

Education Industry Consulting Team

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Upcoming Events

NBOA Annual Conference
February 22nd-24th, 2021
Join our Virtual Session
Risk Management Resources for Your Independent School
February 23rd
1:00PM-1:50PM EST

SACUBO Annual Meeting
April 19th-20th, 2021
Virtual

NACUBO Annual Meeting
July 27th-30th, 2021
Virtual

EACUBO Annual Conference
October 31st-November 3rd, 2021
Philadelphia, PA

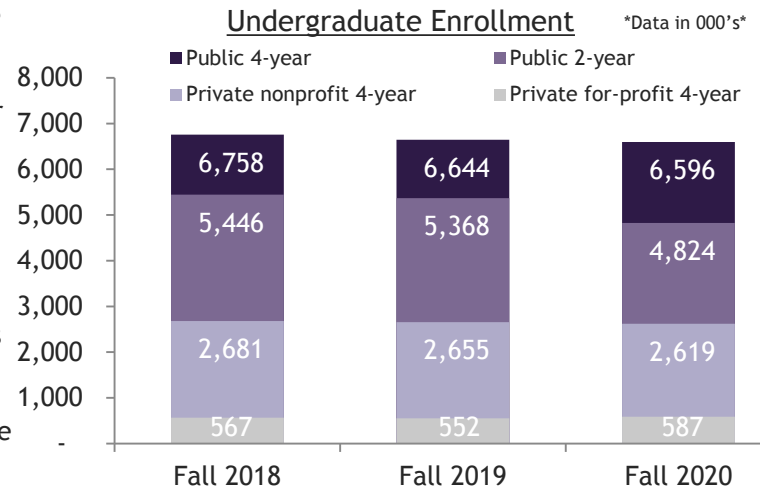
Higher Education

In light of slight enrollment declines and an inability to increase net tuition, schools will continue to make meaningful budget cuts to manage cash flow. This trend is expected to continue into 2021 & 2022.

Lower Enrollment in Fall of 2020

According to data compiled by the National Student Clearinghouse, higher education institutions saw lighter enrollment in the Fall of 2020. Total enrollment across all sectors decreased 2.5% from Fall of 2019 to Fall of 2020. Undergraduate enrollment is estimated to have decreased by 3.6% while Graduate & Professional enrollment across all sectors increased 3.6% over the same time period. Public 4-year institutions total enrollment increased 0.2% year over year while total enrollment for Private 4-year nonprofit universities decreased 0.1%.

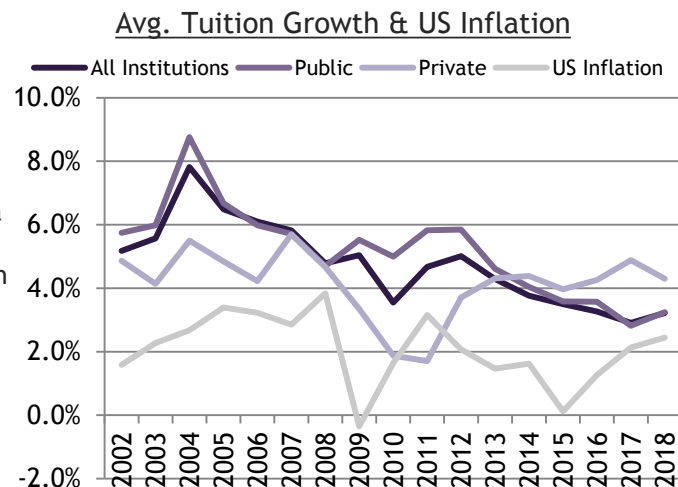
In a survey conducted by Moody's Investor Services, median net tuition revenue is expected to decline 3.3% for private and 0.9% public universities in fiscal 2021. The coronavirus has been a major contributor to lower overall enrollment, a rapid decline in international students, and rising tuition discount rates.



Historical Tuition Growth

From the year 2000 through 2018, the average total tuition, fees, and room & board charges for full-time undergrad students at all institutions grew over 120%. The average tuition growth rate for public institutions has decreased year over year since 2012, alternatively the tuition growth rate for private institutions has been increasing since the low mark of 1.7% in 2011.

The average tuition growth rate for all institutions outpaced the US inflation rate dating back through 2002, according to data from NCES, but the gap has continued to narrow over the last few years. For the fourth year in a row, S&P has given U.S. higher education a negative outlook, and with many institutions holding tuition rates and seeing weakening enrollment, net tuition revenues will be strained over the next few years. As a result of net tuition declines, institutions are continuing to search for additional sources of auxiliary revenue.



