

White Paper



Charting a Course

Finding Direction Amidst the Swell of Data on Student Recruiting

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SUBJECT HIGHLIGHTS:

More often than not, decision making is paralyzed by too much data, not too little. Rather than suffering from a paucity of information, we are overwhelmed with it. What we lack is the ability to separate the meaningful from the minutiae. This paper was written to help provide a bit of direction and insight so that you may have a clearer sense of the recruiting data that are important...and the data that are not.

Introduction

Facts and figures. Percentages and ratios. Students saying this. Reports predicting that. Births declining. Populations shifting. We're hip-deep in studies, papers, workshops, and symposia. What's missing, however, is perspective—a clear sense of what all this data means, how it fits together, and how it can be used to chart a clear course for student recruiting. The purpose of this article is to provide a little of that perspective. Balancing data and experience, we will offer insight and direction that might help you more carefully navigate today's tough marketplace.

Of course, a brief caveat is in order. Like Biology 101, this discussion is intended to provide a broad framework or overview. It is incumbent upon the reader to add regional and institutional vagaries, variations, and detail to this national perspective so that this framework becomes more meaningful.


Student Recruiting

Who's going to college

First, the good news: the number of students attending college continues to grow. Drawing on data from the *Digest of Education Statistics*, we know that from 1985 to 1995 the number of enrolled students has risen 16 percent. Furthermore, demographers expect this number will continue to increase, with a projected 20 percent gain in overall students from 1995 to 2007. Unfortunately, there is other news that also must be entertained. While the number of students in the system will continue to grow, the number of freshmen decreased five percent from 1985 to 1995. There is little reason to believe, at least at the national level, that there will be significant increases in freshmen for the foreseeable future.

We also know that the students of tomorrow will be radically different than students currently bound for or attending college. For example, tomorrow's students are much more likely to be of color. Based on census data, Hispanics and Asians will be the fastest growing ethnic populations in the U.S. over the next 50 years. There will be some increase in the number of African-Americans and a slight increase in the number of Native Americans. During the same period, there will be almost no growth in the number of Caucasians in the U.S.

Additionally, we know that tomorrow's students are likely to be older. From 1985 to 1995, the number of students under the age of 25 increased by 13 percent. During the same period, the number of students over the age of 25 increased by 22 percent. While not necessarily graying, there is little doubt that our student populations are at least aging and that this aging will continue.



Colleges and universities are often overly concerned about and distracted by demography. "Is Demography Destiny?", published in the *Journal of College Admissions*, cited a dozen variables that will impact enrollment as much or more than the number of students in the marketplace. While the impact of demography should never be discounted, it is sometimes too easy to use it as a crutch to explain failed or ill-conceived recruiting efforts.

Next, we know that students are less likely to attend school full-time while in college and that they will be working more hours. Data from the U.S. Department of Commerce, for example, noted that slightly more than 50 percent of all college students work while attending school and that a significant number of students are working more than 20 hours per week. Many are working nearly full-time.

And finally, we know that tomorrow's students will be less likely to live in residence halls. The rise in part-time students, the need for students to work, and the decline in residence hall population will have a significant impact on class scheduling and traditional definitions of campus life. It is expected, too, that these changes will have a negative impact on annual-fund participation because tomorrow's students are less likely to bond with their institution.



If you depend on white, residential, full-time students, and full- or full-pay students, you are going after the most sought-after cohort in higher education.

While there are some regional boomlets here and there, at the national level there is virtually no growth in this group. If you want to increase your share, you must be prepared to go head-to-head with your competition. Growth in your student pools will come at the expense of other institutions.

Based on studies by Astin, Sevier, and others, we also know that today's...and tomorrow's...college students:

- Will continue to be involved with drugs and alcohol on campus, and drugs and alcohol will be at the root of the campus crime problem
- Will likely come from single-parent households
- Will have difficulty persisting, especially during the transition from freshman to sophomore
- Are much more likely to transfer before finishing their program of study
- Will take longer to graduate

Why students go to college

While there are many motivations for going to college, two are paramount: money and opportunity. Today's students, and more so the students of tomorrow, are keenly interested in good jobs and careers, and in graduate schools and programs that lead to good jobs and careers.



