

The Future of American Higher Education

**By Dr. John R. Dew
Senior Vice Chancellor, Troy University**

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Few would dispute that the development, dissemination, and application of knowledge will always strongly impact the course of the future. Historically, this knowledge management has primarily been a function of private non-profit and public institutions of higher education. However, higher education itself is now embroiled in a dynamic set of forces that will shape how knowledge management and learning will occur in the future.

This article will consider 15 trends currently impacting higher education, along with changing expectations in accountability related to education, and some possible scenarios for the future of higher education. Each trend, in and of itself, is significantly disruptive to the status quo in higher education. In combination, their impact on students, faculty, staff, parents, and the institutions themselves may be very significant.

Higher education can be organized in several broad categories, including traditional private institutions which often have their roots in church affiliations, and range in size from very small to very large; publicly funded institutions that include community colleges, regional universities, and research universities; and private for-profit institutions that are often based on the use of online technology for course delivery.

Major Trends

A review of the trends impacting higher education will find that these trends can be grouped under three classifications: economic, technical, and student. In this article, the first five trends are economic in nature. Five are driven by changes in learning technology, while the last five are associated with changes among the student population.

1. *Faltering funding for higher education.* With the exception of a few states that are experiencing increased revenues from oil production, most states have been reducing their funding of higher education and allowing institutions to make up for these decreases by increasing their tuition. This has been a major component in the spiraling cost of public education. Additionally, both public and private institutions have suffered from losses in market investments that have further inhibited their ability to control tuition costs, and most have seen only marginal increases in philanthropic support from alumni or other donors whose portfolios have likewise suffered in the current economy. (1) (2) (3) (4)

2. *Increasing benefits costs for faculty and staff.* As health care costs increase, and both private and state supported pension funds are diminished by poorly performing investment portfolios, institutions are increasingly dipping into their own revenues to support benefit packages and passing increases along to faculty and staff. In many cases, costs for benefits covered by faculty and staff are increasing faster than their salaries, so at many institutions, faculty and staff take-home pay is actually decreasing. (5)
3. *Reductions in research funding.* As federal budget cuts loom over the country, federal money for research projects and funding for new laboratories and classrooms on campuses appears to be at risk. The reduction in Congressional earmarks are already inhibiting many specially funded research centers across the country. Budget cuts threaten the fundamental distinction of research universities in their role of generating new knowledge and preparing the next generation of faculty. (6) (7)
4. *Athletics.* The cost of intercollegiate athletics continues to increase while few institutions are actually able to even break even on this investment. Traditional private and public universities are caught in a situation where their alumni and regional supporters expect athletic competition, while the new for-profit institutions are able to forego this expense. Some institutions may be overextending themselves through investments in facilities, scholarships, and staff salaries that must be supplemented by increasing student tuition. Still, college athletics can be a powerful source for brand recognition. (8) (9) (10)
5. *Student Debt.* Having passed cost increases brought on by budget cuts, increased athletic expenses, and poorly performing investments directly on to consumers for the past five years, the higher education field has caused students and their families to assume greater levels of debt for an education than earlier generations have had to manage. Higher debt levels also appear to be related to the increase in the number of public and for-profit institutions that are admitting students who may not be well prepared to be successful in college, and who accumulate significant debt while never earning a degree. (11) (12) (13)
6. *Online and for profit.* The development of the capability to provide classes and academic programs that are delivered through the internet has created the opportunity for new players in the field of higher education – the for-profit institution, to come into existence. These institutions tend to employ business process models for designing courses, selecting and preparing instructors, advising, marketing, and quality assurance. These organizations tend to avoid the costs of athletics, tenure of faculty, and most of the costs associated with the operation of a campus. They currently primarily serve adult students who are seeking their first college degree or an advanced degree that will lead to an employment opportunity, and are more reliant on the use of adjunct and non-tenured faculty. (14) (15) (16)

7. *Online and on campus.* Traditional private and public universities are increasingly embracing online course delivery for both their traditional age students and to reach out to the adult student population. Traditional age students enjoy having the option to take some courses online. Adult students often value earning a degree from a traditional institution in their region that has a campus they can visit, institutional traditions, and an athletic team they can support. (17) (18) (19)
8. *New publishing technology* is redefining the college text book from a paper resource into an online resource that blends reading materials, lectures, videos, online tests for understanding, and links to other reference materials. The change in text books will redefine how many traditional course are taught and will further the shift of faculty from being the “sage on the stage” to being the “guide on the side,” with significant new levels of investment flooding into this area. (20) (21) (22) (23)
9. *Open source* course materials offered by some of the most prestigious institutions in the country are creating significant reconsideration regarding how faculty can facilitate student learning and how institutions may verify student learning. Major institutions are providing course syllabi and lecture materials online for free to any viewers. Of all of the 15 trends, this may be the most disruptive of the status quo in the long term. (24) (25) (26)
10. *The evolution of information technology* used to manage enrollments, student records, campus communication, publicity, campus security, and all manner of course management continues to move ahead faster than most institutions can manage. The number of employees involved in web site management and other information technology support positions continues to increase. Concurrently, student expectations for broadband access on campus continues to skyrocket as students arrive on campus each fall with an ever increasing number of digital devices. (27) (28)
11. *Tradition still important.* Despite the growth in online education delivery, the need for traditional age students to have a “college experience,” or the need for parents to send their family’s teenagers “off to college” remains strong. Traditional campuses are not going to disappear from the higher education landscape. While higher education is an educational experience, “going to college” still remains a social experience that is important for many young people. However, in the face of economic pressure, institutions that serve traditional age students must either have strong brand recognition, possess a strong endowment, or develop innovative ways to underwrite their operational costs if they are not to be forced out of existence. (29) (30)
12. *Adults.* For the time being, the interest among adult students in either completing their first degree or obtaining an advanced degree appears to remain robust. For adult learners, the primary considerations for higher education appear to be access to a program they want in a manner in which they can complete the program

