



SIGHTLINE TO TUITION AND AWARDING

CASE STUDY: How to restructure merit-based awards without test scores – increasing enrollment and revenue.

PROBLEM: The use of college admissions tests is declining, and merit-based awarding needs to be re-structured without the use of ACT or SAT scores.

Colleges and universities are faced with the growing trend of becoming test optional or eliminating the use of test scores all together for admissions and awarding. Due to the pandemic and reduced access to testing, this trend has become even more critical for universities to maintain competitive enrollment strategies.

For financial aid offices that have historically used both high school GPAs and ACT or SAT scores to award institutional scholarships, the switch to test optional could be considered a risk.

By reducing the granularity of information that we have on students, there is a risk of over or under awarding and missing enrollment goals. This could result in a significant reduction of net revenue and potentially drive universities towards unsustainable budgets.

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SOLUTION: Develop a probabilistic enrollment model and simulate 'what-if' awarding scenarios with only high school GPA as merit awarding criteria.

SightLine supported a public four-year institution, to create an awarding strategy without the need of test scores. We developed an enrollment probabilistic model to determine how the amount of institutional award offered impacted a student's probability of enrolling at the university. Many other variables such as state and federal grants, loan amounts, demographics, and census level data were also considered within this model.

SightLine crafted various GPA based awarding scenarios for merit award offers. These scenarios were simulated using the enrollment model to quantify the range of possible enrollment and revenue outcomes that could occur for each awarding scenario.

To select a final merit-based award structure, the following criteria were discussed and weighed with the university leadership teams:

- changes in enrollment and overall net revenue for both in-state and out-of-state students
- the ability to enroll higher-caliber students by leveraging certain higher valued awards
- the overall discount, net price, and price positioning relative to direct peers and competitor institutions
- the change in the number of students awarded and whether there was a significant change in the out-of-pocket cost to most students
- how the addition of supplemental, strategic awards can support underserved student demographics while still meeting overall enrollment and revenue goals

Overall, certain criteria were more important than others. The SightLine team assessed roughly 100 different scenarios, some of which maximized enrollment and others maximized net revenue. By discussing these options with the university leadership team, and quantifying the impact of each scenario, a consensus on a new awarding structure was achieved.

The SightLine team was able to identify an awarding structure that did not use test scores for awarding, but roughly maintained the average out-of-pocket cost to most students. This was viewed as critical to reducing the risk involved in switching to awarding without the granularity of test scores.

RESULTS: A new merit-based awarding structure was selected to increase enrollment by at least 6% while increasing overall revenue by \$1MM in the first year alone.

For this institution, increasing enrollment was a priority over increasing revenue. SightLine also recommend eliminating in-person scholarship competitions which were time and resource expensive. These scholarship competitions may also have been limiting to students with lower family income who were unable to travel to campus for such an opportunity.

Additional strategic scholarships aligned with the institution's strategic goals were assessed and included in the financial aid awarding simulations to quantify the impact on enrollment and revenue. These supplementary scholarships may not quantifiably move the needle on enrollment, but we believe the additional support to underserved student segments is critical for building university brand and for long term

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student success. It was verified through the simulation process that the addition of the supplementary scholarships was not hindering overall enrollment or net revenue.

SUMMARY: Eliminating the need for test scores allows for a much simpler admissions and awarding process, therefore reducing student financial stress, and increasing price transparency while enrolling more students.

Making this switch to awarding without test scores should include an assessment of additional financial factors such as fee structures, room and board, and how these factors impact the institution's competitive market positioning. New awarding structures should fit with overall strategic branding and communications as well as continue to support underserved student segments that are important to the institution.

We believe student-centric pricing and awarding is the best step towards promoting student success in the long term. To learn more about SightLine's marketplace intelligence and financial aid leveraging analysis, [contact the SightLine team](#) or visit our [solutions page](#).

"Clear, Concise, Data Driven Recommendations"

"We had the opportunity to work with SightLine regarding a Financial Aid Optimization exercise. They did a wonderful job of gathering current comparative data, listening to our concerns and specifics, and provided detailed options for us to consider. They were always organized and thorough with the information/discussions"

About SightLine: SightLine is a certified woman owned business dedicated to empowering universities to help students succeed using predictive analytics. Our data science experts have developed and proven to inform strategies that have measurable impact on student outcomes, from recruitment all the way through graduation. We are proud to be the only provider in the market using advanced machine learning to craft customized solutions for each individual institution without deploying software- no out-of-the-box software or cookie-cutter solutions here. To learn more about SightLine, visit <https://sightlinedata.com/>.