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The Admission Benchmarking Study

A Study of
the Cost to Recruit a Traditional Student
and the Admission Funnel
at NACCAP Member Institutions
Fall 2010 Edition

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Introduction

This is the 18th annual Admission Benchmarking Study (formerly called the Cost to Recruit/Admission Funnel Study). This edition marks the second year of the study conducted on the NACCAP Enrollment Research Website – www.naccapresearch.org. Coordination of data collection and analysis continues under the leadership of Tim Fuller, Performa Higher Education Vice President and former Senior Research Fellow for the Council for Christian Colleges and Universities (CCCU).

The purpose of the study remains the same – to help institutions compare their budget resources, staffing, return on investment and admission funnel ratios to like institutions for the recruitment of traditional undergraduate students. The study does not include analysis of enrollment in or resources used to recruit adult learners in degree completion programs at either the undergraduate or graduate level, nor does it include data on traditional graduate programs and/or seminaries.

In the current economy this kind of comparative data is even more valuable as colleges and universities look carefully at all sources and drivers of revenue streams. For most NACCAP members, tuition and related revenues provide 85% plus of their total revenue, underscoring the importance of a regular and careful review of student recruitment resources, staffing and ratios.

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 five levels of enrollment. This year's study introduces a new category, institutional type, with participants divided into Christian liberal arts (CCCU), Bible college (ABHE) and an "other" category.

Methodology

There are 179 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. 64 members chose to share their complete data and will have access to the member-by-member results of the study; summary results such as those outlined in this report are available to all NACCAP members and, through the postings on www.naccapresearch.org, to other interested parties. Participants sharing their data and



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receiving access to full study findings agree not to share the member-by-member results with non-participating members and other higher education entities.

Participants completed four separate worksheets that outlined data elements as follows:

- Budget resources
- Enrollment data (new students and total)
- 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. In some cases potential errors were caught by website functionality; in others through project team review.

Participants

As mentioned above, 64 NACCAP members participated in this version of the study. Participation by region and enrollment size is outlined in the chart that follows:

| NACCAP Admission Benchmarking Study | | | | | |
|--|----|---|----|------------------|----|
| 2010 Participant Breakdown | | | | | |
| NACCAP Region | | Enrollment * | | Institution Type | |
| Canada | 3 | Smallest (<450) | 6 | CCCU | 52 |
| Midwest | 10 | Small (451 - 799) | 13 | ABHE | 8 |
| Great Lakes | 18 | Medium (800 - 1,199) | 14 | Other | 4 |
| Northeast | 5 | Large (1,200 - 1,799) | 12 | | |
| Northwest | 7 | Largest (> 1,799) | 19 | | |
| Southeast | 10 | | | | |
| Southwest | 11 | * defined as full-time enrollment in traditional undergraduate programs | | | |



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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
- Funds split between multiple budgets

The website worksheets 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. In a few cases the project team has investigated further, always working towards the kind of uniform comparison that makes this study most helpful.

An issue that causes some challenges in reporting and gathering data is the increasing number of institutions with centralized marketing functions. In this model much of the decision making about marketing activity and all or nearly all of the funding for publications, advertising, direct mail and the website is gathered, making it difficult to isolate funds devoted solely to the recruitment of traditional undergraduate students.

The results of the study are reviewed in the pages that follow. 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.



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Cost to Recruit a Student

A major focus of this study is determining 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, direct mail, 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.

