



———— EAB'S HIGHER ED ————

State of the Sector

— THE CRISIS OF PUBLIC CONFIDENCE —

Executive Brief





EXECUTIVE SUMMARY

The Story Behind the Story

Public skepticism toward higher education is growing. Despite decades of data proving that a college degree provides strong long-term benefits, confidence in the institutions delivering that degree has waned¹. This erosion of trust is not wholly unique to higher education, nor is it a one-off phenomenon. Rather, it is occurring against the backdrop of broader societal distrust in all institutions and shaped by persistent, deeply embedded trends that higher education has struggled to effectively address.

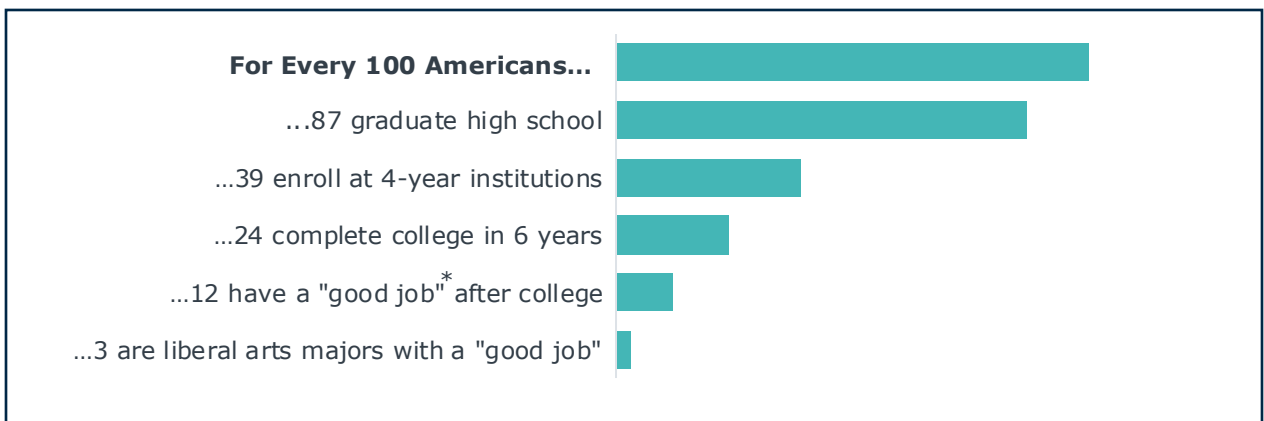
In this year's *State of the Sector* research, we unpack the "story behind the story" of declining public confidence. Specifically, we highlight three critical trends that are shaping higher ed's public value crisis, and outline actionable opportunities for leaders to confront these challenges head-on:

- 1 Traditional defenses of higher ed are trapped in an echo chamber.** The current messaging around the value of higher education doesn't resonate with today's public or reach our most skeptical audiences.
- 2 Both sides of the political aisle agree on a growing list of critiques.** Criticism of higher education—from affordability to workforce alignment—is increasingly bipartisan, reflecting shifting societal expectations.
- 3 Every external constituency is behaving more like an investor.** From prospective students and parents to employers, donors, and public officials, the focus is increasingly on provable outcomes and measurable returns on their investment in higher education.

Cabinet members and executive leaders should use this briefing to identify the trends most likely to impact their institutions and to prioritize actions that can rebuild public trust.

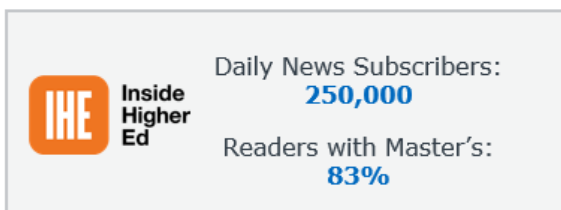
1 Traditional Defenses of Higher Ed Are Trapped in an Echo Chamber

Higher education’s messaging tends to focus on providing a gateway for opportunity and advancement – often via a broad-based, liberal arts education – but most Americans haven’t shared in those benefits. For every 100 Americans, 87 graduate high school², but only 39 of them go on to enroll at a four-year college or university³. Just 24 complete a degree within six years⁴, and only 12 secure a “good job⁵” – meaning it typically requires a bachelor’s degree – one year after graduation. Since liberal arts majors make up less than a third of degree conferrals⁶, we can estimate that the number of liberal arts grads with good jobs shrinks to just 3 out of the original 100 Americans. While there are limitations to these data points and calculations, they illustrate the disconnect between higher ed’s attempts to defend its value and the educational experiences of the broader public.

