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Covid-19 –Impact on the United States Higher Educations Revenue from International

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Abstract: International students in the higher education sector in the United States have carved a niche in the financial contribution of higher education. The international students' share is 56% of the total tuition revenue in U.S higher education. The United States of America, Britain, Australia, and the other European states have 30% revenue from international students. Most of the tuition fees are paid by the students or their families. Scholarships, aids, or donations contribute not much from the USA to internationals. The international students contributed $39.5 billion to the U.S. economy in 2018, and GDP was 20.5 trillion. The International students' economic contribution is close to 2% of US GDP. Due to COVID -19, the growth of international students in the United States declined from 6.3% to 5.5 % in the above period. The declines in fees for higher education were from $188 billion in 2019 to $189 billion in 2020 and $167 billion in 2021. This paper analyzes the Covid-19 – impact on the United States Higher Educations Revenue from International students and finds out the steps to overcome the current situation.

Table # 1 –International Student Enrollment to the United States - A Ten-Year Trend Sources;

Open doors report on International Education Exchange. Retrieved from

Methodology

The data sources are the United States Census 2010 - 2021, government data, authentic websites, and published research studies. The data sources are reviewed and analyzed to conclude with the help of graphs and tables. International students' enrollment data is from Open Doors, published by the Institute of International Education in partnership with the Bureau of Educational and Cultural Affairs, U.S. Department of State.

Year	Total International Students in thousands	Total Students U.S. Enrollment in thousands	% international	Annual % change
2021-2022				4
2020-2021	914,095	19,744,000	4.63	-15.11
2019-2020	1,075,496	19,720,000	5.45	-1.27
2018-2019	1,095,299	19,828,000	5.52	0.05
2017-2018	1,094,792	19,831,000	5.52	1.5
2016-2017	1,078,822	20,185,000	5.34	3.4
2015-2016	1,043,839	20,264,000	5.15	7.1
2014-2015	974,926	20,300,000	4.8	10
2013-2014	886,052	21,216,000	4.18	8.1
2012-2013	819,644	21,253,000	3.86	

Table #2- International Students Annual Expenses
Sources-https://www.idp.com/uae/study-in-usa/cost-of-study/

Activities	**Expenses**
Accommodation Type	Average Cost in US Dollar
Tuition revenue per month	$2190.83 per month
Hostels and Guesthouses	$45 to $100 a night
Shared Rental	$470 to $3,600 per month
On campus	$800 to $900 each month
Homestay	$600-$3,000 per month
Rental	$450 per month
Internet/phone	$35 - $60 per month
Rent	$104 - $208 per month
Electricity/gas	$50 – $100 per month
Transport	$36 per month

Based on table#2, each international student spends $4,750.83 or more every month, and most of the money is from their home country. The International students' tuition contributions are 28% of the total tuition revenue in the United States higher education, while their population contribution is only 12% of the total enrolment. The total number of international students at U.S. universities dropped from 1,075,496 to 914,095 between 2019 and 2021, which is a 15% drop in international students' enrolment.

The level of tuition revenue per student at private institutions in 1987 was substantially higher than the level of public institutions in 2013. The value at private institutions has $20,000 per student, and the public universities have $9,300 by 2013. International students are contributing a major portion of the tuition revenue. The NAFSA estimated that international students' economic contributions increased from $2.4 billion to $40 billion between 1987 and 2013. California and New York are on the top with more than $5 billion in revenue. (Source: Institute of International Education Open Doors Report, 2015).

Table # 3 -International students in USA-their primary source of funding
Sources: https://www.envisageinternational.com/blog/2013/03/12/understanding-primary-sources-of-funding-for-international-students/

Sources	**% 2013-14**	**% 2015-16**	**% 2018-2020**
Personal and family	64	66.5	56.23390764
US college and University	22	17	16.95958744
Foreign government and university	6	7.4	3.533646448
Current Employment	5	6.6	21.1094508
Foreign Private sponsor	1	0.9	0.603849798
US government	1	0.4	0.173139563
US Private sponsor	1	0.3	0.239345454
International Organization	0	0.2	0.076062386
Other Sources	1	0.7	1.071010467

It is explained in table # 3 that for international students in the USA, their major source of funding is personal and family who are helping American students to lower their tuition fees. Also, the presence of International students creates a competitive environment, which helps improve the academic quality in higher education.

