



# The State of Facilities 2022

How Estates and Facilities Management Teams  
Are Evolving to Meet Campus Challenges

# Joining Us Today...

## Meet Your Presenter



**Michael Fischer**

*Director,  
Strategic Research*

[mfischer@eab.com](mailto:mfischer@eab.com)

---

### EAB's Facilities and Estates Team

---



**Melissa Robertson**  
*Associate Director*



**Maya Graham**  
*Strategic Leader*



**Kamaria View**  
*Partner Success Manager*



**Elizabeth Denny**  
*Senior Analyst*



**Sarah Woll**  
*Analyst*



**Liliana Loosbrock**  
*Associate*

- 1 The State of Higher Education
- 2 The State of Facilities and Estates
- 3 Choose Your Own Adventure: 2022 Priorities



# The State of Higher Education

---

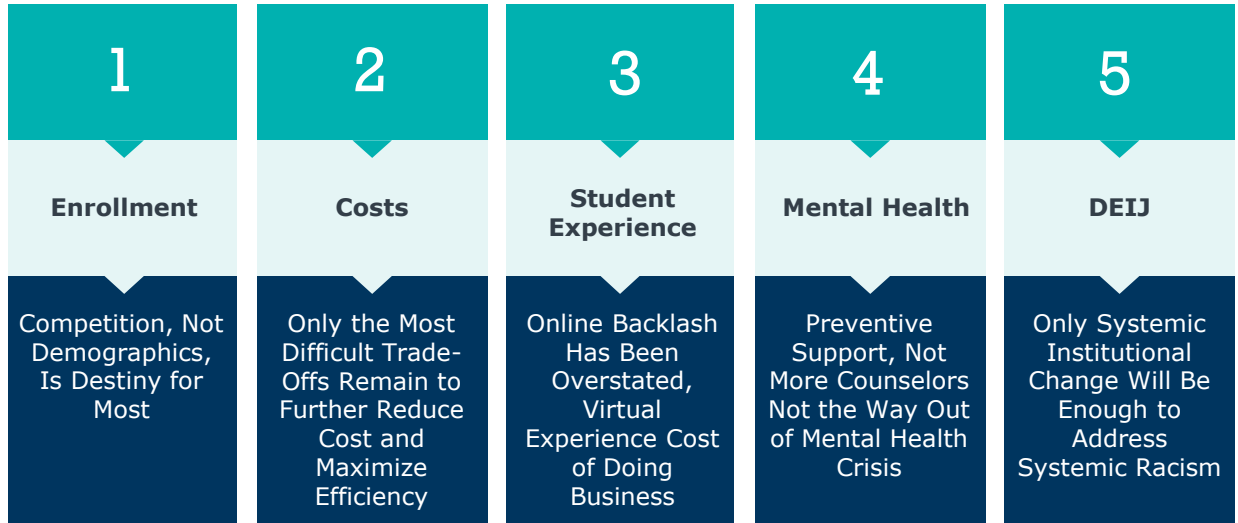
PART

1

# Five Imperatives for the Post-Vaccine Institution



## Resetting Our Focus on Long-Term Strategy



# 1

## Competition, Not Demographics, Is Destiny for Most



### **Before Covid: Bracing for the Demographic Cliff**

Demographics and Demand Drove Strategy

Focused on Maximizing Undergrad Enrollment

Consistent Enrollment Growth in the Grad Market



### **Now: Preparing to Compete Harder for Changing Student Audiences**

Demographic Cliff Not Quite So Steep, But Still Widespread

Market Share Decisive Factor for Most Growth, not Demographics

Long-Term Growth Strategy Expands Beyond Undergrads

