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Higher Education
Through Insight
and Innovation*

Students' Application Choices & College Preferences in the 2009 Admissions Cycle

Results from the *2009 College Decision Impact Survey*

May 2009

Our Partners:



Introduction

Sharp downturns in the world financial markets and the credit freeze have had a direct impact on the ability of some families to pay for a private college education and, as a result, their application strategies. The *2009 College Decision Impact Survey*¹ adds to the collective knowledge about students' and parents' thinking and decisions in their college planning this year and investigates implications for next year's class. Initial surveys explore families' application choices and expectations, and follow-up surveys examine students' final college choice and the factors that most contributed to their enrollment decision.

This document summarizes highlights of the initial surveys conducted with 22,734 seniors and 4,806 parents of seniors in February and March, 2009. At the time of the research, all participants were members of the FastWeb online scholarship search service. Subsequent reports will summarize the results of follow-up surveys with this year's incoming class and the results of parallel surveys administered to high school juniors and parents of juniors to inform admissions and marketing strategies for the 2010 class.

Key Takeaways

- Both students and parents are concerned about the state of the U.S. economy, and this high degree of concern is found across student and parent subgroups, although there are slight variations in the degree of concern.
- Most students report that their application choices were “somewhat” or “greatly” influenced by economic concerns.
- However, preference for a public or a private college or university appears to be unaffected by concerns about the economy, even though some families expect to be unable to afford a private college education and many are more likely to consider a public college due to the economic downturn.
- The top academic and extracurricular priorities of students have not changed this year.
- Attitudes about list price and net cost have not changed significantly as a result of any economic concerns.

¹ About the Research Sponsors

Maguire Associates, based in Concord, Massachusetts, has been a leading provider of higher education consulting and market research for over 25 years, having served nearly 400 colleges and universities in that time. Maguire Associates consults with educators in assessing enrollment operations, modeling financial aid options, advising on strategic plans, and conducting market research.

FastWeb, based in Chicago, Illinois, is the category-leading website for college and scholarship information. Since 1995, over 40 million people have searched FastWeb's database of scholarships. FastWeb is a wholly-owned subsidiary of Monster Worldwide, Inc. which also operates Monster®, the leading global online careers property.

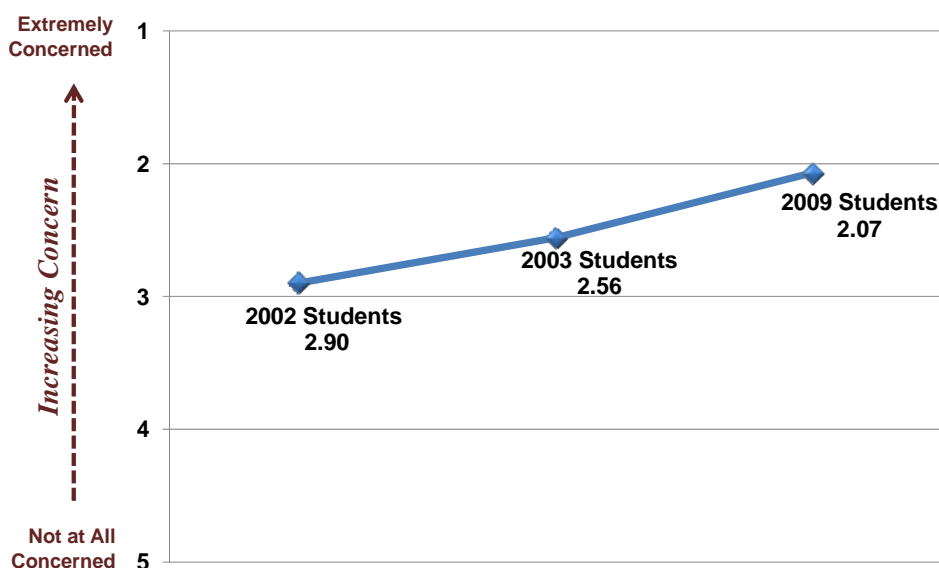
The New School, located in New York City, is a progressive university comprising eight schools bound by a common intent: to prepare and inspire its 9,400 undergraduate and graduate students to bring actual, positive change to the world. In addition to its 70 graduate and undergraduate degree-granting programs, the university offers certificate programs and more than 1,000 continuing education courses to 13,000 adult learners every year.

