



Findings from NACUBO's 2010 Tuition Discounting Study

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Tuition Discounting

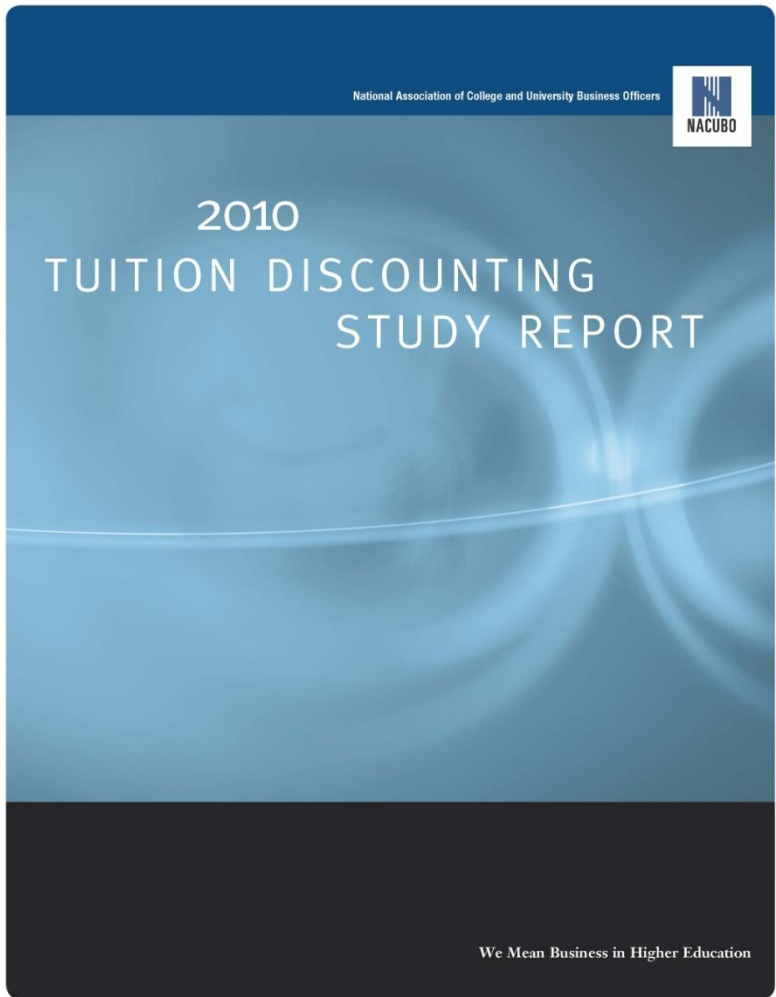
- What is Tuition Discounting?
 - When institutions discount their tuition and fee “sticker price” through the awarding of institutional grant aid to attract and retain students.
- NACUBO’s Definition
 - Institutional grant dollars as a percentage of gross tuition and fee revenue

Tuition Discounting

- Institutions Use Tuition Discounting to...
 - Maximize Tuition Revenue
 - Fill seats
 - Meet enrollment goals
 - Shape Incoming Class
 - Attract talented students
 - Diversify the student body



NACUBO's Tuition Discounting Study



- Annual survey since 1994
- Institutional aid practices
- 4-year, private, non-profit colleges and universities
- Focus on first-time, full-time freshmen



Methodology

- Online survey
 - Launched in early Fall 2010, collecting data from Fall 2009 and preliminary estimates for Fall 2010.
 - Sent to 1,026 member institutions
- 37% response rate
- Data reported out by NACUBO constituent group
- Limitations



Participating Institutions

NACUBO Constituent Group

	2000	2002	2004	2006	2008	2010
Comprehensive/Doctoral	24	26	27	35	41	49
Research	17	15	19	21	34	29
Small Institutions	113	123	156	206	293	303
All Institutions	154	164	202	262	368	381

