APS
Virtual Summit

Innovation During and After the Crisis

Ideas for Radically Transforming
Programs Even as We Navigate Austerity

EAB

An Innovation Imperative

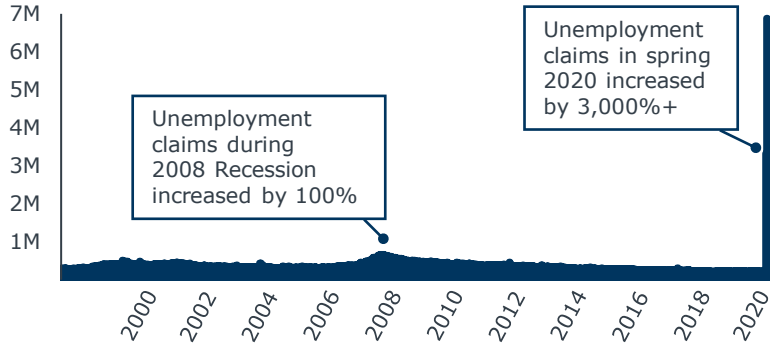
The Great Recession prompted many campuses to develop new programs, expand their reach to new student populations, launch new credentials, expand online delivery, and redesign internal systems and processes to promote efficiency and effectiveness.

What innovation or big idea is being given an unexpected entrance cue on your campus?

©2020 by EAB. All Rights Reserved. eab.com

The Moment We're In: Pursuing Growth Amidst Disruption

Confronting the "Light Speed" Recession



38M+ Estimated unemployed Americans (May 2020)

28%

Share of newly unemployed with a bachelor's degree vs. 21% during 2008 recession

-3%

Predicted 2020 global economic contraction (vs. -0.1% during Great Recession)

73%

Average likelihood of a second wave of infection predicted by 18 disease modeling experts

A Categorically Different Downturn

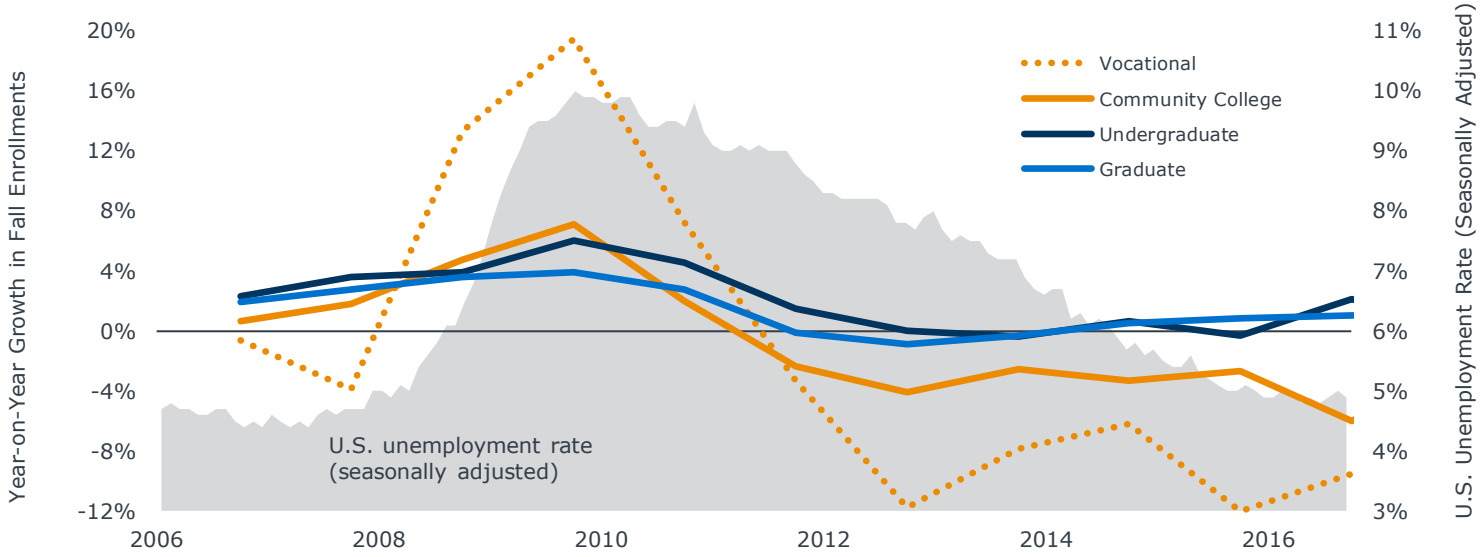
- **Sudden-onset, external economic trigger**
- **Simultaneous downturns in supply and demand**
- **Unprecedented global supply chain disruption**

