

Faculty Town Hall – Opportunities and Challenges Ahead of Us

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Provost

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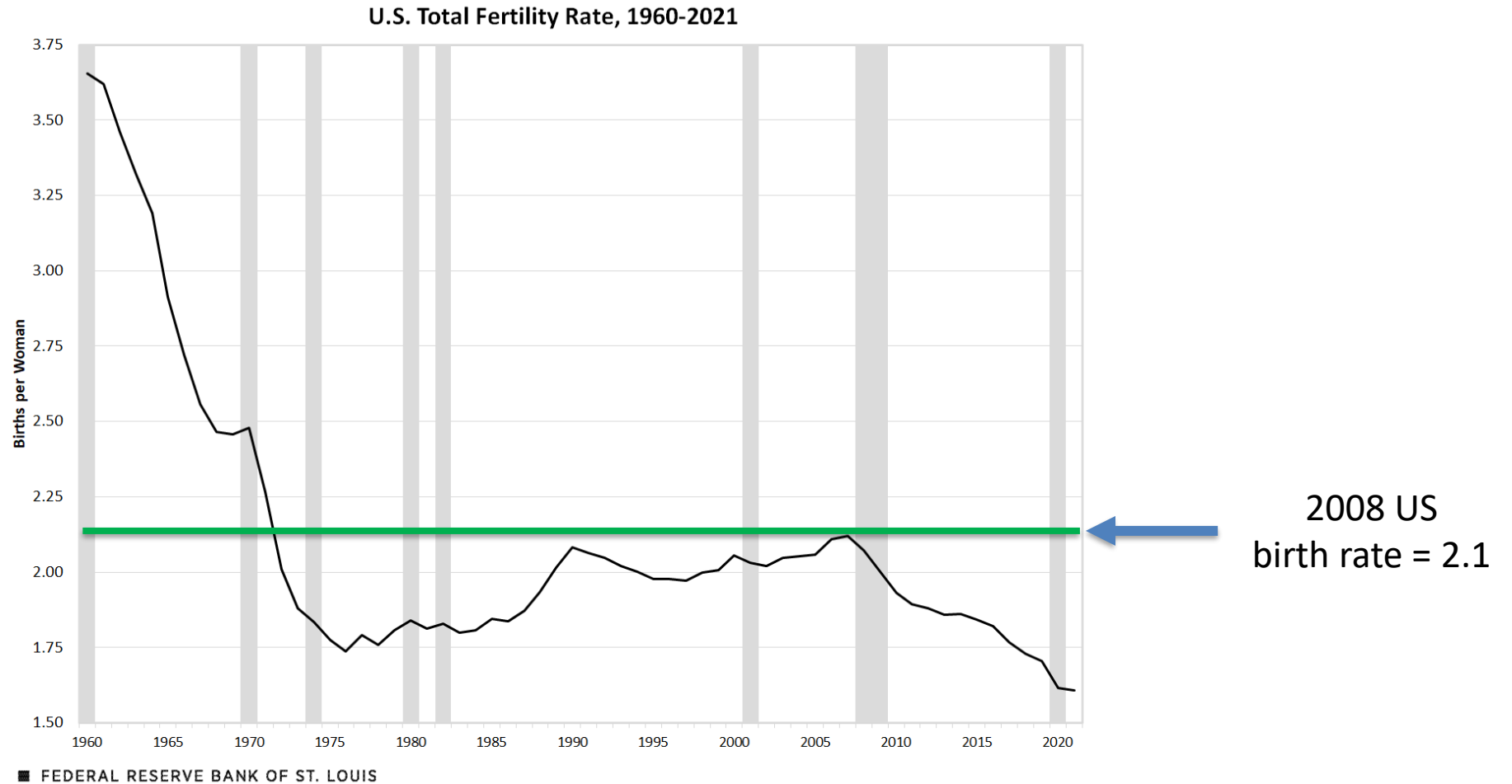
The Opportunities and Challenges Ahead for SLU

- **SLU is not immune to the disruptions facing higher education, but over the next three years we have a great opportunity to address the challenges we face.**
 - We have fundamental challenges that must be addressed.
 - Our Board of Trustees has provided us resources from the endowment so that we have the time to be strategic in our planning.
 - We must set up SLU for long-term success.
- **The disruptions contributing to our position should be familiar:**
 - Fast-changing demographics
 - The willingness/ability of families to pay our tuition (even after scholarship/discount)
 - Public confidence in higher education
- **Many other high-profile institutions are facing the same challenges as SLU.**
 - But we have advantages that many similarly high-profile institutions lack.

