



**HOWARD**  
**UNIVERSITY**

# Reckoning with Relevance

2024 State of the Sector

Strategic Advisory Services

# Meet Your Presenter



## Savon Sampson

*Senior Director*

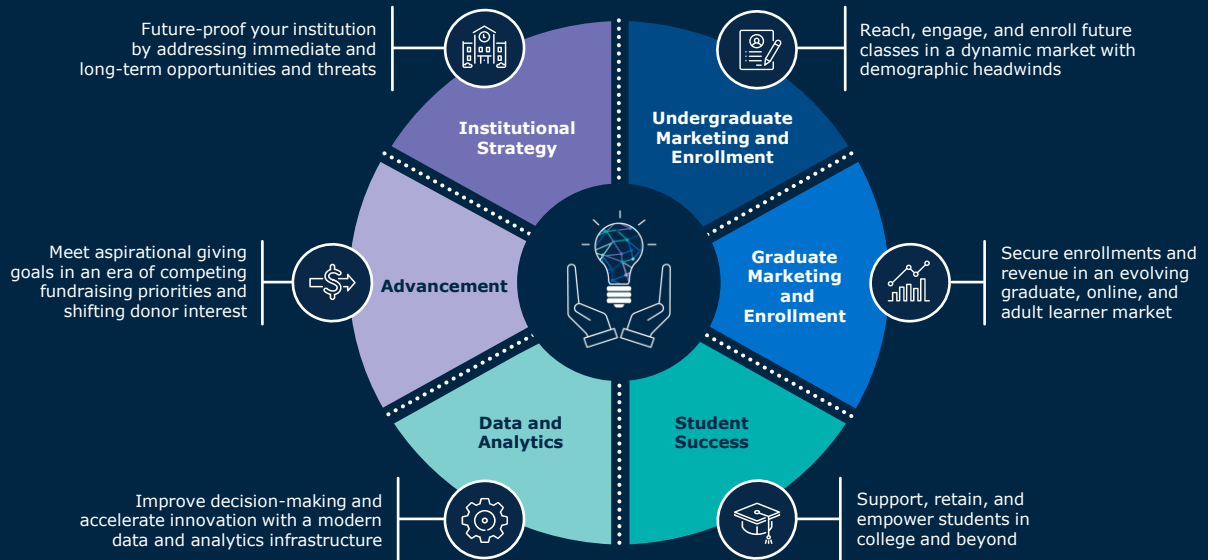
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## Insight-powered Solutions for Your Top Priorities and Toughest Challenges



We partner with **2,800+** institutions to accelerate progress, deliver results, and enable lasting change.

**95%+** of our partners return to us year after year because of results we achieve, together.

# Six Priorities Shaping Higher Ed Strategy

1 Public Perception of Higher Ed Value

2 Enrollment and Demographics

3 Sustainable Business Models

4 Student Readiness and Well-Being

5 Hybrid Campus

6 Artificial Intelligence



# Six Priorities Shaping Higher Ed Strategy

1

Public Perception of Higher Ed Value



Immediate Challenge

Universities Hammered by  
Culture Wars and  
Diminishing ROI Narratives

2

Enrollment and Demographics

3

Sustainable Business Models

Long-Term Threat

Anti-Higher Ed Echo  
Chamber Impacts  
Campus Morale

4

Student Readiness and Well-Being

5

Hybrid Campus

6

Artificial Intelligence

# Higher Ed Value Increasingly Called into Question

## Headlines Fuel Growing ROI Concerns

Why 50% of Gen Z students say they see less value in college



**How America Started to Fall Out of Love with College Degrees**



3 Ways Higher Education Can Flip the Script on Value



**Wake Up Higher Education. The Degree is on the Decline**



College is still w... finds – although growing skeptical



College grads earn 80% more – but only 51% of Americans see

**Recapturing American higher education's lost promise**



"alarming" numbers of... are rejecting college



half of Americans... ge degrees are... waste of money



**Gen Zers don't see the point in getting a degree. Here's how to fix the ROI of college**



**Was your degree really worth it?**



Tries to Bridge the 'Diploma Divide'

Source: Burt, [University Business](#), June 7 2022; Anderson, [Time](#), April 3, 2023; Pulsipher, [Forbes](#), Jan. 10, 2023; Lederman, [Inside Higher Ed](#), April 3, 2023; Dickler, [CNBC](#), March 1, 2023; Marcus, [The Hechinger Report](#), Aug. 10, 2022; [The Economist](#), April 3, 2023; Kanno-Youngs, [The New York Times](#), May 15, 2023; Eisgruber, [The Washington Post](#), April 26, 2023; Rasmussen, [Fortune](#), Oct. 31, 2022; Busteded, [Forbes](#), Sep. 25, 2020; Hess, [CNBC](#), Dec. 20, 2019; Mintz, [Inside Higher Ed](#), July 27, 2023; EAB interviews and analysis.

# “Reports of My Demise are Greatly Exaggerated”



7

Sensationalist Headlines Don't Reflect Actual Value or Perception of Higher Ed

## Headline

## Reality

The cost of college has exploded



**Inflation-adjusted net cost has declined 2.6-4% [1] annually since AY19**, and only increased 1.5% annually from AY10 to AY19 [2]

Students are increasingly basing decisions on cost



**Low-cost options saw the greatest decline in enrollment** from 2019-21, with 2-years down 16% and 4-year regional institutions down 4% [3]

A college education equates to lifelong debt



**Most borrowers owe less than \$25k [4]**, and total student debt has declined by \$10.8B since 2017 [5]

The ROI of a college degree is declining



The **wage premium is at a near decades-long high**, with bachelor's degree holders earning 88% more than high school graduates [6]

Liberal arts degrees are a waste of money



While slower to start, liberal arts graduates typically experience **rapid wage growth** in their late 30s-40s – the fastest among any college major [7]

Only prestigious, selective colleges provide value



5 of the 10 top-ranked institutions based on earnings potential/economic mobility have **admit rates over 50%** [8]

Degree holders aren't any better off



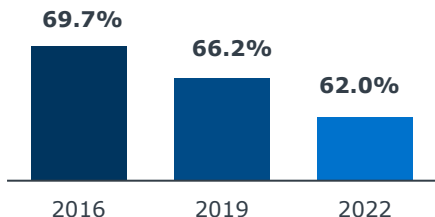
College graduates report higher rates of **job satisfaction, financial well-being, and health** [9]

# The Echo Chamber's Impact on Enrollment Decisions

## Despite Inaccuracies, Some Students Dissuaded by Negative Narratives

### Recent HS Grads Less Likely to Enroll

College-Going Rate of Recent High School Grads, Bureau of Labor Statistics



“

**I've always seen and heard things about how there's no point in going to college...**

'cause you usually end up with more debt than you can make, and it rarely works out for a lot of people that want to go.”

