

Wither the Global Talent Pool?

The U.S. Remains Competitive But Lacks a Strategic Approach

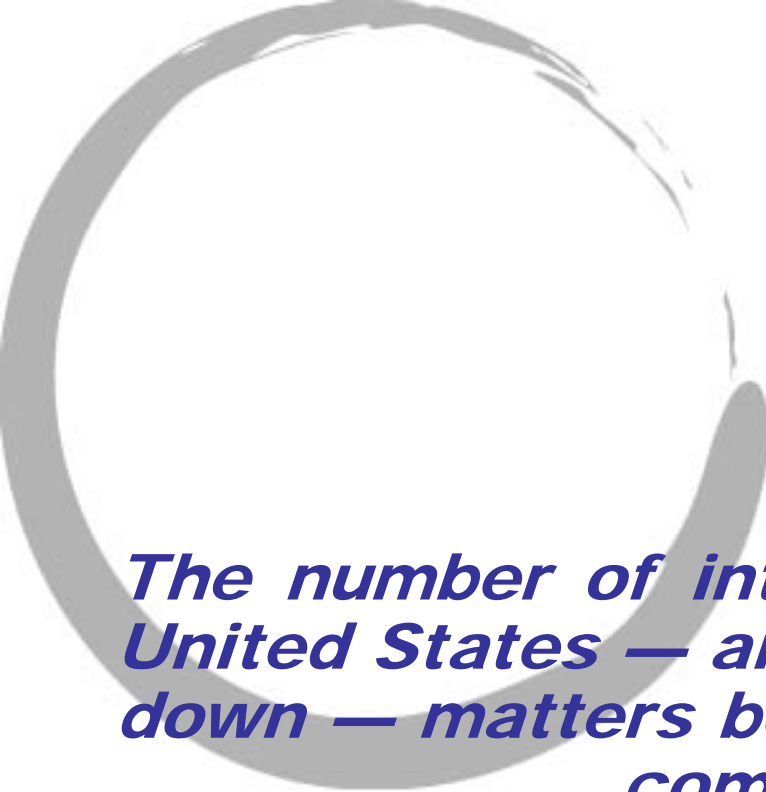
**European Component of Internationalization
Strategies in North American Universities**

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The number of international students in the United States — and whether it is going up or down — matters because it is a surrogate for competitiveness.

Marlene M. Johnson, NAFSA Association of International Educators



New Competitors

Clearly, one reason for the changed market is the relatively recent recognition that higher education is not only big business, but also a potential über profit center for nation's struggling with their public finances. It seems like common sense that nations with mature higher education systems should look to capitalize on one of their major market advantages.

- **US - “We are number one and they will come” STRATEGY**
 - Grad Student Focus
 - Minor Interest in UG - Historically
 - Patriot Act
 - Declining Stay Rates - peaked at 71 percent in 2001-2003 and has declined to 66 percent based on 2005 data (for graduates working in the U.S. two years following graduation).
 - Waning of English Language Advantage
 - Tuition/Fee Differentials
- **OECD Countries Developing Strategies**
 - Increased Foreign Quality/Standardization/Research Prowess
 - **Australia** - international students and university ventures abroad generate some \$12 billion. Higher education is the nation's third largest export and international students fund some 15 percent of all income for Australia's national universities.
 - **Japan** - “Global 30” Plan; “300K International Student Plan.”
 - **UK** - International students now produce some 10 percent of the entire income for UK higher education; British government planned on a new target of 100,000 additional students by 2011 and set up a fund of some \$48 million for that purpose.



Where are the Students?

