



Recruiting today's students with a focus on pricing strategies

Rob Baird

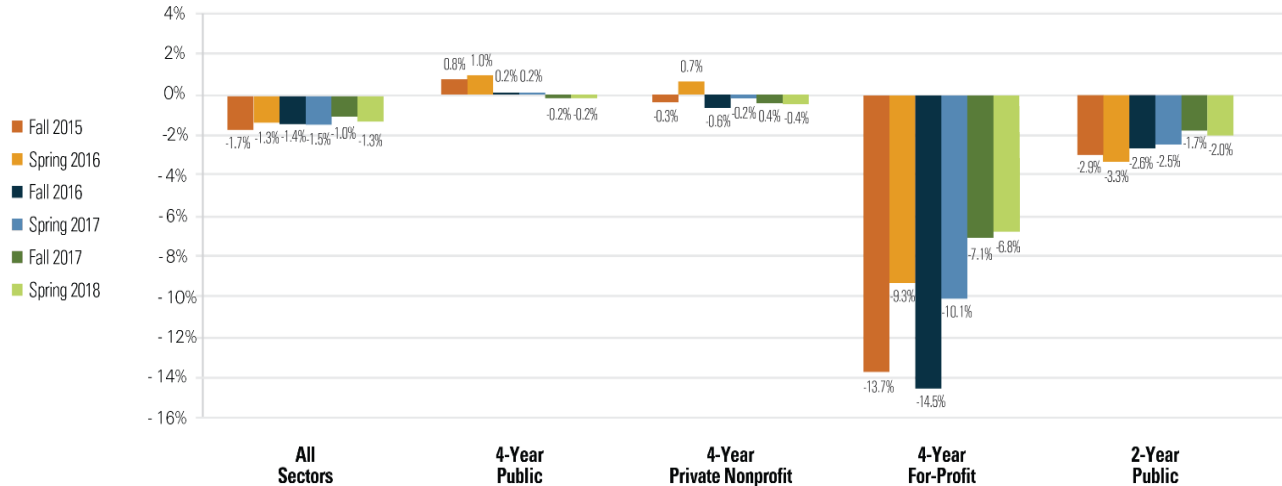
Senior Vice President

A person is shown from the chest down, wearing a blue checkered shirt. They are holding a smartphone in their right hand and have their left hand on a laptop keyboard. The entire image is overlaid with a semi-transparent blue filter. The text "The Current Environment" is centered in white, sans-serif font.

The Current Environment

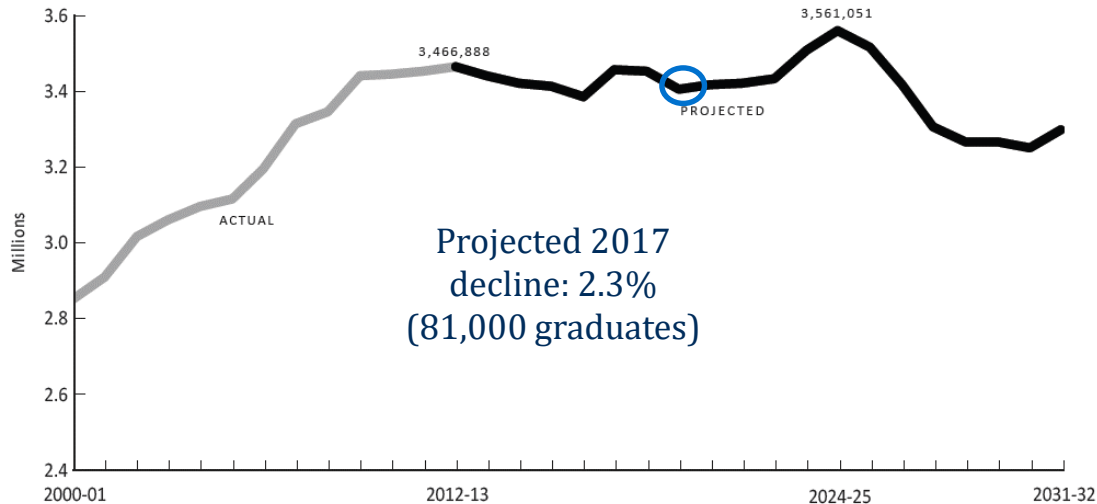
The National Student Clearinghouse reported a 1.3% drop in Spring 2018 enrollments

Figure 1: Percent Change from Previous Year, Enrollment by Sector (Title IV, Degree-Granting Institutions)



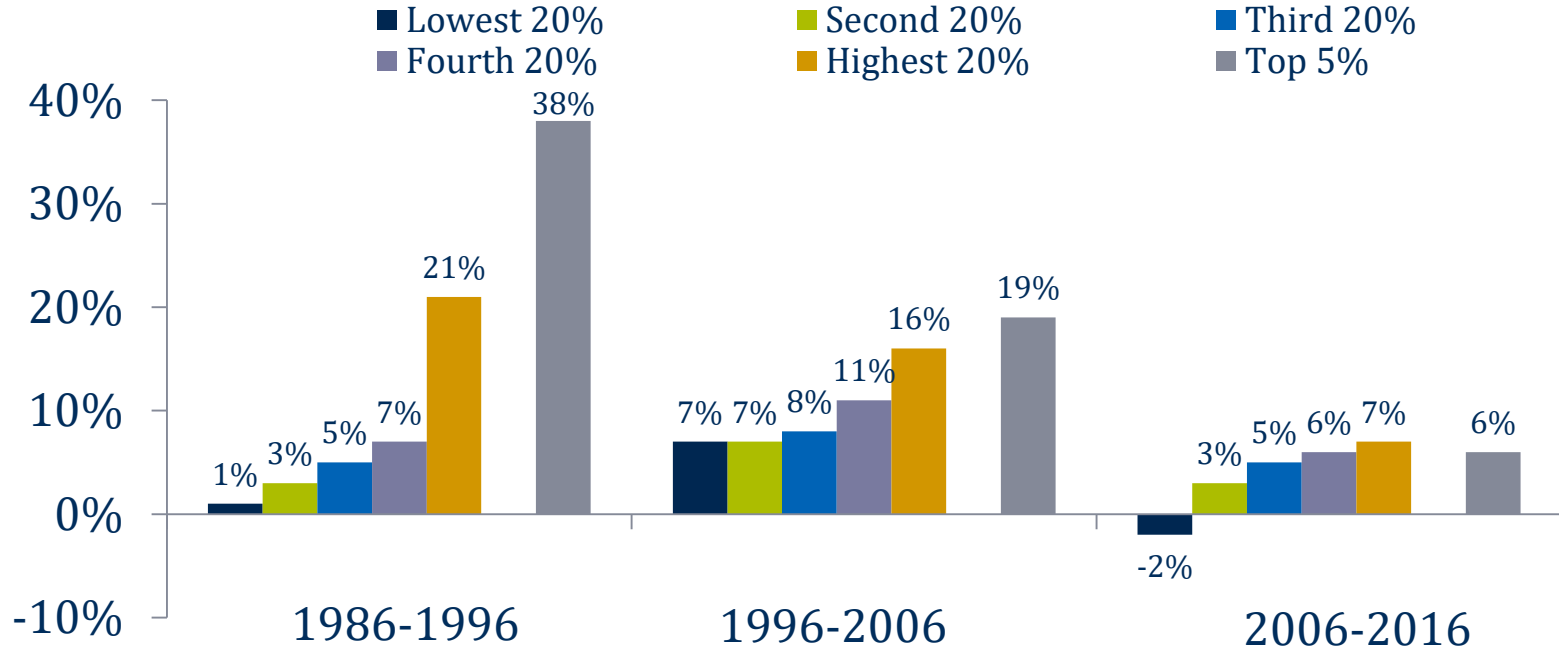
Historic decline in U.S. public and private high school graduates

