

EXHIBIT 184

To: Dean Rakesh Khurana
From: Erin Driver-Linn
Re: Harvard College Projects from the Office of Institutional Research
Date: May 30, 2014

Following up on our conversation in April, this memo highlights the Harvard College-related work the Office of Institutional Research has done since my tenure began in the office. This work is typically done at the request of President Faust or for particular leadership audiences at the College and FAS, such as for Dean Fitzsimmons. Below, we provide an overview of our work in three categories: Admissions and Financial Aid Policy, Student Achievement at Harvard College, and Student Outcomes at Harvard College. The materials for each project are included in the accompanying packet.

Admissions and Financial Aid Policy

The Office of Institutional Research has supported decision-making around admissions and financial aid at least since the introduction of the Affordability Initiative in 2007. Our office has conducted analysis, and prepared materials for internal discussion among leaders in Mass Hall and University Hall, as well as for presentation to the Corporation. On all of these policy questions, we collaborated closely with Dean Bill Fitzsimmons and Director of Financial Aid Sally Donahue to understand the climate and nuances of the data, but brought an external perspective to these questions around access and affordability. We have enclosed three sets of materials related to this work:

- Analysis for the Affordability Initiative
- The Elimination of Early Action
- Changes to Harvard's Financial Aid Policy (Memo and Exhibits)

We have also supported President Faust and our colleagues in Admissions and Financial Aid in their goals to articulate the narrative around access and affordability at the College for public audiences. This work includes a speech and presentation President Faust delivered to the Harvard College Fund Assembly in 2009, and an exhibit we put together more recently:

- Harvard's Continuing Tradition of Financial Aid
- A decade of Access and Affordability (an exhibit)

Over the past year we provided analysis for the Corporation's Finance Committee in regard to their discussions of the relationship between the College's Financial Aid policies and yield rates. This question continues to be of interest and is a project we will work on further over the summer and fall of 2014.

- Selected Slides: Yield rates by Income.

Student Achievement at Harvard College



Student Outcomes at Harvard College



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This covers the significant projects our office has undertaken related to Harvard College. There are a handful of other projects related to topics such as the experience of athletes that we have not included. As noted above, we have several potential projects related to the College in the pipeline for this next year. There may also be a rich data source in Harvard College student uses of Canvas and the HarvardX platforms.

We look forward to scheduling a time to discuss all of these past and potential future projects and to helping support you as relevant and appropriate in your leadership of the College.

Memorandum

To: Members of the Corporation
From: Drew Faust and Mike Smith
Subject: Proposed Changes in Admissions Policy
Date: February 2, 2011

Following up on the analysis and discussion at the January 10 Corporation meeting, we write to request your approval for a restoration of non-binding, single-choice early action as an element of the Harvard College admissions process. This memorandum, together with accompanying attachments, sets forth:

- The specific form the new early action would take, the timeline for its implementation, and the shape of the revised admissions cycle;
- The context for this request, in terms of history and peer practice, and in relation to our decision in 2006 (effective fall of 2007) to eliminate early action in favor of a single admissions cycle;
- The reasons for our judgment that a return to early action is in the best interests of the College and consistent with broader policy goals;
- The mechanics of “new” early action, options considered, and reasons for recommended approach;
- The elements of an enhanced recruiting program to ensure that the return to early action remains true to our goals of access, opportunity, and excellence across the admissions cycle; and,
- A draft press release to give a sense of how we will aim to position this decision with our own constituencies and the broader public.

Recommended Action

The Structure of the Proposed Early Action Program

We recommend a return to a single-choice, non-binding early action program for this coming fall (2011) (see *Exhibit 1: Early Admission Programs – Models and Peer Practices*, and *Exhibit 2: Range of Admission Process Options*). This program would be similar in structure to the early action program in effect at Harvard until 2007, but would be accompanied by an enhanced recruiting and outreach program designed to ensure that our goals of access, opportunity, and excellence are served aggressively across our admissions cycle.

The proposed early action program would be structured as follows:

- Students would apply by November 1 and be notified by December 15 of a decision to admit, deny admission, or defer their application for further consideration in the regular decision cycle.
- Students may not apply to other colleges under early action or early decision programs. Harvard will withdraw any offer of admission to a student who does so.
- Students may apply simultaneously to any college under regular decision programs.

The Overall Admissions Cycle

With a return to early action, we would maintain the current “regular decision” deadlines, which require that students apply to Harvard by January 1, are notified by April 1, and have until May 1 to decide about matriculation (see *Exhibit 3: Overview of Proposed Total Admissions Cycle at Harvard*). As noted, because our proposed early action program would be non-binding, all students would have until May 1 to make their decisions.

In the period between the early action and regular decision notifications, we would plan to send more “likely” letters to top candidates who miss our early action deadline but are certain to be admitted on April 1. (See *Exhibit 4: Sample “Likely” Letter*.) These will include students from modest economic backgrounds whose inadequate high school counseling caused them to miss our November 1 deadline. But it would also include candidates from all economic backgrounds who bring the kinds of excellence that Harvard and other selective colleges seek.

Finally, we will continue to maintain a waiting list for applicants from the regular admissions cycle (including early applicants “deferred” to regular admission on December 15), admitting those students on a space available basis between May 1 and July 1.

