



EAB

Reckoning with Relevance

2024 State of the Sector for University of Montana

University of Montana

In 1-2 words, describe the energy of students on campus this semester.





Education's Trusted Partner to Help Schools and Students Thrive



Your Imperatives Determine Ours

INSTITUTIONAL STRATEGY

Prepare Your Institution for the Future

Executive guidance
rooted in research
to support your
strategic priorities

MARKETING AND ENROLLMENT

Achieve Your Enrollment and Growth Goals

Tailored partnerships
powered by a recruitment
ecosystem with unrivaled
reach to enroll your
future classes

STUDENT SUCCESS

Build a Student-Centric Campus

Technology trusted
by 850 schools to
retain, graduate,
and empower
more students

DIVERSITY, EQUITY, AND INCLUSION

Advance DEI on Campus and in Your Community

Technology, research,
and bold initiatives to
strengthen your DEI
strategy and eliminate
equity gaps

DATA AND ANALYTICS

Embrace Digital Transformation

Data and analytics
solutions built for
higher education to
guide decisions and
accelerate innovation

We partner with **2,500+** institutions to
accelerate progress and enable lasting change.

95%+ of our partners return to us year after year
because of results we achieve, together.

Today's Presenter



Christina Hubbard, PhD
*Senior Director,
Research Advisory Services*

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Six Priorities Shaping Higher Ed Strategy

1

Public Perception of Higher Ed Value

2

Enrollment and Demographics

3

Sustainable Business Models

4

Student Readiness and Well-Being

5

Hybrid Campus

6

Artificial Intelligence



Planning for Multiple Time Horizons, Stakeholders

6

Key Questions for College and University Leaders by Timeframe

Immediate Challenges

Next 12 Months

- What are the most pressing challenges facing our institution right now?
- What is the current impact on students, faculty, and staff?
- What difficult trade-offs do we need to make to enter next year in a stronger position?

Long-Term Threats

Next 5-10 Years

- What will be the most impactful changes to higher ed this decade?
- What decisions do we have to make right now to best position ourselves for this new normal?
- What will competitive differentiation look like in an altered landscape?

Relevant... for Whom?



Students



Parents



Faculty



Staff



Government



Community



Society

Reflection Worksheet

7

State of the Sector Reflection and Planning Worksheet			
Trends	What's the most urgent implication of this trend for your institution?	What should we be doing now to prepare for this long-term threat?	Who else on your campus needs to be involved in this discussion?
Public Perception of Higher Ed Value • Immediate Challenge: Universities Hammered by Culture Wars and Diminishing ROI Narratives • Long-Term Threat: Anti-Higher Ed Echo Chambers Impacts Campus Morale			
Enrollment and Demographics • Immediate Challenge: Post-Vaccine Enrollments Stabilize But Still Show Signs of Weakness • Long-Term Threat: The Demographic Cliff "Levels Up" to Peak Population			
Sustainable Business Models • Immediate Challenge: Rising Budget Pressures Lead Universities to Pursue Host of Savings Strategies • Long-Term Threat: A "Less with Less" Mentality May Be Needed to Survive Demographic and Enrollment Changes			

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University of Montana Takes Action

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While Other Universities Have Been Slow to Respond, UM Charges Ahead

UM Annual Playbook



Annually identifying and refining institutional projects to move UM closer to its collective vision and objectives

Strategic Outlooks



Colleges and units beginning to annually assess their current state, review key data, and develop annual priorities in support of UM's vision and objectives

Academic Playbook



Academic Affairs developing a cross-college vision and plan for academics at UM

Six Priorities Shaping Higher Ed Strategy

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Public Perception of Higher Ed Value



Immediate Challenge

Universities Hammered by
Culture Wars and
Diminishing ROI Narratives

2

Enrollment and Demographics

3

Sustainable Business Models

Long-Term Threat

Anti-Higher Ed Echo
Chamber Impacts
Campus Morale

4

Student Readiness and Well-Being

5

Hybrid Campus

6

Artificial Intelligence



Caught Up in the Culture Wars

Representative Policy Debates Impacting Higher Education

Affirmative Action Overturned

Affirmative Action Ruling Shakes Universities Over More Than Race, The New York Times

"Anti-Woke" Legislation

Texas Senate Approves Bill Barring Professors from "Compelling" Students to Adopt Certain Political Beliefs, Waco Tribune

DEI Bans Across the US

DEI Programs in Universities Are Being Cut Across the Country. What Does This Mean for Higher Education?, CNN



Challenges to Tenure

Georgia's University System Takes on Tenure, The New York Times

Critical Race Theory Backlash

Florida's State Colleges Say They'll Ban Promotion of Critical Race Theory, The Chronicle of Higher Education

Student Loan Forgiveness

Face Off: Student Loan Forgiveness Puts Spotlight Back on Higher Ed, Capital Analytics Associates

Source: Hartocollis, Harmon, "[Affirmative Action Ruling Shakes Universities Over More Than Race](#)," *New York Times*, July 26, 2023; McGee, "[Texas Senate approves bill barring professors from 'compelling' students to adopt certain political beliefs](#)," *Waco Tribune-Herald*, April 12, 2023; Heyward, "[Georgia's University System Takes On Tenure](#)," *New York Times*, Oct. 20, 2021; Lee, "[Student loan borrowers brace for 'the wave' as payments restart](#)," *Yahoo Finance*, Aug. 5, 2023; Thomason, "[Florida's State Colleges Say They'll Ban Promotion of Critical Race Theory](#)," *The Chronicle of Higher Education*, Jan. 18, 2023; DuBois, "[Face off: Student loan forgiveness debate puts spotlight back on higher ed](#)," *Capital Analytics Associates*, July 2023; EAB interviews and analysis.

Higher Ed Value Increasingly Called into Question

11

Headlines Fuel Growing ROI Concerns

Why 50% of Gen Z students say they see less value in college

TIME

How America Started to Fall Out of Love with College Degrees

College grads earn 80% more – but only 51% of Americans see

INE

Recapturing American higher education's lost promise

3 Ways Higher Education Can Flip the Script on Value

F

Wake Up Higher Education. The Degree is on the Decline

"alarming" numbers of are rejecting college

College is still w finds – although growing skeptical

half of Americans ge degrees are

waste of money

FORTUNE

Gen Zers don't see the point in getting a degree. Here's how to fix the ROI of college

E

Was your degree really worth it?

confidence in value of four-year degree

Tries to Bridge the 'Diploma Divide'

Source: Burt, [University Business](#), June 7 2022; Anderson, [Time](#), April 3, 2023; Pulsipher, [Forbes](#), Jan. 10, 2023; Lederman, [Inside Higher Ed](#), April 3, 2023; Dickler, [CNBC](#), March 1, 2023; Marcus, [The Hechinger Report](#), Aug. 10, 2022; [The Economist](#), April 3, 2023; Kanno-Youngs, [The New York Times](#), May 15, 2023; Eisgruber, [The Washington Post](#), April 26, 2023; Rasmussen, [Fortune](#), Oct. 31, 2022; Busteed, [Forbes](#), Sep. 25, 2020; Hess, [CNBC](#), Dec. 20, 2019; Mintz, [Inside Higher Ed](#), July 27, 2023; EAB interviews and analysis.

