Navigating Your Financial Goals: Understanding the Data

Now more than ever, we understand that you are being asked to deliver on multiple fronts and, in many cases, are under-resourced. Your responsibilities include—but are not limited to—meeting enrollment and tuition revenue targets; advancing strategic initiatives; adapting to the dynamically changing landscape of the pandemic; and remaining the authentic and yet well-polished window into the school for prospective families.

Using a mission-driven, data-informed lens can help you better navigate these challenging times by providing you with the insights you need to have more strategic planning discussions; make the right investments in your enrollment office; and effectively spend budget dollars that result in achieving your tuition goals.

We’re here to support you in achieving your strategic planning goals.

Working in partnership with the National Association of Independent Schools (NAIS) and the National Business Officers Association (NBOA), Enrollment Management Association (EMA) launched a new Cost Per Enrollment Survey. 154 professionals across all 154 schools participated in this important survey, which will help you inform important strategic decisions in the year to come, such as:

• Investment in lead/inquiry generation
• Importance of retention
• Number of full-time employees (FTEs) in the admission office
• Travel, marketing, and printing budgets
• Compensation of enrollment leaders

How much should we spend to enroll a dollar of tuition? What is the value of an enrollment inquiry? What is the right number of employees in the admission office? If you are an enrollment leader or head of school, business officer, or board member, you have probably asked yourself these or similar questions.
Early insights are revealing the emergence of seven major themes.

#1 Calculating the cost to enroll a student is important (even if it’s hard).

Building capacity within the school around collaborative, data-informed decision making is important for any aspect of a school. Doing this work around the school's mission and chief revenue driver is critical. Yet we know that for many schools, the process of collecting this information is difficult. Perhaps the school understands the importance of this data but it lives within disparate systems. Perhaps the data was aggregated in such a way that made separating admission from other aspects of the school difficult. Or, maybe the school doesn’t align its business practices with revenue in such a way to allow this data to be collected, broadly understood, and measured.

*Key Takeaway:* Leveraging benchmarking data across a number of critical areas can lead to collaborative conversations, help you align on your mission, and result in more informed decisions (particularly around revenue) to help you chart a path forward in uncertain times.

#2 Informing conversations (and sometimes actions).

The report represents the first time in many years that this kind of data has been collected. As the research team prepared this report, we would often have different responses to a data point. Should the cost to enroll a student be higher or lower? How has it changed over time? What should we compare this information with? This report represents early findings and in some cases we will make recommendations as a result of the findings. More often, we’ll recommend school leaders have data-informed conversations around the findings in this report. We hope school leaders will build capacity and become better data-informed decision makers as a result of this report. We also hope to continue this line of research and be able to share further findings and recommendations over time. One thing is certain, the status quo is an unsafe place. Between generational changes, shrinking birth rates, and rising income inequality, schools need to have these conversations.

*Key Takeaway:* Learn more about how to best use this report, and how to use it with other data sources, in the short term as we continue to provide you more to support your conversations.

#3 The cost of enrolling a student at an independent school (as far as we know).

So what did the report find? Tap into relevant top-level numbers, including the cost to enroll a student across different types of schools and regions. We’ve included our methodology to help pave the way for you to perform a calculation at your own school. Additionally, compare the results from this study with other industries or sectors.

*Key Takeaway:* View and utilize a range of charts and tables with key data points to communicate the current state.

#4 Enrollment management is (still) the breadwinner of independent schools.

We know that tuition makes up more than 70 percent of the annual operating revenue of most schools. This study now shows that the median return on an enrollment investment is 7:1 and that’s only for one year of tuition, when most families stay at a school for many years. It’s harder to know if this is “good” or to know how to adjust our efforts over time. Although the study only considers one year of tuition, we know that most families stay at a school for many years. When we consider this factor, we are led to the conclusion that the importance of an enrollment management approach (rather than an admission-only approach) is critical.

*Key Takeaway:* Learn more about how admission is different from enrollment in these new findings. And how EMA’s Strategic Enrollment Management Spectrum—along with the findings—can help you maximize your strategic efforts in the new year.

* FY 2019 NBOA Business Intelligence for Independent Schools (BIIS) Data.
An area for improvement may be converting inquiries to apps (or are we getting the wrong inquiries?).

When we look at the data, we see an increase in cost from the inquiry to the application. Why is this? One reason might be that inquiring is easy and families are willing to do it on a whim. If that’s the case, then there are a number of inquiries that aren’t serious and are disregarded. Another reason might be that schools are getting the wrong inquiries. If they got more of the right inquiries, then more of them would convert. A further possibility is that there are inefficiencies in the conversion process where families are lost. Generational changes, for example, might be changing the expectations of families when they inquire.

Key Takeaway: The acquisition of new families is a key metric for schools to track. Schools should better understand why families convert from inquiry to application, why they don’t, and what actions the school should take as a result.

You can calculate your own metrics, compare them to the report, and start conversations at your school.

The most important takeaway from this report is that having data-informed conversations about enrollment at your school is important. In this section of the report, you’ll be able to fill out a form to calculate your own cost per enrollment and other metrics. Schools will then be able to compare their own data with the report.

Key Takeaway: Utilize our framework to begin to have conversations about your own enrollment data.

#5 Most schools invest in staff, a website, maybe CRM (but not much else).

When we look at the areas that schools invest in related to admission, enrollment, marketing, and communications, we see that most schools have teams. Those teams have communication tools, and many of those teams have software to help manage their work. Many schools don’t go further than this. Where else might schools invest? Inbound marketing, traditional advertising, content creation, and training are areas for consideration.

Key Takeaway: It’s critical that schools that invest in their people (the largest expense), thoughtfully align their responsibilities with the latest best practices, and make sure they have the continued training to be successful.

#6

#7

Download the Full Study Now!

Dive deeper into the enrollment, inquiry, application, and return on investment findings by school type, size, and region. Plus, tap into additional findings around admissions, staffing, and promotional and software costs.

To download the full study, scan the QR code in the back of this issue.