



LAWLOR

INTELLIGENT MARKETING
SOLUTIONS FOR EDUCATION

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Ten Observations & Trends

The Impact on Student Recruitment and Enrollment at Independent Colleges and Universities

The marketplace for independent colleges and universities is dynamic, robust and challenging. During the course of the past twenty years, The Lawlor Group has conducted extensive quantitative and qualitative research for independent college and university clients throughout the United States. Based on proprietary research conducted this past year for our clients, along with other primary and secondary research available to the general public, the following are ten observations and trends that we believe are worth taking note of in 2008.

NUMBER ONE

Geography is Destiny

Population shifts are requiring colleges and universities to re-examine course offerings, delivery systems and recruitment strategies. Proximity, convenience and niche offerings create demand that is relevant to the marketplace.

- Between 2003 and 2016, the number of public high school graduates is projected to increase 6 percent nationally, with a 15 percent increase in the South, a 12 percent increase in the West, a 1 percent increase in the Northeast, and a 4 percent decrease in the Midwest. (National Center for Education Statistics)
- Among four-year college students, 57 percent attend a college 100 miles or less from their home, 30 percent between 101 and 500 miles away, and 12 percent more than 500 miles from home. (CIRP 2007)
- 88.7 percent of all undergraduate students attend college in their home states; 81 percent of all first-year students who graduated from high school the previ-

ous academic year attend college in their home states. (*Chronicle of Higher Education Almanac*)

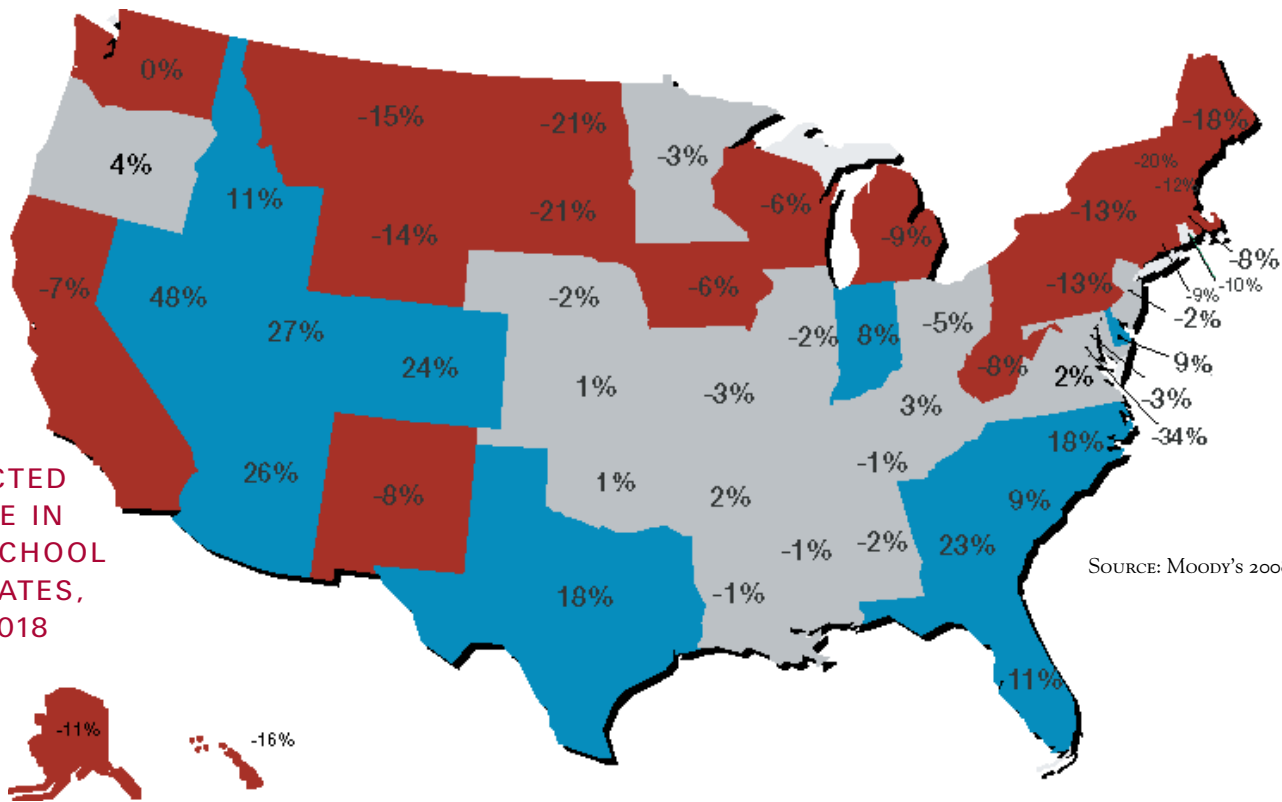
- Total college enrollment is projected to increase 17 percent between 2005 and 2016, with increases of 22 percent for women and 10 percent for men. (NCES)
- Between 2005 and 2016, minority enrollments are projected to increase 45 percent for Hispanic students, 34 percent for American Indian/Alaska Native students, 32 percent for Asian or Pacific Islander students, 29 percent for Black students, 15 percent for non-resident alien students, and 8 percent for White students. (NCES)

