

How does financial aid influence retention?

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Executive Summary

Cost of attendance (COA) discounts are important for student-athletes given the rising costs associated with higher education. However, there is no clear connection between COA discount rates and student-athlete retention rates at NAIA institutions. Five sports women's basketball (55.81%), women's tennis (54.52%), women's golf (52.91%), men's tennis (52.03%), and men's basketball (51.91%) had a cost of attendance discount rate above 50%. However, only two of these sports (women's tennis and women's golf) also had a retention rate above 70%. Men's swimming & diving had a strong retention rate (77.52%) but fell in the middle of the pack in terms of COA discount rates among men's sports (46.31%).

Practical Considerations:

- ▼ How do COA discount rates for men's and women's sports at your institution compare to the average NAIA institution?
- ▼ Do you notice a connection between COA discount rate and retention rate for the sport teams at your institution?
- ▼ If you were considering adding a new sport program at your institution, how could this information help you decide which sport(s) would benefit your institution most in terms of student retention?

A fall 2020 survey completed by NAIA campus leaders identified recruitment and retention as the overall top priority for athletics departments (81%). The ability to recruit and retain student-athletes can be impacted by the cost of attendance (COA) discounts provided by institutions. COA discounts are especially important given attendance costs have more than doubled at public and private institutions over the past 20 years¹. This research brief explores COA discount rates and retention rates by sport for the 2020-2021 academic year and examines differences in COA discounts between public and private institutions.

There was a slight increase in average COA discount rate for women's sports in 2020-2021 (48.17%) compared to 2019-2020 (46.89%). For the 2020-2021 academic year, three women's sports had an average COA discount rate above 50%: basketball (55.81%), tennis (54.52%), and golf (52.91%). Two of these sports (tennis and golf) also had a retention rate above 70%. Two women's sports (basketball and tennis) provided over \$9,000 in athletic aid per student. These sports also had the highest COA discount rate among all women's sports. One sport

(competitive dance) provided over \$8,000 in academic aid per student. The table below provides an overview of the average retention rate, average COA discount rate, and financial aid per student for women's sports.

However, there are other sports that display opposite trends. For example, women's lacrosse has lower average roster sizes for lower and medium retention programs compared to high retention programs. The average roster size for women's lacrosse programs with high retention is 23, which is larger than women's lacrosse programs with medium (average roster size of 18) and low retention (average roster size of 16). Women's track provides another example similar to women's lacrosse.

Women's Sports - COA Discount and Financial Aid Information

			Financial Aid per Student				
Sport	Average Retention Rate	Average COA Discount	Athletic	Academic	Need Based	Work Study	Other
Basketball	66.14%	55.81%	\$9,599	\$5,113	\$603	\$108	\$710
Tennis	73.25%	54.52%	\$9,070	\$6,488	\$472	\$103	\$821
Golf	76.58%	52.91%	\$8,265	\$6,623	\$626	\$126	\$902
Volleyball	66.37%	49.74%	\$7,739	\$5,946	\$473	\$108	\$673
Swimming & Diving	73.76%	49.10%	\$7,896	\$7,417	\$1,005	\$157	\$1,227
Soccer	67.56%	48.85%	\$7,751	\$5,695	\$630	\$126	\$839
Cross Country	73.31%	48.66%	\$4,272	\$3,898	\$517	\$96	\$752
Competitive Dance	76.38%	48.26%	\$4,567	\$8,295	\$796	\$236	\$1,369
Track	75.95%	47.25%	\$5,848	\$5,690	\$613	\$135	\$891
Lacrosse	75.77%	46.57%	\$8,665	\$6,244	\$429	\$112	\$857
Softball	71.94%	46.11%	\$7,347	\$5,844	\$431	\$102	\$748
Competitive Cheer	59.60%	44.92%	\$5,630	\$6,578	\$756	\$165	\$983
Wrestling	69.94%	44.82%	\$8,801	\$3,911	\$452	\$196	\$393
Bowling	74.16%	44.76%	\$7,164	\$6,570	\$573	\$108	\$1,062

The average COA discount rate for men's sports also increased from 43.96% in 2019-2020 to 45.33% in 2020-2021. However, there was less of a connection between COA discount rate and retention for men's sports compared to women's sports. Two men's sports had an average COA discount rate above 50%: tennis (52.03%) and basketball (51.91%). Neither of these sports had an average retention rate above 70%. Four men's sports (tennis, swimming & diving, basketball, and wrestling) did provide over \$9,000 in athletic aid per student. Two of these sports (basketball and tennis) were also the top two men's sports in terms of average COA discount rate. The table below provides an overview of the average retention rate, average COA discount rate, and financial aid per student for men's sports.