The colleges and universities that are most able to show how their programs of study consistently translate into jobs and graduate school will have a leg up on their


competitors. Surprisingly, often the colleges with the best track record demonstrating these characteristics are community colleges and regional publics.

While some students may be attracted to college for learning's sake, the number of students who are truly motivated by the liberal arts continues to decline. As noted in *Intentions and Perceptions: A National Survey of Public Attitudes Toward Liberal Arts Education*, the liberal arts are not dead, but they are increasingly misunderstood and even ignored by students, parents, and the job market. This finding is particularly problematic because

so many colleges and universities describe themselves, at least on one level, as “liberal arts.” Unfortunately, this is a message that, while attractive to faculty and academic deans, is of little interest to prospective students.

Influencers

One of the most interesting questions facing colleges and universities is who most influences prospective students. Thankfully, there is a great deal of research directed at answering this question. We know, for instance, that traditional prospective students continue to be heavily influenced by parents and peers. At the same time, they are somewhat less influenced by high school guidance counselors.



Many parents are deeply committed to higher education. A recent Sallie Mae study noted that 84 percent of parents said a college education was indispensable to their child's *financial* well-being. Another 82 percent said a college education was indispensable to their child's *personal* well-being. And 92 percent agreed with the statement, “Even with what it costs today, college is still a good investment.”

Parents continue to be the major influencers, and while they seldom select a particular college or university, they do have a tendency to help prospective students define the original list. We call this process “agenda setting.” In other words, parents often help their sons and daughters assemble basic lists from which the students choose a particular college or university.

As you think about parents, remember that many are notoriously inaccurate when it comes to assessing costs. In a recent Sallie Mae study, 42 percent of parents overestimate and 41 percent of parents underestimate the cost of attending a public institution. At the same time, 31 percent of parents overestimate and 49 percent of parents underestimate the cost of attending a private institution.

Student peers also play an important role in the college-choice process, though their influence is often far more subtle. For example, high school students, especially those planning to attend a four-year public, are very reluctant to attend a college or university that their peers might laugh at or respond to negatively. This group is very label conscious.

Prospective students tell us that high school guidance counselors are playing a declining role in the college-choice process. It is important to note, though, that students often use the resources in the guidance counselor's office even if they do not turn to the individual guidance counselor. There is also strong evidence that high school coaches and club advisors continue to be influencers. With this in mind, we suggest that the range of contacts at high schools be increased beyond the high school guidance counselor. Furthermore, even as some colleges and universities are backing away from high school visits, we believe that high schools are still an important source of contact.

College-choice variables

While there are potentially dozens and dozens of college-choice variables that students consider when evaluating colleges and universities, we know, based on the Annual Stamats National College-Choice Survey, that traditional-age students are most interested in the following:

- Availability of specific majors
- Academic reputation and quality, with a heavy emphasis on access
- Availability of scholarships
- Cost to attend after financial aid
- Safety
- Outcomes and jobs
- Quality of academic teaching facilities
- Friendliness of the campus
- Student/faculty ratio

It is almost impossible to overstate the impact these characteristics have on the college-choice process. Colleges and universities must consistently, convincingly, and artfully communicate information on these variables throughout their funnel and in larger image-enhancement strategies.

Before we leave this issue, two important twists are worth noting:

- Commuter and adult students are also keenly interested in issues of convenience
- Students interested in a profoundly Christian college would place a college's spiritual emphasis high on the list of college-choice characteristics

The impact of cost and the role of financial aid

There is no shortage of research on how college cost (both real and perceived) and financial aid impact college choice. What is more difficult, however, is a clear sense of what this research means.

There is one body of research, for example, that indicates that college cost is the dominant college-choice variable. While this research is widely heralded, we suggest that it is flawed. We believe, based on a three-year longitudinal study, that college choice, especially for traditional, residential students, is actually a two-step process. First, students and families establish a cohort, or agenda, of possibilities increasingly based on cost. Students then choose from that cohort based on other variables such as particular major, location, and "fit."

