

# BEYOND THE DEMOGRAPHIC CLIFF: THE NEW OPERATING MODEL FOR HIGHER EDUCATION

U.S. higher education must shift from cyclical adjustment to permanent structural transformation amidst shrinking pipelines and eroding confidence.

## THE FORCES DRIVING THE TRANSFORMATION

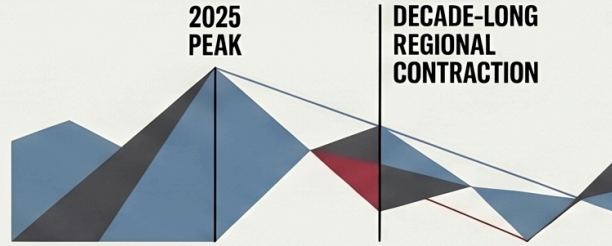
### PUBLIC CONFIDENCE HAS COLLAPSED



**36%** of adults express high confidence in higher education  
Down from 57% in 2015



### THE 2025 ENROLLMENT PEAK



### 56% AVERAGE DISCOUNT RATE

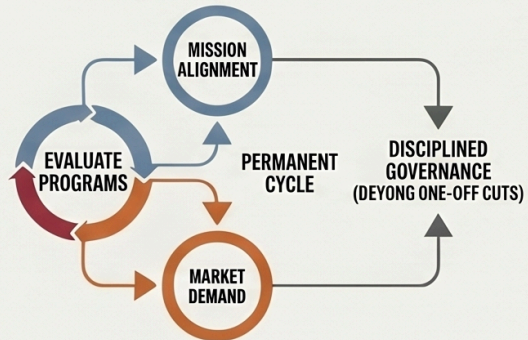


PRIVATE NONPROFIT DISCOUNT RATES REACH RECORD HIGHS

Creating unsustainable margin compression for tuition-dependent schools

## STRATEGIC LEVERS FOR RESILIENCE

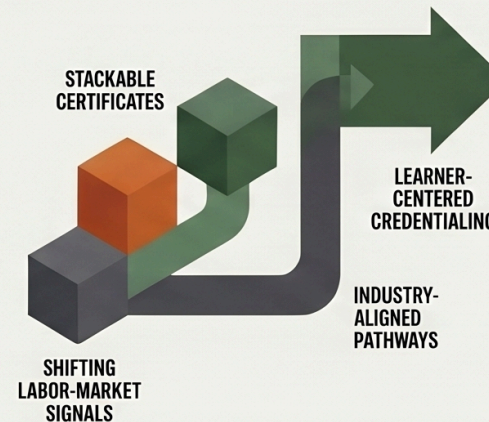
### DISCIPLINED PORTFOLIO GOVERNANCE



### OPERATING MODEL CONSOLIDATION



### LEARNER-CENTERED CREDENTIALING



### COLLEGE STRESS TEST INDICATORS

	1-3% ENROLLMENT SHORTFALL	→ STRUCTURAL DEFICIT FOR TUITION-DEPENDENT SCHOOLS
	NEGATIVE CREDIT OUTLOOK	→ INCREASES COST OF CAPITAL & PRESENTS DEFERRER MAINTENANCE
	STRATEGIC DRIFT	→ FREQUENT LEADERSHIP TURNOVER & FACULTY DISTRAST (LACK OF IDENTITY)