



**TRENDS POINT TOWARD CONTINUED
ENROLLMENT GROWTH AT KSU
OVER THE NEXT DECADE**

An Enrollment Analysis Prepared for the President's Cabinet

by

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Executive Summary

This enrollment analysis was prepared in response to a recent request from the President's Cabinet to Ed Rugg, Executive Director of Enterprise Information Management. It addresses the fundamental question of KSU's likely future enrollment growth from a macro (40-year) as well as a micro (last 5-year) perspective. The highlights of this analysis are rationalized in the report and listed as follows:

- **KSU's historical trends of annual enrollment growth are exceptionally strong and likely to continue.**
- **Over the past four decades, KSU's rate of fall enrollment growth has slowed and been trending downward in terms of percentage increases and is likely to continue to do so. A 35% to 45% growth over the next decade appears likely if KSU's 40-year trend continues, which would raise enrollment to between 27,000 and 29,000 students by Fall 2016.**
- **Annual intakes in three of the four major categories of new students that fuel KSU's enrollment growth have exhibited little or no growth in four of the last five years, and those trends have a dampening effect on overall enrollment growth.**
- **Despite some annual volatility in new freshmen, KSU's intakes of beginning freshmen and undergraduate transfers rose appreciably and were sustained at higher levels beginning in 2002-03, building in an assurance of some enrollment growth for several years to come.**
- **Since seven out of every ten students enrolled each fall are returning rather than new or readmitted students, the growth of the returning student population often has more impact on overall enrollment growth than annual changes in the new/readmitted student population.**
- **As a metropolitan university, only 60% of KSU's annual intakes of new and readmitted students occur in the fall semester, and the growth of the intakes for all four major categories of new students in the spring and summer terms has not fared as well as the fall's.**

- **Until substantial and sustainable upward shifts occur in the annual intakes of one or more of the four major student categories that fuel KSU's overall enrollment growth, future fall enrollment increases are likely to be small and less than the last decade's average of 4% per year.**
- **Enrollment trends and projections can be overridden.**

Unlike many enrollment analyses that focus on fall enrollment trends only, this analysis takes into consideration annual (12-month) changes in new student intakes as well. Examining trends of the annual intakes of new students is particularly important for metropolitan universities like KSU that enroll large numbers of new students in the spring and summer terms. Those large intakes subsequently influence fall enrollment growth through the returning student population.

Trends Point Toward Continued Enrollment Growth at KSU Over the Next Decade

- **KSU's historical trends of annual enrollment growth are exceptionally strong and likely to continue.** Over the past 40 years since the University's inception in Fall 1966, record high fall enrollments have been achieved 37 times. Fall enrollment has declined only three times from the previous year. The most recent decline of 2% was nine years ago and associated with the onset of conversion to the semester calendar system. Furthermore, over a third of the 37 record high fall enrollments reflected double-digit percentage increases, the two most recent being 12% four and five years ago in Fall 2002 and in Fall 2003. These 40-year trends suggest that the likelihood is high that KSU's relatively continuous fall enrollment growth will continue.
- **Over the past four decades, KSU's rate of fall enrollment growth has slowed and been trending downward in terms of percentage increases and is likely to continue to do so. A 35% to 45% growth over the next decade appears likely if KSU's 40-year trends continues, which would raise enrollment to between 27,000 and 29,000 students by Fall 2016.** It is important to note that as KSU's enrollment base has grown, it has become increasingly difficult to achieve large percentage increases in enrollment. A one percentage point gain forty years ago in Fall 1967 required only 10 additional students over the total enrollment for Fall 1966. Today in 2007, a one percentage point growth requires 200 more students than were enrolled in Fall 2006. In KSU's first decade of existence, the institution's average (median) annual enrollment increase was 10%, compared to 4% over the last decade. In that first decade, six of the 10 annual increases reflected double-digit percentage growth, the two highest being 38% and 26% growth spikes. In the last decade, double-digit enrollment growth occurred only twice in 10 years and registered at the 12% level both times. It seems unlikely that the downward trend in KSU's percentage increases in enrollment over the past four decades will not continue into the next decade.

