Enrollment Management and Financial Aid

“The Basics”

Crystal Finefrock, Senior Associate Director
Plymouth State University Financial Aid Team
Agenda

- History and definition of enrollment management
- What role does financial aid play in enrollment management?
- Are there ethical implications to using financial aid to influence enrollment?
- What research and resources are available if I want to learn more about this topic?
When was the phrase enrollment management first used?

Dr. Jack Maguire (1976) of Boston College is credited with the first use of the term enrollment management to describe institutional synergistic approach to influencing college enrollment.

Source: ~Don Hossler
http://www.uccs.edu/Documents/retention/2000%20The%20Role%20of%20Financial%20In%20Enrollment%20Management.pdf
Enrollment Management Definition

Hossler (1986, 1991) ~

- Enrollment management is an **organizational concept** and a **systematic set of activities** designed to enable educational institutions to **exert more influence** on their enrollments.

- Organized by **strategic planning** and supported by **institutional research**, enrollment management activities concerning **student college choice, transition to college, student attrition and retention, and student outcomes**.

Strategic Enrollment Management (SEM)

Definition

~ Dolence (1996)

- SEM is a comprehensive process designed to help an institution achieve and maintain the optimum recruitment, retention and graduation rates of students.

- Optimum is defined within the academic context of the institution.

- Any factor that influences a student’s decision to attend or continue enrolling should be part of the SEM.

Reasons to Influence Enrollment

- Generally to attract and retain students
- Enrollment size
- Specific populations
  - Academic profile
  - Geographic draw
  - Special talents
  - Diverse populations
  - Residential mix
- Maximize Revenues
Enrollment management activities are the responsibility of everyone within the institution!
Financial Aid is Important to Enrollment Management

~ According to a Noel-Levitz, Inc. (2007) survey, financial aid and costs are first and third in terms of most important factors at 81% and 74.3%, respectively, for students when determining where they will enroll.

~ Academic reputation was ranked second at 78.8%.

Purpose of Financial Aid

- Original goals of the federal financial aid programs from the 1960’s and 1970’s was to provide access to higher education for low and middle-income students.

- Equitable access to a college education for all really began with some of the policies of the 1965 Higher Education Act. ‘The law was intended “to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education.”’ (wikipedia)

- Financial aid programs have also served to reward past service to the nation, stimulate more students to major in labor shortage areas and remedying past injustices.

- Frederick Rudolph (1990), when describing the events of the nineteenth century, and Michael McPherson, a distinguished economist who specializes in the economics of higher education, both conclude that helping maintain the fiscal health of colleges and universities has always been one of the purposes of campus-based financial aid programs.

Source: ~Don Hossler
http://www.uccs.edu/Documents/retention/2000%20The%20Role%20of%20Financial%20Aid%20in%20Enrollment%20Management.pdf
Financial Aid Policies
(Noel-Levitz, Inc.)

Are your policies aligned with your institution’s objectives in terms of enrollment size, revenue attainment, positioning, and remaining affordable?

- Examine how much aid you are awarding to enroll your students
- Monitor aid gaps
- Quantify the level of student borrowing
- Maintain a consistent approach to awarding during a student’s time on your campus
- Coordinate the development of financial aid distribution (or leveraging) policies with a broad group of campus officials

Source:
Financial aid leveraging utilizes data analysis enabling admissions and financial aid administrators to estimate the amount of financial aid (regardless of formal need formulas) that would be necessary to increase the probability that a student with a specified set of characteristics would enroll.

These characteristics often include variables such as academic performance, socioeconomic status, major, ethnicity, place of residence, and special talents. It must be remembered, however, that this approach is not without increased costs.

Institutions have to increase their tuition, education and general (E&G) portion of the budget allocated to financial aid (or both) to cover the cost of leveraging.

Source: ~Don Hossler
http://www.uccs.edu/Documents/retention/2000%20The%20Role%20of%20Financial%20Aid%20in%20Enrollment%20Management.pdf
According to AACRO (n.d.), financial aid leveraging seeks to achieve three goals:

- Provide aid packages that yield the **optimal mix of students**, including those who may not otherwise enroll at the institution (recruitment);
- Help **close gaps between costs and resources** that may prevent students from persisting to degree (retention); and
- Meet **net tuition revenue goals**.

