



IDEAS THAT INNOVATE

# State & Local Policies

## Enhancing the Economic Contributions of International Students





# Enhancing the Economic Contributions of International Students

## Policy

Using state higher education assets to attract international students, retain them as valuable talent in the economy, and enhance global competitiveness of domestic students.

## Where it's working

- State of Ohio

## Players

- Ohio Board of Regents
- Ohio State Legislature
- Governor of Ohio
- Ohio Colleges and Universities

## What does it mean?

In 2014, the Ohio Legislature unanimously passed and Governor John Kasich signed House Bill 484, a mid-term budget bill that, in addition to funding higher education, included in its boilerplate requirements that the Chancellor of the Ohio Board of Regents consult with a broad stakeholder team to study current international student recruitment practices and retention activities to “consider implications of, and opportunities for, encouraging international students to remain in the state after graduation.” In December 2014, Chancellor John Carey issued the recommendations of a 30-person stakeholder group in his 40-page report.

The report focuses on the economic benefits projected from increasing the share of international students at Ohio postsecondary institutions, as well as increasing the retention of international students after graduation. Noting that international students comprise 4.1 percent of the current share of postsecondary students in Ohio (a rate that approximates the national average), the report suggests “setting a target to increase the number of international students at postsecondary institutions in Ohio to a total of 6 percent within the next two years.” This would require attracting 15,000 additional international students and is estimated to produce 5,751 additional jobs and \$420 million in additional economic investment from the enhanced tuition and fees paid by international students, as well as the cost of living expenditures from these additional international students.

Citing data from the Brookings Institution’s 2014 Foreign Student study, *The Geography of Foreign Students in U.S. Higher Education: Origins and Destinations*, the Ohio Board of Regents’ report notes that 45 percent of international students in the 120 largest international student geographic centers around the country remained in those metro areas after graduation on Optional Practical Training (OPT) visas, while only 31.3 percent of Ohio’s international students did so. The report recommends setting a goal of a 50 percent retention rate, which would require

5,514 additional international students to remain in the state after graduation. According to the Board of Regents' report, these workers would "generate almost a \$100 million in the state's economy and support more than 1,000 new jobs."<sup>1</sup>

Finally, in addition to providing "a vital opportunity for native-Ohio students to expand their scope of knowledge and be more prepared to succeed in global environments," the report estimates that increasing the number of international students by six to eight percent "would result in a 56.9 percent increase in the number of patents awarded at universities statewide."

The impetus for language in House Bill 484 requiring a study and report concerning the recruitment and retention of international students, as well as how global experiences (both interacting with international students and study abroad programs) enhance student experience, came from two primary sources. First, the business community had communicated with Governor Kasich that there was and continues to be a large unmet demand for high-skilled workers, especially STEM talent, and that international students could be a key supply of that talent. Second, universities, that were actively recruiting international students and running international programs, expressed the desire for more attention, investment, and support from the Chancellor. The inclusion of these provisions into the budget bill was uncontested during the legislative process.

## Why does it matter?

America is rapidly facing a skilled workforce crisis (for the purposes of this chapter, skilled jobs are those that require at least a four-year college degree). Like many northeastern and midwestern states, however, Ohio is rapidly aging. In fact the report cites data from the Ohio Department of Job and Family Services noting that demographers expect Ohio to have at least 5 percent fewer high school graduates in 2022 than in 2011. The net result is an estimated 90,000 shortfall in skilled labor positions in Ohio. The national picture is equally bleak and by 2018, the

postsecondary system is estimated to be producing 3 million fewer college graduates than demanded by the labor market.<sup>2</sup>

The skilled workforce crisis is even more severe in the business, science, technology, engineering, and mathematics (STEM) fields. Yet, according to the Ohio Board of Regents report the Integrated Postsecondary Education Data System (IPEDS)—a data system maintained by the National Center for Education Statistics—almost 80 percent of all international students were enrolled in these fields of study.

## Resources for Action

**House Bill 484** - The text of the bill contains sample boilerplate language that other state legislatures could consider to insure that state colleges and universities, as well as other key stakeholders, are required to consider the economic impacts of international students and their retention. Requiring a report of these economic impacts can provide broad justification for developing and implementing international student retention programs.

**Ohio Board of Regents Report on “Ohio’s Postsecondary Globalization Initiative”** - The text of the report provides a framework for the economic analysis of increasing the numbers of international students, as well as the benefits from enhanced international student retention. The report also tackles a policy issue specific to Ohio (renewal/extension of drivers licenses for international students working in the state post-graduation under their student visas) and provides some general recommendations on how to enhance international student recruitment, as well as retention.

## Additional Reading

Brookings Institution Study on “The Geography of Foreign Students in U.S. Higher Education: Origins and Destinations”  
<http://www.brookings.edu/research/interactives/2014/geography-of-foreign-students> ↗

Institute for International Education Open Doors Report (2014)  
<http://www.iie.org/en/Research-and-Publications/Open-Doors/Data> ↗

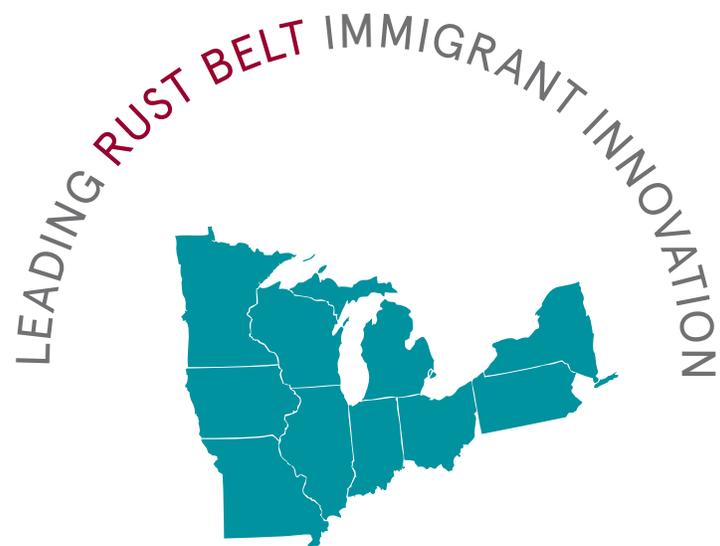
Ohio Board of Regents Report on “Ohio’s Postsecondary Globalization Initiative”  
<https://www.ohiohighered.org/sites/ohiohighered.org/files/uploads/global/GREATreport.pdf> ↗

## Contacts

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### ENDNOTES

1. Ohio Board of Regents, “Ohio’s Postsecondary Globalization Initiative,” (December 2014), page 5-6.
2. Anthony Carnevale, Nicole Smith, and Jeff Sprohl, “Help Wanted: Projections of Jobs and Education Requirements through 2018,” [georgetown.edu](http://cew.georgetown.edu/jobs2018). Georgetown University Center on Education and the Workforce, June 15, 2010, p. 16, <http://cew.georgetown.edu/jobs2018> ↗



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