The economy will continue to dominate higher education’s discussions, as well as the world’s, for at least the next ten years. No one sees recovery, in any sustained way, before mid-decade and it’s likely to take at least six to seven years (McKinsey Global Institute, January 2010, “Debt and Deleveraging: The Global Credit Bubble and its Economic Consequences,” www.mckinsey.com/mgi). What will the long-term effects of the global reordering mean for students, institutions, and the postsecondary market, in general?

Note: Due to the time-sensitive nature of some URLs, we cannot guarantee that all links will be active. Some links may require a subscription.

### Demographics

#### Observation

Students are graduating without jobs and with debt. They enrolled in record numbers with the promise that a college degree would bring better employment. That’s not proving to be the case (The New York Times, July 6, 2010, www.nytimes.com/2010/07/07/business/economy/07generation.html?_r=1&th&emc=th).

- Even when they have a job, 64 percent are unhappy in it (Herman Trend Alert, January 23, 2010, www.hermangroup.com).

#### Our Thoughts

Institutions are likely to feel the effects of low employment among graduates for twenty years to come. How likely are these grads to contribute to endowments, feel deep affiliations with their colleges, or even suggest that their children attend college?

- High school graduation rates in the US have declined for the second straight year, so the pool of traditional students is decreasing, even as record numbers of students enrolled in higher education (Education Week, v 29, n 24, “Diplomas Count 2010: Graduation by the Numbers—Putting Data to Work for Student Success,” www.edweek.org/ew/toc/2010/06/10/index.html; Associated Press, June 16, 2010, www.google.com/hostednews/ap/article/ALeqM5hcgKZx16daNnBSvFscZUJSbIN9tQD9GCG7AO0).
Observation

- The top 100 metropolitan areas in the US saw fewer adults between 25 and 34 obtain bachelors degrees in the past eight years, with the gap between the cities with the highest and lowest rates growing from 8 percent in 1990 to 34 percent in 2008 (Brookings Institute, May 2010, A. Berbube, “The State of Metropolitan America: Educational Attainment,” www.brookings.edu/metro/MetroAmericaChapters/education.aspx).
- About half of US college students who start a four-year degree finish in six years. Fewer than 30 percent of students pursuing a two-year degree full-time earn it within three years (Complete College American, June 2010, www.completecollege.org/alliance_of_states/).
- Community colleges have made an explicit commitment to adjust their mission beyond access to completion (American Association of Community Colleges, June 2010, C. Mullin, “Rebalancing the Mission: The Community College Completion Challenge,” www.aacc.nche.edu/Publications/Briefs/Pages/rb06152010.aspx).

Our Thoughts
The factors that play the most significant role in retention and completion are slowly coming to light. Student success has become a byword for many of these efforts that rely on data, engagement, and just plain caring about students.

- Students who indicate that they feel positively about their institution are significantly less likely to drop out or transfer (Association for Institutional Research, Annual Forum, June 2010, C. Campbell and J. Mislevy, “Students’ Perceptions Matter: Early Signs of Undergraduate Student Retention/Attrition,” 2009NEAIR_UG_Attrition_paper.pdf).
- Low-income students who received help in filling out financial aid forms were 29 percent more likely to attend college than families who received only a pamphlet explaining how to apply. Without increased enrollment and completion of low-income and minority students, the US is unlikely to reach its goal of having the highest percentage of college graduates in the world. (National Bureau of Economic Research, E. Bettinger, B. Long, P. Oreopoulos, and L. Sanbonatsu, “The Role of Simplification and Information in College Decisions: Results from the H&R Block FAFSA Experiment” (NBER Working Paper No. 15361), www.nber.org/digest/feb10/w15361.html).

Economics
Observation
There appears to be little consensus on when and how we will see an economic recovery. Signs of improvement are often paired with those of continued recession.

- In February at the World Economic Forum in Davos, Switzerland, economists and financial experts had very mixed opinions about the strength of a global recovery and that was before Greece and the continuing turmoil in equity markets (Knowledge@Wharton, February 3, 2010, http://knowledge.wharton.upenn.edu/article.cfm?articleid=2428; Knowledge@Wharton, January 6-19, 2010, Newsletter, http://knowledge.wharton.upenn.edu).
Our Thoughts

For US higher education, the uncertainties carry additional concerns. Recessions create drops in funding that often never return to prior levels (State Higher Education Executive Officers, P. Lingenfelter, April 13, 2010, “Advocacy for Higher Education at the State Level: Challenges and Opportunities,” www.sheeo.org/about/pres_speech.htm).