“Reports of My Demise are Greatly Exaggerated”



12

Sensationalist Headlines Don't Reflect Actual Value or Perception of Higher Ed

Headline

The cost of college has exploded



Reality

Inflation-adjusted net cost has declined 2.6-4% [\[1\]](#) annually since AY19, and only increased 1.5% annually from AY10 to AY19 [\[2\]](#)

Students are increasingly basing decisions on cost



Low-cost options saw the greatest decline in enrollment from 2019-21, with 2-years down 16% and 4-year regional institutions down 4% [\[3\]](#)

A college education equates to lifelong debt



Most borrowers owe less than \$25k [\[4\]](#), and total student debt has declined by \$10.8B since 2017 [\[5\]](#)

The ROI of a college degree is declining



The **wage premium is at a near decades-long high**, with bachelor's degree holders earning 88% more than high school graduates [\[6\]](#)

Liberal arts degrees are a waste of money



While slower to start, liberal arts graduates typically experience **rapid wage growth** in their late 30s-40s – the fastest among any college major [\[7\]](#)

Only prestigious, selective colleges provide value



5 of the 10 top-ranked institutions based on earnings potential/economic mobility have **admit rates over 50%** [\[8\]](#)

Degree holders aren't any better off



College graduates report higher rates of **job satisfaction, financial well-being, and health** [\[9\]](#)

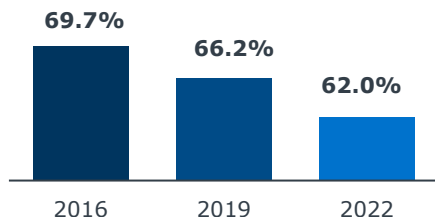
The Echo Chamber's Impact on Enrollment Decisions

13

Despite Inaccuracies, Some Students Dissuaded by Negative Narratives

Recent HS Grads Less Likely to Enroll

College-Going Rate of Recent High School Grads, Bureau of Labor Statistics



“

I've always seen and heard things about how there's no point in going to college [...] because you usually end up with more debt than you can make, and it rarely works out for a lot of people that want to go.”

21-year-old who did not attend college
EAB Non-Consumer Survey, 2023

”

Snapshot of Current Non-Consumers

59%

Male

27%

Hispanic

60%

Living with
parents or
grandparents

16%

Black/African
American¹

48%

White¹

1 in 3

Unemployed
or not looking
for work²

\$9K

Difference in
median household
income between
non-consumers and
college-going peers

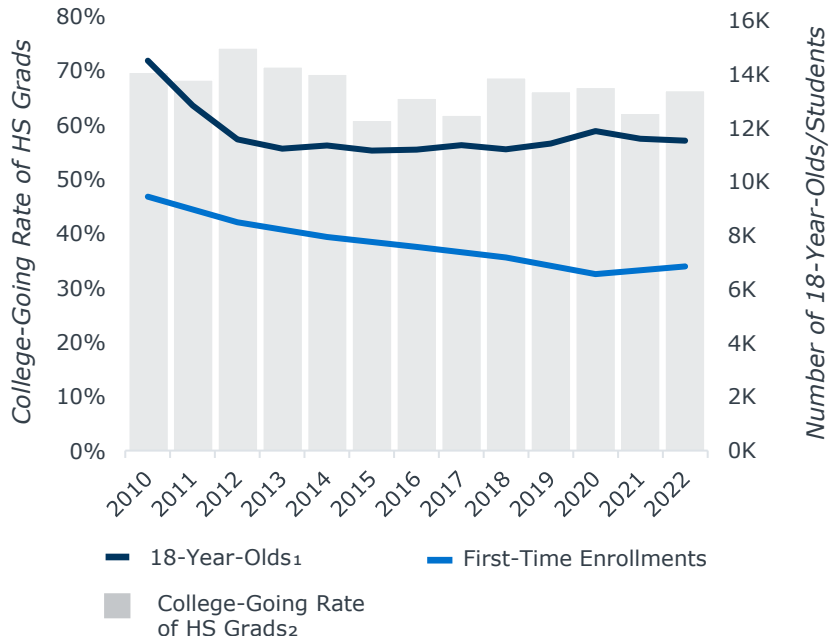
1) Non-Hispanic population.

2) Excludes those not working due to disability

Past Non-Consumption in Montana

Connecting Historical College-Going Rates To First-Time Enrollment Changes in Montana

Total 18-Year-Old Population, First-Time Students & HS Grad College-Going Rates for Montana



College-Going Rate of High School Grads

70% to 66%

change from 2010-2022

18-Year-Old Population

-2,966 Students

-20% change from 2010-2022

First-Time Students

-2,598 Students

-28% change from 2010-2022

1) Estimated using WICHE 10th Grade Total Enrollments from 2-Years Previous

2) College going rate calculated using representative sample from ACS 2010-2022 1-Year data on state residents 19-24-years old that have graduated high school (GED or equivalent included).

Breaking Through the Noise



Tailored Recruitment Strategies Needed to Appeal to On-the-Fence Students

INDIANA COMMISSION *for* HIGHER EDUCATION Value Campaign Findings

- ✓ A hard sell using data invites pushback – students react best to hearing how higher ed gives **more control over your future**
- ✓ Long-term benefits are too vague – immediate impacts viewed as more **credible, believable**
- ✓ Framing **costs as “manageable,”** rather than “affordable,” raised interest in aid, scholarship opportunities



Use your institution's NSC report to identify non-consumer warm leads

- **3,500 students** that applied to UVU never enrolled elsewhere
- UVU launched campaign with targeted outreach and frequent messaging, resulting in **400 new enrollments**



Pre-application scholarship guarantees increase enrollment

- UM grants HAIL Scholarship to low-income, high-achieving students in Michigan before students apply
- HAIL has **boosted enrollment at UM from 12% to 27%** among this population

“ **Higher ed isn't going to have a 'Got Milk' moment with some magical messaging that fixes everything.** We've got to start changing how we present ourselves to different groups to solve different problems.

President, Large Public University ”

Source: Beasor, Kuehr, “[Indiana's Education Value Movement](#),” SHEEO Policy Conference, Aug. 10, 2022; Dynarski et al., “[Closing the Gap: The Effect of Targeted Tuition-Free Promise on College Choices of High Achieving, Low-Income Students](#),” National Bureau of Economic Research, December 2018; EAB interviews and analysis.

Demonstrate Your Value Via Economic Mobility

Long-Term Job Outcomes Reveal Greater ROI & Career Success



A Complete Picture

- Longitudinal Tracking:** Median salaries tracked 1, 5, and 10 years out
- State vs. National:** Compare salaries between state institutions vs. average national earnings
- Debt Tracking:** Compare salaries to average student loan debt
- Differentiate by Major:** Compare earnings, debt, etc. across institutions based on major type

Data sourced through partnerships with federal and state government agencies



Negative Press Piles On Engagement Woes



'Crisis of Meaning' Among Faculty and Staff

Negative media attention

Increased hostility from students

Eroding trust between
administration, faculty, and staff

Increasing workloads

Non-competitive compensation

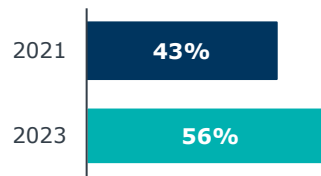
Rising student needs

Inflexible work arrangements

Caregiving responsibilities

Disaffection for Higher Ed Showing up in Turnover, Burnout

*HE employees at least "somewhat" likely
to seek work elsewhere in the next year¹*



*4-year faculty feeling at least
"somewhat...burned out because of
work," Sep 2022 – May 2023²*



1) n=3,814.

2) n=725.

