

Final Report of the Committee on Marketing Undergraduate Programs to Out-of-State Students

I. Introduction

In August 2009, our committee received the charge to “...advise us on more efficient mechanisms that the University of Michigan can employ to improve the non-resident applicant pool and then to convert those into students who apply and are accepted.” A specific question also included in the charge related to best practices for “yielding” those accepted, i.e. having them enroll at Michigan. So, it was clear that our report should address the full migration path.

Awareness ⇒ Interest ⇒ Admit ⇒ Enroll

The charge noted that the “current quality of UM’s non-resident undergraduates is very high” but that it was “important that we consider how to expand and improve the non-resident applicant pool.” (The full charge to the committee is attached as Appendix 1.)

The members of the committee were:

- Robert Dolan (chair), Edward J. Frey Dean and Stephen M. Ross Professor of Business, Ross School of Business
- Laura Blake Jones, Associate Vice President for Student Affairs and Dean of Students
- Laura Elgas, Assistant Director for Master’s Admissions and Student Affairs, School of Information
- Pam Fowler, Director, Office of Financial Aid
- Rick Francis, Associate Dean, College of Literature, Science, and the Arts
- Kallie Michels, Associate Vice President for Communications, Office of Vice President for Communications
- Ed St. John, Algo D. Henderson Collegiate Professor of Education and Professor of Education, School of Education
- Ted Spencer, Associate Vice Provost and Executive Director of Undergraduate Admissions
- Laura Hoffman, Assistant Dean of Admissions and Enrollment Management, School of Music, Theatre & Dance
- Glenna Schweitzer, Associate Vice Provost and Executive Director of Budget and Planning
- Thomas Zurbuchen, Professor and Associate Dean for Entrepreneurship, College of Engineering

In order to focus our data collection efforts and provide a vehicle for discussion of these issues, our process began with the development of a “case study” – a descriptive document setting out key background information on college admissions and the University of Michigan situation. We formed subgroups to focus on various data collection areas, e.g. consumer behavior, peer school activity. The case study is attached as Appendix 2. The “Competitive Practices Report” developed by a subcommittee led by Laura Elgas as in put to the case development is included as Appendix 3.

The case study was developed over the first few months of the committee’s work. It was discussed extensively by the group and then “case discussions” ranging in length from 1 ¼ hours to 2 ½ hours were held with five groups across campus.

These groups were:

1. Academic Performance Group
2. LSA Dean's Advisory Committee
3. Ross School of Business Alumni Board of Governors
4. Ross School of Business Visiting Committee
5. President Coleman's Presidential Advisory Group

Members of these groups were generally well qualified for the discussion due to their knowledge of the University of Michigan and firsthand experience with the college application and choice process – as parents and/or mentors. The chair of the committee also had individual discussions with various alumni with marketing/advertising expertise.

The significance of this issue to the University was clearly understood. At current tuition levels, a one percentage point increase in the proportion of out-of-state undergraduates generates additional revenue of \$6MM per year to the University.¹

Fortunately, most case discussants and all the members of this committee view increasing the percentage of out-of-state students while maintaining historically high quality levels as a “solvable” problem. By this, we mean that we believe the implementation of the recommendations of this report will afford the University the opportunity to significantly increase the out-of-state population, as desired, while attracting top quality students. We should note that the University has and will continue to have a robust set of recruiting activities directed to recruiting diverse populations including underrepresented minorities. Given the charge to our committee, we do not specifically address those in the report, but it should be kept in mind that nothing in this report is to be taken as a substitute for those activities.

Finally, per the charge to the committee, this report is focused on the United States only. We fully recognize the value of a diverse student body from around the world. Indeed, an evaluation of procedures for recruiting international students may well be a subject worthy of inquiry in the future. But, this report is limited to the United States.

The report is organized as follows. Section II provides key background information on undergraduate admissions drawn in part from the case study information in Appendix 2. More extensive background information can be obtained by reviewing the case study itself. Section III describes current UM practice, reports key outcomes, and provides an evaluation of practices drawing upon both our own analysis and comments from the five case discussions. Section IV contains our marketing strategy recommendations in eight major areas.