Context for Current Recommendation

Early Admissions at Harvard: History and Peer Practice

The Ivy League first introduced a formal early admissions program in 1977 (Class of 1981), and some form of early action admissions was employed by Harvard College from that date until we eliminated the program in 2007 (Class of 2011). The landscape of early admissions has evolved over time, with changes made in the policies of our closest peers, and with different forms of early action in effect at the College (see *Exhibit 5: History of Early Admissions at Harvard*). Over this period, early applications increased faster than regular applications, reaching a peak in 2003 at 36% of total applications. In 2004, Harvard moved to single choice early action, controlling the number of early applications received. Harvard has never had an early *decision* program (binding)—based on the principle that it is important that students be able to apply to other colleges, compare financial aid packages and make a more informed choice in May, rather than October, of their senior year.

The Decision to Eliminate Early Action

In 2006, the Corporation voted, with the support of FAS Interim Dean Jeremy Knowles and Interim President Derek Bok, to eliminate early action as a part of ongoing efforts to expand access and affordability. (See *Exhibit 6: Press Release, September 12, 2006*.) President Bok outlined the following reasoning for the decision: “The college admissions process has become too pressured, too complex and too vulnerable to public cynicism. We hope that doing away with early admission will improve the process and make it simpler and fairer.” (See *Exhibit 7: The Decision to Eliminate Early Action in 2007*.) Specifically, our goals were to:

- Simplify admissions for Harvard and for elite higher education more broadly;
- Eliminate the perceived admissions advantage from applying early;
- Extend the fall recruiting period, allowing Harvard to engage underserved students more intensively in the fall; and

- Reinforce Harvard's message regarding access and affordability.

Our thinking in this regard was informed by research showing that early action was being used increasingly by institutions to bolster yield and boost college rankings. Meanwhile, sophisticated students and their parents looked to early decision and early action to increase their chances of admission to selective (and not-so-selective) institutions, because it was understood that the chances of admission were better for early applicants. Research had also demonstrated that early admission programs favored students from more privileged backgrounds, with access to college counseling that provided stronger guidance through the college application process. Early admission programs also distorted the secondary school experience, placing pressure students to make a highly consequential choice prematurely.

Finally, during the early 2000's, certain of our Ivy League peers, most notably Stanford and Yale, had responded to growing concern about the distorting impact of early programs with a move from their long-standing, binding early decision programs to non-binding, single choice early action on Harvard's model. Thus, it seemed worth exploring whether, as part of our broader access agenda, we could use our leadership position in higher education to influence key peers to abandon it altogether.

An "Experiment" from the Outset

Understanding that our agenda of simplifying admissions from the student's point of view would only work if key peers followed suit, and understanding, further, that if they did not we might face increased competitive pressures for top students, we announced the elimination of early action as a pilot program. After laying out the plan to eliminate early action, our initial press release specified that: "Harvard will commence the unitary system with a two- to three- year trial period so that it can monitor the impact of this change and make sure that it does not have a negative impact on student quality" (*See press release, Exhibit 6*). As Dean Fitzsimmons put it in the same announcement, "We have always felt that early action avoids the most troublesome aspects of binding early decision while preserving the original aim of early admission – providing students with early notification of admission without binding those who change their minds later in the process.... If, after several years with a single admissions deadline we find ourselves needing to reinstate early admission to improve the quality of our student body, we will return to early action" (*see press release, Exhibit 6*).

Reasons That We Recommend a Return to Early Action

We recommend a return to early action for three main reasons. First, the "public policy" dimension of our experiment – to simplify the admissions process from the student point of view – did not succeed, as only Princeton and UVA joined us in eliminating early action (*see Exhibit 8: Summary of Results from the Early Action Experiment*). Thus, a given student arguably faces greater, rather than less, complexity in deciding how to how to navigate the admissions landscape in which Yale and Stanford offer an early option and Harvard and Princeton do not.

Second, since 2007, the trend toward early admissions has intensified, rather than diminished, as uncertainty about the future arising from the economic downturn has created greater anxiety about applying for college. (*See Exhibit 9: Early Applications to All COFHE Schools*). More than ever, students and their families are anxious to seek the best and most affordable options for higher education. This anxiety has led record numbers of students to apply to college both regular decision and early, and college counselors often respond by encouraging students to apply early in order to ensure a spot in a

selective college. At some of Harvard's most productive "feeder" high schools, for instance, up to 90% of students apply early somewhere. By not offering an early admissions option, therefore, Harvard has placed itself at odds with trends in the market.

These forces are visible in admissions results for some of our most desirable students – academically-well prepared first generation, under-represented minority, and low income students, and top students from across the income spectrum who seem to want an early option. A careful review of admissions results since the end of early action demonstrates that although Harvard has seen a rapid increase in the number of applications it receives, and yield rates have held up remarkably well overall, yield rates have declined meaningfully among some of the most talented and desirable students (*see Exhibits 10-12: Changes in Yield Rates*). While our "win rate" is still strong against key peers, it has been declining (*see Exhibit 13: Admissions wins versus Yale, Stanford and Princeton*). Some of this decline may be among cross-admitted students, who are admitted early to our peers and are then the target of aggressive recruiting strategies. In addition to these students, we do not know how many students are admitted through early programs elsewhere and therefore never apply to Harvard.