Six Priorities Shaping Higher Ed Strategy

1 Public Perception of Higher Ed Value

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Immediate Challenge

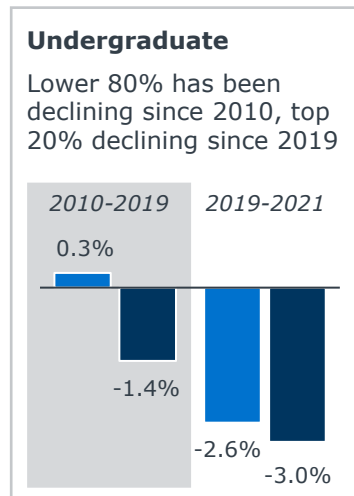
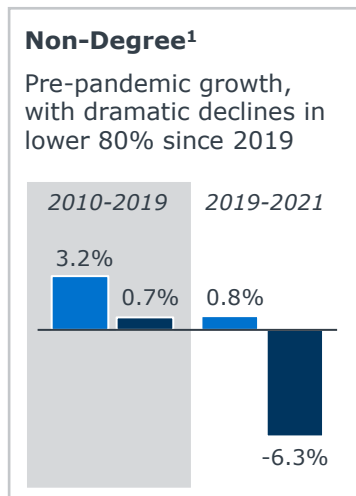
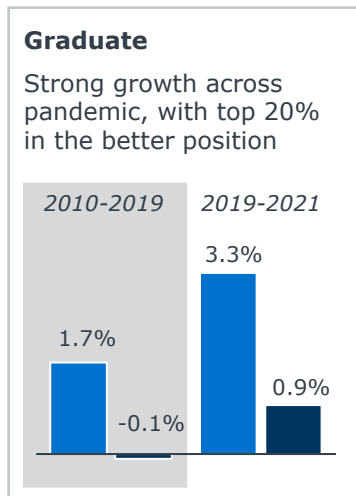
Post-Vaccine Enrollments
Stabilize But Still Show
Signs of Weakness

Long-Term Threat

The Demographic
Cliff "Levels Up" to
Peak Population

Where Are We Now? The Enrollment Macro-View

Average annual percent change in enrollment, IPEDS 2010-2021



Top 20% of Market

Lower 80% of Market

Top 20% and Lower 80% determined by top enrollment institutions in each category

*Undergraduates account for **79%** of the \$203 billion in est. tuition revenue over AY21*

1) Undergraduate non-degree only.

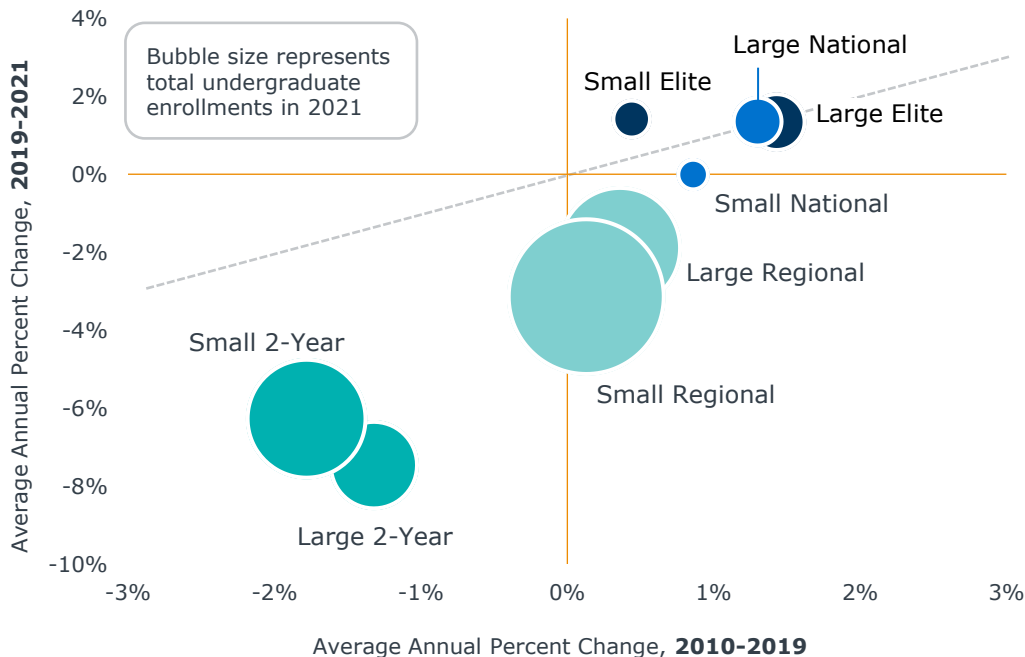
Flight to Size and Selectivity Continues



20

Undergraduate Enrollment Trends by Segment

Grawe and IPEDS Data, 2010-2021



1) Large => 2500 first-time, first-year enrollments in 2010.

2) Elite (Top 50 from US News Rankings in 2019); National (Top 51-100); Regional (outside top 100).

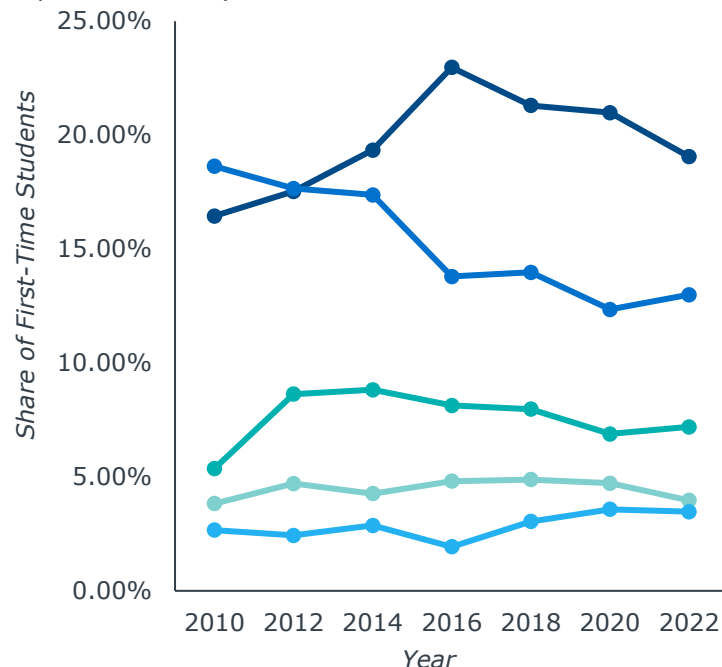
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Source: [IPEDS](https://nces.ed.gov/ipeds/), National Center for Education Statistics, Brand, "[Whitepaper Series](#)," Cornell College February 2019; EAB interviews and analysis.

Who Has the Biggest Share in Montana?

Institutions with the Largest Share of the Montana Market in 2022

Market Share of First-Time Students from Montana
Top Institutions by Market Share in 2022



Change in Market Share & First-Time
Enrollments from 2010 to 2022

Chg. in Mkt. Share	Pct. Chg. From '10	Chg. In Students
Montana State University		
+2.604 %pts.	+15.8%	-249
The University of Montana		
-5.636 %pts.	-30.3%	-870
Montana State U Billings		
+1.831 %pts.	+34.1%	-14
Flathead Valley CC		
+0.139 %pts.	+3.6%	-90
Montana Technological U		
+0.807 %pts.	+30.3%	-14

(Institutions ordered by 2022 market share)

Summary of Key Enrollment Trends

- 1 Grad market grows through pandemic, expanding again in 2023.** Top of market in stronger position, with high-ranking institutions and low-cost online options experiencing largest gains. Grad certificate programs surge, growing 10% from 2021.
- 2 After persistent undergraduate declines, Fall 2023 brings potential optimism.** Most of the market shrunk 2010-2019, and nearly all institutions in decline since, with only highly selective institutions growing from 2019-2022. However, total undergrad grew in Fall 2023 for the first time since start of pandemic, with 60% of the growth attributable to community colleges.
- 3 Undergraduate non-degree enrollment grew pre-pandemic, proves volatile in 2020s.** The vast majority of institutions experienced sharp declines in lower-level non-degree enrollment this decade, even as interest in alternative credentials rose¹.
- 4 Large and selectives win out as efficient student sorting grows.** Students sort up through selectivity pyramid as institutions compete over smaller population.
- 5 Non-consumption on the rise.** College-going rates for high school grads have declined by ~8 percentage points since 2016, even as HS graduation rates improve.

1) Undergraduate certificates grew through pandemic, but are counted as degree-seeking enrollments by IPEDS.

Breakout Rooms

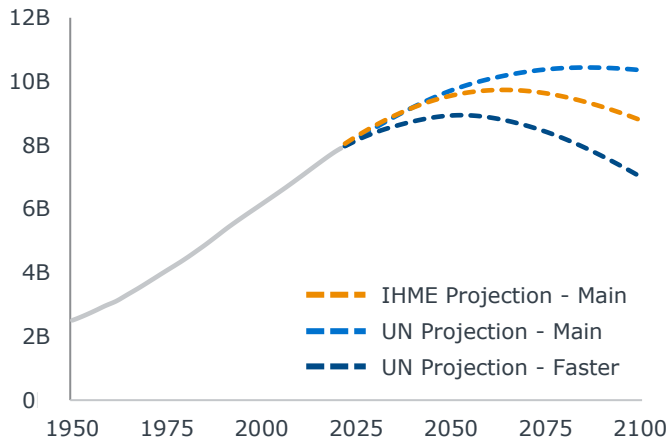
Which of these enrollment trends do you feel will have the greatest impact on UM?

