



PRESENTATION HANDOUT



# The 2022 RNL Discounting Report and Factors that Influence Your Tuition Decision

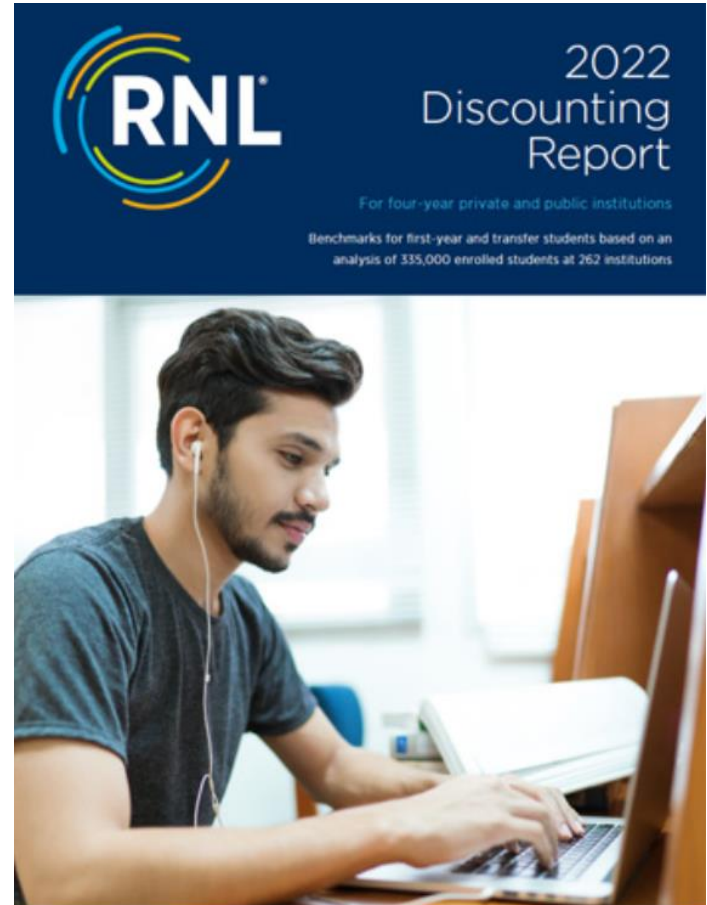
Galen Graber

*Vice President Consulting Services*

This session is based on the underlying data which was used to produce the RNL 2022 Discounting Report for 4-Year Private and Public Institutions

Report is available at:

<https://www.ruffalonl.com/papers-research-higher-education-fundraising/discounting-report-financial-aid-benchmarks/>



# Discounting Formulas Used by RNL

*RNL Uses Two Primary Definitions for Discounting*

$$\text{OVERALL DISCOUNT RATE} = \frac{\text{UNFUNDED GIFT AID}}{\text{GROSS REVENUE}}$$

(Including room and board)

$$\text{TUITION AND FEE DISCOUNT RATE} = \frac{\text{ALL INSTITUTIONAL AID}}{\text{TUITION AND FEES}}$$

(Including tuition exchange, but excluding employee benefits)





# Four-year Private Institutions

## DATA SOURCES FOR FOUR-YEAR PRIVATES

**181**

four-year private  
institutions

**97,906**

first-year and  
transfer students

**\$2.6B**

total net  
revenue

# Public Institutions

## DATA SOURCES FOR FOUR-YEAR PUBLICS

**82**

four-year private  
institutions

**237,365**

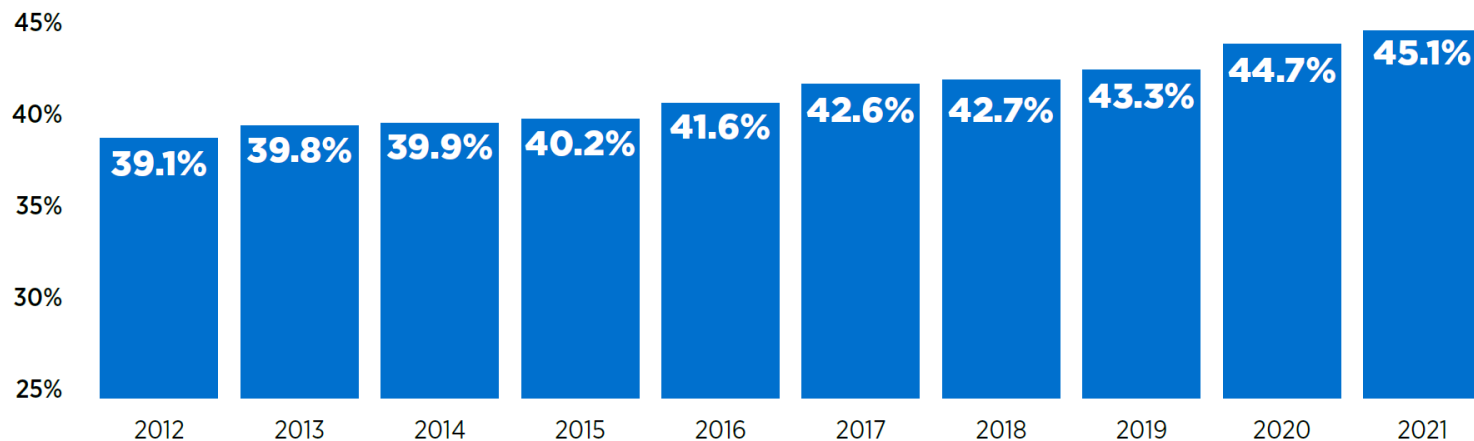
first-year and  
transfer students

**\$4.2B**

total net  
revenue

# Overall Discounting Benchmarks: 10-year Trend

## *Private Four-year Institutions*



**+0.4**

**POINT INCREASE**

in overall average discount rate

**58.2%**

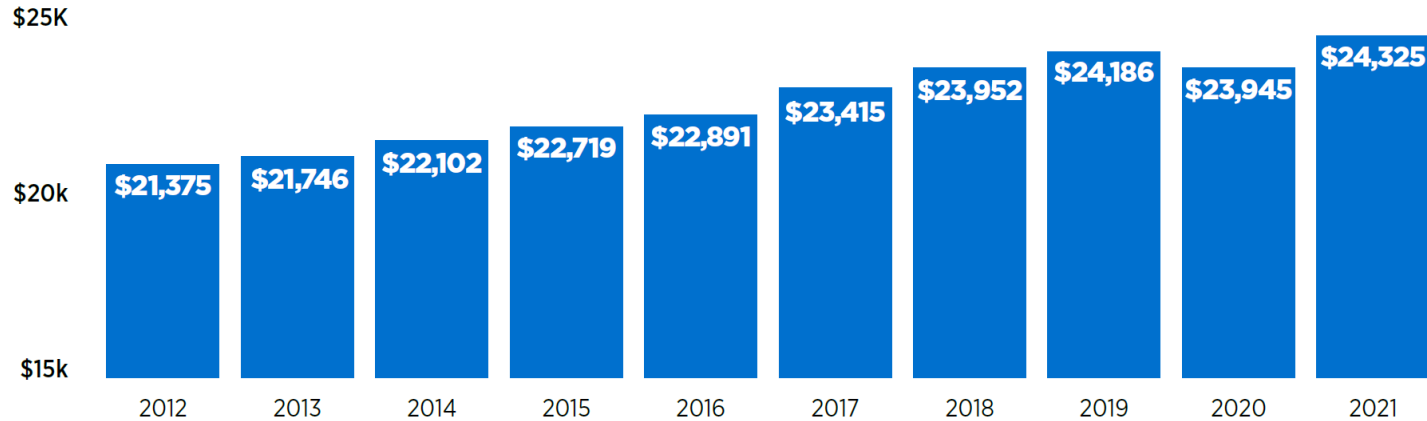
**AVERAGE TUITION AND FEE**

discount rate in 2021



# Overall Net Revenue Benchmarks: 10-year trend

## *Private Four-year Institutions*



**+\$380**  
INCREASE

in overall average net revenue in 2021

**\$14,385**  
AVERAGE TUITION AND FEE

net revenue per first-year student



# 2021 Benchmark Data: Type

## *Private Four-year Institutions*

INSTITUTION TYPE	AVERAGE OVERALL DISCOUNT RATE FOR FRESHMAN	AVERAGE TUITION & FEE DISCOUNT RATE FOR FRESHMAN	AVERAGE TUITION & FEE DISCOUNT RATE CHANGE	AVERAGE OVERALL NET REVENUE FOR FRESHMAN	AVERAGE NET TUITION & FEE REVENUE FOR FRESHMAN	AVERAGE OVERALL CHANGE IN NET REVENUE PER STUDENT	AVERAGE INSTITUTIONAL GIFT AID PER STUDENT	AVERAGE TUITION INCREASE
All private students	45.1%	58.2%	1.1%	\$24,325	\$14,385	1.5%	\$20,509	2.2%
<b>TYPE</b>								
Baccalaureate	46.2%	61.5%	0.6%	\$23,623	\$12,746	1.5%	\$21,432	2.1%
Master's	45.5%	57.8%	1.2%	\$23,320	\$14,125	0.5%	\$19,904	2.2%
Doctoral/Research	43.4%	55.6%	1.3%	\$29,530	\$18,080	4.8%	\$21,968	1.8%
Special Focus Institutions	37.9%	46.4%	0.6%	\$29,183	\$20,175	6.4%	\$18,264	2.1%





# 2021 Benchmark Data: Region

## *Private Four-year Institutions*

INSTITUTION TYPE	AVERAGE OVERALL DISCOUNT RATE FOR FRESHMAN	AVERAGE TUITION & FEE DISCOUNT RATE FOR FRESHMAN	AVERAGE TUITION & FEE DISCOUNT RATE CHANGE	AVERAGE OVERALL NET REVENUE FOR FRESHMAN	AVERAGE NET TUITION & FEE REVENUE FOR FRESHMAN	AVERAGE OVERALL CHANGE IN NET REVENUE PER STUDENT	AVERAGE INSTITUTIONAL GIFT AID PER STUDENT	AVERAGE TUITION INCREASE
<b>REGION</b>								
Middle States	43.3%	56.6%	1.0%	\$24,797	\$14,307	-1.5%	\$19,951	2.2%
Midwest	47.8%	60.7%	1.6%	\$21,973	\$12,989	1.9%	\$20,979	2.4%
New England	44.3%	58.4%	-2.0%	\$28,490	\$16,010	-9.3%	\$22,958	1.8%
South	43.1%	57.4%	0.3%	\$24,536	\$14,096	5.1%	\$18,872	2.1%
Southwest	48.2%	60.6%	2.9%	\$22,996	\$13,857	-0.1%	\$21,683	2.1%
West	43.8%	54.3%	2.2%	\$27,915	\$18,337	6.9%	\$21,263	1.7%



