

International Education in the Comox Valley: Current and Potential Economic Impacts

FINAL REPORT

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1. INTRODUCTION

This report provides estimates of the current and potential economic impact of international students in the Comox Valley.

The information is timely as international education is a growing export industry in British Columbia at both the post-secondary and high school levels. There is significant growth potential related to the high quality of the province's educational institutions, the safety and beauty of its communities, and its existing tourism and immigration linkages with many parts of the world. It was identified as one of eight priority sectors in the recent BC Jobs Plan, with the goal of increasing the number of students in BC by 50% in the next four years.

North Island College staff have been involved in the creation of a provincial International Education Strategy to achieve this and related goals. School District 71 (Comox Valley) is also involved in ongoing provincial recruitment strategies. Both institutions are also in a partnership with two other Island School Districts (Alberni and Campbell River) called VancouverIslandSchools.com.

This study on economic impacts in the Comox Valley was commissioned by the Comox Valley Economic Development Society, with support from North Island College and School District 71. The study examines the current situation, as well as the potential economic impacts that could be achieved if the local educational institutions achieve their recruitment goals.

The report is structured as follows:

- Chapter 2 is an overview of the current level of international education in the Comox Valley.
- Chapter 3 shows the estimated current economic impact of international students.
- Chapter 4 compares the current level of international education in the Comox Valley to the rest of BC and Vancouver Island, and calculates the potential economic impact of a higher level of international education.
- Chapter 5 has final conclusions.
- Appendix A: International Immigration Profile provides some additional background information on international immigration in BC and the Comox Valley.
- Appendix B: Information Sources for International Education has a set of links to additional information on international education in the Comox Valley and throughout British Columbia.

2. INTERNATIONAL EDUCATION IN THE COMOX VALLEY

Data on the current level of international education in the Comox Valley was collected from both School District No. 71 (Comox Valley) and North Island College.

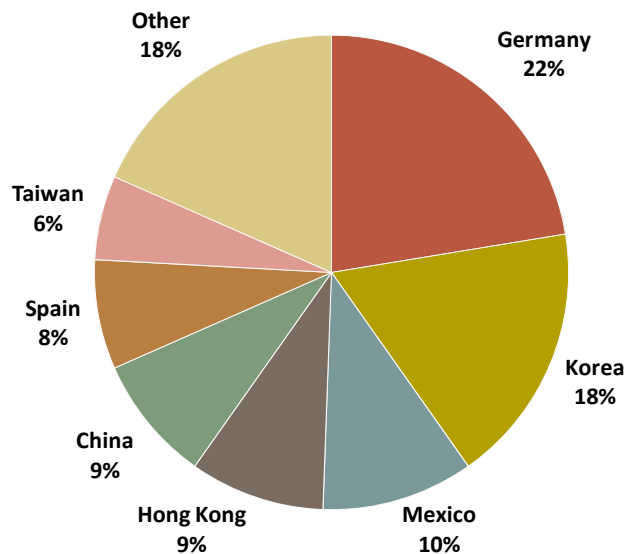
SCHOOL DISTRICT # 71

The Comox Valley School District has several programs catering to international students, including English as a Second Language (ESL) programs and both school and community programs in sports, the arts, and outdoor recreation. Some students enroll for multiple years in the Graduation Program, which concludes with the awarding of a BC Secondary School Graduation Certificate. Others enroll for shorter periods, such as 1-2 month terms in the winter and spring.

As of September 2011, there were 174 international students enrolled in the District, with the expectation that 220-230 would enroll over the course of the school year. The estimated full-time equivalent (FTE) enrollment for the school year is 133 as of February 2012.

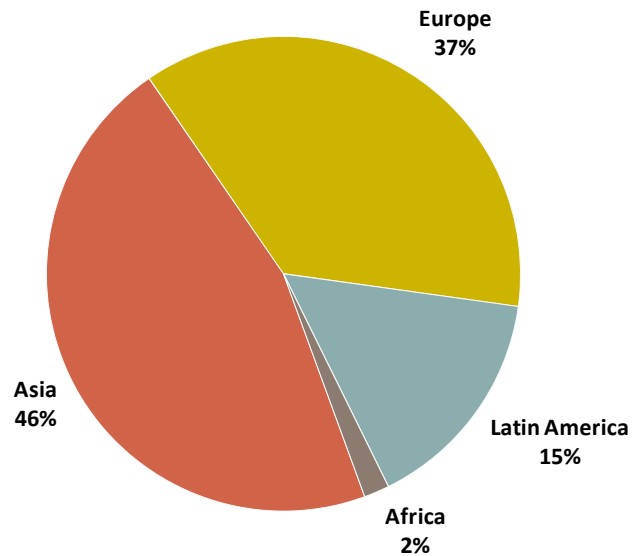
Just over 90% of international students are in high school and they come from countries all over the world, as shown in the chart to the right. The countries in the "other" category are Brazil, Austria, Japan, Macau, Nigeria, Switzerland, Ecuador, Hungary, Poland, Ukraine and Vietnam. There are additional groups planning to arrive from Thailand and Columbia, so the Comox Valley will host students from at least 20 countries in the current school year.

