The Enrollment Landscape: Trends Affecting Higher Education

Peter Farrell
Senior Enrollment Management Consultant
Royall & Company
Is There a Bubble in Higher Education?

Source: "Is College a Lousy Investment?" Newsweek, September 2012
Not the First Time We’ve Made the Cover

April, 1992

March, 1997

August, 2006
The Year of Higher Ed “ROI” Accountability
Dramatic Rise of “Is College Worth It?” Internet Searches in Last Half-Decade Alone

2015: A Hallmark Year for Higher Education ROI Policies

March 2015
An Expansive Accountability Vision
HELP releases white papers outlining accreditation reform, tying debt to federal aid eligibility, and data transparency

July 2015
Tying Title IV Funding to Loan Repayment
Gainful employment regulations take effect

September 2015
Providing Comparative Debt and Salary Data to Consumers
White House College Scorecard launched
Increasing Cost Transparency Earlier in Decision Process
FAFSA Prior-Prior Year data announced

October 2015
Looking to Alternate Providers for Better Outcomes, Lower Costs
EQUIP program pilots federal financial aid to coding boot camps and MOOC providers

Ongoing
Targeting Graduate Debt
HEA Reauthorization proposals on table include loan limits for graduate and part-time students
Debates Front and Center in the Public Imagination

What Subjects Should We Teach?

Welders vs. Philosophers

Election Year Rhetoric

“Welders make more money than philosophers. We need more welders and less philosophers.”
- Marco Rubio, GOP Presidential Debate

Fact Check
- By most averages, philosophy majors have higher average earnings
- False dichotomy between vocational and liberal arts

Sage on the Stage vs. Guide on the Side

The New York Times

“The Degree Is Doomed” (Jan. 2014)
What Your Board Member Read on Her Last Flight

What Your Board Member Read on Her Last Flight

Future of the Degree at Risk Due to New Alternatives?

The New York Times

Defends lecture’s unique ability to model sustained, complex argumentation

Profiles of student success benefits of active learning

“Colleges Reinvent Classes to Keep More Students in Science” (Dec. 2014)
All Stakeholders Questioning Value

- How do I ensure I’m getting my money’s worth?
- Is a degree worth the investment?
- Will I be in debt the rest of my life?
- Can a degree really tell us who will be a good employee?
- Will universities be responsive enough to be good research partners?
- Does higher education deserve its tax breaks?
- Are there worthier causes?
- Can I trust a university to spend my money wisely?
- If higher ed is mainly for the privileged, shouldn’t government dollars be used on true public goods?
- What other strings can we attach to ensure research funding supports national goals?
- Should financial aid dollars go to alternative providers?

Source: EAB interviews and analysis
False Claims about College Costs

Crossing the $1 Trillion Mark
Total U.S. Student Loan and Credit Card Debt, in Billions

Higher Ed Criticized for What’s Seen as Irresponsible Spending

Forbes
“Oh, So That’s Why College Is So Expensive”

The Climbing Wall War in Texas

Claims to be tallest in TX

The Reality – Hardly Driving Up Costs

Increase to $100M operating budget

And often funded by student-elected fees

“ROI-Shopping” Likely to Accelerate

Even More Fierce Negotiation Ahead

Prior-Prior Year Data Expedites Award Letters
- Students can apply for financial aid as soon as October
- Don’t have to wait to file tax returns
- Announced in September 2015, goes into effect Fall 2016

Earlier Offer Letters Encourage More Price Competition
- More time for negotiations and appeals
- Less time to cultivate relationship before offer

Strategies Making Way into Higher Ed

“ROI” Calculation of the Future = Both Aid + Likely Return

2013 UMass Lowell Campaign

Tuition Price Reset
$10,000 list price replaces discount

Price Match Guarantee
In-State Price Match
Top 10% HS class pays public tuition

“Post-graduation salaries: Show me the money” (March 2014)
- Highlights students who transferred to UMass Lowell due to cost + published salary estimates
- Decisions influenced by high debt of friends

Source: “Prior-Prior Year: FAFSA Simplification,” National Association of Student Financial Aid Administrators; BLS data; EAB interviews and analysis.
Slow National Progress on Student Success
Despite Investments, Key Success Indicators Still Lag

5-Year Graduation Rates

Investments in Student Success
- Early alert systems
- Attendance tracking
- Financial aid labs
- Emergency fund awards
- Student success centers
- And many more faculty- and staff-driven efforts

