



# RNL Discounting Report 2023: The KPIs That Influence the Industry

**Galen L. Graber**

*Vice President Consulting Services*

This session is based on the underlying data which was used to produce the RNL 2023 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*

### **DISCOUNTING DEFINITIONS BY RNL**

For the *2023 Discounting Report*, we have made a change and are using Tuition and Fee Discount Rate as our main benchmark. This aligns more closely with how many campuses measure their discount rates.

**Tuition and Fee Discount Rate** = All Institutional Aid (including tuition exchange but excluding employee benefits)/Tuition and Fees. This rate represents funded and unfunded gift aid as a percentage of tuition and fee revenue.

**Overall Discount Rate** = Unfunded Gift Aid/Gross Revenue (including room and board). While campus officials often include tuition and fees but exclude room and board, this approach allows institutions to identify revenue flows tied to all enrolling students.





# Four-year Private Institutions

## DATA SOURCES FOR FOUR-YEAR PRIVATES

**167**

four-year private  
institutions

**89,797**

first-year and  
transfer students

**\$1.6B**

total net  
revenue

# Public Institutions

## DATA SOURCES FOR FOUR-YEAR PUBLICS

**82**

four-year public  
institutions

**241,051**

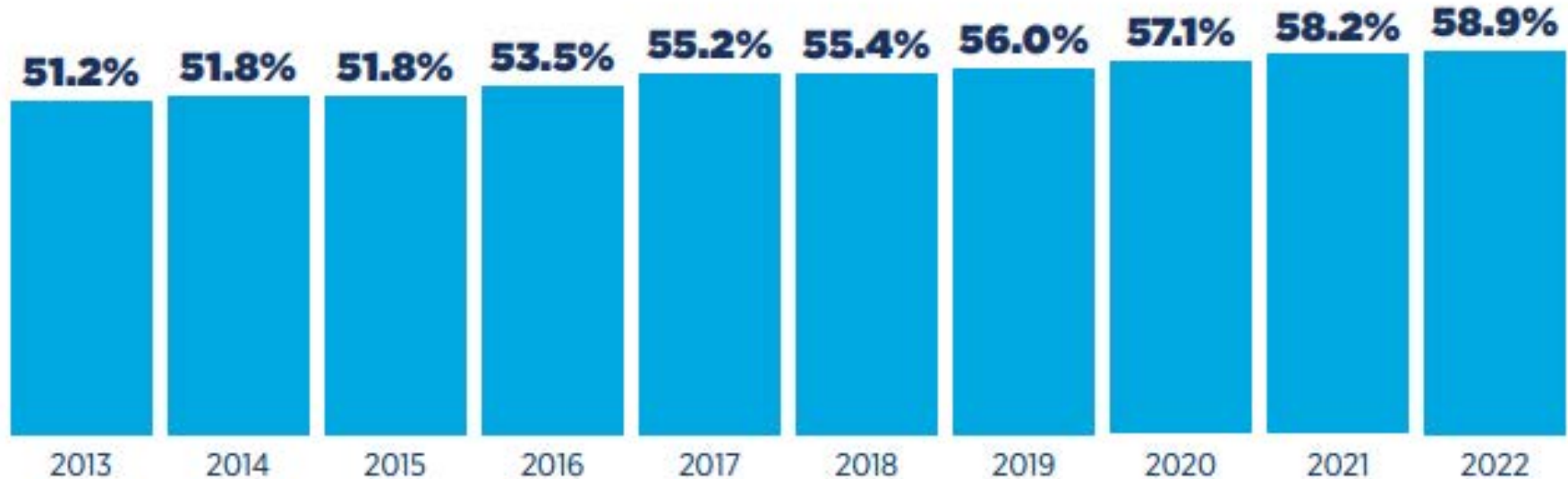
first-year and  
transfer students

**\$2.4B**

total net  
revenue

# Tuition & Fee Discounting Benchmarks: 10-year Trend

## *Private Four-year Institutions*



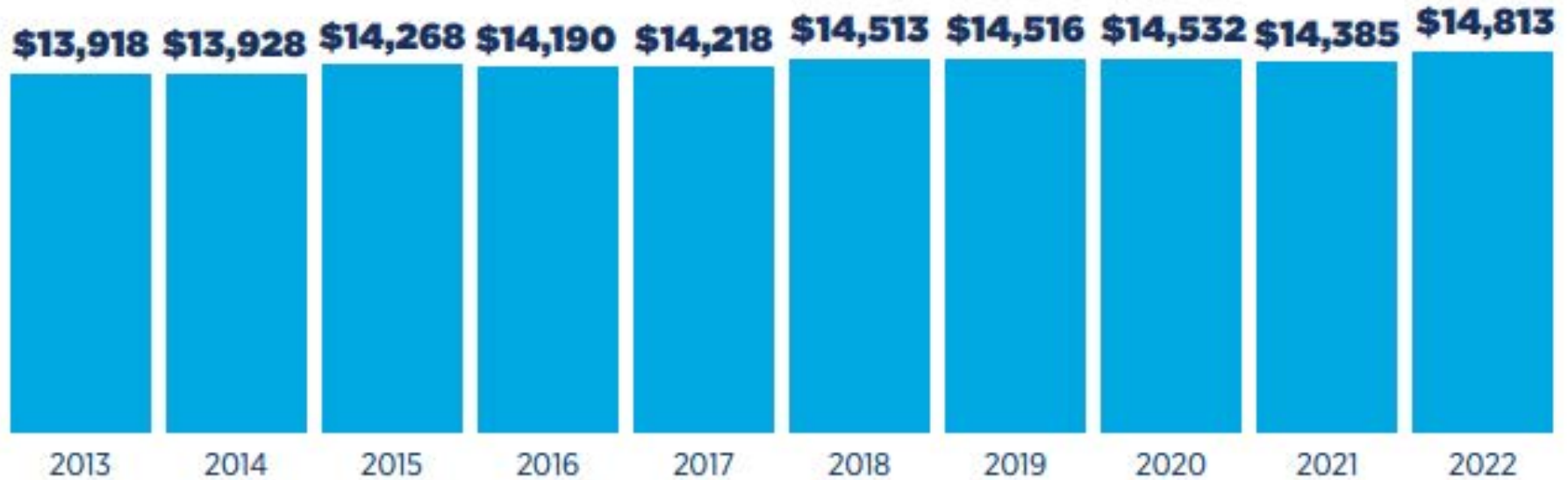
**+0.7 point increase**

in average tuition and fee discount rate



# Tuition & Fee Net Revenue Benchmarks: 10-year Trend

## *Private Four-year Institutions*



**\$428 increase**

in overall average tuition and fee revenue in 2022



# 2022 Benchmark Data: Type

## *Private Four-year Institutions*

INSTITUTION TYPE	AVERAGE TUITION & FEE DISCOUNT RATE FOR FRESHMEN	AVERAGE TUITION & FEE DISCOUNT RATE CHANGE	AVERAGE NET TUITION & FEE REVENUE FOR FRESHMEN	AVERAGE OVERALL CHANGE IN NET T&F REVENUE	AVERAGE OVERALL DISCOUNT RATE FOR FRESHMEN	AVERAGE OVERALL NET REVENUE FOR FRESHMEN	AVERAGE INSTITUTIONAL GIFT AID PER STUDENT	AVERAGE TUITION INCREASE
All private students	58.9%	0.7%	\$14,813	1.1%	45.6%	\$25,174	\$21,574	2.9%
<b>TYPE</b>								
Baccalaureate	61.8%	0.3%	\$13,039	-0.2%	46.9%	\$24,090	\$22,741	2.8%
Master's	58.8%	1.1%	\$14,388	3.5%	46.5%	\$23,848	\$20,891	3.0%
Doctoral/Research	58.6%	3.0%	\$17,869	-6.2%	45.1%	\$30,334	\$23,996	2.6%
Special Focus Institutions	44.4%	-2.0%	\$22,442	-0.2%	32.8%	\$33,729	\$17,594	3.3%



# 2022 Benchmark Data: Region

## *Private Four-year Institutions*

INSTITUTION TYPE	AVERAGE TUITION & FEE DISCOUNT RATE FOR FRESHMEN	AVERAGE TUITION & FEE DISCOUNT RATE CHANGE	AVERAGE NET TUITION & FEE REVENUE FOR FRESHMEN	AVERAGE OVERALL CHANGE IN NET T&F REVENUE	AVERAGE OVERALL DISCOUNT RATE FOR FRESHMEN	AVERAGE OVERALL NET REVENUE FOR FRESHMEN	AVERAGE INSTITUTIONAL GIFT AID PER STUDENT	AVERAGE TUITION INCREASE
All private students	58.9%	0.7%	\$14,813	1.1%	45.6%	\$25,174	\$21,574	2.9%
<b>REGION</b>								
Middle States	57.5%	0.9%	\$14,817	2.6%	44.8%	\$25,516	\$21,224	2.7%
Midwest	61.0%	0.2%	\$13,091	-1.1%	48.1%	\$22,175	\$21,499	2.8%
New England	59.7%	1.3%	\$16,387	9.3%	45.5%	\$28,979	\$24,597	3.5%
South	59.3%	1.9%	\$14,387	1.6%	44.5%	\$25,462	\$21,000	2.8%
Southwest	60.1%	-0.5%	\$13,423	-9.3%	48.2%	\$22,022	\$20,286	2.7%
West	53.9%	-0.4%	\$19,972	1.6%	41.8%	\$31,022	\$22,125	3.7%





