2020 Discounting Report

For four-year private and public institutions

Benchmarks for first-year and transfer students based on an analysis of 337,000 enrolled students at 278 institutions

ENROLLMENT

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Stable Discount Rates, Stalled Enrollments, And An Uncertain Future: The Enrollment And Revenue Challenges For Today's Enrollment Managers

After years of steady increases, overall discount rates finally appeared to be stabilizing last year. From 2010–2017, the average discount rate for RNL's four-year private client institutions increased from 37.3 percent to 42.6 percent. However, from 2017–19, the discount rate has increased less than 1 percentage point, from 42.6 in 2017 to 43.3 percent in 2019. For our public client institutions, discounting fell from 16.7 percent to 14.4 percent in the past year and is the lowest rate since we began including public colleges and universities in this study.

That stabilization is certainly a welcome sign for enrollment and financial aid professionals. However, at the same time, enrollment has stagnated for several years, and in fall 2019, fell across all sectors of higher education by 1.3 percent according to the latest government data.[1] The flattening of overall enrollment growth resulting from demographic and socioeconomic changes has been underway for several years. With more competition for fewer students, enrollment managers will need to make sure they provide the aid that students need and expect in order to secure their enrollment.

The uncertain impact of COVID-19 on financial aid and enrollment

The COVID-19 pandemic has thrown students, families, and institutions into an unprecedented level of danger and disruption. At this stage, it is difficult to estimate the long-term impact of the outbreak on student financial need and the enrollment process, but two things are clear:

- Campuses must be ready to make data-driven adjustments to their awarding strategies quickly in order to meet changing student need.
- Yield and retention strategies will become even more important so campuses can meet and maintain enrollment goals. Financial aid awarding will be crucial to both goals.

Using these benchmarks

This report summarizes aggregate data from public and private institutions using RNL Advanced FinAid Solutions. It includes key metrics for enrollment, financial aid, and net revenue, including:

- 10-year trends on overall discount rates and average net revenue
- Key fiscal data such as average family income, expected family contribution (EFC), and unmet need
- Average "melt" rates (those who deposit but do not enroll)
- Data on first-time-in-college (FTIC) students and transfer students
- Breakdowns by region, institution selectivity, campuses with athletic programs, and resident/nonresident students

DISCOUNTING DEFINITIONS BY RNL

Overall Discount Rate = Unfunded Gift Aid/Gross Revenue (including room and board)

When calculating discount rates, studies and campus officials often include tuition and fees but exclude room and board. RNL recommends including room and board fees in the denominator. This approach allows institutions to more accurately identify revenue flows tied to all enrolling students.

Tuition and Fee Discount Rate = All Institutional Aid (including tuition exchange but excluding employee benefits)/Tuition and Fees

This rate represents funded and unfunded gift aid as a percentage of tuition and fee revenue.

[1]National Student Clearinghouse Research Center (16 December 2019). "Fall 2019 current term enrollment estimates." Retrieved from: https://nscresearchcenter.org/current-term-enrollment-estimates-2019/

KEY DATA FROM 2019

FIRST-TIME-IN-COLLEGE STUDENTS

43.3%
OVERALL DISCOUNT RATE
2018: 42.7%

$24,186
AVERAGE OVERALL NET REVENUE
2018: $23,952

$18,915
AVERAGE INSTITUTIONAL GIFT AID

-2.9%
ENROLLMENT CHANGE
(2018–19)

12.6%
MELT RATE
(deposited but did not enroll)

TRANSFER STUDENTS

37.9%
OVERALL DISCOUNT RATE
2018: 36.5%

$24,365
AVERAGE OVERALL NET REVENUE
2018: $24,138

$15,144
AVERAGE INSTITUTIONAL GIFT AID

2.4%
ENROLLMENT CHANGE
(2018–19)

15.5%
MELT RATE
(deposited but did not enroll)

DATA SOURCES

209
four-year private institutions in 2019

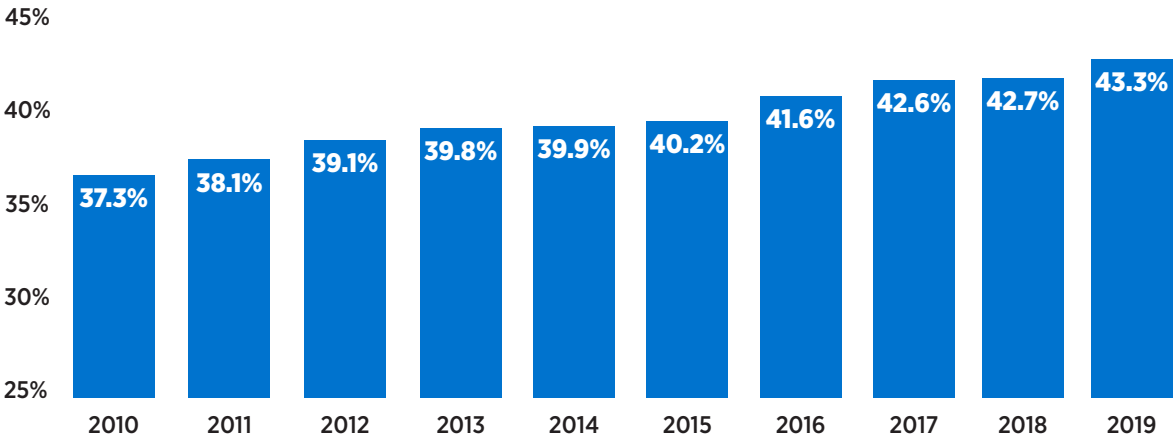
120,190
first-year and transfer students

$3.2B
total net revenue

First-year students

1. Overall Discounting Benchmarks: 10-Year Trend

Average freshman overall discount rate for RNL client institutions



0.6
POINT INCREASE
in overall average discount rate in 2019

56.0%
AVERAGE TUITION AND FEE
discount rate in 2019

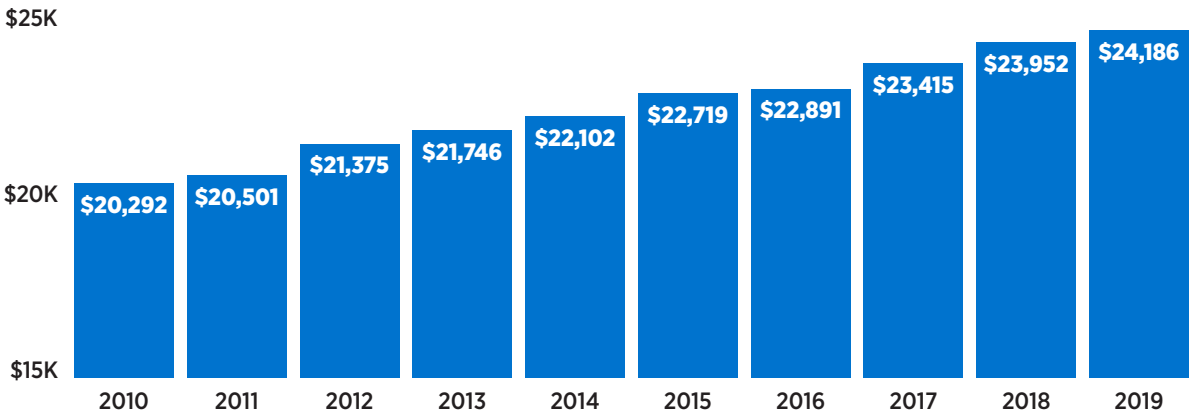
KEY TAKEAWAYS

For the second straight year, overall discount rates rose by less than 1 percentage point and have only increased by 0.7 points total in the last two years. This shows that the four-year private institutions in this study are balancing the ability of students to pay with their willingness to pay—a critical component of optimizing the impact of financial aid on enrollment.

