



*Advancing Enrollment in
Christian Higher Education*

The Cost to Recruit a Student and the Admission Funnel

2007-2008 Study
Conducted by
Performa Higher Education

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Introduction

This version of the annual Cost to Recruit/Admission Funnel Study marks the transition of the study from the auspices of the Council for Christian Colleges and Universities (CCCU) to the North American Coalition for Christian Admission Professionals (NACCAP). Coordination of data collection and analysis continues under the leadership of Tim Fuller, Performa Higher Education Senior Consultant and former Senior Research Fellow for the CCCU.

The change in organizational sponsor opened participation to some new institutions, members of NACCAP who were neither members nor affiliates of the CCCU. Previous iterations of the study included both members and selected affiliates, providing a broader group of participants than just CCCU members alone.

The study returns after a two year hiatus, marking the 15th and 16th annual editions. This year, data was collected for both fall 2007 and fall 2008; future studies will focus on one year at a time. Data for the recruitment cycle that concludes with fall 2009 enrollment will begin in October of 2009 with data collection via NACCAP's new research website (www.naccapresearch.org), a switch in methodology that will give participants nearly immediate access to results as data is collected and greatly increase the efficiency of data entry and analysis.

The purpose of the study remains the same – help institutions compare their budget resources, return on investment and admission funnel ratios to like institutions. In the current economy this kind of data is even more valuable as colleges and universities look carefully at issues like return on investment.

The overall comparisons have value, but for many past participants the most helpful comparisons are those within a geographical region or with similar-sized institutions. The study follows NACCAP's regional boundaries for these purposes and breaks participants into four levels of enrollment.

Methodology

There are 163 NACCAP members with undergraduate programs for traditional students. The chief enrollment officer at each of these institutions was invited to participate in the study via email. Several reminders from the project team as well as NACCAP's regional representatives helped increase the participation rate.

Participants completed a spreadsheet that outlined data in four sections:

- Budget resources

- Enrollment numbers and ratios
- Staffing and salary information
- Admission funnel numbers

The data from each participant was reviewed by the project team, compared against key ratios and other data checks to ensure accuracy, reviewed against other participants' data and then finalized for inclusion in overall, regional and enrollment size breakdowns.

Compiled data from the study was then shared with all participating institutions on a school-by-school basis. All members were given access to summary data from the study through NACCAP's website and other means.

Participants

76 of these NACCAP members participated in this version of the study including 14 institutions who were first-time participants. The new participants were evenly split between Bible colleges affiliated with the Association for Biblical Higher Education (ABHE) and other non-CCCU liberal arts institutions. 55 of the participants are also members of the CCCU; all but one of these CCCU schools was part of at least one previous study. Another 10 are CCCU affiliates and had participated in at least one previous study. There are 25 institutions that have been part of every study since 2000 and another 17 who have been part of all but one.

Participation by region and enrollment size is outlined in the chart that follows:

NACCAP Cost to Recruit/Admission Funnel Study			
2007 - 2008 Participant Breakdown			
NACCAP Region		Enrollment *	
Canada	6	Small (< 800)	24
Midwest	10	Medium (800 - 1,199)	17
North Central	24	Large (1,200 - 1,799)	20
Northeast	6	Largest (> 1,799)	16
Northwest	6		
Southeast	13		
Southwest	12		
* defined as full-time enrollment in traditional undergraduate programs			

Study Limitations

Much of the data in this study is self-reported. It has been analyzed carefully – in some cases countless emails and phone calls to clarify data questions have resulted. The most common areas under discussion were:

- Professional and support staff FTE's
- The concept of a completed application
- Admission funnel questions
- Student wages

The master spreadsheet on which data was entered and analyzed includes validity tests that flagged some of the above issues; others came up as the project team reviewed the data in comparison to other participants and/or experience with particular institutions. At the point of publication, the project team concluded that further attempts to discuss potentially questionable data were less important than getting the results in the hands of participants. Other data points such as budget amounts for advertising, publications and travel do not lend themselves to ratio analysis or other means of verification so the project team has, for the most part, taken them at face value.

