The Coming Disruption in Higher Education

Brandon Busteed
Executive Director | Education & Workforce Development
Higher Ed Under Pressure — Public Perceptions
Demand for Higher Education is High ...

97% say it is very important to somewhat important to have a certificate or degree beyond high school.

41% of Americans, in the last 12 months, have thought about going back to get a certificate or degree.
... But Quality Is in Question

46% say U.S. higher education is the same or worse than higher education in other countries.

29% strongly agree traditional colleges and universities offer high-quality education.

58% say U.S. higher education is the same as or worse than it’s been in the past.

8/10 U.S. adults agree or strongly agree that colleges and universities need to change to better meet the needs of today’s students.
Majority of U.S. Adults Would Do Their Education Differently

51% would change at least one of three choices

12% would change degree

28% would change institution

36% would change field of study
Major Rifts by Political Party

58% of Republicans say colleges and universities have a negative effect on the way things are going in the U.S.

Top reasons why:

• too liberal/political
• don’t allow students to think for themselves/are pushing their own agenda

Source: Pew Research Center
Source: Gallup
In the past 10 years, general perception of higher education in the U.S. has declined.

**Over Half of Board Members Believe Perceptions Have Declined**

In the past 10 years, general perception of higher education in the U.S. has declined.

<table>
<thead>
<tr>
<th></th>
<th>% Don't Know</th>
<th>% Strongly Disagree</th>
<th>% 2</th>
<th>% 3</th>
<th>% 4</th>
<th>% Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>4</td>
<td>15</td>
<td>22</td>
<td>41</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Private, For Profit</td>
<td>4</td>
<td>2</td>
<td>21</td>
<td>25</td>
<td>35</td>
<td>12</td>
</tr>
<tr>
<td>Independent, Nonprofit</td>
<td>4</td>
<td>4</td>
<td>13</td>
<td>21</td>
<td>42</td>
<td>16</td>
</tr>
<tr>
<td>Publics</td>
<td>3</td>
<td>4</td>
<td>17</td>
<td>19</td>
<td>41</td>
<td>16</td>
</tr>
</tbody>
</table>

© 2017 Gallup, Inc. All rights reserved.
Higher Ed Under Pressure — Cost and Business Model
79% of U.S. adults say they do not think education beyond high school is affordable for everyone in this country who needs it.

Source: Gallup-Lumina Poll, 2015
My Education Was Worth the Cost

- $0
  - $0
  - $1-$25,000
  - $25,001-$50,000
  - $50,001+

<table>
<thead>
<tr>
<th>Category</th>
<th>% Strongly Disagree</th>
<th>% 2</th>
<th>% 3</th>
<th>% 4</th>
<th>% Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1-$25,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$25,001-$50,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$50,001+</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Strongly Disagree
- Agree
- Strongly Agree
Graduates who took out between $20,000 and $40,000 in undergraduate student loans are more than 3x less likely to be thriving in their well-being compared to those with no loan debt.
Trustees Say Price and Debt Are the Top Concerns for the Future

What are your top three concerns about the future of higher education in the U.S.?

- Price of higher education for students and their families: 68%
- Student debt: 41%
- Ability to respond to changing student and employer needs: 33%
- The business model of higher education institutions: 33%
- Decrease in state funding of higher education: 22%
- Quality of higher education: 21%
- Changing demographics of the college-going population: 18%
- Decrease in federal funding of higher education: 17%
- Lack of innovation within higher education institutions: 13%
- Public perception of higher education: 13%
- Proportion of faculty who are part-time or non-tenure track: 7%
- Future institutional leadership: 7%
- Something else: 4%
## Majority of Board Members Believe Price of a Degree is Too Expensive

Compared to the relative value of having a college degree, is the price of obtaining a college degree too expensive, too inexpensive or just about right?

<table>
<thead>
<tr>
<th>Category</th>
<th>% Don't Know</th>
<th>% Too Inexpensive</th>
<th>% Just About Right</th>
<th>% Too Expensive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>4%</td>
<td>2%</td>
<td>22%</td>
<td>72%</td>
</tr>
<tr>
<td>Private, For Profit</td>
<td>4%</td>
<td>2%</td>
<td>18%</td>
<td>76%</td>
</tr>
<tr>
<td>Independent, Nonprofit</td>
<td>5%</td>
<td>2%</td>
<td>22%</td>
<td>71%</td>
</tr>
<tr>
<td>Publics</td>
<td>3%</td>
<td>2%</td>
<td>25%</td>
<td>71%</td>
</tr>
</tbody>
</table>
Majority of Board Members Think Business Models Need to Change

Thinking about the industry overall, to what extent do you think higher education institutions need to change their business models?

To what extent do you think your institution needs to change its business model?

- % Do Not Have to Change at All
- % Need to Change a Little
- % Change Moderately
- % Change Drastically
44% of higher ed CBOs are not confident in their institution’s financial stability over the next five years.