As with any major economic impact, the fallout from the COVD-19 crisis may require campuses to adjust their awarding strategies significantly, as they did following the 2008 recession. Campuses that have a reliable, data-informed way of finding the ideal balance between need and willingness to pay will be in the best position to make the correct changes to their awarding going forward.

2. Overall Net Revenue Benchmarks: 10-Year Trend

Average overall net revenue per freshman for RNL client institutions



$234
INCREASE
in overall average net revenue for RNL client institutions in 2019

$14,516
AVERAGE TUITION AND FEE
net revenue per freshman

KEY TAKEAWAYS

Average overall net revenue remained nearly flat between 2018 and 2019, increasing only by 1 percent. This lack of growth again reinforces the need to optimize awarding so that student need and institutional revenue needs are in alignment—ensuring that campuses have the required revenue to provide a high quality educational experience.

Invest in student retention to grow revenue

Every withdrawn student represents a significant loss in revenue for an institution. It is much more cost-effective to retain a student than recruit a new one, so enrollment, awarding, and retention strategies need to be coordinated. With financial aid packages, be sure students have the aid they need for their entire college career so they are more likely to persist and graduate.

3. 2019 Benchmark Data: Institution Type, Region, Selectivity, and Athletics

Institution Type	AVERAGE OVERALL DISCOUNT RATE FOR FRESHMAN	AVERAGE TUITION & FEE DISCOUNT RATE FOR FRESHMAN	AVERAGE TUITION & FEE DISCOUNT RATE CHANGE	AVERAGE OVERALL NET REVENUE FOR FRESHMAN	AVERAGE NET TUITION & FEE REVENUE FOR FRESHMAN	AVERAGE OVERALL CHANGE IN NET REVENUE PER STUDENT	AVERAGE INSTITUTIONAL GIFT AID PER STUDENT	AVERAGE TUITION INCREASE
All private students	43.3%	56.0%	0.6%	$24,186	$14,516	-1.8%	$18,915	2.8%
TYPE								
Small	44.2%	57.2%	0.8%	$23,251	$13,820	-1.9%	$19,018	2.7%
Comprehensive/ doctoral	37.3%	48.7%	0.2%	$27,399	$16,911	1.1%	$16,958	3.6%
Research	38.6%	49.7%	-0.1%	$32,977	$21,043	-4.9%	$20,481	3.7%
REGION								
Middle States	40.5%	52.8%	-2.2%	$24,535	$14,459	-2.1%	$17,605	1.3%
Midwest	46.7%	59.6%	1.8%	$21,501	$12,834	-2.2%	$19,602	3.2%
New England	44.6%	58.6%	2.9%	$28,165	$16,063	-2.9%	$22,182	3.4%
South	41.9%	55.4%	-0.6%	$23,803	$13,882	-0.3%	$17,630	2.9%
Southwest	44.1%	57.4%	0.8%	$24,230	$14,487	1.1%	$19,646	3.6%
West	39.8%	50.7%	1.4%	$29,405	$19,550	-4.1%	$19,449	3.5%
SELECTIVITY								
Highly selective	38.4%	49.6%	-2.7%	$36,826	$23,986	-3.3%	$23,222	3.7%
Selective	44.8%	57.4%	2.4%	$23,995	$14,299	-2.8%	$19,839	3.3%
Traditional	44.2%	57.7%	1.2%	$21,108	$12,310	-0.3%	$17,434	2.3%
Liberal	41.2%	54.4%	-2.1%	$21,388	$12,166	-0.6%	$16,349	1.8%
Open	41.1%	53.4%	-6.5%	$23,316	$14,527	-0.6%	$16,787	2.5%
ATHLETICS								
NCAA Division I-FCS	45.6%	58.7%	1.4%	$26,430	$15,723	1.5%	$21,490	2.6%
NCAA Division I without football	41.6%	53.6%	-1.1%	$29,797	$18,291	-8.1%	$21,476	3.6%
NCAA Division II without football	42.5%	55.0%	0.4%	$24,615	$14,834	-2.2%	$18,512	3.2%
NCAA Division II with football	39.7%	52.4%	-3.6%	$22,685	$13,267	-3.1%	$15,921	3.2%
NCAA Division III without football	44.4%	57.7%	1.7%	$23,882	$13,913	-2.3%	$19,724	2.4%
NCAA Division III with football	45.3%	59.0%	0.1%	$24,275	$13,936	-4.4%	$21,109	1.9%
NAIA	45.6%	59.6%	1.8%	$20,106	$11,479	-3.4%	$17,324	3.4%
USCAA	36.9%	47.4%	-2.7%	$31,133	$20,466	-1.7%	$17,451	2.9%
No varsity sports	40.1%	47.8%	5.4%	$27,854	$20,236	10.3%	$18,477	3.0%

3. 2019 Benchmark Data: Institution Type, Region, Selectivity, and Athletics

+2.8%
AVERAGE TUITION INCREASE

-1.8%
AVERAGE CHANGE IN NET REVENUE PER STUDENT

KEY TAKEAWAYS

Looking at differences by institution type, we see factors that suggest competition for students could be driving up discount rates at some institutions.

- Small private institutions had the largest overall discount rate of 44.2 percent, well above the discount rate for larger institutions. They may need to increase gift aid in order to attract students away from larger privates as well as public institutions.
- Midwestern institutions had a significantly higher discount rate than other institutions. This section of the country has had the greatest contraction of traditional high school graduates, so this may reflect competition for a shrinking pool of students in regional markets.
- Selective and traditional institutions had higher discount rates than highly selective institutions, illustrating that they may be have to use aid more aggressively to attract students who will strengthen their academic profile.

Discounting and the cost of athletic programs

As private institutions weigh the cost and benefit for athletic programs, they must ensure they can "absorb" athletic rosters by nonathletic populations. They also need to understand not only the overall cost, but how that cost may differ by sport. The data above provide benchmarks for institutions by athletic classification, but institutions should undertake thorough analysis of programs/sports before adding them or ongoing assessment if they already have programs in place.

DEFINITION OF INSTITUTION TYPES

PRIVATE INSTITUTION TYPES

Small Institutions: Colleges and universities with total enrollment under 4,000. Most of these institutions award associate and bachelor's degrees.

