



EAB

Themes and Pressures Driving Change in Higher Ed

Surviving and Thriving in the Wake of COVID19
University of North Dakota
December 2020



We help schools support students from enrollment to graduation and beyond

> Find and enroll your right-fit students

> Support and graduate more students

④ **ROOTED IN RESEARCH**

7,500+ Peer-tested best practices

500+ Enrollment innovations tested annually

④ **ADVANTAGE OF SCALE**

1,500+ Institutions served

4 M+ Students supported by our SSMS

④ **WE DELIVER RESULTS**

95% Of our partners continue with us year after year, reflecting the goals we **achieve together**



> Prepare your institution for the future

Meet Your EAB Presenter...



Rachel Tanner

*Director,
Research Advisory Services*

RTanner@eab.com

The State of the Higher Ed Sector, In Six Parts

4



Introduction to EAB

Who we are and what resources we can provide for you



Adjusting to Declining Numbers of Traditional Students

COVID-19's impact on an already contracting student enrollment market.



What About "New Markets"?

A brief overview of the demand for international, master's, and certificate programs.



The Ethical and Financial Imperative of Student Success

Helping students to graduate is at the core of what we do—but in the current environment, it might also be integral to financial sustainability.



Understanding Tomorrow's Students

What do we know about the priorities and behaviors of Generation Z?



Addressing Concerns About Debt, Affordability, and Value

Students and families are telling us they want to see "return on investment"—but what does that mean?



Digital Transformation in Higher Ed

We all had to pivot to virtual work last fall, but what does a truly tech-enabled college campus look like?



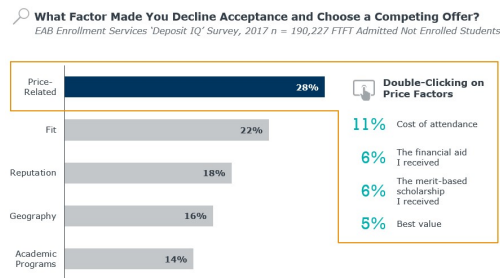
Adjusting to Declining Numbers of Traditional Students

Way Back in 2019... An Industry Already at Risk

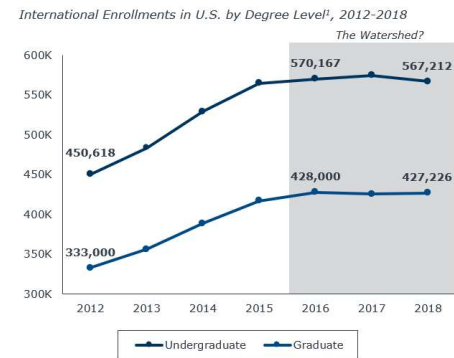


Four Forces Driving Skepticism About Higher Ed Sector Pre-COVID19

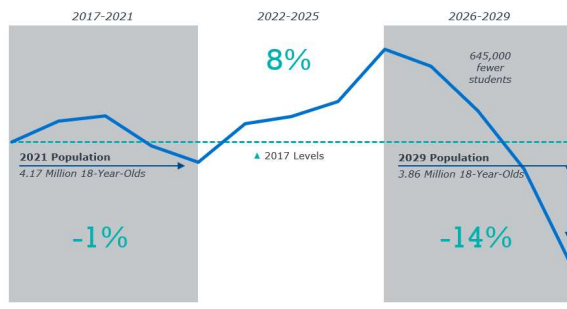
Focus on Cost and Affordability



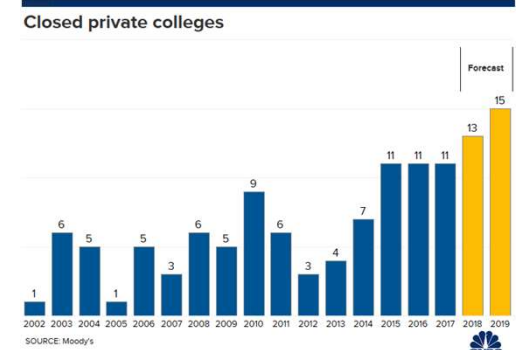
Flattening 'Growth' Markets



Approaching Demographic Cliff



Uptick in College Closures



The Looming “Birth Dearth”



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

Modest Decrease...

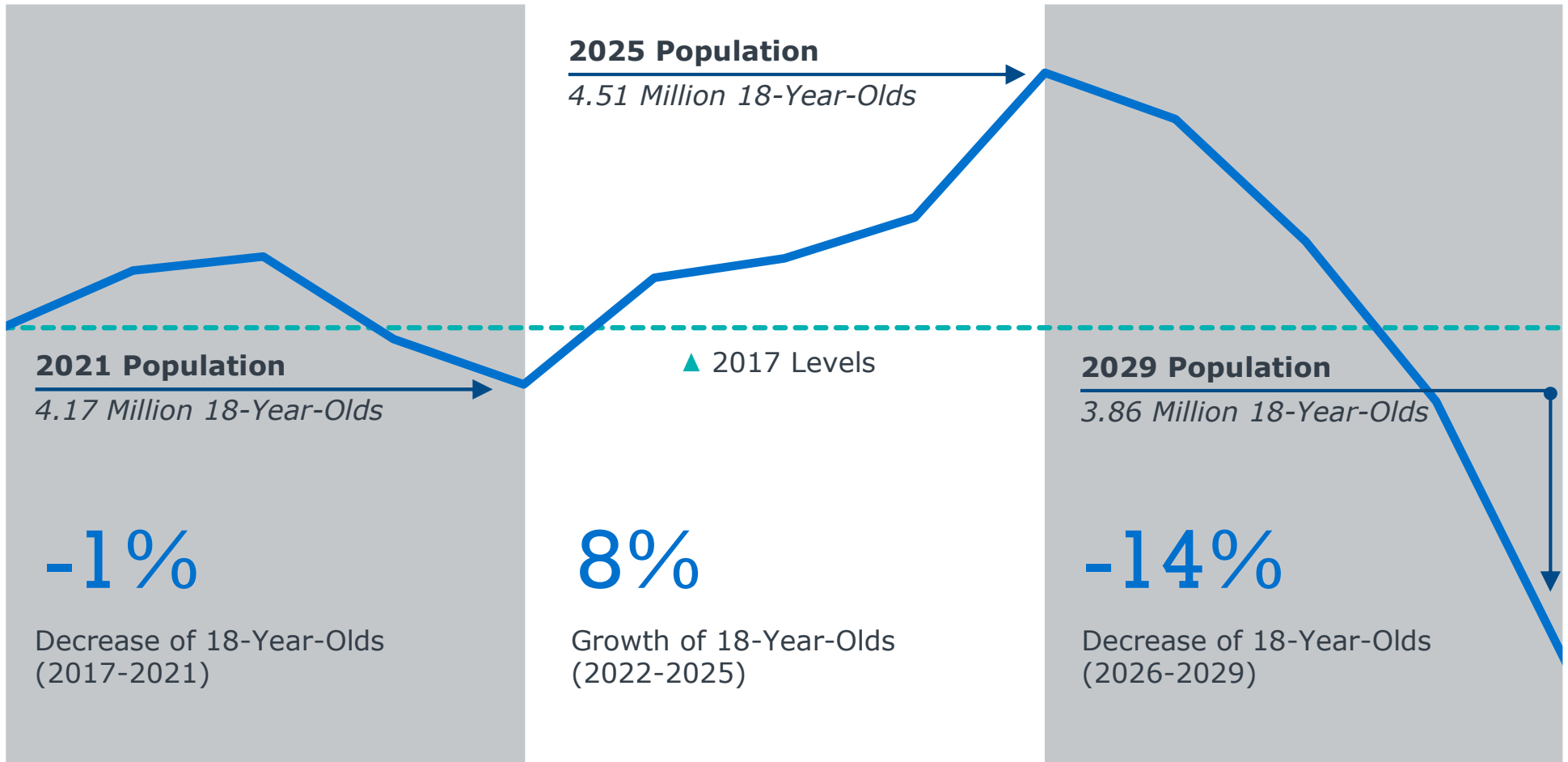
...Followed by Growth Spike...

...Met with A Sharp Decline

2017-2021

2022-2025

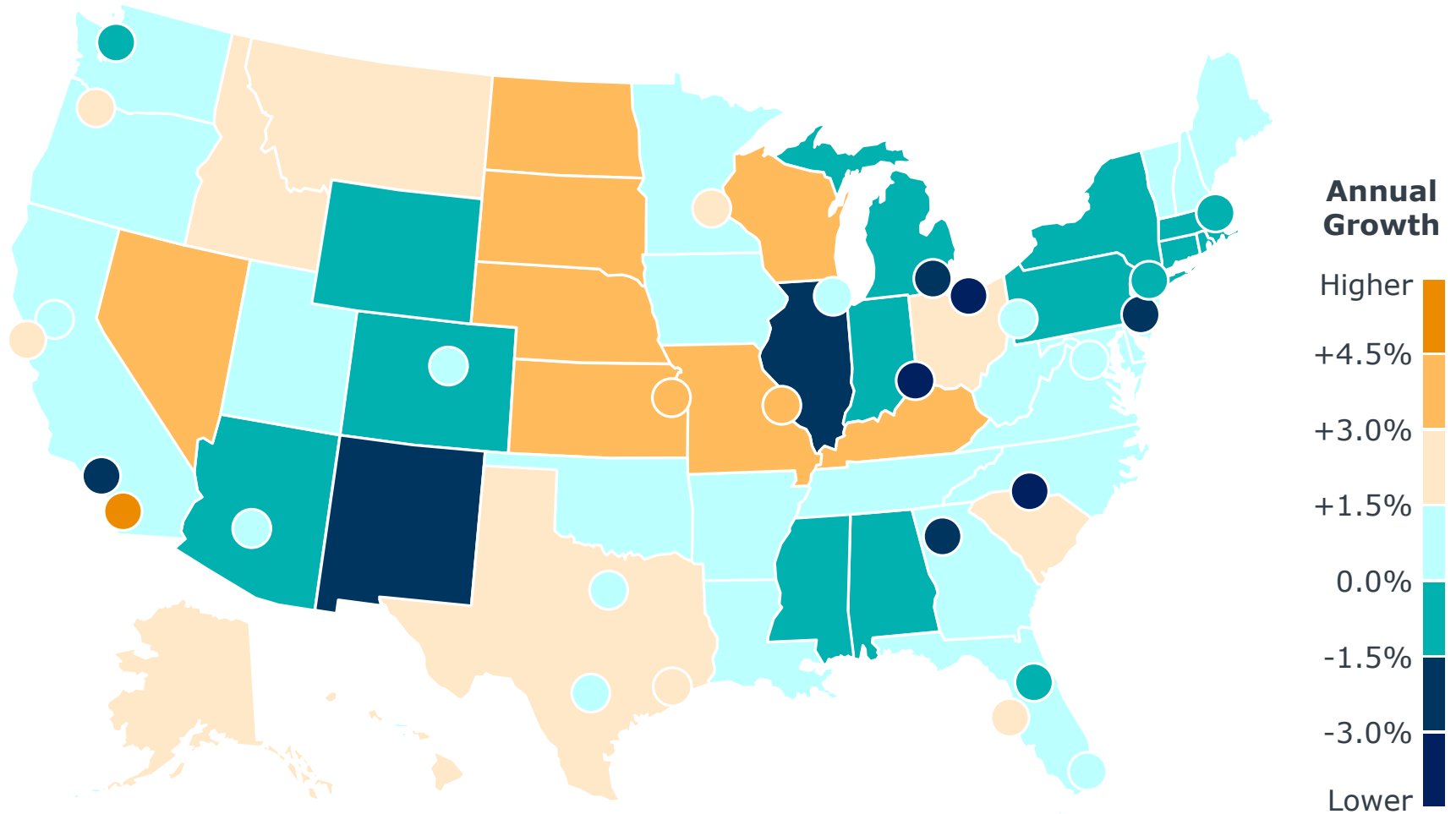
2026-2029



Some Regions More at Risk Than Others

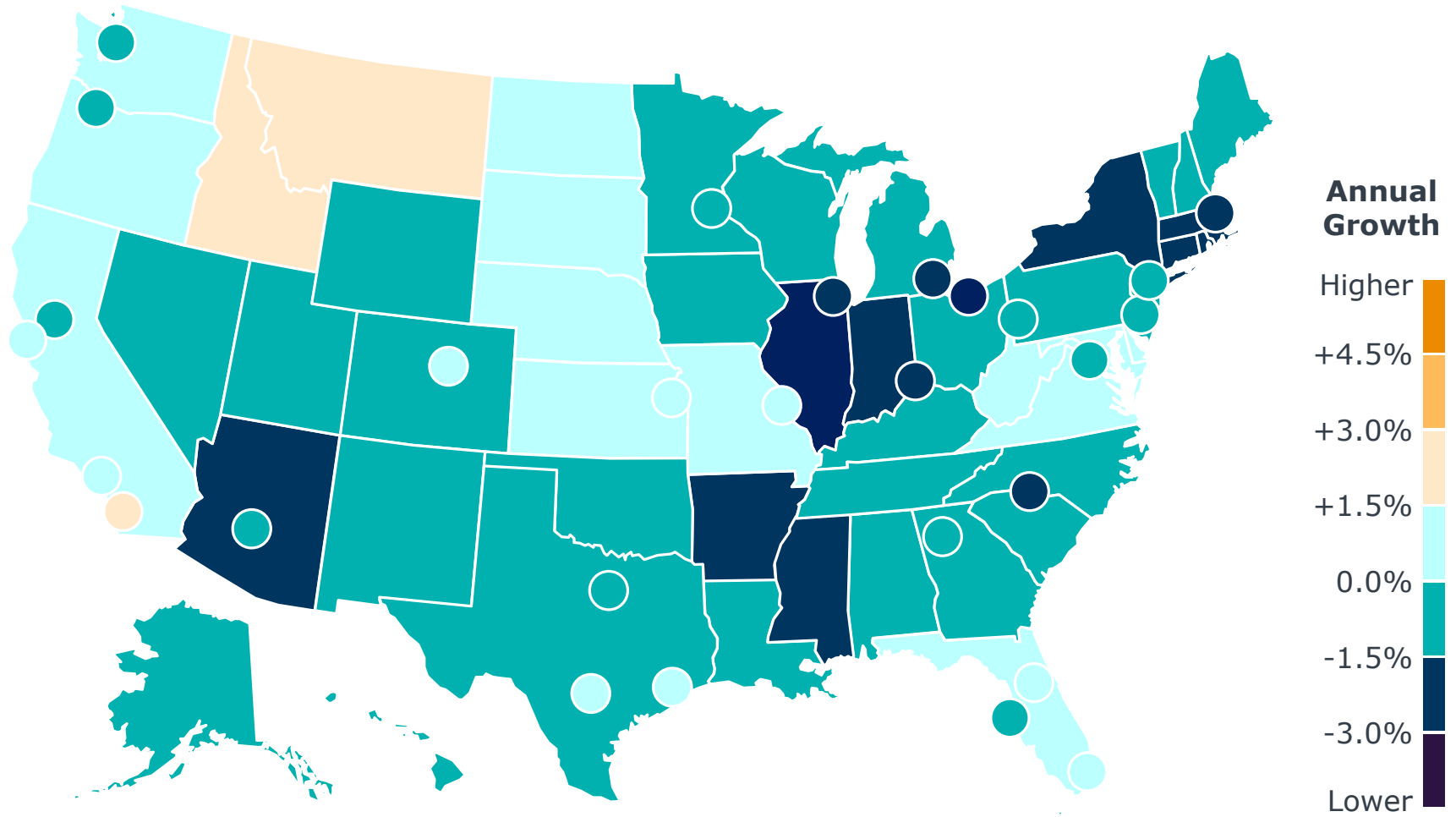


**Annual Change in Americans Predicted to Attend 4-Year Colleges
2018-2023**



Source: Grawe, *Demographics and the Demand for Higher Education*, 2018; EAB analysis.

Annual Change in Americans Predicted to Attend 4-Year Colleges 2018-2029



Source: Grawe, *Demographics and the Demand for Higher Education*, 2018; EAB analysis.



What Could Shift the Outlook Further?

Factors Shaping Future Regional Supply and Demand



Student Access

- **Changes to College-Going Rates**
Higher college-going rates could limit the impact of demographic declines on college enrollments.
- **Student Success and Equity Gaps Persist**
First-gen and minority students persist and graduate at lower rates than high-income and/or white students.



Competition

- **Shifting Competitive Landscapes**
Community colleges and selective institutions may target a wider range of students.
- **Consolidation and M&A Activity**
Institutions may look to gain scale and market share by acquiring struggling institutions.



