

Expatriate Education Policies: Reducing Costs the Smart Way

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As parents typically worry about obtaining the best education for their children during an assignment, a mandate to reduce expenses in this area is often unwelcome. Recently, some companies have made an effort to relocate employees who do not have children or use short-term assignments to avoid making tough decisions about educational allowances.

However, there are options. Employers can think differently about education policies to support company goals in addition to providing wonderful experiences for children and parents overseas. There really is no need to provide allowances equivalent to those available in flush times. But arbitrary cuts may discourage families unless they receive sufficient information to enable them not only to understand the impact of alternative school systems on their children (both short and long term), but also to make thoughtful decisions and consider the opportunity inherent in change.

An Overall Review of Policies

When reviewing and revising school-related policies, it is important to consider not only what those policies entail but also their original intent. What assumptions underlie them?

- Does your policy support education of all expatriate children in international schools? Is it possible to segment the population along any reasonable lines?
- At what level do you calculate tuition and fees when determining allowances? Historically, some companies have based allowances on the most expensive international school in a region or on secondary school costs when primary schools charge a lower fee. Perhaps a middle of the road alternative would suffice? Or would paying the actual cost of tuition instead of an allowance be more cost effective?
- Do you reimburse fees for bus transportation, lunch, uniforms, school trips, music, and special activities? Are costly overseas “bonding” trips among the items you support?
- Do parents pay any portion of tuition and fees? Could they? What about extracurricular expenses? Did families absorb these expenses themselves before the assignment? Are you clear on why you are paying them now?
- What incentives do you provide parents to identify their actual preferences about education and figure out how

strongly they feel about a certain school or educational system? If they were not given a free ride, would they make the same choice?

- Do you absorb all expenses for private school attendance in cases where parents are accustomed to paying tuition for independent schools at home?
- Do international schools charge a full year of tuition if a child leaves before year-end? Can this charge, or other penalties for early withdrawal, be negotiated if schools are not at full capacity?
- Do you consider suitability of local schools before funding school fees for repatriating children? Before making that decision, have you had someone help the family evaluate whether having their child repatriate to the same school will be in the child’s best interest?

To some families the opportunity to educate their children in a local, non-fee paying school is actually a positive; others may be open to the idea if they understand the pros and cons of making a decision to “do as the Romans do.” Children can benefit from the advantages of becoming fluent in a foreign language, learning how local people think, and transitioning into a different culture. In local schools, the student and parent populations tend to be more stable than those attending international schools, and the whole family may benefit from longer-term relationships.

When accompanied by easy-to-digest information, local schooling may be less scary. Parents may be more likely to choose non-fee paying schools once they comprehend the local culture, curriculum, and customs surrounding education. Providing accurate information is essential if human resources’ objective is to encourage enrollment of children in local schools. (See sidebar, “Relocating Family Groups to a New Site.”)

The Economic Reality

In a period of economic uncertainty, it is reasonable for HR to assess what is really important to families. One way to do that is to ask families for modest contributions to educational fees. Consider, for example:

- If the expatriates had not relocated, many would have eliminated certain “nice to haves” in response to uncertain

economic conditions. While even in difficult times many parents may be willing to contribute to the overall expense of their children's education, when sacrifices are necessary, families identify different preferences. For example, some families might temporarily eliminate music lessons. Should the company pay for music lessons if those same assignees would not pay for them back home?

- As individuals and companies cut small perks during the recession's aftermath, parents may be more accustomed to the notion of expense reduction. For example, they're more willing to pack lunch for their children rather than invest in school lunches if the company is not footing the bill.
- For those families on the fence between local and international schools, cost-sharing tuition or fees would promote use of less expensive educational options.

It may be also possible to negotiate with schools. Although demand for "A" list schools is still high in major cities, popular locations saw the rise of new schools when the boom was at its peak. "Bums on seats" is necessary for the survival of these schools. So, it is worthwhile to ask for tuition abatements, refunds with early withdrawal, or multiple child discounts (either from the same family or company).

Finding the Right Way

Although it is possible to achieve significant savings on expatriate school costs, doing so without a backlash means that HR should consider family matters. With the high costs of an assignment, screening for more adventurous families who truly are interested in the cultural experience is a key factor in selecting employees who will work effectively abroad. Families who value international integration may be happy to see their children succeed in a new cultural experience at school.

Regardless of the flexibility of parents and children, rather than put any student in a new school – with a "sink or swim" attitude – where the child may be overwhelmed by a new language and culture, HR can create small interventions to help them understand the differences they should anticipate: how local children think, the rules of behavior, and the new language and culture. These costs are minor compared with the expense of international school tuition and fees, yet they can keep children comfortable and prevent worry among parents.

Elizabeth Perelstein is President of School Choice International, a global educational consulting group committed to helping families find the right schools when relocated. Their Global Education Explorer is a web-based tool that compares curriculum, assessments, and customs surrounding education around the world. For more information, visit www.SchoolChoiceIntl.com and www.GlobalEducationExplorer.com.

Relocating Family Groups to a New Site

Before moving a group of employees to a new region where the company is opening or expanding operations, learn about the culture of schooling and its impact on the organization's potential costs. For example:

- In some countries, government-funded (state) schools educate the "top" local talent in state schools; only students with "problems" or those unlikely to succeed in the public sector attend school in the private sector.
- In others, state schools have a poor record of educating students and may even have chronic union problems or facility issues that deplete the educational system. In these areas, parents may use fee-paying schools when possible and only send their children to state schools if no alternatives are available or the cost of private education is prohibitive.

In identifying educational costs for a group move, picking a location where state schools are viable for local residents of middle classes and above is a good first step. Even when they are a reasonable option, it is important to ascertain whether non-fee paying schools are appropriate for non-native families, as well.

Doing so indicates comparing the school systems that expatriate families are coming from with those that they are going to:

- Are the curricula similar? Will children have a hard time adjusting and repatriating?
- Are host-country schools familiar with foreign children so that the transition is manageable?
- How do the schools work with new families to ensure that the experience will be both academically and socially worthwhile?
- Do schools understand the importance of repatriation to international families? Are they willing to assist students in staying up to speed and/or preparing to move home?

Without the right answers, a company may find that the budgeted education expenses have been grossly underestimated – or face unnecessary failed assignments.