NUMBER TWO

Older & Wiser

Non-traditional students, ranging from age 25 and into the retirement years, represent a largely untapped market. Older learners are more likely to have the ability and willingness to pay for the education they need or desire. >>>

**PROJECTED
CHANGE IN
HIGH SCHOOL
GRADUATES,
2008-2018**



SOURCE: MOODY'S 2008

NUMBER THREE

An Education That Works

The desired outcome of earning a four-year degree is jobs, careers and vocational mobility. Prospective students and their families seek evidence of practical outcomes that point to a return on their investment in a college education.

- While 86 percent of all adults 25 and older have completed at least high school, only 29 percent hold a bachelor's degree or higher. (Census Bureau)
- Nearly 40 percent of students enrolled in higher education are over the age of 25. (Moody's 2007)
- Enrollment among students 25 to 34 years of age is projected to increase 24 percent between 2005 and 2016, and to increase 7 percent for students who are 35 and older. (NCES)
- Occupants of households with income levels in the top 20 percent: 25.6 percent of 35- to 44-year-olds, 29.7 percent of 45- to 54-year-olds, and 24.7 percent of 55- to 64-year-olds. (Census Bureau)

- 90 percent of the fastest-growing jobs in the knowledge economy require some postsecondary education. (Government Accounting Office)
- 19 percent of those holding executive, administrative and managerial positions are expected to retire within the next five years, creating a shortfall of up to 10 million qualified workers by 2010. (Trend Letter)

- 70.4 percent of first-year students cited "to be able to get a better job" as a very important reason for going to college, and 69.2 percent cited "to get training for a specific career." (CIRP 2006)
- 58.5 percent of first-year students at four-year colleges reported that "this college has a very good academic reputation" was a very important reason for selecting the college, and 49.1 percent cited "this college's graduates get good jobs" as very important. (CIRP 2007)
- 74 percent of parents say graduation rates are a key factor in choosing a college; 66 percent cited the earnings of graduates as a key factor, and 65 percent cited the percentage of graduates who pursue careers in their field of study. (Millennials Go to College) >>>

- 83 percent of employers consider completion of a supervised and evaluated internship or community-based project to be effective in ensuring a graduate possesses the skills and knowledge for success on the job. (Association of American Colleges and Universities)