State Policy

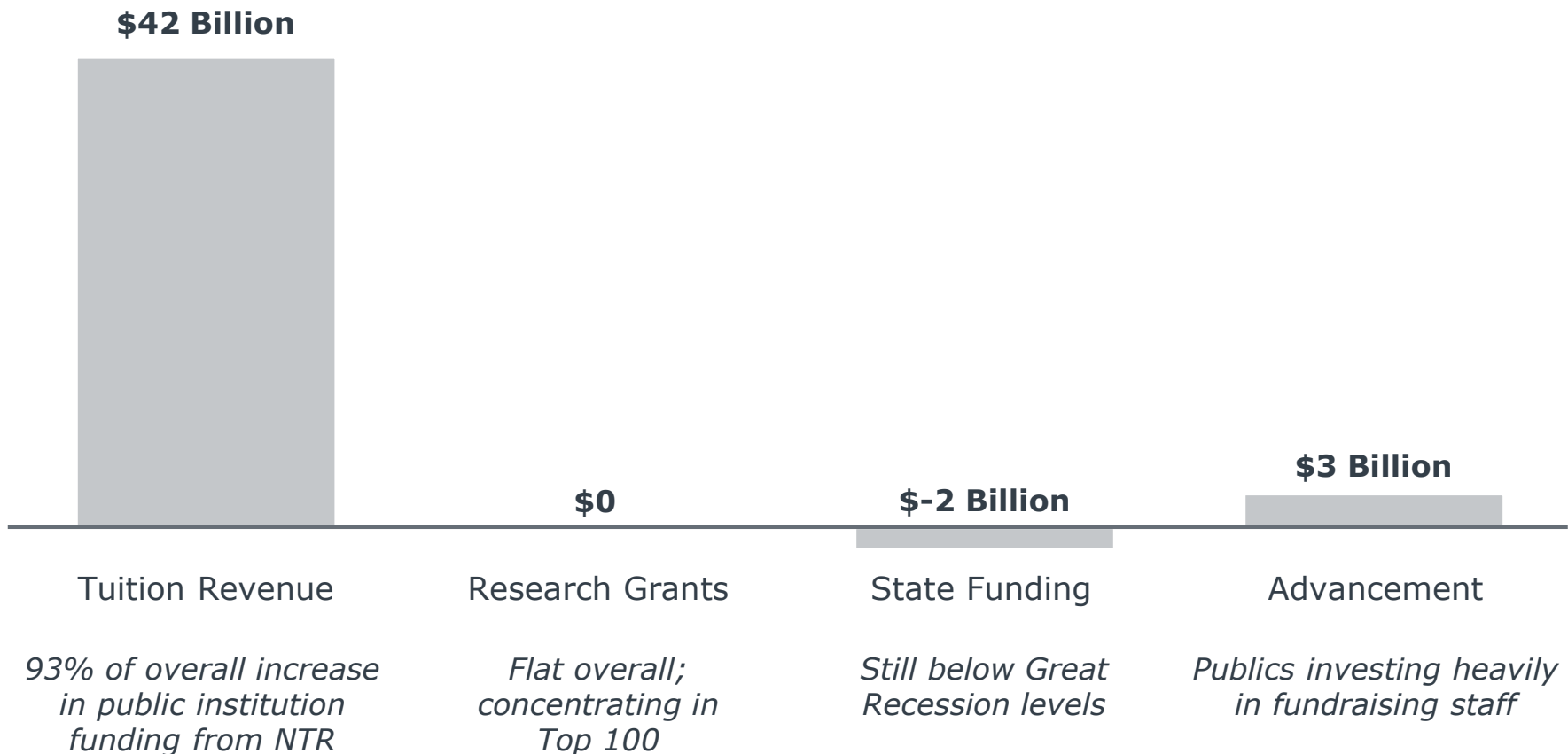
- **Variable Higher Education Funding**
Changes in state funding could impact the competitiveness of public institutions and force tuition increases.
- **State-Led Free College Initiatives**
State led affordability initiatives could divert students to community colleges, but may also increase college-going rates.

Publics Becoming as Tuition-Aware as Privates



Tuition Revenue Taking Center Stage as Other Funding Sources Stall

Change in Public College and University Revenue by Funding Source, 2006-2016 (Inflation-Adjusted)

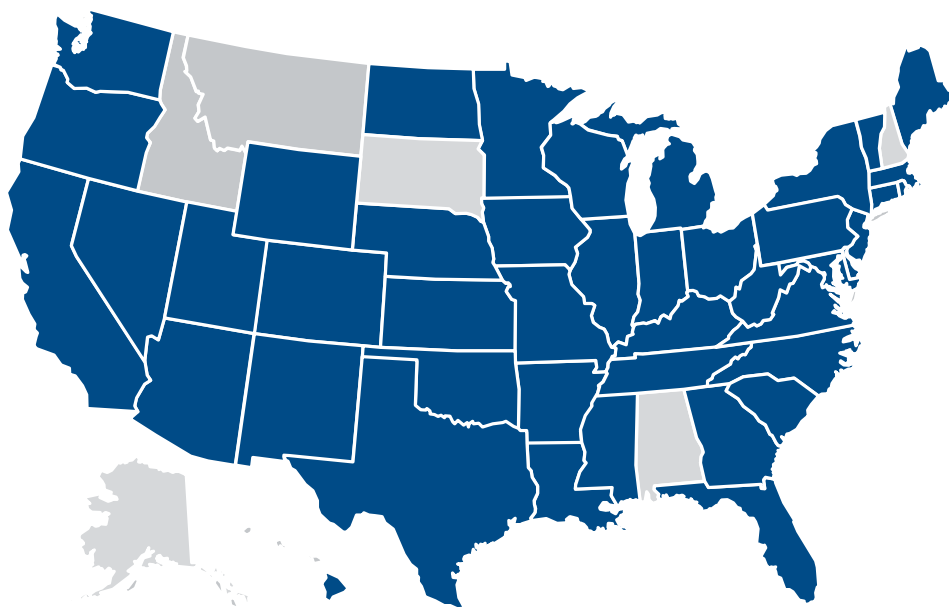


How Can You Compete with “Free”?

Proliferation of Free Tuition Programs Across the Country

Promise Programs Abound

Free Tuition Movement by States, Municipalities, Philanthropists, and Companies



■ States with Promise Programs
■ States without Promise Programs

350

Local and state college promise programs in **44 states**

Four-Year Institutions Follow Suit

Free Tuition Initiatives Announced by Many Selective Institutions



Boiler Affordability Grant



Go-Blue Guarantee



Illinois Commitment



RICE

The Rice Investment



HARVARD UNIVERSITY



Yale

Source: ; Boggs, B. and Carlson, A. *Free Community College Programs ("Promise Programs")*, 2018_NCSL_HEI_Presentation_Promise_Programs.pdf; Fox, E.J. *Stanford offers free tuition for families making less than \$125,000*. CNN Money. April 2015; EAB interviews and analysis.

Consolidation Activity Still Fairly Limited



Fewer M&As than Soundbites Suggest

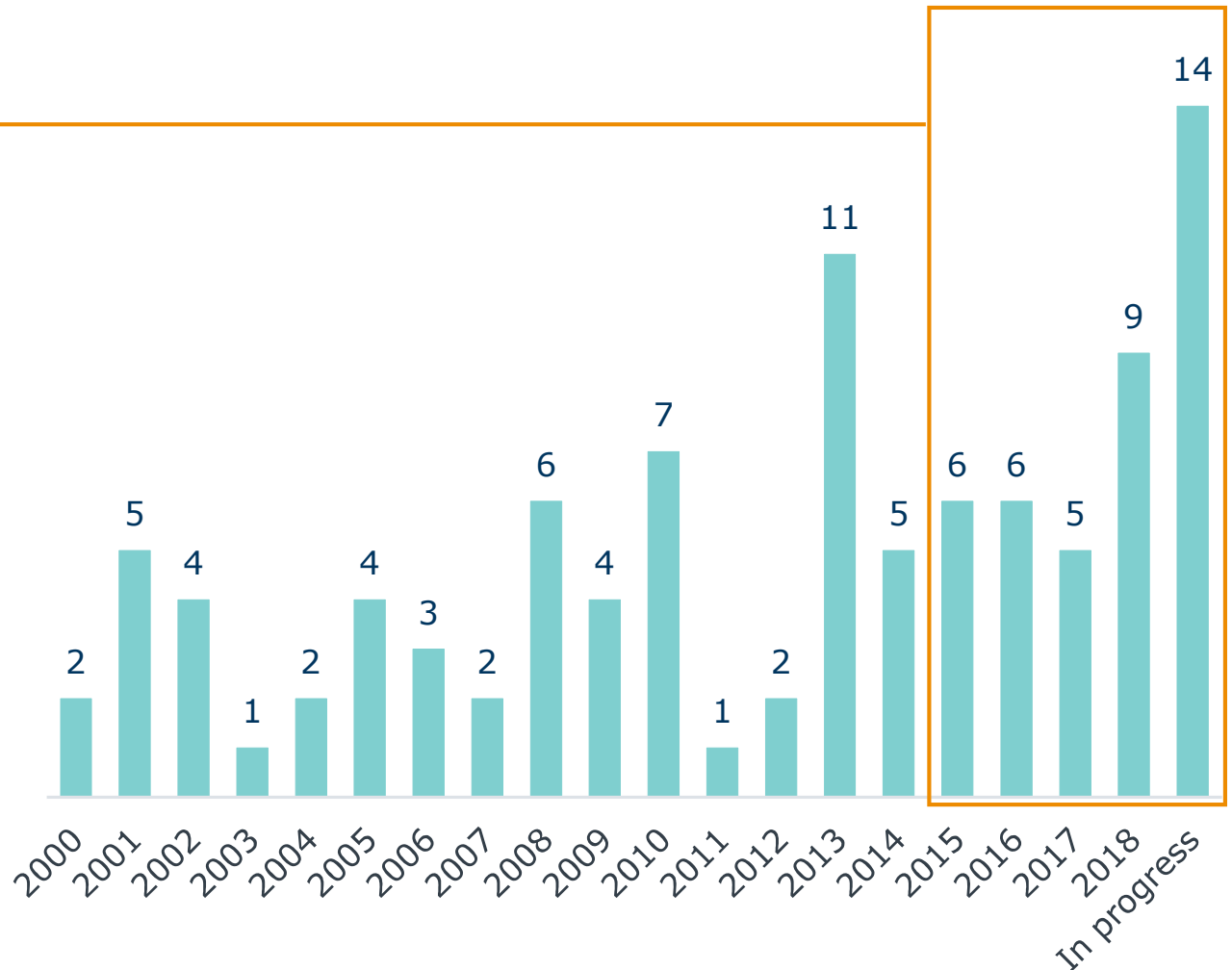
M&A Transactions Involving 4-Year Degree-Granting Institutions, 2000-present

True, But the Numbers Are Small...

“The merger rate [among four-year public and private non-for-profit colleges] will more than double [from 2015 to 2017].”

*Moody's Investor Service
Higher Ed Industry
Outlook, 2015*

Only **99** M&As since 2000



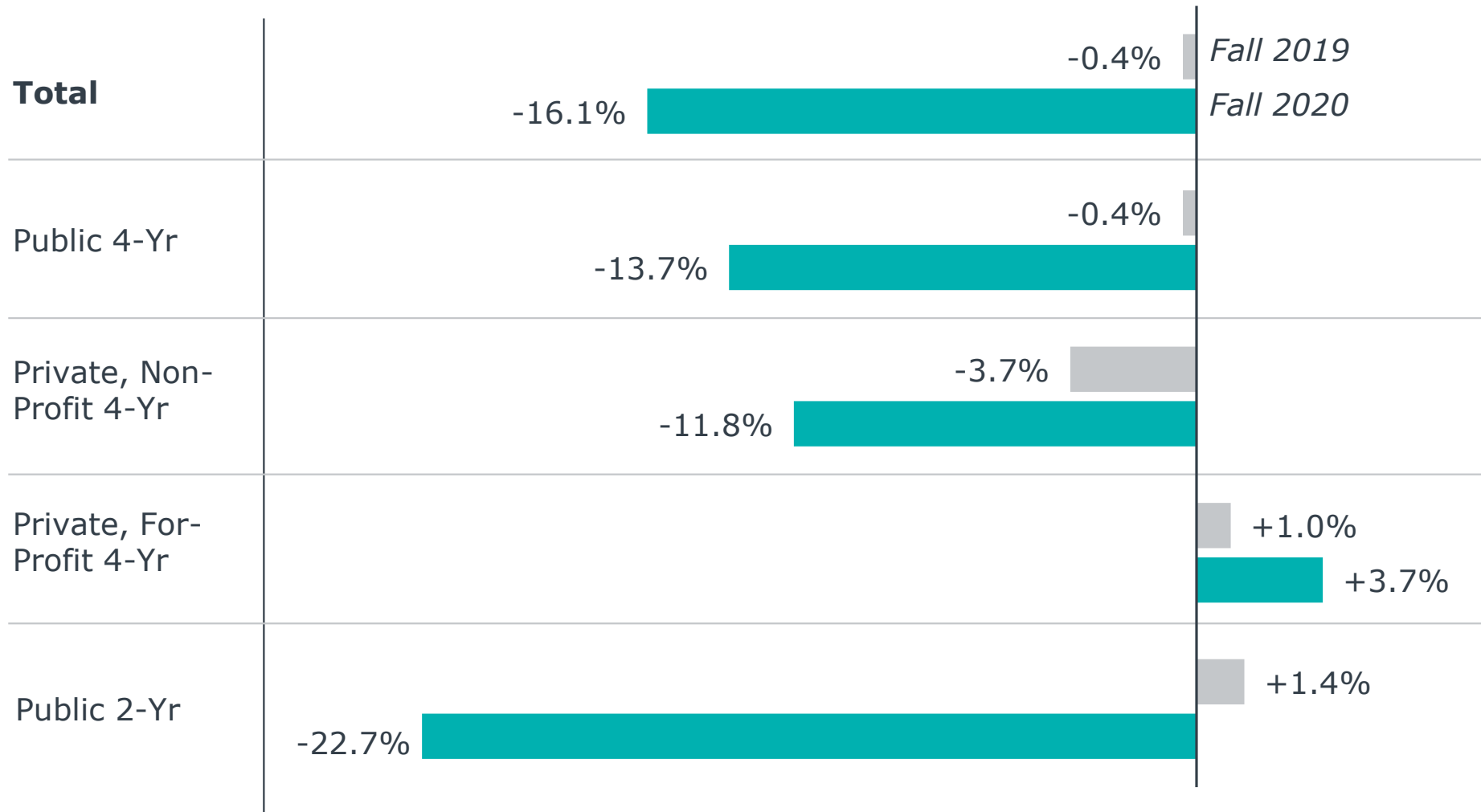
Source: Moody's Investor Service (2015). *Announcement: Moody's: Small but notable rise expected in closures, mergers for smaller US Colleges.*; EAB data and analysis.

First-Time Enrollments Plummet



First-Time Beginning Undergraduate Enrollment Changes by Sector

First-time Beginning Student Enrollment Changes - Total



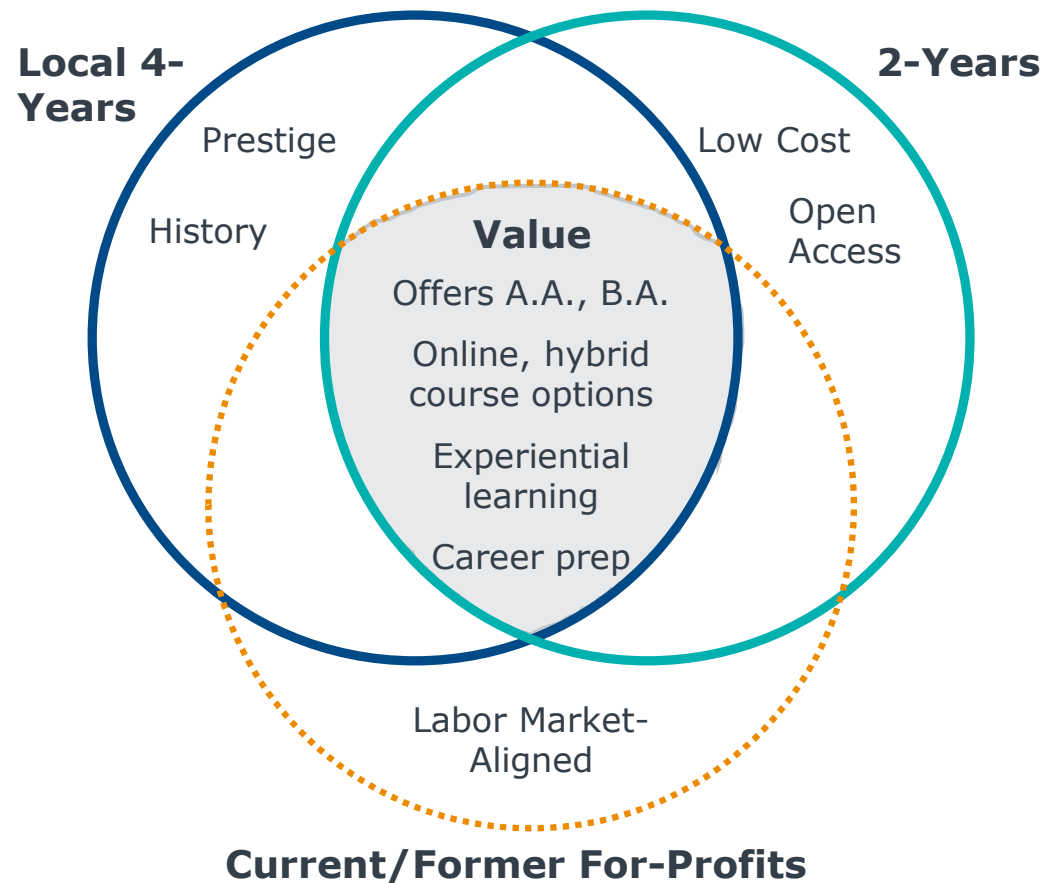
Source: 'COVID-19 Stay Informed with the Latest Enrollment Information', National Student Clearinghouse, Oct. 15, 2020; EAB interviews and analysis.

Blurred Distinctions Between Segments and Sectors

Value Propositions Sounding the Same for Very Different Institutions

Heightened Competition Due To Messaging...

Marketing Messages of Higher Ed Competitors



...And Service Overlap

System-Wide Consolidations



4-Years Offering Associates



For-Profits Become Non-Profits



NACAC Ethics Changes Will Intensify Competition

Admission Isn't the Only Office that Needs to Reconsider Business as Usual



Effects of the September 2019 NACAC Vote

1

It is permissible to **recruit students already committed** to another 4-year institution

2

It is permissible to **recruit students already enrolled** at another 4-year institution

3

It is permissible to **offer special perks** to early decision applicants/matriculants

With the possibility of poachers, don't let your department make for easy targets.

Student Life



Should we require spring orientation?

