COVID-19 Strategy Survey of AACU Presidents

April 3, 2020
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%).

- **4-Year Private Universities**: 77 institutions (78% Small, 18% Medium, 4% Large)
- **4-Year Public Universities**: 38 institutions (41% Small, 36% Medium, 23% Large)
- **2-Year Community Colleges**: 27 institutions (31% Small, 25% Medium, 44% Large)

Proprietary and Confidential
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

Proprietary and Confidential

• "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: 76% 70% 87%
- Layoff Staff: 78% 67% 60%
- Across the Board Cuts: 59% 54% 33%
- Cut R&D: 41% 40% 33%
- Cut IT: 16% 9% 13%

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

Proprietary and Confidential
Different size universities are generally in alignment, with the exception of the percent of small universities planning on layoffs:

Hunker Down: 77%, 70%, 78%
Layoff Staff: 81%, 57%, 65%
Across the Board Cuts: 59%, 53%, 46%
Cut R&D: 40%, 36%, 44%
Cut IT: 16%, 8%, 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

- **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
There is consistency across perspectives on scenarios

Anticipated Scenarios - Institution Type and Size

<table>
<thead>
<tr>
<th>Institution Type and Size</th>
<th>Moderate</th>
<th>Severe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>63%</td>
<td>37%</td>
</tr>
<tr>
<td>Private</td>
<td>63%</td>
<td>37%</td>
</tr>
<tr>
<td>Community</td>
<td>73%</td>
<td>27%</td>
</tr>
<tr>
<td>Small</td>
<td>63%</td>
<td>37%</td>
</tr>
<tr>
<td>Medium</td>
<td>65%</td>
<td>35%</td>
</tr>
<tr>
<td>Large</td>
<td>67%</td>
<td>33%</td>
</tr>
</tbody>
</table>

Source: ABC Insights & rpk GROUP Survey of AACU Presidents’ Trust; April 1, 2020; n=142
70% expect revenue decreases of 10% or more

Expected Potential Decreases to Revenue in FY21

Institution Type

<table>
<thead>
<tr>
<th>Percentage Range</th>
<th>4-Year Private Universities</th>
<th>4-Year Public Universities</th>
<th>2-Year Community Colleges</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-4.9%</td>
<td>9.2%</td>
<td>21.3%</td>
<td>39.7%</td>
</tr>
<tr>
<td>5-9.9%</td>
<td>12.1%</td>
<td>10.6%</td>
<td>7.1%</td>
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<tr>
<td>10-14.9%</td>
<td>10.6%</td>
<td>10.6%</td>
<td>7.1%</td>
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<tr>
<td>15-19.9%</td>
<td>12.1%</td>
<td>10.6%</td>
<td>7.1%</td>
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<tr>
<td>20-24.9%</td>
<td>10.6%</td>
<td>10.6%</td>
<td>7.1%</td>
</tr>
<tr>
<td>25%+</td>
<td>7.1%</td>
<td>7.1%</td>
<td>7.1%</td>
</tr>
</tbody>
</table>

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

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

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

Proprietary and Confidential
A top priority will be administrative cost cutting

How Significantly Presidents Anticipate Cutting Administrative Costs in FY21

Institution Type

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

Proprietary and Confidential
All sizes of institutions expect administrative cost cutting

How Significantly Presidents Anticipate Cutting Administrative Costs in FY21

Institution Size

- None: 2.6%
- Some: 80.5%
- Significantly: 88.9%

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

How Significantly Presidents Anticipate Cutting Academic Programs in FY21

Institution Type

<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>66.7%</td>
<td>51.9%</td>
<td>3.8%</td>
</tr>
<tr>
<td>4-Year Public Universities</td>
<td>53.2%</td>
<td>46.8%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2-Year Community Colleges</td>
<td>44.3%</td>
<td>33.3%</td>
<td>0.0%</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

Institution Size

None

Small: 0-5k Students

Medium: 5k-15k Students

Large: 15k+ Students

Some

Significantly

46.8% 54.1% 51.9%

49.4% 45.9% 48.1%

0.0% 0.0% 3.9%

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

Proprietary and Confidential
The vast majority expect to maintain tuition levels

How Presidents Anticipate Tuition will Change in FY21

Institution Type

- **Decreased**: 12.7%
- **Maintained**: 78.5%
- **Increased**: 8.9%

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

Proprietary and Confidential
Similarity in tuition strategy across different sized institutions

