



# Reckoning with Relevance

2024 State of the Sector

Professional and Academic  
Services Forum

# Whither Puppetry?

## Fate of Program Prompts Existential Angst on Higher Ed Relevance



The Chronicle of Higher Education.

- Bachelor of Fine Arts in Puppetry, West Virginia University
- 1 of 2 puppetry degree programs in US
- 3 students in major in 2021-22
- Included in WVU's approved cuts to 9% of majors

### The Case for Puppetry

"Universities are supposed to be places where esoteric disciplines persist—where students can pursue unusual passions and learn things that don't just prepare them for the work force but enrich their lives. Maybe even a place for fun. [...]"

"Though they're happy to point out employment opportunities, puppetry's supporters make a more-fundamental case for its **relevance** that has little to do with dollars and cents. "I immodestly believe that puppetry is the center point of virtually every human creative endeavor," said Bart Roccoberton Jr., who helms the University of Connecticut's puppetry program—likely the only other program in America to offer degrees."

*Emma Pettit, The Chronicle of Higher Education*

# Five Priorities Shaping Higher Ed Strategy

1

Enrolment and Demographics

2

Sustainable Business Models

3

Student Readiness and Well-Being

4

Hybrid Campus

5

Artificial Intelligence



# Planning for Multiple Time Horizons, Stakeholders

## Key Questions for University Leaders by Timeframe

### Immediate Challenges

*Next 12 Months*

- What are the most pressing challenges facing our institution right now?
- What is the current impact on students, academics, and staff?
- What difficult trade-offs do we need to make to enter next year in a stronger position?

### Long-Term Threats

*Next 5-10 Years*

- What will be the most impactful changes to higher ed this decade?
- What decisions do we have to make right now to best position ourselves for this new normal?
- What will competitive differentiation look like in an altered landscape?

## Relevant... for Whom?



Students



Parents



Academics



Staff



Government



Community



Society

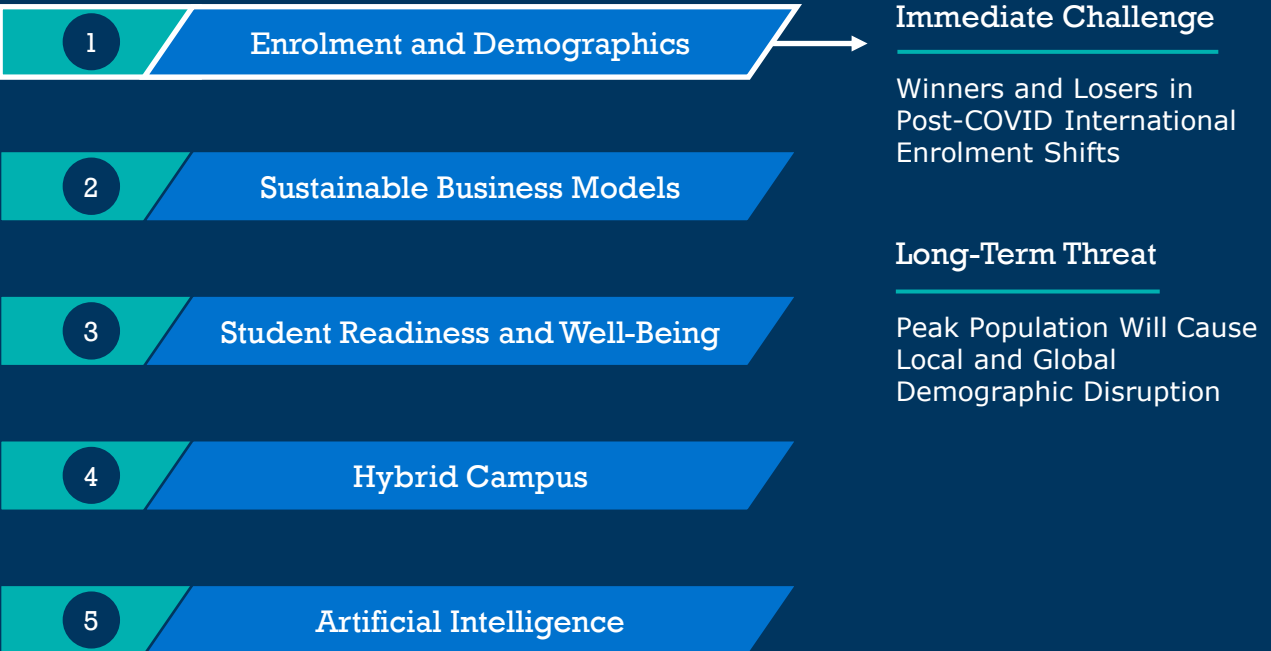
# Prioritisation Worksheet

## State of the Sector Reflection and Planning Worksheet



Trends	What's the most urgent implication of this trend for your institution?	What should we be doing now to prepare for this long-term threat?	Who else on your campus needs to be involved in this discussion?
<b>Enrolment and Demographics</b> <ul style="list-style-type: none"><li>• Immediate Challenge: Winners and Losers in Post-COVID International Enrolment Shifts</li><li>• Long-Term Threat: Peak Population Will Cause Local and Global Demographic Disruption</li></ul>			
<b>Sustainable Business Models</b> <ul style="list-style-type: none"><li>• Immediate Challenge: Rising Budget Pressures Lead Universities to Pursue Host of Savings Strategies</li><li>• Long-Term Threat: 'Less with Less' Mentality May Be Needed to Survive Demographic and Enrolment Changes</li></ul>			
<b>Student Readiness and Wellbeing</b> <ul style="list-style-type: none"><li>• Immediate Challenge: Academic and Mental Health Struggles Spiral Post-COVID</li><li>• Long-Term Threat: Readiness Will Continue to Decline as Youngest of COVID Generation Arrives on Campus</li></ul>			

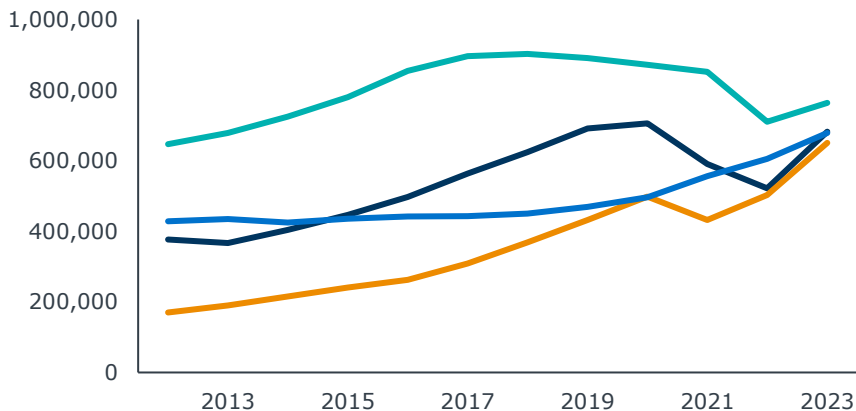
# Five Priorities Shaping Higher Ed Strategy



# Where Are We Now? Int'l Enrolment Macro-View



**Postsecondary International Enrolment (Undergrad and Grad) by Country<sup>1</sup>**



**Australia** rocked by COVID closed borders but rebounds quickly to 2019 levels

**Canada** takes swift policy action, emerges as post-COVID 'winner'

**UK** weathers COVID best, but visa changes loom large

**US** stabilises, but still below pre-Trump enrolments

## Ireland

- 30K total int'l enrolment in 2023
- Slightly above pre-COVID norms
- 8.2% annualised growth last decade

## New Zealand

- 35K total int'l enrolment in 2023
- Significant drop from 65K in 2019
- -4.3% annualised growth the last decade

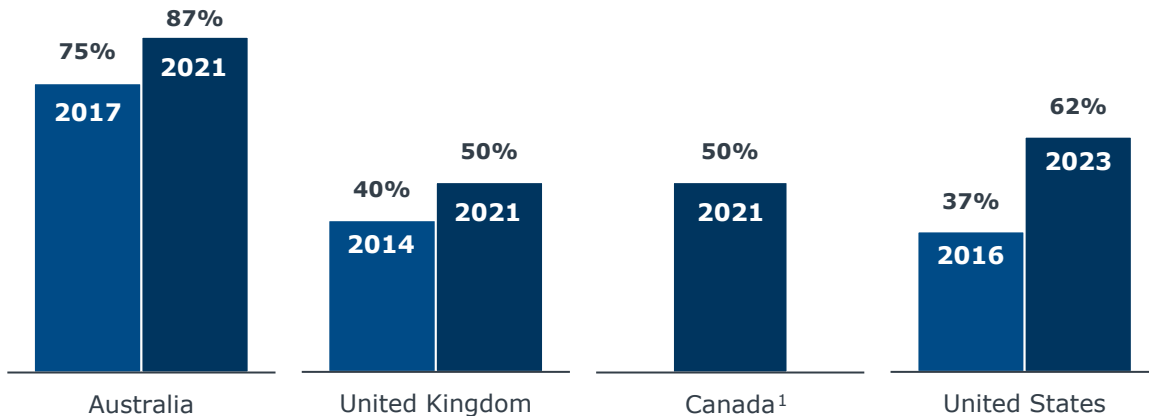
1) Year denotes academic year ending on that date, e.g., 2020 represents 2020 in Australia and 2019-20 in UK.

