



EAB

# The Changing Landscape of Higher Education

COVID Accelerates Long-Standing Trends



## A Changing Landscape

- **State support** fails to keep up with rising institutional costs, creating more dependence on tuition
- Overall **enrollments already down**, steep demographic declines projected
- **Intensifying competition** for students creates winners and losers, drives down net tuition at many institutions
- Always important, **retention** now urgent for maintaining enrollments and reaching equity goals
- Students increasingly focused on “**return on investment**” and pathway to careers, even as employers value fundamental skills such as critical thinking and communication

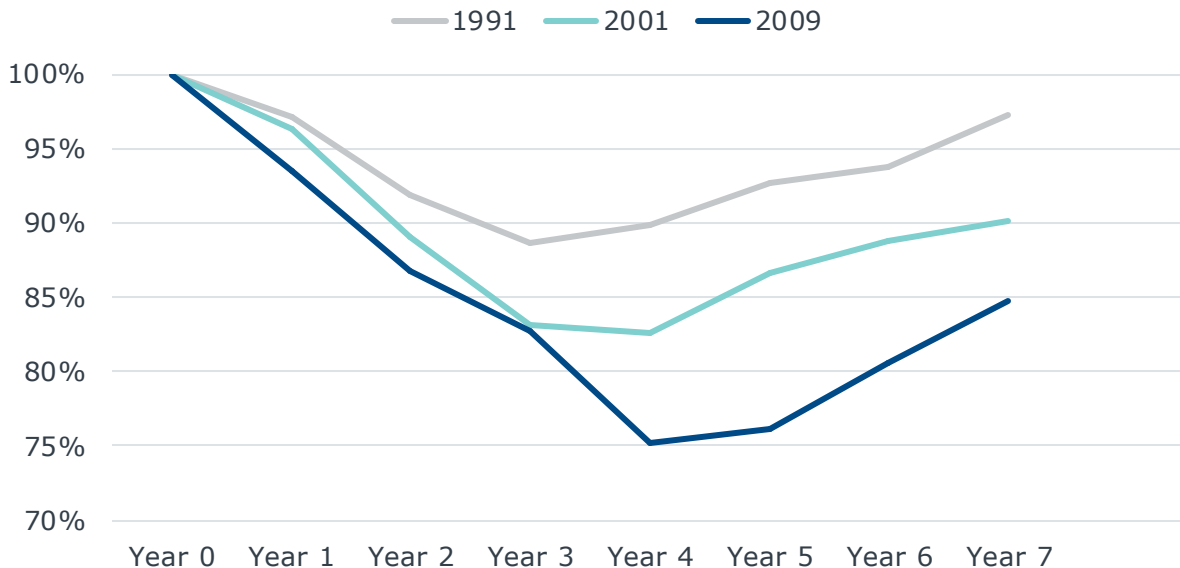
## Key Strategies

- Diversify student populations beyond traditional residential undergraduate
- Leverage proactive advising, improved pedagogy and reduced admin barriers to retain students
- Address ROI concerns with experiential learning, better career support
- Create, market, and deliver innovative academic programs designed around student needs
- Engage in regional partnerships with educational institutions, community groups, employers

