



2020: A Year of Chaos & Agility Findings

November 2020

Research Team

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welcome to brighter



Introduction

- Mercer is pleased to present the results of our fourth research study focused on higher education's response to the COVID-19 pandemic and also other areas of interest in 2020 such as compensation, benefits and strategic planning. The survey was conducted between October 22nd and November 14th .
- Our first survey was conducted in mid-March, when the harsh reality of the pandemic was just setting in. Our second survey focused on the immediate steps institutions took and our June survey focused on the planning underway to bring students back to campus in the fall. As the pandemic continued, colleges and universities have had months of experience operating during these uncertain times.
- We continue to include results from prior surveys whenever possible as a point of comparison. When responses differ by funding type or Carnegie classification, we described those differences under a "Segmentation" text box.

Key Findings



49% of participants reported that their institution **hit or came close to target enrollments** this academic year



However, **84% of institutions missed their budget targets** likely due to reductions in non-tuition revenue streams (room and board, fees, athletics, etc.) as well as the costs related to COVID-19 (testing, hotel rooms for quarantining, cleaning, etc.)



Institutions have addressed reduced budgets with **staff layoffs (35%)**



A majority of institutions (62%) **will NOT be providing merit** increases with still another 29% still deciding



It appears that **flexible work arrangements are here to stay** with 46% of institutions likely to continue a flexible work arrangement schedule

Key Findings



Working remotely appears to be largely successful:

90% report a positive impact or no change on **employee productivity**

75% report a positive impact or no change on **work life balance**

76% report a positive impact or no change on **communication and collaboration**



Mental health continues to be a challenge: 54% report a negative impact (improved somewhat from the prior survey)



Despite tight budgets, the vast majority (93%) of institutions are making **little to no changes in their health and welfare plans** – including 58% of institutions reporting no changes to wellbeing programs

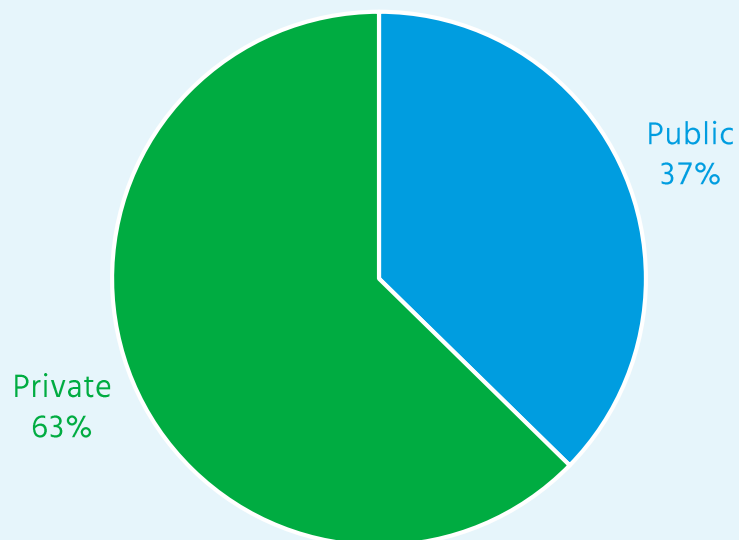


As institutions adapt to the continuously changing environment, most are **focused on strategic workforce analytics (75%), business processes review (63%), and DEI programs and policies (52%)**

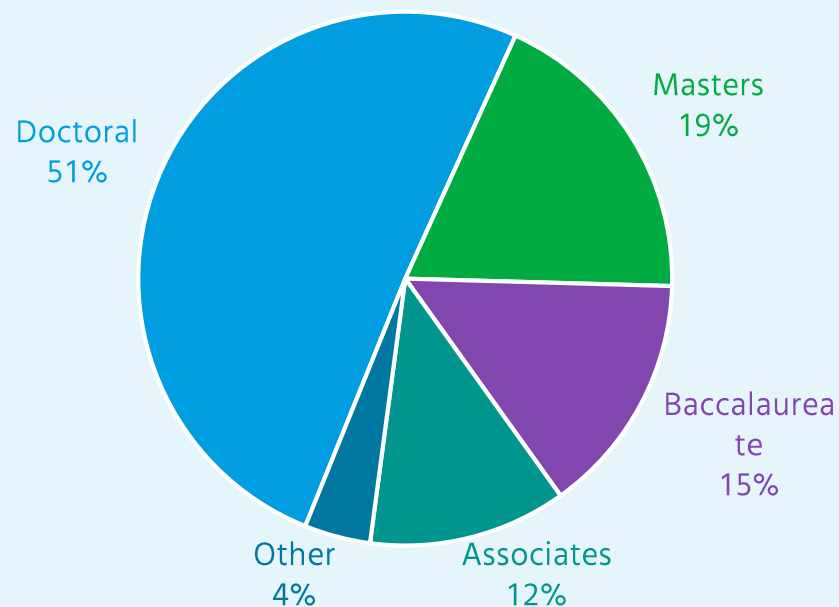
Participant Overview

Total Participants: 75

Institution Funding



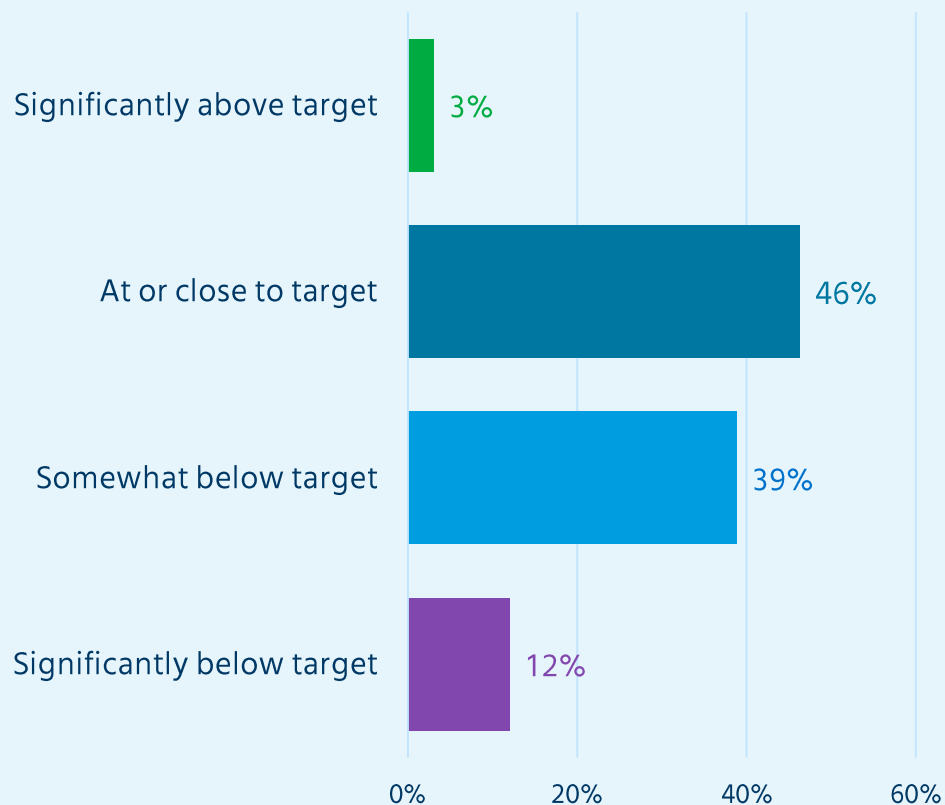
Carnegie Classification



The distribution of institutions remains consistent with the prior survey. Most of the Masters and Baccalaureate institutions are private.

Enrollment

Q: What has been the impact of the pandemic on your institution's enrollment for Fall 2020?

