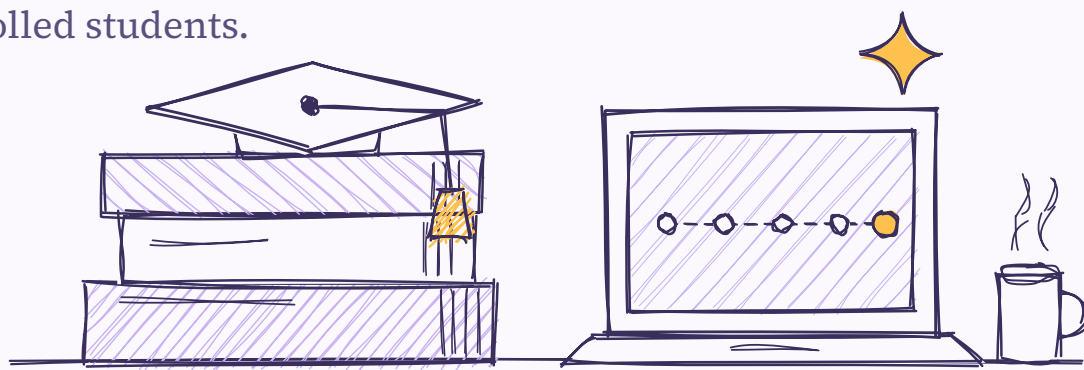


The master's squeeze.

How federal loan limits, falling international enrollment and household finances affect in-person and online master's programs in 2027, and how institutions can convert more inquiries into enrolled students.



A LEAD-TO-YIELD PATHWAY



◆ CHAPTER 1

The master's funnel in 2027

Master's enrollment fell 1.3% in spring 2026, to 2.0 million students, while doctoral enrollment held steady.¹ This paper looks at both ends of the funnel for in-person and online master's programs: how institutions generate new inquiries and applications, and how they convert them into enrolled students.



In fall 2024, 40.5% of U.S. postbaccalaureate students studied exclusively online, up from 32.6% in fall 2019.^{2,3} More of those students lived in a different state from their institution (653,688) than in the same state (614,789).² An online program competes with programs in other states. An in-person program competes with those online programs as well as its regional peers.

In a Pew Research Center study of March 2025 browsing data, Google users who saw an AI summary clicked a search result on 8% of visits, against 15% when no summary appeared.⁴ In a 2025 EAB survey of 8,106 current and prospective graduate and adult learners, 60% ranked cost as the most important factor in their enrollment decision.⁵ For a program that relies on search, that combination means fewer clicks where AI summaries appear, from an audience most of whom rank cost as their top factor.

Two-thirds of graduate students apply to more than one program, and 37% expect an immediate reply to an inquiry.⁶ Most institutions miss that standard. In a 2025 NAGAP–Liaison study, 62% of member institutions surveyed said they respond to inquiries within 24 hours; in the study's mystery shop of member institutions, 21% did.⁷ In a 2025 UPCEA study, 45% of 414 inquiries to graduate programs received no reply beyond an automated message.⁸ Among online and hybrid graduate students surveyed by EducationDynamics, 73% enrolled at the school that admitted them first.⁹

Inquiry response at NAGAP-member institutions, 2025

Said they respond within 24 hours
member survey

62%

Responded within 24 hours
mystery shop of member institutions

21%

Share responding to an inquiry within 24 hours.⁷

73% of online and hybrid graduate students enrolled at the school that admitted them first⁹

¹ National Student Clearinghouse Research Center. Final Spring Enrollment Trends, 2026, and press release. June 4, 2026. [nscresearchcenter.org · press release](https://nscresearchcenter.org/press-release)

² NCES. Digest of Education Statistics 2025, Table 311.15. Fall 2024, provisional data. nces.ed.gov

³ NCES. Digest of Education Statistics 2020, Table 311.15. Fall 2019. nces.ed.gov

⁴ Chapekis & Lieb. "Google users are less likely to click on links when an AI summary appears in the results." Pew Research Center, July 22, 2025. pewresearch.org

⁵ EAB. "Policy Shifts Put Graduate School Enrollments at Risk." December 4, 2025. n = 8,106. eab.com

⁶ RNL. 2025 Graduate Student Recruitment Report. Figures summarize RNL graduate student surveys over five years. ruffalonl.com

⁷ NAGAP and Liaison. The 2025 Graduate Inquiry Response Project Report. Researchers reviewed 422 member institutions' webpages. Copy hosted by Western Michigan University. wmich.edu · liaisonedu.com