Source: 2017 Inside Higher Education Survey of College and University Chief Business Officers
Only 12% of presidents strongly agree or agree that most Americans have an accurate view of the purpose of higher education.
Trustees Say Producing Graduates Who Lead Meaningful Lives is Most Important Role for Institutions

What do you think is the most important role for higher education institutions in the 21st century?

- To produce graduates who lead meaningful lives: 39%
- To prepare graduates to be engaged citizens: 29%
- To prepare graduates for the workforce: 22%
- To contribute to national and state economic growth: 6%
- To produce research and innovation: 2%
- Something else: 3%
Presidents’ Priorities for Faculty Aligned With Values and Incentives?

College Presidents’ Opinions on the Most Important Role of Faculty at Their Institution

1% Scholarly Activities

64% Teaching

Source: 2016 Inside Higher Ed/Gallup Survey of College and University Presidents
We Are What We Measure
Current Education Measures Are Horribly Insufficient

**Inputs**
- High School GPA, Rank in Class
- SAT, ACT Scores

**Outputs**
- GPA, Rank in Class
- Retention Rates, Degree Attainment
- Gainful Employment
The 70/30 Ratio

70% EMOTIONAL

30% RATIONAL
If graduates strongly agree that they were “emotionally supported” during college, the odds that they are engaged in their work and thriving in their overall well-being double.
Support & Relationships

64%
“At least one professor who made me excited about learning”

27%
“Professors cared about me as a person”

22%
“A mentor who encouraged my goals and dreams”

14% Of all graduates experienced all three
Graduates who had “experiential and deep learning” have a higher likelihood of being engaged in their work (59% vs. 38%), and more are thriving (14% vs. 10%).
Experiential

32% “Long-term project taking a semester or more to complete”

30% “Internship or job where applied learning”

20% “Extremely involved in extracurricular activities and organizations”

6% Of all graduates experienced all three
Positive Experiences and Preparedness for Life Outside of College

Number of Support and Experiential Learning Experiences

- Have Experienced
- Strongly Agree: "<My college> prepared me well for life outside of college"

<table>
<thead>
<tr>
<th>Number of Support and Experiential Learning Experiences</th>
<th>Have Experienced</th>
<th>Strongly Agree: &quot;&lt;My college&gt; prepared me well for life outside of college&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>24%</td>
<td>5%</td>
</tr>
<tr>
<td>One</td>
<td>23%</td>
<td>15%</td>
</tr>
<tr>
<td>Two</td>
<td>19%</td>
<td>29%</td>
</tr>
<tr>
<td>Three</td>
<td>14%</td>
<td>44%</td>
</tr>
<tr>
<td>Four</td>
<td></td>
<td>57%</td>
</tr>
<tr>
<td>Five</td>
<td></td>
<td>71%</td>
</tr>
<tr>
<td>Six</td>
<td></td>
<td>85%</td>
</tr>
</tbody>
</table>
Broken Link Between Education and Employment
Is Higher Education Preparing Students for Work?

99% of Chief Academic Officers rate their institution as very/somewhat effective at preparing students for the world of work.

13% of Americans strongly agree that college graduates in this country are well-prepared for success in the workplace.

11% of business leaders strongly agree that graduating students have the skills and competencies their businesses need.

Trustees Skeptical That Institutions Have an Understanding of What Employers Look for in Job Candidates

Colleges and universities in the U.S. have a strong understanding of what employers look for in job candidates.

- 5% Don't Know
- 23% Strongly Disagree
- 35% 2
- 30% 3
- 6% 4
- 2% Strongly Agree

U.S. college graduates have the skills they need to be competitive in the global economy.

- 2% Don't Know
- 14% Strongly Disagree
- 38% 2
- 38% 3
- 7% 4
- 1% Strongly Agree
In your opinion, what talent, knowledge or skills should higher education institutions develop in students to best prepare them for success in the workforce in the coming years?

#1: Internships/on-the-job experience
What Americans Want from Higher Ed: To Get a Good Job

67% Americans: “very important” reason for getting education beyond high school

88% Top reasons freshmen cite for going to college

38% Parents of 5th-12th graders: “very important” reason for getting education beyond high school

Sources: Gallup/Lumina poll, UCLA CIRP, Gallup/IHE poll
Only 27% of Recent Graduates Have a Good Job Upon Graduation

About how long did it take for you to obtain a good job after you completed your undergraduate education at [Institution]?

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>% I Had a Job Waiting for Me When I Graduated</td>
</tr>
<tr>
<td>11</td>
<td>% Two Months or Less</td>
</tr>
<tr>
<td>14</td>
<td>% Three to Six Months</td>
</tr>
<tr>
<td>6</td>
<td>% Seven Months to a Year</td>
</tr>
<tr>
<td>16</td>
<td>% More Than a Year</td>
</tr>
<tr>
<td>22</td>
<td>% Not Applicable Because I Was Not Seeking Employment Upon Graduation</td>
</tr>
<tr>
<td>3</td>
<td>% Don't Know</td>
</tr>
</tbody>
</table>
Contact:
Brandon Busteed
Brandon_busteed@gallup.com
202-715-3186