

# ENROLLMENT MANAGER

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## THE QUESTION OF TUITION INCREASES FOR FALL 2022

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Many colleges and universities elected to freeze tuition over the last couple of years in response to declining enrollments, economic downturns and the pandemic. Market conditions made it more difficult for many families to absorb increased costs, and colleges and universities responded by keeping tuition rates steady or limiting the size of any increases.

The pandemic seems to be waning and unemployment continues to drop. Unfortunately, demographic obstacles have not changed, colleges continue to struggle to secure enrollments.

Increased federal expenditures in recent years have fueled inflation, and the war in Ukraine has already served to exacerbate the problem. Inflation is hovering around 7% as institutions deal with increased costs. Consider that between 2020 and 2021:

- Gasoline increased by 58%
- Food increased by 13%
- Electricity increased by 6.5%
- Natural gas for heat is up more than 30%

Many institutions have already announced tuition increases next year to mitigate the impact of inflation.

- Loyola University will increase by 3.65%
- University of Virginia will increase by 4.7%
- Columbia College plans a 10% increase

- DePaul University will increase by 2%
- Lafayette College will increase by 4%
- TCU will increase by 4.5%

It is a difficult decision for other colleges and universities, especially those serving low-income populations.

### Understand Your Socio-Economic Market

Reach out to your Financial Aid Office to gather financial information about the students enrolled in your college or university.

- You may wish to be cautious if more than 50% of your newly enrolled students are eligible for Federal Pell Grants.
- If your local area has experienced economic downturns, you may want to delay any increases in tuition.
- How many first-generation college students do you enroll? These families are likely to be more price sensitive.
- On the other hand, if Federal Pell Grant recipients comprise less than a third of your enrollments, and most of your students and their families demonstrate a reasonably strong ability to pay, you can increase charges now to offset the real increases in expenses.

### Note Recent Enrollment Trends

Taking into consideration the pandemic, have your recent recruitment outcomes been stable?

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Higher education will receive an increase of \$450 million in the federal budget next year. Increased federal support will be realized in TRIO programs, GEAR UP, FSEOG, FWS and a \$400 increase in the Federal Pell Grant. HBCU's, Tribal Colleges and Hispanic Serving institutions will see more support.

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## THE QUESTION OF TUITION INCREASES CONTINUED:

- A period of declining enrollments may not be the best time to increase tuition.
- Take a hard look at the students who have left your institution in recent years. Is your price [affordability] a significant barrier to retention?
- College and universities with stable or growing enrollments are in a safer position to raise prices.



### Consider Competition from Your State Institutions

Private colleges and universities often compete more with public institutions than other privates. Sticker price always makes public institutions seem attractive.

- Are your public competitors accepting more students? Many publics are aggressively recruiting and increasing class sizes. This can make tuition increases more problematic for private colleges.
- Some public institutions have capped new student enrollments, placing a bit less price pressure on their private competitors.

### Consider Financial Aid Offsets

The impact of a price increase can be mitigated, especially for students with financial need, by corresponding increases in state and federal financial aid.

- We expect the Federal Pell Grant to increase by approximately \$400.

- Some schools may see increases in Federal Supplemental Opportunity Grants and/or Federal Work-Study.
- The prospects for increases in state scholarships and grants vary significantly. The individual situation in your state matters.

### Your Place on the Competition Scale

Almost every college keeps a list of its top competitors comparing tuition and room and board charges. Your position on your list should influence your decision regarding a tuition increase.

- If you are near the top of your “competition” scale, you may want to delay another increase in tuition.

The decision on whether to increase prices is more complicated than it has ever been. There is no doubt that costs are increasing for every college and university, and the pandemic has created very real revenue shortfalls for many. While the need for a price increase may be a given, colleges leaders must take more into consideration.

## THE BOTTOM LINE ON STUDENT RECRUITMENT

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The battle for attracting incoming students is in its fiercest and final days. At this time of year, every interaction with a prospective student is incredibly important as every student counts. And while some institutions are enjoying record fundraising dollars from private donors and public fund allocations, many, many institutions are still reeling from the financial realities of the pandemic, doing their best to stay afloat.

According to the National Student Clearinghouse Research Center, more than 1 million undergraduate students have gone missing since the start of the pandemic.

As such, we’ve thought a lot about how to remain competitive in this current recruitment climate. Many

## THE BOTTOM LINE ON STUDENT RECRUITMENT CONTINUED:

institutions will offer unprecedented financial aid packages to new students, trying to lure them to their campuses on cost alone. But fighting the student recruitment battle this way is much like trying to win a price war against Wal-Mart or Amazon. Most schools just can't do it and remain fiscally sound. So, what should you be doing?

### Make Your Best Offer

While it is completely understandable that affordability be a top consideration for prospective students, the idea of affordability can cover a range of price tags. Make your best financial aid offer to prospective students, but don't expect the offer's bottom line to do all the work for you.

Neil Diamond sang, "Money talks, but it can't sing and dance, and it can't walk." An institution's best offer should include so much more than an attractive financial aid package. It should paint a picture of life on your campus so vivid and appealing that students will understand that "fit" and cost are equally as important when selecting a college.

### Demonstrate Your Value

Just because the bottom line of one institution's financial aid package is better than your best offer, does not mean that you are out of the race. Highlight your institution's unique features – be it top-quality majors, new facilities, and/or opportunities and partnerships in the surrounding area as a part of your value.

Be sure to relate all the ways your institution is focused on serving the whole student, not just through affordability and financial wellness, but in other areas as well. Perhaps physical wellness at your institution is best offered through intramurals and collegiate sports, or maybe your campus is in a mild climate where regular outdoor activity is easily accessible.

Highlight your institution's efforts in mental and social wellness, too. After a tough two years during the pandemic, these students are dealing with a lot and need a campus community that will not only challenge them to do their best, but also nurture them when they are not at their best. The availability of counseling services,

numerous special interest clubs, a robust student activities schedule, and campus security and safety all add to the value of your institution. Remember, it is the role of the Office of Enrollment to sell the student on the whole institution, not just the financial aid offer.

### Focus on Personal Connections

There's not much that can outweigh a personal connection to a place. While this generation of current and prospective students prefers digital platforms to create personal connections, the connections are just as valuable when made. Savvy enrollment counselors are already using those platforms to create and enhance connections made with prospective students.

But in these dog days of the recruitment cycle, more must be done. There needs to be involvement from coaches, relevant faculty, and even current students to help tell the story of the institution on such digital platforms. The more friendly and varied voices prospective students hear, the more they will come to understand the culture of your institution and how well they will fit in.

The bottom line is that there should be more to a student's decision about choosing a college than the financial bottom line. It is up to each institution to help prospective students see the whole institution in terms of affordability, value, and opportunities for personal growth and success.

And remember, the battle for students isn't truly over until the first day of the semester. The enrollment offices that keep their heads and hearts in the fight to gain and retain students throughout the summer will be the ones smiling at *their* bottom line in the fall.

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**THE DYSART GROUP** is a higher education consulting firm specializing in enrollment management. We have provided consultation services to nearly 200 colleges and universities throughout the United States with extraordinary results.

We have worked collaboratively with colleges and universities to significantly grow enrollment. Our institution-specific recommendations have helped increase the number of admission applications as much as three-fold. Improved communication strategies and new tracking metrics have resulted in higher folder completion rates and increased the number of students accepted for admission. New student enrollments have grown by as much as 70% in a single cycle while discount rates have been controlled. Proven strategies have increased retention rates by as much as 7% in one year.

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