



Top Strategic Opportunities for Community Colleges in 2019

January 17, 2019

Community College Executive Forum

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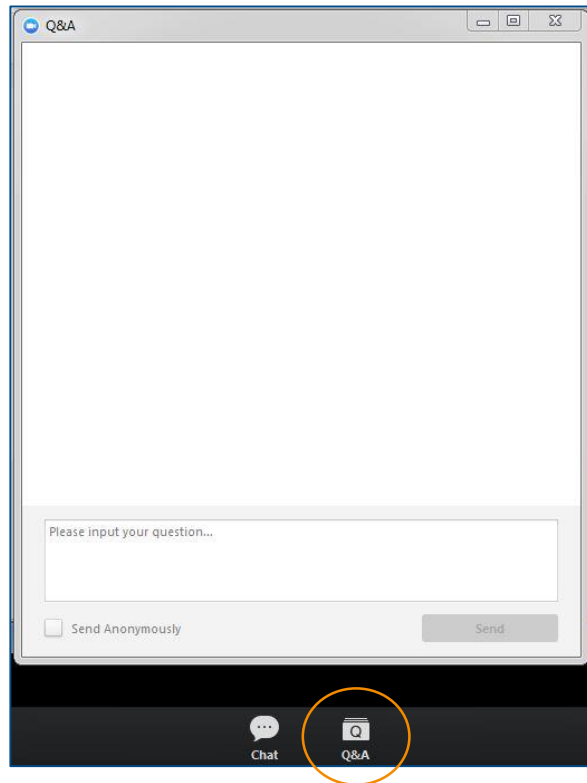


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To ask the presenter a question, navigate to the Q&A button at the bottom of your screen and type it into the Q&A Panel.

After the webinar, a member of our team will be in touch to follow-up on your questions individually.

Type your question here

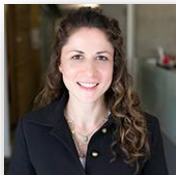


Community College Executive Forum Team



4

Today's Presenter



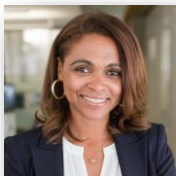
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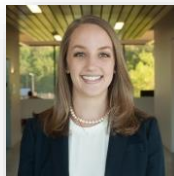


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A Glowing Review

Positive Perception Stronger for Community Colleges Than Any Other Sector



**Strong Perceived Value
Across Generations**

Percent Strongly or Somewhat Agree	
Contribute to a strong American workforce	83%
Are worth the cost	82%
Prepare people to be successful	80%
Are for people in my situation	64%
Always put their students first	62%

**...with Especially Strong Support
from Gen Z (18-22 year olds)**

Prepare people to be successful

35%

50%

85%

of Gen Z strongly or somewhat agrees

Always put their students first

26%

45%

71%

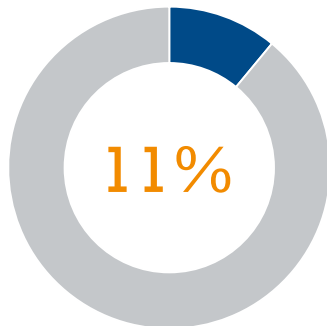
of Gen Z strongly or somewhat agrees

■ Strongly ■ Somewhat

Yet Not a Moment for Complacency

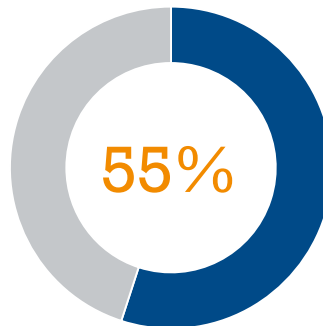
Concern About Financial and Enrollment Outlooks Top Presidential Agendas

Percentage of **Community College** Presidents Who Strongly Agree the Institution Will Be Financially Stable Over the Next Decade¹



Less than half of all presidents (all sectors) surveyed have confidence in the community colleges' business model

Percentage of **Community College** Presidents Who Are Very Concerned About Enrolling Students Likely to Be Retained and Graduate on Time



Only presidents of private baccalaureate institutions are more concerned about enrolling students likely to graduate on time

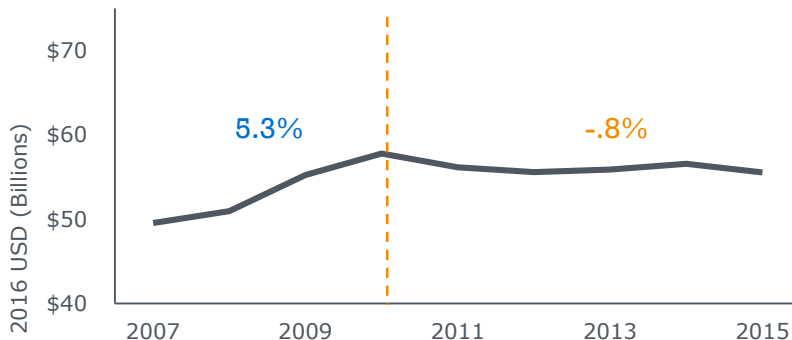
1) 236 respondents

Two-Year College Budgets on a Crash Course

Revenue Growth Stagnating Across the Two-Year Sector

Steady Revenue Decline Since the Recession

Total Institutional Revenues and Compound Annual Growth Rates



Costs on the Rise

5% increase in community college expenditures, 2009-2015

Confronting a Grim Reality

"Today, we find ourselves facing enormous challenges. It has become abundantly clear that our **operational costs are outpacing our revenues, creating a true structural deficit**. Now is the time to make tough decisions that will involve difficult choices."