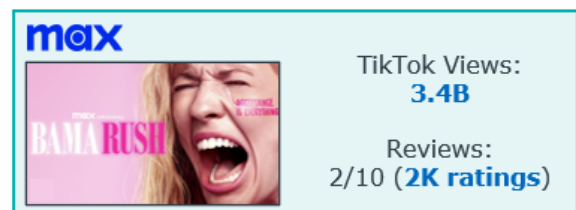


To make matters worse, most of higher education’s messages about value aren’t even *reaching* the general public. Each year, college and university leaders “preach to the choir” via op-eds, books, and presentations consumed largely by those who need little convincing. Meanwhile, the broader public is often exposed to less favorable portrayals that center around controversies or scandals.

Our Messages Mostly Reach the Small Group We’ve Already Convinced...



...While the Broader Public Is Often Exposed to Less Flattering Portrayals⁸



*The majority of workers in that occupation have or are required to have a bachelor’s degree, measured one year after graduation

1

While there are steps institutions can take to improve their marketing and communications, those alone are no longer sufficient. Instead, to better reach the 97% of Americans who aren't liberal arts majors with good jobs, higher ed must re-examine its core identity. Institutions need to grapple with the traditional boundaries of what is considered "core" versus "periphery" to their mission. By integrating market-responsive, competency-based, and outcomes-driven approaches into the heart of their educational offerings, colleges can better address the needs of today's students and society at large. That, in turn, will enable them to defend their relevance.

The Traditional Lines Between "Core" and "Periphery"...



...Are Becoming Increasingly Blurred...



...As Institutions Adapt to the Needs of the Majority



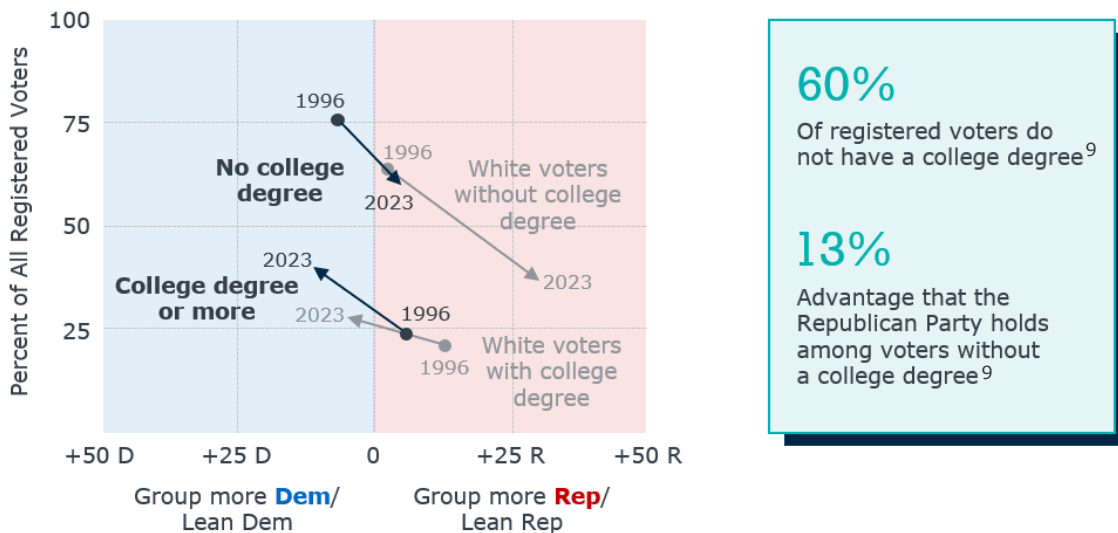
Key Questions for Leadership Teams to Discuss

- 1 What would it take to ensure everyone gets the educational experience they need to succeed long-term in the economy and in life?
- 2 What might we need to change about what we offer, how it is packaged, and how it is delivered to meet those needs?

2

Both Sides of the Political Aisle Agree on a Growing List of Critiques

Higher education’s public value crisis is occurring against the backdrop of broader demographic and political changes in the U.S., with education level increasingly linked to political affiliation. Over the past few decades, college graduates have increasingly leaned Democratic, while those without degrees have swung Republican⁹. This demographic shift underscores how higher education has become intertwined with political identity, thereby influencing public discourse around its value.



