Higher education’s coming enrollment crunch: Strategies for managing COVID-19’s impact on college and university enrollment

For college and university enrollment officials in the United States, the challenges wrought by COVID-19 are many: moving the traditional campus recruiting events to virtual settings, minimizing summer melt among admitted students, dealing with students’ and families’ shifting financial needs, and accurately modeling what enrollment outcomes will look like for the fall term, which, even before COVID-19, was ramping up to be competitive and chaotic due to changes by the National Association for College Admission Counseling on guidelines pertaining to student recruitment.

In the wake of the pandemic, most institutions of higher education have shuttered their physical campuses for the academic year and moved their summer sessions online. One of the outstanding questions is how the pandemic and subsequent recession in the United States and globally will affect enrollment for the 2020–2021 academic year and beyond.

One of the biggest near-term issues for enrollment managers is the lack of clarity regarding how the next academic year will unfold. Prospects, current students, and families have a long list of questions, none of which have easy or clear answers. With so much in flux, administrators on the front lines face at least two significant challenges. The first challenge is helping their institutions define realistic and achievable enrollment goals for each of the various future-state scenarios under consideration.
The second challenge involves communications. College and university enrollment leaders and counselors should simultaneously acknowledge the uncertain future while instilling confidence that:

• The institution is prepared for whatever may come
• The characteristics that comprise its unique student experience will not be compromised, no matter what happens with the crisis
• This institution is still the best option for current and prospective students

Addressing these challenges will require unprecedented levels of communication and personalized outreach. While the dynamics of the pandemic and its impacts continue to evolve, there are several approaches and strategies colleges and universities can employ as they contemplate their enrollment strategies for fall and beyond.

Focus on building long-term trust with current and prospective students

According to several surveys, much of the high school class of 2020 is thinking about staying close to home, perhaps to take a gap year or attend college part time. Some will ask to have their admissions deferred. For students already enrolled, some will transfer to schools closer to home.

Although getting away from home has always been a big part of the value proposition of college, current economic realities and the shift to remote learning are eroding the value of place. Some students will decide to live with their parents while attending community college; others will consider institutions with robust and established online academic offerings. Others may be forced to— or voluntarily delay—their educational pursuits. What is likely is that, whichever choice they ultimately make, many students are likely to delay their decisions until the last possible moment.

Enrollment managers should be ready for students’ decisions and requests to potentially come much later than usual and for students to change their minds as they receive new information. Institutions should be clear internally about what requests they can accommodate and which they cannot. They also should be equally clear with current and prospective students about which deadlines are flexible and which are set in stone.

As students opt to stay closer to home, it is unlikely many of them will switch from one private institution to another. But there is likely to be a shift from private colleges to less costly public alternatives and from out-of-state public universities to in-state public institutions, given the price differential.

And it will likely not be the students alone who drive those decisions. Public institutions looking to shore up their enrollments will recognize an important opportunity, competing hard to attract students who want to attend school closer to home.

As staff work with students who are weighing their options—considering fully online programs, two-year programs, or even gap years—it is important to approach each student individually, helping them assess their needs, weighing the pros and cons of each alternative, and guiding them to the decision that best suits their particular circumstances. For some students, taking an alternative path will make sense. For others, there may be opportunities for marginal aid that will keep students enrolled at their current institution. By putting each student at the center of these conversations, institutions can help current and prospective students make the best possible decision and build long-term trust.

Balance enrollment and net tuition goals

Another major challenge institutions face is how to balance their enrollment and net tuition targets. While institutions would relish the opportunity to focus solely on mission-based enrollment goals, the reality of the sector—especially given the crisis—likely requires a substantial focus on net tuition revenue. This is especially true for those facing existential threats: For colleges and universities on the brink of survival, missing their financial targets, even slightly, could result in permanent closure. In those cases, net tuition revenue will have to be the prime consideration.

Even for institutions that are not in pure survival mode, difficult trade-offs will likely need to be made between mission and financial well-being. In such cases, it is important to communicate with everyone about the minimum amount of net tuition required to stay viable. Based on that number, institutions should assess whether it is necessary to modify any current enrollment goals and, if so, to help ensure that any adjustments are achievable.