- Record-high 3.47 million high school graduates in 2014
- Overall decline in high school graduates from 2013-23, **with the greatest drop projected back in 2017**



Percentage change in inflation-adjusted mean family income by quintile

1986-96, 1996-2006, and 2006-16



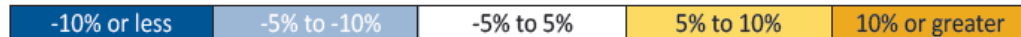
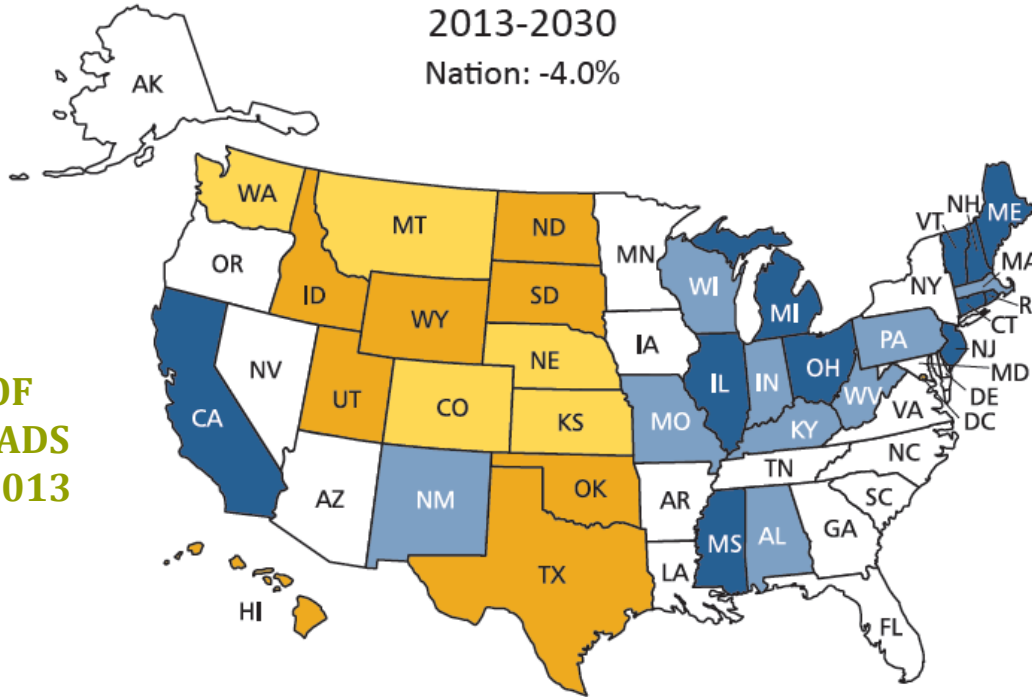
High school graduates on the

2013-2030

Nation: -4.0%



**DECREASE OF
120,000 GRADS
BETWEEN 2013
AND 2030**



◀ Decrease

Increase ▶

Texas

The competition factor



341,612 high school seniors / 2017-18*

272 institutions of higher education**

56.2% college continuation rate (191,986)***
(ranks 42nd among states)

10.6% leave the state to go to college
(20,294)****
(ranks 41st among states)

† In-state institutions receiving the largest number of in-state freshmen.

†† Competition factor equals college continuation rate less number of students migrating and the three in-state institutions receiving the largest number of in-state freshmen.

Three Largest Institutions†****	Number of In-state Freshmen ****
Texas A & M University – College Station	10,234
The University of Texas at Austin	6,420
Blinn College	5,726

149,312 students ÷ 269 institutions = 555 students per institution††

Sources:

*Western Interstate Commission for Higher Education, *Knocking at the College Door*, 2016

**The Chronicle of Higher Education, 2017

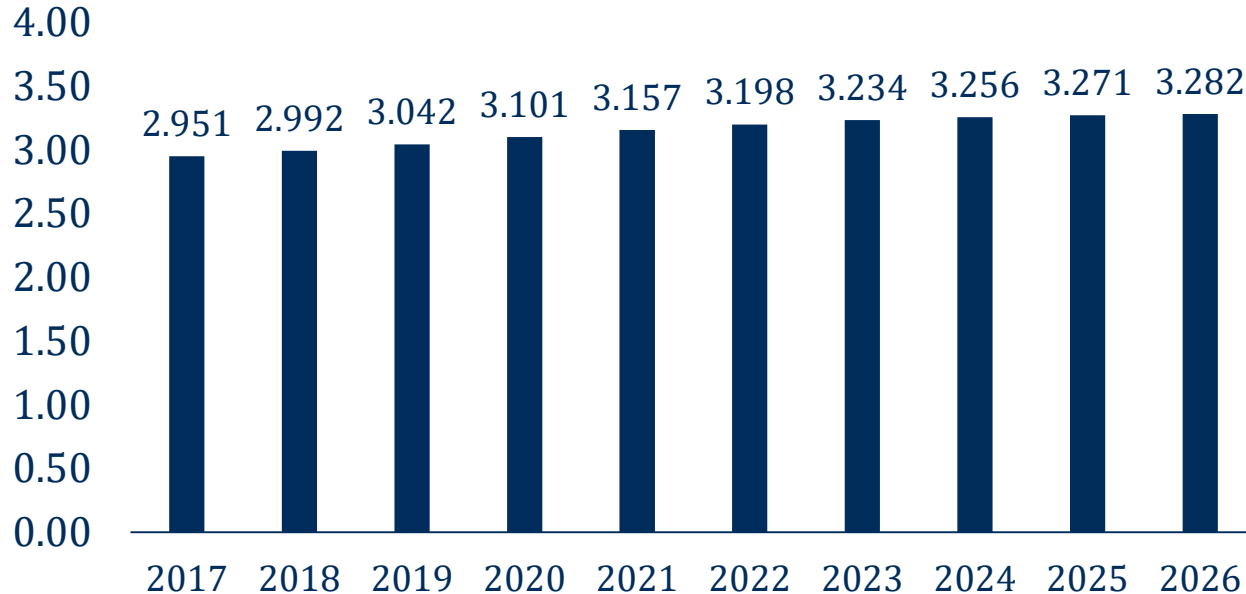
***Postsecondary Education Opportunity, *Chance for College by Age 19 by State 1986-2010*, 2013

****Postsecondary Education Opportunity, *Interstate Migration of College Freshmen 1986-2012*, 2014

*****National Center for Education Statistics, IPEDS Fall Enrollment Survey (2014)

**Graduate enrollment is expected to increase 11%
over the next decade, from 2.951 million to 3.282 million**

Graduate enrollment in millions



Factors in the decision to enroll

Student Satisfaction Inventory

Four-Year Public Colleges and Universities

1. Cost
2. Financial Aid
3. Academic reputation
4. Geographic setting
5. Campus appearance
6. Personalized attention prior to enrollment
7. Size of institution
8. Recommendations from family/friends
9. Opportunity to play sports



Factors in the decision to enroll: For all adult learners

FACTOR	ALL	UNDERGRADUATE	GRADUATE
Academic reputation	82%	82%	81%
Availability of evening/weekend courses	79%	80%	77%
Future employment opportunities	78%	79%	76%
Campus location (close to home/work)	76%	79%	72%
Financial aid/scholarship opportunities	75%	79%	70%
Cost	74%	76%	71%
Personalized attention prior to enrollment	70%	73%	65%
Recommendations from family/friends/employer	60%	63%	56%
Size of institution	56%	60%	50%

