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Goals for Enrollment and Tuition Revenue Elude Many Colleges

By Scott Carlson

As far back as January, Stevenson University's enrollment models and consultants were sending warning signals about the fall—that retention would go down, that students' family incomes were probably hurting, that the applications streaming in might not produce students in the flesh.

The signs turned out to be accurate. After its lowest-ever yield of accepted students, Stevenson missed its goals for enrollment and net tuition revenue this fall. That's a blow at a hard-charging institution, near Baltimore, that has significantly raised its enrollment and profile in the past decade. Administrators had budgeted for a decrease, but such thinking is "not part of the culture here," says Paul D. Lack, executive vice president for academic affairs. "You can get addicted to growth."

Stevenson has plenty of company. A new survey of 368 small private colleges and midsize state institutions shows that 38 percent met neither their goals for freshman enrollment nor their goals for net tuition revenue this fall. Even so, a similar share of the responding colleges met both enrollment and revenue goals, and significant minorities met one or the other—indicating that these segments of higher education are far from doomed, as some pundits have suggested.

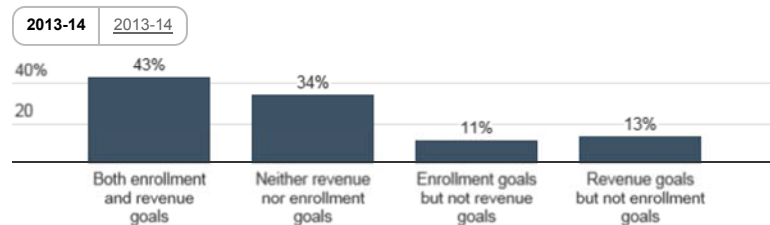
The [second annual](#) survey, conducted by *The Chronicle* in partnership with the Council of Independent Colleges and the American Association of State Colleges and Universities, shows small private colleges faring slightly worse, compared with last year. More than half of the private colleges had trouble with enrollment and/or net-tuition goals, with the smallest colleges likeliest to struggle. Meanwhile, the enrollment picture for state

colleges had improved slightly, and they had an easier time meeting their revenue goals.

Colleges Report Successes and Shortfalls in Enrollment and Revenue

Significant proportions of members of the American Association of State Colleges and Universities and of the Council of Independent Colleges did meet their goals this year for freshman enrollment and net tuition revenue. But some had lowered those goals as the year progressed.

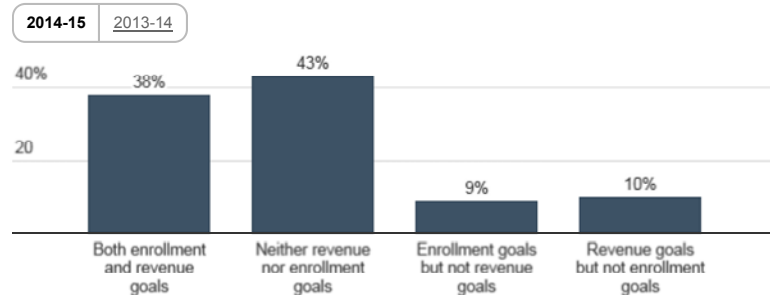
Percentage of AASCU institutions meeting:



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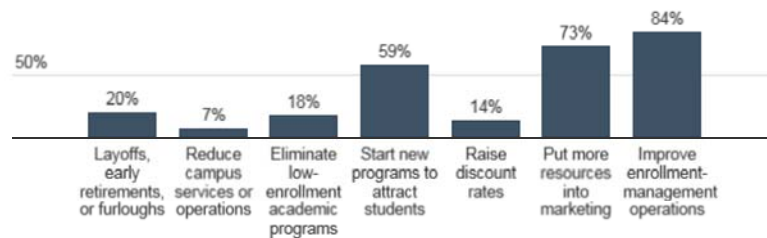
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After Shortfalls, Then What?

Among institutions that missed their goals for freshman enrollment or tuition revenue, greater proportions this year than last were planning layoffs, early retirements, or furloughs.

AASCU

2014-15 2013-14



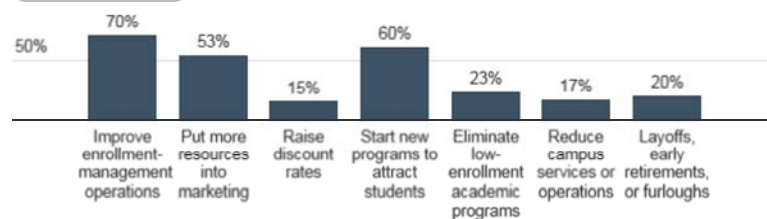
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CIC

Note: Based on information provided to *The Chronicle* from 114 members of the American Association of State Colleges and Universities and 254 members of the Council of Independent Colleges regarding their enrollment strategies for 2014-15. (The figures for 2013-14 are based on 144 members of The American Association of State Colleges and 291 members of the Council of Independent Colleges.) Some figures are for subsets of those surveyed, since not all colleges answered all questions.