Of particular interest given the rationale for eliminating early action, our Admissions office is becoming increasingly concerned that not having an early admission option is causing us to lose some of the most academically talented and prepared low-income and underrepresented minority students. Our new financial aid initiatives have attracted large numbers of low-income students from among the better public and magnet schools, schools in more mixed-income districts, and affluent public schools with bussing options, voluntary open enrollment, or small low-income pockets in their communities. In fact, many of our low-income and minority students come from our top "feeder" high schools (*see Exhibit 14: Top High Schools Sending Low Income and Minority Students to Harvard*). Furthermore, many of the best private secondary schools have, like Harvard, provided financial aid to needy but promising students. As a result, many private schools are considerably more diverse economically and ethnically than many public schools given the real estate prices in affluent towns. Increasingly, these students are counseled to apply early to their top choice program to better their chances of admission. This trend was beginning to manifest itself in the years immediately before we eliminated early action resulting in increased diversity among our early applicants and an early pool that looked more like regular admissions pool, and it has likely continued since we eliminated early action. (*See Exhibit 15: Diversity of Harvard's Early Applicants and Exhibit 16: Diversity of Harvard's Early and Regular Applicants.*)

These concerns – the failure to instigate a policy change among our peers, the increasing demand from students for an early admission option, and the decline in yield among the most desirable students, including talented low income and underrepresented minority students – have led us to the conclusion that Harvard should reintroduce early action. Not to do so potentially puts at risk not only our access to top minority students and the best students eligible for the low and moderate-income component of the Harvard Financial Aid Initiative, but also our competitive position with regard to the very best candidates from all economic backgrounds. All of these exceptionally talented students – whether minority, low income, or privileged – help to ensure Harvard's pre-eminence in the Putnam Math Contest, the Rhodes and Marshall competitions, and the production of great performers, athletes and public leaders.

Rationale:

- ✓ Simplify admissions for Harvard applicants and more broadly
- ✓ Eliminate the admissions advantage from applying early
- ✓ Extend the fall recruiting period
- ✓ Reinforce Harvard’s message regarding access and affordability

Results:

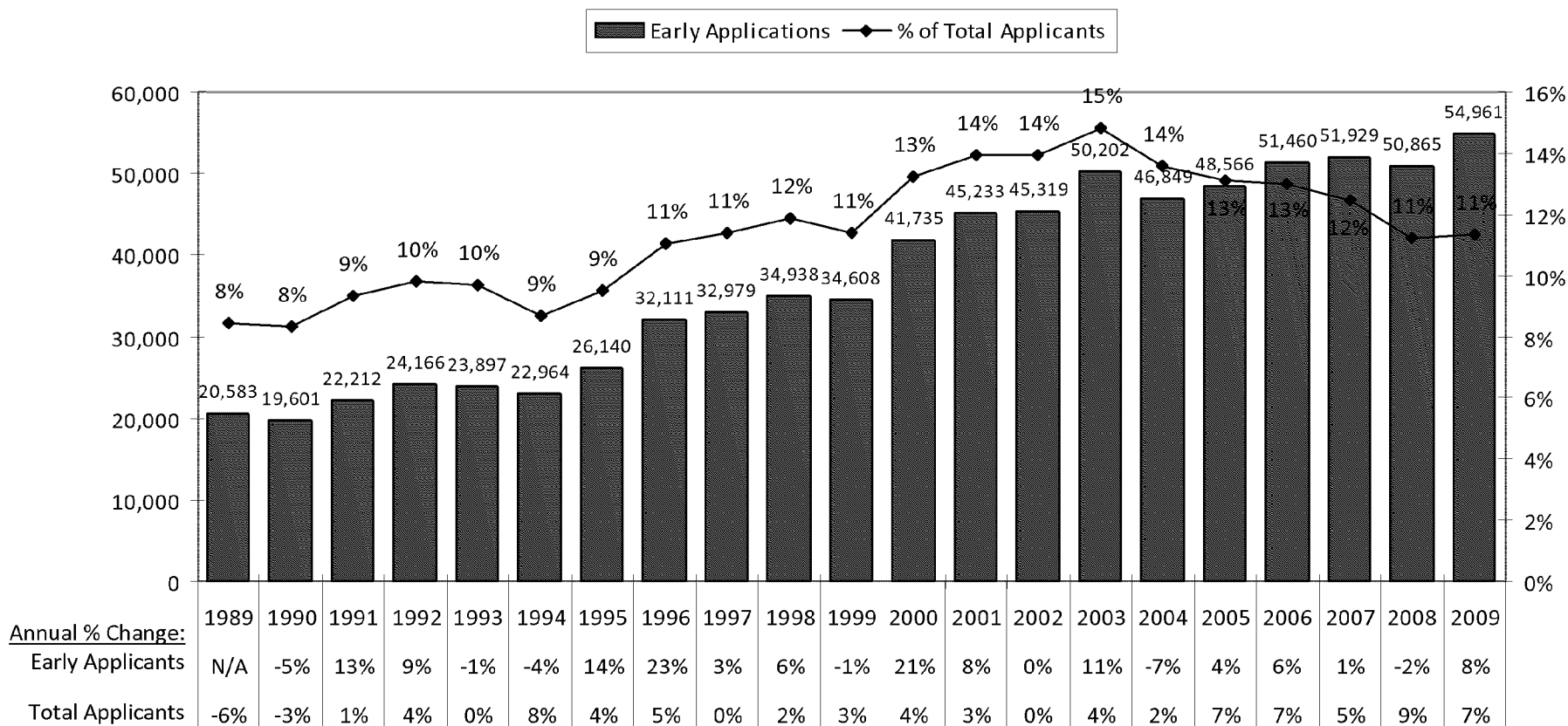
- Increased applications from all types of students
- Improved recruiting timeline and mechanisms for engaging with previously underserved students
- Higher education did not change with us
 - Princeton and UVA were the only institutions to join us
 - Stanford and Yale maintained early action to their competitive advantage
 - UVA announced in December 2010 a move back to early admissions
 - The current economic and social climate has pushed institutions to further rely on their early action programs
- Declining yield rates, especially among targeted populations—those with high academic and extracurricular ratings, and under-represented minorities

Exhibit 9: Early Applications to All COFHE Schools

PRELIMINARY DRAFT

- Early applications to COFHE institutions have increased almost every year since 1989
- At most, early applications represented 15% of total applications (in 2003). In recent years, early applications as a percent of all applications has declined.

