



CAREER SCHOOLS: 2014 YEAR IN REVIEW

HOW TO MAKE 2015 THE YEAR OF
STUDENT OUTCOMES



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INTRODUCTION

With new commentary every day about the value of a college education, career schools are right in the middle of the discussion. Career schools are designed to help students train for and prepare for careers in skilled professions. But the current regulatory environment and the mounting pressures on outcomes have been a challenge for the sector. In this report we take a look at what's happening within the industry.

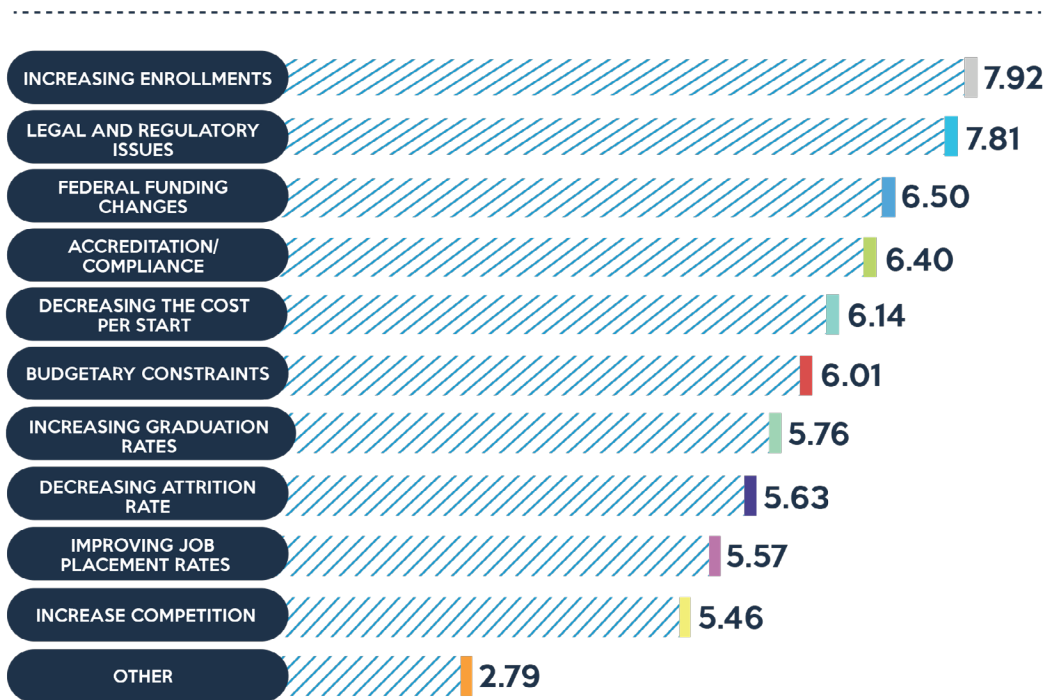
We surveyed career school executives on their 2014 activities and their outlook for 2015. Based on their responses, we organized the report into three sections: 2014 challenges, the focus for 2015 and tips for student outcome success. Read the Career Schools 2014 Year in Review report to gain insight that you can use to improve your schools performance and generate successful student outcomes.

KEY LEARNING 1:

Two Major Challenges

To understand the major issues facing career schools in 2014, we asked these executives to identify their biggest challenges. The survey addressed a series of likely impediments and asked respondents to rank each category by level of challenge. Once the results were analyzed, it was obvious survey responders were facing the same two major challenges: increasing enrollments and legal & regulatory issues.

