Addressing Enrollment Challenges at Small to Mid-Sized Colleges

A blueprint for growth in a tumultuous market

Introduction: The Current Predicament for Small to Mid-Sized Colleges

Diversity of institutions is a defining characteristic of higher education in the United States. Students have a broad range of options, spanning community colleges, trade schools, HBCUs, and private and public four-year institutions, providing choice not only in the field of study, but also the location, learning environment, and teaching modality.

Smaller institutions are a crucial—and too often overlooked—part of this ecosystem. In fact, it has been reported that as many as 80% of institutions in the United States have a student population of 5000 or less, demonstrating the huge influence that smaller colleges have on the lives of many thousands of learners, and on the broader economy and society as a consequence. Students choose small and mid-sized colleges for a variety of reasons, including geography, particular areas of specialism, and smaller class sizes.

As the higher education sector grapples with enrollment declines, it is often smaller institutions that bear the brunt. With freshman numbers decreasing, growing skepticism around the value of a degree, and increased study options outside of what is traditionally classed as higher education, small to mid-sized institutions find themselves in an increasingly competitive market, trying to stand out and attract new learners despite reduced budgets and resources. The outcome is often steep enrollment declines; in small, private institutions, for example, there have been reported enrollment declines of up to 60% over the last decade, with liberal arts colleges in particular facing significant challenges.

The threat that this poses to financial wellbeing is serious—in extreme cases, it's existential. Twenty-four institutions closed in the first nine months of 2024 alone, bringing the total since the 2008 financial crash to nearly 300. In their detailed study on the financial health of smaller institutions, Bloomberg found that as many as 170 colleges across the country meet at least three of five established criteria indicating a high risk of closure, a number which again is worsening over time. For many institutions, particularly those without large endowments, it isn't hyperbolic to think of an enrollment strategy as a fight for survival.

This paper looks at five key challenges that are hampering enrollment efforts at small to mid-sized institutions. These are:

- Low brand awareness
- Resource and budget restrictions
- A reduced pool of freshmen students
- Yield (conversion from admitted to enrolled)
- Financial aid clarity

After briefly reviewing each challenge and the associated factors and data, we'll then outline practical steps that institutions can take to address them, as well as provide examples of schools that are doing this well.

Challenge 1: Low Brand Awareness

It's a rule that holds true across every sector: in troubled times, consumers look to brands that they know and trust. "If you don't have a strong brand going into a downturn, you'll find yourself facing even more challenges," reports BrandExtract. "You can protect yourself ahead of time by nurturing and differentiating your brand from the competition."

Higher education is no exception. At a time of growing inflation, economic and political uncertainty, and unprecedented technological change, prospective students are looking for assurances that their investment in higher education will benefit their career, and many seek trust in the familiar names and logos of larger institutions.

Furthermore, larger institutions generally have bigger marketing budgets to keep their brands top of mind. Estimates suggest that the higher education sector now spends over $2 billion annually, with the budgets of household name institutions like John Hopkins University, University of Pennsylvania, Northwestern, and University of Miami running into the tens of millions. A further extrapolation of these figures indicates that universities are spending as much as $623 annually on advertising per enrolled student, and naturally smaller schools are struggling for brand recognition when so much is being invested by their larger competitors.

To make matters more complicated still, the brand reputation of higher education *as a whole* has taken a hit in recent years. Recent studies have found that the percentage of Americans with a positive perception of higher ed has dropped as low as 53%, while the cost of college—when adjusted for inflation—has more than doubled since 1980. In a market where the value of a degree has come into question, it stands to reason that learners will favor recognized brands, which in turn will correspond with those that are able to fund advertising on their TV screens and Instagram feeds.

HOW TO WIN

The message for small to mid-sized institutions is clear: your enrollment approach needs to be strategic and focused. Being "everything to everybody" won't allow you to cut through in this market, and institutions need to instead focus on key areas of opportunity for enrollment uplift.

This will often involve tough decisions. Prioritizing key areas naturally requires deprioritizing others, and the challenge is to work through where you can move the needle and focus energies on these areas.