Even though the annual percentage growth in enrollment has slowed over the course of 40 years of operation, KSU's net increases in student headcount have grown substantially in each succeeding decade as Table 1 indicates. Accommodating these larger cohorts of new students has been challenging as percentage increases in enrollment growth and their associated percentage increases in new revenues have shrunk.

Table 1

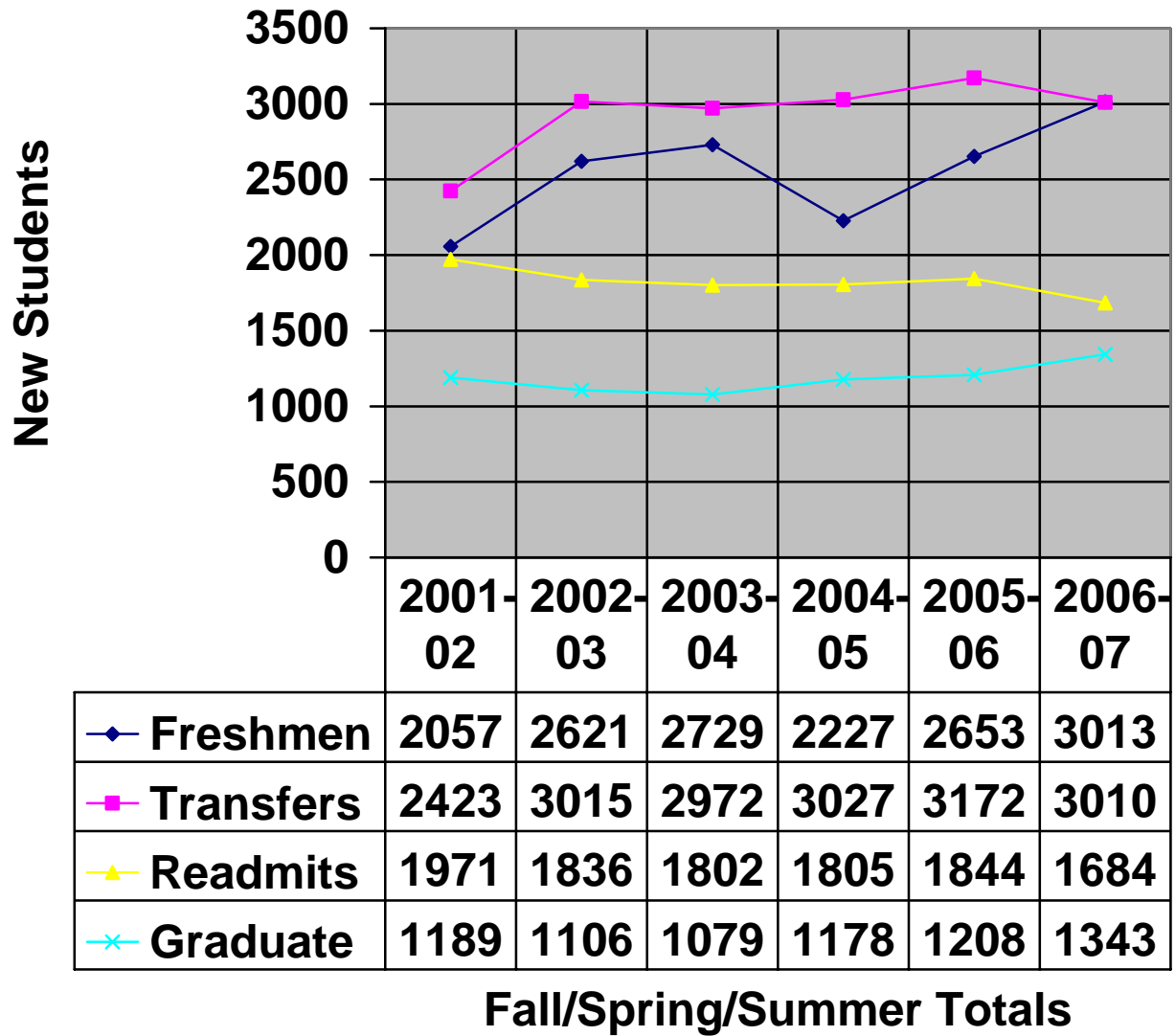
Four Decades of Growth at KSU

<u>Historical Period</u>	<u>Student Growth</u>	<u>Percent Growth</u>
1st Decade 1966-1976	2,197	217%
2nd Decade 1976-1986	4,085	127%
3rd Decade 1986-1996	5,241	72%
4th Decade 1996-2006	7,317	58%
5th Decade 2006-2016	7,000 – 9,000	35-45%

- Annual intakes in three of the four major categories of new students that fuel KSU’s enrollment growth have exhibited little or no growth in four of the last five years, and those trends have a dampening effect on overall enrollment growth.** The four principal categories of new student intakes that fuel KSU’s overall enrollment growth include: 1) beginning freshmen; 2) undergraduate transfers; 3) readmissions; and 4) graduate students. As Table 2 indicates, the numbers of new transfers, readmissions, and graduates have not changed appreciably over the past four to five years. Consequently, those three categories of new students, which account for two-thirds of all new intakes annually, are not contributing much to KSU’s current and near-term enrollment growth from the new or returning student populations.

Support for much of KSU’s continuing enrollment growth is currently coming from the intakes of new beginning freshmen and their returning student populations. However, that particular category of new students has been highly volatile, spiking upward 27% in 2002-03, increasing only 4% in 2003-04, dropping sharply 18% in 2004-05, rising sharply again in 2005-06 by 19%, and growing by another 14% in 2006-07. This annual volatility in beginning freshmen intakes creates parallel volatility in the returning student numbers from those annual cohorts in subsequent years. A closer analysis reveals that for four consecutive years from 2002-03 through 2005-06, the intake level of new beginning freshmen did not grow appreciably and stayed at a level of about 2,600–2,700 new students each year (except when it