



State of the Union for Higher Education

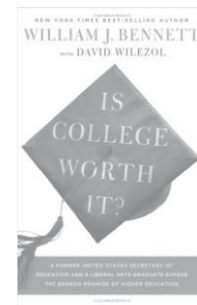
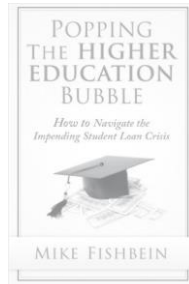
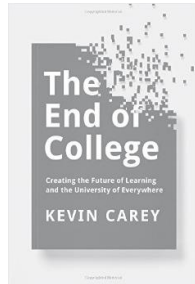
*Prepared for Fitchburg State University to Inform Strategic
Planning*

Sept 3, 2019

Higher Ed Assailed By A Drumbeat of Critiques



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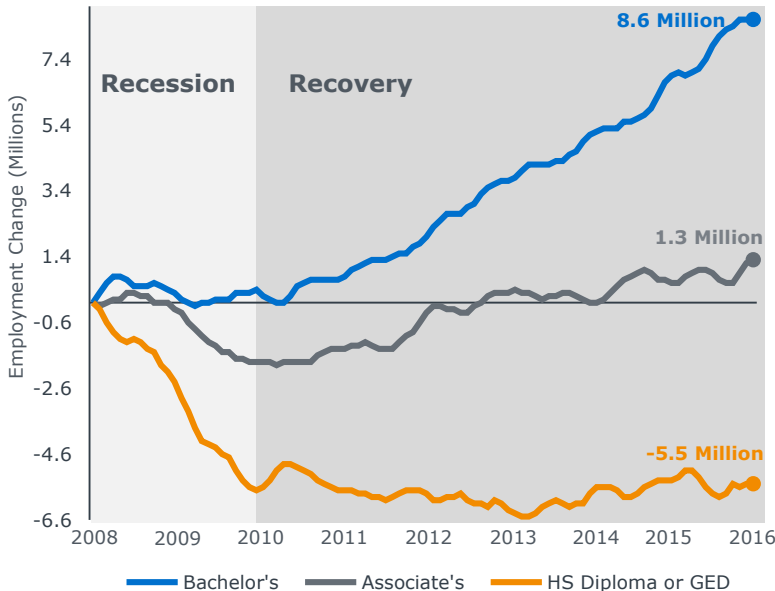


Source: "Is College a Lousy Investment," *Newsweek*, September 2012; EAB interviews and analysis.

Job Prospects Dwindling for HS Diploma Holders

Need for a Postsecondary Degree Underscored in Post-Recession Economy

Employment Changes by Educational Attainment, During and Post Recession



Employment Change During the Recession

-1.8M jobs requiring a high school diploma or less
+187K jobs requiring at least a bachelor's degree

Unemployment Rates

5.2% for high school diploma holders
2.7% for bachelor's degree holders

Looking Ahead

65% of all jobs will require education and training beyond high school by 2020



1) High school.

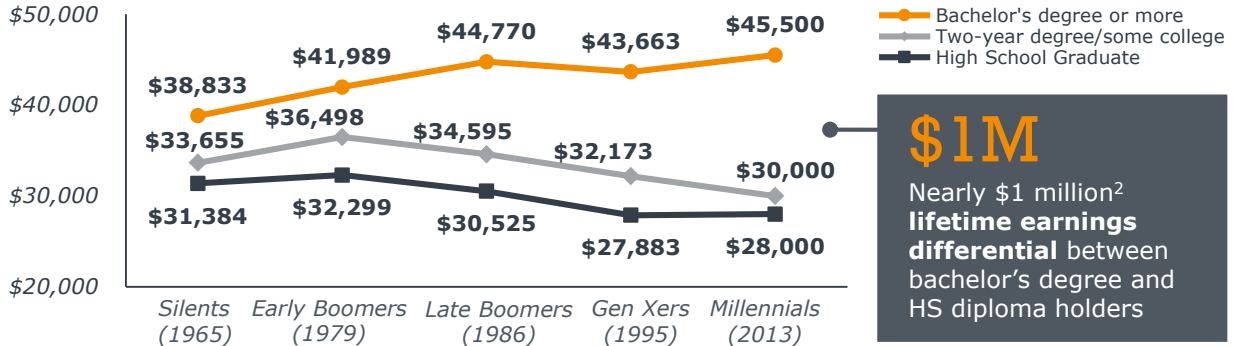
Source: Georgetown University Center on Education and the Workforce, 2016, "America's Divided Recovery: College Haves and Have-Not's"; Bureau of Labor Statistics, 2016, "Unemployment rates and earnings by educational attainment"; Georgetown University Center on Education and the Workforce, 2014, "Recovery: Job Growth and Education Requirements Through 2020"; EAB interviews and analysis.



Value of College Degree has Never Been Higher

Bachelor's Degree Holders See ROI¹ in Lifetime Earnings and Beyond

Median Annual Earnings Among Full-Time Workers Ages 25 to 32



Benefits Beyond Earnings

+47%

Likelihood of having health insurance through employment

+72%

Likelihood of having a retirement plan through employment

+44%

Likelihood of reporting health to be very good or excellent

+21%

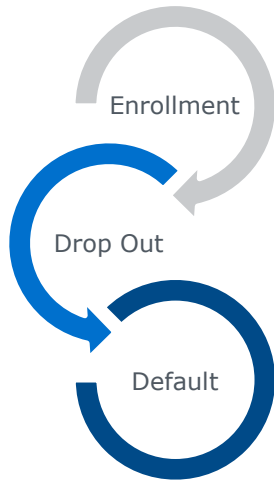
Likelihood of being married

1) Return on Investment.
2) Median lifetime earnings differential \$964,000.
©2015 The Advisory Board Company • eab.com

Source: Pew Research Center, 2014, "The Rising Cost of Not Going to College"; Georgetown University Center on Education and the Workforce, 2011, "The College Payoff"; Lumina Foundation, 2015, "It's Not Just the Money"; EAB interviews and analysis.

Every Non-Completion is a Tragedy

Student Loan Crisis is Really a Crisis of Completion



Loan Default Has Profound Financial Consequences

- Loans enter immediate repayment for full balance
- Fees and collection costs added to the balance
- Wages and tax refunds can be garnished
- Damaged credit score inhibits future borrowing

59%

Of college **non-completers** drop out with debt¹

\$8,225

Average loan amount for borrowers who dropped out

63%

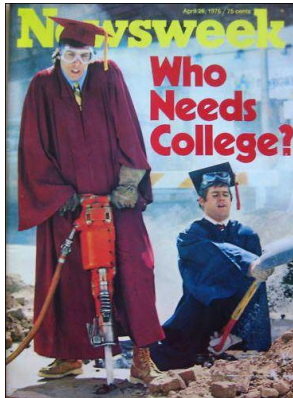
Of **defaulted student loans** are from non-completers



1) From federal student loan programs (i.e., Stafford, Perkins loans)

Not Exactly News

College Has Been Called into Question for Decades



April 1976

Guess Which Quotes Are From 1976 vs. 2012

“By all estimates, the rising costs of college have been paced by diminished economic returns on the college investment.”

“Is all this investment in college education really worth it? The answer, I fear, is that it’s not.”

“As much as 27 percent of the nation's work force may now be made up of people who are "overeducated" for the jobs they hold.”

“More than half of all recent graduates are unemployed or in jobs that do not require a degree.”



Source: “Who Needs College,” *Newsweek*, April 1976; “Who Needs College? The Answer Might Surprise Newsweek,” *Huffington Post*, October 2012; <http://www.forbes.com/sites/katiesola/2015/11/11/rubio-welders-philosophers/#2a80837d12a1>; EAB interviews and analysis.

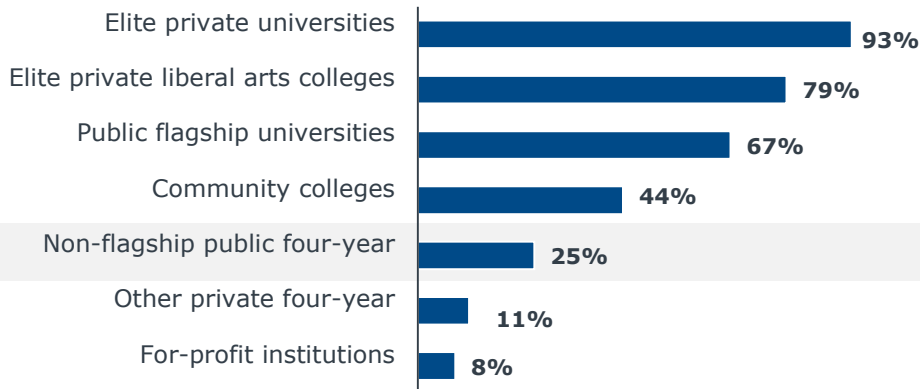
Financial Sustainability in the Decade Ahead



Existential Urgency Dependent on Segment

Percent of presidents that strongly agree/agree business models for each type of institution will be sustainable over next ten years:

Inside Higher Ed and Gallup 2018 Survey of College and University Presidents, (n = 618)





Shifting Demographic and Economic Realities

PART

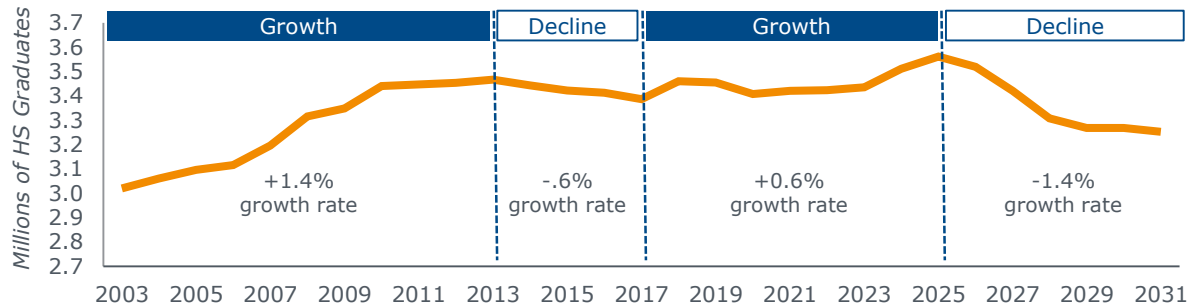
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Not Enough Growth to Go Around for Everyone

High School Graduate Growth Rate Plateaus Before Precipitous Decline

Number of High School Graduates and Compound Annual Growth Rates



Change in High School Graduates from School Year 2012-2013, by Region

	West	Midwest	Northeast	South
2019-2020	-11,500	-41,200	-42,000	32,200
2024-2025	24,900	-29,700	-26,200	117,900
2029-2030	-45,900	-26,200	-72,300	7,100

Looming Birth Dearth

Population of 18-Year-Olds to Contract Sharply After 2025

Modest Decrease...