Despite the shift and growing rhetoric around political polarization, higher education is fielding attacks from both sides of the aisle.

The political right often critiques higher ed on its failure to live up to certain values, like free speech, meritocracy, and fiscal responsibility. Many on this side argue that institutions promote identity-based diversity at the expense of ideological or viewpoint diversity, favor progressive ideological conformity, and employ biased admissions policies all while relying on public subsidy. These critiques resonate particularly strongly within conservative circles and have become focal points in broader culture wars.

Meanwhile, those on the political left focus more on “value” critiques, emphasizing issues like rising costs, inadequate support systems, and low-quality programs. Left-leaning critics often highlight systemic barriers to access, inequitable outcomes for marginalized groups, and the burden of student debt as evidence of higher education’s failure to deliver on its promise.

2

There is more overlap in the concerns of both sides than is often realized. Both parties share frustrations around transparency, accountability, return on investment, curricular relevance, and workforce development. Of course, each political party approaches these topics from a slightly different angle and may have differing views on the best way to address these concerns. Nonetheless, these areas of alignment provide all leaders with a clear agenda; they should anticipate heightened scrutiny of metrics in these areas and focus a growing portion of their attention, strategic initiatives, and external messaging around these shared priorities.

Political Left Critiques Higher Ed on Its **Value**

- **Rising costs** and hidden fees block access, especially for underrepresented groups
- Lack of accountability for student and **post-graduation outcomes**
- **Low-quality** programs fuel debt crisis and fail to lead to good jobs
- Inadequate support systems hinder **student success**



Political Right Critiques Higher Ed on Its **Values**

- “Woke” curriculum and faculty suppress **free speech** along with viewpoint diversity
- Discriminatory admissions policies gatekeep access and hinder **meritocracy**
- Inefficient resource use shifts costs onto taxpayers instead of promoting **personal and fiscal responsibility**
- Foreign interference threatens **democracy** and **national security**

Key Questions for Leadership Teams to Discuss

- 1 What steps could we take to improve transparency and accountability, especially around shared priorities like workforce development and curricular relevance?
- 2 How might we better align our messaging to resonate with the broader public while addressing both “values” and “value” critiques?

3

Every External Constituency Is Behaving More Like an Investor

Higher education’s external stakeholders are pushing harder than ever on outcomes.

Demands for accountability are no longer coming only from regulators; today, students and parents increasingly assess colleges based on long-term career and life outcomes. Employers expect graduates to be workforce-ready on day one, and funders are doubling down on the need for provable impact.

Students, Parents, and Employers

Students have mixed emotions about value and return on investment (ROI). While many students express satisfaction with their education, others remain skeptical about whether their investment will pay off. Conflicting headlines and survey results contribute to these mixed emotions, further muddying perceptions of higher education’s value.



Students

For Every Positive Headline...



...There’s a More Negative Indicator

Given skepticism about higher education’s value, there are a growing number of “non-consumers.” Many of these individuals, who are often socioeconomically well-positioned to attend college, remain unconvinced and opt out of attending altogether. Despite compelling evidence that a degree can provide long-term benefits, non-consumers continue to cite concerns about ROI¹³. In contrast, the latest data shows the value they place on job training, certificates, and trades has increased over the last year^{14,15}.

3



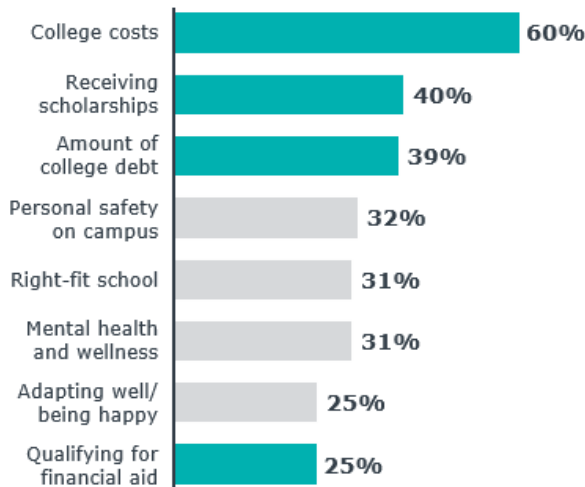
Parents

Among students who have enrolled into college, more are choosing higher pay, career-focused programs. Enrollments in fields like computer science, health professions, and business have grown significantly, reflecting students' prioritization of strong post-graduation outcomes.

