Return on Investment in International Education Workshop

Presented by:
Dr. Kathryn Chang Barker

FuturEd Inc.
Workshop Agenda

1. Introductions and objectives
2. Introducing ROI
3. ROI in IE project overview
4. Applying ROI to IE
5. Practicing and discussing
6. Wrap up and next steps

Do you all know each other?
BC Centre for International Education

- mandate
- past achievements
- current priorities
- interest in ROI
Background Work

Materials
- Consumer’s Guide to ROTI  (handout)
- Environmental Scan / Background Paper
- Why Train?
  at www.futured.com
- Project Paper (coming)

FuturEd Inc.
- Guide / workshops
- Case studies
  - training, IE
- Workbook
- Ongoing Research

Background:  Training, LFD, literacy, PLA, etc.etc.
Shared Objectives?

1. provide new and useful ROI knowledge, skills and tools
2. share and critique research project
   • quality evaluation
   • ROI in IE
3. extend our thinking on “intangibles”
4. plan and support more ROI initiatives
5. other?
2. Introducing ROI

- Terminology
- Purposes
- Perspectives
- Details
ROI Basics

**Definition**
- Accounting-based evaluation method

**Process**
- Translate all costs and benefits into financial figures
- Expressed as a percentage

\[
\text{Returns / Investment} \times \frac{\text{100}}{} = \text{ROI}
\]

**Outcome**
- For every dollar spent, how much money is returned? (perspective?)
  - Is it good enough?
- Not a quality assessment; other forms of evaluation required

*Not all education or training can or should demonstrate ROI.*
Why ROI analysis in education/training?

- demonstrate that E/T is an investment
- maximize returns on E/T budgets
  - document positive change in performance
- benchmark success
  - improve attitudes toward E/T
- measure effectiveness and efficiency
  - demonstrate accountability for policies
- make the “business case” for programs or innovations
ROI Perspectives

Business Case

- Business
  - profitability
    - improvement
- Individuals
  - efficient use of resources
    - employability
- Governments
  - public policy goals
    - accountability
- Educators
  - marketing products
    - better service
- Unions
  - employment security
    - benefits

BCCIE perspective? Your perspective?
Societal Benefits to Education and Training

- better public health
- lower crime
- concern for environment
- better parenting
- more political and community participation
- greater social cohesion
INVESTMENTS AND RETURNS CAN BE...

- **Tangible** (e.g., contracts, fees) and/or
- **Intangible** (e.g., connections, learning)

Focus of ROI is the “tangibles” – the monetary.

**Unit of Analysis:**
- One-time (e.g., curriculum) **or**
- Per offering (e.g., instruction) **or**
- Per participant (e.g., fees, materials), **or**
- Annual offerings.
To make matters more complex…

Costs and Returns may be:

• **immediate** and/or **evolving**
• **positive** and/or **negative**
• **short-term** and/or **long-term**
• **planned** and/or **unplanned**
• **once-off** and/or **ongoing**
• **targeted to new** or **existing clients**
• **of equal value** or **prioritized in importance**
• **essential** and/or **optional**
Sample ROI Elements

**Costs**
- course development or purchase
- instructional materials
- equipment, hardware
- facilities
- travel, lodging, meals
- salary (instructor and support staff); and
- administrative support
- marketing
- evaluation

**Returns**
- student fees
- research funds
- quantity
- quality
3. ROI in IE
Research Project

Issues and choices

- Orientation: public
- Geography: BC
- Types of IE: 3
- Levels of provision: 3
- ROI perspectives: 1
- Data types
- Data sources
- Unit of analysis

- BCCIE hosting
- HRDC funding
- FuturEd Inc.
- Advisory Committee
- 3 months
- 3 case studies
- outcome: an ROI beginning
Types of IE