US's near dominance in a world market is past tense



International Student Enrollment in National Systems of Higher Education: Sample Group 2000 and 2006*

	% Global Market Share		Number of Enrolled Foreign Students		Student Growth in #	% of Total National HE Enroll 2006	% Doctoral and Research 2006
	2000	2006	2000	2006			
EU Sample							
UK	11.8	11.3	222,936	330,078	107,142	17.9	42.7
Germany	9.9	8.9	187,033	261,363	74,330	11.4	nd
France	7.2	8.5	137,085	247,510	110,425	11.2	35.8
Spain	1.3	1.7	25,502	51,013	25,511	2.9	19.2
Italy	1.3	1.7	24,929	48,766	23,837	2.4	5.0
Belgium	2.0	1.6	38,799	47,012	8,213	12.1	31.0
Sweden	1.3	1.4	25,548	41,410	15,862	9.8	20.6
Switzerland	1.4	1.3	26,003	39,415	13,412	19.2	44.2
Austria	1.6	1.3	30,382	39,329	8,947	15.5	20.9
Netherlands	0.7	1.2	14,012	36,427	22,415	6.1	nd
Sub-Total EU Sample	38.5	38.9	732,229	1,142,323	410,094	10.9	27.4
Oceania/Asia Sample							
Australia	5.6	6.3	105,764	184,710	78,946	20.9	29.7
Japan	3.5	4.4	66,607	130,124	63,517	3.2	16.8
New Zealand	0.4	2.3	8,210	67,698	59,488	28.5	42.8
Sub-Total Oceania/Asia Sample	9.5	13.0	180,581	382,532	201,951	17.5	29.8
Other Major Recipient Nations							
Canada	5.0	5.1	94,401	148,164	53,763	14.6	38.3
Russia Federation	2.2	2.6	41,210	77,438	36,228	0.9	nd
South Africa**	0.1	1.9	1,546	33,647	32,101	m	nd
United States	25.1	20.0	475,169	584,817	109,648	3.3	23.7
OECD Nations Totals	83.6	83.5	1,583,744	2,440,657	856,913	9.6	18.5
Global Market Total	100.0	100.0	1,894,792	2,924,679	1,029,887		

* Largely defined as students with citizenship outside of the national higher education system they are enrolled in.

