COVID-19 Strategy Survey of AACU Presidents

April 3, 2020
Introduction

• We are delighted to share our survey results of a survey conducted with the AACU (Association of American Colleges and Universities)
• We reached out to the 285 presidents who comprised the Presidents' Trust
• Our “Pulse” survey ran from March 27, 2020 through April 1, 2020
• We worked in collaboration with rpk Group in analyzing the results
• The results of this survey were the basis for an article in The Chronicle of Higher Education on April 3, 2020 as well as a Virtual Forum on April 8, 2020
• See additional COVID-19 and Higher Ed resources at abc-insights.com

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Our response group represented a good cross sample of institutions (142 responses on sample of 285 or 50%)
Presidents are clearly planning to weather a storm

Future Considerations in Dealing With COVID-19

- 75.2% Hunker Down
- 72.1% Layoff Staff
- 54.7% Across the Board Cuts
- 39.9% Cut R&D
- 13.0% Cut IT

Source: ABC Insights & rpk GROUP Survey of AACU Presidents' Trust; April 1, 2020; n=142

- "I worry about cuts in state and county funding. ... I worry that I won't have the workforce resources to help lead the economic recovery."
- "Beyond the well-being of our students and staff, which comes first, I am worried about the lack of sufficient relief for higher education from state and federal governments."
- "Sharply declining revenue due to loss of paying students and a new ‘free college’ program in our state."
- "All income streams are under stress — tuition, development, endowment."
High level actions did not vary significantly across types

Future Considerations in Dealing With COVID-19 – Institution Type

- Hunker Down
  - 4-Year Private Universities: 76%
  - 4-Year Public Universities: 70%
  - 2-Year Community Colleges: 87%

- Layoff Staff
  - 4-Year Private Universities: 78%
  - 4-Year Public Universities: 67%
  - 2-Year Community Colleges: 60%

- Across the Board Cuts
  - 4-Year Private Universities: 59%
  - 4-Year Public Universities: 54%
  - 2-Year Community Colleges: 33%

- Cut R&D
  - 4-Year Private Universities: 41%
  - 4-Year Public Universities: 40%
  - 2-Year Community Colleges: 33%

- Cut IT
  - 4-Year Private Universities: 16%
  - 4-Year Public Universities: 9%
  - 2-Year Community Colleges: 13%

Source: ABC Insights & rpk GROUP Survey of AACU Presidents' Trust; April 1, 2020; n=142
Different size universities are generally in alignment, with the exception of the percent of small universities planning on layoffs.

**Future Considerations in Dealing With COVID-19 – Institution Size**

- **Hunker Down**
  - Small: 77%
  - Medium: 70%
  - Large: 78%

- **Layoff Staff**
  - Small: 81%
  - Medium: 57%
  - Large: 65%

- **Across the Board Cuts**
  - Small: 59%
  - Medium: 53%
  - Large: 46%

- **Cut R&D**
  - Small: 40%
  - Medium: 36%
  - Large: 44%

- **Cut IT**
  - Small: 16%
  - Medium: 8%
  - Large: 11%

Source: ABC Insights & rpk GROUP Survey of AACU Presidents' Trust; April 1, 2020; n=142
Presidents are cautiously optimistic but also planning for change

**Anticipated Scenarios**

- **Moderate** – “I don’t believe operations will be as normal or as defined as they were pre COVID-19. We will adopt more remote work and utilize technology in ways never imagined”
- **Moderate** – “This situation only exacerbates the declining enrollment challenge that schools have in this region”
- **Moderate** – “We are planning for six potential scenarios. Even our best-case scenario does not envision a ‘return to normal’”
- **Severe** – “I anticipate continuing virtual instruction for all of 2020 – 2021 academic year and budget reductions of 5-20%”

Source: ABC Insights & rpk GROUP Survey of AACU Presidents’ Trust; April 1, 2020; n=142

Proprietary and Confidential
There is consistency across perspectives on scenarios

