

**AUSTRALIAN UNIVERSITY *INTERNATIONAL* STUDENT  
FINANCES**

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**Abstract**

The omission of international students from the Australian Vice-Chancellor's Committee (AVCC) 2007 national study on student finances is indicative of a pattern of exclusion. The exclusion is unacceptable from a humane perspective and feeds belief that Australians perceive international students primarily as 'cash cows'. This study partially compensates by drawing on information derived from indepth interviews with 200 international students across nine Australian universities. The data casts light on the sources and adequacy of international student income and how these students cope with the financial risks of living and studying in a foreign land. It is revealed that significant numbers of international students experience serious financial difficulties. Thus, we argue that government regulators and university managers should put into practice their affirmed belief that Australian university students should be treated in a consistent and caring manner. Further, we suggest the AVCC should immediately commission a study to examine the financial circumstances of Australian university international students.

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# AUSTRALIAN UNIVERSITY *INTERNATIONAL* STUDENT FINANCES

*Actually the stipend which I have is enough for my living here but not for any saving,  
just enough for my survival here. Just enough for living.*

*(S4 female, 34, PhD, Sri Lanka)*

## INTRODUCTION

In February 2007 the Australian Vice-Chancellor's Committee (AVCC) reported the findings of a national study titled *Australian University Student Finances 2006*. The declared objective of the report was to clarify the "financial situation of Australian students" (AVCC 2007, p.7). Given the source, aim and title of the report a reader might reasonably assume it focussed on students who were enrolled at Australian universities. But this was only partially the case because international students who make up 25 per cent of students in Australian universities were excluded from the study. Why international students were not included in an examination of what is a fundamental welfare and security issue is not explained or justified in the study. What is clear, however, is their exclusion was not an oversight this having been made explicit in the survey instrument utilised to gather the data for the report which states: "This survey is only for domestic students, if you are an international student please do not complete the survey." (AVCC 2007a, p.1)

The exclusion of international students from the 2007 examination continues the AVCC's long-term practice, when analysing student finances, of assuming an "Australian university student" is a student studying in an Australian university who has permanent residency rather than a student studying in an Australian university. This is an unfortunate interpretation that sits very uncomfortably with the AVCC's *Provision of Education to International Students Code of Practice and Guidelines for Australian Universities*. The Code declares that the "AVCC believes it is essential for all Australian universities offering courses to .... adopt consistent and caring procedures in the recruitment, reception, education and welfare of international students." Indeed, this theme pervades the Code and constitutes an explicit rejection of the much repeated claim that Australian university managers view international students primarily as "cash cows", that is, as customers who are to be milked rather than students who are to be nurtured and assisted to realise their potential.

We believe the AVCC's avowed rejection of the notion that the international student is primarily a customer is to be applauded. However, we also believe that the AVCC's self-declared position is undermined seriously when university managers fail to include international students in studies that examine such fundamental issues as student financial wellbeing. Certainly, the exclusion of these students from research of this nature does not further the Code's requirement that Australia's universities: "Should ensure that academic programs, support services and learning environment offered to all international students encourage them to have a positive attitude about Australian education." (AVCC 2005, 4)

In this paper we partially compensate for the paucity of knowledge on international student finances in Australia by presenting information derived from in-depth, semi-structured interviews undertaken with 200 international students across nine Australian universities. The paper begins by reviewing the international and Australian literature on international student finances. This is done both because we accept empirical research needs to be grounded in the scholarly literature and because the situation in Australia appears to be indicative of the broader international context. Next, we draw on our interview data to cast light on the sources and adequacy of international student income and how these students cope with the financial risks of living and studying in a foreign land. Having shown significant numbers of international students experience financial difficulties, we argue that government regulators and university managers should progress beyond affirming that they believe Australian university students should be treated in a consistent and

caring manner and begin putting this notion into practice. At the very minimum, we suggest, the AVCC should immediately commission a study of international student finances comparable to the examination it supported in relation to Australian domestic students and it should also ensure all future studies of student finances include explicit consideration of the circumstances of Australian university international students.

### **The Student Finance Literature**

The international literature suggests financial difficulties are experienced by a large minority of international students and that finances are a common source of insecurity and distress within this community. Analysis of international student finances has not been supported by governments or by higher education managers in the US. However, the international student experience has been the subject of extensive doctoral research as a consequence of the fact that Directors of International Offices have been encouraged to gain professional doctorates by studying the adjustment problems of students in their own university. Unfortunately, only a small proportion of these studies have included student finances and little of the doctoral research that has been produced has generated publications (Church 1982; Si-Tayeb 1982; Ogunyieka 1983; Cadieux and Wehrly 1986; Barakat 1988; Al-Shehry 1989; Feizi 1990; Lin and Yi 1997; Cheng 1999; Mori 2000; Wang 2004; Dorough 2006; Dunn 2006). Nevertheless, the US dissertation research has generated a body of literature that reveals inadequate finances are among the issues of greatest concern to international students. Abu-Ein (1995), for example, examined the adjustment problems experienced by 416 international students at Texas Southern University and found finances to be the issue of greatest concern. This perspective is also supported by Xia (1991) and Cheng (1999) the former noting that Asian students not supported by scholarships experience greater difficulty than do US domestic students in the areas of admission selection, orientation services, English language, academic advising and record, social-personnel, living-dining, health services, and student activities.