Mark Ojakian, Connecticut Community Colleges System President



Market Forces Shaping the Two Year Sector



Growing Demand → Shrinking Demand

Limited Competition → Increasing Competition

Traditional Demographics → New Demographics

Face to Face *or* Online → Blended

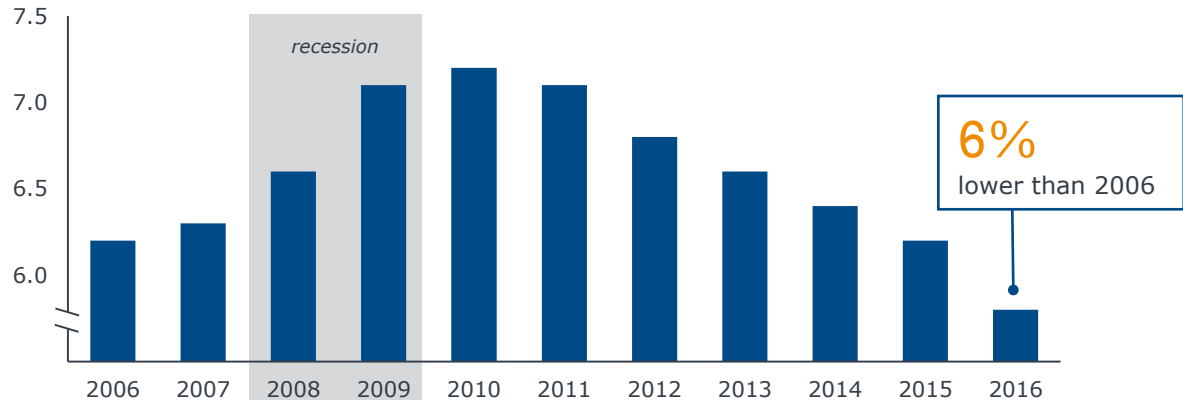
Information Scarcity → Digital Innovation

Declines No Longer a “Post-Recession” Story

Community College Enrollments Now Failing to Clear Pre-2008 Mark

Enrollment Declines Haven’t Slowed Since Recession

Fall Enrollments in Public 2-Year Colleges, in Millions



Tuition Increases Attempt—But Fail—to Compensate for Enrollment Declines

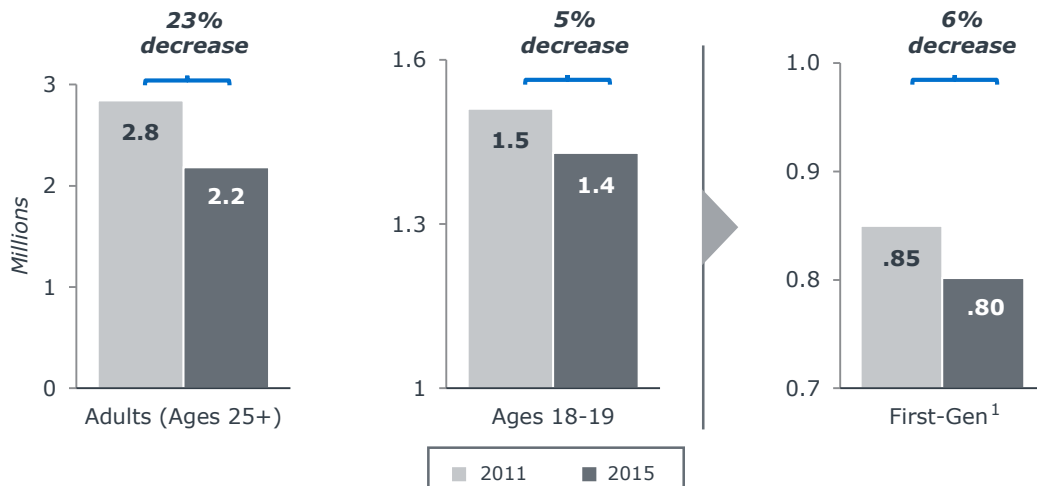
32% ↑ Increase in tuition and fees since 2010

