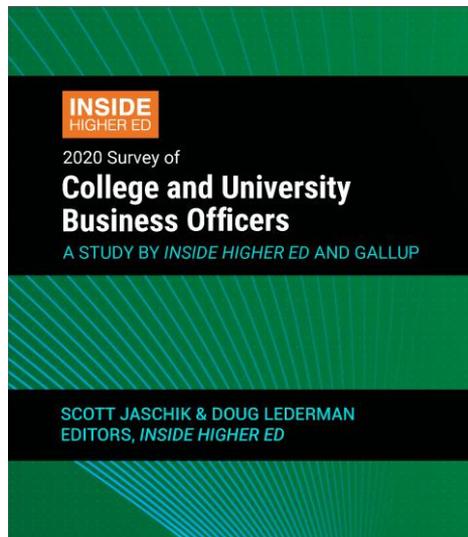




COVID-19 Challenges: A Survey of Business Officers



An *Inside Higher Ed* webcast
on the 2020 Survey of College
and University Business Officers
Tuesday, Aug. 11, 2020
2 p.m. Eastern

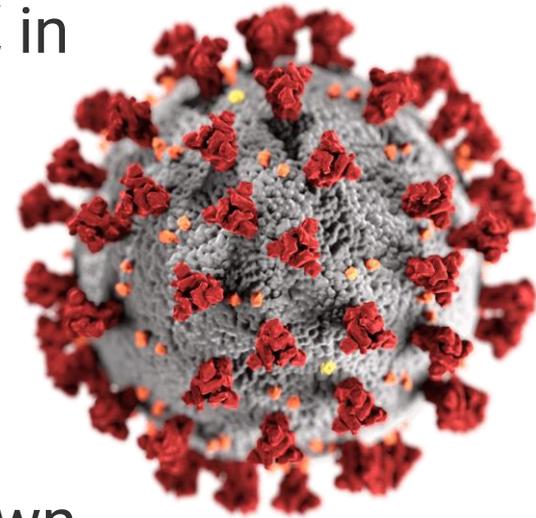
Presenters

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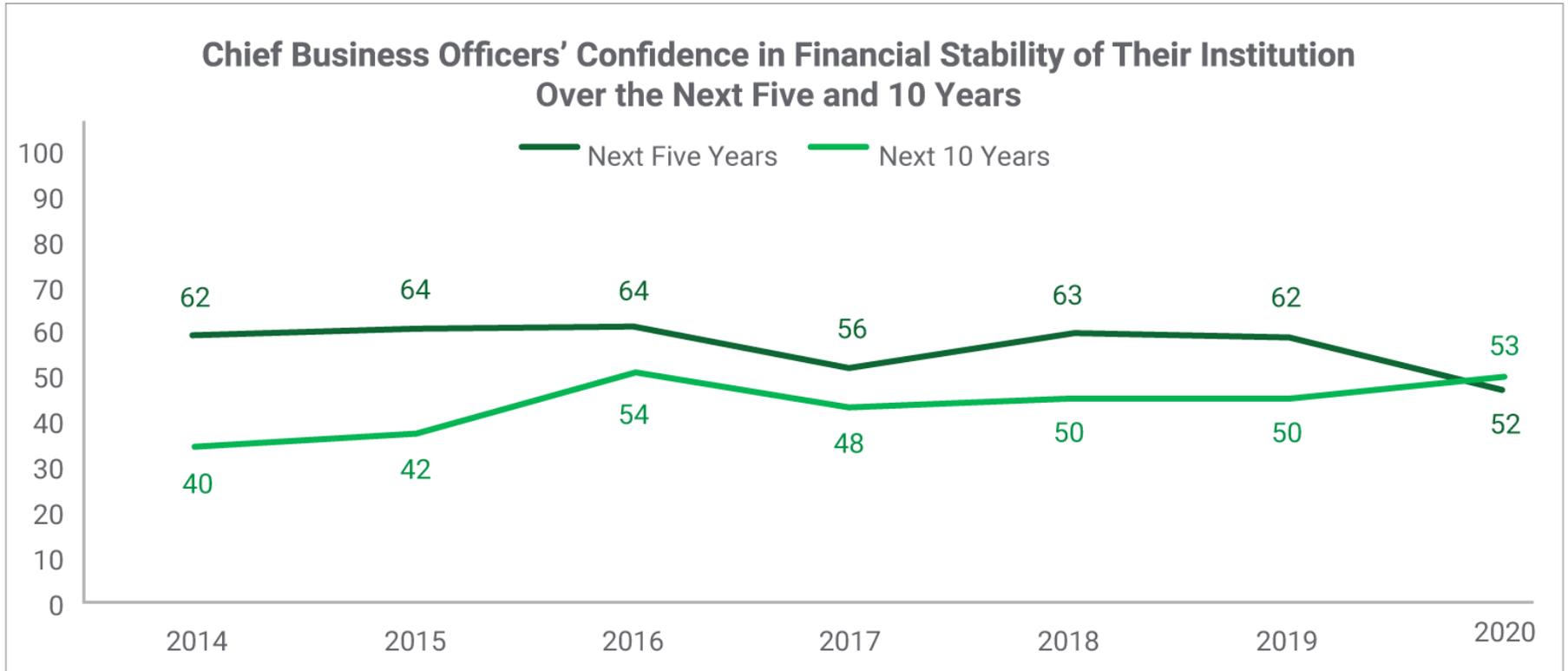
Methodology

