



Justifying Study Abroad in Financially Difficult Times

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In this paper, we will develop the justification for study abroad. We will discuss the current economic climate and its impact on budgets. Next, we will explain the many benefits of the study abroad programs. Then we will propose some less expensive alternatives to the traditional study abroad programs. We will conclude with expectations for the future.

*“Studying international business in a classroom is
a bit like learning how to swim on a grass field”*

(Taras et al., 2012, p. 11).

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INTRODUCTION

The world has become smaller. Our grandparents' generation considered international travel only for the elites, and imported items were rare and always were luxuries. Today, imports are in every American home (and in many driveways) and cover every income group. International travel is a possibility for even middle class families for summer vacation. The world has changed.

The global reach of business has increased significantly in recent years (Laufer, 2012). In the past, relocating for a job might mean moving across the state. Now it could mean moving across the globe. Students must acquire knowledge of the global markets and the globally changing landscape (Freeman, Knight, & Butt, 2011). Most schools are not bringing globalization into the classroom in a way that fulfills the needs of business (Bruner & Iannarelli, 2011). Study abroad provides a key element to students' global development (Paus & Robinson, 2008). We, as educators, should desire our students to experience the rich tapestry of the global culture. Study abroad may be the only opportunity for many students to incorporate a global experience into their undergraduate program (Denbo, 2008).

In this paper, we will develop the justification for study abroad. We will discuss the current economic climate and its impact on budgets. Next, we will explain the many benefits of the study abroad programs. Then we will propose some less expensive alternatives to the traditional study abroad programs. We will conclude with expectations for the future.

THE ECONOMICS

In a dream world, colleges would send every student on a study abroad program, perhaps even flying first class. That is not the current reality. We must admit that colleges are in difficult economic times. Higher education budgets are being slashed, and fortunate schools are forced to justify maintaining their budgets. Increases in funding seem a distant memory. From 2005-2010, thirty states reduced their funding for higher education (Pulley, 2012). Recently, Alvarez (2012) found 41 states had cut higher education funding in 2011. The proposed across-the-board federal cuts would cut an additional \$4 billion from common and higher education (Dervarics, 2012).

Some states have been hit especially hard. The University of California funding was reduced \$1.2 billion in 2012, following a \$695 million cut in 2010 (Pulley, 2012). Florida has seen state funding for higher education drop 24% in four years (Alvarez, 2012). America is seeing the same type of drastic cuts as have occurred in Greece, Ireland, Spain, Italy, and Portugal (Labi, 2012).

Ironically, while the budgets are being slashed, some areas see an abundance of funding, especially for new buildings. College campuses have invested \$11 billion in new buildings in the last two years (Marcus, 2012). While there is no doubt that college infrastructures could be made better, perhaps those funds could be better spent than adding more fixed costs.

One area in need of funds is study abroad. Administrative costs for study abroad are significant. It is no surprise to anyone that funds are decreasing for study abroad. Many programs have been zeroed on the budget, making any study abroad completely funded by the students and faculty. Often coordinators for study abroad are part time positions, or combined with other job duties, which results in little time dedicated to the difficult process of coordinating study abroad opportunities.

Study abroad is not inexpensive. The high cost of study abroad is discouraging students from participation. Presley, Damron-Martinez, and Zhang's (2010) study of business students attending study abroad ($n = 188$) found that cost of study abroad is a major impediment to participation. In addition, the opportunity cost (time) is substantial for student to travel to another country for four months. The length of time commitment for study abroad deters some students (Loh, et al., 2011). While time away from family is a burden, the loss of a part time income for four months can be devastating for students. For students with children, the opportunity costs might be insurmountable. Schools often try to subsidize student travel, lowering the costs for the individual student, but increasing the overall costs to the school of the program.

THE BENEFITS

Historically, only a small number of students take advantage of study abroad. Lewis and Niesenbaum (2005) found that less than 1% of U.S. students study abroad each year. Aggarwal and Goodell (2011) explained, "In view of the rising costs of higher education, many students are finding it difficult to find resources to pay for the extra costs of study-abroad programs even though such programs are increasingly important in a rapidly globalizing business environment." From the administration side, study abroad has to be justified by a cost-benefit analysis with evidence of learning (Paige, Cohen, & Shively, 2004).

Although few students take study abroad, the benefits are great and are not in dispute. Our students need to understand how the world works. Just understanding the U.S. market is not enough anymore (Loh, et al., 2011). Within business disciplines, there is a growing emphasis on globalization (Presley et al., 2010). Developing skills to manage intercultural business transactions is crucial to success (Tuleja, 2008) and better prepares them for working in the global village (Alon, 2012).

Students who engage in study abroad are more likely to develop interpersonal skills, team building, and problem solving skills (Alon, 2005; Braskamp, Braskamp, & Merrill, 2009). As a result of the process, (international travel) students can synthesize information they have already gained in the classroom (Alon, 2005). Lane and Bird (2012) have explained that preparing students for globalization (and for the travel/international experience) is extremely important.

This type of experiential learning is more effective than other methods (Joplin, 1981) and cannot be gained in the typical classroom experience (Clarke, 2007). Lewis and Niesenbaum (2005) found that all students gain greater understanding of globalization. Putting the benefits into an economic context, Loh, et al., (2011) found significant consumer surpluses for students participating in study abroad programs.

This is not to imply that the only benefits are for business students. All students can and do benefit from study abroad. The benefits of study abroad cross all academic disciplines. Study abroad can improve cultural knowledge and transform world views (Braskamp, Braskamp, & Merrill, 2009; Lewis & Niesenbaum, 2005). For example, students who studied abroad showed signs of growth in emotional resiliency, flexibility, openness, and personal autonomy



(Dobly, 2004; Kitsantas & Meyers, 2001). Students returning from study abroad will “see and hear the world becoming smaller and becoming a better, more peaceful place” (Schaub, 2009, p. 31). Study abroad allows for personal growth in a way that cannot be repeated in the campus dormitory (Franklin, 2010).

