



The Fight to Be Chosen

How New Rules of Competition Are Shaping Higher Education

Two-Part Agenda

- 1 Presentation** - Debut of EAB's 2022 Higher Ed State of the Sector research
- 2 Panel Discussion** - Reactions and predictions for how these themes will impact the sector in the years to come

EAB Offerings Support Institutions in Addressing Today's Biggest Challenges

Institutional Success

Preparing Institutions For the Future



Research focused on driving outsized gains in school strategic and operational performance

~1,100
Institutions

8,000+
Peer-tested best practices

Student Success & Analytics

Supporting and Graduating More Students



Comprehensive technology platforms aimed at increasing student retention and streamlining operations

~1,100
Institutions

9.5M+
Students supported by our SSMS

Enrollment Success

Finding and Enrolling Right-Fit Students



Technology-enabled marketing and analytics offering aimed at enrolling right-fit students

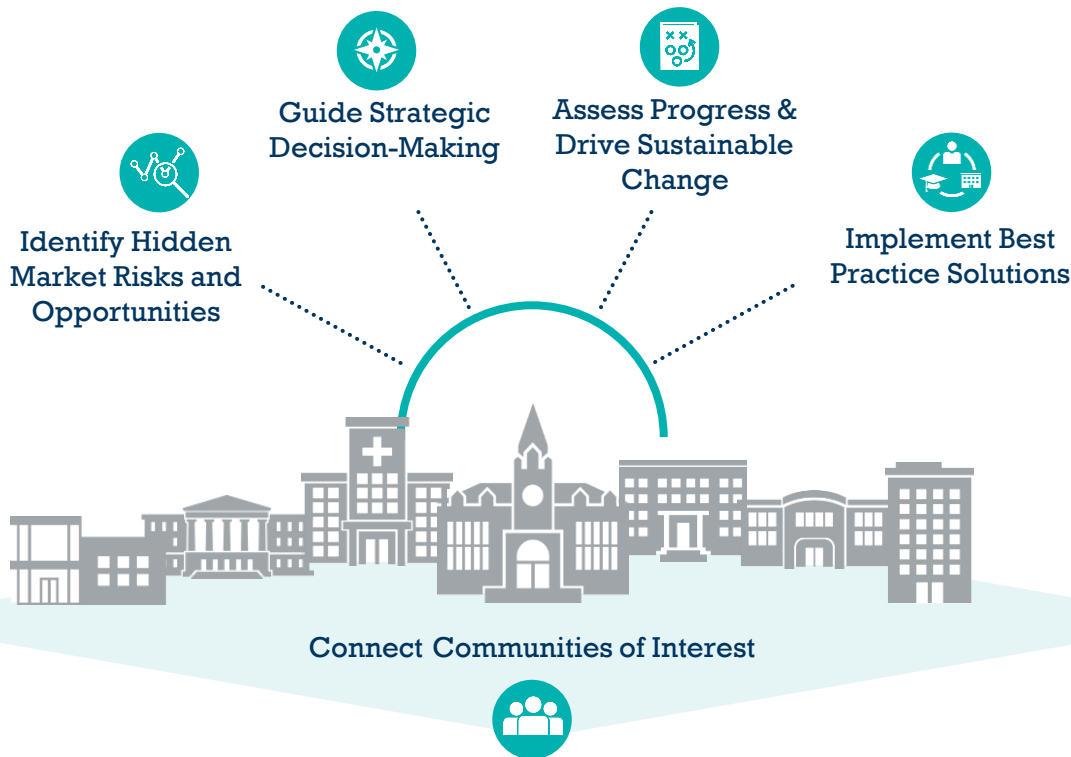
~1,300
Institutions

500+
Innovations tested annually

Serving **2,100+** institutions across North America, UK, Europe and beyond

EAB Research Provides Step-by-Step Guidance for Your Most Important Initiatives

Strategy and Implementation Support, Cross-Campus Alignment, Outsized Impact



Today's Presenters



Dr. Megan Adams
*Managing Director,
Research*



Dr. Larisa Hussak
*Senior Director,
Research*

State of the Sector Research Team:

Brian Schueler

Maggie Everett

Michelle DiMenna

Mariah Coughlin

Connect with EAB



@EAB



@EAB



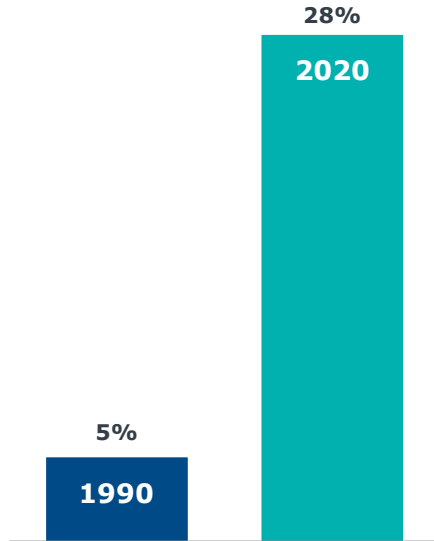
@eab_

Markets Becoming “Winner(s)-Take-Most”

Superstar Firms Outcompete, Consolidate Market Power Across Industries

Top 50 Firms Now Worth Almost 30% of Global GDP

Stock Market Value to GDP Ratio



Consolidation Comes for Every Industry

U.S. market share of largest three firms

Pharmacies & Drug Stores

2002

37%



2017

67%

Walgreens



Home Improvement Stores

2002

47%



2017

87%



75%

Of US industries have experienced concentration over past two decades

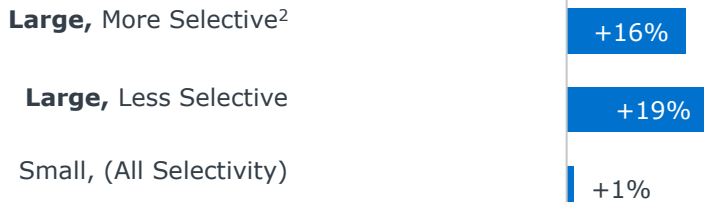
Ultra-Winners Come to Higher Ed?

Instead of "Disruption", Concentration Reshaped the Market

Pandemic Accelerated UG Enrollment Flight to Larger Institutions

Pct. Change in UG Enrollments¹, 2012 to 2020

Public 4-Yr Institutions Large Publics Grew Rapidly



Private 4-Yr Institutions Less-Selective Privates Shrank



Concentrated Growth in Research, Endowment Funds


\$27.6B

In federal research funding was allocated **to the top 50 institutions** in FY2020 (compared to \$18.5B for all other institutions)

