

Critical Strategies in Changing Times

April 20, 2009

Southern Association of College Admission
Counseling

Agenda

1. Students' response to the financial crisis
2. Strategic response
3. Building selectivity & profile
4. Increasing net revenue

University Research Partners' National Study

- Phase I November – December 2008
 - National, socio-economically, culturally diverse panel of high school seniors
- Phase II February – March 2009
 - National, socio-economically, culturally diverse panel of high school seniors, juniors, and sophomores
- *Phase III May 2009*

Escalating Change

- Students will be less mobile
- Students will visit fewer colleges
- Students will apply to more colleges
- Students who deposit are more likely to do so at multiple institutions
- Financial concerns highest priority for increasing number of students

Only 6.9% of students indicated their college plans were unaltered – a drop of 74% in just 90 days

Deposits

- More than half (54.0%) of the students indicated they planned to make only a single deposit, 28.2% reportedly will make multiple deposits – 160% increase from 2008

	Current Study	2008 URP Research	2007 URP Search
No deposits	17.8%	16.1%	13.3%
Single Deposit	54.0%	73.1%	73.1%
Multiple Deposit	28.2%	10.8%	13.5%

College Visits

- **37.7%** of seniors indicated the current economic climate led to a restriction in the number of schools they visited

	Percent
I had a limit on the number of campus visits I could make	24.5
I only visited schools where I was admitted	14.3
I couldn't spend the money to make any campus visits	11.3

Application Behavior

A **66.8%** increase in the number of students who applied to more schools to broaden their financial options – in 90 days

	Percent
I am going to apply to more schools – Phase 1	21.4
I applied to more schools – Phase 2	35.7

Student Mobility

- **26%** more students plan to remain in their home states for college than so indicated in November / December

	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

Financial Concerns

- The four key decision criteria when making their application decisions were:

	Current Study	2008	2007
Academic Programs and Faculty	34.3	56.0	57.2
Financial Considerations	32.4	19.9	18.3
Campus Environment and Student Life	12.5	11.7	11.9
Reputation, Rankings, and Prestige	11.5	12.4	12.6

Application Behavior

- **32.4%** of students indicated financial concerns were the highest priority in application decisions, with 42% indicating finances would be the determining factor in enrollment – increases of 63% and 66% respectively.

Students who selected financial considerations as a first priority when making their...	...Application Decision	...Enrollment Decision
2007	18.3%	23.5%
2008	19.9%	25.3%
Current Study	32.4%	42.0%

And sophomores and juniors...

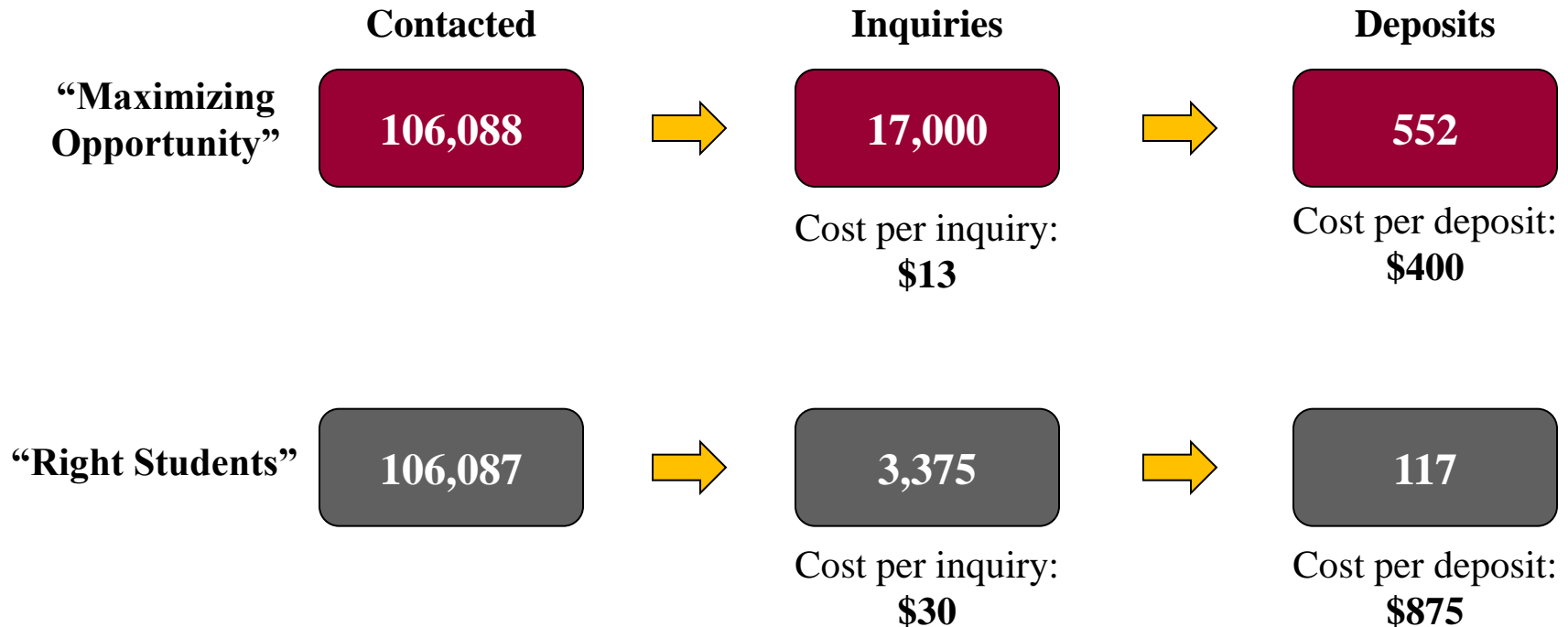
- The economy is already a greater concern than for seniors
- Are considering college options (64.2% and 75.8%, respectively)
- Are planning to apply to even more schools
- Remain generally optimistic about the future

Strategic Response

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

Maximization Strategy Produces More Deposits at Lower Cost...

