The Changing Enrollment Landscape

Implications for UMBC
Why Enrollment Matters

Everyone on Campus Has a Stake in Enrollment Success

**Access**
Provide opportunities for a broader range of students

**Excellence**
Recruit more high potential students

**Revenue**
Generate resources to invest in mission

**Success**
Retain and graduate more of the students who enroll

**Impact**
Prepare more students to contribute to society
The Enrollment Challenge

• The number of traditional undergraduate students is declining, leading to intensifying competition among public and private institutions

• State funding is not keeping up with the rising costs of education, making public universities more dependent on student tuition and driving up student debt

• Incoming undergraduates (Generation Z) have different needs and preferences than previous generations, forcing universities to adjust recruiting, student support services, academic programming, and pedagogy

• Students are increasingly focused on career outcomes and relevant experiences. They want to see a clear “return on investment” for the high price of education

• As revenues from undergraduates have flattened, many universities have aggressively grown programs for working adults, especially professional masters and certificate programs, often delivered in online or hybrid formats

• Doctoral education and faculty scholarship are fundamental to the mission of a research university, but they must be subsidized by other revenue generating activities (typically growth in tuition revenue)
State Funding Flat as Tuition Revenue Rises

State Funding vs. Tuition per Student FTE in Maryland, 2004-2018

Source: https://public.tableau.com/profile/sheeo#!/vizhome/SHEF_FY18_Interactive_Data/About
## Different Student Populations, Different Needs

Understanding the Opportunities and Challenges in Serving Each Group

<table>
<thead>
<tr>
<th>Direct from High School</th>
<th>Community College Transfers</th>
<th>International Undergraduates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Challenges</strong></td>
<td><strong>Challenges</strong></td>
<td><strong>Challenges</strong></td>
</tr>
<tr>
<td>- Demographic “cliff” in 2026</td>
<td>- Declining community college enrollments</td>
<td>- U.S. immigration policies</td>
</tr>
<tr>
<td>- Intensifying competition esp. for high income, high ability</td>
<td>- Affordability concerns</td>
<td>- Foreign government scholarship funding</td>
</tr>
<tr>
<td><strong>Opportunities</strong></td>
<td><strong>Opportunities</strong></td>
<td><strong>Opportunities</strong></td>
</tr>
<tr>
<td>- Serving students with diverse backgrounds</td>
<td>- Improving credit articulation and advising</td>
<td>- Better career counseling</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adult Degree Completers</th>
<th>Professional Masters/ Certificates</th>
<th>Research Graduate Students</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Challenges</strong></td>
<td><strong>Challenges</strong></td>
<td><strong>Challenges</strong></td>
</tr>
<tr>
<td>- Credit articulation</td>
<td>- Intensely competitive</td>
<td>- Require large institutional subsidies</td>
</tr>
<tr>
<td>- Low persistence in online programs</td>
<td>- Rapid program innovation and launch</td>
<td>- Competitive federal funding</td>
</tr>
<tr>
<td><strong>Opportunities</strong></td>
<td><strong>Opportunities</strong></td>
<td><strong>Opportunities</strong></td>
</tr>
<tr>
<td>- Prior learning assessment and competency-based education</td>
<td>- Niche programs focused on regional employer needs</td>
<td>- Cross-disciplinary, grand challenge projects</td>
</tr>
</tbody>
</table>
The Coming Demographic Cliff

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

Modest Decrease...

2017-2021

-1%

Decrease of 18-Year-Olds (2017-2021)

Followed by Growth Spike...

2022-2025

8%

Growth of 18-Year-Olds (2022-2025)

Met with A Sharp Decline

2026-2029

-14%

Decrease of 18-Year-Olds (2026-2029)

Sources: Grawe, Nathan D., Demographics and the Demand for Higher Education, 2017; EAB analysis.
Do We Have Too Many Colleges?