# Use of Agents Increasing Across the Board



**Percent of International Students Using an Agent**  
*Australia, UK, and Canada*

**Percent of Institutions Using Agents in the US**



## What Does Growing Agency Use Mean for Higher Ed?



Less institutional recruitment travel



Budgets shift to commissions and digital marketing



Staff duties shift from events to agency management

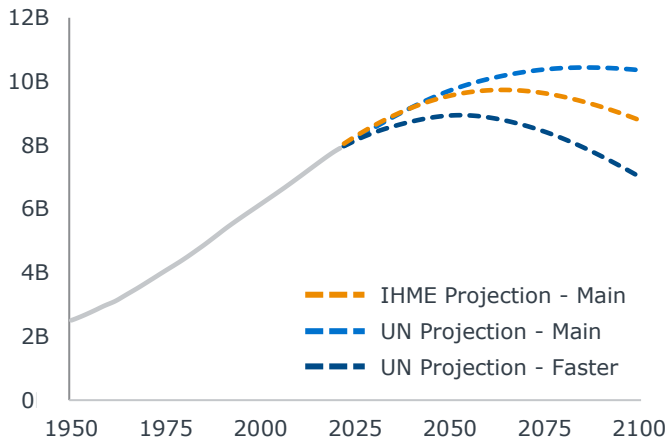
1) Data not available for years prior to 2021 in Canada.



# Population Decline Signals Global Transformation

## World Population Could Peak by 2055

*Global Population and Projections through 2100*



'Most of the world is transitioning into natural population decline. I think it's incredibly hard to think this through and recognise how big a thing it is; **it's extraordinary, we'll have to reorganise societies.'**

*Christopher Murray, Director  
Institute for Health Metrics and Evaluation*

## Some Countries Peaking Far Earlier than Global Estimate



**2063**

5% decline  
by 2100



**2057**

6% decline  
by 2100



**2022**

49% decline  
by 2100



**2048**

32% decline  
by 2100



**2022**

26% decline  
by 2100



**2010**

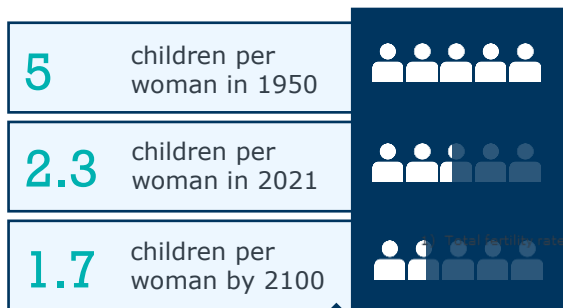
54% decline  
by 2100

Source: Institute for Health Metrics and Evaluation, "[Global Fertility, Mortality, Migration, and Population Forecasts 2017-2100](#)," 2020; Department of Economic and Social Affairs Population Division, "[World Population Prospects](#)," United Nations, 2022; [Human Capital Data Explorer](#)," Wittgenstein Centre, 2018; Silver, Huang, "[Key facts about China's declining population](#)," Dec. 5, Pew Research Center 2022; EAB interviews and analysis.

# Economic Development Behind Population Change

## Women Have Fewer Children Amid Improving Economic Circumstances

### Global Total Fertility Rate Declines...



### ...As Socioeconomic Factors Evolve



1) Total fertility rate.

# The Good, the Bad, and the Ugly of Peak Population



## Environmental Relief

Fewer people will mean **less pollution** and **decreased demand for fossil fuels** [1].



## Education Improvements

Fewer students will allow more focus on **individualized learning** [2, 3].



## Elimination of Extreme Poverty

Fewer workers will increase **wage growth**, growing the middle class and **reducing poverty** [3, 4].



## Labor Market Equity

Tight labor markets should lead to better employment **opportunities for minorities** [5, 6].



## Rising Inflation

A **diminishing labor force** will bring supply constraints, resulting in **higher prices** [7].



## Financial Market Volatility

A **smaller consumer base** will cause some businesses to struggle or go under [8].



## Burden on Younger Adults

An aging population will strain public budgets and **increase tax burdens** for younger adults [9].



## Psychological Impacts

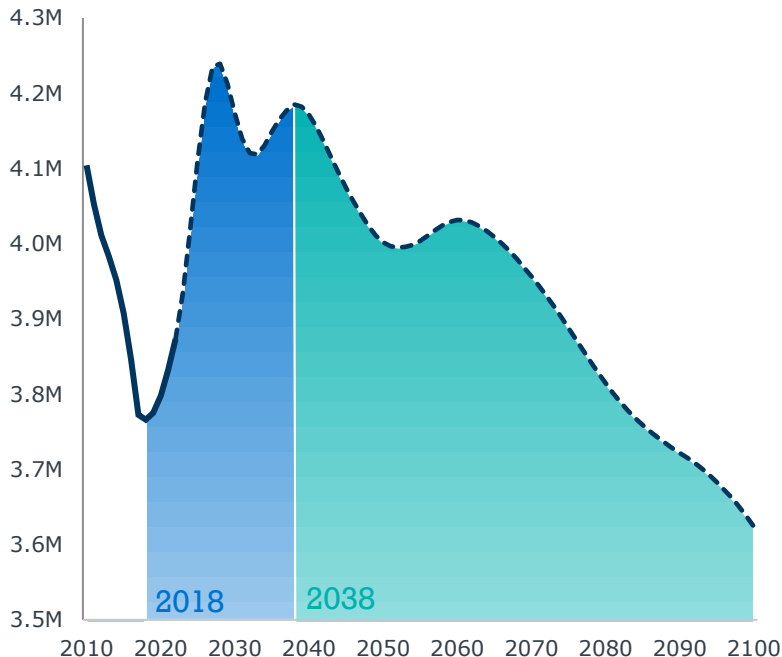
Countries experiencing population severe decline will struggle with **isolation and loneliness** [10].

# Fewer People Means Fewer Enrolments



## In the UK, Short-Term Growth Precedes Step Decline Through 2100

United Kingdom 15-19-year-old population, IHME Projection



### The Student "Swell"

**+11%** or **+419K**

*Growth in the 15-19-year-old youth population, 2018-2037*

### Peak Population

**-13%** or **-561K**

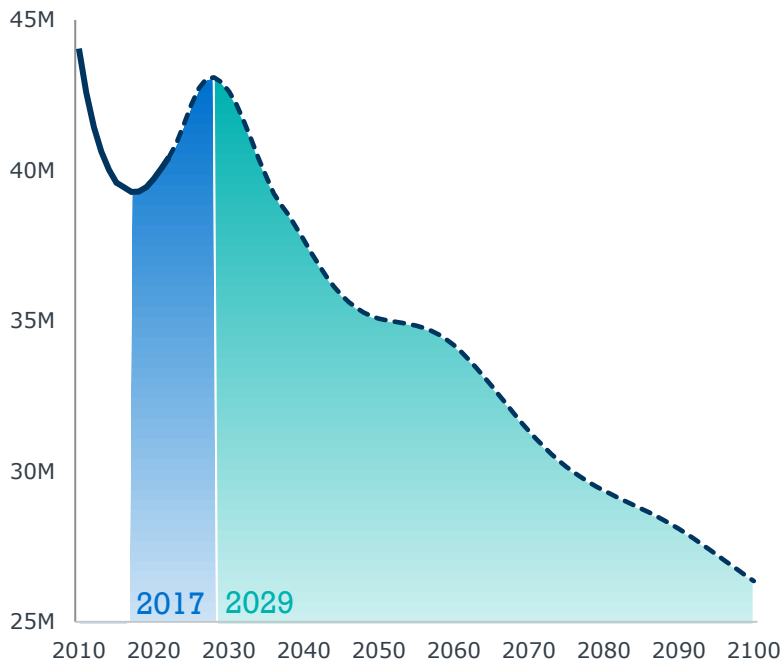
*Decline in the 15-19-year-old youth population, 2038-2100*

