

MIDWESTERN
HIGHER EDUCATION
— **COMPACT** —

Trends in Higher Education

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Presentation to the Higher Education Institutions Committee

Friday, August 22, 2025

Workforce Training Center, TrainND Northwest

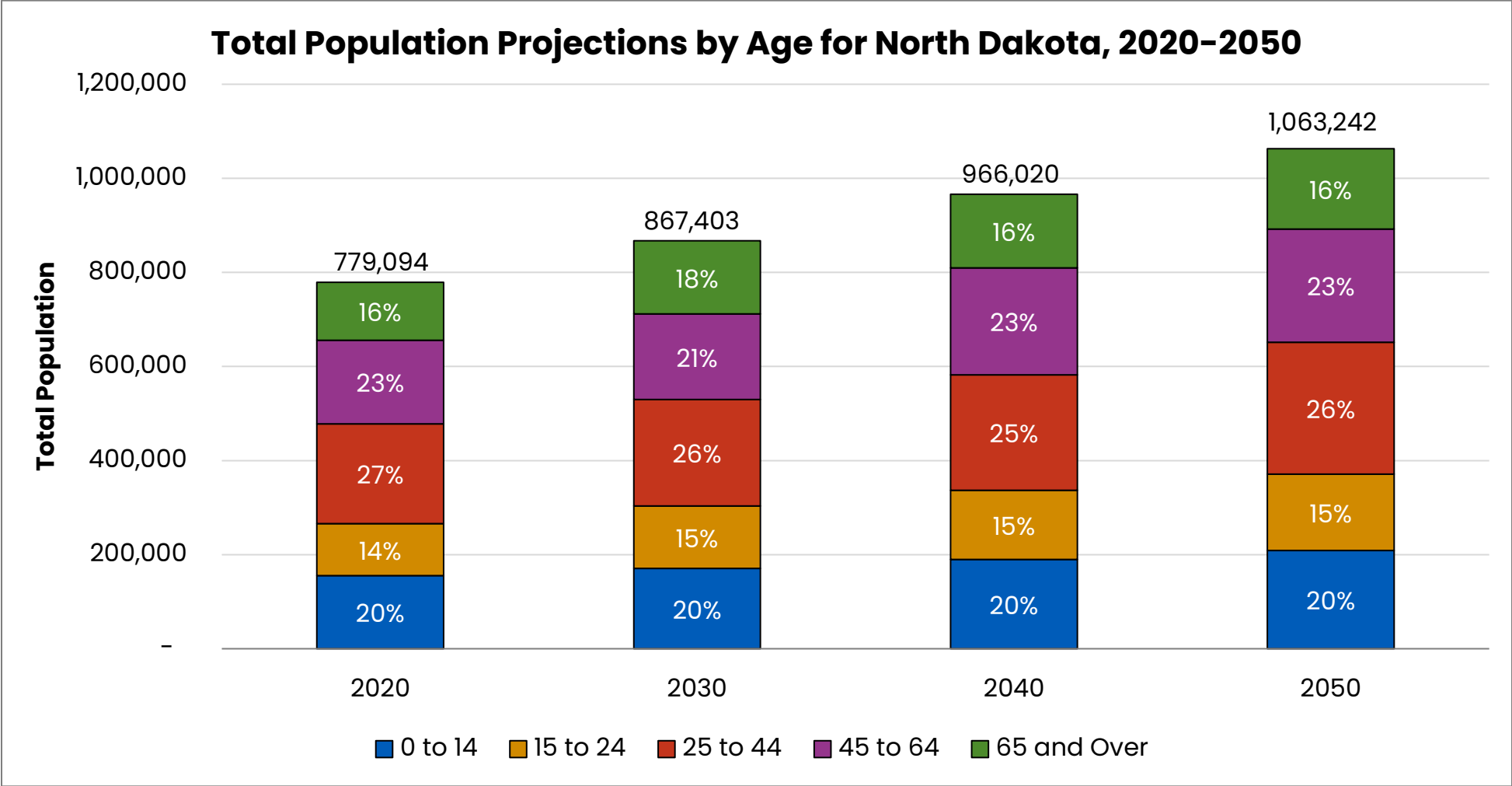
Williston, North Dakota

Overview

1. Population and Demographic Cliff Projections for North Dakota
2. National Projections of Enrollment
3. North Dakota Trends in Enrollment
4. Institutional Closures
5. Campus Closure Policies
6. Institutional Mergers, Consolidations, and Program Elimination

Population and Demographic Cliff Projections for North Dakota

North Dakota’s population is projected to increase by 36% between 2020 and 2050, with growth occurring across all age groups.



Source. University of Virginia, Weldon Cooper Center for Public Service. (2024). *National and 50-state population projections.*



A demographic cliff is projected over next two decades

Nathan Grawe's (2018) *Demographic and the Demand for Higher Education*:

- Posits that the “birth dearth” from the Great Recession will lead to a decline in the population of traditional aged college going students.
- Projects the enrollment decline in higher education to begin in mid 2020s.
- Greatest declines in Northeast and Midwest regions; selective/elite institutions may continue with enrollment growth
- WICHE's *Knocking on the Door* shows a projected decline in number of high school graduates beginning in mid 2020s.

Sources: Grawe, N. (2018). *Demographics and the demand for higher education*. Baltimore, MA: John Hopkins University Press
Lane, P., Falkenstern, C., & Bransberger, P. (2024). *Knocking at the college door: Projections of high school graduates*. Western Interstate Commission for Higher Education. Retrieved from <https://www.Wiche.edu/knocking>.

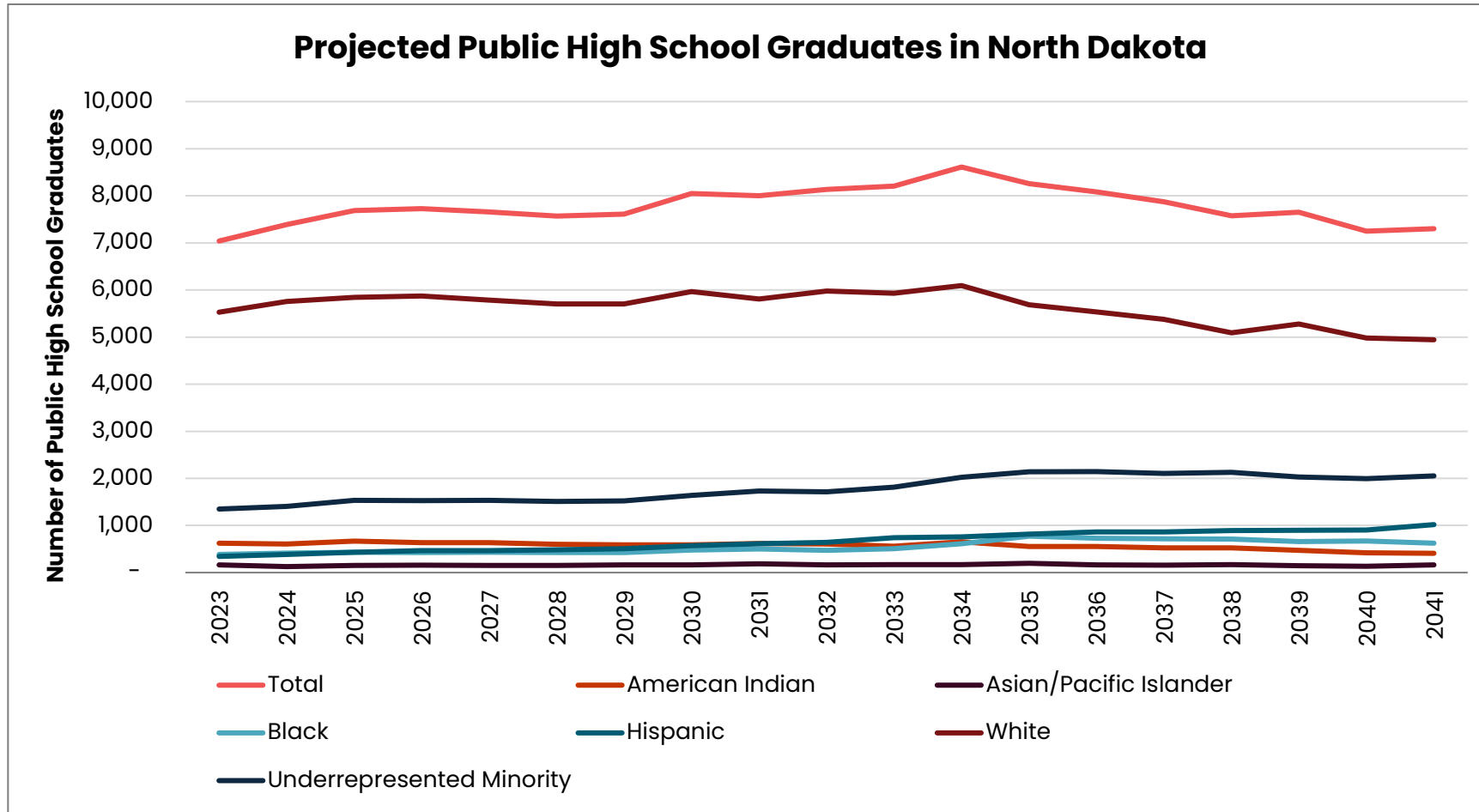
Public high school graduates are projected to decrease across both the nation (-11%) and the Midwest (-15%) over the next 18 years, though graduates will increase by 4% in North Dakota.