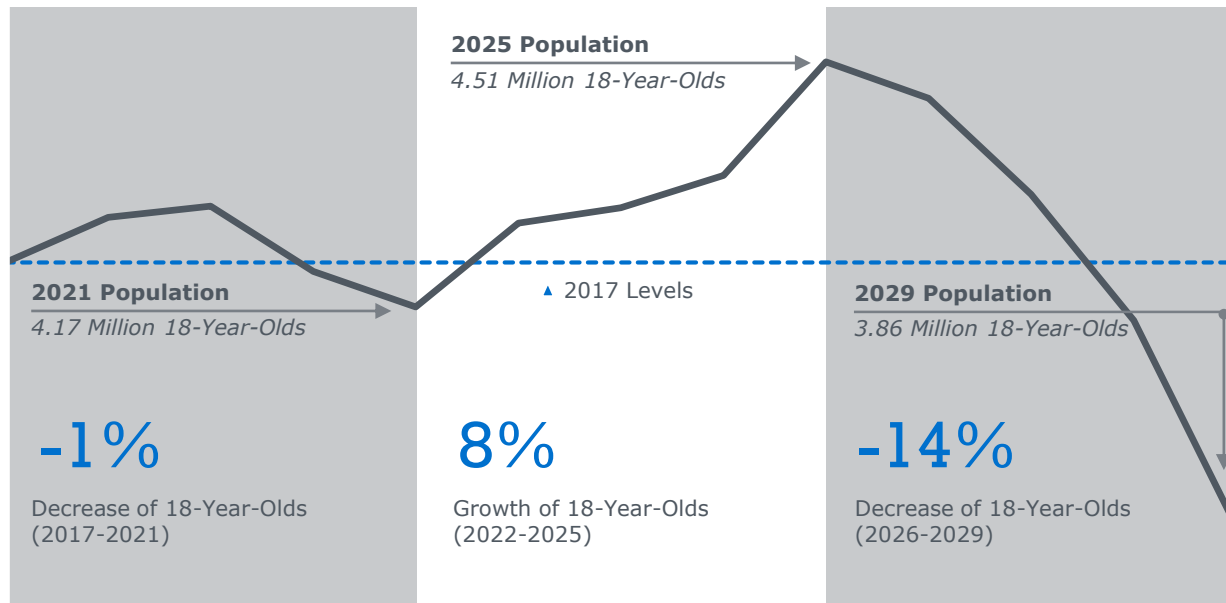
...Followed by Growth Spike...

...Met with A Sharp Decline

2017-2021

2022-2025

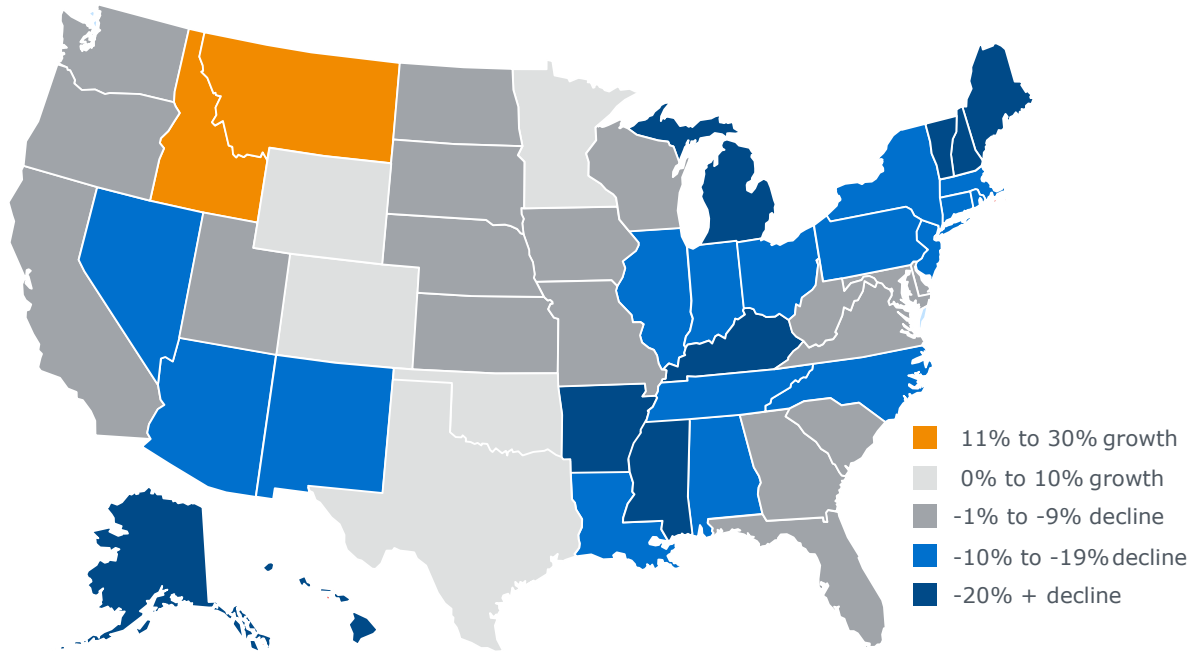
2026-2029



Diverging Fortunes by Region

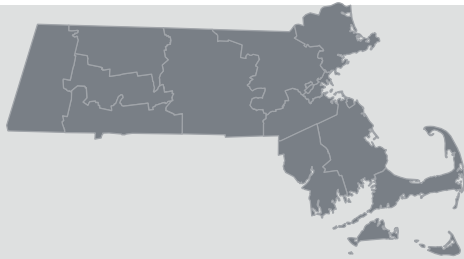
Falling Birthrates From 2007 to Present Projected to Hit HEIs Across the US

Projected Percent Change in the Population of 18-Year-Olds, 2017-2029



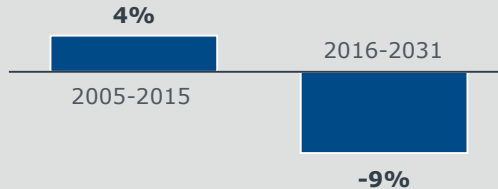
- 11% to 30% growth
- 0% to 10% growth
- -1% to -9% decline
- -10% to -19% decline
- -20% + decline

Demographic Change Overview: Massachusetts



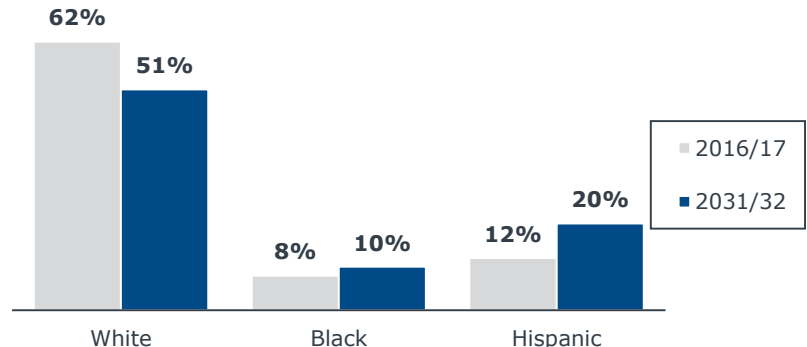
Change in Number of High School Graduates, 2005-2015 Vs. 2016-2031

Data Source: Western Interstate Commission for Higher Education



Hispanic, White, and Black Students as a Share of All High School Graduates, 2016 Vs. 2031

Data Source: Western Interstate Commission for Higher Education

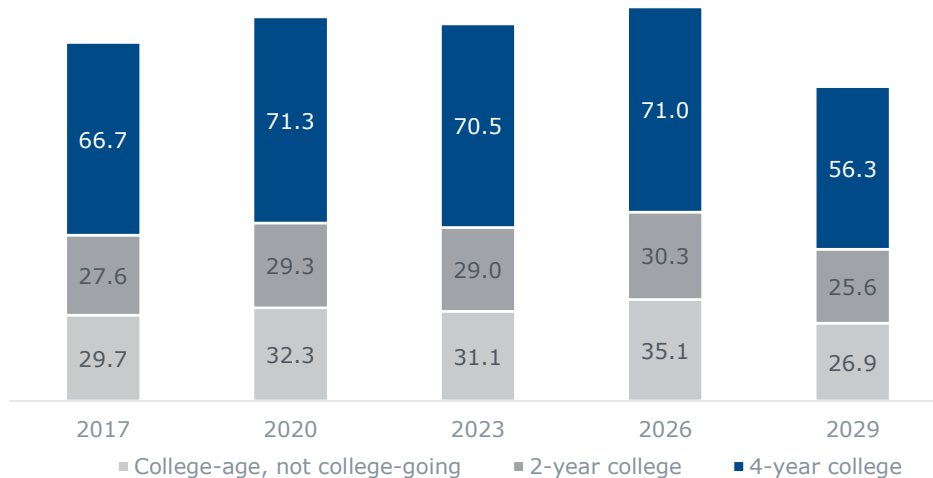


Source: Knocking at the College Door: Projections of High School Graduates, Western Interstate Commission for Higher Education, 2016, www.wiche.edu/knocking; EAB interviews and analysis.