What strategies can you deploy in your role at UM to counter (or reinforce) these trends?

Population Decline Signals Global Transformation

World Population Could Peak by 2055

Global Population and Projections through 2100



“ ”

Most of the world is transitioning into natural population decline. I think it's incredibly hard to think this through and recognize how big a thing it is; **it's extraordinary, we'll have to reorganize societies.**

*Christopher Murray, Director
Institute for Health Metrics and Evaluation*

Some Countries Peaking Far Earlier



2060

8% decline
by 2100



2080

3% decline
by 2100



2022

49% decline
by 2100



2046

32% decline
by 2100



2035

22% decline
by 2100



2010

54% decline
by 2100

The Good, the Bad, and the Ugly of Peak Population

25



Environmental Relief

Fewer people will mean **less pollution** and **decreased demand for fossil fuels** [1].



Education Improvements

Fewer students will allow more focus on **individualized learning** [2, 3].



Elimination of Extreme Poverty

Fewer workers will increase **wage growth**, growing the middle class and **reducing poverty** [3, 4].



Labor Market Equity

Tight labor markets should lead to better employment **opportunities for minorities** [5, 6].



Rising Inflation

A **diminishing labor force** will bring supply constraints, resulting in **higher prices** [7].



Financial Market Volatility

A **smaller consumer base** will cause some businesses to struggle or go under [8].



Burden on Younger Adults

An aging population will strain public budgets and **increase tax burdens** for younger adults [9].



Psychological Impacts

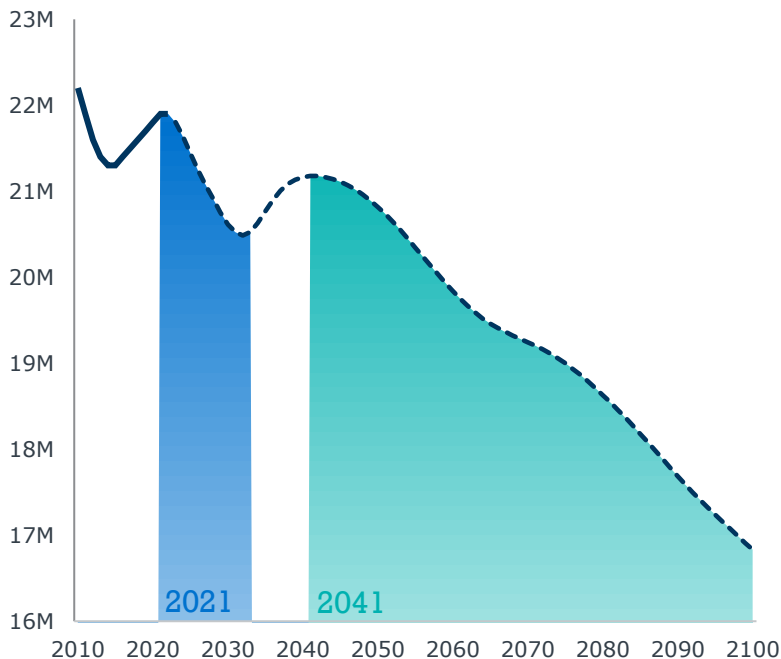
Countries experiencing population severe decline will struggle with **isolation and loneliness** [10].

Fewer People Means Fewer Enrollments



Demographic Cliff Followed by Even Steeper Decline Through 2100

United States 15-19-Year-Old Population, IHME Projection



The Demographic Cliff

-6.3% or **-1.4M**

Decline in the 15-19-year-old youth population, 2021-2032

Peak Population

-21% or **-4.3M**

Decline in the 15-19-year-old youth population, 2041-2100

3x

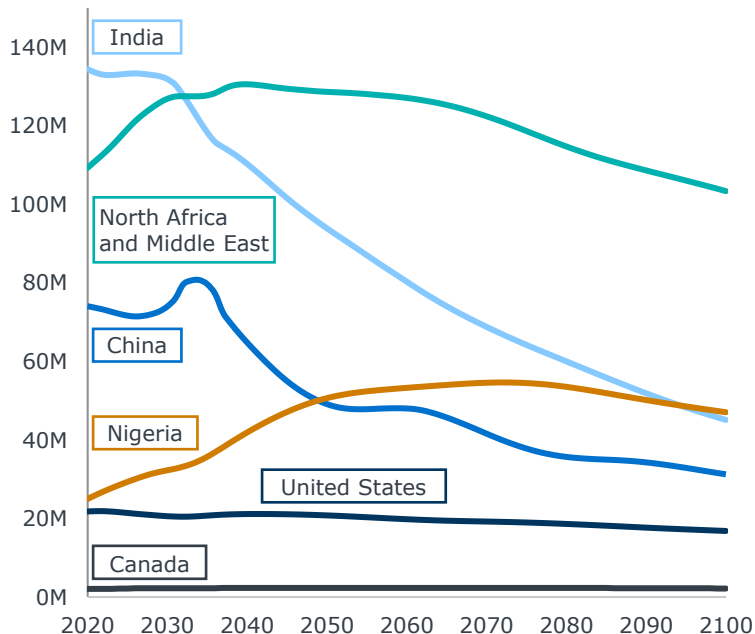
Declines from 2041-2100 represent a reduction in the college-going population ~3x the size of pandemic-era enrollment losses

International Student Market Reshuffling

27

More Students Set to Come from “Emerging Markets”

15-19-Year-Old Population, IHME Projection



- ▶ By 2030, young Africans are expected to make up **42% of the world's youth population**
- ▶ In last 2 years, US institutions saw 18% growth in students from Africa and **22% growth from Nigeria** specifically
- ▶ **International enrollments from China will peak in 2027**, declining through the 2030s
- ▶ In 2020, **64% of international student tuition and fees were covered by aid**, which is projected to increase as more students come from emerging markets

Source: "Africa's Future: Youth and the Data Defining Their Lives," Population Reference Bureau 2019; Cuthbert, "Danger! Beware of cliff edge: population numbers affecting int'l education," *The PIE News*, Feb. 16, 2023; "70% of 10-Year-Olds Now in Learning Poverty, Unable to Read and Understand a Simple Text," *The World Bank*, June 23, 2022; "Higher Education Institutions Awarding Financial Aid to International Undergraduate Students," College Board, 2020 EAB interviews and analysis.

Poll

On a scale of 1 to 10, how prepared is UM
for demographic changes?

