



FORVIS[®]

2024 Annual Higher Education Outlook

Feeling Confident, Seeing
Reality, & Making
Progress

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Meet Your Presenters



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The End in Mind



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We seek to end the session with you desiring to:

1. Align yourself as needed to the best practices noted on strategies & tactics listed
2. Consider how board policy & governance changes might have a positive impact on economic execution
3. Consider adjusting your strategic planning cycle to make sure plans continue to be relevant in rapidly changing times

Introduction & Observations of the Higher Education Marketplace



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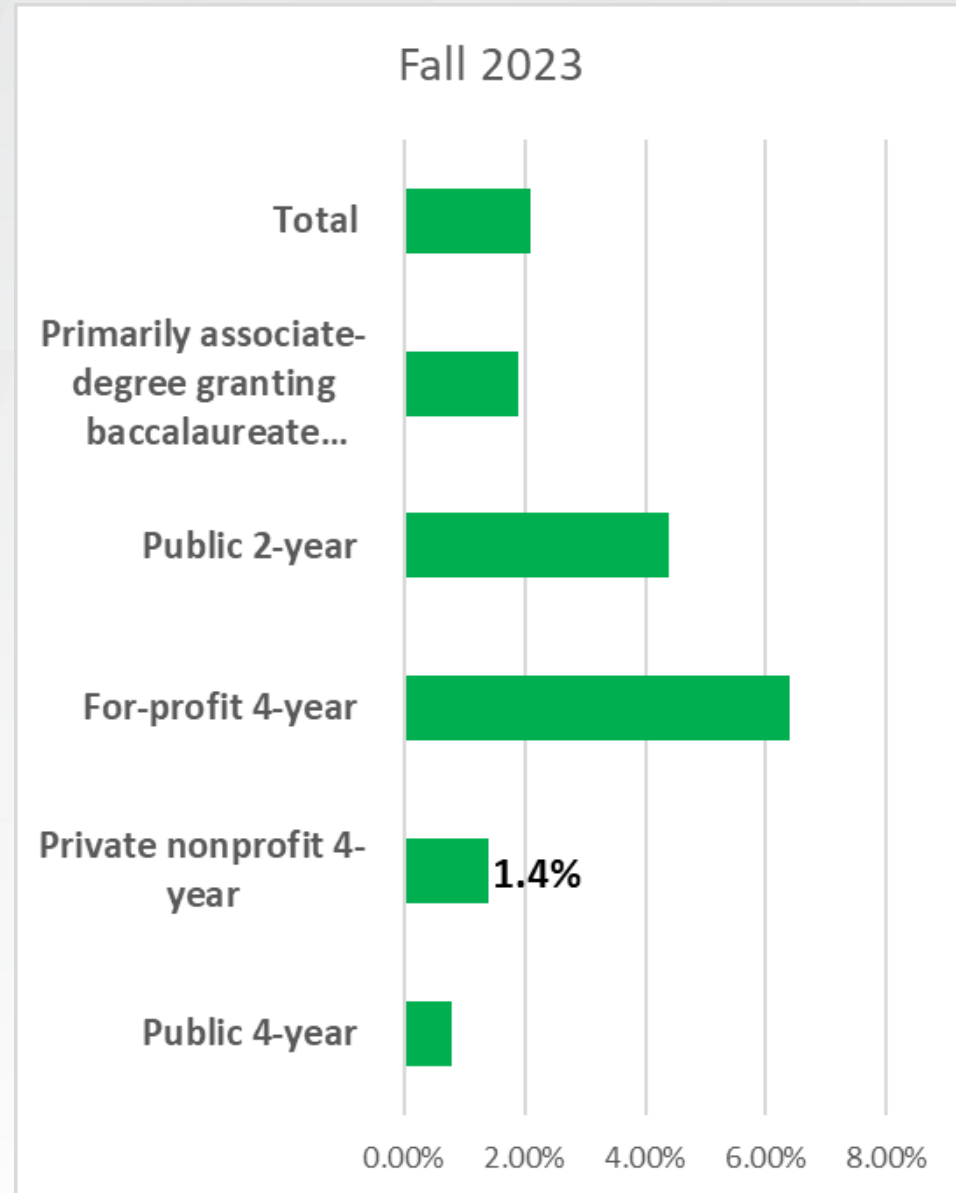
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Positive Indicators – Despite Doom-Loop Scenarios

The Good News	Direction	Amount
<ul style="list-style-type: none">Public College & University State appropriations per FTE (inflation adjusted)	UP	4.9% beyond inflation
<ul style="list-style-type: none">State Public Financial Aid per FTE increased in 29 states & Washington D.C.	UP	2.0% (From 2021 to 2022)
<ul style="list-style-type: none">Lower Net Tuition & Fee revenue (3 of the last 4 years)	Lower	5.8% over last five years
<ul style="list-style-type: none">Enrollment at Private Colleges (see table & sample schools, next 2 slides)	UP	Various

Undergraduate Enrollment Rebound (Preliminary)

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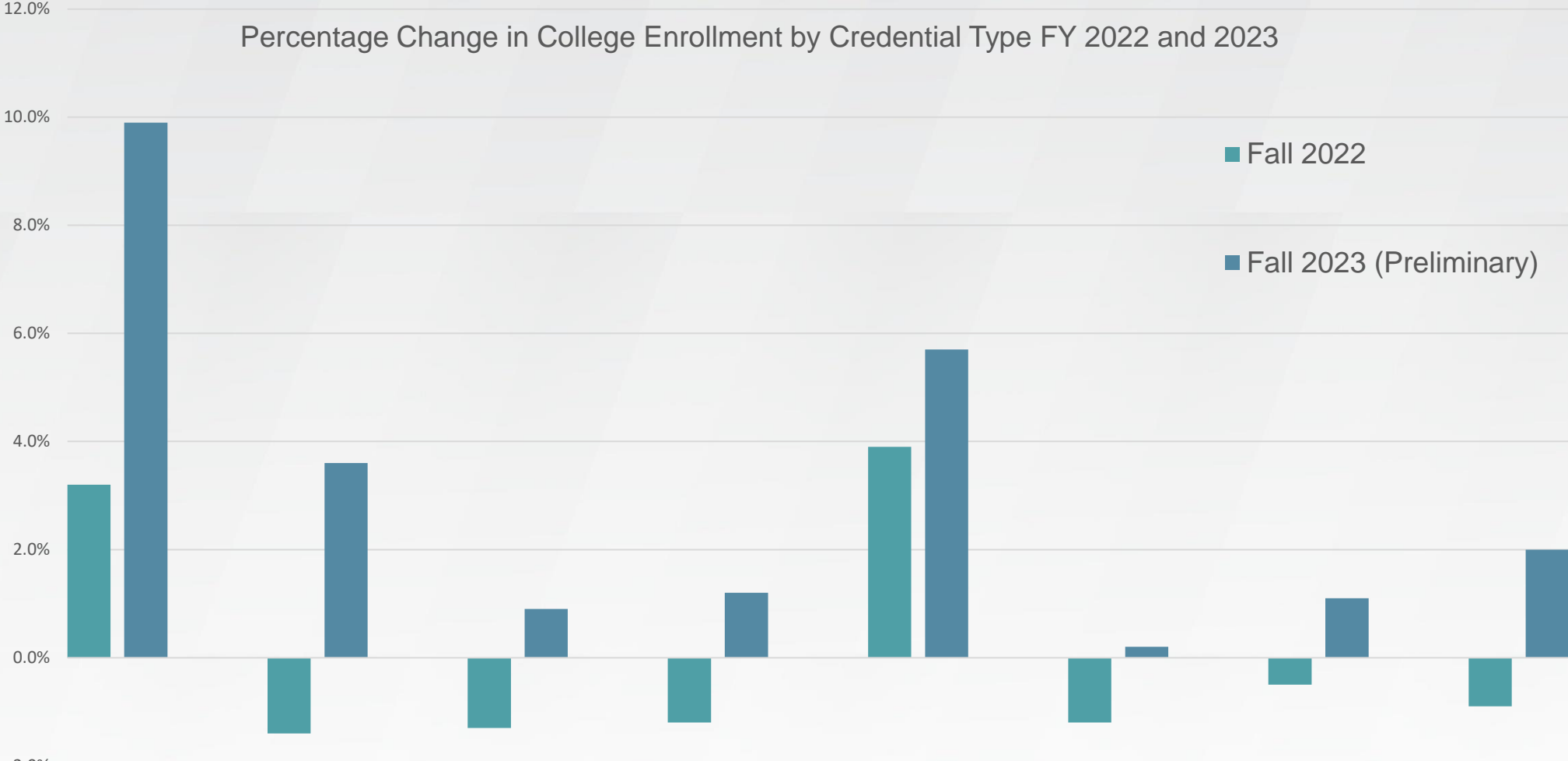
Source: Undergraduate enrollment rises 2.1% this fall, preliminary figures show | Higher Ed Dive

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Private 4-Year College Record Enrollment in 2022 or 2023

Elon University	Drury University	Lewis & Clark University
Bucknell University	Taylor University	University of Tulsa

Fall 2023 Enrollment Grows



	Undergraduate certificate	Associates Degree	Bachelor's Degree	First Professional Degree	Graduate Certificate	Master's Degree	Doctoral Degree	Grand Total
Fall 2022	3.2%	-1.4%	-1.3%	-1.2%	3.9%	-1.2%	-0.5%	-0.9%
Fall 2023 (Preliminary)	9.9%	3.6%	0.9%	1.2%	5.7%	0.2%	1.1%	2.0%



Why Is Bachelor Program Enrollment Down?



CBS News

<https://www.cbsnews.com> › MoneyWatch

More U.S. companies no longer requiring job seekers to ...

Dec 5, 2023 — On **career** sites like ZipRecruiter, less than 15% of **jobs** list a **bachelor's degree** as a **requirement** for employment.



Inside Higher Ed

<https://www.insidehighered.com> › news › 2022/06/03

A state eliminates bachelor's degree requirement for many ...

Jun 2, 2022 — The state of Maryland recently announced that it would **no longer require** a **bachelor's degree** in the hiring process for nearly half of its ...



Society for Human Resource Management

<https://www.shrm.org> › talent-acquisition › pages › w...

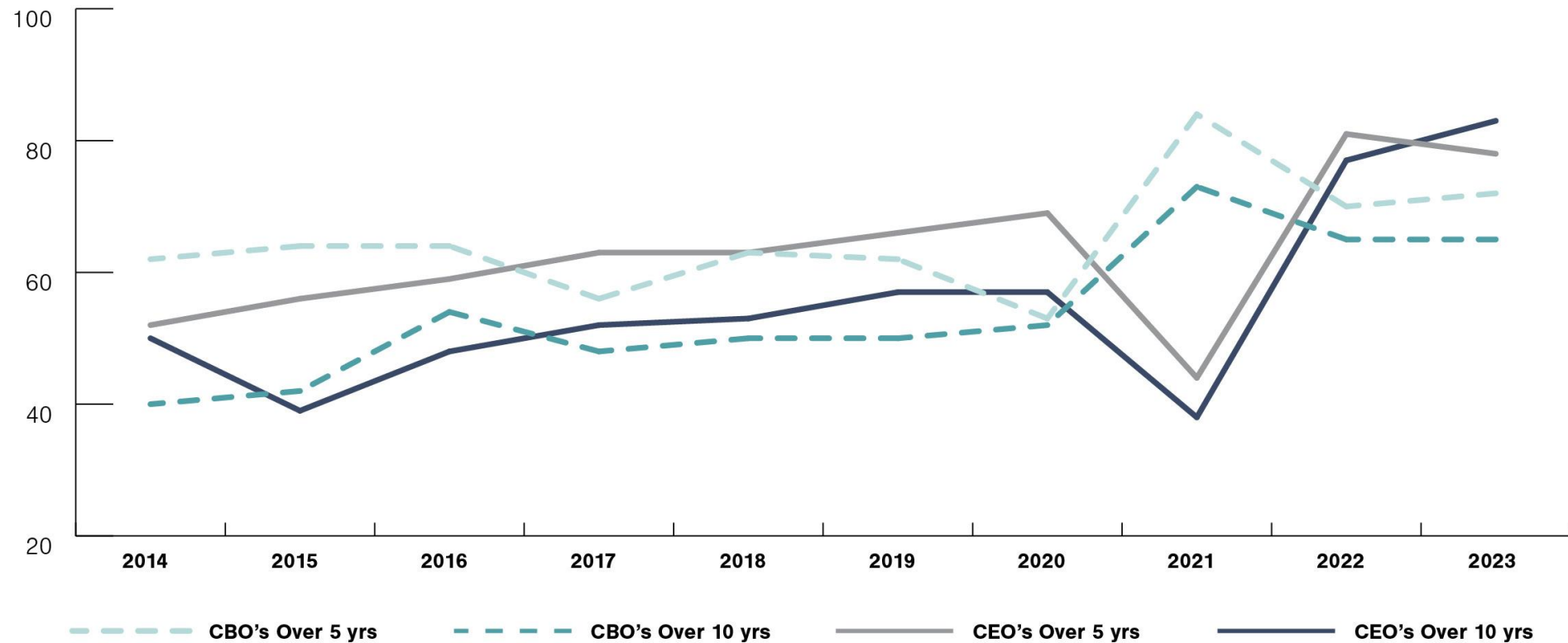
Why Fewer Employers Are Requiring College Degrees

Sep 11, 2023 — As a result, **major employers** such as Dell, IBM and Bank of America have eliminated the college **degree requirement** for most **jobs**, and many other ...

