Chapter 2
Tackling the Emerging New Norms in Higher Education in Post-Recession America

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ABSTRACT

This chapter will examine emerging new norms across higher education in the United States following the recession of 2008-09. Colleges and universities face an environment increasingly made up of prospective students and their families shopping and bargaining for the best college deal; institutions are struggling to control student costs by raising discount rates; administrators are seeking to find new sources of revenue and programmatic niches; and faculty are increasingly focused on how to make their curriculum more unique and relevant. Finally, higher education leaders should closely examine long-held recruitment and financial aid strategies, cost structures, academic calendars and mission to meet the new situation. This chapter will summarize the development of the new landscape in public and private higher education, including the growing similarities facing public and private institutions including their common efforts to keep higher education affordable and accessible, and conclude with recommendations for administrators as they navigate their way through the new norm.

INTRODUCTION

The last ten years have been challenging economically and politically for higher education. Small, private residential liberal arts colleges, particularly ones with modest endowments, are at risk in the changing environment as students compare tuition costs and return on investment more closely. Members of Congress and state legislatures, as well as the media, have also called into question the value of a college education. When coupled with the general public perception that the recovery from the 2008 recession exacerbated the income inequality gap, many families are questioning the value of the traditional lib-

eral arts undergraduate degree and whether it will lead to a well-compensated and fulfilling career path (Corkery, 2013). The expected tuition, room, board and fees to attend a private residential college or university now averages more than $43,000 (Kiley, 2012). Many private colleges are having a difficult time 'making their class' as even more selective institutions dig deeper into their waitlists or increase their discount rate in order to stay on target for their enrollment goals (Corkery, 2013).

State support for public colleges and universities has also declined significantly since 2009 (Oliff, Palacios, Johnson, & Leachman, 2013). But the numbers are even more striking over the past few decades. In 1980, states provided 46 percent of the operating support for public colleges and universities, according to the Association of Public and Land Grant Universities (Facts, ACE). For example, the University of Virginia only receives a little over 10% of its academic budget today from state support, up slightly in 2016. For all of the University of Virginia's divisions, however, the percentage is closer to 6%, a shockingly low number for a school so closely identified with Thomas Jefferson and the state of Virginia. (Facts, UVa and Johnson, 2013). In some states, such as Wisconsin, Governor Scott Walker and the state legislature have imposed a tuition freeze, shutting off a critical additional revenue stream to make up potential shortfalls (Stein, Herzog & Bice, 2014). As a result, many public institutions have undertaken significant personnel and budget cuts in recent years (Oliff et al., 2013). Stagnant or decreased support from state governments have forced public institutions to become more aggressive in their efforts to recruit students from out of state and in their fundraising efforts (Casteen, 2011). As a result, public institutions are making investments by reaching out, often for the first time, to proactively attract students. For example, in the past decade the number of out-of-state students attending Oklahoma's public universities and colleges has more than doubled, with almost half of the increase in students coming from neighboring Texas (Burden, 2014).

Many public institutions are creating new programs to meet a perceived demand in the market place (Lewin, 2013). In some cases, these programs are being delivered in non-traditional ways including online, as well as evening, weekend and summer programs, in order to be more accessible to students, as well as to reduce overhead costs associated with intensive face-to-face instruction (Lewin, 2013). A changing consumer mentality amongst prospective students is forcing higher education to analyze the types of programs they offer and the medium through which they are delivered. This new focus on meeting market demands is a fundamental shift for many institutions that historically did not have to be concerned with catering their curriculum in order to entice more students.

An additional major indicator of the changed climate is increased price sensitivity for all students and their families, regardless of socio-economic status and their estimated family contribution toward the price of an education (Oliff et al., 2013). The discount rate has been rising steadily over the past decade and several schools are experimenting with truing up the price of attendance by implementing tuition price resets (Woodhouse, 2015; Lapovsky, 2015). Students are applying to more institutions than in the past in order to seek a college education at the lowest price possible. As a result of this competition, there is a growing focus on outcomes and how a college education can give graduates an advantage in the job marketplace (Corkery, 2013). Colleges and universities are seeing the need to increase institutional financial support for students beyond merit-based aid in order to be competitive, regardless of the students' ability to pay (Corkery, 2013).

As the number of graduating high school seniors continues to either decrease or remain stagnant in many regions of the country, the reduced supply of prospective students will create an increasingly competitive environment (Kiley, 2013). As a result of the changing market for college-bound students, administrators must be prepared to change their traditional approaches to enrollment management and

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