

Is the Allure of the High Price/Discount Tuition Model Fading?

Thursday, November 10 at 2pm ET/1pm CT



Kim Reid

Eduventures Principal Analyst



June Claughton

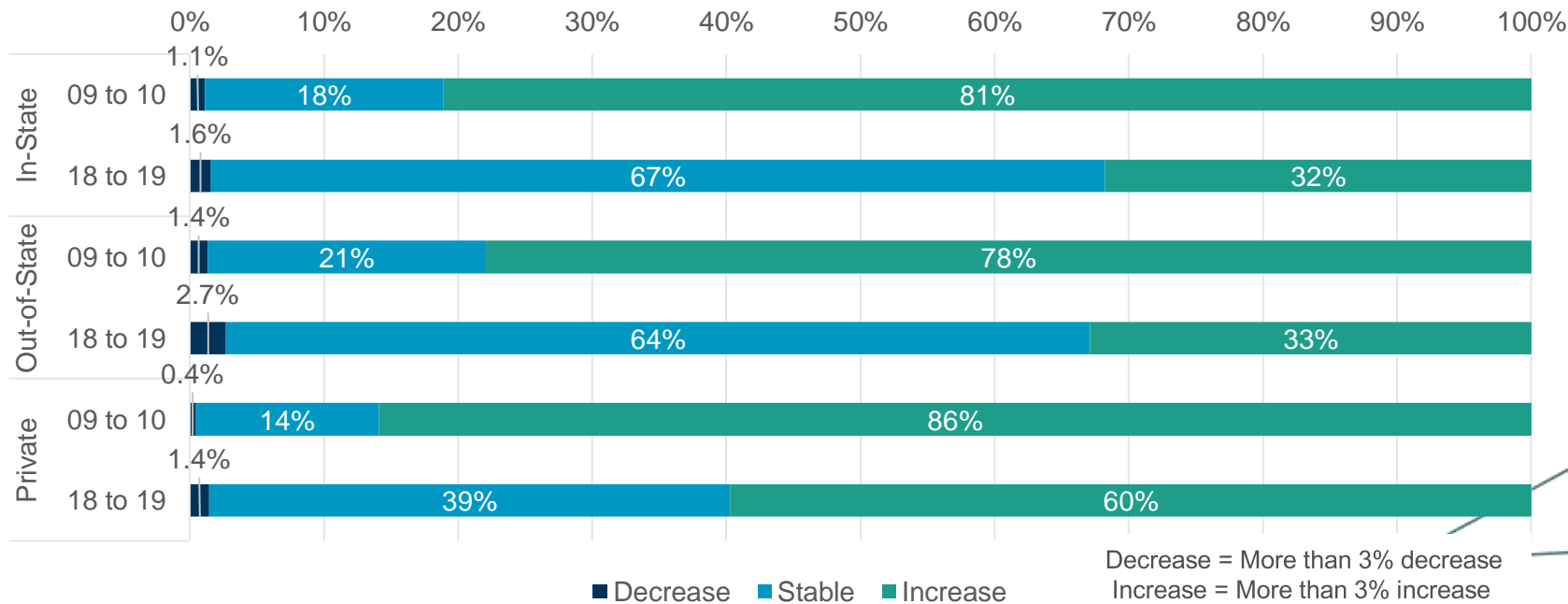
*Eduventures Quantitative
Research Analyst*