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Immediate Challenge

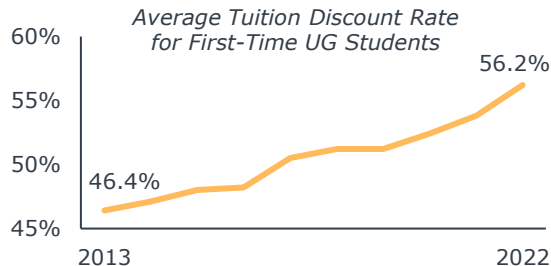
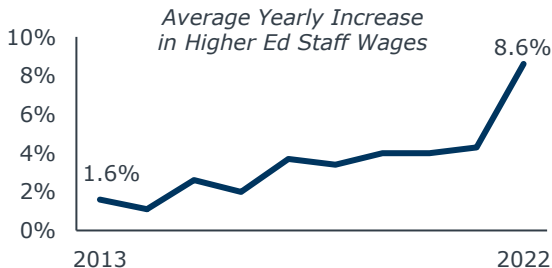
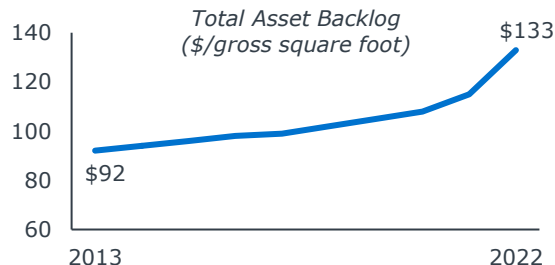
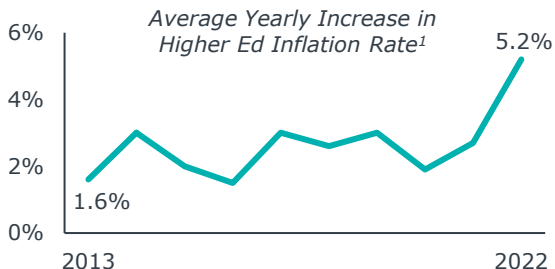
Rising Budget Pressures
Lead Universities to Pursue
Host of Savings Strategies

Long-Term Threat

A "Less with Less"
Mentality May Be Needed
to Survive Demographic
and Enrollment Changes

Converging Challenges Squeeze University Budgets

Inflation, Discounting, Operational Costs Worsen Simultaneously



A Short-Term Lifeline Comes to an End

Pandemic relief funding (\$75.3B in total) prevented short-term financial disaster in 2021 and 2022. But with certain restrictions and a deadline to spend/plan by June 30, 2023, most institutions could not use their share of funding to address longstanding financial challenges.

1) From the Commonfund Institute's Higher Education Price Index

Canaries in the Coal Mine?



Facing Pressure, Institutions Turn to Familiar Cost-Cutting Measures



- \$45M deficit
- Approved plan to cut 28 programs, 143 faculty



- 20 staff laid off
- Hiring freeze
- Reduced overtime and benefits



- \$56M budget gap
- 77 voluntary separations



- 13% reduction in workforce
- Early retirement, no backfilling roles



- Financial exigency
- 90-day hiring freeze
- Restructured academic departments



- \$62.8M operating budget deficit
- Hiring freeze

Getting Ahead of the Storm

With Pressures Only Growing Worse...

- Eroding state allocations
- Rising real estate and maintenance costs
- Shifts in international enrollment trends
- Research funding funneling to the top
- Domestic undergraduate decline
- Weakening adult and transfer markets

...Universities in the Black Also Cutting Costs

Bates

Senior staff asked to reduce programmatic spending by 5%, despite \$3M surplus in FY 2022.

Source: Quinn, "[Despite National Pushback, West Virginia Will Cut Faculty Programs](#)," *Inside Higher Ed*, Sept. 15, 2023; Deto, "[Chatham University reduces staff, streamlines operations to address budget deficit](#)," *Tribune-Review*, Sept. 12, 2023; Querolo, "[Largest Catholic University in US Faces \\$56 Million Budget Gap](#)," *Bloomberg*, April 14, 2023; Coppolino, "[Queen's projects a \\$62.8 million deficit](#)," *June 26, 2023*; Collins, "Worried about rising costs, Bates College plans cuts," *Sun Journal*, Jan. 9, 2023; EAB interviews and analysis.

Disciplined Tradeoffs, Not Across-the-Board Cuts



Leaders Must Make Tough Budget Decisions to Ensure Viability

Blanket Cuts Are Unsustainable, Can Damage Strategic Capacity

Impacts of Across-the-Board Cuts Identified in Gartner Analysis

43%

of organizations achieve desired savings in first year of cuts



Erode sources of persistent value

11%

of organizations able to sustain cuts over three years



Penalize efficient parts of the org



Lock in status quo processes

IPEDS Analysis of Institution Cost Growth Following Across-the-Board Cuts

67%

of institutions' three-year-average cost growth increased following large cut

45%

of institutions exceeded previous cost-growth trajectory within three years

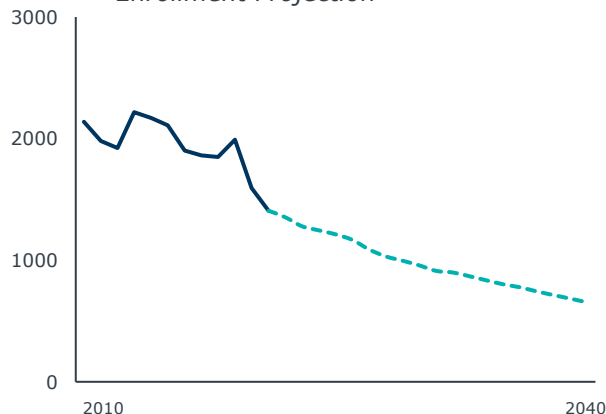
Many Campuses Poised to Shrink in Coming Years

EAB Analysis of Future Institutional Enrollments

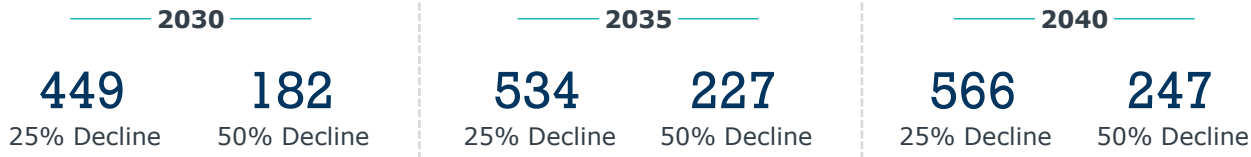
Three Primary Drivers in Enrollment Projections

- 1 Demographics:** Demographic-driven declines will affect all segments, but will be worse for some
- 2 Participation Rate:** While the high school graduation rate generally increased in the last decade, college-going is falling
- 3 Market Share:** The flight to large and selective institutions across student types will continue fueling market concentration

Illustrative Institution First-Year Enrollment Projection



Estimated Cumulative Number of Four-Year Institutions with 25% and 50% Declines in First-Time First-Year Enrollment from 2022



Is It Time to Embrace a “Less with Less” Mentality?

34

Pivoting to a Strategic Model that Reflects Changing Market Realities

2000s

2010s

2020s

More with More

- “If we build it, they will come” mentality fuels growth-minded boom of programs, facilities, and research expenditures
- Amenity and experience arms race requires more tech and staff to deliver
- Share-the-wealth budget decisions promote stability in times of growth

More with Less

- Emphasis on efficiency and belt-tightening to keep output constant
- Difficult prioritization and trade-offs deferred when metrics show incremental improvement
- Growing workloads lead to staff burnout, as there’s always “more” to do

Less with Less

- Intentionally decreasing “productivity” in favor of sustainable operations
- Budget decisions must reflect market realities of enrollment, funding
- Saying “no” is rewarded
- Potentially better staff experience; work is scaled to reasonable level

“Smaller but Better”

Percentage of CBOs that said their institutions “tightened focus” and are positioned to be “smaller but better.”

4%

2022



18%

2023



A Tale of Two Campuses

35



Zombie U.

