



Challenges in **ENROLLMENT**

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NOEL LEVITZ

Introduction

For just about every college, the enrollment picture translates into sound finances or a budgetary mess (or someplace in between). Almost all private colleges depend on tuition revenues directly. At most public colleges, enrollment drives tuition revenue, state funding, and more. Missing enrollment targets can be disastrous for a college.

The articles in this compilation explore some of the issues in enrollment management generally, and some of the strategies being used by individual colleges and universities. There is no single path to success – as strategies depend on institutions' missions, finances and savvy at attracting students.

Inside Higher Ed will continue to cover these issues, and welcomes your comments on this compilation, and your ideas for future coverage.

--The Editors

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Drew's Downgrade

BY RICK SELTZER // MARCH 31, 2017

Ratings agency dings small university for spending big after a new president took over. As focus shifts to a budget deficit, question becomes whether Drew can cut spending while growing enrollment.

MaryAnn Baenninger inherited a budget deficit when she came to Drew University in the summer of 2014. The next year, the small private university's deficit grew.

And that was by choice.

Drew spent more as Baenninger sought to put money into the university's campus, students and employees. The university issued its first raises in about five years. It hired a respected enrollment guru and increased its financial aid spending. It renovated the dining hall.

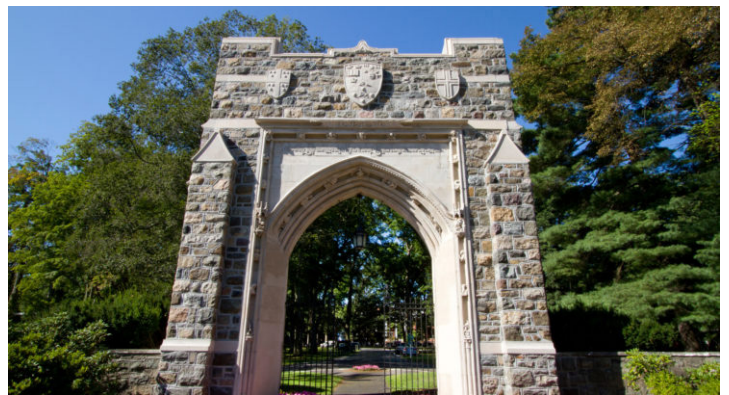
The spending was a change for Drew, a pricey university to the west of New York City in Madison, N.J., which [had been preparing](#) for budget cuts following several years of dropping enrollment before Baenninger arrived. But, according to Baenninger and members of her administration, the spending helped to keep talented staff and faculty members from leaving, improve student retention and increase ap-

plications from prospective students.

"We were losing kids on the food, for God's sake," Baenninger said. "Our salaries were going downhill. Now they're going up."

Recently, however, the spotlight has shifted to Drew's deteriorating financial situation. Moody's Investors Service drove home that point [this month](#) by downgrading Drew's bonds for the second time in 15 months. Moody's dropped one series of bonds from Ba3 to B2 and two others from Ba3 to B3, sinking them farther into junk territory and signifying that they are highly speculative.

Moody's pointed to operating deficits that are expected to last longer than previously projected, along



Drew University

with a competitive student market constraining possibilities for short-term revenue growth. It said Drew has no more unrestricted liquidity left and would have to rely on loans and distributions from temporarily restricted endowment assets for working capital. Moody's also assigned a negative rating outlook.

"The negative outlook reflects our expectations that the university's financial performance will remain challenged over the next few years, which will continue to erode the re-

Challenges in Enrollment

maintaining spendable cash and investments, making a return to financial stability very difficult,” Moody’s analysts wrote.

The downgrade came after Drew administrators realized they would be running a deficit for a year longer than they had originally anticipated, according to Baenninger. The university will be carrying deficits into 2021-22.

Now, cuts are clearly necessary, Baenninger said. But she still thinks her strategy of spending early was the right one.

“It is really hard,” the president said in an interview this week. “But what we chose to do -- and I feel very strongly that this is the only way it would work -- we chose to invest first, learn about the institution with our new team and our new CFO. Learn about the institution, and then deploy the cost savings so we weren’t inadvertently cutting things that would hurt us more.”

The question Baenninger faces now is whether enough fat can be cut from Drew to free money for seemingly competing needs. The university must do more to balance its budget. But it also wants to find a way to invest in new programs. At the same time, it needs to prove wrong concerns about the competitive student market by attracting more students and more tuition dollars.

Drew is not alone in those questions -- small liberal arts colleges

across the country have been forced to figure out how much they can cut, how much they will have to change and where they can grow to stay afloat in a difficult market. For Drew, Baenninger believes the answer has to involve growth -- even in



President MaryAnn Baenninger

the midst of coming cuts.

“I still view Drew’s structural deficit problems as revenue problems -- that is, over all, we’re not spending more than an institution of our type should be spending,” Baenninger said. “But particularly because our enrollment wasn’t stable and our retention was low -- strikingly low for an institution of our type -- we weren’t bringing in the revenue that we should bring in.”

Where to Cut, Where to Invest?

In Baenninger’s first year, working under an operating budget she inherited, Drew spent \$84.6 million but only brought in \$73.5 million in revenue. The next year, fiscal 2016, spending rose to \$90.4 million, rising faster than revenue, which

increased to \$76.7 million. That means Drew’s operating deficit increased by \$2.6 million, from \$11.1 million to \$13.7 million -- the deficit amounted to 15 percent of spending.

With Drew on pace to continue its deficits in the current year, Baenninger has been increasingly discussing cuts and how to financial balance. The way forward will likely include significant administrative cuts, skewing university spending away from its administration and toward academics.

Drew has been offering voluntary early retirements and is [restructuring its academic administration](#) in moves expected to save millions. The university will be keeping a tight capital budget -- it [does not plan](#) any borrowing -- and looking for ways to control benefit costs.

“Our cost-savings plan, which will be unfolding over the next six months, will cause us to be able to create a very, very different cash-flow situation very rapidly,” Baenninger said.

At the same time, Drew is evaluating programs it can add -- as many as dozens across its three colleges over coming years. It is in the process of adding a media and communications program. And it plans to add to a group of programs that have students spending semesters in New York City.

The university is looking into fields like public health and data science for new undergraduate concentra-

Challenges in Enrollment

tions. And its Theological School and College of Liberal Arts [have been working with consultants](#) on potential new programs and strategic planning.

"What we are looking to do is create these opportunities that define liberal arts with a career," Baenninger said. "It's not something that sounds particularly innovative or unique, but these are things that Drew didn't do before."

'You Have to Have a Depth of Applicants'

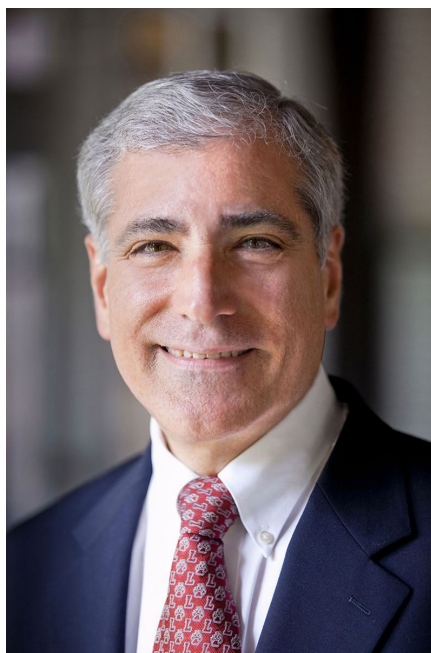
New programs mean little if Drew can't draw students. Perhaps the most crucial part of the university's recovery plans revolve around boosting enrollment and retention. Robert Massa, senior vice president for enrollment and institutional planning, is in charge of those tasks.

Massa is known for his work at Dickinson College in Pennsylvania, where he raised applications, enrollment and revenue at a time when the college had a new president. He's in a situation now that looks strikingly similar. He started working at Drew as a consultant shortly after Baenninger was hired. A few months later, in February 2015, he signed on full time.

Drew had previously looked at its financial situation and cut from student aid, Massa said. But he believes those financial aid changes brought unintended negative consequences, hurting the university's market position and leading to more students leaving because they had large gaps in their financial aid packages.

Enrollment bottomed out, Massa said. In the fall of 2014, weeks after Baenninger arrived, the first-year freshman class was as small as it had ever been, at 302 students. That was despite a freshman discount rate of 58 percent, well above the [national average for private colleges](#), which is about 50 percent.

Yet when Massa arrived, leaders made the decision to spend more to attract students.



Robert Massa

"The only lever I could pull, because applications had declined, was the financial aid lever," Massa said. "We had made a decision that we needed a critical mass, and the discount, we'd have to drive that up."

The university's first-year tuition discount rate spiked to 67 percent in the fall of 2015. But freshman enrollment rose, too, hitting 357. Total undergraduate enrollment rose

from 1,482 in the fall of 2014 to 1,514 in the fall of 2015.

Drew's freshman discount rate and enrollment ticked down slightly this year to 62 percent and 350 as of the fall. Total undergraduate enrollment came in at 1,589, up from previous years as freshman retention has climbed.