Concerns about the Cost of College are Accelerating



Price Cutting is Rare, Price Stabilization has Become Common

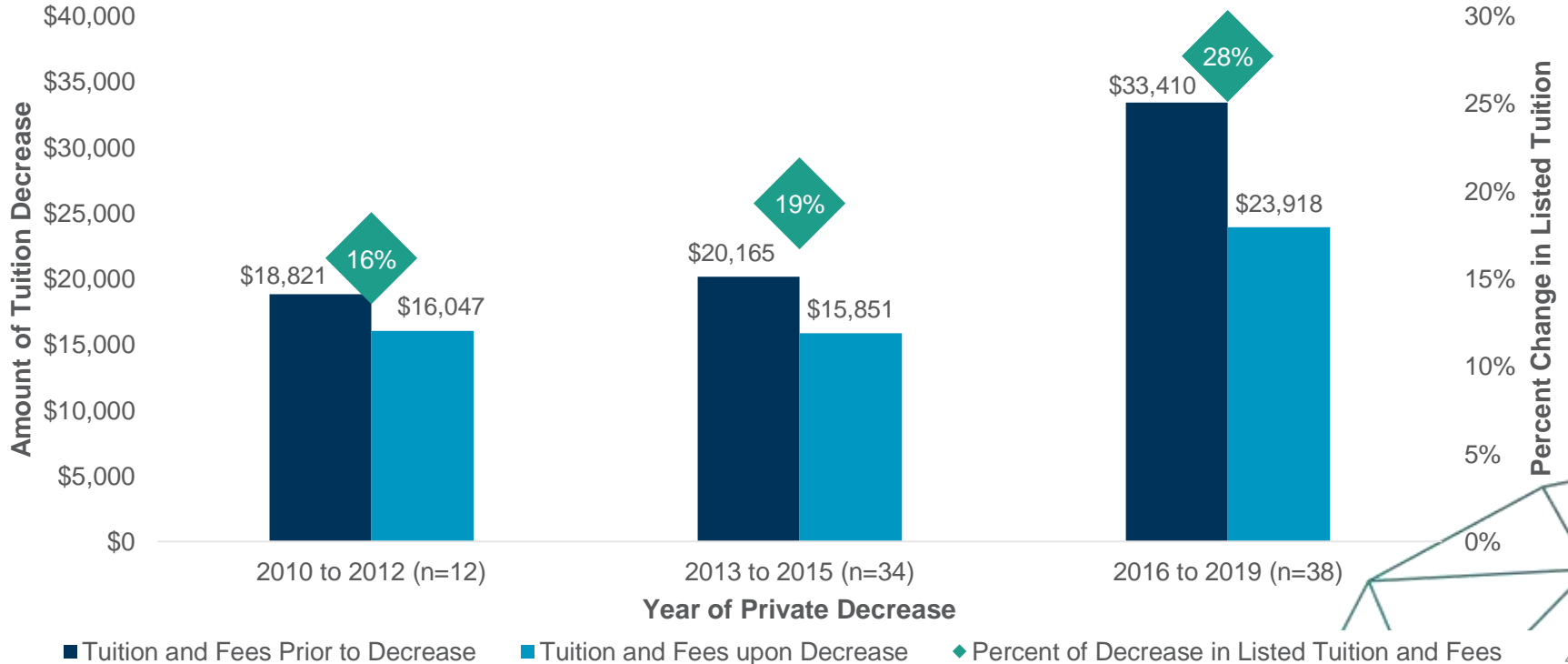
How Institutions Changed Sticker Price Tuition by Year



Source: Eduventures Analysis of National Center for Education Statistics Pricing Data

