

Written Evidence Submitted by Institute for Social and Economic Research, University of Essex

Evidence from our peer-reviewed study of the impact of international students on the educational and employment outcomes of native students in higher education, by:

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The Institute for Social and Economic Research at the University of Essex specialises in the production and analysis of large-scale longitudinal data and produces high quality quantitative research.

Key points

- There is no negative impact of international students on British students; increasing numbers of international students has had no detrimental effects on the economic outcomes of British students.
- Studying alongside more international students meant that that higher-performing British students (those in the top third according to A-Level and equivalent tariff scores) on average earned higher salaries, 6 months after graduation, than they otherwise would have done.
- Foreign students have no effect on British students' probability of graduating, degree classification achieved, activity status six months after graduation, or among those in work, on several job attributes.
- International students contribute to the economy, help to fund universities, and can enrich the experiences of all university students and staff, by contributing to the diversity of the student body. As our study shows, they also don't harm the educational or labour market outcomes of the domestic students they study alongside.

1. Our research: The effect of foreign students in higher education on native students' outcomes

1.1. This paper is the first to study the impact of foreign students on the educational and early labour market outcomes of native students across the entire English Higher Education system. We analysed data on the population of undergraduate students who enrolled at universities in England in the academic years 2007/8-2010/11. We tested whether studying with more overseas students (as measured by the share of overseas students in the first year of the undergraduate programme) had a causal impact on the probability of domestic (British-domiciled) students successfully graduating, their degree class, or finding a graduate-level job within six months of graduating.

1.2. We found no significant impact on any of these outcomes. In fact, we found that studying alongside more international students meant that that higher-performing British students (those in the top third according to A-Level and equivalent tariff scores) on average earned higher salaries, 6 months after graduation, than they otherwise would have done.

1.3. Foreign students have no effect on British students' probability of graduating, degree classification achieved, activity status six months after graduation, or among those in work, on several job attributes.

1.4. Educating overseas students is a significant export industry for the UK and other countries such as the USA, Canada, and Australia. It is therefore important to understand whether the labour market prospects of British students are adversely affected by their exposure to international students. Our study presents robust evidence that, once enrolled into HE, they are not: the effect of foreign students on British students' outcomes is limited.

1.5. We conclude that there is no evidence of overseas students being detrimental for domestic students' probability of graduating and for their degree classification, nor there is any significant impact on their labour market participation and the quality of their employment at six months after graduation. These findings are consistent with earlier evidence on domestic students' exposure to overseas students, that was based on single course and university in the UK and the United States.

1.6. The findings of this study should be considered in the context of the benefits that overseas students provide to the UK. Alongside cross-subsidising UK students' participation in higher education through revenue from tuition fees, a typical higher education student from overseas (outside of Europe) brings net economic benefit of £95,000 (or £68,000 for students from the EU) to the UK economy.

1.7. Overall, overseas students contribute to the economy, help to fund universities, and can enrich the experiences of all university students and staff, by contributing to the diversity of the student body. As our study shows, they also don't harm the educational or labour market outcomes of the domestic students they study alongside.

Reference:

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