# What Happened to Public Funding in Past Recessions? <sup>3</sup>

Four Straight Years of State Funding Cuts Before Hitting Bottom

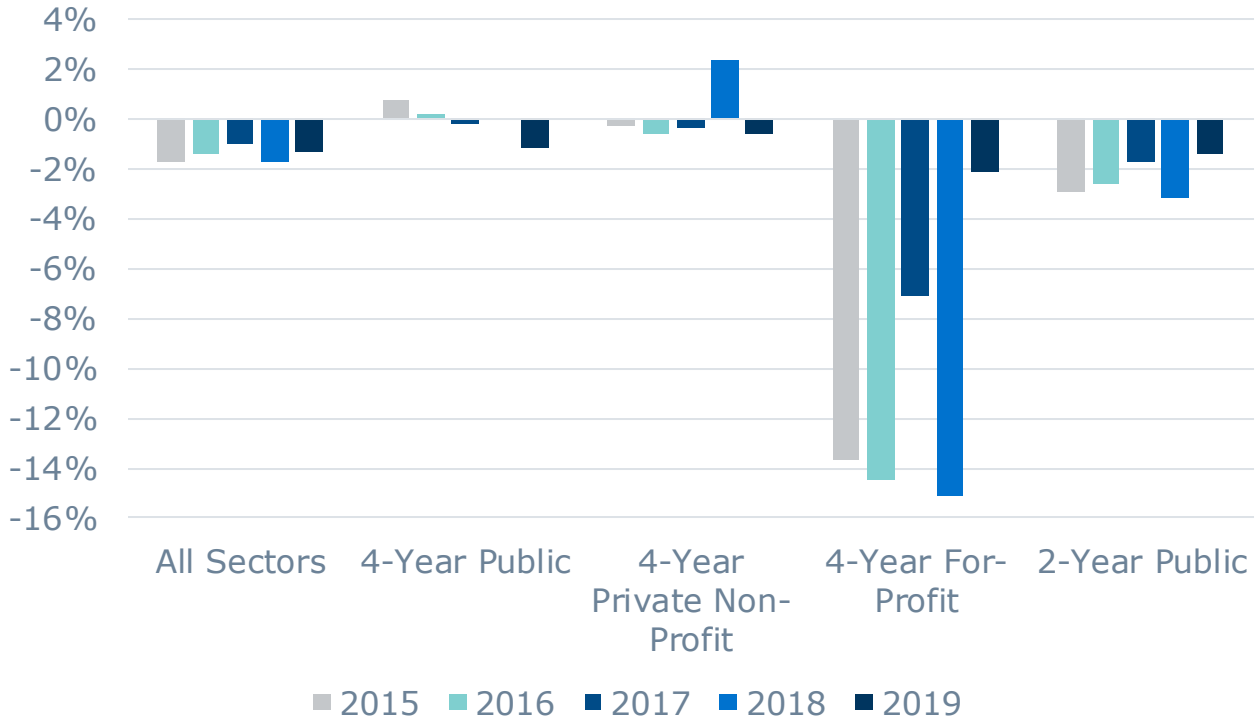
**Changes in State Funding Per FTE After Past Recessions**  
(constant dollars)



# Enrollments Were Already In Decline Before COVID

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## Change in Total Fall Enrollment by Sector, 2015-2019