The university has essentially used financial aid to buy more students while still making itself more selective. Its acceptance rate fell from about 70 percent in 2014 and 2015 to 57 percent in 2016.

"I'm not trying to get more applications so we can reject people," Massa said. "The point is, in order to have a deep enough pool to be able to select a class that's both academically qualified and has some financial ability, you have to have a depth of applicants."

Drew can be successful with a higher discount rate than many other private institutions, Massa argues. At about \$47,000 before room, board and fees, [its listed tuition](#) is higher than many other private colleges. So even after discounting, Massa said, Drew's net tuition per student is still about \$1,000 higher than a typical private college.

"Our discount rate is high, and I don't like being in the low 60s," he said. "But our net revenue per student is higher than average."

The university's discount rate will fall in the future, Massa predicted. Still, he thinks it's unlikely to drop below 55 percent.

For next year, the goal is to bring in a freshman class of about 385, Mas-

sa said. Going forward, he thinks the university needs an annual applicant pool of about 4,000 to admit classes at the levels of selectivity he targets. Ideally, Drew would accept 2,000 students to get to 385 or 400 freshmen enrolling each fall. Its overall undergraduate student body would number about 1,750. Add in graduate students, and Drew would then have about 2,300 students, up from about 2,200 today.

Massa has been working to build relationships with high school counselors. He's recruiting heavily in the New York City metropolitan area and other areas up and down the East Coast.

"I will be honest with you, there is a lot of work to be done," he said. "It's a deep hole to dig out of, but I'm actually confident that we can do it."

The administration still has the backing of the chairman of the Board of Trustees, Dean T. Criares. Key indicators are moving in the right direction, and the board was looking for someone who was willing to do the work of repositioning Drew for the future when it hired Baenninger, Criares said.

That hasn't changed with the current financial situation.

"It is my responsibility to be concerned," Criares said. "And to constantly ask, 'What if?' But at the moment, we are cautiously optimistic around the trends that MaryAnn has

been able to generate."

'The Pressures Are Worse Than They've Ever Been'

Still, observers who know Drew best worry about its current position. The path back will not be easy, said Thomas H. Kean, a former governor of New Jersey who went on to become Drew's president from 1990 to 2005.



Mead Hall

"There have been some problems, and not all of the school's making," Kean said. "We went through a very difficult economic period. I have tremendous sympathy for anybody in the job these days of running a small liberal arts school, because the pressures are worse than they've ever been."

Drew was in a similar situation when Kean became president, he

said. He also took time to evaluate the circumstances, bring in his own team of administrators and fix the problem, he said.

Kean's recommendation for Drew today is a heavy emphasis on fund-raising. The university has a strong alumni base, he said.

The market value of Drew's endowment has taken a major hit of late, falling by 19.1 percent between 2015 and 2016 to \$172.2 million, [according to annual figures](#) gathered by the National Association of College and University Business Officers and Commonfund. While the endowment value is still much higher than those of many universities, particularly on a per-student basis, the drop is precipitous.

Kean is quick to say that he believes Drew's faculty members are dedicated and that the university still offers a top liberal arts education. He also continues to believe in the value of that education, he said.

"I fear for the future of liberal arts colleges in general," Kean said. "Small ones that do not have major endowments to back them up, that's a large number of places. And yet, like Drew, there are a lot of very good places, and their loss would be dramatic for the country, and the country would be a much poorer place without them."

Kean said he opted to be open

Challenges in Enrollment

with faculty members about Drew's problems after he started there. It's unclear how much Baenninger's actions will mirror his approach going forward. Drew's current president has sent regular communications about the university's strategic planning, most recently addressing the Moody's downgrade in separate messages to faculty, staff and students and to alumni.

On campus, Drew's Faculty Senate has not been meeting regularly in recent years, said Sarah Abramowitz, a professor of mathematics and the chair of Drew's department of mathematics. She is a representative on an annual planning and budget committee, which Baenninger has used to help make important decisions.

There are pockets of concern about the financial situation among Drew's faculty, Abramowitz said. Still, she said the mood on campus is not panicked. Faculty members have known about underlying financial problems for some time.

"Before MaryAnn came, we tried to make budget cuts," Abramowitz said. "That program was not successful."

The previous program, which was called off when Baenninger arrived on campus, would have cut academic programs at Drew, even though the university already considered itself to have relatively few programs, Abramowitz said.

Still, faculty knew some sort of cuts would be coming eventually, she said. Now, she believes

Baenninger will be able to find savings without cuts that could damage academics.

"Nobody has any details, including me," Abramowitz said. "But I do trust that she's going to do them in a very sensible way."

Finding the right mix of cuts is the challenge of the moment. The bottom line is that Drew has not dedicated itself in the past to making necessary sacrifices, according to Baenninger. She thinks there are numerous areas where the university can stem flows of unnecessary spending.

"With most institutions, you see long-term sustained cuts that are eating away at the muscle," Baenninger said. "Drew needs to eat away at its fat." ■

<https://www.insidehighered.com/news/2017/03/31/drew-university-after-spending-attract-more-students-faces-large-deficits>



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Diminishing Returns for Tuition Discounting

BY RICK SELTZER // APRIL 28, 2017

Net tuition revenue per full-time equivalent student decreased after unrestricted tuition discount rates hit 28.7 percent.

Attracting students with tuition discounting has its limits -- and one study suggests a surprisingly large number of small colleges and universities are flirting with those limits.

The study, which is being presented Friday at the American Educational Research Association's annual meeting, looks at the practice and effects of tuition discounting over 10 years at a group of 448 small liberal arts colleges across the country. Tuition discount rates have risen substantially as institutions offer larger and larger scholarships and grants to students in order to entice them to enroll.

Colleges and universities use tuition discounting as they try to meet enrollment goals and increase net tuition revenue. Under the strategy, institutions offer grant aid to some students in order to lower those students' cost of attendance. The idea is that the grant aid entices students

to enroll who would not have attended if an institution was charging more.

By targeting grant aid to certain students, an institution can theoretically meet its goals -- whether those goals are to enroll more students with top test scores, enroll more students from low-income families, enroll more minority students or simply increase revenue by enrolling more students.

But a large amount of the money institutions spend on grant aid is unfunded or unrestricted, meaning it comes from general funds -- which in turn largely come from tuition revenue. So colleges and universities have to strike a balance between their quoted tuition and the amount they discount to ensure they can



bring in enough revenue.

Steep discounting can throw off that balance. And the study suggests many universities have waded into levels of steep discounting.

At a certain point, net tuition revenue per full-time equivalent student decreases as unrestricted tuition discount rates increase, according to the study. That point averaged 28.7 percent over the study's 10-year period.

And 60 percent of colleges and universities in the study averaged

Challenges in Enrollment

unrestricted tuition discount rates of more than 28.7 percent, the study found. In other words, six out of 10 institutions had tuition discount rates that put them at risk for losing net revenue per full-time equivalent for every new student they enroll.

It's worth noting that the study focuses on unrestricted discounting instead of restricted discounting, which is funded by accounts or gifts specifically marked for student financial aid.

Rates of restricted discounting changed little during the time period examined. The study's focus and a different sample of institutions examined likely contributed to a difference from higher average institutional discount rates quoted in the National Association of College and University Business Officers' annual [Tuition Discounting Study](#).

The new data suggest a point at which increasing tuition discounting can impede enrollment goals and place institutions' financial stability in jeopardy, the study's authors said. But in a world where colleges and universities are competing for students, most can't walk away from discounting as an enrollment strategy.

"There does not seem to be a clear way for institutions to continue to do this going forward on reputation without significant consequences lying ahead," said Luke Behaunek, the study's lead author. "But there also doesn't seem to be a great way to move back from it, and I think that's how we've gotten to this point."

Across the 448 institutions studied, average net tuition revenue in-

tion revenue per full-time equivalent only grew 1.26 percent per year.

The study grew out of dissertation work Behaunek did when he was completing his graduate degree in higher education administration. He is now the dean of students at Simpson College, in Iowa.

He cautioned that some institutions can post higher discount rates than others and still be financially successful. Each individual college

or university is unique in its market position, published tuition rate it can charge and strategy for divvying up student aid.

"Our data and our model have no way of controlling for the different strategies, marketing campaigns or timing that institutions use to leverage this grant aid," Behaunek said.

"A focus solely on that number is not what's most important. It's a reflection of the demands facing that institution."