- Questions prepared by *Inside Higher Ed*, in collaboration with Gallup.
- Polling conducted by Gallup in June.
- Results from 273 chief business officers; nationally representative.
- Complete anonymity for respondents, but answers coded to allow for breakdown by sector, etc.



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How Confident Are You?



Near-Term Confidence by Sector

Using a five-point scale, where 5 means strongly agree and 1 means strongly disagree, please indicate your level of agreement with the following statements.

	All Institutions, by Sector			Public			Private Nonprofit	
	All	Public	Private Nonprofit	Doctoral	Master's/ Bacc.	Assoc.	Doctoral/ Master's	Bacc.
I am confident my institution will be financially stable over the next five years.								
%5 Strongly agree	19	22	13	11	19	25	12	16
%4	33	38	28	66	23	36	30	25
%3	33	28	40	11	25	31	39	35
%2	13	10	17	12	26	6	16	24
%1 Strongly disagree	2	2	2	0	7	1	3	0

More Confident, and Less

“I am confident my institution will be financially stable over the next 10 years.”

	2019		2020	
	% Agree	% Disagree	% Agree	% Disagree
All Institutions	50%	17%	53%	14%
All Public	50%	15%	61%	9%
• Doctoral	66%	4%	74%	4%
• Master’s/Baccalaureate	28%	29%	41%	24%
• Community College	51%	16%	61%	5%
All Private Nonprofit	49%	18%	41%	19%
• Doctoral/Master’s	41%	21%	41%	21%
• Baccalaureate	56%	15%	38%	20%

COVID-19 Spending

- 59% of business officers said they had spent <\$2 million in “unanticipated budget expenses” due to coronavirus; 18% said >\$5 million.
- Differences by sector: 82% of community college CBOs said under \$2 million, while 32% of public doctoral university business officers said more than \$20 million.
- By time of survey, biggest investments were related to virtual learning (software and services, 61%, hardware, 55%); followed by restructuring classroom and dining spaces (45%).



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COVID-19 Spending (cont.)