Demographic Change Overview: Massachusetts

Forecasted Number of College-Aged and College-Going Students in Massachusetts, Connecticut, and Rhode Island¹ (Thousands), by Year of High School Graduation

-16% Decline among four-year college-going students between 2017 and 2029



Declining:

- Hispanic (-31%)
- Black (-21%)
- White (-18%)
- Asian American (-3%)

Getting Ready for the Student of the Future

Currently....

30%

Of entering first-year students in US are first generation college students

25%

Leave after their first year, a drop-out rate four times higher than peers¹

89%

Of low-income first generation students leave college after six years without a degree



But Changes on the Horizon...

-10%

Students with household incomes >\$100K (2017-2029)

-19%

Non-Hispanic white 18-year-olds (2012-2029)

64%

18-year-olds in a household where neither parent holds a bachelor's degree (2029)

Debt Aversion in Action

Students Even *More* Debt Averse Than They Say

A 2017 Study on Loan Aversion Compared Stated Preferences to Behaviors



7,261 people surveyed



Four states represented

Attitudes Did *Not* Accurately Reflect Debt-Averse Behaviors

Among high school students:

32%

say they believe that "borrowing money is basically wrong"

22%

say they believe it's "not okay to borrow for education"

39% exhibited evidence of loan-averse behavior

Three Types of Loan Aversion Measured:

- 1 General attitudes toward borrowing
- 2 Attitude toward borrowing for education
- 3 Loan-averse behavior measured using hypothetical financial aid packages with and without loans

Variation Within Segments Challenges Common Assumptions About Debt

- No evidence that low-income students are more loan averse
- **Hispanic students are** more loan averse than other groups, even after controlling for income and first-generation status
- **Females** less loan averse in attitudes but more loan averse in behavior
- **Transfer students** are less loan averse

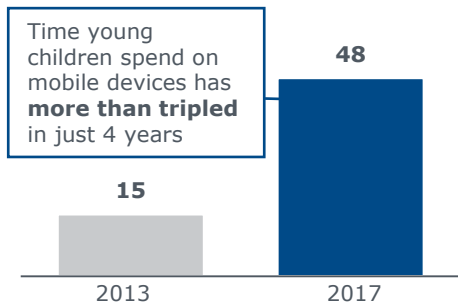


Prevalent Technology Makes Screen Time Ubiquitous

Today's Kids Have Never Known Life Without Phones

Mobile Screen Time on the Rise for Young Kids

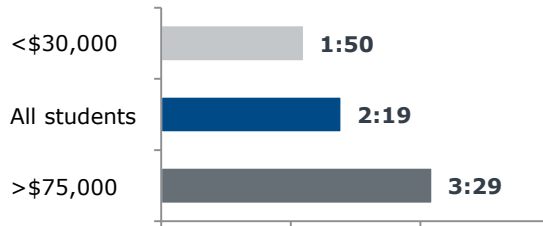
Average Time Kids 8-Years-Old and Younger Spend on Mobile Devices per Day, in Minutes



Time young children spend on mobile devices has **more than tripled** in just 4 years

Variation Plays Out Along Income Lines

Average Screen Time Per Day (hrs:min), by Family Income



Long-Term Effects of Screen Time Largely Unknown

But Excessive Exposure Has Been Linked to...



Sleep Deprivation



Greater Risk of Aggression



Risk of Obesity



Decreased Physical Activity



Source: Hopkinson, A, "Time Children Spend on Mobile devices Has Tripled in Four Years," EdSource, 2017; "Common Sense Census 2017: Media Use by Kids Age Zero to Eight," Common Sense Media; Lou, D, "Sedentary Behaviors and Youth: Current Trends and the Impact on Health," Active Living Research, 2014; EAB interviews and analysis.

The Great Recession and Its Aftermath

Today's Students Were Born Amid Economic Downturn...

Economic and Societal Hardships Resulting from the Great Recession (2007-2009)



Decline in median household family incomes



Reduction in household net worth



Homes were foreclosed annually



Decline in the number of jobs



Americans lost their jobs, doubling historical high of long-term unemployment



Americans lost employment-based healthcare

...That Had a Detrimental Influence on Home-Life Stability



Poverty rates for youth under age 18 reached 22% in 2010, higher than that of any other age group



8.1 million children (an increase of 67%) were living with an unemployed parent in 2010, increasing their likelihood of homelessness



Percentage of **food-insecure households with children peaked at 21.3%** in 2009



Domestic violence grew in relation to unemployment, resulting in **75% of shelters reporting an increase in women with children seeking assistance¹**

1) Based on national findings from a survey of domestic violence shelters, n=672.



Substance Abuse Rates on the Rise

Alcohol Abuse Rising to Troubling Levels...

Results from the National Epidemiologic Survey on Alcohol and Related Conditions, 2002-2013

29.6M

Americans engaged in high-risk¹ drinking in 2012-13

50%

Increase in alcohol abuse and dependence

66%

Increase in alcohol abuse and dependence among low income² individuals



...While Opioid Crisis Continues to Intensify

Data Based on a 2016 Governmental Account of Nationwide Drug Deaths

11.4M

People **misused prescription opioids** between 2016-2017

> 115

People **die every day** in the United States from an opioid overdose



Drug overdose is the leading cause of death for people under 50

Kids Suffer As a Result of Adult Behavior

25%

Of American kids grow up in households where substance abuse is present



Experts find that children struggle to regulate behavior because they don't know boundaries of right and wrong

1) "High-risk" drinking defined as women drinking four or more drinks in a day or men drinking five or more drinks in a day, on a weekly basis.

2) Low income defined as earning less than \$20,000.

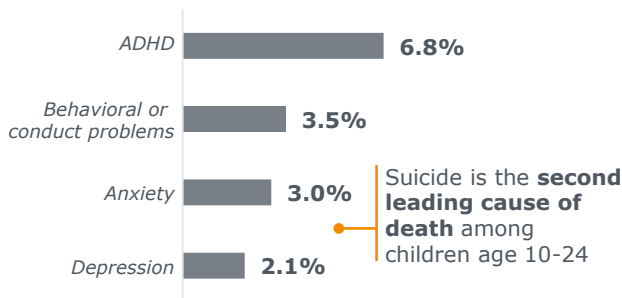


Affecting Individuals Younger and Younger

Leaving Educators Very Concerned With How to Respond

Adolescents and Children Not Immune to Mental Illness

"% of Youth Ages 3-17 Diagnosed with ____"



But Most of These Kids Fail to Receive Adequate Treatment

% of Youth Ages 3-17 with a Diagnosable Disorder who Go Untreated

80%

Of roughly 12 million children are **not provided proper treatment** for mental health issues

Demand for Services Outpaces Enrollment Growth

Average Growth, 2009-10 to 2014-15

5.6%

Average percent change in **institutional enrollment**

29.6%

Average percent change in **counseling center utilization**

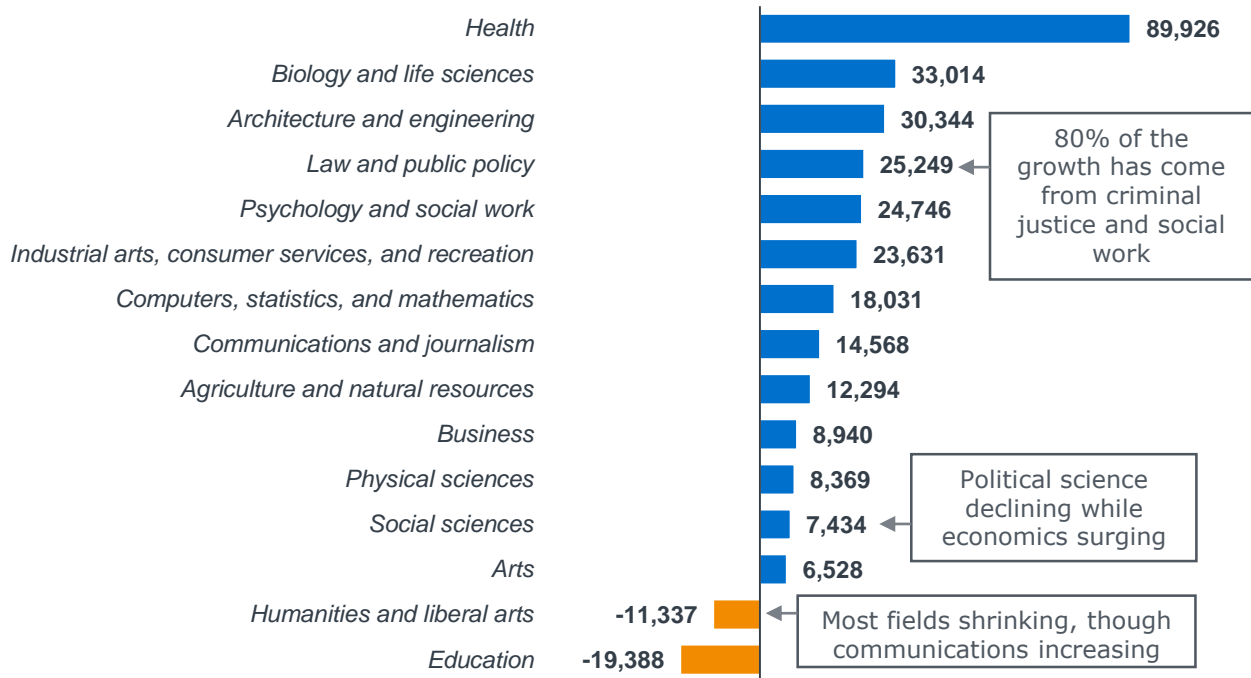
5x

Rate at which **counseling center utilization outpaced enrollment growth**

Students Pursuing Workforce Oriented Degrees

Students Move to Healthcare and STEM, Away from Education & Humanities

Change in Number of BA Degree Completions by Major Group, 2007-2015, All Institutions