- international students coming to Canada (full courses / programs)
  - Canadian students abroad (partial programs)
- student exchange (short-term)
  - staff exchange
- research projects
  - Canadian courses delivered abroad
- e-learning courses for Canadians
  - e-learning courses for international students
- internationalizing local curriculum
  - internationalizing the institution
- international office for student advising, e.g., immigration
  - international internships (work / study abroad)
- volunteer programs
  - contract training
- sale of curriculum
  - consulting and advising
- institution building
Quality Criteria for ROI Analysis / Research

✓ utility
✓ feasibility
✓ ethicality
✓ accuracy
✓ acceptability
✓ efficiency

✓ adaptability
✓ inclusiveness
✓ flexibility
✓ effectiveness
✓ credibility
## Research Focus

<table>
<thead>
<tr>
<th>Public sector, institutional perspective</th>
<th>Level of provision (all for credit)</th>
<th>Type of IE</th>
<th>Unit of analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simon Fraser University</td>
<td>adult PSE (university)</td>
<td>Student mobility Field School</td>
<td>Per year for individual and collective field schools</td>
</tr>
<tr>
<td>Richmond School District</td>
<td>K-12 (secondary school)</td>
<td>Recruitment of Foreign Students</td>
<td>Per school year</td>
</tr>
<tr>
<td>BC Institute of Technology</td>
<td>adult training (career college)</td>
<td>Contract training outside Canada</td>
<td>Per session</td>
</tr>
</tbody>
</table>
Investment Categories

- administration (management and clerical)
- marketing (materials and travel)
- delivery (instruction salaries and benefits; facilities)
- communications
- specialized curriculum
- student services (office and staff for orientation and debriefing, counseling, financial assistance)
- extra program costs as required
- faculty supervision of program
- partnership development and maintenance
- evaluation

ALL !!
Potential Return Categories

- fees paid (registration, tuition, extra)
- curriculum and materials for resale
- professional development (in lieu of contractual)
- FTE grant
- human capital assets

The more, the better ROI.
Data Gathering

• **Sources**: Informed individuals, institutional perspective

• **Types**: actual figures and professional estimates

• **The easy part**: investment categories and amounts

• **Concerns**: confidentiality, types of returns, negative ROI
## Actual ROI and Issues

<table>
<thead>
<tr>
<th>Case Study</th>
<th>ROI</th>
<th>Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SFU Field School</strong></td>
<td>180%</td>
<td>• new vs. long-term&lt;br&gt;• ROI for non-IE</td>
</tr>
<tr>
<td><strong>RSD Foreign Student Recruitment</strong></td>
<td>185%</td>
<td>• increasing ROI&lt;br&gt;• business plans</td>
</tr>
<tr>
<td><strong>BCIT Off-shore Contract Training</strong></td>
<td>138%</td>
<td>• trade secrets&lt;br&gt;• interrelated costs</td>
</tr>
</tbody>
</table>
Making Intangibles Tangible

- contributing to long-term stability
- increasing institutional reputation
- professional development for staff
- human capital assets development
4. ROI Practice

1. Name a type of IE you want to focus on.
2. List reasons why you want to analyze the ROI.
3. Think about perspective and unit of analysis.
4. Estimate measurable costs; list intangible costs.
5. Estimate monetary returns; list non-monetary.
6. Calculate ROI.
7. Judge our work and its “legs.”
8. Push the envelope with intangibles.
Critical Issues

- Actual returns (attribution)
  - Measurement tools (reliability, validity)
- Focus (different IE objectives)
  - Benefits – accruing over time (costs are upfront)
- Sample, don’t saturate
  - Be conservative
FuturEd Recommendations

- Use standard ROI method/models
- Use consistent methods for comparison
- Expand on existing research
- Build solid policy arguments for good practice
Wrap-up

Next steps:
- Something or nothing?
- Joint or separately?
- *Who wants to know what?*

1. BCCIE?
2. Province?
3. Institutions?
4. other?
For more information, contact:

FuturEd Inc.

…helping change learning systems for the future

101 - 1001 West Broadway, pod 190
Vancouver, BC  V6H 4E4
phone:  604-873-4700
e-mail:  kbarker@futured.com
website:  www.FuturEd.com