Table# 3-I
Sources
https://opendoorsdata.org/wp-content/uploads/2020/11/Open-Doors-Fast-Facts-2010-2019

PRIMARYSOURCEOFFUNDING	2018/19	% of total
Personal and Family	623,901	57
Current Employment	225,378	20.6
U.S. College or University	183,647	16.8
Foreign Government or University	46,937	4.3
Foreign Private Sponsor	6,196	0.6
U.S. Private Sponsor	2,632	0.2
U.S. Government	1,935	0.2
International Organization	908	0.1
Other Source	3,765	0.3
TOTALINT'LSTUDENTS	1,095,299	100

Table # 4 –The Economic Benefits of International Students to the United States - A Ten-Year Trend
Sources:https://www.nafsa.org/policy-and-advocacy/policy-resources/nafsa-international-student-economic-value-tool-v2#trends_reports

Year	International Students	Job Support	Economic Contribution
Fall 2007	623,805	238,649	$15,543
Fall 2008	671,616	262,459	$17,656,746,727
Fall 2009	690,901	288,641	$18,775,610,942
Fall 2010	723,727	290,735	$20,231,793,355
Fall 2011	764,495	294,699	$21,806,604,581
Fall 2012	819,644	313,690	$23,995,610,641
Fall 2013	886,052	340,004	$26,729,931,533
Fall 2014	974,926	373,380	$30,470,654,497
Fall 2015	1,043,839	400,812	$32,797,331,691
Fall 2016	1,078,822	450,331	$36,864,659,607
Fall 2017	1,09,3448	455608	$39,000,586,343
Fall 2018	1,094,032	458,290	$40.478,115.759
Fall 2019	1,074,215	415,990	$38,685,062,256
Fall 2020	914,095	400,000	$38,000,000,000
Fall 2021	Not available	Not available	$28,400,000,000

The Economic Benefits of International Students to the United States - A Ten-Year Trend

As per table # 4, international students pay higher tuition than domestic students. They contributed $38.7 billion to the U.S. economy and supported about 416,000 jobs during the 2019 – 2020 academic year. International students not only stimulate the economy; they also enhance the intellectual and cultural Environment for American students. Talented International students not only add value to colleges and universities but also play a vital role in job creation, research, and innovation.

International students add diversity to a college or university, enriching the experience of other students on campus. Schools with a strong global presence often have a wealth of cultural groups and events, allowing international students an opportunity to share their food, music, and traditions with their U.S. peers.

International Students as Entrepreneurs

NAME	UNIVERSITY/DEGREE	COMPANY CO-FOUNDED/FOUNDED	EMPLOYEES	VALUE OFCOMPANY
Noubar Afeyan	MIT, Ph.D. Biochemical Engineering	Moderna Therapeutics	645	$7.0Billion
Ash Ashutosh	Penn State, M.S. Computer Science	Actifio	400	$1.1 Billion
John Collison	Harvard	Stripe	1,100	$20Billion
Patrick Collison*	MIT	Stripe	1,100	$20 Billion
Nicolas Desmarais	Amherst, B.A. Economics & Pol. Sc	AppDirect	700	$1.0 Billion
Louay Eldada	Columbia University, B.S., M.S., Ph.D., Electrical Engineering	Quanergy Systems	250	$1.6 Billion
Borg Hald	Stanford, MBA,U. of Michigan, B.B.A	Medallia	1300	$1.3 Billion
David Hindawi	U.C.-Berkeley, Ph.D. Oper.Research	Tanium	750	$3.5 Billion
Arvind Jain	Univ.of Washington, M.S., Comp.Sci	Rubrik	1200	$1.3 Billion
Tomer London	Stanford, M.S. Electrical Engineering	Gusto	600	$1.1 Billion
Soham Mazumdar	Univ. of Illinois, Urbana Champaign, M.S., Computer Science	Rubrik	1200	$1.3 Billion
Elon Musk	Univ. of Penn., B.A., Econ & Physics, Wharton School, B.S. Business	SpaceX	7000	$21Billion
Adam Neumann	CUNY Bernard M Baruch College	WeWork	6000	$20.2Billion
Dhiraj Rajaram	Wayne State, M.S. Computer Engineering, Univ. of Chicago, MBA	Mu Sigma	3500	$1.5 Billion
Daniel Saks	Harvard, M.A. Finance & Accounting	AppDirect	700	$1.0 Billion
Mario Schlosser	Harvard, MBA	Oscar HealthInsurance	850	$2.7 Billion
Eric Setton	Stanford, Ph.D. and M.S. Electrical Engineering	Tango	500	$1.0 Billion
Bipul Sinha*	Wharton School, MBA	Rubrik	1200	$1.3 Billion
Vlad Tenev	Stanford,B.S., Math	Robinhood	250	$5.6 Billion
Ragy Thomas	NYU, MBA	Sprinklr	1400	$1.8 Billion
Andrew Thompson	Stanford, M.A., Education	Proteus Digital Health	300	$1.1 Billion
Arean van Veelen	Univ.of Washington, Software Product Management, Ferris State Univ., ISM	Offer Up	240	$1.2Billion
Renaud Visage	Cornell, M.S. Engineering	Eventbrite	900	$1.0 Billion
Tianyue Yu*	Cornell Univ., Ph.D., nanotechnology	Quanergy Systems	250*	$1.6 Billion
Michelle Zatlyn	Harvard, MBA	Cloud flare	715	$1.0 Billion