Enrollment Funnel Royall & Company vs. Tool Provider Y



...and Significantly Greater Net Revenues

Overall Cost

**“Maximizing
Opportunity”**

\$220,800

“Right Students”

\$46,800

Program Savings

\$174,000

**First-Year Loss
in Revenue**

\$5,858,145

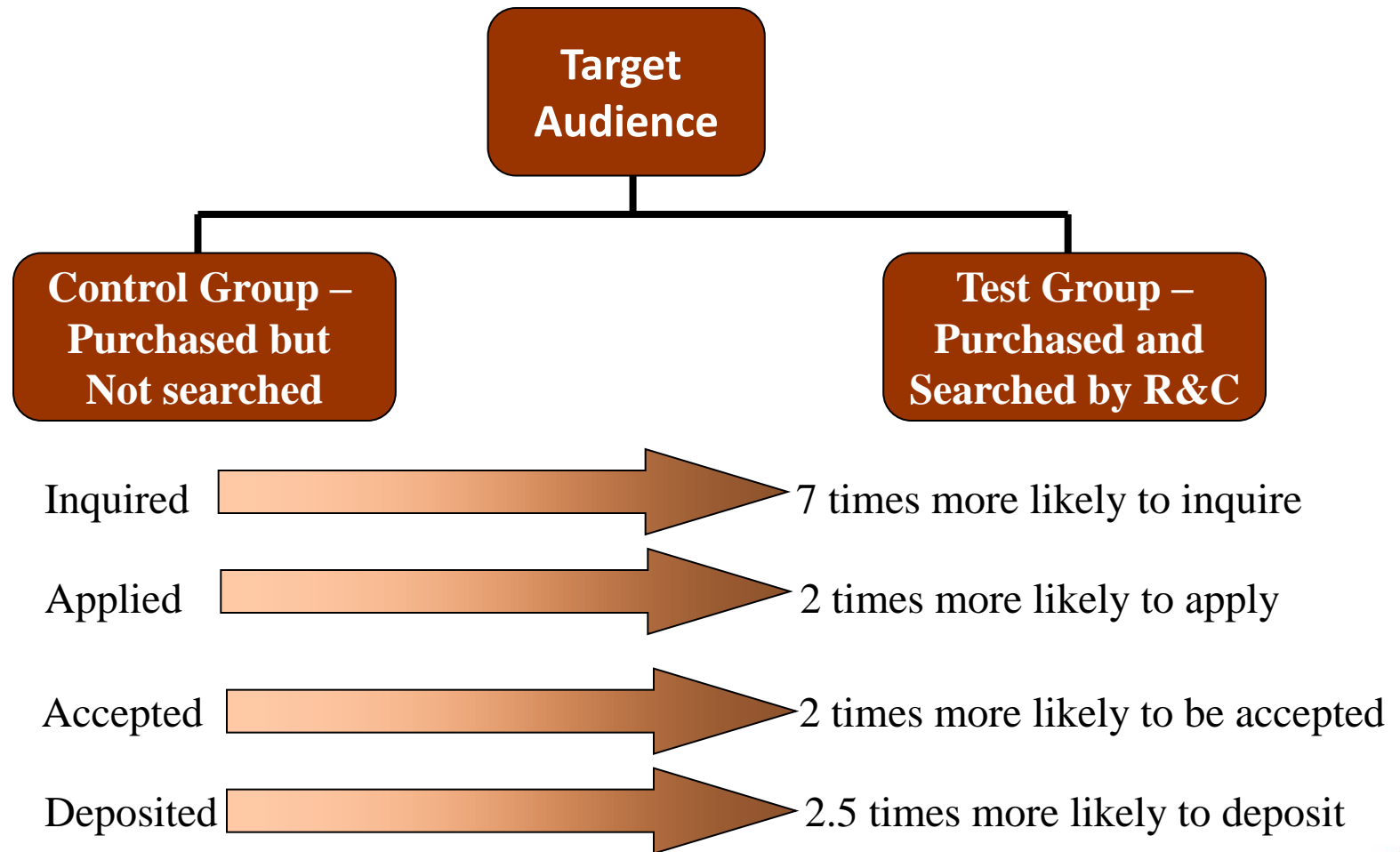
Leveraging search with an application program

Test:

- 30,000 inquiries including search respondents (Search) and inquiries from other sources (Other Inquiry)
- Half of the inquiries received Royall & Company's proprietary application branded for the institution (Royall Application). The other half received the institution's normal application (Institutional Application)
- Behavior for the four groups was tracked through to enrollment.