** 2005 data not 2006

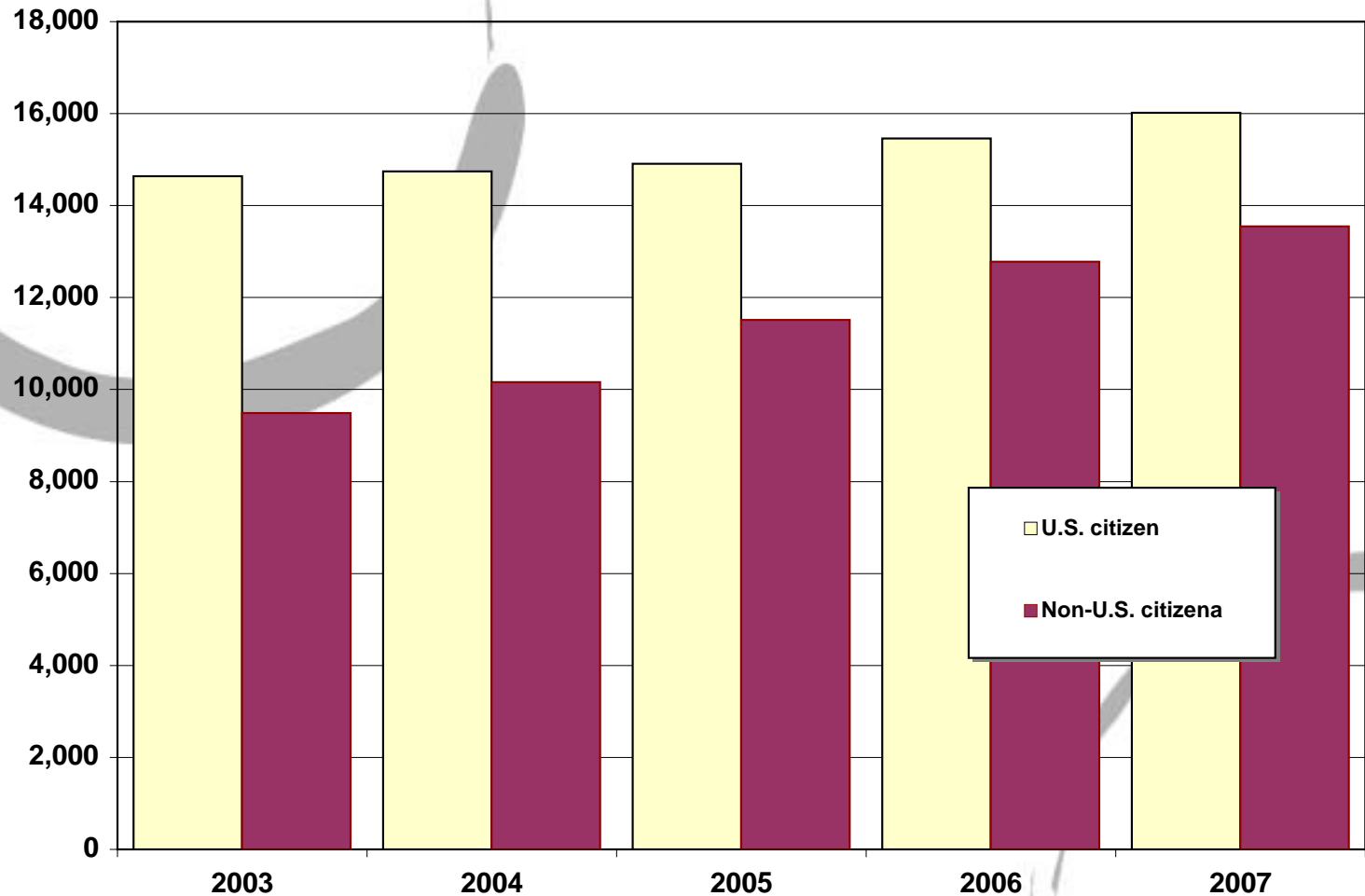
Economic Impact of Foreign Students in the US: Tuition and Living Expenses 2007-08

	# of Foreign Students	Tuition and Fees (billion)	Total Contribution (billions)
Top Ten States			
California	85,009	\$1.40	\$2.45
New York	69,940	\$1.30	\$1.90
Massachusetts	31,683	\$0.80	\$1.00
Texas	51,823	\$0.60	\$1.05
Pennsylvania	25,994	\$0.60	\$0.72
Illinois	28,604	\$0.56	\$0.71
Florida	26,780	\$0.43	\$0.67
Michigan	22,967	\$0.43	\$0.52
Ohio	19,346	\$0.33	\$0.43
Indiana	15,502	\$0.30	\$0.37
US Total	623,805	\$10.60	\$15.54



