U.S. Colleges and Universities and the Global Market for International Students
by Professor Ismail M. Cole

Declining educational funding, sagging domestic student enrollment, and related problems have forced many U.S. colleges and universities to adopt new revenue strategies. This article (an updated extraction from an earlier version) focuses on one such strategy, namely, the recruitment of (self-funded) international students. It briefly presents some background information on the issue for the U.S., the state of Pennsylvania, and the Pennsylvania State System of Higher Education. It then outlines some of the strategies being used by various colleges and universities in the U.S. and elsewhere to become more competitive in attracting international students.

Introduction

Recent annual surveys of U.S. private and public colleges and universities by Moody’s indicate that a growing number of these institutions are facing declining enrollment and less revenue from tuition. The 2013 survey, for example, reveals that nearly half of the respondents reported lower enrollment for fall 2012 and, for the fiscal year 2012-2013, 18% and 15% of private and public colleges and universities, respectively, projected a decline in net tuition revenue, with a much larger share of these institutions, one third, expecting net revenue to grow by less than the rate of inflation (2%) or to decline (Moody’s Investor Service (2013)). Accompanying these problems has been damaging U.S. state budgetary cuts to higher education. In the current 2012-2013 fiscal year, for example, states are spending 28% less per student on higher education than they did in 2008 (Center on Budget and Policy Priorities (2013)). These challenges, combined with unfavorable demographics, the lingering effects of the 2007-08 financial crisis, and related issues, are forcing many U.S. colleges and universities, especially the public institutions, to adopt new revenue strategies as a way to enhance their future growth and economic viability. One of these strategies for a growing number of these institutions is to move aggressively into what is already a highly competitive growth industry, namely, recruiting and retaining (self-funded) international students. This move is widely expected to achieve at least two major objectives: a more academically competitive and enriched learning environment through a greater diversity of languages, cultures, and perspectives in the classroom; and attractive local and national economic benefits. With regard to the latter, it should be noted that during the 2011-2012 academic year, for example, foreign
students and their dependents contributed $21.81 billion to the U.S. economy in the form of tuition, living expenses, and related costs, creating and supporting nearly 300,000 jobs (NAFSA (2013)). Based on the U.S. Department of Commerce data, this made higher education among the top 10 U.S. service exports.

The global demand for international higher education is growing rapidly, and it is forecast to rise from 1.8 million international students in 2000 to 7.2 million international students in 2025 (IDP study “Global Student Mobility 2025” (2013)). In this market, the U.S. higher educational system remains the most respected and recognized and, not surprisingly, it continues to attract the largest number of international students. The number of such students increased by 5.7% in the 2011-2012 academic year to a record total of 764,495 (4 per cent of total enrollment in U.S. colleges and universities) (Institute of International Education (2012)). This accounted for 18.6% of the students from around the world who were studying abroad. The leading contributors to the U.S. total are China, India, and South Korea, with Saudi Arabia’s role rising significantly recently due to a scholarship program launched in 2005 by Saudi King Abdullah. The largest percentage of the U.S. total for 2011-2012 (21.8%) were studying in the field of Business and Management, followed by Engineering (18.5%), Math and Computer Science (9.3%), and Social Sciences (8.7%). In terms of which institutions the international students are enrolling in, the largest host universities account for a sizeable portion. Indeed, in 2011, the 12 such universities (e.g., university of Southern California, university of Illinois – Urbana – Champaign, and New York University) accounted for between 13% and 27% of the degree-seeking undergraduate body, while the other institutions accounted for 5% on average (U.S. News and World report (2013)). Although the largest institutions dominate the U.S. market for international students, some smaller institutions have performed relatively well. Most notable have been the group of community colleges. Although the large swings in international student enrollment for these colleges observed prior to the terrorist attacks of 9/11 have slowed considerably, such enrollment rebounded a bit after that crisis increasing by 10.5% in the 2008-09 school year but declined in subsequent years (e.g., a drop of 4.5% in 2010/2011). However, total enrollment of international students at community colleges in the 2011/2012 academic year stood at
89,853, accounting for an impressive 12% of the U.S. total for that year. Reasons that have been offered for the impressive performance of the community colleges include their relatively low cost of tuition, strong English as a Second Language Programs, short-term specialized training, generous teacher / student ratios, significant career counseling that provides easy transition into a four-year college or university program and, not least, the effective use of the Internet as a massive public relations tool.

