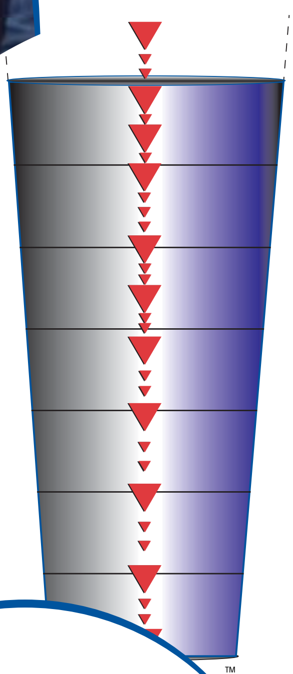
NOEL-LEVITZ WHITE PAPER

Because measuring retention and graduation rates—on their own—isn't enough

A New Way to Measure Student Success

Introducing the Student Success "Funnel"—a Valuable Tool for Retention Planning and Goal-Setting

For decades, the major focus of those working in the areas of student success and retention has been to raise overall retention and graduation rates. While these continue to be the most critically important measures, this paper argues that the traditional measures of fall-to-fall retention and graduation rates within "x" number of years are insufficient on their own.



What is also needed is a more systematic, complementary approach to measurement that puts educators in closer contact with students—an approach expressed by a new paradigm: the student success funnel.

This paper describes the student success funnel and shows how to use it to monitor students' progress, more precisely set goals, and plan more effectively.

By Tim Culver, Noel-Levitz Vice President for Consulting Services

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Measuring more than just retention and graduation rates

Introducing the student success funnel—a new paradigm for measuring student success

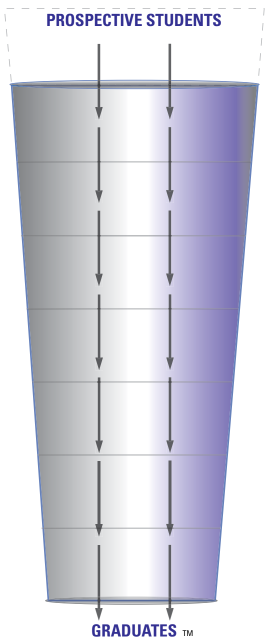
Today, the pressure is on to enhance student success in higher education.

Demands for accountability and mounting concerns about access are prompting educators to re-think traditional approaches to retention management and to look for new strategies.

At the same time, higher education is seeing unprecedented changes in its students, including a lack of preparedness, greater diversity, and "swirl"—the phenomenon described by experts such as Cliff Adelman in which students enroll simultaneously at multiple institutions, attend classes intermittently rather than go straight through college, and hold down competing responsibilities such as part-time jobs.

To respond to this new environment, Noel-Levitz advocates a paradigm shift toward a more precise model for measuring desired outcomes—the student success "funnel." By applying this model, educators can maintain closer contact with students, more precisely set goals, and plan more effectively.

Please read on to learn how you can apply the student success funnel to your institution's measurements, goal-setting, and overall retention plan, to more fully meet your students' needs.



By adopting a "funnel" approach to measurement, colleges and universities can stay in closer contact with their students and respond to growing demands for accountability.

For guidance on using the funnel in goal-setting, see pages 7-8. For guidance on using the funnel in planning, see pages 9-11.

