The State of Higher Education:
National and Regional Perspectives
Presentation for the
South Dakota Association of Student
Financial Aid Administrators (SDASFAA)
April 14, 2021

The Times We Are Navigating………..
A brief tale of 4 hours in a President’s day that took hours to unravel
The Post-Pandemic College/University

An exercise in informed speculation (summarized in no specific order of priority)

- The disruptions felt across the economy have amplified and accelerated the challenges faced by the enterprise of higher education pushing odds-making on the ability for colleges across the nation to survive
- Dramatically increased pressure on admission and financial aid officers to garner enrollment to support operations, often with tactics that are unsustainable (e.g. escalating tuition discounting)
- Reductions in force (RIF) among faculty/staff implemented in triage mode just to “make ends meet”
- Increased attention and monitoring as it relates to student surveillance with reports of disciplinary matters, student retention issues, and mental health on the rise
- Social and political upheaval has compelled higher education to look inward in critical areas such as complicity in perpetuating racial injustice. It will no longer be enough to just claim we are diverse and inclusive, but rather that we are anti-racist in all aspects of operations
- The wealthiest institutions may look much the same post-pandemic. However, the leaner public universities and small private colleges are likely to continue trimming programs while simultaneously expanding their employees job descriptions
- Institutions will be called upon to promote stronger relations and integration with the communities, states, and regions that support their existence
- Leaders in higher education will be compelled to migrate from simply performing triage to meet financial obligations in the short-term and consider the long view as a matter of survival

The Post-Pandemic (PP) College/University continued

An exercise in informed speculation (summarized in no order of priority)

- Demographic issues predicted beginning AY 2025-2026 will compel universities to reconsider business practices in terms of sustainable revenue streams in support of operations (this strikes fear among the academy for its potential implications)
- Addressing public perceptions regarding the relative value, or lack thereof, of a college degree (the value proposition….return of investment-ROI)
- Disruption of antiquated budgeting processes as attainment of a degree migrates away from a more linear glide-path that contributed to predictive modeling
- Changing the perceptions of an industry resistant to time-urgent change
- Addressing the phenomenon of declining net revenue in support of operations
- Reconciling our need to operate lean that is most likely a paradigm shift that must be accepted in the long-view
- National concerns regarding rising student debt and an industry seemingly unaware of how to become part of the solution
- Political divisiveness impacting higher education in both the public and private realm as institutions of higher learning are accused of indoctrinating students away from democratic ideals
Big Picture – Enrollment Slide

How Steep Was the Enrollment Slide?
More than one-third of colleges reported that their undergraduate enrollments in the fall of 2020 had dropped by more than 5 percent.

<table>
<thead>
<tr>
<th>Change in Enrollment</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Decrease by more than 10%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Decrease by 10% – 20%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Decrease by 5% – 10%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Decrease by 0% – 5%</td>
<td>15.3%</td>
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<tr>
<td>Increase by 5% – 10%</td>
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<td>Increase by 10% – 20%</td>
<td>16.4%</td>
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<tr>
<td>Increase by 20% – 30%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Increase by more than 30%</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

Source: All Astud/C4e The Chronicle

Trending – 4 Year Regional Colleges **AND**
Addressing the demographic **inside** the demographic?

4-Year Regional Colleges

Source: Nathan D. Grase, "The Agile College" • Get the data • Created with Datavizr
Under-represented populations: It is clear that the pandemic is continuing to have equity implications for higher education

While the volume of college applications is slightly up overall from a year ago, there are troubling trends underlying……..

