

OUTCOMES REPORT

GRADUATION FUND

Reward-Based
Funding Model Shows
Improved Student
Persistence





RECOGNIZING THE NEED FOR A MORE AFFORDABLE COLLEGE FINANCIAL MODEL THAT ALSO ENCOURAGES COLLEGE COMPLETION, STRAYER UNIVERSITY

launched the Graduation Fund to solve both sides of the equation. The program makes it possible for bachelor's degree students to earn one class at no cost for every three classes they pass, which over time can reduce the total cost of a bachelor's degree education by 25 percent.

RESULTS

Since 2013, 8,600 bachelor's degree students have redeemed Graduation Fund credits for a total of 35,000 classes—at a value of over \$53 million in tuition.

Results show a dramatic increase in student persistence, attributed to the Graduation Fund and other programs.



CONTINUED ENROLLMENT

Increase of **43%** in the rate of students who have continued their enrollment from their first to second year of instruction



PERSISTENCE RATES

90% increase in first-to-second year persistence rates among the most at-risk population of students



GRADUATES

46% increase in the rate of students who have graduated or are continuing pursuit of their bachelor's degree as of the end of their fourth year of enrollment

Learn how Strayer University is tackling the dual issue of college affordability and degree attainment. ►



SITUATION

Two related challenges plague higher education in America: low rates of degree attainment and high tuition cost.

The average six-year graduation rate among bachelor's degree students in the United States is a mere 62 percent. On-time completion rates drop to less than 40 percent among associate degree students. For adult learners—a critical and growing portion of the college population—those rates are even lower.

Meanwhile, the cost of college has steadily risen. Between 1990 and 2016, the cost of college increased 4.5 fold, far exceeding inflation. As a result, total college debt now exceeds \$1.3 trillion and outpaces the total credit card debt in the U.S.

Too many students take on debt, but do not finish their degrees. As a result, many fail to reap the rewards of post-secondary attainment: meaningful employment, higher salary and improved quality of life. Moreover, **students who fail to complete their degree are significantly more likely to default on their loans**, making up more than 60 percent of students who do so.

Against this backdrop, student surveys continue to demonstrate that the cost of college and concern about debt loads are increasingly top of mind, particularly for students from low- and moderate-income backgrounds.



“The challenges of improving college affordability and degree attainment are inexorably linked. So we asked a simple question: Can reward-based funding help drive student persistence and attainment? Initial findings tell us yes and leave us optimistic.”

— BRIAN JONES,
President, Strayer
University

APPROACH—THE GRADUATION FUND

Responses to these concerns have manifested in solutions that treat attainment and college affordability as independent factors, unrelated to one another. However, **Strayer University's approach is a direct response to the interrelated challenges of both affordability and attainment.** The University tested a reward-based model—different from typical scholarships that provide a discount up-front—to encourage more students to persist towards attaining their degree.

Strayer's solution, called the "Graduation Fund," makes it possible for bachelor's degree students to earn one class at no cost for every three classes they pass, which over time can reduce the total cost of a bachelor's degree education by 25 percent. The classes are redeemed in the final terms of a student's program, meaning students who persist through the full program receive their final year of study tuition-free. This further encourages academic success and on-time graduation as the benefits of the Graduation Fund program hinge on a student's consistent attendance and continued enrollment in their Strayer classes. Besides creating the encouragement to continue, Strayer also focused on providing students with the tools to succeed.

Strayer's data on student success indicates that student engagement—defined as class attendance, completing assignments and participating in class discussion—is crucial to student success. Many Strayer students come to the University with minimal college experience and limited success navigating academic content and expectations. As a result, University leadership decided to complement the Graduation Fund program with a stronger on-ramp for at-risk students through a new First Year Experience program.

Strayer's First Year Experience (FYE) program launched in 2015. The program includes three primary components:

A **COHORT MODEL** in which first-year students are grouped with other at-risk students in similar



programs, with the goal of encouraging relationship-building among students facing similar academic challenges. Groups stay together for the full first year and have a consistent faculty member that acts as a coach to help them persist each quarter.

A **SUCCESS COACH** who serves as a mentor and resource for students throughout their full first year. Success



coaches at Strayer help students navigate challenges ranging from finding a tutor to finding resources for childcare.

A newly-developed introductory course —**FOUNDATIONS OF SUCCESS**—that teaches goal-setting, time management, study skills and research strategies in the context of a writing course. The program challenges inexperienced students' self-doubt by helping them mentally work through how they will overcome potential challenges during the quarter.



Strayer developed each of these elements based on data analysis of students' behavioral characteristics that lead to academic success. Collectively, they equip the University to offer support that is tailored to the individual needs of each student.

RESULTS

This combination of tools and support has proven to be successful. Since 2013, 8,600 bachelor's degree students have redeemed Graduation Fund credits for a total of 35,000 classes—at a value of over \$53 million in tuition. Additionally, more than 28,000 undergraduate students were enrolled in the First Year Experience as of the summer 2017 term.

Results show a dramatic increase in student persistence, attributed to the Graduation Fund and other programs.

IMPROVED FIRST-TO-SECOND YEAR RETENTION

Strayer has seen an increase of 43% in the rate of students who have continued their enrollment from their first to second year of instruction. This is promising given that, according to the Lumina Foundation, 38 percent of American students with additional financial, work and family obligations typically leave school in their first year.



IMPROVED CONFIDENCE

Student surveys also show improved student confidence, greater sense of community and a feeling of being “in control” about their ability to earn tuition benefits through coursework.



“Knowing that with every class I successfully completed I was funding my own education motivated me throughout my degree program.”

— BRANDON COOPER, Bachelor of Business Administration student

IMPROVEMENT GREATEST WITH AT-RISK STUDENTS

First-to-second year persistence rates among the most at-risk population of students increased by 90%.



PRELIMINARY IMPROVEMENT IN FOUR-YEAR RETENTION AND GRADUATION RATE

The rate of students who have graduated or are continuing pursuit of their bachelor's degree as of the end of their fourth year of enrollment increased by 46%.





OPPORTUNITY FOR CONTINUED ANALYSIS AND FURTHER IMPROVEMENT

The addition of new student cohorts will provide an opportunity to further study the impact of Strayer University's efforts toward addressing affordability, student persistence and degree attainment. While initial results are promising, it will be critical to understand whether gains in first-to-second year retention are sustained, and whether gains in graduation rates and four-year retention rates continue to improve.

Careful future analysis of this data will equip educators—at Strayer and elsewhere—to encourage completion and continue re-imagining and building the necessary support systems required to best position adult and non-traditional learners for educational success.

Reference:

Mitchell, Josh. "In Reversal, Colleges Rein In Tuition." *The Wall Street Journal*, 23 July 2017, www.wsj.com/articles/in-reversal-colleges-rein-in-tuition-1500822001.

About Strayer University

Founded in 1892, Strayer University is an institution of higher learning for working adult students. It offers undergraduate and graduate degree programs in business administration, accounting, information technology, education, health services administration, nursing, public administration, and criminal justice.

Strayer University is accredited by the Middle States Commission on Higher Education, 3624 Market Street, Philadelphia, PA 19104 (267-284-5000, www.msche.org). The Commission is an institutional accrediting agency recognized by the U.S. Secretary of Education and the Council for Higher Education Accreditation. For more information, visit www.strayer.edu.

