



# Navigating Enrollments and Financial Aid in Unchartered Waters

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SCANNELL & KURZ, INC.



# Overview

- The Current Climate
- Colleges at Risk
- What to Avoid
- Short Term Strategies
- Implications for Planning
- Longer Term Options to Consider



# The Current Climate

- College endowments have declined.
- Colleges are postponing construction and limiting hiring.
- States are cutting budgets and introducing new taxes.
- Parents and students, even if not directly affected, are bombarded with news about the economy, restrictions on loan availability, and increased unemployment.



# How Will Families React?

- Students will opt for lower cost options—especially for their first year.
- Students will stay closer to home.
- Families will seek more aid, but will be leery of loans.
- More students will need to work while in school.
- Majors with clear career paths will become even more popular.
- Parents will become even more involved in the college search process.



# Which Colleges Will Be Most At Risk?

- Those that are rural
- Those with high discount rates
- Those with small endowments
- Those with undifferentiated academic programs
- Those that are profoundly tuition driven

**Note: this is the profile of many CCCU institutions.**



## What to Avoid

- Cutting budgets in revenue producing offices (e.g., admissions and financial aid)
- Increasing tuition to make up for enrollment and budget shortfalls
- Investing in new market development before securing the primary market
- Lowering academic standards significantly
- Proceeding on anecdote rather than data