*21-year-old Hispanic man who did not attend college*  
**EAB Non-Consumer Survey, 2023**

”

### Snapshot of Current Non-Consumers

**59%**

Male

**27%**

Hispanic

**60%**

Living with parents or grandparents

**\$9K**

Difference in median household income between non-consumers and college-going peers

**16%**Black/African American<sup>1</sup>**48%**White<sup>1</sup>**1 in 3**Unemployed or not looking for work<sup>2</sup>

1) Non-Hispanic population.  
2) Excludes those not working due to disability



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# Lean into Principled Differentiation

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# Many Claims Commonplace or Peripheral

Twin Pillars of Traditional Branding Don't Help You Stand Out

**Ideals that are Appealing, but Assumed**

Diverse Vibrant Learning  
**Small Classes**  
 Change Inclusive Global  
**Experiential**  
 Success Innovative Impact  
 Wellness Student-Centric  
**Academic**  
 Community

**Attributes that are Distinctive, but Unconnected to Audience**



**Traditions and Accolades**

*"Oldest college in the Plains States"*  
*"Faculty with most industry experience"*



**Signature Initiatives**

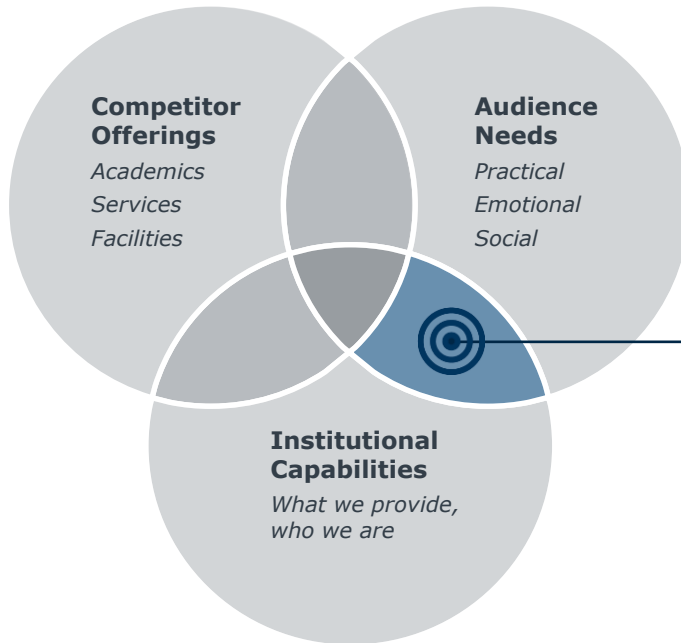
*Experiential Learning*  
*One-Stop Student Advising Center*  
*Holistic Wellness Curriculum*  
*Story Abroad Center in Italy*



# Focusing on Your Differentiation Sweet Spot



**Industry Context:** *Demographics, technology, regulation*



## **Differentiation Sweet Spot**

Where your institution meets audience needs in ways competitors can't

# What Makes a Value Proposition Differentiated?



## Four Criteria for Giving Audiences a Reason to Choose You



### ***What is a Differentiated Value Proposition?***

It's the reason you give your audience for choosing you over competitors



#### **It's Relevant**

Addresses needs, pains, and gains that matter most to audience

Expressed in audience's language



#### **It's Difficult to Replicate**

Unique approach or asset

Outperforms competition substantially on at least one dimension



#### **It Reaches the Majority**

Most, if not all audience members participate and receive its benefits

Integrated into core experience (non-optional)



#### **It's Provable to the Market**

Outcomes data, social proof, external recognition

Aligned with how audience measures success

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## Immediate Challenge

Post-Vaccine Enrollments Stabilize But Still Show Signs of Weakness

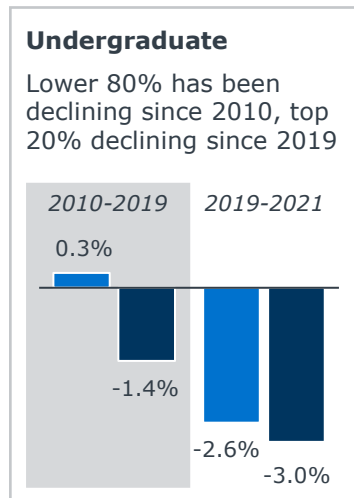
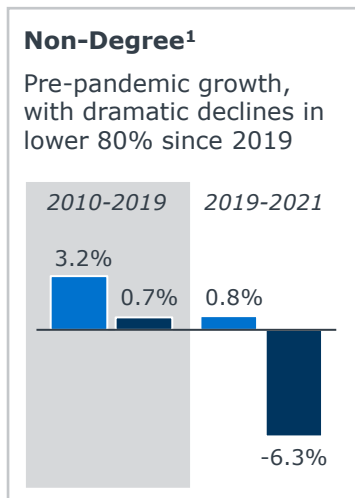
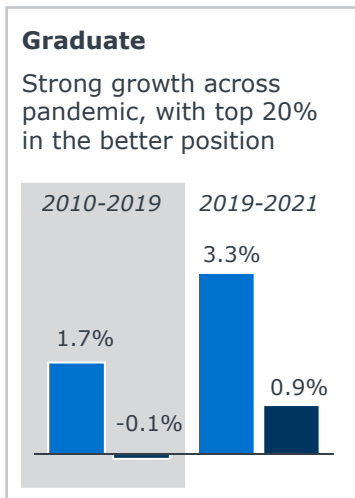
## Long-Term Threat

The Demographic Cliff "Levels Up" to Peak Population



# Where Are We Now? The Enrollment Macro-View

## Average annual percent change in enrollment, IPEDS 2010-2021



Top 20% of Market

Lower 80% of Market

*Top 20% and Lower 80% determined by top enrollment institutions in each category*

