approximately £560 per citizen. International students in the top 10 constituencies together contribute over £2.6 billion to the UK – and that

does not include the additional contributions made by those who stay in the UK to work after completing their studies. International students study in all parts of the UK and the economic benefits they generate are spread across the whole country.

They come to study the whole range of higher education courses, from pathway provision to PhDs. Overall, it is a story of considerable success, with international students diversifying campuses, enriching the learning environment, and helping to ensure the financial sustainability of our world-class higher education sector. The benefits also include boosting the UK's world-leading research, enabling universities to offer a much wider range of courses than would otherwise.

The very substantial rise in the number of international students partly reflects the relative advantages enjoyed by the UK, such as the global recognition of UK qualifications, teaching in English, and our one-year Master's courses, which are particularly popular among international students. But the growth has occurred within a changing policy context that has dramatically shaped recruitment in recent years.

Between 2010 and 2016, there was no growth in international student numbers, as Home Office policies worked to limit incoming students. In 2019, the Government launched the International Education Strategy with the target to increase the number of international students in the UK, and to recognise the importance of the higher education sector, which represents more than half of the share of education-related exports and repatriated income from transnational education (TNE) activities. The strategy is focused on international students and the development of international relationships and institutional collaborations.

The highly international academic staff at UK HE institutions is one of the most valued aspects by national and international students when choosing to study at UK institutions. If the UK HE sector is of high quality,

reputation and attractiveness, that is due to the high level of research and teaching being developed by academic staff, a significant proportion of whom are from the EU.

The shifting policy environment is perhaps most clearly exemplified by the approach to post-study work visas for international students interested in staying in the UK to contribute to the labour market. An important policy discussion is around diversifying student cohorts. For some time, institutions have been expected to widen their geographical base beyond China and East Asia. While demand from Chinese students to study in the UK remains strong, institutions have sought to broaden their intakes by recruiting more international students from other parts of the world, especially India and Nigeria.

## **The impact of Brexit**

The UK's exit from the European Union has had several significant impacts on the estimated economic effect associated with EU domiciled students studying in the UK, with 2021/22 being the first academic year in which post-Brexit rules applied to these students.

In relation to economic benefits associated with international students, pre-Brexit, EU students were eligible for 'home' fee status (i.e., they were charged the same level of tuition fees as UK domiciled students studying in the UK). However, following the end of the Brexit transition period, EU domiciled students starting HE qualifications in the UK from 2021/22 onwards are typically no longer eligible to pay 'home' fees – since, in general, only EU nationals with pre-settled or settled status (under certain residency conditions) in the UK are eligible for these (lower) fees.

The mobility of international students to UK HE institutions has a huge impact on the UK economy, with tuition fee costs and living expenses as

the main sources of revenue. Postgraduate research students, and early-career researchers, produce economic benefits to the sector specifically through research projects that include funding, which contributes to the development of their field of study and the stimuli of the institutions' research environment. Investment in academia, and collaborations between UK HE institutions and start-up companies, also bring great leverage.

Collaborations between academia and industry produce innovation and development, mainly with new technology and scientific findings bringing direct benefits to the UK economy.

## **Sources**

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May 2023

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October 2022

Authors: Catarina M. Liberato, Francisco Faria e Castro

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## **UNITED STATES | *Institute of International Education (IIE)***

*Established in 1919, the Institute of International Education (IIE) is a global not-for-profit that creates and implements international education programs, conducts research, and provides life-changing opportunities for students and scholars worldwide.*

*IIE works with a range of government and private sector sponsors worldwide to design and administer innovative international education and exchange programs that touch the lives of more than 28,000 individuals in more than 180 countries each year. In addition, we provide a lifeline to scholars, students, and artists impacted by global crises through our scholarship, fellowship, and emergency grant programs. Our approach to international education and exchange - diverse, borderless, research-driven, and impactful - is a proven way for governments and organizations to invest in global talent and solidify cross-border relationships. As a world leader in international education and exchange, IIE advances scholarship, builds economies, and promotes access to opportunity for all people.*

*IIE provides research and program evaluation services to domestic and international governmental agencies, non-governmental organizations, foundations, and higher education institutions to facilitate the collection of more comprehensive and policy-relevant data on international education, and to assess the impact of international fellowship and scholarship programs.*

For more detailed information, please refer to IIE's website: [www.iie.org](http://www.iie.org).

## **International Students in the United States**

According to the Open Doors<sup>®</sup> Report on International Educational Exchange, the United States hosted 948,519 international students in 2021/22, an increase of 4 percent from the previous year.<sup>15</sup> International student mobility trends throughout the past 70 years reveal steady growth through 2019. Then, in 2020, the world witnessed an unprecedented shock due to the COVID-19 pandemic. In 2020/21, international student numbers fell by 15 percent to just over 914,000. One year later, in 2021/22, international student numbers rebounded to nearly 950,000 international students. This is a testament to the efforts of U.S. colleges and universities to welcome international students amid the pandemic and international students' desires to pursue studies abroad in the United States.