Registrar



Should we tighten our withdrawal policy?

Financial Aid



Should we consider early decision grants?

The Post-COVID19 Landscape

How Will (and How Should) Your Institution Look Different in 2025?



Changes to the Market

Pandemic will accelerate pre-existing trends in demand



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

Thriving
in 2025



New Institutional Attributes

Leading schools will be lean, flexible, and broadly accessible



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



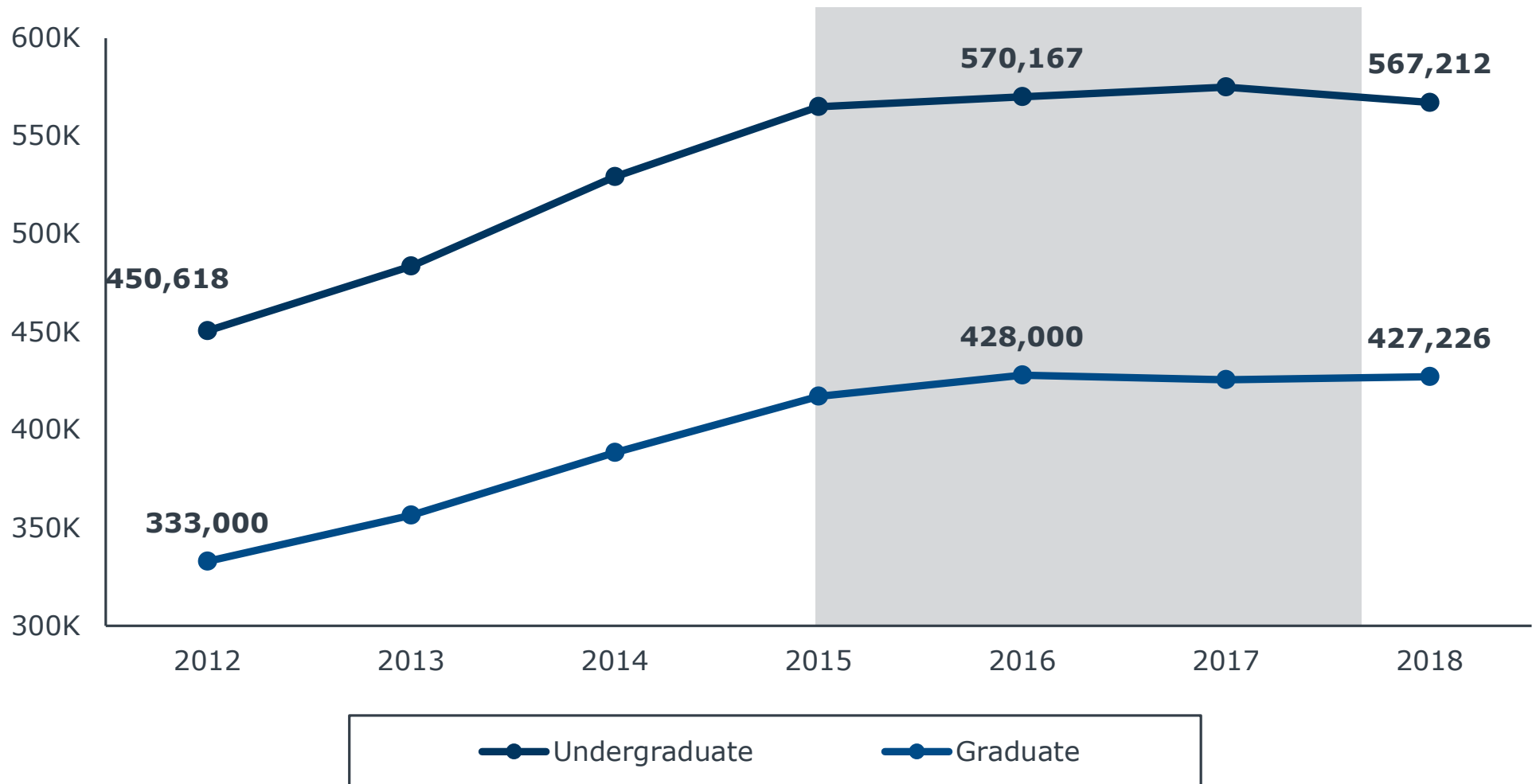
What About “New Markets”?



International No Longer a Source of Growth

But Don't Blame Political Climate Alone – Inflection Was Already Underway

International Enrollments in U.S. by Degree Level¹, 2012-2018

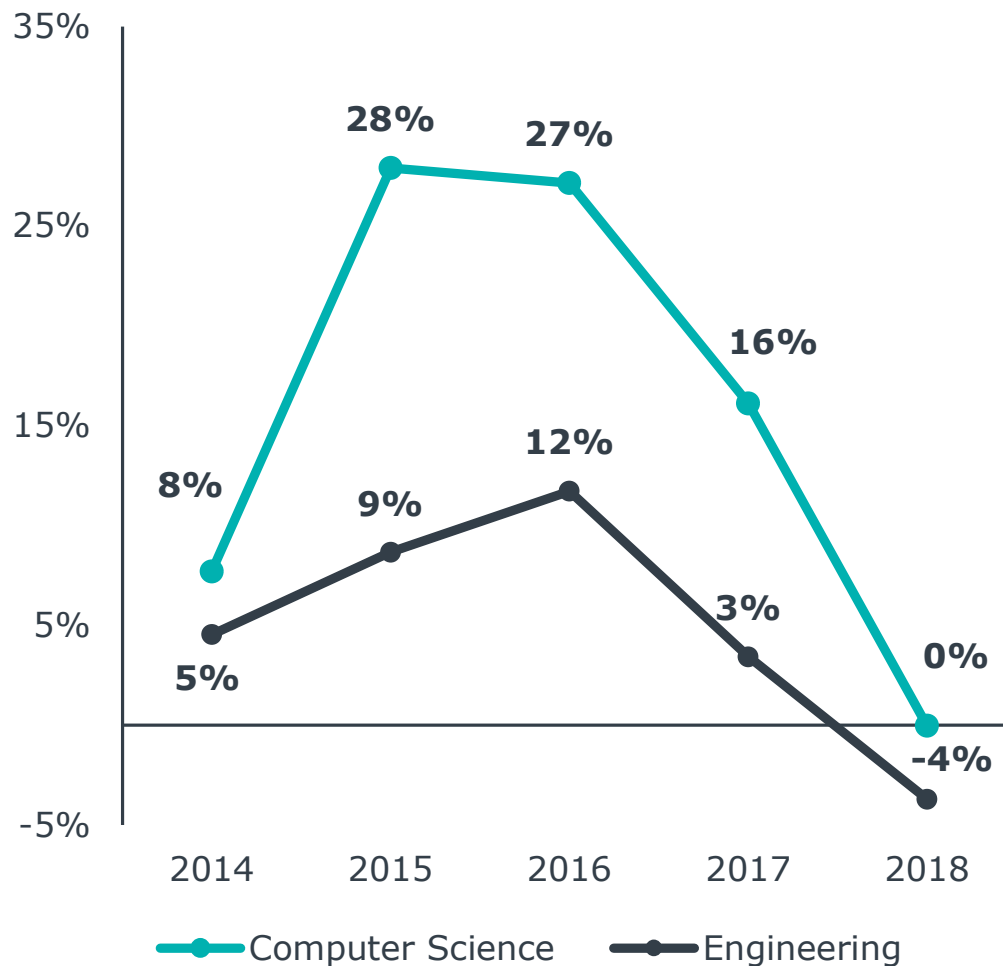


1) 'Graduate' includes all master's and doctoral programs.

Doesn't Take Much to "Turn Off the Tap"

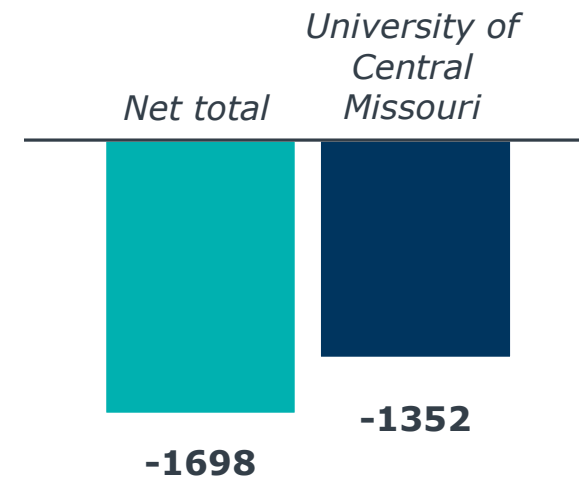
Changes to Indian Visa Process May Worsen International Declines

Year-Over-Year Change, Master's Conferrals, 2014-18



What Happened to Computer Science in 2018?

Change in Total Comp. Sci. Master's Conferrals, 2017-18



- Majority of CS field decline concentrated at one institution reliant on students from India
- Policy change means grad degree no longer guarantees green card
- Indian economy sluggish after 2016 currency demonetization

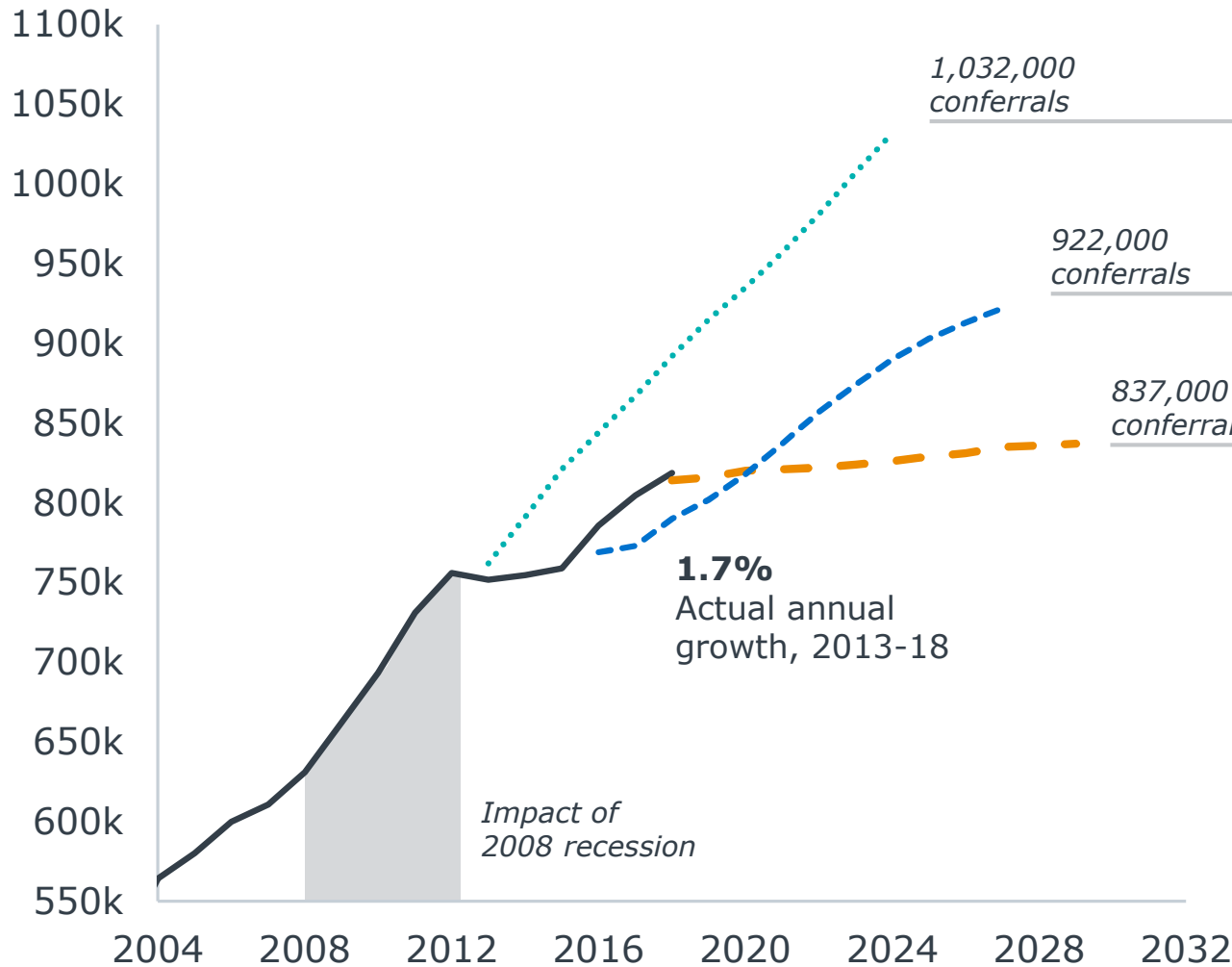
Source: EAB analysis of NCES 2014-18 completions data; Redden, Elizabeth. "Boom in Indian Enrollments, Followed by Bust." *Inside Higher Ed.* (2017); EAB interviews and analysis.



The Master's Degree Bubble Has Already Burst

Lower Expectations for Growth Every Year Since 2013

Master's Degree Conferrals



10-Year Projections

2.8%
Projected Annual Growth
2014 - 2024¹

1.7%
Projected Annual Growth
2017 - 2027¹

0.3%
Projected Annual Growth
2019 - 2029¹

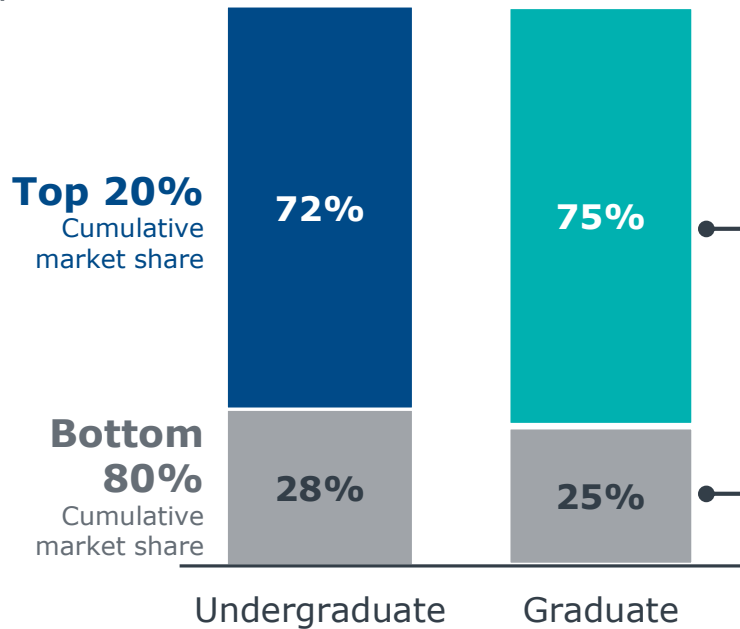
1) The graph includes a 'year 0' for each projection. These 'year 0s' (2013, 2016, and 2018) are actual figures, not projections.



Capturing Share in Competitive Markets

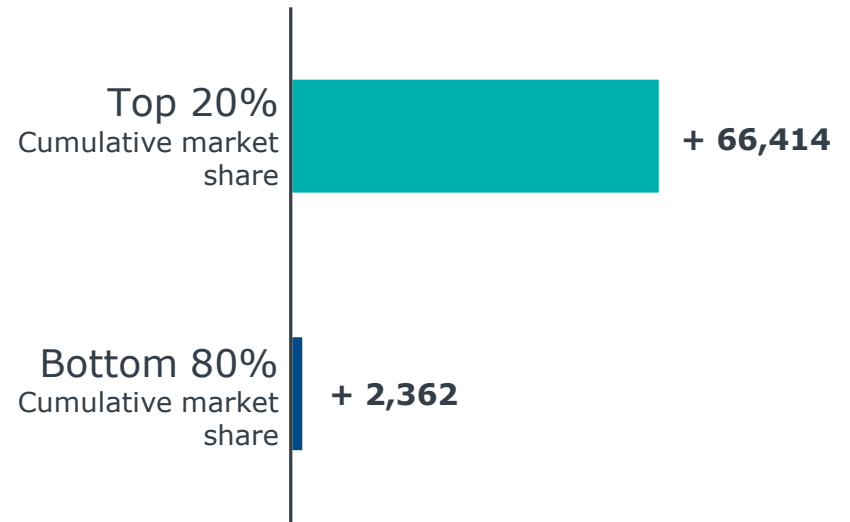
Institutions with Highest Conferrals Control Most of the Market

Percentage of total degrees¹ conferred by top 20% of institutions, 2018



And for Graduate Degrees, the Biggest Have Only Gotten Bigger

Net change in number of graduate degrees conferred, 2013-2018



What Does the Top 20% of the Graduate Market Look Like?



