

Foreign student data embargoed for release November 10, 2004

INSTITUTE OF INTERNATIONAL EDUCATION

Background: Educational Exchange with India

Source: *Open Doors: Report on International Educational Exchange*, published annually by IIE. For more information, including press releases on foreign students in the U.S. and U.S. study abroad, and FAQs, including definitions of foreign students and foreign scholars, visit the Open Doors page on the IIE Network website, at www.opendoors.iienetwork.org, or contact Debbie Gardner/Heidi Reinholdt at Halstead Communications, 212-734-2190.

In academic year 2003/04, there were 79,736 students from India studying in the United States (up 6.9% from the previous year). For the third year in a row, India remained the **leading** place of origin for students in the United States.

- **Academic Level.** The majority of the Indian students study at the graduate level. In 2003/04, their breakdown was as follows:

79.0%	graduate students	63,013 (up 8% from 2002/03)
17.0%	undergraduate	13,531 (down 9% from 2002/03)
4.0%	other	3,192 (up 29% from 2002/03)

- **Historical trends.** Beginning in 1997/98, numbers of students from India have been increasing dramatically. Three years ago, there was an increase of 29.1%, followed an increase 22.3% and last year's increase of 11.6%. Two years ago (2001/02), India surpassed China as the leading sending nation of foreign students to the United States. This year's increase of 6.9% kept India in the leading spot, and students from India now make up 14% of all foreign students in the United States.

Year	# of Students from India	% of Total Foreign Students in US	# of US Study Abroad Students Going to India
2003/04	79,736	13.9%	n/a
2002/03	74,603	12.7%	703 (up 12.1%)
2001/02	66,836	11.5%	627
2000/01	54,664	9.9%	750
1999/00	42,337	8.2%	811
1998/99	37,482	7.6%	707
1997/98	33,818	7.0%	684
1996/97	30,641	6.7%	601
1995/96	31,743	7.0%	470
1994/95	33,537	7.4%	409
1993/94	34,796	7.7%	382

Note: Study abroad figures in the Open Doors report reflect credit given by U.S. campuses in the survey year to their students who studied abroad in the academic year just completed, including the summer term, and therefore the report shows study abroad activity for the prior academic year.

Background/Analysis IIE 2004 Open Doors : India

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What is the significance of the Open Doors 2004 data on India?

Open Doors 2004 sends a resounding message that the U.S. continues to welcome Indian students! The student flow between India and the U.S. contributes greatly to both countries. The increase in students going to the U.S. for graduate studies reflects the fact that these students, with focused career goals, are undeterred by the misperceptions about access to U.S. universities and visas. It is difficult to assess the reasons for the decline in undergraduate student enrollment, but it may relate in part to the very active recruitment of Indian undergraduate students by other countries as well as misperceptions about U.S. visa issuance.

What contributes to the continuing increase in Indian students studying in the U.S.?

The Indian university student population is projected to grow from 9.3 million students now to 11 million by 2008, according to the University Grants Commission, which funds and supports central government universities in India. Combining this magnitude of student demand and the value Indian students place on U.S. higher education, there is bound to be a steady increase in students to the U.S. once students are able to finance the education. In India, student loans are more readily available than ever before. Students find that the investment they make in U.S. education is well worth it in terms of career opportunities.

What efforts are there to increase the number of U.S. students studying abroad in India?

USEFI is working closely with the University Grants Commission in India and the Association of Indian Universities to increase the flow of U.S. students to India on Study Abroad programs. India is a strategically and culturally important country that western students should know about. There are 50 Study Abroad programs in India organized by U.S. entities. USEFI encourages students to visit India as undergraduates. We find that many who do so return for further studies or for a study break for perspective before graduate school.

What comments do you have for U.S. institutions interested in attracting Indian students?

USEFI assists accredited U.S. institutions in recruiting qualified students. To increase the numbers of students from India, particularly undergraduate students, USEFI suggests that U.S. universities do more to make their names known in India. They can do so by mobilizing alumni in India to talk about their institutions, by advertising, and by send admissions staff to India to meet with students. USEFI staff at our offices in Chennai, Delhi, Kolkata, and Mumbai are alert to education trends and student concerns, and are ready to help U.S. universities and colleges.

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The 2004 IIE Open Doors report on Indian students is a mix of positive and negative facts regarding India. On the one hand, Indian students retained the position as the largest segment of international students in the U.S. But the increase over the previous year (2002-03) is not as precipitous as it was in the earlier years.

How did India manage to retain the top position?

- The increase reinforces the fact that the U.S. is a preferred study abroad destination for many Indian students.
- There is a steady segment of student market interested in the study abroad option. The contacts at USEFI offices (close to 250,000 excluding web site hits) and the visitor attendance at the U.S. university fairs corroborate this.
- Many countries including the U.S. are keen on Indian students. As expressed by U.S. University admission officers, Indian students possess academic brilliance, all-round personality, creative and persuasive skills to succeed.
- Student visa issuance was pretty smooth and did not pose any major problems for Indian students. USEFI offices enjoyed good coordination and cooperation with the consular section and made joint USEFI – Consular presentations at several outreach locations. The number of F 1 visas issued by the Embassy in FY 2004 (16,891) showed a marginal drop of 4% from the FY 2003 figures (17,636).
- Financing education abroad is not any more a problem for Indian students with liberalized loans being available at reasonably low interest rates. According to a newspaper report, amount of loans disbursed went up from 66.8 billion in 2001 to 260.7 billion in 2004. No collaterals are required for loans up to Rs. 750,000 (\$16,000).
- Good recruitment activity in India by U.S. Universities. USEFI organized or facilitated four university fairs in 2003-2004. Over 60 universities participated in these fairs. Many others traveled independently to give student information sessions.

Why is the increase moderate?

- Although the general higher education market is growing, the study abroad component, experts feel, may have reached a plateau after the peak in 2001.
- The student market pie is getting bigger; but the slices are more and smaller due to new players in the arena. There is competition within and outside of the country.
- Within the country Indian education is riding a privatization wave. Several private players have entered the high school as well as the post-secondary education market. These private schools offering excellent infrastructure and facilities attract many Indian families who can afford to pay the high tuition fees thus posing stiff competition to foreign universities.
- Indian student has evolved and transformed considerably. Though majority of Indian students dream of education abroad, they are not in a hurry to lap-up whatever offer that comes their way. They are discerning and willing to wait for the best offer to come through.
- Indian middle class society is no more unduly enamored by the foreign-return tag. If an equally good academic option is available within India, they choose that.
- Indian students are also not too eager to complete education before entering the job market. It is now quite common for students to take breaks in-between to enter the job market.
- Recruiter profiles at the well-known institutions such as the Indian Institutes of Technology (IIT), Indian Institutes of Management (IIM), and other technical institutions have tremendously improved in the past couple of years. Salaries are also more attractive forcing students to rethink the higher education option.
- Many multinational companies (MNC) opened technology development centers, business centers, and back-office processing units that absorb potential study- abroad students.
- Many foreign institutions have architected innovative tie-ups such as twinning arrangements or offshore programs enabling students to get foreign degrees while in India. A fraction of the student market is absorbed by them.
- Many new Western universities have opened up campuses in Asia. These are attractive to Indian students as they are nearer home and culturally closer.
- Distance learning programs of foreign universities, though not extremely popular, do attract a few students.