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TAKING ADULT LEARNER RETENTION TO THE NEXT LEVEL

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The National Center for Education Statistics predicts that there will be just under 7 million adult learners by 2013. The growth of programs that cater to non-traditional students has been no less than explosive. Despite the vast financial resources that both institutions and the federal government have invested in continuing education programs, graduation rates have remained alarmingly low. As the number of adult learners continues to grow and Washington calls for increased accountability in terms of the outcomes institutions provide for their students, schools must take a fresh look at creative approaches to improving retention.

Many schools are taking lessons from the private sector and employing high-end customer care strategies that have worked well for the world's most admired corporations. Institutions are providing students with 24/7 "Concierge" help lines that can provide one-call resolutions to most administrative issues, linking adult learners with on- and off-campus support resources, and even helping with homework. In addition to being able to call a personal concierge day or night, students can seek support via text messaging, webchat, and email.

Schools are also pairing up students with "Success Counselors." These counselors develop relationships with their students typically over the phone and email. They coach, monitor student progress, make sure their students are registered for each term, and check-in with each student at least once a term. Furthermore, they work in tandem with traditional Academic Advisors and faculty in creating a proactive "first alert network." More importantly, they learn who their students are, their motivations and obstacles that could impede persistence.

Some institutions are beginning to rely on profiling technology that enables Success Counselors, Academic Advisors and faculty to understand individual student personality attributes and needs. By doing so, additional support resources can be targeted to students that may not be as self-disciplined or lack confidence – two factors that can typically lead to student attrition.

These strategies can accomplish for schools exactly what they deliver for private enterprise.

- First, they establish a personal connection between an institution and a student. As a result, students feel more connected with their school.
- Next, these approaches deliver support when a student most needs it via a medium that is most comfortable for each individual student. For many adult learners working during the day, these initiatives provide access to the key student services that are typically only available during normal business hours.
- Finally, the aforementioned strategies coupled with innovative academic programs are proactively engaging adult learners in ways they have never been engaged before.

Taking adult learner retention to the next level requires a new way of thinking as well as resources. *(see Adult Learner Retention p.2)*

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INSIDE THIS ISSUE:

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Adult Learner Retention Continued:

Considering institutions that implement these measures can increase retention by 18-26%, however, the return on investment in simple dollar terms can be significant. These bold measures can also improve student satisfaction, increase referrals, enhance institutional reputation, and reduce student loan defaults. Furthermore, they will well-position schools to be able to adhere to almost certain demands from the Department of Education and accreditation agencies to significantly improve student outcomes.

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How to Select a Financial Aid Processing Consultant

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Webster defines consultant as "to seek the opinion or advice of another person for making a decision." Many people are randomly using the moniker "Consultant," but hiring one to assist with financial aid processing should be approached with as much caution, prudence and research as selecting an attorney or even surgeon. Selecting the right consultant can add untold value to your Financial Aid Office and yield a substantial return on your investment.

For the purposes of this article, "Consultant" can refer to either an individual consultant or a consulting firm.

Determining Your Needs - One of the first steps in deciding upon a consultant is to ask yourself what are you trying to accomplish? Is it:

-to fill a temporary financial aid vacancy?

-to fix a financial aid process that is broken?

-to improve a financial aid process that's OK but could be better?

-to lend expertise during periods of planned expansion or major system implementation?

-to help during an unexpected crisis?

When you have a clearly-defined goal of what you wish to accomplish, then it will become easier to find a consultant who is the right fit. For example, if your office will undergo a major system implementation, your consultant should be an expert in your chosen information system (i.e., Banner, PeopleSoft, etc.).

Check References - Specifically, ask for references for work done that is similar to your needs. For example, if you need to revamp your back office operations, you would not want someone who has never dealt with the operations aspect of a financial aid office.

Ask the reference if they were satisfied with the consultant's work. Check more than one or two references if possible, as different offices may have had different experiences. One suggestion is to check references not necessarily on the reference list. Check the consultant's track record: how long is their client list?

