How Advising and Retention of Students Improves Fiscal Stability

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A consistent theme expressed in the literature today is the need for universities to become more efficient and businesslike in their approach to fiscal management. Fiscal accountability is being required of all institutions; therefore, institutions must reorganize, reengineer, and become more efficient to demonstrate accountability and fiscal responsibility. Upon fiscal review, student advising centers are often seen as non-central to the instructional mission of the university and, therefore, allocations are reduced. This article discusses one approach used at a regional comprehensive university to demonstrate how a student advising center can improve fiscal stability by increasing retention and graduation rates, thereby increasing appropriations when based on an enrollment-driven formula.

Introduction

Throughout the literature on higher education today, a consistent theme is the need for universities to become more efficient and businesslike in their approach. Higher education is experiencing its most severe fiscal times since the depression of the 1930s.

Fiscal accountability is being required of all institutions in the form of budget reductions; program reviews resulting in program and degree eliminations; reallocation of resources; "right sizing" through changes in procedures, personnel and budget allocations, mergers and partnerships. Therefore, institutions must reorganize, reengineer, become more efficient, exercise quality control, and demonstrate accountability and fiscal responsibility. In this kind of climate, institutions often are tempted to cut allocations to advising programs which are often seen as non-central to the instructional mission. Emporia State University, a regional comprehensive university of approximately 6,000 students, demonstrates that such cuts are counterproductive.

Many state-funded institutions receive appropriations based on some type of enrollment-driven formula. Private institutions receive 65 to 75 percent of the total budget from student tuition. Whether an institution is private or public, it must find ways to retain and graduate as many students as possible in a cost-containment effort. A number of studies have shown that enhanced advising is a key to that effort.

Tinto (1990) recommends that institutions provide appropriate resources and use faculty advisors to retain more students. Noel (1976) found that the retention of students was a campus-wide responsibility requiring the efforts of many individuals and offices. Advising, testing, and developmental education resulted in the retention of more students (Glennen and Baxley, 1985). Similarly, Glennen, Farren, Vowell, and Black (1989) found that a sound academic advising program can assist the university in improving its retention rate by involving faculty advisors, professional counselors, student affairs professionals, administrators, admissions recruiters, residence hall personnel, financial aid workers, librarians, clerical workers, and security officers. While reduction of student attrition is not the only goal of an advising program, increased retention does result from the expanded services and teamwork in services provided to students.

Table 1 Actual and Average Retention and Graduation Figures for 1980, 1981, 1982, 1983

Freshman Year	Initial No.	% 2nd Year Actual	Retention 2nd Year	% 3rd Year Actual	Retention 3rd Year	% 4th Year Actual	Retention 4th Year	5th Year Actual	% Retention 5th Year	% Graduation thru 8/95
1980	881	564	64	396	45	335	38	159	18	33
1981	838	536	64	394	47	327	39	159	19	34
1982	774	477	62	310	40	255	33	127	16	30
1983	705	450	64	325	46	266	38	151	21	36
4 year average	800	507	64	356	45	296	37	149	19	

Note. Retention figures represent continuing students only. Graduates are included only in the graduation column.

Table 2 Retention & Graduation Figures Average 1980, 1981, 1982, 1983; Annual 1984 through 1994

Freshman Year	Initial No.	% 2nd Year Actual	Retention 2nd Year	% 3rd Year Actual	Retention 3rd Year	% 4th Year Actual	Retention 4th Year	5th Year Actual	% Retention 5th Year	% Graduation thru 8/95
Average 1980, 1981, 1982, 1983	800	507	63	356	45	296	37	149	19	33
1984	759	494	65	360	47	315	42	195	26	36
1985	728	496	68	364	50	329	45	164	23	38
1986	743	530	71	392	53	320	43	159	21	35
1987	784	514	66	400	51	345	44	201	26	38
1988	778	570	73	429	55	391	50	210	27	41
1989	828	567	68	461	56	402	49	213	26	39
1990	690	468	68	359	52	336	49	201	29	33
1991	723	478	66	387	54	330	46	196	27	16
1992	649	434	67	343	53	302	47			
1993	695	455	65	363	52					
1994	611	409	67							

Note. Retention figures represent continuing students only. Graduates are included only in the graduation column.

Advising Center and Retention Efforts

In 1984, a Student Advising Center (SAC) was created at Emporia State University using an intrusive advising philosophy (Glennen, 1975) to advise freshman students. The intrusive system causes the advisor to be assertive, take the initiative and display interest in the students' academic progress. Advisors at SAC call students frequently throughout the course of the year and do not wait for them to get into academic difficulty. The model program utilizes faculty advisors and emphasizes consistent evaluation of the program, the advisors, and the outcome measures (Glennen, 1975, 1983, 1991; Glennen and Baxley, 1985).

To assess the effect this program has had on retention, each freshman class from 1980 to the present was tracked for a 5-year period. Graduation rates were monitored continuously. Retention and graduation rates were calculated. The freshman classes for 4 years preceding the initiation of the SAC were chosen as a control group since they were similar in number and ACT scores to subsequent freshman classes (1984-present) and had not received the benefits of the intrusive advising program. See Table 1 for the actual retention figures for the control group and Table 2 for retention and graduation figures for the control group and 10 years of SAC students.