Factors in the decision to enroll: Online learners

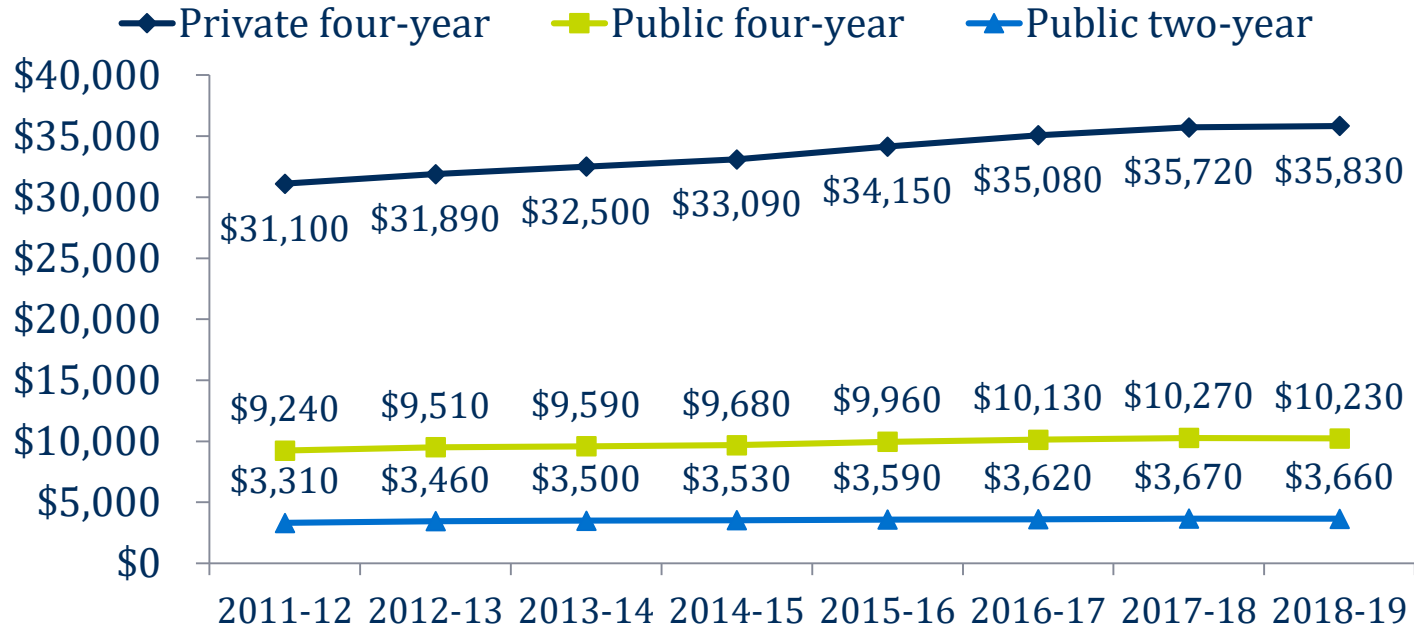
ITEM	IMPORTANCE %
Convenience	96%
Flexible pacing for completing a program	93%
Work schedule	92%
Program requirements	89%
Reputation of institution	86%
Financial assistance available	85%
Cost	83%
Ability to transfer credits	82%
Future employment opportunities	81%
Distance from campus	60%
Recommendations from employer	58%



Financial
situation and
conditions at
private
colleges and
universities

Average tuition and fee charges in constant dollars

2011-12 to 2018-19 (enrollment weighted)



Purchasing power of Federal Pell Grant and Stafford Loan

Four-year public

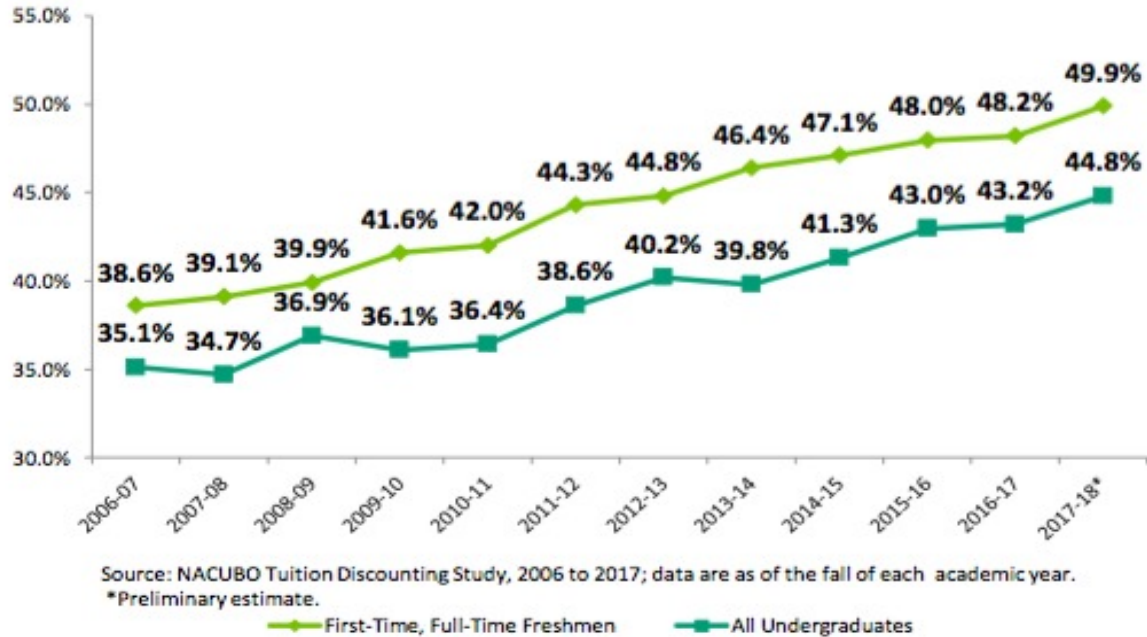
Year	Maximum Pell	Maximum Stafford	Pell + Stafford	Average Tuition and Fees	P+S Tuition and Fees
2009-10	\$5,350	\$3,500*	\$8,850	\$7,020	126%
2010-11	\$5,550	\$3,500*	\$9,050	\$7,605	119%
2011-12	\$5,550	\$3,500*	\$9,050	\$8,244	110%
2012-13	\$5,550	\$3,500*	\$9,050	\$8,655	105%
2013-14	\$5,645	\$3,500*	\$9,145	\$8,893	103%
2014-15	\$5,730	\$3,500*	\$9,230	\$9,139	101%
2015-16	\$5,775	\$3,500*	\$9,275	\$9,410	99%
2016-17	\$5,815	\$3,500*	\$9,315	\$9,650	97%
2017-18	\$5,920	\$3,500*	\$9,420	\$9,970	94%
2018-19	\$6,100	\$3,500*	\$9,600	\$10,230	97%

* Dependent students eligible for \$2,000 unsubsidized Stafford Loan so long as parents were *not* denied a PLUS loan.