Research Highlights

Concerns about the Economy

We have all heard that college-bound students and their families are more worried this year about the economy than at any time in the recent past. This expectation is not surprising given the global recession and the long-term and significant financial commitment tied to a college education. The *2009 College Decision Impact Survey* provides further evidence that high school seniors are more concerned about the economy compared to a few years ago (**Figure 1**). Moreover, parents who participated in the research tend to be concerned about the economy to a greater degree than students, and this high level of concern applies across student and parent subgroups such as by gender, region of residency, and ethnicity.

Figure 1
High School Seniors' Concern About Current U.S. Economy
(average score shown)



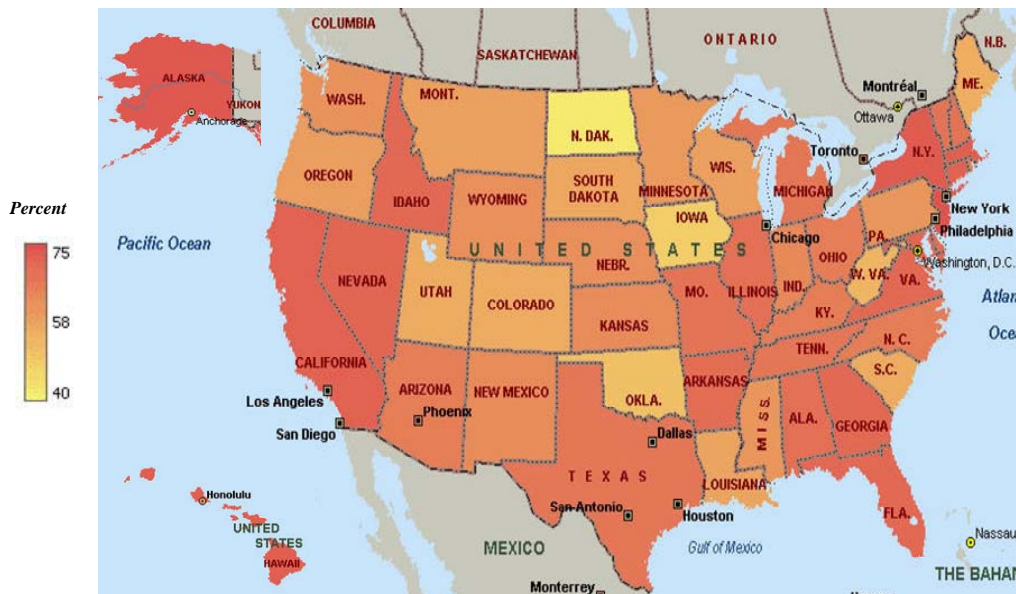
Q: How concerned are you and your parents currently about the state of the U.S. economy?

While the results certainly confirm widespread economic concern, does this anxiety translate into significant changes in students' college preferences and application strategies? On average, the seniors who participated in the research planned to apply (or had already applied) to 4.0 schools; however, correlation analysis reveals no significant relationship between seniors' concern about the economy and the number of application schools (Pearson Correlation = -0.032).

The research does indicate, however, that economic conditions have had an impact on students' application strategy. The majority of high school seniors and parents (61% and 64%, respectively) report that concerns about the economy either "greatly" or "somewhat"

influenced them on the schools to which they applied or planned to apply. When these students are examined by their state of residency, notable geographic variations are found. Specifically, the application choices of students residing in North Dakota and Iowa appear to have been the least impacted, while the choices of those in many of the Northeast states (NJ, NY, MA, and CT) as well as Alaska, Hawaii, and California were the most affected (**Figure 2**).

