



Enrollment Strategy After the **NACAC** Vote

10 Recommendations for Post-CEPP
Student Recruitment and Retention

EAB Enrollment Services

EAB Enrollment Services

Project Director

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NACAC Rule Changes Open the Door to Increased Competition

Your guide to the new competitive landscape

In the fall of 2019, under pressure from the Department of Justice, NACAC members voted to strike several important provisions from the organization's Code of Ethics and Professional Practice (CEPP). This development has important implications for [competition between colleges and universities](#). Specifically, it permits schools to more aggressively recruit inbound college freshmen and to pursue a population previously off-limits—students currently enrolled at other four-year institutions.

This report offers enrollment leaders a [guide to responding to the CEPP changes](#), in the form of ten recommendations. It also sizes the competitive risks and opportunities resulting from the CEPP vote and offers thoughts as to the likely pace of change in the competitive landscape across the near term. The report draws on several sources, including an EAB survey of enrollment leaders, EAB's 2019 survey of new college freshmen, and data from the National Student Clearinghouse.

Key takeaways from the report

General observations

- **Rapid and widespread** uptake of more aggressive recruitment tactics by colleges and universities seems likely
- Increased competition means schools will need to work extra hard to keep inbound freshmen and currently enrolled students **engaged**

Inbound freshmen

- For the time being, more enrollment teams are focusing on **defensive strategies**—ones aimed at fending off competition—than on becoming more aggressive in their recruitment
- The fact that schools may now offer **incentives for early decision** (ED) has made ED relevant to more institutions, outside of the highly selective group
- While a large minority of schools are considering steep **increases in their enrollment deposit**, others see this move as counterproductive
- It seems likely that more already-committed students will be emboldened to **appeal their financial aid awards**, as other schools try to use aid to lure them away

Currently enrolled students

- The **volume of transfers** between four-year institutions is large, and more schools are focusing their offensive strategy on this group than on inbound freshmen
- A large minority of college freshmen will consider transferring to another four-year institution **given the right incentives** (with financial benefits being especially powerful)
- Patterns of transfer differ significantly between **public and private institutions**, with publics appearing to enjoy an advantage
- Colleges now have added incentive to **improve student success**, as doing so can help address some of the same problems that cause students to transfer out

Source: EAB research and analysis.

The NACAC CEPP Changes in Brief

A difference of opinion

The provisions that NACAC was forced to remove from its CEPP guidelines concerned recruitment tactics that, in NACAC's opinion, placed undue pressure on students or otherwise undermined their ability to make good decisions about which school to attend.

The Department of Justice, however, viewed these same provisions as contrary to the public interest, insofar as they reduced schools' ability to compete over students.

New tactics, new populations

The changes to the guidelines remove three prohibitions relating to two student populations. Schools are now free to recruit inbound college freshmen who have already committed to other schools and are also able to offer this population incentives for early decision. Enrollment teams are now also free to recruit students currently enrolled at other four-year institutions.

Provisions Struck from NACAC's Code of Ethics and Professional Practice (CEPP)

NACAC has removed prohibitions against:		Two relevant student populations
<p>Recruiting students who have committed to other schools</p> <p>Former prohibition: "Colleges will not knowingly recruit students who are already enrolled, registered, have declared their intent, or submitted contractual deposits to other institutions..."</p>	<p>Early-decision incentives</p> <p>Former prohibition: "Colleges must not offer incentives exclusive to students applying or admitted under an early decision application plan..."</p>	Inbound college freshmen
<p>Recruiting students currently enrolled at other schools</p> <p>Former prohibitions: "Colleges will not knowingly recruit...students who are already enrolled at other institutions" and "Colleges must not solicit transfer applications from a previous year's applicant or prospect pool..."</p>		

Source: Scott Jaschik, "NACAC Agrees to Change Its Code of Ethics," *Inside Higher Ed*, September 30, 2019.

Will Enrollment Teams Pursue Other Institutions' Committed Students?

A survey of enrollment leaders

A key question for enrollment leaders is how rapid and widespread the adoption of the aggressive recruitment tactics enabled by the CEPP changes will be.

To help answer this question, EAB surveyed more than 150 enrollment leaders across the nation regarding their plans with respect to the changes.

Plans vary by school size

As shown, almost a quarter of enrollment leaders surveyed said they were considering extending their recruitment efforts to students who have already deposited with or otherwise committed to other schools.

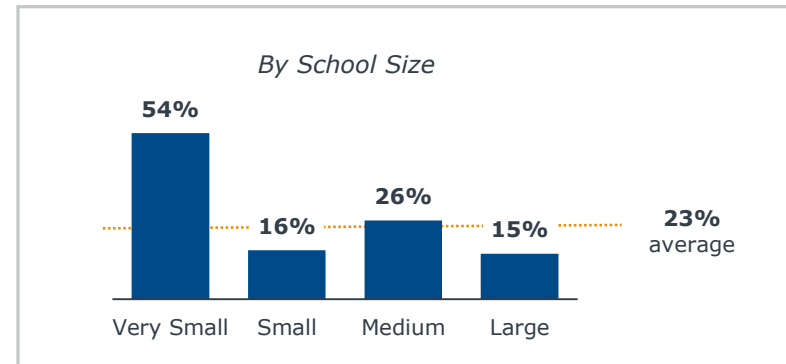
There is, however, significant variation across school segments, with smaller institutions showing a greater inclination to go this route. (The fact that institutions in the "small" category deviate from the trend may indicate that they are under less pressure than their smaller counterparts but are also not as well equipped as their medium-sized peers to deploy more aggressive tactics.)

VPEMs Looking to Recruit Otherwise-Committed Students

From EAB's Post-NACAC-Vote Flash Poll of Enrollment Leaders

23%

say they will consider recruiting students who have already committed to another institution



Factor mitigating potential impact

Not everyone followed CEPP guidelines in the past

- Prior to the rule change, some schools were already continuing to recruit students after May 1
- Prior to the rule change, students could and did commit to multiple schools, with few negative consequences

Source: EAB research and analysis.

Some Schools Hold On to Committed Students Better Than Others

How will students respond?

One critical factor that will ultimately determine the impact of the CEPP changes—a school’s appetite for getting more aggressive—was illustrated on the preceding page. Another, addressed here, is the extent to which student behavior will change in the face of altered recruitment practice.

Clues from melt rate

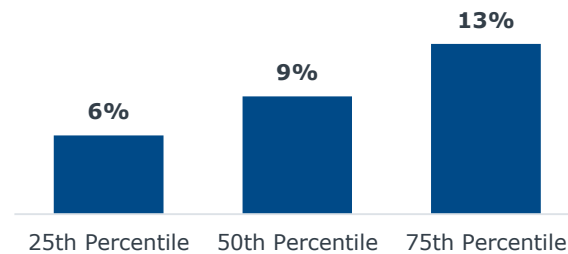
While there’s little to go on by way of historical data, melt rate offers clues, insofar as it reflects the degree to which actions taken by schools can make committed students more or less likely to enroll.

For example, the top chart at right shows melt-rate quartiles for a group of regional private colleges and universities from around the nation. As can be seen, there is considerable variation across institutions.

There’s reason to think that these differences are due to actions taken (or not taken) by the schools themselves, rather than externalities such as the demographic makeup of students they serve—as shown in the lower set of charts, melt rates differ remarkably little across the various types of students served by these institutions.

