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July 16-18, 2013

16L10

The Strategic Enrollment Planning Imperative:
Higher Education Past and Present

Tuesday, July 16, 2013

12:30-1:30 p.m.

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The Strategic Enrollment Planning Imperative Higher Education Past and Present

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President/CEO and Principal
July 2013

Strategic Enrollment Planning: A Dynamic Collaboration

How higher education leaders can align mission, vision, and values with shifting market needs and expectations

Edited by Jim Hundrieser, PhD

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CHAPTER 1

The Future of Higher Education and the Strategic Enrollment Planning Imperative

By Kevin Crockett

It is always dangerous to look into a crystal ball with respect to the future of American higher education. Whenever the academy seems on the brink of fundamental change or institutional closures/consolidations are predicted on a broad scale, we are reminded that our colleges and universities are remarkably resilient. Indeed, since World War II, the industry has either prospered from or suffered through events such as the introduction of Title IV aid programs, the substantial impact of Vietnam on both enrollment levels and campus culture, a massive expansion in the community/technical college sector, booms and busts in the number of high school graduates, large increases in the number of adult learners, explosive growth in the for-profit sector, the introduction and growth of online learning, and relatively severe recessions in the 1970s, 1980s, and 2000s.

Each of these events created winners and losers in our postsecondary system, but, for the most part, the system itself grew and prospered. Indeed, most of these events resulted in increased access to higher education, and that has led to more people than ever before attending college and holding postsecondary credentials. In 1949, there were 2.4 million individuals enrolled in postsecondary institutions, 70 percent of whom were men. By fall 2008, those figures had increased to 19.1 million students, 57 percent of whom were *women* (NCES, 2010). During this same period, the number of degrees conferred on an annual basis increased from 497,000 to more than 3.1 million, a 528 percent increase in approximately 60 years (NCES, 2010). Importantly, the percentage of young adults (age 25 to 29) with a bachelor's degree or higher increased from 8 percent of the population in 1950 to 32 percent by 2010 (NCES, 2010). To say that the last 60 years have been a gilded age for American higher education is an understatement.

As the United States and other developed nations struggle to emerge from the worst economic downturn since the Great Depression, perhaps our colleges and universities will emerge stronger than ever; or maybe economic and demographic changes will lead to a fundamental transformation of our postsecondary system. In either case, institutions that develop strong strategic enrollment planning (SEP) systems will have the best chance of capitalizing on an increasingly turbulent environment. Those that fail to adapt may find themselves closed, consolidated, or considerably weaker.

The purpose of this chapter is to briefly review some of the issues and trends confronting enrollment planners as we enter the second decade of the new millennium and discuss why these trends make strategic enrollment planning an imperative for colleges and universities that wish to thrive in the years ahead.

Chapter highlights

- Changing enrollment patterns
- Enrollment forecasts to 2020
- Retention and completion take center stage



Transferred from [en.wikipedia](https://en.wikipedia.org)

“The future ain’t
what it used to be.”

Yogi Berra

20.4 million students
57% female
3.35 million degrees conferred

2.4 million students
70% male
497,000 degrees conferred

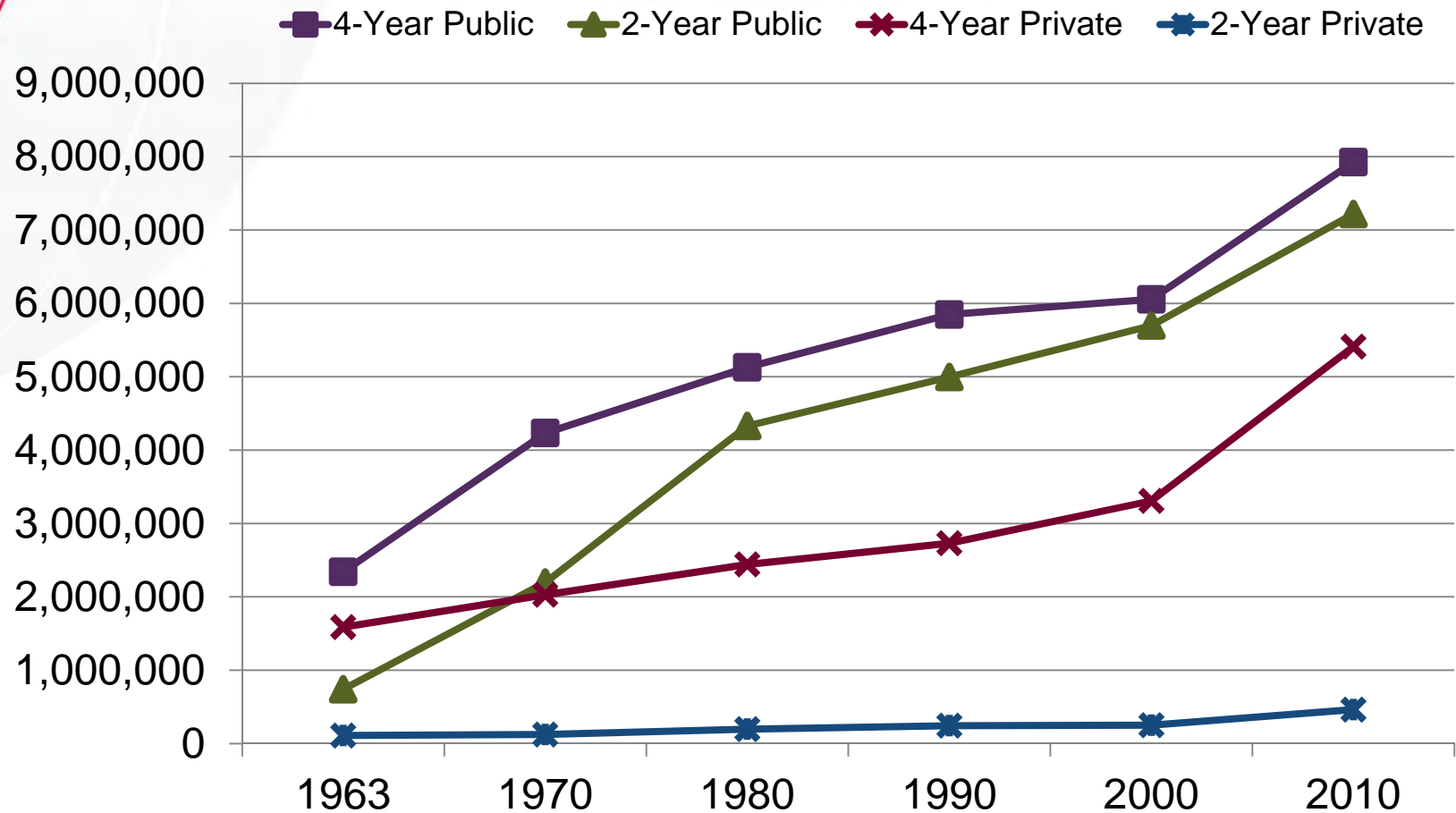


Fall 1949



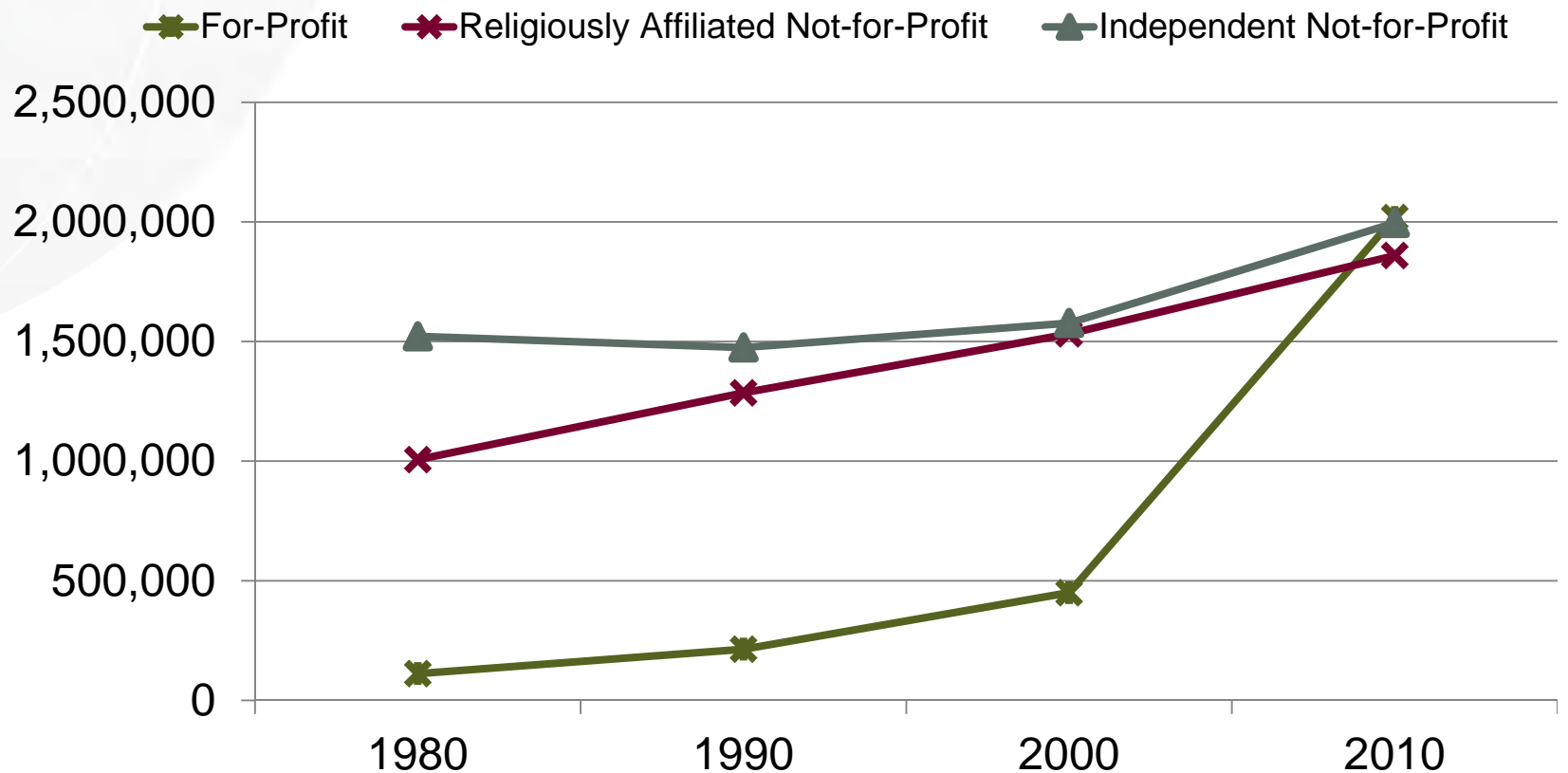
Fall 2010

Total fall enrollment in degree-granting institutions by control and type of institution: 1963 through 2010



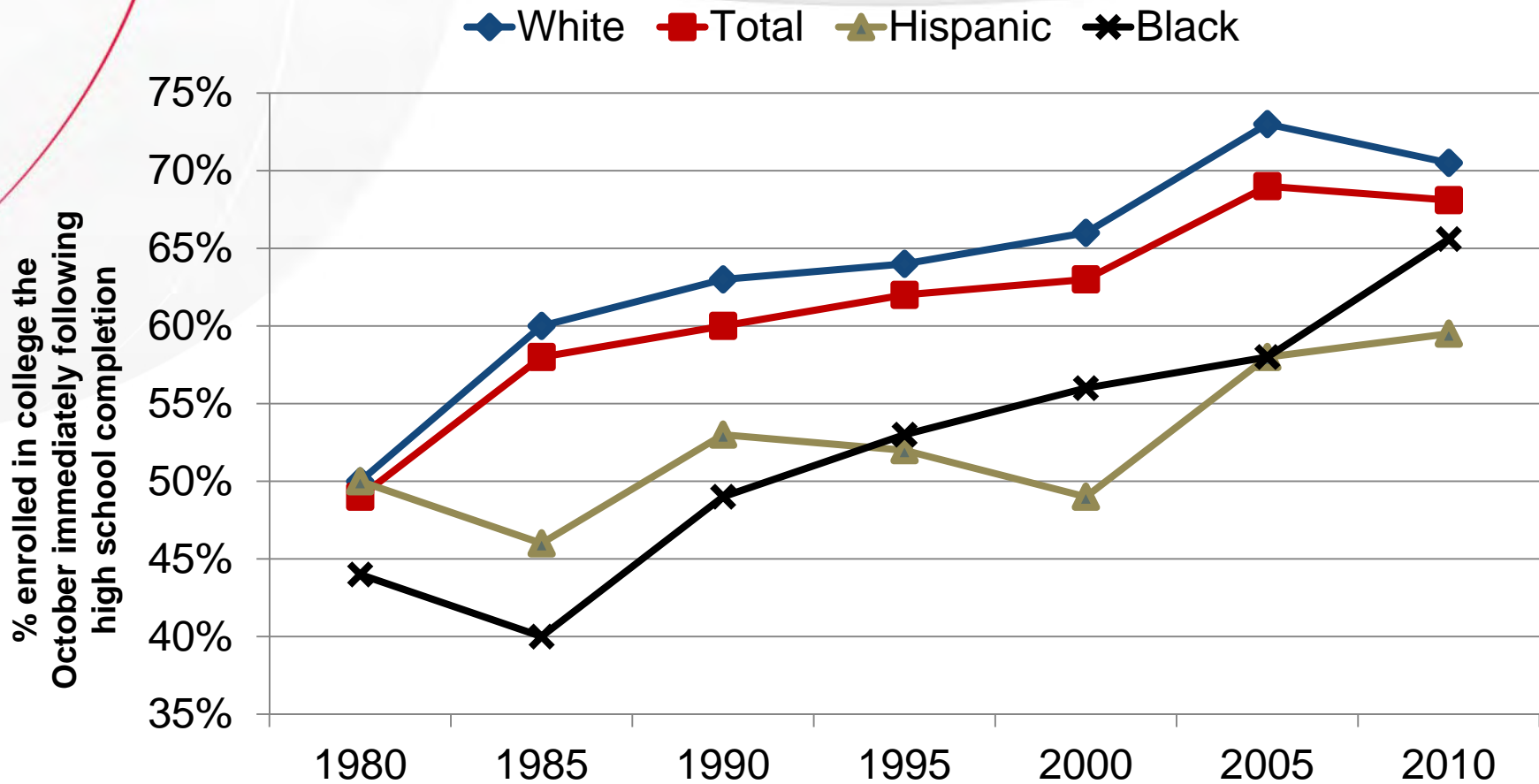
Source: 2011 Digest of Educational Statistics: Table 199

The for-profit sector has grown at a compounded annual growth rate of 16.2 percent since fall 2000



Source: 2011 Digest Ed Statistics: Table 206

College participation rates have been a key growth driver



Source: 2011 Digest of Educational Statistics: Table 210
Three year moving average reported for Black and Hispanic populations

Five Megatrends

1

Enrollment growth will slow

2

Demographic shifts

3

Changing economic models

Five Megatrends (cont.)

