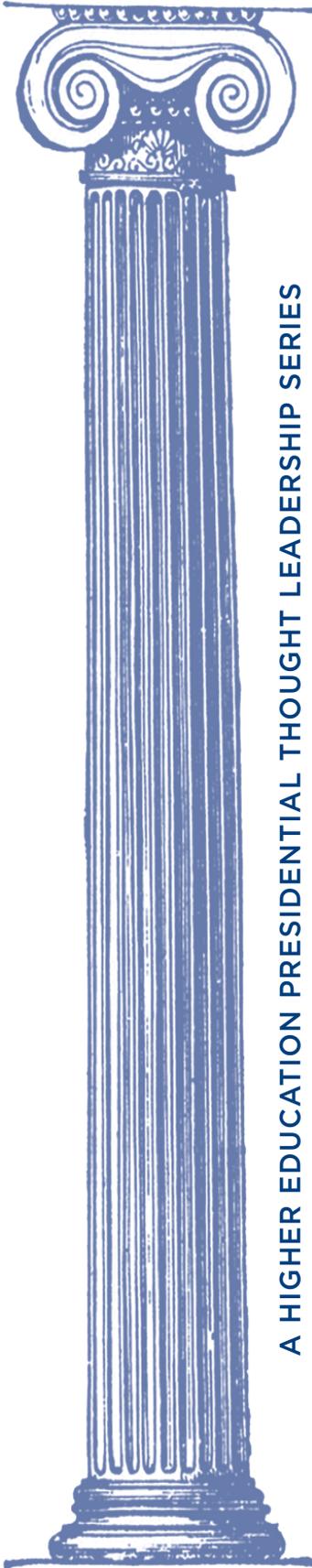
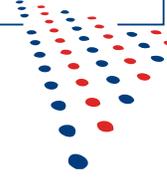


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PRESIDENTIAL PERSPECTIVES



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CHAPTER

10

Cuts Are Not the Solution:

*Leveraging Your Extracurriculars and
Co-Curriculars to Stabilize Tuition
Revenues*

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Cuts Are Not the Solution: *Leveraging Your Extracurriculars and Co-Curriculars to Stabilize Tuition Revenues*

Dr. Jeffrey R. Docking: President of Adrian College

In 2011, 150 small private colleges failed their financial audit (Field & Richards, 2011). More small institutions are in danger today. These vital, student-centered, teaching-first places of learning are in trouble as our shrinking middle-class worries more about student debt, while fewer high school graduates enter the college application pool. This is not hyperbole; it is fact. A recent Moody's Investors' Service survey released numbers showing that 19 percent of private, non-profit colleges have projected declines in net tuition revenue, and 23 percent recognized that their projected net tuition revenue would grow more slowly than the current rate of inflation (2013). Further, more than 30 private, non-profit institutions have closed since 2004, leaving their campuses empty, their faculty and staff unemployed, and their students without the kind of education they want and need (Brown, n.d.). Moody's further predicts the rate of college closures will triple in the very near future (Woodhouse, 2015). The story that continues to unfold at Sweet Briar College portends badly for many other small colleges in America, especially those in rural areas.

Presidents of institutions like Adrian College are well aware of these pressures every time they try to find the financial resources required to give raises to dedicated faculty and staff, purchase the latest IT systems that students and faculty expect, and stay ahead of deferred maintenance problems on our expansive and very old campuses.

Except for the 70 wealthiest liberal arts colleges in this country whose endowments flirt with or exceed one billion dollars, the rest of us rely on head-count ("2014 NACUBO-Commonfund Study of Endowments," 2015). Tuition, room, board, and fees are the mother's milk of financial security. At Adrian College, for example, 90 percent of our budget comes to us through tuition and fees, and this is true at the vast majority of the 600 small liberal arts colleges that dot America's landscape. Simply said, we are tuition driven.

“*They must build on activities that are popular in their area of the country and on sports that can be successful on their campus.*”



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Obviously, in order to survive, small private colleges must attract more students. We need to know each fall that our first-year class will be large enough to meet the financial needs of the campus while providing outstanding learning opportunities inside and outside the classroom. But how do we do this?