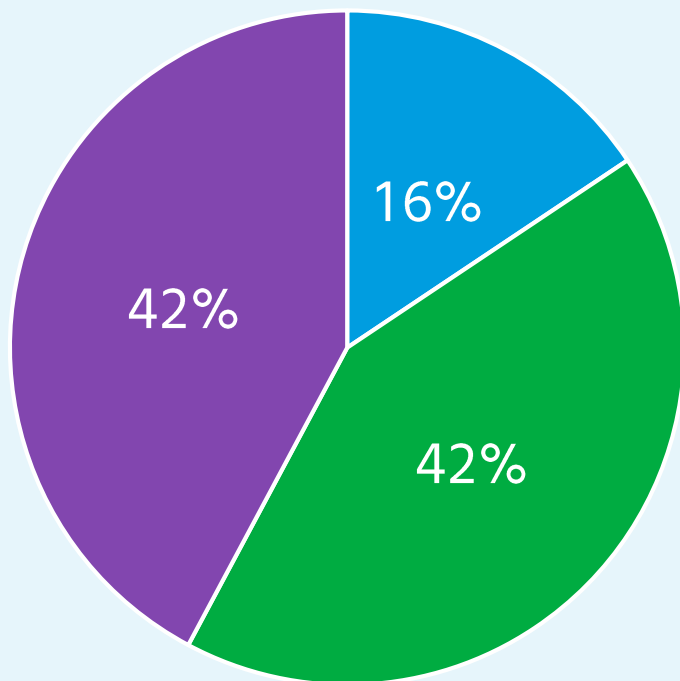


Segmentation

- Public institutions report more significant negative impact on enrollments than privates with 58% reporting Somewhat or Significantly Below Target vs. 46% for privates.
- 25% of publics expect to be Significantly Below Target compared to 2% of privates.
- A majority (65%) of Doctoral institutions are at or close to target enrollment, while ~60% of Masters and Baccalaureate institutions are somewhat below target.

Budget

Q: What is the estimated impact of COVID-19 on your institution's operating budget projections for FY 2021?



- On or close to target
- Somewhat below target
- Significantly below target

Prior Survey Results

- On or close to target: 12%
- Somewhat below target: 38%
- Significantly below target: 49%

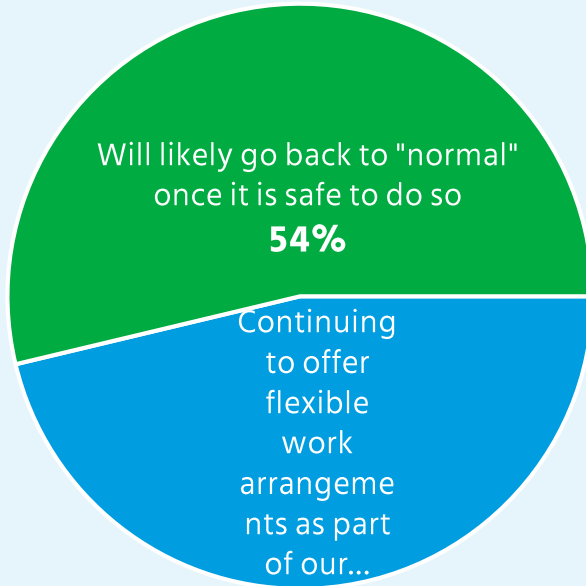
Results are generally consistent with findings from the prior survey, with somewhat more positive outcomes than expected several months ago.

Segmentation

- There is very little variation between public and private institutions.
- 62% of Masters institutions reported budgets significantly below target, higher than all other classifications

Flexible Work

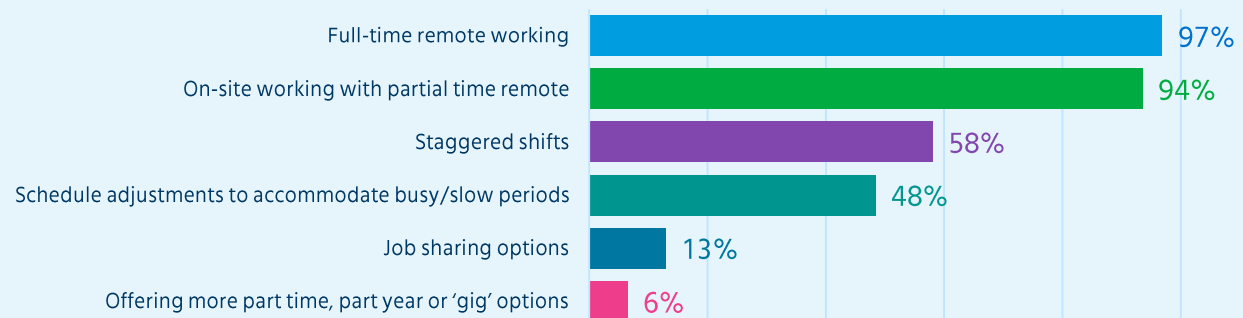
Q: Flexible work arrangements are becoming an important topic in higher education. How is your institution addressing this issue:



Segmentation

- Only 42% of private institutions reported that they are interested in continuing to offer flexible working arrangements, compared to 54% of public institutions
- Just over half of Doctoral institutions (52%) will continue to offer flexible working arrangements post COVID-19, compared to only ~30% of both Masters and Baccalaureate institutions

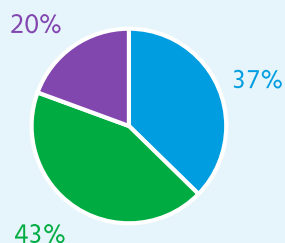
Of those considering long-term flexible work arrangements:



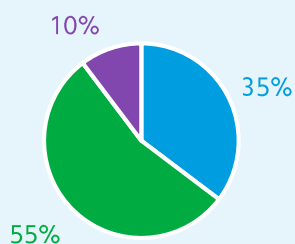
Remote Working

Q: Remote working on a regular basis has not been common in higher education until the pandemic forced it. What outcomes has your institution experienced in this extended period of remote working?

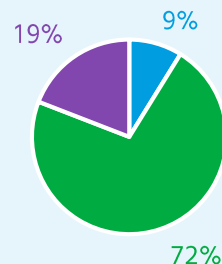
Manager's ability to oversee teams and work



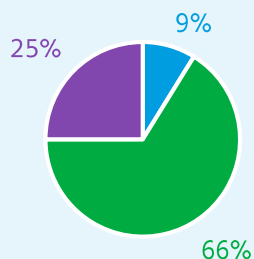
Work Productivity



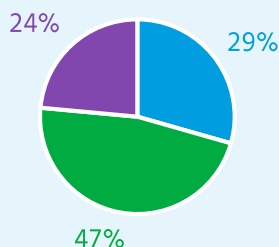
Dealing with home life during the work day



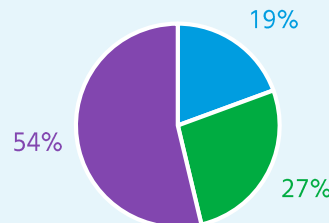
Work/Life Balance



Communication and collaboration



Mental Health



■ No Change

■ Positive Outcome

■ Negative Outcome

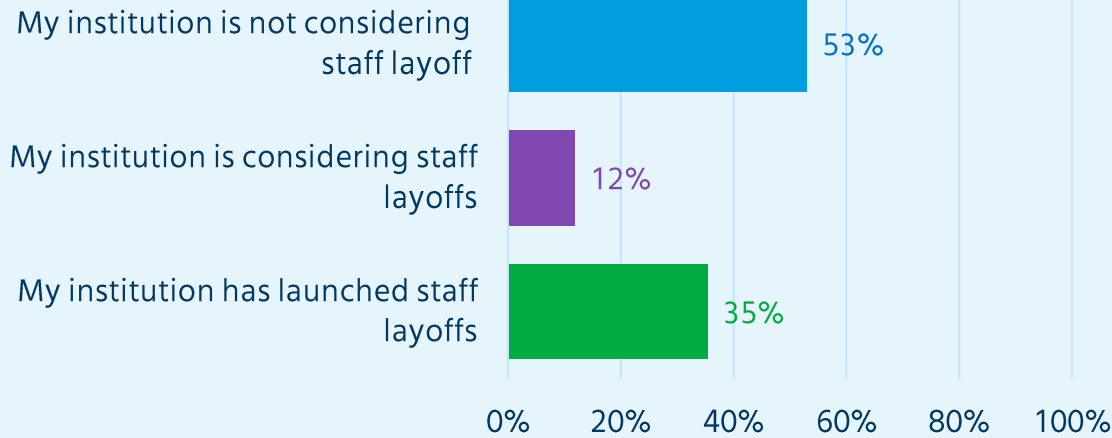
Prior Survey Results

- The results are similar to the prior survey with slight increases in positive outcomes across categories suggesting that most people are adapting to the new arrangements.
- While mental health is still the negative outlier, the percentage has dropped from 65% in the prior survey, with a large increase in positive reports (8% in the prior survey to 27% currently).

