



Future Enrollment in the SIU System

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The Challenge

Throughout much of the history of higher education, enrollment increases were the norm and not very difficult for most universities to achieve. This was true even in relatively recent years when enrollment from 1998-2011 grew by 25% nationally. This increase in enrollment was important because many states were decreasing state appropriations for higher education by the 1990s or early 2000s and this general trend continued for many years. For example, in Illinois general appropriations declined over 25% from 2002 to 2019. When inflation is factored in, that rises to about a 50% reduction. Illinois was certainly not unusual and those types of reductions were common in many states. Moreover, capital funding from the state, that had been relatively common prior to this period, became infrequent. This meant less money available to build new buildings or more importantly, address deferred maintenance, which has increased dramatically for public institutions across the country. In this environment, increases in tuition revenue were necessary to offset the loss of state appropriations. Some of this offset was accomplished through rapidly increasing tuition. Illinois public universities increased tuition an average of 10% a year in the 6 years preceding 2011 – again, not unusual. The financial situation was also helped by this national growth in enrollment. In fact, the increases in tuition were possible because enrollment was growing.

Enrollment and tuition increases at public institutions escalated during the financial crisis in the late 2000s. While that worked for many institutions for a few years, the situation changed after 2011. In many states, particularly in the Northeast and Midwest, the number of high school seniors declined. In addition, the percentage of high school graduates choosing to attend college has also declined. Because of these and other changes, the strategy to offset lost state appropriations with enrollment increases at public institutions only continued to be successful at the state flagship institutions, and even some of them have struggled to meet enrollment goals in recent years. For public regional institutions, most have experienced a decline, or at best flat enrollment since 2011. The experience in Illinois has been similar to this national trend, but the decline for the regional public institutions began even earlier than 2011 and has been generally larger in the years since.

The need for enrollment and tuition revenue, combined with a declining number of high school graduates attending college, created financial issues for most public institutions, as they were more tuition dependent in an environment that was increasingly competitive for those tuition dollars. Annual tuition increases were becoming smaller if they increased at all. Illinois

institutions increased tuition an average of less than 2% per year during the 6 years starting with the budget impasse in fall 2016, and this was also common in other states. In fact, research from the College Board shows when tuition and fees are examined in 2023 dollars, published tuition and fees have actually declined in the last decade. In other words, tuition has actually gone up slower than the increase in the Consumer Price Index.

Moreover, the amount of institutional financial aid provided to students has increased across the country. According to the College Board, from 2006 to 2020, institutional grant-in-aids at public 4-year institutions has increased 128% when examined in 2020 dollars – much more in terms of actual dollars awarded. This means the net tuition revenue per student received by institutions has frequently declined. It is also an indication of how competitive it is to attract new students. In fact, the net tuition paid by in-state students at public 4-year institutions is the lowest it has been in the lifetime high school seniors and 35% lower than 11 years ago. In general, the high cost of going to college is more related to the other costs of attendance (housing, food, personal technology, etc.) than tuition costs. However, even when these are costs are included in the College Board’s analysis using 2023 dollars, the net cost for students has declined since 2015. Overall, 80% of incoming freshmen received at least one grant to help cover some or all of their college costs.

For many institutions, these changes along with the decline in enrollment resulted in less overall net tuition revenue as well. When combined with declines in state appropriations, it has not been unusual for public regional universities to have a decline in overall operating revenue. This resulted in less money available for a number of budget items including deferred maintenance and employee compensation, as well as a reduction in the number of employee positions and a shift from full-time to part-time and/or temporary positions at many institutions.

Again, Illinois institutions faced these same problems, but with some additional issues. The recent budget impasse created significant financial challenges for state public higher education institutions that are still having an impact today. In addition to the state funding loss during this period, the instability the impasse created resulted in enrollment declines becoming larger, so tuition revenue also decreased more rapidly. Illinois public institutions have also had to manage the impact of the “Truth in Tuition” legislation which means any increases in tuition have a minimal impact on the current financial situation since they only apply to incoming students.

The recent increases in the state’s investment in higher education has made a significant difference in financial health, stability, and reputation of Illinois’ public institutions. However, tuition revenue is still critical for the financial health of institutions like ours. As we look forward, it is unlikely the challenges related to enrollment and tuition revenue growth will go away. In fact, they are likely to get worse. Increasing enrollment is already challenging for most institutions as overall higher education enrollment declined 12% nationally from 2015 to 2022, again with the declines generally being greater in the Midwest and Northeast. The recent national data for fall 2023 looks promising at first, but less promising when examining it more closely. Overall enrollment was up 2.1%, the first national increase in many years. However, over half of that increase was at the community college level and much of their increase was in dual enrollment, which generally does not have much or any positive financial impact. When

examining incoming freshmen numbers, they were down 3.6%, traditional age freshmen were down 5.2%, and public 4-year freshmen were down 6.9%.