At Adrian College, we developed a new paradigm for attracting these students shortly after I arrived in 2005. At that time we were mired in a \$1.3 million operating deficit with an enrollment that had dropped to 840. Our retention hovered near 59 percent, and maintenance issues plagued our campus from border to border. We needed to grow and grow quickly. We immediately instituted what we named the Admissions Growth plan to raise tuition revenues and increase enrollment.

The quickest and most predictable way to grow your student population is to leverage extracurricular and co-curricular activities. As you begin, some pre-work will be very beneficial. Presidents should assess their geographic area and their campus climate. They must build on activities that are popular in their area of the country and on sports that can be successful on their campus. Simply adding random teams does not work. Develop the teams and organizations that can have traction at your particular institution, invest in them, fund them fully, and make your coaches and recruiters accountable. Then, leverage those activities to bring interested and academically capable students to campus.

A good example that is working extremely well at Adrian is the hockey and other sports that we host in our ice arena. Michigan is a cold weather state, and hockey is extremely popular—from the professional level to the collegiate circuit. Thousands of youth hockey players in Michigan have nowhere to play once they graduate from high school. In 2005, not one Division III NCAA team existed in Michigan's Lower Peninsula. We recognized a major untapped market, a blue ocean of opportunity. So we began our Admissions Growth plan by building an ice arena for \$6.5 million and then hiring coaches to fill teams. We instituted NCAA men's and women's hockey teams and four club hockey programs, each with approximately 25 students. We filled out two synchronized skating teams and a figure skating team as well. We invested in these programs, funded them fully, hired coaches, and made these coaches accountable for enrolling academically qualified recruits. Now more than 200 outstanding and involved students attend Adrian College every year to participate in hockey and other ice sports. This is 12 percent of our enrollment! Most of these students would not be attending Adrian College without the draw of our ice arena and the high-quality sports programs we host there.

The beauty of this model is that it is quantifiable. We know exactly how much we spend on ice sports and how many students we attract. We also know who is responsible for recruiting these students. There is no guesswork. This is the only model I know of that can *quantitatively* demonstrate that we have attracted students to a *qualitatively* attractive college experience. The bottom line: our \$6.5 million investment in an ice arena generates more than \$4.2 million in tuition, room, board, and fees every year.

We replicated this thinking with 36 other sports and activities ranging from lacrosse to marching band. We now recruit for a student symphony, bowling, bass fishing, and many other activities that guarantee a favorable return on investment. These activities attract particular students who want a small college experience and a great college education but who are also looking for activities that will speak to them.

Let's face it: The economy is still tough right now. Wages are down; student debt is up. Many students (and their parents) won't even look at a school they don't think they can afford. The pool of students who realistically believe they can attend a small private college is quite small. When enrollment is down and tuition income drops, an institution's first response is to cut: cut faculty, defer maintenance, squeeze students into fewer and shoddier facilities. This is absolutely the wrong response for tuition-driven institutions. When you invest in extracurricular and co-curricular activities that will attract interested, motivated students who are active on campus, you create a more vibrant institution. And your campus itself will become more inviting and attractive to more students. And they will come. And they will bring their tuition dollars.



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We launched the Admissions Growth Program at Adrian College in 2005, when, as I said earlier, our enrollment was fewer than 900 students. By 2015, through a targeted plan to leverage our extracurricular and co-curricular activities, we have more than doubled our enrollment to 1,703 students.

When enrollment falls, when tuition revenue drops, when costs exceed revenues, administrators look around and ask, “What should we cut? What should be prioritized?” The answer is: Do not cut. Invest. Invest in enrollment. Leverage your co-curriculars and extracurriculars to bring to campus students who will be excited about joining a team, about finding people who share their interests. When these students come, they will revitalize your campus. Their enthusiasm will spread. When you recruit students who are motivated to come to campus to play on a team or participate in an activity, you will find that you are bringing to campus better prepared, better motivated students, as well. They will raise the morale and improve attitudes across campus. Students will be pleased they are in classes with other high-achieving students, and faculty members will be happy that they are no longer dragged down, spending time in and out of class on basic instruction. Your students will learn more, and they will achieve more.

