

The Economic Impacts of Canada's International Student Cap in Atlantic Canada for 2024/25

Prepared for:
Association of Atlantic Universities (AAU)

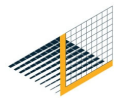
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ABOUT THIS REPORT

This report for the Association of Atlantic Universities provides an analysis of the economic impacts of Immigration, Refugees, and Citizenship Canada's (IRCC) recent policy limiting the intake of international students. The analysis examines impacts to universities and each of the provincial economies in Atlantic Canada for the 2024/25 academic year.

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Executive Summary

This report for the Association of Atlantic Universities (AAU) assesses the economic impacts of Canada's recent policy capping international student study permits in the Atlantic provinces for the 2024/25 academic year. The Immigration, Refugees, and Citizenship Canada (IRCC) policy, aims to stabilize international student growth for two years by implementing a national 35% reduction in international student permits from 2023, with province-specific caps weighted according to international student populations.¹

This report compares enrolments, student spending, and economic impacts for two cases:

1. **2023 enrolment case:** This case examines the economic contribution of international students using the 2023/24 enrolment figures and 2024/25 tuition rates, assuming no cap had been imposed.
2. **2024 enrolment case:** This case examines the economic contribution of 2024/25 actual enrolments and 2024/25 tuition rates.

The results indicate a decline of 2,983 international students (down 11.4%) across the region. The shortfall between actual and expected international student enrolment results in an estimated loss of:

- ❑ \$163 million in spending (direct output),
- ❑ \$165 million in provincial GDP,
- ❑ \$94 million in provincial income, and
- ❑ 2,231 full-time equivalent jobs.

Governments will experience declines in tax revenues of approximately \$22 million in provincial taxes and \$17 million in federal taxes lost.

¹ Immigration, Refugees and Citizenship Canada, 2024. Canada to stabilize growth and decrease number of new international student permits issued to approximately 360,000 for 2024.

Introduction

Atlantic Canada's university sector plays a major role in the region's exports by offering education services, including the goods and services provided to international students.² However, the federal government's 2024 policy restricting the intake of international students has caused a significant setback for Atlantic universities and the regional economy. This report examines the economic impacts of the cap on international study permits for the 2024/25 academic year.

Methodology

To assess the economic impact, this report integrates data from the Maritime Provinces Higher Education Commission (MPHEC), the Association of Atlantic Universities (AAU) and its member universities, as well as the Council of Atlantic Ministers of Education and Training (CAMET). A comparative analysis was conducted, focusing on key economic indicators such as GDP, output, income, jobs, and taxes.

This report compares enrolments, student spending, and economic impacts for two cases:

3. **2023 enrolment case:** This examines the economic contribution of international students using the 2023/24 enrolment figures combined with 2024/25 university fees.
4. **2024 enrolment case:** This calculates the actual economic impact of 2024/25 international student enrolments that are subject to the IRCC policy limitations.

Enrolment

The Atlantic Canada international student enrolments in 2023/24 were 26,220, compared to 23,237 students in 2024/25. This is a decrease of 2,983 students related to the IRCC policy, and represents an 11.4% drop in enrolment.

Table 1: Atlantic Canada International Student Enrolment by Province

	NS	NB	PE	NL	Total
2023/24					
Graduate	2,488	1,117	247	2,379	6,231
Undergraduate	12,079	3,736	1,748	2,426	19,989
Total	14,567	4,853	1,995	4,805	26,220
2024/25					
Graduate	2,351	913	265	2,030	5,559
Undergraduate	10,125	3,938	1,587	2,028	17,678
Total	12,476	4,851	1,852	4,058	23,237

Source: AAU provided 2023/2024 and 2024/25 international enrolments

² The general delimitation of exports is defined in Statistics Canada's system of national accounts. A region's exports include both goods and services rendered or offered by residents to non-residents, and does not necessarily imply that the good or service in question physically crosses the border.

