RESEARCH BRIEF

How Campus Decision Makers See the Opportunities and Challenges Ahead

THE CHRONICLE OF HIGHER EDUCATION

WITH SUPPORT FROM workday.

6110 Stoneridge Mall Road
Pleasanton, CA
94588

+1-877-967-5329
workday.com

As a former higher education CIO, I can identify with the complex pressures facing our campuses today. At Workday, we are committed to staying deeply connected to the industry—to both understand these evolving headwinds and to identify the opportunities that these challenges can often create. As part of that commitment, we are proud to support this report that surveyed 453 campus decision makers and explored how we can build cross-campus consensus to not only face our headwinds but thrive.

We're also proud of the fact that we conduct our own higher education research at Workday, talking to our customers and prospects through our global advisory councils, product design groups, and more. At the same time *The Chronicle* was conducting the survey for this report, we asked our advisory groups about their top challenges and opportunities. Comparing the findings shows a clear consensus. Both studies highlight an immense financial and operational squeeze. *The Chronicle* found that stabilizing finances and improving faculty and staff morale are top priorities for the next 12 months, with rising operating costs cited as a major challenge. Similarly, our advisory group survey revealed that 79% of leaders face severe pressure from rising operational costs. However, our internal research also highlighted a unique AI paradox: 84% of institutions view the rapid expansion of AI as a severe challenge, yet 79% see AI-driven efficiency as their top opportunity to reduce costs. Most importantly, both studies undeniably agree on the foundational core: improving student outcomes and the student experience remains a non-negotiable imperative.

To help institutions navigate this environment, Workday remains closely engaged with the industry through continuous dialogue with campus leaders. We are helping them reimagine how work gets done across the institution. Unlike fragmented solutions, Workday AI is built into the very fabric of HCM, finance, and student data, operating within a single, secure ecosystem. This architectural integrity ensures that data is clean, secure, and ready to work. By automating transactional burdens, we're helping institutions reclaim time for what truly matters: student outcomes and institutional growth. Together, we're building a more resilient, AI-driven future for higher education.

Sincerely,

Mike Hofherr
SVP Higher Education, Workday

How Campus Decision Makers See the Opportunities and Challenges Ahead

By David Wheeler

Contact CI@chronicle.com with questions or comments.

Cover image: iStock

EXECUTIVE SUMMARY

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In the past year, colleges and universities have faced an onslaught of political and financial challenges, including cuts to research funding, federal-government reviews of college admissions, and visa restrictions that sank international-student enrollment. Other threats have included accusations by policymakers and parents that college degrees are no longer worth the cost and the fear that artificial intelligence will change the job market faster than colleges can revamp their academic offerings.

Campus decision makers view such headwinds differently. Depending on the type of institution they are at and the position they hold, opinions vary widely over which threats are existential. But at most colleges, administrators understand their survival depends on building a shared vision of today's threats and tomorrow's solutions.

With that in mind, *The Chronicle of Higher Education,* with the support of Workday, surveyed 453 college leaders nationwide about their decision making and how they are planning for their institution's future. Additional interviews with provosts, chief information officers, and chief financial officers helped tease out the differences in perspectives among roles.

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Neither money worries nor the much-discussed "enrollment cliff" sit at the top of higher-education leaders' minds. Instead, faculty and staff morale is the most cited strategic priority for the next year, the *Chronicle* survey found.

"That was really surprising to me," says Carlota Ocampo, provost at Trinity Washington University, in D.C., after reviewing the survey results.

Aside from concern about faculty morale, the survey responses were often strikingly positive, particularly on hopes for student enrollment and growing net revenue. "There was lots of optimism in a time that is really challenging, and a lot of confidence," says Jane Livingston, vice president for information technology at the University of Notre Dame. She feels optimistic herself, but noted she is at a highly selective private institution with strong finances. She realizes other institutions, such as regional public colleges or small, enrollment-dependent private institutions, may be more fearful about the future.

Despite the optimism, college leaders are aware this is a time for heightened vigilance. They keep a sharp eye on state and federal funding, and follow such changes as the elimination of the "Grad PLUS" program, which had supported graduate students with low-interest loans and, in turn, supported many graduate-degree programs. Rising operating costs are also a major concern as inflation from the war with Iran ripples through the economy.

In interviews, college leaders report scanning the political environment and the market for their services carefully. At Notre Dame, leaders are reflecting on a question that may be familiar to leaders at many institutions. "Are we going to double down and build on our already amazing strength in this space," says Livingston, "or are we trying to grow in another space?" Enrollment-dependent institutions are often forced to consider adding new programs or more aggressive recruitment. Other colleges are looking at partnerships with their higher-education neighbors, corporate partnerships to develop industry-specific curricula, or creating non-degree programs to meet new market needs.

