Tying retention to enrollment management

- Maguire Associates helps schools optimize their financial aid in order to meet their enrollment goals
  - Typical enrollment goals include:
    - Headcount
    - Average test scores
    - Average GPA
    - Diversity
    - Discount rate / Net revenue
- More and more schools are realizing it isn’t enough to just get the students in the door
- Retention goals can be included as part of the financial aid strategy
Presentation agenda

Loyola Marymount University and Samford University:
- History of retention
- Predictors of retention
- The importance of retention
- Current status of retention

Maguire Associates:
- Overview of financial aid leveraging
- Including retention in the enrollment goals
- Creating financial aid options
- Going beyond the first year in revenue forecasting
Loyola Marymount University

Michael Keane
Director, Enrollment Research and Special Projects
Loyola Marymount University

Maureen Weatherall
Vice Provost for Enrollment Management
Loyola Marymount University
LMU: First year retention history

First Year Retention

- 2005: 90%
- 2006: 85%
- 2007: 85%
- 2008: 88%
- 2009: 93%
- 2010: 91%
- 2011: 88%
- 2012: 90%
- 2013: 90%
- 2014: 90%
LMU: Understanding retention

Pre-enrollment factors:
- Out of state students are more likely to leave
- Better prepared students (higher GPA and test scores) are less likely to leave
- Higher institutional scholarships increase retention
- Certain programs have higher retention than others

Post-enrollment factors:
- Engaged students are more likely to retain
- Students who succeed in the classroom are more likely to retain
- Students who work on campus are more likely to retain

Ethnicity does NOT predict retention at LMU
LMU: The importance of thinking about retention early

- Institutional priorities sometimes conflict with one another
  - Increase retention
  - Increase the proportion of lower-retaining students (e.g., out-of-state residents) in the freshmen class

- Downstream effects of higher retention:
  - Greater selectivity in the future
  - Higher graduation rate

- Incorporating retention goals into our initial enrollment goals is not necessarily about improving multi-year revenues: the impact is more subtle, but still important
LMU current status

- Retention is solid and is above predicted rates, but we’d like it to be higher
- Budgets are tight
  - Must be strategic about how resources are used to improve retention
- Reallocating scholarship aid at the outset to improve retention requires trade-offs
- But, tying retention to enrollment modeling helps us make decisions now and plan for resources later:
  - How do we best plan campus resources to support an increase in our enrollment from out-of-state students?
Samford University

Jason Black
Dean of Admission
Samford University
Samford University: First year retention history

First Year Retention

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Samford: Understanding retention

- **Pre-enrollment factors:**
  - Out-of-state students are more likely to retain
  - Better prepared students (higher GPA and test scores) are less likely to leave
  - Students from urban areas are more likely to leave
  - Students with little means of affording tuition are more likely to leave

- **Post-enrollment factors:**
  - Students involved on campus are more likely to retain
  - Higher first year GPA leads to higher retention
  - Students with higher unmet need, which increases over time, are more likely to leave (this population is affected the most by increased tuition)
In 2011, we implemented strategic changes in recruitment that began to have an effect in 2012:

- Redesigned First Year Experience
- Began monitoring EFR’s when they enroll if they showed potential retention issues prior to enrollment. (Lower GPA + few AP’s= potential academic issues, which equals retention issue)
- Used retention indicators for some waitlist and admission decisions.
- Added requirements to certain admits that had pre-enrollment retention indicators.

The effects of these changes can be seen in the improved retention rates beginning in 2012-2013.
Samford current status

- Retention is at a 10-year high
- Several support services are in place on campus
  - Academic Success office
  - Class attendance monitoring

- Like LMU, institutional priorities sometimes conflict:
  - Lowering discount and increasing retention
  - Increase in-state population with segment that has not retained well
  - Mission driven admissions regardless of retention indicators

- Loosen the discount rate suppression and allow for awarding that would offset financial retention indicators

- Understand impact of admitting students that show strong indicators of leaving after one year
Maguire Associates

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Senior Vice President for Enrollment Management Services
Maguire Associates

Jennifer Cox
Consultant
Maguire Associates

Tom Moran
Vice President
Maguire Associates
Financial aid optimization: an overview

Probability of Enrollment as a Function of Average Institutional Grant

Assuming a $50,000 COA

Probability of Enrollment

Institutional Grant Amount

ILLUSTRATIVE
Enrollment management strategies and their risks

Increase enrollment
- Increase discount rate
- Decrease student quality
- Decrease student satisfaction
- Decrease retention

Increase quality
- Increase discount rate
- Increase market confusion
- Reduce future applicant pool
- Introduce new competitors

Decrease discount rate
- Miss headcount target
- Lose admits to competitors
- Lose revenue
- Decrease retention
Enrollment and retention forecasting

• Utilizing logistic regression modeling, the significant predictors of enrollment and retention are determined from institutional data
  – Additional third-party data sources are also analyzed

• The accepted student pool is scored with these models and the predicted enrollment and retention probabilities are calculated

• In partnership with institutional stakeholders, the trade-offs of different enrollment and awarding strategies can be explored
  – For example, what are the consequences of a lower discount rate?
### Sample factors

#### Predictors of Enrollment

<table>
<thead>
<tr>
<th>Variable</th>
<th>Effect</th>
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<tbody>
<tr>
<td>SAT Math + Verbal</td>
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<tr>
<td>High School GPA</td>
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<tr>
<td>Institutional Aid</td>
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<td>On-Campus Resident</td>
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<td>Financial Need</td>
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<td>Visted Campus</td>
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<td>Key Major 1</td>
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<td>Lives in EPS Market 1</td>
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<td>Lives in Key State</td>
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#### Predictors of Retention

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Aid leveraging scenarios

Enrolled Students

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<th>2</th>
<th>3</th>
<th>4</th>
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SAT

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Retained Students

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<td>440</td>
<td>373</td>
<td>464</td>
<td>417</td>
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Retention Rate

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<td></td>
<td></td>
<td>78.3%</td>
<td>77.3%</td>
<td>82.9%</td>
<td>80.2%</td>
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Net Total Revenue

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Tuition Discount Rate

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Counts and conversion rates can help with search, travel planning and forecasting

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Summary

- Think about recruiting students who will succeed
  - Even at the earliest stages of recruitment (e.g., name buys), you can be thinking about retention

- Include retention rates in your enrollment goals
  - Many schools focus on test scores:
    - In the U.S. News and World Report ranking, average test scores account for 8.1% of the ranking formula, while retention-related factors account for 30% of the ranking score

- Be mindful of the fact that enrollment goals are often at odds with retention goals
  - Increasing the number of students outside of primary market; lowering discount rates; etc.
Please provide feedback on this session using the Forum mobile app!

Note: This session is not CEU eligible.