International Students and the US Talent Pipeline

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International students remain an important strength of US higher education and the skilled workforce pipeline, but declining new and graduate enrollment and growing global competition raise concerns about whether the US can continue to attract global talent. This Backgrounder explains trends in international student enrollment and the stakes for US businesses, particularly for STEM graduates.

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- US international student enrollment remains historically high, but the pipeline has weakened. The US hosted a record 1.18 million international students in 2024–25, even as new enrollment fell 7% and graduate enrollment declined nearly 3%. For 2025-2026, new enrollment fell 17% and graduate enrollment declined 12%.
- In a booming global market, global competition for students is expanding: enrollment among traditional peers (the UK, Canada, Australia) is slowing, while Europe, Asia, and Gulf hubs offer international students more alternatives. The US has not captured a proportionate share of a growing global market.
- Optional Practical Training (OPT) provides an important pipeline for STEM graduates into the US workforce, with high rates of recent doctoral degree holders staying in the US.
- International students contribute significantly both to university finances and to the talent pipeline, raising longer-term concerns about what weaker international enrollment could mean both for universities and for the supply of highly skilled workers in the US.

The US' Place in International Education

For decades, the United States has benefited from a combination few other countries could match: a large and diverse higher education system, many of the world's leading research universities, strong connections between universities and employers, and opportunities for international graduates to gain work experience and, in many cases, build longer-term careers. These advantages helped make the US the leading destination for internationally mobile students and positioned its universities as an important gateway for global talent.

The US international student population remains large. Colleges and universities hosted 1,177,766 international students in 2024–25, 5% more than the prior year and above the prepandemic level. International students represented approximately 6% of US higher education enrollment; 59% of international students attended public institutions.[1]

Yet the aggregate number masks weakening at the front end of the pipeline. New international enrollment declined 7% in 2024–25 to 277,118 students, including a 15% decline among new graduate students. Total graduate enrollment declined nearly 3% to 488,481. At the same time, the number of graduates participating in OPT increased 21% to 294,253. The distinction matters because total enrollment includes international graduates who remain in the country through OPT. Strong OPT growth may be helping sustain the aggregate number even as fewer students enter US tertiary education.

The divergence became sharper in 2025-2026. A survey of 828 colleges and universities found that total international enrollment declined only 1%, but new international enrollment fell 17% and graduate enrollment declined 12%. More than half of responding institutions reported declines in new international enrollment.[2] The mix of students to the US has also changed. India is now the largest source country, with 363,019 students, followed by China with 265,919. Chinese enrollment lags earlier peaks.

Looking ahead to the new academic year

It is too early to state whether the trend will continue for 2026-2027; enrollment information will be reported in October. The most recent data for F-1 (student nonimmigrant) visas are from September 2025.[3] Still, that data reinforces concerns about the student pipeline. F-1 visa issuance between May and August 2025 fell about 36% from the comparable period in 2024, or roughly 97,000 fewer visas. Visa issuance is not equal to enrollment—students may already hold visas, defer admission, or ultimately choose not to enroll—but the decline preceded the sharp reduction in new enrollment reported for Fall 2025.[4]

Federal policy has changed significantly. Visa applicants face expanded screening and vetting, including review of social media accounts, while visa and entry restrictions affect nationals from a number of countries.[5] [6] The Department of Homeland Security finalized a rule replacing the longstanding "duration of status" framework for F visa holders and certain other nonimmigrants with fixed admission periods.[7] Overall, these policies may affect how prospective students view the attractiveness of studying in the US, but they do not fully explain the competitive trend.

A Shifting Global Market for International Students

The international education market has grown dramatically. The number of students pursuing higher education outside their home countries increased from approximately 2.1 million in 2000 to nearly 7.3 million in 2023. [8] The US has continued to attract large numbers of these students but has not captured the same proportion of global growth. Its share of the global market fell from approximately 20% in 2013–14 to 16% in 2023–24.[9] The US is simultaneously enrolling a historically large (though potentially declining) number of international students while also losing share in a much larger global market.

The recent data do not show a simple movement of students from the US to traditional English-speaking competitors. The United Kingdom, Canada, and Australia have all experienced weaker international student flows or adopted policies to constrain growth, suggesting that these countries face many of the same pressures affecting international education in the US.

