

The AGB 2018 Trustee Index

Affordability and Value:
The Governance Lens



Acknowledgements

The Association of Governing Boards of Universities and Colleges is grateful to the Bill & Melinda Gates Foundation for its support of this initiative.

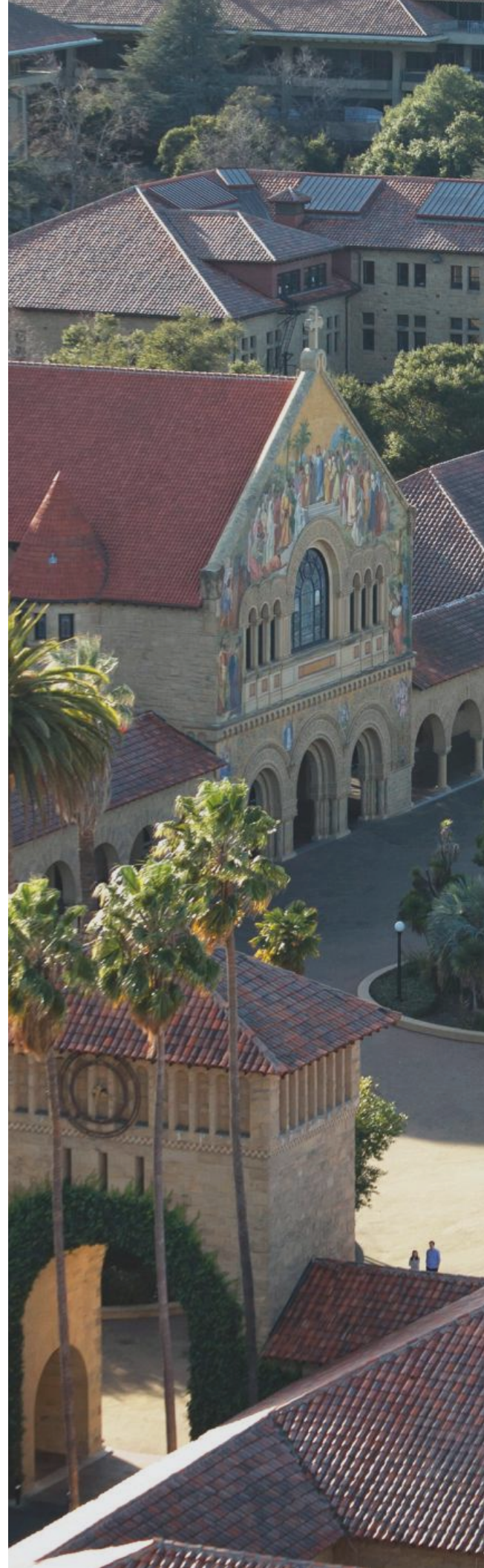
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Dear AGB Members and Friends,

The AGB 2018 Trustee Index provides a sense of the issues that weigh on the minds of members of governing boards of higher education institutions. This second annual index, a component of the association's Guardians Initiative, indicates that governing board members, while more optimistic about higher education than the general public, are concerned about issues related to affordability and the overall value of a higher education. Board members clearly see the link between these two elements as contributing to some of the public's biggest concerns associated with higher education.

As with other aspects of the Guardians Initiative — briefing papers, podcasts, presentations, and board members engaging in conversations about the overall value of a higher education — the AGB Trustee Index provides board members with an important snapshot of their own assessment of higher education. It underscores the issues that need attention within their institutions and across the sector. Addressing these issues with board member advocacy will ultimately benefit the value proposition of higher education overall.

AGB is grateful to the Bill & Melinda Gates Foundation for its support of the Trustee Index, and we are pleased to collaborate with Gallup in conducting these annual surveys.

Higher education has long played a central role as a provider of opportunity, a vehicle that serves the needs of communities and the country as a whole, as well as a resource in discovery and problem solving. However, we need to address some fundamental issues and perceptions that impact higher education's standing with many of its essential stakeholders. We share these data with board members so that higher education's fiduciaries can help tell the story of the indispensability of the sector.

Richard D. Legon

President

Association of Governing Boards of Universities and Colleges

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This year's survey results demonstrate an important role for trustee advocacy in addressing the growing skepticism about the value and true contributions of higher education.



Overview

The AGB 2018 Trustee Index is the second annual survey of college and university board members about those issues they see as the most pressing facing the sector and the institutions they serve. This AGB survey, conducted in collaboration with Gallup, engaged trustees from across the nation about the value proposition for higher education and what they see as the major issues on the horizon. The majority of trustees surveyed believe the public's perceptions of higher education are somewhat or mostly positive. However, when we parse the findings, trustees are concerned about many of the issues often cited as eroding the public's trust in colleges and universities.

As in 2017,¹ board members again rate the price of higher education as their top concern for the future of the sector. Price, which is cited as a driver of retention and student success, is inextricably tied to the value proposition for higher education — concerns about affordability of a college degree dominate much of the public discourse.

As the fiduciaries for their institutions, board members are ultimately responsible for their institutions' costs, quality, and outcomes. In this year's Trustee Index survey, board members report that while their boards are looking at their pricing models, net tuition revenue, and student debt, the level of board engagement and discussion on these fundamental issues varies. In addition to addressing concerns related to finance, boards are also being asked to consider major changes to their institutions' academic programs and delivery as well as stakeholders' expectations to meet the changing needs of their student bodies.

