Strategies for Resiliency in Challenging Times

For colleges and universities, the past several years have seen declining enrollment, rising costs and liquidity challenges, which have all been exacerbated by the COVID-19 pandemic.

To drill down into specific challenges impacting these institutions and their plans to combat them, we analyzed their responses to our benchmarking survey. Here are our top findings:

**Top Challenges**

1. Decreasing margins
2. Securing the capital needed for infrastructure investments
3. Variability in funding
4. Adequate liquidity
5. Securing revenue/funding
6. Variability in funding
7. Adequate liquidity
8. Improving operational efficiency
9. Improving program/service delivery
10. Combating decreasing margins

The financial health of the higher education sector has long been in question, and institutions themselves are feeling less than confident.

While the issues facing colleges and universities are diverse and complex, technology—when used effectively—can help institutions increase efficiencies, lower costs, mitigate risks and ultimately help these institutions continue to educate students, whether it’s in a real classroom or a virtual one.

**Goals of Technology Investments**

1. Improve operational efficiency
2. Improve program/service delivery

For information on how to help your higher education institution during this time, please visit our Crisis Response Resource Center and subscribe to our nonprofit blog. For more findings from our annual benchmarking survey, download the full report.

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BDO’s dedicated higher education team can help your organization navigate challenges while remaining true to your mission. Learn more:

This survey was conducted just prior to the global COVID-19 pandemic. The higher education sector has proven its resilience, and with the proper resources we believe institutions will manage the situation effectively.

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When asked about their top challenges and priorities, financial issues were a common concern.

Struggling

Surviving

Thriving

35% 51% 14%

66% 14% 57%

Securing revenue/funding

Combating decreasing margins

And these institutions have reason to be concerned—the majority lack a robust financial safety net.

Colleges & Universities Face Financial Firestorm

While finances are top of mind, they’re not the only issue, particularly when many institutions are operating remotely. These conditions are ripe for potential fraudulent activity and cyberattacks, and many organizations have already experienced breaches this year.

However, our findings show that many colleges and universities may be underestimating these risks:

They May Be Overlooking Cybersecurity and Fraud Risks

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Turning to Tech for Solutions

The goal of their tech investments is to reduce fraud.

60% of colleges and universities plan to invest in new technology.

BDO Tip: Many organizations have already deployed cost-saving measures to manage unexpected financial challenges. But colleges and universities need to look beyond immediate hurdles. Institutions should adjust their long-term plans to reflect this “new normal” and align budgets and investments to support their visions for the future.

BDO Tip: Savvy organizations are ramping up risk prevention efforts, and should ensure they are evolving their policies and procedures to match the current situation.

BDO Tip: Technology can certainly aid higher education institutions, but it’s not a silver bullet. Organizations should focus on making investments where they are likely to see the greatest and speediest ROI, and those that will help them become more adaptable to future disruptions.

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50% 42%

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