



**Inside
Higher
Ed**

Costs, Cuts and Consolidations: What Campus Business Leaders Really Think

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Webcast| Costs, Cuts and Consolidations: What Campus Business Leaders Really Think

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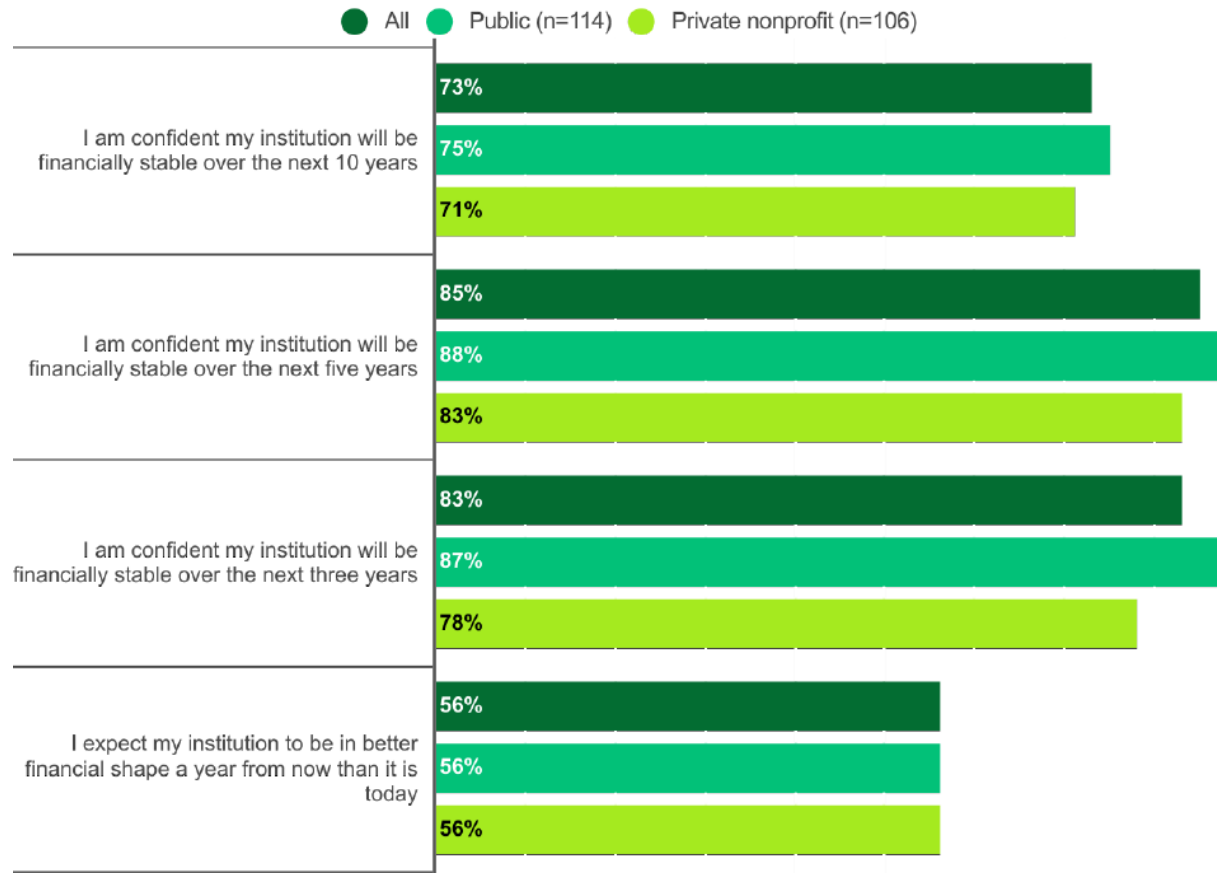
About the Survey