- 419 institutions
- 26% are R1 institutions
- 36% are in large cities

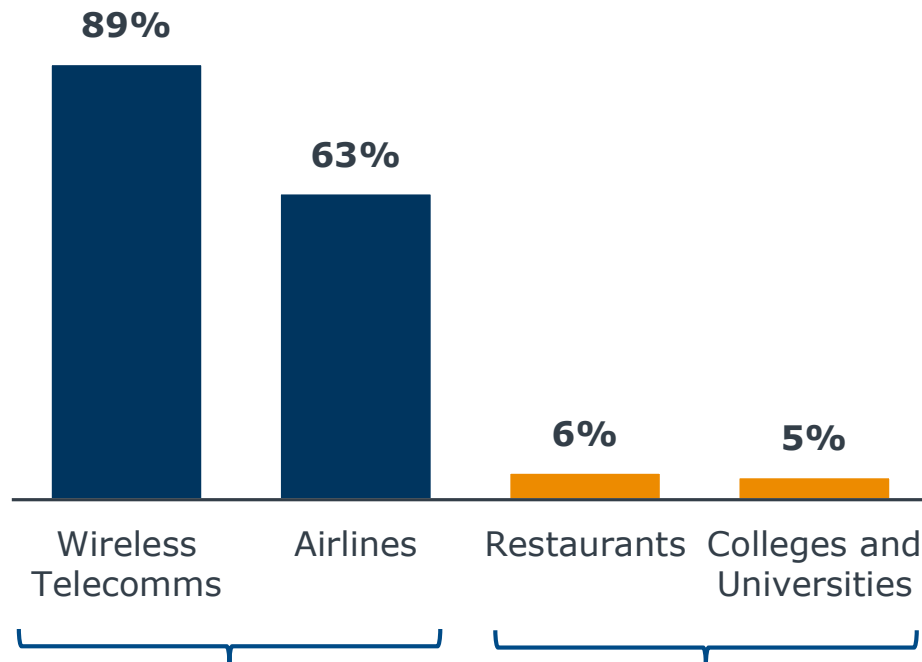


- 54% are public
- 41% are private, non-profit
- 5% are private, for-profit

Understanding Market Concentration

Higher Ed is not an Oligopoly, but Still Faces Dominant Market Leaders

Market Share of Top 4 Competitors by Industry (Revenue)



Oligopolies

- National competition
- Large competitors dominate market
- Little room for new entrants

Competitive Markets

- Regional and national competition
- Room for new entrants
- Still competition from market leaders

Mass Market Leaders Limit Potential for National Growth

Regional Player

Market Leader



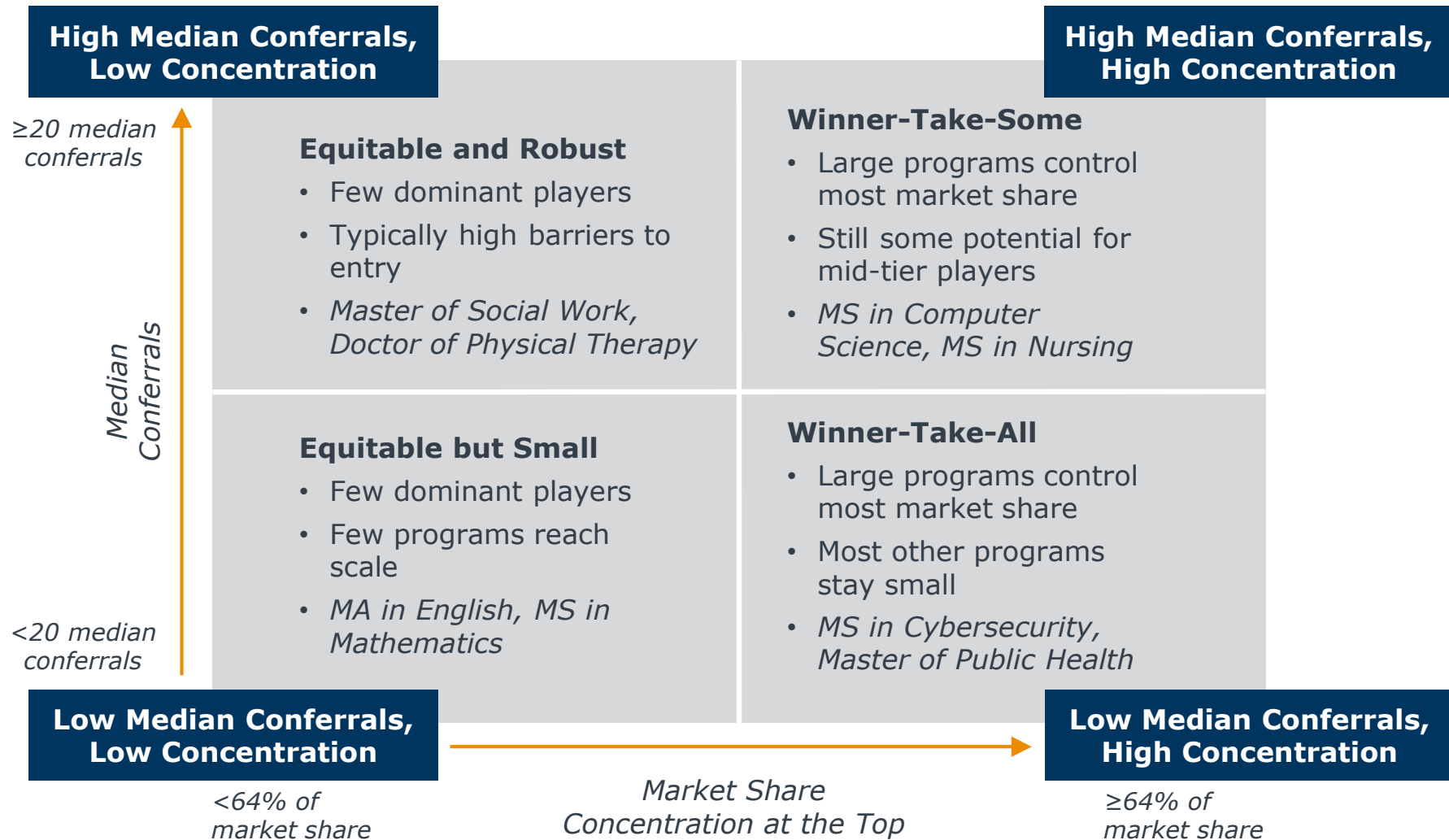
Regional Players

- Strong regional brand affinity
- Large online and on-ground presence
- Low cost or elite brand

Market Leaders

- National marketing reach
- Massive online scale
- Low cost

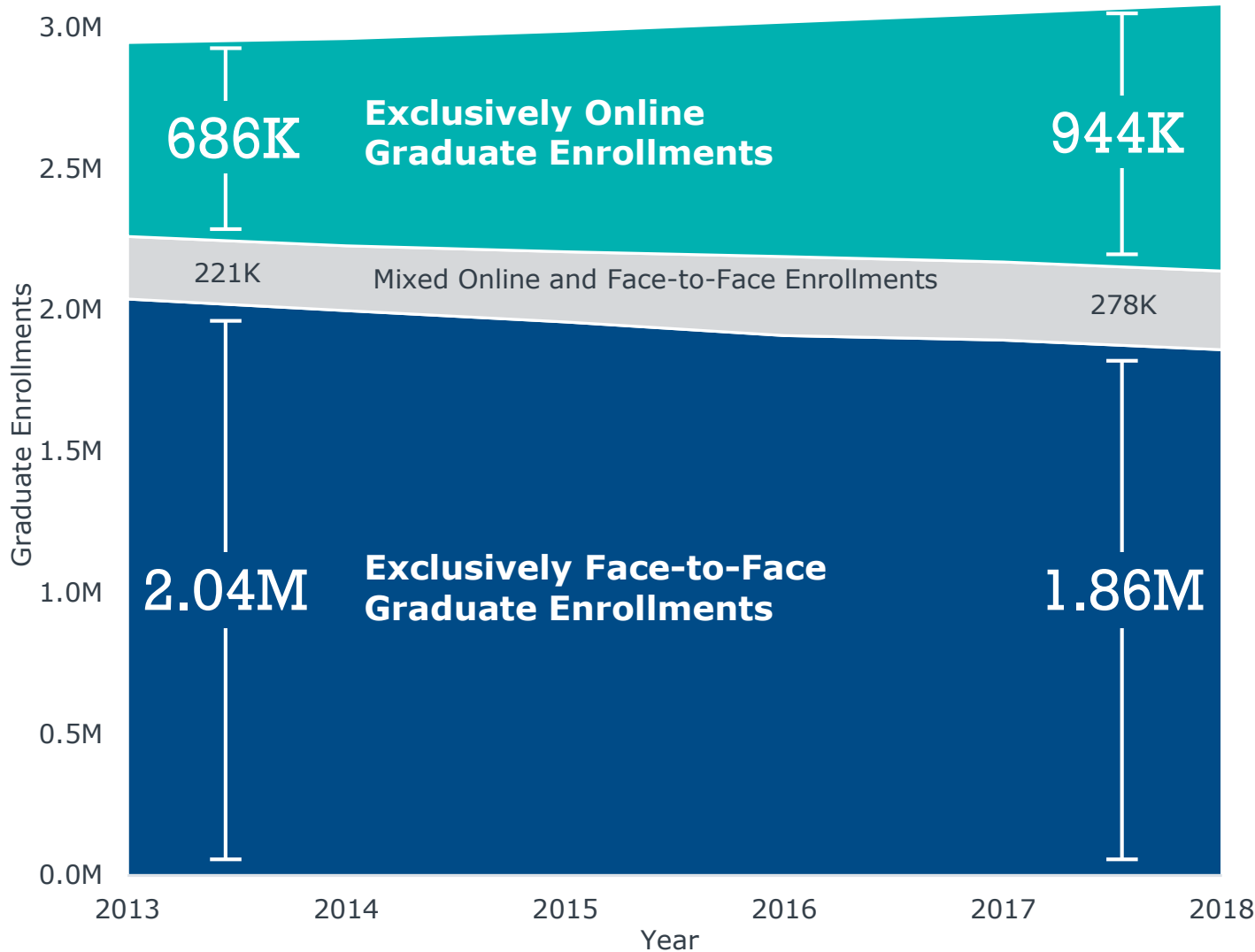
Four Types of Competition in a Mature Market





Online Education Anchors Growth in Grad

Graduate¹ Enrollments 2013-2018: Exclusively, Some, and No Online² Courses



+258K

Total Increase in Online Graduate Students 2013-2018

+6.6%

Avg. Annual Growth

-179K

Total Decrease in Face-to-Face Graduate Students 2013-2018

-1.8%

Avg. Annual Decline

1) Graduate students include both master's and doctoral students.

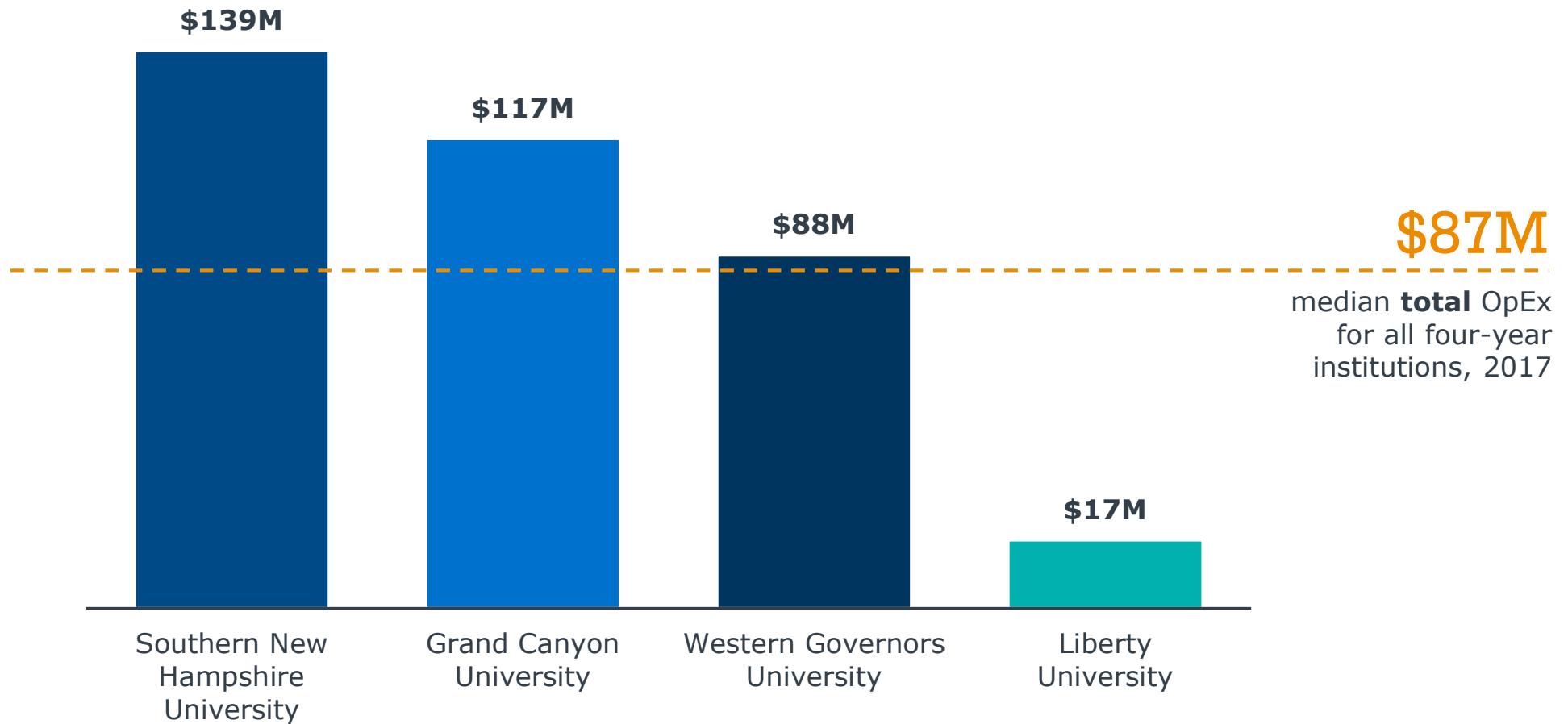
2) Recorded as 'Distance Education' in IPEDS data



What it Takes to Get Big Online

Spending More Annually on Marketing than Most Institution's OpEx

Dollar amount each institution spent on advertising and promotion¹, 2017



1) Part IX, line 12 of IRS Form 990.

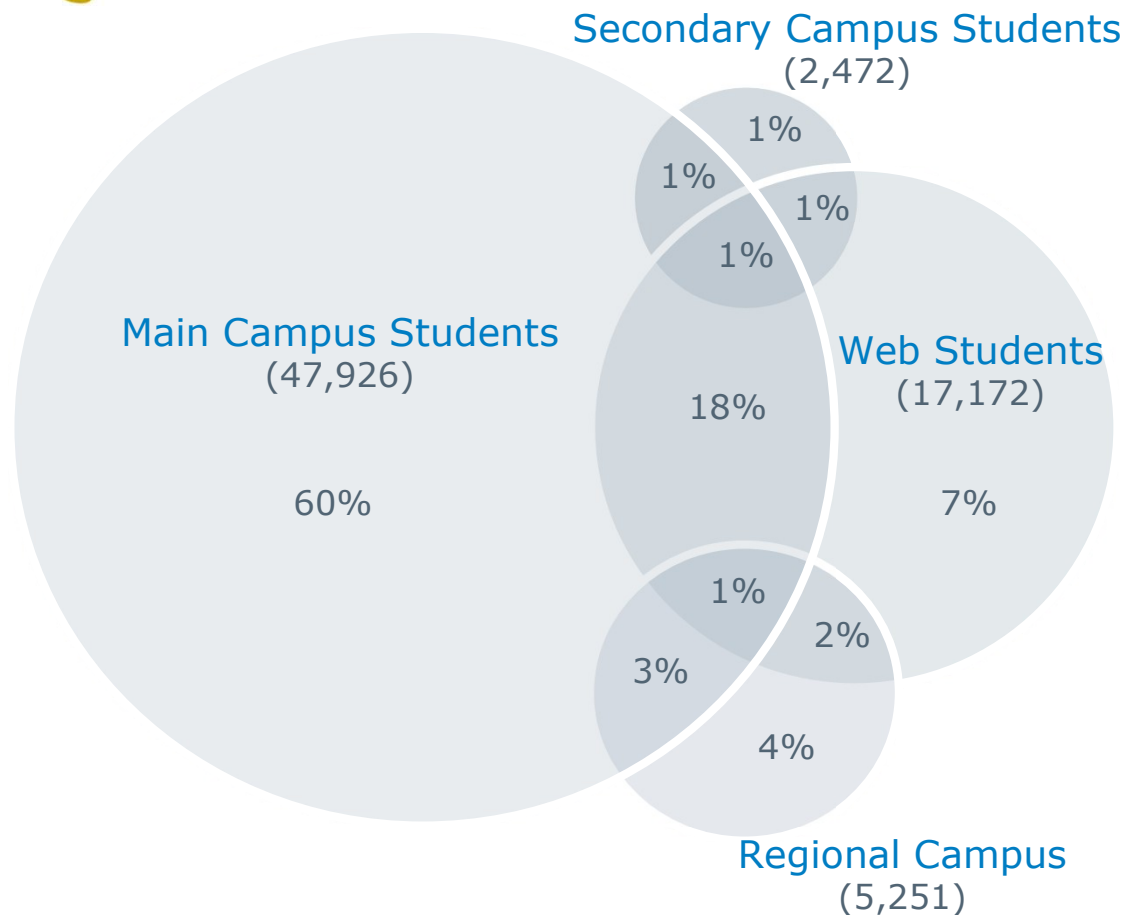


Embracing All the Permutations

UCF Drives Enrollment and Success with Multiple Access Options

“Multi-Modality” at the University of Central Florida

Head Count by Location, Fall 2010



“Classifying a student as ‘main campus’ or ‘extended campus’ or ‘distance’ becomes meaningless in an environment where students take whatever courses they need in whatever location or modality best suits their requirements at the time.”