Although the U.S. continues to be the top choice for international students, its share of these students has declined significantly, going from 40 to 30 percent between 1990 and 1999 (Opendoors (1999)) and, within less than fifteen years later, dropping to 18.6% in 2011/12. Much of this decline has been attributed to increased and effective recruitment efforts from other countries, notably, Great Britain, Australia, Canada, Germany and France. Beginning in the 1990’s, these countries launched and maintained national recruitment programs supported by a large amount of human and financial resources. They also addressed their cumbersome visa requirements by establishing laws that have made it easier for international students to obtain visas. These and related policies were aimed at growing their international enrollment in higher education by 15–20% (ICEF Monitor (2013)).

That the above countries gained much ground on the U.S. was also facilitated by the fact that, at least in the earlier years (1990’s and early 2000’s), the U.S. federal government had not given priority to international student recruitment and related programs, and did not even have an international-education policy. As one observer at the time put it, "...American efforts to recruit and retain foreign students are scattered with little public or private discussion among policy makers or college and university officials about the potential impact of losing foreign students to other countries" (Goodman (1999), p. 1). Another observer at the time also noted that "American efforts to recruit more international students are often uncoordinated, uninformed and inefficient" (Wolanin (2000), p.8). This ineptitude probably stemmed from a complacency based on the view that the U.S. leadership position in education will guarantee ever-increasing numbers of international students without concerted recruitment efforts. Fortunately, this view was subsequently abandoned as the competition for international students got more intense and fierce.
This change of view occurred, in part, because of many (smaller) institutions voicing concern that the weight of the recruitment effort had been thrown unfairly upon them and, thus, they called for “... greater focus and leadership from the federal government and greater involvement by the national higher education organizations” (Schneider (2000), p. 6). Coupled with these calls was the warning from many quarters that the U.S. may not maintain its position of leadership unless it adopted aggressive and creative national recruitment initiatives, just like its competitors. In part, this warning became a reality in 1999 when Canada briefly replaced the U.S. as the world's largest destination for Korean students when it attracted 53,000 such students, compared to 41,491 for the U.S. (IEF (1999)). However, the U.S. has since adopted a much more aggressive stance on the recruitment of international students with much support coming from the federal government. In 2011, for example, the Under Secretary for International Trade at the Commerce Department (Francisco J. Sanchez), in close coordination with the U.S. Department of State’s Education U.S.A. Advising Centers, and accompanied by 56 U.S. colleges and universities, traveled to Indonesia and Vietnam to explore opportunities for international student recruitment and partnerships with higher education institutions. This trip was followed by another in 2012 in which Mr. Sanchez led 66 U.S. colleges and universities to Brazil for the same purpose. Vietnam and Brazil, along with Saudi Arabia and Turkey have been identified as the top four emerging markets in higher education (World Education Services (2012)) and, thus, countries on which some U.S. recruiting efforts must be focused.

