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.

ROOTED IN RESEARCH
7,500+ Peer-tested best practices
500+ Enrollment innovations tested annually

ADVANTAGE OF SCALE
1,500+ Institutions served
4 M+ Students supported by our SSMS

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
Support and graduate more students
Find and enroll your right-fit students
Meet Your EAB Presenter…

Rachel Tanner  
*Director,*  
*Research Advisory Services*  
RTanner@eab.com
The State of the Higher Ed Sector, In Six Parts

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?

Introduction to EAB
Who we are and what resources we can provide for you

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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

- What Factor Made You Decline Acceptance and Choose a Compelling Offer?
  - In 2017, a survey of high school students found the following:
    - Price-related: 22%
    - Reputation: 18%
    - Geographic: 14%
    - Academic programs: 14%

Flattening ‘Growth’ Markets

- International enrollments in the U.S. by degree level, 2012-2018:
  - Undergraduate: 456,618 in 2012, 437,712 in 2018
  - Graduate: 570,167 in 2012, 567,212 in 2018

Approaching Demographic Cliff

- 2017-2021: -1%
- 2022-2025: 8%
- 2026-2029: -14%

Uptick in College Closures

- Number of closed private colleges:
  - 2015: 6
  - 2016: 5
  - 2017: 3
  - 2018: 6
  - 2019: 9
  - 2020: 6
  - 2021: 2
  - 2022: 4
  - 2023: 2
  - 2024: 8
  - 2025: 4
  - 2026: 10

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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

2021 Population: 4.17 Million 18-Year-Olds

-1% Decrease of 18-Year-Olds (2017-2021)

2025 Population: 4.51 Million 18-Year-Olds
8% Growth of 18-Year-Olds (2022-2025)

2029 Population: 3.86 Million 18-Year-Olds
-14% Decrease of 18-Year-Olds (2026-2029)

Sources: Grawe, Nathan D., Demographics and the Demand for Higher Education, 2017; EAB analysis.
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.
Looking Further Out

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

- Higher growth: +4.5%
- +3.0%
- +1.5%
- 0.0%
- -1.5%
- -3.0%

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

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)*

- **Tuition Revenue**: $42 Billion
  - 93% of overall increase in public institution funding from NTR
- **Research Grants**: $0
  - Flat overall; concentrating in Top 100
- **State Funding**: -$2 Billion
  - Still below Great Recession levels
- **Advancement**: $3 Billion
  - Publics investing heavily in fundraising staff

Source: IPEDS Database, National Center of Education Statistics; EAB Analysis.
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

**Four-Year Institutions Follow Suit**
Free Tuition Initiatives Announced by Many Selective Institutions

- Boiler Affordability Grant
- Go-Blue Guarantee
- Illinois Commitment
- The Rice Investment
- Stanford University
- Harvard University
- Yale University

350
Local and state college promise programs in 44 states

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

# First-Time Enrollments Plummet

## First-Time Beginning Undergraduate Enrollment Changes by Sector

*First-time Beginning Student Enrollment Changes - Total*

<table>
<thead>
<tr>
<th>Sector</th>
<th>Fall 2019</th>
<th>Fall 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>-16.1%</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Public 4-Yr</td>
<td>-13.7%</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Private, Non-Profit 4-Yr</td>
<td>-11.8%</td>
<td>-3.7%</td>
</tr>
<tr>
<td>Private, For-Profit 4-Yr</td>
<td></td>
<td>+1.0%</td>
</tr>
<tr>
<td>Public 2-Yr</td>
<td>-22.7%</td>
<td>+1.4%</td>
</tr>
</tbody>
</table>

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

Current/Former For-Profits

Local 4-Years

- Prestige
- History

2-Years

- Low Cost
- Open Access

Value

- Offers A.A., B.A.
- Online, hybrid course options
- Experiential learning
- Career prep

Labor Market-Aligned

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Source: EAB interviews and analysis.
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

New Institutional Attributes

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

Changes to the Market

- 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

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

Focus on Skills & Short Formats

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

Source: EAB interviews and analysis.
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 Level*, 2012-2018

1) ‘Graduate’ includes all master’s and doctoral programs.