- *Inside Higher Ed's* 14th annual survey of CBOs with Hanover Research
- Includes insights from CBOs at 114 public and 106 private nonprofit institutions
- Fielded April-May
- Margin of error= 6%
- Response rate= 12%
- Sponsors:
 - Courshedog,
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CBOs On: The Financial Outlook

CBOs who somewhat or strongly agree with the following statements regarding their institution's financial outlook, over all and by sector:

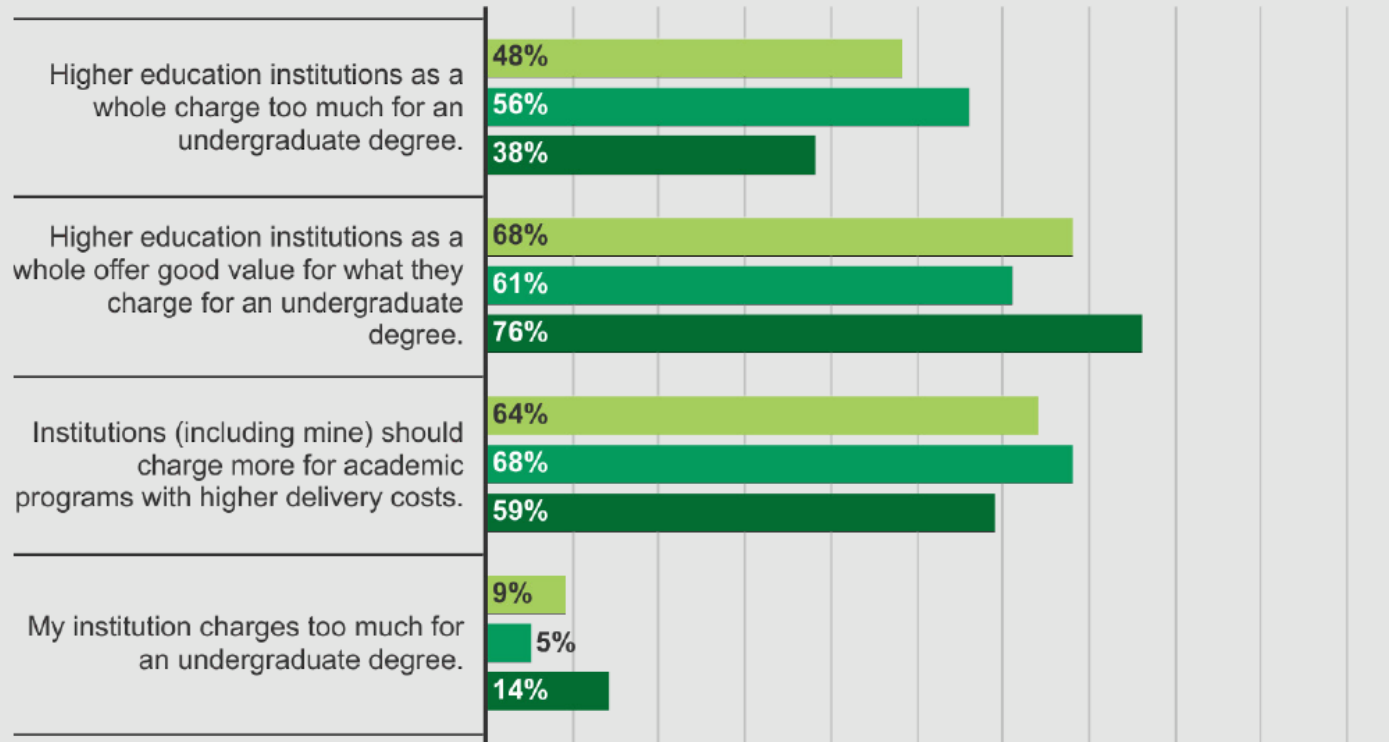


- Most are somewhat or highly confident their institution will be financially stable over the next three (**83%**) and five (**85%**) years. Confidence dips at the 10-year mark (**73%**).
- **56%** somewhat or strongly expect their institution to be better off financially a year from now, many due to expected enrollment gains.
- Many who believe their institution will be worse off financially a year from now expect labor and non-labor operating costs to increase.
- **57%** say their institution achieved a positive operating margin in the 2022-23 fiscal year; **62%** say it's likely for 2023-24.

