

College Search Plans and the Economy

Students' college search plans and the effect of the economy on that process

Publishers' note

The incessant media attention last spring to the trials and tribulations of college admissions and the difficulty of winning a place in the most selective institutions led us to wonder how and if the college choice behavior of rising high school seniors might be affected by the gloomy media outlook.

As we prepared to field research on the topic late in the summer, the increasingly ominous economic reports emanating from Wall Street and Main Street led us to conclude that it would be useful to understand how this bad news might also be affecting college choice behavior.

This issue of *Student Poll* places a research finger regarding these two concerns on the pulse of this year's crop of college-bound seniors. Not surprisingly, the results suggest that we are entering a period of uncertainty in which once predictable patterns of behavior may shift, producing a shock wave that may rattle the foundations of old college admission assumptions. It appears that the only question is the magnitude of the shock and which colleges it will affect.

First, over one third of rising seniors we surveyed indicated that the news about last year's admissions environment will lead them to change their own college-choice behavior. They'll be applying to more colleges, making their application decisions more realistic, and applying earlier. If these expectations are reflected in actual behavior, it means that application volume will rise again, along with the number of early decision applications. This will make the predictability of yield calculations more problematic.

Second, over 40 percent of the students surveyed indicated that economic circumstances will change their college choice behavior. One fifth of this group said they'll consider a community college and one third indicated they'll look at colleges closer to home. Over 40 percent indicated that they'll look at public over private colleges, over half said they'd need a scholarship to attend college, and nearly 80 percent strongly agreed that they would need financial aid. But the very hopeful news in all these findings is that only a very small number reported that they would forgo college altogether: only 3 percent strongly agreed that not attending college was an option.

What this data suggests is that college admission is entering a period of perhaps unprecedented uncertainty. While it is too early to know whether the expectations measured in our research will be reflected in actual outcomes, some early evidence suggests that major changes are coming. For example, the expectations from this research regarding financial aid are being realized in the dramatic increases in financial aid applications now being reported nationwide. As is usually the case, the most elite selective colleges, protected by their wealth and status, may see effects only around the margins. But everyone else appears vulnerable.

So caution and flexibility appears to be in order. Grant sensitivity is likely to rise substantially, particularly for low and middle income students. Institutions that rigidly adhere to fixed discount rates or that are tightfisted with aid awards are likely to suffer. Of course, as in all periods of great uncertainty, conventional wisdom is as useless as a crystal ball. We appear to have entered such an era. The silver lining in all this: The dream of a college education remains very much alive.

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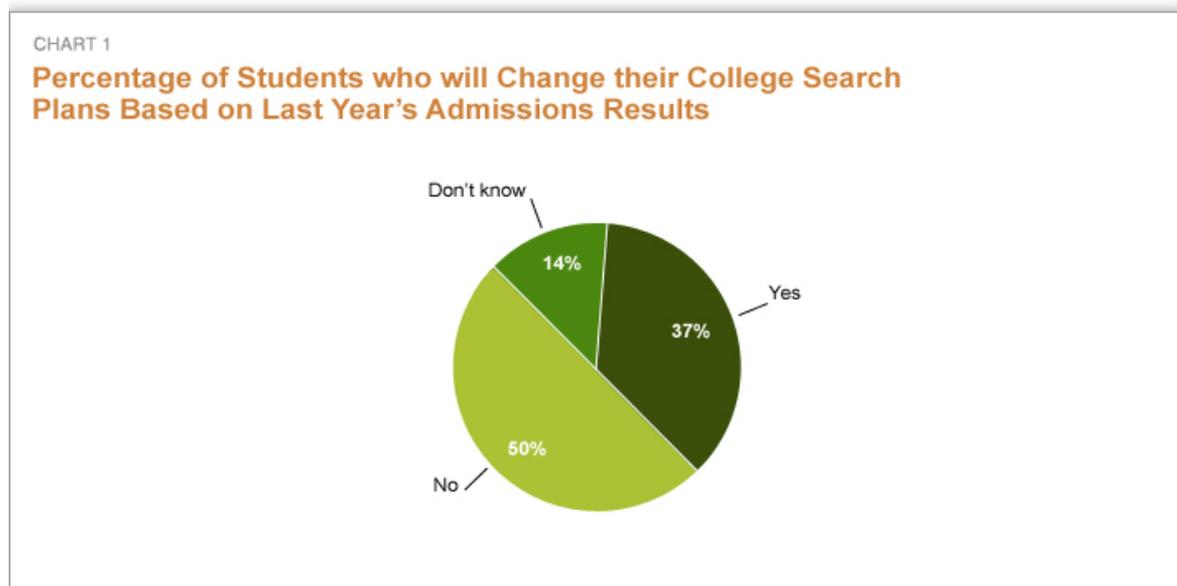
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Study Findings

1 A majority of high school students believe it is harder to get into selective colleges and a sizable segment has changed their own college search plans as a result.