Projected Number of Public High School Graduates in the Midwest, 2022-23 to 2040-41

State	2022-23	2028-29	2034-35	2040-41	Total Percent Change, 2022-23 to 2040-41
Illinois	133,614	118,772	110,449	91,925	-31%
Michigan	99,265	90,387	90,180	79,802	-20%
Wisconsin	61,549	57,436	55,726	51,007	-17%
Minnesota	62,167	59,520	59,999	53,542	-14%
Kansas	34,143	33,621	32,252	30,004	-12%
Missouri	61,356	58,886	59,101	54,104	-12%
Indiana	70,845	67,980	68,123	65,257	-8%
Iowa	34,653	33,648	34,450	32,251	-7%
South Dakota	8,984	9,064	9,235	8,493	-5%
Ohio	120,397	124,997	123,529	113,902	-5%
Nebraska	21,893	22,190	22,547	20,967	-4%
North Dakota	7,039	7,612	8,257	7,299	4%
Midwest	715,905	682,133	671,387	605,028	-15%
U.S.	3,435,860	3,352,664	3,308,806	3,069,444	-11%

Source: WICHE. (2024). *Knocking at the College Door*.

A more significant increase in total public high school graduates is projected for North Dakota through 2034 (+22%), preceding a decline through 2041 by 15%. Black and Hispanic graduates will remain steady or increase.



Source. WICHE. (2024). *Knocking at the College Door*. Note. The *Underrepresented Minority* category comprises American Indians, Blacks, and Hispanics. The estimates exclude home-schooled students.

Significance of demographic cliff projections for North Dakota

Advantages in North Dakota

- North Dakota fairs better than most Midwest states in the projected trend of high school graduates, particularly through 2034.
- North Dakota benefits from strong net in-migration of first-time freshmen.
- North Dakota's total population is projected to grow through 2050.

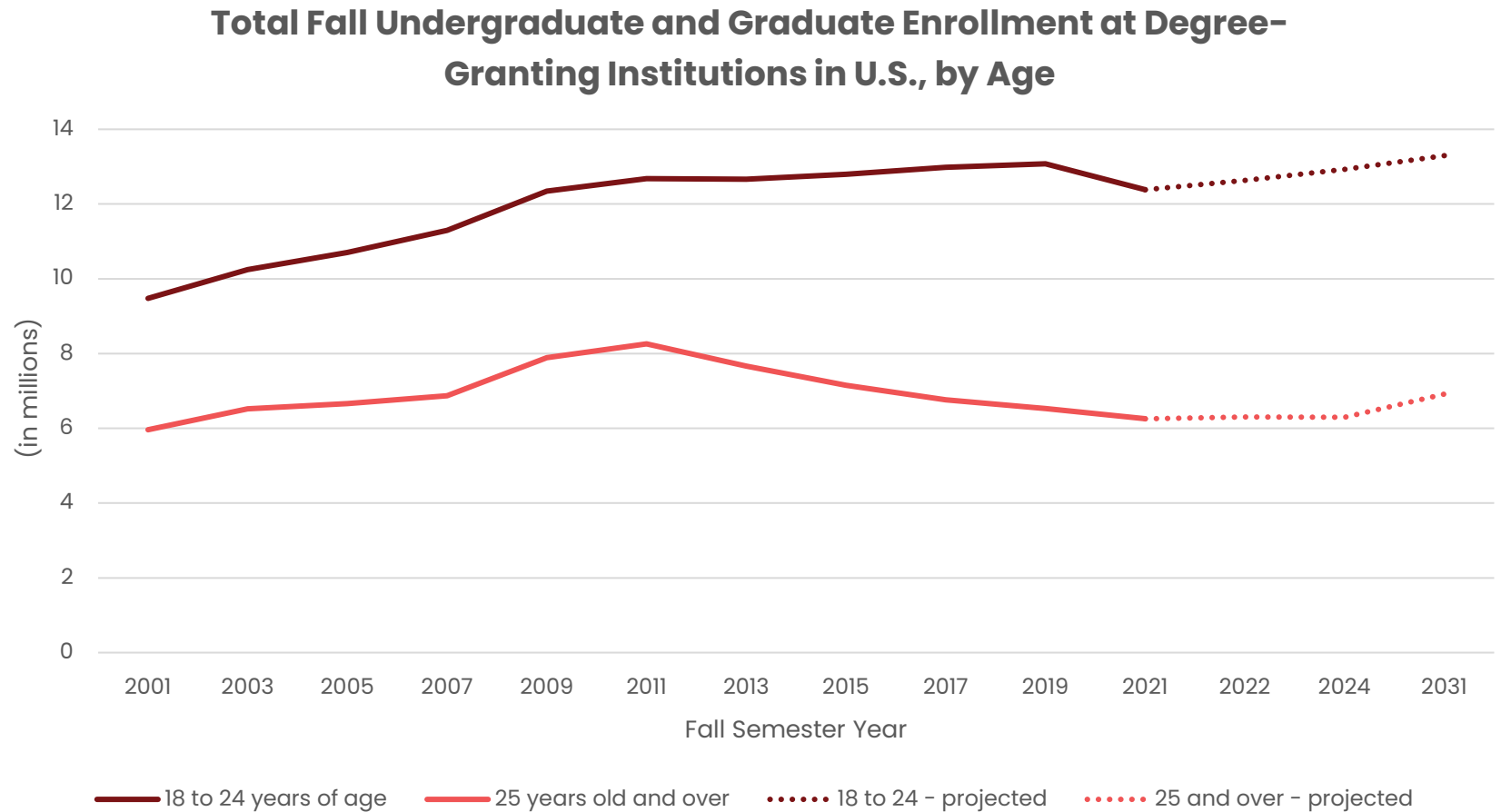
Challenges

- North Dakota's projected increase in high school graduates is partly driven by Black and Hispanic students. Data show that these populations have lower college enrollment rates than White students.
- Post 2034 decline: Non-selective institutions with a heavy reliance on traditional undergraduate students may face increasing enrollment competition and declines.
- Efforts to increase academic preparation, enrollment, and success among growing demographic groups would help the state capitalize on its relative demographic advantage.

Sources: Grawe, N. (2018). *Demographics and the demand for higher education*. Baltimore, MA: John Hopkins University Press
Kim, J., Soler, M. C., Zhao, Z., and Swirskyk, E. (2024). Race and ethnicity in higher education: 2024 status report. Washington, DC: American Council on Education. Retrieved from <https://www.equityinhighered.org/resources/report-downloads/race-and-ethnicity-in-higher-education-2024-status-report>.