dropped in 2005-06). That lack of growth in the level of new freshmen intakes in those four years has had and will continue to have a dampening effect on KSU’s overall enrollment growth in the near term since the numbers of returning students from those four annual intakes are also not likely to grow much as those students progress toward degree completion over the next three to six years.

Table 2
Recent Trends in Major Categories
of Annual New Student Intakes



- Despite some annual volatility in new freshmen, KSU’s intakes of beginning freshmen and undergraduate transfers rose appreciably and were sustained at higher levels beginning in 2002-03, building in an assurance of some enrollment growth for several years to come. In 2002-03, three major factors converged to fuel a sharp rise in new freshmen and transfer enrollment. The post 9/11 economic recession and high unemployment rate drove large numbers of individuals back to collegiate studies. There also appeared to be a post 9/11 psychology operating that encouraged students to attend college closer to home. And most importantly, KSU

- opened its first on-campus student housing facilities in Fall 2002, making the University substantially more attractive to prospective residential freshmen. In 2002-03, the level of annual intakes of beginning freshmen grew by nearly 600 students as did the level of new transfer students. The combined 1,200 student rise in new undergraduate intakes that year represented a 26% increase over 2001-02. An equally high level of annual undergraduate intakes occurred in 2003-04, introducing a second cohort of undergraduates that was 1,200 students larger than the cohorts matriculating before 2002-03. As the larger cohorts of freshmen and transfers progress through the undergraduate classifications toward graduation, they replace smaller cohorts of students at each classification which were associated with the lower levels of new student intakes prior to 2002-03. The cumulative effect over four to eight years of swapping out smaller returning freshmen, sophomore, junior, and senior classes with larger cohorts of returning students who initially enrolled since 2002-03 helps ensure increases in KSU's overall institutional enrollment, even if there is no growth in the annual intakes of new transfers or new freshmen in a particular year.