# 2022 Benchmark Data: Athletics

## *Private Four-year Institutions*

INSTITUTION TYPE	AVERAGE TUITION & FEE DISCOUNT RATE FOR FRESHMEN	AVERAGE TUITION & FEE DISCOUNT RATE CHANGE	AVERAGE NET TUITION & FEE REVENUE FOR FRESHMEN	AVERAGE OVERALL CHANGE IN NET T&F REVENUE	AVERAGE OVERALL DISCOUNT RATE FOR FRESHMEN	AVERAGE OVERALL NET REVENUE FOR FRESHMEN	AVERAGE INSTITUTIONAL GIFT AID PER STUDENT	AVERAGE TUITION INCREASE
<b>ATHLETICS</b>								
NCAA Division I-FCS	62.2%	2.9%	\$15,249	6.1%	48.3%	\$26,787	\$24,333	2.2%
NCAA Division I without football	60.3%	2.1%	\$15,413	8.5%	47.8%	\$26,277	\$24,072	2.8%
NCAA Division II without football	54.6%	-0.6%	\$16,712	-2.9%	43.1%	\$26,694	\$20,512	3.7%
NCAA Division II with football	62.9%	4.5%	\$13,192	-1.8%	48.5%	\$23,839	\$23,178	2.5%
NCAA Division III without football	62.2%	3.8%	\$13,392	4.8%	47.3%	\$24,266	\$22,080	3.0%
NCAA Division III with football	59.9%	-0.8%	\$14,394	0.7%	46.6%	\$25,042	\$23,206	2.6%
NAIA	61.2%	0.5%	\$12,079	1.9%	47.5%	\$21,105	\$19,345	2.8%
USCAA/NJCAA/NCCAA	49.4%	4.5%	\$18,605	-10.1%	37.2%	\$29,955	\$18,553	2.2%
No varsity sports	48.4%	-3.5%	\$20,089	-1.4%	38.1%	\$30,294	\$19,893	3.8%



# 2022 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)
2022-23	62.8%	89.7%	\$128,526	\$31,046	\$38,839	79.7%	71.2%	\$10,955
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



# 2022 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	PERCENT OF ENROLLED WHO ARE INTERNATIONAL STUDENTS	PERCENT OF ENROLLED WHO ARE FIRST-GENERATION STUDENTS	FALL 2021 TO FALL 2022 RETENTION RATE
All private students	0.3%	19.5%	-0.8%	81.1%	35.9%	14.0%	5.2%	32.3%	73.2%
<b>TYPE</b>									
Baccalaureate	0.8%	19.0%	-0.2%	88.0%	36.7%	11.6%	3.7%	32.5%	69.9%
Master's	1.5%	19.2%	-1.1%	76.1%	36.9%	14.1%	4.5%	32.9%	74.5%
Doctoral/Research	-5.5%	21.1%	-0.2%	88.5%	30.9%	13.7%	3.9%	28.3%	76.4%
Special Focus Institutions	-2.6%	22.6%	-3.1%	77.4%	31.9%	25.7%	18.7%	35.6%	73.0%
<b>REGION</b>									
Middle States	2.0%	17.1%	-1.8%	75.7%	39.8%	15.1%	5.6%	34.2%	73.5%
Midwest	-1.8%	21.5%	0.2%	81.7%	35.6%	13.1%	4.1%	29.9%	73.1%
New England	8.0%	18.0%	-1.1%	80.2%	32.9%	11.6%	5.8%	39.3%	73.4%
South	0.6%	18.8%	-1.8%	86.9%	36.0%	13.5%	4.7%	34.7%	69.7%
Southwest	-8.1%	21.5%	0.5%	79.5%	40.6%	20.5%	3.1%	31.5%	74.3%
West	0.1%	20.5%	0.5%	79.9%	29.3%	14.6%	8.6%	28.1%	79.2%



# 2022 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	PERCENT OF ENROLLED WHO ARE INTERNATIONAL STUDENTS	PERCENT OF ENROLLED WHO ARE FIRST-GENERATION STUDENTS	FALL 2021 TO FALL 2022 RETENTION RATE
All private students	0.3%	19.5%	-0.8%	81.1%	35.9%	14.0%	5.2%	32.3%	73.2%
<b>SELECTIVITY</b>									
Highly Selective	2.1%	23.8%	-0.3%	86.2%	21.5%	12.5%	10.1%	26.8%	84.0%
Selective	1.0%	20.0%	-0.6%	84.8%	31.6%	13.1%	3.8%	29.9%	76.5%
Traditional	-2.1%	18.5%	-0.7%	76.9%	41.6%	15.2%	4.9%	33.6%	68.5%
Liberal	2.6%	16.3%	-1.7%	76.3%	48.0%	15.4%	5.3%	43.5%	66.5%
Open	-4.4%	20.4%	-2.8%	60.6%	49.6%	17.4%	13.7%	24.0%	70.2%

# 2022 Benchmark Data: Yield & Melt by Type

## *Private Four-year Institutions*

INSTITUTION TYPE	AVERAGE FRESHMAN YIELD	FAFSA FILER YIELD	NO FAFSA YIELD	PERCENT DEPOSITED BUT DID NOT ENROLL (MELT)	FAFSA FILER MELT	PELL ELIGIBLE MELT	NOT PELL ELIGIBLE MELT	NO FAFSA MELT
All private students	19.5%	27.2%	5.9%	14.0%	11.7%	13.4%	10.4%	30.6%
<b>TYPE</b>								
Baccalaureate	19.0%	27.7%	4.6%	11.6%	10.3%	12.0%	8.8%	26.3%
Master's	19.2%	26.6%	5.5%	14.1%	11.9%	13.4%	10.6%	31.5%
Doctoral/Research	21.1%	26.2%	10.9%	13.7%	11.5%	13.0%	10.6%	30.1%
Special Focus Institutions	22.6%	30.7%	8.4%	25.7%	18.6%	21.5%	16.5%	45.0%



Transfer Students,  
Four-year Private  
Institutions

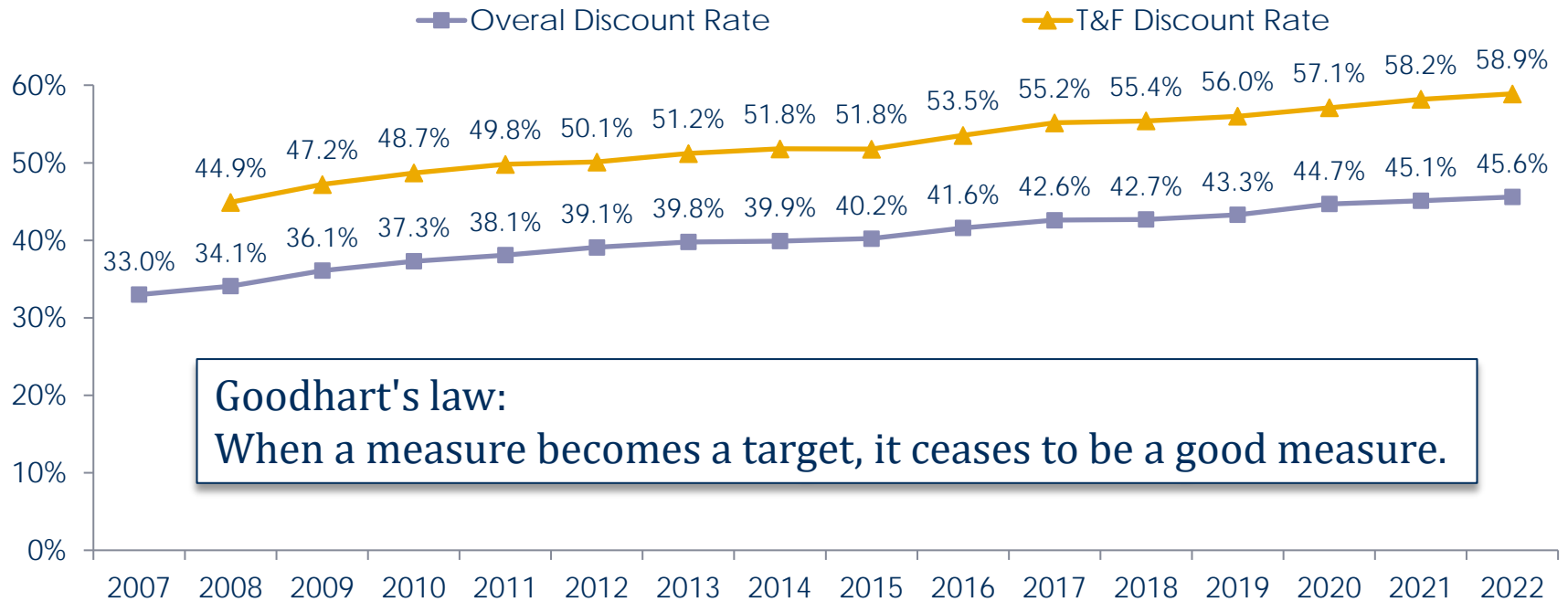
# 2022 Transfer Benchmark Data: Region

## *Private Four-year Institutions*

INSTITUTION TYPE	AVERAGE TUITION & FEE DISCOUNT RATE FOR TRANSFER	AVERAGE TUITION & FEE DISCOUNT RATE CHANGE	AVERAGE NET TUITION & FEE REVENUE FOR TRANSFER	AVERAGE OVERALL CHANGE IN NET TUITION & FEE REVENUE	AVERAGE OVERALL DISCOUNT RATE FOR TRANSFER	AVERAGE OVERALL NET REVENUE FOR TRANSFER	AVERAGE INSTITUTIONAL GIFT AID PER STUDENT	AVERAGE TUITION INCREASE
All private transfer students	48.1%	0.4%	\$18,669	0.1%	40.1%	\$25,518	\$17,764	2.8%
<b>TYPE</b>								
Baccalaureate	53.5%	-0.6%	\$16,269	8.1%	43.4%	\$24,331	\$19,869	2.7%
Master's	46.3%	1.2%	\$18,671	-2.6%	39.5%	\$24,591	\$16,502	2.9%
Doctoral/Research	46.4%	1.8%	\$22,920	-2.8%	38.7%	\$30,178	\$19,219	2.7%
Special Focus Institutions	38.7%	-1.6%	\$24,082	-11.9%	30.3%	\$32,358	\$15,934	2.2%
<b>REGION</b>								
Middle States	46.8%	0.9%	\$18,425	-5.1%	39.3%	\$24,990	\$17,559	2.1%
Midwest	50.3%	-0.1%	\$16,760	4.3%	42.3%	\$23,095	\$17,767	2.8%
New England	49.2%	1.1%	\$20,915	-3.1%	40.4%	\$29,933	\$20,204	3.6%
South	49.0%	0.8%	\$17,683	1.5%	40.3%	\$24,763	\$17,621	2.8%
Southwest	49.1%	-0.5%	\$17,176	-9.8%	41.8%	\$23,024	\$16,533	3.1%
West	41.9%	0.3%	\$25,466	1.7%	34.2%	\$32,826	\$17,306	3.4%