# 2021 Benchmark Data: Athletics

## *Private Four-year Institutions*

INSTITUTION TYPE	AVERAGE OVERALL DISCOUNT RATE FOR FRESHMAN	AVERAGE TUITION & FEE DISCOUNT RATE FOR FRESHMAN	AVERAGE TUITION & FEE DISCOUNT RATE CHANGE	AVERAGE OVERALL NET REVENUE FOR FRESHMAN	AVERAGE NET TUITION & FEE REVENUE FOR FRESHMAN	AVERAGE OVERALL CHANGE IN NET REVENUE PER STUDENT	AVERAGE INSTITUTIONAL GIFT AID PER STUDENT	AVERAGE TUITION INCREASE
<b>ATHLETICS</b>								
NCAA Division I-FCS	46.2%	59.3%	-0.3%	\$26,654	\$15,758	-4.9%	\$22,350	1.6%
NCAA Division I without football	45.7%	58.2%	2.3%	\$27,832	\$16,955	-12.4%	\$21,815	2.7%
NCAA Division II without football	43.6%	55.2%	-0.9%	\$24,519	\$15,128	-3.8%	\$19,580	1.9%
NCAA Division II with football	44.6%	58.5%	6.3%	\$23,233	\$14,215	-2.6%	\$16,778	2.6%
NCAA Division III without football	44.2%	58.4%	-0.5%	\$23,329	\$13,426	-9.9%	\$20,004	2.0%
NCAA Division III with football	46.7%	60.7%	0.7%	\$24,047	\$14,245	-2.5%	\$22,272	2.2%
NAIA	47.1%	60.7%	1.9%	\$20,664	\$12,327	-0.8%	\$17,841	2.4%
USCAA/NJCAA/NCCAA	35.0%	44.9%	2.9%	\$20,875	\$13,856	-16.3%	\$11,902	2.2%
No varsity sports	43.3%	51.9%	-2.4%	\$27,069	\$18,279	-9.3%	\$21,935	1.2%



# 2021 Student Trend Data

## *Private Four-year Institutions*

ACADEMIC YEAR FOR WHICH AID WAS REQUESTED	PERCENT OF FRESHMAN ADMITS WHO FILED A FAFSA	PERCENT OF ENROLLED FRESHMEN WHO FILED A FAFSA	AVERAGE PARENTAL INCOME FOR FAFSA FILERS	AVERAGE EFC FOR FAFSA FILERS	AVERAGE NEED FOR FAFSA FILERS	AVERAGE PERCENT OF NEED MET	AVERAGE PERCENT OF MERIT AID WHICH MET NEED	AVERAGE UNMET NEED (FOR NEEDY STUDENTS)
2021-22	66.3%	90.7%	\$125,431	\$29,054	\$37,301	78.9%	72.4%	\$10,708
2020-21	67.0%	91.1%	\$124,824	\$28,315	\$36,718	78.4%	73.5%	\$10,662
2019-20	68.0%	90.4%	\$117,157	\$25,518	\$36,482	76.8%	74.7%	\$10,897
2018-19	69.6%	90.2%	\$111,090	\$23,207	\$36,055	75.8%	76.3%	\$11,177
2017-18	70.9%	89.6%	\$102,132	\$21,905	\$35,073	75.9%	75.9%	\$10,525
2016-17	63.5%	89.2%	\$100,037	\$20,952	\$33,724	78.8%	75.5%	\$10,414
2015-16	64.3%	89.4%	\$98,388	\$20,358	\$32,832	74.8%	75.5%	\$10,547
2014-15	66.8%	87.2%	\$103,518	\$20,834	\$28,322	74.6%	76.0%	\$10,038
2013-14	67.8%	87.7%	\$99,208	\$16,490	\$27,973	74.5%	76.9%	\$9,874
2012-13	67.9%	87.6%	\$95,855	\$15,898	\$27,290	74.1%	77.5%	\$9,665



# 2021 Benchmark Data: Type and Region

## *Private Four-year Institutions*

INSTITUTION TYPE	AVERAGE FRESHMAN ENROLLMENT CHANGE	AVERAGE FRESHMAN YIELD	AVERAGE FRESHMAN YIELD CHANGE	PERCENT LIVING IN CAMPUS HOUSING	PERCENT ENROLLED PELL ELIGIBLE	PERCENT DEPOSITED BUT DID NOT ENROLL (MELT RATE)	PERCENT OF ENROLLED WHO ARE INTERNATIONAL STUDENTS	PERCENT OF ENROLLED WHO ARE FIRST GENERATION STUDENTS	FALL 2020 TO FALL 2021 RETENTION RATE
All private students	2.7%	20.3%	-0.4%	81.3%	37.4%	13.9%	3.3%	27.3%	73.0%
<b>TYPE</b>									
Baccalaureate	2.0%	19.2%	-1.0%	89.0%	37.5%	13.7%	2.9%	28.4%	71.4%
Master's	2.3%	20.2%	-0.9%	76.0%	38.7%	13.5%	2.8%	28.8%	73.4%
Doctoral/ Research	5.1%	21.4%	2.7%	86.8%	30.9%	13.7%	2.7%	21.6%	76.5%
Special Focus Institutions	8.2%	25.7%	3.2%	79.3%	36.3%	20.0%	11.5%	19.1%	72.6%
<b>REGION</b>									
Middle States	-0.9%	18.8%	0.8%	75.4%	40.9%	14.7%	3.2%	30.2%	72.1%
Midwest	3.3%	21.4%	-1.3%	83.4%	37.3%	12.7%	2.3%	26.9%	72.0%
New England	-4.0%	19.1%	1.1%	82.9%	33.5%	11.5%	5.2%	29.5%	77.1%
South	6.2%	20.5%	0.3%	85.7%	37.1%	15.3%	3.4%	22.5%	72.1%
Southwest	-2.1%	21.0%	-2.3%	82.1%	38.8%	11.7%	2.8%	31.4%	72.9%
West	8.2%	20.0%	-0.9%	78.4%	33.1%	15.4%	5.0%	27.4%	77.8%



# 2021 Benchmark Data: Selectivity

## *Private Four-year Institutions*

INSTITUTION TYPE	AVERAGE FRESHMAN ENROLLMENT CHANGE	AVERAGE FRESHMAN YIELD	AVERAGE FRESHMAN YIELD CHANGE	PERCENT LIVING IN CAMPUS HOUSING	PERCENT ENROLLED PELL ELIGIBLE	PERCENT DEPOSITED BUT DID NOT ENROLL (MELT RATE)	PERCENT OF ENROLLED WHO ARE INTERNATIONAL STUDENTS	PERCENT OF ENROLLED WHO ARE FIRST GENERATION STUDENTS	FALL 2020 TO FALL 2021 RETENTION RATE
All private students	2.7%	20.3%	-0.4%	81.3%	37.4%	13.9%	3.3%	27.3%	73.0%
<b>SELECTIVITY</b>									
Highly Selective	11.4%	24.1%	5.8%	92.9%	18.6%	9.8%	6.3%	13.8%	84.1%
Selective	2.9%	20.6%	-0.6%	84.8%	32.4%	12.7%	2.5%	27.1%	76.7%
Traditional	2.3%	19.2%	-1.0%	76.5%	43.8%	15.2%	3.3%	29.3%	68.5%
Liberal	-0.3%	18.0%	-1.8%	76.7%	49.8%	16.3%	3.0%	36.8%	64.5%
Open	-2.6%	23.1%	0.5%	63.3%	53.8%	20.7%	8.8%	25.5%	70.1%





