



Education Overseas An Evolving Journey

Foreword

A new day is dawning for Indian students and their families, and Western Union is here to help.

This whitepaper, 'Education Overseas, an Evolving Journey,' examines some of the social and economic forces that have led to a dramatic increase in the number of Indian students pursuing their higher education overseas. With education being one of the leading reasons people everywhere send money across borders, and on the occasion of Western Union launching outbound overseas money-transfer services from India, the timing for a closer look at this trend couldn't be better.



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Head of Middle East and Asia Pacific,
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Our research bore out some interesting insights. Students no longer list 'expanded job opportunities' as their highest priority when opting to study overseas; they now are looking primarily to assert their personal independence and gain exposure to other cultures. Top-tier and Ivy League colleges are still high on some students' wish lists, but many others are content to choose lesser-known schools that offer a good quality of experience as well as respected curricula. And while the United Kingdom, Canada, and the United States remain top destinations for study, many students now opt for other spots such as Australia, Italy, and Sweden.

What hasn't changed are the monetary barriers students and their families face as they try to pursue these global opportunities. Managing and arranging funds for travel, living expenses, and courses remains a major roadblock. Whether using grant money, bank or personal loans, or personal savings or investments, parents and students feel the need to do everything they can to stretch their education spending as far as it can go.

Last but not the least, are the worries students and parents have about living so far apart. Predictably, parents expressed concerns about kids living independently and managing their expenses, cooking, learning and earning at the same time, as well as safety. The ability to stay in as close touch as possible, offering timely help when needed, is a concern every parent shares as their children make their way in the world.

Western Union has been a trusted partner to Indian families for decades, helping them to send and receive money to and from almost every part of the globe. By offering the same convenience, reliability, security, and speed for outbound money transfers we hope to become a trusted partner for Indians funding their loved ones' education overseas. Families considering education overseas—perhaps for the first time—face more opportunities, choices, and questions than ever. It is our hope that the issues and answers explored in this research can help Indian families add more perspective in their decisions related to overseas education.

Foreword

The COVID-19 pandemic has proven to be a point of disruption for many sectors and education is no exception. While remote and hybrid learning have become the norm in most educational institutions, patterns of change in global education still remain to be discerned. Not only have restrictions on travel over the pandemic affected the plans of many students for global education, changing government attitudes to foreign students in some key markets have also affected the demand for global education.

In the midst of significant change, demand for global education amongst Indian families remains strong. This report sheds important light on the changing preferences of young Indian students and their aspirations for growth and global perspectives.

While the preferred destinations for foreign study remain the Anglophone nations of the UK, the US, Canada and Australia, it is interesting to note that Indian students are now flocking in significant numbers to new countries including European nations such as Germany, France and Spain. This reflects a growing maturity among Indian students who are recognizing the importance of globalization and the need to have global perspectives and knowledge of international languages.

I have spent more than two decades on the faculty of INSEAD in France and I know from first-hand experience that non-Anglophone countries can add important new perspectives and a multitude of new cultural experiences for Indian students. European educational institutions are actively seeking to attract Indian students with language training and the launch of new English-dominant programs. It is becoming easier for Indian students to pursue educational opportunities in different European nations. These nations also provide high quality education at more affordable prices, that can prove to be an important incentive for Indian families.

One of the important and novel findings of the report is that nearly half (45%) of the student respondents prioritize 'self-dependence' and opportunities to 'live life on their own terms' as key motivations to explore international learning opportunities. This is a distinguishing feature of current Gen-Z students who are seeking opportunities for growth through international education experiences. This has important implications for Indian families and educational institutions both at home and abroad. Indian parents have to move away from the time-honored dedicated focus on academic performance. Indian schools have to diversify their curriculum and provide a holistic perspective to better prepare their students for success in global education. And international institutions need to recognize that incoming Indian students have broader aspirations than the stereotypical focus on grades and academic subjects.



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Nearly three decades ago, I made one of the most important decisions of my life – to choose to go to Berkeley for my graduate studies. Not only did I benefit from an excellent education which has defined my career but I also met my future wife (who is Spanish) there and she has brought great happiness and a whole new cultural dimension into my life. Living and studying abroad can be certainly one of the most important experiences in the lives of young students. Living abroad not only allows you to have new experiences, but also more importantly, allows you to discover yourself. Overseas education can be seen as valuable for both gaining a new education and for developing a well-balanced and rounded personality. Hence the attractiveness of global education for Indian students and their families will continue to grow. In such a context having appropriate services for both the financial support and emotional preparedness for living abroad is important.