Melt-Rate Quartiles

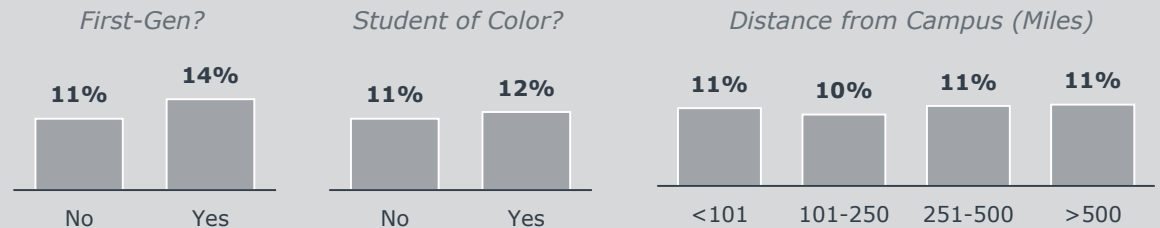
EAB Regional-Private Partner Institutions, Entering Class 2019



Differences across quartiles likely attributable to actions taken by enrollment teams (rather than contextual factors)

Most variation between schools probably not due to differences in students they serve

Average Melt Rate, by Student Characteristic



Source: EAB research and analysis.

Recommendation 1: Make affinity-building the heart of your defensive strategy

Boosting Affinity Among Committed Students Is a Key Form of Defense

An emphasis on defensive measures

Responses to the CEPP changes that enrollment leaders surveyed by EAB most often reported considering are defensive ones—tactics aimed at safeguarding their deposited or otherwise committed students against recruitment by other schools.

A focus on affinity-building

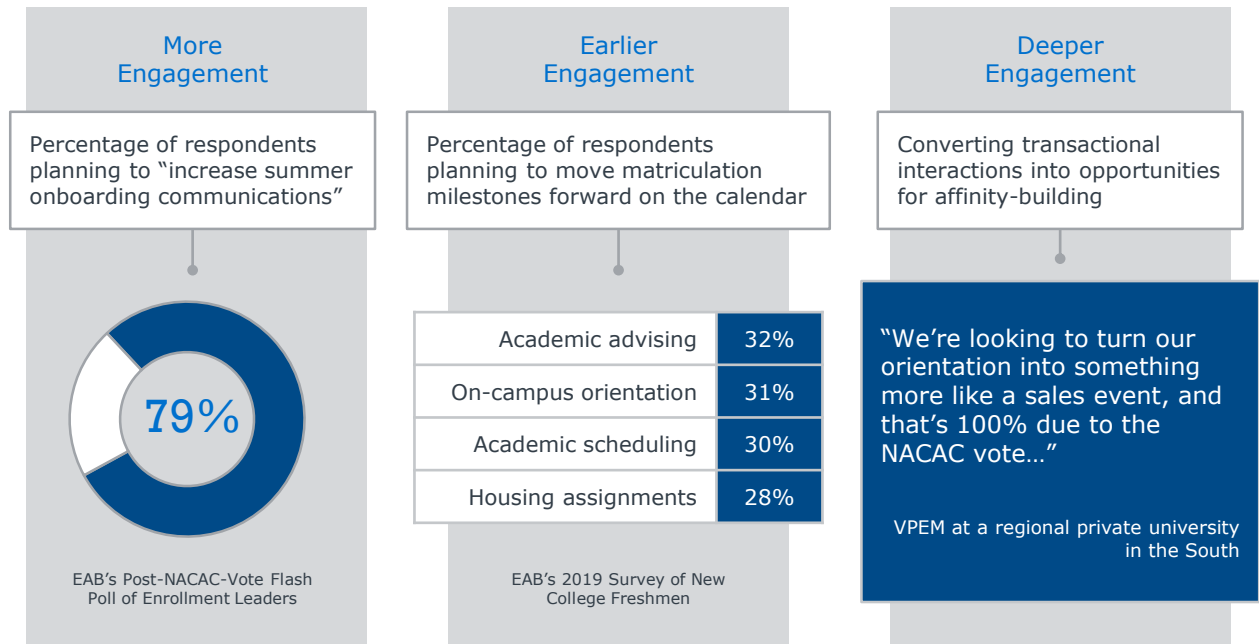
Within this category, the most commonly cited approaches were ones aimed at strengthening affinity with these students.

These approaches, in turn, fall into three categories: ones aimed at increasing the number of touchpoints with committed students, ones aimed at bringing those touchpoints forward on the calendar, and ones aimed at improving the quality of those interactions.

Taken together, these interventions paint a picture of a very different post-deposit enrollment season—one in which interactions that were previously merely transactional take on new significance as means of building stronger bonds with students.

Three Post-deposit Priorities

Findings from EAB Survey Research and Interviews



Source: EAB research and analysis.

The Expanding Meaning of Early Decision

More-widespread relevance

As mentioned earlier, one provision that NACAC struck from its CEPP guidelines was a prohibition against schools offering incentives for early decision (ED).

This change has far-reaching implications, enabling ED to work in entirely new ways and making it relevant to a far greater number of schools and students.

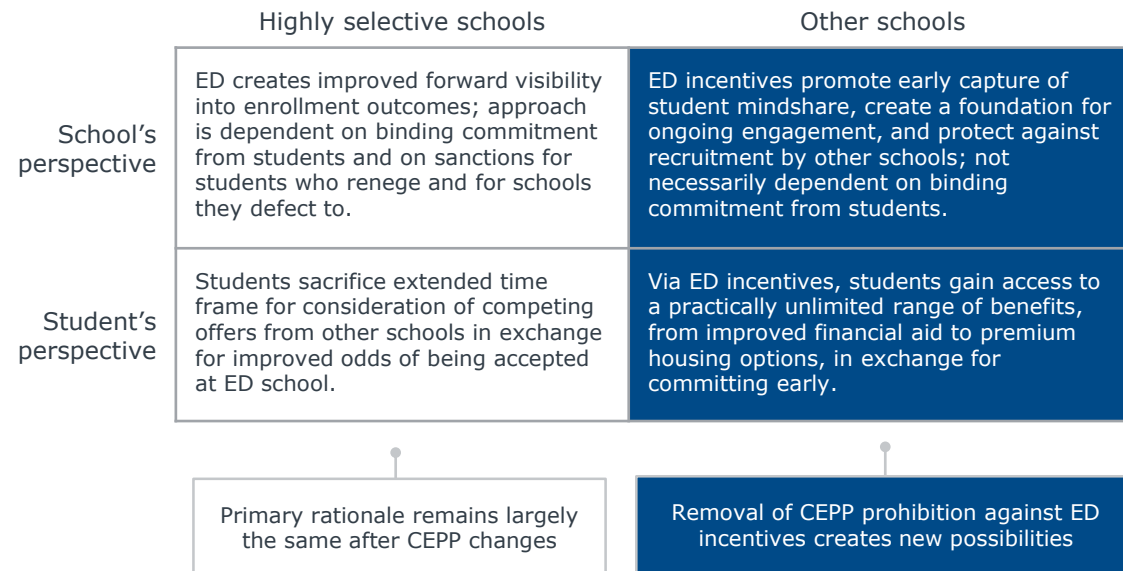
A new affinity-building tool

Prior to the CEPP changes, ED only really made sense for highly selective schools, as it was based on students committing early in exchange for improved odds of acceptance. For schools with more generous admission criteria, students had less incentive to sacrifice the longer time frame for consideration of competing offers.