In interviews and comments, some college leaders say key challenges they face were missing from the survey, like responding to the societal devaluing of college education, resisting attacks on academic freedom, and navigating the changes artificial intelligence will require of curricula, pedagogy, and career services. While diversity, equity, and inclusion efforts have come under political scrutiny from the Trump administration, many leaders say they want their institutions to remain accessible to a broad swath of society. "We're very committed to the idea that we must achieve equity in society by making sure that we serve those who have been historically excluded," says Ocampo.

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She would like to see higher-education institutions come together in a more effective coalition than they have in the past to make the case that higher education has value. Other leaders agree: "It is ludicrous in a knowledge-based society that we are devaluing the importance of higher education," says Colin M. Coyne, vice president for finance and business affairs, at Samford University, near Birmingham, Ala. "The need for synthesis and discernment is greater than it's ever been."

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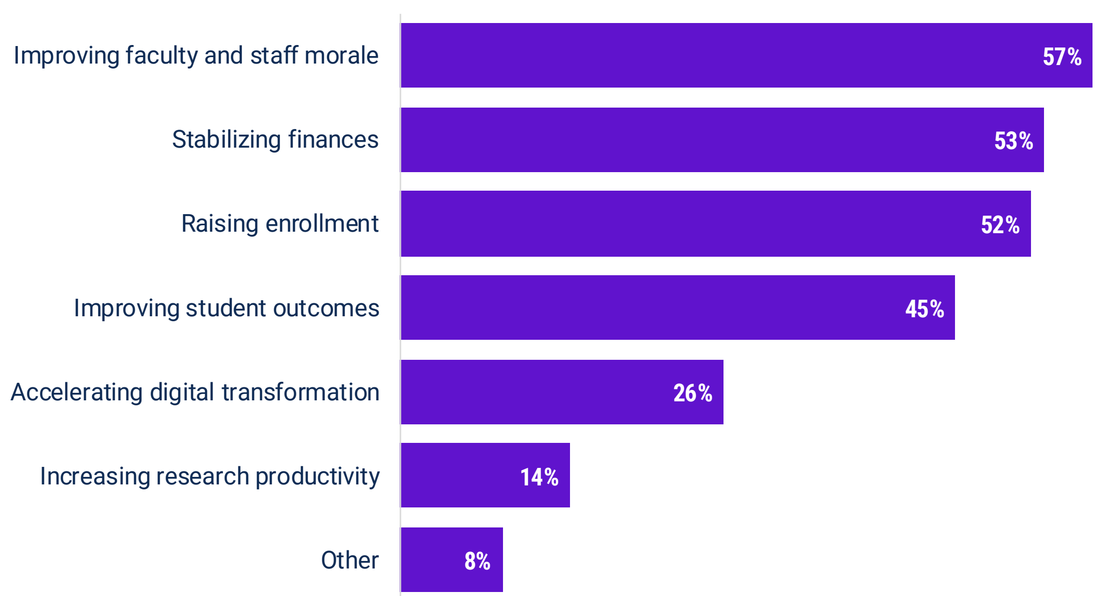
A Focus on Morale

When the *Chronicle* survey asked college leaders what their top strategic priority should be over the next year, the top four responses were improving faculty and staff morale, stabilizing finances, raising enrollment, and improving student outcomes, in that order.

That faculty and staff morale was so high on the list was surprising to some leaders, but not to others. "We have had a decade of faculty feeling that they've been asked to do more and more," says Paaige Turner, provost at Aurora University, in Illinois. Although she has confidence in the morale at her own institution, other college leaders say more of the burden for student success has been placed on faculty members, many have had to learn to teach online, and many are faced with larger classes, all while monitoring a political environment demeaning the worth of college teaching. "I would imagine that faculty are now feeling, both internally and externally, that what they do isn't valued," Turner says. Wendy Sherman Heckler, provost at Otterbein University, in Westerville, Ohio, says she has heard concerns about faculty and staff morale at meetings of leaders of other small independent colleges, some of whom are having to forgo faculty raises or cut positions. Otterbein itself has avoided layoffs, Heckler says, by using attrition to trim positions when necessary. And it involves faculty members in deciding how new positions freed up through attrition should be allocated, she says, when it's possible to keep the positions filled.

Likewise, at Haverford College, in Pennsylvania, Nico Washington, vice president for finance and

What should the top strategic priority be for your institution over the next 12 months?
(Select all that apply.)



Source: *Chronicle* survey of 453 college leaders

administration, says strong shared governance helps retain faculty and staff. “We’re very collaborative as an institution. Everybody’s voice is heard, everybody’s a part of the conversations appropriately.”