# Average FTIC Overall Discount Rate Tuition & Fee Discount Rate for Private Institutions



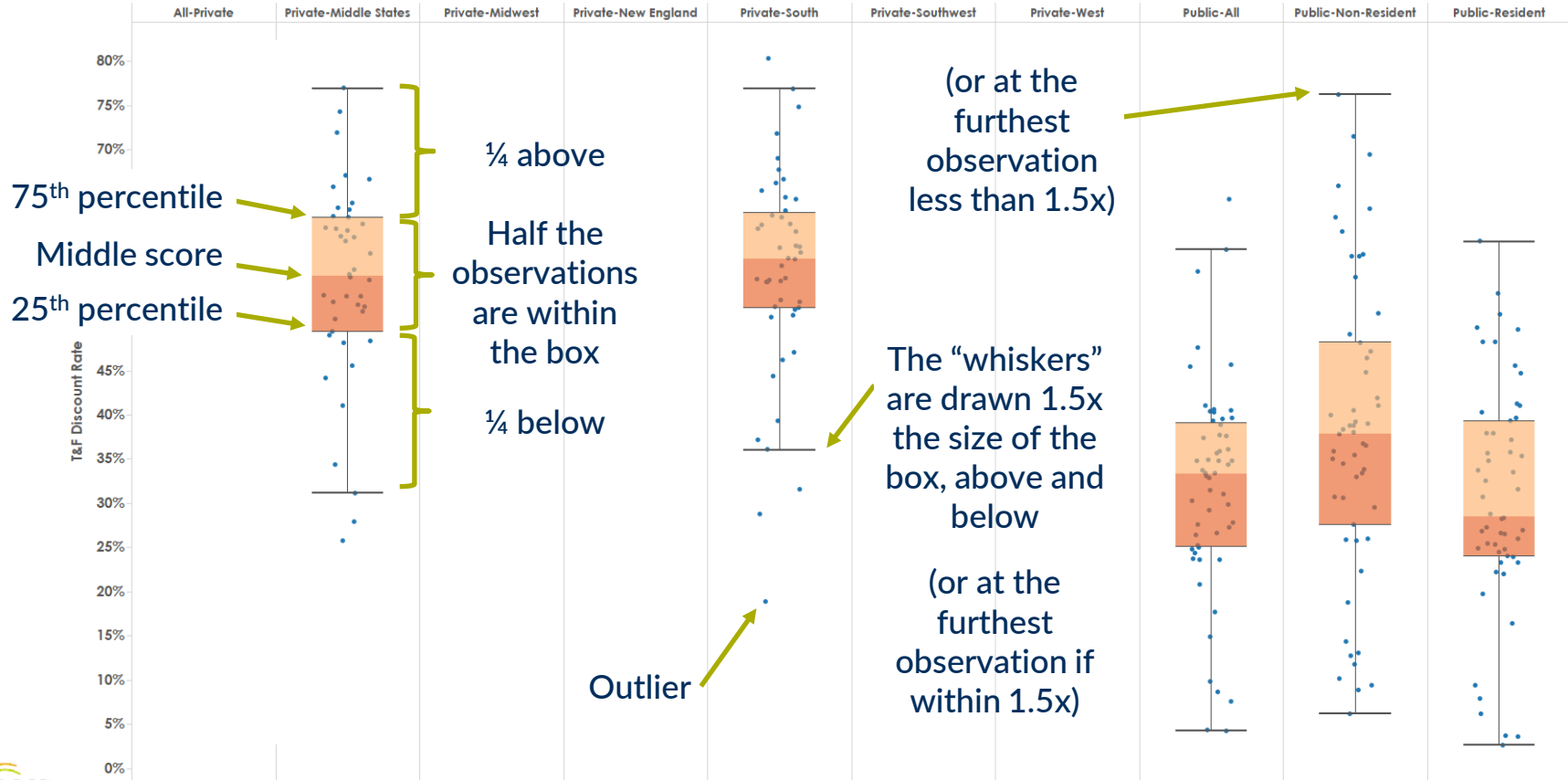
Goodhart's law:  
When a measure becomes a target, it ceases to be a good measure.



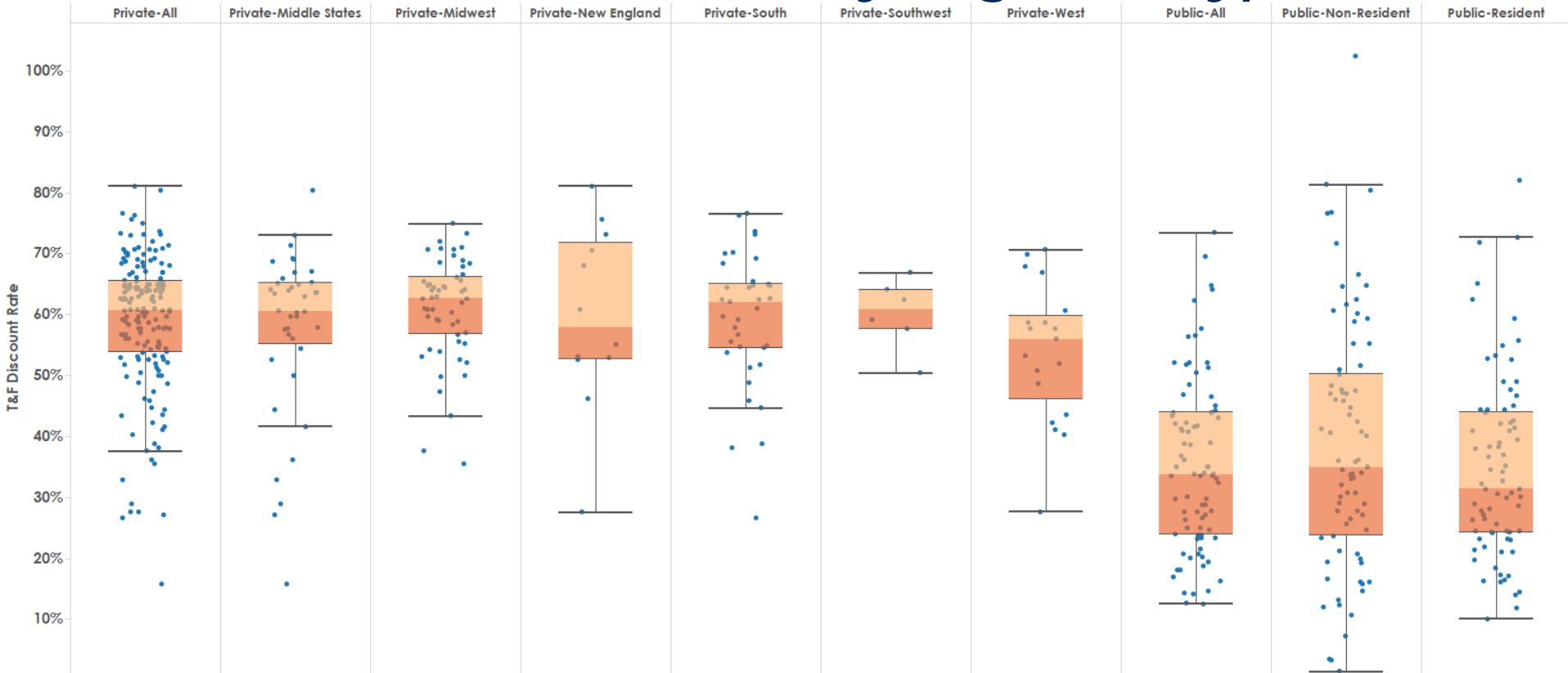
A person is shown from the chest down, wearing a blue checkered shirt. They are holding a smartphone in their right hand and have their left hand on a laptop keyboard. The entire image is overlaid with a semi-transparent blue filter. In the center, the text "First time in college" is written in a white,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

First time in college  
(FTIC)

