American Colleges Look to Private Sector for Global Recruiting

By Karin Fischer
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The University of South Florida wants to become a globally known university. But with just 1,800 foreign students out of about 47,000, the university’s Tampa campus is far from international.

So officials there decided to turn to Into University Partnerships, a British company, to recruit and educate foreign students in a college-preparatory program that combines intensive English instruction and academic course work. The joint venture, Into University of South Florida, hopes to enroll 400 new international students this fall, many of whom may not have qualified on their own for admission to the university because of language difficulties, incomplete course work, or limited study skills.

South Florida has also signed on with another education-services company, Hobsons Inc., to help recruit more overseas students.

"We realize that we have neither the resources nor the expertise nor the time in-house," says Ralph C. Wilcox, the university's executive vice president and provost.

South Florida is an embodiment of one of most significant trends in international education in recent years, as American colleges adopt new, more aggressive, and more strategic approaches to foreign-student recruitment, often in conjunction with private-sector partners.

Interest is so great that ICEF, an international-education company that matchmakes colleges and recruiting agents, had to add an extra North America student-recruitment workshop this year. One hundred colleges have joined the American International Recruitment Council, a nonprofit group that sets ethical
standards for and certifies overseas counselors, since its founding in September 2008.

"Whether or not there is traction is old news," says Marlene M. Johnson, executive director and chief executive of Nafsa: Association of International Educators. "There's clearly an acceptance of agents or counselors that there wasn't five years ago, or even one year ago."

Still, the number of colleges that have actually inked deals with these private companies remains small, given that there are some 4,400 public and private institutions in the United States. Hobsons, which offers independent recruiting services, consults with 27 colleges, while IDP Education, another student-recruitment company, based in Australia, contracts with 60 American institutions. Into University Partnerships has signed just two U.S. institutions, South Florida and Oregon State University.

What's more, these private-sector models face bureaucratic roadblocks, such as state-spending rules at many public universities that complicate the payment of commissions, as well as outright resistance from State Department officials, college-admissions officers, and others who have ethical objections to paying outside recruiters.

"I think we're a long way from making a decision that this is the best model," says Peggy Blumenthal, executive vice president of the Institute of International Education, a nonprofit organization involved in international exchanges. "I don't think this is a slam dunk by any means."

**An Arrow in the Quiver**

These business tactics have been common in Britain and Australia for a decade or more. In this country, they are being driven by colleges' desire to internationalize their campuses, to more effectively compete for foreign students in a heated global market, and to bring in new sources of revenue as endowments fall and state budgets sag.
While the United States has long been the preferred destination for the greatest number of foreign students, tougher visa rules after the terrorist attacks of September 11, 2001, and increased competition have eroded American market share. That has spurred some U.S. colleges to adopt more-proactive strategies, says JoAnn S. McCarthy, an American international-education consultant and a former assistant provost for international affairs at the University of Pennsylvania.

"Here in the United States, we've been on cruise control for a significant period of time," says Ms. McCarthy, who advises Into University Partnerships. "We can no longer just expect international students to show up on our doorstep."

At South Florida, which is just 54 years old, officials hope the arrangements with Hobsons and the Into University firm, signed in the past year, will put the university "on the map, globally," Mr. Wilcox says, and help it compete for foreign students with more-established peers.

Into University Partnerships and South Florida will split the work and the cost of recruiting and educating international students in the yearlong "pathways" program, which they will jointly operate. The university offers academic oversight and its brand, while the company contributes marketing resources and a network of 400 recruiting agents.

Mr. Wilcox, the provost, concedes that it is banking that its partnership with Into University will yield dividends. The project was seeded with $2.5-million in private funds from the university foundation (to be matched by the company), which must be paid back within five years, he says.

The university and the company will split the profits from fees paid by the pathways students, while South Florida will receive the revenue from tuition paid by those students who go on to enroll in degree programs.

He declines to provide a specific revenue estimate, but the math is simple: While undergraduates at South Florida pay about $5,100 in tuition annually, out-of-state students, including those from foreign countries, shell out $15,900, more than three times as much. At the graduate level, out-of-state tuition is more than double the charges for Florida residents.
For an institution that has lost more than a third of its state support over the past three years, that out-of-state money could be crucial.

Private-sector models have already made such inroads in Australia and, to a lesser extent, Britain, that there is limited room for growth there, says Tony Adams, an international-education consultant in Australia. The United States represents a largely untapped market for such companies, he says.

For American colleges, which do not distinguish between tuition rates for out-of-state and international students, there has historically been little incentive to recruit from China when they can just draw from California.

But that may be changing, says Michael Metcalf, associate provost for international affairs at the University of Mississippi, as the growth in number of high-school graduates levels off in the United States, while overseas an expanding middle class has enough money to pay full freight for an American college degree.

Mr. Metcalf says Mississippi previously had a "haphazard" strategy for international-student recruitment, sending representatives overseas and attending fairs only when they could "scrounge" funds.

In December the university signed on with IDP as one of 11 U.S. "charter partners." Administrators chose the company because it passed an extensive certification process established by the American International Recruitment Council.

"It's not the only arrow in our quiver, but it's a way for us to have representatives in 70 cities in Asia," Mr. Metcalf says, noting that Mississippi pays the commission only when students enroll there. "We don't have the capacity to be out in all those venues. It extends our operation without an enormous investment in staff abroad."

**Fundamental to the Mission**

But Mark Shay, IDP's regional director for North America, says persuading U.S. colleges to sign on with the company has been a slog at times.
Some colleges are prohibited from paying commissions, while in New York and North Carolina, among other states, students remit tuition directly to the state, which then budgets funds to the public colleges, complicating efforts to give agencies a cut of tuition dollars. In South Carolina, all contracts are awarded through a competitive bidding process, so recruiters must accurately gauge upfront the number of students they will attract.