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Source: EAB analysis of 2012-18 IPEDS enrollment data.
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

The Master’s Degree Bubble Has Already Burst

Lower Expectations for Growth Every Year Since 2013

**Master’s Degree Conferrals**

- **1,032,000 conferrals**
- **Projected Annual Growth 2014 - 2024**: 2.8%
- **922,000 conferrals**
- **Projected Annual Growth 2017 - 2027**: 1.7%
- **837,000 conferrals**
- **Projected Annual Growth 2019 - 2029**: 0.3%

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

Source: NCES Digest of Education Statistics Table 318.10, EAB interviews and analysis.
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

- **Top 20%**
  - Cumulative market share: 72%
  - Undergraduate: 72%
  - Graduate: 75%

- **Bottom 80%**
  - Cumulative market share: 28%
  - Undergraduate: 28%
  - Graduate: 25%

And for Graduate Degrees, the Biggest Have Only Gotten Bigger

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

- **Top 20%**
  - Cumulative market share: +66,414

- **Bottom 80%**
  - Cumulative market share: +2,362

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

¹ Master’s and professional doctorate.

Source: EAB analysis of NCES Integrated Postsecondary Education Data System (IPEDS) data.
Understanding Market Concentration

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

Market Share of Top 4 Competitors by Industry (Revenue)

- **Wireless Telecomms**: 89%
- **Airlines**: 63%
- **Restaurants**: 6%
- **Colleges and Universities**: 5%

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
- 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

Source: EAB interviews and analysis.
Four Types of Competition in a Mature Market

**Equitable and Robust**
- Few dominant players
- Typically high barriers to entry
- *Master of Social Work, Doctor of Physical Therapy*

**Equitable but Small**
- Few dominant players
- Few programs reach scale
- *MA in English, MS in Mathematics*

**Winner-Take-Some**
- Large programs control most market share
- Still some potential for mid-tier players
- *MS in Computer Science, MS in Nursing*

**Winner-Take-All**
- Large programs control most market share
- Most other programs stay small
- *MS in Cybersecurity, Master of Public Health*

High Median Conferrals, Low Concentration
- ≥20 median conferrals

Low Median Conferrals, Low Concentration
- <20 median conferrals

Low Median Conferrals, High Concentration
- ≤64% of market share

High Median Conferrals, High Concentration
- ≥64% of market share

Source: EAB analysis of NCES Integrated Postsecondary Education Data System (IPEDS) data.
Online Education Anchors Growth in Grad

Graduate\(^1\) Enrollments 2013-2018: Exclusively, Some, and No Online\(^2\) Courses

- **2.04M** Exclusively Face-to-Face Graduate Enrollments
- **686K** Exclusively Online Graduate Enrollments
- **221K** Mixed Online and Face-to-Face Enrollments
- **1.86M** Total Graduate Enrollments

**Total Increase in Online Graduate Students 2013-2018:** +258K

**Avg. Annual Growth:** +6.6%

**Total Decrease in Face-to-Face Graduate Students 2013-2018:** -179K

**Avg. Annual Decline:** -1.8%

---

1) Graduate students include both master’s and doctoral students.
2) Recorded as ‘Distance Education’ in IPEDS data

Source: EAB analysis of distance enrollment data from IPEDS Fall Enrollment Surveys 2012-18, EAB interviews and analysis.
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

- Southern New Hampshire University: $139M
- Grand Canyon University: $117M
- Western Governors University: $88M
- Liberty University: $17M

Source: 2017 Returns of Organizations Exempt from Income Tax (Form 990), available via ProPublica; EAB analysis of NCES IPEDS data.

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

Main Campus Students (47,926)

Secondary Campus Students (2,472)

Web Students (17,172)

Regional Campus (5,251)

“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

Certificates

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

Source: EAB interviews and analysis.
Countercyclical Pre-Bacc Growth Tapers Off

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

For-Credit Pre-Baccalaureate Certificate Annual Growth Rates

- Recession-Era Growth:
  - Annual growth, 2007-2011: +7%

- Post-Recession Slowdown:
  - Annual growth, 2011-2018: -8%

Graduate Certificates a Tiny Slice of Overall For-Credit Market

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

Pre-baccalaureate certificates (93%)

Graduate certificates (7%) (includes post-bacc and post-master’s)

Total Conferrals by Type, 2018

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

Hype Over Fast, Sustained Growth Masks Small Market Size

Annual Graduate Certificate Conferrals, 2003-2018

Conferring institutions, 2018

Programs, 2018

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Why Don’t Certificate Programs Take Off?

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.