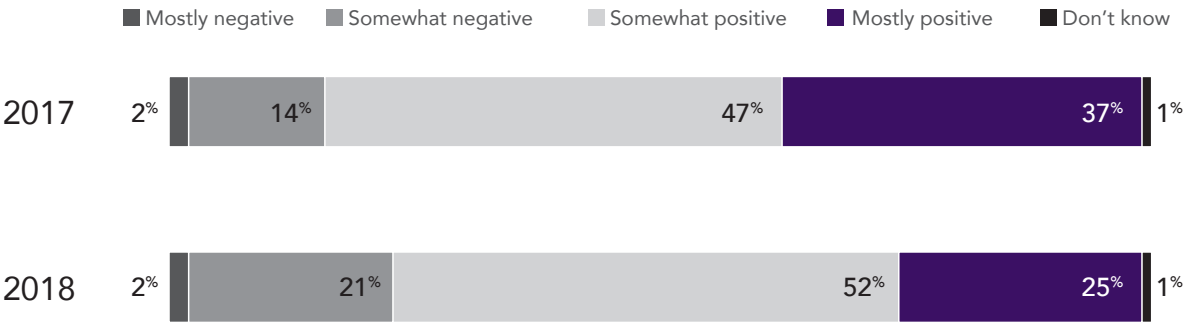
Beyond their fiduciary responsibilities on their own boards, trustees can also serve as stewards for the entire higher education enterprise. This year's survey results demonstrate an important role for trustee advocacy in addressing the growing skepticism about the value and true contributions of higher education. The overwhelming majority of survey respondents support the idea of trustee advocacy as a vehicle to change the public discourse. Addressing the challenges of affordability, including how that story is told, and coupled with trustees' concerted advocacy efforts could have a resounding impact on the public's perceptions and create an improved value proposition for higher education.

¹ <https://www.agb.org/reports/2017/the-agb-2017-trustee-index>

Public Perceptions of Higher Education

Despite the findings from many national reports regarding the public’s negative perception of higher education,² trustees’ views are mixed. Similar to 2017, in 2018, the majority of trustees surveyed believe that the public’s view on higher education is somewhat (52%) or mostly positive (25%). A smaller proportion of trustees believe public perceptions are somewhat (21%) or mostly negative (2%).

Do you think the general public has a mostly positive, somewhat positive, somewhat negative or mostly negative view of higher education in the U.S.?

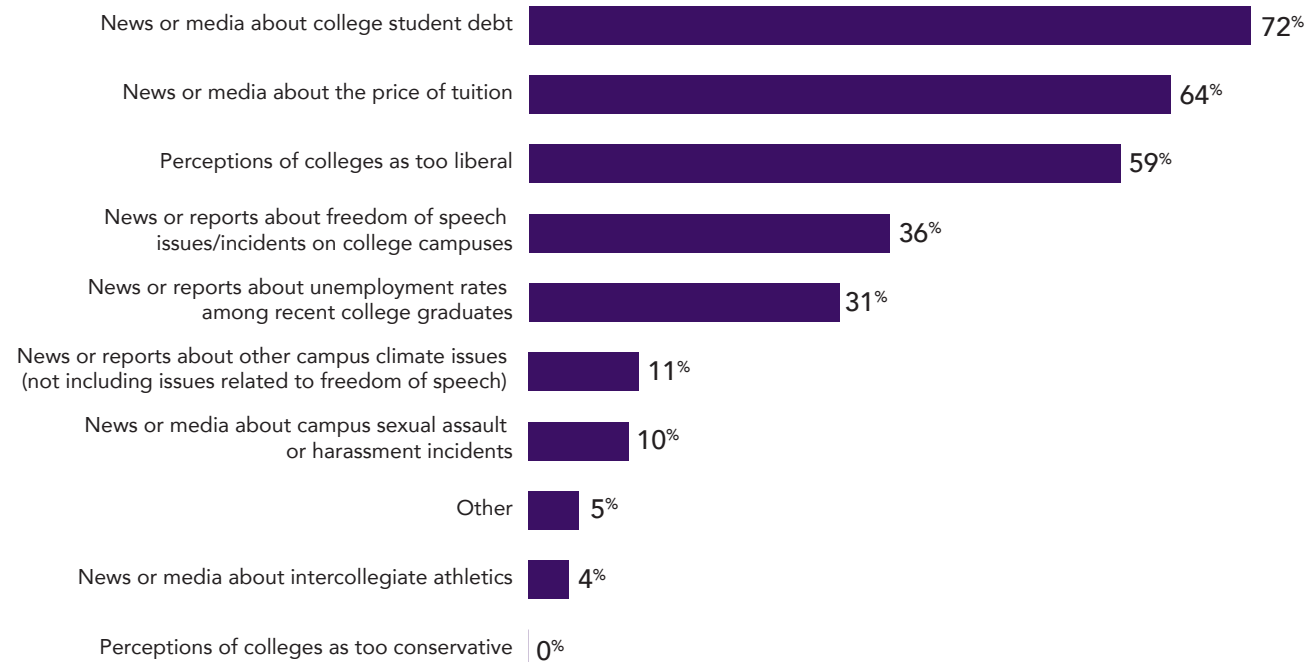


Those trustees who believe the public’s perceptions are somewhat or mostly negative cite news or media about college student debt (72%), the price of tuition (64%), and perceptions that colleges are too liberal (59%) among the top reasons for the public’s negative views.

2 Retrieved from <https://www.insidehighered.com/news/2017/12/15/public-really-losing-faith-higher-education>



What do you believe are the top three issues influencing the general public’s negative view of higher education? Please select up to three responses.



Despite their varied perspectives about the public’s views of the sector, most trustees are concerned about the value proposition for higher education over the next decade.

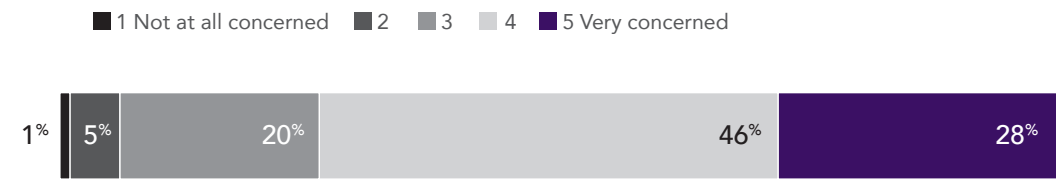


Affordability and Financial Stability: Key Focus Areas to Improve the Value Proposition for Higher Education

Trustees Are Concerned About the Future of the Higher Education Sector and at Their Own Institutions

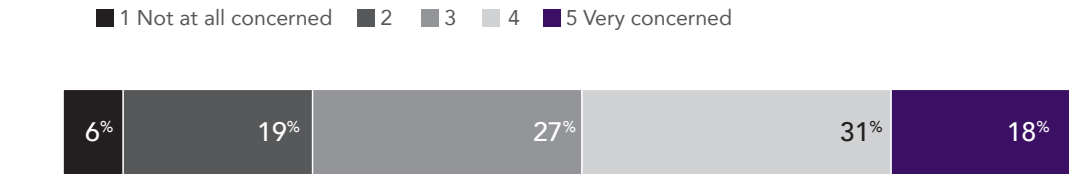
Reclaiming the public’s trust in higher education will hinge, in part, upon how well the sector can address and clarify issues of college affordability and costs, from the price of a degree and discount rates to student debt. Trustees of public, private, and non-profit institutions recognize these problem areas among their top concerns for the future of the sector and at their own institutions. Overall, 28% say they are very concerned and another 46% express some concern about the future of the higher education sector in the next 10 years.