¹ This is under the assumption that the out-of-state students pay the full tuition. Any financial aid provided would have to be subtracted out to yield the net revenue impact. For example, if non-residents received, on average, scholarships amounting to a 25% discount on tuition, the net effect of a one percentage point shift would be \$4.5MM.

II. Background Information on Higher Education

A. General

The number of high school graduates annually is 3.3MM nationwide, and expected to remain stable at that number for the next decade. About 65% of these graduates go on to post-secondary education. As shown in Table 1 below, the vast majority attend public institutions.

Table 1: Number of Students Enrolled – by Type of Institution

	4-Year	2-Year
Public	7.2MM	6.3MM
Private	4.5MM	.3MM

Source: Chronicle of Higher Ed, August 28, 2009 p. 5

Notable for this discussion is the fact that fewer than 12% of students leave their home state for post-secondary education.

While the projected annual number of high school graduates nationwide is stable over the next decade, there is wide state-by-state variation. Of most significance to the University of Michigan is the fact that Michigan high school graduates will decline by 14% over the next decade. Second, some states which have traditionally been large “feeder” states to UM undergraduate programs will experience declining graduation levels over the next decade. New York is the #1 feeder state to the University of Michigan and will experience an 18% decline; Pennsylvania and Ohio are among the top six feeder states and each will experience a 10% plus decline.

Two factors come together to indicate a significant challenge for recruiting top quality out-of-state students. First, economic distress around the country has increased the price sensitivity of families. The majority of students note that “the economy has impacted my college plans.” Thus, the “stay-at-home” public institution option with its lower cost may be increasingly attractive. Second, many public institutions are planning to increase their out-of-state enrollments to help address their budget shortfalls. In short, more public institutions will be competing for a shrinking pool of top quality students willing to pay out-of-state tuition.

B. UM Position

The University has a unique position among the leading public institutions with its out-of-state student body currently representing over one-third of the undergraduates. This provides an advantage in that the University already has had success with the “dual strategy” of attracting both top quality in-state and out-of-state students in significant numbers. It also has the highest tuition of the major public institutions for out-of-state students. As shown in Table 2 below, at \$34,947, UM’s OOS tuition was 20% above the mean of public universities in the *U.S. News and World Report* (USN) top 40. Other “Big

Ten” universities in the USN top 40 were substantially less expensive – Wisconsin at \$23,063 and Illinois at \$26,670.

Table 2: Tuition Levels for Leading Public Universities (for 2009-20)

USN Rank		OOS Tuition	OOS Tuition	
			Indexed to Mean (100)	In-State Tuition
21	Berkeley	\$31,655	108	\$ 8,938
24	UCLA	\$31,568	108	\$ 8,851
25	Virginia	\$31,872	109	\$ 9,872
27	Michigan	\$34,937	120	\$11,659
29	UNC	\$23,513	80	\$ 5,625
33	William & Mary	\$31,264	107	\$11,100
35	Georgia IT	\$25,716	88	\$ 7,506
37	UC-San Diego	\$32,094	110	\$ 9,377
39	Illinois	\$26,670	91	\$12,528
40	Wisconsin	\$23,063	79	\$ 8,314
	Mean	\$29,235		\$ 9,377

The University’s philosophy with respect to financial aid is that it be directed first to meeting the needs of in-state students. While Michigan’s out-of-state tuition was 5% less than the average of the “privates” in the USN top 40, often the financial aid offered by the privates more than offset UM’s 5% advantage.²

According to the University’s Office of Undergraduate Admissions, by far the most influential source on Michigan’s reputation with out-of-state students and families was U.S. News and World Report. After years in the top 25, Michigan had slipped recently to #27. This poll is based upon: (i) a “peer assessment” rating by senior administrators at other leading universities and (ii) scores on “15 indicators of academic quality” as chosen by USN.

On the “peer assessment” piece, the University continued to do well with a 4.4 score on a 1-5 scale. Only 12 schools had higher scores on peer assessment.³ Two of USN’s chosen “indicators of academic quality” on which the University did not fare well were “faculty resources” rank and “alumni giving” rank, being #74 and #79 respectively. One seldom advances one’s cause by arguing ranking methodologies. However, it is perhaps worth noting that increasing efficiency decreases one’s “faculty resources”, (i.e. spending per faculty member) score. Also, while our 17% overall alumni participation rate used by USN is low, our \$3 billion+ Capital Campaign total gets no weight at all.