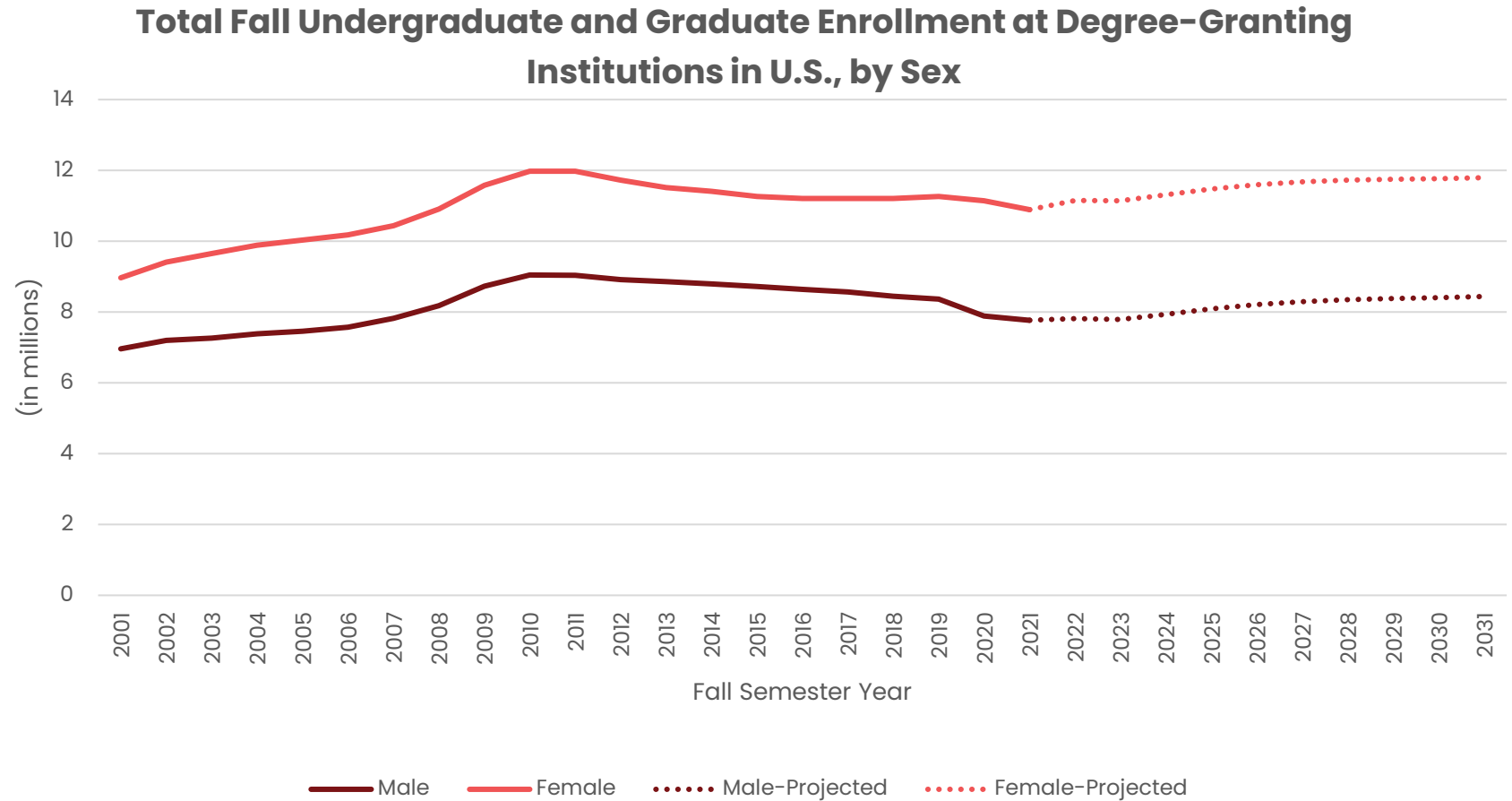
National Projections of Enrollment

Nationally, between 2021 and 2031, total undergraduate and graduate enrollment is projected to increase by 7% for 18 to 24-year-olds and by 11% for adults 25 and older.



NCES. (2024). Projections of Education Statistics to 2031: Table 303.40. Total fall enrollment.

Nationally, between 2021 and 2031, total undergraduate and graduate enrollment for males and females is projected to increase 8-9% between 2021 and 2031.

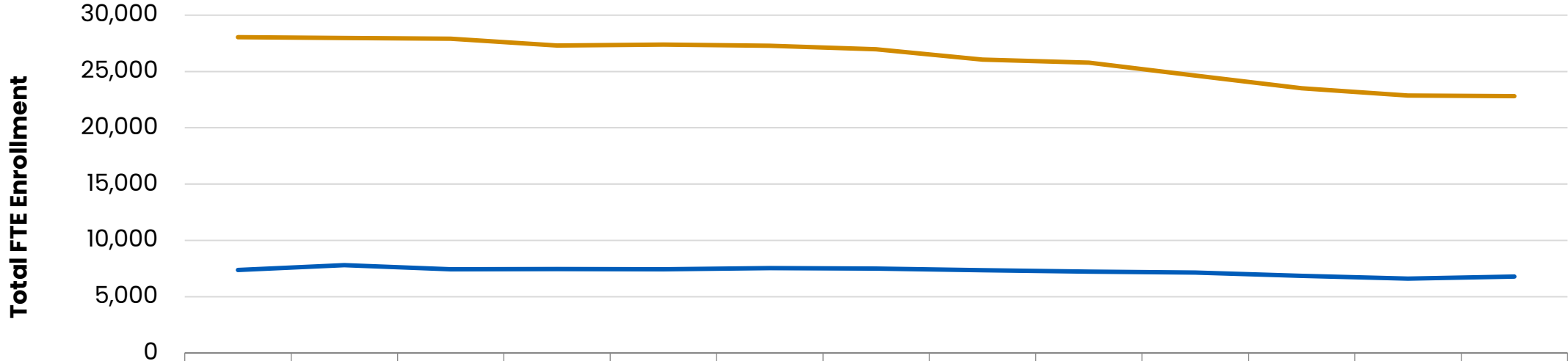


NCES. (2024). Projections of Education Statistics to 2031: Table 303.10. Total fall enrollment.

North Dakota Trends in Enrollment

ENROLLMENT: Undergraduate enrollment has declined at public four-year institutions in ND since 2010-11, while enrollment at public two-year institutions increased in 2022-23 after a downward trend.

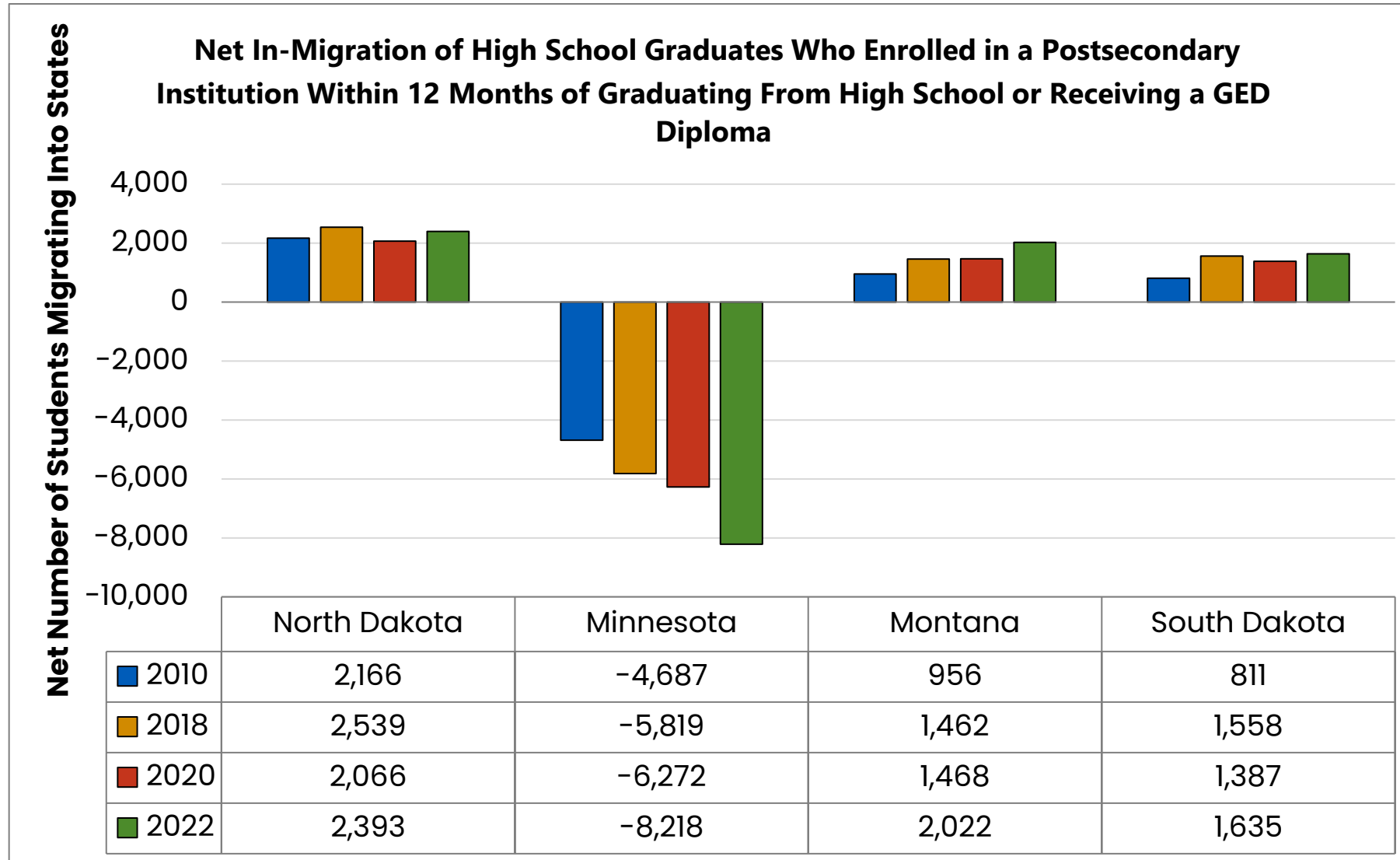
Full-Time Equivalent Undergraduate Enrollment at North Dakota Public Institutions



	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Public 2-Year	7,375	7,801	7,440	7,448	7,432	7,539	7,492	7,354	7,219	7,153	6,844	6,605	6,793
Public 4-Year	28,047	27,974	27,921	27,305	27,400	27,280	26,968	26,047	25,782	24,644	23,509	22,864	22,810