Behaunek analyzed institutions by group based on how much they discount tuition. The 10 percent of institutions that posted the highest tuition discount rates had essentially the same net tuition revenue per student as the 10 percent of institutions with the lowest discount rates

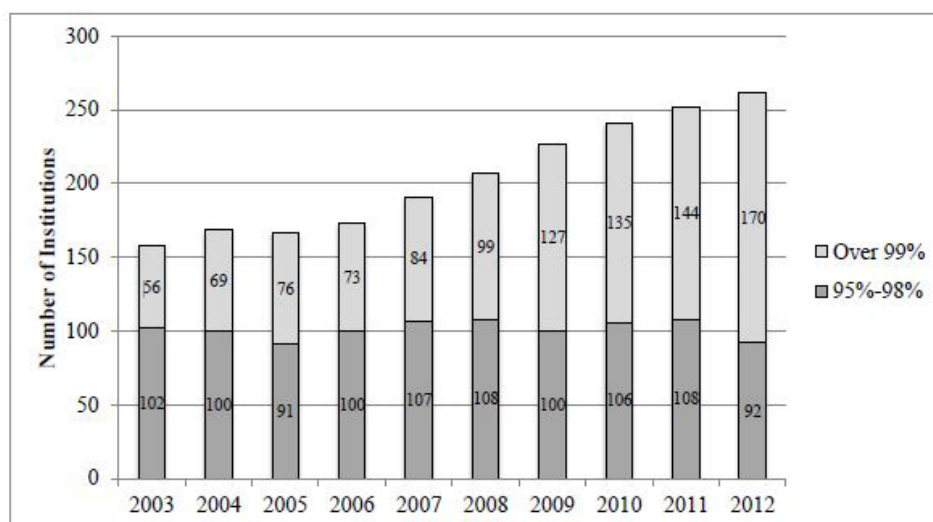


Figure 2. Number of institutions with high frequencies of institutional grant aid (n=448). Counts represent number of institutions awarding institutional grant aid to over 99 or 100 percent and 95 to 98 percent of incoming first-time, first-year students for each fall cohort.

creased 2.3 percent per year. But enrollment grew faster. So did unrestricted grant aid, which grew by more than 6.1 percent annually. Funded grant aid, which comes from sources like endowments and does not affect general funds, held largely steady over the study's time frame, dipping slightly from 8.1 percent in 2003 to 5.8 percent in 2012.

Consequently, growth in net tui-

Challenges in Enrollment

-- about \$13,500.

But the institutions with the lowest discount rates enrolled more minority students and students receiving Pell Grants, which is considered a proxy for students from low-income families. Those with the lowest discount rates had student bodies that were nearly 60 percent minority and almost 70 percent receiving Pell Grants, while those with the highest discount rates had student bodies that were 26.2 percent minority and 38 percent receiving Pell grants.

Researchers wondered whether poor and minority student populations would have increased at high-discount, high-tuition institutions if more colleges and universities had found a way to keep their sticker prices lower.

Many students are dissuaded from even applying to a college when they see a high sticker price, said Ann M. Gansemer-Topf, an assistant professor in higher education at Iowa State University and a co-author of the paper. Gansemer-Topf, who chaired Behaunek's dissertation committee, is presenting the paper at the AERA annual meeting.

"We forget that students, partic-

ularly first-generation, underrepresented students, are really impacted by sticker prices," Gansemer-Topf said.

There are indications that an increasing number of colleges and universities have maxed out their ability to increase their discount rates. In 2003, only 56 colleges and universities in the study gave institutional grant aid to 99 percent or 100 percent of their incoming first-year students.

That was just 12.5 percent of the number of institutions studied. In 2012, 170 institutions awarded grant aid to 99 percent or 100 percent of incoming first-year freshmen -- 38 percent of the institutions studied.

Researchers observed several other changes to key metrics over the study's 10-year time frame. The average number of applicants increased by more than 57 percent, to 2,574 per institution. But the average yield rate fell 10 percent to only 31 percent, indicating a lower percentage of admitted students enrolled. Average SAT scores also dropped.

The average enrollment for each fall cohort of first-time freshmen crept up from 338 to 352. The por-

tion of minority students increased from 24.8 percent to 32.8 percent. The portion of Pell Grant recipients rose from 38 percent to 42 percent.

Tuition at institutions in the study averaged \$22,529 in 2003. It averaged \$27,052 in 2012. But average net tuition revenue per full time equivalent only grew from \$14,468 to \$16,203.

So some institutions were able to increase their net tuition revenue per student, even as unrestricted discounting increased.

If done well, targeted discounting will increase total net tuition even if net tuition per student falls, said Robert Massa, senior vice president for enrollment and institutional planning at Drew University, who has increased discounting to improve enrollment at different stops in his career, [including his current position](#). That's because it can bring in more students.

"The real problem occurs -- and this is more and more common today -- when an institution increases discounts, whether targeted or not, and enrollment does not increase," Massa said in an email. "In this scenario, net revenue per student declines and so does total net revenue." ■

<https://www.insidehighered.com/news/2017/04/28/new-study-demonstrates-rise-tuition-discounting-and-diminishing-returns>



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If the Ratio Ain't Broke, Don't Fix It

BY COLLEEN FLAHERTY // APRIL 20, 2017

Is an eight-to-one student-faculty ratio one to be cherished or seen as a luxury few colleges can afford? Debate at Whitman illustrates the tensions.

Professors at Whitman College know they have it better than most. Enrollments are steady. A capital campaign that exceeded its \$150 million goal is now complete. The sabbatical policy is generous and the student-faculty ratio is low -- so low, in fact, that the administration wants to shift it from approximately eight to one to 10 to one over the next five years through faculty attrition in departments with the fewest majors, among other factors, according to faculty accounts. And there's the rub.

"There's cognitive dissonance between the college having this successful campaign and a lot of new buildings and infrastructure going up on campus, and then being told at the same time that the student-faculty ratio is too low," said Matt Reynolds, an associate professor of art history and visual culture studies, "and it's going to go back to 10 to one through these austerity measures."

For faculty members at many colleges and universities, one full-time, tenure-track faculty member for ev-



Whitman College

ery eight students will seem blessedly low. And, to clarify, professors at Whitman generally agree that there's room to raise the ratio eventually. The college's historical ratio is 10 to one, after all, but it shrank in recent years with a surge in faculty hires. Those stem from an Andrew W. Mellon Foundation grant to fill slots for professors, who can go on sabbatical every fifth semester, and an "academic strength" portion of the [fund-raising campaign](#) that created 16 new professorships and

made permanent an additional 13 temporary or visiting positions.

Objections relate mainly to the way Whitman has decided to increase the ratio -- by not filling departing faculty appointments in programs with the lowest numbers of majors and other metrics, faculty members say. The college says no particular programs are being targeted but that a 10-to-one ratio will put it more in line with peer institutions. So perhaps the biggest dissonance on campus of late is that

between what at least appears to be quantitative approach to academic staffing and a deeply qualitative academic culture.

Reynolds, for example, tells many of his advisees, “It doesn’t matter what you major in here at Whitman – you’re here to get a liberal arts education that’s balanced and broad and gives you perspective on the world.” He added, “I’ve really believed and embraced that, and it’s led to instances of us not recruiting students [as majors] because we felt like we were making a difference in the curriculum through our classes.”

Indeed, Reynolds’s department plays a big role in the college’s general education program, and lower-level courses tend to fill up fast, he said. But the service-department mission – with its emphasis on students taught, not majors – seems to be backfiring. The department was just told that it will not be able to hire a replacement professor for a retiring colleague. The department will have three art historians now and no expert in European art.

Classics is another department affected by metric-based decision making. Dana Burgess, Charles E. and Margery B. Anderson Endowed Professor of Humanities and Professor of Classics, said his department offers both ancient language and classical civilization courses, with greater enrollments in the latter due to their all-English materials.

Because of that “complicated” metric profile, the department worries that it will only be able to offer classical civilization courses after

positions are eliminated, Burgess said. Yet, he added, “I believe that language learning has real value, and that learning dead languages is especially intellectually valuable,” since students focus much more on language structure than they do in modern, spoken languages.

Lack of ancient language instruction would also leave classical civilization courses “shallower than they should be,” Burgess said.

Like Reynolds, Burgess said decisions about how the college will up its ratio have taken place at the Board of Trustees level with insufficient input from faculty members.

The changes are concentrated thus far in the humanities – a major theme of a [popular op-ed](#) Reynolds recently published in the campus newspaper. But some in math and the sciences also have expressed concern about process and the impact of the cuts on the institution as a whole.

Marion Götz, chair of chemistry, said her department won’t be targeted but that she’s nevertheless “worried about the stringent timeline for removing [full-time faculty lines].” As a result of the reduction of such positions, she said, “our curriculum for majors and distribution courses is being altered without the input from the faculty as a whole.”

Timothy V. Kaufman-Osborn, Baker Ferguson Professor of Politics and Leadership and Whitman’s former provost and dean of the faculty, said there were numerous reasons for the upsurge in faculty positions in recent years, not least of all the

success of the capital campaign. And at a small college such as his, he said, even relatively small fluctuations in faculty size will have a big impact if enrollments stay the same.

As to the current debate, Kaufman-Osborn said that he understood how some might conclude that the current student-faculty ratio is unsustainable. However, he said via email, “if the principle of shared governance is to be respected, it is crucial that the faculty and its elected representatives be vitally involved in determining where specific cutbacks are to be made.”

Moreover, he added, if Whitman wants to “retain its identity as a liberal arts college, any reductions in instructional staff must not be determined exclusively through reference to enrollments in specific disciplines.”

Why? Providing students with the education they’ve been promised means maintaining “a robust curriculum that acknowledges the centrality of the humanities, as well as the social and natural sciences,” he said.