² A survey in 2007 indicated that, on average, a student receiving aid at a private college received scholarships amounting to a 39% discount off the full tuition level. The discount rate for privates similar to UM, i.e. research universities, was somewhat lower at 34%.

³ These were: Harvard, Princeton, Yale, California Institute of Technology, MIT, Stanford, U. Pennsylvania, Columbia, University of Chicago, Johns Hopkins, Cornell and U.C.-Berkeley

Simply put, the University is big – as measured by the number of students enrolled. With 26,000 undergraduates and 16,000 graduate students, it is the 12th largest university in the United States based on enrollment Full Time Equivalents. In 2007, it granted more doctoral degrees than any institution in the country except UC-Berkeley.

Ten schools at the University offer undergraduate degrees but only six admit students directly out of high school.⁴ Two schools account for 90% of freshman enrollments – LSA at 69% and Engineering at 21%. The schools of (i) Music, Theater and Dance, (ii) Kinesiology, (iii) Art and Design and (iv) Nursing each account for 2-3% of freshman. Thus, a strategy to substantially increase the out-of-state enrollments would be largely LSA and Engineering centric.

⁴ The Ross School of Business had a “preferred admit” program whereby students were enrolled as freshman in LSA and transferred to the Business School after successful completion of their freshman year. The majority of Business School students, however, transferred as sophomores.

III. Current UM Practice: Description and Observations

A. Description

(i) Organization of Activities

The Office of Undergraduate Admissions (OUA), headed by Associate Vice Provost Ted Spencer, plays a key role in undergraduate recruiting and admissions. This office is a centralized unit serving all the schools and reporting to Lester Monts, Senior Vice Provost for Academic Affairs.

There are two major categories of functions undertaken by OUA. It has both the “back office” function of receiving and processing applications and also the “outreach” function of communicating with prospective students, parents and other influencers to move desirable prospective students through all stages of

Aware ⇒ Interest ⇒ Apply ⇒ Admit ⇒ Enroll

While responsible for this entire process, OUA’s focus is on the conversion of admitted students to enrolled students. As Spencer put it, “We are on the front end, but the resources are really spent on the back end.”

OUA has a regular staff of 90 full time equivalents and 105 temps who serve primarily as campus tour guides. The office’s annual budget is \$7.2MM – with \$2.8MM allocated to application processing and review, \$2.2MM to general operating costs and \$2.2MM to recruiting activities.

OUA processes and reviews the applications for all six schools following guidelines set by the schools. This centralization takes advantage of the economies of scale inherent in the review and processing task. OUA works in a partnership relationship with individual schools, particularly on the back end of the Aware ⇒ Interest ⇒ Apply ⇒ Admit ⇒ Enroll process.

LSA and Engineering each maintain a significant undergraduate admissions and recruiting activity: LSA with a Director of Student Recruitment with three staff reporting; and Engineering with a Director of Undergraduate Recruitment and Admissions with five staff reporting. Among the “smaller” schools, Music, Theater and Dance had an assistant Dean of Admissions and Enrollment Management with a staff of five reporting. However, this group did both graduate and undergraduate admissions with undergraduate representing about 60% of the time commitment. Art and Design had an Assistant Dean and 2 staff reporting. Neither Nursing nor Kinesiology had a person dedicated to recruitment, but total effort across a number of people added up to 1 FTE and .5 FTE for the schools respectively.

Thus, the overall effort is largely within OUA with its 90 FTE’s. The six schools together have 17 undergraduate admissions focused FTE’s “out in the units.” Even adjusting for the fact that the “application processing and review” task is OUA’s, the

majority of the overall marketing effort is OUA's. The major jointly-presented event by OUA and the schools is "Michigan Campus Day". In 2008-09, there were 28 campus days attracting about 3,000 admitted students and 5,000 parents. OUA handles the morning portion of the program with each school hosting their admitted students for the afternoon information sessions. (LSA held 28 sessions; Engineering - 19, Art & Design - 6, Nursing - 5, Music, Theater and Dance – 5, and Kinesiology - 3).