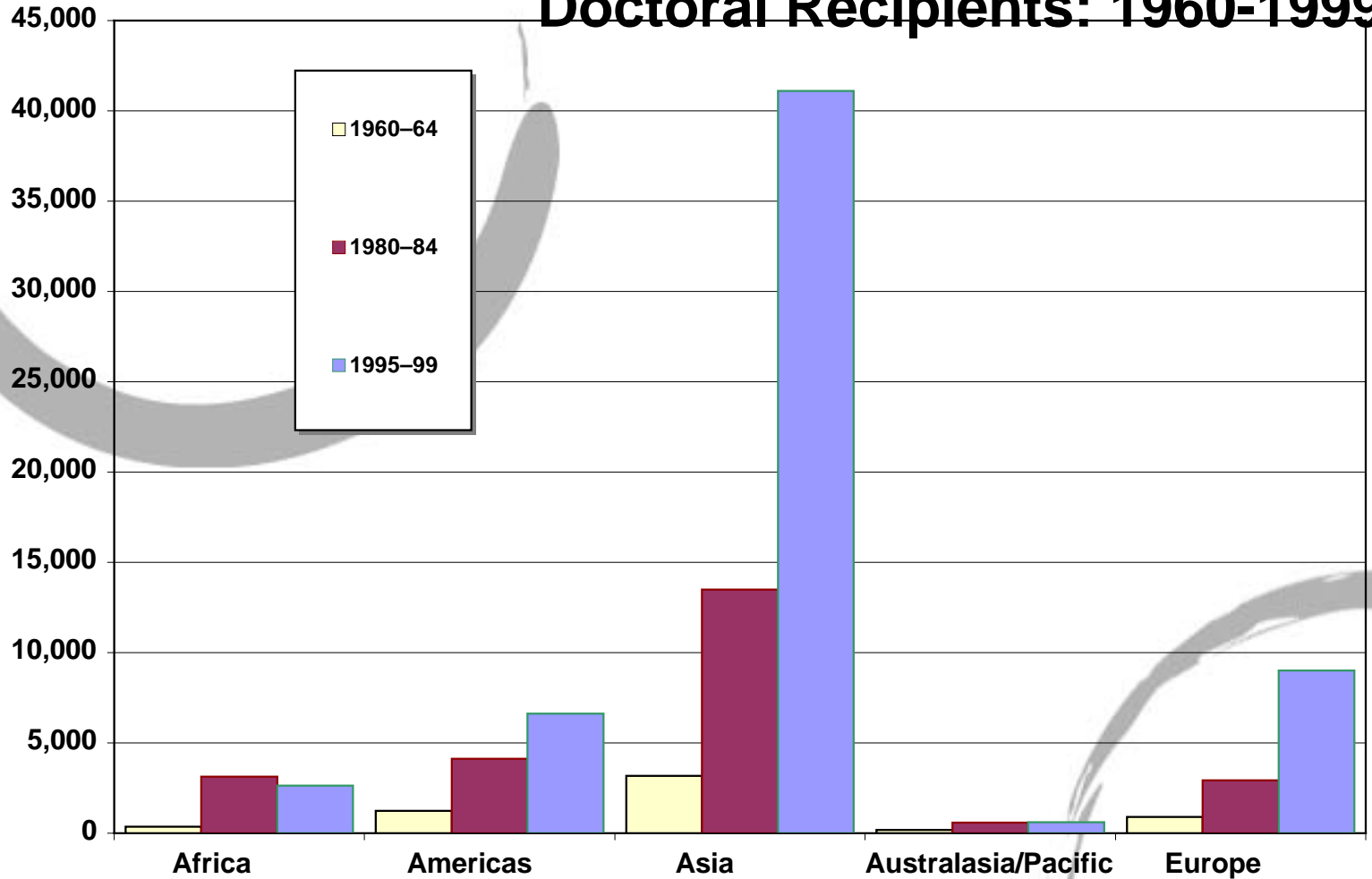
Market Vulnerabilities

Number of US Doctoral Recipients in Science and Engineering by Citizenship: 2003 – 2007