Number of Early Applications and Early Applicants as a Percent of Total Applicants to All COFHE Schools, Entering Fall 1989 to 2009



Recent results:

Stanford and Duke have seen record early applications for the Class of 2015, while MIT, Georgetown, and Penn have all had substantial increases over last year. Early applications to Yale are even with last year.

↑
Last class at Harvard and Princeton with early admission

Source: Office of Admissions

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Effect on recruitment. It is worth noting that both academic and athletic preparation are positively correlated with income. Thus, while many varsity recruited athletes do not apply for aid, those who do are typically in the upper income bands (above \$180,000). Likewise, while many of our most academically prepared students (those students who receive the top admissions academic rating of “1” or “2”) do not apply for aid, when we look across the aided population, we see that a larger share of students from incomes between \$150,000 to \$200,000 attain ratings as academic “1s” or “2s” than do those in lower income bands (although it is worth noting that this is a relatively small group compared to the absolute number of academic “1s” and “2s” who are low income or not on financial aid). As mentioned earlier, the Affordability Initiative improved yields for students in these income ranges. We may find that increasing the parent contribution using either strategy will have an effect on yield. However, the reintroduction of early action may somewhat mitigate that effect.

The Impact of the Calculator. The financial aid or net price calculator poses a challenge for all institutions. It is meant to provide greater clarity to families regarding the costs of sending their child to a particular college. In order to encourage students to apply, the calculator needs to be specific enough in the information it asks for to provide families with accurate calculations. On the other hand, asking for too much information may deter a student or family from using the calculator or applying at all.

Harvard’s approach to the calculator is to make it as simple as possible in keeping with our “bright line” approach to financial aid. After an appropriate disclaimer about the intention of the calculator, it requires only a few pieces of information to provide a policy-based estimate of a family’s net price. The simplicity will allow families to make minor changes (\$5,000) to their income and assets and easily see the impact on their net price. We imagine that families and others, including general members of the public and the media, will test the calculator’s boundaries.

Impact on Campaign Fundraising. UDO and FAS fundraisers have noted in recent years that some alumni have commented that they feel the current policy is overly generous to families in the higher income ranges. On the other hand, to others, pulling back on financial aid could stand as a visible qualification of our narrative about access and affordability, placing an asterisk alongside one of Harvard’s most compelling storylines. In fact we have no real data with respect to broadly held donor opinion. There are doubtless those who would be more likely to support an industry-leading commitment upheld even in the face of the financial crisis than a set of policies we are adjusting. There are also those who feel we’ve been too generous, and those who would see the optimal solution as one that sustains a robust financial aid program but also responds to fiscal realities with respect to trade-offs and sustainability.