There is an abundance of research which shows study tours have a significant impact on language learning (Amuzie & Winke, 2009) and cultural awareness and understanding (Black & Duhon, 2006; Braskamp, Braskamp, & Merrill, 2009; Fairchild, Pillai, & Noble, 2006; Pedersen, 2010; Rotabi, Gammonley, & Gamble, 2006) and in content areas outside of business and language (Poole & Davis, 2006). Further, study abroad has developed cultural sensitivity even without any language development (Anderson, Lawton, Rexiesen, & Hubbard, 2006).

The overall benefit to students is very important to administrators. Helping one student in one subject area is beneficial, but may not justify an entire semester abroad, given the costs both to the student and to the school. Holoviak, Verney, Winter, and Holoviak (2011) found some results that students’ grades improved after the study abroad experience. Additionally, Malmgren and Galvin (2008) found that students who participate in study abroad graduate at a significantly higher rate than other students. The graduation benefit was even stronger for students of color who participate in study abroad.

Interestingly, students do not go on study abroad programs to find jobs. Most students who take study abroad are more concerned with new experience rather than career benefits (Loh, et al., 2011). The career benefits are a “bonus” from the student’s perspective, but they do exist. Franklin (2010) and Orahood, Woolf, and Kruze (2004) found that students who study abroad gained significant long term career benefits from their study abroad experience in terms of compensation, mobility, opportunities, and self-confidence. Tucker, Gullekson, and McCambridge (2011) argue that study abroad will give graduates a competitive edge in the job market and provide future opportunities for advancement later. In fact, Orahood, Woolf, and Kruze (2008) posit that failing to have international experience can be detrimental to a career.

Despite all these benefits, advocates of study abroad cannot ignore the dire financial situation in most universities. Perhaps the study abroad coordinators should adopt the advertising slogan for hair products, “Expensive, but worth it.”

THE ALTERNATIVE

If the benefits to study abroad are great, but few students participate due to costs, there needs to be a solution. The alternative must gain the benefits from study abroad without the costs and time commitment. One option which has similar experiences (and similar cultural benefits), but lower costs and time commitments are short term study tours. Short term study tours are becoming more popular than longer programs (Gullekson, Tucker, Coombs, & Wright, 2011).

The authors have led numerous short term study tours with students over the past two decades to England, Ireland, Italy, Greece, and China. We have seen the difference it makes in students’ lives and experiences. Students return from study tours enriched and knowledgeable in a way that cannot be gained from a textbook. One of the authors also participated in a study abroad program as a student. The opportunity to participate as both a student and as faculty has magnified his dedication to this endeavor.

Study tours offer the students to experience the foreign cultures, the intricacies of international travel, and the related benefits. The eye-opening, first day experience in another country is the same for a student, whether the trip is for two weeks or two semesters. In addition, short term programs give students the confidence to participate in longer term programs or other foreign travels (Lewis & Niesenbaum, 2005).

Students participating in short term study tours develop the same benefits (intercultural development) as those from longer programs (Gullekson, Tucker, Coombs, & Wright, 2011). Taylor & Finley (2010) argued that even short term international travel courses have meaningful learning opportunities. The authors can attest to the transformative experiences of students. They return with far greater knowledge than they could acquire from spending five times as much time in the classroom or library.

Study tours also open the opportunity to a greater number and variety of students. The sheer number of students

participating increase with short term study tours as opposed to semester/year abroad programs. In addition, the short trips allow some students (married, with children, working full-time) the opportunity to participate in the process who would never be able to take a semester abroad. In fact, students dependent completely on financial aid can participate (although with some planning and budgeting).

By making the trip shorter, the costs per student are lower. While programs vary, and costs vary depending on the host country cost of living, students can participate for about a third of the cost of a semester abroad program. This is an excellent value for the school: a transformative experience for student for a fraction of the price.

As a final benefit, study tours benefit not only students but enrich the faculty. The authors have participated in many trips combining disciplines. This yields several important benefits. First, interdisciplinary trips allow for an economy of scale (group discounts on housing, airfare, etc.). This is important, as each dollar of additional savings is multiplied by the number of students. Second, interdisciplinary trips allow the professors to alternate who is conducting the daily activities. Short term study tours are physically and mentally demanding, and having another professor to assist in invaluable. This is especially important in crisis situations, such as a student becoming ill or lost. Finally, the professors also personally gain insights from interdisciplinary learning (Denbo, 2008; Paus & Robinson, 2008). By combining disciplines on one trip, students gain from exposure to multiple perspectives, interests, and subject matter expertise.

In our case, the interdisciplinary trips to London and Dublin from the University of Central Oklahoma have combined history, finance, and legal studies. We approach the tour to expose the students to all of England's influence on the United States. Each faculty member can add to this goal by using his/her expertise. Students get to experience Parliament, Westminster Abbey, and the British Museum for a view of England's history. In addition, we tour the Bank of England and Lloyds of London to see England's financial influence on America's economy. Finally, we tour Old Bailey, the Royal Courts, and the English Supreme Court to see the effect England has had on the American legal system. By combining the disciplines into one trip, the experience for the students is more rich and full than any one professor could accomplish acting alone.

CONCLUSION

We must acknowledge that budgets are extremely limited and each expense must be justified in terms of student benefits. We strongly believe that study abroad is worth the investment in transforming students' lives. For an alternative to the traditional programs, we believe short term study terms offer a viable, affordable, and beneficial option to increase the number of students who can experience study abroad.

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