Even though some questions may still exist about the veracity of certain data points, the overall value of the study is sound, providing good comparisons in key budget, staffing and funnel categories that are critical to enrollment managers and the institutions they serve. Participants who spot questions in their own data or that of other participants should notify the project team.

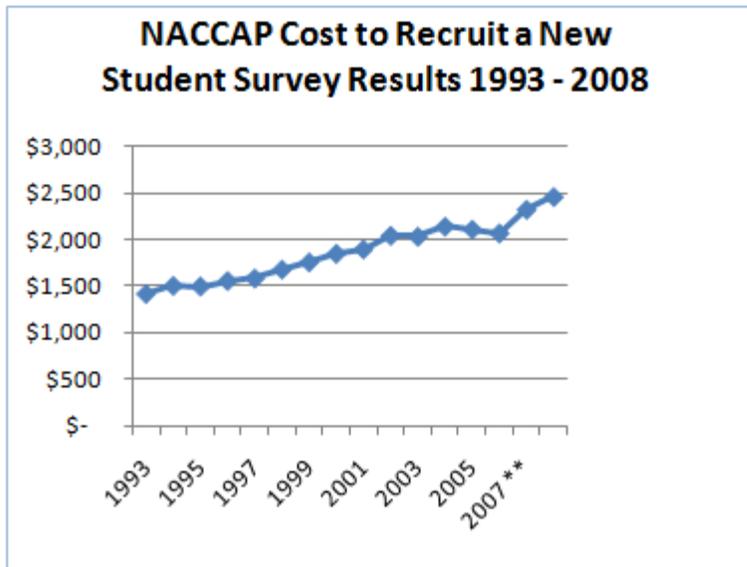
The results of the study are reviewed in the pages that follow. The first section focuses on the cost to recruit a student portion of the study; the second on the admission funnel.

I. Cost to Recruit a Student

As the title implies, the study helps determine both institution-specific costs to recruit one new student as well as averages across the whole participant group, regions and levels of enrollment. The cost of recruiting a student includes typical budget items like travel, publications, electronic media and other forms of advertising, campus visits, phone, postage and office supplies. Professional and support staff salaries, student wages and fringe benefits are also included, the latter through an estimated “tax” applied uniformly across all participants to account for institutional differences. A survey with a sampling of chief financial officers with whom Performa Higher Education works suggested that 35% was a reasonable estimate for a benefits “tax” (including the value of tuition benefits for employees and their dependents).

Other factors such as the square footage the admission office occupies or “taxes” for shared services such as custodial, maintenance or IT were not included in this study.

The chart that follows outlines how the cost to recruit a student has changed since the first study of the fall 1993 cycle.



In 2006 new students entering in the spring semester were included in the calculation for the first time. 2007 marked the transition from CCCU to NACCAP oversight of this study.

The relatively large increase between 2006 and 2007 is attributable to several factors:

- The switch from the CCCU to NACCAP brought several smaller schools into the study. In general, smaller schools have higher costs to recruit a student. Of the 14 new study participants:
 - 9 enroll less than 800 students
 - 2 enroll between 800 and 1,200 students
 - 2 enroll between 1,200 and 1,800 students
 - 1 enrolls more than 1,800 students
- Some changes in the survey itself – the most obvious example is the addition of a question about direct mail expenditures. More and more NACCAP schools are making significant investments in direct mail and it was not clear whether the value of these investments was being captured in previous studies. The impact of this addition is striking – in the 2007 study, for example, the 76 participating institutions spent just over \$3.5 million on direct mail, only \$300,000 less than they did on travel.

- Several large schools with relatively low costs to recruit, regular study participants in the past, are not in this version of the study, in large measure because of leadership transitions or other factors. For example, one such institution was not a member of NACCAP at the time of the study.

The relatively normal increase between 2007 and 2008 reflects the stability in participation between the two years.

As with previous studies, the data reflects the economies of scale at work with student recruitment. Over the course of past studies there has been an inverse relationship between enrollment and cost to recruit – the larger the enrollment, the lower the cost to recruit. This relationship continued in this version of the study. For the fall 2008 cycle, for example, it cost the schools in the “largest” enrollment category \$954 less than it did the schools in the “small” category to recruit one student.