For parents, their own financial journeys and anxieties shape their views on college value. Burdened by student loans, economic downturns, and caregiving responsibilities, many prioritize affordability and financial independence for their children. Their focus on minimizing debt and ensuring career readiness aligns closely with their students' priorities, as well as broader concerns about higher education's value.

Costs Dominate Parents Top Concerns for Their Students¹⁶

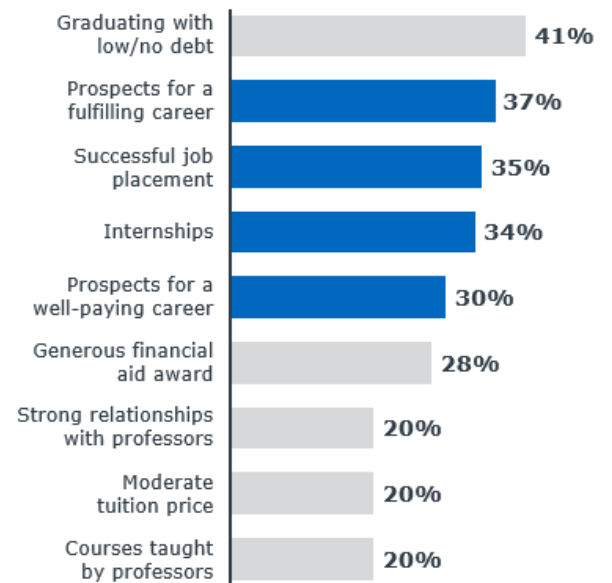
Responses with 20% or more; Parents could select up to 5 responses; n=1,524



At least half of parents say "affordable" or "manageable" means little to no debt.

Parents See Careers as Key Indicators of Higher Ed's Value¹⁶

Responses with 20% or more; Parents could select up to 5 responses; n=1,524



Employers

Employers increasingly emphasize the need for graduates to have stronger professional and life skills, yet many universities struggle to meet these expectations.

While institutions often focus on technical competencies, employers consistently highlight the importance of foundational skills such as prioritization, decision-making, interpersonal communication, and time management. When recent graduates fall short in these areas—whether by failing to meet deadlines, communicate effectively, or respond to feedback—employers lose confidence in higher education's ability to prepare students for the workforce.

3

What Higher Ed Gets Wrong About Employers

“ At the end of the day, employers are only really focused on the bottom line.”

“ We must prepare our students for today’s jobs and competitive labor market.”

“ Employers are prioritizing hiring graduates with hard skills.”

Mistake #1: Overlooking Their Human Side

“Employers” are collections of individuals whose decisions and priorities are shaped by all of their interpersonal reactions.

For example, people make financial decisions based **90%** on emotion and **10%** on logic.¹⁷

Mistake #2: Overweighting Generalized Industry Trends

There is lots of variation across organizational types, contexts, labor markets, and jobs.

For example, tech jobs dominate headlines but only make up **4-6%** of U.S. workers.¹⁸

Mistake #3: Overinflating Demand for Technical Skills

Employers tend to value non-technical skills more, but often feel that candidates lack them.

For example, **55.2%** of employers rate students highly in communication (compared to **79.4%** of students).¹⁹

Overall, students, parents, and employers are increasingly pushing institutions on the provable value and ROI of a college degree. Career preparation is a shared priority, with all stakeholders expecting more practical, hands-on experiences that equip students for real-world challenges. Institutions must adapt to these expectations by helping students clearly articulate the skills they acquire through their coursework, strengthening students’ co-curricular experience through applied work and learning, and identifying opportunities to redesign programs and/or the core curriculum in response to market demand.

Donors, State Officials, and Federal Officials

While donors have long pushed institutions on real-world impact, they’re now doubling down on accountability, quantifiable outcomes, and curricular relevance.



Prominent donors are increasingly using their financial contributions to advocate for greater alignment with practical problems and workforce needs. In some cases, they may even threaten to withhold funding unless institutions can demonstrate measurable impact on the issues that they care about.