Comprehensive/Doctoral Institutions: Master's and doctoral degree-granting colleges and universities with enrollment above 4,000.

Research Institutions: Doctoral degree-granting research universities.

Region definitions are based on The College Board's Annual Survey of Colleges, Trends in Higher Education reports.

Middle States: DC, DE, MD, NJ, NY, PA, and PR;

Midwest: IA, IL, IN, KS, MI, MN, MO, NE, ND, OH, SD, WI, and WV;

New England: CT, MA, ME, NH, RI, and VT;

South: AL, FL, GA, KY, LA, MS, NC, SC, TN, and VA;

Southwest: AR, NM, OK, and TX;

West: AK, AZ, CA, CO, HI, ID, MT, NV, OR, UT, WA, and WY.

SELECTIVITY	ACT (middle 50%)	SAT (middle 50%)
Highly selective	25–30	1220–1440
Selective	21–26	1070–1260
Traditional	18–24	950–1180
Liberal	17–22	910–1110
Open	16–21	870–1070

ATHLETICS

NCAA FBS – Football Bowl Subdivision
NCAA FCS – Football Championship Subdivision
NAIA – National Association of Intercollegiate Athletics
USCAA – United States Collegiate Athletic Association

4. Student Trend Data: FAFSA Completion Rates, EFC, Parental Income, Need

Academic Year For Which Aid Was Requested	PERCENT OF FRESHMAN ADMITS WHO FILED A FAFSA	PERCENT OF ENROLLED FRESHMAN WHO FILED A FAFSA	AVERAGE PARENTAL INCOME FOR FAFSA FILERS	AVERAGE EFC FOR FAFSA FILERS	AVERAGE NEED FOR FAFSA FILERS	AVERAGE PERCENT OF NEED MET	AVERAGE PERCENT OF MERIT AID WHICH MET NEED	AVERAGE UNMET NEED (FOR NEEDY STUDENTS)
2019–20	68.0%	90.4%	$117,157	$25,518	$36,482	76.8%	74.7%	$10,897
2018–19	69.6%	90.2%	$111,090	$23,207	$36,055	75.8%	76.3%	$11,177
2017–18	70.9%	89.6%	$102,132	$21,905	$35,073	75.9%	75.9%	$10,525
2016–17	63.5%	89.2%	$100,037	$20,952	$33,724	78.8%	75.5%	$10,414
2015–16	64.3%	89.4%	$98,388	$20,358	$32,832	74.8%	75.5%	$10,547
2014–15	66.8%	87.2%	$103,518	$20,834	$28,322	74.6%	76.0%	$10,038
2013–14	67.8%	87.7%	$99,208	$16,490	$27,973	74.5%	76.9%	$9,874
2012–13	67.9%	87.6%	$95,855	$15,898	$27,290	74.1%	77.5%	$9,665
2011–12	67.6%	88.4%	$91,276	$14,794	$26,212	74.0%	77.7%	$8,475
2010–11	68.0%	87.6%	$90,812	$14,582	$25,518	75.4%	76.9%	$8,996

Key changes from 2018–19

+$427
AVERAGE NEED
for FAFSA filers

-$280
UNMET NEED
for needy students

+6,067
PARENTAL INCOME

KEY TAKEAWAYS

FAFSA filing rates among admitted students fell for the second straight year, and average parental income had a large increase for the second straight year as well. Average need increased despite average EFC increasing more than $2,300, a reflection of rising costs. Unmet need also fell, although students today have about $2,000 more unmet need than they did a decade earlier.

Communicate aid, value, and affordability with parents as well as students

Three out of four parents are very involved in the college planning process according to research by RNL and CampusESP.[2] Communicating with them in a way that makes the value of an education from your campus clear and the aid package easy to understand can help get these important influencers on your side. Consider using:

- Personalized financial aid video awarding communications that make the aid communication more engaging.
- Alumni outcomes data that show how alumni fare in the workforce.
- Customized net price calculators that show the true out-of-pocket cost of attendance.

[2]Ruffalo Noel Levitz & CampusESP (2019). *2019 parents' role in college planning report*. Cedar Rapids, Iowa: Ruffalo Noel Levitz.

5. 2019 Benchmark Data: Yield, Melt, Retention and Additional Metrics

Institution Type	AVERAGE FRESHMAN ENROLLMENT CHANGE	AVERAGE FRESHMAN YIELD	AVERAGE FRESHMAN YIELD CHANGE	PERCENT LIVING IN CAMPUS HOUSING	PERCENT ENROLLED PELL ELIGIBLE	PERCENT DEPOSITED BUT DID NOT ENROLL	PERCENT OF ENROLLED WHO ARE INTERNATIONAL STUDENTS	PERFECT OF ENROLLED WHO ARE FIRST GENERATION STUDENTS	FALL 2018 TO FALL 2019 RETENTION RATE
All private students	-2.9%	22.0%	-1.4%	82.9%	39.0%	12.6%	4.3%	28.4%	75.3%
TYPE									
Small	-2.9%	22.1%	-1.6%	82.2%	40.8%	12.4%	4.2%	30.6%	74.2%
Comprehensive/ doctoral	-0.4%	22.5%	1.0%	85.0%	31.0%	16.1%	4.6%	20.1%	79.2%
Research	-6.9%	19.8%	-2.0%	90.3%	24.9%	10.9%	4.4%	19.1%	84.9%
REGION									
Middle States	-4.7%	20.0%	-1.3%	74.5%	42.6%	11.6%	4.1%	38.9%	75.3%
Midwest	-1.2%	23.3%	-1.5%	85.3%	39.2%	12.0%	3.2%	29.1%	74.3%
New England	-3.0%	19.6%	0.5%	84.2%	37.5%	10.6%	5.7%	35.7%	78.3%
South	-2.4%	22.4%	-1.6%	86.4%	40.1%	13.2%	4.2%	22.1%	72.8%
Southwest	-0.7%	26.3%	-1.4%	86.5%	35.8%	14.1%	2.9%	21.5%	79.0%
West	-7.0%	20.5%	-3.0%	80.9%	33.4%	15.0%	7.5%	25.7%	80.0%
SELECTIVITY									
Highly selective	-4.2%	20.5%	-0.1%	89.7%	21.3%	9.6%	8.8%	18.4%	86.6%
Selective	-3.6%	22.3%	-2.0%	85.5%	34.0%	12.0%	3.4%	28.8%	78.1%
Traditional	-0.9%	23.2%	-0.7%	78.5%	44.7%	13.2%	3.3%	31.6%	71.1%
Liberal	-3.0%	19.1%	-2.5%	81.4%	52.2%	12.9%	2.7%	33.9%	68.3%
Open	-4.0%	24.7%	0.4%	74.3%	52.4%	18.2%	8.4%	32.6%	65.1%
ATHLETICS									
NCAA Division I-FCS	2.3%	18.7%	-0.8%	86.9%	33.9%	10.9%	3.2%	30.6%	79.4%
NCAA Division I without football	-7.6%	17.9%	0.6%	82.3%	31.7%	11.9%	2.8%	23.5%	82.9%
NCAA Division II without football	-3.6%	20.6%	-2.0%	80.9%	40.0%	13.0%	4.6%	26.3%	75.9%
NCAA Division II with football	-5.5%	24.4%	-2.8%	86.6%	39.9%	14.0%	3.5%	36.3%	76.0%
NCAA Division III without football	-3.9%	20.3%	-2.1%	77.1%	41.9%	13.7%	3.3%	37.2%	74.1%
NCAA Division III with football	-3.3%	20.5%	-1.1%	85.8%	39.1%	10.4%	2.1%	28.9%	75.1%
NAIA	-3.7%	25.5%	-1.1%	85.9%	40.1%	12.8%	3.8%	21.7%	72.1%
USCAA	-3.5%	22.4%	-4.6%	93.3%	31.9%	11.7%	23.0%	N/A	65.4%
No varsity sports	4.6%	22.7%	-1.7%	72.3%	39.6%	15.8%	11.6%	33.3%	77.6%

5) [Cont.]