The effectiveness of the program can be seen in Table 2 in the increased retention rates of SAC advised students: first to second year retention varied from +2% to +10% (average 4.6%); second to third year retention varied from +2% to +11% (average +7.3%); third to fourth year retention varied from +5% to +13% (average +9.1%); fourth to fifth year retention varied from +2% to +10% (average +6.6%). Intrusive advising has also produced positive results in both graduation rates and time-to-graduation. Table 2 demonstrates the trend toward higher graduation rates in relatively fewer years.

Fiscal Aspects of Retention

Retention increases have definite fiscal implications for an institution. While a number of publications such as Hanson & Meyerson (1990), Layzell & Lyddon (1990), and Vandament (1989) have addressed the overall topic of funding for higher education, a review of the advising and retention literature reveals that little has been published relative to the fiscal implications of a successful retention program. Sample and Kaufman (1986) studied academic program development associated with curriculum planning, Habley (1988) and Kramer (1983) examined the evaluation of academic advising programs, Crockett (1985) studied the implementation of developmental advising programs and the type of

the type of delivery systems, but the literature indicates that little has been written about the fiscal impact. Glennen and Farren (1990) found that the creation of an intrusive advising program substantially increased retention and thereby increased state funding by 1.5 million dollars over a 5-year period. Greene (1992) advocated specific fiscal procedures to solidify efficiency in business office practices which results in improved recruiting and retention of faculty and students.

Using the retention figures as illustrated in Table 3, a positive effect on state funding can be discerned. The third column shows the percentage of returning students for the sophomore year. The average percentage return for the 4 base years was 63 percent. When that percentage is applied to the classes from subsequent years (column 4), numbers are produced that are smaller than the actual retention numbers. The difference between these numbers (column 5) multiplied by the state support per FTE (Full-Time Equivalent) student for that given year (column 6) demonstrates the increased fiscal support realized from increased retention rates (column 7). The same procedures are applied to the retention rates for the third, fourth, and fifth years and the increased state support is summarized in Table 4.

There are costs involved in operating student advising centers. To determine the actual fiscal benefits to the institution, the cost of the student advising center must be subtracted from the increased revenues generated through improved retention. See Table 4 for actual figures. To date, additional state funding of 7.54 million dollars has been generated.

Other revenues generated by increased retention which are not measured by this study include monies derived from increased occupancy in the residence halls, meal plans purchased, expenditures in the bookstores and snack bars as well as increased ticket sales for campus activities. Expenditures by additional visitors benefit both the campus and local community.

Summary

The data indicate that the utilization of intrusive advising and the establishment of a student advising center contributes to the improved retention and graduation rates. Since this is not a controlled study, one might ask if other factors could have singularly or in combination produced similar results; However, all of the other entities (i.e., faculty advising, professional counseling center, residence hall advising, writing laboratory, reading clinic, international student advising, orientation program) existed before the Student Advising Center was established and did not produce the results reported herein. Therefore, the primary ingredient that differed at this institution was the creation of the Student Advising Center where major emphasis was placed on academic advising and treating students as individuals.

Table 3 Increased Retention from Freshman to Sophomore Year

Freshman Year	Initial No.	2nd Year Return	% Retention	Using 4 Year Average % Retention	Difference	State Support Per FTE	Increase in State Dollars
Average 1980, 1981, 1982, 1983	800	507	63				
1984	759	494	65	478	16	$4,021	$ 64,336
1985	728	496	68	459	37	$4,394	$162,578
1986	743	530	71	468	62	$4,523	$280,426
1987	784	514	66	494	20	$4,537	$ 90,740
1988	778	570	73	490	80	$4,645	$371,600
1989	828	567	68	522	45	$4,875	$219,375
1990	690	468	68	435	33	$5,007	$165,231
1991	723	478	66	455	23	$5,116	$117,668
1992	649	434	67	409	25	$5,258	$131,450
1993	695	455	65	438	17	$5,687	$ 96,679

The beneficiaries of improved retention and graduation rates are the students and the taxpayers. Individual students who have attained their academic goals have improved their chance of success in our competitive society. The additional fiscal resources they generate enable institutions to improve and maintain programs and services. The increase in retention and graduation rates demonstrates the accountability of institutions to their constituents. The investment in advising and retention efforts brings dramatic results and helps to offset budget reductions.

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Table 4 Fiscal Benefits of Increased Retention

Year	Additional State Funds 2nd Year	Additional State Funds 3rd Year	Additional State Funds 4th Year	Additional State Funds 5th Year	Total Additional State Funds	Cost of SAC	Additional State Funds Minus Cost of SAC
1984	$64,336	$96,668	$153,782	$231,387	$546,173	$174,000	$372,173
1985	$162,578	$180,920	$272,220	$120,770	$736,488	$177,747	$558,741
1986	$280,426	$276,757	$209,025	$87,750	$853,958	$169,261	$684,697
1987	$90,740	$236,895	$268,125	$260,364	$856,124	$178,834	$677,290
1988	$371,600	$404,625	$515,721	$317,192	$1,609,138	$179,942	$1,429,196
1989	$219,375	$465,651	$491,136	$294,448	$1,470,610	$243,817	$1,226,793
1990	$165,231	$266,032	$425,898	$398,090	$1,255,251	$255,574	$999,677
1991	$117,668	$341,770	$352,594	$339,663	$1,151,695	$265,726	$885,969
1992	$131,450	$307,098	$356,934		$795,482	$243,891	$551,591
1993	$96,679	$310,878			$407,557	$251,208	$156,349
Total					$9,682,476	$2,140,000	$7,542,476