Donors

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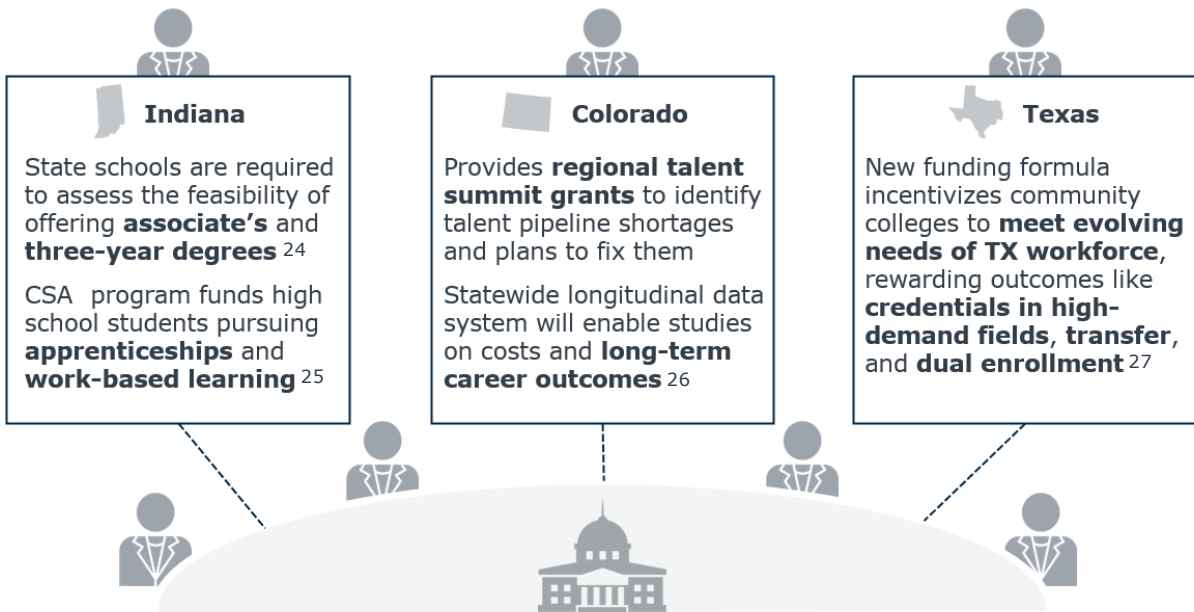
One notable example is Scott Galloway’s \$12 million gift to UC Extension, which specifically targets underserved student populations who often do not pursue traditional elite degrees²⁰. This gift supports programs in workforce-aligned areas like data analytics and facilities management, supplementing coursework with networking and industry exposure. Efforts like these highlight the growing pressure prominent alumni and funders are placing on institutions to adapt their offerings to meet the demands of the modern economy and prove their value to both students and donors.

<p>The Problem: Stuck in the Ivory Tower</p> <ul style="list-style-type: none">• UC was affordable and accessible in the '80s, but now only serves the select few• “Product” hasn’t evolved to reflect the need for more skilled trades talent and alternatives to the traditional four-year liberal arts degree <p> </p>	<p>The Solution: \$12M Gift Nudges Elites on “Vocational” Offerings</p> <p><i>UC Exceleator Program</i>^{21,22}</p> <ul style="list-style-type: none">▶ Targets underserved student populations that aren’t equipped for or interested in a traditional elite degree▶ Tuition only covers programs in workforce-aligned areas (e.g., data analytics, facilities management)▶ Supplements coursework with networking and industry exposure
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State Officials

State officials are laser-focused on jobs and the economy²³, reflecting a broader societal emphasis on economic well-being and growth. While there can be a tendency to think of workforce development as the domain of two-year institutions, four-year colleges and universities that ignore this trend risk missing opportunities to tap into new funding sources and demonstrate higher ed’s responsiveness and relevance to regional and state needs.