Recruiting and retaining international students are increasingly being viewed by many colleges and universities as an integral part of a comprehensive enrollment management plan. This is evidenced, in part, by the many statements of commitment in their strategic plans to raise foreign student enrollment to at least 10% of their total enrollment (e.g., University of Nebraska and DePaul University). However, of the 500 institutions (national universities, national liberal arts colleges, and regional colleges and universities) reporting the highest percentage of their students who were international in the 2011-2012 academic year, only 44 (8.8%) of them had met or exceeded the 10% goal (extracted from U.S. News &
World Report’s Rankings and Reviews (2013)). Clearly, much work remains to be done by the vast majority of the institutions to achieve the 10% goal. The good news though is that the pool of students in the international higher education market is large, expanding, and far from being fully-tapped. The Chinese, Indian, Korean, and Saudi Arabian markets serve as good examples of this. In the case of China, for example, 2007 Chinese Ministry of Education statistics indicate that the 18-22 age group enrolled as students in higher education, which was less than 4% in 1990, was at 22% in 2005 due largely to the expansion of its higher education system (China Research Center (2010)). However, such expansion has been far from adequate in meeting the unprecedented Chinese demand for highly trained individuals in the areas of engineering, sales and marketing, finance, commerce, information technology/computer, science, and business administration (Australian Education International (2006)). Recognizing this, the Chinese government has in recent years significantly lowered its overseas study restrictions. Also, the rapid economic growth in China in recent years is increasing its demand for international education as more Chinese are able to afford an overseas education.

II. Pennsylvania and the Pennsylvania State System of Higher Education

There were 33,398 international students in Pennsylvania in the 2011-2012 academic year and that accounted for only 4% of the U.S. total (the top three states, California, New York, and Texas, accounted for 13.4%, 11%, and 8%, respectively). Pennsylvania’s 33,398 international students contributed $897,644,000 to tuition and fees, and spent $635,237,000 on living expenses and dependents. Their net contribution to the Pennsylvanian economy was approximately $1.2 billion (see Table 1).

Table 1 also provides related information for the fourteen universities in the Pennsylvania State System of Higher Education (PSSHE). There were 1,612 international students at the PSSHE in 2011/2012, 7% lower than the 1999/2000 level. The 2011/2012 number represented 4.8% of such students in the state, and only 1.4% of the total student population of 115,000 in the PSSHE. The number of international students varied substantially among the 14 schools, ranging from 37 for Mansfield
University to 702 for Indiana University of Pennsylvania (data for Cheyney and Millersville universities were not available). Clearly, the 1.4% number for the PSSHE suggests that much more efforts and resources would be needed if the PSSHE is to approach the 10% goal set by many other institutions and to more fully benefit from what is a lucrative global market for international students.

**III. Recruitment, Admission and Retention Strategies**

As already stated, many U.S. colleges and universities are facing stagnant or dwindling student enrollment, less net revenue from tuition, state budgetary cutbacks, unfavorable demographics, and related problems. The still untapped and lucrative global international student market offers an attractive way to help compensate for these shortfalls. For these institutions, the key issue is how to capitalize on this increasingly competitive market in a cost-effective way. Obviously, the answer must emanate from, among other things, a thorough and objective self-evaluation that takes stock of current recruitment practices and make necessary adjustments, guided by some of the current market practices. A key step towards success in the market is to have a clearly articulated and coherent strategy for the recruitment of international students, spearheaded perhaps by higher-ups who will provide oversight and accountability for the recruitment of these students.

Finally, I briefly list (in no particular order) some of the strategies being used by many colleges and universities (and some States) to become more competitive in attracting international students. These efforts are reflected in a wide range of practices that include: changes in admission procedures; the use of agents, targeted marketing, and co-marketing with other players; enlisting the help of alumni, faculty and students for recruitment; changes in program offerings; competitive pricing; the use of internet-based promotions; improvement in international student support services such as counseling and housing arrangements; and participation in recruitment tours to foreign fairs, schools, and educational advising centers overseas. Many of these strategies are now well-established while some are relatively new. I now
list them, mindful of the fact that recruitment efforts must be adjusted to the realities of the situation of each institution.