Thomas Cavanagh
 AVP of Distributed Learning
 University of Central Florida

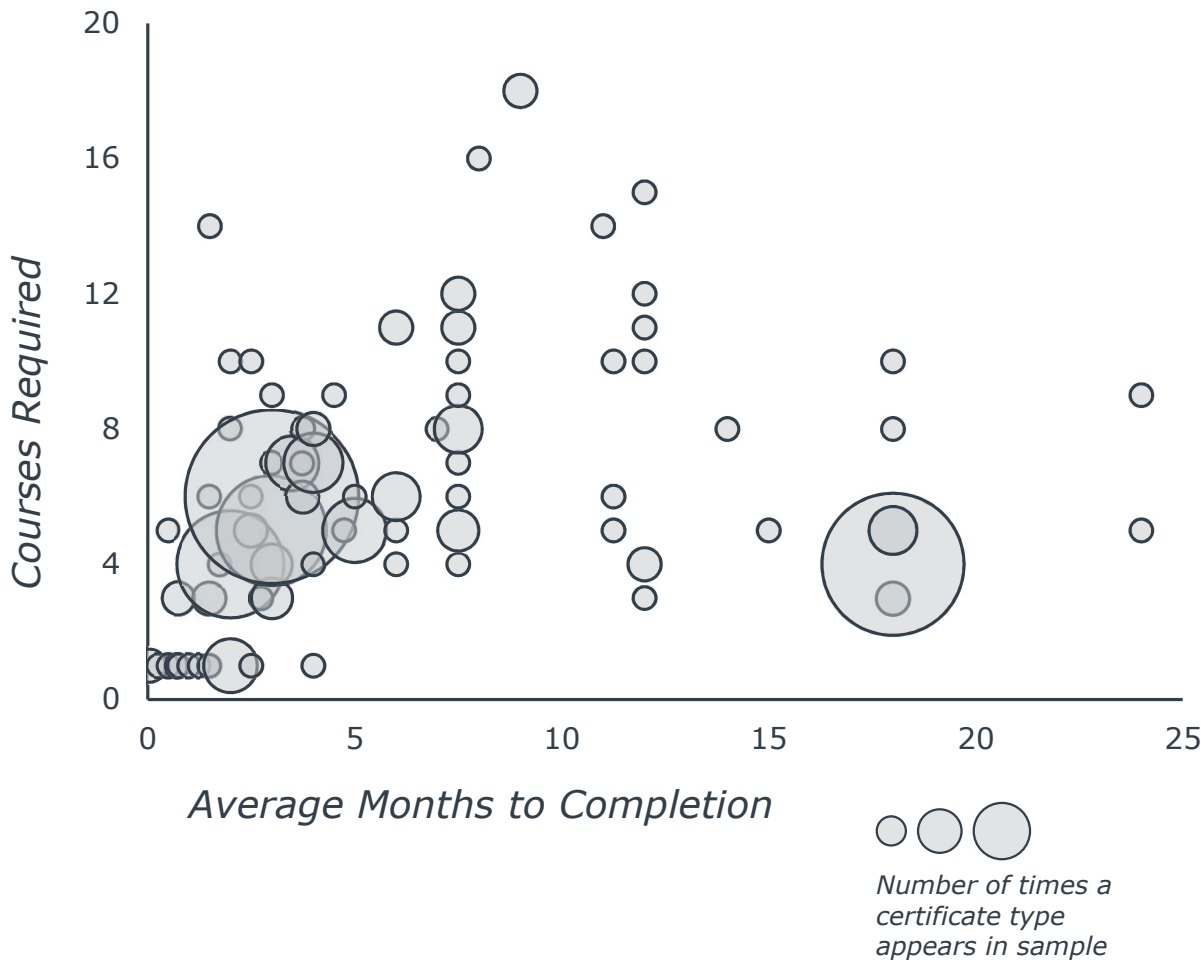
What Constitutes a Certificate?

No Consensus on Program Structure, Course Requirements, Titling

A Snapshot of Certificate Portfolios

Average Number of Courses and Months to Complete

n=240 certificate programs, 10 institutions



No Shortage of Synonyms

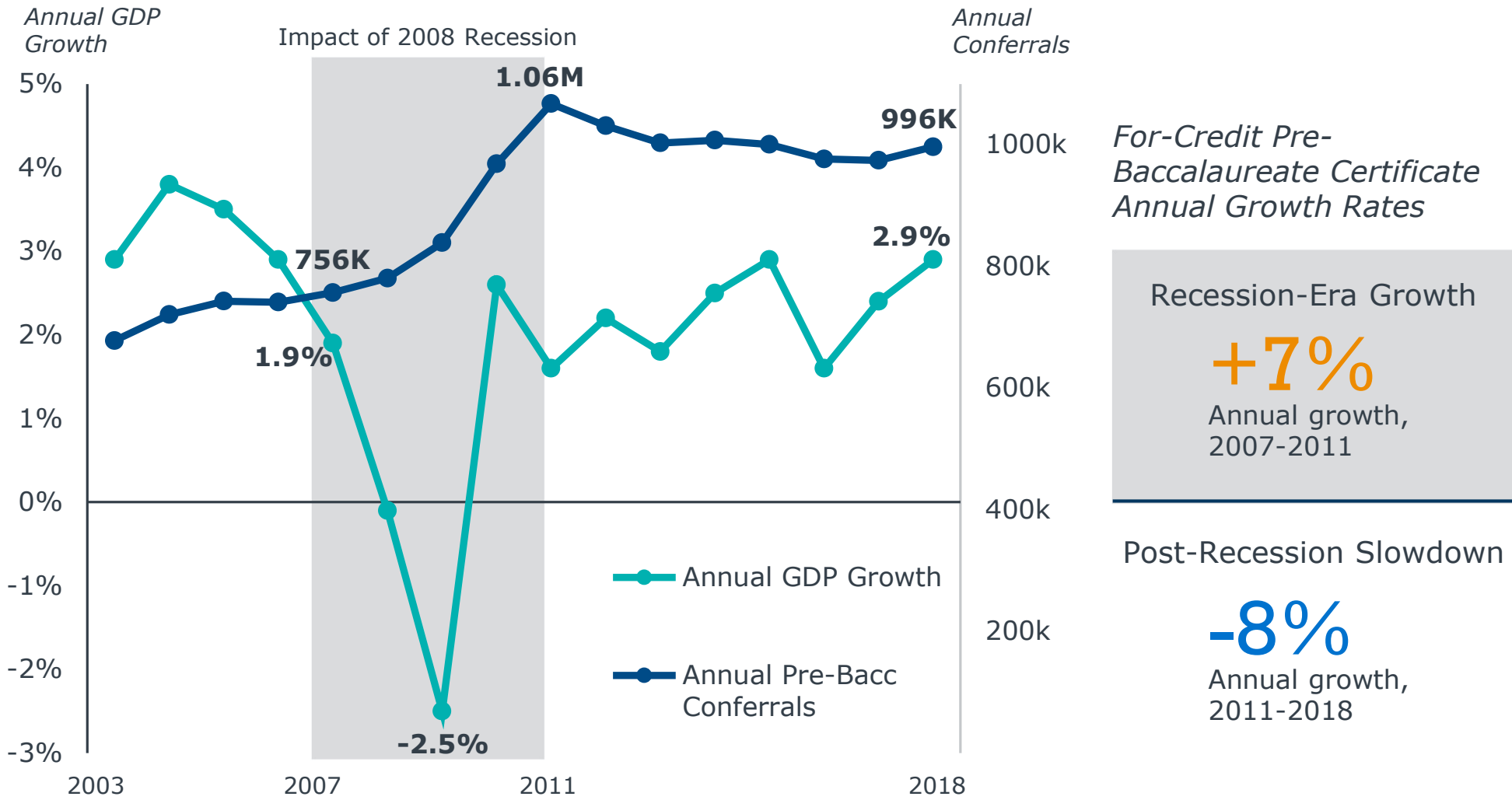
Variations Proliferate in the Market

- Badges
- Bootcamps
- Course Sequences
- Diplomas
- E-Credentials
- MicroBachelors
- MicroMasters
- Mini Degrees
- Nanodegrees
- Specializations



Countercyclical Pre-Bacc Growth Tapers Off

Annual Growth in GDP vs. Annual For-Credit Pre-Baccalaureate Certificate Conferrals



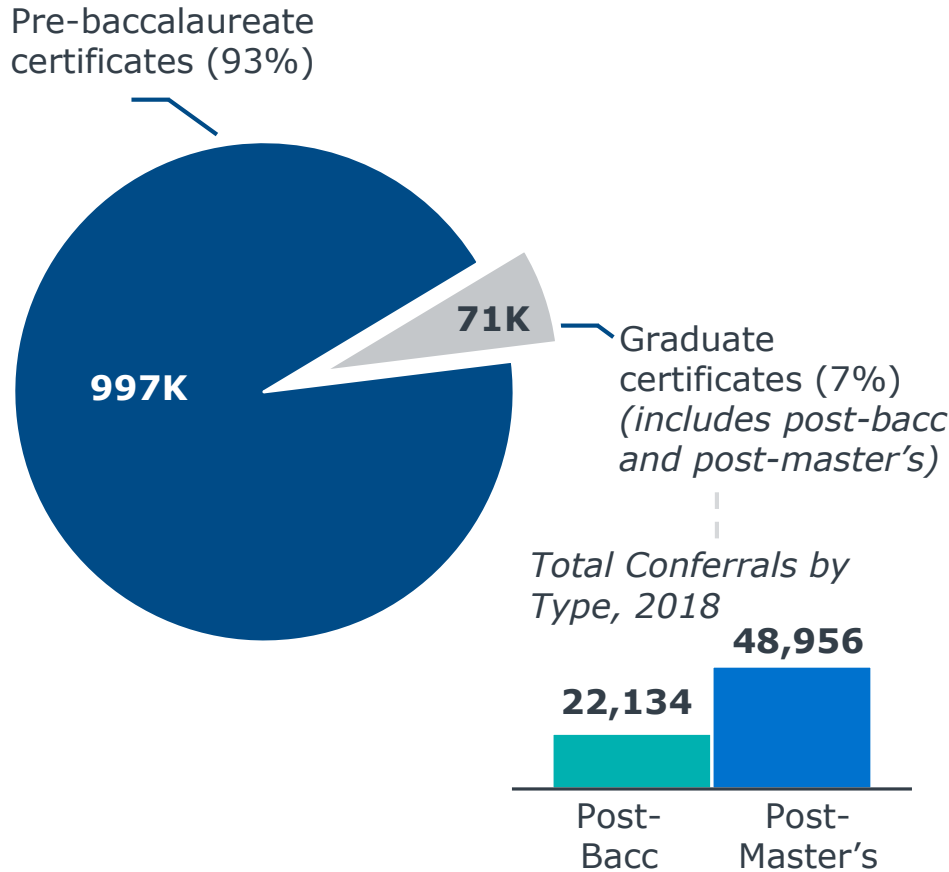
Source: Integrated Postsecondary Education Data System (IPEDS), National Center for Education Statistics, accessed January 10, 2020; Kimberly Amadeo, "US GDP by Year Compared to Recessions and Events," The Balance, December 30, 2019; EAB interviews and analysis.



Fast Growth, But Small Market at Graduate Level

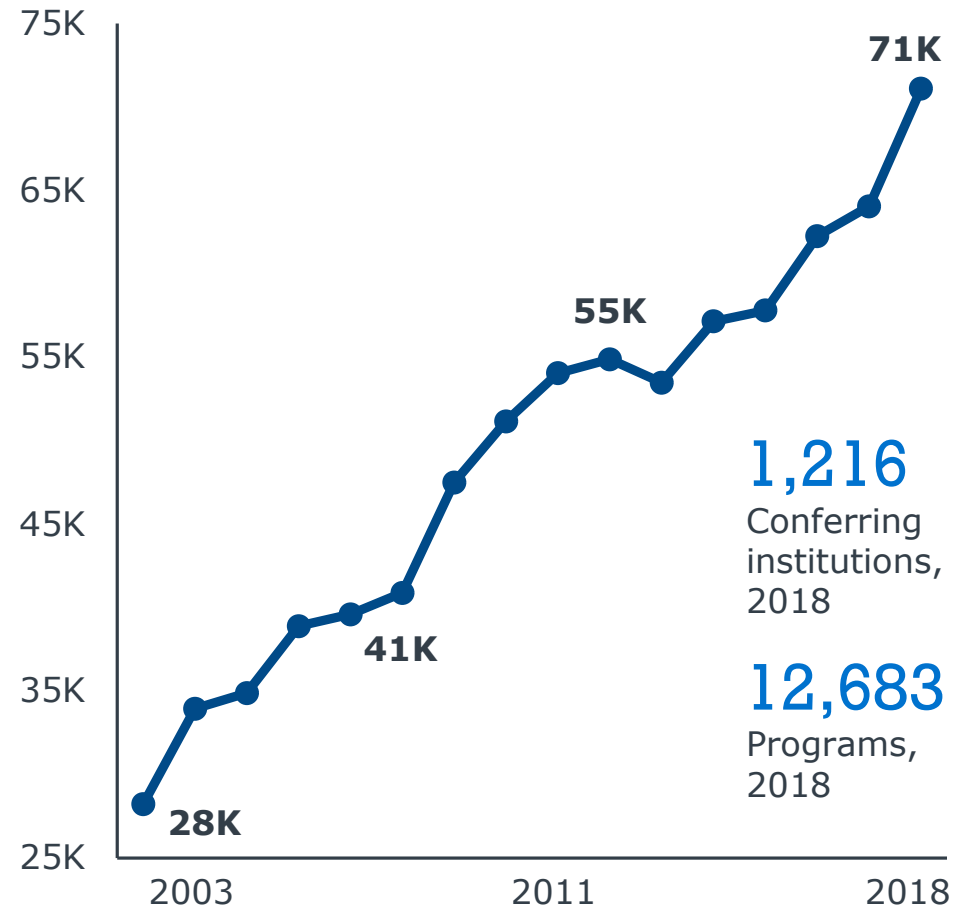
Graduate Certificates a Tiny Slice of Overall For-Credit Market

n= 1,067,840 certificate conferrals in NCES IPEDS dataset, 2018



Hype Over Fast, Sustained Growth Masks Small Market Size

Annual Graduate Certificate Conferrals, 2003-2018



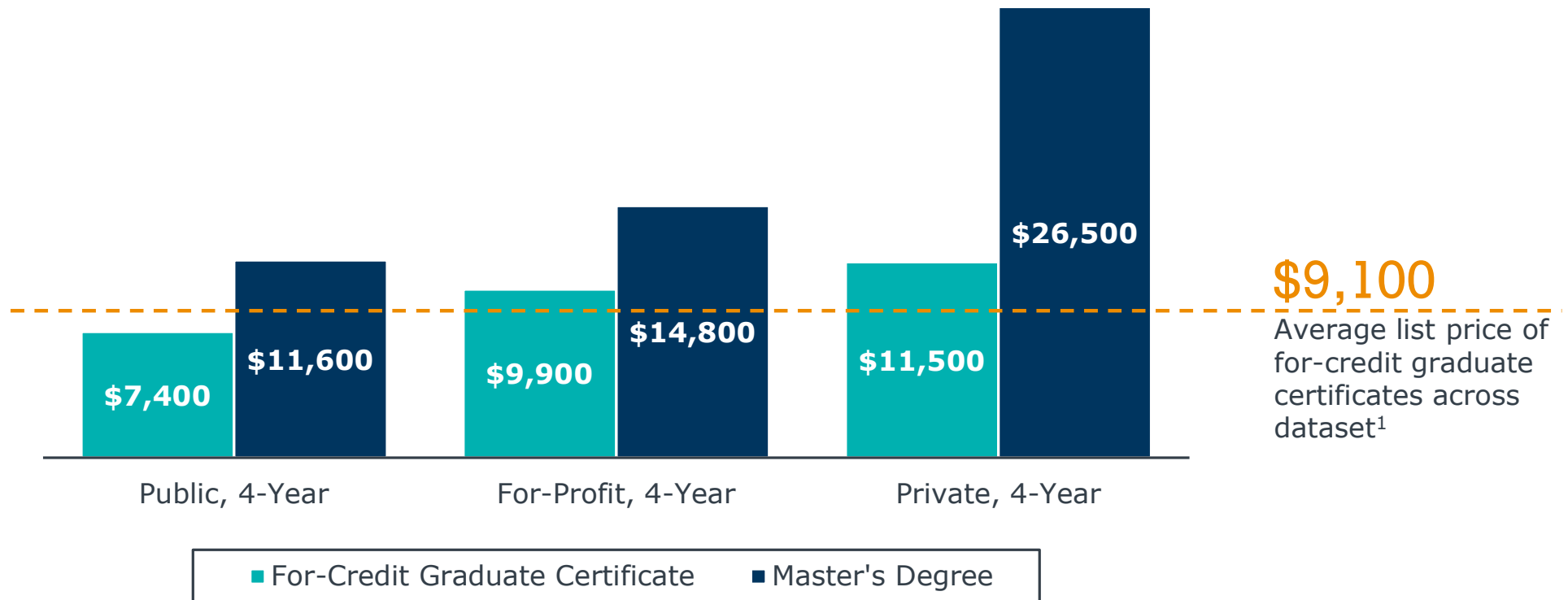
Source: Integrated Postsecondary Education Data System (IPEDS), National Center for Education Statistics, accessed January 10, 2020, EAB interviews and analysis.