Coyne, at Samford University, says that while poor morale can often be traced to compensation, an equally important factor is lack of transparency and access to information. He tries to remedy that by making financial dashboards available to those who need them and treating deans like chief executive officers in charge of the part of the university they lead. “There’s not a number here that I’m not willing to share,” he says, looking around his office.

Large institutions have their own challenges when it comes to morale. At Florida International University, in Miami, with roughly 11,000 employees, El paignier Kay Hudson, senior vice president for human resources, recalls how the university began in 2010 to try to win recognition in the annual “Great Colleges to Work For” survey, a program run by ModernThink, a management-consulting firm specializing in higher education. An early survey indicated improvements were needed before Florida International even tried to seek that honor. University leaders began meeting with groups of about 125 employees to hear about their experiences working at FIU. Then, Hudson says, the university tried to focus on “elevating the experience employees were having.” She says the university sought to restore relationships with union leaders and provide clearer paths for growth in the institution’s compensation and classifications system.

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Recognizing that Miami has a high cost of living, the university has food banks for employees and students. It has a TLC Brigade that helps those who run into particular hardships, such as a medical emergency or not being able to pay rent. It has an awards ceremony, she says, that is “a festive, authentic, genuine expression of appreciation for faculty and staff.”

All those efforts, she says, have contributed to the college being named to the honor roll consistently in “Great Colleges to Work For” categories.

“Organizational culture means a lot to FIU,” she says. But she stresses that faculty and staff morale is never a “one and done.” “It’s important to keep your finger on the pulse,” she says.

At Trinity Washington University, Ocampo is puzzled that other colleges regard faculty and staff morale as a “strategic priority.” She believes morale should be considered a basic institutional requirement rather than a priority that can come or go. “It should be a constant obligation to provide an environment where faculty and staff feel like they’re appreciated,” she says, “like they’re contributing to a mission that is important and like their work is valued.”


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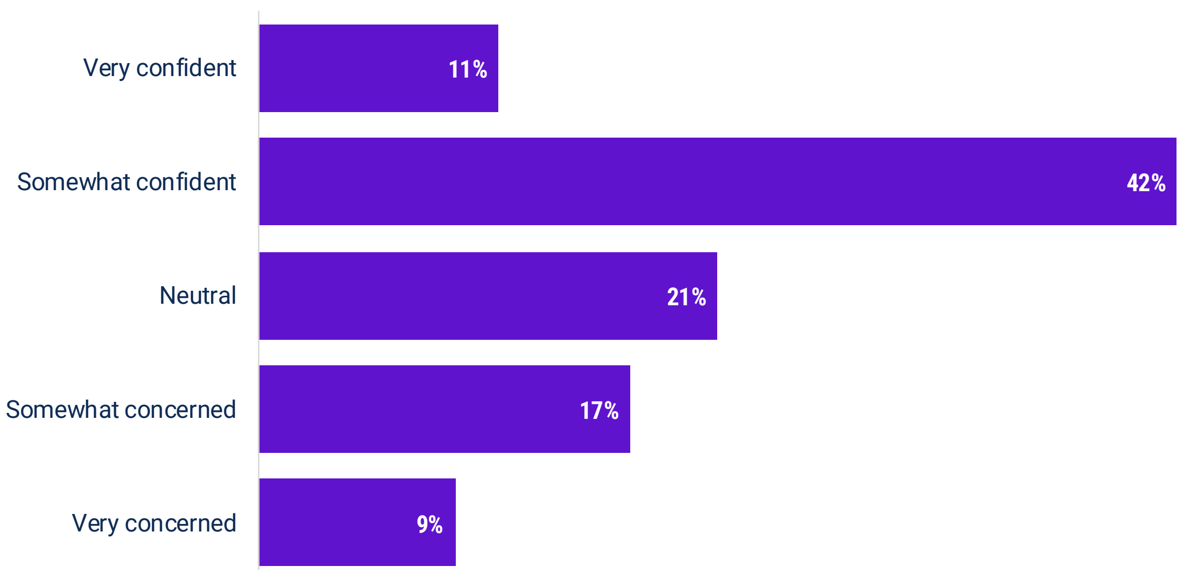
Two Key Concerns: Money and Students

Although college leaders expressed strong confidence in the *Chronicle* survey about their institutions' futures, they also expressed wariness about costs and enrollment. Fifty-three percent of those who responded to the survey were either very confident or somewhat confident that their institution would grow net revenue over the next three to five years. College enrollments are often tied tightly to revenue and there, again, leaders were optimistic. Fifty-eight percent of those surveyed said they were very confident or somewhat confident about growing enrollment over the next three to five years. "The top strategic priority has to be enrollment," says Ocampo, at Trinity Washington. "That's our operating budget and so many other things." Strong enrollment has to be followed up, she says, with strong retention and services to make sure students are successful in college and starting careers.