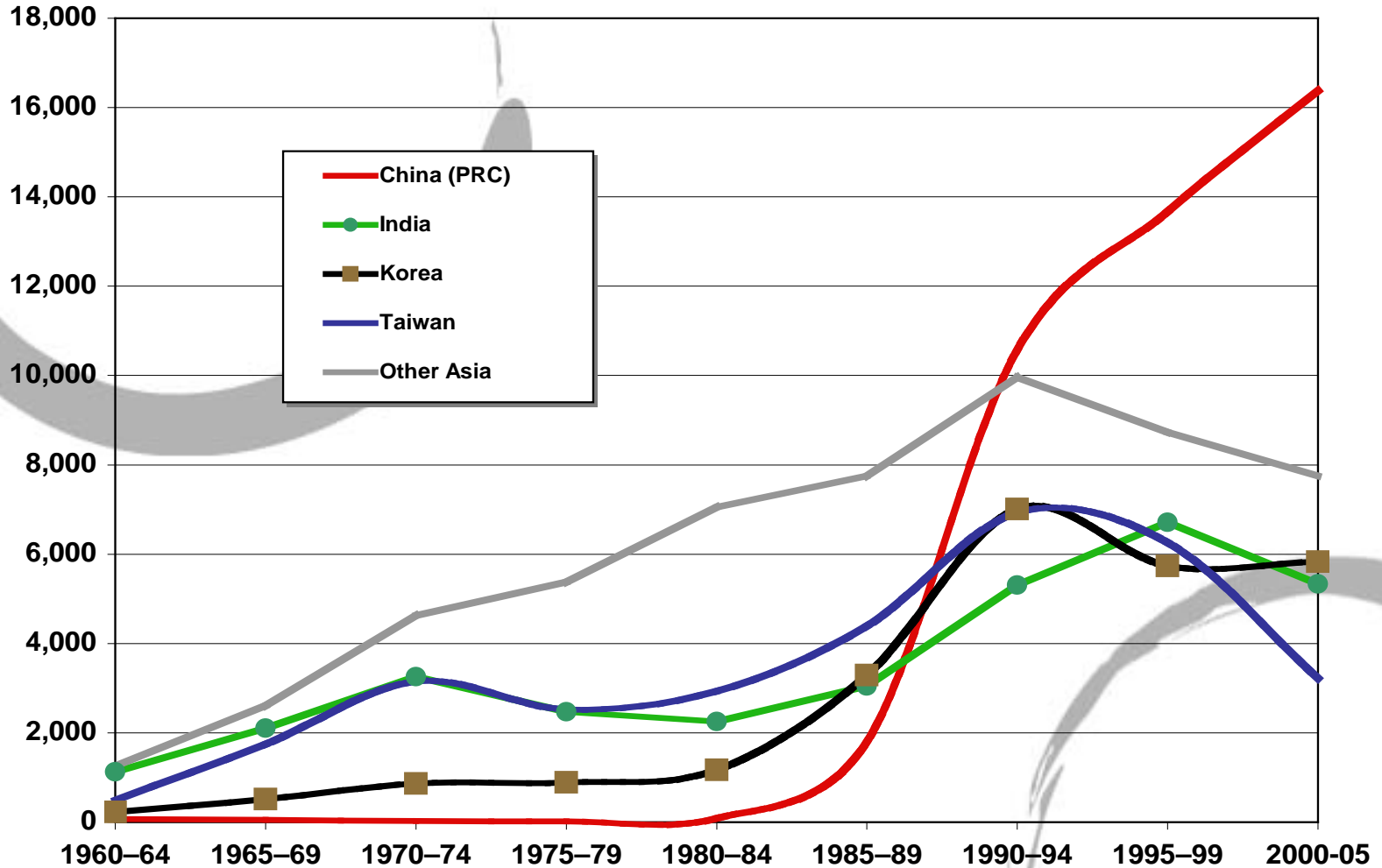


Global Origin of Foreign US

Doctoral Recipients: 1960-1999

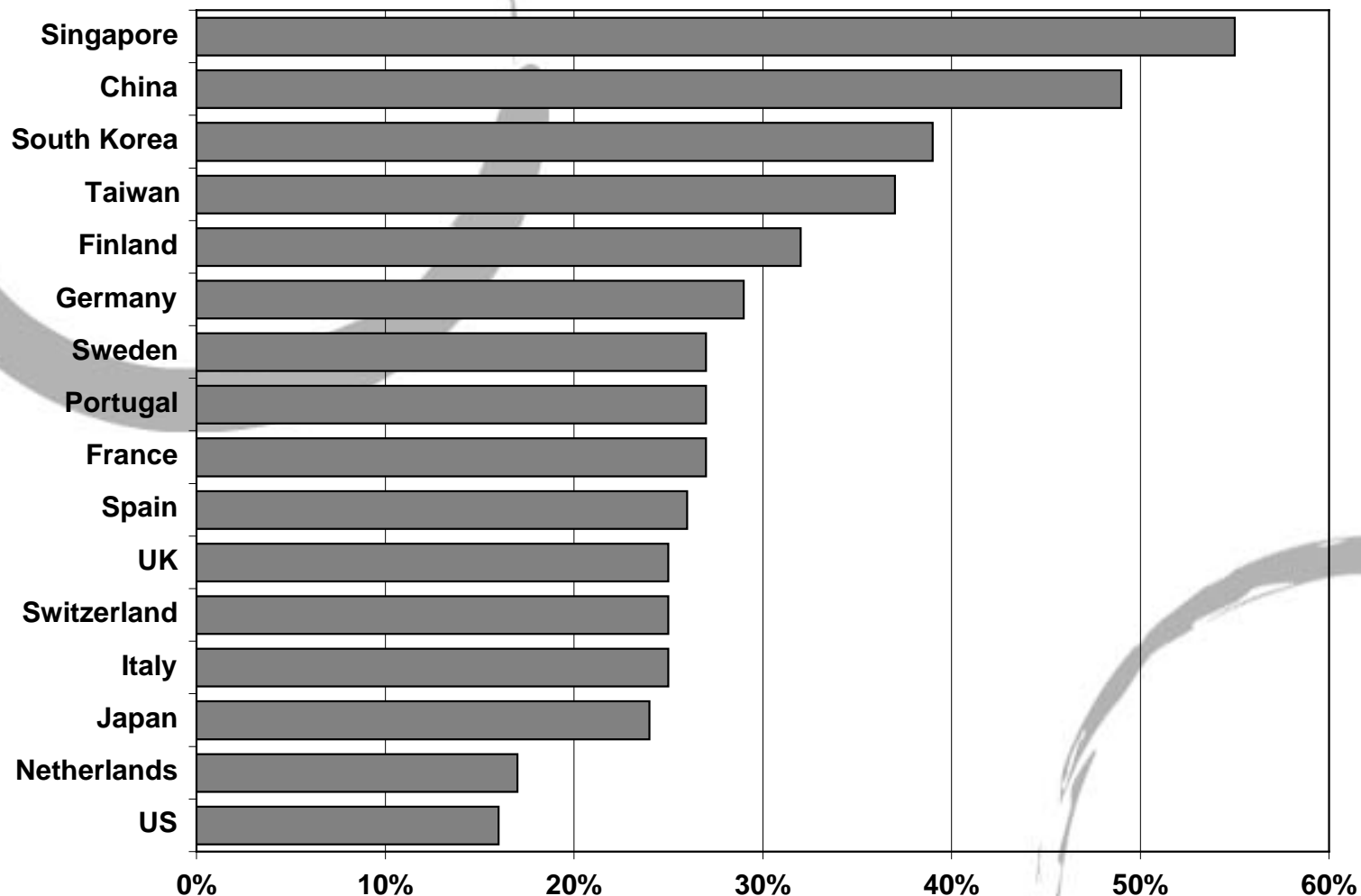


Asian Origin of Foreign US Doctoral Recipients: 1960-2005



Note: Other Asian is an estimate for 2000-05.

Percentage of S&E Degrees Among All First University Degree Recipients 20-24 Year Olds: 2005





Thinking Strategically, Acting Globally?

Thinking Strategically, Acting Globally?

- **Promote higher education as a critical US export** - Increasing the number of international students should be a means to foster a more international curriculum and consciousness among Americans, to ensure the competitiveness of our workforce, and to retain and expand the position of America's universities as global leaders.
- **View globalization as a reciprocal relationship** - Enrolling international students should be part of a larger US strategy to increase intercultural exchange and foreign aid; to expand the public mission of universities as global ventures rooted in national service; and to support the global flow of people, expertise, and knowledge.
- **Build capacity** - Along with attracting and retaining international talent, US policy should focus on increasing degree production rates in the domestic population. This will require support for an expansion of US universities' and colleges' capacity.