*Undergraduates account for **79%** of the \$203 billion in est. tuition revenue over AY21*

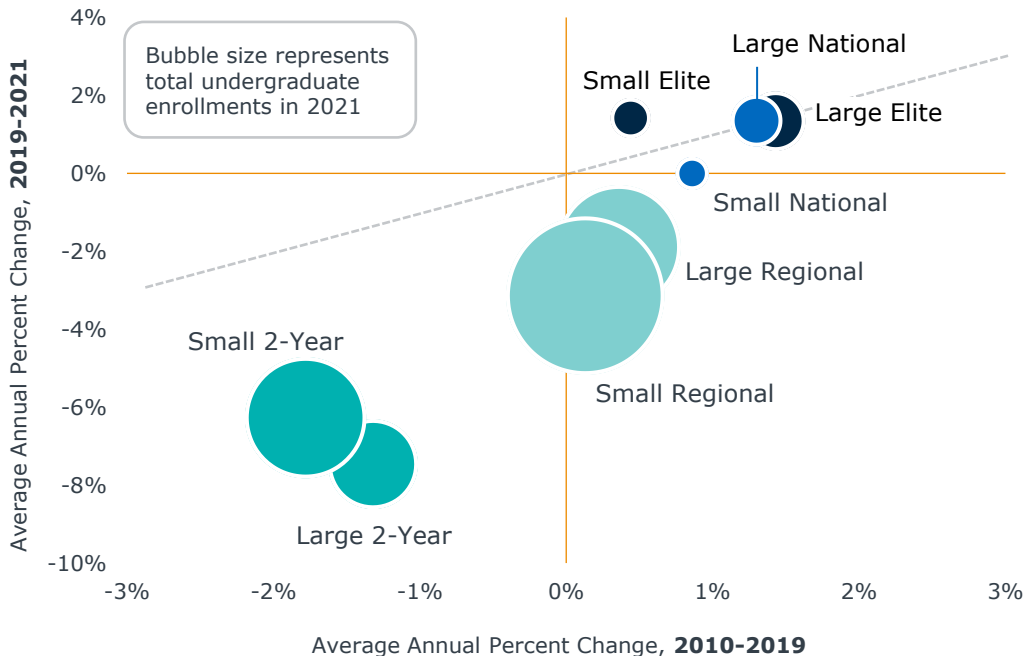
1) Undergraduate non-degree only.

# Flight to Size and Selectivity Continues for UG



## Undergraduate Enrollment Trends by Segment

Grawe and IPEDS Data, 2010-2021

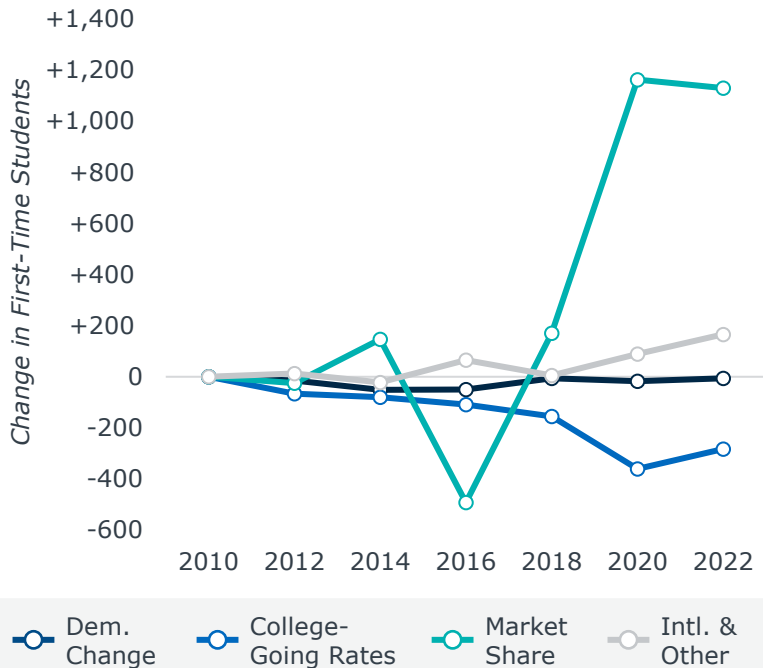


1) Large => 2500 first-time, first-year enrollments in 2010.  
2) Elite (Top 50 from US News Rankings in 2019); National (Top 51-100); Regional (outside top 100).

# Which Forces Drove Past Enrollment Shifts?

## How Demographics, College-Going Rates, and Market Share Help Explain Past Enrollment Trends For Howard University

Cumulative Change From 2010 by Enrollment Force



Cumulative Impact of Each Force from 2010-2022

### Demographic Change

**-6** Students

### College-Going Rate

**-282** Students

### Market Share Change

**+1,129** Students

### International & Unknown Origin

**+166** Students

### Overall Enrollment Change

**+1,007** Students

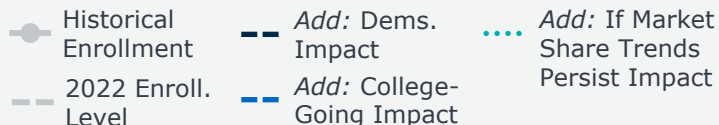
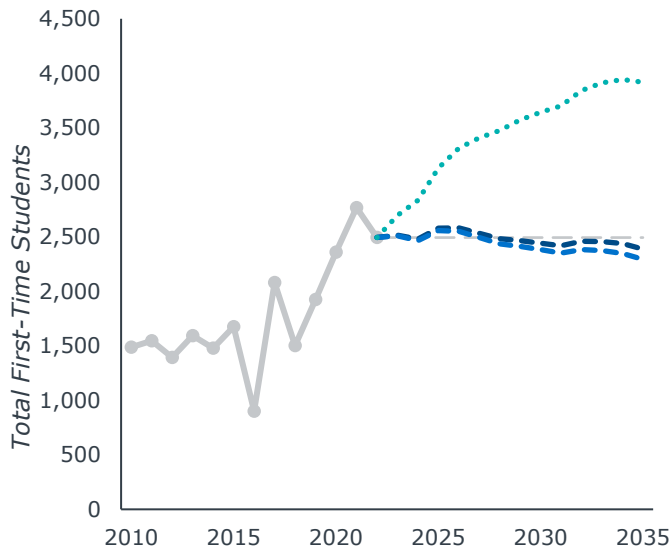
+68% change from 2010 levels



