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Highlighted Events

MISBO Annual Conference
October 27th-29th, 2021
Chattanooga, TN

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

SACUBO Fall Workshop
November 10th-12th, 2021
Charleston, SC

NBOA Annual Conference
February 20th-23rd, 2022
Chicago, IL

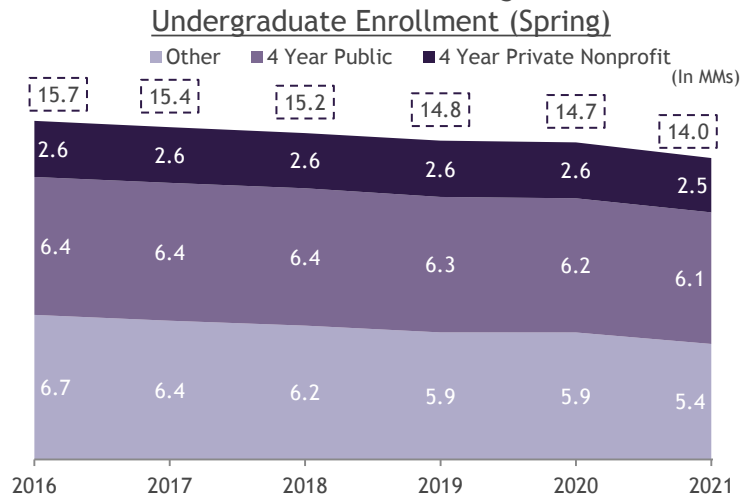
Higher Education

Colleges and Universities saw undergraduate enrollment shrink in Fall 2020 and Spring 2021, but initial estimates for Fall 2021 are optimistic especially at some major public institutions.

Fall 2021 Enrollment Estimates

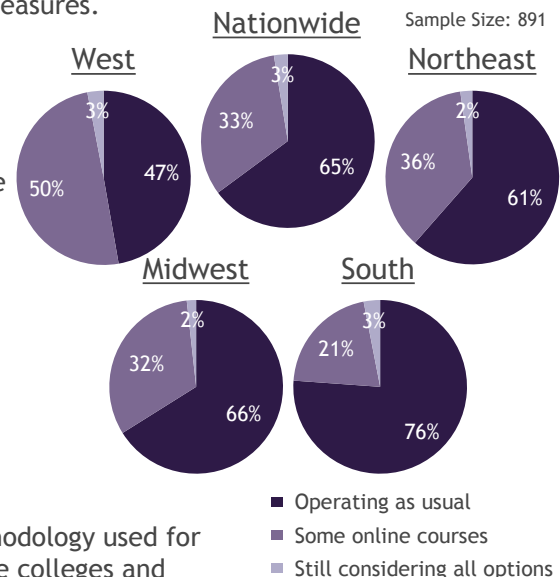
In Fall of 2020, higher education institutions saw undergraduate enrollment decrease by 3.6% from the previous year according to data from the National Student Clearinghouse Research Center. In Spring of 2021 the trend continued as total enrollment slipped 3.5% and undergrad enrollment dropped 4.9% from the prior year's Spring semester. The largest hit in enrollment was to the Public 2 Year institutions, where total enrollment dropped by nearly 500,000 students (9.5%).

Despite the ongoing pandemic, initial indications from many major public colleges and universities are that institutions are seeing record or near record highs for their incoming classes. According to a recent Forbes article, Michigan State University is expecting an 11% increase over last year, Oklahoma State University is expecting their 2nd largest freshman class in school history, and Purdue University is preparing for their largest student body on campus in school history. The strong preliminary estimates can be contributed to a number of factors including test-optional admissions, conservative tuition increases or freezes, and coronavirus mitigation measures.



Back to School Safely

As summer ends and students begin to return to campus, colleges and universities are faced with tough decisions as to how they will operate for the upcoming semester. A recent survey conducted by Liaison indicated that the majority of schools nationwide would be reopening and operating as usual. The report also indicated that 68% of institutions will have a mask mandate on campus, 48% of institutions will require students to be vaccinated, and 43% of institutions will require staff to be vaccinated.



Moody's Updates Rating Methodology

In August, Moody's published revisions of the methodology used for assessing credit risk of public and nonprofit private colleges and universities globally, including the qualitative and quantitative factors that may affect some rating outcomes in this sector. Included in the revisions are the replacement of Spendable Cash and Investments with Total Cash and Investments in calculating liquidity relative to Operating Expenses as well as to Total Adjusted Debt (Spendable Cash and Investments is still analyzed, though not used as the primary liquidity indicator).

K-12 Independent Schools

Many private schools were able to maintain tuition increases and financial aid amounts through the pandemic while also increasing their enrollment due to an easier pivot and lack of major disruption from the pandemic. As schools enter the Fall 2021 semester it remains to be seen if families that chose to transition to private schools will stay for the long term or will decide to return to public schools once the pandemic subsides.