RANK YOUR BIGGEST CHALLENGES IN THE LAST YEAR



Increasing Enrollments:

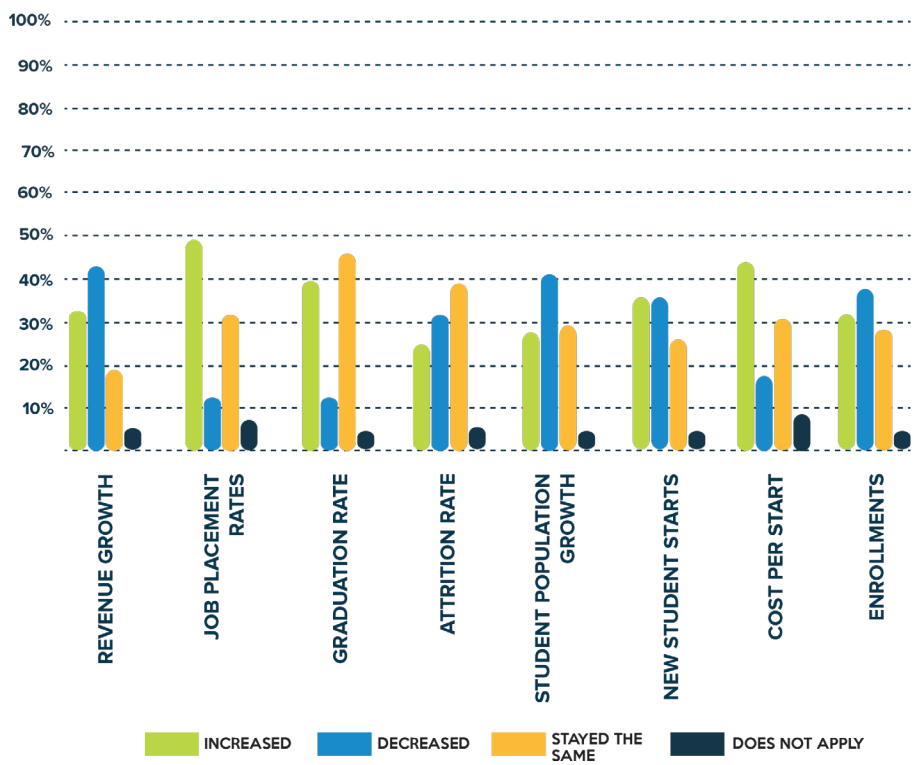
As you can see from the chart above, the number one issue for career schools is increasing their enrollments. This makes sense given enrollment at two-year public institutions fell 2.7 percent between spring 2013 and spring 2014 and, although more students currently attend two-year colleges than did before the recession, languishing enrollment numbers in the last three years have forced many colleges to downsize.¹

Legal & Regulatory Issues:

This is the second biggest challenge for career schools. Recent rulings by The Education Department have created a complex regulatory environment for academic institutions. Adding to the challenges are increased government regulations that affect both career colleges and students in terms of funding, tuition assistance and enrollment.

Career colleges are already seeing the negative effects brought on by these challenges. School executives were asked to rank how certain metrics have changed, compared to last year.

COMPARED TO THIS TIME LAST YEAR, THE FOLLOWING METRICS HAVE (INCREASED, DECREASED, REMAINED THE SAME)



According to the chart above, three elements have significantly shifted over the past year: enrollments, student population, and revenue growth all decreased. This graph is showing the results of these challenges on the school.