Less Costly than Master's, Not Always by Much

Average Sticker Price of For-Credit Graduate Certificates vs. Annual Master's Program Tuition and Fees by Institutional Segment

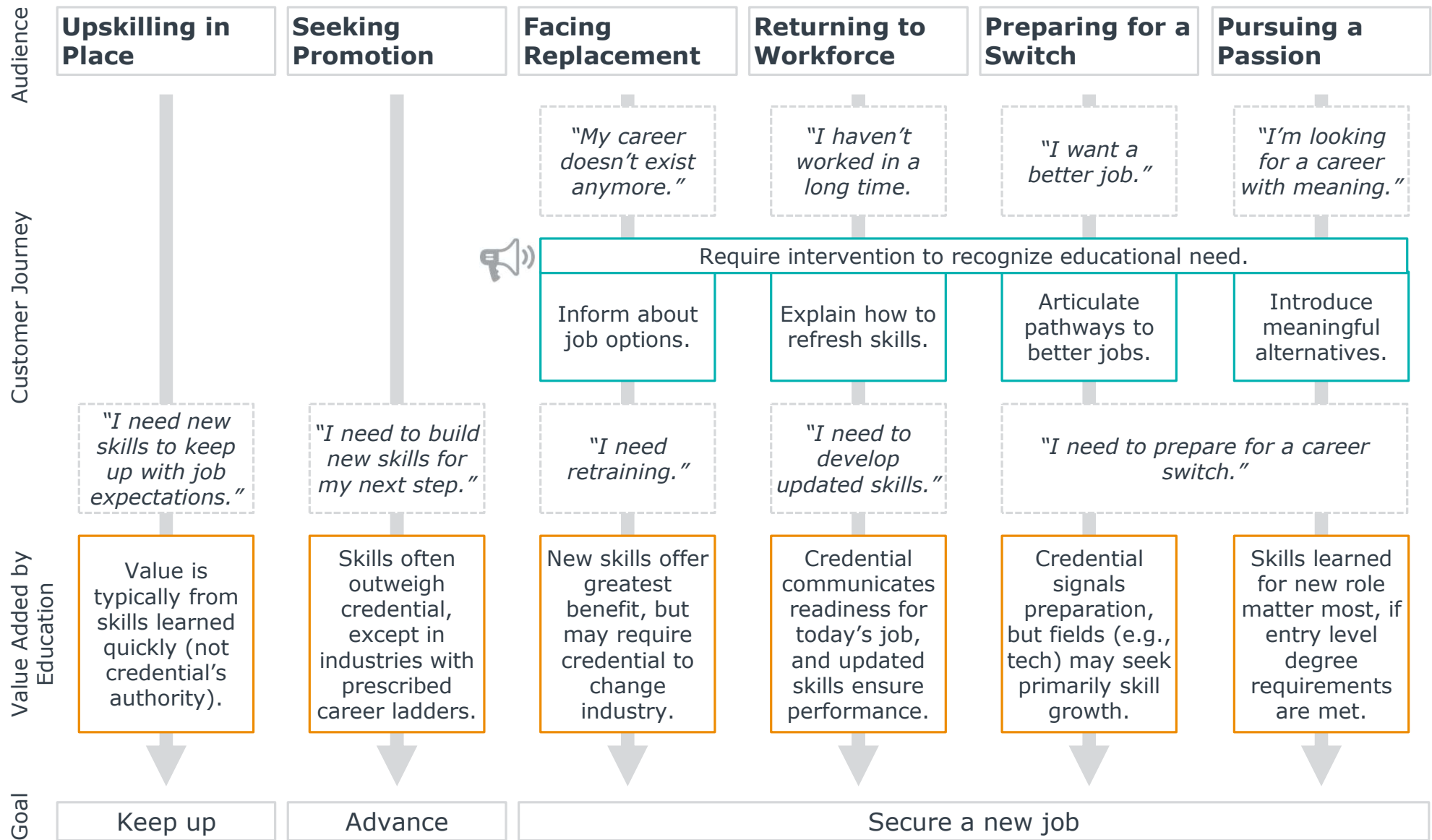
n=126 certificates, 6 institutions



1) Weighted average.



Designing For Segments Still Critical



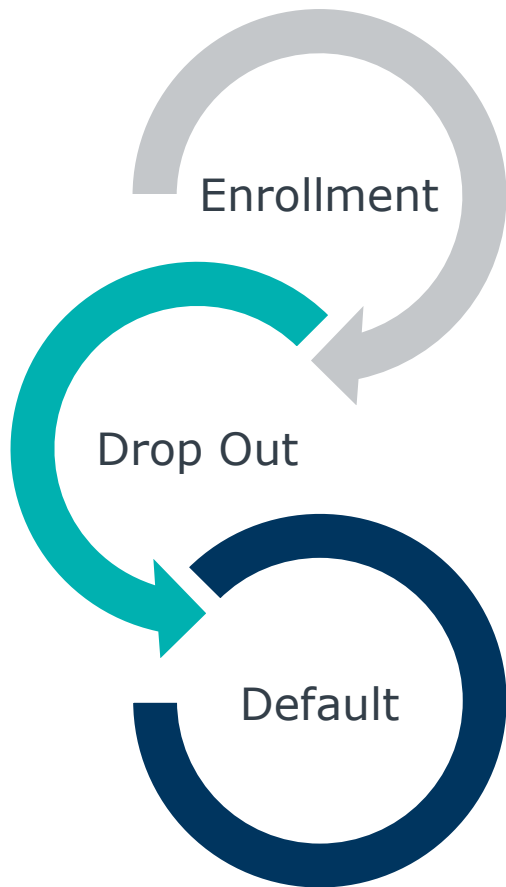


The Ethical and Financial Imperative of Student Success

Perpetuating the Cycle of Poverty



College Can Be a Risky Gamble for Those Who Don't Complete



1 in 5
Americans have some college but no degree

\$9,300
Average student debt at the time of departure (public four-year)¹

17%
Loan default rate for college dropouts

Expensive Consequences of Defaulting

- Immediate repayment
- Added fees
- Garnished wages
- Damaged credit
- Transcripts blocked



1) Private four-year: \$10,900
Public four-year: \$9,300
For-profit: \$7,500
Public two-year: \$5,700

Source: Overflow Solutions analysis of US Census data <http://overflow.solutions/interactive-visualizations/how-do-americans-differ-by-age-16/>; U.S. Department of Education, 2013, "[Federal Student Loan Debt Burden of Noncompleters](#)"; Nguyen M, "Degreeless in Debt: What Happens to Borrowers Who Drop Out" American Institutes for Research (2012); EAB interviews and analysis.

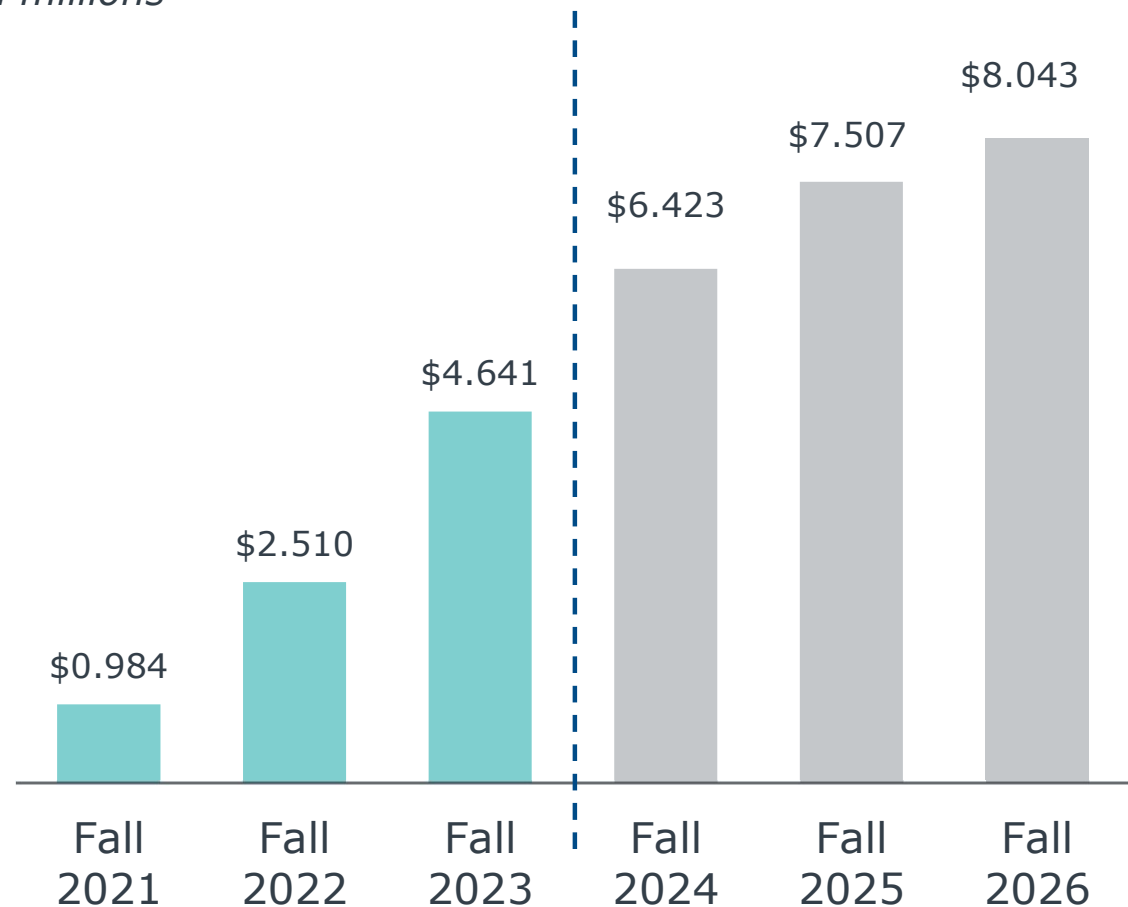
Success Also a Financial Imperative



- **~11,000** UG student public institution
- **~\$18,000** net revenue per student
- **3% persistence improvement** over 3 years span

Projected Net Revenue Above Baseline

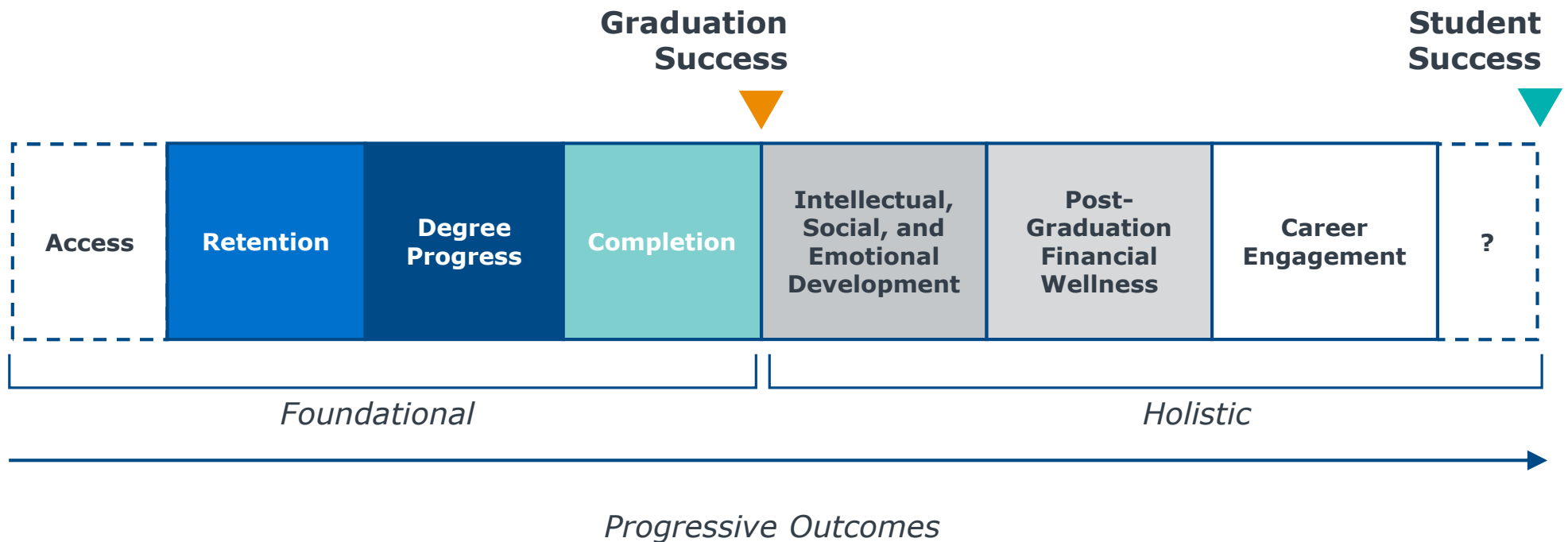
3% total increase in overall persistence over 3 years span in millions



Beyond the Completion Binary

Student Success Encompasses More Than Graduation Success

Defining Student Success by How It's Measured

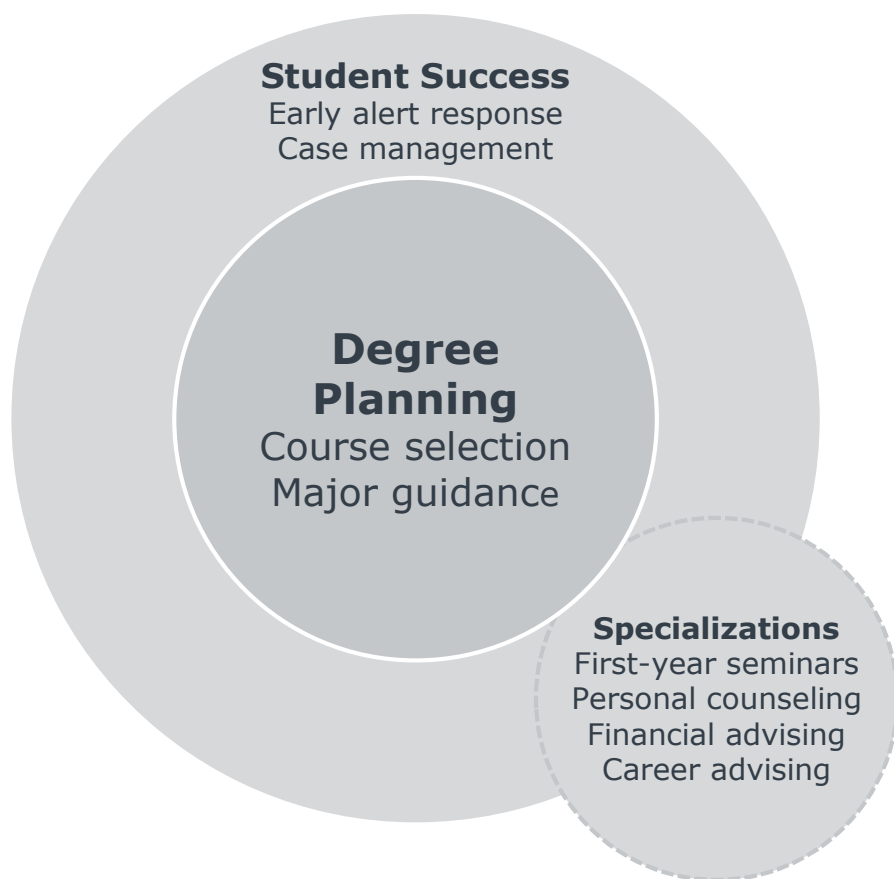


How Holistic Are Your Advisors?

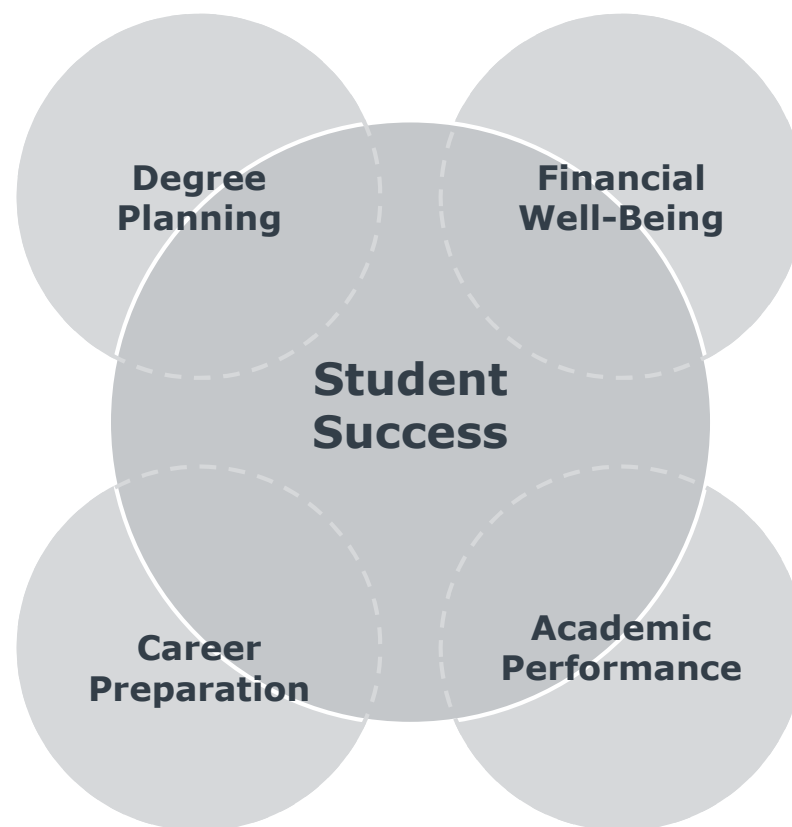


Moving Beyond Registration to Put Student Success at the Core

Traditional Advising



"Success Advising"



The Student Success Playbook

5 Core Student Success Competencies

1

Registration and Financial Barriers

Administrative and Financial Policies

Simplified Student Academic Planning

Emergency Grants and Strategic Aid

2

Tech-Enhanced Advising

Proactive Caseload Management

Coordinated Support Networks

Accountability and Incentives

3

Belonging and Preparation

Academic Preparation Programs

Social Belongingness Support

Campus Climate Assessment

4

Teaching and Learning

High-DFW Course Redesign

Streamlined Curricular Pathways

Faculty Development Resources

5

Career Development

In-Class Experiential Learning

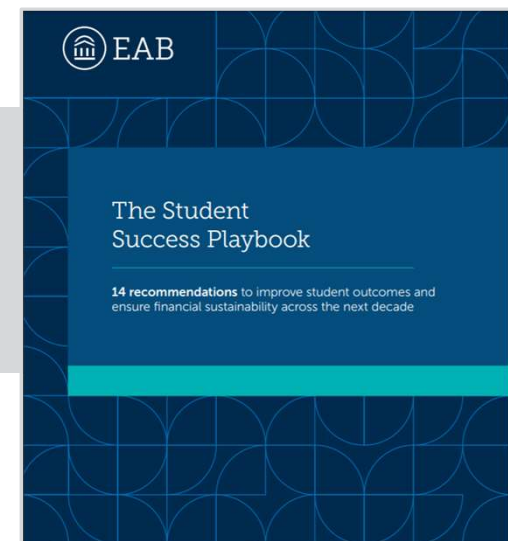
Sequenced Career Exploration Guidance

Lifelong Learner Support



► More Where That Came From

14 recommendations to improve student outcomes and ensure financial sustainability across the next decade





Understanding Tomorrow's Students

5 Forces Shaping Gen Z



The Rise of the Cost-Conscious Consumer


Debt-Skeptical and Focused on Financial Security

Frugal Mindset a Growing Legacy of the Great Recession and Student Debt Crisis

64% Have concerns about their ability to finance their college education

51% Say there's a very good chance they'll get a job to pay for college expenses

More Gen Zers than Millennials Consider Total Cost of Attendance "Very Important" to College Choice

31%  **48%**
Of Millennials in 2004 Of Gen Zers in 2017

Feeling the Effects

Campus Impacts of Cost-Consciousness



Financial aid negotiations extend past deposit deadlines as students shop for the best deal



Students negotiate to **opt-out of non-tuition fees**, decimating student affairs budgets



Co-curricular involvement declines as more students work while enrolled



Students worried about debt repayment **overwhelm career services seeking robust support**

Source: Boatman, A., Brent J. Evans, and Adela Soliz, 2017, [Understanding Loan Aversion in Education: Evidence from High School Seniors, Community College Students, and Adults](#); Eagan, K. et al, "[The American Freshman: National Norms Fall 2017](#)," HERI, UCLA, 2018; Eagan, K. et al, "[The American Freshman: Fifty-Year Trends 1966-2016](#)," HERI, UCLA, 2016; CIRP Freshman Survey 2018, "[The Future-Oriented Freshman](#)," HERI, UCLA, 2019; EAB interviews and analysis.



