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POLICY BRIEF

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A Good Exchange Rate The Value of International Education Programs

International education and cultural exchange programs continue to offer foreign students an important perspective on American society. Government agencies discuss new measures to improve student visa process.

The Value of Foreign Students

For nearly fifty years the U.S. has been the primary destination for international students. Economic experts estimate that foreign exchange programs alone in the U.S. generate nearly 11.041 billion dollars of the aggregate economy, and that figure does not include the numerous other residual expenditures of international students enrolled in U.S. institutions.

The number of student visas issued by the State Department has steadily increased over the last three decades from a mere 65,000 in 1971 to 315,000 in 2000. Most educators believe the gradual rise in the interest of international education is an apparent sign that the world recognizes the U.S. as the leader in almost every field of study.

Leading the World

Apart from the economic benefits of international educational and exchange programs, some of the world's most prominent leaders were educated in the U.S. These same programs have produced over 40 Nobel Prize honorees, among them current UN Secretary Kofi Annan. According to Allan E. Goodman, the President of the Institute of International Education, "46 current and 165 former heads of government and chiefs of state came here to study as exchange visitors."²

Two of America's strongest allies in the war on terrorism, interim Afghanistan President Hamid Karzai and Mexican President Vicente Fox, were educated in the U.S. Dr. Goodman strongly believes it was through exchange programs such as these that both leaders gained a deeper appreciation for American culture and an understanding of U.S. politics. "U.S. leadership in support of international education remains central to making the world a less dangerous place,"² says Goodman.

Student Visas

The first nonimmigrant student visa was proposed in 1921 as a response to a restrictive Immigration Act of that same year which nearly closed America's doors. Formed from the original proposal, the State Department currently has two distinct visa categories for potential students: the "F-1" visa for academic studies, and "M-1" for vocational

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training. In order to qualify for either of these visas, an applicant must be accepted at an INS accredited institution.

The 'I-20' Dilemma

Most immigration experts agree that a flaw in the student visa system is the issuing of "I-20" forms. When a prospective student is accepted to a college or vocational school, the applicant receives an I-20 form from each of the particular schools he was accepted to. While only one of these forms is needed to receive a student visa from a foreign consulate, the extra forms could end up being sold in black markets around the world.

A New System

In order to remedy the issuance of unnecessary I-20's and improve the exchange of information between the INS and educational institutions, the INS announced earlier this year that it will implement a new student visa tracking system known as "SEVIS" or the Student and Exchange Visitor Information System.

SEVIS will be an internet-based system that collects current information on nonimmigrant students and exchange visitors. SEVIS will be introduced as a voluntary system at the beginning of July, and will become fully implemented and mandatory sometime early in 2003.

Bright Minds

One important residual effect of international education is that the U.S. is able to attract some of the brightest minds from around the world. The contributions of foreign students to the arts, sciences and politics are countless. In many academic disciplines foreign students are keeping pace with natives.

For example, in 1997, 10.8 percent of all graduate students in the U.S. were foreign-born. And the average percentage of doctorate degrees awarded to international students in physical science and engineering was nearly 42 percent. Many economic experts understand that the technological advancements that occurred in the 1980s can be attributed, in part, to the "exchange programs that brought so many talented people to this country."³

Costs and Benefits

The financial impact of international education and exchange visitor programs on the U.S. economy is difficult to measure. However, recent statistics from the Commerce Department show that foreign students spend nearly \$8 billion a year, creating over 150,000 American jobs. As the world's largest exporter of educational services, the U.S. maintains a \$6 billion trade surplus in this sector.

Similar research estimated that in the near future export trade would equal 304 percent of America's GDP. To economists, these projected figures mean that a large amount of economic growth must take place in emerging markets where the U.S. has little business experience. By offering a wide variety of exchange programs, political experts hope that the large numbers of foreign students who want to study in the U.S. will become a prime source for future trade partnerships abroad.

Conclusion

International education and exchange visitor programs help maintain U.S. leadership in the world. Many of the world's most prominent leaders were educated in the U.S.

Government agencies are presently working to remedy apparent flaws with the current visa issuing process. Government leaders firmly believe that any proposals to reduce the number of student visas could have serious repercussions to U.S. interests.

-Prepared June 2002

Endnotes

¹ <http://www.nafsa.org/content/PublicPolicy/DataonInternationalEducation/econBenefits.htm>

² Article "Rethinking Foreign Students", *National Review*, Allen E. Goodman, June 18, 2002.

² Article by Allen E. Goodman.

³ Testimony of David Ward before the Committee on Education and the Workforce, U.S. House of Representatives, Subcommittees on 21 Century Competitiveness and Selected Education, October 31, 2001.

⁴ <http://www.alliance-exchange.org/policy.html>