

GLOBAL EDUCATION

Program Subsidies, Scholarships and Finances

The Office of International Affairs - Global Education strives to assist colleges and academic units in creating successful faculty-led programs. Successful programs are those which provide a meaningful experience abroad, award useful credit towards degree completion and are not cost-prohibitive. In many cases, students can find a program which meets their educational goals but the associated costs with traveling overseas is ultimately the barrier that prevents them from doing so.

Since 2015 the shared responsibility model, which is a partnership between Global Education and academic units offering faculty led programming, has been in place. The key elements of this partnership are:

- Education abroad program enrollments flow to the sponsoring college
- Program surplus/deficits accrue to the college
- Education abroad program fees are established in a collaborative process
- Decision making on program development and continuation is shared

Historically, colleges and academic units have been able to increase affordability of faculty-led programs by contributing a subsidy to lower the program fee. Each college's approach to providing a subsidy varies depending on available funds, the number of programs being offered, and its own strategy on how to best help their students.

Fixed Subsidy

Some colleges subsidize programs by pledging to cover all the resident director and shared costs or by contributing a set amount. In this case, students are truly only paying their own way. The need for a required minimum number of students to run the program is essentially eliminated but each college will have to decide the minimum number required for the faculty's time and effort.

A fixed amount will make budgeting and subsidy allocation cleaner as opposed to a per student subsidy which will obviously vary depending on the final number of students who travel and complete the course.

Individual/Per Student Subsidy

Subsidizing the program fee per student is one way to equally impact all education abroad participants. A set rate per student is more easily communicated and advertised than a subsidy covering shared costs.

Global Education creates zero-based budgets so there is no money to surplus created at the breakeven point. However, once the minimum number of students has been reached there is potential for a program surplus that would be passed onto the college.

Super Subsidies or Target Program Fees

The desired effect should be considered before applying a subsidy. Is the goal to assist students equally – i.e. each program fee will be subsidized by \$1000 regardless of program cost – or, is the goal to make program fees comparable regardless of differences in location, program length or program costs? If the goal is to make comparable program fees or deeply discount certain programs, it could result in a large and disproportionate subsidy. Large subsidies should be used with caution.

If the college cannot provide the same ‘super subsidy’ in subsequent years, the program fee will reflect the large fluctuations and can result in ‘sticker shock’ for students. ‘Super subsidies’ can also have unintended consequences such as attracting two to three times as many applicants than available spots on the program. This means that half to two-thirds of the applicants have missed a chance at another applying for program (which could be cancelled for low number of applicants). Lastly, subsidizing to achieve a target program fee could consequently assume or classify a program is for certain populations of students, i.e. high financial need students should only consider the ‘super subsidized’ programs thus missing out on a program that could be better suited for them academically.

Scholarships

Subsidies automatically lower program fees but financial assistance in the form of scholarships allows colleges and units to direct their money more specifically and intentionally. Scholarships can be given according to greatest need or based on students’ major or home college. Students see the true cost of the program and how much the college is assisting them in making the program affordable. This is arguably the most transparent method of lowering a financial barrier to studying abroad.

Program Components and Itinerary Decisions That Impact Program Finances

Careful planning of a program can help lower the program fee as well as ensure that each day is impactful and worthwhile.

- Travel time – Consider the ‘door to door’ travel time rather than geographical distance between Columbus and host location. An Asian destination that has direct flights from the United States may equal shorter overall travel time compared to a South American location which requires two or three connections. Eliminating time in airports and increasing time in country adds value especially for short term programs.
- Multiple destinations – Consider anchoring the program in one city or region. Changing cities or countries requires more transportation (coaches, trains, flights) which can add up, not to mention the lost time making the transfers.
- Non- academic activities – Maintain a balance of academically related activities with leisure activities. Provide a list of sightseeing or fun attractions for students to do in their free time rather than including it in the program itinerary.
- Group meals – When appropriate, limit the number of group meals. If time and location allow for students to choose places to dine, they are in control of their spending.
- Explore efficiencies - Consult in-country provider to find efficiencies such as clustering nearby activities and sites, specific passes that bundle savings and alternative housing to chain hotels.