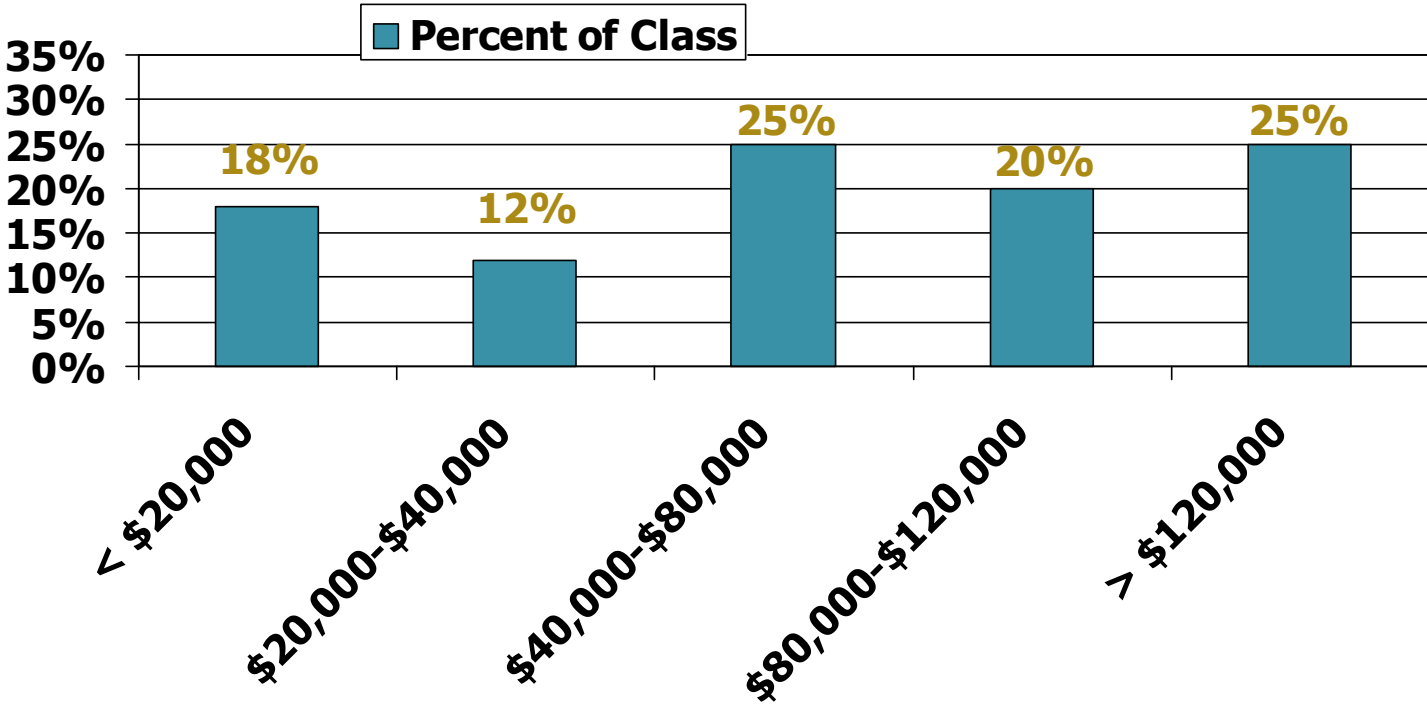


# Short Term Strategies to Consider: Communicate Affordability

Make sure your prospective and current students know you are their partner in keeping your institution affordable

- On the Web
  - Income profiles
  - Case Studies
  - Guarantees
- On the Phone:
  - Current students with balances
  - Current students who don't pre-register
  - Admits not applying for aid
  - Admits just receiving aid awards

# Sample Income Profile



# Sample Case Studies

## Cost Scenarios

Each financial situation is different. We have prepared a few scenarios to help you understand the types of financial aid you might expect and how all the aid resources tie together in one package.



Student	Daniel	Jacob	Lindsey	Sarah
<b>Parents' Finances</b>				
State:	TN	KY	VA	TN
Parental Earnings:	\$106,710	\$16,595	\$50,629	\$246,250
Investments:	\$18,200	\$200	\$0	\$171,000
Family Members:	5	4	4	6
Number in College:	1	1	1	1
Student's SAT/ACT:	29	23	1050	1050
Student's GPA:	3.85	3.5	2.45	3.61
<b>Financial Aid Package:</b>				
Academic Scholarship:	\$9,000	\$8,000	-	\$8,000
Athletic Scholarship:	\$5,000	-	-	-
Tennessee Hope Scholarship:	\$4,000	-	-	\$4,000
Tennessee Merit Scholarship:	\$1,000	-	-	-
Pell Grant:	-	\$4,700	-	-
Federal Supplemental Grant:	-	\$1,500	-	-
Institutional Grant:	-	\$2,000	\$10,200	-
Stafford Loan:	\$3,500	\$3,500	\$3,500	\$3,500
Parent Plus Loan:	-	-	\$12,500	\$9,550
<b>Total Aid:</b>	<b>\$22,500</b>	<b>\$20,700</b>	<b>\$26,200</b>	<b>\$25,050</b>

# Sample Guarantee

The screenshot shows the King College website with a navigation menu and a 'Scholarships' section. The navigation menu includes: Home, Admissions, About KING, Academics, Athletics, Experience King, Graduate & Professional Studies, and King News. The 'Scholarships' section contains two tables. The first table lists 'King College Academic Merit Scholarships' with three rows of criteria. The second table lists 'King College Transfer Student Scholarships' with two rows of criteria. On the left side, there are 'Quick Links' for 'APPLY NOW', 'REQUEST INFO', and 'FAST FACTS', and a vertical menu with links for 'ADMISSIONS', 'ACCEPTED STUDENTS', 'MEET OUR STUDENTS', 'MEET OUR FACULTY', and 'COSTS'.

**Quick Links**

- ▶ APPLY NOW
- ▶ REQUEST INFO
- ▶ FAST FACTS

**ADMISSIONS**

**ACCEPTED STUDENTS**

**MEET OUR STUDENTS**

**MEET OUR FACULTY**

**COSTS**

Costs

**Scholarships**

	Amount	ACT or SAT Criteria	GPA Criteria
King College Academic Merit Scholarships	\$9,000	28 or 1260	Greater than or equal to 3.0
	\$8,000	24-27 or 1110-1250	Greater than or equal to 3.0
		20-23 or 950-1110	Greater than or equal to 3.5

	Amount	Criteria
King College Transfer Student Scholarships	\$9,000	Cumulative GPA of 3.5 or greater or Phi Theta Kappa Member
	\$8,000	Cumulative GPA of 3.0 - 3.49

# Sample Calculator

## Southwestern University Affordability Estimator

**Sticker price of college getting you down? Don't worry, 85 percent of our students receive some sort of financial assistance. To get an estimate of how much Southwestern will cost you, just fill out the form below and watch the graph shrink!**

The SU Affordability Estimator gives an early approximation of what a new first-year student can expect to pay to attend SU. It is not an application for financial aid. The results are only estimates and not guarantees of the actual amounts you will receive. Follow this link for more information regarding the estimator

**Total Annual Cost of a Southwestern Education: \$38,540\*\***

Class Ranking:

Select one of the following exams and enter your score.