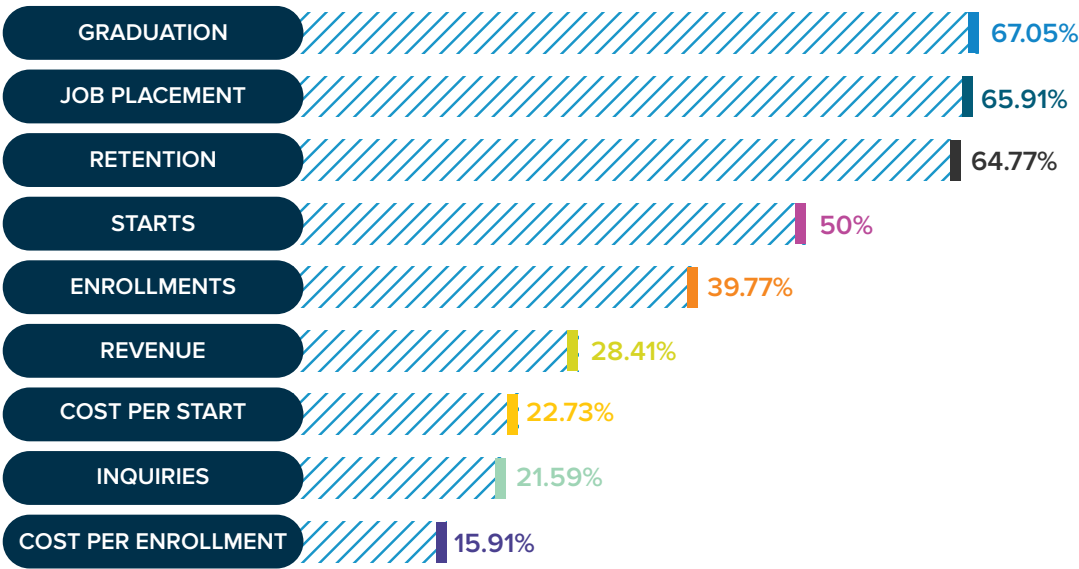
The two major 2014 challenges above appeared to be universal across all the schools in the industry. Now, these schools are looking ahead to determine how to overcome these challenges in 2015. It all comes down to one thing, focusing on student outcomes. By focusing on student outcomes schools can bridge the gap between their challenges and regulatory changes. This is the key to achieving long-term school and student success.

KEY LEARNING 2:

Focus on Student Outcomes

The next important takeaway is that a big focus for schools is on improving student outcomes in 2015. The survey responses show that schools are responding to their challenges by focusing on the students.

WHAT ARE YOUR TOP SUCCESS METRICS?

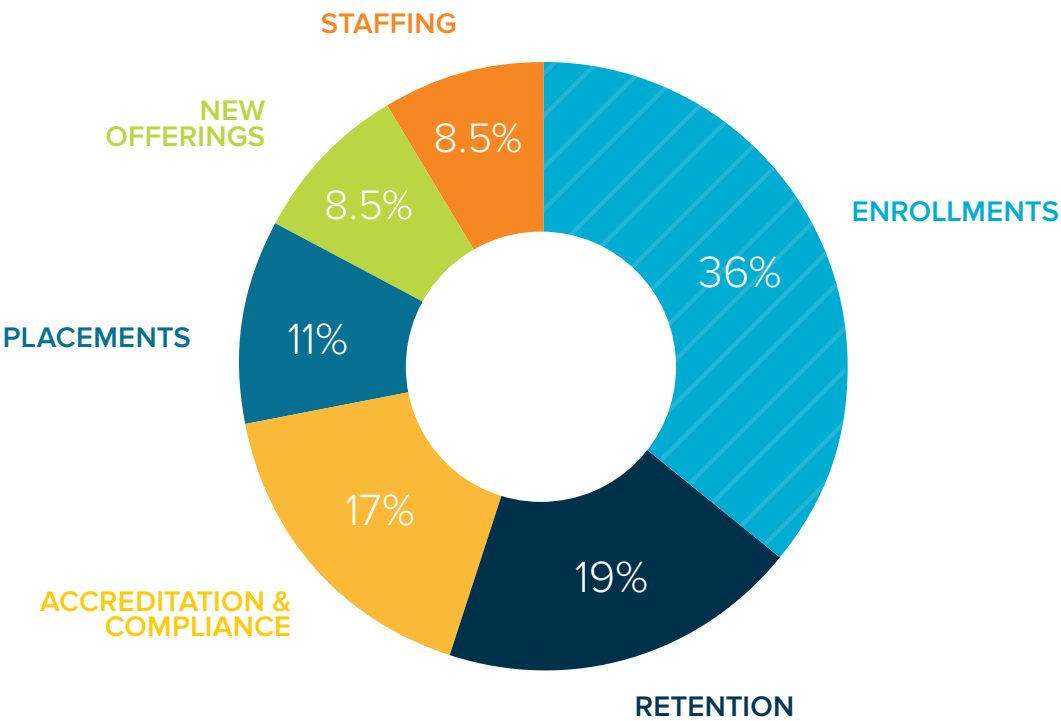


From the above data, you'll note that the focus is on student success. Graduation rate, job placement and retention are top priorities for these career colleges. These results show that the schools are trying to overcome their challenges by generating successful student outcomes.