# Building A Baseline Future Enrollment Scenario

## Adding Up Our Projections for Howard University Through 2035

Cumulative Estimates for Demographics, College-Going Rates, and if Market Share Trends Persist



**Add: Demographics Impact**

**-106**

Student Change

+

**Add: College-Going Rate Impact**

**-94**

Student Change

+

**Add: If Market Share Trends Persist**

**+1,625**

Student Change

=

**Overall Projected Change by 2035**

**+1,425**

Student Change

# The Changing Makeup of Potential Students

*First-Time Enrollment by Race & Ethnicity for Howard University in 2022;  
and Projected Population Changes by Race and Ethnicity in New York.*

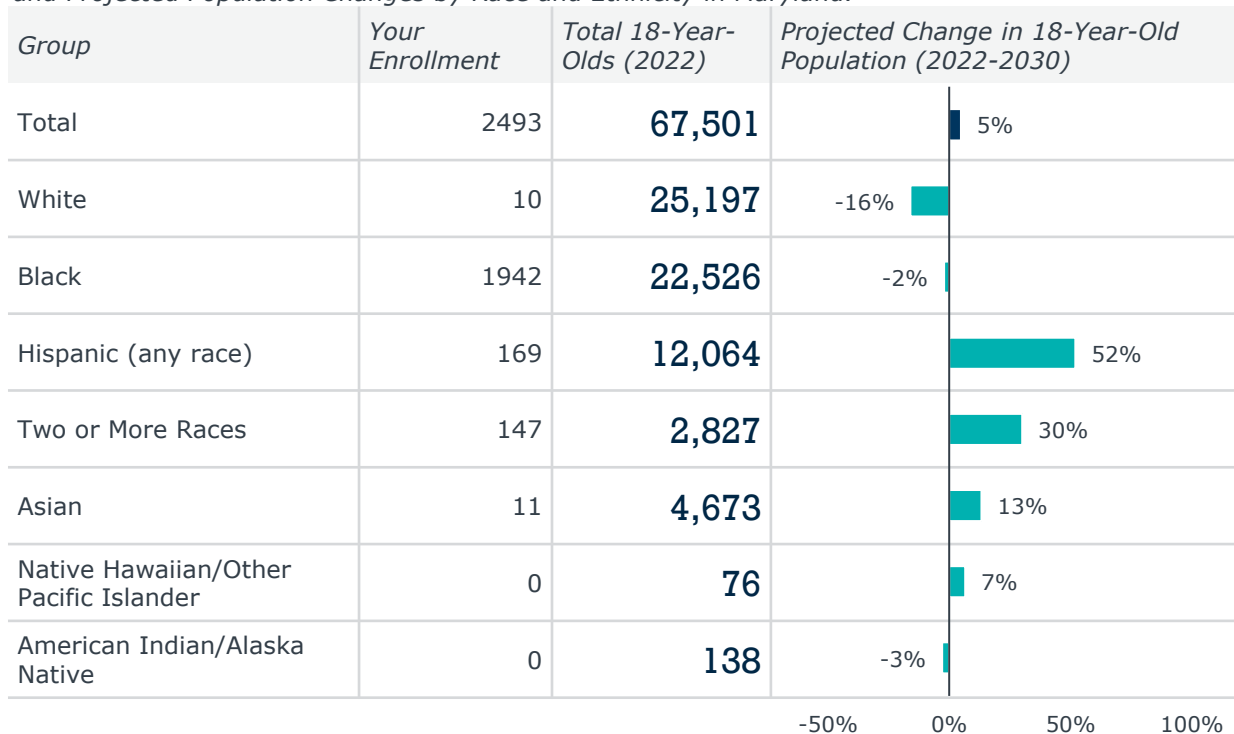
Group	Your Enrollment	Total 18-Year-Olds (2022)	Projected Change in 18-Year-Old Population (2022-2030)
Total	2493	<b>207,210</b>	-6%
White	10	<b>88,750</b>	-18%
Black	1942	<b>35,349</b>	-16%
Hispanic (any race)	169	<b>55,971</b>	7%
Two or More Races	147	<b>4,408</b>	107%
Asian	11	<b>20,464</b>	8%
Native Hawaiian/Other Pacific Islander	0	<b>547</b>	-28%
American Indian/Alaska Native	0	<b>1,721</b>	-2%

-50%    0%    50%    100%    150%

- 1) Entering students includes all first-time students and transfer-in students as of Oct. 15th.  
 2) Does not include international students, or students reported as "Race/Ethnicity Unknown".  
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# The Changing Makeup of Potential Students

*First-Time Enrollment by Race & Ethnicity for Howard University in 2022;  
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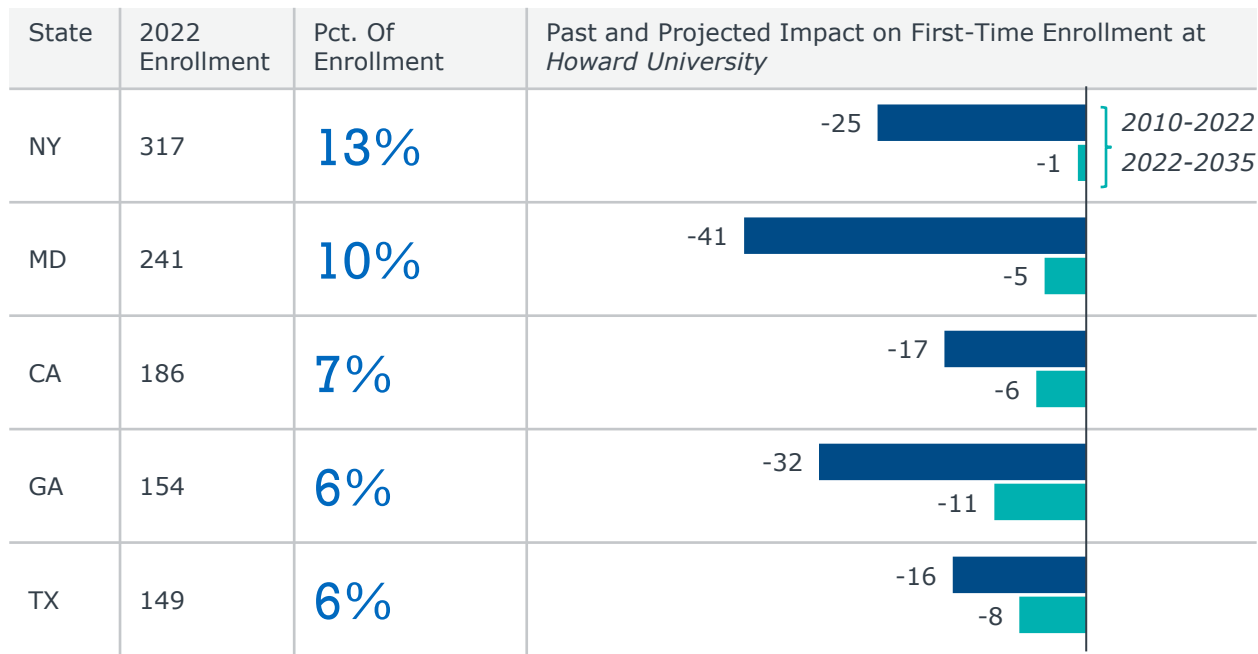