**Strategies:**

1. Surveys show that at least 40 percent of international students discover the schools through word-of-mouth recommendation from former students or their relatives and friends. To take advantage of this, schools are investing funds on services to international students to ensure that they receive a warm welcome and have a positive experience and, hopefully, become good ambassadors of the schools.
2. Organize meet-and-greet programs for all international students on arrival at airport.
3. Organize special orientation programs for international students.
4. Create a single point of contact for international students that can be reached by telephone, fax, e-mail or post. Respond to all inquiries within a few days. Invest in technology that allows response to students within 24 hours of first inquiry.
5. Make timely offers of admission, as well as offers up to one year before the program begins.
6. Issue two letters of admission to international students to facilitate immigration—one to be used in applying for a visa and the other outlining the academic conditions, if any, that the student must satisfy before being admitted.
7. Adopt a rolling admission procedure, and make offers of admission year round with several entry points in the academic programs.
8. Allow payment of application and document evaluation fees by credit card or via the internet.
9. Students who present completed applications and are eligible for admission are issued an I-20 form within 24 hours.
10. Design an international application form for fax transmission; accept applications sent by fax, and use the Internet for on-line applications.
11. Circumvent Confidential Rules by inviting applicants to authorize a third party to receive personal confidential information about them. This is especially useful when parents or relatives in the U.S. are involved in assisting the applicants.
12. Some colleges and universities provide an e-mail newsletter that keeps foreign students up to date on everything from travel discounts to immigration regulations.
13. Develop intensive English as a Second Language Program. It has been effective in attracting international students.
14. Offer alternative ways to demonstrate proficiency in English. For example:
   (i). A score of 450 or better on the TOEFL, or
   (ii). A grade of C or better in one semester of English at an accredited U.S. college, or
   (iii). An acceptable score on the English Language Proficiency Test administered by the institution's English Language Department.
15. Recruit in the U.S. in areas where large intensive English as a Second Language schools operate, such as community colleges.
16. Focus on international student transfers from local community colleges.
17. Some colleges and universities are providing funds for international students to contact applicants. For example, organizing a phone-a-thon in which selected international students make (domestic or international) calls to (known) prospective students.

18. Some institutions have established incentive-based recruiting programs that use currently enrolled international students. For example, these students receive a rebate on some percentage of tuition cost for each recruited student who registers for the first time. These programs have been shown to be successful, and some institutions depend on them for much of their recruitment of international students.

19. Some states, for example, Texas and Kansas, allow universities to collect anywhere from $1 to $4 from each student per semester. This collection is matched by the university, and used in recruiting international students.

20. Institutions are focusing on those in the community who might have friends or relatives in another country interested in college. To do this, they are ‘projecting an accurate and welcoming profile of themselves' to the community. They are also inviting local members of the international community to serve as a resource for international students.

21. Some universities are revitalizing the "American Host Family" program, which has shrunk over the years.

22. Recruit at local or regional corporations with large populations of foreign nationals in their workforce, including recruitment of employees’ dependents.

23. Some countries (e.g. Germany) charge international students the same lower tuition rates their own citizens pay.

24. Some states, for example, Massachusetts, are helping smaller universities in recruiting international students. For a fee of $200 to $500, the Massachusetts Education Financial Authority and the Mass Port Authority host 11 annual recruiting fairs overseas for schools that otherwise could not afford such face-to-face contact.

25. Evaluate transcripts of prospective applicants during overseas education fairs, with some applicants given admission on the spot.

26. Colleges and universities are committing financial resources to market themselves in international student recruitment magazines and other publications.

27. Send direct recruitment materials to the over 400 overseas educational advising centers operated in over 125 countries by the U.S. Information Agency, which has been integrated into the U.S. Department of state. The agency operates the U.S. government's programs of educational and cultural exchange, the best known being the Fulbright exchange program.

28. Get listed on www.uscampus.com and www.edupass.org, which reach a large number of international students. They are a one-stop online resource for studying and living in the U.S., and they provide many links of interest to international students.

29. Develop appropriate brochures and video tapes, CD-ROM, etc. as a competitive recruitment tool, containing information about the institution, its programs, and its location.


