

Critical Strategies In Changing Times

*Developing strategies and tactics
you can use to ensure success*

Agenda

1. Students' views on the financial crisis
2. Strategic and tactical responses by colleges and universities to achieve objectives for 2009, 2010, and 2011

Students' views on the financial crisis

National Student Survey

- Phase 1 – conducted in November/December 2008
 - Socioeconomically and culturally diverse national panel of 1,022 college-bound high school seniors
- Phase 2 – conducted in February/March 2009
 - Socioeconomically and culturally diverse national panel of college-bound high school seniors (5,483), juniors (4,315), and sophomores (2,112)
- Phase 3 – conducted in May 2009
 - Socioeconomically and culturally diverse national panel of college-bound high school seniors (7,289), juniors (4,179), and sophomores (4,036)

The New Higher Education Landscape

- Students are visiting fewer colleges
- Students are more likely to make multiple deposits
- Students are considering more affordable options
- Students will be less mobile
- Financial concerns are a high priority for an increasing number of students

Entering Class 2009: Application Behavior

- 74.6% applied to 2-9 different schools
- 16.1% applied to 10 or more schools
- 29.6% altered their application plans due to the state of the economy

Entering Class 2009: Application Behavior

- Students applied to *more* schools to increase their opportunities for financial aid awards
- Students applied to *fewer* schools to avoid application fees and/or due to their belief that some schools were not an option for them because of the high cost of attendance

College Visits

- 39.4% of students indicated the current economic climate resulted in fewer campus visits

	Percent
I will have a limit on the number of campus visits I can make	32.4
I won't visit any school unless I am admitted	10.3

Deposit Behaviors

- While more than one-quarter of students (28.2%) indicated they planned to make multiple deposits, only 8.4% reported they did so on or before May 1.

	Phase 2 (Planned)	Phase 3 (Actual)
No deposits	17.8%	16.7%
Single Deposit	54.0%	74.6%
Multiple Deposits	28.2%	8.4%

Reasons for Multiple Deposits

- 42.1% of participants who deposited at more than one school gave financial reasons for their multiple deposits

Primary reason why students deposited at more than one school	Entering Class 2009
I wasn't sure what college I wanted to attend	46.4%
I wanted a back-up school that was less expensive in case we couldn't afford the more expensive school	20.9%
I wanted to continue to explore options for additional financial aid	12.8%
I wanted a back-up school in case I had to stay closer to home	8.4%

Plans Regarding Multiple Deposits

- Most student who submitted multiple deposits have already informed institutions if they are not enrolling
- Almost 10% don't plan to inform schools of their enrollment intentions

When will you notify the other school(s) where you made deposits that you do not intend to enroll?	Percent
I have already told them	61.5
Sometime in May	10.4
Sometime in June	14.0
Sometime in July	2.9
Sometime in August	1.4
I don't plan to tell them	9.8

Changes in College Choice

Due to the Economy

- In-state schools are viewed as more affordable
 - 16.9% plan to attend schools in their home states to save money on tuition
- Financial aid matters
 - 16.3% will attend the school that offers the best financial aid package, regardless of its location
- Publics are a good option
 - 14.0% plan to attend public/state schools where tuition and fees are lower
- Community colleges are getting a second look
 - 3.8% plan to attend 2-year schools to save money

Changes in College Choice

Due to the Economy

	Percent
I must get a job to help pay college expenses	29.6
I have to borrow more money for college	24.6
I will attend an in-state school to save money	16.9
I need to attend the school that offers the best financial aid package	16.3
I will attend a public/state institution to save money	14
I can no longer afford to attend my first-choice institution	9.9
I had to change my student housing plan/living arrangement to save money	5.2
I will attend a community college to save money	3.8
I may not enroll in college now	0.9

Student Mobility

- From Phase 1 to Phase 2, 26% more students indicated they planned to remain in their home states for college
- In Phase 3, 31.5% *fewer* students indicated they planned to remain in their home states

	Percent
<i>Phase 1</i> Indicated "I plan to attend a school in my home state"	61.7
<i>Phase 2</i> Selected an in-state school as institution "where I plan to enroll"	77.9
<i>Phase 3</i> Selected an in-state school as institution "where I plan to enroll"	53.3

