

THE
2017
ACCU Member Presidents
SURVEY

A LAWLOR and RHB Collaboration

EXECUTIVE SUMMARY

RELEASED JANUARY 2018

Introduction

In 2016, The Lawlor Group and RHB, two longstanding marketing consultancies serving higher education, collaborated to conduct a survey of independent college presidents. This survey sought to clarify the marketing needs of independent college and university presidents; identify the obstacles to addressing those challenges; provide actionable solutions and recommendations for creating marketing opportunities to advance private institutions; and provide sitting presidents with insights into what their peers perceive as the real marketing challenges facing higher education today.

In 2017, the two firms replicated the study with the presidents who are members of the Association of Catholic Colleges and Universities (ACCU). While the results of this survey are similar to those of the previous study, a few points of difference highlight the unique challenges facing private colleges with a Catholic mission. These, and other highlights of the second survey, are contained in the following report.

Methodology

From August 3 to September 22, 2017, 153 email invitations were successfully deployed to ACCU members. A total of 81 ACCU members responded to the survey (69 completes and 12 partial completes) in the two waves, for an overall ACCU response rate of 39%.

Profile of the Respondents and Their Institutions

- 58% of the respondents are at schools with undergraduate residential tuition of over \$30,000.
- The majority of revenue for participating institutions (71%) comes from undergraduate residential programs, followed by graduate in-person/hybrid programs (18%).
- The average size of undergraduate residential enrollment is 1,515.
- 42% of the presidents said enrollments at their institutions had increased in the past three years (35% said theirs had declined), and 44% said their revenues had increased during that time frame.

In Comparison:

The 2016 survey reported that independent college presidents overall saw a 29% decline in enrollment. ACCU presidents reported a larger decline, at 35%. Likewise, 13% of ACCU presidents reported a decline in contributions (Figure 1) versus 5% of institutions in the 2016 survey. This seems in line with other findings, which indicate that the growth of charitable contributions is ranked as a higher priority by presidents in the ACCU.

Figure 1:

ENROLLMENT, REVENUE, CONTRIBUTIONS AND ENDOWMENT PERFORMANCE

PERFORMANCE PAST 3 YEARS	ENROLLMENT	REVENUE	CONTRIBUTIONS	ENDOWMENT
Declined	35%	26%	13%	7%
Remained Flat	23%	29%	25%	23%
Increased	42%	44%	62%	70%

“Higher education needs to demonstrate our relevance now more than ever.”

“42% of our incoming freshmen this year have a zero EFC. We serve an important mission but families are completely unable to contribute. This is getting worse, not better.”

Cost issues are the most significant internal and external forces for today’s presidents.

For 69% of the presidents, families’ ability to pay is among their top external challenges, while 41% cite families’ willingness to pay (Figure 2).