31. Some colleges and universities have areas of their web sites specifically devoted to international students.

32. Establish a "one-stop shopping" on the internet for school information, applications and visa information.
33. Establish links with alumni who have returned to their native countries to recruit new students.

References


ICEF Monitor (2013)

IDP Education Australia (September, 2002) Global Student Mobility 2025: Forecasts of the Global Demand for International Higher Education


"More than 96,000 Students Attending State System Universities this Fall," (2001): www.sshechan.edu


All references to the International Education Foundation (IEF) are from www.ief-usa.org
All references to Opendoors are from www.opendorsweb.org
Table 1: International student enrollment and contribution from tuition/fees and living expenses (2011/2012): Pennsylvania, Pennsylvania State System of Higher Education (PSSHE), and a few other institutions in the state:

<table>
<thead>
<tr>
<th>SSHE Institution</th>
<th>Number of international students</th>
<th>Tuition and fees (thousands)</th>
<th>living expenses and dependents (thousands)</th>
<th>Less U.S. support (thousands)</th>
<th>Total net contribution (thousands)</th>
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<tbody>
<tr>
<td>Bloomsburg</td>
<td>133</td>
<td>$2,060.6</td>
<td>$2,305.6</td>
<td>$628.8</td>
<td>$3,737.4</td>
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<tr>
<td>California</td>
<td>56</td>
<td>$576.6</td>
<td>$1,022.8</td>
<td>$227.5</td>
<td>$1,371.8</td>
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<tr>
<td>Cheyney</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Clarion</td>
<td>62</td>
<td>$715.1</td>
<td>$799.0</td>
<td>$230.9</td>
<td>$1,283.2</td>
</tr>
<tr>
<td>East Stroudsburg</td>
<td>74</td>
<td>$1,121.8</td>
<td>$1,504.5</td>
<td>$387.0</td>
<td>$2,239.3</td>
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<tr>
<td>Edinboro</td>
<td>88</td>
<td>$844.0</td>
<td>$1,303.7</td>
<td>$306.0</td>
<td>$1,841.7</td>
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<tr>
<td>Indiana</td>
<td>702</td>
<td>$9,678.3</td>
<td>$9,387.1</td>
<td>$5,205.6</td>
<td>$13,859.8</td>
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<td>Kutztown</td>
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<td>$1,347.3</td>
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<td>$570.0</td>
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<td>Millersville</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shippensburg</td>
<td>58</td>
<td>$708.1</td>
<td>$716.8</td>
<td>$223.3</td>
<td>$1,201.6</td>
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<tr>
<td>Slippery Rock</td>
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<td>$623.3</td>
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<td>$1,514.9</td>
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<tr>
<td>West Chester</td>
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<td>$1,906.2</td>
<td>$522.6</td>
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<tr>
<td><strong>Total PSSHE</strong></td>
<td><strong>1,612</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td><strong>$35,853</strong></td>
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<td>Chatham University</td>
<td>125</td>
<td>$3,239.3</td>
<td>$2,298.8</td>
<td>$747.6</td>
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<td>$548.6</td>
<td>$245.1</td>
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<td>$1,077.3</td>
<td>$5,599.3</td>
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<td>Wash &amp; Jefferson</td>
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<td>$673.0</td>
<td>$743.5</td>
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<tr>
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<td>$4,234.5</td>
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<td>$1,992.5</td>
<td>$5,309.8</td>
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<td>$12,867.9</td>
<td>$9,743.0</td>
<td>$20,445.6</td>
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<td><strong>Total for the State</strong></td>
<td><strong>33,398</strong></td>
<td><strong>$897,644</strong></td>
<td><strong>$654,645</strong></td>
<td><strong>$475,657</strong></td>
<td><strong>$1,076,632</strong></td>
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**Source:** Extracted from data provided by NAFSA: Association of International Educators, 2011-2012