Selecting Students, Selecting Priorities:
How Universities Manage Enrollment During Times of Economic Crises

by Karri Holley and Michael Harris
Undergraduate student enrollment in American public higher education continues to expand at a dramatic rate. While economic factors, student demographics and employment opportunities temper institutional growth, undergraduate enrollment at public four-year institutions over the past decade has remained remarkably consistent. Concurrently, state appropriations have continued a slow decline and now represent the lowest level of support since 1980 (SHEEO 2008). As the economic recession continues to threaten state funding, federal support and financial aid allocations, colleges and universities increasingly rely on student enrollment and tuition as a revenue source.

This article, examines how universities respond to this challenge, particularly in the areas of student recruitment and admission. These areas represent key components related to organizational well-being; such functions serve to bring in new students and sources of revenue as well as shape external perceptions of the institution (Bowman and Bastedo 2009). External perceptions of a college or university by prospective students and their families frequently rely on various dimensions of reputation (DesJardins, Dundar and Hendel 1999). In particular, higher education institutions reflect a perceived quality relative to other institutions (Rindova et al. 2005). Campus administrators shape perceived institutional quality by defining priorities and employing scarce resources. Distinctive characteristics of the institution, however, determine the allocation of finite resources. Administrators commonly assign resources according to priorities and perceived organizational strengths (Clark 1998). Some institutions may emphasize their innovative undergraduate curriculum and opportunities, while others might use funding to support graduate education and research.

Prospective students frequently struggle to evaluate the quality of a college or university (Zemsky, Wegner and Massy 2005). Researchers have employed what has commonly been described as an econometric model to understand college choice, where students balance perceived costs and benefits related to enrollment (Schwartz 1985). The long-term benefits for an individual in terms of receiving a degree from a particular institution, or the expertise of faculty at one university compared to another, remain ambiguous indicators of quality. In lieu of more concrete means to evaluate quality, individuals seek other indicators of organizational strength. A college’s honors program may attract some prospective students (Long 2002), while scholarship and financial aid opportunities impress others (McPher son and Schapiro 1998). The strategic choices that colleges and universities make to support these components influences the perceived quality of the institution, particularly as students and their families face escalating tuition costs.

In this study, we sought to understand how economic challenges impact the college admission process. Prospective students consider a range of factors when applying to college, including location, curricular offerings and financial support (Cabrera and La Nasa 2000). Although not always a rational process, students gather information from various sources as part of the college choice process (McDonough 1994). The choices that colleges and universities make in relation to their organizational priorities influence how prospective students define institutional quality. During times of economic recession, and as students are asked to pay more for a college education, these issues are significant ones for applicants as well as enrollment officers.

Research Design
The data discussed in this article were collected from a larger case study of public four-year colleges and universities. Six institutions were identified across the southeastern United States to encompass a range of characteristics, including size, location, curricular offerings, and reputation. Individuals at those universities were selected who could provide insight into enrollment management, funding and financial aid. Two of these case studies are presented in this article in greater detail to illustrate how institutional characteristics impact student admission, enrollment and retention during times of economic challenge. The universities are not named, as the interview respondents were assured confidentiality in terms of their
responses. However, greater detail about the schools is provided below.

One of the largest and oldest public four-year universities in its state, Southeastern University (SU) enrolls more than 25,000 students. The research team conducted interviews with the university vice president, an assistant director for admission and an admission counselor. Documents related to student recruitment, financial aid, marketing, and tuition were also reviewed. Regional State University (RSU) is also one of the oldest public universities in its state, but enrolls less than 5,000 students. During a visit to campus, the research team interviewed the financial aid director, the vice president for student affairs and the director of admission. Team members also toured the campus and visited academic facilities as well as residence halls. The institution provided extensive access to documents that supplemented the interviews. A more regional institution compared to Southeastern University, RSU portrays itself as a small, liberal arts college that promotes student success.

Data Analysis
With consent from participants, these interviews were audiotaped and later transcribed. The documents and other notes were collectively analyzed along with the interview transcripts. The researchers employed a constant comparative method (Glaser 1992), which encouraged a focus on emergent themes and issues across the multiple sources of data. The categories were continually modified through the course of data collection and analysis. A cross-case comparison across the multiple institutions identified similarities and differences by institutional type.

