



**Inside
Higher
Ed**

What Keeps CBOs Up at Night:
Inside Higher Ed's 2023 Survey
of College and University Business Officers

An Inside Higher Ed webcast
Aug. 2, 2023, 2 p.m. Eastern

Presenter



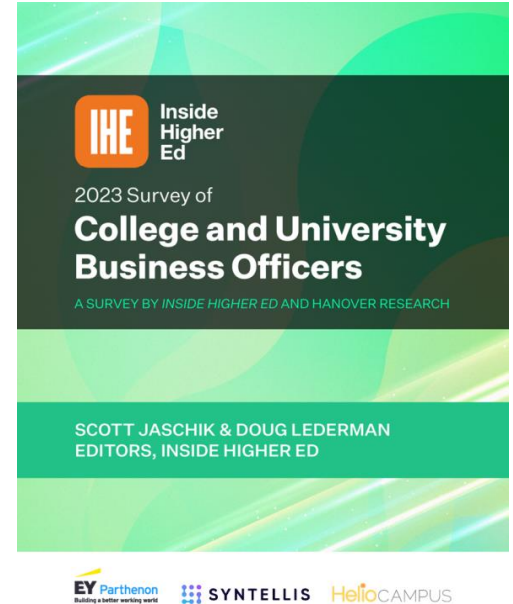
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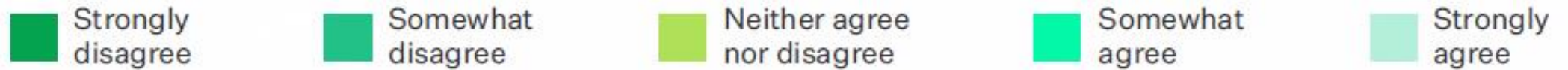
Methodology

- Questions prepared by *Inside Higher Ed*, in collaboration with Hanover Research.
- Polling conducted in May/June.
- 219 chief business officers responded; 99 public, 115 private nonprofit; nationally representative.
- Complete anonymity for respondents, but answers coded to allow for breakdown by sector, geography, etc.



Confidence in Financial Stability

Please indicate how much you disagree or agree with the following statements.



I am confident my institution will be financially stable over the next five years. (n=217)



I am confident my institution will be financially stable over the next 10 years. (n=217)

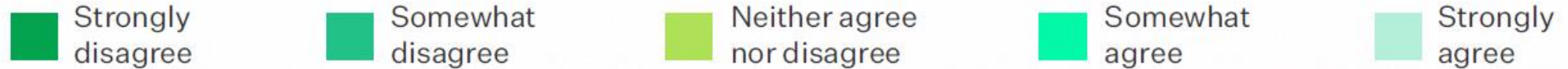


Confidence in Financial Stability by Sector

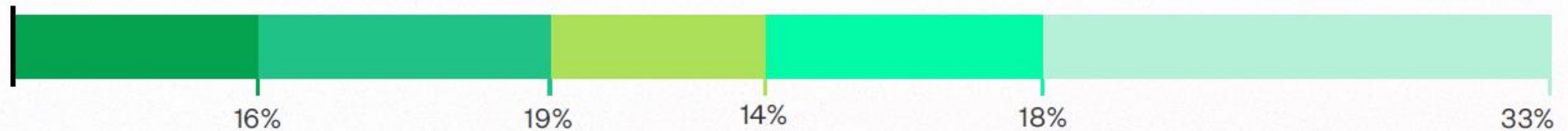
	Public									Private Nonprofit					
	Doctoral			Master's/ Baccalaureate			Associate			Doctoral/ Master's			Baccalaureate		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
% Strongly Disagree	6%	0%	9%	0%	0%	3%	0%	6%	0%	5%	1%	4%	6%	10%	3%
% Somewhat Disagree	0%	5%	13%	19%	27%	29%	0%	17%	14%	5%	17%	18%	13%	13%	7%
% Neither agree nor Disagree	6%	11%	13%	6%	15%	32%	23%	13%	16%	21%	16%	13%	16%	17%	13%
% Somewhat Agree	63%	74%	48%	56%	52%	26%	64%	42%	58%	41%	44%	43%	39%	42%	50%
% Strongly Agree	25%	11%	17%	19%	6%	10%	14%	23%	12%	28%	22%	23%	26%	19%	27%

Financial Stability, Looking Back and Ahead

Please indicate how much you disagree or agree with the following statements.



