Pricing Study: Non-resident and Resident Markets

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Methodology

- Surveyed 725 non-resident student inquiries for fall 2019 class; also surveyed 494 parents and 465 prospects
  - Samples were targeted to focus on primary market counties
- In addition, surveyed 366 resident student inquiries and 304 parents of resident student inquiries
  - (The last time we surveyed WV residents was in 2012)
- Surveys administered in late August, 2018

- Survey instrument used was similar to that used for the survey in the 2017 study (administered in fall 2016)
Decision factors
Top factors when choosing a college or university

Little change from previous studies

- For students and parents the top non-cost factors are:
  - Quality of program
  - Value of education
  - Jobs
  - Quality of faculty as teachers

- Financial aid (need based) and scholarships more important than sticker price

- “Students at the school are serious about academics” is the least important (new to the survey this year)

- Parents place more importance on:
  - Quality academic advising & support
  - Overall academic reputation
  - And whether students at the school are serious about academics

(These patterns largely hold for WV residents as well.)
Importance of Value Attributes (Nonresident Inquiries)

- Quality of program: 71% (Very important), 25% (Important)
- Quality of faculty as teachers: 69% (Very important), 27% (Important)
- Value of the education provided: 68% (Very important), 29% (Important)
- Graduates of the school get good jobs: 65% (Very important), 28% (Important)
- Faculty / staff show concern for students: 57% (Very important), 34% (Important)
- Environment for intellectual growth: 56% (Very important), 38% (Important)
- Quality academic advising and support: 55% (Very important), 35% (Important)
- Overall academic reputation: 55% (Very important), 45% (Important)
- Students serious about academics: 55% (Very important), 44% (Important)
- Financial aid (need-based): 55% (Very important), 45% (Important)
- Scholarships: 57% (Very important), 44% (Important)
- Sticker price: 49% (Very important), 29% (Important)
Importance of Value Attributes (Nonresident Prospects)

- Quality of faculty as teachers: 75% (Very important), 22% (Important)
- Quality of program: 71% (Very important), 25% (Important)
- Value of education provided: 68% (Very important), 28% (Important)
- Graduates get good jobs: 66% (Very important), 27% (Important)
- Environment for intellectual growth: 60% (Very important), 34% (Important)
- Quality academic advising and support: 56% (Very important), 36% (Important)
- Faculty / staff show concern for students: 56% (Very important), 34% (Important)
- Overall academic reputation: 44% (Very important), 45% (Important)
- Students serious about academics: 38% (Very important), 32% (Important)
- Financial aid (need-based): 50% (Very important), 29% (Important)
- Scholarships: 55% (Very important), 27% (Important)
- Sticker price: 40% (Very important), 32% (Important)
Importance of Value Attributes (WV Inquiries)

- Quality of faculty as teachers: 75%
- Quality of program: 71%
- Value of the education provided: 70%
- Graduates get good jobs: 59%
- Environment for intellectual growth: 59%
- Quality of academic advising and support: 54%
- Faculty/staff show concern for students: 54%
- Overall academic reputation: 45%
- Students serious about academics: 42%
- Graduates of the school get good jobs: 38%
- Environment for intellectual growth: 38%
- Value of the education provided: 37%
- Quality of program: 36%
- Quality of faculty as teachers: 28%
- Value of the education provided: 26%
- Quality of program: 23%

Very important: Dark blue
Important: Light green
Importance of Value Attributes (WV Parents)

- Quality of program: 77% Very important, 20% Important
- Quality of faculty as teachers: 77% Very important, 20% Important
- Value of the education provided: 71% Very important, 25% Important
- Graduates get good jobs: 70% Very important, 25% Important
- Environment for intellectual growth: 69% Very important, 24% Important
- Faculty / staff show concern for students: 66% Very important, 30% Important
- Quality academic advising and support: 61% Very important, 30% Important
- Overall academic reputation: 54% Very important, 35% Important
- Students serious about academics: 49% Very important, 33% Important
- Financial aid (need-based): 64% Very important, 24% Important
- Scholarships: 62% Very important, 26% Important
- Sticker price: 53% Very important, 26% Important

Legend: Very important in dark blue, Important in yellow.
Familiarity with schools
Students continue to be more familiar with WVU than parents

- 47% of inquiries “very familiar” w/ WVU; 39% of parents “very familiar” w/ WVU
- 20% of prospects “very familiar” w/ WVU

- Familiarity levels about 4 – 5 pts lower than in 2017, but this is likely due to timing (fielding survey in early fall rather than late fall); could also reflect differences in how the inquiry pool is developed