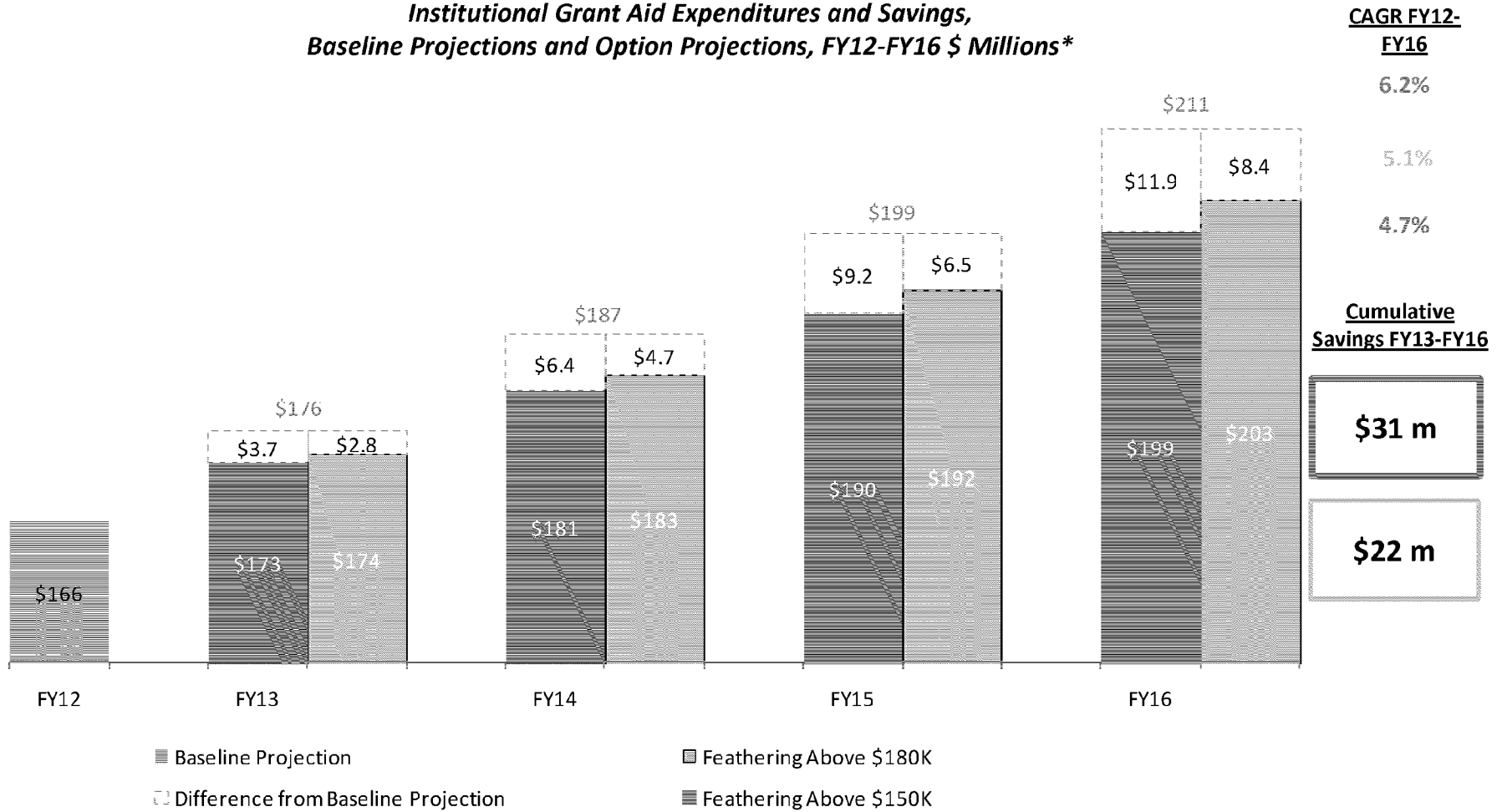
Public Impact and Press Strategy. As noted, whether or not we decide to make a public change to the income ceiling, we will have a “public moment” with respect to financial aid policy when we put up the calculator in August. We and all of our peers are on the same admissions cycle, so it is likely that we will see various calculators going up over the next six weeks. (As noted, Princeton and Stanford already have calculators. Yale had one, but pulled it down.) It is also likely that interested press will spend some time exploring the differences in both mechanics and net price. Coverage of recent Department of Education lists, despite flawed methodology, reinforces press interest in the cost issue, and there has been a growing interest in popular media about the “value” of a four year residential college experience relative to the cost.

Under the circumstances, it seems reasonable to tie any announcement about public changes in our policy to the launch of the calculator, not least because the website of the Office of Financial Aid links to

Projected impact of feathering options on grant aid expenditures and savings, FY12-FY16

PRELIMINARY DRAFT

**Institutional Grant Aid Expenditures and Savings,
Baseline Projections and Option Projections, FY12-FY16 \$ Millions***

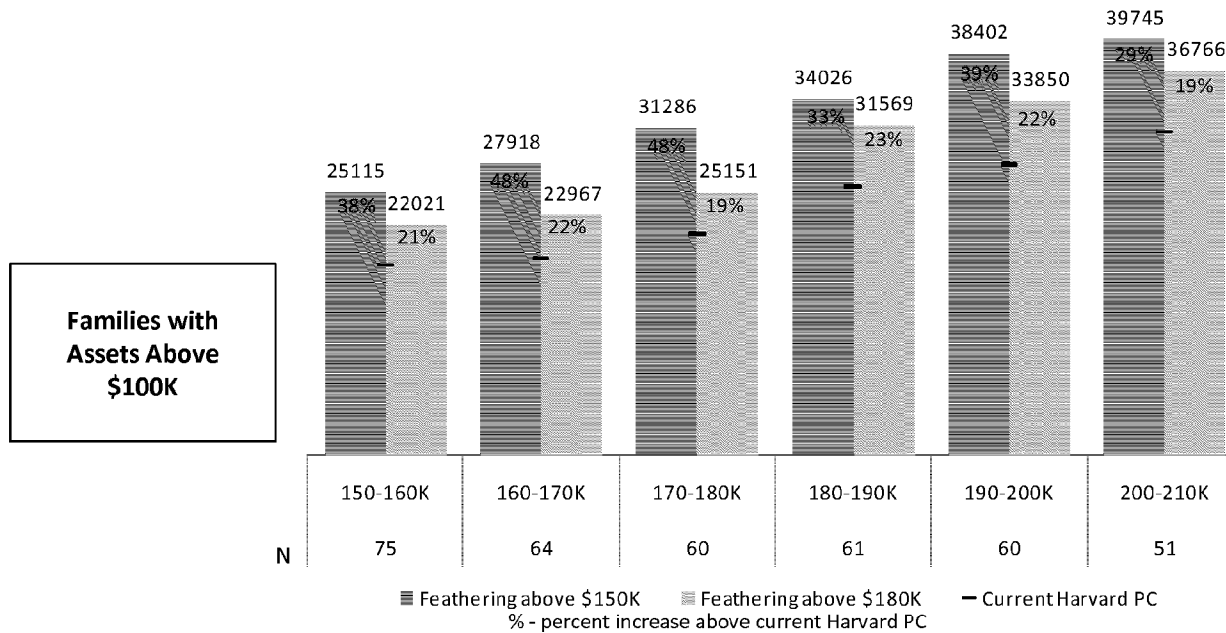
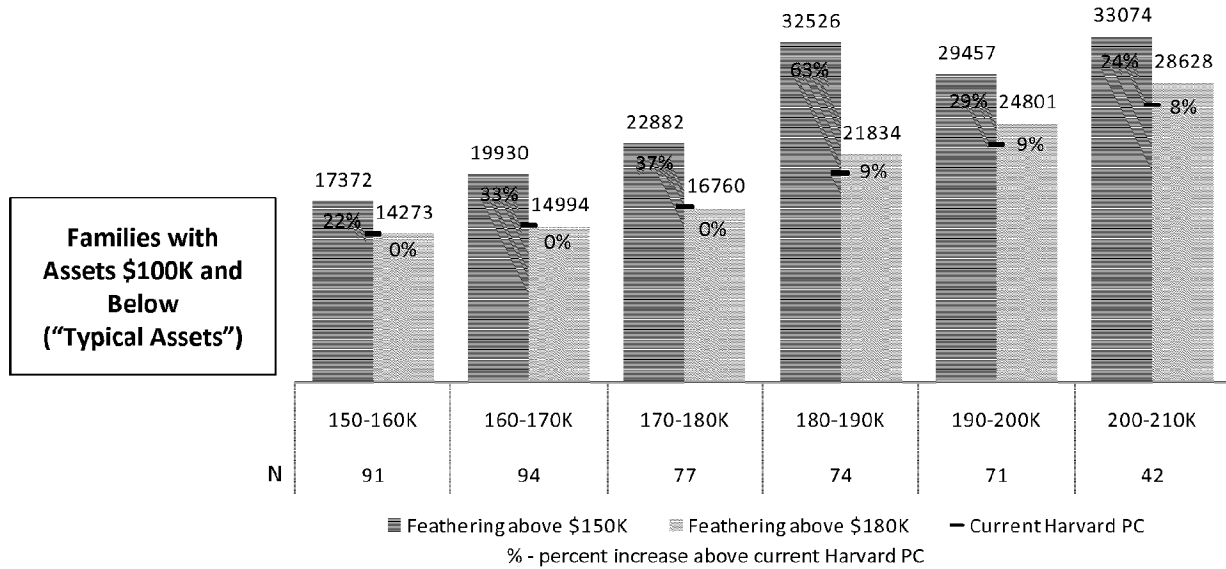