And, this is all before we have reached the recognized demographic cliff starting in 2025. Nationally, not just regionally, the number of high school graduates will begin to decline each year. From 2008-2019, 6.6 million fewer children were born than if the number of births had stayed at the 2007 level. This means fewer high school graduates 18 years later. With the exception of the top 50 public institutions (i.e., most of the state flagships), enrollment is predicted to decline 10-20% at other public institutions. This will obviously create an even more competitive environment for regional public institutions and corresponding increased financial challenges. Although state support has improved the last few years and we will certainly strongly advocate that this continues, we cannot rely on increases in state funding alone to improve our financial position. In fact, declines in enrollment will result in a loss of revenue that could partially or completely off set state appropriations increases. The reality is we need both increases in state support and enrollment and we have more control over the latter.

The Strategies

When faced with these types of challenges, organizations generally turn to a few common strategies, all of which are we are pursuing or planning to pursue at SIU. Before discussing each of them briefly, it is important to note a few things. First, all of these strategies involve institutional change. While it will certainly continue to be important for us to use a variety of “high touch” strategies to aggressively recruit from the groups that have traditionally made up the larger portion of our enrollment (e.g., high school seniors in the state and region), we will not be able to significantly grow enrollment by focusing only on a declining population. Maintaining the status quo in a changing environment will not lead to success in reaching the enrollment levels we are seeking. In fact, the inability to change represents the biggest threat to a strong future. Second, these strategies cannot be implemented by a single person or a small group alone. In order to be as successful as we need them to be, they will necessitate the involvement of a variety of people in different roles. The truth is everyone can play a role. Third, all of these strategies have been used successfully at other institutions/university systems, so we have models to follow. Fourth, these strategies are designed to improve student success and better serve our students both during their time at our institutions and in the years after they graduate. In other words, they are both the smart things to do and the right things to do. Fifth, none of these strategies alone will get us where we want to go. As we have seen with regional public institutions that have been successful at growing, it was not one thing alone that led to the increase; it was a combination of strategies all playing a part. Here are some of the things that we are working on.

- (1) Improving the retention of those students who are currently enrolled. We have a considerable amount of capacity to grow enrollment through increased retention and graduation rates and there are universities with similar student profiles that have done so. For example, we recently visited one such university, Georgia State University, and learned about some of the strategies they have used successfully. We even have examples

at our own universities. The expansion of the FAME and GAME programs at SIUE this year led to a 10.2% increase in the retention of black students.

- (2) Improving the ease of transition to our universities from community colleges. While we have some programs that have worked with community colleges to allow for a seamless transition for students in certain programs, there are definitely more opportunities with additional community colleges and/or programs. And the reality is this is an area higher education institutions could do much better. Frankly, in higher education we often confuse rigidity with rigor and make decisions in terms of the latter when we are really just being rigid. Two recent articles in the *Chronicle of Higher Education* highlighted this weakness across the country and here at home. One common approach for addressing some of the challenges facing transfers is to expand course articulation tables with community colleges and universities from which we get the largest number of transfer students (beyond those that we have through the Illinois Articulation Initiative). The Saluki Step Ahead program is also a way to address the challenges and has now expanded to over 40 community colleges. We are already seeing the beginning of the success of that effort this year. It should be noted that community college transfers from programs like this tend to have success rates similar to students who started at a four-year institution.
- (3) Making better use of available financial aid dollars. One of the demographic changes that is occurring is more high school graduates are coming from families facing financial stress. We have taken steps to improve affordability with the SIU Commitment and the increased funding for MAP and AIM High from the state has been incredibly helpful in addressing the needs of our students. However, it can still be difficult for some students to cover the total cost of attendance and financial reasons often play a significant role in why students leave before finishing their degree. As discussed earlier, public universities are providing much more institutional financial aid than before because of the increasing competition for students. With all of this in mind, both SIU universities have been working with experts from the Education Advisory Board to re-examine our financial aid strategies in order to make the best use of the dollars available in order to meet the needs of potential students and attract them to our universities.
- (4) Recognizing the implications of changing demographics in our recruitment and retention strategies. When looking at the changes in high school graduates, their decreasing number is not the only change. A majority of people under 18 in the United States are racialized ethnic minorities, with those who identify as Latinx/Hispanic being the fastest growing population. We are already seeing the impact of these changes in the national data. In Fall 2023, white students declined 0.9%, while Black (2.2%), Asian (4%) and Latinx/Hispanic students (4.4%) all increased. Moreover, white freshmen declined 9.4%, which suggests this decline is likely to continue. These domestic changes require changes in recruitment and retention strategies. For example, SIUC has created advertisement materials in Spanish to help with recruiting the growing Latinx/Hispanic population. As a result of the declines in high school seniors and potential students in the United States, another change is many universities have increased their focus on recruiting internationally. After some decline for a few years, international student enrollment is