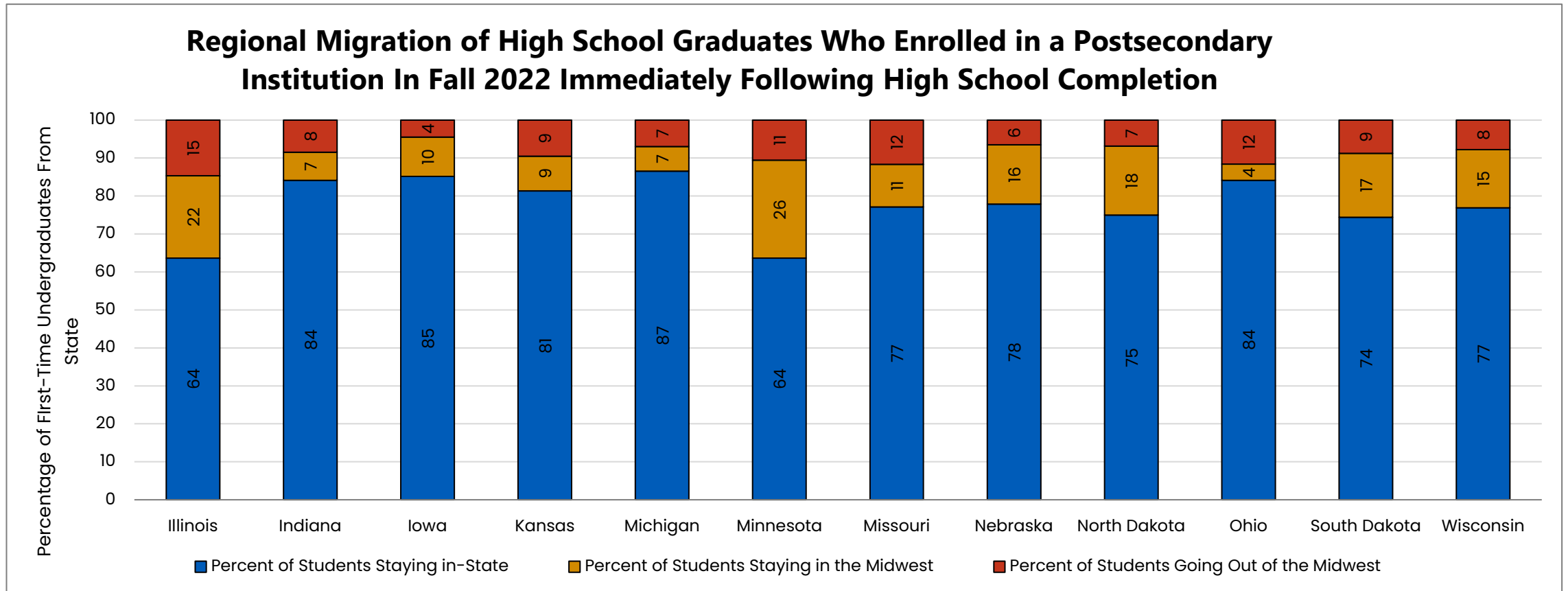
Source. NCES IPEDS. (2023). *12-month enrollment*. Enrollment estimates include on- and off-campus students, dual enrollment students, and students taking distance or online courses. Carnegie Classification was used to classify institutions. Institutions with mixed categories were classified according to their distribution of associate and bachelor’s degrees awarded. Tribal colleges and universities are excluded. Categorizations may change over time.

MIGRATION: More students migrate into North Dakota than migrate out.



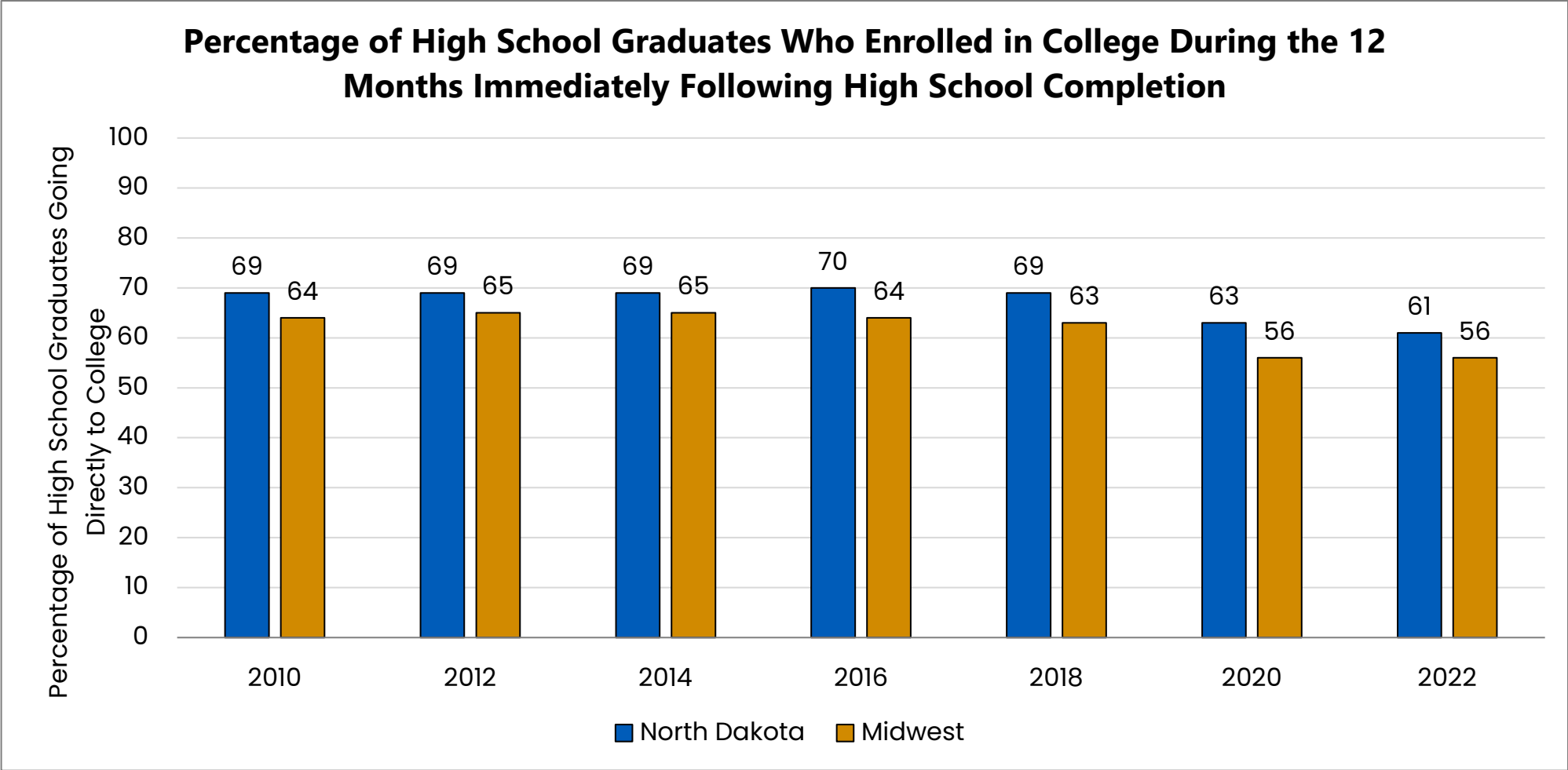
Source. NCES IPEDS. (2022). *Fall enrollment*.

ENROLLMENT LOCATION: Of first-time college students from ND in 2022, 75 percent enrolled in state, 18 percent enrolled elsewhere in Midwest, and 7 percent enrolled outside the Midwest.



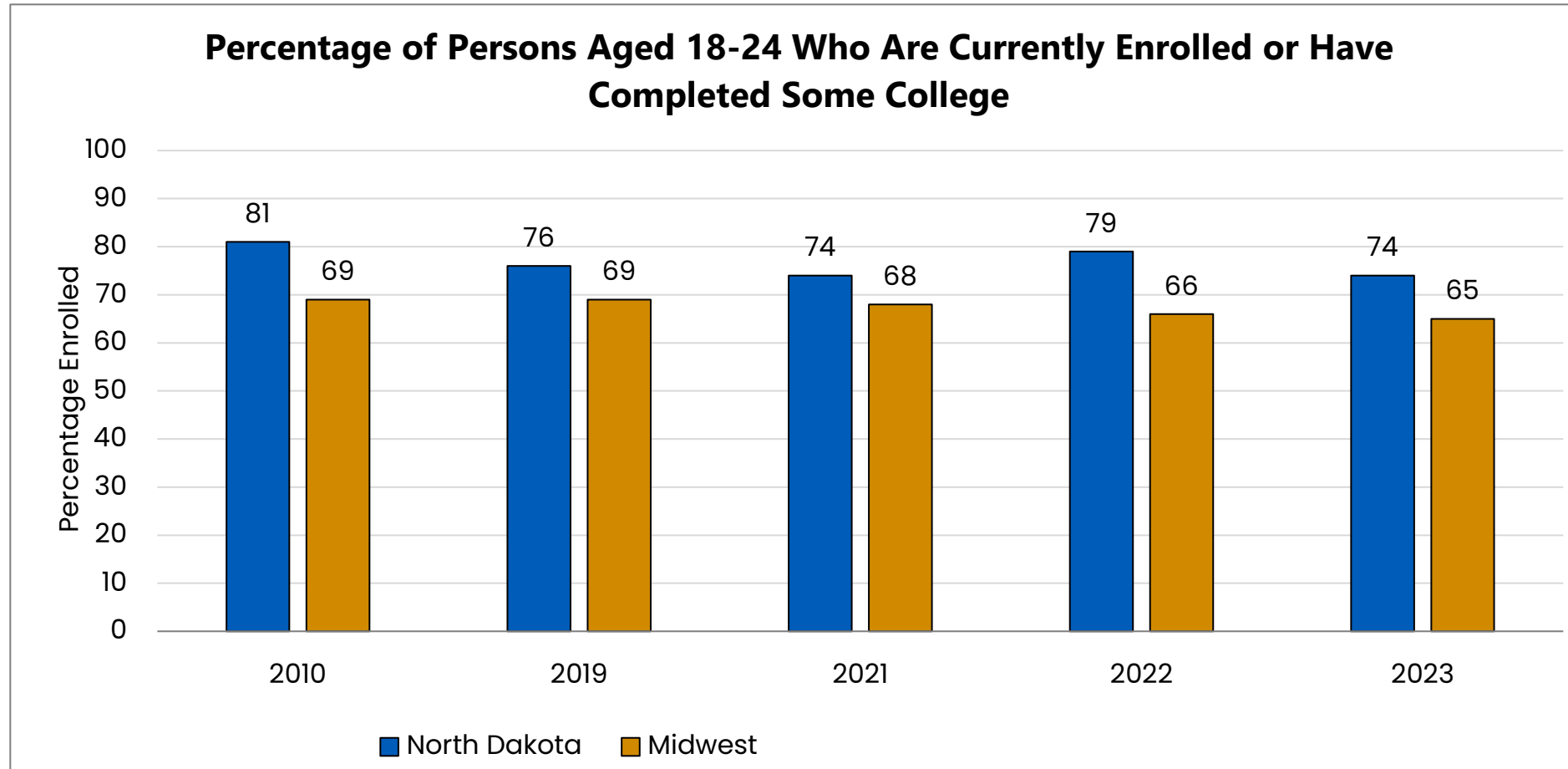
Source. NCES IPEDS. (2022). *Fall enrollment*.

