Empowering the Nation
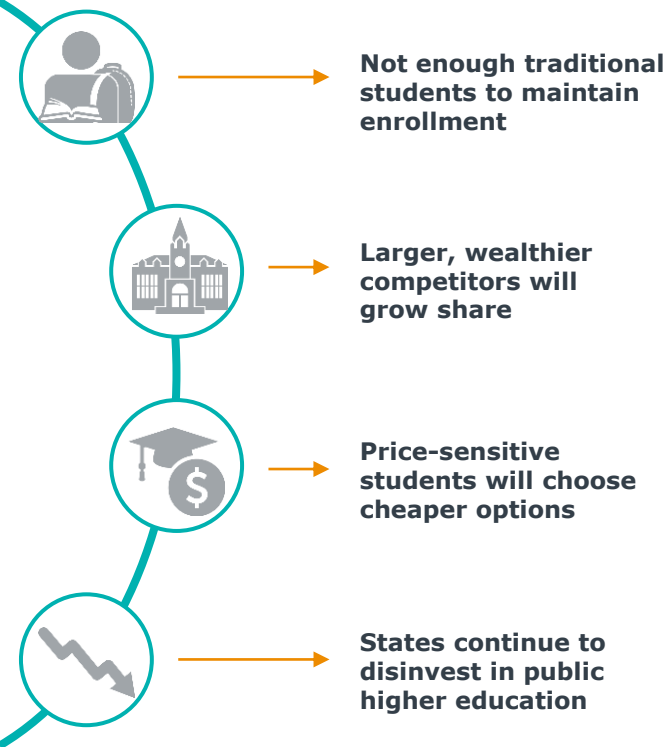
Why Public Research Universities Have Never Been More Important

The Perils of Using Fear to Motivate People in the Face of Complacency

Not enough traditional students to maintain enrollment

Larger, wealthier competitors will grow share

Price-sensitive students will choose cheaper options

States continue to disinvest in public higher education

The "Death Spiral"

- Lower Enrollments
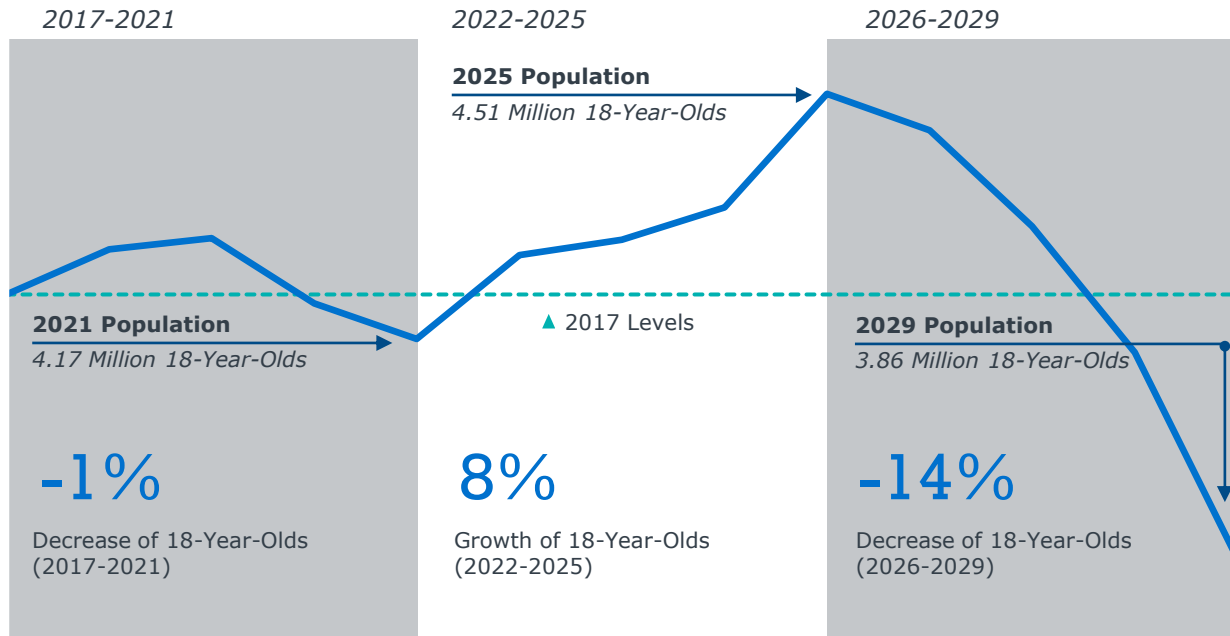- Less Revenue
- Budget Cuts
- Lower Quality