- In FY16, policy changes would be fully implemented across all classes
- Additional student contribution increases would further reduce expenditures
- In years following FY16, increases in grant aid expenditures would be mainly driven by changes in the cost of attendance, percent of students on aid and their financial profile

*Assumptions used for Projections: 1% annual growth in the number of financial aid students; COA increases 3.8%; 4% annual growth in books and travel costs; no family income growth.

Projected impact of feathering options on parent contribution, FY13

FY13 Parent Contributions for Families with Incomes Between \$150-210K Under Two Options* and Asset Categories



Other factors to consider regarding parent contribution:

30% of families at Harvard have more than one child attending college.

60 families at Harvard have two students enrolled at Harvard.

In-state tuition and fees at top-tier public institutions run between \$10K-\$15K

* Projections use FY11 aid packages for aided students in the Classes of 2014, 2013 and 2012, and preliminary FY12 aid packages for the Class of 2015.

Exhibit 10: Changes in yield rates – Since 2007 (the last class with early action)

PRELIMINARY DRAFT

- The yield rates for all applicants have declined since the end of early action.
- However, the yield rates for all applicants since the end of early action are higher than the yield rates for regular applicants before the policy change.

Yield Rate by Application Type, Entering Fall 2003 to Fall 2010

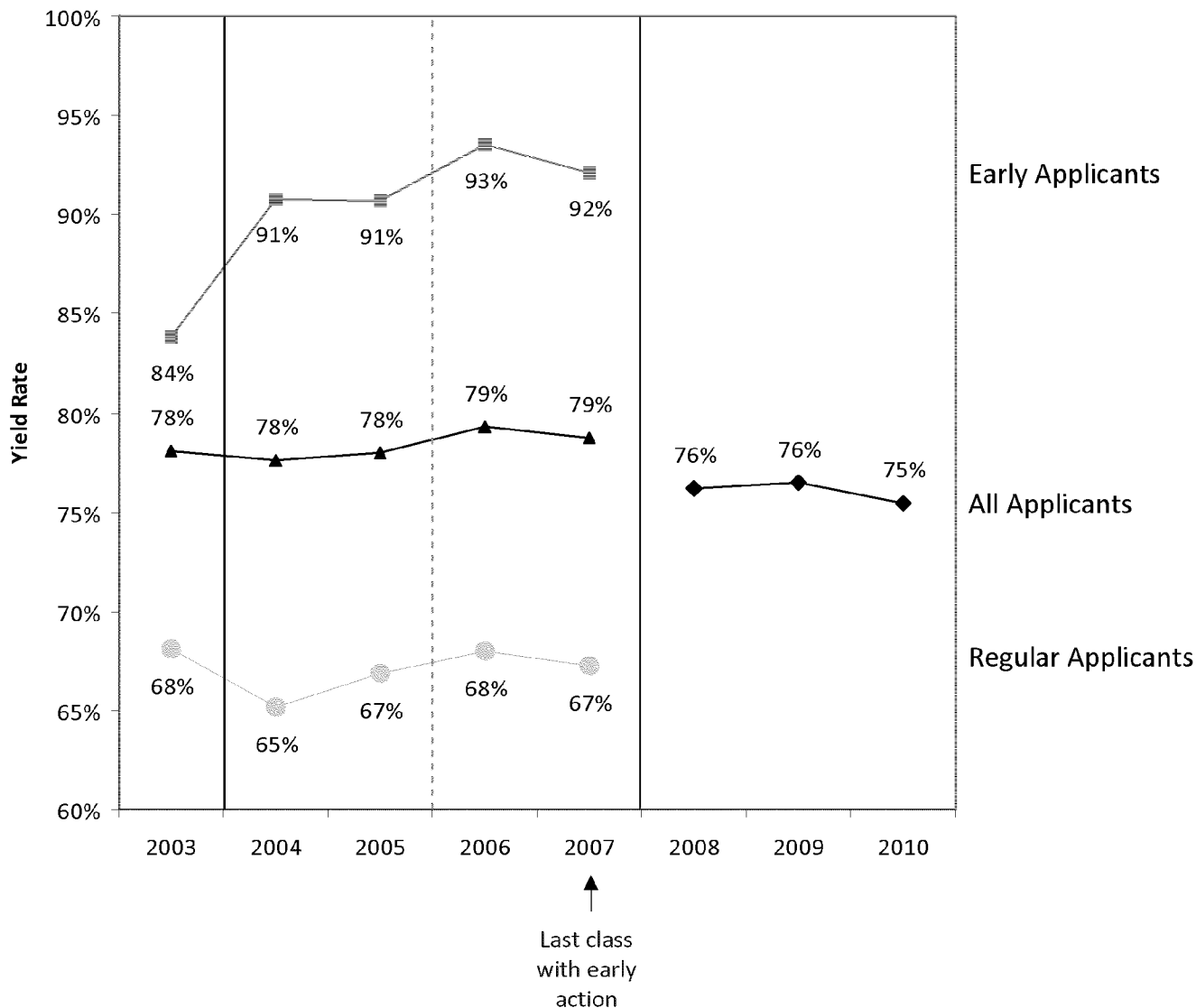
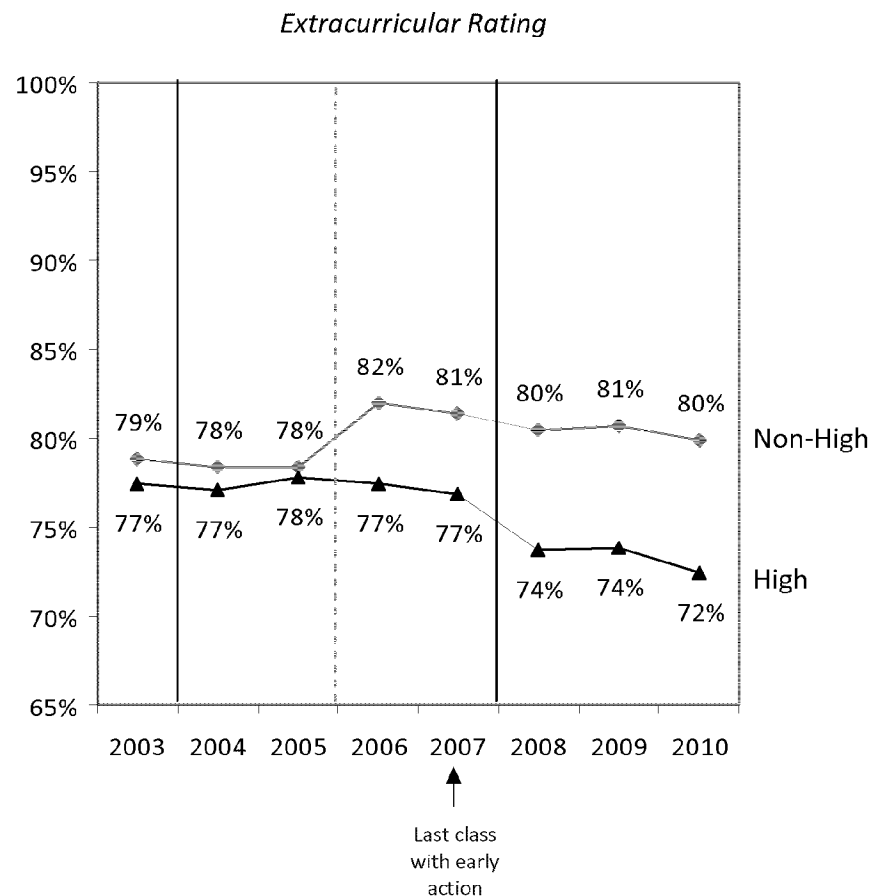
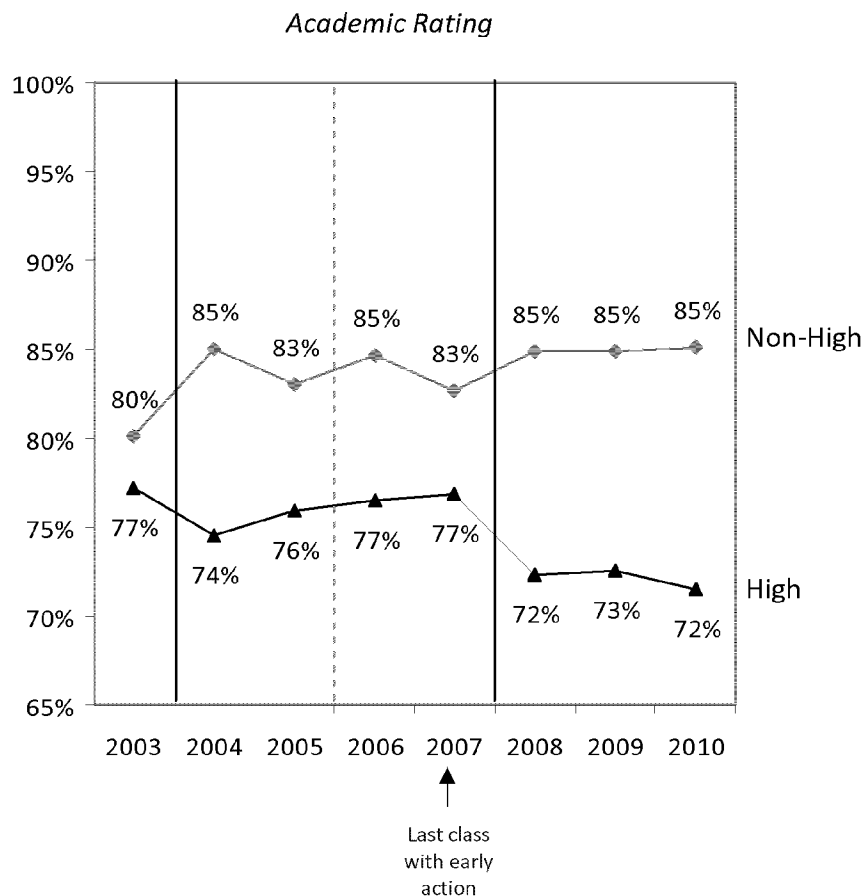