Check the US Department of Ed Website - For individuals who are prohibited from working with Title IV or other federal programs. Additionally, check with your State agency and USDOE regional staff.

Check Insurance Coverage – Consultants actually processing financial aid must have insurance to cover their errors. A mistake in verification can mean a student is no longer eligible, and all of the money must be repaid. Errors in financial aid can quickly add up to literally millions of dollars.

Check Audits - It is a federal requirement that consultants who process any financial aid files must have their work audited annually. Check for audits over the past few years and the audit results.

Interview the Candidates You Are Considering as Consultants - Personally interview the candidates, either by phone or, preferably, in person. Pick a consultant with whom you feel comfortable. You may be spending a lot of time with this person, so choosing a consultant with whom you can communicate in an open and straightforward manner is important to the success of the project.

If you are contacting a consulting firm, ask to speak to the specific consultant who will *(see Financial Aid Consultant p.3)*

Financial Aid Consultant Continued:

be assigned to your project. Ask the candidate pointed questions, especially specifics of your particular needs. For example, if you need a consultant to come in and train your staff, you would find out about the consultant's experiences with training techniques and their knowledge of Title IV programs.

Does the candidate actually *listen* to your concerns and assess your needs or do they convey a know-it-all, arrogant attitude? If the latter is true, it's time to find another consultant.

Standardized vs. Customized – The size of the firm can make a difference in your selection. Very large firms usually specialize in standard processes. For example, a system implementation usually involves a standard, often-repeated process that has a defined beginning and end procedure. These firms usually have a preferred methodology, however, and provide limited flexibility and adaptability.

On the other hand, smaller firms are usually best at custom assignments where analysis and problem-solving is involved. They are usually better able to select a consultant whose expertise and personality is best suited for the assignment. In a small firm, it is not unusual to deal directly with the owner or CEO, thereby providing better customer service to the client.

Other Important Considerations - Is the consultant committed for the long term? A consultant who will stay involved during the entire project is worth more than one who will quickly disengage. After the contract has ended, will you be able to contact the consultant to ask questions at no additional charge? There may be some loose ends after the consultant leaves, and a desirable firm will allow you to follow up without an extra charge.

What is the consultant's knowledge of financial aid? How long have they worked in financial aid? Have their skills been assessed? How knowledgeable is the consultant working with your college about your type of institution and automated system? For example, if you are a public, 2-year community college using Datatel, do they have that type of background or are they from a large 4-year private university using Banner?

Will the consultant fit in with the group and with the culture of your organization? The consultant will be an integral part of your team, so the ability to be a team player, establish rapport and trust is essential. A good question to ask is, "describe what a good working relationship looks like to you." *(see Financial Aid Consultant p.4)*

FINANCIAL AID CONSULTANT CONTINUED:

Is the consultant or firm involved with professional associations and/or community activities, such as helping colleges after Hurricane Katrina, flooding, fires or tornadoes? Is the consultant or firm actively involved with the National Association of Financial Aid Administrators (NASFAA) and other state or regional organizations?

In summary, choosing the best consultant for your need requires the same consumer savvy as any other major investment and warrants the same attention you would give when selecting any other professional service.

TIME TO PREPARE YOUR ADMISSION COUNSELORS AND FRONT-LINE STAFF TO EXPLAIN RETENTION, TRANSFER AND GRADUATION RATES

John W. Dysart
President
The Dysart Group, Inc.

Graduation, retention and transfer rates for colleges and universities have always been an important consideration for consumers. The challenge is that the topic is rather complicated for those not familiar with higher education in a detailed manner and "rates" can be misleading.

This has not been a huge issue for most colleges and universities since the majority of students and families have not focused on completion rates. In past years such rates have been difficult to find. This is no longer true. Recent changes in the federal financial aid process are bringing graduation rates to the forefront for students and their families. The federal government wishes to better inform consumers and hopes to increase outcome accountability for colleges and universities.

