

# HOW CFOs SEE THE WORLD

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**INSIDE**  
HIGHER ED

*An Inside Higher Ed Webinar*

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2 p.m. EDT

# Presenters

**Doug Lederman, editor, *Inside Higher Ed***



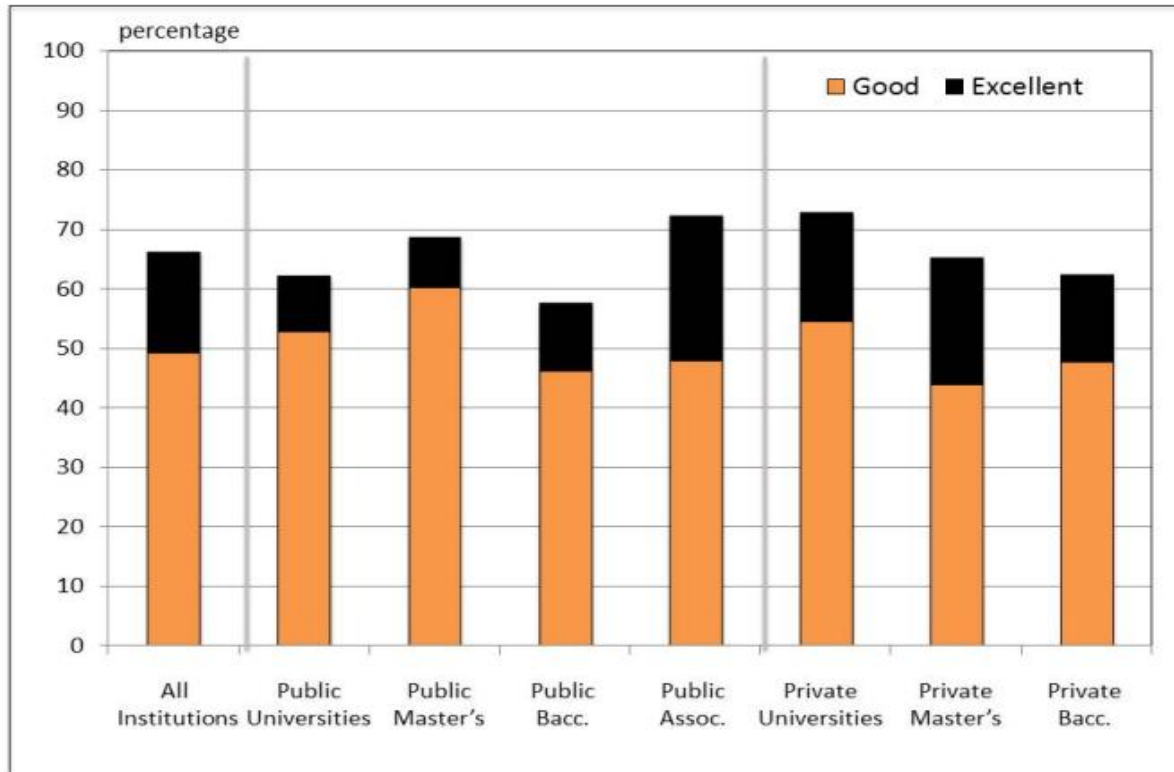
**Gavin Leach, VP for finance and administration,  
Northern Michigan U.**

# Methodology

- 502 responses
- Breakdowns by sector
- Complete anonymity
- Survey conducted May/June 2012

# The Big Surprise - I

Chief business officers, across sectors, say that their institutions are in good financial health.

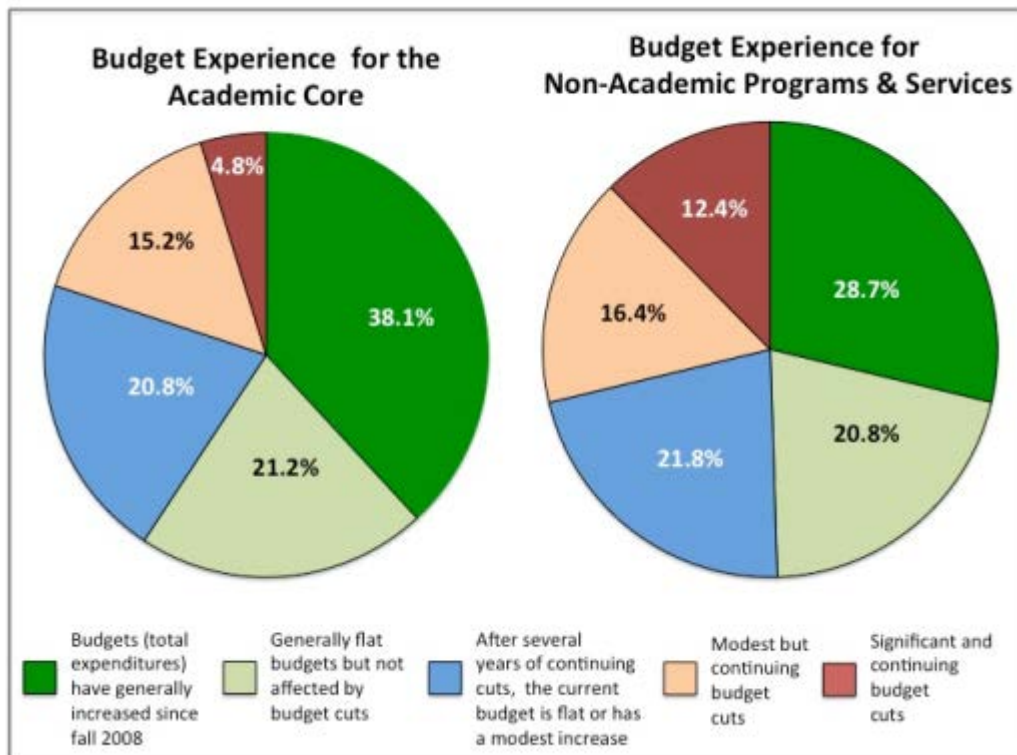


# The Big Surprise – II

## Disruption? What disruption?

Sector	% Believing Business Model Not Sustainable
Public flagships	23.1%
Non-flagship publics	35.3%
Community colleges	14.9%
Elite private universities	4.8%
Elite liberal arts colleges	11.0%
Other private four-year	39.4%
For-profit	21.1%