⁸ Etter, West, Sullberg & Morelli. Enrollment Process Review: Secret Shopper Analysis. UPCEA, December 2025. upcea.edu

⁹ EducationDynamics. Engaging the Modern Learner: 2025 Report. Surveyed October–November 2024. educationdynamics.com

◆ CHAPTER 2

Federal loan limits for master's students

Public Law 119-21, signed July 4, 2025, and commonly called the One Big Beautiful Bill Act,¹⁰ set new limits on federal graduate loans starting July 1, 2026.^{11,12} Students who begin a master's program in 2027 borrow under them.

PROVISION	FOR A STUDENT WHO BEGINS A MASTER'S PROGRAM ON OR AFTER JULY 1, 2026
Grad PLUS	Not available ^{11,12}
Graduate programs	\$20,500 a year and \$100,000 in total, not counting undergraduate loans ^{11,12}
Professional programs	\$50,000 a year and \$200,000 in total, not counting undergraduate loans ^{11,12}
Lifetime limit	\$257,500, counting undergraduate loans and amounts repaid; excludes Parent PLUS ^{11,12}
Part-time enrollment	Annual limit reduced in proportion to enrollment below full time ¹³
Program-level limits	Institutions may set a lower annual limit for a program that applies to all its students ¹⁴

Students enrolled in a program on June 30, 2026 who had received a Direct Loan for it before July 1 can keep borrowing under the prior rules for up to three academic years: \$20,500 a year in Unsubsidized Loans plus Grad PLUS Loans up to the cost of attendance minus other aid.¹¹ Students who start in 2027 get no exception: outside professional programs, federal borrowing stops at \$20,500 a year, whatever the program costs.

In 2019–20, 21.9% of federal master's borrowers, about 190,000 students, borrowed more in a year than the new \$20,500 limit, by an average of \$21,660 in 2020 dollars.¹⁵ Of graduate borrowers above the new limits, 38% have credit scores below 670 or no score, which makes private loans harder to get.¹⁶

Which programs count as professional is in court. After a federal court stayed parts of the Department of Education's definition on June 24, 2026, the Department's interim list for 2026–27 treats several master's programs as professional, including nursing (MSN), physician assistant, occupational therapy and speech-language

pathology. Social work, public health, business and education remain at the graduate limits.¹⁷ Briefing in the consolidated cases is set to end December 4, 2026.¹⁸ Until the courts rule, those programs cannot be sure their future students will keep the \$50,000 limit.¹⁷

Under the part-time reduction, a student in a non-professional program enrolled at half the full-time load for a full year can borrow up to \$10,250.^{11,13} Schools do not have to apply it in clock-hour or non-term programs.¹³

From early 2027, the Department will compare the median earnings of each graduate program's completers with those of working adults aged 25 to 34 who hold only a bachelor's degree. Programs that fall short in two of three years lose Direct Loan eligibility as early as 2028–29.^{19,20}

Employers can cover part of the gap above the federal limit. Under Section 127 of the Internal Revenue Code, an employer can pay up to \$5,250 a year of an employee's tuition or student loans tax-free. The loan provision is now permanent, and the limit rises with inflation after 2026.¹⁰

¹⁰ 26 U.S.C. § 127; Internal Revenue Service, Revenue Procedure 2025-32, October 9, 2025. [uscode.house.gov · irs.gov](https://www.irs.gov/irb/2025-32)

¹¹ Federal Student Aid. Frequently Asked Questions: Loan Limits. May 20, 2026. fsapartners.ed.gov

¹² 20 U.S.C. § 1087e, as amended by Public Law 119-21. [law.cornell.edu](https://www.law.cornell.edu)

¹³ Federal Student Aid. FAQ: Reducing Annual Loan Limits for Less-than-Full-Time Enrollment. As of July 2026. fsapartners.ed.gov

¹⁴ U.S. Department of Education. Dear Colleague Letter GEN-26-02, program-level loan limits. June 26, 2026. fsapartners.ed.gov

¹⁵ Matsudaira, Caldwell, Welch & Vásquez. "How Will Graduate Student and Parent Borrowing Be Affected by New Federal Loan Limits?" PEER Center, American University, October 2025. american.edu

¹⁶ Monarrez, Matsudaira & Ritter. "Student Loans for Graduate School." Federal Reserve Bank of Philadelphia, December 2025. philadelphiafed.org