Our Enrollment Growth is Strong, Yet Masks Issues

- **Our enrollment growth – and net tuition revenue (NTR) growth – has been critical and mitigated our challenges.**
 - Since Fall of 2020 our total enrollment has grown from 12,281 to 15,334 this year (tentative census number). This is our all-time high enrollment.
 - Our graduate enrollment is at an all-time high, and our undergraduate is the highest it has been in over a decade.
 - Our NTR has grown by over \$30M from the 2020/2021 to 2023/2024 academic years, and it will increase again this year.
 - Our expense growth, in part driven by investments in faculty and staff compensation, has outpaced our revenue growth.
- **Our enrollment growth has not been uniform, across all programs.**
 - We have grown dramatically in a small number of programs.
 - Most of our programs have seen a decline in enrollment in recent years.

Challenges Facing Higher Education - Demographics



At the time of the 2008 great recession, the US birth rate was 2.1. Since 2008 there has been a quick decline, and the birth rate has fallen to below 1.7. The downward trend is projected to continue.

Challenges Facing Higher Education – Net Tuition Revenue

Average Net Price by Sector, 2013-14 to 2023-24

Net price, an estimation of real cost to students, subtracts the average grant aid and tax benefits from the published price. The greatest one-year change in grant aid for 2023-24 was at two-year public institutions.

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
4-year public											
Net tuition and fees	\$4,110	\$4,030	\$4,180	\$4,170	\$3,870	\$3,740	\$3,270	\$3,130	\$2,830	\$2,670	\$2,730
Net tuition and fees and room and board	\$16,570	\$16,660	\$17,260	\$17,530	\$17,360	\$17,370	\$17,040	\$16,980	\$16,320	\$15,540	\$15,500
Grant aid and tax benefits per student	\$7,560	\$7,790	\$7,990	\$8,150	\$8,580	\$8,690	\$9,220	\$9,360	\$9,300	\$8,810	\$8,530
One-year change in grant aid and tax benefits	3.7%	3.0%	2.6%	2.0%	5.3%	1.3%	6.1%	1.5%	-0.6%	-5.3%	-3.2%
One-year change in net tuition and fees and room and board	0.7%	0.5%	3.6%	1.6%	-1.0%	0.1%	-1.9%	-0.4%	-3.9%	-4.8%	-0.3%
4-year private											
Net tuition and fees	\$18,010	\$18,180	\$18,510	\$18,720	\$18,300	\$17,790	\$17,860	\$16,750	\$15,880	\$15,770	\$15,910
Net tuition and fees and room and board	\$32,230	\$32,610	\$33,400	\$33,820	\$33,630	\$33,150	\$33,400	\$32,480	\$31,250	\$30,430	\$30,560
Grant aid and tax benefits per student	\$21,540	\$22,230	\$23,220	\$23,970	\$25,010	\$25,660	\$26,260	\$27,290	\$27,090	\$25,970	\$25,630
One-year change in grant aid and tax benefits	4.4%	3.2%	4.5%	3.2%	4.3%	2.6%	2.3%	3.9%	-0.7%	-4.1%	-1.3%
One-year change in net tuition and fees and room and board	1.0%	1.2%	2.4%	1.3%	-0.6%	-1.4%	0.8%	-2.8%	-3.8%	-2.6%	0.4%
2-year public											
Net tuition and fees	-\$190	-\$170	\$10	\$20	-\$280	-\$310	-\$650	-\$590	-\$680	-\$460	-\$330
Net tuition and fees and room and board	\$9,720	\$9,980	\$10,240	\$10,430	\$10,300	\$10,310	\$10,100	\$10,220	\$9,850	\$9,580	\$9,640
Grant aid and tax benefits per student	\$4,440	\$4,480	\$4,380	\$4,390	\$4,700	\$4,730	\$5,080	\$5,020	\$4,970	\$4,530	\$4,320
One-year change in grant aid and tax benefits	2.1%	0.9%	-2.2%	0.2%	7.1%	0.6%	7.4%	-1.2%	-1.0%	-8.9%	-4.6%
One-year change in net tuition and fees and room and board	0.9%	2.7%	2.6%	1.9%	-1.2%	0.1%	-2.0%	1.2%	-3.6%	-2.7%	0.6%