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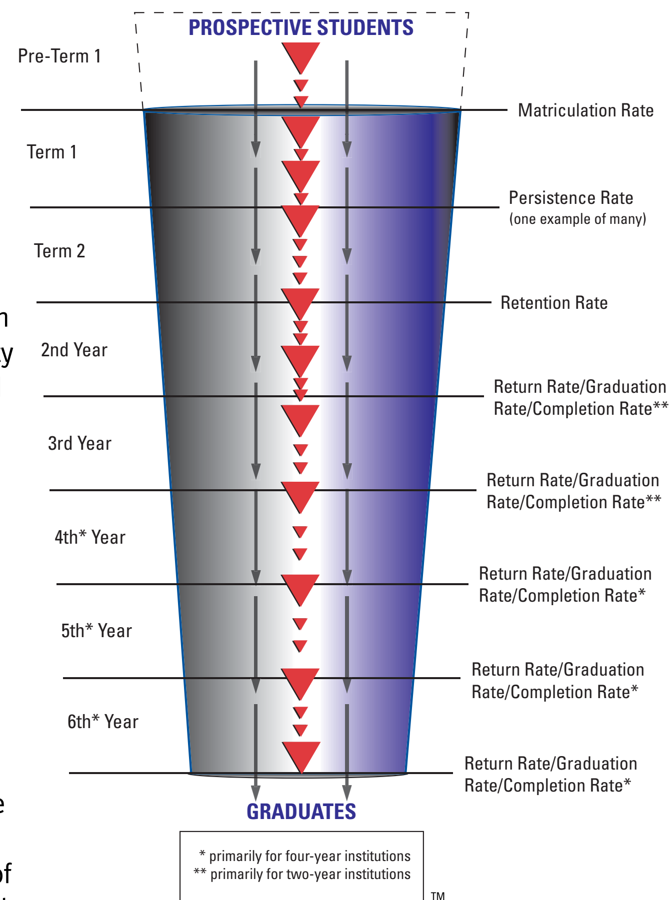
How to use the student success funnel to more effectively engage students

Making better decisions with timely student data

Timely student data can equip educators to better meet student needs and to help students become more successful. This is the premise of the student success funnel.

The funnel diagram below right shows the movement of incoming students as they begin college and progress term to term to graduation. Along the right edge are the traditional measures of retention and graduation rates. At center are the increasingly important, contributing measures that lead to greater retention: persistence and progression rates.

Key Metrics:
Persistence and Progression Measures



Zero in on student progress with *persistence* and *progression rates*

As shown in red, at the heart of the student success funnel are two critical submeasures—persistence and progression rates—that lead to greater retention and graduation rates. Below are definitions of each of these measures.

Persistence rate: The enrollment headcount of any cohort compared to its headcount on its initial official census day. Commonly measured on day one of terms 2, 3, and 4, but also measured at ongoing points in time to determine persistence rates on any given day of any given term.

Example 1: On Jan. 7, 2008, the first day of term 2, 90 percent of an institution's fall 2007 first-time-in-college (FTIC) cohort persisted from the cohort's term 1, official census date taken on Oct. 2, 2007.

Example 2: On Aug. 25, 2008, the first day of term 3, 70 percent of the institution's fall 2007 FTIC cohort persisted from the cohort's term 1, official census date taken on Oct. 2, 2007.

Progression rate: The rate at which a cohort participates in any activity that an institution has determined to be correlated with persistence such as course completion rates and rates of academic probation.

Example 1: Of the students in the fall 2007 FTIC cohort that took Sociology 101 during term 1, 75 percent had completed the course successfully (grade of C or higher) by day one of term 2, Jan. 7, 2008.

Example 2: Of the students in the fall 2007 FTIC cohort that were placed on probation at the end of term 1, 40 percent were removed from the probation list by the end of term 2.

To more precisely monitor student progress, *persistence* and *progression rates* should be a central focus, as shown above and as defined at left.

Note that persistence and progression rate data should be date-, year-, and cohort-specific. Additional examples of progression measures include, but are *far from limited to*: course registration rates, rates of participation in orientation programs, rates of participation in academic support programs, attendance rates, placement rates, rates of advising, and rates of participation in early-intervention programs and/or programs for students at risk.

A major advantage of tracking both persistence and progression rates is that these data allow institutions to see the enrollment impact of specific improvement efforts an institution is undertaking. For example, if an institution has worked to increase course completion rates within a specific academic division during term 1, measures of credit hours successfully completed for that division can be compared with persistence on day one of term 2 to determine the enrollment impact of the initiative.

How often should you track persistence?

Many institutions consider their official census date for fall enrollment their most important enrollment measure in the initial weeks of term 1. While establishing an official census is an essential baseline measurement (as described on page 3), measuring enrollment only once early in term 1 is typically *not* adequate for understanding student enrollment behavior during the critical first weeks of the term.

