



Metropolitan Policy Program at BROOKINGS

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Foreign Students Are Growing Economic Force in U.S. with Huge Potential to Increase Jobs and Investment

Brookings Releases First-Ever Metro-Level Analysis of Foreign Students on F-1 Visas in U.S. Colleges and Universities

(Washington, DC) – Foreign students who attend U.S. colleges and universities on the F-1 visa bring millions of dollars each year to local economies, but regional leaders can do more to capitalize on students' connections to fast-growing foreign markets to increase local jobs and investment. This is the key finding of a new Brookings report released today as part of the Global Cities Initiative, a joint project of Brookings and JPMorgan Chase.

The Geography of Foreign Students in U.S. Higher Education: Origins and Destinations is a groundbreaking report that tracks the local origins, size and growth rate of the foreign student population on a metropolitan level. To date, research on foreign students in the U.S. has focused on national trends with little discussion of the impact this group has on individual metropolitan areas. Based on data from 2008 to 2012, the report identifies the 118 metro areas with the largest numbers of foreign students and measures their monetary contributions to their U.S. metropolitan destinations.

“Our renowned educational institutions attract hundreds of thousands of students each year from around the world. Just last year, a record 21 percent of the world’s students who are going abroad for their education came to this country,” said Neil Ruiz, associate fellow for the Brookings Metropolitan Policy Program and author of the report. “As we kick off a new school year, it’s important to understand how students from fast-growing foreign nations can help build global connections and shore up our local economies and businesses. This report provides the data to do that.”

Over the five-year period of 2008 to 2012, foreign students contributed \$21.8 billion in tuition and \$12.8 billion in living costs to 118 metro areas that are each home to at least 1,500 students. Just 45 percent of these students, however, extended their visas after graduation and got jobs, under the optional practical training (OPT) program, in the regions where they studied. OPT allows foreign students on F-1 visas to work between 12 and 29 months after they graduate from a U.S. higher educational institution.

New York and Honolulu had the highest percentage (75 percent) of graduates working for a local employer. Seattle, Miami and Las Vegas also ranked high for students who remained in their areas to work after graduating. The metro areas with the fewest students who stayed in the area are Erie, PA; Binghamton, NY and Beaumont-Port Arthur, TX.

“Foreign students are a significant source of earnings for U.S. metro economies in several ways,” added Ruiz. “First, they open up markets in their home cities which facilitates trade, foreign direct investment and knowledge transfer. In addition, they infuse revenue into local communities, and they help fill demand for jobs requiring specific skills in local labor markets. Our business and community leaders need to develop better strategies that retain their talents after they graduate.”

While large population centers, such as New York and Los Angeles, have high numbers of foreign students, small or mid-sized metro areas that are home to large universities have the most significant concentrations of these students within their broader student bodies. Ithaca, NY (Cornell University) tops the list with 71.2 F-1 students per 1,000, compared to 22.4 for the nation as a whole. Boston, MA; Santa Barbara, CA and Corvallis, OR also rank at the top of the list. The five U.S. metro areas experiencing the fastest growth in foreign students between 2008 and 2012 are Corvallis, OR (203 percent); Dayton, OH (202 percent); Tuscaloosa, AL (145 percent); Louisville, KY (125 percent) and Eugene, OR (106 percent).

Two-thirds of foreign students are studying STEM or business, management and marketing fields, compared to 48 percent of U.S. students. STEM fields are the most popular with 37 percent of all F-1 students seeking degrees, while business management and marketing account for 30 percent of all F-1 students. Hyderabad, India is the top source of STEM foreign students. Beaumont-Port Arthur, TX, home of Lamar University, has the highest share of its foreign students pursuing a STEM degree. Other metros with high numbers of their foreign students studying STEM include Palm Bay, FL (Florida Institute of Technology) and Anderson, SC (Clemson University).

Most foreign students come from large, fast-growing cities in emerging markets. The countries that sent the most students between 2008 and 2012 are China, India, South Korea and Saudi Arabia. Large Asian cities dominate the list of home markets for U.S. foreign students. Seoul sent more F-1 students than any other city, more than 56,000 from 2008-2012 (5 percent of all students). Beijing, China; Shanghai, China; Hyderabad and Riyadh, Saudi Arabia also top the list of source cities, each sending between 17,000 and 50,000.

The Brookings report offers a two-pronged approach to help metropolitan leaders realize the full benefit of foreign students' local presence. These include:

- Leveraging foreign student connections with their home communities abroad to facilitate and deepen economic exchange: Foreign students offer valuable knowledge of the business, cultural and societal norms of their city and country of origin and so can serve as a bridge to help globalize local economies.
- Retaining foreign student skills by 1) developing programs to connect graduates to employers located in the school's metropolitan area, 2) helping local employers obtain the necessary visas for foreign graduates with in-demand skills and 3) advocating for immigration reform to make more visas available for graduates who want to stay in the U.S.

“Increasingly, U.S. colleges and universities are educating the world’s business, scientific and political leaders of the future. Metropolitan leaders should capitalize on this trend to strengthen their position in the global marketplace by giving local employers access to a larger pool of workers with valuable skills and knowledge already living in their areas,” said Ruiz.

The Metropolitan Policy Program at Brookings provides decision-makers with cutting-edge research and policy ideas for improving the health and prosperity of metropolitan areas, including their component cities, suburbs, and rural areas. To learn more, please visit: www.brookings.edu/metro. Follow us on Twitter at www.twitter.com/brookingsmetro.

Launched in 2012, the **Global Cities Initiative** is a five-year joint project of Brookings and JPMorgan Chase aimed at helping city and metropolitan leaders become more globally fluent by providing an in-depth and data-driven look at their regional standing on crucial global economic measures, highlighting best policy and practice innovations from around the world, and creating an international network of leaders who ultimately trade and grow together. For more information please visit <http://www.brookings.edu/projects/global-cities.aspx> or www.jpmorganchase.com/globalcities.

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