



UNDERGRADUATE BUSINESS PROGRAM

PROGRAM EXPANSION

JANUARY 2018

KENAN-FLAGLER BUSINESS SCHOOL | *The* UNIVERSITY of NORTH CAROLINA *at* CHAPEL HILL

Problem

- UNC Kenan-Flagler has a great undergraduate program.
- Unfortunately, we turn away too many qualified applicants.
- We want to maintain quality, increase access, and improve services.
- Unfortunately, we operate the program at a deficit, which will only increase if we expand the program without additional funding.

Proposed Solution for a Break-even Expansion

- Increased donations from alumni specifically for the undergraduate program.
- Proposed Student Fee
 - \$1,000 / semester for majors, beginning next fall
 - \$500 / semester for minors , beginning next fall
 - School will provide monies to cover fee for students receiving financial aid

End Result

- The program grows steadily until undergraduate student body expands by 50% (from ~800 today to ~1200 in FY26)
- By FY25, Student Fee would be:
 - \$2,000 / semester for majors
 - \$1,000 / semester for minors

Expansion Means

More:

- Faculty
- Staff
- Student Programs/Support
 - Career and Academic Services
 - Study Abroad Options
 - Technology-Enhanced Learning

Eventually a New Building

A Fee Increase is a Last Resort

- We can't expand prudently without additional funding.
- We are the only public school among the Top 25 business schools without undergraduate school-based tuition or fees.
- Even with the new fee, we would remain the least expensive undergraduate public business school in the Top 25 (all tuition + fees).

Executive Summary:

UNC Kenan-Flagler’s Program Expansion Fee (“PEF”)

UBP Student Profile

	Major	Minor
FY17	700	100
Median GPA	3.73	3.55
Median SAT	1380	1380

“UBP” = The Undergraduate Business Program at UNC Kenan-Flagler

“FY” = Fiscal Year

Impact on NC

- An **incremental 378 NC Resident** upperclassmen would gain access to the UBP in a given academic year
- UBP alumni **work in and/or return to NC** for successful careers to hold prominent positions (2)
- While 33% of the Class of 2010 started working in NC, 51% of that class were working in NC as of 12/31/15 (2)



Proposed PEF Implementation/Enrollment Growth

	AY 17-18	AY 18-19	AY 19-20	AY 20-21	AY 21-22	AY 22-23	AY 23-24	AY 24-25	Steady State
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Business Majors (juniors & seniors)	700	700	718	755	815	873	898	912	924
Business Minors (juniors & seniors)	100	100	105	116	130	161	207	247	276
Total Enrolled Upperclassmen	800	800	823	871	945	1,034	1,105	1,159	1,200
Cumulative Enrollment Growth	0%	0%	3%	9%	18%	29%	38%	45%	50%
Annualized Fee for Business Majors (1)	\$0	\$2,000	\$2,500	\$3,000	\$3,000	\$3,500	\$3,500	\$4,000	\$4,000
Annualized Fee for Business Minors (1)	\$0	\$1,000	\$1,250	\$1,500	\$1,500	\$1,750	\$1,750	\$2,000	\$2,000

ROI & Salary Comparisons



- UNC Kenan-Flagler Business Major’s (BSBA) average salary was **46% higher** than the average for majors other than BSBA at UNC (3)
- BSBA average salary was **26% higher** than the national average for business administration majors (4)
- BSBA grads achieve a **38% ROI** (on 4-yr Total Cost of Attendance, including PEF) vs. **31% ROI** for Non-BSBA (3)
- UBP grads would **earn back** their tuition & fees (after PEF) **faster than** any top-25 peer program & Non-BSBA at UNC (5)

Footnotes

- 1) Annualized amount proposed to be assessed to students who are enrolled in the UBP during each academic year represented
- 2) See Appendix Slide A
- 3) See Appendix Slide B
- 4) See Appendix Slide C
- 5) See Appendix Slide D



The quality of the Undergraduate Business Program has resulted in substantial benefits to its graduates and North Carolina

