

What Keeps Business Officers Up at Night



2022 Survey of College and University
Business Officers

An Inside Higher Ed webcast
Aug. 10, 2022, 2 p.m. Eastern

Presenters



Scott Jaschik
Editor and co-founder
Inside Higher Ed

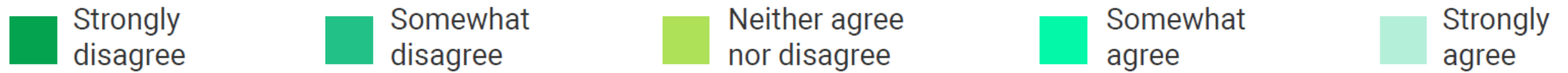
Doug Lederman
Editor and co-founder
Inside Higher Ed



Methodology

- Questions prepared by *Inside Higher Ed*, in collaboration with Hanover Research.
- Polling conducted in May/June.
- Results from 248 chief business officers; nationally representative.
- Complete anonymity for respondents, but answers coded to allow for breakdown by sector, etc.

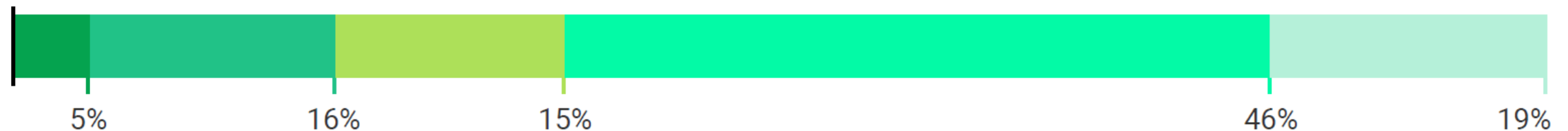
Taking the Pulse on Financial Stability



I am confident my institution will be financially stable over the next five years. (n=238)



I am confident my institution will be financially stable over the next 10 years. (n=238)

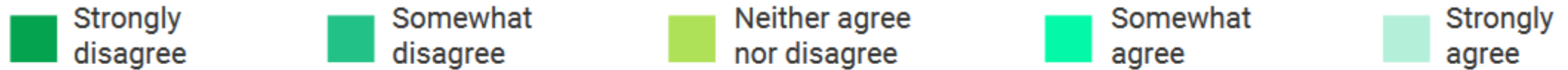


Year-Over-Year Changes by Sector

I am confident my institution will be financially stable over the next 10 years.

	Public						Private Nonprofit			
	Doctoral		Master's/Bacc.		Associate		Doctoral/ Master's		Bacc.	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
% Strongly disagree	6%	0%	0%	0%	0%	6%	5%	1%	6%	10%
% Somewhat disagree	0%	5%	19%	27%	0%	17%	5%	17%	13%	13%
% Neither agree nor disagree	6%	11%	6%	15%	23%	13%	21%	16%	16%	17%
% Somewhat agree	63%	74%	56%	52%	64%	42%	41%	44%	39%	42%
% Strongly agree	25%	11%	19%	6%	14%	23%	28%	22%	26%	19%

Looking Back and Around the Corner



My institution is in better financial shape now than it was in 2019. (n=238)



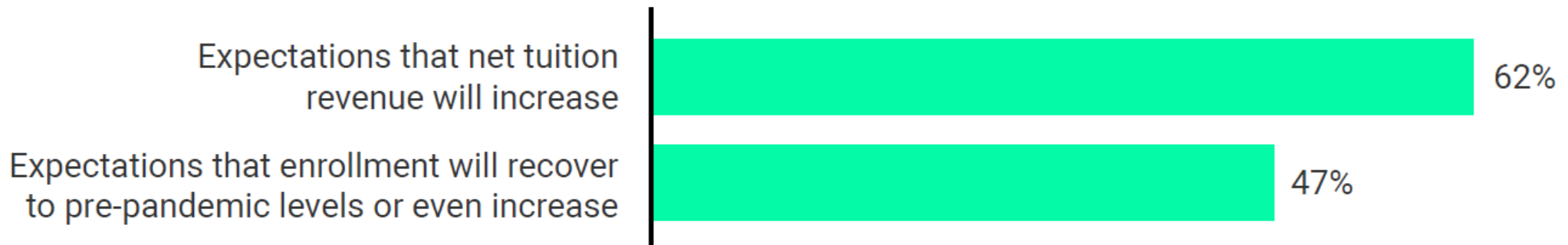
My institution is in better financial shape now than I expect it to be a year from now. (n=238)



