nova learning

Shift Toward Enrichment

Trends in Family Investment
for Pre-College Education

An Industry Analysis for Tutoring, Test Preparation, and College Consulting Companies

Nova Learning, November 2025

Executive Summary

The market for secondary school educational services is shifting. As selective admissions become more competitive and more holistic, demand is moving toward experiences that demonstrate **curiosity, initiative, and intellectual depth**, not just grades and test scores. Widening income inequality and a more polarized labor market have further raised the perceived stakes of educational outcomes, increasing the value placed on differentiated skills and credible external validation. As a result, **higher-income households** are investing earlier and more consistently in enrichment, coaching, and mentorship, even as admissions outcomes remain less predictable.

Test preparation and academic advising still matter, but they are increasingly table stakes. Growth is concentrating in **outcomes-oriented enrichment** such as competition preparation, portfolio projects, and mentored research, offerings that help students turn interests into tangible work products and recognized accomplishments. For education providers, this expands expectations from guidance to delivery. Test prep and tutoring organizations are being asked to offer pathways beyond exam performance, while college consulting firms are seeing demand not only for strategy, but also for execution.

At the same time, **premium enrichment can be attractive but difficult to deliver well at scale.** Curriculum design, mentor recruitment, quality control, and day-to-day operations quickly become bottlenecks, especially for organizations built around standardized instruction or advisory services.



Part 1: Understanding the Market Shift

Why enrichment demand is rising, how labor market incentives and admissions dynamics have shifted, and what families are optimizing for today.

The Shift

With more than **80%** of U.S. four-year colleges adopting **test-optional or test-free** policies by the **2024 admissions cycle**, the secondary-school educational services landscape has materially changed. The COVID-19 era accelerated a shift that was already underway, and test-flexible policies have remained common across much of higher education. At the same time, several highly selective colleges have reinstated testing requirements, creating a mixed environment where scores can still help but rarely define an applicant's profile.

In parallel, college admissions have become more competitive overall. Applicant counts and application volume have continued to rise, increasing the number of high-achieving students competing for a relatively fixed number of seats, particularly at selective schools.

Figure 1: Growth in Test-Optional and Test-Free Policies (2019–2024)

Year (admissions cycle)	% of U.S. 4-year colleges test-optional or test-free (est.)
2019 (pre-pandemic baseline)	46%
2020	73%
2022	78%
2024	85%

Figure 1: Estimated growth in test-optional and test-free admissions policies (2019–2024). Overall U.S. four-year estimates are based on FairTest counts of institutions that do not require ACT/SAT scores, expressed as a share of bachelor's-degree-granting colleges and universities (denominator based on Georgetown CEW's summary of FairTest totals).

Highly selective universities have also experienced a sustained increase in application volume since **2020**, while entering class sizes have remained relatively flat. Publicly reported data from Ivy League institutions illustrate a sharp rise in applications during the early test-optional period, with only modest changes in available seats, contributing to increased selectivity.

As a result, admissions decisions increasingly reward evidence of intellectual vitality, initiative, and sustained engagement. In practice, that evidence is more likely to come from long-form work such as competition outcomes, portfolio projects, and mentored research than from test scores alone. The implication for families is straightforward: scores still matter, but they are no longer sufficient on their own. **That is what is driving the shift in what families buy.**

Where Families are Spending

Families have not reduced their investment in pre-college education. They have redirected it.

As test scores have become less decisive at many institutions, **families are reallocating spend** away from purely score-focused prep toward experiences that generate differentiated, durable evidence of student ability. That shift is reflected in rising demand for mentored research and project-based programs, academic competitions, and structured summer experiences that produce visible outcomes.

What Matters Is Not Just Participation, But Output

The paper, the build, the competition submission, the presentation, the credential, the public artifact. These outputs function as **concrete proof points** that admissions readers can evaluate and compare, and they allow students to demonstrate initiative and capability in ways that grades alone cannot.

Competitive activities follow the same pattern. Science Olympiad, debate, math contests, and entrepreneurship challenges have become more mainstream as families seek structured arenas where achievement is legible and relative performance is clear.