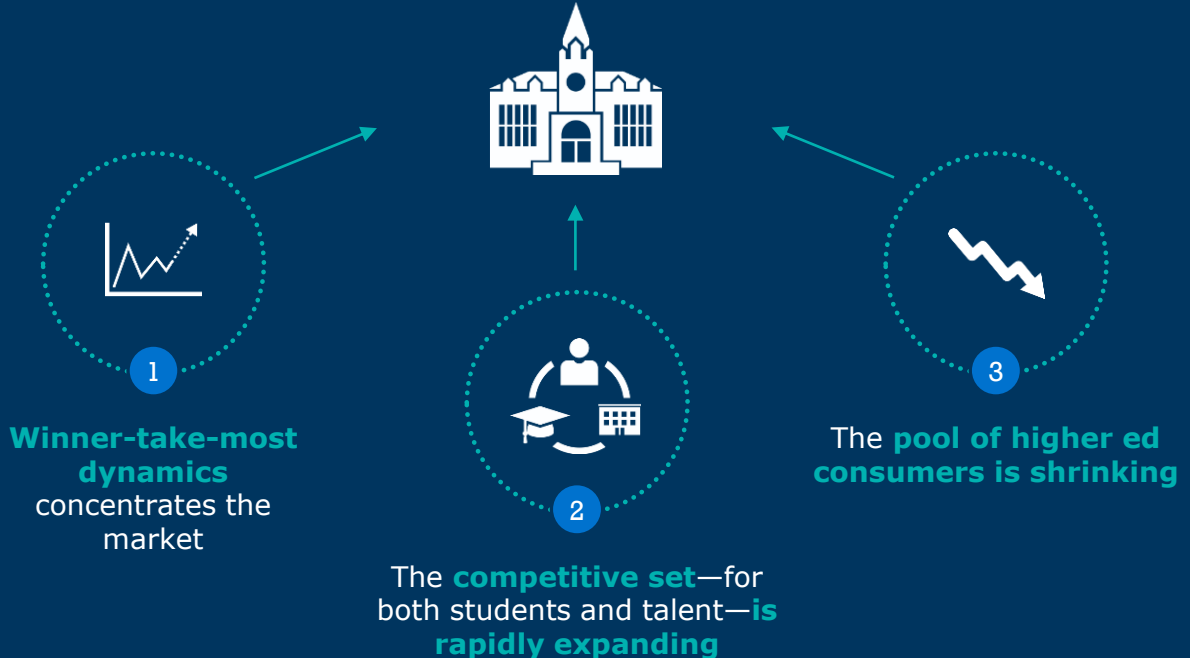

19%

Of institutions hold 83.7% of all endowment assets¹

1) Of institutions that responded to a national survey

Competition, Not Disruption, Determines the Future

Three Competitive Market Forces Reshaping the Landscape:



The Fight to Be Chosen



New Rules of Competition

Research Funding is Now a Winner-Take-Most Game



Online Grad Market is More National, More Concentrated, and More Elite



Often the Greatest Competition for Undergraduates isn't Another Institution—It's No Institution



Institutions Must Compete as Much For Talent as They Do For Students



Winning on Student Experience Requires Winning on Talent



Defining the Value Proposition

What partnerships will position us to win in a concentrated landscape?

What differentiates our institution in a world of online giants?

How do we sell higher education to an increasingly disengaged audience?

What does "employer of choice" mean in a nationalizing labor market?

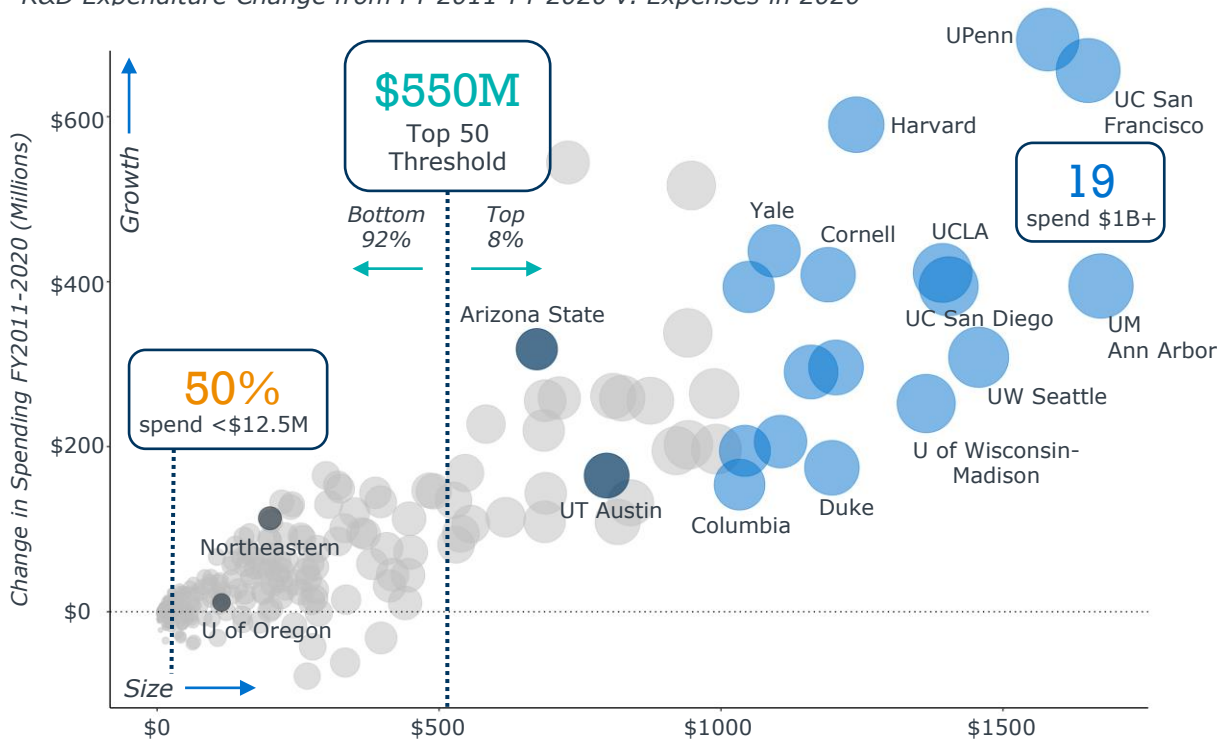
How do we safeguard the student experience amidst talent shortages?