NUMBER FOUR

Show Me the Value

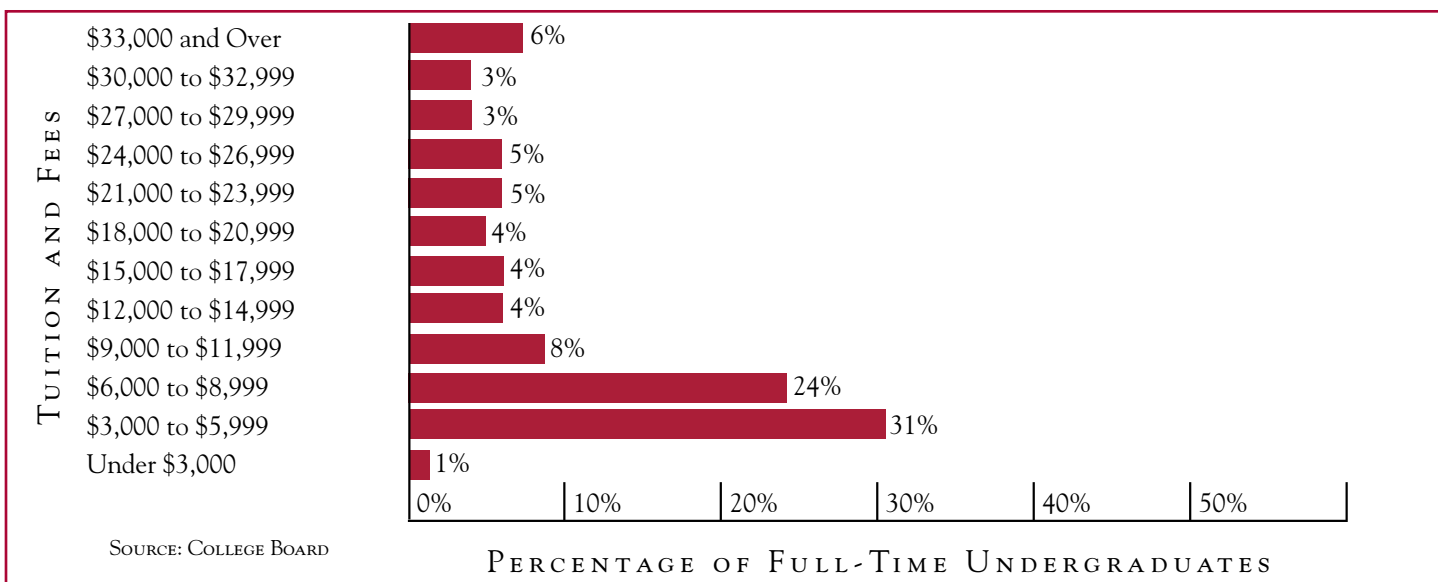
Private institutions own the word “expensive.” Stating the “so what?” benefits of an independent college education can increase the willingness of prospective students to consider and select one, but the net cost of attendance ultimately influences selection.

- In 2006-07, more than four out of five college students were enrolled in public institutions; 46 percent of students were enrolled in public two-year institutions, where enrollment increased 20 percent over the past decade. (GAO)
- Over the past five years, enrollment at public institutions has increased

by 9.8 percent, but by only 6 percent at private institutions. (Moody’s 2007)

- While 46 percent of students who preferred attending a private institution ended up attending a public institution instead, only 12 percent of those who preferred to attend a public institution enrolled at a private institution; students who are female, who are white, who have an ACT score greater than 20, and who have a family income greater than \$50,000 are more likely than the overall population to enroll at a private institution. (ACT)
- The median net tuition per student at private institutions increased 5.7 percent last year to \$16,478, while at public institutions it increased 7.8 percent to \$5,300. (Moody’s 2007)
- Only 6 percent of full-time undergraduates attend a four-year institution that charges \$33,000 per year or more (National Association of College and University Business Officers); more than 60 percent of all students attend colleges where tuition is less than \$4,750. (GAO)

- Increases in tuition charges have outpaced inflation and family income increases for more than 25 years. (Moody’s 2008)
- The personal savings rate in the United States has dipped into the negative numbers (slightly below zero), reflecting personal outlays that exceed disposable personal income. (Bureau of Economic Analysis)
- From 2001 to 2004, the proportion of families that reported they had saved in the preceding year fell 3.1 percentage points, to 56.1 percent; only 11.6 percent of respondents cited education as the most important reason for their saving. (Federal Reserve Board)
- For families that plan to utilize home equity or part of a stock portfolio to finance education, college choice may be affected by the housing and stock market declines, as well as broader economic downturns. (Moody’s 2008)
- Almost half of the student aid used by undergraduate students to finance their education is >>>