- Among WV inquiries and their parents, significantly higher levels of familiarity w/ WVU than w/ other public universities in the state
  - More familiarity w/ Marshall than w/ Fairmont, Concord, Shepherd or West Liberty
How familiar are you with . . .? (Nonresident Inquiries)

- Very familiar
- Familiar
How familiar are you with . . .? (Nonresident Parents)

- Very familiar
- Familiar

Percentage of parents familiar with different universities:

- Pitt: 34% (Very familiar), 16% (Familiar)
- Penn State: 56% (Very familiar), 44% (Familiar)
- Towson: 42% (Very familiar), 58% (Familiar)
- U of Maryland: 44% (Very familiar), 56% (Familiar)
- VA Tech: 44% (Very familiar), 56% (Familiar)
- George Mason: 44% (Very familiar), 56% (Familiar)
- U at Buffalo: 44% (Very familiar), 56% (Familiar)
- Binghamton U: 44% (Very familiar), 56% (Familiar)
- Ohio U: 44% (Very familiar), 56% (Familiar)
- Kent State: 43% (Very familiar), 57% (Familiar)
- U Delaware: 52% (Very familiar), 48% (Familiar)
- Rutgers: 66% (Very familiar), 34% (Familiar)
- IUP: 52% (Very familiar), 48% (Familiar)
- Slippery Rock: 43% (Very familiar), 57% (Familiar)
- Salisbury: 44% (Very familiar), 56% (Familiar)
- Frostburg: 44% (Very familiar), 56% (Familiar)
- James Madison: 44% (Very familiar), 56% (Familiar)
- Radford: 43% (Very familiar), 57% (Familiar)
- SUNY Fredonia: 43% (Very familiar), 57% (Familiar)
- SUNY Cortland: 44% (Very familiar), 56% (Familiar)
- Youngstown State: 44% (Very familiar), 56% (Familiar)
- Delaware State: 44% (Very familiar), 56% (Familiar)
- Rowan U: 44% (Very familiar), 56% (Familiar)
- Montclair State: 44% (Very familiar), 56% (Familiar)
- WVU: 44% (Very familiar), 56% (Familiar)
How familiar are you with . . .?
(Nonresident Prospects)

- Very familiar
- Familiar
How familiar are you with . . .?
(WV Inquiries)

- Marshall: 49% (Very familiar), 28% (Familiar)
- Fairmont: 30% (Very familiar), 29% (Familiar)
- Shepherd: 14% (Very familiar), 16% (Familiar)
- Concord: 16% (Very familiar), 22% (Familiar)
- West Liberty: 14% (Very familiar), 15% (Familiar)
- WVU: 76% (Very familiar), 19% (Familiar)

Legend: Very familiar, Familiar
How familiar are you with . . .?
(WV Parents)

Marshall
- Very familiar: 50%
- Familiar: 26%

Fairmont
- Very familiar: 32%
- Familiar: 27%

Shepherd
- Very familiar: 19%
- Familiar: 16%

Concord
- Very familiar: 20%
- Familiar: 24%

West Liberty
- Very familiar: 15%
- Familiar: 16%

WVU
- Very familiar: 74%
- Familiar: 18%

Legend:
- Very familiar
- Familiar
Value perceptions
In non-resident market, value perception “gap” with Group A competitors remains significant

- No real gains in the percentage of nonresident students or parents in their perception of the value of WVU, especially against the Group A (flagship) competitors
- WVU fares best for quality of academic program with students and parents
  - And also for the likelihood to award a scholarship

- Slightly more than 15% of prospects select WVU as best on any of the factors tested
  - Slight increases on some items compared w/ 2017, but still driven by low levels of familiarity
As would be expected, WVU dominates “mind share” in the state

- Students may not sufficiently appreciate the quality of faculty as teachers
- Students and parents are much more likely to expect WVU to award both need-based financial aid and scholarships than the state’s other publics
- Parents and students may have concerns about personalized attention and the level of academic rigor among the student body
<table>
<thead>
<tr>
<th>Comparison</th>
<th>Best academic program</th>
<th>Best teachers</th>
<th>Best educational value for the cost</th>
<th>Graduates get best jobs</th>
<th>Greatest concern for students as individuals</th>
<th>Best environment for intellectual growth</th>
<th>Best academic advising / support</th>
<th>Best overall academic reputation</th>
<th>Students most serious about academics</th>
<th>Most likely to award financial aid</th>
<th>Most likely to award scholarship</th>
<th>Most affordable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group A</td>
<td>41%</td>
<td>32%</td>
<td>28%</td>
<td>25%</td>
<td>22%</td>
<td>53%</td>
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<td>Group B</td>
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<td>7%</td>
<td>18%</td>
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<tr>
<td>WVU</td>
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</tbody>
</table>

Which school is best for . . .? (Nonresident Inquiries)
Which school is best for . . . ? (Nonresident Parents)

- Best teachers
- Best academic program
- Best educational value for the cost
- Graduates get best jobs
- Best academic advising / support
- Greatest concern for students as individuals
- Best environment for intellectual growth
- Best overall academic reputation
- Students most serious about academics
- Most likely to award financial aid
- Most likely to award scholarship
- Most affordable


- Which school is best for . . . ?