For example, to combat attrition early in the term, one institution takes five measures of persistence: pre-term enrollment two weeks prior to day one of the first term; enrollment on the first day; enrollment at the end of a 100 percent refund period (about one week into the term); enrollment at the end of a 50 percent refund period (two weeks into the term); and at census. This institution then develops goals and strategies based on the gathered data (see pages 7-8 for guidance on goal-setting and pages 9-11 for guidance on planning). Approaches like this also enable institutions to measure and set goals for **melt rates**, which are reductions in enrollment/persistence between any two points in time.

Note that it is important to keep measuring persistence beyond the official fall census, too, because attrition is ongoing. Persistence measurements and goal-setting should continue throughout each term and should include, at minimum, enrollment on the last day of term 1, enrollment on day one of term 2, enrollment after the first week of term 2, and so on.

As these examples suggest, persistence should be measured early and often—especially at times when you know students drop out such as early in the term and in the period between terms.

How do you decide which progression rates to track?

By assessing the impact of each activity, you can focus limited resources on initiatives that are most likely to generate the desired results. In the example below, by linking budget, persistence, progression, and course grade data, a university realized it had recouped its investment in a new initiative after just one term.

Which specific progression rates should you measure? As suggested, any initiatives aimed at enhancing student success should be measured, and so should existing initiatives an institution has invested in, such as the rates of participation in specific academic support programs. Ultimately, however, each institution needs to develop its own unique set of measures in response to its distinctive student attrition patterns.

On some campuses, outcomes-minded leaders call for progression measures of all existing initiatives aimed at enhancing student success to determine their relative cost-effectiveness. Retention teams can also link enrollment and budget data to specific activities, such as programs for at-risk students, as in the example below.

Example of a cost-benefit study: *Special program initiated fall 2007 to enhance persistence of an FTIC (first-time-in-college) cohort of developmental math students at a cost of $100,000.*

	Enrollment in developmental math courses in term 1	Grade of C or higher	Persistence on day one of term 2	Students lost	Net tuition/ subsidy revenue per student	Loss
Fall 2006 (BEFORE program)	700 students	350 students	550 students	150	$3,500/term	($525,000)
Fall 2007 (AFTER program)	703 students	422 students	582 students	121	$3,500/term	($423,500)

Savings: $101,500

Note: This example is provided for illustration purposes only. The figures above are not based on any specific institution's outcomes.

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Additional critical assessments

Persistence and progression measures are based on concrete behavioral outcomes such as the acts of registering for, attending, and completing a class. Behind these behaviors, and within them, lie additional, critical layers of understanding that can also be measured through quantitative and qualitative assessments such as:

- Course grades and homework
- Surveys of student satisfaction and priorities
- Focus group research
- Statistical identification of risk factors and/or student attributes that correlate with persistence
- Assessments of incoming students' motivations and attitudes
- Surveys to determine students' awareness of services and options available to them

This is just a small set of examples. Assessment measures like these may be used in concert with progression and persistence data to further refine the institution's goals. See an example in the table on page 4 and in the goal-setting section on pages 7-8.

Notice what students care about: Direct observation is important, too

In our national research[1], many educators have indicated the *quality* of their campus retention activities needs improvement. In addition, we have observed many institutions falling prey to "excessive activity syndrome."

To address these issues, a more precise approach to measurement can offer clear direction and focus. Also, between measurements, as you work directly with students, notice how they respond to your strategies and tactics:

– Do students value the help you are offering them?

– Can students see how they are benefiting?

– Do students appear to be more satisfied than they were previously?

If you notice your students are not responding favorably to your initiatives, you will likely see that retention and graduation rates are not improving either.

1 2007 National Research Report: Student Retention Practices at Two-Year Institutions (Iowa City, IA: Noel-Levitz, Inc., 2007) and 2007 National Research Report: Student Retention Practices at Four-Year Institutions (Iowa City, IA: Noel-Levitz, Inc., 2007).

A summary of the funnel's advantages

As suggested on the preceding pages, advantages of focusing on persistence and progression rates in addition to overall retention and graduation rates include:

– Closer contact with students

– More timely identification of student needs

– The ability to measure the enrollment impact of specific strategies and tactics

– The ability to justify expenditures for student success initiatives

– Greater accountability for student success every step of the way

Please keep reading the next sections of this paper to see how to apply persistence and progression measures to retention goal-setting and planning, as we are about to describe.