Source: Initial Claims, FRED Economic Data; Over 33 million Americans lost their job during the pandemic, Washington Post; The Employment Situation, Bureau of Labor Statistics; IMF Blog; Aggregated Expert Predictions on Covid-19, Thomas McAndrew; The Coronavirus Recession is Already Here, Vox; ESPN; EAB interviews and analysis.

©2020 by EAB. All Rights Reserved. eab.com

How Countercyclical is Enrollment?

Grad Enrollment Increase During Last Recession Low Compared to Sub-Baccalaureate



Percentage point growth in enrollment during high unemployment:

Graduate	Undergraduate	Community College[1]	Vocational[2]
+2.3%	+3.6%	+6.9%	+20.2%

1) Includes all public 2-year institutions.
2) Includes all less-than-2-year institutions and all private nonprofit and for-profit 2-year institutions.

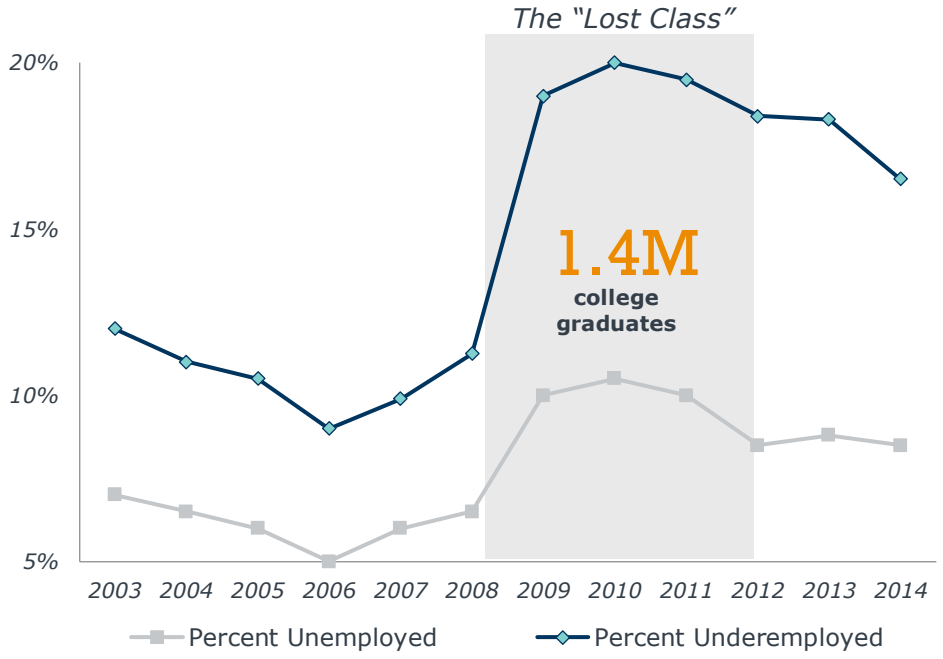
Source: IPEDS fall enrollment data 2005-2018; Bureau of Labor Statistics unemployment data; EAB interviews and analysis.

©2020 by EAB. All Rights Reserved. eab.com

A Repeat of the Lost Class?

