Financial Strategies That Reflect Current Trends in Higher Education

New England Commission of Higher Education
December, 2019
BUSINESS MODEL

- Mission
- Structure
- Resources
- Strengths
WHAT IS AN INSTITUTIONS ECONOMIC MODEL?

- Production
- Investment
- Consumption

Business Model
CHANGING LANDSCAPE

DEMOGRAPHIC SHIFTS
Midwest and Northeast Hardest Hit

NET TUITION
Discount Up
Unmet Need Up

GENERATION Z
Overconnected
Overwhelmed
GROWING REVENUE

- Using data
- New programs and services through diverse delivery methods
- Focus on net revenue versus headcount
- Build new partnership and sponsorship opportunities
- Budget Projection Model linked to ROI
REVENUE – EXPENSE = MARGIN / NET REVENUE

WHAT PROGRAMS CURRENTLY PRODUCE HIGHER NET REVENUE?

DO THEY LINK WITH MARKET OPPORTUNITIES?

WHAT TARGETED MARKETING AND RECRUITMENT ACTIVITIES CAN BE DONE?
Independent Institutions Used Many Strategies to Increase Net Tuition Revenue in FY 2018

Percent of institutions that used or implemented strategies to increase net tuition revenue in FY 2018, by strategy type

- **Student Retention Strategies**: 69.3%
- **Changed/Added Facilities**: 24.3%
- **No New Strategies**: 7.7%
- **Student Recruitment Strategies**: 75.7%
- **Other**: 4.0%
- **Changed/Added Academic Programs**: 39.2%
- **Financial Aid Strategies**: 65.6%
- **Tuition Pricing Strategies**: 14.6%

60 MILLION ADULTS WITHOUT DEGREES LIKELY TO ENROLL WITHIN 5 YEARS

Likelihood to enroll in courses or training

Age Group

18-24
25-34
35-44
45-54
55-64

Strada – Gallop, 2019
 гарантированный выход на рынок труда (условия трудоустройства или увеличение зарплаты)

бесплатное обучение в колледже

курсы и обучение, которые соответствуют вашему графику

низкие стоимости обучения

курсы и обучение, которые необходимы работодателям

местно доступные учебные и центры обучения

качественный онлайн и дистанционное образование

ресурс и поддержка для ребенка и независимого ухода

Likely to enroll

4 = Important  
5 = Great Deal

Strada – Gallop, 2019
Contemporary in spirit and thinking and rooted in the liberal arts and Catholic intellectual traditions, with a mission to educate the whole person while preparing students to lead and serve in the world today

• Located in Fairfield, CT with campuses in Luxembourg and Dingle, Ireland

• 8,958 students:
  5,974 undergraduates
  2,984 graduate students

• More than 80 undergraduate, graduate, doctoral and certificate programs, including online degree programs, in six distinct colleges and two schools
Growth Initiative

• Build and maintain an entrepreneurial culture
• Faculty engagement- communication
• Strategy to develop new graduate programs
• SHU Online, Strategic acquisition of a 2-yr college
• Investment in faculty and facilities to support quality programs
• Graduate programs becoming a draw for undergraduate applicants
• iHUB / TechStars – building an ecosystem
• Student Activities/engagement
Easier said than done...

- Funding mechanism exempt from budget pressure
- Field of Dreams fallacy
- Timing is everything
- Shelf life is shortening
- Barriers to entering the market aren’t what they used to be
- Institutionalized sustainability metrics
Northern Essex Community College
FAST FACTS 2019

NUMBER & TYPE OF COLLEGES (2019)

Public: 941
Tribal: 35
Independent: 75

TOTAL 1,051
AVERAGE: 28
MEDIAN: 24

51% <21
39% 22-39
10% 40+

FAST FACTS 2019
FULL TIME
2.6M 37%

PART TIME
4.5M 63%

FAST FACTS 2019
OTHER SIGNIFICANT DEMOGRAPHICS

First generation to attend college .............. 36%
Single parents .................................. 17%
Non-U.S. citizens ............................... 7%
Veterans ......................................... 4%
Students with disabilities .................... 12%
Students with prior bachelor's degree ...... 7%

DEMOGRAPHICS OF STUDENTS ENROLLED FOR CREDIT²

HISPANIC ........................................ 24%
BLACK ............................................ 13%
WHITE ............................................ 47%
ASIAN/PACIFIC ISLANDER .................... 6%
NATIVE AMERICAN ............................ 1%
2 OR MORE RACES ............................ 3%
OTHER/UNKNOWN ............................. 4%
NONRESIDENT ALIEN ......................... 2%
Closing the Gap: Latino/a Success

Demographics of New Massachusetts Public High School Graduates—2002 vs. 2032

By 2032, nearly 1 in 4 students in the pipeline will be Latino
The Equity Imperative:

1. Massachusetts has one of the worst Latino-White college attainment gaps in the nation
2. NECC serves one of the largest Latino populations in Massachusetts
3. That population is growing, at a time when every other student demographic is shrinking

NECC is uniquely positioned to close the student success gap between Latino and white students
When we close the gap:

• Each 5% improvement in Latino student retention and completion means approximately **100 additional students** and **$250,000** in revenue.

• Improving our overall student success rate by 5% *and* closing the gap means an increase in enrollment of **more than 300 students** and over **$600,000** in revenue.
What is the greatest predictor of socioeconomic success in America?

Socioeconomic Success
(Zip Code)
**Overall mobility index**

This measure reflects both access and outcomes, representing the likelihood that a student at Northern Essex C.C. moved up two or more income quintiles.

14th out of 76 colleges in Massachusetts

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<td>Northern Essex C.C.</td>
<td>College of Our Lady of the Elms</td>
<td>Quinsigamond C.C.</td>
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HIGHEST MCPHS 38%

LOWEST (NO. 76) Berlee College of Music 7.1%
When we close the gap:

We will achieve *equity*, and a measure of social justice, for *all* of the students and communities we serve.
HEADCOUNT ENROLLMENT (FALL 2016)

Estimated change
Fall 2016 - Fall 2017: -1.7% (4)

CREDIT

59%
7.1M

NON CREDIT

41%
5.0M

TOTAL 12.1M
“Non-Credit”
A.K.A. Continuing/Community/Corporate Education
PATHWAYS AND ON-RAMPS

- Associates Degree
- Credential
- Start Career
- Competency Based Credits

- Certificate
- Apprenticeship
- Certification

- Bachelor Degree
- Micro Masters
- Career
Thank you!
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