The Age of Research Giants

Size Begets Size as Large Institutions Capture Outsized Growth

R&D Expenditure Change from FY 2011-FY 2020 v. Expenses in 2020¹

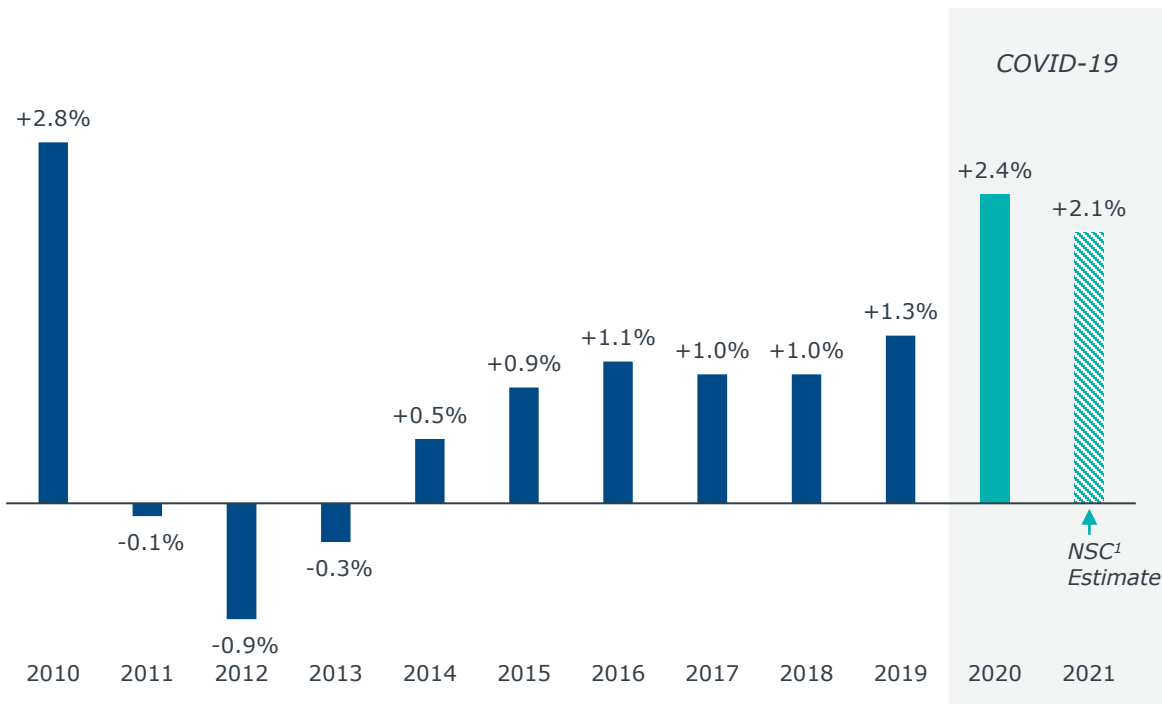


1) Johns Hopkins is not displayed as the Applied Physics Lab adds \$1B to its expenditures, placing it off the scale.