Based on the chart showing how metrics have changed on the previous page, we can see that job placement rates and graduation rates have started to increase, meaning schools are on the right track.

We also asked participants about their biggest priorities over the next 12 months. Looking at the chart below, enrollments, retention, and accreditation & compliance are the big three priorities. Schools are prioritizing areas that are important to student success in order to make an impact where it counts like job placement and student retention.

WHAT ARE YOUR PRIORITIES FOR THE NEXT 12 MONTHS?



Based on data from the top success metrics and biggest priorities charts, we see 2015 being the year of successful student outcomes with an increased focus on driving enrollments. This will help career colleges overcome their challenges and achieve their top success metrics.

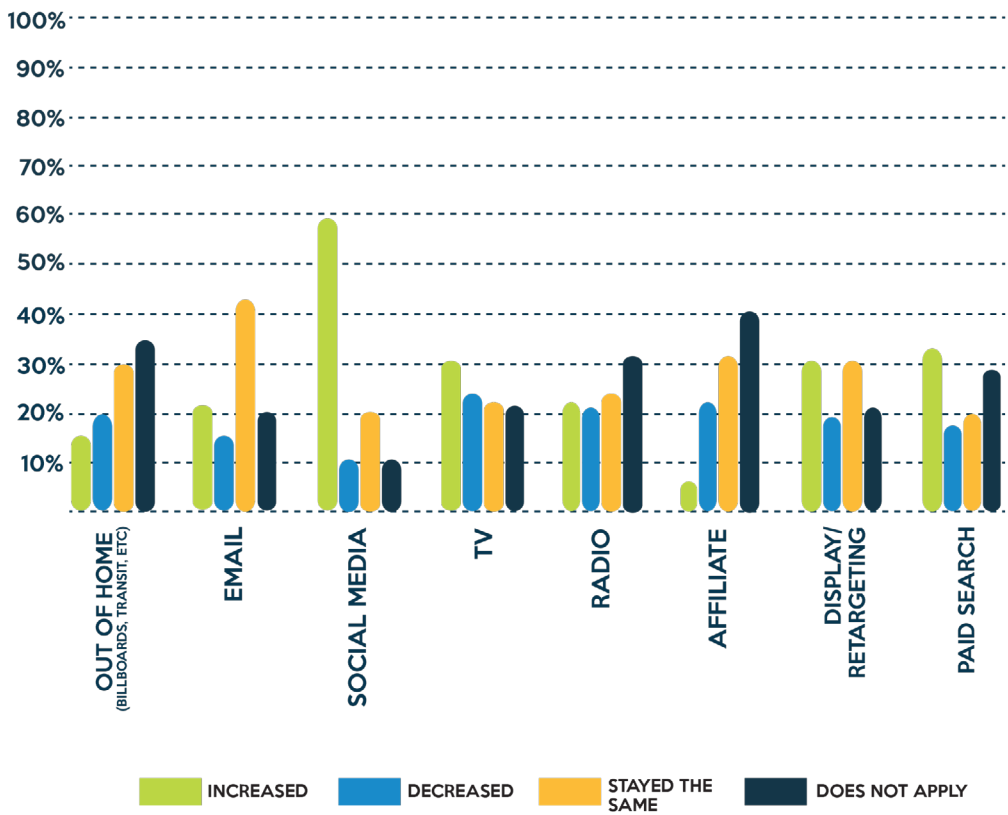
HOW TO MAKE 2015 THE YEAR OF STUDENT OUTCOMES

What changes can you make to your success strategy in 2015? Based on our survey learnings, here are some tips to get started. By implementing a few changes, institutions can start seeing results today and reap greater results in 2015 and the years ahead.

