



2025 Higher Education Trends

A look at the opportunities and challenges
facing higher education

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Meet our moderator and speakers



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Introduction

The past year saw extraordinary events across American higher education. These events have been highly visible and have significantly impacted public perception of the sector.

The presidential election brought a new administration to power and, with it, a reform agenda for reshaping many aspects of the public sector, including higher education. We are already seeing potential shifts in how instruction and research are funded, the standards for accreditation, how endowments are taxed, and other policy and regulatory changes with far-reaching implications for colleges and universities.

Johns Hopkins University to let more than 2,000 workers go after Trump's USAID cuts

Johns Hopkins University to let more than 2,000 workers go after Trump's USAID cuts
It's one of several universities laying off workers or implementing hiring freezes as they reckon with sweeping reductions to government funding.

Florida bill would ban students in the US without legal permission from some public universities

One-third of faculty report decline in academic freedom, survey finds
The results show an "alarming erosion" of faculty freedom, the head of the American Association of Colleges and Universities says.

Trump Administration Cancels \$400 Million in Grants and Contracts to Columbia
Move targets the Ivy League school over allegations of antisemitism.

California Colleges Confront Loss as L.A. Burns
Although colleges in Los Angeles escaped serious damage, leaders say they face a financial crisis.

Republicans in Congress weigh tax increase for top university endowments
Elite US schools including Harvard, Stanford and Princeton could see levies on investment gains raised as high as 21%.

House passes bill to restrict transgender students' participation in women's sports
The Senate has yet to act on the measure.

Education Dept. cuts are happening now to student FAFSA and IEPs?
We've set out to answer other questions you might have about the Department cuts and what they might mean for you.

With a new semester, colleges brace for more antiwar protests from students
UPDATED AUGUST 12, 2024 · 11:39 AM ET
By Tovia Smith

On eve of CFP title game, some players ask, What would it look like if we were employees?

What Happened to Affirmative Action at Top Colleges After the Supreme Court Decision?

Judge blocks Trump administration's move to cut billions in NIH scientific funding

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Higher education

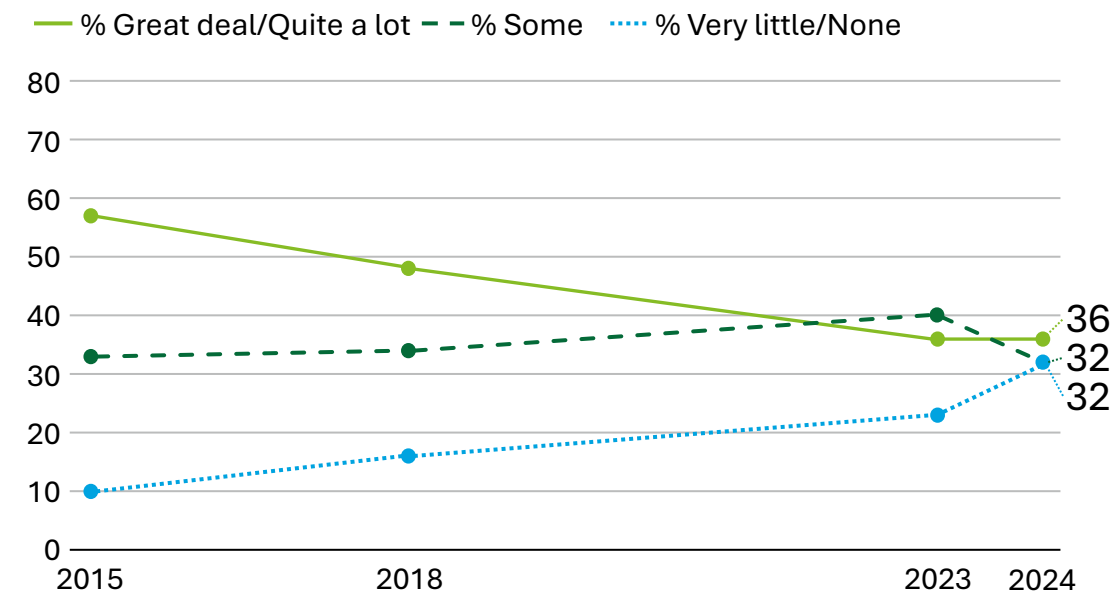
Trust in higher education continues to decline, as evidenced by the latest Gallup data. Concerns about the value of a degree, politicization, rising tuition costs, and perceived misalignment with workforce needs continue to contribute to the erosion of public confidence in US higher education.

Amid this change, higher education leaders and governing bodies are challenged to chart a course for their institutions that addresses the public’s broader concerns while being tailored to their specific constituents’ context.

