



**START & RUN AN  
ESL TEACHING BUSINESS**

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**Self-Counsel Press**  
*(a division of)*  
International Self-Counsel Press Ltd.  
USA    Canada



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# Chapter 1



## ESL FACTS AND FIGURES

Since the early 1980s, North America's English as a Second Language (ESL) industry has grown by leaps and bounds, and now generates around US\$14 billion a year in tuition fees, accommodation, and other related services.

According to an article on the ESL industry in the *Province* (Vancouver) on October 3, 2004, many international students would prefer to study English in the United States because of its economic strength and the easy-to-understand accents of its citizens. Canada, however, is the less expensive choice of the two and is easier to access with regard to visas.

While the future of ESL-related businesses in North America is promising, it is important to understand that the ESL industry is somewhat fickle, as it is tied to the global economy

and tourism. The Asian economic crisis in the late 1990s, for example, resulted in a sharp decline in the number of Asian international students coming to North America. Then there was September 11, 2001, and the outbreak of Severe Acute Respiratory Syndrome (SARS), followed by Bovine Spongiform Encephalopathy (BSE, or mad cow disease), all of which affected the number of students coming to the United States and Canada.

The ESL industry is also subject to a great deal of change with regard to visa laws. Business owners need to keep themselves aware of new rules and information, since changes can increase or decrease the number of international students and immigrants allowed to enter North America.

Industry associations are another important influence on the ESL industry. Decisions made by industry associations can affect a school's hiring practices and ability to market effectively. One of the roles of an association is to establish a clear set of ethical and professional standards for schools to follow. The American Association of Intensive English Programs, for example, requires its member schools to hire instructors with a minimum of a master's degree in Teaching English as a Second Language (TESL) or a related field, or experience appropriate to their course assignments. Reaping the marketing benefits of belonging to an organization such as this means following their hiring rules, even if you do not subscribe to the logic of those rules. Opting out of association membership means making your own standards, but it also means you may lose credibility in the eyes of students, agents, and government officials who decide which schools are permitted to generate student visa forms and documents.

Whichever choice you make, it is important to stay aware of trends in industry regulations and how the regulations may affect your business.

Finally, there are other trends to keep in mind. The reasons for students choosing to venture overseas differ from country to country, and sometimes even within the same country. It is important to know the goals of the students you wish to reach, and understand that a future batch of students of the same age and from the same country might be looking for a slightly different type of program.

In short, to start and maintain an ESL business in North America, new and experienced business owners alike need to keep

abreast of global issues and shifts in people's reasons for acquiring a second language. They also need to monitor and understand the students themselves. That is, they need to know how many students are out there, where they are from, where they are studying and why they chose to study there, what they are hoping to gain from their overseas experiences, and why they are trying to master English in the first place.

To give you an idea of what your research might uncover, here is a snapshot of the North American ESL market at the time this book was written.

## **INTERNATIONAL STUDENTS**

According to a report on international students published by the Institute of International Education, the United States welcomed more than 565,000 international students in the 2004/2005 school year. (Thousands more entered the country with visitor visas, and many attended English classes at private language institutions.) India is the leading country of origin, followed by China, South Korea, and Japan. These four countries combined contribute 40 percent of the international-student population in the United States. Other countries include Taiwan, Mexico, Turkey, Germany, Thailand, and Indonesia. California continues to host the highest percentage of international students in the United States, followed by New York and Texas.

More than half of the students who come to the United States choose to study at large universities, with business and management being the two most popular fields. However, an increasing number of students are enrolling in pre-academic intensive English programs.

In Canada, the situation is much the same, although on a smaller scale. Approximately 60,000 international students are currently attending universities, private institutes, and colleges in Canada. (In reality, the number is higher, given the great number of short-term students who are attending schools without a visa.)

Almost 70 percent of students settle in two provinces: British Columbia and Ontario. And students from three key nations — South Korea, China, and Japan — make up nearly half the entire number of international students. Other countries of origin include France, India, Mexico, Germany, Taiwan, and Hong Kong.

Regardless of where in North America international students choose to study, their reasons for studying overseas are usually the same:

- To develop their English-speaking skills
- To enhance their academic English performance so they can get higher scores on tests and perhaps gain entrance into a North American college or university

In the end, their goal is to increase their chances of landing a good job in their home country.

## **IMMIGRANTS**

In addition to international students, the ESL industry caters to non-English-speaking immigrants. Some immigrants invest heavily in their children's English education, and many hire private tutors to help their children keep up in public school classes. And some immigrants may hire private tutors for themselves, or seek out conversation classes or speaking clubs for social and educational reasons.

Each year, thousands of adult immigrants in North America attend government-funded ESL programs that are free of charge. These programs are for newcomers who are struggling to pay their rent and bills and do not have money to pay for lessons in basic English.

In the United States, over a million adult learners register in government-sponsored programs every year, representing nearly 40 percent of all adult-education enrollment. And, according to the Center for Adult English Language Acquisition (CAELA), there are long waiting lists for classes. (Find out more about CAELA at [www.cal.org/caela](http://www.cal.org/caela).) In 2005, the Office of Vocational and Adult Education agreed there are significant waiting lists, citing three examples:

- At the Queens Library in New York City, two-thirds of the 1,100 people on ESL class waiting lists are not able to get a space in a class in a given year.
- The King County Literacy Coalition in Seattle, Washington, reports that there are 3,000 students on waiting lists for ESL classes. The wait is from six months to a year. At Lake Washington Technical College, the wait for a space in a class is up to six months.
- In San Jose, California, more than 4,000 people were reportedly on waiting lists. (More than 13,500 adults are enrolled in ESL classes in San Jose.)

In Canada, the situation is similar, and has been for some time. According to the National Network for LINC/ELSA/MIIP-ESL Providers, in 2003 there were 766 immigrants on the waiting lists for classes in Calgary. More than 960 others were in line for assessment and referral.

## **INDUSTRY NEEDS AND TRENDS IN YOUR AREA**

Because in many ways the ESL industry hinges on constant change, emerging businesses need to be creative, flexible, and adaptable in order to succeed. The only constant in the ESL world is this: your students are your customers. This means that much of your job as a new business owner will be to understand industry needs and trends in your area.

Finding specific information about the ESL industry in your country and in your area is relatively simple, thanks to the Internet. Every school worth noting has a website, which will provide you with information about your competitors' programs, prices, and staff. The Internet also gives you access to ESL industry associations, which feature links to member schools and other related businesses, as well as useful industry information that may be relevant to your business's future. Business- and immigration-related statistics are also available online.

In-person interviews with people in the industry, and even international students themselves, can also help you get a sense of the market needs in your area. But before doing personal interviews, check out a few ESL chat rooms or weblogs to find out what issues and concerns are on students' minds. Simply doing a search for the term "ESL weblog" on the web, you will find a number of sites where students from all over North America share information on resources and study tips, as well as complaints about common woes — culture shock, loneliness, boredom, and the high cost of living and studying abroad.

Learning as much as you can about what students like, dislike, or find lacking during their overseas stay can help you determine what kind of business is worth investing in, not to mention what features to offer in order to set your business apart from those of your competitors.