% of inquiries enrolling in the fall term	Royall Application	Institutional Application
Search	9.1%	3.5%
Other Inquiry	22.4%	12.1%

Building New Markets. Getting the Most Out of Existing Ones

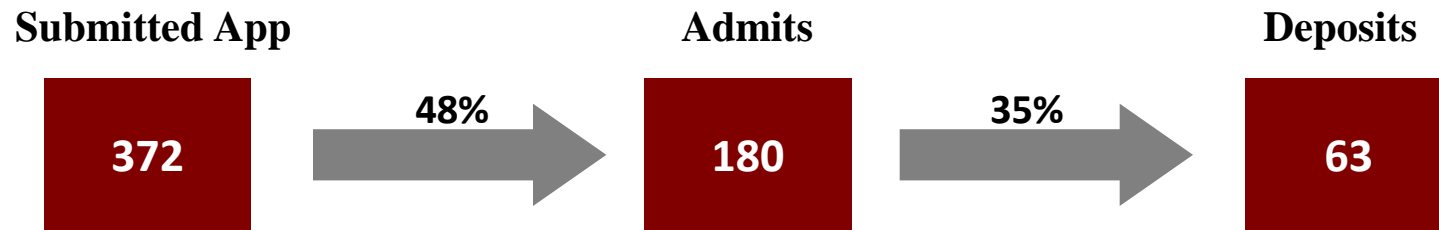


In addition

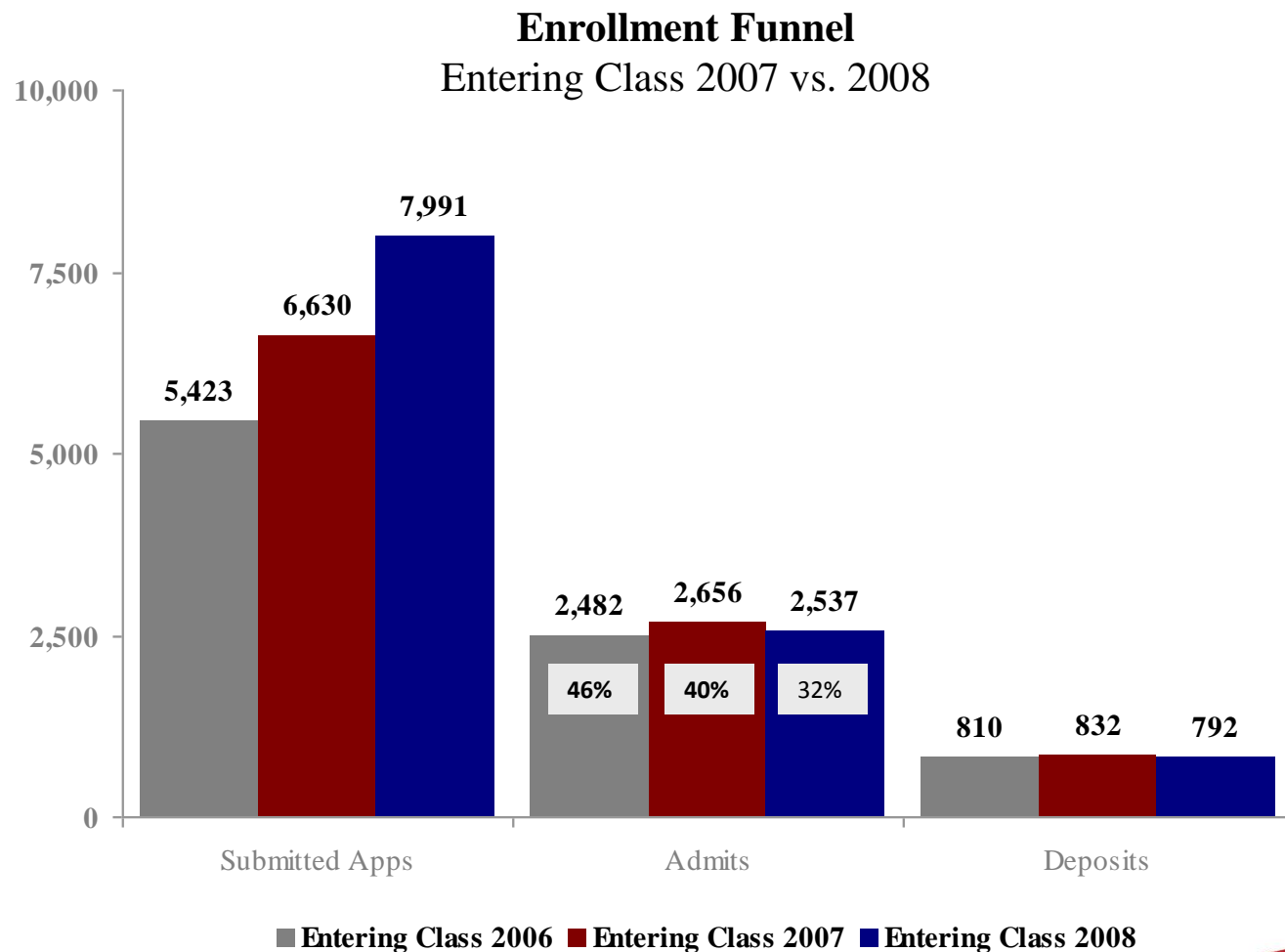
- 2 times the men
- 2.5 times the women
- Students who live on average 205 miles further away
- 3 times the African American and Latino students
- 6 points on application SAT scores overall

“Modeling Out” Leads to Significant False Negatives ... (with 63 deposits that would otherwise have been unrealized)