- The **United Kingdom** granted 409,954 sponsored study visas in the year ending March 2026, 37% below the 2023 peak.[10] The government has tightened rules affecting international students, including restrictions on most students bringing dependents. More recent data point to continued declines: student visa applications to July 2026 fell 11% from the prior year, which could intensify financial pressures on universities as international tuition has become an important source of institutional revenue.[11]
- **Canada**, after particularly rapid growth earlier in the decade, is deliberately reducing new student inflows. The government expects to issue up to 408,000 study permits in 2026, including 155,000 for new arrivals—16% below 2024.[12] Canadian officials have linked the restrictions to pressures on housing and public services, concerns about program quality, and broader efforts to reduce temporary migration.[13]
- **Australia** similarly reported approximately 681,000 international students through May 2026, down 6.9% from the comparable period in 2025, although trends differ across higher education, vocational education, and English-language programs. [14]

At the same time, several other destinations continue to expand:

- **Germany** hosted approximately 402,000 international students and doctoral candidates in 2024–25 and an estimated 420,000 in 2025–26. Some German universities have also expanded English-language degree programs, reducing a traditional barrier for internationally mobile students. [15]
- **France** enrolled approximately 443,500 foreign students in 2024–25, up 17% over five years; foreign students now represent about 15% of higher education enrollment. [16]

Growth has been particularly strong in parts of Asia:

- **Japan** hosted 408,069 international students as of May 2025, 21% more than a year earlier and a record total.[17] **South Korea's** foreign student population increased from 153,695 in 2020 to 253,434 in 2025, an increase of roughly 65%. [18]
- **China** remains an important regional destination, particularly in science, engineering, and medicine, although enrollment remains below its pre-pandemic peak and national data are not directly comparable with US figures.[19] This adds to the range of alternatives available to international students, particularly in Asia, but current evidence does not show that China is directly drawing students away from US institutions.
- **India presents a unique competitive dynamic.** It remains a relatively small destination for international students but is now the largest source of international students in the US. At the same time, India is rapidly expanding and internationalizing its own higher education system: total enrollment increased 31.5% between 2014–15 and 2023–24, while more than 500 universities or university-level institutions were added.[20] India has also opened the country to foreign university campuses, including the University of Southampton (UK) and, beginning this year, Illinois Tech in Mumbai, which will offer degrees in computer science, engineering, and business. These developments do not yet demonstrate that Indian students are choosing domestic programs instead of US universities, but stronger universities and access to foreign degrees within India could reduce the incentive for some students to study abroad over time.[21]
- The **United Arab Emirates and Qatar** illustrate a model built largely around international branch campuses. Dubai's international enrollment increased 29% in 2024–25, and the UAE has set a goal for international students to account for half of private higher education enrollment by 2033.[22] Qatar's Education City includes branches of several important US institutions, including Weill Cornell Medicine. Students at these campuses receive an American-affiliated education, but without physically entering the US university, research, and employment ecosystem.[23]

These trends suggest that competition for international students is becoming more diffuse. The United States is not simply competing with Canada, Britain, and Australia for a fixed pool of students; it faces expanding university systems in Europe and Asia, new regional education hubs, and improving higher education options within major source countries. Students also weigh more than university reputation. Tuition and living costs, housing, visa processes, safety, opportunities to work while studying, and post-graduation employment pathways are also important elements of competitiveness.[24]

Recent US visa and immigration policies may add uncertainty for students making decisions today, but the competitive challenge is broader and predates those changes. As international education has expanded, students have gained more credible alternatives, and governments increasingly view

universities as part of national strategies to attract talent, strengthen research, and support economic growth.

Universities, the Economy, and the Competition for Talent

International students matter first to the institutions that educate them, but their economic effects extend well beyond university campuses. International students contributed an estimated $42.9 billion to the US economy and supported approximately 355,700 jobs in 2024–25. Their spending includes tuition and fees as well as housing, food, transportation, retail, and other purchases in communities surrounding colleges and universities.[25] Research universities with large international graduate populations represent the bulk of the contributions to the economy.

