Higher education is a topic of fierce national debate in the United States. Recognizing that social mobility and lifelong well-being are closely tied to educational attainment, students of every age worry about their ability to afford a degree. In particular, parents of younger children harbor fears about whether they will be able to finance college for their children and whether their children will have better lives than they do.

It is hard to remember a time when higher education was a topic of discussion more frequently on the front pages of U.S. newspapers, usually as a target of criticism. Presidents of traditional colleges and universities often feel besieged on multiple fronts. For tuition-dependent private institutions, net student revenues are declining, hefty tuition increases are no longer possible, and rating agencies like Moody’s are regularly prophesizing their doom. Public institutions are reeling from large cuts in state support and are enduring more government oversight (including calls for new “ultra-affordable” degree options). In many states, community colleges are finding themselves unable to meet the needs of students who are looking to them for more-affordable degree paths.

FINDING
New Business Models in Unsettled Times
By Paul LeBlanc
Even while demand for a college education remains high, widespread concern about how much actual learning takes place in college is widespread, whether voiced from inside the industry in much discussed critiques such as Academically Adrift or Our Underachieving Colleges or from employers who complain about the lack of workplace readiness among graduates. The federal government is insisting on more accountability, more focus on outcomes, and more attention to costs and the skyrocketing levels of student debt. President Barack Obama has called for new rating systems that would support performance-based funding tied to affordability, student completion rates, and the earnings of graduates.

Adding to the discomfort is the chorus of well-placed and often famous critics claiming that traditional higher education is broken, beyond repair, and headed to the precipice. PayPal co-founder and Silicon Valley darling Peter Thiel has led the aforementioned “Is college worth it?” critique and has paid promising young high school graduates $100,000 to stay out of college and pursue their ambitions in other ways. The businessman and investor Mark Cuban has weighed in with a much-discussed blog post about “the coming meltdown in college education.” Former U.S. Secretary of Education Bill Bennett recently published a book questioning the value of college. High-tech college-dropout billionaires like Bill Gates, Steve Jobs, and Mark Zuckerberg are often held out as exemplars.

Steep cuts in state aid have shifted more of the cost burden to students, resulting in sharp increases in student debt. With outstanding student loan debt now totaling over $1 trillion, the media highlights individual stories of college graduates who have high student-loan indebtedness—including U.S. Senator Marco Rubio and former Federal Reserve Chairman Ben Bernanke’s son. Average student indebtedness is now about $27,000, and graduate or professional school borrowing can easily push that number up to six figures. Harvard Business School Professor Clayton Christensen, the influential father of disruptive innovation theory and the co-author of The Innovative University, stated in February 2013: “I think higher education is just on the edge of the crevasse.” He also predicted: “Fifteen years from now, maybe half the universities will be in bankruptcy, including state schools.”

Against this backdrop of crisis, and perhaps impelled by it, technology is enabling new business models of education, including new delivery models and new process models for doing the work of higher education. Competition has emerged from the aggressive and formidable for-profit sector, from education-tech startup companies, and from “do it yourself” advocates for alternatives to traditional degree programs and providers. My presidential colleagues are taking into account MOOCs (Massive Open Online Courses), adaptive learning and learning science initiatives such as Carnegie Mellon’s Open Learning Initiative, and competency-based education (CBE) models. Hundreds of millions of dollars of private investment are flowing into these efforts, as well as into bundled service providers (BSPs) that can take over many of the traditional university functions (e.g., marketing, enrollment processing, advising, course production, tutoring). Online learning, a sector dominated by large for-profit institutions, has attracted adult learners in enormous numbers—the learners who now make up the greatest percentage of college students. Many of my colleagues fear that for-profits will come to dominate the new emerging models and that traditional nonprofit institutions will be unable to reinvent themselves in ways that will make them more effective, more sustainable, and more available to students.

What to Do?

“What to do?” is the question that so many college and university presidents struggle with right now. We seem to be sitting at the heart of a perfect storm where a lot of things are happening faster than our ability to predict and strategize. We can respond to this stormy weather as medieval farmers did to the next day’s weather: by simply waiting to see what arrives and then taking action, often inadequately. Or we can recognize that we actually have the tools, the technology, and the know-how to reinvent U.S. higher education in ways that will address its current failings. After all, it was nonprofit higher education that created the tools that the for-profits and the ed-tech startups are now putting to such good competitive use.

Finding New Business Models in Unsettled Times
or, at best, survived as mere shadows of themselves. That’s the scenario that many current critics of traditional higher education posit and even welcome, often pointing to other industries that have seen enormous disruption—music, publishing, journalism, and retailing—to presage the impending doom for traditional higher education.