### **Graduate student enrollments surpassed undergraduate**

Undergraduate and graduate students accounted for more than 75 percent of all international students. The total number of graduate students (+17 percent) returned to levels higher than the pre-pandemic total in 2019/20. There was particularly strong growth at the master's level (+29 percent), likely due to pent-up demand and student deferrals in the prior year. As a result of this robust growth, the number of international graduate students at U.S. colleges and universities surpassed undergraduates for the first time in a decade. Undergraduate enrollments continued to decline at 4 percent, though it is noteworthy that first-year bachelor's, or freshman, totals increased by 20 percent.

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<sup>15</sup> The *Open Doors Report* is published annually by IIE in partnership with the U.S. Department of State's Bureau of Educational and Cultural Affairs.



The number of students pursuing Optional Practical Training (OPT) decreased for a second consecutive year by 9 percent. This decline was likely a result of smaller undergraduate and graduate cohorts in 2020/21 due to COVID-19, which reduced the total pool of students eligible to pursue OPT. Finally, students pursuing non-degree studies, such as short-term exchanges or intensive English programs, increased significantly by 61 percent.

### **Over half of all places of origin increased their international student totals**

The United States hosted international students from nearly every place of origin. The top three places of origin in 2021/22 continued to be China, India, and South Korea. As in previous years, China and India made up 52 percent of the total international student population. China continued to be the leading place of origin, with 290,086 international students, a 9 percent decline from the prior year. The number of international students from India increased by 19 percent to 199,182 Indian students, which reflects pre-pandemic levels and approaches the all-time high of more than 202,000 students in 2018/19.

The diversity of international students at U.S. colleges and universities highlights the resilience of international educational exchange amid the COVID-19 pandemic. The growth in the overall number of international students who chose to study in the United States in 2021/22 was driven by increasing numbers of students from 58 percent of the 219 places of origin reported in *Open Doors* (Fig. 3). Furthermore, eight top places of origin (India, Canada, Mexico, Nigeria, Bangladesh, Pakistan, Spain, and Colombia) returned to numbers higher than reported before the COVID-19 pandemic in 2019/20.

## **Math and computer science is the leading field of study.**

Math and computer science surpassed engineering as international students' leading field of study in 2021/22. Growing by 10 percent, there were 200,301 students enrolled in math and computer science at U.S. institutions. Engineering was the only top field of study that continued to decline, with a slight decrease of 1 percent to 188,194 students. Business and management, social sciences, and physical and life sciences also increased.

## **U.S. Destinations of International Students**

International students sought educational opportunities at all types of institutions across the United States in 2021/22, with colleges and universities offering a wide array of options for students to find their best fit. The United States' more than 4,000 colleges and universities provide international students with educational options at all price points, outstanding reputations for teaching excellence, course offerings at all academic levels, opportunities to access advanced technology and research, and the ability to pursue work after graduation.

As institutions resumed in-person coursework, the rate of the rebound in international student numbers varied across U.S. institutions. Most colleges and universities across the United States reported growth in the number of international students in 2021/22.

**Sector** The majority of international students continued to study at public colleges and universities (60 percent), and 39 percent attended private not-for-profit institutions in 2021/22. The number of international students across both public and private not-for-profit institutions increased, with private not-for-profit institutions rising at a faster rate (+7 percent) than public institutions (+2 percent).

**Institutional Type** In 2021/22, three out of every four (78 percent) international students attended doctoral institutions. The overall number of international students at doctoral institutions increased by 5 percent, with the number of international students at R1 universities, defined as doctoral institutions with very high research activity, growing by a strong 7 percent. Baccalaureate colleges and special focus institutions also experienced growth in 2021/22 (+5 percent and +6 percent, respectively). In contrast, international student enrollment at associate’s institutions declined by 13 percent. Associate’s colleges, commonly referred to as community colleges, provide many international students with an affordable education that can then be transferred to a four-year degree. As such, these institutions need continued support to build international student recruitment practices and highlight the benefits of community colleges to build future student interest.

**Geographic Region** Colleges and universities in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands hosted international students in 2021/22. Most U.S. regions experienced notable growth in the number of international students in 2021/22, with eight of the nine geographic areas defined by the U.S. Census Bureau indicating increases. The Mountain region reported the strongest growth (+11 percent), driven by strong expansion at several institutions within Arizona (+21 percent) that had focused on building online offerings to attract international students. The East Coast regions of New England (+7 percent), Middle Atlantic (+5 percent), and South Atlantic (+5 percent) also continued to report faster growth than the national average.

As institutions look to recruit international students from around the world, the United States continues to have extensive capacity to host international students. International students comprised only 5 percent of the approximately 20 million students enrolled at U.S. institutions. In comparison, international students represented more than 20 percent of the

higher education population in the United Kingdom, Australia, and Canada (*Project Atlas*, 2022).

## **The financial impact of international student mobility on the United States**

Students from around the world who study in the United States also contribute to America's scientific and technical research and bring international perspectives into U.S. classrooms, helping prepare American undergraduates for global careers, and often lead to longer-term business relationships and economic benefits.

