

# We Cannot Let This Moment Pass

*Challenge and Opportunity at North Park*



PRESIDENT MARY K. SURRIDGE

**A**t North Park University, we celebrate 128 years of history, faith, and strength, thanking God for His faithfulness and direction. We also accept and embrace our responsibility and our call to position North Park with the strength required to project our Christian mission into the future.

What will that future look like? Will it be the bright future we plan, create, and pursue? Or will it be a future that comes at us, and catches us unprepared?

Our ability to prepare ourselves and succeed in the intensely competitive marketplace of higher education exists in two critical opportunities. First, we must embrace and elevate our three core distinctives—

Christian, city-centered, and intercultural. And second, we must be willing to examine our traditional institutional structure and financial model and make the wise adjustments and necessary decisions to ensure institutional strength.

Our three distinctives, taken together, distinguish North Park from other universities, and position us to lead the way:

- First and always, our Christian identity; we are deeply rooted in faith, we will claim that, own it, and live into it in every way we can. We are a Christian institution of high academic quality. While our students learn and advance with us academically, we introduce them to a life of faith and a daily walk with Jesus.

- Additionally, we are centered in this world-class city of Chicago, a competitive advantage with opportunities that are limitless for education and career development. We will seize this opportunity in ways that will make us stronger and more compelling to prospective students, funders, internship providers, and employers for our graduates.

- And finally, we are distinguished and blessed by the rich tapestry of a thoroughly intercultural student population.

We celebrate a campus community that measures nearly 50 percent students of

color—and that is an unparalleled strength. The Kingdom of God enters our gates every year! We seek to support and encourage every one of our students, meeting them at their points of strength and need, and helping them to progress in ways that will strengthen their ability to succeed.

In the sum of these three distinctives, Christian, city-centered, and intercultural, we find our unique value, our competitive advantage—and our opportunity to emerge as nothing less than the model for Christian higher education in 21st Century America. That is our opportunity and we are called to it. That is the bright future we must plan, create, and pursue.

In order to answer this calling, we must elevate our exceptional faculty and staff and the programs that we do very well, we must design new programs strategically and execute at the highest level possible, we must consider all aspects of the student experience, and examine our current business practices to achieve a more solid financial footing and predictable future. Otherwise we will react to the future that comes at us, trying to respond as the landscape is shifting beneath us.

We all hear, read, and learn more every day about the current challenges and headwinds facing higher education: declining



demographics in college-going populations, increasing tuition discounts and institutional expenses, declining revenues. We know North Park has not been immune to these pressures.

#### **Achieving a sustainable financial model**

For more than a generation, American institutions of higher learning have based their planning on steady enrollment growth. Now enrollment is declining across the country, and some of our ingrained expectations and practices are becoming obsolete.

The number of students of college-going age is declining dramatically. In Illinois alone, the number of high school graduates dropped from about 155,000 to about 122,000 over the past decade, a decrease of 21 percent. Between now and 2029, this number in Illinois and the Great Lakes region is expected to decline by an additional 15 percent or more, according to Carleton College economist Nathan Grawe. Nationwide, college enrollment is down by more than 2.9 million since 2011, according to the National Student Clearinghouse Research Center. More than 400 colleges and universities still had seats available for freshmen and transfer students after the traditional May 1 deadline for this fall—and North Park was one of them.

At most private universities, including North Park, almost 90 percent of the operating budget comes from student tuition and fees. At any of these schools, declining

student enrollments mean fewer tuition dollars and leaner budgets. At the same time, the competition for students requires universities to provide more and more financial aid. And this competition intensifies each year. Collecting less and less revenue while dispensing more and more financial aid every year is obviously not a sustainable model. All universities with this high tuition/high discount model face this challenge; no one has identified an alternative.

We have to keep higher education affordable for a wide range of students, so we cannot address this issue by simply raising tuition. Our students come to us with different levels of preparedness, both financially and academically. We want to serve and support every student who accepts our invitation to study, live, and learn at North Park. That takes the careful management of our operating budget and the devoted support of our generous alumni and friends. It is up to us to steward all of our resources well.

Universities—especially Christian universities—are focused on mission. At North Park we educate students in the liberal arts,

professional studies, and theology, for lives of significance and service. We introduce students to a life of Christian faith, and we nurture a campus environment designed to encourage their pursuit of academic excellence, their search for meaning and purpose, and the deepening of their faith commitments during their college years. We engage Chicago as a dynamic place of learning and service, with limitless educational and career opportunities. And we are thoroughly intercultural—we embrace and value all people, supporting the reconciling mandate of the Christian gospel. These are our core values. We help students discern what God may be calling them to do and we equip them to use their vocational gifts, in every profession, for God's Glory and neighbors' good.

In this deeply missional context, difficult conversations about profit and loss, branding and marketing, business practices and financial models might seem far removed. Of course, they are not! Because in today's competitive higher education environment, colleges and universities that are not willing to look at their financial models and historical habits are in danger of going away. In fact, according to the bond-rating firm Moody's, an average of 11 have closed each year for the past three years, and that number will soon reach 15 per year.