Institutional Case Studies
This section outlines the data collected at Southeastern University and Regional State University related to admission and financial aid. Unique organizational characteristics and external circumstances are noted. These factors influenced not only how universities negotiated the challenges of student recruitment and enrollment during an economic recession, but also those opportunities available to them in terms of a response.

Southeastern University
Southeastern University was founded in the early 1800s as a public, four-year institution to provide intellectual and social development for the people of the state. Currently offering bachelor’s, master’s, and doctoral degrees in multiple disciplines, SU recently reached an enrollment goal of more than 25,000 students. “Our mission remains the same, to serve the state and provide leaders for the state,” explained the university’s vice president. Although the institution’s athletic programs are a popular component of the organizational culture, the admission office also emphasizes the strong academic traditions at SU. Noted the assistant director of admission, “We promote our Honors College, scholarship opportunities and new residence facilities. We try to have an academic focus, and have done this for the last five or 10 years.” An important aspect of SU’s recruitment approach is bringing out-of-state students to campus. “Our strategy is to recruit as many [out-of-state] students as possible with the highest credentials, but it’s always a challenge to prove worth. ‘Why should we go out-of-state to your school when we could stay here and pay less money?’ students ask,” explained the assistant director of admission.

Currently, nonresident students comprise almost one-quarter of the institution’s undergraduate student enrollment and pay more than twice the tuition rates for in-state students. This enrollment is reflected in student recruitment activities. “I just did a tour today with 22 people,” said one admission counselor. “All of these students were [from out of state], all Caucasian.” The assistant director of admission added, “We have a lot of regional recruiters. If you have just one out-of-state student enroll from that area, it pays for the recruiter, so it’s really worth it in terms of dollars. [These students] pay so much more than what in-state students pay.” The influx of out-of-state tuition brings financial benefits to the campus. Over the last decade, SU constructed eight new residence halls and five new academic buildings; the institution also offers new dining options for students and completed renovations on several existing facilities.

While tuition revenue creates significant financial advantages to campus, the economic recession has impacted the number of out-of-state students seeking
to attend Southeastern. SU’s reliance on out-of-state tuition as a supplemental revenue source is precarious during financial downturns. “We’re bound by state law on how we can award residency to students who don’t live in state, but [in the past year], I’ve seen more cases of students seeking in-state status,” explained the university vice president. “Usually, this is because a parent has been laid-off, or their investments have declined. But the decision is not ours in most cases, no matter how challenging the circumstances.” University administrators, aware of the financial challenges faced by students and their families, sought other avenues to assist them: a textbook rental program was recently implemented; staff were instructed to work with students on re-calculating financial aid packages; and a greater administrative emphasis was given to student payment plans. “However, we haven’t fully realized the economic impact of the recession in this state,” warned the vice president.

Financial support, in the form of scholarships, grants or work study opportunities, influences whether students chose to enroll at Southeastern. The SU admission office uses scholarship packages as a recruiting tool. “Merit based aid is crucial, because it is something students don’t have to pay back,” said the assistant director of admission. “We don’t do as much with need-based aid, because with scholarships—that is just free money.” The admission counselor added, “[The admission office] is charged with increasing test scores and grade point averages, and we can do that through guaranteed [scholarship] offers. If you place within a certain range, we’re going to offer you so much money.” In fact, the SU admission office works independently of any other campus department in determining financial aid awards related to initial enrollment. “We operate on a sliding scale, and we use that assurance to get students to campus,” the counselor concluded.

Like many large public universities across the country (Wright 2009), Southeastern has grown rapidly over the last decade in terms of student enrollment, campus facilities, academic offerings, and budget. Campus leaders seek to maintain these areas of growth despite the economic recession. The assistant dean of admission said, “We have a lot of support for what we’re doing [from administrators], and that comes from communication, from the top down. The deans feel the pressure to increase, too, so they are on the road with us. The president may be in one state, the engineering dean in another and a counselor in a third.” Across the institution, faculty and administrators seem to feel the demands of maintaining student enrollment.