**SD71 International Headcount by Country
(September 2011)**



On a regional basis, most of the students are from Asia or Europe, with a smaller number from Latin America and a handful from Africa.

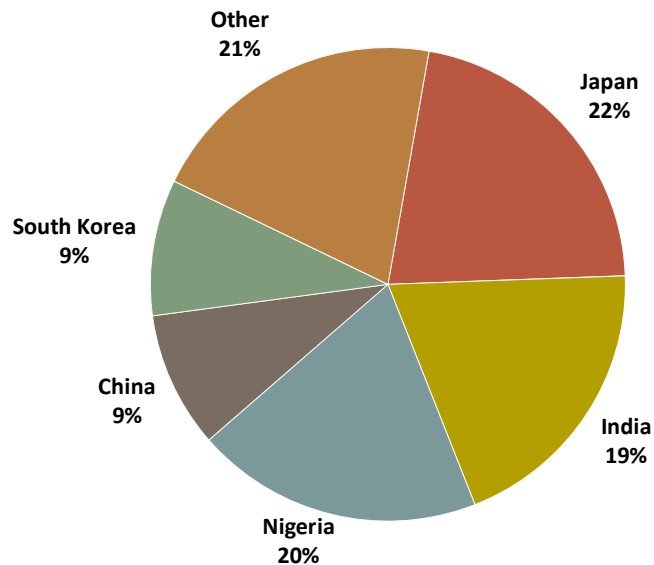
SD71 International Headcount by Region (September 2011)



NORTH ISLAND COLLEGE

There were 97 international students at North Island College in the last full school year (2010-11), an increase of 35% over the previous year. Students can enroll in dozens of certificate, diploma or degree programs, and have access to English as a Second Language or high school upgrade courses if needed to prepare the students for college success. Some of the popular programs include University Studies, Business Administration, the English Language Program, Tourism, and Fine Arts and Design.

NIC International Headcount by Country (2010-11)

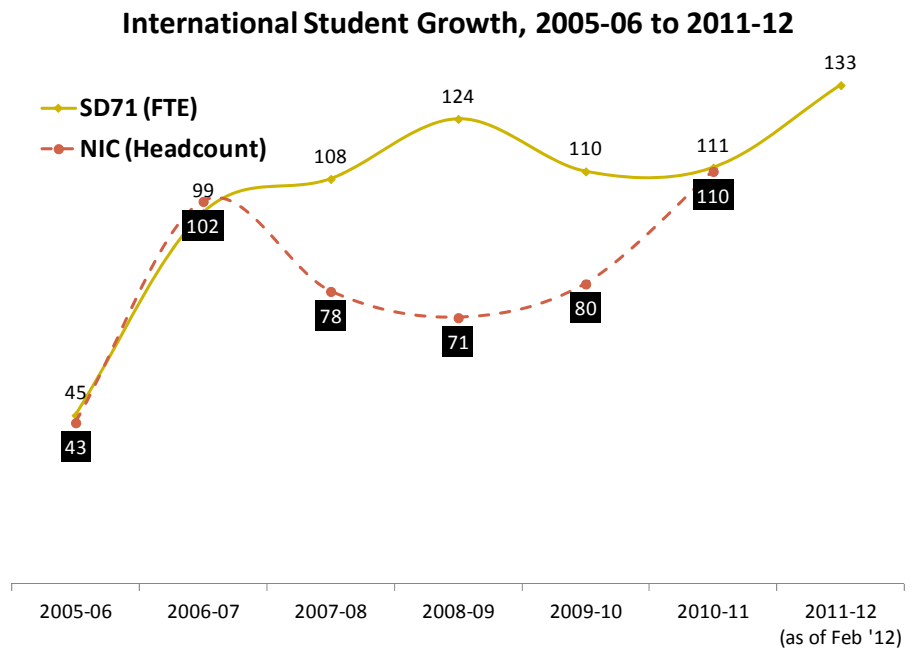


In terms of geographic origin, the majority of international students in 2010-11 were from Asia, with a strong contingent from Nigeria and others from various locations around the globe.

GROWTH IN INTERNATIONAL STUDENTS

Both School District 71 and North Island College have had steady growth in their international education programs in the last few years.

The number of full-time equivalent (FTE) students at School District 71 has increased from 45 in the 2005-06 school year to 133 in 2011-12 (through February). North Island College had a headcount of 110 in 2010-11, an increase over the previous three years. (Note these NIC figures are slightly different from the earlier figures as they are based on fiscal years rather than academic years).