- (which often means online), affordability, and the efficacy of an academic program in supporting career advancement. (31) (32)
13. *International Students*. The past decade has seen a significant increase in the number of students studying in another country. As businesses are increasingly operating on an international level, having an international higher education experience is considered to add value to an academic degree. The ability to interact successfully with people from different cultures is increasingly viewed as a core component of an education. This trend has been largely fueled by students from China and may diminish somewhat as the capacity of higher education institutions in China will soon be greater than the number of students that will be eligible to pursue higher education in that country. (33) (34) (35)
 14. *War and Peace*. The phased ending of the Iraq and Afghanistan wars will adversely impact the number of active duty military personnel pursuing all levels of academic degrees, which will impact for-profit and not-for-profit institutions who provide online education for active duty personnel. On the other hand, the number of ex-military civilians with veterans benefits will increase for a few years. (36) (37)
 15. *New Specializations*. Institutions will offer an increasing number of cross-disciplinary programs to meet the interests of students who want to obtain an education in specialized fields that continue to emerge in medicine, energy, and information technology fields, such as health information specialist or cloud architect. Higher education institutions will increasingly engage in developing intake pipelines with local schools to develop students in science, technology, engineering, and math programs, and attract students in general. (38) (39)

Accountability

All of these trends are occurring within a context of increasing questions about the accountability of higher educational institutions in terms of the value proposition of their academic programs and the quality of these programs.

The question of the value proposition of a college degree is nothing new. Anyone who examines the curriculum of a baccalaureate degree offered 100 years ago will immediately recognize that the course of study based on understanding Latin and Greek language and culture and the manner in which European civilization has evolved has gone by the wayside in favor of career oriented programs in education, business, health care, engineering, science, social services, and information technology. The challenge is that the cost of delivering programs that students desire to take at some institutions have far outstripped the ability of students to repay their loans once they are employed. This is unfortunately the case with some traditional private institutions serving traditional age students, and appears to be the case at some for-profit institutions serving adult students.

The question of quality is much more complicated. Regional accrediting bodies and specialized accrediting bodies, established voluntarily by academic institutions and disciplines, are the official arbiters of quality. However, the standards against which performance can be measured are written to accommodate a wide range of institutions. There is little consistency across the country regarding expectations for the level of use of full time versus part-time faculty and graduate teaching assistants. Assessment of student learning has become a cottage industry for consultants with little agreement among evaluators regarding what is and is not effective. Some question whether the college experience actually adds value in terms of student learning outcomes based on broad measures of learning. (40) And, by leveraging the control of federal student financial aid, the federal government is increasingly seeking to regulate higher education by influencing the accrediting bodies, in the name of accountability.

Different conversations inside higher education

While administrators and faculty in traditional colleges and universities are concerned about all 15 of the forces discussed in this article, the conversation within the walls of academe is often about different issues regarding the future of higher education. Many faculty are indeed engaged in developing online courses and exploring new ways to employ new technology to enhance student learning, but others are more focused on modifying the traditional college experience through enhancing student engagement. Practices such as service learning, learning communities and deliberative decision making, provide an increased focus on improving civic engagement and building the leadership skills vital to a democracy, in addition to preparing young people for entry into a profession. (41) So, even as higher education institutions respond to many external forces, there are internal conversations that will also shape the nature of the traditional higher education experience.

Implications

There are many implications that emerge from these 15 trends or forces that are now impacting higher education and that will continue in the future. There are implications for institutions, for government, for faculty, and for students and their parents. However, while some foresee a revolution in higher education based on “disruptive innovation,” higher education is not a monolithic structure and these 15 trends are likely to impact different parts of higher education in different ways. (42)

For institutions: Institutions must focus equally on having an effective academic model and an effective financial model in order to be sustainable. This may require that institutions make increasingly difficult strategic decisions regarding what they can and cannot afford to do, and may make some stakeholders angry. Passing cost increases on to consumers is only sustainable if students perceive value in their educational investment. Enabling students to accumulate \$80 thousand in debt while

earning a degree that will only qualify a student for a \$40 thousand dollar a year job is not a value added proposition.