	All Institutions, by Sector			Public			Private Nonprofit	
	All	Public	Private Nonprofit	Doctoral	Master's/ Bacc.	Assoc.	Doctoral/ Master's	Bacc.
Summary: Combined greatest/next greatest expenditures								
% Additional cleaning of campus facilities	60	67	51	46	55	77	52	45
% Remote delivery of instruction (software/system purchases, instructional design)	57	68	45	40	39	86	43	36
% COVID-19 testing and contact tracing	45	35	56	55	48	23	53	65
% Refunds of housing and dining fees	28	22	37	47	48	5	45	37
% Refunds of tuition	9	9	9	13	10	9	6	17

Budget Cuts, So Far and Going Forward

• **Steps CBOs likely to take in 2020:**

- Eliminate adjunct positions (40%)
- End underperforming academic programs (40%)
- Eliminate administrative positions (36%)
- Furlough employees (30%)
- Promote early retirement or voluntary separation for faculty members (31%)
- Promote early retirement or voluntary separation for administrators and staff (29%)

Steps CBOs unlikely to take:

- Reduce health-care benefits (84 percent)
- Take an unscheduled or larger-than-planned draw from their endowment (76 percent)
- Reduce faculty and staff pay (70 percent)
- Reduce retirement benefits (66 percent)
- Promote early retirement/voluntary separation for administrators and staff (53 percent)

Transformation or Continuity?

Which of the following most closely reflects your institution's future in relation to the COVID-19 pandemic and economic recession?								
	All Institutions, by Sector			Public			Private Nonprofit	
	All	Public	Private Nonprofit	Doctoral	Master's/ Bacc.	Assoc.	Doctoral/ Master's	Bacc.
% Return to normal: My institution can ride out the current difficulties and return more or less to normal operations within 12-18 months.	26	30	23	21	32	34	23	25
% Shrink institution: My institution should use this period to tighten its focus to come out of the recession smaller but better.	6	3	8	0	3	5	7	11
% Reset for growth: My institution should use this period to focus more on what it does best so it can invest and grow in those areas once the recession ends.	21	19	23	36	21	14	24	25
% Transform institution: My institution should use this period to make difficult but transformative changes in its core structure and operations to better position itself for long-term sustainability.	47	48	46	43	44	47	46	38

Change More Likely

- 56% of financial officers agreed (21% strongly) their college has the "right mind-set to respond quickly to needed changes" (up from 38%, 9% strongly) in 2019.
- 48% agreed or strongly agreed that the institution has the "right tools and processes" to shift gears fast, 15% disagreed (up from 35%/28% in 2019).

What Kind of Change?

- Majorities of CBOs said they were contemplating "revamping [their] academic calendar to provide more flexibility" (61%) and increasing the number of employees who permanently work remotely (52%).
- About a third said they might reduce contributions to deferred maintenance, increase faculty teaching load (33%) and increase student-faculty ratio (32%).
- About one in five said they could abandon existing plans for new facilities (21%) or share administrative operations with another institution (19%).
- Few said they would consider combining academic programs with another college (8%) or revise their tenure policies (4%).

Mergers and Consolidation

	All			Public			Private Nonprofit		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
“Serious internal discussion” about mergers	17%	12%	5%	9%	9%	5%	23%	12%	5%
How likely to merge? (% very/somewhat)	11%	6%	6%	8%	6%	8%	12%	6%	5%
Should your college merge w/in 5 years?	18%	18%	22%	14%	18%	18%	21%	18%	25%

Obstacles to Sustainable Future

Percentage of CBOs saying the following are impediments sustainable financial future:

Lack of resources for investment	40%
Lack of adequate data and analytic capacity	26%
Current governance structure	26%

Endowment Plans

At institutions whose operating budget is supported by endowment:

- 19% of CBOs say spending rate will increase, 9% say it will decrease
- 1 in 5 CBOs (21%) said institution took funds over and above normal endowment policy in **last** 12 months
- 27% said they expected to take endowment draws over and above normal in **next** 12 months

For More Information

Article link:

<https://www.insidehighered.com/news/survey/covid-19s-forceful-financial-hit-survey-business-officers>

Report download:

<https://www.insidehighered.com/booklet/2020-survey-college-and-university-business-officers>

Thank You