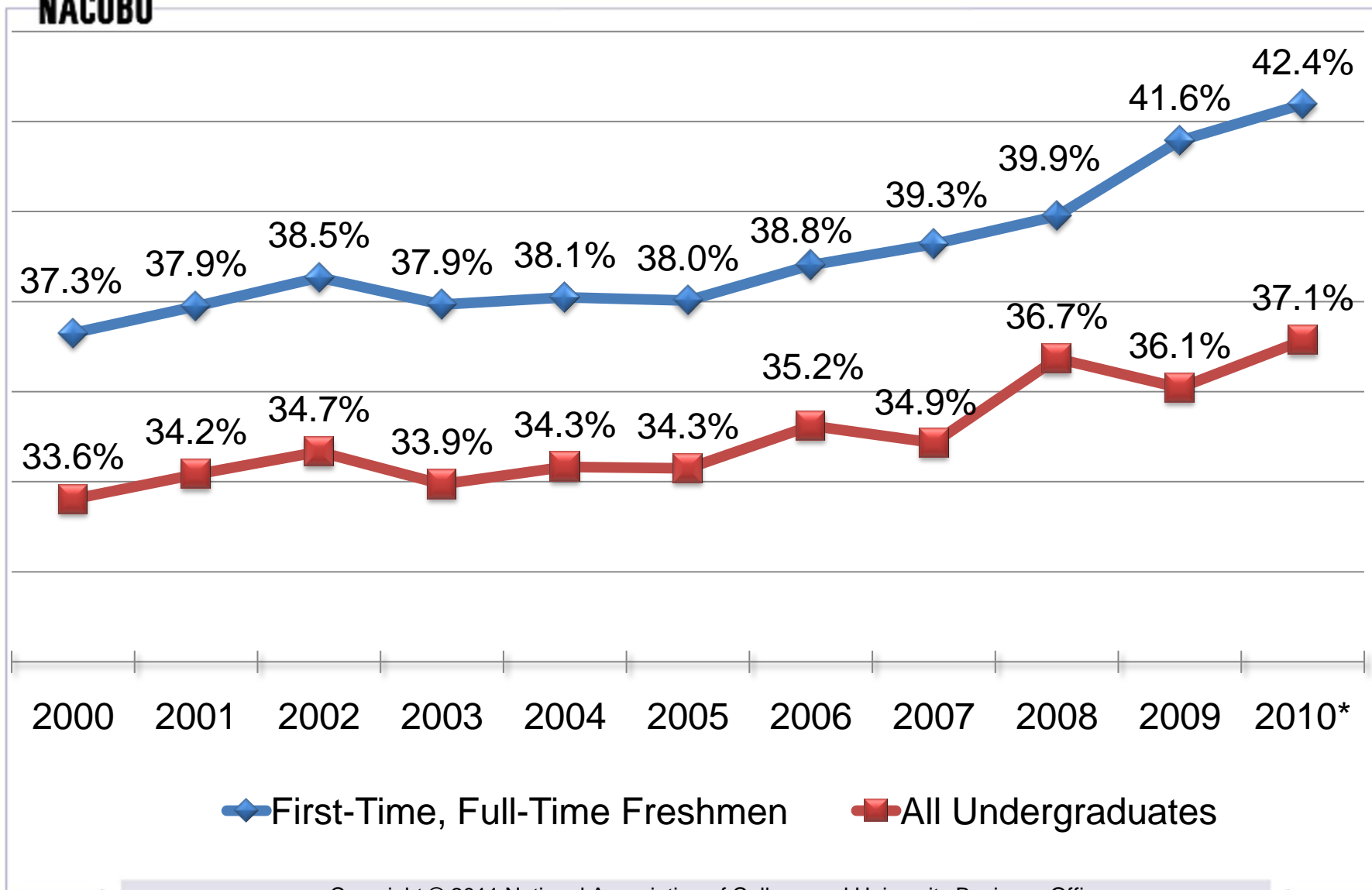


What we measure

- Average Tuition Discount Rate:
 - First-time, full-time (FT) freshmen
 - All undergraduates
- Percentage of FT freshmen receiving institutional grants
- Average institutional grant for FT freshmen recipients as a percentage of tuition and fees
- Average change in net tuition revenue for FT freshmen
- Percentage of total undergraduate institutional grant aid funded by endowment
- Percentage of total undergraduate institutional grant dollars awarded to students with financial need