Impact on Enrollment Plans

- 15.5% indicated *cost of attending* was the primary basis for selecting the school they plan to attend

	Percent
Overall fit for me	46.1
Cost of attending	15.5
Academic reputation of the school	13.8
Campus/school environment	5.2
I was accepted!	4.5
Location of the school	4.3
School's athletic program(s)	1.6
Size of the school	0.9
Type of school (i.e., public vs. private)	0.7
Other	7.4

Financial Aid Offers

- More than three out of four students (76.4%) indicated they received one or more financial aid offer

	Percent
The aid package(s) included more grants and scholarships (money that does not have to be repaid) than loans	51.5
I didn't receive as much aid as I expected	35.5
The aid package(s) included more loans (money that needs to be repaid) than grants or scholarships	30.9
I received more aid than I expected	29.4
I/my family "appealed" the original financial aid offer we received	12.7

Entering Classes of 2010 and 2011

- Most are already considering their college options
 - 70.9% and 84.0%, respectively
- A significant number indicated they first thought about specific college options before 9th grade
 - 15.8% of juniors
 - 33.4% of sophomores

How Students Identified Specific Schools

	2010	2011
I found the school while searching for college information on the web	60.0	56.4
I received a letter from the school	49.7	49.6
I received an email message from the school	39.7	44.6
My parents/guardians recommended it	37.8	39.0
I'm familiar with the school because it is near my home	37.8	37.8
A friend of mine told me about it	30.1	25.9
I know the school because of its sports team(s)	18.2	22.5
My counselor recommended it	17.4	8.7
My teacher/coach recommended it	15.2	14.9
My brother/sister recommended it	11.7	12.5

Sources of Information about Colleges

	2010	2011
Internet resources	75.0	72.5
Letter from schools	66.3	71.8
Email from schools	64.3	71.9
Information available on specific schools' websites	66.2	64.1
Printed brochure from schools	57.2	59.6
Parents/guardians	47.4	51.3
Friends/peers	49.7	47.9
Campus visit	55.9	38.8
High school counselors	46.5	45.7
College fair	46.1	33.6
High school teachers	37.6	40.4

Table includes all sources indicated by one-third or more of student responders

How the Economy is Influencing Prospects for 2010 and 2011

	2010	2011
I may have to limit my search to schools in my home state to save money on out-of-state tuition and fees	39.4	39.2
I may have to limit my search to public/state schools where tuition and fees are lower	36.5	32.2
I may have to limit my search to schools in my home state to save money on travel and related costs	33.9	33.4
I will have a limit on the number of campus visits I can make	32.6	32.2
I will apply to more schools to increase my college options and chances of getting in	30.0	35.8
I will apply to fewer schools to save money on application fees	21.3	15.4
I may have to limit my search to schools in or near my hometown so I can live at home and commute to campus	18.1	16.1
I won't visit a school unless I am admitted	10.5	10.1
I may have to limit my search to 2-year community colleges where tuition and fees are lower	8.6	6.3
I may not begin college right after I graduate from high school	5.7	5.5

Confidence Among Prospects for Entering Classes 2010 and 2011

- Most juniors and sophomores reported they were confident about their opportunities after college

	2010 Percent	2011 Percent
Very confident	29.1	34.4
Somewhat confident	47.3	46.7
Unsure	21.8	17.6
Not confident	1.9	1.4

Confidence Among Prospects for Entering Classes 2010 and 2011

- Reasons for their confidence reveal students' insight into changes required due to the state of the economy.

	2010 Percent	2011 Percent
I am a hard worker and believe I will be able to find a job	79.7	81.5
I have the grades and academic ability to succeed after college	77.2	83.4
I am going into a field that needs more workers	35.3	32.4
The economy will change for the better by the time I graduate	34.8	32.6
I am selecting a "recession-proof" career	23.9	22.9