A Major Boon for Graduate Enrollments

Graduate Enrollments Grew at Fastest Rates in Nearly a Decade Through Pandemic

Year on Year Growth of Total Graduate Enrollments – All 4-Year Institutions



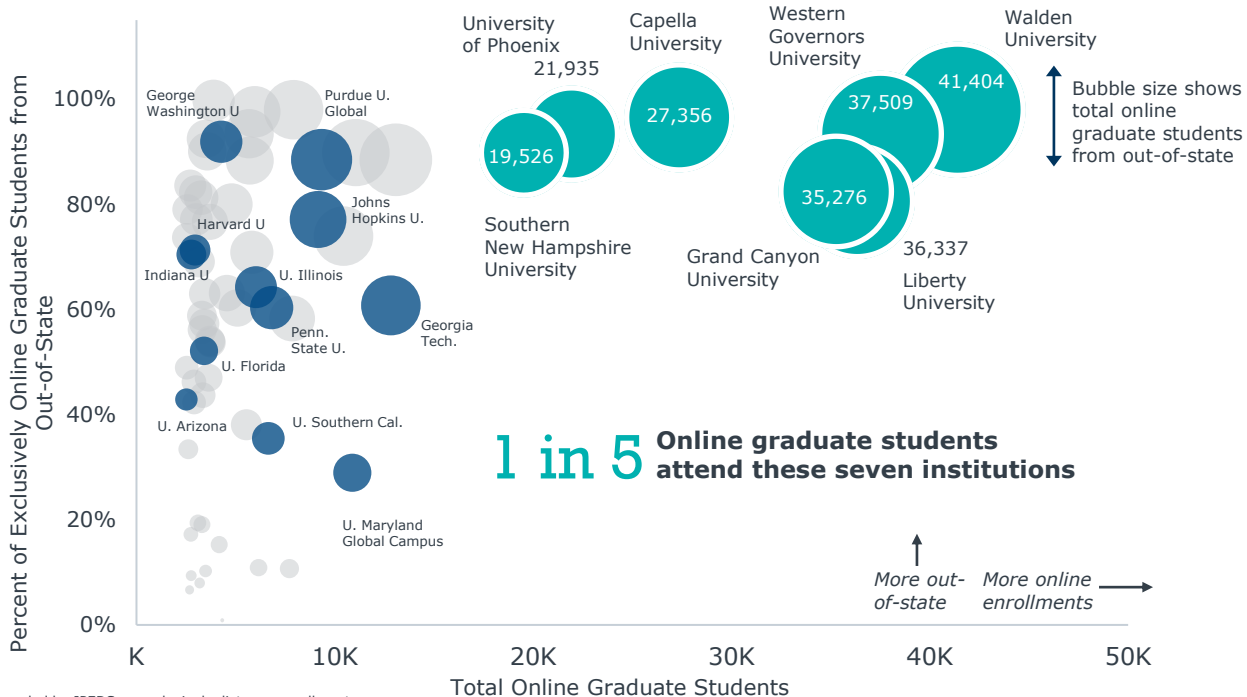
1) National Student Clearinghouse



Newer Giants Loom Over Online Grad Market

But Many AAU Universities are Not Far Behind

Institutions With More Than 2,500 Exclusively Online¹ Graduate Enrollments, Fall 2019
 Total Exclusively Online Graduate Enrollments and Percent From Out-of-State



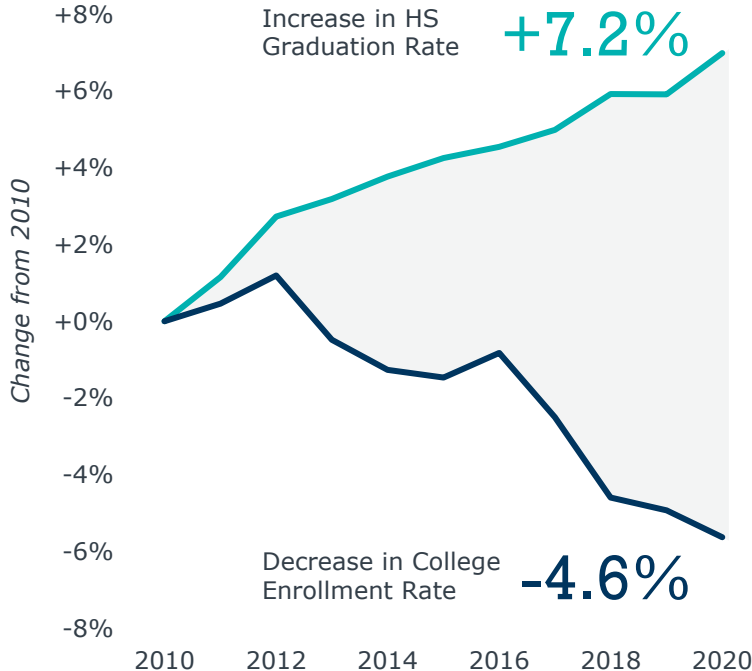
1) Recorded by IPEDS as exclusively distance enrollments.



