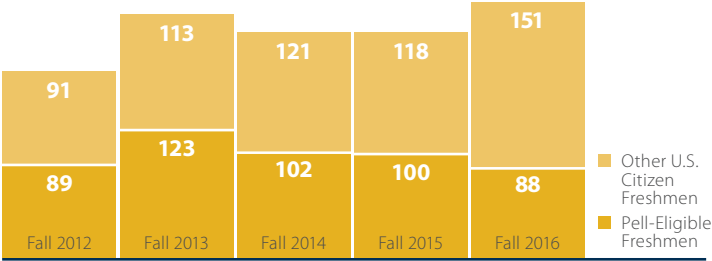


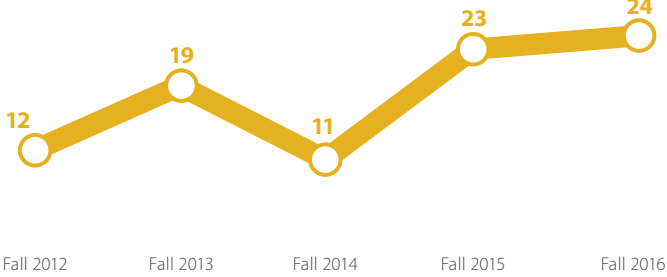
Result: The number of Pell-eligible students among our traditional undergraduates has increased.

PELL-ELIGIBLE FRESHMEN



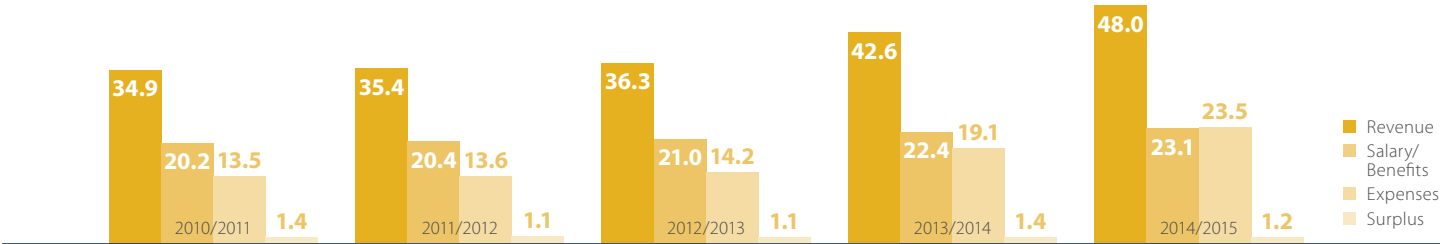
Result: The number of no-need students we enroll has increased an average of 5.67 students per year.

FRESHMEN WITH ONLY MERIT/ATHLETIC AID



Result: Institution-wide, we have continued to experience budget surpluses.

BUDGET RESULTS (MILLIONS OF DOLLARS)

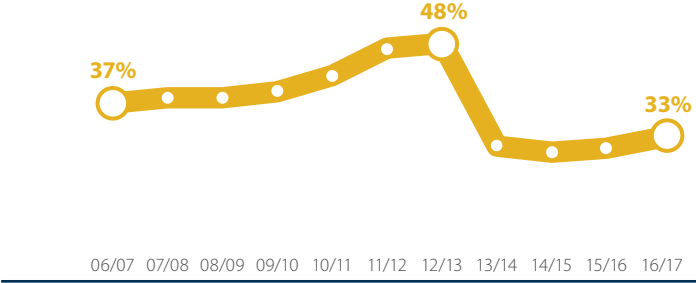


Result: We have been consulted by more than 25 other colleges and universities that are considering their own tuition resets.

Given these continued positive results, we consider our tuition reset in 2013 to have been a complete success—as a market correction, as a model correction, and as a leadership initiative for the good of our students and our industry.

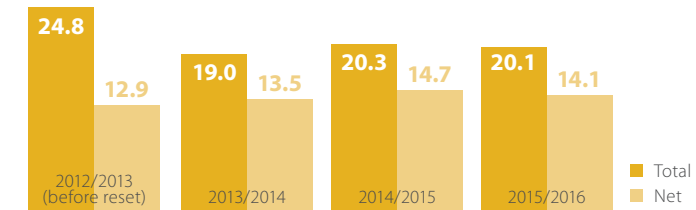
Result: Our discount rate decreased by 19 percentage points in 2013 and has remained stable.

DISCOUNT RATE



Result: Net tuition revenue from our traditional undergraduate program increased 14% during the first two years.