Segmentation

- Findings are generally consistent but Baccalaureate institutions report more negative outcomes for employees dealing with home life during the day than other institutional types.

Layoffs - Staff



Of the institutions *considering* layoffs



Of the institutions *launching* layoff



Contractors/
Temporary
Employees



Regular Full
Time



Regular Part
Time

Prior Survey Results

Not Considering: 55%

Considering: 31%

Launched: 14%

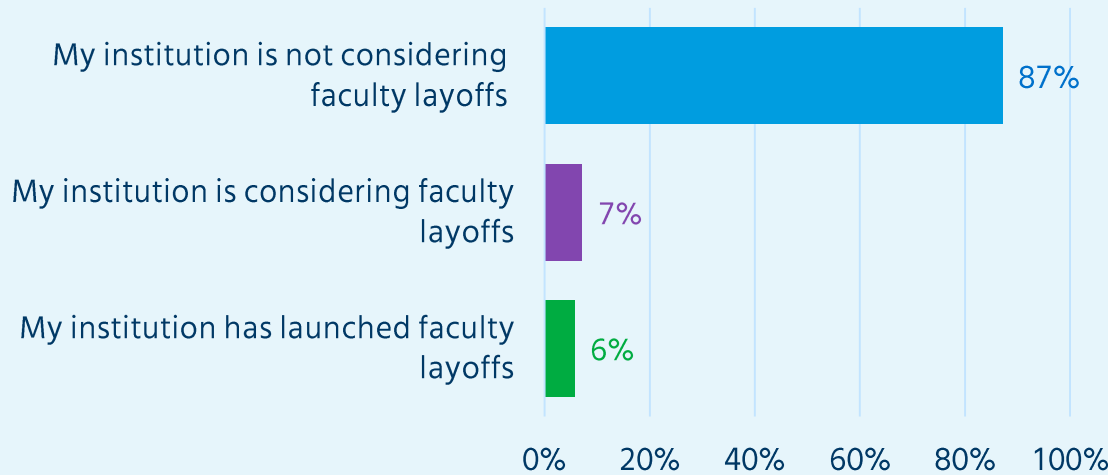
Interpreting the Data

- The reported percentages for Considering and Launched are almost the inverse of the prior survey, indicating that many institutions are likely to have launched previously considered layoffs

Segmentation

- 51% of Doctoral institutions have implemented staff layoffs while Masters and Associates institutions are not considering 67% and 78%, respectively.
- Private institutions are more likely to have launched layoffs (40%)

Layoffs - Faculty



Of the institutions considering layoffs



Of the institutions launching layoffs



Adjuncts and/or part time faculty

Full time faculty, institution wide

Full time faculty, select schools/disciplines

Prior Survey Results

Not Considering: 83%

Considering: 14%

Launched: 3%

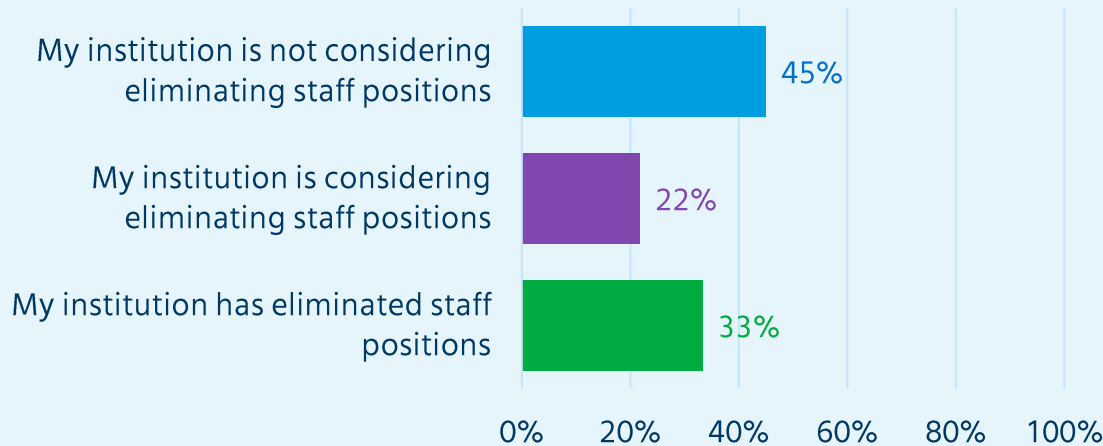
Interpreting the Data

- There was a **slight increase in institutions launching faculty layoffs**, focusing on adjuncts and/or part time faculty and full-time by school/discipline.

Segmentation

- More public institutions are considering faculty layoffs (16%) compared to private (2%).
- None of the participating Masters institutions report considering faculty layoffs

Reductions in Force - Staff



Of the institutions
considering RIFs



Of the institutions
launching RIFs



Contractors/
Temporary
Employees



Regular Full
Time



Regular Part
Time

Prior Survey Results

Not Considering: 48%

Considering: 38%

Launched: 14%

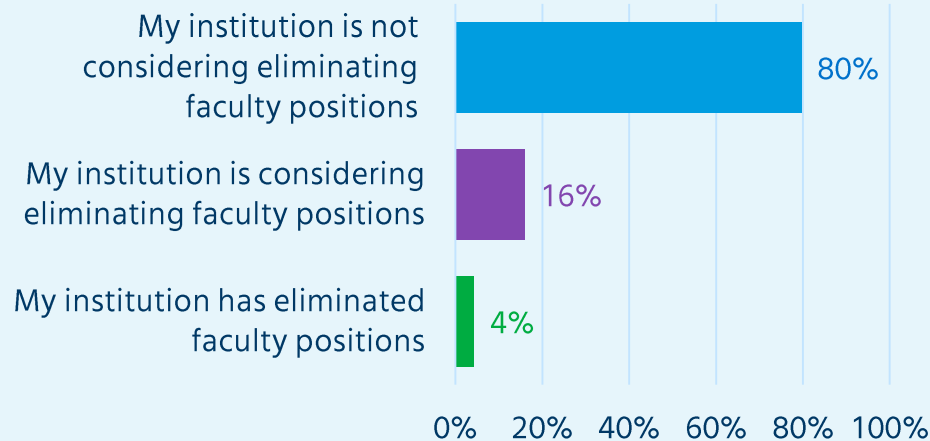
Interpreting the Data

- Similar to layoffs, compared to prior survey results, institutions are shifting from considering eliminating staff positions to implementing reductions in force.

Segmentation

- 37% of private institutions have implemented RIFs. 28% of public institutions are still considering.
- Doctoral institutions have implemented RIFs at a greater rate than other classifications.