By monitoring students' progress with persistence and progression measures, you will be better equipped to accomplish your goals.

Additional notes

- For the most effective, year-to-year comparisons, we recommend storing and analyzing three to five years of comparative data.
- We typically advise institutions to focus their attention on degree-seeking students. The reason is that non-degree-seeking students are among the most volatile, dynamic, and difficult populations on which to focus intervention strategies.
- As mentioned on page 5, non-behavioral assessments are a critical complement to persistence and progression measures. Such assessments, formal and informal, can identify issues, attitudes, and awareness levels that are critical to understanding why students do what they do.

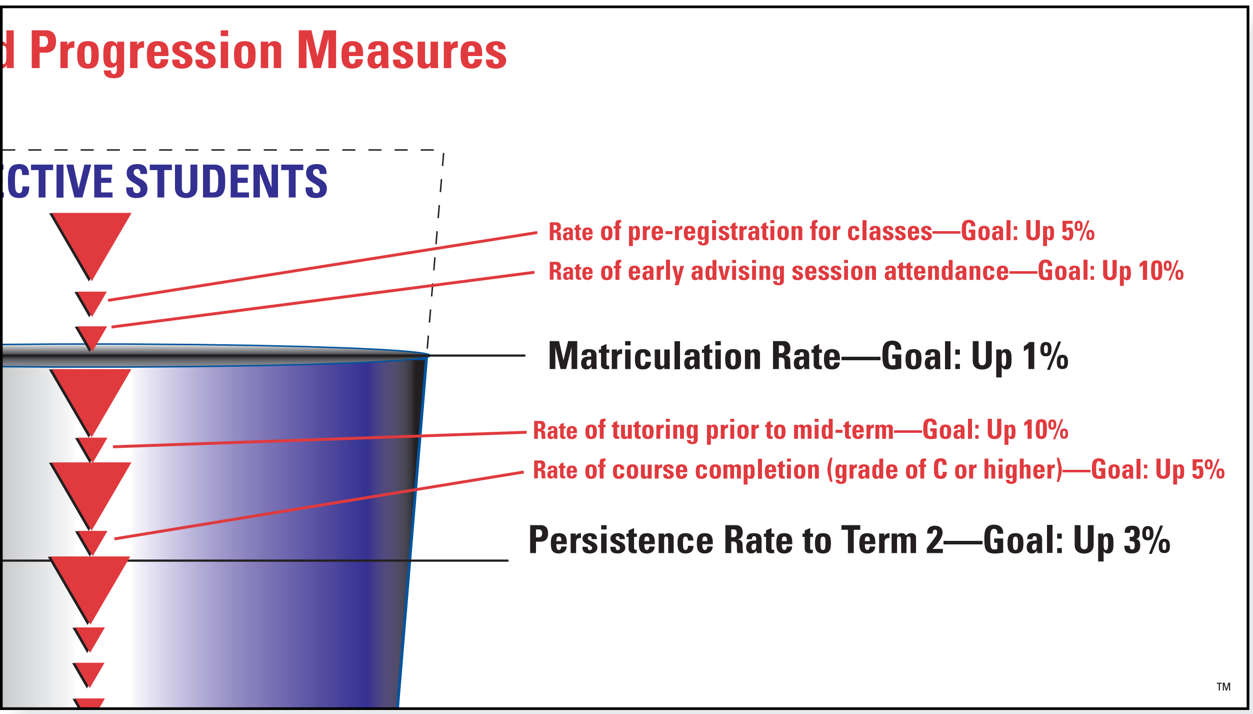
Going deeper: How to set effective goals for persistence and progression

Using the funnel to stay in closer contact with students

Many colleges and universities set goals for improving overall retention and graduation rates by setting goals such as "increase graduation rates by 3 percent within 'x' number of years."

This approach continues to be valuable for a whole host of reasons, including: external and internal reporting; strategic planning; comparisons with national benchmarks; and, ultimately, for evaluating the desired completion rates.

However, zeroing in on the contributing subgoals of term-to-term persistence and institutionally-defined progression measures, as defined on page 3, is also critical—and setting goals for multiple cohorts is often advantageous as well.