DIRECT ENROLLMENT: The direct high-school-to-college enrollment rate has declined in North Dakota since 2016 but remains above the Midwest average.



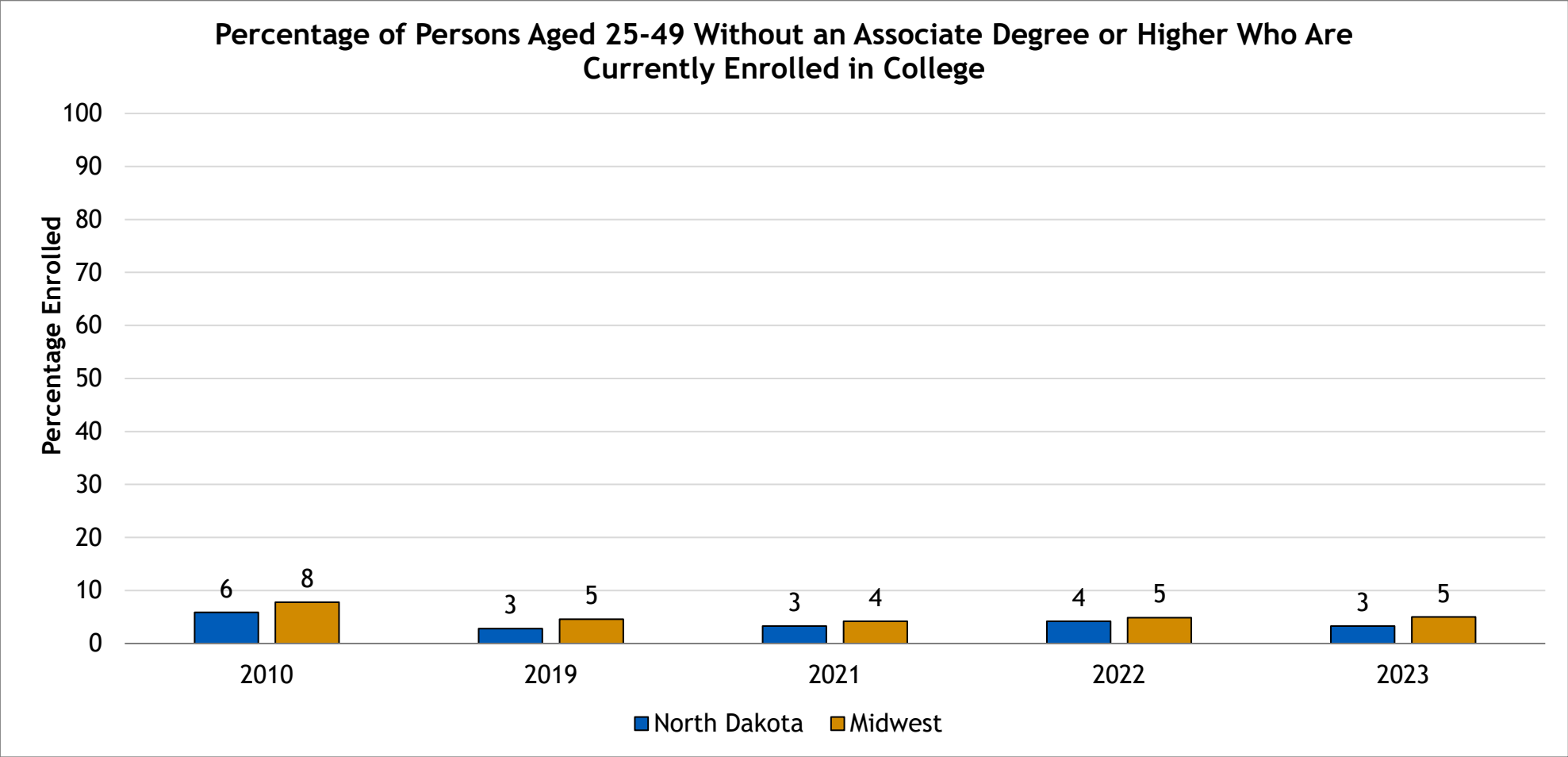
Source. NCES IPEDS. Fall enrollment. U.S. Department of Education. ED data express: ACGR. National Center for Education Statistics. Private school universe survey. WICHE. Knocking at the college door.

YOUNG ADULT ENROLLMENT: The college enrollment rate for all 18– to 24-year-olds in North Dakota has fluctuated over time, though it has remained above the Midwest average.



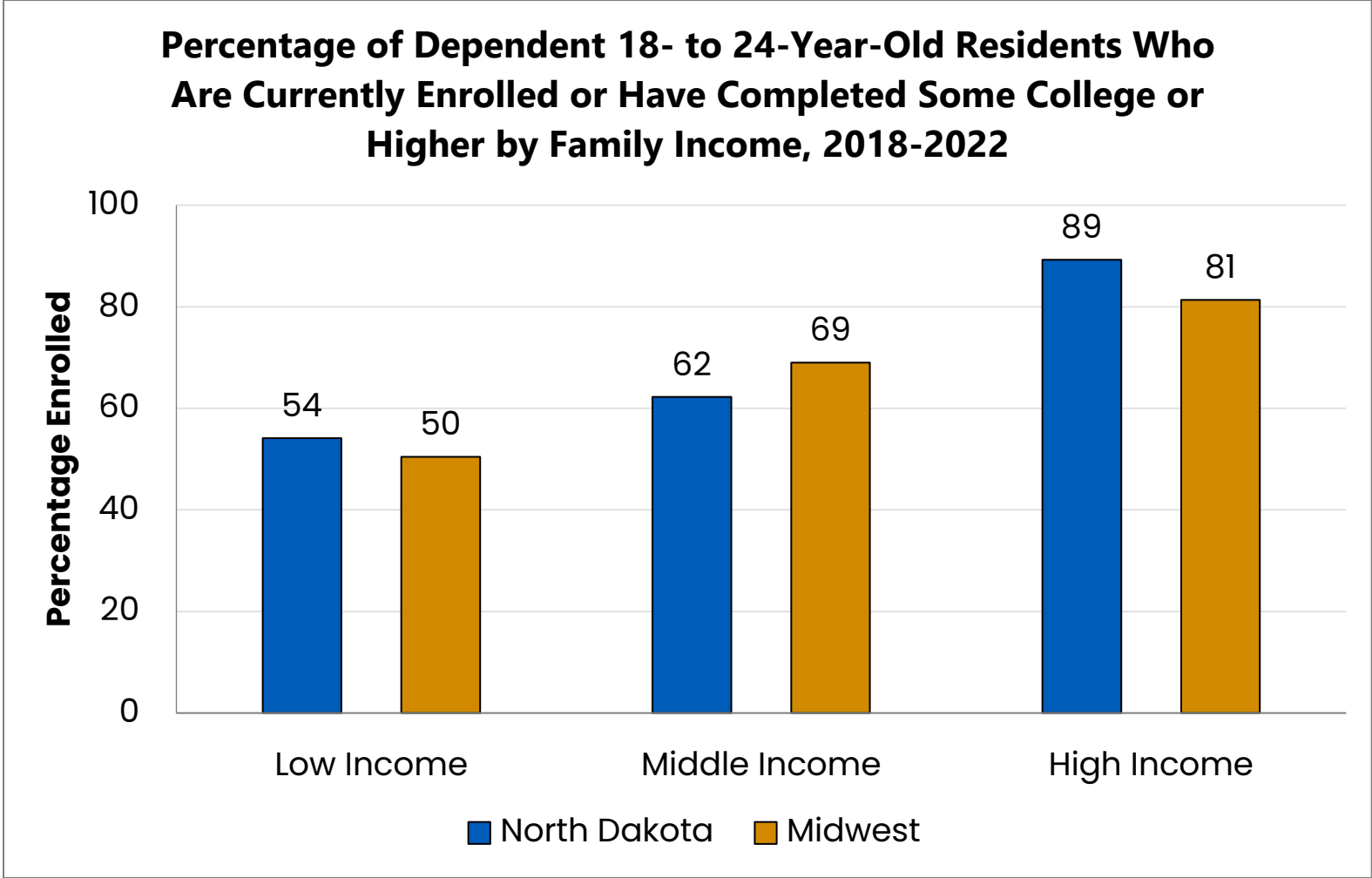
Source. U.S. Census Bureau. American Community Survey one-year public use microdata sample. Note. The estimate for 2020 is not reported due to data collection problems that occurred during the COVID-19 pandemic.