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Level of Confidence – Inside Higher Education

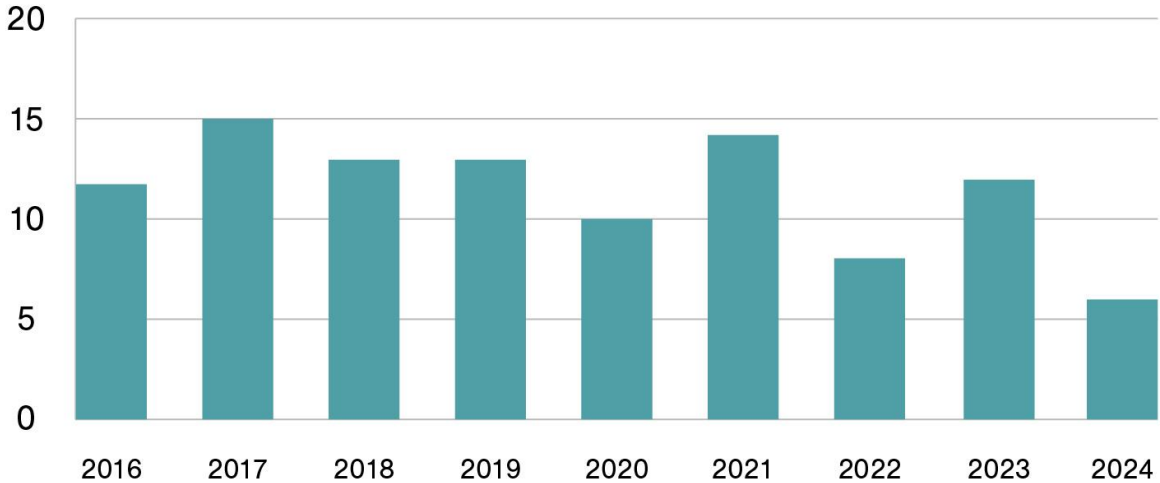
CBO and President Confidence Levels Over 5 and 10 Years



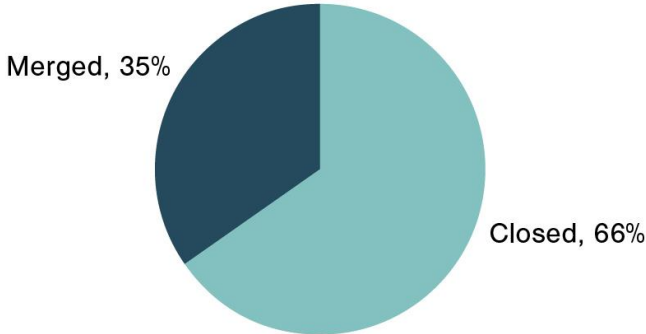
Source: Inside Higher Education Surveys 2014 to 2023

With Enrollment Still an Issue, How Are Schools Doing?

Four-Year Nonprofit College Closures/Mergers – Total of 103 Since 2016 (72% are Midwest, Great Lakes, Northeast, & Mid-Atlantic Colleges)



Type of Ending for Private Colleges



The FORVIS Survey Summary

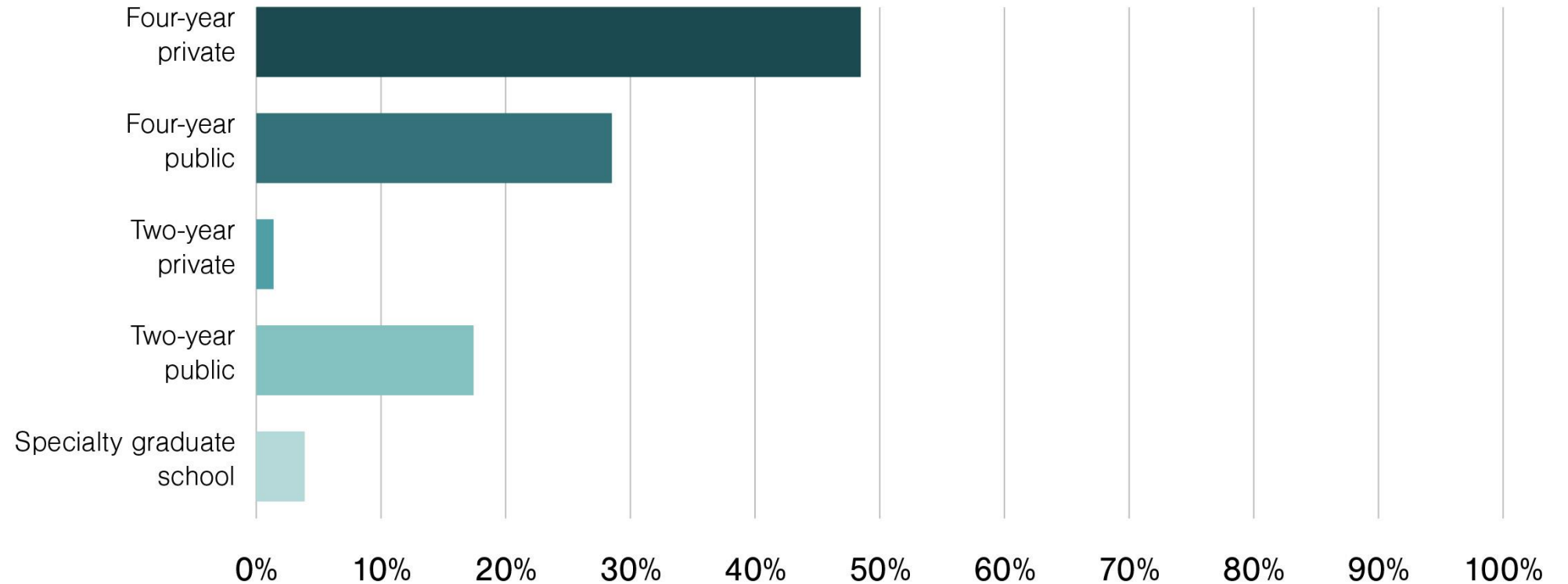


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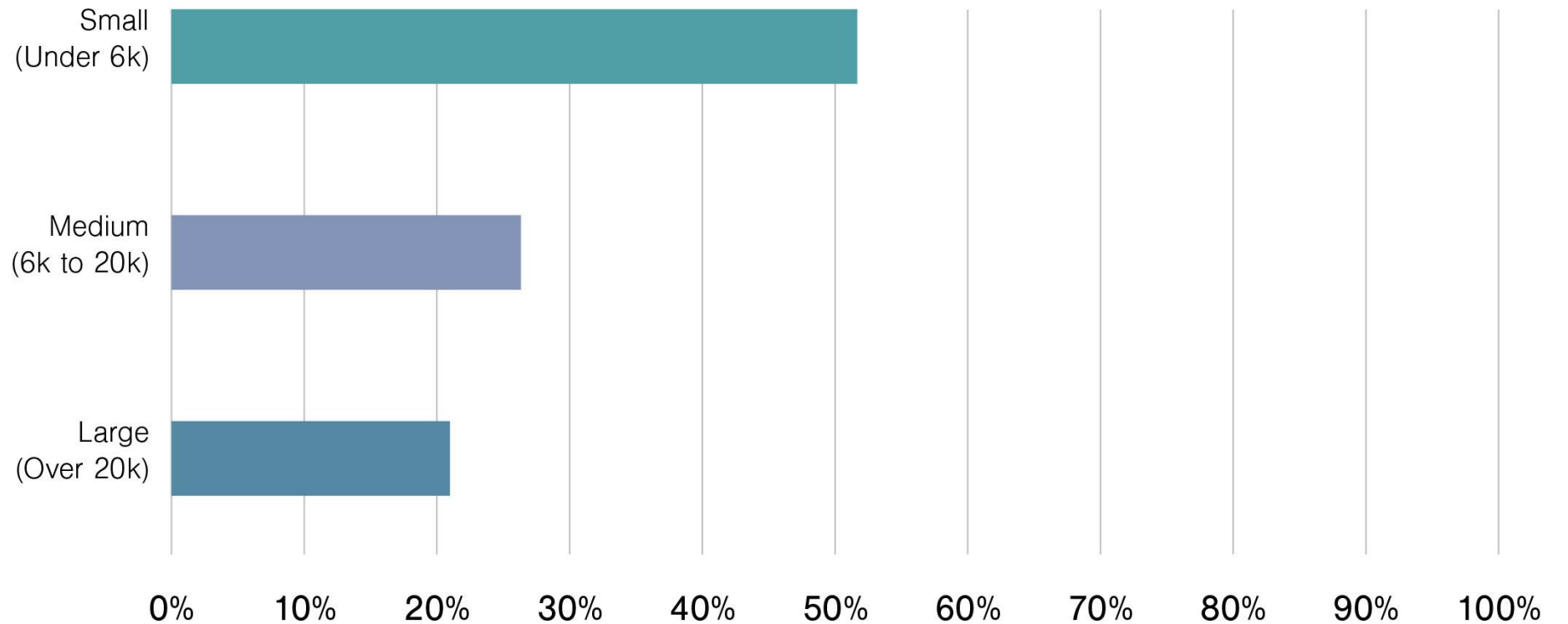
2024 Survey Overview

My institution is:



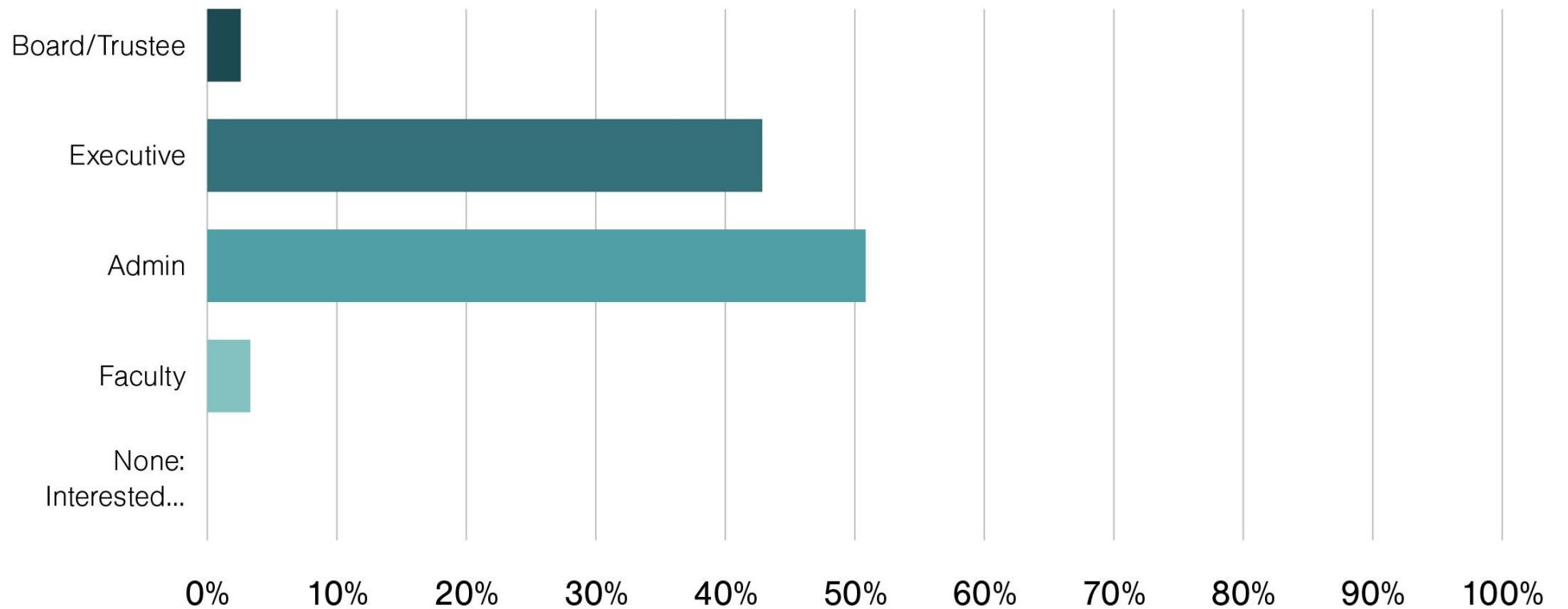
2024 Survey Overview

My institution FTE student size is:



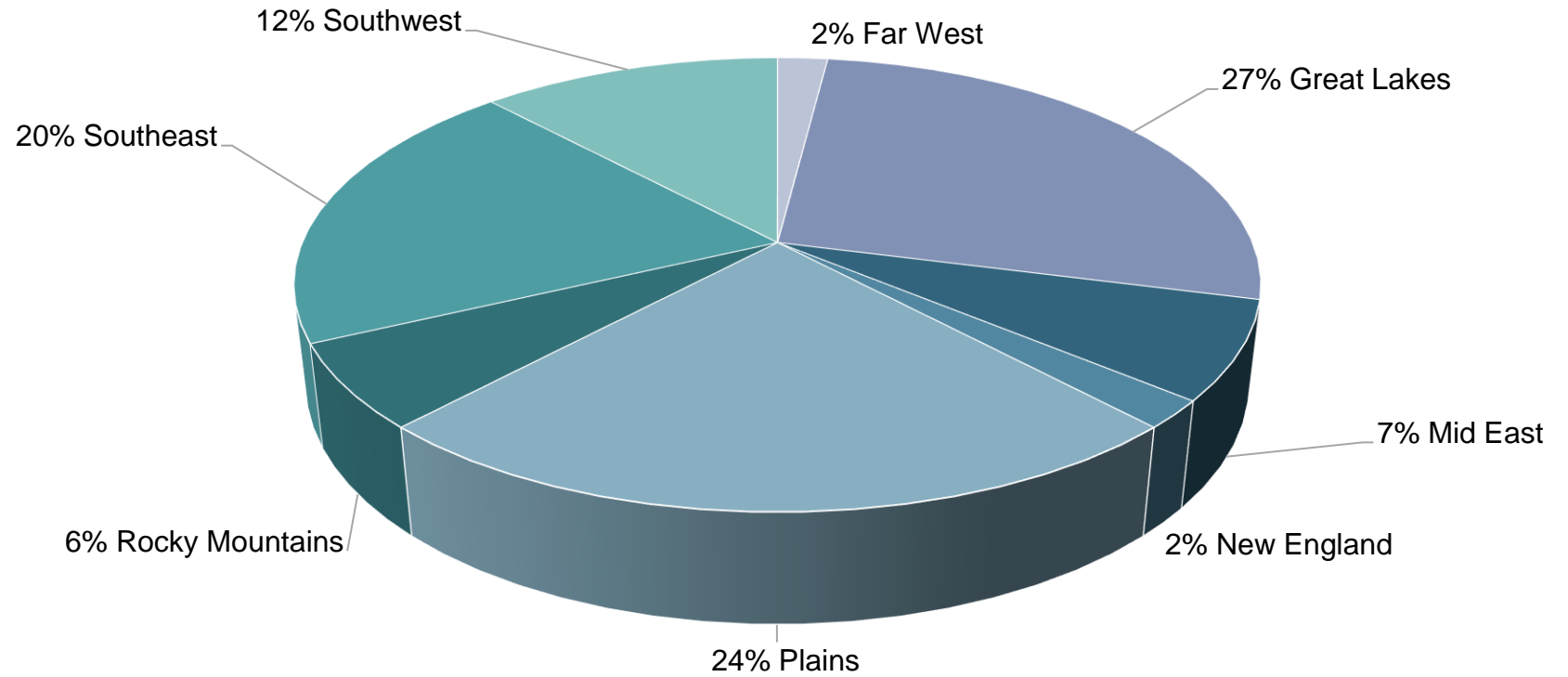
2024 Survey Overview

What is your role within the institution?



2024 Survey Overview

Survey Geographical Spread

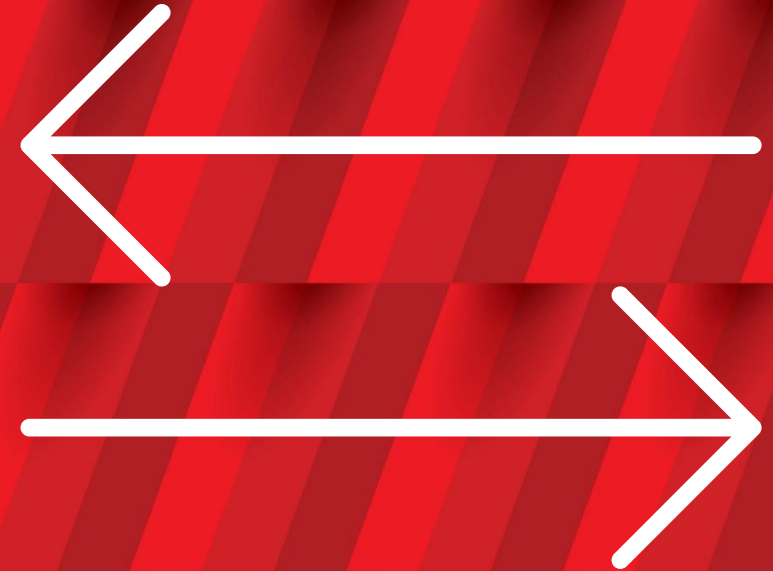


■ Far West ■ Great Lakes ■ Mid East ■ New England ■ Plains ■ Rocky Mountains ■ Southeast ■ Southwest

Outlook Focus Areas

- Areas where there is recognition of the need for change
- Strategies & tactics – Revenue & expense management
- Board/Governance changes being made to assure execution
- Strategic planning adjustments to drive change
- Recommendations for consideration

Recognizing the Need for Change



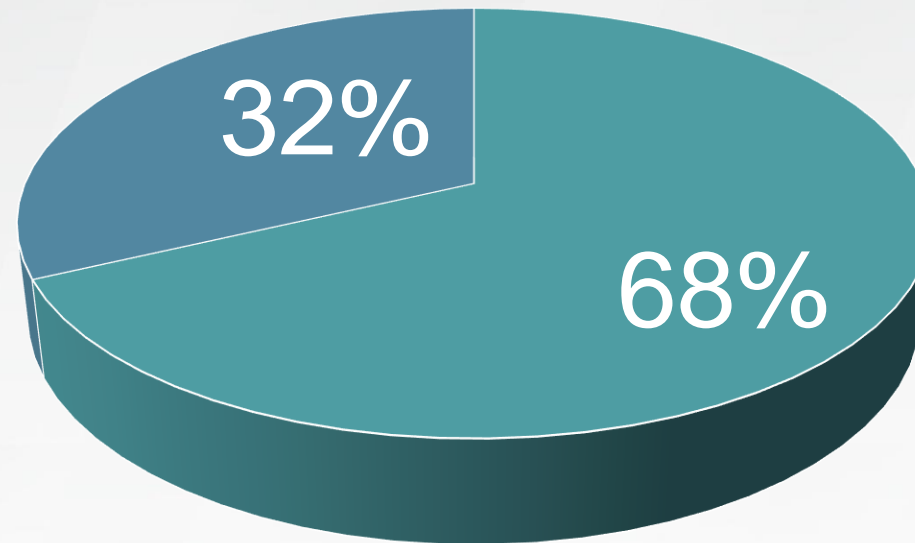
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Confidence Increases, But There Is Still Work To Do

Two Insights From Inside Higher Education CBO Survey

- 1. We need to review academic portfolios and perhaps reduce the number of programs being carried.**
 - Most respondents agree that their institution has more academic programs, majors, or departments than it should, given the current number of enrolled students (68%).



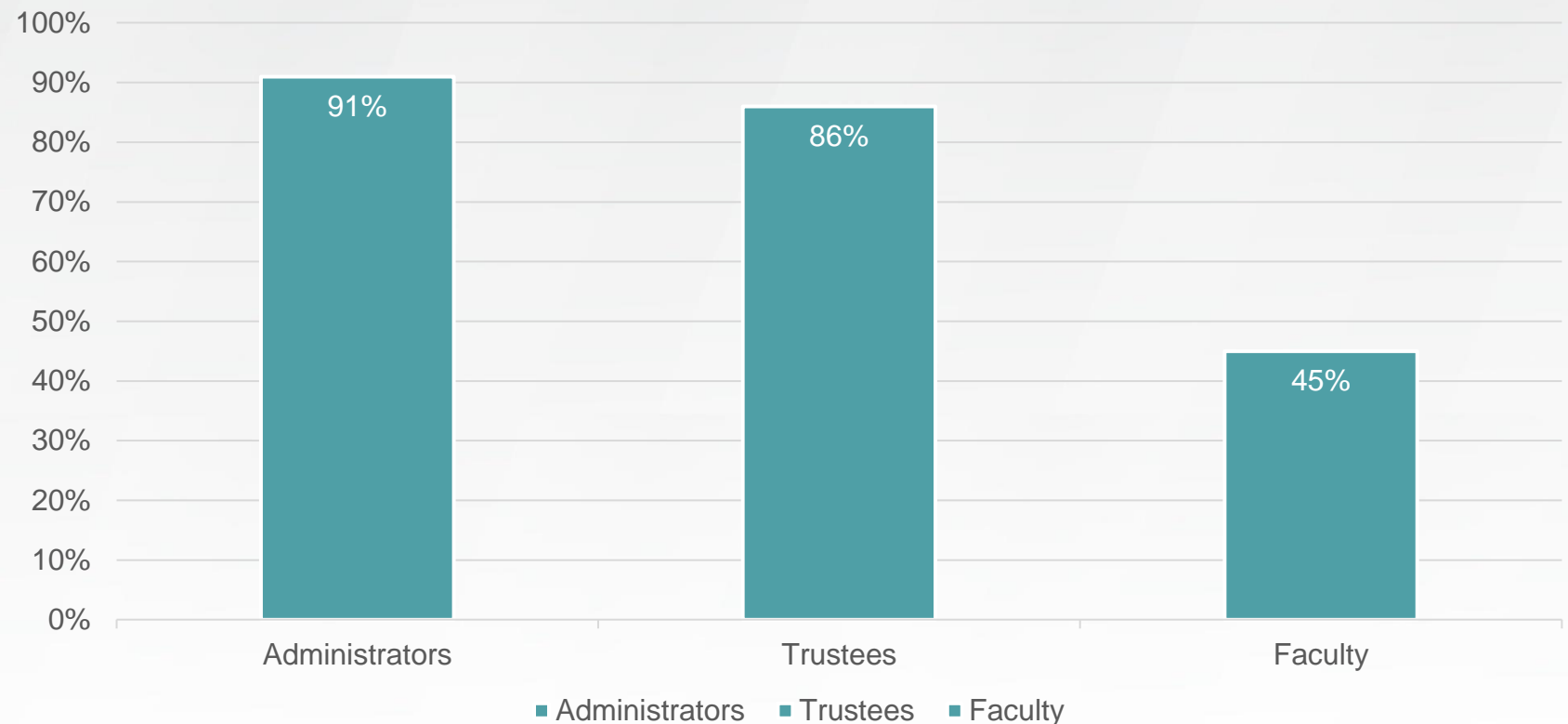
- Too Many Programs
- Program numbers balanced with enrollment