For government: Constituents are frustrated with the increasing costs of education, the increasing levels of debt being accumulated, and the perception that some for-profit, and some state supported institutions, are engaged in the practice of selling educational services that do not add value when it comes to obtaining employment. Some politicians, with historical animosity toward higher education which may be considered to be left leaning institutions, are delighted with the growth in for-profit institutions, even while maintaining allegiance to their own traditional alma maters. Other politicians consider the higher education community to be important parts of their base of support and will listen attentively to the perspectives expressed by higher education leaders. Some politicians will remain neutral in terms of the political nature of higher education, but will focus on issues of access, cost, and accountability. The challenge for all will be to determine how to meet constituents' desires for access to affordable quality education in the face of a slow economic recovery.

For students: The halcyon days of higher education, when students could drop in and drop out of college, change their majors, and "find themselves" while having little concern about the financial costs, are gone for most students. The economic investment in higher education is now so great, and the ramifications of that investment so significant, that decisions regarding the pursuit of post-secondary education may now be the most significant question that a person can make in their life. However, students will have an increasing set of higher education options, in terms of modes of delivery and institutions providing higher education, from which to select.

For faculty: No one has a greater investment in the future of higher education than the individuals who have invested their lives in preparing to become faculty. These individuals have made sacrifices and endured significant stress in order to gain access to their role as instructor and researcher. The general public has little understanding of the work they do and is sometimes hostile to their efforts. The greatest challenges to faculty by these trends deal with faculty governance of academic programs in higher education and the need for faculty with doctorates to conduct research and teaching. As institutions seek to contain costs, they will tend to continue to increase the employment of adjunct faculty and expand the use of graduate teaching assistants. A decrease in the number of full-time faculty positions at an institution impacts the ability of the faculty to provide appropriate oversight for the content and quality of the academic programs. Conversely, the use of emerging online text books may lead to more standardization in the content of courses, requiring less involvement from the full time faculty in curriculum issues.

Likely Scenarios

Community colleges will be expected to establish linkage with technical schools to provide new approaches for preparing young people and adults to work in settings that require both technical expertise and the interpersonal and conceptual skills provided in the general education college curriculum.

Small private non-for-profit institutions will be challenged to continue to exist if they do not have significant endowments. The survivors will be those that jump on board with online courses and degree programs that leverage their brand recognition in their region and that maximize the use of their existing investment in full-time faculty. These institutions have smaller numbers of alumni, so are at a competitive disadvantage in fund raising.

State supported regional universities will continue to reduce their support for academic programs that do not provide a direct path into employment and will seek to carve out academic and research niches in small areas that do not compete significantly with research universities. These institutions will be confronted with very difficult budgetary choices and will migrate toward offering courses and programs online in order to make up for revenues lost from state governments. Some will be unable to sustain their current level of combined academic programs, campus expenses, and athletic expenditures and will go into receivership unless they develop strategies to reinvent themselves and redefine their mission and scope.

Research universities may experience a crisis in sustaining their research faculty and infrastructure, which will threaten their ability to sustain their approach to instruction in lower division courses which depends heavily on graduate assistants. However, the brand recognition at research universities is so strong that they will not have difficulty in attracting the numbers of students necessary to sustain operations, and typically have a large number of alumni that will continue to contribute to the institution as the economy recovers. The research universities also have athletic programs that operate at or near profitability since they play heavily televised Division One football, which is the one area of collegiate athletics that pays for itself.

Elite private institutions will be untouched by the economic trends, due to the size of their endowments, but will have to address information technology changes like all other institutions. Elite private institutions may actually ride the wave of electronic textbooks by collaborating with publishers to produce text books with major institutional branding.

For-profit institutions will be threatened as several thousand community colleges, small private colleges, and public regional institutions develop online degree programs to compete for students. While the for-profits excel at online and televised recruiting, the small privates and public regional universities will excel at reaching high school students and adults in their local community, and will be strong in providing walk-in services to online learners.

Conclusions

American higher education is not a monolithic structure that will respond to external forces and internal calls for change in any single way. Part of the higher education structure pre-dates the establishment of the nation itself. However, just as higher education altered and grew in the era after World War II, it will continue to change in response to the economic, technological, and student-driven changes in society. Change will not be uniform, but will come to different parts of the higher education enterprise in different ways.

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Dr. John R. Dew is Senior Vice Chancellor for Student Services and Administration at Troy University, located in Troy, Alabama. He earned his Doctorate in Education from the University of Tennessee and is a professional member of the World Future Society, a Fellow in the American Society for Quality, and a member of the International Academy for Quality. Prior to joining Troy University, Dr. Dew worked for 23 years with Lockheed Martin Corporation and for 9 years with The University of Alabama.