# An Only Slightly Less Pessimistic Projection

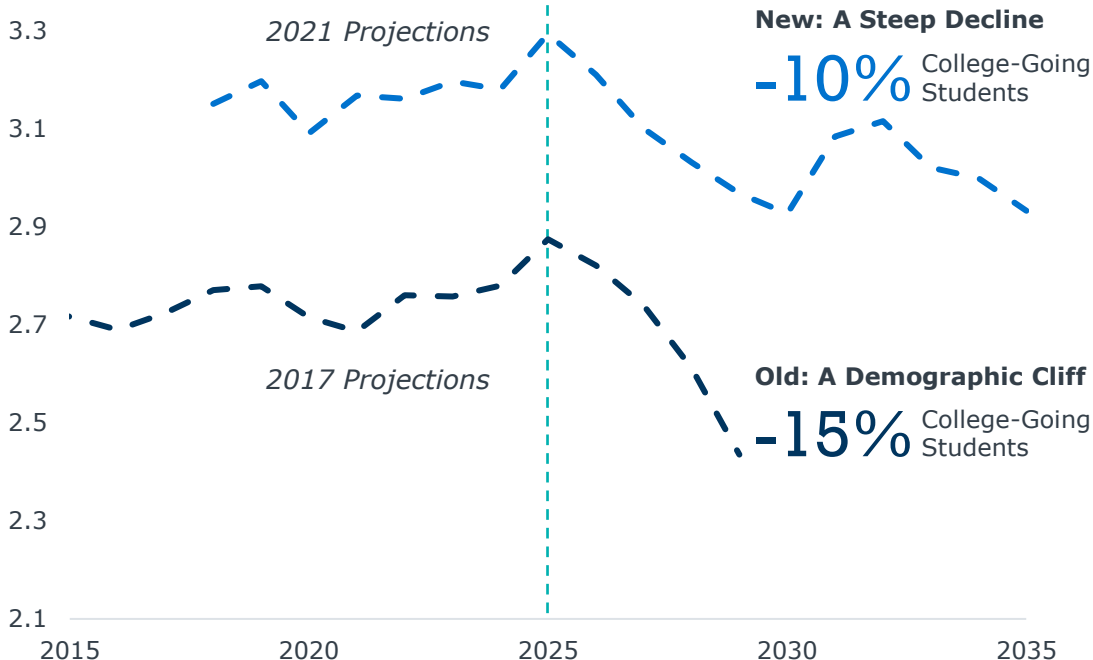


## Years of Enrollment Stagnation...

Millions of College-Going Students

## Followed by Dramatic Decline

2025 Onwards



**New: A Steep Decline**

**-10%** College-Going Students

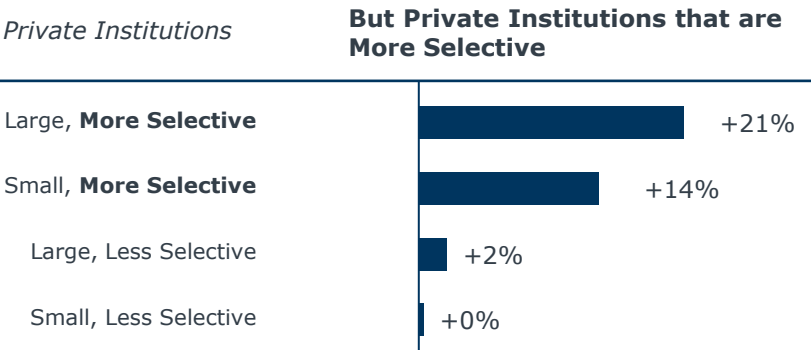
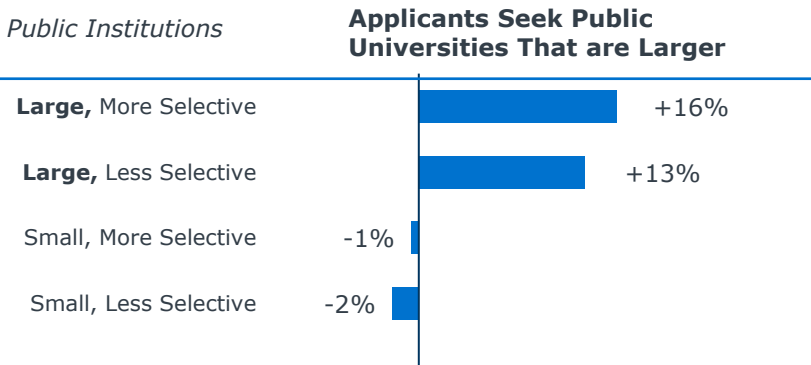
**Old: A Demographic Cliff**

**-15%** College-Going Students



# Application Flight to Size and Selectivity

*Pct. Change in Common App Submissions 2019-20 to 2020-21*



## Apps Outpace Students, Raising Yield Concerns

**+11%** Total Applications

**+2%** Unique Prospects

## And FAFSA Filings Present Worrying Signs for Equity

*% Change in FAFSA Completion*

**-12%** At Title I Eligible High Schools

**-14%** At High POC High Schools

1) Large: More than 10,000 total students  
 2) More Selective: admit rate of less than 50%  
 ©2022 by EAB. All Rights Reserved. eab.com

Sources: Common Application; Melissa Korn and Douglas Belkin, 'College Admission Season Is Crazier Than Ever. That Could Change Who Gets In', The Wall Street Journal, Mar. 16, 2021, ([Link](#)); Scott Jaschik, 'The Rich Get Richer...' Inside Higher Ed, Mar. 15, 2021, ([Link](#)); National College Attainment Network, 'FAFSA Tracker', Form Your Future, Accessed Mar. 24, 2021, ([Link](#)) EAB Interviews and Analysis.