Now that schools can offer incentives for ED, the logic of it fundamentally changes for schools outside of the highly selective group. No longer primarily a means of gaining forward visibility into enrollment outcomes, ED becomes, for these schools, an additional tool for creating higher levels of engagement with admitted students early on.

Rationale for Early Decision (ED) After the CEPP Changes

By School Selectivity and Interested Parties



Source: EAB research and analysis.

Recommendation 2: Proceed cautiously when setting your enrollment deposit

Weighing the Costs of a Larger Deposit

Raising the stakes for students

A common instinct among enrollment teams looking to prevent “poaching” of their committed students is to raise the enrollment deposit; almost a third of enrollment leaders surveyed by EAB said they were thinking about doing so. Furthermore, the increases they reported considering were substantial, the median planned increase being 200%.

The underlying rationale is, of course, that a larger deposit raises the stakes for students thinking about accepting another school’s offer.

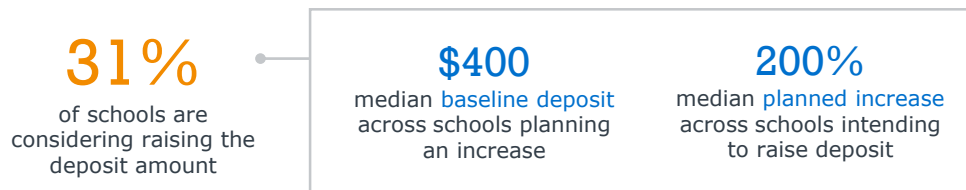
Beware unintended consequences

Not all enrollment leaders believe this to be sound strategy. Outside of cases where the baseline deposit is unusually small, no one knows for sure if increasing it would prevent committed students from defecting.

Furthermore, a deposit large enough to prevent students from withdrawing would likely also be large enough to discourage some students from depositing in the first place, thereby effectively eliminating the foundation for deeper ongoing engagement with students that a deposit provides.

A Substantial Minority of Schools Are Considering a Larger Enrollment Deposit

From EAB’s Post-NACAC Vote Flash Poll of Enrollment Leaders



Larger Deposit Is Considered Counterproductive by Others

A Representative Opinion

“Increasing the deposit is a terrible idea. It creates a higher barrier for students engaging with you at a time when it’s most important to win them over. And for what? I hope all my competitors do it.”

*Vice President of Enrollment Management
Large, More-Selective Private College in the Northeast*

Source: EAB research and analysis.

Considering the Intent and Implications of the Enrollment Deposit

Matching result with intent

A common stumbling block for enrollment teams revisiting deposit requirements in the wake of the CEPP changes is a lack of clarity around what purpose, exactly, the deposit serves. Being explicit about what the deposit is meant to accomplish is an important first step in ensuring a good match between intent and result.

Two takes on the deposit

The chart at right describes two different ways of understanding the enrollment deposit and the implications of each.

The first column shows an approach in which the deposit is so costly that students literally cannot afford to renege on their commitment. This approach has several drawbacks, including the likelihood that it will cause some students to not deposit at all.

The second column shows a rationale more typical of pre-CEPP practice but still probably the right answer for most institutions. With this approach, the deposit is set at a level just high enough to ensure that depositing students are serious, but there is no expectation that it will prevent students who really want to change their minds from doing so.

Two Views of How Deposits Work

		Purpose of Deposit	
		Discouraging defection	Signaling commitment
Theory		The "pain" caused by forfeiting the deposit is great enough that a student will not withdraw, even if he or she wants to	The deposit creates just enough of a financial commitment to ensure students choosing your school are serious
Dollar amount required		\$\$\$	\$
Detrimental effect on engagement		High	Low

A high deposit amount is additionally unappealing for the disproportionate impact it has on [low-income students](#)

Source: EAB research and analysis.

Recommendation 3: Prepare for increased aid-appeal activity

Awkward Conversations Versus Opportunities for Engagement

Likely increase in aid appeals

Now that schools are free to recruit already-committed students, it seems certain that many more of your inbound freshmen will receive competing financial aid offers from other schools, well into the summer.

These offers may or may not convince students to switch schools, but they will, at a minimum, provide students with added leverage in their negotiations with you. For the same reason, it seems likely that these offers will embolden more students to file appeals.

An opportunity for engagement

Anticipating newly intensified competition over students, how you manage aid-appeal conversations will be more important than ever. The most important consideration in this regard is the quality of those interactions. Handled correctly, aid-appeal conversations can be an opportunity for you to reiterate to students just how eager you are to have them join you (even if you're unable to provide them with additional funding). Handled incorrectly, they can push a student who is on the fence over to the other side.

Three Guiding Principles for Managing Aid Appeals

1

Decide, in advance, which students you will fight for

Have clear guidelines about which students' appeals you will consider and whose you will not. The criteria will likely overlap with those used in your aid matrix, but you may want to bring additional considerations to bear (e.g., whether the student is from a strategically important market where you are trying to make inroads).

2

Make the most of appeal conversations

Ensure that students whose requests for extra aid you're rejecting leave those conversations feeling just as good about you as they did going in. Careful staff training on how to manage these discussions (including scripting guidance) can help.

3

Understand student intent

For financially stressed families who appeal, a competitor's lower price may remove otherwise insurmountable barriers to attending college and therefore prove irresistible. Some other students who appeal—even those who get better aid offers from other schools—have no intention of switching but simply are looking for a better deal from you.

Source: EAB research and analysis.

Recommendation 4: Favor front-loaded financial aid

CEPP Changes Have Implications for Timing of Financial Aid

Implications for aid timing

Anticipating higher aid-appeal volumes after the CEPP changes, many enrollment leaders (one-third, according to EAB's survey research) are working on securing additional dollars to fund counteroffers for students thinking of withdrawing.

An important related question is, Where will these dollars come from?

Favor front-loaded aid

Insofar as schools' total aid budgets are fixed, funds earmarked for appeals are unavailable for use in initial aid grants, earlier in the season.

There is reason for caution on this score. While the related science is not definitive, EAB research suggests that institutional aid deployed later in the season has less impact than the same amount granted earlier on.

While most schools will want to retain some funds specifically to address appeals, they should also proceed with an understanding of the penalty associated with delayed deployment of aid dollars.