Strategic and tactical responses by colleges and universities

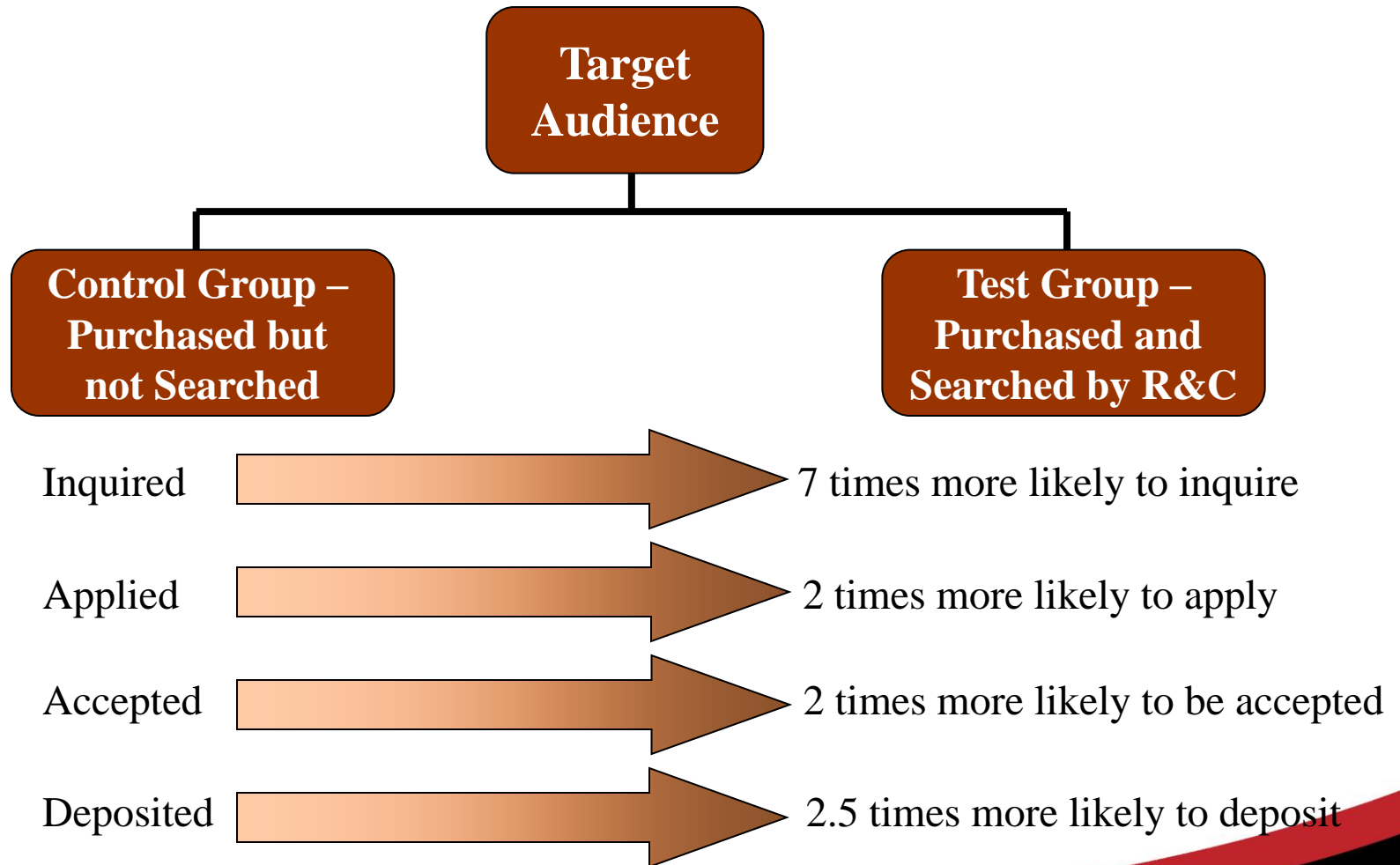
For most institutions ...

Cutting the entire admission budget would not compensate for the loss in endowment draw-down.

Recruitment and enrollment must maximize returns to compensate for losses.