Firms used to working overseas also say they find the American higher-education structure confusing. British and Australian universities typically have large staffs—as many as two dozen—specializing in international recruiting, with a clear line of reporting to senior leadership on the campus.

By contrast, such responsibility may be diffused throughout an American institution—the admissions office might have responsibility for recruiting undergraduates, while individual departments work to attract graduate students. English-language institutes frequently handle the marketing and recruitment of students into those programs.

"The bigger the school, the more silos there are, the more convoluted it can be to strike agreements," Mr. Shay says. In fact, he notes, the majority of IDP's clients are small, private colleges.

Indeed, one key to striking deals, say Mr. Shay and others in the field, is convincing senior administrators of the value of such arrangements. That's especially true of the most ambitious partnerships, the pathways programs to be offered by Into University Partnerships at South Florida and Oregon State and by Navitas, an Australian firm, at Western Kentucky University. Because the contracts typically are for long periods of time, perhaps several decades, and involve sharing both revenues and oversight of marketing and educational decisions, they require buy-in from presidents and provosts, says Andrew Colin, Into's chairman.

"At the end of the day, it's whether you can secure bandwidth with senior leadership," he says.

Detractors say the companies, many of which got their start overseas (the exception is Hobsons, which added recruitment services to the work it already
was doing in the United States), frequently fail to appreciate the nuances of the American market, trying to make, say, an Australian peg fit an American hole.

"Your U.S. system is different," says Mr. Adams, the Australian consultant. "You can't just plop down the Australian model."

One criticism is of the top-down approach of the companies, especially Into University Partnerships.

"The ink had all but dried on the contract before those involved in international education knew what happened" at Oregon State, says Scott G. Stevens, director of the University of Delaware's English-language program and vice president of the American Association of Intensive English Programs.

Mr. Stevens and others are leery not just of the particulars of certain agreements but also of privatization in general. Barmak Nassirian, an associate executive director of the American Association of Collegiate Registrars and Admissions Officers, criticizes the use of recruitment agents as "mercenary."

"It's tempting to think of international students as a cash cow," he says. "But I believe there's nothing more fundamental to the mission of any academic institution than who gets in and who doesn't."

Other observers question whether the companies do enough homework, pointing to the fact that the English-language programs at both Oregon State and South Florida had their accreditation suspended after partnering with Into University, on the grounds that the joint venture fundamentally changed the programs. (English-language programs need not be accredited, but that status can help smooth the visa process and attract scholarship dollars.)

South Florida has appealed its suspension, while Oregon State plans to reapply next fall, after it has admitted the first of its pathways students from college-preparatory programs into a regular course of study at the university.

**Lowering Expectations**
Into University Partnerships has promised big numbers—South Florida expects 400 students in its first year, and 750 to 1,000 when the joint venture is fully up and running.

About 400 students are enrolled in the Into-Oregon State partnership, about 125 of whom are in pathways programs. Sabah U. Randhawa, provost and executive vice president, says he expects about 75 percent of those students to transfer to regular degree programs at Oregon State in the fall.

Mr. Randhawa says that the pathways program has attracted slightly fewer students at the graduate level than expected—about a dozen this year, rather than the planned-for 45—but that the shortfall reflects the complexity of graduate-level admissions.

Jane Averill, who stepped down as director of Oregon State's English Language Institute in January, suggests that the university might have been able to increase enrollments on its own. She points to similar growth at the University of Oregon, which does not have a recruitment agreement in place.

For his part, Mr. Randhawa says, "I have no regrets," of the decision to work with Into University Partnerships. Still, he says, he expected more U.S. universities to have signed up with the company by now.

Both Hobsons and IDP play down student numbers in this first year. Jeremy Cooper, managing director of integrated-marketing solutions at Hobsons, says he expects to begin recruiting in earnest for next fall. For now the focus is on setting up Hobsons' network of agents, he says, and on working with its U.S. college partners to devise recruiting strategies, including arranging trips for admissions-staff members to China and India. Hobsons plans to add 20 colleges to its client list this year, he says.

IDP, meanwhile, is working to diversify its client base, which is heavily weighted toward less-selective, high-tuition private colleges. The company's challenge, says Mr. Shay, is to have a balanced mix of American institutions to market overseas. It is "aggressively approaching" a target group of 250 institutions, mainly low-priced public universities and very selective colleges, which have not typically struck recruiting deals.
Initially, says Markus Badde, chief executive of ICEF, companies must persuade a group of colleges to sign on. "No one likes to be first," he says. "Universities always watch what each other is doing."

**Going It Alone**

Some colleges are choosing not to sign up with an outside provider but to adopt some private-sector strategies and go it alone.

Both Drexel University and George Mason University were approached by Into University Partnerships but decided to craft in-house versions of pathways programs. Peter N. Stearns, George Mason's provost, called the company's offer "a very attractive package" but said the university could not agree to its terms, including a long-term contract.

This fall George Mason will offer a pilot of what it calls a transition program, which will integrate intensive English-language instruction with regular academic course work.

Drexel just finished the first year of its international gateway program, shepherding five students through a combination of English classes, test preparation, and a sequence of math courses aimed at prospective engineers. The university expects to enroll another 25 to 30 students next fall, says Barbara Hoekje, director of its English Language Center.

Mitch Leventhal, chair and president of the American International Recruitment Council, says U.S. colleges' slow start may eventually benefit them as they adopt and adapt strategies for overseas-student recruitment. They have the opportunity to learn from other countries' mistakes.

"We may go from being a laggard to an innovator in the space," says Mr. Leventhal, who is also vice chancellor for global affairs for the State University of New York. "We may end up leapfrogging everyone else."