CBOs On: Value and Affordability

CBOs who somewhat or strongly agree with the following statements on value and affordability, over all and by sector:

● All ● Public (n=110) ● Private nonprofit (n=105)

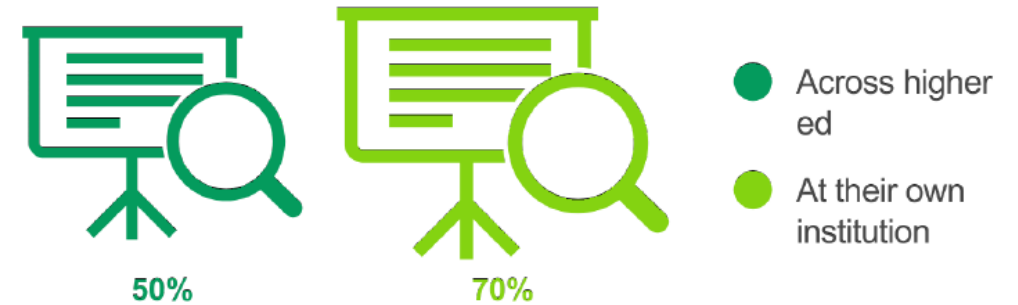


- **94%** somewhat or strongly agree that their institution offers good value for what it charges for an undergraduate degree; **68%** say the same of colleges and universities as a whole.
- **69%** say the general public overestimates the actual price of a college degree; just **9%** say their institution charges too much for an undergraduate degree.
- Relatively unpopular options for lowering operational costs involve limiting faculty tenure.
- Many indicate they're already taking multiple steps to lower the cost of obtaining an undergraduate degree.

CBOs On: Pandemic Progress

- **50%** say higher ed as a whole has been successful in translating lessons learned from the experience into lasting change.
- **70%** say this of their own institution.

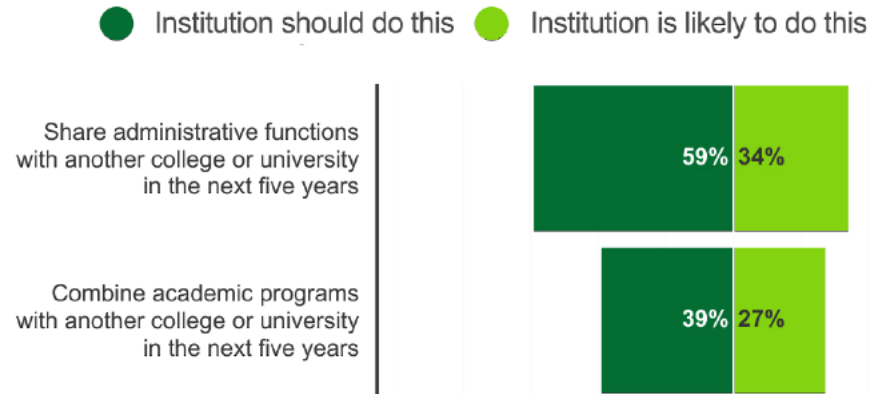
CBOs (all) who somewhat or strongly agree that lessons learned during the pandemic have successfully translated into lasting change, across higher ed and at their institution:



CBOs On: Mergers and Consolidations

- **10%** say administrators at their institution have had serious internal discussions in the last year about merging with another college or university.
- **16%** say administrators at their institution have had serious internal discussions over the last year about consolidating some of its programs or operations with another college or university.
- Larger shares say that their institution *should* combine academic programs (**39%**) and especially share administrative functions (**59%**) with another college or university.
- **14%** say it's likely their institution will acquire another college or university in the next five years.