As with the situation in the US, research on international student finances in the UK has not been supported by the governments or by university managers but the topic has attracted attention in a limited number of dissertations. Recently, however, UK research has begun to advance rapidly because of the efforts of the Council for International Education (UKCOSA). This is a charity that serves the interests of international students and those who work with them. In 2003 UKCOSA made an initial contribution by commissioning a review addressing the fact that much of the British research on international students' experiences remained unpublished. Titled *The Experiences of International Students in UK Higher Education*, the review examined what is often referred to as the 'grey' literature, that is, "theses and dissertations, unpublished conference papers, internal reports by individual universities and colleges, project reports to ESRC and other funders, and notices of research in progress" (Leonard et al 2003). The review revealed financial security was an issue of concern to many international students but a topic of interest to few researchers. Responding to this finding, in 2004 and 2006 UKCOSA produced two reports on international students' experience in the university and college sector and the further education sectors respectively. Both studies include a section on 'Finance and Hardship' and both report a little over three-quarters of international higher education students reported they had enough money to live in an acceptable manner while 23 per cent said they did not. Of the latter, those with dependents and research students were particularly prone to report hardship. Furthermore, those whose funding came from a mixture of self-funding and other sources were more likely to encounter hardship than were those who were fully self-funded or fully externally funded. The two primary reasons given for financial difficulties were a deficiency of pre-arrival knowledge on the cost of living/studying in the UK and exchange rate fluctuations, with budgeting also identified as a significant problem. Few international students were found to be insured against unexpected difficulties with only 35 per cent having taken out medical insurance and merely 25 percent possessing property insurance (UKCOSA 2004).

In 2006 UKCOSA extended its research efforts by cooperating with UNITE, a student housing firm, to produce the first large scale study that compares how domestic and international students

perceive their university experience (UNITE 2006). The study was undertaken across 20 UK universities and involved 1025 domestic and 375 international students. One interesting element of the UKCOSA-UNITE study is the map that it provides of international students' class origins. Utilising the National Readership Survey instrument, the study revealed the social class pattern for both UK domestic and international students was heavily skewed toward the affluent, as shown in Table 1. This is as one would expect but what is notable is that a large minority of international students are C1s, that is they come from the 'junior management and professional' sector and therefore are unlikely to be fully supported from home.

**Table 1: Domestic and International Students by Social Class**

Social Class	Domestic Unweighted (1075)	Domestic Weighted (1075)	International Unweighted (375)	International Weighted (375)
A	8	8	12	10
B	39	39	44	43
C1	37	37	38	40
C2	8	9	3	3
D	6	6	3	2
E	2	2	1	1
Refused/not stated	#	#	#	#

Source: Unite 2006

That international students do experience many of the financial problems that are common amongst UK domestic students is indicated by the fact that when asked what, if anything, is the worse aspect of university life 40 per cent replied "having little money/no regular income" while a smaller but significant percentage cited respectively being in debt (13 per cent), and needing to work and study at the same time (13 per cent) (Table 2 compares domestic and international student responses to this question). The Unite-UKCOSA researchers also noted 14 per cent of international students had dropped out or considered dropping out of universities (22 per cent for domestics) and of these at risk students nearly three in ten cited financial reasons as the primary cause for not continuing with their studies.

**Table 2: What, if anything, do you consider to be the worst aspect of university life? – Top mentions**

	Domestic %	International %
Having little money/no regular income	50	40
Miss my home/homesick	7	23
Adapting to new way of learning/studying	17	17
The amount of time spent studying	14	13
Needing to work and study at the same time	25	13
Being in debt	44	13
Juggling university work with other commitments	37	13
The academic work is very difficult	10	12
Problems with accommodation	6	11

Source: Unite-UKCOSA 2006

In Australasia there is a serious deficiency of literature that can cast light on the state of international student finances. In New Zealand, Ward and Masgoret (2004) found almost thirty per cent of internationals believe they have insufficient funds and 13 per cent report financial issues constitute the most difficult aspect of living in New Zealand. Consistent with the US and UK literature, Ward and Masgoret found 80 per cent of tertiary students are supported by parents, 15 per cent are self- or partially self-supported, 4 per cent have support from other family members, 3 per cent are on scholarships and less than 1 per cent have loans or financial support from their government or employer. Internationals studying in New Zealand whose finances are at risk, according to Butcher and McGrath (2004:547), are likely to include poor budgeters, gamblers and affected associates, immigration requirement circumventors, family dependents and those affected by altered family circumstances, and those facing unexpected needs, such as theft, accidents, fines, or tenancy requirements.