Repackaging Liberal Arts



Orienting Liberal Arts Majors Towards 21st Century Careers



Reframe or add tracks to struggling liberal arts majors oriented around today's industries

English ➔ Publishing and Editing

- Prepare students for marketing, public relations, media production, journalism
- Industry-specific practicum taught by professional-in-residence
- Students required to complete relevant internship
- New program-specific capstone
- A few new major-specific courses were added to the curriculum

95%

School of Arts and Sciences graduates employed or continuing education

80%

Growth in enrollment in English in two years

Pairing Liberal Arts with Professionally-Oriented Tracks



Nexus program focuses on emerging fields:

- *Data science*
- *Engineering*
- *Global business*
- *Non-profit leadership*
- Prepare students for internships, research projects, careers

Pre-Experience Programming

3 Academic Courses

Pre-selected course options tailored to track

Practical Experience

Related internship, research project, or summer job

Curriculum to Career Course

Presentation on Experience

9% *Students declaring a track*



Emerging Strategies for Sustainability

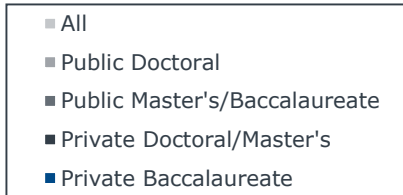
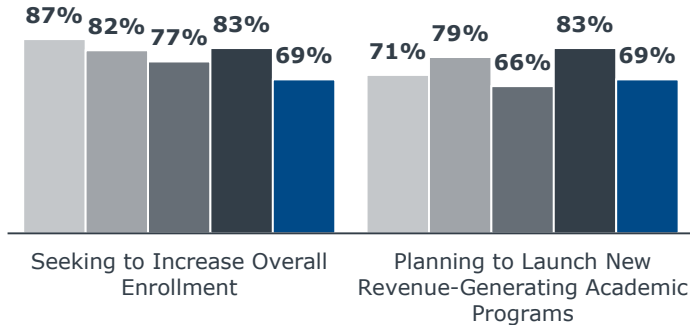
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Growth the Top Institutional Imperative for Most

Key Focus Across Different Campus Leaders and Segments

CBOs with Strong Growth Aspirations¹ by Segment



Leaders Across Campus Affirm Growth Imperative



Provosts agree¹ that financial concerns prevalent in institutional discussions about launching new programs



Online education administrators indicate plans to launch new online programs in next 3 years

Source: *Inside Higher Ed*, "The 2016 Inside Higher Ed Survey of College and University Business Officers," July 2016; *Inside Higher Ed*, "2017 Survey of College and University Chief Academic Officers," January 2017; Straumsheim, C., "Signs of a Ceiling in Online Ed Market," *Inside Higher Ed*, May 22, 2017; EAB interviews and analysis.

1) Agreeing or strongly agreeing with survey statement.



Barriers to Transfer at Every Stage

Slow and Confusing Process Prevents Many Students from Transferring

5.9M

community college students
intend to transfer



1.9M

community college students
transfer to four-years

Lifecycle of a Prospective Transfer Student



Preparation

Search

Decision



Wants to transfer, unsure how

- Confusing transfer guides
- Over-burdened two-year advisors

Looks for four-year, unsure of best fit

- Transfer fairs provide insufficient detail
- Infrequent visits from four-year recruiters, sparse contact

Wants to apply, still unsure if feasible

- How many credits will transfer?
- How much will it cost?
- How long will it take?



4M

potential transfers lost



Intended Transfers Drop Out of Pipeline

Competing on Clarity

Answering Three Core Questions to Boost Transfer Yield

How many credits
will transfer?



How much will it cost
to complete?



How long will it take
to get a degree?



“ The three common threads for prospective student delays in decision-making are: I need to know what credits transfer, I need to know how much it will cost, and I need to know how long it will take me to finish... We need to develop a capability to provide this information to students before they apply.”

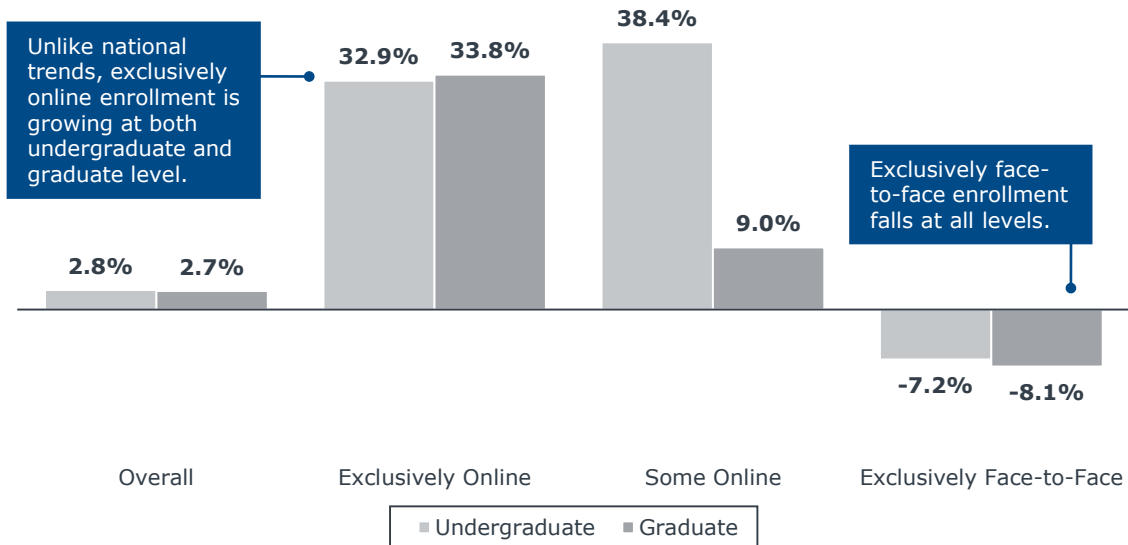
Scott Booth
Executive Director of Marketing and Enrollment
Franklin University

Online @ Regional Public Universities

Online Grad and Undergrad Enrollment Growing at Same Rate

Graduate and Undergraduate Students Increasingly Interested in Online Education

Percentage change in student enrollment at four-year, degree-granting institutions, 2012-2016



Myth: There is No “Online Market”

Reality: Three Distinct Student Segments Constitute Online Opportunity



Multimodal Undergraduates

Opting for Convenience and Enrichment



Professional Graduate Students

Investing in Career Advancement



Adult Degree Completers

Looking for Fast, Flexible Degrees

Goals and Motivations

- On-Time Graduation
- Curricular Exploration
- Promotion
- Career Change
- On-Time Graduation
- Curricular Exploration

Selection Process

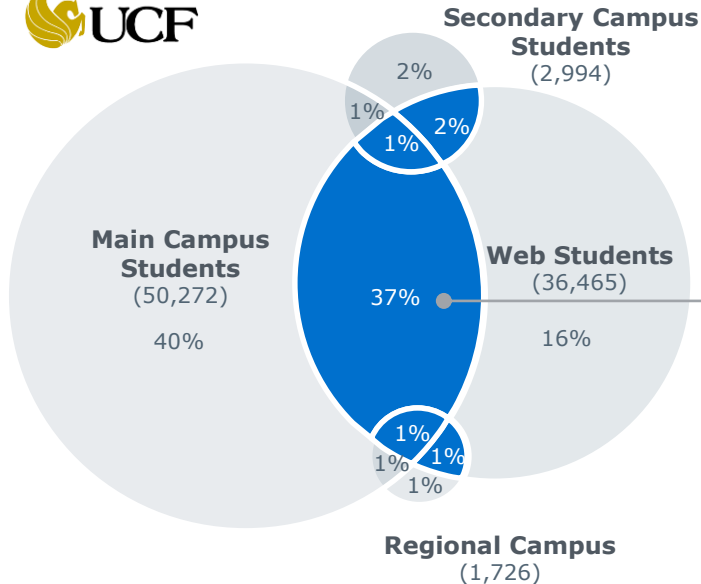
- Location
- Reputation
- Cost
- “Search and Shop”
- Reputation in Industry
- “Search and Shop”
- Cost
- Convenience

Multimodality Increasingly the Norm

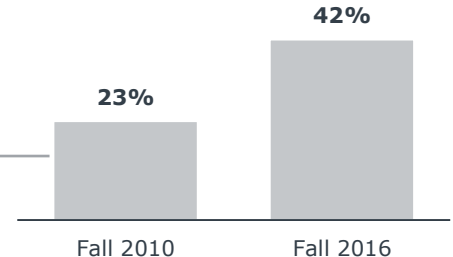
More Traditional Students Are Demanding Blended Learning Opportunities