3



Federal Policy-makers

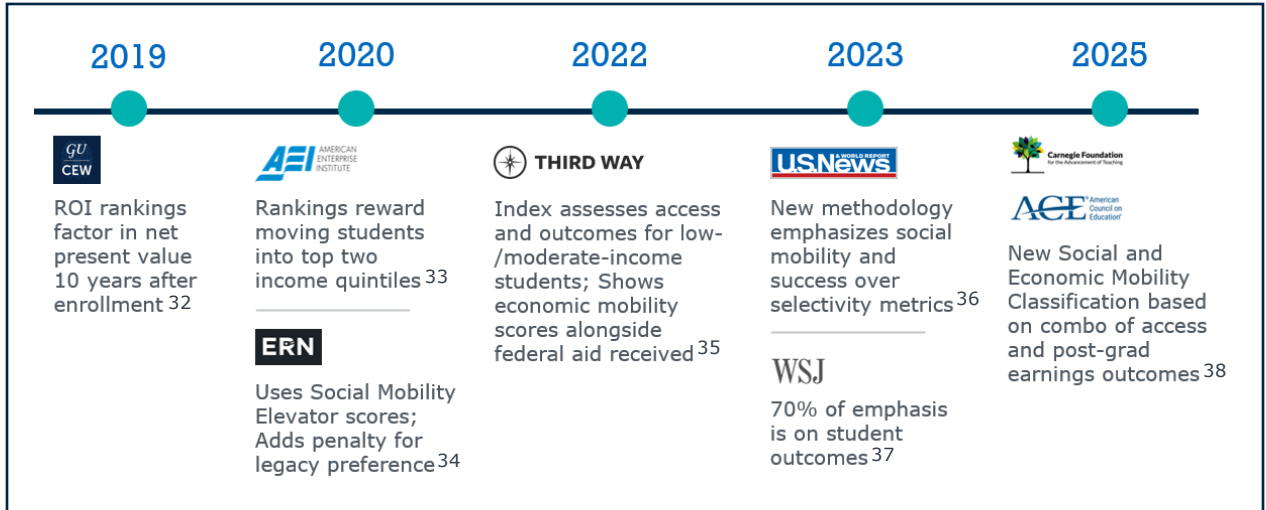
Federal policymakers have long played a role in shaping higher education’s focus on outcomes, but the pressure has steadily increased in recent years. This focus dates back to the 1940s, when presidential commissions emphasized access, quality, and national competitiveness, and the GI Bill brought accreditors into the fold as gatekeepers of federal funds. Landmark efforts like the 2005 Spellings Commission set the tone for the 21st century, calling for greater accountability and workforce readiness, while the Obama Administration introduced Gainful Employment regulations targeting poor-performing for-profit schools. More recently, the Biden Administration has expanded oversight, scrutinizing online program managers (OPMs) and pushing accreditors to enforce stricter performance standards, including graduation rates²⁸. These efforts reflect an evolving regulatory landscape where policies initially aimed at for-profits have started to trickle down to nonprofits. As federal initiatives increasingly prioritize innovation, workforce alignment, and economic competitiveness, the demand for measurable outcomes from higher education has never been greater.



Overall, donors and public officials have heightened expectations for real-world impact and societal benefits. These constituencies prioritize institutional accountability, especially for programs with clear economic and workforce relevance. To maintain public trust and funding, colleges must align their efforts with these priorities and demonstrate their capacity to drive meaningful societal outcomes.

3

External constituencies’ growing focus on outcomes and ROI has already begun to manifest in new rankings systems, many of which are focused on social and economic mobility. These new rankings often assess students’ post-graduation salaries, particularly when measured against their economic backgrounds prior to college. The rise of mobility-focused rankings has even pressured traditional players like U.S. News and World Report to start evolving their methodologies to also incorporate ROI-related measures.