# The “Demographic Cliff”



Population of 18-Year-Olds to Contract Sharply After 2025

**Modest Decrease...**

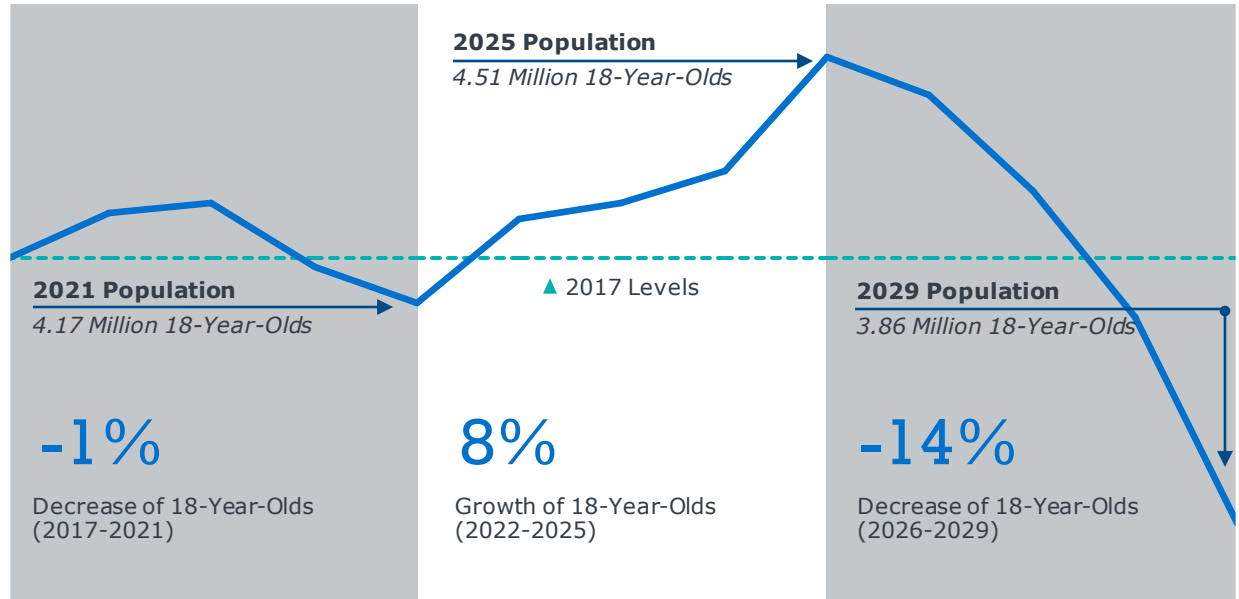
**...Followed by Growth Spike...**

**...Met with A Sharp Decline**

2017-2021

2022-2025

2026-2029

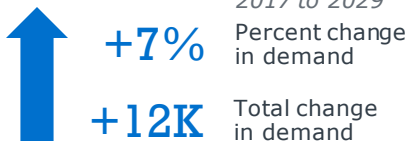


# Elite Universities Will Continue to Thrive



## Elite HEIs

Top 50 research universities,  
Top 50 liberal arts colleges  
(USNWR rankings)



Timespan	% Change in Demand
2019 to 2023	3%
2024 to 2026	2%
2027 to 2029	-5%

- Continued strong demand for elite HEIs. Some may struggle to shape a diverse class as demographics shift.

## National HEIs

Top 50-100 research universities,  
Top 50-100 liberal arts colleges  
(USNWR rankings)

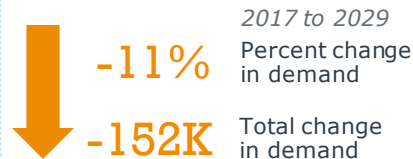


Timespan	% Change in Demand
2019 to 2023	1%
2024 to 2026	2%
2027 to 2029	-11%

- Aggregate gains among elite HEIs could offset projected losses at national HEIs who capture "spillover" demand.

## Regional HEIs

Research universities and liberal arts colleges ranked outside of Top 100 (USNWR rankings)



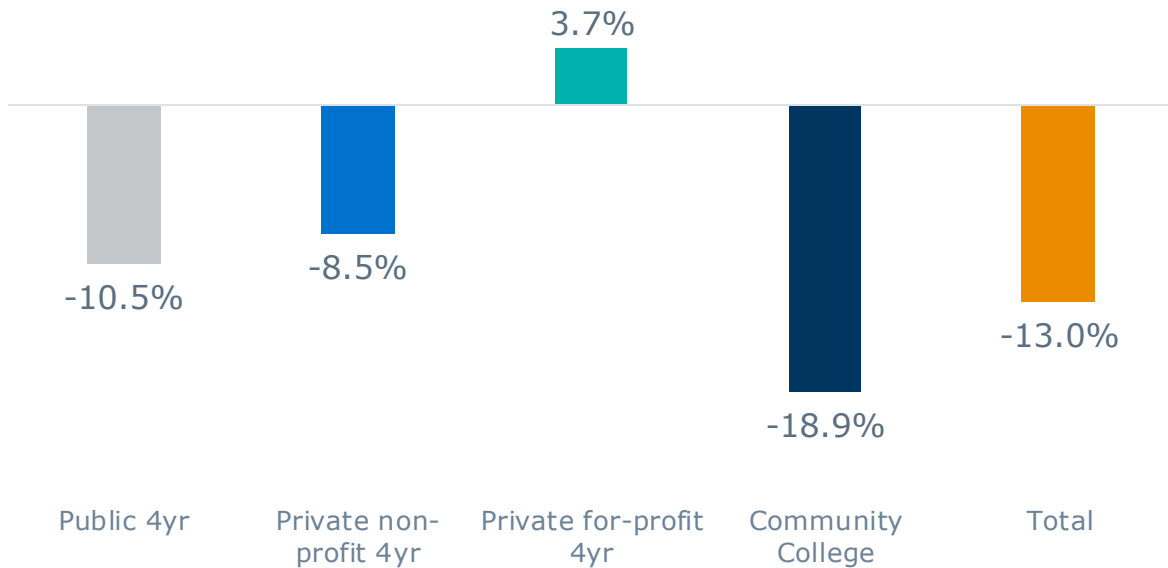
Timespan	% Change in Demand
2019 to 2023	0%
2024 to 2026	2%
2027 to 2029	-12%

- Most subject to demographic volatility as core student population is least likely to travel and most skeptical of college value proposition.