OLDER ADULT ENROLLMENT: Enrollment among adults aged 25–49 without a college degree in North Dakota has remained consistently lower than the Midwest average.



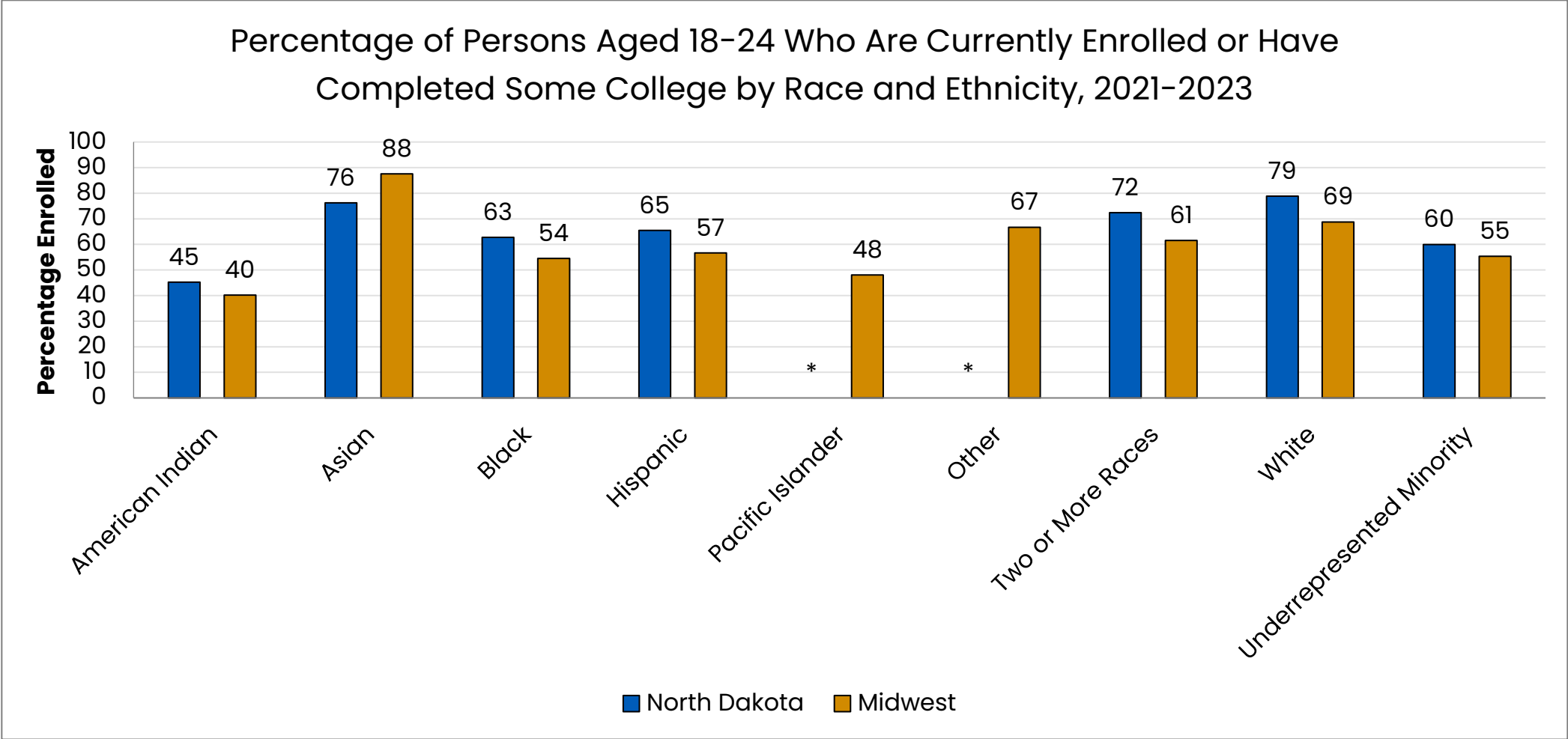
Source. U.S. Census Bureau. *American Community Survey one-year public use microdata sample*. Note. The estimate for 2020 is not reported due to data collection problems that occurred during the COVID-19 pandemic.

ENROLLMENT BY INCOME: The enrollment rates of dependents from low- and middle-income families are lower than those of high-income families.



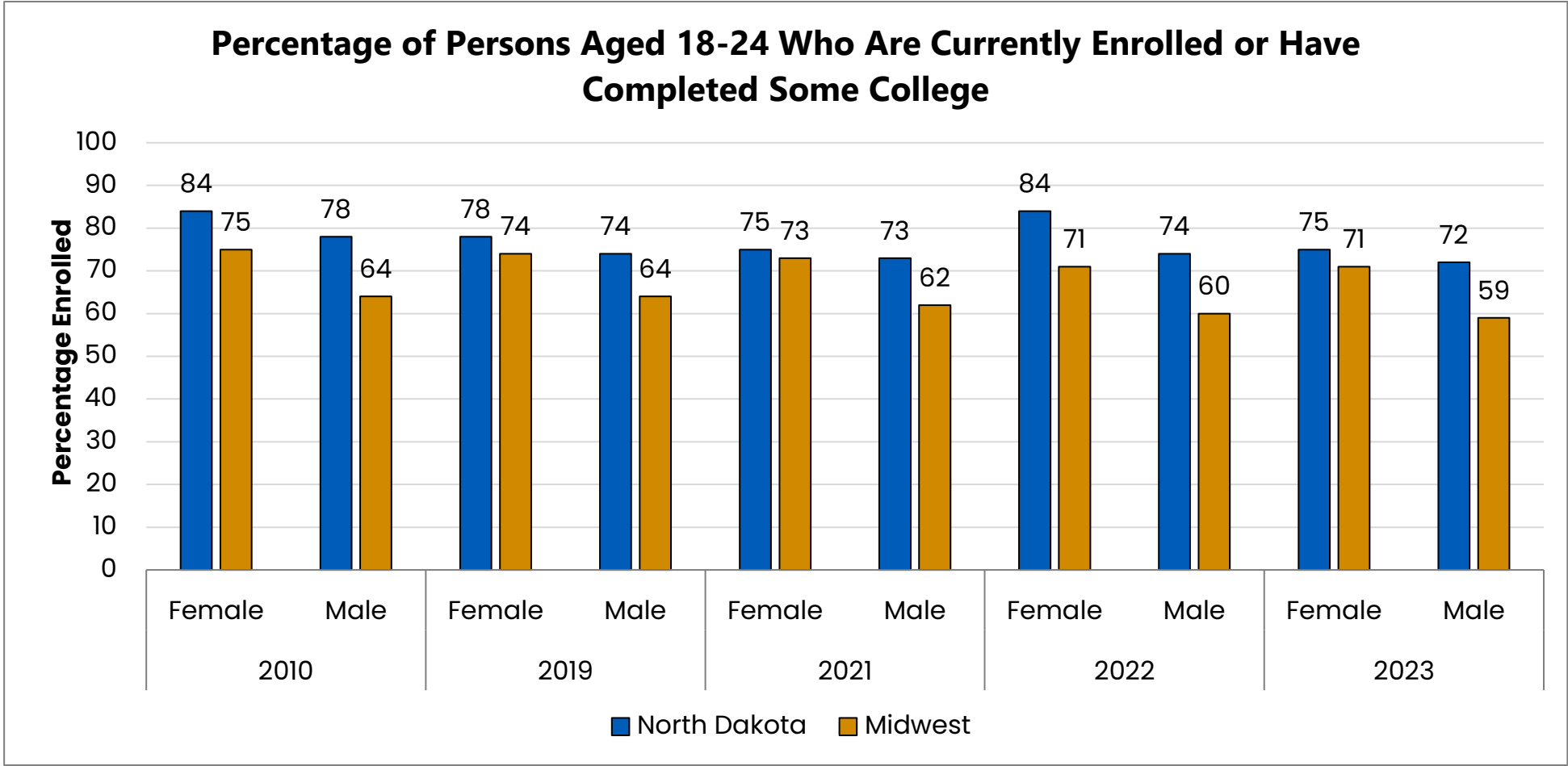
Source. U.S. Census Bureau. (2018, 2019, 2020, 2021, 2022). *Current Population Survey*. Five-year estimates.

ENROLLMENT BY RACE/ETHNICITY: About 60 percent of underrepresented minorities in North Dakota ages 18-24 have enrolled in college, compared to 79 percent of Whites.



