

Resources: Measuring Return on Investment in International Student Recruitment NAFSA Conference in Minneapolis, 31 May 2007

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Access the session's PowerPoint Presentation online:

<http://www.USjournal.com/en/educators/erecruit/07/mpls.ppt>

The American Association of Collegiate Registrars and Admissions Officers:

<http://www.aacrao.org/>

The American Association of State Colleges and Universities, representing 430 U.S. institutions:

<http://www.aascu.org/>

The American Council on Education published "Measuring Internationalization" survey in '01 and '03:

<http://www.acenet.edu/>

Council of Graduate Schools and its April 2007 study of International Graduate Applications:

<http://www.cgsnet.org/> / http://www.cgsnet.org/Portals/0/pdf/N_PR_IntlApps07_I.pdf

The Direct Marketing Association strives to measure results of promotional campaigns around the world:

<http://www.the-dma.org/>

EducationUSA, managed by the Bureau of Educational and Cultural Affairs within the U.S. Department of State:

<http://educationusa.state.gov/>

GAO (U.S. Government Accountability Office) published "Global Competitiveness: Implications for the Nation's Higher Education System": <http://www.gao.gov/new.items/d07135sp.pdf>

Institute of International Education in general, and their Open Doors resource in particular:

<http://opendoors.iienetwork.org/>

National Association for College Admission Counseling, which studies trends in enrollment on a domestic level:

<http://www.nacacnet.org/>

NACAC's 94-page "State of College Admission 2006" <http://www.nacacnet.org/NR/rdonlyres/4B4C0DF4-BF0A-4B10-89F4-A3D631061305/0/06StateofCollegeAdmissionpdf.pdf>

National Association of State Universities and Land Grant Colleges:

<http://www.nasulgc.org/>

NAFSA's Recruitment, Admissions, Preparation Knowledge Community / International Enrollment Management Survey

http://www.nafsa.org/knowledge_community_network.sec/recruitment_admissions

NAFSA's *International Educator* magazine, May / June '07, pgs 64-68: "Measuring Return on Investment in International Student Recruitment" by Cheryl Darrup-Boychuck

Noel-Levitz published the National Enrollment Management Study in '04, and the Cost of Recruiting Report in '05:

<https://www.noellevitz.com/>

Overseas Association for College Admission Counseling, a chartered affiliate of NACAC:

<http://www.oacac.com/>

<http://www.stamats.com/> offers a research-oriented approach to enrollment management and recruiting, primarily from a domestic perspective. Their Scorecard, for example, is an assessment tool to help evaluate an integrated marketing strategy.

<http://www.USjournal.com/en/educators/erecruit/07/surveyROI.pdf> offers a simple survey approach for gauging the probability of success of an individual campus in particular countries or regions.

Overview of NACAC's "Average cost to recruit per applicant, accepted student, and enrolled student" (Table 57)

Data from NACAC's 2005 survey, which is published in the 2006 State of College Admission report, shows an average cost-to-recruit of \$1,753 per enrolled (domestic) student. But there are substantial differences depending on the type of institution. The average cost per enrolled student at public institutions is \$667, while private institutions report an average of \$2,167. Institutions with enrollments of more than 20,000 students report an average cost per enrolled student of \$422, while institutions with fewer than 3,000 students report a figure of \$2,187. Source: <http://www.nacacnet.org/>

So, what could domestic admissions figures teach us about ROI on the international side? Direct comparative analyses (on an individual campus) has shown the efficiency of international student recruitment strategies, especially given the fact that actual "recruitment" is often just a small percentage of the international staff's overall job responsibilities. – Robert Pesek, Director of the Culture and Intensive English Program at the University of Northern Iowa

Table 57. Average cost to recruit per applicant, accepted student, and enrolled student, 2004.

	Average Cost Per Applicant	Average Cost Per Accepted Student	Average Cost Per Enrolled Student
All	441.91	713.74	1,752.72
Control			
Public	216.76	328.41	667.23
Private	533.44	866.62	2167.00
Type			
Two-year	250.73	499.82	764.40
Four-year	448.57	720.43	1781.81
Enrollment			
< 3,000	565.84	913.26	2187.24
3000-4999	364.75	562.55	1639.87
5000-9999	156.10	255.08	632.57
10000-14999	164.86	281.12	742.10
15000-19999	149.47	248.42	648.92
> 20000	132.98	218.34	421.54
Region			
New England	388.16	784.65	1941.03
Middle States	467.29	827.61	2065.54
South	431.32	663.30	1628.05
Midwest	462.69	694.55	1616.47
Southwest	477.07	741.11	1382.61
West	407.71	554.63	1781.51
Selectivity			
Less than 50 percent	325.78	993.52	1959.22
50 to 70 percent	395.62	667.82	1525.53
70 to 85 percent	481.84	632.51	1849.30
More than 85 percent	599.51	684.41	1828.75
Yield Rate			
Less than 30 percent	353.01	504.61	1944.57
30-45 percent	532.19	792.24	2102.09
46-60 percent	464.73	667.45	1258.55
More than 60 percent	478.67	1089.84	1303.83

Source: NACAC Admission Trends Survey, 2005.

Measurement Myopia

A college degree is increasingly expensive, and students and parents want to make informed decisions. But educators worry that the (*U.S. News and World Report*) rankings have made college a commodity, creating a false impression that schools can be easily compared and stressing out students who want only the "best" schools.

