**Title**
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**Journal**
UC Berkeley CSHE, 8(18)

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**Publication Date**
2018-04-23

**Research & Occasional Paper Series: CSHE.8.18**

CSHE | Center for Studies in Higher Education

**UNIVERSITY OF CALIFORNIA, BERKELEY**

http://cshe.berkeley.edu/

# A THIRD WAVE OF INTERNATIONAL STUDENT MOBILITY: Global Competitiveness and American Higher Education

**April 2018**

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## ABSTRACT

International students are critical to the competitiveness of American higher education in terms of financial, intercultural, and educational contributions. However, recent data indicates that the U.S institutions enrolled 31,520 fewer international students in Fall 2017 as compared to Fall 2016. At average tuition and fees of US$ 25,000, higher education institutions are likely to lose potential revenue of US$ 788 million for the first year of studies alone. This paper examines the shifting landscape of international enrollment from the lens of three overlapping Waves spread over seven years and takes a deeper dive into implications for American universities. Wave I was shaped by the terrorist attacks in September 2001 and resulted in slower overall growth in international student enrollment of 11% between 1999 and 2006. Wave II has its origins in the global financial crisis which prompted universities to search for self-funded students and experienced overall robust growth of 44 percent in international student enrollment between 2006 and 2013. Finally, Wave III is shaped by the new political order and intensified competition from English-taught programs in Europe and Asia which will slow down the pace of projected growth in international enrollment to 18 percent between 2013 and 2020. In this current Wave of intensified global competition, overall international student enrollment is likely to flatten or decline for most universities. While the reputation and quality of American higher education is admired and emulated around the world, resting on its past laurels will not be sufficient for attracting international students in the Third Wave. This means that universities must get proactive and strategic in reaching, engaging and supporting international students throughout their educational lifecycle. Demand for studying abroad among international students remains robust, however, increasing competition and expectations for value for money will requires proactive and concerted efforts to maintain the global competitiveness of American higher education.

**Keywords:** International Students, Foreign Students, Enrollment, Student Mobility.

American universities and colleges are facing a dire challenge of an overall decline in student enrollment. Between Fall 2010 and Fall 2016, higher education institutions suffered a drop of 7.3%, which translates into 1.5 million fewer students in 2016, according to National Student Clearinghouse Research Center. Unsurprisingly, this is creating significant challenges in terms of financial sustainability of the many institutions, especially those in regions facing the stronger impact of demographic and economic shifts (Marcus, 2017).

While the domestic enrollments had been declining, one area of optimism had been growth in international student enrollment. The number of international students in the U.S. increased from 723,277 in Fall 2010 to 1,078,822 in Fall 2016, an increase of 49%, according to NAFSA: Association of International Educators. In the same period, the financial contributions of international students grew at a faster pace of nearly 83% to reach US$ 36.9 billion in 2016/17.

International students are critical to the competitiveness of American higher education. In addition to the financial support of compensating for the decline in domestic enrollment and government's budgetary support, international students add diverse

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perspectives which enrich in-classroom and on-campus experiences for all students. These interactions are critical as the majority of American students still do not have an opportunity to study abroad. Finally, many international students contribute to advancing research, economic development, and innovation in an increasingly knowledge-driven, global economy.

However, the recent political turmoil which began with the Presidential elections accelerated several changes which in turn are hurting the competitiveness of U.S. higher education institutions in attracting global talent, reputation, and resources. This essay examines the shifting landscape of international enrollment from the lens of three overlapping Waves spread over seven years and takes a deeper dive into the implications for American higher education.

## A. THE LANDSCAPE OF INTERNATIONAL STUDENT ENROLLMENT IN THE U.S.

Higher education institutions are entering a new era of intensified competition and increased uncertainty for attracting international students. Recent data from National Science Foundation indicates that international enrollment is already declining, and many institutions are unprepared for this change.

An analysis of the data suggests that the U.S institutions enrolled 31,520 fewer international students in Fall 2017 as compared to Fall 2016. At average tuition and fees of US$ 25,000, higher education institutions are likely to lose potential revenue of US$ 788 million for the first year of studies alone (see Table 1).