# Transfer Students, Four-year Private Institutions

# 2021 Transfer Benchmark Data: Region

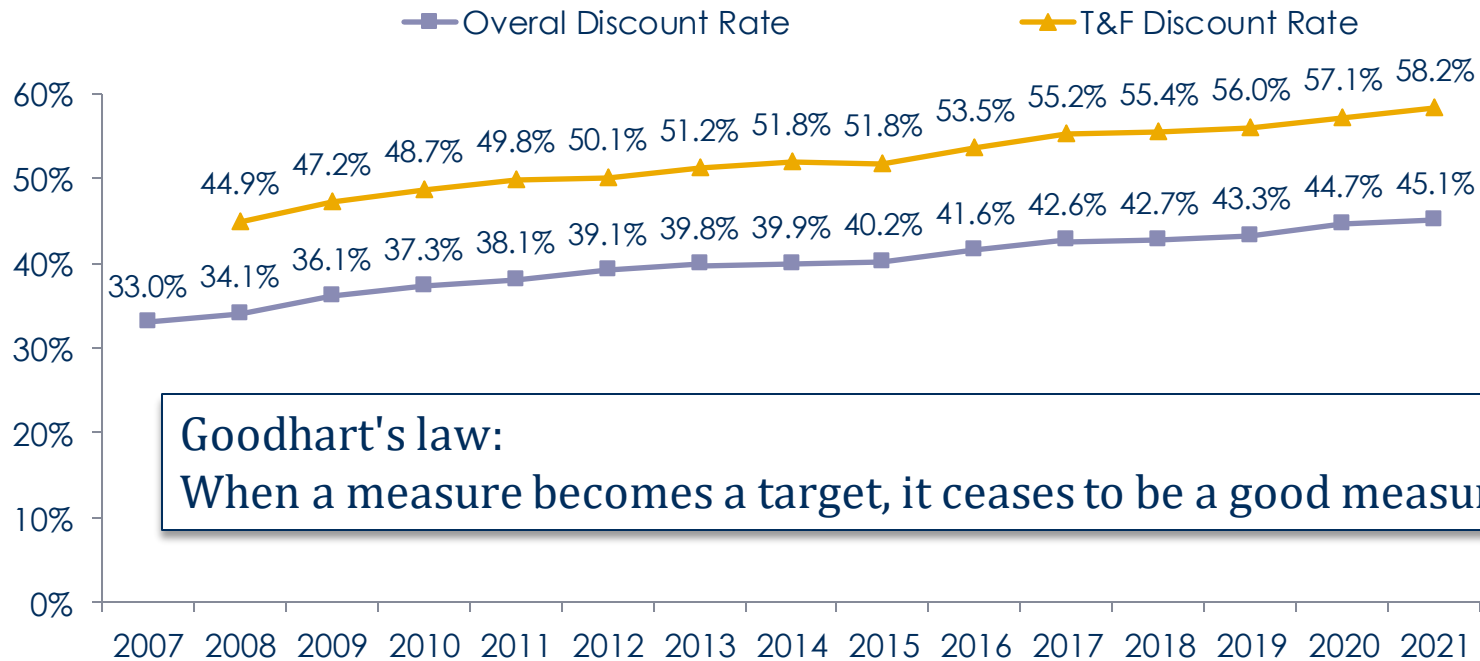
## *Private Four-year Institutions*

INSTITUTION TYPE	AVERAGE OVERALL DISCOUNT RATE FOR TRANSFERS	AVERAGE TUITION & FEE DISCOUNT RATE FOR TRANSFERS	AVERAGE TUITION & FEE DISCOUNT RATE CHANGE	AVERAGE OVERALL NET REVENUE FOR TRANSFERS	AVERAGE NET TUITION & FEE REVENUE FOR TRANSFERS	AVERAGE OVERALL CHANGE IN NET T&F REVENUE	AVERAGE INSTITUTIONAL GIFT AID PER STUDENT	AVERAGE TUITION INCREASE
All private transfer students	39.8%	47.7%	0.9%	\$24,488	\$17,926	4.3%	\$16,977	2.2%
<b>REGION</b>								
Middle States	37.7%	45.9%	3.4%	\$24,326	\$17,674	6.5%	\$16,549	2.2%
Midwest	42.7%	50.4%	0.9%	\$22,419	\$16,424	-2.0%	\$17,531	2.4%
New England	40.3%	48.0%	0.4%	\$27,931	\$20,039	7.1%	\$19,011	1.4%
South	38.4%	48.2%	-0.3%	\$24,447	\$16,864	10.5%	\$16,026	2.2%
Southwest	42.3%	49.6%	1.0%	\$24,452	\$17,782	10.0%	\$17,651	1.7%
West	36.4%	41.6%	-0.7%	\$28,845	\$23,444	2.8%	\$16,475	2.1%





# Average FTIC Overall Discount Rate Tuition and Fees Discount Rate for Private Institutions



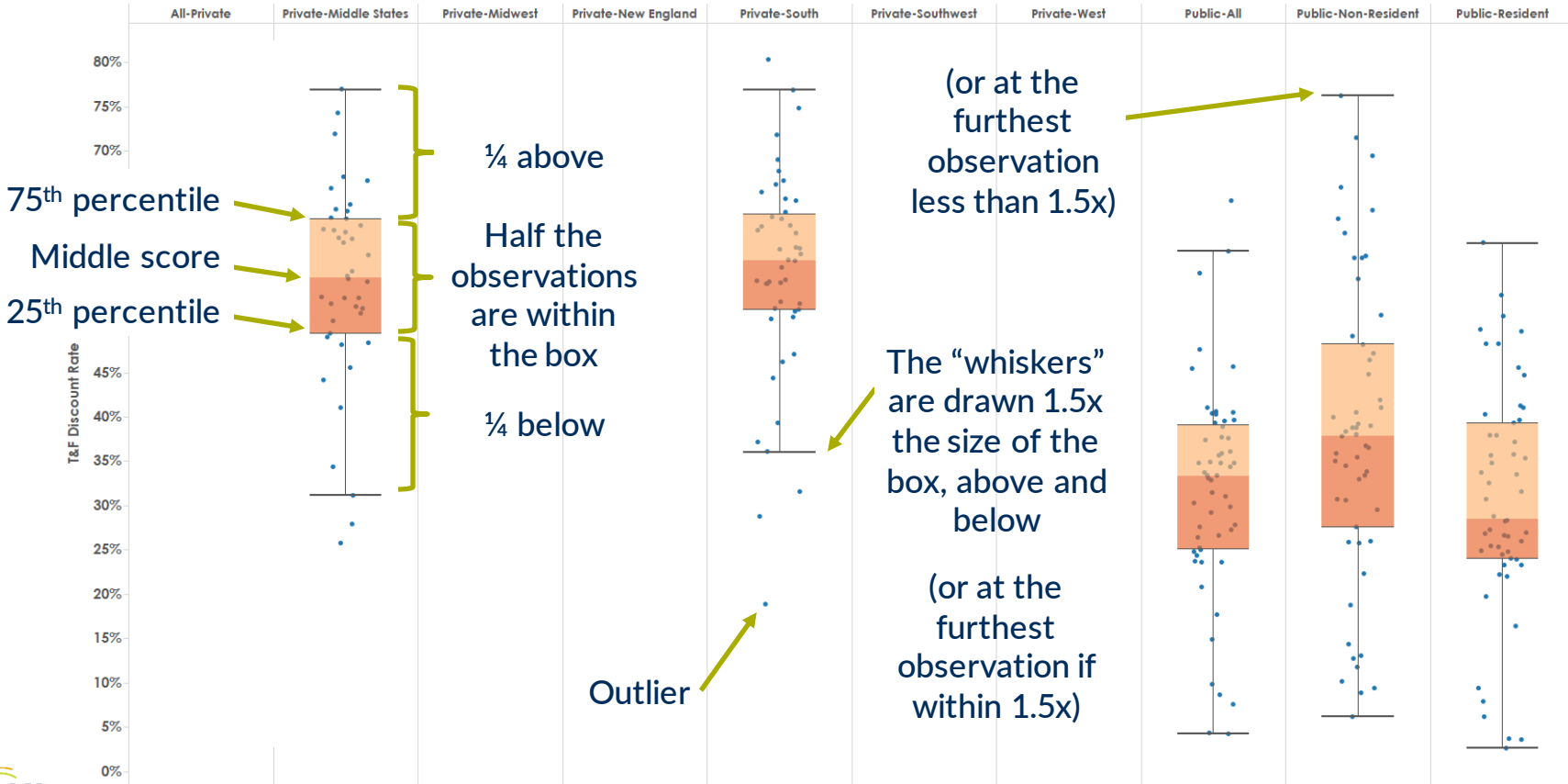
Goodhart's law:  
When a measure becomes a target, it ceases to be a good measure.



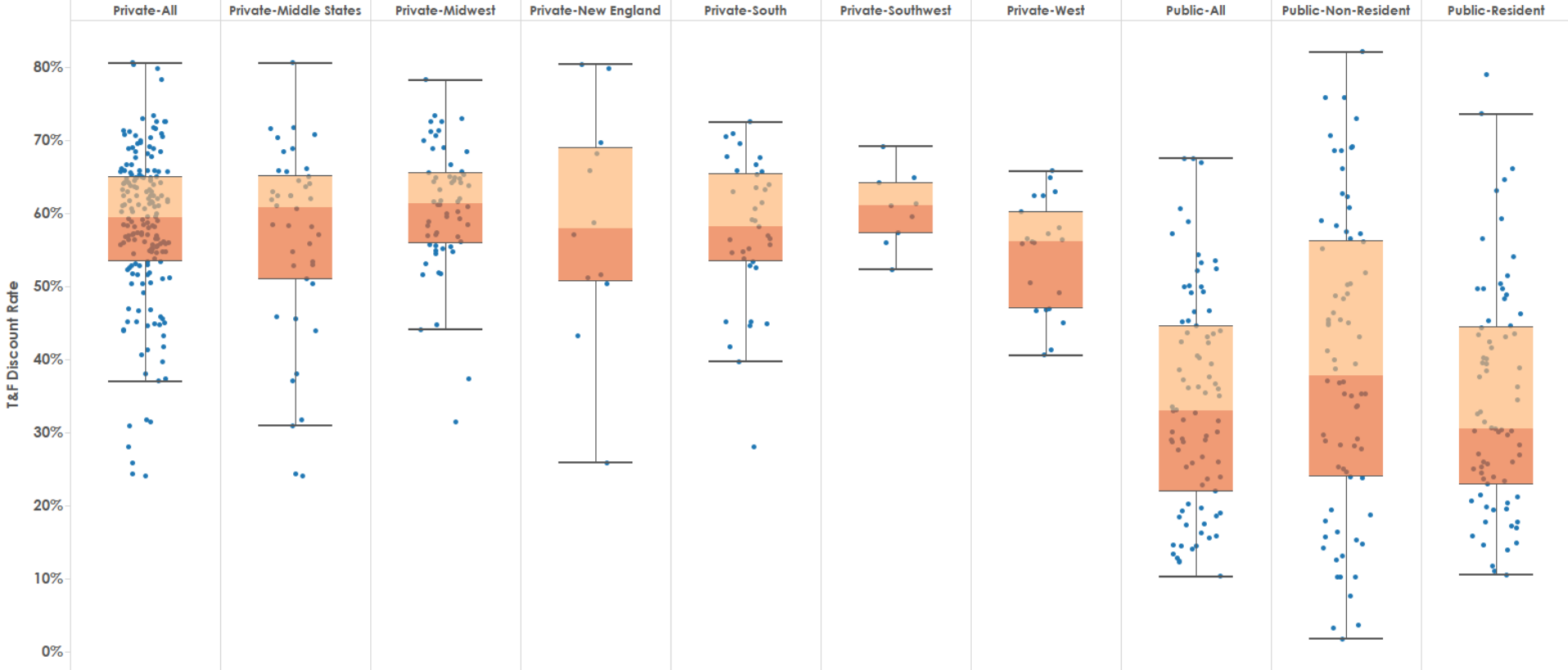
A person is shown from the chest down, wearing a blue checkered shirt. They are holding a smartphone in their right hand and have their left hand on a laptop keyboard. The entire image is overlaid with a semi-transparent blue filter. In the center, the text "First Time In College (FTIC)" is written in a white, sans-serif font.