# 2

Only the Most  
Difficult Trade-  
Offs Remain to  
Further Reduce  
Cost, Maximize  
Efficiency



## ***Before Covid: An Evergreen Effort to Find Savings and Efficiencies***

Process Improvement  
Initiatives Across Campus

Shared Services and Space  
Consolidation

Maximizing Section Fill Rates  
and Instructional Capacity



## ***Now: New Table Stakes Go Beyond Cuts, Require Major Reorganization***

Prepare for a World Where  
Costs Only Go Up Overall

Adopt Continuous Program  
Review Processes

Consolidate Academic  
Departments and Schools

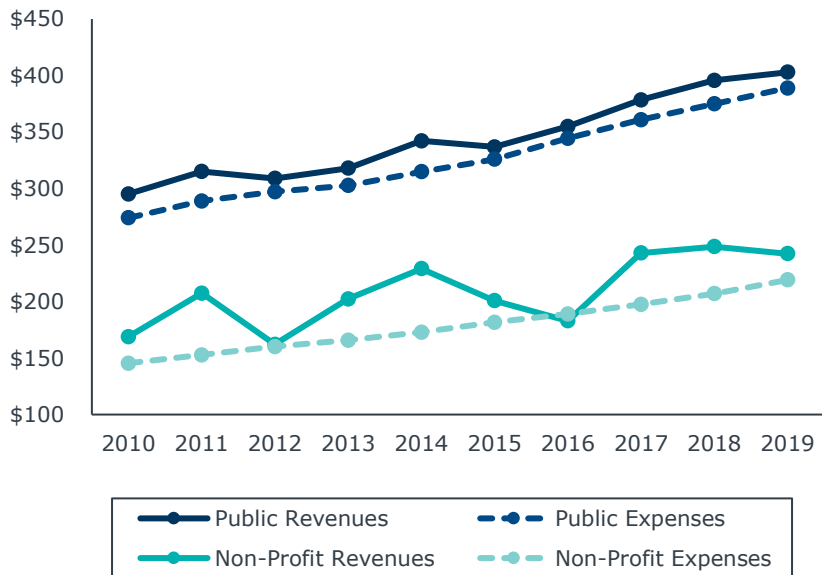


# Across Industry, Expenses Outpacing Revenues

Even After a Decade of Diligent Cost Control Efforts at Many Institutions

## Pre-Pandemic Industrywide Revenues and Expenses

*Fiscal Year IPEDs Data in Billions of Dollars, FASB for Non-Profits, GASB for Publics*



**+4.4%**

Median annual cost growth industrywide from 2010-2019 vs. +3.8% in revenue growth

**+36%**

Increase in institutional debt from 2011 to 2018, accumulating to nearly \$300B

**\$71-115B**

Estimated six-year industrywide revenue losses stemming from COVID-19

Source: Integrated Postsecondary Education Data System (IPEDS), National Center for Education Statistics, accessed May 26, 2021; [The Lingering Fiscal Effects of the COVID-19 Pandemic on Higher Education](#), The Federal Reserve Bank of Philadelphia; [The Other Looming Educational Debt Crises](#), Ernest and Young; EAB interviews and analysis.

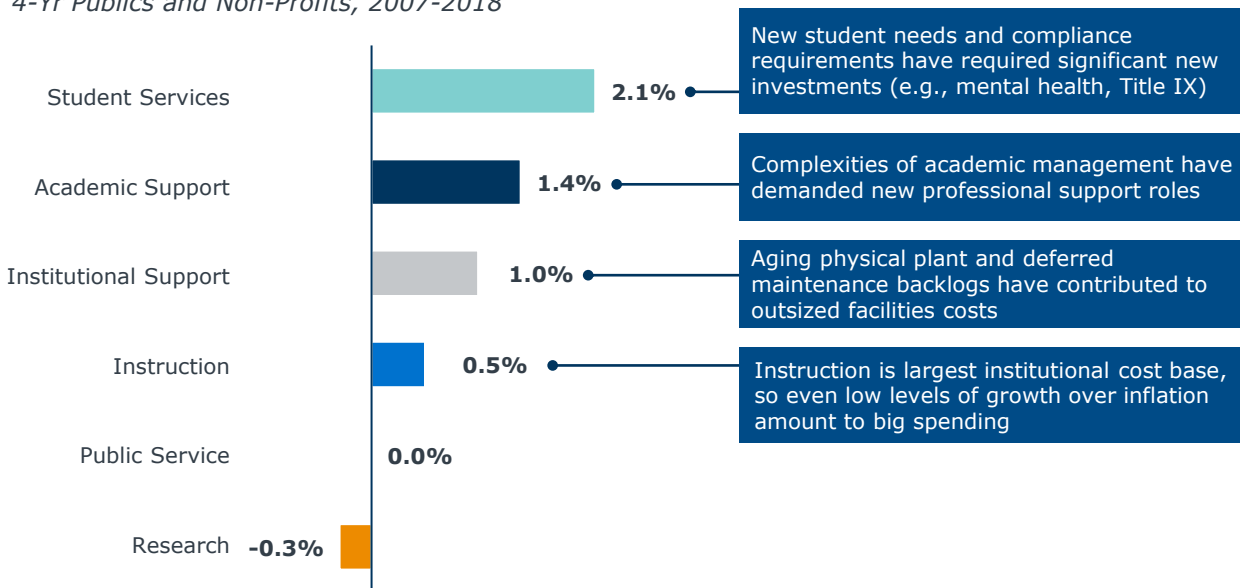
# What's Driving Cost Growth?