Based on what they had known or had heard about college admission results for students entering college this fall, 62 percent of students surveyed believe that it was harder to get into selective colleges, 16 percent said it was about the same, and only 2 percent said it was easier. When we asked students if the news about these admissions results had in any way changed their thinking or plans about their own college search, 37 percent said yes.



By race, there was one significant difference: Asian students (70 percent) were more likely to strongly agree that it is “becoming more and more difficult to get into the best colleges and universities” compared to Hispanic (56 percent) and White students (39 percent).

2 In response to what they heard about the most recent college admissions picture, a majority of students plan to change their application behavior.

To gauge to what extent students have changed their own college search plans, we gave them a list of possible college-search strategies and asked them to indicate

which ones applied to their own college search plans.

Nearly two-thirds of students (63 percent of those surveyed) indicated that they plan to apply to schools where they have a good chance of receiving a generous financial aid award. A majority of students also reported that they plan to:

- Apply to more colleges this year (60 percent)
- Apply early decision to their first-choice college (55 percent)
- Mix up their college applications so they're applying to schools that are harder to get into as well as ones that are easier to get into (56 percent)

While students are willing to apply to a range of schools they are not willing to give up applying to schools they consider more difficult to get into. For example, only 20 percent of respondents indicated that they wouldn't be applying to some colleges that they considered harder to get into.

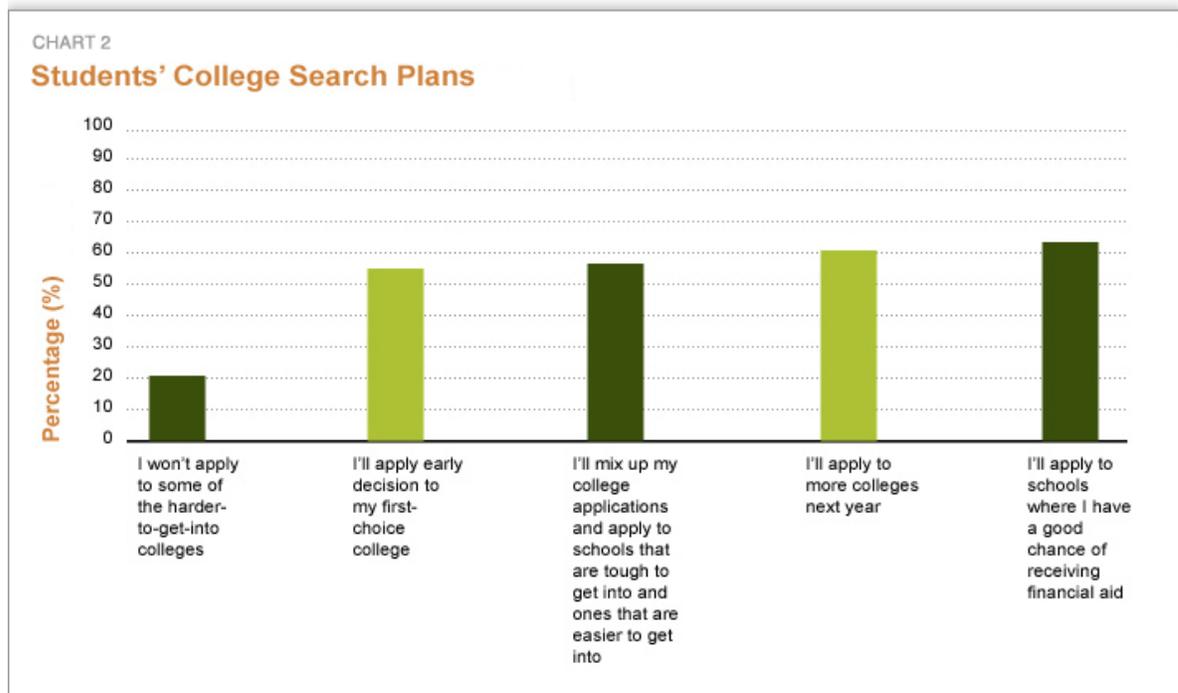
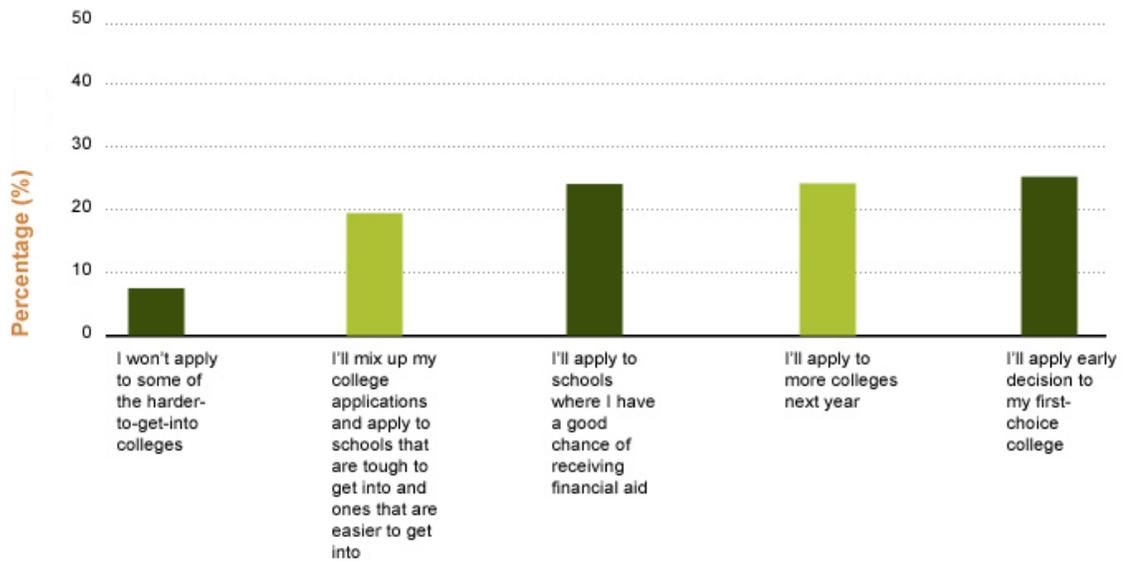