How Presidents Anticipate Tuition will Change in FY21

Institution Size

- **Decreased**
  - Small: 0-5k Students: 11.7%
  - Medium: 5k-15k Students: 2.7%
  - Large: 15k+ Students: 3.7%

- **Maintained**
  - Small: 0-5k Students: 76.6%
  - Medium: 5k-15k Students: 89.2%
  - Large: 15k+ Students: 81.5%

- **Increased**
  - Small: 0-5k Students: 11.7%
  - Medium: 5k-15k Students: 8.1%
  - Large: 15k+ Students: 14.8%
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

Proprietary and Confidential
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**
  - Yes: 100%
  - No: 0%

- **Providing Room & Board Refunds**
  - Yes: 91%
  - No: 9%

- **Freezing Hiring**
  - Yes: 81%
  - No: 19%

- **Implementing Furloughs**
  - Yes: 46%
  - No: 54%

- **Laying Off Staff**
  - Yes: 57%
  - No: 43%

- **Increasing Part-time Faculty**
  - Yes: 37%
  - No: 63%

- **Increasing Non-tenure Faculty**
  - Yes: 36%
  - No: 64%

- **Drawing Down Endowment Principle**
  - Yes: 11%
  - No: 89%

- **Cutting Benefits**
  - Yes: 11%
  - No: 89%

- **Providing Tuition Refunds**
  - Yes: 6%
  - No: 94%

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

Proprietary and Confidential
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: Yes (76%), No (24%)
- Freezing Hiring: Yes (89%), No (11%)
- Implementing Furloughs: Yes (38%), No (62%)
- Laying Off Staff: Yes (38%), No (62%)
- Increasing Part-time Faculty: Yes (32%), No (68%)
- Increasing Non-tenure Faculty: Yes (36%), No (64%)
- Drawing Down Endowment Principle: Yes (11%), No (89%)
- Cutting Benefits: Yes (11%), No (89%)
- Providing Tuition Refunds: Yes (16%), No (84%)

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

Proprietary and Confidential
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
Enrollment and financial issues lead the ‘worry’ list

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”
Presidents are working on keeping students and staff motivated

43% | Good

26% | Fairly Good

27% | Fairly Poor

3% | Poor

Sense of Morale on Campus

• “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.”

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

Ranking of Communication Focus

All Institutions

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

**Private Universities**

- **First**
  - Students: 79%
  - Faculty: 58%
  - Staff: 47%
  - Board: 53%
  - Alumni: 85%

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

<table>
<thead>
<tr>
<th>Rank</th>
<th>Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Students</td>
<td>73%</td>
</tr>
<tr>
<td>2</td>
<td>Faculty</td>
<td>60%</td>
</tr>
<tr>
<td>3</td>
<td>Staff</td>
<td>67%</td>
</tr>
<tr>
<td>4</td>
<td>Board</td>
<td>64%</td>
</tr>
<tr>
<td>5</td>
<td>Alumni</td>
<td>87%</td>
</tr>
</tbody>
</table>
Ranking of communication focus by constituent group

1. Students 81%
2. Faculty 59%
3. Staff 42%
4. Board 46%
5. Alumni 82%

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

Medium Institutions

1. Students 78%
2. Faculty 75%
3. Staff 67%
4. Board 53%
5. Alumni 75%

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

<table>
<thead>
<tr>
<th>Constituent Group</th>
<th>First</th>
<th>Second</th>
<th>Third</th>
<th>Fourth</th>
<th>Fifth</th>
</tr>
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<tbody>
<tr>
<td>Students</td>
<td>77%</td>
<td>9%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Faculty</td>
<td>73%</td>
<td>12%</td>
<td>13%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Staff</td>
<td>70%</td>
<td>4%</td>
<td>8%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Alumni</td>
<td>67%</td>
<td>17%</td>
<td>54%</td>
<td>29%</td>
<td>21%</td>
</tr>
</tbody>
</table>

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, web page, 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