2019 Benchmark Data: Yield and Melt Rates

-2.9%
ENROLLMENT
in 2018–19
Largest drops:
Western institutions: -7.0%
Research universities: -6.9%

12.6%
MELT RATE
students who deposited but did not enroll

KEY TAKEAWAYS

Freshman yield dropped and melt rate increased again in 2019-20. Yield decreased by 0.4 points, while the melt rate rose from 11.5 percent to 12.6 percent this year.

The number of first-generation students also continues to increase, rising to 28.4 percent this year from 27.7 percent the previous year. First-generation students now comprise approximately one-third of students at some private institutions—institutions with open (32.6 percent) or liberal (33.9 percent) selectivity, along with campuses in New England (35.7 percent) and the Middle States (38.9 percent) regions. These students require particular attention for navigating financial aid awards and finalizing enrollment, so ensure that your communications make aid awards and next steps clear and list contact resources.

Adjusting yield strategies in the wake of COVID-19

With the disruption from the COVID-19 pandemic, campuses will need to alter their engagement strategies with admitted students and also be especially watchful of yield this fall. Consider digital engagement solutions to keep students connected even if social distancing keeps them from coming to campus:

- Livestreaming, webcasting, and remote tours
- Personalized videos to provide 1:1 communications
- Melt prevention by connecting incoming students with current students via social networking

RNL offers a suite of solutions to help campuses engage students online—find out more at **RuffaloNL.com/Digital2020**.

TRANSFER STUDENTS

6. 2019 Benchmark Data: Discounting and Revenue Outcomes by Institution Size, Region and Type

Institution Type	AVERAGE OVERALL DISCOUNT RATE FOR TRANSFERS	AVERAGE TUITION & FEE DISCOUNT RATE FOR TRANSFERS	AVERAGE TUITION & FEE DISCOUNT RATE CHANGE	AVERAGE OVERALL NET REVENUE FOR TRANSFERS	AVERAGE NET TUITION & FEE REVENUE FOR TRANSFERS	AVERAGE OVERALL CHANGE IN NET REVENUE PER STUDENT	AVERAGE INSTITUTIONAL GIFT AID PER STUDENT	AVERAGE TUITION INCREASE
All private students	37.9%	44.9%	1.6%	$24,365	$18,342	2.6%	$15,144	2.9%
TYPE								
Small	39.1%	46.3%	1.6%	$23,322	$17,481	2.9%	$15,347	2.7%
Comprehensive/ doctoral	31.1%	37.3%	3.6%	$28,564	$21,617	0.3%	$13,059	3.8%
Research	30.0%	36.0%	0.7%	$33,442	$26,131	2.8%	$15,276	3.7%
REGION								
Middle States	35.1%	41.6%	0.0%	$23,789	$18,018	10.6%	$14,345	1.3%
Midwest	40.5%	47.4%	2.0%	$22,198	$16,763	1.8%	$15,664	3.1%
New England	38.8%	45.3%	3.6%	$28,246	$21,011	2.4%	$17,285	3.1%
South	37.9%	45.9%	1.7%	$24,000	$17,361	-0.3%	$14,082	3.1%
Southwest	40.8%	48.8%	3.9%	$23,556	$17,400	7.0%	$16,732	4.0%
West	33.0%	38.9%	-0.5%	$30,104	$24,020	-4.1%	$14,991	3.5%
SELECTIVITY								
Highly selective	34.5%	41.4%	-0.9%	$36,272	$27,592	-1.2%	$19,528	3.6%
Selective	38.6%	45.9%	2.7%	$24,860	$18,321	2.4%	$15,850	3.5%
Traditional	39.1%	45.4%	1.1%	$20,830	$16,451	2.3%	$13,349	2.5%
Liberal	35.9%	43.1%	2.5%	$20,963	$15,452	10.7%	$13,110	1.8%
Open	38.0%	45.0%	-2.8%	$22,317	$17,006	-4.8%	$14,132	1.3%

7. Student Trend Data: FAFSA Completion Rates, EFC, Parental Income, and Aspects of Need

Academic Year for Which Aid Was Requested	PERCENT OF TRANSFERS ADMITS WHO FILED A FAFSA	PERCENT OF ENROLLED TRANSFERS WHO FILED A FAFSA	AVERAGE PARENTAL INCOME FOR FAFSA FILERS	AVERAGE EFC FOR FAFSA FILERS	AVERAGE NEED FOR FAFSA FILERS	AVERAGE PERCENT OF NEED MET	AVERAGE PERCENT OF MERIT AID WHICH MET NEED	AVERAGE UNMET NEED (FOR NEEDY STUDENTS)
2019–20	69.6%	81.8%	$110,393	$18,547	$38,224	66.9%	74.0%	$14,855
2018–19	69.4%	81.5%	$102,528	$17,078	$37,455	66.0%	74.8%	$14,874
2017–18	69.7%	81.2%	$95,786	$16,644	$36,183	66.2%	73.8%	$13,931
2016–17	69.8%	82.2%	$92,089	$15,566	$35,608	65.8%	75.5%	$14,067
2015–16	70.9%	82.9%	$92,215	$22,425	$34,445	65.5%	75.5%	$14,026
2014–15	72.9%	84.0%	$90,265	$14,951	$33,131	66.1%	76.5%	$13,263