Looking ahead to the next 10 years, how concerned, if at all, are you about the future of the higher education sector in the U.S.?



Although fewer trustees are concerned about the health of their own institutions, nearly half are concerned to varying degrees. Eighteen percent are very concerned and another 31% are somewhat concerned about the next 10 years.

Looking ahead to the next 10 years, how concerned, if at all, are you about your institution/system?



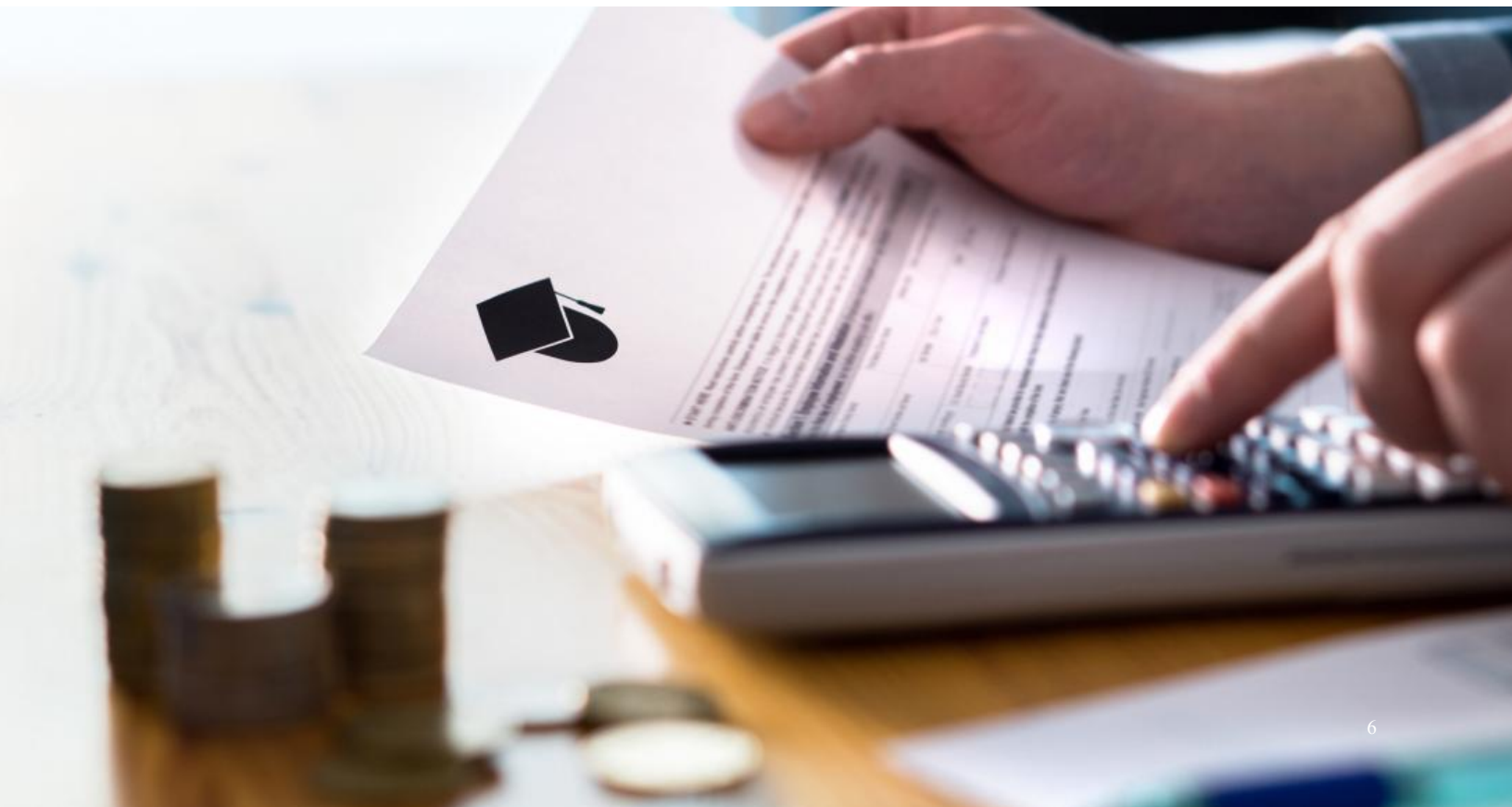
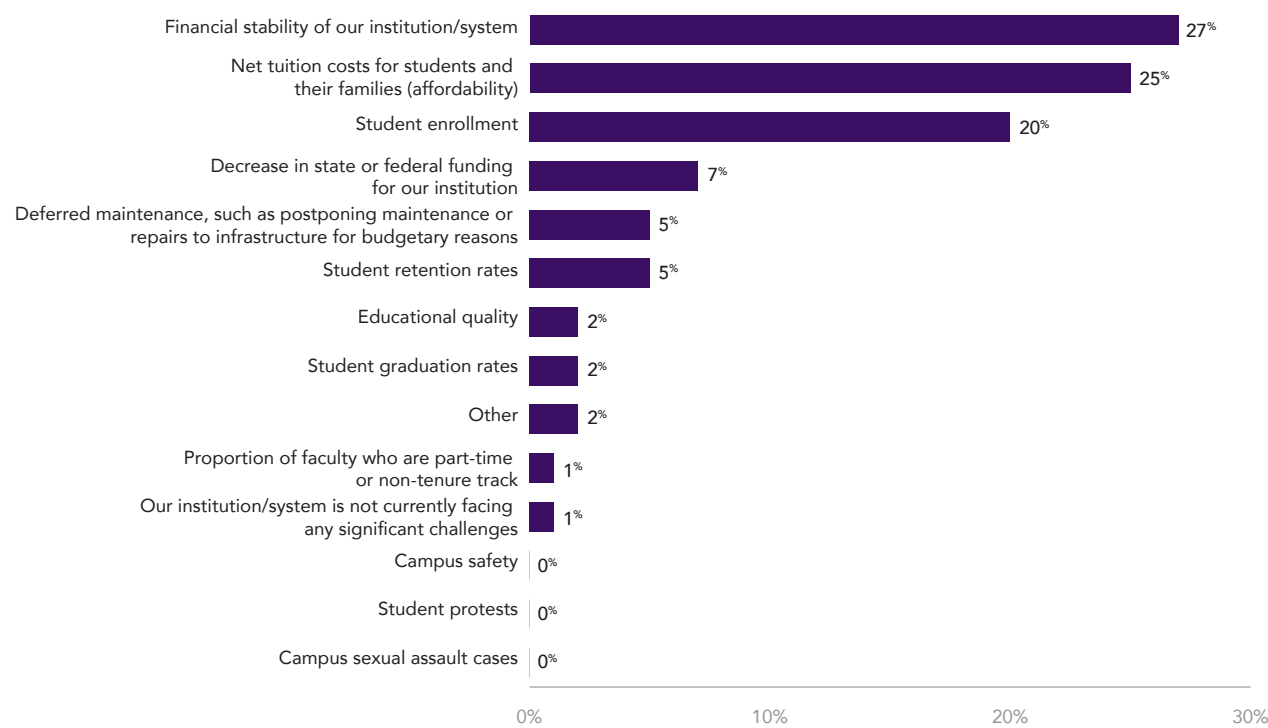
The top three concerns trustees cite for the sector are all closely related to higher education finance and, ultimately, the value and worth of a college education. Trustees, regardless of the sector of their institution or system, report they are concerned about the price of higher education for students and their families.