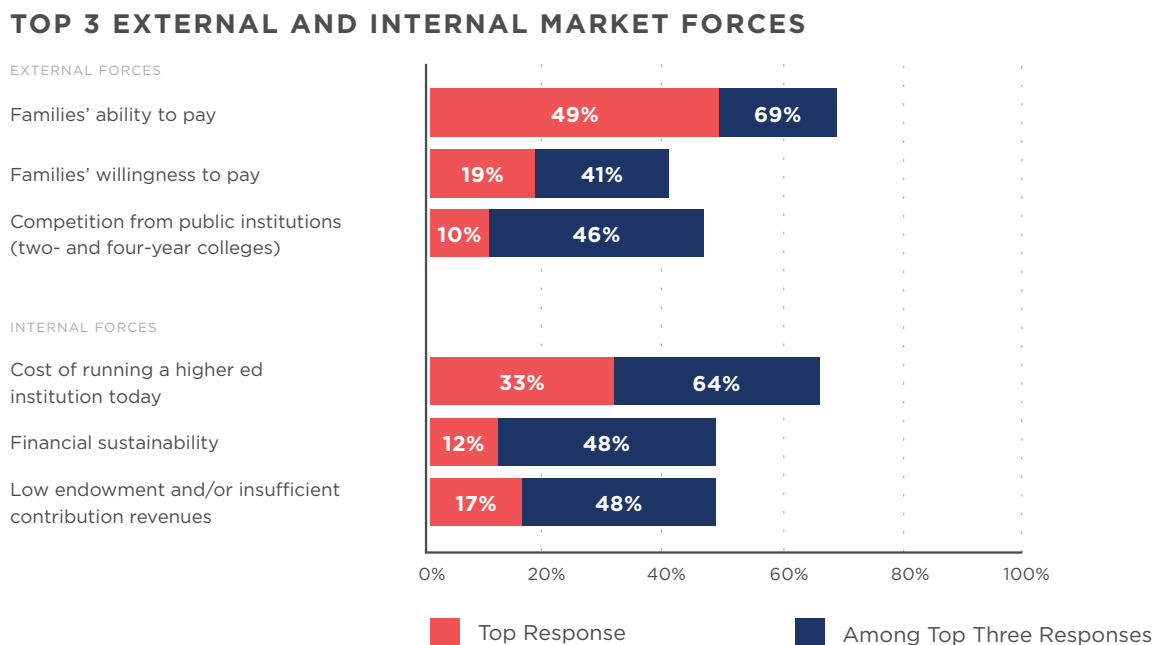
The most pressing internal forces relate to institutional costs, with presidents citing the cost of running a higher education institution (64%), financial stability (48%), and low endowment/insufficient contribution revenues (48%) as their greatest internal challenges.

100% say that in the past five years they have engaged or planned to engage in activities to increase contribution revenues, while 94% have engaged or plan to engage in programs to increase institutional financial resources (endowment). 99% say that increasing revenues is somewhat or very challenging for them.

In Comparison:

While only 12% of independent college presidents planned to engage in evaluating the cost of attendance in the 2016 survey, 20% of surveyed ACCU presidents say that they will re-evaluate cost of attendance in the future. This reflects Catholic-college presidents’ specific concern with families’ ability to pay.

Figure 2:



“It is difficult to allocate enough financial resources to optimize our marketing efforts.”

Increasing revenues and visibility are major challenges.

Increasing revenues (59%) and addressing affordability (53%) were rated as “very challenging” for institutions, followed by heightening visibility/improving awareness (43%) and supporting a capital campaign (42%) (Figure 3).

In Comparison:

While only 31% of the independent college presidents surveyed in 2016 ranked “supporting a capital campaign” as “very challenging,” 42% of ACCU presidents rated this attribute as one of their top challenges. This aligns with other findings from the 2017 survey, which indicate that the continued financial success of Catholic colleges will be driven by their ability to increase fundraising efforts. ACCU presidents indicate that their institutions are relying less on raising tuition and more on expanding other revenue sources. Moreover, whereas private college presidents in the 2016 survey rated “creating distinction in the marketplace” as a major challenge (49%), only 33% of ACCU presidents rated this attribute as “very challenging.” These data, taken together, indicate that ACCU presidents, while recognizing the importance of marketing and positioning to success in a competitive marketplace, emphasize that fundraising is a larger priority.

Figure 3:

TOP 10 MARKETING-RELATED CHALLENGES

TOP 10 MARKETING-RELATED CHALLENGES	% RATING AS “VERY CHALLENGING”
Increasing revenues	59%
Addressing affordability	53%
Heightening visibility and improving awareness	43%
Supporting a capital campaign	42%
Creating distinction in the marketplace	38%
Gaining public and media attention	33%
Positioning us against our competitors	30%
Conveying our value proposition	30%
Increasing retention	30%
Creating market-driven academic programs	29%

Only a handful of pricing initiatives are being widely explored.

Respondents were shown 10 different pricing-related initiatives and asked if their institution had used any in the past five years with the strategic intent of increasing enrollment. **Increases in merit and need-based aid, the discount rate, and tuition were implemented by half or more of the institutions.** The remaining approaches—such as offering guarantees, locking in tuition rates for a certain period of time, and reducing the published price—had not been widely used.

“The costs of the model are virtually impossible to moderate without changing the fundamental nature of the model, yet willingness to pay and the real challenges of stagnant family incomes result in financial challenges that are very hard for tuition-driven institutions to resolve, absent other revenue sources.”