- 1) Entering students includes all first-time students and transfer-in students as of Oct. 15th.  
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# Mapping Changes in College-Going Rates

## Which of Your Markets Are Most Exposed to Changing College-Going Rates?

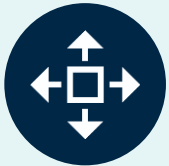
Howard University Top State Markets, Impact of Changing College-Going Rates Only



■ Historical Impact (2010-2022)

■ Proj. Total College-Going Impact (2022-2035)

# Adapting the Playbook for Winning Non-Consumers



## Cast a Wider Net

Adapt existing admissions processes to reach and convert students in the “shadow funnel”

***How Do We Reach Prospects Who Aren't Actively Pursuing Higher Ed and Keep them Engaged?***



## Facilitate Conversion Experiences

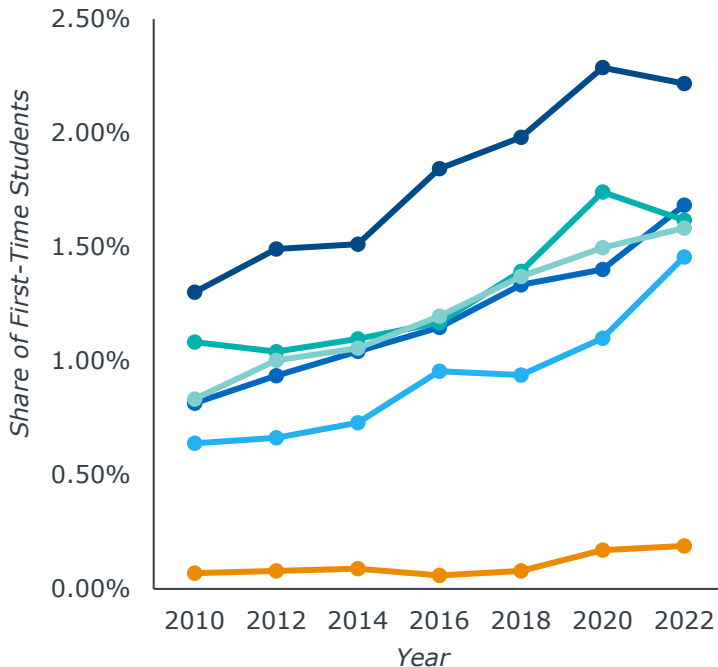
Fight negative higher ed perceptions with positive, unforgettable experiences

***What Prospect Experience Will Lead Non-Consumers to Enroll?***

# Who's Growing Market Share in New York?

## The Fastest Growing Institutions Are (or Will Be) Your Competitors

Market Share of First-Time Students from New York  
Top Five Institutions by Market Share Growth (2010-2022)



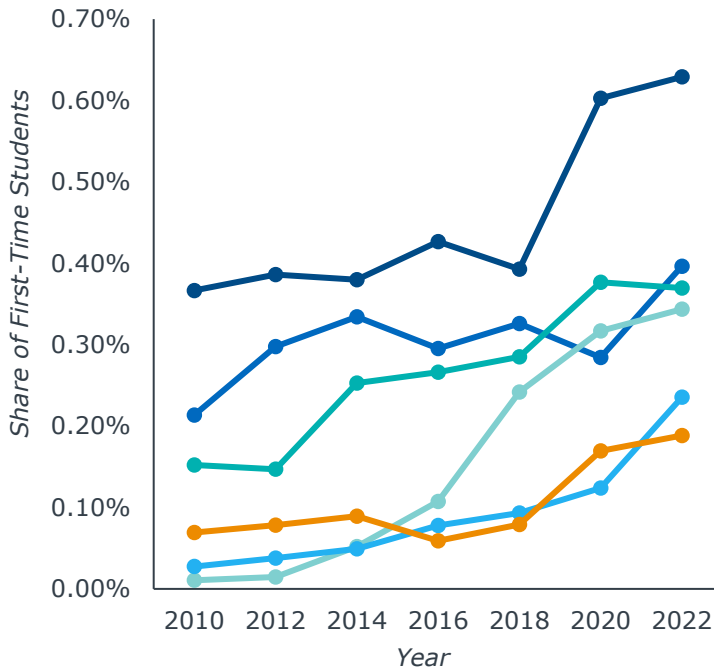
Change in Market Share & First-Time  
Enrollments from 2010 to 2022

Chg. in Mkt. Share	Pct. Chg. From '10	Chg. In Students	
<b>Howard University</b>	+0.119 %pts.	+172.0%	+173
<b>University at Buffalo</b>	+0.916 %pts.	+70.4%	+1,025
<b>CUNY Hunter College</b>	+0.869 %pts.	+106.6%	+1,138
<b>Stony Brook University</b>	+0.535 %pts.	+49.4%	+471
<b>Binghamton University</b>	+0.750 %pts.	+90.1%	+932
<b>CUNY City College</b>	+0.818 %pts.	+128.1%	+1,123

# Institutions Coming From Out-of-State

## Surging Out-of-State Competitors May Bring New Competitive Pressures In Near Future

Market Share of First-Time Students from New York  
Top Out-of-State Insts. by Mkt. Share Growth (2010-2022)