Some Regions Will See Thousands Fewer Students over the Next Decade

- **New England**: 4,000 fewer students each year
- **Mid-Atlantic**: 7,000 fewer students each year
- **Midwest**: 16,000 fewer students each year

This is the equivalent of

- **27** midsized colleges, 1,000 incoming students each year
A Less Steep Decline Projected for Maryland

Actual and Projected High School Graduates in Maryland

Project 9.4% Decline
More MD High School Grads Leave the State than Stay

Destinations for College Bound High School Graduates from Maryland, 2014

In-state: 13,323  Out-of-state: 15,921

Source: https://www.chronicle.com/interactives/where-does-your-freshman-class-come-from#id=ostate_24
MD Universities Growing While Colleges Shrink

Enrollment at Maryland Colleges and Universities by Segment

Source: Maryland Higher Education Commission

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Pressure on Regional Publics From All Sides

**Community Colleges**
For price sensitive families, we are often losing to CCs on price and practicality

"I know many students in our region plan to transfer to us after two years, but so few ultimately do."

**State Flagships**
Selective publics are capitalizing on the flight to "affordable quality"

"Our flagship has expanded its recruiting and affordability efforts, targeting our high flyers."

**Workforce Entry**
Debt concerns combined with a focus on trade and vocational programs attract price sensitive students

"How can I make the case to a 17 year old that he should leave the workforce for several years, only to graduate with a mountain of debt?"

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**Private Institutions**
Aggressive marketing campaigns focused on outcomes and a personalized experience

"Our local private competitor shows prospective families our graduation rates side by side...we can't compete."

Source: EAB interviews and analysis
### The Stark Realities of Student Outcomes

A True Perspective on Outcomes Demands a New Set of Success Metrics

For Every **100 Students** Who Start a Bachelor’s Degree...

<table>
<thead>
<tr>
<th>22</th>
<th>Drop out of college</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>Still enrolled after six years</td>
</tr>
<tr>
<td>3</td>
<td>Earn an associate’s</td>
</tr>
<tr>
<td>28</td>
<td>Graduate but are underemployed</td>
</tr>
</tbody>
</table>

| 35 | Graduate and are working a job requiring a BA by age 27 |

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**Our new student success mandate:**

- Graduate more students...
- ...in less time, at lower cost...
- ...with better post-grad outcomes...

...to deliver a better Return on Education

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Source: Shapiro D, et al., “Completing College: A National View of Student Attainment Rates – Fall 2010 Cohort (Signature Report No. 12)” National Student Clearinghouse Research Center (2016); Federal Reserve Bank of NY: [https://www.newyorkfed.org/research/college-labor-market/college-labor-market_underemployment_rates.html](https://www.newyorkfed.org/research/college-labor-market/college-labor-market_underemployment_rates.html); EAB interviews and analysis
Improvements in Retention and Graduation

Key Student Success Metrics at UMBC, Fall Cohorts 2001-2017

First Year Retention: 82.5% to 87.2%
Four Year Graduation: 34.6% to 44.0%
Six Year Graduation: 58.8% to 68.2%

Source: UMBC, Office of Institutional Research, Analysis and Decision Support
Student Success as an Enrollment Driver

Financial Impact of a Retention Improvement

Projected Net Revenue Above Baseline

- 10,000 student public institution
- $12,000 net revenue per student

1% increase in overall persistence each year for 3 years

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2018</td>
<td>$0.7M</td>
</tr>
<tr>
<td>Fall 2019</td>
<td>$2.0M</td>
</tr>
<tr>
<td>Fall 2020</td>
<td>$3.8M</td>
</tr>
<tr>
<td>Fall 2021</td>
<td>$5.1M</td>
</tr>
<tr>
<td>Fall 2022</td>
<td>$5.9M</td>
</tr>
<tr>
<td>Fall 2023</td>
<td>$6.2M</td>
</tr>
<tr>
<td>Fall 2024</td>
<td>$6.3M</td>
</tr>
<tr>
<td>Fall 2025</td>
<td>$6.4M</td>
</tr>
</tbody>
</table>
Maryland High Schools Will Continue to Diversify