Exhibit 11: Changes in yield rates – By academic and extracurricular rating

- The yield rate gap between the most high rated (as measured by academic or extracurricular rating) and all other students increased after the end of early action.

Yield Rates by Academic and Extracurricular Ratings¹, Fall 2003 to Fall 2010



1. "High" indicates a rating of 1 or 2. Non-high are students with all other ratings.

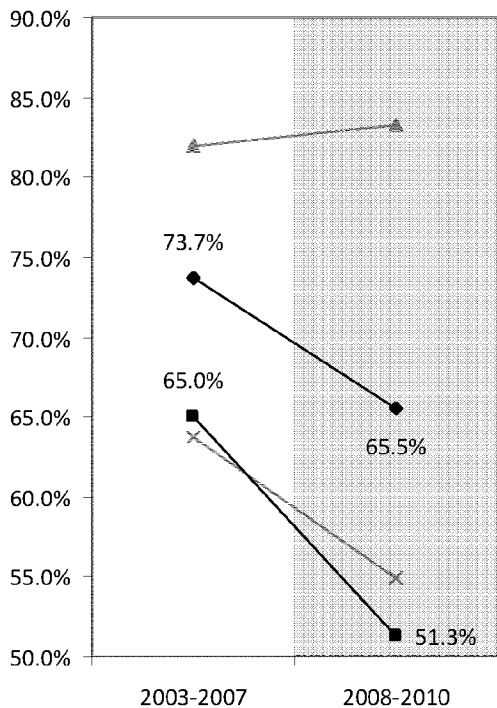
Exhibit 12: Change in yield rates – By academic and extracurricular rating and race/ethnicity

PRELIMINARY DRAFT

- Yield rates for the most highly rated Hispanic, Black and white students declined after the end of early action.
- Yield rates for all Hispanic and white students declined after the end of early action.

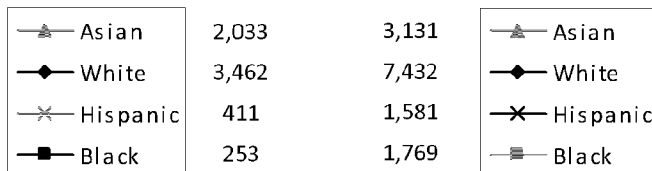
Yield Rates by Race Ethnicity, Fall 2003 to Fall 2010

Students with High Academic and Extracurricular Ratings



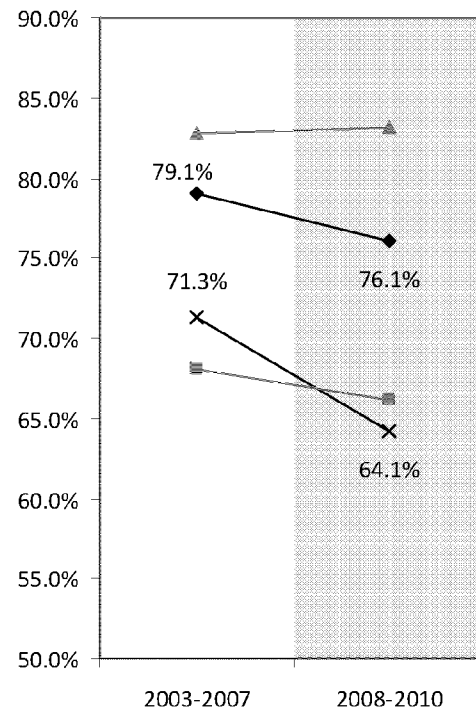
Number of Admits

| | High Ratings | All Admits |
|----------|--------------|------------|
| Asian | 2,033 | 3,131 |
| White | 3,462 | 7,432 |
| Hispanic | 411 | 1,581 |
| Black | 253 | 1,769 |



Ethnicities with statistically significant changes marked in crimson

All Students



URM Yield Rate

64.5% 54.5%

69.6% 65.2%

Source: Office of Admissions and Financial Aid. "High" rating indicates a rating of 1 or 2.