\$166M ↓ Decline in tuition-based revenue since 2010

Critical Declines in Key Populations

Traditional Pipeline is Leaking

Two-Year Enrollments of Key Segments, 2011-2015



Current Makeup of Community College Students



35%

Ages 25+



23%

Ages 18-19



36%

First-Generation

1) First-generation student enrollments are from 2012 and 2016, because of data availability
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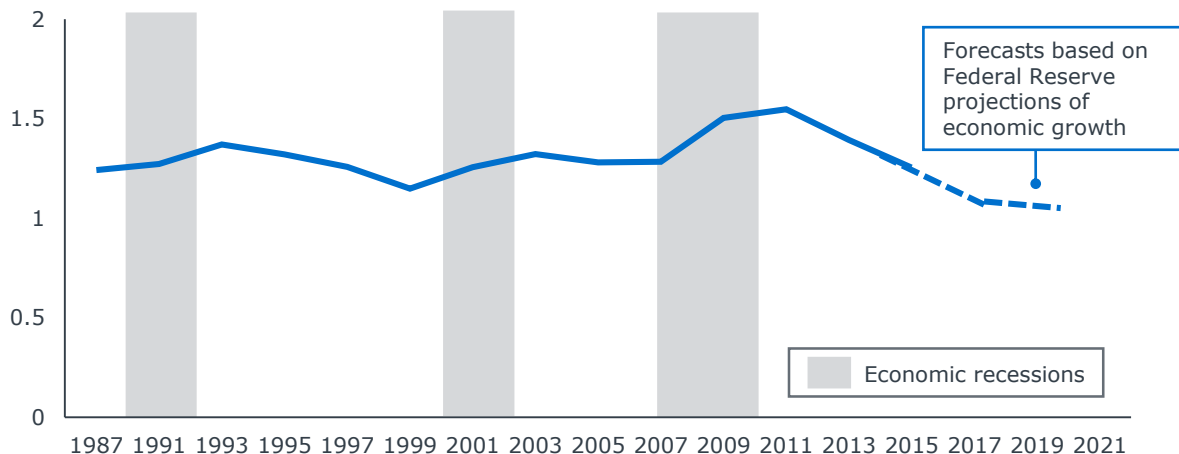
Source: Digest of Education Statistics, National Center for Education Statistics; Nathan D. Grawe, *Demographics and the Demand for Higher Education*, (Baltimore: Johns Hopkins University Press, 2018); EAB interviews and analysis.

Economic Growth Means Adult Enrollments Slide

Recent, Projected Employment Gains Draw Adults Away from Higher Ed

Relying on Recessions

Two-year enrollments of 25–34-year-olds, in millions



Little Relief in Sight

2.4%

Federal Reserve-
projected growth in
GDP in 2019

3.5%

Projected unemployment
rate in 2019–2020

Source: Digest of Education Statistics, National Center for Education Statistics; Kimberly Amadeo, "US Economic Outlook for 2018 and Beyond," *The Balance*, May 29, 2018; Jeff Cox, "[Fed hikes rates and raises GDP forecasts again](#)" *CNBC*, March 21, 2018; EAB interviews and analysis.

Demographics To Shape Higher Ed Composition

New Research Provides Look Into the Future of College Enrollments



Study in Brief

Demographics and the Demand for Higher Education

Nathan D. Grawe

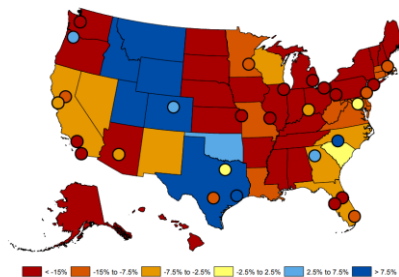
Professor of Economics, Carleton College

- Complex predictive modeling based on birthrate and demographic (e.g., race, income, location) data
- Disaggregates students likely to attend 2- vs. 4-year colleges
- Provides detailed state-by-state predictions based on population shifts

11%

Predicted decline in college-bound high school seniors between 2017-2029

The Two-Year Forecast



Forecasted change in number of students who will attend a two-year institution from 2012 to 2029, by Census division and area of largest increase and decrease

	Pacific	Mountain	West North Central	East North Central	West South Central	East South Central	Middle Atlantic	New England	South Atlantic	Total
Initial number of students	239,334	92,266	93,732	179,413	143,128	76,496	137,936	34,701	190,320	1,215,927
Absolute change	-43,525	1,412	-13,622	-37,751	4,969	-22,469	-26,272	-4,560	-10,342	-152,160
Percent change	-17%	2%	-15%	-21%	3%	-29%	-19%	-13%	-5%	-13%
Areas of largest decrease										
Los Angeles	-20,482	-20%								
New York City	-11,262	-14%								
Tennessee	-8,636	-13%								
Chicago	-7,659	-19%								
Detroit	-6,563	-20%								
Areas of largest increase										
Houston						4,200	17%			
Texas						3,913	9%			
Utah						2,128	16%			
Colorado/Wyoming						1,802	20%			
Idaho/Montana						1,426	14%			

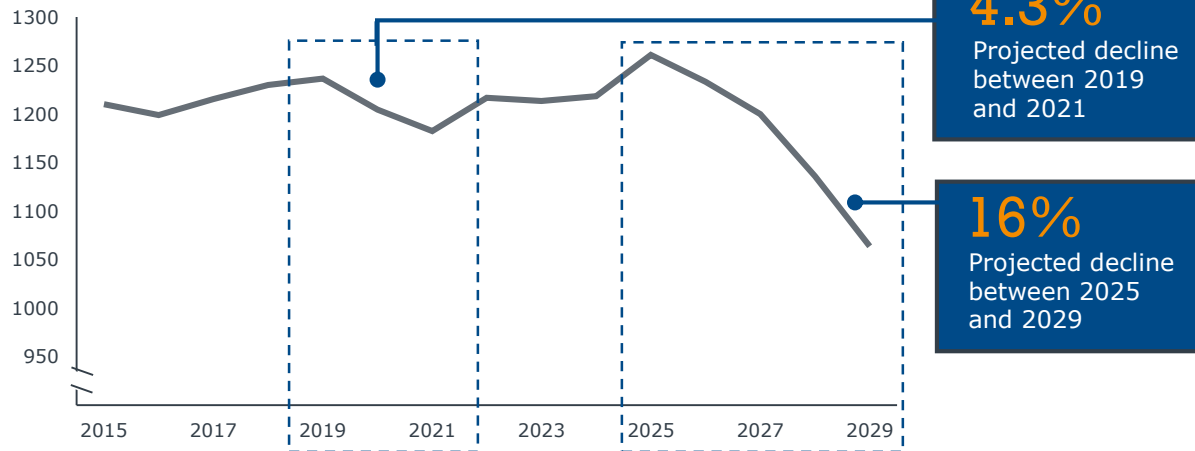
Visit the [author's webpage](#) for more

