



# TRENDS FOR 2018

## Five Questions the Higher Education Marketplace is Requiring Private Colleges to Answer

The Lawlor Group conducts extensive qualitative and quantitative research for independent college and university clients throughout the United States. Based on our recent findings, combined with several outside studies available to the general public, we've identified higher education marketplace trends that will have a significant impact on student recruitment and enrollment management during the coming year. These trends are requiring senior administrators at private colleges and universities to ask themselves five primary questions.

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1

### Do we need to expand our core market?

Population growth has slowed, and demographic trends forecast a national decline of high school graduates within eight years.

2

### Can families of all income levels afford us?

It's most common for even the net cost at a private college to eat up anywhere from one-third to two-thirds of a family's income.

3

### Are we inspiring willingness to pay?

For the educational experience to be worth its cost, students expect personalized learning with lasting relevance beyond graduation.

4

### Is return on investment being proven?

Families factor in cost, quality, and results as they calculate ROI, so they seek evidence that a college produces desired outcomes.

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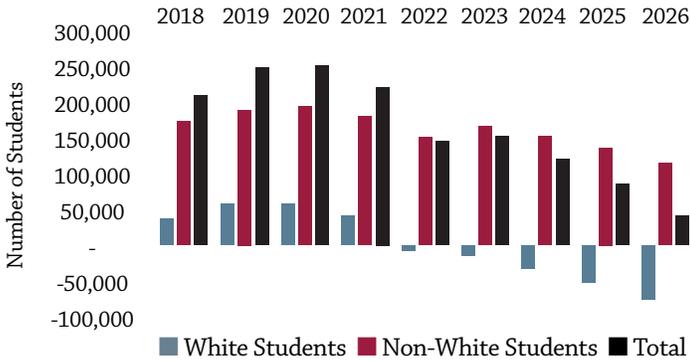
### Does the marketplace know our brand strengths?

In today's digital world, promoting a college means delivering authentic messages across a multitude of communication channels.

## Increase in Racial/Ethnic Diversity

Students of color will account for 99% of the enrollment growth at degree-granting postsecondary institutions during the next nine years—50% of it from Hispanic students, 27% from Black students, 13% from students of two or more races, and 9% from Asian students.

**Yearly Additional Enrollments of U.S. Residents by Race/Ethnicity**

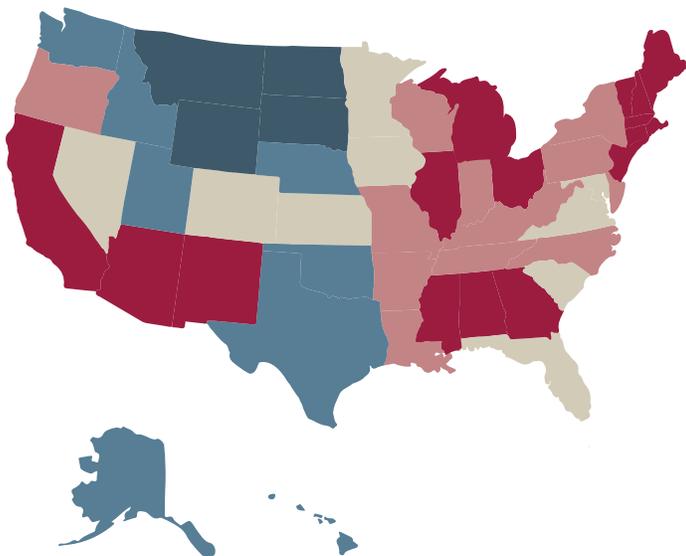
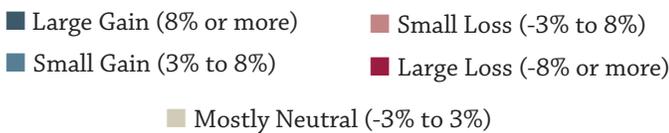


Source: NCES

## Variable Population Trends

Nationwide, the number of high school graduates will peak in 2024-25 at 2.9% higher than its current level, yet then will fall dramatically to 4.7% lower than now by 2031-32.