4

Retention and completion pressures will intensify

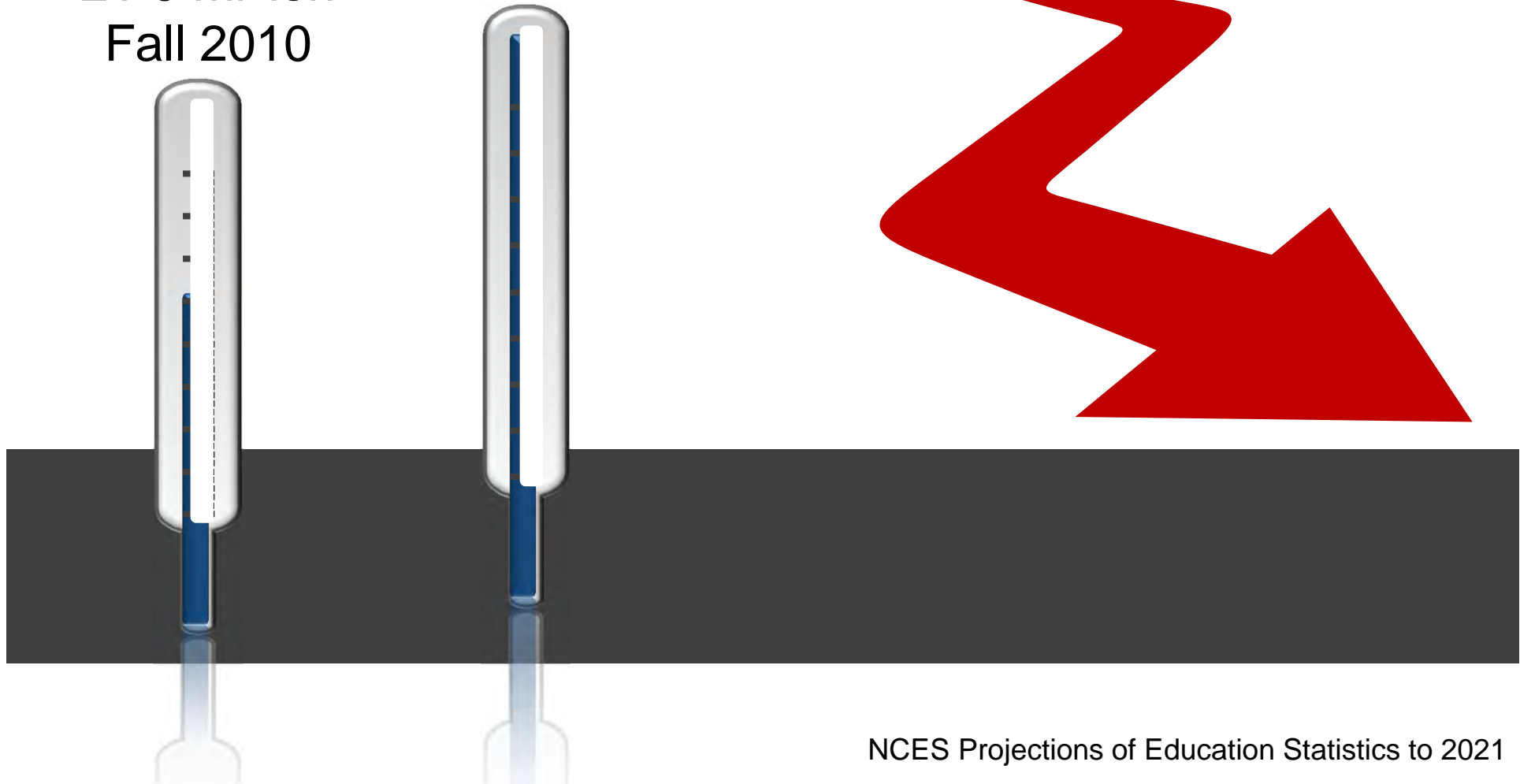
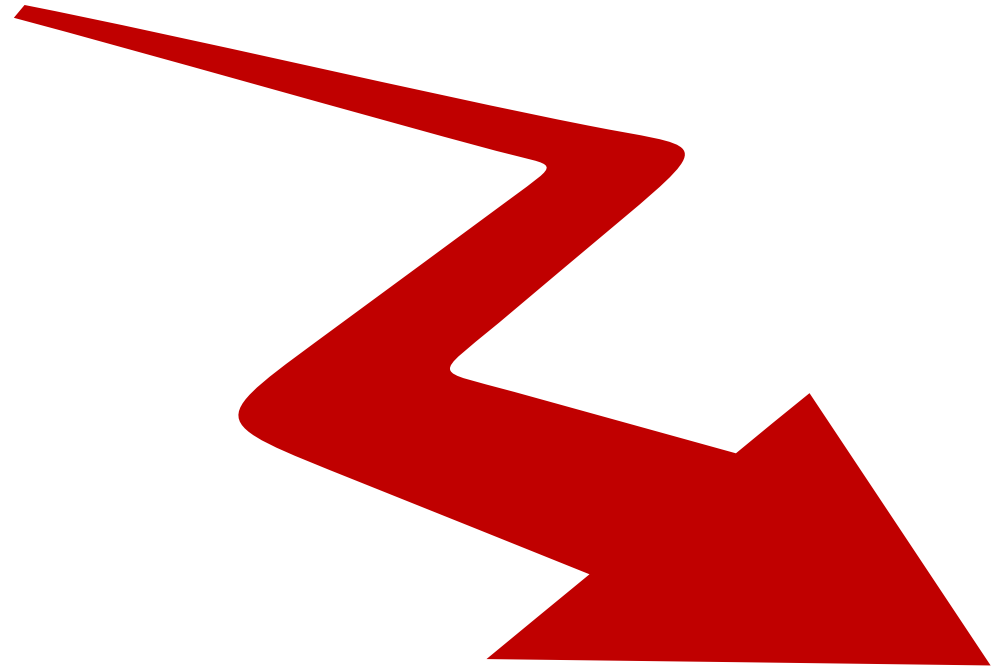
5

Managing new learning modalities

Enrollment growth is expected to slow

21.0 million
Fall 2010

24.1 million
Fall 2021

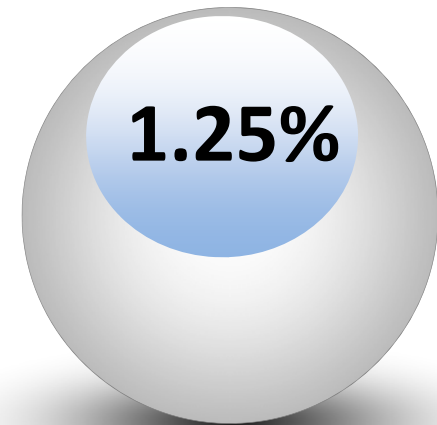
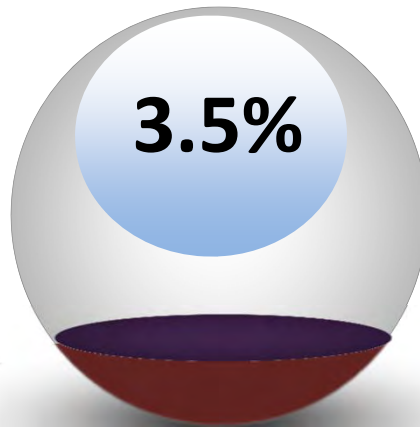
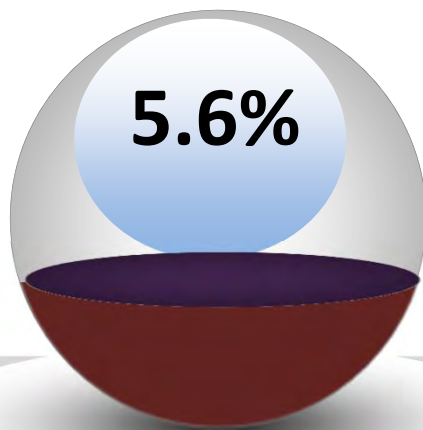


Higher education's compounded annual growth rates are slowing

1963-1980

1996-2010

2010-2021



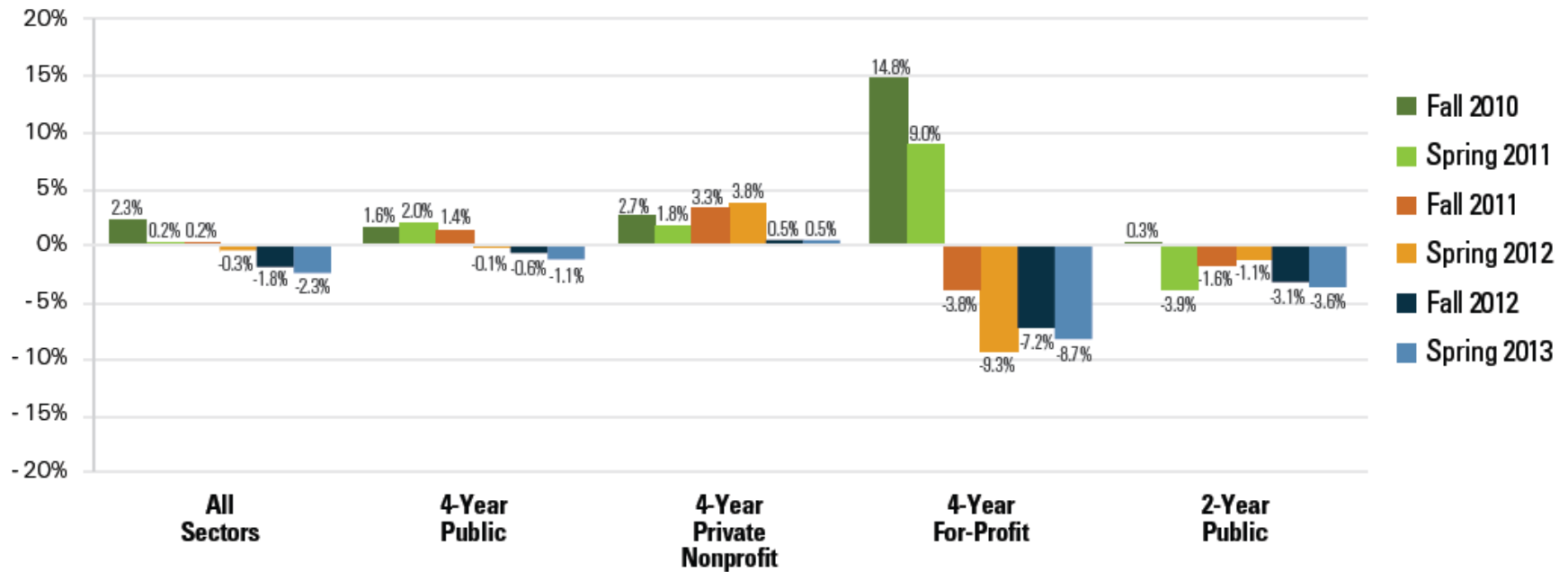
Enrollment at Title IV-Eligible Colleges Fall 2010 and 2011

	Fall 2010	Fall 2011	% Change
Total	21,588,124	21,544,004	-0.20%
Public	15,280,273	15,242,412	-0.25%
Private	3,881,906	3,954,529	1.87%
For-Profit	2,425,945	2,357,063	-2.84%
4-Year	13,335,777	13,493,033	1.18%
4-Year Public	7,924,813	8,046,131	1.53%
4-Year Private	3,822,683	3,887,755	1.70%
4-Year For-Profit	1,588,281	1,559,147	-1.83%
2-Year	7,847,996	7,662,010	-2.37%
2-Yr. Public	7,284,613	7,125,944	-2.18%
2-Yr. For-Profit	519,323	485,349	-6.54%
Less Than 2-Year	404,351	398,961	-1.33%
Full-Time	13,537,645	13,433,428	-0.77%
Part-Time	8,050,479	8,120,576	0.87%
American Indian	189,017	180,835	-4.33%
Asian	1,138,531	1,153,218	1.29%
Black	2,902,749	2,966,463	2.19%
Latino	2,643,952	2,825,433	6.86%
Native Hawaiian	60,772	64,017	5.34%
White	11,943,403	11,770,782	-1.45%
2 or More Races	312,127	414,406	32.77%
Race Unknown	1,689,804	1,436,838	-14.97%
Nonresident Alien	707,769	742,012	4.84%



The National Student Clearinghouse recently reported a 2.3% drop in Spring 2013 enrollments (third consecutive term drop)

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





Change by institution type

New graduate student enrollment 2011 vs. 2010

Doctoral universities	-7.4%
• Public	+4.8%
• Private*	-11.2%
Master's colleges and universities	-4.1%
• Public	-3.2%
• Private*	-5.3%

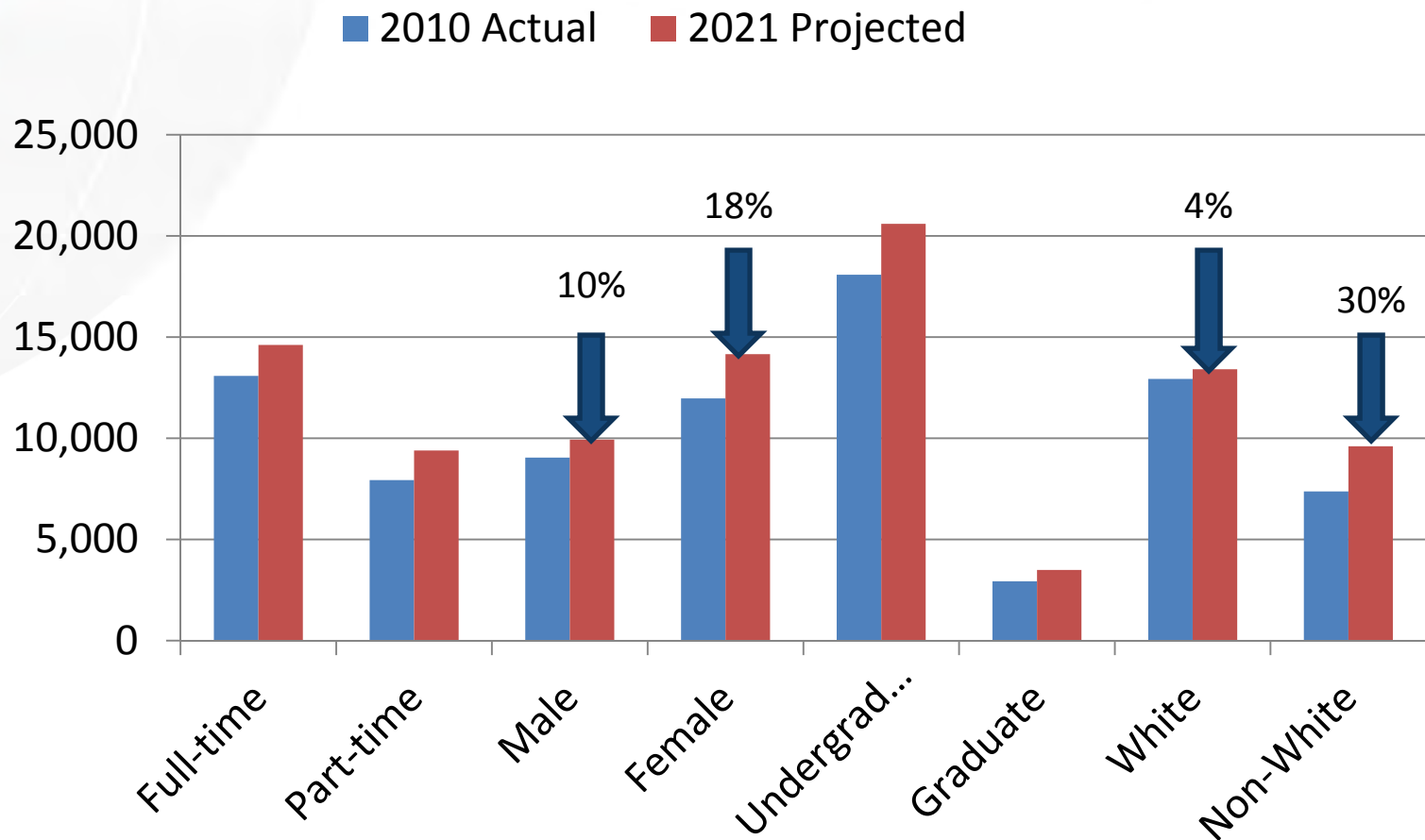
*Not-for-profits only.

Data not available for private, for-profit institutions.

Enrollment and Degrees: 2001 to 2011.