Anticipated Scenarios - Institution Type and Size

Public  Private  Community

- Moderate  Severe

Small  Medium  Large

- Moderate  Severe

Source: ABC Insights & rpk GROUP Survey of AACU Presidents' Trust; April 1, 2020; n=142

Proprietary and Confidential
70% expect revenue decreases of 10% or more

Expected Potential Decreases to Revenue in FY21

Institution Type

- 4-Year Private Universities
- 4-Year Public Universities
- 2-Year Community Colleges

- 0-4.9%
- 5-9.9%
- 10-14.9%
- 15-19.9%
- 20-24.9%
- 25%+

Source: ABC Insights & rpk GROUP Survey of AACU Presidents' Trust; April 1, 2020; n=142
Small institutions expect a bigger hit to revenue

Expected Potential Decreases to Revenue in FY21

Institution Size

- 0-4.9%
- 5-9.9%
- 10-14.9%
- 15-19.9%
- 20-24.9%
- 25%+

9.2% 21.3% 39.7% 12.1% 10.6% 7.1%
A top priority will be administrative cost cutting

How Significantly Presidents Anticipate Cutting Administrative Costs in FY21

Institution Type

None  Some  Significantly

1.3%  83.5%  15.2%

0.0%  89.4%  10.6%

6.7%  86.7%  6.7%

Source: ABC Insights & rpk GROUP Survey of AACU Presidents’ Trust; April 1, 2020; n=142
All sizes of institutions expect administrative cost cutting

How Significantly Presidents Anticipate Cutting Administrative Costs in FY21

Institution Size

<table>
<thead>
<tr>
<th>Institution Size</th>
<th>None</th>
<th>Some</th>
<th>Significantly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small: 0-5k Students</td>
<td>2.6%</td>
<td>80.5%</td>
<td>16.9%</td>
</tr>
<tr>
<td>Medium: 5k-15k Students</td>
<td>0.0%</td>
<td>94.6%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Large: 15k+ Students</td>
<td>0.0%</td>
<td>88.9%</td>
<td>11.1%</td>
</tr>
</tbody>
</table>

Source: ABC Insights & rpk GROUP Survey of AACU Presidents' Trust; April 1, 2020; n=142
### Academic cutting will take place to a lesser degree

<table>
<thead>
<tr>
<th>Institution Type</th>
<th>None</th>
<th>Some</th>
<th>Significantly</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-Year Private Universities</td>
<td>44.3%</td>
<td>51.9%</td>
<td>None</td>
</tr>
<tr>
<td>4-Year Public Universities</td>
<td>53.2%</td>
<td>46.8%</td>
<td>Some</td>
</tr>
<tr>
<td>2-Year Community Colleges</td>
<td>66.7%</td>
<td>33.3%</td>
<td>Significantly</td>
</tr>
</tbody>
</table>

Source: ABC Insights & rpk GROUP Survey of AACU Presidents’ Trust; April 1, 2020; n=142
No significant difference in academic cutting plans across size

How Significantly Presidents Anticipate Cutting Academic Programs in FY21

<table>
<thead>
<tr>
<th>Institution Size</th>
<th>None</th>
<th>Some</th>
<th>Significantly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small: 0-5k Students</td>
<td>46.8%</td>
<td>51.9%</td>
<td>48.1%</td>
</tr>
<tr>
<td>Medium: 5k-15k Students</td>
<td>54.1%</td>
<td>49.4%</td>
<td>45.9%</td>
</tr>
<tr>
<td>Large: 15k+ Students</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Source: ABC Insights & rpk GROUP Survey of AACU Presidents’ Trust; April 1, 2020; n=142
The vast majority expect to maintain tuition levels

How Presidents Anticipate Tuition will Change in FY21

Institution Type

<table>
<thead>
<tr>
<th>Institution Type</th>
<th>Decreased</th>
<th>Maintained</th>
<th>Increased</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-Year Private Universities</td>
<td>12.7%</td>
<td>78.5%</td>
<td>85.1%</td>
</tr>
<tr>
<td>4-Year Public Universities</td>
<td>2.1%</td>
<td>85.1%</td>
<td>80.0%</td>
</tr>
<tr>
<td>2-Year Community Colleges</td>
<td>0.0%</td>
<td>80.0%</td>
<td>12.8%</td>
</tr>
</tbody>
</table>