# Academic vs. Non-Academic Budget



# Strategies Under Review

Strategy	All Institutions	Public	Private
Shifting more classes online	65%	71%	57%
Collaboration on academic programs	63%	73%	54%
Streamlining administration	59%	67%	50%
Reorganizing administration	55%	63%	45%
Eliminating underperforming academic units	51%	59%	42%

# Strategies That Should Be Considered

Strategy	All Institutions	Public	Private
Increasing teaching loads	43%	44%	42%
Eliminating underperforming academic units	41%	37%	48%
Revising tenure policies	41%	41%	42%
Early retirement	38%	38%	40%
New collaboration on administration	37%	34%	40%



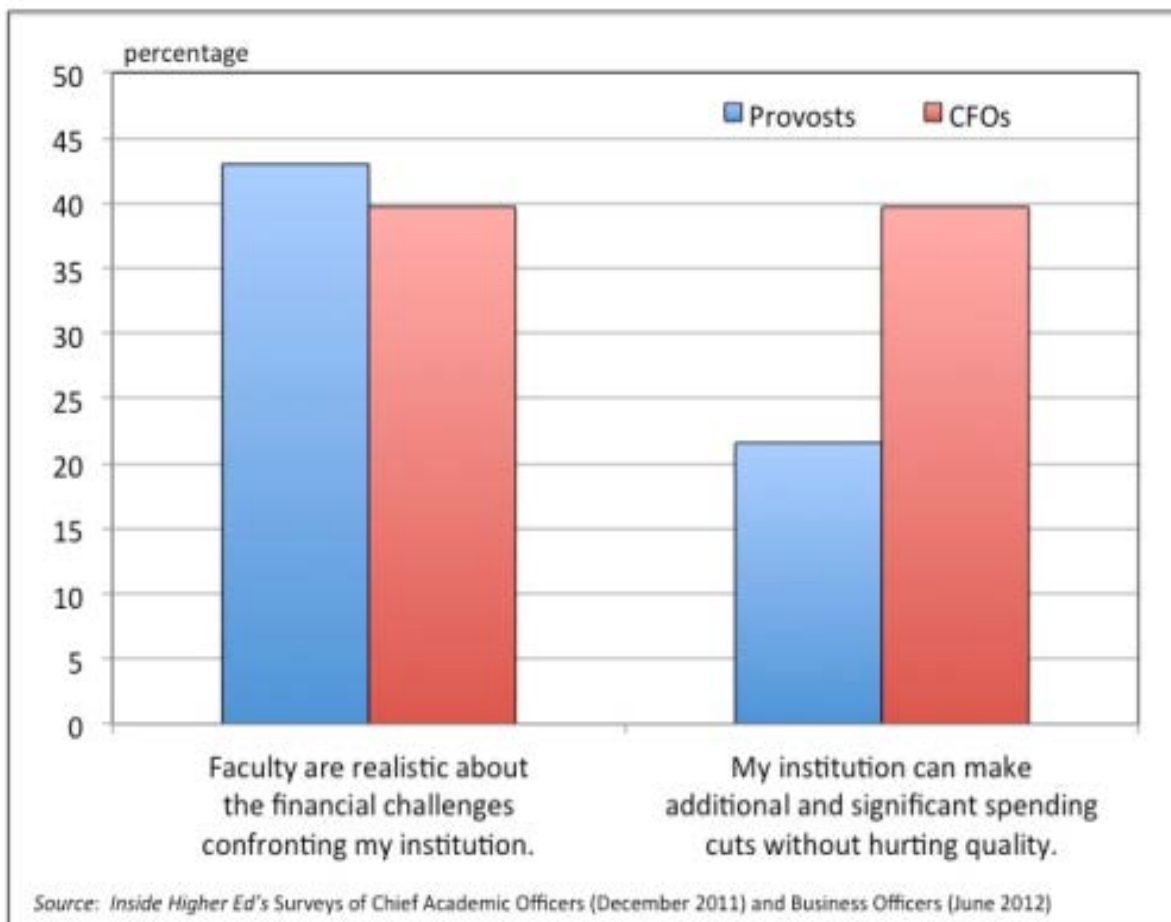
# Getting More Business Officer Attention

- Market limits on ability to raise tuition (highest at private undergraduate institutions)
- The rising discount rate (highest at private undergraduate institutions)
- Federal and state government mandates (higher at publics)
- Deferred maintenance (higher at publics)
- The real costs of scholarships not based on need (highest at private undergraduate institutions)

# Top Strategies for Adding Revenue

- **Increasing net tuition revenue (highest priority at private undergraduate institutions)**
- **Developing/expanding online offerings (more interest at publics)**
- **Securing more corporate support (everyone wants this!)**
- **Increasing size of endowment (more of a priority at privates)**
- **Recruiting more out-of-state students (public doctoral institutions are most interested)**

# On the Same Page? Or in Different Books?



## Questions and comments.....

- Does the general optimism square with what you're seeing on your own campuses?
- Confidence or rose-colored glasses?
- Do CFOs focus more on year-to-year success/survival than on the long term? If so, should they?

The *Inside Higher Ed* survey of chief business officers was made possible with generous financial support from