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Actual and projected enrollments in all post-secondary degree-granting institutions: Fall 2010 actual versus Fall 2021 projected (in thousands)



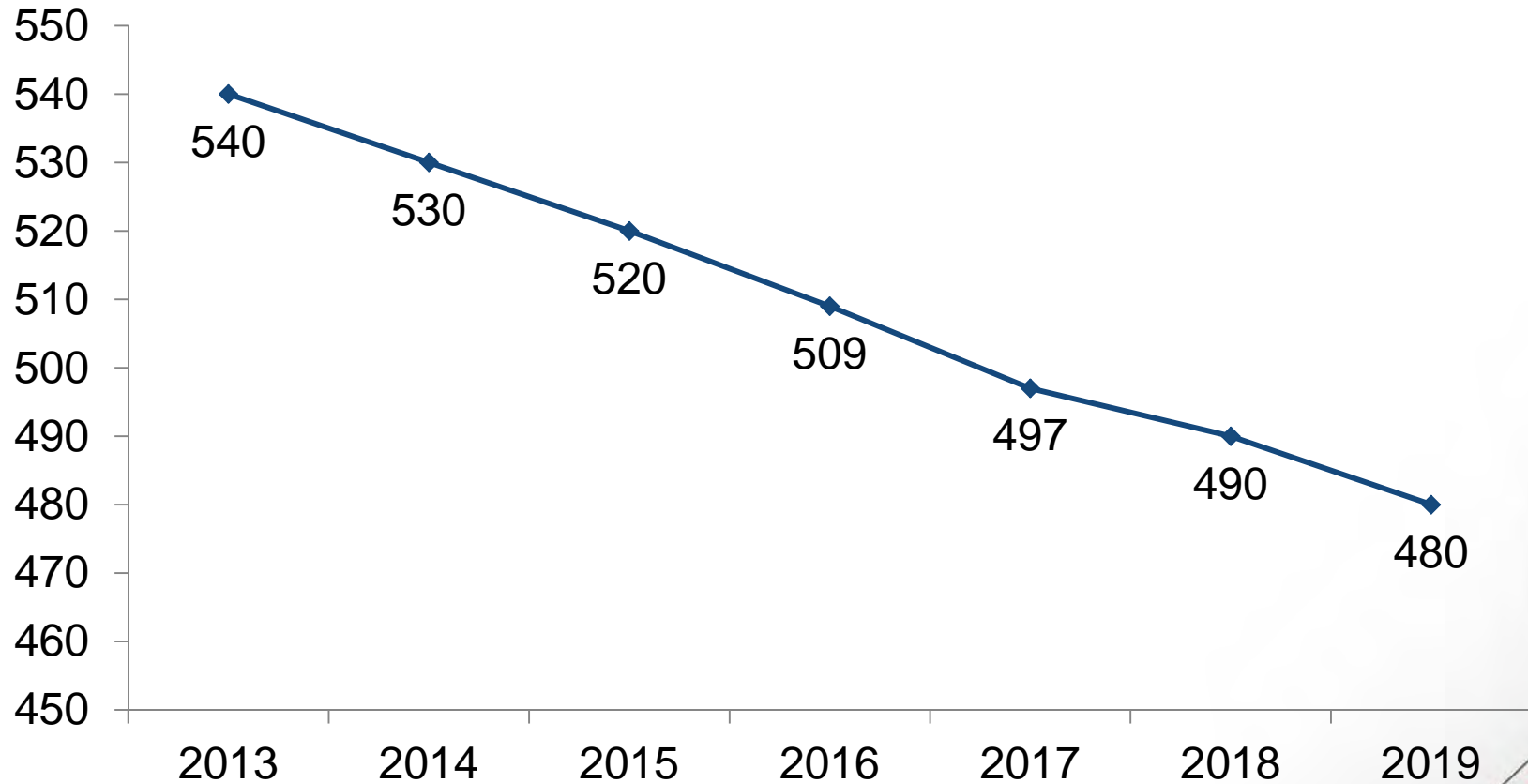
Source: Projection of Education Statistics to 2021

Implications of slower growth

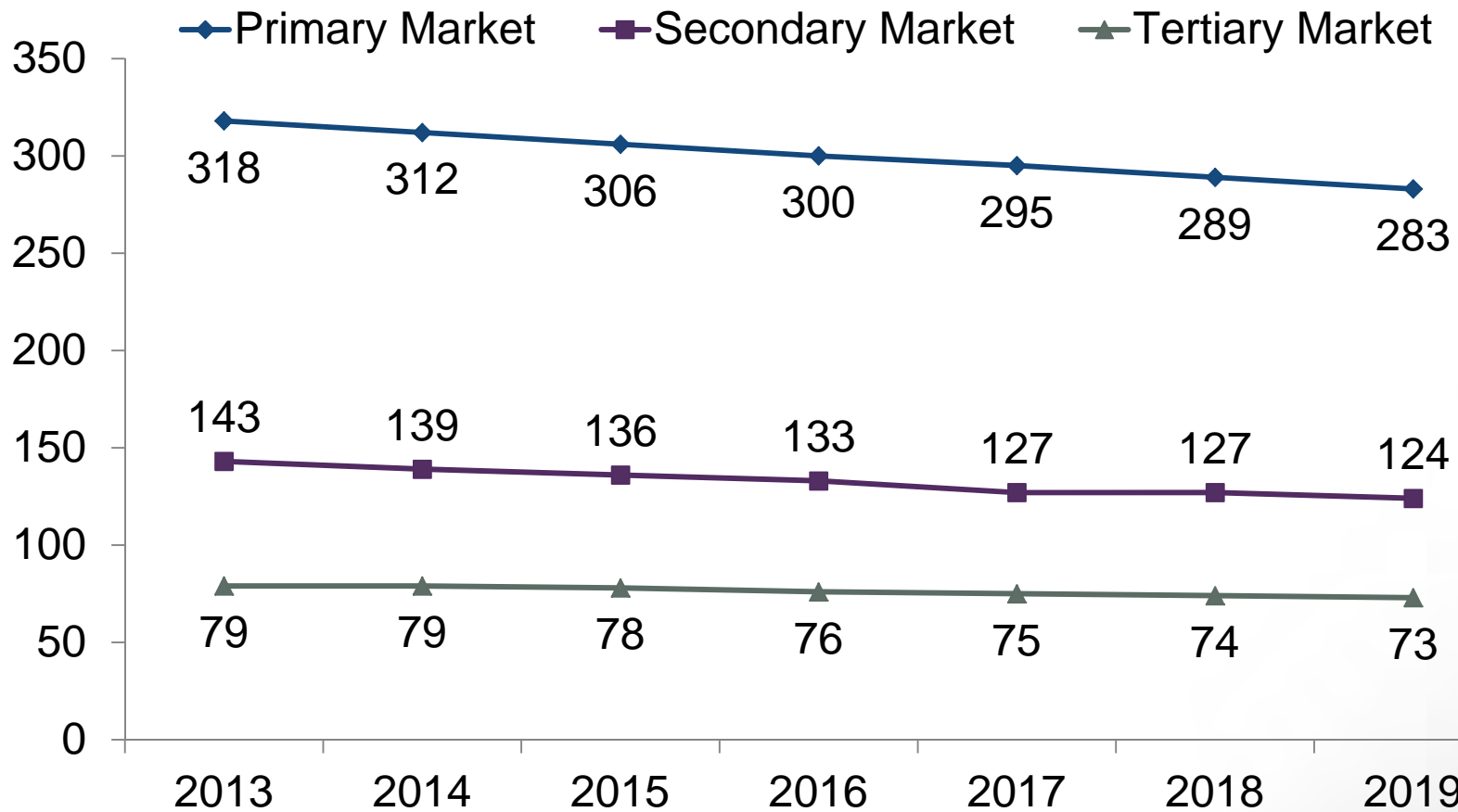
- Colleges that have relied on enrollment growth to fund expansion will have to adapt to slower rates of growth
- Gender balance will become increasingly difficult to manage
- Institutions will need to localize these growth projections to their own markets
- Tracking and managing market share will become increasingly important

Sample institutional enrollment projection (total FY students)

Total First-Year



Sample institutional enrollment projection (total FY students)



Ongoing demographic shifts will lead to:

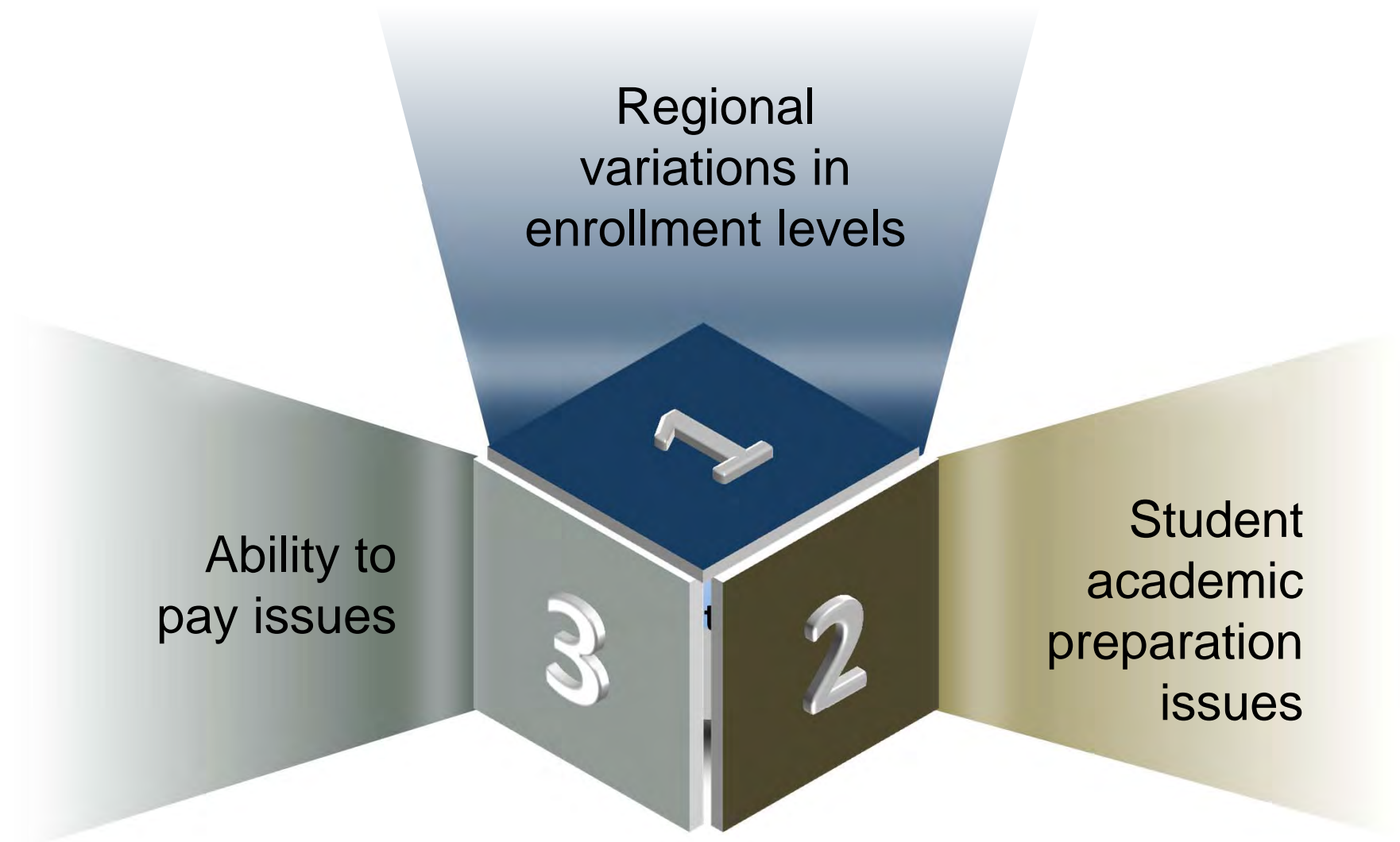
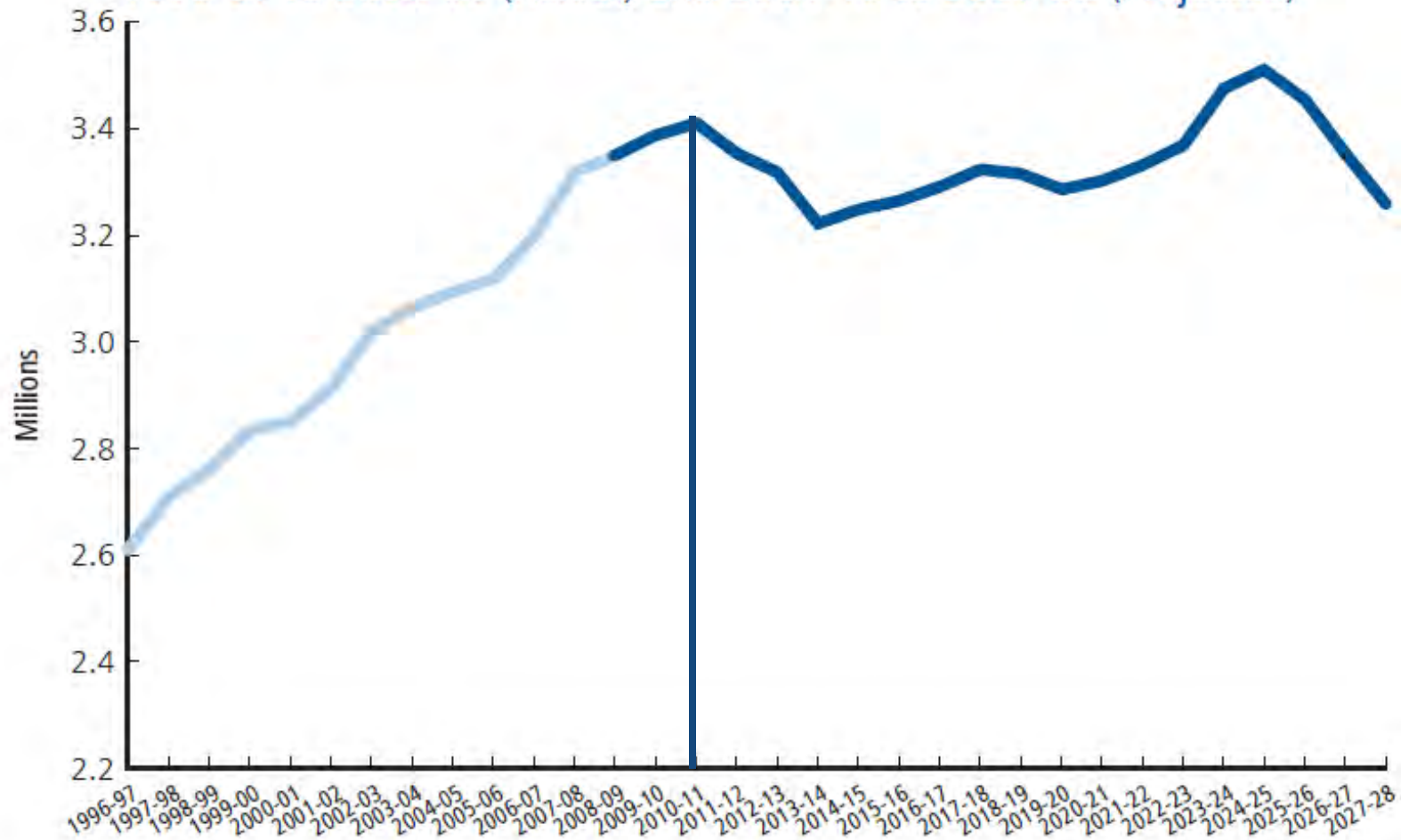
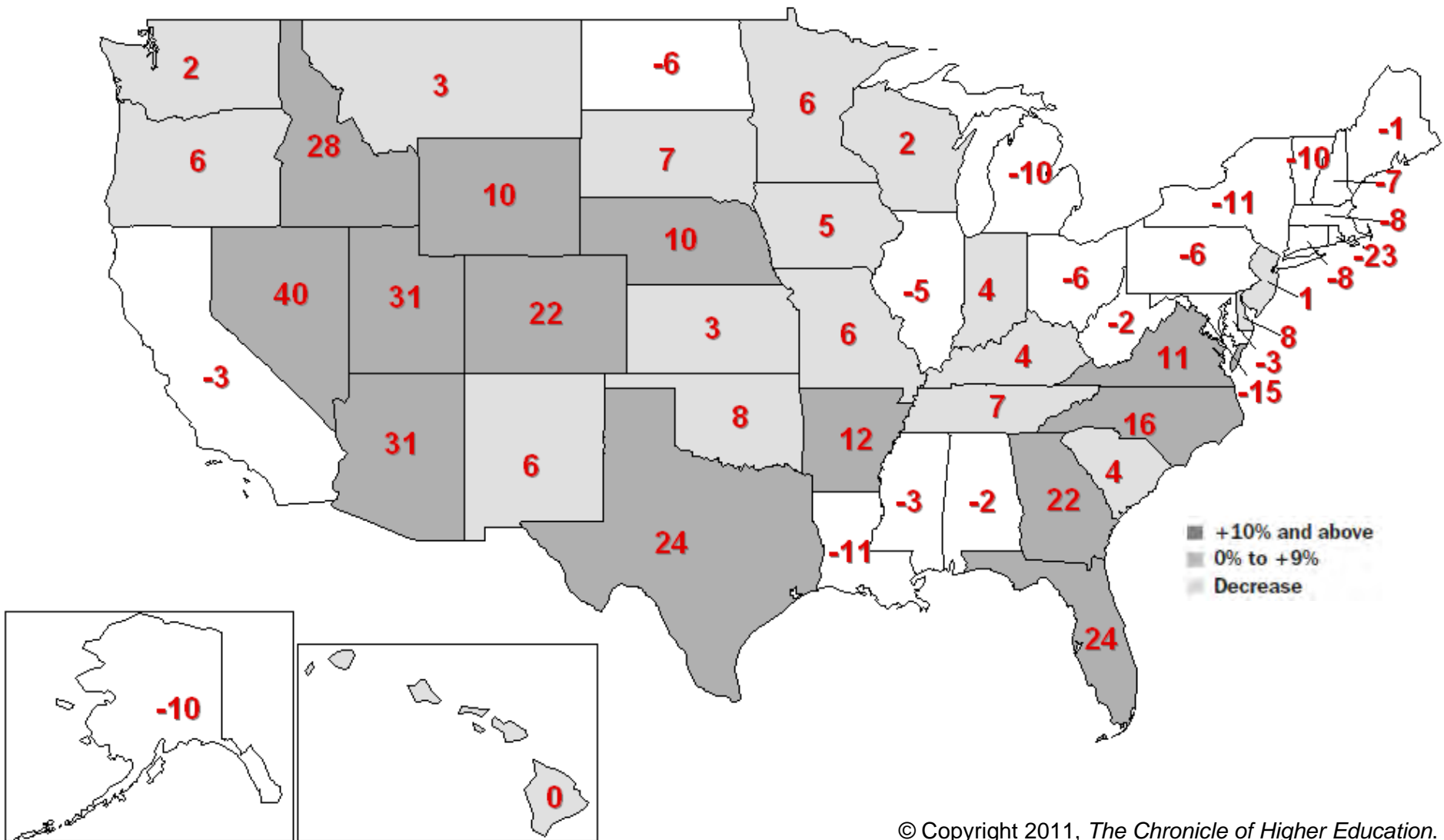


