

Testimony from Lenoir-Rhyne University  
**“LOWERING COSTS AND INCREASING VALUE FOR STUDENTS, INSTITUTIONS, AND TAXPAYERS”**

Subcommittee on Higher Education and Workforce Development Hearing

Thursday, July 27, 2023 - 10:15 AM

Subcommittee on Higher Education and Workforce Development

Lenoir-Rhyne University respectfully submits the following written testimony for inclusion in the “Lowering Costs and Increasing Value for Students, Institutions and Taxpayers” hearing to be held Thursday, July 27, 2023.

**Background**

Lenoir-Rhyne University is a private, liberal arts university serving approximately 2,500 students on three campuses: the primary campus in Hickory, North Carolina and satellite campuses in Asheville, North Carolina, and Columbia, South Carolina. We offer more than 50 undergraduate majors and more than 20 master’s degree programs and have more than 20,000 alumni living around the world. Lenoir-Rhyne is one of 36 private, nonprofit colleges in the state of North Carolina and one of 25 universities in the country affiliated with the Evangelical Lutheran Church in America.

**Commitment to Increasing Value**

Over the last decade, American families have increasingly begun to question the value of a college degree. A 2022 poll from nonpartisan research organization Public Agenda shows that, regardless of political affiliations, Americans are concerned with college access, rising costs, and return on investment.

Indeed, we see that concern in students and their families considering Lenoir-Rhyne. Our students have more demonstrated financial need than ever before. More of our students are first-generation college students, and they need more support to be successful in college. These factors, coupled with the impending demographic cliff—a significant drop-off in the number of college-aged students—mean that we must change how we share the impact of a college degree to continue to appeal to a new generation of students.

To be sure, we firmly believe that the investment in a college education benefits students and their families. Every year, we see our students graduate and join the workforce, providing financial stability for themselves and helping build our local and regional economy. And the data back this up. The report “The College Payoff,” from the Georgetown University Center on Education and the Workforce found that the average lifetime earnings of a person with a bachelor’s degree is 84 percent higher than a person with a high school diploma only—and that benefit has increased from 75 percent in 2002.

To communicate the value of a Lenoir-Rhyne University degree, we have implemented a multiprong strategy.

**Lowering Costs and Adding Transparency**

- **Tuition Reset**—College tuition at many private colleges is obfuscated. A high sticker price is posted but is lowered for most, if not all students, with discounts. As a result, families are confused about the actual cost, and some do not consider a college with a high published tuition because they assume they cannot afford it. To combat this concern at Lenoir-Rhyne, we lowered

our published tuition rate, beginning fall 2023, from \$43,000 to \$30,000. This clarity was well received by parents and students and has helped drive us to a 9% increase in incoming freshman for fall 2023.

- Lenoir-Rhyne Promise**—In 2018 we began offering at least 50% off tuition for high school students in Catawba County, home of our main campus in Hickory, North Carolina, who have at least a 3.5 GPA. Thanks to its popularity, we expanded it in 2019 to all North Carolina students with the same qualifications, and in 2023 we expanded the program to all US domestic students. We advertise this program clearly and communicate it broadly so that students are aware of this benefit, and it contributes to our commitment to transparency.

### Expanding Access

- Bear Bound**—Lenoir-Rhyne enjoys strong relationships with our local and regional community colleges, and we heard from their leaders and their students that we needed to make transferring to Lenoir-Rhyne easier. In 2023, we launched Bear Bound, an initiative with 14 local and regional community colleges to encourage community college students to continue their education with a four-year degree at Lenoir-Rhyne. The partnership agreements have simplified the transfer process by ensuring credits will transfer, eliminating the need for additional admissions application in some instances, and housing on our campus for community college students to allow them to acclimate them to a four-year college experience.
- Enhanced Financial Aid Packaging**—Community college transfers are now eligible for the Lenoir-Rhyne Promise. In addition, all Pell-eligible students now can apply their aid *after* the Lenoir-Rhyne Promise is applied. Consider this example:

<b>Student with associate's degree</b>	
Lenoir-Rhyne Tuition	\$30,000
Tuition after LR Promise Applied	\$15,000
Tuition after full Pell Grant \$7,395 applied	<u>\$7,605</u>
Cost of 2 years//BA or BS degree at Lenoir-Rhyne	\$15,210

These two initiatives have led to a 57% increase in transfer student enrollment for Fall 2023.

### Return on Investment

- Career Placement Rate**—The data shows that the Lenoir-Rhyne experience pays off for our students. 96% of the Class of 2021 was employed or in graduate school six months after graduation. For the Class of 2022, that rate increased to 97%. This is a significant increase over the national average of 84%, according to the National Association of Colleges and Employers First Destinations Survey.
- Economic development**—Lenoir-Rhyne is committed to the economic development of our region. We have added new majors in the last two years that local employers have told us they need to fill open positions. These include engineering physics, business analytics, cybersecurity

and supply chain management. Engineering physics, for example, will help fill the incredible demand for automation engineers at local manufacturing companies. These graduates enjoy at 100% placement rate within six months of graduation and find themselves with high starting salaries.

- **Social mobility**—A college degree should be the ticket to a better paying job, a more stable future and social mobility, and for Lenoir-Rhyne students this is true. Our students graduate, they find employment and they build full and satisfying lives. US News and World Report recognized Lenoir-Rhyne for our success in social mobility, naming us #42 in the South in 2022. As US News notes, “some colleges are more successful than others at advancing social mobility by enrolling and graduating large proportions of disadvantaged students awarded with Pell Grants.” On average over the past 5 years, 41% of our students, including 49% of the first-year incoming students, are Pell-eligible. The social mobility ranking factors in a number of critical success data, including retention and graduation rates, persistence rates for Pell-eligible students, debt of graduates and alumni giving.

### **Conclusion**

The strategies we have implemented to date have helped to lower the out-of-pocket costs for students and their families, expanded options for low-income students, made a four-year degree more accessible, helped build the workforce in our region and increased the social mobility of our students. We believe that these initiatives will convince more and more students that the return on a college degree is well worth the investment.

But these initiatives will not be enough. As our students continue to evolve, so, too, will we. We cannot be complacent in today’s marketplace and assume that we will continue to be successful. We will continue to analyze our data, look for trends and listen to our students, regional partners, employers and community to discover what they need. It is what we have been committed to since our founding in 1871 and we will continue to do for the next 132 years.

Respectfully submitted,



Dr. Fred K. Whitt

President, Lenoir-Rhyne University

July 26, 2023