- Present projections for the US deficit may well mean that the prestige of US higher education could suffer significantly. To quote Lawrence H. Summers, “How long can the world’s biggest borrower remain the world’s biggest power?” (The New York Times, February 2, 2010, www.nytimes.com/2010/02/02/us/politics/02deficit.html).

Observation

The US pipeline to higher education is also being drastically affected by the recession. Even with Race to the Top and funding for K–12 jobs, the ability of many states and districts to adequately support education is declining rapidly.

- State general fund spending has declined for an unprecedented two fiscal years, as tax revenues from all sources have plunged (National Association of State Budget Officers, www.nasbo.org/Publications/FiscalSurvey/tabid/65/Default.aspx).
- Spending cuts have not been enough to avoid bankruptcy in municipalities, as their tax receipts have had their steepest drop in over 50 years (Reed Construction Data, May 25, 2010, www.reedconstructiondata.com/news/2010/05/state-and-local-government-spending-to-decline-again-in-fy-11/).

Our Thoughts

Higher education is often first in line for budget cuts, as K–12, criminal justice, and healthcare are protected as much as possible (National Clearing House for Higher Education Management Systems (NCHEMS), April 16, 2010, D. Jones presentation to the SCUP Board of Directors).

- Higher education systems in a majority of states have suffered the second straight year of decline, even when stimulus dollars are factored into the equation. Without factoring in the stimulus monies, 37 states reported declines ranging from 0.1 percent to 21.1 percent (Grapevine, J. Palmer, Editor, “State Fiscal Support for Higher Education in Fiscal Year 2009–10,” www.sheeo.org/finance/shef-home-hmt).
- Private colleges have not been immune to the recession; the need to ensure enrollment remains up creates what some see as untenably high discount rates and fewer students paying full tuition (Inside Higher Ed, January 7, 2010, www.insidehighered.com/news/2010/01/07/cic).
Observation

Energy from renewable resources now accounts for nearly the same amount of domestic US energy production as nuclear power, about 11 percent (E/The Environmental Magazine, December 28, 2009, www.emagazine.com).

• Europe already has about 400 waste-to-energy plants that have reduced heating bills and removed landfills. Unfortunately, the US has only 87 such plants and there are no new ones being planned (The New York Times, April 12, 2010, www.nytimes.com/2010/04/13/science/earth/13trash.html?_r=1&scp=1&sq=Europe Finds Cleaner Energy from Trash&st=cse).


Our Thoughts

The realities of reducing greenhouse gas emissions are now being felt on campuses in the US, particularly those that signed the American College and University Presidents Climate Commitment. Fifteen campuses have been removed for lack of compliance, but more are signing on (Second Nature, July 1, 2010, www.secondnature.org/news/acupcc_inactive_institutions_removed.html).


• Tenants in green buildings are more productive and less likely to be absent for illness, but facilities must be monitored and tuned to achieve these results (Bloomberg Business Week, November 19, 2009, www.businessweek.com/the_thread/hotproperty/archives/2009/11/green_buildings.html; The Chronicle of Higher Education, October 12, 2009, www.chronicle.com/article/Regular-Checkups-of-Green-B/48756/).

• Carbon trading may not be the solution many hope it will be, at least not until the level of fraud it engenders can be more successfully prevented (Knowledge@Wharton, June 10, 2010, http://knowledge.wharton.upenn.edu/article.cfm?articleid=2521).

Observation

The environment remains a priority on many campuses, even with financial difficulties. More importantly, perhaps, institutions are moving beyond green buildings and energy consumption as their only strategies to becoming more sustainable.


• The state of Maryland is likely to adopt a graduation requirement for K–12 students that would ensure that environmental literacy is taught across the curriculum. Meanwhile, its federal legislators push for its inclusion in the reauthorization of the Elementary and Secondary Education Act (Education Week, July 16, 2010, www.edweek.org/ew/articles/2010/07/16/37environment.h29.html?tkn=NOYFALDNTI1j8DpuSTqYFxHDCEdsyVNKJ8jG&print=1).