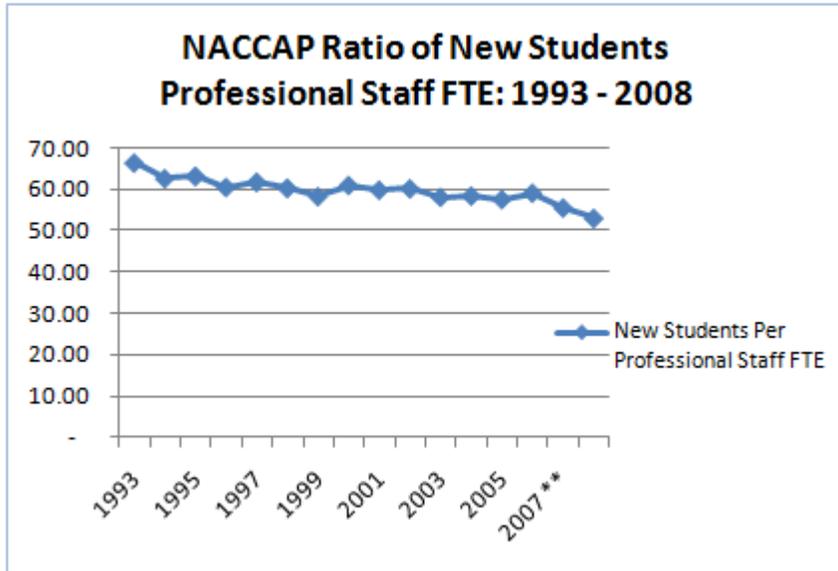
Staffing/Recruiting Ratios

One of the most frequently asked questions about this study relates to the number of new students that a professional staff member does/should generate. Presidents and board members often ask this question, looking to either evaluate the performance of their current team or calculate the potential return on investment in an additional admission counselor. Based on participant input the question about professional staff has been expanded. In addition to the professional staff FTE, a recruiting FTE was also captured. This represents the proportion of the professional staff FTE who actually recruit students directly (as in manage a recruitment territory or population) as opposed to supporting these efforts through administrative oversight (most vice presidents/deans) and other tasks (campus visit management, tele-counseling or communication flow communication, etc.).

The summary numbers that follow create a comparison point to answer these questions, or at least begin to answer them. Enrollment managers and others should exercise caution in the application of these numbers, however, recognizing that there are many other factors at work in determining the effectiveness of an enrollment team or admission counselor. Consider the difference, for example, in the work of an admission counselor with responsibility for recruiting students solely within a 25 mile radius of a suburban or urban campus with that of a counselor on a rural campus with responsibility for a four state area in the Great Plains. Consider a counselor working on a campus with a long history and strong reputation and the far different challenge than one working at a struggling campus, as well. Both of these examples underscore the note of caution expressed above.

The ratios that follow reflect an efficiency measure and return on investment in staff. The trend over the life of this study has been towards reduced efficiency even as Christian college enrollment has, in general, been growing. Along with the cost to recruit data this suggests that

maintaining and growing enrollment has been an increasing challenge, requiring ever increasing investments in budget and staffing.



As mentioned above, this year’s study breaks out professional staff with specific recruiting responsibilities. Since year-to-year comparisons offer limited value initially, the following chart reflects the differences by region and enrollment for 2007 and 2008.

NACCAP - Ratio of New Students to Professional Staff Recruiting FTE: 2007-08					
	2007	2008			
Overall	77.58	75.62			
Canada	67.24	69.79			
Midwest	62.65	59.11			
North Central	78.62	78.68			
Northeast	72.58	67.67			
Northwest	73.27	73.78			
Southeast	82.85	79.43			
Southwest	93.49	87.47			
Small	55.24	53.89			
Medium	67.76	66.96			
Large	88.08	83.90			
Largest	106.41	104.94			
			#Enrollment categories for total, full-time undergraduates in traditional programs		
			Small (less than 800)		
			Medium (800-1,199)		
			Large (1,200-1,799)		
			Largest (1,800 or more)		

As with the cost to recruit data, there is a correlation between enrollment and this recruiting FTE. In this case, the larger the school, the larger the number of new students generated per counselor. This correlation probably reveals more about institutional momentum and marketing strength than it does about individual admission counselor effectiveness or productivity.

