

# The U.S. Foreign Student Program Is Becoming a Foreign Worker Program

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The foreign student program in the United States, as defined in law<sup>i</sup>, is for bona fide foreign students qualified “to pursue a full course of study” who seek “to enter the United States temporarily and solely for the purpose of pursuing such a course of study.” Yet the program is quickly transforming into a foreign worker program in direct conflict with congressional intent on account of employment programs created at the direct request of business lobbyists seeking increases in cheap, foreign labor. This is a phenomenon that seems to be occurring in many countries throughout the world.

Currently, there are 1,503,649 foreign students in the United States on either F-1 (academic) or M-1 (technical or vocational) visas, and a total of 539,382<sup>ii</sup> of them have obtained work authorization through some version of “practical training”. There are three types of practical training offered by the U.S. Department of Homeland Security (DHS). The most popular is simply called Optional Practical Training (OPT), which allows those on foreign student visas to work for up to a year after graduating from an academic institution. There are currently 276,452 foreign students with work authorization via OPT.

DHS also created the STEM OPT program, which allows for an additional two years of work authorization (for a total of three years) for foreign students who have completed degrees in a field that meets DHS’s definition of science, technology, engineering, or mathematics. There are currently 122,101 foreign students with employment authorization to work under the STEM OPT program.

Finally, there is Curricular Practical Training (CPT), which allows foreign students to work while still enrolled in classes, prior to graduation. There are currently 140,829 foreign students with employment authorization to work under the CPT program.

The growth in the number of foreign students working through one of the practical training programs has been explosive. DHS reports<sup>iii</sup> that while 82,241 foreign students began employment in 2007, and total of 345,514 foreign students began employment in 2023. This is a count of employment *start dates* that occurred during those years, not the *total* number of students with work authorization at any one time. Put differently, there was a whopping 320 percent increase in the number of foreign students who obtained work authorization through some form of practical training when comparing 2007 to 2023. Is this really an educational experience of the type intended by Congress when launching the foreign student visa?

The Bloomberg news agency published some data indicating many foreign students are not interested in an education at all, noting that “more than half dropped out after winning the H-1B visa lottery, according to a 2017 financial disclosure” and that “fewer than one in three hung around through graduation”.<sup>iv</sup> In other words, many foreign students are working through practical training upon arrival to the United States, and many are applying to obtain foreign worker visas while in school and quickly dropping out when their application is approved. Is a foreign national acting in this manner this really a “bona fide” student who came here “solely for the purpose of pursuing” a degree?

At the same time, many schools have decided that they don’t have to offer an actual education, with some requiring foreign students to attend class only a few times a year. One school highlighted by Bloomberg is already working on a plan to reduce its required number of in-person sessions from nine per year to only six per year.

Especially galling is the fact that these foreign workers, because they are ostensibly students engaged in training, are exempt from the payroll taxes that fund Social Security and Medicare. Even worse, their employers are also exempt from their portion of the taxes, meaning that they receive what amounts to a tax subsidy *not* to hire Americans and to hire these foreign workers instead. The Social Security and Medicare programs are estimated to lose \$4 billion a year<sup>v</sup> because of this tax exemption.

Governments that offer a foreign student program should be mindful of the fact that there is an effort well-underway to transform what should be an educational experience into nothing more than a cheap-labor program. Without quick changes, the original intent of foreign student programs — spreading knowledge abroad, cultural exchange, and creating good will — will be lost.

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<sup>i</sup> 8 U.S. Code § 1101 – Definitions. <https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title8-section1101&num=0&edition=prelim>.

<sup>ii</sup> “2023 Total Number of SEVIS Records with Authorizations to Participate in OPT, CPT or STEM-OPT”. U.S. Department of Homeland Security. [https://www.dhs.gov/sites/default/files/2024-05/24\\_0510\\_hsi\\_sevp-sevis-btn-2023-total-pt-auth.pdf](https://www.dhs.gov/sites/default/files/2024-05/24_0510_hsi_sevp-sevis-btn-2023-total-pt-auth.pdf).

<sup>iii</sup> “Total number of annual OPT, STEM OPT and CPT authorizations with employment start dates during an indicated calendar year from 2007 to 2023”. United States Department of Homeland Security. [https://www.dhs.gov/sites/default/files/2024-05/24\\_0510\\_hsi\\_sevp-sevis-btn-2023-opt-growth-2007-2023.pdf](https://www.dhs.gov/sites/default/files/2024-05/24_0510_hsi_sevp-sevis-btn-2023-opt-growth-2007-2023.pdf).

<sup>iv</sup> Feere, Jon. “Bloomberg Investigates the ‘Elaborate Charade’ Known as Day 1 CPT” Center for Immigration Studies 10.08.2024. <https://cis.org/Feere/Bloomberg-Investigates-Elaborate-Charade-Known-Day-1-CPT>.

<sup>v</sup> Feere, Jon. “Optional Practical Training for Foreign Students Now a \$4 Billion Annual Tax Exemption”. Center for Immigration Studies 09.15.2024. <https://cis.org/Feere/Optional-Practical-Training-Foreign-Students-Now-4-Billion-Annual-Tax-Exemption>.

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