Confidence Increases, But There Is Still Work To Do

Two Insights From Inside Higher Education CBO Survey, Continued

2. We need to go to work helping faculty understand the issues confronting us.

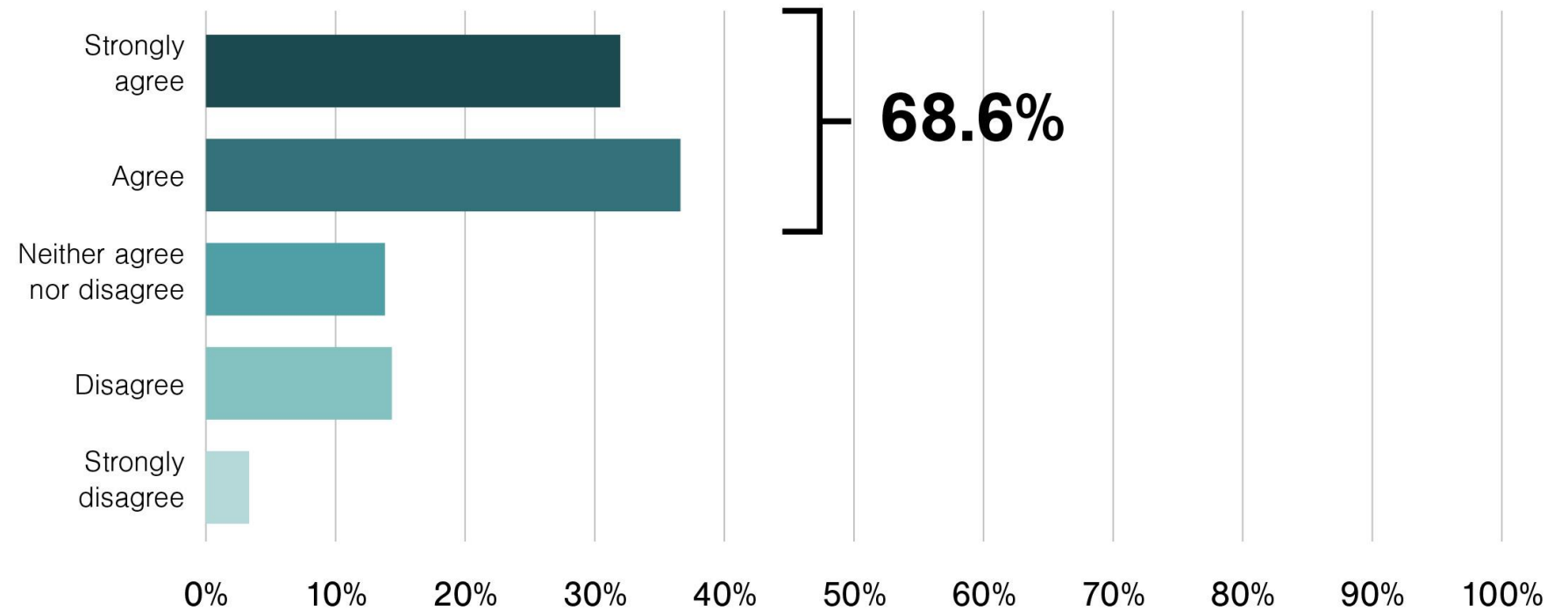
- *Most business officers agree that senior administrators (91%) and trustees (86%) understand the financial challenges confronting their institution, while fewer than half say the same about faculty members (45%).*



2024 Outlook Focus

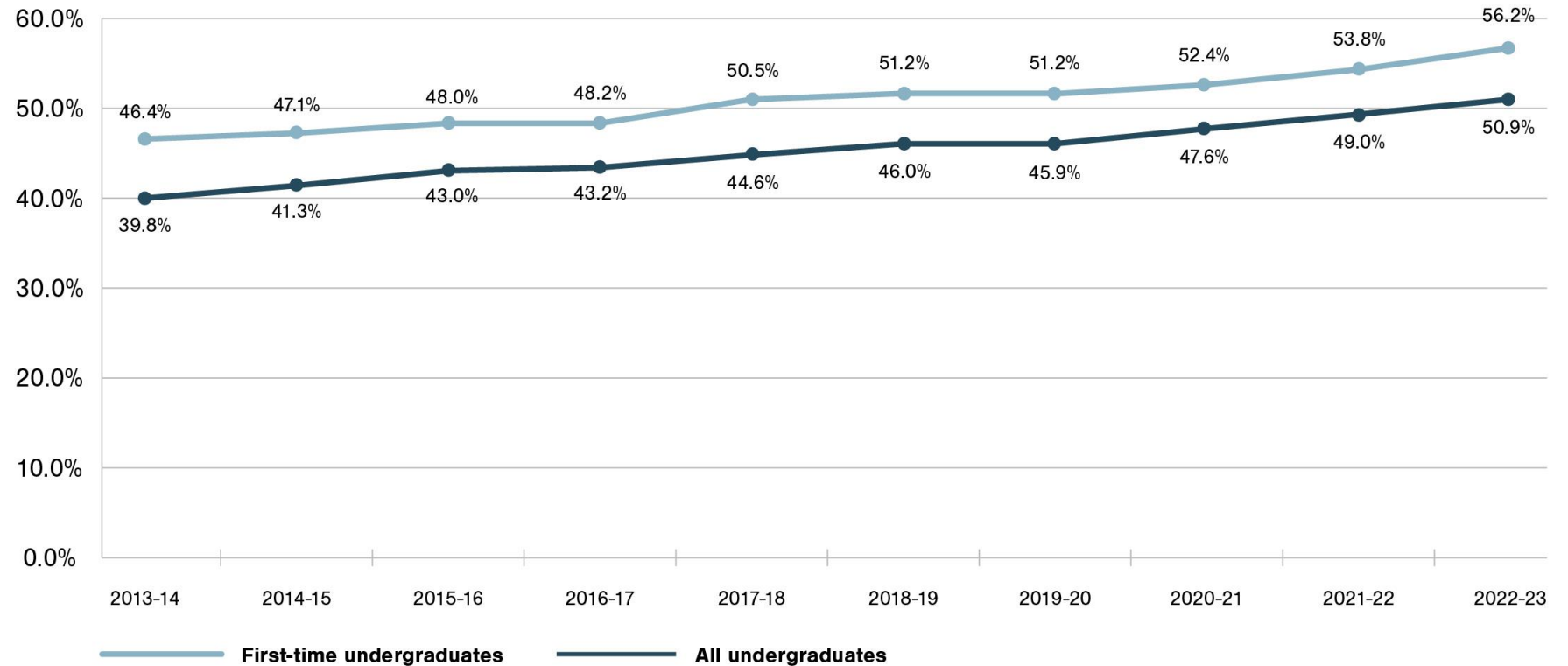
Insights From the FORVIS Outlook Survey

The financial needs of the operational core of the institution currently exceed the amount that can reasonably be raised through net tuition.



2024 Outlook Focus

Average Institutional Tuition Discount Rate, by Student Category

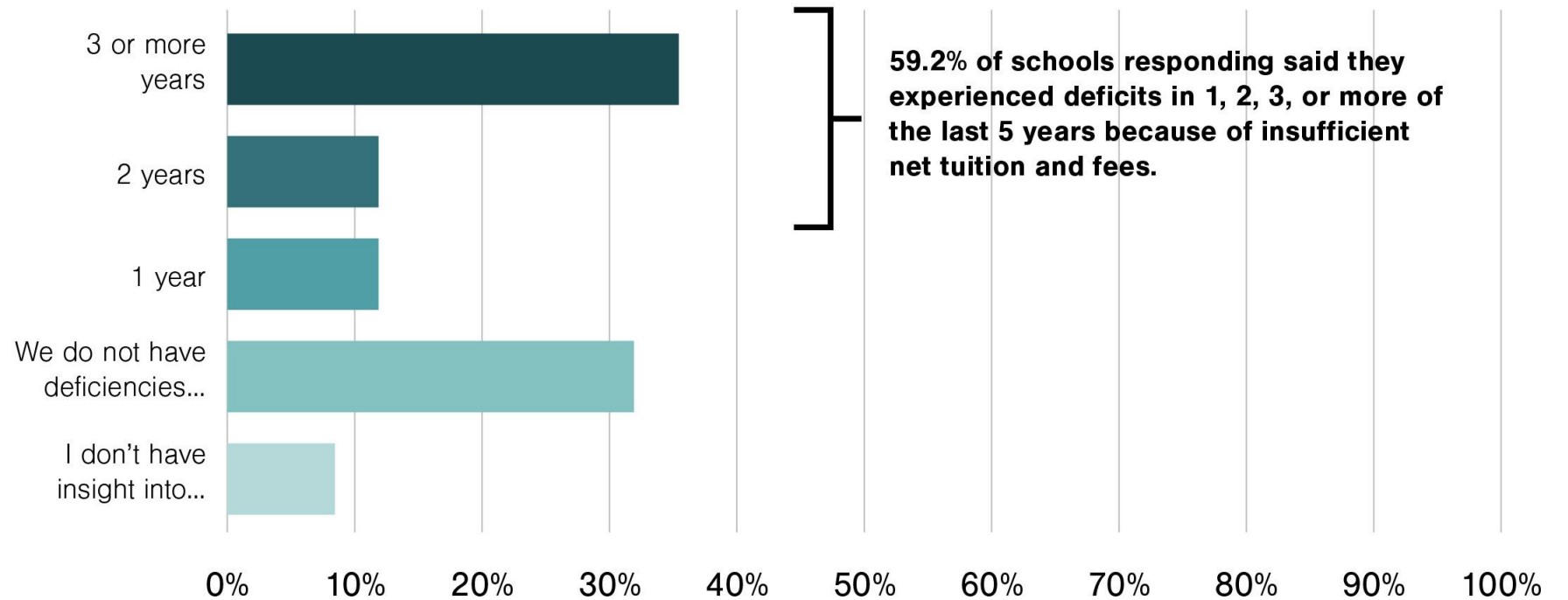


NACUBO Press Release April 24, 2023, Tuition Discount Rates at Private Colleges and Universities Top 50 Percent, <https://www.nacubo.org/Press-Releases/2023/Tuition-Discount-Rates-at-Private-Colleges-and-Universities-Top-50-Percent>

2024 Outlook Focus

Insights From the FORVIS Outlook Survey

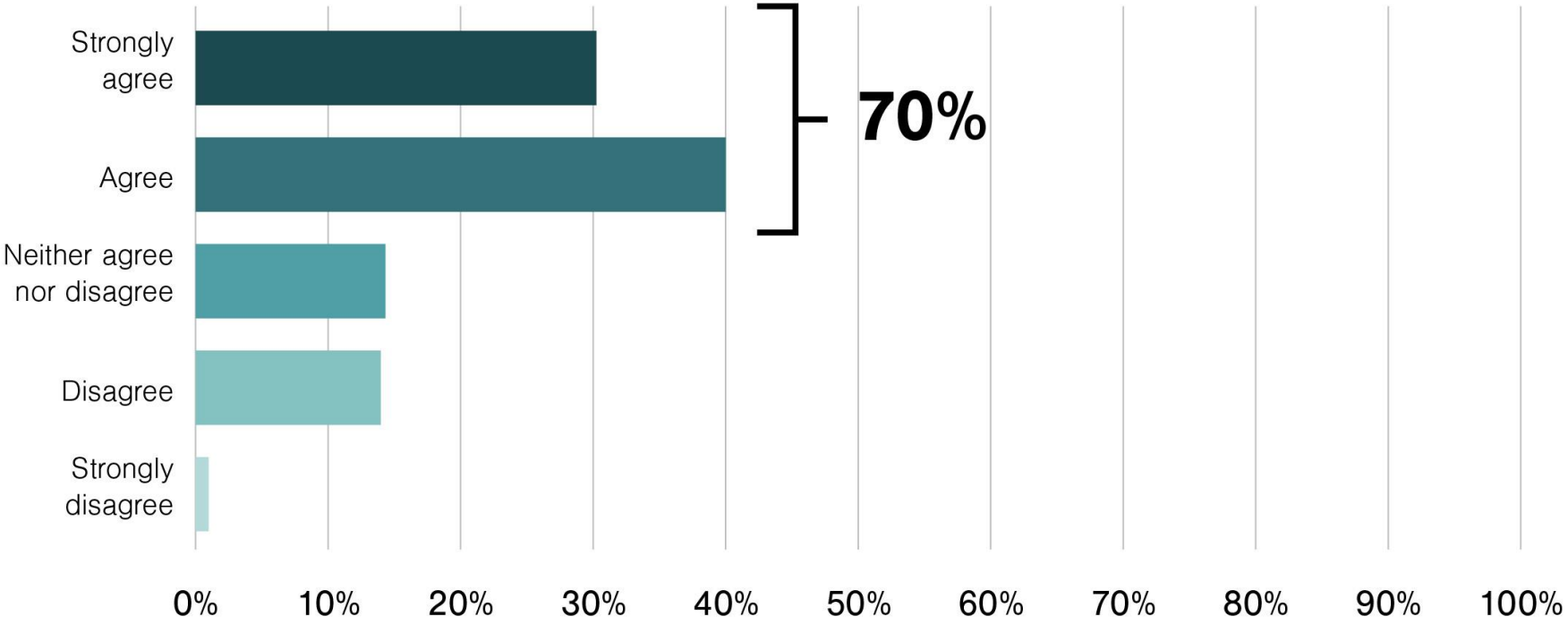
Looking back over 5 years, how often have net tuition and fees fallen short of operating costs and the shortage was not covered by funding received from non-core operations?