| NACCAP Cost to Recruit a New Student | | | | | | |
|--|-----------|----------|----------------|-----------|----------|----------|
| Study Results 1993-2010 | | | | | | |
| | | Increase | | | | Increase |
| | Cost to | Over | | Cost to | Over | |
| | Recruit a | Previous | | Recruit a | Previous | |
| Fall of | Student | Year | Fall of | Student | Year | |
| 2010 | \$ 2,547 | 2.4% | 2001 | \$ 1,897 | 2.5% | |
| 2009 | \$ 2,487 | 0.9% | 2000 | \$ 1,850 | 5.4% | |
| 2008 | \$ 2,464 | 5.9% | 1999 | \$ 1,758 | 4.6% | |
| 2007 ** | \$ 2,326 | 12.4% | 1998 | \$ 1,678 | 6.1% | |
| 2006* | \$ 2,070 | -2.0% | 1997 | \$ 1,582 | 1.8% | |
| 2005 | \$ 2,112 | -1.4% | 1996 | \$ 1,554 | 3.9% | |
| 2004 | \$ 2,143 | 5.4% | 1995 | \$ 1,496 | -0.4% | |
| 2003 | \$ 2,034 | -0.5% | 1994 | \$ 1,502 | 6.2% | |
| 2002 | \$ 2,045 | 7.8% | 1993 | \$ 1,414 | | |
| * spring new students included for first time | | | Total Increase | | 80.1% | |
| ** survey oversight switches to NACCAP from CCCU | | | | | | |



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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.
- 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 2010 study, for example, the 64 participating institutions spent just over \$4 million on direct mail, nearly \$700,000 more 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 reflected the stability in participation between the two years. The relatively flat cost to recruit between 2008 and 2009 followed by a sharp increase for fall 2010 likely reflects several factors (other than participation differences):

- The economic pressures on member budgets led to some scaling back on recruitment expenditures, often as part of across the board cutbacks felt campus-wide. The impact on recruiting of scaling back was more apparent one or two years afterwards.
- The relatively large expansion into direct mail must now be followed by fairly careful return on investment analysis. In some cases this analysis has led to scaled back direct mail efforts when the impact on the top of the funnel was not followed by impact on the number of new students.
- The centralized marketing budget factor mentioned above may have also had an impact. The project team suspects that a number of participants simply did not account for all of their budget resources in the same manner as in previous studies because they did not have direct control of them.
- The ongoing escalation of the recruiting arms race continues as institutions pour more resources into student recruitment. In this author's experience it is often less painful to commit more resources to student recruitment than to take a hard look at either how those resources are being spent or the broader institutional issues that may be capping enrollment growth.



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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.

The comparative cost to recruit a student overall, by region and by enrollment size is outlined in the following chart (and in ABS summary documents on www.naccapresearch.org).

| Cost to Recruit a Student | | | |
|----------------------------------|---------|-------------------|---------|
| <i>All Participants</i> | \$2,547 | <i>Smallest #</i> | \$3,691 |
| <i>Canada</i> | \$2,619 | <i>Small #</i> | \$2,800 |
| <i>Great Lakes</i> | \$2,373 | <i>Medium #</i> | \$2,671 |
| <i>Midwest</i> | \$2,938 | <i>Large #</i> | \$2,430 |
| <i>Northeast</i> | \$3,041 | <i>Largest #</i> | \$1,946 |
| <i>Northwest</i> | \$2,654 | <i>ABHE</i> | \$2,930 |
| <i>Southeast</i> | \$2,398 | <i>CCCU</i> | \$2,429 |
| <i>Southwest</i> | \$2,218 | <i>Other</i> | \$3,164 |

Staffing/Recruiting: Size of Staff and Relevant Ratios

NACCAP institutions participating in this study spend, on average, 56.4% of their budget resources on personnel including salaries, fringe benefits and student wages. One of the most frequently discussed topics within this study is how the staff resources an institution has committed to the recruitment/admission function compares to relevant benchmarks. The study gathers staffing information in three categories:

- Professional staff
- Recruiting staff (a subset of professional staff defined as those who have a recruitment territory)
- Support staff

Each category is reported in an FTE format to capture the portion of an employee’s time devoted to the undergraduate admission/recruitment function or to recruitment in the case of the recruitment FTE.