3. CURRENT ECONOMIC IMPACTS

The economic impact of international students in British Columbia was recently estimated in a report completed for the BC Council for International Education¹ by Roslyn Kunin and Associates (RKA).

It estimated that more than 21,000 BC jobs are directly attributable to international education, driven by \$1.8 billion in annual spending by the estimated 94,000 international students attending public and private universities, language school, and public and private primary and secondary schools.

The calculations in this report on the Comox Valley make use of spending estimates and economic multipliers from the provincial report, as well as an RKA report on international education impacts in Canada² (with providing estimates on visiting friends and relatives) and an earlier report on BC impacts prepared for the BC Progress Board³. Additional information on local spending and employment was provided by School District #71 and North Island College.

The analysis also relies on several BC Stats reports that provide local employment multipliers⁴ and provincial-level multipliers for output, GDP and other variables⁵ from the BC Input-Output Model. Adjustments have been made where possible to update the multipliers to 2011.

STUDENT SPENDING

Following the approach taken in the RKA report, the economic impacts of international education are driven by the spending of visiting students on tuition and other fees, books and supplies, accommodation, meals, transportation, and discretionary spending, including recreational and cultural pursuits.

Per-student spending averages in these categories were taken from the RKA report and updated with Comox Valley data on tuition and some living expenses from SD71 and North Island College. Data on discretionary spending is from the Kershaw Consulting report (see footnote 3) as the RKA estimates were not considered representative of the Comox Valley situation.

¹ Roslyn Kunin and Associates, Inc. (April 2011), *The Economic Impact of International Education in British Columbia*, prepared for the BC Council for International Education.

² Roslyn Kunin and Associates, Inc. (July 2009), *Economic Impact of International Education in Canada: Final Report*, prepared for Foreign Affairs and International Trade Canada.

³ Adrian Kershaw Consulting (December 2005), *The Role of International Education: Expanding Student Opportunity and Economic Development in British Columbia*, prepared for BC Progress Board.

⁴ Garry Horne (2009), *British Columbia Local Area Economic Dependencies: 2006*, published by BC Stats.

⁵ Garry Horne (2007), *British Columbia Provincial Economic Multipliers and How to Use Them*, published by BC Stats.

The total spending by Comox Valley international students, based on 125 FTE students at SD71 and 97 students at North Island College, is estimated at \$6.8 million.

The three largest expenditure categories are tuition and other fees (37%), discretionary spending, which includes recreation and entertainment, food services and day-to-day spending (34%) and accommodation and meals (27%).

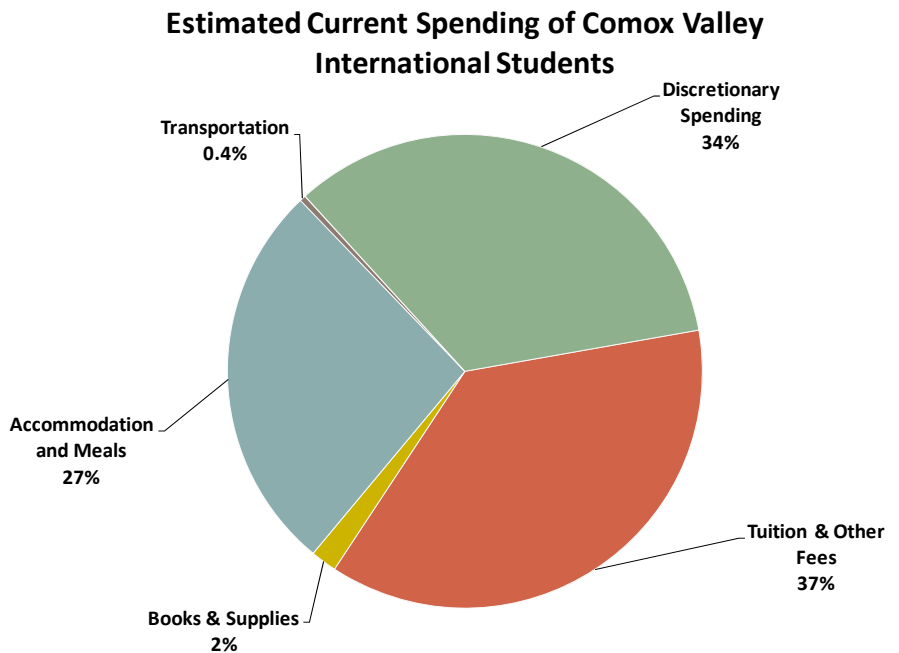


Table 1. Estimated Spending by Comox Valley International Students, 2011-12

Category	North Island College	School District #71	Total
Tuition & Other Fees	\$1,020,000	\$1,490,000	\$2,510,000
Books & Supplies	\$120,000	\$0	\$120,000
Accommodation and Meals	\$810,000	\$1,000,000	\$1,810,000
Transportation	\$30,000	\$0	\$30,000
Discretionary Spending	\$970,000	\$1,330,000	\$2,300,000
Total	\$2,950,000	\$3,820,000	\$6,770,000

Note: Figures are rounded to the nearest \$10,000 so columns and rows may not sum to the total.