EXECUTIVE SUMMARY

For some time, students in India have been drawn to opportunities to experience an international education. There are various reasons for this aspiration, some of which could include aspects like an opportunity to learn from various cultures, receive quality education, gain international exposure, and improve employability.

While this was already a discernible trend, the COVID-19 pandemic has sent Gen Z on a particular quest for individualism. There has been a considerable shift in perspective of how students and parents are now viewing options for an education overseas. To that end, Western Union commissioned research from NielsenIQ to explore the journey Indian families go through together in pursuit of international education and a global future for their children. The study maps the societal expectations and cultural nuances that affect this decision-making process and unique insights and related trends.

One of the key learnings is that nearly half (45%) of the student respondents prioritize 'self-dependence' and opportunities to 'live life on their own terms' as key motivations to explore international learning opportunities. However, several bottlenecks must be addressed to facilitate and achieve the intended goal.

India is generally viewed as the world's top remittance-receiving nation, but today citizens and residents are increasingly sending money out, across borders, as they participate in the global economy - accessing international education, medical services, travel, and other services. The market for outbound remittance is, smaller, estimated at USD [12.7 billion for FY 2020-21](#), but outward remittances by [resident Indians have risen 39%](#) in July 2021 compared to October 2020, with a notable uptick in outflows for education purposes.



Highlights

Per the findings from the study, international education has been going through a rapidly changing landscape, with evolving priorities, key barriers, and emerging trends that impact the decision-making process of students planning to study overseas. The report has also shed light on some of the paradoxes, points of difference, and cultural tensions in such families. It maps and discovers the journey Indian families go through to pursue a global future via an international education – especially the process of selection, emotional and mental course, financial provision and other similar motivators and detractors.

There has been a considerable shift in perspectives of how students and parents are now viewing options for an education overseas. Per data available from the Ministry of External Affairs (MEA), students from over 70,000 families went overseas to study in the first two months of 2021, undeterred by the pandemic. A majority of the students cited overall personal development as the most significant driver triggering their decision to study overseas. They believe that being in a foreign country empowers them to exercise their independence and live life on their own terms. This was followed closely by ‘cultural exploration’ and ‘international exposure’ driving their decision-making process. On the other hand, ‘access to increased job opportunities’ and ‘quality of life post-global education’, which have been the more popular reasons cited until very recently, are now falling off the priority list or are now much lower down the consideration set.

The report has been able to highlight some very interesting trends, showcasing the evolving priorities for Gen Z.

In terms of country of choice, while Indian students have typically opted to study in the U.S., the UK, Canada, and Australia – all of which remain in the top four destinations – students are also choosing newer, alternatives such as Germany, Italy, Ireland, Turkey, Russia, and China – all of which have seen a significant rise as preferred study destinations.

Another surprising trend was that students intending to study abroad now prefer specialized courses (52%) over the reputation of a university when making a choice. They seek courses that are niche but slowly gaining importance, often looking beyond Ivy League Universities that are unable to offer these courses. As it relates to obstacles, qualifying exams remain a big barrier for students (64%), leading to students opting to study in countries/universities that do not have entrance exams or mandatory English proficiency tests. Money-related concerns, particularly budgeting and financial planning, are also key barriers expressed by both students and parents, playing a key deciding factor in the entire process.

As students explore newer avenues for education, it's important to ensure that students continue to remain financially supported and connected at all times. Western Union offers the convenience of digital remittances to people sending money out of India so that the dream to study overseas can become a reality. Western Union has been operating in India since 1993 and has a history of creating one of the largest money movement networks covering the first and last mile in India. With its outbound digital remittance services, Western Union aims to work together with the regulator and authorities to simplify the processes and ensure the journey of Indian families is seamless when it comes to supporting their loved ones overseas.

Introduction

An aspiration to study overseas to have a better future has always been there among students. International education is one part, but students nowadays are looking at a 360-degree experience involving other important aspects like a quality education, international exposure, an opportunity to learn from various cultures and expanded choices for employment.

One of the key factors that is linked to international education is financing it and finding the right avenues to do so. Remittances are one of the most powerful forces in global economic development today and, in many countries, represent a large portion of GDP. Apart from providing for basic needs, remittances serve as an engine for development by generating income and jobs, in some cases transforming economies and ultimately whole societies.

