

Five Solutions to Reverse the Declining Popularity of the U.S. Among International Students

By [Arturo Castellanos-Canales](#) | June 20, 2023

Executive Summary

The United States' popularity as a destination for international students is declining. This decline is largely attributable to choices made by policymakers in Washington, D.C., who have failed to adapt the U.S. immigration system to the needs of international students and take basic steps to preserve the United States' position as the world's leading destination for talented students from abroad. This paper delves into the following five policy solutions that would reverse these trends and solidify the leading position of the United States as a welcoming destination for international students:

- 1.** Expand the employment and residency alternatives for international students after graduation;
- 2.** Expand the extra-curricular employment alternatives for international students during their studies;
- 3.** Eliminate or modernize the interpretation of immigrant intent when considering student visa applications;
- 4.** Maintain inclusive and welcoming policies for Chinese students; and
- 5.** Learn good practices from other countries to make the U.S. a more attractive destination.

[Skip to content](#)

Introduction

Attracted by the global prestige of American universities, the United States is by far the world's **leading recipient** of international students. That popularity, however, is steadily **declining**. According to the U.S. Department of Homeland Security's Student and Exchange Visitor Information System (SEVIS), the U.S. received **1,362,157** international students in 2022, representing a **10% increase** from 2021, but still more than 10% below 2019 pre-pandemic levels – **1,523,758** international students.

The number of international students in 2022 represented **15% of the global share**, a 13% decline from 2000 when the United States hosted over **28% of the total** of international students worldwide. This decline is due in part to **increased competition** from higher education institutions in other parts of the globe, but is largely attributable to choices made by policymakers in Washington, D.C., who have failed to reform the immigration system to adapt to the country's economic needs and global patterns.

The declining number of international students in the U.S. and the decades-long decline in the U.S. global share of international students is worrying for the United States' economic future. According to the U.S. Department of Commerce's Bureau of Economic Analysis, international students contributed over **\$37 billion** to the national economy in 2022, representing a **\$4-billion-dollar decrease** compared to 2019. Consequently, education-related travel exports went from being the country's **fifth-largest** U.S. service export in 2018 to the **ninth-largest** in 2022.

Beyond tuition and associated costs paid by international students, international students generate even more economic activity when allowed to stay and work after graduation. Studies have indicated that a 1% increase in immigrant graduates from U.S. colleges results in a **15% increase** in patents per capita. Additionally, international students are more likely to **start businesses** than U.S. citizens. Moreover, half of U.S. private companies worth over \$1 billion have **founders** who first came to the United States as international students.

Therefore, it is essential to understand why America's popularity has declined among international students. This paper analyzes the reasons behind the declining numbers and offers recommendations to solidify the United States as a premier destination for international students.

Problem 1: Lack of Pathways for Work Permits and Residency

[Skip to content](#)

Despite their economic importance, most international students do not have a guaranteed path to stay in the U.S. after graduation. If they wish to remain in the United States to work, they have a handful of alternatives, including obtaining Optional Practical Training (OPT), petitioning for an [H-1B nonimmigrant visa](#), or applying for a [green card](#), along with [other limited options](#).

Each of these alternatives comes with real shortcomings. OPT has a limited duration, with OPT recipients only able to work in the United States for 36 months after graduation if they studied in a science, technology, engineering, or mathematics (STEM) field and only for 12 months if they studied in a non-STEM field. H-1B nonimmigrant visas are numerically capped, require employer sponsorship, and are limited to three years with the possibility of extensions for a total of six years. Medical students seeking to remain in the U.S. and work under J visas face a two-year “[residency requirement](#),” requiring them to return to their home country for two years before being able to apply for the H-1B lottery, which has been recently [subject to abuse](#). Finally, employment-based green cards have an onerous application process and long [backlogs](#) that make many employers unwilling to sponsor graduates unless they have already been hired through the H-1B visa process.

