

WALL STREET JOURNAL

RECORD NUMBER OF FOREIGN STUDENTS FLOCKING TO U.S.

By Caroline Porter and Douglas Belkin

November 11, 2013

Staff from Northern State University have traveled to China, South Korea, Vietnam, India and Europe in recent years to help the South Dakota school grab a slice of an increasingly lucrative market: foreign students.

"We're just working to have students aware of our small university," said James Smith, the school's president.

Such efforts appear to be paying off. The number of international students in the U.S. rose to a record last year, fueled by another significant rise of undergraduates from China.

In the school year ended in May, 819,644 foreign students studied in the U.S., up 7.2% from the previous year, according to an annual report released Monday by the Institute of International Education, a nonprofit organization.

The number, which includes undergraduate and graduate students, represents the seventh increase in a row and the steepest rise in four years.

Foreign students account for 3.9% of the overall student population, according to the education nonprofit.

The proliferation reflects continued aggressive recruiting by U.S. schools, which see full-pay foreign students as cash cows at a time of decreasing public subsidies, flattening tuitions and a falling number of U.S. high-school seniors. About two-thirds of international students in the U.S. pay their own way, and most aren't eligible for U.S. government aid programs. Many colleges charge them additional fees.

International students pump an estimated \$24 billion into the U.S. economy, but the bounty isn't evenly distributed. Nearly 70% of the students are concentrated in about 200 schools, said Allan E. Goodman, the nonprofit's president and chief executive. "We do have 4,000 accredited colleges," he said. We have "room to expand."

Of the top 25 schools, which attract 21% of foreign students, 18 are public universities, including eight clustered in the Midwest.

The top four – the University of Southern California, the University of Illinois at Urbana-Champaign, Purdue University and New York University – each drew more than 9,000 foreign students.

The states of Massachusetts, Indiana and Pennsylvania saw some of the fastest growth, said Rajika Bhandari, the nonprofit's deputy vice president for research and evaluation. Driving that expansion are marketing organizations created by several statewide consortia of schools designed to sell themselves to international students.

At Northern State in Aberdeen, S.D., foreign students pay the out-of-state rate of more than \$15,000 a year for tuition, room and board, plus an international-student fee of about

\$100 a semester. The school has consistently hosted about 200 international students sprinkled among its 3,300-student body.

To increase that number, the school has promoted free-application periods for students, Mr. Smith said. He added that international students add diversity to a mostly homogenous campus and that studying in the U.S. is "a great educational opportunity for these students."

Chinese students in particular are a gold mine. Last year, there were 235,597 Chinese students in the U.S., including a 26% uptick in undergraduates, according to the report. There also were significant increases of students from Brazil and Saudi Arabia, driven by scholarship programs offered by those nations' governments. India and South Korea, the second and third largest countries of origin for foreign students, both sent fewer students as the Indian economy stalled and South Koreans began to take advantage of study-abroad programs in China and other Asian countries, Ms. Bhandari said.

According to a survey published last week, new foreign enrollment at U.S. graduate schools rose 10% to 71,418 students this fall. That was the strongest annual growth since 2006, according to the annual survey of 285 members of the Council of Graduate Schools.

International students overwhelmingly gravitate toward business and the sciences. Nearly half of all Chinese students are studying either business or engineering. Indian students are more heavily concentrated in engineering, math and computer science.

For Alia Wilhelm, a 21-year-old student at Northwestern University in Evanston, Ill., the U.S. education system seemed to offer greater flexibility than that of the U.K., which was the other English-speaking country she considered.

"In the U.S. you can have more time to figure out what to study, and I needed that because I wasn't sure," said the daughter of a German father and a Turkish mother who is studying psychology and journalism. "I was allowed to change my mind."

U.S. students also continue to head overseas in growing numbers. During the 2011-12 academic year, 283,332 Americans traveled abroad to study, a 3% increase from a year earlier, according to the report. The top four destinations for American students were in Europe, with the U.K. topping the list, followed by Italy, Spain and France. The fifth most popular destination was China, with nearly 15,000 students heading there.

Studying in the U.S. comes with its own challenges. Waleed Morsy, 23, an Egyptian studying English at Northern State, said the South Dakota climate was daunting compared with his native Cairo.

"I have never seen snow in my life," he said. "Hopefully I will survive the cold."