8. 2019 Benchmark Data: Yield, Melt, Retention and Additional Metrics

Institution Type	AVERAGE TRANSFER ENROLLMENT CHANGE	AVERAGE TRANSFER YIELD	AVERAGE TRANSFER YIELD CHANGE	PERCENT LIVING IN CAMPUS HOUSING	PERCENT ENROLLED PELL ELIGIBLE	PERCENT DEPOSITED BUT DID NOT ENROLL	PERCENT OF ENROLLED WHO ARE INTERNATIONAL STUDENTS	PERFECT OF ENROLLED WHO ARE FIRST GENERATION STUDENTS	FALL 2018 TO FALL 2019 RETENTION RATE
All private students	2.4%	46.8%	-0.2%	50.8%	42.1%	15.5%	9.5%	28.2%	76.4%
TYPE									
Small	2.9%	47.3%	-0.1%	50.2%	43.8%	14.8%	8.7%	29.6%	75.7%
Comprehensive/ doctoral	0.1%	46.0%	1.0%	56.3%	30.6%	19.3%	16.6%	22.6%	78.8%
Research	-1.5%	40.9%	-4.2%	52.4%	33.4%	18.8%	9.2%	22.1%	81.8%
REGION									
Middle States	7.8%	46.6%	1.2%	39.4%	44.2%	14.8%	6.3%	35.6%	77.5%
Midwest	2.2%	49.4%	0.2%	52.7%	41.9%	14.3%	11.0%	27.1%	74.9%
New England	3.6%	47.9%	1.2%	51.6%	39.0%	12.2%	14.3%	31.8%	77.3%
South	0.2%	45.9%	-1.1%	56.7%	42.0%	14.6%	8.1%	24.8%	74.8%
Southwest	8.5%	47.2%	2.9%	57.1%	37.5%	17.7%	8.9%	26.4%	78.4%
West	-5.1%	41.3%	-4.7%	48.6%	43.2%	21.3%	10.2%	27.9%	81.1%

8) [Cont.]

Institution Type	AVERAGE TRANSFER ENROLLMENT CHANGE	AVERAGE TRANSFER YIELD	AVERAGE TRANSFER YIELD CHANGE	PERCENT LIVING IN CAMPUS HOUSING	PERCENT ENROLLED PELL ELIGIBLE	PERCENT DEPOSITED BUT DID NOT ENROLL	PERCENT OF ENROLLED WHO ARE INTERNATIONAL STUDENTS	PERFECT OF ENROLLED WHO ARE FIRST GENERATION STUDENTS	FALL 2018 TO FALL 2019 RETENTION RATE
SELECTIVITY									
Highly selective	1.6%	43.5%	1.6%	59.8%	28.3%	16.0%	14.8%	24.5%	85.3%
Selective	2.9%	47.2%	-0.1%	56.4%	37.9%	15.9%	8.4%	27.9%	77.4%
Traditional	0.8%	45.6%	-2.8%	38.7%	47.9%	15.2%	7.8%	27.8%	73.5%
Liberal	5.0%	49.3%	1.3%	49.4%	51.5%	12.8%	10.4%	38.2%	74.1%
Open	0.7%	49.3%	-0.3%	44.8%	52.0%	17.9%	11.2%	15.6%	69.5%
ATHLETICS									
NCAA Division I-FCS	8.9%	49.0%	2.3%	54.4%	38.2%	14.1%	12.6%	25.4%	80.2%
NCAA Division I without football	-8.9%	43.9%	-0.7%	49.2%	38.9%	18.7%	9.8%	20.9%	77.7%
NCAA Division II without football	2.1%	45.3%	-0.2%	46.5%	42.2%	15.9%	8.1%	26.4%	77.7%
NCAA Division II with football	1.8%	49.2%	-2.9%	56.5%	38.5%	16.5%	12.2%	37.8%	76.5%
NCAA Division III without football	7.2%	46.1%	0.4%	42.5%	45.5%	16.7%	7.3%	36.3%	74.0%
NCAA Division III with football	5.3%	48.1%	-0.4%	53.9%	43.4%	13.0%	7.4%	25.3%	76.1%
NAIA	-2.7%	47.4%	-1.7%	52.9%	44.1%	15.1%	9.0%	25.4%	73.8%
USCAA	-5.3%	42.2%	-3.8%	68.8%	34.3%	13.0%	32.4%		73.6%
No varsity sports	3.2%	45.1%	3.5%	46.5%	39.0%	17.2%	12.9%	29.0%	82.8%

37.9%
DISCOUNT RATE

$24,365
NET REVENUE
(+$227 from 2018)

+2.4%
ENROLLMENT CHANGE
(from 2018)

KEY TAKEAWAYS

As the competition for FTIC students increases, transfer students will play a more significant role in the enrollment of private colleges and universities. Their lower discount rate and higher net revenue make them a strong population to target. They also may be more willing to pay, whether transferring from a two-year institution so they can complete an undergraduate degree, or transferring from another four-year institution and looking for a fresh start.

In recent years, we've seen the transfer market slowing across the country, but the effects of COVID-19 may change student's perceptions. Distance from home may change student decision-making, so institutions should make sure they are setting themselves up to be as transfer-friendly as possible.

Four keys to targeting transfer students

1. Develop an easy, seamless, and fast process—transfer students tend to move quickly with their enrollment decision.
2. Dedicate staff members as transfer specialists to assist students with transcripts and questions.
3. Use digital marketing with messages specifically targeted to transfer students.
4. Consider ability to pay when designing awarding decisions for this population.

Public Four-Year Institutions

KEY DATA FROM 2019

ALL PUBLIC STUDENTS	RESIDENTS	NON-RESIDENTS
14.4%	**13.8%**	**22.5%**
OVERALL DISCOUNT RATE	OVERALL DISCOUNT RATE	OVERALL DISCOUNT RATE
2018: 16.7%	2018: 14.5%	2018: 23.8%
$17,363	**$15,299**	**$23,744**
AVERAGE OVERALL NET REVENUE	AVERAGE OVERALL NET REVENUE	AVERAGE OVERALL NET REVENUE
2018: $17,445	2018: $15,314	2018: $23,482
$3,755	**$3,066**	**$7,998**
AVERAGE INSTITUTIONAL GIFT AID	AVERAGE INSTITUTIONAL GIFT AID	AVERAGE INSTITUTIONAL GIFT AID
-0.9%	**-1.6%**	**1.8%**
ENROLLMENT CHANGE (2018–19)	ENROLLMENT CHANGE (2018–19)	ENROLLMENT CHANGE (2018–19)
11.7%	**10.8%**	**17.5%**
MELT RATE (deposited but did not enroll)	MELT RATE (deposited but did not enroll)	MELT RATE (deposited but did not enroll)

DATA SOURCES

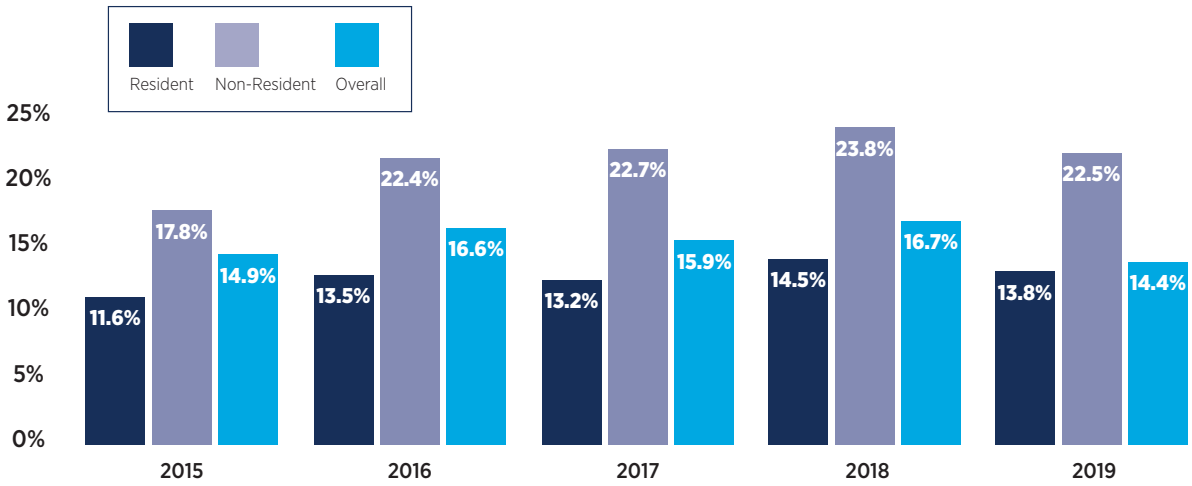
69
four-year public institutions in 2019