Source. U.S. Census Bureau. (2021, 2022, 2023). *American Community Survey one-year public use microdata sample*. Note. Estimates for some racial and ethnic groups are unavailable due to small sample sizes.

ENROLLMENT BY SEX: Across all years, females aged 18–24 in both North Dakota and the Midwest show higher rates of college enrollment than males.



Source. U.S. Census Bureau. *American Community Survey one-year public use microdata sample*. Note. The estimate for 2020 is not reported due to data collection problems that occurred during the COVID-19 pandemic.

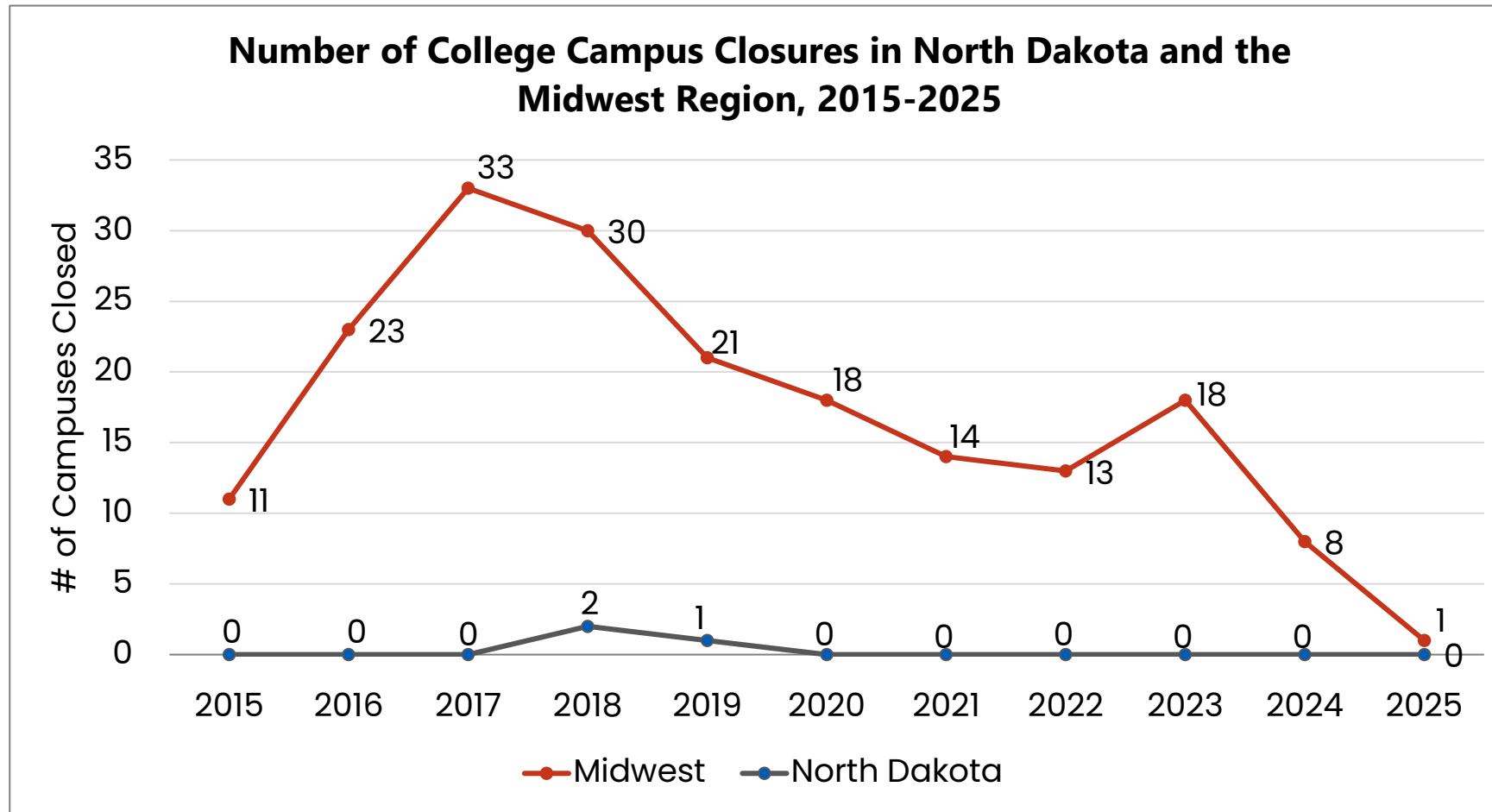
Institutional Closures

Current Institutional Landscape in North Dakota

Sector	Number of Institutions	Total FTE Undergraduate Enrollment
Public Two-Year	5	6,793
Public Four-Year	6	22,810
Private Not-for-Profit Four-Year	3	3,550
Private For-Profit, Less-Than Two-Year	3	205
Private For-Profit Two-Year	2	277
Private For-Profit Four-Year	1	455
Tribal College/University	5	1,473
Total	25	35,563

Source. NCES IPEDS. (2023). 12-month enrollment.

190 college campuses have closed in the past 10 years in the Midwest.



Source. State Higher Education Executive Officers Association.

Nearly 80% of closures in the Midwest were in the private for-profit sector, 2015-2025.

State	All Total	Closures by Institutional Control			Closures by Institutional Control and Degree Level				
		Public	Private not- for-Profit	Private for- Profit	Public 2-yr and <2-yr	Private Not- for-Profit 2-yr and <2-yr	Private For- Profit 2-yr and <2-yr	Private Not- for-Profit 4- yr	Private For- Profit 4-yr
IL	35	1	10	24	1	2	18	8	3
IN	9	0	2	7	0	1	7	1	0
IA	10	0	4	6	0	0	5	4	0
MI	21	0	4	17	0	0	17	4	0
MN	22	0	2	20	0	1	6	1	14
MO	28	1	2	25	1	1	19	1	6
NE	4	0	1	3	0	0	1	1	1
ND	3	0	0	3	0	0	3	0	0
OH	47	3	6	38	3	3	36	3	2
SD	1	0	1	0	0	1	0	0	0
WI	10	0	4	6	0	0	6	4	0
Midwest	190	5	36	149	5	9	118	27	26

Source. State Higher Education Executive Officers Association.

Examples of institutional risk factors for closure or consolidation

- **Institutional type:** majority of institutional closures in past two decades concentrated in the for-profit sector, particularly two-year for-profits
- **Declining enrollment:** decreases in number of undergraduates puts pressure on institution's ability to generate revenue and maintain current level operations
- **Financial health measures**
 - *Financial Responsibility Composite Score:* Primary Reserve Ratio measures financial strength in relation to expenses, the Equity Ratio reflects capital resources and the ability to borrow, and the Net Income Ratio captures the ability to operate without deficits.
 - *Days Cash on Hand:* how many days an institution could continue paying its operating expenses if no additional cash were received.
 - *Expendable Assets to Expenses:* how much expendable assets (unrestricted net assets plus certain restricted funds) an institution has relative to its annual expenses.
 - *Unrestricted Assets:* used at the discretion of the institution's governing board to support operations.
 - *Operating Margin:* the difference between operating revenues (tuition, fees, auxiliary income, state appropriations) and operating expenses (instruction, support services, maintenance)

Source: Zemsky, R., Shaman, S., & Baldrige, S. (2020). *The college stress test: Tracking institutional futures across a crowded market*. Baltimore, MA: Johns Hopkins University Press. Kelchen, R., Ritter, D., & Webber, D. (2024). *Predicting college closures and financial distress*. Federal Reserve Bank of Philadelphia Working Papers: WP24-20. Philadelphia, PA: Federal Reserve Bank of Philadelphia. Retrieved from <https://www.philadelphiafed.org/-/media/frbp/assets/working-papers/2024/wp24-20.pdf>.

Examples of institutional risk factors for closure or consolidation

Declining Revenue

- **Public institutions:** reduced state appropriations are a critical risk, particularly in the context of tuition caps and controls.
- **Private institutions:** weak tuition revenue and endowment assets relative to expenses erodes financial resilience
 - Increasing discount rate: Expanding institutional financial aid to attract students (lowering the net tuition revenue per student) without meeting enrollment objectives results in revenue shortfall
 - High Tuition Dependence: Institutions without diverse revenue streams are more prone to financial stress due to enrollment fluctuations.

Source: Zemsky, R., Shaman, S., & Baldrige, S. (2020). The college stress test: Tracking institutional futures across a crowded market. Baltimore, MA: Johns Hopkins University Press. Kelchen, R., Ritter, D., & Webber, D. (2024). Predicting college closures and financial distress. Federal Reserve Bank of Philadelphia Working Papers: WP24-20. Philadelphia, PA: Federal Reserve Bank of Philadelphia. Retrieved from <https://www.philadelphiafed.org/-/media/frbp/assets/working-papers/2024/wp24-20.pdf>.

Demographic cliff simulations show increases in closures

Researchers simulated the national impact of enrollment declines over five years on college closures using a model based on private nonprofit and for-profit colleges, with 2019 data as baseline.