Table 1. Change in International Student Enrollment in the U.S. by Level of Education and Field of Study

| | Fall 2017 | Fall 2016 | Absolute Change | Percent Change | Est. Financial Change ($ millions) * |
|---|---|---|---|---|---|
| All Fields | | | | | |
| Undergraduate | 440,720 | 450,850 | -10,130 | -2.20% | ($253) |
| Graduate | 367,920 | 389,310 | -21,390 | -5.50% | ($535) |
| Total | 808,640 | 840,160 | -31,520 | -7.70% | ($788) |
| Science and Engineering Fields | | | | | |
| Undergraduate | 176,930 | 176,570 | 360 | 0.20% | $9 |
| Graduate | 229,310 | 244,040 | -14,730 | -6.00% | ($368) |
| Total | 406,240 | 420,610 | -14,370 | -5.80% | ($359) |
| Non-Science and Engineering Fields | | | | | |
| Undergraduate | 263,790 | 274,280 | -10,490 | -3.80% | ($262) |
| Graduate | 138,610 | 145,270 | -6,660 | -4.60% | ($167) |
| Total | 402,400 | 419,550 | -17,150 | -8.40% | ($429) |

Source: Science and Engineering Indicators, National Science Foundation (2018). Analysis by Rahul Choudaha.
*Financial contribution based on a conservative estimate of annual tuition and fees of US$ 25,000. In Fall 2016, average tuition and fees for Doctoral Universities: Highest Research Activity was $29,462 for public universities (out-of-state) and $49,588 for private, non-profit universities. Data excludes students in Optional Practical Training (OPT), a program that allows international students to stay and work in the U.S. for one to three years while remaining on a student visa. In Fall 2016, there were over 175,000 students on OPT. Undergraduate enrollment includes Associate's level programs. In 2016/17, nearly 18% of all undergraduate international students were at Associate's level. Graduate enrollment includes doctoral and master's programs. These financial estimates do not include the effect of tuition-waivers and assistantships received by many doctoral graduate students, especially in STEM-fields. In 2016/17, one-third of total graduate students were enrolled in doctoral programs. Data for tuition-waivers or discounts is not available for international students at all levels of education.

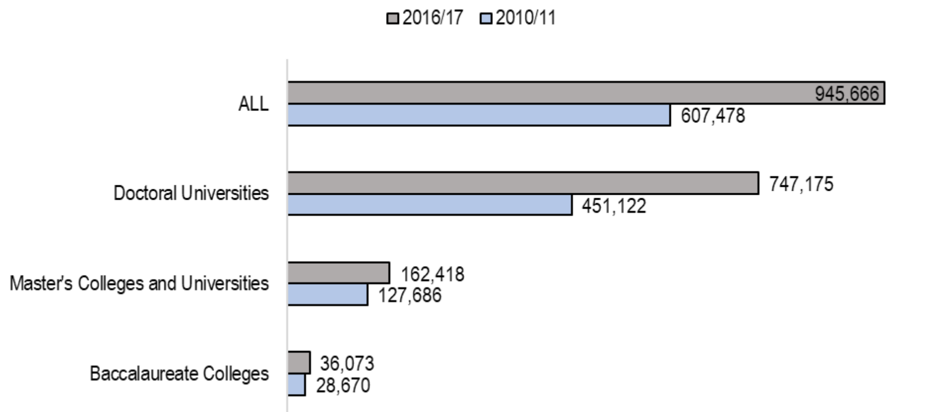
Here are some of the highlights and interpretations in terms of the level of education and field of study:

- The overall decline in graduate level programs is sharper than that of undergraduate level. This can be explained by the differences in career-orientations of international students by the level of education. Graduate students come to the U.S. with higher expectations of career outcomes and hence are more sensitive to the changes in the employability opportunities and immigration policies. In contrast, a majority of undergraduate students are supported by family resources and are less sensitive of immigration issues. Many undergraduate students see a graduate degree as their next step in the U.S.
- Graduate students in Science and Engineering fields contributed to the nearly half of the decline (47%) in international enrollment. Majority of the decrease in graduate-level Science and Engineering programs is due to countries like India which are highly sensitive to visa and immigration policies. Recent policy directions and discussions related to curtailing of H1-B work visa and increasing scrutiny of Optional Practical Training (OPT) is largely responsible for this decline.

- Undergraduate students in Non-Science and Engineering fields contributed to one-third of decline in international enrollment. This can be attributed to two primary countries—Saudi Arabia and South Korea. Reduction in the oil revenue resulted in the cutting of government-sponsored scholarship for Saudi Arabian students to study abroad. South Korea is facing a demographic decline in college-age population, and at the same time, policy initiatives of improving quality of domestic institutions and the opening of international campuses have expanded options for many South Korean students.

