

From:

<http://chronicle.com/weekly/v55/i38/38a00103.htm>

From the issue dated May 29, 2009

Internationally, the Business of Education Is Booming

By KARIN FISCHER

Anyone who doubts that global education has become a big business need only walk the exhibit hall at the annual conference of Nafsa: Association of International Educators, this week in Los Angeles.

There, hundreds of vendors pitch all sorts of products and services. Need someone to verify the validity of a transcript from an obscure Eastern European college? Want the latest data on international student mobility to help sell your provost on your recruiting strategy? Looking for someone capable of airlifting sick students out of Ghana? Or handling back-office operations for your web of international activities?

All of that is available, and more.

Driving this development is the fact that the world has become a kind of global classroom, with greater numbers of students flowing across borders each year.

The number of students who study outside their home countries is projected to grow from three million this year to eight million by 2025. Both colleges and governments have become more aggressive about tapping into that market, resulting in a big increase in recruiting services, image advertising, and data-driven market research. At the same time, American students have come to expect that their colleges will offer them a range of international experiences.

A semester in London or Paris is no longer sufficient. Short-term study in exotic locations, internships, service projects, and other variations on study abroad are increasingly common, in turn generating a new industry of providers and ancillary services.

"You can't just have a part-time study-abroad adviser with a bulletin board of destinations outside their door," says Tim Daniel, an executive vice president at International SOS, which provides overseas medical and safety assistance to colleges and corporations. "It's not enough."

No 'Easy Marriage'

The reality is, however, that many colleges lack the capability, the capacity, and, often, the cash to undertake such efforts on their own. That is where outside vendors, both for-profit and nonprofit, come in.

Certainly some educators are uncomfortable with this more business-centric approach.

"International education is a sector that combines the ideals and ethics of higher education with the imperatives of an intensely competitive business environment," says Markus Badde, chief executive of ICEF, an international-education consulting and training company. "This is not always an easy marriage."

Some in the field are concerned that international education grew up so fast and has become so complex that it has outpaced the setting of professional standards. Those worries were aired in public in 2007, when New York State's attorney general opened an investigation into the relationship between college study-abroad offices and outside providers.

Although little came of the inquiry, it spurred Nafsa and other professional associations to work harder to develop practical principles in the field.

But no matter how uncomfortable the arrangement may be at times, the commercialization of international education is unlikely to slow down. This year 430 exhibitors paid for booths at Nafsa's annual meeting, double the number just eight years ago.

Support for Study Abroad

Study abroad is the most visible and established business sector in international education. Independent providers have long been active. And as more students — nearly 241,800 Americans in the 2006 academic year — travel to more varied destinations, colleges have turned to them to provide services that they have found impossible to offer on their own.

Anglo American Educational Services, for example, got its start four decades ago renting apartments to American students in London. Now the company, with a staff of 17, works with more than 90 American colleges, placing students in internships and booking guides for professors leading short-term programs in Britain. It even hires and supervises adjunct faculty members who teach home-campus courses at Anglo American's study center, in London's Bloomsbury neighborhood.

Next the company hopes to offer its own courses, probably to be developed with an American-college partner, says Leslie Zweigman, the director.

While many independent companies craft their own academic content and directly enroll students, a growing number essentially act as the back office for American colleges' programs.

Ryan Lorenz was sidelined with tuberculosis about a decade ago when he got the idea for his company, Academic Solutions, which runs programs in Britain, Spain, and Slovenia. Unable to work full time, Mr. Lorenz, who had led Marymount College's London program, began to assist other institutions on a part-time basis. Today his company offers its own study-abroad programs as well as support services for those of other colleges.

Mr. Lorenz says groups like his have local expertise and can often contract services more cost-effectively than a single college program can. And with an increasing number of American students studying abroad for a semester or less, it may not make financial sense for colleges to hire full-time staff members at every overseas location.

Responding to Risk

The growing interest among students in traveling to remote locations and doing service work has also increased the complexity of their colleges' response to health and safety issues. Study-abroad offices are turning to companies for more than simple insurance coverage.

Many of the firms have or contract with medical professionals in countries throughout the world, can evacuate students who are ill or in danger, and offer upfront assessments of the health and safety risks of study-abroad sites. In recent weeks, such companies have consulted with colleges on whether to pull students and faculty members from Mexico after the swine-flu outbreak.

Popular faculty-led or service-learning programs often send small groups of students for short periods to locations off the beaten path. Because students on those programs tend to do most activities together, the risks can be multiplied, says Laura Angelone, director of scholastic programs at International SOS.

She points to a group traveling in rural Chile, in which 23 of 25 students fell ill with food poisoning, overwhelming the local health clinic. Company officials were able to do remote triage, identifying the sickest students for immediate care.

In addition, as more students study overseas, they reflect the profile, and the problems, of the broader student population, requiring greater expertise in mental-health issues in particular. For instance, many countries do not recognize attention-deficit disorder, says Angelo Masciantonio, chief executive of HTH Worldwide, an international provider of insurance and health care for travelers, particularly students. That can make it difficult for students to get medication and treatment.