• More than 100 new programs in ‘green studies’ were added by colleges and universities in the US in 2009, compared with the three programs begun in 2005, and students are filling them as fast as they are created (USA Today, December 27, 2009, www.usatoday.com/money/industries/environment/2009-12-27-green-colleges_N.htm).
**Our Thoughts**

The changes that faculty, staff, and students are willing to make are varied, but in the long run, must be tied to the economic benefits of sustainable behavior for the individual.

- A recent study of the car purchasing views of Gen Y consumers revealed that saving money on gasoline is the driving factor in purchasing a ‘greener’ car (Michigan State University + Deloitte, January 20, 2010, www.research.msu.edu/tags/sustainability).
- Faculty members were able to accept an automatic computer shutoff at 11 pm on a campus when they learned it would save the equivalent of two faculty positions (University Business, June 2010, www.universitybusiness.com/viewarticle.aspx?articleid=1612).

**Global Education**

**Observation**


- The US continues to have both the largest number of international enrollments and the greatest share of mobile students (Center for International Education, Number 58, Winter 2010, www.bc.edu/bc_org/avp/soe/cihe/newsletter/Number58/p9_Green&Koch.htm).
- A fall 2009 online survey by IIE indicates that undergraduate enrollment increases are unevenly distributed across institutions. Campuses that already have a significant international student population, particularly Chinese students, were more successful at recruitment than institutions with smaller international populations (Institute of International Education, November 16, 2009, www.iie.org/en/Who-We-Are/News-and-Events/Press-Center/Press-Releases/2009/2009-11-16-Fall-2009-Enrollment-Survey).

**Our Thoughts**

While the US continues to garner large numbers of students and applicants, it has left it up to individual institutions to attract them. The other top four receiving countries—the United Kingdom, Germany, France, and Australia—all have national programs focused on attracting international students (Center for International Education, Number 58, Winter 2010, www.bc.edu/bc_org/avp/soe/cihe/newsletter/Number58/p9_Green&Koch.htm).

- There has been a change in the countries of origin for graduate students to the US, with significant declines in those coming from South Korea and India (Inside Higher Ed, November 10, 2009, www.insidehighered.com/news/2009/11/10/graderenroll).
- The 2009 survey by QS (Quacquarelli Symonds) indicates that interest in doing graduate study in North America (US and Canada) has continued to decline (33.5 percent), while Europe has increased its share to 57 percent (The Independent, March 4, 2010, www.independent.co.uk/student/postgraduate/postgraduate-study/north-americas-appeal-to-postgraduates-wanes-as-more-european-universities-run-courses-in-english-1915368.html).
Observation


- As English has become the lingua franca of business, science, and the world, institutions that offer courses taught in English are attracting more students (The Independent, March 4, 2010, www.independent.co.uk/student/postgraduate/postgraduate-study/north-americas-appeal-to-postgraduates-wanes-as-more-european-universities-run-courses-in-english-1915368.html).
- When countries have insufficient capacity, their best students seek to study in other countries (Center for International Education, Number 58, Winter 2010, www.bc.edu/bc_org/avp/soe/cihe/newsletter/Number58/p9_Green&Koch.htm).
- International students can play a significant role in the economy of a country. For example, foreign enrollments in Australia represent its third-largest export industry (Center for International Education, Number 58, Winter 2010, www.bc.edu/bc_org/avp/soe/cihe/newsletter/Number58/p9_Green&Koch.htm).

Our Thoughts

Students’ reasons for studying in another country are also diverse, but with a focus on personal benefits more often than not.

- The United Kingdom instituted a new visa policy for international students that makes it much more difficult for them to use a student visa to work (The Guardian, February 7, 2010, www.guardian.co.uk/education/2010/feb/07/student-visas-cuts-points-system).
- Institutions across the globe are finding that students are selecting higher education programs based on how they’ll affect their ability to remain in that country and work after graduation (The Chronicle of Higher Education, March 21, 2010, www.chronicle.com/article/What-Do-International-Stude/64746/).

Learning

Observation

Changes in the learning environment, sometimes very subtle, can affect the performance of students in classrooms.