Students applying for financial aid using the Free Application for Federal Student Aid (FAFSA) on the Web are given links to find the information for the schools they have selected to receive their financial aid applications. The rates now also appear on the confirmation page for FAFSA on the Web. The confirmation page shows a box with the names of the institutions and their graduation, retention and transfer rates. The definitions are not exactly explicit:

Graduation rates *show the percentage of entering students who complete their program in a certain time. The overall graduation rate counts students as graduates if this is their first time in college, they study full-time, and they complete their program within 150% of its normal time. For example, for a four-year degree program, entering students who complete within six years are counted as graduates.*

Transfer rates *show the percentage of entering students who transfer to another college within 150% of the normal time to complete their program. For example, a student who is in a four-year degree program is counted as a transfer if the student goes to another college within six years.*

Retention rates *show the percentage of first-time students who continue their studies the following fall semester. For example, a student who studies full-time in the fall semester and keeps on studying in the program in the next fall semester is counted in this rate.*

Do not be surprised if you are getting a lot more questions about retention, graduation and transfer rates.

Your admission counselors should be familiar with national averages so that they can have informed conversations with students and parents. For example, people are often surprised to learn that more than 40% of students who attend four-year institutions do not graduate in six years. Graduation rates vary significantly by institution type.

- While private institutions graduate more than 63% of their students, the rate drops to 53% for public schools and is less than 44% at for-profits.
- Six-year graduation rates as a function of Carnegie classification vary from 73% to 45%.
- Gender mix at individual institutions can impact rates as women are *generally* more likely to graduate than men.
- Graduation rates differ as a function of ethnicity and socio-economic status. *(see Time to Prepare p.5)*

TIME TO PREPARE CONTINUED:

- Highly selective schools often graduate students at higher rates than less selective institutions.

Rates also vary by geographic location. There are significant differences in graduation rates as a function of state.

- The six-year graduation rate for four-year colleges and universities can vary from 22% to 68% dependent on the state in which the institution is located.
- The differences at two-year colleges and universities can be greater. The three-year graduation rate at two-year schools can vary from 10.8% to more than 70%.

This is not just a challenge for admission counselors as the same data is available for currently enrolled students and their families as well. While your rates for prospective students will at least be shown in some context as they will be listed along with other colleges and universities, this will not be true for most currently enrolled students since the majority only include one school when applying for financial aid.

What should enrollment management leaders be doing to deal with this new wrinkle in the financial aid application process?

- Check your IPEDS completion rates to ensure that they are accurate.
- Ensure that this information is made available to all of your staff members likely to be asked questions on this subject. Obvious colleagues include admission counselors, financial aid counselors, student services professionals and faculty.
- Go to the IPEDS web site (www.nces.ed.gov). The site has selection reports available that will allow you to collect comparative information for your top competitors. It is best to be familiar with how your school compares before being asked by a concerned parent.
- You may wish to have your institutional retention expert provide some training to your front-line staff to prepare them to answer likely questions.
- If you have not already done so, you should review information on your web site regarding graduation rates. It is probably a good idea to provide more detail in this section. Some families may have concerns, but they will not always take the time to ask an institutional administrator. Answer questions on your web site.

Familiarity with your institutional rates and knowledge of both national, regional school type data will be important. It is time to be proactive.

CONTROLLING TUITION DISCOUNTING BY LEVERAGING PRIVATE LOANS

Micharl O'Grady
Overture Technologies

There has been much discussion over the last two years about financial aid offices maintaining a "preferred lender list" for their students and families. Back in the 1980's when many colleges and universities did not recommend specific lenders, schools would get student loan checks from credit unions, community banks and some large regional lenders. The processes were painfully slow and the cash flow was spread out over months.