Although that narrative serves many purposes—persuading investors to capitalize new ed-tech startups; pressuring colleges and universities to be less change-averse; producing breathless stories in the media—traditional higher education as an industry is not about to collapse. The sort of overnight transformation of journalism can’t happen in higher education because higher education is not a purely free market. It is highly regulated within a tripartite system of accreditors, state authority, and federal regulations. The federal role is exceedingly important: the U.S. government annually provides some $150 billion of financial aid, and Title IV regulations determine who gets access to those funds and how. State subsidies to public institutions and state grant dollars to students, both amounts largely in decline, also alter student consumers’ decision-making, while state approval processes often create barriers to competition. All of this territory is highly politicized, with traditional higher education exerting significant influence and with change at the policy level slow to happen.

More important, what we do in higher education is far more complex and multifaceted than the music, publishing, journalism, and retailing industries. For example, although there are many genres of music, all labels and industry players exist for one fundamental purpose: to sell songs to listeners. Though there are many varieties of print journalism, all newspapers exist for one fundamental purpose: to sell news to readers. But there is no one higher education to reinvent, and colleges and universities do no one job. Higher education encompasses the following purposes:

- A coming-of-age higher education that meets the needs of recent high school graduates, usually providing a purposeful living/learning community that provides ample opportunities for self-discovery and growing up
- A workforce-development higher education that focuses on working adults and that provides job and career opportunities while creating a talent pipeline for employers in a local economy
- A research higher education that seeks to add to the store of human knowledge, creating breakthrough, innovative solutions to a wide range of problems
- A status higher education that provides a value-added network of peers, as well as access to and maintenance of privilege and social status
- A civic-good higher education that works to produce a more just and responsible society
- A cultural-improvement higher education that creates and/or supports the arts and humanities and instills in its graduates the taste and refinement to support and appreciate the arts

The list can go on, with a myriad of niche higher education sectors related as well to religious persuasion, military training, gender (in the case of single-sex institutions), and even the very lucrative “entertainment higher education” represented by NCAA sports. There is no single end product here, and when we discuss the need for change in higher education, we would be well served to first identify which “higher education” we have in mind and what problem we want it to solve.

None of this is an argument against change. After all, the issues of cost, access, and quality are no less pressing simply because higher education is highly regulated and multifaceted. This is, first, an argument that traditional higher education, for reasons good and bad, still has time to think through these challenges and develop effective responses. Second, this is an argument for being much clearer about what parts of higher education need to change and for recognizing that higher education performs many tasks. Finally, it is a reminder that higher education has created almost all of the technologies and tools that can help us address the current challenges and do our various jobs better. Our biggest challenge will not come from new outside providers or from sudden and dramatic changes in our regulatory environment (and thus market). It will come from the erosion of our funding sources: the declining ability and willingness of students and families to pay; the decreasing state support; the fact that our pricing is outpacing grant programs like Pell; and the growing resistance of students to take on debt. As President Obama said in his landmark August 2013 speech on higher education: “The system's current trajectory is not sustainable. . . . We're going to have to do things differently. We can't go about business as usual.”

Market forces and economics are what will disrupt traditional higher education, and they are making the business models of many institutions increasingly unsustainable. When we frame the essential challenge in these terms, technology should be seen as an enabling force, not a disruptive one. That is, new technologies give us the tools to reinvent our business models to better serve our various roles. Of course, this is a devilishly hard task and not one for which many institutions are well suited. Our institutions have multiple stakeholders, are steeped in tradition, distribute decision-making through governance and union agreements, and are often unclear about what they do (and they often try to do a little of everything). On many campuses, there is very
little consensus about what is going on in higher education and about the cause-and-effect relationships that can be addressed to make things better. Thus we hear the often bitter recriminations about inept and bloated administrations (coming from the faculty), about lazy and slow-moving faculty members (coming from administrators), about cluelessness regarding markets and business practices (coming from students and parents and outside critics). Because changes in business models mean changes in roles, in ways of doing things, in decision-making (and thus power), and in prioritization and focus, there is a lot at stake and a lot of attendant anxiety. It’s no wonder that there is a lot of cause-and-effect facts of industry life, and where the prospect of declining enrollments), aspiration (e.g., the status reach that Christensen and Henry Eyring so aptly describe in The Innovative University), or confusion (e.g., forgetting who the institution serves and what job the students want done). Examples abound:

- The small nonselective and tuition-dependent liberal arts college that becomes a university to broaden its appeal and then struggles to fund and do well those activities and programs one might associate with a university: research, doctoral programs, and more professional programs
- The second-tier institution that borrows excessively to fund a building boom that communicates quality and status and then is saddled with increasingly unsustainable debt levels
- The land-grant institution that becomes more and more selective in admissions while taking more out-of-state students to make its budget work, thus saying “no” to more of the sons and daughters of the state's taxpayers

Getting Clarity and Agreement on the Jobs to Be Done

Many higher education institutions, lacking broad consensus on what they want to do, try to be more things to more people and, as a result, suffer mission drift. This can happen because of desperation (e.g., the 1960 California Master Plan for Higher Education was that it defined very specific roles for its component sectors, created mission boundaries for each, and achieved an efficient and effective coherence). For traditional higher education to reinvent itself, it needs to be clear about what problems it is trying to solve (or, in other words, about its goals), based on some consensus about how the world works, the cause-and-effect facts of industry life, and where traditional higher education sits in that dynamic.

I would argue that before going to the

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**THE AGREEMENT MATRIX**

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Credit: Clayton M. Christensen, Matt Marx, and Howard H. Stevenson
“What should we do?” question, leaders need to pause and ask the “What do we do now?” question. Perhaps the answer should be obvious, but a lot of anxiety stems from a lack of clarity about what job or jobs an institution is being asked to do. Take the widely reported 2012 case of the University of Virginia and its president, Theresa Sullivan. I might argue that President Sullivan (along with her supporters) and the UVA Board could not agree on a strategy for innovation and technology because they did not first agree on what job the university was doing and should be doing. The UVA Board fired and then rehired Sullivan after a storm of campus protest. The New York Times reported that Helen E. Dragas, the chair of the UVA Board, “justified the board’s drastic action by arguing that Virginia was falling behind competitors, like Harvard and Stanford, especially in the development of online courses, a potentially transformative innovation.”

One trustee e-mail even cited my own institution, SNHU, as an example of a school racing ahead of UVA in the realm of online education. Though it pains me a little to say it, SNHU has no hope at all of disrupting Virginia (or Harvard or Stanford) in that work. There may be very good reasons for UVA to explore online learning, but the reasons would not be because the university will be disrupted in performing its current job: providing a high-value network, status, and coming-of-age education, steeped in tradition. Technology can enhance that experience, but it can and will do little to transform higher education, because they did not first agree on what job the university was doing and should be doing.

The strategic choices of the past are less and less effective or available today. All of disrupting Virginia (or Harvard or Stanford) in that work. There may be very good reasons for UVA to explore online learning, but the reasons would not be because the university will be disrupted in performing its current job: providing a high-value network, status, and coming-of-age education, steeped in tradition. Technology can enhance that experience, but it can and will do little to transform the value-added network and the status-signaling value that UVA students want. The Board’s position suggests one of three things:

- It lacked clarity on the job that UVA actually does, so it fired the president for not doing more of something (i.e., developing more online courses) that has no real strategic value for the institution.
- It wanted UVA to do a new job for which online courses would make sense: serving a new population of adult learners at a distance and at a lower cost.
- It heard about other elite schools signing on to provide MOOCs, and although it lacked an understanding of what MOOCs do well and how they can (or can’t) serve the job that UVA currently does, it feared that the school was missing a strategic opportunity.

A subtext to the story was the almost passing reference to the UVA Board’s concerns about declining levels of state support and the need to find new revenues. That’s a fair and reasonable concern for a university board, but before rushing to an ill-defined strategic response, the UVA Board first should have asked a more fundamental strategic question: “To find more revenues, are we willing to do a new job that we do not currently do and how do we best perform that job?”

In short, it is clear that applying the very useful “jobs to be done” thinking developed by Christensen and his colleagues is a lot easier in the world of selling things and even in the world of consumer services than it is in higher education, where institutions do so many jobs. One important implication of our need to rethink what we do may be that the most effective institutions will do fewer jobs (but will do them really well) while the small number of fabulously wealthy institutions will do many jobs really well. Other institutions will inhabit a sad middle ground where declining resources means that they will do many jobs not very well at all; their long-term fate is worrisome.