VISITING FRIENDS AND RELATIVES

The RKA study on international education impacts in Canada estimated that one trip per year from a friend or relative is generated for every two international students. These visiting friends and relatives (VFR) are assumed to have the same trip and spending characteristics as the average international visitor not from the United States.

These visitors stay in Canada for an average of 17.6 days and spend \$80 per person per day⁶. About 20% of this spending is on air transportation (most of which is not in the Comox Valley) and it is assumed that visitors spend half their time traveling elsewhere in BC.

⁶ Statistics Canada, *International Travel 2010*. The per-diem spending was inflated by 2.4% for 2011.

The total headcount of international students visiting the Comox Valley in the 2011-12 school year is about 250, generating an estimated 125 visiting friends and relatives. These visits create an estimated \$75,000 in local spending in the areas shown in Table 2. (Spending by category is also based on Statistics Canada's *International Travel* survey).

An additional \$102,000 will be spent by these visitors elsewhere in BC.

Table 2. Estimated Spending by Visiting Friends and Relatives in the Comox Valley, 2011-12

Category	Visiting Friends & Relatives Spending
Accommodation	\$21,000
Food & Beverage	\$14,000
Local Transportation	\$13,000
Recreation	\$9,000
Retail	\$18,000
Total	\$75,000

Note: Figures are rounded to the nearest \$1,000 so columns and rows may not sum to the total.

ECONOMIC IMPACTS

There are three types of economic impacts calculated in this report.

- The **direct effect** is created by the initial student spending. This includes the employment created in the educational institutions and in other companies that provide goods and services directly to the students.
- The **indirect effect** is created by the suppliers to the direct activity. This includes companies who provide goods and services to the schools, as well as grocery stores and other businesses who provide supplies to the households where international students are living.
- The **induced effect** is created by the additional income received by all of the employees and company owners who benefit from additional direct or indirect revenue. For example, school employees who work in international education have more personal income and spend it on all of the typical categories of household spending, including food, shelter, personal services, entertainment, etc.

The RKA report on provincial impacts calculated only direct and indirect employment, gross domestic product (GDP) and government revenue. GDP and government revenue cannot be calculated locally (due to the complexity of the many economic linkages between firms and their suppliers elsewhere in the province). It is possible, however, to estimate employment (including induced employment) at the Comox Valley level using some additional multipliers from BC Stats.

Table 3 shows that **an estimated 97 jobs in the Comox Valley are supported by international education**, including 81 direct jobs and 16 indirect and induced jobs. About \$5.9 million is contributed to BC's gross domestic product (GDP) and \$350,000 to government revenue (including federal, provincial and local).

Table 3. Estimated Economic Impacts of Comox Valley International Education, 2011-12

Type of Impact	Source of Impacts			Total
	NIC Students	SD #71 Students	Visiting Friends & Relatives	
Expenditures in Comox Valley	\$2,950,000	\$3,820,000	\$70,000	\$6,840,000
Local Direct Jobs	31	49	1	81
Local Indirect Jobs	3	4	0	7
Local Induced Jobs	3	5	0	9
Total Local Employment	37	58	1	96
BC Gross Domestic Product (Direct & Indirect Only)	\$2,360,000	\$3,290,000	\$130,000	\$5,770,000
Government Revenue (All levels, Direct & Indirect Only)	\$130,000	\$160,000	\$40,000	\$320,000

Note: Figures are rounded so columns and rows may not sum to the total.

4. POTENTIAL ECONOMIC IMPACTS

One of the objectives of this report is to outline the potential economic impacts of a realistic amount of growth in international education in the Comox Valley.

GROWTH SCENARIOS

In order to determine what a realistic growth scenario might look like, the current situation in the Comox Valley was compared to data from other regions of the province. Note that the calculations for primary and secondary students are based on full-time equivalents.