**Change in High School Graduates, 2017-18 to 2031-32**

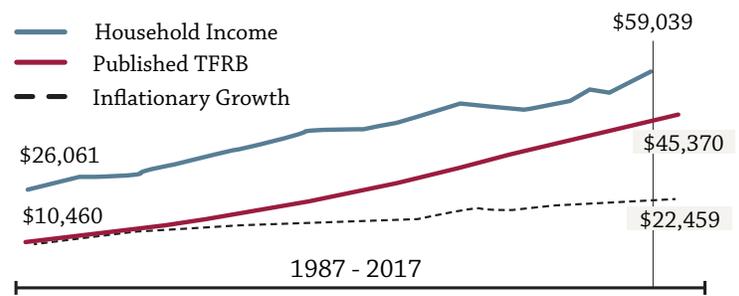


Source: WICHE

## Price Growing Twice as Fast as Income

Thirty years ago, the average published price of tuition, fees, room, and board at private nonprofit institutions was 40% of the median household income. By 2016 it grew to 77%—although it would have been half that, 38%, if the published price had increased only at the rate of inflation.

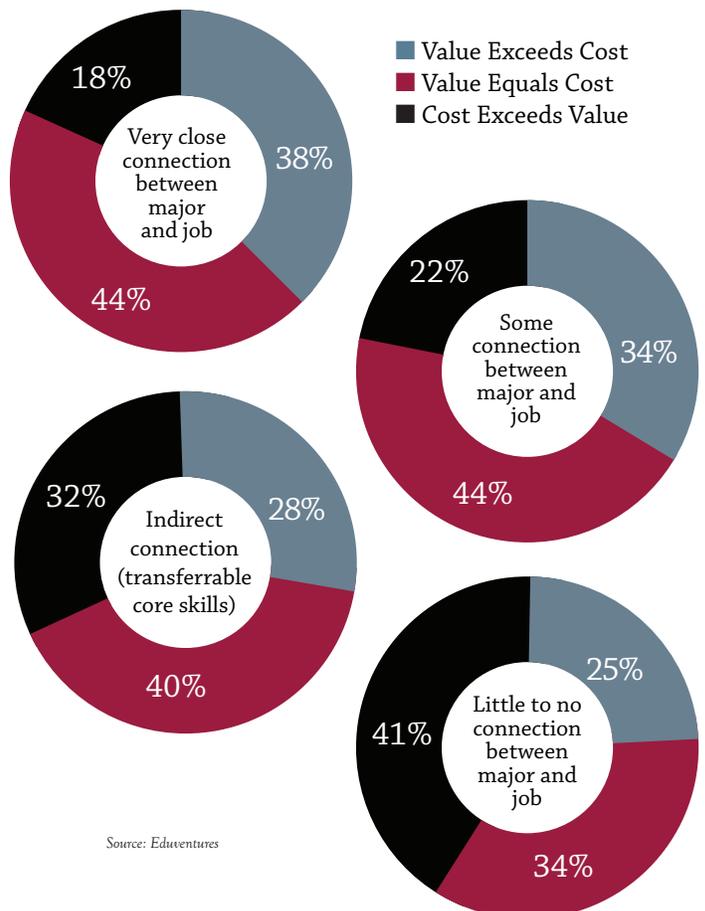
**Average Published Price vs. Median Household Income**



Sources: College Board and U.S. Census

## Career Relevance Adds Value

College graduates value their education more if their undergraduate major closely aligns with their current work, although 23% overall (40% among graduates from the last decade) believe their degree wasn't worth its cost.