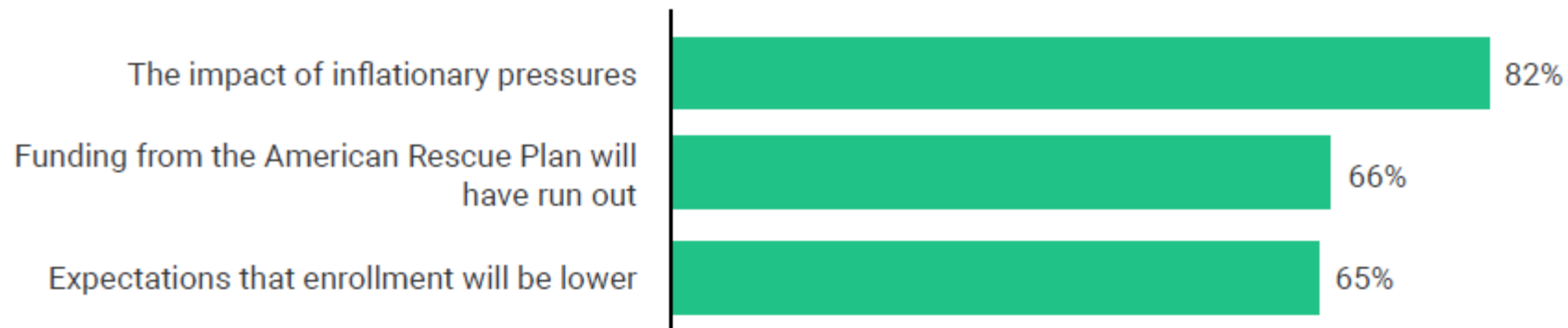
Source: 2022 Survey of College and University Business Officers

Reasons for Optimism and Pessimism

Why do you feel that your institution is in worse financial shape now than it will be a year from now? Please select all that apply. (n=89)



Why do you feel that your institution is in better financial shape now than it will be a year from now? Please select all that apply. (n=101)



Breaking Even

- 76% of CBOs reported positive operating margin in 2020-21
- About $\frac{3}{4}$ say the same about 2021-22 – but that drops below half without federal recovery aid.