Solving One Problem, Creating Another
Gains in First-Year Retention, but Upper-Division Attrition Increasing

Attrition across the Student Lifecycle

Public University Graduating Classes, 2000 to 2010

- Upper-class attrition: 30.6%
- First-year attrition: 26.0%

Twenty-One State Flagship Universities

- Year 1: 8%
- Year 2: 6%
- Year 3: 3%
- Year 4: 2%
- Year 5: 2%
- Year 6: 1%
- Total: 14%

Three-fifths of attrition occurring after first year
<table>
<thead>
<tr>
<th>Public Perception</th>
<th>Reality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition prices are skyrocketing</td>
<td>Median list price is $11,000; net price significantly lower at publics and actually declining at privates</td>
</tr>
<tr>
<td>Students are crippled by debt</td>
<td>Majority of new graduates owe less than $20,000</td>
</tr>
<tr>
<td>Rising tuition is driving up student debt</td>
<td>Falling family income, lack of savings and non-tuition costs fueling debt growth</td>
</tr>
<tr>
<td>Rising tuition reduces access for low-income students</td>
<td>Access has never been higher and net tuition for low-income students is low; lost wages are biggest barrier</td>
</tr>
<tr>
<td>College degree is losing value</td>
<td>College premium has never been higher</td>
</tr>
<tr>
<td>Universities are losing students to low-cost providers</td>
<td>Community colleges and for-profits are losing enrollment; “disruptive” innovators focus more on non-consumers</td>
</tr>
</tbody>
</table>
An Unsustainable Model?
Emerging Consensus that the Current Financial Model Is Broken

I am confident in the sustainability of my institution’s financial model over the next 10 years

<table>
<thead>
<tr>
<th>50%</th>
<th>41%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presidents</td>
<td>Chief Business Officers</td>
</tr>
</tbody>
</table>

Revenues
- Long-term demographics
- State budget pressures
- Federal budget cuts
- Increased financial aid
- Declining incomes

Costs
- Employee benefits
- Deferred maintenance
- Increased student services
- Rising compliance costs
- Legacy programs

Source: Inside Higher Education
Flat Enrollments Pinching Revenues
Nationwide Enrollment and Net Tuition Growth below “Subsistence” Levels

Enrollment Growth Flat at Best
Percent Change in Enrollment from Previous Year
*Not-for-Profit Four-Year Colleges and Universities*

- 2013: 0.4%
- 2014: 1.3%
- 2015: 0.7%

Annual growth rate required for sustainable financing according to Moody’s:
- Privates: 2.7%
- Publics: 1.9%

Underperforming on Tuition Revenue
Growth in Net Tuition Revenue 2015
- 3%
Is a Supply Problem?
The raw numbers would suggest not

Freshman Enrollments Nationally

Source: IPEDS, First Time, Full Time Freshman Having Graduated HS within Last 12 Months
Uneven Growth in Enrollment by Sector

Public sector has seen the most reliable growth

Compound Annual Growth
FTFT Freshman 2006-2014

- Public 4 Yr: 1.6%
- Private 4 Yr: 0.8%
- Public 2 Yr: 2.8%
What about these guys?!
Is Education Headed for a Shakeout?

Unequal Pressure across Segments

Change in Net Tuition Growth Rate, Pre- and Post- “Great Recession”

-1.7%  
-2.5%  
-5.1%  
-4.8%  
-5.5%

Level of Tuition Dependence

10% to 40%  
70% to 100%

Regional Publics Losing Best Students

Change in SAT Scores (75th Percentile)

530  
516  
2005  
2012
Not the Solution They Used to Be

OTHER REVENUE STREAMS
Fighting the Free Market
State Policy Makers Seek to Increase Leverage Rather than Funding

Publics Increasingly Reliant on Tuition Revenue
Revenue by Source (2002-2012, in real 2012 billions of dollars)

Directing More while Appropriating Less
State Higher Education Policy Directives

Price Controls
• Caps on tuition increases
• Caps on nonresident students

Incentive Models
• Performance-based funding

Increased Competition
• Statewide online education infrastructure
• Mandated articulation agreements
• Free community college

Micromanagement
• Mandated increases in workload
• Reduced funding for liberal arts

Growth in tuition revenue just compensating for declines in public funding

Source: EAB analysis of IPEDS data
Master’s Market Facing Questions
Potential Oversupply in Graduate Programs