There is another issue lurking in the background: willingness to pay versus ability to pay. As costs increase, we are finding that more and more students and families simply do not have the resources to cover tuition. One consequence is predictable: Students are opting for less expensive institutions. Consider, for example, that while total enrollment continues to increase, enrollment at private residential institutions has leveled off, and among some types of colleges, declined. While assessing the full impact of cost and financial aid on decision making will always be difficult, we do know the following with some degree of certainty:

- The tuition gap between publics and privates will continue to expand
- Generally, by the time a student is a senior, the average family has saved about 1/10 of four years' worth of tuition for a typical private or 1/3 of four years' worth of tuition for a typical public
- The average family has saved about \$5,500 for college, but 80 percent of families have saved far less. Some 20 percent have saved over \$20,000
- The cost of attending a typical public each year accounts for about 15 percent of the average family's household income. Attending an average private for one year, however, accounts for a whopping 42-45 percent of a typical family's yearly household income
- Some 78 percent of first-year college students receive financial aid, and the average aid package is \$3,259 for students attending a public and \$9,699 for students attending a private

- According to the College Board, the average aid package is some 60 percent loans
- Each year, fewer families with household incomes above \$100,000 send their sons and daughters to private colleges

To sum: Higher costs will have the greatest impact on private residential institutions and less impact on public commuter colleges.

One final point about financial aid: the issue of college loans and graduate debt. According to *USA Today*, some 34 percent of students graduated with an average debt of \$2,000 in 1977. In 1995, the percentage of students with debt had increased to 59.1 with an average debt of \$10,150. For students attending a public, the debt was \$6,360. For students attending a private the amount was \$16,651.

We also know that graduate debt load has a significant impact on such issues as:

- Choice of major: Students are more likely to opt for majors with higher salaries
- Time to degree: Students will take longer to graduate as they work more while attending school
- Graduation rates: Students who opt to work while going to school sometimes decide that going to school is just too much trouble
- Relationship of the alumni to the institution: Alumni often believe that while they are paying off their loans they are somehow still paying the college. They are less likely to participate in the annual fund
- Decision to return to graduate school or enter or stay in the job market: Students with debt will likely keep working upon graduation rather than return to graduate school and run the risk of incurring more debt

In almost all cases, graduate debt has a negative and sometimes deeply troubling impact on the life of young graduates.

Colleges and universities respond to cost

While colleges and universities largely ignore the cost issue, they can help address the impact of cost during the college-choice process by adapting one or more of the following strategies. First, they can commit additional

resources to financial aid. Either from gifts, endowment, or tuition discounting, institutions often seek to blunt the impact of high cost by increasing both loan and nonloan aid.

Second, they can leverage their existing financial aid. This is a fairly popular short-term strategy, though there is some evidence that its impact will be lessened as competing institutions all leverage their aid packages. Note, too, that financial aid leveraging raises significant moral questions.

Third, rather than focusing on the cost side of the balance sheet, some institutions are enhancing the perception and reality of benefits and, by extension, value. These institutions are stressing measurable outcomes: jobs, salaries, and other high motivators.

Fourth, some institutions are working to shorten time to degree, thereby reducing the overall cost of education and allowing students to enter into the job market earlier.

In addition, some institutions are experimenting with prepaid tuition plans. There is no small irony here. Historically, the marketing innovators have been the private institutions. But much of the prepayment fervor has come from the publics and is only now being embraced by the privates. We learned, for example, that one prepaid tuition plan just surpassed \$1 million. While this amount may appear relatively insignificant in the larger scheme of things, it is worth mentioning that only 40 families were participating.

And finally, some institutions are actively trying to reduce not only the rate of increase but actual tuition cost as well. Institutions such as Monmouth (IL), North Carolina Wesleyan, and Muskingum have lowered tuition. While this strategy has enhanced enrollment over the short term, there is not enough data and history to know whether this strategy will positively impact the institution over the long term. Keep in mind, too, that institutions that adopt these strategies may anticipate raising tuition fairly aggressively after enrollment is stabilized.