Reductions in Force - Faculty



Prior Survey Results

Not Considering: 76%
 Considering: 17%
 Launched: 6%

Very little change from the last survey

Segmentation

- Public institutions more likely to consider eliminating faculty positions (36%) than privates (5%).
- Associates report the highest rate of considering faculty RIFs of 44%.

Of the institutions considering RIFs

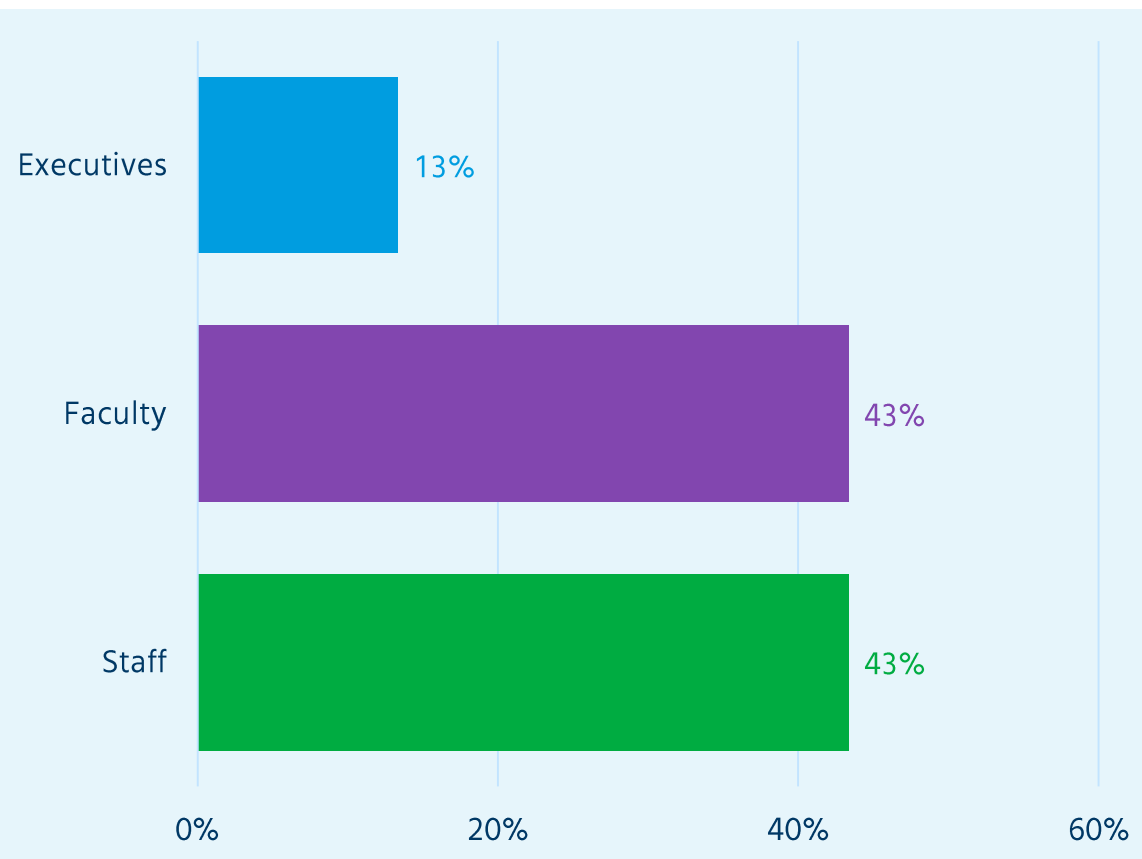


Of the institutions launching RIFs



Voluntary Separation

Q: Has your institution offered (or plans to offer) a voluntary separation from service or early retirement incentive? Please check all employee groups that apply.

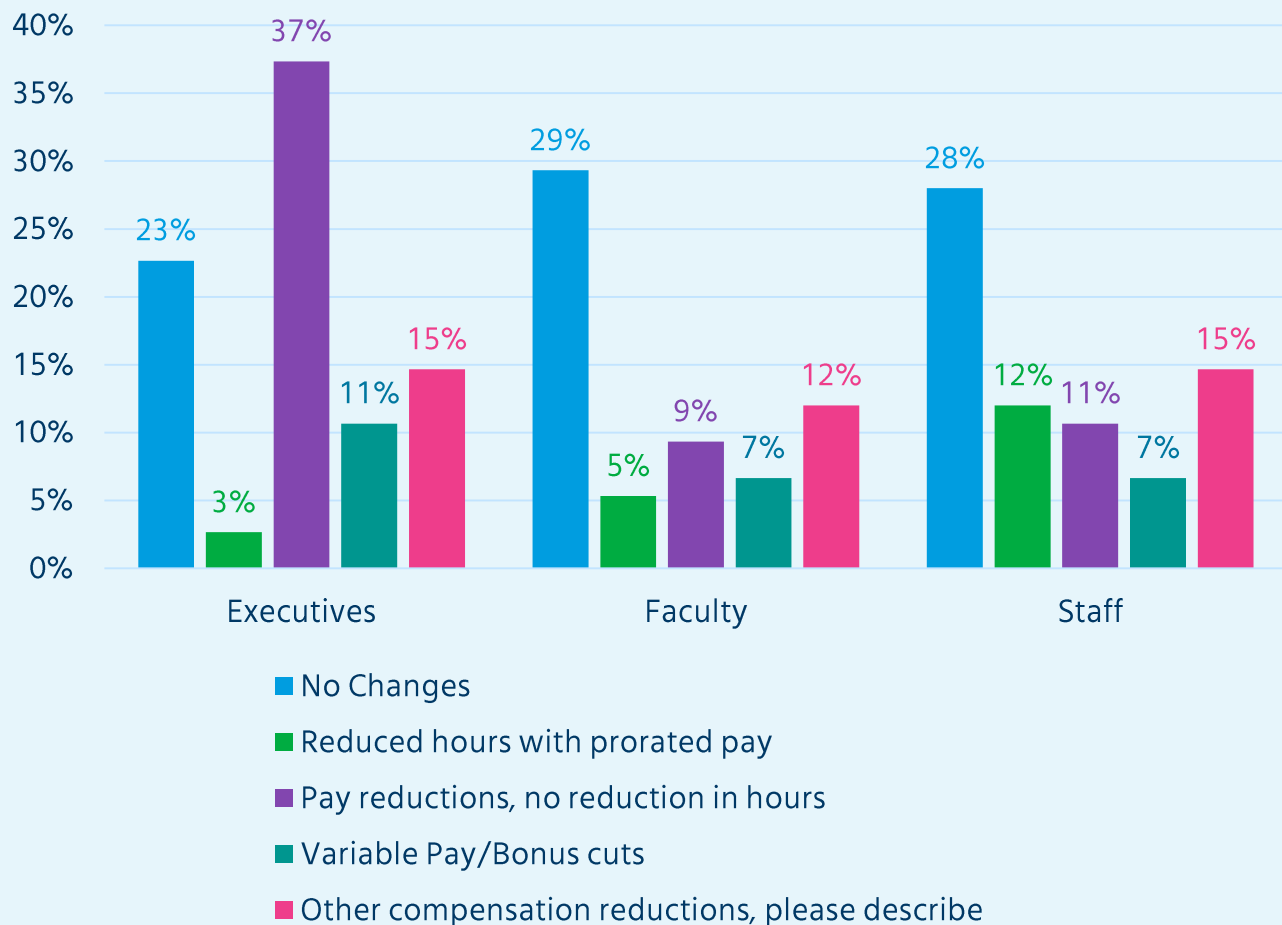


Not surprising, many institutions (43%) are implementing voluntary separation programs. We expect the popularity of offering these programs to increase as an alternative to layoffs.

Segmentation

- 20% of public institutions are offering or planning to offer a voluntary separation for Executives, compared to 9% of private institutions.
- Most Carnegie classes are generally consistent with the exception of Baccalaureate and Associates institutions reporting slightly higher for staff voluntary separation opportunities (~52%).