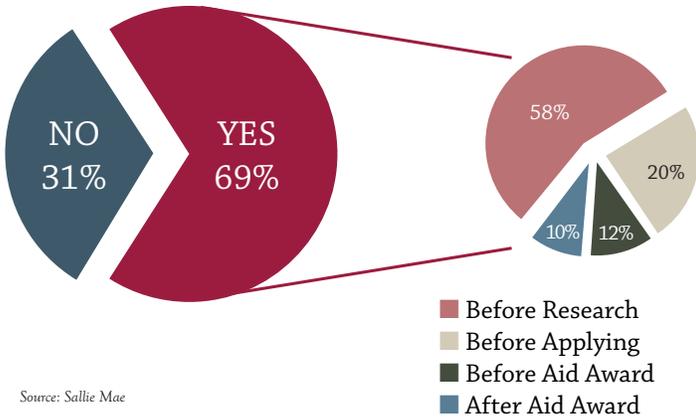


Source: Eduventures

## Sticker Shock is a Deterrent

Most families have crossed a college off their consideration list due to its published price before applying to it (likely, before knowing what their net cost would be).

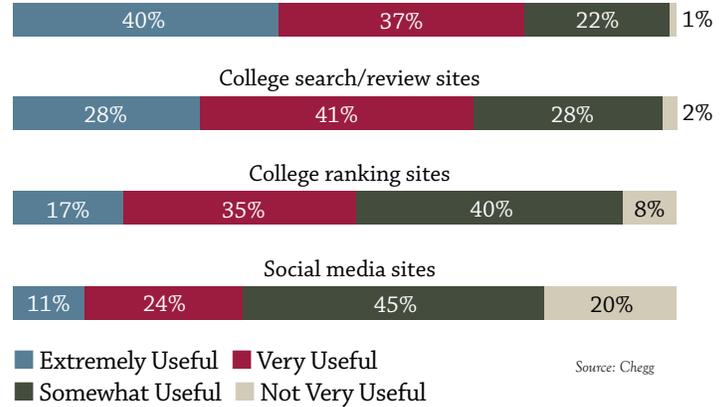
Did you eliminate colleges based on cost? If so, then when?



## Online Sources Matter

During their discovery and information-gathering phases, prospective students are using a variety of digital tools to find and research colleges.

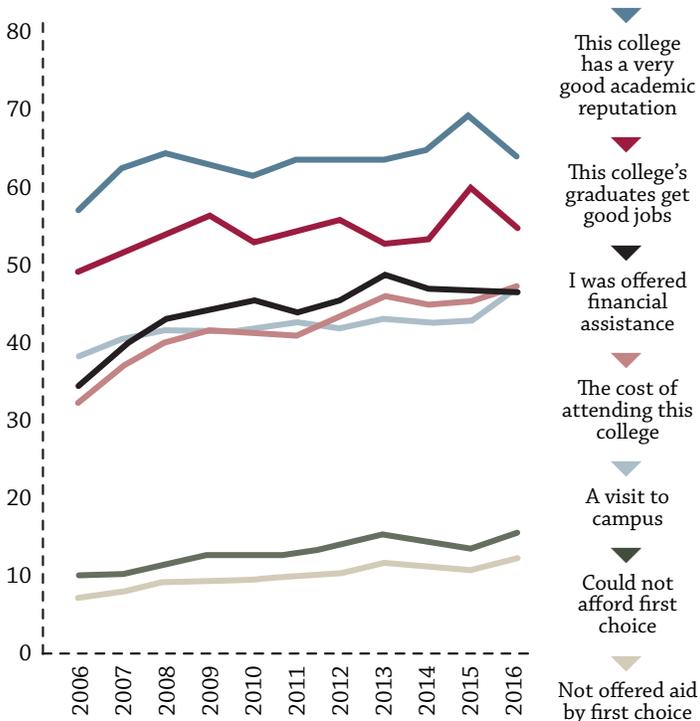
Usefulness During College Search



## Economic Considerations Increasing

Sixteen of the choices among reasons for choosing a college have been consistently offered on CIRP's survey during the past decade. The seven of them that have gained an average of at least half a percentage point per year are mostly focused on finances, with "the cost of attending this college" gaining the most.

