THE EFFECT OF CURRENCY VALUE FLUCTUATIONS IN THE U.S. AND ABROAD ON LL.M. PROGRAM TUITION

Syracuse University
COLLEGE OF LAW
THE “HOW” AND THE “WHY” LL.M. PROGRAMS ARE GETTING MORE EXPENSIVE

(without raising tuition!)

Syracuse University
COLLEGE OF LAW
Andrew S. Horsfall is the Assistant Dean of International Programs at Syracuse University College of Law.

Andrew shepherds the College’s Strategic Plan for Internationalization. He oversees the College’s Office of International Programs and its portfolio encompassing the LL.M. program, the LondonEx summer externship program, the Visiting Scholars Program, semester exchange programs, short-term study abroad courses, new program development, institutional and market research, international alumni engagement, and other international initiatives and special projects.
The genesis of this study: 2014

The U.S. dollar is super strong now

by Paul R. La Monica  @lamonicabuzz

September 2, 2014: 1:48 PM ET


Annual performance of the US dollar index
Goals of the study:

- The study determines the effect of recent fluctuations in currency values in the United States and select foreign countries on the cost of tuition for the Master of Laws (LL.M.)

- Two important data outputs:
  - Cost of the LL.M. program in a foreign currency
  - The change in that cost from the previous study

- Most important: trends over time.
Tools of the study:

- OANDA.com
- LL.M. Tuition
- Fixed dates/ranges (i.e. September 15)
- Calculator or spreadsheet to collect data
<table>
<thead>
<tr>
<th>Foreign Currency</th>
<th>9.15.12</th>
<th>9.15.13</th>
<th>9.15.14</th>
<th>9.15.15</th>
<th>9.15.16</th>
<th>9.15.17</th>
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<tbody>
<tr>
<td>Argentina</td>
<td>228,292.00</td>
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<td>463,092.00</td>
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<td>189,461.00</td>
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<td>Euro</td>
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<td>37,218.90</td>
<td>38,236.90</td>
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<tr>
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<tr>
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<td>185,642.00</td>
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</table>
LL.M. Tuition in Chinese Yuan Renminbi

Study Dates

Chinese Yuan Renminbi

- 9.15.12: 312,505.00
- 9.15.13: 304,125.00
- 9.15.14: 304,461.00
- 9.15.15: 314,794.00
- 9.15.16: 336,894.00
- 9.15.17: 337,218.00
LL.M. Tuition in Mexican Peso

<table>
<thead>
<tr>
<th>Study Dates</th>
<th>Mexican Pesos</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.15.12</td>
<td>629,100.00</td>
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<tr>
<td>9.15.13</td>
<td>645,929.00</td>
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<tr>
<td>9.15.15</td>
<td>828,145.00</td>
</tr>
<tr>
<td>9.15.16</td>
<td>974,129.00</td>
</tr>
<tr>
<td>9.15.17</td>
<td>909,966.00</td>
</tr>
</tbody>
</table>
Looking only at foreign currency values - at one point in time - is only half the inquiry...

we also want to:

1. Understand these fluctuations in relation to USD.

2. Examine the trend over time.
## What does this look like in relation to the USD?

<table>
<thead>
<tr>
<th>USD</th>
<th>Baseline</th>
<th>9.15.13</th>
<th>9.15.14</th>
<th>9.15.15</th>
<th>9.15.16</th>
<th>9.15.17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Syracuse LL.M.:</strong></td>
<td><strong>$49,500</strong></td>
<td><strong>$50.490</strong></td>
<td><strong>$51,500</strong></td>
<td></td>
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<tr>
<td>Argentina</td>
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<td>$49,500</td>
<td>55,086.99</td>
<td>55,182.12</td>
<td>75,262.12</td>
<td>69,140.45</td>
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<td>48,193.97</td>
<td>49,814.07</td>
<td>53,153.21</td>
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<td>Euro</td>
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<td>India</td>
<td>$49,500</td>
<td>56,899.97</td>
<td>55,173.53</td>
<td>59,105.89</td>
<td>60,520.43</td>
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<td>Japan</td>
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<td>Saudi Arabia</td>
<td>$49,500</td>
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<td>49,541.32</td>
<td>49,567.97</td>
<td>50,546.81</td>
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<tr>
<td>South Korea</td>
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<td>45,718.48</td>
<td>52,180.48</td>
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<td>Taiwan</td>
<td>$49,500</td>
<td>50,352.74</td>
<td>51,084.25</td>
<td>54,748.53</td>
<td>54,460.99</td>
<td>52,764.53</td>
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<tr>
<td>United Kingdom</td>
<td>$49,500</td>
<td>50,519.98</td>
<td>49,397.61</td>
<td>51,866.70</td>
<td>60,185.16</td>
<td>59,685.29</td>
</tr>
</tbody>
</table>
Trends in September studies:

USD

Argentina | Brazil | China | Euro | India | Japan | Mexico | Nigeria | Saudi Arabia | South Korea | Taiwan | United Kingdom

Baseline | 9.15.13 | 9.15.14 | 9.15.15 | 9.15.16 | 9.15.17
The Formula: Brazil from September 2014 to 2015

1. Change in cost of LL.M. tuition ($49,500) from Sept. 2014 to Sept. 2015

   September 2014: R$112,459.00  September 2015: R$189,461.00

2. Change = Increase of R$77,002.00

3. Convert that Change to USD = $20,080

4. Add Change (USD) to the output from the previous year:

   $20,080.00 + $55,182.12* = $75,262.12 USD
Let’s unpack it a bit more...

4. Add Change (USD) to the output from the previous year:

\[ 20,080.00 + 55,182.12 = 75,262.12 \text{ USD} \]

*Recall this is a cumulative study – with new data building on previous data. The value of $55,182.12 represents the value in USD from when the same calculation was performed in September 2014. This figure builds from the baseline value of $49,500, from when the study began in September 2012. So we can also say...

The change in cost of LL.M. tuition felt by a Brazilian from 2012 to 2015 is comparable to what we in America would experience if the cost changed from $49,500 to $75,262.12
Mexico from September 2014 to 2015

1. Change in cost of LL.M. tuition ($49,500) from Sept. 2014 to Sept. 2015

   September 2014: $828,145 MXN      September 2015: $655,677 MXN

2. Change = Increase of $172,468 MXN

3. Convert Change to USD = $10,302

4. Add Change (USD) to the output from the previous year:

   $10,302 + $51,525.20* = $61,827.80 USD
Let’s unpack it a bit more...

4. Add Change (USD) to the output from the previous year:

\[
$10,302 + $51,525.20^* = $61,827.80 USD
\]

*Recall this is a cumulative study – with new data building on previous data. The value of $51,525.20 represents the value in USD from when the study was performed in September 2014. This figure builds from the baseline value of $49,500, from when the study began in September 2012. So we can also say...

The change in cost of LL.M. tuition felt by a Mexican from 2012 to 2015 is *comparable* to what we in America would experience if the cost changed from $49,500 to $61,827.80
Other interesting trends from September 15, 2017 study:

■ 4 countries encountered a “real cost” of LL.M. tuition at least $20,000 USD above $51,500: Russia, Turkey, Nigeria, Argentina

■ Eurozone countries, the U.K., Canada, and Mexico saw the largest percentage change decrease in the “real cost” of LL.M. tuition as the dollar weakens:
  - Eurozone (↓-8.59%),
  - the United Kingdom (↓-6.93%),
  - Canada (↓-6.49%), and
  - Mexico (↓-6.24%)

■ Saudi Arabia, South Korea, and Taiwan continue to keep currency values at a level stable enough for LL.M. tuition to fall slightly above the $51,500 USD tuition:
  - Saudi Arabia ($51,533.87)
  - South Korea ($51,978.69)
  - Taiwan ($52,764.53)
Recommendations and Reactions:

- Reevaluate anticipated student mobility trends
- Encourage students to extend payments over time – or - encourage students to pay in full early
- Consider changes in messaging on value-ad among different regions
- Scholarships/institutional aid
- Targeted full scholarships
- Tuition freeze/partial tuition freeze by country or region
- Institute-wide tuition reduction
- Relax discount rate thresholds
- Establish an isolated discount rate for specific country(ies) or region(s)

What other trends or strategies have worked for your programs?
Hope is on the horizon!?
Thank you!

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College of Law

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