Projecting Revenue Opportunities from a Focus on Student Success

Estimate Prepared for University of Louisville
How Our Model Works

We use institutional data and peer comparisons to estimate the year-over-year enrollment impact of improving retention rates at key moments in the student lifecycle.

Our model works by first segmenting students into five buckets based on earned credits. Each bucket is assigned an independent retention rate. Retained students remain in the same bucket until they earn sufficient credits to move to the next.

As we run the model forward a year, students can persist in the same bucket, progress to the next bucket, graduate from the institution, or drop out, according to inputted “flow rates.” New incoming students enter the model in the first bucket, while transfers can enter at any point along the lifecycle. As the buckets change in size, so does the overall enrollment.

The baseline flow rates for the model are custom built for each institution and determined from an analysis of the rates exhibited by peer schools in the SSC cohort.

1) We chose to segment by credits instead of by class years in order to correctly accommodate part-time students and transfers.
We estimated the potential revenue opportunity at your institution by using tuition and enrollment data obtained from IPEDS and applying proprietary student progress and flow rates custom calculated from schools in the SSC cohort. The retention rate improvements used in this calculation are reflected in the table below.

Net revenue per student is calculated as the published tuition and fees, minus average institutional grant, plus an estimated state appropriation (public institutions only). Revenue gains compound over time as incrementally retained students continue through the system.

NOTE: This is not meant to be a precise forecast for your institution. It is only an approximation of the potential revenue opportunity.

Model Inputs:
Total Enrollment: 15,596
Net Revenue Per Student: $14,008 (net tuition and fees plus state appropriations)

Retention Improvements
0-29 credits 2% total over 3 years
30-59 credits 2% total over 3 years
60-89 credits 0% total over 3 years
90-119 credits 0% total over 3 years
120+ credits 0% total over 3 years
(with success initiatives starting in the 2015-2016 Academic Year)

Revenue Gains vs. Baseline
Estimated Impact for University of Louisville

- Fall 2016: $0.6 M
- Fall 2017: $1.6 M
- Fall 2018: $2.8 M
- Fall 2019: $3.6 M
- Fall 2020: $4.0 M

Annual SSC Contribution: $200 K

62 additional graduates in Spring 2021 as a result of retention improvements