# How to Read a “Box and Whiskers” Chart



# 2022 FTIC T&F Discount Rate by Region or Type

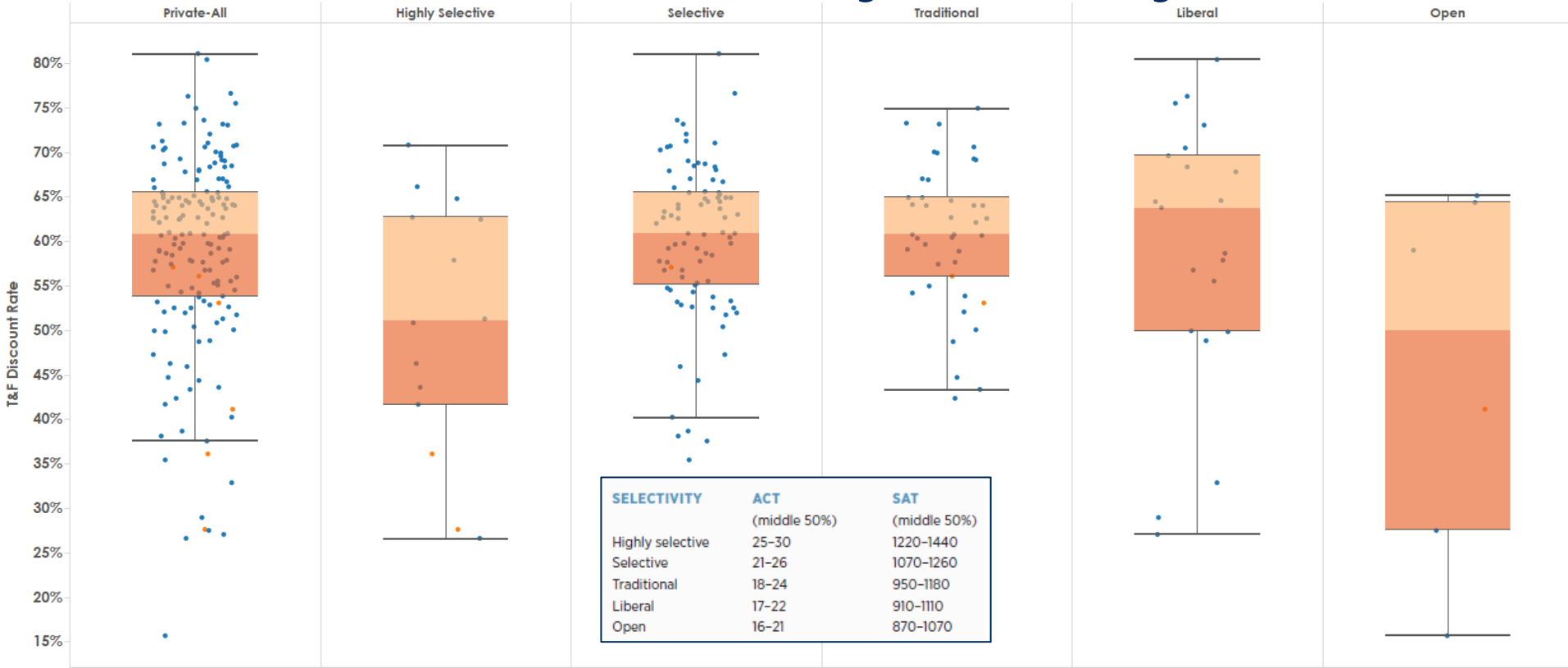


# 7 “factors” which influence your discount rate

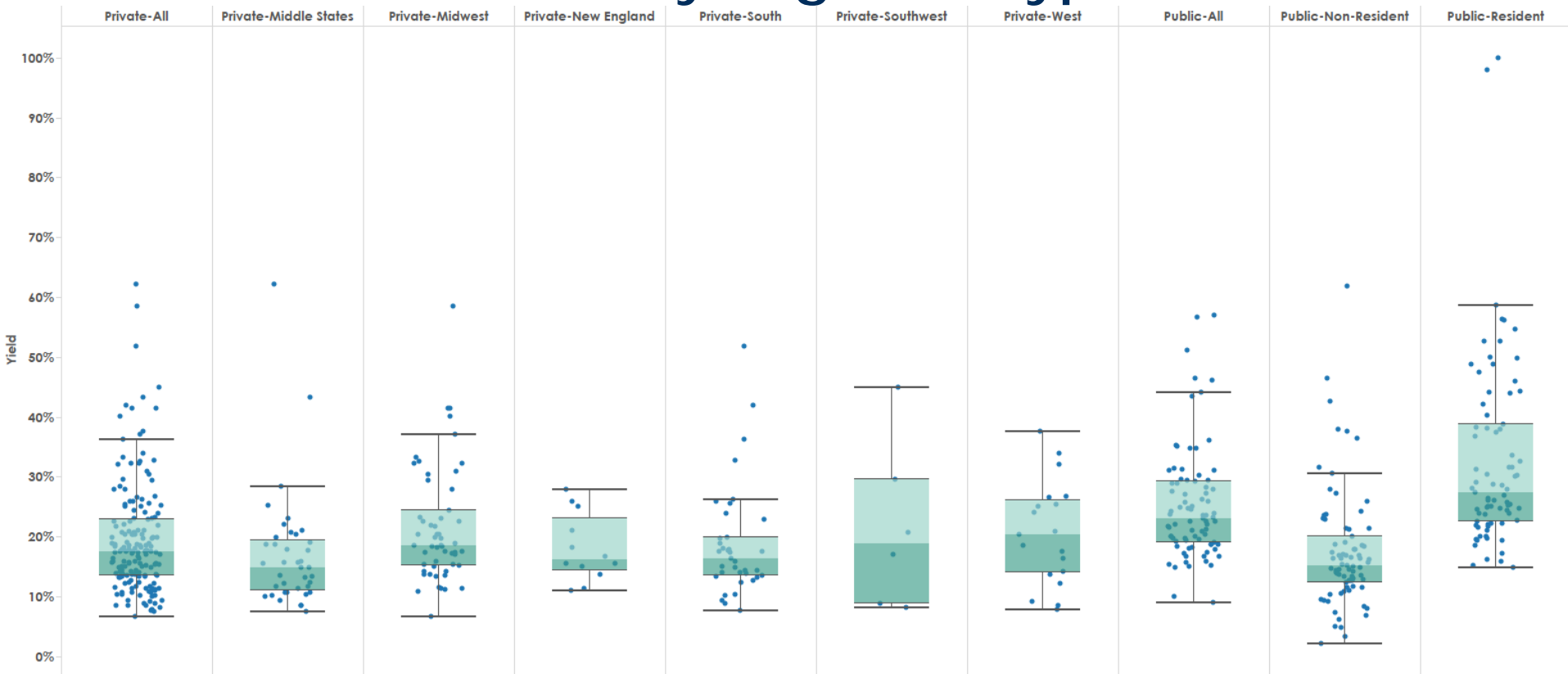
1. Your institutional “selectivity”
2. Your institution type (art & design, engineering, denominational, etc.)
3. Yield rate
4. Net Tuition Revenue
5. Total Net Tuition Revenue
6. The population you serve (and their ability to pay)
7. Athletics



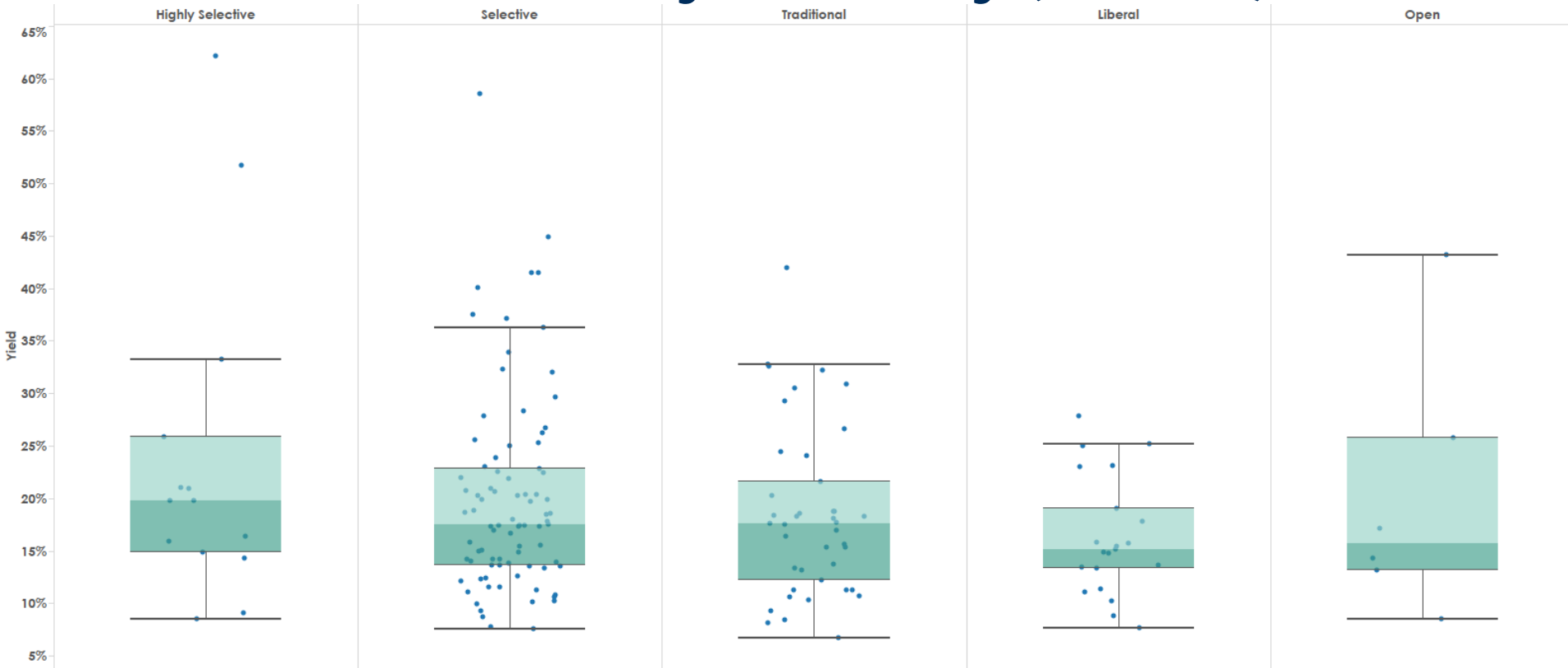
# 2022 FTIC T&F Discount Rate by Selectivity (Privates)



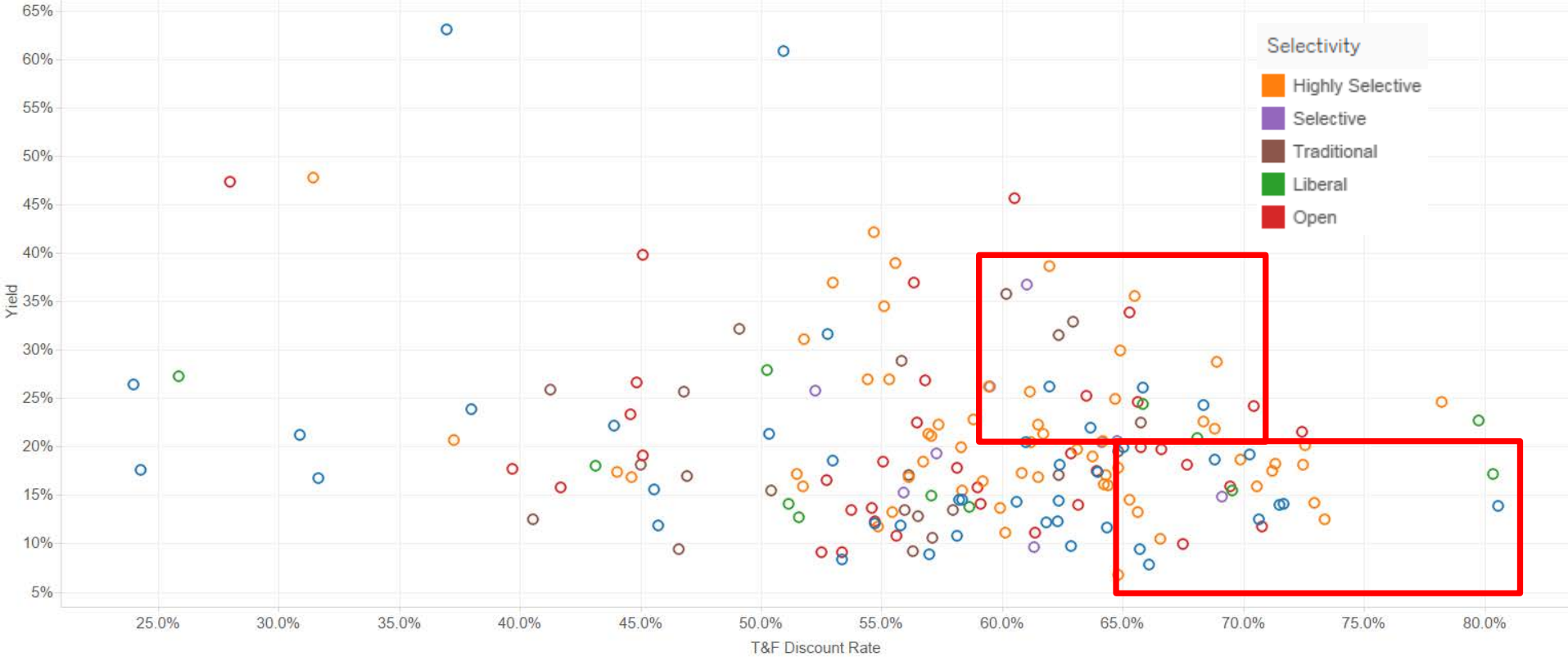
# 2022 FTIC Yield Rates by Region or Type



