## **Colleges and Universities in the United States**

This industry includes public and private universities and colleges that offer academic courses and grant bacherlor, masters and doctorate degress partially funded by the public sector (does not include for-profit institutions)

Key drivers, number of college students, S&P 500, government funding, high school retention rate, national unemployment rate

In 2018, Colleges and Universities in the United States generated revenues in excess of $500 billion, representing an average growth of 2% per year over the last five years. The not-for-profit university and college industry represent just under 2,000 unique and individual institutions. Through many industry reports, this industry can be defined as existing the mature life cycle stage with medium amounts of capital intensity and revenue volatility.

Over the next five years (to 2023), demand for higher education is expected to remain strong, leady to steady, moderate industry growth. Government funding for public universities is projected to rebound over the coming years. Furthermore, rising levels of per capita disposable income and strong high school retention rates will push more students to enroll. Student enrollment is expected to increase at a moderate 0.6% annual rate over the next five years.

Risks to industry:

* Start-ups like Coursera and Udacity have gained considerable traction, mostly in ancillary / post bachelor degree education offerings.
* The rise of online learning platforms is unlikely to draw many students away from colleges and universities. In fact, industry institutions are expected to further implement online education programs to lower costs and compete with community college and for-profit universities. Increased access to massive online open courses and other learning services is not expected to disrupt industry growth.

College Students

Educational institutions generate a substantial portion of revenue from tuition and other academic fees levered on enrolled students. As the number of college students paying these fees increase, revenue for colleges and universities increase as well. Over the next five years, the number of students enrolled in educational institutions is expected to increase to 12.9 million students by 2023, leading to equivalent annual revenue of $552.7 billion. In the year 2018, students aged 18 to 21 are expected to account for 46% of revenue, 22 to 29 represent 32%, students 30 years and older account for 18%.

Geographical spread in the united states

Educational institutions have a heavy geographical spread within the united states within the highest concentration of establishments in New York (9%), California (8%), Pensylvania (6%), Texas (5%) and Florida (5%).

**Key success factors:**

1. Experienced Profressors
2. Government subsidies and other grants
3. Responding to students’ needs
4. Having a good reputation
5. Ability to raise revenue from additional sources
6. Effective cost controls

Student demographic is constantly changing and now includes students from nontraditional bacgkrounds including students that are older and already employed. Universities that introduce flexibility to cater to these students will benefit from this growing market. Students are willing to pay higher tuition for institutions with a good reputation.

Receiving research funds and charitable dontations can enable a school to grow or improve existing facilities. This is especially important for private nonprofit universities without government eduction funding.

**Major players**

1. University of California (4.7% market share)
2. University of Texas system (2.8% market share)
3. State University of New York (1.7%)
4. Harvard University (1.1%)

**Addressing Student Needs:**

What Millennials really want:

Conventional wisdom:

Entitled

Easily distracted

Self-absorbed

Lazy

Unlikely to stay in a job very long

Companies of all kinds are obsessed with knowing them better, mostly to address business opportunities at the expense of often overlooking their own workforce that is largely comprised of this generation.

Millennials have grown up immersed in the digital world. They’re the first digital natives to join the workforce which is the key fundamental distinction between them and their older colleagues.

### In a Harvard Business Review study, it was concluded that there are four key questions recur when employees are deciding whether to join a company, give their best effort and or stay at an organization.

1. Is this a winning organization that I can be proud of? Employees want to be proud of the organization they work for. Want to be part of a successful, high-performing company and work for leaders that have a behind of competence, integrity and vision.
2. Can I maximize my performance on the job? Work in an environment that will make the most of their skills and which provides the resources, information, authority, and training necessary to perform at their best.
3. Are people treated well economically and interpersonally? Treated with respect, valued and fair. Want opinions to count, want contributions to be recognized and rewarded both financially and psychologically
4. Is work fulfilling and enjoyable? Want to enjoy the work they do and people they work with. Want to derive a sense of meaning and purpose

There is a scary stigma that employers feel there is still an unfortunate gap between what students learn in college and expectations when they enter the workforce to be considered “job-ready”. This is alarming considering the large and still growing number of people graduating from universities; nearly 50% of 25 to 34 year-olds in America.

Although secondary education is expensive, recent reports from **The Economist** suggest that the ROI of a college degree has never been higher and the value added from a college degree decreases as the number of graduates increase. Recruiters and eomployers are still increasingly demanding university degress regardeless of whether the education is required for the workplace or not.

Universities could substantially increase the value of the college degree if they spent more time teaching their students critical soft skills. Recruiters and employers are unlikely to be impressed by candidates unless they can demonstrate a certain level of ‘people skills’, largely the biggest difference between what universities offer and what employers demand. Employers want candidates with higher levels of EQ, resilience, empathy and integrity and rarely attributes that are nurtured in a University environment. The goal of a university is largely pragmatic: to boost their employability and be a valuable contributor to the economy.

<https://www.ibm.com/thought-leadership/institute-business-value/report/millennialworkplace>

<https://www.quora.com/What-is-Slacks-business-model>

<https://unicornomy.com/slack-business-model-makes-money-revenue-working/>

Radical changes to the traditional mentoring model – training mentors, peer mentors and cross departmental mentors, ultra short mentoring, group mentoring etc.