Knowledge of the state of international student finances in Australia is even less clear than it is in New Zealand. This is largely due to the fact that Australian research reflects the highly commercial manner in which Australia's governments and universities approach the supply of international education. The commercialism of Australia's suppliers, regulators and scholars is reflected in the unusually high number of Australian theses and publications that analyse international education and international student behaviour from a business perspective (Mazzarol 1997; Forde 2000; Poole 2000, Mazzarol and Souter 2001; Chen 2003; Arambewela 2003; Sherry 2004; Jiang 2005; Trestrail 2005; Thompson; Jones 2006). One important exception to this overly commercial approach to the study of international student finances is a 2006 examination of the health and wellbeing of 979 international students studying at Melbourne University. In the latter study the students were asked to indicate whether they believed they had adequate financial support and were also requested to identify the source of financial support. It was found that the majority (71.9 per cent) of students were not worried about their finances but 28.1 percent were concerned and that 10.3 per cent believe their financial support is "completely or nearly inadequate." Worrying about finances, the Melbourne researchers found, is positively and significantly related to students' levels of depression, anxiety and stress, with the association with depression being strongest. Respondents who were significantly more likely to consider their financial support adequate were those:

- enrolled in undergraduate courses;
- progressing as well as or better than expected academically;
- enrolled for a greater length of time;
- had completed a Foundations Studies program;
- came from an Asian country.

The Melbourne study also found that international students obtain financial support from a variety of sources and that most draw on more than one type of source. Family resources are the most common (84.6 per cent) source, 28 per cent depend on income from paid work, 20.4 per cent draw on their own and/or partner's savings and 9 per cent were found to be entirely dependent on their family.

Whether the Melbourne University study is indicative of the situation across Australia's universities is unknown though a 2005 survey of domestic and international first year students in nine universities indicated this might be the case. The latter study found that compared to Australian domestic students a far larger proportion of "international students indicate that their families are their main source of income, fewer report that money worries make it difficult to study and fewer are working part-time." (Krause et al 2005, 77) However, the study also reports that international students are more likely to feel pressured by financial commitments (40 per cent compared with 23 per cent).

The fact that Australian researchers have tended to embrace a commercial orientation when analysing the experience and status of international students partly explains why there is a paucity of knowledge regarding international student financial security in Australia. However, given the

AVCC has consistently chosen to exclude international students from the studies of Australian university student finances it has commissioned it is reasonable to conclude the vice chancellors must also accept some responsibility for the deficiency of knowledge. So too must Commonwealth and state government agencies that have initiated and funded studies of international student finances but failed to ensure the data gathered is of a form that can enable the state of international student finances and support services to be clarified adequately. This failing is manifest, not least, in the studies that governments have commissioned on the income sources and expenditures of international students (AIEF 1998; Smith et al 2000, 2002; Auditor General 2002; AEI 2003; Abbot and Ali 2005; UQSRC et al 2005). Interestingly, of these studies the more recent are the least informative if one wants to understand student financial wellbeing. The Commonwealth Government, in 1992 and 1997, commissioned studies that provided information on the income and expenditure of international students which enabled expenditures and income to be compared and a net situation determined. However, all subsequent studies have only gathered data that clarifies where international students spend their money and how much of their income they derive from Australia sources. As a consequence of this limited approach income and expenditure cannot be contrasted and hence it is very difficult to clarify the number and character of international student financial wellbeing and the numbers who are at risk of financial distress.

Given the lack of recent data, in what follows we both utilise published and previously unpublished information gathered for the 1997 *Survey of International Students Studying in Australia*. This survey reported that the discretionary income (total income minus compulsory fees) was \$368 per week and expenditures were \$307. This left the average international student with a weekly surplus of \$61 (plus or minus \$24) which could be saved for unexpected contingencies. This average, however, shaded a great deal of diversity. This was manifest in the published report which revealed sharp differences across regions and across county of origin. Table 3 presents data on the average discretionary income available to international students from a range of countries and contrasts this data against previously unpublished information on employment income and the percentage of international students who were waged and against the 1997 Henderson Poverty Line (HPL).

**Table 3: Average Weekly Discretionary Income by Country of Origin 1997**

Country	Discretionary Income	Wage Income	Discretionary income minus wage income	Percent Waged	Discretionary income minus poverty line \$237
Singapore	475	5	470	7.6	+\$238
Americas	404	16	388	16.9	+\$167
Hong Kong	364	5	359	8.4	+\$127
Japan	359	16	343	11.5	+\$122
Taiwan	347	7	340	9.0	+\$110
Indonesia	331	17	314	15.3	+\$94
India	322	56	266	40.9	+\$85
Malaysia	294	11	283	9.4	+\$57
Thailand	223	33	190	33.4	-\$14
Europe	258	26	232	20.8	+\$21
China	195	86	109	61.8	-\$42
Oceania	160	25	135	17.6	-\$77
South Korea	142	15	127	10.1	-\$95
Other	207	31	176	31.6	-\$30

Source: Adapted from 1997 Survey of International Students Studying in Australia and unpublished data that was collected as part of the 1997 survey. At the advice of the compilers of the HPL we use the 'head in workforce' category for comparison. HPL figures are income after tax, i.e. disposable income.