Student and visitor spending

The spending brought to the provinces by visiting students is determined through following components:

- **University fees, residence and meals:** Data from MPHEC (excluding data directly obtained from Memorial University) reports spending by student origin (domestic and international), full-time and part-time status, and undergraduate and graduate levels. An average tuition across programs, along with average residence and meal plan costs, is estimated to capture the range of options available to students.
- **Other living expenses:** These estimates are updated from a CAMET study,³ which collected 2,380 survey responses from international students across universities and colleges in Atlantic Canada. Students reported their spending on education and living expenses. For this report, the figures were adjusted for inflation using the Consumer Price Index (CPI) to generate current average estimates for both domestic and international students.
- **Visitor spending:** Friends and family often accompany students at the start of the academic year, attend student-related events (e.g., athletic events, performances), and visit throughout the year, including for graduation. Visitor spending was initially examined in a previous AAU report and has been updated here using the CPI to adjust for inflation.

International student-related spending totalled \$1.2 billion with graduate students contributing 21% and undergraduate students accounting for 79%. Compared to the baseline scenario of \$1.3 billion, the Atlantic region experienced a spending loss of **\$163 million**.

Table 2: International Student Spending by Province

(000s)	NS	NB	PE	NL	Total
2023/24					
Graduate	\$131,786	\$52,341	\$9,749	\$81,391	\$275,267
Undergraduate	\$704,545	\$161,139	\$75,053	\$119,972	\$1,060,708
Total	\$836,331	\$213,480	\$84,802	\$201,363	\$1,335,976
2024/25					
Graduate	\$123,253	\$42,984	\$11,233	\$75,099	\$252,569
Undergraduate	\$561,404	\$179,866	\$72,770	\$105,932	\$919,973
Total	\$684,658	\$222,850	\$84,003	\$181,031	\$1,172,541

Sources: MPHEC, CAMET, AAU.

³Council of Atlantic Ministers on Education and Training (CAMET), 2018. The Economic Impact of International Students in Atlantic Canada. (online: camet-camef.ca/english/home)

Canada Immigration Policy

Canada experienced significant growth in international students up to the 2023/24 academic year, then Immigration, Refugees, and Citizenship Canada (IRCC) implemented the caps on international student study permits. There were concerns regarding recruitment practices, as well as university and community capacity to accommodate students. The temporary cap on study permits is planned for two years. Each province is allocated study permits and the cap will be reassessed for 2025/26⁴. As a result of this policy, Atlantic Canada universities experienced a decline in international student enrolment, and the reduced international spending is negatively impacting both the institutions and the broader Atlantic economy.

Economic impacts

2023/24 case

The expected total spending of \$1.3 billion from 2023/24 international student enrolments flows “directly” to universities, local stores, and transport companies along with many other Atlantic Canada businesses. Table 3 (below) shows this supports economic output (spending) worth \$335 million for “indirect” businesses in the supply-chain across the provinces. When workers in the supply chain and direct businesses spend their wages and salaries, this “induces” another \$351 million in spending throughout Atlantic Canada. In total, about \$1.3 billion is added to the four provincial economies (gross domestic product – GDP), and this supports an estimated 18,000 full-time equivalent jobs. Over \$178 million in tax revenues are generated to the provincial governments and about \$137 million is generated by the federal government.

Table 3: 2023/24 economic impacts of Atlantic Canada international students

(\$000s)	Direct	Indirect	Induced	Province	Canada
Output	\$1,335,976	\$335,334	\$351,158	\$2,022,468	\$2,535,695
GDP	\$912,581	\$185,741	\$226,273	\$1,324,595	\$1,584,072
Income	\$565,462	\$108,914	\$91,222	\$765,599	\$910,085
Jobs (FTE)	13,805	2,247	2,121	18,173	20,632
Prov taxes	\$104,184	\$20,851	\$53,566	\$178,601	\$0
Fed taxes	\$93,106	\$14,742	\$28,538	\$136,386	\$137,974

Source: Statistics Canada interprovincial input-output economic model, 2020.