After you have launched your own Admissions Growth plan by funding your new and better-funded extracurriculars and co-curriculars, you will be free to invest your additional revenues in the most important areas of the college: academic facilities, programs, and professors. You will be able to improve classrooms, technology, and personnel. At Adrian College we have improved our science and business facilities with a \$13.5 million addition and renovation, made significant and extensive improvements in our communication arts building by adding radio and television stations, and substantially updated our theater and music performance halls. We have remodeled our language arts offices and classrooms and built new athletic training classroom facilities. We have updated classrooms as well as added computer teaching labs. In addition, we have upgraded our three largest lecture halls by adding multiple recharging and electrical outlets at each desk, as well as top-of-the-line seating, desk, and lectern facilities, and high resolution projectors, with video playback and sound—all in a comfortable and acoustically absorbent environment.

When your college implements its own Admissions Growth program, you will offer better facilities and a better educational experience to students. They will travel with their teams and go back to their hometowns over break, and they will tell other students about their positive experience. Morale will improve, your institution’s reputation will grow, but most importantly of all, enrollment will grow. Students’ better experiences will contribute to other students’ better experiences. Enrollment success at Adrian College is evidence that the Admissions Growth plan works.

The solution to falling tuition revenue is not more cuts but targeted investments. Leverage your institution’s extracurricular and co-curricular activities in a targeted manner to bring students to campus. These students and their tuition are your lifeline to steady enrollments and improving revenue. Financial stability will ensure that your institution, its students, faculty, and administration, will be able to weather the coming financial storms.



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Dr. Jeffrey R. Docking began his work as the 17th President of Adrian College on July 1, 2005. Since that time he has transformed the College from a struggling institution of less than 900 students to nearly 1,700 today. During this same period he grew the College budget from \$28.4 million to more than \$70.3 million, doubled the endowment to more than \$51.2 million and raised the academic profile of incoming students in nearly every important benchmark category. Under his leadership, Adrian College has experienced a 400 percent increase in applications and invested significant revenue in the local community including more than \$50 million in new construction, nearly 100 new jobs, increasing faculty positions from 63 to 98, and the purchasing power of more than 500 additional first-year students each year.

Docking has also led the development of eight academic institutes, the addition of several new majors and co-curricular programs as well as the rebirth of graduate programs. This renaissance of Adrian College is the result of a unique business plan that Docking implemented and has been nationally reported by publications such as *The Chronicle of Higher Education*, *The Toledo Blade*, *Time Magazine*, *The Wall Street Journal*, and *US News & World Report's America's Best Colleges*.

Docking is a rising speaker and leader in higher education circles, having served as Chair of the ACE Fellows Program Board. He has testified to the Education and Workforce Committee for the United States Congress and to various committees of the Michigan Legislature. He recently served as Chair of the Executive Committee for Michigan Independent Colleges & Universities (MICU) and he is the Chair of the President's Council for The Michigan College Alliance (MCA) and is a member of the President's Council for the National Collegiate Athletic Association (NCAA). He attended Harvard's Institute for Educational Management and The Harvard Seminar for New Presidents. He is actively involved with the Council of Independent Colleges (CIC) and he sits on the board of the National Association of Independent Colleges and Universities (NAICU) and is chairman of the Tax Policy Committee.

Docking holds a Ph.D. in Ethics from Boston University, having done considerable work in Martin Luther King, Jr. studies. He holds a Master of Divinity degree from Garrett Evangelical Seminary in Evanston, Illinois, and a Bachelor of Arts degree from Michigan State University. He published two book reviews in *The Journal of Value Inquiry* and has consulted widely on ethical decision-making in higher education. His work includes numerous television and print interviews on topics ranging from town/gown relations to The Millennial Generation. He recently authored a book entitled, *Crisis in Higher Education: A Plan to Save Small Liberal Arts Colleges in America*.