Here is an overview of staffing FTE’s by category for the last four years of the study:



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| Staff Size - Professional Staff FTE | | | | |
|-------------------------------------|-------|-------|-------|-------|
| | 2007 | 2008 | 2009 | 2010 |
| Overall | 7.92 | 8.25 | 8.58 | 9.32 |
| Canada | 6.45 | 6.47 | 4.59 | 6.39 |
| Great Lakes | 8.88 | 9.49 | 10.09 | 11.01 |
| Midwest | 7.16 | 7.44 | 7.81 | 9.59 |
| Northeast | 8.18 | 8.75 | 8.38 | 7.86 |
| Northwest | 7.98 | 8.13 | 7.45 | 8.45 |
| Southeast | 6.62 | 6.92 | 8.04 | 8.68 |
| Southwest | 8.78 | 8.82 | 9.31 | 8.90 |
| Smallest | | | 4.34 | 4.97 |
| Small | 5.29 | 5.42 | 6.24 | 6.25 |
| Medium | 8.04 | 8.10 | 8.15 | 7.92 |
| Large | 7.96 | 8.38 | 8.88 | 9.36 |
| Largest | 11.53 | 12.48 | 12.68 | 13.80 |
| ABHE | | | | 5.42 |
| CCCU | | | | 10.07 |
| Other | | | | 5.99 |

| Staff Size - Recruiting FTE | | | | |
|-----------------------------|------|------|------|------|
| | 2007 | 2008 | 2009 | 2010 |
| Overall | 5.61 | 5.77 | 5.92 | 6.35 |
| Canada | 4.28 | 4.24 | 2.84 | 4.75 |
| Great Lakes | 5.88 | 6.22 | 6.71 | 7.21 |
| Midwest | 5.60 | 5.75 | 5.83 | 6.84 |
| Northeast | 6.55 | 6.55 | 6.02 | 6.15 |
| Northwest | 5.75 | 5.83 | 5.78 | 5.62 |
| Southeast | 4.69 | 4.96 | 5.26 | 5.68 |
| Southwest | 6.29 | 6.20 | 6.27 | 6.10 |
| Smallest | | | 3.15 | 3.63 |
| Small | 3.80 | 3.93 | 4.15 | 4.40 |
| Medium | 5.23 | 5.27 | 5.33 | 5.41 |
| Large | 6.03 | 6.12 | 6.52 | 6.83 |
| Largest | 8.08 | 8.52 | 8.76 | 8.93 |
| ABHE | | | | 3.71 |
| CCCU | | | | 6.78 |
| Other | | | | 1.81 |

Analysis of this data suggests:

- The relatively large increase in Professional Staff FTE for 2010 reflects the drop in the number of smaller institutions who participated in this year's study rather than a trend toward larger staffs
- The gap between Professional Staff FTE and Recruiting FTE is the largest at the largest institutions, reflective of the additional layers of management and administrative support necessary to keep this sized operation running smoothly



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| Staff Size - Support Staff FTE | | | | |
|--------------------------------|------|------|------|------|
| | 2007 | 2008 | 2009 | 2010 |
| Overall | 2.93 | 2.84 | 2.97 | 3.41 |
| Canada | 2.04 | 2.10 | 0.83 | 1.86 |
| Great Lakes | 3.62 | 3.57 | 4.12 | 4.63 |
| Midwest | 2.11 | 2.16 | 2.28 | 2.59 |
| Northeast | 3.53 | 3.18 | 2.84 | 2.90 |
| Northwest | 2.75 | 2.75 | 3.04 | 3.50 |
| Southeast | 2.20 | 2.05 | 2.61 | 2.62 |
| Southwest | 3.36 | 3.13 | 3.03 | 3.49 |
| Smallest | | | 0.71 | 1.01 |
| Small | 1.53 | 1.73 | 1.89 | 2.00 |
| Medium | 2.42 | 2.27 | 2.45 | 2.39 |
| Large | 3.16 | 3.24 | 3.45 | 4.20 |
| Largest | 5.17 | 4.99 | 5.05 | 5.39 |
| ABHE | | | | 1.35 |
| CCCU | | | | 3.85 |
| Other | | | | 3.75 |

In the author’s experience many if not most admission offices believe they are understaffed and often at the admission counselor level. When analyzed at a campus level in comparison to relevant benchmarks this data often suggests additional support staff might be the most strategic investment, especially if this addition enabled those with recruitment responsibilities to divest themselves of support-type duties and focus exclusively on student recruitment.