Source: ABC Insights & rpk GROUP Survey of AACU Presidents’ Trust; April 1, 2020; n=142
Similarity in tuition strategy across different sized institutions

How Presidents Anticipate Tuition will Change in FY21

Institution Size

- Small: 0-5k Students
- Medium: 5k-15k Students
- Large: 15k+ Students

<table>
<thead>
<tr>
<th>Institution Size</th>
<th>Decreased</th>
<th>Maintained</th>
<th>Increased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>11.7%</td>
<td>76.6%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Medium</td>
<td>2.7%</td>
<td>89.2%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Large</td>
<td>3.7%</td>
<td>81.5%</td>
<td>14.8%</td>
</tr>
</tbody>
</table>

Source: ABC Insights & rpk GROUP Survey of AACU Presidents’ Trust; April 1, 2020; n=142

Proprietary and Confidential
Expected actions by presidents – All Institutions

How many presidents anticipate taking the following actions – All Institutions

- **Reengineering Operational Process**: 96% Yes, 4% No
- **Providing Room & Board Refunds**: 85% Yes, 15% No
- **Freezing Hiring**: 83% Yes, 17% No
- **Implementing Furloughs**: 57% Yes, 43% No
- **Laying Off Staff**: 55% Yes, 45% No
- **Increasing Part-time Faculty**: 30% Yes, 70% No
- **Increasing Non-tenure Faculty**: 28% Yes, 72% No
- **Drawing Down Endowment Principle**: 27% Yes, 73% No
- **Cutting Benefits**: 21% Yes, 79% No
- **Providing Tuition Refunds**: 12% Yes, 88% No

Source: ABC Insights & rpk GROUP Survey of AACU Presidents’ Trust; April 1, 2020; n=142
Expected actions by presidents – Private Universities

How many presidents anticipate taking the following actions – Private Universities

- Reengineering Operational Process: Yes - 94%, No - 6%
- Providing Room & Board Refunds: Yes - 94%, No - 6%
- Freezing Hiring: Yes - 83%, No - 17%
- Implementing Furloughs: Yes - 63%, No - 37%
- Laying Off Staff: Yes - 55%, No - 45%
- Increasing Part-time Faculty: Yes - 24%, No - 76%
- Increasing Non-tenure Faculty: Yes - 24%, No - 76%
- Drawing Down Endowment Principle: Yes - 38%, No - 62%
- Cutting Benefits: Yes - 32%, No - 68%
- Providing Tuition Refunds: Yes - 6%, No - 94%

Source: ABC Insights & rpk GROUP Survey of AACU Presidents' Trust; April 1, 2020; n=142
Expected actions by presidents – Public Universities

How many presidents anticipate taking the following actions – Public Universities

- Reengineering Operational Process: 100%
- Providing Room & Board Refunds: 91%
- Freezing Hiring: 81%
- Implementing Furloughs: 46%
- Laying Off Staff: 57%
- Increasing Part-time Faculty: 37%
- Increasing Non-tenure Faculty: 36%
- Drawing Down Endowment Principle: 11%
- Cutting Benefits: 11%
- Providing Tuition Refunds: 6%

Source: ABC Insights & rpk GROUP Survey of AACU Presidents' Trust; April 1, 2020; n=142
Expected actions by presidents – Community Colleges

How many presidents anticipate taking the following actions – Community Colleges

- Reengineering Operational Process: Yes 100%, No 0%
- Providing Room & Board Refunds: Yes 14%, No 86%
- Freezing Hiring: Yes 93%, No 7%
- Implementing Furloughs: Yes 57%, No 43%
- Laying Off Staff: Yes 47%, No 53%
- Increasing Part-time Faculty: Yes 40%, No 60%
- Increasing Non-tenure Faculty: Yes 21%, No 79%
- Drawing Down Endowment Principle: Yes 20%, No 80%
- Cutting Benefits: Yes 0%, No 100%
- Providing Tuition Refunds: Yes 53%, No 47%