RECRUITING

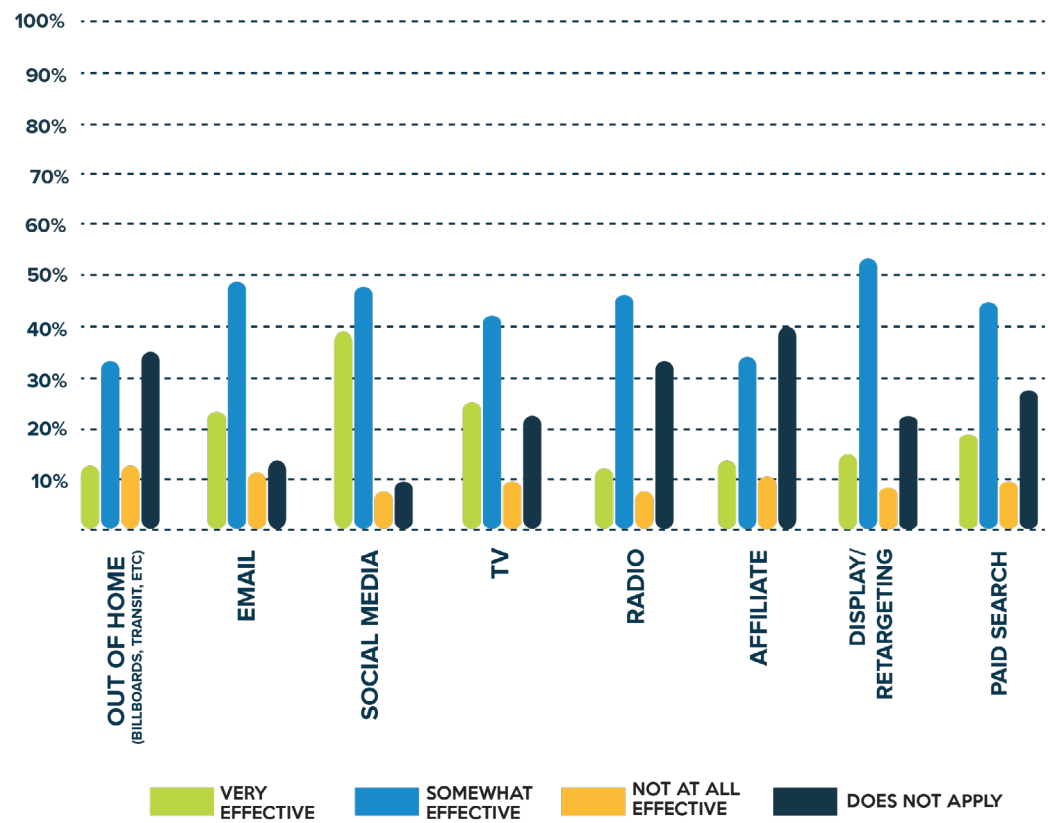
Earlier in this whitepaper, we referenced how metrics have changed throughout the course of 2014. The graph showed that not only are career colleges seeing less enrollments but the costs to gain prospective students have increased -- a telltale sign it's time to re-evaluate marketing strategies. Below is a graph showing where other career colleges spent their marketing dollars in 2014.

FOR THE FOLLOWING MARKETING CHANNELS, HAS YOUR SPEND (INCREASED, DECREASED, STAYED THE SAME IN THE PAST YEAR)?



The biggest increases were noted for social media, paid search and television advertising, respectively. To determine the efficiency of these marketing channels, we asked surveyors to rate them on performance.

FOR EACH CHANNEL YOUR ORGANIZATION USES, HOW EFFECTIVE ARE YOUR MARKETING CHANNELS?

