Higher Education in Crisis

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A report by

Kelly. Education
Executive Summary

The U.S. higher education system is at a crucial inflection point: Change, or be changed.

How COVID is Changing the Game
72% of higher ed students have changed plans for the coming school year due to COVID. 33% switched to online programs and 32% are taking some form of a gap year. Health and safety was cited as the main reason, followed by costs.

While the economic effect of the pandemic is recent, the debate over the value of a college degree has been growing for decades.

Implications for Administrators
Colleges and universities were struggling before COVID. Since 2009, enrollment at four-year schools has declined, tuition revenues haven’t kept pace, and more than 60 colleges have closed or merged since 2016.

Online learning may be the key to higher ed’s future. Institutions to thrive will be those with coherent, capable virtual-learning programs.

Adjuncts: The Overlooked Asset
Higher ed faces three pressures that adjunct faculty are uniquely positioned to help fix:

1. Provide a robust online educational experience: 84% of college-student parents would pay more to improve the quality of online education. Institutions relying on getting tenured faculty up to speed miss out on digitally native adjunct instructors who may be even more at home online than on a dais.

2. Better prepare students: 83% of HR professionals struggle to recruit suitable candidates among recent graduates. Adjunct instructors offer students real-world experience and preparation through networking, mentorship, and exposure to cutting-edge thinking and practice.

3. Increase diversity: Faculty and classroom diversity is a key factor in exposure to and understanding of new ideas and better prepares students for the business world. Kelly Education’s database of adjunct instructors mirrors real life: 47% self-report as ethnically diverse (33% being Black or African American), 56% are military veterans, and 68% are women.

Outmoded labor rules and costly penalties inhibit higher ed institutions from recruiting broadly to ensure a plurality of voices and perspectives. As a result, recruitment happens locally even if the instruction is virtual. Kelly Education is focused on helping institutions prepare for and overcome whatever challenges stand between them and providing the highest quality educational experiences for their students.
The Dilemma Facing Higher Ed

Higher education is facing a crisis moment—or to be more accurate, several crisis moments. The combined challenges of the coronavirus pandemic, the renewed emphasis on diversity, and the spiraling costs of education have revealed higher ed’s systemic weaknesses. When it’s all over, the landscape is likely to be unrecognizable. The institutions that survive will be the ones that innovate and commit to becoming leaner, more nimble, and more flexible. Simply stated, higher education has to get smarter.
How COVID is Changing the Game

The rise of COVID-19 saw college students, graduating high school seniors, and their families step back and reassess their engagement with higher education. COVID-19’s dramatic spread left schools scrambling to address how to manage their student population—people learning, living, and socializing in close quarters, away from family doctors.

Uncertainty around public health policy certainly hasn’t helped. With the uneven response around COVID-19 throughout the country, it’s understandable if families give pause as they consider options for the 2020—21 school year.

This summer, the Harris Poll conducted a survey on behalf of Kelly Education with students (along with their parents) who were entering or returning to higher education. The results of the report, COVID Impact on Higher Education, show that the vast majority of higher ed students have had their plans for fall enrollment affected in some way.

The health crisis isn’t just affecting students’ short-term education plans—it’s affecting their life plans. Consider this Harris Poll result: 56% of surveyed students said that the COVID outbreak has made them consider new or different career options. That’s not about changing majors or seeking a different emphasis in their field of study, but about reassessing their choice of careers and considering new alternatives, based solely on recent events.

“56% of surveyed students said that the COVID outbreak has made them consider new or different career options.”

<table>
<thead>
<tr>
<th></th>
<th>Student</th>
<th>Parent</th>
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<tr>
<td>COVID Impacted Plans (Net)</td>
<td>72%</td>
<td>72%</td>
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<tr>
<td>Switched to an online program</td>
<td>37%</td>
<td>29%</td>
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<tr>
<td>Taking a gap year to work</td>
<td>15%</td>
<td>21%</td>
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<tr>
<td>Note: The global coronavirus pandemic did not change my child’s plan</td>
<td>28%</td>
<td>28%</td>
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1. The Harris Poll / Kelly Education: COVID Impact on Higher Education
2. Ibid
3. Ibid
Another interesting fact that is also worth noting: Throughout the questionnaire, students and parents were surprisingly aligned—the vast majority of responses were within just a few percentage points of each other.