"Multi-Modality" at the University of Central Florida

Head count by location, Fall 2016



Face-to-Face Students Taking Online Courses Have Increased

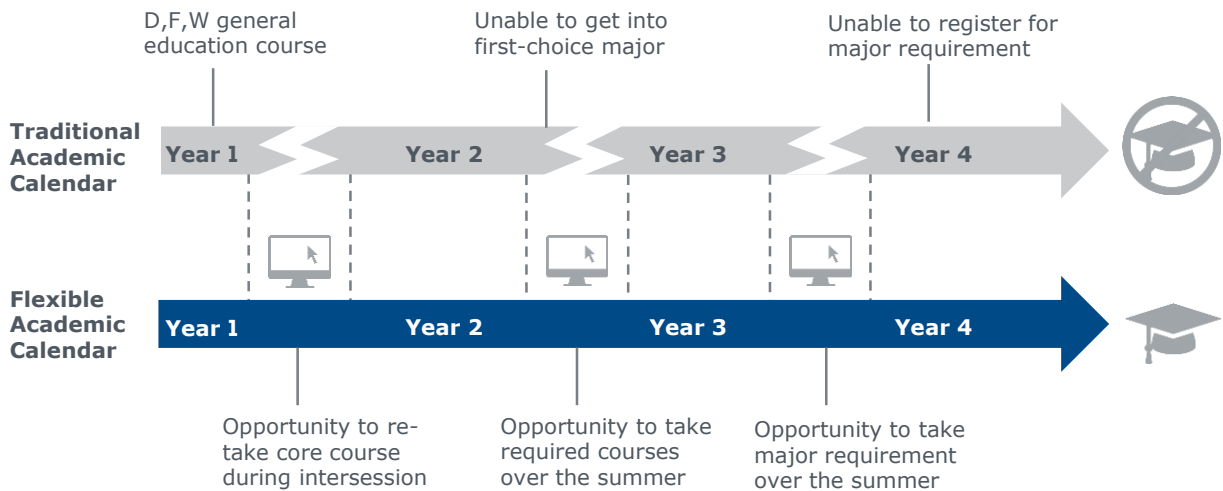


“Classifying a student as ‘main campus’ or ‘extended campus’ or ‘distance’ becomes meaningless in an environment where students take whatever courses they need in whatever location or modality best suits their requirements at the time.”

Thomas Cavanagh, Vice Provost for Digital Learning, University of Central Florida

Untether from the Academic Calendar

Decrease Graduation Delays With Intersession and Summer Online Courses



Course Prioritization:

High demand prerequisites, general education courses, and introductory pre-med courses

UCF Students Who Take More Courses Online Tend to Graduate Sooner

4.3

Average number of years it takes an exclusively face-to-face (0% of credit hours taken online) student to graduate

> 3.9

Average number of years it takes a student who takes 41%-60% of their credit hours online to graduate

A Second Life for Existing Online Courses

Restructuring Intersession as a Path to Degree Completion



Degree-Advancing Impact

- General education bottlenecks
- Sequenced courses
- Major requirements

Course Format

- 100% online
- 3-week duration
- 5 days per week

Faculty Incentives

- Receive extra pay for course overload
- One-time \$500 bonus to work with Instructional Design

Credit Accumulation on the Rise

~650

Enrolled students



+4%

Students taking 15 CH
(Spring 2015 vs. 2016)

+2000

Total credit hours
accumulated



No decrease in Spring
term credit accumulation

Participants Excel Academically

81%

Winter students
attained an A/B grade



66%

A/B grades for Fall term
course equivalent

Flexible Modality, Responsive Schedules

Dual Delivery Offers In-Person Engagement and Flexibility

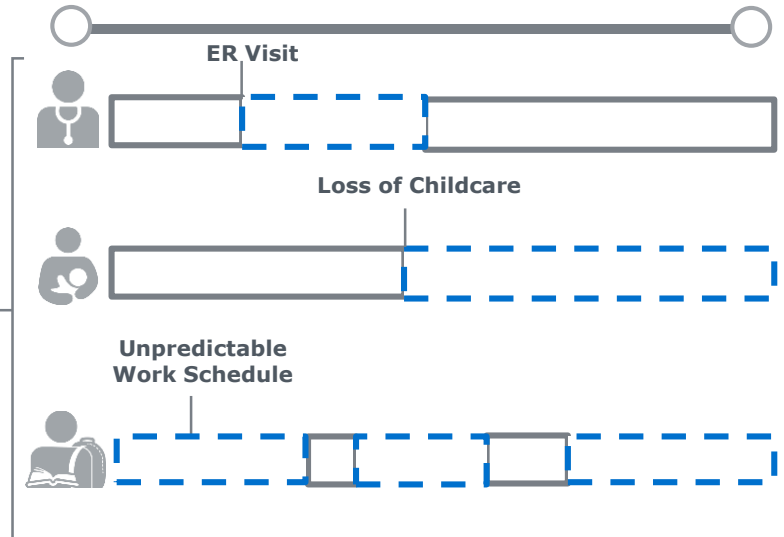


The Next Level of Student-Centric Scheduling

- 1 Course content delivered in a traditional, face-to-face manner
- 2 Class sessions and course materials are recorded and uploaded to Blackboard
- 3 Students can flex attendance at-will
- 4 Discussions and assignments available in both modalities

Beginning of Term

End of Term



Key:

In-Person

Online

63%

Gap closure between full-time and part-time retention since implementation

A Reason for Optimism?

Growth in Students Age 25-34 2007-2017, NCES

15%

All institutions

620K

Total students



Growth in Online-Only Students 2013-2017, EAB Research

47%

Public 4-years

42%

Private non-profit
4-years

Growth in Masters Conferrals 2007-2017, NCES

25%

All institutions

160K

Total graduates

Tracking the Market EAB Research

10-25%

Recent increases in online
program **growth targets**



More Growth on the Horizon NCES Projections Through 2026



11%

Projected growth
students age 25-34



22%

Projected growth
masters degrees conferred

The Rise of the Professional Master's Degree



A Contrast To Traditional Master's Programs



Traditional Master's

- Full-time, residential
- Thesis
- Path to PhD
- Designed around faculty research interests
- Taught exclusively by tenure stream faculty
- Housed within single department
- Financial aid available
- Younger, less experienced students



Professional Master's



- Part-time, low residence
- Project or work experience
- Path to employment
- Designed around employer hiring interests
- Taught by tenure stream faculty and adjuncts
- Cross-disciplinary/ multiple departments
- Typically self-pay
- Often older students with work experience

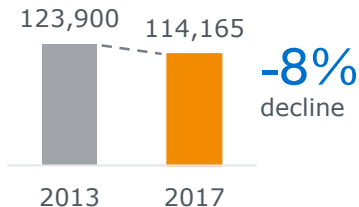
Signature Graduate Fields Continue to Contract