2014-15 2013-14



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Each institution faces situations and challenges of its own, but experts in recruitment and admissions say the findings fit what they see. After two decades of a steady supply of high-school graduates, [projections](#) indicate [declining numbers nationally](#). Those numbers bottomed out this year, notes David A. Hawkins, director of public policy and research at the National Association for College Admission Counseling. With an improving economy, a number of colleges in the survey reported that some prospective students had gone to [work](#) instead. Other respondents sensed a [general anxiety](#) about college costs and job prospects for graduates. Those factors make for an [unpredictable enrollment picture](#) for most kinds of colleges.

"While we may settle down into new patterns, right now we are still in this phase where colleges are having a hard time figuring out what students are going to do," says Mr. Hawkins. It's not yet clear, he adds, "whether this is a sustained systemic challenge for higher education."

Despite striving for [enrollment growth](#), mere stability may be an achievement for colleges these days. "Very few are up, and among those that I know that are up, it's on the heels of a bad year last year," says John T. Lawlor, founder of the Lawlor Group, a Minneapolis-based market-research firm in the private-college sector. Most colleges "are even or down," he says, "and there are some that are way down."

The credit-rating agency Moody's and other observers of higher education have [raised concerns](#) about the viability of the smallest colleges, and the survey seemed to validate that: Smaller colleges were generally worse off. Of private colleges with fewer than 1,500 students, nearly half missed their goals for both enrollment and tuition revenue. Many of them are not well known. Among public institutions that missed their goals, most have fewer than 5,000 students and don't stand out even within their state systems.

But experts also point out that while small size can have disadvantages, strong leadership and self-awareness can make all the difference. Institutions that thrive know whom they serve; offer attractive, relevant niche programs; and market themselves well. The survey's list of colleges that had hit or exceeded their targets included many that are relatively obscure, but have some combination of those qualities.

Shallow Pools, No-Shows

This year's survey found private colleges struggling a bit more than public institutions. About one in three private colleges missed their enrollment goals by more than 5 percent, compared with one in five public institutions. More than 40 percent of private colleges didn't meet their goals for freshman enrollment or for net tuition revenue, compared with 34 percent of public colleges.

Colleges that missed their goals reported where they saw the biggest drop-off in interest: at the inquiry, application, deposit, or enrollment stage. Among public colleges, 31 percent saw fewer applicants and 60 percent saw students fail to enroll. Private colleges reported applicants' disappearing when it was time to pay a deposit.

Participants in the survey were promised anonymity, but some elected to be contacted to discuss their experiences. One is Albion

College, which didn't hit its goals and hasn't in some years. Mauri A. Ditzler, Albion's president for a few months, says that enrollment is up 4 percent over last year, but that the 1,300-student college needs stronger growth as it reaches for 1,600. "We would have liked to be up 10 percent," he says. "I suspect that there are a lot of people out there who said they met their goals but in fact didn't."

Recruitment in rural Michigan has been tough. In the past, says Mr. Ditzler, "we threw out a blanket recruiting statement and imagined that every name that we could get ahold of was a good prospect for Albion College, and in fact that is not the case."

At Jacksonville State University, in Alabama, stable enrollment came as a disappointment. "We were hoping for an increase, and we anticipated it, but we did not experience it," says Rebecca O. Turner, the provost. Like other administrators, she worried that enrollment was affected by students' ability to pay.

At Jacksonville State, where students are primarily from low-income backgrounds and the first in their families to go to college, tuition is just one burden. Rent, food, books, gas, and other costs have outpaced tuition, which the university has held steady for the past few years, says Ms. Turner. But financial aid can't cover it all. She sees students working two jobs while deferring classes, or dropping in and out, or "swirling" from one institution to another.

Some colleges in the survey commented on their situations generally, offering splashes of color amid the columns of numbers. A public college in the West said it faced steep challenges in demographics and competition from other state institutions and resorted to "brute-force tactics" in marketing and recruitment. It met its goals for enrollment and tuition revenue, but only after revising them down.

In the survey, 16 percent of private colleges and 10 percent of public institutions revised their goals downward once, and about 10 percent of the former and 8 percent of the latter did so more than once.