This virtual unanimity should come as welcome news for those who thought parents and college students would never see eye-to-eye on education. But it is also a harsh reminder of how thoroughly and fundamentally COVID-19 has disrupted the lives of students and their families.

Just under half of the students and parents surveyed in the Harris Poll (49% of both, in fact) cited concern for the student’s health and safety as their top consideration in their decision to change plans for the upcoming term. The second most common consideration is “cost due to changed personal/family finances.” Though the virus’s economic effects on American families is historic and devastating, the cost of college has been growing for decades as a factor placing it out of reach for many.

Outside the rarified world of big-brand colleges, higher ed is looking like more of a luxury to many families. That’s nothing new. More than three-fourths of Gen Z and millennial college students were stressed about tuition before the world had ever heard of the novel coronavirus, and polls showed that 47% of parents anticipated having to tap into their savings to pay for their child’s college tuition (which rose to 54% after the pandemic hit).

Some students are holding back and exploring less expensive general requirement providers, such as established online-native programs, community colleges, and vocational schools—especially with so many traditional schools trying to jumpstart distance-learning curricula. About half of post-secondary students are
already enrolled in certificate or associate degree programs, mostly at community colleges,\textsuperscript{7} and are entering the workforce directly from there. Frankly, it makes sense: Why pay for a full four years (or, like most, take on the burden of student loans) at an expensive college with less than ideal distance-learning capabilities when there are cheaper and perfectly competent alternatives closer to home?

For the nearly one-third of college students (and their parents) who said they were choosing to make this year a gap year, the decision appears to be driven by both financial issues and overall uncertainty: 14\% are enrolling in alternative higher-ed programs, and 18\% are planning to work.

\textsuperscript{7}Campus Technology: “Report: More Students Pursue Certificates And Associate Degrees”
Implications for Administrators

On the institutional side, there’s one really big existential challenge: staying solvent.

A recent financial fitness survey of higher education institutions published by The Hechinger Report and NBC News found that first-year enrollment has been in decline since 2009 at 1,360 colleges and universities and that 30% of four-year schools brought in lower tuition revenues in 2017-18 than in 2009-10. In fact, more than 60 public and private nonprofit colleges have closed or merged since 2016. Of course, simply being open isn’t enough; many colleges are having to cut programs just to stay afloat.

Virtual learning can help ailing institutions: By cutting the operational costs of physical campuses and shifting emphasis to pure instruction, schools can offer their bread and butter—specialized knowledge and accreditation (aka, diplomas)—to a wider population of students unconfined by geographic constraints. It’s safe to say nearly every institution has some form of virtual learning in place, albeit some much better than others.

Eventually (though exactly when is uncertain) we will find ourselves on the other side of COVID-19 and its attendant crises. When that time comes, the institutions that will be successful will be the ones that either already have coherent virtual-learning programs in place, or are using this time to build out more robust programs. Somewhat surprisingly, 65% of colleges are still planning in-person classes this fall semester, despite the powerful disincentive for both faculty and students to show up.

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10. Business Insider: “All Of A Sudden, 65% Of US Colleges Are Preparing For In-Person Classes This Fall”
“It isn’t just affecting students’ short-term education plans—it’s affecting their life plans.”
Adjuncts: The Overlooked Talent Asset

This inconsistency presents a bit of a paradox, as schools are reducing staff healthcare coverage to save costs, particularly for adjunct staff. Consider the City University of New York (CUNY), where 422 adjuncts will lose their benefit eligibility for the upcoming fall semester due to layoffs or lost course assignments.\(^\text{11}\) During a time of pandemic, this is an issue of public health.

It is also increasingly an issue of student/world relevance and graduate quality for post-secondary institutions. Business organizations and companies have been very vocal about the lack of preparedness of recent graduates entering the workforce. Eighty-three percent of employers said last year they were having trouble finding suitable job candidates, while more than a third noted a lack of skills among candidates, and for more than half, the skills gap was wider than ever.\(^\text{12}\)

Teaching beyond the classroom is where adjunct instructors can play an important role: By engaging working professionals with unique and recent real-world perspectives, colleges and universities can offer their students a realistic preparation for professional life through networking, mentorship, and exposure to cutting-edge thinking and practice.