# First Time In College (FTIC)

# How to Read a “Box and Whiskers” Chart



# 2021 FTIC T&F Discount Rate by Region or Type

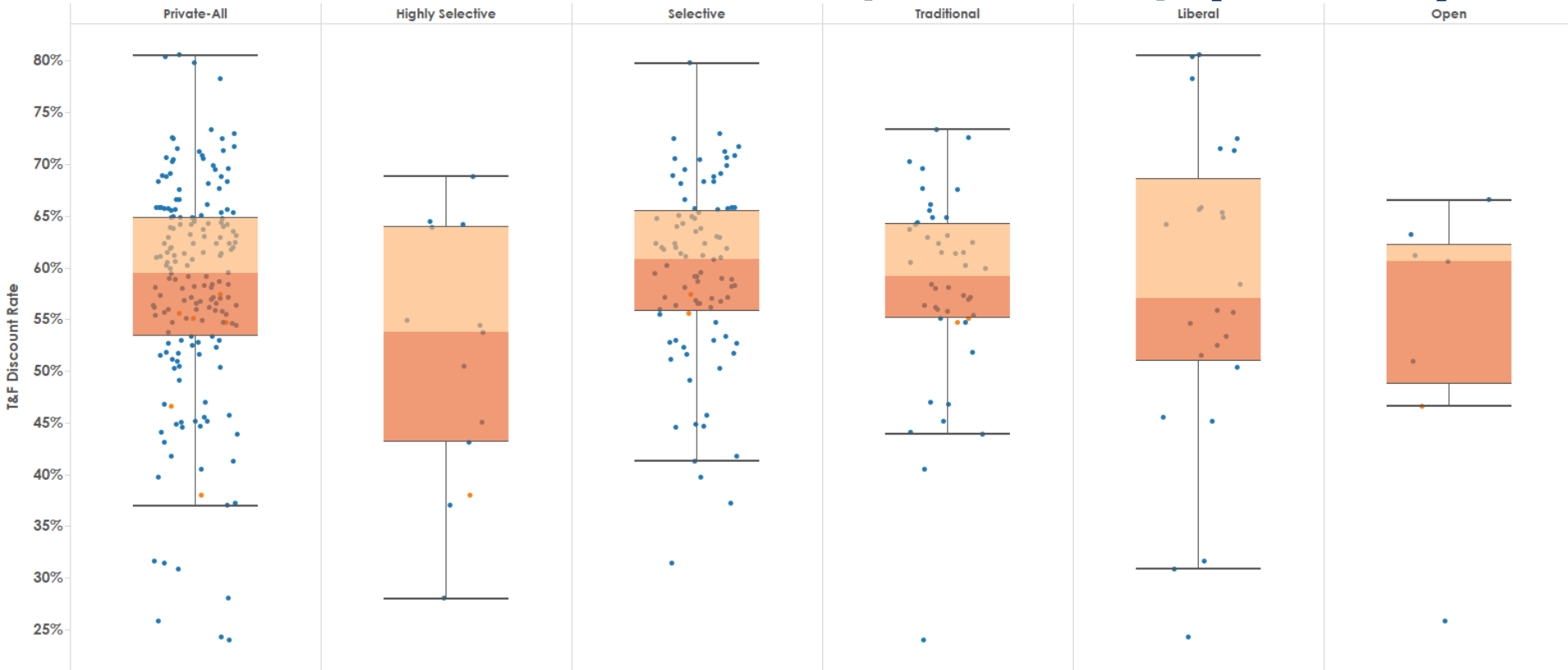


# 7 “Factors” Which Influence Your Discount Rate

1. Your institutional “selectivity”
2. Your institution type (Art and Design, Engineering, Denominational, etc.)
3. Yield rate
4. Net Tuition Revenue
5. Total Net Tuition Revenue
6. The population you serve (and their ability to pay)
7. Athletics



# 2021 FTIC T&F Discount Rate by Selectivity (Privates)

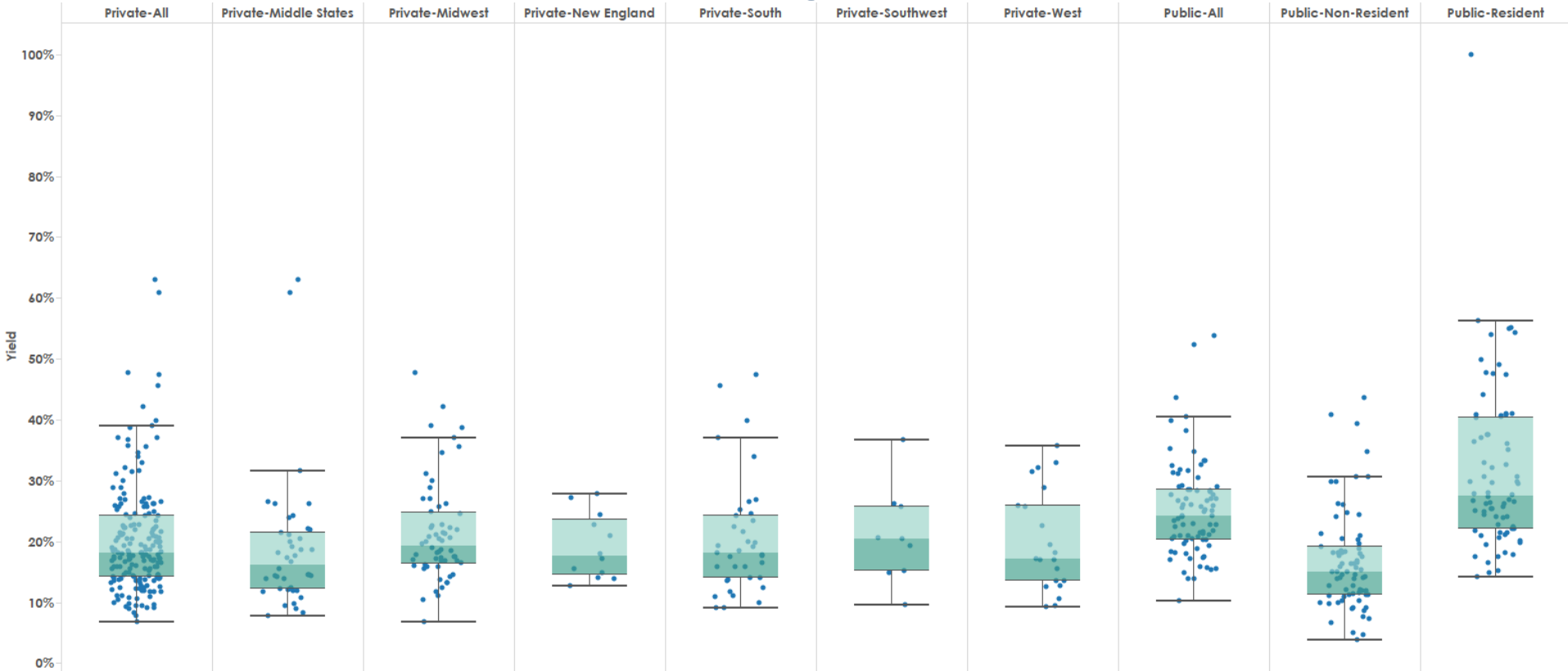


# Comparison Metrics

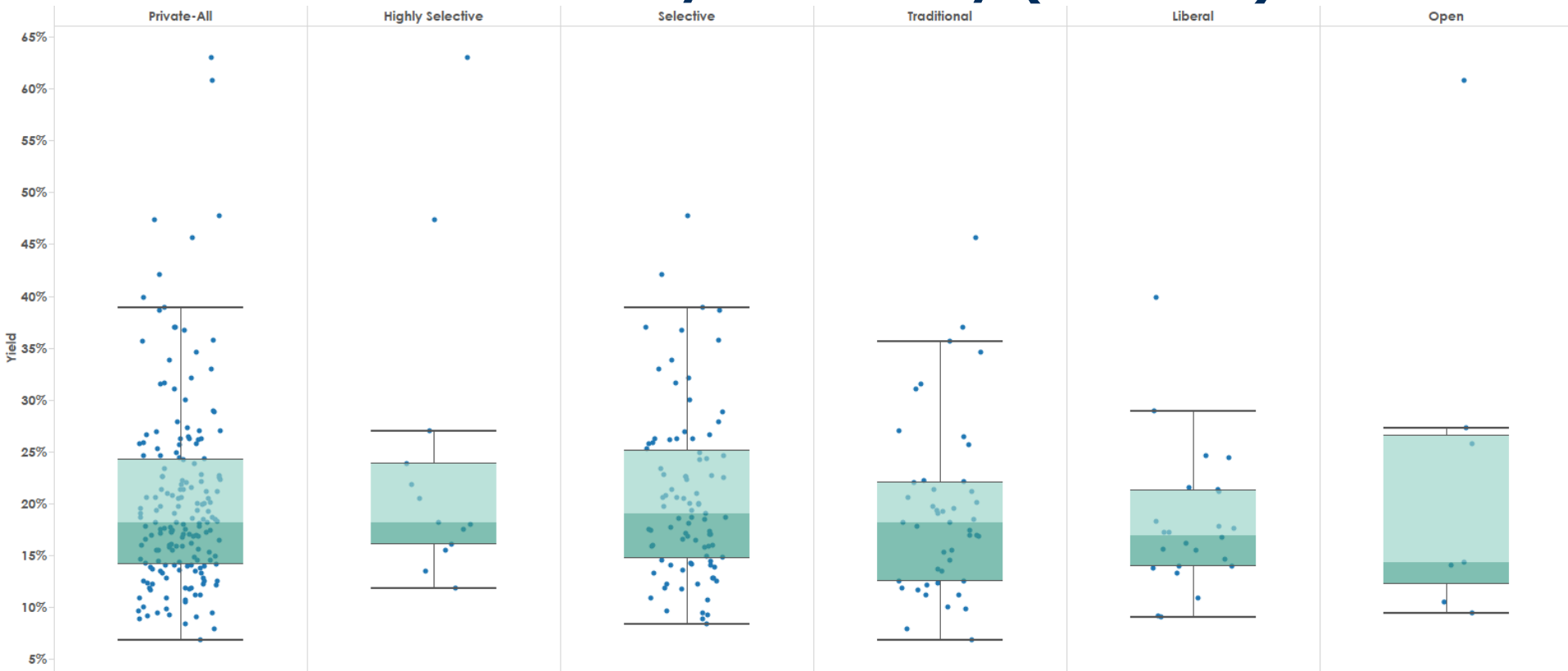
	All Privates	<3K UG	<250 FTIC	<\$20M Endow
n	192	148	59	24
Admitted	2,534	1,807	972	834
Enrolled	447	318	179	165
Yield	20.7%	20.7%	22.3%	24.3%
Tuition & Fees	\$34,393	\$33,969	\$31,981	\$30,169
T&F Disc Rate	57.1%	58.9%	57.5%	55.2%
Avg. NTR	\$14,532	\$13,663	\$13,354	\$13,134
Avg. Need	36,718	36,677	36,291	34,074
Avg. EFC	28,315	25,502	21,775	22,343
Avg. Parent Income	\$124,824	\$118,257	\$110,772	\$118,711
Pell %	38.4%	40.2%	45.3%	47.2%
Avg. Net Price	\$19,614	\$18,570	\$17,087	\$16,888
Gross Net Revenue	\$7.4M	\$4.4M	\$2.4M	\$2.1M
Fall to Fall Retention	75.4%	74.6%	69.9%	66.2%