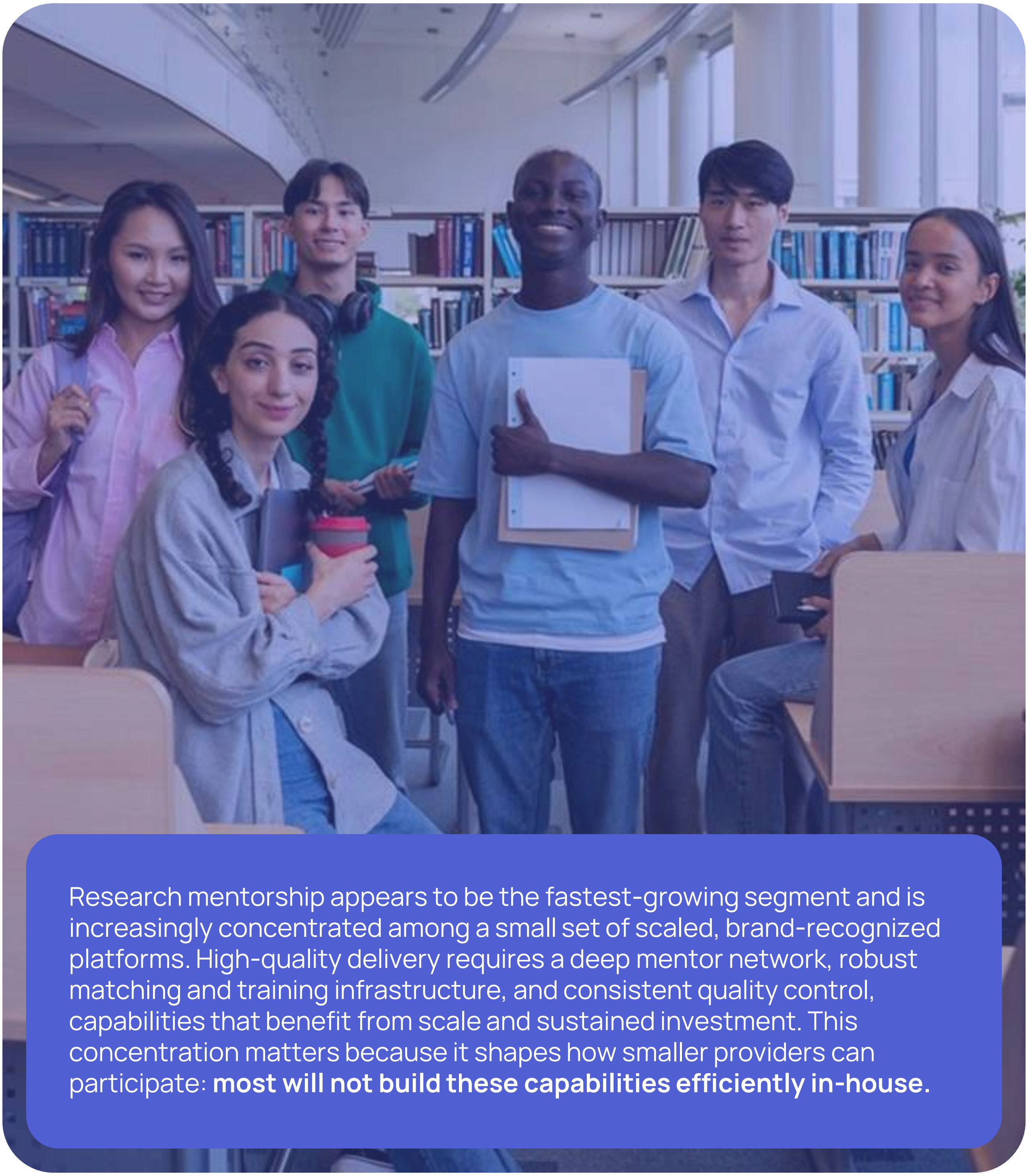
College consulting has expanded as well, but the nature of engagement is changing. Families increasingly want support earlier, often beginning in 6th or 7th grade, and the core question has shifted from “How do we present what my child has done?” to “What should my child build over the next two years?” That shift pulls consultants from strategy into **execution and delivery**.

The underlying calculus is straightforward. When strong scores are common among applicants to selective schools, the marginal return on incremental test prep declines. Families respond by **investing in proof points** that are harder to replicate quickly and easier to verify.

For providers, this redirection creates pressure to evolve. Test prep and tutoring companies face rising expectations to offer pathways beyond exams. College consultants face a growing gap between planning and delivery. The **education providers best positioned to win** are those who can help families execute, delivering portfolio outcomes through programs and mentorship, not only guidance on what to do.

The Provider Landscape

The enrichment market, including research mentorship, competition preparation, and structured project-based programs, has **expanded quickly in recent years**. While it remains smaller than test prep in absolute terms, it is growing faster and capturing a larger share of family spend in the "differentiation" category.



Research mentorship appears to be the fastest-growing segment and is increasingly concentrated among a small set of scaled, brand-recognized platforms. High-quality delivery requires a deep mentor network, robust matching and training infrastructure, and consistent quality control, capabilities that benefit from scale and sustained investment. This concentration matters because it shapes how smaller providers can participate: **most will not build these capabilities efficiently in-house.**

The Provider Landscape

How Programs Reach Families

Enrichment programs typically reach families through a small set of distribution channels. Each channel trades off margin, speed to scale, and trust.

Through Direct-to-Consumer Brands

- **How it works:** Acquire families through search, content, social, partnerships, and referrals.
- **What it optimizes for:** Full ownership of the customer relationship, pricing, and margin.
- **Watch-outs:** requires sustained brand-building and performance marketing. Early CAC can be volatile, but scale improves efficiency through better matching, proof points, and compounding referrals.

Through Test Prep And Tutoring Centers

- **How it works:** Bundle enrichment alongside prep, either delivered in-house or via a managed partner.
- **What it optimizes for:** Upsells to an existing customer base and steadier year-round revenue beyond peak test seasons.
- **Watch-outs:** “Score-first” brands may need repositioning for premium enrichment. Higher-ticket projects require consultative selling and expectation-setting, not transactional enrollment.

Through College and Academic Consultants

- **How it works:** Refer families out or bundle enrichment directly into advisory packages.
- **What it optimizes for:** High trust and conversion, because the advisor already owns the relationship.
- **Watch-outs:** Economics depend on who owns enrollment and parent communication. Referral fees can be attractive, but bundling increases accountability and requires delivery standards and escalation paths.

School And Institutional Partnerships

- **How it works:** Sell through private schools, districts, and after-school organizations.
- **What it optimizes for:** Predictable volume and durable distribution once adopted.
- **The tradeoff** Longer sales cycles and tighter constraints on pricing, customization, and delivery. Programs often need clearer outcomes reporting and implementation support.