Trends in student recruiting

Over the past few years, we have seen colleges and universities unleash an amazing array of strategies in an effort to recruit students more effectively and efficiently. And while some strategies seem to leave the scene as

quickly as they arrive, we know that others—some well used and others relatively new—have had a significant impact on student recruiting. In particular, we note that colleges and universities have enjoyed tremendous success using one or more of the following:

- Segmenting of target markets
- Prospect profiling
- Telemarketing as part of both profiling and yield strategies
- Interactive media
- Enhancing the role of the campus visit
- Alumni recruiting

While some of these strategies are relatively straightforward, segmentation, prospect profiling, interactive media, and alumni recruiting require a bit of explanation.



Various studies tell us that up to one in three students either doesn't have a major when he/she begins college or will likely change his/her mind. Recognizing this reality, colleges and universities must remember to segment search and follow-up strategies to meet the needs of these students. For example, you might remind students—and nervous parents—about all the wonderful resources your institution has to help them choose a major.

Segmenting

One of the more recent recruiting trends is a basic segmenting strategy that allows you to develop customized search, communication, and even financial aid strategies for smaller subsets of a larger prospect pool. For example, rather than treating all students to the same search letter, institutions use different letters with different messages for students interested in different majors. Other institutions have developed special segmenting strategies for honor students, affluent students, women, students of color, or other desired populations.

All successful segmenting strategies are founded on solid research. Research is first used to identify potential segments and then to isolate the institutional benefits that each segment values most. In addition, research is used to test and customize message strategies. And finally, research is used to evaluate whether or not the message strategies and appeals are working.

What is most surprising about segmenting is not whether it works but why so few colleges and universities use it. It is not unreasonable to expect that a sound segmenting strategy will significantly impact both the quantity and quality of your search and follow-up response rates.

Prospect profiling

Another emerging trend in student recruiting is prospect profiling. Prospect profiling involves targeting students who are more likely to persist or who fulfill some other institutional need. Institutions then spend more time and money on converting these students.

Most prospect-profiling strategies involve a number of discrete and sequential steps. First, a profile of a highly desirable student is created. For example, a college or university may be particularly interested in students with a specific test score range, students who hail from a given geography, or students who are able to pay larger portions of the tuition.

Second, using geodemography, psychographics, or some sort of profiling matrix, potential students are evaluated, or graded, in light of how closely they fit the profile.

Third, different message strategies are developed. Students who most closely fit a specific profile typically will receive more personal, customized, and by extension, expensive communication. On the other hand, students who fit the profile less closely might receive a communication flow that is less customized, more mass in content and tone, and less expensive.

As part of their prospect profiling strategy, many colleges and universities are using in-house and outsourced telemarketing to rank or grade both prospects and, at a later date, inquirers. A student who responds, "Yes, I am interested," when queried will almost always be moved into a more personal message flow.

An effective prospect-profiling system can save enormous amounts of money and time because it allows you to weed out, at the earliest possible time, students who are not interested in your institution or who do not fit your profile. As a consequence, you can more readily focus resources on students who are more attractive or more likely to persist.

The Web

One of the more popular, yet recent, recruiting strategies involves the use of the Web. Historically, the Web was dominated by white males. This is much less the case today. On any given night, we can expect thousands of high school students to be cruising online looking at colleges and universities.

And colleges and universities have responded. Currently, more than 97 percent of all colleges and universities have at least one Web site. Furthermore, we hear credible stories of individual institutions receiving tens of thousands of "hits" per month. We know that applications on the Web are soaring. And this is just the beginning. Consider the following "user" habits:


- The number of teenagers who regularly use the Internet has increased from 38 percent one year ago to 61 percent today
- Using TRU data, more than 90 percent of teens describe the Web as "in"
- Some 74 percent of high school students have Internet access either at home or at school. More than 40 percent of students admit to spending two or more hours per week on the Internet
- While students on the Web were once primarily white males, the demographics have changed. There are more women and more students of color on the Web than ever
- 21 percent of high school students say they regularly use the Web to search for colleges
- More than 52 percent of high school students say that they would submit an online application
- Based on a cursory review of 50 public and 50 private college and university Web sites, we estimate that more than 85 percent of colleges and universities allow or encourage students to email them via the Web

And in the future, we can reasonably expect colleges and universities to:

- Develop "Web only" messages rather than using the Web to repeat messages already found in printed recruiting materials
- Let students and their families make preliminary financial aid calculations on the Web
- Establish email accounts for prospective and applied students

- Link alumni, prospective, and applied students
- Create special chat rooms and threaded conversations for prospective and applied students
- Offer virtual campus tours
- Accept Web advertising from the campus bookstore and other sources to help support the cost of maintaining the technology
- Develop “push” technologies to more effectively capture data on students who browse their site
- Develop relationships with big Web providers and browsers
- Develop liaisons and linkages with teen-oriented business such as Nike, Taco Bell, and Pepsi to help promote and drive students to their site

Finally, we can expect institutions to spend more time using the Web to recruit international students.