Hint: It's Not Lazy Rivers

## Expense Increases Disproportionately Driven By Student and Support Services, But Most Institutions Growing Expenses Across Categories

*Inflation Adjusted Per Student Expense Growth at 4-Yr Publics and Non-Profits, 2007-2018*



Source: [Reimagining higher education in the United States](#), McKinsey; Delta Cost Project, "Trends in College Spending: 2003-2013"; Cooper P, "The Exaggerated Role of 'Cost Disease' in Soaring College Tuition," *Forbes*, May 10, 2017; U.S. Census Bureau Household Pulse Survey, Week 15 (Sept. 16-28<sup>th</sup>); EAB interviews and analysis.

# 3

Online Backlash  
Has Been  
Overstated,  
Virtual  
Experience Now  
Cost of Doing  
Business



## **Before Covid: Customer Experience Secondary to Academics**

Most Student Services In-  
Person, Difficult to Navigate

“One-Stop Shops” the Paragon  
of Customer Service

Undergraduate Online Learning  
Misunderstood as Less Rigorous



## **Now: Heightened Expectations of Both In-Person and Virtual Service**

Current Consumer Behaviors  
Will Outlast Pandemic

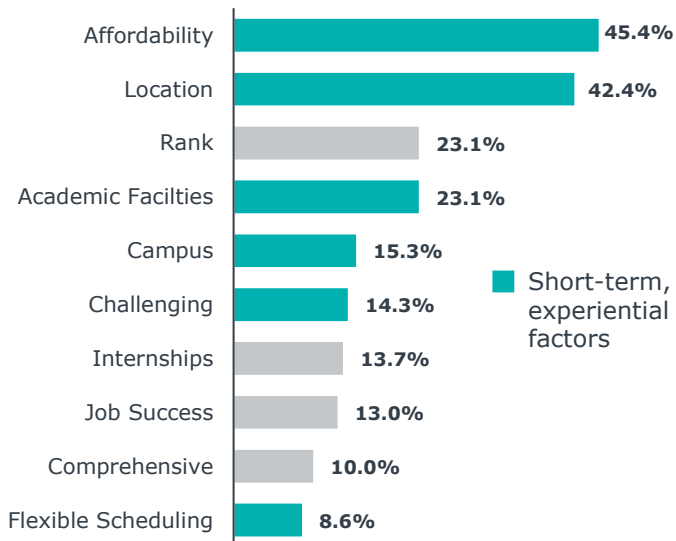
Prepare for Long-Term Virtual  
Services Investments

Anticipate How Multi-Modal Learning  
and Work Could Transform Campus

# Covid Accelerated Focus on Short-Term

## Pandemic Freshman Chose Institutions for Experience-Specific Reasons

*Top 10 reasons for enrolling at their institution*

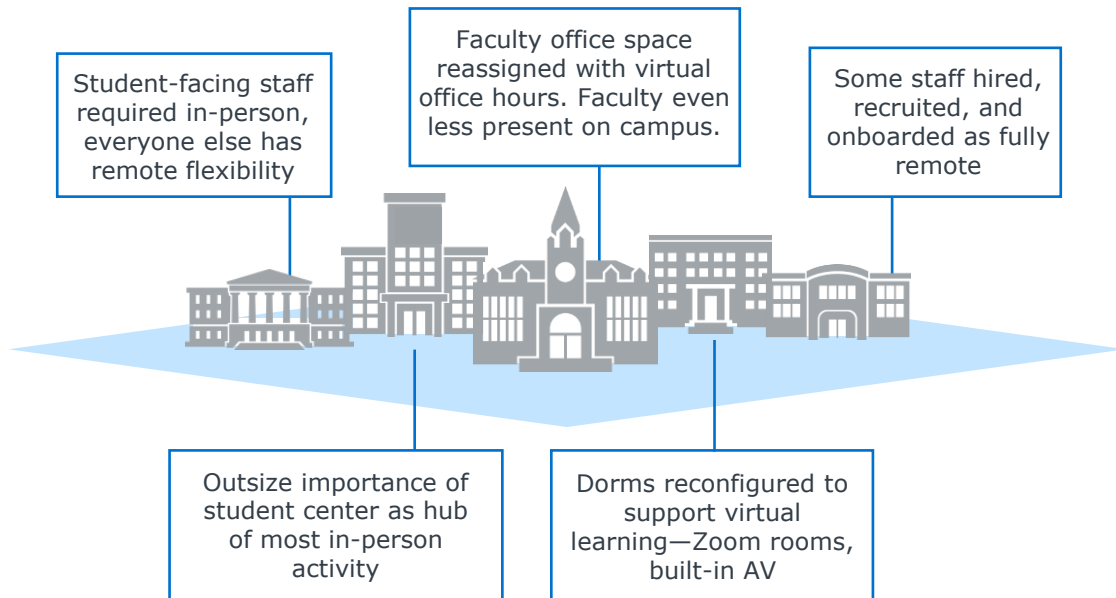


## Career Outcomes Less Important Than Expected for Re-Enrollment Decisions

**35%** Of current students who said that demonstrating positive employment outcomes would make it very likely for them to re-enroll at their current institution

