



LAWLOR

MARKET INTELLIGENCE,
INTELLIGENT SOLUTIONS



**Find the
citation
links for our
statistics at**

**[lawloradvisory.com/
trends2019](http://lawloradvisory.com/trends2019)**

Trends for 2019

Three Things the Marketplace Is Telling Private Higher Education —and How It Should Respond

LAWLOR advises colleges, universities, and education associations throughout the United States, providing intelligent solutions for dealing with the challenges of today's higher education marketplace. Based on a breadth of perspective and data-based insights, our annual trends report identifies market pressures that impact the compelling expression of an institution's brand strengths—and consequently, its efforts to enhance value, create distinction, and generate enrollment results in the coming year. For the 2019 edition, we examined the attitudes of prospective students and their families that are requiring independent colleges and universities to adjust how they express their value.

TREND ONE | “We want career readiness.”

High school students say ...

63%

My career plans are affecting my college choice.



70%

I would go to a college that approaches education that way.



81%

I would like to see colleges promote education and skills-training rather than only offering majors for future employment.

Today's 13- to 21-year-olds are farther along in their career planning than previous generations were. Non-traditional-age students, as has always been the case, largely have career motives for attending college. Now even Gen Zs are thinking about their career paths and finding ways to get career training—and doing so at an earlier age than Millennials did: 67% already know what career they want to pursue, and only 3% haven't given it a thought yet (XYZ University).

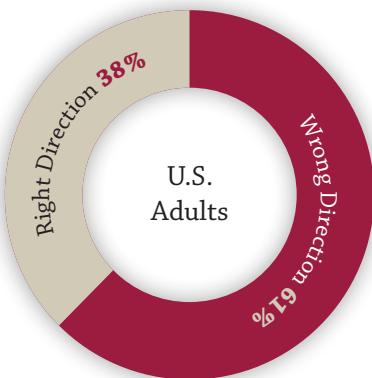
Expectation of employability is the most prevalent reason for going to college. 72% of college-goers say getting a good job is their top motivation (Strada-Gallup), and “job placement” is just as important a factor in influencing college choice among high school juniors as “academic quality/reputation” and “desired program of study” (NCES).

Students are gravitating toward the college majors they consider to be better career paths. Between 2010-11 and 2015-16, the number of bachelor's degrees awarded for computer sciences and engineering increased 38% and by 27% for natural sciences and mathematics, yet dropped 5% for humanities (NCES). While 62% of STEM students strongly believe their major will lead to a good job, only 40% of liberal arts majors do (Strada-Gallup).

Source: College Savings Foundation

TREND TWO | “We think you’re overcharging.”

Higher education is going in the ...



because ...



Source: Pew Research Center

Private college sticker prices are beyond what families consider optimal.

The average sticker price for tuition and fees at private nonprofits for 2018-19 was \$35,830 (College Board), even though the optimal sticker price at which families would consider it neither too expensive nor too cheap was \$29,000 (Encoura).

Even the net price at private colleges is an affordability stretch for most students. Among students at private nonprofit colleges in 2015-16 who were awarded any type of federal aid, 54% came from families with income of \$75,000 or less, and their average net price was \$18,811 (Tuition Tracker).

Families’ demands for institutional aid are cutting into private colleges’ net revenue. Despite an inflation-adjusted average annual rise of 2% in their sticker prices since 2012 (College Board), private colleges have experienced an inflation-adjusted average annual decline of 0.2% in their net tuition revenue from first-year students (NACUBO).

TREND THREE | “We are skeptical you’re worth it.”

A MAJORITY OF AMERICANS AGREE ▼

College degrees aren’t worth as much as they used to be.



69%

Source: American Staffing

Learning a specific trade is better for finding a job than a bachelor’s degree.



68%

Younger adults are less likely to believe going to college is a positive in the cost-benefit calculation. When asked, “Considering the costs to attend college versus the benefits of graduating, do you think college is worth attending, or not?” 68% of all adults say it is—but only 40% of respondents under age 40 believe college is worth attending (WGBH).

Underemployment after graduation (in a job that doesn’t require a college degree) is high. 43% of college graduates are underemployed in their first job, and 67% of them are still underemployed five years later. Underemployed recent college graduates ages 22 to 27 earn 27% less than the average salary for a recent graduate employed in college-level work (Burning Glass).

Employers of recent college graduates sense they lack preparation in important skill areas. Only 35% of corporate employers believe new hires are well prepared to perform at a high level in a professional environment (Workday). Skills that business executives consider most important but find graduates lacking include critical thinking, analytical reasoning, application of knowledge/skills, and written communication (AAC&U).

How Private Higher Education Should Respond

Prospective students and their families calculate college value by factoring in cost, quality, and outcomes. With so much pressure on the cost side, it has become more important than ever for private colleges and universities to link what they provide with its results.

LAWLOR recommends two avenues for strengthening this link—and thus delivering value.



Relevance

“The courses I took are directly relevant to what I do at work.”

“I learned important skills during my education program that I use in my day-to-day life.”



STRONGLY AGREE



77%

likelihood to
strongly agree

**“My education was
worth the cost.”**

Source: Strada-Gallup

How people perceive the relevance of their college education is the primary driver of whether or not they believe it was worth its cost. Findings from the Strada-Gallup Education Consumer Survey reveal that college-goers’ ratings of relevance are three times more powerful at predicting value than average SAT/ACT math scores, student loan default rates, average cost of attendance, alumni income earnings, or graduation rates.

But do alumni view their college education as relevant? In the survey, only 21% of bachelor’s degree-holders gave a 5 rating on a five-point scale to their education’s relevance in both work and life. Field of study impacts perceptions of work relevance.

For instance, 18% of language and philosophy majors and 17% percent of social science majors believe their education was directly relevant to their career, compared to 27% of STEM majors. Overall, college-goers reported higher levels of coursework relevance in their day-to-day life (3.9 mean score) than in their work (3.3 mean score).

With room for improvement in career relevance, colleges and universities that can successfully communicate how their courses deliver the knowledge and skills demanded in the workforce will be in a better position to positively influence perceptions of their value. And this must be communicated frequently via multiple channels.

Guidance

"I had a mentor who encouraged me to pursue my goals and dreams."

**STRONGLY
AGREE**

1.9

more likely to
strongly agree

**"My education was
worth the cost."**

Source: Strada-Gallup

Meaningful mentoring relationships during college positively impact alumni perceptions of whether or not their **education was worth its cost**. Findings from the Strada-Gallup Alumni Survey reveal 43% of alumni agree (25% strongly) they had an undergraduate mentor who encouraged them to pursue their dreams and goals. Among these alumni, 64% identified their mentor as a professor, with the remainder saying their mentor was a college staff member (10%), a friend or family member (16%), or an extracurricular activity adviser or athletic coach (6%).

In terms of what they were advised about, 90% of mentored alumni say their mentor provided guidance on their career. In fact, alumni were more likely to have received career advice from faculty or staff members (33% saying they received it often or very often) than from their career services office (22%). And while only 30% say the information they received from the career services office was helpful or very helpful, 49% say the same about the advice they received from faculty or staff members. But those who said the career services office was very helpful were nearly three times more likely to say their education was worth its cost than those who said career services was not at all helpful.

Taking the findings about mentorship and career advising together, colleges and universities that can successfully communicate how they guide students in their career preparation will be in a better position to positively influence perceptions of their value. Engaging alumni to help communicate this will help facilitate success.