Building Strong Pools of Qualified Inquiries

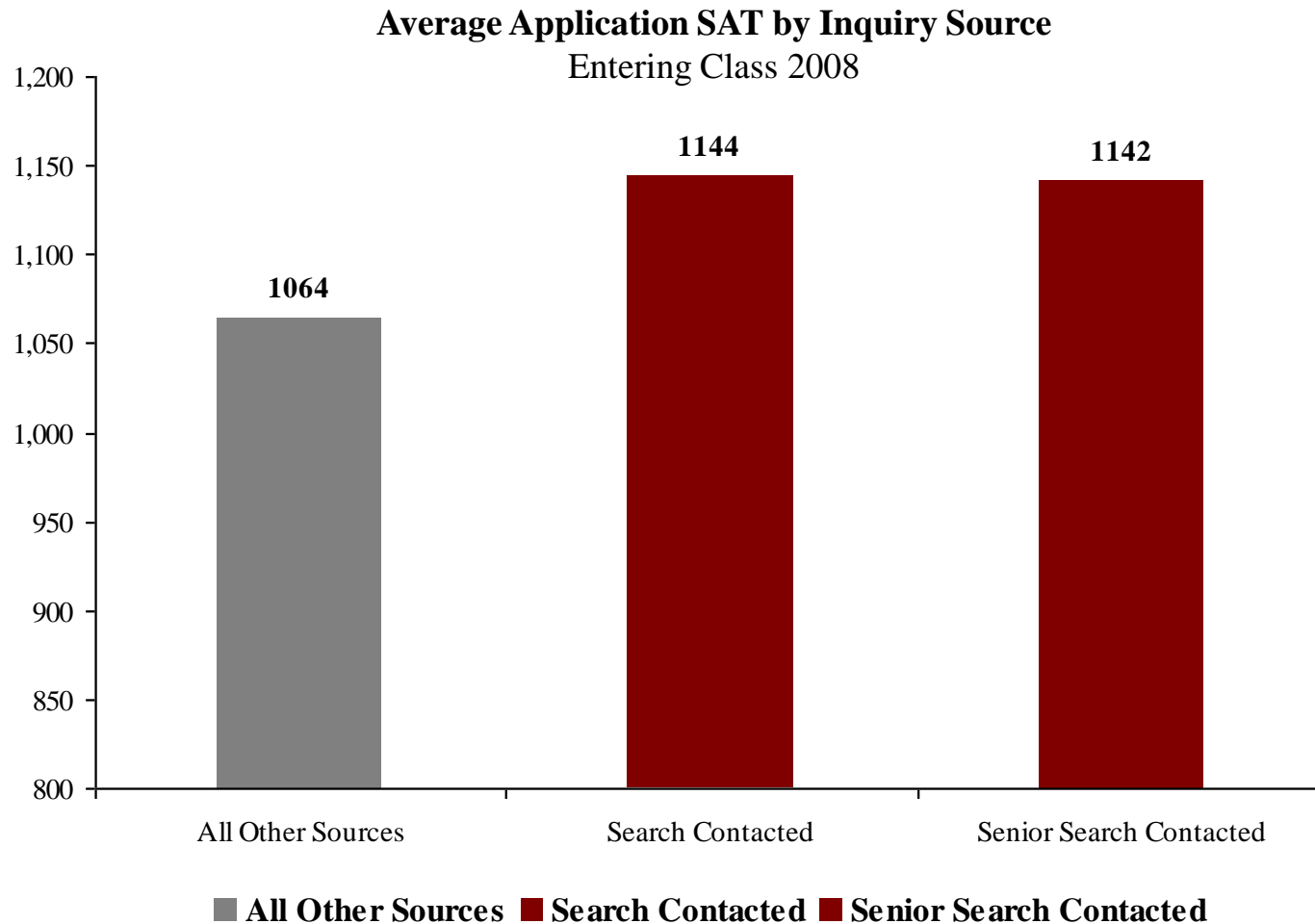
Building New Markets and Getting the Most Out of Existing Ones



In addition ...

