

The cost of attrition to students and their families stem from lost investments in tuition and related fees, the income they may have earned while enrolled in post-secondary education, as well as the reduced earning potential due to low educational attainment. However, the costs of attrition are also born by institutions when investments in teaching and support services do not lead to degrees or other credentials.

At Humber College, only 45% of domestic students graduate on time from their degree program, and almost one-third do not obtain their degree within seven years of entering. The purpose of this report is to estimate the institutional cost of attrition of Humber’s undergraduate students.

Methodology

This study focused on the 2014 cohort of full-time degree students where 361 students left the college prior to completing their credential. Among the 361 students, 107 left at one year or earlier, 175 left between their first and second year, 53 left between the second and third year, and 25 left between their third and fourth year.

The estimated total cost of attrition is based on the education and related spending per student that did not ultimately contribute to a completed credential. The methodology used here was adapted from the American Institute for Research report entitled “The Institutional Costs of Attrition” (Johnson, 2012). Four categories of expenses were included in the assessment of total cost: recruitment, program related, student support services, and unrealized revenues from fees and grants. The following is a description of each:

a. Recruitment costs

Recruitment costs are those that the college allocates for advertising and promotions to recruit new students. In this study, the average cost to recruit one student was assumed to be \$1,017. This amount was derived from the 2016 study by Trick & Associates which assessed the cost of recruiting a student from high school to a college or university. The cost of recruiting 361 new students to replace those that left before completing their credential is $361 * \$1,017 = \$367,137$. Table 2 shows the breakdown of this cost for each year in which the students were lost.

b. Program-related expenditures

Program-related expenditures are those costs incurred by the college in the delivery of programs and includes salaries and benefits of faculty as well as academic indirect expenses such as those associated with the Centre for Teaching and Learning (CTL), Test Centre, Program Planning & Development, E-Learning Research, and Special Events and Awards. The cost per degree student for the years between 2014-2015 and 2017-2018 were obtained from Humber’s Program Costing Reports and are provided in Table 1 below.

c. Student support expenses

Student support expenses include those associated with the Registrar, Libraries, Health Centre, Athletics, Career Services, and Counselling. The cost per student for the years between 2014-2015 and 2017-2018 were obtained from Humber’s Program Costing Reports and are provided in Table 1 below.

Table 1: Program expenditures per Full Time Equivalent (FTE) per year for Bachelor’s degree programs

Fiscal year	Program expenditures per FTE	Student support expenses per FTE
2014-2015	\$7,230	\$2,628
2015-2016	\$6,737	\$2,762
2016-2017	\$7,102	\$2,850
2017-2018	\$6,916	\$3,322

d. Unrealized revenue from fees and grants

Unrealized program fees are tuition revenues that the college would have received if the student had remained registered in their degree program until the credential was completed.

Unrealized operating grants are revenues that would have been received from the Ministry of Training, Colleges and Universities had the student remained registered in his or her program until the credential was completed. These operating grants are based on a grant value of \$4,149 per weighted funding unit (WFU) and each program is assigned a specific WFU. For example, a student enrolled in the Bachelor of Social Science, Criminal Justice has a WFU of 0.38, which results in a grant to the college of \$1,579 annually.

The calculations for unrealized revenue sources are applied at the student level and then aggregated to the credential level. In other words, they were calculated based on the actual tuitions and grants associated with the particular programs of the students who left their program prior to completion.

e. Total cost of attrition

Table 2 below shows the costs of attrition associated with the 361 degree students from the 2014 cohort who did not complete their programs. The costs are broken down by years of study completed and the number of degree students who left their programs at each point in time.

The loss of students contributed to more than \$7.37 million in costs associated with recruitment, program delivery and student support expenses and another \$7.66 million in unrealized program fees and grant funding. The total estimated cost of attrition to the College was \$15,027,511.

Student attrition results in significant revenue losses and costs for a college and its financial supporters. It also contributes to other negative outcomes such as declining key performance indicators related to efficiency, retention and student satisfaction. Understanding these costs and losses will assist the college in making decisions about investments in new and existing programs and services aimed at retaining students and increasing credential completion.

Attrition clearly adds to the expense of producing college degrees, thus reducing it is critical to both enhancing productivity and student success.

Table 2: Total cost of attrition for students from the 2014 cohort and enrolled in a Bachelor's degree program

Years of study Completed	# of Leavers	Recruitment Cost	Program-Related Expenses	Student Support Expenses	Unrealized Program Fees	Unrealized Grant Funding	Total Cost of Attrition
1 or less	107	\$108,819	\$773,610	\$281,196	\$2,351,004	\$948,341	\$4,462,970
1-2	176	\$178,992	\$2,458,192	\$948,640	\$2,620,640	\$1,162,656	\$7,369,120
2-3	53	\$53,901	\$1,116,657	\$436,720	\$391,246	\$182,797	\$2,181,321
3-4	25	\$25,425	\$699,625	\$289,050	n/a	n/a	\$1,014,100
Total	361	\$367,137	\$5,048,084	\$1,955,606	\$5,362,890	\$2,293,794	\$15,027,511

References

David Trick & Associates Inc. (2016). *The Cost of Recruiting and Admitting Transfer Students: Results of a Survey of Ontario Colleges and Universities*. Funded by Ontario Council on Articulation and Transfer (ONCAT).

Johnson, N. (2012). *The Institutional Costs of Attrition*. American Institute for Research.

Access an accessible version of the report: <http://bit.ly/FullReportTheInstitutionalCostOfStudentAttrition>