Some questions that can help you to narrow your focus include:

- Which of your programs are in growth? Where is there the most demand from learners?
- Which student demographics are most likely to view your institution favorably, and how does that align with your program offering? Are there missed opportunities?
- Who are you competing against? How does your offering compare with your direct competitors?
- How do the factors above align with the employment market? Is there a clear link between your offering and career advancement that you can take to prospective learners?

It's likely that in having passed through these four questions, some initial strategic angles will already start to emerge, which you can then investigate in more depth. Keeping these challenges in mind as you develop your strategy will ensure that differentiation remains a core part of the final output.

It is also possible, incidentally, that reviewing these initial inquiries has revealed some gaps in your data, and you either don't have the necessary information to answer them or it's spread across a range of disconnected systems. Ensuring that your CRM can provide insights on these areas, and that those insights can be exported to combine with other key institutional data sources, is a fundamental step that many colleges are undertaking in their efforts to devise a differentiated marketing strategy.

Another important consideration for small to mid-sized institutions is the value of local connections. As the economy becomes more globalized, communication technology (and online learning) improves, and the world we live in comes to feel a little smaller as a result, it might seem logical to assume that learners are more willing to attend colleges located outside their area. The data doesn't suggest that, however—only one in five students travel interstate for college, a number that has hardly changed in the last two decades. Smaller schools can win favor by aligning with their local area, particularly—to the last of the questions above—when that association also extends to the employment market in their region.

Challenge 2: Resource and Budget Restrictions

It has sadly become a staple in trade press coverage of the higher education sector: financial pressures are causing institutions to cut back. Whether it's reducing administrative staff, discontinuing programs, or other cost-saving initiatives, many institutions are looking at a depressed economic outlook and wondering whether there are any available efficiencies.

Here again, it's smaller institutions that are often among those most affected. An investigation from Inside Higher Ed at the end of the most recent academic year saw large layoffs across the sector in the month of May, spanning both administrative and faculty roles. Among the colleges that had to scale back were a number of terrific small and mid-sized schools, including Columbia College Chicago, Brandeis University, Delta State University, and the University of Lynchberg, all of which serve between 2500 and 7000 learners.

The cause for these cutbacks? You guessed it—declining enrollment. In the case of Columbia College Chicago, their total enrollment is barely half of what it was in 2009, causing the college to lay off 70 staff members and eliminate 32 vacant positions.

A vicious cycle emerges. Institutions see their enrollment drop, they tighten their purse strings as a result, and thus make it harder to arrest declines and return to growth. Many enrollment leaders across the nation are looking at this kind of situation and struggling to identify a viable path out.

HOW TO WIN

This represents a continuation of the previous challenge. It isn't feasible to continually try to do "more with less", and institutions that attempt to do so inevitably end with a weak enrollment strategy, and often

disgruntled and overworked staff as well. Instead, it's better to try and achieve more *by doing less*—that is, focusing on fewer enrollment initiatives, but ensuring they're fully supported. The steps in the previous section will have helped to narrow down your areas of focus.

From there, the next step is to assess how well you're able to support this with your current team and infrastructure. What are the resources that you have available, and where are there gaps? Note that the gaps may relate to knowledge, technology, and/or good old-fashioned boots on the ground.

Technology has a crucial role to play here. Automated outreach to prospective learners through the funnel is a cost-efficient and effective way to scale your enrollment efforts, providing students with the information they need without placing a large workload on your enrollment team. The rise of generative AI provides further opportunities for efficiency by interrogating data to locate the most likely prospects; providing automatic, relevant, and personalized responses to student inquiries across varied channels; and more.

Another opportunity is partnership. With uncertainty around budgets and increased turnover in the sector, hiring enrollment experts in-house can be time-consuming, expensive, and difficult to fund. Working with an enrollment partner brings extra expertise to the table, without the overheads associated with hiring.

For smaller institutions, a partner who can tailor their offering to your specific areas of need will be essential to make this financially viable. The rise of online programs ushered in a range of Online Program Management (OPM)-style enrollment providers, who roll out the same service to every institution—irrespective of size—and ask for a significant share of your revenue in return. When managing a restricted budget, it's far more effective to find a partner who can focus specifically on filling the gaps you've identified, leading to improved enrollment without unnecessary costs.