Source: ABC Insights & rpk GROUP Survey of AACU Presidents’ Trust; April 1, 2020; n=142
Expected actions by presidents – Small Institutions

How many presidents anticipate taking the following actions – Small Institutions

- Reengineering Operational Process: Yes 93%, No 7%
- Providing Room & Board Refunds: Yes 91%, No 9%
- Freezing Hiring: Yes 81%, No 19%
- Implementing Furloughs: Yes 70%, No 30%
- Laying Off Staff: Yes 64%, No 36%
- Increasing Part-time Faculty: Yes 29%, No 71%
- Increasing Non-tenure Faculty: Yes 24%, No 76%
- Drawing Down Endowment Principle: Yes 39%, No 61%
- Cutting Benefits: Yes 32%, No 68%
- Providing Tuition Refunds: Yes 8%, No 92%

Source: ABC Insights & rpk GROUP Survey of AACU Presidents' Trust; April 1, 2020; n=142
Expected actions by presidents – Medium Institutions

How many presidents anticipate taking the following actions – Medium Institutions

- Reengineering Operational Process: 100%
- Providing Room & Board Refunds: 76%
- Freezing Hiring: 89%
- Implementing Furloughs: 38%
- Laying Off Staff: 38%
- Increasing Part-time Faculty: 32%
- Increasing Non-tenure Faculty: 36%
- Drawing Down Endowment Principle: 11%
- Cutting Benefits: 11%
- Providing Tuition Refunds: 16%

Source: ABC Insights & rpk GROUP Survey of AACU Presidents’ Trust; April 1, 2020; n=142
Expected actions by presidents – Large Institutions

How many presidents anticipate taking the following actions – Large Institutions

- **Reengineering Operational Process**: 100%
- **Providing Room & Board Refunds**: 81%
- **Freezing Hiring**: 81%
- **Implementing Furloughs**: 44%
- **Laying Off Staff**: 52%
- **Increasing Part-time Faculty**: 30%
- **Increasing Non-tenure Faculty**: 27%
- **Drawing Down Endowment Principle**: 15%
- **Cutting Benefits**: 7%
- **Providing Tuition Refunds**: 15%

Source: ABC Insights & rpk GROUP Survey of AACU Presidents' Trust; April 1, 2020; n=142
What Presidents are Most Worried About

- "The duration of the epidemic leading to lost revenues and necessary layoffs"
- "Hitting new student enrollment targets and existing student retention targets"
- "Everyone’s health and recovery, then sustaining excellence in academics, research, and co-curricular learning"
- "Long-term challenges in student behavior when it comes to the value of a liberal arts college"
- "Beyond the well-being of our students and staff, which comes first, I am worried about the lack of sufficient relief for higher education from state and federal governments"

Source: ABC Insights & rpk GROUP Survey of AACU Presidents’ Trust; April 1, 2020; n=142

42% | Enrollment
27% | Finance
20% | Duration
14% | Uncertainty
9%  | Completion
5%  | Access
Presidents are working on keeping students and staff motivated

Sense of Morale on Campus

- 43% | Good
  - “Right now we are nervous, but morale is good. We have done a good job of keeping our college community informed on a daily basis and have held three virtual town halls.”
  - “Our faculty and staff are amazing and are rallying. They are working their hardest to not allow this to get them down. I must say how proud I am of faculty and staff during these unprecedented times.”
  - “There is a sense of purpose and unity at this time which has been amazing.”
  - “Exhaustion – though the innovation of change has been interesting for many.”
  - “Very good – we have had a great response by our faculty, staff, and students as we enter these uncharted times.”