Part 2: Implications for Tutoring and Test Preparation Companies

How shifting family priorities affect product strategy, pricing, and delivery models for score-focused providers.

The Core Business Challenge

Test preparation companies face a **real business-model shift.** AP/IB preparation and subject tutoring remain durable, but SAT and ACT prep, once the profit center for many providers, has softened.

Several forces are contributing. Free and low-cost alternatives have reduced willingness to pay for basic prep. The transition to the digital SAT has forced curriculum and delivery changes. **Test-optional policies** have reduced the urgency that historically drove high-intent purchases. Even with a subset of highly selective institutions reinstating testing requirements, the category no longer benefits from the same universal pressure it did a decade ago.

Demand has not disappeared, but it has dispersed. Many families are still investing meaningfully in college preparation, yet a larger share of that spend is flowing into adjacent services that feel more differentiating, such as portfolio-building enrichment.

Figure 2: Test preparation market indicators (2019–2024)

Metric	2019	2022	2024
SAT test-takers (millions)	2.22M	1.74M	1.97M+
ACT test-takers (millions)	1.78M+	1.35M	1.37M

Figure 2. Test preparation market indicators (2019–2024). SAT and ACT test-taker counts represent graduating-class students who took each exam at least once, based on College Board SAT Suite Annual Report totals and ACT graduating class reports.

Providers are responding in three broad ways. Some are doubling down on premium 1:1 tutoring, trading scale for higher price points and margins. Others are shifting toward academic subject tutoring, where demand is more durable and less policy-dependent. A third group is expanding into adjacent, higher-ticket services such as college consulting, essay coaching, and enrichment programs to capture a larger share of each family's total education spend.

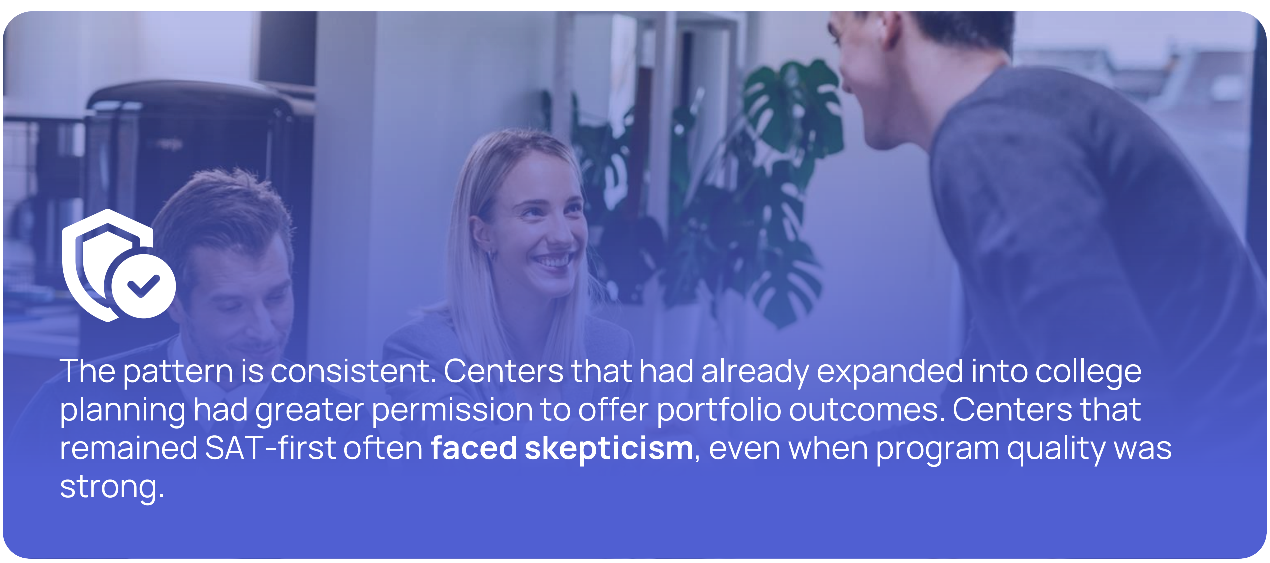
The Brand Permission Question

For many test prep companies, the primary barrier to offering enrichment is not operational. It's **credibility.** Families who know you as "the SAT people" may hesitate to trust you with long-form, open-ended programs like research mentorship. Messaging can help, but it rarely solves the underlying issue: parents are **buying not only a service, but an expert identity.**

The Contrast Shows Up Clearly In Operator Experiences

> "We tried adding a research program two years ago. It didn't work. Parents kept asking, 'But you're a test prep company. How do you do research?' We couldn't answer that convincingly. We've since pivoted to competition prep, which feels more natural to them."
>
> **— Owner, Test Prep Center (New Jersey)**

> "It worked for us, but we'd already been doing college counseling for three years. We weren't just test prep. We were college prep. Adding projects felt like a natural extension. If we'd tried it when we were SAT-only, I don't think families would have bought it."
>
> **— Director, Learning Center (Connecticut)**



The pattern is consistent. Centers that had already expanded into college planning had greater permission to offer portfolio outcomes. Centers that remained SAT-first often **faced skepticism**, even when program quality was strong.

Quotes are drawn from informal, unstructured conversations with counseling and program operators (anonymized; collected September to November 2025). They illustrate common themes and are not intended as representative survey evidence.