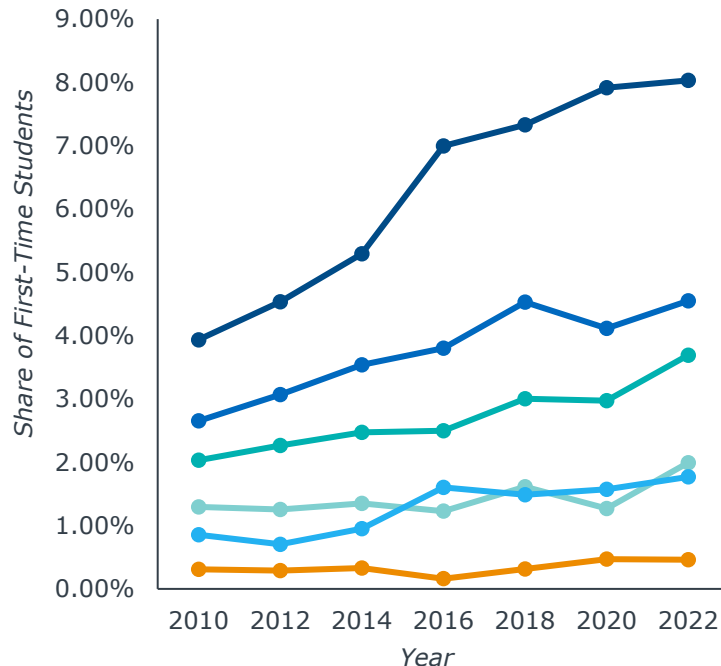
Change in Market Share & First-Time  
Enrollments from 2010 to 2022

Chg. in Mkt. Share	Pct. Chg. From '10	Chg. In Students
<b>Howard University</b>		
+0.119 %pts.	+172.0%	+173
<b>The Pennsylvania State U</b>		
+0.262 %pts.	+71.5%	+296
<b>University of Delaware</b>		
+0.183 %pts.	+85.6%	+223
<b>Sacred Heart University</b>		
+0.218 %pts.	+143.2%	+306
<b>Southern New Hampshire U</b>		
+0.333 %pts.	>999%	+556
<b>U of South Carolina-Columbia</b>		
+0.208 %pts.	+758.4%	+339

# Who's Growing Market Share in Maryland?

## The Fastest Growing Institutions Are (or Will Be) Your Competitors

Market Share of First-Time Students from Maryland  
Top Five Institutions by Market Share Growth (2010-2022)



Change in Market Share & First-Time  
Enrollments from 2010 to 2022

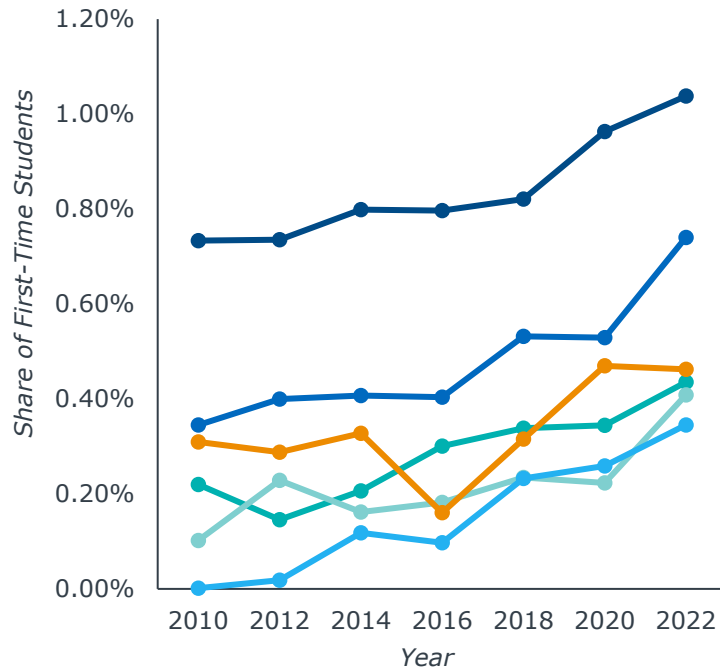
Chg. in Mkt. Share	Pct. Chg. From '10	Chg. In Students	
<b>Howard University</b>	+0.153 %pts.	+49.4%	+41
<b>U of Maryland-College Park</b>	+4.096 %pts.	+104.1%	+1,644
<b>Towson University</b>	+1.898 %pts.	+71.5%	+658
<b>U of Maryland-Baltimore County</b>	+1.661 %pts.	+81.7%	+612
<b>Morgan State University</b>	+0.696 %pts.	+53.7%	+201
<b>Bowie State University</b>	+0.916 %pts.	+107.4%	+371



# Institutions Coming From Out-of-State

## Surging Out-of-State Competitors May Bring New Competitive Pressures In Near Future

Market Share of First-Time Students from Maryland Top Out-of-State Insts. by Mkt. Share Growth (2010-22)



Change in Market Share & First-Time Enrollments from 2010 to 2022

Chg. in Mkt. Share	Pct. Chg. From '10	Chg. In Students	
<b>Howard University</b>	+0.153 %pts.	+49.4%	+41
<b>The Pennsylvania State U</b>	+0.304 %pts.	+41.5%	+67
<b>University of Delaware</b>	+0.395 %pts.	+114.6%	+163
<b>Temple University</b>	+0.216 %pts.	+98.2%	+85
<b>North Carolina A &amp; T State U</b>	+0.306 %pts.	+300.0%	+147
<b>Southern New Hampshire U</b>	+0.344 %pts.	>999%	+179

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## Immediate Challenge

Rising Budget Pressures  
Lead Universities to Pursue  
Host of Savings Strategies