Which school is best for . . .?  
(Nonresident Prospects)

- Best teachers: Group [A] 30%, Group [B] 12%, WVU 5%
- Best academic program: Group [A] 58%, Group [B] 9%, WVU 18%
- Best educational value for the cost: Group [A] 39%, Group [B] 14%, WVU 18%
- Graduates get best jobs: Group [B] 17%, WVU 14%
- Best environment for intellectual growth: Group [A] 38%, Group [B] 9%, WVU 8%
- Best academic advising/support: Group [B] 13%, WVU 9%
- Greatest concern for students as individuals: Group [A] 23%, Group [B] 12%, WVU 9%
- Best overall reputation: Group [A] 64%, Group [B] 14%, WVU 14%
- Students most serious about academics: Group [A] 47%, Group [B] 10%, WVU 13%
- Most likely to award financial aid: Group [B] 26%, WVU 16%
- Most likely to award scholarship: Group [B] 30%, WVU 17%
- Most affordable: Group [B] 29%, WVU 13%
Percent rating WVU as best at:

- Best academic program: 34%, 33%, 32%, 36%
- Graduates get best jobs: 21%, 20%, 24%, 20%
- Best educational value: 23%, 24%, 22%, 22%
- Best teachers: 22%, 20%, 20%, 23%
- Best academic advising / support: 22%, 20%, 23%, 21%
- Best environment for intellectual growth: 24%, 26%, 27%, 28%
- Greatest concern for students as individuals: 25%, 23%, 20%, 21%
- Best overall academic reputation: 17%, 18%, 17%, 18%
Percent rating WVU as best at:

- 2019 Parents
- 2017 Parents
- 2016 Parents
- 2015 Parents
Which school is best for . . .?
(WV Inquiries)

- Best teachers
  - Group [A]: 12%
  - Group [B]: 9%
  - WVU: 21%

- Best academic program
  - Group [A]: 11%
  - Group [B]: 22%
  - WVU: 44%

- Best educational value for the cost
  - Group [A]: 20%
  - Group [B]: 22%
  - WVU: 26%

- Graduates get best jobs
  - Group [A]: 12%
  - Group [B]: 10%
  - WVU: 45%

- Best environment for intellectual growth
  - Group [A]: 19%
  - Group [B]: 9%
  - WVU: 25%

- Best academic advising / support
  - Group [A]: 13%
  - Group [B]: 10%
  - WVU: 23%

- Greatest concern for students as individuals
  - Group [A]: 13%
  - Group [B]: 15%
  - WVU: 18%

- Best overall reputation
  - Group [A]: 20%
  - Group [B]: 13%
  - WVU: 37%

- Students most serious about academics
  - Group [A]: 27%
  - Group [B]: 15%
  - WVU: 30%

- Most likely to award financial aid
  - Group [A]: 15%
  - Group [B]: 11%
  - WVU: 25%

- Most likely to award scholarship
  - Group [A]: 29%
  - Group [B]: 14%
  - WVU: 33%

- Most affordable
  - Group [A]: 33%
  - Group [B]: 14%
  - WVU: 26%
Which school is best for . . . ?
(WV Parents)

- Best academic program: WVU (53%) > Group A (14%) > Group B (12%)
- Best teachers: WVU (32%) > Group A (15%) > Group B (12%)
- Best educational value for the cost: WVU (38%) > Group A (22%) > Group B (9%)
- Graduates get best jobs: WVU (49%) > Group A (18%) > Group B (7%)
- Best environment for intellectual growth: WVU (33%) > Group A (13%) > Group B (7%)
- Greatest concern for students as individuals: WVU (23%) > Group A (15%) > Group B (10%)
- Best academic advising / support: WVU (30%) > Group A (15%) > Group B (13%)
- Best overall academic reputation: WVU (45%) > Group A (28%) > Group B (19%)
- Students most serious about academics: WVU (28%) > Group A (19%) > Group B (19%)
- Most likely to award academic financial aid: WVU (36%) > Group A (12%) > Group B (7%)
- Most likely to award scholarship: WVU (42%) > Group A (10%) > Group B (13%)
- Most affordable: WVU (28%) > Group A (13%) > Group B (13%)
Pricing scenarios
Higher sticker prices have eroded financial aid strategy in the non-resident market