Above: examples of persistence and progression measures. In Noel-Levitz's experience, the top of the funnel typically deserves the most attention, from pre-term 1, or the admissions/recruitment stage, through the beginning of the second year of enrollment for two-year institutions, or through the beginning of the third year of enrollment for four-year institutions.

Noel-Levitz releases informational reports and white papers throughout the year. Sign up to receive additional reports and information updates by e-mail at: www.noellevitz.com/subscribe.

Sample goals, enumerated

The following further explains the diagram on page 7.

To achieve an end goal of increasing first- to second-year retention rates by 5 percent within two years for an entire entering cohort of first-time-in-college students, an institution might set persistence and progression subgoals* such as:

– Increase the cohort's persistence from term 1 to term 2 by 3 percent.

– Increase the cohort's rate of pre-registration for classes by 5 percent.

– Increase the cohort's attendance at advising sessions prior to opening day by 10 percent.

– Increase the cohort's use of tutoring during the first 10 weeks of the term by 10 percent.

– Increase the cohort's course completion rates in term 1 (grade C or higher) by 5 percent.

In general, we recommend establishing three to five subgoals for each cohort you define (see below) and making sure each subgoal has three to five supporting strategies that are designed, in the end, to improve retention and graduation rates.

* These are examples only; they are not recommendations for any institution. Effective progression goals/measures seek to improve student participation in activities that correlate with persistence and retention. Note that goals should be date-, year-, and cohort-specific, parallel to measures of persistence and progression; these specifics have intentionally been omitted for brevity.

How many cohorts will you set goals for?

The decision of whether to focus resources simply on retaining the overall incoming cohort or on retaining specific subpopulations often hinges on the attrition rates of specific populations and the availability of resources to address identified needs.

Based on their available data and resources, many institutions choose to focus on retaining students who are under-prepared, undecided, from diverse backgrounds, non-traditional-age, first-generation, part-time, or students whose profile is known to be correlated with attrition or whose profile closely matches the mandate/charter of the school.

In general, when getting started, we've noted that many institutions choose to focus only on one or two cohorts, then set goals and develop strategies for retaining multiple cohorts after their retention programs and planning evolve. This "staged" approach allows the institutions to justify additional expenditures based on the initial outcomes.

Additional notes

- Persistence and progression goals and subgoals do not replace goals for retention and graduation rates. Rather, each strategy and tactic designed to support persistence and progression should be aimed at the ultimate goals of increasing retention and graduation rates.
- Students' processes for decision-making typically change as they progress through the funnel, requiring different plans and interventions.
- While it is vital to encourage a cohort's progress *early* in the first term, developing persistence strategies to retain students *throughout* the term and between terms is also critical, as are pre-enrollment progression strategies and, for four-year institutions, strategies for retaining second-year students.

Incorporating the funnel within your retention plan

Here are a few suggestions for taking a comprehensive, systemic approach to applying the funnel

As you are likely aware, without a comprehensive and systemic plan of action, student success initiatives lack coordination and, consequently, cannot reach their maximum level of effectiveness.