Figure 2.5. U.S. Public and Nonpublic High School Graduates, 1996-97 to 2008-09 (Actual) and 2009-10 to 2027-28 (Projected)



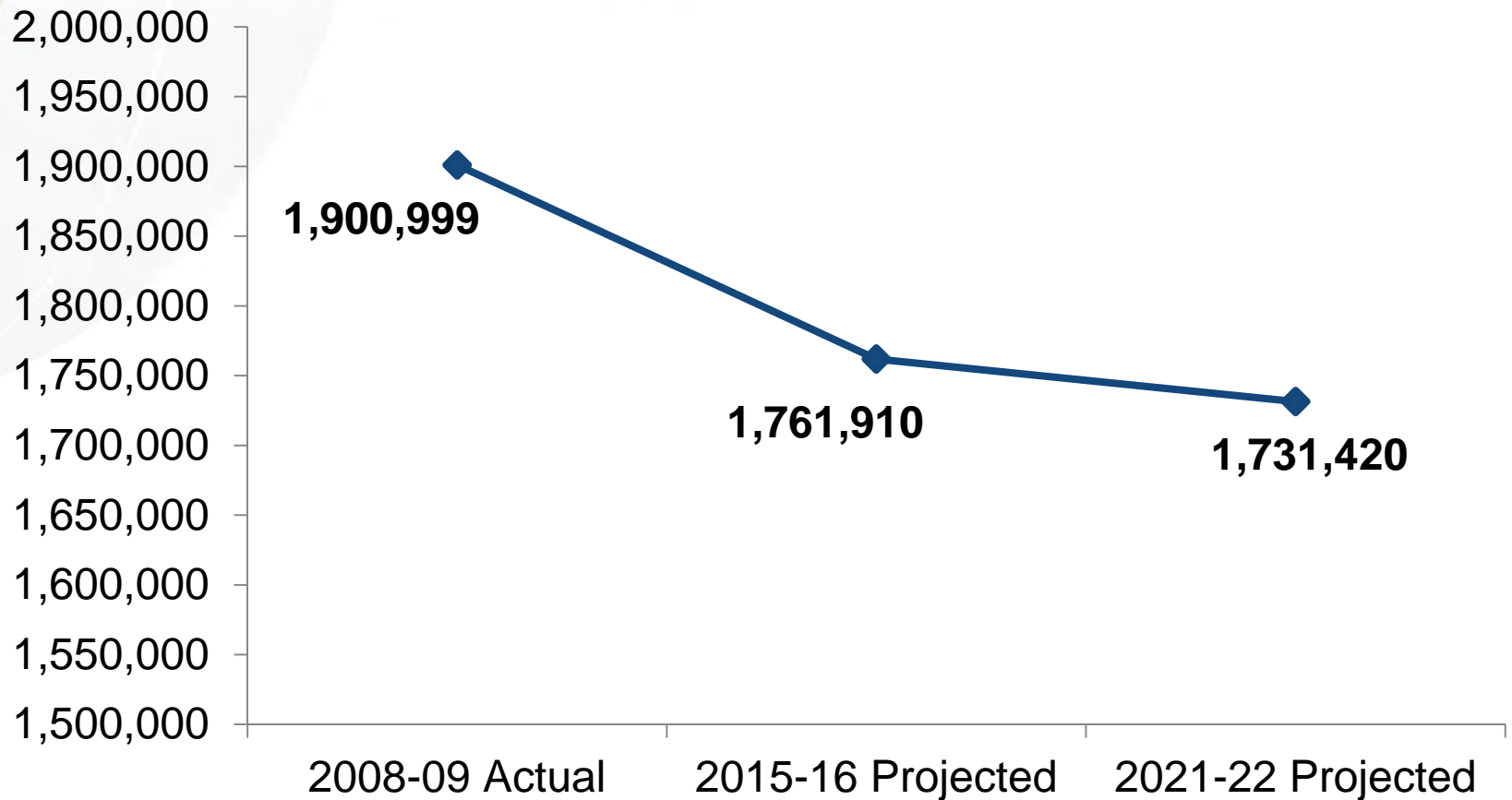
Note: Since the Private School Universe Survey (PSS) is biennial, alternate years include nonpublic graduate estimates based on data from the PSS.

Projected change in numbers of new high school graduates 2011-12 to 2021-22



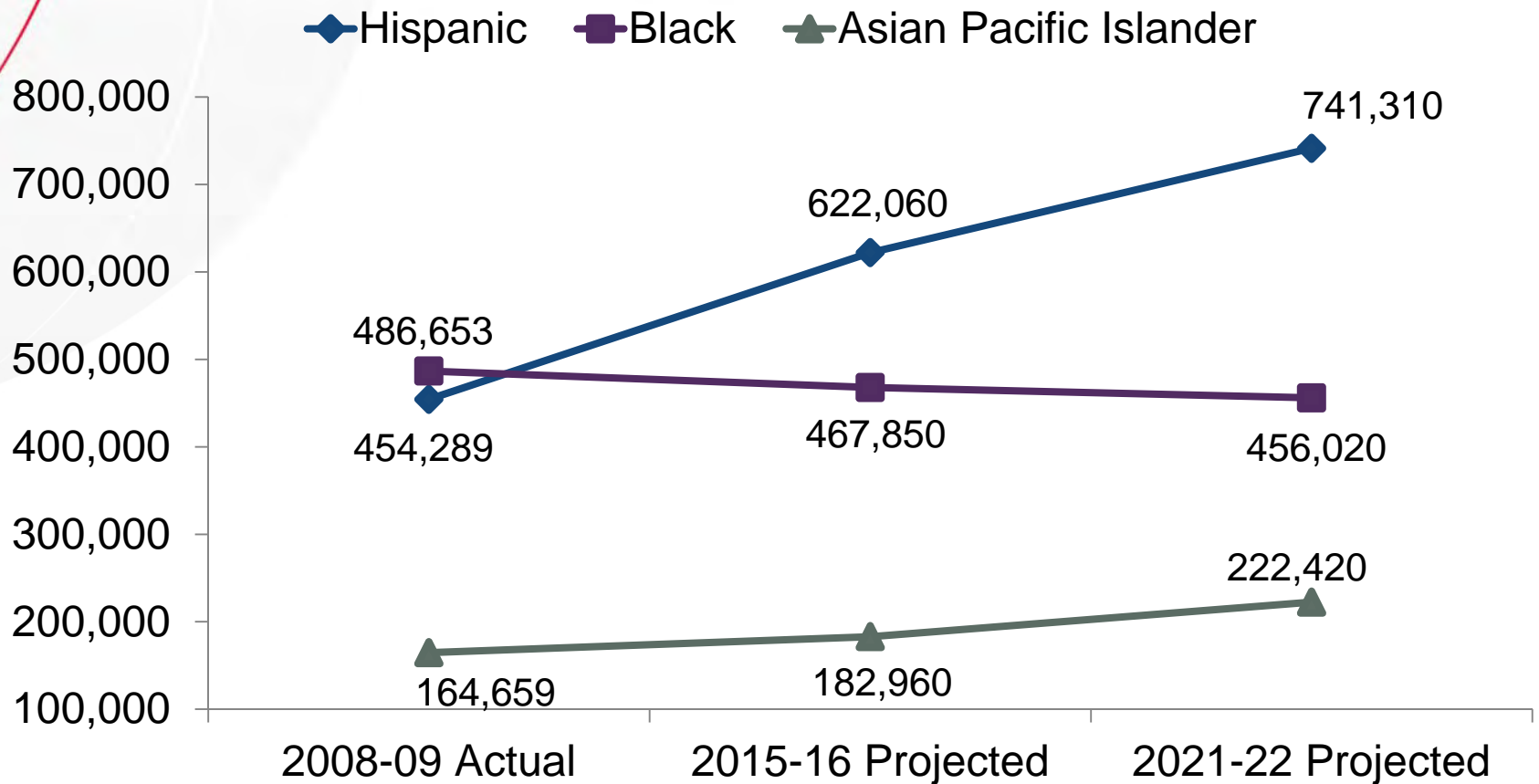
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We are in the midst of a 9 percent decrease in the number of white public high school graduates



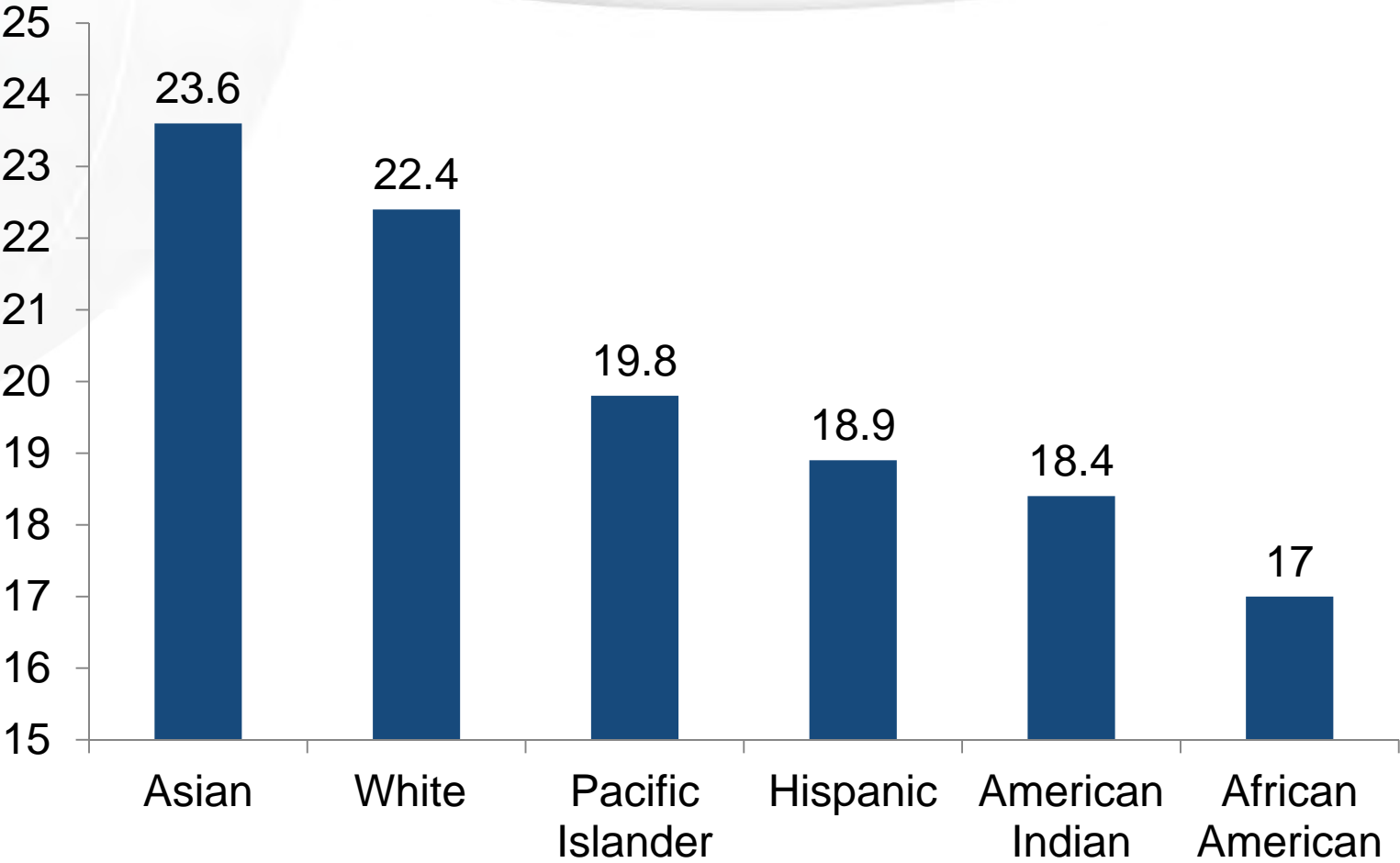
Source: Projection of Education Statistics to 2021, p. 50

Hispanics will increase by 27 percent and Asian/Pacific Islanders by 45 percent



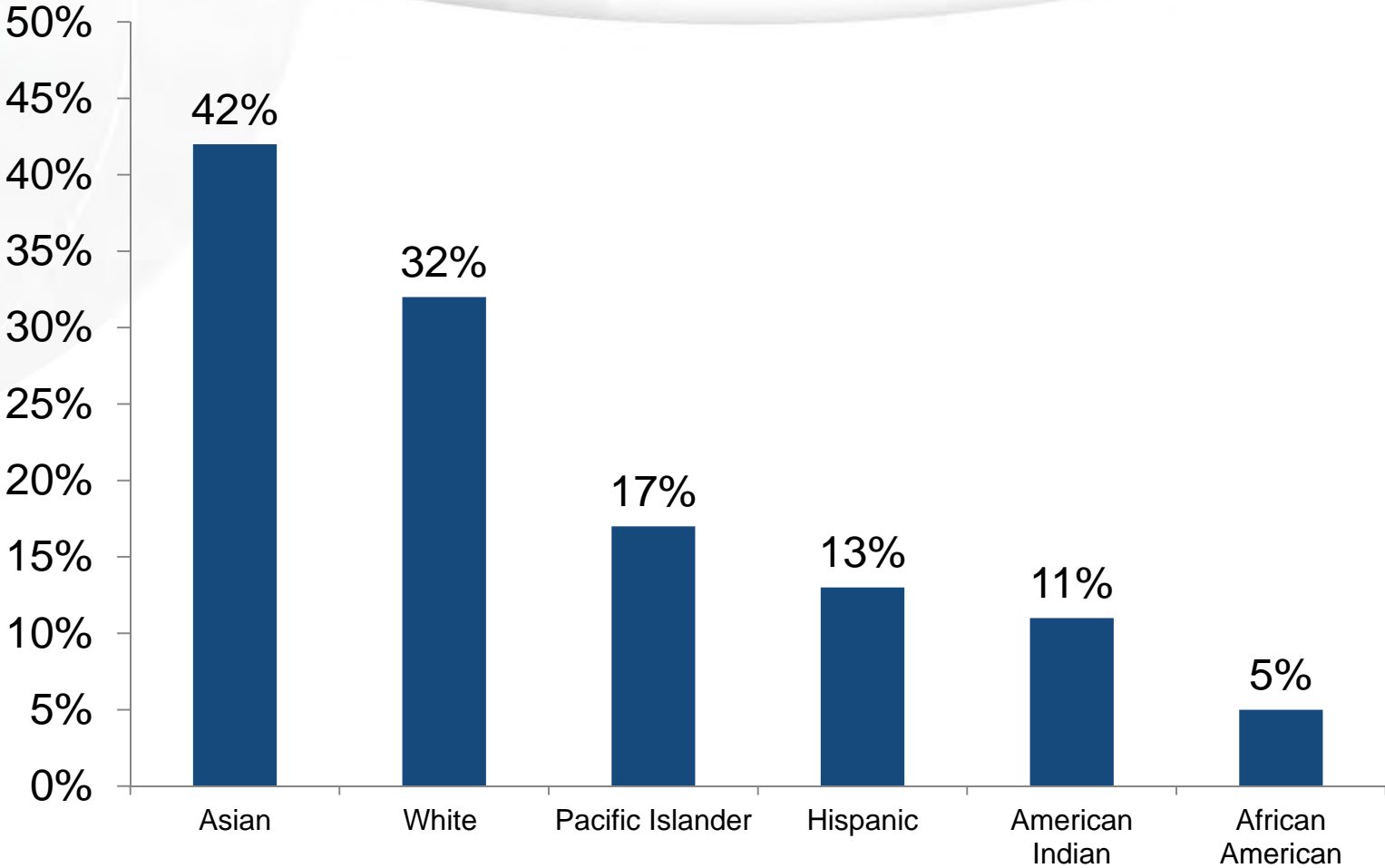
Source: Projection of Education Statistics to 2021, p. 50