OUA and each school individually maintains a Website for prospective students. On the University home page, a visitor could click on "Prospective Students" and reach the OUA Website. The Web is an important communication tool with 1.6 million hits per year.

(ii) Methods

OUA uses Customer Relationship Management (CRM) tools to plan and monitor its communication activity with individuals. Awareness of and interest in Michigan is generated by email campaigns and letters/brochures to purchased lists of students. Personal contact also plays a role, via participation in college fairs and visits to high schools. In 2008-09, OUA managed UM's participation in 204 college fairs and 501 high school visits. This activity was heavily concentrated in the state of Michigan with 65% of college fairs and 79% of high school visits being within the state. The map below shows the number of high school visits by state for 2008-09. Visits were highly concentrated with those in Ohio (30), Illinois (27), New York (15), and Pennsylvania (12) representing over half the out-of-state high school visits. Alumni play a personal contact role with 1,300 alumni volunteers assisting. OUA is also active in staffing their Visitors Center to receive guests, leading information sessions and campus tours, responding to email and phone calls and sending referrals to other UM units.



(iii) Message

The Michigan “message” varies some across specific communication vehicles, but a core theme is the breadth of the University and diversity of the community. For example, a message is that at the UM there are 3,000 courses, 295 majors and diversity of all types, e.g. 1,800 different high schools are represented by the undergraduate student body.

This “core message” is delivered to both in-state and out-of-state prospects. There is no brochure or web presence designed specifically for OOS. In personal visits, obviously the conversation would be somewhat different in Kalamazoo and Los Angeles, e.g. cost of attending is a more predominant topic in out-of-state conversations. There is not a focus on any particular type of prospective student beyond “an academically excellent, accomplished in extracurriculars, and broadly diverse” target student population as described by Ted Spencer.

The tonality of the University message is best illustrated by example. See in exhibits 3 and 4 of the case study included as Appendix 2 for prototypical examples.

(iv) Results for OOS

As noted at the outset, the judgment is that UM is currently attracting a high quality OOS group. OOS applications were just over 20,000 and had been increasing. (With the adoption of the “Common Application” for next year, a substantial increase is expected.) However, OOS yield rates had been on the decline for the two major schools. Specifically, results were as follows:

	2005	2009
LSA	29%	23%
Eng	28%	23%

In contrast, the yield rate for in-state students was 67%.

B. Observations on Current Practice

As noted in the introduction, this section is based on the committee’s own analysis and also consideration of points raised by participants in the five case discussions conducted across campus. It is important first to note that no one feels that the University is ill-prepared for the task of increasing out-of-state enrollments. In marketing terms, the “product” (i.e. the educational experience we offer students) is perceived to be strong. The key improvement areas are related to our “promotion” of that product. That promotional program has worked reasonably well in the past – against a set of goals that is now changing. The general consensus is that current promotional programs or even a bit more of the same will not generate the sustained results we desire in the future.

In the interests of clearly making needed points, we may err in the direction of appearing critical. We simply note that here we are addressing the question; “will current practice get us to the desired new place?”

Key observations are around our message, cohesiveness of the overall program, our mode of delivery, the intensity of our efforts and targeting. We address these five in turn.

Message

One alumnus, who participated in a case discussion, is quite well informed about the University generally and our admissions messaging through his various volunteer roles and through his child’s recent encounter with the admissions process: Based on this and the case information, he opined: “The University is having a conversation with itself, not with prospective students or their families. You have to talk to them – in their terms and about what they really want to hear about.” Generally, our message is focused on the breadth of the University and diversity – not the benefits which would accrue to a student due to those features. Another case participant put it simply, “Our message is old....” President Angell did have quite interesting things to say back in the late 1800’s, but do they have a spot in the marketing messages to the millennial generation? The tonality of a messaging was also viewed as “out of synch” with the millennial generation having, in the words of one, “all the warmth of a corporate annual report.”

Cohesiveness

There are many voices communicating the Michigan story. Each school has its own set of brochures and Web presence. OUA has a Website. A “Portrait of Undergraduate Education” is posted on the home page of the University. Verbal communications are delivered by staff, student guides, and alumni. One alumni volunteer described a high school visit done on behalf of the University: “I put on the DVD admissions gave me and then I shoot from the hip.” It would be hard to count the number of definitions of the “Michigan Difference” contained in our marketing materials, but it is clearly greater than one. Multiple voices can be a very good thing but they need to be in harmony and ours are not. One student referred to the content on the Web alone as “a confusing jumble of information.”