What are your top three concerns about the future of higher education in the U.S.? (by sector)*		
Public	Independent, non-profit	Private, for-profit
1. Price of higher education for students and their families (53%)	1. Price of higher education for students and their families (58%)	1. Price of higher education for students and their families (63%)
2. Decrease in state funding for higher education (40%)	2. Financial sustainability of higher education (54%)	2. Financial sustainability of higher education (45%)
3. Financial sustainability of higher education institutions (33%)	3. Student debt (34%)	3. Student debt (40%)

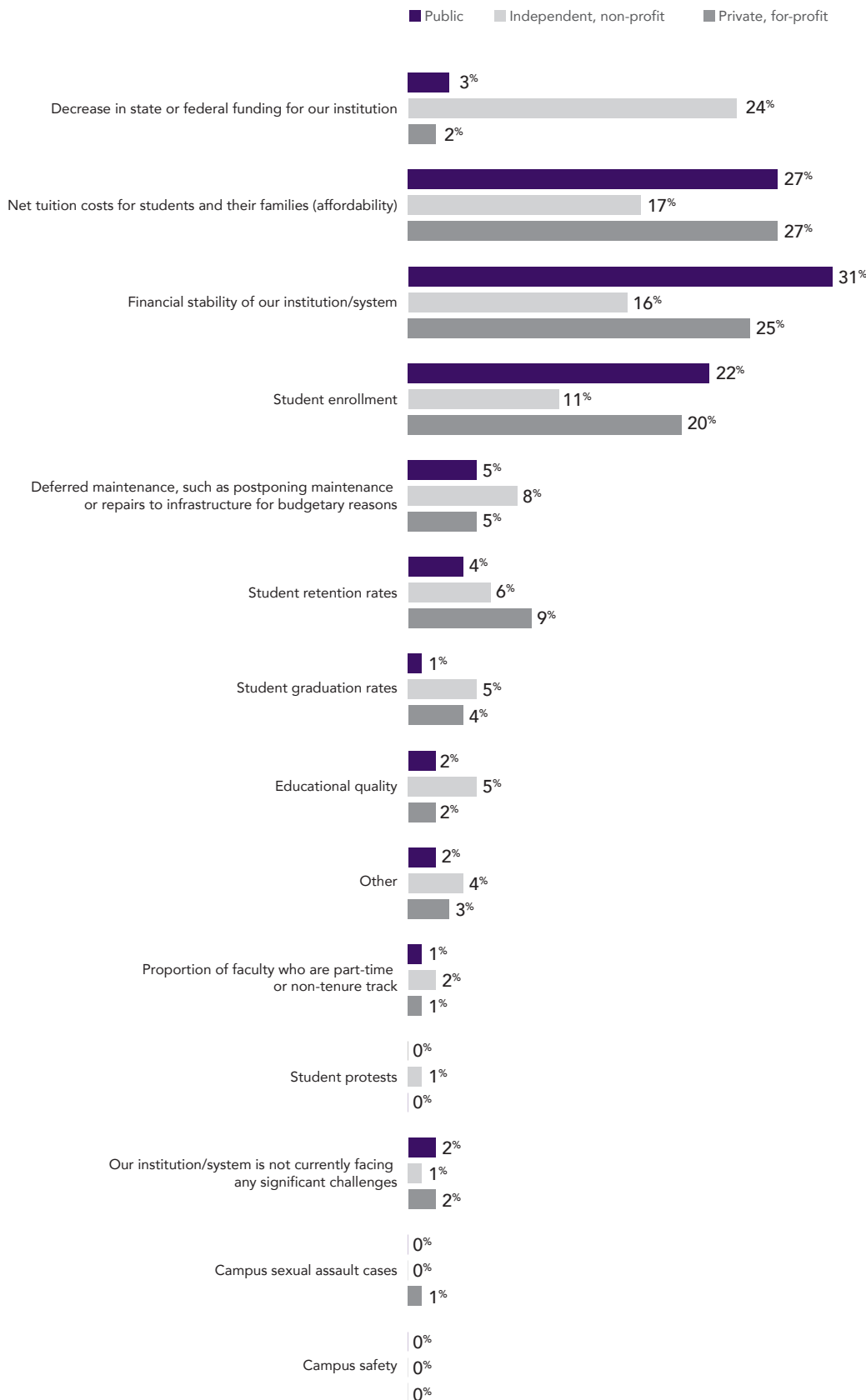
*Percentages do not total 100% because respondents could select up to three concerns.

