



**MAGUIRE
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*Advancing
Higher Education
Through Insight
and Innovation*

Strategic Enrollment Management - A Look Back and Ahead

SEM - Definition, 1976

Strategic Enrollment Management: a dynamical system and systems process that integrates often disparate functions having to do with recruiting, funding, tracking, retaining, and replacing students as they move toward, within, and away from an educational institution.



Source: "To the organized, go the students," *Boston College Bridge Magazine*, Fall 1976.

Goals of Enrollment Management, 1976

Marketing Admissions C- (1976); B+/F (2004)

The institution must continue to develop an admissions marketing program to attract outstanding students in sufficient numbers during a period of possible national enrollment declines.

Research/Information Flow D (1976); C (2004)

The institution must improve coordination of institutional research and information flow among internal offices and external agencies.

Goals of Enrollment Management, 1976

Market Prediction and Institutional Response F (1976); C (2004)

The institution must develop a capability to anticipate immediate and long-term student interests and methods for improving its ability to provide for these interests.

Financial Aid Strategy D- (1976); B+/F (2004)

The institution must implement financial aid strategies that will optimize its ability to attract and retain an appropriate socio-economic mix of students.

Goals of Enrollment Management, 1976

Retention – Transfer

D (1976); B- (2004)

The institution must formalize a retention program to identify reasons for attrition and to minimize this to whatever extent possible.

Organization for Enrollment Management

D (1976); C (2004)

The institution must build a coherent organizational structure to optimize formal and informal communications, to facilitate program management, and to make best use of credible constituencies.

Enrollment Management Megatrends: 1976-2004

1. System Overload Leads to Instability

- a. Interactive feature of Enrollment Management – network effect may create overload.
- b. Systems development results in major challenges related to complexity, interactivity.

4 units -> 6 interactions

16 units -> 120 interactions 4x -> 20x!!

- c. Great advancements in MIS capabilities and processing speed, but not in the human dimensions of enrollment management.

- d. The unpredictability of the Admission process causes spurious applications -> huge wait lists -> counselor collusion, parental intrusion, larger melt, uncertainty, overload.
- e. Financial Aid data is some of the most complex and easiest to misinterpret. Data at interface of Admission and Financial Aid is too often mismanaged.
- f. Information overload. Human stress levels very high. Interactions of people may crash system more than technology!

Enrollment Management Megatrends: 1976-2004

2. Those Rankling Rankings

- a. More emphasis on input data, on things simple to measure, like test scores.
- b. Huge waitlists which are manipulated strategically by:
 - Level of interest
 - Response card requirement
 - Refusing top students in favor of most probable.

- c. Reverses sequence of decisions. 1. Students apply. 2. School accepts. 3. Students say yes or no. Now, 3 often comes before 2.
- d. Early Action/Decision. Forces families to decide too early for fear of losing a place in the class. Drives acceptance rates for *U.S. News*.
- e. Some institutions make score submission optional, to increase application volume and drive up test scores.
- f. Others reject admissible needy students when funds run out in favor of others with more ability to pay.
- g. Some schools put dropouts on LOA status to optimize retention figures.

Enrollment Management Megatrends: 1976-2004

3. Playing “The Price is Right”

- a. We value those most who value us least, and vice versa! Unlike any other ‘industry.’
- b. Combine probability of enrollment with NTR to model ideal classes. Trade-offs; Laffer curve.
- c. Families with incomes greater than \$100,000 qualify for significant aid packages.

d. Most attractive schools with best financial aid programs (best buys) see the % on aid rise significantly. “Ram Jet Phenomenon.”

e. Rapid growth in financial aid budgets. Can be compounded by decisions to fill gaps with free money.

f. Two colleges in New Hampshire

One subsidizes 80% of \$80,000

The other offers 36% of \$25,000

} To 2 students
with identical
family contributions
(\$16K)

Enrollment Management Megatrends: 1976-2004

4. Tensions Between “Haves” & “Have Nots”

- a. Especially in the independent sector, “Haves” can price well below true cost. “Have Nots” must price near cost.
- b. Most often “Haves” favor standardized need-based system, while they operate a huge merit system. Generations of wealthy graduates fuel endowments which drive up resources, and cost, to educate.

- c. Endowments can also drive up price, which then lead to larger needs and a greater share of external grants.
- d. Princeton approach – fill gap with cash, not loans.
- e. Schools with excess capacity have turned to “merit” or “non-need based aid.” Can have larger enrollments, more NTR, **and** more quality/diversity.
- f. “Haves” also skim scarce subgroups:
 - 1. Minorities;
 - 2. Men.
- g. “Haves” invest in the Common Fund, and therefore possibly in the University of Phoenix, which competes with “Have Nots.”

Enrollment Management Megatrends: 1976-2004

5. Copernicus' Lectern in the 21st Century

- a. Distributed Learning (formerly “Distance Learning”) provides access for tens of millions of working adults and changes the relationship among teacher, student, and content.
- b. Distributed Learning also changes the way students learn at traditional not-for-profit institutions.
- c. The Web introduces the systems approach to learning – the Network Effect, teamwork, asynchronicity, and space-independence.

- d. The for-profit sector is growing much faster than the non-profit. Non-profit market share is eroding significantly – 5% of \$800B could be 15% of \$1T by 2006.
- e. The “Haves” are investing in the Common Fund, which has been one of the most successful private equity funds in the down market. Why? Among other reasons, the Common Fund invests in University of Phoenix.
- f. So the “Haves” are strong supporters of the status quo – maintaining a stable rank order among those institutions with large endowments.
- g. The “Haves” use those endowments to passively invest in the for-profit sector, which competes for the Adult Working Market and, more and more, for traditional students applying to “Have Not” colleges.



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