Community Colleges Expected to Bear the Brunt

Dearth of Recession-Era Births To Take Drastic Toll on Two-Year Enrollments

Heading Toward a Cliff

Two-Year Enrollment Projections for 18-year-olds, in Thousands



The primary challenge for the two-year sector in the next fifteen years is clear: dramatically reduced enrollments. Indeed, the **expected rate of contraction in two-year enrollments is almost 20% faster than for college enrollments in general.**

Nathan Grawe, *Demographics and the Demand for Higher Education*, 2018

Student Demand Shifting to Elite Institutions

Elite HEIs

Top 50 research universities,
Top 50 liberal arts colleges
(USNWR rankings)



Timespan	% Change in Demand
2019 to 2023	3%
2024 to 2026	2%
2027 to 2029	-5%

- Continued strong demand for elite HEIs. Some may struggle to shape a diverse class as demographics shift.

National HEIs

Top 50-100 research universities,
Top 50-100 liberal arts colleges
(USNWR rankings)



Timespan	% Change in Demand
2019 to 2023	1%
2024 to 2026	2%
2027 to 2029	-11%

- Aggregate gains among elite HEIs could offset projected losses at national HEIs who capture "spillover" demand.

Regional HEIs

Research universities and liberal arts colleges ranked outside of Top 100 (USNWR rankings)



Timespan	% Change in Demand
2019 to 2023	0%
2024 to 2026	2%
2027 to 2029	-12%

- Most subject to demographic volatility as core student population is least likely to travel and most skeptical of college value proposition.

Smaller Pool, Greater Competition

Competitors Ramp Up Efforts to Recruit From Shrinking Student Pipeline

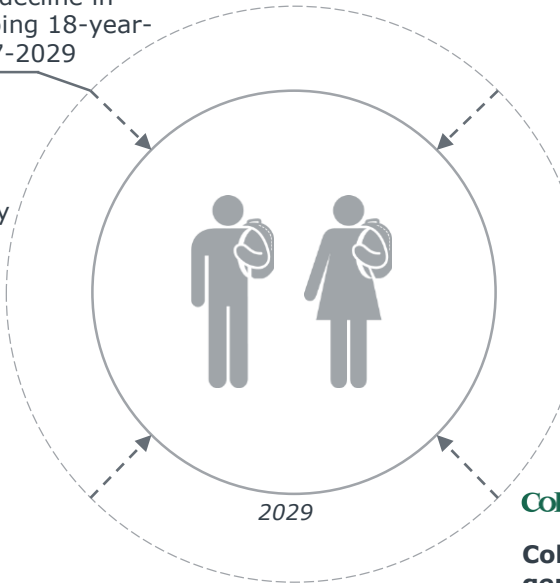
A Steep Drop-off Ahead

11% Projected decline in college-going 18-year-olds, 2017-2029

 11% decline in students with family incomes <\$100K

 2% decline in non-White students

 16% decline in first-generation students



Pool of College-Going 18-year-olds, 2017

Four-Years Already Responding



Boston College, UVA among 66 colleges and universities that meet 100% of demonstrated financial need



ASU's Dream Academy offers free programs to local minority students and parents to promote higher education



Colorado State's first-generation outreach includes tutoring, summer programs, and professional development in K-12

Thriving Amid Population and Economic Change

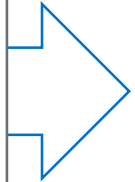
How to Support High Fixed Cost Model as Local Conditions Evolve

1960s

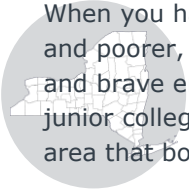
- Boom period for the sector
- High point of suburbanization
- Physical distribution of wealth relatively dispersed
- 7 of top 10 states by population in the Northeast and Midwest

Today

- Re-urbanization
- Declining tax bases, aging populations, and slow job growth in secondary markets
- Erosion of public subsidies to support access, completion, or workforce alignment



Built For A Different Time and Place



When you have a local population in Erie and Niagara that's getting older, smaller, and poorer, do we need all of this infrastructure? Now is the time to be bold enough and brave enough...to begin to realize that intramural competition between these two junior colleges makes no sense for anybody. It's the same geographic, demographic area that both institutions are servicing. It's the same marketplace.

Joel Giambra, Former Erie County Executive

Getting Ready for the Student of the Future

Preparing Not Only for Changes in Demographics...