The scarcity of legal immigration options and the complicated bureaucracy required for international students to stay in the U.S. have pushed many future CEOs, inventors, and researchers to study in other English-speaking countries with more [welcoming migration laws](#) and work opportunities, like Canada, the United Kingdom, and Australia – all of which offer [entrepreneur visas](#), unlike the United States.

Solution: Expand Employment and Residency Alternatives for International Students After Graduation

The United States needs laws and policies aimed at creating and enhancing alternatives for international students to stay in the U.S. after graduation. Among the many possibilities, the following policy changes would generate new options for international students seeking to remain in the U.S. to pursue careers:

1. Create a specific classification of entrepreneur visas;
2. Eliminate the 2-year residency requirement for medical students;

Extend the OPT period for STEM and non-STEM graduates.

[Skip to content](#)

2. Provide states a [role in retaining](#) foreign workers after they graduate from colleges and universities in their states.

Problem 2: Difficulty in Obtaining Extra-Curricular Jobs to Pay Tuition and Fees

American colleges and universities have the [highest](#) tuition in the world. In addition, the United States has a very high cost of living, ranking among the top ten [most expensive](#) countries. Therefore, over [85%](#) of U.S. college students rely on extra-curricular jobs to help defray the cost of tuition and other expenses. However, international students have few alternatives to work while studying in the United States. International students are only eligible for [on-campus employment](#) for up to 20 hours per week, which severely limits their ability to cover the cost of their studies.

In addition, dependents and spouses of F-1 student visa holders are [not allowed to work](#) at all in the United States, further limiting the ability of students with families to support themselves. Making this even more difficult for these international students here with their families, F-1 visa applicants must demonstrate that they have sufficient financial resources to support their partners while they study in the United States. These obstacles greatly limit the students' ability (and their spouses' and adult dependents' ability) to earn a living and fill critical positions.

Solution: Expand the Extra-Curricular Employment Opportunities for International Students and Their Spouses and Adult Dependents

Expanding the extra-curricular employment opportunities for international students would allow more international students to attend U.S. universities, helping them defray some tuition costs and keep up with the high cost of living. In addition, it is essential to allow spouses and adult dependents of F-1 visa holders to work in the United States while their partners complete their studies, allowing these families to better support themselves.

These policies have an added benefit – they would allow international students (along with their spouses and adult dependents) to contribute to U.S. economic growth, as those receiving increased access to work authorization would be able to better afford goods and services in the

[Skip to content](#)

expanding extra-curricular work opportunities in this manner will allow the United States to fill needed roles in the workforce, including in the service industry.

Problem 3: High Number of Student Visa Denials

In 2022, the United States denied over 220,000 F-1 student visa applications, representing a record-high 35% of the submitted applications. While the reason behind the increased number of denials in 2022 is uncertain, some analysts think that a likely explanation is the difficulty applicants face in proving their intention to return to their country of origin after graduating. For an F-1 student visa, applicants must demonstrate they have already been admitted into a university and that they have sufficient ties in their respective countries of origin that would make them return after completing their studies in the United States. Probing sufficient ties can be difficult for many applicants who are often required to show, among other documents, property titles, bank statements with sufficient funds, or documentation of an existing business.

Solution: Modernize the Interpretation of Immigrant Intent When Considering Student Visa Applications

It is critical to eliminate or at least reform the immigrant intent interpretation of student visa applications to encourage more international students to come to the United States. Eliminating the requirement would need congressional action. However, the Department of State has the authority to broaden the interpretation of the law to allow more applicants to be eligible for student visas, including taking steps to prevent consular officials from making assumptions about the applicant's intent to return to their home country, where evidence may not warrant such an assumption.

Problem 4: Diplomatic Tensions and Increasingly Hostile Atmosphere for International Students from China

China is the top sending country of international students to the United States. However, the number of Chinese nationals pursuing their studies in America has considerably fallen since 2018. In 2022, there were slightly over 290,000 Chinese students, representing almost a 9% decline compared to 2021 and nearly a 30% decline from 2018.

