

Risk Alert

Meaningful. Actionable. Timely

January 10, 2024

Value Perception of Higher Education

Only **53%** of Americans think accessing high-quality higher education is affordable according to [Inside Higher Ed](#). The growing perception in society that the value of a degree from institutions of higher education is diminishing poses a significant risk to the reputation and credibility of these institutions. Factors such as rising tuition costs, concerns about job market relevance, and the emergence of alternative education paths contribute to skepticism regarding the return on investment for higher education. Failure to address and effectively communicate the evolving value proposition of a degree may lead to decreased enrollment, erosion of public trust, and challenges in attracting and retaining students, faculty, and financial support.

The Impact Value Perception has on FAMU's Strategic Plan: Boldly Striking

Strategic Priority One (SP1) - Student Success:

The risk directly affects student enrollment and success. If the value proposition of the institution's degrees is not effectively communicated, it may lead to decreased enrollment as prospective students seek alternatives perceived to offer better returns on investment. This can undermine efforts to position the institution as an institution of choice for talented students.

Strategic Priority Two (SP2)- Academic Excellence:

The risk impacts the perception of the institution's academic programs. Concerns about job market relevance and skepticism regarding the return on investment may hinder the pursuit of academic excellence. It is critical to align academic programs with industry needs, communicate the practical benefits of the education provided, and address the evolving expectations of students and employers.

Strategic Priority Three (SP3)- Leverage the Brand:

The risk significantly affects the brand and public perception of the institution. Failure to address the diminishing value perception may lead to erosion of public trust. Effectively communicating the evolving value proposition becomes crucial in leveraging the brand, ensuring positive peer perception ratings, and maintaining customer service satisfaction.

Strategic Priority Four (SP4) - Long-Term Fiscal Health and Sustainability: The risk of diminishing value perception of degrees poses a direct threat to the long-term fiscal health and sustainability of the institution. If not effectively addressed, decreased enrollment and erosion of public trust can negatively impact revenue streams, including tuition income. Philanthropic giving may also be affected as donors may be less inclined to support an institution perceived as offering diminished value. Moreover, challenges in attracting and retaining students can impact the composite financial index ratios and endowment values, crucial components of the measures of success for long-term fiscal health.



Alert Type

Awareness

Watch

Warning



"In recognition of the mounting societal perception that the value of higher education degrees is diminishing, it is crucial to address and communicate the evolving value proposition of our institution's degrees, mitigating risks of decreased enrollment, erosion of public trust, and challenges in attracting and retaining students, faculty, and financial support."

– FAMU Chief Risk Officer Deidre Melton

● Value Perception Risk Mitigation Strategies for Management Consideration:

1. **Effective Communication of Value:** Develop and implement a comprehensive communication strategy that effectively communicates the value proposition of a degree from the institution, highlighting outcomes, alumni success stories, and the unique advantages offered.
2. **Addressing K-12 Teacher Shortage:** Collaborate with K-12 education systems to address teacher shortages and enhance student readiness for college, ensuring a seamless transition from secondary to higher education.
3. **Inclusive Student Recruitment:** Implement targeted recruitment strategies for diverse student groups, including adult learners, incarcerated individuals, and other non-traditional student populations, addressing their unique needs and aspirations.
4. **Reimagine Programming Offerings:** Evaluate current program offerings and develop a diverse range of academic programs that align with industry needs and emerging trends, ensuring relevance and preparing students for the evolving job market.
5. **Executive Education:** Target new student audiences through executive education: Invest in executive education certificate programs or other less-traditional programs to attract new student groups and deliver educational value in alternative ways.
6. **Strategic Vision Alignment:** Develop and communicate a strategic vision that aligns with the future of higher education, incorporating innovations in technology, pedagogy, and industry partnerships.
7. **Competitive Student Recruitment:** Navigate the competition for a small pool of qualified students by highlighting the institution's unique strengths, such as specialized programs, faculty expertise, and exceptional learning environments.
8. **Flexibility in Learning Modes:** Embrace different learning modes, including virtual classrooms and online education, to meet the diverse preferences and needs of students, especially in the current digital age.
9. **Emphasis on Career Readiness:** Strengthen career services and experiential learning opportunities to ensure that graduates are well-prepared for success in the workforce, demonstrating the practical value of the education provided.
10. **Engagement with Industry Partners:** Foster strong partnerships with industry leaders to stay informed about evolving skill requirements, ensuring that academic programs remain aligned with workforce demands. Create industry partnership goals for each college and school.
11. **Transparent Outcome Reporting:** Implement transparent reporting mechanisms for student outcomes, employment rates, and alumni achievements to provide clear evidence of the institution's impact on students' lives.



Chief Risk Officer:

Deidre.Melton@famuedu



Contact:

850-412-5479



ERM Coordinator:

William.Knight@FAMU.edu