K-12 Independent Schools

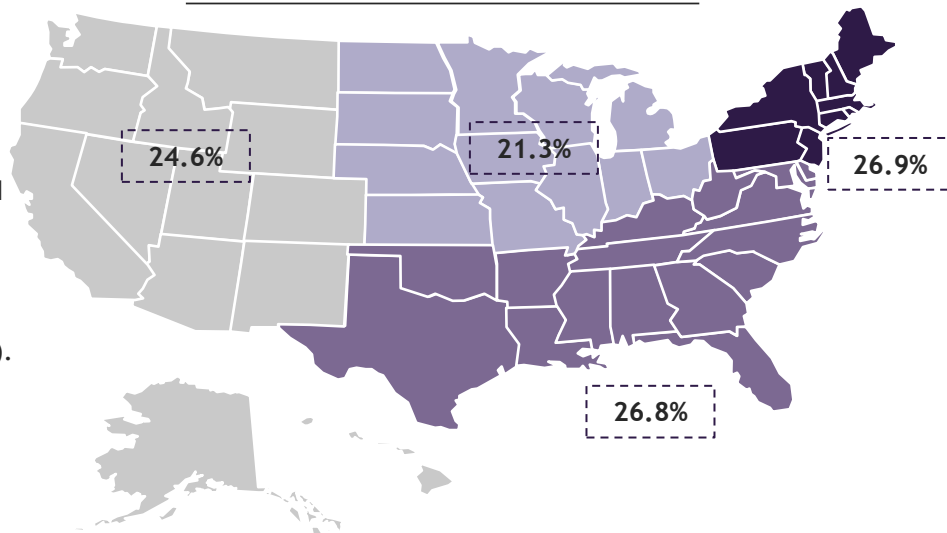
After three straight years of international student enrollment declines, CFOs continue to make tactical and strategic moves to maintain international student populations.

According to a report published by IIE, “In Fall 2019 more than 2,500 high schools across the United States enrolled 69,518 international students. This number represents a 6 percent decline in the number of students from the prior year and a 15 percent decline from the height of international secondary student enrollment in 2016, when 81,981 international students enrolled in U.S high schools.”

Since 2013, China, Germany, and South Korea have accounted for more than half of international students, but the 5-year annualized growth trends show that the student numbers from these three countries are declining. According to the report the next 4 countries, Spain, Vietnam, Italy, and Brazil, show steady increases and positive 5-year annualized growth.

The largest international student enrollment populations in the U.S. are located in California (8,799 students), New York (4,763) and Texas (4,348). The Northeast region of the U.S. contains the largest population international students with a total of 18,690 students, followed closely by the South (18,663), the West (17,126), and the Midwest (14,801).

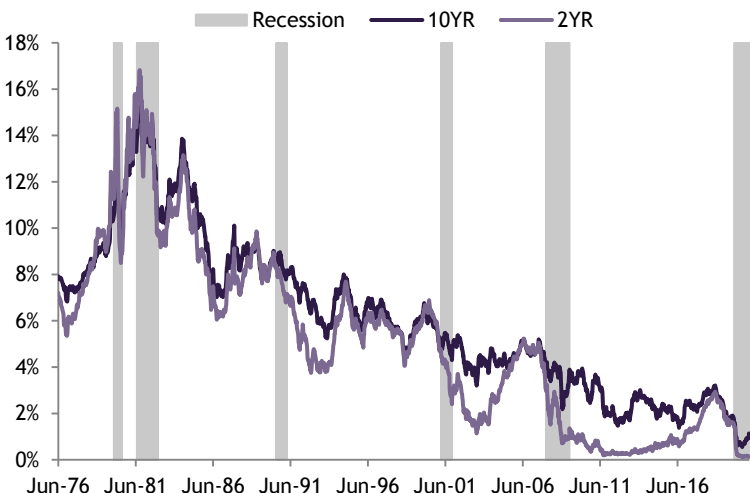
2019 International Student Distribution



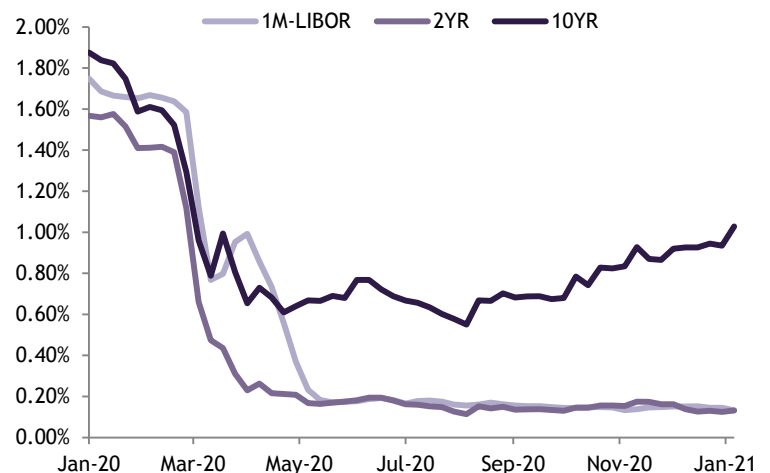
Navigating PPP Complexities for Independent School Loan Recipients

On Tuesday, December 13, NBOA hosted a webinar on “Navigating PPP Complexities for Independent School Loan Recipients.” Leaders from Truist Bank (formerly BB&T and SunTrust banks), the accounting firm blumshapiro, law firm Moore & Van Allen and NBOA weighed in on general questions as well as those regarding the questionnaire for recipients of loans over \$2 million dollars. NBOA members can view the webinar recording in NBOA’s webinar archive.

Historical 2yr & 10yr Treasury Maturity Rate



Treasury Maturity Rates & 1M LIBOR (Last 12 Months)



Sources: IIE Studying for the Future, International Secondary Students in the United States; St. Louis Federal Reserve (FRED); NAIS; NBOA Net Assets