SUCCESS STORY:

To minimize the impact of resource shortages in enrollment and admissions, Cowley College in Kansas adopted Anthology® Reach to allow for targeted, automated outreach to prospective learners.

"A lot of us in admissions wear multiple hats. We're recruiters, we're advisors, we're first-time enrollers. We have a lot of different jobs that we're doing on a daily basis, and having a CRM that can run automated communications in the background means we can open our schedules and spend more time with students in need."

—**Andy Bohn**, VA & Military Representative and Online Admissions Advisor, Cowley College

Challenge 3: A Reduced Pool of Freshmen Students

The enrollment cliff is no longer "on the horizon". As we step into 2025, the decline in the US birth rate occasioned by the 2008 financial crisis has now officially reached the point where it is directly impacting the volume of high school graduates. The adjectives of "looming", "upcoming", and "potential" that have dominated media coverage are now obsolete—the enrollment cliff is here, and many small to mid-sized colleges are nervously peeking over its edge.

Experts are forecasting that this drop in high school graduates, when combined with the existing trend of enrollment decline, could cause a 15% drop in overall college enrollment between 2025-2029. When viewed in light of the previous two challenges that we've looked at—and the advantages that exist for larger, well-funded schools in a competitive market—this reduction in the prospect pool is going to pose a serious threat to smaller institutions.

There are some bright spots. Although it was initially reported that Fall of 2024 saw a 5% decrease in freshmen enrollment in higher education, updated and corrected data from the National Student Clearinghouse Research Center shows that there was actually an increase in freshmen enrollment. Their updated report is coming, so it remains to be seen how much of an increase there was, but it's almost certain that enrollment was still impacted by the delayed rollout of the Free Application for Federal Student Aid (FAFSA) process, as we'll look at in Challenge 5. But with all that said, freshmen enrollment continues to be of concern as an overall trend, and it would be naïve to overlook other, underlying factors, such as the birth rate decline and the growing appeal of going directly to the workforce, that are likely to continue for the coming years.

Finally, not only is the size of the high school graduate pool changing, but so is its composition. The number of enrolled Hispanic students, for example, has doubled since 2006, growing from 1.2 to 2.4 million, and they now represent 20% of the student population compared with 11.6% at the start of the period. Some data indicates that they are also less likely to be impacted by the arrival of the enrollment cliff, though here again the information is inconsistent and warrants close review over the coming years.

The message is clear. With fewer students coming straight in from high school and more diversity among prospects, institutions of all sizes are going to need to cater to a broader range of learners if they're to drive enrollment growth.

HOW TO WIN:

Adapting to this changed landscape requires much more than just updating the target audience on your advertising campaigns. Supporting different learner cohorts through the funnel is going to fundamentally change your entire enrollment approach. Consider, for example:

- **Highlighted Benefits:** Different demographics will be interested in your offering for different reasons. The traditional, 18-24-year-old student will often place a lot of importance on the cultural and social elements of college, and thus you will want to highlight these elements of the campus experience in your enrollment campaigns. Moving away from this demographic may lead you to place more emphasis on other benefits, such as job opportunities post-graduation, price, or flexibility of learning modalities.

- **Programs and Delivery:** Changing demographics in your recruitment area may also lead you to revise the programs you offer to more closely align with their needs and interests. Further, your course delivery might also need review, including moving programs online or adopting micro-credentials in instances where you wish to appeal to time-poor, professional audiences.

- **Marketing Channels:** Much of the traditional enrollment process is aimed at younger students, with high-school advisors and campus tours often crucial sources of information that inform their college selection. As the number of traditional-aged students declines, so too will the effectiveness of these channels, and you will need to understand your audience's media consumption and invest in new channels to engage them.

- **Support:** As learners come from a broader range of backgrounds, the role for student support naturally grows. This extends to enrollment. It is no longer safe to assume that applicants are familiar with enrollment processes, and providing a helping hand through the process could be what makes them choose your school over others. Be mindful of the support needs of each target cohort—including any language and cultural considerations—when developing your enrollment plan.