Enrollment Management Goal ~ Maximize Net Tuition Revenue

Net Tuition Revenue  EQUALS

Gross Tuition Revenues *(Tuition and Fees)*

MINUS

Institutional financial grant aid and scholarship expenditures *(restricted, unrestricted gifts from the annual fund and endowments, special state allocations to institutional aid, and the institutions general revenues)*

Defined by NACUBO ~ National Association of College and University Business Officers
Enrollment Management Goal ~ Minimize Tuition Discount Rate

Tuition Discount Rate \( \text{EQUALS} \)
Institutional financial aid and scholarships
DIVIDED BY
Gross tuition and required fee revenues

Note: For residential campuses, Noel-Levitz, Inc. recommends including Tuition, Fees, Room and Board to calculate Gross Tuition Revenue.
Total Tuition Discount Rate by Sector, 2000-2001 to 2007-08 (and Preliminary 2008-09)

Source: College Board Study
Ethical Considerations
Tuition Discounting – Not just a private college practice

The evidence presented in this analysis raises many public policy questions that need further consideration. These questions include:

- Is access to public higher education enhanced or diminished by institutional aid policies?
- What would the composition of the enrollment at public colleges look like if all of the grant aid were need-based?
- How much of the institutional aid at public institutions goes to out-of-state students?
- Are tuition discounting policies at public colleges and universities consistent with their missions?

Source ~ College Board; http://professionals.collegeboard.com/data-reports-research/trends/tuition-discounting
Ethical Considerations

“Enrollment management leaders have an **obligation** to engage actively in the national (and increasingly international) dialogue about the **role of financial aid policy and practice in the pursuit of broad societal goals of access and equity of educational opportunity.**”

Source ~ Enrollment Management and Financial Aid, Kalsbeek and Hossler.
Ethical Considerations
(Leveraging)

- Youlonda Copeland-Morgan, Assoc. Vice Chancellor, UCLA

- Is there equity in leveraging?
- How do you define equity at your institution?
  - Is it treating all applicants the same way?
  - Does equity only apply to need-based financial aid?
  - Are we concerned about equity in providing merit aid, and should it parallel need-based aid?
  - Does equity mean gender- or race-neutral aid?
  - Is it ensuring that every aid recipient gets the same percentage of grant, loan, and work-study dollars? Can you have equity if you have preferential packaging?
- Is equity part of your institutions mission?

Source: The College Board ~ “A Report on the College Board Colloquium on the Role of Ethics in Enrollment Management and Financial Aid
Ethical Considerations

*(Leveraging)*

- Jim Scannell, Scannell and Kurz, Inc.
  “The debate regarding the ethics of how our institutions award their financial is our **moral crisis du jour**, prompted by a changing world that we haven’t in all ways, or even in some ways, kept pace with.”

Source: The College Board ~ “A Report on the College Board Colloquium on the Role of Ethics in Enrollment Management and Financial Aid
More Ethical Considerations...

- What are the implications of moving from assessing “need” to assessing “willingness to pay”?
- What is the proper mix of need-based versus merit aid?
Resources and Research
Resources

O Astin, Alexander W. ~ Founding Director of the Higher Education Research Institute at UCLA and the Cooperative Institutional Research Program. He has authored 20 books and more than 300 other publications in the field of higher education. A 1990 study in the Journal of Higher Education identified Dr. Astin as the most frequently-cited author in the field of higher education. In 1985 readers of Change magazine selected Dr. Astin as the person "most admired for creative, insightful thinking" in the field of higher education. (wikipedia)

O Bean, John P. ~ Indiana University

O Black, Jim ~ President and CEO of SEM Works

O Dolence, Michael G. ~ President of Michael G. Dolence and Associates


O Hossler, Donald ~ Professor of Educational Leadership and Policy Studies, Indiana University


O Huddleston, Jr., Thomas ~ Williams & Company Higher Education Consulting

O Kuh, George D. ~ Retired professor University of Indiana
John Astin as Gomez in *The Addams Family* television series.
Resources (continued)