Some respondents couldn't hit their targets even after lowering them. One private college in the Midwest missed its goals for both

enrollment and tuition by more than 5 percent after revising them downward more than once. "Tiny raises," an administrator at the college commented, were an "unfortunate result."

Other situations presented bad news and good. A private college in the Northeast missed both goals but had a very low discount rate, 21 percent. "We are actually somewhat better off than most of our local colleagues," an administrator wrote. "Demographics in the NE are brutal."

Discount rates—the average share of tuition covered by institutional aid—have reached [all-time highs](#) of 45 percent, on average, in recent years. That's a source of anxiety for colleges, leading some to [slash](#) their sticker prices to a figure closer to what students are actually paying.

Yet the survey showed that discount rates would probably climb: A quarter of public colleges and nearly half of private colleges reported raising their discount rates, a few of them by more than 10 percent.

Beyond 'One-Hit Wonder'

More than a few institutions had good years—38 percent of private colleges and 43 percent of public ones met or exceeded their goals for freshman enrollment and tuition revenue. And successes came in parts of the country that one might not have expected.

Baldwin Wallace University, in suburban Cleveland, had record enrollment last year and raised its goal for freshmen to 730 this year. It fell short by only about 10, bringing in the class with a lower discount rate than administrators had expected, close to 40 percent.

Still, price was a key issue, particularly for the university's top-ranked music program, says Stephen D. Stahl, the provost: "We lost some people who went to places that were less well esteemed but less expensive." The college recruits heavily from northeast Ohio and wants to expand its reach. It has been able to sell itself on its personal touch, he says. "If we can get students to campus, they will experience a sense of community, and if we are at all the sort of place they're looking for, we do very, very well."

Elsewhere, success was tempered by past shortfalls. Mount Ida College—an institution of 1,320 students in competitive, demographically challenged Massachusetts—saw a 20-percent increase in freshmen this fall, exceeding both enrollment and net-tuition goals. But in years prior, the college had weak enrollment.

Along with a new president in 2012, Mount Ida revamped its admissions strategy, focusing on students who are a good fit for the college both academically and financially, says Ronald Akie, the provost. It also added admissions staff, renovated several buildings, emphasized career outcomes, and added programs, particularly to its School of Design.

Mr. Akie is optimistic but cautious. "You can be a one-hit wonder and see it fall apart the next year," he says. "Our hope is that by staying focused and not diluting our efforts and getting sidetracked, we'll be able to continue the enrollment growth."

‘More Self-Aware’

For colleges that missed their goals, the survey asked how they might decide to respond. Twenty percent of both public and private colleges said they would lay off employees; similar proportions planned to discontinue programs with low enrollment. Around 60 percent of both public and private institutions, meanwhile, said they would start new academic programs. Both strategies, observers noted after similar numbers in last year's survey, are [unlikely to produce](#) fast results.

This year public colleges in particular stretched outside their traditional geographical boundaries to find students: One in four of them enrolled 5 to 10 percent more out-of-state and international students, and one in eight increased that proportion by more than 10 percent.

Most of the respondents, like last year, said they would put more emphasis on improving enrollment-management operations. In this unpredictable environment, observers say, many colleges have come to see their enrollment officers as [rainmakers, or even miracle workers](#).

At the annual meeting of the National Association for College Admission Counseling this fall, Mr. Hawkins "heard the word

'scapegoat' a lot," he says. "I tended to hear real concerns among those who worked at institutions where the administration has a philosophy of 'ever upwards'—that in order to survive, there has to be more of everything": inquiries, visits, applications, and students.

But the group's research director also heard encouraging stories from administrators who said their institutions were refocusing their energies on their best programs, planning budgets that could absorb declines, and including everyone on campus in solving enrollment challenges.

"That just seemed to be a little more self-aware," says Mr. Hawkins, "as opposed to these institutions that are driven by growth and prestige."

At Stevenson, administrators are regrouping, says Mr. Lack, the executive vice president for academic affairs. Because the college anticipated a decline, he says, its finances "have not been shaken to the roots."


The enrollment manager is sticking around, working with other administrators to rebound from the tough year, Mr. Lack adds. "Enrollment is everyone's responsibility here."


Stevenson has strengths, like its location near a major East Coast city and longtime focus on students' careers. This fall the university is putting more resources into campus visits, which tend to lead students to enroll.

No college should be a victim of demographic declines, or the economy, or the national conversation about the [value of a degree](#), says Mr. Lack. "We have control over our own fate, and we are determined to do well in the future."

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