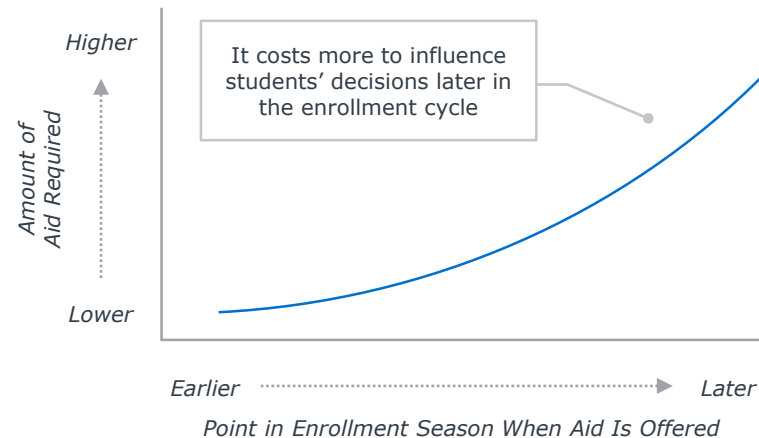
33%

of enrollment leaders are identifying aid dollars for winning back withdraws

EAB's Post-NACAC-Vote Flash Poll of Enrollment Leaders

Aid Required to Influence Student Decision

By Timing of Aid Offer



Implication: When seeking funds for 11th-hour aid offers, don't raid your up-front aid budget

Source: EAB research and analysis.

More Schools Planning to Go After Transfers Versus Inbound Freshmen

A second population of interest

As noted earlier, the changes to NACAC's CEPP guidelines have implications for the recruitment of two distinct student populations. One, addressed in the preceding section, is incoming freshmen. A second, discussed on the pages that follow, is students currently enrolled at four-year institutions.

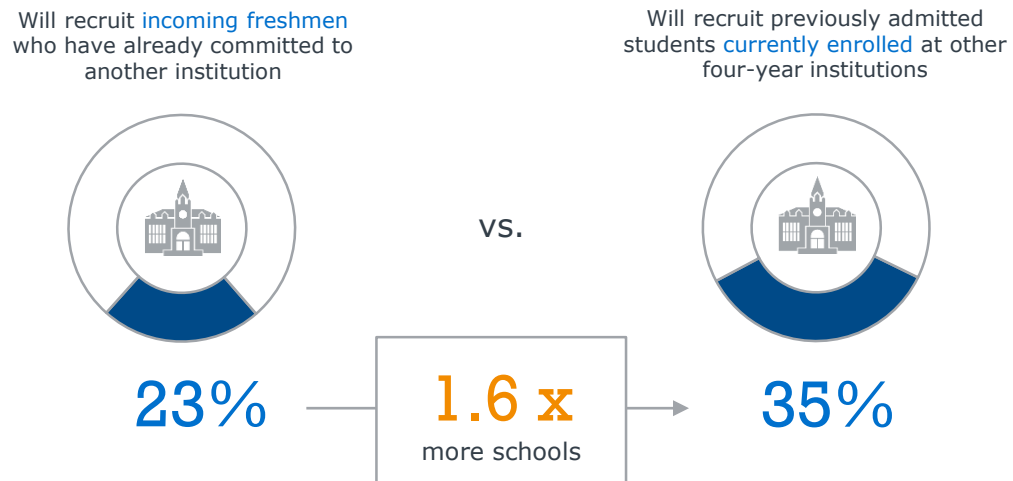
A preferential focus

Of the two populations, the latter appears to be a preferential focus for enrollment teams' post-CEPP offensive strategy.

Of those enrollment leaders responding to EAB's post-NACAC-vote flash poll, 1.6 times more said they were considering going after previously admitted students currently enrolled at other four-year institutions, relative to the number planning on recruiting otherwise-committed incoming freshmen. A smaller but still significant number of survey respondents (11%) said they were considering recruiting students currently enrolled at other four-year schools regardless of previous-admit status.

Percentage of Schools Planning Post-CEPP Changes in Strategy

From EAB's Post-NACAC-Vote Flash Poll of Enrollment Leaders



Source: EAB research and analysis.

Recommendation 5: Appreciate the scale of four-to-four transfer

Almost 20% of Students End Up Transferring to Another 4-Year School

A large population

While there are various reasons why enrollment teams might choose to focus their post-CEPP enrollment strategy on currently enrolled students, one stands out—the size of the potential opportunity. As shown at right, 19% of students enrolled at four-year schools end up transferring to another four-year at some point.

Assessing latent opportunity

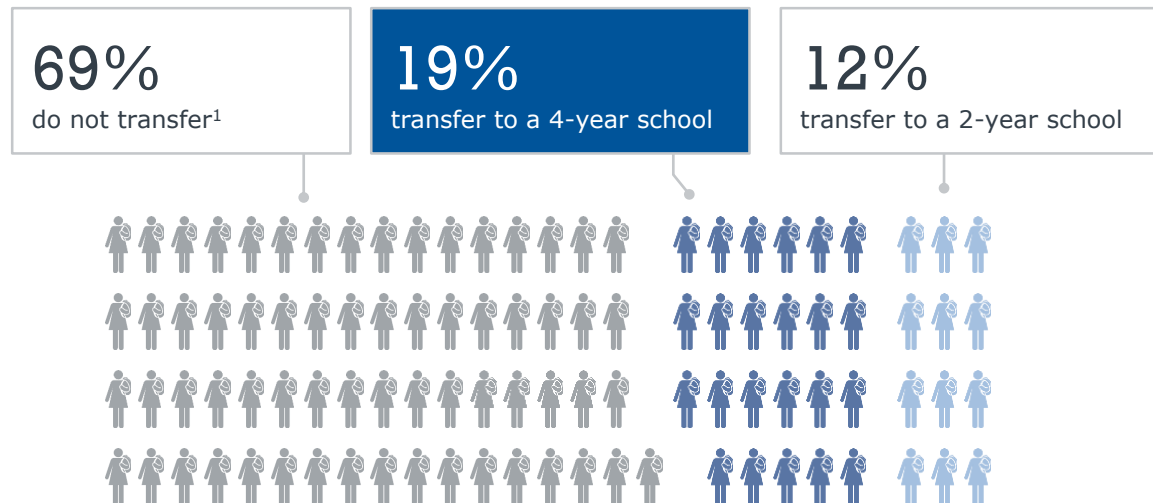
It is not known to what extent these transfers are discretionary, i.e., how constrained or free these students are to choose the destination and timing of their transfer, or to choose whether they transfer at all.

That said, available evidence suggests that students can be induced to transfer given the right incentives.

Similarly, student-success interventions undertaken with a school's own currently enrolled students can significantly boost retention and therefore represent another sort of potential with respect to this population.

Percentage of Students Starting at Four-Year Schools Who End Up Transferring

By Type of Destination School



1) Includes students who temporarily transfer to a two-year school, e.g., for summer courses, but then return to the four-year at which they started (approximately 7% of freshmen for public institutions and 8% for private institutions). This group is sometimes called "summer swirlers."

Source: EAB analysis of National Student Clearinghouse data; Shapiro, D et al. (2018, July), "Transfer and Mobility: A National View of Student Movement in Postsecondary Institutions, Fall 2011 Cohort" (Signature Report No. 15), Herndon, VA: National Student Clearinghouse Research Center.

Recommendation 6: Focus on recent enrollees

Almost Half of Students Who Transfer Do So in First Two Years

Timing is important

One important consideration for the recruitment and retention of currently enrolled students is timing. As shown in the chart at right, transfer activity is not distributed evenly across students' undergraduate careers; rather, it skews early, with a pronounced peak in sophomore year.