Master's Programs No Longer a Guaranteed Cash Cow
J.D., Education and Business Master’s Enrollments, 2007-2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Business</th>
<th>Education</th>
<th>J.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>141,719</td>
<td>261,870</td>
<td>175,824</td>
</tr>
<tr>
<td>2008</td>
<td>154,271</td>
<td>261,870</td>
<td>175,824</td>
</tr>
<tr>
<td>2009</td>
<td>167,824</td>
<td>261,870</td>
<td>175,824</td>
</tr>
<tr>
<td>2010</td>
<td>180,375</td>
<td>214,904</td>
<td>175,824</td>
</tr>
<tr>
<td>2011</td>
<td>192,926</td>
<td>216,118</td>
<td>175,824</td>
</tr>
<tr>
<td>2012</td>
<td>205,477</td>
<td>216,118</td>
<td>175,824</td>
</tr>
<tr>
<td>2013</td>
<td>217,028</td>
<td>216,118</td>
<td>175,824</td>
</tr>
<tr>
<td>2014</td>
<td>228,579</td>
<td>216,118</td>
<td>175,824</td>
</tr>
</tbody>
</table>

Will Colleges and Universities “Overbuild” and Push Down Price?

5.5%  1,700  650
Growth in the number of master’s programs from 2011 to 2012
New master’s programs introduced in 2012
Institutions added new master’s programs in 2012

Still Predicting Faster Growth in Master’s Enrollment
Bachelor’s, Master’s and Doctoral Enrollment Growth, 2012-2022

Bachelor’s: 17%
Master’s: 36%
Doctorate: 24%

Source: AACSB Data Trends Booklet, 2009 to 2014; American Bar Association; Council of Graduate Studies, "Graduate Enrollment and Degrees" reports, 2007-2013; Tables 2.13 and 2.15; NCES Integrated Postsecondary Education System.
# Why MOOCs Won’t Save Higher Education

*Early Promise Fades in the Face of Current Realities*

<table>
<thead>
<tr>
<th>The Promise</th>
<th>The Reality</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Free Education</strong></td>
<td>Students will leverage MOOCs to reduce the cost of a degree</td>
</tr>
<tr>
<td><strong>Job Placement</strong></td>
<td>Employers will hire people based on performance in MOOCs</td>
</tr>
<tr>
<td><strong>Educational Access</strong></td>
<td>The poor and uneducated around the world will have access to the best instructors</td>
</tr>
<tr>
<td><strong>New Revenue Stream</strong></td>
<td>Universities will use MOOCs to monetize the value of star faculty and reach new student markets</td>
</tr>
<tr>
<td><strong>Enhanced Learning</strong></td>
<td>MOOCs will combine top faculty and innovative technology to improve learning outcomes</td>
</tr>
</tbody>
</table>
Transfer Market Under Stress
Community Colleges Facing Challenges

Declining Enrollments on All Fronts
Total Fall Community College Enrollments, 2009-2014, in thousands

<table>
<thead>
<tr>
<th>Year</th>
<th>Enrollments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>7,019</td>
</tr>
<tr>
<td>2010</td>
<td>7,031</td>
</tr>
<tr>
<td>2011</td>
<td>6,919</td>
</tr>
<tr>
<td>2012</td>
<td>6,545</td>
</tr>
<tr>
<td>2013</td>
<td>6,330</td>
</tr>
<tr>
<td>2014</td>
<td>6,107</td>
</tr>
</tbody>
</table>

Decline in enrollment among students over age 24, 2011-2014 (to 2.3M) -12.5%

States Pull Back Support
State Appropriations per Public Community College FTE, 2004-2012:

<table>
<thead>
<tr>
<th>Year</th>
<th>Appropriations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$3,601</td>
</tr>
<tr>
<td>2004</td>
<td>$4,350</td>
</tr>
<tr>
<td>2005</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>$4,350</td>
</tr>
<tr>
<td>2007</td>
<td>$3,116</td>
</tr>
</tbody>
</table>

Students Grow More Financially Distressed
Growing Share of Community College Students Receiving Pell

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Number of Pell</th>
<th>Average % Receiving Pell</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>1,358</td>
<td>32.1%</td>
</tr>
<tr>
<td>2010-11</td>
<td>1,847</td>
<td>38.0%</td>
</tr>
<tr>
<td>2012-13</td>
<td>2,231</td>
<td>43.7%</td>
</tr>
</tbody>
</table>

Source: National Center for Education Statistics

1. Constant 2012 dollars
ENROLLMENT HEADWINDS
Regional Demographics Driving Challenges
Most States not seeing sufficient growth to drive demand