My institution is in better financial shape now than it was in 2019. (n=217)



My institution is in better financial shape now than I expect it to be a year from now. (n=217)



Reasons for Confidence (and Lack of It) in 2024

CBOs who think they'll be *better* off a year from now expect:

- Higher enrollment (62%)
- Increased net tuition (55%)
- To cut their budgets (37%)
- More investment/endowment income (32%)

CBOs who think they'll be *worse* off a year from now expect:

- Rising labor costs (76%)
- Rising operating costs (55%)
- Lower enrollment (53%)
- Lower net tuition revenue (45%)
- Flat or less state support (28%)

CBOs vs. Presidents

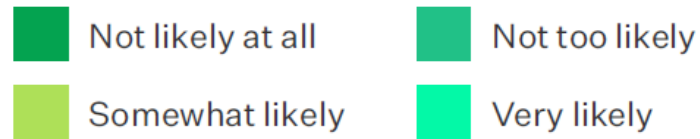
	Presidents	Chief Business Officers
% agreeing their institution will be financially stable over the next 10 years	78%	65%
% agreeing their institution will be better off next year than it is now	58%	42%

Mergers and Consolidation

- Fewer than 1 in 7 business officers (13%) say senior administrators at their college have had “serious internal discussions” in last year about merging with another. 21% of CBOs of private doctoral/master’s universities and 29% of those in the Northeast responded that way.
- About a quarter of business leaders (25%) said their institution *should consider* merging with another institution – including 35% of private doctoral/master’s CBOs and 40% in the Northeast.
- Half of all CBOs (49%) agree that their institutions should combine academic programs with another college or university and 3 in 5 (61%) agree that it should share administrative functions. Those numbers are 65% and 79%, respectively, at private baccalaureate colleges.



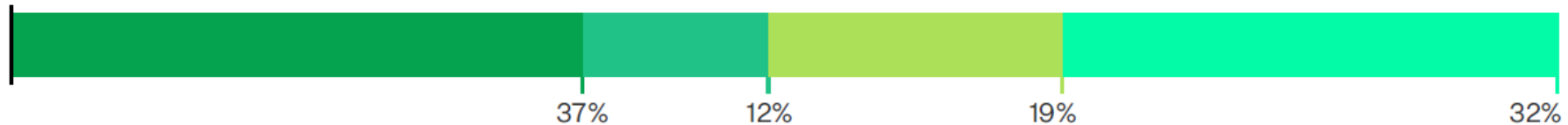
Operating Margins



For the 2022-23 fiscal year, how likely is your institution to achieve a positive operating margin? (n=217)



How likely would your institution be to achieve a positive operating margin in the 2022-23 fiscal year if you excluded federal recovery dollars? (n=217)

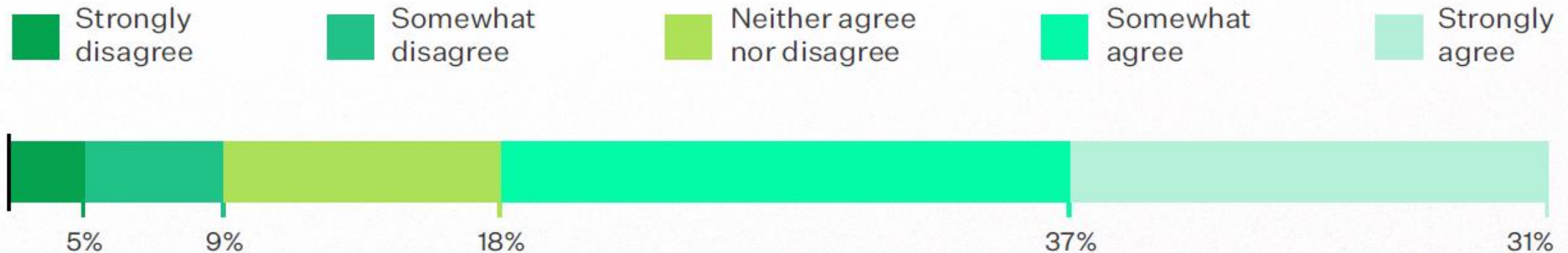


Academic Program Review

About a third of business officers said their institution had conducted an thorough academic portfolio review in the last year.