- Pricing scenarios used this year significantly increased total cost of attendance levels (approx. $5K - $7K)
  - Modest increase in aid levels ($500 - $1,000)
- Likelihood to enroll at WVU in 2019 study significantly lower than in 2017 study for inquiries and parents
  - Significant sensitivity to higher net cost
- Increases in sticker price have reduced the effectiveness of aid packages; more so at the low and medium aid levels tested
- In the 2017 and 2016 studies, increased aid awards overcome the gap with Group A (flagship public) competitors for both students and parents
  - But this effect is only observed among students (not parents) and is less pronounced than in 2017
Pricing scenario values (for WVU) and pct. of respondents likely to enroll

Comparing 2019 study to 2017 study

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Price Scenario Response Curves
(Nonresident Parents)
Price Scenario Response Curves
(Nonresident Prospects)

Percentage to Enroll (Prob = 9,10)

- Group [A]
- Group [B]
- WVU
Little price elasticity among West Virginia residents

<table>
<thead>
<tr>
<th>Cost of Attendance</th>
<th>Aid</th>
<th>Net</th>
<th>Discount</th>
<th>Students</th>
<th>Parents</th>
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<td>$23,700</td>
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Price Scenario Response Curves
(WV Inquiries)

% to Enroll (Prob = 9.10)

T: Low / Aid: Low
T: Low / Aid: Med.
T: Low / Aid: High
T: Med. / Aid: Low
T: Med. / Aid: Med.
T: Med. / Aid: High
T: High / Aid: Low
T: High / Aid: Med.
T: High / Aid: High

Price Scenario Response Curves
(WV Parents)

% to Enroll (Prob = 9,10)

T: Low / Aid: Low
T: Low / Aid: Med.
T: Low / Aid: High

T: Med. / Aid: Low
T: Med. / Aid: Med.
T: Med. / Aid: High

T: High / Aid: Low
T: High / Aid: Med.
T: High / Aid: High

Price expectations
Upper limit on pricing for inquiries and parents has not increased significantly
(For non-resident market)

- Upper limit for inquiries has remained at $34,999
- Upper limit for parents remains at its 2017 level: $29,999
- Slight change in upper limit for prospects ($30,000)
EXPECTED PRICE RANGE FOR TOTAL COST OF ATTENDANCE AT WVU INQUIRIES

- **TOO CHEAP**
- **BARGAIN**
- **GETTING EXPENSIVE**
- **TOO EXPENSIVE**

Price ranges and corresponding percentages are shown on the graph. The price ranges start from under $10,000 to $100,000 or more.
EXPECTED PRICE RANGE FOR TOTAL COST OF ATTENDANCE AT WVU PARENTS

- TOO CHEAP
- BARGAIN
- GETTING EXPENSIVE
- TOO EXPENSIVE

Price Range:
- UNDER $10,000
- $10,000 - $14,999
- $15,000 - $19,999
- $20,000 - $24,999
- $25,000 - $29,999
- $30,000 - $34,999
- $35,000 - $39,999
- $40,000 - $44,999
- $45,000 - $49,999
- $50,000 - $54,999
- $55,000 - $59,999
- $60,000 - $64,999
- $65,000 - $69,999
- $70,000 - $74,999
- $75,000 - $79,999
- $80,000 - $84,999
- $85,000 - $89,999
- $90,000 - $94,999
- $95,000 - $99,999
- $100,000 OR MORE
Price increases appear to be limiting WVU’s ability to generate additional net revenue in the non-resident market

- We developed a model to simulate the total net revenue (tuition, fees, room & board minus institutional gift award) at different total cost levels
- Using this model we simulated total net revenue for students receiving different average scholarship levels
  - As a point of comparison, for fall 2018 class, average institutional gift aid for non-resident freshmen is approximately $6,700
  - As the sticker price moves above $35,000 (high end of expected price range, based on non-resident inquiries), total net revenue declines based on the model
  - At $40,000, an average institutional gift of $7,500 would be needed to generate the same total net revenue from non-resident freshmen
  - Average aid levels between $8,000 and $9,000 would increase total net revenue (from fall 2018 level)
Net Revenue Simulations
Estimated Total Net Revenue for Selected Aid Packages

High End of Expected Total Cost

$0
$10,000,000
$20,000,000
$30,000,000
$40,000,000
$50,000,000
$60,000,000

(AID = $6700)
(AID = $7500)
(AID = $8000)
(AID = $9000)
Questions?