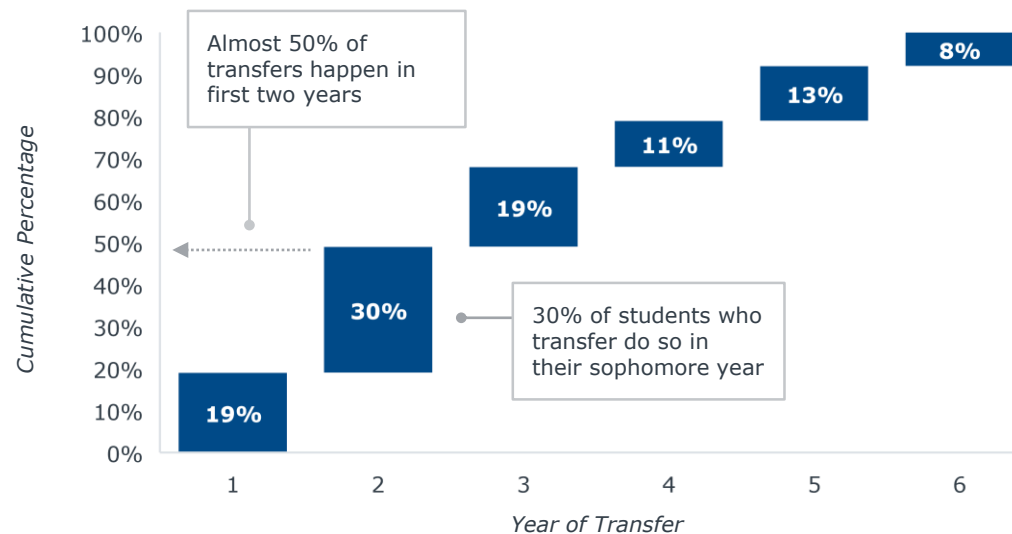
Concentrated potential

One obvious implication of this pattern is that recruitment and retention efforts targeting currently enrolled students should be front-loaded. This would be consistent, for example, with the practice of starting transfer-marketing communications with non-yielding students early in their freshman year—a practice that has already been observed in the field.

Note also, however, that a significant amount of transfer activity occurs after sophomore year, even if it is more spread out. This argues for the development of retention capabilities that span the full course of a student's undergraduate career and transfer-recruitment capabilities with similar reach.

Percentage of Students Transferring Between Four-Year Schools

By Year of Enrollment During Which Transfer Occurred



Source: Shapiro, D et al. (2018, July), "Transfer and Mobility: A National View of Student Movement in Postsecondary Institutions, Fall 2011 Cohort" (Signature Report No. 15), Herndon, VA: National Student Clearinghouse Research Center.

Recommendation 7: Target transfer-student motivations

Few Students Start with Intent to Transfer

Unplanned action

While there is limited data on why students transfer out of four-year institutions, available evidence suggests that students do not typically start their college careers with the intention of transferring. While almost a third of students do end up switching schools, less than 5% of surveyed freshmen say there's a good chance they will transfer before graduating.

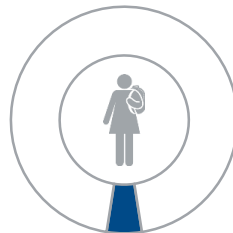
Widespread ambivalence

That said, even if they have no definite plans for transfer, many freshmen do feel ambivalent about their choice of school—when surveyed, less than half say they would definitely choose the same school if they could do it over.

Understanding potential sources of this ambivalence and related steps schools can take to improve retention of their own students and attract students currently enrolled at other schools is the focus of the pages that follow.

Percentage of College Freshmen Who:

Expect to transfer



5%

of freshmen say there's a "very good chance" they will transfer to another college before graduating

(CIRP)

End up transferring



31%

of students who start at a four-year institution end up transferring to a two-year or four-year school

(National Student Clearinghouse)

Would *choose the school where they are currently enrolled* if they had it to do over

Less than half of students are fully convinced they made the right choice

Definitely	48%
Probably	31%
Probably not	9%
Definitely not	5%
Can't say at this time	8%

(EAB 2019 New College Freshmen Survey)

Source: EAB research and analysis; CIRP, *The American Freshman: National Norms Fall 2017*; Shapiro, D et al. (2018, July), "Transfer and Mobility: A National View of Student Movement in Postsecondary Institutions, Fall 2011 Cohort" (Signature Report No. 15), Herndon, VA: National Student Clearinghouse Research Center.

Students Leave for a Multitude of Interconnected Reasons

Why students transfer

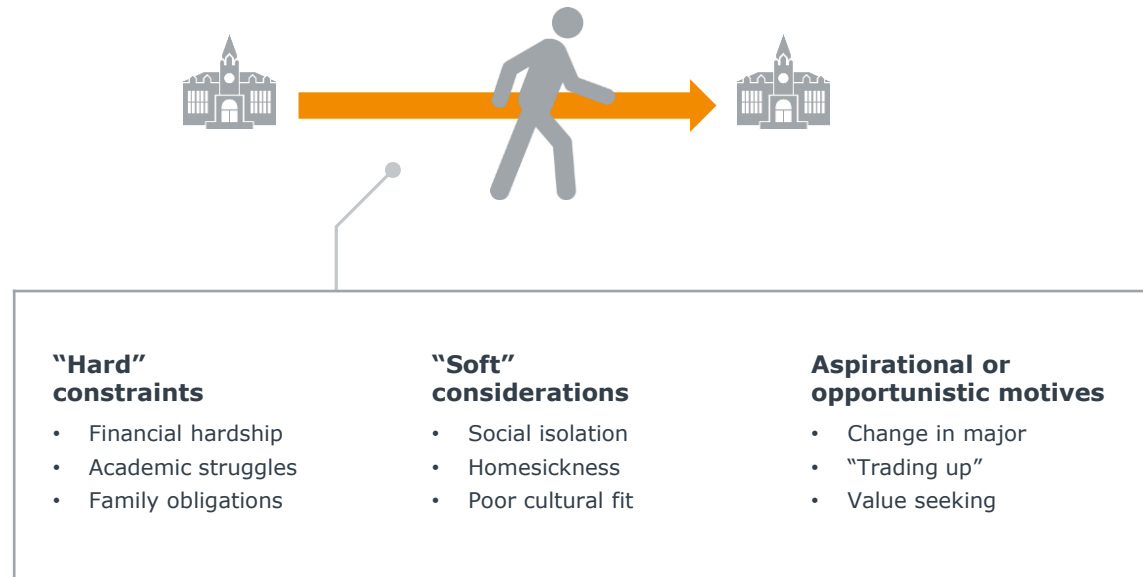
While hard data on the motivations of transfer students is hard to come by, qualitative research on this question reveals a handful of common causes.

Some of these are what might be termed hard constraints—circumstances such as financial hardship or family obligations that make it extremely difficult or impossible for a student to continue at his or her current institution. Others, such as poor cultural fit, might be termed soft constraints—factors that make the student’s college experience suboptimal, if not totally unworkable. Still others might be termed opportunistic or aspirational—“trading up” to a more prestigious institution, for example, or pursuing cost savings.

Focus on what matters

Not all factors that prompt students to transfer can or should be “fixed.” To the extent that some motivations are more common, more powerful, and more easily addressed than others, they should form the focus of schools’ recruitment and retention efforts. The pages that follow offer additional thoughts on this score.

Commonly Cited Reasons for Transfer



Source: EAB research and analysis.