# 2021 FTIC Yield Rates by Region or Type

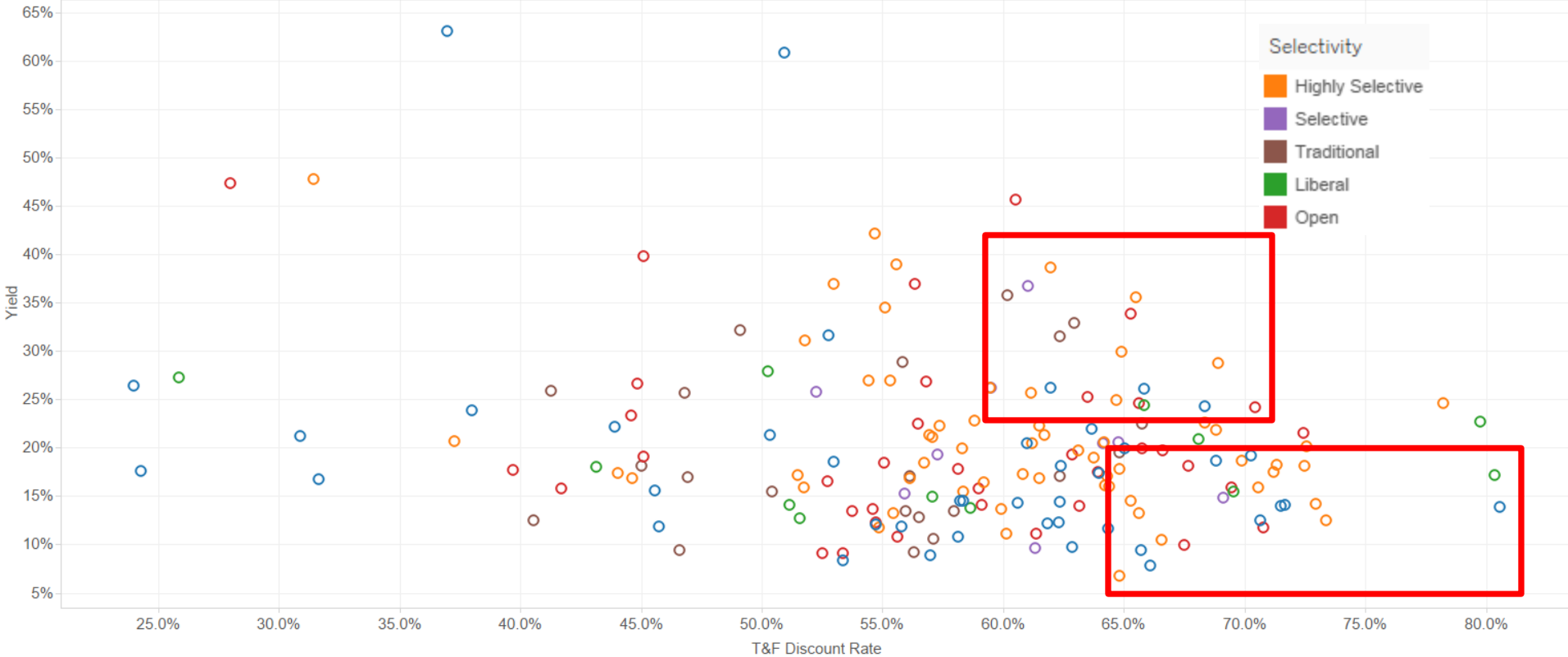


# 2021 FTIC Yield Rates by Selectivity (Privates)



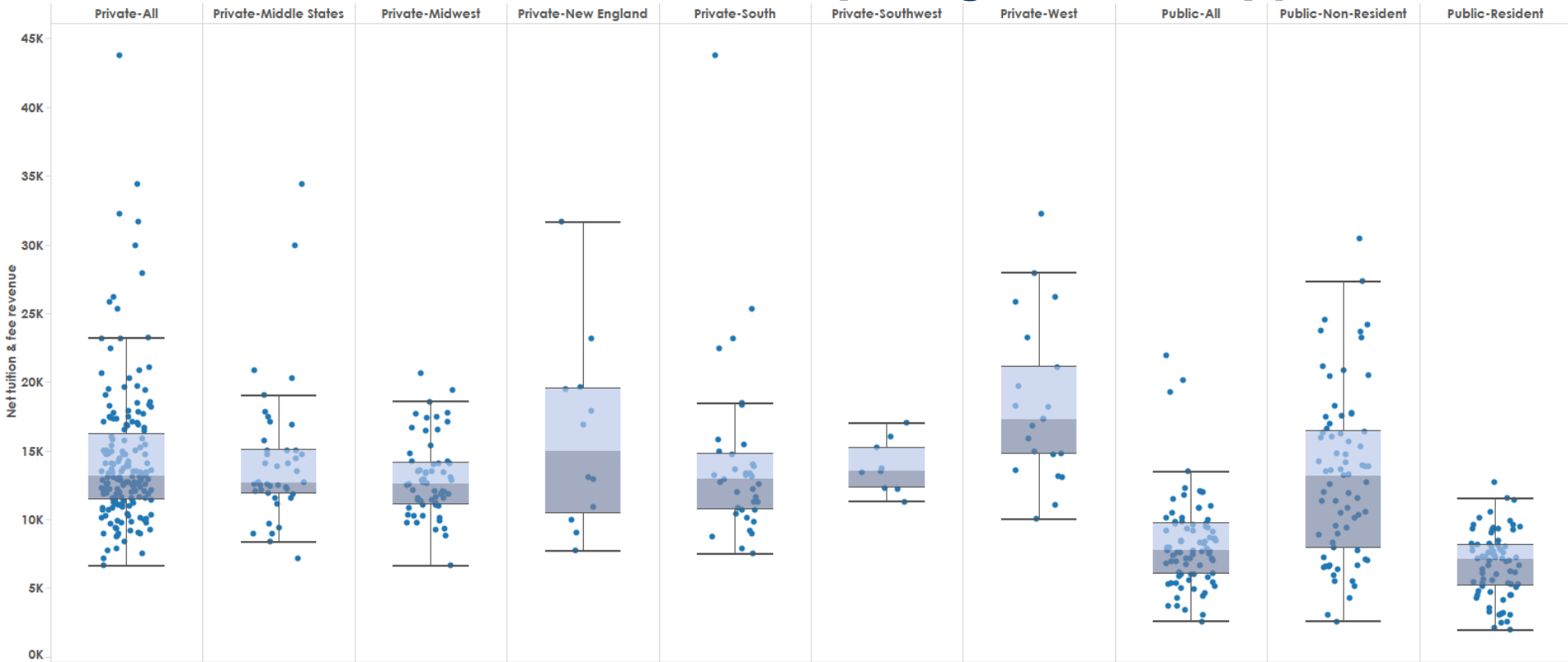


# 2021 FTIC Yield vs. T&F Discount Rate (Privates)

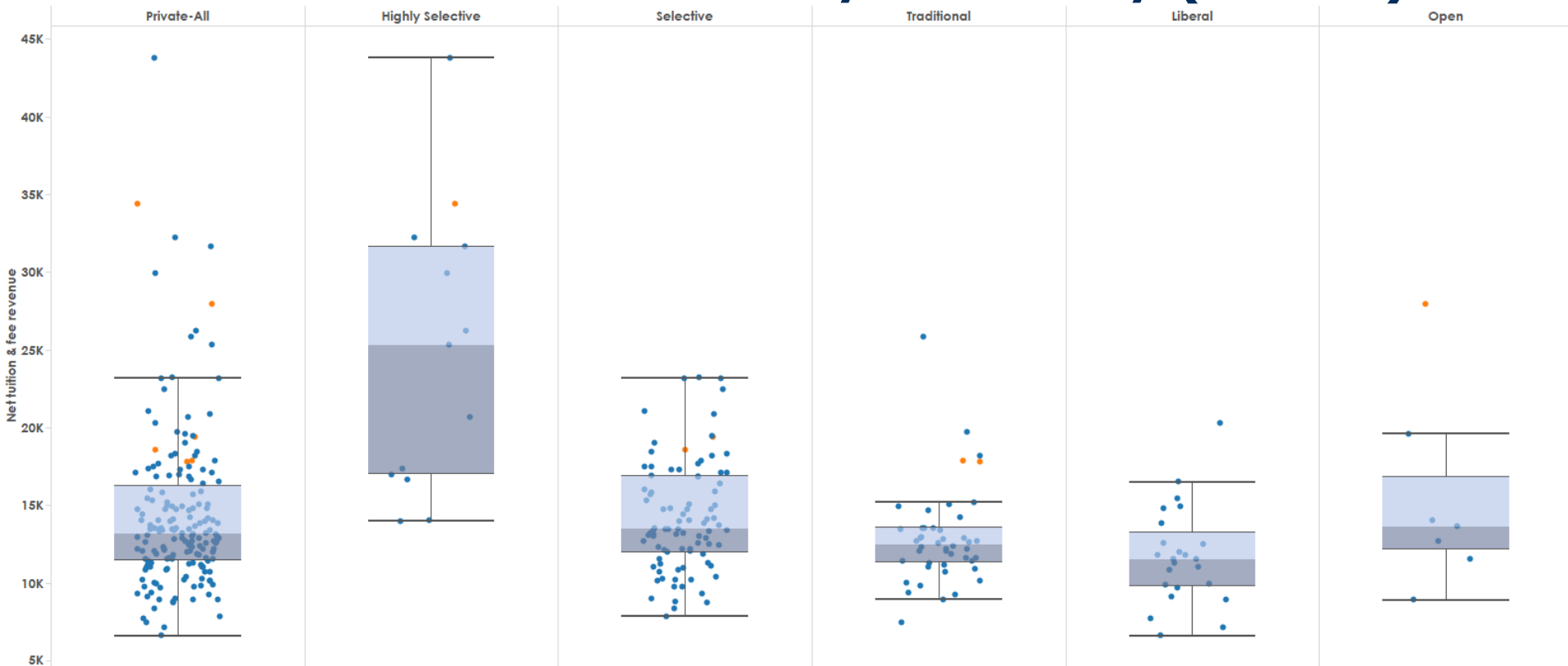




# 2021 FTIC Net T&F Revenue by Region and Type



# 2021 FTIC Net T&F Revenue by Selectivity (Private)



# Which school would you rather be?

School "A"  
\$14,130 NTR

X

200 Students



\$2.8M



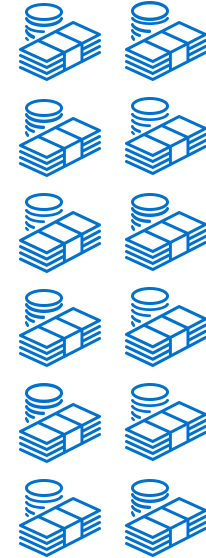
School "B"  
\$12,112 NTR

X

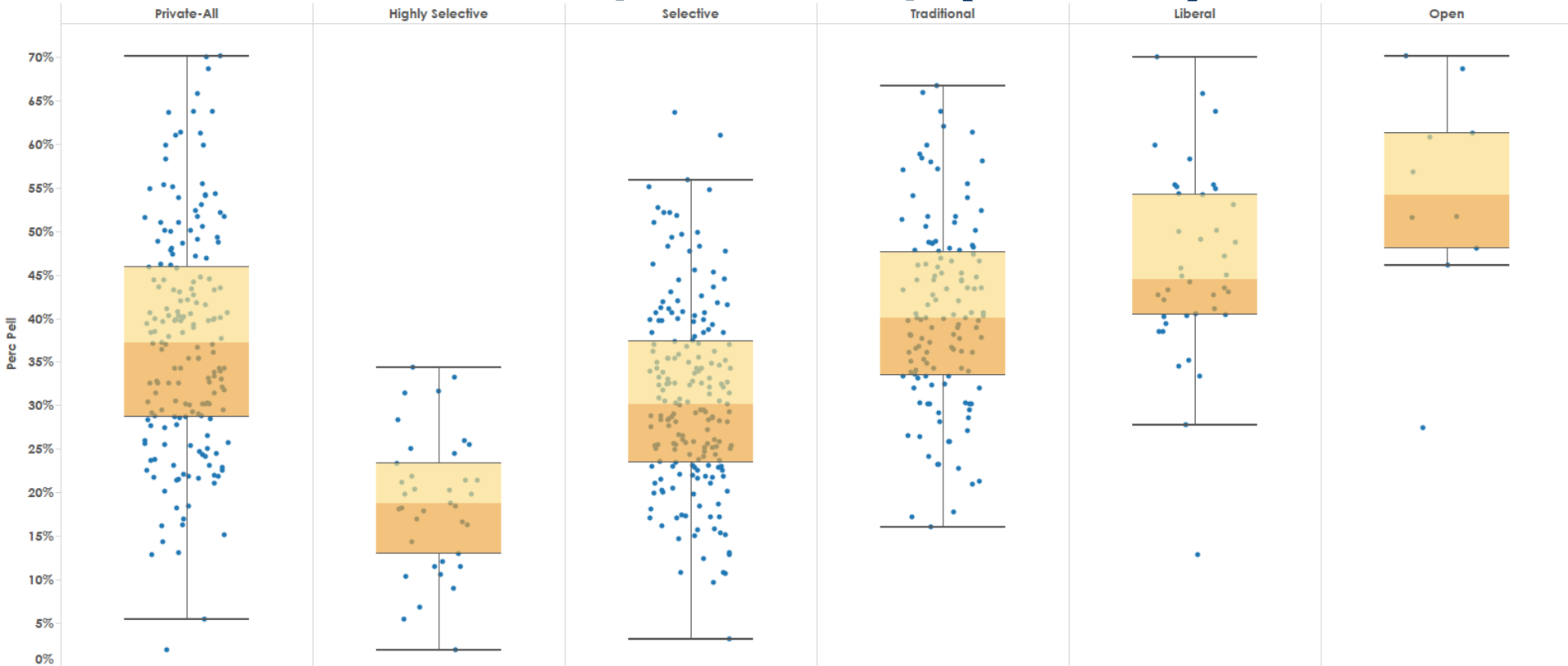
775 Students



\$9.4M



# 2021 FTIC Perc Pell by Selectivity (Privates)

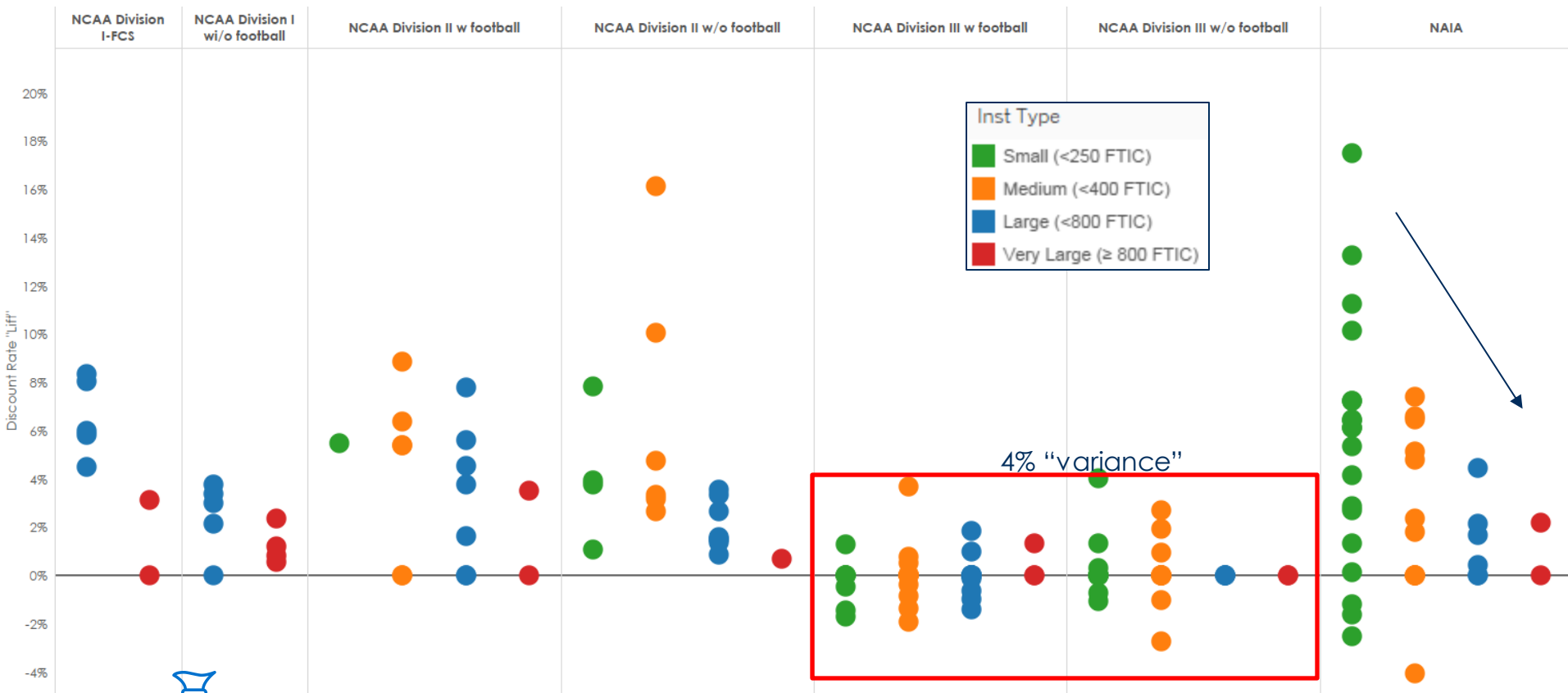


