



DIRTY LITTLE SECRETS



COLLEGES RUN LIKE BIG BUSINESSES

Colleges are big businesses. They care about numbers (like application totals, admit rates, and yield rates) and they are focused on the bottom-line. As idealized as colleges and universities are as institutions of higher learning, they are fundamentally big businesses—employing hundreds or thousands of people, maintaining an extensive piece of real estate, and building a brand. Many times, an institution's success is measured by how well their admissions program is doing. Institutions leverage their status and strategize just as much as a well-run business.

1. THE MORE APPLICATIONS, THE BETTER

Colleges and universities want to maximize application totals every year. They want to be viewed as popular in the eyes of prospective students, families, and guidance counselors. The more applications they have, the more flexibility they have to craft their freshmen class. They have an arsenal of strategies to increase their applicant pool. Probably the most important element of building their applicant pool is the use of “search.” “Search” allows an institution to purchase student names and home addresses in order to send brochures, letters, and marketing materials directly to students.

The names and addresses are collected from registrations that students fill out right before they take standardized tests, like the SATs. Students fill out demographic information like gender and race, but they also can provide information related to their academic interests in college and they can self-report their high school GPA. In turn, colleges will buy names and target certain students who fit into the demographics that they are hoping to attract in their applicant pool. Through “search” a college can purchase student names and addresses from certain areas of the country. They can strategize to directly market to students who fit niches based on gender, race, test scores, GPA, and academic leanings. For example, if a college is trying to increase the number of females interested in engineering from the Pacific Northwest, they can target this type of demographic by purchasing names and addresses that fit this criteria.

Admissions offices spend a considerable amount of their budget on “search.” One would be hard-pressed to find a college that doesn't use “search.”

2. GOAL: LOW ADMIT RATES AND HIGH YIELD RATES

Colleges want to be viewed as selective and desirable as possible. They know that high school students, and their parents, want to attend institutions that are viewed as “difficult to get into.” Much time and attention is spent by an admissions office on figuring out how to lower the admit rate while yielding the strongest possible freshmen class.

Having a large applicant pool can help with lowering the admit rate. They go hand-in-hand. The admit rate for an institution is the percentage of

SECRET #1

Some colleges will waive the application fee to increase their applicant pool. They may waive the fee for all applicants or for just certain students whom they've identified through “search” as fitting certain demographics that they want in their pool. Students that fall into the latter category may get an expedited application in the mail or they may receive an email letting them know that their application fee is waived because of their strong academic record.

DOUBLE SECRET: Colleges can also increase their applicant pool by eliminating certain requirements for admission. They might reduce or eliminate extra essays or short-answer questions on their supplement to the Common App, for example. But, they can also ease testing requirements to encourage more students to apply. For *continued on next page...*



AdmissionsRevolution.com
© 2015 Admissions Revolution, LLC,
All Rights Reserved
Ver 1.0



COLLEGES RUN LIKE BIG BUSINESSES

applicants admitted in the overall pool. The yield rate is the percentage of admitted students who accept the offer of admission from the admitted pool of students. Colleges need to study their historical yield rate to determine how many students they should admit. If their yield is 50%, then they know that they need to admit two students for every one student they enroll.

Colleges have become more discriminating about which students they admit. They have historical data they track every year to give them insights into the type of student who enrolls if admitted. It is no longer just about considering if the student is academically qualified to be admitted; many institutions will factor in the likelihood of enrollment before they admit the student. One of the most telling indicators of whether a student will enroll if admitted is how much interest/effort they have shown the institution throughout the admissions process. This is called “demonstrated interest” and there is more information about this topic in the video, “Dirty Little Secret-Demonstrated Interest.” For an institution that uses demonstrated interest in their admissions process, they will be looking at the required pieces of the application and they also will be considering the student’s demonstrated interest. Most institutions do not talk openly about this pivotal factor in the admissions process, though.

Here’s an example. You have probably heard of a high-achieving student with high test scores and high grades who gets waitlisted by their “foolproof college,” or the college that they seem likely to be admitted to. The reason for this unexpected waitlist decision usually comes down to yield predictions by the institution. They know a high achieving student with higher test scores and grades is less likely to enroll because they will likely be admitted to more selective/competitive schools.

3. COLLEGES LOOK TO GENERATE REVENUE

Apart from a handful of institutions that practice need blind admissions, most institutions will look to see if a student is applying for financial aid and how much they qualify for before they admit them. These institutions typically have a limited amount of financial aid. Being a full-pay student can make you more desirable in this type of applicant pool. A full-pay student is a student who can afford to pay the full tuition amount. Full-pay students bring in tuition dollars to the institution. The more full-pay students a college has, the more tuition revenue they can generate. However, there are a limited number of full-pay students in our country. Very few families can afford upwards of \$60,000 a year to cover the cost of tuition, room and board, and other expenses.

example, if a college no longer requires Subject Tests, their applicant pool size usually benefits from this change because it makes it easier for students from different backgrounds to apply.

SECRET #2

The type of student described above can sometimes make missteps in the process and take for granted that they will be admitted to this foolproof college. Since a large number of institutions use demonstrated interest, it is essential that students take the necessary steps to show every college they apply to that they’re interested in them. In this era, students can’t assume that their excellent qualifications alone will get them into a foolproof college. Even the highest achieving students applying to less selective schools need to visit, interview, invest time and energy in the institution’s supplement, and dedicate themselves to showing demonstrated interest.



AdmissionsRevolution.com
© 2015 Admissions Revolution, LLC,
All Rights Reserved
Ver 1.0



COLLEGES RUN LIKE BIG BUSINESSES

Over-enrollment can also bring in unexpected revenue to the institution. While there are added costs to accommodate additional students from an academic and residential perspective, institutions will still bring in a significant profit even with added expenses.

A growing number of institutions have created cohorts of freshmen who arrive second semester (spring semester) of their freshmen year. This is done to bring in more tuition dollars. These students sometimes take academic courses at another institution or participate in a travel or internship experience before they start. Most, if not all, of these students will be full-pay students. There are some initial expenses that the institution will need pay to create the infrastructure for this spring semester cohort, but once it is up and running the revenue generated from it is a windfall for the institution. One more added bonus to this spring semester cohort is that the institution does not need to factor in their test scores and GPAs into the freshmen class profile. This has major implications as test scores, GPAs and freshman class profile can impact their bond rating and *US News & World Report* ranking.

TAKE-AWAY: While *US News & World Report* does not factor in application totals, admit rates, and yield rates, these data points impact the perceptions that deans and presidents have about institutions—and that is who is surveyed for US News rankings. Brand and reputation is built on the financial and admissions success of an institution. When an institution is experiencing application growth and increased selectivity/yield, its reputation tends to follow suit. Admissions directly and indirectly impacts revenue. They can enroll more full-pay students and/or over-enroll. But if Admissions is doing well, that can increase alumni giving, grants, and their leverage in the landscape of higher education.

DOUBLE SECRET: Colleges might waitlist this type of student in case they need to increase their academic profile on the backend. If the student responds that they want to stay on the waitlist, the college may target this student first because the student's high test scores and high GPA can increase the profile of the incoming class.

SECRET #3

There are always going to be certain students who request admission to spring semester because they have a plan to do something specific during the fall semester. However, many students are admitted into spring semester because they have lower academic qualifications compared to the typical student at that institution.



AdmissionsRevolution.com
© 2015 Admissions Revolution, LLC,
All Rights Reserved
Ver 1.0