Incentives Prompt Students to Consider Transfer

Open to influence

Survey data provides a helpful window into student motivations for transfer, including the relative power of different incentives schools might offer.

The data at right shows findings from a survey of new college freshmen undertaken by EAB in fall of 2019, which asked, among other things, whether a specified set of potential incentives would make students consider transferring to another school.

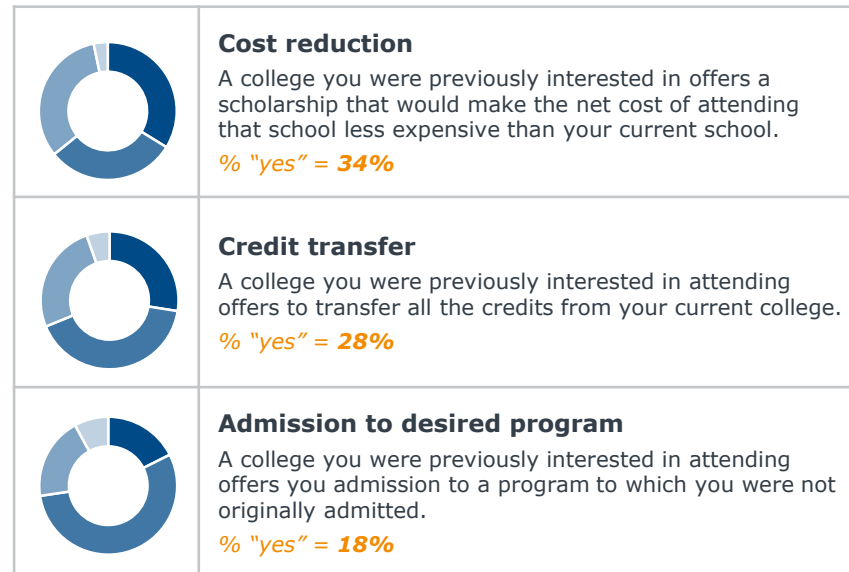
As indicated, a significant proportion of students said “yes” to the three incentives shown, with cost reduction proving the most powerful motivator.

Decisions in a wider context

The survey examined a deliberately narrow range of transfer motivations, corresponding to factors most directly under schools’ control. That said, it’s helpful to understand these factors in the broader context of students’ other motivations. This is the focus of the pages that follow.

Proportion of Students Who Would Consider Transferring, by Type of Incentive Offered

Findings from EAB’s 2019 New College Freshmen Survey



Source: EAB research and analysis.

Students Who Transfer Favor Public Institutions

Asymmetry across segments

Data on historical patterns of four-to-four transfer can help shed light on student motivations, if indirectly.

One good example is shown here.

The charts at right show the movement of students who transfer between public and private institutions. One striking fact that emerges from the data is that the majority of transferring students end up at public institutions, regardless of whether they are transferring out of a private or public school.

Value-seeking a likely motivation

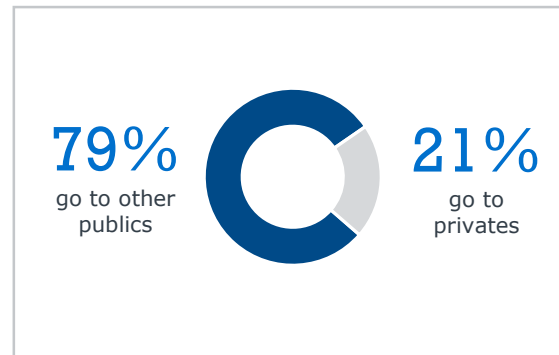
While it's impossible to say what exactly is the cause of this lopsided movement of students, it seems likely that cost plays a part.

We know that significant numbers of students have difficulty making ends meet after enrolling. Given that the cost of attending public institutions is, generally speaking, lower than that of attending privates, it is reasonable to suppose that the prominence of public institutions among transfer destinations reflects value-seeking on the part of students.

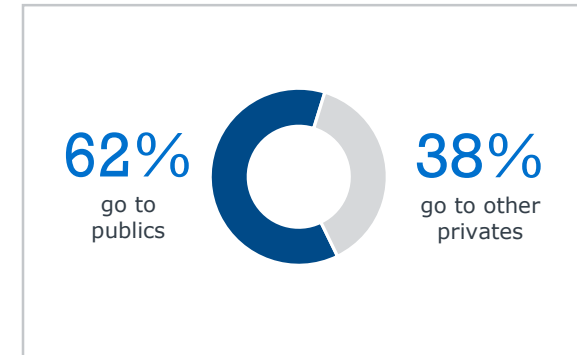
Students Who Transfer Between Four-Year Institutions

By Institution Type of Origin and Destination

Students Who Transfer Out of
Public Institutions



Students Who Transfer Out of
Private Institutions



Source: Shapiro, D et al. (2018, July), "Transfer and Mobility: A National View of Student Movement in Postsecondary Institutions, Fall 2011 Cohort" (Signature Report No. 15), Herndon, VA: National Student Clearinghouse Research Center.

Students from Private Schools Are More Likely to Transfer Out of State

Geographical patterns

Looking at patterns of movement across regions offers another valuable perspective on transfer-student motivations.

Comparing public and private institutions, one finds that the proportion of transfer students going out of state is much higher for the latter.

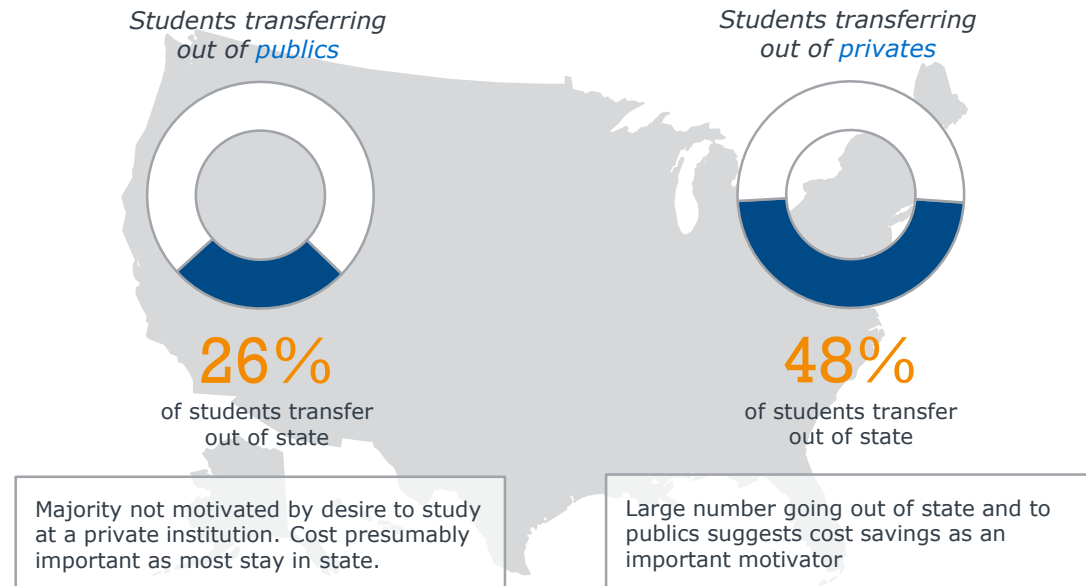
Inferred motivations

Combining this insight with those from the preceding page helps us further hypothesize as to student motivations, by school segment.