# Athletic aid has a big impact on discount rates.

1. Is the discount rate of your athletes higher than the discount rate of your non-athletes?
2. What is the discount rate of your non-athletes vs. all your students (which is inflated by the athletic aid)?
3. That difference is the athletic discount rate “lift” (the influence of your athletic aid on your overall discount rate)
4. Do you enroll enough non-athletes in order to absorb the athletic aid?

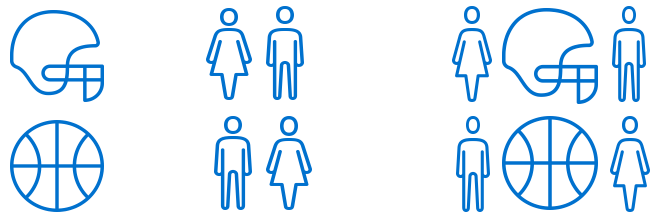
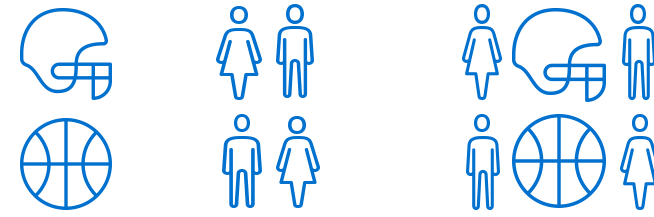
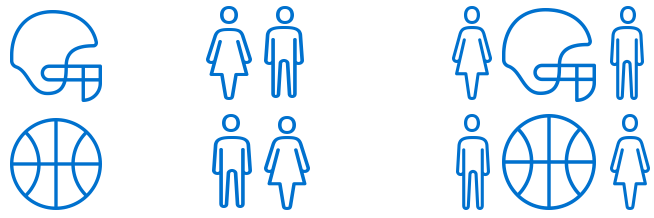
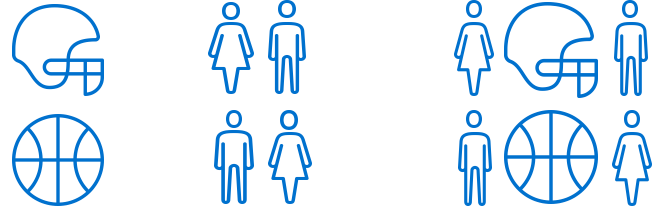