2012 ACT composite scores by race/ethnicity



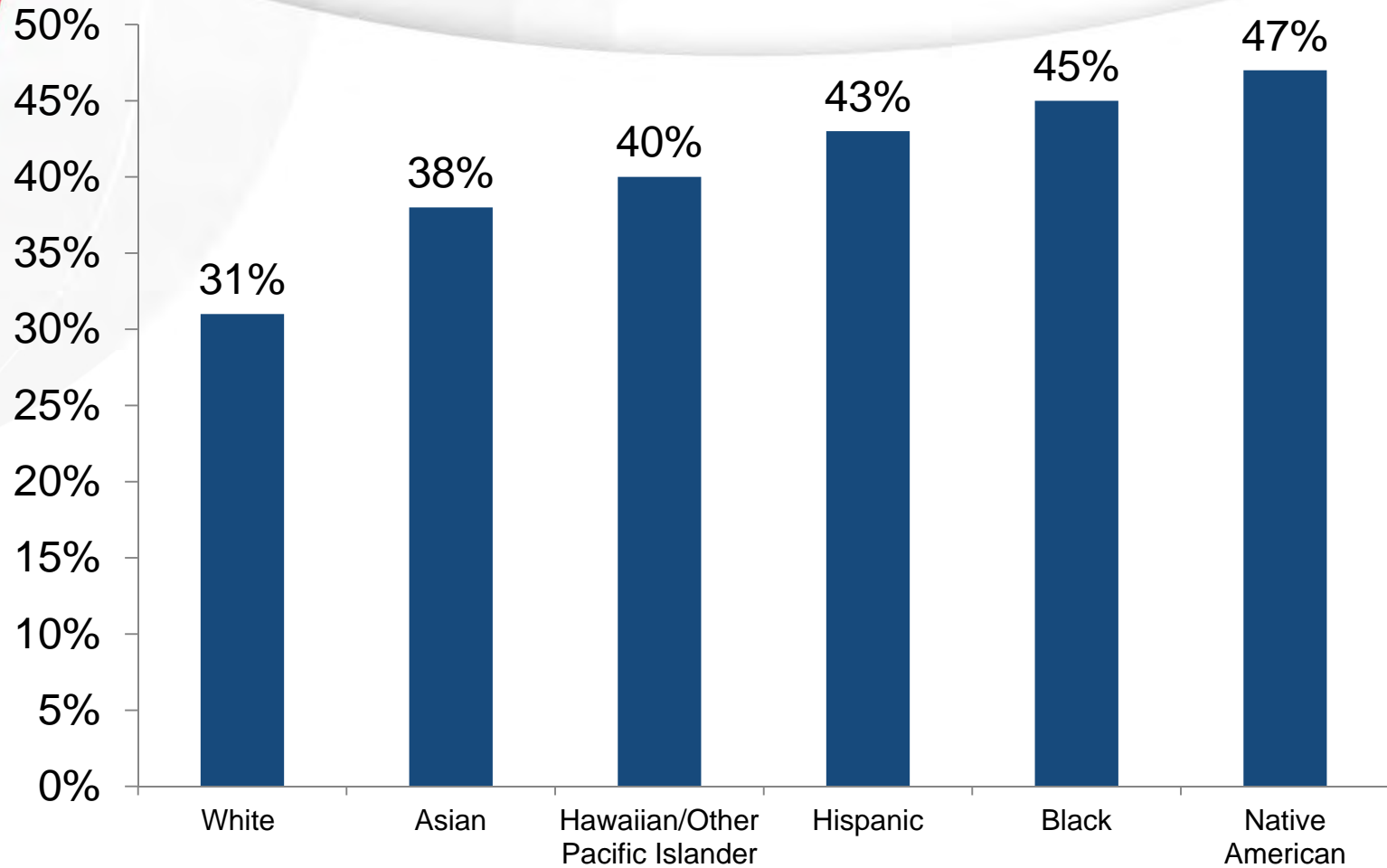
Source: ACT The Condition of College and Career Readiness 2012

Percentage of ACT tested high school graduates that met all four college readiness benchmarks



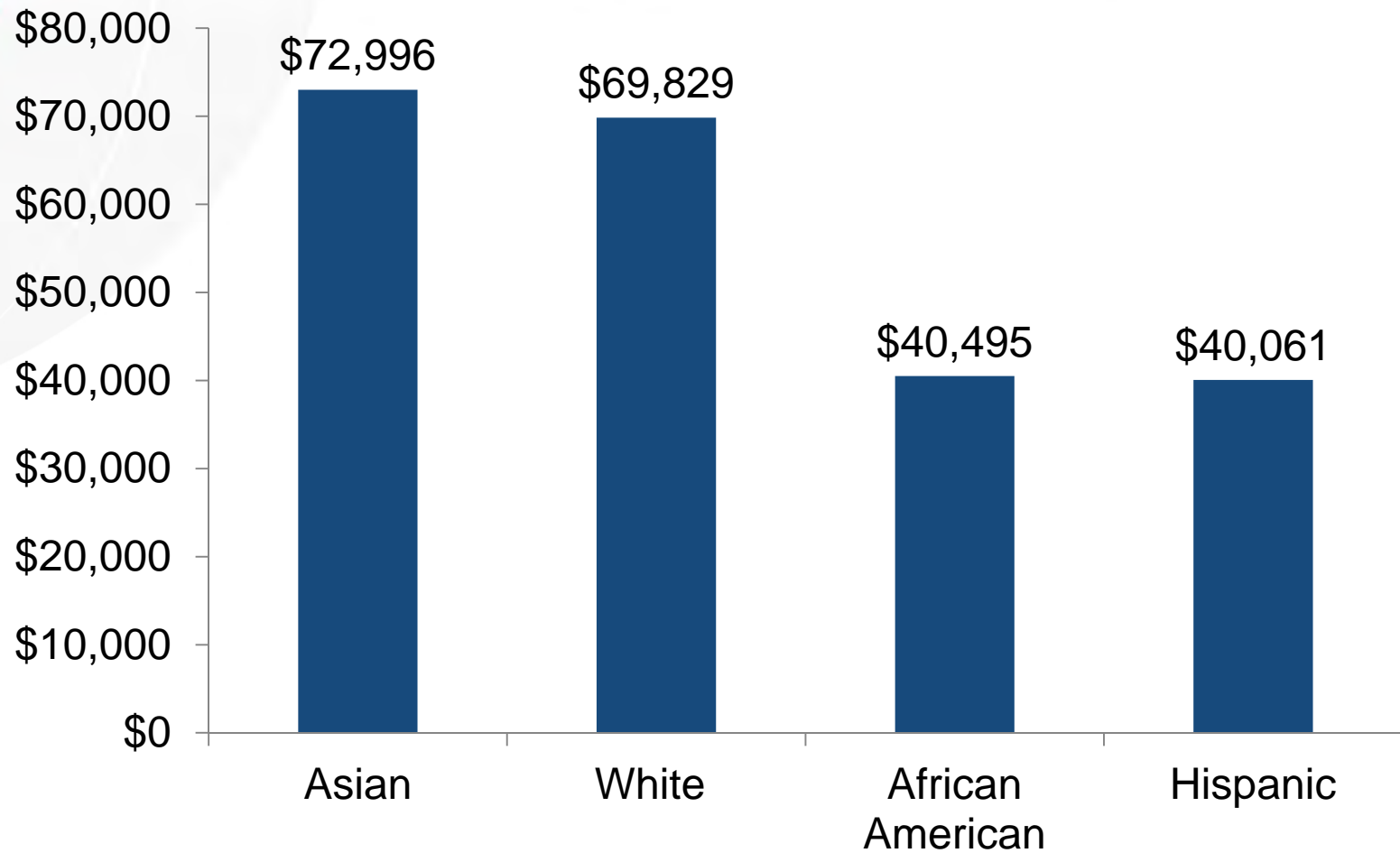
Source: ACT The Condition of College and Career Readiness 2012

Percentage of 2007-08 students who ever took a remedial course by race/ethnicity



Source: NCES Digest of Education Statistics 2012 Table 243

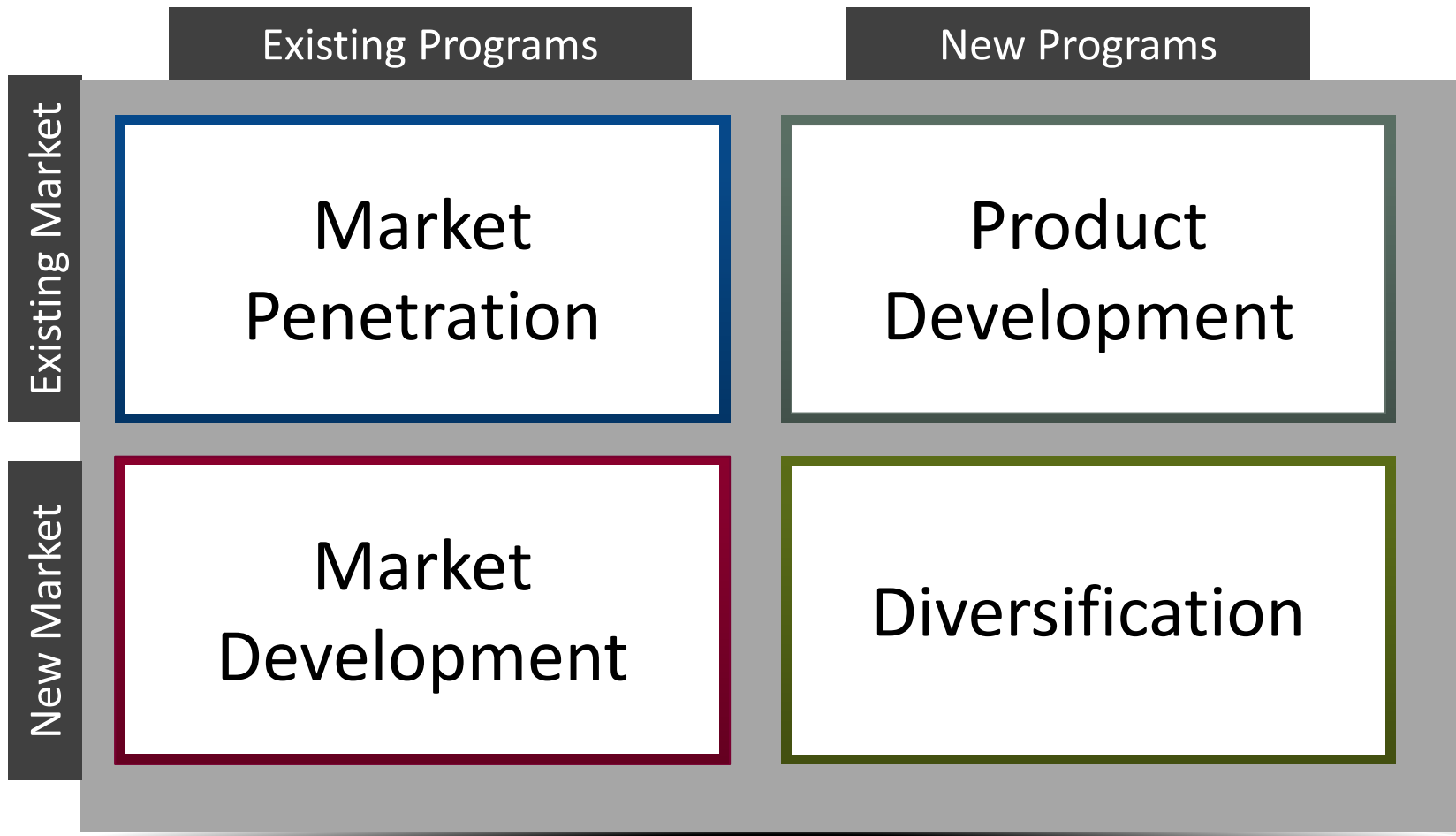
Hispanic and African American families have median incomes that are approximately 58 percent of white families



Implications of demographic shifts

- Institutions in declining markets may need to consider market and program development strategies to avoid enrollment declines

Institutions in declining markets may need to consider market and program development strategies to avoid enrollment declines



The traditional economic model is changing rapidly



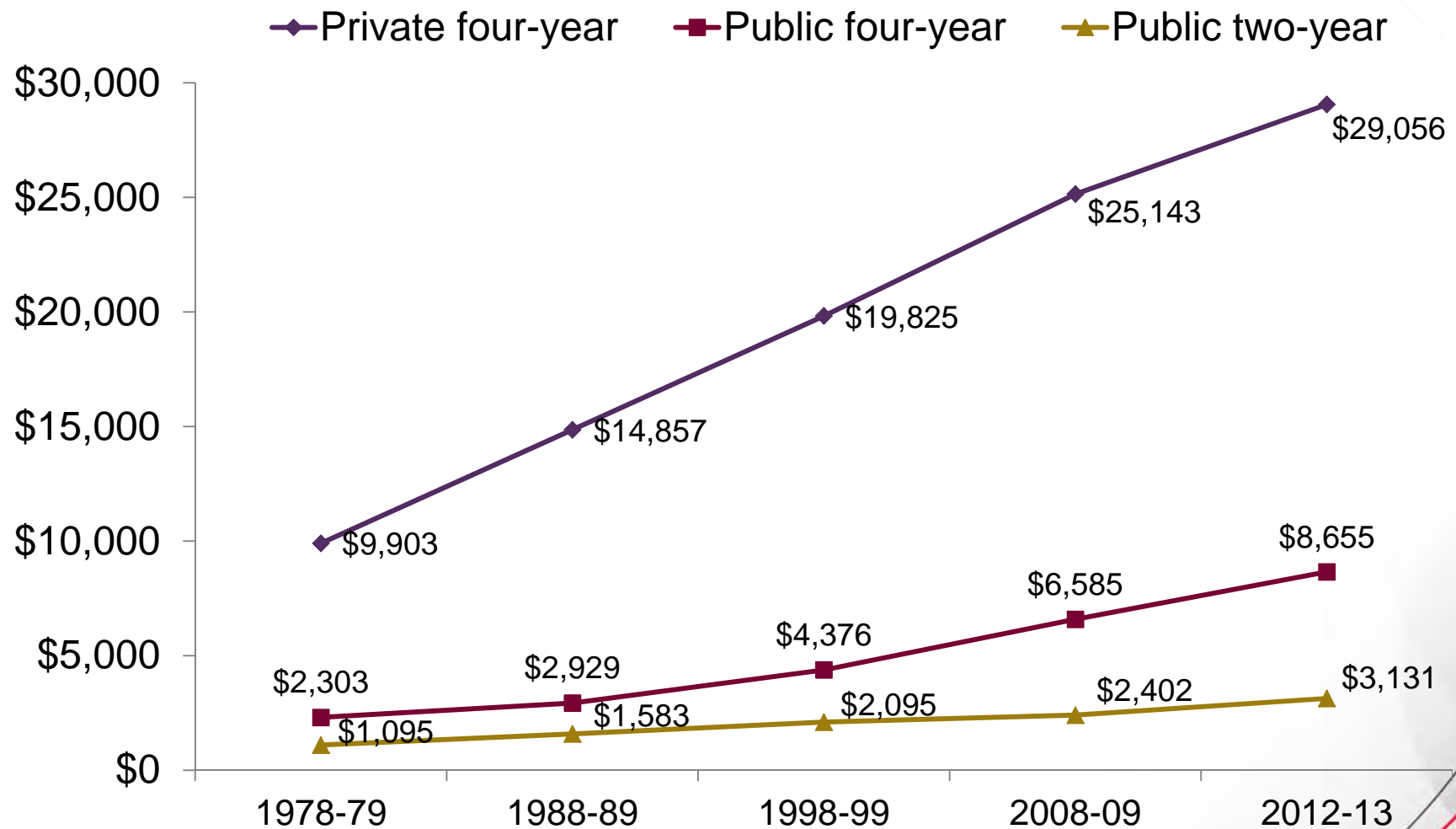
Moody's most recent higher education outlook

*“Years of depressed family incomes and net worth, as well as uncertain job prospects for many recent graduates and a slight decline in the number of high school graduates, are creating **enrollment pressure** and **weakened pricing power** for colleges and universities.”*