Today's Graduates May Face Years of Diminished Job and Salary Prospects

Un- and Underemployment Accelerated Then…



Many Indicators This Time Could Be Worse

7 years

Average time for a student graduating into a down economy to achieve salary parity

27.4%

Unemployment rate for 16-24 years of age (Apr 2020), compared to 14.7% for total population

$28,800

Average undergraduate student debt

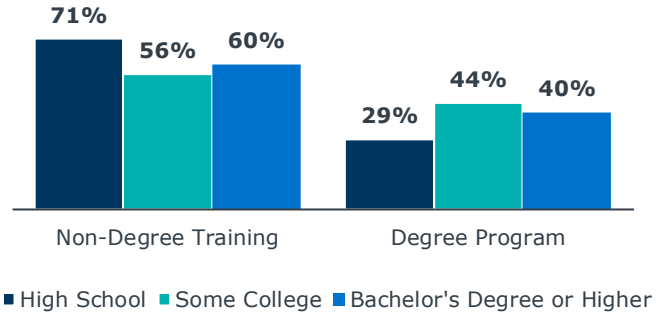
Source: Labor Force Statistics, Bureau of Labor Statistics; Initial Claims, FRED Economic Data; Loans for Undergraduate Students, National Center for Education Statistics

©2020 by EAB. All Rights Reserved. eab.com

Shifting Preferences for Training Amid COVID-19

Non-Degree Skills Programming Serves the Needs of Today's Workers

Workers at All Education Levels Express Most Interest in Non-Degree Programs[1]



25% Percentage of American adults who plan to enroll in education or training programs in the next six months

Design Online, Outcomes-Focused Credentials to Attract Career Changers

52%

Percentage of workers who would change their field of work to earn more money and have more advancement opportunities

46%

Percentage of workers who prefer online education programs while only 30% prefer in-person

35%

Percentage of workers who would change their field of work if they lost their job due to COVID-19

1) If you were to enroll in additional education or training sometime within the next six months, what would be your goal?

Source: Looking Beyond the College Degree, Inside Higher Ed, June 2020; COVID-19 Work & Education Survey, Strada Education Network, June 2020

©2020 by EAB. All Rights Reserved. eab.com

How prepared is your institution to respond?

Early indicators demonstrate a need to quickly develop short-format, skills-aligned experiences for a range of student populations—first time students in need of extra academic support, those graduating into a difficult economy, and those working professionals displaced by the pandemic and recession.

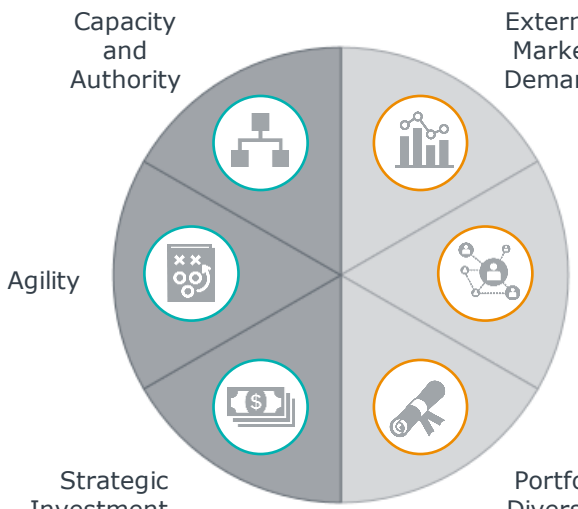
How confident are you that your institution knows what is needed and is ready to respond?

©2020 by EAB. All Rights Reserved. eab.com

Designing for Competitive Advantage

Key Capabilities Needed for Responsive Growth

Organizational Design



Program Design

1. **Continuous Program Review**
2. **Real-Time Market Intelligence**
3. **Rigorous Program Planning**
4. **Fast-Cycle Launch Processes**
5. **Embedded Sunset Provisions**

©2020 by EAB. All Rights Reserved. **eab.com**

Moving from Episodic to Dynamic, Annual Review Process

Prompt Continuous Improvement and Build Faculty Ownership

Our Annual Review Principles

Find the Right Frequency

Hold a formal evaluation conversation, at least annually.