Though Rare, Tuition Decreases are More Frequent and Larger

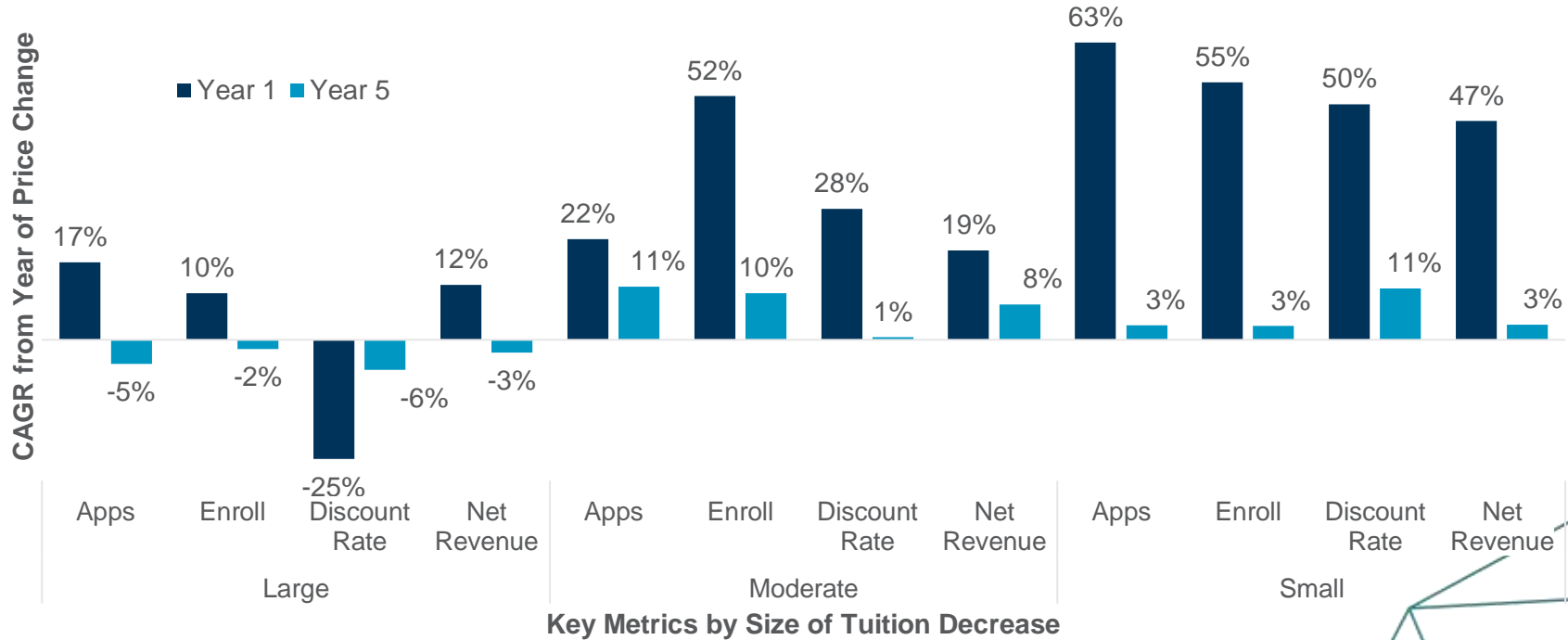
Changes in Tuition by Time Frame for Private Decreasers



Source: Eduventures Analysis of National Center for Education Statistics Pricing Data

A Moderate Decrease Can Drive Sustained Increases in Net Revenue

Performance for Private Price Decreasers by Size of Listed Tuition Decrease



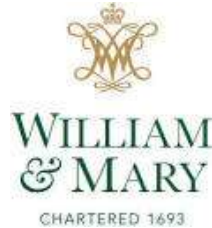
* Decrease Definitions: Large > 28%; Moderate 16% to 28%; Small < 16%