Moody's just released their updated higher education outlook

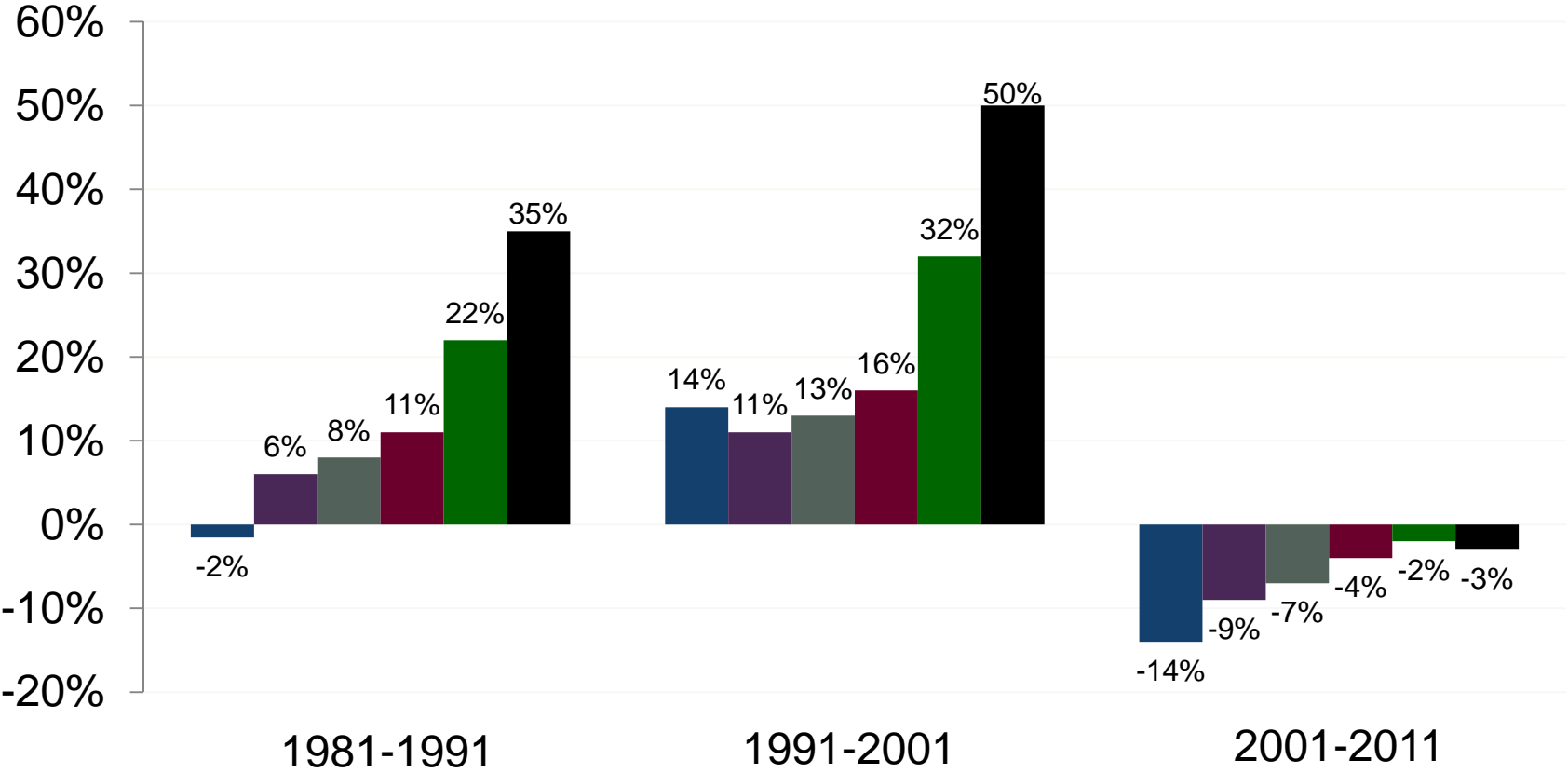
“The report notes that colleges will have to rely on more strategic leaders who address these challenges through better use of technology to **cut costs, create efficiency** in their operations, **demonstrate value, reach new markets**, and **prioritize programs.**”

Average tuition and fee charges in constant dollars, 1978-79 to 2012-13 (enrollment weighted)



Percentage change in inflation-adjusted mean family income by quintile, 1980–1990, 1990–2000, and 2000–2010

■ Lowest 20% ■ Second 20% ■ Third 20% ■ Fourth 20% ■ Highest 20% ■ Top 5%





Two-thirds of parents say they are very likely or somewhat likely to restrict the colleges to which their children apply...

Meaning these future students may never know of the potential of financial aid to reduce the payments expected of them and their families

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Jaschik, S. (2013) *Jobs, Value and Affirmative Action: A Survey of Parents About College*, Inside Higher Ed.
<http://www.insidehighered.com/news/survey/jobs-value-and-affirmative-action-survey-parents-about-college>

Purchasing power of Federal Pell Grant and Stafford Loan (four-year private)

Year	Maximum Pell	Maximum Stafford	Pell + Stafford	Average Tuition and Fees	P+S Tuition and Fees
2004-05	\$4,050	\$2,625	\$6,675	\$20,045	33%
2005-06	\$4,050	\$2,625	\$6,675	\$21,235	31%
2006-07	\$4,130	\$3,500	\$7,630	\$22,218	34%
2007-08	\$4,310	\$3,500	\$7,810	\$23,712	33%
2008-09	\$4,731	\$3,500	\$8,231	\$23,745	35%
2009-10	\$5,350	\$3,500	\$8,850	\$26,273	34%
2010-11	\$5,550	\$3,500	\$9,050	\$27,293	33%
2011-12	\$5,550	\$3,500	\$9,050	\$28,500	32%
2012-13	\$5,550	\$3,500	\$9,050	\$29,056	31%

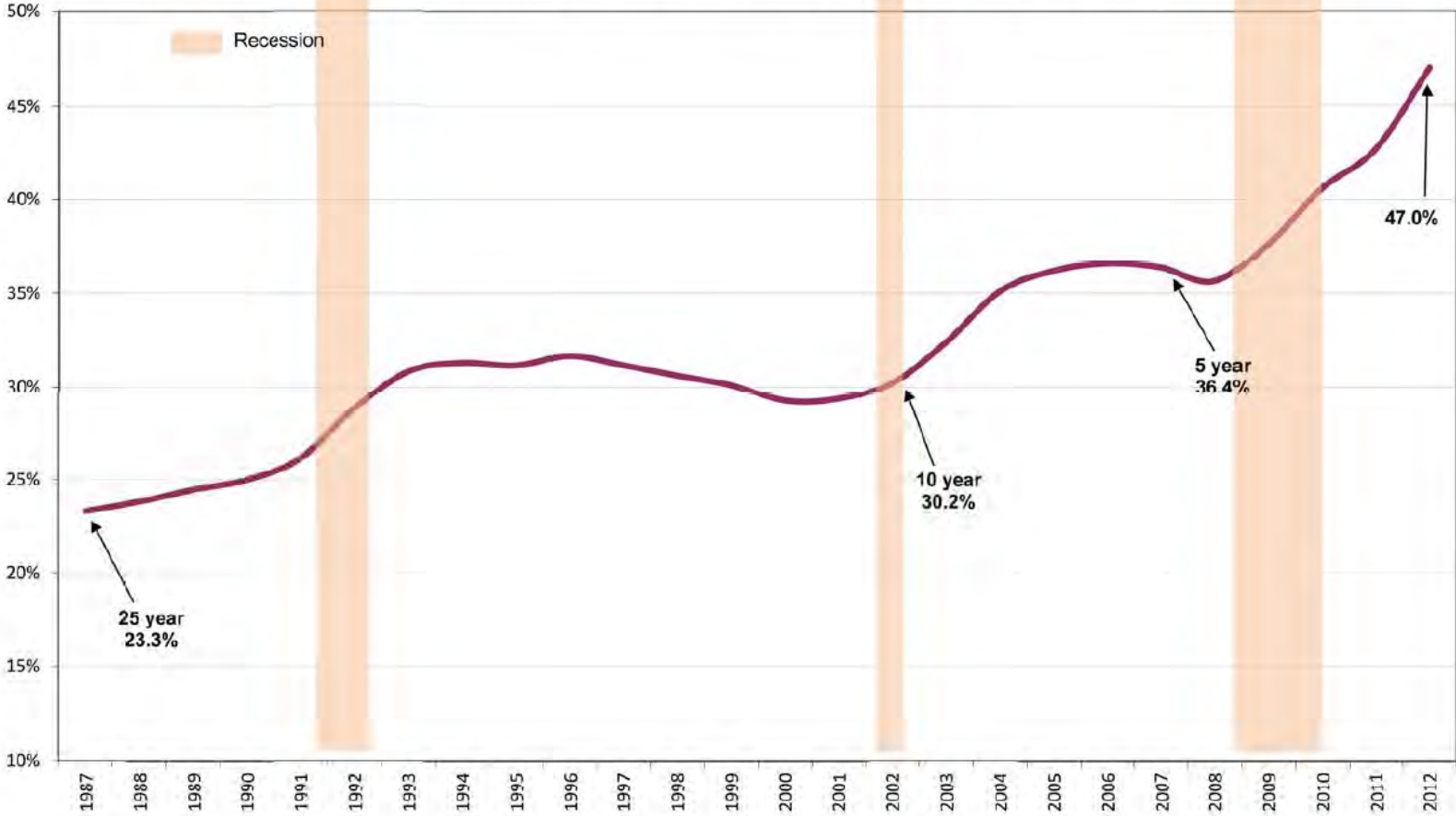
Purchasing power of Federal Pell Grant and Stafford Loan (four-year public)

Year	Maximum Pell	Maximum Stafford	Pell + Stafford	Average Tuition and Fees	P+S Tuition and Fees
2004-05	\$4,050	\$2,625	\$6,675	\$5,126	130%
2005-06	\$4,050	\$2,625	\$6,675	\$5,491	122%
2006-07	\$4,130	\$3,500	\$7,630	\$5,836	131%
2007-08	\$4,310	\$3,500	\$7,810	\$6,185	126%
2008-09	\$4,731	\$3,500	\$8,231	\$6,585	125%
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%

Net tuition as a percentage total public higher education revenue is on the rise

Figure 4

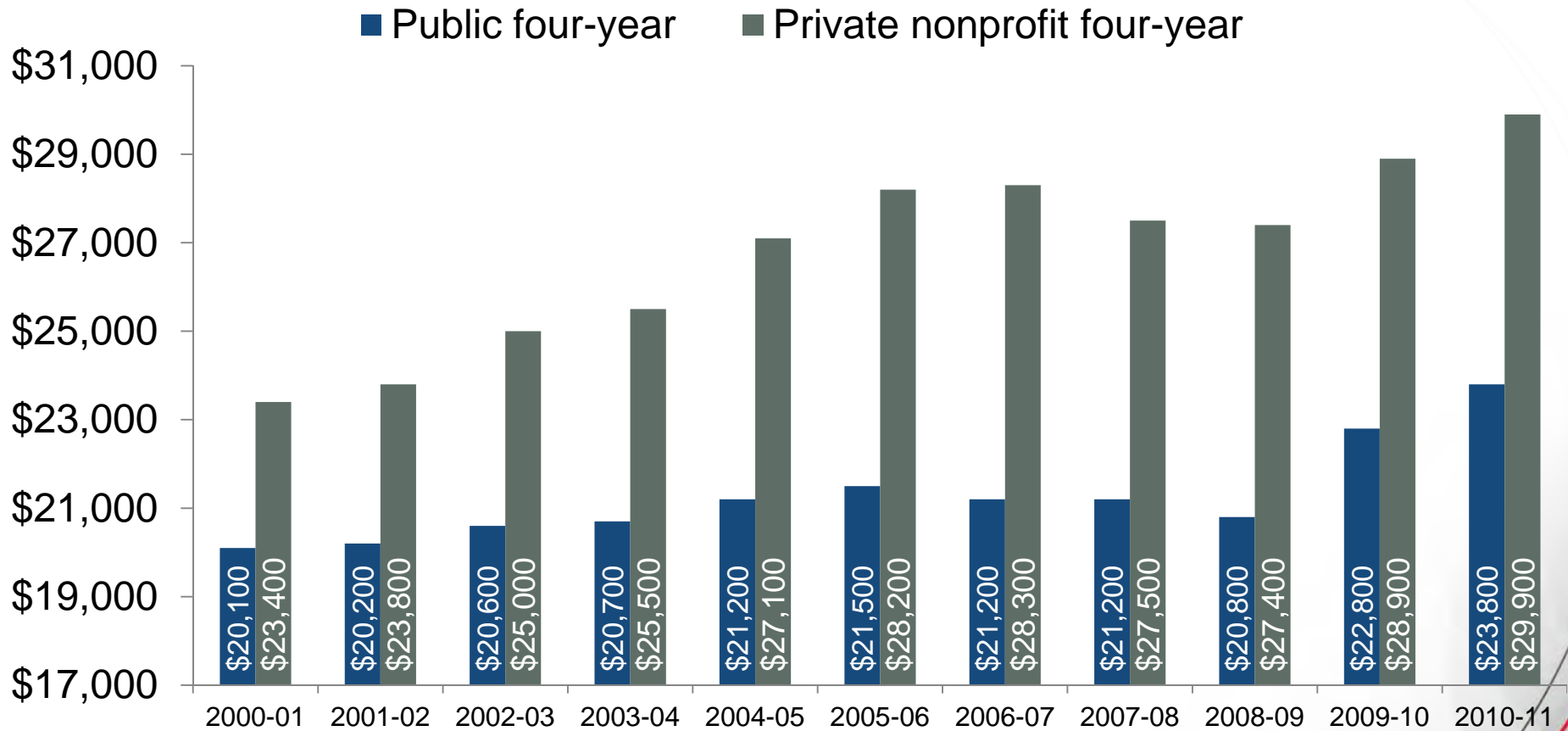
Net Tuition as a Percent of Public Higher Education Total Educational Revenue, U.S., Fiscal 1987-2012



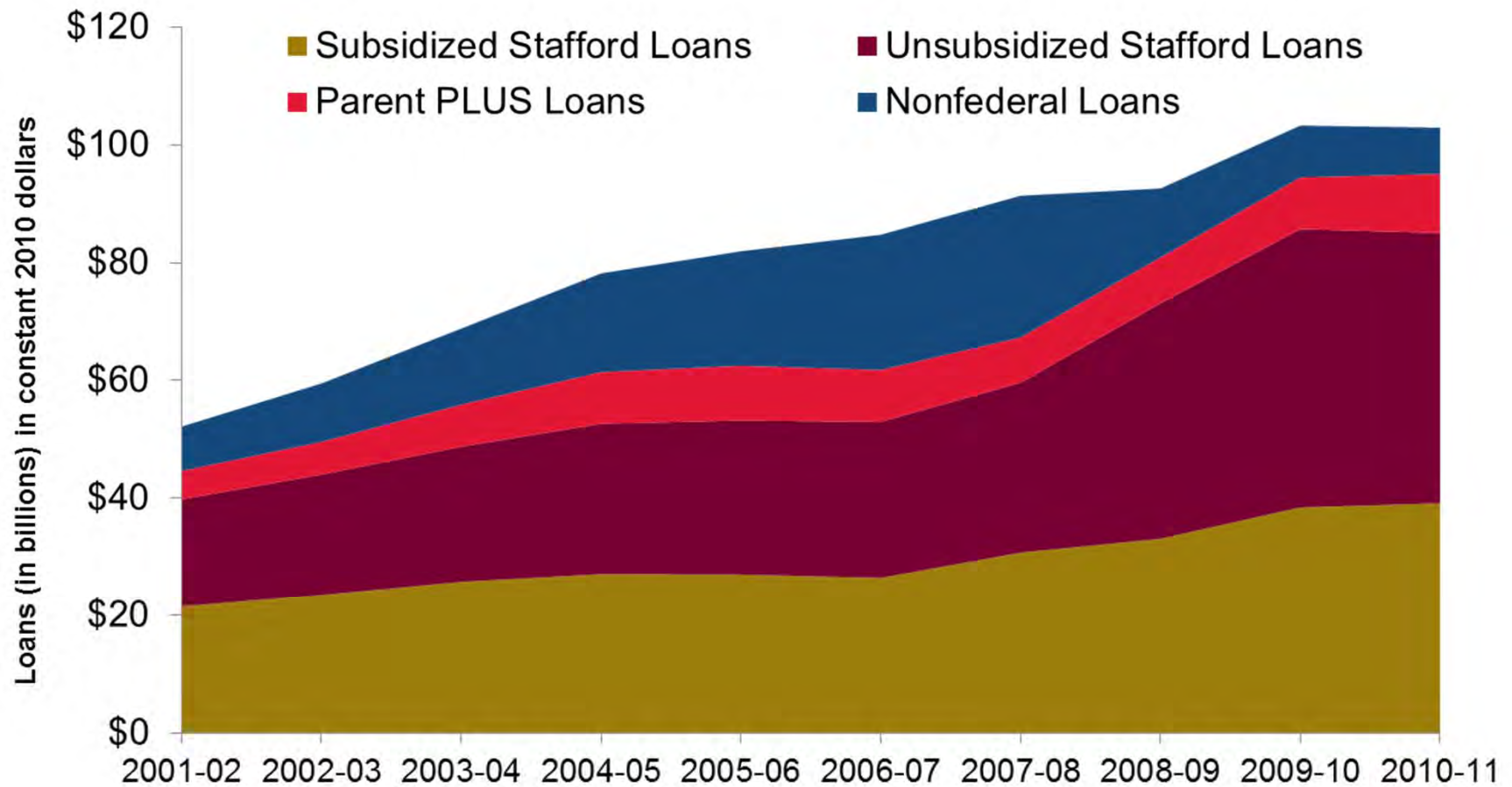
Note: Net tuition revenue used for capital debt service is included in net tuition revenue, but excluded from total educational revenue in calculating the above figures.