- 1st generation learner applications are down 3%
- The number of students requesting fee waivers for applications fell 2%
- The number of first-time freshmen declined 13% from the year prior, with sharp drops observed in Black, Hispanic, and Native American students in particular (National Student Clearinghouse Research Center)
- There was a 9.7% drop in Fafsa applications filed by high school seniors as of the end of January when compared with one-year ago (high school seniors who complete the Fafsa available October 1 are 84% more likely to immediately enroll in postsecondary education)
- Students at high schools that serve low-income populations as measured in terms of H.S. students attending Title I schools were down 12.4%, and those with high minority enrollment were down 15%
- Smaller public and private universities are seeing declines in international applicants which is devastating to schools that have built part of their business model on this population
- A growing concern that there will be a lost generation of students that end up not attending post-secondary education due to the equity gaps
- Concerns that the equity gap is destined to grow wider is viewed as a threat to higher education

Universities Operating Lean... a trend that will most likely continue into the foreseeable future
The Competitive Marketplace – Growing Incrementally
SF Development Foundation Talent Draft Day 2020

- Demographic challenges projected after 2025
- Addressing the radically shifting mindset toward traditional higher education
- Growing threats to private higher education
- Addressing the sustainability question within the business model of higher education
- Addressing emerging external factors (e.g. free community college)
- Engaging in effective, data-driven planning while retaining the ability to pivot quickly
- Effectively engaging with the community, state, and region that supports the institution (e.g. workforce development, specialized programming, etc.)

Undeniable realities regarding projected threats to the enterprise of higher education
“So what?”

“When the occasion is piled high with difficulty, rise with it. Think anew and act anew.”

Abraham Lincoln on Encouraging Innovation
We must move from talk to action with a sense of urgency

- Collectively, our industry needs to stop complaining about all of the challenges and work the problems. *Eat the elephant one bite at a time.*
- Exhibit a willingness to empower the collective wisdom of our campuses to contribute in meaningful ways.
- Move our industry out of a state of *paradigm paralysis.* Very few businesses operate the same as they did even 5-years ago due to digital transformation...why would we believe higher education would be immune to such change?
- We are the experts at what we do, yet we do not demonstrate our ability to transform our own industry and set our own destiny; hence leaving lawmakers, private industry, students/parents wondering and confused.
- We must move away from our parochial mindset as an industry and be more willing to consider partnerships, even between typically competing institutions.
- We need to avoid selecting short-term solutions to long-term problems. It is a road that will eventually become impassable due to inability to meet external compliance, provide quality programming, and maintain a safe cash position. The front edge of these failures are already present in institutions across the nation and is projected to accelerate.
- Obstacles will make way for innovation and those that are willing and still strong enough to “*pivot*” will survive.

An concrete example of how a set of catastrophic circumstances gave rise to innovation...extending your demographic reach in the competitive marketplace

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**THE CHRONICLE OF HIGHER EDUCATION**

*How to Survive the Enrollment Bust*

Colleges face looming demographic challenges. The pandemic offers clues for overcoming them.

**By Nathan D. Graue**

**January 13, 2021**
It can be done… a few ideas to ponder in closing that could create an immediate positive impact on most campuses

- Direct resources to students that have greatest needs (beyond what is currently done)
- Remain mission-centric in focusing scarce resources on programmatic issues
- Address the “affordability factor” with innovation:
  - Accelerated degree attainment
  - Stackable credentials leading to degree attainment over time
  - Awareness and accessibility to “Just in Time” education
  - Consider different pricing models for different programs (e.g. education vs. business vs nursing, etc.)
- Community engagement and participation
- Realization that higher education is considered by many as a commodity (a means-to-an-end) and since it is consumer driven, we must consider how to provide access to affordable programming through enhanced packaging in terms of instructional delivery modalities, financial aid, etc.
- Remove the idea that we must be everything to everybody…leverage our strengths and follow the research of the external environment and changing trends (e.g. needs of Gen Z have changed the college scene)

The path on the horizon will not be linear and will require us to remain progressive, even while managing the ongoing pandemic and other emerging challenges

Exploration of new and innovative programming that serves to attract and retain students at USF:
- Data Analytics Major
- Emerging Healthcare Opportunities
- A “wired” campus
- New initiatives launching…..
  - Center for Workforce Development Programming
  - Doctorate in Leadership (Ed.D.) that includes embedded stackable programming
There will always be a place for higher education in our nation, but we are charged to shape its future!

*And why must we succeed in building the future of our enterprise?*

“Education is the most powerful weapon which you can use to change the world.”

*Nelson Mandela*