MBA, JDs, and Education Master's Continue to Decline

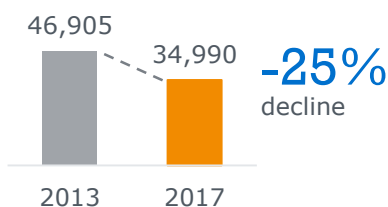
Declining Degree Conferrals

2013-2017, EAB Research

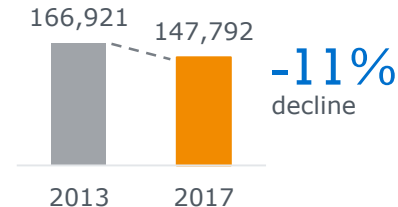
MBA



JD



Education Master's Degrees



Volume of Test Takers Indicate Enrollments Unlikely to Rebound

-6%

Decline in GMAT test takers from 2014 to 2018

-6.9%

Decline in LSAT test takers from 2017 to 2018

Flat

Volume of GRE test takers in the United States

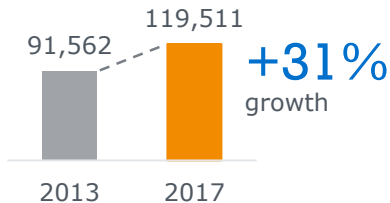
Growth Concentrated in High-Cost Fields

Health Care and STEM Expensive to Launch and Scale

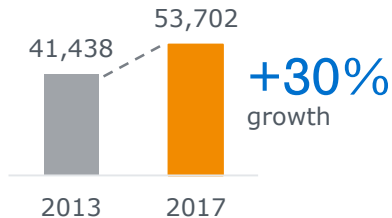
Growing Master's Degree Conferrals

2013-2017, EAB Research

Health Care



Engineering



Computer Science and IT



Growing Competition at the Master's Level

2013-2017, EAB Research

+10%

Growth in number of institutions reporting health care conferrals

+6%

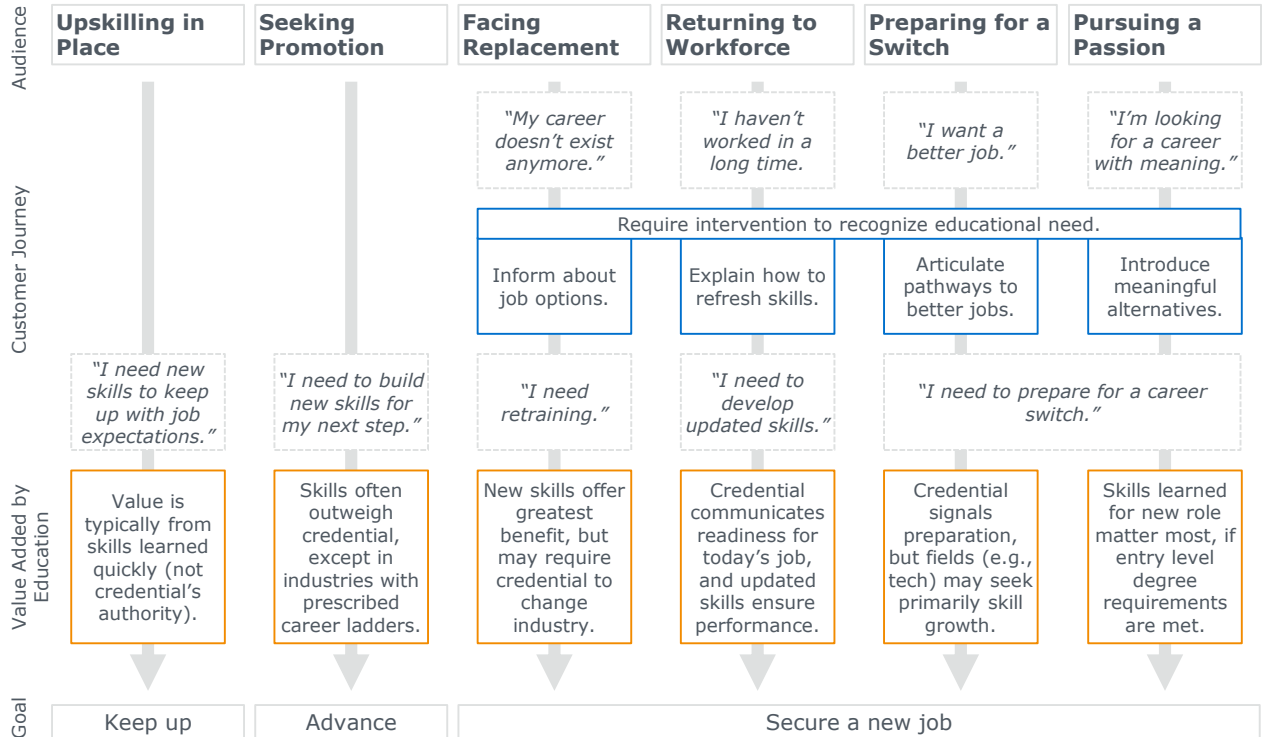
Growth in number of institutions reporting engineering conferrals

+11%

Growth in number of institutions reporting computer science and IT conferrals




Getting Beyond “Working Professionals”

Develop Targeted Programs Across a Prospect’s Career Lifecycle



Not Just Full Master's Degrees, Though

Institutions Capitalizing on Changing Credential and Delivery Preferences

Emerging Preference	Stackable Certificates	2 nd Bachelor's Degrees	Bootcamps
<i>Description</i>	General and specialized certificates that can be combined into full master's degrees	Accelerated undergraduate programs for bachelor's degree holders. Students complete only major, not foundational, coursework	Intensive, face-to-face, non-credit programs that teach specific skills
<i>Millennial Demand Drivers</i>	<ul style="list-style-type: none"> Employers limiting tuition reimbursement to programs directly applicable to short-term job functions Young professionals seeking specialized credentials for long-term career enhancement 	<ul style="list-style-type: none"> High number of under- and unemployed recent graduates Greater salary premium for STEM-focused bachelor's compared to liberal arts master's 	<ul style="list-style-type: none"> Student preference shifting towards intensive, face-to-face learning experiences For-profit start-ups targeting millennials in bootcamp marketing
<i>Example</i>	 <p>Core landscape design and specialized sustainable landscape certificates can be combined into a MPS¹ in Landscape Design</p>	 <p>Post-baccalaureate BS in Computer Science requires no prior technical training; offered online in full- and part-time formats</p>	 <p>Coding bootcamp prepares students for web developer careers in 12 (full-time program) or 24 (part-time program) weeks</p>

1) Master of Professional Studies.

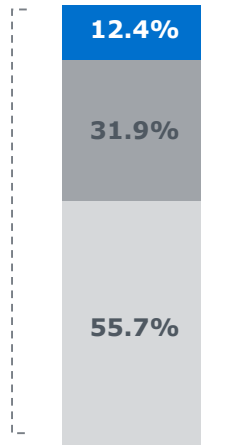
Degree Completion Hype Doesn't Reflect Reality

Not All Degree Completion Prospects are Likely to Complete

The Hype

31M

Size of degree completion market (some college, no degree) often cited—used in vendor sales pitches, strategic plans.



The Reality of "Potential Completers"

4M

- **Potential completers** (multiple term enrollees with 2 years' progress or more)
- One-term enrollees
- Multiple-term enrollees with less than 2 years' progress

Key Characteristics

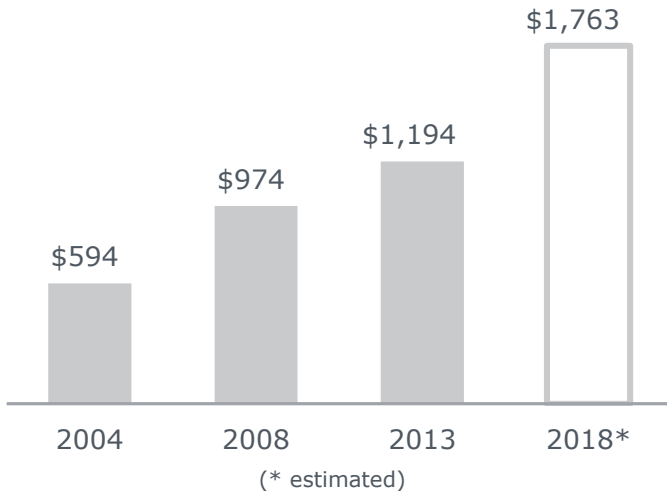
- Most common potential completer is between 24-29 years old
- Men represent a slightly smaller proportion (trend younger)
- For 17% of potential completers, seven or more years has elapsed since their last enrollment
- 45.6% attended only one institution and 36% attended only two institutions

NATIONAL STUDENT
CLEARINGHOUSE

The Economic Case for Student Success

Protecting Your Investment in the First-Year Class

Cost to Recruit a New Student Public Universities



Doing The Math

_____	First-Year Students
x _____ %	First-Year Attrition
x \$ _____	Cost to Recruit
= \$ _____	Recruitment Spend Lost Each Year