New Student Patterns by Term and Enrollment Type

Most new students enroll at participating institutions in the fall semester; on average, 90.9% of the new students who enrolled in the 2007 recruitment cycle enrolled in the fall; for 2008 90.5% of the new students enrolled in the fall. While spring semester enrollment is generally not either typical or preferred, campuses that organize themselves to leverage spring enrollment, including support services and new student orientation, may see solid returns on investment. On most NACCAP campuses fall-to-spring attrition and December graduates outnumber new spring semester students, creating a net loss in enrollment. Housing is often available as is space in classes, creating further rationale for some spring semester recruitment initiatives.

Just over 20% of the new students who enrolled at participating institutions are transfers. In recent years many private colleges and universities have become much more intentional with transfer recruitment strategies. A 2006 study conducted for the U.S. Department of Education (Adelman, C. *The Toolbox Revisited: Paths to Degree Completion from High School through College*) focused on a national sample of 8th graders and followed them until 8 years after high school graduation. The study found that approximately 56% of these traditional-aged students who earned a college degree during these years completed the degree from the same institution where they began their studies. This implies that a significant number started somewhere else, underscoring the importance of the development of sound transfer recruiting strategies.

Participating NACCAP schools reflect the gender ratio present in North American higher education today with women representing just over 55% of total student enrollment in traditional programs. Participants whose enrollment reflect a more balanced gender split usually achieve this based on program offerings, the presence of football or a more selective admission picture that allows for shaping of the new student class.

What do these ratios mean for individual campuses? Comparing individual campus ratios to overall, regional and/or enrollment-based ratios may reveal a potential source of untapped students. On the other hand and for example, a low transfer ratio may reflect institutional strategy out of a position of enrollment strength, indicating a strong preference for enrolling new students for four years, not two or three.

Spending by Category

In the 2006-07 budget year the participating institutions spent nearly \$70 million on salaries, fringe benefits, student wages and other student recruitment expenses, an average of nearly \$921,000 per institution. If you consider that only 76 of the 163 eligible NACCAP institutions participated in the study and extrapolate these results, the projected economic impact of student recruitment efforts of NACCAP member institutions exceeds \$150 million (and this figure only covers the recruitment of students in traditional programs)!

The largest proportion of budget resources was allocated to labor costs – salaries, fringe benefits and student wages. On average, participating institutions spent 57% of their budget dollars on labor costs (2007).

While the dollar to dollar comparisons by category make for interesting reading (and in some cases a serious case of budget envy!), the category percentage vs. total non-salary budget dollars is a much more valuable comparison. These percentages give a clear picture of institutional strategy and priority. For example, one college with limited resources may choose to commit funds to personnel to make recruitment as personal as possible; another may spend more on a dynamic website and extensive direct mail, generating good impressions and a wider audience.

Please see the summary documents for each year for specific category spending and percentage averages.

Compensation

The study captures salary information for new admission counselors and other professional positions in the admission office. New counselor salary information is shared on a school-by-school basis for participating institutions; other salary information is reported in summary form only since it represents the individual salary information for a specific person. Length of service and time in a current position data is also gathered to provide some additional context for salary figures. No attempt is made to capture variances in fringe benefits, either from institution to institution or between positions.

The chart that follows shows average compensation patterns for the last four years of the study. The most helpful comparisons are within regions or enrollment categories since they account for differences in cost of living or institutional resources. Additional information including salary means by region, enrollment size, length of service and other factors is available upon request.

Admission Professional Salary Survey							
2005-09	2005-06	%	2006-07	%	2007-08	%	2008-09
	Salary	Increase	Salary	Increase	Salary	Increase	Salary
Admission Counselor	\$26,485.	3.29%	\$27,337.	2.95%	\$28,144.	2.03%	\$28,714.
Assistant Director	\$34,671.	4.24%	\$36,141.	2.20%	\$36,937.	-0.11%	\$36,897.
Associate Director	\$39,358.	3.57%	\$40,764.	2.86%	\$41,930.	4.22%	\$43,699.
Director of Admission	\$48,991.	3.34%	\$50,625.	4.43%	\$52,866.	3.18%	\$54,548.
VP/Dean of Enrollment	\$76,221.	9.96%	\$83,814.	-2.08%	\$82,067.	5.60%	\$86,659.