Table 3 reveals students' country of origin tends to have a significant impact on their financial wellbeing. In short, those from low income countries are likely to have the lowest income and the greatest need to generate an income within Australia. It also shows that in 1997 the discretionary

income of international students from a number of countries was well below the Henderson Poverty Line. Given the researchers who calculate this metric assume people have access to many free benefits not available to international students it is clear that if students from the poorer countries had not been able to gain paid employment a great many would have experienced very serious financial difficulty or would simply not have been able to study in Australia. Moreover, it is important to note that this situation has probably worsened since 1997 for the number of international higher education students from low income nations who study in Australia has grown disproportionately since that period. Chinese international students, that is, those who were the pre-wage students in the direst situation, for example, constituted only 3.3 per cent of the international student population in 1997 but by 2007 they were 27 per cent. The likelihood that the situation has not improved is furthered by the ever growing distance between the income international students must have to qualify for an Australian student visa and the Henderson Poverty Line (see Table 4 and Endnote<sup>1</sup>).

**Table 4: Visa Financial Requirements and the Henderson Poverty Line (HPL) in Relation to Family Size 2006**

Family size	Head in Workforce (HPL)	Living costs required for visa applications	Difference between HPL and visa requirement
Single	\$330.77	\$230.76	- \$100.10
Couple	\$442.48	\$311.54	- \$130.94
Couple + 1 child	\$531.89	\$357.69	- \$174.20
Couple + 2 Children	\$621.29	\$392.31	- \$228.98

Living costs per week required to be shown for each visa application in comparison with Henderson Poverty Line from March Quarter 2006. HPL figures are income after tax, i.e. disposable income.

The extent to which the visa requirements may convey to international students a misrepresentation of the cost of living in Australia is ameliorated by Commonwealth regulations which stipulate education providers “must not accept an overseas student for enrolment in a course unless the registered provider has given to the student an accurate representation of the local environment in which the registered provider is operating, including location of campuses and indicative costs of living.” However, an examination of the amounts university websites claim is required to live in the same city varies to such an extent it appears this provision is not being enforced by the relevant regulatory agency and that some universities may be misrepresenting the existing reality.

The data gathered for the 1997 survey was less than is needed to determine adequately the extent and character of the financial risk confronting Australian university international students. However, the survey permits greater insight than do all subsequent studies of international student finances which appear to have been designed on the assumption that international students are primarily customers rather than human beings whose wellbeing needs to be monitored and assured by service providers and regulators. In concluding this review of the international student finance literature three points deserve note. First, while most international students do not experience great financial hardship a very large minority do have difficulties and it is highly likely that in Australia this situation is becoming worse. Second, students who experience financial problems during their period of study do so because of a combination of factors that may include a lack of access to adequate resources, insufficient knowledge of the financial challenge entailed in living and studying in a foreign country, currency volatility, inadequate insurance or budgetary skills, and the existence of inadequate government and university institutional structures and programs that can provide a safety net that can effectively underpin international student financial wellbeing. Third, the review has shown too little research on international student finances has been undertaken given that what is at stake is the safety of millions of students, a very large proportion of whom have little experience at living away from home and consequently tend to be highly vulnerable. By drawing on 200 interviews undertaken with Australian university international

students in the rest of this paper we strive to begin the process needed to overcome this paucity of knowledge.

## **Research Method**

The information presented in this paper owes much of its significance to the method utilised. Unlike almost all other studies of international student finances the data was not collected by the use of a survey. Rather, it was obtained by the use of structured, in-depth, face-to-face conversations with 200 international students (101 females and 99 males). Face-to-face interviews were deemed the most appropriate for this study due to the topic being reliant on interviewees' experiences, beliefs and opinions. The face-to-face interviews encouraged conversation and allowed participants to elaborate on their experiences in response to the questions posed. This approach has the great advantage that it offers a depth of insight that is seldom forthcoming with survey data. The students were drawn from 9 universities that reflect the geographic, urban-rural, and status diversity that characterises the Australian higher education sector (Melbourne, Ballarat, Sydney, New South Wales, Deakin, Victoria, Swinburne, Royal Melbourne Institute of Technology and Central Queensland). The interviews were conducted on a one-to-one basis for 30-50 minutes and covered a range of areas concerning the social and economic security of international students, from finances, accommodation and work; to languages, networks and family; to relations with authority; to intercultural experiences and personal safety.

The universities named above cooperated in the selection and self-selection of student interviewees, and provided facilities (normally a room centrally located on the main campus site) in which the interviews took place. Vice-chancellors granted permission for the conduct of the research on the grounds that the interviewees would together generate a single pool of data that would not be disaggregated by institution, or otherwise used for the purposes of comparing the performance of, and/or services of, each university against its competitors. In a highly sensitive market, in which comparative judgments have commercial implications, we would have been unable to gain access to student interviewees had we not ceded this condition. Consequently, the researchers did not study the particular mix of services provided by each institution or relate the comments made in interviewees with the circumstances of the universities in question. Nevertheless, the interactive nature of the qualitative method employed we believe provides a very useful contribution to the development of a meaningful picture of international student finances in Australia's universities.

## **International Student Interviewees**

In this section we identify the major sources of international student income, a number of the financial difficulties experienced by these students, their means for ensuring they do not get into financial difficulties, and how they cope should these strategies fail.