12,000 alumni in NC** 8,000 alumni outside NC**		Alumni Working in Fortune 500 Companies*	Alumni in C-Level Positions*	Alumni Holding CEO Positions*
	North Carolina	1,370	167	68
	Outside NC	900	326	117

*Based data as of July 2015 **Based on data as of Oct 2015

UNC Kenan-Flagler Undergraduate Business Program alumni consistently choose to work in and/or return to North Carolina for successful careers

Class	% Started Working in NC immediately after graduation	% Currently Working in NC
2010	33%	51%
2005	34%	48%
2000	43%	52%
1995	64%	66%



UNC Kenan-Flagler Generates Superior Career Outcomes Compared with Non-business Majors at UNC

CLASS OF 2014

Return on Investment (2014)

	UNC at Chapel Hill	
	Non-BSBA	BSBA
Average Starting Salary	\$41,287	\$60,429
Salary Disclosure Rate	11%	74%
Career Outcome Response Rate	63%	91%
Still Seeking	11.2%	6.0%
Four-year Graduation Rate	81%	95%

+46%

6.7x

1.4x

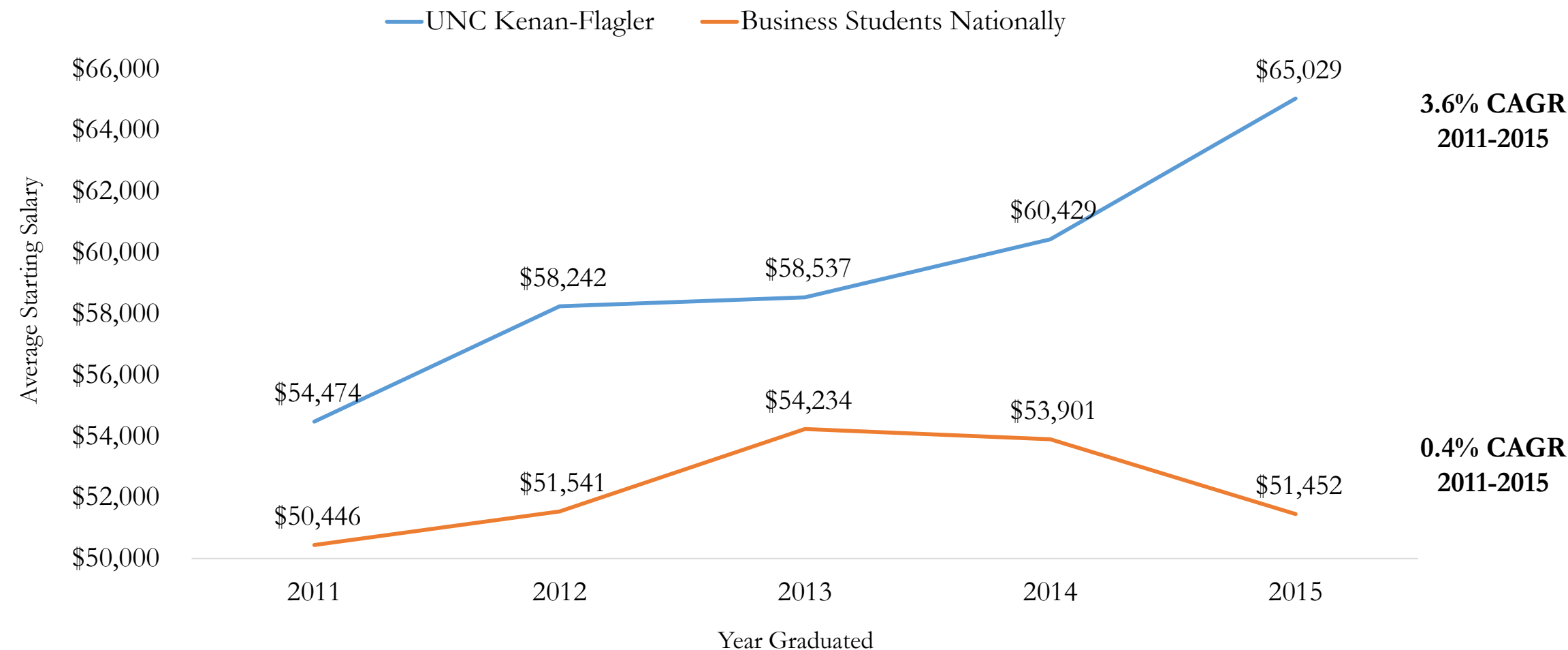


ROI for UNC BSBA*
38%

ROI for UNC Non-BSBA*
31%

*Return on Investment (ROI) calculated by finding the Internal Rate of Return (IRR) on the Total Cost of Attendance, assuming a 3% compounded average growth rate (CAGR) for starting salaries over a 45-year career.

