

RESEARCH PAPER

BONARD

State of the Language Education Sector in Canada

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Prepared on behalf of:



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Introduction

With English and French language education among the sectors most affected by the Covid-19 pandemic, informed decision-making has become more crucial than ever to running a language program. After a year of Covid-19-imposed market conditions, it is essential to learn where the sector is headed for benchmarking, safeguarding, planning, and advocacy purposes.

Languages Canada, the national association and accreditation body representing the English and French language education sector in Canada, has commissioned this research to provide a reliable evaluation of the current situation and policies, and outline implications for decision-makers – federal and provincial governments, providers, agencies, and students – for the forthcoming period of recovery from the pandemic.

This report first evaluates the global language education sector and Canada's position within it, the key factors that drive a student's decision on study destination, as well as the most impactful barriers to entry of international students into Canada's English and French language programs.

The report also outlines some proposed initiatives which can be used to mitigate the current and future impacts of Covid-19 on the language education sector in Canada. While it is still uncertain when entry conditions into Canada will improve (which represents the most significant variable in the ability of language programs to enroll students into their programs) government policies will continue to play a critical role in the trajectory of the sector's recovery from the pandemic.

Acknowledgements BONARD would like to express their gratitude to all Languages Canada programs and education agencies for contributing to this study by sharing their views.

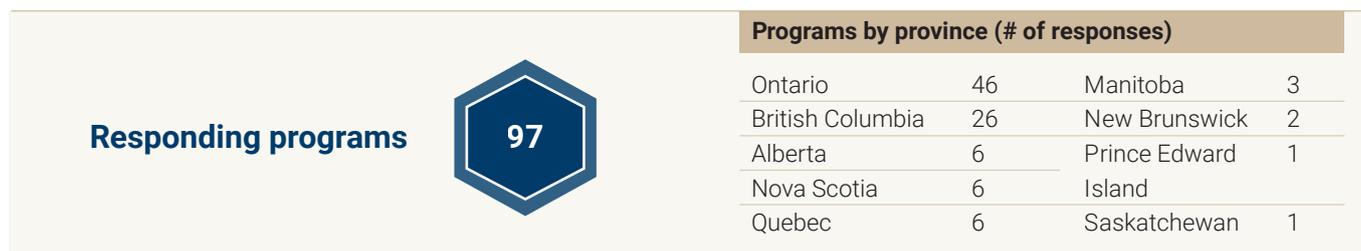
Methodology

This research was conducted by BONARD, an independent market research firm specializing in international education. BONARD is a UNWTO Affiliate Member, with chief research officers being individual members of ESOMAR World Research. Data collection was conducted between February 2021 and March 2021.

The study builds on multiple research methods.

Desktop research This research draws on existing student mobility resources, such as BONARD's global language education market data and Languages Canada membership statistics. Additional secondary research was undertaken to collate information from, inter alia, government bodies, sector and agency associations, service providers, and industry and non-industry media, all of which helped capture the current market environment.

Languages Canada member survey The results are based on an online survey distributed among Languages Canada members. A total of 97 programs from nine Canadian provinces responded to the survey, which constituted a strong response rate given the challenging circumstances in which they were working. These included difficulties accessing internal data and the fact that their attention was focused on business survival.



Global education agency survey A global survey of education agencies from top source countries for English and French language education also provided input on the effects of Covid-19 on student preferences and mobility. As the majority of language students come to Canada with the support of education agencies, their first-hand insights are highly valuable. While agency operations and, consequently, the availability of their executives were impacted by the ongoing Covid-19 pandemic in many countries, the research team made every effort to gather a representative sample of agency responses from Canada's top source language education markets.



Executive Summary

People's aspiration to learn or improve their foreign language ability by studying abroad remains strong despite the current restrictions on traveling to their preferred destinations. This report, commissioned by Languages Canada, brings together newly-gathered intelligence of the impact of Covid-19 on the language education sector in Canada as well as insights into current market conditions from the perspective of education agencies around the globe.

