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Foreign Gifts and Higher Education: Evidence From the Us

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Abstract

Section 117 of the Higher Education Act of 1965 (HEA) requires institutions participating in the Title IV student assistance programs to provide information about gifts received from any foreign source. Using the most detailed data on foreign gifts and contracts among Title IV domestic educational institutions, the study explores trends in three primary sources of foreign funding: contracts, monetary gifts and ownership interests in or control over the institution by a foreign entity. Specifically, the study analyzes over 23,000 unique transactions among 225 educational institutions in 184 cities in 44 states from 2013 to 2019. Preliminary analysis shows that amounts of foreign gift received by institutions ranged from \$422,893 in 2013 to \$693,513 in 2019, with a maximum value of \$725,996 in 2016. Results indicate that the most common type of gift since 2013 has been contract gifts (56.40%), preceded by monetary gifts (43.47%). Future analysis will include a detailed investigation on primary channels behind the rise of foreign gifts over time and university-level characteristics that influence sources of foreign gift. Estimates from the study have significant policy implications, especially in relation to funding mechanisms prevalent among public universities in the United States.



INTRODUCTION

- Since 2013, over \$12 billion has been gifted to US universities
- Research on university-level characteristics that affect foreign funding is limited
- I examine how foreign funding received by universities changes over time
- I also account for university-level and geographic factors that influence the amount of foreign gifts

GEOGRAPHICAL DISTRIBUTION



Figure 1: Geographical location of countries that provide funding to US universities

Gifts by Type

- Contract Gifts: 56.5%
- Monetary Gifts: 43.5%
- Real Estate Gifts: 0.0004%
- Total transactions: 23,021

Top Gifting Nations (Since 2013)

- England: \$1.1B
- China: \$900M
- Canada: \$470M

SUMMARY OF RESULTS

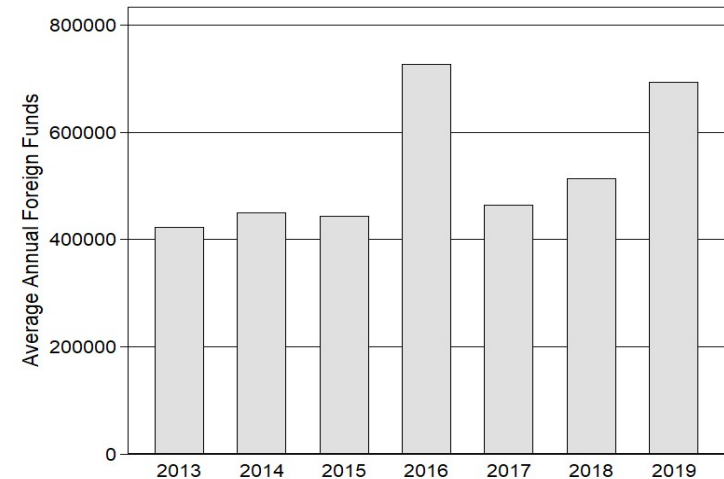


Figure 2: Annual trends in foreign funding received by US universities

Changes Over Time

- 2016 recorded near \$2.5B in foreign gifts, the highest of any year in our data
- I would like to examine what factors lead to yearly spikes in foreign gifts, and whether differences in trends exist between private and public universities

Conclusion & Next Steps

- Significant differences in foreign funding received by US universities exist across different years in the sample
- In the future, I plan to conduct fixed effects linear regression model to evaluate the linkage between foreign gifts and university-level characteristics