With the advent of better technology and sweeping standardization, schools in the mid 1980's could start transmitting student loan data electronically and receive the funds through electronic fund transfer (EFT)—vastly increasing the turnaround time and cash flow. As a result, financial aid offices started to recommend those lenders that created the least amount of work for their offices and met the customer service demands of their students and families.

In the 1990's, when the technological playing field leveled off, institutions would recommend lenders based on borrower benefits and customer service. Fast forward to 2007, the idea of having a "preferred lender list" fell under great scrutiny, and rules changed so that financial aid offices were required to clearly articulate how they selected recommended lenders. The new regulations applied to federal student loan lenders as well as private or alternative student loan providers.

The plug has now been pulled on the 45-year-old Family Federal Education Loan Program and replaced by Direct Lending (DL) with the federal government serving as lender for federally backed student loans. So is the process of vetting educational lenders no longer necessary? Not when it comes to private education loans.

Unfortunately there is a great *(see Leveraging Private Loans p. 6)*

LEVERAGING PRIVATE LOANS CONTINUED:

deal of misinformation and concomitantly great angst in financial aid offices regarding recommendations for private loan lenders. I recently attended a conference for college presidents and a feature consultant in a well-attended session proclaimed that lender lists or guiding parents to lender choices was no longer legal! The problem is that this is simply not true. Private/alternative loans are a valuable and increasingly necessary tool for families as the gap between financial aid available from traditional sources and the actual cost of higher education grows.

One common theme over the last twelve months or so I have heard at higher education conferences is the necessity to mitigate the growth in tuition discounting.

- The poor economy has forced reductions in state grant programs all over the country.
- While we can expect modest increases in the Federal Pell Grant, the increases are not likely to keep pace with cuts in funding from the states and increases in tuition and fees.
- The Obama administration was able to pass a bill making significant changes to the federal student loan program, but the provisions to increase funding were not included.
- The availability of private loans has shrunk by about 10 BILLION dollars---approximately half of the capital available before the turmoil in the markets.
- Home equity loans are no longer an option for many families.
- Stock portfolio's are down significantly.
- Schools cannot afford to fill these gaps with additional tuition discounting.

How can enrollment managers better utilize private loans to enable their families to meet growing costs? A good start would be to get financial aid literacy tools to our admissions and financial aid offices so they can give guidance to prospective students and families.

Ironically, in times when families need financial guidance the most, the financial aid community plans on doing the least. According to Tim Ranzetta from Student Lending Analytics, 29% of financial aid offices plan on providing no recommendation lists for their students and families and 24% plan on throwing prospective students and families a list of all private lenders with no guidance. Imagine if a high school guidance counselor told a college-bound student "Here you go…" and handed the them the Higher Education Directory. Last according to Ranzetta, 30% of financial aid offices are not sure what they are going to do. So the question is why?

According to Ranzetta, the top two reasons for financial aid offices giving no guidance on private loans is concern about complying with new regulations and the time it takes to maintain the list. Fortunately, there are loan search engines that on average could save a student $4,000 in interest on a $10,000 loan. If you extrapolate that across your student body, the savings is huge. Would someone not digest the regulations or take the time to sort out choice if it meant a student getting a $4,000 Pell Grant?

The technology exists today where administrators can satisfy the new regulations with "in a box" solutions and there is no maintaining of a list—just finding reputable search links. Without guidance, students can make poor choices. Getting 12,000 choices on Google is only putting your students in harm's way. More expensive private loans will only increase the probability that students will have to choose between paying their private loan or a federal loan upon graduation, driving up your school's default rates.

All private loans are not created equal. By taking the time to research the best options for your students, you will be doing them a great service and assisting your institution in achieving desired recruitment and retentions goals. Proactive utilization of private and alternative loans can reduce discount rates as well. By leveraging new technologies you can eliminate some higher education blood, sweat, and tears. The bleeding of tuition discounts, the sweat of finding reputable loan money for students and the tears of the prospective student who can't attend the school of their dreams…. or worse yet, has to leave one.

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