Those of us working in higher education can sometimes get a feeling of intellectual whiplash as we go about our work. On the one hand, in our community we get the rare pleasure of working daily with the exceptional young people who choose CSB and SJU for their education. We see them learning and developing intellectually in the classroom. We watch them succeed in their athletic, musical or theatrical endeavors. Our staff work with them on campus and see them mature and grow. Each year we send a thousand freshly-minted graduates into the world to lead lives of meaning and service. We later meet them as alumni with successful professional and personal lives. In short, our vocations allow each of us to be a small part in the transformational power of a CSB and SJU education.

But on the other hand, we see The Economist cover story entitled, “Creative Destruction: Reinventing the University,” which suggests that dinosaurs like us may well be “victims” in the higher ed revolution. We hear Harvard Business School professor Clayton Christensen, tell us that, “…in 15 years, half of US universities may be in bankruptcy… [and] in the end I’m excited to see that happen.” The Atlantic asks on its cover, “Is College Doomed?” Then there is a daily drip, drip, drip of stories criticizing universities for their high costs (often administrators, ouch!) which result in mountains of debilitating debt for students. We have the Federal government threatening to micromanage our performance. This past weekend, President Obama called for “a plan to tie federal financial aid to a college’s performance, and create a new college scorecard so that students and parents can see which schools provide the biggest bang for your buck.” We are accused of training students for non-existent jobs and some, like Pay Pal entrepreneur Peter Thiel, have asked if college is even necessary. And on and on.

The general message is that universities are not serving their students (and by implication, society) well and that their future is uncertain at best. It is even possible that the classic residential, Liberal Arts College may cease to exist, driven from the field by new models powered by disruptive technological change.

Against this backdrop, we contemplate the future for CSB and SJU as we begin a strategic planning process.

My first impulse is to take a step back and recall that, as that great philosopher Yogi Berra said, “It's tough to make predictions, especially about the future.” History is littered with dozens, even hundreds, of examples of doom and gloom futures that never arrived, from Thomas Malthus in the 18th century to Karl Marx in the 19th to the Club of Rome and Peter Ehrlich in the 20th. No one knows for certain what the future, or more likely “futures” (plural), of higher education will look like, even as we acknowledge that real challenges exist.
Challenges

There are at least three external challenges that are more significant for us now than they were five or ten years ago and they have important implications for our strategic plan.

1. **Demographics.** We were founded to educate the children of working and middle class German Catholic immigrants. Our history is one of increasing diversity--first Irish and Poles and other Catholics, then more geographic and economic diversity, then a few Bahamians and Hong Kong Chinese students and even a handful of Lutherans and the occasional Iowan. Later this week we will welcome a class with 17.5% domestic minority students and 5% international students, nearly 40% non-Catholics and increasing numbers of non-Midwesterners. These changes over time reflect the changing demographics among our potential applicants, as well as the realities of Minnesota’s population. These changes continue apace and, while our growing diversity is a good thing, it is not without its challenges, and our strategic plan must acknowledge and respond to them.

2. **Technology and alternative models.** One of the beauties of American higher education is the diversity of offerings and models that exist among the 4000+ institutions of higher education. Students have a tremendous range of options. Technology may well increase those options. As the online world matures, we need to be attentive to how our relatively small part of the market is responding to the new options. What do students and parents want and expect? At a minimum, new technology will encourage us to re-examine our pedagogies in order to improve what we do for our students, but more likely we will also be considering how new technology might help us change how we deliver our education, achieve greater efficiencies and keep costs under control, while maintaining quality. Many of our faculty have already begun this process. Our strategic plan must grapple with this brave new world.

3. **Budget pressures.** These have both a cost side and a revenue side. On the cost side we are obviously a labor driven enterprise--our great educational experience is still based on one highly trained professor in a classroom or lab with 22 students or one conductor per ensemble or one coach (and staff) per team. Furthermore we have lots of professional staff (again, those dreaded administrators) who provide a range of services for students that were non-existent a generation ago. Our faculty and staff are all highly educated professionals and deserve fair, market driven compensation as they commit their professional lives to our mission. On the revenue side, we continue to be tuition driven, with about 80% of our revenue coming from tuition. There is evidence that our families are becoming more sensitive to price and this likely limits our ability to raise tuition. Our strategic plan must address the balance between costs and revenue. For our long run health we need to bring costs in line with our expected revenues. (A challenge we are currently facing for FY15.)

