

Planning to study abroad? Here's a quick take on countries, costs, test scores, loans et al.



Synopsis

The rise in the number of students looking to study abroad has resulted in an industry that provides test prep, admission assistance, financing, career counselling, and more. But why are more students looking beyond India, what are the expenses involved, how can they finance their overseas education, and what are the pitfalls to avoid?

Around 1.3 million Indian students are studying abroad as of 2022, data from the Ministry of External Affairs shows. These students are spread across 79 countries, of which the top six destinations — the US, Canada, the UAE, Australia, Saudi Arabia, and the UK — account for about 78% of this group.

Earlier estimates of Indian students going abroad annually were around 500,000. According to Ayush Bansal, co-founder and CEO of career-counselling startup iDream Career, the number is expected to reach 1.8 million in the next couple of years.

These trends have given rise to a study-abroad industry that provides test prep, admission assistance, financing, career counselling, and more. But several questions arise in this context — from why more students are looking beyond India, to the expenses involved, and how they can finance their overseas

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What is fuelling the rise in student numbers?

With the uncertainties that students faced around travel and visa during the pandemic, there is a latent demand still being fulfilled because of delayed admissions. Besides, more students are applying to more countries. Student-friendly policies of some countries and easier access to financing are encouraging more to dream of studying abroad.

“Policy overhaul is also contributing to the increase in the number of Indian students seeking admission to foreign universities in countries like the US and Canada,” says Adarsh Khandelwal, co-founder and CEO of study-abroad test-prep platform Collegify. “Apart from schemes such as an extended visa on STEM courses, a large number of colleges have done away with standardised tests such as GMAT, GRE, and SAT or made them optional, which is also motivating students to apply abroad.”

According to him, increasing digitisation and high demand for specialised skills in artificial intelligence, machine learning, digital marketing, business insights, and analytics are also driving demand for STEM and IT courses.

Why are costs rising?

Alongside, Khandelwal points out, costs are also on the rise. Amit Yadav, chief strategy officer and chief business officer - digital business, Avanse Financial Services, agrees. “Inflation has led to an increase in the cost of education,” he says.

According to industry experts, education inflation rises annually at 5%-7%. Moreover, the rupee’s depreciation against the US dollar has a significant impact on tuition fees, airfare, living costs, and ancillary expenses.

How can loans help?

According to estimates from Avanse, in FY22, the loan ticket size for studying in the US for a two-year postgraduation course was INR35 lakh-INR40 lakh, and INR20 lakh-INR25 lakh for destinations such as Canada, and the UK. “An education loan successfully bridges the gap created by education inflation and rupee depreciation between **study abroad** aspirants and quality education. Therefore, students must conduct thorough research to estimate the cost of education by considering several costs involved before applying for an education loan,” says Yadav.

As part of its evaluation process, Avanse checks for past academic performance, entrance-exam scores, alignment of the course with existing skills, the pedigree and ranking of the educational institution, and the co-borrowers’ financial background.

Are there any pitfalls to avoid?

Bansal warns about a key issue. “The majority of students [95%] still take the admission-agent route — the biased commission model. where students are

pushed to a select few universities that pay commission to agents. Unbiased study-abroad guidance is rare and offered by a handful of career counsellors in India," he says. There is a need for awareness on both these models and how admission agents put the university's interest first rather than that of the students, he adds.

How can you get to the top destinations?

Breaking down the areas of focus by country, Bansal says the US is the most favoured even though it has become expensive due to the rupee-dollar exchange rate.

The US: The reasons for the interest in the US include greater flexibility of programmes, the large number of colleges available, and opportunities for STEM careers, among others. At the undergraduate level, apart from the scores in standard tests like SAT and ACT (which have become optional for many universities), a student's profile, co-curricular record, and community work play a major role in a rather holistic admission process. There is a lot of emphasis on extracurricular achievements, volunteering, leadership activities, etc. For postgraduate programmes, 16 years of education and scores of standardized tests are required, apart from the student's profile, work experience, etc.

The UK: The popularity of this destination has increased because of the change in visa rules and a simpler visa process. It also allows students from India with a three-year degree to apply for a master's course and work for two years after getting the degree. The admission process is relatively simpler for undergraduate students, with only one form to be filled through the UCAS system with fewer requirements. Undergraduate admissions just need an IELTS score, not for SAT. UK admissions focus on deep academic excellence. Even if a student is adept at playing the violin or has good football skills, the admissions officer would be keen to know about their thoughts about the subject they choose to **study** and how their thinking has been shaped by what they have read, done, or written.

Canada: There is a common form for universities in the Ontario region called OUAC, which makes admissions simpler for some universities. Besides, only an IELTS score is needed. The other advantage is that Canada offers a three-year post-degree work visa, often leading to an easier path for permanent residency. The problem at the moment is the very high visa-denial rate and the time that it takes for getting a visa appointment. Moreover, Canada is not as generous with scholarships as the US and the UK.

Australia: the Australian government is investing AUD36.1 million in visa processing to support higher demand and reduce visa delays. Adarsh explains that Australia has seen a massive downtrend as it did not extend much support to international students.

What is the duration of the courses?

Graduates in the areas of verified skill shortages will see the following visa

durations increase, according to Bansal.

- From two years to four years for select bachelor's degrees
- From three years to five years for select master's degrees
- From four years to six years for select PhDs

These two-year extensions give qualifying student graduates more time to work in their field and to launch their careers.

What does the future hold?

There are many colleges and universities in India that provide best-in-class curriculum and others that are aiming for global excellence. But given the limited number of institutions, the huge demand, and the low gross enrolment numbers, what is clear is that there will be gaps to be filled. A bunch of learning programmes will be needed.

Khandelwal feels that blended learning, which is a mix of online and in-person classes, is emerging as a popular mode of instruction after the pandemic.

Changes proposed in the National Education Policy will enable more flexibility in higher education studies, with academic bank of credits, multiple entries and exit points, etc. In this context, studying abroad may soon involve not only a change of base for learning but also becoming part of a global ecosystem for study, irrespective of the location.

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