About a quarter of board members from all sectors (public – 26%, independent, non-profit – 29%, private, for-profit – 24%) cite concerns about the public’s perceptions of the value of a college degree. When asked what the single-most significant challenge is currently facing their own institutions, most respondents report similar price and financial issues. Interestingly, fewer trustees across all sectors see issues like educational quality, student retention, and graduation rates as the most significant challenges currently facing their institutions.

In your opinion, what is the most significant challenge, if any, currently facing your institution/system?



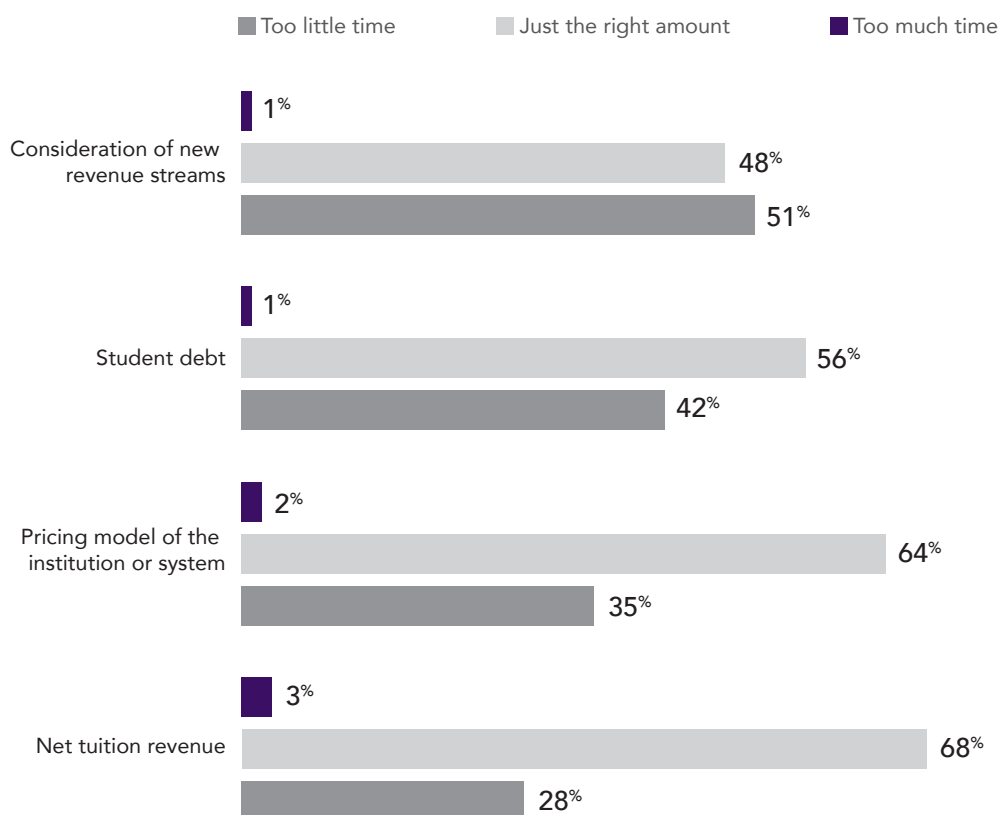
**In your opinion, what is the most significant challenge, if any, currently facing your institution/system?
(by sector)**



Boards Are Engaged at Varying Levels With the Issues They Cite as Their Top Concerns

As the previous section shows, trustees cite real concerns about price and affordability, student debt, and sustainability for the future of higher education and their respective institutions. However, the survey found varying levels of engagement with these issues and some misalignment between trustees' concerns and board discussions.

Overall, do you believe your board spends too much, too little or just the right amount of time on the following issues at your institution or system?



- **Revenue:** A little over two-thirds of all trustees (68%) believe they are spending the right amount of time discussing issues related to net tuition revenue. However, about half (51%) say their boards are not spending enough time discussing ideas for new revenue streams.
- **Student debt:** While the majority of trustees (56%) believe their boards spend just the right amount of time on student debt, a large proportion (42%) think otherwise and believe their boards aren't dedicating enough time to discussions of this issue.
- **Pricing models:** About one-third (35%) of all trustees say their boards spend too little time discussing their institution's pricing model. However, about two-thirds (64%) say their boards are spending just the right amount of time on this issue.

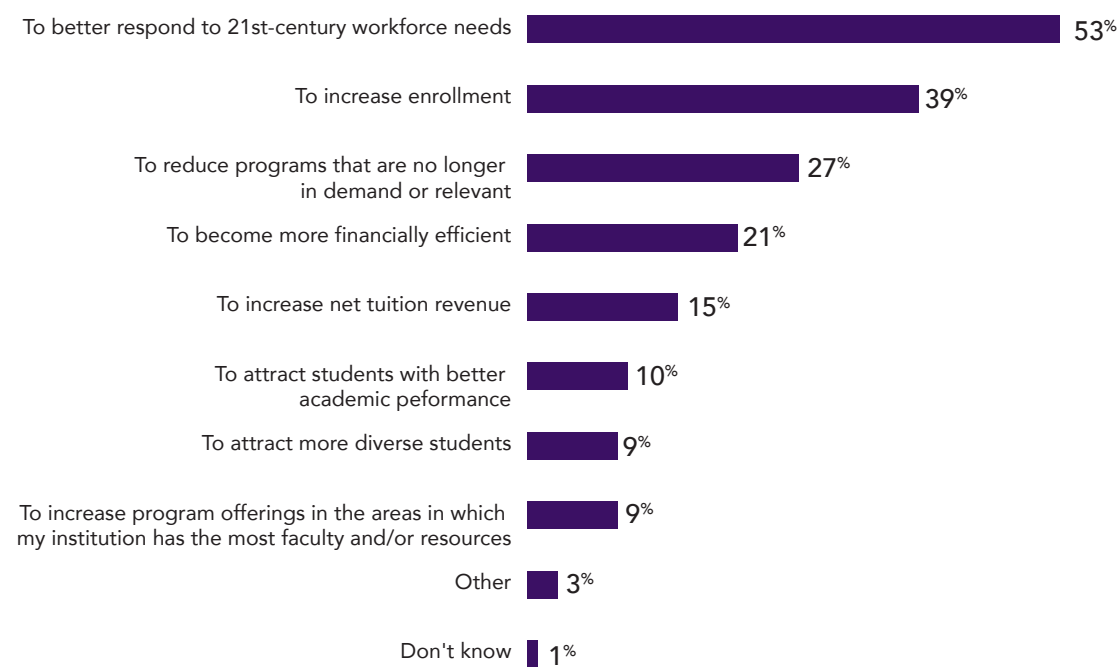
Trustees Adapting Academic Programs to Ensure Relevance and Value in the 21st Century