### ***Sources of Income***

Consistent with the international literature, the interviews revealed that international students draw on a variety of income sources with many utilising multiple sources (family 61%; scholarship 34.5%; paid work 32.5%; other 7%). Each of these basic categories takes multiple forms with family support, for example, not only coming from parents but also from spouses, parents-in-law, grandparents, uncles, aunts and siblings. The following are typical responses to the question "What are your main sources of income?"

Actually I have two scholarships. One scholarship is from the university. It's \$15,000 per year and another scholarship it covers my course fees and my medical insurance for Medibank Private ...actually if no scholarship I wouldn't come. (S3 female, 26, information technology, Russia)

It used to be my father, still is my father, because back in my society, in my culture, your parents look after you and then you look after your parents. (S10 male 19, commerce, Pakistan)

Actually my whole education is funded by my parents, so they are providing for the tuition and accommodation, but I do work part-time ... (S102 female, commerce, 22, India)  
First my parents fund me for my study and I'm planning to find a part-time job to support my living as well. (S158 male, 25, finance, China)

... now it's my part time job in a chemical company. I do the database maintenance for them...Tuition fee is from my parent. Living expenses is from my job. (S81 female, 22, environmental engineering, China)

It's my savings, but you know because I was working for ten years in Vietnam, it's out of my savings, and well this scholarship that I received. (S5 male, 31, PhD, China)

... actually my parents they were sending me the cost fee but I practically work part time casual to earn my expenses .... I am keeping it to a minimum like in fact the last vacation the December holiday I didn't go back because I was working almost full time casual and I managed to save about half of my course fee for this final semester. (S107 female, 27 electrical engineering, Singapore)

I work as a telesaler, like for Telstra, and that's basically my job. ...Tuition fee – I'm here on my bank loan. I've got a bank loan from back home. (S108 male, 26, information technology, India)

I'm working as a tutor in the Faculty ... and I'm also working at the lab, at the help desk. These two jobs and a job in a Sydney café - I am working at a part-time job as a café barrista - I basically make coffees. Making some good money there. You work 3 days and you make two to three hundred bucks, everything's free, snacks, coffee, everything's free! I work 3 days there, and 2 days here [at university]. (S96 male, 24, information technology, India)

The foregoing shows that major income sources for international students include savings, paid employment, and loans and direct support from carers in the home country. A common feature of the replies, that has not been manifest in the data generated by survey research, is the extent to which students are concerned that their personal situation might place unmanageable burdens on those who care for them:

Initially my parents supported me, but then even they could not do it later. I thought of not asking them, because it was ...I had already taken a lot of money from them. So we both brothers are working and we help each other. So when I was studying he was earning and now I'm working and he's studying. So it's like mutual. (S100 male, 23, information technology, India)

... so far I still have enough financially, but maybe they are just suffering over there, but they just let me have a comfortable life here. (S47, female, commerce, Malaysia)

Because for Chinese students, if you come here, you must have enough money, so I think it is not money issue but most students come here their family give support such as me. But I don't want my family support me, I want to be independent. I try to find part time jobs to support my living expense. (S85 female, 25 systems engineering, China)  
Actually I don't need [family financial assistance]...they might support me but I don't want support from home. (S96 male, 24, information technology, India)

...since I have already done a Masters back at home and I have worked for two years I didn't want to take money from my parents. But I was not in a position to save the entire fees for my course, so I had to take money from them, and some from the bank, which I'm working right now part-time, I try to repay it, like every month I send some money to my parents, whatever I save I try to send some money - at least something to pay back. (S36 female, 25, media and communication, India)

While international students appreciate the support provided by their carers and strive to ensure they do not overburden those who provide this care, for some individuals the relationship is an encumbrance that undermines their financial situation. Thus, one student reported those at home expect him to help them and another observed that he was experiencing severe financial difficulties because his parents did not provide him with an adequate income while concomitantly insisting he not take the step that could ease his situation:

People at home sometimes think that we are abroad and we've got a lot of money and they sometimes ask us to send money and we do understand that they need also the money. Just recently my brother take a trip to hospital because he was sick and my family asked me to send money and so the money that I saved when I stay here I spend it. (S19 male, 31, community development, Indonesia)

I'm still really, really struggling. ... my parents don't want me to work, no, because I'm in my final year. And they say you're there as a student, it says so in your visa, it's a student visa, so that's your job... I've had long arguments about that, because it's really difficult financially. It's a really tight budget, \$16 a day, not including rent... it all sort of started happening last year and I had a lot of periods of crying about it, feeling a bit down and really just struggling hard and doing... It is still very hard and I still sometimes feel a bit down about it but I've come to accept it a bit better. And the way I see it, when I start working, it'll change and the best thing to do for the moment is to have a good attitude about it. (S166 female, 28, communication, Singapore)

### ***Financial Difficulty***

Interviewees were asked if they were experiencing or had experienced financial difficulties at any stage. In reply, one interviewee observed 'everyone has, it's just big or small'. However, this perspective was not shared by the majority of students 63 per cent of whom indicated they had not experienced difficulty because they received sufficient funds from home, were able to manage their budgets, or because they had been able to gain employment in Australia. One of the more financially secure interviewees observed:

Actually I'm a lawyer by profession as I've already told you. I've been a partner of a jewellery business, which I inherited from my family. Actually I'm not running the business, my brother is running it, but I get a share of it. I'm spending that money for my education. (S50 male, 46, law, Sri Lanka)

That a majority of international students do not experience financial difficulties is gratifying and consistent with the international literature. But what is also consistent is that a large minority (37 per cent) of these students do experience financial difficulties and that commonly these troubles are acute. Factors inducing problems include the cost of dependents, inadequate preparation by recruiters, inexperience at living and working away from home, incapacity or inability to gain employment, currency fluctuations, and inadequate support from Australian institutions.