These recent trends of enrollment decline emerged after a period of rapid growth. Between 2010/11 and 2016/17, the number of international students in the U.S. increased by over 338,000 or 58 percent. However, this growth was unevenly spread by the type of institution. Doctoral Universities drove majority or 88% of the growth (see Figure 1). Between 2010/11 and 2016/17, international enrollment at Doctoral Universities increased by over 296,000 students while Baccalaureate Colleges and Master's-Colleges and Universities experienced an increase of just over 42,000 international students.

Figure 1. International Student Enrollment Change in the U.S. by Type of Institution




Data Source: Open Doors, Institute of International Education. Analysis by Rahul Choudaha. This data includes students on OPT.

Higher education institutions play an integral role "in meeting national and regional labor needs, in furthering the science and technological needs of Americans, and in helping to promote a more equitable society" and that the new political environment is creating barriers for institutions in achieving the desired impact (Douglass, 2017). James J. Duderstadt, president emeritus of the University of Michigan, asserts that the American model of research universities is respected and emulated by many other countries around the world.

Despite its strength, America's research universities are threatened by many forces including barriers to attracting the students and scholars from around the world due to increasing competition, tightening immigration policies, and to the unwelcoming rhetoric of the Trump administration. The paths toward citizenship for talented immigrants also is narrowing. Each appearing to impact attractiveness of the U.S. for international students and global talent (Douglass, 2017; Redden, 2017; Fischer, 2017).

An analysis of international enrollment patterns at Doctoral Universities provides a deeper understanding of the challenges and opportunities (see Table 2). Here are some of the highlights and interpretations regarding types of Doctoral Universities:

- *Undergraduate level*: International students comprise of only 7% of all undergraduate enrollment at 312 non-profit Doctoral Universities. Overall, Private universities have been more successful in attracting international undergraduate students (10%) as compared to Public universities (6%), many of whom have restrictions placed on them for out-of-state students by state lawmakers. Private Doctoral Universities: Highest Research Activity were most successful with international students comprising of 14 percent of all undergraduate enrollment.
- *Graduate level*: International students consist only 28% of all graduate enrollment at 312 Doctoral Universities. However, regarding absolute numbers, just 26% of all Doctoral Universities: Highest Research Activity enroll 47% of all international graduate students—these are public universities (81/315). While this data is not broken up by doctoral and master's degrees, a significant opportunity exists at growing enrollment at master's levels. According to NSF, 15% of all master's degrees awarded in 2015 went to international students as compared to 26% of doctoral degrees.
- *Untapped potential*: In a scenario where the proportion of international undergraduate student enrollment at Doctoral Universities increases from 7% to the same level as that of Private Doctoral Universities: Highest Research Activity (14%), universities would be able to enroll over 280,000 additional international undergraduate students. Again, at the tuition and

fees of US$ 25,000, this translates into a financial contribution of US $7 billion in the first year. Likewise, in a scenario where the proportion of international graduate student enrollment increases from 27% to the same level as that of Private Doctoral Universities: Highest Research Activity (34%), universities can enroll over 75,000 additional international graduate students. At the tuition and fees of US$ 25,000, this translates into a financial contribution of US $1.9 billion in the first year.

**Table 2. International Student Enrollment at Doctoral Universities by Carnegie Classification and Level of Education (2016)**