Make it Easy

Minimize self-reporting burden on department chairs.

Make it Matter

Reward improvement with recognition and resources.

Know Where You Stand

Make departmental performance data transparent and available to all faculty leaders.

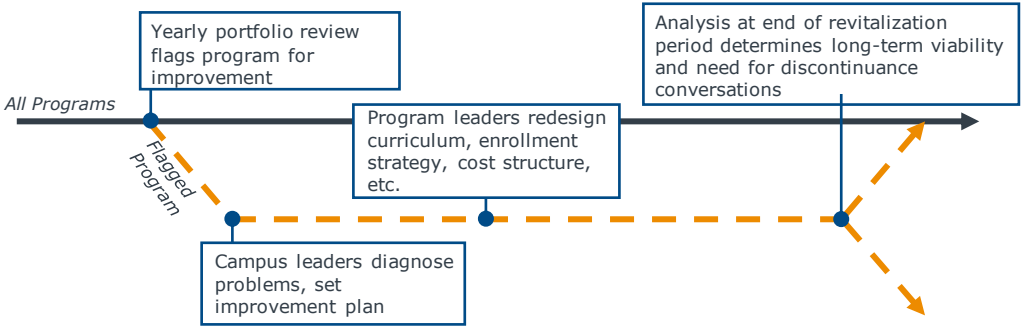
Open the Black Box

Connect performance and data to major resource decisions.

Keep it Focused

Prioritize 2-4 goals to focus on each year.

Illustrative Process for Annual Program Review



Approaches to Program-Specific Data

Enrollment Trends

Degree and SCH production

Financial Contribution

Program-level P&L statements

Departmental Performance Indicators

Metrics with unit-level inflection points

Cost Efficiency *Enrollment Growth* *Student Outcomes* *Credit Hours* *Scholarship* *Faculty D&I*

©2020 by EAB. All Rights Reserved. eab.com

Act Early to Resolve Underperformance

No "Money Back" Guarantee from Program Revitalization and Closure

Hasty Closures Rarely Lead to Savings

25% Derailed before completion

50% Completed with Minimal Changes

25% Successful Reallocation

Additional Investments Can Yield Returns

TIME
INVESTMENT

Curriculum Refresh

Transition to Service Program
Retain minimum faculty contingent for electives and general ed requirements

Merge Programs
Combine programs into one to leverage scale

Establish Intra-campus Program
Share costs and distribute specialties across campuses

Susquehanna University

Refresh Programs with New Tracks
Popular English Department minor in publishing and editing converted to major and boosted by experiential learning and alumni connections in the field.

80% Boost in department enrollment in two years

Concentrated Support When It's Time to Act

- Program Name and Specialization Realignment
- Employer Regional Demand Assessment
- Student Centricity Website Diagnostic
- Phased Retirement Guidelines
- Program Discontinuance Policy Audit
- Teach-Out Plan Guiding Questions

Source: EAB interviews and analysis

Build on Existing Program Success

Three Proven Tactics to Expand Enrollments

Tactic	Institution	Description	Sample Result
Expand Capacity	MARIST	Automatically increases operating budgets when programs exceed pre-determined student-faculty ratios	Accommodated demand for M.A. in Integrated Marketing Communication by investing in new faculty hiring; grew enrollments by 56%
Broaden Program Audience	Northeastern University College of Professional Studies	Identifies programs with untapped growth potential and adds in-demand concentrations to broaden market appeal	Added new concentrations to professional master's program; drove 209% increase in program enrollment over three years
Create Add-On Certificates	Northwestern SCHOOL OF PROFESSIONAL STUDIES	Develops post-graduate certificates to capitalize on graduate student demand for additional skills training outside of degree program	Successfully launched six new data analytics certificates leveraging existing content from related degree program