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. In addition to the professional staff FTE, a recruiting FTE is 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, tele-counseling or communication flow coordination, 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



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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 recruiting for a campus that has a long history and strong reputation and the far different challenge recruiting for 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 and university 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. For fall 2010 there was a significant positive change in this ratio, which may suggest increased accountability for and oversight of admission counselors given their critical role as well as some reduction in professional staff positions that do not directly impact recruitment. A more likely explanation is this reflects the drop in participation by some smaller institutions in this year's study as those institutions typically generate fewer new students per professional staff FTE.

| NACCAP - Ratio of New Students to Professional Staff FTE: 1993-2010 | | | | | |
|--|------------------|----------|-------------------------|------------------|----------|
| | New Students | Change | | New Students | Change |
| | Per Professional | From | | Per Professional | From |
| Fall of | Staff FTE | Previous | Fall of | Staff FTE | Previous |
| 2010 | 54.34 | 3.6% | 2001 | 59.78 | -1.9% |
| 2009 | 52.45 | -0.8% | 2000 | 60.96 | 4.7% |
| 2008 | 52.88 | -4.6% | 1999 | 58.21 | -3.4% |
| 2007 ** | 55.44 | -6.1% | 1998 | 60.25 | -2.4% |
| 2006* | 59.06 | 2.7% | 1997 | 61.71 | 2.1% |
| 2005 | 57.51 | -1.5% | 1996 | 60.46 | -4.3% |
| 2004 | 58.37 | 0.6% | 1995 | 63.17 | 0.9% |
| 2003 | 58.03 | -3.5% | 1994 | 62.60 | -5.8% |
| 2002 | 60.13 | 0.6% | 1993 | 66.43 | |
| * spring new students included for first time | | | Total Efficiency Change | | -18.2% |
| ** survey oversight switches to NACCAP from CCCU | | | | | |

As mentioned above, the study breaks out professional staff with specific recruiting responsibilities. Since year-to-year comparisons offer limited value initially, the following chart



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reflects the differences by region and enrollment for the four years of the study where this recruitment breakdown was in effect.

| NACCAP - Ratio of New Students to Professional Staff Recruiting FTE | | | | |
|--|--------|--------|--------|--------|
| 2007-2010 | | | | |
| | 2007 | 2008 | 2009 | 2010 |
| Overall | 77.58 | 75.62 | 81.17 | 78.83 |
| Canada | 67.24 | 69.79 | 82.01 | 64.04 |
| Great Lakes | 78.62 | 78.68 | 86.50 | 87.41 |
| Midwest | 62.65 | 59.11 | 62.58 | 60.83 |
| Northeast | 72.58 | 67.67 | 62.11 | 61.53 |
| Northwest | 73.27 | 73.78 | 64.90 | 75.81 |
| Southeast | 82.85 | 79.43 | 117.06 | 71.66 |
| Southwest | 93.49 | 87.47 | 77.54 | 101.47 |
| Smallest | | | 59.61 | 42.03 |
| Small | 55.24 | 53.89 | 62.22 | 59.78 |
| Medium | 67.76 | 66.96 | 77.02 | 69.44 |
| Large | 88.08 | 83.90 | 74.99 | 72.01 |
| Largest | 108.41 | 104.94 | 117.48 | 114.70 |
| ABHE | | | | 74.75 |
| CCCU | | | | 81.00 |
| Other | | | | 58.78 |

#Enrollment categories for total, full-time undergraduates in traditional programs
Smallest (less than 450)
Small (451 - 799)
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.