-10%

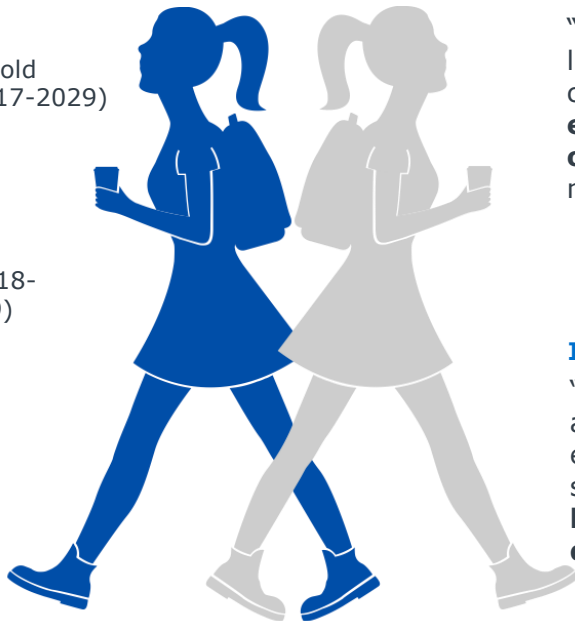
Students with household incomes >\$100K (2017-2029)

-19%

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

64%

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



But Also a Change in College-Going Attitudes...

A resurgence of the trades?

"Men who otherwise would likely attend community colleges are **now finding employment opportunities** in areas like manufacturing."

The Wall Street Journal
April 26, 2018

Is college worth it?

"We appear to be approaching a time when, even for middle-class students, the **economic benefit of a college degree will begin to dim.**"