- 2 times the men
- 2.5 times the women
- 3 times the African American and Latino students
- 6 points higher on application SAT scores overall

Students included in Search and Senior Search have strong SAT Scores

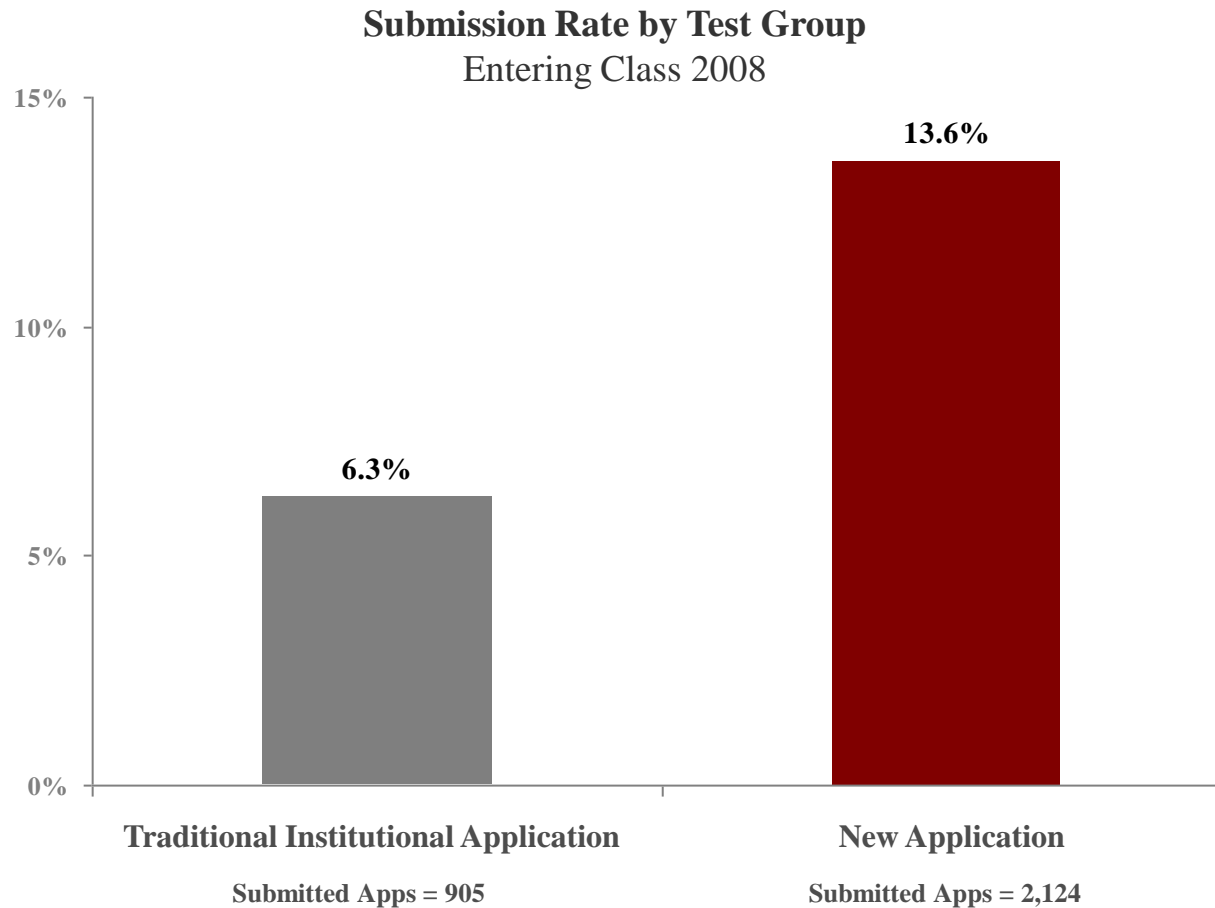


Maximizing Application Conversion

Testing Royall & Company's New Application for Entering Class 2008

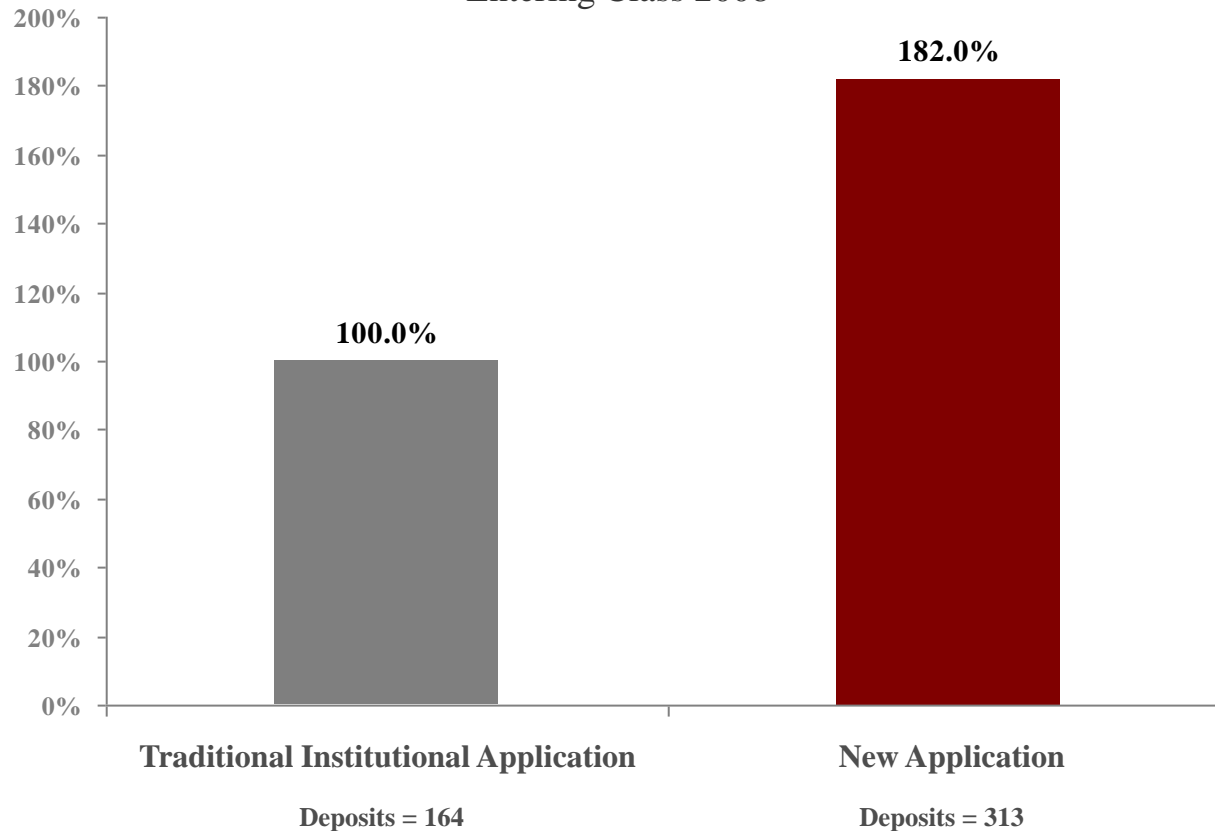
- Selected 30,000 names from the Inquiry Pool
 - 15,000 inquiries invited to apply via New Application