“Higher education stands directly athwart the San Andreas Fault of American politics and American society, and that fault is the gap between the people in our society who have bachelor’s degrees or more on the one hand and people who don’t on the other.” —Participant at the 2024 Forum on the New Era of Higher Education, Deloitte University

Confidence in US higher education

The percentage of Americans that express high confidence in the value of higher education fell from 57% to 36%



“None” is a volunteered response. No opinion percentages are not shown.
Source: Gallup

2025 higher education trends



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Embracing systemness

#1 Tackling significant financial headwinds

“If institutions keep operating this close to the margins, there is no room for error, no room for creativity, and no room for budget to align with strategy” —Participant at the 2024 Forum on the New Era of Higher Education

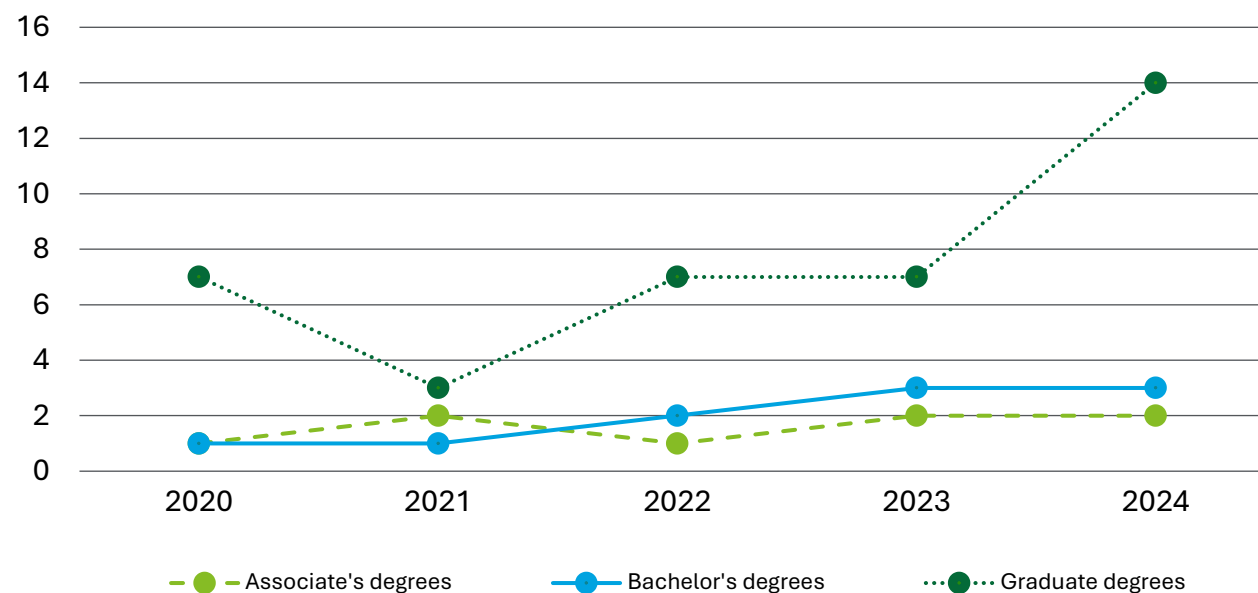
The post-election landscape in America brings a layer of complexity to questions of financial sustainability for colleges and universities. The sector has experienced impacts to cash flow as well as uncertainty surrounding federal funding.

These changes come on the heels of a series of strong headwinds that institutions across the country are already facing. Challenges include skyrocketing overhead costs—including health care, student mental health, and insurance premiums.

Even the most well-resourced institutions are not immune.

Since 2020, more than 40 colleges have closed in the United States

College closures by types of degree-granting institutions



#1 Tackling significant financial headwinds (cont.)



“Building trust will allow for more financial stability because it invites people to collaborate to come up with solutions that are leaner and more aligned with mission while also avoiding duplication”—Participant at the 2024 Forum on the New Era of Higher Education, Deloitte University

Call to action

- Focus on aligning the institution’s budget with its strategic plan to drive **institutional priorities**.
- Move toward a **centralized approach to financial decision-making** across the institution.
- Examine the current and future **academic program array**.
- **Make decision-making transparent** by clearly communicating who is making the decision and the criteria used—and communicate to the community consistently, framing the path forward in terms that resonate with the community.

“

“When you are sailing through a storm, you don’t want folks wearing headphones and not communicating with each other.”

**— Bob Brown, President Emeritus,
Boston University**

”

#2 A new risk paradigm befitting of today's risk landscape



The ability of higher education to thrive in uncertain times involves ensuring the adoption and effective implementation of an enterprise risk management approach that is designed to proactively identify, assess, and mitigate risks that could impact the institution's strategic objectives and overall sustainability

- Higher education leaders in America are often faced with challenges, but over the last year, they have had to address campus turmoil, protests, and encampments, and changes in policy or practice made in response.
- Historically, risk management in higher education has focused on tangible assets like physical infrastructure and financial resources. However, the modern risk environment demands a more expansive view of risk facing the industry and for the alignment of resources to respond to those risks before they manifest.