When Expansion Makes Sense

Expansion into portfolio outcomes works best when most of the following are true:

- You already sell packages above **$3,000,** which signals premium positioning.
- You offer college planning or counseling add-ons, so families already see you as more than scores.
- Parents regularly ask about extracurriculars, competitions, and long-form projects.
- You work with **6th to 11th** graders, not only last-minute juniors and seniors.
- You serve affluent markets or private-school feeder communities.
- Your sales process is consultative, not primarily transactional.

Why this expansion can be attractive

Capture Redirected Demand
Families who previously spent **$3,000–$5,000** on intensive test prep are increasingly reallocating that budget toward profile-building investments. Research, competition, and project programs can capture that redirected spend.

Extend The Student Lifecycle
Test prep often engages students for a concentrated **3–6 month window**. Portfolio programs can begin as early as 6th grade and continue across multiple semesters, increasing customer lifetime value.

Differentiate From Commoditized Prep
SAT and ACT prep is **increasingly easy to self-serve with free tools.** Portfolio outcomes are harder to replicate without mentorship, structure, and accountability, supporting premium pricing and clearer differentiation.

When Expansion Does Not Fit

Be cautious if most of the following keep describing your business

- You compete primarily on **price.** Premium enrichment usually requires premium positioning.
- You operate as a **franchise** with rigid packaging and slow approval cycles.
- Your model is **high-volume and low-touch**, with high staff turnover.
- Your **sales cycle** is urgent and short (for example, "the SAT is in six weeks").
- Families associate you mainly with test scores, not **broader outcomes.**

If several of these flags apply, **consider closer adjacencies first**, like subject tutoring, executive function coaching, or essay support, before launching portfolio-style programs.

The Economics of Diversification

For test prep companies considering research or project-based programs, the **unit economics** differ meaningfully from the core business. While percentage margins are often lower, absolute profit per student is typically higher, and the engagement window is significantly longer. The result is a different revenue profile, one that trades short-cycle efficiency for deeper lifetime value.

Test prep companies also benefit from a structural advantage: an **existing pipeline of college-bound students** and established trust with their families. Parents who already rely on you for SAT or ACT preparation are far more likely to purchase advanced enrichment through your brand than to evaluate an unfamiliar provider independently. Expanding your service menu allows you to retain that spend, meet evolving family expectations, and reduce leakage to standalone enrichment platforms.

In practice, diversification works best for tutoring and test prep companies that already serve high-achieving students and either offer, or are actively exploring, college planning or advisory services. These businesses are typically well positioned to **support longer-term, relationship-driven programs** without disrupting their core operations.

Figure 3: Unit Economics Comparison

Metric	Test Prep Course	Research Mentorship
Typical price point	$800 - $2,500	$2,500 - $6,500
Engagement duration	8-12 weeks	12-24 weeks
Delivery model	Group (6-15 students) or 1:1	1:1 mentorship
Instructor cost (% of revenue)	25-40%	40-55%
Gross margin	55-70%	40-55%
Gross profit per student	$450 - $1,500	$1,000 - $3,200

Figure 3: Percent margins versus absolute profit per student, and the operational implications of 1:1 delivery.

Operationalizing Diversification

Research programs can generate **higher absolute profit** per student even when percentage margins are lower. The tradeoff is operational complexity. Delivering research or custom projects at a high standard typically requires PhD-level mentor recruiting, individualized project management, and consistent quality control for custom deliverables. Those capabilities can feel unfamiliar for centers built around standardized curricula and cohort-based instruction.

That is where a **managed, white-label model** can be attractive: it lets centers capture the profit and retention benefits of longer-term programs **without building the delivery infrastructure from scratch.**

Consider A Conservative Scenario

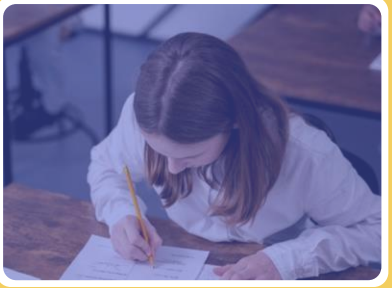
A center partners with a white-label provider at a per-student cost of $1,000 to $1,500 and resells the program for $2,500 to $3,500. Each enrollment yields roughly $1,000 to $2,000 in gross profit. For many centers, that can match the gross profit from multiple test prep enrollments, while extending engagement from a short prep window to a multi-month program.

Positioning and Bundling

For centers without established credibility in enrichment, **competition preparation** is often the lowest-friction starting point. The value proposition is more concrete, and it maps closely to the logic parents already accept from test prep.

Clearer Outcomes

Awards, rankings, and submission-ready work feel closer to "score improvements" than open-ended research.



Familiar packaging

Cohorts, milestones, practice cycles, and deadlines mirror test prep formats.

Lower perceived risk

Competition programs are often priced below research mentorship, making it an easier first step for families exploring the category.

Language that tends to resonate with test prep families

- **Beyond Scores:** portfolio-building for a test-optional world.
- **Honors Track / Scholars Track:** signals rigor and feels like a natural extension of academic services.
- **Summer Capstones:** turn interests into tangible outputs by the end of the season.
- **Mentor-led and structured, with clear deliverables:** reduces fear of open-ended work and increases confidence in execution.

As a rule, **avoid leading with "research mentorship"** unless you already have credibility in that space. For many centers, "Advanced Competition and Portfolio Programs" is a smaller leap and a clearer first offer.

> The economics work best when the goal is to increase revenue per family and extend engagement across the school years, not when the goal is to acquire entirely new customers. The most effective pattern is to upsell into competition and portfolio programs, demonstrate outcomes, and expand into research once the brand has earned permission.