## Long-Term Threat

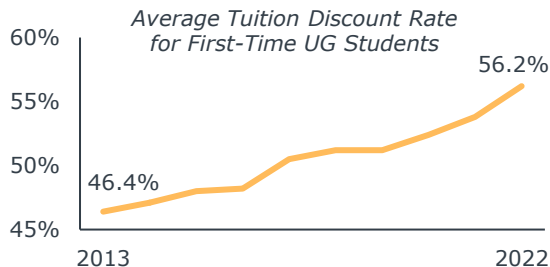
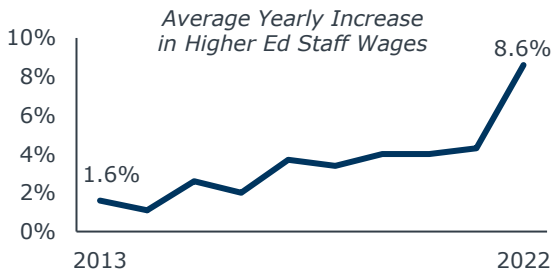
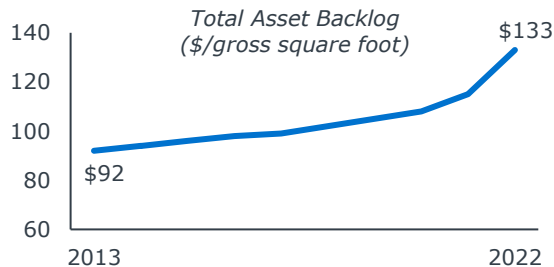
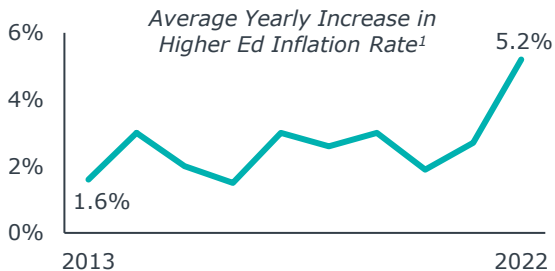
A "Less with Less"  
Mentality May Be Needed  
to Survive Demographic  
and Enrollment Changes





# Converging Challenges Squeeze University Budgets

## Inflation, Discounting, Operational Costs Worsen Simultaneously



### A Short-Term Lifeline Comes to an End

Pandemic relief funding (\$75.3B in total) prevented short-term financial disaster in 2021 and 2022. But with certain restrictions and a deadline to spend/plan by June 30, 2023, most institutions could not use their share of funding to address longstanding financial challenges.

1) From the Commonfund Institute's Higher Education Price Index  
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Source: "Higher Education Price Index," Commonfund Institute, June 22, 2023; "State of Facilities in Higher Education," Gordian, 2023; 2022 Tuition Discounting Study, NACUBO, April 4, 2023; EAB interviews and analysis.



# Is It Time to Embrace a “Less with Less” Mentality?

## Pivoting to a Strategic Model that Reflects Changing Market Realities

2000s

2010s

2020s

### More with More

- “If we build it, they will come” mentality fuels growth-minded boom of programs, facilities, and research expenditures
- Amenity and experience arms race requires more tech and staff to deliver
- Share-the-wealth budget decisions promote stability in times of growth

### More with Less

- Emphasis on efficiency and belt-tightening to keep output constant
- Difficult prioritization and trade-offs deferred when metrics show incremental improvement
- Growing workloads lead to staff burnout, as there’s always “more” to do

### Less with Less

- Intentionally decreasing “productivity” in favor of sustainable operations
- Budget decisions must reflect market realities of enrollment, funding
- Saying “no” is rewarded
- Potentially better staff experience; work is scaled to reasonable level



# A Tale of Two Campuses



## Zombie U.

*Alive, Sort Of*

Hiring freezes and across-the-board layoffs include mission-critical and hard-to-hire roles

Mental health and career counselors reduced by half; students lament lost services on social media

Older admin building shuttered due to rising O&M costs, forcing lease of expensive space downtown

Voluntary severance taken by strongest faculty, hollowing out popular programs

Shift to adjunct-only faculty eases hiring and firing, erodes commitment to university mission

**Lurching onward, stuck in a doom loop, and increasingly appearing in Chronicle articles questioning its survival prospects**



## Rightsize State

*Strategically Pruned and Thriving*

3-month hold-open periods and central vacancy reviews frustrate busy staff but allow for AI, automation, and reorg solutions

Aggressive outsourcing of auxiliary tasks harms "community employer of choice" status but reduces risk, improves service

Demolishing under-filled residence halls prompts alumni uproar but offloads millions in deferred maintenance costs

Program review process narrows portfolio (and faculty headcount) while preserving mission-aligned offerings

Eliminating adjunct contracts and increasing section sizes impacts academic workload but avoids further layoffs

**Fewer students, programs, space, and staff – but resilient and fiscally stronger due to choices made for long-term good**

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## Immediate Challenge

Academic and Mental Health Struggles Spiral Post-COVID

## Long-Term Threat

Readiness Will Continue to Decline as Youngest of COVID Generation Arrive on Campus

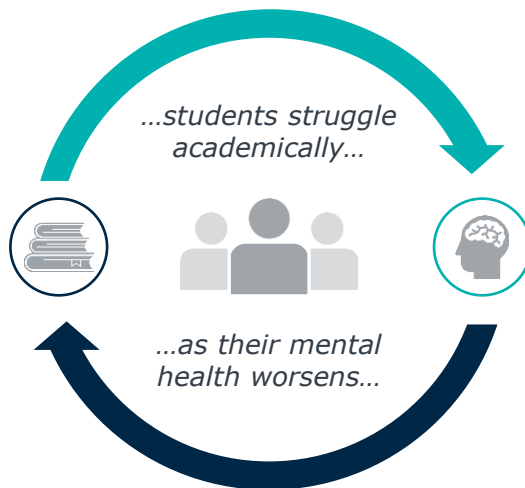




# A Vicious Cycle

## Academic and Mental Health Struggles are Mutually Reinforcing

Poor grades, falling behind on assignments **lead to feelings of stress and inadequacy**, which exacerbate mental health struggles



Feelings of hopelessness and anxiety cause decrease in focus and studying, which in turn **leads to poorer grades**

# Pandemic Worsened Academic Half of Vicious Cycle

32

## K-12 Unfinished Learning Has Arrived on College Campuses

### Challenges that Began in High School...

2/3

of students struggled with **coursework** due to home disruptions and mental health concerns from COVID

42%

of ACT-tested 2022 HS grads met **none of the college-readiness subject benchmarks** in English, reading, science and math<sup>1</sup>

2x

The **chronic absenteeism rate has doubled** from 16% in 2019 to an estimated 33% in 2022