| | Public | Private non-profit | Grand Total |
|---|---|---|---|
| R1: Doctoral Universities: Highest Research Activity | | | |
| Count of Universities | 81 | 34 | 115 |
| All, Graduate | 464,731 | 240,803 | 705,534 |
| Nonresident alien, Graduate | 128,706 | 82,260 | 210,966 |
| % Nonresident alien, Graduate | 28% | 34% | 30% |
| All, Undergraduate | 1,872,884 | 286,561 | 2,159,445 |
| Nonresident alien, Undergraduate | 136,750 | 38,954 | 175,704 |
| % Nonresident alien, Undergraduate | 7% | 14% | 8% |
| R2: Doctoral Universities: Higher Research Activity | | | |
| Count of Universities | 75 | 31 | 106 |
| All, Graduate | 132,831 | 77,703 | 210,534 |
| Nonresident alien, Graduate | 28,804 | 18,140 | 46,944 |
| % Nonresident alien, Graduate | 22% | 23% | 22% |
| All, Undergraduate | 892,419 | 191,529 | 1,083,948 |
| Nonresident alien, Undergraduate | 36,040 | 16,548 | 52,588 |
| % Nonresident alien, Undergraduate | 4% | 9% | 5% |
| R3: Doctoral Universities: Moderate Research Activity | | | |
| Count of Universities | 38 | 53 | 91 |
| All, Graduate | 43,852 | 74,134 | 117,986 |
| Nonresident alien, Graduate | 7,434 | 11,215 | 18,649 |
| % Nonresident alien, Graduate | 17% | 15% | 16% |
| All, Undergraduate | 375,556 | 211,658 | 587,214 |
| Nonresident alien, Undergraduate | 15,396 | 12,550 | 27,946 |
| % Nonresident alien, Undergraduate | 4% | 6% | 5% |
| All Doctoral Universities | | | |
| Total Count of Universities | 194 | 118 | 312 |
| Total All, Graduate | 641,414 | 392,640 | 1,034,054 |
| Total Nonresident alien, Graduate | 164,944 | 111,615 | 276,559 |
| % Nonresident alien, Graduate | 26% | 28% | 27% |
| Total All, Undergraduate | 3,140,859 | 689,748 | 3,830,607 |
| Total Nonresident alien, Undergraduate | 188,186 | 68,052 | 256,238 |
| % Nonresident alien, Undergraduate | 6% | 10% | 7% |

Data Source: National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS) on Feb 16, 2018. Analysis by Rahul Choudaha.
Doctoral Universities: Highest Research Activity, Higher Research Activity and Moderate Research Activity based on Carnegie Classification 2015 (Basic).

While Doctoral Universities: Highest Research Activity enroll a significant proportion of international students with the classification of Doctoral Universities, there are differences by geography. Many of the 115 Doctoral Universities with Highest Research Activity are globally ranked and have location advantages – including location in an urban area or being located in a state that has a brand name internationally and that often sits on either coast – California for example. An analysis of international student enrollment patterns suggests that some states have benefited more than the others (Table 3).

**Table 3. International Student Enrollment Trends at the Doctoral Universities: Highest Research Activity (2010-2016)**

| | Public | | | | | Private, non-profit | | | | | Total | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| State | Count of Universities | 2016 Int'l Enrollment | % Change (2010-16) | 2016 tuition and fees | % Change (2010-16) | Count of Universities | 2016 Int'l Enrollment | % Change (2010-16) | 2016 tuition and fees | % Change (2010-16) | Count of Universities | 2016 Int'l Enrollment | % Change (2010-16) | 2016 tuition and fees | % Change (2010-16) |
| CA | 8 | 36,887 | 157% | $40,266 | 18% | 3 | 13,637 | 38% | $49,267 | 26% | 11 | 50,524 | 108% | $42,721 | 20% |
| NY | 4 | 10,703 | 16% | $25,785 | 84% | 5 | 31,776 | 75% | $50,047 | 25% | 9 | 42,479 | 55% | $40,949 | 44% |
| TX | 7 | 27,216 | 41% | $25,500 | 31% | 1 | 1,581 | 40% | $43,918 | 30% | 8 | 28,797 | 41% | $27,802 | 31% |
| MA | 1 | 2,013 | 110% | $32,204 | 35% | 7 | 26,013 | 41% | $49,770 | 26% | 8 | 28,026 | 44% | $47,574 | 27% |
| PA | 3 | 13,119 | 70% | $29,802 | 21% | 2 | 9,691 | 43% | $51,887 | 26% | 5 | 22,810 | 57% | $38,636 | 23% |
| IL | 2 | 12,748 | 51% | $28,600 | 11% | 2 | 6,577 | 39% | $52,252 | 27% | 4 | 19,325 | 47% | $40,426 | 21% |
| FL | 5 | 15,680 | 63% | $21,815 | 8% | 1 | 2,485 | 44% | $47,004 | 24% | 6 | 18,165 | 60% | $26,014 | 12% |
| MI | 3 | 14,989 | 37% | $36,507 | 30% | | | | | | 3 | 14,989 | 37% | $36,507 | 30% |
| IN | 2 | 13,345 | 39% | $31,525 | 16% | 1 | 1,292 | 51% | $49,685 | 24% | 3 | 14,637 | 40% | $37,578 | 20% |
| AZ | 2 | 12,185 | 118% | $30,719 | 36% | | | | | | 2 | 12,185 | 118% | $30,719 | 36% |
| GA | 3 | 8,206 | 39% | $28,597 | 6% | 1 | 2,146 | 41% | $47,954 | 22% | 4 | 10,352 | 40% | $33,436 | 12% |
| OH | 2 | 8,103 | 47% | $27,282 | 13% | 1 | 2,085 | 56% | $46,006 | 22% | 3 | 10,188 | 49% | $33,523 | 17% |
| VA | 4 | 9,409 | 54% | $35,150 | 35% | | | | | | 4 | 9,409 | 54% | $35,150 | 35% |
| WA | 2 | 8,420 | 70% | $30,232 | 32% | | | | | | 2 | 8,420 | 70% | $30,232 | 32% |
| MD | 1 | 4,586 | 63% | $32,045 | 29% | 1 | 3,816 | 53% | $50,410 | 24% | 2 | 8,402 | 59% | $41,228 | 26% |
| Top-15 States | 49 | 197,609 | 65% | $30,402 | 27% | 25 | 101,099 | 47% | $48,927 | 25% | 74 | 298,708 | 59% | $36,166 | 26% |
| Remaining States | 32 | 67,847 | 47% | $27,231 | 35% | 9 | 20,115 | 39% | $49,384 | 24% | 41 | 87,962 | 44% | $31,100 | 32% |
| All States | **81** | **265,456** | **59%** | **$29,462** | **27%** | **34** | **121,214** | **49%** | **$49,588** | **25%** | **115** | **386,670** | **56%** | **$35,464** | **27%** |