# The Multimodal Campus of the Future

## Inadvertently Creating a Culture of Haves and Have-Nots?



# 4

## Preventive Support, Not More Counselors the Way Out of Campus Mental Health Crisis



### **Before Covid: Mental Health Requires More Budget, Senior Time**

Rising Levels of Anxiety and Depression Already a Crisis

Increase in Counseling Center Use Far Outpaces Enrollment

Institutions Start Trying Scaled and Non-Clinical Resources



### **Now: Mental Health a Barrier to Institutional Strategic Success**

Rising Levels of Isolation and Grief, Greater Expectations of Support

Both Clinical and Non-Clinical Solutions Essential

Integrated Wellness Environments for Students, Faculty, and Staff

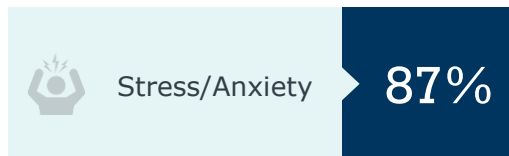
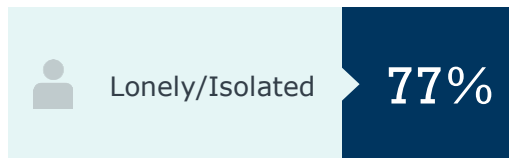
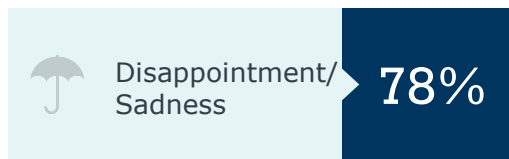
# COVID Effect Still Not Fully Understood



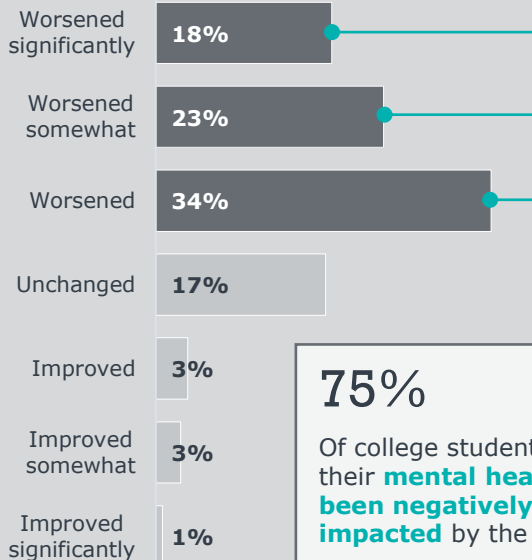
But Early Data Indicates Widespread Impact on Mental Health and Wellness

## No One Immune to Emotional Impacts of COVID

Share of students surveyed who reported feeling...



Since the beginning of the pandemic, has your mental health...





# 5

## Only Systemic Institutional Change Will Be Enough to Address Systemic Racism



### **Before Covid: Low Urgency to Address Systemic Racism on Campus**

Major Retention, Completion, and Job Placement Gaps Persist

Faculty and Staff Diversity Lags Behind Student Diversity

Students of Color Experience Hostile Campus Climate



### **Now: Pandemic Accelerates Social and Economic Gaps**

Disproportionate Health, Financial Impact on Students of Color

Diverse Junior Instructors and Staff More Likely to Be Laid Off

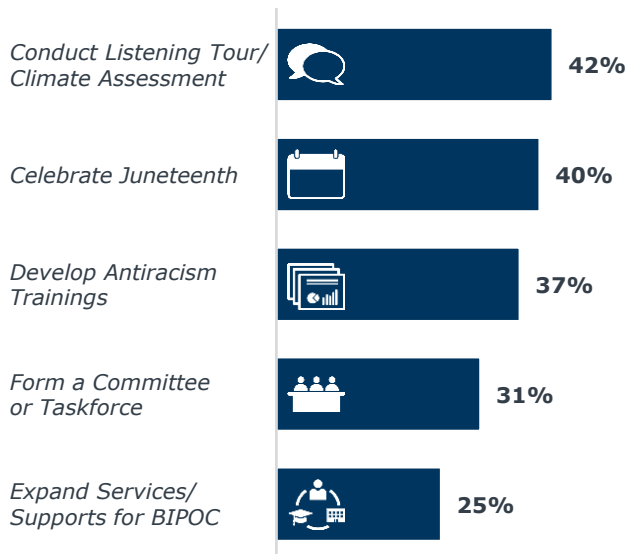
Anti-Racism Statements Promise Change, But Little Commitment

