

Center for Studies in Higher Education

The Center for Studies in Higher Education (CSHE) was established in 1956 as the first research institute in the US devoted to the study of systems, institutions and processes of higher education. The Center's mission is:

- to produce and support multi-disciplinary scholarly perspectives on strategic issues in higher education
- to conduct relevant policy research
- to promote the development of a community of scholars and policymakers engaged in policy-oriented discussion, and to serve the public as a resource on higher education.



Center for Studies in Higher education

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A California knowledge hub

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Economic impact of international students

Attracting the brightest

\$37 billion. International students in the US could generate that much revenue over the next few years, making it one of the fastest growing exports in the national economy.

International students already have a high net estimated impact in the Bay area, benefiting from revenues going up to \$279 million for San Francisco.

International students also provide a major source of business development in the economy, through the international business links they create as well as their direct contribution to the local knowledge economy.

Doubling the number of international students could generate an additional estimated impact of \$1.8 billion in these dire economic times. But fulfilling this potential for growth is conditional on appropriate strategies.

A knowledge hub

A knowledge hub for the San Francisco Bay Area constitutes such a strategy. This hub consists of higher education institutions, the private sector and local governments coming together to create a self-enforcing ecosystem.

Without a hub, the region would simply not be able to fully leverage and coordinate the economic and social potential of foreign students.



Hub partners

A hub is necessary to:

- Create economies of scale to develop capacity (e.g. space and resource sharing)
- Market a coherent and internationally attractive image.
- Generate a policy impetus.

Hubs hold enormous benefits. They improve a region's international attractiveness and are economically and socially viable, which is why they are multiplying across the world, with New York interested in setting up its own.

A San Francisco Bay area hub would result in a virtuous cycle, including:

- Doubling international enrollment and generating at least \$1 billion a year for the region, which could be used to generate capacity for resident students
- Improving international image.
- Multiplying the pool of talent.
- Generating many other positive externalities, such as greater diversity in the arts.



A virtuous cycle

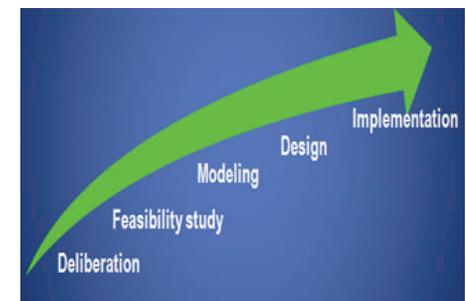
Moving forward

Moving forward with the hub requires answering some key questions, such as:

- Who would take part?
- How much would it cost?
- How can surrounding businesses and the economy best benefit from a knowledge hub?
- How would the hub best serve local students who need it the most?

The first step to creating a hub would be to set up a study group to further explore these considerations. This initial deliberation would lead to further analysis and planning, including a feasibility assessment, financial modeling, design and implementation.

The timing is extremely good. Our knowledge economy is desperate for additional resources but has capacity to grow. Starting to plan for a hub now would allow for a launch timed to support the economic recovery expected in the next year or so. Finally, if not the hub concept outlined here, what other ways do California and the Bay Area have to benefit from their comparative advantage in the growing world market for higher education? More generally, how can our economic region sustain or even enhance our ability to draw top talent?



Moving forward: five steps to a knowledge hub