Table 4. International Students Relative to School-Age Populations, Comox Valley and BC Regions

	British Columbia	Mainland/Southwest	BC Interior/North Coast	Rest of Vancouver Island/Coast	Comox Valley
2010 Populations (latest year available)					
Age 5-17	626,552	380,359	147,395	89,816	8,982
Age 18-25	510,143	314,485	113,063	76,762	5,833
International Student Enrollments					
Primary/Secondary	12,000	8,100	1,900	1,827	133
Post-Secondary (not including language schools)	39,000	29,000	5,700	4,203	97
International Students per 1,000 Age-Appropriate Population					
Primary/Secondary	19	21	13	21	15
Post-Secondary	76	92	50	55	17
International Enrollment Relative to BC					
Primary/Secondary	1.00	1.11	0.67	1.09	0.77
Post-Secondary	1.00	1.21	0.66	0.72	0.22

Sources: Roslyn Kunin & Associates (2011 report), School District #71, North Island College, BC Stats

Table 4 compares the 133 FTE enrollments in SD71 to the nearly 9,000 children aged 5-17 living in the Comox Valley to give a ratio of 15 international students per 1,000 school-age residents. This is slightly higher than the number of international primary and secondary students in the BC Interior/North Coast region and about three-quarters the number in the rest of Vancouver Island (including Greater Victoria).

The 97 international students at North Island College are compared to a regional population of about 5,800 in the 18 to 25 age range, which is an approximation of the prime university and college attending years. The Comox Valley has 17 international students per 1,000 college-age population, which is less than one-third as many as the rest of Vancouver Island.

With its new focus on international education in the context of the BC Jobs Plan and the provincial International Education Strategy, it is expected that North Island College can substantially increase these numbers in the next few years. **The College's goal is to increase FTE enrollment to 150 international students within 4 years.** This is a reasonable goal given the level of enrollment achieved in other similar communities.

A reasonable growth projection for School District #71 is for 50% growth within 4 years, which is the provincial goal for expanding international education. This would give the Comox Valley about 22 international students per 1,000 school-age population, which is slightly higher than the current level in the rest of Vancouver Island. This represents a total of 200 FTE students.

POTENTIAL ECONOMIC IMPACTS

If the growth scenarios outlined above are achieved, the Comox Valley would have 150 FTE college students and 200 FTE primary/secondary students by 2015-16.

Assuming per-student spending averages remain the same, total student spending would increase to about \$10.3 million (in 2011 dollars). This represents about \$3.5 million in additional local spending over the next four years, or an increase of about \$800,000 per year.

Table 5. Potential Spending by Comox Valley International Students, 2015-16 (2011 dollars)

Category	North Island College	School District #71	Total
Tuition & Other Fees	\$1,580,000	\$2,240,000	\$3,820,000
Books & Supplies	\$180,000	\$0	\$180,000
Accommodation and Meals	\$1,250,000	\$1,500,000	\$2,750,000
Transportation	\$40,000	\$0	\$40,000
Discretionary Spending	\$1,500,000	\$2,000,000	\$3,500,000
Total	\$4,550,000	\$5,740,000	\$10,290,000

Note: Figures are rounded to the nearest \$10,000 so columns and rows may not sum to the total.

Having more international students would create a proportional increase in visiting friends and relatives. The potential spending in this category is shown in Table 6.

Table 6. Potential Spending by Visiting Friends and Relatives in the Comox Valley, 2015-16 (2011 dollars)

Category	Visiting Friends & Relatives Spending
Accommodation	\$31,000
Food & Beverage	\$21,000
Local Transportation	\$20,000
Recreation	\$13,000
Retail	\$28,000
Total	\$113,000

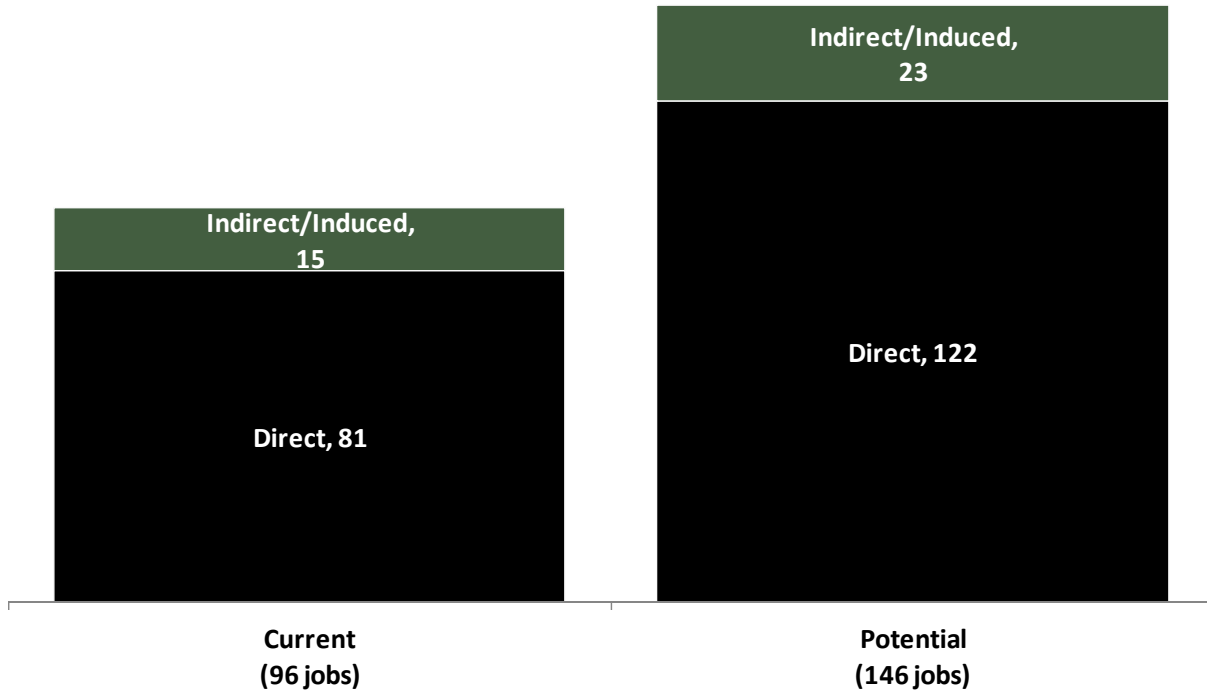
Note: Figures are rounded to the nearest \$1,000 so columns and rows may not sum to the total.