Source: State Higher Education Executive Officers

Average total debt levels of bachelor's degree recipients in 2011 dollars, 2000-01 to 2010-11



The source of college loans has shifted over the past decade



Trends in Student Aid, 2011. © 2011. The College Board.
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Relationship between parent reactions and parent income

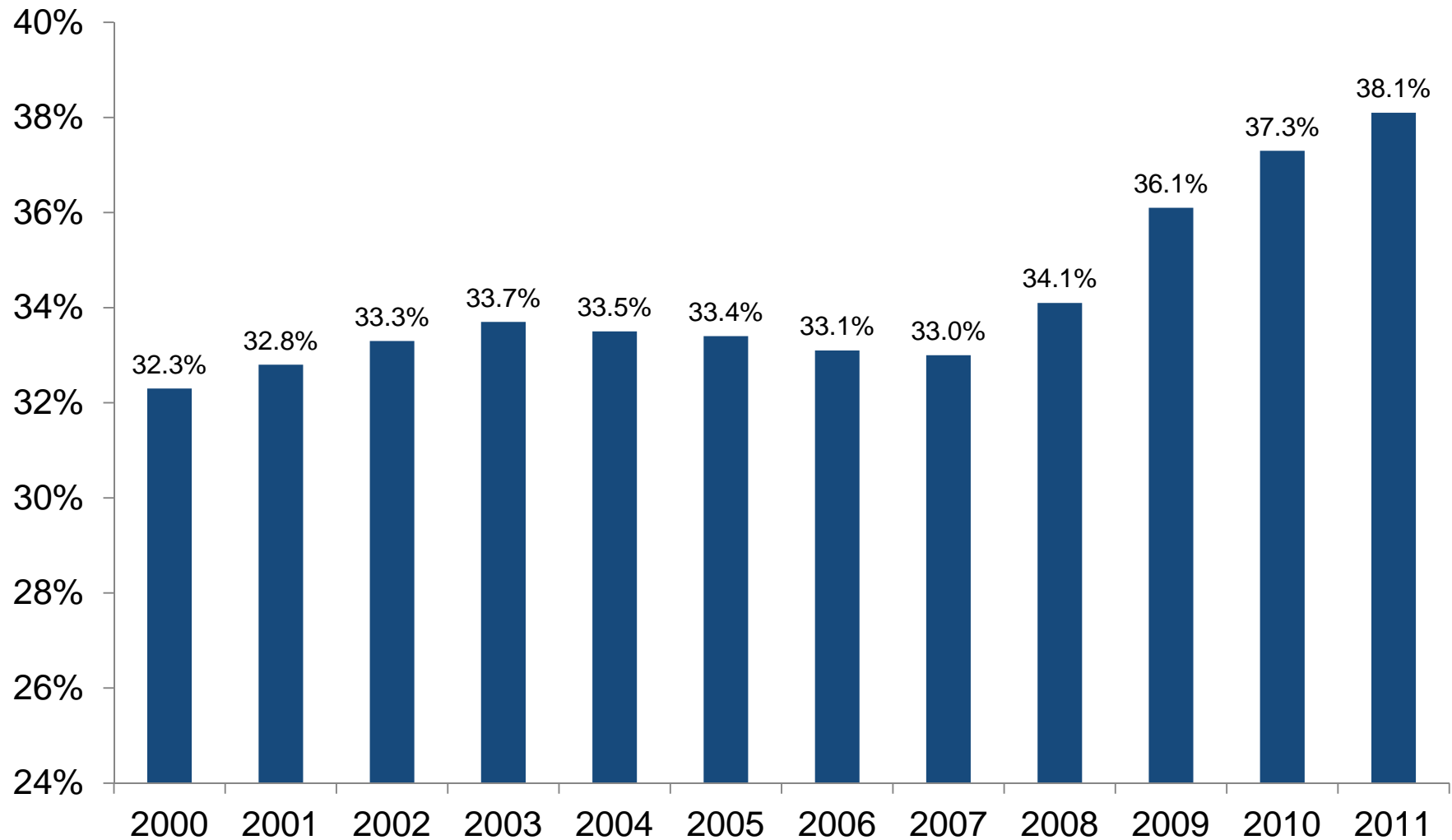
- Of those who earn at least \$7,500/month (\$90,000/year), 31 percent would be willing to borrow \$50,000 or more for their child's education
- Of those with family income up to \$3,000/month, only 11 percent would be willing to take on that level of debt
- **But those earning \$7,500/month were also more likely than those earning up to \$3,000/month to say they would take on no debt for their child's education (21 percent to 19 percent)**

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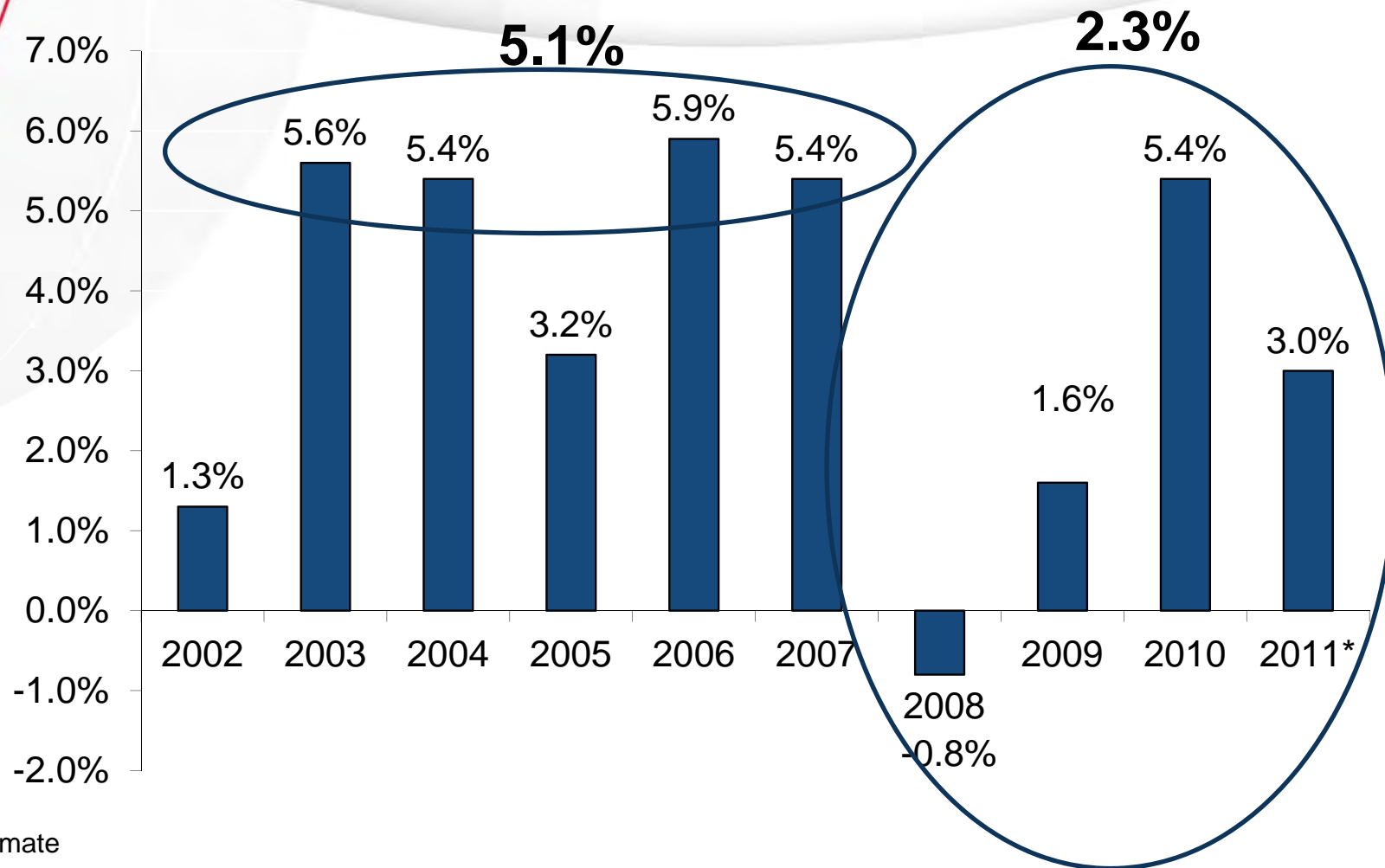
Jaschik, S. (2013) *Jobs, Value and Affirmative Action: A Survey of Parents About College*, Inside Higher Ed.

<http://www.insidehighered.com/news/survey/jobs-value-and-affirmative-action-survey-parents-about-college>

Overall discount rates in the private sector are on the rise



Average change in net tuition revenue for full-time freshmen

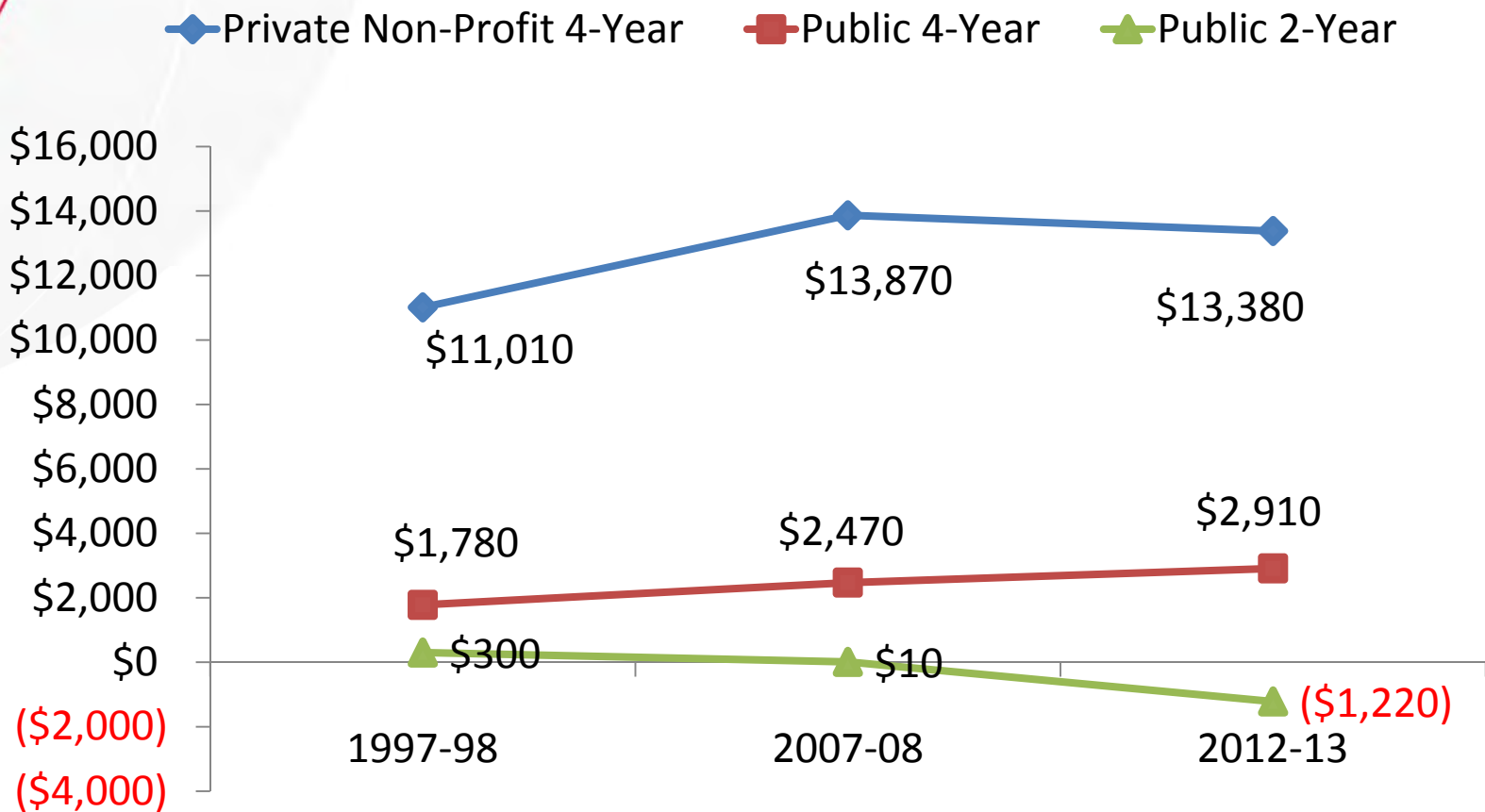


*Preliminary estimate

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Net Tuition and Fees in Constant 2012 Dollars, Full-time Undergraduate Students: 1997-98, 2007-08 and 2012-13 (estimated)



A rubric for analyzing your student markets: current state and future state (3-5 years out)

Student Market	Cost of Attendance	Institutional Gift Aid	State/ Federal Gift Aid	External Gift Aid	Net Charges
First-Year					
Transfers					
Graduate Students					
Non-Degree					

Student Market	Federal Sub loans	Federal Unsub. loans	Parent loans	Private loans	Work	Student/ Family Payment
First-Year						
Transfers						
Graduate Students						
Non-Degree						

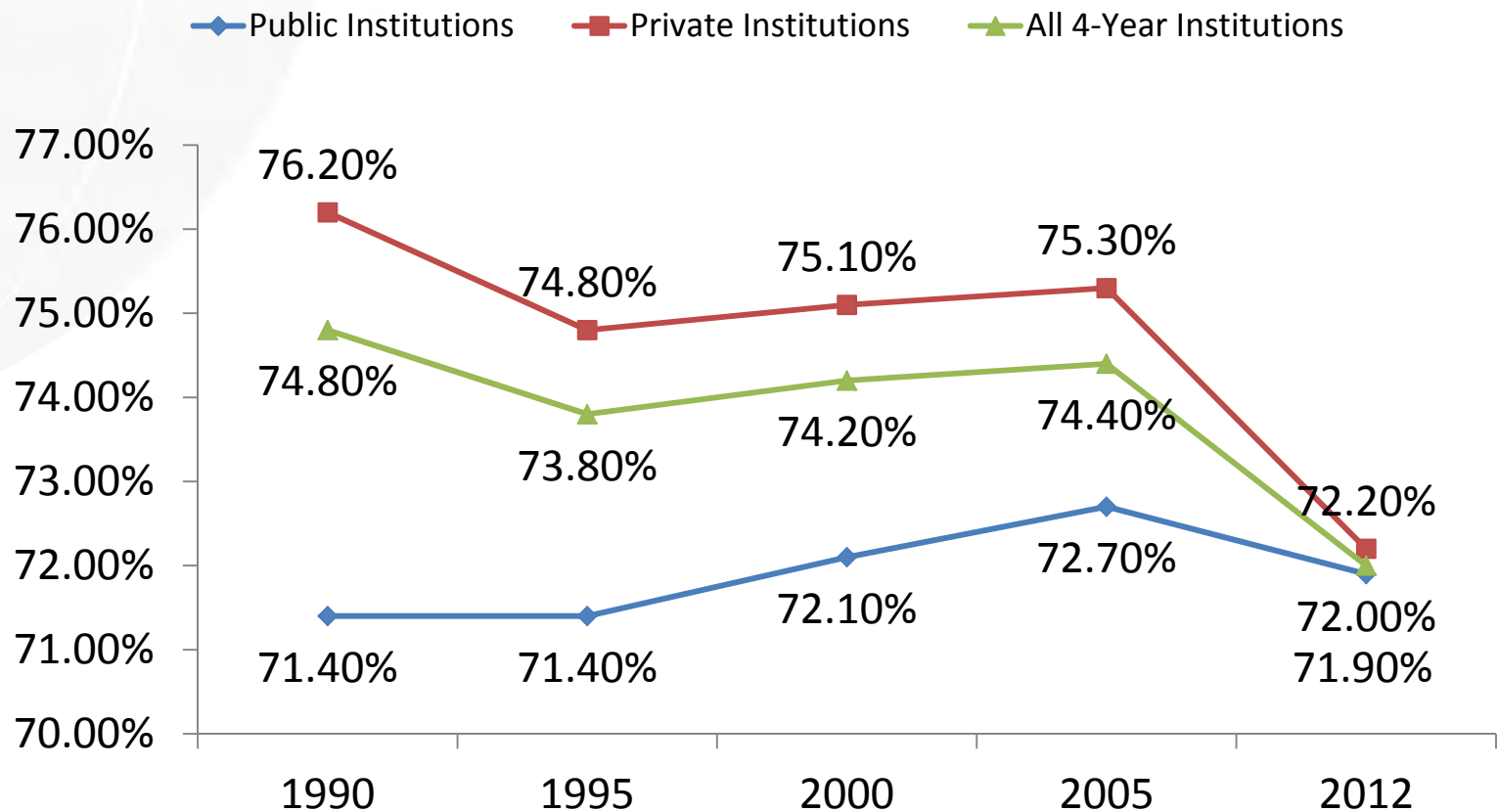
Retention and completion pressures will intensify



Why the pressure?