Alive, Sort Of

Hiring freezes and across-the-board layoffs include mission-critical and hard-to-hire roles

Mental health and career counselors reduced by half; students lament lost services on social media

Older admin building shuttered due to rising O&M costs, forcing lease of expensive space downtown

Voluntary severance taken by strongest faculty, hollowing out popular programs

Shift to adjunct-only faculty eases hiring and firing, erodes commitment to university mission

Lurching onward, stuck in a doom loop, and increasingly appearing in Chronicle articles questioning its survival prospects



Rightsize State

Strategically Pruned and Thriving

3-month hold-open periods and central vacancy reviews frustrate busy staff but allow for AI, automation, and reorg solutions

Aggressive outsourcing of auxiliary tasks harms “community employer of choice” status but reduces risk, improves service

Demolishing under-filled residence halls prompts alumni uproar but offloads millions in deferred maintenance costs

Program review process narrows portfolio while preserving mission-aligned offerings

Eliminating adjunct contracts and increasing section sizes impacts academic workload but avoids further layoffs

Fewer students, programs, space, and staff – but resilient and fiscally stronger due to choices made for long-term good

Six Priorities Shaping Higher Ed Strategy

1 Public Perception of Higher Ed Value

2 Enrollment and Demographics

3 Sustainable Business Models

4 Student Readiness and Well-Being

5 Hybrid Campus

6 Artificial Intelligence

Immediate Challenge

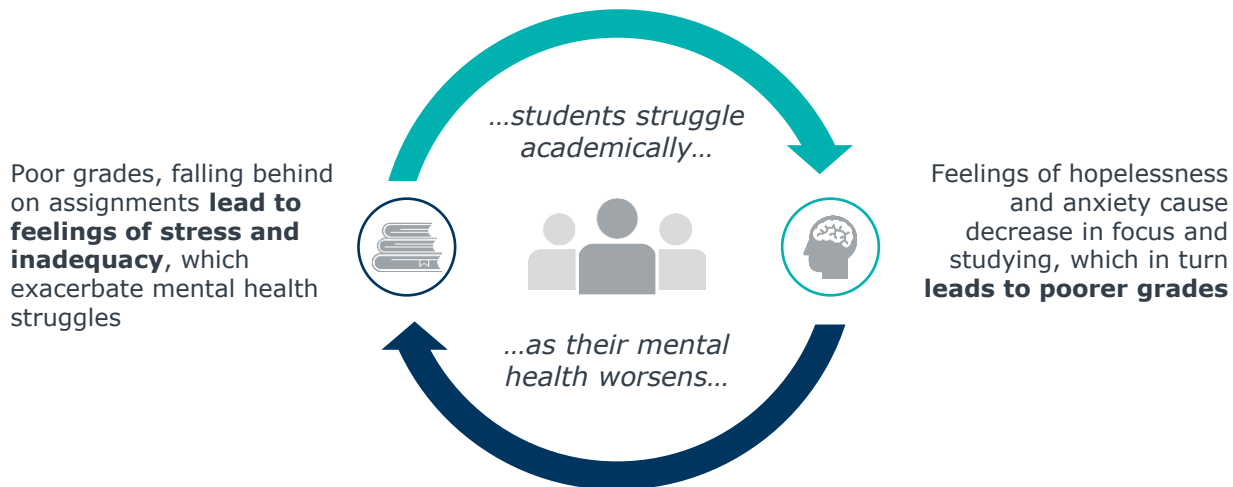
Academic and Mental
Health Struggles Spiral
Post-COVID

Long-Term Threat

Readiness Will Continue
to Decline as Youngest
of COVID Generation
Arrive on Campus

A Vicious Cycle

Academic and Mental Health Struggles are Mutually Reinforcing

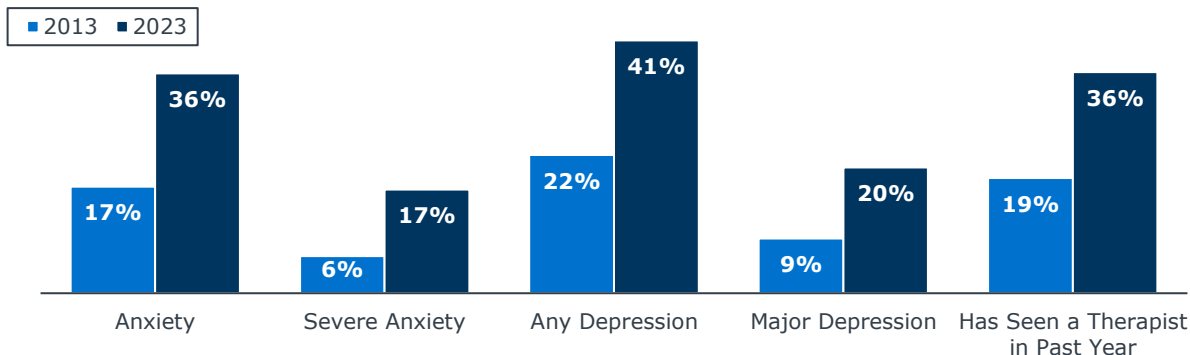


Mental Health a Known and Growing Challenge



Anxiety and Depression Nearly Doubles Among Students Over Last Decade

Healthy Minds Study, 2013-2023



“

Three decades ago, the gravest public health threats to teenagers in the United States came from binge drinking, drunken driving, teenage pregnancy and smoking. These have since fallen sharply, replaced by **a new public health concern: soaring rates of mental health disorders.**

Matt Richtel

Author of *It's Life or Death: The Mental Health Crisis Among U.S. Teens*

”

1) College students.

Pandemic Worsened Academic Half of Vicious Cycle

39

K-12 Unfinished Learning Has Arrived on College Campuses

Challenges that Began in High School...

2/3

of students struggled with **coursework** due to home disruptions and mental health concerns from COVID

42%

of ACT-tested 2022 HS grads met **none of the college-readiness subject benchmarks** in English, reading, science and math¹

2x

The **chronic absenteeism rate has doubled** from 16% in 2019 to an estimated 33% in 2022

...Are Now on Campus



Chronic absenteeism² continues to grow on college campuses



Academic struggles lead to **higher DFW³ rates** in introductory courses



Institutions report incoming students struggle with **gaps in core knowledge** and **poor study habits**



Widening expectation gaps between faculty and students on work expected outside the classroom

1) Doubled from 26% in 2019.

2) Defined as missing 10% or more of the academic year.

3) D grade, F grade, or withdrawal.

Vicious Cycle's Impact on Enrollment, Persistence

Academic and Mental Underpreparedness Influencing Student Decisions

Before Enrollment...

Mental, Academic Readiness Key Concerns for Optouts

22%

of students who opted out of college in 2023 cited “not mentally ready” as their reason, up from 14% in 2019

33%

of high school counselors cited academic readiness as the top factor deterring their students from attending college

After Enrollment...

Stress, Well-Being Increasingly Behind College Stopout Trends

75%

of college students who have considered dropping out in 2022 cited emotional stress as the primary driver

2x

Students with mental health concerns were twice as likely to stop out before graduating from college

Chat In

What emergent needs and differences in preparedness have you noticed in your work with students?

What strategies have you used to address these needs and differences in preparedness?



It Will Get Worse Before it Gets Better

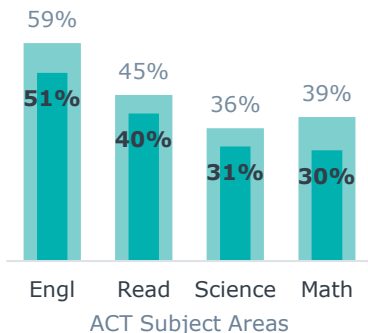
Gaps from Unfinished K-12 Learning Will Be Felt for Years to Come

Pre- and Post-COVID Math Readiness by Age Cohort

Current College First Years

ACT College Readiness Among 2023 HS Grads

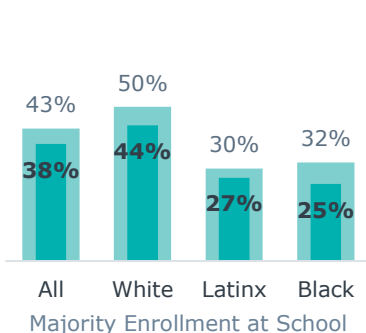
■ 2019 ■ 2023



Current Ninth Graders

On Pace for College Math in 8th Grade (i-Ready)

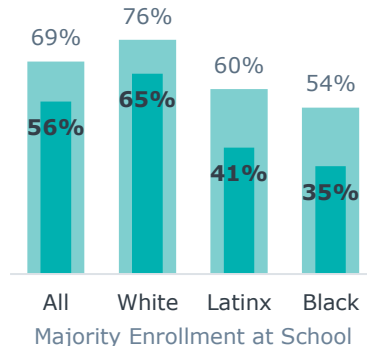
■ 2019 ■ 2023



Current Fifth Graders

On Pace for College Math in 4th Grade (i-Ready)