©2020 by EAB. All Rights Reserved. eab.com

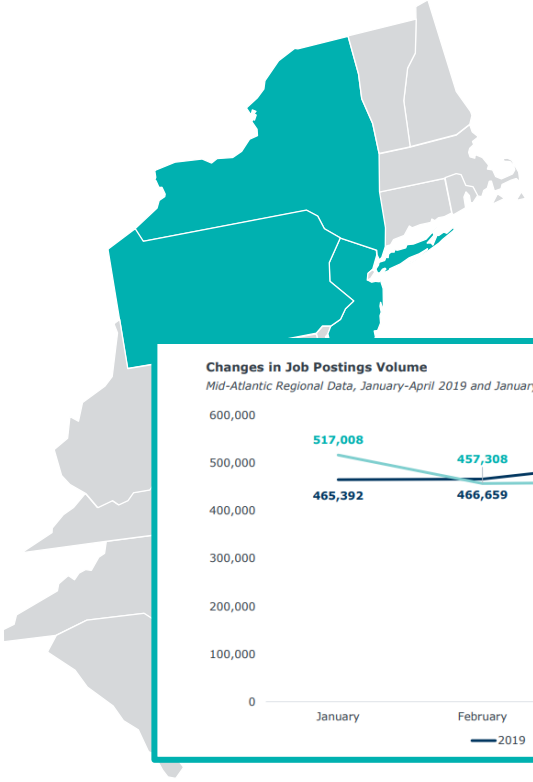
Market Insights Critical Across the Program Lifecycle

EAB Custom Analysis and Consultation to Strengthen Existing Offerings and Validate New Ideas

©2020 by EAB. All Rights Reserved. eab.com

Monitoring COVID-19's Impact on Demand

Detailed Snapshots of National and Regional Job Postings and Skill Needs



Regional Profiles:

- View industry and occupational mix, highly requested skills, top employers, and historical demand
- Examine six U.S. and four Canadian regions

Data to Inform Program Development and Redesign

- Elevate **program discussions** with information on regional labor demand
- Incorporate data on career opportunities into **recruitment messages**
- Inform **partnership decisions** with top employers

©2020 by EAB. All Rights Reserved. **eab.com**

Source: EAB analysis of Emsi Analyst data

Poor Planning Can Lead to "Profitless Growth"

New Launch Success Far From Guaranteed in Today's Hyper-Competitive Environment

"In today's environment, it's no longer 'if you build it, they will come.' Now, if you build it, and it is in demand and you do a really good job marketing it, then *maybe* they will come."

Michael Cottam,
AVP for Academic Affairs
Webster University

"Until recently, I would have told you that health sciences and business were 'sure bets' for enrollments, but I'm now seeing failures in those disciplines too. It's concerning to me that these sure bets aren't working out anymore."

Raili Kieley,
AVP, Chief Planning and Budget Officer
Duquesne University

Hard Lessons Learned in "Profitless Growth"

Too many programs fail due to lack of validation

Strong enrollments do not equate with net revenue growth if costs too high

Longer-than-expected ramp up periods strain short-term finances

©2020 by EAB. All Rights Reserved. eab.com

Create a New Launch Express Lane

Denville University[1] Pre-Approval Process Expedites Time to Market

18
Month decrease in time to launch

Criteria for Pre-Approval

- ☑ Low upfront administrative and academic costs
- ☑ Demonstrated market demand

"I initially thought we'd only do this for adult programs, but my provost saw the benefits for the whole campus. He insisted, 'Why wouldn't we do this for everyone?'"

Dean, Continuing and Online Education
Denville University[1]

1) Pseudonym.