Race and Ethnicity of Maryland High School Graduates

Projected Distribution 2030

- White: 37%
- Black: 32%
- Hispanic: 22%
- Asian/Pacific Islander: 9%
- American Indian/Alaska Native:

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Source: WICHE (https://knocking.wiche.edu/)
The Evolution of a More Discerning Customer

Key Life Events Shape the Gen Z Mindset

**Paradigm Shift in Information Access**
Gen Z have always had information at their fingertips and now expect transparency in all interactions.

**Great Recession & Financial Crises**
Gen Z watched savings shrink and markets crash during their formative years, making them more pragmatic and cautious.

**A New Way of Shopping**
Gen Z is looking for a good deal. They are used to comparing prices across products, and not sacrificing quality for cost.

**Weight of Student Debt on Millennials**
Millennials have more student debt than previous generations and their struggles to pay have received a lot of media coverage.

49% want brands to make it easy for them to find what they want quickly.

79% of students say cost is a factor in college choice.

43% compare prices when making a purchase decision.

69% of Gen Z is “seriously concerned” about taking on student loan debt.

(Perceived) Value More Important Than Price

Proliferation of Rankings and Search Tools Based on Career Outcomes

New Resources to Measure ROI Emerge Post-Recession

<table>
<thead>
<tr>
<th>Year</th>
<th>Source</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>PayScale</td>
<td>College salary and ROI reports</td>
</tr>
<tr>
<td></td>
<td>CollegeMeasures</td>
<td>State-level salary data for VA, AR; later expanded to CO, FL, TN, TX</td>
</tr>
<tr>
<td></td>
<td>Business Insider</td>
<td>Survey asks which schools best prepare for postgrad success</td>
</tr>
<tr>
<td>2012</td>
<td>Forbes</td>
<td>Alumni giving as indicator of outcomes, ROI</td>
</tr>
<tr>
<td></td>
<td>Money</td>
<td>20% of ranking based on earnings</td>
</tr>
<tr>
<td>2013</td>
<td>LinkedIn</td>
<td>Placement rate at top companies in hot industries</td>
</tr>
<tr>
<td></td>
<td>Niche</td>
<td>One-third of rankings by career outcomes</td>
</tr>
<tr>
<td>2015</td>
<td>Brookings</td>
<td>Value added vs. predicted salary</td>
</tr>
<tr>
<td></td>
<td>The Economist</td>
<td>Colleges’ value added based on Scorecard data</td>
</tr>
<tr>
<td></td>
<td>NICHE</td>
<td>Increased weight for outcomes in rankings formula</td>
</tr>
</tbody>
</table>

### A Spectrum of Approaches to Online Education

Approaches Vary by Institution and by Student Type

<table>
<thead>
<tr>
<th>Proportion Online</th>
<th>Online at the Margins</th>
<th>Growing Online Presence</th>
<th>Mature Online Programs</th>
<th>Born Digital Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;5%</td>
<td>Limited Summer Courses</td>
<td>Bottleneck Gen Ed Courses Online</td>
<td>Gen Ed Core Online Self-Paced Courses</td>
<td>Fully Online Baccalaureate Degrees</td>
</tr>
<tr>
<td>Residential Undergraduate</td>
<td>Blended Master’s Programs</td>
<td>Few Online Master’s Programs Regional Audience</td>
<td>Multiple Online Master’s Programs National Audience</td>
<td>Dozens of Degree and Certificate Offerings</td>
</tr>
<tr>
<td>Graduate and Professional</td>
<td>Converted Night School / ESL Courses</td>
<td>Small General Studies Degree</td>
<td>Multiple Completion Programs Tailored to Local Workforce Needs</td>
<td>Competency-Based, Modular Programs</td>
</tr>
<tr>
<td>Adult Degree Completion</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: EAB interviews and analysis