TUITION REVENUE FROM TRADITIONAL UNDERGRADUATE PROGRAM (MILLIONS OF DOLLARS)



TUITION RESET

RESULTS FROM CONCORDIA UNIVERSITY, ST. PAUL

Conceived and implemented as a strategic initiative to correct an unsustainable net tuition revenue model for the institution as well as to improve access and affordability for students, Concordia's tuition reset in 2013 has proven successful along all metrics.

THE CHALLENGES

After eight consecutive years of increases, the Fall 2010 net tuition revenue from Concordia's traditional undergraduate program dropped. As was the case at many private colleges, even though our tuition price and enrollment numbers both climbed, so did our discount rate. And despite enrollment keeping pace the following fall, our discount rate rose even more sharply and net tuition revenue dropped even further.

At that time, we also were concerned that there was a pricing perception problem among prospective Concordia students — including those in demographic niches we are best positioned to serve, such as students from low-income urban families and students who are drawn to our church work programs. We surmised the following with regard to our published tuition price:

“Sticker shock” was blocking many high-need students from applying.

Concordia's published price for tuition and fees was higher than 63% of our state's four-year institutions, which was masking the fact that Concordia enrolls students from somewhat less affluent communities than similarly priced private colleges in our competitor set.

More of our admitted students were enrolling at lower-cost schools instead of Concordia.

This was consistent with findings from the Minnesota Private College Council indicating an increase in preference for public institutions among college-bound students statewide.

“Unwillingness to pay” was blocking students with the ability to pay from enrolling.

A substantial proportion of our admitted students who enrolled elsewhere chose a private competitor, presumably because these institutions had more reputational strength than Concordia at a similar price.

Factoring in our net tuition revenue and discount rate trajectories alongside our market positioning, it became clear that we could not sustainably continue to increase our financial aid to overcome our price as a barrier to enrollment.

CSP.EDU



THE STRATEGY

Following a year of internal contemplation, we began working with Noel-Levitz and The Lawlor Group during the 2011-12 academic year to see if a tuition reset could solve both our net tuition revenue and marketplace perception challenges. We asked:

Is a tuition reset even doable for Concordia?

As Noel-Levitz conducted the financial modeling for a tuition reset, it became apparent that several institutional factors would work to our benefit:

- None of our students were paying our full tuition price anyway.
- We had a well-diversified revenue stream thanks to our adult undergraduate degree-completion program and our graduate school.
- We were operating as a low-overhead institution and had been paying careful attention to the management of direct expenses.
- We had been intentionally growing our endowment for the past 10 years.
- Our total enrollment across all college programs was at an all-time high.

All of these factors placed us in a position of strength for resetting our tuition price.

Can we overcome the risk that it would seem like a desperate move?

We presumed people would only consider our new tuition amount to be “a great price” if it’s for “a great product.” So The Lawlor Group conducted an assessment of Concordia’s value proposition and identified several authentic positive assets:

- An institutional culture of caring for students results in value-added support and guidance for their success.
- The curriculum is geared toward practical and experiential learning to prepare students for the workplace not only broadly, but also specifically.
- Concordia student’s education and connections result in good job placement for our new graduates, who are highly regarded by area employers.
- The faith-based aspect of our educational experience is value-added in terms of helping our students find paths for meaningful living.

As a result, we chose to implement a pre-announcement brand campaign positioning Concordia as “Responsive. Relevant. Real.” in order to firmly establish our value messaging prior to the tuition reset.

From there, we worked with Noel-Levitz to determine what our exact reset price and financial aid awards should be and collaborated closely with The Lawlor Group to carefully plan every detail of how we would implement the reset. Communication components of our tuition reset announcement included:

- Messaging training for key personnel

Media outreach

Press release
- Fact sheet

• Dedicated section of website

• Promotional video

• Press conference
- Media appearances

• Customized letters to returning students

• Emails to various constituents

• Campus forums

• Church outreach

• Special issue of alumni magazine

• Advertising campaign

In May of 2012, our Board of Regents unanimously approved the tuition reset for all new and returning students in our traditional undergraduate program for Fall 2013:

	2012-2013	2013-2014	% Change
Tuition and Fees	\$29,700	\$19,700	-33.67%
Room and Board	\$7,750	\$7,750	0%
Total	\$37,450	\$27,450	-26.7%