Average institution tuition discount rate

By student category



Public data shows substantial discounting activity

INSTITUTION TYPE	AVERAGE OVERALL DISCOUNT RATE FOR FRESHMAN	AVG. TUITION & FEE DISCOUNT RATE FOR FRESHMAN	AVG. TUITION & FEE DISCOUNT RATE CHANGE	AVERAGE OVERALL NET REVENUE FOR FRESHMAN	AVERAGE NET TUITION & FEE REVENUE FOR FRESHMAN	AVERAGE OVERALL CHANGE IN NET REVENUE	AVERAGE INSTITUTIONAL GIFT AID PER STUDENT	AVERAGE TUITION INCREASE
Private institutions								
All Private	42.7%	55.4%	0.2%	\$23,952	\$14,513	2.7%	\$18,146	2.2%
Public Institutions								
All Public	16.7%	31.9%	-0.7%	\$17,445	\$8,797	2.9%	\$4,148	2.3%
Public Residents	14.5%	30.5%	0.3%	\$15,314	\$7,001	3.2%	\$3,044	2.7%
Public Non-Resident	23.8%	38.1%	-1.3%	\$23,482	\$13,115	4.0%	\$7,746	0.7%

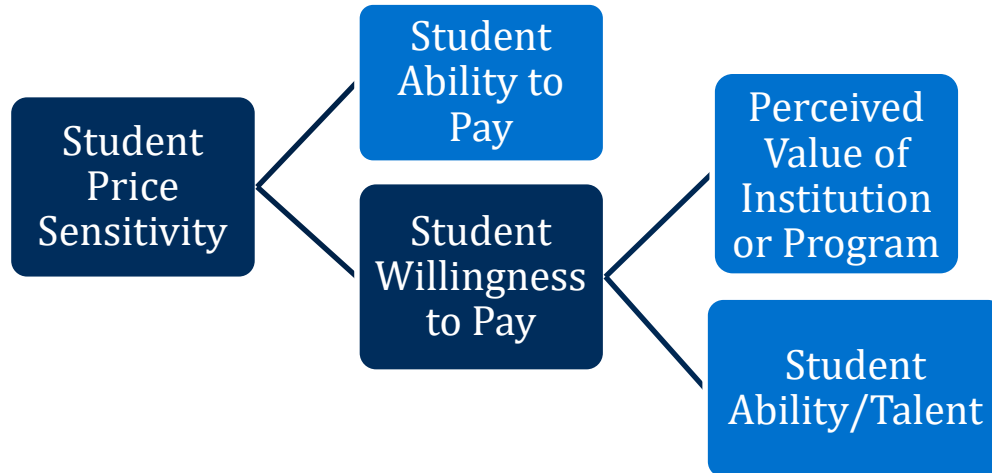




Strategies
and
practices
related to
discounting
that impact
recruitment

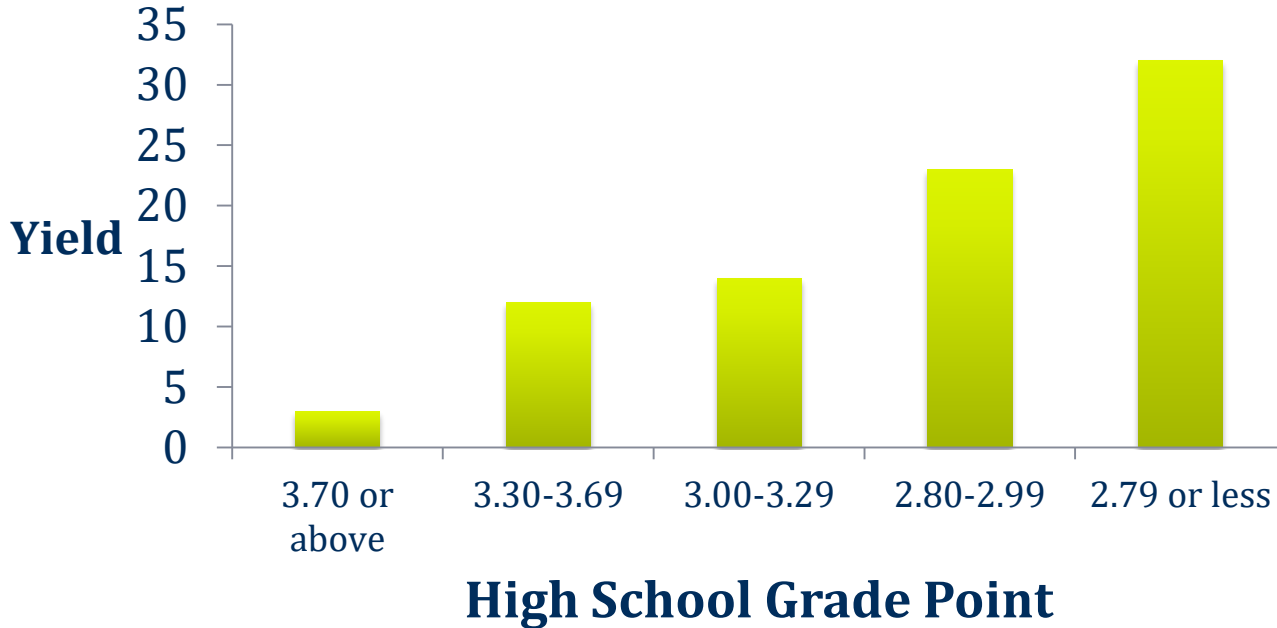
Tuition Discounting

- Tuition discounting is a *differential pricing strategy* that customizes (net) tuition based on customer segmentation.
- Each student's tuition is based on expected price sensitivity – a blend of variables that include both “ability” and “willingness” to pay.