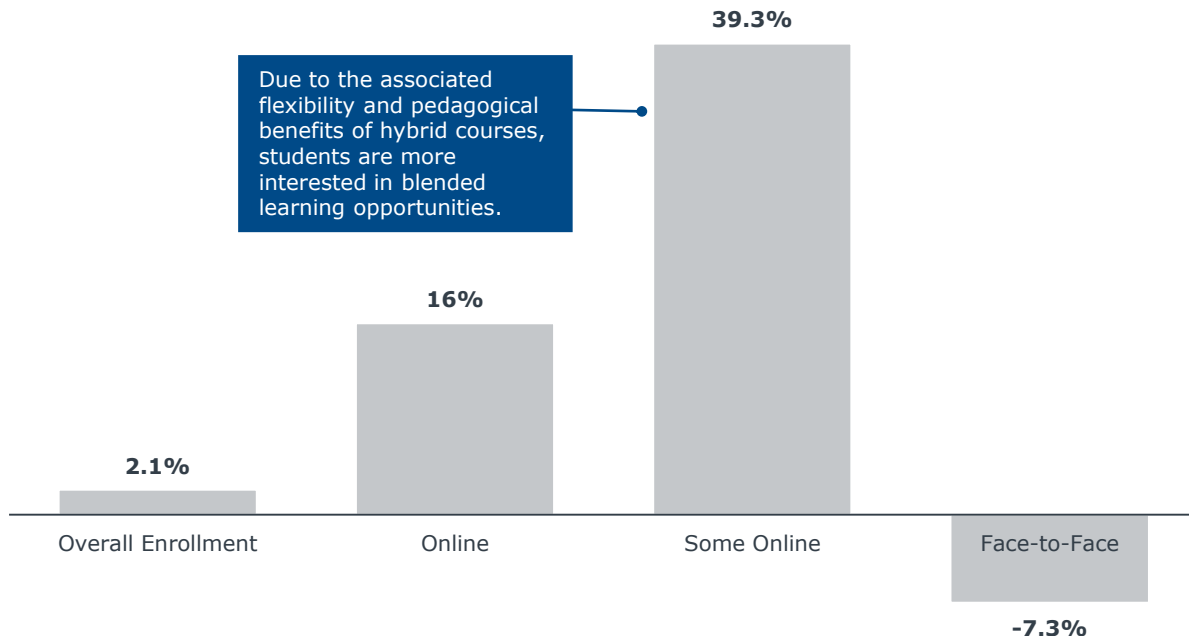
The New York Times
May 16, 2018

Online Courses Increasingly Popular

Online Enrollment Growth Outpaces Face-to-Face Enrollment Growth

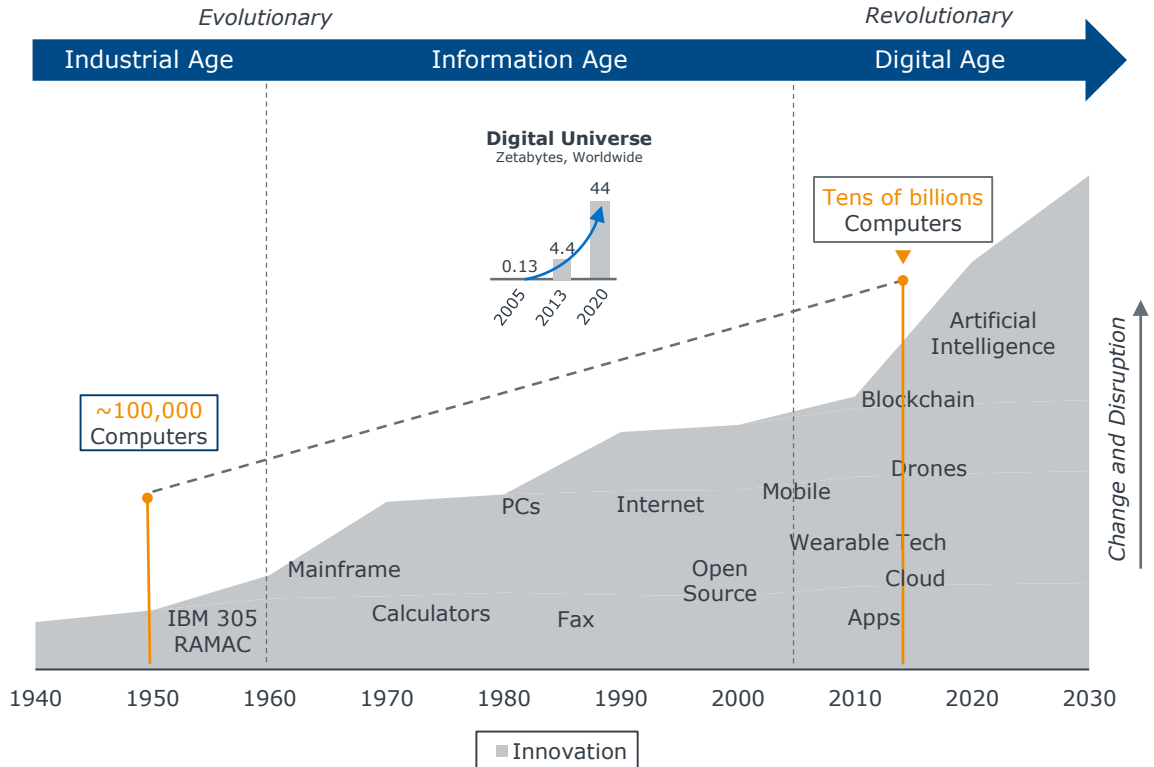
Enrollment in Online and Hybrid Courses and Programs Continues to Grow

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



An Expansion That Shows No Signs of Slowing

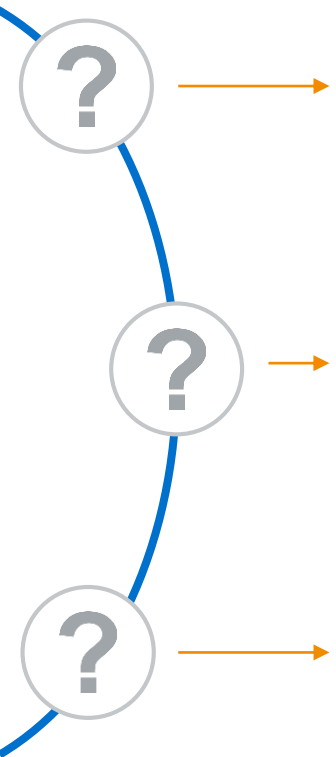
Technology Demand and Supply Fuel Relentless Innovation



Source: Perkin, Neil. Abraham, Peter. "Building the agile Business Through Digital Transformation." Kogan Page, 2017; "Future Trends: A Seismic Shift Underway," *Majesco*, 2016; EAB interviews and analysis.

From Planning to Strategy

Questions for Leadership Teams in Strategy Development



?

To what extent will this force influence our future environment?

?

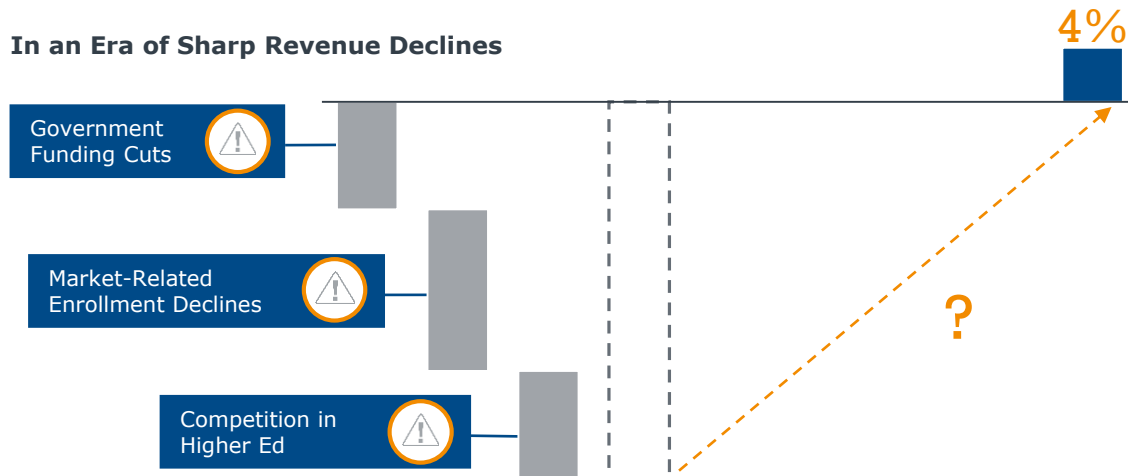
What has our historical response been related to this force?

?

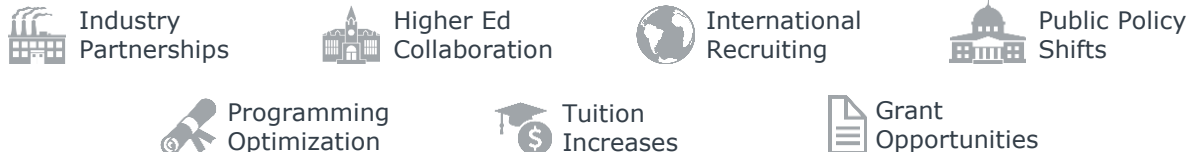
**How are our competitors moving due to this force?
Is there a chance to take the opposite approach?**

Where Do We Go From Here?

