

Two Year Extension of Adler University's Strategic Plan for 2020 to the Year 2022

Adler University's Strategic Plan charts a clear and dynamic direction for realizing our mission and our vision to be the leading academic institution advancing socially responsible practice, healthy communities, and a more just society.

In 2018, Adler University's Board of Trustees approved an extension of the Strategic Plan to 2022 in order to address changes in the enrollment markets in Chicago and online. The Strategic Plan – "Becoming Adler University" through four Key Strategies – remains relevant, clear, and aligned with realizing our social justice mission.

ENVIRONMENTAL SCAN

Since 2014, many higher education environmental forces remain the same, and some have shifted. The following briefly outlines the current status of market shifts that are relevant to the refresh and extension of the Strategic Plan.

The **push for greater postsecondary attainment** continues. The US has made modest progress in increasing postsecondary attainment. Now, 48 percent of 25–64-year olds have some level of post-secondary attainment, including "high quality certificates." This still falls short of the 60 percent attainment goal, as declared by the Pew Foundation and the Obama administration, to be achieved by 2025. In addition, significant achievement gaps remain among people of color and other marginalized groups.

Canada has historically had a much greater level of postsecondary attainment than the US, ranking second among Organization for Economic Co-operation and Development (OECD) nations, with a rate of 61 percent attainment among working-aged adults. (South Korea ranks first.) Canada has significant postsecondary attainment gaps among the Aboriginal student segment.

The focus on greater attainment—specifically to support workforce needs—should influence greater demand for postsecondary education. However, in the US more so than in Canada, this message is generally lost among other negative messages about higher education.

Our growing understanding of **demographic shifts** represents one of the more dramatic changes since the plan was written in 2014. The populations of both the US and Canada are increasingly diverse and multicultural, though various demographic groups are not evenly distributed. For example, in the US, the populations of New England and the upper Midwest are increasingly older, while the South and Southwest have a greater proportion of the younger and Hispanic population. So-called "nontraditional" (older, working, returning) students are now the majority of students in the US. Nontraditional students are less prevalent in Canada due to the overall higher attainment rate. Opportunities exist to more specifically reach out to less-served student segments, such as the nontraditional students and students of color, while realizing additional support services may be required to serve these segments.

Current and projected declines in the high school aged population in the upper Midwest is leading to enrollment declines in the Midwest. According to Nathan Grawe in his new book [Demographics](#)

[and Demand for Higher Education](#), demand for four-year institutions in Illinois will decline by over 15 percent by the late 2020s. This is in addition to present declines in the Midwest, as well as recent declines seen across Chicago colleges and universities. Grawe did not analyze demand for graduate professional education, but fewer bachelor's degree holders will no doubt affect demand for graduate education in parts of the country. Another implication is that, as the undergraduate population shrinks, more institutions are moving into the master's market, making for more competition.

In addition, well-publicized uncertainty about the Illinois state budget, and thus uncertainty about Illinois' Monetary Award Program (MAP), could have a negative effect on enrollments at Adler's Chicago campus in which just more than half of students come from the greater Chicago area and just less from half from outside.

Other regions of the US—particularly California, the Intermountain West (Idaho, Montana, Utah, Wyoming) and some portions of the South—are expected to experience greater demand for higher education and will produce more bachelor's degree holders. Paying close attention to demographics and adjusting recruitment activities accordingly—including for online programs—is essential.

Though the eastern provinces of Canada are experiencing similar serious declines in the high school aged population, this effect is less pronounced in the west. Further, because of Canada's historically strong public support for postsecondary education, these demographic shifts are not expected to dramatically affect enrollments in Canada.

Consumerism and perceptions of higher education have shifted dramatically in a negative direction in the US since the plan was developed. In 2014, we discussed the trend toward measuring the “return on investment” of a degree, more reliance on rankings, more focus on career-oriented degrees, and more “shopping” for an institution based on perceived economic value.

Now, in the US, the national conversation is more vitriolic. Media focus on affordability, debt, and post-graduation employment has been unyieldingly negative, and at odds with the clear data about the value of higher education degrees. Many surveys document the increasing questioning of the economic and social value of higher education and the mistrust of higher education institutions. In a recent study comparing perceptions of individuals who identify with the two major political parties, Pew found that 58 percent of Republicans feel “colleges and universities are having a negative effect on the way things are going in the country.” Seventy-two percent of Democrats feel that colleges and universities are having a positive effect, so even 19 percent of Democrats feel colleges and universities are having a negative effect on the country. Structural racism must be considered as a potential driver when even many progressives are touting better employment trajectory in the trades, just as higher education is granting more degrees to black and brown people.

In Canada, conversely, public perception of higher education remains highly positive. A 2015 study by Abacus Data revealed 77 percent of the population had a positive impression of colleges and universities. However, Canadians are much less positive about online and distance education than are people in the US. Further, because of the country's strong government-supported university system, there is less understanding of or appreciation for the private university sector.