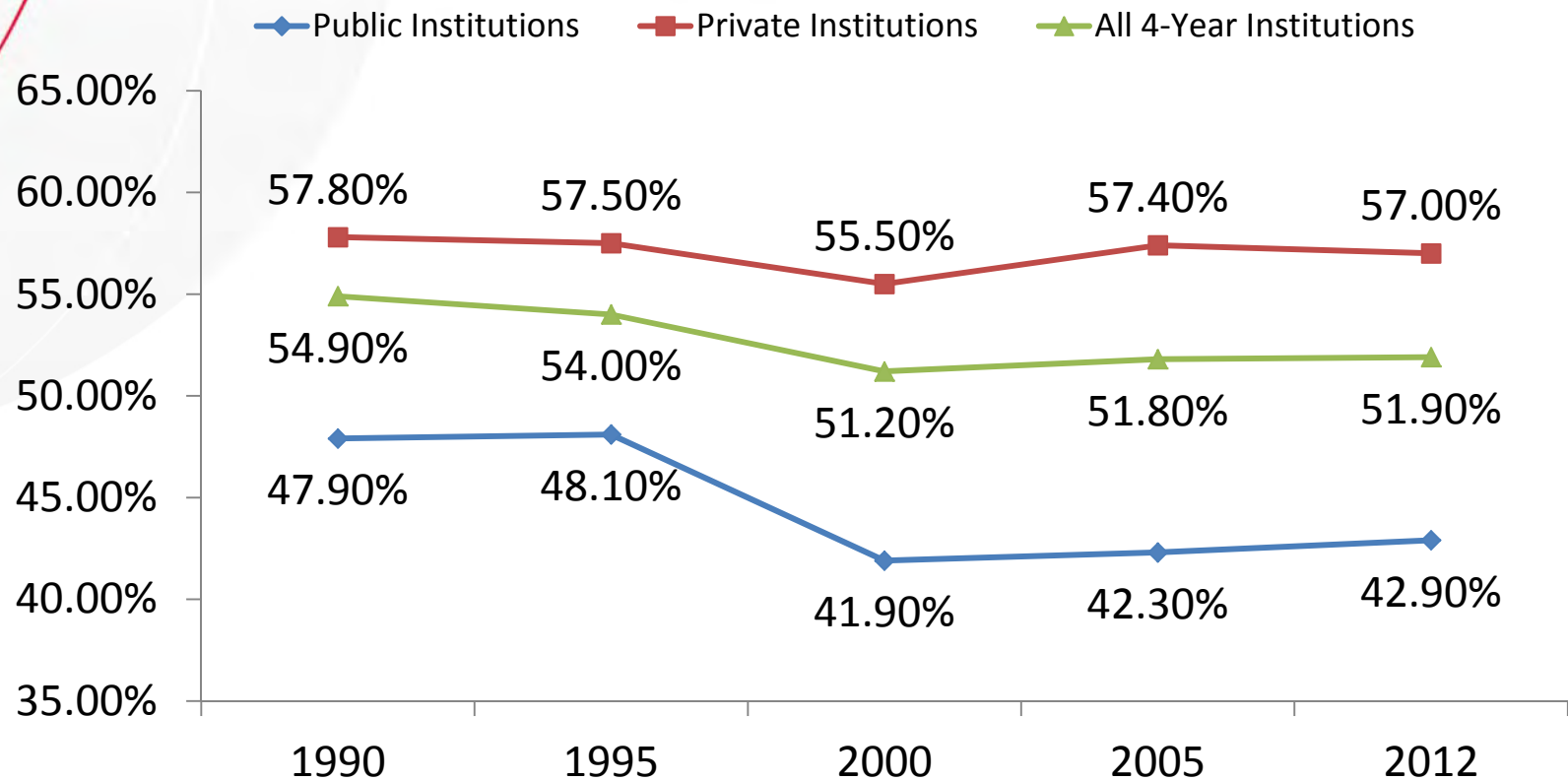
- The U.S. has slipped to **15th** in the proportion of young adults (25 to 34) who have obtained a two- or four-year college degree. Last year, the U.S. was tied for 8th.
- For all adults (age 25 to 64), the U.S. ranks **4th** at 41 percent, behind Canada, Israel, and Japan.
- In four-year degrees for young adults, the U.S. now ranks only **11th**. Last year, we ranked 7th.
- At 9 percent, the U.S. ranks **20th** (out of 33) in two-year degree attainment.

Percentage of first-year students at four-year colleges who return for a second year: 1990-2012



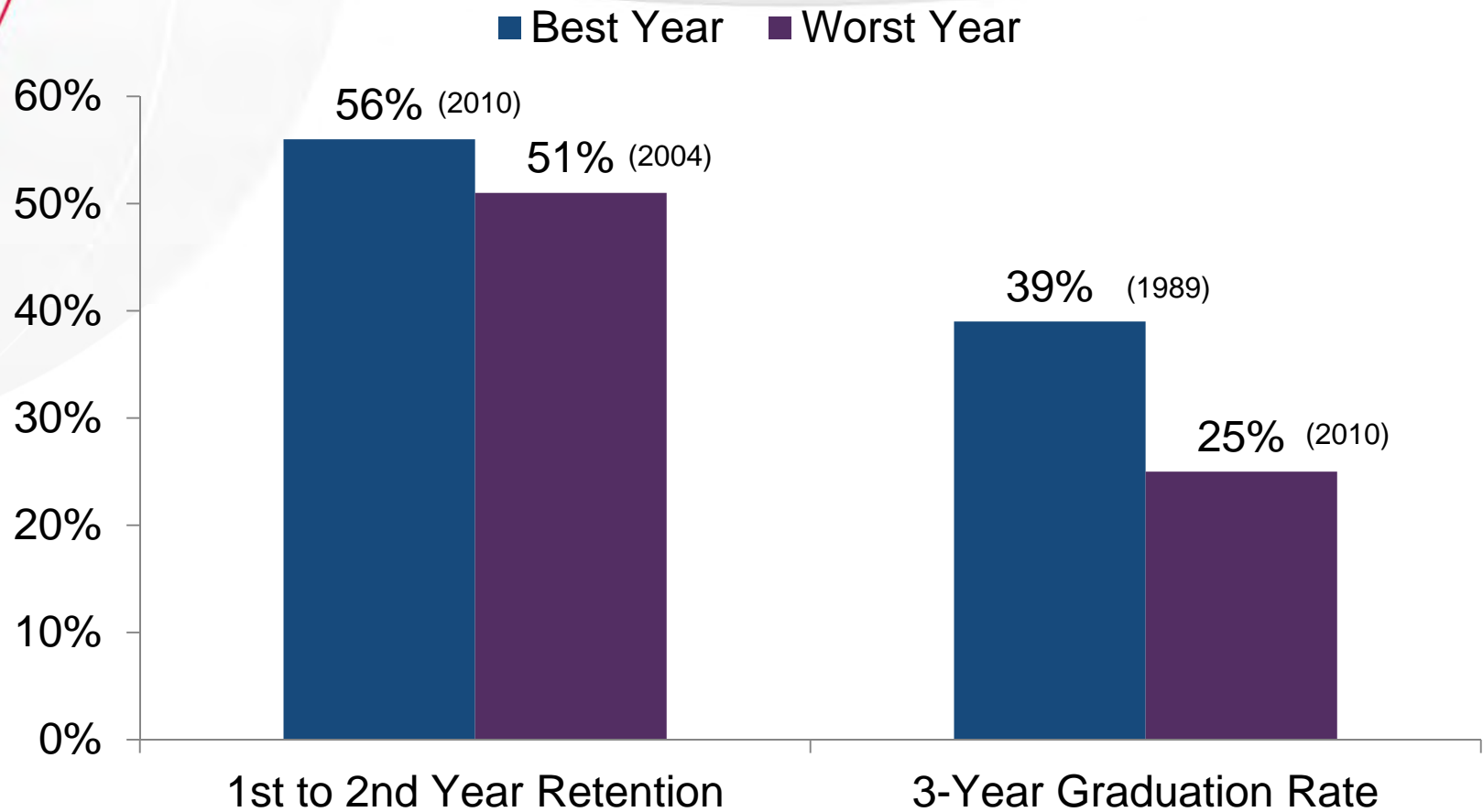
Source: ACT 2012 Retention Completion Summary Tables

Percentage of four-year college students who earn a degree within five years of entry: 1990-2012



Source: ACT 2012 Retention Completion Summary Tables

Retention and completion trends 2-year public institutions



Source: ACT 2012 Retention Completion Summary
Tables

Implications of increased pressure to improve attainment rates

- If the United States wishes to remain competitive with the rest of the world, it cannot afford to have a workforce that is significantly less educated than other developed nations
- At the state level, we are likely to see increased accountability in the form of funding mechanisms that reward institutions on the basis of course and degree completions instead of enrollment levels, which have driven these formulas in the past (e.g., TN)

Implications of increased pressure to improve attainment rates

- At an institutional level, strategic enrollment planners will be motivated by more than just state and federal calls to improve completion rates, especially if they are in markets with flat or declining demographics

Managing new learning modalities



Growth in online enrollments suggests a significant replacement factor

Total and Online Enrollment in Degree-granting Postsecondary Institutions – Fall 2002 through Fall 2011

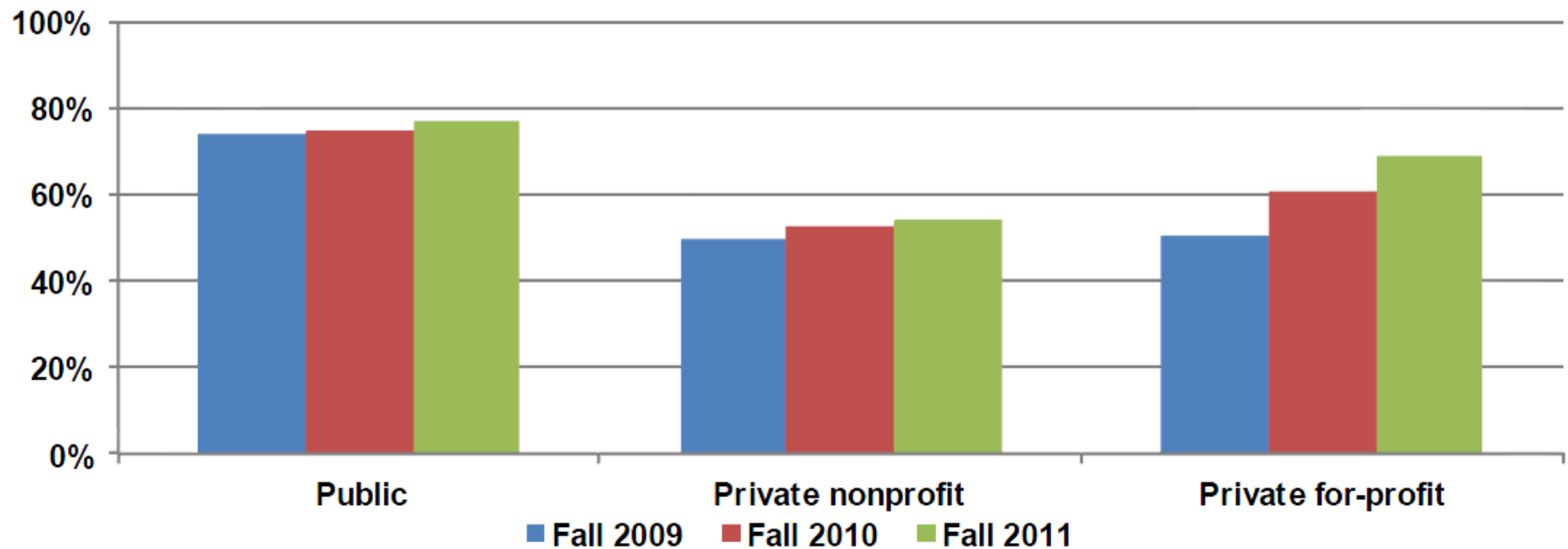
	Total Enrollment	Annual Growth Rate Total Enrollment	Students Taking at Least One Online Course	Online Enrollment Increase over Previous Year	Annual Growth Rate Online Enrollment	Online Enrollment as a Percent of Total Enrollment
Fall 2002	16,611,710	NA	1,602,970	NA	NA	9.6%
Fall 2003	16,911,481	1.8%	1,971,397	368,427	23.0%	11.7%
Fall 2004	17,272,043	2.1%	2,329,783	358,386	18.2%	13.5%
Fall 2005	17,487,481	1.2%	3,180,050	850,267	36.5%	18.2%
Fall 2006	17,758,872	1.6%	3,488,381	308,331	9.7%	19.6%
Fall 2007	18,248,133	2.8%	3,938,111	449,730	12.9%	21.6%
Fall 2008	19,102,811	4.7%	4,606,353	668,242	16.9%	24.1%
Fall 2009	20,427,711	6.9%	5,579,022	972,669	21.1%	27.3%
Fall 2010	21,016,126	2.9%	6,142,280	563,258	10.1%	29.2%
Fall 2011	20,994,113	-0.1%	6,714,792	572,512	9.3%	32.0%

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Changing Course: Ten Years of Tracking Online Education in the United States.

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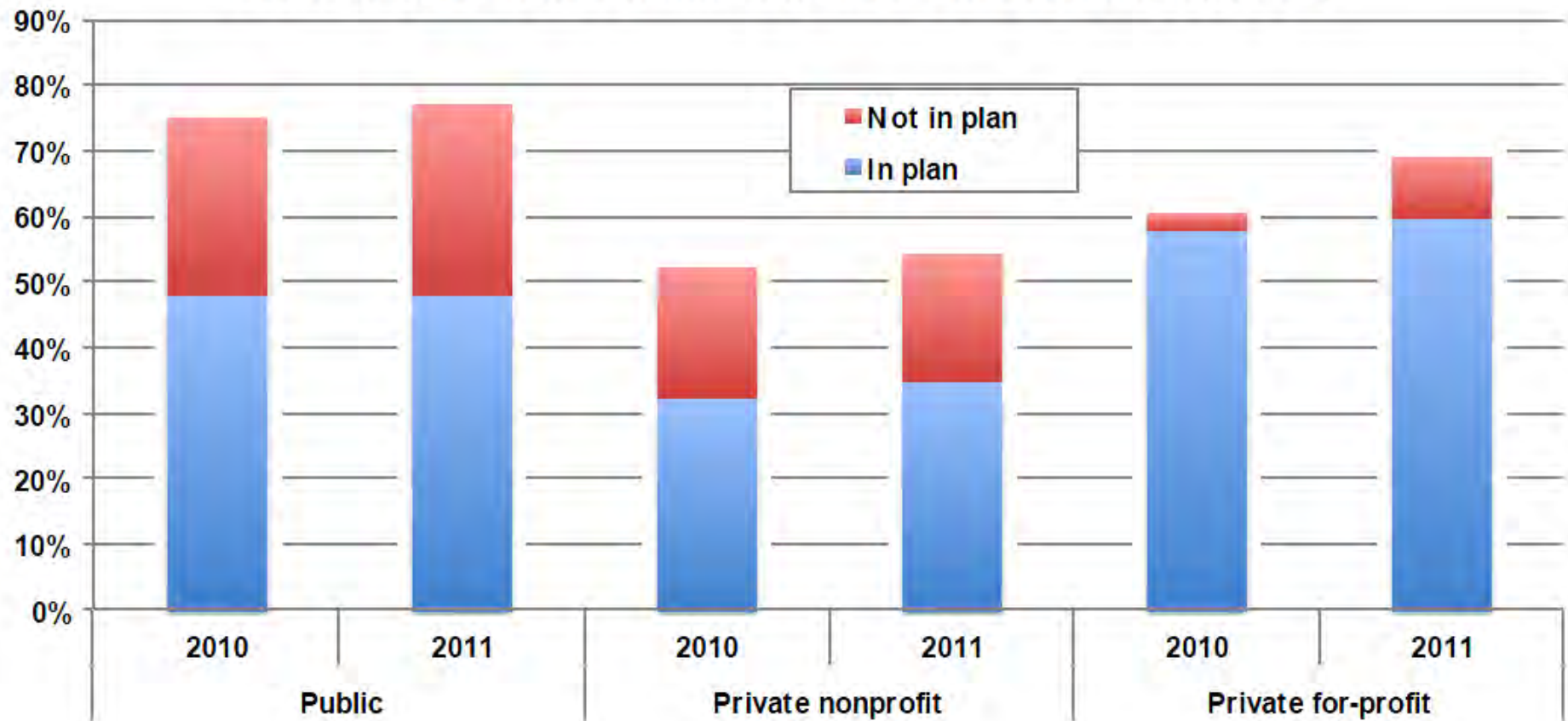
Most chief academic officers say that online education is critical to their institutional strategy

ONLINE EDUCATION IS CRITICAL TO THE LONG-TERM STRATEGY OF MY INSTITUTION BY INSTITUTIONAL CONTROL, PERCENT AGREEING – FALL 2009 TO FALL 2011



There is a disconnect between the importance of online learning and institutional planning

ONLINE EDUCATION IS CRITICAL TO THE LONG-TERM STRATEGY OF MY INSTITUTION BY INSTITUTIONAL CONTROL - FALL 2010 AND FALL 2011



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Strengths and challenges in online education

The following strengths were identified by **online learners as a whole** (in order of importance):

- Registration for online courses is convenient.
- Instructional materials are appropriate for program content.
- Billing and payment procedures are convenient for me.
- Adequate online library resources are provided.

Following, listed in order of importance, are the top challenges identified by **online learners as a whole**:

- Student assignments are clearly defined in the syllabus.
- The quality of instruction is excellent.
- Faculty are responsive to student needs.
- Tuition paid is a worthwhile investment.
- Faculty provide timely feedback about student progress.



Questions

Noel-Levitz®

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