An Expansive Digital Ecosystem

Gen Z Born Into Accessible, Participatory, and Directive Internet Era

Their Daily Lives Shaped by an Advanced Digital Landscape



One-stop-shop information access, whenever and wherever



Information **filtered through algorithms**



Online experience personalized through ad tracking



Media has always been social, and platforms have distinct purposes



Content has **8-seconds to capture attention**

Feeling the Effects

Campus Impacts of the Digital Ecosystem



Students want more **directive and personalized** ways to navigate campus resources



Students increasingly **expect 24/7 service** and **centralized information hubs**



Growing need for students to undergo **online conduct and media literacy training**



Online polarization is **intensifying conduct issues** and **magnifying visibility and range of flashpoints**

Demanding Radical Transparency and Authenticity

Gen Z Aspires to Influence

Top Gen Z Lessons from Business: Accountability and Authenticity Matters

68% Of Gen Zers read at least 3 reviews before making a purchase

79% Of Gen Zers will trust a company more if it doesn't use photoshop

“

Transparency and Gen Z Mindset Raises Stakes for Decision-Makers

...students in Generation Z are **empowered with information and communication tools** and have access to thought leaders and power brokers. **They possess a mindset that they can change institutions.**”

Generation Z Goes to College

”

Feeling the Effects

Campus Impacts of the Demand for **Radical Transparency**



Students expect **more information and input** on institutional decisions



Students demand more modes and opportunities for **meaningful access to decision-makers**



Students increasingly **call out inconsistencies** in institutional values and practices



Students **search for unfiltered information**, like social media, to learn about the student experience



The Most Diverse Generation in History

Nearly Half Are Nonwhite, All Are Shifting Conceptions of Diverse Identities

Racial and Ethnic Diversity Is the Demographic Default

48%

of Gen Zers¹ are nonwhite

1 in 4

Gen Zers¹ is Hispanic



A More Fluid Concept of Identity

Generation Z reflects a whole new way of thinking about difference...They are less likely to fall into previously recognized categories and **much more likely to be mixing and matching various components of identity and points of view that appeal to them.** They are ever creating their own personal montage of selfhood options."

Bruce Tulgan, Rainmaker Thinking, Inc



Feeling the Effects

Campus Impacts of Multifaceted Diversity



Students want to **see their diverse identities reflected** in staff, programs, curriculum, and fellow students



Students want to have their **identities served holistically** rather than through siloed identity or cultural centers



Identity-based flashpoints are increasing as **diverse identities and viewpoints clash on campus**

1) Measure of diversity of 6-21-year-olds in the United States in 2018, comprising the core of Gen Z ©2020 by EAB. All Rights Reserved. eab.com

Source: Fry, R., Parker, K., "Post-Millennials on Track to be Most Diverse, Best-Educated Generation Yet," Pew Research Center, November 15, 2018; Tulgan, B, 2013, "Meet Generation Z: The Second Generation within the Giant Millennial Cohort," Rainmaker Thinking, Inc.; EAB interviews and analysis.



An Intensifying Mental Health Crisis

K-12 Trends Pose A Grave Challenge for Campuses Already Stretched Thin

Mental Health Concerns Continue to Escalate, Especially for Girls

30% ↑ Rate that major depressive episodes¹ have increased in adolescents between 2005-2015

2x Nearly twice as many females aged 10-24 were hospitalized due to self-injury in 2015 compared with 2009

Lack of Treatment in Youth Raises Concerns About College Transition

80% Of 3 to 17-year-olds with diagnosable mental health disorder go untreated

Feeling the Effects

Campus Impacts of Increasing Mental Health Challenges



Sharp increase in requests for housing and learning accommodation overwhelm staff in multiple campus offices



Institutions will be expected to **prepare students to manage mental health in the workplace**



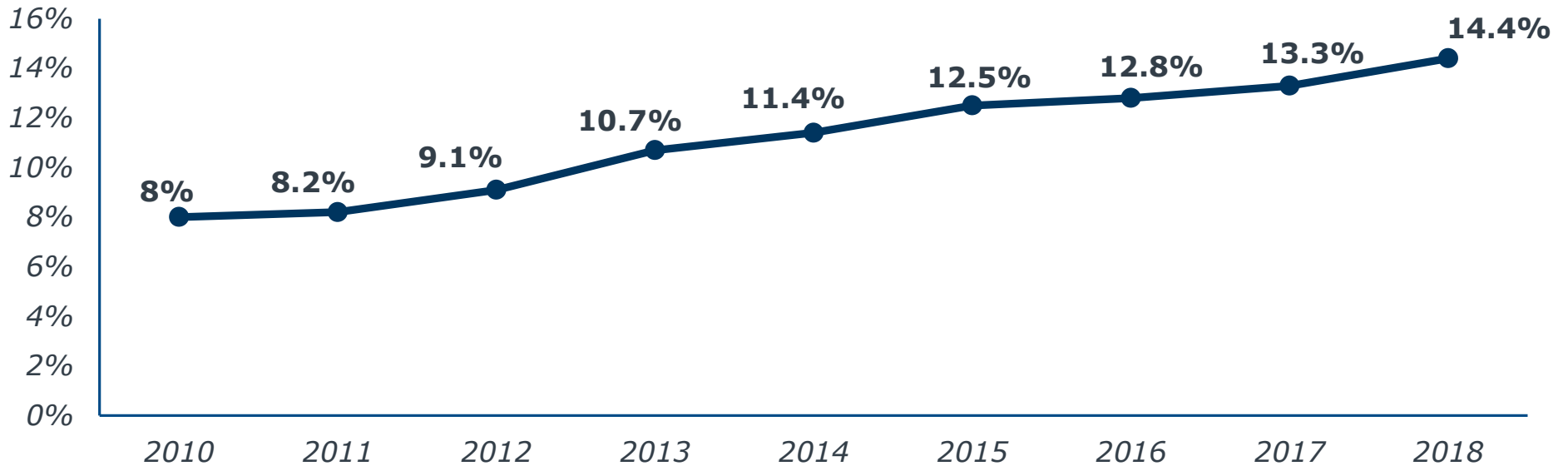
Students and their families **compare institutions' well-being resources** when assessing college options

1) A major depressive episode is characterized as suffering from a depressed mood for two weeks or more, and a loss of interest or pleasure in everyday activities, accompanied by other symptoms such as feelings of emptiness, hopelessness, anxiety, and worthlessness.

Source: Mercado, M. et al, "[Trends in Emergency Department Visits for Nonfatal Self-inflicted Injuries Among Youth Aged 10 to 24...](#)," *Journal of American Medical Association*, November 2017; National Institute of Mental Health, "[Major Depression Among Adolescents.](#)"; Olsson M et al, "[Trends in Mental Health Care among Children and Adolescents.](#)" *The New England Journal of Medicine*, May 2015; EAB interviews and analysis.

Rising Generation Brings Increased Challenges

Percentage of US Adolescents Reporting a Major Depressive Episode¹ in the Past Year
Adolescents aged 12-17, 2010-2018



17%

Increase in **diagnosis of anxiety disorders** in young people² in the last 10 years



32%

Of adolescents will meet criteria for an **anxiety disorder by the age of 18**

1) Characterized as suffering from depressed mood for two weeks or more, a loss of interest or pleasure in everyday activities, accompanied by other symptoms such as feelings of emptiness, hopelessness, anxiety, worthlessness.

2) Aged 6 to 17.

Many Causes Outside Higher Ed's Control



Concerns About School Safety

>4 million

More than four million children **endured lockdowns** in the 2017-2018 school year

Exposure to Social, Environmental Risk Factors

>46%

Of US children have had at least one **adverse childhood experience**

33%

Of adolescents **live in poverty**, a risk factor for mental health issues

Immense Pressure to Achieve

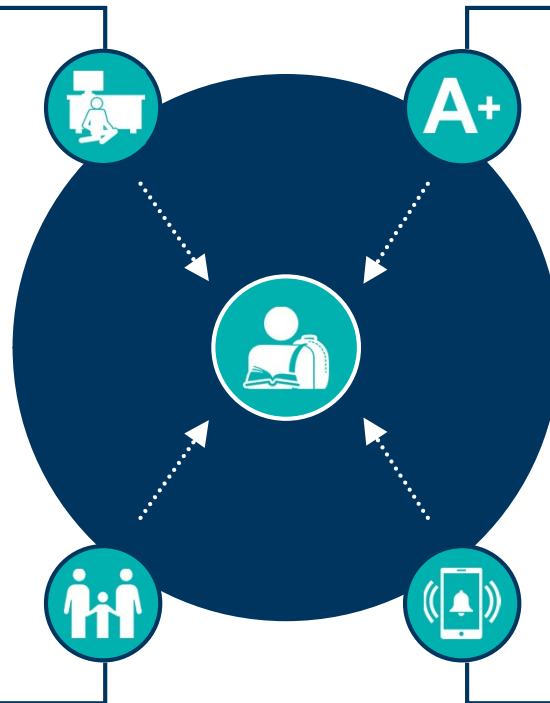
2-3x

Adolescents in high-achieving schools can suffer anxiety, depression, substance abuse, and delinquent behavior at rates two to three times the national average

Unhealthy Relationship with Technology

71%

Teens who spent 5+ hours a day online were 71 percent **more likely to have at least one suicide risk factor**¹ than those who spent less than an hour a day



1) Depression, thinking about suicide, making a suicide plan or attempting suicide.

Undeniable Barriers to Student Success



Demand Leading to Unsustainable Investments in Counseling Staff...

9.3 FTE ↑
Number of staff counseling centers gained for every 1 lost in 2017-18, up from 3.9 in 2014-15

18 days ↑
Average wait time for an initial counseling appointment on campuses that have a waitlist, up from 12 days in 2014-15

...And Student Needs Are Spilling Over into the Classroom

-0.4 Average drop in GPA for students with anxiety and mild to severe depression

2x College students with mental health concerns are twice as likely to drop out

“The issue of **mental health affects us all** and is a **growing concern** on our campus and college campuses nationwide...Student mental health is the **single highest priority** and **most compelling need.**”

Provost and Chief Academic Officer, Private Research University

Sources: Eisenberg D, Golberstein Em Hunt J, "Mental Health and Academic Success in College"; Lipson S, Abelson S, Ceglarek M, Eisenberg D, "Investing in Student Mental Health," American Council on Education, 2019; Field K, "Stretched to Capacity," *The Chronicle of Higher Ed*, November 6, 2016; Skyfactor, "Academic Resiliency And First-Year College Students," 2017; EAB interviews and analysis.

Urgent Need for Faculty and TA Support



Faculty Not Trained to Support Students...



...And Struggle to Maintain Their Own Mental Wellness

95%

Of faculty agree that connecting students with mental health support services is part of their role

39%

Of graduate students report moderate-to-severe depression, compared to 6% of the general population

34%

Of faculty feel adequately prepared to approach students and discuss concerns related to mental health

27%

Of faculty disclose their mental health challenges with their department chair, dean, or provost



Insufficient Time for Student Requests

Faculty already responsible for research, teaching, and service



Unsure of Appropriate Follow-up Steps

Faculty unprepared for basic questions, unsure of what specialized support available



Mental Health Stigma Encourages Silence

Both faculty and students fear reputational damage for disclosing challenges

Sources: Else, Holly, "Academics 'Face Higher Mental Health Risk' Than Other Professions," *Times Higher Ed*, 2017; Flaherty, Colleen, "Portrait of Faculty Mental Health," *Inside Higher Ed*, 2017; Gould, Laura, "Lack of Mental Health Training Leaves Professors, Students Wanting More Help," *The Mac Weekly*, 2018; Flaherty, Colleen, "Mental Health Crisis for Graduate Students," *Inside Higher Ed*, 2018; EAB interviews and analysis.

Getting Beyond “Non-Traditional Students”



A Wide Range of Motivations in Addition to Career Switching, Advancement

...That Map Onto Unique Needs and Expectations of Higher Ed



Upskilling In Place

"I need new skills to keep up with job expectations."

- Affordable
- Flexible scheduling



Seeking Promotion

"I need to build new skills for my next step."

- Assumes field knowledge
- Accessible



Facing Replacement

"My career doesn't exist anymore."

- Accelerated format
- Focuses on retooling for new field



Returning to Work

"I haven't worked in a long time."

- Helps refresh a network
- Updates tech skills



Preparing for a Switch

"I want to find a better job to improve my life."

- Introduces unfamiliar fields
- Builds a new network



Pursuing a Passion

"I'm looking to build a career with meaning."