# 2021 FTIC Athletic Aid Discount "Lift" (Privates)





# Large Athletic discounts get “watered down” with large numbers of non-athletes.

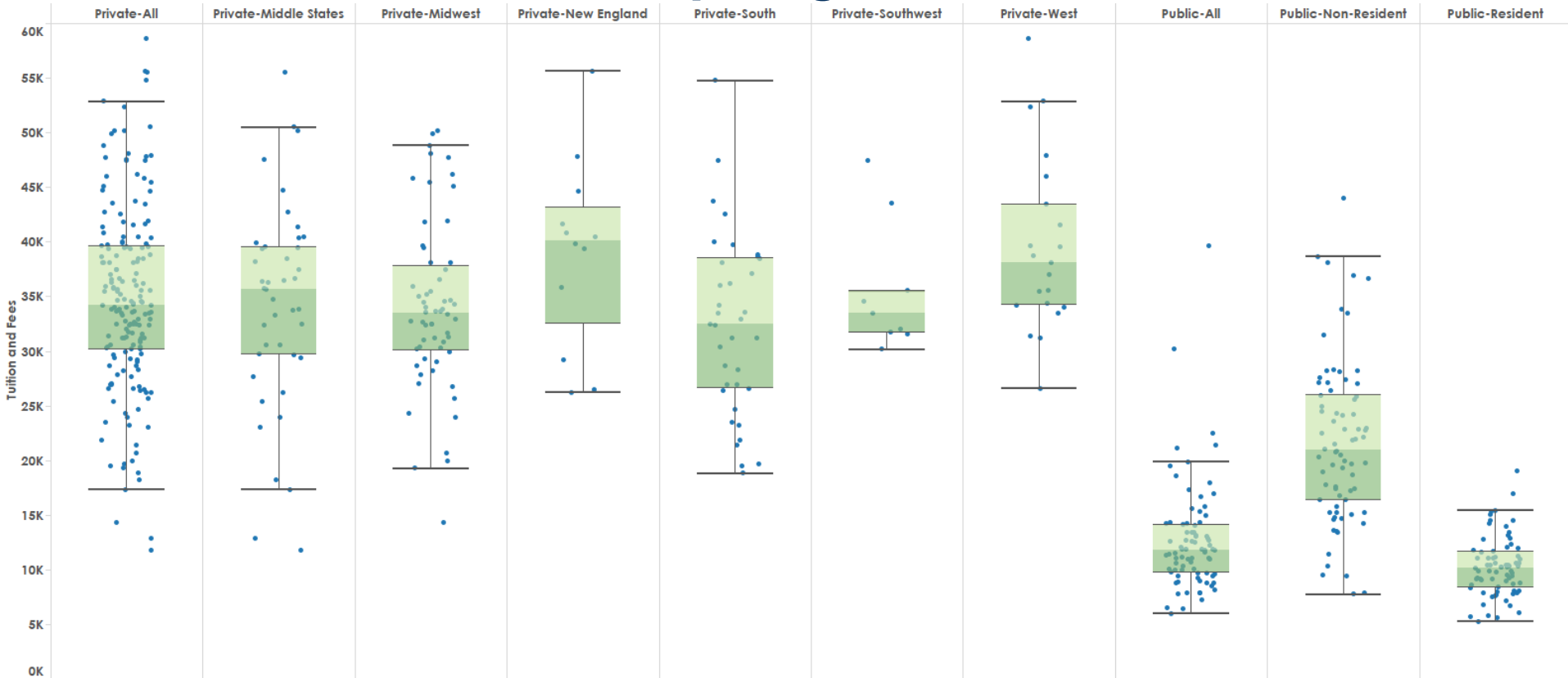
Disc. Rate }	<p>~3000 New Students (1% “Lift”)</p> <p>91%      43%      =      44%</p> 	<p>1000 New Students (4% “Lift”)</p> <p>91%      43%      =      47%</p> 
	<p>500 New Students (7% “Lift”)</p> <p>91%      43%      =      50%</p> 	<p>300 New Students (12% “Lift”)</p> <p>91%      43%      =      55%</p> 



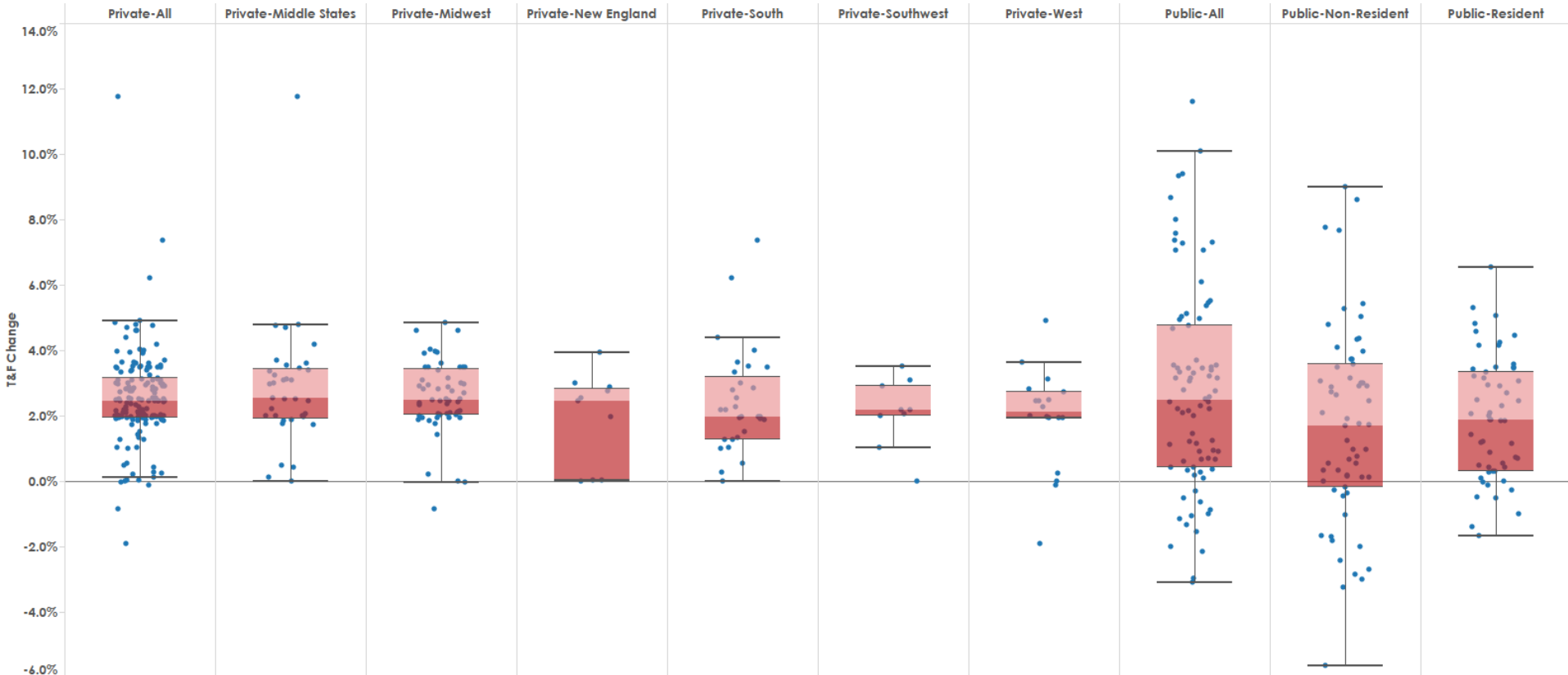
Are you spending enough on non-athlete in order to be able to enroll them?