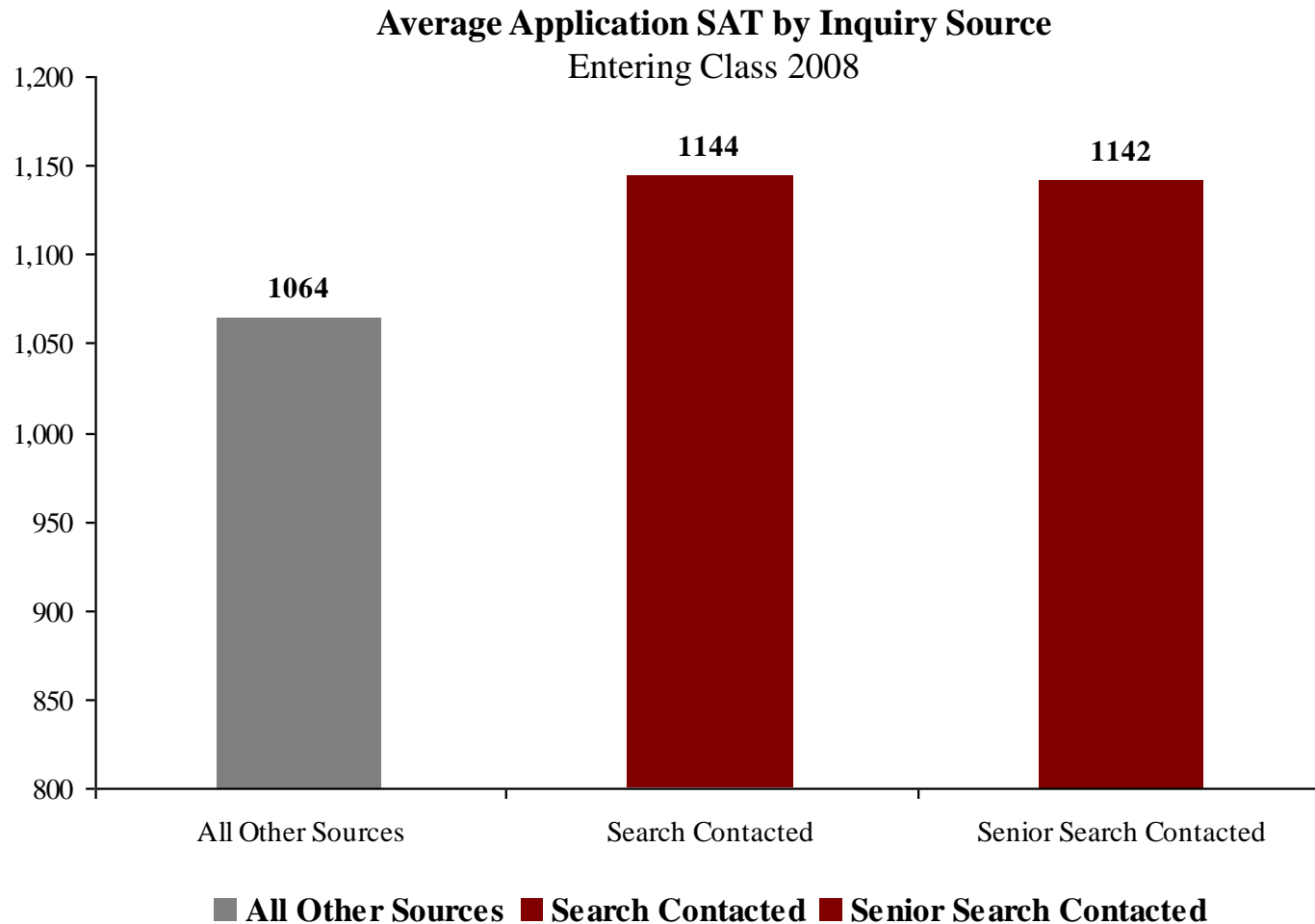
Dropped Names Enrollment Funnel Entering Class 2008



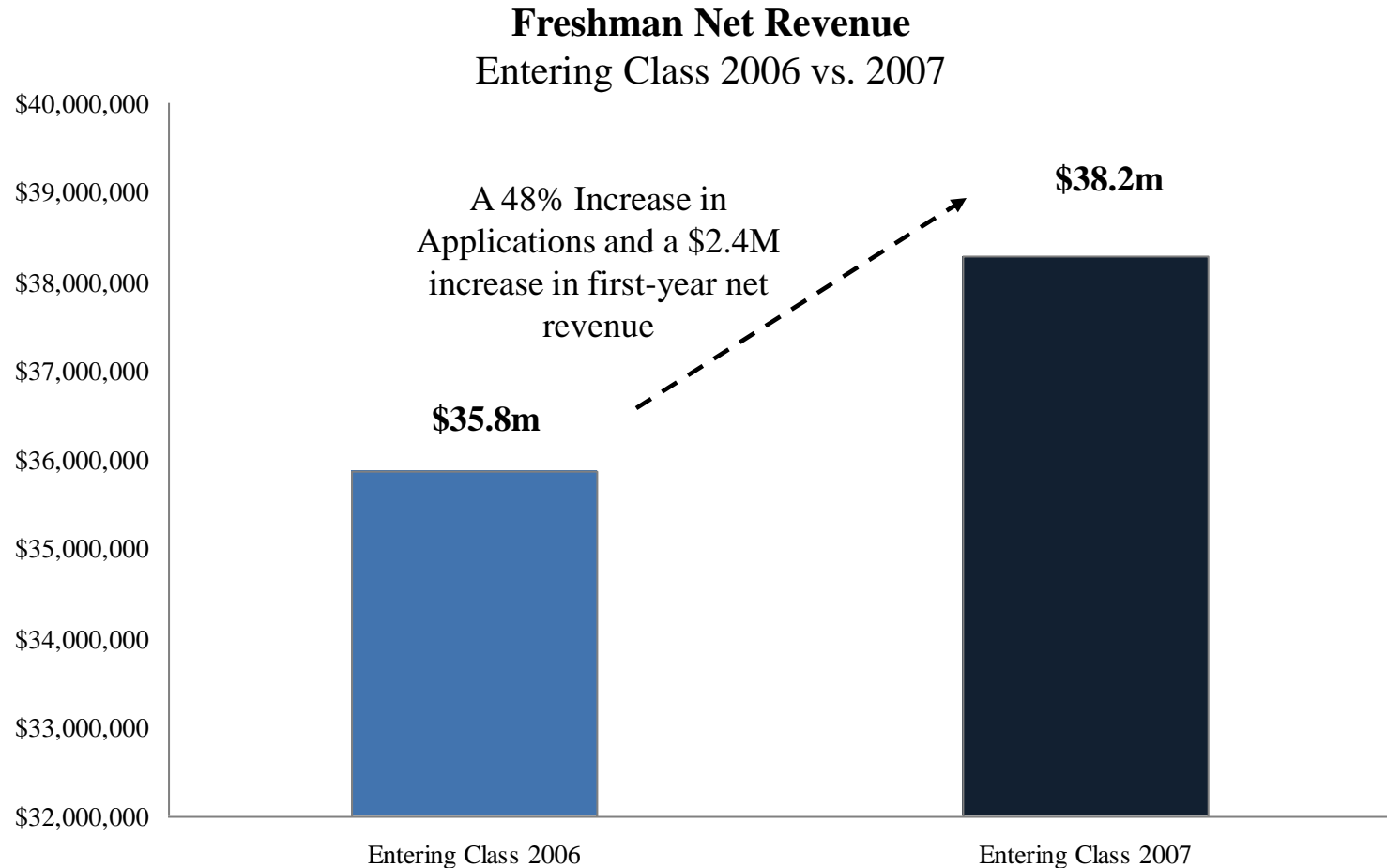
Application increases allowed for increased selectivity with Entering Classes 2007 & 2008