Developing a Game Plan
On the one hand, colleges and universities face a storm from critics who say that higher education today is not good enough (quality), doesn’t educate enough people (access, cost, and completion), and is not sustainable (industry economics). On the other hand, numerous new providers claim to more effectively address some or all of those problems, almost always using technology as part of their solution. Those providers include for-profits, MOOCs, adaptive learning platforms, the badges and DIY movements, CBE models, and the others mentioned earlier. Various stakeholder groups seek—depending on where they stand—to harness, shape, empower, impede, manage, and survive those forces. These groups include higher education institutions, of course, but also regulators (e.g., accreditors, the U.S. Department of Education, and state bodies), associations, investors, ed-tech entrepreneurs, politicians, unions, and the labor market. Amid this swirl, a remarkable number of bold pronouncements about the future are routinely made, usually informed by what eventual outcome the proclaimer most wants to see.

Although the problems facing higher education are impelling change and response, the strategic choices of the past are less and less effective or available today. Those choices include raising more money from legislators and donors, increasing tuition, building more bricks-and-mortar campuses to add capacity, adding amenities to make campuses more appealing, and proclaiming ever more loudly the value of higher education. Those former strategies fail in large part because they ignore or even worsen the funding/sustainability problem. They also ignore the shifts occurring beneath the industry, especially three macro-level shifts that open up new possibilities and can be harnessed as levers of change and renewal:
Disaggregation
Technology
Outcomes-Based Learning

These three forces reshaping the higher education landscape pose a threat to traditional higher education, but they also, more optimistically, offer a range of new strategic options for providing a better education to more people at lower costs.

Disaggregation
The core function of the educational enterprise—teaching and learning, our primary and, I would argue, perhaps our sole job—has for hundreds of years been vertically integrated in the body of the faculty. That is, education, in the form of the curriculum and its delivery, has from start to finish been in the hands of faculty. Faculty members in, say, the Biology or English Department typically conceived of a program, developed its curricular outlines, hired additional members if needed, developed the individual courses, curated the learning materials, guided the program through governance approval processes, taught the courses, advised the students, intervened when students struggled, assessed students’ performance, and later revised and improved the program, stewarding it through a long institutional life (cutting a program remains a largely rare and painful act). As often happens in vertically integrated enterprises, the component parts become increasingly specialized, and experts emerge who perform individual functions better than those who try to do them all. In education, we have seen the emergence of excellent research and application in instructional design, interactive content, pedagogy, assessment, and advising. When component parts of a vertically integrated process get that much better, the overall process often starts to disaggregate or pull apart, and that’s what we are seeing happen now in higher education.

This is not entirely new. Although colleges and universities once did everything, over decades they have disaggregated certain functions no longer seen as part of the core educational experience. These functions include food service, maintenance, payroll processing, financial aid packaging, and student information systems. In some cases, institutions wanted to save money; in other cases, they could not perform the function as well as could others. However, what we are now seeing is disaggregation that reaches into the core educational function previously left wholly in the hands of the faculty:

- **Course design:** Faculty members often act as Subject Matter Experts (SMEs) working with instructional design teams (often including experts in pedagogy, technology, and assessment) to create standardized courses that the SMEs might never actually teach.
- **Advising:** Although it is still most common for faculty to advise their majors, many institutions now centralize advising for first- and second-year students, relying on professional staff with specific training around college transition, student success, and persistence strategies. Many online programs outsource tutorial help to companies such as Smarthinking.
- **Assessment:** Institutions, responding in part to accreditors’ demands for better assessment of outcomes, are increasingly employing assessment experts to create better-defined learning outcomes at the course and program levels, to administer additional assessments, and to use those results to recommend changes in curriculum.

Technology often plays a key role in disaggregation, both accelerating the process and redefining the standards of performance. A lot of the new education technology industry now attracting so much venture capital is based on companies harnessing technology to provide some portion of the newly unbundled teaching and learning process. The aforementioned Smarthinking offers online tutoring; Coursera, Udacity, and edX offer entire courses taught by faculty from elite universities; OpenStudy offers peer-to-peer learning support; Knewton offers adaptive learning systems; and myriad providers offer course development. Each of these and others fill in some part of a process previously provided by the faculty, though almost all are careful to say that they hope to complement or supplement the role of the faculty, not supplant it.

Technology
Not all technological innovation will supplant faculty. Indeed, faculty have been integrating technology into their courses and improving teaching and learning through its use for decades. That is one of the main applications of technology—to improve something we already do. Today’s college student has access to enormous global information resources (with an accompanying change in how we think of the campus library), powerful computational and modeling tools, and easier access to faculty members and each other. However, technology has also added significant cost to most campuses over the last thirty years, and even though it has improved the student experience in myriad ways, it has not typically resulted in more sustainable operations.