Change in High School Graduates, 2015 to 2025

Growths and Declines:
- Moderate Growth (>2.0% / Year)
- Slow Growth (<2.0% / Year)
- Decline (<0.0% / Year)

Change in High School Graduates, 2003 to 2027

- 2003: 3,398,235
- 2005: 3,157,000
- 2007: 3,412,484
- 2009: 2,800,000
- 2011: 2,900,000
- 2013: 3,000,000
- 2015: 3,100,000
- 2017: 3,200,000
- 2019: 3,300,000
- 2021: 3,400,000
- 2023: 3,500,000
- 2025: 3,412,484

- 2027: 3,500,000

87%
High School graduates hailing from states with little or no growth

74%
Share of undergraduates enrolled in their home state
Changes in High School Graduates by Ethnicity

National 2013-2023

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Changes in Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>-70,787</td>
</tr>
<tr>
<td>African American</td>
<td>30,896</td>
</tr>
<tr>
<td>Asian</td>
<td>68,793</td>
</tr>
<tr>
<td>Hispanic</td>
<td>243,949</td>
</tr>
</tbody>
</table>

Demographic and Student Success Characteristics

White versus Hispanic Students

- First Generation
  - White: 56%
  - Hispanic: 78%

- Income below Poverty Level
  - White: 29%
  - Hispanic: 62%

- Complete within 5 Years
  - White: 70%
  - Hispanic: 49%

Challenging Times for Catholic College Leaders

Change in Catholic Population, 2000 to 2010

- **Strong Growth** (>+5,000/Year)
- **Stable** (+/- 5,000/Year)
- **Decline** (>−5,000/Year)

<table>
<thead>
<tr>
<th>Year</th>
<th>Catholic - All Colleges</th>
<th>Catholic - Catholic Colleges</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>27.8%</td>
<td>56.3%</td>
</tr>
<tr>
<td>2014</td>
<td>25.3%</td>
<td>51.2%</td>
</tr>
</tbody>
</table>

Infant Baptisms in the United States

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Baptisms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>1,040,837</td>
</tr>
<tr>
<td>2007</td>
<td>902,841</td>
</tr>
</tbody>
</table>
Concentration of Growth in Low-Income Segment
Demographic Growth Trends Don’t Support Price Increases/College Readiness

Lower-Income Families Grew at Faster Pace than Middle- and Higher-Income Families
Percentage Growth, 2000-2013

2012 College-Going Rates by Income

- **51%** Low
- **65%** Middle
- **81%** High

```

<table>
<thead>
<tr>
<th>Family Income Range (in thousands of $)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-30</td>
<td>30%</td>
</tr>
<tr>
<td>30-60</td>
<td>17%</td>
</tr>
<tr>
<td>60-90</td>
<td>9%</td>
</tr>
<tr>
<td>90-120</td>
<td>5%</td>
</tr>
<tr>
<td>120+</td>
<td>6%</td>
</tr>
</tbody>
</table>
```

Total Growth 15.5%

“Student Affluence Test”

-262 pts.

Difference in average SAT score between students from lowest- and highest-income families, 2014

More Pressure on the Middle
Stagnating Median Incomes, Loan Burdens Inhibit Willingness to Pay

Stagnating Median Incomes


Middle-Income Students Particularly Reliant on Loans

Share of List Price Accounted for by Loans by Income (n=1,617 families, 2013-2014)

1. Low-income: Total income <$35K, Middle-income: $35k-$100K, Upper-income: >$100K

Unequal Distribution Low-Income Students
Regional Publics Serve Growth of Income-Constrained Market Segment

Pell-Eligible and Nonresident Student Head Count Growth (2007-2012)

<table>
<thead>
<tr>
<th>2007-2012</th>
<th>Regional Publics</th>
<th>Everybody Else</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pell Students</td>
<td>+67,221</td>
<td>+60,113</td>
</tr>
<tr>
<td>Nonresident Students</td>
<td>+2,450</td>
<td>+40,188</td>
</tr>
</tbody>
</table>

The composition of the student body at regional publics has gone from 33% to 43% Pell-eligible

Demographics at Regional Publics Present Student Success Challenge
6-Year Graduation Rates across the Segments (2008-2013)

Student success improvements critical to revenue growth but difficult given changing demographics

Source: EAB analysis of IPEDS data
Students Becoming More Consumer-Oriented
Coming to Terms with a Buyer’s Market

Applying to More Schools

Students applying to 6+ schools

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>27%</td>
<td>46%</td>
</tr>
</tbody>
</table>