- **Scenario 1:** If post-2019 enrollment declines persisted in the future
 - Projected outcome: 1 additional school closure per year (an increase of 2% over average annual closures)
- **Scenario 2:** One-time 15% drop in enrollment between 2025 and 2029
 - Projected outcome: 80 additional school closures (an increase of 142% over average annual closures)
- **Scenario 3:** Gradual enrollment decline of 15% by 2029
 - Projected outcome: 5 additional school closures annually (an increase of 8.1% over average annual closures)

Source: Kelchen, R., Ritter, D., & Webber, D. (2024). *Predicting college closures and financial distress*. Federal Reserve Bank of Philadelphia Working Papers: WP24-20. Philadelphia, PA: Federal Reserve Bank of Philadelphia. Retrieved from <https://www.philadelphiafed.org/-/media/frbp/assets/working-papers/2024/wp24-20.pdf>.

Simulated five-year national impact of additional closures

	Scenario 1: 2019 Enrollment Rate Continues	Scenario 2: Demographic-cliff (one-time, 15% decline)	Scenario 3: Demographic-cliff (gradual annually)
Additional Institutions closing	1 per year	80	4.6 per year
Students affected	1,263 per year	101,040	7,337 per year
Staff affected	261 per year	20,880	1,200 per year
Expenses affected	\$15.4m per year	\$1,231m	\$70.8m per year

Source: Kelchen, R., Ritter, D., & Webber, D. (2024). *Predicting college closures and financial distress*. Federal Reserve Bank of Philadelphia Working Papers: WP24-20. Philadelphia, PA: Federal Reserve Bank of Philadelphia. Retrieved from <https://www.philadelphiafed.org/-/media/frbp/assets/working-papers/2024/wp24-20.pdf>.

Campus Closure Policies

Four key policies affecting students in event of campus closure

- **Student records maintenance** policies outline student information institutions are required to retain (e.g., demographics, courses taken, credits completed) even if they close.
 - Retaining this information is important so students have access to transcripts to continue their studies at another institution.
- **Tuition recovery funds** provide financial protection for students who have been harmed by campus closures by allowing students access to refunds when resources are no longer available from the institution itself. Typically, the resources in these funds come from fees paid by institutions.

Four key policies affecting students in event of campus closure

- **Teach-out plans and agreements** provide orderly transition plans to aid students in completing their academic program.
 - Written agreement between institutions provides ongoing educational opportunities for students if one of those institutions stops offering an educational program before all students enrolled in that program complete program.
- **Surety bonds:** Similar to an insurance policy, an institution can purchase to reimburse students in event that school would close and lack sufficient funds to reimburse all eligible students.
 - For example, if the institution receives tuition revenues in the amount of \$1m, it might need to pay a certain percentage of that amount to the surety company, which would cover the entire \$1m obligation if the school closes.
 - Usually the surety company would pay funds to the state which would redistribute them among students as deemed appropriate during the closure process.

Closure Policy Matters

Researchers found students are 37% to 51% less likely to complete a credential if they experienced a closure in a state lacking teach-out or student records maintenance policies than students who experienced a closure in a state with these policies.

Source. Burns, R., Weeden, D., Bryer, E., Heckert, K., & Brown, L. (2023). A dream derailed? Investigating the causal effects of student protection authorization policies on student outcomes after college closure. State Higher Education Executive Officers Association. [sheeo.org/
wp-content/uploads/2023/08/SHEEO_CollegeClosures_Report3.pdf](https://www.sheeo.org/wp-content/uploads/2023/08/SHEEO_CollegeClosures_Report3.pdf)

Institutional Mergers, Consolidations, and Program Elimination

Examples of Institutional Mergers

- The Pennsylvania State System of Higher Education merging 6 of 14 campuses into 2
- Georgia's state-university system merged 14 of its colleges into 7 new institutions from 2011 to 2017
- Minnesota State University System merger in 1995
- The Minnesota State University System merged the 5 colleges of the Northeast Higher Education District colleges into Minnesota North College in 2022

Source for PA and GA. Carnevale, A. P. (2022). *How to solve the college-cost dilemma*. Retrieved from <https://www.chronicle.com/article/how-to-solve-the-college-cost-dilemma>

Source for MN. Minnesota State. (2022, March 16). *Colleges of the Northeast Higher Education District receive final approval to merge*. Retrieved from <https://www.minnstate.edu/media/newsreleases/2022/031622-MNCMA.html>

Source for WI. Schonfeld, R., & Radecki, J. (2021). *Consolidating the University of Wisconsin Colleges: The reorganization of the University of Wisconsin System*. Ithaka S+R. <https://sr.ithaka.org/publications/consolidating-the-university-of-wisconsin-colleges/>

Examples of Institutional Mergers

- The University of Wisconsin (UW) System merged its 13 two-year colleges with nearby four-year UW institutions from 2017 to 2018
- Connecticut's 12 community colleges merged into a singly accredited multi-campus institution, Connecticut State Community College, with 22 sites in July 2023.
- In Iowa, Mount Mercy University and St. Ambrose University announced a merger in 2024. St. Ambrose will be the parent institution.

Source for WI: Schonfeld, R., & Radecki, J. (2021). *Consolidating the University of Wisconsin Colleges: The reorganization of the University of Wisconsin System*. Ithaka S+R. <https://sr.ithaka.org/publications/consolidating-the-university-of-wisconsin-colleges/>

Source for CT: National Center for Higher Education Management Systems. (2024). *Connecticut State Colleges and Universities organizational study: Final report*. Retrieved from <https://nchems.org/wp-content/uploads/Final-Report-241203-Clean.pdf>

Source of IA: Lederman, D. (2024, Aug. 1). 2 Iowa Catholic Universities to Combine. *Inside Higher Ed*. Retrieved from <https://www.insidehighered.com/news/business/mergers-collaboration/2024/08/01/iowas-st-ambrose-mount-mercy-universities-combine>

Examples of Administrative Consolidation and Program Elimination

- University of North Carolina System: centralized process of determining student residency for its 16 campuses, which reduced costs and duplication.
- Temple University (Pennsylvania): eliminated several varsity intercollegiate sports teams (e.g., indoor track and field), which saved \$3 million per year.
- In 2021, Iowa Wesleyan University and Southeastern Community College: created Southeast Iowa Higher Education Alliance to share administrative costs and recruitment efforts. (Iowa Wesleyan closed in 2023).
- In July 2025, 6 Indiana public institutions decided to eliminate, suspend or merge/consolidate over 400 academic programs that did not meet the statutory minimum threshold for graduates.

Source. James G. Martin Center for Academic Renewal. (2016). *Cutting costs is possible. These schools did it*. Retrieved from <https://www.jamesgmartin.center/2016/02/cutting-costs-is-possible-these-schools-did-it/>

Source of Iowa: Payne, K. (2021, Jan. 12). Iowa Wesleyan announces new partnership with Southeastern Community College to boost enrollment, share costs. *Iowa Public Radio*. Retrieved from <https://www.iowapublicradio.org/ipr-news/2021-01-12/iowa-wesleyan-announces-new-partnership-with-southeastern-community-college-to-boost-enrollment-share-costs>

Source for Indiana: Indiana Commission for Higher Education. (2025). *Voluntary early actions and future commitments before HEA 1001 (2025) implementation*. Retrieved from <https://www.in.gov/che/files/Info-Item-Voluntary-Early-Actions-and-Future-Commitments-Before-HEA1001-2025-Implementation.pdf>

Impact of Consolidations and Mergers

Tuition and Fees Impact

- Russell (2021) - Examined 72 mergers among public and non-profit institutions between 2000 and 2015
 - Tuition and fees increased 5 to 7% compared to non-merging institutions in same state and sector
 - No change in number of degree programs or overall institutional expenditures but grant funds for financial aid increased.

Faculty Impact: University of System of Georgia

- Decline in faculty research productivity over a 5-year period
 - Faculty at teaching-oriented institutions had reduced time for research compared to faculty from research-oriented institutions
 - ✓ Increased teaching loads, advising responsibilities, and administrative burdens
 - ✓ Increased feeling of job insecurity and stress

Source. Russell, L. (2021). Price effects of nonprofit college and university mergers. *The Review of Economics and Statistics*, 103(1), 88-101.

Slade, C. P., Ribando, S., Fortner, C. K., & Walker, K. V. (2021). Mergers in higher education: it's not easy. Merger of two disparate institutions and the impact on faculty research productivity. *Studies in Higher Education*, 47(6), 1215-1226.

Ribando, S. (2014). Change happens: Assessing the initial impact of a university consolidation on faculty. *Public Personnel Management*, 44(1), 99-119.

Impact of Consolidations and Mergers

Student Impact: University System of Georgia

- Retention rates and on-time graduation rates increased
 - On-time graduation rates (within 4 years) increased 3.9 percentage points (29% increase)
 - Potentially due to increased spending on academic advising and support services
- No significant changes to tuition rates or institutional grant aid

Expenditure and Cost Impact: University System of Georgia

- Expenditures shifted from student services and toward academic support
 - 47% increase in academic support; 18% decrease in student services
 - No change to instructional services or total operating expenditures
- Unexpected costs in implementation, IT systems, and rebranding

Source. Russell, L. (2019). Better outcomes without increased costs? Effects of Georgia's System consolidations. *Economics of Education Review*, 68, 122-135.
Jones, S. (2021). *A Georgia case study: A look at the university system consolidations with an eye towards, race, ethnicity, and equity*. New York, NY: Ithaka S+R.

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