Per a World Bank report, India received over USD 83 billion in 2020, down just 0.2 percent as compared to the previous year. The market for outbound remittance is, however, smaller at an estimated level of USD [12.7 billion, as of March 2021](#). There has been a steady growth in outward remittance under the Liberalized Remittance Scheme (LRS) route over the last few years with volumes going up from as little as USD 1.33 billion in 2014-15 to USD 13.79 billion in FY 2018-19 and touching a high of USD 18.76 billion in FY 2019-20.

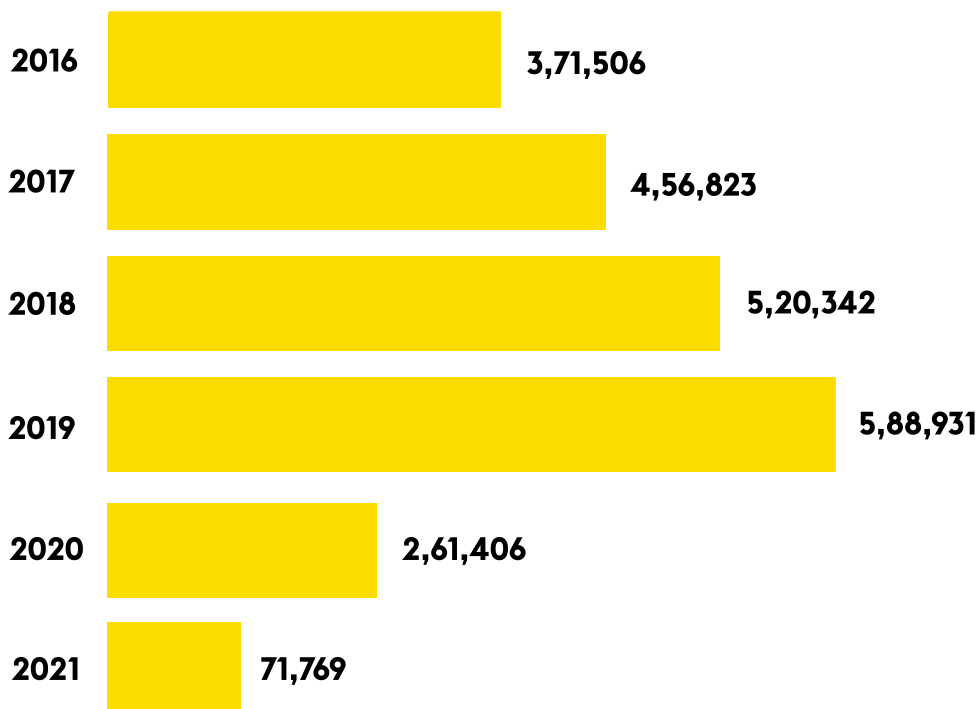


Therefore, to understand the role of outbound money transfer services in the **overseas education** market, Western Union carried out a detailed study to understand the **journey and thought process** of various stakeholders and the **psychological, sociological, and financial factors** that act as drivers or barriers in the decision-making process. Additionally, the study helps to gauge the needs, **expectations, priorities, challenges, concerns, and experiences** of the families in their child's international education experiences. In these unprecedented times, especially for children who have worked hard to ensure their dreams can be turned into reality, Western Union aims to ensure the journey can be made smoother by offering reliable and convenient means for outbound money transfers.

Impact of COVID-19 on international education

10 years ago, approximately 60,000 Indian students were pursuing their education internationally. As of January 2021, there were more than 10.9 lakh Indian students studying in 85 countries across the globe, as per the data accessed from MEA.

Number of Indian students studying overseas over the years:



Upto Feb 28, 2021

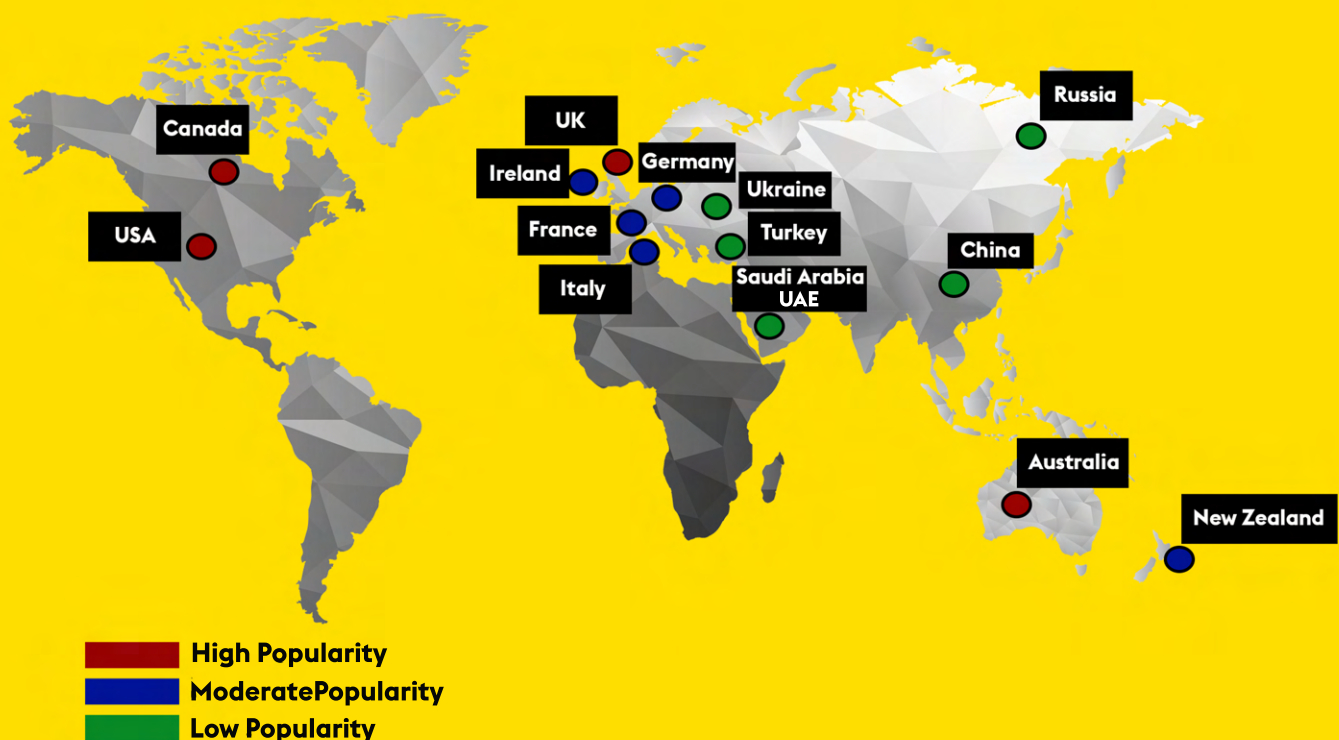
We all know the reason. Due to the pandemic, universities across the globe had to shut down. All educational institutions had to shift from in-person classes to virtual sessions to ensure student safety. The situation worsened when travel bans were issued by a majority of countries post lockdown. While new visa applications were getting rejected or were put on hold, many students had to stay back without even getting a chance to return to their home country.

This, to a greater extent, affected students and made many reconsider studying overseas. The repercussions of the COVID-19 pandemic will continue to produce pronounced changes for Indian students studying overseas.

That said, the pandemic has brought in a change in how we look at the choices that we want to make with our lives and especially the choices of students in India. Their preference for shortlisting a country is based on its performance and how it has reacted towards the prevalence of COVID-19. Countries that have performed better – namely New Zealand, Germany and Australia, have had an upper hand over others. This is indeed one of the major factors apart from others like employability, exposure and career prospects.

In the post-pandemic world, this demand for international talent is only going to rise with time, especially in developed countries like the UK, the U.S., Australia, Ireland, and New Zealand. Thus, in the years to come, the graph will only go upwards because new international talent and fresh minds have not been able to travel to the country since the onset of the pandemic.

Top 10 Study Overseas Destinations



Aspirations for borderless possibilities have been prevalent among the Indian population for a long time, and the consistency has been maintained for so long that it is next to impossible for them to be overlooked or overshadowed because of a pandemic. While short-term goals might deviate a little, the long-term goals of travelling and settling down internationally will remain, irrespective of a pandemic. The reasons to move overseas might vary or expand but the overall goal will always remain strong.

As per this [October 2020 report's findings](#), it has been observed that only 3.9% of prospective students plan to cancel their study plans in response to the COVID-19 outbreak. Apart from this, a major chunk of about 53% of prospective students will still expect to travel to a foreign land to pursue international education and would be more inclined towards taking in-person sessions to have a better learning experience as well as meet world-renowned faculty at the campus itself.