 - 15,000 inquiries received traditional institutional application only
- Goal: To test New Application approach in achieving ...
 - Larger applicant pool
 - Greater inquiry-to-deposit efficiency
 - More out-of-state enrollments
 - No decline in academic profile

Using New Application increased submission rate by 116%



Using New Application increased ratio of depositing students by 82%

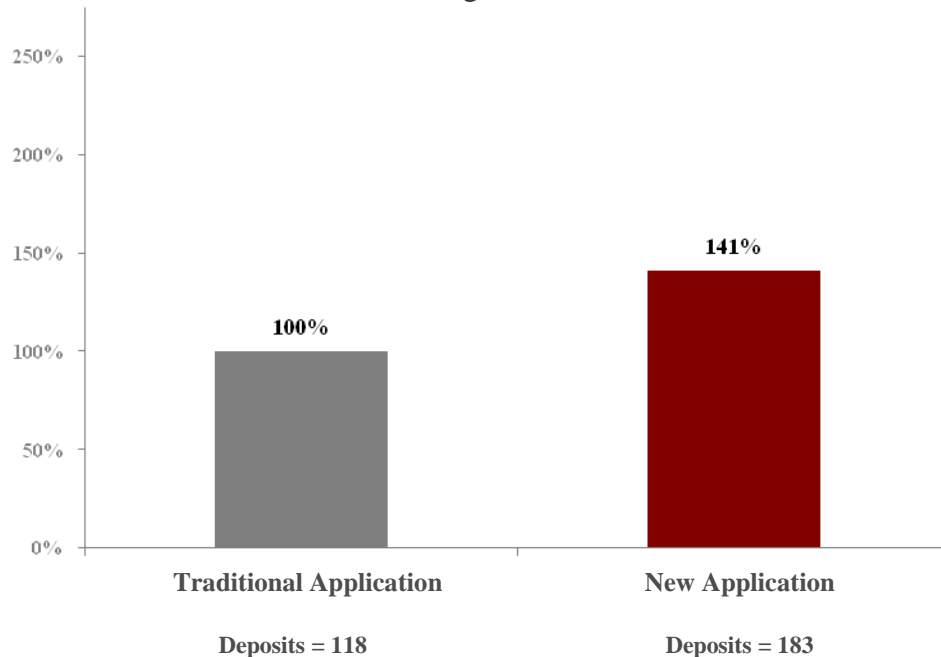
Normalized Deposit Ratio (Deposits / Contacted) by Test Group
Entering Class 2008