2024/25 IRCC case

The actual spending of \$1.2 billion related to 2024/25 international student enrolments flows “directly” to universities, local stores, and transport companies along with many other Atlantic Canada businesses. Table 4 (below) shows this supports economic output (spending) worth \$293

⁴ Immigration, Refugees, and Citizenship Canada (IRCC), Visitors, International Students and Temporary Workers, 2024, <https://www.canada.ca/en/immigration-refugees-citizenship/corporate/publications-manuals/departmental-plans/departmental-plan-2024-2025/departmental-plan-2024-2025-full.html#toc02-1>.

million for “indirect” businesses in the supply-chain across the provinces. When workers in the supply chain and direct businesses spend their wages and salaries, this “induces” another \$306 million in spending throughout Atlantic Canada. In total, about \$1.2 billion is added to the four provincial economies (gross domestic product – GDP), and this supports an estimated 16,000 full-time equivalent jobs. Over \$156 million in tax revenues are generated to the provincial governments and about \$121 million is generated by the federal government.

Table 4: IRCC Policy Change Economic impacts of Atlantic Canada Universities Exports

(\$000s)	Direct	Indirect	Induced	Province	Canada
Output	\$1,172,541	\$293,921	\$306,821	\$1,773,284	\$2,225,572
GDP	\$799,771	\$162,834	\$197,483	\$1,160,088	\$1,389,193
Income	\$496,561	\$95,440	\$79,660	\$671,660	\$799,243
Jobs (FTE)	12,120	1,969	1,853	15,942	18,115
Prov taxes	\$91,413	\$18,239	\$46,965	\$156,617	
Fed taxes	\$81,732	\$12,906	\$25,012	\$119,650	\$121,139

Source: Statistics Canada interprovincial input-output economic model, 2020.

IRCC policy impact

The difference between the two sets of economic indicators (Table 3 minus Table 4) represents the impact of the IRCC policy. The shortfall between actual and expected international student enrolment results in an estimated loss of: \$163 million in spending (direct output), \$165 million in provincial GDP, \$94 million in provincial income and 2,231 full-time equivalent jobs (FTEs). Governments will experience declines in tax revenues of approximately \$22 million in provincial taxes and \$17 million in federal taxes lost.

APPENDIX – Provincial Tables

Atlantic Canada

Table A1: Atlantic Canada international student economic impact, 2023/24

(\$000s)	Direct	Indirect	Induced	Province	Canada
Output	\$1,335,976	\$335,334	\$351,158	\$2,022,468	\$2,535,695
GDP	\$912,581	\$185,741	\$226,273	\$1,324,595	\$1,584,072
Income	\$565,462	\$108,914	\$91,222	\$765,599	\$910,085
Jobs (FTE)	13805	2247	2121	18173	20632
Prov taxes	\$104,184	\$20,851	\$53,566	\$178,601	\$0
Fed taxes	\$93,106	\$14,742	\$28,538	\$136,386	\$137,974

Source: Statistics Canada interprovincial input-output economic model, 2020.

Table A2: Atlantic Canada international student economic impact, 2024/25

(\$000s)	Direct	Indirect	Induced	Province	Canada
Output	\$1,172,541	\$293,921	\$306,821	\$1,773,284	\$2,225,572
GDP	\$799,771	\$162,834	\$197,483	\$1,160,088	\$1,389,193
Income	\$496,561	\$95,440	\$79,660	\$671,660	\$799,243
Jobs (FTE)	12,120	1,969	1,853	15,942	18,115
Prov taxes	\$91,413	\$18,239	\$46,965	\$156,617	
Fed taxes	\$81,732	\$12,906	\$25,012	\$119,650	\$121,139

Source: Statistics Canada interprovincial input-output economic model, 2020.

Table A3: Atlantic Canada IRCC policy economic impact (Table A1 minus Table A2)

(\$000s)	Direct	Indirect	Induced	Province	Canada
Output	\$163,435	\$41,413	\$44,337	\$249,184	\$310,123
GDP	\$112,810	\$22,907	\$28,790	\$164,507	\$194,879
Income	\$68,901	\$13,474	\$11,562	\$93,939	\$110,842
Jobs (FTE)	\$1,685	\$278	\$268	\$2,231	\$2,517
Prov taxes	\$12,771	\$2,612	\$6,601	\$21,984	
Fed taxes	\$11,374	\$1,836	\$3,526	\$16,736	\$16,835

Source: Statistics Canada interprovincial input-output economic model, 2020.

