

Public Abstract

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Title:AN ANALYSIS OF THE TUITION PRICE ELASTICITY OF INTERNATIONAL UNDERGRADUATES AT FOUR-YEAR INSTITUTIONS IN THE UNITED STATES

In current higher education literature, there is limited research on international undergraduate students' demand and how do tuition changes affect their enrollment in U.S. institutions. Available prior research, either qualitative or quantitative, tend to use small groups of international students enrolled in one or several institutions as research samples, or focus on understanding student's general enrollment behavior by including cost of attendance as one of the many factors. There is a strong need to use a quality large-scale national representative data set to examine the specific relationship between international undergraduate enrollment and tuition changes in U. S. higher education institutions.

The findings of this study suggest international undergraduate students are generally inelastic to the changes of tuition and fees during the last two decades (1991-2010), but tend to become less inelastic in recent years (2005-2010). However, this general inelastic relationship between international undergraduate enrollment and tuition and fees can vary significantly across different institution types.

The results of this study have significance to both student demand theory and higher education institutional policy-making. On the one hand, this study implies student demand theory based upon domestic students provides an irreplaceable foundation for understanding the enrollment behavior of international students at U.S. institutions but need more in-depth development to better apply to international undergraduate student group. On the other hand, this study implies tuition increase can be used strategically by some institutions to improve their revenue situation in a short run but need to take cautions not to slowly overprice themselves out of the market and lose the expected benefits of hosting international undergraduate students.