The report builds on primary research conducted with 97 Canadian language programs and 205 education agencies in 31 countries. Stakeholder feedback is used to provide recommendations for the ways in which an international mobility-driven industry can start to recover under current Covid-19 health and safety restrictions, and suggests how Canada can best position itself for future growth in key source countries.

The research was conducted by BONARD, an independent market research provider specializing in the international education sector.



**Languages Canada
members**



**Education
agencies**



**Countries
represented**

Key takeaways

include:

» Industry context and developments

Over the past several years, Canada has systematically built its profile as a high quality and welcoming study destination, which has resulted in a rapid increase in international student numbers. Language education represents an integral part of the country's \$22 billion/year international education sector and an important value proposition to prospective students. Language education programs offer short-term students an opportunity to live in and experience Canada; for many students, language programs are their first step in pursuit of Canadian post-secondary credentials.

Globally, Canada is the 4th most popular destination for English language learners and 2nd most preferred place of study for French language courses.

Canada's language education sector is well-positioned for future growth, once international travel fully resumes, due in part to the country's perceived handling of the pandemic.

» Demand levels for language programs in Canada

Survey results show that the sector will witness an incremental recovery rather than a sudden return to pre-pandemic student numbers. In Q2 2021, Canadian programs estimated operating at 29% of their respective 2019 student volumes. The situation is anticipated to slightly improve quarter-to-quarter, reaching 46% in Q1 2022.

Compared to 2019, agencies forecasted reaching 31% of bookings to Canadian institutions in 2021 and 55% of bookings by end of 2022. While agencies in Latin America anticipated a smaller recovery in 2021 than agencies elsewhere, they also believed their region would have recovered to a greater extent by 2022 than any other region.

» Student preferences and perspectives

Of students who are considering studying English abroad in 2021, the largest proportion is opting for Canada; agencies noted it was the primary choice of 31% of their customers. The next most popular destinations identified were the UK (20%) and the USA (14%). For students considering French language studies, Canada maintains its spot as the 2nd most popular destination – 32% of agents identified Canada as the top choice destination for their students to learn French.

Twenty four percent of responding education agencies stated that their customers were motivated to choose a destination with the most favorable entry conditions – the highest-rated factor in students' decision-making. The second most important driver was the prospect of employment in the destination country (21%). Safety measures at the destination ranked third (16%).

» Barriers and challenges

When Canadian language programs were asked to rate the challenges they face, a drop in demand to study in Canada due to the existing entry conditions was ranked highest (79%), followed by issues with visa application processing (55%).

Both agencies and language programs consider better entry conditions, such as lifting the compulsory 72-hour quarantine in a government-approved hotel, as the most important factor to facilitate market recovery. On average, programs expected to see 56% fewer students due this particular measure alone.

» Future outlook

Without the existing federal government wage and rent subsidy programs, 54% of programs would cease their operations within 6 months.

Programs reported that reducing the cost of entry and quarantine would constitute a significant boost in terms of their survival: 78% of Languages Canada members reported that such a reduction would have a highly positive impact on their business. Under this scenario, 40% believe they would increase their student recruitment and 30% that they would be able to sustain operation of their business over the pandemic period.

Sixty percent of programs responded that inclusion of international students in Canada's vaccination program would be viewed favorably by prospective students, with 27% of them reporting that it would improve the outcome of their international marketing and recruitment activities.

Global Market Overview

Canada is the 4th most popular destination in the world for English language travel. In 2019, it welcomed 155,383 English language students (12% of all internationally mobile English language students) and had a 17% market share of student weeks. The country is also a top destination for students learning French. In 2018 (the latest available reference year for the global French language travel market), Canada welcomed 10,898 French language learners, representing a 10% share of the global market and making it the 2nd most popular destination for French language students after France.