UNC Kenan-Flagler Outperforms National Business Degree Salaries

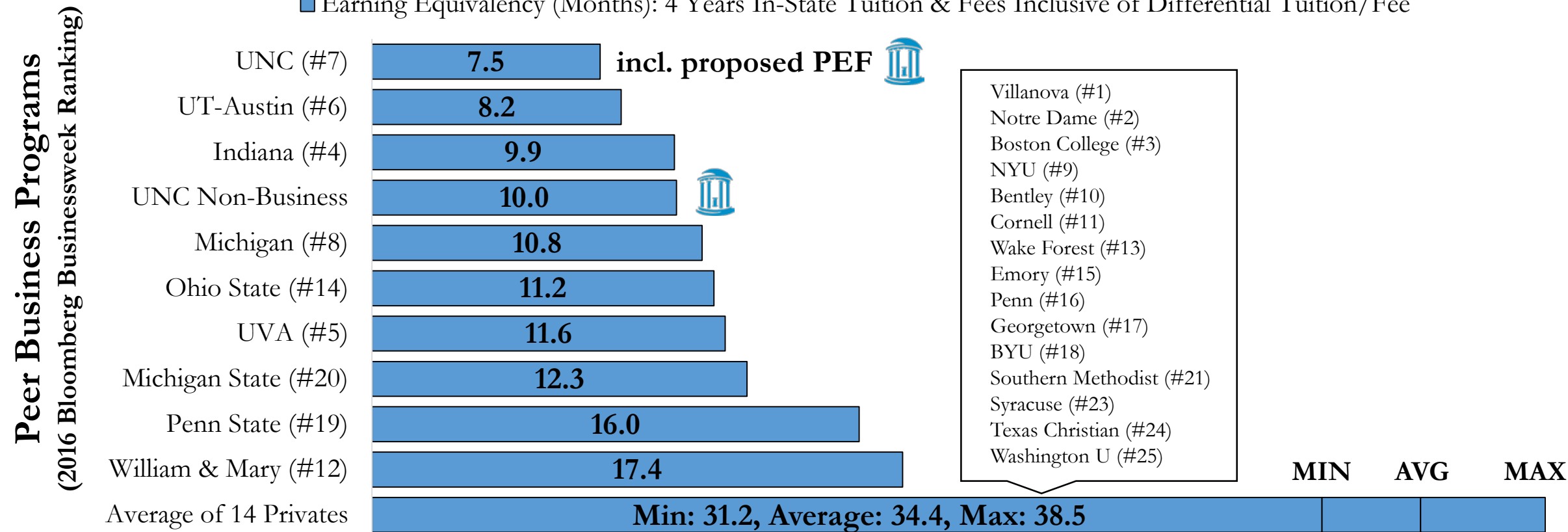


Source: National Association of Colleges and Employers (NACE) College Salary Survey Report

Even with PEF, UNC Kenan-Flagler graduates would still earn back their tuition & fees faster than the graduates of any other top-25 peer

No. of Months to Earn Tuition & Fees Among Top 25 Undergraduate Business Schools

■ Earning Equivalency (Months): 4 Years In-State Tuition & Fees Inclusive of Differential Tuition/Fee



Based on 2014 median starting salary for business program (except UNC Non-Business, which uses the 2014 average starting salary for UNC non-business majors) and 2013-2014 in-state tuition & fees held constant over four years—starting salary held constant during time horizon. Private average excludes Northeastern (#22)—salary data is unavailable—and Brigham Young University (#18), which has religious restrictions and unique funding allowing for \$5,000 annual tuition.