Using New Application increased number of in-state and out-of-state students

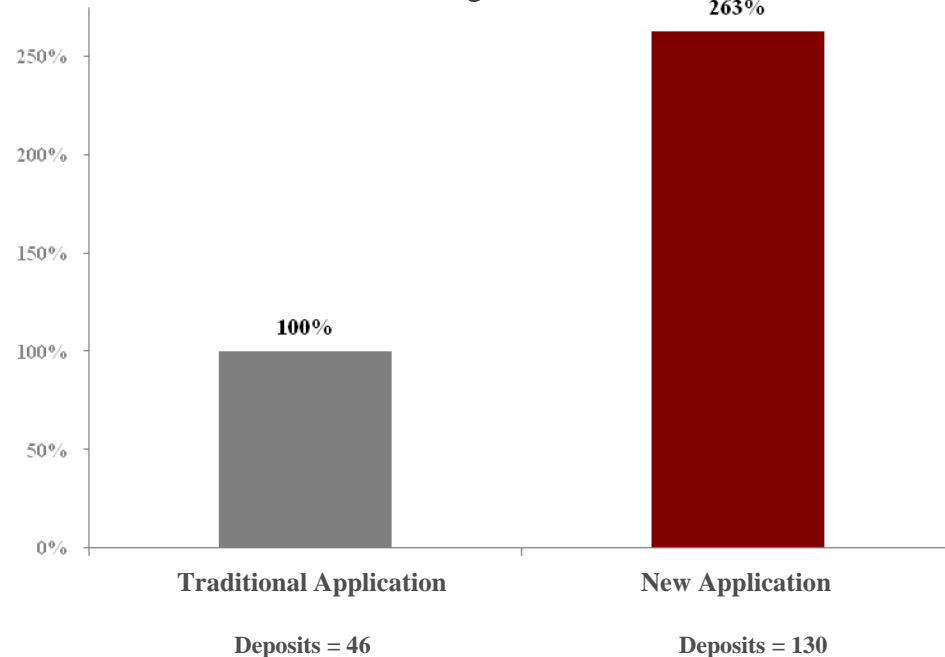
In-State

Normalized Deposit Ratio (Deposits / Contacted) by Test Group
Entering Class 2008