Students impacted by Search and Senior Search demonstrate strong SAT Scores



Increase in Application Volumes can drive flexibility in Net Revenue

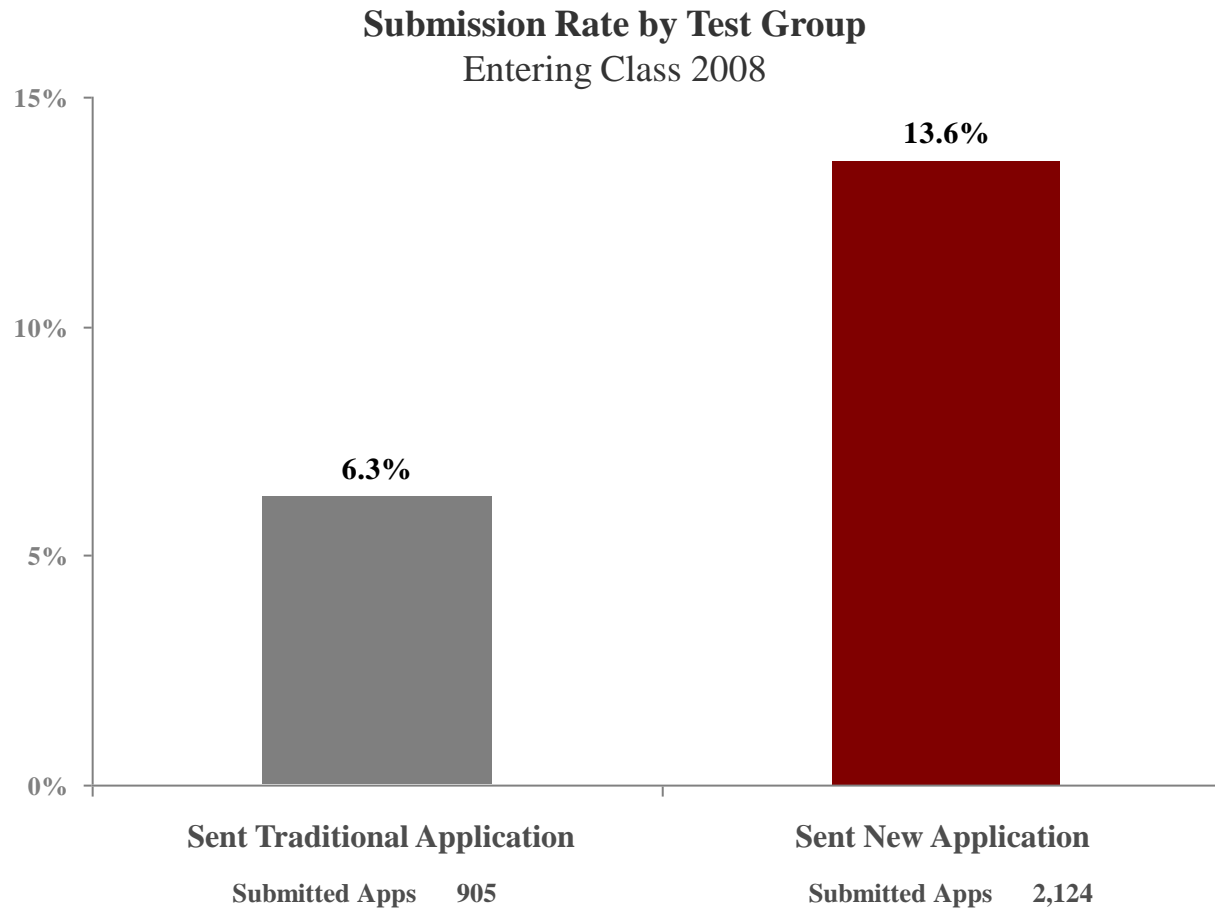


A Typical Case Study

A Selective, Private University tested the Royall Application for Entering Class 2008

