

Seven Promising Practices for the Future of Higher Education



Even before the pandemic, the college/university business model was under scrutiny. With rising tuition costs outpacing living wages, and student debt burdens crippling students, institutions of higher learning were grappling with how to evolve. The COVID-19 pandemic introduced an abundance of obstacles that colleges had to face head on, but they also exacerbated institutional, academic, and operational issues that have been bubbling up for a long time. The economic and social impacts that the pandemic had on higher education highlighted significant weaknesses of the current business model and may have even accelerated changes that were inevitable.

COVID caused the business model to evolve and change. Here are seven changes that transformed higher ed that are here to stay:

1 THE USE OF TECHNOLOGY TO RECENTER THE BUSINESS MODEL ON STUDENTS

Universities were forced to go fully remote or in some cases hybrid towards the end of the 2019/2020 school year. This caused enrollment numbers to fall. Students not only attend college or university for the academics, but they also attend to feel a sense of independence and to experience life on campus before having to potentially join the workforce. COVID completely changed that.

Remote, hybrid learning, and an overwhelming amount of COVID regulations changed the entire college experience for students, leading many to delay enrollment for the year. [An article](#) from CNBC reports that “Postsecondary enrollments dropped 2.5 percent in the fall of 2020, nearly twice the rate of decline from a year earlier, according to the National Student Clearinghouse Research Center’s December 2020 report. The NSCRC said the primary driver of that decline was a 3.6 percent drop in undergraduate enrollment.”¹

The pandemic’s direct impacts on college life and student wellbeing forced schools to find new and creative ways to engage with them. Many institutions utilized technology and analytics to recenter the school business model around meeting the needs and the demands of their ever changing (diverse) student population, understanding that because of the pandemic, they had to find new ways to meet students where they were. Schools should continue to focus on providing additional academic and socio-economic supports for students that capitalize on student engagement and are informed by student and faculty input. In turn, students will be more engaged resulting in stable, or even increased, undergraduate retention and graduation rates.

2 A FOCUS ON LEARNING, PERSISTENCE AND GRADUATION

Through predictive modeling and data analytics applied to course creation and review, institutions can have a better sense for the type of classes and schedule that students want to engage with as well as which type of course structure will best prepare them for success in today’s dynamic workforce. For example, an increasing number of schools are offering

interdisciplinary degrees or allowing students increased opportunities to graduate with dual degrees—something that was beginning to evolve even before the pandemic, but likely accelerated because of it.

In a [2017 article in the Chronicle of Philanthropy](#), Meredith Woo, President of Sweet Briar college, a Women’s college in Virginia stated, “It’s difficult to prepare students for the 21st century when you’re insisting on a curriculum that dates back to the medieval period.”² In 2015 Sweet Briar College was on the verge of closing due to financial instability, but since Ms. Woo became president in 2017 the school has altered its term structure, redefined its core curriculum, and created three interdisciplinary centers for education which has helped the school to remain open, exceed their 2021 funding goals and increase their enrollment by over 30 percent. For college and university executives, reimagining the higher education business model around the student experience allows them to educate students in the way they want to be served and can encourage positive investment returns on tuition.

3 MERGERS AND ACQUISITIONS

According to [a report conducted by Jackim Woods & Co.](#),³ in 2019 global mergers and acquisitions in the higher education sector increased by over 40 percent. Over the last two decades many institutions have looked to mergers and acquisitions as a solution to surmounting enrollment and financial instabilities and, with current market instability, we foresee more and more institutions leaning in this direction.

A recent example can be seen in the merger between Saint Joseph University and the University of Sciences, both in Philadelphia, PA, this past June. Saint Joseph is a private Jesuit college with a strong liberal arts curriculum and a financially stable endowment but wanted to expand its academic offerings in healthcare education. The University of Sciences has a well-established college of healthcare and is home to the first school of pharmacy, but in recent years faced funding challenges and therefore a declining endowment. Through this recent merger, that combined both institutions under the Saint Joseph name, leaders at each school can now focus on fulfilling their institution’s missions together, growing their endowment in unison, and providing more comprehensive educational services to the public—more than either could have done on their own.

Thoughtful acquisitions and mergers can provide institutions with increased resources and flexibility to expand upon their educational mandate. The keys to a successful merger or acquisition are that both parties are in alignment with each other in terms of mission orientation and that both parties have something equal to gain and benefit from the transaction.

4 MANAGING TUITION COSTS

Some institutions have raised tuition to keep endowments afloat, but this in turn disproportionately impacts low-income students that require financial aid to attend these schools. With the increasingly large postgraduate student loan debt bubble, many institutions have been thinking about resetting the metrics they use to calculate tuition pricing to ease the financial burden on students and to make the institution more attractive.

Some institutions such as Beloit College have announced public/flagship price matches for tuition. This means that prospective students from surrounding states in the Midwest will have the opportunity to pay tuition at Beloit at no cost greater than their home state/flagship public university. This will not only make Beloit more attractive to prospective students, but it will also ease the financial hardship that private education places on low-income students and families.