Figure 2
 Proportion of Seniors Reporting Concerns About the U.S. Economy Will "Greatly" or "Somewhat" Influence Application Schools



Among seniors, other student subgroups whose application choices appear to have been the most impacted include:

- Asian and Hispanic students; and
- Those who report lower family incomes (**However, see insert**).

Even the application choices of higher income students were affected: one in ten students with an annual family income of \$100,000 or more reported that their application decisions were "greatly" influenced by economic concerns.

Institutions that draw students from any of these geo-markets and/or demographic subgroups may have found that students' other application considerations were slightly different this year compared to previous years. Decision tree analysis further reveals a low proportion of seniors whose application choices were influenced by economic concerns among the 484 Caucasian students who prefer a private institution and applied to only one school (30% compared to 61% of the overall). Further analysis of this group reveals these students are less likely to have graduated from a public high school and more likely to report a high school GPA of 3.5 to 4.0.

Enrollment Preferences and Plans

How have students' preferences been impacted by economic concerns? While the research indicates that students in general are likely to consider alternative arrangements for college, such intentions are not correlated with concerns about the status of the U.S. economy. Among 11 options tested, seniors are most willing to consider working part-time and attending a less expensive public institution located in their home state² (**Table 1**).

Table 1	
Likelihood of Considering Different Educational Options	
	% of Seniors Likely to Consider
Working part-time while attending college	83.8%
Attending a public rather than a private college or university	65.3%
Attending a public institution located in-state in order to take advantage of lower in-state tuition	63.8%
Changing to a major that will be in greater demand or have a higher income potential	39.0%
Taking more than four years to finish your degree	33.7%
Living at home and commuting to school rather than living on campus to keep costs down	33.1%
Beginning your studies at a community or two-year college and later transferring to a four-year institution	27.3%
Attending a college or university out of state	26.7%
Working full-time and attending college as a part-time student	10.1%
Taking a year off before starting school to work and earn money for college	8.4%
Enrolling in an on-line or distance learning program as an alternative to more traditional college study	6.5%

These results are not surprising but confirm reports that students are applying to public colleges and universities in record numbers. More interesting is the result that greater than a third of seniors are likely to consider changing to a major that will be in greater demand or have a higher income potential.

In addition, approximately a third of seniors report that they will likely take more time to complete their degree or will consider living at home and commuting to school, while a smaller percentage of students are likely to begin their studies at a community or two-year college, consider an on-line or distance program, take a year off to work and earn money, or work full-time and attend college as a part-time student. However, it is interesting to note that students' consideration of each of these different options is only very weakly correlated with their level of concern about the U.S. economy.

² As indicated by selection of "Very Likely" or "Likely" to consider a given option.

In fact, the *2009 College Decision Impact Survey* reveals that student and parent statements concerning college type *enrollment* preferences have not been significantly impacted by economic concerns. Almost two-thirds of the seniors (64%) report that they prefer to attend a public college or university, nearly a quarter (24%) want to attend a private institution, and a little more than a tenth (11%) do not have a preference (**see insert**). This breakdown is in line with national norms in healthier times, which is encouraging for private institutions that may have been anxious that students' preferences would be significantly changed by economic conditions. Further analysis reveals that compared to students who prefer to attend a private college or university, those who lean towards a public are more diverse ethnically, less affluent, report lower GPAs and SAT scores, and are more likely to be attending a public high school and be a prospective first-generation college student.

The “unsure” segment is a subgroup of interest, as the makeup of financial aid packages this group received may be even more decisive in their final choice of an institution. These students applied to more institutions and were less likely to apply early.

However, there is a notable cohort of “*reluctant public prospects*” or students who would prefer to attend a private institution but reported that they are likely to attend a public college or university. Compared to students who prefer and are likely to attend a private institution, these “*reluctant public prospects*” tend to be more concerned about the economy, applied to more schools, and were more likely to apply for merit aid and to report that their concerns about the U.S. economy influenced their application choices. While both groups were likely to apply for financial aid and report similar family incomes, the “*reluctant public prospects*” expect to weigh more heavily the makeup of financial aid offers from institutions in making their enrollment decision. The enrollment decisions of this group will be tracked in the follow-up research to learn whether they are in fact more likely to enroll at a public and what factors drove that decision.