CBOs (all) who say their institution *should* do the following regarding mergers and consolidations, and who indicate that their institution is somewhat or very *likely* to do the same:



14% of all CBOs say it's likely their institution will acquire another college or university in the next five years.

8% of all CBOs say it's likely their institution will merge into or be acquired by another college or university in the next five years.

CBOs On: Artificial Intelligence

CBOs weigh in on AI and AI readiness:



55%

CBOs (all) who say they're somewhat or very optimistic about AI's growing impact on higher ed (just 4 percent are very concerned)



39% vs. 27%

Public (n=104) versus private nonprofit (n=98) institution CBOs who somewhat or strongly agree that AI is already helping them make more informed decisions in their role (overall rate is 33%)



24%

CBOs (all) who somewhat or strongly agree that their institution is prepared to handle the rise of AI

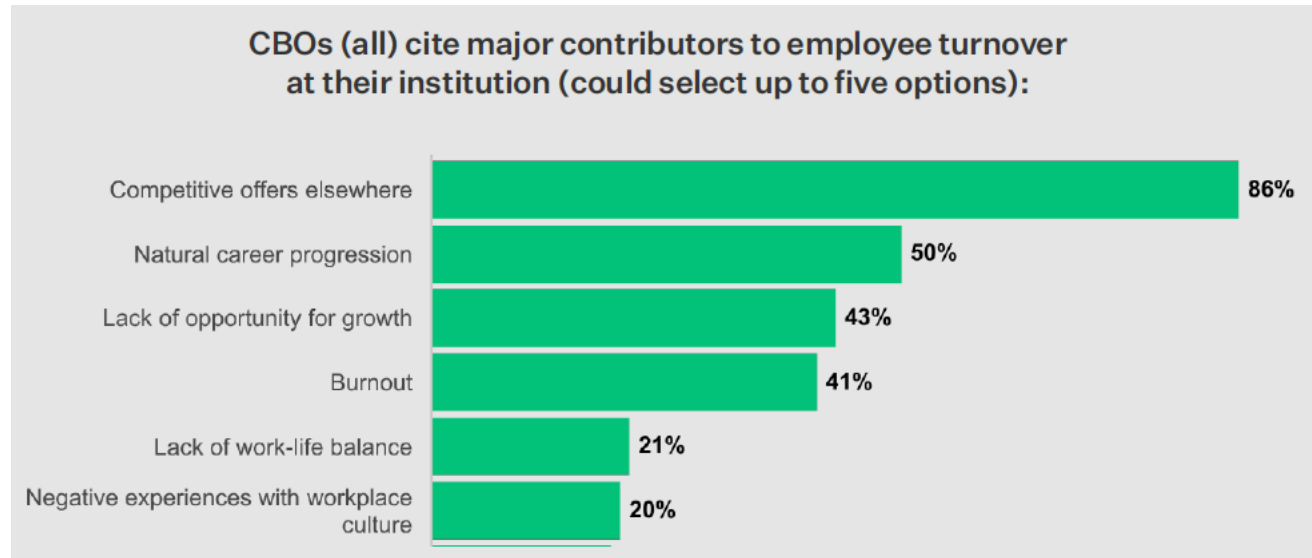


13%

CBOs (all) who somewhat or strongly agree that colleges and universities in general are prepared to handle the rise of AI

- **55%** are somewhat or very optimistic about AI's growing impact on higher education, but few (**4%**) are very concerned.
- **33%** say AI is already helping them make more informed decisions in their job.
- Fewer say their institution is prepared to handle the rise of AI in higher ed (**24%**) or that higher ed as a whole is prepared (**13%**).