2024 Outlook Focus

Insights From the FORVIS Outlook Survey

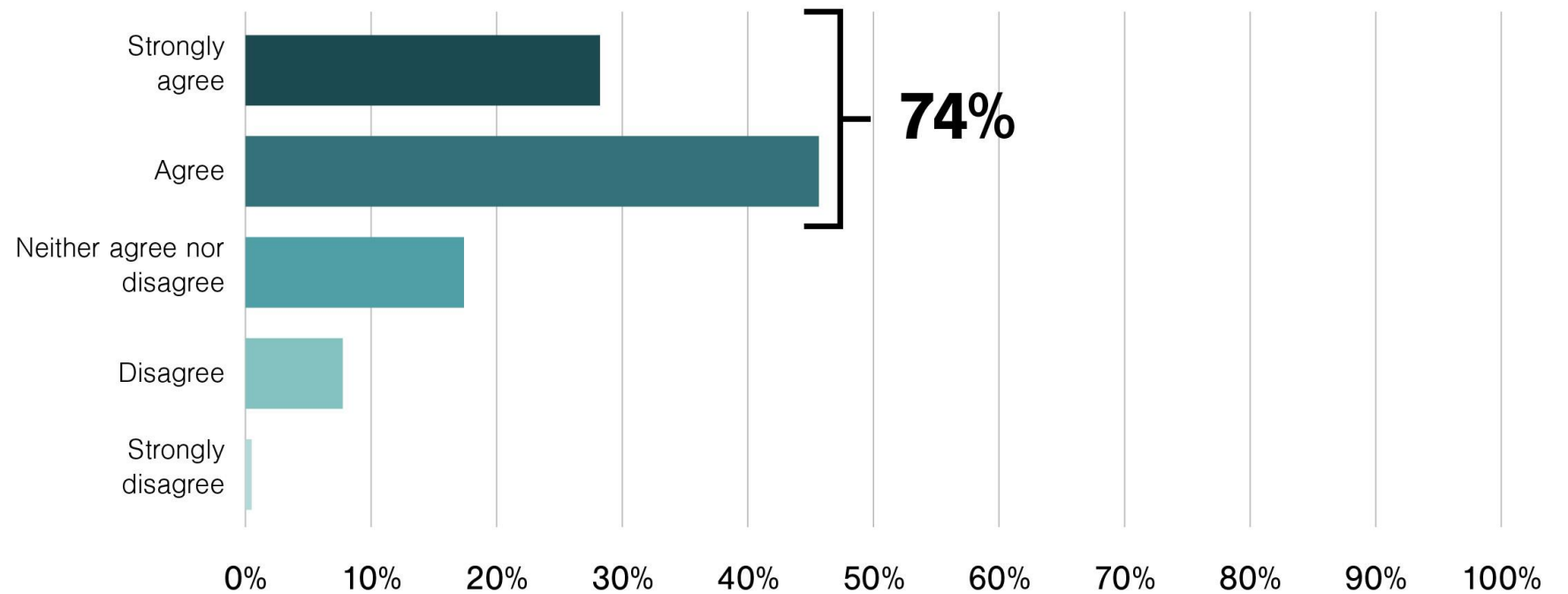
I believe my institution needs to make fundamental changes in its economic model, programming, or other operations.



2024 Outlook Focus

Insights From the FORVIS Outlook Survey

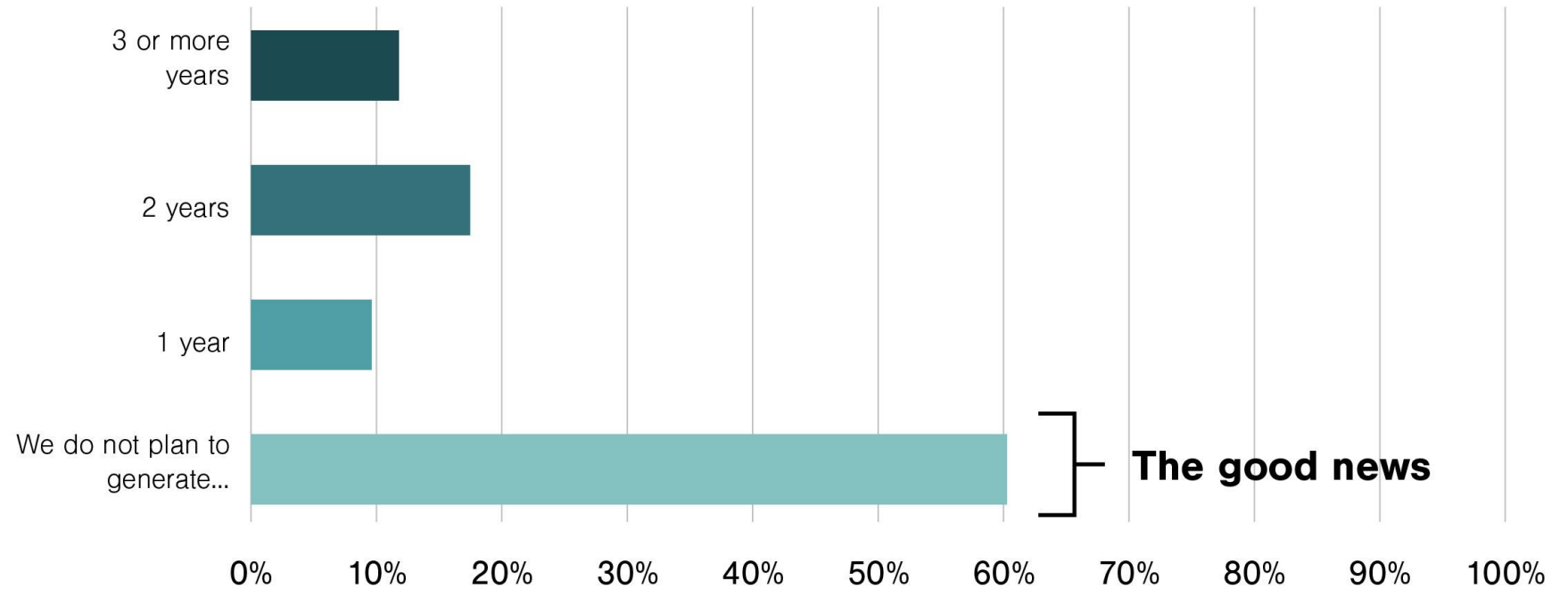
The “high price, high discount” economic model needs fundamental change as discount levels do not produce enough net tuition income and “high sticker price” may drive away potential students.



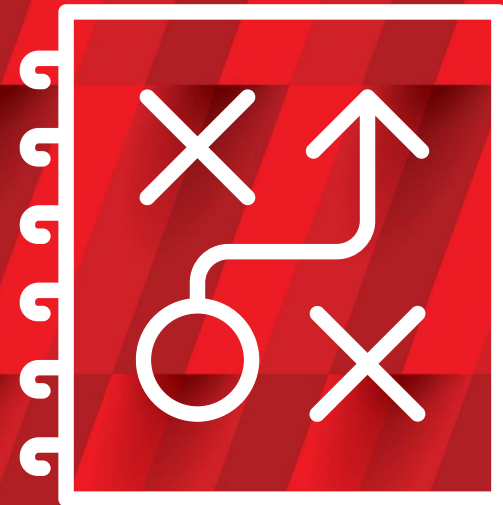
2024 Outlook Focus

Insights From the FORVIS Outlook Survey

Looking ahead over the next 5 years, how many years do you have plans to generate financial deficits?



Strategies & Tactics



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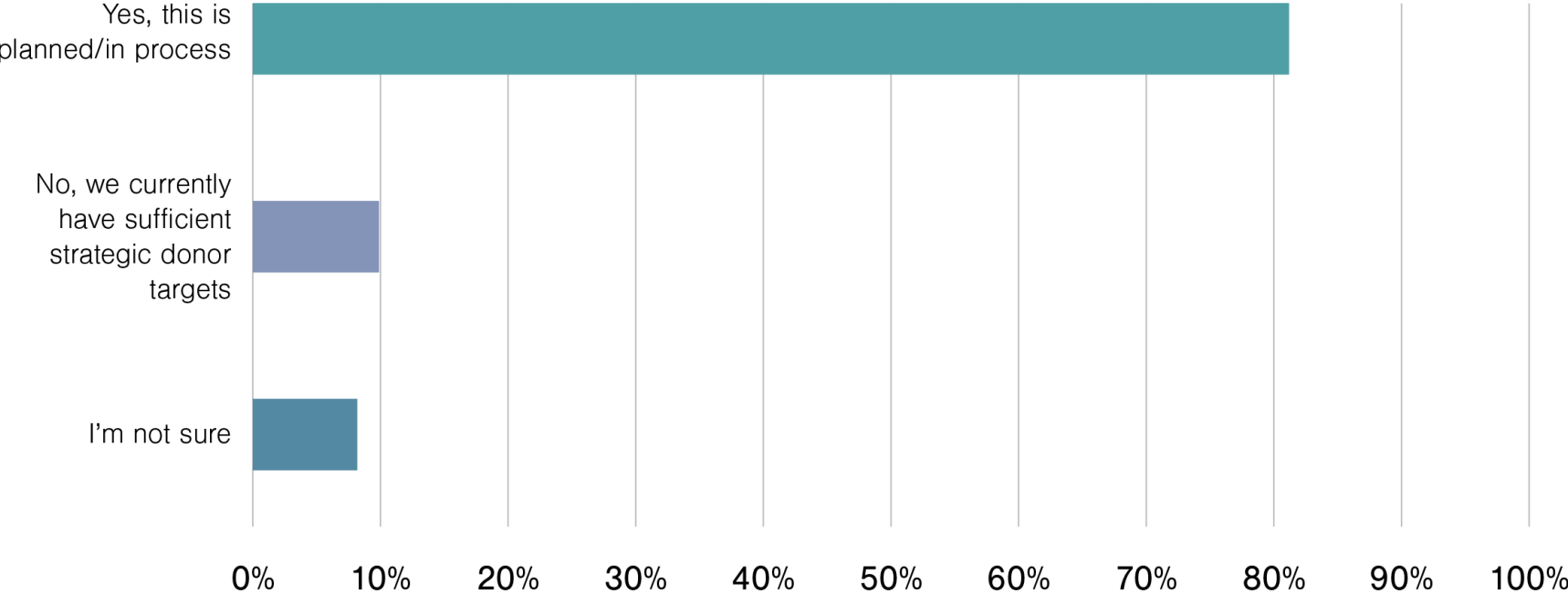
Insights From the FORVIS Outlook Survey

Strategies & Tactics	% With Existing or Planned Tactics
Advancement increases	91%
Advancement focused on business owners	68%
Athletics	58%
Size & mix of academic programs	90%
Support service cost review	85%
Monitoring & adjusting financial aid	85%
Admissions methods & costs	73%
New grants revenues	89%

2024 Outlook Focus

Insights From the FORVIS Outlook Survey

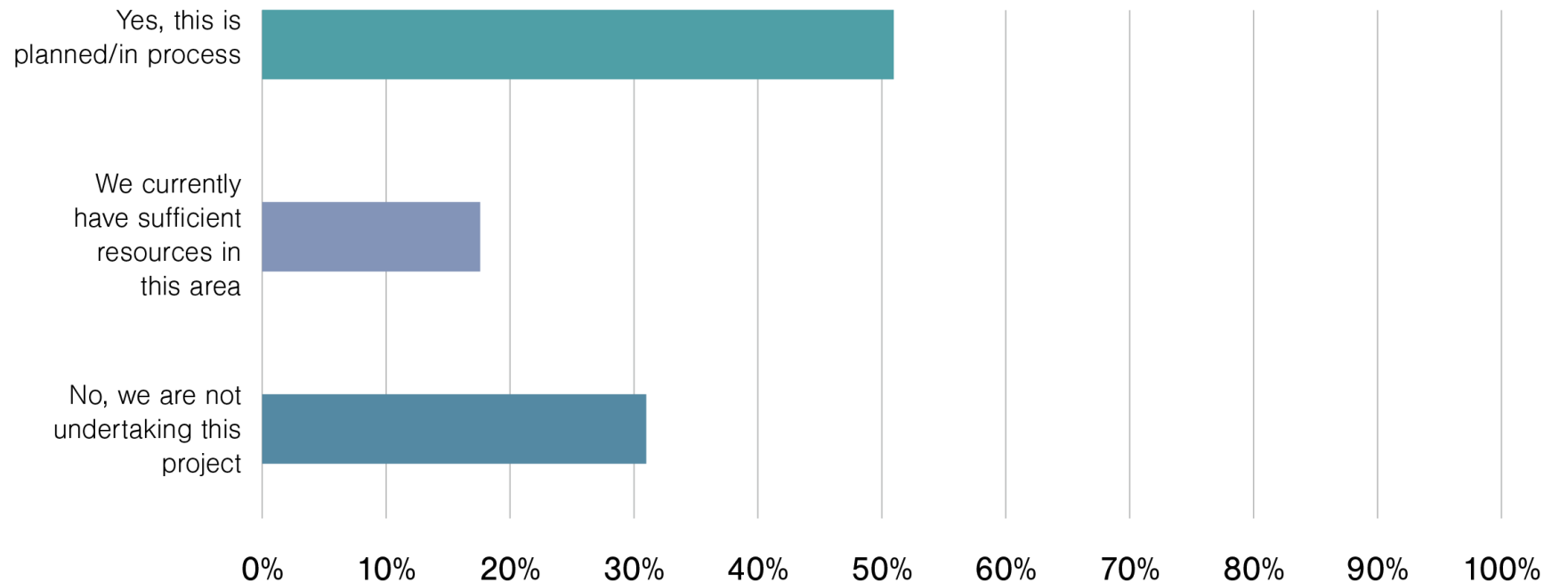
Do your advancement officers plan to increase fundraising from all types of donors hit or expand fundraising goals?