Further analysis was undertaken to identify and define six subgroups of students who have common enrollment tendencies: 1) local or off-campus options, 2) deferring college, 3) on-line or distance learning programs, 4) traditional four-year public, 5) religiously-affiliated private, and 6) non-religious private. These groups will also be carefully studied and tracked in the follow-up research to investigate the relationship between these enrollment tendencies and their final college selection.

College Priorities

The top college priorities of students and parents are fairly similar and remain consistent with trends we have observed over time in our research with prospective students (**Table 2**). Among a list of college features tested, high school seniors and parents of seniors place highest importance on: quality of major, “value” of education, employment opportunities after graduation, total costs, availability of merit- or need-based financial aid, academic facilities, practical career-oriented coursework and/or majors, campus atmosphere, campus

safety and security, personal attention to students, academic reputation, preparation for graduate/professional school and quality of students. Relatively less important to both groups are having a religious affiliation, athletics, going to school close to home, and, among students, their parents' preferences. Finding the importance of these characteristics at the bottom of students' priorities is fairly typical. Comparisons between students and parents reveal some important differences in priorities with seniors placing more importance than parents on social life, access to a city, and extracurricular activities while parents place higher priority on quality of students, academic reputation, campus safety and security, and personal attention.

Table 2		
Importance of the College Characteristics		
	Percentage '4' or '5'	
	High School Seniors	Parents of High School Seniors
Quality of major	93.6%	94.5%
"Value" of education (combination of quality & cost)	92.4%	93.8%
Employment opportunities after graduation	91.9%	91.4%
Total costs	88.1%	91.3%
Availability of merit- or need-based financial aid	87.8%	84.6%
Academic facilities (library, computers, etc.)	86.3%	87.7%
Practical, career-oriented coursework and/or majors	84.8%	87.7%
Campus atmosphere	84.3%	85.9%
Campus safety and security	83.0%	90.9%
Personal attention to students	82.9%	89.6%
Academic reputation	82.9%	91.5%
Preparation for graduate/professional school	77.5%	71.8%
Quality of students	74.2%	84.4%
Social life	64.0%	48.0%
Prestige of the institution	59.4%	56.4%
Extracurricular activities other than athletics	58.6%	50.7%
Access to a city	51.2%	37.9%
Diversity of student body	45.8%	42.2%
Alumni networking opportunities	37.5%	41.8%
Close to home	32.9%	36.7%
Athletics	30.5%	29.6%
Parents' preference	26.3%	NA
Religious affiliation	18.3%	17.5%

Scale: 1 = Not at All Important to 5 = Extremely Important

Subgroup differences in students' priorities are consistent with what we typically find in our prospective student research:

- Students who prefer to attend a public institution are found to place higher importance on being close to home (3.07 vs. 2.69) and less on the quality of students (3.91 vs. 4.13) or the religious affiliation of an institution (2.27 vs. 2.59) compared to those who prefer a private college experience.

- Parents' preference is more important to Asian students (3.04) than other ethnic subgroups (2.66 Caucasian, 2.79 Hispanic/Latino, 2.81 Native American, and 2.94 African American students), and athletics is more important to Black/African American students (3.16) than to students of other ethnic subgroups (2.75 Asian, 2.76 Caucasian, 2.88 Hispanic/Latino, 2.92 Native American students),
- Male students place higher importance than their female counterparts on athletics (3.09 vs. 2.73), while the latter place higher priority on student diversity (3.40 vs. 3.19) and campus safety (4.41 vs. 4.00).

Students' and parents' priorities and expectations have important implications for messaging to prospective and incoming students and their families over the summer as features that are more important to families should be emphasized in publications and communications. Many students and parents will likely continue to be willing to invest in colleges and universities that they are convinced will offer the most value through a combination of academics, campus environment, future graduate school and employment prospects, and other important considerations in the college choice process.