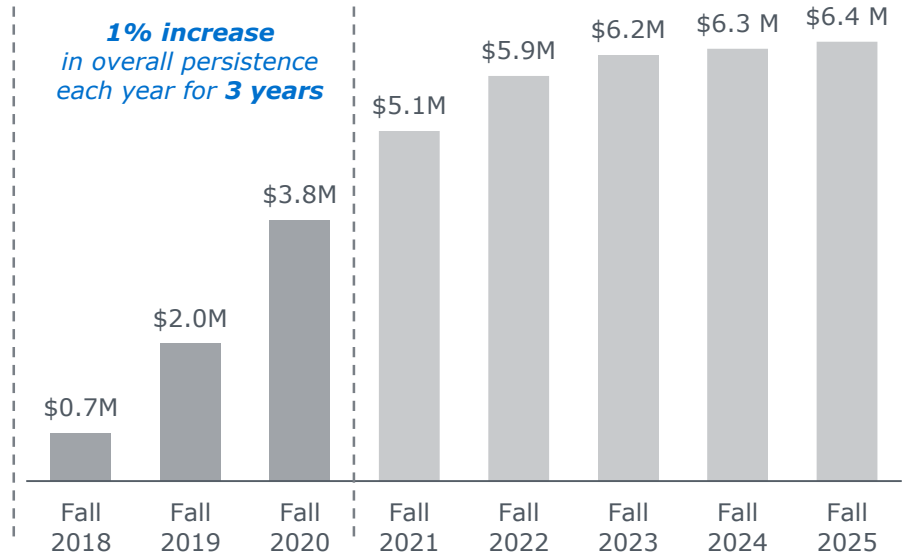
The Economic Case for Student Success

Financial Impact of a Retention Improvement

Projected Net Revenue Above Baseline

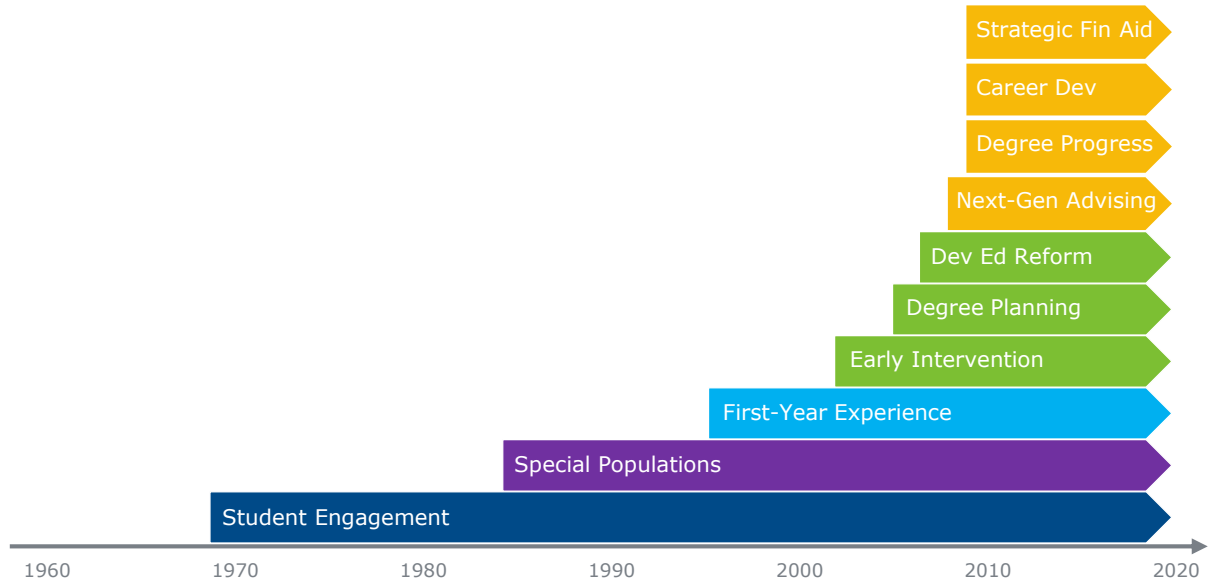


- **10,000** student public institution
- **\$12,000** net revenue per student



The Evolution of Student Success Strategy

Most Growth in Sophistication Has Come in Last Decade



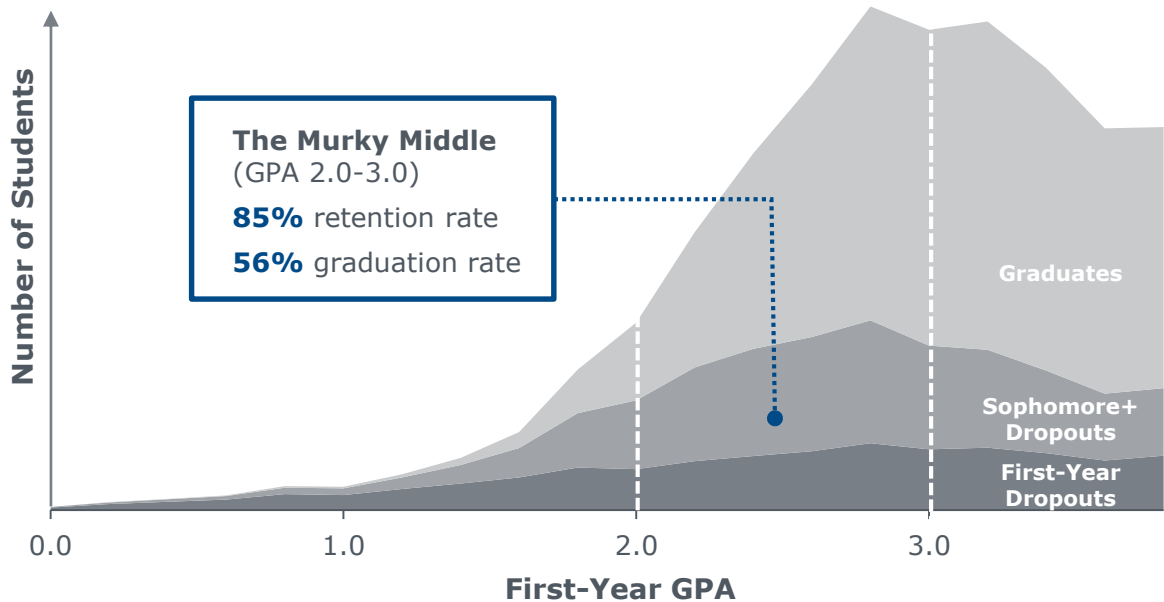
A Big Opportunity in the “Murky Middle”

Large Numbers of Mid-Range Students Leaving Sophomore Year or Later

A Topographical Map of National Student Outcomes

6.7 million student records

■ 1st Year Departures ■ 2nd Year or Later Departures ■ Graduates



Steering Choice Architecture in Our Favor

Behavioral Economics Comes to Higher Ed

Minor Changes in Policy and Framing Affect All Aspects of Life

Framing

"Medium" most popular coffee size, even when actual size manipulated



The Default Option

Retirement plan enrollment climbs after "opt in" changed to "opt out"



Convenience

Consumers more likely to purchase food within easy reach, at eye level



Burdening Bad Choice

Motorcyclists must pass extra test and prove insurance to forgo helmet



But Too Often, Students are "Nudged" in the Wrong Direction



Students take "full load" of 12 credits, assume they're on track for timely graduation



Students only register one term at a time, and many stick to minimum course requirements



Students pick courses from huge catalog based on flawed criteria, delay graduation requirements



Students able to withdraw from courses, drop out, or deviate from plans with easy transaction



Backed by Science

A Large Body of Empirical Research Supports Course Improvement

Course Redesign



- Supports institutions in course redesign efforts aimed at improving student learning and reducing costs
- Over 195 redesign projects undertaken

Active Learning Environments



- Active learning classroom design developed by North Carolina State University meant to scale active learning to large courses
- Over 250 institutions SCALE-UP sites in the US

Gateway Course Assessment & Improvement



- Comprehensive gateway course improvement processes involving analytics and F2F and virtual course redesign support communities
- 39 participating colleges and universities



Toward Greater Rigor and Granularity in Strategic Planning

PART

3

Why Higher Ed Culture Eats Strategy

Mission-, Culture-Driven Ethos Often a Double-Edged Sword

Worthy Efforts to Build Consensus Frequently Prevent Strategic Thinking



“Everyone deserves a seat at the table”

Participation in planning seen as necessary to further individual or departmental agendas



“Every idea is a good idea”

Culture of inclusion fosters belief that every contribution has equal merit



“We’ve got to all be on board”

Complete consensus viewed as the only way to move ideas beyond committee meetings



✘ Prohibitively long planning process

✘ Few in-depth discussions

✘ Conversations dominated by a few, loud voices



✘ “Wish list” plan

✘ Few trade-offs

✘ Little consideration of actionability or scale



✘ Bold ideas are rejected outright

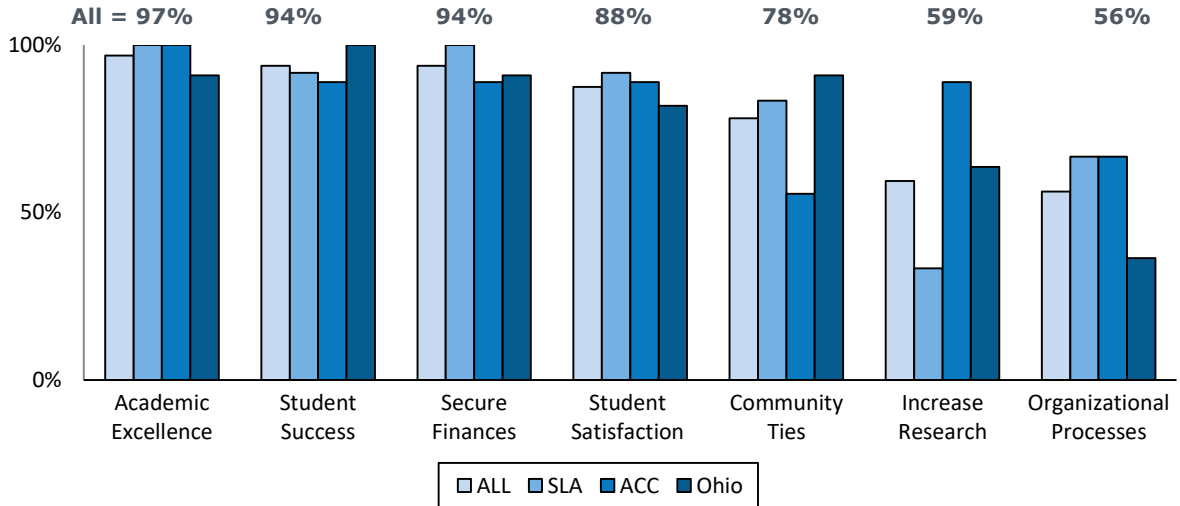
✘ End goals are vague, watered down

✘ Potential disruptors prevented from participating

All Things to All People

Strategic Plans Too Often A Declaration of Values, Not a Roadmap Toward Differentiation

Percentage of Strategic Plans That Include Indicated Strategic Goal



(n=32 strategic plans; ACC=9; Ohio=11; SLA=12)*

1) *Audit participants include a selection of schools from the Atlantic Coast Conference, the University System of Ohio, and several small liberal arts conferences.

Assess True “Strategic” Imperatives

Cull All the Good Ideas to Select Goals, Objectives, and Action Steps that Are Ultimately Worth Pursuing

Resources Required and Ease of Implementation

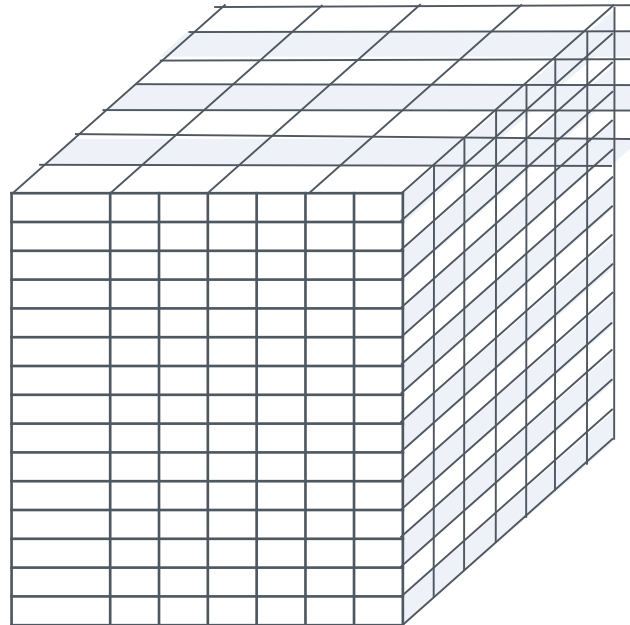
Leadership capacity, political will, and initial start-up and long-term maintenance costs in staff time (salary), operating expenses, space and technology needs

Contribution to Mission and/or Revenue Generation Potential

Impact on constituents' ability to teach, learn, research, outreach, and succeed or magnitude and likelihood of increased financial resources in next 10 years

Alignment with Strategic Goals and Market Differentiators

Will help the institution broaden or deepen its offerings and its value proposition to stakeholders relative to market/society



Check the Hype at the Boardroom Door

Consider Losses



Quantify Opportunity Costs

People tend to make fewer frivolous purchases when they use cash instead of credit. This is due to the fact that the opportunity cost is made concrete (i.e., you see money leaving your hand)

Consider Obstacles



Write a Eulogy

One of the most effective ways to reign in an overly optimistic outlook about an innovation is to flip the script and consider all of the ways it won't work

Take Action: Ask This, Not That

- ✓ What would we need to give up in order for this to succeed?
- ✗ What are universities of our size in our region doing with this innovation?