# Significant Declines in First Time Students



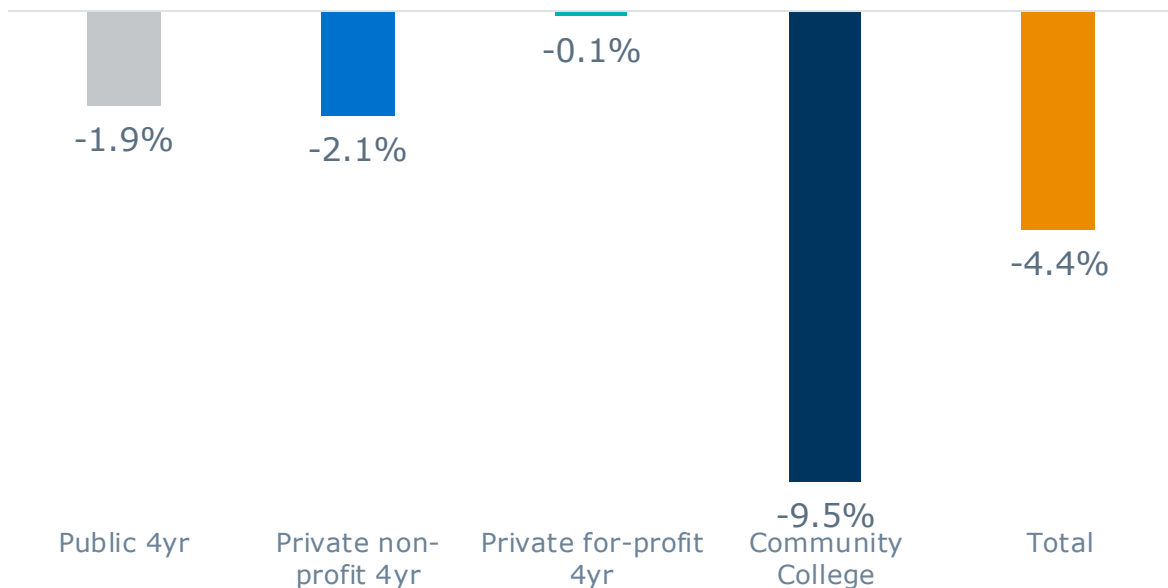
First Time UG Enrollment Changes by Sector<sup>1</sup>; Sept 2019 vs. Sept 2020