The potential employment impact from the expanded student and visitor spending is 146 jobs (including 122 direct jobs and 24 indirect and induced jobs). **This represents growth of 50 local jobs over the next four years.**

Table 7. Potential Economic Impacts of Comox Valley International Education, 2015-16

Type of Impact	Source of Impacts			Total
	NIC Students	SD #71 Students	Visiting Friends & Relatives	
Expenditures in Comox Valley	\$4,550,000	\$5,740,000	\$110,000	\$10,400,000
Local Direct Jobs	48	74	1	122
Local Indirect Jobs	5	6	0	11
Local Induced Jobs	5	8	0	13
Total Local Employment	57	88	1	146
BC Gross Domestic Product (Direct & Indirect Only)	\$3,640,000	\$4,940,000	\$130,000	\$8,720,000
Government Revenue (All levels, Direct & Indirect Only)	\$200,000	\$230,000	\$40,000	\$470,000

Current and Potential Employment Impacts from International Education in the Comox Valley



5. CONCLUSION

The analysis in this report shows that international students and their visiting friends and relatives are making significant financial expenditures in the Comox Valley (estimated at \$6.8 million in the 2011-12 school year) and supporting nearly 100 local jobs.

With the focus on expanding international education both locally and provincially, these economic impacts should continue to grow. Using some realistic growth projections for the next four years, total local spending in the Comox Valley from international education could reach \$10.3 million (an average increase of about \$900,000 per year). Total employment would grow by 50 to reach almost 150 local jobs.

International education also creates the potential for expanded investment and trade linkages with students' home countries and the possibility of students and/or their friends and family becoming future immigrants or investors in the Comox Valley (see Appendix A for a further discussion of the links to immigration).

APPENDIX A: INTERNATIONAL IMMIGRATION PROFILE

International immigration is related to international education in several ways. Students may be more likely to attend school in a community that has an existing immigrant population from their country (although the opposite can also be true if students desire a more immersive experience in a place without people who share their language and culture). International students (and their friends and family) are also possible future immigrants if they recognize the economic and social opportunities in a community and return to it after completing school.

Immigrants have other advantages for economic development by encouraging and supporting trade linkages with their nation of origin, as well as tourism and investment. Expansion of international education may therefore have the potential to lead to economic impacts far beyond those created simply by student spending.

IMMIGRATION TRENDS

Canada typically welcomes between 250,000 and 300,000 new immigrants each year, adding 0.7% to 0.8% to its total population.

British Columbia's immigrant landings are usually between 40,000 and 45,000 people per year, adding around 1% to the provincial population.

The estimated level of immigration to the Comox Valley was significantly higher in 2009 and 2010 compared to previous years, adding about 0.25% to the regional population.