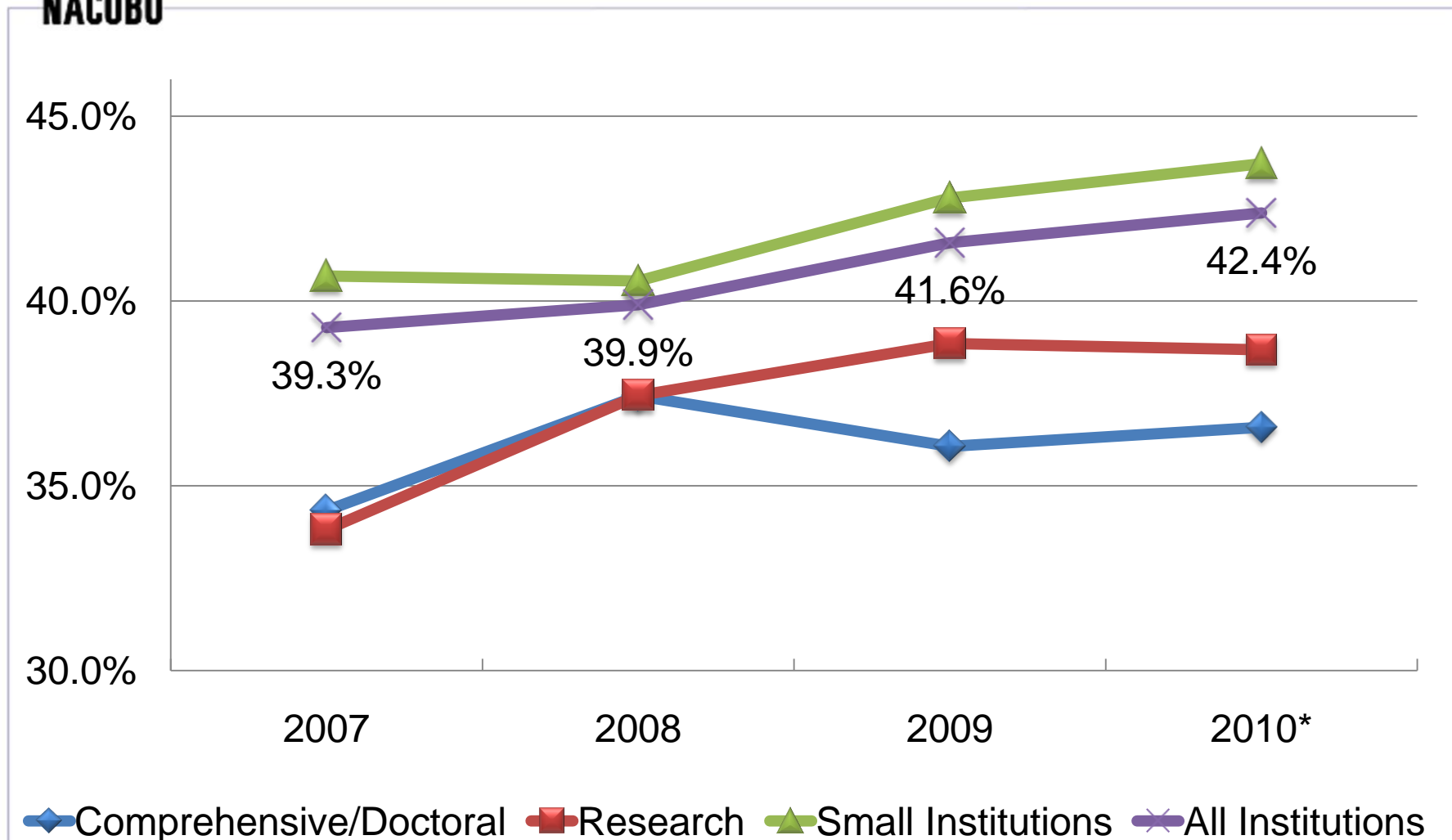


Average Tuition Discount Rate: First-Time, Full-Time Freshmen and All Undergraduates