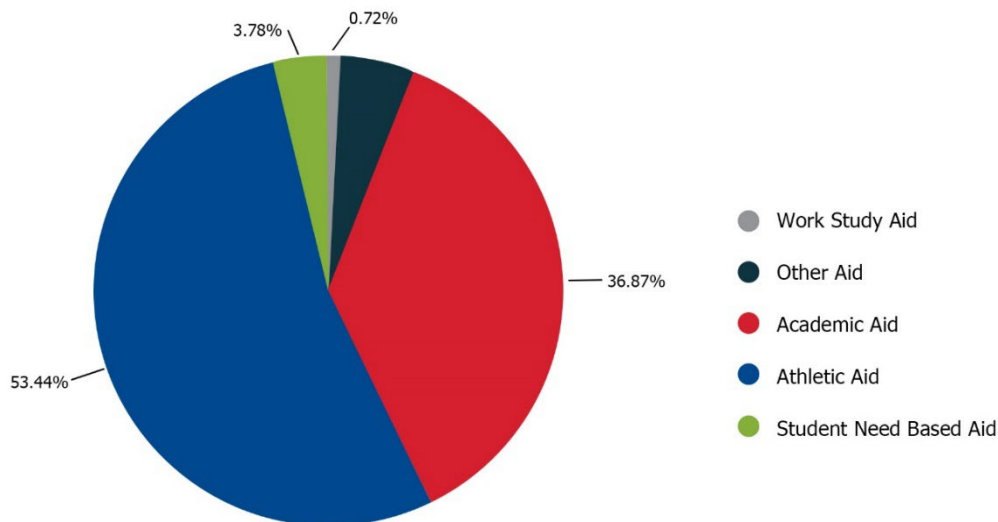


Men's Sports - COA Discount and Financial Aid Information

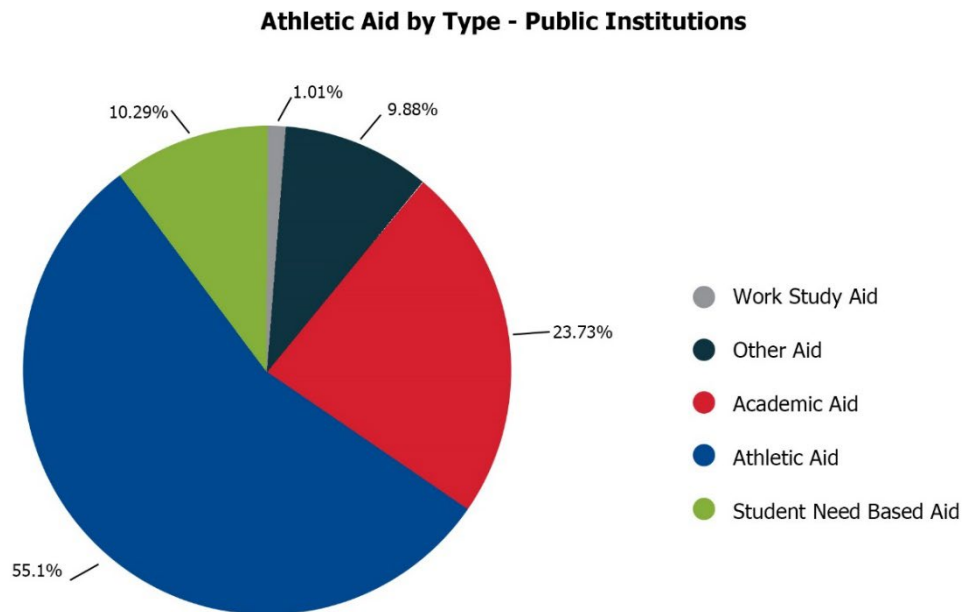
			Financial Aid per Student				
Sport	Average Retention Rate	Average COA Discount	Athletic	Academic	Need Based	Work Study	Other
Tennis	69.18%	52.03%	\$9,791	\$5,532	\$466	\$82	\$757
Basketball	56.54%	51.91%	\$9,228	\$4,237	\$611	\$80	\$698
Soccer	61.86%	48.92%	\$8,122	\$4,924	\$699	\$107	\$902
Competitive Dance	76.38%	48.26%	\$4,567	\$8,295	\$796	\$236	\$1,369
Golf	73.40%	47.15%	\$7,532	\$5,597	\$350	\$83	\$782
Cross Country	68.00%	47.02%	\$4,281	\$3,710	\$495	\$100	\$652
Wrestling	56.66%	46.54%	\$9,069	\$4,762	\$489	\$108	\$617
Swimming & Diving	77.52%	46.31%	\$9,700	\$5,946	\$971	\$102	\$998
Football	57.23%	45.89%	\$8,581	\$5,033	\$572	\$98	\$633
Volleyball	66.53%	45.44%	\$8,544	\$5,336	\$692	\$158	\$823
Competitive Cheer	59.60%	44.92%	\$5,630	\$6,578	\$756	\$165	\$983
Track	71.87%	44.61%	\$6,028	\$4,783	\$561	\$111	\$746
Lacrosse	66.74%	44.02%	\$8,341	\$5,265	\$487	\$46	\$779
Bowling	67.43%	43.18%	\$6,697	\$6,070	\$424	\$91	\$791
Baseball	68.88%	41.74%	\$6,975	\$4,558	\$462	\$63	\$508

Almost 90% of financial aid assistance for NAIA athletes comes in the form of athletic aid (53.50%) or academic aid (36.34%). However, some differences do emerge when comparing COA discount data between public and private institutions. Private institutions follow the national average, with slightly over 90% of financial aid offered in the form of athletic aid or academic aid. The chart below shows the distribution of financial aid by aid type for private institutions.