The global English and French language travel market was severely impacted by the Covid-19 pandemic and, while the full scale of the devastation is yet to be measured, indications from multiple study destinations already point to a significant decrease over 2019:

- English UK reported a 79% slump in student numbers and

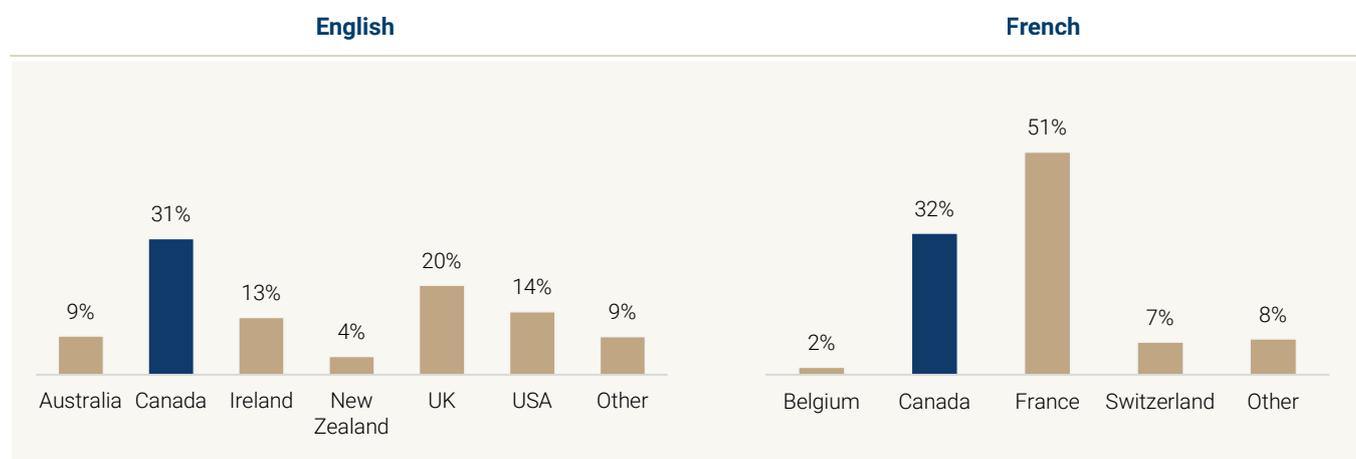
a 65% decrease in student weeks.

- According to the Australian Government, Department of Education, Skills and Employment, Australia faced a 43% dip in ELICOS commencements.
- Marketing English in Ireland noted an 80% revenue drop among its member programs.

English and French language education providers have responded to the Covid-19 pandemic in various ways: targeting on-shore students, delivering classes online, deciding to hibernate or, as a last resort, ceasing operations altogether. With sustained closure of many international borders and uncertainty around travel restrictions, most prospective language students have been forced to put their plans to study abroad on hold. Nevertheless, demand for studying a foreign language abroad and gaining international experience remains strong, and both language programs and agencies report that students are ready to travel as soon as the borders open.