In contrast, a second common use of technology—outside of academia,
at least—is to increase productivity by replacing skilled people with technology. We encounter this application of technology every day: ATMs replacing bank tellers, E-ZPass replacing toll takers, kiosks replacing airport ticket agents, GPS-automated farming equipment replacing farmers, and the list goes on. One of the most worrisome aspects of the slow U.S. job growth after the Great Recession is the degree to which technology-based productivity gains are being realized without commensurate increases in hiring. In The Second Machine Age, MIT’s Erik Brynjolfsson and Andrew McAfee persuasively argue that computer technology is not only behind the current sluggishness in job growth but poses an ominous threat in fields ranging from medicine to education. New educational delivery models that remove the role of instructional faculty, for example, are an example of this “efficiency” application of technology in education.

After the application of technology (1) to improve quality and (2) to create more productivity at lower cost (i.e., replacing workers), the third and most exciting use of technology in higher education is to help create new business models that allow us to better serve more people at lower cost. The for-profit sector effectively harnessed technology to dominate the online market for adult students, using technology to rethink course development, reach new markets, offer greater convenience to students, and improve service. It was not so much that the for-profits offered a more affordable educational option (in fact, many are more expensive than their nonprofit peers) but that they created a new business model that better served a growing number of students in terms of convenience and support services. The much-discussed failings of for-profits aside, nonprofits have much to learn from their for-profit peers in some key operational areas.

Nonprofit higher education is just starting to catch up with the for-profit business model innovation. Newly emerging technologies allow institutions not simply to do current activities better but, rather, to more fundamentally rethink those activities. Adaptive or personalized learning advances, MOOCs and “flipped” classrooms, e-books and open education resources, immersive learning environments (inspired in part by highly engaging computer games), and more online offerings used in various configurations (e.g., hybrid, low residency, fully virtual) are powerful components in rethinking how we get the job done. In these ways, nonprofit higher education is finally using technology to experiment with its business models, thus finding ways to lower costs and serve more students. This use of technology is at once most promising and also more threatening to incumbent stakeholders.
Outcomes-Based Learning
Much of traditional higher education is based on prescriptions or inputs, items that have long been valued and presumed to be tied to quality:

- How many books are in the library
- How many PhDs are on the faculty
- The average SAT scores and high school GPAs of entering classes
- The pedigrees of the faculty and what they have published

The assumption has been that if all these concerns are well addressed, students will receive a good education. The actual outcomes of that education are often ill-defined outside of high-stakes fields such as nursing, engineering, and accounting (where third-party validation often shapes outcomes and then validates students’ mastery). Traditional higher education has generally been hazy on defining and assessing the learning outcomes of its degree programs, and for a very long time society has been content that a college degree is a reliable signal of largely-agreed-upon outcomes: the ability to communicate, solve problems, and reason quantitatively and the achievement of a certain level of professional maturity. This is no longer the case.

Though often criticized, Richard Arum and Josipa Roksa’s 2011 book Academically Adrift questioned how much value-added learning was actually taking place on U.S. campuses. The book touched a national nerve. From inside the higher education industry, it echoed employers’ increasing complaint that new college graduates were arriving in the workplace with gaps in basic skills such as the ability to communicate well, do basic math, or work in teams. According to a December 2011 poll, less than 10 percent of employers thought colleges did an “excellent” job of “preparing students for work.” In a poll from August–September 2012, nearly one-third of employers gave higher education fair to poor marks for preparing students with basic workplace skills. In another example of disaggregation, new specialized companies such as Fullbridge are bringing workplace skill training to higher education institutions, including many blue-chip and high-status colleges and universities, to help close this gap. In August 2013, President Obama added his voice to the call for more outcomes-based learning and for better knowledge regarding what students actually know when they graduate.

Although outcomes-based learning is in part a response to the need to provide better evidence of the claims we make for student learning, it has also provided a way of thinking about alternative paths to earning college/university credits and a degree. The Council for Adult and Experiential Learning (CAEL) has long championed Prior Learning Assessments (PLAs), a portfolio approach allowing adult learners to earn credit for what they have already learned along the way. Excelsior College, Charter Oak State College, and Western Governors University, for example, allow students accelerated options for demonstrating their completion of outcomes. CBE (competency-based education, often used interchangeably with “outcomes-based learning”) has become a hot topic, and my own institution, Southern New Hampshire University (SNHU), broke new ground in April 2013 when it became the first university to be approved for “direct assessment of student learning” by the U.S. Department of Education. As a result, federal financial-aid dollars now pay for completed competencies instead of for three-credit courses. Put another way, educational attainment can now be untethered from time.