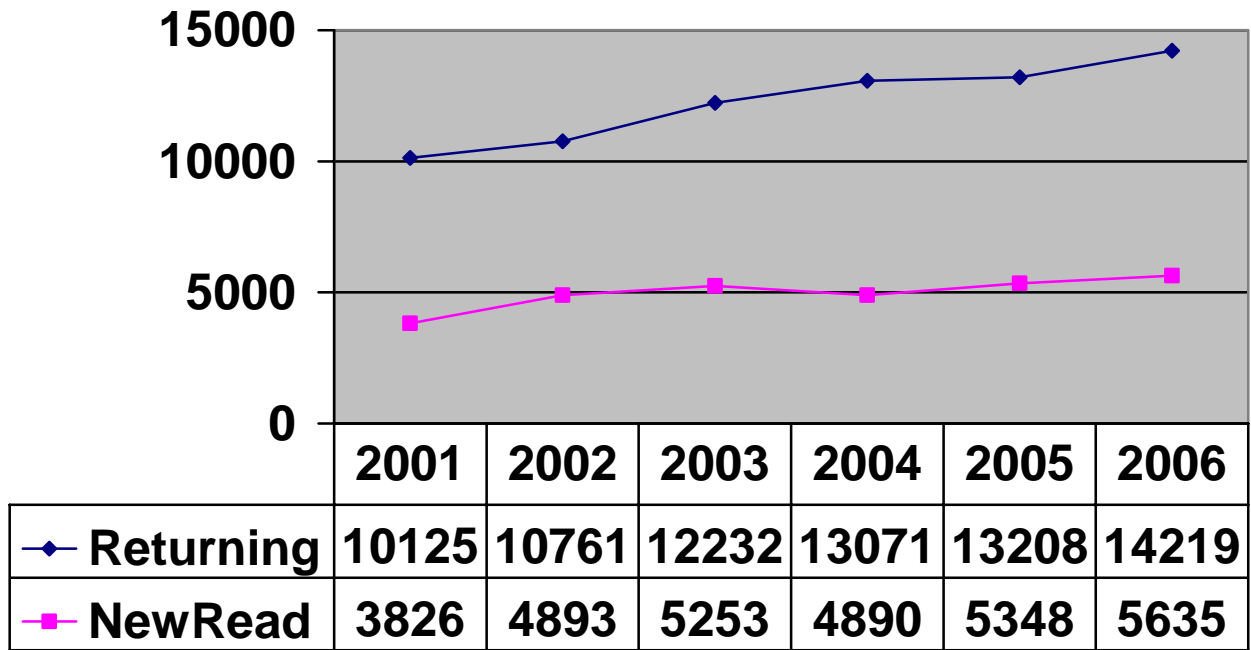
If we assume that most undergraduate transfers have either graduated or left the institution within four to five years, then the newest cohorts of returning transfer students are no longer replacing smaller cohorts at any classification level. The annual intake levels of new transfers has not changed appreciably in the last five consecutive fall semesters at KSU. Consequently, undergraduate transfers are not likely to contribute much to current and near term enrollment growth until their annual intake levels rise again appreciably and are sustained at those higher levels in the future.

If we assume that most beginning freshmen have either graduated or left the institution within six to eight years, then the larger annual intakes of new freshmen that have been sustained in most years since 2002-03 have several more years of contribution to make in fueling the cumulative growth that occurs when larger returning student cohorts replace the smaller cohorts in the degree completion pipeline. Furthermore, last year's annual intake of beginning freshmen grew appreciably by almost 400 students. Admittedly, that increase is only a third as large as the 1,200 student rise in the level of new freshmen and transfers that began in 2002-03, but it is a substantive jump upwards. If that new level of 3,000 beginning freshmen per year can be sustained in 2007-08 and in future years, the university's continued enrollment growth will be virtually ensured throughout the next decade, despite the recent four-year period of relatively flat or declining beginning freshmen intakes.

