

A Data-Informed Strategy:

How HelioCampus helped Frostburg State identify unmet financial need and address enrollment



Following the 2008 recession, Frostburg State University, a public, regional, comprehensive institution of 5,300 students in rural Maryland experienced reductions in their admission and retention numbers. To improve these rates and address unmet financial need among their students, the university began looking for ways to adjust its financial aid strategy. To do this effectively, Frostburg turned to HelioCampus and a data-informed financial aid strategy.

"In the past, recruiting was not that critical," says Dr. Ronald Nowaczyk, president of Frostburg State University. "Enrollment was almost like order taking, but it has gotten much more competitive." Losses in enrollment, Nowaczyk and his colleagues knew, would have financial consequences for the university. This, in turn, would impact FSU's affordability, which the university had always prided itself on.

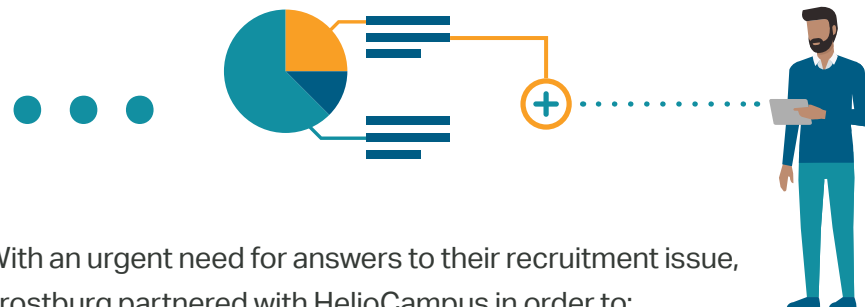
"We had a 77 percent retention rate from first year to second year," says Nowaczyk. "Of the students who did not return, about one-third had financial issues. We mitigated some of them through our foundation with mini-grants of \$500 to \$1,200 to a few dozen students, but we just kept coming back to financial issues. Specifically, we needed to know how to position ourselves to be attractive and affordable to students with financial issues."



Using Data to Understand the Problem

I believe in making data-informed, not data-driven, decisions,” says Nowaczyk. “That means using data to ask questions to determine policy moving forward. It gives us the ability to see what might be promising when looking at financial aid, for example.”

Nowaczyk also cites transparency and sharing of data as key to building a data-informed strategy. At Frostburg, “we push data down to the department chair level, not just to the deans and vice presidents,” he says. “Everyone needs the same access and data, and to see everyone else’s data. It takes a systems view to fix problems and ensure everyone is on board with the plan.”



With an urgent need for answers to their recruitment issue, Frostburg partnered with HelioCampus in order to:

- › Identify enrollment trends
- › Understand market conditions and the competitive landscape
- › Identify the core student type that enrolls at Frostburg
- › Identify which students would most likely graduate in four years

By leveraging student data, as well as tracking what other area schools were doing, HelioCampus helped piece together the puzzle of Frostburg's declining enrollment. “We discovered that some of our losses were masked by a large growth in online students,” says Nowaczyk, citing that Frostburg had gone from fewer than 100 online students to close to 800 in a very short time. They also discovered that students accepted by Frostburg were choosing community colleges over the university at a higher rate, a choice that suggested financial, rather than educational, motives for enrollment. Two and four year colleges offering discounts were also seeing enrollment increases, which aligned with other anecdotal observations that financial issues were likely driving these patterns.

Learning to Leverage Financial Aid

The next step was determining how to most effectively leverage their financial aid to both recruit and retain students. To stay focused, HelioCampus helped Nowaczyk and his team create four ultimate goals:



Distribute more aid to more students in order to meet more need



Use institutional aid to reduce the financial burden on their core student populations



Provide some level of aid to as many of their most likely-to-graduate students as feasible