Nova Scotia

Table A4: NS international student economic impact, 2023/24

(\$000s)	Direct	Indirect	Induced	Province	Canada
Output	\$836,331	\$218,943	\$232,181	\$1,287,454	\$1,606,304
GDP	\$569,101	\$120,441	\$150,471	\$840,013	\$998,998
Income	\$353,003	\$70,755	\$60,366	\$484,124	\$572,600
Jobs	8763	1494	1415	11672	13172
Prov taxes	\$65,552	\$13,903	\$34,149	\$113,605	
Fed taxes	\$58,324	\$9,717	\$18,252	\$86,293	\$87,118

Source: Statistics Canada interprovincial input-output economic model, 2020.

Table A5: NS international student economic impact, 2024/25

(\$000s)	Direct	Indirect	Induced	Province	Canada
Output	\$684,658	\$178,365	\$190,191	\$1,053,214	\$1,313,778
GDP	\$466,569	\$98,094	\$123,255	\$687,919	\$817,790
Income	\$289,435	\$57,706	\$49,445	\$396,586	\$468,861
Jobs	7,152	1,221	1,159	9,532	10,758
Prov taxes	\$53,536	\$11,313	\$27,974	\$92,823	\$0
Fed taxes	\$47,738	\$7,915	\$14,951	\$70,604	\$71,227

Source: Statistics Canada interprovincial input-output economic model, 2020.

Table A6: NS IRCC policy economic impact (Table A4 minus Table A5)

(\$000s)	Direct	Indirect	Induced	Province	Canada
Output	\$151,673	\$40,578	\$41,990	\$234,240	\$292,526
GDP	\$102,532	\$22,347	\$27,216	\$152,094	\$181,208
Income	\$63,568	\$13,049	\$10,921	\$87,538	\$103,739
Jobs (FTE)	\$1,611	\$273	\$256	\$2,140	\$2,414
Prov taxes	\$12,016	\$2,590	\$6,175	\$20,782	
Fed taxes	\$10,586	\$1,802	\$3,301	\$15,689	\$15,891

Source: Statistics Canada interprovincial input-output economic model, 2020.

New Brunswick

Table A7: NB international student economic impact, 2023/24

(\$000s)	Direct	Indirect	Induced	Province	Canada
Output	\$213,480	\$56,466	\$55,947	\$325,893	\$410,057
GDP	\$140,397	\$30,596	\$34,828	\$205,821	\$249,969
Income	\$92,037	\$17,906	\$14,369	\$124,312	\$149,230
Jobs	2240	380	340	2959	3394
Prov taxes	\$17,027	\$3,432	\$8,812	\$29,270	
Fed taxes	\$15,182	\$2,425	\$4,678	\$22,284	\$22,712

Source: Statistics Canada interprovincial input-output economic model, 2020.

Table A8: NB international student economic impact, 2024/25

(\$000s)	Direct	Indirect	Induced	Province	Canada
Output	\$222,850	\$59,282	\$58,439	\$340,572	\$428,650
GDP	\$146,327	\$32,148	\$36,379	\$214,854	\$261,077
Income	\$96,035	\$18,778	\$15,009	\$129,821	\$155,905
Jobs	2,357	397	355	3,109	3,564
Prov taxes	\$17,801	\$3,612	\$9,205	\$30,618	
Fed taxes	\$15,854	\$2,548	\$4,886	\$23,289	\$23,754

Source: Statistics Canada interprovincial input-output economic model, 2020.

Table A9: NB IRCC policy economic impact (Table A7 minus Table A8)

(\$000s)	Direct	Indirect	Induced	Province	Canada
Output	(\$9,370)	(\$2,816)	(\$2,492)	(\$14,679)	(\$18,593)
GDP	(\$5,930)	(\$1,552)	(\$1,551)	(\$9,033)	(\$11,108)
Income	(\$3,998)	(\$872)	(\$640)	(\$5,509)	(\$6,675)
Jobs (FTE)	(\$117)	(\$17)	(\$15)	(\$150)	(\$170)
Prov taxes	(\$774)	(\$180)	(\$393)	(\$1,348)	
Fed taxes	(\$672)	(\$123)	(\$208)	(\$1,005)	(\$1,042)

Source: Statistics Canada interprovincial input-output economic model, 2020.