- 26% | Fairly Good

- 27% | Fairly Poor

- 3% | Poor

Source: ABC Insights & rpk GROUP Survey of AACU Presidents’ Trust; April 1, 2020; n=142

Proprietary and Confidential
Ranking of communication focus by constituent group

1. Students 80%
2. Faculty 66%
3. Staff 53%
4. Board 50%
5. Alumni 77%

Source: ABC Insights & rpk GROUP Survey of AACU Presidents' Trust; April 1, 2020; n=142

Proprietary and Confidential
Ranking of communication focus by constituent group

<table>
<thead>
<tr>
<th>Rank</th>
<th>Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Students</td>
<td>79%</td>
</tr>
<tr>
<td>2</td>
<td>Faculty</td>
<td>58%</td>
</tr>
<tr>
<td>3</td>
<td>Staff</td>
<td>47%</td>
</tr>
<tr>
<td>4</td>
<td>Board</td>
<td>53%</td>
</tr>
<tr>
<td>5</td>
<td>Alumni</td>
<td>85%</td>
</tr>
</tbody>
</table>

Source: ABC Insights & rpk GROUP Survey of AACU Presidents’ Trust; April 1, 2020; n=142
Ranking of communication focus by constituent group

1. Students 82%
2. Faculty 81%
3. Staff 60%
4. Board 40%
5. Alumni 60%

Source: ABC Insights & rpk GROUP Survey of AACU Presidents' Trust; April 1, 2020; n=142
Ranking of communication focus by constituent group

1. Students 73%
2. Faculty 60%
3. Staff 67%
4. Board 64%
5. Alumni 87%

Source: ABC Insights & rpk GROUP Survey of AACU Presidents' Trust; April 1, 2020; n=142
### Ranking of communication focus by constituent group

**Small Institutions**

<table>
<thead>
<tr>
<th>Constituent Group</th>
<th>First</th>
<th>Second</th>
<th>Third</th>
<th>Fourth</th>
<th>Fifth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students</td>
<td>81%</td>
<td>6%</td>
<td>8%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Faculty</td>
<td>59%</td>
<td>10%</td>
<td>10%</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>Staff</td>
<td>42%</td>
<td>23%</td>
<td>14%</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>Alumni</td>
<td>82%</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>Board</td>
<td>46%</td>
<td>4%</td>
<td>3%</td>
<td>0%</td>
<td>7%</td>
</tr>
<tr>
<td>Alumni</td>
<td>82%</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source: ABC Insights & rpk GROUP Survey of AACU Presidents’ Trust; April 1, 2020; n=142

Proprietary and Confidential
Ranking of communication focus by constituent group

<table>
<thead>
<tr>
<th>Rank</th>
<th>Constituent Group</th>
<th>Medium Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Students</td>
<td>78%</td>
</tr>
<tr>
<td>2</td>
<td>Faculty</td>
<td>75%</td>
</tr>
<tr>
<td>3</td>
<td>Staff</td>
<td>67%</td>
</tr>
<tr>
<td>4</td>
<td>Board</td>
<td>53%</td>
</tr>
<tr>
<td>5</td>
<td>Alumni</td>
<td>75%</td>
</tr>
</tbody>
</table>

Source: ABC Insights & rpk GROUP Survey of AACU Presidents' Trust; April 1, 2020; n=142
Ranking of communication focus by constituent group

**Large Institutions**

1. **Students** 77%
2. **Faculty** 73%
3. **Staff** 70%
4. **Board** 54%
5. **Alumni** 67%

Source: ABC Insights & rpk GROUP Survey of AACU Presidents’ Trust; April 1, 2020; n=142
Communication is key and strategies vary

Current Plans For Future Communication

- “I send a message to the campus once or twice a week minimum. We have a COVID-19 website. We did videos to post on the college home page.”
- “We have put a lot of effort into communicating via email, social media, webpage, zoom, and live chats on a variety of platforms - doing more of it this coming week”
- “Daily e-mail updates and virtual town halls. We have held two virtual town halls in the past ten days. WebEx is helping to maintain continuity of operations.”
- “Videos weekly and virtual forums for employees. Weekly surveys of students. HR contacting employees for ‘wellness check’ calls.”
- “Regular communication to our board, faculty and staff, students and family, alumni and friends are done weekly through email, video, and website postings.”

Source: ABC Insights & rpk GROUP Survey of AACU Presidents’ Trust; April 1, 2020; n=142

Proprietary and Confidential