1) 76% of colleges reporting as of October 22, 2020

# Fall 2020 Enrollment Better Than Originally Feared

Undergraduate Enrollment Changes by Sector<sup>1</sup>; Sept 2019 vs. Sept 2020

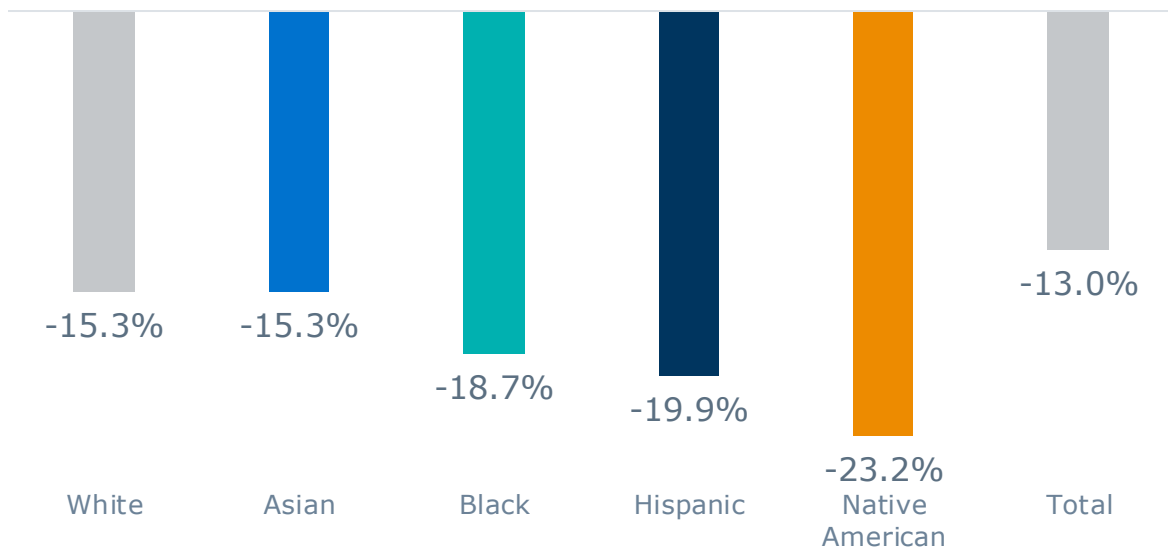


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# Under-Represented Students Saw Biggest Declines

First Time UG Enrollment Changes by Sector<sup>1</sup>; Sept 2019 vs. Sept 2020



1) 76% of colleges reporting as of October 22, 2020

# 1-3 Million Students Missing from US Public Schools

10

District	2020 Enrollment Decline	
New York City, NY	- 37,000	(- 3.2%)
Miami Dade County, FL	- 16,000	(- 4.5%)
Los Angeles Unified, CA	- 11,000	(- 2.2%)
Fairfax County, VA	- 8,700	(- 4.6%)
Montgomery County, MD	- 3,700	(- 2.25%)

## Quiet Kindergartens

# 16%

Average decline in Kindergarten enrollment across 60+ district sample (NPR)

## Where Did The Kids Go?

Can't be found

Home School

Pandemic Pods

Another District

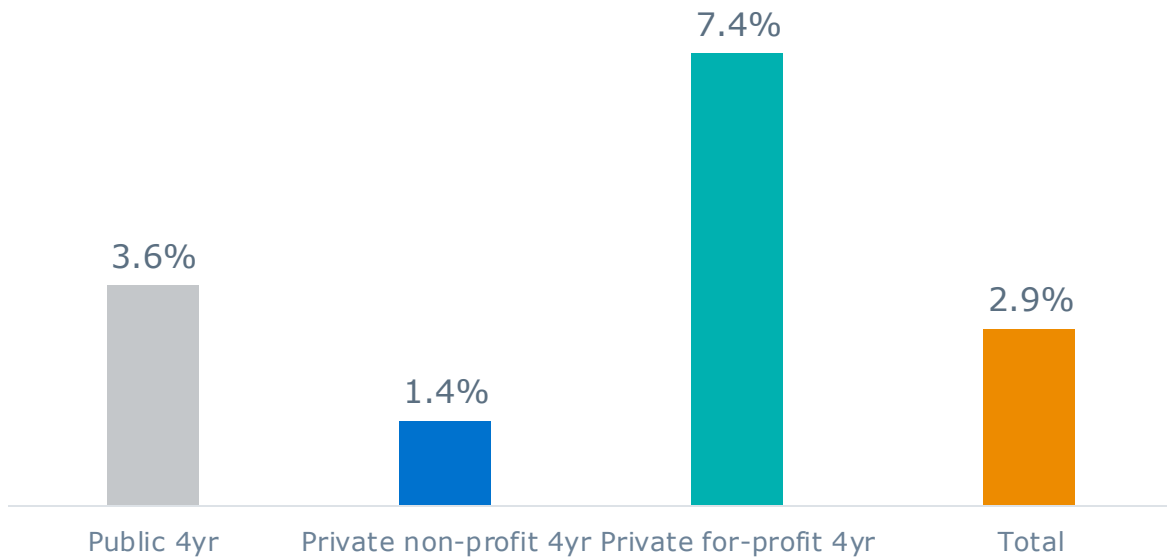
Private School

Source: Kamanetz, A., (2020) *Enrollment is Dropping in Public Schools Around the Country*; Gonzalez, O., (2020) *US Public School Enrollment Drops as Pandemic Persists*; EAB Interviews and Analysis