College Financing

Will the economic downturn affect the way students finance their college education? Despite the current condition of the U.S. economy, we found nearly half of students and parents were willing to assume debt or deepen their financial commitment for what they perceive to be a higher quality education; however, at the same time, many expect that they will be unlikely to afford a private college education (**Figures 3 and 4**).

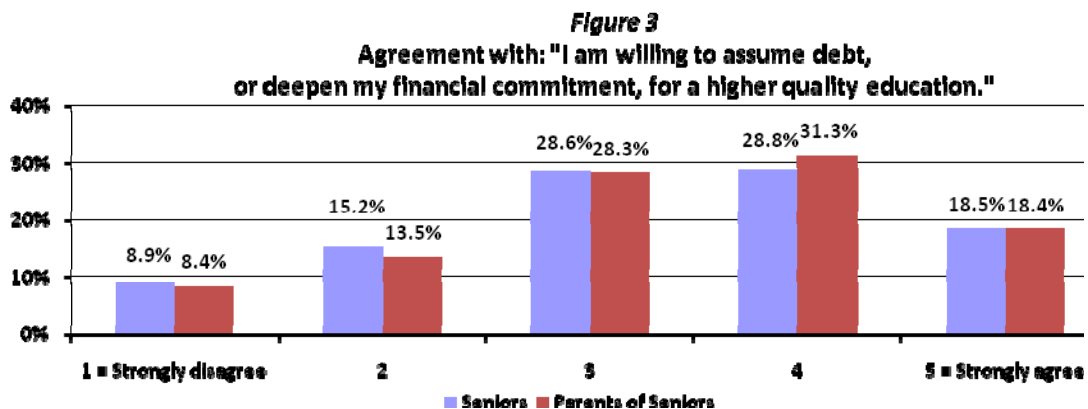
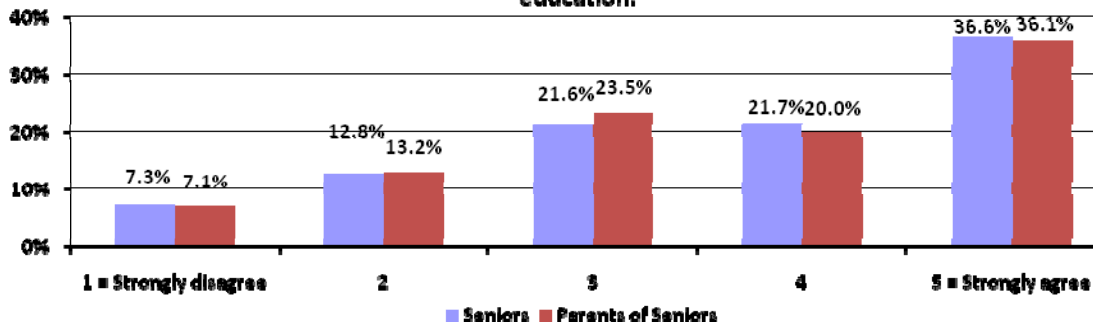


Figure 4
Agreement with: "I am (My child is) unlikely to be able to afford a private college education."



As we typically find with our research on prospective college students, the vast majority of students and parents expect to apply for need- and merit-based aid regardless of whether they prefer to attend a public or a private college or university. However, when asked specifically how they plan to finance their college education, students aiming to enroll at a private institution expect a higher percentage of their college costs to be financed by grants and scholarships from the institution (**Table 3**). Students' and parents' expectations regarding the way they expect to finance college do not correlate with their degree of concern about the U.S. economy, indicating that their expectations at the application stage have not necessarily been impacted by any such concerns.