2024 Outlook Focus

Insights From the FORVIS Outlook Survey

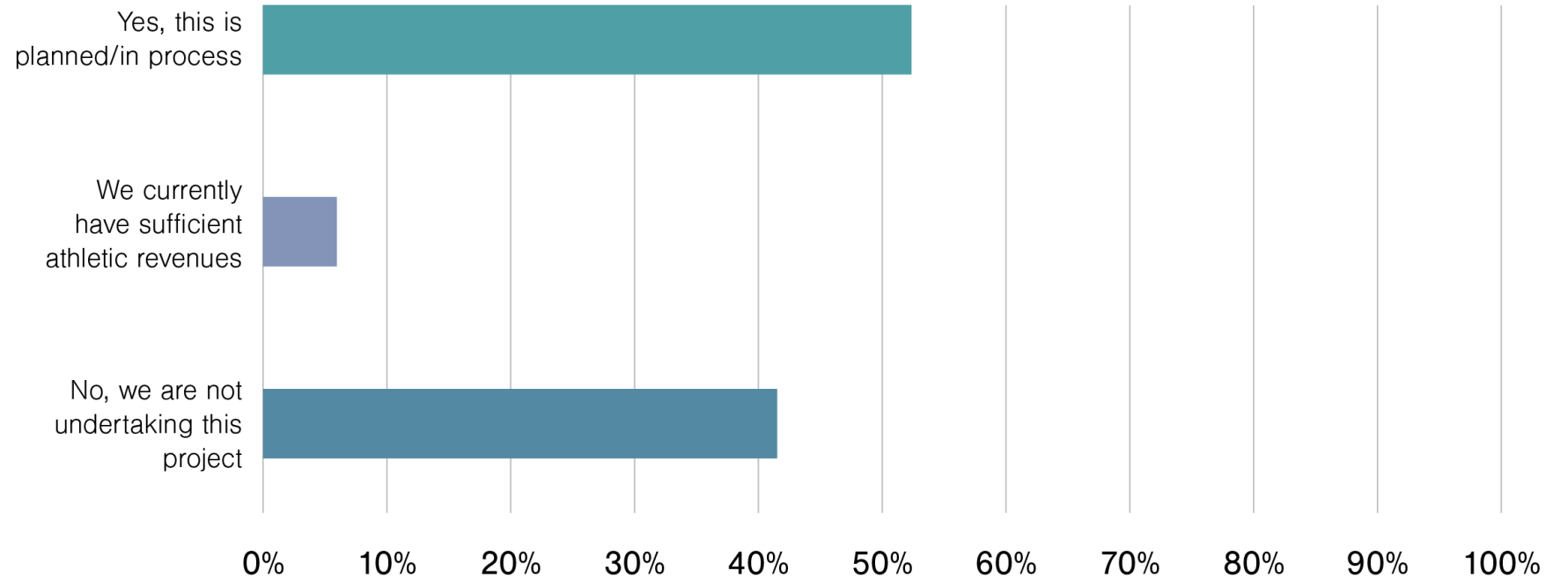
Does your advancement office plan to adjust staffing, training, or emphasis to identify and assist major donors with businesses who are preparing to sell to make gifts to your institution?



2024 Outlook Focus

Insights From the FORVIS Outlook Survey

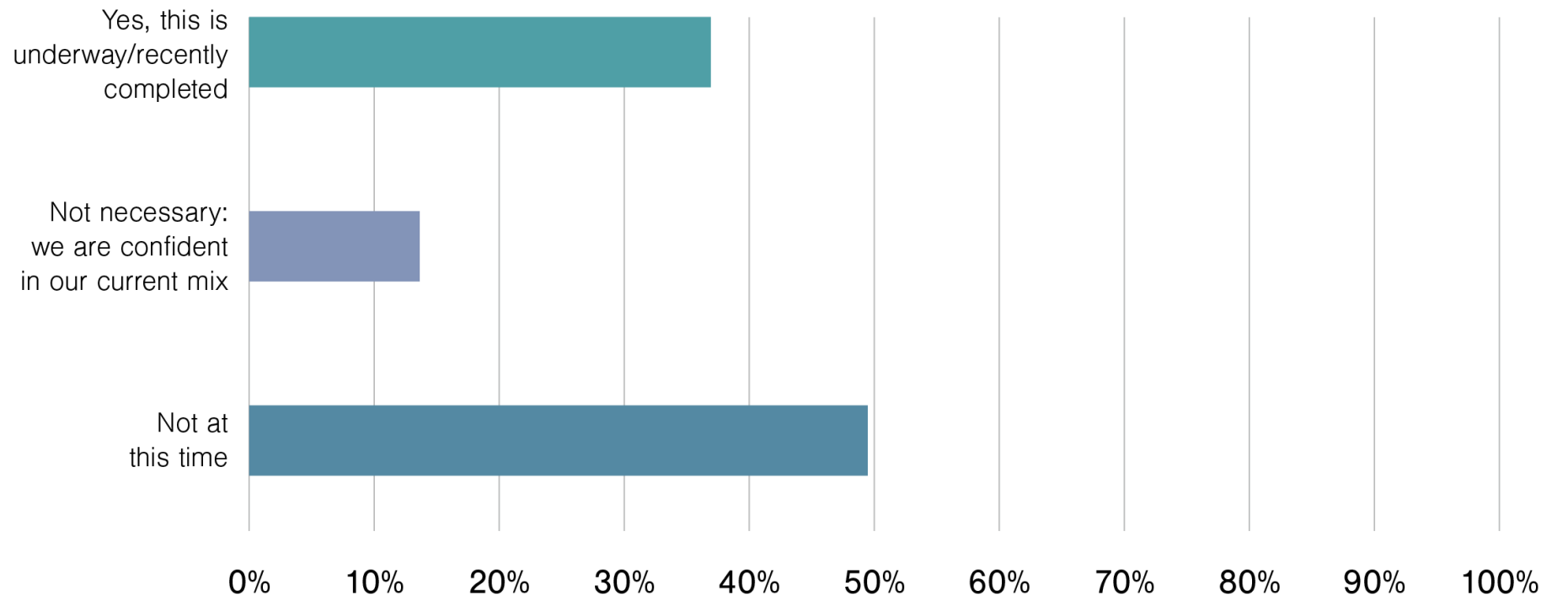
Are you engaging in discussions about your approach to athletics to improve net revenues from students involved in athletics?



2024 Outlook Focus

Insights From the FORVIS Outlook Survey

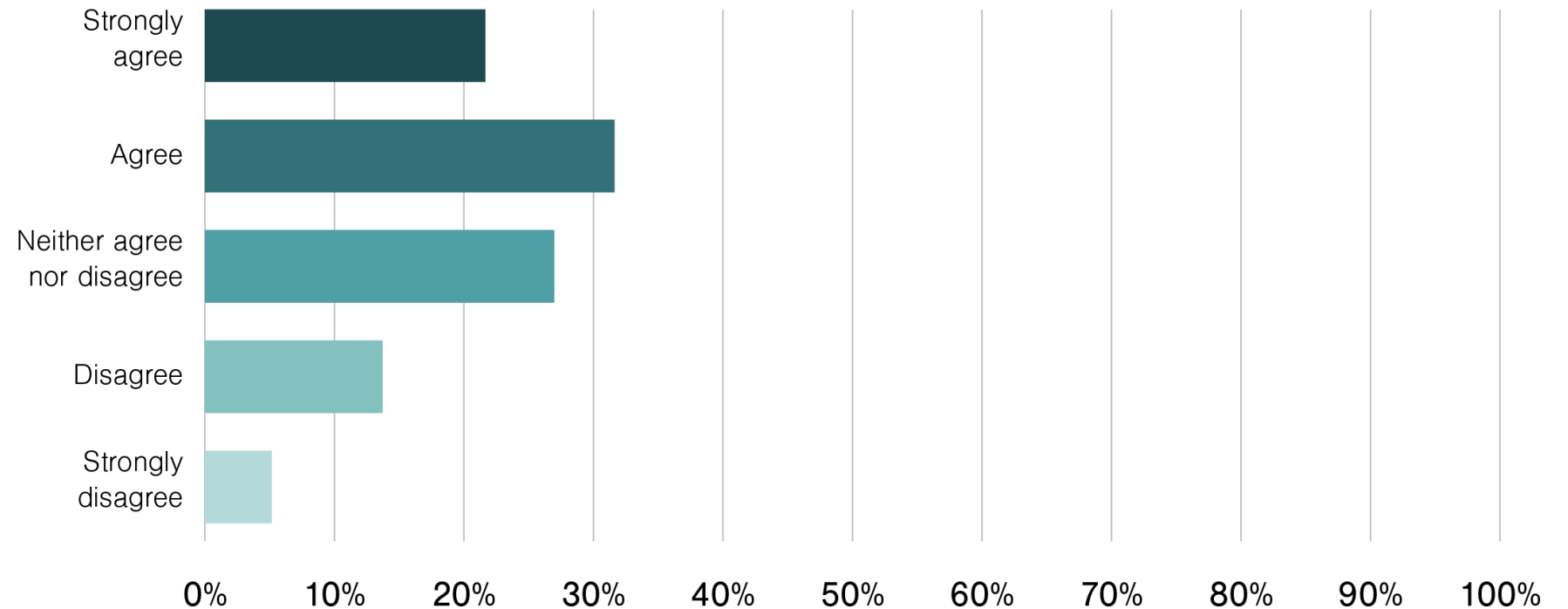
Intercollegiate athletics has been formally evaluated recently to determine that each sport has a positive impact on the institution.