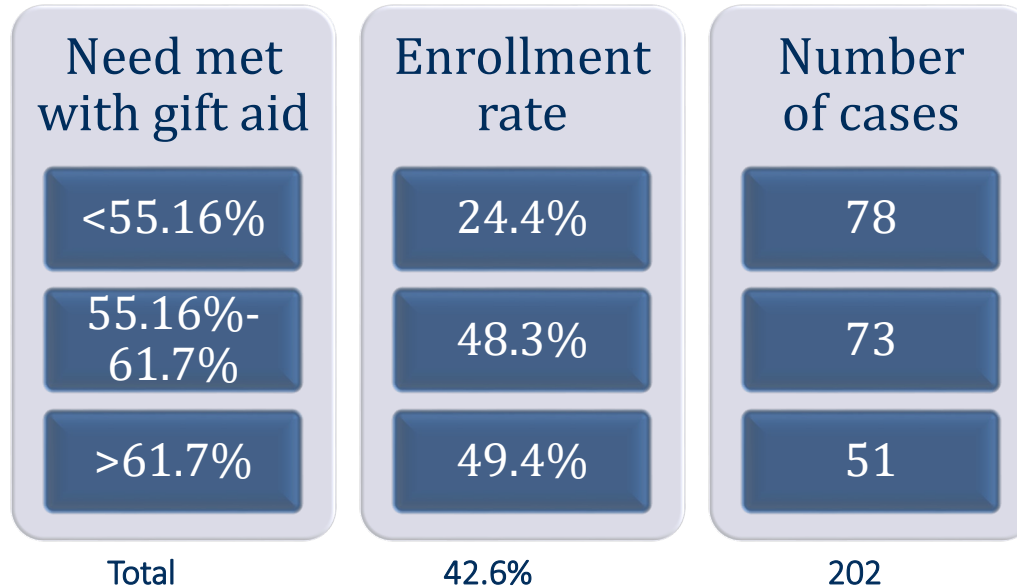
Measuring willingness to pay

Full-pay students

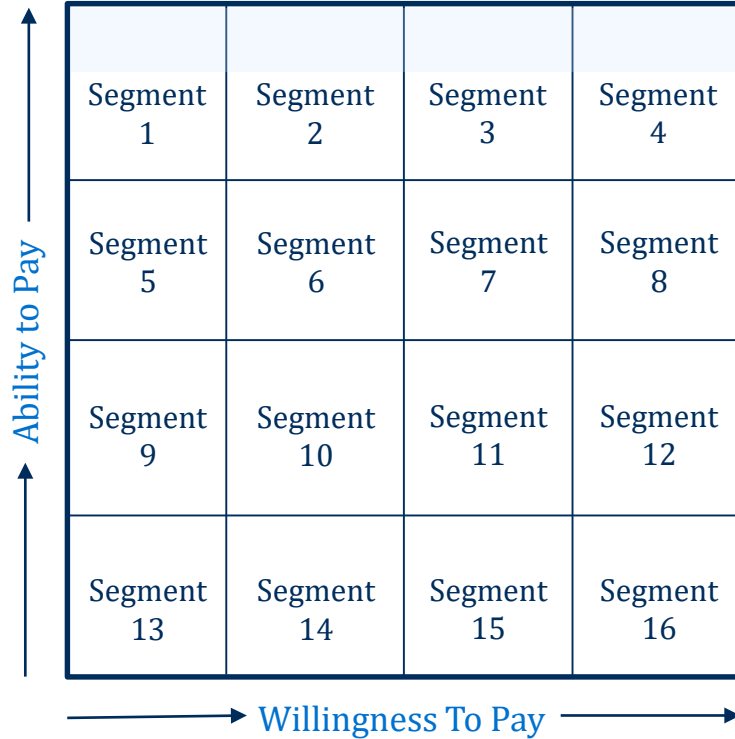


Each segment will have a threshold for percentage of need met with gift aid

Price Sensitivity Analysis - Example



Price Sensitivity “Matrix”



The diagram shows a 4x4 grid of segments. To the left of the grid is a vertical double-headed arrow labeled 'Ability to Pay'. Below the grid is a horizontal double-headed arrow labeled 'Willingness To Pay'.

Segment 1	Segment 2	Segment 3	Segment 4
Segment 5	Segment 6	Segment 7	Segment 8
Segment 9	Segment 10	Segment 11	Segment 12
Segment 13	Segment 14	Segment 15	Segment 16

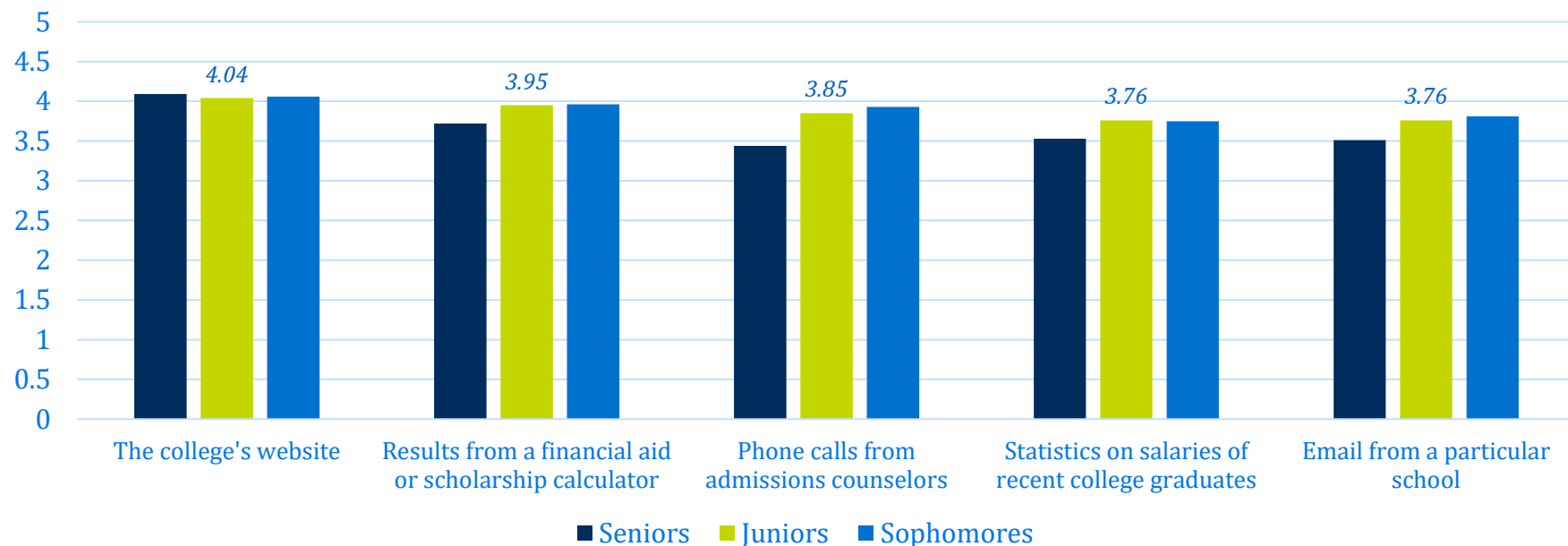
- A data-driven matrix will find clear segments who display similar price sensitivity.
- Each segment can be expected to have a similar threshold for “percentage of need met.”
- Discounting strategy can be applied to achieve specific class shaping goals, such as diversity or selectivity.



Beyond
discounting

Rating the Influence of Key Recruitment Resources

Top 5 for Juniors



How do you let schools know you want more information?



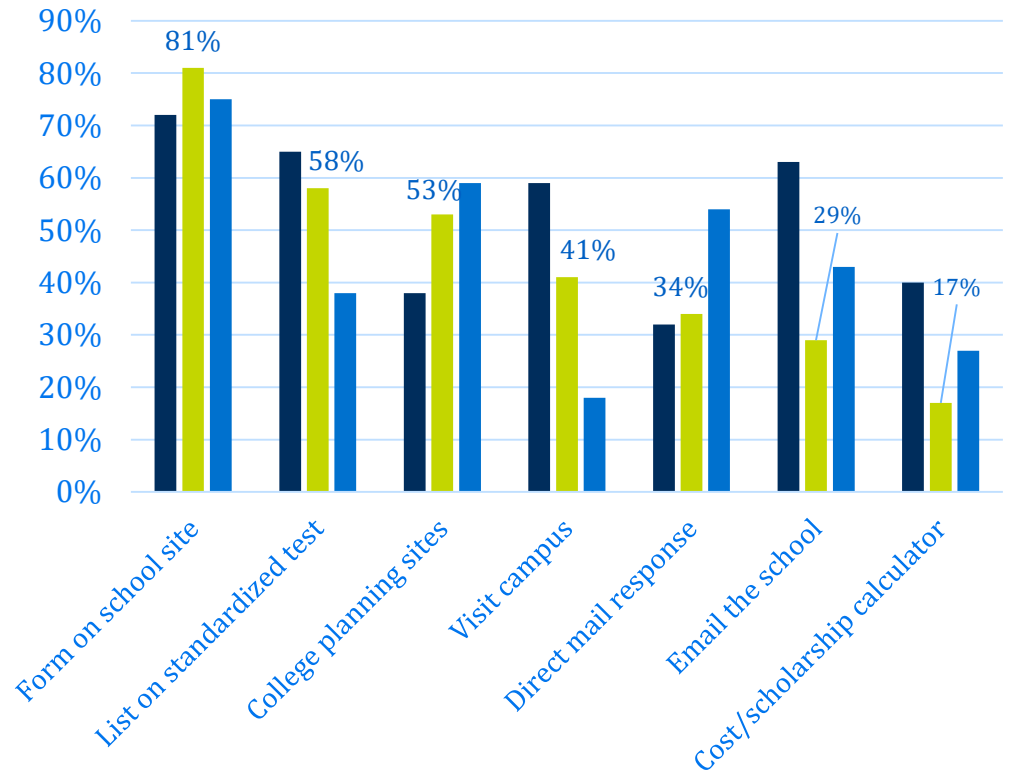
Forms:
RFI, Standardized Tests and
College Planning Sites



Sending an Email



Visiting Campus



What was their primary reason for inquiry?