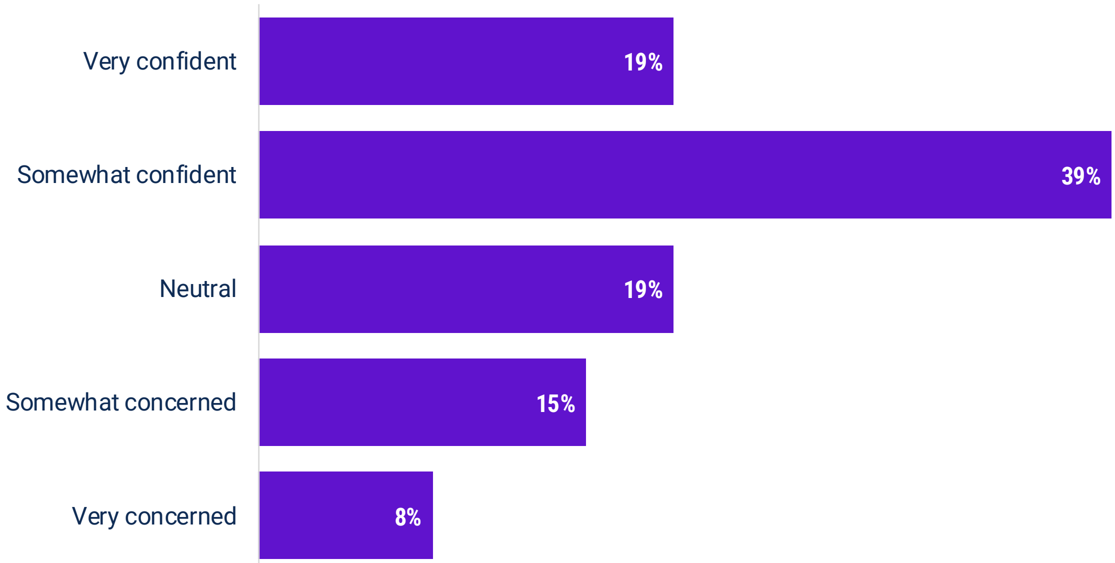
"The top strategic priority has to be enrollment."

How confident are you that your institution can grow net revenue over the next 3–5 years?



Source: *Chronicle* survey of 453 college leaders

How confident are you that your institution can grow enrollment over the next 3–5 years?



Source: *Chronicle* survey of 453 college leaders

The optimism expressed in the survey's results about finances and enrollment drew skepticism from some who reviewed the results. Turner, at Aurora University, calls them "incongruent" with what she hears about the financial and enrollment threats that are resulting in some colleges closing. Dean Hoke, former president of the American Association of University Administrators and the host of the podcast *Small College America*, says enrollment is a much more serious challenge than the survey reflected.

Indeed, the optimism in survey results had a flip side. When *The Chronicle* asked college leaders to rate their most significant challenges, the top four related to either enrollment or costs. Three cost-related challenges were, in order of importance, state or federal funding uncertainty, rising operating costs, and technology and infrastructure demands. Declining enrollment was regarded as either a critical or major challenge by 47 percent of respondents.

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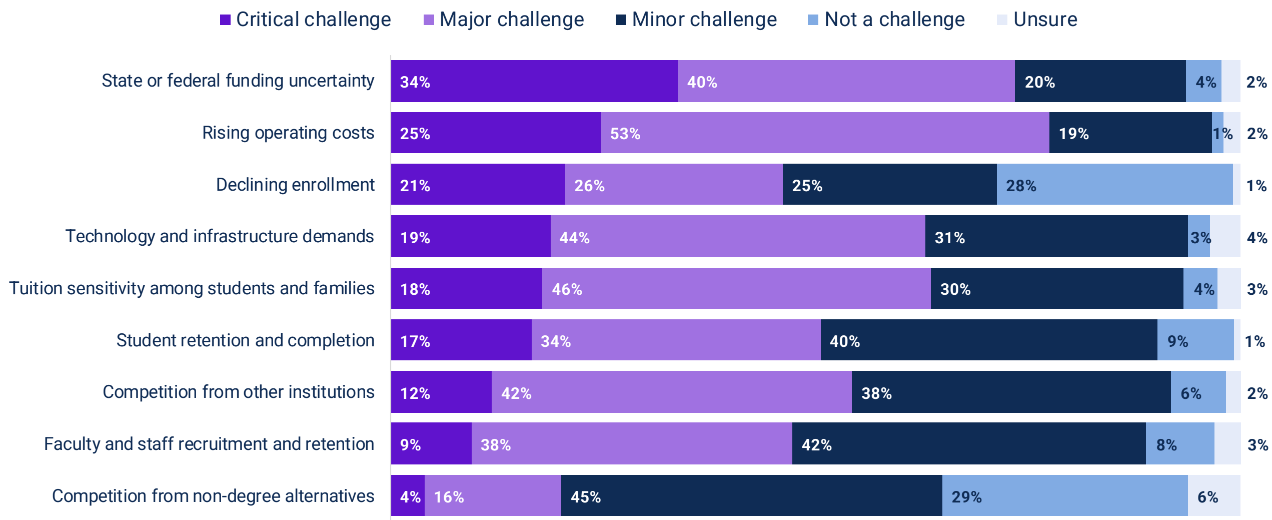
How significant are the following challenges for your institution?



