**Proposal for CGE Second Tier Pricing**

**Rationale:**  Our market prices are on the high end for our services due to contribution margins to the college combined with the cost of maintaining infrastructure, both physical and staffing. As a result, recruitment can be difficult and some potential groups have withdrawn from our program. This creates difficulty for both sites and staff as we need consistent income to cover costs. Second Tier Pricing would allow sites to leverage existing infrastructure and knowledge to offer high quality but lower intensity programming thereby reaching a wider population potential participants.

**Discussion:**

It is important for the CGE brand that we continue to offer high quality programs for all participants and groups. However, in the current economic climate financial stability is also important, particularly for local sites. Increasing our income streams would allow for longer term planning and staff retention while also increasing staff awareness about budgeting issues.

Second Tier Pricing will also allow CGE to increase the pot of potential groups including, for example; smaller groups, NGOs, high school students, domestic participants and those from economically disadvantaged communities. This fits into the CGE mission of social justice by allowing us to reach more groups and be more accessible. In addition, we are aware that CGE offers high quality programs and we want to be able to provide this service, with the unique CGE social justice brand, to a wider audience.

**Implementation:**

To implement second tier pricing, we would be reducing both site and ITS costs. While each site would have its own considerations for how to implement second tier pricing and what programming they would continue to offer, some options for reducing pricing are:

* Lodging
  + Homestays (Guatemala & El Salvador)
  + CGE Lodging at Centre (Mexico, Nicaragua, Namibia), potentially also increasing the number of bodies per room (as appropriate)
* Meals
  + Eat at guesthouse more often (Nicaragua, Mexico)
  + Include only one or two meals a day as part of program, participants pay for own food for other meals (Guatemala, El Salvador)
* Staffing/Salary
  + No trip leading by site directors (Mexico, Namibia, CA)
  + Only one group leader for trips.
  + Lower contribution rates to college as second tier groups would draw only on local resources and would not be recruited from college network. (Proposed reduction is 30% for both ITS Staff and overall bottom line).
    - ITS would not provide logistical support including brochures and flight arrangements.
* Programming
  + Minimal customization of program
  + CGE staff drives rather than contracting for drivers (if possible)
  + When possible, using videos, media and popular education techniques for teaching rather than panels or speakers (reduced honoraria)
* Other
  + Reduced travel to tourism high areas
  + Free days for participants potentially with optional activities they can pay for