2024 Outlook Focus

Insights From the FORVIS Outlook Survey

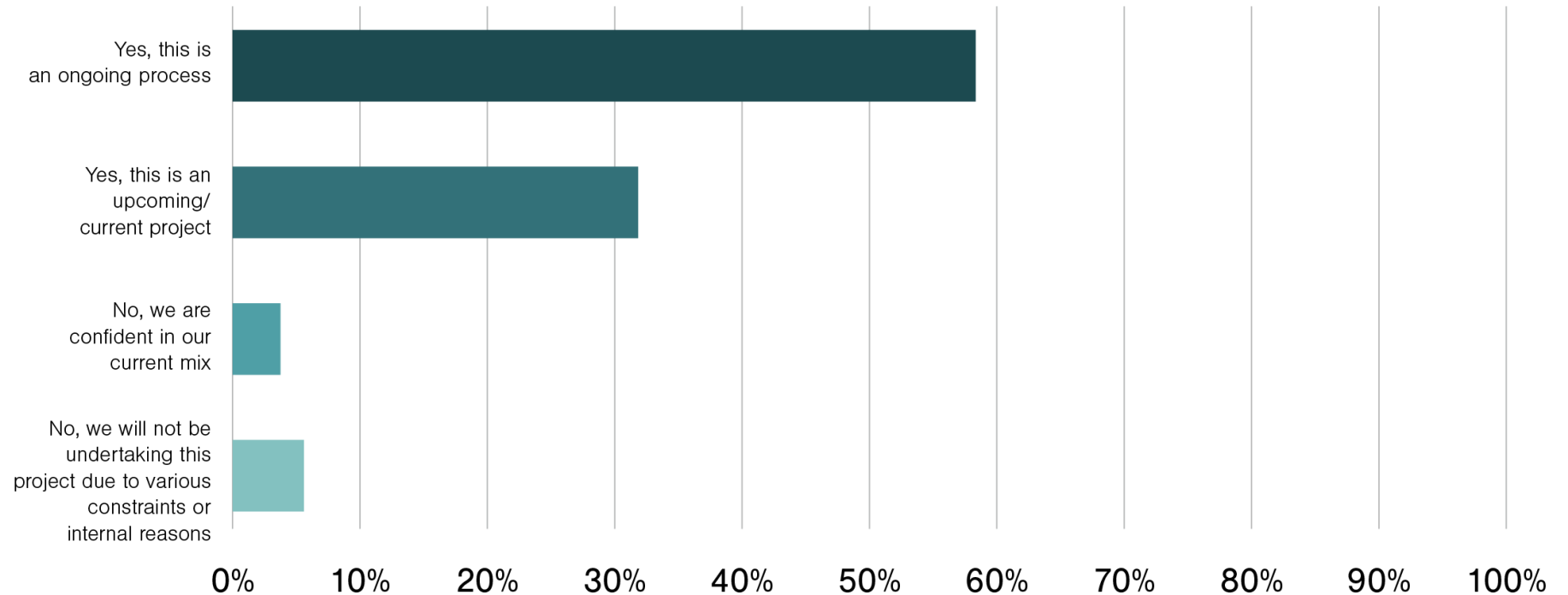
My institution has more academic programs, majors, and departments than it can financially support given the number of students we serve.



2024 Outlook Focus

Insights From the FORVIS Outlook Survey

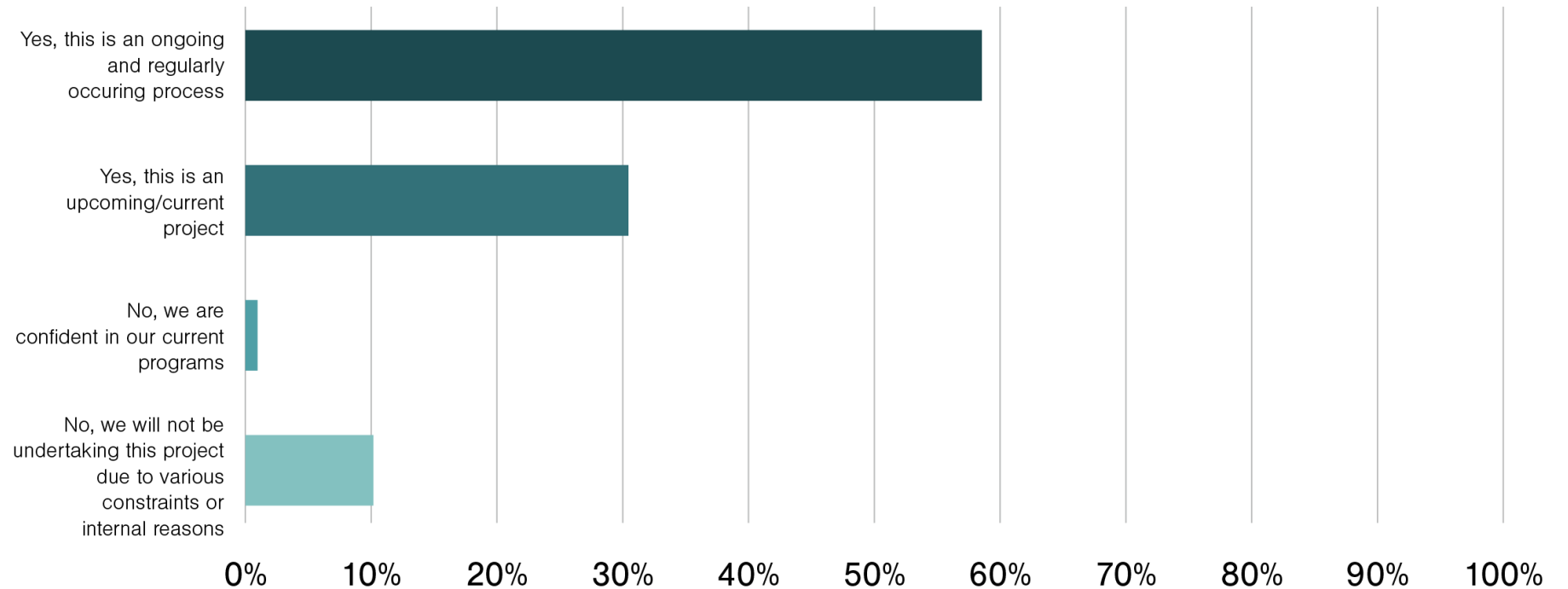
Is your institution assessing the right size and mix of academic programs, majors, and departments given the number of students you serve?



2024 Outlook Focus

Insights From the FORVIS Outlook Survey

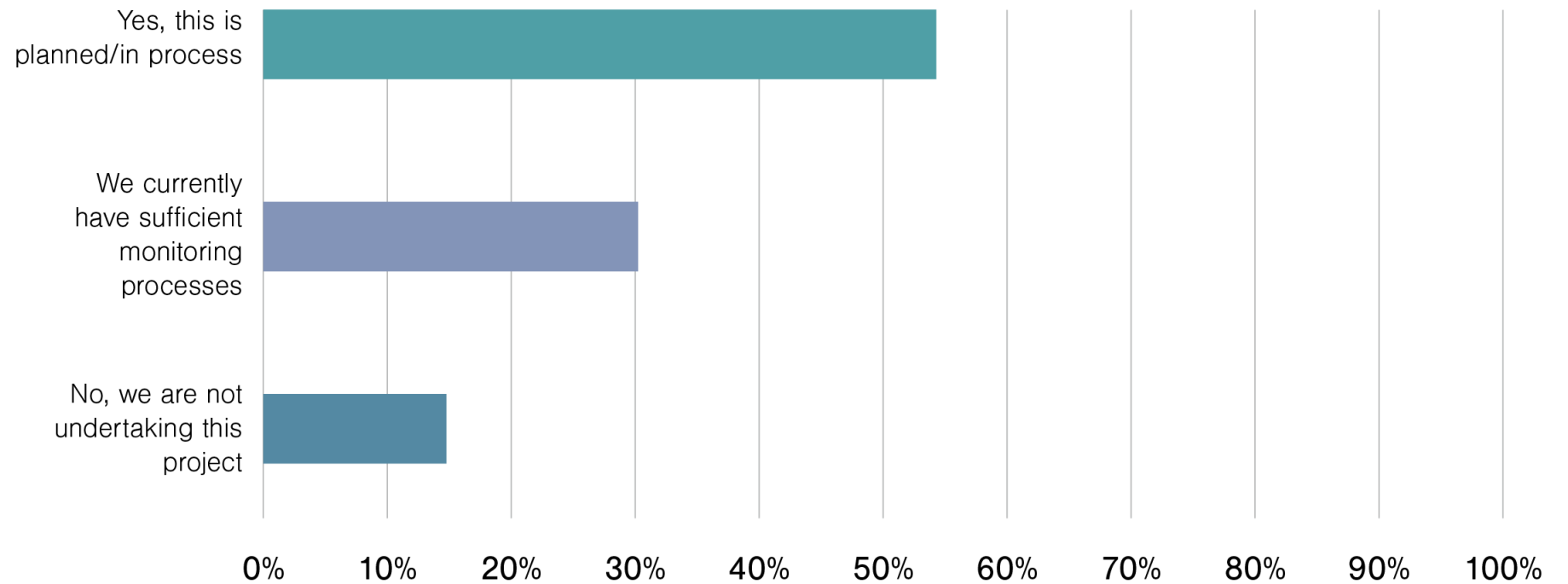
Are you reviewing academic program budgets and making adjustments to increase the efficiencies in your delivery of academic programs?



2024 Outlook Focus

Insights From the FORVIS Outlook Survey

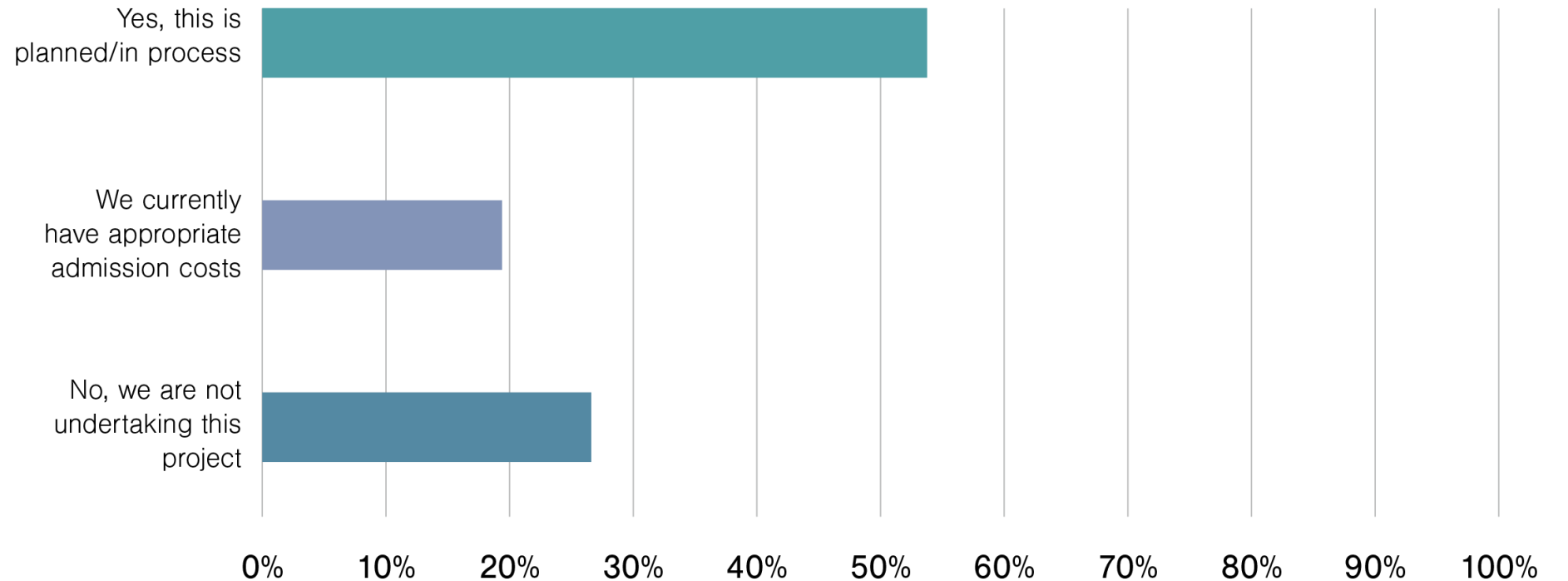
Are you making changes to how you monitor aid offered during the award year?