# 2022 FTIC Yield Rates by Selectivity (Privates)

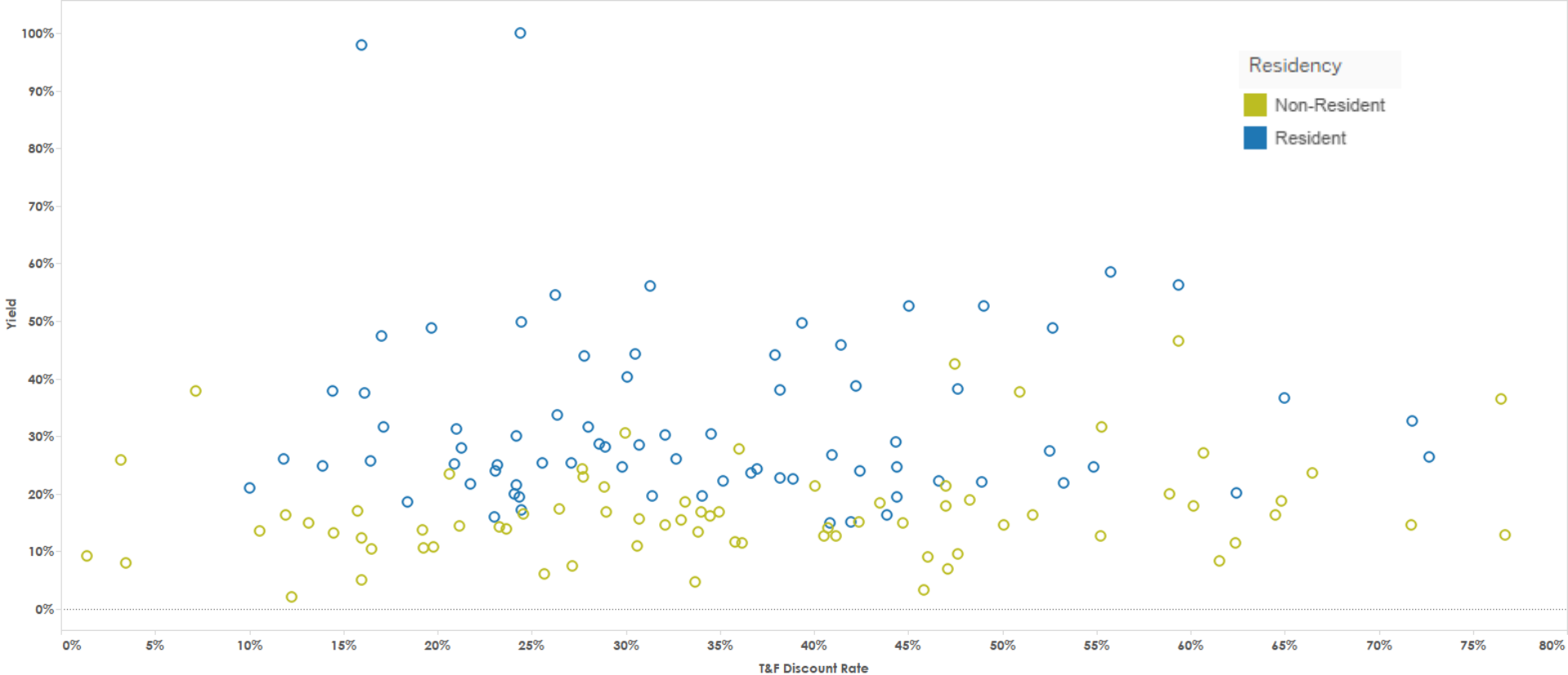


# 2022 FTIC Yield vs. T&F Discount Rate (Privates)

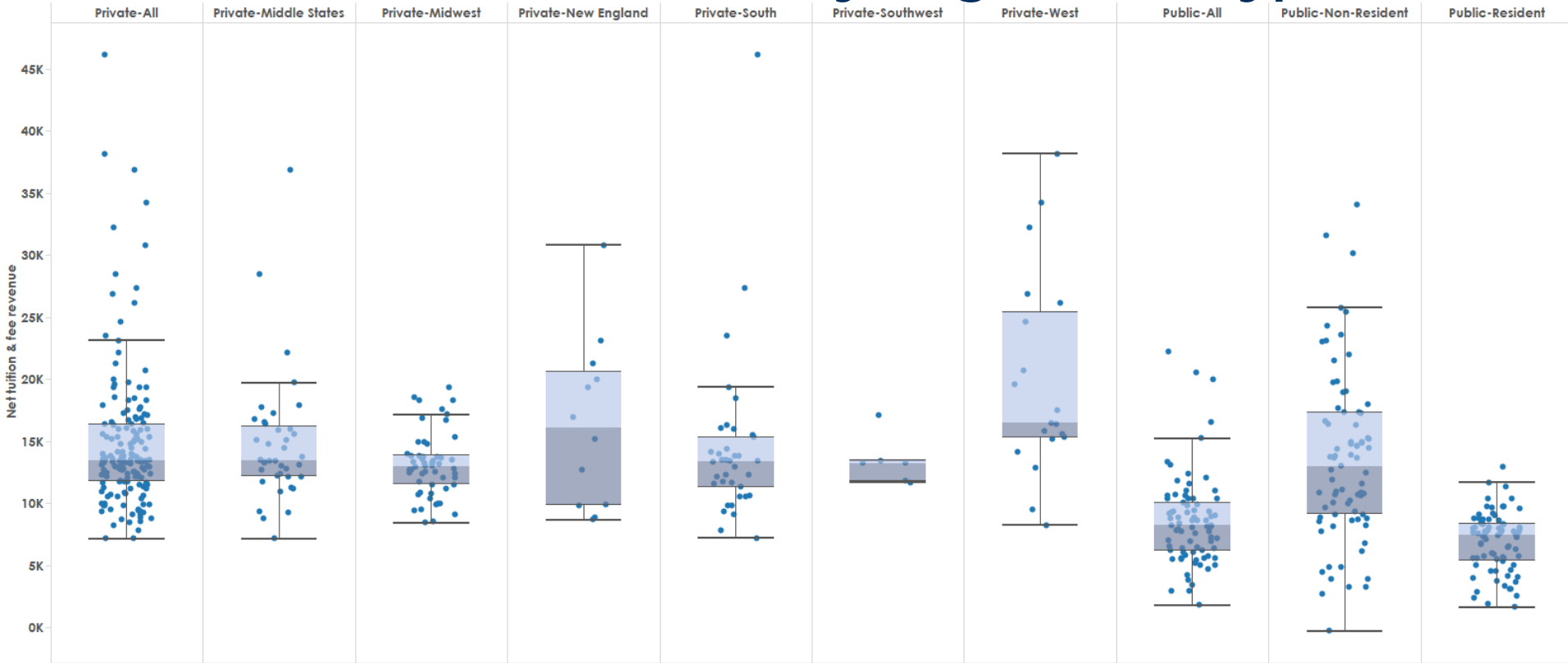




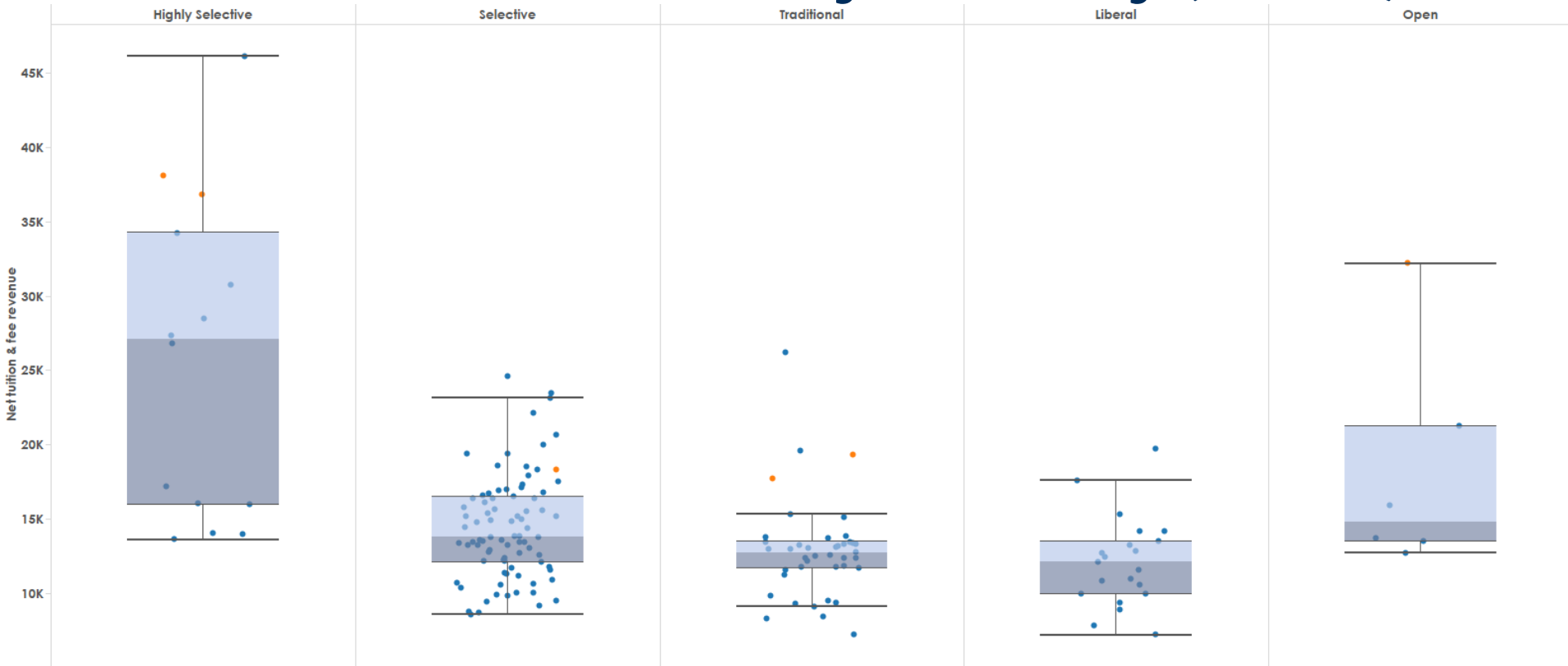
# 2022 FTIC Yield vs. T&F Discount Rate (Publics)



