

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 [annual benchmarking survey](#). Here are our top findings:

Colleges & Universities Face Financial Firestorm

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

Struggling



Surviving

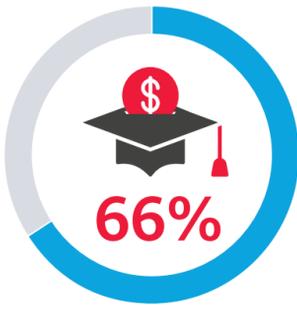


Thriving



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

#1 Priority in 2020



Securing revenue/funding



Combatting decreasing margins

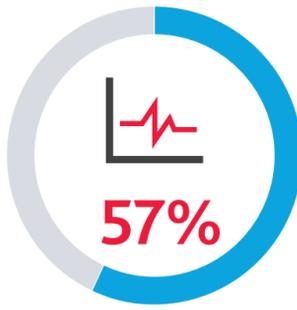
Top Challenges

1. Decreasing margins **41%**
2. Securing the capital needed for infrastructure investments. **37%**
3. Variability in funding **27%**
4. Adequate liquidity **25%**

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



Have under 6 months of operating reserves to help manage unexpected costs



Say revenues have stagnated or decreased in their last fiscal year

BDO TIP: Many organizations have already deployed cost-cutting 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 the "new normal" and align budgets and investments to support their vision for the future.

They May Be Overlooking Cybersecurity and Fraud Risks

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.

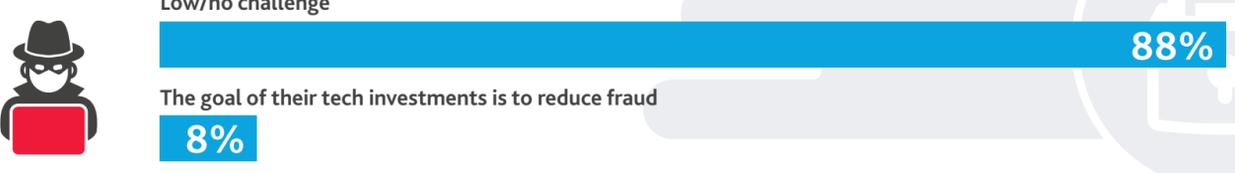
However, our findings show that many colleges and universities may be underestimating these risks:

Cybersecurity



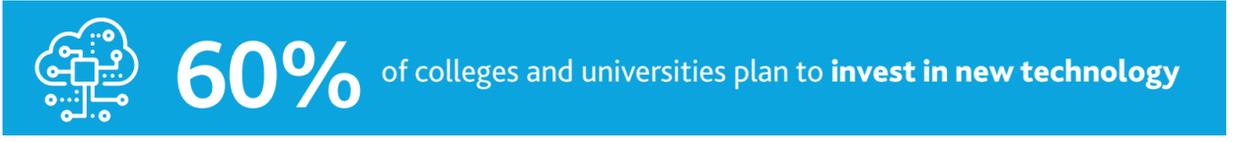
BDO TIP: Savvy organizations are ramping up risk prevention efforts, and should ensure they are evolving their policies and procedures to match the current situation.

Fraud



Turning to Tech for Solutions

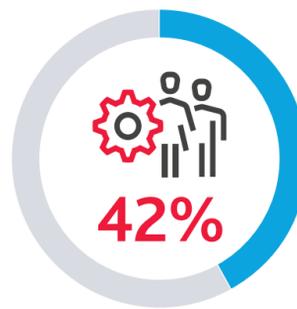
While the issues facing colleges and universities are diverse and complex, **technology—when used effectively—can help organizations increase efficiencies, lower costs, mitigate risks** and ultimately help these institutions continue to educate students, whether it's in a real classroom or a virtual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



Goals of Technology Investments:



1. Improve operational efficiency



2. Improve program/service delivery

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.

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](#).

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

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