CHART 3

Single Most Important Change in Students' College Search



After students indicated which strategies applied to their own college search, we had them select the one they considered the single most important change they planned to make in their own college search in the coming year. Students were equally divided in their answers, with one-quarter respectively reporting that they'll apply to more colleges next year (24%), apply early decision to their first-choice college (25%), and apply to schools where they have the best opportunity of receiving generous financial aid (24%). Seven percent indicated that the single most important change in their own college search plans would be not to apply to some colleges they considered harder to get into.

Several noteworthy subgroup findings:

- African American students (46 percent) were more likely to strongly agree that “Your chances of getting into a good school are much better if you apply early” compared to Asian (25 percent) and White students (28 percent).
- Asian students (64 percent) were more likely to say yes - that they plan to “mix up my college applications and apply to schools that are tough to get into and ones that are easier to get into” compared to African American students (47 percent).
- Asian students (26 percent) were more likely to say that they “won't apply to some of the harder to get into colleges” compared to African American students (11 percent).

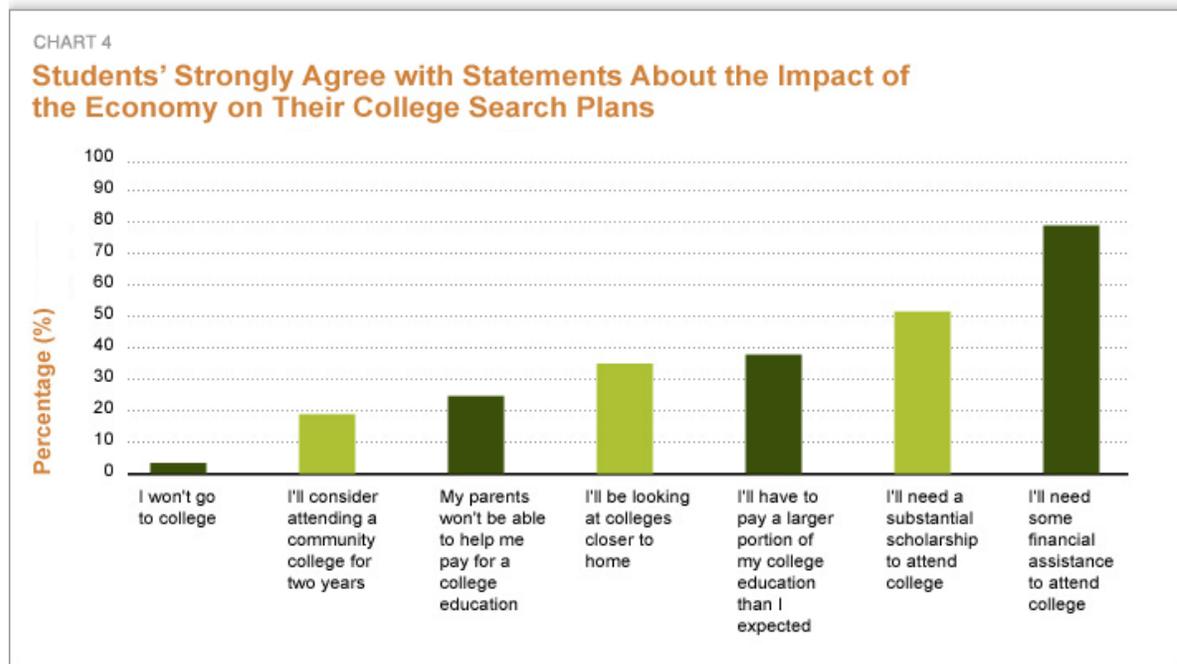
3 While adverse economic circumstances are likely to have a dramatic impact on how students conduct their college search and plan to pay for college, very few students intend to defer college. The greatest impact will be felt by students from less affluent families.

Given the economic slump and the growing crisis in the credit market, *Student Poll* wanted to explore to what extent students and their families are feeling the financial strain and whether that, in turn, is influencing their college search plans.