#### **Our moment to own our reality and invest in our future**

This is a critical moment for North Park. This is our moment to own the new realities—to engage these challenges so that we can embrace the very real and significant opportunities before us. We must have the thoughtful and strategic conversations now so that our Christian mission, vision, and values will not only survive but thrive, far into the future. This is our moment. We cannot let this moment pass. Our future is now.

*"In the sum of these three distinctives—Christian, city-centered and intercultural—we find our unique value, our competitive advantage—and our opportunity to emerge as nothing less than the model for Christian higher education in 21st century America."*

We must find new net revenue streams and create a new, sustainable financial model so that our mission will thrive in higher education's rapidly changing marketplace. This is the first step in elevating our distinctives and the Christian mission of North Park University.

How will these critical campus conversations unfold?

First, we are blessed with a Board of Trustees with deep and proven expertise in education, service, business, and finance. They are the leaders and investors in this institution. They embrace the fact that they hold the future of our university in their trust. They value our mission, they understand our challenges, and they are prepared to invest in our future.

We are also very blessed by the talented and committed faculty and staff of North Park who live out our mission every day, providing the expertise and the environment in which our students learn and prepare. These exceptional campus leaders and partners have been central in building our mission, will share the work of reviewing our existing models, and will play a key role in helping to create our future. Meetings with members of our community will continue over the coming months, individually and in groups, in order to prioritize their perspectives and include their creative ideas and collaborative efforts.

Our Board also endorsed the assembly of a small strategic advisory group of committed North Park alumni—individuals who due to their lifelong expertise and success in business, finance and investment—can offer fresh perspectives, innovative ideas, and best practices from other industries that may help us to achieve a more solid footing and move wisely toward the future that calls North Park to emerge as the model for Christian higher education in 21st Century America.

In order to evaluate and elevate our existing strengths and identify some of the market opportunities that may be available to us, we will also undertake an institutional review of our facilities and programs—alongside a scan of market opportunities that may be right for North Park. Because some of this critical data gathering cannot be expected of internal partners, already fully committed in time and teaching, we

will invite the partnership of an external firm with a proven track record to engage our internal team of campus representatives, in this vital work. We seek to build a culture of innovation and creativity at North Park, respecting market sensitivity and mission consistency, while also seeking the financial margin we need to succeed. Introducing a compelling case for support to our generous partners for new program growth and opportunity, begins with making sure we are stewarding our existing resources well.

All of this work will be disciplined, detailed, and data-driven, and will include people and perspectives from across our campus. It may result in some change at North Park, change that will help to bring about our vibrant future. What we know for sure is that cost containment at the margins will not build the sustainable model that we need in order to seize the opportunities that elevating our distinctives can provide. Because we are facing these challenges now—head on and together—we at North Park have every reason to be excited about the future direction of this beautiful and important place.

And I want to make clear that some things at North Park University will never change: We will always live into our Christian identity, we will always seek full advantage of our strategic and enviable location in the third-biggest market in the nation, and we will always celebrate and promote our intercultural student community as a significant strength for learning and excellence.

#### **A collaborative, successful future**

Founded in faith 128 years ago, by a devoted immigrant community of the Evangelical Covenant Church, for the advancement of future generations, and planted in this city location—North Park University now has the opportunity to emerge as the leading model for Christian higher education in 21st Century America. The first step in developing that model is to identify new opportunities for reliable revenue generation and resource management.

It will take everyone working together, every step of the way. We will seek campus involvement and partnership in this effort, and we will depend on it, in order to achieve a collaborative and successful outcome. And it will take everyone working together

to integrate all three of our remarkable distinctives, in all of our work, so that we can step forth in this intensely competitive higher education marketplace with strength and with confidence.

I have tremendous respect for my colleagues at North Park. They are extremely devoted to our mission and our students. Perhaps an advantage for me of having served alongside many of these brilliant colleagues in my range of roles over many years, is that we all share that common commitment to our students and mission, and we can count on each other to do everything we can to support our students and advance the vital mission of North Park University.

I have equally high respect for our devoted and generous alumni and friends. It has been the joy of my professional life to know and trust this remarkable alumni community. I am asking for your help now—and I am counting on your faithfulness, your efforts and your expertise.

God is our refuge and our strength. An ever-present help in all that we do. We will call on that strength every day to provide the inspiration and the stamina to do the strategic work that is necessary to recruit the students we seek, to give them the experience we promise—and to nurture their gifts, entrusted to our care. The market is changing. We must be ready to change with it.

This is a very EXCITING moment in our history, and we must not let this moment pass. Seeking God's wisdom and direction, using every resource available to us, we will wisely and strategically advance the mission of North Park on behalf of our students.

Just a few weeks ago, I asked our Board of Trustees and campus community to consider two critical questions when determining the time, and the team, to solve these issues:

If not us, who? And if not now, when?

The time is now. Our students are depending on us. And we must come through for them. To the entire North Park community—I am very grateful for your courage, your commitment, and your collaboration in this work. Our opportunities are before us.

In Christ,



Mary K. Surridge, President