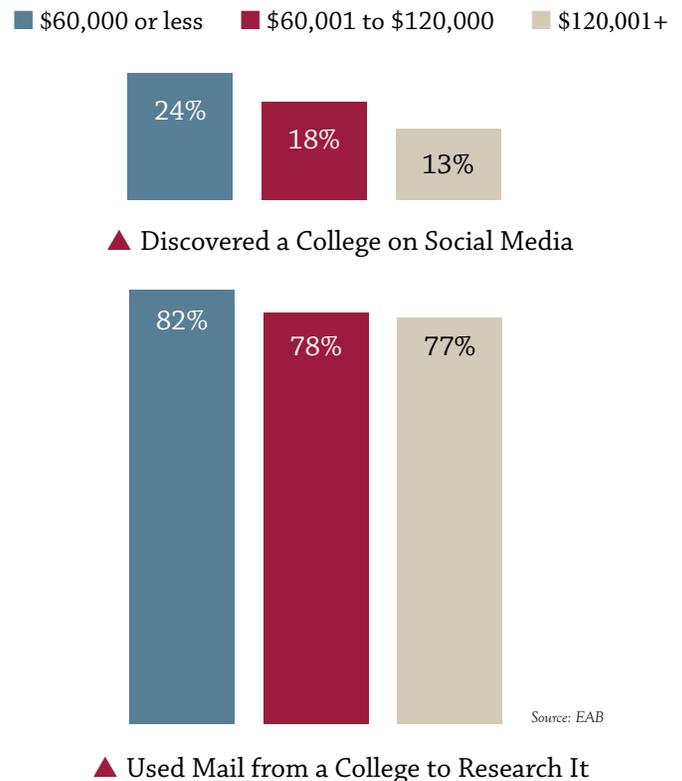
"Very Important" Reasons Freshmen Selected Their College



## Communication Requires Multiple Channels

Students from lower income households are more likely to have first discovered a college of interest on social media—and they're also more likely to use mail from a college to learn about it.

College Search Activities by Household Income



# HOW TO FIND ANSWERS

Demographic, economic, and technological trends in the higher education marketplace demand that private colleges and universities not only ask pointed questions, but also uncover the data to provide answers. To that end, The Lawlor Group has deployed these research studies in our recent work with clients.

## Do we need to expand our core market?

To better understand the marketplace in which one competes, an **environmental scan** identifies trends and patterns and surfaces issues and information that may impact the organization. Conducting **prospect research** can reveal those prospects most likely to move successfully through the admissions funnel to matriculation.

## Can families of all income levels afford us?

A **non-matriculation study** helps identify the factors driving consideration and selection, while a **retention/attrition study** surfaces the variables that impact reasons to persist or withdraw.

## Are we inspiring willingness to pay?

To gather empirical evidence about an institution's competitive positioning, perceived value proposition, and optimal pricing, conduct a **price sensitivity study**.

## Is return on investment being proven?

A **satisfaction study** with current students can identify expectations of and gauge satisfaction with the student experience, while such a study with alumni can explore the same for graduates as well as the impact of their degree and their motivations for engagement.

## Does the marketplace know our brand strengths?

Conduct a **brand strength study** to understand projected vs. perceived image and where disconnects may exist that warrant attention. An **image and awareness study** helps to determine levels of familiarity and favorability and perceptions in the marketplace vis-à-vis key competitors.

Research methodologies like these allow us to gather the market intelligence that informs our recommendations for integrated marketing communications and our strategic counsel regarding all elements of the marketing mix—so that our clients always gain intelligent solutions for dealing with the marketplace challenges they face.

*Creating Distinction. Enhancing Value. Achieving Results.*

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