A. Emerging Trends

A few interesting trends have emerged with respect to global education:

- 1** Experience over materialistic goals
- 2** Travelling to different destinations has created a different paradigm for the students
- 3** Exposure makes one more confident, encourages learning and growing
- 4** Better education and better mentors
- 5** Looking beyond Ivy League colleges and mainstream courses
- 6** Expanded access to opportunities





1. Experience over materialistic goals

While students do have a desire to fulfill their materialistic needs like buying a car, house, and yearly vacations, they largely focus on achieving a high quality of life. Among 241 student respondents, 62% value quality of life and learning new skills as a key motivating factor when deciding to study overseas. Students want to go overseas to get better exposure, interact with different people and learn about the different cultures in the process. Additionally, expanded job opportunities, enriched lifestyles and better infrastructure facilities are amongst some other reasons for students to pursue an international education.

The report noted that learning new skills stood at rank 1 when talking about the dreams of students, which is followed by financially supporting parents/staying mentally and physically fit (rank 3), travelling and exploring (rank 6), and experiencing a new culture (rank 8). Overall, the goals centred around personal growth and experiences took precedence over materialistic goals such as buying a house or car.

2. Travelling to different destinations has created a different paradigm for the students

Learning + earning was noted as the top short-term benefit by the student, while intenders deem personal development to be the key benefit. Among 241 student respondents, 73% of the student intenders believed that personal development was the key short-term benefit to studying overseas, while 60% of the students currently studying overseas expressed learning and earning as the top short-term benefit when studying overseas.

3. Exposure makes one more confident, encourages learning and growing

Respondents infer that growing at a personal level is as important as excelling academically. Overseas education is also seen as a preparatory school for developing a well-balanced and rounded personality. On the other hand, it also makes parents happy that their kids have become more responsible, and the students take pride in becoming more independent and mature.

4. Better education and better mentors

The study finds that students are leaning towards more practical factors when it comes to studying overseas, with a continued trend toward career focus, better syllabus, and opportunities for work visas in the country of study. Nearly 9 in every 10 students surveyed believed that global education will help them develop new skills, gather practical knowledge, and also offer better courses in the choice of their field.

5. Looking beyond Ivy League colleges and mainstream courses

The study finds that for more than half of the prospective students, the ranking and reputation of the universities is dropping in the importance of consideration while choosing.

Among 241 student respondents, students intending to study overseas valued specialized courses (52%) more than the students currently studying overseas (40%). Furthermore, better methods of teaching gain the highest precedence – 70%, whereas only 44% of the students consider the reputation of the university as a key factor while selecting the university. University rankings are decreasing in influence when it comes to the selection process for where to study overseas.

6. Expanded access to opportunities

Additionally, making university decisions based on company placements and prospective job opportunities was also increasingly prioritized by students. Post-graduation work opportunities are increasingly important to students who are looking to study overseas.



B. Triggers With Reference To Global Education



1. Personal development

Students believe that being in a foreign country forces them to exercise their independence and act based on their value systems. Having the freedom to be yourself is a driving force for students looking to study overseas. Among 241 student respondents, 45% prioritized being self-dependent and living life on their own terms as a key reason to study and look at opportunities overseas.

2. Cultural exploration and international exposure

Among 241 student respondents, travel and culture ranked high (rank 2 i.e., 43%) on the list of key triggers for students choosing a foreign education; a higher priority than better job opportunities (rank 3 i.e., 40%) and a quality education (rank 5 i.e., 37%).

3. Expanded job opportunities

Employability and employment outcomes were some of the significant considerations among the student respondents. Given the vast population, Indian youth face higher competition for the limited job opportunities available. The study revealed that students perceived a better chance of securing their preferred employment options overseas.