Increasingly Price-Sensitive

% of Students Identifying Factor as “Very Important” to College Choice

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aid Awarded</td>
<td>34%</td>
<td>47%</td>
</tr>
<tr>
<td>Cost of Attendance</td>
<td>31%</td>
<td>45%</td>
</tr>
</tbody>
</table>

Harder to Reach

% of Teens Using Social Media

<table>
<thead>
<tr>
<th>Platform</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>58%</td>
<td>60%</td>
<td>67%</td>
</tr>
<tr>
<td>YouTube</td>
<td>41%</td>
<td>49%</td>
<td>62%</td>
</tr>
<tr>
<td>Instagram</td>
<td>28%</td>
<td>48%</td>
<td></td>
</tr>
<tr>
<td>Twitter</td>
<td>19%</td>
<td>31%</td>
<td>46%</td>
</tr>
<tr>
<td>Pinterest</td>
<td>6%</td>
<td>14%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Before, when families got a scholarship offer, they said, “Thank you!” Now they say, “Is this your best offer?”

Director of Admissions
Private Master’s College in the Midwest

As Pressures Mount, Yield Continues to Erode

For every thousand students you admitted ten years ago...

### Average Yield by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>2004</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Colleges</td>
<td>41.8%</td>
<td>32.2%</td>
</tr>
<tr>
<td>Private Colleges</td>
<td>34.5%</td>
<td>23.2%</td>
</tr>
</tbody>
</table>

### Normalized Admits per Enrollment

<table>
<thead>
<tr>
<th>Segment</th>
<th>2004</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Colleges</td>
<td>1,000</td>
<td>1,298</td>
</tr>
<tr>
<td>Private Colleges</td>
<td>1,000</td>
<td>1,487</td>
</tr>
</tbody>
</table>
Discount Rates Continue to Soar

Average Tuition Discount Rate, FTFT Freshmen

Source: NACUBO Tuition Discounting Survey
# Understanding Higher Ed’s Multiple Markets

*Each Segment Faces Unique Challenges and Opportunities*

<table>
<thead>
<tr>
<th>Market Type</th>
<th>n</th>
<th>SAT (Average)</th>
<th>Price (Average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elite Privates</td>
<td>45</td>
<td>1520</td>
<td>$37K</td>
</tr>
<tr>
<td>Stable Privates</td>
<td>95</td>
<td>1350</td>
<td>$31K</td>
</tr>
<tr>
<td>Regional Privates</td>
<td>573</td>
<td>1135</td>
<td>$22K</td>
</tr>
<tr>
<td>Flagship Publics</td>
<td>60</td>
<td>1290</td>
<td>$19K</td>
</tr>
<tr>
<td>Rising Publics</td>
<td>57</td>
<td>1280</td>
<td>$17K</td>
</tr>
<tr>
<td>Regional Publics</td>
<td>344</td>
<td>1090</td>
<td>$13K</td>
</tr>
</tbody>
</table>

- **Elite Privates**
  - Soaring demand
  - Able to meet full need
  - Working to improve socioeconomic diversity

- **Stable Privates**
  - Unable to match elite levels of need-based aid
  - Increasing selectivity and maintaining price
  - Concerned about lower-priced top publics

- **Regional Privates**
  - Unsustainable discounting
  - Innovative recruitment
  - Declining student quality
  - Working to improve student success

- **Flagship Publics**
  - Increasingly selective
  - Growing nonresident population
  - Facing state-imposed constraints on tuition
  - Working on aid for middle-class students

- **Rising Publics**
  - Stealing share from privates
  - Growing nonresident population
  - Investing in research and athletics to build national reputation

- **Regional Publics**
  - Tied to regional demographics
  - Declining student income
  - Laboratories for student success

Source: EAB analysis of IPEDS data
Making Sense of the Market
A Strong Relationship between Net Price and Student Quality

- **Flagship Publics**
  - Top 5%
- **Elite Privates**
  - Top 5% (Non-Flagship)
- **Stable Privates**
  - Next 15%
- **Regional Privates**
  - Bottom 80%
- **Regional Publics**
  - Bottom 75%
- **Rising Publics**
  - Top 25% Non-Flagship
The Rich Get Richer

Increasing Differentiation at the Ends of the Market

Net Price and Academic Quality Change (2002-2012)

Source: EAB analysis of IPEDS data
Undermined by Market Forces
Looking Further Afield for Students and Doing More to Attract Them