In an Era of Sharp Revenue Declines



Colleges In Search of Solutions



Capitalizing on Strategic Opportunities

Strengthening Our Position in an Evolving Education Ecosystem

Drivers of Change



Increasing Competition with Declining Demand



Post Traditional Students



Increasing Demand for Flexible Delivery



Technological Disruption

Community College at the Nexus



K-12 Education



Community Organizations and Policy Makers

Community College
President, Chancellor, Board

- How do we strengthen our position in the education ecosystem?
- How do colleges reclaim their place as central to economic vitality, upward mobility, and civic engagement?



Employers and the Workforce



Four-Year Institutions

All In on Dual Enrollment

Concerns About Culture Obscure Opportunity for Long-Term Growth

Dual Enrollment On the Rise

72%

Increase in dual enrolled students, 2005-2015

30

States include dual enrollment as indicator of K-12 school quality

But Skepticism on Campus



“Dual enrollment has impacted our business—the enrollment aspect—negatively, and **I’m not sure we’re doing right by students.**”

*Community College President
Midwest*

Colleges Can’t Afford Inaction

1

A [Rare] Reliable Enrollment Stream

10% of two-year students are under 18

2

An Opportunity to Leverage Reputation...

85% of Gen Z say that community college is worth the cost

3

..Into Revenue

On average, 47% of former dual enrolled students first matriculate to community colleges



**Lorain County
Community College**



- Partnership with area high schools and universities
- Students complete A.A. in high school, and B.A. on LCCC campus through university partnerships
- LCCC’s graduation rate tripled since 2011

Getting Credit for Dual Enrollment

HACC's College-Branded High School Hallway Feeds Enrollment Pipeline

HS Students Unaware of Source of College Credits

55%

Estimated share of high school dual enrollment participants unable to name host college



“Our marketing department is kept separate from our high school programs. We offer many dual enrollment courses, but nowhere in that course do students learn that we’re conferring the credits. It’s a wasted recruitment opportunity.”

*Vice President for Marketing
Community College*

Redecorated High School Hallway Increases Visibility of Host College

William Penn High School (WPHS)

No high
school bell

HACC
banners



Walls painted
HACC colors

Spare HACC
furniture

Paving New Ways To and Through

Collaborative Pathways Combine Credentials Across Institutions



HS to Bachelor's

- Dual enrollment links Arlington Co. Schools to Tarrant County College
- Articulation to UT Arlington for BA
- Funded in part by Arlington Chamber



Regional Center

- 100,000-sq-ft Regional Center built in the UI Research Park
- STEM-focus
- Serves students pursuing tech or advanced degrees



Reverse Transfer

- Innovative RN to BSN path starts at four-year college
- Two years at CC for intensive RN training
- Final year hybrid while practicing



HS to MBA

- Expedited 5-yr path to AA, BLA, MBA
- Dedicated advisor for all 3 programs
- NM HS student on scholarship could complete for \$12k

1+1+2

1+3

1+2+1

2+1+2

Engine of Economic Growth and Productivity

Preparing Graduates for the Realities (and Whims) of the New Economy

Strong Job Growth Outlook...



US Economy Expected to Create 55M Jobs by 2020

- 24M new positions created
- 31M openings due to expected boomer retirements
- Healthcare, Community Services and STEM three fastest-growing occupational clusters
- 5M jobs will require postsecondary vocational certificate
- Additional 17M will require some college or associate's

...Combined with the Threat of Automation Yields Demand for Continuous (Re)Learning



More than a Third of US Jobs at "High Risk"

- PwC report reveals **38%** of US jobs at high risk of automation by early 2030s
- Trucking likely first form of fully automated driving in US



Career-Aligned Curricula Newly Urgent

- Tight coordination with local industry seen as the defining characteristic of job training programs that work

Skills cycles are shorter than ever and **65%** of the jobs Gen Z will perform do not even exist yet. People will increasingly find they need to upskill and diversify into new areas.

*ManpowerGroup
The Skills Revolution*

CTE Expanding, But Colleges Should Be Cautious

Growing Popularity of Career Education

“



“Let’s open vocational schools so our future workers can learn a craft and realize their full potential”

President Trump

236%

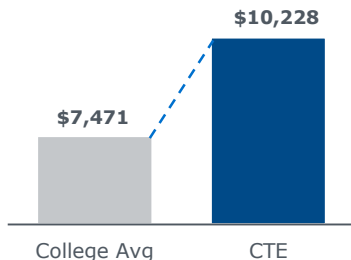
Increase in certificates between 2000 and 2014