Older students are notable in the extent to which they report they experience financial problems (see Table 5).

**Table 5: Number of International Students Experiencing Financial Difficulty by Age**

Age group	> 20 yrs	21-30 yrs	31-40 yrs	40 + yrs	All ages
No. in group	17	138	39	6	200
No. in difficulty	3	49	16	6	74
% in difficulty	17.6	35.5	41	100	37

The positive association between age and financial security may be partly explained by the fact that the families of these students are less likely to be a source of income. Indeed the students are more likely to have their own dependents. Recognising that this is the case the Commonwealth Government requires that universities convey to prospective international students information on estimated living costs that include additional amounts for students with dependent partners and/or children. An examination of the websites of Australia's universities, however, suggests many institutions fail to convey this information and merely provide estimates on living costs that relate to students without dependents.

The impact of dependence is indicated in Table 6 and was highlighted by student interviewees who have dependent children:

**Table 6: Numbers of Students by Course and Age Group with Dependent Children**

	No. of students in total population	Students with children		
		> 30 yrs	31 – 40 yrs	41 – 49 yrs
PhD	49 (24.5%)	1 (2.0%)	28 (57.1%)	5 (10.2%)
Masters/diplomas	74 (37.0%)	0	9 (11.7%)	2 (2.6%)
Undergrad	77 (38.5%)	0	2 (2.7%)	0
Total	200 (100%)	1 (.5%)	39 (19.5%)	7 (3.5%)

...as an international student it's not always easy. I have two children. They are nine and six and when we came here there was no support so my savings from the previous jobs and also thanks to my parents - that was the first year how I was funded to stay. But I was pretty precarious because the fund ran out all the time. As you know the international [students] don't have concession card with the kids, have to pay fees as international students, we don't have a car, public transport we try to avoid as much [as possible]. My wife then find a job... for one and half years she has been [the] sole supporter but it means if we are sent back home there is no savings – basically her earnings go towards either my fees or kids fees ... (S199 male, 40, education, Germany)

When my daughter came my water account, electricity account, everything was up [in cost]. (S20 female, 33, geography, Bangladesh)

[For] several weeks I had money so that I could give my child five days in childcare but nowadays I'm only giving two. Because if [my child is there] every day I have to spend \$17 [per day] ...If I want to send him to kindergarten I have to spend around \$600-900 per month [but] I haven't got that much money. (S24 male, 36, economics, Bangladesh)

Another reason why large numbers of older students report a high rate of financial difficulty is because they are disinclined to participate in the paid work force because they fear this will undermine their studies and given their age they feel a need to complete their chosen course as soon as possible.

I'm not working here because I don't think I can cope with working and doing my work so I'm relying on my family – my eldest brother. (S1 male, 35, ceramics, Brunei)

Students who choose or feel they have no choice but to take paid employment, on the other hand, often experience financial difficulties because they were not provided sufficient information on how difficult it can be to gain employment in Australia. Commenting on the paucity of information provided by recruiters, one student observed that the latter commonly provide inadequate information to the student “*who is going for the first time abroad*” and added that “*if he- somebody like him, he misguides them then this can be [the cause of] some problems.*” Inadequate provision of the situation in Australia by recruiters was clearly manifest both in relation to the costs associated with housing and the difficulty of gaining paid employment:

At the beginning I only got the scholarship after two weeks [and] I didn't expect that I have to pay bond here and all my money go for [the] house. I have to stay for two weeks with one hundred dollar. (S172 male, 32, engineering, Egypt)

...when I was first over here – to begin with. I thought I would get a job immediately and all, but it took about three months to get a job. (S132 male, 27, music therapy, India)

Even where international students are able to gain employment and are adequately informed of the difficulties entailed in living and gaining work in their host country the fact that they are international students renders them vulnerable to a problem that does not beset domestic students, that is, to currency fluctuations:

... my scholarship is paid in American dollars, so when it comes to Australia it changes for the rates ... because when I came the first time with all the money from August to December and the rate was 0.6 around, and the last time was 0.74 or 0.75 and it's a huge difference so it makes my life more difficult. (S35 male, 37, public health, Mozambique)

... last year and I had a bit of unexpected surprise this year because my scholarship was paid at once in US dollars, three or four years ago when our contract was signed it was okay, but now because of the currency difference between the US dollar and the Australian dollar it doesn't cover any more so this year we pay only a 50% of my tuition fee. I'll have to pay the other 50%, so I'm looking for a job actually and I'm doing some casual job here and there since January. (S34 female, 39, medicine, France)

One final issue of concern that needs to be highlighted is the fact that there are few resources made available by Australia's universities to help students who experience financial crises or are at risk of sinking into serious financial difficulties. Certainly, if these safety net bodies and/or programs exist it was made very clear by the interviews that the overwhelming majority of international students are not aware of their existence or how to access their benefits.