Growth in FT/FT Students, 2007-2012

Flagship Public: 30.0% Non-Resident, 2.0% In-State
Selective Public: 23.2% Non-Resident, -0.4% In-State
Regional Public: 4.1% Non-Resident, 4.3% In-State

Migration to Value
Cost-Conscious Students Migrate to Equivalent Quality at Lower Price

Flagship and Rising Publics Capitalize on the Migration to Value

Regional Privates

Flagship Publics
- SAT Score: 28 Points
- NTR/Capita: 5.2%/Year
- FT-FT Students: 2.2%/Year

Rising Publics
- SAT Score: 48 Points
- NTR/Capita: 5.7%/Year
- FT-FT Students: 1.3%/Year

SAT Score = Change (2002-2012); NTR/Capita = CAGR (2007-2012); FT-FT Students = CAGR (2009-2013)

Source: EAB analysis of IPEDS data
## Barriers to Growth for Every Segment

*Intersegment Competition Is Contributing to Price and Volume Challenges*

<table>
<thead>
<tr>
<th>Segment</th>
<th>Price</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Elite Privates</strong></td>
<td>Expectation to meet full need</td>
<td>Expand undergraduate cohorts?</td>
</tr>
<tr>
<td><strong>Stable Privates</strong></td>
<td>Growing threat from publics</td>
<td>Highest-quality students trading up</td>
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<td></td>
<td>Aggressive discounting by schools facing greater difficulty filling classes</td>
<td>Breaking into the transfer market</td>
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<tr>
<td><strong>Regional Privates</strong></td>
<td>Discounting heavily to achieve enrollment targets</td>
<td>Incoming cohort sizes declining</td>
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<td></td>
<td>Losing students to more affordable publics of greater or equal quality</td>
<td>Declining academic quality as other segments poach best students</td>
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<tr>
<td><strong>Flagship Publics</strong></td>
<td>Lightning rod for activist legislation</td>
<td>Few easy retention wins remaining</td>
</tr>
<tr>
<td></td>
<td>Sustaining growth after maximizing nonresident enrollment</td>
<td>Filling unused capacity in upper-divisions and year-round</td>
</tr>
<tr>
<td><strong>Rising Publics</strong></td>
<td>Avoiding pressure to overdiscount to capture “quality” from other segments</td>
<td>Rising unmet need of middle class poses student success threat</td>
</tr>
<tr>
<td></td>
<td>Sustaining growth after maximizing nonresident enrollment</td>
<td>Lowering credit articulation barriers</td>
</tr>
<tr>
<td><strong>Regional Publics</strong></td>
<td>Federal and state legislation does not support price growth</td>
<td>Growing unmet need and academic underpreparedness from low-income segment</td>
</tr>
<tr>
<td></td>
<td>Necessity to remain low-cost to maintain access mission</td>
<td>Competition from community colleges?</td>
</tr>
</tbody>
</table>
Fast-Changing Markets Upending Tried-and-True Practices and Models

Outstripping EM Departments’ Capacity for Adaptation

An Increasingly Unpredictable Endeavor

- Response Rate
- Stealth Applicants
- Yield Volatility
- Withdrawn Deposits

EMs Facing a Thousand Difficult Questions

“How do I know what works anymore?”

- Are my financial aid models still valid?
- How much should we invest in mobile optimization?
- Are the emails we’re sending getting through?
- Should we still be doing print mailings?
- Which markets should we expand into?
- Which media channels are best for engaging parents?
- Do we need to be blogging regularly?

Default Responses Not Working

- “Throwing Spaghetti at the Wall”
  - Too expensive and time-consuming
- “Moon Shot” Strategies
  - Risky and/or unsustainable
- Betting on Predictive Models
  - Reinforcing negative trends

Response Rate

Stealth Applicants

Yield Volatility

Withdrawn Deposits
Logistical Headaches on the Horizon

Formerly Sequential Processes Suddenly Simultaneous

Enrollment Calendar 2015

August

Applications

Admissions

September

FAFSA released

Yield Efforts

October

Aid packaged

Anti-Melt Efforts

November

December

January

February

March

April

May
Logistical Headaches on the Horizon

Formerly Sequential Processes Suddenly Simultaneous

Enrollment Calendar 2016

Applications
Admissions
FAFSA released
Aid packaged
Yield Efforts
Anti-Melt Efforts

EFC available as early as October 15th
Questions?

Peter Farrell
Royall & Company
800.899.7227
pfarrell@royall.com