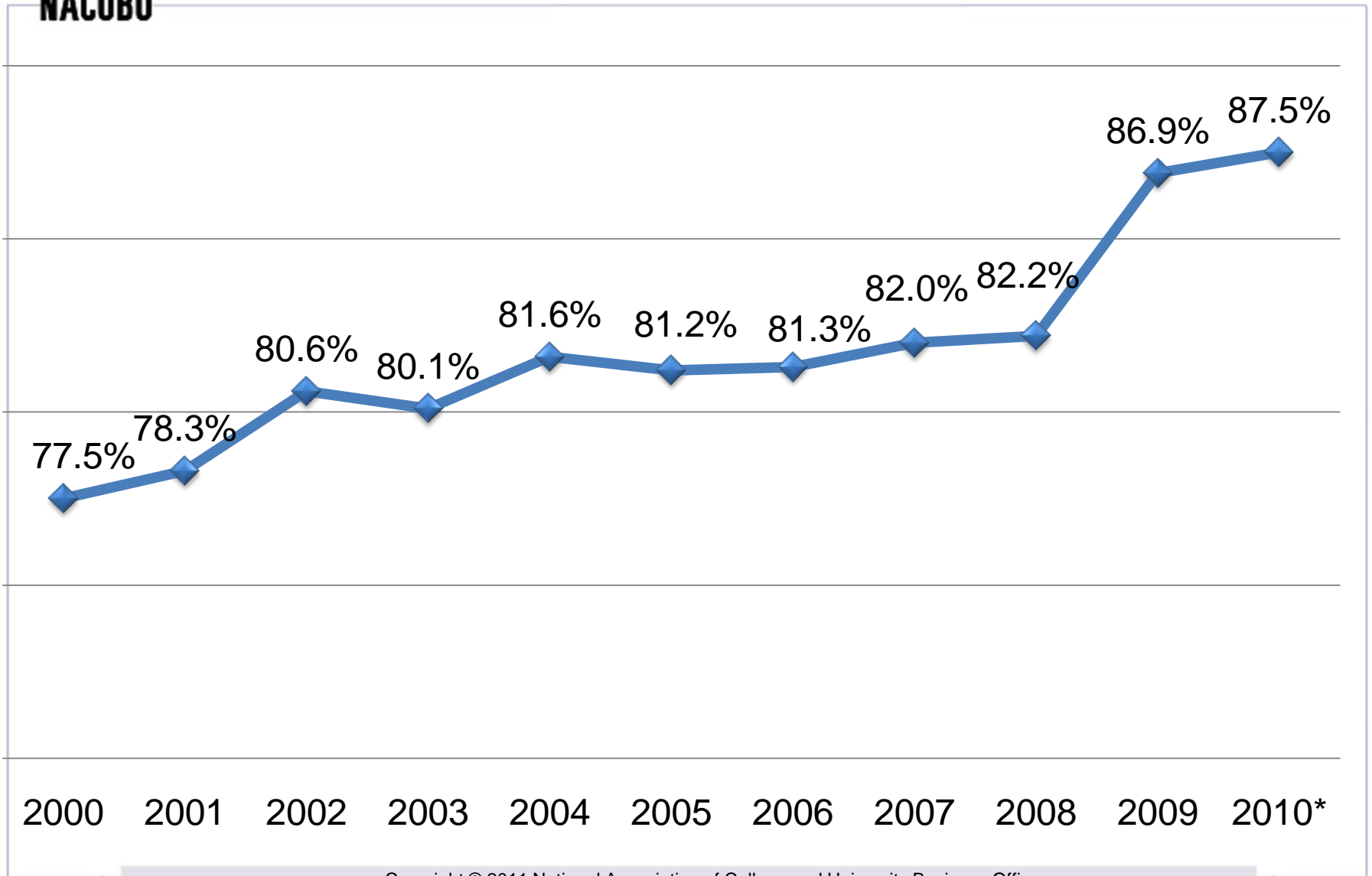


Average Tuition Discount Rate: First-Time, Full-Time Freshmen by Constituent Group



