

No Time for Nostalgia About Navigating a Pandemic



By Anthony Bieda, Founding Partner

The Beginning

The sources of transformation confronting the future of Post-Secondary Education (PSE) were salient and active in the summer of 2021, one year ago. The second year of a global pandemic was a moment to consider how many big things had changed in grand ways in just 18 months. Within that context, the Transformation Collaborative was launched to coalesce thought leaders, functional experts, and advisors from the higher education professions around a common, deep commitment to actionable and transformative change.

Innocently or naively, the Collaborative believed that social and economic forces manifest during a global pandemic would attenuate, allowing for an orderly roll-out and adoption of transformative strategies and tactics.

A second assumption was that grand change accomplished through a disciplined structure of managed transformation will always be preferable to catastrophe followed by oblivion or an unprecedented, heroic rising from the ashes.

While the second belief – “profound but managed” preferred to “catastrophe and phoenix” – remains valid, the first belief has been all but obliterated through close observation of reality. Indeed, on the first anniversary of the formation of the Collaborative, **the pace and scale of change confronting PSE has expanded, making some nostalgic for the days of “how do we go on-line?” or “what face covering policy should we adopt?”** Now the challenges are derived from a protracted war in Eastern Europe, escalated supply chain deficiencies, levels of violent crime and economic hardship unheard of by this generation or any born after 1945. And the impact cuts across the entire population, demographically diverse and geographically ubiquitous.

What We’ve Observed

The forces of change have not only failed to attenuate, but they have morphed into exotic, more powerful phenomena that have the **potential to up-end legacy institutions and deeply held assumptions about how to develop an educated civil society with a viable workforce.**

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Among phenomena shaping the community now that were inconspicuous a mere 12 months ago:

- High inflation combined with a technical recession (two or more consecutive quarters of GDP contraction). In previous times, the demand for PSE (including job training and re-training) would be provoked by diminished earning power and greater cost of living. **However, in 2022, skepticism about the value of PSE combined with cost avoidance behavior makes enrollment demand driven by economic cycles an unsure proposition.**
- Recession and inflation now combine with persistently low unemployment rates. **Rather than shedding costs by leaving vacant positions unfilled or furloughing workers, major employers are begging for help.** From retail to transport to manufacturing to healthcare, the full economic potential of most enterprises remains unfilled because of lack of capacity – deficiencies in human resources and workforce participation. In some cases, employers simply cannot pay people to come to work. In the context of a global economy, nations unable to produce at full capacity ultimately face loss of market share and diminished relevance and influence. Lapses or lags in productivity due to an underdeveloped workforce affects everyone, every sector, every political policy.
- For the first time since the Carter administration, and **due to the enactment of the \$1.2 trillion federal infrastructure act, the economy is placing a higher emphasis on construction trades and infrastructure-related occupations** with job growth expected through 2030. After the appropriations are spent, the infrastructure workforce will confront huge displacement and re-training needs.

Simultaneously, salient trends derived from the pandemic have persisted and strengthened, undermining the sustainability of enterprises modeled on business as usual. Those trends include:

- The incidence of non-completion (of a PSE credential) has accelerated, with more than 30 million non-completers looking backward with trepidation at their attempt at a diploma, certificate, or degree.
- Demand for enrollment in degree programs at all levels, at nearly every institution, is weaker than it has been for a generation. Simultaneously, the **demand for workforce credentials such as certificates, diplomas and occupational licenses has never been greater**, with much of the demand being fulfilled by employers and employment specific training programs.

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- Meanwhile, the cessation of Covid relief payments and other personal financial frailties have forced more students to drop out of PSE institutions to preserve resources for basic living expenses. The pain threshold for those decisions is typically \$500 or less. **Additionally, as many as 41% of students are considering leaving school due to mental health issues.**
- To attract or retain enrollment, **private institutions have now bumped their average tuition discount rate to 55 percent of the posted tuition price.** Price versus the actual cost of PSE has never been more misleading; however, when high sticker prices are heavily discounted to recruit and enroll the best and the brightest, scholarships to enroll diverse, underserved populations take a back seat. Once again, in the struggle between societal improvement and branding hegemony, the institution's branding prevails.

Pulling it all Together

What meaning to derive from these market-based trends and forces?

Among other considerations, the astute and agile PSE institution must revisit assumptions and rituals that have guided operations for decades. Attracting enrollment sufficient to maintain or grow the enterprise will certainly fail if the institution assumes it can snag a larger share of a declining market: smart, middle-class students with personal resources and strong education achievement.

Likewise, the emphasis on degree programs as the entry point to a PSE is a luxury for the elite of elite institutions only. And PSE financed primarily through Title IV grants and subsidized student loans disqualifies large and expanding segments of the population that would benefit from PSE for entry to the workforce, not to mention greater participation in economic opportunities.

The Transformation Collaborative recognizes that disruptive social, demographic, and economic forces manifest during the Covid era have not abated, but indeed have evolved quickly into more powerful agents of change. In response, leadership's prerogative to seek orderly, thoughtful, and sophisticated adoption of a program of transformation is more crucial than ever.

Begin executing that prerogative today. Schedule a consultation with the partners of the Transformation Collaborative, and we will explore elements, sequence, and resources at no obligation.

Harness the resources of the Collaborative so that your enterprise is well positioned ahead of the tsunami of unrelenting disruption. Schedule your consultation today!