

Case #14: Recruiting International Students

With increasing costs and a poor economy, the quest for quality, prestige, and ultimately income has led some universities to look abroad to bolster their incoming classes. While universities stand to benefit from the tuition dollars and diversity such students bring with them, the methods used to recruit these students is controversial.

Recruiting international students for both undergraduate and graduate studies has been a common practice for many years in Australia, the UK, and other countries which have sizable populations of international students, while American universities have enjoyed the privilege of being the destination of choice for graduate students—especially in science and engineering—for decades. Numbers have dwindled in recent years, however, as India and other countries start to offer their own local high quality graduate programs. But with increasing competition for tuition dollars, universities in the U.S. have started to actively recruit international students to bolster their undergraduate programs as well. In response to this demand, companies have sprung up to assist universities in their recruitment efforts.

The cost of recruiting international students without the use of outside agents is high. Traditionally, universities employ their own salaried recruitment officers to find students, but recruiting from Africa and Asia is an entirely different skill than recruiting from the next state over. Companies that recruit for universities in other countries often possess more intimate knowledge of foreign countries and students' needs in those countries, and save universities from having to employ and train specialized recruiters for each unique region.

Many educational observers are nervous about the motives of agents working for these companies,¹ especially since the agents can be paid a *per-student commission*, as opposed to a salary. Though this practice is common in Australia and the United Kingdom, U.S. federal law and laws in several states prohibit institutions from compensating recruitment agents in that manner. Compensating recruitment agents with a portion of these students' tuition is being discussed by institutions such as Indiana-Purdue University.² According to the Chronicle of Higher Education, the National Association for College Admission Counseling (NACAC) is even set to vote in July on a proposal prohibiting member colleges from paying commissions to recruitment agents abroad.

In better economic times, most universities would not consider using for-profit recruitment agencies. But in the aftermath of economic recession—when universities must do more with less—the practice looks much more appealing, if not necessary to keep afloat. Unlike scholarship-hungry domestic students, international students often pay full tuition, and cannot rely on subsidized student loans from the federal government. Often, they are also at an informational disadvantage compared to U.S. students. They often do not have the tradition of higher education in their home countries, making any offer from a U.S. university quite appealing. They can also lack the information to bargain and compare offers from competing

¹ Marjorie S. Smith, "Why Overseas Agents Don't Work," The Chronicle of Higher Education, <http://chronicle.com/article/International-Student/127931/#smith>, June 16, 2011.

² Elizabeth Redden, "Ethical debates surround U.S. colleges' use of international recruiters," USA Today, http://www.usatoday.com/news/education/2010-06-01-ihe-international-students_N.htm, June 1, 2010.

U.S. colleges. Sometimes they pay more for an education from a comparatively lower-quality school.

And international students may not be the only ones to suffer. With increasing competition for limited domestic spots on college campuses, U.S. students may find themselves priced out of colleges that might have offered them scholarships in more prosperous times. Faced with a choice between a qualified but somewhat lesser prepared international student who can pay full tuition and a U.S. student who cannot, cash-strapped universities will have to make tough choices. The competition among top students will become increasingly intense. Top-scoring U.S. students tend to expect to be courted with fellowships, scholarships, and on-campus perks. Top-scoring international students do not necessarily have these expectations, making them more desirable from the perspectives of prestige *and* the pocketbook.