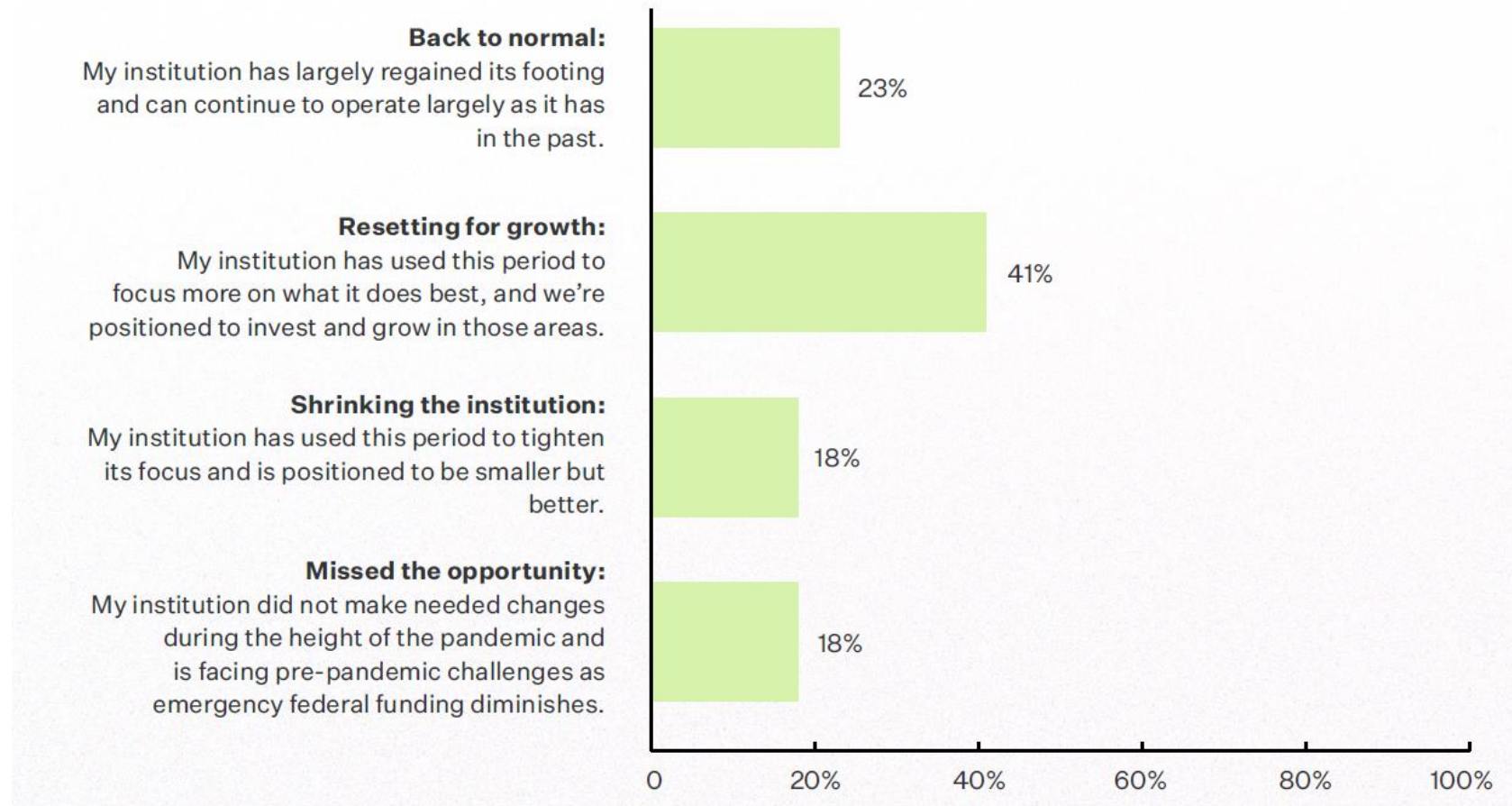
Of those, about half said they had reduced the number of programs they offer; 2/3 said they had positioned existing programs for further growth, and 1/4 said they had redistributed funds from weaker programs to stronger ones.