Source: *Chronicle* survey of 453 college leaders
Note: Percentages may not equal 100 percent due to rounding.

Falling enrollment is not a concern in states like Florida, where the college-age population is rising. At Florida International University, Hudson reports record-breaking freshman classes over the past three years. Even in Northeastern states, highly selective institutions such as Haverford College, which had 6,730 applications for 400 places last fall, are less concerned about student recruitment and more concerned about adding to their endowments so they can help students who have difficulty affording their institution's "sticker price."

Colleges have to worry about the same rising costs — health care, technology, and energy — as many industries do. But colleges do come with their own financial quirks, such as paying for the manikins used in nursing education that have software-subscription and maintenance costs.

Institutions that emphasize in-person instruction and campus life need to worry about the state of buildings. "We have 3.2 million square feet, and it's getting older every day," says Coyne of Samford, who came to higher education from the corporate world. Deferring maintenance for too long can be a time bomb for many institutions, he says, and their credit rating and their buildings can suffer.

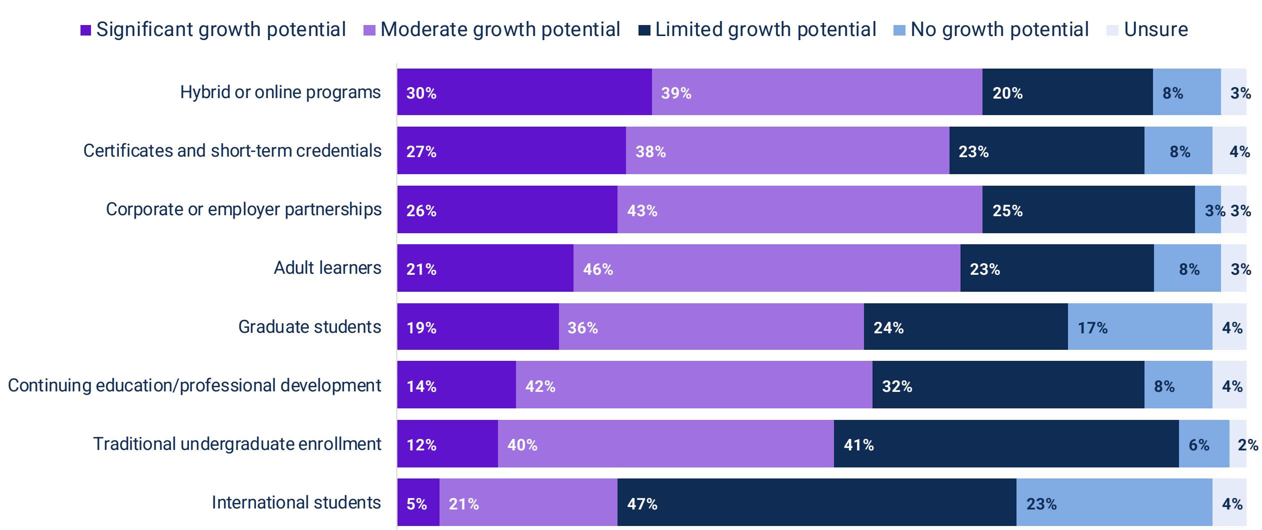
When Coyne first transitioned to higher education, he told colleagues that "The No. 1 phrase they should tattoo on their head is 'opportunity cost.'" By that he means that colleges should look carefully at what else they could do with the money spent on any line item. Institutions, he says, need to be obsessive about allocating resources to get maximum return on investment in supporting the institution's mission. He and other CFOs report going over budgets with a fine-tooth comb, as Coyne puts it, “from tater tots to parking lots.” What is really necessary? What can be trimmed? What can be outsourced?

Coyne, like other CFOs, is acutely aware that retention has major financial benefits along with fulfilling a college’s mission. He has calculated that a 4-percent increase in retention rates is worth three times as much as pulling 5 percent each year out of a $100-million gift to the university’s endowment. (Samford has managed a 6-percent increase in retention and recently landed a $100-million gift.) “The best customer is the one you already have,” he says. Both retention and strengthening endowments are important, he says, but colleges searching for presidents may want to make sure their candidates care as much about improving retention as they do about fund raising — the latter skill being something many search committees focus on. Samford has tried to “invest into quality,” Coyne says, even if it seems counterintuitive given the risk of falling enrollments. He believes the result of the investment has enhanced the institution’s national reputation and attracted more students. The Samford approach, he says, shows smaller institutions can increase share and net revenue, getting “a bigger slice of a smaller pie.”