Mode of Delivery

The alumnus quoted above who began, “Our message is old...” concluded “...and is delivered in an old way.” Our Web presence generally has an old “look and feel” and the days of the University-produced 10-minute video clip (a central part of our Web presence) as an effective promotion tool are gone.

Our use of social networking is spotty – with some schools, such as Art and Design and School of Information, utilizing it in key ways, but generally, we do not reflect the importance of this medium to our target audience.

Intensity of Delivery

Here is a simple set of facts on number of high schools visited from the case study:

	# of High School Visits
Michigan to OOS High Schools	103
Kenyon College (to enroll 475 students)	610
USC (outside California)	900
Northwestern (outside Illinois)	1,200

We are just not in the ballpark in terms the intensity of the effort to deliver our message. We continue to call on schools to maintain relationships, but our new goals will require establishing important new relationships as well.

Targeting

Our message is very general. As noted, there is no specification of an ideal Michigan prospect – other than smart and active. Given economic realities, it makes sense to have “ability-to-pay” in mind as we choose the audiences to address.

IV. Recommendations

We have organized our recommendations around eight key points.

1. Goals for OOS Recruiting

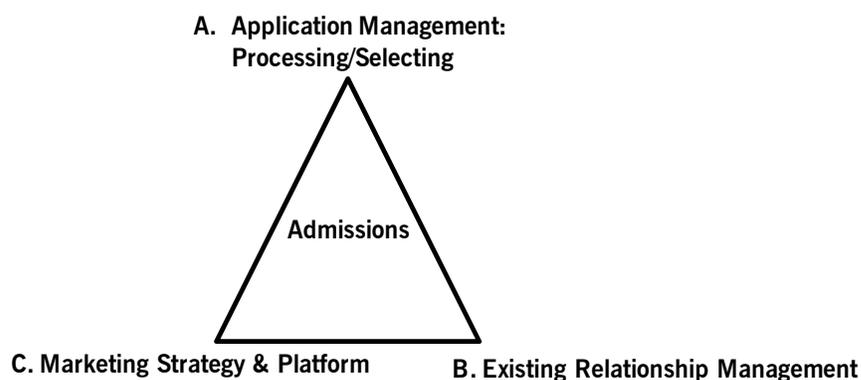
The first point is pretty obvious, but important. The percentage of OOS students is a number with important financial implications, but various stakeholders may have different views about what it should be. That is a Presidential level issue, the result of which should be the goals for the recruiting effort. The goals for OOS recruiting need to be clearly communicated to OUA and the schools by the President / Provost. The goals should include: (i) the number of OOS students by time period; (ii) how one should measure “quality” of incoming students and constraints on that which must be met; (iii) new relationships established, e.g. with key high schools where we historically have had little success; (iv) desired geographic dispersion of effort and/or enrollments, and (v) any other relevant measures of success, e.g. selectivity, yield rate.

2. Effort Funding

The goals in #1 will indicate the level of additional expenditure required to support the marketing effort for OUA and colleges/schools. An increase in the OOS percentage generates additional revenue for the University and while there will be multiple candidates for that added revenue, it should be recognized that some reinvestment in marketing is required.

3. Organizational Capability

To operate effectively on a continuing basis, three elements of the admissions triangle have to be in place:



Evidence indicates that the A and B parts of the University of Michigan story are now stronger than C. That is, the application management process seems to work well and maintaining existing relationships with key schools through personal contacts is not an area of concern. However, we need to enhance our organizational capability around marketing strategy development and setting

the optimal program to deliver that strategy. This enhanced marketing capability is best located within the OUA since the core message platform design and delivery are best centralized.⁵

This enhanced marketing capability should be such as to enable OUA to operate as a “brand custodian” for the Michigan message. The individual schools and colleges have responsibility for first setting an overall message. This “brand custodian” would work with representatives of each school ensuring that the many voices carrying the Michigan message are complementary and have the desired impact overall, i.e. delivery of a cohesive message.