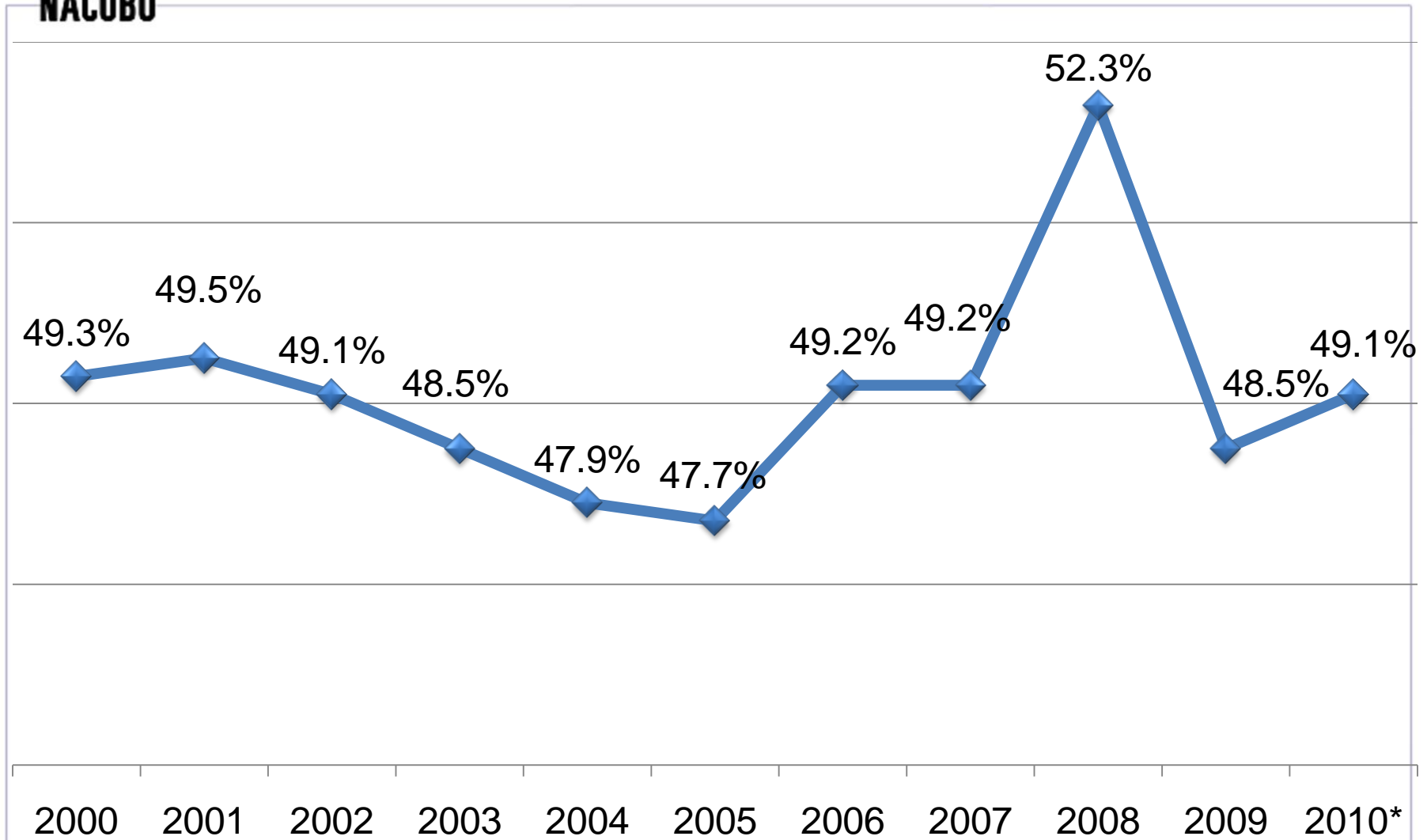


Percentage of First-Time, Full-Time Freshmen Receiving Institutional Grants





Average Institutional Grant for First-Time, Full-Time Freshmen Recipients as a Percentage of Tuition and Fees