# Fewer People Means Fewer Enrolments



## In Europe, Short-Term Growth Precedes Steep Decline Through 2100

Europe 15-19-year-old population, IHME Projection



### The Student "Swell"

**+10%** or **+380K**

*Growth in the 15-19-year-old youth population, 2018-2028*

### Peak Population

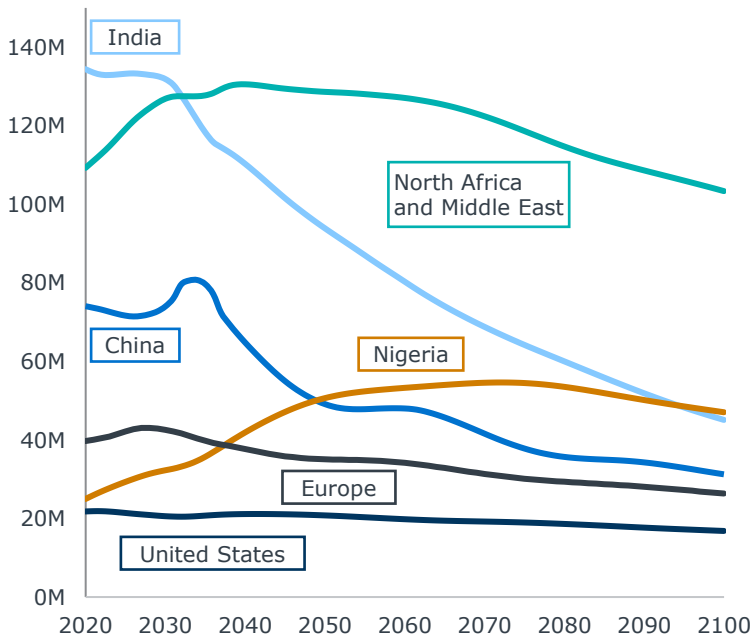
**-39%** or **-1.7M**

*Decline in the 15-19-year-old youth population, 2029-2100*

# International Student Market Reshuffling

More Students Set to Come from “Emerging Markets”

## 15-19-Year-Old Population, IHME Projection



By 2030, young Africans are expected to make up **42% of the world's youth population**

In 2022, **107% increase in the number of Nigerian students in the UK**, and the number of students from Nepal and Sri Lanka also doubled

In Ireland, the number of **African students increased 67%** between 2018 and 2021

**International enrolments from China will peak in 2027**, declining through the 2030s

Source: "Africa's Future: Youth and the Data Defining Their Lives," Population Reference Bureau 2019; Cuthbert, "Danger! Beware of cliff edge; population numbers affecting int'l education," *The PIE News*, Feb. 16, 2023; "70% of 10-Year-Olds Now in Learning Poverty, Unable to Read and Understand a Simple Text," *The World Bank*, June 23, 2022; "Higher Education Institutions Awarding Financial Aid to International Undergraduate Students," College Board, 2020 EAB interviews and analysis.

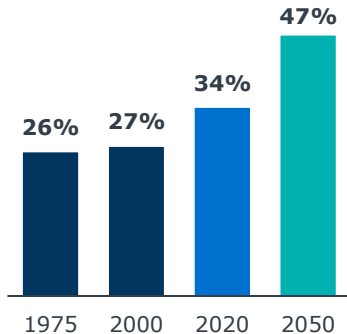
# Public Funding Eaten Away by Aging Population

## UK Old-Age Dependency Ratio on the Rise

### Dependency Ratio

The number of older (65+) dependents for every 100 people of working age (20-64)

*Old-Age Dependency Ratio by Year, OECD Data*



## Aging Population Projected to Strain Government Budgets

### Growth in Pension Spending

4.8% to 6.2%

increase in the share of UK GDP going to state pensions, 2022 to 2052

### Growth in NHS Spending

11% to 15.5%

increase in the share of UK GDP going to NHS, 2023 to 2040

## Education Spending Often First to Be Cut

### Education Budgets at Risk

5.7% to 4.2%

Decline in share of UK GDP going to education, 2010 to 2023

# Governments Push Shorter, Career-Focused Degrees

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Labor Shortages Turn Higher Ed Institutions into “Labor Factories”

## Shorter Degrees



## Different Degrees

### Denmark Pushes to Condense Degrees

- Government currently pushing to shorten 35% of master's degrees to one year only
- Policy meant to better prepare students for the labor market
- However, the policy is facing criticism as students may have less time to pursue internships and jobs
- Institutions would see reduced tuition revenue as students will only pay for one year of studies

### Australia Passes Job Ready Graduates Package

- In 2021, the Australian government reduced fees for “high-priority” degrees (in STEM and health care)
- “Low-priority” liberal arts degree tuition was raised by as much as \$30,000 to lower demand
- Considered a failure by education leaders and likely to be replaced by the new Labour government
- Low-SES<sup>1</sup> students often face barriers to enter “high-priority” programs, but cannot afford to enter the more expensive “low-priority” programs

1) Socioeconomic status.



## Key Takeaways

While international enrolment has stabilised post-pandemic, we are far from 'back to normal.' Evolving visa rules, agent usage, and student behaviours will continue to change recruitment norms.

On the horizon, a larger demographic phenomenon looms. The world will soon approach peak population, wherein total population will reach a maximum before steadily declining. This will greatly impact enrolment patterns, as most western countries experience **sudden declines in youth populations**, and international student growth will be driven increasingly by Africa and the Middle East.

Beyond enrolment, this demographic change will **impact government funding and the labour market**, representing both opportunities and challenges for higher education institutions.

# How EAB Can Help You Address Challenges with **Enrolment and Demographics**

## Signature Service

### Strategic Clarity: Creating a Differentiated Value Proposition



Universities often struggle to articulate their individual distinctiveness, asserting the same high-level aspirations claimed by their peers. This workshop shares an approach for validating and articulating your institution's differentiated value to prospective students.

You'll come away with tools to test whether your institution's messaging clears the differentiation threshold and strategies to incorporate differentiation into your strategic planning and decision-making.

## More EAB Resources

- [Credential Innovation workshop](#)
- [100 Tactics for International Student Support infographic](#)
- [Custom EAB Market Insights for Programme Development and Redesign](#)
- Hidden Drivers of International Enrolment Strategy presentation
- [8 Ways to Court the Cost-Conscious International Student](#)
- [Recruiting Online International Students](#)

# Five Priorities Shaping Higher Ed Strategy

1

Enrolment and Demographics

## Immediate Challenge

Rising Budget Pressures  
Lead Universities to Pursue  
Host of Savings Strategies

2

Sustainable Business Models

## Long-Term Threat

A 'Less with Less' Mentality  
May Be Needed to Survive  
Demographic and  
Enrolment Changes

3

Student Readiness and Well-Being

4

Hybrid Campus

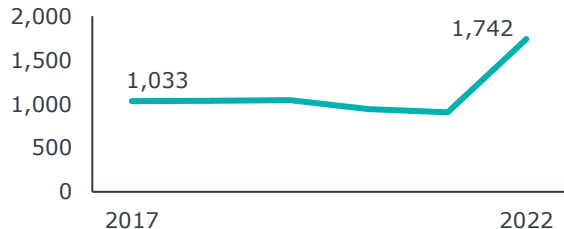
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Artificial Intelligence

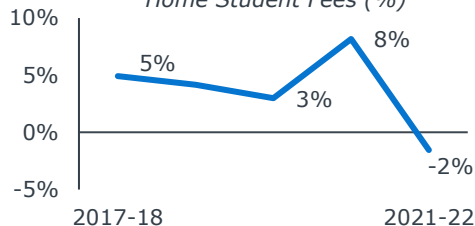
# Converging Challenges Squeeze University Budgets