ACT Composite  Score:

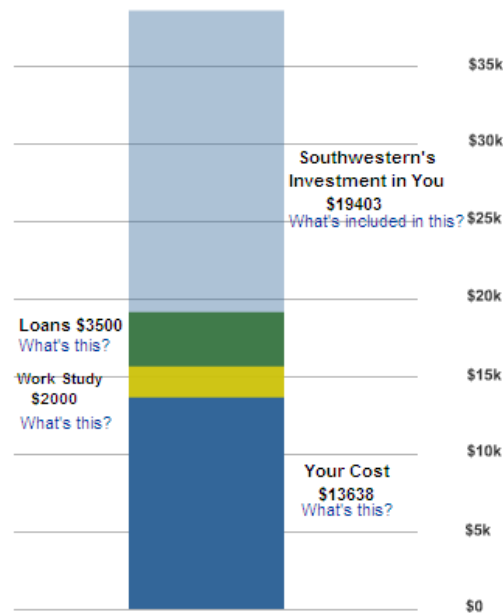
SAT (CR + M)

Total Household Income:

Parent Assets:   
[What should I include?](#)

How many people live in your household?

Of the number in the household above, how many will be in college next year? Include yourself. Exclude parents and any household member in graduate school.



\*\* Annual cost includes tuition, room & board, fees, books, transportation, and personal expenses.



# Short Term Strategies: Track Key Metrics

- Changes in the composition of the applicant and admit pools
  - Some subpopulations are less likely to complete the application process and/or enroll if admitted.
- Percent of pool applying for financial aid
- Visit numbers compared to previous years
- Financial Aid appeal comparisons
- Current students requesting transcripts or not pre-registering for the upcoming semester.



# Short Term Strategies: Be “High Touch”

- Map your current communication stream.
  - Do you have sufficient customized communication?
  - Are you focused on benefits and ROI?
- Multimedia contact by designated admissions representative and others (faculty, coaches, alumni).
- Position yourself as a resource and partner.
- Don't forget to reach out to current students as well as prospective students.



# Short Term Strategies: Transfers

- Why Transfers?
  - Students may be staying closer to home
  - Two year campuses have been growing enrollments for a number of years
  - Transfer discount rates are typically lower than for freshmen



# Short Term Strategies: Transfers

- How?
  - Review transfer credit policies
  - Assign a transfer champion
  - Build relationships with key feeder community colleges
    - Admissions rep to college counselor
    - Faculty to faculty
    - Student to student



## Short Term Strategies: Stick to your Knitting

- Execute your “sure things” well in support of recruitment and retention before investing in new, untried initiatives.
- Identify and focus on your primary market.
  - Primary market: smallest # HS or CC that send 50% of applicants
  - Consider your alumni base, feeder churches, and locations of competitors as well as the home towns of current students.



# Short Term Strategies: Stick to Your Knitting

- Make sure your campus visit program shines
  - Does it have a “Wow” factor?
  - Do you offer multiple opportunities to visit, including targeted events (e.g., by major)?
  - Are your tour guides well trained?
  - Do you follow-up after the visit?



## Short Term Strategies: Strengthen Relationships with Feeder Schools

- Identify top feeder high schools and community colleges
- Develop a communication plan for them including, for example:
  - Visits from staff, students, or faculty
  - An e-newsletter
  - An ad campaign in the student newspaper
  - Communications with alumni who work there




# Short Term Strategies: Pay Attention to Your Competitors

- Identify competitors (not peers)
  - SAT/ACT overlap
  - Admitted Student Questionnaires
  - National Student Clearinghouse
- Benchmark on price, prestige, discount rate, aid guarantees, and core messages.
- Understanding the competition gives your recruiters the opportunity to more effectively position your institution.