Compensation Strategies



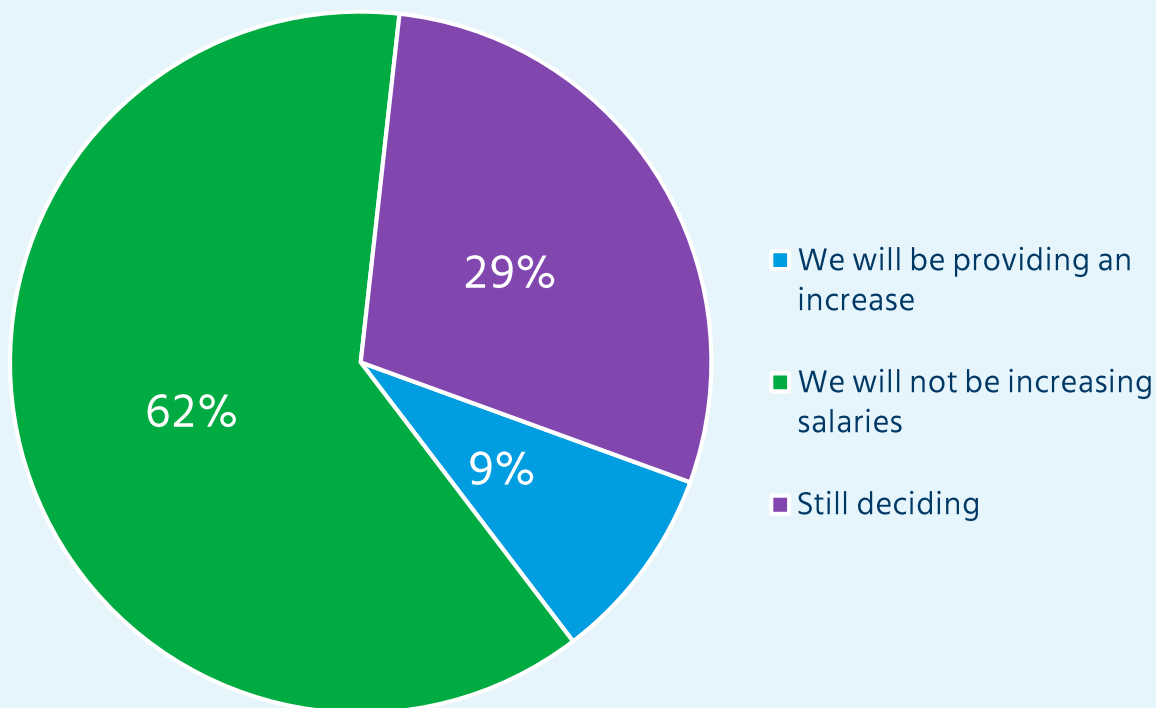
The average executive pay cut percentage is 10%.

Segmentation

- 55% of public institutions have implemented changes to compensation. Publics were less likely to reduce executive pay (21%) or freeze pay (50% for executives, 25% for faculty and staff) than privates.
- 75% of private institutions have implemented pay changes. 56% implemented a pay reduction for executives and ~70% have implemented pay freezes for all employees.
- 75% of Doctoral institutions have implemented pay actions for executives; about 50% have frozen pay for faculty and staff.
- 80% of Masters and Baccalaureate institutions have implemented pay changes for executives, faculty and staff.
- Only 50% of Associates institutions have made pay changes.

Merit Increases

Q: Please describe the annual/merit increases for your current academic year



Segmentation

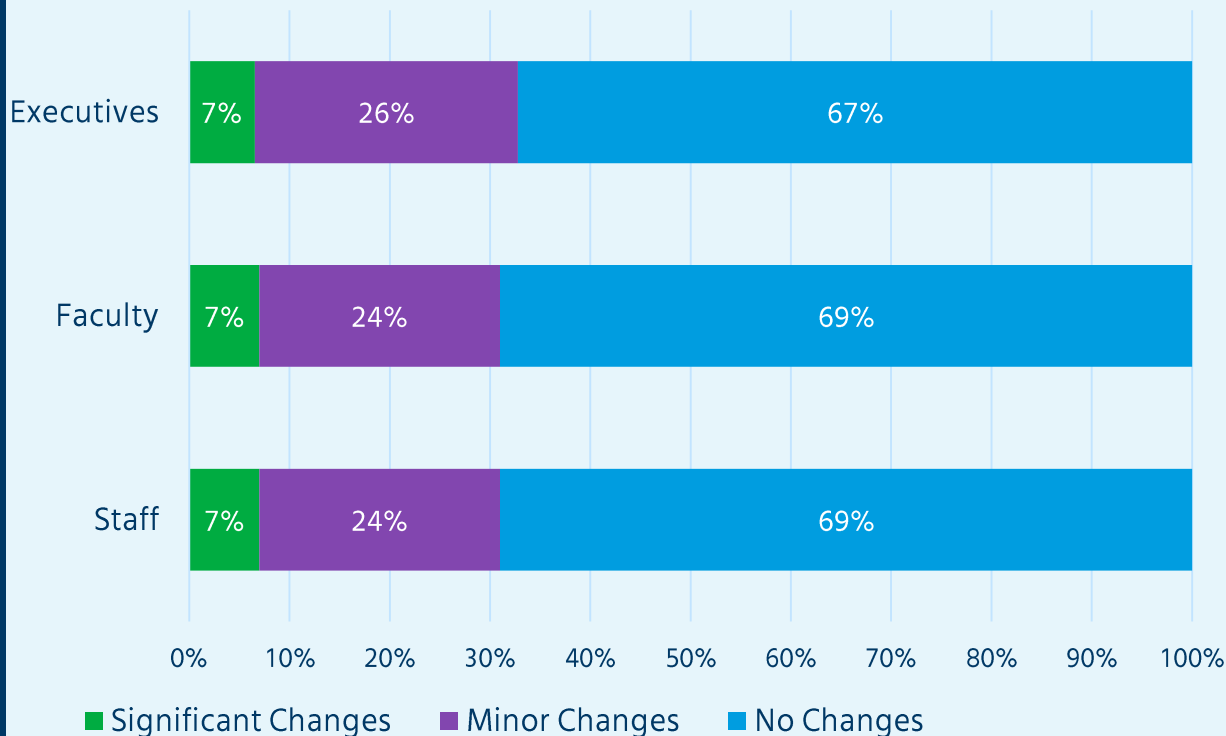
- 35% of publics have decided not to provide salary increases and almost half are undecided. This compares to 77% of private institutions having already decided not to provide salary increases.
- This is consistent across Carnegie class with the exception of Associates institutions (67% still deciding).
- Many institutions with enrollments and budgets that are near their targets are still considering whether to provide salary increases, given the uncertainty around the pandemic.