Part 3: Implications for College and Academic Consulting Firms

Why demand is moving from strategy to execution, and how consultants are adapting to outcomes-driven expectations.

The Strategy-Execution Gap

If you run a consulting practice, this pattern is familiar

- Families ask for **extracurricular direction**: *"What should my child be doing?"*
- You can design a strong strategy, but you **cannot reliably deliver projects**, competition prep, or research at scale.
- You refer families to outside programs, **reducing your visibility** into execution quality and outcomes.
- When delivery is inconsistent, it **reflects back on your guidance**, even when you did not control the program.

The gap is not awareness. It is execution. You provide the plan, but students still need structured support to produce real work and real outputs.

For most consulting firms, the core advisory business remains durable. The open question is **whether value is being left on the table** by stopping at strategy, especially as families increasingly expect execution support alongside guidance.
In practice, **firms tend to take one of three paths**: refer families to external programs, partner with a managed provider under their own brand, or build proprietary offerings. The sections that follow outline the tradeoffs, risks, and economics of each approach.

What Consulting Firms Actually Do

Many established college consulting firms have **expanded beyond advising into delivery**. In addition to application strategy, they now offer structured programs that produce tangible outputs, such as mentored research, portfolio projects, and competition-ready submissions. This has become a meaningful point of differentiation in **how firms position "full-service" support**.

Examples below illustrate three common approaches. Some firms deliver research mentorship directly, while others rely on partner networks or offer these programs as add-ons within higher-tier packages.

Across prominent college-advising and enrichment providers, publicly listed package prices often range **from approximately $2,000 to $9,000**, depending on scope, intensity, and included hours (as of November 2025, based on publicly available provider websites). Many programs are delivered virtually and marketed as staffed by advanced-degree advisors.

Three common delivery models

Building in-house

"We hired two part-time PhD candidates to run research mentorships. It's working, but we can only support a few subjects. Managing mentors is a different skill than managing counselors. If I'd understood the operational burden upfront, I might have made a different choice.

— Founder, Boutique Consulting Firm (Boston)

Partnering

"We send students to a partner who runs the programs. We stay closely aligned with their team so we maintain visibility into execution and the student experience"

— Senior Consultant, Mid-Sized Consulting Firm (Orange County)

Referring only

"I recommend programs I trust but stay out of delivery entirely. The risk is I lose visibility, and if the experience is bad, families sometimes blame me anyway."

— Independent Educational Consultant (Palo Alto)

What to Own, What to Outsource

If you're evaluating whether to offer these programs directly, the question is usually not "should we offer this," but **what we should own versus delegate** given our capacity and capabilities.

What you need to own if you build in-house

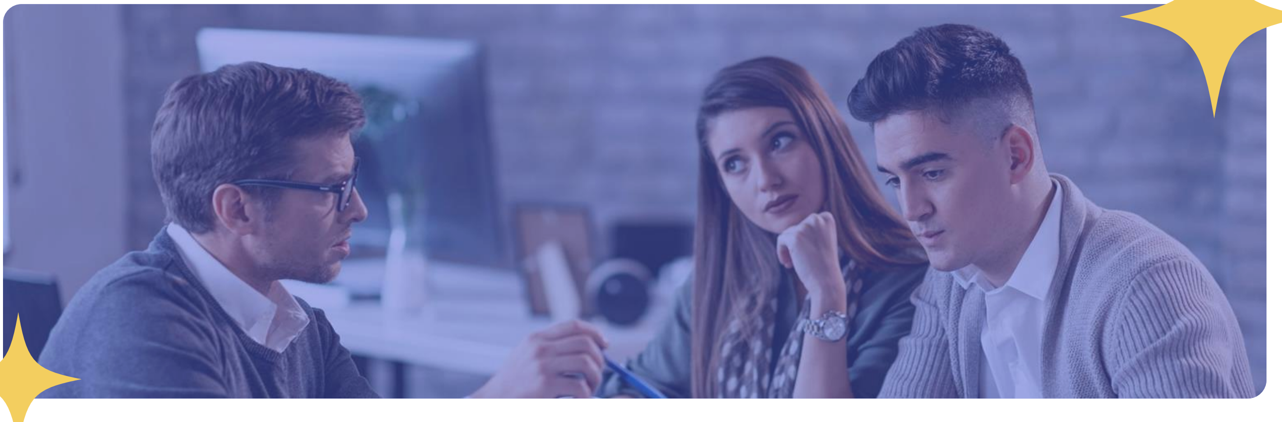
- Mentor recruiting and quality control
- Scheduling, logistics, and attendance tracking
- Progress tracking, milestones, and intervention when momentum drops
- Parent communication when pacing or deliverables go off-track
- Deliverable review and feedback standards

What a managed partner typically owns

- Curriculum and project frameworks
- Mentor matching, training, and performance management
- Scheduling systems, tracking, and reporting
- Escalations and standardized deliverables

What you should always own internally

- The student relationship and holistic admissions strategy
- Positioning and narrative development for applications
- Quality expectations: what "good" looks like and how outcomes are documented



When Expansion Makes Sense

Arguments for offering enrichment directly

Expand revenue within existing relationships

Families already paying **$8,000–$15,000** for consulting may also allocate **$4,000–$8,000** for structured enrichment. For many firms, this is the highest-leverage upsell because it builds on an established trust relationship.

Engage earlier and extend the lifecycle

Research and project programs can begin in **6th or 7th grade,** before many families commit to full-scope admissions consulting. That pulls demand forward, increases lifetime value, and **improves retention** into the core consulting years.