Percentage of prospective students

considering studying English or French in the following destinations in 2021



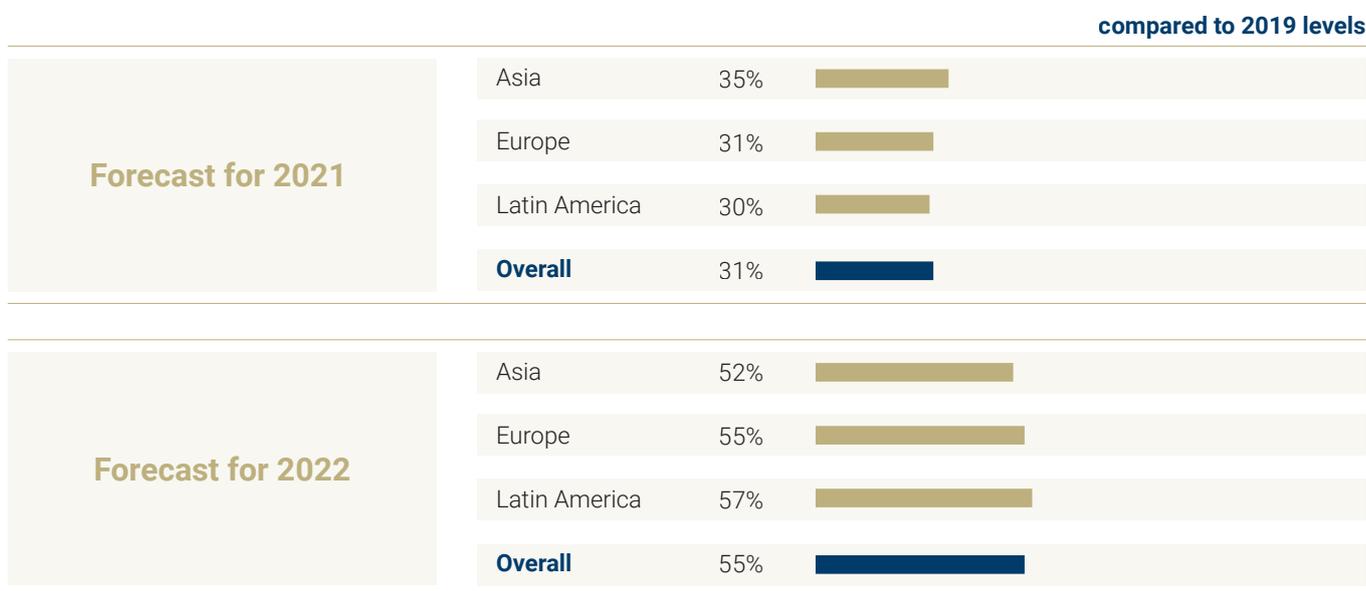
Source: BONARD survey of education agencies; n=205

When asked about preferred destinations for English language travel, agencies anticipated that the largest number of students would be interested in Canada, with 31% of their students considering it as their top choice destination. Factors in students' choice of Canada as a preferred destination include the perception of Canada as safe and international student-friendly; Canada's handling of the pandemic; and uncertainty around border closures in other destinations, such as Australia

and New Zealand. The UK (20%) and the USA (14%) followed as 2nd and 3rd destinations of choice, due in part to their aggressive vaccination efforts. Canada continues to be the 2nd most sought-after destination for French language study. The sizeable percentage of students opting for Canada (32%) may be attributed to a high share of agencies from Latin America in the research sample, for whom Canada is a more natural destination than France.

Student Pipeline to Canada

Percentage of usual bookings made for language programs in Canada anticipated by agencies compared to 2019



Source: BONARD survey of education agencies; n=205

When asked about market recovery scenarios for Canada, agencies expected to return to 31% of 2019 student numbers in 2021, and 55% in 2022. However, there were notable discrepancies between the responses from agents in different

regions; while agencies in Latin America anticipated a smaller recovery in 2021 than agencies elsewhere, they also believed the language education market in their region would have recovered to a greater extent by 2022 than any other region.

Anticipated operating capacity of language programs over the next 12 months



Source: BONARD survey of Languages Canada members; n=97

Responses from Languages Canada member programs mirror the market recovery expectations of education agencies. In Q2 2021, programs estimated operating at 29% of their respective

2019 student volume. The situation is expected to slightly improve quarter-to-quarter, reaching 46% of 2019 student numbers by Q1 2022.

Student Perspectives

Single most important factor driving students' decision on study destination

	Score	
Best entry conditions	24%	
Best outlook for getting a job	21%	
Best safety measures at the destination	16%	
Most affordable destination	13%	
First destination to open up	11%	
Highest chance of receiving a student visa	8%	
Other	4%	
Closest destination	2%	

Source: BONARD survey of education agencies; n=205

In order to understand how the flow of international students to Canada can be facilitated during the period of recovery from the pandemic, the research looked closely at which factors matter most to English and French language students.

Twenty four percent of education agencies stated that their student clients were motivated to choose a destination with the most favorable entry conditions. In contrast, 11% of agencies said students are primarily deciding based on which destination will open up its borders soonest.