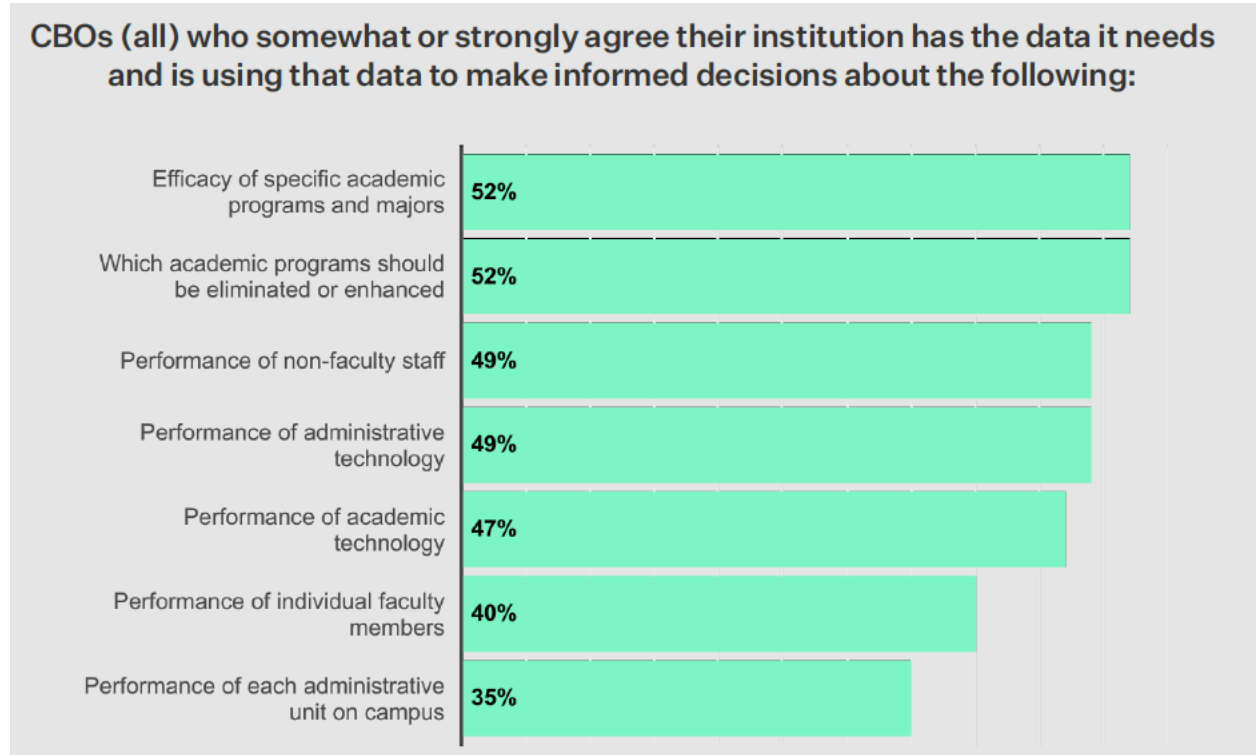
CBOs On: Employee Turnover



- **56%** say turnover rates are comparable to last year, with the rest split between lower (**26%**) and higher (**17%**).
- Just **12%** say they're very or extremely worried about the turnover rate at their institution.
- **85%** say their institution asks departing employees to complete exit surveys about their experiences and reasons for leaving.
- The top cause of turnover at their institution is competitive offers elsewhere (**86%**).

CBOs On: Data-Driven Decision-Making

- **About half** somewhat or strongly agree that their institution has the data it needs and is using the data to make informed decisions about academic programs, non-faculty staff and various technologies.
- CBOs are somewhat less likely to say data are available and used for making informed decisions about individual faculty members (**40%**) and performance of each administrative unit on campus (**35%**).



CBOs On: Portfolio Review

- **41%** say their institution has conducted a thorough review of its academic portfolio in the last 12 months, with those at private nonprofit institutions (**52%**) more likely than their public counterparts (**30%**) to say so.
- The top reported outcomes of portfolio review are reduction in the overall number of academic programs offered and the positioning of existing programs for further growth.