First, we asked students whether their college search plans had changed due to economic conditions that have affected their family such as rising gas prices, higher food costs, and falling real estate prices. Forty-two percent said yes.

Then we asked students to consider a series of statements and indicate the extent to which they agreed or disagreed with each of the statements describing the ways

their college search plans might change. Not surprisingly, a majority of students strongly agreed with statements concerning their need for a scholarship or other financial assistance to pay for college. Specifically, 51 percent strongly agreed that they would need a substantial scholarship to attend college while an overwhelming 79 percent of students reported that they will require some financial assistance to attend college.



Perhaps the strongest indications of the economic downturn and the growing difficulty families face in financing a college education is reflected in the answers to questions we posed about the burden students would shoulder in paying for college. When asked how much of the cost of their college education students expect to pay for, only 8 percent reported “none of the cost of my college education.”

Approximately one-quarter expected to pay 50 percent of the cost of their college education, another quarter expected to pay about one quarter or less, and 12 percent planned to pay “the entire cost.” At the same time, nearly one-third of students surveyed answered “don’t know” in response to this question.

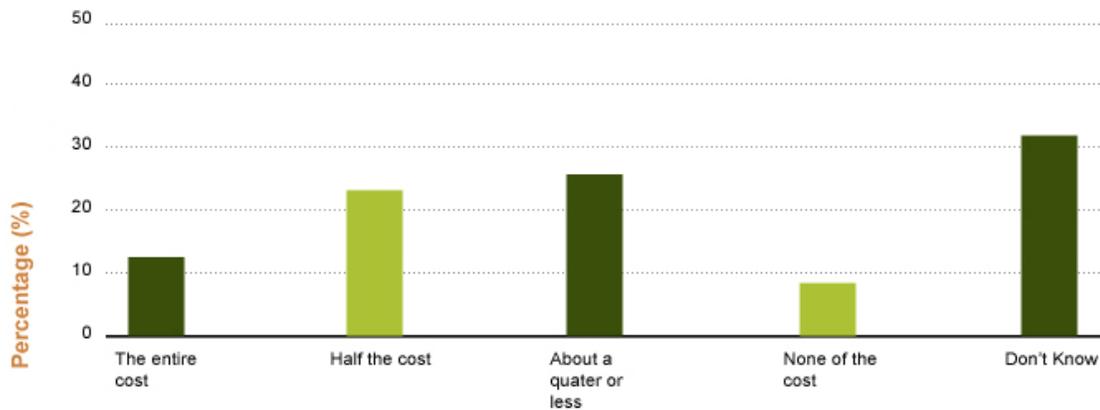
Across nearly all the questions we asked, students from families with household incomes under \$50,000 were more likely to indicate that current economic conditions would alter their college plans. For example 22 percent of students in this group indicated they would consider a community college for two years versus only 9 percent of those from families with incomes over \$50,000. Not surprisingly, the whole of this data suggest that the current economic crisis will widen further the class and income divide in higher education.