217,512
FTIC and transfer students

$3.6B
total net revenue

FIRST-YEAR STUDENTS

9. Overall Discounting Rates: Five-Year Trend



Key changes in 2019

14.4%
OVERALL AVERAGE
discount rate

30.3%
AVERAGE TUITION AND FEE
discount rate

KEY TAKEAWAYS

The discount rate for public institutions declined by 1.3 points, from 16.7 percent in 2018 to 14.4 percent for all public students. That rate is the lowest since RNL began keeping track of public discount rates in 2014, when it was 14.0 percent.*

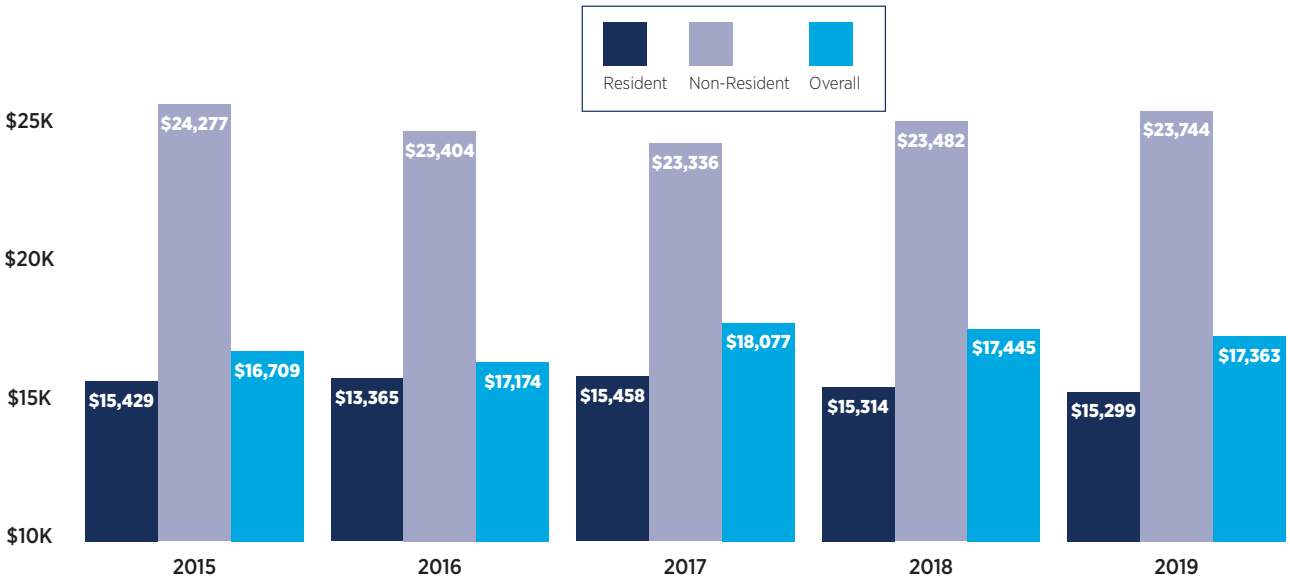
As more public institutions move into discounting and strategic financial aid management, there are two key strategies to follow:

1. **Understand aid dollar allocation**. Optimize your resources strategically by knowing whom to allocate dollars to, how much, and when.

2. **Implement a sound leveraging strategy** that aligns resources with institutional goals and student needs from enrollment to graduation.

*Because the the number of public institutions RNL has worked with over the last three years has fluctuated, some of the data regarding overall discount rates may be skewed.

10. Average Overall Net Revenue: Five-Year Trend



Key changes in 2019

$17,363
OVERALL AVERAGE
net revenue

$8,626
AVERAGE TUITION AND FEE
net revenue

KEY TAKEAWAYS

Average net revenue per student fell by $182 in 2019, despite average net revenue for non-resident students increasing over last year. Public institutions looking to optimize their student awarding strategy need to maintain balance between residents and non-residents, differentiate awarding within those populations, and make sure the awarding strategy meets the institution's revenue and budgetary needs.

The importance of sound data-driven strategy in light of COVID-19

Given that public institutions serve many students with high financial need, extra care is required to make suitable awarding adjustments. They may face increased numbers of students and families coping with economic uncertainty and a heightened inability to pay for college. A data-driven approach will be key to making sure funds are used strategically, fairly, and in a way that allows campuses to assist the greatest number of students possible.

11. 2019 Benchmark Data: Overall, Resident, Non-Resident, and Athletic

Institution Type	AVERAGE OVERALL DISCOUNT RATE FOR FRESHMAN	AVERAGE TUITION & FEE DISCOUNT RATE FOR FRESHMAN	AVERAGE TUITION & FEE DISCOUNT RATE CHANGE	AVERAGE OVERALL NET REVENUE FOR FRESHMAN	AVERAGE NET TUITION & FEE REVENUE FOR FRESHMAN	AVERAGE OVERALL CHANGE IN NET REVENUE PER STUDENT	AVERAGE INSTITUTIONAL GIFT AID PER STUDENT	AVERAGE TUITION INCREASE
All public students	14.4%	30.3%	-1.6%	$17,363	$8,626	1.7%	$3,755	4.3%
Residents	13.8%	30.7%	0.2%	$15,299	$7,058	-1.3%	$3,066	2.7%
Non-residents	22.5%	38.7%	0.6%	$23,744	$13,102	-10.8%	$7,998	3.5%
ATHLETICS								
NCAA Division I-FBS	14.1%	30.0%	-4.2%	$17,720	$8,964	11.6%	$3,646	7.7%
NCAA Division I-FCS	16.1%	31.7%	0.0%	$15,902	$7,793	-1.3%	$3,584	3.5%
NCAA Division I without football	20.6%	35.7%	7.2%	$19,141	$10,990	7.8%	$6,543	3.8%
NCAA Division II with football	12.4%	28.1%	2.4%	$17,867	$7,982	-10.2%	$3,346	-0.4%
NCAA Division III without football	16.8%	31.4%	-2.9%	$17,208	$8,679	-4.2%	$3,982	4.0%
NCAA Division III with football	9.5%	21.1%	N/A	$16,900	$9,463	2.5%	$2,376	2.4%

+8.0
POINTS
in average overall discount rate for non-residents vs.residents

+$8,445
OVERALL
net revenue for non-resident vs. resident

KEY TAKEAWAYS

Public institutions have to walk a fine line between balancing class composition, revenue needs, and mission to provide access to college. On the one hand, recruiting non-resident students leads to a higher discount rate yet produces nearly 50 percent more net revenue per student on average. On the other, many states have minimum requirements for the portion of enrolled students that are residents. Enrollment managers need to understand each population's needs so they can both shape the class and meet enrollment goals while still making college achievable for in-state students.