■ 2019 ■ 2023



Getting Ahead of Rising Academic Struggles

Strategic Investments To Make Now to Support Future Cohorts

CURRENT STATE



FUTURE STATE

Math and English placement testing

Many students who could have taken college-level courses are placed in remedial education, pushing back time to degree

Noncredit remedial courses

Extra courses for no credit cost students time and tuition dollars, as well as slow academic momentum

College algebra and calculus sequence

Traditional math instruction in college algebra or calculus can feel too difficult and disconnected from daily lives of most students

Reactive tutoring

More tutoring staff and centers likely needed, but work must also be done to increase participation in these services before critical success junctures

Multiple measures assessments

More accurate math and English placement results in fewer students in remedial education and overall higher student success rates

Supplemental/corequisite instruction

Taken in parallel to gateway courses, corequisite courses provide “just in time” support, resulting in higher pass rates and retention

Statistics and other sequences

Realign math requirements with major coursework expectations (e.g., math for liberal arts, statistics, data science sequences)

Proactive academic support

Internal resource awareness campaigns and effective early alert systems that connect students with supports improve utilization and effectiveness

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Immediate Challenge

Flexible Work Decisions
Impact Operations,
Productivity, and Hiring

Long-Term Threat

Future Campuses Will
Require Different Mix and
Use of Space and Potentially
Reduced Footprint



Hybrid Work the Clear Norm Going Forward

Majority of Employers Reach Steady State of Two to Three Days at Home

Broad Uptake of Flexible Work

74%

of employers offer hybrid work arrangements

81%

of employees work in hybrid (52%) or exclusively remote (29%) positions

-19%

In Q2 2023, average US office lease size decreased to 3,275 sq feet, 19% less than average in 2019

Average Weekly Office Occupancy in Top 10 US Cities



Source: McKendrick, "Hybrid Work Is Now The Norm For The Year Ahead - And Beyond," *Forbes*, Dec. 28, 2022; "Employee Benefits Survey," International Foundation of Employee Benefit Plans, 2022; Grant, "Office Tenants Are Renewing Leases—but for Far Less Space," *Wall Street Journal*, Aug. 22, 2023; "Back to Work Barometer," Kastle, Oct. 23, 2023; EAB interviews and analysis.

A Strong Case for Flexibility

46

Demonstrated Impact on Productivity, Engagement, Hiring, and Cost



8%

Employees were about 8% more efficient working from home by 2021 than they were in the office before COVID.



33%

Hybrid workers are more satisfied and 33% less likely to quit than fully in-person workers.



2x

Hybrid employers grew staff by 4.1% from May 2022-23, nearly twice the rate of fully in-office companies.



8%

Employees are willing to take 8% less pay for flexible work arrangements on average.



\$11k

A typical employer can save an average of \$11,000¹ per 50-50 hybrid worker.

1) Savings derived from increased productivity, reduced turnover, and real estate costs.

Higher Ed a Notable Hybrid Outlier

Adoption, Policy, and Execution Still Highly Variable Across Institutions

Uneven Uptake of Flexible Work

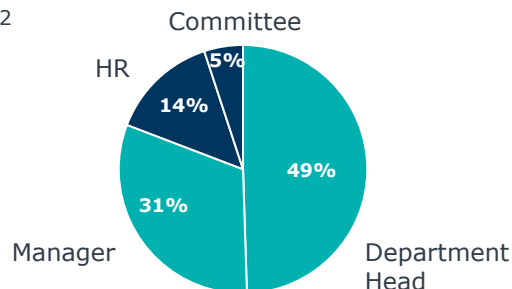
54% of higher ed staff were hybrid or fully remote, as of 2023¹

52% of institutions have made only “modest” changes to their flexible work policies since the pandemic started

Still Mostly a Local Decision

Who on campus decides whether an employee may work hybrid/remote?

n=82



Adoption Spans the Spectrum, from Very Low to Very High Flexibility



No work from home during fall/spring, up to 2 days a week during summer



University of Manitoba

Up to 2 days per week at home



Up to 4 days per week at home

1) Based on EAB survey data.

Source: “2023 Survey of College and University Presidents,” *Inside Higher Ed*, April 10, 2023; “Flexible Work Overview”, Elon University, accessed Sept. 2023; “UM flexible work program continues,” University of Manitoba, May 17, 2023; “Remote Friendly Hybrid Work Arrangements,” William Paterson University; accessed Sept. 2023; EAB interviews and analysis.

Making Hybrid Work for You

48

Effective Flex Work Requires Smart Policy and Investments in Tech, Training

Specific In-Office Days

- Set not only number of days in office, but specific days of the week for each team
- Stanford research shows so-called “anchor day” approach achieves benefits of both hybrid, in-person work and leads to 3-5% productivity boost



Audio/Visual Experience

- Employees don't get the benefits of in-person work if they simply recreate virtual experiences at the office
- Ensure your space and technology produces benefits of bringing people together to create a truly hybrid experience



Bias Mitigation

- Hybrid work could create biases against employees who choose to work from home
- Train managers and supervisors on such biases to protect against unintentional preference for in-office interactions



Clear Eligibility Guidelines

- Give managers clear guidance for deciding who and what types of jobs can go hybrid to enable flexibility while ensuring equity
- Virginia Tech created and published a [step-by-step guide](#) and detailed checklists that helps leaders assess role and employee suitability for work-from-home



Many Campuses Have Wrong Mix of Space, Too

49

Likely Too Little



Likely Too Much



Residence Halls

Residential halls shrank as a share of campus space between 2007-2021, despite students' increasing desire to be on campus



Office Space

Office space has increased more than any other type, with NASF¹ per student increasing 182% from 1974-2021



Collaboration Spaces

Students increasingly join classes remotely but study in-person



Parking

Fewer daily commuters—employees and students—reduce need for spots



STEM Labs

The number of STEM degrees/certificates awarded grew by 42% from 2011 to 2021, increasing the need for labs



Lecture Hall Space

With about half of students enrolled in at least one online course, less demand for large lecture spaces

1) Net Assignable Square Feet

Six Priorities Shaping Higher Ed Strategy

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4

Student Readiness and Well-Being

5

Hybrid Campus

6

Artificial Intelligence

Immediate Challenge

Select Policies, Training
Necessary to Navigate
AI Transition

Long-Term Threat

AI-Infused Curriculum
Required to Prepare
Students for Future of Work

AI Breaks the Mold of Technology Adoption

ChatGPT's User Base Grew Faster Than Other Tech Breakthroughs

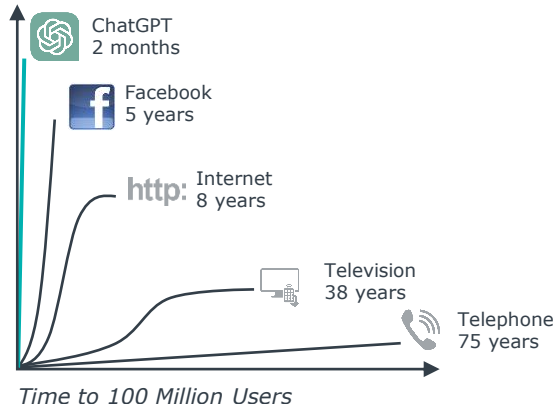
What is Generative AI?

Latest development in AI that refers to deep-learning models that can **generate high-quality text, images, and other content** based on the data they were trained on.¹



ChatGPT's Meteoric Adoption Rate Sets Historical Precedent

Time to 100M Users By Technology



Generative AI Reaches Inflection Point Due to Unique Developments

► Accessible and User-Friendly

Web-based access allows anyone to use AI via PCs and smartphones. Users can use simple text prompts to deliver commands and process outputs.

► Trained on Vast Knowledge Base

Models are trained on large sets of data (e.g., books, web texts, and articles from billions of Internet webpages).

► Generates New, Human-Like Content

Tools can generate new, creative content across domains (e.g., text, images, software) that is often indistinguishable from human outputs.