Of the 9% of institutions providing salary increases the increase was **between 1-3%** for all employee types

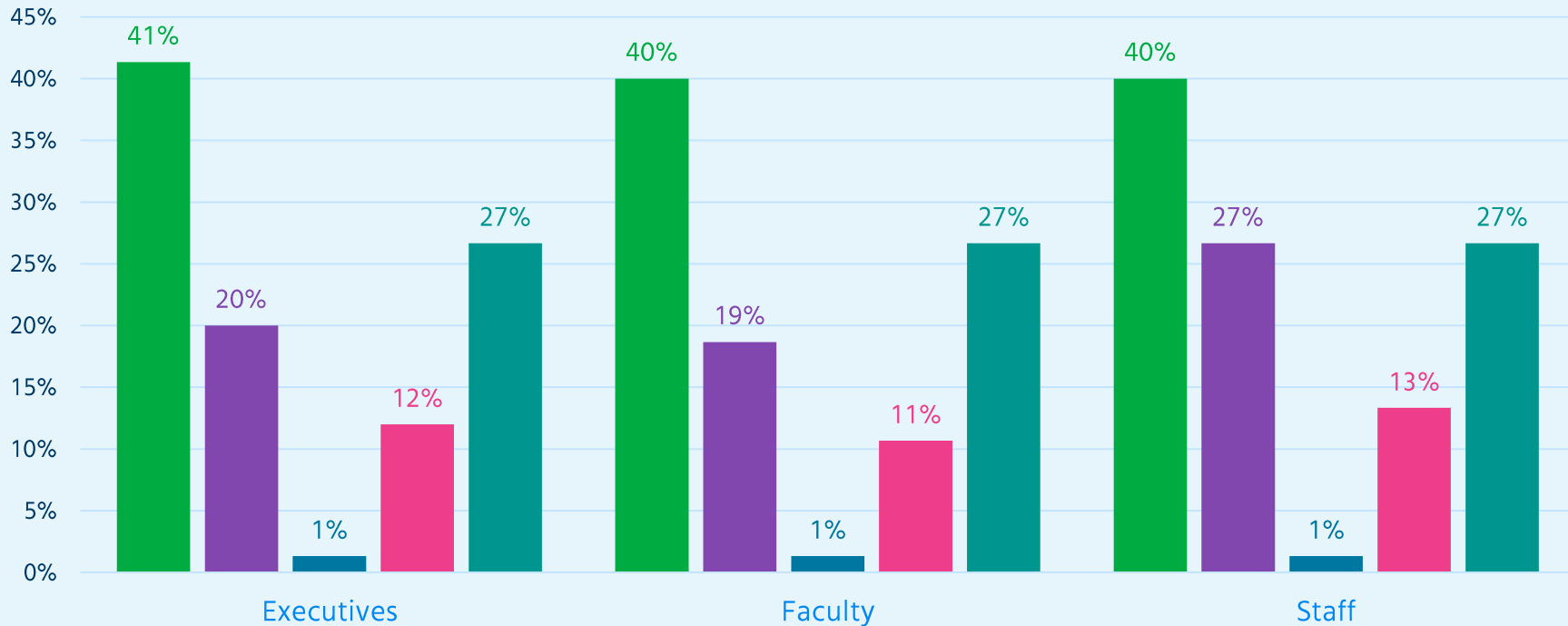
Benefits Strategies

Q: Has your institution made changes to its health and welfare benefits program?

- Surprisingly, most institutions have not reduced benefit programs even though most institutions are experiencing a budget shortfall.
- Of those that have made changes, the most common is reduction in the retirement contribution. This approach is generally easiest to implement and has an immediate impact on institutional finances.
- There is some continued movement to modify leave policies and offer early retirement programs.
- We expect that there may be increasing pressure to reduce benefit spend in the near future.



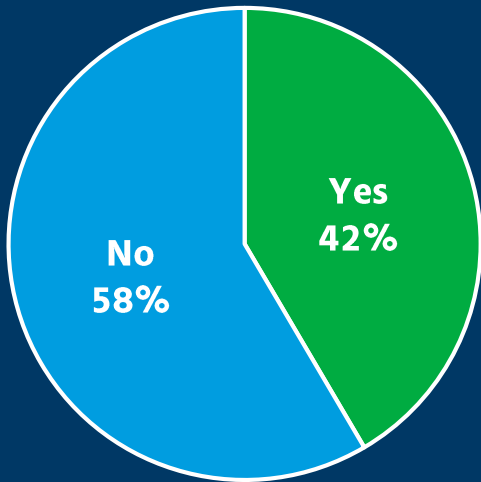
Benefits Strategies



- Reduced employer retirement contributions
- Revised leave policies
- Reduce tuition benefits
- Reduce or review other benefits
- No changes

Care Giving

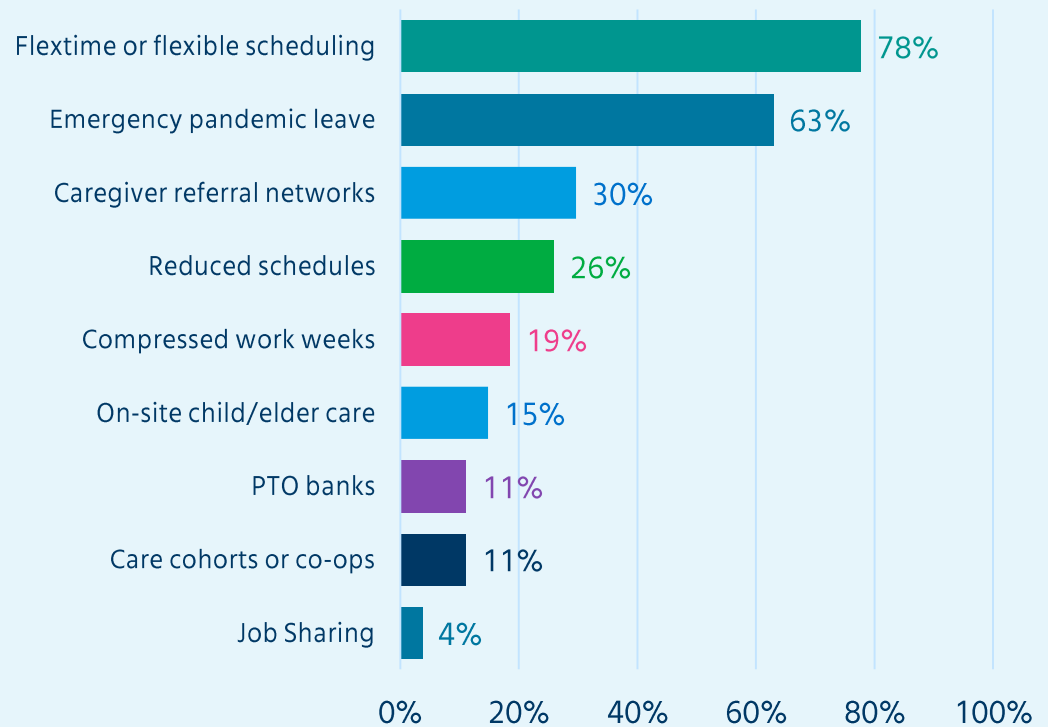
Q: Has your institution implemented or expanded benefit programs around support for employees as caregivers?



Segmentation

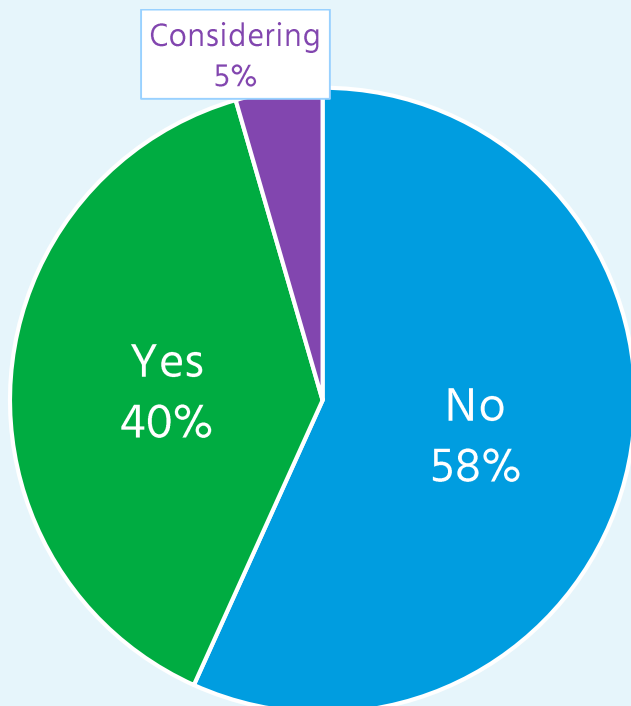
- Public institutions responded yes (48%) somewhat more than privates (38%).
- 51% of Doctoral institutions responded Yes while 82% of Masters institutions responded No.