4. Availability of off-beat courses

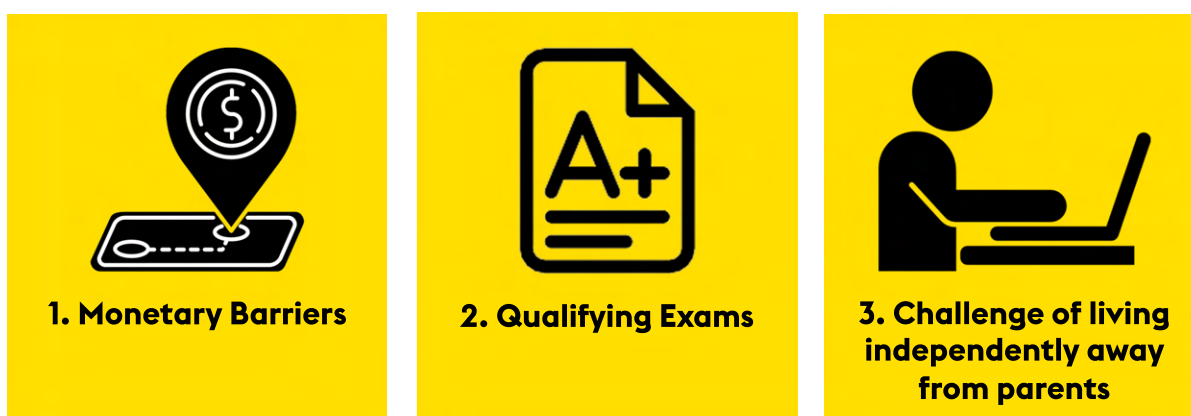
Availability of off-beat courses like marine engineering, ecotechnology, and game design and development is another exciting reason for many Indian students moving overseas for higher studies. These courses are not as popular in India and hence also one of the many factors pushing the students to move to a foreign country.

Additionally, professional courses like automation, AI & ML, Data Science Robotics, are also growing increasingly popular. With the prevalence of the pandemic, technology and digital transformation have become an important aspect of organizational growth and employers are on the lookout for such skillsets.

5. Safety

For Indian parents, safety concerns are a key criteria when it comes to choosing a country for overseas study. For instance, New Zealand is one of the safest countries to reside in and has a very low crime rate. Canada is another country with a very sound education system and it also falls under the “safe country” category list. The country welcomes many Indian students. Ireland is another country that’s recently come up on the bucket list of all students who want to go for their higher education. It is known for its highly ranked universities, friendly communities, and beautiful and scenic locations.

C. Barriers With Reference To Global Education



1. Monetary barriers

After students decide that they want to study overseas, managing and arranging funds for their travel and courses becomes a major roadblock in their journey. The survey notes that money is a key concern for students, closely followed by implications of COVID-19 and qualifying exams. Among 241 student respondents, 54% identified the financial barrier as a topmost concern when opting for an education overseas. Personal savings and investments (FD, MF, insurance) stand as the most likely resource parents will tap into to fund the experience.

Parents/grandparents also opt to arrange incremental funds through family, like interest-free loans or bank loans. However, bank loans are less preferred (especially for Masters) as parents fear that they will not be able to repay the loan. Among 807 respondents, the majority (83%) were looking to fund their studies through a loan which includes an education loan from banks and financial institutions, soft loans from friends and family, or a loan against property.

2. Qualifying exams

Qualifying exams such as SAT, GMAT, and other language tests like IELTS and TOFEL are considered as a top barrier by students when preparing for international studies. Among 807 respondents, 64% mentioned the qualifying exam as a top barrier while pursuing foreign education, followed by the availability of the right course, country-related restrictions, and budget.

The study also highlighted that students who prefer MBA courses try to avoid qualifying exams as much as possible, hence, places like the UK, Europe, and Canada become more attractive destinations for them. Some students in North India and those with lower proficiency levels of English also look for places/universities where English language tests are not mandatory – Italy, Spain, Germany, etc.

3. Challenge of living independently away from parents

Students said that before moving overseas they must mentally prepare themselves to better adapt to unique living conditions including mixed accommodations, self-help culture, cooking, and also budgeting of finances. Parents, too, expressed similar concerns, with kids living independently and managing expenses, cooking, learning and earning at the same time, safety, etc.

D. Role Of Social Media, Websites In Providing Information Related To Global Education

Among 241 student respondents, 80% of students rely on social media and online resources while choosing the country and university where they want to study. Also, over the past year, digital platforms and online resources have reduced the dependency on education consultants and experts, figuring in the decision-making process of only 46% of respondents.





Conclusion

Through this research, Western Union aims to understand students' goals and aspirations as they navigate this journey with their families. Western Union has operated in India for nearly three decades now and can humbly say that it is part of the fabric of the country. With this study, it aims to be a part of every young Indian student's journey as they explore global learning opportunities in a 'borderless' world. As normalcy approaches and travel begins, students now have instant support from Western Union's global financial network across 200+ countries and territories. Given that students are exploring newer avenues for education, Western Union can make sure they continue to remain financially supported and connected at all times.