This change has profound implications. The Carnegie unit, or the three-credit-hour course, has been the Higgs boson of higher education. Originally intended to provide a basis for awarding pensions to retired faculty members, it has come to insinuate itself into every facet of higher education. It is how we unite knowledge, at least as students come to know it and as faculty come to share it. It is how we apportion workload. It is the building block of curricula and programs. It shapes resource and room allocation. And it is the basis for awarding tens of billions of dollars of federal financial aid, the monetary fuel that sustains the industry. The problem is that the Carnegie unit has allowed us to be very good at reporting how long students sat at their desks but not very good at demonstrating what they learned. Seeing that Sally Smith earned a “B” in sociology is helpful for knowing that she outperformed someone with a “B-” or a “C+,” but it sheds no light on what Sally actually learned as a result of taking that class. CBE reverses the time/learning relationship: it makes very clear what students know, and it places far less emphasis on the time it took students to get there.

CBE makes very clear what students know and places far less emphasis on the time it took students to get there.

Summary of the Macro-Level Shifts
When taken together, the three macro-level forces of disaggregation, technology, and outcomes-based learning provide a platform for enormous innovative possibility. They allow us to play with the component parts of our educational models,
give us the tools for doing so, and provide a way of demonstrating the efficacy of those efforts. Put another way, if we can be crystal clear about the claims we make for learning and confident in our assessment of student mastery (outcomes-based learning), we should worry far less about inputs and prescription. Disaggregation and technology allow us to reimagine delivery models in a variety of new ways, while outcomes keep those experiments honest by testing their effectiveness. If the core crisis in higher education is one of sustainability, being focused on the job to be done and having a grasp of these three forces and what they make possible gives institutional leaders a new way to think about recasting their future.

Rethinking the Business Model
The need to reinvent underlying business models is increasingly urgent. Revenues are no longer ensured, and many institutions are now seeing expenses outpace revenue growth. A July 2012 report from Bain & Company looked at 1,700 public and private nonprofit institutions and found that one-third were on an “unsustainable financial path” and that another 28 percent were “at risk of slipping into an unsustainable condition.” Although critics of the report rightly point to some skewed data related to wealthy institutions whose endowments were hit hard during the Great Recession (and whose endowments have since largely recovered), the basic trends analyzed in the report are undeniable:

- Net tuition is declining and, in one-third of institutions, not keeping up with inflation.
- Families are much less able or willing to pay high tuition bills.
- State aid has dramatically declined.

This has little to do with academics (though spending on academics is obviously one factor in the financial calculus of any institution) and everything to do with the underlying financial models of many higher education institutions. In the hard-nosed way of financial analysts, Moody’s Investors Service has lowered the credit rating of many widely admired and selective private colleges, including Oberlin, Wellesley, Haverford, and Morehouse, as well as public colleges such as St. Mary’s College of Maryland and even the Pennsylvania State System of Higher Education.

For the most part, institutions have responded by finding new revenues in ways that really do not differ much from what they already do. Greater use of campuses during the summer is common. In the search for higher net student revenues, many institutions have sought students who are able to pay more, such as when public institutions look for more out-of-state students or when institutions increasingly seek out full-pay international students. Some campuses have entered into nonrelated business interests, such as partnering with continuing care retirement communities. Many have added more-lucrative graduate programs, and a large number are moving into the online market (perhaps too late in many cases). In most instances, these efforts have helped somewhat, but they have not effectively addressed the growing sustainability problem because that problem is more fundamentally structural and “baked into” the existing business models. One answer is to simply restore previous levels of public funding and agree that although education is expensive, it is worth the cost and is deserving of more taxpayer support. But there is little in the public debate or in the austerity bias of the country today to suggest that more support for the existing model will happen any time soon. And no one can cut enough from expense lines to reach sustainability, though there are surely gains to be made in the exercise.

No, for many higher education institutions, long-term survival means revisiting existential questions of what their mission is, who they serve, what jobs they are being asked (and paid) to do, the claims they can make for their learning model and how they know—accompanied by a willingness to harness the forces of disaggregation, technology, and change management to rethink the underlying economics of what they do. Business model change is seriously hard work, often made harder by traditional governance and traditions and status (the higher the status, the harder the change). The process will be different for each institution. For many colleges and universities, a failure to rise to the challenge will render them a shadow of their former selves or will lead to their complete disappearance from the higher education landscape.

Notes
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