

**Center for Rural Pennsylvania  
Hearing on Rural Population Change  
Testimony of Susan Traverso, President, Thiel College  
January 31, 2024**

My name is Susan Traverso. I have served as President of Thiel College since 2016. Previously, I was Provost/Senior Vice President at Elizabethtown College in Lancaster County. It is my honor to testify at the Center for Rural Pennsylvania's Hearing on Rural Population Change, and I welcome today's distinguished guests to Thiel's campus. My experience at Thiel and Elizabethtown, along with my involvement with several national and state higher education organizations, positions me to share an assessment of the impact of population change on the higher education sector in Pennsylvania.

Let me begin my testimony by sharing, with confidence, the positive economic and social impact of colleges and universities. Higher education institutions generate substantial economic benefits, direct and indirect, to their regions and to the state while also providing students with social mobility through degree attainment. Moreover, higher education campuses are sites of innovation, creativity, and business development.

We see the benefits of higher education across the country and in Pennsylvania. The economic impact of colleges and universities in PA is in the billions of dollars:

- The State System (PASSHE) reports a \$4 billion annual impact.
- The University of Pittsburgh's impact totals \$5.2 billion annually.
- Penn State (including all campuses) reports \$11.6 billion in economic impact.
- Independent higher education in PA has a \$24 billion annual economic impact.

The social impact of PA's colleges and universities is, likewise, well outlined:

- Undergraduate and graduate education provide career opportunities and economic upward mobility to graduates.

- Bachelor's degrees offer the opportunity to earn between \$800,000 and \$1 million more over a lifetime with even higher earning potential with advanced degrees.
- Higher Education Institutions prepare students for jobs of the future, 72% of which will require a college degree.
- Many colleges and universities across the state offer job readiness training and professional development programs for life-long learning.

Pennsylvania colleges and universities spark innovation, creativity and business development.

- Public and independent institutions offer a robust range of program offerings across the arts and sciences and professional fields.
- Pennsylvania research universities advance new knowledge and discoveries that benefit the Commonwealth, the Nation and the world.
- Institutions of higher education, large and small, support business development through entrepreneurial centers, business incubators, consultation services, and data resources.
- Campuses across the Commonwealth offer cultural and arts programs open to the public and serving their regions.

As the president of Thiel, in rural Mercer County, I can also testify that the higher education sector, public and private, has struggled to respond to the population decline and change in Pennsylvania . As many of you are aware, enrollment declines since 2009, and exacerbated by the pandemic, have been substantial.

- While some campuses are stable and growing, many institutions, and particularly the regional comprehensive universities, have seen drastic enrollment declines over the past 15 years.
- Penn State's main campus has increased eight percent since 2010, and Pitt's main campus has grown by 1 percent; but when the numbers at those two main campuses are combined with all of their campuses, both have witnessed over 30 percent declines in enrollment. This matches PASSHE's systemwide enrollment which has also declined by a third over the same period.

- Enrollment patterns at independent colleges and universities have also seen growth at some institutions, typically better-known institutions and/or in metropolitan regions while other schools, especially in rural areas, have witnessed declining enrollment. As a sector, though, independent higher education has not witnessed the level of enrollment decline seen in the higher education public sector since 2009.

While not evenly experienced, enrollment declines have destabilized institutions financially, limiting their ability to fulfill their missions effectively and jeopardizing their positive economic and social impact on students and the regions they serve.

To fulfill their missions and serve their regions effectively, higher education institutions must understand the changing populations in Pennsylvania's rural regions and seek new ways to serve the needs of that population and contribute to the social and economic well-being of their communities.

The creation of PennWest University and Commonwealth University was an innovative effort to restructure six campuses to better serve their regions, lower costs, and grow enrollment. While I think it is still early to tell whether these restructurings will have the desired benefits, it is instructive to see that one of the new campuses, Commonwealth, has seen enrollment increase while PennWest has not. Structural reforms, from my perspective, while often necessary to stem expenses are seldom sufficient in and of themselves.

**Affordability** and **outcomes** must be at the forefront of efforts to ensure the success of the higher education sector to serve students and their regions.