What caregiver programs has your institution implemented or expanded?



Emotional Well-being

Q: Are you considering, or have you already implemented benefit changes around emotional well-being?



How institutions are responding:

- Increased access
 - Greater use of telehealth
 - Added a 24-hour call line
- Added to number of allowable visits
- More funding for programs

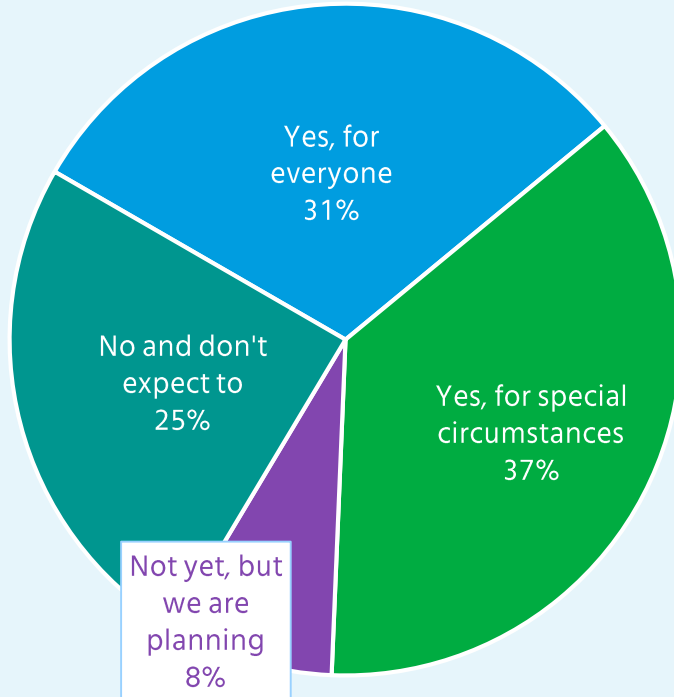
Segmentation

- 61% of private institutions are not considering benefit changes around emotional well-being compared to 52% of public institutions.
- 82% of Masters institutions reporting that they were not considering or implementing changes around emotional well-being. The results are evenly split for the other Carnegie classes.

Despite a recognition of the pandemic's negative effect on employee's mental health, most institutions have not changed and are not planning to change their benefits offerings around mental health.

Leave Policies

Q: Have you adjusted your leave policies as a result of COVID-19



Segmentation

- Results are general consist across Carnegie class, with the exception of 40% of Baccalaureate institutions not expecting to adjust their leave policies.

Under which circumstances have you adjusted your leave policy?



For those who are currently ill with COVID (confirmed or presumed)



For those who have been exposed to someone who has contracted the virus, or who are caring for someone who is ill with COVID

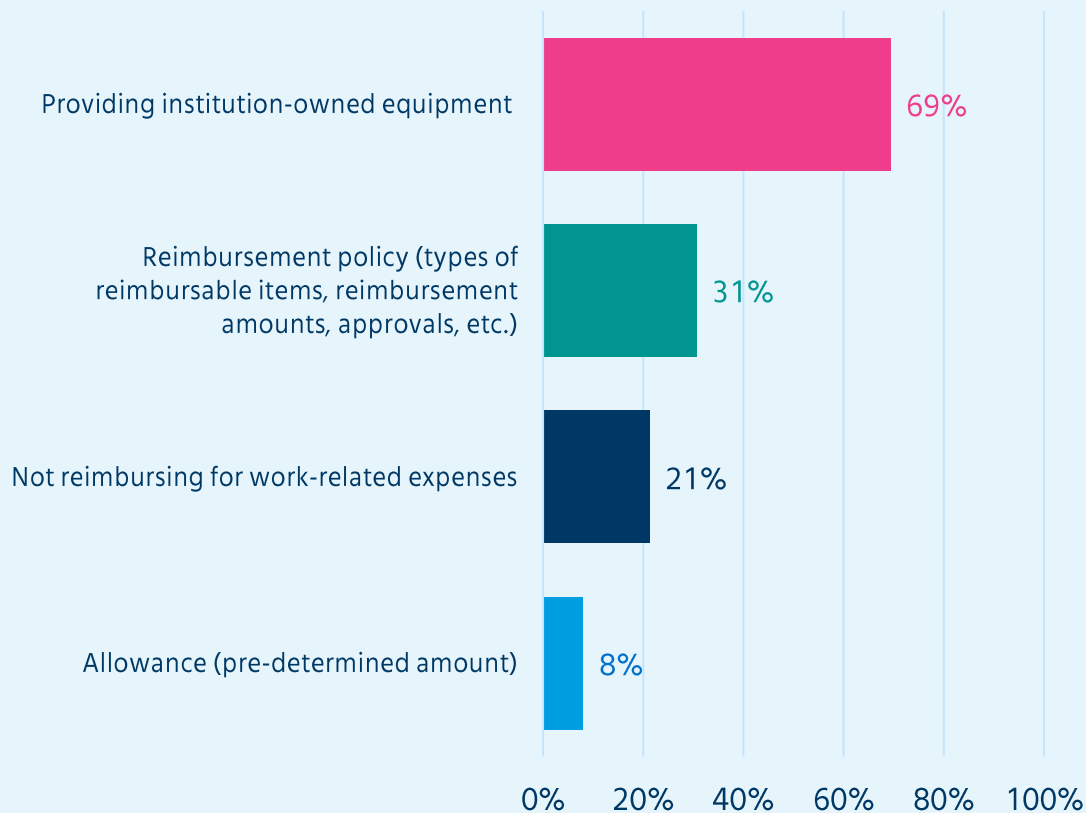


For those who are at high risk (or are caring for someone at a high risk) and concerned about returning to campus

Many institutions have revised leave and PTO policies during the pandemic. Generally these changes offer more flexibility in the administration of these policies.

Work Related Expenses

Q: How are you handling work related expenses for remote workers?



Reimbursements: for those who provided data, the allowance ranged from \$20 - \$25 per month

Typical allowable items

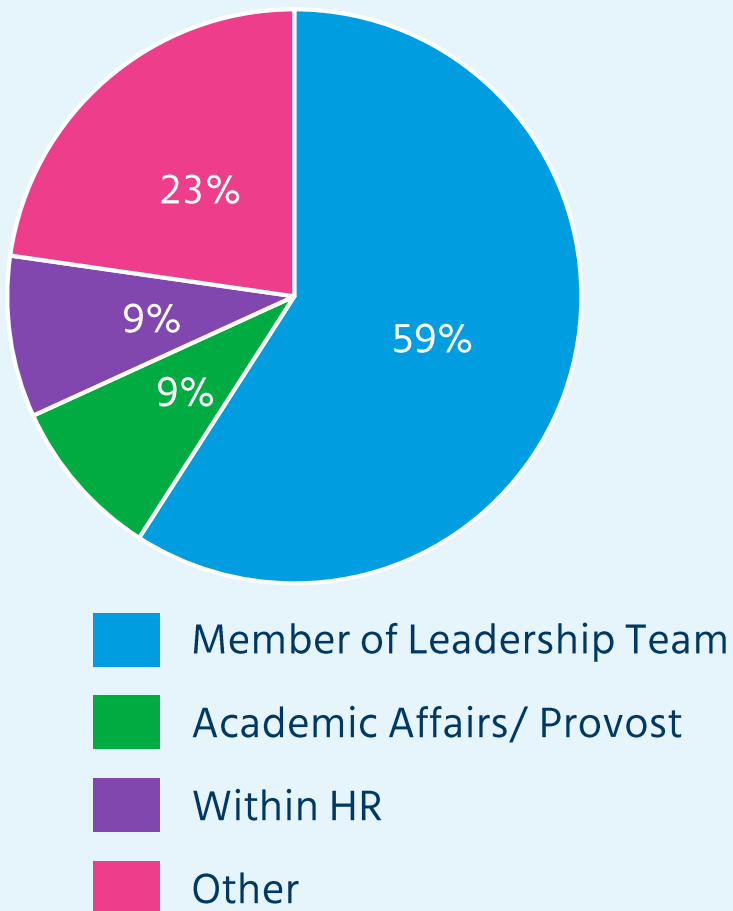
- Office supplies
- Documented incremental expenses
- Parking/transit for essential workers
- Cell and internet services

Segmentation

- There is little variation segmented by funding or Carnegie class compared to the aggregate results.