Regional State University
Regional State University (RSU) began as a college focused on preparing teachers in the 1800s. Over time, RSU increased its degree offerings, eventually building well-recognized programs in education, nursing and the liberal arts. The institution changed its designation to “university” only in recent decades. With an enrollment of approximately 5,000 students, RSU faculty and administrators concentrate on their core mission: offering quality academic programs with personal attention to each student at a reasonable rate of tuition. “Everyone here prides themselves on placing students first,” the president of RSU stated. As a regional university, RSU primarily recruits students from the surrounding geographic area, although they boast of a diverse learning environment created by students from across the United States and around the world. Located in a rural part of the state, where the primary industries include agriculture and manufacturing, RSU has long advertised its small town setting and secure environment.

Almost all of students at RSU receive some sort of financial aid, reflective of the institution’s emphasis on first-generation college students. The financial aid director noted, “We used to be a very non-selective school, but we’ve tightened up over the years.” The minimum ACT score now required for admission is 18. “Students receive athletic scholarships, dance, academic, federal financial aid,” explained the director of student affairs. “But financial aid is not necessarily the biggest incentive for students to attend RSU, with our costs being so reasonable compared to other institutions.” Providing financial support plays an important aspect in student recruitment, yet one made more challenging by turbulent economic circumstances. The director of student affairs continued, “We have a large number of students, I call them ‘tweener,’ whose parents make enough money where they don’t qualify for federal assistance, but the students really need to work in some way.” Due to its rural location, RSU students are often forced to travel to larger cities up to 90 miles away to secure part-time employment. “We created a job shift program, which is strictly university funded, to keep those students here,” added the director of admission. “But with minimum wage going up, and discretionary funds being increasingly scarce, it’s harder to offer enough money to make the job worthwhile.”

While RSU celebrates its small town atmosphere, administrators acknowledge the challenge of recruiting and retaining students to a comparatively isolated campus. “When you start to get students from three, four, five hours away, and they can’t go home every weekend, then you have to entertain them. What are we going to do to keep them here?” the director of student affairs explained. “We need to have strong student activities, something they can be involved with.” The university renovated its recreation facility, which occupies a small basement in the student center, and upgraded its on-campus cafeteria options within the past five years. However, administrators recently shelved plans to construct a new residence hall. “We were so looking forward to that, and it was something that we needed to attract

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students,” said the director of admission. “Once the bottom began to fall out of the economy, and we began to see applications and interest drop, we didn’t want to be in a situation where you had a building half full, but you still had to pay for it.”

Total student enrollment was approximately 500 students short of RSU’s Fall 2009 enrollment goal, a challenging blow for a campus of its size. While administrators remain adamant that they have not abandoned the long-standing institutional mission of serving the local area, they increasingly pursue other options to increase student enrollment. First, the number of online degree programs offered by RSU has grown significantly over the last decade. Online students now represent more than half of the total student enrollment at RSU. The financial stability of the institution depends on these crucial online programs. “We take a look at the budget, then at the shortfall based on state appropriations, and can make up some of the difference with our online monies,” noted the director of student affairs. Tuition increases, he further explained, must cover the remaining gap. In addition to online programs, RSU has also entered into several dual-degree and international partnerships. “Our goal is to internationalize our curriculum,” explained the institution’s president, “and is a key to our proposed five-year plan.” RSU administrators have developed numerous activities that bring financial support to the perceived mission of undergraduate education.

Discussion
The universities detailed in this study allocated an array of resources according to institutional priorities, aspirations and perceived strengths. As the impact of the economic recession became more acute, these priorities became further entrenched in terms of the institutional culture. Although the two institutions faced unique challenges caused by the economic crisis, administrators on both campuses engaged in behaviors that attempted to respond proactively to minimize the damage caused by the recession. Admission and recruiting served as significant tactics related to these institutional efforts. As a result, the university’s internal priorities and how potential applicants serve those aims carried considerable weight. Beyond information submitted for the application process, prospective students were portrayed as a crucial means to support institutional activities. We consider the impact in terms of student recruitment, financial aid and institutional momentum.