Source: IPEDS data retrieved on Feb 16, 2018. Analysis by Rahul Choudaha

Published Out-of-state tuition and fees

Sorted by top-15 states with largest international enrollment in Fall 2016

Here are some of the highlights and interpretations for Doctoral Universities: Highest Research Activity (see Table 3):

- Public universities enrolled two-thirds of all international students in Doctoral Universities with Highest Research Activity. This mirrors the number of public universities (81/115).
- Tuition and fees change: Overall, the change in tuition and fees was similar for both public and private universities. However, there are significant variations at the state level. For example, New York tuition and fee at public universities increased by 84% between 2010 and 2016 as compared to just 8% for Florida and 11% for Illinois. Tuition at private universities grew at a more consistent manner.
- International enrollment change: Overall, public universities experienced a higher growth (59%) in enrollment between 2010 and 2016 as compared to private universities (49%). However, there are differences at the state level. California (157%) experienced a significant increase in enrollment at public universities as compared to private universities in New York (75%) and Massachusetts (41%).
- Big getting bigger: The Top 15 states in terms of international student enrollment experienced a larger growth of 59% as compared to remaining states (44%). In fact, 49 public universities in the Top-15 states enrolled more than half of all international students in 115 Doctoral Universities with Highest Research Activity. These 49 universities experienced a growth of 65%. Increase in tuition and fees at public universities in top-15 states (27%) was lower than that of remaining states outside the Top-15 (35%).

Overall international student enrollment in the U.S. is flattening or declining, and the years of easy growth is over for a majority of the universities (Redden, 2017). However, there is a segment of institutions which are less vulnerable than the others. In specific, Doctoral Universities: Highest Research Activity with location advantages not only experienced relatively higher growth in enrollment, but they are also less likely to be hurt with the enrollment decline.

This means that the bulk of the remaining universities must get proactive and strategic in their outreach to maintain or avoid an unwanted decline in international enrollment. Many institutions that increased enrollment in Wave II will need to adopt purposeful and sustainable strategies for recruiting and supporting international students.

Institutions that were late entrants in building their capacity for international student recruitment and support will be the first to lose in this scenario of flattening or declining international enrollment. The financial implications of lower enrollment over the next two to four years is significant for institutions that are already experiencing declines in their enrollment of international students.

Among its several reasons, “Trump effect” has been surfacing as one of the major contributors to the decline in international enrollment as it is creating perceptions of American becoming unattractive and unsafe for international students. For example, according to a recent survey conducted by Studyportals, nearly two-thirds of 1,815 prospective students indicated that they “would lose interest in studying in the U.S.” due to changes to limit work opportunities for international students. The ability to work while a student, and pathways toward entering the U.S. job market and possibly becoming a citizen, are also critical factors for many students selecting their foreign destination for study.