Strengthen downstream admissions outcomes

When students complete real work, they write more compelling essays, speak with more clarity in interviews, and build credible proof points. That makes your **strategic guidance easier to convert into results.**

Arguments against offering enrichment directly

Operational complexity

Recruiting and managing mentors, running individualized projects, tracking progress, and enforcing consistent quality require distinct capabilities. For many firms, building them internally can **distract from the core advisory model.**

Brand and service risk

Once you sell delivery, **families attribute outcomes to you**. If execution is uneven, it can erode trust in your broader guidance and reduce referrals.

Referral economics may be "good enough"

For some practices, referral fees in the **$200–$500** range can be a rational tradeoff if the firm prioritizes simplicity and low operational overhead.

In practice, expansion makes sense when **clients are asking for execution support** and you have a delivery plan, in-house or through a managed partner, that preserves your advising quality while adding a reliable outcomes layer.

The Economics of Diversification

Research, project, and competition programs often **command premium pricing** because they are outcomes-based and mentorship-intensive. Pricing and margins vary primarily by delivery model: cohort programs scale more efficiently, while 1:1 mentorship carries higher mentor costs and requires heavier quality control.

Figure 4: Typical enrichment pricing and program duration

Program Type	Price Range (USD)	Duration
Competition preparation	$1,000 - $2,000 per month	Varies
Project development	$2,000 - $8,000	2-5 months
Research mentorship	$4,000 - $8,000	3-6 months

Figure 4: Summary of typical enrichment program pricing and duration by format (directional estimates based on publicly listed offerings and market norms; ranges vary by geography and level of support).

Partner pricing models

If you partner with a managed provider, margins usually depend on **how responsibilities are split**. The more you retain (enrollment, client management, parent communication, packaging), the more upside you can capture, but the more operational work you carry. The more you offload, the simpler delivery becomes, but pricing control and margin typically narrow.

See Part 4 for the three operating models (build, partner, or referral-only) and when each fits.

Rule of thumb: more control increases upside and workload; more outsourcing reduces workload and variability, but limits pricing leverage.

Diversification by Student Type

Figure 5: Matching enrichment formats to student goals

Format	Best For	Deliverable
Competition prep	Students who thrive with clear goals and deadlines; families wanting tangible outcomes	Submission package, awards/recognition, clear narrative for applications
Project studios	Builders, STEM-oriented students, entrepreneurial types	Working demo, portfolio artifact, impact documentation
Research mentorship	Academically oriented, intellectually curious, targeting research universities	Paper or poster, literature review, methodology documentation

Figure 5: How common enrichment formats map to student goals and expected outputs (illustrative; specifics vary by program and service level).

Competition prep often has the clearest ROI narrative because outcomes can be externally validated. Research mentorship carries the strongest prestige signal but is the hardest to execute consistently. Project studios tend to have the broadest appeal and generate concrete material for essays and interviews.

A practical approach is to **offer these as a ladder**: competition programs for a clear first win, projects for builders seeking portfolio depth, and research for academically oriented students ready for a longer, higher-rigor commitment.

Part 4: Build, Partner, or Abstain?

Education companies have three paths for outcomes programs: build in-house, partner with a managed provider, or refer out. The right choice depends on your brand, operational capacity, and how central delivery is to your growth.

Option 1: Build In-House

Building in-house gives you maximum control and the most margin upside long term, but it is a real build. Most firms should expect **6–12 months to launch** and roughly **$95k–$195k in first-year investment**, plus ongoing staffing and QA to keep outcomes consistent.

Figure 6: First-year investment to build an in-house program (illustrative)

Component	Time Investment	Cost (USD)
Curriculum development	**4-8 months**	$25,000 - $60,000
Mentor recruitment (initial cohort of 20-30)	**3-6 months**	$15,000 - $30,000
Operational systems (matching, tracking, QA)	**2-4 months**	$10,000 - $25,000
Mentor training and onboarding	**Ongoing**	$5,000 - $10,000/year
Program management staff (0.5-1 FTE)	**Ongoing**	$40,000 - $70,000/year
Total first-year investment	**6-12 months**	$95,000 - $195,000

Figure 6: These ranges are directional and assume a mid-sized firm launching a modest initial scope. Larger scale, broader subject coverage, or higher-touch service levels typically increase both timeline and cost.

Option 1: What In-House Delivery Requires

In-house delivery is a real operating commitment, not just a curriculum add-on.

Longer cycles

Test prep is typically **8–12 weeks** and consulting is milestone-based. Research and project programs often run **3–6 months** and require sustained oversight over a longer horizon.

Different talent

Effective mentorship requires subject depth and comfort with open-ended work. Many firms recruit graduate-level mentors or specialized practitioners, **which changes sourcing, onboarding, and management.** Compensation is often higher than standard tutoring, especially for advanced topics.

More variable outcomes

Test prep optimizes for score gains and consulting for admissions results. Portfolio outcomes matter, but they are less uniform. Not every student publishes or wins awards, so **expectation-setting and deliverable definition** are critical.

Higher quality-control burden

Because each student's work is unique, **you need systems** to track mentor responsiveness, session completion, milestone progress, and fast intervention when a match is not working.