The hiring of adjuncts also allows institutions to more easily match new technological standards to relevant real-world

“More than 60 public and private nonprofit colleges have closed or merged since 2016.”
experience. Of course, getting traditional instructors up and running on virtual teaching best-practices is vital—but institutions that rely solely on bringing their tenured faculty into the world of 5G in order to become a technological player will not only diminish the overall quality of instruction they offer, they’ll likely fall behind. Let’s be frank: incoming freshmen have lived their entire lives virtually. Institutions without a coherent distance-learning program and the instructors to go with it are inviting skepticism from students, tuition-paying parents, and the companies and organizations that work with and recruit from them.

Digitally native (or at least digitally confident) faculty could also be a boost to the bottom line. In another surprising finding from COVID Impact on Higher Education, 84% of parents surveyed said they would be willing to pay more to improve the quality of online education. From both a quality and an economic standpoint, it’s crucial that instructors are as comfortable with virtual teaching as their students are with virtual learning.

One thing holding up a wider engagement with adjuncts is outmoded labor rules. Even as institutions are becoming more flexible in addressing the challenges of finding and hiring adjunct instructors with relevant experience, current labor rules are stifling their ability to recruit broadly to ensure a diversity of voices and perspective. Every jurisdiction has its

“65% of colleges are still planning in-person classes this fall semester, despite the powerful disincentive for both faculty and students to show up.”
own labor rules and quirks of interpretation. Each hire from a different state brings a new set of rules and wage and hour exposure for the hiring institution. As a result, institutions often find themselves having to recruit locally even if the instruction is virtual: the cost of getting, say, a job classification wrong can have expensive consequences. Recent landmark cases in California and Arizona have shown that the penalty for getting this wrong can be costly.

Diversity has also called out higher ed, both in terms of student populations and instructor recruitment/hiring. Academia’s lack of diversity has been an area of concern and conversation for a long time, but today it demands a new level of urgency. Students expect to hear voices that are relevant to their own experience. Multiple studies over the last few years bear this out: The majority of college students believe faculty and classroom diversity is a key factor in their exposure to new concepts and ideas; that it is crucial to the examination of their own perspectives and it makes them better prepared for the corporate business environment. Beyond that, as the New York Times reported, teacher homogeneity is a likely contributor “to the stubborn gender and race gaps in student achievement.”

There’s also a greater demand for instructors who have hands-on knowledge of their fields of study; too many instructors are removed from the real world, and with innovation moving as fast as it does, pure theory isn’t good enough. Waning social relevance is how institutions die, and
that’s true of higher education. It’s time to engage a broader talent pool that mirrors real life.

It also bears noting that the goal of a qualified academic workforce being reflective of our society isn’t Pollyannaism—it’s entirely possible: Within Kelly Education’s database of adjunct instructors, 47% self-report as ethnically diverse (33% being Black or African American), 56% are military veterans, and 68% are women.\[^{16}\]
Goodbye “Publish or Perish,”
Hello “Innovate or Die”

If you’re reading this, you probably have spent some time thinking about this strange era we’re living in. Higher ed is at the cusp of either an evolutionary breakthrough, or an epoch of decline. At Kelly Education, we’re optimists, but realists. Higher education can survive and thrive, but first some profound institutional inertia has to be addressed.

At the end of it all, maybe the crisis isn’t COVID-19; maybe COVID and the rest of it merely made the cracks wider, and thus harder to ignore.

Repairing those gaps and continuing to build for tomorrow will take hard work and hard decisions. It will take new levels of inventiveness and willingness to experiment. It will also take help—there are adjustments to be made and problems to be solved that even the best-of-the-best schools may not have the expertise to confidently address.

Kelly Education is focused on helping institutions prepare for and overcome whatever challenges stand between them and providing the highest quality educational experiences for their students. The organizations that act nimbly and think creatively stand to thrive in the future. We help higher educational institutions do just that.