- All three classes indicated interest in major information as the leading reason
- Visiting campus was the second highest for seniors (but not for the other classes)
- Financial aid was the third highest (second for juniors and sophomores)



Academic Programs



Visiting Campus

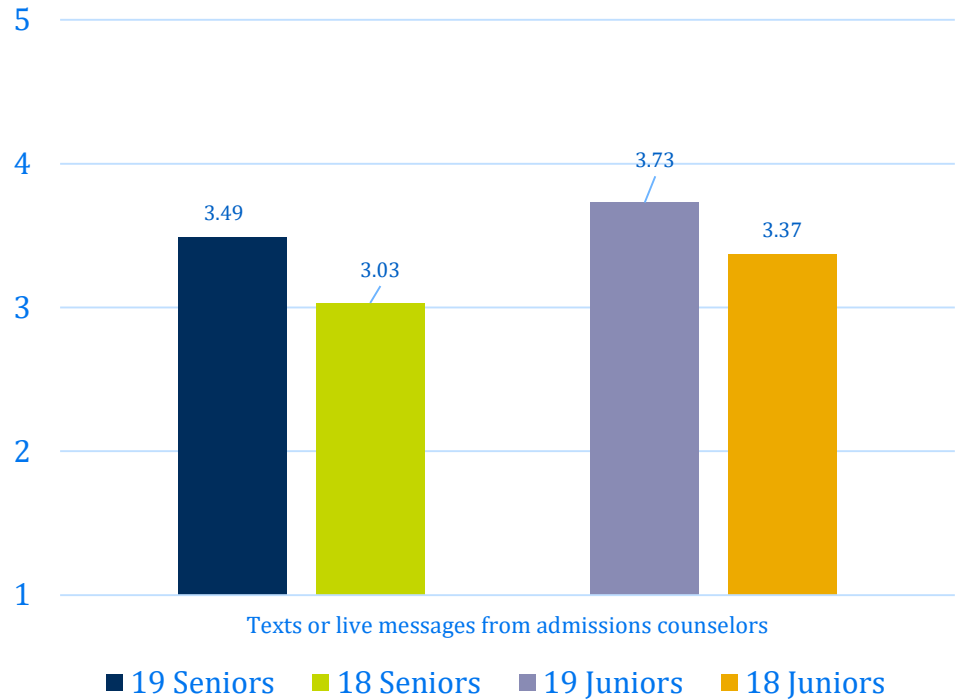
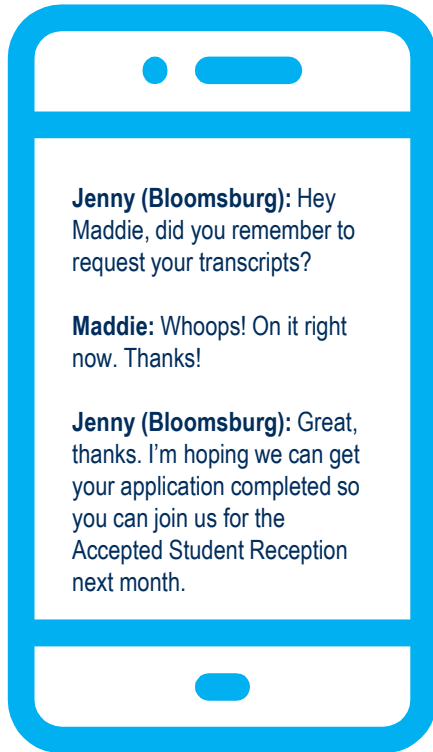


Financial Aid or Cost

A blue-tinted photograph of three people in a meeting. A woman with curly hair is smiling and looking towards the left. A man in a suit is partially visible on the left, looking towards the woman. Another man in a plaid shirt is on the right, looking down. The word "Communication" is overlaid in white text in the center.

Communication

Text messages continue to grow as an influential resource

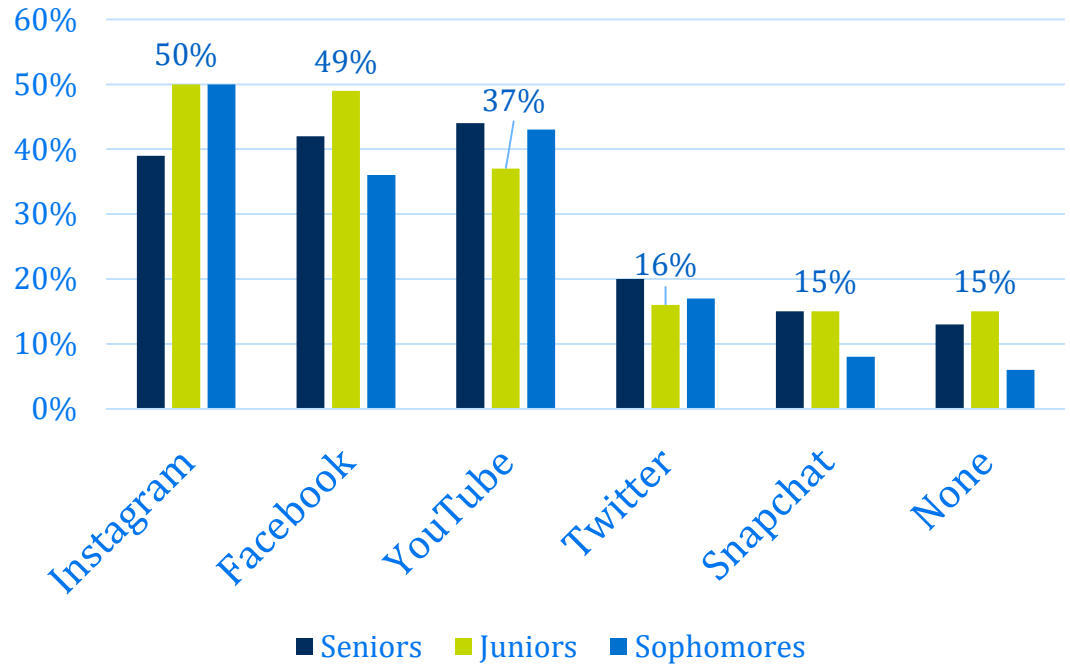


What is the best social media platform for exploring colleges and universities?

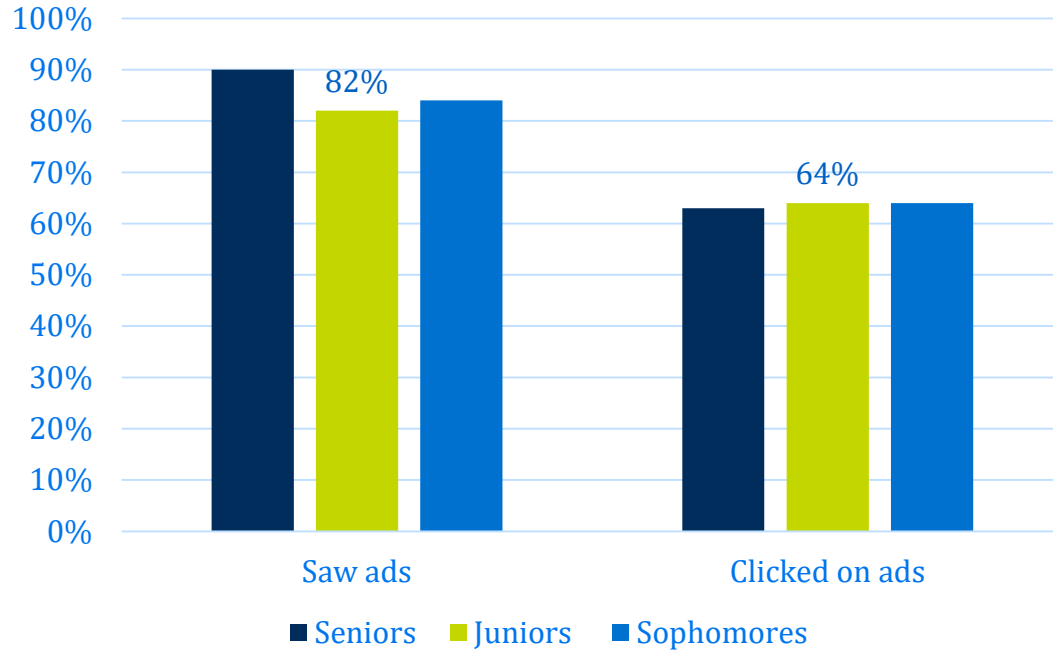
Half



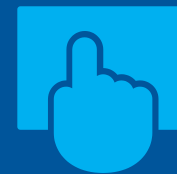
of juniors look to
Instagram and
Facebook



Nearly 4 out of 5 students have seen paid ads



Clicked?