¹⁷ Federal Student Aid. Electronic Announcement GENERAL-26-42, professional degree programs after court order. June 29, 2026, updated July 10, 2026. fsapartners.ed.gov

¹⁸ Thompson Coburn. Higher Education Litigation Summary: September 2026. September 30, 2026. thompsoncoburn.com

¹⁹ 20 U.S.C. § 1087d, as amended by Public Law 119-21. [law.cornell.edu](https://www.law.cornell.edu)

²⁰ U.S. Department of Education. Fact sheet on the accountability provisions. June 29, 2026. ed.gov

◆ CHAPTER 3

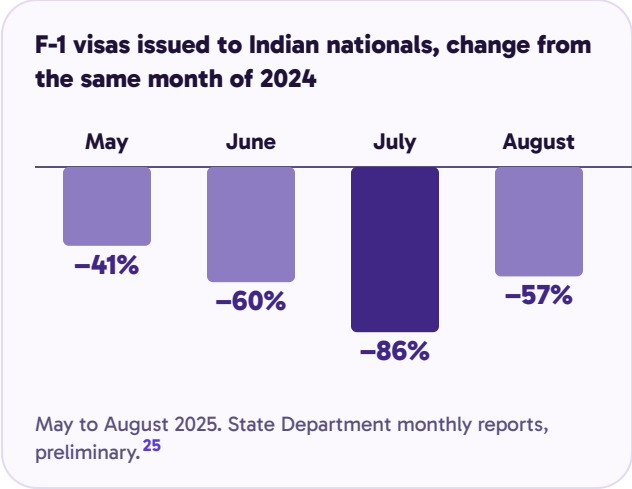
International enrollment

Master’s programs hold most of the international graduate enrollment in the United States. In 2024, master’s study accounted for 667,622 active F-1 student records, against 214,824 for doctoral study; a student can hold more than one record.²¹

New international graduate enrollment fell 15% in fall 2024.²² In fall 2025, institutions responding to the Institute of International Education’s snapshot reported a 17% drop in new international enrollment overall and a 12% drop in total international graduate enrollment. Among those reporting fewer new students, 96% cited visa application concerns.²³

India sends the most international graduate students. Indian graduate enrollment fell 9.5% to 177,892 in 2024–25.²⁴ F-1 visas issued to Indian nationals then fell 41% to 86% from the prior year in each month from May through August 2025.²⁵

For fall 2026, the Council of Graduate Schools reports fewer international applications and admission offers, with a larger decline at the master’s level than at the doctoral level.²⁶ NAFSA projects as many as 111,000 fewer international students in fall 2026.²⁷



F-1 students may count no more than one online class or three online credits per term toward full-time study.²⁸ F-1 students must therefore take the rest of their required course load in person.

To hold enrollment steady, institutions will need more domestic students: students in other states for online programs (chapter 1) and adults they have not reached before for in-person programs. Both call for marketing that reaches adults before they search and converts more of the inquiries programs already have.

FEDERAL POLICY	STATUS AS OF OCTOBER 11, 2026
Fixed admission periods to replace “duration of status” for F-1 students	Final rule July 17, 2026; ²⁹ postponed nationwide by a federal court September 14; appealed September 30 ³⁰
Optional Practical Training fees: \$70,000 for initial OPT and \$30,000 for later OPT, paid by the institution	Proposed October 8, 2026; comments close November 9 ³¹
\$100,000 payment on certain H-1B petitions	Extended to September 21, 2027; courts in Massachusetts and California have blocked the implementing policies, most recently September 30, 2026 ³²
\$103,265 fee on all cap-subject H-1B petitions, including the U.S. master’s-or-higher exemption	Proposed August 25, 2026 ³³

²¹ U.S. Immigration and Customs Enforcement. 2024 SEVIS by the Numbers Report. June 5, 2025. [ice.gov](#)

²² Institute of International Education. Open Doors 2025 press release. November 17, 2025. [iie.org](#)

²³ Institute of International Education. Fall 2025 Snapshot on International Student Enrollment. November 17, 2025. [opendoorsdata.org](#)

²⁴ Institute of International Education. Open Doors 2025 fact sheets, India and China. [India · China](#)

²⁵ U.S. Department of State. Nonimmigrant visa issuances by nationality and visa class, monthly, May–August 2024 and 2025. Preliminary data. [travel.state.gov](#)