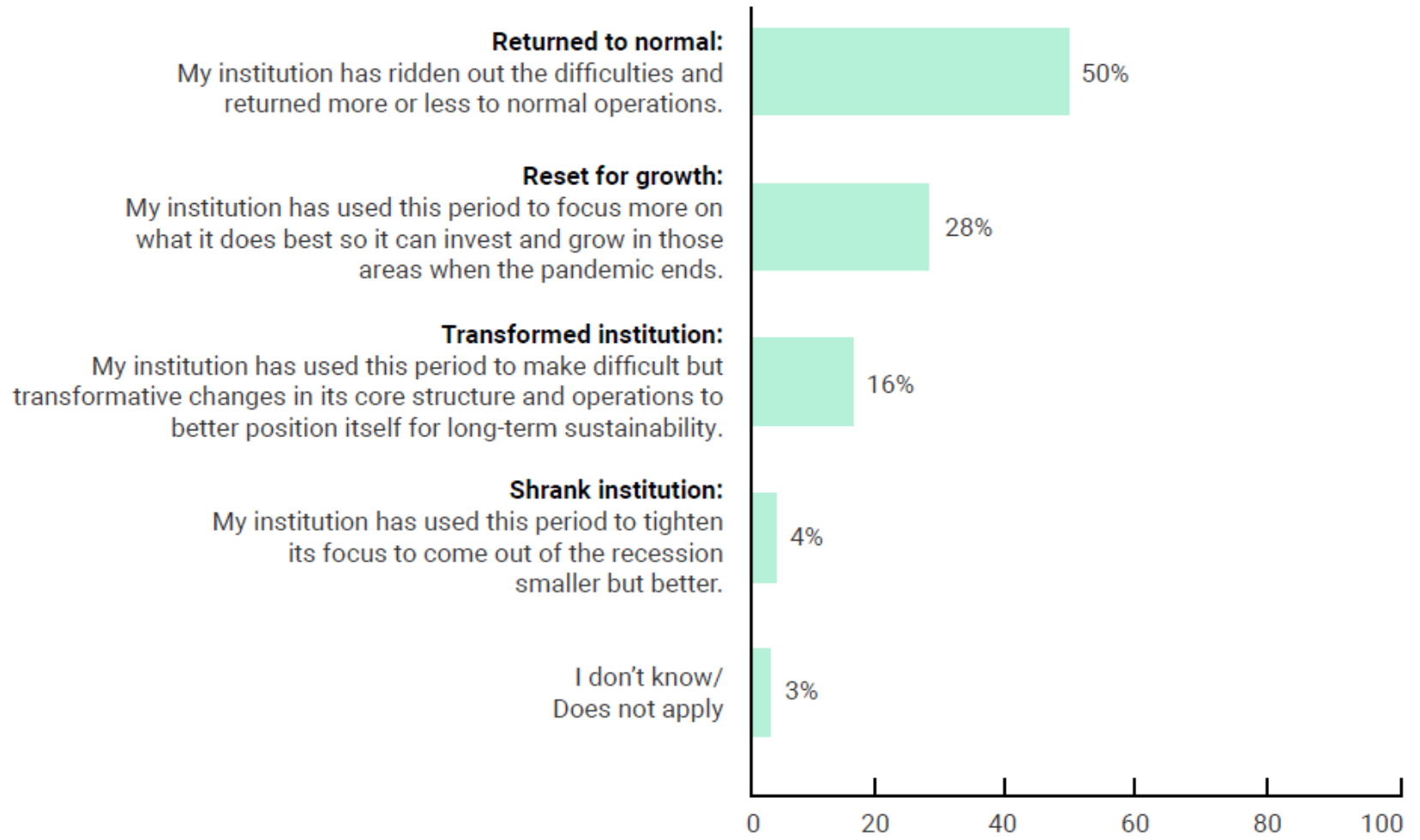
How likely would your institution be to achieve a positive operating margin in the 2021-22 fiscal year if you excluded federal recovery dollars?								
	All Institutions, by Sector			Public			Private Nonprofit	
	All	Public	Private Nonprofit	Doctoral	Master's/ Bacc.	Assoc.	Doctoral/ Master's	Bacc.
% Not likely at all	37	36	40	21	42	38	39	35
% Not too likely	16	20	14	16	24	21	8	25
% Somewhat likely	21	26	15	26	21	29	18	10
% Very likely	26	17	31	37	12	13	35	29

In 2020, Envisioning 'Transformation' ...