Gina Ohnstad, college spokesperson, said via email that as the college continues the best way to use its resources, “we believe the money that we could spend to maintain an eight-to-one ratio could be better used in other ways in order to have the greatest impact on the student academic experience.”

Ohnstad confirmed the five-year timeline, saying it was set by the board “in consultation with college

leadership.” Yet she cautioned it was tentative and said that just as the ratio had taken several years to reach eight to one, it will take time to reach 10 to one. That figure more closely aligns with peer institutions, she said.

Felician College cited a [similar goal](#) when it laid off more than a dozen longtime faculty members in 2014, eventually earning it censure from the American Association of University Professors. It said at the time that it had been struggling with enrollments, which Whitman is not. At the same time, other institutions with unusually low student-faculty ratios, such as embattled [Sweet Briar College](#) (as low as five to one), show what can go wrong when these figures aren’t aligned with financial plans.

For reference, Whitman’s endowment is approximately \$500 million. That’s healthy but significantly smaller than endowments of some other liberal arts colleges that pride themselves on low instructional ratios, such as Swarthmore College (\$1.8 billion) or Williams College (\$2.3 billion).

Regarding shared governance, Ohnstad pushed back on faculty

accounts, saying that the ratio issue has been a topic of campus conversations for several years.

President Kathy Murray, who assumed that role in 2015, held an open forum with faculty members last spring to discuss it, get feedback and hear concerns, for example, the spokesperson said. Murray’s also discussed student-faculty ratios at a number of post-board meeting information sessions, she added, and the new provost also has engaged department and division chairs.

“Every time we evaluate whether or not to fill a specific tenure-track position, the provost keeps faculty informed throughout the decision process,” Ohnstad said, pushing back on faculty accounts once again by saying that no specific department is being targeted. “This is in contrast to our previous practice where departments would put in requests and not learn of the outcome until a final decision. Whitman is very proud of its model of shared governance, and we take faculty input on these topics very seriously.”

Ohnstad described Whitman’s longstanding evaluative process for filling faculty lines as consisting

of five criteria: student demand for majors and courses, how a position serves the mission of the college, if not filling a position would end an academic program, if not filling the position would mean the demise of a specialty in a program, and how the position affects other departments and programs.

That’s somewhat similar to an [academic prioritization process](#) used by a number of colleges and universities in recent years to assess the viability of academic programs (though no actual programs at Whitman are at risk, just faculty lines). But professors say no one’s used that terminology on campus as of yet.

One of the college’s fund-raising goals was to “broaden and deepen the curriculum through strategic additions to the faculty.” Reynolds said he worried some of that -- including important contributions to diversity -- would be undone by the full-time faculty cuts.

More than anything, he wants to help Whitman stay Whitman.

“I have loved my job since I got here, which is why I feel like I’m fighting hard for us to take a long look at this,” he said. ■

<https://www.insidehighered.com/news/2017/04/20/faculty-members-whitman-fight-more-say-how-administration-raises-its-student-faculty>

Kentucky's Need-Based Aid Gamble

BY RICK SELTZER // JANUARY 24, 2017

University of Kentucky seeks to drastically shift its aid strategy to improve retention, rolling back the use of funds for top students who can afford to pay.

It's a rare move for a state flagship university: the University of Kentucky is stepping back from the merit-aid rat race.

The university recently said it will seek a dramatic shift in its split between what it calls institutional merit aid -- also called non-need-based aid -- and need-based aid. That split is currently 90 percent in favor of non-need-based aid. By 2021, the university hopes to skew it largely the other way, to be 65 percent need-based aid.

That move would be a break from trends among many institutions, particularly state flagships, which in recent years have typically thrown financial aid dollars at top students who are viewed as likely to graduate and to bring impressive test scores that may boost ratings -- but are often more likely to be able to afford college on their own. UK's administration lists various reasons for the change, including that it better serves the needs of Kentucky's population and that as a land-grant institution, the university should prioritize access for students who need financial assistance.

But leaders also tout data-driven



University of Kentucky

reasoning behind their goal. They've found that their students become much more likely to drop out if they have \$5,000 or more in unmet financial need. By focusing on reducing students' unmet need, they hope to drastically boost retention.

Their effort will likely be watched around the country as [demographic projections](#) indicate relatively fewer traditional, wealthy, elite students will be available for universities to recruit in coming years. Some crit-

ics have also criticized non-need-based aid as a race to the bottom that's already played out with negative results, prompting bidding wars on wealthy students who will land in a good spot regardless of receiving a generous aid package.

Early reactions to the university's plans have been positive. But unintended consequences could crop up. The wealthiest, best-prepared prospective students will not receive as much aid for coming to the Uni-

Challenges in Enrollment

versity of Kentucky in coming years as their predecessors did, which could dissuade them from enrolling. Provost Timothy S. Tracy is up front about saying that the move will likely lead to a drop in National Merit Finalists attending Kentucky.

"We don't know all the answers," Tracy said. "We don't know how this is going to turn out, but we believe that for Kentucky, this is the right thing to do."

The overriding bet is that the effort helps more students stay enrolled, improving the university's graduation and retention rates. Improving graduation rates was one of the top reasons UK gave when it announced the shift in financial aid policy [in October](#), listing it along with several other changes targeting higher student success. Tracy and UK President Eli Capilouto

have [continued to write](#) about the strategy and the reasoning behind it, breaking down the split in unmet financial need between students who stayed at the university and those who did not.

In the university's fall 2015 cohort, first-year students who posted a first-year grade point average of 3.0 or higher and were retained had negative unmet need -- they received surplus funding. Students

with grade point averages in the same range who were not retained had unmet need averaging about \$6,000. Even among students posting lower grades, those retained had significantly lower unmet need than those who did not return to campus.

Looking at it a different way, retention rates drop as unmet need rises -- especially above the \$5,000 mark. The university is defining unmet need as need remaining after a stu-

percent of students.

"If you look at that distribution, we saw a hollowing out of the middle," Tracy said. "The real place where you see the most is the \$5,000-10,000 and \$10,000-15,000 ranges. And that's where we want to make sure we focus."

It's not possible to say exactly where the final financial aid numbers will fall. But UK estimates that if the new strategy had been in place for

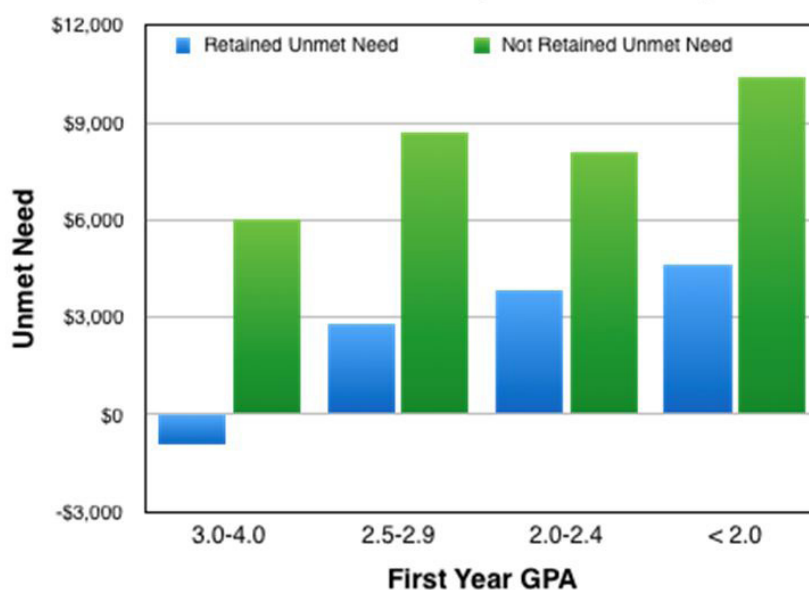
its current first-year class, more than \$17 million of financial aid would have been awarded based on need and \$8 million would be based on merit and other factors. That's a sharp difference from the actual distribution for this year's first-year class, which saw more than \$22 million dedicated to non-need-based aid.

The actual aid changes will take time. Need-based aid

will grow to about 20 percent of the institutional aid budget for the class entering in the fall of 2017. The university will move the bar up toward 65 percent gradually over the next several years. Scholarships for current students won't be affected.

The new aid strategy fits into a university goal to boost its six-year graduation rate to 70 percent by 2020, up from a current 63.4 percent. It also fits into a goal to im-

Degree of Unmet Need By First Year GPA and Retention Status (Fall 2015 Cohort)



dent's expected family contribution as well as institutional, state and federal aid.

At the same time, the university, which enrolls roughly 30,000 students, has a large population whose unmet need falls between \$5,000 and \$15,000. Those with unmet need falling into the \$5,000-10,000 range make up 14.3 percent of students. Those with unmet need in the \$10,000-15,000 range make up 8.6

Challenges in Enrollment

prove the first-year retention rate to 90 percent by 2020, up from 82.7 percent among the 2014 cohort.

Modeling suggests underrepresented students will be helped by the new aid policy, Tracy said. Underrepresented students tend to have more unmet need.

Administrators are preparing for some pushback from top-level students and parents who may compare smaller aid packages to an older sibling's or friend's.