Building in-house fits firms that want outcomes programs to become a signature offering and are prepared to **invest in operations, talent, and quality control long term.**

Option 2: Partner with a Managed Provider

Partnerships let you add outcomes-based programs without building a separate delivery team. In a managed partnership, your provider delivers the program end-to-end (curriculum, mentors, matching, scheduling, progress tracking, and quality assurance). **You own the client relationship, enrollment, and positioning**, using either **white-label delivery** or **co-branding** when trust benefits from transparency.

Why some companies choose this path

- **Faster launch:** pilot in weeks, not multiple quarters.
- **Lower upfront risk:** avoid hiring and curriculum build before demand is proven.
- **Stay focused:** keep your team centered on core advising while adding outcomes programs.
- **Built-in infrastructure:** established mentor networks, milestones, and escalation processes from day one.
- **Specialized execution:** delivery is the partner's full-time job, often improving consistency versus a new internal build.

Common partnership pricing models

01

Wholesale pricing

You buy seats at a fixed cost and set the retail price. Best when you want control over packaging, pricing, and parent communication.

02

Revenue share

Revenue is split **based on responsibilities.** Best when you want a lighter footprint and a clean split between delivery and client management.

For most education companies, the core tradeoff is simple: **partnerships reduce operational load but share margin.** A portion of program revenue goes to the delivery partner, which typically lowers unit margin relative to a mature in-house program. **Directional benchmarks** many firms use are **~20%–30% gross margin** on partnered programs (depending on role split and support obligations), versus **~45%–55%** for mature in-house delivery once utilization, operations, and quality control are running smoothly.

Partnerships tend to fit best when you want to add a new revenue stream quickly, protect your core advisory quality, and offer end-to-end support under one trusted relationship, without building a full delivery organization.

Option 3: Referral Only

Referral-only is the simplest approach: you recommend external research, competition, or project programs without offering them directly. It keeps your team focused on core advising while giving families a trusted path to outcomes-based support.

Tradeoffs in a referral-only model

01

Advantages

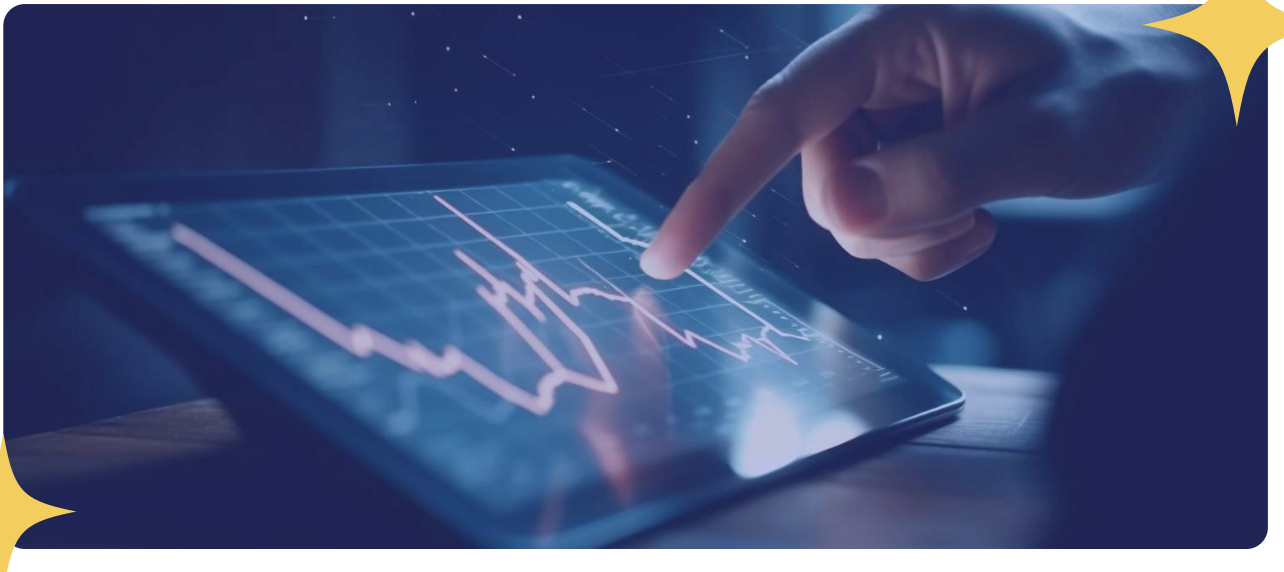
Low operational overhead and no capital investment. You can support a wider range of student interests without expanding your internal service menu. When offered, referral compensation is often a flat fee or a share of program fees, commonly around **$50 to $500 per enrollment.**

02

Risks

Limited revenue beyond referral compensation and less control over quality and outcomes. Visibility drops once families shift to another provider, and some relationships may migrate to the external program over time.

Referral-only fits firms that **prioritize simplicity** over incremental program revenue. It works best for practices centered on test prep, tutoring, admissions strategy, and essays that want to meet additional needs through curated partners without changing their operating model.



Conclusion

The shift toward holistic admissions has changed **what families expect from education providers.** Test preparation still matters, but it is increasingly one part of a broader package that includes competition preparation, mentored projects, and portfolio-building experiences. Families are also responding to a more competitive, skills-driven early-career labor market, where specialized interests and credible proof points help students stand out. For providers that can deliver consistent quality, **these outcomes-based programs can support premium pricing and strong margins.**

Whether diversification is worth pursuing depends on your positioning, capacity, and operating model. **There is no single right answer.** Some firms will build in-house for maximum control, others will partner to launch quickly without building a new delivery function, and others will remain referral-only while staying focused on advising and instruction.