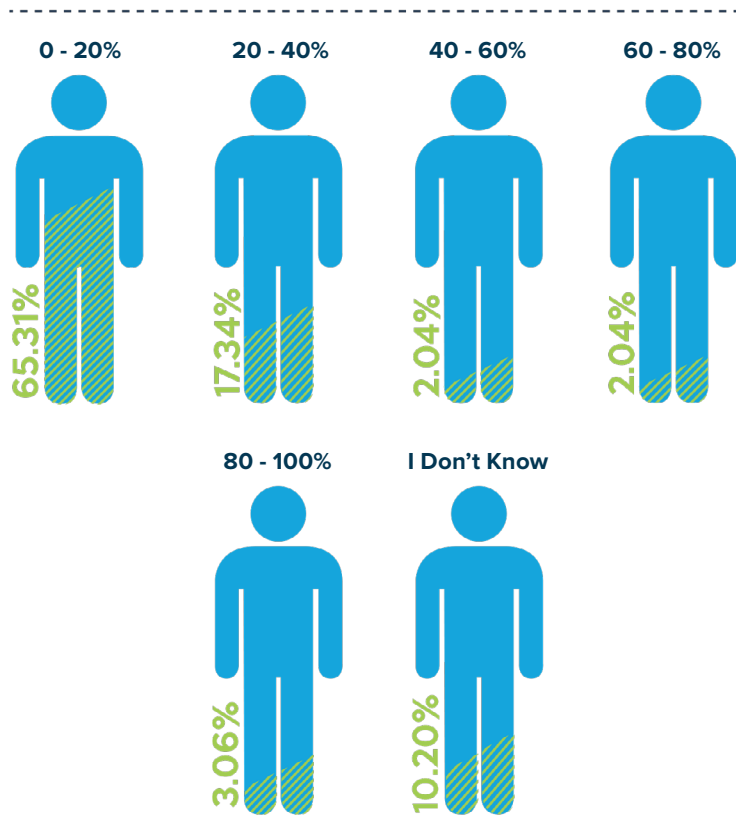


With both social media and television marketing outlets ranking high in effectiveness, the data above proves proper allocation of funds. However, it's important to track how these students are performing once in the program. Make sure to track students from enrollment to graduation and beyond to ensure your marketing channels are not just enrolling students but they are enrolling the types of students that will succeed at your school.

Enrollment

To increase enrollments, schools need more than prospective students, they need enthusiastic, qualified ones. Each year, slews of eager prospects want or try to enroll in school but, due to lack of a GED or high school diploma, they can't and institutions end up turning away interested, potential students on a regular basis.

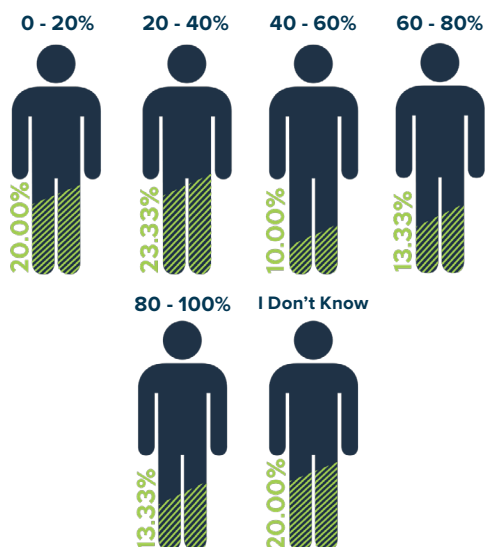
WHAT PERCENTAGE OF POTENTIAL STUDENTS ARE UNABLE TO ENROLL AT YOUR SCHOOL BECAUSE THEY DO NOT HAVE A HIGH SCHOOL DIPLOMA OR GED?