The changes in institutional participation in this version of study are the likely cause of the apparent drop in compensation for vice presidents/deans from 2006-07 to 2007-08 – as mentioned earlier, this first NACCAP version of the study includes a few more smaller schools and a few less larger schools.

Only 4 of the 76 participating institutions give admission counselors a car as a part of their compensation package. For purposes of this study, \$4,000 was added to the new counselor salary figure to account for the provision of a vehicle.

Education Levels

Participants were asked to list the minimum degree requirements for five levels of professional admission staff positions – admission counselor, assistant director, associate director, director and vice president/dean. The results are as follows (school by school details available to participating institutions on request):

- All but three institutions require a minimum of a bachelor's degree for employment as an admission counselor
- Assistant or associate director – the one two-year college in the study only requires an associate's degree; 7 require a master's degree; the rest consider a bachelor's degree the minimum level of education
- Director – 24 institutions require a master's degree; the others a bachelor's degree
- VP/Dean – 12 institutions require a bachelor's degree, 8 require a doctorate and the remainder require a master's degree as a minimum qualification.

This question about qualifications was answered in most cases by the person occupying the chief enrollment officer position, typically the vice president or dean. The question of minimum qualifications for a chief enrollment officer might have been answered differently by a president. A vice president with a master's degree might conclude that he/she has minimal credentials, for example, even though the president might choose to require a doctorate the next time the position is open. A vice president with an earned doctorate might conclude that his/her successor would be required to have the same degree when, in fact, the president might see this differently.

The Admission Funnel

The study measures five key recruitment data points and the yield rates they produce. The institutional view of the recruitment process, whereby a large number of potential students produces a relatively small number of matriculating new students, is commonly referred to as the "admission funnel." Unlike the funnels used in kitchens and garages, though, everything put into the top of this funnel does not come out the bottom! The funnel concept illustrates the narrowing process from inquiry through application to eventual enrollment – some colleges carry this concept further, extending the funnel to persistence to the sophomore year, to graduation and even to the point of becoming a productive member of the alumni association.

As experienced enrollment managers know, the funnel analogy falls apart at some key points as the following chart illustrates:

The Funnel Analogy Breakdown		Yield Rates	What If?	Reality Check	Yield Rates
Inquiries	10,000		20,000	20,000	
Applications	1,000	10.0%	2,000	1,300	6.5%
Completed Applications	800	80.0%	1,600	850	65.4%
Admits	780	97.5%	1,560	830	97.6%
Matriculants	300	38.5%	600	310	37.3%

In this fictitious example outlined in the “what if” column, the institution concluded that “dumping” more inquiries in the top of the funnel would produce a dramatic enrollment increase, assuming that yield rates along the funnel would hold constant. The flaws in this kind of thinking include assumptions that:

- There are systems in place to handle this kind of increased inquiry and application traffic
- The current staffing levels are adequate to deal with this many more applications – assuming a staff of four admission counselors, for example, the applications/counselor ratio just doubled!
- These new inquiries would progress through the funnel at the same rate as historical inquiries that were probably developed from relatively high-yield sources (SAT/ACT scores, alumni and current student referrals, unsolicited inquiries from the institutional website, etc.)

The “reality check” column suggests the more likely outcome, with decreased yield rates throughout the funnel. A careful return on investment analysis would need to be done before concluding that adding 10 new students was worth the investment necessary to generate this kind of increase in the inquiry pool.

This study focuses exclusively on the admission portion of the funnel and on potential first-year college students only. Transfers were included in some of the analysis above but are not part of the funnel discussion that follows.