Source: Analysis of publicly available information on eight institutional websites; Digest of Education Statistics Table 318.10, National Center for Education Statistics, accessed January 27, 2020; EAB interviews and analysis.
Certificates

Designing For Segments Still Critical

<table>
<thead>
<tr>
<th>Audience</th>
<th>Upskilling in Place</th>
<th>Seeking Promotion</th>
<th>Facing Replacement</th>
<th>Returning to Workforce</th>
<th>Preparing for a Switch</th>
<th>Pursuing a Passion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Journey</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>&quot;I need new skills to keep up with job expectations.&quot;</td>
<td>&quot;I need to build new skills for my next step.&quot;</td>
<td>&quot;My career doesn’t exist anymore.&quot;</td>
<td>&quot;I haven’t worked in a long time.&quot;</td>
<td>&quot;I want a better job.&quot;</td>
<td>&quot;I’m looking for a career with meaning.&quot;</td>
</tr>
<tr>
<td>Value Added by Education</td>
<td>Value is typically from skills learned quickly (not credential’s authority).</td>
<td>Skills often outweigh credential, except in industries with prescribed career ladders.</td>
<td>New skills offer greatest benefit, but may require credential to change industry.</td>
<td>Credential communicates readiness for today’s job, and updated skills ensure performance.</td>
<td>Credential signals preparation, but fields (e.g., tech) may seek primarily skill growth.</td>
<td>Skills learned for new role matter most, if entry level degree requirements are met.</td>
</tr>
<tr>
<td>Goal</td>
<td>Keep up</td>
<td>Advance</td>
<td>Secure a new job</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Require intervention to recognize educational need.

- Inform about job options.
- Explain how to refresh skills.
- Articulate pathways to better jobs.
- Introduce meaningful alternatives.

Source: EAB interviews and analysis.
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

Source:

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

- Fall 2021: $0.984
- Fall 2022: $2.510
- Fall 2023: $4.641
- Fall 2024: $6.423
- Fall 2025: $7.507
- Fall 2026: $8.043

Source: EAB interviews and analysis.
Beyond the Completion Binary

Student Success Encompasses More Than Graduation Success

Defining Student Success by How It’s Measured

Graduation Success

- Intellectual, Social, and Emotional Development
- Post-Graduation Financial Wellness
- Career Engagement
- ?

Progressive Outcomes

Foundational

Retention
Degree Progress
Completion

Holistic

Access

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How Holistic Are Your Advisors?

Moving Beyond Registration to Put Student Success at the Core

Traditional Advising

Student Success
- Early alert response
- Case management

Degree Planning
- Course selection
- Major guidance

Specializations
- First-year seminars
- Personal counseling
- Financial advising
- Career advising

“Success Advising”

Student Success

Degree Planning

Financial Well-Being

Career Preparation

Academic Performance
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% Of Millennials in 2004

+17

48% Of Gen Zers in 2017

Force #2

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 Zers are nonwhite

1 in 4 Gen Zers 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
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

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

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

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.

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Rising Generation Brings Increased Challenges

**Percentage of US Adolescents Reporting a Major Depressive Episode¹ in the Past Year**

Adolescents aged 12-17, 2010-2018

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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.

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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

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

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

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 than those who spent less than an hour a day

Sources:

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...

<table>
<thead>
<tr>
<th>Number of staff counseling centers gained for every 1 lost in 2017-18, up from 3.9 in 2014-15</th>
<th>9.3 FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average wait time for an initial counseling appointment on campuses that have a waitlist, up from 12 days in 2014-15</td>
<td>18 days</td>
</tr>
</tbody>
</table>

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

| Average drop in GPA for students with anxiety and mild to severe depression | -0.4 |
| College students with mental health concerns are twice as likely to drop out | 2x |

“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

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## Urgent Need for Faculty and TA Support

<table>
<thead>
<tr>
<th>Faculty Not Trained to Support Students...</th>
<th>...And Struggle to Maintain Their Own Mental Wellness</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>95%</strong> Of faculty agree that connecting students with mental health support services is part of their role.</td>
<td><strong>39%</strong> Of graduate students report moderate-to-severe depression, compared to 6% of the general population.</td>
</tr>
<tr>
<td><strong>34%</strong> Of faculty feel adequately prepared to approach students and discuss concerns related to mental health.</td>
<td><strong>27%</strong> Of faculty disclose their mental health challenges with their department chair, dean, or provost.</td>
</tr>
</tbody>
</table>

### 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.

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Getting Beyond “Non-Traditional Students”

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

- **Upskilling In Place**
  “I need new skills to keep up with job expectations.”
- **Seeking Promotion**
  “I need to build new skills for my next step.”
- **Facing Replacement**
  “My career doesn’t exist anymore.”
- **Returning to Work**
  “I haven’t worked in a long time.”
- **Preparing for a Switch**
  “I want to find a better job to improve my life.”
- **Pursuing a Passion**
  “I’m looking to build a career with meaning.”