The decline in Chinese applications started in 2018 when the U.S. China trade war hit the

[Skip to content](#)

application process and while studying in the United States. Moreover, in 2020, the Trump administration **barred** the issuance of visas for Chinese students and researchers associated directly or indirectly with the Chinese military. The Biden administration has **kept in place** that proclamation.

In addition, the anti-Chinese rhetoric of Trump administration officials following the outbreak of COVID-19 in 2020, along with a spate of violent attacks against Asians (including Chinese nationals) and Asian-Americans in the U.S., further **discouraged** potential Chinese applicants from studying in the U.S.

With Chinese students contributing **\$15.9 billion dollars** to the U.S. economy in 2019 and thousands of potential immigrants from China now opting not to study in the U.S., the reduction in international students from China is likely to have far-reaching effects.

Solution: Reduce U.S.-China Tensions and Maintain Inclusive and Welcoming Policies for Chinese Students

While U.S.-Chinese relations **remain icy**, there have been recent indications of a **potential thaw**. While tensions remain high over diplomatic, trade, and political differences, even a moderate improvement of relations could be helpful in once again making the U.S. a leading destination for talented Chinese students, some of whom may eventually choose to work and obtain permanent residence or citizenship in the U.S.

In addition, U.S. policymakers and officials should maintain an inclusive and welcoming rhetoric toward Chinese nationals, separating Chinese students from their government. These steps would help make the U.S. more appealing to Chinese students and would be beneficial from both an economic and moral perspective.

Problem 5: Canada Is Doing a Better Job Attracting International Students

Another key reason the U.S. has recently struggled to attract more international students is that our neighbors to the north have simply outcompeted us. Canada's appeal to international students has consistently and rapidly **increased** to the detriment of the United States. In 2000, Canada had only **2%** of the global share of international students, with the United States at a

[Skip to content](#)

third-largest recipient of international students worldwide, while the United States' share declined to **15%**.

Canada, with about one-ninth the **population** of the United States, can boast the following reasons for its success in recruiting international students in the last two decades:

Despite its relatively small population, Canada boasts several highly-regarded universities, including three **ranked** among the top 50 in the world.

Tuition costs and the overall cost of living in Canada are **considerably lower** than in the United States.

Canada has multiple **paths for employment and residence** for international students after graduation.

Dependents of international students are **allowed** to work in Canada.

Canada is perceived as a more **welcoming** destination for immigrants and international students than the United States.

The Canadian government is engaged as an **active recruiter** of international students, organizing fairs and conventions all over the world to convince students to choose Canadian universities for their post-secondary education.

Solution: Learn from Canada and Make the United States a More Welcoming Destination for International Students

Looking to Canada as an example, the United States must invest in its universities, make policy reforms to permit more international students to study and work in the United States, and actively engage as a recruiter to remain the leading destination for international students. In addition, the American people have a significant role on this front. We can all be more welcoming and understanding with international students who, in many cases, are living for the first time in a foreign country. Unless the U.S. takes these types of steps, including adopting helpful Canadian best practices, our country's global share of international students will continue its steady decline, which, in turn, will cause severe economic and demographic consequences.

Conclusion

[Skip to content](#)

international students to the U.S. are fundamental to our economic growth and international standing.

With the U.S. about to lose its longstanding status as the world's leading destination for international students, Congress and the Biden administration should take immediate steps to reverse the slide. This includes needed legislative and administrative reforms to address dysfunction in our student visa and post-graduate work programs, and expanding opportunities for international students (and their spouses and adult dependents) to work while attending school and after graduation.

In addition, Congress, the administration, and state governments should take steps to make higher education more affordable and work to recruit and retain talented international students. These efforts will yield significant economic benefits immediately and in the long run. Among the many benefits, increasing the number of international students would help address labor shortages, fill job openings in key sectors, and strengthen the U.S. economy.

Author: Arturo Castellanos Canales

Related Topics

[Employment Visas](#)[Immigration Reforms](#)[Legal Immigration](#)