The Coming 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*

2025 Population
4.51 Million 18-Year-Olds

2021 Population
4.17 Million 18-Year-Olds

▲ 2017 Levels

2029 Population
3.86 Million 18-Year-Olds

-1%

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

8%

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

-14%

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

Sources: Grawe, Nathan D., *Demographics and the Demand for Higher Education*, 2017; EAB analysis.
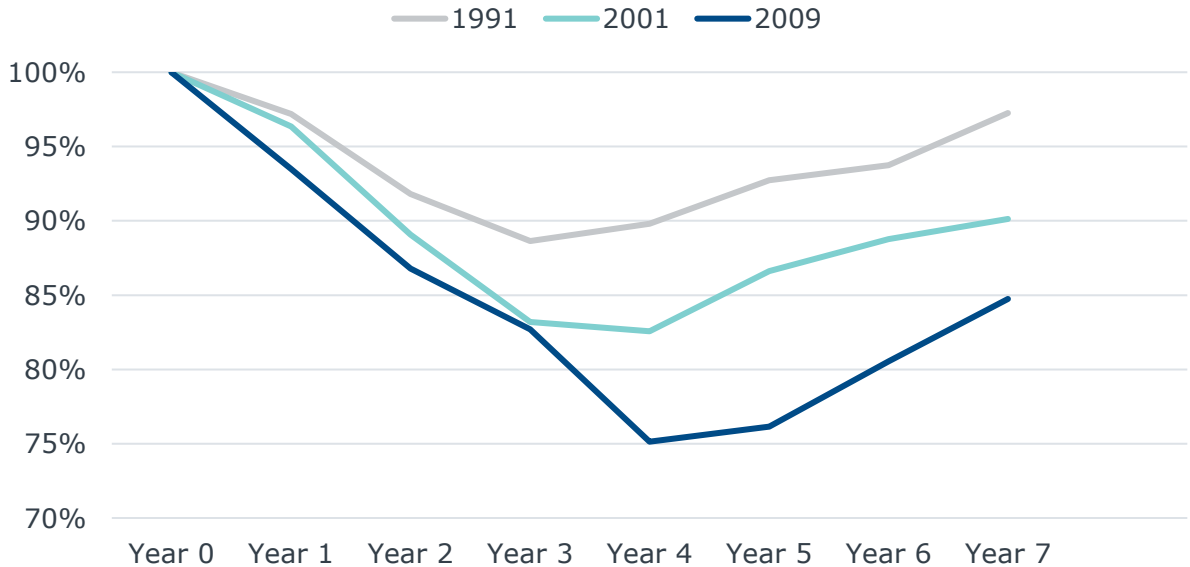
The Downward Cycle of State Funding

Four Straight Years of State Funding Cuts Before Hitting Bottom

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

1991 · 2001 · 2009

First Time UG Enrollment Changes by Sector[1]; Sept 2019 vs. Sept 2020

3.7%

-8.5%

-10.5%

-13.0%

-18.9%

Public 4yr · Private non-profit 4yr · Private for-profit 4yr · Community College · Total

First Time UG Enrollment Changes by Sector[1]; Sept 2019 vs. Sept 2020

White	Asian	Black	Hispanic	Native American	Total
-15.3%	-15.3%	-18.7%	-19.9%	-23.2%	-13.0%
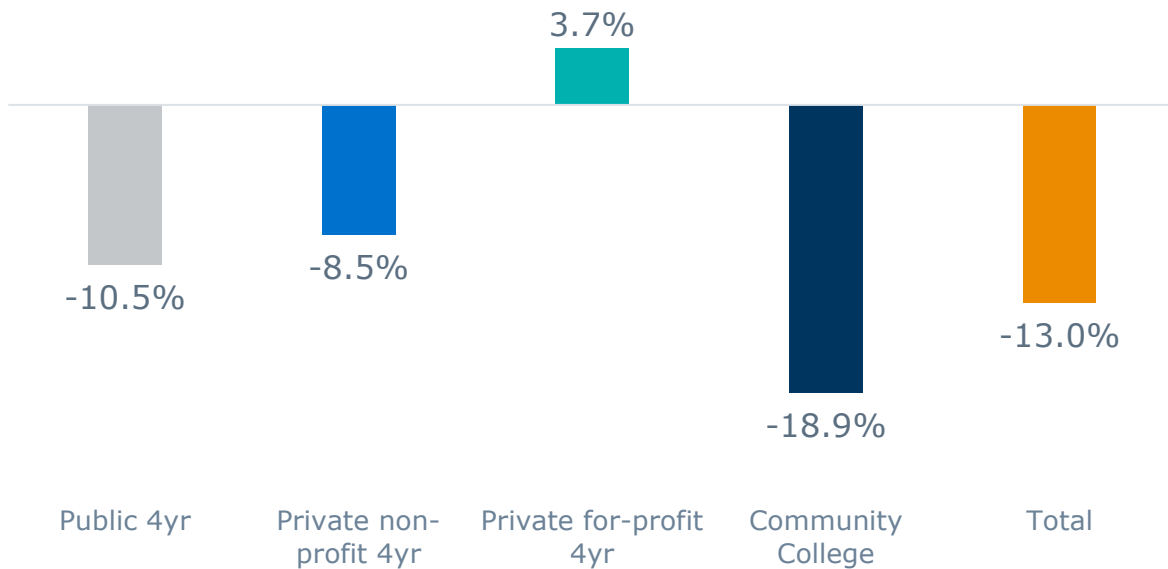
1) 76% of colleges reporting as of October 22, 2020