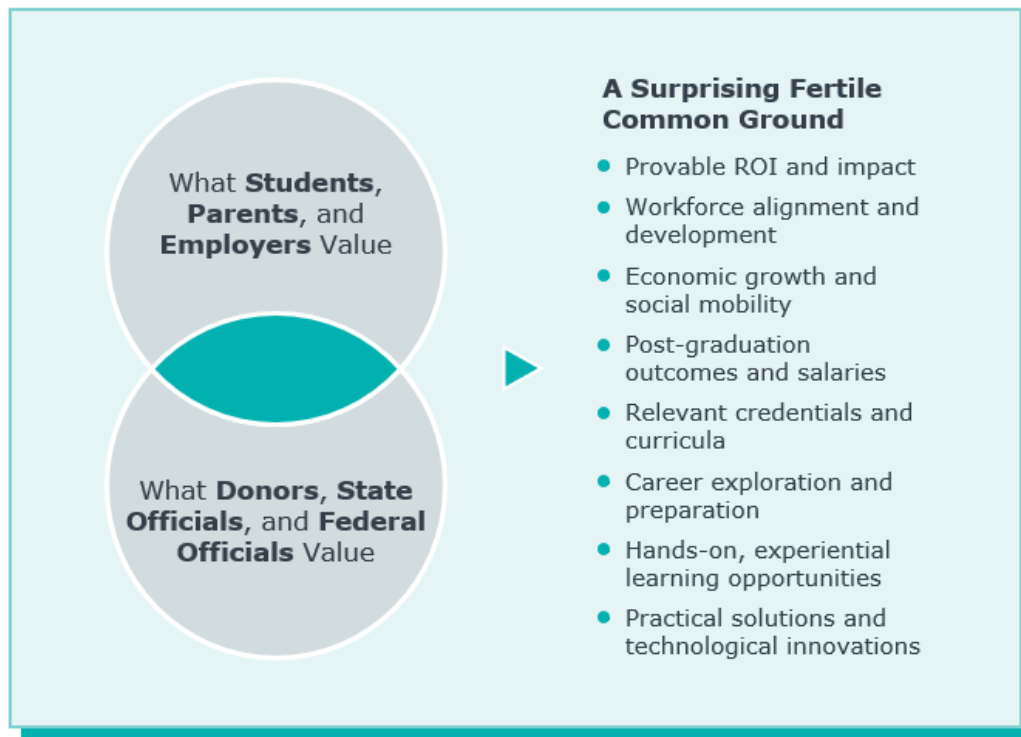


These changes to ranking systems are incentivizing and rewarding institutions that focus more intentionally on moving low-income students into higher income brackets, which could significantly reshape the traditional rankings landscape. Institutions that excel in economic mobility metrics—often those with profiles quite different from the usual top-ranked schools—may see a rise in prominence as these rankings gain traction.

3

While it may feel impossible to meet every external constituency’s differing needs and expectations, the good news is there is significant overlap in their priorities.

These shared areas—such as career readiness, affordability, measurable societal contributions, and workforce alignment—represent some of the best-bet opportunities for higher education leaders to focus their time, attention, and resources since they are valued by so many constituencies. By aligning efforts around these areas, colleges and universities can meet expectations more effectively and build trust across diverse stakeholder groups.



Key Questions for Leadership Teams to Discuss

- 1** Where is our institution having an undeniable impact that external constituencies actively give us credit for?
- 2** Where might we be falling short in terms of meeting external constituencies’ top priorities and shared expectations?



What's Next?

The research and trends outlined in this document highlight critical challenges and opportunities for higher education in navigating the growing crisis of public confidence. This work represents an evolving agenda shaped by ongoing analysis of stakeholder expectations, societal needs, and institutional strategies. As the landscape continues to shift—with students, parents, employers, donors, and public officials demanding more accountability and measurable outcomes—colleges and universities adapt their strategy accordingly.

While in the past institutions could afford to focus first-and-foremost on internal constituencies and self-serving priorities, that is no longer the case. To win future enrollments, revenue, and public support, leadership teams must embrace more of an “outside-in” approach that incorporates external constituencies’ needs and expectations from the start, making these more central to the institution’s strategy and communications.

The good news is that the convergence of overlapping priorities across diverse constituencies offers a path forward. Shared focus areas, including career readiness, affordability, and workforce alignment, provide institutions with a roadmap for responding to evolving demands while strengthening their relevance. Leaders must seize these opportunities to innovate and collaborate, ensuring their institutions are vital contributors to local and regional communities.

We encourage you to use the insights and themes in this document to spark meaningful conversations with your leadership team.

Key Questions for Leadership Teams to Discuss

- 1 What are our provable and defensible points of differentiation? How well does our current value proposition align with the overlapping priorities of external constituencies?
- 2 What real-world problems impacting our local community, government, and businesses are we well-positioned to solve?
- 3 In what ways can we better measure and demonstrate our impact on the economic vitality of our city, region, and community?
- 4 Are we creating sustainable capacity and resources to deliver our mission and vision?



How Can EAB Help?

Schedule a Consultation

Speak with someone to learn how a partnership with EAB can help your institution:

- ▶ **Set Strategy**
Bring the research to campus as part of an outside-in strategy workshop designed to help you prioritize where to invest
- ▶ **Synthesize Inputs**
Get EAB expert guidance on how to collect, analyze, and interpret input and feedback from key external constituencies
- ▶ **Select Metrics**
Schedule an EAB expert-facilitated metrics selection workshop to choose KPIs to better measure and demonstrate impact
- ▶ **Implement Tactics**
Request tactics and case studies on how to become a modern anchor institution that drives economic and social impact
- ▶ **Articulate Impact**
Use EAB resources and guidance to bolster economic impact reports and develop stakeholder-centric messaging
- ▶ **Navigate Policy Changes**
Understand and prepare for proposed federal education policy change using EAB resources to monitor probability of proposals, assess peer and sector response, and scenario plan with an EAB expert on your campus

