

For Immediate Release

Value Trumps Price When It Comes to College Choices, According to Early Results of New Maguire Associates Survey

Dichotomy Between Emotions and Intentions Suggests That, Despite Recession, Families Will Continue To Place a Premium on Higher Education

CONCORD, MA - (April 15, 2009) – Though concerns about the economy influenced high school seniors' college applications this year, their ultimate preferences for public or private education do not yet correlate with these concerns, according to a new survey by Maguire Associates. This finding reveals a dichotomy between the strong emotions registered by students and parents about the recession and their actual college-choice intentions, suggesting that families will continue placing premium value on higher education even in the midst of considerable economic uncertainty.

The research also anticipates that the value and net costs of a college education will weigh even more heavily this year as families make final enrollment decisions.

Maguire Associates, in association with The New School and FastWeb, surveyed nearly 23,000 seniors, and nearly 5,000 parents of seniors, to determine the influence of the economy on their applications for admission and financial aid. The firms will follow up with these respondents in May/June 2009 to learn where students have chosen to enroll and why.

“Early results indicate that even in the face of the current recession, higher education remains a top priority for American families,” said John Maguire, Chairman and Founder, Maguire Associates. “However, emerging insights from our segmentation analysis reveal the presence of a cohort of seniors who are unsure of their preference for a public or private institution for whom the makeup of financial aid packages may be even more decisive in their final choice. These students were less likely to apply early and they have applied to more institutions—both pointing to the crucial nature of net price in determining choice.”

To be sure, the economy placed new burdens on students and parents this year as they planned an application strategy. Approximately 61 percent of seniors, and 64 percent of parents, say that concerns about the economy have influenced the schools students applied to—either “somewhat” or “greatly.”

Yet, when asked what characteristics of prospective colleges and universities are most important to them, both cost and quality factor into the equation. The top priorities of both groups include employment opportunities after graduation (number one factor for seniors); quality of major (number one for parents and number two for seniors); value of the education offered (tied with quality of major as the top for parents); total costs; availability of aid; academic facilities; campus security;

practical, career-oriented courses; campus atmosphere; personal attention; academic reputation; and preparation for graduate/professional school.

Top-line pricing alone does not seem to be an overriding factor in students' choices for public or private education, either. Sixty-four percent of senior respondents prefer a public education, 24 percent prefer a private institution, and 11 percent have no preference. The breakdown is in line with national norms in healthier economic times.

"This data tells us that colleges and universities still have some power to influence students' ultimate decisions—and not just through the financial assistance they're able to offer," added Kathleen Dawley, President of Maguire Associates. "Parents and students will commit to an institution that will offer them the most value over the longterm—through academics, the campus environment, professional prospects, and a combination of other factors."

In addition, parents see pricing—on the surface—as less meaningful to enrollment decisions than net expenses. They agree most strongly with two statements: 1) they will weigh the total makeup of financial aid offers (grants, loans, work study); and 2) they're more concerned about net costs after financial assistance. Students are willing to share these costs with their parents, even in this difficult economic environment. About 76 percent of them show some level of agreement with the statement, "I am willing to assume debt, or deepen my financial commitment, for a higher quality education."

Still, some findings show that the economy may color students' final choices, as well as their undergraduate experience:

- About 72 percent of students agree somewhat or strongly with the statement, "I am more likely to consider attending a public college or university due to the recent economic downturn."
- More than a third of seniors report that they are likely to consider changing to a major that will be in greater demand or have a higher income potential.
- 27 percent of seniors say they are likely to begin their studies at a community or two-year college.

The 2009 College Decision Impact Survey also includes data from 8,000 high school juniors and 900 parents of juniors, which will be analyzed separately. Data collection took place in February and March 2009. All participants were FastWeb members at the time of the survey.

For more information, please visit Maguire Associates' website at <http://www.maguireassoc.com> or call 978.371.1775.

About Maguire Associates

Maguire Associates is a research-based consulting firm that exclusively serves educational clients – close to 400 of them – from colleges and universities to independent and public schools, consortia and government organizations focused on education. For 25 years, the firm has applied innovations in market research, analysis, and predictive modeling to help clients understand the dynamics of past

performance, apply insightful knowledge to sound decision-making, and attain desired outcomes. For more information, visit www.maquireassoc.com.

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