- Kurz, Kathy ~ Scannel and Kurz, Inc.
- Maguire, John ~ Chairman and Founder of Maguire Associates
- National Center for Educational Statistics (www.nces.ed.gov)
- Pascarella, Ernest ~ is the Mary Louise Petersen Professor of Higher Education at The University of Iowa. He has focused his research and writing on the impact of college on students and student persistence in higher education. He has authored over 130 journal articles on these topics. ([http://www.education.uiowa.edu/html/iae/Pages/bio-pascarella.html](http://www.education.uiowa.edu/html/iae/Pages/bio-pascarella.html))
- Recruitment & Retention Publication (www.magnapubs.com/free-trial)
- Scannel, Jim ~ Scannel and Kurz, Inc.
Resources (continued)

- Terenzini, Patrick T. ~ Professor at Penn State who has 38 years of experience in higher education as a teacher, researcher, and administrator. has 38 years of experience in higher education as a teacher, researcher, and administrator. [http://www.ed.psu.edu/educ/eps/higher-education/directory/patrick-terenzini](http://www.ed.psu.edu/educ/eps/higher-education/directory/patrick-terenzini)
- Tinto, Vince. award winning Distinguished University Professor at Syracuse University of sociology. He is a noted theorist in the field of higher education, particularly concerning student retention and learning communities. (wikipedia)
- Western Interstate Commission for Higher Education (www.wiche.edu)
RESEARCH EXAMPLES~

Targeting Financial Aid to Improve Retention
According to Noel-Levitz, Inc. (2008), “with campus jobs, students automatically become involved within the campus community, resulting in greater student success and retention.”
SAMPLE STUDY YOU CAN PERFORM ON YOUR CAMPUS
Benefits of the Student Job: The relationship between on-campus employment and student retention Michael K. Schuchert, Cassandra R. Jones, and Alvin V. Manalo
Marymount University, Arlington Virginia

Graph 1: Relationship between campus-based employment and retention by year of entry

Source:
http://www.marymount.edu/Media/Website%20Resources/documents/offices/ie/AIRPoster2010.pdf
Targeting Financial Aid for Improved Retention Outcomes ~
“The Potential Impact of Redistributing State Gift Aid on Student Retention Among Pell Grant Recipients in Louisiana’s Statewide & Regional Universities”

- In predicting fall-to-fall same school retention, **high school grade point average is the strongest academic preparation variable.**

- Federal PELL Grants help overcome differences in retention rates across income levels among students with equivalent academic preparation.

- After controlling for high school performance, **the level of students’ need met with gift aid is associated with retention.** “For example, among students with a high school grade point average of 3.0-3.49, the retention rate among students with less than 30 percent of their Need Met with Gift was 49 percent. When the gift percentage was 80 percent or more, the retention rate improved to 77 percent.”

- **An important “flex-point” was found in the 55-60 percent range of need met with gift aid. Impact on retention declines after this range.** “For example, increasing the gift percentage from less than 30 percent to 60 percent corresponds to a 22 percentage point increase in the retention rate, while increasing the percentage of Need Met With Gift Aid from 60 percent to 70 percent increases retention by only 3 points.”

Source ~ Kevin Crockett, Targeting Financial Aid for Improved Retention Outcomes – 2011, Noel-Levitz, Inc.
Financial Aid and Enrollment Management
“What else can we do?”

- Customer service
- Written communications
- Technology and processes run smoothly
- Update website
- Net price calculator
- Strengthen relationship with admissions
- Analyze and understand financial aid data
- Financial assistance strategic planning
Financial Assistance Strategic Planning

- Understand and incorporate the institutions...
  - Mission Statement
  - Strategic Plan
  - Goals, specifically enrollment goals
- Include other individuals on campus in your planning
- Implement data driven decision making
- Create a financial assistance strategic plan that accomplishes the following:
  - assesses financial aids strengths, weaknesses, opportunities and threats
  - Identifies specific goals based upon overall institutional goals
  - Develops strategies to accomplish the goals
  - Lists the specific activities required under each strategy
  - Assign responsibility to someone for each of the strategies
  - Establish a timeline to accomplish each goal
  - Implement a measurement system and decide at what intervals you will provide progress reports
- This is a process that should be continually reviewed and assessed.
- Strategy changes should be made as needed.
The end.....