The value of higher education extends far beyond just the price tag. A central promise of our nation's higher education institutions is to provide valuable learning to students³. In addition to addressing the various financial issues at their institution or system, trustees are also being asked to review and approve significant changes to the academic programs

³ Retrieved from: https://www.agb.org/sites/default/files/report_2018_guardians_promise_of_higher_ed.pdf

at their institutions. Here, too, the changes mostly pertain to strengthening the case for the value and relevance of higher education and ensuring their institution’s financial viability. According to the survey, the primary drivers of these requests are to better respond to 21st-century workforce needs (53%), increase enrollment (39%), and reduce programs no longer in demand or relevant (27%).

What are the top two reasons your board has been asked to address changes to the academic programs offered at your institution/system?

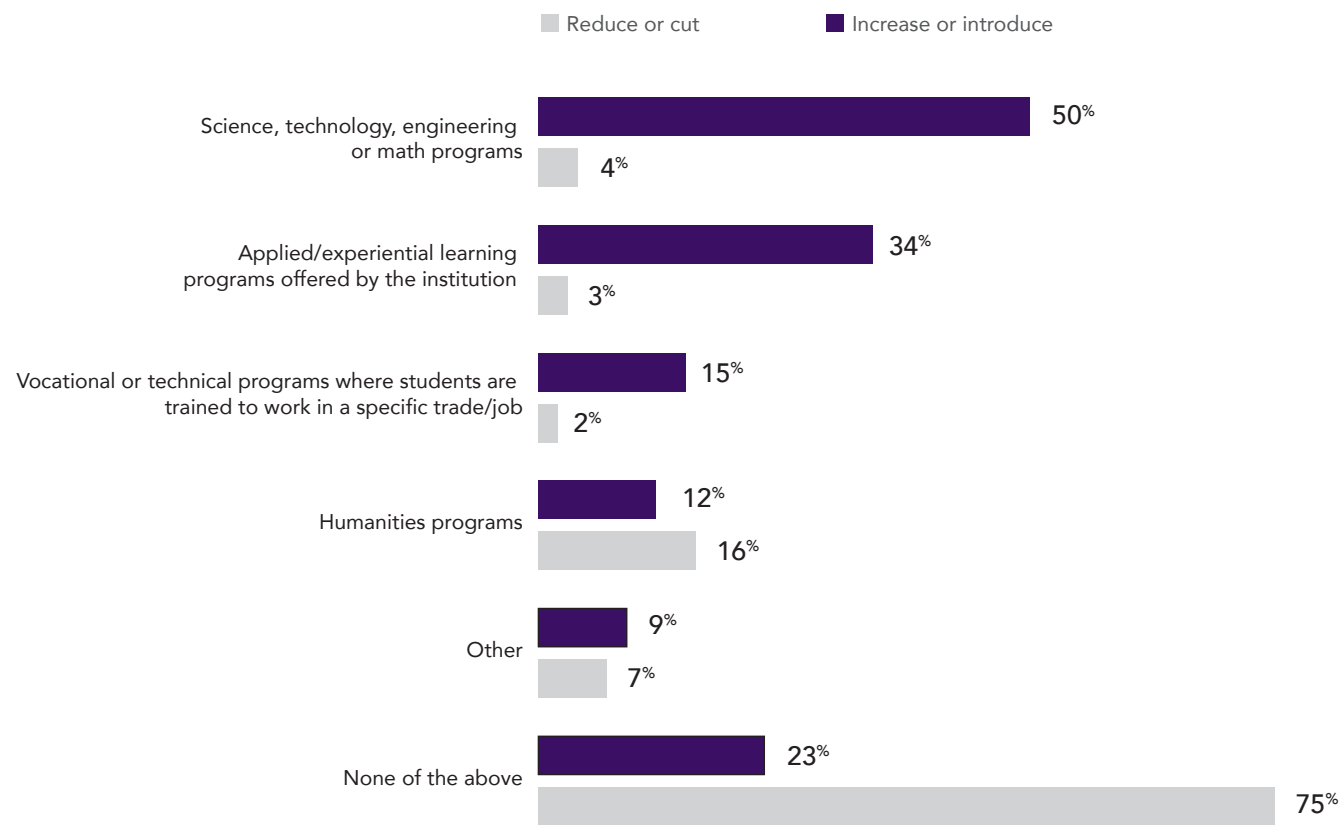


When asked specifically about what sort of changes their boards have been asked to consider, trustees say they have been asked to:

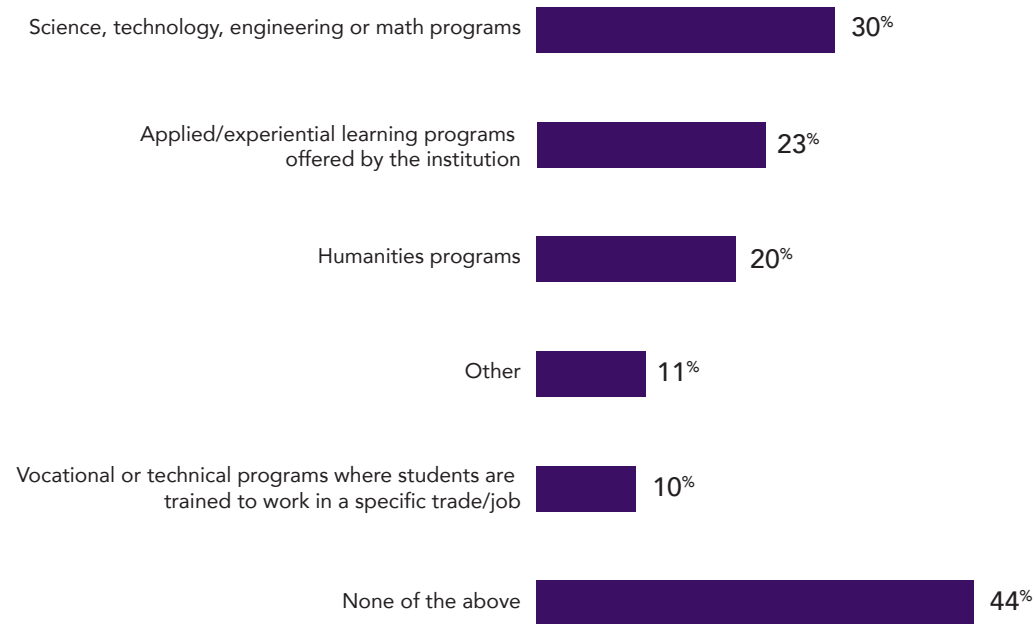
- Increase or introduce STEM programs at their institution (50%) and increase or introduce experiential learning programs such as internships or co-ops (34%). Smaller proportions have been asked to consider increasing or introducing vocational or technical programs (15%) or humanities programs (12%).
- Reduce or cut humanities programs (16%) or STEM programs (4%). Most board members (75%) have not been asked to consider any academic program reductions.
- Approve other significant changes (e.g. curricular changes, program delivery, etc.) to STEM (30%) and humanities (20%) programs, experiential programs (23%), vocational programs (10%), and other areas (11%).



In the past 12 months, which academic programs, if any, have senior administrators asked your board to _____ at your institution/system? (select all that apply)



In the past 12 months, have senior administrators asked your board to consider or approve of any *other* significant changes to any of the following programs at your institution/system? (select all that apply)



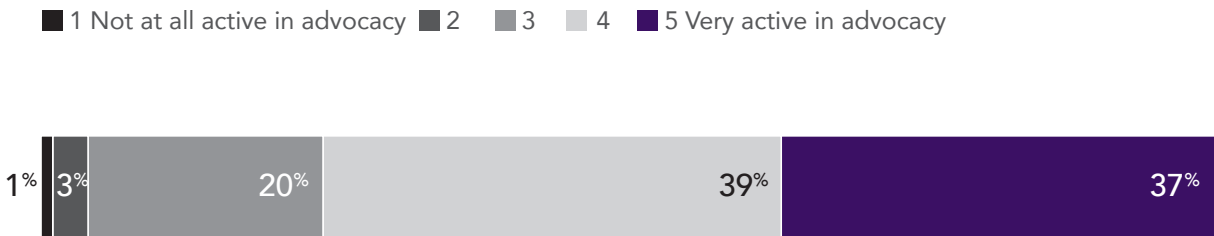
Trustee Advocacy: A Means to Improve Higher Education’s Value Proposition

Affordability, financial stability, and student learning are all issues directly tied to the value and contributions of higher education. Trustee engagement in these areas can be leveraged as a means to advocate for the enterprise and help restore the public’s trust. While trustees are not in total agreement about the public’s perceptions of higher education, they overwhelmingly agree that trustees should be active in advocacy efforts for higher education — efforts that can positively influence the value proposition for the sector. In that spirit, AGB launched the Guardians Initiative to involve college and university trustees in countering growing skepticism about the value of higher education and to create a force of influential, informed citizens who can speak about the benefits of higher education.

Most Trustees Say Governing Board Members Should Be Active in Advocacy Efforts

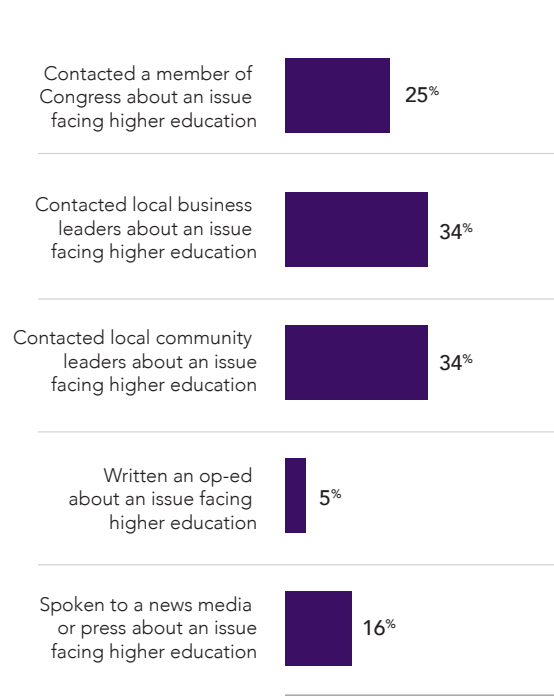
Three in four trustees say governing board members should be active in advocacy for higher education, including 37% who say they should be very active. When examining responses by institutional type, trustees from public institutions (50%) are significantly more likely than their counterparts from independent, non-profit (34%) and for-profit institutions (30%) to say that governing board members should be very active in advocacy efforts.

In your opinion, how active should governing board members be in advocacy efforts for the higher education sector, if at all?