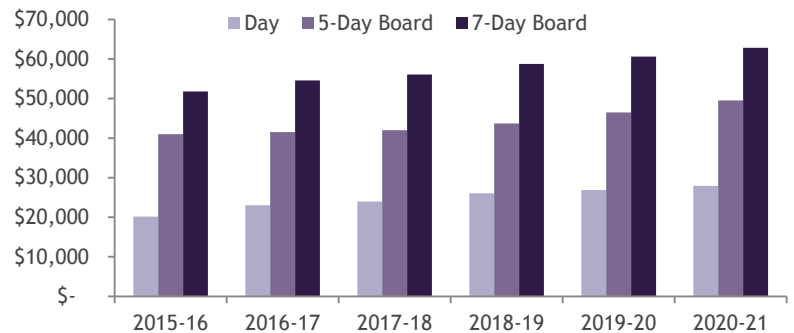
Private School Statistics 2020-21 School Year

When the pandemic hit many private schools across the country were able to quickly transition to online learning or add increased safety precautions to conduct classes on campus. This led to many families that would typically have attended their local public school enrolling in private school, and many private schools across the country saw their enrollment numbers surge and waitlists fill up.

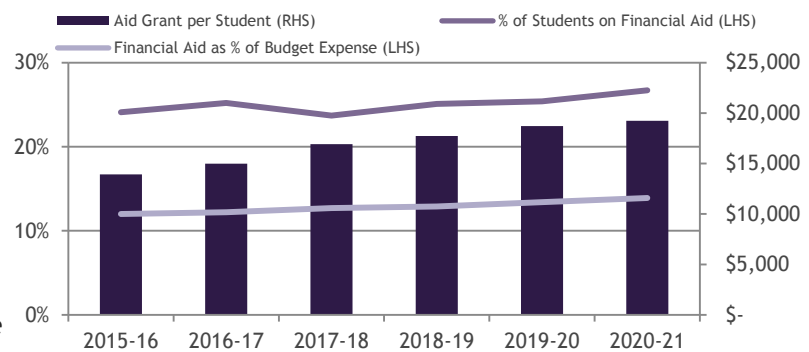
According to data from NAIS in the 2020-2021 school year, many schools continued to increase their tuition. Average tuition increased approximately 4% year over year for day schools, 6.5% for 5-day boarding and 3.6% for 7-day boarding, all of which were larger percentage increases than the previous year. The median financial aid grant only increased about 3% (approximately \$500 more per student) over the last year, which is slightly less than the previous year increase that was closer to 6% (approximately \$1000 more per student). The median percentage of students receiving financial aid grants increased 2% year over year and schools were able to keep their financial aid as a percentage of budget expense relatively flat.

As the Fall 2021 school year kicks off across the country, private schools with a well developed value proposition will be in a good position to maintain positive momentum from the previous year even as many public schools are attempting to hold in person classes. Families will once again need to consider their options to determine if they see the same value from private schools when compared to their public counterparts.

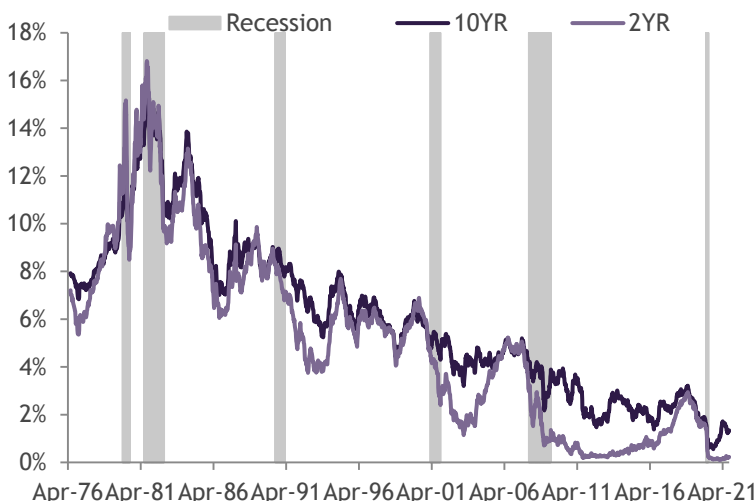
Median Tuition & Fees



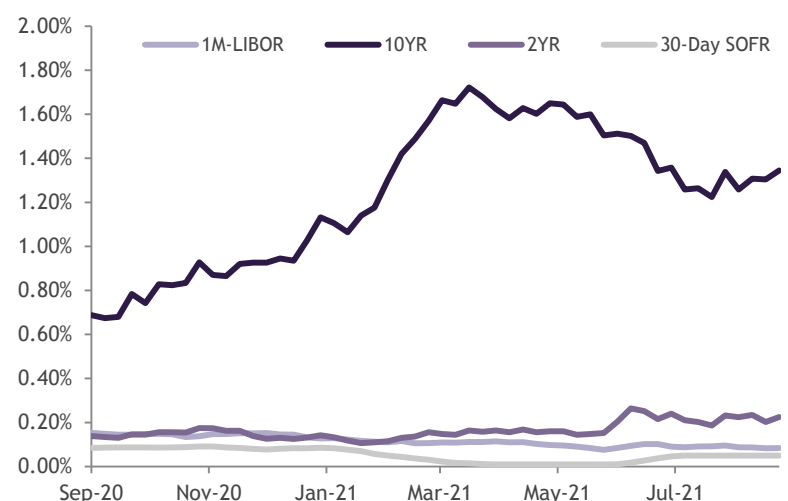
Median Financial Aid Statistics



Historical 2yr & 10yr Treasury Maturity Rate



Treasury Maturity Rates, 1M LIBOR & 30-Day SOFR (Last 12M)



Sources: NAIS Facts at a Glance 2010-2021; Forbes; FRED (St. Louis Federal Reserve)