It is also worth noting that although the 50-student decline in the joint enrollment honors program over the last two years has had a minimal negative impact on KSU's overall fall enrollment, it is unfortunate that this exceptional group of early admissions beginning freshmen with average SATs that are typically a couple of hundred points higher than those of KSU's regular freshmen were reduced by a third in recent years.

- **Since seven out of every ten students enrolled each fall are returning rather than new or readmitted students, the growth of the returning student population often has more impact on overall enrollment growth than changes in the annual new/readmitted student population.** As Table 3 indicates, new student intakes fluctuated somewhat from fall to fall over the last five years, but returning student enrollment grew consistently from year to year, as did enrollment as a whole. In most years, the returning student population increased substantially more than the new/readmitted student population.

Table 3
Recent Growth of Returning and
New/Readmitted Students



Students in Fall Semester

- As a metropolitan university, only 60% of KSU’s annual intakes of new and readmitted students occur in the fall semester, and the growth of the intakes for all four major categories of new students in the spring and summer terms has not fared as well as the fall’s. Whereas 80% of the annual intakes of beginning freshmen typically occurs in the fall, only about half of the annual intakes of new undergraduate transfers, new graduates students, and readmissions occur then. Because spring/summer intakes at a metropolitan university like KSU are so substantial in all four of the major categories of new students, they contribute significantly to the growth and health of the returning student population that helps fuel subsequent fall enrollment growth. As Tables 4 and 5 indicate, the five-year growth rates in the fall for beginning freshmen, new transfers, and new graduates have not been matched by comparable five-year growth rates in the spring and summer terms. Little or no intake growth in those categories has occurred in the spring and summer. Furthermore, although fall readmissions have declined in recent years, readmissions have fallen off noticeably more in the spring and summer terms. The weakness of growth trends for new student intakes in the spring/summer terms dampens the positive impact of returning student growth on the overall institutional enrollment in the fall.