COVID and Inflation Pulling Tuition in Different Directions

COVID Reductions

COVID Freezes

Inflation Increases

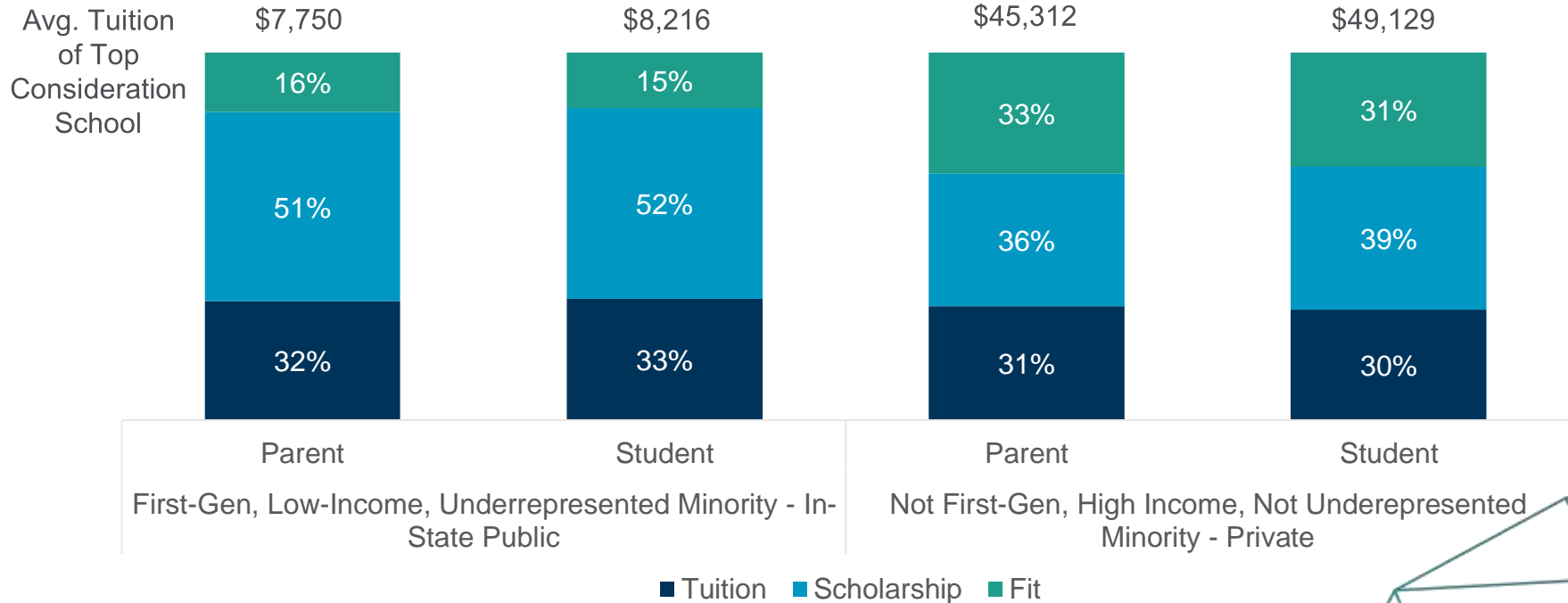


POLL

What percent of a student's decision on where to apply is related to top-line sticker price tuition?

Scholarship Matters More for Some

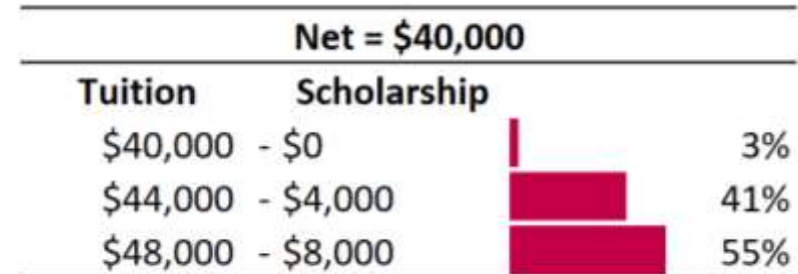
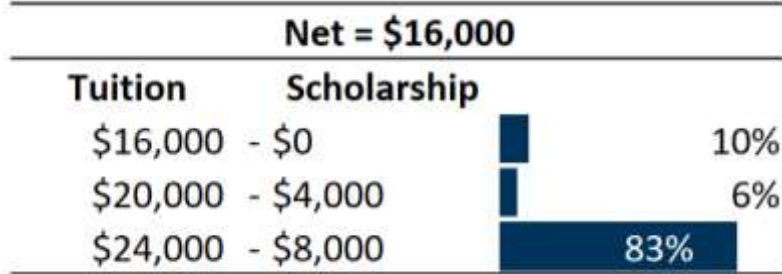
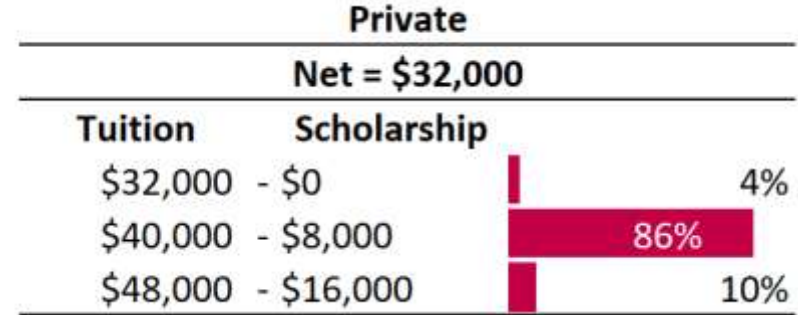
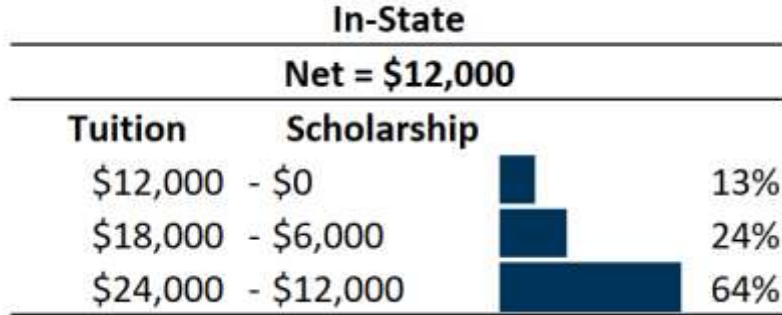
Importance of Tuition in Application Decision – Parents and Students, Key Segments