Definitions are critical in developing meaningful comparisons – for purposes of this study the five key recruitment data points were defined as follows for the study’s exclusive focus on new students in traditional, undergraduate programs:

- Inquiries – potential first-year college students who expressed interest in the institution. This number was not to include those who were targeted with direct mail efforts but never responded, for example

- Applicants – potential first-year college students who submitted an application for admission
- Completed applicants – potential first-year college students who submitted an application for admission as well as all other required documents (SAT/ACT scores, high school transcript, recommendation(s), etc.) so that an admission decision could be made on their behalf
- Admitted applicants – potential first-year college students who were offered admission to the institution, regardless of their eventual college choice
- Enrolled students – as the label implies, those potential first-year college students who decided to enroll at the institution.

Six different yield rates emerge from these five key funnel points and are presented on the summary documents.

The issue of completed applications is increasingly critical as a measure of applicant interest – surprisingly enough, a number of participants do not track this regularly. A simple way to calculate this number is to add the number of students who were denied admission (completed the application process, were considered for admission but not granted admission) to the total admit number. Dividing this completed application number by the total application number yields the completion rate outlined in the study.

For the last ten years this study has highlighted the importance of completion rates. The challenges to reaching and/or maintaining a healthy completion rate have increased with heavy levels of investment in direct mail and “fast app” strategies designed to make applying easier for students. In some cases making the application process simpler is a worthy goal, especially if an institution is requiring steps that are no longer relevant or even inappropriate given their level of selectivity. However, the ultimate goal of a recruitment process is to enroll (and retain) as many “great fit” students as possible, and increasing application totals may not always be a means to this end. For some institutions increasing the completion rate may be a more productive strategy than increasing application totals.

Next year’s study will add another key data point to the funnel analysis, measuring the number of enrollment deposits received against the final new student enrollment number. The number of students who deposit but choose not to enroll is often referred to as “melt” since it involves a number thought to be solid that becomes less so over the (warm) summer months.

The Funnel Study Summary documents highlight both average numbers and yield rates along the funnel for the overall study as well as by the regional and total enrollment breakdowns that are typically more helpful – here are a few highlights from this summary:

- On average, about 12.5% of all inquiries apply for admission – these rates varied widely by region and enrollment size
- The overall completion rate dropped from 79.1% to 75.6% in the two years of this study – in other words, a college with 1,000 applicants could on nearly 250 of these students dropping out of the application process prior to an admission decision
- Nearly 90% of all completed applicants were granted admission – in other words, there is little room to grow the new student population at the typical participating institution by dropping admission standards
- On average, just under 47% of all admitted students enrolled for both years of the study. For 2008, the larger the institution's enrollment, the lower the yield rate. The Canadian region saw the highest yield rates (in excess of 60% both years) and the Northeast the lowest (37.7% and 39.1%).

Using this Study

Beyond the gathering of historical trends and comparison points, this study is most valuable to individual institutions attempting to determine how key ratios, spending levels and the cost to recruit compare to the most likely group of peer institutions. Strategies employed by past participants to utilize this study effectively include:

- Tracking their own year to year patterns and setting targets – is the institution making progress on some of these key comparison points?
- Using the budget categories and funnel definitions in this study as a means of altering standard operating procedures
- Reviewing budget percentages and the priorities they reflect against key peer institutions/competitors and developing strategies accordingly (including strategies to leverage additional budget resources/staffing)

As a reminder, participants agree not to share the school-by-school results of this study with other members, organizations, etc. The summarized results are considered public information and, as such, will be posted on www.naccapresearch.org, utilized as the basis for presentations at the annual NACCAP conference and used in other forms and venues.

About the Author

Tim Fuller serves as Project Leader for NACCAP Enrollment Research and this annual study. He gratefully acknowledges the contributions of many of his Performa Higher Education colleagues in the data collection, analysis and production of this report.

Tim joined Performa Higher Education after a 27 year enrollment career at Houghton College (NY). During his tenure in enrollment leadership at Houghton he served as both Vice President and then President of NACCAP (1985-88) and also served on the CCCU's Commission of Chief Enrollment Officers for 14 years (1990 – 2004). In 1993 he began conducting a cost to recruit study for the CCCU, building on similar work done for several years prior for the Christian College Consortium. In Tim's current role at Performa Higher Education he leads strategic planning and search assistance and participates in a variety of enrollment and research projects.

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