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The **State** of **Higher Education**

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About this Report

By Jeffrey Selingo

This report got its start in January 2025, at the 10th anniversary gathering of the Arizona State University-Georgetown University Academy for Innovative Higher Education Leadership.

After a day of contemplating what's next, Randy Bass, Georgetown's vice president for strategic education initiatives, reminded the group of senior college and university leaders that higher education, like any other living organism, goes through lifecycles, and it is now ending its "conservation" period.

As we move from stability into release, reorganization, and then growth (see graphic to the right), "if all we think what we're doing right now is organizing the preservation of the current model," he said, "we're not seeing the whole cycle."

Higher ed: At the end of a lifecycle?

(Re)organization
A time of innovation, restructuring, and greatest uncertainty.

Conservation
Characterized by stability, certainty, and reduced flexibility.

Growth/Exploitation
Characterized by rapid accumulation of resources, competition, and seizing of opportunities.

Collapse/Release
Characterized by chaotic collapse and release of accumulated capital. This is a time of uncertainty.

Source and illustration adapted from Holling, C.S. 1986

Executive Summary

This State of Higher Education report is designed to present key highlights of the challenges and opportunities shaping the sector today, in order to guide institutional decision-making and innovation.

The seven main storylines in this report include:

Enrollment Challenges: With the "Demographic Cliff" now here, declining numbers of high school graduates will push institutions to better retain enrolled students and attract diverse populations.

Growth in Graduate and Online Education: Graduate enrollments are increasingly part-time and online, reflecting demand for flexible, career-oriented education.

R&D Funding Pressures: While overall research spending is up, new federal policies and rising graduate student costs threaten traditional research funding structures.

Rethinking Degree Value: The value of a college degree faces scrutiny as employers shift towards skills-based hiring, prompting institutions to clearly demonstrate ROI and affordability.

Athletics in Flux: Changes to Name, Image, and Likeness (NIL) rules and NCAA regulations are reshaping college athletics, pushing institutions to reassess their programs' roles and sustainability.

AI Integration and Impact: AI literacy is becoming critical, yet faculty and institutions struggle to adapt. Colleges must urgently prepare students to navigate AI-driven workplaces while leveraging AI for administrative efficiencies.

Academic Infrastructure Needs: Colleges face increasing challenges in attracting talent, managing campus space, and aligning academic offerings with student demand.

Unknown Unknowns

In any given year, colleges and universities face complex and uncertain situations.

But in 2025, higher education is in the news almost daily, given the raft of executive orders and policy changes coming from Washington. In the infamous words of Donald Rumsfeld, the former U.S. secretary of defense, they're the "unknown unknowns."

This report, its illustrations, and its key takeaways are from a moment in time in 2025. Anything can change, almost by the day.

As we look ahead, here are the biggest potential "unknown unknowns," some of which could impact the storylines in the pages that follow:

Changes to the accreditation system. If the federal government makes it easier for colleges to switch accreditors and for new accreditors to gain approval, the quality standards colleges will need to meet will also change.

Visa restrictions disrupting international enrollment. A further tightening of student visa policies will create unexpected barriers for international students, and lead to sharp declines in enrollment.

Federal shake-up of federal student loan administration. A sudden move to shift student loan management to agencies like the SBA or Treasury could disrupt delivery, creating uncertainty for students and cash flow challenges for colleges.

Research funding recalibration. Shifts in federal research priorities, security reviews of foreign collaborations, or budget cuts could leave R1 and R2 universities scrambling to replace critical grant dollars.

Cybersecurity catastrophe. A large-scale cyberattack targeting the core infrastructure of universities could lead to significant losses and compliance mandates.

Further collapse of the college athletics model. Another major legal ruling or further regulatory changes could swiftly dismantle the current college athletics structure, forcing institutions to absorb new financial liabilities.