PERCENTAGE OF FRESHMEN REPORTING “TOO LITTLE” PARENTAL INVOLVEMENT

Item	White %	Black %	Native American %	Asian/Pacific Islander %	Latina/o %
DECISION TO GO TO COLLEGE	4.2	8.2	8.1	8.4	11.5
APPLICATION(S) TO COLLEGE	11.9	20.0	20.0	22.8	27.3
DECISION TO GO TO THIS COLLEGE	7.6	14.6	13.8	14.6	18.4
DEALINGS WITH OFFICIALS AT YOUR COLLEGE	12.1	20.5	20.7	33.3	32.2
CHOOSING COLLEGE COURSES	18.6	33.4	28.8	37.4	43.5
CHOOSING COLLEGE ACTIVITIES	16.1	33.7	27.8	39.6	43.3

SOURCE: CIRP 2007

- in the form of loans; during the past decade, subsidized federal loans declined from 54 percent to 32 percent of total educational loans, while private loans increased from 6 percent to 24 percent. (NACUBO)
- Average loan debt increased by 8 percent from 2005 to 2006, while starting salary offers rose by only 4 percent; average student-loan debt for the Class of 2006 was approximately \$21,100. (Project on Student Debt)
 - 60 percent of Americans feel the middle class is the hardest hit in the financial aid process; 61 percent self-identified as being in the middle or the upper-middle class (National Center for Public Policy and Higher Education), and in fact, the median income of the families of the 2005 entering class was 60 percent above the national average. (Higher Education Research Institute)
 - In 2003-04, an average of 32 percent of the tuition revenues were discounted back to students at private four-year institutions, versus 15 percent at public four-year institutions. More than 65 percent of the institutional grant aid at public two-year and private four-year colleges goes to support the documented financial need of students, while only 40 percent of the institutional grant aid meets students' need at public four-year institutions. (College Board)
 - 84 percent of prospective students report using colleges' Web sites most heavily in their research, followed by personal recommendations at 75 percent and college viewbooks at 64 percent. (Eduventures)
 - African-American teenagers who use the Internet are significantly more likely to go online to look for information about colleges and universities they are thinking about attending (79 percent) than white teenagers (51 percent). Overall, 55 percent of online teens say they look for college information on the Web; over 80 percent of older girls (ages 15 to 17) look for college information online, compared with 67 percent of older boys. (Pew Internet)
 - 41 percent of students enroll in a college that was not listed among their five school choices on their ACT exam (36 percent go on to attend private institutions, 52 percent public); students >>>

NUMBER FIVE

The Wealth of Stealth

The stealth marketplace and its accompanying behaviors, particularly word-of-mouth recommendations, dominate the college consideration process. An institution's Web site, as well as other Internet resources and online social networks, are changing the way prospective students search and learn about colleges and universities.

with very low and very high ACT scores are more likely to enroll in institutions not part of their choice set. (ACT)

- 66 percent of college students are learning about brands, products and services from their friends, and 61 percent report they pay a lot of attention to word-of-mouth advertising, which is up from 48 percent in 2004. (Alloy College Explorer)
- 75 percent of college students surf social-networking sites. (Anderson Analytics)

NUMBER SIX

Seeing is Believing

The campus visit and its accompanying atmospherics provide sensory cues to prospective students and families about an institution's value and worth. Just as the campus visit experience must be managed with organizational intent, colleges and universities must ensure that the sensory cues conveyed via the institution's web site and other touchpoints are authentic and consistent.

- 43 percent of first-year students at four-year colleges reported that "a visit to campus" was very important in influencing their decision to attend the college. (CIRP 2007)
- 67 percent of prospective students use virtual tours to narrow their college lists, 33 percent select "Virtual Tour" as their first link to follow from a college Web site's home page when that link is prominently displayed. (CampusTours, Inc.)
- 62 percent of Internet-connected college students download video on a typical day. (Survey U)

NUMBER SEVEN

Home Sweet Home

Prospective students look for indications on campus of the physical comforts and psychological supports found at home. Parents, and this usually means moms, are taking note of the same and are important gatekeepers to the final decision process.