The lessons from the first two challenges bear repeating here. Firstly, you'll need to be selective—you can't go after every audience, and you will see better results by narrowing your focus to some key ones. And secondly, once you've identified your target demographics and developed a plan to engage them, it may highlight gaps in your team that you wish to complement with a partner.

Another crucial consideration here is the potential value of the SCNC group—those with some college but no credential. This represents around 37 million prospective learners, a population comparable to that of California or Canada! While the overall enrollment pool is shrinking, a trend that looks set to continue, there is a huge potential for institutions who are able to lure these former students back to education. For small to mid-sized colleges, this may include strategies to specifically target learners who previously enrolled at large institutions and found it wasn't a good fit for them.

SUCCESS STORY

University of Tennessee at Chattanooga was faced with a diminishing pool of prospective students due to the impact of the pandemic and free provision of community college in Tennessee. Targeted outreach using the Anthology® Reach CRM allowed them to increase overall enrollment by 4% in Fall 2024 despite these market challenges.
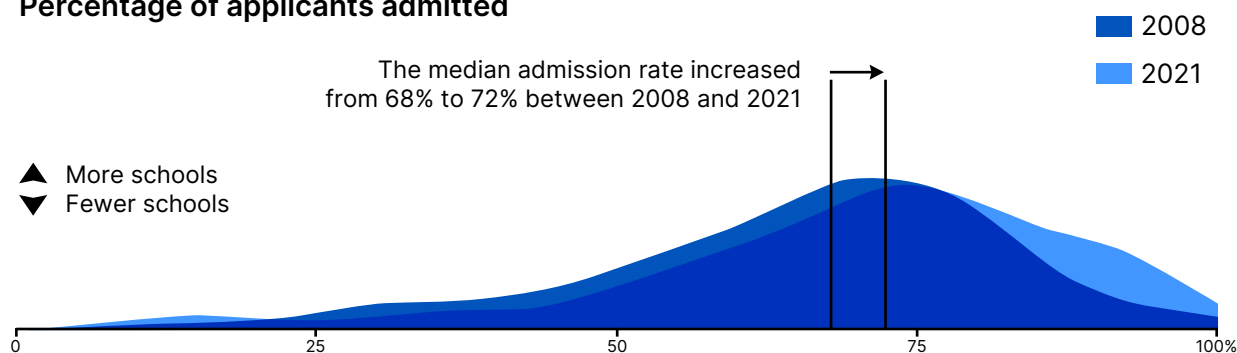
Challenge 4: Diminishing Yield

To date we've looked mainly at factors that impact the top of funnel, and the challenges that small to mid-sized institutions face to attract learners in a world with fewer prospective students and resources, but more competition. The steps outlined will help to earn consideration for your institution, but that's only half the battle—a successful enrollment strategy requires convincing these learners that your school is their best option and nurturing them through the process.

An immediate challenge emerges: learners are applying to a larger range of institutions than they did previously. The total number of applications made to US colleges in 2023 was a staggering 7,057,980, an increase of 30% from 2019, with platforms like the Common App making it easier for learners to submit multiple applications. Reputable advisory bodies like College Board now encourage learners to apply to up to eight different institutions, further accelerating the increase in overall applications.
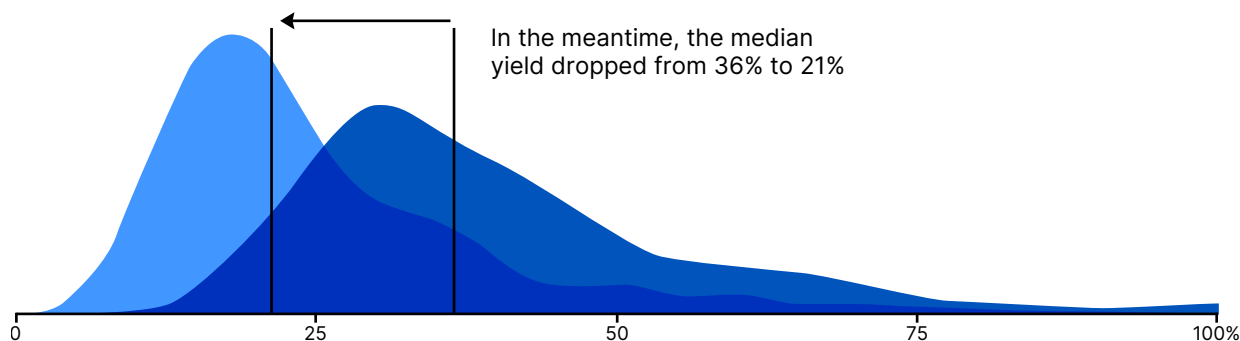
On the surface this might seem like a positive trend; however, that hasn't proven the case for many smaller institutions. To try and offset enrollment declines, a lot of colleges have been forced to increase the percentage of students they admit, but this has resulted in poorer yield—that is, a lower conversion from admitted to enrolled students. Detailed analysis from Bloomberg paints a bleak picture.