American colleges' establishment of overseas branch campuses has created further demands. In a way, says Ms. Angelone, of International SOS, colleges must act like multinational corporations, seeing to the medical and security needs of long-term expatriates.

Filling Many Niches

The niches served by new service providers vary. Some help colleges maintain compliance with myriad federal regulations, such as the Student and Exchange Visitor Information Service, which tracks all foreign students in the United States. Others streamline internal administration of programs and people.

One such firm is Terra Dotta ("learned world" in Italian), a software company founded by two tech-savvy doctoral students at the University of North Carolina at Chapel Hill in 2001.

After they created an online study-abroad application for Chapel Hill, other colleges approached them about developing a similar system, says Brandon Lee, one of the founders.

Now in its eighth version, the software allows study-abroad officials to synchronize files with student-affairs and financial-aid offices, maintain a database of equivalent courses offered by foreign universities and overseas programs, and track the travel of students and faculty members.

Designing an individual system could cost a college at least \$250,000, says Mr. Lee, who draws on his own experience leading international-study groups as a graduate student. A customized version of Terra Dotta's software costs about \$60,000, plus a yearly maintenance fee.

Another niche market is the evaluation of foreign academic credentials.

Colleges may have a strong knowledge of the quality and course work of a handful of institutions that feed into their graduate programs, says James S. Frey, senior adviser to Educational Credential Evaluators, a nonprofit group that he started almost 30 years ago. But with 1.25 million foreign-educated people coming to the United States each year to live, work, or study, it can be difficult for them to develop a solid understanding of multiple education systems.

Kenneth Warren, president of Educational Perspectives, another evaluator, says a new line of work is institutional reviews for American colleges considering partnership agreements with universities overseas.

Help with Recruiting

One of the fastest-growing fields in international education is student recruitment. Professional recruiters are commonly used by institutions in other English-speaking countries, like Australia and Canada, but they are just starting to make inroads in the United States.

The United States is "far and away the first choice for international students, so American universities haven't had to do a lot," says David Stremba, managing director for the Asia-Pacific region at Into University Partnerships, a British firm that last year agreed to a joint venture with Oregon State University to recruit and educate foreign students in a college-preparatory program. "What's changed is they are now feeling a sense of urgency and of global competition."

A number of the larger recruiting companies, with roots in countries including China and India, promote themselves at the Nafsa conference. Mr. Badde's company, ICEF, goes one step further, offering to screen and train recruiters for colleges.

Colleges are also turning to private companies for data-driven advice on how to hone their recruitment strategies, including which countries and types of students to approach.

International Graduate Insight Group, or i-graduate, a British company, offers current surveys of international students to find out where they want to study and why.

Two long-established companies, Peterson's and Hobsons, help colleges create comprehensive marketing plans to recruit international students.

Other companies help colleges create advertising materials to reach students abroad.

Joseph Avison is a regional manager for Student Recruitment Media, which publishes online college view books for American institutions and Web-based magazines about studying in the United States.

Through its Web sites and presence at international-student recruitment fairs worldwide, the company has accumulated 260,000 student subscribers, he says.

On the basis of the information that students submit about themselves, the company then plays matchmaker, forwarding promising leads to its 110 American college clients.

Such services, Mr. Avison says, generally cost \$10,000 to \$20,000 annually and include training for admissions counselors and guidance to colleges on how to market themselves overseas. The company is working on strategies to use social media, like Facebook and Twitter, for recruiting, he adds.

"Students are becoming more savvy," says Daniel J. Guhr, managing director of the Illuminate Consulting Group, which advises colleges on internationalization. "That changes the way you market to them."

Even longtime providers of recruitment services note the change.

Kathy Harrington, executive director of Linden Educational Services, which runs student-recruitment tours and fairs worldwide, says she has noticed more community colleges at her events.

Colleges also are now likelier to seek undergraduates, who typically pay full tuition, rather than graduate students, who have traditionally made up the bulk of foreign students in the United States.

Becoming a Profession

The rapid growth of international education, and the companies it has spawned, has brought new scrutiny to the industry.

The 2007 study-abroad investigation by Andrew M. Cuomo, New York's attorney general, in which more than two dozen colleges and independent providers were issued subpoenas, helped accelerate a movement toward professionalization.

As a result, colleges are likelier than before to take a close look at the business arrangements they make with study-abroad providers and others.

Meanwhile, the recession has put the brakes on some colleges' international-recruitment budgets and scaled back some study-abroad programs.

At the same time, though, many observers expect that the global economic downturn could accelerate a trend toward a more business-oriented approach to international education, as colleges both seek more foreign students to fill budget gaps and see a greater need to engage globally.

The Nafsa exhibit hall suggests that the field will weather the downturn. Despite the economy, the number of vendors held largely steady from the previous year.

"Clearly," says Marlene M. Johnson, executive director and chief executive of the association, "it's reflective of the confidence people have in the field."

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Section: International

Volume 55, Issue 38, Page A1