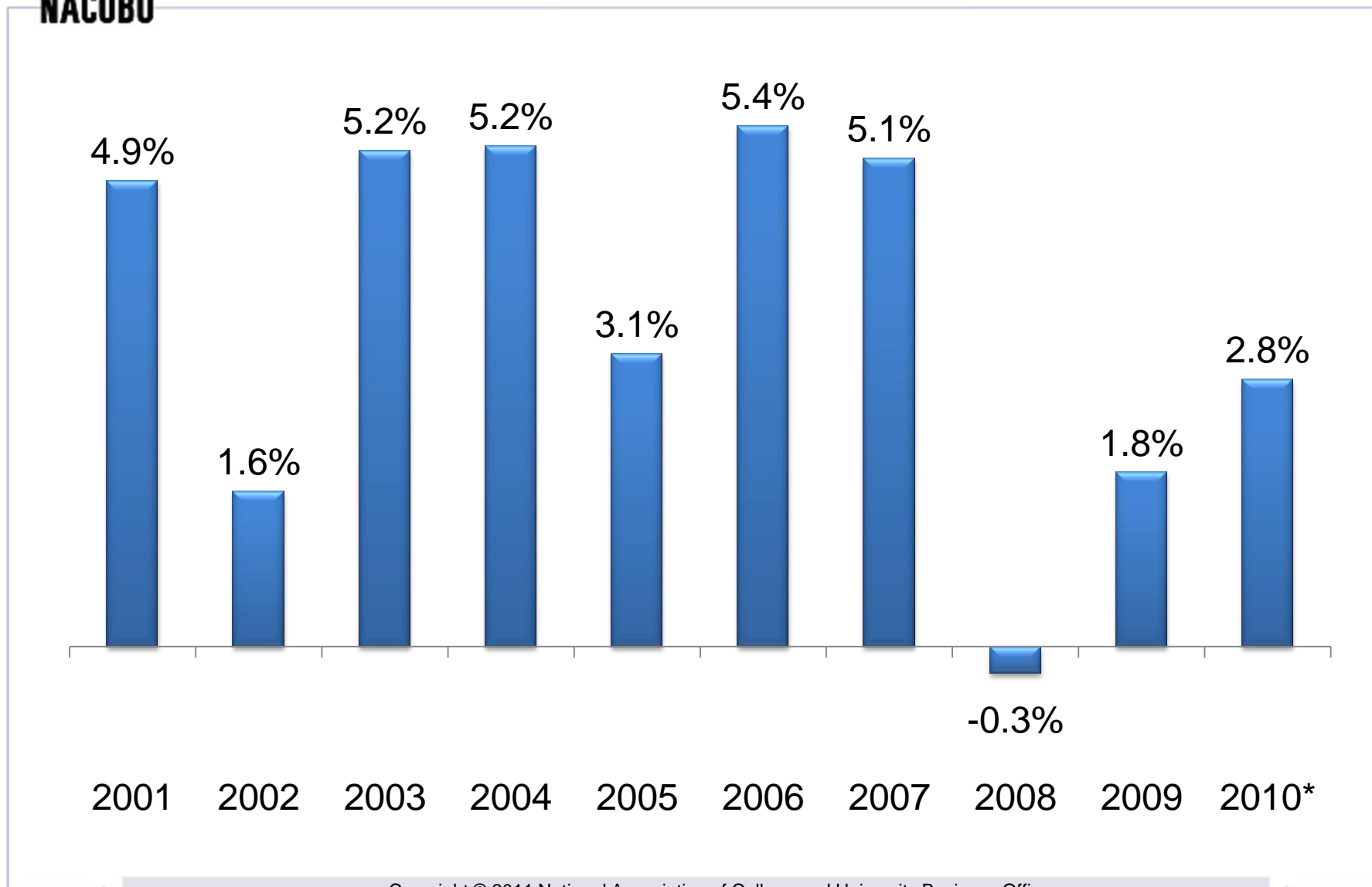


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We mean business in higher education