In addition to the notes of caution mentioned above, it is important to understand what this last ratio does not or at least may not mean for staffing decisions. It does not mean, for example, that a Southeast region member looking to grow by 70 new students should expect that merely adding a full-time admission counselor focused exclusively on recruiting will accomplish this goal. On some campuses the best way to focus more energy and effort on recruiting new students may be to hire another support staff person who can relieve counselors of routine paperwork and other tasks that is keeping them from building relationships with prospective students. On other campuses, admission counselors may be highly efficient and focused already with reasonably-sized territories where further sub-division may not add to efficiencies and generate a positive return on investment; rather, the institution may need to make additional investments in marketing to build overall awareness.



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New Student Patterns by Term and Enrollment Type

Most new students enroll at participating institutions in the fall semester; on average, 91.4% of the new students who enrolled in the 2010 recruitment cycle 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.

Of the new students who enrolled at participating institutions in fall 2010, 26.2% are transfers, a relatively large increase over fall 2009's 21.6%. 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 eight 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.



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Spending by Category

In the 2009-10 budget year the participating institutions spent nearly \$73 million on salaries, fringe benefits, student wages and other student recruitment expenses, an average of approximately \$1.14 million per institution. If you consider that only 64 of the 179 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 56.4% of their budget dollars on labor costs.

The category Percentage vs. Total Non-Salary Budget Dollars gives a clear picture of institutional strategy and priority. For example, one college or university 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 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 and enrollment size is available on the summary documents from this study. Information about how length of service and other factors impact salary is available upon request.



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| Admission Professional Salary Survey | | | | | | | |
|---|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| 2007-2011 | 2007-08 | % | 2008-09 | % | 2009-10 | % | 2010-11 |
| | <u>Salary</u> | <u>Increase</u> | <u>Salary</u> | <u>Increase</u> | <u>Salary</u> | <u>Increase</u> | <u>Salary</u> |
| Admission Counselor | \$28,144. | 2.03% | \$28,714. | 0.44% | \$28,841. | 2.00% | \$29,417. |
| Senior Admission Counselor | | | | | \$32,872. | 0.82% | \$33,141. |
| Assistant Director | \$36,937. | -0.11% | \$36,897. | -0.53% | \$36,700. | -3.53% | \$35,403. |
| Associate Director | \$41,930. | 4.22% | \$43,699. | -0.89% | \$43,311. | 1.12% | \$43,796. |
| Director of Admission | \$52,866. | 3.18% | \$54,548. | -0.40% | \$54,332. | 4.20% | \$56,615. |
| VP/Dean of Enrollment | \$82,067. | 5.60% | \$86,659. | -5.73% | \$81,693. | 2.89% | \$84,050. |

The changes in participation in the study probably explain most of the average salary increase from the 2009 study. These salary figures do not reflect additional compensation losses that may have occurred in the area of fringe benefits. The economic crisis has caused a number of private colleges and universities to roll back retirement account matching, increase health insurance participation fees/deductibles and take other steps to curb personnel costs. Given the critical dependence on tuition revenues for most NACCAP members and the corresponding importance of maintaining an experienced, talented admission team, these compensation patterns should be of concern to enrollment leaders and those to whom they report.

The senior admission counselor position was studied last year for the first time, and this position's existence is a reflection of the value that many institutions place on experienced counselors remaining on the recruitment team for more than the typical tenure. Slightly more than half of the participating institutions report the presence of a senior counselor position; for those who do, the average difference between a starting counselor and a senior counselor salary is nearly \$4,000. The starting counselor salary paid by members who have established the senior counselor position is slightly higher than the overall study average, suggesting (not surprisingly) that larger institutions are more likely to have made the commitment to this intermediate promotion step.

Only 5 of the 64 participating institutions give admission counselors (or other staff members) 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.



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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 require a minimum of a bachelor's degree for employment as an admission counselor
- Assistant or associate director – 9 require a master's degree; the rest consider a bachelor's degree the minimum level of education
- Director – 30 institutions require a master's degree; the others a bachelor's degree
- VP/Dean – 9 institutions require a bachelor's degree, 3 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 and universities carry this concept further, extending the funnel to persistence to the



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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.