### ***Crisis Management***

Most international students have instituted strategies to ensure their finances do not become unmanageable and can identify how they would cope with a potential crises should these strategies fail. Living within a budget, no matter how constraining, is the most common means students embrace to ensure they do not get into difficulties. Being aware that crises may nevertheless occur part of this aspect of their financial strategy for some students involves allowing for this contingency within the budget:

*I always keep some money an emergency money, when you are in a critical situation you still have some money and I put it in a separate account. (S136 male, 22, architecture, Malaysia).*

But a great many international students have little or no experience at having to self-cater and hence even when they are dutiful they often find budgeting difficult. Consequently, they make mistakes that render them vulnerable and periodically in need of temporary support:

Like something here is very expensive but relatively cheaper in China but some thing here is cheap but relatively expensive in China, so it's hard to manage my budget. ... In China when we live in the school we just pay the school but here you have to find your accommodation by yourself and it's hard to decide how, what kind of one I want and how much it should be - it's just [having] no idea and for food as well and for transportation here. It's really expensive, so I walk so much when I first came here and I thought \$1.50 [would] have bought a whole [meal]...I feel I couldn't let any dollar go. (S87 female, 25, public health, China)

Yes. I had a very tough time finding a job firstly. First two months I was unemployed. That was affecting my study a lot. Because once - I didn't want to take money from my parents and whatever money I've got from India, I got around \$3,000, it was getting over because my rent to the place I stay is very high – it's \$120 per week and other than that you have travelling, eating, everything. So I starved. (S36 female, 36, media communication, India)

The means that these two latter students instituted to cope with a difficult situation was to go without, meaning in the first case that the student avoided using transport for which she had to pay and in the latter case she went hungry. Another student observed that when he got into difficulties with a telephone company with whom he had signed a contract his response was to pay his bill, even though he did not understand why he had incurred the cost, and then simply elected to "avoid contracts".

Responding to the question 'Who would you turn to if you are in serious financial difficulty?' interviewees provided the following responses: family (61.8%), friends (27.9%), university and scholarship provider (9.7%), no-one (10.3%), and other (4.2%). Numerous students indicated they would seek help from more than one source and one interviewee reported she had discovered one effective means for avoiding financial difficulties that worked in Australia but had not been effective in her home country: "*I found that if you cry here you can make people listen. That's the difference.* (S25 female, 36, engineering, South Africa) Most students, however, appreciated that relying on more than the goodwill and generosity of their Australian hosts is a good idea:

I've managed to keep my head above water and it's been fine, and I know my parents, if I ever need money they'll be happy to help me. (S59 female, 23, organisational and industrial psychology, United Kingdom)

What I do is I have done, is maybe get some help from my friends borrow money and give them back later, something like that. Lots of people will help me obviously. But if there was very severe circumstances, I do get some money from India. I just call them up and they'll do the (bank) transfer. That's the best and most important alternative that I have. (S60 male, 22, computing, India)

We don't talk to someone if we got financial difficulties because we mainly talk to our friends in the community asking for money to pay back later so the Indonesian community we have here is really helpful to each other. (S17 male, 41, communication, language and cultural studies, Indonesia)

Friends I think and the option I can is to borrow money from the student council as well. I think they have got like 'no interest' borrowing but it's only for about a couple of hundred dollars so I don't think it will help. Not even to pay for rent so I wouldn't. But if you have difficulty paying your rent I think you can talk to the agent and get an extension for that. (S30 male, media and communication, Maccau)

It is disconcerting that only 9.7 per cent of interviewees felt they could approach their university for help and that 10.3 per cent indicated they had no-one to turn to when in serious need. Conversely, it is encouraging that some Australian institutions clearly do provide assistance when international students are in trouble. AustAid, to its credit, stood out in the interviews as being willing to provide

financial support to its scholarship holders if the latter are in serious need of help but many other institutions have made few provisions to ensure that should international students get into trouble there is someone able and willing to assist:

... we need quite a lot of money for the dental operation for my child. And we don't have enough saving for that, [it costs] more than a thousand [dollars], AusAid helped ... and I got some loan from university... the doctor had to extract nine of his teeth ... [AusAid] had an emergency fund. The medical insurance doesn't cover for dental. (S101 male, 42, linguistics, Indonesia)

It's difficult to work and study. I do 4 subjects and there's research work and all that so ... I couldn't basically save money for my fees so I had to get money. I'm looking at possibly getting a loan from ... I tried from the Uni, it's not possible to get a full loan so I'm looking at the possibility back home.