Note: Average tuition and fees for each year are represented in 2023 dollars. Estimates of net price exclude military and veterans' aid, which awards relatively large amounts to a small number of students. Because the latest year for which grant aid data are available is 2020-21, grant aid and net prices for 2021-22 and after are projected by assuming per-student grant-aid amounts are the same as in 2020-21 in constant dollars. For two-year public institutions, room-and-board expenses are estimated on the basis of housing and food costs for commuter students. The figures reflect in-district commuter charges for public two-year institutions and in-state charges for public four-year institutions. Prices are weighted by fall enrollment that colleges reported to the U.S. Department of Education. More data are at <https://research.collegeboard.org/trends>.

SOURCE: "Annual Survey of Colleges: Trends in College Pricing 2023." © 2023 The College Board. This material may not be copied, published, rewritten, or redistributed without permission.



Source: *Chronicle of Higher Education 2024-2025 Almanac*

Challenges Facing Higher Education – Public Trust

Shifting Confidence in Higher Education Among Demographic Groups, 2015-2023

% of U.S. adults with "a great deal" or "quite a lot" of confidence in higher education

	2015 %	2018 %	2023 %	2015-2023 change pct. pts.
Party identification				
Republicans	56	39	19	-37
Independents	48	44	32	-16
Democrats	68	62	59	-9
Education				
No college degree	54	45	29	-25
College degree only	57	50	47	-10
Postgraduate degree	67	60	50	-17
Gender				
Men	52	45	33	-19
Women	61	51	39	-22
Age				
18 to 34	60	51	42	-18
35 to 54	55	49	39	-16
55 and older	55	46	31	-24

[Get the data](#) • [Download image](#)

GALLUP



The public trust in higher education continues to fall among all groups. Even among those with a College degree!

SLU Has Company

- In a March 14, 2024 message to the Marquette community titled “[Marquette 2031: Securing Our Future](#)”, former President Lovell announced a plan to reduce spending by \$31M.
 - “Although we are in a strong financial position, Marquette – like other universities – is facing increasing economic and demographic pressures. Fewer traditional students are attending college, and those who do attend often need more financial and other support.”
- In a June 25, 2024 editorial in the Dayton Daily News titled “[Change comes to higher education — and to UD, too](#)”, and [follow-up story on August 8](#), University of Dayton President Eric Spina and university leadership announced a plan to reduce the student body, and the university’s workforce, by 10-15%
 - Similar to Marquette, Dayton cites demographics a reason for this action.
- [American University will reduce their expenses by \\$34M in FY25](#).
 - The American University expense budget is \$860M in FY25. The SLU FY25 expense budget is \$669M.



SLU Has Company

- The University of Arizona will reduce its expense budget by \$110M in FY25.
- Penn State University will reduce its expense budget by \$94M in FY26.
- The University of Connecticut is proposing a 15% reduction in their expense budget over the next five years.
- **There are many more you can read about should you wish.**
 - University of West Virginia
 - University of New Hampshire
 - Brandeis University

How Should SLU Respond to the Societal Changes?

- **What should our optimal institutional size be? Scope and distribution of academic programs? Are our resources appropriately allocated to support this?**
- **How do we sustain our research and scholarly profile? And how do we continue to support the excellent teaching done by SLU faculty?**
 - Our research profile is a significant achievement.
 - We must be an institution that rewards excellent teaching.
- **How can we grow revenue?**
 - We have had recent successes, and we have other opportunities.
 - Our opportunities will require us to be more flexible, and at a greater pace.
 - Everything we will do is already being done by other peer and aspirational institutions.
 - We will not sacrifice our academic quality.

Questions / Comments