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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 or university 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 12 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.



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The Fall 2010 Funnel Report for NACCAP institutions included data for 123 institutions and, in addition to the funnel variables in this study, also included information on the difference between admitted students who paid an enrollment deposit and those who actually matriculated. On average, deposit melt was approximately 13% and the current state of the economy, demographics and other trends creating a buyer's market suggest this rate may be moving higher for fall 2011.

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 11.2% of all inquiries apply for admission – these rates varied widely by region and enrollment size and dropped from last year's 13.4%. This drop is reflective of the change in participation (smaller institutions tend to have higher inquiry to application rates) and the continued emphasis on high volume top of the funnel strategies.
- The overall completion rate dropped again from 75.1% to 73.7%. In other words, a college or university with 1,000 applicants could count on over 260 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, 42% of all admitted students enrolled for fall 2010, a drop from fall 2009's 44%.

The chart that follows highlights average yield rates down the funnel for the overall, regional and enrollment categories of this study.



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| Average Yield Rates | | | | | | |
|---|------------------------|--------------------------|----------------------|---------------------------|----------------------|----------------------|
| Grouping | Inquiry to Application | Inquiry to Completed App | App to Completed App | Completed App to Admitted | Admitted to Enrolled | Inquired to Enrolled |
| <i>All Participants</i> | 11.2% | 8.2% | 73.7% | 89.5% | 42.0% | 2.9% |
| <i>Canada</i> | 12.5% | 9.5% | 75.6% | 92.3% | 53.1% | 4.0% |
| <i>Midwest</i> | 12.7% | 8.1% | 66.5% | 90.0% | 45.3% | 3.3% |
| <i>North Central</i> | 11.8% | 9.6% | 81.5% | 89.8% | 38.1% | 3.0% |
| <i>Northeast</i> | 8.5% | 7.3% | 81.1% | 86.5% | 43.1% | 2.3% |
| <i>Northwest</i> | 10.7% | 7.0% | 64.6% | 89.1% | 38.7% | 2.0% |
| <i>Southeast</i> | 10.8% | 7.3% | 67.6% | 89.7% | 44.6% | 2.7% |
| <i>Southwest</i> | 10.2% | 7.5% | 73.8% | 89.4% | 41.3% | 2.5% |
| <i>Smallest*</i> | 12.3% | 6.9% | 57.9% | 90.0% | 58.1% | 3.6% |
| <i>Small*</i> | 10.5% | 6.8% | 63.6% | 90.6% | 44.3% | 2.5% |
| <i>Medium*</i> | 9.6% | 7.1% | 74.8% | 93.6% | 37.8% | 2.4% |
| <i>Large*</i> | 9.6% | 7.8% | 80.2% | 90.5% | 40.3% | 2.6% |
| <i>Largest*</i> | 13.5% | 10.5% | 80.0% | 85.1% | 39.4% | 3.3% |
| <i>Bible College</i> | 8.9% | 6.4% | 69.9% | 77.1% | 66.5% | 2.9% |
| <i>CCCU</i> | 11.3% | 8.4% | 75.1% | 91.4% | 38.0% | 2.8% |
| <i>Other</i> | 13.7% | 8.1% | 61.5% | 90.5% | 44.0% | 3.5% |
| * Enrollment categories for total, full-time undergraduates in traditional programs | | | | | | |
| Smallest: 0 to 450 | | | | | | |
| Small: 451 to 799 | | | | | | |
| Medium: 800 to 1,199 | | | | | | |
| Large: 1,200 to 1,799 | | | | | | |
| Largest: 1,800 or more | | | | | | |



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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.



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About the Author

Tim Fuller serves as Project Leader for NACCAP Enrollment Research and this annual study. He 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 (1985-1988) 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 the firm's work with Christian colleges and universities in the areas of enrollment, strategic planning, search assistance, research and comprehensive projects.

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