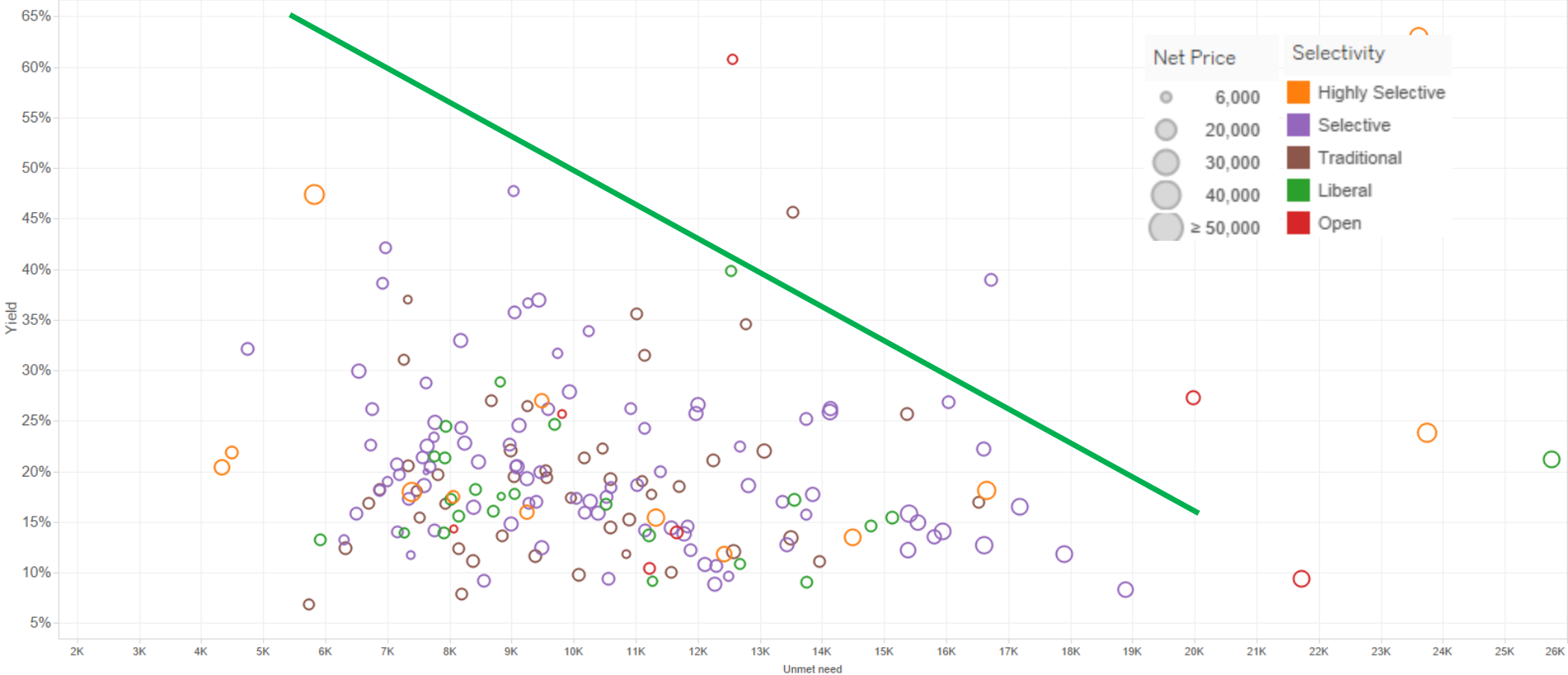
# 2021 Tuition and Fees by Region



# Change in T&F From 2020-21 to 2021-22 (by Region/Type)



# 2021 FTIC Unmet Need (Gap) vs. Yield (Privates)

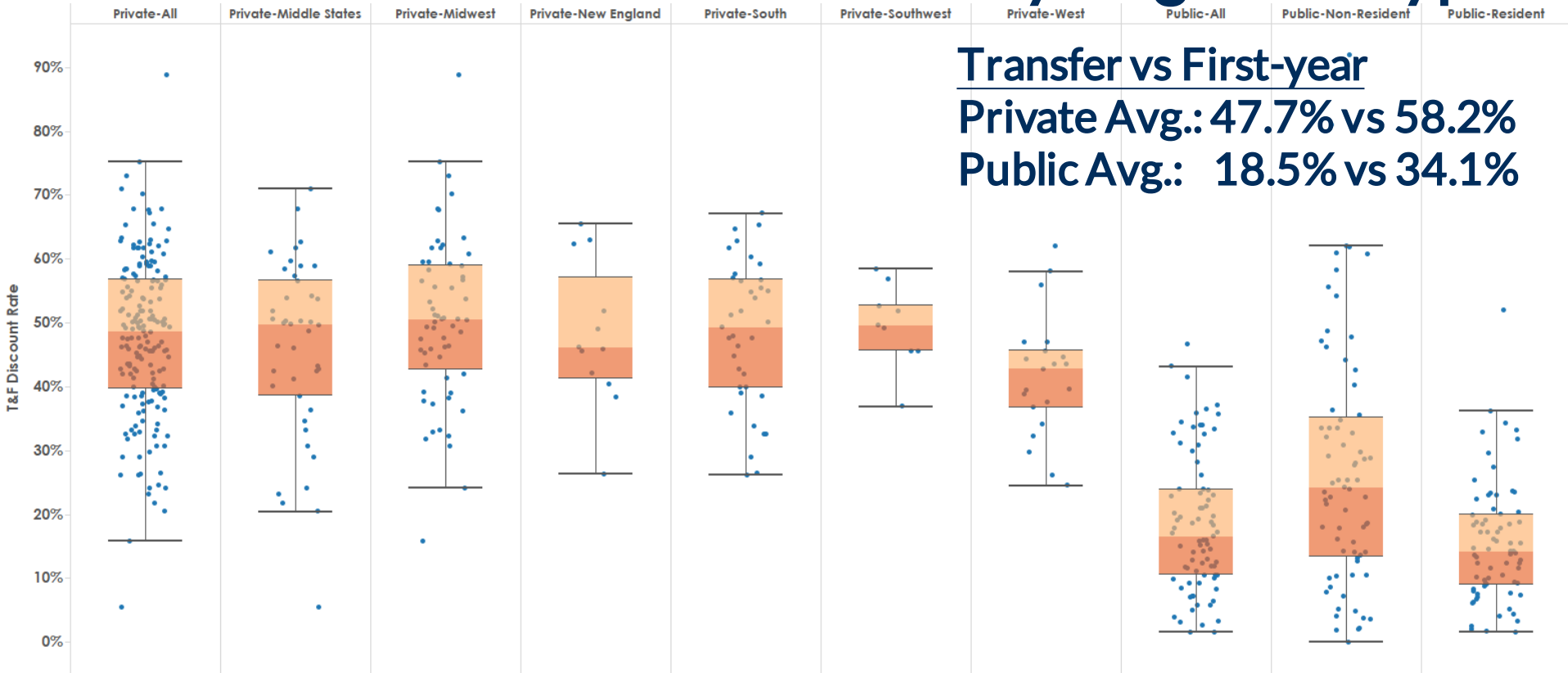


# Transfers behave differently ...

1. They are only considering one or two other schools.
2. Their willingness to pay is much higher because:
  1. They “See the light at the end of the tunnel.”
  2. For whatever reason, they are making a change
  3. They are not new to the game

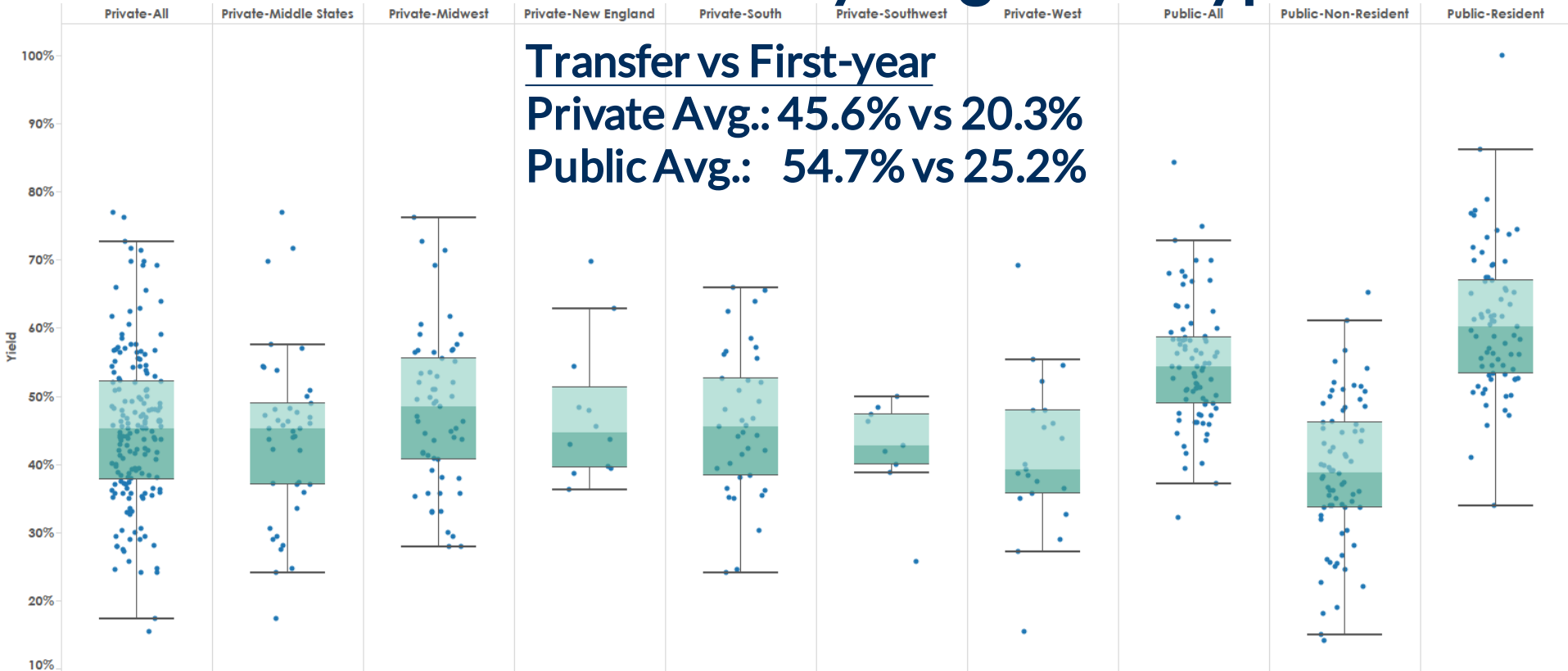


# 2021 Transfer T&F Discount Rate by Region or Type



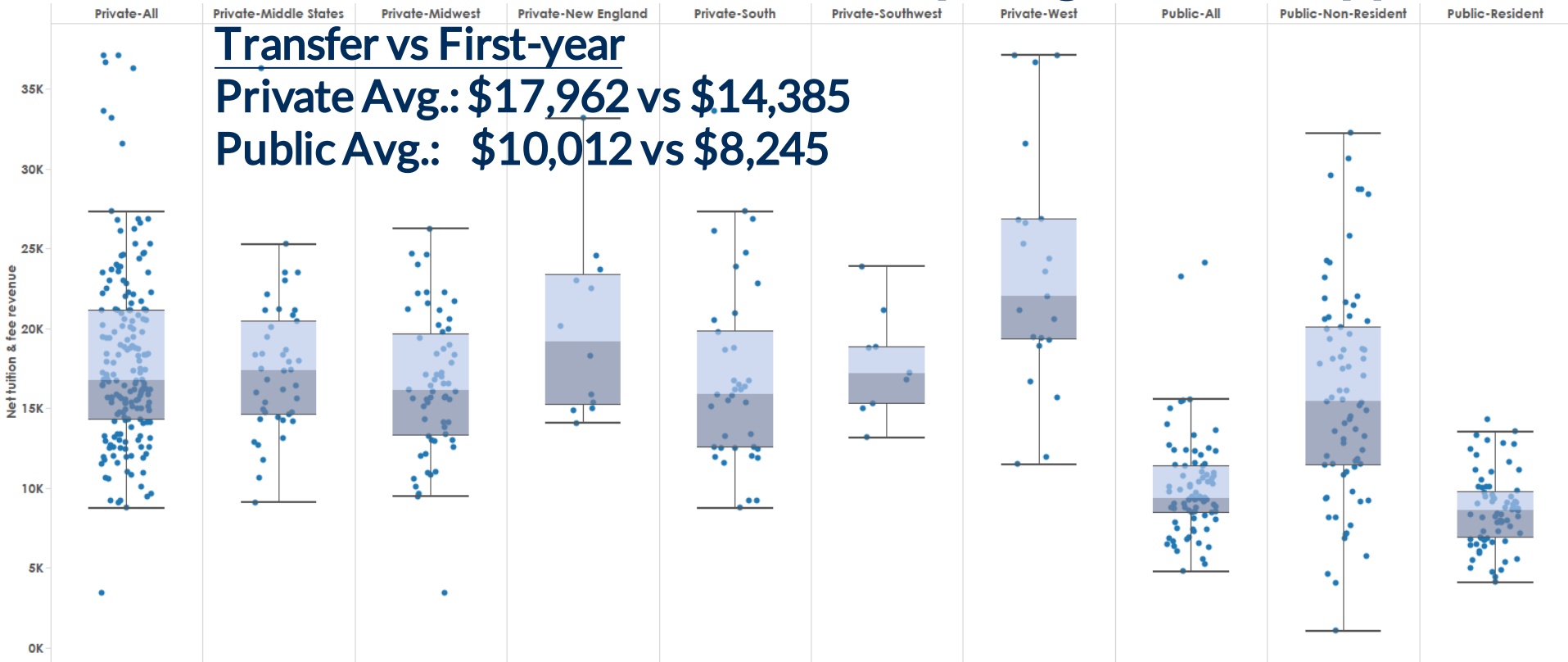
**Transfer vs First-year**  
**Private Avg.: 47.7% vs 58.2%**  
**Public Avg.: 18.5% vs 34.1%**

# 2021 Transfer Yield Rates by Region or Type





# 2021 Transfer Net T&F Revenue by Region and Type





Questions?

# Thank you.



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