International students contribute United States economy in several ways as students are contributing to higher education are their tuition revenue, local community to rent, food, travel, and other services, also supporting through their innovation, and entrepreneurial ability to create jobs opportunity. For example, attracting the world's brightest minds helps to grow the knowledge economy in the United States, and 40% of American Nobel Prizes won in chemistry, medicine, and physics since 2000 have been awarded to immigrants. Furthermore, students who return home often do so with a network of connections and an appreciation for American culture, thus promoting U.S. international leadership.

According to the National Foundation for American Policy (NFAP), 1 out of 4-billion-dollar startup companies was established by international graduating students. These startup companies are making more than 50 of 91, which is 55% of new companies' revenue in the United States and creating. These startup companies created more than 1,400 jobs per company. Also, in 75 of the 91 companies, at least one international graduating or immigrant was in charge of a key management position, such as CEO, Chief Technology Officer (CTO), and Vice President (Study International Staff, 08 Nov 2018)

Finally, these individuals can also go on to become successful entrepreneurs and business leaders in the U.S. economy. The list is long, but I take only two noteworthy examples:

Elon Musk, known for founding Paypal, Tesla, and SpaceX, was born in South Africa. He received a Bachelor's degree from the University of Pennsylvania before founding his first business.

Satya Nadella, CEO of Microsoft, was an international student from India. He received an M.S. in computer science degree from the University of Wisconsin and an MBA from the University of Chicago before helping Microsoft develop its cloud computing capabilities.

Entering the United States as an international student has shown to be a good avenue for both immigrants and America for starting successful U.S. companies. Nearly one-quarter (20 of 91) of the billion-dollar startup companies have a founder who first came to America as an international student. We can understand how international students matter to the United States.

Conclusion

International students not only financially support the United States' higher institutions, but helping to generate jobs too. More than 458,000 jobs are every year created by International students. Every three U.S. jobs are created and supported by international students. International students are not only paying the tuition fees for higher education, also paying for accommodation, dining, retail, transportation, telecommunication, health insurance sectors, etc. The International Students' Economic Contribution is $40 billion, is almost 2% of the United States GDP. The international students are contributing United States economy through their innovation, and entrepreneurial action, and create job opportunities to support the United States economy. Due to covid-19, policies, and travel restrictions, international students' enrollment in the United States dropped by almost 16% in 2020-2021, International student enrollment started to decline in 2018, and covid-19 and us international students' foreign policies were impacted too.

On July 6, 2020, the U.S. Immigration and Customs Enforcement agency (ICE), announced that foreign students would have to leave the country if their colleges and universities went online only for the fall semester because of the Coronavirus pandemic. A little over a week later

the decision was reversed after Harvard University and MIT and other 200 universities, tech companies, and states filed a lawsuit against the new foreign student regulations.
More than 1 million international students come to the United States each year, according to the Institute of International Education. They also contributed almost $45 billion to the U.S. economy. The U.S. colleges and universities rely heavily on foreign students for tuition revenue and to fill research rolls, and will have to reevaluate their programs if the trend continues.

The study identified that the COVID -19 pandemic had devastating impacts on international students' enrollment in United States higher education. Due to the COVID-19 pandemic, higher education shifted from in-person instructions to e-learning, putting higher education economically at a disadvantage. Higher education institutions lost a lot of revenue, which they have from international students as housing, food, tuition, etc. The US needs to introduce effective policies to protect and support international students in the country from challenges and to assure them that the United States is still the preferred study abroad destination for them.

Recommendations

After discovering the Covid-19 vaccination, higher educational institutions are resuming normal with some restrictions. It is a new normal for international education at U.S. colleges and universities. Student and Exchange Visitor Information System (SEVIS) policies need to be redrafted based on the current need to increase international students in the United States higher education. In the last five years, the United States lost interest in international students coming to the country for higher education, and other countries are actively competing and winning. International students not only contribute financially but also create jobs, research, and innovation. The policy changes will save jobs and ensure that the world's best and the brightest continue to contribute to America's classrooms and competitiveness.

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