Take Action: Pre-Mortem Primer

- What problem did we hope to solve? Was our understanding of that problem real or hype?
- What cultural aspects did we fail to consider before making the call?
- How did the competitive landscape shift in a way that made this purchase irrelevant?
- In what ways did this decision run at odds with students' actual needs?

Be Ambitious, but Please Be Specific

Translate “World Peace” Action Steps Into Programmatic, Policy, and Practice-Level Recommendations, with Costs and Key Performance Indicators That Can Be Tracked Over Time

Common Challenges with Strategic Plan Objectives

Nobody can oppose this – because nobody knows what it means or would entail



“Realign all procedures and practices to provide better service to our mission without adding costs”

Defers the bulk of the work until later



“Create a taskforce to design and implement a sustainable plan to invest in high-quality academic programs”

Aspirational goal with no substantive recommendation guarantees it will never be pursued



“Identify and combat every systemic barrier to gender and ethnic inequality”

So cross-disciplinary or multi-functional that it’s difficult to know where to start



“Ensure that the university employs best practices to promote health, wellness, and work-life balance for faculty, staff, and graduate assistants”

Proposes a “fool’s errand” research task instead of a plausible pilot program



“Undertake thorough study of the learning environments that enable intellectual risk-taking”

FIU *Beyond Possible* 2020

Higher expectations in higher education.

High-level goal

FIU will improve the first-to-second-year retention rate among its undergraduate students from 76 percent to 90 percent.

Action steps

Require all first-year students to purchase a personal computer/ laptop to ensure they have the appropriate tools for academic success: percent to 90 percent.

Tactics

- Provide financial aid to those who qualify.
- Provide grant opportunities for those who do not qualify for aid.
- Explore bulk purchases at the university level to maximize supplier discounts.
- Educate faculty in the use of technology to engage students with the concepts of the discipline.

An Arm to Save a Leg

Leaders Acknowledge Necessity of Reallocation

Chief Business Officers

“New spending at my institution will come from reallocated dollars, not an increase in revenue.”

57%

Agree or
Strongly Agree

Provosts

“Most new funds for academic programs will come from reallocation rather than new revenue.”

66%

Agree or
Strongly Agree



“We’re not seeing the same student growth that we used to, and our governor is saying that we’re not going to get the tuition bump we were expecting. **If we’re going to do anything new, then it’s got to come out of what we already have.** And folks around here don’t want to hear that.”

*Chief Business Officer
Regional Public University*

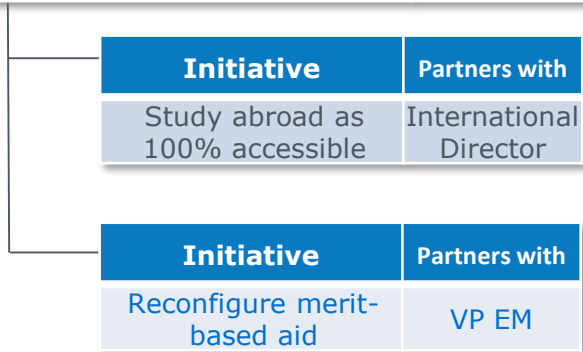
The Buck Stops Here, at Elon

Hardwire Accountability for Initiative Execution with Regular Monitoring, Clear Assignments, and Follow-Up

Elon University's Strategic Goal Owner Assignments

Assign One Person to Manage Each Goal

Goal	Owner
Prepare Students for Global Society	Provost
Remain Best-Value University	CBO

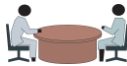


"Our culture is one of performance and transparency and so, you don't ever see a strategic goal owner showing up at retreat and saying not much happened [with my initiative] this last year."

*Gerald Whittington
SVP, Business, Finance and
Technology
Elon University*

Executive Oversight

Making Goal Success Part of Annual Review Ensures Strategy Stays Top of Mind



Presidential Reviews

- **Assessing Progress:** President leads end-of-year evaluation with senior leadership to discuss annual performance with a specific focus on the development of strategic initiatives
- **Art and Science:** Evaluations are based on progress against quantitative metrics (i.e. benchmarks and budget management) and a qualitative review of key accomplishments and challenges



Cabinet Retreats

- **Presenting to Peers:** Strategic goal owners will present twice a year to senior leadership about progress and expectations for initiative advancement in the coming year
- **Part of the Culture:** Additionally, strategic initiatives are routinely discussed in weekly senior staff meetings

Elon Strategic Plan Progress Scorecard

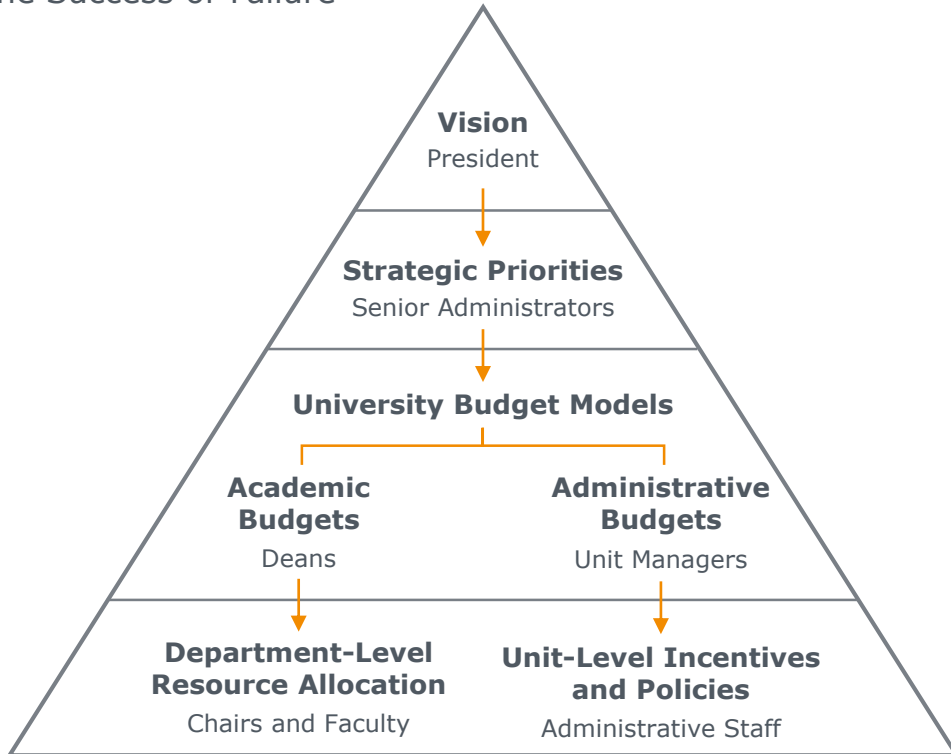
Strategic Goals Owners Responsible for Reporting Progress to Community

Goal	Status	Updates
Establish Advisory Council on Diversity	Green	Council and five sub-committees formed to address issues in faculty/staff recruiting and retention, diversity, campus climate, student recruitment and retention, and assessment.
Double Need-Based Financial Aid	Yellow	First \$8 million dollars set aside in endowment, in combination with annual budget dollars, to award significant scholarships in 2011-2012.
Provide 100 Percent Study Abroad Access	Red	Completed focus groups with students graduating in 2011 who have not studied abroad.

It's come a long way: <http://www.elon.edu/web/administration/president/strategicplan2020/progress.xhtml>

“Vision Without Execution Is Hallucination”

Resource Allocation and Incentive Alignment Processes Will Ultimately Determine Success or Failure



Creating Departmental Accountability



Mission-Adjusted Performance Bonuses Push Units to Improve



Strategic Accountability Matrix

Department	Student Success Metric			
	Example: Student Credit Hours lost to DFW			
	Weight	Expected	Actual	Score
Biology	2.0	381	518	↓ 0.74
Anthropology	1.0	201	173	↑ 1.16



Student success metrics include both outcomes and unit programs / investments



Ratio of actual to expected performance determines share of annual bonus funds (\$400,000 pool)

Metric weight adjusted according to unit characteristics (Philosophy judged less on internship placements)

Negotiated by chair, dean, and provost to avoid unjustified alterations to formula

Department performance evaluated across 18 strategic priorities, including:

High-Impact Practices

1. Internships
2. Intercultural immersion
3. Freshmen degree plans
4. Advisee satisfaction

Student Progression

1. Credit hours lost to DFW
2. Midterm grade reports
3. 30 credits first year
4. 60 credits first two years