# 2022 FTIC Net T&F Revenue by Region and Type



# 2022 FTIC Net T&F Revenue by Selectivity (Private)



# Which school would you rather be?

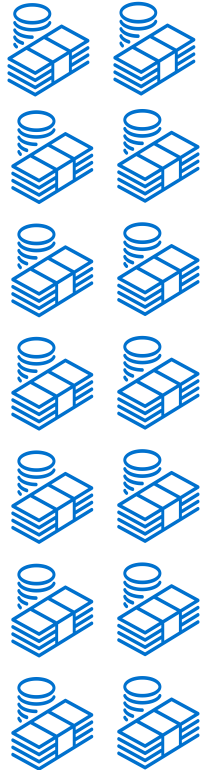
School "A"  
\$14,130 NTR

X

200 Students



\$2.8M



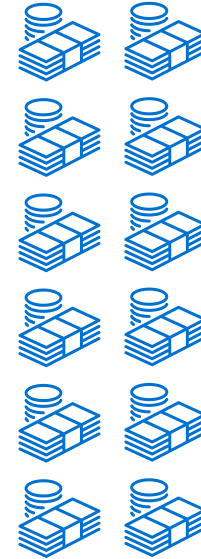
School "B"  
\$12,112 NTR

X

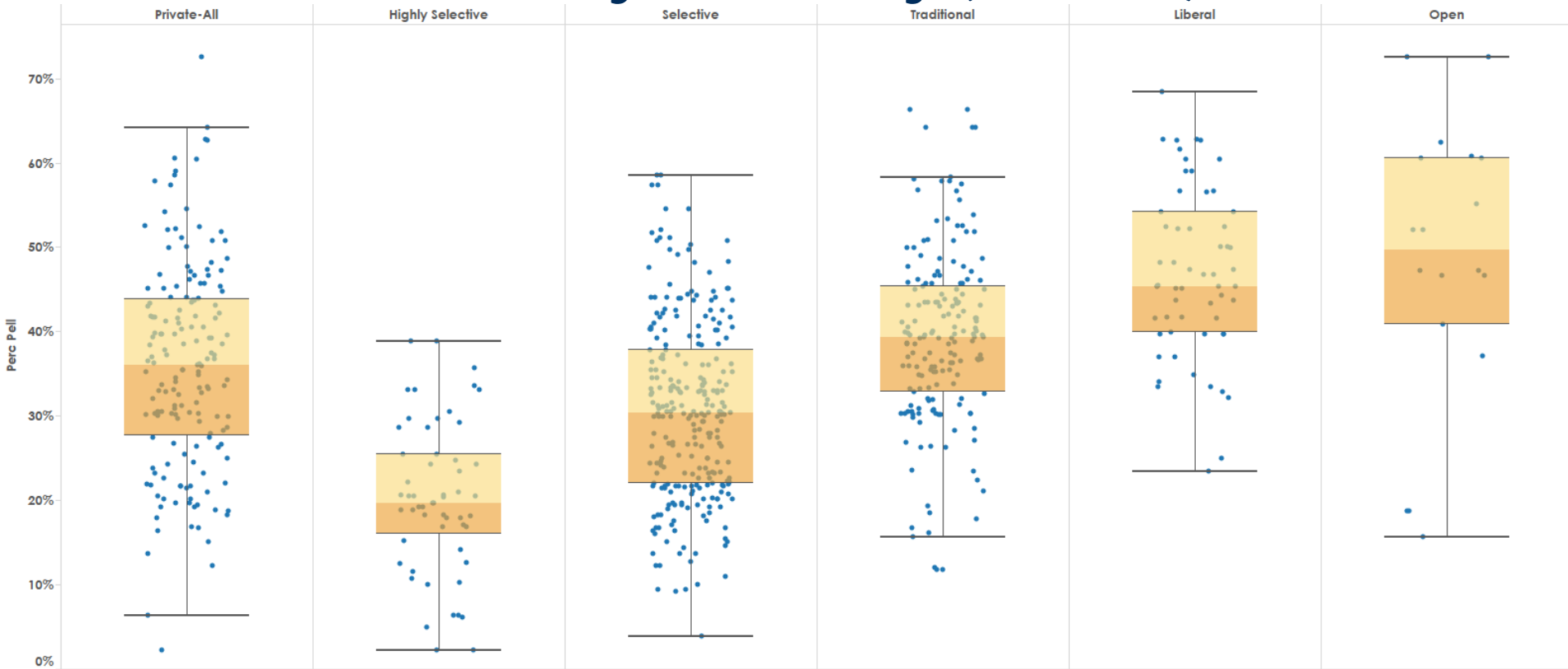
775 Students



\$9.4M



# 2022 FTIC Perc Pell by Selectivity (Privates)

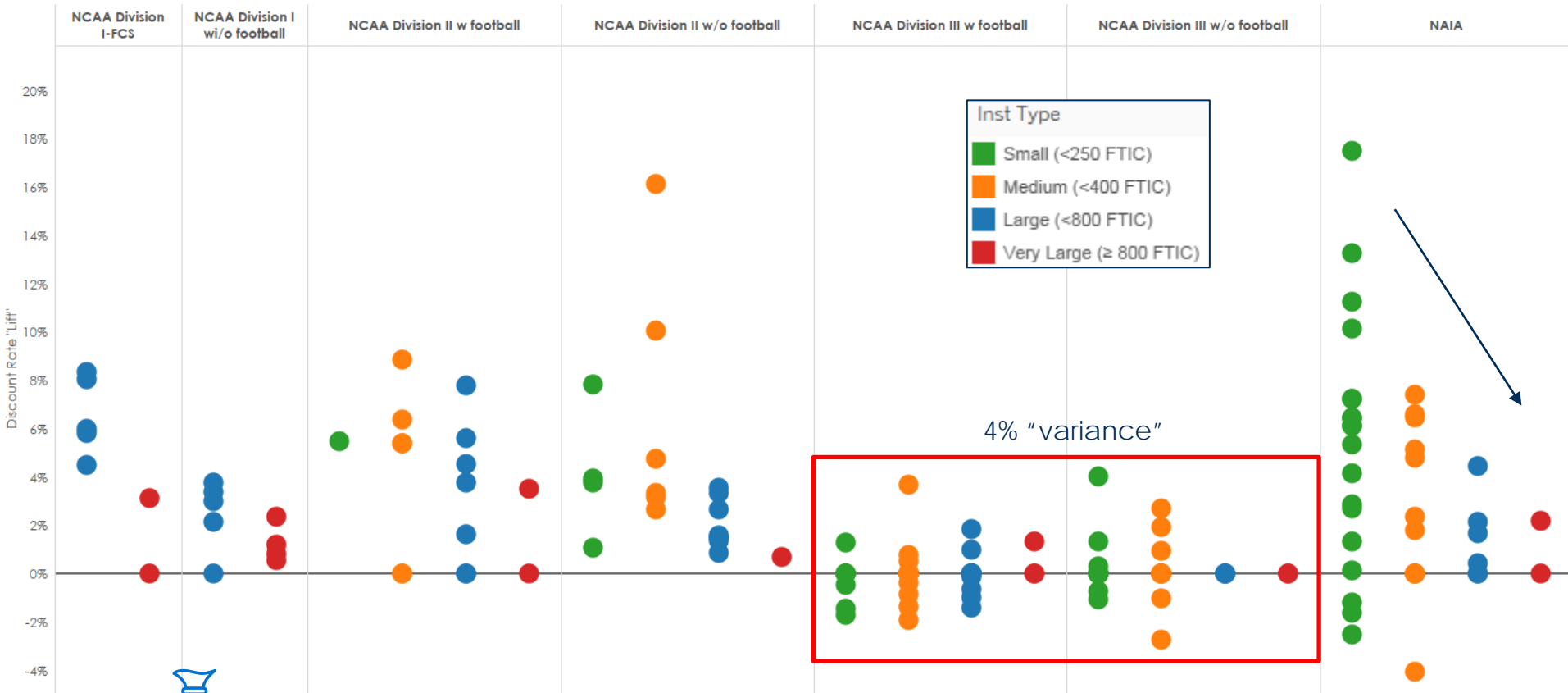


# Athletic aid has a big impact on discount rates.

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?



