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Opinion **Lex**

US universities: Chinese cohort needed to ease debt pressure

Most schools expect number of foreign students to recover from pandemic lows this academic year



Foreign students are a key source of income for smaller, less-prestigious institutions © AP

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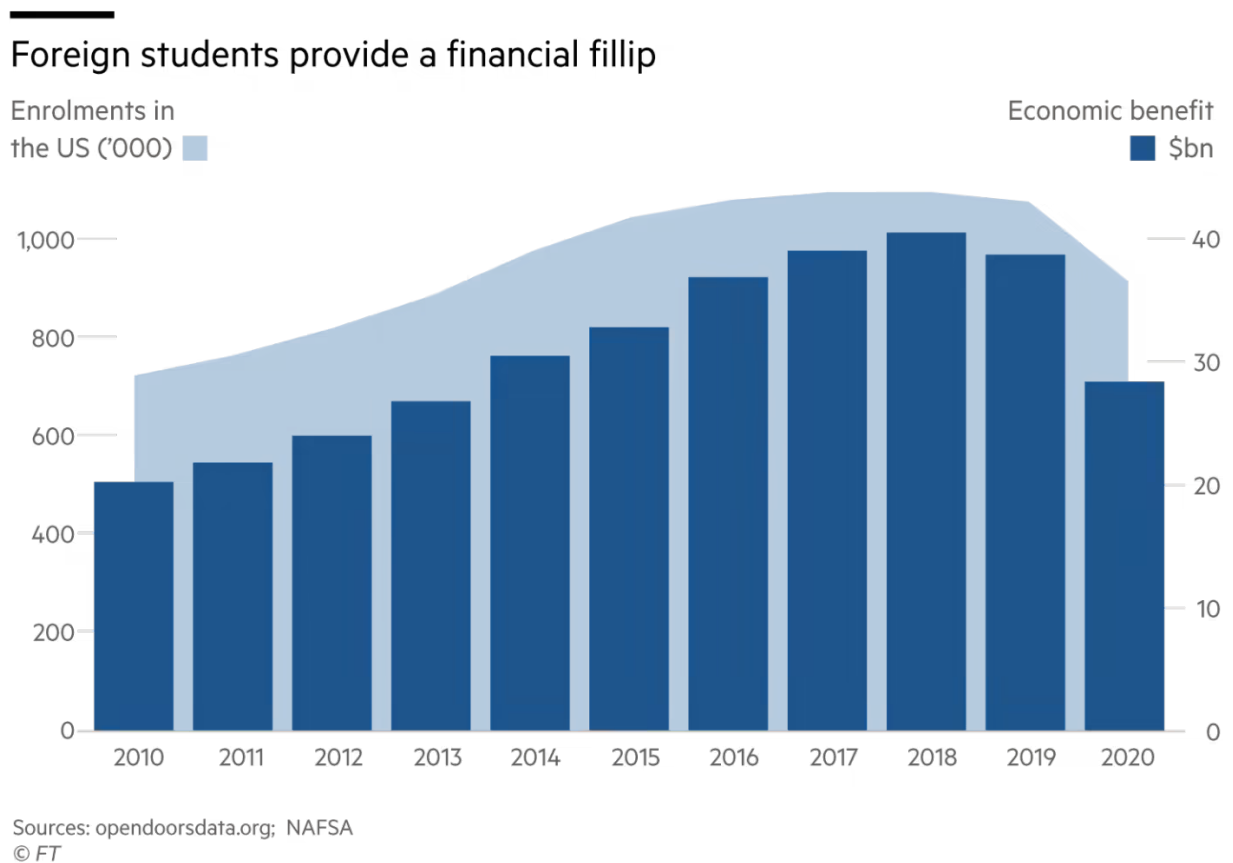
The students are coming. Hundreds of thousands of fresh-faced students are descending on college campuses across the US. In their wake trail parents hauling suitcases, mini fridges and Costco-size jugs of laundry detergent.

College officials will welcome overseas students with particular warmth. There was a massive drop in foreign enrolments in 2020 and 2021. Pre-pandemic, US colleges signed up [a record 1.1mn](#) foreign students in the 2018-2019 academic year, according to the Institute of International Education (IIE). That number fell to just over 914,000 in 2020-2021.

Most universities expect student flows to recover this academic year, a [recent IIE survey shows](#). It cannot come soon enough. College enrolments have [retreated steadily](#) over the past decade. Foreign students have emerged as a key source of income. That is particularly true for smaller, less-prestigious institutions in the US rustbelt. States such as Illinois, Ohio, and Michigan are among the top-10 receiving the most overseas students.

Foreigners generally pay full tuition fees. At some state public colleges, this can work out to be two or three times what local — or so-called “instate students” — shell out. Cuts to state spending on higher education over the years mean instate students can be a loss maker.

Including spending on housing and other goods, foreign students contributed [\\$28.4bn](#) to the US economy in 2020. That compares with \$40.5bn generated in 2018. But the figure is still on par with some traditional industries. Soyabean exports, for example, were worth just [\\$25.5bn in 2020](#).



Foreign students not only provide colleges with cash injections. They do so without adding to vitriolic debate over a growing student debt crisis. Total US student loan debt stood [at \\$1.57tn](#) at the end of last year. Pressure to address the issue prompted president Joe Biden to announce the [cancellation of billions of dollars](#) of federal student loans last week.

China is by far the single biggest source of overseas students for American universities. They account for more than a third of the total. But in the first half of 2022, the US issued just 31,055 F-1 visas to mainland Chinese students, compared to 64,261 for the same period in 2019, [according to data](#) from the US state department.

Travel restrictions in China, combined with rising geopolitical tensions between Washington and Beijing, could be giving some Chinese students second thoughts about studying in the US.

The Lex team is interested in hearing more from readers. Please tell us what you

think of US colleges' financial dependence on foreign students in the comments section below.

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