## Short Term Strategies: Use Data Effectively

- Be data driven, but realize that projections based purely on historical trends are likely to be “best case”.
- Before assuming financial aid is the solution, understand how historical yield rates and retention rates have differed by
  - Aid application status
  - Need level
  - Unmet need level



# Short Term Strategies: Use Data Effectively

- Predictive modeling can identify the role of grant in recruitment and retention ***holding all other factors constant.***
- Typically, aid is only one factor of many that influence behavior, including:
  - Academic area of interest
  - Quality profile of the student
  - Distance from home
  - Etc.

# Implications for Planning

Competitor benchmarking can provide valuable information for setting tuition charges.

College/University	Tuition & Fees 2008-09	Discount Rate 2006-07	Accept Rate 2007	Middle 50% SAT 2007	U.S.News Ranking - 2009 (America's Best Colleges)
A. University	\$12,970	12%	88%	810 – 1040	Baccalaureate Univ. (North)
B. University	\$19,236	29%	67%	1020 – 1210	Universities–Master's (North)
C. University	\$19,720	37%	70%	1000 – 1210	National Univ., Tier 3
Your School	\$20,260	45%	65%	790 – 1050	Univ–Master's (North), Tier 4
D. University	\$23,130	28%	67%	1050 – 1230	National Univ., Tier 3
E. University	\$23,144	41%	67%	910 – 1150	Universities–Master's (North)



# Implications for Planning

- Budget contingency planning should assume that discount rates will creep up and that yield rates will decline for fall 2009.
  - Higher need levels
  - Applications may even be up but will be “softer”.
  - More bad debt for current students.



# Implications for Planning

- It is better to budget for less NTR than to cut budgets later.
- However, be prudent in making budget adjustments
  - Do not cut budgets in revenue generating areas.
  - Cut budgets strategically, rather than across the board, to enable investments in programs that can build new demand.



# Implications for Planning

- Keep the lines of communication open
  - The key metrics to track should be shared with senior team members to avoid surprises.
- Reprioritize initiatives to focus on those most likely to increase revenue or reduce expenditures in non-critical areas.
  - This may be an opportunity to make some tough decisions that would be politically unpopular in better economic times.



# Implications for Planning

- The senior team must have a unified vision that is compelling, yet realistic.
- Share that vision broadly among the campus community
  - This is a time to over communicate
  - Balance positive and negative messages to keep attitudes on-campus positive.



# Longer Term Options to Consider

- **Undertake a Recruitment Best Practice Review**
  - Outreach Activities
  - Communication Flow
  - Territory and Inquiry Management
  - Visit Programs and Yield Strategies
  - Use of Systems to Streamline Operations
  - Use of Data for Decision-making
  - Organization and Training of Staff
  - Links to Other Offices



# Longer Term Options to Consider

- **Conduct a Strategic Financial Aid Review**
  - To better understand the influence of need, grant, and other factors on enrollment decisions
  - To assess the impact of alternative awarding strategies on enrollment behavior
  - To understand in detail the impact of the economy on fall 2009 results
  - To explore the possible tradeoffs between enrollment goals.



# Longer Term Options to Consider

- **Conduct Retention Analysis**
  - Predictive modeling can also be used to identify the factors influencing persistence.
  - Such analysis can lead to more targeted intervention strategies including
    - Supplemental instruction in high failure rate courses
    - On-campus employment opportunities
    - Outreach efforts to undecided majors
    - Aid strategies that make a difference



# Longer Term Options to Consider

- Involve your alumni in recruitment and retention
  - If you are just beginning to use alumni in support of your enrollment efforts, here are some pointers to keep in mind:
    - Assign a senior staff member to oversee the program
    - Start small, with alumni who have natural connections to young people or are in territories you want to expand
    - Create clear “job descriptions” and provide training
    - Establish regular communication and feedback loops
    - Recognize outstanding contributors



# Final Thoughts

- These are clearly unprecedented times without a relevant history to guide us. In order to be positioned to react and adjust to new behaviors and trends, each institution will need to be prudent, data-driven, and realistic. The advice, comments, and suggestions shared today will confirm for many what needs to be (is being) done, while it may for others expand the “readiness” agenda.