



INTERNATIONAL RECRUITMENT

At Home and Abroad

THE ESCALATION OF INTERNATIONAL RECRUITMENT

- While international recruitment has been around for many years, a challenging economic climate and a decrease in U.S. high school graduates led many colleges to become more involved, or perhaps involved for the very first time, in international student recruitment.
- There was intense growth in both colleges with little knowledge of the international recruitment landscape as well as agents and agencies promising to deliver international students at relatively low recruiting costs.



COMMISSION ON INTERNATIONAL STUDENT RECRUITMENT

- SPGP Mandatory Practice I.A.3:
 - Members agree that they will not offer or accept any reward or remuneration from a secondary school, college, university, agency, or organization for placement or recruitment of students;
- In 2011, the NACAC Board of Directors planned to amend the SPGP to clarify that the ban on per student remuneration applied to both domestic and international student recruitment
- Instead of adopting the amendment, the Assembly asked the Board to appoint a commission to study the issue and then present recommendations to the NACAC Admissions Practices Committee and the Board of Directors



CHARGES TO THE COMMISSION

- Promote ethical practices in international recruitment
- Suggest ways to support members who participate in international recruitment
- Consider alternatives to incentive-based recruitment
- Suggest ethical standards for best practices in international recruitment
- Help develop new mechanisms for students to learn more about American higher education
- Help member institutions to recruit ethically and effectively in the international marketplace



CONDITIONS OF THE COMMISSION

- Defer any recommendation for Assembly action on the SPGP as it relates to the recruitment of international students for no more than two years
- Not process complaints about alleged violations of SPGP Mandatory Practices as it relates to the use of incentive compensation in the recruitment of international students during this period and encourage Affiliates to follow the same course



HISTORY OF INCENTIVE COMPENSATION IN ADMISSIONS

- Between the late 1800's and early 1900's, college recruitment and admission was largely unregulated, and the use of agents and incentive based "sales" models was not uncommon
- The formation of NACAC in 1937 led to the creation of professional and ethical standards in college recruitment and admission
- In 1951, the SPGP made specific reference to the fact that college representative should be compensated on a fixed salary
- In 1993, the NACAC Assembly voted to clarify that the ban on per capita payments applied to both domestic and international recruitment
- NACAC Admissions Practices strengthened their position in support of the ban in 2002 and clarified supporting language in the SPGP in 2005



FEDERAL HIGHER EDUCATION ACT

- In the late 1960's, shortly after the formation of the federal student loan program, the U.S. government looked to regulate incentive-based recruitment of students using Title IV funds
- In 1992, the U.S. government clarified through the Higher Education Act that any college accepting Title IV funds:
 - Will not provide any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any persons or entities engaged in any student recruiting or admission activities . . .



THE USE OF AGENTS ABROAD

- The overwhelming majority of secondary schools abroad do not provide college counseling as part of the secondary school experience
- International students routinely consider post-secondary institutions in a variety of different countries
- With very little information available in what can be an overwhelming process, paid agents have become the “experts” when it comes to navigating the college application and admission process
- U.S. colleges can not feasibly or financially recruit abroad the same way they do domestically



INCENTIVE COMPENSATION ABROAD

- Colleges pay agents a flat fee for each student who enrolls and complete a certain amount of time on campus
- Colleges pay agents a percentage of the tuition paid by each individual student
- Families pay agents a fee for assistance with the college application and decision process
- Families pay agents a percentage of any grant or scholarship they may receive to attend a particular institution



PROBLEMATIC BEHAVIORS IN AGENT-BASED RECRUITMENT

- Relationship Non-Disclosure
- Misrepresentation to Students
- Misrepresentation to Institutions
- Remunerations for Financial Aid Awards
- Conflict of Interest



USE OF AGENTS ABROAD

- The use of commissioned-based agents is very common in the United Kingdom and Australia, but the government plays a large role in regulation
- The government of Canada is also playing an increasing role in the internationalization of Canadian colleges
- In China, where there is the largest demand, agents and agencies are significantly less regulated



PROMOTION OF INTERNATIONAL RECRUITMENT TO US COLLEGES

- **EducationUSA**, an initiative of the US Department of State, promotes US education in 170 countries but is under-utilized
- **Institute of International Education (IIE)**, private not-for-profit organizes overseas fairs, provides training on international admission, etc. with a network of 18 locations around the world
- **Department of Commerce** organizes trade missions, college fairs and networking
- **33 State Consortia**, like Study Illinois,



REGULATION OF INTERNATIONAL RECRUITMENT TO US COLLEGES

- **Federal Student Aid and Accompanying Regulation** – Federal Aid agreement tied to rules against misrepresentation to all students, domestic and international
- **Homeland Security and Student Visas** – published guidance for students who work with commissioned agents
- **State Certification and Consumer Protection**
- **Accreditation** – Most accrediting agencies require institutional oversight that extends to any “agent” promoting the institution



ASSOCIATION STANDARDS

- **NAFSA: Association of International Educators**
- **American Association of Collegiate Registrars and Admission Officers (AACRAO)**
- **NACAC – Statement of Principles and Good Practice**
- **Independent Educational Consultants Association (IECA)**
- **Higher Education Consultants Association (HECA)**