- Leaders in PA public higher education have long advocated additional state resources to make public education more affordable. In fact, the average cost of attending a public institution in Pennsylvania is 70% higher than the national average. According to the Data Initiative report, Pennsylvania is the third most expensive state for public higher education.
- Independent higher education in PA has been much more responsive to the issue of affordability than the public sector. This, likely, surprises some given the pricing structure of most independent colleges and universities (high

tuition/high scholarships). However, it is important to understand that the average net tuition and fees paid by undergraduate students with financial need at independent nonprofit schools in PA in 2021 was just a little over \$13,000 – still a reach for some students but more affordable than many public options in Pennsylvania.

- The Association of Independent Colleges and Universities of Pennsylvania (AICUP) has compiled IPEDS data to demonstrate the remarkable effort by AICUP member institutions to limit increases in net tuition and fees for undergraduates at their institutions. Net tuition and fees are what students and families pay after financial aid, most of which comes from these institutions in the form of scholarships or “discounts.” In fact, over the past five years, average net tuition and fees at AICUP campuses have increased by only \$95 for students with financial need. Moreover, during the ten years from 2011 to 2021, the average net tuition and fees at AICUP schools have increased just 0.4% (and if adjusted for inflation, it has declined).
- PHEAA and Pell grants are important resources to making college affordable, and any increases to those funds will go a long way to serving students in this region and across the state. Still, I must stress that it is the institutional resources of AICUP schools (scholarships and discounts) that provide the lion's share (90%) of aid to students. This support is bringing college within the reach of students in Pennsylvania's rural regions.
- Given the independent sector's commitment to affordability, it is not surprising that independent higher education institutions in PA serve 52% of all degree-seeking students, 54% of all minority students seeking degrees, 49% of working-age adult students (25-64), 45% of Pell-eligible students, and 44% of PHEAA state grants.
- By carrying so much of the cost of making college affordable, and holding expenses down, private higher education in PA relies on just

\$2,202/degree in public funding, about 1/8<sup>th</sup> of what public institutions require in funding per degree.

- While I call out this difference as a significant expense to the taxpayers of producing a college degree, my point is that higher education must be within the reach of students if we want to see them enroll and succeed at college.

**Positive outcomes** must also be central to serving students and our region.

Degree programs at our colleges and universities must be designed to prepare students to meet the needs of today's workforce. This can mean the introduction of new degree programs but also the revision of traditional degree programs to be more aligned with student needs for workforce readiness. Degree programs must also be designed to serve a greater diversity of students – traditional age, working professionals, remote, and workplace-based.

The connection between degree programs and career opportunities must be clearly delineated and easy for students to follow and for parents to see. Increased partnerships with economic development agencies and regional employers will let colleges link students to career opportunities in rural areas, serving students' needs and the region's demands.

A single focus on student success must be central to the work of colleges, driving retention, graduation, and job placement rates. The longer-term value of college (e.g., increased professional success, ability to grow, civic engagement, good health, and community engagement) is also important to recognize. However, the mix of students that colleges are serving today demands that the more immediate outcomes of the investment in college must be foregrounded if colleges and universities are to be successful in serving the changing population in our regions.

In a time when, unfortunately, a growing number of young people, especially young men, have the misperception that college is not worth the investment, we must continue to strive to make the positive outcomes of earning a degree more apparent and attainable for a larger number of students.

## **RECOMMENDATIONS:**

- ✓ Recognize higher education institutions as resources for attracting and retaining population in rural areas.
- ✓ Incentivize colleges and economic development agencies to collaborate on post-graduate employment opportunities to meet regional workforce needs and increase the population in rural regions.
- ✓ Recognize the value of funding individual students through programs like PHEAA so they have the freedom to attend the college that will best meet their needs and that may be most affordable to them and their families.
- ✓ Advocate for the importance of affordability, recognizing that Pennsylvania's private colleges have shown a tremendous commitment to affordability over the past decade for students with financial need.
- ✓ Insist that higher education policy and planning in Pennsylvania take a comprehensive approach to include independent colleges and universities along with state institutions.

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