# 2022 FTIC Athletic Aid Discount "Lift" (Privates)



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

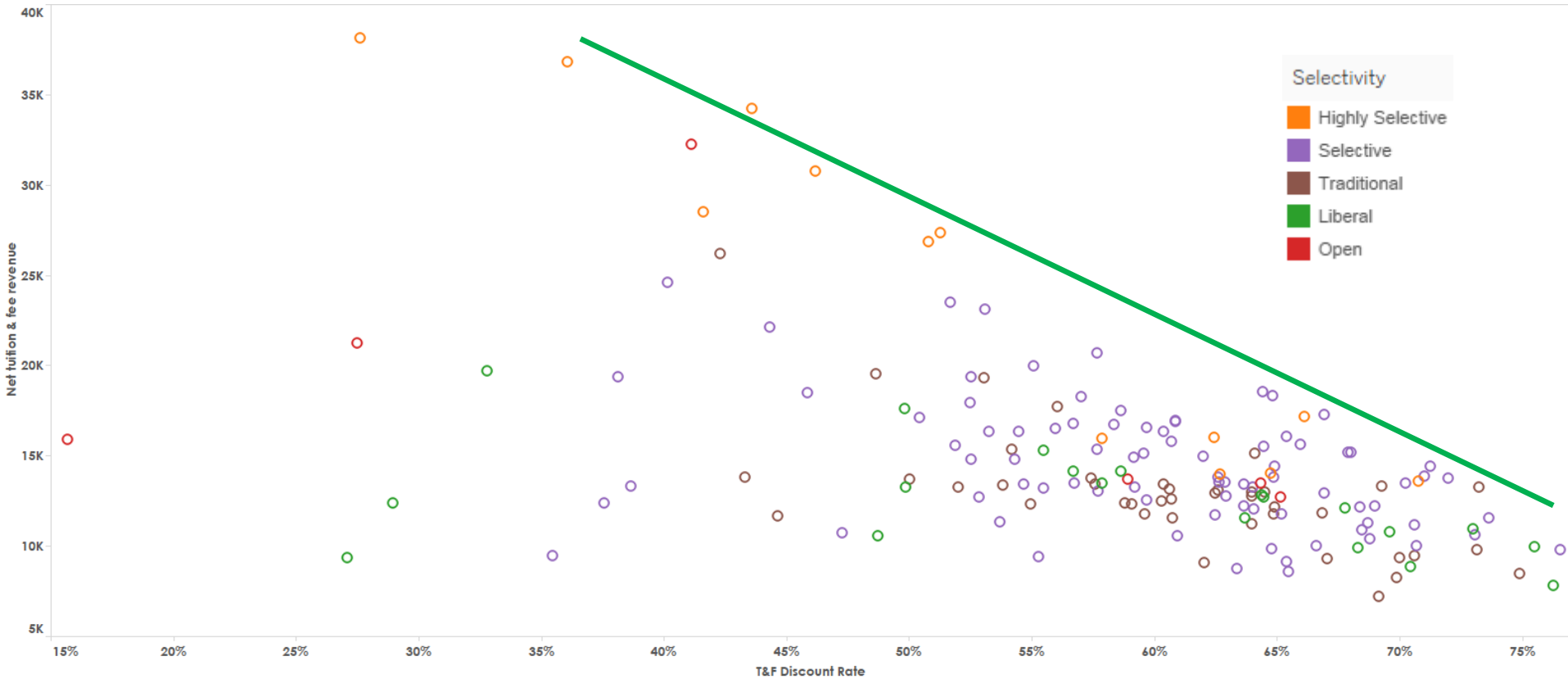
Disc. Rate }	<p>~3000 New Students (1% “Lift”)</p> <p>91%      43%      =      44%</p>	<p>1000 New Students (4% “Lift”)</p> <p>91%      43%      =      47%</p>
	<p>500 New Students (7% “Lift”)</p> <p>91%      43%      =      50%</p>	<p>300 New Students (12% “Lift”)</p> <p>91%      43%      =      55%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



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



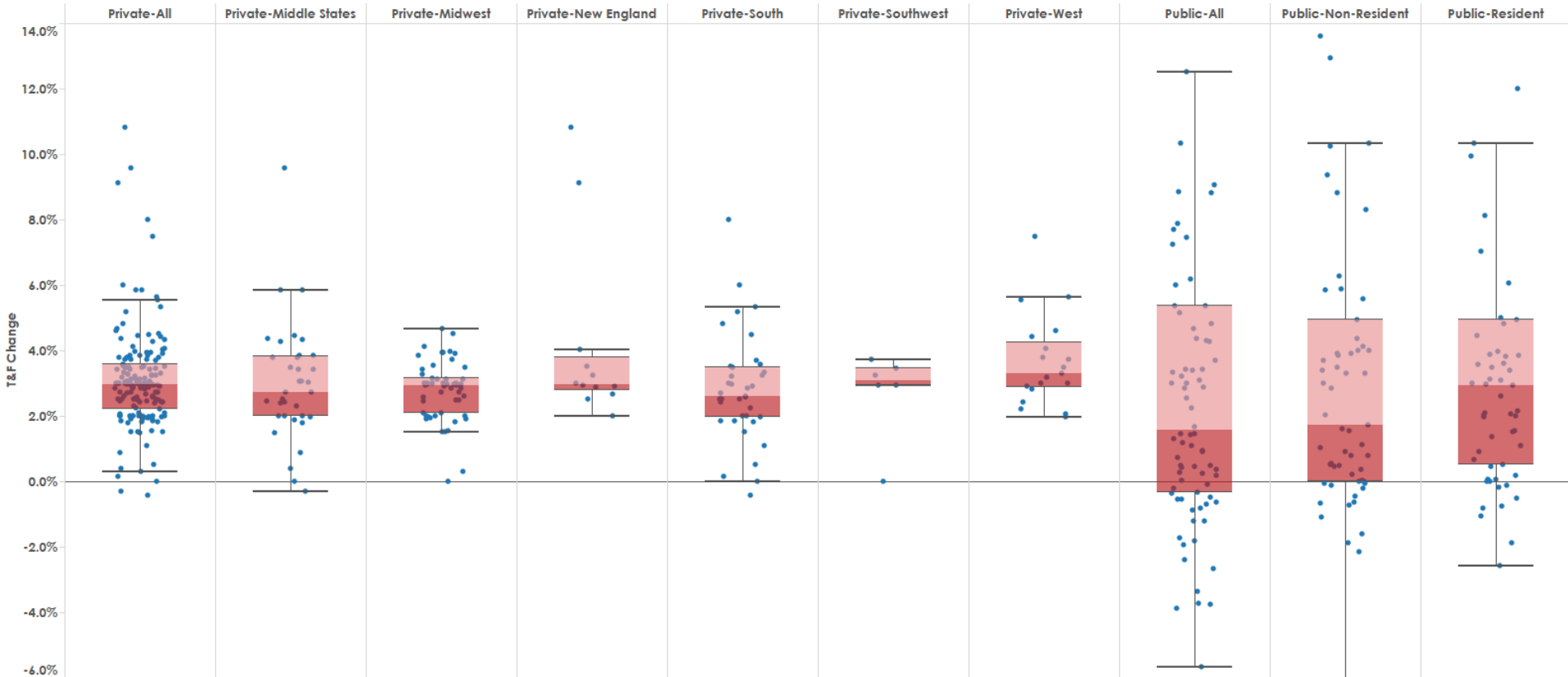
# 2022 FTIC Net T&F Revenue vs. T&F Discount Rate (Privates)