The gap between the importance of the two drivers reveals that while there is still strong student demand to learn a language abroad, students are not desperate simply to go to whichever destination first allows international travel.

Even more important – and second in the overall ranking – was the prospect of securing employment in the destination (21% of agencies). Hence, destinations with an attractive work rights policy will enjoy a competitive advantage in their ability to attract international students, both during the initial period of recovery from the pandemic and for the longer-term.

The third most important factor was which destination country had the best safety measures (16% of agencies). A considerable proportion of respondents (13%) also claimed

their students placed emphasis on the affordability of living costs. Proximity of students' home country to the study destination was found to have only a negligible impact on students' decision-making.

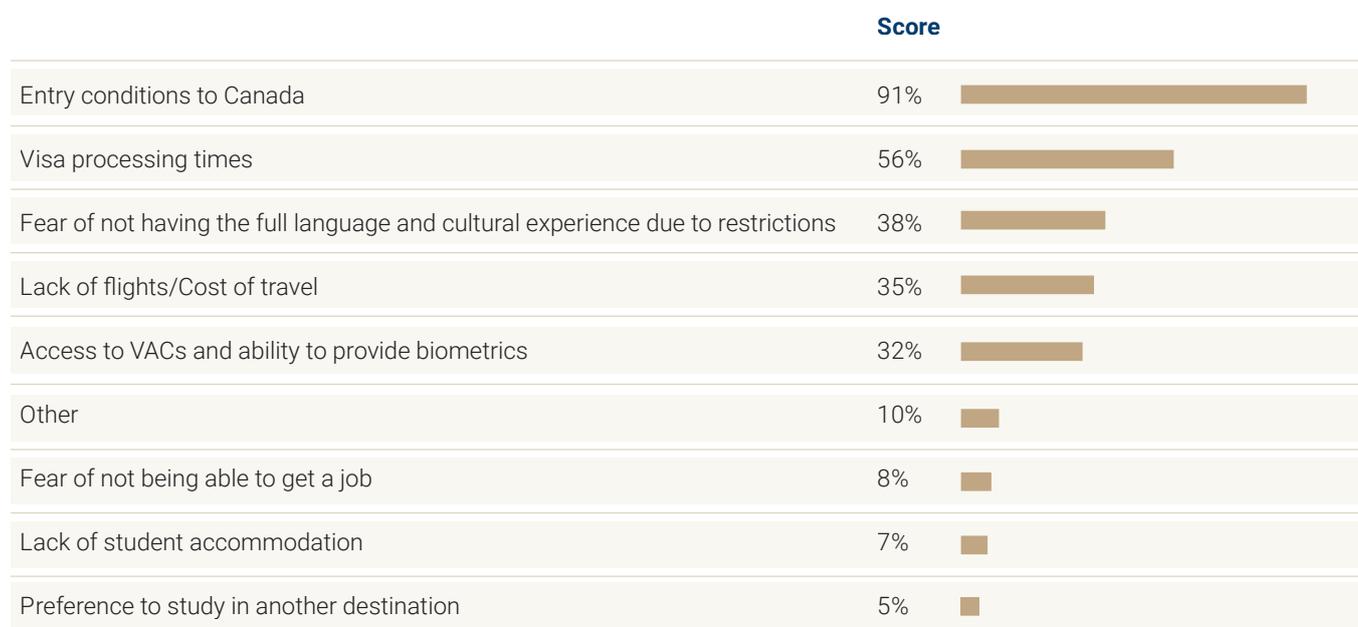
Entry conditions into Canada are a concern for both language education programs and education agencies. Ninety one percent of programs see these as the biggest obstacle to hosting more international students in Canada. Similarly, agencies rank this as the most important barrier to student mobility to Canada, as students are opting to defer their studies rather than bear the extra associated costs.