	Seniors who Prefer to Attend a Public	Seniors who Prefer to Attend a Private
Child's savings/resources	12.2%	9.2%
Parents' or guardians' savings/resources	23.2%	22.4%
Loans	18.0%	18.1%
Federal or state grants	20.1%	16.2%
Need- or merit-based grants or scholarships from the college or university	19.5%	27.0%
Other grants	7.1%	7.2%

Students were asked to list their top five application colleges and to identify their first choice. Among their top five choices, the seniors listed nearly 3,000 different schools representing a broad array of public and private options. Top private first-choice schools were Stanford University, Brigham Young University, the University of Southern California, New York University, and Harvard University. Top public first-choice institutions were UCLA, Pennsylvania State University, UC-Berkeley, Texas A&M, and University of Texas at Austin. On average, students whose first choice was a private college expected to pay \$20,000 per year to attend, while those choosing a public college expect to pay significantly less (\$12,475).

Students and parents were asked to indicate their level of agreement with a series of 13 statements about finances and financial aid. Feedback from students indicates that the list price of private schools was a more significant barrier for students who preferred to attend a public institution; these students feel they will be less likely to afford a private education and also indicate that the listed tuition was a bigger factor in their application decision (**Table 4**). On the other hand, students who prefer a private school focus somewhat more on net cost of an institution and are slightly more willing to assume debt for an education of perceived higher quality.

Seniors and parents of seniors have similar expectations and attitudes regarding list price and net cost, although parents tend to be more pessimistic about the state of the U.S. economy for the next two years and more concerned with the net cost of an institution after financial assistance from all sources has been determined than the listed tuition. Overall, students' and parents' agreement with these statements is only mildly correlated with their level of concern about the U.S. economy, indicating that their attitudes about listed price and net cost have not changed radically as a result of any economic concerns.

<i>Table 4</i>			
Senior Students' Agreement with Financial Statements by College Type Preference			
	Percentage '4' or '5'		
	Public	Private	Unsure
I am more interested now than a year ago in applying for need-based financial aid.	74.7%	70.7%	70.7%
I am unlikely to be able to afford a private college education.	69.6%	34.1%	46.1%
In making my enrollment decision, I will weigh heavily the makeup of financial aid offers from institutions, particularly in terms of the amount of grant awards relative to loans and work study assistance.	66.3%	69.3%	72.3%
My parents will be less able to help pay for my college education than I had previously expected.	64.5%	60.2%	62.7%
The listed tuition of a college or university has (or had) a big impact on whether or not I will (or would) apply there.	60.6%	41.8%	48.2%
I am more likely to consider attending a public college or university due to the recent downturn in the economy.	58.0%	23.5%	39.3%
During the past two years, my family's financial situation has worsened.	57.8%	56.6%	57.2%
I will have to pay a larger portion of my college education using loans and out of pocket contributions than I had previously expected.	55.8%	56.2%	54.5%
An institution will need to provide financial assistance that covers all or most of my financial need in order for me to seriously consider enrolling there.	49.9%	52.3%	56.8%
I am more concerned with the net cost of an institution after financial assistance from all sources has been determined. I am not as concerned about the listed price of tuition.	45.8%	59.0%	54.0%
I am willing to assume debt, or deepen my financial commitment, for a higher quality education.	44.8%	55.5%	44.2%
I am pessimistic about the state of the U.S. economy for the next two years.	41.1%	41.8%	40.5%
Among private colleges and universities, tuition usually reflects quality; higher priced schools generally offer stronger academic and extracurricular programs.	30.4%	40.4%	30.4%

Scale: 1 = Strongly Disagree to 5 = Strongly Agree

Now Onto Students' Enrollment Choice

While the results of the *2009 College Decision Impact Survey* reveal that students' application strategies may have been impacted by concerns about the U.S. economy, they also indicate that their priorities and enrollment preferences have largely been unaffected. Since the research was conducted in February and March of 2009, the students have received their letters of acceptance or rejection and financial aid offers and have made their enrollment decisions. The important next phase of the research which takes place in May 2009 follows up with the same group of seniors and parents to learn what they actually chose to do and why. Future reports will then compare students' and parents' priorities and intentions at the application stage to final enrollment decisions to learn explicitly about the relationship between families' stated intentions and eventual actions in this uncertain economy, including understanding the role that perceived costs and other factors played in the decisions of various groups of students and their families in this year's enrollment cycle.