Immigrant Landings as Share of Population

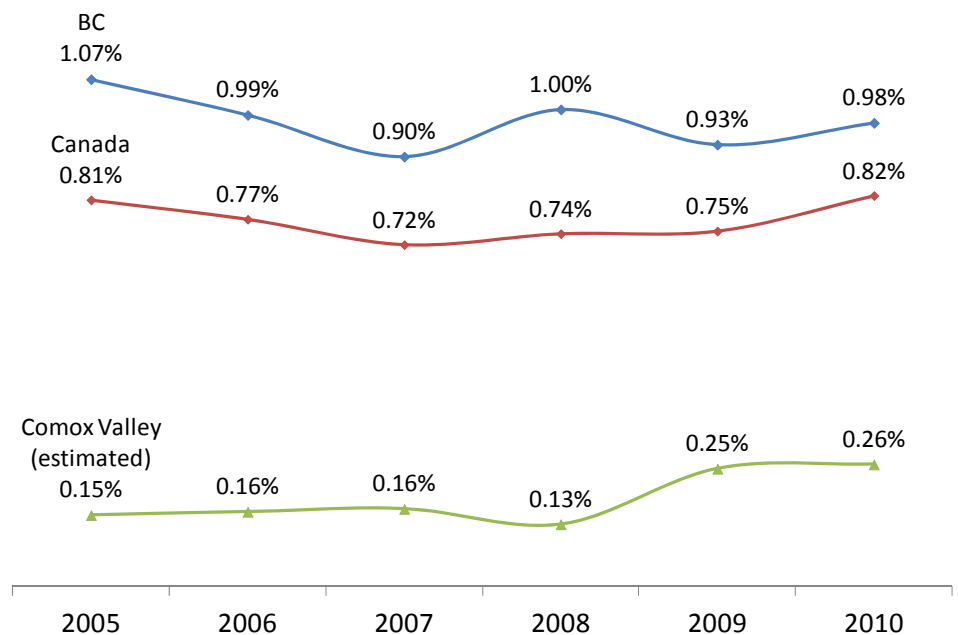


Table 8. Immigrant Landings as Share of Population

	2005	2006	2007	2008	2009	2010
Canada	262,241	251,642	236,754	247,247	252,172	280,636
British Columbia	44,771	42,084	38,963	43,994	41,441	44,176
Comox Valley*	89	95	101	83	159	166

*Note: Data for the Comox Valley is still combined with the Strathcona Regional District. It is assumed for purposes of this report that 75% of immigrant landings in the combined area are destined for the Comox Valley.

Source: BC Stats (using Statistics Canada immigration data and BC Stats population estimates)

ECONOMY-RELATED IMMIGRATION

There are many different categories of immigrants and not all are equally relevant to economic development.

Table 9 shows that from 2005 to 2010 about 60% of immigrants are in the main economic classes. (Of course it is possible that immigrants in the Family or Refugee classes can be skilled workers or entrepreneurs or investors but the main focus of these immigration classes is not the economic qualifications of the immigrant).

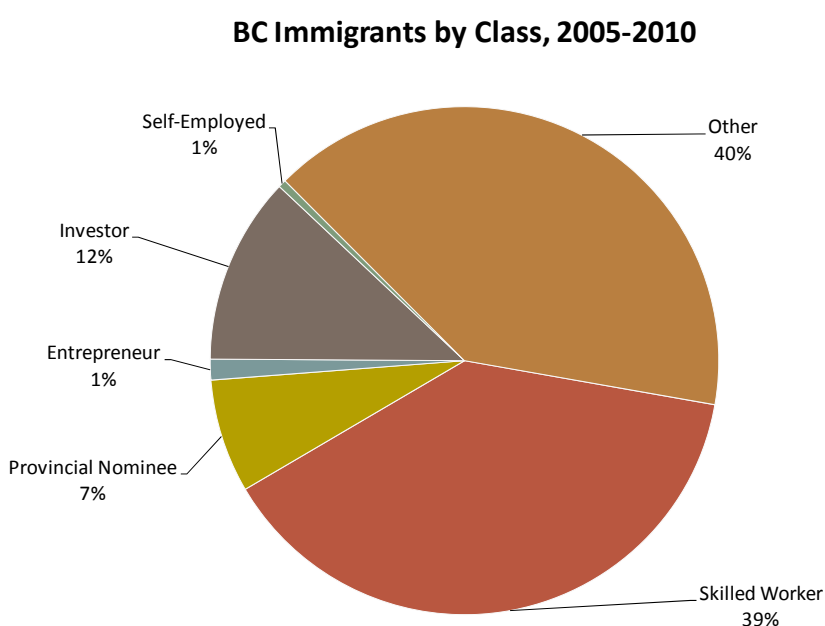


Table 9. BC Immigrant Landings by Class

Immigration Class	2005	2006	2007	2008	2009	2010
Skilled Worker	21,810	16,688	14,793	16,040	12,471	17,224
Investor	5,359	4,412	3,763	5,867	5,557	5,510
Provincial Nominee	789	1,924	2,522	3,629	4,708	4,899
Entrepreneur	872	866	585	476	338	234
Self-Employed	289	322	213	161	181	116
Other*	15,652	17,872	17,087	17,821	18,186	16,193
Total	44,771	42,084	38,963	43,994	41,441	44,176

* Other includes Family, Refugee, Live-In Caregiver and Other.

Source: BC Stats (using data from Citizenship and Immigration Canada)

Table 10 shows the top source countries for economy-related immigrants over the 2008 to 2010 period. China is easily the biggest source of economy-related immigrants and five of the top six source countries are in Asia.