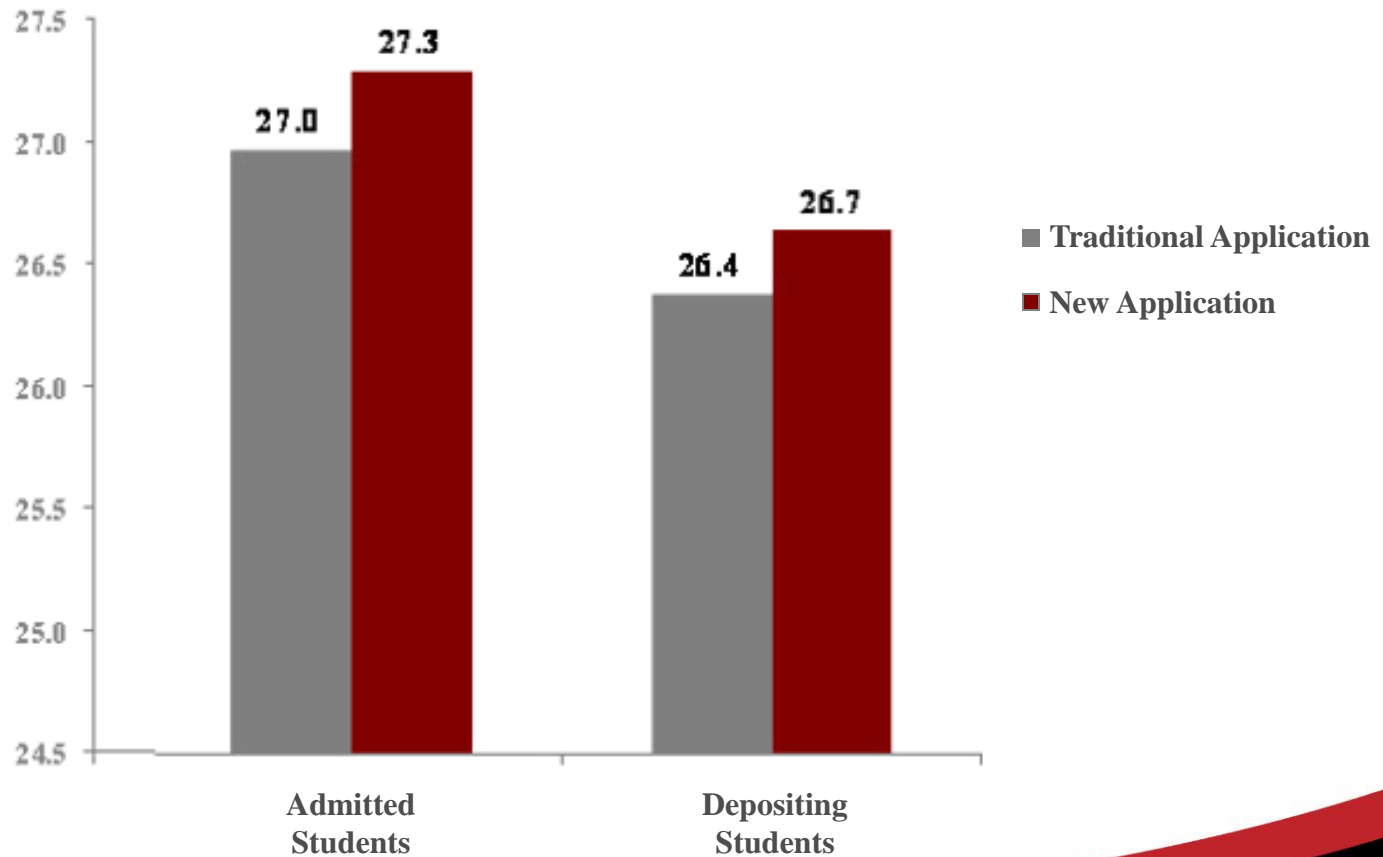
Out-of-State

Normalized Deposit Ratio (Deposits / Contacted) by Test Group
Entering Class 2008



Using New Application increased academic profile of class

Average ACT Score by Test Group
Entering Class 2008



Recommendations

For Entering Class 2010

- Don't anticipate economic conditions or the circumstances of students and their families improving or being any less volatile over the next cycle
- Use what you learn about student behavior over the days and months ahead to develop strategies for recruiting your next class

- You should anticipate the need for larger qualified inquiry pools and more effective and expansive application marketing programs
- If you are not prepared to actively engage and persuade your inquiries to apply with persistence from August to February and beyond, you could be exposing your institution to more risk

- Seniors, as qualified as any in your inquiry pool, present themselves in large numbers in the late summer and through the fall. Efforts to recruit them may well be the key to your success next year

Summary

- Bringing in the best possible class this year and next – no matter what academic, economic or geographic strata of the students you admit – will be more difficult and unpredictable than perhaps ever before
- This fundamental shift in the higher education marketplace can be countered with a fundamental shift in recruitment strategies and tactics

- We no longer have the advantage of history and reliable ways of predicting student behavior and enrollment outcomes
- Succeeding in this new environment will require a much more dynamic approach to recruiting students – monitoring and adjusting as we go – and a much more strategic approach to how you invest your precious resources in achieving your goals

Thank you! Please contact us
with questions or comments.