4. Organizational Coordination

- A. As noted above, there are at least seven “players” in the recruiting effort, i.e. OUA and the six schools. Obviously, there are other key influencers as well, e.g. the President, other senior University leaders and the University Office of Communications. Currently, there is no calendar or mapping of the overall effort so individual message providers know what will precede or follow their own communication. OUA should have this coordination role.
- B. Due to economies of scale, the application processing function should for all undergraduates remain with OUA. The personal awareness building effort – high school visits and college fairs – should also be managed by OUA. However, once a student is admitted, the primary responsibility for yield should flow to schools, because this customized communication is not subject to economies of scale.
- C. We recommend the design of a more formal “yield optimization” program covering each step in the process from the stage of notification of admission to a successful start in the fall. We recommend that a task force from Student Affairs, OUA and the six schools design a process setting out who is to do what and when for admitted students. We believe that student involvement in the “closing” process can be quite beneficial but controls and best practices need to be put in place. Current practice is viewed as particularly weak when a prospect begins to ask questions or request information we had not planned on. We need to map out our mechanism for engaging the prospect in an extended personal conversation. Currently, the attribute considered most important by admitted students and on which we are rated lower than peers is “personal attention.” The thousands of calls dropped by our call center reinforces that image. The process designed by this task force may indicate a need to build more admissions (specifically yield) capability in the schools.

5. Custom Value Proposition for OOS

The first step in developing a business model for any organization is stating its Value Proposition, i.e. the promise to a prospect that is intended to differentiate it from other available offerings. We

⁵ One committee member agrees with the need to enhance the overall marketing capability, but disagrees with the recommendation that this be accomplished within OUA. Kallie Michels of the Office of the Vice President for Communications believes it should be located within that office for better integration with overall University messaging. Others on the committee judge this to be a “full time” job and believe desired coordination with the Office of the Vice President for Communications can be achieved, so recommend locating within OUA.

know that OOS and in-state prospects are dramatically different in terms of the number and nature of other colleges they are considering and the tuition bill they would face at Michigan. Our research indicates that the typical OOS has applied to more than seven schools on average, and is most commonly comparing Michigan to Cornell, Penn, Northwestern, Washington U., Duke, Brown and other elite privates. The in-state student is comparing us most often (by a wide margin) to MSU, then Grand Valley and Western Michigan.

Given these vastly different circumstances, we need to design two Value Propositions and not try to stretch one across two very different situations. The OOS Value Proposition has to answer the question - why should an out-of-state student come join a class with 60%-65% of students from Michigan. The next recommendation addresses the design process for this Value Proposition.

6. Message and Delivery

The message question is not an easy one to answer. Generally, one wants something which is differentiating but peer institutions are already claiming all the desirable words, (e.g. it is hard to differentiate away from “developing ethical leaders who contribute to the wellbeing of society.”) We do recommend that the current “breadth and diversity” focus be replaced with something that is less features - of - us and more benefits - to - the students. We believe the specific words for this expression would benefit from a project conducted by advertising – professionals with millennial experience who could frame it in the conversational ways of the target audience.

We do believe that there is a uniqueness to the University of Michigan; a uniqueness that a self-confident person with navigational skills can turn into a truly transformative outcome. Four main points need to be in the message.

A. The outcome is that the UM experience is maximally transformative

This really is a place of “leaders and best.” There is a best you and this is the place that can be the stage for that transformation.

B. Proof Points to A

Why should the prospective OOS student believe that we are the best at this transformational experience? Because we have the faculty talent, we rank in the top 10 in 96 academic disciplines – only Harvard, Stanford, and Berkeley join us in that. While we are the same as them in that regard, we are different from them in important other ways. First, we are experts at integrative learning processes developing the intellectual maturity necessary for career success– not an easy thing, but we have had a lot of practice at it and developed a unique capability. Two, we are leaders in experiential learning – an important complement to what goes on in the classrooms. Third, we are leaders in engaging the world in our work.

C. The Experience

You join a community. It is big and diverse. But, with a community spirit that makes these important benefits, adoptable to your needs and desires. Ann Arbor is the quintessential college town – walk a lot, bike, professors live nearby. There is a spirit that joins us all 24/7 and Michigan’s alumni body is the tightest and largest – a lifetime community for you.