90%

Of certificates are Career and Technical Education

But High Costs Suggest Unrestricted Launch Not the Answer

Cost of Instruction per FTE at Utah Community College



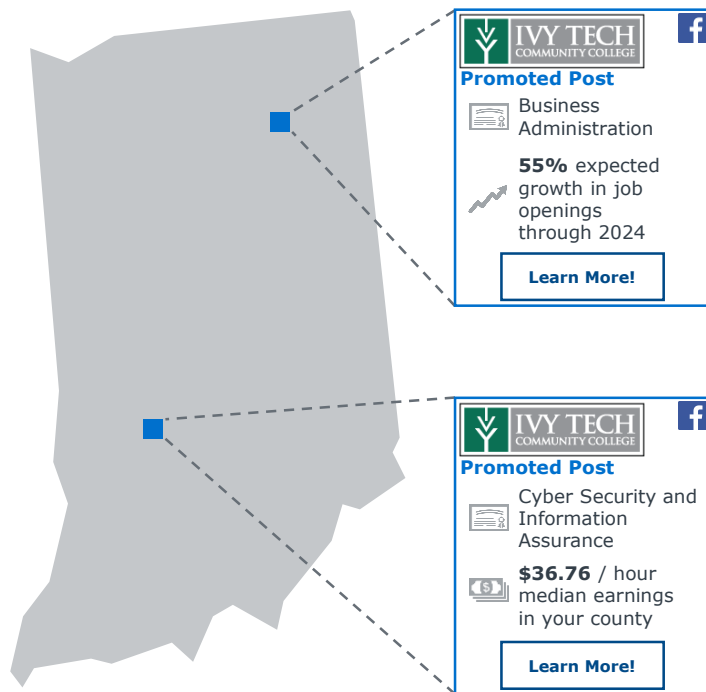
“We are in an environment where it’s almost impossible to start a new [CTE] program without underwriting it. **Even if students and employers might want a program, you can’t charge enough to cover it** and general funds can’t take on additional stress.”

Community College President

1) Six-Year college graduation rate.

Personalized Labor Market Ad Campaign

Geotargeted Ads Highlight Relevant Career Opportunities



Triggering Interest from Underemployed



Geotargeted advertisements highlight relevant local labor market data



Educational ads highlight career, not program, opportunities



Social media promoted posts allow for further segmentation based on desired demographic parameters



Labor market data infused in print collateral, website, and program pages to create fully integrated, multi-channel marketing campaign

P3s Spurring Growth and Work-Ready Grads



Luminant Academy

Joint partnership between Tyler Junior College and Luminant, a subsidiary of Energy Future Holding Corp, revitalizes pipeline of skilled workers for Texas plant and mine operations.

Attracting and Growing Talent in Advance of Boomer Retirements

- Decades of stable workforce conditions and limited growth led to closure of training facility in 1995
- New demand apparent in 2006; study reveals 60% of Luminant workforce eligible for retirement across next decade; 500 expected retirements within five years
- Luminant Academy, partnership with TJC, opens in 2008
- TJC receives CE contact hour reimbursement from State of TX per employee contact hour of training



~\$2M investment in 24k sq-ft facility on TJC West Campus



Power Track scholarship funds tuition & books for Power Plant Tech AAS



300 combined TJC CE students and Luminant employees served



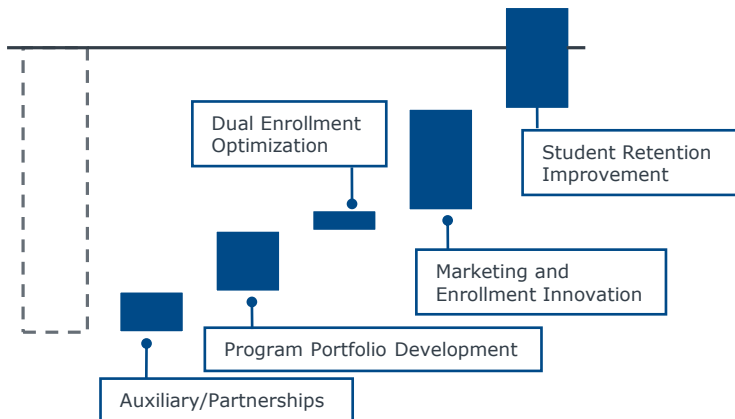
55 PPT AAS graduates in first cohort; 87% now employed in electric utility industry

Capitalize on Strategic Opportunities



Charting the Course Towards Growth

Sources of Community College Growth Opportunities



EAB Supports Each Step of the Way

Industry Partnerships

Becoming an Employer Responsive Institution

Portfolio Development

New Program Launch Guidebook

Dual Enrollment

Turning High School Partnerships into College Enrollments

Marketing and Enrollment

The Shifting Enrollment Landscape

Student Retention

Achieving Pathways Goals with Student-Centric Design

Upcoming Spring 2019 Webconferences

CCEF's Marketing and Enrollment Series



[Moving from Open Access to Equal Access](#)

Guidance on how colleges can provide an equitable enrollment experience to all students, regardless of their educational preparedness or socioeconomic background.

Thursday, February 14

*1:00 p.m. – 2:00 p.m.
Eastern Time*



[Proving Return on Education to Generation Z](#)

Exploring practices on how the 2-year space can differentiate itself and market return-on-education to Generation Z.

Tuesday, March 19

*1:00 p.m. – 2:00 p.m.
Eastern Time*



[Redesign College Programming to Meet the Needs of Adult Students](#)

Innovative strategies that colleges have used to reduce enrollment opportunity cost, including PLA, compressed terms, and dual modality.

Tuesday, April 16

*1:00 p.m. – 2:00 p.m.
Eastern Time*



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