2024 Outlook Focus

Insights From the FORVIS Outlook Survey

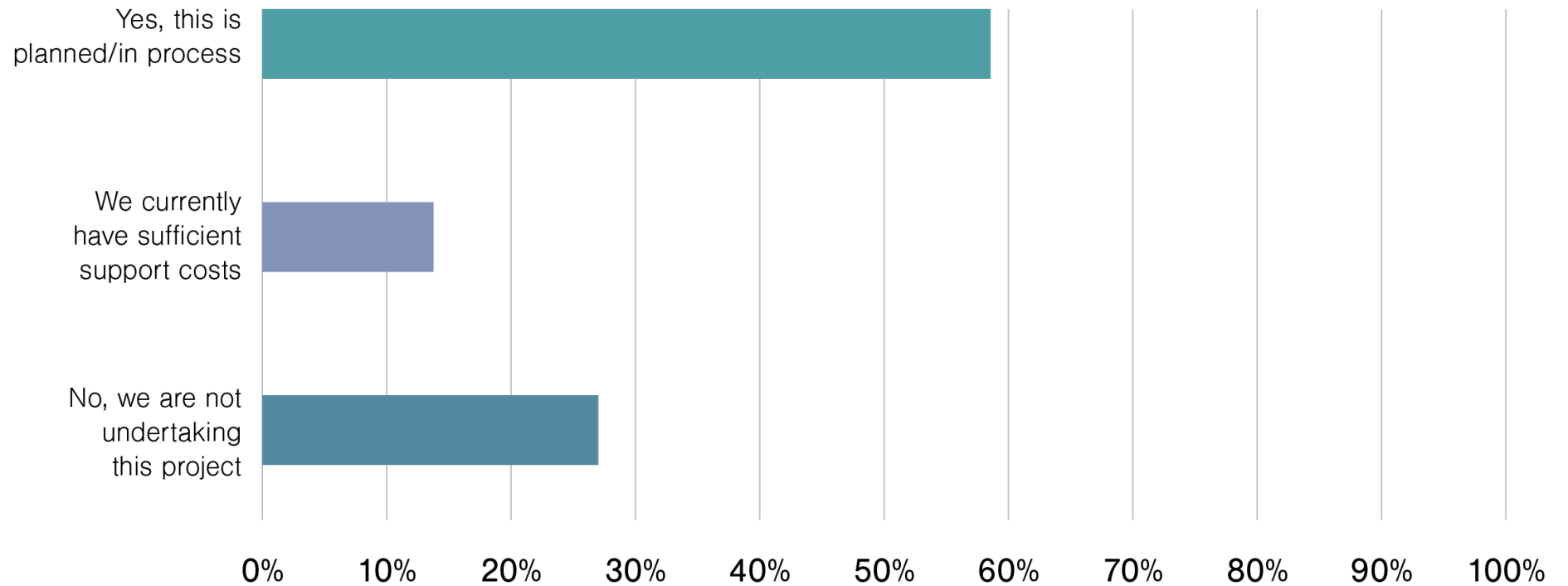
Are you looking at student acquisition methods and adjusting the direction and amounts of admissions costs?



2024 Outlook Focus

Insights From the FORVIS Outlook Survey

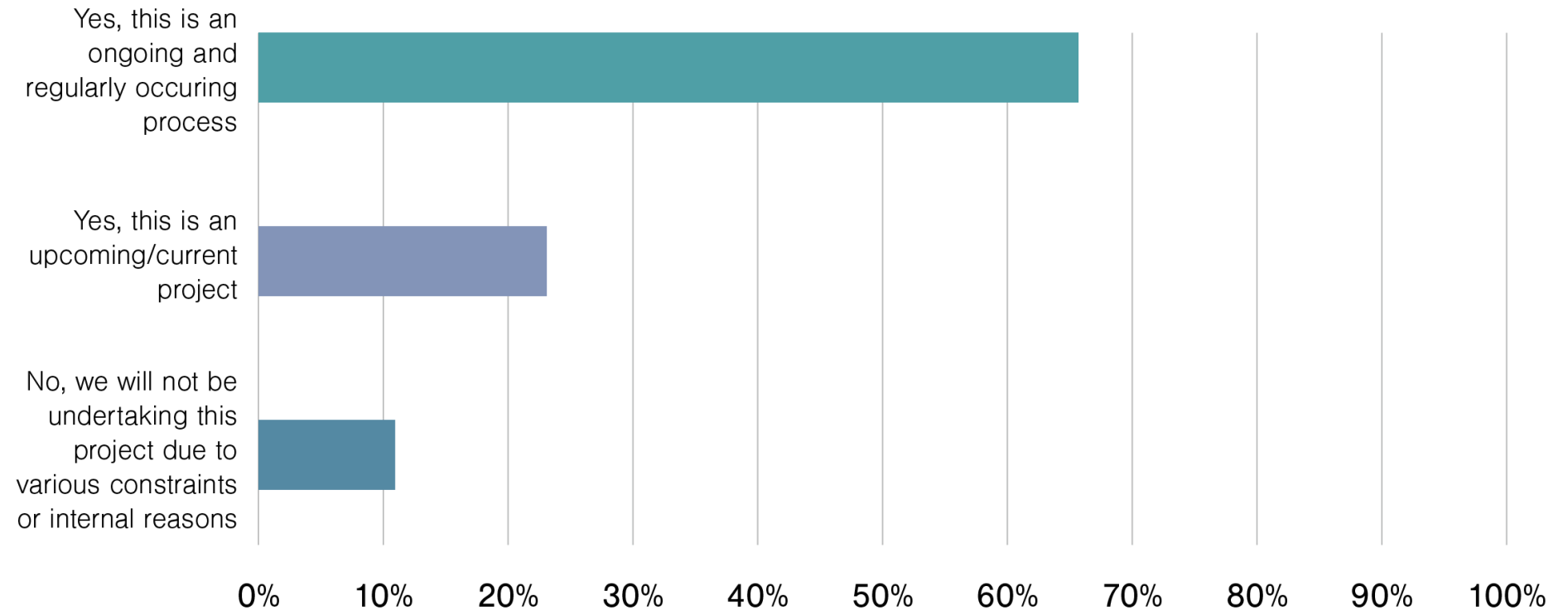
We are looking at advancement department costs and making adjustments to increase philanthropic support.



2024 Outlook Focus

Insights From the FORVIS Outlook Survey

Has your institution engaged in work and related costs to generate grant revenues?



Board Governance



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2024 Outlook Focus

Insights From the FORVIS Outlook Survey

Board Policy Change Areas	Table Number	% With or Changing Policies
Liquidity	31	63.3%
Reserves	32	69.7%
Debt	33	70.4%
Financial Dashboards & Metrics	34	83.1%
Board Performance Assessment	35	57.9%
Board Training	36	74.7%
Board Financial Contributions	37	53.2%
Board Composition	38	51.6%
Economic Modeling	39	67.8%

Strategic Planning



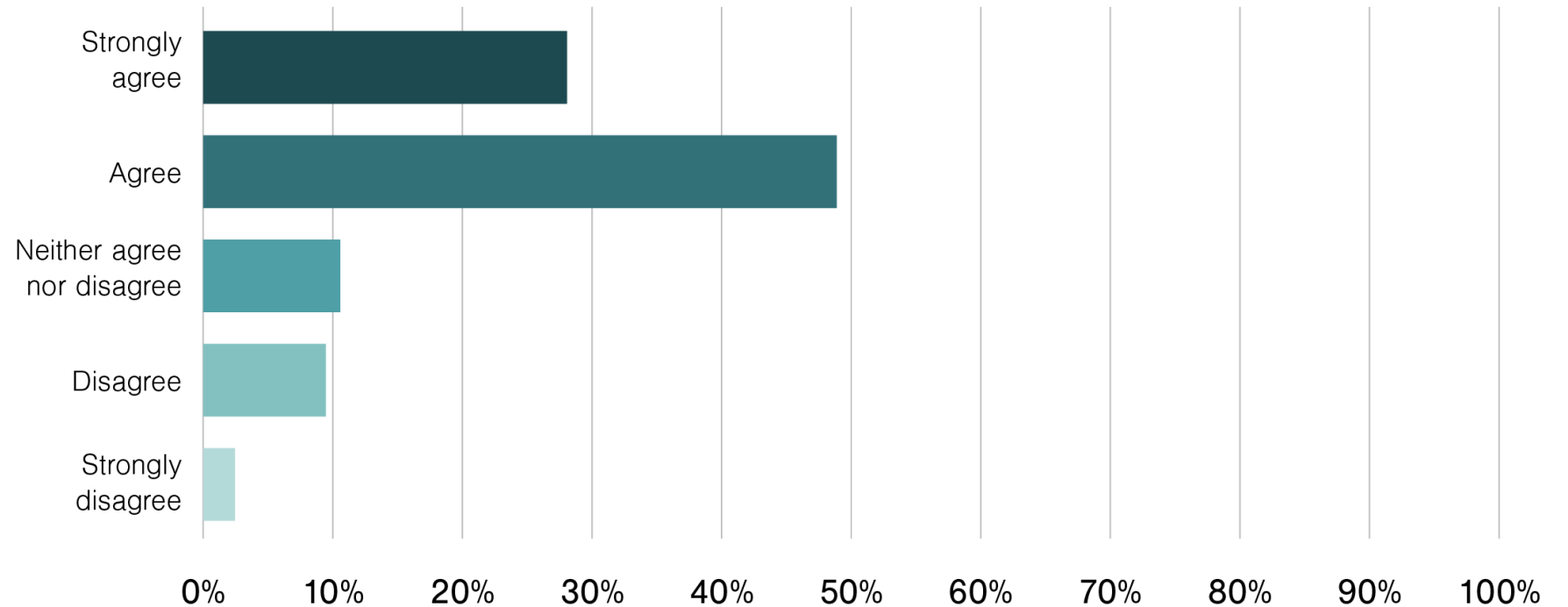
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2024 Outlook Focus

WEBINAR

Insights From the FORVIS Outlook Survey

I believe our institution has an operationally effective strategic plan that establishes direction and drives our decisions.

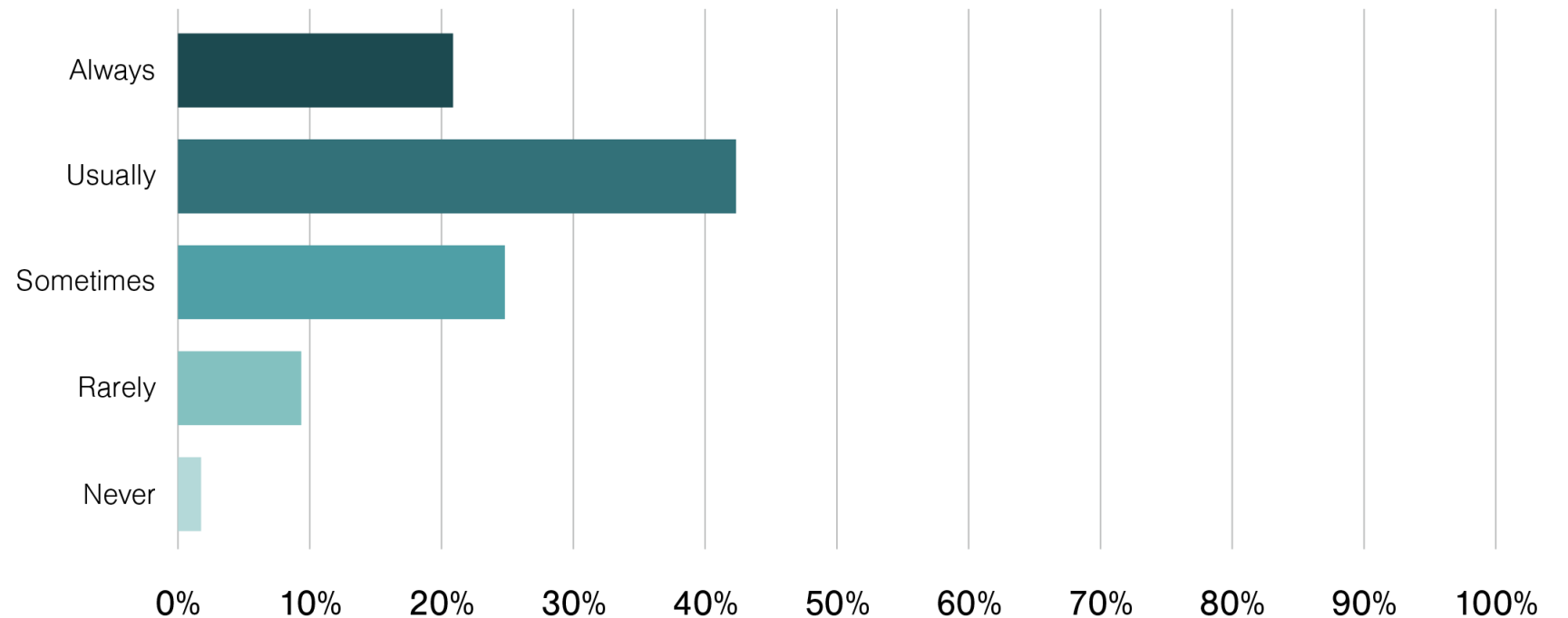


2024 Outlook Focus

Insights From the FORVIS Outlook Survey

WEBINAR

Does your institution openly discuss identified variances between the strategic plan and operational execution with senior administrators and the board to make decisions or adjust direction as needed?



Recommendations for Consideration

1. Align yourself as needed to the best practices noted on strategies & tactics listed
2. Consider how board policy & governance changes might have a positive impact on economic execution
3. Consider shortening the planning cycle to make sure plans continue to be relevant in rapidly changing times

Questions?

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Thank You!



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