At the same time, many institutions face two residual effects of the global financial recession which make it difficult to grow their enrollment of international students. First, many institutions are becoming too expensive. Increasing cost of U.S. higher education and declining funding opportunities for international students is a pressing issue. Prospective students responding to the Studyportals survey identified cost as the number one consideration of whether they are likely to study abroad. Likewise, a survey conducted by Institute of International Education for Fall 2017 corroborated that cost of tuition and fees at the U.S. institutions was the second most important factor affecting the decline in international student enrollment after visa-related issues.

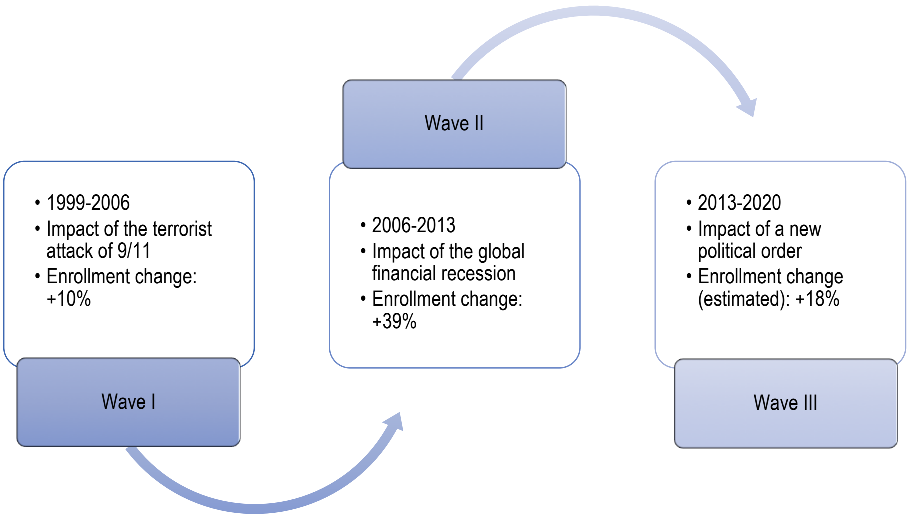
Second, there is increasing competition to gain visibility among students. Brand awareness is a crucial challenge facing universities seeking to recruit international students. The Fall 2017 International Student Enrollment Survey suggests that institutions which experienced growth reported ongoing investment of their time, effort and resources in recruitment activities as the critical success factor. The top reasons cited by colleges and universities that reported an increase in enrollment were: active recruitment efforts (61.1%), active outreach to admitted students (45.1%) and the growing reputation and visibility of their institution (45.1%).

International student recruitment continues to gain prominence in the strategies priorities of higher education institutions. According to the American Council on Education’s 2017 Mapping Internationalization on U.S. Campuses report, increasing study abroad and recruiting international students respectively, were reported as the number-one and number-two priority activities for internationalization across all sectors of institutions (Helms, Brajkovic & Struthers, 2017). In specific, 66% of the respondents at Doctoral universities identified “recruiting international students” as one of the top three priorities for internationalization activities on their campus in the last three years (academic years 2012-13 to 2014-15).

## B. THREE WAVES OF INTERNATIONAL STUDENT MOBILITY

This section analyzes the shifting patterns of international student mobility from the lens of three overlapping Waves each spanning seven years between 1999-2020. Here a Wave is defined by the key events and trends impacting international student mobility and the corresponding change in enrollment within these periods of seven years each. While mobility is shaped by a complex interplay of many variables, this conceptual framework helps us understand past mobility trends and future implications.

**Figure 1. Three Waves of International Student Mobility (1999-2000)**




Source: Choudaha (2017)

**Table 4. International Student Enrollment Changes During the Period of Three Waves**

| | | Wave I | Wave II | Wave III Scenarios | | |
|---|---|---|---|---|---|---|
| | 1999 | 2006 | 2013 | 2020 | 2020 | 2020 |
| Enrollment | 455,430 | 502,338 | 700,578 | 770,636 | 973,803 | 826,682 |
| Absolute Change | | 46,908 | 198,240 | 70,058 | 273,225 | 126,104 |
| % Change | | 10% | 39% | 10% | 39% | 18% |

Data Souce: Open Doors, IIE. International student enrollment excludes students on Optional Practical Training and in non-degree programs. Enrollment for 2020/21 estimated based on various scenarios of % Changes. Pessimistic--same as Wave I (10%), Optimistic--same as Wave II (39%) and Realistic--same as growth between 2013/14 and 2016/17 (18%).