### ...Are Now on Campus



**Chronic absenteeism<sup>2</sup>** continues to grow on college campuses



Academic struggles lead to **higher DFW<sup>3</sup> rates** in introductory courses



Institutions report incoming students struggle with **gaps in core knowledge** and **poor study habits**



**Widening expectation gaps** between faculty and students on work expected outside the classroom

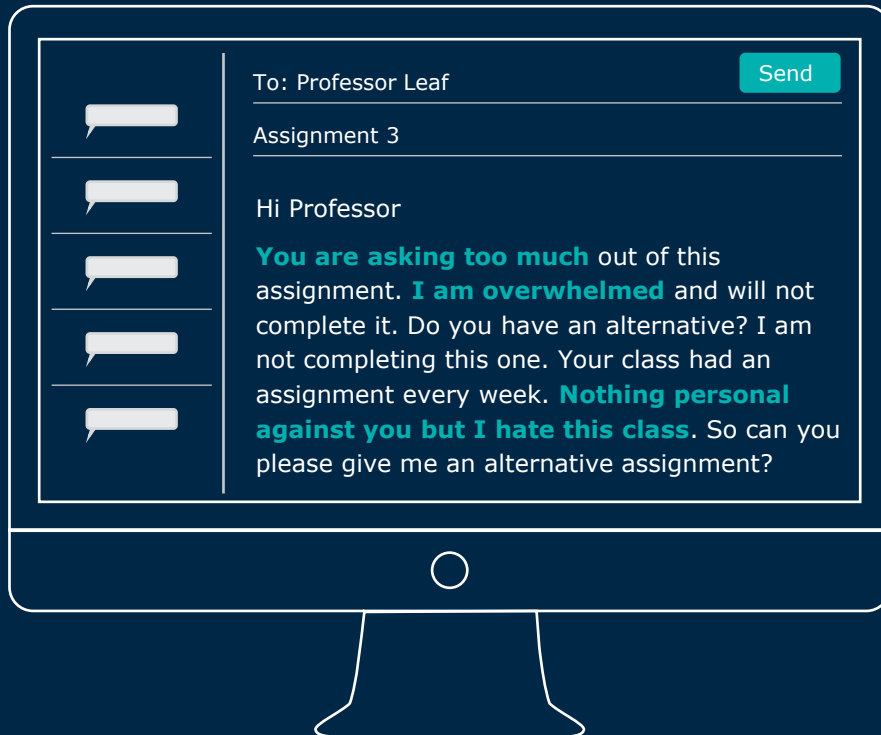
1) Doubled from 26% in 2019.

2) Defined as missing 10% or more of the academic year.

3) D grade, F grade, or withdrawal.



# I'm Just Not Feeling It Today, Bro



# Vicious Cycle's Impact on Enrollment, Persistence



## Academic and Mental Underpreparedness Influencing Student Decisions

### *Before Enrollment...*

#### **Mental, Academic Readiness Key Concerns for Optouts**

**22%**

of students who opted out of college in 2023 cited "not mentally ready" as their reason, up from 14% in 2019

**33%**

of high school counselors cited academic readiness as the top factor deterring their students from attending college

### *After Enrollment...*

#### **Stress, Well-Being Increasingly Behind College Stopout Trends**

**75%**

of college students who have considered dropping out in 2022 cited emotional stress as the primary driver

**2x**

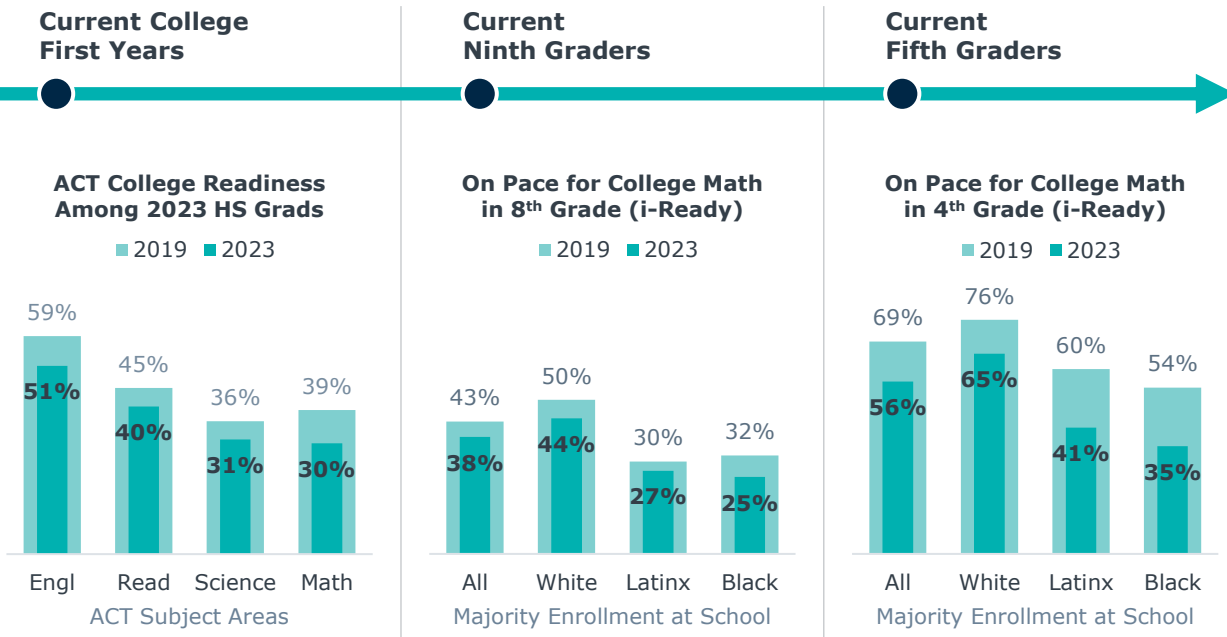
Students with mental health concerns were twice as likely to stop out before graduating from college



# It Will Get Worse Before it Gets Better

Gaps from Unfinished K-12 Learning Will Be Felt for Years to Come

## Pre- and Post-COVID Math Readiness by Age Cohort



Source: EAB analysis of data from Curriculum Associates' ["State of Student Learning in 2023"](#); ACT U.S. High School Class of 2023 Graduating Class Data; NAEP Scores 'Flashing Red' After a Lost Generation of Learning for 13-Year-Olds



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