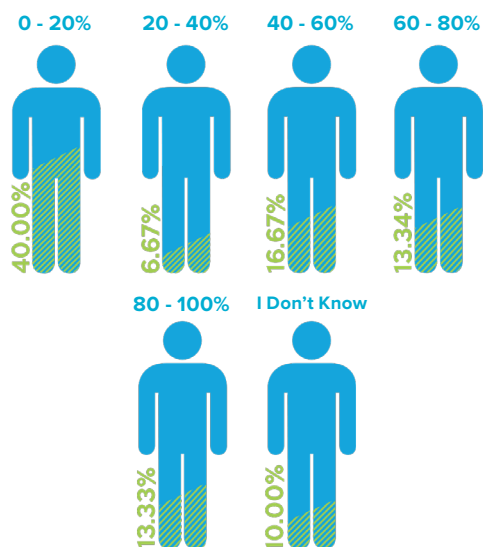
Almost 25 percent of respondents said they turn away over 20 percent of potential students due to a lack of a high school diploma or GED.

How can career colleges better tap into the large market of prospective students, stop turning away potential students and increase matriculation and retention? Some schools turned to offering the GED on campus but this hasn't had the results the schools are looking for to boost enrollment numbers.

WHAT PERCENTAGE OF STUDENTS IN THE GED PROGRAM RECEIVED THEIR GED?



OF THE STUDENTS WHO RECEIVED THEIR GED THROUGH THE GED PROGRAM, WHAT PERCENTAGE PROCEEDED TO ENROLL IN YOUR SCHOOL?



Almost half of respondents report a success rate of less than 40 percent completion in campus administered GED programs. And of the respondents who had students successfully complete their GED through that campus run program, 40% experienced less than 20 percent matriculation rates. The charts above prove that on campus programs need to achieve more than completion; they must equip students with tools they need to succeed once enrolled in the career school.

Many career schools are turning to a **High School Completion program**, an enrollment solution that allows them to offer a high school diploma program on their campus. So rather than a GED program they're helping students earn their high school diploma, where students achieve more than completion; they equip students with the right tools to succeed in post-secondary education. Career colleges have found this enrollment solution to be an excellent option for achieving increased enrollments, improved student retention and successful student outcomes because the program is geared toward students' skills-building and college preparation.

Retention

The survey data shows that enrollments, revenue and student population have decreased over the past 12 months. Increasing enrollments is only one piece of the student outcomes challenge. Retention and graduation rates are also key factors. Keeping students motivated will help ensure improved retention and graduation rates.

One major factor in improving student outcomes is in college preparedness. Between 28% and 40% of students are unprepared when they go to college, and as a result, are placed into developmental, or remedial, courses. ²

The link between college enrollment and retention is directly tied to college readiness. Even those with a high school equivalency can lack the college-necessary skills and knowledge to move on to enrollment and/or college graduation. Nearly 60 percent of first-year college students discover that, despite being fully eligible to attend college, they are not ready for post-secondary studies. ³

The magic formula for increasing student enrollment and retention is twofold: Students must have the proper credentials (high school diploma or equivalency), and they must be college-ready. Proper high school completion is the only way to increase long-term enrollment by decreasing non-completion rates and reducing the amount of remedial work that translates into increased student retention.

CONCLUSION

The industry changes and pressures on outcomes have been a challenge for this sector in 2014 but career colleges are starting to prioritize and find success; focusing on student outcomes like graduation and retention rates. This report gives you a better understanding of what your fellow career schools are working towards achieving and how they're planning to find success in 2015. Focusing on setting your students up for success, results in a win-win situation for both your school and your students.

Survey Methodology

The third-party distributed survey, hosted by Survey Monkey, was emailed to a targeted list of career college executives. For additional exposure to industry professionals, the survey was also featured in Career College Central's newsletter and was posted to select Career College LinkedIn groups. The carefully crafted questionnaire generated more than 100 responses and provided data from which career colleges can develop efficient resource allocation strategies geared at long-term success for both students and schools.

Sources

1. <https://www.insidehighered.com/news/2014/07/17/enrollment-low-stakes-are-high-community-college-learns>

2. <http://fortune.com/2014/06/27/the-other-college-crisis/>

3. http://www.highereducation.org/reports/college_readiness/gap.shtml



Watch This Case Study Video

Learn How a Career School is Successfully
Increasing Enrollments & Retention



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