## Energy Prices and Staff Costs Rise as Income Sources Fall

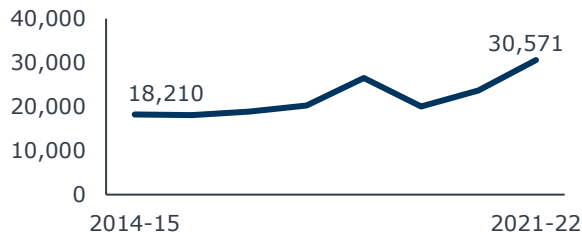
Average Annual Domestic Gas and Electricity Bills Per Year (£)



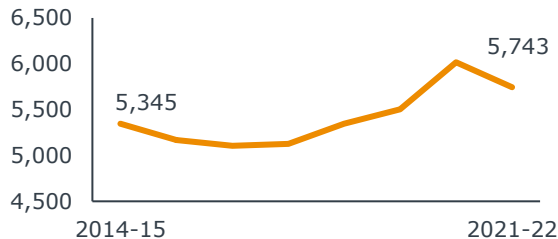
Yearly Growth in Total Home Student Fees (%)



Staff Costs Per Year (£ millions)



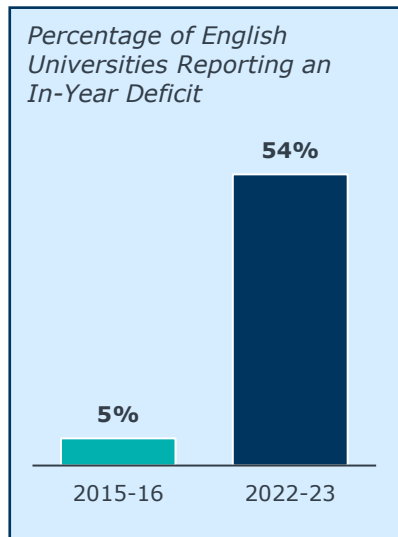
Income From Funding Body Grants (£ millions)





# Canaries in the Coal Mine?

## As Financial Pressures Take a Toll...



## ...Institutions Turn to Familiar Cost-Cutting Measures



- \$75M deficit [\[1\]](#)
- Approved plan to cut 28 programs, 143 staff



### University of Brighton

- £21.4M deficit [\[2\]](#)
- 103 academic staff redundancies [\[3\]](#)



- Over 500 staff redundancies [\[4\]](#)



- Over 100 jobs cut [\[5\]](#)
- Disbanded philosophy and history institutes



- £30M deficit [\[6\]](#)
- Voluntary redundancies
- Removed vacant posts



- \$33M deficit [\[7\]](#)
- 140 redundancies [\[8\]](#)
- Six courses discontinued



- \$62.8M budget deficit [\[9\]](#)
- Hiring freeze



- £3M deficit [\[9\]](#)
- Up to 50 jobs cut
- Course cuts planned

# Disciplined Tradeoffs, Not Across-the-Board Cuts

Leaders Must Make Tough Budget Decisions to Ensure Viability

## Blanket Cuts Are Unsustainable, Can Damage Strategic Capacity

*Impacts of Across-the-Board Cuts Identified in Gartner Analysis*

43%

of organisations achieve desired savings in first year of cuts



Erode sources of persistent value

11%

of organisations able to sustain cuts over three years



Penalise efficient parts of the org



Lock in status quo processes

## IPEDS<sup>1</sup> Analysis of Institution Cost Growth Following Across-the-Board Cuts

70%

of institutions saw three-year average cost growth increase following large cut

45%

of institutions exceeded previous cost-growth trajectory within three years

# A Known Playbook, But Not Fully Adopted



## Potentially Better Conditions for Some Administrative Cost-Saving Strategies

OPPORTUNITY	WHAT WE'VE DONE	WHAT WE'VE NOT DONE	WHAT'S DIFFERENT TODAY
Centralisation	Opportunistically collapsed or merged units when doing so posed low change-management risk...	...without systematically reviewing chances to consolidate and centralise work across campus	Shifts to cloud-based and hybrid work dampen largest complaints (e.g., staff proximity, access) about redesigns
Workflow	Simplified processes (e.g., removed duplicative steps) to ease workloads...	...without eliminating the paper-based processes that slow action	Forced remote work during the pandemic catalysed widespread digitalisation
Vacancy Review	Asked the right questions about whether to backfill a position...	...without mandating hold-open periods to analyse multiple vacancies together	As job-switching increases with each generation, higher number and more regular vacancies likely
Energy	Achieved visibility into the biggest energy draws...	...without replacing legacy systems with more energy-efficient technologies	Improvements in technology (e.g., solar, water) and costs make green energy ROI more achievable
Purchasing	Increased enforcement of on-contract spending and purchasing policies...	...without automating procurement processes that enhance compliance	Advances in AI, such as robotic process automation, can streamline repetitive buyer tasks like issuing purchase orders

# A Known Playbook, But Not Fully Adopted



## Potentially Better Conditions for Some Academic Cost-Saving Strategies

OPPORTUNITY	WHAT WE'VE DONE	WHAT WE'VE NOT DONE	WHAT'S DIFFERENT TODAY
Space Utilisation	Deployed a range of occupancy trackers to collect utilisation data...	...without creating any incentives for departments to relinquish under-utilised offices and classrooms	Remote and hybrid work have changed and, in many cases, reduced the use of space, creating potentially large opportunities for rationalisation
Academic Programme Review	Gathered data on cost, enrolment, student success, and other metrics...	...without divesting from programmes that require difficult resourcing decisions	Future efforts may be able to ride in the wake of current first-movers who are absorbing worst of PR pushback
Instructional Capacity	Reduced underfilled sections and excessive numbers of small courses...	...without optimising lecturers course loads or reducing overall curricular complexity	Better data today than in the past, and news of programme closures likely makes lecturers more willing to tackle curricular complexity
Departmental Reorganisation	Aligned departmental evaluation with institutional priorities...	...without making wholesale changes to organisational designs	Expected wave of academic retirements may enable leaders to redesign departments from the ground up with fewer change-management battles
Course Sharing Consortia	Partnered on some small, mostly invisible back-office services...	...without pursuing partnerships to streamline academic offerings	Increases in quality and willingness to take online courses mean physical distance, location matter less

# Is It Time to Embrace a “Less with Less” Mentality?

## Pivoting to a Strategic Model that Reflects Changing Market Realities

2000s

2010-20s

2030s?

### More with More

- “If we build it, they will come” mentality fuels growth-minded boom of programmes, facilities, and research expenditures
- Amenity and experience arms race requires more tech and staff to deliver
- Share-the-wealth budget decisions promote stability in times of growth

### More with Less

- Emphasis on efficiency and belt-tightening to keep output constant
- Difficult prioritisation and trade-offs deferred when metrics show incremental improvement
- Growing workloads lead to staff burnout, as there’s always “more” to do

### Less with Less

- Intentionally decreasing “productivity” in favour of sustainable operations
- Budget decisions must reflect market realities of enrolment, funding
- Saying “no” is rewarded
- Potentially better staff experience; work is scaled to reasonable level

### “Smaller but Better”

Percentage of CFOs that said their institutions “tightened focus” and are positioned to be “smaller but better.”

4%

2022



18%

2023





## Key Takeaways

The combination of enrolment shortfalls, inflation, and rising wages have created **severe budget pressure for most institutions**. Even some campuses currently in the black are aggressively pursuing cost savings to prepare for what they see as a coming storm.

In the short term, university leaders must **avoid damaging one-time, across-the-board cuts in favour of more sustainable, principled savings tactics**.

Rather than continuing to try to 'do more with less,; many should be pursuing a **'less with less' strategy of strategically shrinking**—reduced footprint, fewer offerings, fewer students—to become leaner and more resilient.