Source: Gerwitz, "How does ChatGPT actually work," ZDNET, July 13, 2023; Hu, "ChatGPT sets record for fastest-growing user base – analyst note," Reuters, Feb. 2, 2023; EAB interviews and analysis.

1) IBM Research definition.

AI's Transformative Opportunities in Higher Ed



- Incorporating AI into the Curriculum to Match Societal, Workplace Changes



- Provide 24/7, Personalized Student Support with One-Stop Conversational AI



- Supercharge Faculty and Staff Productivity to Pursue More Strategic Tasks



- Maximize Enrollment and Advancement Yield with Hyper-Personalized Content Generation



- Transcend Historical Bounds of Innovation in Research by Using AI to Expand Human Capabilities

Support Faculty and Student Use of AI

Encourage Faculty Use of AI in Pedagogy



Institutional Statement Embracing AI

USC's Provost and Academic Senate released a statement urging faculty to encourage students to explore AI [\[1\]](#)



AI Literacy Courses

Auburn offers a hands-on "Teaching with AI" course that has already been completed by ~ 700 faculty [\[2\]](#)



Faculty AI Teaching + Learning Workshops

The University of Mississippi launched a paid (\$1,000 stipend) two-day AI Summer Institute for Teachers of Writing [\[3\]](#)

Create AI Learning Opportunities for Students



UNIVERSITY OF
SAN FRANCISCO

Student Orientation Session on ChatGPT

USF developed a Zoom orientation session on Chat GPT for incoming students, focused on pros, cons, and ethics of using AI for schoolwork



On-Demand Student Trainings

Vanderbilt offers free, extensive AI training (including workshops and online courses) for students, faculty, and staff



Subsidized Tokens and Microcredentials

UHK pays half of course fees for students taking Coursera modules on AI and provides them with 500K AI access tokens (costing ~\$1-2 per student per month)

Far More Jobs Created or Impacted than Destroyed

54

Diverse Career Outcomes as Various Jobs Are...

...Made Redundant by AI



Accelerated Losses

- Accounting clerks
- Customer service agents
- Data entry workers
- Media writers and journalists

New Eliminations

- Administrative secretaries
- Budget and financial analysts
- Coders
- Technical writers

19%

of US workers
in jobs exposed
to AI

...AI-Impacted



Qualifications & Skills Listings for 2023 Job Postings on Indeed.com

- **Graphic Designer:** "Familiarity with AI and ChatGPT technology"
- **Protein Sciences Research Scientist:** "Experience utilizing artificial intelligence protein design, SAR, or related biological applications"
- **Content Writer, Editor, and Researcher:** "Proficiency in prompting and navigating AI tools such as ChatGPT"

21x

Increase in jobs
mentioning GPT
from Nov '22-
August '23

...AI-Created



Common AI Job Posting and Salary

- Prompt Engineer & Librarian (\$375,000)
- Head of Artificial Intelligence (\$200,000)
- Senior Creative Evangelist (\$200,000)
- Natural Language Processor (\$190,000)
- AI Consultant (\$100/hour)
- AI Prompt Engineering Creator (\$100/five prompts)

#1

Fastest growing
job category (AI
and Machine
Learning Specialist)

Source: "[Future of Jobs Report](#)," World Economic Forum, May 2023; "[Future of Work Report](#)," LinkedIn, August 2023; Kochhar, "[Which U.S. Workers Are More Exposed to AI on Their Jobs?](#)" Pew Research Center, July 26, 2023; Komand, "[Looking for a career with big money and perks? How much jobs in artificial intelligence pay.](#)" *USA Today*, June 15, 2023; Malinsky, "[4 in-demand freelance A.I. jobs—one can pay \\$100/hour](#)," *CNBC*, Aug. 17, 2023; Gafner, "[Best Jobs of 2023](#)," *Indeed.com*, May 18, 2023; "[Job Search](#)," *Indeed.com*, July 21, 2023; Mok and Zinkula, "[ChatGPT may be coming for our jobs](#)," *Business Insider*, Sep. 4, 2023; EAB interviews and analysis.

Most Students Will Need Basics, Not Expertise



Levels of AI Knowledge by Future Workforce Demand

~1%

of knowledge-sector jobs
will be **advanced level**

The AI Visionary

- Designs novel AI algorithms, optimizes model architecture, parameters, and neural networks
- Approaches AI with original ideas and imagination. A futurist thinker.

~9%

of knowledge-sector jobs
will be **intermediate level**

The AI Manipulator

- Can train AI models on sample data and has experience with frameworks like TensorFlow
- Understands learning tasks, can fine-tune AI models, and can deploy ML¹ models

~90%

of knowledge-sector jobs
will be **basic level**

The Common AI User

- Understands basic AI concepts
- Has used AI through consumer apps and user-friendly large language models

1) Machine learning.

Florida Infuses AI Education Into All Disciplines

56

Key Elements of the University of Florida's [AI Initiative](#)



Top-Down Approach to AI

UF President and Provost strongly encouraged and incentivized incorporation of AI across all 16 colleges



AI-Specific Faculty Hired

UF hired 100 new faculty with AI backgrounds or experience across disciplines, with each college receiving at least one new hire



AI Courses Across All Disciplines

230 AI courses offered at undergraduate, graduate, and professional levels, and range from introductory to major-specific



AI Pathways Career Coach

Career center staff educate students on the use of AI in the job recruitment process



Course Offerings

- ☒ AI in Agriculture and Life Sciences
- ☒ Business Applications of Artificial Intelligence
- ☒ AI in Healthcare and Public Health

Research Applications



AI System Detects Bruised Strawberries Before Market



Building Equitable Workplaces with AI Technologies



AI Platform Predicts Surgical Complications

Embedding AI Across the Academy

Generative AI Expectations from Select Syllabi



Business

"I expect you to use AI (ChatGPT and image generation tools, at a minimum), in this class. **In fact, some assignments will require it.**"



Data Structures and Algorithms

"Generative AI systems (like ChatGPT), if used correctly, can serve as **powerful tools for learning and idea refinement.**"



Teaching Humanities and Social Sciences

"AI in education is **a vital topic** for pre-service teachers who have to navigate ongoing changes in the educational landscape."



Advanced Legal Writing

"I expect you to use technology in this class. Technology can be as useful for writers as **a calculator is for mathematicians.**"



Social Media Marketing

"There is a good possibility that using tools like these [Gen AI] are going to become **an important skill** for careers in the not distant future."



Various Geography and Teaching Methods

"I think of [generative AI technology] as **the new Wikipedia** [...] but you, as the author, are responsible for the information and outputs."

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- to Match Societal, Workplace Changes



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- Support with One-Stop Conversational AI



- Supercharge Faculty and Staff Productivity
- to Pursue More Strategic Tasks



- Maximize Enrollment and Advancement Yield
- with Hyper-Personalized Content Generation



- Transcend Historical Bounds of Innovation in
- Research by Using AI to Expand Human Capabilities

Q&A: Reckoning with Relevance



59



Public Perception of Higher Ed Value

- Universities Hammered by Culture Wars and Diminishing ROI Narratives



Enrollment and Demographics

- Post-Vaccine Enrollments Stabilize But Still Show Signs Of Weakness
- The Demographic Cliff "Levels Up" to Peak Population



Sustainable Business Models

- Rising Budget Pressures Lead Universities to Pursue Host of Savings Strategies
- "Less with Less" Mentality May Be Needed to Survive Demographic and Enrollment Changes



Student Readiness and Well-Being

- Academic and Mental Health Struggles Spiral Post-COVID
- Readiness Will Continue to Decline as Youngest of COVID Generation Arrive on Campus



Hybrid Campus

- Flexible Work Decisions Impact Operations, Productivity, Hiring
- Future Campuses Will Require Different Mix and Use of Space and Potentially Reduced Footprint



Artificial Intelligence

- Select Policies, Training Necessary to Navigate AI Transition
- AI-Infused Curriculum Required to Prepare Students for Future of Work

Immediate Challenge

Long-Term Threat

Immediate Challenge

Long-Term Threat