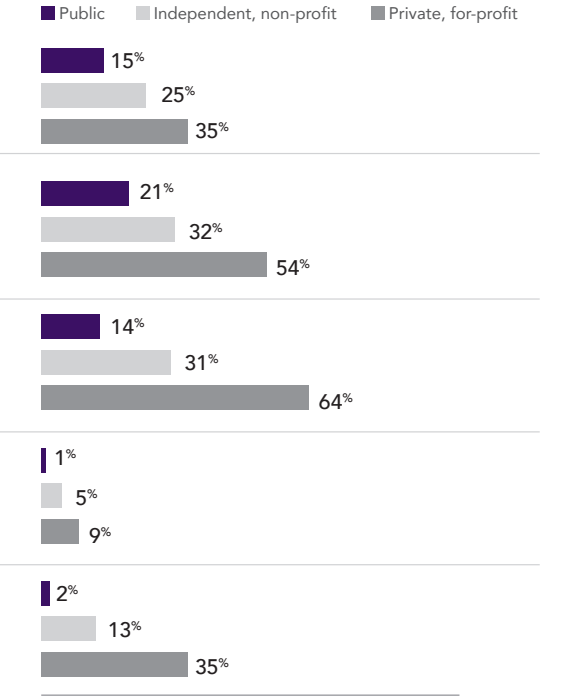


Despite a large majority of trustees wanting governing board members to be active in advocacy, fewer indicate they have participated in various advocacy efforts in the last 12 months. Anywhere from one-quarter to one-third say they have contacted local community leaders (34%), local business leaders (34%), or a member of Congress (25%) about an issue facing higher education. In particular, participation in thought leadership activities is extremely low — 5% say they have written an op-ed and 16% say they have spoken to news media about an issue facing higher education in the past 12 months. Trustees from public institutions have participated in various efforts at higher rates than their counterparts from independent or for-profit institutions.

**In the past 12 months, have you personally...
(% yes, overall)**



**In the past 12 months, have you personally...
(% yes, by sector)**



This study highlights significant opportunities for trustees to do more in this arena not only for the benefit of their home institutions but for the entire sector as well.



Conclusion

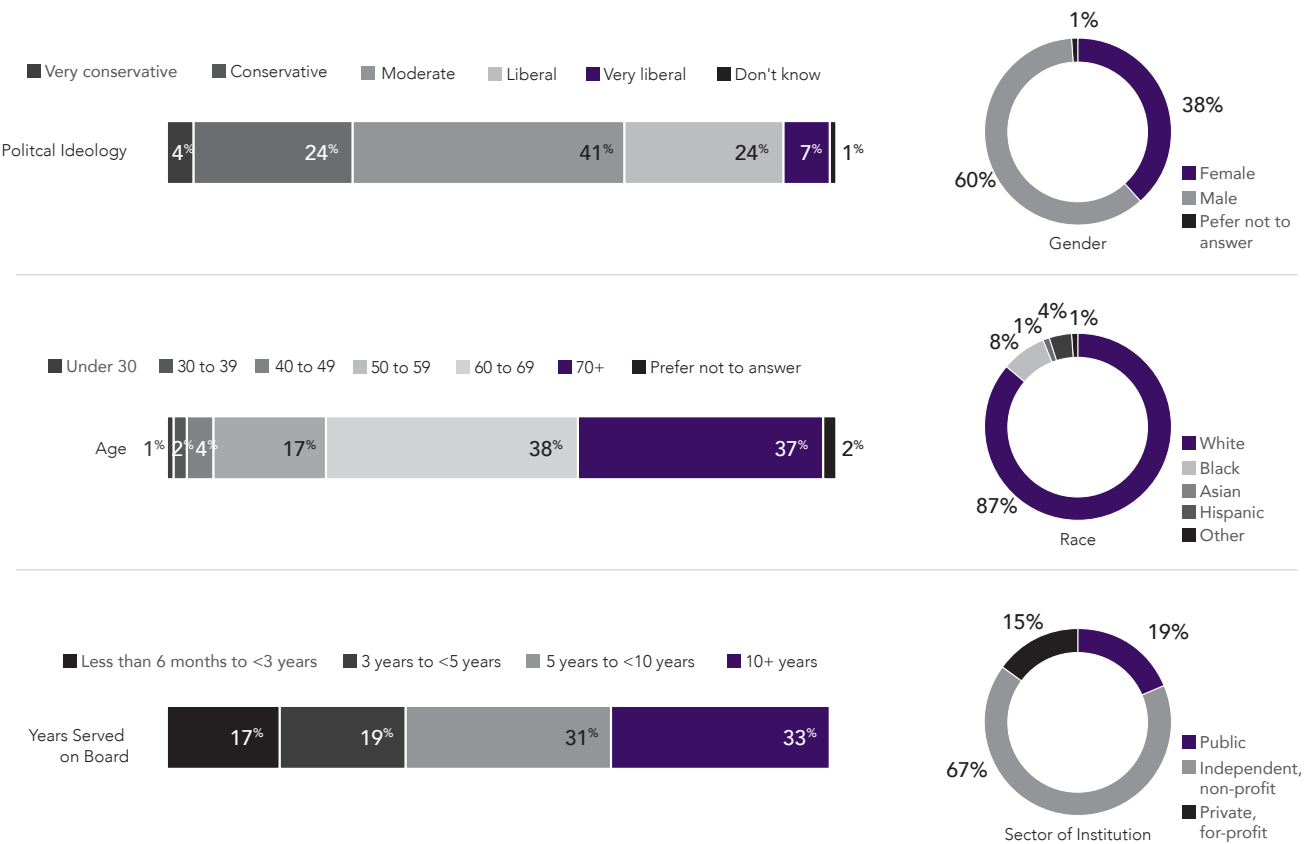
Trustees are aware of the challenges facing their own institutions or systems as well as the sector as a whole. Consistent with the public, trustees cite affordability as a top concern for the future of higher education. Yet finance-related issues are not the only space where trustees are working to improve the value proposition for higher education. They are also reviewing and approving changes to academic programs to be more responsive to the needs of 21st-century students. Furthermore, trustees are in a pivotal position to help regain some of the public's trust on the value of higher education and to be part of the solution to help ensure the long-term viability and positive net value of higher education for students and their families.



Methodology

Results for the AGB 2018 Trustee study are based on 10-minute web surveys conducted in English between July 9 – August 7, 2018. AGB provided a stratified random sample of 10,000 trustees and board members who are AGB members to be included in the study. The sample was stratified by institutional sector. In total, 1,299 AGB members completed the survey.

Respondent Profile



About the AGB

Since 1921, the Association of Governing Boards of Universities and Colleges (AGB) has had one mission: to strengthen and protect this country's unique form of institutional governance through its research, services, and advocacy. Serving more than 1,300 member boards, 1,900 institutions, and 40,000 individuals, AGB is the only national organization providing university and college presidents, board chairs, trustees, and board professionals of both public and private institutions and institutionally related foundations with resources that enhance their effectiveness.

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