Significant risks facing higher education institutions



Cyber breaches



Faculty and staff attrition



Student activism



Mergers, acquisitions, and closures



Shift in administrative priorities impacting funding sources

Significant risk drivers to higher education institutions



Public perception of the value of higher education



Decline in US population growth



Overdependence on tuition for revenue



Declining student mental health



Evolving demand for program offerings



Lack of institutional agility in decision-making



Deferred maintenance



Politicization of higher education

#2 A new risk paradigm befitting of today's risk landscape (cont.)

Call to action

- **Design a comprehensive and proactive approach to risk management** to ensure that there is a strong awareness of the risks facing the institution and that the response is commensurate with its criticality to the institution.
- Define risks and risk drivers consistently to enable leadership to **effectively prioritize resources** for response efforts.
- Be **intentional and strategic** with communication of risk information to the **Board of Trustees**, focusing messaging on the risk, drivers for that risk, and approach to respond effectively.

“To address the challenges of today, leaders should lean into upholding the values of the institution, especially in times of crisis. Returning to the values and re-narrating the value of the institution is a paramount component of crisis communication.” —Participant at the 2024 Forum on the New Era of Higher Education, Deloitte University

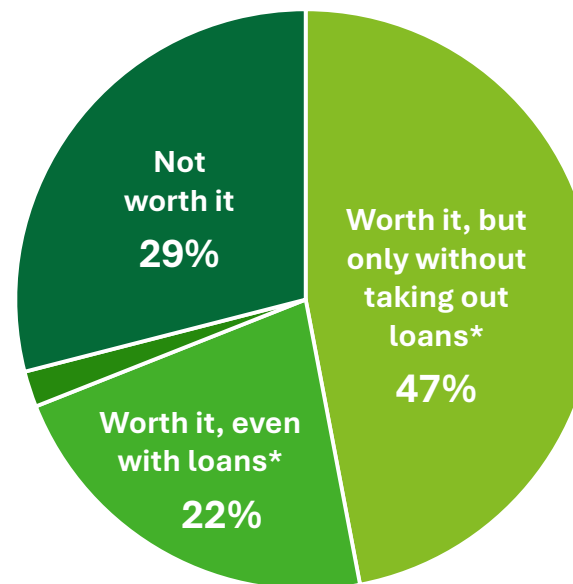
#3 The future of the four-year degree

“We need to abandon time as a measure of outcome or success. Instead, we need to focus on the credit as a demonstrated competency.” —Participant at the 2024 Forum on the New Era of Higher Education

The rapidly changing economic, political, and social landscape has shifted conversations about the traditional four-year degree. As questions about the value of post-secondary education are added to concerns about access to college, increasing numbers of Americans are wondering about the applicability and financial sustainability of four years in college. In response, some institutions have shifted their focus.

The result is a proliferation of alternative pathways, from apprenticeships and certifications to accelerated degree programs. These options are increasingly favored—by students, their families, and employers alike—for their cost-effectiveness and quicker path to employment, challenging the traditional four-year college model.

Fewer than half of US adults say the cost of college is worth it even if students don’t have to take out loans



Only 22% of US adults say the cost of college is worth it even if someone has to take out loans

% saying the cost of getting a four-year college degree today is ...

Source: Pew Research Center

#3 The future of the four-year degree (cont.)

Call to action

- **Develop three-way collaboration among** faculty, the workforce, and accreditors to reimagine new pathways to completion.
- Consider **opportunities to demonstrate acquired competencies**.
- Lean into the **use of artificial intelligence (AI) and learning management systems (LMS)** to support personalized learning, skills assessment, and workforce readiness.



Changing workforce needs reflect broader changes transforming the academic enterprise