Programs and agencies were aligned in the view that study permit processing is a major obstacle to international student enrollment; more than half of programs surveyed (56%) felt that visa processing times serve as a deterrent to prospective students.

Agencies commented on visa-related challenges chiefly in relation to experiencing delays in visa processing, inability to travel with an ETA for short courses (which, for many, represents their core business), and visa application centres (VACs) not operating at full capacity. A small number of agencies noted that guaranteeing health and safety of their students within the context of the pandemic remains a challenge.

Barriers to students

who consider studying English or French in Canada according to programs



Source: BONARD survey of Languages Canada members; n=97. Programs were asked to select up to 3 responses.

Barriers to students

who consider studying English or French in Canada according to agencies



Source: BONARD survey of education agencies; n=205. Score based ranking where 1 - no barrier, 10 - the biggest barrier.

To emphasize the primary concern of programs and agencies, the research highlights that entry conditions have a far greater impact on student numbers than the anticipated impact of local health and safety measures on the overall student experience. While local lockdowns limit the richness of the cultural

immersion component of studying a language, students are much more concerned with the high cost of entry conditions, namely the mandatory 72 hours in a government-designated hotel upon arrival prior to commencing an additional 11-day quarantine.

Impact of Current Market Conditions

Biggest challenges faced by Languages Canada member programs



Source: BONARD survey of Languages Canada members; n=97 programs. Programs were asked to select up to 3 responses.

Seventy nine percent of language programs identified the drop in demand for study in Canada due to current entry conditions as their greatest challenge to operating.

Changing quarantine and Covid-19 testing requirements were next most frequently cited challenge (65%), followed by issues with visa application processing (55%).

On a positive note, few programs (11%) saw student wellbeing as a challenge. Staff retention was not an immediate issue at the time of data collection, thanks in part to existing government subsidies, although it should be noted that many programs had reduced staffing numbers in the first year of the pandemic.

This might, however, change as the federal Canada Emergency Wage Subsidy (CEWS) and Canada Emergency Rental Subsidy (CERS) programs are currently poised to end in September 2021.