IIE's *Open Doors* project collaborates closely with NAFSA each year to supply the data for the International Student Economic Value Tool. Additional breakdowns of economic impact by state and Congressional District, calculated using *Open Doors* enrollment figures, are available on the NAFSA International Student Economic Value Tool website: <https://www.nafsa.org/policy-and-advocacy/policy-resources/nafsa-international-student-economic-value-tool-v2>

## **Findings**

According to NAFSA's International Student Economic Value Tool, in the 2021/2022 academic year international students contributed \$33.8 billion to the United States economy. International students also created or supported over 335,423 jobs according to NAFSA.

- The total number of jobs supported (335,423) by the financial contributions of international students is up 9.5% compared to the prior academic year.

- For every three international students, one U.S. job is created/supported.
- In contrast, for community colleges, enrollment, dollars and jobs continued to fall: international student spending contributed \$1.3 billion (down 13.4 %) and supported 6,095 jobs (down nearly 20%).
- The five states that saw the largest amount of economic activity were (in descending order): California, New York, Massachusetts, Texas and Pennsylvania—the same top five from last year, though Pennsylvania and Texas swapped spots.
- Eight states broke the \$1 billion mark (up from seven states last year).

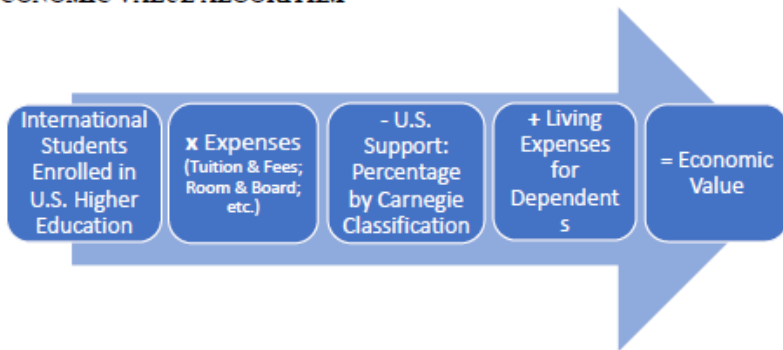
*Taken from NAFSA's 2022 release: <https://www.nafsa.org/about/about-nafsa/new-nafsa-data-reveal-international-student-economic-contributions-us-still-below>*

## **Methodology**

NAFSA's International Student Economic Value Tool (<http://nafsa.org/economicvalue>) defines economic value as the amount of money that international students studying at U.S. colleges and universities collectively bring into the United States to pay for their education and to support themselves while they (and in some cases, their families) are in the United States. The goal of the economic value analysis is to use data already collected for other purposes to provide a reasonable estimate of the economic resources that international students import to the United States to support their education each year.

To determine the appropriate direct import dollars from international students studying at U.S. institutions of higher education, it is necessary to determine the costs associated with U.S. higher education along with living expenses, minus any U.S.-based financial support that an international student may receive. This allows us to determine the proper dollar-based monetary import estimate coming into the U.S. economy. The following algorithm outlines the effort for precision in this estimate, along with its comprehensiveness, to analyze as much of a complete picture as possible.

### **ECONOMIC VALUE ALGORITHM**



## Sources

The data sets used for the analysis come from the following sources:

### **1. *The Open Doors Report on International Educational Exchange***

Published annually by the Institute of International Education (IIE) in partnership with the U.S. Department of State's Bureau of Educational and Cultural Affairs, the report provides the overall numbers of international students enrolled at U.S. colleges and universities during the academic year. In many cases, this data provides separate totals for undergraduate, graduate, and non-degree students. Additionally, the report outlines sources of funding, as international students are required to provide evidence of funding for entry into the United States.  
<https://opendoorsdata.org>

### **2. The U.S. Department of Education's National Center of Educational Statistics Integrated Postsecondary Education Data System (IPEDS)**

IPEDS gathers information from every college, university, and technical and vocational institution that participates in federal student financial aid programs. The Higher Education Act of 1965, as amended, requires institutions that participate in federal student aid programs report data on enrollments, program completions, graduation rates, faculty and staff, finances, institutional prices, and student financial aid.  
<https://nces.ed.gov/ipeds/about-ipeds> \

The extensive data provided by these two sources, which gather it directly from surveys of U.S. colleges and universities, allow us to make our estimates sensitive to differences between institutions. The analysis is specific to each institution's student expenses and the type of student (i.e.,

undergraduate, graduate, non-degree) reported by each institution. Furthermore, the analysis is broken down by the tuition and fees at specific institutions and a derived living expense based upon the reported institutional living expenses plus estimated incidentals.

*Taken from NAFSA's Economic Value Tool Methodology, 2022,*  
[https://www.nafsa.org/sites/default/files/media/document/NAFSA\\_Methodology\\_Economic\\_Value\\_2022.pdf](https://www.nafsa.org/sites/default/files/media/document/NAFSA_Methodology_Economic_Value_2022.pdf)







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