Small schools have been accepting more students, but fewer are saying yes

Percentage of applicants admitted

The median admission rate increased from 68% to 72% between 2008 and 2021

▲ More schools
▼ Fewer schools

2008
2021

Percentage of students accepted who enroll

In the meantime, the median yield dropped from 36% to 21%

Sources: Bloomberg analysis of 973 small, non-profit four-year colleges, National Center for Education Statistics

In layman's terms, a drop in yield means more work for less return. Small to mid-sized colleges are dealing with the full administrative weight of increased applications and admissions, but not seeing it translate to enrollment uplift.

HOW TO WIN:

Again, the importance of selectivity higher up the funnel needs repeating. When looking at key cohorts to target with your enrollment campaigns, it's important to think not only about the groups with whom you can generate interest, but also those most likely to persist through the enrollment process and then to complete their degree.

Your CRM should help you to streamline the admissions process. A student admissions portal serves as a vital tool in this effort, providing applicants with an intuitive platform to access resources, submit documents, track their application, interact with advisors, and even accept an offer in real time. Venturing into more advanced AI-powered agents seamlessly integrated with your CRM can also help automate key interactions with prospects in a scalable way.

The quality of service you provide is also essential. If a prospect has been accepted at multiple institutions, what will set yours apart? On many occasions the differentiator isn't related to program or pedagogy, but rather the student feeling like the institution is invested in them, and a timely email or great interaction with one of your team can make all the difference.

Outbound messages to prospects need to be fast, multi-modal, and consistent throughout the process. Do not assume that a single text, email, or letter will provide all the direction that they need; rather, it's important to provide communications across various channels and to repeat key messages to ensure clarity and drive action. Similarly, you shouldn't suppose that the prospect starts with a strong understanding of how colleges and enrollment work, and simple, easy-to-follow instructions are most effective. In short, what you're hoping to establish here is a dialogue and not just a messaging service, where students receive the information they need in a timely fashion and can interact as required to ensure comprehension and action.

Lastly, your outbound messages should represent a continuation of the communications strategy that has led the prospect to apply; if, for example, a learner has been drawn to your school based on an advertised career opportunity post-graduation, you should remind them regularly of that benefit as they progress through the enrollment funnel.

No matter how well orchestrated your outbound campaigns, however, there will always be inquiries from learners, and approachable, professional support is a must-have for enrollment growth. Again, remember that the prospect is almost certainly considering a range of schools—if they ask for information and have a negative experience, your chances of converting that prospect are significantly diminished. Consider leveraging automated technologies—including, increasingly, those powered by AI—for common, high-volume inquiries; however, this does not offer a substitute for genuine human connection, and professional service agents are fundamental for complex queries.