There could be a substantial number of those students, as 37.2 percent of UK's current students have unmet need of zero to \$5,000, and 20.6 percent have unmet need of zero to negative \$5,000.

The strategy doesn't mean no aid for high-scoring students -- Tracy pointed out that top-performing students often still have unmet need. Yet he acknowledges Kentucky might lose some elite students.

"Our modeling suggests that we will probably have fewer National Merit Finalists," he said. "We had 105 this year."

While Tracy said UK is proud to have so many National Merit Finalists, he also pointed out that they're 2 percent of the university's first-year class of 5,100 students.

He believes the shift in aid strat-

egy can be accomplished without increasing the overall financial aid budget. But he also hopes it will help UK grow that aid budget.

"We are making a major effort to take this program to our donors," Tracy said. "It will be a major focus of what we do in the next five years for our philanthropy."

The aid shift is one of several changes the university is putting into place under an initiative it's

school grade point average over standardized test scores than it has in the past. It's also adding counselors and academic advisers.

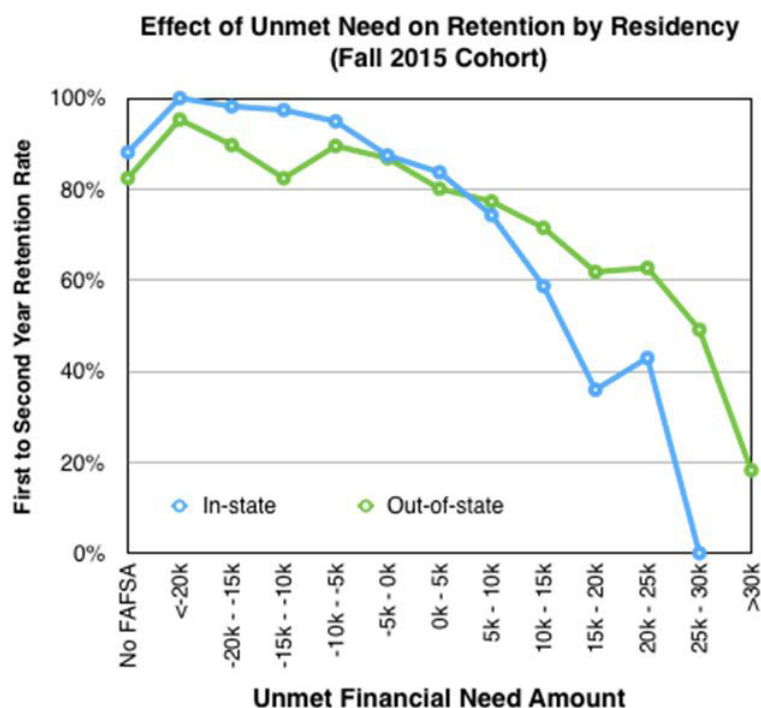
Still, the university's aid changes are likely its most notable. They come after decades during which public and private institutions shifted institutional aid toward non-need-based awards in order to attract the most academically prepared students, said Rosemaria Martinelli, a

senior director with Huron Consulting Group's higher education business. Martinelli and Huron work with the University of Kentucky.

"With declining demographics across the nation, schools are now focused on initiatives aimed at improving student retention," Martinelli said in an email. "Shifting institutional dollars focused on merit to need-based aid is one strategy that has been found

to be successful, particularly for students where large unmet need has been found to be one of the barriers to student success."

Other consultants report high interest in student retention, aid and unmet financial need. Bill Hall, the founder and president of Applied Policy Research Inc., a consulting firm specializing in enrollment management, says financial aid has



calling UK LEADS -- Leveraging Economic Affordability for Developing Success. The university is also looking at other areas administrators believe are tied to student success: academic preparation, student health and wellness, and student community building. For instance, the university is evaluating applicants with a new formula that skews more heavily toward high

shifted over the last 15 years toward incentivizing middle-income and upper-middle-income students. Non-need-based aid offers increased noticeably during the recession at both public and private institutions. They were putting their money into students they were sure they could retain, Hall said.

An unprepared student is still at the greatest risk of attrition, Hall said. But APR has zeroed in on financial aid and need as well. Its analyses have generally found that \$7,000 of unmet need is roughly the point at which student retention drops.

That's slightly higher than the University of Kentucky's \$5,000 mark, but as a public institution with sticker prices below those of private institutions, UK might attract students who are more price sensitive.

"Anything in that \$5,000-7,000 range is getting in that danger zone with respect to unmet need," Hall said. "It's even more sensitive with first-generation students."

The question of how much unmet need is too much is the right one to ask, according to Matthew Chingos, a senior fellow at the Urban Institute. He believes it is sensible to ask which students need the most help and which ones are most likely to graduate if awarded financial aid.

Dedicating large chunks of budgets to non-need-based aid can be tempting for states or institutions that want to compete for top students, Chingos said. But when many

institutions are pursuing that strategy, it can lose its effectiveness as students with high grades receive multiple lucrative financial offers.

"You probably end up writing a whole lot of checks to people who would have stayed in the state anyway," Chingos said. "That's basically wasted money."

Observers of higher education in Kentucky say additional factors have enabled UK's move to change its aid policies. Kentucky is moving toward a [performance funding model](#) that places a premium on degrees earned by low-income and minority students, said Robert L. King, president of the Kentucky Council on Postsecondary Education. UK's shift has also been made possible by the fact that it has improved its academic reputation in recent years, he said.

"What that's doing is reducing the pressure on the so-called merit aid to try and buy students to come there, which I think is a good sign," King said. "I think they're seeing that they can be more selective and at the same time devote more of their resources to those students who really need them."

The emphasis on lowering unmet need also matches what professors are seeing on the ground. John R. Thelin, a university research professor at the University of Kentucky and the author of *A History of American Higher Education*, said he is partial to the strategy of need-based aid and trying to assist students from

modest backgrounds. But outside that, he said he was hearing stories about undergraduates dropping out of the University of Kentucky because they could not afford to stay enrolled.

"About a year ago, I was teaching a seminar, and it had graduate students who worked in financial aid and student affairs," Thelin said. "What they were all emphasizing was that there were substantial numbers of low-income, modest-income students who were doing well academically and were dropping out. And it was due to a relatively small amount of money."

UK's faculty members have generally been supportive of the new strategy, said Katherine McCormick, a professor in interdisciplinary early childhood education who chairs the University Senate. Instead of having one exceptional student in class, they may have four or five strong students, she said.

"That idea of having more students who are high-quality students who will be engaged, to have five or six of those rather than only one is a real selling point," she said.

If the effort is successful at boosting retention, it could also increase the number of students taking higher-level classes. Faculty members would welcome that as well, McCormick said.

"That retention effort might really pan out," she said. "It's often a good mix if you have a chance to grow your own program." ■

<https://www.insidehighered.com/news/2017/01/24/university-kentucky-moving-away-merit-aid>

Growing Plans

BY RICK SELTZER // FEBRUARY 3, 2017

As many Northeastern colleges fear enrollment declines, Lehigh University charts ambitious growth plan including 1,000 additional undergraduates, 100 more faculty members and a new college of health.

Lehigh University President John D. Simon wasted relatively little time in his tenure before launching an aggressive expansion plan.

Simon started as president of the private research university in Bethlehem, Pa., in July 2015. Just 15 months later, his Board of Trustees approved a plan to expand Lehigh's 5,100-student undergraduate enrollment by 20 percent, boost its 2,000-student graduate enrollment by up to 40 percent, hire additional faculty members and start a new college concentrating on health.

"I think people these days expect that you're going to do something sooner rather than later," Simon said. "The idea that you can go on a yearlong listening tour -- I don't think anyone has that long anymore."

Simon noted that some of the pieces needed for an expansion plan were already in place when he came to Lehigh. The university already had a [strategic plan](#) in place that included calls for expansion and an emphasis on the subject area of health. Faculty and students have generally supported the growth plans as well

-- although some have noted that expansion could bring unintended consequences for the surrounding Bethlehem community and cannot be expected to fix all academic and demographic challenges Lehigh faces.

More broadly, Lehigh's expansion ideas come at a time when many colleges and universities feel compelled to try to change in size and geographic reach in order to secure their futures. Still, Lehigh's plans stand out as particularly ambitious. And the president's own personal experiences told him to move sooner rather than later on big ideas.

By the numbers, Lehigh's plan calls for raising enrollment by 1,000 undergraduates, from 5,080 today. It would increase full-time graduate enrollment by 500-800 students -- above the current level of 1,979, which includes both part- and full-time graduate students. The num-



Lehigh University plans an ambitious expansion.

ber of faculty members, meanwhile, would increase by 100, up from 521 full-time faculty members.

The larger number of people on campus, along with the investments in facilities required to start a new college of health, will require additional money. Estimates are that the university's annual operating budget, which totaled roughly \$475 million in 2015-16, would grow by about 25 percent. Capital investments in facilities are planned to include a renovated student union,

Challenges in Enrollment

new dormitories and a new science and research building.

Although the plans call for large investments, they're necessary to expand and start a new college without drawing resources or students away from Lehigh's existing programs, Simon said. Its four current colleges are Arts and Sciences, Business and Economics, Education, and Engineering and Applied Science.