# Unclear Strategy and Priorities

## Institutional Efforts Center on Incremental, Low-Resource Commitments

### Commitments in Our Comfort Zone

Percentage of Statements with Action Items that Include Commitment to:



**No Connection to  
Long-Term Strategy**

**75%**

Of statements with action items **did not connect them** to institutional strategic plans

**Actions Without Dollars  
Undermine Sustainability**

**63%**

Of statements with action items **did not allocate funding** to them

# Quick Poll

**Which of the Higher Education Industry trends is most impacting your Facilities organization or operations today?** *(Choose one)*

- Enrollment disruptions (revenue)
- Cost concerns (expenses)
- Virtual student experience
- Wellness/mental health crisis
- Diversity, equity, and inclusion efforts



As poll results come in, share your comments and questions with us using the Chat function!



# The State of Facilities and Estates

---

PART

2

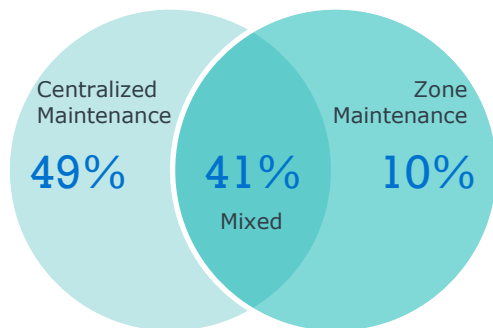
# How are Facilities and Estates Organized?



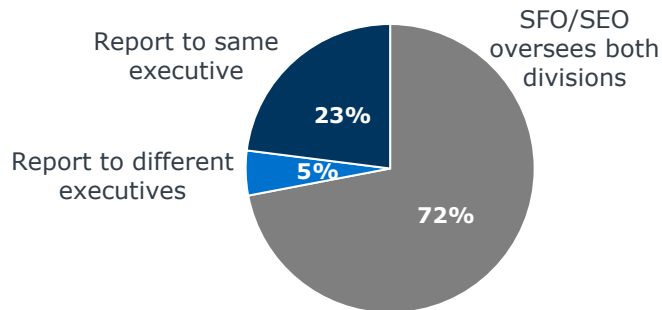
## 2022 Survey Summary

- Completed December 2021
- 43 institutional responses
- 80% USA, 20% international
- Senior Facilities and Senior Estates Officers

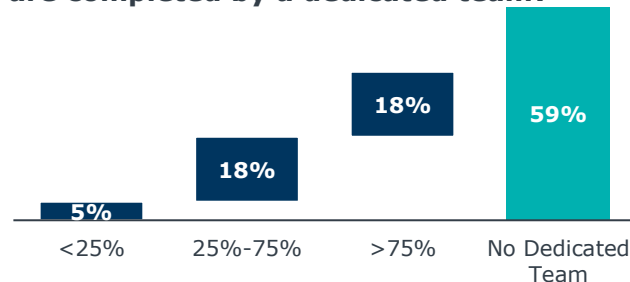
## How is maintenance work assigned on your main campus?



## How are your O&M<sup>1</sup> and capital projects teams overseen?



## What percentage of PM workorders are completed by a dedicated team?

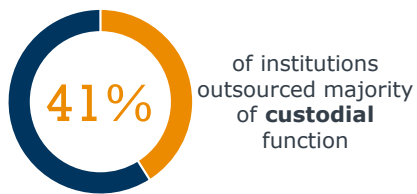


1) Operations and maintenance.

# What Does Facilities and Estates Do?



## State of Functional Outsourcing

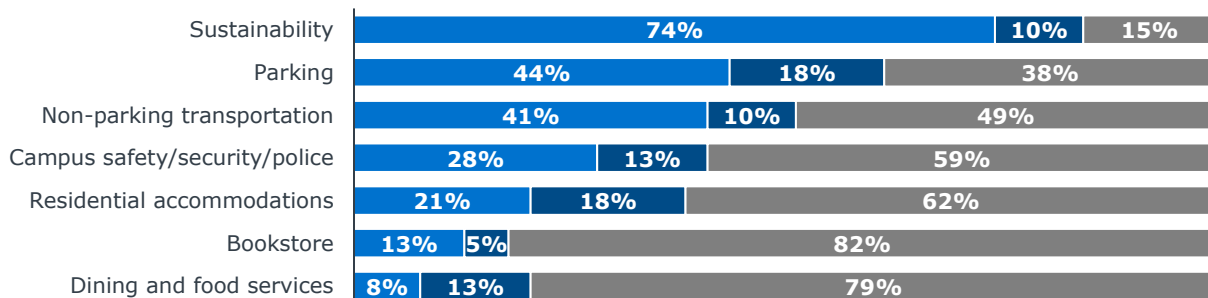


### Outsourcing More Common Outside United States

- 88% of international institutions outsourced **custodial services**
- 50% of international institutions outsourced **grounds services**