D. Edgy Expression

The mode of our expression should reinforce the message. We are saying we are leading the way. We have to use media and ways of communication that show we are “cutting edge.”

Our Web presence really does need a significant overhaul to present a more modern feel and make heavier use of the social networking methods which are predominant with Millennials.

7. Intensity of Delivery

We are simply not reaching the breadth of potential students we should. Our high school visits outside the state of Michigan are very small in number and even they are too geographically concentrated and devoted to our traditional feeder schools. We need to dramatically increase our presence and intensity. This could be done by committing to train a smaller than 1,300 set of alumni to carry the message. We recommend establishing a new key feeder school program. Who are the high schools who should be our next Harvard – Westlake in Los Angeles, a top school where we are well established? Identify 15-20 per year over the next five years and focus an effort on establishing Michigan as a desired placement.

8. Financial Aid and Ability to Pay

Exhibit 2 of the case study in Appendix 2 shows the financial impact of changing the percentage of OOS students. As shown there, for example, an increase to 45% would represent annual incremental revenue of \$263MM, if the incremental students all paid full tuition. In contrast, if our incremental student came only at average discount level (39%) attained by those receiving aid at the privates, the incremental revenue would be only \$160MM.

We recommend that a rigorous process of experimentation and analysis on aid levels be conducted to help guide financial aid policy for OOS. We understand that some analysis of this type is already underway within the Office of Financial Aid, and Professor St. John of this committee has expertise in contemporary price-response model as applied to financial aid.

We recommend a working group be formed to develop optimal OOS aid policy and that aid to OOS not take a “back seat” to in-state funding. We also note that a given financial aid budget can be “stretched” by attracting some students who would not be in need of financial aid. Thus, allocation of effort being mindful of ability-to-pay can help in attracting the best overall class.

We all very much appreciated the opportunity to participate in this activity. We would be happy to answer any questions or participate in a discussion as you wish.

Thank you.

Appendix 1
Marketing UM to Non-Resident Undergraduate Applicants
Charge
August 1, 2009

Background and Charge: For several decades now, the University of Michigan has enrolled a significant number of undergraduates who reside outside the State of Michigan. Although the fraction of non-resident undergraduates is still a minority, the diversity of backgrounds and perspectives that these students bring enriches the experience of all members of the University community. And with demographic projections calling for a steady decline in high school graduates within the State of Michigan over the next decade, the non-resident applicant pool will become an increasingly important resource to help UM shape its freshman class.

The University faces particular challenges in recruiting non-resident undergraduates. Data derived from the Survey of Freshman Admits indicates that we compete with the most elite public and private peers for these students. In addition, UM's non-resident tuition rate offers an increasingly small discount (in percentage terms) compared to these competitors. And UM does not enjoy the same name recognition on the national and international stage as it does within the State. So even though the current quality of UM's non-resident undergraduates is very high, it is important that we consider how to expand and improve the non-resident applicant pool.

The charge to your group is to advise us on more effective mechanisms that the University of Michigan can employ to improve the non-resident applicant pool and then to convert those into students who apply and are accepted. Amongst non-resident applicants, your focus should be on US students. Although we are interested in thoughts you may have on recruiting international students, that is a much more complex undertaking that may require quite different country by country strategies. So we prefer that your initial focus be on US students.

A number of questions are relevant to this charge:

- **What prospective student populations are under-applying? In looking to improve the applicant pool, are there particular regions, cities or high schools that we should target?**
- **Are there particular disciplinary or career interests that we should focus on in generating applicants?**
- **What features of UM look most appealing to this group of potential applicants?**
- **What marketing tools and media will work most effectively with different geographic or disciplinary subpopulations?**
- **How should the marketing effort be organized within UM? Should there be a single office? How can we best coordinate central efforts with those emerging from the schools and colleges?**
- **What are the best practices for converting applicants who have been accepted?**

In considering this complex set of questions, you may want to address some of them directly or in other cases suggest that we seek help from external consultants.

We will want your group to provide quarterly progress reports and provide a final report by June of 2010.

**Appendix 2
(Separate File Attachment)
Case for Optimizing the Out-of-State Undergraduate Student Body
at the University of Michigan**

**Appendix 3
(Separate File Attachment)
MM49 Competitive Practices Report**