METHODS OF INTERNATIONAL RECRUITMENT AT US INSTITUTIONS

- Admissions Staff and Other University Partners
- Recruitment via Contacts with School-Based Counselors and Other Resources
- Federal Government Resources
- Agents as Third Party Representatives (about $\frac{1}{4}$ of US institutions)
- Other Third Party Resources



SETTING AGENCY STANDARDS

Programs for agent certification

- **International Consultants for Education and Fairs (ICEF)** – headquartered in Bonn, Germany
- **American International Recruitment Commission (AIRC)**



COMMISSION CONCLUSIONS

- Many more institutions are recruiting international students
- Many institutions, due to budget and staff constraints, rely on third-party relationships
- Many such arrangements are based on remuneration contingent on a student's enrollment
- While most institutions reserve the decision-making authority to admit or deny an applicant that an agent has recruited, that is not the case with all institutions



COMMISSION CONCLUSIONS

- A number of institutions have managed commission-based agent relationships successfully, creating robust “feedback loops” to ensure oversight
- Incentivized recruiting has long been a concern for both domestic and international recruitment and will continue to be a concern for many if not most admission professionals
- In any circumstance, accountability for ethical recruitment and student support, particularly in the rapidly growing international market, rests with institutions. To the extent that they are unable to regulate themselves, they can expect to be regulated from without.



APPROVED SPGP CHANGES BY THE ASSEMBLY

Mandatory Practices

I. All Members—Mandatory Practices

A. Promotion and Recruitment

All members agree that they will:

1. accurately represent and promote their schools, institutions, organizations, and services;
2. not use disparaging comparisons of secondary or postsecondary institutions;
3. not offer or accept any reward or remuneration from a secondary school, college, university, agency, or organization for placement or recruitment of students **in the United States. Members who choose to use incentive-based agents when recruiting students outside the US will ensure accountability, transparency and integrity.**¹

¹ Proposed 1. A. 3. and the interpretations on page 6 – 7 will be further clarified by the work of the Admission Practices Committee and International Advisory Committee in Indianapolis in 2014.



APPROVED SPGP CHANGES BY THE ASSEMBLY

Interpretations of Mandatory Practices

3. Not offer or accept any reward or remuneration from a secondary school, college, university, agency, or organization for placement or recruitment of students in the United States. Members who choose to use incentive-based agents when recruiting students outside the US will ensure accountability, transparency and integrity.¹

Members will:

- a. be compensated in the form of a fixed salary, rather than commissions or bonuses based on the number of students recruited.
- b. not contract with secondary school personnel for remunerations for referred students.
- c. assure institutional accountability by monitoring the actions of those acting on their behalf.
- d. assure transparency by ensuring that the transactions between agents, institutions and students are clear.
- e. assure integrity through the actions of all involved in recruiting by following legal and ethical guidelines.
- f. define permanent residents and international students by their immigration status.

¹ Proposed 1.A.3 and the interpretations on page 6-7 will be further clarified by the work of the Admission Practices Committee and International Advisory Committee in Indianapolis in 2014.



COMMISSION REPORT RECOMMENDATIONS

Accountability

Recommendations:

Institutions shall oversee the actions of those acting on their behalf and recognize their responsibility for providing a high-quality educational experience for international students. As examples of requirements for institutional accountability, the commission recommends provisions such as:

- Abiding by relevant state and federal laws, as well as regional accreditation standards, for recruitment (as distinct from association good practice, as noted below)
- Protecting against misrepresentation on the part of anyone working on behalf of the institution
- Ensuring an adequate feedback loop to monitor that students receive the services they were promised during recruitment
- Fulfilling the obligation to provide resources for international students to accommodate their unique needs



COMMISSION REPORT RECOMMENDATIONS

Integrity

Recommendations:

The actions of all involved in recruiting shall follow established legal and ethical guidelines. Where applicable, institutions acknowledge that as institutional members of professional organizations, they have agreed to abide by accepted principles of practice. As examples of requirements for integrity, the commission recommends provisions such as:

- Adhering to NACAC's Statement of Principles of Good Practice (SPGP) in international as well as domestic recruitment
- Adhering to standards set by other associations, including NAFSA: Association of International Educators, for international recruitment



COMMISSION REPORT RECOMMENDATIONS

Transparency

Recommendations:

The terms of transactions between agents, institutions, and students shall be clear and transparent. As examples of requirements for transparency, the commission recommends provisions such as:

- Providing clear and conspicuous disclosure of arrangements by institutions with third-party agents visible to prospective students and families
- Providing clear and conspicuous disclosure of arrangements by agents with institutions for students and families
- Ensuring that terms of transactions between agents, institutions and families are clear and published



NEXT STEPS

The International Advisory and the National Admission Practices Committees are charged to develop a document outlining best practices for incentive-based agents and agencies engaged in recruiting students outside their domestic market to serve as a template for colleges, universities and secondary schools when establishing and maintaining relationships with incentive-based agents and agencies.

**To be presented at the 2014 NACAC Assembly.*

