

## Chapter 8

# Implications for Recruiting International Students to the University of North Carolina System

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### ABSTRACT

*In 2011-2012, international students and their families contributed almost 22 billion dollars to the U.S. economy and to higher education. Although there were a record number of international students (764,495), they represent only 4% of the 20.6 million students enrolled in higher education. Are institutions capitalizing on this market and how specifically does it benefit the institution and state economy as well? In order to answer this question, the financial implications of recruiting international students to North Carolina, particularly the University of North Carolina (UNC) System were explored. In North Carolina, the net contribution of foreign students and their families was USD\$338,418 million and specifically within the UNC System, USD\$174,326.9 million (51.51%). Of the 14 institutions examined, six relatively smaller institutions had the most significant overall increase in enrollment during 2009-2011, and masters' institutions in particular reported a 23.10% positive change, followed by doctoral/research institutions with a 21.93% change.*

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## INTRODUCTION

In the ever changing political and economic global climate since September 11, 2001, the American higher education system has seen significant changes in the international student population. Initially, there was a decrease in the number of international students attending U.S. universities primarily due to changes in national security policies immediately after September 11<sup>th</sup> (Starobin, 2006). A record high number of international students, 764,495, attended U.S. universities in 2011-2012 but their numbers still comprise less than 4% of the total U.S. higher education enrollment (20.6 million), leaving considerable room for U.S. institutions to host more of these students (Clark, 2012). While international students provide significant income in terms of tuition and fees to universities, many institutions have not increased their international student population significantly (Chow & Bhandari, 2012). Although state appropriations for higher education appears to be on the rise in some states after a four-year decline of almost 11%, it will take many years for institutions to recover from the effects of the economic recession (Kelderman, 2012). Some states such as Arizona and New Hampshire have experienced over a 35% decrease in state fiscal support since 2008. Amid this shortage of available federal and state funds, why are more institutions not capitalizing on recruiting international students to their campuses? What strategies and techniques are those institutions that are successful in their recruitment efforts employing?

What are the financial implications of recruiting international students to institutions? In order to answer this question, we conducted a case study analysis of the financial implications of recruiting international students to the University of North Carolina (UNC) System. Why did we select North Carolina and specifically, the UNC System? North Carolina ranks 17<sup>th</sup> in number of international students in comparison to the other 50 states and Washington, DC (Chow & Bhandari, 2012) but if

you eliminate the top five most populated states (California, New York, Massachusetts, Texas, and Pennsylvania), North Carolina's rank is 12<sup>th</sup> in the nation. Considering North Carolina's 2011 population data (9,656,401) (U.S. Department of Commerce, United States Census Bureau, 2012) and its Gross Domestic Product (385,092 million and 15<sup>th</sup> in the nation) (U.S. Department of Commerce, Bureau of Economic Analysis, 2012), North Carolina could be considered doing well with recruitment of international students to their institutions.

## REVIEW OF LITERATURE

It has been well documented about the cultural benefits of recruiting international students to U.S. institutions (Bevis, 2002; McFadden, Maahs-Fladung, & Mallett, 2012; Pandit, 2007; Reimers, 2009), but what are the financial implications to both the national and state economy? In particular, how do these recruitment efforts benefit individual institutions? In order to answer these questions, we address the benefits and multipliers of recruiting international students from a national, state, and system perspective. There are four primary reports: *State Higher Education Finance* (SHEF), *Grapevine*, *Open Doors 2012*, and the *2012 Council of Graduate Schools International Graduate Admissions Survey, Phase III: Final Offers and Admissions* that will be reviewed to illuminate the financial state of higher education and the impact on both the national and state economy.

### National Perspective

In March 2012, the association of State Higher Education Executive Officers (SHEEO) released their annual SHEF report (fiscal year 2011) which reviews state and local funding factoring in enrollment data and inflation for public institutions of higher education. During the 2007-2008 academic year, state and local support for higher

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