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

- Affordable
- Flexible scheduling
- Assumes field knowledge
- Accessible
- Accelerated format
- Focuses on retooling for new field
- Helps refresh a network
- Updates tech skills
- Introduces unfamiliar fields
- Builds a new network
- Opportunities to test new skills
- Prepares entrepreneurs

Source: EAB research and analysis.
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

1) Return on Investment.
2) Median lifetime earnings differential $964,000.


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Focus on Outliers Rather Than Averages

Distribution of Student Debt, Actual vs. Anecdotal Reporting

Actual Average per borrower, class of 2018: $28,565
New Story Average: $85,400

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

<table>
<thead>
<tr>
<th>General attitudes toward borrowing</th>
<th>Attitude toward borrowing for education</th>
</tr>
</thead>
<tbody>
<tr>
<td>No evidence that low-income students are more loan averse</td>
<td>Hispanic students are more loan averse than other groups, even after controlling for income and first-generation status</td>
</tr>
<tr>
<td>Females less loan averse in attitudes but more loan averse in behavior</td>
<td>Transfer students are less loan averse</td>
</tr>
</tbody>
</table>

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

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”

Variation Within Segments Challenges Common Assumptions About Debt

The Emergence of the ROI Ranking

Proliferation of Rankings and Search Tools Based on Career Outcomes

New Resources to Measure ROI Emerge Post-Recession

2010
- PayScale
- College salary and ROI reports
- Survey asks which schools best prepare for postgrad success

2012
- CollegeMeasures
- State-level salary data for VA, AR; later expanded to CO, FL, TN, TX

2013
- Forbes
- Alumni giving as indicator of outcomes, ROI
- 20% of ranking based on earnings

2014
- LinkedIn
- Placement rate at top companies in hot industries

2015
- BROOKINGS
- Value added vs. predicted salary
- The Economist
- Colleges’ value added based on Scorecard data
- NICHE
- Increased weight for outcomes in rankings formula

College Scorecard Now Front and Center in Online Search

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

...but where they went...

41% Working For-Profit
33% Working Nonprofit
24% Working Government
21% Attending Grad School
7% Working and Attending Grad School

...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

Top Study Abroad Locations
- United Kingdom
- Spain
- China
- Belgium
- Chile

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

Source: American University, "We Know Success,” www.american.edu/weknowsuccess; EAB interviews and analysis.
Communicate Value and Outcomes

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.

Source: EAB Interviews and Analysis.
Digital Transformation in Higher Ed
What Does Digital Transformation Mean for Higher Education?

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.

Source: EAB interviews and analysis.
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.

Solutions are embedded in, not isolated from, daily activity.

Not technology for technology’s sake

Solving big problems everyone agrees upon

Source: EAB interviews and analysis.
“Anytime, Anywhere” Is the New “Any Channel”

How On-Demand Streaming Changed Media Consumption

Dramatic Entertainment

Person to Person
- Live
- Co-located
- Never Replicated

Recording and Broadcasting
- Set Locations
- Certain Times
- Limited Choice

Today
Digitization and Omnichannel

Digital Enablers

Digitized Information and Technology Capabilities

- Digital Media Files
- Web-Based Streaming
- Predictive Analytics
- Personal Devices

Creative Problem Solving
- Why should people have to go to the cinema to watch new media and films?
- Why must new episodes be tied to a weekly schedule?
- Why do I have to search so hard for movies I’ll like?
- Why do I have to watch commercials in the middle of my favorite shows?

Digital Transformation

Driving Continuous Business Model and Service Innovation

Netflix Digitally Transforms Entertainment

Source: Jeff Ewing, "Market Research Highlights Netflix’s Continued Dominance Of The SVOD Market", Forbes, December 10, 2018; "Quarterly Earnings", Netflix, 2018; EAB interviews and analysis.
Case-in-Point: Better Parking—Streamlining Commuter Student Experience

1. What do we want to achieve?
   - What are the differentiating elements of our school’s mission?

   Provide best-in-class support for commuter students in local area.

2. What’s standing in our way?
   - In what areas are we not fulfilling that mission as fully as we could?

   Parking is always limited, and students are late to class.

3. How can we do that work differently?
   - Where can we use technology to re-engineer how and what we deliver?

   IoT sensors support mobile “find-a-spot” parking application.

Creative Problem Solving
- Identifying a discrete problem
- Adding human intelligence
- Proposing new value drivers