

CONNECTING INDUSTRY & EDUCATION:

International Talent as a Solution to the U.S. Labor Shortage

A white paper by IDP and inSpring



EXECUTIVE SUMMARY

This white paper explores the vital role international talent will play in addressing America's workforce needs. It examines the underlying factors contributing to the U.S. labor shortage and considers possible solutions, focusing on the most underleveraged and advantageous solution: international talent, particularly international student graduates.

Understanding the U.S. Labor Shortage

The United States is facing a critical workforce challenge. Currently, there are 8 million job openings but only 6.8 million available workers, and this worker deficit is expected to increase to six million by 2032. The labor gap is driven by demographic shifts—historically low birth rates, an aging population, early retirements, and fewer college graduates—and compounded by the economy's increased reliance on skilled labor and demand for educated workers.

While the labor shortage is nationwide, certain industries and states will be harder hit. The nursing field alone will need nearly 1 million new workers over the next five years, while the advanced manufacturing sector is predicted to have 2.1 million unfilled jobs by 2030. Every single state in the nation is currently impacted, but certain states, including New Hampshire and North Dakota, face more severe shortages, with fewer than 30 available workers per 100 job openings.

Available solutions

There are three available avenues to respond to the labor shortage: domestic population upskilling, recruiting out-of-state Americans, or attracting and retaining international talent. While re-skilling and relocation programs are valuable endeavors, they can be difficult to scale, costly for both employers and employees, and require a long-term time horizon to produce results. These levers are beneficial in a portfolio of workforce development solutions, but neither addresses the underlying demographic issue—the limited and declining pool of working-age Americans. In order to bolster the U.S. labor force, it is necessary to bring in new, skilled workers from outside our borders.

International talent as a workforce solution

The fastest uncapped path to filling U.S. workforce gaps is to tap into the pool of 1.1 million international students who are already in the country, culturally adapted, and eager to work. With ample capacity in the U.S. higher education system and strong demand from international students for U.S. education and employment, hiring international graduates represents a win-win solution for students, higher education institutions, employers, and local economies.

International student enrollment in the U.S. reached an all-time high of over 1,126,690 million during the 2023-24 school year. Their subjects of study align closely with U.S. workforce needs, with more than half (56%) of international students pursuing a STEM degree. The number of international students in 44 states increased year-over-year, with many states experiencing double-digit growth rates. This expansion in international student enrollment across the country lies in sharp contrast to trends for domestic students, where the majority of states saw declines.

International students are highly motivated to come to the U.S. not just for study, but also for employment, with nearly three quarters (73%) of prospective international students reporting they would like to stay in the U.S. and work after graduation. IDP's Emerging Futures research demonstrates that post-graduation employment opportunities are a huge driver for international students, and among the top study destinations, the U.S. is perceived as having the best job opportunities. The data also demonstrates that international students are willing to consider less historically popular states for better job prospects.

Available employment pathways for international students

Optional Practical Training (OPT) is a type of work authorization currently available for F-1 international students, allowing up to three years of employment for STEM graduates per study level. OPT is extendable through continuing education, meaning that an international student earning a STEM bachelor's degree and continuing on to a STEM master's degree would have a total work authorization of six years.

Importantly, OPT does not require employer sponsorship, has no lottery or cap, and has no associated costs to the employer. Despite its benefits, OPT remains underutilized, particularly outside of large tech firms, due to misconceptions about its complexity and costs. Educating employers on the simplicity and advantages of hiring through OPT could expand its use across industries, addressing workforce shortages and diversifying the talent pipeline.

Benefits of international students to the U.S. economy

International students bring tremendous value, economic and otherwise, to the communities they study and work in. During the 2023-2024 academic year, international students contributed \$43.8 billion to the U.S. economy and supported 378,175 jobs. Extensive research points to the overwhelmingly positive impact immigrants have on the U.S. economy, workforce, and role as a leading innovator. Immigrants make outsized contributions to scientific discovery, entrepreneurship, and new job creation.

Case Studies

Case Western Reserve University

Case Western Reserve University (CWRU), a private R1 research university in Cleveland, Ohio, provides a strong example of how institutions can successfully support international students in finding employment.

Employer reluctance and cultural barriers are some of the most common challenges international students encounter during their job search process. The Career Center at CWRU tackles these barriers with a proactive, multi-faceted strategy that combines programming, partnerships, education, and advocacy. Using tactics targeted towards both employers and international students, their efforts have yielded significant success: international graduates outperform their domestic counterparts in employment outcomes, with only 1% still seeking employment compared to 3.5% overall.

Based on their experiences and successes, the CWRU Career Center team encourages other higher education professionals to treat international students with empathy, educate employers, stay updated and simplify information, and to persistently advocate for international students.

Ritedose's International Student Engagement program

As a part of their broader talent acquisition strategy, The Ritedose Corporation, a sterile pharmaceuticals manufacturer, developed an innovative idea: The Ritedose International Student Engagement (RISE) program, a three-way workforce development initiative between Ritedose, inSpring, and Benedict College. The program provides a pathway for accomplished international students in STEM programs at Benedict College to secure internships and eventual employment with Ritedose. The RISE program exemplifies the transformative potential of partnerships between educators and employers by creating a pathway to bridge workforce gaps and foster early-career talent.

With its thoughtful design and focus on mutual benefit, the program exemplifies how innovative talent strategies can address workforce challenges while creating opportunities for talented international graduates. Ritedose's commitment to building a diverse, engaged workforce not only strengthens its own operations but also serves as a model for other organizations seeking sustainable growth.

Student Success: Harshith's journey to OPT employment

Harshith Kadaiah Gowda is an international graduate of the University of Alabama at Birmingham who has successfully made the transition from education to employment.

According to Harshith, the most challenging part of his education abroad journey was not earning his master's degree—it was finding a job. To support him through this challenging process, Harshith participated in a customized pre-hire onboarding program focused on the energy sector, organized by inSpring and Diversified Energy Co. After completing the program, Harshith landed a position as a SCADA Analyst with Diversified, who has been extremely supportive throughout the OPT hiring process, and committed to long-term retention and career growth.

Harshith's experience sheds light on the common challenges that international students encounter while seeking employment in the U.S. and highlights the critical role of targeted training programs to help international students overcome these obstacles.

Conclusion and priority actions

The positive impacts of attracting and retaining international students are clear. International students bring diverse perspectives, cutting-edge skills, and a global outlook that fuel innovation, particularly in industries facing significant talent shortages. And the positive impact is felt by everyone.

What would happen if industry and higher education worked together to implement the hiring of international talent on a larger scale? It would make a significant impact on the workforce headwinds in the U.S., boost the economy and innovation, and change lives of international students. What needs to happen to get there?

Ongoing advocacy for the existing employment pathways for international students, as well as future expansion, is critical. The OPT program faces frequent political scrutiny and opposition, as do other policies affecting international students. We urge students, higher education institutions, and employers to advocate for supportive policies at the local, state, and national level.

Higher education institutions can support international students providing tailored career resources, educating employers about the realities and benefits of hiring international talent, building employment pathway partnerships, and showcasing success stories to inspire and advocate for international talent. To address future workforce needs, employers should consider conducting workforce planning audits, building regional education-to-workforce partnerships, and leveraging existing visa pathways to attract and retain skilled international talent.

The integration of international students into the U.S. workforce is not just a solution to labor shortages but a driver of economic growth and innovation. By fostering collaboration between higher education, industry, and policymakers, the United States can build a sustainable talent pipeline.

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