THE RESULTS

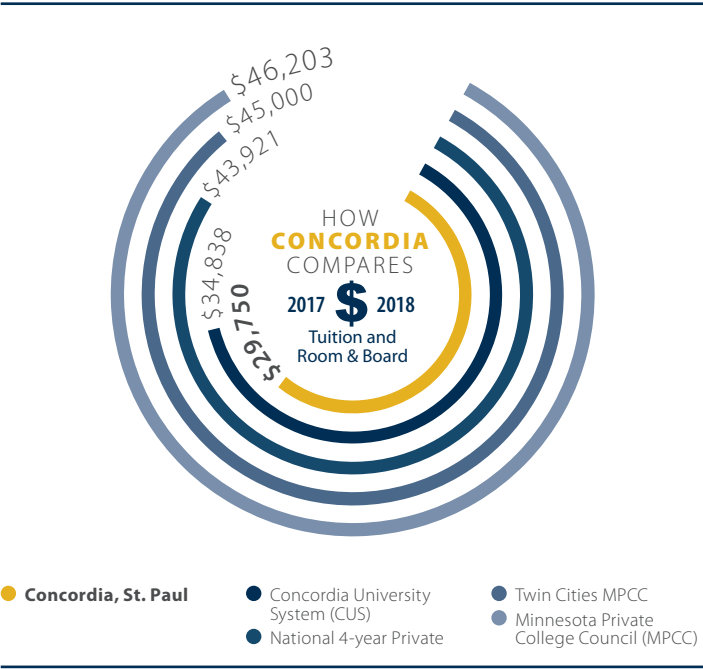
Our tuition reset was calculated to serve both as a “market correction” to enhance our value-for-cost and as a “model correction” to get us off of a financially unsustainable path.

We hoped that enhanced awareness of Concordia’s genuine worth thanks to the tuition reset would allow us to:

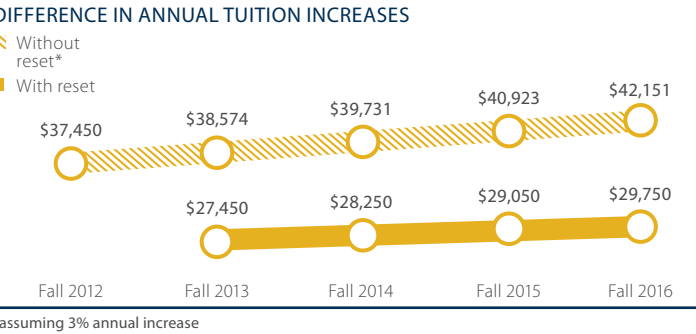
- Provide true cost savings to our students so they can remain enrolled
- Grow our student body, especially by enrolling more underserved students
- Become the first-choice college for more middle-class families
- Decrease our discount rate and increase our net tuition revenue
- Lead by example in the national effort to improve college pricing

We have now collected three year’s worth of resulting data with which to measure our tuition reset’s success along those goals.

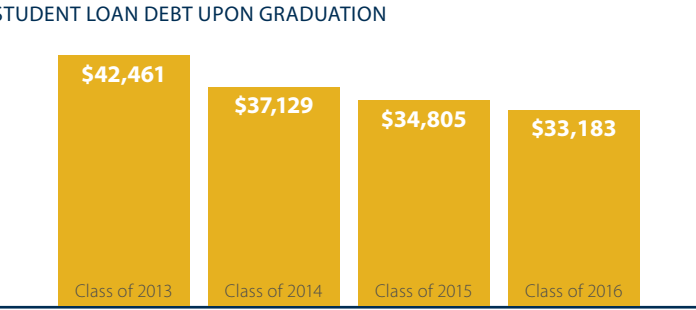
Result: We have the most affordable “sticker price” among our private college competitors.



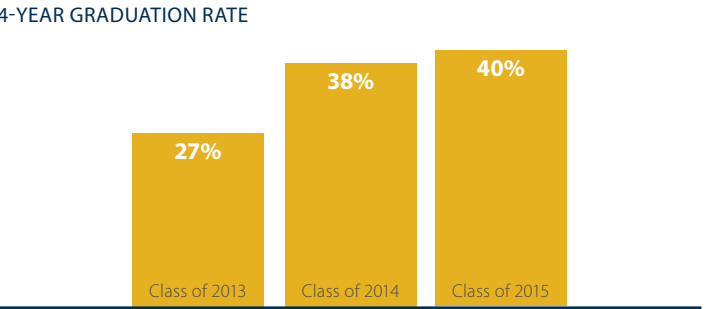
Result: Students who first enrolled in 2013 saved \$1,277 on annual tuition increases alone.



Result: The average amount of student loan debt for our graduates has decreased by 18%.



Result: Our persistence rate to graduation within four years has gone up 13 percentage points.



Result: Traditional undergraduate enrollment has increased 20%.