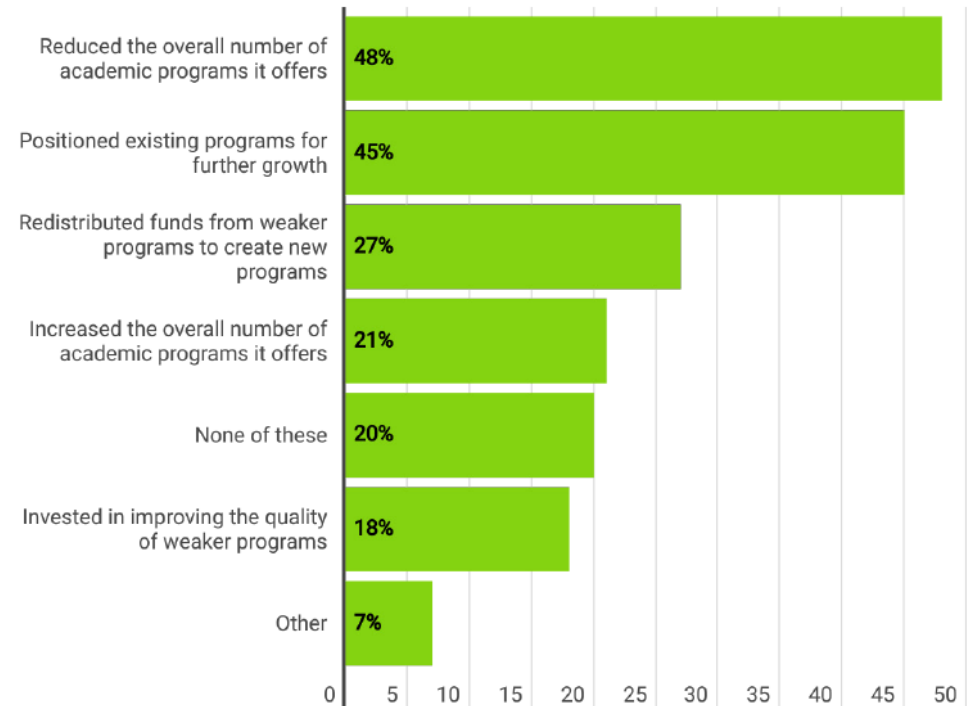
CBOs on academic portfolio review:



41%

CBOs (all) who say their institution has conducted a thorough review of its academic portfolio in the last 12 months

CBOs who say their institution did the following as a result of that review (n=85):



CBOs On: Financial Responsibility

CBOs (all) who somewhat or strongly agree that their institution has too many of the following based on the number of students currently enrolled:



63%

Academic programs



59%

Major options



57%

Departments

- More than half somewhat or strongly agree that their institution has too many academic programs (**63%**); too many major options (**59%**); and too many departments (**57%**) based on current enrollment levels.
- Just **14%** somewhat or strongly agree that higher ed institutions collectively are moving as quickly as they need to in order to remain in a sustainable financial position, while **53%** say this of their own institution.
- **65%** say government efforts to influence institutional strategy and policy represent an increasing financial risk for their institution.
- **43%** say that a lack of adequate data and analytic capacity is a significant obstacle to a sustainable financial future.

CBOs On: Endowments

CBOs weigh in on endowment performance and spending:



71%

CBOs (all) who say their institution's endowment somewhat or significantly increased in the past year



67% vs. 38%

Public (n=102) versus private nonprofit institution (n=96) CBOs who say that less than 5% of their institution's annual operating budget is supported by endowment revenue (overall rate is 55%)



78%

CBOs (all) who expect their institution will maintain its current endowment payout rate over the next year (15% say the rate will increase and 8% say it will decrease)



3% vs. 38%

Public (n=79) versus private nonprofit (n=90) CBOs who say their institution took funds from its endowment over and above levels called for under the normal spending policy in the last year (overall rate is 21%)



21%

CBOs (all) who anticipate their institution will need to take funds from its endowment over and above levels called for under the normal spending policy in the next 12 months

- Most say their institution's endowment somewhat (**60%**) or significantly (**11%**) increased in the past year.
- In *last year's survey*, just **30%** said their endowment had somewhat or significantly increased within the previous 12 months.