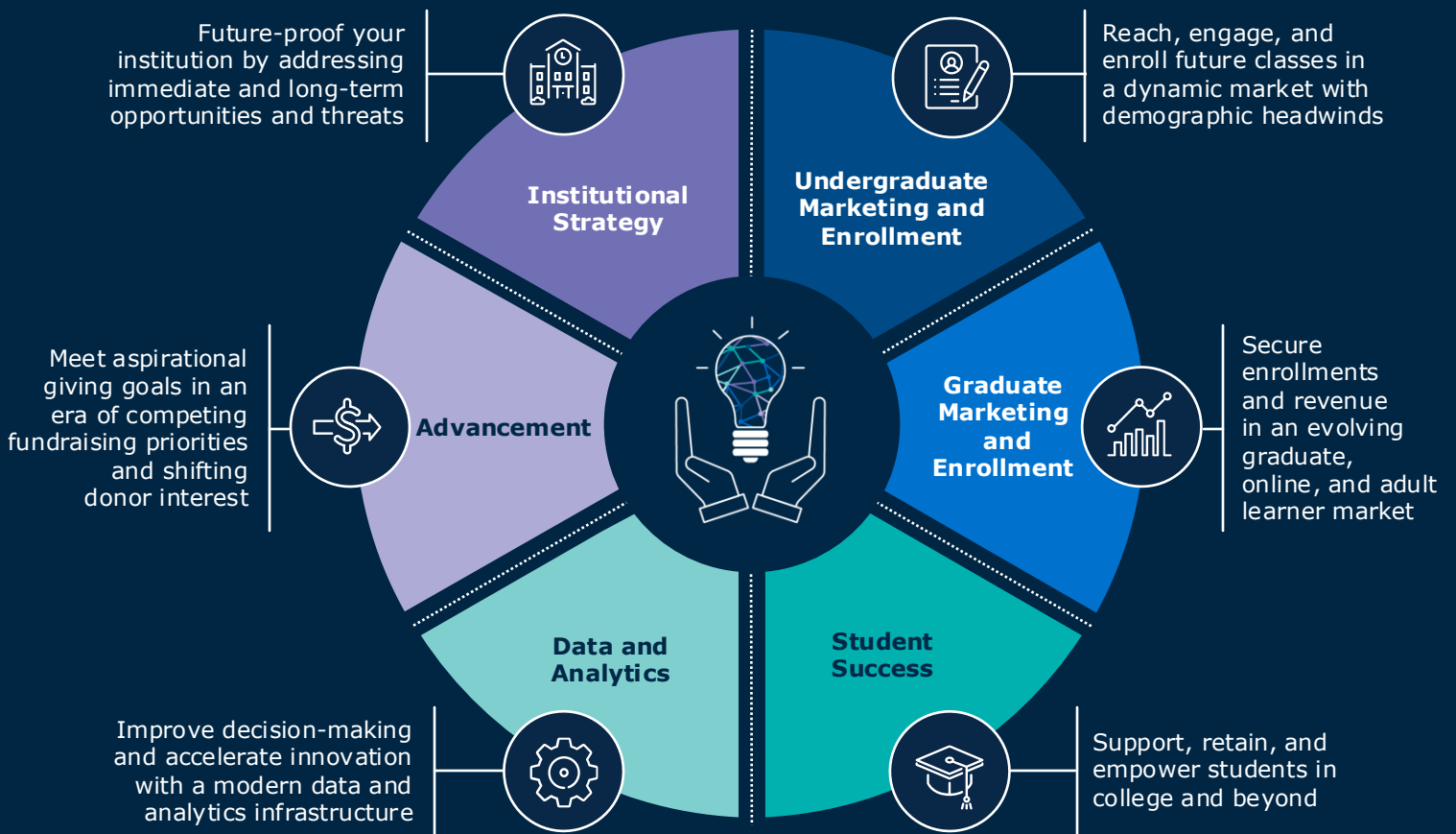


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State of the Sector 2025

Project Director

Brooke Thayer

Contributing Consultants

Andy Wheeler
Maggie Everett

Managing Director

Colin Koproske

Vice President

Carla Hickman

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Endnotes

The Story Behind the Story

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