



The State of Higher Education in 2017

Sixth annual report

Article excerpt:

**Time-Traveling to Higher Education
in 2050**

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The State of Higher Education in 2017
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Introduction

Leaders of colleges and universities have new opportunities, technologies and analytical tools to help them drive their institutions toward greater success. They are mining new revenue sources, gaining access to more in-depth information for improved decision-making, initiating transformative endeavors in academic and administrative areas, and applying advanced techniques to assess institutional and student performance.

Leaders are likewise dealing with such issues as challenges in tuition and enrollment, making effective use of physical assets, competition from both traditional and nontraditional education providers, changes in regulatory requirements, and imperatives to mitigate or at least be prepared to respond to institutional risks.

This is a time of great potential for engaging a diverse constituency, collaborating with other institutions and private industry, and effecting substantial operational change. Innovative thinking will be vital to successfully moving into the future.

In this, our sixth annual *State of Higher Education* report, we offer you our experience-based viewpoints, approaches and solutions that point the way to decision-making that will sustain institutions, positioning them to thrive for the long term. While we will continue throughout the course of this year to provide webcasts, training and articles of interest to leaders in higher education, the editorial purpose of this publication is to cover the trends and issues we expect to emerge in 2017. As a leader in the higher education sector, we believe it is our responsibility to give back to this community we serve by providing these valuable insights.

Within these pages, you will find our guidance on important developments and challenges facing higher education leadership, including redefining business models, practical implementation of enterprise risk management, changing federal regulations regarding endowments and accessibility, campus physical space transformation and funding of deferred maintenance, increased use of data analytics, and many others.

The articles in this report stem from knowledge gained through our professionals' direct interactions with their clients. Rather than theoretical pieces, they are the result of practical, hands-on experience gained by more than 400 Grant Thornton LLP professionals serving over 200 eminent higher education clients. These insights are intended to be used by you — board members, executives, management, and other leaders and stakeholders in higher education.

Our Not-for-Profit and Higher Education practices are committed to helping “organizations that do good” fulfill their missions. We understand that enhancing quality, protecting reputation and maintaining operational sustainability are all essential to colleges' and universities' ability to achieve success and further their cause. Our higher education experience is deep, and we offer it to assist higher education leadership with the challenges and opportunities addressed in this report.

On behalf of the partners and professionals of Grant Thornton's Not-for-Profit and Higher Education practices, I am pleased to present *The State of Higher Education in 2017*. We hope that you find this to be a valuable resource. As always, we welcome your feedback and are available to assist management teams and boards in addressing the challenges discussed in this report, or any other issues you may be facing.

Sincerely,



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Watch Mark's
introduction to
the report.





Time-Traveling to Higher Education 2050

Rick Wentzel, Partner, Audit Services, Not-for-Profit and Higher Education Practices

From the vantage point of 2017, let's look ahead to higher education in 2050, with our view based on current trends and indicators. To set the stage, we make the reasonable assumptions that courses will be delivered differently, students will have new demands and parents will still be paying the major cost of college.

So here we are — with a couple of students taking us with them on the first day of classes in 2050. Here's what they tell us:

In the old system, it would be September of the 2050–51 school year. But that was then. Now our schedules are personalized; we begin and end our sessions when it works for us. This is just one of the differences between college life for us and the one our parents led.

Virtual connections are ubiquitous

Our university operates in a connected world, with information available and coursework possible 24/7, instructors interacting on screen from any country, and teaching and student evaluations happening at a pace many times faster than back in 2017. Higher education, like other traditional industries, had to adapt long ago to these changes and evolving expectations.

At our school, as well as all others, online classes predominate. Our parents tell us this is a big change from when they went to college in the late 2010s. Back then, as higher ed delivery technology got rolling, colleges and universities were losing out to institutions that embraced online learning. The ones still around decided to get onboard (see Grant Thornton LLP's [*Maturing from Adolescence into Adulthood: Major Factors Shaping the Sector in 2016*](#)). So, famous experts now will speak to us from any location, and we have teaching-assistant (TA) droids to address our online questions, and we can take courses around the clock — and around the world — to accommodate our schedules and academic interests. With the globalized sharing of knowledge and the TA droids, not as many faculty members are needed, which means instructors teach five or six classes per semester — much different from the three to four classes typical in the 2010s.

Not all classes are online. Like our parents, we can attend on-site courses. Many of our courses are video streamed from other schools. The streams are holograms that allow us to have in-person contact with our instructors and students from throughout the world, while still having the chance to engage with and learn from our on-campus peers. A general education course now required at many schools but not taught online at any of them is *How to Socialize*. Students dread the class projects — actual conversations. A popular elective class that is offered on campus is [*Introduction to Cursive Writing*](#);¹ it fulfills the humanities requirement.



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¹ Masson, Stephanie Reese. "The Death of Cursive Writing," Vitae, *The Chronicle of Higher Education*, Dec. 1, 2016.



Brick and mortar still has uses

Our campus doesn't look much like the ones our parents lived on. They've told us all about how far they had to bike or walk or bus to their far-flung classes. There's no such problem on our campus, which is a compact set of buildings. Our parents would recognize some of them from the outside, but the insides are entirely different. For example, research labs are outfitted for video or hologram conferencing because worldwide teams work together to create new projects and technology. And like everything else on campus, lab space is available 24/7.

Libraries, often the pride of the early 21st-century institutions, have transformed from repositories for books — no longer needed — to collections of collaboration rooms and individual workstations. Librarians are now technology specialists who guide access to information, troubleshoot video and hologram conferencing programs, solve connectivity issues, get 3-D printers working, etc.

There's just one dorm, which is all that's needed because of telecommuting. We've moved in and already started using the high-quality streaming, video conferencing and super-speed internet. You can imagine that dorms, along with academic buildings, consume a lot of electricity. It's supplied by solar power, and geothermal and biodiesel fuel. That's a big reason we chose this university — its commitment to social responsibility and sustainability (see Grant Thornton's [Achieving, Measuring Social Responsibility, Sustainability](#)).

Affordability and applicability remain key to college choice

Our parents compared tuition cost and majors with good job and salary prospects. They said their parents did the same, but now the access to information makes the decisions more clear.

It helps that we can trade research time for tuition, with nonprofit and for-profit companies reimbursing our university for results. And we receive class credit for our major-related jobs, volunteer work and internships. Because our university, like most others, is focused on a few majors, our instructors and curriculum are specialized to our interest areas.

It's not all work. Collegiate video gaming is huge; team members are the most popular jocks on campus and sports leagues are international. Traditional sports, like football, are in decline, except for a few self-supporting collegiate teams.

Demand for the top graduates has increased, and companies are looking for any advantage in recruiting talent. The most recent trend is for large companies to not only advertise in video game sports league games or sponsor teams, but to actually sponsor a campus. Admission interviews also serve as job interviews; students are assured of starting their careers at the sponsoring company upon graduation.

Thank you for joining our virtual tour. One last thing — we chose our university for all the features we've described, including its reputation for innovation. We wouldn't have attended one that didn't offer what we need to succeed in the marketplace we'll enter.

For a consideration of changes likely for 2017 and years immediately following, see within this report [Building the Campus of Tomorrow](#).

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