

College Beat

The Economy and Colleges **By** **Nancy Federspiel**

News of the nation's trials and tribulations over the economy is inescapable these days. Every where we turn there is evidence of yet another industry headed for disaster – or at least headed into an era of change. I don't need to re-iterate the painful details here but suffice it to say many family's financial savings are undoubtedly shrinking and that includes savings earmarked for college tuition. So, what does all this mean for the world of college admissions?

You may have ventured a guess that the top-tier, most-competitive and most-expensive colleges would take a hit in the number of applications received? Wrong. The opposite is true. These schools are being sought after more than ever before because they have the endowments big enough to meet 100% or 80% of the financial need of the students that are accepted. The competitive schools are getting more competitive. Did you think that was even possible? It is early for schools to have their application stats available for this admissions cycle but early reports from Harvard, Brown and Dartmouth all indicate that their applicant pools are up significantly this year. The trend toward impossible odds for admission continues to spiral out of control.

Another interesting fall-out from the economy will be seen in the public Universities. Public Universities across the country, especially the most prestigious public schools like the University of Virginia, the University of Michigan and UConn will continue to grow in popularity and thus in competitiveness. Many families will ask themselves if it is worth it to go to private school X at \$50,000 per year when they could go to public school Y for \$20,000 a year. These decisions are never easy to make but I think in a bad economy those decisions will be weighed much more carefully. I predict that last year's "target range" public University will become next year's "reach school."

So what schools will suffer in all this? At first glance I would have ventured to guess that it would be the not-overly-competitive private school. But, interestingly, I read an article last month about a small private college that was touting its recession proof nature. Its president's message to people is that they don't have an endowment fund to rely on – they always have and always will fund all of their programs with their annual intake of tuition and so there are no financial risks at stake at their college. The economy won't affect them like it will so many of their competitors with endowment fund losses. An interesting take on the situation – certainly food for thought.

So far, the economy has not diminished the competitiveness of the college admissions scene at all. Consequently, this means that demand for college counselors is still high. In fact, in November I attended a conference with independent college counselors from around the country, and according to a recent poll, demand seems to be steady nationwide. An article in the Wall Street Journal on January 15th of this year also confirmed this. The article stated that “more parents than ever are turning to professional help” in terms of test prep tutoring and working with independent college counselors. The important message in all of this is that even in a down economy, education is indeed important and families still care very much about finding the best education possible.

Bolton resident Nancy Federspiel is the Director of College Consulting Services. For more information visit www.ccs4college.com or call 978.634.1690