"It's an honest appraisal of the scale needed to be really successful at what we're trying to do intellectually," Simon said. "When you look at engineering here, or arts and sciences, or business, to steal populations from those would probably take some critical mass from programs they're mounting and what they do well."

The idea instead is to build the new college of health that positions the university in a new area while fitting with Lehigh's existing strengths. It would be the major driver of growth, although Simon believes existing colleges and programs can expand as well.

For the operating budget, increases in enrollment will help to pay for faculty hiring. Capital investments will be funded by debt, philanthropy and other financing mechanisms, Simon said. He also hopes to grow Lehigh's \$1.16 billion endowment by about 20 percent to keep pace with the planned growth in undergraduate students.

Lehigh is in a strong spot to take on additional debt, according to ratings issued this fall, when the

university was marketing bonds. In September, Moody's Investors Service assigned an Aa2 rating, the agency's third highest, to a proposed \$150 million in taxable bonds and \$35 million in tax-exempt revenue bonds. Moody's cited Lehigh's "strong balance sheet reserves and healthy operating performance" as well as its "excellent market position ... strong fiscal management and ample liquidity." The ratings agency did note, however, that Lehigh was taking on large capital investments in a competitive student market, even as it relies on student charges more than its peers.

Lehigh's planned health college's exact focus areas aren't set yet. But it's not intended to train clinicians. A faculty committee is currently considering options, according to Provost Patrick V. Farrell. They could include, for example, data analytics.

"We have a pretty aggressive program in data analytics," Farrell said. "For a lot of the data analytics folks, this would be a really exciting and new area to work on, even though their background may not be related to health."

The college won't be created in a single year, Farrell said. He's still sketching out the process to ramp it up into a full college. Lehigh described the expansion plans as a 10-year framework when it first announced them [in October](#).

Finding new students poses one of the most critical challenges going forward. Lehigh enjoys a strong reputation in the Northeast, and administrators hope the new health

college allows it to compete for more students close to home. Yet they will also look outside their traditional footprint, where Lehigh is not well-known in the same way Ivy League institutions are.

Lehigh has already made investments on the West Coast, notably [partnering with](#) the Nasdaq Entrepreneurial Center in San Francisco. It also had success in recent decades expanding its recruiting reach. Today, between 50 percent and 55 percent of its undergraduate student body typically comes from the four states of Connecticut, New Jersey, New York and Pennsylvania, Farrell said. That's down from 75 percent 20 years ago.

The West Coast and California are attractive recruiting grounds in part for their sheer number of expected students. [Projections](#) show they will have a relatively high number of students graduating from high school in coming years. A student body drawn from a more diverse geographic area would also be a positive for Lehigh's on-campus experience, Farrell said.

The provost does not expect to drastically increase Lehigh's discount rate in order to attract more students. The university's quoted tuition for the 2016-17 academic year stands at \$47,920, not counting housing and other fees. Its discount rate is about 34 percent.

"We probably will increase merit-based aid slightly," Farrell said. "But what I think we'd like to do -- and we've had good success so far and will continue -- is to convince

students they come to Lehigh not because we're giving them the sweetest deal or the biggest merit-based aid check, but that you want to come here because this is a place you can flourish."

"If they knew about the character of Lehigh and the kinds of experiences students have, we're convinced they might say, 'This is the kind of environment we want,'" Farrell continued.

Same Strategic Plan

Farrell has been at Lehigh since 2009. That's the same year former President Alice P. Gast [released](#) a 10-year strategic plan that was the culmination of two years of work. Yet neither Farrell nor Simon believed it was necessary to redraw the strategic plan after Simon became president in 2015.

Both believed the plan was still pertinent in many ways. Action to meet some of its goals was delayed in large part due to the 2008 financial crisis, according to Simon.

Many of the goals would remain the same if a new plan were formulated today, Farrell said. For example, the plan advocates expanding Lehigh's faculty and a focus on the area of health. So rather than spend a year or two drawing up a new strategic plan under a new president, Lehigh's administration decided to find elements within the existing plan that they could execute right away.

"Let's see how we can execute on those, which is really the Achilles'



President John D. Simon

heel of any strategic plan, in my experience," Farrell said. "I think a lot of people are excited to hear, 'Let's make it happen. Let's go there.'"

University leaders don't always bring that attitude to the planning process. But experts said it can be a best practice when possible -- particularly when institutions have initially been unable to execute good plans for one reason or another.

"I view strategic plans as a living document," said Rick Beyer, the managing principal of AGB Institutional Strategies, in an email. "Strategic plans should be updated every few years but not necessarily abandoned simply because of a change in presidents."

Lessons From Virginia

Simon (at right) said he was able to hit the ground running at Lehigh in part because he had a long run-up to the presidency. He was appointed in October 2014 but didn't start at Lehigh until the following July. During that time he was able to visit regularly from the University of Virginia, where he was provost and executive vice president.

But Simon's experience at the University of Virginia also informed his approach to the presidency. He was provost at Virginia when the university's Board of Visitors [unexpectedly ousted](#) President Teresa Sullivan in June 2012 -- two years into her tenure -- only to turn around and [reinstate her](#) two weeks later. Simon [was noted as](#)

[being critical](#) of the board's process to remove Sullivan during that time.

The Lehigh president didn't delve deeply into his time at the University of Virginia during recent interviews. But his experience taught him to move quickly, he said.

"If you want to change anything, you have to get it started pretty soon, because you don't have a large window," Simon said. "I think to drive change, sustain change and do something, it takes five or 10 years. And that's all you've got."

Caution on Expansion

Yet it's important to be careful about the expansion, said Slava V. Rotkin, a professor of physics and materials science and engineering who represents Lehigh's College of Arts and Sciences on its Faculty Financial Planning and Operations Committee. While many faculty members support growth and research, they also know Lehigh remains a small institution that can be affected by expansion in many ways, he said.

Proving that Lehigh's new college is high in quality will be a challenge, Rotkin said. So will finding the con-



Lehigh University

nections between existing departments in order to enable the new college to grow.

"I think we should see how all of that will be developing," Rotkin said. "It's exciting, new."

The editorial board of Lehigh's student newspaper, *The Brown and*

White, also said the plans can have a positive effect if executed properly.

But it cautioned that they should add to diversity among the university's predominantly white student body, should not be confused with making academic improvements to

existing operations and should not damage the community around the college.

"When we come back for our reunion, we want to see a university we can be proud of, not one that is diminished by ambitious goals and destroying a community," [it wrote](#). ■

<https://www.insidehighered.com/news/2017/02/03/lehigh-president-moves-quickly-growth-plans>

Canada's Moment

BY ELIZABETH REDDEN // MARCH 20, 2017

A Trump effect? Many Canadian universities are reporting large gains in international applications at the same time some American universities are seeing declines.

Leigh-Ellen Keating, who directs international services for Brock University, in Ontario, just attended a student recruiting fair in Mexico. “The table was flooded with people, which is not historically what I have seen with the Mexican market,” she said. “They just want to go to Canada, and historically I think a lot of them would go to the States.”

“It didn’t hurt,” Keating continued, that the recruitment fair coincided with an anti-Trump rally in front of the hotel where the fair was held. She suspects some of the rally participants might have popped over to check out college options in Canada. President Trump is highly unpopular in Mexico. He kicked off his campaign by [depicting some Mexican immigrants as criminals and rapists](#) and has pledged to deport millions of immigrants who are in the country illegally and build a border wall.

“Mr. Trump, he’s not bad for our recruitment strategy,” Keating said.

At a time when many American universities are reporting declines



McGill University

in applications from international students, some universities north of the border are seeing increases on the magnitude of 20 percent or more. At the University of Waterloo, in Ontario, undergraduate international applications are up by 25 percent and graduate international applications have increased by 41 percent. At McMaster University, also in Ontario, international applications have increased by 34.4 percent compared to the same time last year.

At the University of Toronto, ap-

plications from international undergraduate students increased by slightly more than 20 percent this year over last year. Driving the growth are big increases in applications from the U.S. (up 80 percent), India (up 59 percent), Turkey (up 68 percent) and Mexico (up 63 percent, but from a small base). Richard Levin, Toronto’s executive director of enrollment services and the university registrar, attributed the gains in part to the “generalized effect of global events drawing attention to Canada and Toronto in particular

as a kind of safe, inclusive, stable space.”

“It’s speculative at this point, and we’ll of course have to wait and see what happens in terms of enrollment, but there’s a lot of change in the world, and when there’s a lot of change, people will look for places that they would feel safe in and included,” Levin said.

Meanwhile, 39 percent of U.S. universities that responded to [a recent survey](#) conducted by the American Association of Collegiate Registrars and Admissions Officers and several other higher education groups reported declines in international applications for the fall. Enrollment professionals who responded to the survey reported “a great deal of concern” from prospective students and their families about feared changes to visa rules, the possibility that Trump’s executive order barring entry to nationals of six Muslim-majority countries -- [temporarily blocked by the courts](#) -- could be expanded to include other countries, and the “perception that the climate in the U.S. is now less welcoming to individuals from other countries.”

