

U.S. B-Schools Bear Brunt Of Widespread Foreign Disinterest

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Marc Ethier

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A major biennial report on international students in the United States shows a big drop in interest and enrollment in business and management programs. The Open Doors report, a comprehensive resource on international students and scholars studying or teaching at higher-education institutions in the U.S. that is released every two years by the Institute of International Education, shows a 7.1% decline in international enrollment in U.S. business schools from 2017-2018 and 2018-2019, a drop of nearly 14,000 students, from 196,054 to 182,170.

The drop-off is the biggest among all industries IIE found amid a wider decline in international talent coming to U.S. schools. IIE found that the number of enrolled international students — undergraduate, graduate, and non-degree — decreased by 1.6% in the last year; the number of students pursuing employment opportunities following their academic studies on Optional Practical Training increased, by 2.1%, though that was a slower rate than in previous years. Combining the two groups, the total number of international students in the U.S. decreased by 0.9%.

The decline in interest in studying in the U.S. is slowing, but it is still spread across most industries and ongoing, with the current level of enrollment across all fields still 10% lower than it was just four years ago.

CHINA OVERTAKEN BY INDIA AS TOP FOREIGN UNDERGRAD POPULATION

“The recent IIE Open Doors data shows a continued decline in interest to study in the U.S. as indicated by new international enrollment, which is 10% lower in 2018-19 as compared to its peak in 2015-16,” says Dr. Rahul Choudaha, U.S.-based international education expert and blogger at [DrEducation](https://www.dreducation.com) whose analysis of international student trends has been featured in such media outlets as the *Wall Street Journal*, the *New York Times*,



Dr. Rahul Choudaha. Courtesy photo

the *Washington Post*, and the BBC.

“Much of the decline is due to freshman undergraduate students from China, master’s-level students from India, and students at all levels from Saudi Arabia.”

Choudaha notes that at the undergraduate level, 2018-2019 is the first time Indian student enrollment has outpaced that of Chinese students.

“This is a pivotal year,” he tells *Poets&Quants*. “It is the first time that the absolute growth in the number of Indian students (1,467) is higher than that of Chinese students (287). The positive momentum of Indian undergraduate students shows the emergence of an expanding upper-middle income class, which is relatively price-insensitive and has the resources to invest in overseas education at the undergraduate level. Many Chinese families were at a similar stage a decade ago when they were fueling the demand for studying in the U.S. at the undergraduate level. However, the 2018-19 decline in freshman Chinese is indicating that for 2019-2020, it will be after more than a decade of robust growth, Chinese undergraduate enrollment in the U.S. would decline.

“This change in the direction of Chinese undergraduate students is momentous for many American universities, especially public universities in regions with a declining high school graduate population. These universities benefited from the strong demand from China in meeting their enrollment targets and gaining additional revenue sources. The data shows that the combination of unwelcoming visa policies and a heightened trade war has finally put the brakes on the growth of Chinese students in the U.S. And it is going to jolt many American universities, especially public universities which receive three to four times non-resident tuition and are already facing enrollment declines in many parts of the country.”

It’s going to get worse before it gets better, Choudaha says.

“Analysis of enrollment data from select universities suggests that the declining national trend of Chinese undergraduate students is likely to worsen for fall 2019. This decline is pressing universities to recalibrate their growth expectations for China, which has been the key driver for international student enrollment in the last decade. While several factors are contributing to the slowdown, there is no denying that the recent geopolitical tensions and trade war resulted in many Chinese families considering alternative destinations such as Australia, Canada, and the UK. A sharp reversal of demand to study in the U.S. among Chinese undergraduate students indicates a heightened sense of security and safety among parents in sending their children to the U.S. Despite a high-quality higher-education system and its welcoming stance for Chinese students, the adverse climate of trade-war and anti-immigrant rhetoric does not bode well for American universities and colleges.”

REASONS FOR THE DECLINE

2019 marks the 70th anniversary of the Open Doors report, which IIE began publishing in partnership with the U.S. Department of State's Bureau of Educational and Cultural Affairs in 1972. The latest report will be available in full in early 2020.

While private, not-for-profit institutions reported a slight increase (0.9%) in new international student enrollment, public institutions reported a 2% drop. Differences in enrollment patterns also varied by institutional type: Doctorate-granting universities had an increase in new enrollment (0.8%), while master's (-14.0%), associate's (-0.8%), and baccalaureate (-2.4%) programs reported declines. Seeking to explain the consistent drop in international interest in the U.S., IIE places blame on two areas: the current political atmosphere and the rising cost of education.

"Institutions continued to report that the U.S. social and political environment (57.9%) and feeling unwelcome in the United States (48.6%) were factors contributing to new international student declines," the report reads. "In addition, institutions reported that concerns about physical safety in the United States remained a factor contributing to declining enrollments (45.8%). Institutions noted that the combination of political rhetoric and personal safety continued to cause hesitation for prospective international students and their families. It is notable, however, that nearly half of the reporting institutions also cited that international students do feel welcome on campus, likely due to the robust efforts that colleges and universities are making to ensure that all students feel welcome, safe, and secure during their studies."

But it isn't just politics. Cost is a major factor, too.

"The costs of U.S. higher education remain a perennial challenge in attracting international students," the report reads, "with 55.1% of institutions citing costs as one of the reasons for falling new student enrollment." IIE cites Institute of Education Sciences, National Center for Education Statistics (2013, 2018): the average costs for out-of-state tuition and fees at a public four-year institution has gone from approximately \$21,800 in 2012-2013 to \$25,700 (+18%) in 2017-2018. "Private four-year institutions similarly climbed from \$24,500 to \$30,700 (+25%) over the same five-year time frame." Schools have not stood by idly while all this is going on. "While the costs of higher education have increased, several colleges and universities that reported increased new enrollments noted efforts to provide institutional scholarships (17%) or lower tuition and costs (5%) for international students."

"One of the defining forces shaping international student mobility is the increasing expectation among students and families for value for money," Choudaha says. "Career outcomes have always been one of the dominant motivations for investing in overseas education. However, the combination of increasing cost of education and decreasing chances of getting post-graduation work is pressing a segment of price-sensitive students and families to become more conscious about their return on investments."

“While the overall aspirations to study overseas remains robust, it is facing challenges in terms of translating some of the aspirations into reality due to affordability and visa policies.”

See the IIE Open Doors report preliminary data [here](#). See pages 2 and 3 for some Fast Facts from the report.

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