Opportunities for New Policies and Actions

There is a tremendous opportunity afforded by the new Obama administration to offer a larger strategic vision and already an enhanced sense throughout the world that the US is once again a more friendly and active participant in world affairs. The president and his administration should include statements to world leaders that the US seeks to expand the opportunities for international students.

- ***Need for Coherent Collaboration between Federal, State and Institutional Actors***
- ***Stronger Leadership from the Federal Government***

Opportunities for New Policies and Actions

Attracting and enrolling international students at the first-degree and graduate levels will require federal, state, and institutional partnerships. We suggest that the federal government:

1. ***Elaborate a national policy on higher education*** as a critical national resource in the global economy that must attract talented students and scholars from abroad and prepare Americans to be competent professionals and leaders in international contexts.
2. ***Develop national strategic goals*** for international student enrollments at both the undergraduate and graduate levels and link them to broader policy objectives in areas such as foreign relations, national economic development, and educational attainment.
3. ***Make State Government a Partner*** - missing link - thus far, too much reliance on institutionally based initiative and resources.

National Strategic Policies

1. **Double international student enrollments to 1.25 million by 2020** with emphasis on increasing the percentage of undergraduate students and public sector institutions
2. **Greater flexibility in visa policies** and other strategies to improve both recruitment and “stay rates” for foreign nationals
3. **Increase financial resources to subsidize and support foreign students** via grants, scholarships, loans and paid work (e.g., reduce tuition/fee differential).
4. **Marketing and Recruiting** – The federal government can help create a more unified sense of America’s diverse higher education system to foreign nationals, and improve the availability of information within a market that is often crowded with multiple often for-profit minded ventures. In addition, support for advising and recruiting centers located in American diplomatic missions abroad (EducationUSA Advising Centers) should be increased. This State Department Program serves as an important public relations and marketing tool that helps universities reach foreign students interested in studying in the U.S.
5. **Diversify the national origin of international students** to anticipate new markets for talented students in the future.
6. **Encourage and support American university partnerships and collaboration** with counterpart institutions abroad via double and joint degree programs, consortia and other forms of curricular cooperation
7. **Encourage and support foreign language acquisition and study abroad for American students, especially for periods of six months or more to nations and regions outside of Europe.**

State Level Policies

1. States must move **from a logic of public higher education as a “local” asset to serve local residents to a logic of public higher education as a national and international asset that prepares local residents** for a global economy and increases the state’s economic competitiveness.
2. States must **increase enrollment capacity** to both meet goals of broadening access to higher education by state residents and to significantly grow the number of international students – particularly in areas such as STEM fields that meet state and national labor needs.
3. States need to **increase financial support** to expand resources for international students, via grants, loans, and providing subsidized opportunities for part-time work on and off-campus.
4. States should **undertake marketing efforts** to increase the visibility of higher education institutions abroad and develop stronger relationships and networks outside the U.S.

Institutional Level Policies

Time for a Reboot: The Necessity of Fundamental Institutional Change

1. ***Develop and embrace an institutional strategy for international engagement*** that increases the intensity of international activities, makes them more central to institutional mission and culture and creates more opportunities to learn in international contexts.
2. ***Establish strong institutional relationships and partnerships*** with a limited number of strategically relevant universities, governments and private groups outside the U.S. as a base for building a global network of collaborators that provide access, information and sources for talented students and faculty.
3. ***Create extensive alumni networks outside the U.S.*** to support international activities and create bonds that help institutional and individual success.
4. ***Establish a competitive marketing effort*** that is culturally appropriate and targeted to particular countries and communities of high priority.
5. ***Create a communications and technology platform that enables teaching, learning and research collaborations on a global scale.***