## Oversight of Broader Institutional Functions

*"What is the relationship between the Facilities/Estates organization and the following campus auxiliaries and/or units?"*

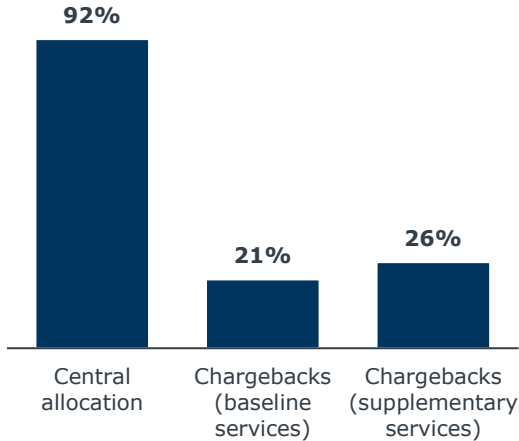


■ Direct ■ Indirect ■ Not Involved

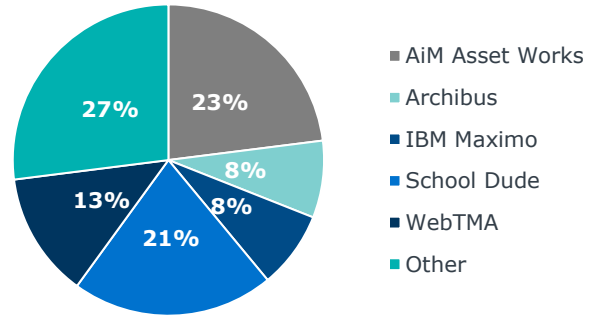
# How Do Facilities and Estates Do What We Do?



## Percentage of Institutions Using Indicated Funding Mechanisms



## Percentage of Institutions Using Various CMMS<sup>1</sup> Platforms



20.5%

of institutions report having successfully deployed an effective **space charge** on their campus

89.8%

of institutions report having **positive experience** with the deployment or development of their CMMS

1) Computerized maintenance management system.

# What Are Facilities/Estates Leaders Worried About?



## Talent

Recruiting, training, retaining  
a shrinking workforce



## Sustainability

Meeting ambitious targets  
across disparate projects



## Hybrid Work

Establishing policies,  
maintaining community

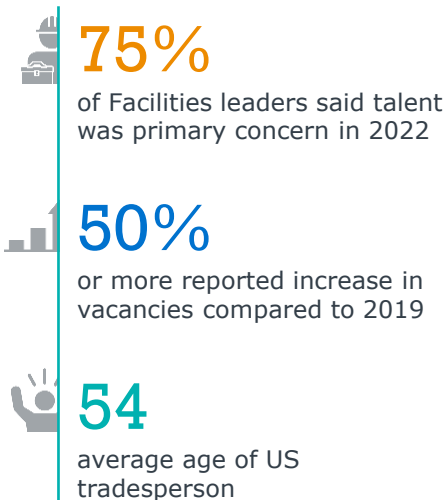


## Space

Designing and managing a  
multi-modal campus



# Challenge #1: The Talent Crunch



“Normally, we would be inundated with applicants, but we struggle now to even get seven to interview. Out of seven, two turned up; none were recruitable.”

*Senior Facilities Officer, Regional Private*

“We had to create radio ads to advertise for open cleaner positions. I never thought that would be necessary.”

*Senior Estates Officer, Large Public*

## Questions Estates and Facilities Leaders Are Asking



How do I keep my staff in-seat longer?



How do I manage a bifurcated working culture?

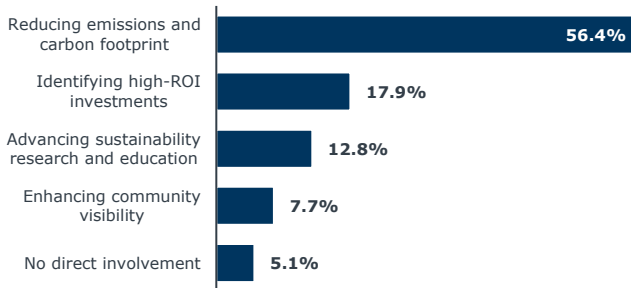


What are the best learning & development opportunities?

# Challenge #2: Growing Sustainability Ambitions

## Emissions and Finances Top Sustainability Priorities

Which of the following sustainability issues is the highest priority for your organization to make progress on over the next year?



**Preparing for a Crisis** **INSIDE HIGHER ED**

**Students Storm Field to Protest Climate Change** **wbur**

**London School of Economics claims carbon neutral status** **THE WORLD UNIVERSITY AWARDS**

## Questions Estates and Facilities Leaders Are Asking



How much travel will we allow to and from campus?