- Exposure to the letters “A” or “F” at the start of an examination seems to have an affect on how well students score. Subjects receiving an analogies test with the label “Test Bank ID: A” scored significantly better than students with “Test Bank: F”, with a “Test Bank ID: J” scoring in the middle (British Journal of Educational Psychology, Ciani, K. and Sheldon, K. “A versus F the effects of implicit letter priming on cognitive performance”, Volume 80, Number 1, March 2010, pp. 99-119(21) www.bpsoc.publisher.ingentaconnect.com/content/bpsoc/bjep/2010/00000080/00000001/art00006 - aff_2).
- A study of high school students found that the gender of the images of scientists affected test scores for females. When all male examples were used, girls’ test scores were lower. They increased when textbook pictures were either all female or equally divided (The Journal of Social Psychology, Good, J., Woodzicka, J., and Wingfield. L., “The effects of gender stereotypic and counter-stereotypic textbook images on science performance.” 150.2 (2010): 132-147, www.informaworld.com/smpp/content Db=all-content=a924046568-frm=titelink).
- Recent research reports that a variety of skills are enhanced by playing action video games, including better visual selective attention and better focus (eSchool News, December 9, 2009, www.eschoolnews.com/2009/12/09/can-gaming-change-education/).
Our Thoughts

Technology is also introducing changes in the environment. Our interaction with it appears to be influencing how our brains are wired. The power to increase learning comes with the reality of our evolving nervous system (The Shallows: What the Internet Is Doing to Our Brains, 2010 Carr, N., W. W. Norton).

- Math software developed by the University of California-Irvine, based on neuroscience research, significantly increased the passing rate on a state examination in 64 of the lowest performing elementary schools in the state (eSchool News, March 17, 2010, www.eschoolnews.com/2010/03/17/technology-adds-to-students-math-comprehension/).
- Devices that track eye movements while reading on a screen can now be combined with software that infers a reader’s progress and provides help when eyes pause on words or names (eSchool News, June 17, 2010, www.eschoolnews.com/2010/06/17/future-of-reading-following-your-eyes/).

Observation

The delivery of instruction in higher education has been evolving for a number of years. Recently, the proposed changes have been more visibly focused on core missions.

- The mayor of Chicago has called for an end to “open door” admissions at Chicago City Colleges (Education Week, August 13, 2010, www.blogs.edweek.org/edweek/college_bound/2010/08/chicago_considers_ending_community_college_open_admission.html).

Our Thoughts

Changing an institution’s mission is unlikely to be helpful to most students, particularly those in community and technical colleges.

- Overcrowded and under-resourced, students in California community colleges may now take online courses from for-profit Kaplan for credit (The Chronicle of Higher Education, February 8, 2010, www.chronicle.com/blogPost/California-Community-College-21134/).
- Nearly 60 percent of community college students take at least one developmental education course (Community College Research Center: CCRC Briefs, February 2009, Number 40).

Politics

Observation

Even as public funding for higher education decreases, the number and cost of regulations at the federal and state level increases.

- Changes in the student loan process, particularly how the “cohort default rate” (CDR) is determined for each institution, will require campuses to spend considerably more time on compliance and likely subject them to bad publicity, as nearly everyone expects CDRs to increase (Today’s Campus, April 2010, www.todayscampus.com/article/load.aspx?art=2018).
- At the same time, the US Departments of Education and Health and Human Services have failed to exchange data that allows the tracking of those who have defaulted on student loans in the past two years (Inside Higher Ed, March 17, 2010, www.insidehighered.com/news/2010/03/17/ndnh).
- Year-round Pell Grants are likely to further complicate the work of financial aid offices, as they need to prove that summer courses helped to accelerate degree completion. This is likely to be a labor-intensive process (University Business, June 2010, www.universitybusiness.com/viewarticle.aspx?articleid=1598).
Our Thoughts

The reality that regulations require the hiring of more administrators, generally at the expense of tenure-track faculty members, has not been lost on academics. One academic proposed, tongue in cheek we assume, that colleges add a line to their tuition bills labeled, “Federal Regulatory Compliance Fee” (Inside Higher Ed, January 12, 2010, www.insidehighered.com/views/2010/01/12/jones).

• Preliminary results have now been published of the survey of institutions initiated by the Internal Revenue Service in 2008. The IRS is concerned about the amount of unrelated business income that actually appears on 990-T forms; it just doesn't look like they're reporting enough (Inside Higher Ed, May 10, 2010, www.insidehighered.com/news/2010/05/10/irs).