Recruiting
Southeastern and Regional State engaged in specialized recruiting strategies to augment their strengths and capitalize on students inherently attracted to what each offers. For SU, this effort resulted in an emphasis on the ability of a large public university to offer honors programs, new residence halls and campus activities. Although not directly touted by the admission office, the prominence of the institution’s athletic programs garnered name-identification and helped foster the “big school” feel necessary to attract students. In contrast, administrators at Regional State placed emphasis on the closely-knit campus community and personal attention. Recognizing its rural, remote location, the institution expanded activities and opportunities to better attract students. From individual campus tours to personal attention, the recruiting strategies underscored the university’s small school vibe, which was commonly presented as a positive element of the campus.

In addition to taking advantage of existing strengths, both universities actively sought to expand their market reach and maximize student revenue. Whether in the form of out-of-state or online students, campus leaders viewed the use of recruiting strategies related to expansion and new student populations as a way to grow the institution. Particularly in light of the economic decline, the pursuit of students and tuition proved a paramount focus of the institution. Again, students came to represent not simply potential learners, but also a means to achieve institutional priorities and objectives.

Financial Aid
The need for financial assistance, given the stress placed on students and their families by the economy, plays an important role in the recruitment and enrollment of desired student populations. The two universities in this study sought both broad and targeted techniques to achieve their various institutional objectives. For Southeastern University, the goal of improving the quality of their student body as measured by quantitative indicators resulted in a heavy emphasis on merit-based aid packages. The bulk of aid monies were distributed based on test scores and grade point averages, underscoring the desire to improve the university’s rankings and student profile. These awards focused on attracting students the institution hopes to enroll who may also have competitive financial offers from peer institutions.

Regional State University’s struggles appear more pronounced on issues of financial aid. The institution primarily focused on generating sufficient revenue while maintaining a low-tuition profile. Specifically, financial aid consisted primarily of federal grants and loans along with a smaller mix of private lenders. A particular challenge for the institution related to the lack of readily available employment for students. Given that many students have to travel substantial distances to gain employment, the university started a program designed to offer jobs on campus to students to help alleviate this problem. For RSU, providing employment opportunities represented a key area of financial assistance to help not only recruit students, but also encourage them to remain on campus and participate in the community.

Maintain Momentum
Campus leaders at both study sites desired to create an environment where the institution could continue progress towards various goals
This strategic emphasis did not negate the influence of the economic decline, but rather attempted to account for it in order to maximize potential opportunities that might arise. Whether in the form of tuition increases, new program offerings or innovative recruiting strategies, the clear objective was to minimize any negative decline. Although not always successful, as in the case of Regional State’s abandoned plans for a new residence hall, improving resources through students and tuition proved a central focus of the institutions. In a large measure, this fixation has enabled the institutions to maintain a focus on internal goals and priorities.

**Conclusion**

Colleges and universities struggle to balance institutional priorities, student demands and economic realities. External events challenge institutional leaders and enrollment managers to remain poised and proactive. Whether faced with closing a program or dramatically increasing student enrollment taxing the campus infrastructure, decisions regarding these issues present difficult choices. The institutions described in this study sought to take advantage of potential opportunities while attempting to prepare for negative consequences presented by the recession. Student recruitment and admission were given primary importance, not simply because of their role in bringing new students to campus. Rather, the process of admission reflected institutional strategies toward maintaining quality.

Moreover, the stories of these universities may resonant with many individuals across higher education. They present a cautionary tale to consider the specifics of an institution when responding to external challenges. Although many institutions will consider issues of recruiting, financial aid and how to maintain momentum, we encourage admission officials to examine how larger trends may impact the decisions that must be made regarding student enrollment and college choice. Understanding how particular local circumstances influence larger trends presents an opportunity to advance both student and institutional objectives as universities increasingly rely on students and tuition revenue to meet institutional goals.

**REFERENCES**


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**DR. KARRI HOLLEY** is assistant professor of higher education at the University of Alabama. She received her Ph.D. from the University of Southern California. She recently authored *Understanding Interdisciplinary Challenges and Opportunities in Higher Education* (Jossey-Bass). Her research interests include organizational behavior, graduate education and qualitative inquiry.

**DR. MICHAEL S. HARRIS** is assistant professor of higher education at the University of Alabama. He received his Ed.D. from the University of Pennsylvania. His research explores the policy and organizational influences of market forces on higher education.