For students transferring out of publics, the fact that most stay in state suggests that cost is a consideration.

Cost would similarly seem to explain the fact that more students transferring out of private institutions go out of state. It is reasonable to suppose that some of those students are moving back home in order to take advantage of in-state tuition—an assumption that is reinforced by the fact that many also transfer to public institutions (as shown on the preceding page).

Percentage of Four-to-Four Transfers Who Go Out of State



Source: Shapiro, D et al. (2018, July), "Transfer and Mobility: A National View of Student Movement in Postsecondary Institutions, Fall 2011 Cohort" (Signature Report No. 15), Herndon, VA: National Student Clearinghouse Research Center.

Different Motivations May Be Targeted via Segmented Marketing

Acting on insight

Understanding the motivations of transfer students is important insofar as it can help inform the retention of currently enrolled students and recruitment of those attending other institutions.

This page offers an example of that principle in action.

Messages tailored to motivations

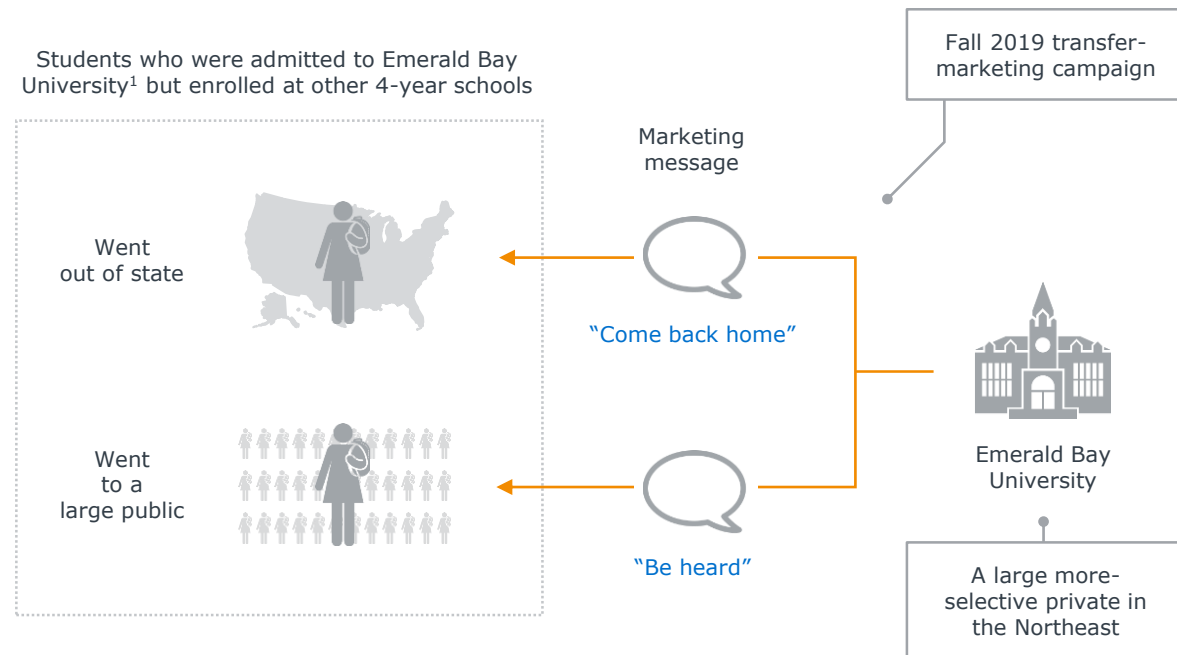
Described at right is a recruitment-marketing campaign deployed by Emerald Bay University (a pseudonym).

The campaign, which launched during the 2019 Thanksgiving holiday, invited students who were admitted to Emerald Bay but ended up enrolling at other schools to transfer to Emerald Bay.

One noteworthy feature of the campaign is the fact that it targeted different student segments with different messages, based on assumptions regarding their likely motivations. Students who enrolled at schools out of state were invited to “come back home,” while those enrolled at large public institutions were promised a setting in which they would receive more individual attention.

Emerald Bay University’s Thanksgiving Message to Previously Admitted Students

Students who were admitted to Emerald Bay University¹ but enrolled at other 4-year schools



1) Pseudonym.

Source: EAB research and analysis.

Recommendation 8: Double down on student success

Post-CEPP Urgency Can Serve as a Spur for Student-Success Efforts

Capitalize on urgency

One positive side effect of the CEPP changes has been a new sense of urgency around student retention. Given the increased risk of losing students to other schools' transfer-recruitment efforts, it is likely that college and university leaders responsible for keeping currently enrolled students happy and engaged will find it easier to get a hearing from key stakeholders at their institutions.

The special case of student success

Of particular interest in this regard are efforts aimed at boosting student success. Insofar as best practices in this terrain often address the same factors that cause students to transfer, they can be expected not only to ensure students' successful progress to a degree but also to alleviate those conditions that can cause students to defect to another institution.

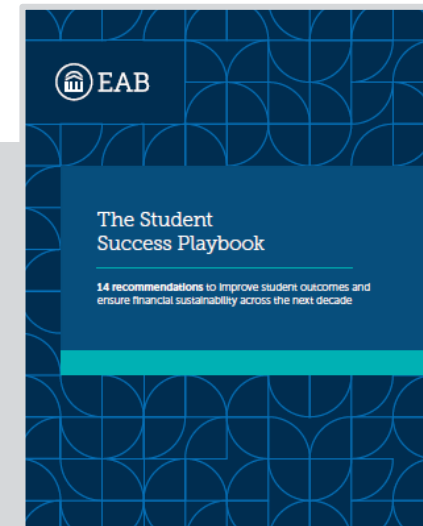
In the spirit of "not letting a good crisis go to waste," enrollment leaders should capitalize on the sense of urgency created by the CEPP changes to generate additional momentum behind student-success initiatives.

Focus on These Five Areas to Improve Student Success

1. Eliminate registration and financial barriers
2. Support students with technology-enabled advising
3. Build belonging and academic confidence
4. Reduce the number of nonproductive credits
5. Enhance the value of the curriculum

A Related Resource from EAB

EAB's Student Success Playbook offers fourteen specific recommendations for achieving the five objectives listed above, based on more than a decade's worth of best practice research.



Source: EAB research and analysis.