Source: National Student Clearinghouse Research Center's Monthly Update on Higher Education Enrollment, September 24, 2020; https://nscresearchcenter.org/stay-informed/

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*; Gonzales, O., (2020) *US Public School Enrollment Drops as Pandemic Persists; EAB Interviews and Analysis*

Seeing Threats as Opportunities

Declining demographics of traditional college-going students	→	Better serve students who have been underserved by traditional higher ed	• Current K12 students • Community college students • Working adults
Cuts to direct state support for public higher education	→	Build new partnerships that deliver clear value and generate revenue	• Corporate partnerships • Foundations • Government contracts
Growing student preferences for short, affordable, career-aligned credentials	→	Provide a broader set of options for students to access faculty expertise	• Non-credit education • Certificates • Stackable credentials

Examples of COVID Collaborations

Instruction

- Shifting to remote instruction
- Designing virtual labs
- Creating new courses on pandemics
- Building a certificate program for contact tracers

Research

- Developing vaccines
- Providing public health statistics
- Assessing modes of virus transmission
- Estimating the economic impact of quarantines

Student Support

- Providing remote advising
- Ensuring access to the internet
- Delivering tele-mental health services
- Supporting virtual recruiting events

Emergency Response

- Developing testing and tracing protocols
- Implementing social distancing in campus facilities
- Reorganizing the academic calendar

Community Impact

- Creating PPE
- Housing first responders
- Operating field hospitals
- Supporting local businesses
- Coordinating with state and local health agencies

Financial Management

- Projecting the financial impact of the crisis
- Identifying administrative efficiency opportunities
- Finding new revenues
- Working with academics to reallocate resources

"No Margin, No Mission"

Breaking the Conflict Between Austerity and Aspiration

The Austerity Argument

- We have an obligation to reduce our budget deficit
- Taxpayers and students are no longer willing to fund us at the same level because they do not see a sufficient return on their investment
- Cutbacks and cost savings are necessary, but they threaten our ability to provide quality education and excellent scholarship
- "You cannot cut your way to excellence"

The Aspirational Argument

- We are committed to bold strategic goals
- These goals will require significant new investments
- We do not anticipate increases in revenue from traditional sources
- Therefore we need to make difficult tradeoffs in how we allocate existing resources (while also seeking new sources of revenue)

In good times and (especially) in bad times, achieving excellence requires an unremitting focus and prioritization

On the Surface, It Doesn't Look That Different from Austerity

Opportunities to Better Align Resources with Mission

Reduce unnecessary administrative overhead

Consolidate academic units to reduce admin overhead and encourage collaboration

Redesign inefficient or ineffective administrative processes

Look for efficiencies within academic programs (course sizes, course offerings, course loads)

Assess investment in athletics

Assess academic program portfolio

From Ambition to Strategies

Ten Ways to Differentiate While Meeting Our Highest Aspirations

Unquestionable Return on Investment

1. **Radical Affordability**
2. **Experiential Learning at Scale**
3. **Institution-Wide Outcomes Focus**

True Engine of Upward Mobility

4. **Seamless Institutional Pathways**
5. **Mass Personalization of the Customer Experience**
6. **Integrated Mental Health and Wellness**
7. **Radical Flexibility**

Recognized and Valued as Public Good

8. **Reaching Underserved Adult Markets**
9. **Strategic Professional Program Growth**
10. **Cross-Sector Regional Economic Development**

Unprecedented Urgency for P-20 Partnerships