Your Biggest Competition May Be No Institution

The Non-Consumer Market is Getting Bigger Every Year

Change in K-12 to College Pipeline (2010 to 2020)



Pandemic to Increase Nonconsumption

Short-term Disengagement

+2.3M

Increase in **Absent Students** Grades 8-12

17%

Of seniors **abandoned college plans**

Long-term Barriers

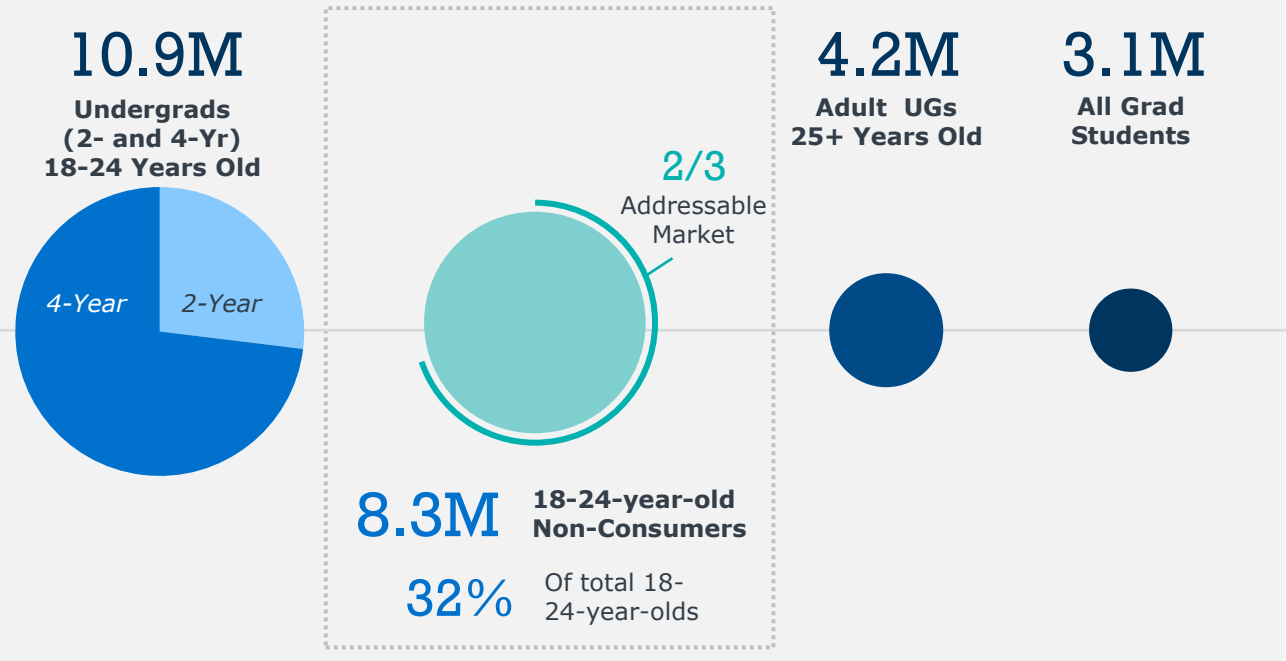
25%