Overall 59% of immigrants in the 2008 to 2010 period were in the economy-related classes but the share varies significantly by country. About three-quarters of immigrants from China are economy-related, but only 34% of immigrants from India and 41% from the Philippines. A very high percentage of immigrants from the United Arab Emirates, Singapore, Taiwan and South Korea are in the economy-related classes.

Table 10. Source Countries for Economy-Related Immigrants, 2008-2010

Source Country	Economy-Related Immigrants*	Total Immigrants	Economy- Related Share
China	21,744	28,606	76%
Philippines	6,719	16,280	41%
South Korea	6,180	7,191	86%
India	5,871	17,412	34%
England	5,624	7,117	79%
Taiwan	4,837	5,559	87%
United States	2,967	6,428	46%
Iran	2,482	3,872	64%
Germany	1,296	1,688	77%
Singapore	1,110	1,223	91%
United Arab Emirates	1,081	1,174	92%
Russia	853	1,261	68%
Mexico	794	1,709	46%
Japan	729	1,716	42%
South Africa	722	951	76%
Australia	652	1,155	56%
Pakistan	505	942	54%
Other	12,742	25,318	50%
Total	76,908	129,602	59%

* Economy-related immigrants include the categories shown in Table 9 (Skilled Worker, Investor, Provincial Nominee, Entrepreneur and Self-Employed).

Source: BC Stats (using data from Citizenship and Immigration Canada)

COMOX VALLEY IMMIGRANTS

With respect to the Comox Valley's ability to increase economy-related immigration, both the School District and North Island College have attracted international students from a wide variety of countries, including some of the main source countries for economy-related immigrants.

Data on the source countries for Comox Valley immigrants is not available on a year-by-year basis, but the origin of all immigrants living in the Comox Valley as of 2006 is available from the Census of that year. Unfortunately the data table does not show every country, but it does demonstrate the predominance of European countries as the source of Comox Valley immigrants, with relatively fewer immigrants from Asia.

Table 11. Place of Birth for Immigrants Living in the Comox Valley, 2006

Place of Birth	Immigrants Living in Comox Valley	Share of Comox Valley Population	Share of BC Population
United Kingdom	3,115	5.4%	3.4%
Western Europe	1,395	2.4%	2.0%
United States	990	1.7%	1.4%
Southeast Asia	445	0.8%	3.0%
Other Northern Europe (apart from United Kingdom)	385	0.7%	0.5%
Other Southeast Asia (apart from Philippines)	280	0.5%	1.3%
Eastern Europe	260	0.4%	1.5%
Africa	255	0.4%	0.8%
Oceania and other	220	0.4%	0.8%
Philippines	170	0.3%	1.7%
Other Eastern Asia (apart from China and Hong Kong)	120	0.2%	2.2%
Caribbean and Bermuda	115	0.2%	0.2%
South America	100	0.2%	0.4%
Italy	90	0.2%	0.5%
Other Southern Europe (apart from Italy)	85	0.1%	0.8%
Central America	70	0.1%	0.4%
China	70	0.1%	3.6%
India	70	0.1%	2.9%
West Central Asia and the Middle East	45	0.1%	1.0%
Other Southern Asia (apart from India)	35	0.1%	0.3%
Hong Kong	25	0.04%	1.9%
Total	7,965	13.7%	27.5%

Source: Statistics Canada Census

APPENDIX B: INFORMATION SOURCES FOR INTERNATIONAL EDUCATION

This appendix contains internet links to some additional information on international education in the Comox Valley and throughout British Columbia.

- North Island College Strategic Plan (including International Education):
http://www.nic.bc.ca/about_us/strategic_plan/view.aspx
- North Island College International Marketing Publications:
http://international.nic.bc.ca/about_us/publications.aspx
- North Island College Partnership Agreements:
http://www.nic.bc.ca/about_us/Partnership_Agreements/
- School District 71 (Comox Valley) International Student Policy:
http://www.sd71.bc.ca/sd71/policy_manual/manual/6003.pdf
- School District 1 Marketing brochure:
<http://www.studyinbritishcolumbia.com/brochures/english.pdf>
- Cooperative Marketing between North Island College and School Districts 70 (Alberni), 71 (Comox Valley) and 72 (Campbell River): <http://www.vancouverislandschools.com/>
- Economic Impact of International Education in Canada:
<http://www.international.gc.ca/education/impact.aspx?view=d>
- Economic Impact of International Education in BC:
http://www.bccie.bc.ca/sites/bccie_society/files/BCCIE_IntEdReport_110221.pdf
- International Education in BC Economic Impact Snapshot:
http://www.bccie.bc.ca/sites/bccie_society/files/BCCIE_IntEdReport_SnapShot.pdf