²⁶ Council of Graduate Schools. Status of International Graduate Students in the United States. August 2026. [cgsnet.org](#)

²⁷ NAFSA and JB International. Fall 2026 International Student Enrollment Outlook & Economic Impact. August 11, 2026. [nafsa.org](#)

²⁸ 8 CFR § 214.2(f)(6)(i)(G). [ecfr.gov](#) · [law.cornell.edu](#)

²⁹ Department of Homeland Security. Final rule, fixed time period of admission. 91 FR 44976, July 17, 2026. [federalregister.gov](#)

³⁰ Presidents’ Alliance v. DHS, No. 26-13799 (D. Mass.), order of September 14, 2026, and litigation status. [order](#) · [status](#)

³¹ Department of Homeland Security. Proposed rule, Optional Practical Training Fees. 91 FR 64566, October 8, 2026. [federalregister.gov](#)

³² Proclamation 11069. 91 FR 60497, September 23, 2026. First Circuit order denying stay, No. 26-1699, July 24, 2026. Global Nurse Force v. Trump (N.D. Cal.), order of September 30, 2026, via Ogletree Deakins. [federalregister.gov](#) · [ca1.uscourts.gov](#) · [ogletree.com](#)

³³ U.S. Citizenship and Immigration Services. Proposed rule, Fee for Certain H-1B Petitions. 91 FR 54817, August 25, 2026. [federalregister.gov](#)

◆ CHAPTER 4

Household finances and the value of the degree

Consumer prices rose 3.4% in the year to August 2026, and the price index stood about 28% above its January 2021 level (a Motimatic calculation from Bureau of Labor Statistics index levels).³⁴ The University of Michigan's index of consumer sentiment was 48.1 in September 2026, against 55.1 a year earlier.³⁵ In the Federal Reserve's 2025 household survey, 63% of adults said they would cover a \$400 emergency expense with cash or its equivalent.³⁶

Of students who completed a master's degree in 2019–20, 55.2% had student loans for undergraduate or graduate study.³⁷ In the second quarter of 2026, 10.6% of U.S. student loan balances were 90 or more days delinquent.³⁸ Among associate and bachelor's graduates who borrowed, 52% said they had delayed a major life event because of their debt, and further education was among the events delayed most often.³⁹

In June 2026, 38% of U.S. adults reported a great deal or quite a lot of confidence in higher education, down from 42% a year earlier.⁴⁰ Median earnings still favor the degree. In 2025, full-time wage and salary workers aged 25 and over with a master's degree earned a median \$1,876 a week, against \$1,578 for those with a bachelor's degree.⁴¹

In the Federal Reserve's 2023 survey, 63% of graduate or professional degree holders aged 18 to 29 and 86% of those 60 and older said the financial benefits of their education exceeded the costs.

Median weekly earnings, 2025

Full-time wage and salary workers aged 25 and over⁴¹

Master's degree

\$1,876

Bachelor's degree

\$1,578

38% of U.S. adults have a great deal or quite a lot of confidence in higher education, June 2026⁴⁰

Among adults with an associate degree or higher who still had student loans, 44% said so, against 68% of those who had repaid or never borrowed.⁴²

Returns differ by program. The Foundation for Research on Equal Opportunity estimated in 2024 that 43% of master's degrees, weighted by enrollment, do not raise earnings enough to justify their costs.⁴³ A 2025 Third Way report using Ohio data found that a master's degree raises earnings by 14% on average, with returns that vary by field.⁴⁴

³⁴ Bureau of Labor Statistics. Consumer Price Index, August 2026; January 2021 index level from the February 10, 2021 release. [bls.gov](https://www.bls.gov) · Jan. 2021

³⁵ University of Michigan. Surveys of Consumers, final results for September 2026. September 25, 2026. sca.isr.umich.edu

³⁶ Federal Reserve. Economic Well-Being of U.S. Households in 2025. May 2026. [federalreserve.gov](https://www.federalreserve.gov)

³⁷ NCES. Digest of Education Statistics 2023, Table 332.45. NPSAS 2019–20. nces.ed.gov

³⁸ Federal Reserve Bank of New York. Quarterly Report on Household Debt and Credit, 2026:Q2. August 2026. [newyorkfed.org](https://www.newyorkfed.org)

³⁹ Gallup and Lumina Foundation. Alumni Perspectives on Higher Education Experiences, Outcomes and Value. May 12, 2026. [gallup.com](https://www.gallup.com)