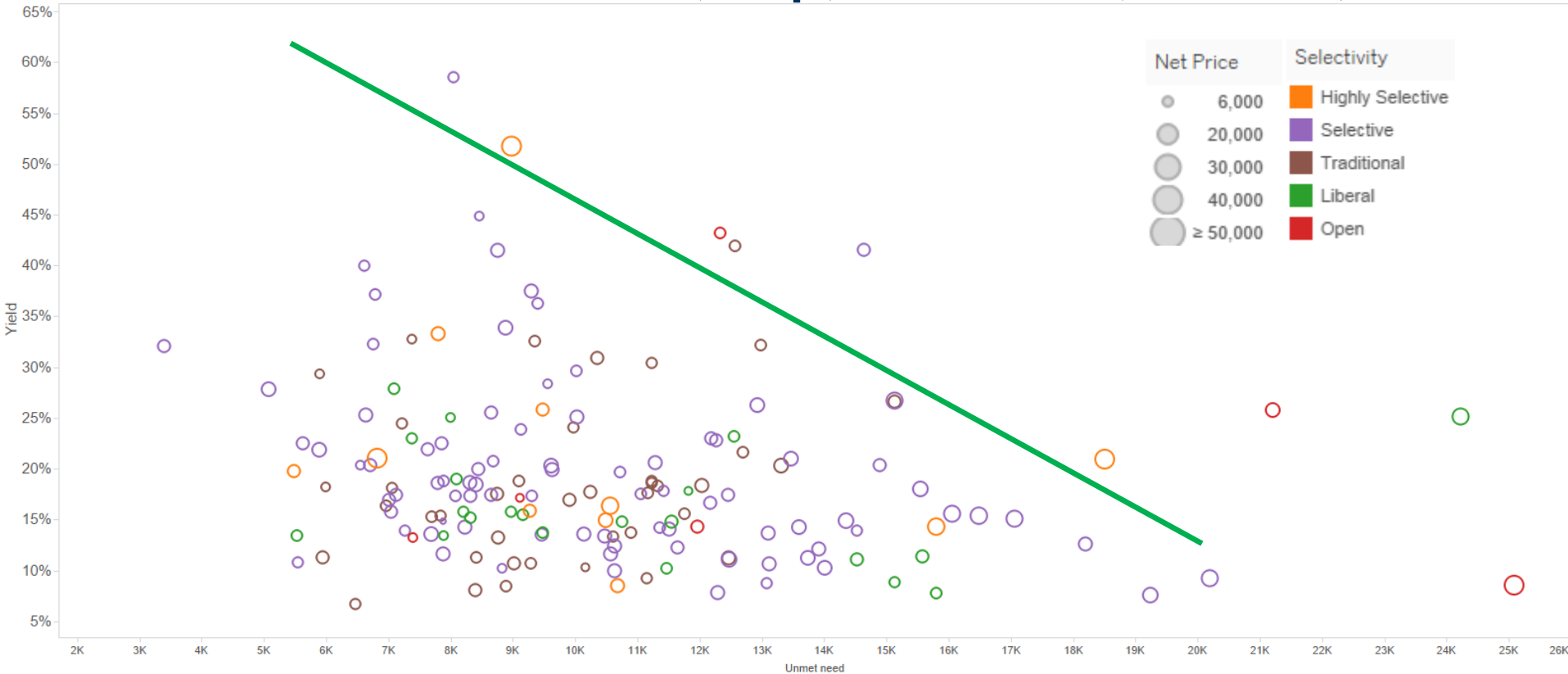
# 2022 Tuition and Fees by Region



# Change in T&F From 2021-22 to 2022-23 (by Region/Type)



# 2022 FTIC Unmet Need (Gap) vs. Yield (Privates)

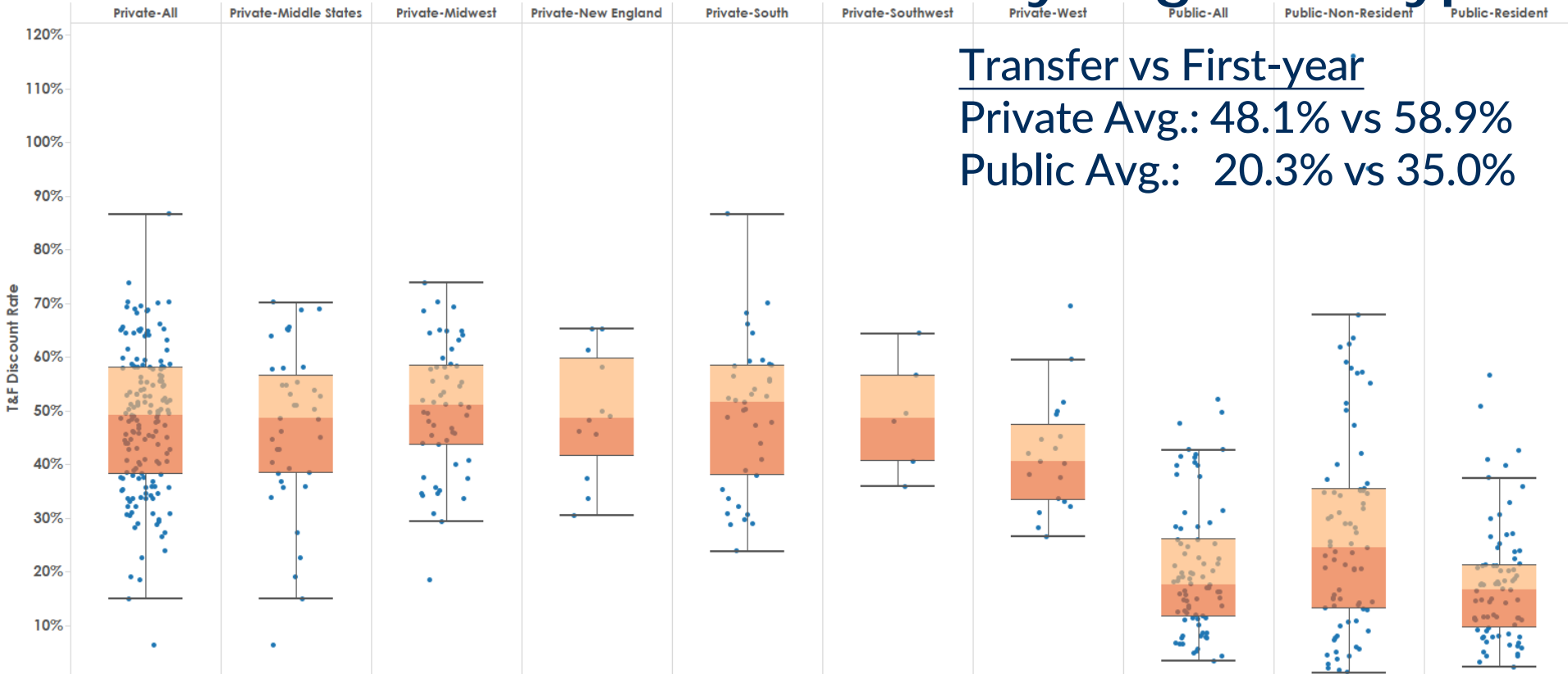


# Transfers behave differently ...

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



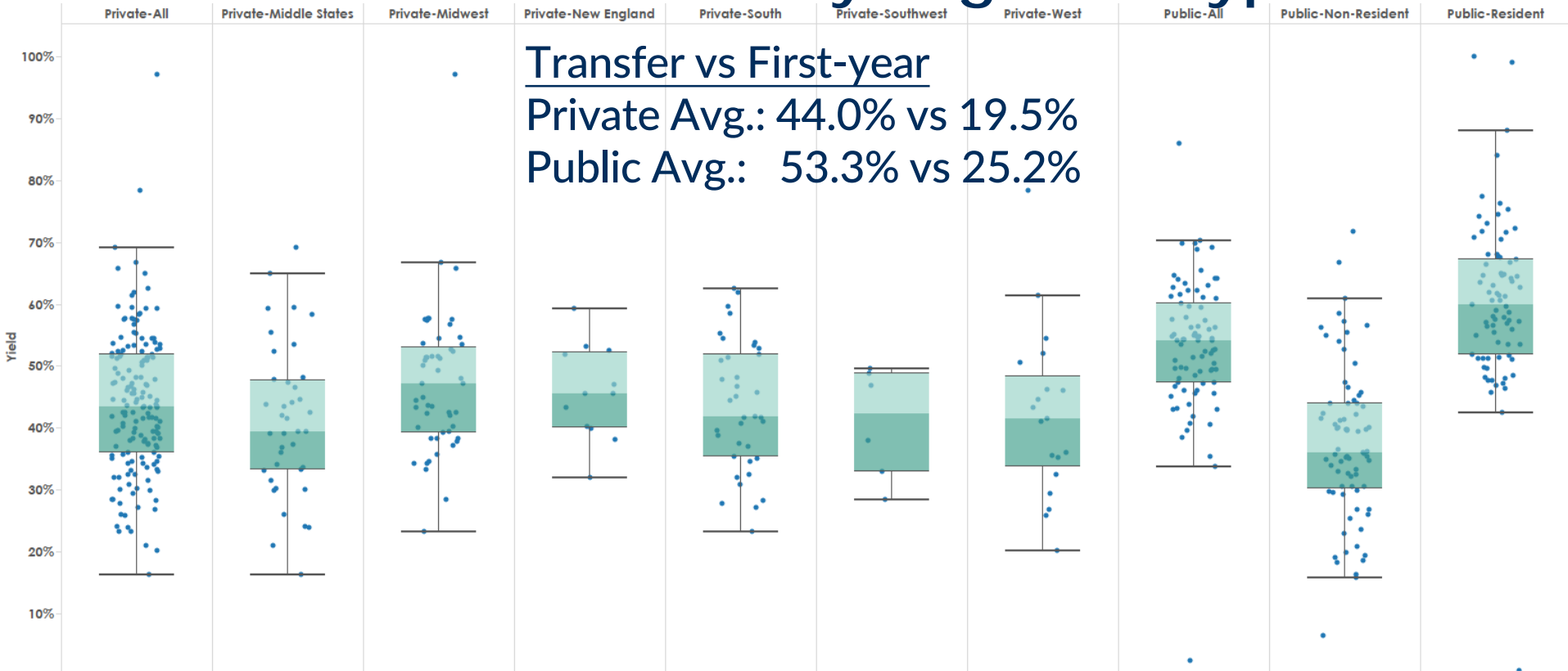
# 2022 Transfer T&F Discount Rate by Region or Type



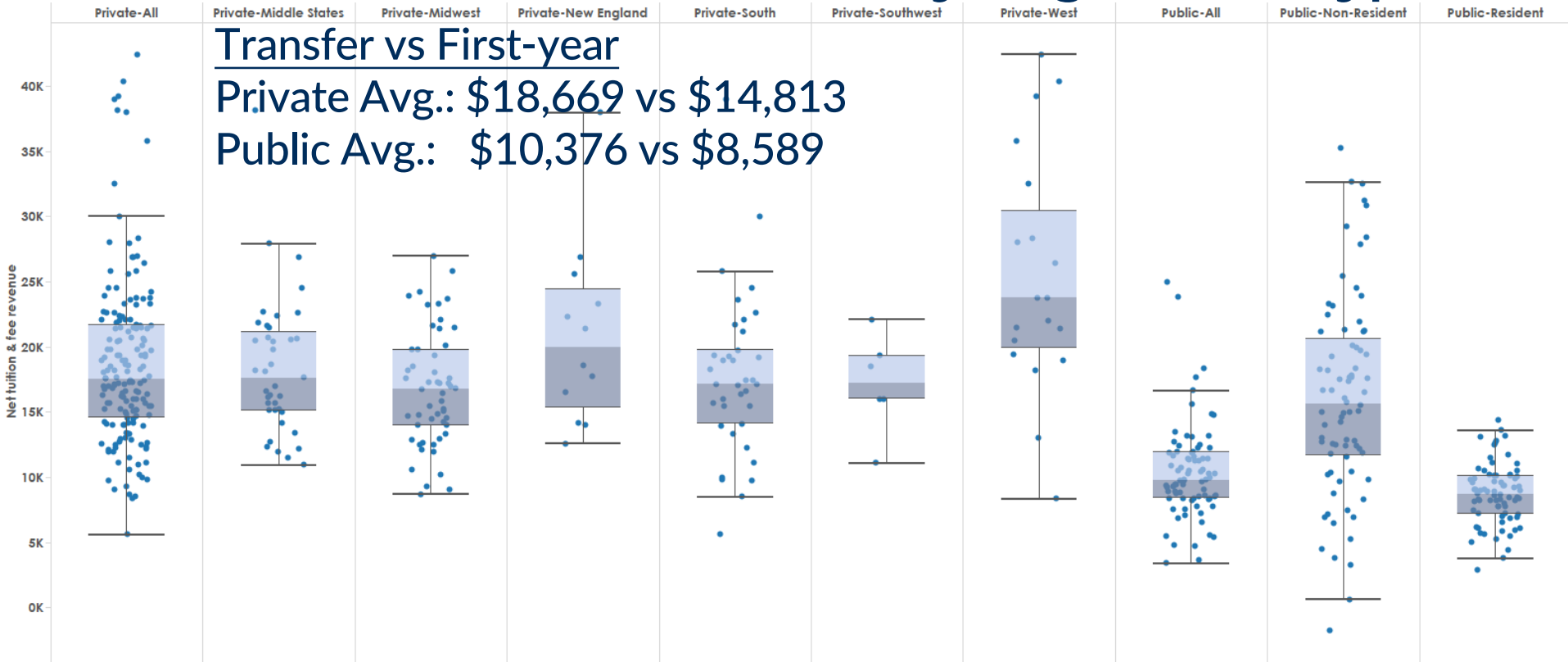
Transfer vs First-year  
 Private Avg.: 48.1% vs 58.9%  
 Public Avg.: 20.3% vs 35.0%



# 2022 Transfer Yield Rates by Region or Type



# 2022 Transfer Net T&F Revenue by Region and Type







Questions?

# Thank you.



**Galen L. Graber**

*Vice President Consulting Services*

Galen.Graber@RuffaloNL.com 800.876.1117 **toll free**  
RuffaloNL.com 319.247.4721 **office**  
319.541.0905 **mobile**