What's our plan to get to Carbon Zero?



How do we engage the whole community in sustainability efforts?

Source: "London School of Economics claims carbon neutral status," Times Higher Education, 4 November 2021; "Preparing for a Crisis," Inside Higher Ed, 5 May 2021; "Students Storm Field at Halftime of Harvard-Yale Football Game to Protest Climate Change," WBUR, 23 November 2019; EAB interviews and analysis.

# Challenge #3: Reacting to Hybrid Work

## 50+%

Of employees prefer hybrid or flexible working arrangements, consistent across industry surveys

## 75%

Of institutions making long-term changes to their remote and hybrid work policy

## 35%

Estimated percentage of university employees in hybrid working arrangements post-pandemic

## Five Priorities for Effective Hybrid Work Policy Design



Surface Employee Well-Being Concerns



Make the Informal Intentional



Establish Goal-Driven Remote Policy



Address Equity Barriers to Remote Work



Ease Multimodal Interactions

## Questions Estates and Facilities Leaders Are Asking



Should hybrid work change our parking and transportation strategy?



What supplies and equipment should we give remote employees?



How will we build culture and community, especially for new hires?

# Challenge #4: Designing (and Operating) the Spaces of the Future Campus



**9.7%** Increase in the share of total campus footprint by **offices** from 1974 to 2021

**8:1** Ratio of **individual to collaborative** work space provided on an average campus

**\$600** Average per square foot cost of **campus construction** in US (2021)

## Percentage of Institutions Planning to Make Significant Investments in Academic Spaces in 2022 by:

Incorporating and/or upgrading cameras, microphones, and/or monitors in classrooms	82%
Creating some classrooms that are optimized for Hy Flex delivery (i.e., synchronous delivery for both online and in-person students)	59%
Incorporating and/or upgrading flexible design features, modular furniture into classrooms	59%
Renovating/redesigning large lecture halls to enable more active learning	41%
Creating and/or expanding outdoor classroom(s) and/or learning space(s)	33%
Creating and/or expanding learning space(s) that support AR/VR (e.g., visualization lab)	28%
Creating and/or expanding more hands-on, collaborative learning space(s)	56%
Redesigning and/or repurposing on-campus computer labs	26%

## Questions Estates and Facilities Leaders Are Asking



Will the lecture hall become obsolete, and what should replace it?



How do we create spaces that promote student wellness?



How do we lock-in more sustainable and maintainable designs?



# Priorities for 2022

Choose Your Own Adventure

---

PART

3



## Talent Crunch

- [Grow Your Facilities Talent Through Upskilling Programs](#)
- [Optimizing Your Facilities Outsourcing Arrangements](#)
- [Debunking Five Myths About Launching an Apprenticeship Program in Facilities](#)

## Sustainability



- [Compendium of Sustainability Initiatives in Higher Education](#)
- [Campus Sustainability Plan Review](#)
- [3 Ways to Keep Pace with Growing Sustainability Strategies](#)



## Remote Work

- [Remote Work Policy Audit](#)
- [Remote Work Resource Center](#)
- [Manager's Guide to Remote Onboarding for Higher Ed](#)
- [How Universities Are Planning Return to Work Policies and Guidelines](#)

## Future of Space



- [Designing Administrative Office Spaces for Hybrid Workplaces](#)
- [Working with Academic Leaders to Improve Space Utilization](#)
- [Design Toolkit for Campus Construction Projects](#)

## Upcoming Events

### Aligning Administrative Office Space with Hybrid Workplaces

- March 3rd, 9:30am-11:00am ET

### Estates National Meeting (in-person)

- March 16<sup>th</sup>, London

### Working Sessions on the Facilities and Estates Talent Crunch (virtual)

- Spring 2022 (dates forthcoming)

### Facilities National Meeting (in-person)

- Summer 2022 (dates forthcoming)

## Forthcoming Research

### Future of Campus Spaces

- New research on classrooms and libraries, wellness spaces, and residential halls

### Financial Sustainability Collaborative – Administrative

- Hybrid office space savings, reporting lines analyses, centralized support staff opportunities

### Tackling the Facilities Talent Crunch

- Updated data and case studies

# Quick Poll

**Which of the following EAB resources or services would be most valuable for you and your institution?** *(Choose all that apply)*

- Register me for the March 3 **virtual event** on “Aligning Administrative Office Space with Hybrid Workplaces”
- Send me more information about the **remote work policy audit**
- Send me more information about the **sustainability plan review**
- Send me more information about the **Facilities/Estates maturity diagnostic**
- Send me more information about the **Facilities/Estates org chart review**
- I want to discuss setting up a **workshop** for my leadership team or Facilities/Estates Management group



As poll results come in, share your comments and questions with us using the Chat function!





Washington DC | Richmond | Birmingham | Minneapolis

202-747-1000 | [eab.com](http://eab.com)

