



An Overview of College Admissions in the Current Climate

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SUMMARY

Public universities will be harder to get into; America's biggest branded colleges will see little change in their admissions numbers; wait lists will become more prevalent as an income maximization tool; schools will spend their scholarship money to fulfill five important needs

INTRODUCTION

Let us begin with two pieces of good news: over the next few years, the number of students who will be applying to college is slated to drop. The high school population boom peaked with the class of 2009. Since college admissions are a classic illustration of the supply and demand curve, fewer applicants is good for students. In addition, because families are going to shift their focus to a narrower bandwidth of colleges, the second tier and hidden gem schools should become more accommodating to a broader academic sweep of students, thus reversing a decade long trend of declining admit rates at these types of colleges.

THE PUBLIC UNIVERSITIES

The first tremblings in the stock market and the economy were felt in the summer of 2008. By the fall, it looked like financial Armageddon was nigh, but by then most students had already applied to their chosen suite of colleges. Thus, we expected to see a slight increase in applications and student academic qualities but not a wholesale flight to the state system. This is precisely what happened within the University of California (UC) and Cal State systems. UC applications increased only slightly (1+%) but the admit rates to the overall system dropped by 3 points. The mid-level UCs (Davis, Irvine, and Santa Barbara) saw declines of 6, 6 and 1.5 points respectively. If one looks back two years, to 2007, one sees that Davis accepted 58.5% of its applicants, Irvine took 55.6%, and Santa Barbara, 54.7%. In 2009, those numbers shrank to 46.2%, 42.8%, and 48.4%. Since 2007, seven of the nine UC Schools have become harder to get into (Merced and Riverside remain the exceptions) and this trend reflects the fact that stronger academically qualified students are turning their sights to the public school system, because these institutions are less expensive and the quality of their education is strong.

Continuing with the California theme, the recently proposed state budget proposes massive cuts for the state schools (north of \$800 million for the UC system alone). In response, many California public colleges have decided to reduce their future freshman classes, starting with the class of 2010. Thus, for public colleges all over the nation, but particularly in California, the laws of supply and demand will hold brutal sway. Demand will crank up dramatically this fall, while the supply (the number of available spots) is destined to shrink.

Now, we're certainly not saying that you should avoid the public college system - far from it. Rather, our guidance would be that you would be wise to keep two important factors in mind:

1. Balance your list. While you might once have perceived UC Davis as a possible safety school, it's probably not that anymore. Make sure that your new list of potential colleges reflects the circumstances of today and not the ones from yesteryear.

2. The larger the school, the more numbers driven they become. The three most important numbers? Your quantity of AP/Honors classes, your GPA and your test scores. Yes, The Princeton Review is a test prep company (in fact, we like to think that we are the best in the industry), and thus these factors could be seen as self serving, but that fact doesn't make our advice any less relevant or true.

THE ELITE COLLEGES

"Elite" is really a misnomer because it implies that these colleges are better. Ultimately, the best university is the one where you will be the happiest and most successful - in admissions, this is known as the "fit". However, there are clearly certain universities which enjoy big, sexy brands and they are very hard to get into. In addition to the 8 Ivy League schools, Stanford, Amherst, Cal Tech, MIT, U of Chicago, Washington U of St. Louis and Duke, all come leaping to mind as schools that have become progressively harder for the prospective student. We expect that the downturn in the economy will have little-to-no impact on the admissions' numbers at these, more popular, schools. In addition to their intrinsic popularity, many of these colleges enjoy large endowment funds with which to fund generous scholarships for their students. Effectively, if the Ivy League folks dub thee worthy to ascend their academic Mt. Olympus, something as gauche as a student's inability to pay will be quickly brushed aside with a generous financial aid award.

THE WAIT LISTS

Wait listing is what happens when a college doesn't want to accept you at the get-go, but would like to keep you hanging around just in case one of the kids they do want decides to go to a different place. Wait lists are the college admissions equivalent of your flying stand-by on an airline. Two of the more interesting fallouts from the current fiscal state, are that colleges are using their wait lists much more frequently and that admissions offices are using wait lists to maximize revenue. What do we mean?

Most colleges have a finite amount of aid to give and the stock market's slide had as devastating an impact on college endowment funds as it did on your college savings' portfolios. So, in an era when more people need help, there are fewer resources available to the college financial aid officers. You can see how that would be frustrating to all parties. Prudent use of a wait list make this a little easier. "Mr. Smith, we at College U are honored to be able to offer Jane admissions to the class of 2013. At this time, we have used up our financial aid allotment, but are you still interested?" If Mr. Smith declines, then no harm is done and it's on to the next name on the list. Should Mr. Smith accept, then he's on the hook to pay full freight for Jane's college experience. See? Maximizing revenue.

THE LESSER LIGHTS

Hundreds of wonderful colleges are going to get squeezed over the next couple of years. The big boys will still attract huge application numbers and the publics are going to become more popular. What's left for the other guys? While this is a very real concern for these types of institutions, it's a place of opportunity for you. If applicant numbers drop, then the acceptance rates rise. Thus, many previously academically out-of-reach schools may now devolve into your orbit.

TIP: Watch the early decision applicant pool numbers at these colleges. They generally track and release this data. If a college sees a drop in its early decision applications, then it is grist for your application mill.

The Big Five

When a financial system stresses, people and institutions shift from buying what they want to purchasing what they need. For humans, these purchases tend to revolve around the basic subsidies and education. For educational institutions, their spending power is focused on the Big Five when making their aid/scholarship decisions:

1. **Diversity** - This is a prime directive and it isn't limited to ethnicity. Diversity also encompasses geography and economic strata. Thus, a West Coast student who decided to apply to Auburn has geography in her favor in the aid game, but she certainly won't have that same advantage should she apply to NYU.
2. **Athletics** - Yes, we can file this one under "duh." Schools like to have successful sports teams as these bring pride and galvanize the alumnae into giving. If you have an athletic talent, the schools are willing to pay for it. Above and beyond the obvious sports (football and basketball), colleges are aggressive with female athletes due to Title IX implications.
3. **Special Talents** - UCLA prides itself on its theatre and arts programs and if you have a special attribute that matches a university's wants, money will flow your way.
4. **Higher Test Scores** - Parents often make purchase decisions based upon the average SAT (or ACT) scores of a college, and since test scores remain a part of college rankings and people's perceptions about the academic quality of a school, it makes sense that schools that care about these rankings will spend their dollars to maintain them.
5. **Home Field Advantage** – The local private colleges don't need to work as hard to be known in the local community and the marketing costs are much lower in their backyards. In addition, using aid during times of hardship secures positive community word-of-mouth with both families and the local high school counselor. Investments made in students now will be repaid many times over in the better times ahead. Thus, the local private college is going to be slightly more generous with its neighbors than with its imports.

THE END

The Princeton Review knows quite a lot about the college admissions process, and we know even more about teaching you to score well on your SAT or ACT. We hope that the information above is both informative and engaging, as those are our educational watchwords. We believe that an informed consumer is far more likely to be a discerning consumer, and the moment one actually practices discernment, The Princeton Review becomes a leading choice in the test prep cosmos. Thanks for reading.