It also is important to note that women consistently demonstrated much greater sensitivity to the impact of current economic conditions on their college choice behavior. For example, 57 percent of women versus 40 percent of men strongly agreed that they would need a scholarship to attend college.

Another finding that may be of serious concern to educators anxious about employment interfering with academic performance is that more and more students also plan to work in the summer, during the school year, or both to help pay for their college education. For example, three-quarters of those surveyed plan to work to pay for college and of those students, 75 percent indicated they plan to work both in the summer and during the school year.

CHART 5

Portion of College Education Students Expect to Pay



The ability of parents to help in the current economic conditions also seems to be an issue. One-quarter of the students surveyed strongly agreed that their “parents won’t be able to help me pay for a college education” while 38 percent strongly agreed that “I’ll have to pay a larger portion of my college education than I expected.” Yet despite the financial pressures and challenges students and parents will likely face in financing a college education, few have given up the dream of attending college. Only 3 percent strongly agreed that they “won’t go to college” while 88 percent strongly disagreed with that statement.

Racial subgroup findings of interest:

- Hispanic/Latino students (34 percent) were more likely to strongly agree that “My parents won’t be able to help me pay for a college education” compared to Asian (15 percent) and White students (16 percent).
- Hispanic/Latino students (86 percent) were more likely to say they will be working both in the summer and in the school year compared to Asian students (67 percent). And White students (21 percent) are more likely than Hispanic/Latino students to be only working in the summer to help pay for their college education.
- White students (10 percent) are more likely than Hispanic/Latino students (4 percent) to say that they expect to pay “none” of their college education personally. On the flip side, Hispanic/Latino students (17 percent) are more likely to say they “expect to pay all” of their college education compared Asian students (9 percent).

4 While a majority of students strongly agree that the college admissions process is stressful, students are divided about whether the process is unfair.

To explore students’ perceptions about the college admissions process, *Student Poll* had students indicate the extent to which they agreed or disagreed with a number of statements about the college admission process and results for students who applied to college last year.

Ninety-three percent responded that they either strongly or somewhat agreed that it is becoming more and more difficult to get into the best colleges and universities, yet three-quarters strongly or somewhat agreed that most of the students they knew who applied to college for fall 2008 ended up getting into the college they wanted to attend.

A majority or sizable proportion of students surveyed also strongly agreed that:

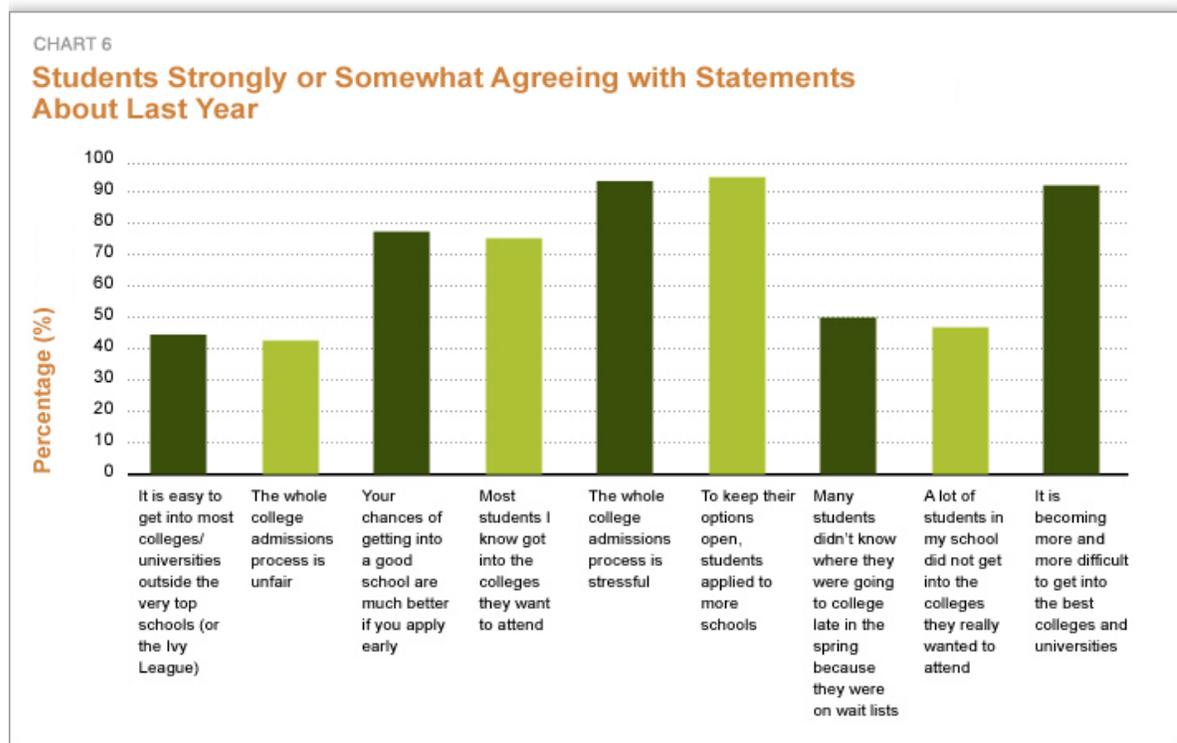
- Students applied to more colleges last year to keep their options open (56 percent strongly agreed compared to 1 percent who strongly disagreed with this