# How EAB Can Help You Address Challenges with **Sustainable Business Models**

## Signature Service

### Financial Sustainability Collaborative

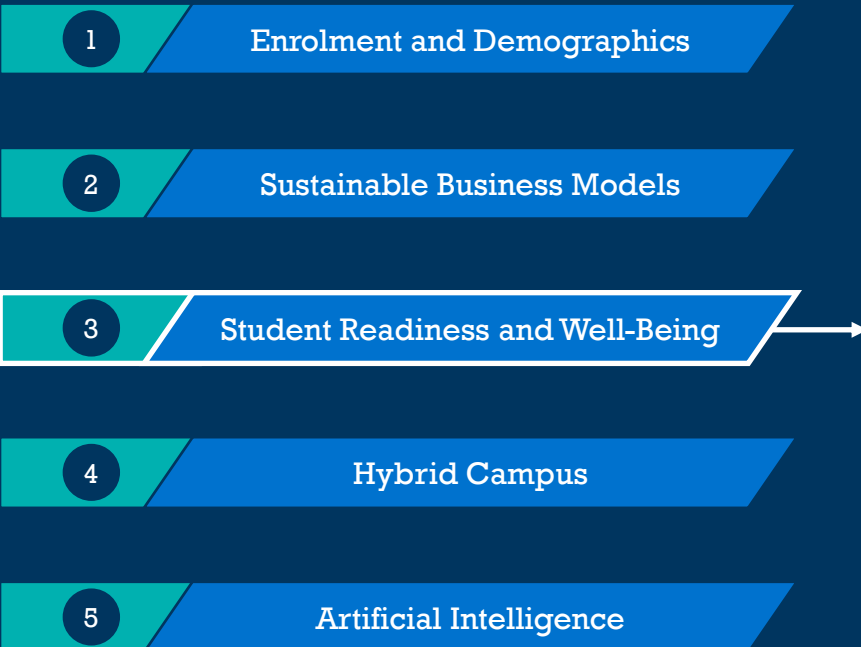


Join (or nominate a business operations leader) a cohort of peers to learn, discuss, and plan for a financially sustainable future. This expert-facilitated collaborative outlines how to calculate opportunities to centralise administrative tasks, benchmark managerial effectiveness, and leverage momentum for flex work and identify opportunities to reclaim space

## More EAB Resources

- Consultations on budget model design and financial performance
- [Financial Performance Collaborative](#)
- [Process Improvement Resource Center](#)
- New research initiative on achieving administrative efficiency and effectiveness
- New research initiative on understanding academic costs and instructional capacity

# Five Priorities Shaping Higher Ed Strategy



## Immediate Challenge

Academic and Mental Health Struggles Spiral Post-COVID

## Long-Term Threat

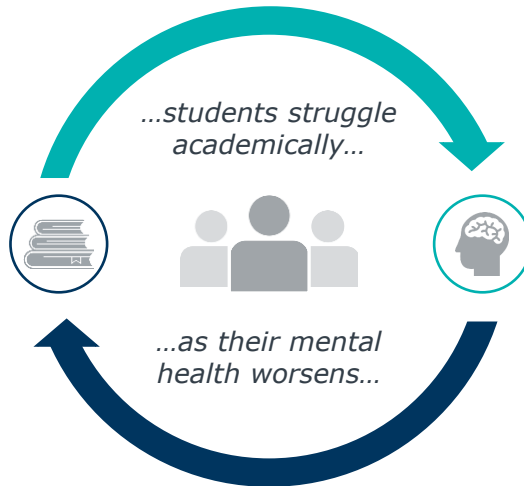
Readiness Will Continue to Decline as Youngest of COVID Generation Arrives on Campus



# A Vicious Cycle

Academic and Mental Health Struggles are Mutually Reinforcing

Poor grades, falling behind on assignments **lead to feelings of stress and inadequacy**, which exacerbate mental health struggles

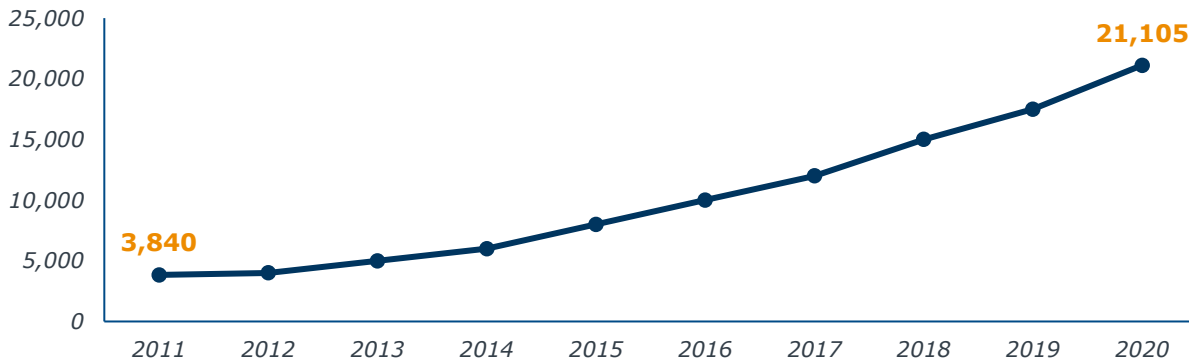


Feelings of hopelessness and anxiety cause decrease in focus and studying, which in turn **leads to poorer grades**

# Mental Health a Known and Growing Challenge

## More UK Students Than Ever Report A Mental Health Condition in UCAS Application

Number of UK Applicants Declaring Mental Health Condition by Application Year



19%

Of European boys aged 15 to 19 suffer from mental health disorders



80%

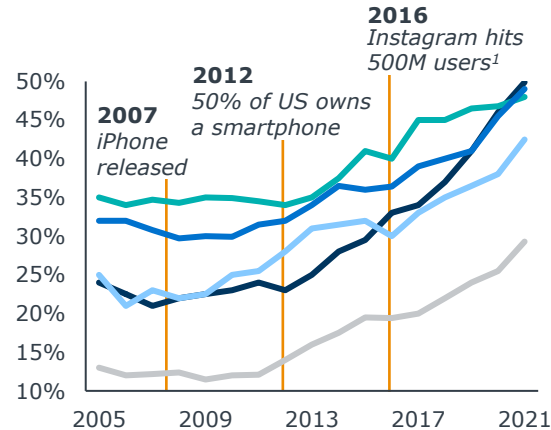
Of Australians aged 16 to 24 experienced mental health issues during 2020-2022

Sources: Topsfield, Jewel, and Sophie Aubrey. "‘Urgent National Priority’: Pandemic’s Staggering Mental Toll on Young Australians." The Sydney Morning Herald, The Sydney Morning Herald, March 26, 2022. "A Worsening Mental Health Situation for Europe’s Children." UNICEF, October 6, 2021. <https://www.unicef.org/eu/press-releases/worsening-mental-health-situation-europes-children>; [2021 UCAS Report on Student Mental Health](#), EAB interviews and analysis.

# Diagnosing Drivers of the Youth Mental Health Crisis

## The Smartphone Hypothesis vs. the Hellscape Theory

### Smartphones Associated with Less Sleep, Dissatisfaction with Life Among Teens



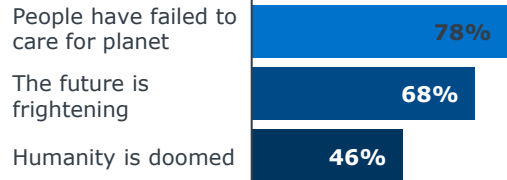
- Students<sup>2</sup> with <7hrs of sleep per night
- Students<sup>2</sup> that "Can't do anything right"
- Students<sup>2</sup> that "Don't enjoy life"
- Students<sup>2</sup> that "Often feel lonely"
- Depression rate of teenage girls (12-17)

### Climate Change 'Doomerism' linked to Youth Psychological Distress

#### Top 3 Issues Concerning Australian Youth



#### Beliefs of 16-25-year-olds in the US



**Psychological burden of climate change "apocalypse" worsened by social media algorithms that amplify content with high click rates**

1) Monthly active users.

2) Ages 12-18.

Source: Twenge, "Generations: The Real Differences Between Gen Z, Millennials, Gen X, Boomers, and Silents," April 25, 2023 "Youth Risk Behavior Survey," CDC 2022; "Climate anxiety in children and young people and their beliefs about government responses to climate change," The Lancet Journal 2023; Ruby, "78 Instagram Statistics Of 2023," DemandSage, Aug. 7, 2023; Mission Australia Youth Survey 2022; EAB interviews and analysis.