In both the US and Canada, counteracting doubt through clear and persistent messaging remains an important strategy. Adler University continues to address affordability but operates within a

higher education ecology in which costs continue to escalate. Even with a relatively high debt level, Adler graduates are securing good jobs and are repaying their loans, as evidenced by alumni data and Adler's extraordinarily low default rate in both the US and Canada. Even so, the strong prevailing negative US conversation and ethos about higher education is bound to create some level of doubt among US individuals, potentially delaying or derailing prospective students' decision to pursue additional education. On the positive side, general demand for mental health professionals remains very high, a trend that is expected to continue in both countries. And it may also be the case that this particular political moment is stimulating many to seek careers in social justice and activism.

In 2014, we identified **competency-based education** as a major opportunity for Adler University. Though a focus on more finely defining and assessing student learning outcomes is a positive trend that will continue, the extreme form of direct assessment competency-based education (in which there are no formal classes) has not caught on as expected. Direct assessment programs (currently offered by Southern New Hampshire University, Capella University, and University of Wisconsin) require a strong level of motivation and prior learning on the part of students. It is a new format that is unfamiliar to many and is difficult to explain to prospective students. Even though competency-based programs are targeted at the very large "some college, no degree" segment in the US, thus far, programs have failed to capture a large proportion of that segment.

In addition, developing direct-assessment programs is very expensive. Scrutiny of these programs by accrediting bodies and the US Department of Education remains high. Competency-based programs and direct assessment will not disappear, but it is taking much longer than expected for the market to develop.

In Canada, interest in direct assessment competency-based programs was always less strong than in the US. Due to high overall attainment rates, the "some college, no degree" segment in Canada is smaller overall, affecting potential demand.

This is still a trend to watch. Niche programs aimed at very specific student segments in which there is little direct competition (such as practice-oriented doctoral programs) might represent an opportunity.

The **online education** world has shifted since 2014. Enrollments in the US are increasing, but at a slower rate than five years ago. Adoption is slower in Canada; most Canadian post-secondary institutions see online learning as important for their future plans, but institutions are generally less developed in their offerings. There has been a major consolidation in the US of a few large providers (such as Southern New Hampshire University and Arizona State University) who are capturing a high percentage of overall enrollments. The private, nonprofit higher education sector has experienced increases while the for-profit sector has decreased. This latter trend may reverse, with the relaxation of Obama-era regulations that affect for-profits.

Online program demand is focused on career-oriented degrees. Business, nursing, and computer science/engineering represent 30 percent of all enrollments. There is also demand for social services, sociology, elementary education, and criminal justice. Master's degrees are a large and growing market. Fewer institutions are venturing into the doctoral market, and as a graduate institution, this is an opportunity for Adler University.

Today, just as was the case in 2014, the postsecondary education industry continues to experience pressures and shifts not unlike those that have affected other industries. As higher educational professionals and advocates, we are “true believers” and understandably feel we should be immune from such forces—but we are not. Continuously tracking the external environment—being realistic and reacting to that environment—will be the difference between institutions that thrive and those that fail. The shifts described here certainly represent some challenges, but also opportunities, for Adler University.

Our guiding strategy is to continue to “become Adler University” with a unique, specified, and essential value proposition within increasingly competitive enrollment markets. The following conclusions will be elaborated, and additional conclusions will be solicited and explored at the Board Retreat:

- Continue to increase quality experience for students, faculty, and staff
- Continue to pursue initiatives that will support and improve Adler University’s unique mission and value proposition
- Focus messaging that highlights Adler University’s strengths and that counteracts prevailing negative public perception and media messages
- Track demographic trends that potentially impact enrollment, and design appropriate recruitment strategies with partner Collegis
- Target new student segments and promising geographic regions in the US and Canada for recruitment
- Take advantage of Canada’s ability to attract international students in light of changes in US immigration policies
- Emphasize projected high demand for all types of mental health professionals, such as counselors, art therapists, psychologists, rehabilitation therapists
- Continue to make smart, data-informed investments in new programs, formats, and student services
- Grow new program portfolio incrementally into non-psychology programs
- Prioritize activities that will enhance revenue through increased enrollment and fundraising
- Delay launch of entirely new formats like competency-based programs and non-degree certificate programs