In these unprecedented times, colleges and universities may need to modify some core elements of their traditional strategies. Even highly ranked institutions are increasing their acceptance rates, reaching further into the applicant pool in order to hit their enrollment numbers. As institutions consider modifying their enrollment goals for financial reasons, they should think carefully about overarching guiding principles that are central to the institution’s mission. Sacrificing achievements in equity and access, for example, could produce long-lasting societal impacts.
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**Short-term, focus limited resources on serving your institution’s core constituency**

While modifying their strategies regarding “traditional students,” the pandemic could also prompt colleges and universities to put more emphasis on adult learners given long-standing trends during economic recessions, which typically see an upturn in nontraditional students entering the higher education system to reskill or upskill. Online institutions have experienced tremendous growth by focusing on the adult learner market. With unemployment surging in the United States, the question many traditional colleges and universities are asking is whether they should pivot their focus to the adult learner market.

In the short term, few institutions will be able to move fast enough to attract adult learners in great numbers. By the time institutions create new programs, stand up the supporting technology, and develop the necessary marketing and enrollment strategies, the world could well have returned to prepandemic norms. Institutions that have historically focused on traditional college students would likely do best to concentrate on serving that core constituency through these difficult times. Pursuing a new market as a crisis lifeline can be a risky proposition, especially if it means diverting finite existing resources from an institution’s core constituency.

One of the long-term implications of the pandemic may well be that attitudes toward online learning will change, and that can give colleges and universities time and incentive to stand up more programs for adult learners. Ultimately, such shifts will be critical for the long-term health of institutions, many of which need to attract more diverse student populations with broader offerings given structural demographic change.

**Implement option pricing strategies and personalize financial aid packages**

As colleges and universities design pricing models for the 2020–2021 academic year, many are planning for a variety of possible scenarios. As they develop plans for different scenarios, institutions will likely need to consider even greater tuition discounting, although it is not yet clear how much of a price adjustment will be needed. Under current circumstances, leading institutions are adopting option pricing strategies that take account of the uncertainty surrounding the fall semester. Under an option pricing scheme, if an institution returns to on-campus teaching in the fall, it will impose its standard tuition rate, or something close to it. If conditions require classes to stay online for the fall semester, a different tuition rate will apply.

Along with this strategy, many institutions are personalizing financial aid packages. Rather than offering an across-the-board “COVID grant,” institutions are instead assigning separate costs to individual students and families to try to bridge their specific financial gaps, trying to make the best use of limited resources.

**Lessons for the longer term**

While the pandemic has thrust many colleges and universities into a precarious position, it also offers some valuable lessons that institutions can use to better position themselves for a post-COVID-19 world. The first is that colleges and universities should focus on becoming more data-driven. With so many activities taking place online today, it becomes easier to capture data for analysis.

Second, the higher education community has long discussed the need for colleges and universities to enhance their digital operations. The current experience should serve to catalyze that movement, prompting institutions to improve their digital interactions with students and other stakeholders.

Third, more institutions will come to understand the value of diversifying their student populations and academic programs. As a result, more institutions may pursue the historically underserved adult learner market and place more emphasis on online learning. Additionally, a sober examination of programs that are unprofitable or do not markedly contribute to the institution’s mission should be in order.

And lastly, for better or worse, we are likely to see a bifurcation between the delivery of academic education and the overall experience of going to college. If students are unable to return to campus in the fall, numerous institutions may reduce their tuition rates. Rightly or wrongly, in many people’s minds, those rates will set the floor for the cost of an education. When students head back to campus and institutions try to revert to historic pricing models, many parents, students, and legislators may ask whether the on-campus experience is worth the difference in cost. Their questions could force institutions to unbundle their pricing, assigning separate costs to individual aspects of the educational experience.

Whatever solutions colleges and universities employ to address these challenges, leaders should remain flexible and continuously reevaluate their institutions’ situations in what is bound to be a highly uncertain future.
Higher education institutions confront a number of challenges, from dramatic shifts in sources of funding resulting from broader structural changes in the economy, to demands for greater accountability at all levels, to the imperative to increase effectiveness and efficiency through the adoption of modern technology.

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