"This increasing interest in measuring everything – these so-called science-based measures of educational outcomes and the like – seems to me to be so misguided that it's now captured the imagination of the leadership in higher education," says Christopher Nelson, president of St. John's College in Annapolis, Md., who heads an association of 124 prestigious liberal arts schools. "This is a bad way of talking about an education. Students aren't consumers shopping for a product."

The boycott of the *U.S. News* rankings could be extended in coming weeks as a draft letter makes the rounds of academia... -- http://news.yahoo.com/s/csm/20070412/ts_csm/arank_1

An Economist's Perspective

Calculating the ROI for a firm is fairly straightforward – one would compare the initial investment to subsequent profits produced by the investment to get an overall rate of return. If we were to do exactly the same for an educational institution, we'd have to compare recruiting expenses (the initial investment) to the "profits" (tuition minus cost of instruction) plus expected future donations after graduation:

Recruiting Expenses vs Profits, where
Profits = Tuition – Cost of Instruction + Expected Donations

We wouldn't want to take such a literal approach, as there are many non-monetary benefits derived from a diverse student body. Besides, tuition is less than the cost of instruction at most U.S. universities, so the "profits" are negative, and it would be too difficult to estimate probable donations.

One useful approach would be to estimate the **admissions yield** from recruiting in different countries or regions, which could be defined as the number of newly enrolled students per dollar of recruitment expenses." – Paul Pieper, Director of Graduate Studies and an Economics Professor, University of Illinois at Chicago

A Statistician's Perspective

The best / purest data for this type of project would be collected from young, prospective students over a period of a few years, as they make their real-life decisions about studying in the USA. By surveying actual **students**, we eliminate any bias of the recruiters. (Some of us enjoy traveling around the world, while others are partial to effective use of technology.)

Linear regression is one way to approach the project. This type of model allows us to predict a dependent variable (the likelihood of enrolling, in this case) on the value of several independent variables, namely different types of recruitment, such as:

- Agents who are paid on a per-student commission
- Agents or in-country counselors who are not paid per student
- Alumni networks
- Online promotion, targeted to new audiences based on language or geography
- Online promotion, as a destination for students already in the funnel from other efforts
- Overseas fairs

Perhaps some bright PhD candidate would like to pursue this relatively long-term approach as a thesis topic. – Steve Creech, <http://www.StatisticallySignificantConsulting.com/>

Parallels to Identifying Great Leaders

We've conducted numerous qualitative interviews in an attempt to determine the definitive styles, characteristics, or personality traits of great leaders. None of these studies has produced a clear profile of the ideal leader. **Thank goodness.** If scholars had produced a cookie-cutter leadership style, individuals would be forever trying to imitate it. They would make themselves into personae, not people, and others would see through them immediately... No one can be authentic by trying

to imitate someone else. You can learn from others' experiences, but there is no way you can be successful when you are trying to be like them... When the 75 members of Stanford Graduate School of Business' Advisory Council were asked to recommend the most important capability for leaders to develop, their answer was nearly unanimous: self-awareness. — "Discovering your Authentic Leadership," by Bill George, Peter Sims, Andrew N. McLean, Diana Mayer, *Harvard Business Review*, Feb 07, Reprint R0702H at <http://www.hbr.org/>

Know How? Or Know Why?

There's "know-how" in business and then there's "know why." Purpose is a powerful motivator on many levels. "Purpose," a new book by Nikos Mourkogiannis, could really have been titled "Know Why." It describes four kinds of purpose, "starting points" that govern what great companies do and how they do it. Each of these purposes represents a kind of "Holy Grail" as opposed to goals (often merely financial), missions or visions, or even a set of values. As Mourkogiannis puts it, "Let others play with 'strategy' and 'tactics' and 'management.' Purpose is the game of champions." — "Is there too little Know Why in Business?" by Jim Heskett, *Working Knowledge* (Harvard Business School), Feb 07, <http://hbswk.hbs.edu/item/5627.html>

Return on Knowledge

Leaders of knowledge-based organizations approach the measurement problem by accepting soft indicators that knowledge management is earning its keep, rather than demanding hard numbers that may be misleading... They realize that a telling anecdote is a better "measure" than a precise but irrelevant number. — "What's your return on knowledge?" by Don Cohen, *Harvard Business Review*, Dec 06, Reprint F0612G at <http://www.hbr.org/>

Considered Judgments

Your managers' judgment is more important than the actual numbers presented. This reality will kill your finance staff, because they are good at crunching numbers, not at gauging what managers understand... No planning or capital-budgeting procedure can substitute for the best leaders in your company making considered judgments about how to allocate resources. — "How Managers' Everyday Decisions Create or Destroy Your Company's Strategy" by Joseph L. Bower and Clark G. Gilbert, *Harvard Business Review*, Feb 07, Reprint R0702C at <http://www.hbr.org/>

The Folly of Accountabalism

Because accountability suggests that there is a right and wrong answer to every question, it flourishes where we can measure results exactly. Accountabalism looks at complex systems that have gone wrong for complex reasons and decides the problem can be solved at the next level of detail. Another set of work procedures is written, and yet more forms are printed up. But businesses are not mechanical, so we can't fine-tune them by making every process a well-regulated routine. Accountabalism turns these complex systems into merely complicated systems, sacrificing innovation and adaptability... Mechanizing a complex organization gives us the sense that we can exert close control. But grown-ups prefer clarity and realism to happy superstition... Think about when mathematics should automate a decision, and when it should simply assist a decision-maker. — "The Folly of Accountabalism" as one of the Breakthrough Ideas of 2007 in *Harvard Business Review*, Feb 07, Reprint R0702A at <http://www.hbr.org/>

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