SUMMARY OF DRAFT GOALS FOR KEY STRATEGIES

	KEY STRATEGY 1: Advance SOCIALLY RESPONSIBLE PRACTICE in the University's activity and reach	KEY STRATEGY 2: Diversify the UNIVERSITY's academic offerings in socially responsible practice	KEY STRATEGY 3: Create EXCELLENCE and innovation in learning and engagement of communities	KEY STRATEGY 4: Ensure FISCAL SUSTAINABILITY of the University
YEAR 1: 2015 – 2016	<ul style="list-style-type: none"> ▪ Create Center for Adlerian Practice and Scholarship ▪ Implement campus culture initiative to increase internal community engagement 	<ul style="list-style-type: none"> ▪ Launch one new Chicago Campus academic program and one new Vancouver Campus academic program ▪ Establish Online Campus with 6 academic programs 	<ul style="list-style-type: none"> ▪ Develop Excellence Plans in 10 domains (global learning, community engagement, academic affairs, student services, IT, educational technology, development, communications / marketing, HR and workforce development, and diversity), including infrastructure and capacity-building ▪ Continue education for university community about online learning, nontraditional students, and emerging trends in higher education 	<ul style="list-style-type: none"> ▪ Secure permanent asset of Chicago Campus facility
YEAR 2: 2016 – 2017	<ul style="list-style-type: none"> ▪ Create an innovation incubator for SRP that supports faculty projects that advance SRP (e.g., seed grants and other supports / incentives) 	<ul style="list-style-type: none"> ▪ Launch one new Vancouver Campus academic program, and expand Chicago Campus academic program accreditation 	<ul style="list-style-type: none"> ▪ Continue Excellence Plans ▪ Expand career service resources offered to students ▪ Better target scholarships and incentives to community partners to enroll in academic programs and/or earn certificates through Adler University 	<ul style="list-style-type: none"> ▪ Launch an integrated Institutional Advancement function in Vancouver ▪ Invest in and occupy new Vancouver Campus facility

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YEAR 3: 2017 – 2018	<ul style="list-style-type: none"> ▪ Extend shared governance through implementing the Decision Matrix and establishing the Cabinet 	<ul style="list-style-type: none"> ▪ Augment marketing and information technology infrastructure to support enrollment growth across the University ▪ Launch two new Online Campus academic programs 	<ul style="list-style-type: none"> ▪ Continue Excellence Plans ▪ Inaugurate a new model for the Global Campus for online students to learn about and be engaged in communities ▪ Secure ACHS in Vancouver 	<ul style="list-style-type: none"> ▪ Establish Giving Societies to build infrastructure for the Community Phase of the Comprehensive Campaign
YEAR 4: 2018 – 2019	<ul style="list-style-type: none"> ▪ Audit and assure fidelity of Social Justice Practicum across campuses ▪ Host a community-wide contemplation exercise about SRP that deepens community understanding / integration and that supports subsequent action ▪ Extend institutional diversity initiatives and plans following the hire of a Chief Diversity Officer 	<ul style="list-style-type: none"> ▪ Launch 1 new Chicago Campus program and 1 new Online Campus academic program 	<ul style="list-style-type: none"> ▪ Continue Excellence Plans ▪ Align support systems for targeted research efforts following assessment of research activities across the campuses ▪ Explore and invest in the optimum faculty model for Online Campus (e.g., disaggregation of roles) 	<ul style="list-style-type: none"> ▪ Establish public affairs initiative focused on institutional positioning to advance the Board and philanthropic growth ▪ Begin the Public Phase of the Comprehensive Campaign ▪ Report on economic feasibility and required resources for a range of university strategies (e.g., certificates, service in Affordable Care Act, corporate partnerships, evaluation service for community partners) to pursue the most feasible strategies

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YEAR 5: 2019 – 2020	<ul style="list-style-type: none"> ▪ Establish new metrics to measure mission effectiveness, quantify outcomes, measure community impact; raise awareness of impact and reputation of Adler University ▪ Establish an Institute for Social Change in Vancouver 	<ul style="list-style-type: none"> ▪ Launch 1 new Chicago Campus program and 1 new Vancouver Campus academic program – to diversify programs and realize university identity ▪ Launch baccalaureate program on Online Campus ▪ Launch stacking certificate or dual degree enrollment options 	<ul style="list-style-type: none"> ▪ Continue Excellence Plans ▪ Expand the Center for Learning and Teaching ▪ Explore optimum faculty models for Chicago and Vancouver (e.g., disaggregation of roles) ▪ Develop an institutional definition of “university” and “community” that drives the university’s actions 	<ul style="list-style-type: none"> ▪ Achieve foundation, corporate, and vendor goal for the Comprehensive Campaign ▪ Achieve trustee goal for the Comprehensive Campaign
YEAR 6: 2020 – 2021	<ul style="list-style-type: none"> ▪ Commit to a year-long international advocacy effort across all 3 campuses 	<ul style="list-style-type: none"> ▪ Launch 2 new Chicago Campus program, 2 new Vancouver Campus academic program, and 2 new Online Campus academic programs – to diversify programs and realize university identity 	<ul style="list-style-type: none"> ▪ Continue Excellence Plans ▪ Implement new range of ways for the Institutes to involve and influence the Online Campus (e.g., online Social Exclusion Simulation) 	<ul style="list-style-type: none"> ▪ Complete \$10M Comprehensive Campaign ▪ Achieve or exceed benchmark alumni volunteer and giving participation rates
YEAR 7: 2021 – 2022	<ul style="list-style-type: none"> ▪ Report mission effectiveness with quantified outcomes and illustration of community impact ▪ Host international conference on SRP 	<ul style="list-style-type: none"> ▪ Launch 1 new Chicago Campus program and 1 new Vancouver Campus academic program – to diversify programs and realize university identity 	<ul style="list-style-type: none"> ▪ Continue Excellence Plans ▪ Embed a learning experience (e.g., certificate, academic program) within a marginalized community that traditionally does not access higher education 	<ul style="list-style-type: none"> ▪ Leverage completed campaign into launch of next Comprehensive Campaign ▪ Stage inaugural gala or large event to raise awareness and fundraising capacity in Chicago, plan timeline for same in Vancouver