# COVID-19 Made the Situation Worse



42%

of US high school students reported feeling persistently sad or hopeless in 2021 (1.5x higher than in 2011)

23%

of Australian high school students reported feeling depressed in 2020 (2x higher than in 2012)

33%

of UK university students experienced suicidal thoughts in the past academic year

13%

of European students 15-24 years old reported lockdown was so difficult it endangered their mental health in 2021

*"We have lived our teenage years stuck at home in our rooms, by ourselves, isolated."*

- Teenager's thoughts on the CDC data, quoted in the New York Times

47%

of UK trans students reported being lonely most or all of the time



**COVID-19 poured fuel on the fire** as it exacerbated loneliness and isolation that had been building for decades.

Vivek H. Murthy, **US Surgeon General** ”

Sources: CDC, [New CDC Data Illuminates Youth Mental Health Threats During the COVID-19 Pandemic](#), March 2022; [All Party Parliamentary Group on Students](#); HEPI, [Heart of the Matter: Loneliness and Belonging](#), 2023; European Commission, [Impact of COVID-19 pandemic on the mental health of young people](#); RNZ, [New Zealand young people facing 'silent pandemic of psychological distress'](#), September 4, 2020; ["What Students are Saying About the C.D.C. Report on Teen Sadness," New York Times](#), March 2, 2023 EAB interviews and analysis.

# Pandemic Worsened Academic Half of Vicious Cycle

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## Unfinished Learning Has Arrived on University Campuses

### Challenges that Began in Secondary...

2/3

**of US students struggled with coursework** due to home disruptions and mental health concerns from COVID

1/5

of Australian secondary school grads met **none of the university-readiness subject benchmarks** in English and Maths

2x

**The chronic absenteeism rate has doubled for low-income students in the UK** from 17.5% in 2019 to an estimated 37% in 2022<sup>1</sup>

### ...Are Now on University Campuses



**Chronic absenteeism**<sup>1</sup> continues to grow on university campuses



Academic struggles lead to **higher drop and fail grades** in introductory classes



Institutions report incoming students struggle with **gaps in core knowledge** and **poor study habits**

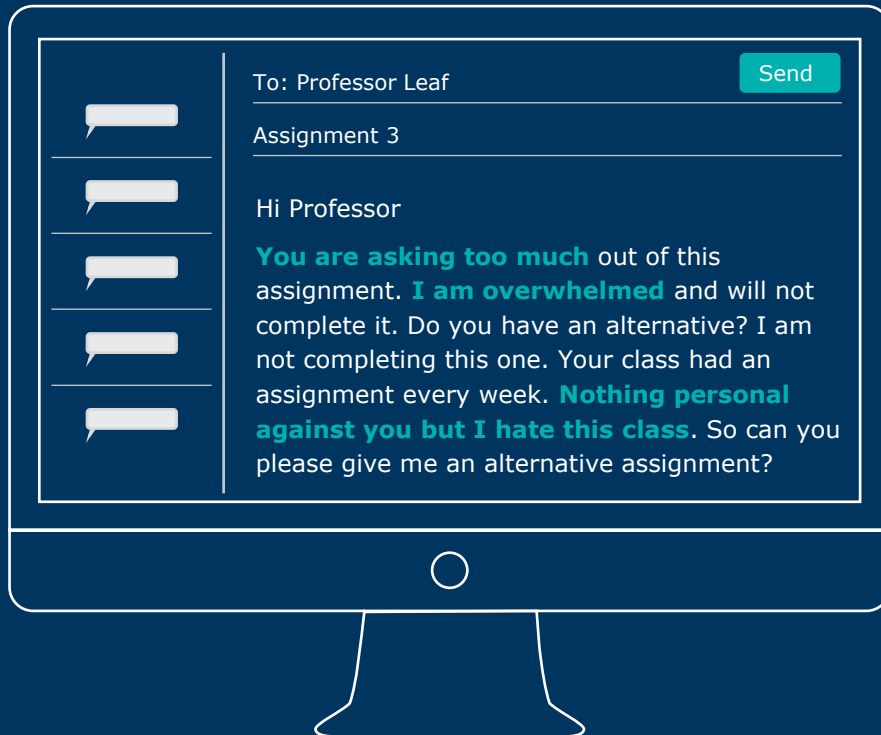


**Widening expectation gaps** between academics and students on work expected outside the classroom

Source: EducationWeek, [New Graduates' ACT Scores Hit a 30-Year Low](#), October 2022; AERO, [One in five secondary students has not mastered basic skills - How do schools help them to catch up?](#), May 15, 2023; Attendance Works, [Pandemic Causes Alarming Increase in Chronic Absence and Reveals Need for Better Data](#), September 2022; The Guardian, [One in five pupils in England were persistently absent in past school year](#), March 16, 2023; EAB interviews and analysis.

1) Defined as missing 10% or more of the academic year.

# I'm Just Not Feeling It Today, Bro





# Vicious Cycle's Impact on Enrolment & Persistence

## Academic and Mental Underpreparedness Influencing Student Decisions

### Mental and Academic Readiness Concerns

22%

of US secondary students who opted out of university in 2023 cited 'not mentally ready' as their reason, up from 14% in 2019

30%

drop out rate in some UK university courses, with the Education Secretary citing COVID-related grade inflation and lack of academic readiness

### Well-Being Increasingly Behind University Non-Progression

51%

of Australian university students who have considered dropping out in 2022 cited mental health as the primary driver

1 in 3

UK students who dropped out before graduating from university cited mental health reasons

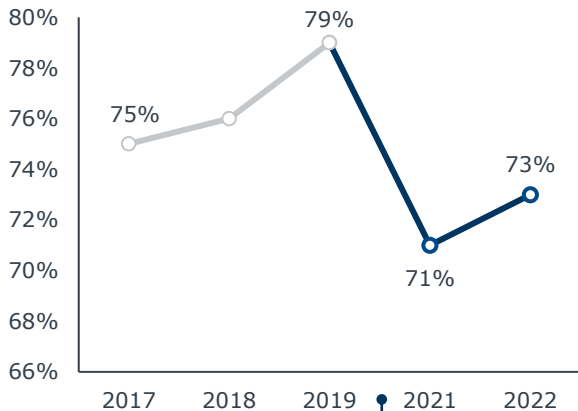
Source: McCarthy, "Emotional Stress Remains a Burden on Students as COVID Fades," Gallup-Lumina, March 23, 2023; Eisenberg et al., "Promoting Behavioral Health and Reducing Risk among College Students," Healthy Minds Network; The Independent, [Third of students drop out of university due to mental health reasons, report finds](#), March 2020; CATE, [Record number of students dropping out of school early a cost of living and Covid stress issue](#), 10 August 2022; EAB interviews and analysis.



# It Will Get Worse Before it Gets Better

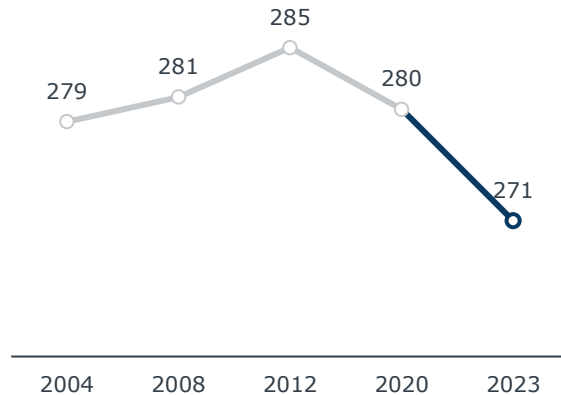
## Students with Largest Unfinished Learning Gap Years from Enrolment

**Percentage of UK Students Meeting National Curriculum Assessment Key Stage 2 Criteria in Mathematics, Year 6 (Age 11)**



No testing in 2020

**National Average NAEP<sup>1</sup> Math Scores for US 13-Year-Olds**



Source: ["Education recovery in schools in England,"](#) House of Commons Committee of Public Accounts, May 2023; Lewis, Kuhfeld, ["Education's long COVID,"](#) NWEA Research, 2023; "National Statistics: Key Stage 2 Attainment," [2017, 2018, 2019, 2021, 2022,](#) Department of Education; Nation's Report Card, ["NAEP Long-Term Trend Assessment Results: Reading and Mathematics,"](#) NCES, 2023; EAB interviews and analysis.