Diversity, Equity, and Inclusion

Q: Where is DEI situated in your organization structure?



Of those that responded “other” many are in the midst of forming a DEI task force or committee that spans across structures with dual reporting relationships.

Other areas where DEI is situated:

- General Counsel
- Within each division/department
- Student Affairs/Student Services
- As a task force
- Split between two executive roles

Segmentation

- 65% of public institutions report their DEI Officer is a member of the Leadership team compared to 55% of private institutions.
- Baccalaureate intuitions are least likely to report their DEI Officer is a member of the Leadership Team (40%); 20% indicate the DEI Officer reports to Academic Affairs/ Provost (20%).

Diversity, Equity, and Inclusion

Q: Please describe if your institution has changed or adjusted your DEI initiatives given the current circumstances for either faculty or staff?

KEY THEMES:



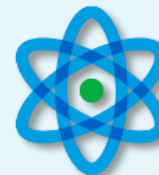
Increased DEI training and program offerings



Adding more DEI positions, elevating within the institution and creation of committees



Updating institution policies



Increased analytics around equity, aligning to workforce strategies



Proactively sourcing candidates to develop a diverse pool of talent

Overall the responses were similar for faculty and staff with the exception of a greater emphasis on diverse hiring for faculty. A few institutions indicated that this is a priority but dealing with the pandemic must take precedent for the moment.

2020 and Beyond

Q: As we look to the future, what do you believe will be the long term impact of the challenges that emerged or accelerated in 2020?

“Flexible Work Arrangements”

Remote and flexible working arrangements beyond the pandemic was the #1 response

“New Hiring Strategies”

Review staffing models and utilizing new sourcing models to represent a more diverse and representative institution

“Enrollment Decline”

Creatively addressing continued enrollment decline in this ever-changing environment

“Long-term Financial Concerns”

Many institutions are worried about the negative financial impact COVID-19 will have long-term as the workforce and student population changes

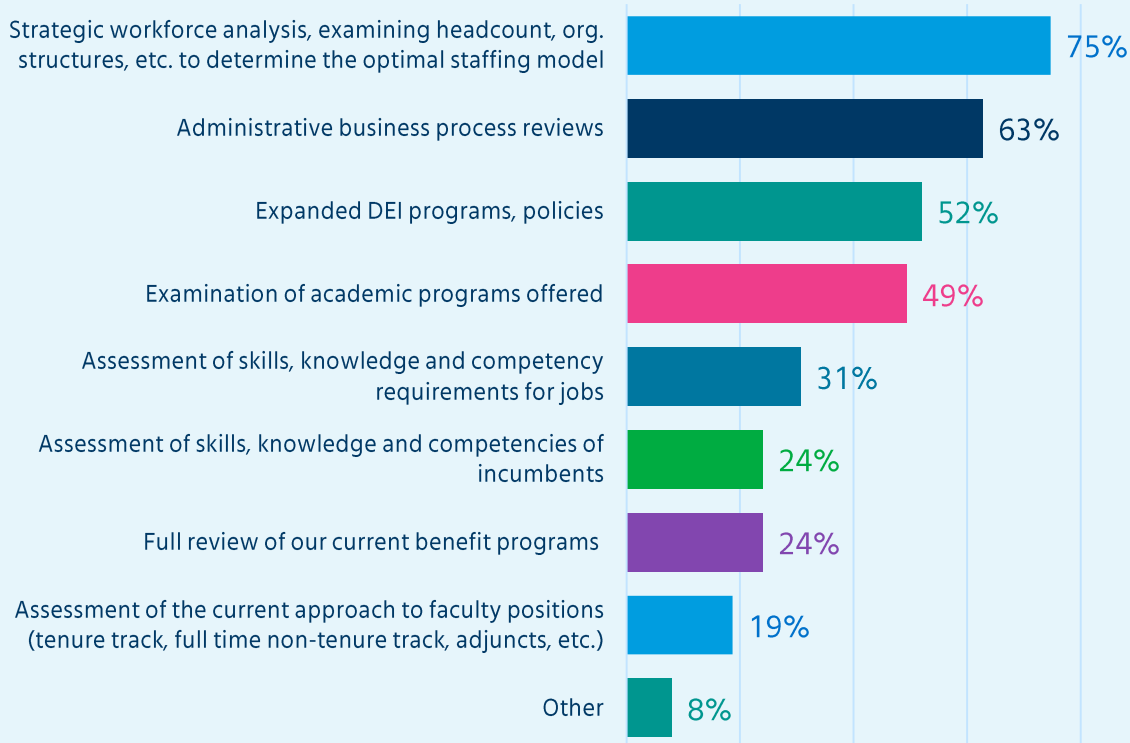
“Online Learning”

Online learning will continue to be a big part of our academic programming. This will impact staffing models (faculty and staff roles) as well as related HR programs.

Institutions will need to continue to lean into technology to increase agility to the ever-changing environment.

Adjusting to the New Normal

Q: Given the impacts of these challenging times, which of the following do you expect will be undertaken by your institution:



The pandemic has accelerated the disruptions Higher Education was already experiencing. Institutions will need to be more nimble, efficient and adaptable to an ever-changing world. As tragic as the pandemic has been, it has highlighted the resiliency and agility of colleges and universities.

As institutions are also focusing on DEI efforts, only 42% have a DEI strategy, creating challenges for those who don't to successfully and sustainably implement change

Participating Institutions

- American University
- Amherst College
- Babson College
- Belmont College
- Brandeis University
- Bridgewater College
- Buena Vista University
- Central Michigan University
- College of the Holy Cross
- Coppin State University
- DePaul University
- Dominican College
- Drew University
- Duke University
- Fairleigh Dickinson University
- Fox Valley Technical College
- Golden Gate University
- Graceland University
- Grant MacEwan University
- Hennepin Technical College
- Indiana University
- Iona College
- Johnson & Wales University
- Lehigh University
- Loyalist College
- Marshall B Ketchum University
- Massachusetts Institute of Technology
- Milwaukee Area Technical College
- Minnesota State University Moorhead
- Moraine Park Technical College
- Mount St Mary's University
- Normandale Community College
- North Idaho College
- Northeastern University
- Northern Illinois University
- Northland College
- Northwestern University
- Ohio University
- Pratt Institute
- Rensselaer Polytechnic Institute
- Rhode Island School of Design
- Rider University
- Ridgewater College
- Ryerson University
- School of Public Health, University of Minnesota
- Smith College
- St Cloud State University
- St. Mary's University - Calgary
- St. Olaf College
- Stanford University
- Stetson University
- Stonehill College
- Suffolk University
- Texas Christian University
- The George Washington University
- The New School
- Tulane University
- UMass Boston
- University of Calgary
- University of Dayton
- University of Mary
- University of Maryland, Baltimore
- University of Minnesota Landscape Arboretum
- University of Notre Dame
- University of San Francisco
- University of St. Michael's College
- University of Utah
- Vassar College
- Villanova University
- Wagner College
- Washington University in St. Louis
- Western Technical College
- Widener University
- Wright State University



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