Of 3rd graders behind in reading **catch up** by end of HS



Too Big to Ignore

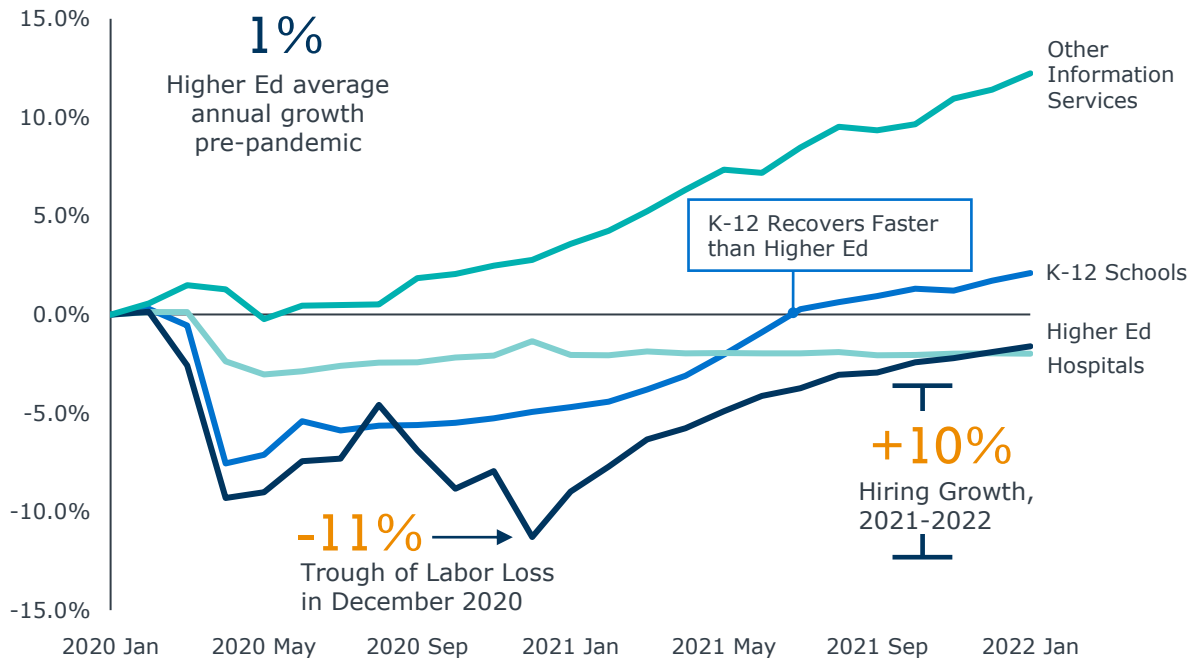
Sizing the Nonconsumption Market Opportunity



Higher Ed Experiences Growing Pains

Historically High Hiring Growth Stresses Higher Ed HR

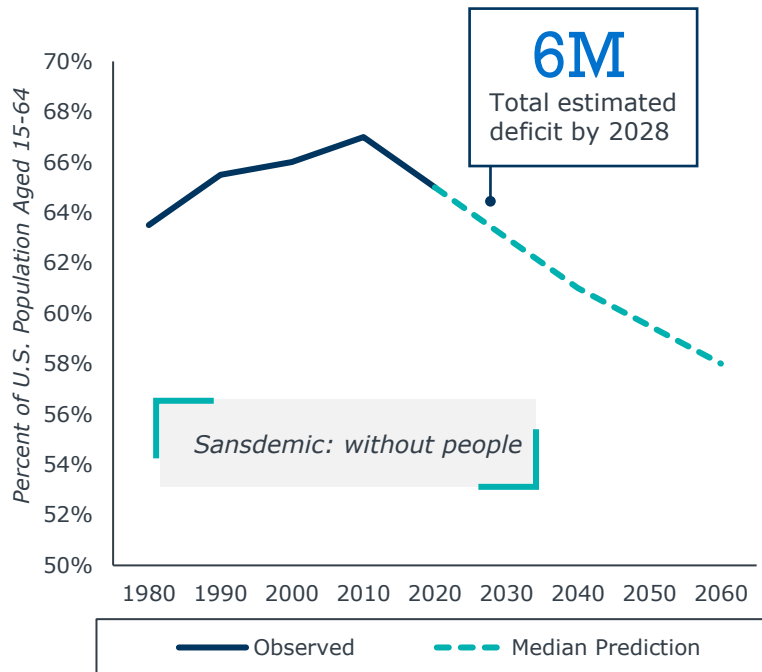
Percent change in total employees from January 2020, seasonally adjusted