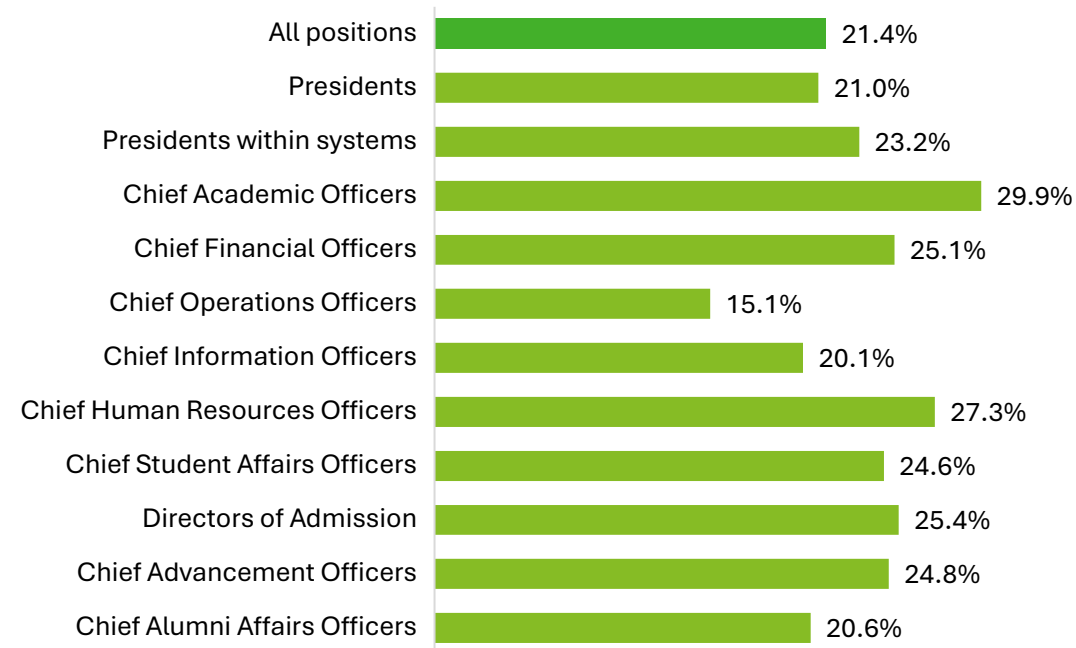
Colleges and universities across the country are beginning to rethink and realign roles and responsibilities within institutions to reflect broader changes taking place across the sector

Over the coming years, this realignment is likely to be reflected in both the leadership ranks—where we are seeing the confluence of high-pressure roles and limited succession planning create institutional gaps—as well as in the employee ranks, where a nexus of cost pressure and technological advancement is reshaping how work is done across the academic enterprise.

The flight of university leaders is not an emerging trend; however, the industry has failed to develop succession pathways, which may deepen the challenges that this may cause.

The roles of university staff are also evolving rapidly. With the spread and increasing capabilities of AI, many leaders are beginning to consider what aspects of the work of campus personnel can be woven or delegated to AI, and what new roles might need to be created.

Average turnover rates in top leadership roles over the past decade hit an unprecedented high of 21.4%



Source: Higher Education Publications, Inc. (HEP), "[Examining leadership turnover rates in higher education over the past decade](#)," June 6, 2024.

Changing workforce needs reflect broader changes transforming the academic enterprise (cont.)

Call to action

- Consider what aspects of the work of campus personnel can be **delegated to AI**, and what **new roles might need to be created**.
- Invest in **upskilling staff in AI** so they can make effective use of new tools.
- Visibly **back interim leaders** and **conduct succession planning** to ensure effective leadership transitions.



“The future of higher education resides in coordination and collaboration” — Nancy Zimpher, Chancellor Emeritus of the State University of New York

The increasing frequency of budget gaps and competition from outside the sector is compelling higher education institutions to move into the uncomfortable territory of sharing resources to find scale.

“Systemness” focuses on identifying opportunities for shared functions among institutions—either to leverage scale as a competitive advantage or to reduce cost for institutions that are facing structural deficits.



Call to action

- **Establish robust governance structures** that foster unified leadership and strategic alignment across campuses.
- Identify and gain consensus on a common set of problems before identifying a common set of solutions.
- Keep the institution's mission at the forefront of all efforts and be clear-sighted about the true “non-negotiable” elements.



“We have to think creatively about how we can collaborate with other universities, K-12 systems, and community colleges to achieve financial sustainability. It’s about finding strategic partnerships that can help us share resources and reduce costs while still fulfilling our mission.” — Participant at the 2024 Forum on the New Era of Higher Education

2025 Higher Education Trends

Higher education is facing a moment of change. Take a deeper look at the trends, challenges, and opportunities shaping America's higher education sector. Scan QR code to read the full report.



Question

and answer



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Polling question #1



Question

What is your organization’s primary domain area?

Answer

- State or local government
- Federal government
- Education
- Private sector
- Nonprofit
- Other

Polling question #2



Question



Since 2020, how many colleges have closed in the United States?

Answer

0

40

113

1,182

Don't know

Polling question #3



Question

 **What are significant risk drivers in higher education?**

Answer

Politicization of higher education

Decline in US population growth

Deferred maintenance

All of the above

Don't know

Polling question #4



Question

What percentage of US adults say the cost of college is worth it even if student loans are required?

Answer

- 9%
- 22%
- 51%
- 95%
- Don't know

Polling question #5



Question



What is the average turnover rate among presidents in higher education?

Answer

7%

15%

21%

33%

Don't know