- Opportunities to test new skills
- Prepares entrepreneurs

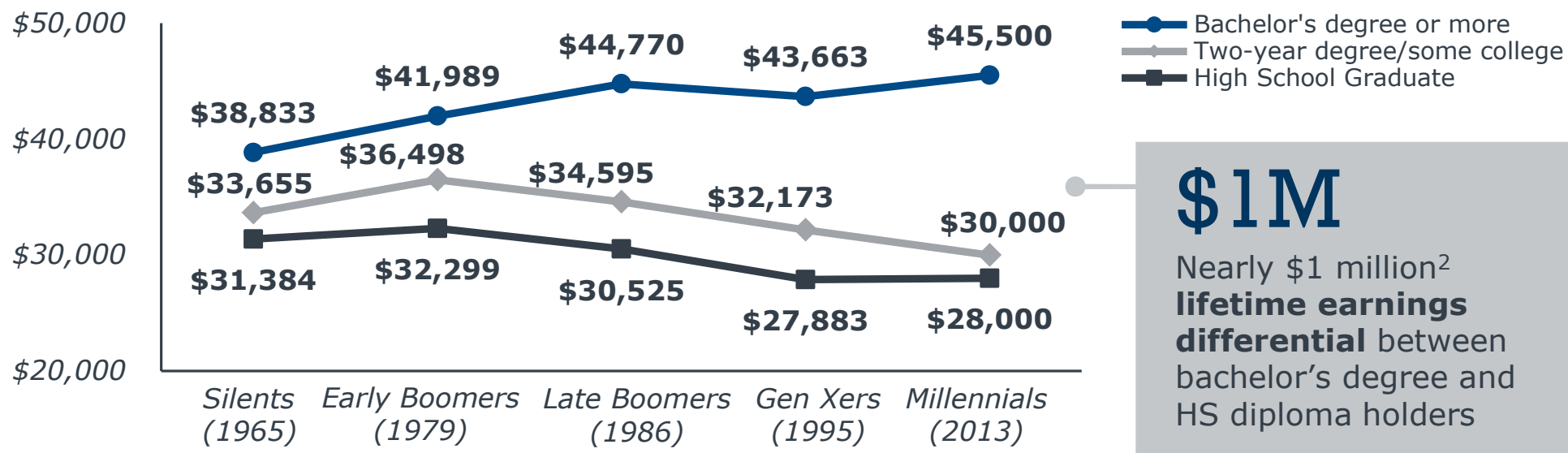


Addressing Concerns About Debt, Affordability, and Value

Value of College Degree has Never Been Higher



Median Annual Earnings Among Full-Time Workers Ages 25 to 32



Benefits Beyond Earnings

+47%

Likelihood of having health insurance through employment

+72%

Likelihood of having a retirement plan through employment

+44%

Likelihood of reporting health to be very good or excellent

+21%

Likelihood of being married

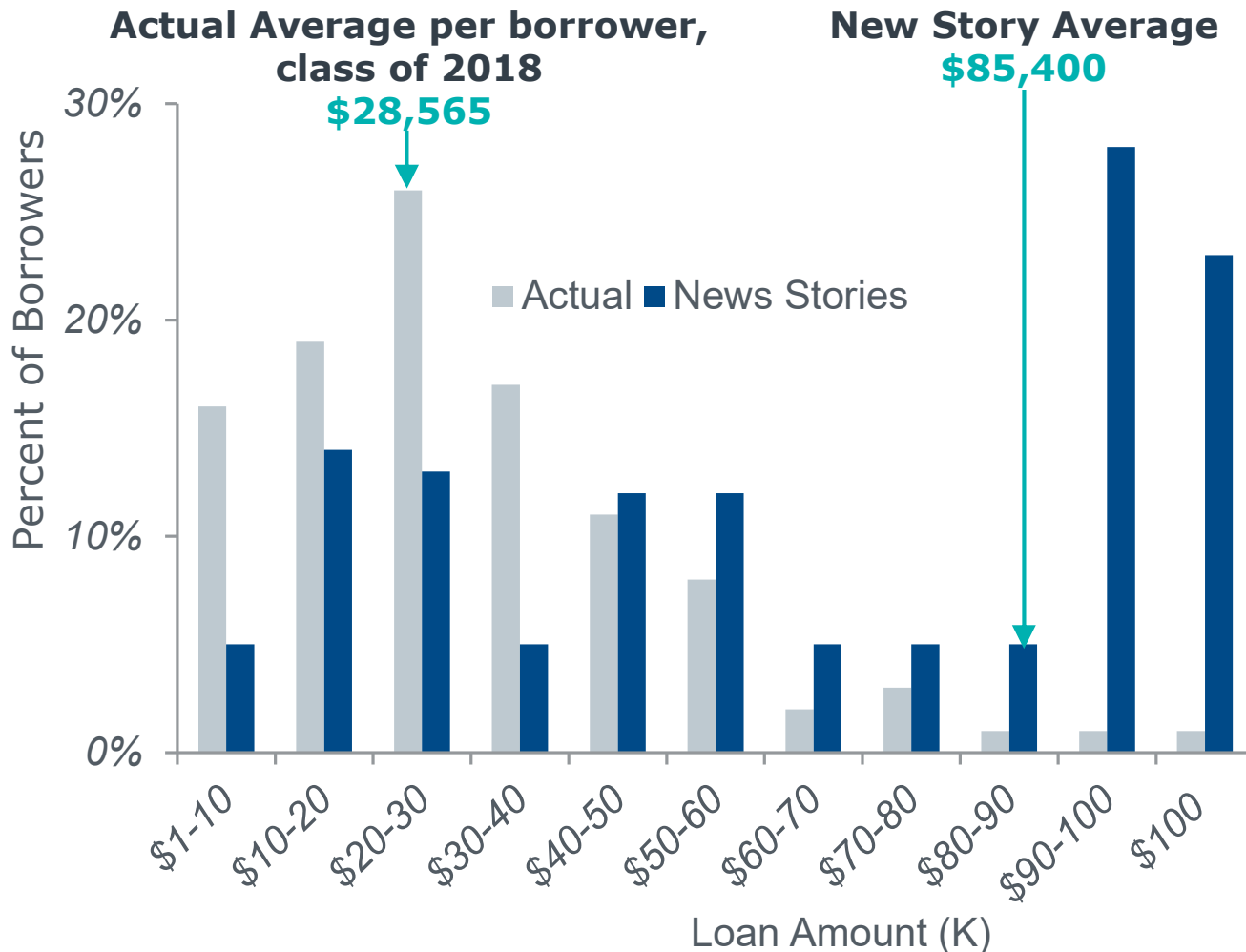
1) Return on Investment.
 2) Median lifetime earnings differential \$964,000.
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Source: Pew Research Center, 2014, "[The Rising Cost of Not Going to College](#)"; Georgetown University Center on Education and the Workforce, 2011, "[The College Payoff](#)"; Lumina Foundation, 2015, "[It's Not Just the Money](#)"; EAB interviews and analysis.

Media Reports Dramatically Overstate Debt Problem

Focus on Outliers Rather Than Averages

Distribution of Student Debt, Actual vs. Anecdotal Reporting



The Local Picture

Class of 2018

\$26,844

Average Debt per Borrower in ND

60%

Proportion of class of '18 graduating with debt

Debt Aversion in Action



Students Even *More* Debt Averse Than They Say

A 2017 Study on Loan Aversion Compared Stated Preferences to Behaviors



7,261 people surveyed



Four states represented

Attitudes Did *Not* Accurately Reflect Debt-Averse Behaviors

Among high school students:

32%

say they believe that "borrowing money is basically wrong"

21%

say they believe it's "not okay to borrow for education"

39% exhibited evidence of loan-averse behavior

Three Types of Loan Aversion Measured:

- 1 General attitudes toward borrowing
- 2 Attitude toward borrowing for education
- 3 Loan-averse behavior measured using hypothetical financial aid packages with and without loans

Variation Within Segments Challenges Common Assumptions About Debt

- No evidence that low-income students are more loan averse
- **Hispanic students are** more loan averse than other groups, even after controlling for income and first-generation status
- **Females** less loan averse in attitudes but more loan averse in behavior
- **Transfer students** are less loan averse

The Emergence of the ROI Ranking

Proliferation of Rankings and Search Tools Based on Career Outcomes

New Resources to Measure ROI Emerge Post-Recession



College salary and ROI reports



Survey asks which schools best prepare for postgrad success



State-level salary data for VA, AR; later expanded to CO, FL, TN, TX



Alumni giving as indicator of outcomes, ROI



20% of ranking based on earnings



Placement rate at top companies in hot industries



One-third of rankings by career outcomes



Value added vs. predicted salary



Colleges' value added based on Scorecard data



Increased weight for outcomes in rankings formula



College Scorecard

Median earnings 10 years out; Percent students earning >\$25K

College Scorecard Now Front and Center in Online Search

The screenshot shows search results for Georgia State University. On the left, there are search snippets from various sources like 'CollegeData College Profile' and 'Niche'. On the right, the main search result for Georgia State University is displayed, featuring a map, a street view image, and key statistics: Acceptance rate: 57.1% (2014), Graduation rate: 53.2% (2014), Average cost for students receiving federal aid: 15,853 USD (2013), and Average salary after attending undergrad: 40,800 USD (2013).



Source: http://www.collegemeasures.org/4-year_colleges/college-performance-rank/.



The Rise of Outcomes Marketing

Case in Point: American University's 'We Know Success'

For AU **Undergraduates** with a degree in **History** in the **College of Arts and Sciences**

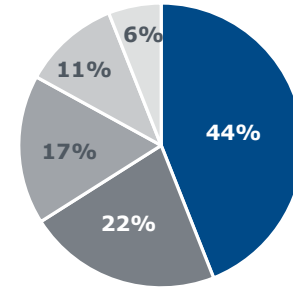
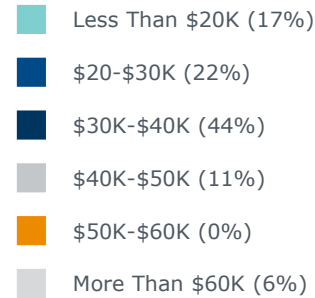
Not just basic outcomes...

92%

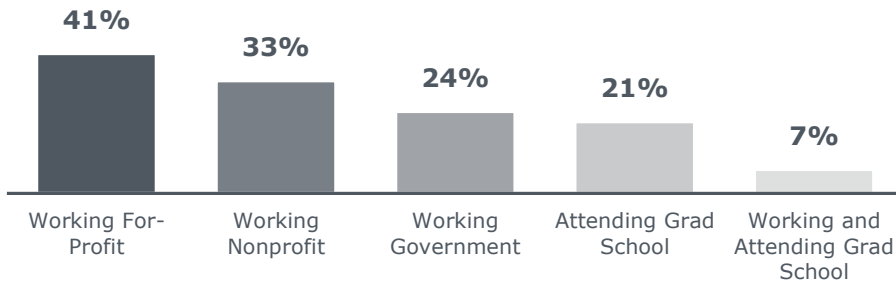
Working, grad school, or both



..how much they make...



...but where they went...



Employers

Grad Schools

...and what they did to get there

74% Participated in an **internship**

53% Took advantage of **study abroad**

Top Internships For Credit

- National Museum of American History
- US Department of State
- US Holocaust Memorial Museum
- American University
- Bonhams Auction House

More

Top Study Abroad Locations

- United Kingdom
- Spain
- China
- Belgium
- Chile

View Map

1) Results based on Graduation Census as of six months after graduation.

Affordability Marketing 101

Baseline Thresholds for Communicating Value to Prospective Students

PRE-APPLICATION

Increase Clarity about Pricing and Aid



Make Net Price Calculators User-Friendly

Many net price calculators are time-intensive and cumbersome; a streamlined calculator can improve usage.



Simplify Aid Award Letters

The best aid award letters will use language those unfamiliar with FA jargon will be able to understand.

Communicate Aid Pre-Application



Send Scholarship Notices as First Outreach

Communicate anticipated aid awards early in the recruitment process.



Personalize Aid Award Estimates

Ensure estimated aid awards are personalized to the particular characteristics of the student.

POST-ADMITTANCE

Incorporate ROI into Award Notifications



Focus Aid Award Letter on Outcomes

Aid award letters should include information on expected outcomes/return-on-investment of college education.



Focus Aid Conversations on Discussion of Value

In conversations with families appealing aid awards, the focus should be on value rather than strictly cost.



Digital Transformation in Higher Ed

THEME

4



Digital Demands Come to Campus

Digital Expectations Rising Among Campus Constituents...



Students

- Where can I get on-demand service on campus?
- How will I be prepared to use the latest technology in the workplace?



Faculty

- Why can't I access all student information in one place?
- Why do I have to sign on every time I want to download a resource?

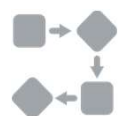


Staff

- Why am I not getting an immediate response to my service request?
- Why don't we have user-friendly interfaces for administration?



...Creating Digital Service Demands for the Institution



Digital First

Online self-service available on-demand and as default means of interaction



Omni-present

Seamless experience available asynchronously across multiple devices



Hyper Personalized

Individualized content and services tailored to location, situation, etc.

The Beginning of Wisdom is the Definition of Terms...

What is Digital Transformation?

Digital Transformation is the process of using data and technology to drive change.

The emphasis is **not on specific technologies** but on the application of those technologies to core **operational challenges or strategies**.

Real digital transformation enables rapid scaling and adoption of the solution, which in turn drives **widespread change**.

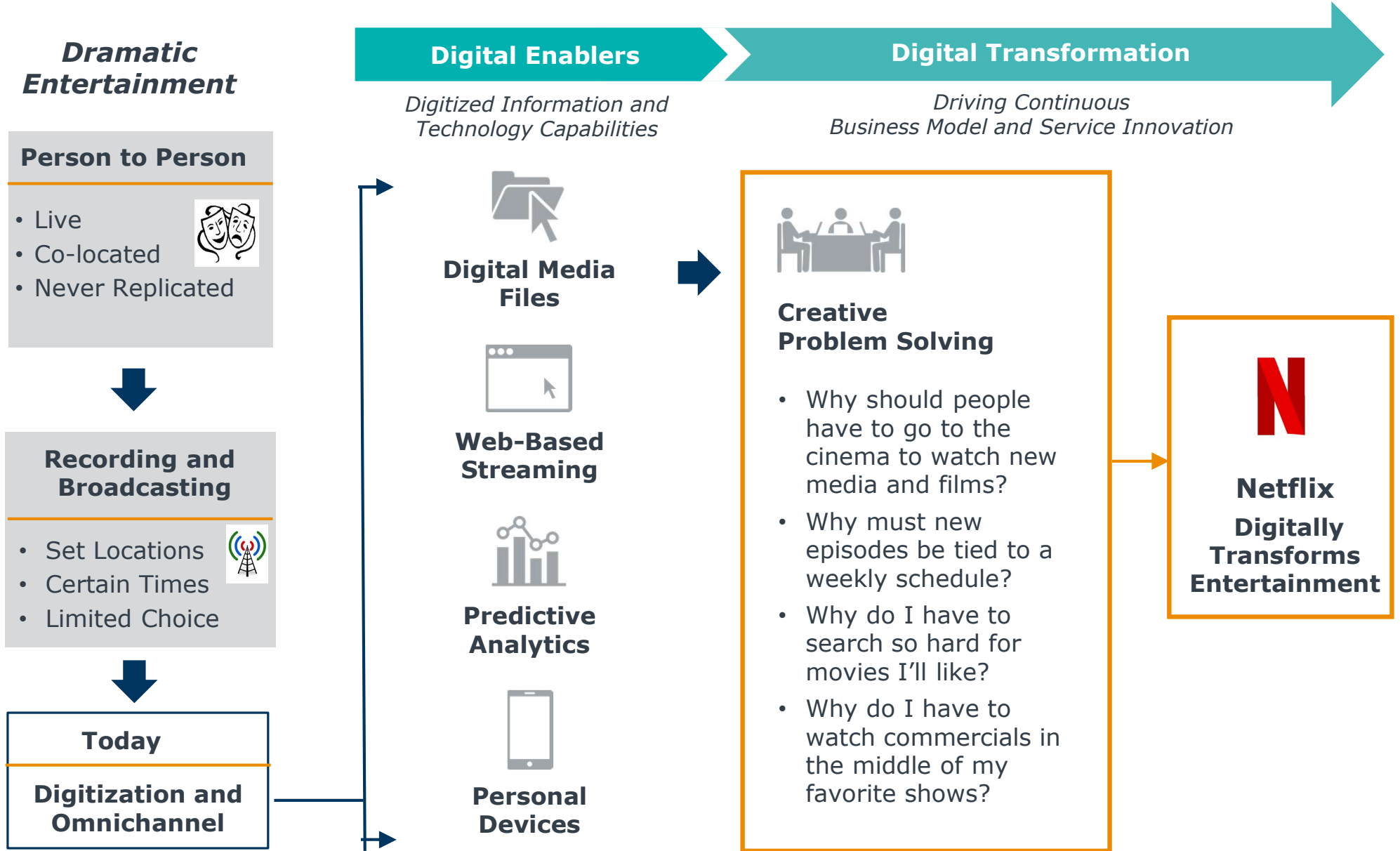
Not technology for technology's sake

Solutions are embedded in, not isolated from, daily activity

Solving big problems everyone agrees upon

“Anytime, Anywhere” Is the New “Any Channel”

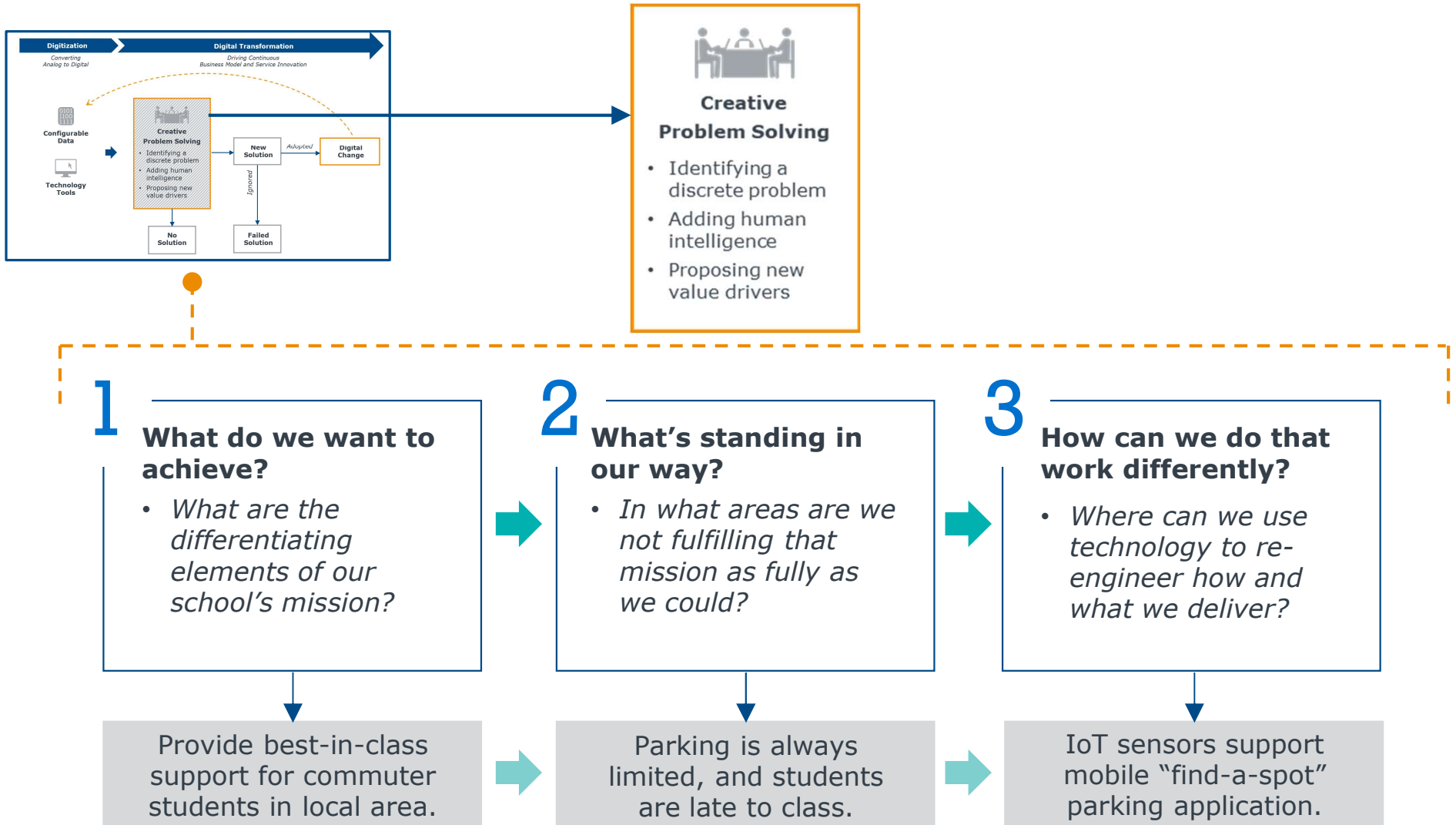
How On-Demand Streaming Changed Media Consumption





Campus Context and Mission Drives Innovation

Case-in-Point: Better Parking-Streamlining Commuter Student Experience





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