



In the News: **Retention Pays, Literally**

By Stacy Ammon, Client Development Manager, Student Retention

Arkansas governor Mike Beebe's plan to link student performance and public funding in higher education is helping many see student retention in a new light, and fueling debate among legislators and educators alike.

While several changes to the state's funding formula are possible, one solution seeks to base financial support on student enrollment at the end of the semester rather than the beginning—in other words, schools would lose state dollars when they lose students.

Arkansas' colleges and universities have lobbied against the proposed legislation, but worry that the support of the governor and others concerned with retention and accountability will be enough to push the measure through this year. At least nineteen states currently include retention and graduation rates in a variety of different funding formulas, and many more are on the horizon, leaving colleges wondering how to keep their numbers within state limits.

In a perfect world, state and national funding would be based on both student enrollment and retention. However, the reality is that if enrolled students aren't eventually graduating, we're ultimately failing them. State programs that make the school and its students equally accountable are the key to increasing graduation rates in the long run.

Furthermore, as an increasing number of states and universities look to address student retention as a national issue, others may be left behind. To remain on the cutting edge – and ahead of the competition – every university should look toward a comprehensive retention plan.

While shifting focus to retention planning can be initially difficult for many schools, the long-term gains outweigh the short-term challenges. Once plans are formulated, and retention rates are affected, funding can change from its base in enrollment toward current student retention.

Just as every state has a unique funding formula for higher education, every institution should have a customized plan to address its student retention challenges. As the national microscope continues to focus on student retention rates, Hobsons can ensure that schools have a plan tailor-made for its needs... and that they aren't implementing it alone.

Retention strategies can be complicated, but we have a comprehensive suite of solutions that have proven successful for any type of institution. Call our professional retention strategists at (800) 927-8439 to find out how many ways retention pays!