Interviews with provosts and chief financial officers reveal they are as apt to talk about students and their parents as they are about budgets. “I have seen families coming to the registrar’s office to pay the tuition bill in cash they earned that day,” says Turner, at Aurora University. “Every time I talk about revenue optimization, I see that family handing over those dollars, and I want to make sure those dollars go as far as they can.”

Along with optimizing expenditures, many colleges seek to diversify their revenue. Programs favored by college leaders when they look for growth potential, the *Chronicle* survey found, are hybrid and online programs, certificates and short-term credentials, corporate or employer partnerships, and courses for adult learners.

How much growth potential do you see in the following areas for your institution?



Source: *Chronicle* survey of 453 college leaders
Note: Percentages may not equal 100 percent due to rounding.

New online programs have their skeptics. "I don't hear as much as I used to about hybrid and online," says Hoke. "It's so mature as an industry. If somebody's talking about doing something about that now, they're 10 years too late."

New investments in program offerings need to reflect an institution's values and expertise. Haverford recently opened the Michael B. Kim Institute for Ethical Inquiry and Leadership that mirrors the college's liberal-arts tradition and an already-strong emphasis on ethics, says Washington. "It stands behind who we are as an institution," she adds.

Aurora University, which has large proportions of first-generation, low-income, and Hispanic students, has had strong student enrollment but still has to keep a diversification mind-set, says Turner. Recognizing that not all students finish their education in neat two- or four-year blocks, she says, the university is trying to create smooth off-ramps and on-ramps to make it easier for students to come and go. It wants to attract more transfer students and to partner with community colleges, offering classes at community colleges and giving those students the ability to use university facilities and attend university events, perhaps making them more likely to transfer to Aurora. In part because Aurora has run out of classroom space, the university is developing more hybrid and online programs, says Turner.

In Ohio, Otterbein University has created a nonprofit partnership with Antioch University, known as the Coalition for the Common Good, which seeks to allow each institution to focus on what it does best and to ward off enrollment and financial challenges. Otterbein has renewed its focus on undergraduate education, particularly in supporting students eligible for Pell Grants, first-generation students, and students of color, says Heckler. Responsibility for graduate programs, such as nursing, health sciences, and business, has largely shifted to Antioch. The two institutions will work together on new educational programs that will serve Ohio's employment needs. "This helped us, I think, just settle into our lane and to try to do things in a way that made sense," Heckler says.

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At the other end of the size spectrum from institutions like Otterbein is Arizona State University, which has nearly 200,000 students, and at times seems to be running toward risk instead of away from it. For example, it is starting a new school of medicine and medical engineering, with the first class enrolling in the fall, at a time when National Institutes of Health funding of research and affiliated overhead is declining.

Chris Howard, executive vice president and chief operating officer, says ASU has been able to generate revenue in ways that are outside the usual higher-education channels of tuition, fund raising, and research. ASU, he says, has been creative with its real-estate portfolio, with leasing land, and creating innovation centers. Those centers monetize ASU's intellectual property and give ASU equity stakes in start-up companies.

Reaching a Shared Vision

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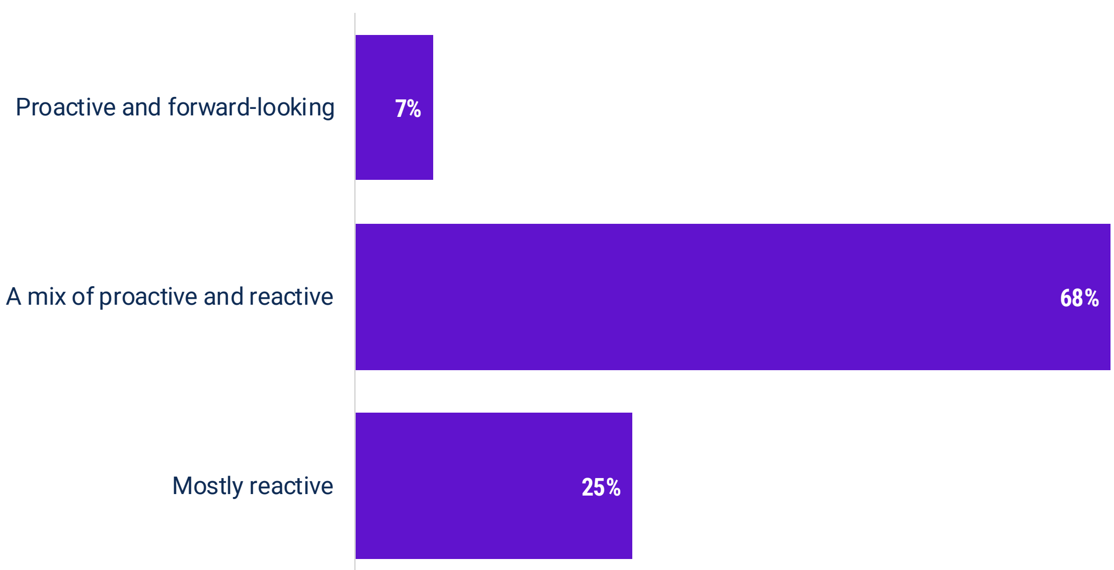
How do colleges make decisions as they weave their way through the challenges they face? The *Chronicle* survey examined the style and effectiveness of academic decision making. Only 7 percent of those who responded to the survey said strategic decisions at their institution were made in a "proactive and forward-looking" manner. Sixty-eight percent said institutional decisions were a blend of proactive and reactive.