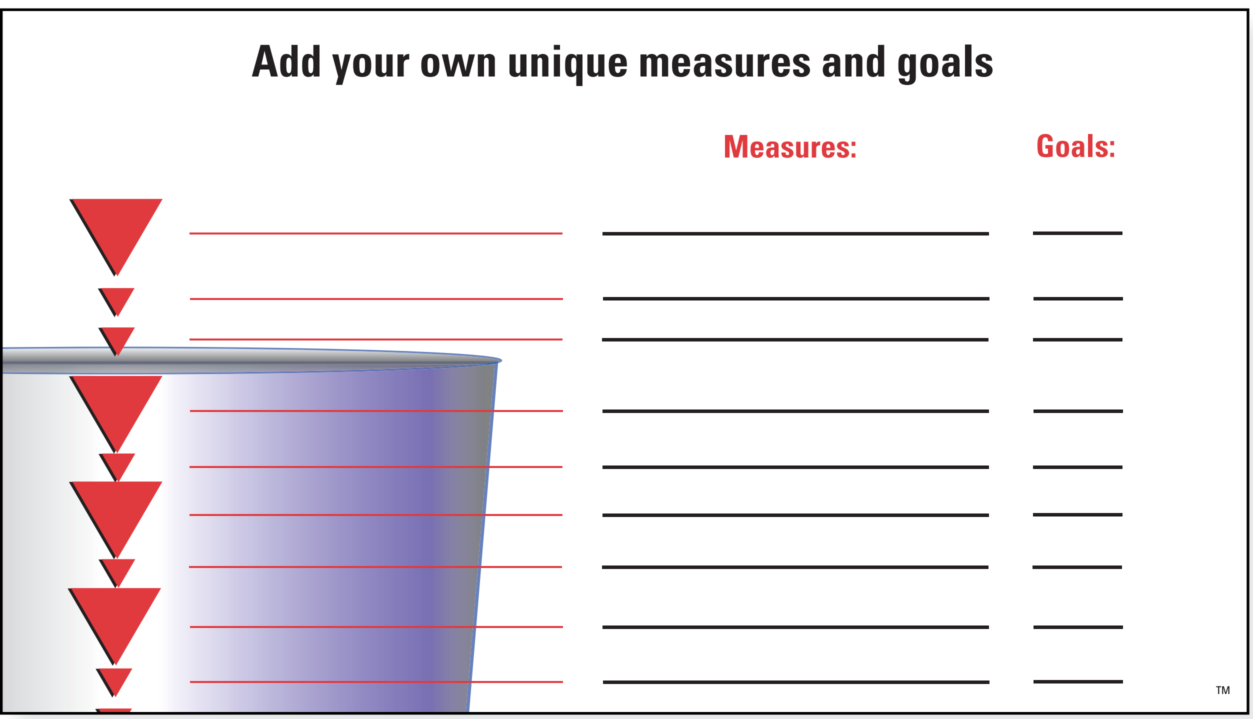
In addition, by adopting a more precise and timely approach to measurement, campus decision-making can be strengthened considerably.

Whether you are refining your plan or developing one for the first time, below are some guidelines as you work at incorporating the funnel within your environment.

Step one: Designing your own funnel(s)

As mentioned, each institution needs to define its own goals and measures based on the attrition patterns of its students. Once you have identified these goals and measures, we encourage you to simply chart them on a funnel diagram so you have a single, clear visual to guide your work. Again, if you are just getting started, try to avoid measuring too many new factors at once to keep things manageable; it is better to measure just a few things well than to lose track of your progress in an important area.

If you are concentrating on retaining specific subpopulations in addition to an overall cohort, we encourage designing a separate funnel for each subpopulation in order to chart the unique activities/goals/measures that you will be enacting for each group.



We encourage you to develop your own funnel to guide your work.

Step two: Developing a written plan or revising the one you have

Once you have designed your funnel(s), you can incorporate your goals and measures within your existing written retention plan or write a plan for the first time. Such plans should detail the strategies and tactics you intend to pursue, with supporting timelines, tasks, and assignments. By carefully documenting your intentions in a well-coordinated plan, you will place your institution in a stronger position than that of many other institutions. Consider the following:

- At two-year colleges, only 40 percent of campuses reported having a current, written, retention plan in 2007.[2]
- At four-year colleges and universities, only 53 percent of public institutions and only 30 percent of private institutions reported having a current, written retention plan in 2007.[3]

Keep in mind that written retention plans should be updated and refreshed annually, as should your funnel(s) and reporting systems (see next item).

Summarizing your situation

To summarize their gathered data, and to aid in completing their plans, many institutions undertake the following:

- *The formation of a centralized database.* Centralizing data in a single database is an invaluable step in retention management. Such databases compile persistence, progression, retention, and graduation/completion data in a way that allows correlations between desired outcomes and specific strategies and tactics. Often, faculty and staff members throughout campuses have multiple databases and pursue activities that may or may not lead to improvements in desired outcomes.
- *An analysis of the mission and vision of the institution.* Analyses of this type are foundational for planning. In what general direction is the institution headed? What priorities are most important to the board and executive leadership right now and five years from now as identified in the institution's strategic plan? Gaining clarity on the direction of the institution as it relates to student success provides a vital framework for retention goal-setting and planning.
- *SWOT analysis.* This is an analysis of strengths, weaknesses, opportunities, and threats aimed at identifying driving forces (and inhibiting factors) that may influence future student success. Based on sources of data that are internal and external to the institution, such analyses factor all of an institution's gathered information into a single, comprehensive assessment. This assessment is conducted either by knowledgeable internal leaders or by an outside specialist in retention planning. Note that gathering student perceptions of institutional strengths and weaknesses is often a helpful step in this process.