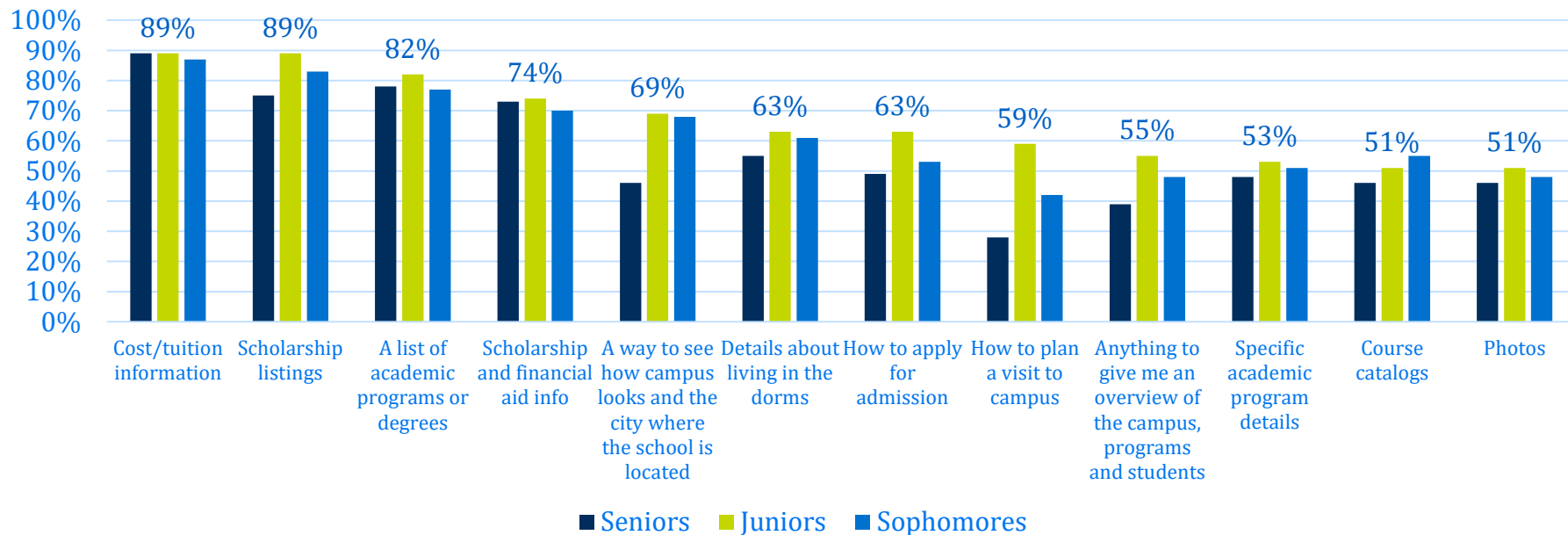
64%

A blue-tinted photograph of three people in a meeting. A woman with curly hair is in the center, smiling and looking towards the right. To her left, a man in a suit is partially visible, looking towards her. To her right, another man is looking down, possibly at a document or device. The background is slightly blurred, suggesting an office or meeting room setting. Overlaid on the image is the text "Your Website is the Epicenter of the Universe!" in a white, sans-serif font, centered horizontally and vertically.

Your Website is the
Epicenter of the
Universe!