What is clear is that demand is moving toward **execution and outcomes**. Providers that respond with clear program standards, transparent expectations, and respect for student ownership of the work will be best positioned to earn trust as the market evolves.

Interested in exploring managed partnership and pilot options?
partnerships@novalearninggroup.org

Sources

Where figures include modeled or estimated values, they are labeled as "directional estimates," with underlying assumptions noted in the corresponding figure caption.

1. AP News. "Harvard again requiring standardized test scores for those seeking admission." Accessed November 5, 2025. https://apnews.com/article/harvard-standardized-tests-admissions-sat-act-6b611df37d0e6f2865445ca230de1759

2. ACT. *The Condition of College & Career Readiness 2019*. Accessed November 7, 2025. https://www.act.org/content/dam/act/unsecured/documents/National-CCCR-2019.pdf

3. ACT. *2022 National ACT Profile Report (Graduating Class 2022)*. Accessed November 10, 2025. https://www.act.org/content/dam/act/unsecured/documents/2022/2022-National-ACT-Profile-Report.pdf

4. ACT. "Grad Class Database 2024." Accessed November 7, 2025. https://www.act.org/content/act/en/research/services-and-resources/data-and-visualization/grad-class-database-2024.html

5. Allen, J. (ACT). "PreACT-Tested Students in the 2024 ACT-Tested Graduating Class Summary." Issue brief. Accessed November 7, 2025. https://www.act.org/content/dam/act/unsecured/documents/2024-act-national-grad-class-executive-summary.pdf

6. Brookings Institution. "Exam ready: Who uses college admissions test prep and does it work?" Accessed November 15, 2025. https://www.brookings.edu/articles/exam-ready-who-uses-college-admissions-test-prep-and-does-it-work/

7. College Board. *2019 Total Group SAT Suite of Assessments Annual Report*. Accessed November 30, 2025. https://reports.collegeboard.org/media/pdf/2019-total-group-sat-suite-assessments-annual-report.pdf

8. College Board. *2022 Total Group SAT Suite of Assessments Annual Report*. Accessed October 17, 2025. https://reports.collegeboard.org/media/pdf/2022-total-group-sat-suite-of-assessments-annual-report.pdf

9. College Board. "SAT Participation Continues To Grow As The SAT Suite Successfully Completes Its Transition to Digital Testing." Accessed October 15, 2025. https://newsroom.collegeboard.org/sat-participation-continues-grow-sat-suite-successfully-completes-its-transition-digital-testing

10. Cornell University News. "Passion and purpose guide incoming Class of 2029." Accessed October 11, 2026. https://news.cornell.edu/stories/2025/08/passion-and-purpose-guide-incoming-class-2029

11. Crimson Education. "Cornell acceptance rate / applications and acceptances by class year." Accessed October 11, 2026. https://www.crimsoneducation.org/us/blog/cornell-acceptance-rate

Sources

12. FairTest. "ACT/SAT-Optional, Test-Free Admissions Movement Expands Again: Record 1,900+ Schools Do Not Require Scores for Fall 2024 Entrance." Accessed November 7, 2025. https://fairtest.org/act-sat-optional-test-free-admissions-movement-expands-again-record-1900-schools-do-not-require-scores-for-fall-2024-entrance/

13. FairTest. "Overwhelming Majority of U.S. Colleges and Universities Remain ACT/SAT Optional or Test-Blind/Score-Free for Fall 2025." Accessed November 7, 2025. https://fairtest.org/overwhelming-majority-of-u-s-colleges-and-universities-remain-act-sat-optional-or-test-blind-score-free-for-fall-2025/

14. Forbes. "Updated Testing Policies For Top 20 Colleges During The 2020–2021 Application Cycle." Accessed November 7, 2025. https://www.forbes.com/sites/christopherrim/2020/06/09/updated-testing-policies-for-top-20-colleges-during-the-2020-2021-application-cycle/

15. Georgetown University Center on Education and the Workforce. "Most U.S. colleges have dropped ACT/SAT requirement for fall 2021 admission." Accessed October 27, 2025. https://feed.georgetown.edu/access-affordability/most-u-s-colleges-have-dropped-act-sat-requirement-for-fall-2021-admission/

16. Harvard College Admissions & Financial Aid. "Admissions Statistics: A Brief Profile of the Class of 2029." Accessed October 17, 2026. https://college.harvard.edu/admissions/admissions-statistics

17. Ivy Coach. "Ivy League Acceptance Rates and Admissions Statistics (by class year)." Accessed October 19, 2026. https://www.ivycoach.com/ivy-league-admissions-statistics/

18. Massachusetts Institute of Technology (MIT) Admissions. "We are reinstating our SAT/ACT requirement for future admissions cycles." Accessed November 27, 2025. https://mitadmissions.org/blogs/entry/we-are-reinstating-our-sat-act-requirement-for-future-admissions-cycles/

19. Princeton University. "A Princeton Profile: Admission and Costs." Accessed November 1, 2026. https://profile.princeton.edu/admission-and-costs

20. Reuters. "Yale University reinstates standardized test requirement." February 22, 2024. Accessed November 27, 2025. https://www.reuters.com/world/us/yale-university-reinstates-standardized-test-requirement-2024-02-22/

21. University of Chicago College Admissions. "Required Materials." Accessed November 15, 2025. https://collegeadmissions.uchicago.edu/apply/application/required-materials/

22. Wake Forest University Undergraduate Admissions. "Test Optional." Accessed November 7, 2025. https://admissions.wfu.edu/become-a-deacon/test-optional/