# Slight Bump for Graduate Programs



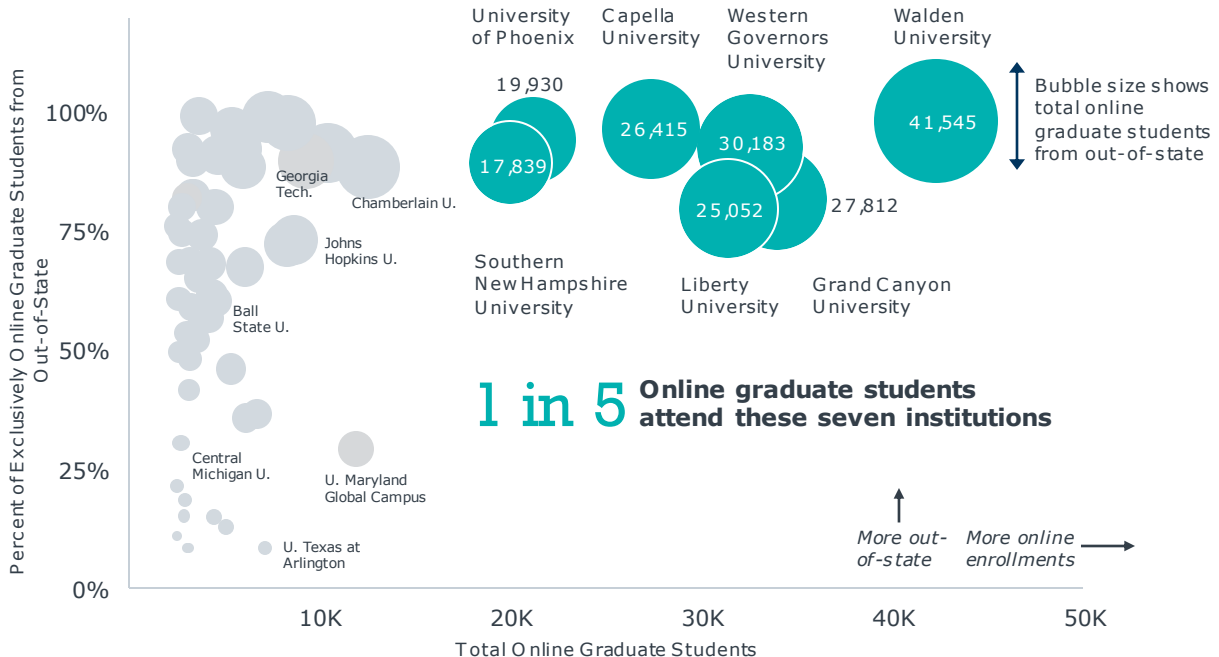
Graduate Enrollment Changes by Sector<sup>1</sup>; Sept 2019 vs. Sept 2020



1) 76% of colleges reporting as of October 22, 2020

# Handful of Giants Loom Over Online Grad Market

Institutions With More Than 2,500 Exclusively Online<sup>1</sup> Graduate Enrollments, Fall 2018  
 Total Exclusively Online Graduate Enrollments and Percent From Out-of-State



1) Recorded by IPEDS as exclusively distance enrollments.

# Major Declines in International Students in Fall 2020

## New International Students Impacted the Most

TOTAL International  
Students Studying at  
US institutions

**-16%**

80% inside the US  
20% outside the US

NEW International  
Students Studying at  
US institutions

**-43%**

49% inside the US  
51% outside the US

# The Post-COVID19 Landscape

How Will (and How Should) Universities Look Different in 2025?



## Changes to the Market

*Pandemic will accelerate pre-existing trends in demand*

Thriving  
in 2025



## New Institutional Attributes

*Leading schools will be lean, flexible, and broadly accessible*



### Amplified 'ROI' Mindset

Students, parents hyper-focused on value—down the individual fee



### Focus on Skills & Short Formats

Small but fast-growing market for flexible, abilities-based credentials



### Multi-Modal Enrollment

Greater student comfort with mixing remote and F2F instruction within the same academic term



### Organizational Agility

No time for philosophical debate—decide and rapidly iterate



### Equity-Aware Policies

Crisis highlights gaps exacerbated by institutional assumptions



### Virtualized Processes

Forced (and long overdue) migration away from complex, paper-based workflows



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