⁴⁰ Jones. "Confidence in U.S. Higher Education Slips Back Slightly." Gallup, July 13, 2026. [gallup.com](https://www.gallup.com)

⁴¹ Bureau of Labor Statistics. Table 5.1, Unemployment rates and earnings by educational attainment, 2025. 2025 figures are 11-month averages. [bls.gov](https://www.bls.gov)

⁴² Federal Reserve. Economic Well-Being of U.S. Households in 2023: Higher Education and Student Loans. May 2024. [federalreserve.gov](https://www.federalreserve.gov) · Figure 30

⁴³ Cooper. "Does College Pay Off? A Comprehensive Return On Investment Analysis." Foundation for Research on Equal Opportunity, May 2024. [freopp.org](https://www.freopp.org)

⁴⁴ Minaya & Scott-Clayton. "What's the Value of a Master's Degree?" Third Way, July 2, 2025. [thirdway.org](https://www.thirdway.org)

◆ CHAPTER 5

A lead-to-yield pathway

A lead-to-yield pathway is the sequence of contacts that takes a prospective student from first interest to the first day of class. Each stage needs an owner, a next step for the student, a time standard and a measured conversion rate. Few institutions know what an enrollment costs. In a 2023 RNL survey, only 32 of more than 200 graduate marketing, recruitment and enrollment leaders could estimate their cost per enrollment.⁴⁵

STAGE	WHERE STUDENTS STALL	WHAT MOVES THEM
1 Discovery	Never see the program or rule it out on cost ^{4,5}	Reaching adults before they search, on streaming TV, social media and direct mail, with the total cost and financing options in the first message
2 Inquiry	No reply, a late reply, or no next step	A reply within the hour naming one next step ^{7,8,46}
3 Application	Stop partway, or another program admits them first	A reminder that names the missing item, and a fast admission decision ^{6,9}
4 Admission to commitment	Cannot see how to pay above the federal limit	A written financing plan: federal limit, part-time reduction, employer benefit, payment plan and remaining gap ^{10,11,13,47}
5 Commitment to first class	An employer approval, a payment or a visa falls through ²⁶	Contact through the first day of class, with each deadline tracked

WHAT THE EVIDENCE SHOWS

Nearly 7×

In a study of 1.25 million sales leads at 42 U.S. companies, firms that tried to reach a lead within an hour were nearly seven times as likely to qualify it as firms that waited an hour longer.⁴⁶ The outcome measured was a qualifying conversation rather than enrollment.

27% vs. 12%

In a randomized study, the University of Michigan guaranteed high-achieving, low-income high school students, before they applied, the grant aid they would likely have received anyway. Of students offered the guarantee, 68% applied and 27% enrolled, against 26% and 12% of the control group.⁴⁷ The offer added certainty about price and no additional aid.

+21%

Outreach with a one-course tuition waiver raised re-enrollment among former Florida community college students by 1.5 percentage points, or 21%; information alone had no significant effect.⁵⁰

At scale, information campaigns alone have shown little effect. Randomized campaigns urging financial aid applications reached more than 800,000 students and had no effect on aid receipt or enrollment.⁴⁸ Information and advising for soldiers leaving the Army did not raise college enrollment.⁴⁹

⁴⁵ RNL. 2023 Graduate Marketing and Recruitment Practices Report. Surveyed September 2023. ruffalonl.com

⁴⁶ Oldroyd, McElheran & Elkington. “The Short Life of Online Sales Leads.” Harvard Business Review 89(3), March 2011. hbr.org

⁴⁷ Dynarski, Libassi, Micheltmore & Owen. “Closing the Gap.” American Economic Review 111(6), 2021. aeweb.org

⁴⁸ Bird, Castleman, Denning, Goodman, Lamberton & Rosinger. “Nudging at Scale.” Journal of Economic Behavior & Organization 183, 2021. doi.org