Source: Eduventures 2022 Prospective Student and Prospective Parent Surveys
* Importance values from Conjoint Pricing Experiment

Students Rarely Prefer the Low Sticker Price Institution

Share of Preference in Constant Net Cost Scenarios for Match Schools - Students



*Choice preferences from conjoint pricing experiment

Price Plays a Small Role in the Final Enrollment Decision

Top Influencers in Enrollment Choice

	In-State Public First-Gen, Low-Income, Underrepresented Minority	Out-of-State Private Not First-Gen, High Income, Not Underrepresented Minority
Winning Brand	<ul style="list-style-type: none"> Affordable/Value Career-minded Diverse 	<ul style="list-style-type: none"> Diverse Fun/Exciting Prestige/Rigor
Important To Demonstrate Quality	<ul style="list-style-type: none"> Availability of financial aid Value of education Overall cost of attendance 	<ul style="list-style-type: none"> Personal attention Preparation for graduate school Campus events and organizations Job opportunities
% Importance of Net Cost	10%	2%

Source: Eduventures 2021 Admitted Student Research
*Logistic Regression of Enrolling School vs. Second Choice

Getting to the Right Price

Thinking strategically about your pricing model

Why – Affordability? Transparency? Competitive environment? Net revenue?

Who – Which students? Balance needs with institutional goals?

What – Best pricing program? Which levers?

How – How to present to the market?

A Tuition Model Can Be Broad or Targeted

Ingredients in a Pricing Model – Some Examples

Reducing Price

- Rollback to an earlier era
- Match the competition
- Guarantee net tuition
- Focus on key student segments
- Align to community goals
- Debt buyback programs

Increasing Value

- Investment in infrastructure
- New programs
- Free summer courses
- Increase or offer paid internships
- Reward graduation
- Guarantee outcomes

Paying for Price Programs

- Faculty buyouts
- Evaluating program portfolio
- Administrative efficiency
- Faculty sharing
- Capital campaign

Source: Eduventures qualitative analysis of pricing resets

Top Takeaways

- Moving towards tuition stabilization
- True tuition cuts have been rare, but are increasing
- Moderation, for privates cutting tuition, has led to improved institutional performance
- COVID accelerated stabilization and reduction of tuition; inflation will dampen
- Students and parents are aligned on tuition and scholarship
- Students prefer higher sticker price scenarios with scholarships
- Sticker price tuition is important; Not a singular driver of choice
- In the end, brand and quality perceptions will drive choice
- Tuition models can take many forms

Additional Resources and Q&A



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Starting in January Rolling Deadlines

Session 1	January 9, 2022
Session 2	February 6, 2022
Session 3	March 6, 2022
Session 4	April 10, 2022
Session 5	May 8, 2022

The background of the top section is a dark blue gradient. On the right side, there is a semi-transparent image of a person's hands holding a tablet. The tablet screen displays a donut chart with four segments in shades of blue and red, with the text 'MARKET ANALYSIS' in the center. To the right of the chart, there is some blurred text, suggesting a report or document.

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