Note: Values in parentheses indicate an increase in economic impacts from 2023/24 to 2024/25.

Prince Edward Island

Table A10: PEI international student economic impact, 2023/24

(\$000s)	Direct	Indirect	Induced	Province	Canada
Output	\$84,802	\$17,225	\$17,912	\$119,939	\$161,733
GDP	\$56,733	\$10,099	\$11,881	\$78,714	\$99,983
Income	\$36,389	\$5,340	\$4,480	\$46,209	\$57,682
Jobs	811	119	116	1046	1243
Prov taxes	\$6,743	\$1,035	\$2,938	\$10,716	
Fed taxes	\$6,007	\$728	\$1,551	\$8,286	\$8,739

Source: Statistics Canada interprovincial input-output economic model, 2020.

Table A11: PEI international student economic impact, 2024/25

(\$000s)	Direct	Indirect	Induced	Province	Canada
Output	\$84,003	\$17,288	\$17,688	\$118,978	\$160,662
GDP	\$55,937	\$10,120	\$11,732	\$77,789	\$99,007
Income	\$35,826	\$5,355	\$4,425	\$45,605	\$57,049
Jobs	813	119	114	1,046	1,243
Prov taxes	\$6,695	\$1,044	\$2,902	\$10,640	\$0
Fed taxes	\$5,936	\$732	\$1,532	\$8,200	\$8,673

Source: Statistics Canada interprovincial input-output economic model, 2020.

Table A12: PEI IRCC policy economic impact (Table A10 minus Table A11)

(\$000s)	Direct	Indirect	Induced	Province	Canada
Output	\$799	(\$63)	\$224	\$961	\$1,071
GDP	\$796	(\$21)	\$149	\$925	\$976
Income	\$563	(\$15)	\$55	\$604	\$633
Jobs (FTE)	(\$2)	\$0	\$2	\$0	\$0
Prov taxes	\$48	(\$9)	\$36	\$76	
Fed taxes	\$71	(\$4)	\$19	\$86	\$66

Source: Statistics Canada interprovincial input-output economic model, 2020.

Note: Values in parentheses indicate an increase in economic impacts from 2023/24 to 2024/25.

Newfoundland and Labrador

Table A13: NL international student economic impact, 2023/24

(\$000s)	Direct	Indirect	Induced	Province	Canada
Output	\$201,363	\$42,701	\$45,118	\$289,182	\$357,601
GDP	\$146,350	\$24,605	\$29,093	\$200,048	\$235,122
Income	\$84,032	\$14,913	\$12,008	\$110,953	\$130,573
Jobs	1991	254	251	2496	2822
Prov taxes	\$14,861	\$2,481	\$7,668	\$25,010	
Fed taxes	\$13,594	\$1,872	\$4,057	\$19,523	\$19,405

Source: Statistics Canada interprovincial input-output economic model, 2020.

Table A14: NL international student economic impact, 2024/25

(\$000s)	Direct	Indirect	Induced	Province	Canada
Output	\$181,031	\$38,987	\$40,503	\$260,521	\$322,482
GDP	\$130,938	\$22,472	\$26,116	\$179,526	\$211,319
Income	\$75,266	\$13,601	\$10,781	\$99,647	\$117,428
Jobs	1,798	232	225	2,255	2,551
Prov taxes	\$13,382	\$2,271	\$6,884	\$22,537	
Fed taxes	\$12,203	\$1,711	\$3,643	\$17,557	\$17,486

Source: Statistics Canada interprovincial input-output economic model, 2020.

Table A15: NL IRCC policy economic impact (Table A13 minus Table A14)

(\$000s)	Direct	Indirect	Induced	Province	Canada
Output	\$20,332	\$3,714	\$4,615	\$28,661	\$35,119
GDP	\$15,412	\$2,133	\$2,977	\$20,522	\$23,803
Income	\$8,766	\$1,312	\$1,227	\$11,306	\$13,145
Jobs (FTE)	\$193	\$22	\$26	\$241	\$271
Prov taxes	\$1,479	\$210	\$784	\$2,473	
Fed taxes	\$1,391	\$161	\$414	\$1,966	\$1,919

Source: Statistics Canada interprovincial input-output economic model, 2020.