More Than a Third of Students Who Transfer Go to a Two-Year School

Four-to-two transfers

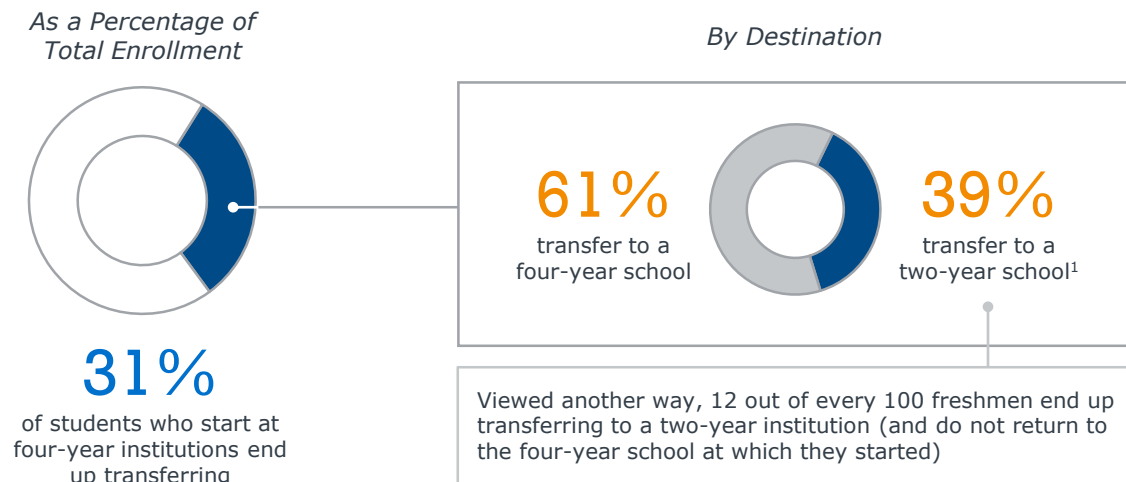
One observation on transfers that argues for increased attention to both student success and student recruitment is illustrated in the charts to the right. As indicated, of all students who transfer out of four-year institutions, more than a third end up at a two-year school.

Latent potential?

While data showing reasons for these transfers is not readily available, it seems likely that many stem from financial and/or academic difficulties encountered by students, i.e., that they are transferring because they found the four-year curriculum too challenging or the cost of attendance too high.

While this observation is not directly tied to the CEPP changes, it does suggest a potential opportunity for better retention of students currently enrolled at four-year institutions via improved student-success infrastructure. It likewise argues for improvements in admissions teams' ability to assess applicants' financial and academic preparedness.

Percentage of Students Who Transfer Out of Four-Year Schools



1) Excludes students who temporarily transfer to a two-year school, e.g., for summer courses, but then return to the four-year at which they started (approximately 7% of freshmen for public institutions and 8% for private institutions). This group is sometimes called "summer swirlers."

Source: EAB analysis of National Student Clearinghouse data; Shapiro, D et al. (2018, July), "Transfer and Mobility: A National View of Student Movement in Postsecondary Institutions, Fall 2011 Cohort" (Signature Report No. 15), Herndon, VA: National Student Clearinghouse Research Center.

Section 3: General Recommendations

Recommendation 9: Expect rapid uptake of more aggressive recruitment

Few Schools Likely to Hold Out When Faced with Aggressive Competition

How fast will change be?

For many enrollment leaders, the most pressing questions associated with the CEPP changes are how many schools will get more aggressive and how quickly.

While no one knows for certain, few enrollment teams have the luxury of biding their time. Given the lead times associated with developing new recruitment capabilities and the risk of losing ground to first-movers, enrollment leaders need to make assumptions to serve as a basis for planning.

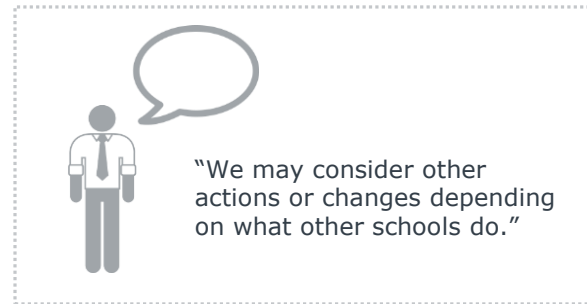
A competitive bandwagon

In this regard it seems safest to assume that adoption of more aggressive recruitment tactics will be rapid and widespread.

Almost a quarter of colleges are already considering going after committed students, and more than a third are thinking about recruiting students enrolled at other institutions. Given the already fierce competition in many markets, it seems a safe bet that most schools faced with tactics of this sort will feel they have no choice but to respond in kind.

Representative Comments from EAB Survey Respondents

"Wait and See" Schools



First-Movers



At least a quarter of enrollment leaders already self-identify in this camp

How the Trade-Off Is Viewed by Many Schools



Source: EAB research and analysis.

Recommendation 10: Consider developing retention-marketing capabilities

New Uses for Existing Expertise in the Post-deposit Phase

Communication newly important

One silver lining of the CEPP changes—or, taking the Department of Justice’s view, their main intended result—is that they will make schools even more determined to win over and retain students.

While this type of redoubled effort might take many forms, one that is especially relevant to enrollment teams is how they communicate with committed and currently enrolled students.

Retention marketing

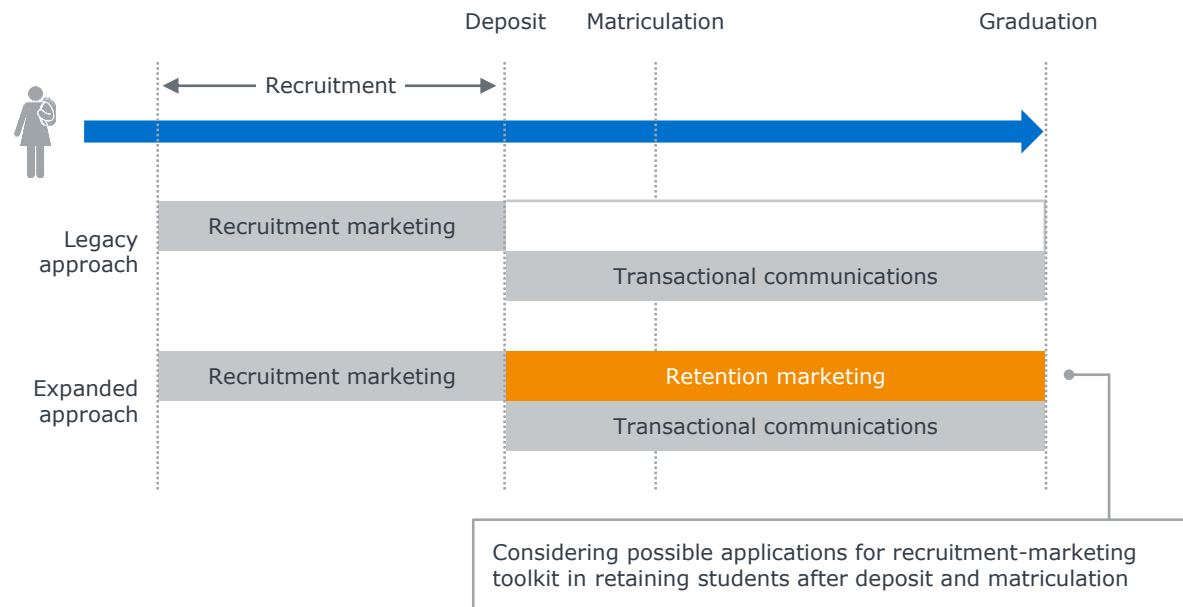
This is especially true of communications designed primarily to build affinity with students, such as those used in recruitment marketing.

Historically, communications of this sort mostly ceased around May 1, after which point interactions with students became more transactional in nature.

The new imperative to protect committed and enrolled students from poaching by competitors is a strong argument for extending affinity-building communications beyond the traditional recruitment phase, through to matriculation and beyond—an activity that might be termed “retention marketing.”

Character of Schools’ Communication with Students

During and After Recruitment, Under Legacy and Potentially Expanded Approaches



Source: EAB research and analysis.



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