Discounting for student athletes: a case for data-driven decision making

In a change from 2018, the public institutions in our 2019 study with football programs had lower average discount rates than those without football programs (when looking at institutions within the same category). It is not clear if this is an anomaly or a trend, but illustrates why institutions should track data year-to-year by specific populations, so they understand the true cost of specific enrollment goals.

12. Student Trend Data: FAFSA Completion Rates, Parental Income, EFC, and Student Need

Academic Year for Which Aid Was Requested	PERCENT OF FRESHMAN ADMITS WHO FILED A FAFSA	PERCENT OF ENROLLED FRESHMAN WHO FILED A FAFSA	AVERAGE PARENTAL INCOME FOR FAFSA FILERS	AVERAGE EFC FOR FAFSA FILERS	AVERAGE NEED FOR FAFSA FILERS	AVERAGE PERCENT OF NEED MET	AVERAGE PERCENT OF MERIT AID WHICH MET NEED	AVERAGE UNMET NEED (FOR NEEDY STUDENTS)
ALL PUBLIC STUDENTS								
2019–20	72.4%	88.4%	$110,701	$24,627	$19,459	63.7%	56.9%	$9,027
2018–19	73.4%	88.0%	$107,770	$22,654	$19,646	63.8%	60.1%	$9,385
2017–18	75.3%	89.5%	$101,147	$21,039	$19,520	65.9%	60.6%	$8,715
2016–17	66.6%	86.0%	$98,972	$20,366	$18,887	66.1%	57.3%	$8,471
2015–16	67.2%	86.6%	$96,365	$19,255	$19,129	65.0%	58.2%	$8,395
2014–15	66.9%	87.4%	$96,314	$19,155	$14,714	64.1%	62.0%	$7,996
2013–14	69.4%	88.0%	$92,219	$15,772	$14,314	64.0%	63.4%	$7,711
RESIDENTS								
2019–20	77.2%	90.3%	$103,203	$22,369	$18,380	65.4%	59.0%	$7,823
2018–19	77.5%	89.7%	$98,863	$19,942	$18,147	65.1%	61.3%	$7,978
2017–18	79.3%	91.2%	$92,756	$18,566	$17,610	67.4%	60.4%	$7,236
2016–17	70.9%	88.7%	$87,200	$17,987	$16,970	67.4%	58.1%	$6,962
2015–16	72.4%	90.5%	$89,837	$17,015	$17,285	67.4%	59.4%	$6,785
2014–15	72.2%	88.1%	$86,538	$17,182	$15,997	65.3%	55.8%	$6,657
NON-RESIDENTS								
2019–20	62.1%	77.5%	$134,432	$33,184	$25,046	57.6%	52.4%	$14,376
2018–19	65.8%	79.1%	$132,616	$30,893	$24,915	57.2%	56.2%	$14,372
2017–18	67.5%	80.5%	$118,015	$25,918	$24,794	60.0%	59.5%	$13,234
2016–17	57.6%	74.4%	$115,534	$26,364	$24,758	60.8%	56.1%	$13,073
2015–16	57.9%	72.6%	$110,194	$23,666	$25,149	57.6%	53.8%	$13,368
2014–15	57.7%	73.9%	$112,128	$25,606	$22,328	60.1%	53.9%	$12,112

KEY TAKEAWAYS

In 2019, the amount average unmet need for needy public students dropped for the first time since RNL started tracking data for public institutions, falling from $9,385 to $9,027. Public institutions met 63.7 percent of the average need, an amount similar to last year, with 56.9 percent being met with merit aid. In 2018, a larger portion of average need was met with merit awards.

13. 2019 Benchmark Data: Yield, Melt, Retention, and Additional Metrics

Institution Type	AVERAGE FRESHMAN ENROLLMENT CHANGE	AVERAGE FRESHMAN YIELD	AVERAGE FRESHMAN YIELD CHANGE	PERCENT LIVING IN CAMPUS HOUSING	PERCENT ENROLLED PELL ELIGIBLE	PERCENT DEPOSITED BUT DID NOT ENROLL	PERCENT OF ENROLLED WHO ARE INTERNATIONAL STUDENTS	PERFECT OF ENROLLED WHO ARE FIRST GENERATION STUDENTS	FALL 2018 TO FALL 2019 RETENTION RATE
ALL PUBLIC STUDENTS	-0.9%	29.6%	-0.8%	75.2%	37.2%	11.7%	1.5%	33.1%	74.0%
RESIDENTS	-1.6%	35.9%	-1.1%	71.3%	40.5%	10.8%	N/A	34.1%	74.4%
NON-RESIDENTS	1.8%	19.4%	-0.9%	85.7%	25.1%	17.5%	9.5%	27.1%	72.2%

11.7%
MELT RATE
students who deposited but did not enroll

33.1%
FIRST-GENERATION
students

KEY TAKEAWAYS

Average freshman yield fell slightly (from 30.4 percent to 29.6 percent this past year) while the melt rate increased a half a point to 11.7 percent. Retention also dipped from 76 percent last year to 74 percent.

The yield and melt rates were substantially lower for non-resident students. As public institutions look to recruit out-of-state students, they need to review how they engage those students so they are not wasting resources on students who are less likely to enroll.

Adjusting yield strategies in the wake of COVID-19

The COVID-19 pandemic has greatly altered the admission cycle for this year, disrupting many recruitment activities and possibly changing students' plans about where they will attend college. Some students who looked to attend institutions further from home may consider attending public institutions closer to home.

There are a number of solutions that enable institutions to engage students through digital interaction and cultivate their interest in enrolling—even if on-campus events are not feasible for the student.

- Online events through livestreaming and webcasting
- Personalized videos that can be created at scale
- Social networking solutions to increase yield and reduce melt

Find out how RNL can help you increase digital engagement at **RuffaloNL.com/Digital2020**.