There is no doubt that the Web will continue to have a profound impact on student recruiting. The challenge is developing sound strategies that allow you to measure its true effectiveness. Hit rates aren't enough. You need to calculate the number of inquiries and applicants that originate on the Web.

Alumni recruiting

One important strategy that offers tremendous potential for institutions, especially those that are not resource-rich, is using alumni to help recruit prospective students. In such a strategy, alumni are either matched by major (the student's), career (the alumnus/ae) or by geography (both). In many cases, alumni can personally contact students who are beyond the geographical reach of on-staff recruiters. The keys to a successful alumni recruiting program involve careful selection of alumni, training, monitoring, and reward/feedback. Strong alumni recruiting programs often have at least one beneficial side effect: Alumni who participate in recruiting programs are more likely to support the institution financially.

The funnel of today...and tomorrow

There is little doubt that recruiting funnels will continue to be print-based for the foreseeable future. Furthermore, we are confident that funnels, especially



For more information on alumni recruiting programs, consider contacting the CASE (Council for Advancement and Support of Education) reference librarian at (202) 328-5942.

those that are designed to recruit traditional students, will be anchored at the prospect end with a solid search strategy. However, almost everything else about the funnel is up for grabs. We are seeing more colleges move from the standard search package (search piece, letter, BRC). Many are opting for a search letter with no accompanying publication or a self-mailed search piece. One important variable that dictates which search strategy to adopt seems to be name recognition. Institutions with greater name recognition or that are the dominant player in a marketplace seem more likely to consider a search letter without an accompanying brochure. Economics seems to be the rationale for choosing a self-mailed search piece.

One other quick note related to the initial search mailing: There are some institutions that believe that a “stealth” strategy is helpful. Using this approach, a college or university would send a search mailing with no identification on the envelope, or they might use strong teaser copy to entice the recipient to open the letter.

Two other trends related to search are worth noting. First, as noted earlier, search messages are becoming more segmented as institutions develop customized messages for students with different interests or needs. A solid segmenting strategy is one of the best ways to enhance search effectiveness.

Second, we are seeing a number of institutions adopt a nonresponder search. A nonresponder search is an additional contact—usually a mailing—directed at students who fit the profile who did not respond to the first search mailing. A nonresponder search might entail sending the same search piece, sending a new letter, or sending a nonresponder postcard. The goal at this stage is simply to get noticed by a coveted cohort so that remaining contacts in the funnel may be brought to bear.

There are a number of other funnel trends that are emerging:

- While most institutions still use a single viewbook, the larger book is sometimes broken down into more theme-based books. For example, the first book might address academic life;the second, campus life;and the third,outcomes
- Financial aid themes and messages will be situated throughout the funnel
- Like financial aid, we will see outcomes established as a broad theme in the funnel
- More colleges and universities are developing special communication strategies,not just single publications,for parents
- The academic catalog is emerging as a major recruiting contact
- Videos have declined in popularity, though not necessarily in effectiveness
- We are seeing more interactive media,especially the Web and CD-ROMs
- Colleges and universities are promoting their URL (Web address) in their printed materials

Conclusion

Perhaps more than anything,it is perspective that is valued.More than a bewildering tumble of data or a sea of conflicting trends,perspective is what first clarifies thought and then compels action.

We hope that this article was able to provide a bit of perspective in the highly complex undertaking that we call,simply, student recruiting.

Sources

A number of sources were used to write this article. In particular, we recommend the following:

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- U.S. Bureau of the Census (www.census.gov).
- Western Interstate Commission for Higher Education (www.wiche.edu).

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