Table 4
Recent Fall Semester Trends in New Student Intakes

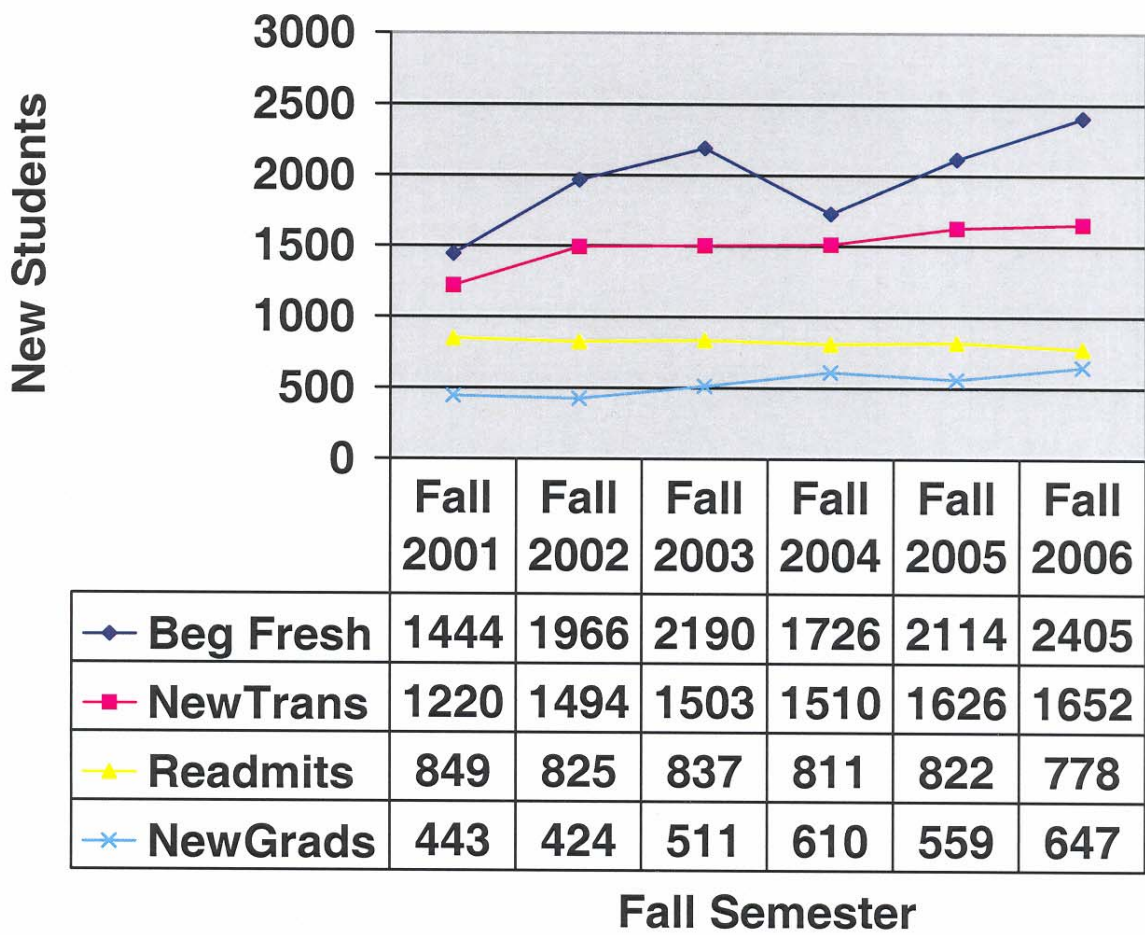
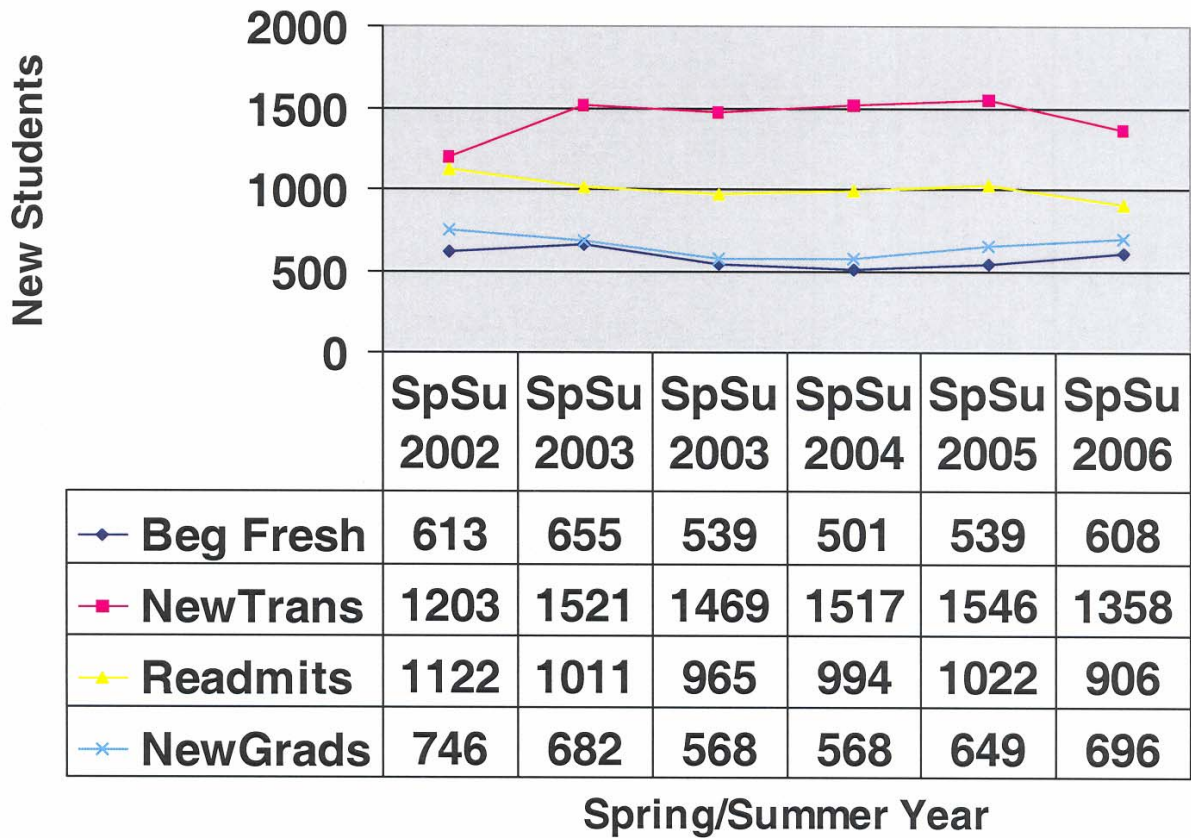