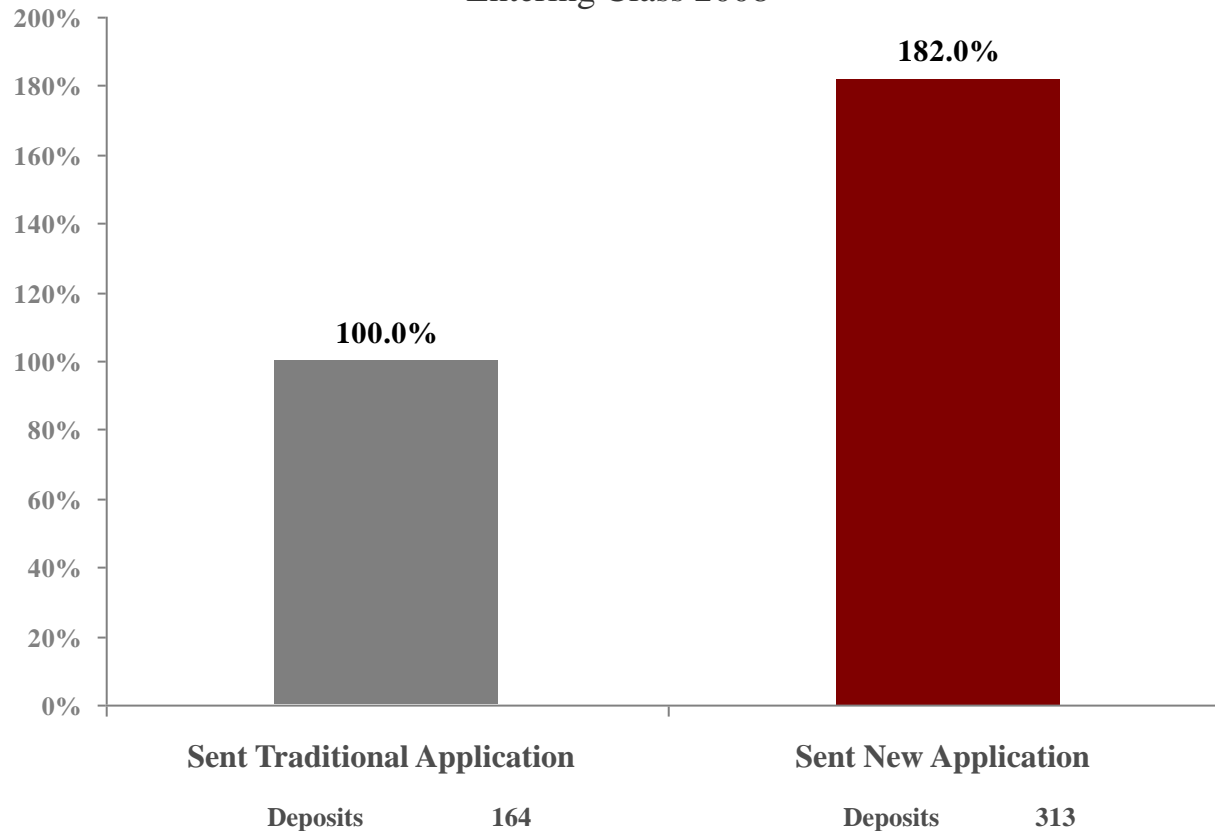
- Selected 30,000 names from the Inquiry Pool
 - 15,000 inquiries invited to apply via the Royall Application
 - 15,000 inquiries sent traditional application only
- Goal: To test new application approach in achieving
 - Increase size of applicant pool
 - Improve inquiry to deposit efficiency
 - Increase out-of-state enrollments
 - Maintain academic profile