• The Congressional Budget Office (CBO) released a study that indicates that colleges and universities may be inappropriately benefiting from their tax status by issuing tax-exempt bonds and then essentially using those funds to invest in higher-yield assets (Inside Higher Ed, May 3, 2010, www.insidehighered.com/news/2010/05/03/arbitrage).

• The US Department of Labor released new rules for what constitutes an educational internship, in an effort to keep organizations from exploiting students. It means that more students are likely to find themselves paying for internships as credit-bearing courses in an effort to keep employers happy (The Chronicle of Higher Education, April 21, 2010, www.chronicle.com/article/US-Labor-Department-Relea/65197/).

Observation

Higher education needs to pay attention to how the reauthorization of the Elementary and Secondary Education Act (ESEA) progresses. The US federal administration has given clear signals that it will find ways to make changes, with or without legislation.


• The National Governors Association (NGA) and the Council of Chief State School Officers (CCSSO) released a common set of academic standards for English and mathematics in June. Their aim is to ensure consistent learning goals across the states (eSchool News, June 2, 2010, www.eschoolnews.com/2010/06/02/final-common-standards-in-english-math-released/).

• Computer-based testing and multiple measures of achievement are at the core of the administration’s requirements for assessment projects seeking funding from Race to the Top (eSchool News, April 16, 2010, www.eschoolnews.com/2010/04/16/assessments-get-21st-century-makeover/).

Our Thoughts

How will adopting common standards for K–12 education affect higher education in the long run? It’s a first step that’s never before been taken at this level in the US. We’re not predicting any quick movement towards a national education system, but adopting standards puts the US closer to how the rest of the world addresses education.

• While it might take a generation to see the results, campuses should plan for better-prepared students (The Chronicle of Higher Education, June 2, 2010, www.chronicle.com/article/New-National-Standards-Seek/65752/).

• The proposed revisions of the No Child Left Behind (NCLB) act include financing K–12 schools based on the academic progress of students, not enrollment, with additional support going to schools that are failing (The New York Times, February 1, 2010, www.nytimes.com/2010/02/01/education/01child.html?_r=1&ref=no_child_left_behind_act).

• The US Departments of Labor and Education are also pushing for reauthorization of the Workforce Investment Act that provides funding for basic-skills, adult education, and job training. The goal is to leverage the common standards to ensure that students are both college and career ready (The Chronicle of Higher Education, March 25, 2010, www.chronicle.com/article/A-Top-Education-Official-Pr/64842/).
Observation

The outsourcing of IT infrastructure, particularly servers, is combining with virtualization software to create opportunities for savings.


Our Thoughts


- Botnets, networks of compromised computers, have increased their presence on campuses, threatening student data systems, particularly those that rely on social security numbers (eSchool News, May 3, 2010, www.eschoolnews.com/2010/03/03/botnets-continue-to-threaten-campus-networks/).
- One way computers are being compromised is through the presence of fake anti-virus software. Google reported that 15 percent of malicious software it detected on 240 million Web pages was delivered through these programs (Physorg.com, April 27, 2010, www.physorg.com/news191614788.html).
- The next platform likely to see an increase in cyber-attacks will be smart phones, a staple of students on every campus (Physorg.com, February 17, 2010, www.physorg.com/news185608599.html).

Observation

The electronic delivery of books, journals, and data continues to be experimented with on campuses as a way to hold down costs for students. The competition in e-readers, in particular, is heating up and higher education is a prime market (EDUCAUSE, ECAR Research Bulletin 2, 2010, www.educause.edu/ecar).

- In competition with e-textbooks and e-readers are services that rent printed textbooks—but students can’t really write in any of them (Inside Higher Ed, January 12, 2010, www.insidehighered.com/news/2010/01/12/rent).

Our Thoughts

Students want lower cost alternatives to the escalating cost of textbooks. But are textbooks really a strange way to be bundling learning for the millennials?

- Electronic publishing may make only a short stop on dedicated readers; the ability of the cloud to store texts and more is likely to overtake other efforts to distribute ‘books’ in the long run (O’Reilly Radar, October 28, 2009, www.radar.oreilly.com/2009/10/safari-books-online-60-a-cloud.html; eSchool News, January 5, 2010, www.eschoolnews.com/2010/01/05/five-ed-tech-stories-to-watch-for-2010/).
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