In September 2022, Princeton University, one of the most prestigious universities in the country, announced that tuition, including room and board, for families making less than \$100,000 would be free. Jill Dolan, University Dean of the college, “pointed specifically to ‘socioeconomic diversity,’ arguing that the move to expand financial aid will allow “more students from across backgrounds to learn from one another’s life experiences.”⁴ Other schools have taken this a step further and thought about realigning the composite for tuition pricing closer to student progression. For example, implementing strategies where tuition costs vary depending upon potential postgraduate earnings, the operational cost of an academic course, or the number of degrees one earns throughout their enrollment such as, dual majors and minors. The higher education ecosystem is ever evolving thus it is important for institutions to transform their metrics and business models to maintain relevancy, accessibility and optimal effectiveness.

5 ONLINE HIGHER EDUCATIONAL PLATFORMS

According to *Business Wire*, the “Online Education Market will reach US\$ 350 Billion by 2025, globally due to the introduction of flexible learning technologies in the corporate and education sectors,” and an increasingly large number of institutions are expanding their educational capacities to include online courses and classes for students and to tap into this growing and emerging market of capital.⁵

Online education provides students with increased flexibility and institutions with the ability to expand their educational mandate far beyond the limits of their campus. Some universities have been so successful at implementing an efficient online educational system that their online program has grown to be more profitable than their traditional brick and mortar institution. Southern New Hampshire University launched its online platform in 1995 and today it has over 135,000 students enrolled compared to the 3,000 that attend on campus.

Another benefit to providing online education is that it is extremely cost effective for both the student and the institution. Providing education online significantly cuts operational costs and allows an institution to reach a larger audience. Remote learning allows for funds that would traditionally be spent on housing, meals and caring for students to be put towards other initiatives that further the institution’s mission. Utilizing open courseware to give students access to school recourses, notes, text, syllabi, etc. online, as opposed to textbooks or in-person methods, also contributes to decreased expenses.

With the evolving demographic of college students being less financially stable, increasingly busy, and in many cases, working parents, the demand for accessible and affordable education is higher than ever. Colleges that have tried to meet this demand by increasing their online educational capacities have taken huge steps in reinventing their business model into the next millennia.

6 ACCELERATED EDUCATION/DEGREE PROGRAMS

Accelerated degree programs were initially founded to serve adults in the workforce, but now serve various demographics that include working adults, working parents, age groups 25 and older, low-income students and others who cannot

access in-person full-time modes of higher education. These types of programs offer a wide range of students the opportunity to complete university undergraduate and graduate courses in a shorter amount of time than traditional 4-year programs and can ultimately save them one to two years of tuition costs.

For example, an accelerated course takes on average, 25 hours or six weeks to complete, as opposed to having 50 hours of in-person class time over 12-weeks in a traditional course. Accelerated course materials are condensed and taught in unconventional formats such as online, self-study, at night or over the weekend. Although non-traditional for higher education, this format works to serve not only the students but helps universities increase brand recognition, outreach and attractiveness.

7 ENGAGING WITH SURROUNDING COMMUNITIES

Universities continuously work to improve their student community, but don't always remember that it goes far beyond the campus walls. Cultivating community partnerships are a win-win for everyone involved. Schools typically have the resources to provide educational and financial support, and even social bonding opportunities to bridge the gap between these communities and the universities that occupy them. Often, university campuses are situated in low-income communities of color, but they don't always seek out ways to communicate and come together. The University at Buffalo (UB), part of The State University of New York system, however, is a great example of how a higher ed institution can become engaged with their local community. In response to the COVID pandemic, UB developed an app that helped with contact tracing as well as providing access to medical care from the college's faculty medical professionals for both students on campus and to members of the surrounding community, whether enrolled in the University or not. In another effort to bridge the gap between the University and the local community, UB runs an "Adopt a Family" program during the holidays to ease some of the financial burden for low-income families—this amplifies the commitment of UB to the local community in which it is based.

CONCLUSION

While it is evident that the higher education business model developed some cracks over the past few decades, the COVID-19 pandemic put a microscope on these issues and exacerbated them, forcing universities to act fast. The recent changes that have been implemented within many institutions to revitalize their operational structure, financial capabilities, and overall execution of their mission, has signaled a potentially bright future for the higher education landscape. We are optimistic at what lies ahead as universities continue to respond to students, local communities, and national policy changes.

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Endnotes

- 1 [College interrupted: Many students chose to take time off instead of remote learning during the coronavirus pandemic](#), CNBC, June 19, 2021.
- 2 [After All but Closing, Sweet Briar Will Shift Curriculum and Pricing](#), Chronicle of Philanthropy, September 6, 2017
- 3 [Overview of Mergers and Acquisitions in the Education Sector 2019](#), Jackim Woods & Co., February 5, 2020
- 4 [Princeton University is now free for families making under \\$100,000](#), CNN, September 10, 2022.
- 5 [\\$350 Billion Online Education Market: Global Forecast to 2025 by End User, Learning Mode \(Self-Paced, Instructor Led\), Technology, Country, Company - ResearchAndMarkets.com](#), BusinessWire, December 28, 2019

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