Change "is moving at a pace that is really ahead of institutional norms."

Which best describes how strategic decisions are typically made at your institution?



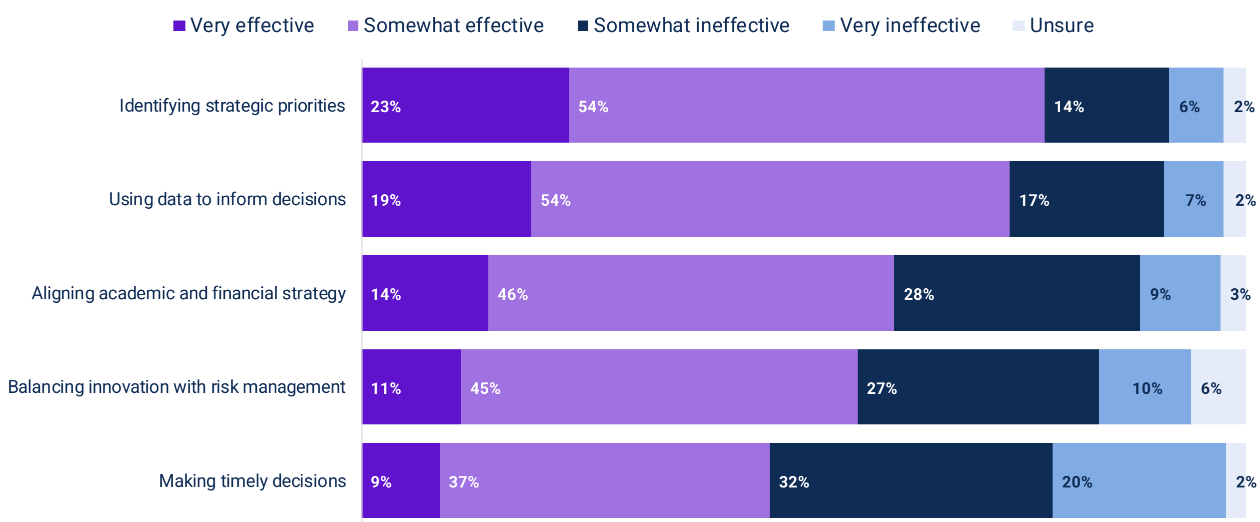
Source: *Chronicle* survey of 453 college leaders

Some college leaders reviewing those results initially found the proportion of those reporting exclusively "proactive and forward looking" decision making to be way too small. But in reflecting on the recent past, when colleges have had to respond to sudden, intrusive, and difficult-to-predict political attacks and economic shocks, many observers found it reasonable that the large majority of respondents reported decision making as a mix of proactive and reactive.

At Cornell University, Ben Maddox, the chief information officer, notes another influential factor in the shifting academic environment that requires reactive decisions: artificial intelligence. In the last three years, he says, change "is moving at a pace that is really ahead of institutional norms."

Only 9 percent of those surveyed said university administrators are "very effective" at making timely decisions, a statistic that could be cherry-picked by those seeking to mock academe. On the positive side, 77 percent said that administrators are either very or somewhat effective at identifying strategic priorities. Those answering the survey gave relatively high marks to their colleagues for informing decisions with data, keeping academic and financial strategy in tune with each other, and balancing innovation with risk management.

How effective are your institution's senior administrators at collaborating to do the following?



Source: *Chronicle* survey of 453 college leaders
Footnote: Due to rounding, figures may not total 100 percent.

In interviews, college leaders say that the nature of academic decision making is consultative. “It isn’t always a top-down world,” says Coyne. “It’s not a corporate world.”