Given the current number of enrolled students, my institution has more academic programs, majors, or departments than it should. (n=209)



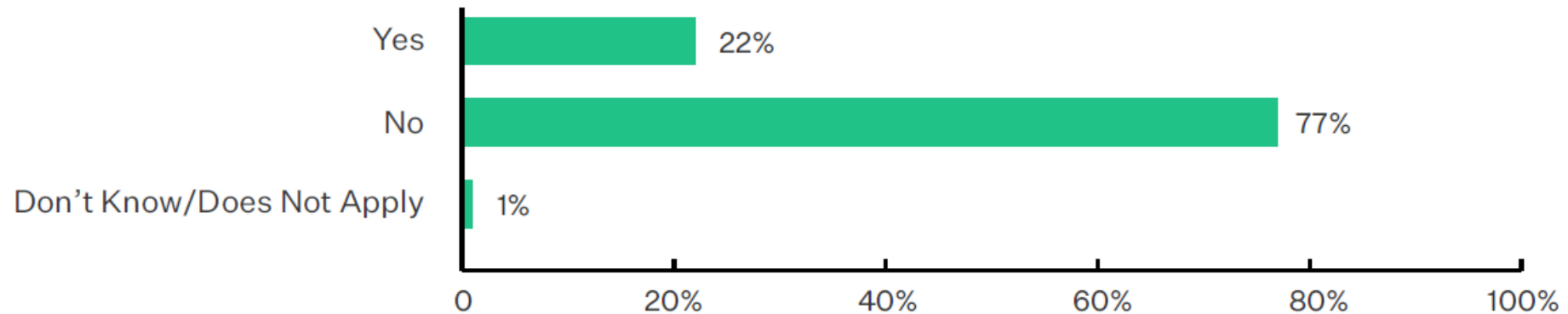
Institutional Positioning for the Future

As the pandemic recedes, which of the following statements best represents your view of your institution's current situation and positioning for the near future: (n=217)



Endowments and Drawdowns

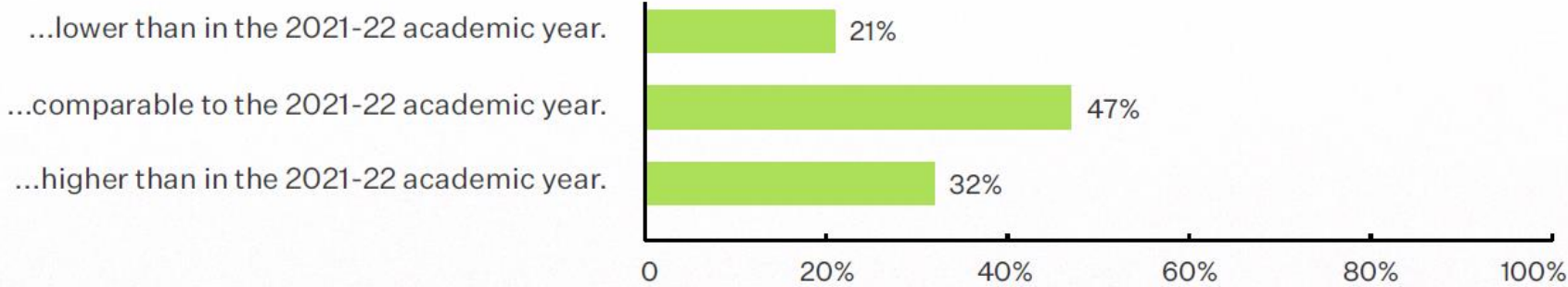
In the last 12 months, did your institution take funds from its endowment over and above levels called for under your normal spending policy, either through a loan or a special or supplemental distribution? (n=167)



- 32% at private nonprofit institutions, 41% at private undergrad colleges

Employee Turnover

Employee turnover at my institution in the 2022-23 academic year has been...
(n=213)



How worried are you about the turnover rate at your institution? (n=212)



Other Findings

- When asked if their institutions had the “right mind-set” and the “right tools and processes” to respond quickly to needed changes, business officers were far less likely to agree (53% and 50%, respectively) than were presidents (65% and 60%).
- Just a third of CBOs (36%) agreed that “a lack of adequate data and analytic capacity is a significant obstacle to a sustainable financial future for my institution,” down sharply from the 53% who agreed in 2022. But no more than 2/3 of CBOs agreed that their institution has sufficient data to make informed decisions about key institutional matters such as the performance of academic and administrative technology (67%), efficacy of specific academic programs (61%) or performance of administrative units (53%).

More on the Survey

- *Inside Higher Ed* [article on the survey](#)
- [Download](#) the survey report.
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