

OUTCOMES REPORT

Graduation Fund

Reward-based funding model shows improved student persistence



Overview

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 can **reduce the total cost of a bachelor's degree education by 25% over time.**

Results

\$107 million

Since 2013, over 15,000 bachelor's degree students have redeemed Graduation Fund credits for more than 72,000 courses – at a value of \$107 million in tuition.

10% increase

Over time, Graduation Fund has led to a 10% increase in student continuation rates, which measures the number of students continuing into the following quarter.

Learn how Strayer University is tackling the dual issue of college affordability and degree attainment at: strayer.edu/affordability.



The 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 62%. On-time completion rates drop to less than 40% among associate degree students. For adult learners – a critical and growing portion of the college population – those rates are even lower.

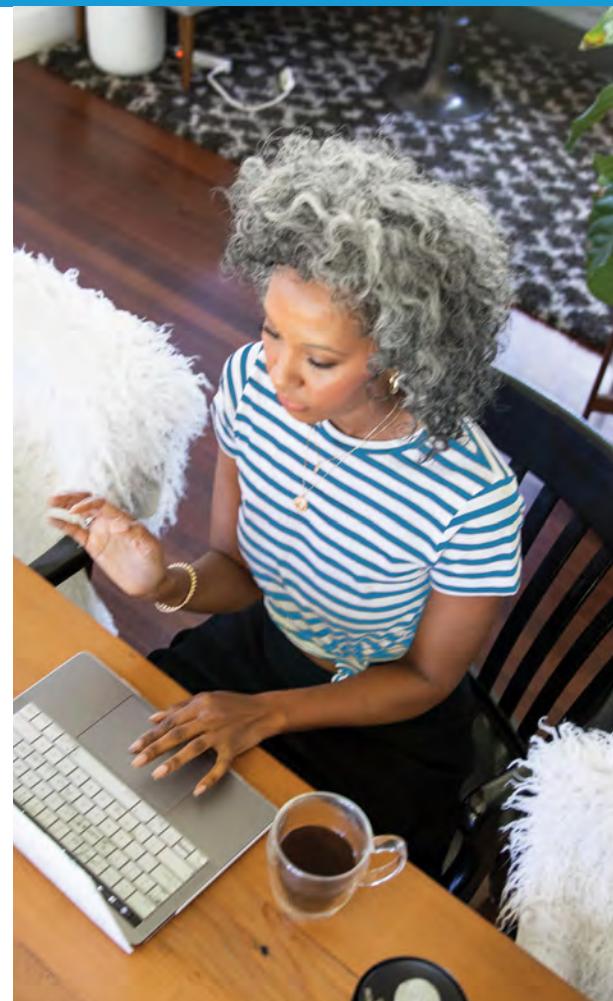
Meanwhile, the cost of college has steadily risen. Between 1990 and 2016, the cost of college increased 4.5 fold, far exceeding inflation. As a result, total college debt now exceeds \$1.3 trillion and outpaces the total credit card debt in the U.S.

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% of students who do so.

"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."



Andréa Backman
President,
Strayer University



Our approach

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 Graduation Fund is a reward-based model – different from typical scholarships that provide a discount up front – that encourages more students to persist towards attaining their degree.

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 can reduce the total cost of a bachelor's degree education by 25% over time. 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.

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, we decided to complement the Graduation Fund program with a stronger on ramp for at-risk students through a new First Year Experience program.



The results

This combination of tools and support has proven to be successful. Since 2013, over **15,000** bachelor's degree students have redeemed Graduation Fund credits for more than **72,000** courses – at a value of **\$107** million in tuition.

The program has also shown positive impact on student persistence. Over time, Graduation Fund has led to a **10% increase** in student continuation rates, which measures the number of students continuing into the following quarter.



Looking ahead

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 reimagining and building the necessary support systems required to best position adult and nontraditional learners for educational success.

**Learn more about how Strayer is helping college become more affordable:
strayer.edu/affordability**



“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



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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, public administration and criminal justice.

John Harris
Strayer BBA student

Actual Strayer student who agreed to appear in Strayer promotional materials.



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.

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strayer.edu/outcomes