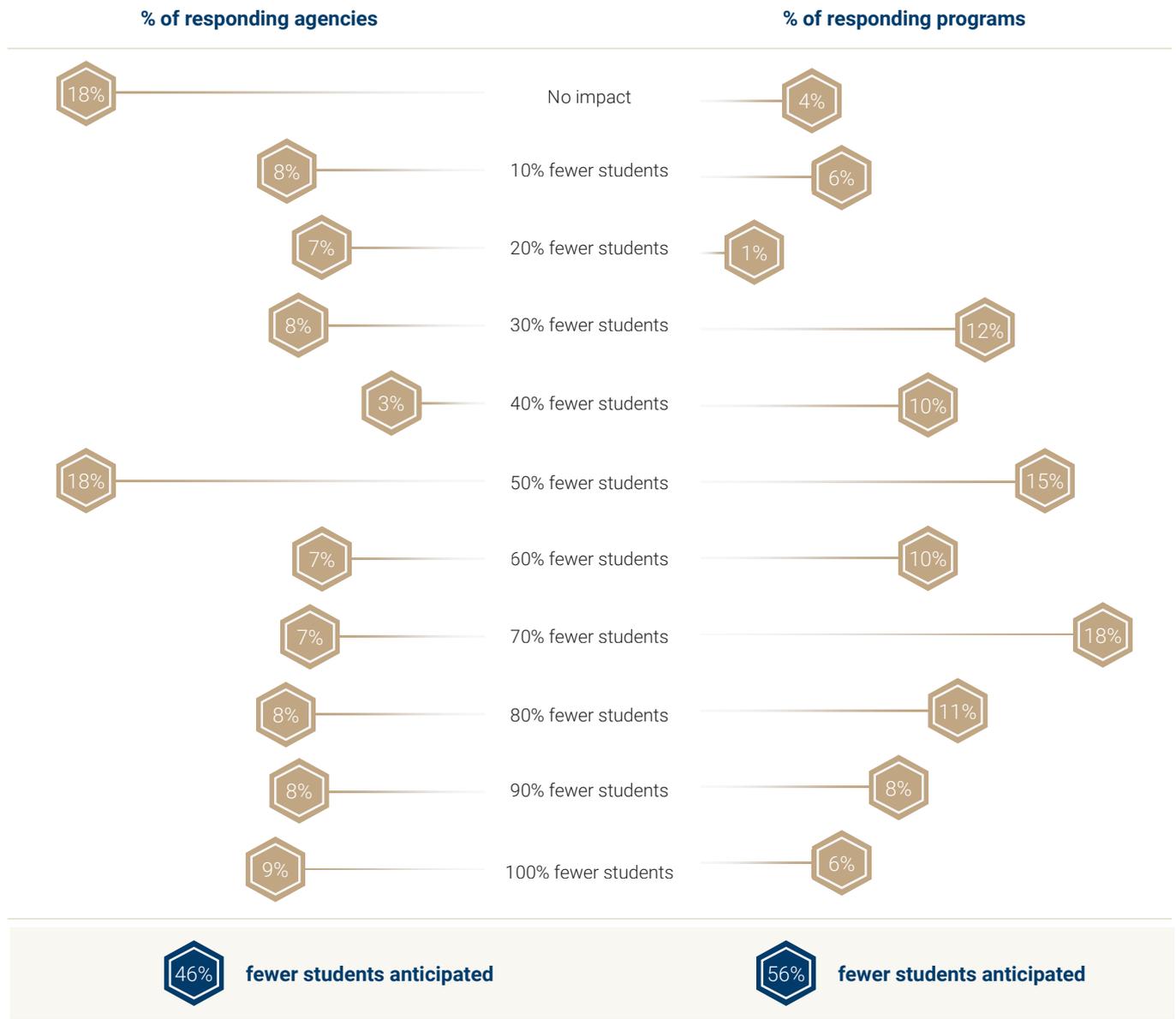
Another relevant challenge identified by Languages Canada members is that most of the support measures offered by the Canadian government focus on providing cashflow, not on business development. While the CEWS and CERS programs continue to provide much-needed liquidity support to language

programs, these do not provide means to recover revenues or market Canada as a study destination in post-Covid-19 times. Specific attention was paid to assessing recent developments in the USA, which is Canada's biggest competitor in the global English language travel market.

The new U.S. administration is pursuing a more international student-friendly policy which, alongside the existing challenges with the high cost of entry into Canada, could result in a loss of market share to the USA.

Thirty percent of agencies said that they did not foresee the change in U.S. government to have an impact on Canada's attractiveness as a study destination; however, 15% claimed that up to 10% of their students may reconsider their choice of Canada as a study destination, should entry conditions not improve.

Percentage of respondents anticipating the following drop in student numbers due to the 72-hour stay in a government-designated hotel upon arrival



Source: BONARD survey of Languages Canada members; n=97 programs; BONARD survey of education agencies; n=205. Percentages do not add up to 100% due to rounding.

Both agencies and language programs anticipated a significant drop in student numbers due to the introduction of the mandatory 72-hour quarantine upon arrival in a government-designated hotel. Comparing their 2021 anticipated intake with 2019 intake levels, 43% of programs stated they will be facing a decline in student numbers of 70% or more and 68%

of programs anticipate a drop in student intake – and revenue – of at least 50%. Agencies had a slightly more positive view. Eighteen percent anticipated that the current regulation would not impact student intake in Canada at all. However, another 18% noted that the 72-hour quarantine measure would result in 50% of their students choosing another destination.

Future Outlook and Recommendations

Timeframe within which programs will survive without further subsidies

(assuming the current border closure and quarantine rules remain in place)

% of responding programs



Source: BONARD survey of Languages Canada members; n=97

Predicting the sector's future if status quo is maintained

Assuming that the current entry conditions and quarantine rules remain in place, almost one third of Canada's English and French language programs would cease operation within three months of the end of the federal wage and rent subsidy programs.