If I'm in any trouble I have enquired about many things here. I wanted to take a loan from a bank and I wanted to apply for my credit card, but they said as I am an international student I cannot apply for these things, for credit card and bank loan, so that is a major concern I think, even if you are international student, or whatever you are, and if you have regular income you can't take loans from banks, but I don't know whether the university gives any kind of help for that. I have taken one student loan and it is very easy to get a student loan here so I used that, and I think – but it has certain limits so I can't access that, so for the rest of the things I have to depend on a bank. If I had some problem, if I need say \$5000 accidentally is something happened, I would go and find \$5000 and I know that bank will not help me because I am not a permanent resident here so I think this thing should be changed. International students should be given some kind of credit. (S44 male, 22, commerce, India)

## **Discussion and Recommendations**

The Australian Vice-Chancellor's Committee decision to exclude international students from the *Australian University Student Finances 2006* study continued a practice that the AVCC has maintained despite the dramatic increase in the number of international students in Australia's universities. This unfortunate development sits very uncomfortably with the vice chancellors' Code of practice with its avowed claim that Australia's university managers believe it is essential that all universities offer consistent and caring procedures when dealing with student welfare. More specifically, the exclusion of international students from studies that examine fundamental welfare issues sadly lends credence to the much repeated claim that Australian university managers view international students primarily as customers who exist to be milked.

In this paper we have partially compensated for the paucity of knowledge surrounding the financial security of international students by presenting information derived by in-depth interviews undertaken with 200 international students across nine Australian universities. The paper began by reviewing the Australian and international literature on international student finances and revealed that though there exists a great many unpublished studies on international students relatively few researchers have examined the issue of international student finances in depth. Those that have taken up this issue, in the US and the UK, have consistently shown that financial security is an important part of the adjustment process for international students and that an inadequacy of finances can be a serious source of distress. To help international students cope with this situation in both of these jurisdictions public bodies have produced documents that are designed to assist international students manage their finances. More recently, in the UK, UKCOSA has supplemented this effort by initiating important literature and survey based studies that have documented the sources of international student income, how and where international students spend their money, and how they cope financially.

Within Australia, international student research has tended to replicate the commercialism that has characterised the government and university sectors' approach to international students. Indeed, as the numbers of international students has increased, the data collected on their financial circumstances has become more opaque making it more difficult to clarify which and how many international students are in financial difficulty or at risk. This must be deemed an unhappy situation given statistical data generated in the 1990s and our qualitative study both reveal that a very significant number of international students experience serious financial problems. It is true that the deficiency of data surrounding the finances on international students creates a situation where governments and universities are able to avoid calls for increased spending on international student security but from a humane perspective this is an unacceptable situation. Indeed, to the extent that a refusal to commission detailed research on international student finances feeds belief that Australians perceive international students primarily as cash cows it may even be a commercial error.

Given the situation that exists within the literature and that has been revealed in our conversations with international students we propose that at the very least the AVCC should immediately commission a study comparable in depth and magnitude to that it initiated in 2006 in relation to domestic students. We also suggest that the AVCC should ensure that international students are no longer excluded from the studies of student finances that it commissions and that it embrace a consistent approach to the financial wellbeing of all Australian university students. Similarly, we urge Australian governments that commission studies of international student finances to take a more balanced approach by returning to the practice of documenting both the income and the expenditure of international students and by so doing make it possible to monitor international student financial wellbeing.

Along with taking the steps needed to clarify international student need education regulators and providers should also conduct a sophisticated and widespread review of the infrastructure and programs that exist across Australia's universities to provide for students who are at risk and/or are currently experiencing financial difficulties. We are aware that a study of this nature is likely to lead to calls for university and government resources to be diverted to the construction of a more effective financial safety net than presently exists. However, if the Australian higher education sector wishes to continue its profitable engagement with the international education market we believe it has a responsibility to apportion a significant proportion of in the income it earns from international students to ensuring that if they get into difficulties there will be a safety net that can limit what they must endure.

Finally, we suggest that the Commonwealth government needs to review the income levels it sets for student visa requirements. At the very least it should set the figure at a level that provides international students with a clear understanding of the financial burden they will have to bear if they choose to study in Australia and must ensure that universities provide accurate information to prospective students. In 2007 the Government moved in this direction by mandating that education providers must provide prospective international students with "current and accurate information" on the cost of living, accommodation options, and schooling obligations and options for school-aged dependants of intending students. However, given Australian vice chancellors and regulators have failed to enforce the old regulations the value of this modification to the rules governing international education providers remains to be seen.

## **Endnote**

<sup>1</sup> Migration regulations require student visa applicants to show they have \$12,000 to cover living costs for one year. This amount is varied if the student visa applicant has a dependant family. The amount that is required to be shown as available funds is dependant on the country of origin of the applicant. Countries are separated into designated assessment levels that are determined by the economic stability of the country, the risk factor of previous student visa holders from that country and other information regarding the country that may affect a students' ability (current and future) to pay tuition costs and living expenses in Australia. In addition, the likelihood of the student

breaching visa conditions and overstaying the visa or becoming unlawful and being removed from Australia is also a consideration. These assessment levels are also set for each type of student visa. For example, the assessment levels within a country may be different for a school student as opposed to a higher education student or a student intending to enrol in an English Language Intensive Course for Overseas Students (ELICOS). This is because DIMA has different statistics for each student visa type as well as previous histories of each category in relation to overstay or breach of visa conditions. The assessment levels are used to determine the amount of money a student must show as either savings or as accessible funds in order to be granted a student visa.

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