Sending the Royall Application increased submission rate by 116%



Sending the Royall Application increased ratio of depositing students by 82%

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



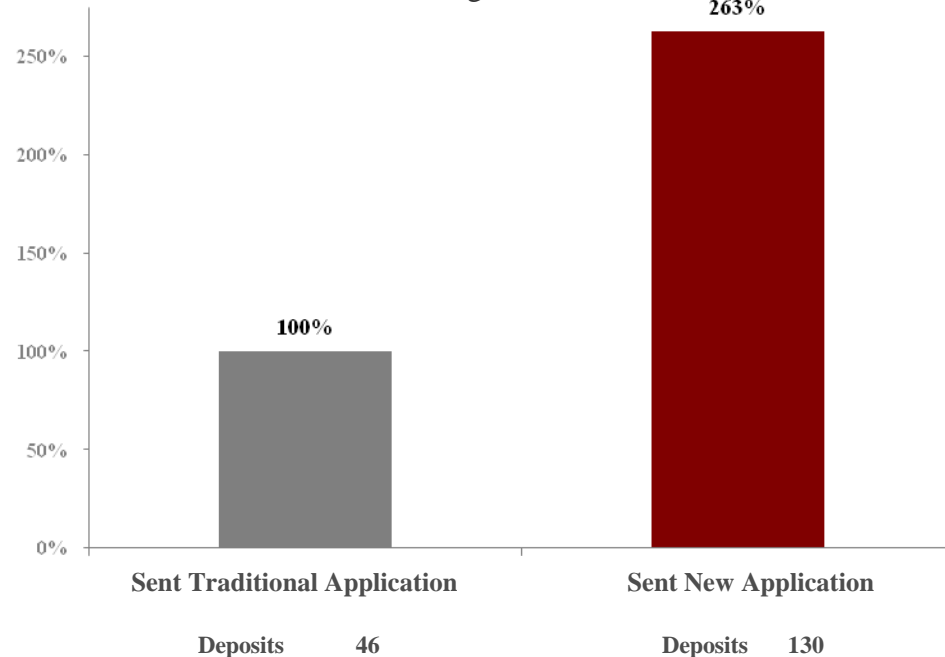
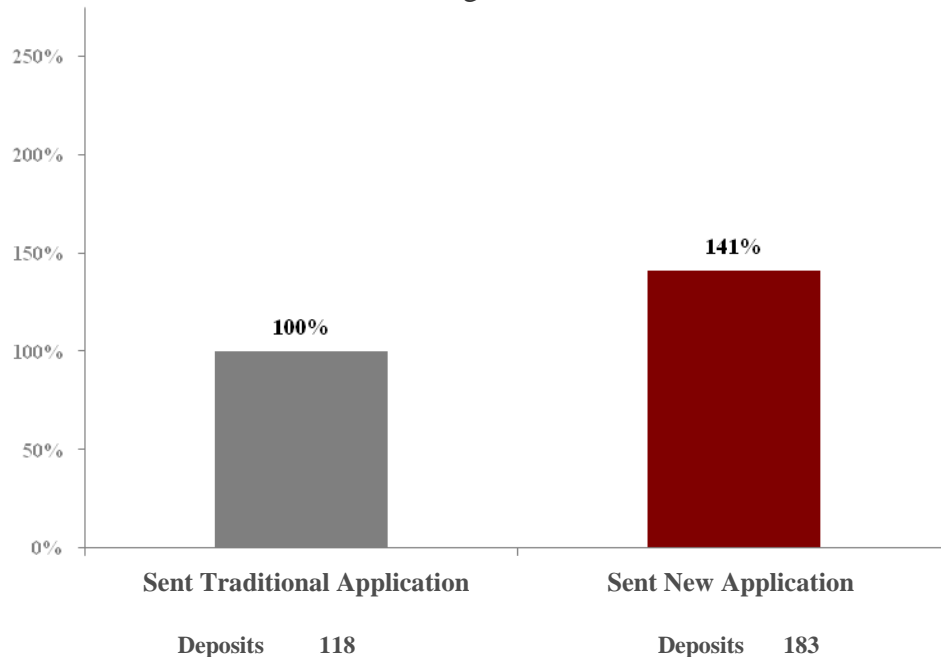
The Royall Application increased the number of In-State and Out-of-State Students

In-State

Out-of-State

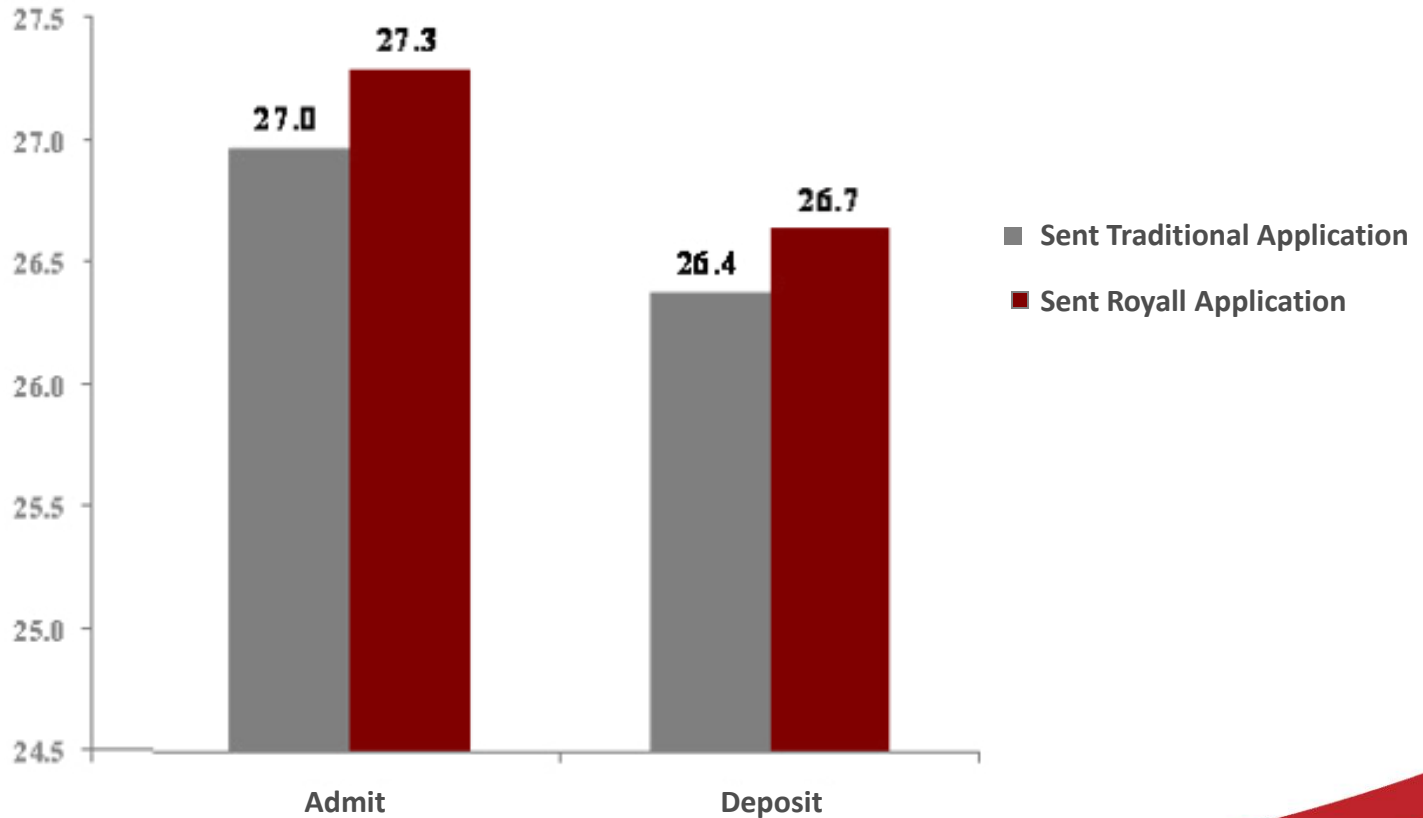
Normalized Deposit Ratio (Deposits / Contacted) by Test Group
Entering Class 2008