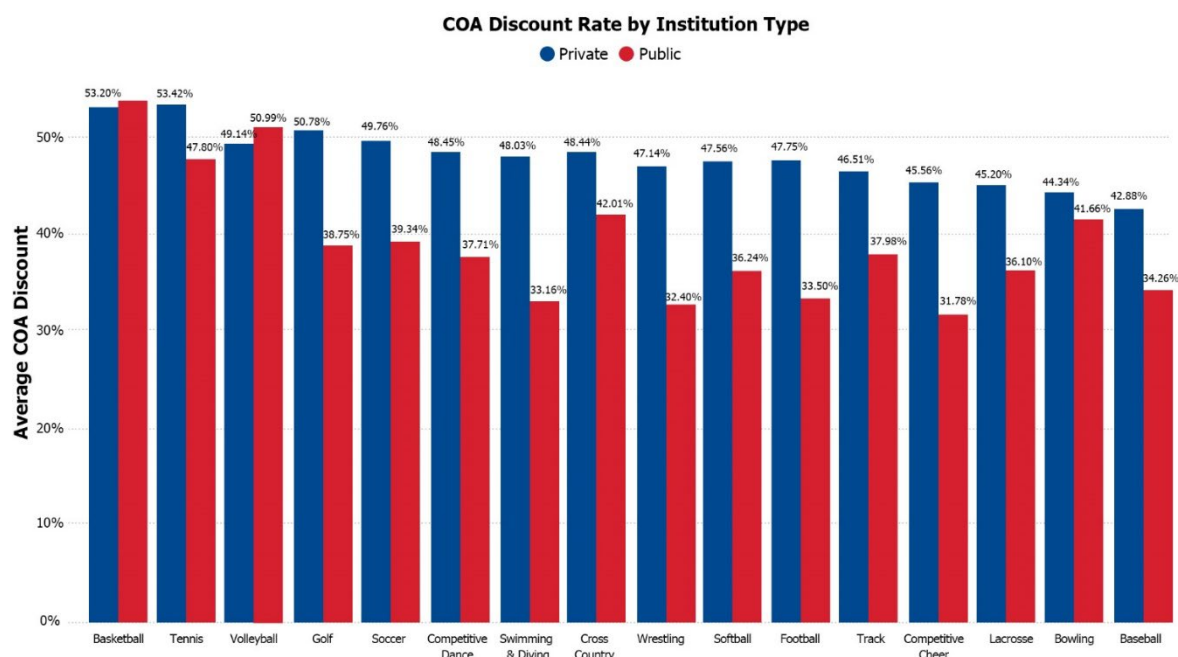
Athletic Aid by Type - Private Institutions



There are some differences in the dispersion of financial aid when examining public institutions. Athletic aid is still the predominant form of financial aid for public institutions. However, academic aid only accounts for 23.73% of financial aid disbursement for public institutions compared to 36.73% for private institutions. Need-based aid (10.29%) and other aid (9.88%) account for much larger portions of overall financial aid disbursement for public institutions compared to private institutions. The chart below shows the distribution of financial aid by aid type for public institutions.



Finally, it is interesting to note the differences in COA discount rates between private and public institutions. For almost all sports, private institutions provided a higher average COA discount rate compared to public institutions. These differences are particularly notable for the sports of swimming & diving (14.87% higher), wrestling (14.74% higher), and football (14.25% higher). The only sports where public institutions provided a higher average COA discount rate compared to private institutions are volleyball (1.85% higher) and basketball (0.53% higher). The chart below shows the average COA discount rates by sport for private and public institutions.



Notes:

¹ Boyington, B., Kerr, E., & Wood, S. 20 years of tuition growth at national universities. U.S. News & World Report. <https://www.usnews.com/education/best-colleges/paying-for-college/articles/2017-09-20/see-20-years-of-tuition-growth-at-national-universities>.

ROA retention data used in this research included 240 NAIA institutions for the 2020-2021 academic year and 70 NAIA institutions for the 2019-2020 academic year.

Retention Rate = $\left[\frac{\text{Returning Students}}{\text{Total Students} - \text{Graduates}} \right] \times 100\%$

COA Discount Rate = $\left(\frac{\text{Financial Aid}}{\text{Tuition Cost}} \right) \times 100\%$

Key Takeaways:

- ▼ Consistent with 2019-2020, women's sports have a higher average COA discount rate (48.17%) compared to men's sports (45.33%) and COA discount rates tend to have a stronger connection with retention for women's sports.
- ▼ Almost 90% of financial aid assistance is from athletic aid (53.50%) or academic aid (36.34%), which mimics financial aid data from the previous year.
- ▼ The highest amount of athletic aid per student is provided to basketball athletes (\$9,599) and tennis athletes (\$9,070) for women's sports and tennis athletes (\$9,791) and swimming & diving athletes (\$9,700) for men's sports.
- ▼ The highest amount of academic aid per student is distributed to competitive dance (\$8,295).
- ▼ COA discount rates are higher at private institutions compared to public institutions for all sports except basketball and volleyball.