Panel Discussion

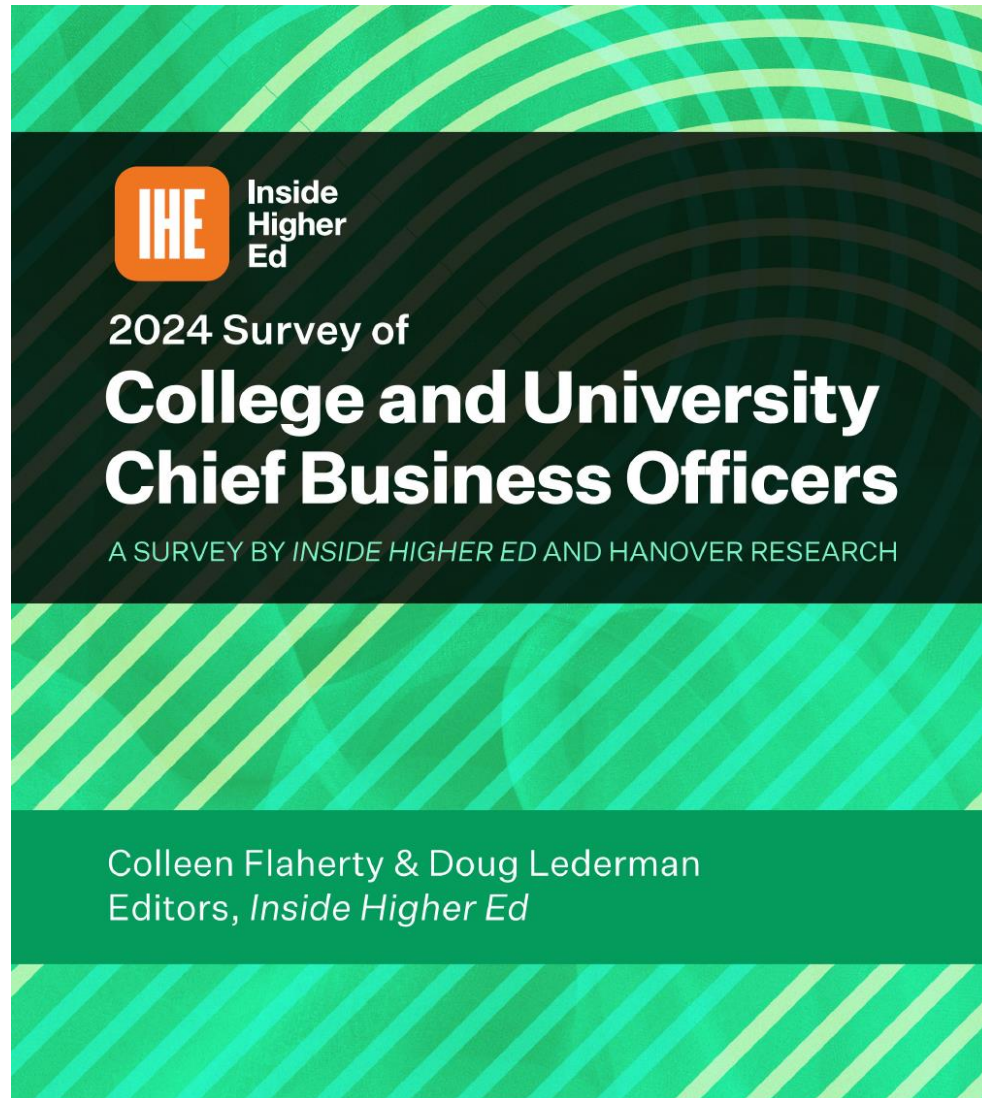


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Audience Q & A



Thank you!



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