Canada, as one of the countries that competes with the U.S. for its share of the world’s internationally mobile students, could stand to gain if even a small fraction of U.S.-bound students choose to go elsewhere -- or, in the case of students coming from the six countries affected by the travel ban (Iran, Libya, Somalia, Sudan, Syria and Yemen), if they’re forced to. U.S. politics aside, many Canadian universities

crack the upper echelons of international rankings, and the country’s prominence as a study destination is increasing -- not least because of the opportunities it provides for former international students [to immigrate](#). In November, Canada amended its points-based [Express Entry immigration system](#) to award extra points to graduates of Canadian universities when they apply for permanent residency.

The application increases Canadian universities are reporting for this coming fall come in the context of years of steady and significant growth in Canadian universities’ international enrollments, which increased by 92 percent from 2008 to 2015, according to data from Immigration, Refugees and Citizenship Canada published in a report by the Canadian Bureau for International Education. Canada had 353,570 international students in fall 2015, while, for comparison’s sake, American colleges and universities collectively [enrolled more than a million](#).

Some of the more than a dozen Canadian universities contacted by *Inside Higher Ed* for this story stressed the context of recent growth in international enrollments and said the application increases they’re seeing this year are on par with recent growth rates. Others say they are seeing a “surge” or “spike” and suggest there might be evidence of a “Trump effect,” at least when it comes to the increase in applications they’re seeing from certain countries -- including from the U.S.

Especially notable given the numbers of students involved, many Canadian universities are also reporting substantial gains in applications from India, which sends more students to the U.S. and to Canada than any country other than China. A shift in the number of Indian students choosing Canada over the U.S. could put a strain on U.S. universities, many of which have counted on increasing numbers of international students to balance their budgets.

At the University of British Columbia, international undergraduate applications are up by 15 percent this year, but Damara Klaassen, the senior director of the university’s international student initiative, stressed that was on par with prior year increases. “Apart from more and more people talking about it and wondering whether there is an effect, I’m not seeing any trends that I would attribute to political happenings in the U.S.,” Klaassen said. “I don’t want to downplay the importance of anything that happens in any one country by any means, but I do think in general this type of conversation underestimates the thoughtful and multiyear approach that international students put into searching for the best fit for their higher education.”

Ryerson University, in Toronto, is seeing a 25 percent increase in international undergraduate applications compared to this time last year, which comes on top of a 34 percent increase in international applications the year before that. The

Challenges in Enrollment

university has stepped up its recruitment resources, having “invested considerable resources in 2015 specifically toward increasing our international enrollment in undergraduate programs,” according to Marisa Modeski, Ryerson’s assistant director for student recruitment.

“I think it’s a little bit early to point to a particular influencer in terms of the contribution to application numbers,” Modeski said. “We’re often asked about ‘the Trump effect,’ for example: are we seeing an increase because of that or because of Brexit,” a reference to the United Kingdom’s vote last year to exit the European Union.

“Those can certainly be influencers, but I don’t think you can point to those as exclusive reasons for the increase in applications. I think you have to

holistically look at all the positive things that Canadian universities have to offer.”

Some Canadian universities, however, report that the increase in applicants they’re seeing this year stands out even against the recent context of international applicant and student growth. At the University of Alberta, international undergraduate applications are up by 28 percent this year. Some of the increases for particular countries are even more striking: applications are up 118 percent from India, 51 percent from the U.S., 35 percent from

the United Arab Emirates, 22 percent from Nigeria, 96 percent from Bangladesh and 82 percent from Pakistan. Applications from China also increased, but by a smaller percentage (12 percent).

“This is a surge,” said Britta Baron, the vice provost and associate vice president for international at Alberta. Baron cited three possible reasons for the surge, with the caution that this is speculation. “One is the political developments in the United States and in the United Kingdom, and two is the fact that the Canadian dollar is weak.” The Canadian dollar is currently worth 75 cents

“ They think it’s a place where they can get a really great education...the U.S. has always been the number-one choice for that. But I think that this travel ban has made them look just a little bit farther and cast their net a little bit wider. ”

U.S., and the relative weakness of Canada’s currency makes its universities a better bargain for many international students.

“Three,” Baron, said, “is the fact that Canadian universities over time have stepped up their efforts to recruit.”

Alberta has also seen a surge this year in applications from Iran: undergraduate applications from the country increased from 12 last year to 68 this year, while graduate applications rose from 263 last year to 740 this year -- “and counting,” Baron said. Alberta, like a number of

other Canadian universities, [waived application fees](#) for citizens from countries affected by Trump’s original travel ban, including Iran.

Memorial University, in Newfoundland, also [waived application fees](#) for students from the countries affected by the travel ban -- and for applicants from the U.S. “We wanted to show the students in the United States that Canada was an open, inclusive and welcoming place, and that they should think about turning their eyes northward when they were thinking about their educational possibilities,” said Aimée Surprenant, the dean of Memorial’s

School of Graduate Studies. Memorial’s applications from the U.S. have increased by 47 percent, and its applications from Iran -- among the countries affect-

ed by the travel ban, the one that sends the largest numbers of students abroad -- have increased by 80 percent. Other Canadian universities have also posted increases in American and Iranian applicants: Concordia University, in Montreal, for example, reports a 77 percent increase in American applicants to its graduate programs, and a 219 percent increase in Iranian graduate applicants.

“Certainly I think that international students like to come to North America,” said Memorial’s Surprenant. “They think it’s a place where they

can get a really great education and something that has a lot of prestige back where they come from, and the U.S. has always been the number-one choice for that. But I think that this travel ban has made them look just a little bit farther and cast their net a little bit wider.”

As for American students, several Canadian universities reported surges in inquiries and interest from the U.S. after the presidential election -- though, for context, it's worth noting that the number of American students who study in Canada has historically been low and is less than half the number of Canadian students who come to U.S. universities.

The University of Saskatchewan reports that traffic from the U.S. to its prospective undergraduate student website increased by 392 percent on Nov. 9, the day after the election, compared to the week prior, while its prospective graduate student website had a 191 percent traffic increase.

Lionel Walsh, the assistant vice president for North American recruitment at the University of Windsor, which is located just across the border from Detroit, said the university has nearly doubled its number

of applications from the U.S. Windsor's American students pay a special [“U.S. neighbour” tuition rate](#) -- “we put a ‘u’ in neighbor,” Walsh said -- that is lower than the standard international rate.

At McGill University, in Montreal, which has long attracted large numbers of American students, applications from the U.S. have increased by 22 percent, from 4,409 applications for fall 2016 to 5,397 for fall 2017 (the latter figure is as of Feb. 22).

McGill also has experienced a big increase in applications from India (up 54 percent) and a smaller but still healthy 18.5 percent increase in the number of applications from China.

Paul Davidson, the president of Universities Canada, said that he's been hearing of application increases across the country. Davidson said “local circumstances” in the U.S. and the U.K. are “making it a little more compelling to consider Canada.”

“I think it is an opportunity for Canada,” he said. “It's part of a broader context where *The Economist* magazine did a list of the top five cities in the world to live in, and [three of them were in Canada](#). *The New York*

Times [identified Canada](#) as the destination for 2017; *The Economist* [put Canada on the cover](#) as being a country that is open and dynamic and diverse. Canadian university presidents would take stacks of copies of *The Economist* with Canada on the cover as they traveled through India and to other Asian countries.”

“It's not unrelated,” Davidson added, “to the work of our new prime minister [Justin Trudeau], who's been out talking about diversity as a strength and Canada as a place that's open to investment, open to trade and open to people.”

Trump, by contrast, has spoken against free trade agreements, attempted to restrict entry for citizens of multiple Muslim-majority countries, and generally propagated an “America first” message. The U.K. has also taken an insular turn with its Brexit vote.

“I do think Canada is having a moment,” Keating, of Brock University, said. “Some of it I think we're having on our own, and some of it I think we're having as a result of other people having less cheerful moments. The U.K. and the U.S. are not currently in the best position to be recruiting.” ■

<https://www.insidehighered.com/news/2017/03/20/canadian-universities-post-large-gains-international-applications>

'Volatile' but Growing Online Ed Market

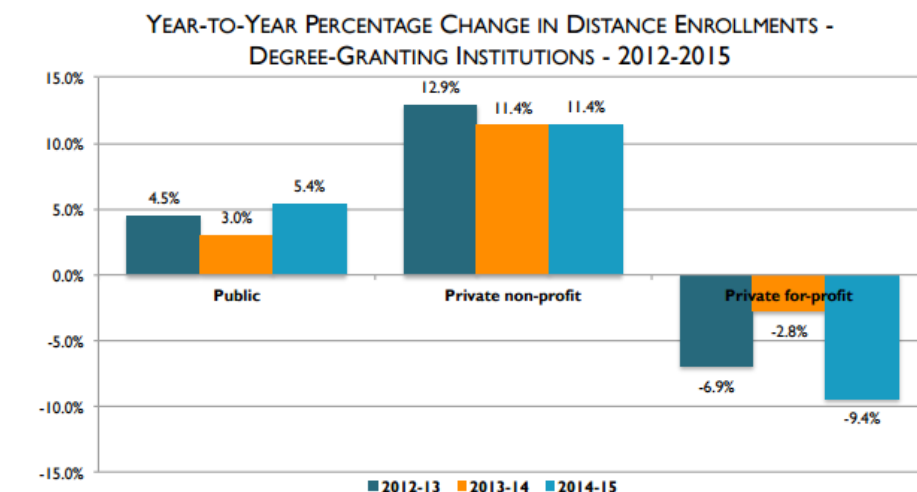
BY CARL STRAUMSHEIM // MAY 2, 2017

Online enrollment continues to grow as the total number of students in college shrinks. The growth is particularly strong at private nonprofit colleges, report finds.