There are certainly more external issues that we will consider, but I believe these three are likely to be foremost in our minds as we engage in strategic planning.

At the same time as we consider these challenges, it is equally important that we acknowledge some of the factors that play to our strengths as we look to the future.
Strengths

1. **Essential.** For all the criticisms higher education faces, it is also undeniably essential, for individuals and society. College is increasingly a required ticket to the middle class and the net financial return on a four year undergraduate education ranges between $500,000 and $1M, a figure that is likely to grow over time. And of course there are the non-pecuniary benefits that liberal arts institutions view as essential to our mission as well. So regardless of the challenges we might face, we can begin our strategic planning conversations absolutely confident of the continued and likely growing need for higher education.

2. **Our model.** I believe we can be confident of even more than this. Specifically, the kind of education we provide—one that emphasizes critical thinking, communication skills, group experiences, global awareness, an ethical grounding, all provided in a personalized and holistic ethos—is exactly what the 21st century student needs. Our students leave here knowing how to learn—likely the most important educational gift we could impart as they face changing and unpredictable labor markets. On a less instrumental level, we give our students even more. A recent study done for Purdue University by the Gallup organization found “students who were closely engaged with faculty were more likely to be engaged at work and have high [sense of] well-being… Graduates who had at least one professor who made them excited about learning, cared about them as a person, and was a mentor, have more than double the odds of being engaged at work and thriving in [their] well-being.” For those of us at liberal arts institutions this seems almost laughably obvious. The residential liberal arts model succeeds for students both professionally and personally—outcomes that we can be confident will matter in any future.

3. **We deliver.** In addition to knowing education is essential and that the student focused model succeeds, we can also begin the strategic planning process knowing that we at CSB and SJU deliver on our educational promise. The mission we have set for ourselves resonates with our alumni long after they have graduated. We have surveyed alumni for the last 25 years and among the findings:
   • 88% agreed or strongly agreed that “my major adequately prepared me for my career or graduate school.”
   • 81% agreed or strongly agreed that “the Benedictine Values were an important part of my CSB/SJU experience.”
   • 97% agreed or strongly agreed that “the liberal arts should continue to be a central part of the CSB/SJU mission and experience.”
   • 91% said they would choose SJU or CSB again if they could start college over.
   • 96% rated that quality of their undergraduate academic experience as “good” (36%) or “excellent” (60%).
   • 80% indicated that their experiences at CSB and SJU contributed meaningfully to their ability to cultivate and maintain positive interpersonal relationships.
   • 97% described their current job as meaningful, and said that they continue to grow and learn professionally.

Pretty impressive results that suggest we consistently provide our alumni with the educational, spiritual and personal experiences we promised them when they enrolled.
So what is our task?

1. **The Internal Question: Mission.** To re-examine our residential, liberal arts, Catholic and Benedictine model. How does it hold up? While wholesale change is unlikely, are there ways in which we should modify our mission, in whole or in part?

2. **The External Question: Market and the Future.** How is our external environment changing? What does the market for higher education look like? What do students and their parents want and expect? What will they pay for? Who are our potential students?

3. **The Synthesis.** The challenge for strategic planning is to bring together our mission and the market. What is it that we want to commit to as a community? Is that mission one that will resonate with the next generation of students? Our ultimate objective is to develop a thoughtful strategic plan for CSB and SJU for the next five years and beyond, one that responds to external challenges of the market but remains true to our values and mission as institutions.

These are not simple tasks, but they are exciting and meaningful. We have provided a transformative experience for generations of students, and Mary Hinton and I, and I trust all of you, are quite confident that even as we adapt to a changing world, we will continue to educate our students for personal and professional lives of success, service and meaning. Thank you.