statement)

- The entire college admissions process is stressful (62 percent strongly agreed while only 1 percent strongly disagreed). On the other hand, students were divided about whether the process was unfair with 10 percent strongly agreeing and 13 percent strongly disagreeing.
- You have a better chance of getting into a good school if you apply early (32 percent strongly agreed and 45 percent somewhat agreed with this statement)

Students were almost equally divided in their agreement and disagreement about the following statement:

- Many students did not know where they were going to college until late in the spring because they were on wait lists (50 percent strongly or somewhat agreed and 49 percent strongly or somewhat disagreed)
- It's easy to get into most colleges or universities outside the very top schools (or the Ivy League). (57 percent of students strongly or somewhat disagreed compared to 44 percent who strongly or somewhat agreed with the statement)



Among the interesting subgroup findings by race:

- African American students (66 percent) were more likely to strongly agree with the statement “To keep their options open, students applied to more schools” compared to White students (53 percent).

Study methodology

The findings reported in this *Student Poll* are based on 1,809 responses from a random national sample of 54,500 high school seniors who registered for the SAT[®] and who completed an optional Web survey between July 30, 2008 and August 5, 2008. The margin of error for this survey is plus or minus 3 percent.

About *Student Poll*

A collaboration between the College Board and Art & Science Group LLC, *Student Poll* presents the results from a series of national surveys that measure the opinions, perceptions, and behavior of college-bound high school students and their parents. Published for the benefit of college and university senior leaders and enrollment officers as well as secondary school college counselors, *Student Poll* seeks to provide insights and understandings that will result in better communication and service to college-bound students across the nation.

First published in 1995 by Art & Science Group, a leading national source of market intelligence for higher education, *Student Poll* has become a trusted and widely-cited source of reliable data and insights on many critical questions concerning college choice. The College Board and Art & Science Group have now joined forces to expand the depth and range of the issues that will be explored in *Student Poll*. The collaboration between these two organizations will make possible expanded content and increased frequency of reports.

Student Poll findings and analysis are provided free on both the [College Board](http://tinyurl.com/6xxfzs) (<http://tinyurl.com/6xxfzs>) and [Art & Science Group](http://www.artsci.com/student.htm) (<http://www.artsci.com/student.htm>) web sites.

About The College Board and Art & Science Group

The College Board is a not-for-profit membership association whose mission is to connect students to college success and opportunity. Founded in 1900, the association is composed of more than 5,200 schools, colleges, universities, and other educational organizations. Each year, the College Board serves seven million students and their parents, 23,000 high schools, and 3,500 colleges through major programs and services in college admissions, guidance, assessment, financial aid, enrollment, and teaching and learning. Among its best-known programs are the SAT[®], the PSAT/NMSQT[®], and the Advanced Placement Program[®] (AP[®]). The College Board is committed to the principles of excellence and equity, and that commitment is embodied in all of its programs, services, activities, and concerns.

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For more information about this issue of *Student Poll* or to discuss the potential impact of the economy on your institution, please contact Rick Hesel, Principal, Art & Science Group by phone at 410-377-7880 x12 or via email at hesel@artsci.com.

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