In fall 2012, the University of Phoenix soared above other distance education providers. At the time, more than 256,000 students took at least one online course there -- nearly 200,000 more than the next institution on the list. Southern New Hampshire University, by the same metric, ranked 50th.

Three years later, Phoenix still topped the list, but the number of students taking at least one online course there had dropped by nearly 100,000. SNHU, meanwhile, had seen a roughly fivefold increase, climbing 46 spots to No. 4.

The two trajectories illustrate how the distance education landscape changed between fall 2012 and 2015. While many distance education pioneers in the for-profit sector, such as Phoenix, have seen dramatic declines, private nonprofit institutions such as Southern New Hampshire have made significant gains.



But those extremes don't tell the full story. For while overall college enrollment has declined since the U.S. emerged from the recession following the financial crisis, online enrollment continues to grow across all sectors of higher education, data show.

In fact, about two-thirds of all colleges reported that their distance

education enrollments grew from 2012 to 2015. The share is highest among private nonprofits (68 percent), but not that much higher than among for-profit (63.9 percent) and public institutions (63.7 percent). And the 3.9 percent year-over-year growth rate reported in fall 2015, the most up-to-date enrollment data available, is the highest observed

Challenges in Enrollment

during that four-year period.

The findings come from [Digital Learning Compass](#), a report analyzing federal higher education enrollment data, produced by the Babson Survey Research Group, e-Literate and the WICHE Cooperative for Educational Technologies. (For more on the report, see [coverage](#) in *Inside Digital Learning* from April.)

Jeff Seaman, co-director of the Babson Survey Research Group, said the top-level numbers showing growth across all sectors mask “volatility below the surface.” He pointed to the online enrollment growth at private non-profit colleges, up 40 percent in 2015 compared to 2012, as one example.

The report doesn’t explore the factors behind the private non-profit colleges’ success in the online education marketplace (though the Babson Survey Research Group plans to do follow-up reports this year), but Seaman floated two hypotheses: it could be that those colleges are benefiting from large for-profit colleges losing students, he suggested, or that the private colleges’ online programs are just now reaching a point where the institutions are able to enroll a large number of students.

Pete Boyle, vice president of public affairs for the National Associa-

tion of Independent Colleges and Universities, said in an email that he believes both hypotheses have had an impact, but that he leans toward the latter -- that online programs have matured.

“A key part of that maturation would be how to make online pedagogically sound,” Boyle said. “One could argue that for-profits jumped in with not enough substance, while private nonprofits focused on the

still teach the majority of online students: 67.8 percent, according to the 2015 data. Of the six million who studied online in fall 2015, 4.1 million attended public institutions, one million private nonprofit colleges and about 871,000 for-profit institutions.

The findings also challenge the narrative that the for-profit sector, broadly, is in decline. While online enrollments at most of the institu-

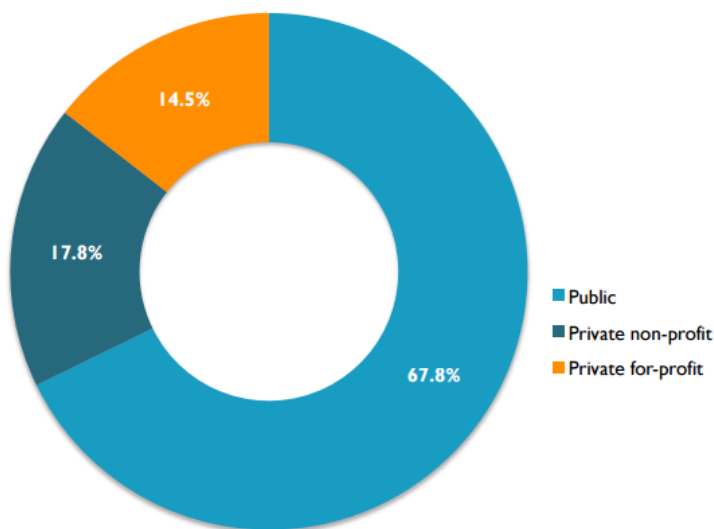
tions in that sector grew in the 2012-15 time frame, the growth was erased by declines at institutions such as Phoenix and Ashford University, both of which have faced scrutiny from the federal government.

Over all, the for-profit sector lost 191,300 online students from fall 2012 to 2015. While the government won’t release the next batch of enrollment data until next year, estimates suggest the for-profit sector has [continued to shrink](#).

Steve Gunderson, president and CEO of Career Education Colleges and Universities, a trade group representing for-profit colleges, said the sector “grew too much too fast” when it attempted to capitalize on increased interest in higher education during the recession. “We had terrible outcomes, and we paid a price for that,” he said.

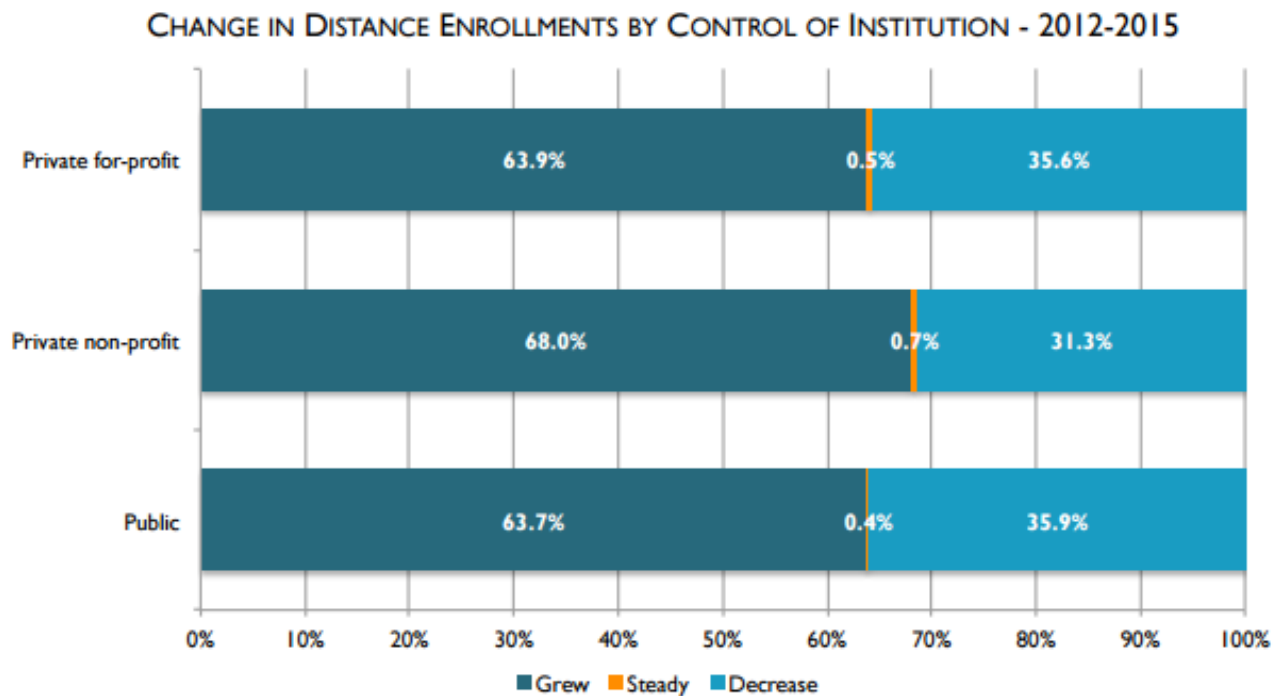
Gunderson said the for-profit sec-

TYPE OF INSTITUTION - STUDENTS ENROLLED IN DISTANCE EDUCATION COURSES - 2015



substance first. Institutions developed programs that had pedagogies that faculty could incorporate into the regular curriculum/mission of the institution. So, there was a maturation in that sense.”

The enrollment growth at private nonprofit colleges means the sector has passed for-profit colleges as the second-largest in the distance education market. Public institutions



tor will be better off if it focuses on training students for careers rather than competing with other types of colleges to offer “online liberal arts education.” CECU last year [changed its name](#) from the Association of

Private Sector Colleges and Universities to emphasize that focus. Before APSCU, the organization was known as the Career College Association.

“Any kind of civil war between

the different sectors is an absolute waste of time and energy,” Gunderson said.

“There is more demand than any one of our sectors is going to be able to meet on its own. ■

<https://www.insidehighered.com/news/2017/05/02/report-finds-growth-volatility-online-education-market>

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