again growing. For example, SIUE more than doubled their international enrollment over the past three years through strategic partnerships with recruiting agents and subsequent name recognition. It is also important to recognize the importance of creating a sense of belonging for all of our students and many of our ADEI efforts are playing a critical role in accomplishing this goal. Because we are in Illinois, we have more support and flexibility in what we can do in this area and that provides us with an advantage.

- (5) Expanding the number and capacity of “destination” programs. Students choose to attend our institutions for several reasons. Some choose us because there is something about us that is appealing and they believe their experience with us will be positive. For reasons like this, most universities focus on promoting the institution as a whole through a variety of methods, including social media. We certainly need to do that as well and there are things we can do better in the future based on models at other universities. However, there are also a number of students who choose our universities because of their interest in a specific program. In other words, we become their “destination” of choice because of the program. This is true for most universities and our recent climate survey indicated major was one of the primary reasons students chose us. We currently have several such programs. For many years the growth of the nursing program at SIUE was critical to the overall enrollment numbers. At SIUC, even when enrollment was declining in most programs, the aviation and automotive programs were stable. The problem in some cases is our most popular programs are at capacity. This leaves us with two strategies. First, we find ways to expand the capacity of these programs. We are currently working on offering the aviation program in Springfield, which would allow that program to grow. Second, we identify new destination program areas. We are developing new programs in various areas, such as the health sciences and cybersecurity that will accomplish this goal. One way of planning academic offerings for the future is to have a clear and shared academic master plan(s) (sometimes called program prioritization), and we need to work on developing and refining this plan during the next year.
- (6) Growing programs for populations that are not currently being adequately served. Several years ago, there was a large growth in the number and size of for-profit universities. In large part, they were successful because they identified a population that was being underserved by the traditional universities – adult learners. This includes the very large number of people who have some college, but no degree, as well as those with degrees who want to enhance their skills and employability and are interested in earning degrees, certificates, and other credentials. While for-profit institutions have not done as well in recent years, it is not because this student population has been declining. It is actually a result of a number of traditional universities increasing their efforts to attract these students and they have been successful in taking them away from the for-profit institutions. There are a number of reasons to believe this population will continue to grow as the pandemic led to more students dropping out or not attending college at all, and rapid changes in society have led to more people needing to learn new skills and additional credentials. In fact, this year’s first-time freshmen increased 10% for those older than 21, graduate certificate programs were up 5.6%, and undergraduate certificate programs were up 9.9%. Again, there are models for success available and what we have

learned from them is the importance of making the path to graduation as efficient as possible and taking advantage of your strengths to distinguish yourself from others. Over the last couple of years, we have been working on the SIU System Online project, which will provide students with more options by sharing courses across the system. This has the potential to not only provide opportunities for our current students, but can be the type of model that will allow us to be a leader in serving this population by sharing classes and strengths from across the system. In addition to providing access to online courses and enhancing options for degree pathways, both SIUC and SIUE have the potential to individually and collaboratively offer credentials that meet workforce needs. Based on the success of other institutions and systems, this has the potential to have the most significant impact on future enrollment. To be clear, this does not involve merging institutions and there are absolutely no plans to do so. Instead, we have an opportunity to work together in a way that would benefit the enrollment and financial situation at both institutions.

Next Steps

It is important to note that all of these strategies are consistent with both our system and campus strategic plans. In fact, these strategies have, in one way or another, all been part of the work of the system implementation teams and the many people across both campuses implementing their plans. However, we recognize that sometimes these strategies are not always communicated to all of our employees and stakeholder groups as effectively as necessary. Because our future success in enrollment is so critical and each strategy will require the efforts of a large number of people working together, we believe it is important that everyone knows where we are headed and why we are doing some of the things we are currently doing. And, with us all understanding our strategies and working together, we believe we are well positioned to outperform the projected enrollment trends.