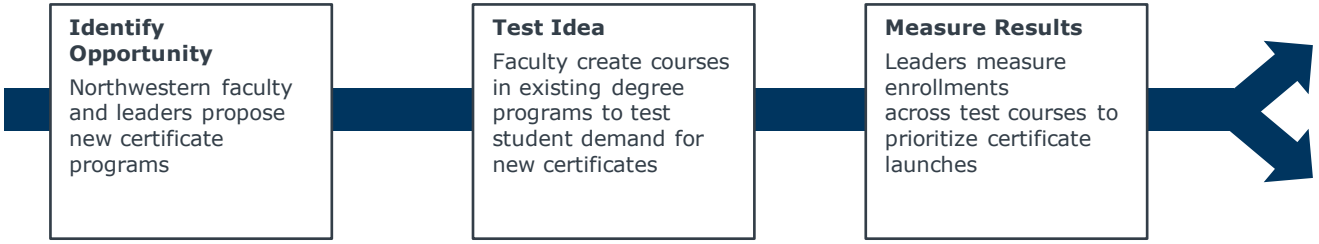
©2020 by EAB. All Rights Reserved. eab.com

Low-Stakes Test New Market Opportunities

Use Nondegree Options to Assess Demand Before Full Investment

Northwestern
SCHOOL OF
PROFESSIONAL STUDIES

Test Course Process for Potential Certificate Programs



Select Results

High enrollment in test course prompted development of popular sports analytics certificate

STOP

Low enrollment in health analytics course prevented investment in potentially low return program

©2020 by EAB. All Rights Reserved. **eab.com**

Embed an Upfront Sunset Provision for New Programs

AU Policy Facilitates New Program Improvement or Closure

Upfront Sunset Provision Process for New Programs

Establish Goals:
Leaderships sets short-term financial targets for new program

Evaluate Results:
After three years, leadership evaluates financial results

Secure Faculty Agreement:
Program director agrees to temporary funding, contingent on progress on financial goals

Programs meet targets

Mainstream

Academic department receives increase to base operating budget to support program, plus bonus seed money for future launches

Programs miss targets

Sunset

Academic leadership discontinues funding

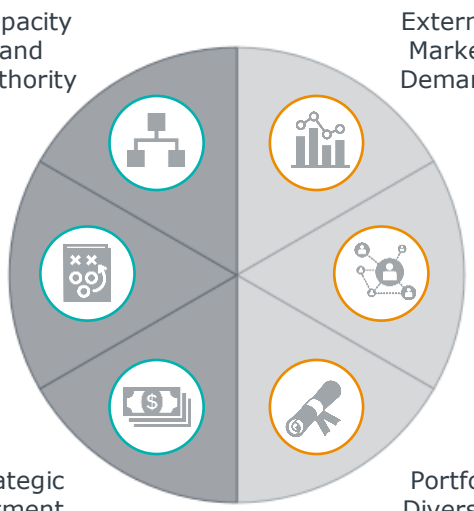
©2020 by EAB. All Rights Reserved. eab.com

Source: American University, Washington, DC; EAB interviews

Designing for Competitive Advantage

Key Capabilities Needed for Responsive Growth

Organizational Design



Program Design

1. **Continuous Program Review**
2. **Real-Time Market Intelligence**
3. **Rigorous Program Planning**
4. **Fast-Cycle Launch Processes**
5. **Embedded Sunset Provisions**

©2020 by EAB. All Rights Reserved. **eab.com**

Join the **Financial Sustainability Collaborative**

A Cohort-Based Partnership to Attain and Maintain Financial Health

Evaluate Four Key Drivers of Academic Revenues and Costs

Engagement Aims and Activities

Productively engage stakeholders in financial sustainability decisions	Assess the drivers of academic revenues and costs	Set you on a path to continuous performance review and improvement
Governance and communication best practices for program portfolio or academic restructuring decisions	Key data and analyses to assess program offerings, academic administrative costs, retention, and new growth opportunities	Best practice models, metrics, and dashboards to adopt a continuous review process

How to Participate in the Collaborative

Pick a Start Date

- Collaboratives start Oct 2020, Jan 2021, and March 2021
- 30 participant spots reserved per start date

Select Executive Sponsor and Implementation Leader

- Skilled at leading complex campus wide initiatives
- Attend monthly meetings. Oversee data collection and analysis.

Schedule a Kick-Off

- Meet your expert advisor
- Learn how to educate stakeholders about the process
- Begin collecting key data for the first phase

©2020 by EAB. All Rights Reserved. **eab.com**