## Key Takeaways

Student mental well-being and academic achievement are closely intertwined, with **academic struggles leading to greater stress and greater stress leading to difficulty studying**. Declining mental health is a known and growing challenge. Universities are already feeling the **impact of unfinished primary and secondary school learning** caused by emergency remote instruction, as evidenced by higher absenteeism, spiking failure rates, and greater student demand for academic accommodation.

Importantly, **this dual challenge will get worse before it gets better**. Across countries, the largest drop in test scores or readiness assessments occurred with younger students—those who will not arrive on campus for 5+ years. Universities must prepare now to support academically underprepared cohorts in the future.

## How EAB Can Help You Address Challenges with **Student Readiness and Well-Being**

### Signature Service

#### [Mental Health Collaborative](#)



Join (or nominate a student affairs leader to join) a cohort of peers to learn, discuss, and plan implementation of student mental health best practices, including how to embed support, leverage data, empower faculty, and fundraise for mental health and well-being.

### More EAB Resources

- [Adapting Student Career Development for the Gen Z Era presentation and Executive Briefing](#)
- [Mental health and well-being research catalogue](#) and [diagnostic](#)
- [Student services web audit](#)
- New research initiative on next-gen advising and personal tutoring
- Best of Student Mental Health Insights Report (forthcoming)
- [Student Belonging Resource Centre](#)

# Five Priorities Shaping Higher Ed Strategy

1

Enrolment and Demographics

2

Sustainable Business Models

3

Student Readiness and Well-Being

4

Hybrid Campus

5

Artificial Intelligence

## Immediate Challenge

Flexible Work Decisions  
Impact Operations,  
Productivity, and Hiring

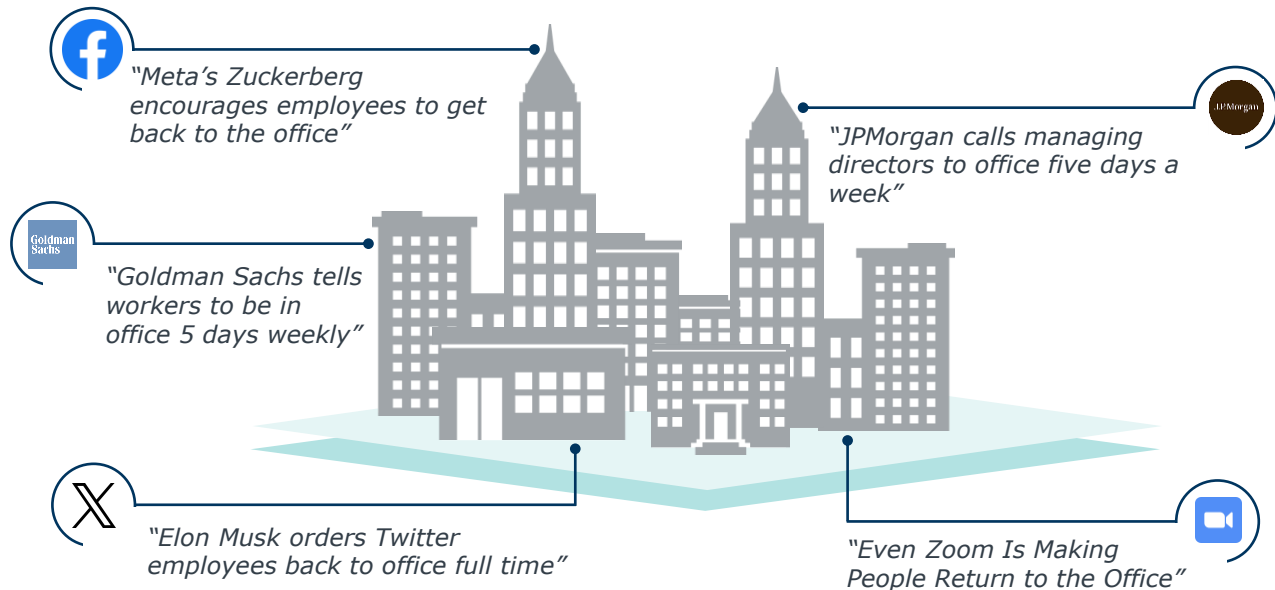
## Long-Term Threat

Future Campuses Will  
Require Different Mix and  
Use of Space and Potentially  
Reduced Footprint



# A Retreat from Hybrid Work?

Several Fortune 500 Companies Make News with Strict Return to Office



Source: Doan, "[Meta's Zuckerberg encourages employees to get back to the office](#)," March 14, 2023; Li, "[Elon Musk orders Twitter employees back to office full time](#)," Nov. 10, 2022; Natarajan, "[Goldman Sachs tells workers to be in office 5 days weekly](#)," Aug. 22, 2023; Levitt, "[JPMorgan Calls Managing Directors to Office Five Days a Week](#)," *Bloomberg*, April 12, 2023; Goldberg, "[Even Zoom Is Making People Return to the Office](#)," *New York Times*, Aug. 7, 2023; EAB interviews and analysis.



# Hybrid Work the Clear Norm Going Forward

## Majority of Employers Reach Steady State of Two to Three Days at Home

### Broad Uptake of Flexible Work

**74%**

of employers offer hybrid work arrangements

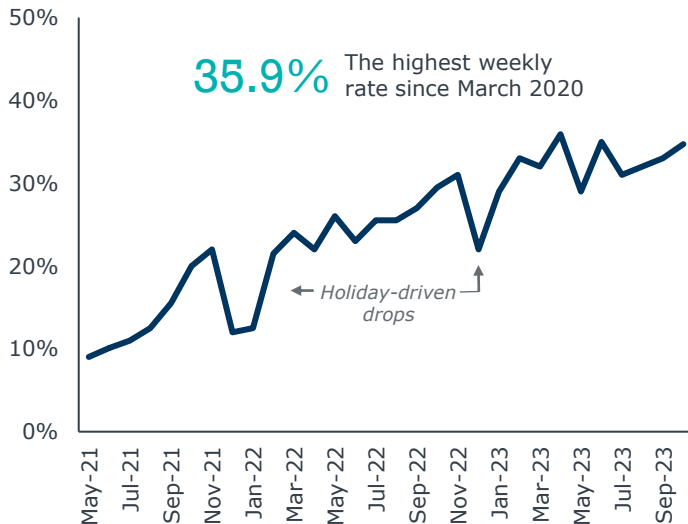
**81%**

of employees work in hybrid (52%) or exclusively remote (29%) positions

**-19%**

In Q2 2023, average US office lease size decreased to 3,275 sq feet, 19% less than average in 2019

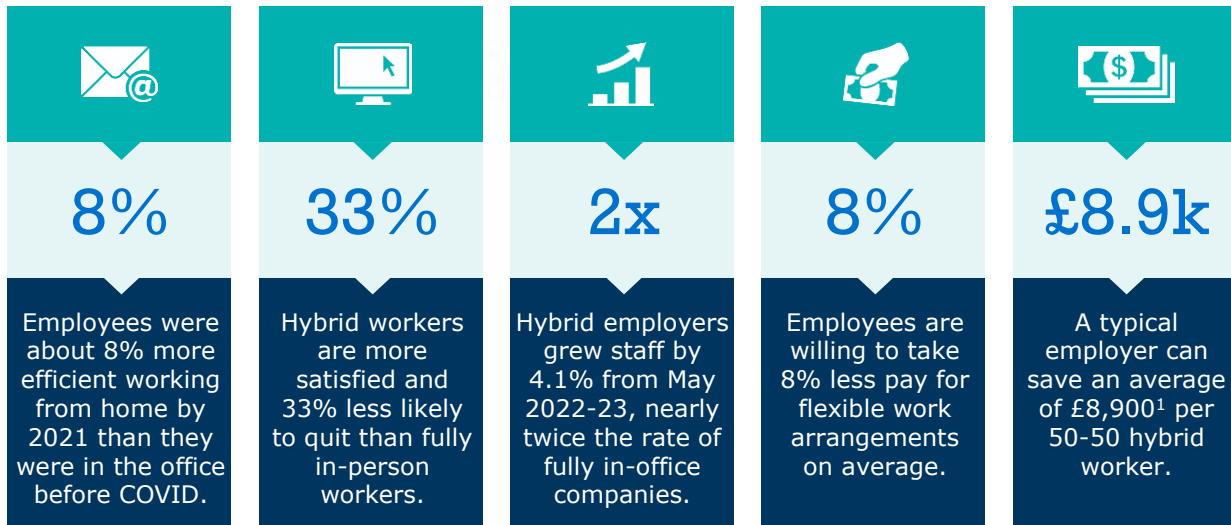
### Average Weekly Office Occupancy in Top 10 UK Cities



Source: McKendrick, "Hybrid Work Is Now The Norm For The Year Ahead - And Beyond," *Forbes*, Dec. 28, 2022; "Employee Benefits Survey," International Foundation of Employee Benefit Plans, 2022; Grant, "Office Tenants Are Renewing Leases—but for Far Less Space," *Wall Street Journal*, Aug. 22, 2023; "Back to Work Barometer," Kastle, Sept. 18, 2023; Remit Consulting, *Project Return Monthly Report*, April 2023; Costar, *UK Office Occupancy Hits Third-Highest Weekly Figure Since Start of Pandemic*, 19 Oct 2023; EAB interviews and analysis.