Presidents feel more competitive pressure from public institutions than from other private colleges and universities.

Competition from public institutions is seen as a major force (43%), followed by competition from other private/independent institutions (23%).

Respondents shared that, as a Catholic college or university, their institutions face particular forces that non-Catholic institutions do not, namely:

- Wrestling with whether they are “Catholic enough” or “too Catholic.”
- Defining Catholic identity as a strength to an increasingly secular and non-religious prospective student base.
- Coming to terms with the fact that some students and donors are not attracted to either faith-based or Catholic institutions.

In Comparison:

Comparisons between the qualitative comments from the 2016 and 2017 surveys reveal that some of the greatest challenges facing independent colleges overall are increased federal regulations, public desires for “free” or nearly free college tuition, and demographic changes. ACCU presidents identified challenges unique to their Catholic-based missions, in addition to the aforementioned concerns, but they also stressed—slightly more than respondents in the previous survey—that personnel issues (faculty/staff recruitment and retention, outmoded or inefficient faculty governance models, faculty/staff salary increases, faculty resistance to marketing) have an extensive impact on their ability to effectively allocate limited resources.

“Retention is a major challenge as students and their families struggle to pay for higher education. Coupled with competition from other colleges/universities with more resources to put toward aid, recruiting and retaining a shrinking demographic is tough.”

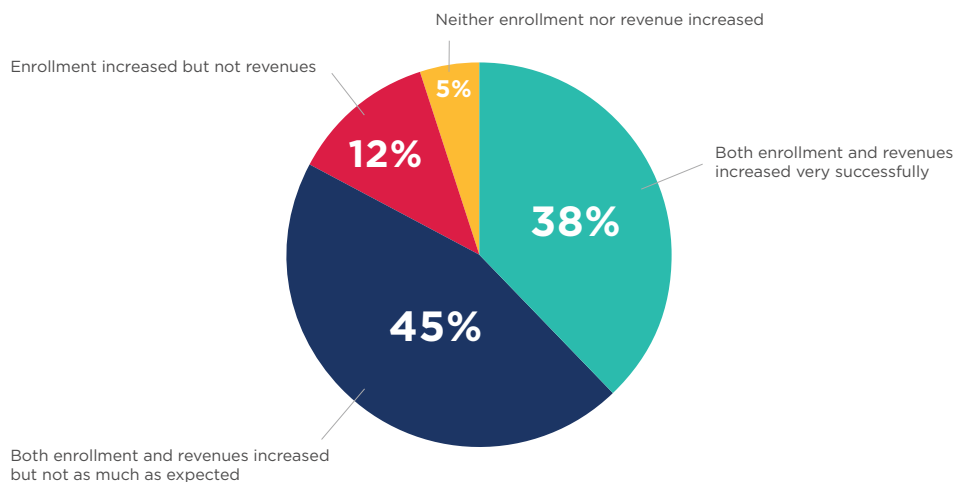
Most institutions have added distinctive academic programs.

8 out of 10 presidents said that their institutions added distinctive academic programs (i.e., programs not offered by competitors) in the past five years.

60% of the presidents said their institutions conducted feasibility/demand studies on all of the new programs before adding them to their offerings. An additional third performed studies on some of the programs. These programs increased both enrollment and revenues very successfully for 38% of the respondents, while 45% said these programs increased results but not as much as expected (Figure 4).

Figure 4:

IMPACT OF ADDING ACADEMIC PROGRAMS



“The inability to create a financial margin sufficient enough to fund strategic initiatives is a barrier to spurring growth.”

About The Lawlor Group and RHB

The Lawlor Group is a team of marketing experts focused almost exclusively on private educational institutions, consortia and associations that provides market research, strategic counsel and integrated/interactive marketing communications services. The firm is based in Minneapolis. RHB is a marketing and design consultancy located in Indianapolis that brings marketing strategy, planning, research and creative solutions to higher education institutions across the country. Led by John Lawlor and Rick Bailey, respectively, each firm has more than 25 years of higher education experience and expertise. Visit higherintelligence.com, thelawlogroup.com and rhb.com to learn more.