### *Wave I (1999-2006)*

Wave I of international students has its origin in the increasing demand for high skilled talent for economic and technological development. This Wave started with an increase in enrollment of international students at master's and doctoral level especially in the fields related to science, technology, and engineering. Institutions were motivated to attract international students mostly for reputation and research excellence. Many international students were drawn to leading universities and following career opportunities in the U.S. During this time research institutions were willing and able to provide scholarships and assistantships in a bid to attract global talent. However, the terrorist attacks in September 2001 changed the equation, and the tightened visa requirements made it more difficult for students to study in the U.S. This resulted in slower overall growth in international student enrollment of 11% between 1999 and 2006.

### *Wave II (2006-2013)*

Wave II has its origins in the global financial crisis and severe budget cuts for the higher education sector which in turn shifted institutional motivations to search for self-funded international students. This budget crisis came at a time when students from expanding upper-middle class Chinese families and Saudi Arabian students with scholarships from the government provided the much-needed boost to the mobility and enrollment. In contrast to graduate level growth in Wave I, much of the increase in Wave II was driven at the undergraduate level. However, during this time, issues related to student preparedness also started emerging. Many universities were unprepared to support the diverse needs and expectations of international undergraduate students (Schulte & Choudaha 2014) and debates of enrolling international students and its impact on diversity, access and equity started emerging (Douglass, 2014). Overall, this Wave experienced a robust growth of 44% in international student enrollment between 2006 and 2013.

***Wave III (2013-2020)***

Wave III is dominated by the uncertainties triggered by new political order with nationalistic viewpoints. Chief foreign-affairs columnist at the Financial Times asserted "The resurgence of the nationalist style in politics became evident in 2014….A widespread disillusion with political and business elites, after years of disappointing economic growth, is a common factor that underpins resurgent nationalism across the globe" (Rochman, 2014). Economic insecurities and anti-immigrant rhetoric resulted in two surprising political outcomes for many--Brexit and the election of President Donald Trump. Anti-immigrant and nationalistic rhetoric continues to be strong, and it is negatively affecting the perception of safety and post-graduation career opportunities for international students.

At the same time, competition from new destinations is becoming stronger. Megatrends at the intersection of sociopolitical, demographic, and economic shifts coupled with the global ambitions of universities are resulting in continued qualitative and quantitative growth of English-taught programs in Asia and Europe (Choudaha, & Van Rest, 2018). In sum, Wave III indicates a trend towards increasing competition to attract international students which would result in a slower pace of projected growth of 18% in international enrollment in the U.S. during this period as compared to Wave II.

## C. CONCLUDING THOUGHTS

American higher education is entering a new era of intensified competition. While the reputation and quality of American higher education is admired and emulated around the world, resting on its past laurels will not be sufficient for attracting international students in the Third Wave. This competitive threat may even affect some of the leading research universities which until recently have been highly successful in attracting international students. Higher education institutions must become more proactive in reaching, engaging and supporting international students throughout their educational lifecycle.

There are many factors which influence students' decision-making process to study abroad. Given that immigration policies, global rankings and location are uncontrollable factors; institutions must pivot to a goal of identifying the best-fit international student segments and delivering on the promise of value for money. The core of this process focuses on the mapping institutional mission and academic offerings with a recruitment and retention strategy that aligns with best-fit student segments and their behaviors, needs, and expectations.

Given the increasing number of global choices available for international students means that raising tuition and fees without corresponding value addition is an unsustainable model. Continuing to do so would run the risk of many American institutions pricing themselves out of the consideration set of international students. Institutions must identify ways to reinvest some of the income generated by international student tuition towards proactive outreach strategies and creative scholarship packages that broaden and diversify the pool of prospective international students.

Higher education institutions must also become proactive in creating positive campus experiences that support student success. For many international students, American higher education is an investment in earning sociocultural and professional experiences which help them advance their career. By reinvesting a part of the income and preparing campus support services to bridge the gap between the expectations and experiences of international students will create positive word-of-mouth referrals for future enrollment.

In sum, competition in the Third Wave is calling institutions to assess and build their capacity for attracting, engaging and supporting best-fit international students who in turn would become successful alumni. Demand for studying abroad among international students remains robust, however, increasing competition and expectations for value for money will requires proactive and concerted efforts to maintain the global competitiveness of American higher education.

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