# A Strong Case for Flexibility

## Demonstrated Impact on Productivity, Engagement, Hiring, and Cost



Source: Bloom et al., "How Hybrid Working from Home Works Out," National Bureau of Economic Research, July 2022; Guilford, Gwynn. 2023; "Need to Hire Workers in a Hot Job Market? Let Them Do Some Remote Work," *Wall Street Journal*, Aug. 5, 2023; "Work from Home Experience Survey Results," Global Workplace Analytics, 2020; Emanuel and Harrington, "Working remotely? Selection, treatment and the market provision of remote work," April 9, 2021; Barrero et al., "Why Working from Home Will Stick," NBER, April 2021; EAB interviews and analysis.

1) Savings derived from increased productivity, reduced turnover, and real estate costs.

# Higher Ed a Notable Hybrid Outlier

Adoption, Policy, and Execution Still Highly Variable Across Institutions

## Uneven Uptake of Flexible Work

54%

of higher ed staff were hybrid or fully remote, as of 2023<sup>1</sup>

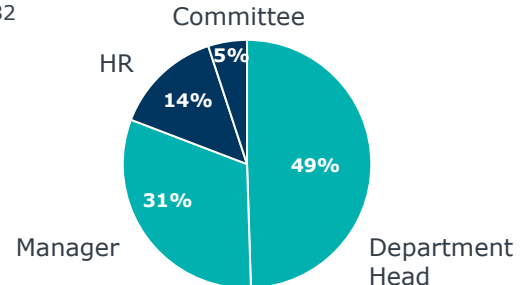
52%

of institutions have made only "modest" changes to their flexible work policies since the pandemic started

## Still Mostly a Local Decision

*Who on campus decides whether an employee may work hybrid/remote?*

n=82



## Adoption Spans the Spectrum, from Very Low to Very High Flexibility



No work from home during fall/spring, up to 2 days a week during summer



Up to 2 days per week at home



Up to 4 days per week at home

Source: "2023 Survey of College and University Presidents, *Inside Higher Ed*, April 10, 2023; [Flexible Work Overview](#), Elon University, accessed Sept. 2023; "Managing Hybrid Teams," Monash University, accessed Oct. 2023; Ulster University, [Hybrid and Flexible Working Framework](#); accessed Oct. 2023; EAB interviews and analysis.

1) Based on EAB survey data.



# Making Hybrid Work for You

## Effective Flex Work Requires Smart Policy and Investments in Tech, Training

### Specific In-Office Days

- Set not only number of days in office, but specific days of the week for each team
- Stanford research shows so-called “anchor day” approach achieves benefits of both hybrid, in-person work and leads to 3-5% productivity boost



### Audio/Visual Experience

- Employees don't get the benefits of in-person work if they simply recreate virtual experiences at the office
- Ensure your space and technology produces benefits of bringing people together to create a truly hybrid experience

### Bias Mitigation

- Hybrid work could create biases against employees who choose to work from home
- Train managers and supervisors on such biases to protect against unintentional preference for in-office interactions



### Clear Eligibility Guidelines

- Give managers clear guidance for deciding who and what types of jobs can go hybrid to enable flexibility while ensuring equity
- Virginia Tech created and published a [step-by-step guide](#) and detailed checklists that helps leaders assess role and employee suitability for work-from-home



# Many Campuses Have Wrong Mix of Space

## Likely Too Little



## Likely Too Much



### Residence Halls

Residential halls shrank as a share of campus space between 2007-2021, despite students' increasing desire to be on campus



### Office Space

Office space has increased more than any other type, with NASF<sup>1</sup> per student increasing 182% from 1974-2021



### Collaboration Spaces

Students increasingly join classes remotely but study in-person



### Parking

Fewer daily commuters—employees and students—reduce need for spots



### STEM Labs

Outsized growth in STEM degrees/certificates last decade has increased the need for labs



### Lecture Hall Space

With about half of students enrolled in at least one online course, less demand for large lecture spaces

1) Net Assignable Square Feet

# New School Downsizes Pre- and Post-COVID

## Deploying Incentives and Prioritisation to Shed Leased Space

**THE  
NEW  
SCHOOL**

### Before Covid



Parsons School of Design provided financial incentives to motivate lecturers to relinquish private offices for shared offices or unassigned hoteling space



Offered annual stipends of \$3,000 for shared office, \$5,000 for hoteling space, plus one-time \$500 sign-up bonus



Programme returns modest profit by enabling reduction in leased space

### After Covid



During COVID remote work, formulated plan to even more dramatically reduce footprint and amount of leased space



Cut assigned offices/desks for most back-office admin staff; converted leftover space for academic purposes where possible



Reduced leased space from 10.2% of campus space in 2020 to 8.2% in 2022

**72%**

of lecturers enrolled in "hotseat" or shared office, as of 2016

**\$3M**

in savings through avoided renovations to private offices

**\$3.4M**

in annual savings by reducing 48,000+ sq. ft. of leased space

**0.5%**

Target amount of leased space by 2030

## Key Takeaways

'Return to the office' in the corporate world has been overstated, and HE remains an outlier on hybrid work norms. Concerns about the negative impact on campus culture or the student experience are principled, but **progressive organisations have shown that culture can be maintained** with intentional management structures and strategic use of in-person time.

Universities that embrace aspects of hybrid stand to benefit from improvements in hiring, retention, operations, and productivity.

More fundamentally, almost regardless of exact hybrid policy, **most universities now have too much space and the wrong mix of space**, given changes in work and student preferences.

# How EAB Can Help You Address Challenges with [Hybrid Campus](#)

## Signature Service



### Remote Work and Hybrid Workplace Consultation

Schedule a 1:1 expert consultation to discuss your campus flexible work policy and learn about the landscape of remote and hybrid work in higher education and your out-of-sector competitors.

## More EAB Resources

- [Flexible Work Collaborative for Hybrid and Remote Employees](#) (new cohorts launch in 2024)
- [Remote Work Policy Audit](#)
- [Remote Work and Hybrid Workplace Resource Centre](#)
- [Working with Academic Leaders to Improve Space Utilisation](#)
- Market-Credible Staff Compensation Playbook (forthcoming)
- Executive Resources on Performance Management and People Analytics (forthcoming)

# Five Priorities Shaping Higher Education Strategy



## Enrolment and Demographics

- Winners and Losers in Post-COVID International Enrolment Shifts

Immediate  
Challenge



## Sustainable Business Models

- Rising Budget Pressures Lead Universities to Pursue Host of Savings Strategies

Long-Term  
Threat

- Peak Population Will Cause Local and Global Demographic Disruption



## Student Readiness and Well-Being

- Academic and Mental Health Struggles Spiral Post-COVID

- Readiness Will Continue to Decline as Youngest of COVID Generation Arrives on Campus



## Hybrid Campus

- Flexible Work Decisions Impact Operations, Productivity, Hiring

Immediate  
Challenge

- Future Campuses Will Require Different Mix and Use of Space and Potentially Reduced Footprint

Long-Term  
Threat



## Artificial Intelligence

- Select Policies, Training Necessary to Navigate AI Transition

- AI-Infused Curriculum Required to Prepare Students for Future of Work