Which of the following most closely reflects your institution's future in relation to the COVID-19 pandemic and economic recession?								
	All Institutions, by Sector			Public			Private Nonprofit	
	All	Public	Private Nonprofit	Doctoral	Master's/ Bacc.	Assoc.	Doctoral/ Master's	Bacc.
% Return to normal: My institution can ride out the current difficulties and return more or less to normal operations within 12-18 months.	26	30	23	21	32	34	23	25
% Shrink institution: My institution should use this period to tighten its focus to come out of the recession smaller but better.	6	3	8	0	3	5	7	11
% Reset for growth: My institution should use this period to focus more on what it does best so it can invest and grow in those areas once the recession ends.	21	19	23	36	21	14	24	25
% Transform institution: My institution should use this period to make difficult but transformative changes in its core structure and operations to better position itself for long-term sustainability.	47	48	46	43	44	47	46	38

... While In 2022, Most See a 'Return to Normal'

Which of the following outcomes most closely reflect your view of how your institution will continue responding to the COVID-19 pandemic and economic recession? (n=234)



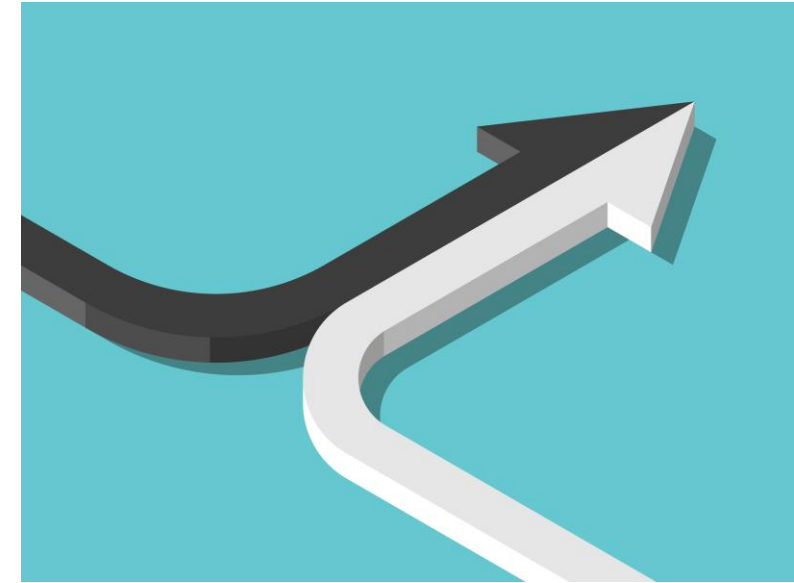
Responses to the Pandemic

- Half had increased tuition
- 45% had increased grant aid
- 35% had extended test-optional admissions

- 12% altered plans to build new facilities
- 9% had increased faculty teaching loads

Collaborate or Go It Alone?





- 9% of CBOs say leaders at their institution has seriously discussed merging in last year.
- 16% say their institution should merge with another college within five years.
- 41% say institution is likely to share administrative functions; 30% say likely to combine academic programs
- 45% say institution *should* combine academic programs with another college in next five years



Focus on 'Academic Continuity'

Which of the following best describes your institution when it comes to each of these plans?

My institution...

-  ...had this plan in place before the pandemic began.
-  ...created this plan after the pandemic began.
-  ...does not have this plan in place but intends to create one in the future.
-  ...does not have this plan and does not intend to create one in the future.

Academic continuity plan (n=228)



Business continuity plan (n=228)



Other Highlights

- **Endowment growth and changes.** CBOs with endowments said their funds grew significantly (22%) or somewhat (38%) in the last year. 14% said their institution had withdrawn funds from its endowment over and above the levels called for under its normal spending policy.
- **Impressions of other campus leaders.** CBOs more likely than presidents to strongly agree that trustees “are aware of and understand the financial challenges” facing the institution (54% versus 38%); less likely to say that about other senior administrators (59% versus 70% of presidents). About half say faculty members understand the financial challenges.
- **Data and analytics as a tool (and impediment).** Roughly 6 in 10 chief business officers say their institution has the data and other information it needs to make informed decisions in a range of areas on their campus.

Thanks



SYNTELLIS
PERFORMANCE SOLUTIONS



EY Parthenon
Building a better working world

ECSI
A *Global Payments* Company