Indiana University Bloomington illustrates the scale of international participation in graduate education at a major public research university. There 2,745 international students accounted for 27% of graduate and professional enrollment in 2025 and more than half of the campus's international student population.[26] IU Bloomington's International Affairs Committee reports that recent declines in international enrollment have been more pronounced among graduate students, citing both the US environment and increased investment in higher education by competing countries.[27] This affects not only tuition revenue but also graduate researchers, teaching assistants, and other students who support university teaching and research.

MIT provides a related example of the connection between graduate enrollment and research capacity. President Sally Kornbluth reported that, compared with 2024, new graduate enrollment was down close to 20% in most departments, as faculty grew more cautious about admitting students amid uncertainty over Federal research funding.[28] The figure is not specific to international students, but it illustrates the broader relationship between graduate enrollment and the research enterprise. At research-intensive institutions, fewer graduate students can mean a smaller research workforce and, over time, a weaker pipeline of highly trained talent.

Further, international students are concentrated in fields central to innovation and high-skilled employment. In 2024–25, 57% of international students studied in STEM fields, including 26% in mathematics and computer science and 18% in engineering.[29] This trend is even more pronounced among advanced research degrees. Temporary visa holders earned 61% of US research doctorates in computer and information sciences, 54% in engineering, and 51% in mathematics and statistics in 2024.[30]

Business Implications

OPT provides an important bridge between education and employment. Nearly 294,000 international graduates participated in OPT in 2024–25.[31] Students on F-1 visas can generally hold up to 12 months of employment related to their studies, while eligible STEM graduates may work for an additional 24 months. Federal data do not provide a comprehensive measure of industry reliance on OPT, making it difficult to quantify precisely which industries are most dependent on the program. But the concentration of international students in computer science, engineering, physical and life sciences, and other technical fields demonstrates how OPT is particularly relevant to employers seeking advanced technical talent.

Many highly educated international graduates also remain in the US after completing their degrees. Among temporary visa holders who earned US science and engineering doctorates from 2017 through 2019, 73% were still residing here approximately five years later, including 83% of doctorate recipients from China and 86% of those from India.[32] In this sense, international higher education functions as an important form of talent recruitment: students receive US training, participate in research, build professional networks, and often gain US work experience before entering the longer-term workforce. Continued growth in OPT can therefore help sustain aggregate international student numbers even when fewer new students are entering US institutions.

The same dynamic can benefit competing destinations when internationally mobile students choose to study and begin their careers elsewhere. Students educated in Germany, France, Japan, South Korea, or other growing destinations develop relationships with universities, researchers, and employers in those countries, which can then seek to retain them after graduation. A decline in new US international enrollment would therefore not immediately reduce the supply of skilled workers, but smaller entering cohorts could translate several years later into fewer graduate students, researchers, and US-trained workers, making international enrollment a leading indicator of the future high-skilled workforce pipeline.

For employers, the principal concern is how declines in enrollment now may impact recruitment several years later. OPT provides a bridge from US education into the labor market, particularly in STEM fields, while high stay rates among international science and engineering doctorate recipients show that many remain in the country beyond graduation. However, the Department of Homeland Security has announced plans for a separate regulation governing practical training, with a proposed rule is currently scheduled for 2027.[33]

The importance of business-education partnerships

With continued declines in enrollment, the workforce effect would emerge in full only later, as smaller entering cohorts could mean fewer graduate students, researchers, and US-trained workers. Employers and universities thus have a shared interest: Universities help attract and train international talent before those individuals enter the labor market; businesses benefit from recruiting graduates who have already been educated, conducted research, and built professional networks here. If, however, more globally mobile students instead study and begin their careers in other countries, competing economies may capture more of those benefits.

The new academic year will provide an important test of whether recent declines represent a temporary disruption or a more persistent change in the attractiveness of the US to international students. Higher education and business leaders should pay particular attention to new international and graduate enrollment, STEM enrollment, F-1 visa issuance, trends among major source countries including India and China, and participation in OPT. The stakes are large; whether the United States will be able to continue to use the strength of its higher education system to attract, train, and retain the global talent US research institutions and businesses need.

Endnotes

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