

## HOW TO COLLECT DATA AND ENTER IT INTO TOOL

### ENROLLMENT RETURN ON INVESTMENT (ROI) WORKSHEET

Understanding your return on enrollment investments will help you determine how much to spend on marketing and retention efforts. Often camps underestimate their ROI, and therefore under-invest in recruitment and retention efforts. Below is a simple method to estimate return on investment in enrollment. Make sure to adapt assumptions and numbers to your camp. Don't spend too long on any one calculation as you can always do this in more depth after the conference.

Issue to Address	Illustrative Response	Your Camp's Answer
1. What is your camp's tuition for a session?	(A) \$3,500	
2. What percentage of tuition is paid, on average, after taking into account financial aid, early bird, sibling and other discounts?  What is the net tuition? (A) – (B)	(B) 20% or \$700  \$2,800 (\$3,500-\$700)	
3. What, on average, are your camp's out of pocket costs for say a new camper for a session?	Food - \$350 Arts and crafts - \$50 Other supplies - \$100 Transportation - \$100 Other - \$200  (D) Total - \$800	

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<p>4. What are average counselor costs per camper for a session?</p> <p>Assume, conservatively</p> <ul style="list-style-type: none"> <li>• 2 counselors at \$600 per session for salary totaling \$1,200 and \$500 for each for food and other expenses for \$1,000 or \$2,200 for 10 new campers or \$220 per new camper</li> <li>• 1 specialist at \$1,800/session for salary and \$600 for expenses per 30 campers or \$80 per new camper</li> <li>• kitchen, maintenance, senior management, admin and other staff at \$3,000/30 campers per summer or \$50/session and \$50 for expenses for \$100 per camper</li> <li>• total of \$400 per new camper.</li> </ul> <p>You may wish to adjust upwards or downwards to reflect that staff expenses would not be incurred for small increases</p>	(E) \$400	
<p>5. Assume the worst case that an extra cabin is required at \$100,000/10 campers or \$10,000/camper and is financed at 6% or \$600 per year or \$60/camper or \$30/session plus \$20/camper/session for maintenance. (Assumes fundraising will raise principal)</p>	(F) \$50	
<p>6. Conservatively assume financing of other capital expenditures (e.g., septic system, bathrooms) per camper. Adjust as you see fit. (Assumes fundraising will ultimately raise principal)</p>	(G) \$50	
<p>7. What are total costs per camper per session? (D)+(E)+(F)+(G)+(H) = (F)</p>	(F) = \$800+\$400+\$50+\$50 = \$1,300	
<p>8. What is net income per camper/session (B)- (F) = (G)</p>	\$2,800-\$1,300 = \$1,500	
<p>9. What is your camp's average retention rate</p>	78%	
<p>10. What is your average number of camper years? As a rule of thumb, for 70% retention, assign 3 and for every percentage increase add .1% so that 75% would be 3.5 and 80% would be 4</p>	(H) 78% = 3+.8 = 3.8	
<p>11. What is your life cycle net income per camper. Multiply Row 4 x Row 6. This is quite conservative and doesn't account for campers shifting to the full summer over time.</p>	(I) \$1,500 x 3.8 = \$5,700	

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<p>12. What is the average number of session referrals per new/retained camper. This could be siblings, family members, friends. Conservatively, assume slightly more than 1. This does not take into account referred campers shifting to the full summer.</p>	(J) 1.2	
<p>13. What is net income from referrals (Row 8 x Row 7) (I) x (J) = (K)</p>	(K) = 6,840	
<p>14. What is total net life cycle income expected per additional new/retained camper per session. This includes the camper (I) plus any referrals (J) (I) + (K) = (L). <i>Remember this is only a per session calculation not for the entire summer.</i></p>	(L) \$5,700+\$6,840 = <b>\$12,540</b>	
<p>15. In other words, even if you invested less than half this amount – say \$5,000, it would make economic sense if the result was a new camper.</p>		
<p>16. How many new campers would a \$20,000 investment require for break-even?</p> <p>Note: The cash flow would come in over time. For example, in Year 1 costs would say be \$20,000 and return (say) 5 campers at \$1,300/ camper or \$6,500. In Year 2, there would be no further costs for this revenue stream and further revenue of say \$5,000 assuming some attrition. Say in Year 3, there would be a bit more attrition, on average, of say \$4,000 but referred campers amounting to \$5,000 for \$9,000. So <i>cash break-even would be three years</i>. And there would be an additional \$9,000 a year for the next several years – all stemming from the original investment of \$20,000.</p>	<p>\$20,000/(L) = \$20,000/\$12,540 = about 1.6 campers</p>	

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<p>17. What are the obstacles to using this analysis to increase your investment</p> <ol style="list-style-type: none"> <li>1- I don't believe it.</li> <li>2- We need to understand the analysis more, apply it more rigorously.</li> <li>3- The parameters don't apply to our camp. There really isn't a good return on investment.</li> <li>4- We don't have the cash to finance the first year where we have more costs than income.</li> <li>5- We aren't sure how to invest the dollars. (e.g., programming, marketing, recruitment etc.)</li> <li>6- We don't have enough time to focus on this.</li> <li>7- No obstacles – We are ready to study this more and act if the numbers are as they seem.</li> </ol> <p>18. How can you deal with these obstacles? What are the next steps?</p>		

## D. DEVELOPING YOUR OWN CASE FOR NEW ENROLLMENT INVESTMENT

One important use for this enrollment model is to make a compelling and rigorous case to your board and to funders in support of a new investment that will improve enrollment and retention. By adding your own data to the model, you will develop your case for investment.

- To whom?
- For what? (preliminary)
- How much?
- Enrollment impact
- Financial impact
- Data, formats, visuals?
- Other talking points?