Cost, scholarships and programs are top content targets for all class years

Ordered by junior responses

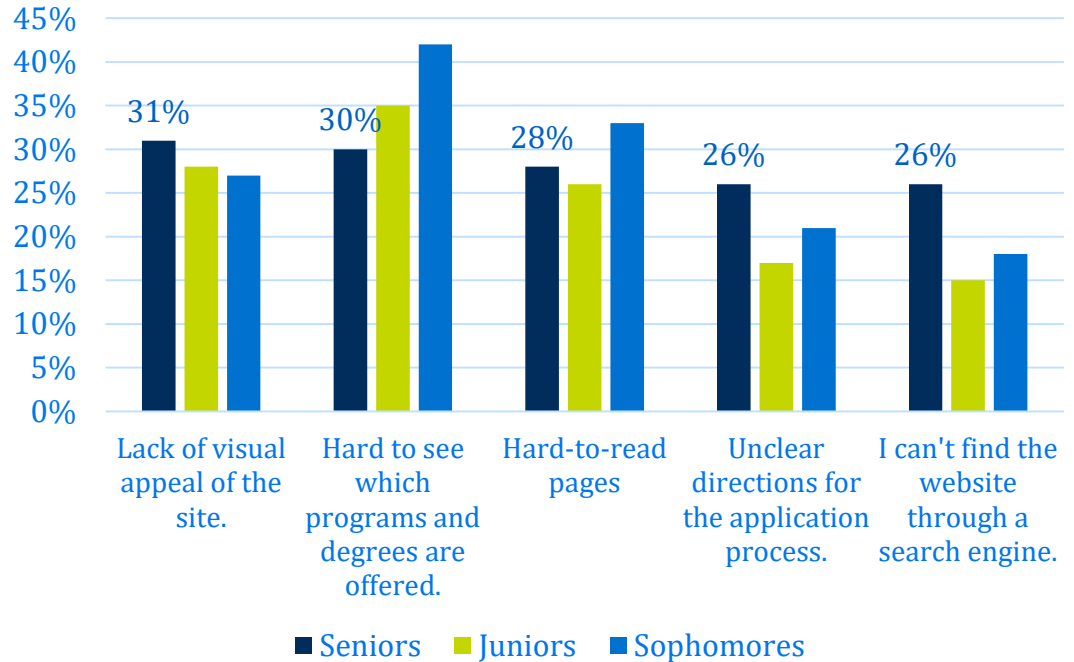


Seniors struggle to find your programs

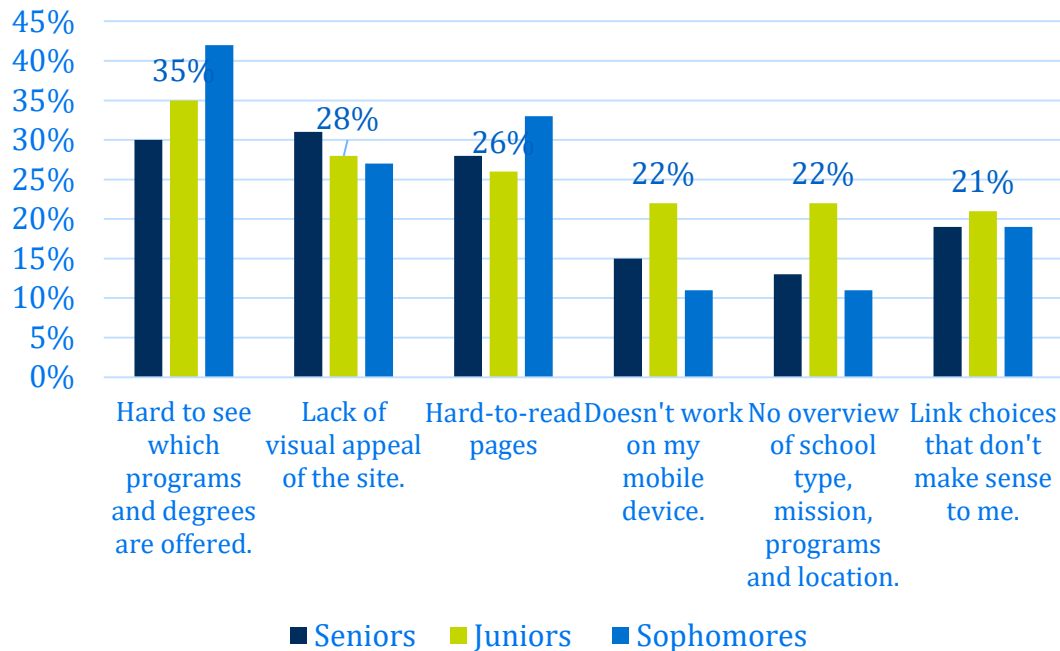
31%



Want a more
visually appealing
site



Juniors (and sophomores) just want to know what you offer!



35%



Struggle to see what programs are available

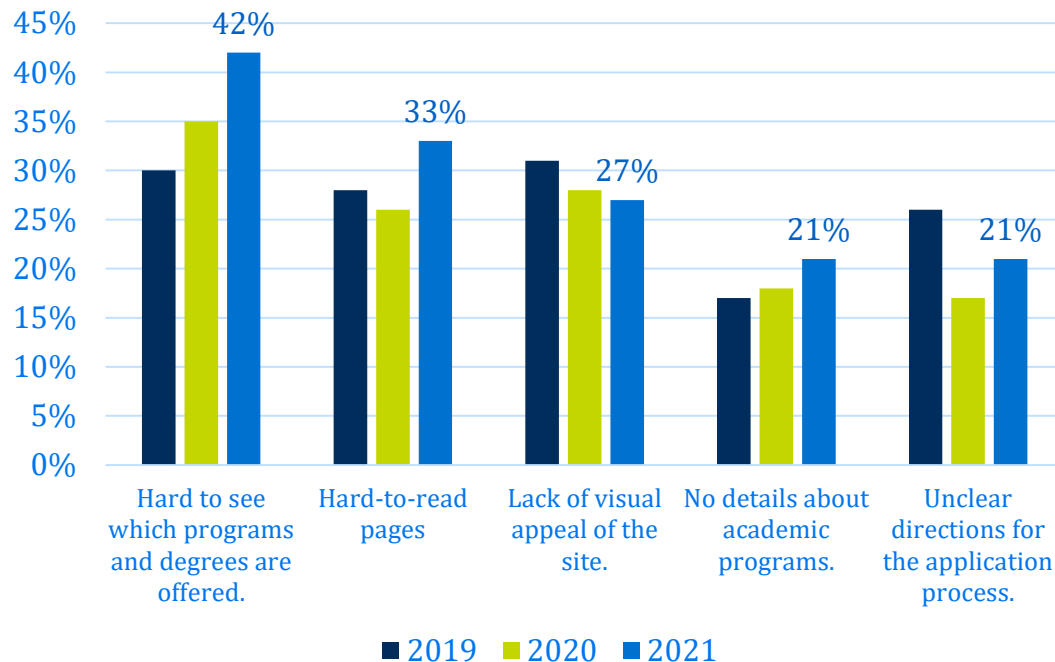


Sophomores are also struggling to find read your pages

42%



Struggle to see what programs are offered



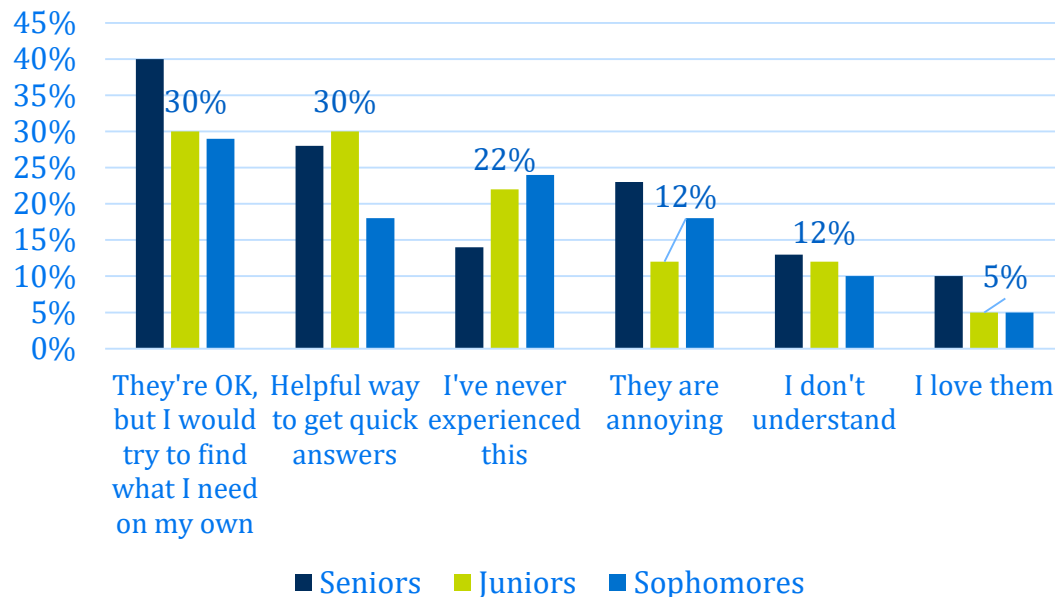
Live chat use has nearly doubled to about 1 in 5

73%



Said the experience was helpful in learning more about a college or university

Opinion of AI, IM and chat tools on college sites



Parent Engagement

2 out of 3 students have
parents supporting their
college research and
enrollment process

What topics could colleges do a better job communicating with parents?

- **Admission requirements:**
“Colleges talk about fit but rarely say what they are specifically looking for in an applicant.”
- **Financial aid/scholarships**
“Since most parents PAY the high dollar College bill, would be nice to let us be more involve in communicating with us about financial.”
- **Learning disabilities**
“Information for students w/learning challenges”
- **Housing**
“Real info about dorm maintenance issues & how quickly they are resolved”
- **Extra curricular activities**
“Better information on exact steps to take to join in an activity or sport if you are interested in participating ”
- **Diversity**
“How are people from diverse backgrounds made to feel welcome and included at your school?”
- **Calendar**
“It would be great to have a timeline and or deadline schedule: applications due, financial aid, any scholarships offered through the school, orientations and etc. Doesn't have to be exact dates, but general idea of how everything flows. My son is accepted and I'm still figuring out what comes next and or what I need to do next.”

A person is shown from the chest down, wearing a blue checkered shirt. They are holding a smartphone in their right hand and have their left hand near a laptop keyboard. The entire image is overlaid with a semi-transparent blue filter. The text "Key Takeaways" is centered in white, sans-serif font.

Key Takeaways

Key Takeaways

From RNL's perspective

- Strategic Enrollment Planning is critical
- Discounting is just one piece of the puzzle
- Understanding the importance of an annual Recruitment Plan
- Understanding the importance of an Annual Marketing Plan
- Staying up to date on communication trends
- Effectively managing your Website
- Engaging throughout the student lifecycle with all relevant constituencies

Thank you!

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