The Other Side of the Demographic Cliff

From Great Resignation to Great Sansdemisic

Decline in working age population



Pandemic Losses Largely in On-Site, Lower-Level Jobs

Change in jobs from 2019-2021

- 5% Office/Clerical Staff
- 4% Service/Maintenance Staff
- +5% Technical/Para-professional Staff

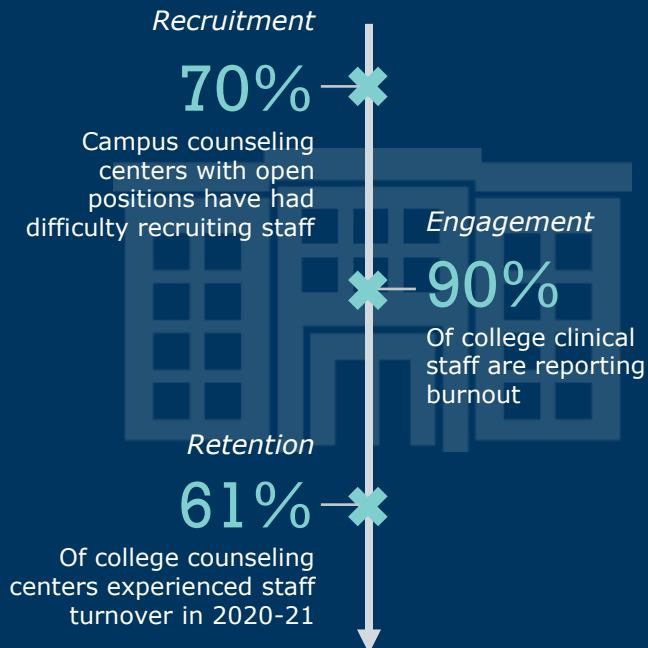
Forthcoming Wave of Losses Likely in Skilled Fields

40%

HR and IT employees at least "Somewhat Likely" to be looking for new work in 2022

How Staffing Impacts the Student Experience

The Talent Crisis in College Counseling...



...Has Implications for Student Success

29-48%

Reduction in services for highest need students at institutions with High Clinical Loads¹



Less improvement in depression, anxiety, and general distress (vs. Low Clinical Load institution)

43-86%

Dropout rate for students with diagnosed mental health challenges

1) Clinical Load: # of students attending 1 or more appt + Weekly expected clinical hrs when counseling center is fully staffed / # of counselors

Source: 2015-2020, AUCCCD; "Provider Burnout in Counseling Centers Due to COVID-19," Mantra Health; CCMH 2019 Annual Report; "Mental Health, Substance Use, and Wellbeing in Higher Education," National Academies of Science, Engineering, and Medicine, 2021 EAB insights and analysis.

New Rules of Competition

Research Funding is Now a Winner-Take-Most Game



Online Grad Market is More National, More Concentrated, and More Elite



Often the Greatest Competition for Undergraduates isn't Another Institution—It's No Institution



Institutions Must Compete as Much For Talent as They Do For Students



Winning on Student Experience Requires Winning on Talent



Defining the Value Proposition

What partnerships will position us to win in a concentrated landscape?

What differentiates our institution in a world of online giants?

How do we sell higher education to an increasingly disengaged audience?

What does “employer of choice” mean in a nationalizing labor market?

How do we safeguard the student experience amidst talent shortages?

How Can We Help?

I'd like follow-up / more information on:

Select all that apply

- 1 Navigating the Talent Shortage
- 2 Enhancing Student Experience and Well-Being
- 3 Winning in Online Graduate Enrollment
- 4 Tapping into New Sources of Undergraduate Enrollment
- 5 Succeeding in the Research Funding Market

Meet the Panel



Dr. Nathan Grawe
*Professor, Carleton
College; Author of The
Agile College (2021)*



Adam Pressman
*Partner and
Employee Research
& Engagement
Leader, Mercer*



Khadish Franklin
*Managing Director,
Research Advisory
Services, EAB*



Washington DC | Richmond | Birmingham | Minneapolis

202-747-1000 | eab.com

 [@eab](https://twitter.com/eab)  [@eab_](https://www.linkedin.com/company/eab_)  [@WeAreEAB](https://www.facebook.com/WeAreEAB)  [@eab.life](https://www.instagram.com/eab.life)