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



Royall Application group has superior profile

Average ACT Score by Test Group
Entering Class 2008



Financial Implications

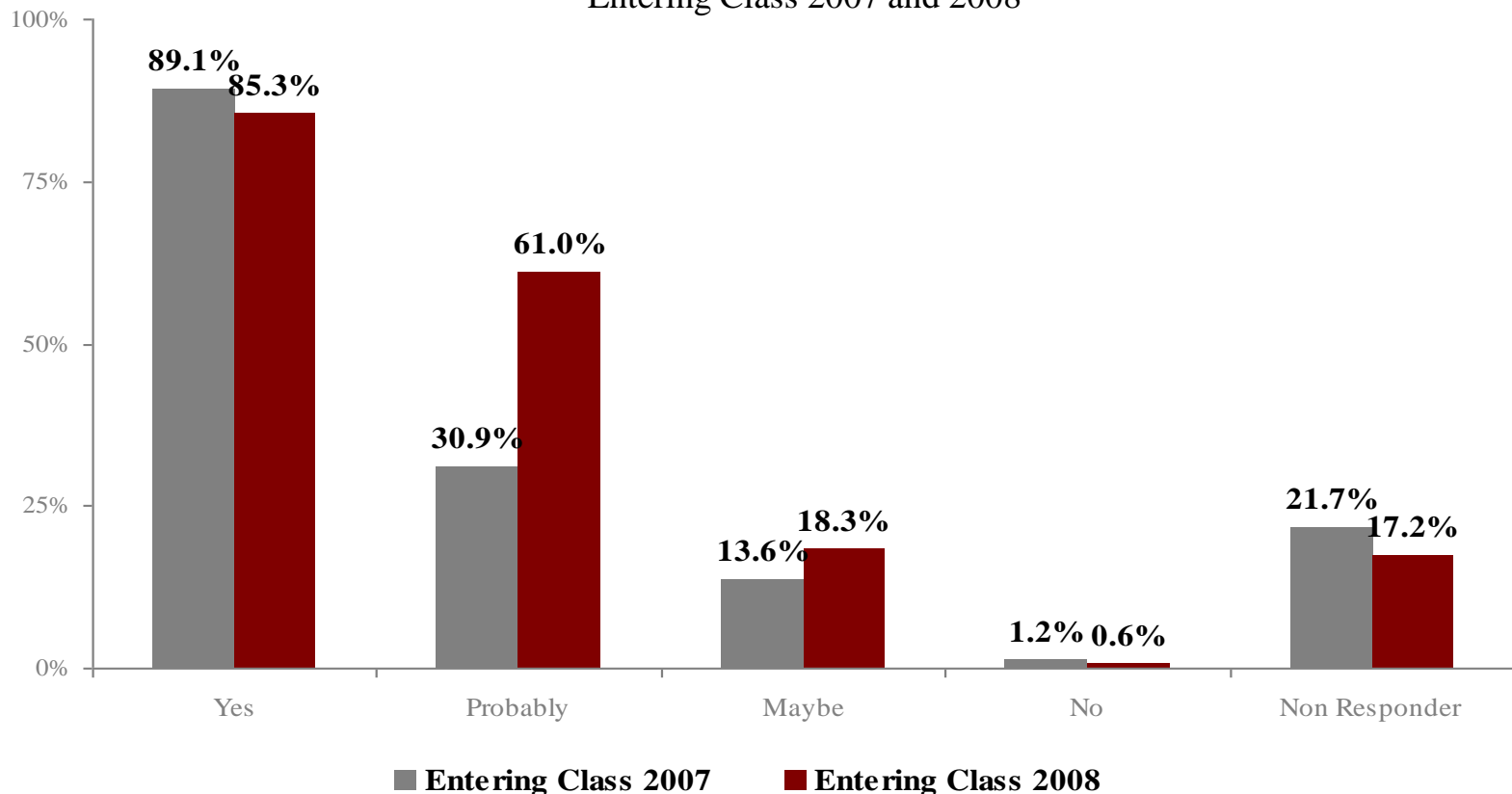
Enrollments from <i>Royall Application</i> Sample	313
Enrollments from Traditional App Sample:	164
Incremental Enrollments:	149

Incremental first year net tuition & fee revenues from the incremental 149 *Royall Application* enrollments (net of program cost and financial aid)
= \$3,215,600 = ROI = \$38 to \$1

Incremental lifetime net tuition & fee revenues from the incremental 149 *Royall Application* enrollments (net of program cost and financial aid adjusted for attrition & estimated increases in cost of attendance)
= \$11,791,300 = ROI = \$140 to \$1

Rapid Follow up Tactics on “Probably” will Deposit Can Increase Yield Significantly

Deposit Rate of Deposit eQual Contacted Audience
Entering Class 2007 and 2008



Questions?

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