Not leave unused financial aid on the table

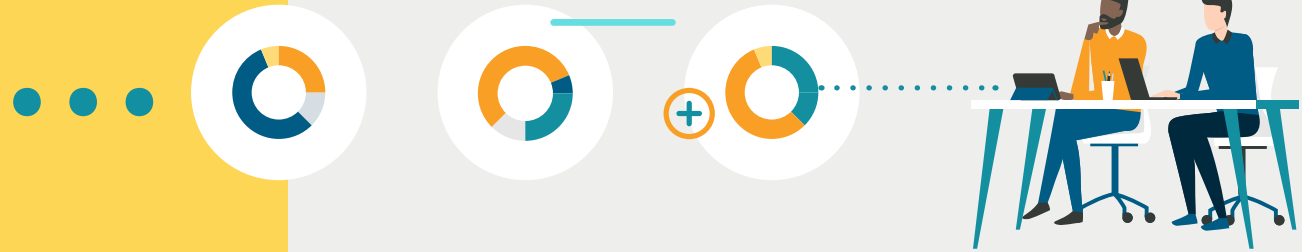
As an experiment, HelioCampus first built out sample “yield classes,” groups of prospective students deemed likely to increase Frostburg’s enrollment yield, based on GPA, tuition residency, and proximity to campus. By then comparing these data points to financial aid offered and whether or not the student enrolled, they discovered that **merit-based financial aid was not increasing enrollment yield, but that need-based aid was boosting enrollment yield by as much as 20 percent.**



“Even when we increased the amount of aid offered, the low-yield group’s enrollment did not go up,” says Nowaczyk. “In fact, their enrollment went down!” When offered no financial aid, the high-yield group was 38 percent likely to enroll at Frostburg, compared to 27 and 22 percent for the medium- and low-yield groups, respectively. As aid offers increased to \$5,000 – \$7,499, the high-yield group’s enrollment peaked at 70 percent. The medium-yield class’s enrollment also peaked at 70 percent, but not until the aid offered exceeded \$7,500. The low-yield group’s enrollment never increased, and in fact went down to an average of 19 percent as more aid was offered.

These results were both fascinating and unexpected. “By giving the medium group, which is a much larger group of students, just a little bit more money,” says Nowaczyk, “we saw significant increases. We saw that we could take the money that would not make any difference to the low-yield group, give it to the medium group, and have it actually be useful.”

Creating Models for Targeted Financial Aid



Thanks to HelioCampus, Frostburg found themselves armed with a more complete data picture. The next step was to uncover how to use financial aid even more strategically, “so that we could increase admissions and retention,” says Nowaczyk, “and better understand how increasing aid might impact enrollment and net tuition revenue.”

With their earlier discoveries as a starting point, and looking closely at which aid amounts were impacting which student classes most significantly, HelioCampus built out three statistical models for Frostburg. These models aimed to maximize both net tuition revenue (a top priority) and yield (a secondary priority).

MODEL 1 illustrated what would happen if no aid dollars were added to their budget, but Frostburg redistributed the money based on unmet need and other key student characteristics.

MODEL 2 presented revenue and yield outcomes based on Frostburg adding 50 percent more student aid to their budget.

MODEL 3 showed outcomes based on increasing financial aid while also targeting the distribution of the aid according to Frostburg’s data.

The first model predicted an increase in revenue representing an ~3.5% increase in net tuition revenue from new freshman; the revenue predicted in the second model was relatively flat compared to Model 1, as revenue gains came at a cost of increased aid spending (but without any yield increase from Model 1); and the third predicted a smaller revenue increase, but with a healthy (almost 18% in the freshman class) gain in enrollment yield under ideal conditions. This final model allowed Frostburg to better understand the interplay between institutional financial stability and student success, providing a pathway for implementing a new method of distributing financial aid that aligned with the strategic goals.

Moving Forward – Based on Data

With an institutional priority on increasing enrollment and retention, Frostburg has begun actively distributing aid based on the third model this year. “We are getting even more granular with the data,” says Nowaczyk, “looking at levels of unmet need and getting our financial aid office’s input.”

“It is an iterative process,” he says. “But we were somewhat flying blind before. Now, working with HelioCampus, we have some what-ifs and modeling that is helping us move forward.”



Connect your data dots.

If you would like more information on HelioCampus solutions,
email info@heliocampus.com.