SUCCESS STORY

Marshall University, an innovative, mid-sized four-year institution in West Virginia, combined targeted outbound campaigns with professional enrollment coaches to reverse a decline in yield, leading to a 13.2% increase in freshmen enrollment. **Read the full case study.**
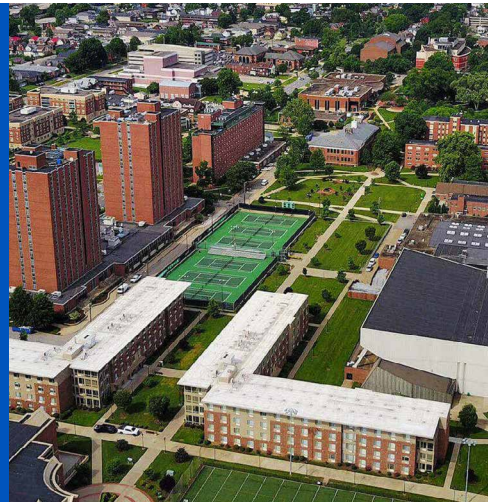
Challenge 5: Clarity around Financial Aid

Before we look at the "aid" side of things, let's firstly touch on matters financial more generally.

Affordability is the number one factor that determines enrollment decisions, with 53% percent of students listing it among their most important considerations. For context, this is well ahead of even "student outcomes" (i.e., graduation rate and employment after college) and "flexibility and accessibility" (i.e., extending online and hybrid programs), which scored 39% and 36% respectively. Prospective students are worried about the rising costs of college and whether a degree will translate to increased earning capacity in the future and will assess your institution in this light.

For a majority of students, the provision of aid is a fundamental part of the affordability equation. The National Centre for Education Statistics reports that 72% of all undergraduate students now receive some form of aid, be it federal (55%), state (23%), institutional (28%), or a combination of the three. The average amount of aid received annually is $14,100.

It is therefore not surprising that challenges with the financial aid process—or simply a lack of clarity as to how it works—are going to negatively impact enrollment. As briefly mentioned in Challenge 3, issues with the rollout of the new FAFSA process undoubtly caused issues with freshman enrollment in Fall 2024. Not only was the new process delayed, but there were also a series of technical problems with the application form, causing confusion and frustration among learners.

HOW TO WIN:

It is of course the case that government processes like FAFSA are beyond the control of institutions. Sadly, there is no golden ticket we can extend here.

However, the example underscores the importance of financial aid, and affordability more generally, and this has significant implications for small to mid-sized institutions who are looking to grow enrollment.

Some considerations include:

- What percentage of students at the institution receive aid? What is the real cost of attending your college once this is factored in, and would this make it more attractive to a prospective learner?

- How does that price compare with your main competitors? Does this offer any chances to differentiate your institution from the broader market?

- Are there any cost considerations beyond tuition? For example, are living costs in your area comparatively low, forming a competitive benefit you can take to learners?

- How readily available is information on financial aid throughout the enrollment process? If you put yourself in the shoes of a new student who doesn't understand how this system works, would you consider this information clear and actionable?

And remember, no matter how clearly you communicate there will always be inbound inquiries regarding financial aid. As the above data reflects, this will be a fundamental part of the enrollment decision for many prospects, and providing a clear and helpful response can help to get that learner over the line. Institutions should look to understand the volume of financial aid inquiries received each enrollment cycle, review internal capacity to respond to learners in a timely manner, and consider external partnership if there is a sizable gap between the two.

Anthology Helps Small to Mid-Sized Institutions Return to Enrollment Growth

Today's learners expect personalized, timely communication. Anthology® Reach makes it simple to connect with them at every stage—from admissions to alumni—without overloading your staff. Boost enrollment, improve retention, and strengthen alumni connections with a CRM designed for the unique needs of small and mid-sized institutions and community colleges. Built on Microsoft Dynamics 365, Anthology Reach helps your team do more with less—streamlining operations and enhancing the student experience.

With Anthology Reach, you can:

Combine **advanced CRM capabilities** with **strategic enrollment management services**

Use scoring models to focus on the **right prospective students**

Act on key leads to **prevent prospective student dropouts**

Automate email campaigns and journeys or **delegate marketing strategy** to Anthology's higher education professionals

Optimal support for today's learners requires a combination of data for meaningful engagement, technology to connect with students at scale, and personalized human service at crucial parts of the journey. Anthology has the most comprehensive support offering to elevate the student experience, boost overall enrollment, and improve student outcomes. Put our expertise to work with our Performance Marketing and Enrollment Management services.

Discover all the benefits of Reach and our services offerings today, or connect with an Anthology representative!

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