- Only 16 percent of mothers and 19 percent of fathers consider their college-age students as adults. (*Journal of Family Psychology*)
- More than 90 percent of those in Generation Y report being "very close" to their parents. (Gallup)
- Parental involvement is higher in matters affecting a child's future, versus day-to-day activities, and by far parents' greatest involvement concerns college planning; students with lower SAT scores and male students report higher levels of parent involvement. (College Board/Art & Science Group)
- 80.5 percent of first-year students reported their parents were involved the "right amount" in their decision to attend the college they chose, and white students were less likely than students of other racial/ethnic backgrounds to report "too little" parental involvement. (CIRP 2007)
- High school juniors and seniors expressed rising interest in basketball (16.4 percent), art/design (13.9%), soccer (12.7 percent), academic/honors clubs (12 percent), football (11.4 percent), and fraternities/sororities (11.3 percent). Interest in other activities was

either flat or declined. (National Research Center for College & University Admissions 2008)

- American colleges and universities completed \$15 billion worth of building projects in 2006, representing a 260 percent increase since 1997. (*College Planning & Management*)

NUMBER EIGHT

Belief in the Future

Spirituality, environmentalism and social consciousness should all have a place on college campuses, according to most students. The presence of programs and organizations dedicated to these areas enhances the value proposition.

- The only increase in religious preference among college students since 2000 was in the "none" category, up to 19.4 percent (CIRP 2007); but from the start of their first year until the end of their junior year, students in a longitudinal study reported more focus on integrating spirituality into their lives, jumping from 41.8 percent to 50.4 percent. (Higher Education Research Institute)
- 37 percent of students prefer socially conscious brands, 29 percent give back to the community, and 17 percent feel connected to a cause. (Alloy College Explorer)
- 49.5 percent of first-year students at four-year colleges considered "improving my understanding of other countries and cultures" to be essential or very important. (CIRP 2007) >>>

- 36.8 percent of first-year students at four-year colleges considered “helping to promote racial understanding” to be essential or very important. (CIRP 2007)
- Students at a growing number of colleges are voting to increase their own fees to start environmental sustainability funds, and by the end of 2007, presidents at 444 colleges and universities had signed on to the Presidents Climate Commitment to minimize global warming emissions. (*Campus Progress*)

NUMBER NINE

Staying Connected

Recent innovations in communication technology provide the means for the college to stay connected with parents of current students, as well as alumni and gatekeepers. Staying connected with the people who are most familiar with the institution, and who are most likely to have a favorable impression, enhances word-of-mouth referrals and increases familiarity and institutional recognition.

- 93 percent of teenagers use the Internet; in 2006, 89 percent of teens accessed the Internet from home. (Pew Internet)
- 72 percent of teens own a desktop computer, 63 percent own cell phones, 51 percent own iPods/MP3 players, 25 percent own laptops, and 8 percent own personal digital devices. (Pew Internet)
- 64 percent of online teens ages 12 to 17 have participated in content-creating activities on the Internet, up from 57 percent in 2004. (Pew Internet)
- 55 percent of online teens ages 12 to 17 have created a profile on a social networking site such as Facebook or MySpace. Girls (61 percent) are more likely than boys (49 percent) to use social networking sites. (Pew Internet)
- 86.1 percent of first-year students at four-year colleges reported spending time on social networking sites each week during their senior year of high school. (CIRP 2007)
- While 76 percent of adults send more e-mail messages than instant messages, 70 percent of teens send more instant messages than e-mail (AP/AOL); yet teens prefer e-mail over texting by a margin of three to one when it comes to exchanging information. (Harris Interactive)
- Among U.S. mobile phone users, 43 percent of those 18 to 24 years old use text messaging daily, compared to 22 percent for ages 25-44, 16 percent for ages 45-54, and 10 percent for ages 55-64. (eMarketer)
- 57 percent of online teens watch videos on sites such as YouTube. Online teens with parents who have high levels of income and education are more likely to visit video-sharing sites than other online teens. (Pew Internet)

NUMBER TEN

Make It Personal

Personalized attention and a customized experience enhance value and increase satisfaction. The benefits of size can help customize the process, personalize the message, and individualize the experience.

- Among students taking the ACT exam, the greatest percentage (37 percent) attend institutions with enrollment sizes of 1,000 to 4,999 students, yet only 23 percent of these students indicated they originally preferred an institution of that size. (ACT)
- 52 percent of entering students at four-year private colleges (versus only 37.4 percent at four-year public colleges) cited “I wanted to go to a school about the size of this college” as a very important reason for selecting it. (CIRP 2007)

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