Under the current conditions, 17% of programs could last six months without this type of support scheme, while 46% were

set to survive longer than six months after financial support ends.

This points to the vulnerability of the sector and the need for extension of liquidity support schemes for as long as Canada's current border restrictions and mandatory quarantine remain in place.

Recommendations

Include international students in Canada's vaccination rollout

Maintaining Canada's image as a safe study destination is what 31% of survey respondents see as the key measure in paving the way for recovery.

The majority of programs responded that inclusion of international students in Canada's vaccination program would be viewed favorably by prospective students.

This inclusion would benefit 60% of the programs, with 27% of them reporting that it would improve the outcome of their international marketing and recruitment activities. Furthermore,

programs believed that inclusion of international students in national vaccination programs serves as a competitive advantage for competitor language travel destinations. For example, New Zealand has already announced the inclusion of international students in the vaccination process and at no cost.

Reduce the cost of entry and/or quarantine duration

Programs reported that reducing the cost of entry and quarantine is critical to a strong recovery of Canada's language education sector; 78% of Languages Canada members reported that such a reduction would have a highly positive impact on their business.

Under this scenario, 40% believe they would increase their student recruitment and 30% that they would be able to sustain operation of their business over the pandemic period. Sixty one percent of programs stated that easing entry requirements into Canada for international students is a vital step in the recovery of the language education sector.

As part of the stakeholder feedback, there was a strong perception that the requirement to quarantine for 72 hours upon arrival at a government-approved hotel should not be mandatory for international students, given that Designated Learning Institutions (DLIs) have already invested heavily in implementing Institutional Readiness Plans that include the oversight of students' safe entry and quarantine upon arrival into Canada.

The process for the approval of these plans took months of coordination with provincial ministries of education and involved provincial and federal ministries of health. The existing barriers to entry are seen as unnecessary, especially given that some other desirable study destinations (for instance, the USA and the UK) are not putting up such costly roadblocks to students' entry into the country.

The rest saw the benefit of such easing if VACs, flights, and visa processing times were improved at the same time.

Optimize visa processing to reflect market conditions

Twenty nine percent of programs stated that improving study permit processing is an important role of the government in the recovery of the sector, especially given the possibility of losing students to destinations that can process visas more efficiently. On the whole, improving visa processing times was thought to have a profound mid- to long-term impact on enrolment.

Respondents suggested that if students went to other countries that can process visas efficiently, it would be very difficult for Canada to regain that lost market share.

Improve communication and information-sharing with stakeholders

A significant number of Language Canada members (29%) saw a need for a more positive approach by the government

as far as communication with stakeholders (students, parents, and agencies) is concerned: instead of focusing communication on providing updates on restrictions, these respondents suggest that federal and provincial governments should more readily disseminate information on:

- the number of students who have safely gone through quarantine;
- the low number of Covid-19 cases in specific areas;
- the percentage of the population that has been vaccinated;
- the number and details of international and domestic flights that have been restored.

Some members proposed that the federal government should send a message to education agencies, making it clear that Canada is open for business during the pandemic and explaining how the country is working towards making it as easy and safe as possible for international students to arrive and settle here.

Some respondents also noted that the government should provide clearer rationale and instructions around new regulations, which Languages Canada could pass on to its membership.

They suggested frequent social media posts and newsletters could be forwarded to partners and shared more efficiently. Also, student testimonials would be a very effective way of promoting Canada as a safe and welcoming study destination.

Run sector-specific support schemes

Finally, 24% of respondents believe the government should help the sector not only with their immediate liquidity needs, given mandated program and border closures and reduced classroom capacity, but also by providing business development opportunities. Initiatives could include helping programs with technology and training to adapt their businesses, and ensure that wage and rent support remains in place.

Another area brought up by some respondents was that the provision of resources for students' mental health should continue. According to responding programs, doing so would help with their reputation abroad as a caring and welcoming country for international students.

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