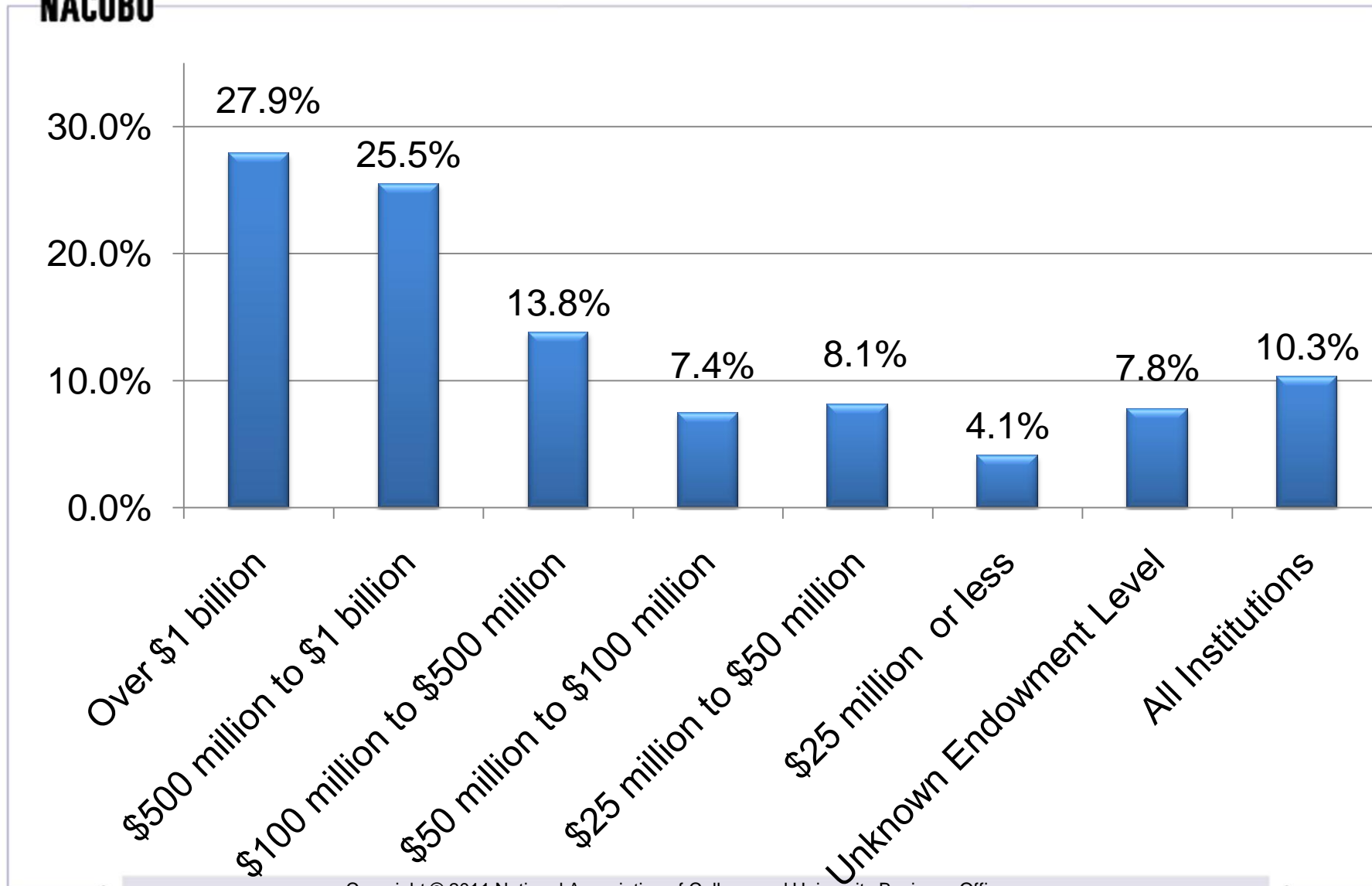


Average Change in Net Tuition Rate for Full-Time Freshmen



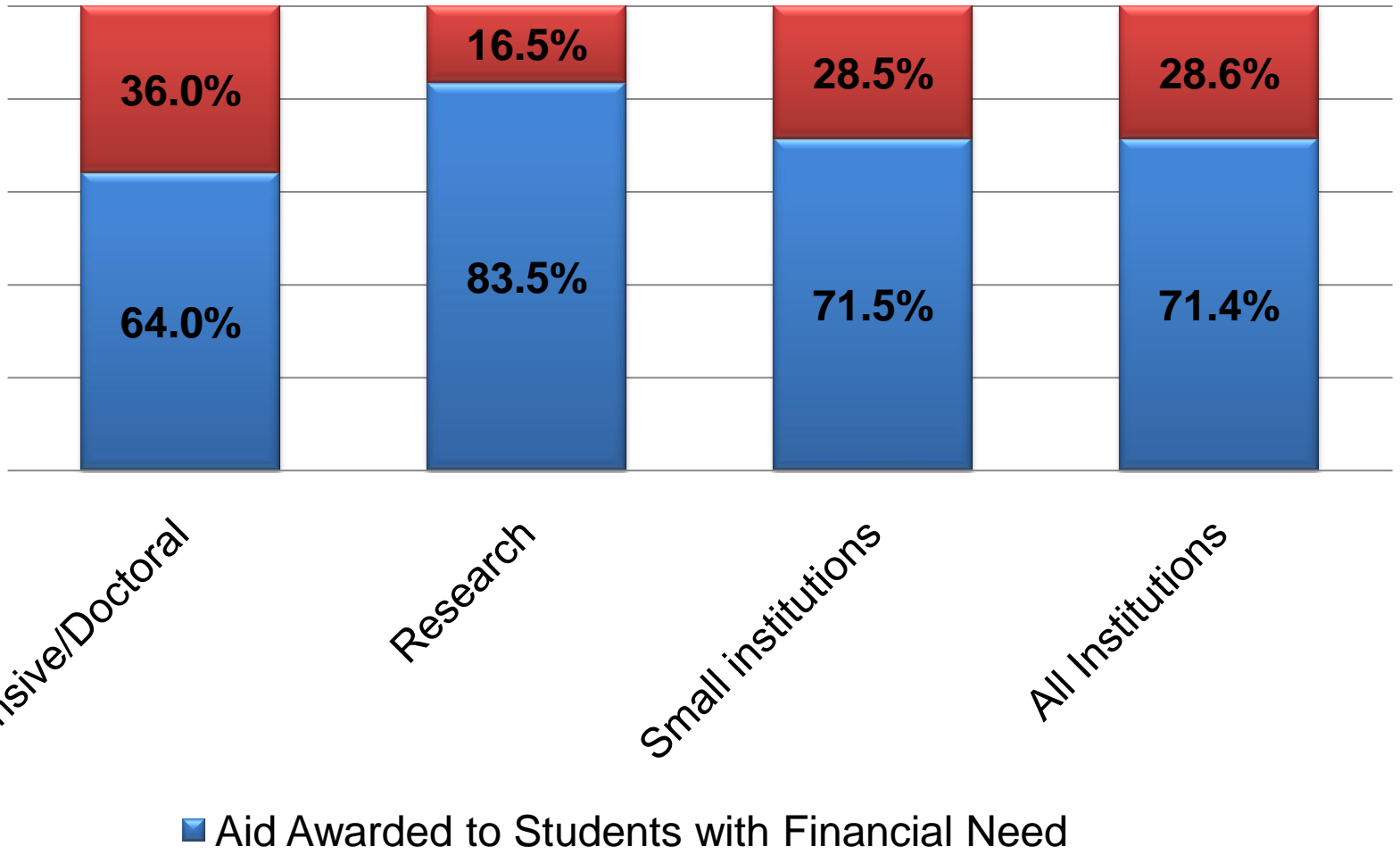


Percentage of the Fall 2009 Total Undergraduate Institutional Grant Aid Funded by Earnings from Endowments by Endowment Level





Percentage of Total Undergraduate Institutional Grant Dollars Awarded to Students with Financial Need by NACUBO Constituent Group



■ Aid Awarded to Students with Financial Need
■ Aid Awarded to Students with No Need



Percentage of Total Undergraduate Institutional Grant Dollars Awarded to Students with Financial Need by Endowment Level

FY2009 Endowment Level	Number of Participating Institutions	Percentage of Total Institutional Grant Aid Awarded to Students with Financial Need*	Percentage of Aid Awarded to Students with No Need
Over \$1 billion	13	92.5%	7.5%
\$500 million to \$1 billion	17	75.0%	25.0%
\$100 million to \$500 million	62	77.1%	22.9%
\$50 million to \$100 million	53	69.5%	30.5%
\$25 million to \$50 million	38	67.0%	33.0%
\$25 million or less	29	67.0%	33.0%
Unknown Endowment Level	57	66.5%	33.5%
All Institutions	269	71.4%	28.6%

*Need-based aid includes merit and other “non-need” scholarships that were awarded to students with any demonstrated financial need.



In summary

- The average discount rate for freshmen and all undergraduates is at an all time high
- Average net tuition revenue is showing signs of recovery from 2008 losses.
- Nearly 88 percent of first-time, full-time freshmen are receiving some institutional aid. On average, this aid covers almost half of tuition and fees.
- Bigger Picture: Is the discounting trend sustainable? How will it impact the financial health of the institution? What might this mean for institutions and students?



Questions?

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RESEARCH

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