Table 5
Recent Spring/Summer Trends in New Student Intakes



- **Until substantial and sustainable upward shifts occur in the annual intakes of one or more of the four major new student categories that fuel KSU's overall enrollment growth, future fall enrollment increases are likely to be small and less than the last decade's average of 4% per year.** The sharp upward shift in the annual level of beginning freshmen and new transfer intakes that occurred in 2002-03 and which was largely sustained annually since then fueled substantial annual returning student enrollment growth over the past five years. Another appreciable upward shift is needed soon in two or more of the major new student categories that fuel KSU's enrollment growth if comparable gains are to be achieved over the next five years. Some increase in that direction materialized in the Fall 2006 intakes of beginning freshmen, but the magnitude of that gain is substantially less than the upward spike in Fall 2002. Its sustainability in subsequent fall terms has yet to be demonstrated. The annual intakes of new undergraduate transfers appears to be flat, and recent increases in new graduate students are relatively modest in absolute terms. Despite the substantial upward shift in new student intakes of beginning freshmen and new transfers sustained since 2002-03, annual readmissions have declined.

Conditions favoring another upward shift in new student intakes can occur. An economic recession and raised unemployment rates that help boost enrollment are likely sometime in the next decade. Another terrorist attack is possible also. Duplicating the exceptional impact of the university's initial offering of on-campus housing is not as likely, unless perhaps on-campus housing opportunities expand greatly in a given year. On the other hand, will the parking and traffic problem undercut potential enrollment gains? Would a football program spike enrollment upward? The substantial growth of the teaching faculty over the past five years permitted the institution to increase course and degree offerings substantially and facilitated enrollment growth. Will large increases in new faculty positions be funded in the future? Will expanded off-campus and online learning opportunities boost enrollment appreciably? Many relevant questions that affect enrollment remain unanswered. That is why the art of accurate enrollment projection is so elusive at a growing and evolving institution like KSU which often changes quickly and sometimes unexpectedly.

- **Enrollment trends and projections can be overridden.** KSU has not exhausted all opportunities or means for fueling future surges in enrollment growth that would override the enrollment trends and projections described in this report. Furthermore, the events that triggered the exceptional growth spike in beginning freshmen and new transfer enrollment in 2002-03 were not expected or projected based upon enrollment trends and projections existing at that time. Planned as well as unexpected events occurred five years ago that converged to have a huge effect in changing the course of existing enrollment trends and triggering substantial enrollment growth at KSU. This enrollment analysis describes what is likely to occur if recent and historical enrollment trends continue into the future. It is possible to change the course of enrollment trends with effective strategic planning, complemented by a healthy dose of good fortune.