ENROLLMENT AND FISCAL PROJECTIONS FOR 2015 – 2022

CHICAGO	FY2016 Actual	FY2017 Actual	FY2018 Forecast	FY2019	FY2020	FY2021	FY2022
New academic programs	1	0	0	1	1	2	1
Student enrollment	835	833	805	817	938	1,008	1,155
Total Chicago Revenue	\$29.7 M	\$30.5 M	\$28.6 M	\$29.3 M	\$32.7 M	\$36.1 M	\$40.4 M
<i>% Growth in Revenues</i>		2%	-6%	2%	12%	11%	12%
Expenses	\$28.9 M	\$27.7 M	\$27.2 M	\$27.7 M	\$30.7 M	\$34.4 M	\$38.6 M
Change in Net Assets	\$0.8 M	\$2.8 M	\$1.4 M	\$1.6 M	\$2.0 M	\$1.7 M	\$1.8 M
Net Margin	3%	9%	5%	5%	6%	5%	4%

VANCOUVER (in USD)	FY2016 Actual	FY2017 Actual	FY2018 Forecast	FY2019	FY2020	FY2021	FY2022
New academic programs	1	1	0	0	1	2	1
Student enrollment	285	312	330	318	352	420	489
Total Vancouver Revenue	\$4.2 M	\$4.7 M	\$5.5 M	\$5.7 M	\$6.6 M	\$7.9 M	\$9.4 M
<i>% Growth in Revenues</i>		12%	17%	3%	15%	20%	19%
Expenses	\$4.4 M	\$4.8 M	\$5.8 M	\$5.7 M	\$6.3 M	\$7.3 M	\$8.5 M
Change in Net Assets	-\$0.2 M	-\$0.1 M	-\$0.3 M	\$0.0 M	\$0.3 M	\$0.6 M	\$0.9 M
Net Margin	-4%	-3%	-5%	0%	4%	7%	9%

ONLINE	FY2016 Actual	FY2017 Actual	FY2018 Forecast	FY2019	FY2020	FY2021	FY2022
New academic programs	6	0	2	1	1	2	0
Student FTEs	242	305	276	241	293	379	445
Total Online Revenue	\$3.0 M	\$4.2 M	\$3.7 M	\$3.0 M	\$3.6 M	\$4.6 M	\$5.4 M
<i>% Growth in Revenues</i>		42%	-11%	-21%	22%	29%	17%
Expenses	\$3.2 M	\$4.8 M	\$3.5 M	\$3.1 M	\$4.0 M	\$4.2 M	\$4.5 M
Change in Net Assets	-\$0.3 M	-\$0.6 M	\$0.2 M	-\$0.1 M	-\$0.4 M	\$0.4 M	\$1.0 M
Net Margin	-9%	-14%	6%	-5%	-10%	9%	18%

ADLER UNIVERSITY Consolidated	FY2016 Actual	FY2017 Actual	FY2018 Forecast	FY2019	FY2020	FY2021	FY2022
New academic programs	8	1	2	2	3	6	2
Student enrollment	1,362	1,450	1,411	1,376	1,583	1,807	2,089
Total Revenue	\$36.9 M	\$39.4 M	\$37.9 M	\$37.9 M	\$42.9 M	\$48.7 M	\$55.2 M
<i>% Growth in Revenues</i>		7%	-4%	0%	13%	14%	13%
Expenses	\$36.5 M	\$37.3 M	\$36.5 M	\$36.5 M	\$41.0 M	\$45.9 M	\$51.6 M
Change in Net Assets	\$0.4 M	\$2.1 M	\$1.4 M	\$1.4 M	\$1.9 M	\$2.7 M	\$3.6 M
Net Margin	1%	5%	4%	4%	4%	6%	7%