People’s perception of how fast decisions get made also depends on their administrative level, Coyne says. The largest proportion of those answering the survey were at the director level (35 percent), with the second largest proportion at the associate, assistant, or vice dean level (15 percent). Decisions “can never happen fast enough for those who live in the very necessary and important world of tactical implementation,” Coyne says. Strategic thinking, on the other hand, he adds, “requires much greater thought, much greater planning, much better forecasting.” When it comes to college presidents, Coyne says, “Nobody understands the million voices going on in their head.”

At Notre Dame, Livingston says it helps when academic leaders set expectations about how long decisions are going to take and explain what process decisions are going through. Such transparency, she says, results in decisions getting broader support.

The speed of decision making varies widely by type of institution. A large state university under the sway of a state legislature and unions might take two and a half years to start a new degree program, leaders say. A small independent college with a supportive board can get a new program up and running in six to nine months.

At Cornell, Maddox recalls that in the fall when the Trump administration made major political threats to college funding, college leaders held 17 “town halls” in every corner of the campus, with the meetings also streamed online. During an urgent crisis, colleges can’t involve 40,000 people in a decision, Maddox says. But when it comes to discussing broader issues, he believes Cornell leaders engage the community, share information, answer questions, and ask for input.

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He joins once-a-week in-person meetings of the college leadership council. The blend of “decisive collaboration” and community engagement at Cornell, he says, makes him proud. “I have just found it incredibly meaningful,” he says. He mirrors Cornell’s leadership style in once-a-month online “Ask Ben” sessions, in which he welcomes any and all questions from the roughly 1,000 IT staff members at all of Cornell’s campuses.

Similarly, at Haverford, Washington says college leaders meet each week for nearly three hours. Senior staff have two retreats a year, one before the academic year starts, to make sure plans for the year fit into strategic priorities, and another at the end of the academic year, focused on evaluation and assessment and thinking ahead to the next year. In the middle of each retreat, leadership connects with the college's board.

"We do a great job working together," she says. At most institutions, she says, the challenge is not in collaborating but in rebounding from leadership turnover. Turnover can leave new people needing time to catch up and others adapting to a new person. Leadership is much more powerful, she says, when turnover is lower.

At most institutions, a great deal of leadership collaboration is needed to develop strategic plans. When it comes to writing strategic plans, though, colleges may be adapting to the rate of change by shortening their planning time frames. "I don't know anybody who's doing five-year plans anymore," says Hoke.

"I don't know anybody who's doing five-year plans anymore. They're all switching over to two-, two-and-a-half-year plans at most."

"They're all switching over to two-, two-and-a-half-year plans at the most." When it comes to traditional five-year plans, Hoke says, college leaders are saying, "We can't think that far out, and whatever we would think would probably be wrong."

As college leaders consider how to build a shared outlook, each leader looks at their role in supporting collaboration. Livingston believes CIOs can help with that. “We in IT have a balcony view of all of the opportunities and problems across the university,” she says. “We can see all the opportunities, and we can bring people together.”

The goal, she says, is to have “better conversations and make better decisions for the university.”

The future of higher education, she says, won’t depend on which enterprise software or AI systems are adopted. “It’s about how we build frameworks for decisions and a shared understanding of the realities an institution is facing, so you can really get to institutional vision a lot more effectively.”

Livingston is chair of the board of Educause, the higher-education technology association. She points to the Educause Top 10, which lists the 10 leading technological challenges for higher education in 2026. The report also takes a deep dive into the human problems colleges face, using a jazz metaphor in which a band needs to agree on some basic frameworks like tempo and key while freeing up individuals for “improvisation, creativity, and a wild spirit.”

“We must find ways to cultivate human connection,” the report concludes, “both within ourselves and with one another.”

The goal is to have “better conversations and make better decisions for the university.”

At Cornell, Maddox describes the university’s approach to long-term, big-scale planning as one of “scholarly pragmatism.” In September, Cornell formed a faculty-led Committee on the Future of the American University. In forming the committee, Cornell acknowledged that public trust in higher education is at a low point, with widespread negativity about the usefulness of a college education and the belief among some politicians that colleges had developed insular thinking and discouraged broad viewpoints. The committee is charged with considering how to embrace change, “including the possibilities and disruptions presented by AI, while retaining our commitment to the power of reading and writing, dialogue, human ingenuity, and critical thought.”

Says Washington at Haverford: “The greatest challenge is, how do we develop enough scenarios; how do we lean into what we do know to help build a better strategy for the future in an uncertain world?”


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The Chronicle conducted a nationwide survey from February 17 to March 6 of administrators employed at two- or four-year colleges. The online survey had a total of 453 respondents. Forty-seven percent of respondents were at four-year public colleges, 42 percent were at private institutions, and 11 percent were at community colleges.

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900 19th Street, N.W.
Washington, D.C. 20006

202.466.1000 | Chronicle.com