TRANSFER STUDENTS

14. 2019 Student Benchmark Data: Overall Discounting and Revenue Outcomes

Institution Type	AVERAGE OVERALL DISCOUNT RATE FOR TRANSFERS	AVERAGE TUITION & FEE DISCOUNT RATE FOR TRANSFERS	AVERAGE TUITION & FEE DISCOUNT RATE CHANGE	AVERAGE OVERALL NET REVENUE FOR TRANSFERS	AVERAGE NET TUITION & FEE REVENUE FOR TRANSFERS	AVERAGE OVERALL CHANGE IN NET REVENUE PER STUDENT	AVERAGE INSTITUTIONAL GIFT AID PER STUDENT	AVERAGE TUITION INCREASE
ALL PUBLIC STUDENTS	11.0%	15.7%	-0.7%	$13,521	$10,302	5.1%	$1,904	5.0%
RESIDENTS	9.1%	13.9%	0.0%	$11,609	$8,751	2.4%	$1,399	3.3%
NON-RESIDENTS	17.3%	22.0%	-1.9%	$21,257	$16,823	11.8%	$4,657	5.6%

15. Student Trend Data: FAFSA Completion Rates, EFC, Parental Income, and Aspects of Need

Academic Year for Which Aid Was Requested	PERCENT OF TRANSFERS ADMITS WHO FILED A FAFSA	PERCENT OF ENROLLED TRANSFERS WHO FILED A FAFSA	AVERAGE PARENTAL INCOME FOR FAFSA FILERS	AVERAGE EFC FOR FAFSA FILERS	AVERAGE NEED FOR FAFSA FILERS	AVERAGE PERCENT OF NEED MET	AVERAGE PERCENT OF MERIT AID WHICH MET NEED	AVERAGE UNMET NEED (FOR NEEDY STUDENTS)
ALL PUBLIC STUDENTS								
2019–20	66.8%	77.9%	$90,797	$13,669	$20,800	52.1%	62.3%	$11,493
2018–19	65.0%	76.4%	$94,239	$14,274	$20,958	51.9%	55.9%	$11,955
2017–18	68.3%	78.9%	$87,403	$12,096	$20,840	53.2%	65.9%	$11,222
2016–17	68.6%	78.3%	$83,261	$12,664	$20,071	54.8%	62.4%	$10,553
2015–16	69.5%	79.7%	$80,688	$11,946	$19,315	54.9%	66.3%	$10,364
2014–15	69.6%	79.4%	$78,522	$11,191	$18,665	56.5%	61.6%	$9,586
RESIDENTS								
2019–20	73.0%	81.5%	$88,388	$12,727	$19,666	53.2%	66.9%	$10,426
2018–19	72.2%	81.7%	$85,391	$12,058	$19,678	53.3%	73.1%	$10,586
2017–18	74.2%	82.4%	$80,445	$11,132	$19,031	55.0%	70.4%	$9,813
2016–17	73.4%	81.7%	$81,552	$12,218	$18,661	56.2%	65.6%	$9,449
2015–16	75.0%	83.5%	$79,224	$11,187	$17,833	55.4%	67.0%	$9,327
2014–15	74.9%	82.9%	$76,044	$10,451	$17,567	57.1%	65.1%	$8,893
NON-RESIDENTS								
2019–20	51.1%	59.9%	$106,371	$18,605	$28,587	43.8%	52.7%	$18,542
2018–19	52.8%	63.0%	$100,957	$16,555	$28,247	44.6%	57.3%	$17,994
2017–18	54.5%	64.3%	$97,347	$14,948	$28,363	46.1%	50.5%	$17,655
2016–17	54.7%	65.6%	$96,581	$15,907	$27,359	48.7%	54.8%	$16,421
2015–16	54.8%	65.4%	$89,343	$14,967	$25,915	49.4%	48.2%	$15,895
2014–15	56.1%	64.1%	$87,110	$14,094	$25,532	48.3%	55.7%	$15,017

16. 2019 Benchmark Data: Yield, Melt, Retention, and Additional Metrics

Institution Type	AVERAGE TRANSFER ENROLLMENT CHANGE	AVERAGE TRANSFER YIELD	AVERAGE TRANSFER YIELD CHANGE	PERCENT LIVING IN CAMPUS HOUSING	PERCENT ENROLLED PELL ELIGIBLE	PERCENT DEPOSITED BUT DID NOT ENROLL	PERCENT OF ENROLLED WHO ARE INTERNATIONAL STUDENTS	PERFECT OF ENROLLED WHO ARE FIRST GENERATION STUDENTS	FALL 2017 TO FALL 2018 RETENTION RATE
ALL PUBLIC STUDENTS	-0.8%	57.9%	0.2%	27.0%	43.3%	13.3%	3.3%	34.8%	74.6%
RESIDENTS	-0.6%	65.2%	0.9%	24.2%	46.7%	11.7%	1.1%	36.7%	75.6%
NON-RESIDENTS	3.5%	41.1%	0.5%	34.0%	29.8%	21.9%	20.8%	29.9%	70.0%

13%
MELT RATE
for transfer students
(deposited but did not enroll)

11%
OVERALL DISCOUNT RATE
for transfer students

-3.4 points
LOWER OVERALL DISCOUNT RATE
transfer students vs.
FTIC students
(11% transfer, 14.4% FTIC)

KEY TAKEAWAYS

As changing demographics lead to a flattening or decrease in the number of traditional undergraduates, transfer students are playing an increasingly important role in meeting enrollment goals. For public institutions, transfer students tend to be more willing to pay, as reflected in the lower discount rates and higher yield rates than for FTIC students. Public institutions need effective transfer-specific enrollment plans, ensuring tactics are data-driven and in sync with the expectations and behaviors of transfer students.

Four keys to targeting transfer students

1. Develop an easy, seamless, and fast process—transfer students tend to move quickly with their enrollment decision.
2. Dedicate staff members as transfer specialists to assist students with transcripts and questions.
3. Use digital marketing with messages specifically targeted to transfer students.
4. Consider ability to pay when designing awarding decisions for this population.

ABOUT THE PARTICIPANTS IN THIS STUDY AND THE STRATEGIC AID ALLOCATION APPROACH OF RNL

Although few institutions will remain untouched by current economic and demographic realities, well-managed institutions that are able to right-size enrollment will be best positioned to succeed in today's environment. This includes the ability to determine which types of students—at which cost levels—will be best served by the institution to control discounting, remain affordable, demonstrate value, leverage financial aid resources, and sustain effective retention practices.

All of the institutions in this study were using RNL Advanced FinAid Solutions™ and were following recommendations from RNL for awarding their financial aid. Using advanced analytics based on past financial and enrollment data for each institution, RNL provided statistical models and expert insights that helped the institutions calculate the aid packages needed to enroll specific populations of students.

Learn more about our industry-leading approach at **RuffaloNL.com/FinAidSolutions**.

Ultimately, campuses that are using this approach are able to drill down to specific segments of their student population to match students' circumstances with the appropriate merit- and need-based awards. In doing so, these institutions are able to justify every aid dollar spent toward achieving their goals for enrollment, net revenue, and right-sizing.

LEARN MORE ABOUT OUR SOLUTIONS FOR ENROLLMENT

RNL offers a full suite of solutions for student marketing, recruitment, and financial aid, including:

- Student search
- Application cultivation
- Financial aid management
- Net cost calculators
- Yield and engagement to prevent stop-outs
- Strategic enrollment planning

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Visit **RuffaloNL.com/Consultation** or call **800.876.1117** and ask to speak with our financial aid specialists.

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