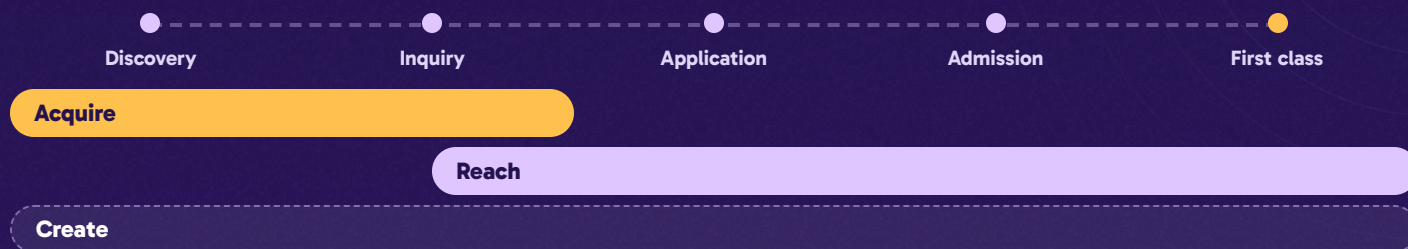
⁴⁹ Barr, Bird, Castleman & Skimmyhorn. Journal of Policy Analysis and Management 44(1), 2025; NBER Working Paper 30665, 2022. doi.org · nber.org

⁵⁰ Ortagus, Tanner & McFarlin. “Can Re-Enrollment Campaigns Help Dropouts Return to College?” Educational Evaluation and Policy Analysis 43(1), 2021. doi.org · [NBER](https://nber.org)

♦ CHAPTER 6

How Motimatic supports the pathway

Motimatic runs both halves of the pathway with one team and one plan.



Acquire

Generates new RFIs for a program from prospective students who are not yet on the institution's lists.

Reach

Works every student on the institution's lists, from RFI to the first day of class. Motimatic finds the stage where each student has stalled and builds GuidePosts™, messages that pair a motivational principle (why the student would act) with a behavioral strategy (how the message prompts the action).

Create

Produces the creative for both, in the institution's brand.

Motimatic delivers on social media, streaming TV, direct mail, email and SMS.

EXAMPLE (ILLUSTRATIVE)

Priya was admitted to a part-time online MSW program and has not committed. She cannot see how to pay tuition above her federal loan limit. Her GuidePost encourages her to talk with the financial aid office about her options before the commitment deadline.

STAGE

Admission to commitment

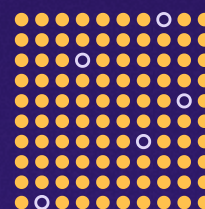
PRINCIPLE

Concrete expressions of care

STRATEGY

Empowerment

Motimatic partners are now opted into randomized holdout testing when they launch new campaigns. When a campaign reaches significance, you see exactly what our work changed. For the length of a campaign, 5% of a student list, selected at random, receives nothing from us, and their outcomes are compared with the 95% who receive the campaign.



● 95 marketed ○ 5 held out

Conversion, holdout vs. marketed

■ Holdout ■ Marketed

Partners that reached significance

RFI to deposit



Lift

+112%

Chamberlain University

Stop-out registrations



+124%

0% 1% 2% 3% 4%

These results come from partners that reached significance, across program levels; neither is specific to master's programs.⁵¹ We do not guarantee results. Some campaigns reach statistical significance and some do not.

⁵¹ Motimatic randomized 5% holdout tests. Internal data; no public link. The first figure covers partners that reached statistical significance; each partner result shown reached significance.

◆ CHAPTER 7

Recommendations for the 2026–27 cycle

- 1 **Model the financing gap for each program.**
Compare its cost of attendance with \$20,500 a year and with the reduced limit at its typical part-time load.^{11,13} Programs in contested professional fields should model both outcomes of the litigation.^{17,18}
- 2 **Set a domestic enrollment target for each international seat at risk.**^{23,26}
- 3 **Reach adults before they search,** and judge each inquiry source by the enrolled students it produces.^{4,45}
- 4 **Publish the total cost, the federal limits and the financing options on every program page.**^{5,11}
- 5 **Answer every inquiry within an hour with a named next step,** and audit response times each term.^{7,8,46}
- 6 **Give each admitted student a written financing plan before the commitment deadline,** including the employer benefit and the remaining gap.^{10,13,47}
- 7 **Stay in contact through the first day of class,** tracking employer, payment and visa deadlines.²⁶
- 8 **Hold out a randomized 5% of each list from new campaigns,** and report conversion at each stage against the holdout.

◆ THE PILOT

Start with *one program.*

Choose one master's program and one outcome. We build the campaign, run it and report what changed.

ACQUIRE**Need net new RFIs?**

Start with one program and one RFI goal. We bring in prospective students who are not on your lists yet.

REACH**Need more of your RFIs and admits to enroll?**

Pick one list and one goal, such as submitted applications or registrations. We run the campaign against a randomized 5% holdout and report the result.

Start a pilot at motimatic.com

or email sales@motimatic.com