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[2] 2007 National Research Report: Student Retention Practices at Four-Year Institutions (Iowa City, IA: Noel-Levitz, Inc., 2007), survey results, p. 1.

[3] 2007 National Research Report: Student Retention Practices at Four-Year Institutions (Iowa City, IA: Noel-Levitz, Inc., 2007), survey results, p. 1.

Don't get stuck in data interpretation

In our work with campuses, we see far too many institutions getting mired in the data interpretation stage. While data are interesting, they are only helpful if they increase persistence. If converting data to action seems complicated, or if your institution has been unable to agree on goals, don't lose heart; you *can* accomplish your ambitions. Many institutions find they can overcome such obstacles by setting deadlines, by engaging an experienced facilitator, and/or by following a charge from the president to keep moving to the next level of effectiveness.

Additional notes

- The funnel paradigm will be new for most campuses, and may initially take some effort to include in written plans. Keep in mind that its purpose is to allocate resources and effort where you know you will get a return, and to assist you in measuring the persistence impact of all new initiatives before committing to them beyond a trial period.
- To help justify your activities, consider using Noel-Levitz's online Retention Revenue Estimator to quickly calculate the estimated revenue you can gain by increasing student retention for a specific cohort. Our estimators are specific to two-year, four-year, and proprietary institutions. We provide a free analysis of your findings upon request. The estimators are available at **www.noellevitz.com/estimate**.
- Comparing your current retention and graduation rates to national norms provides a sense of how realistic your goals and plans may be. You can find comparative national norm data at **www.noellevitz.com/ACTnorms** or by checking with the Consortium for Student Retention Data Exchange (CSRDE). Note: At the present time, there are no national benchmarks for first- to second-term persistence.

In summary

As this paper has described, the student success funnel offers a valuable new tool for retention planning and goal-setting. With the funnel, institutions can stay in closer contact with their students and respond to increasing demands for accountability.

Central to the funnel are measures of persistence and progression. By setting goals for the "small steps" students must take to complete a term, a year, or a degree, you will find you are in a better position to meet the needs of your students.

We hope you have gleaned some practical next steps to advance your student success and retention programs. If you would like further assistance, Noel-Levitz offers additional resources and support. To begin a conversation with us about how we may be able to tailor our services to meet your needs, please contact us at 1-800-876-1117 or e-mail info@noellevitz.com.

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Questions? Want additional information?

If you have questions about this paper, or wish to schedule a complimentary consultation by phone to discuss your approach to student success measurement, please contact Tim Culver, Noel-Levitz vice president for consulting services, at **tim-culver@noellevitz.com** or call 1-800-876-1117.

Note: After implementing an aggressive new strategy, a 3- to 5-percentage-point increase in first- to second-year retention within 12 months is typical for a Noel-Levitz retention consulting client institution—even for those institutions that have been using other Noel-Levitz services. This has held true for many years across institution types, public and private, two-year and four-year.

About Noel-Levitz

A trusted partner to higher education, Noel-Levitz specializes in strategic planning for enrollment and student success. Each year, campus executives from throughout the U.S. meet regularly with Noel-Levitz to accomplish their goals for student retention, student recruitment, marketing, and strategic enrollment management.

Since 1973, nearly 2,000 public and private institutions at the two-year, four-year, graduate/professional, and system levels have invited Noel-Levitz to collaborate with them on long- and short-range projects.

Noel-Levitz offers complete services for strategic enrollment planning and student success, including consulting, custom research, benchmark data, assessment tools, side-by-side plan development and execution, Web strategy and e-communications support, professional development, and new enrollment technologies.

To help you achieve your goals, our 40 full-time consultants and 60 associates bring direct experience leading and planning enrollment campaigns from their previous and current positions on campuses as consultants, enrollment managers, retention directors, marketing leaders, advising directors, institutional researchers, financial aid directors, faculty, student affairs leaders, and more.

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