What Will College Look Like in 18 Years?

The pandemic changed education—this is what the future may look like.

With student loan [debt in the trillions](https://www.forbes.com/advisor/student-loans/average-student-loan-statistics/), college [graduates unprepared](https://www.insidehighered.com/quicktakes/2021/05/26/survey-college-graduates-dont-feel-employable) for entry-level positions, and many students [dropping out](https://educationdata.org/college-dropout-rates) before earning a degree, it’s clear that something has to be done to address higher education’s problems. That’s not to say change isn’t already happening. Approaches to tackling the outsized student debt and better preparing students for the rigors of the real world are underway. In fact, you can expect a decade’s worth of change over the next few years.

The global pandemic was transformative for higher education. But the trends driving the disruption are not new. In fact, higher education began going through a disruptive phase before COVID-19. This is what change means for you and your kids:

**Demonstrated Value**

Both students and their parents will pay far more attention to the value they receive from higher education as well as what it costs them. This will only accelerate as more families either can't or won't pay the levels of tuition that colleges and universities charge. It’s the intersection of value and price that will increasingly matter. Often the narrative focuses on price. But when you talk to families now, you hear something different. They want assurances that the investment of time and finances are worth it—defined by outcomes. Colleges and universities will evermore be reflective of the quality a particular institution offers and what families will pay for that perceived value.

**Education on Demand**

Students won’t be confined by what colleges historically offered or how they offered it. They want education when they want it and delivered how they want it. Kids are much more open to online and in-person hybrid formats, blended learning, accelerated programs, part-time options, and more. Pressure will grow to bend the model and to offer things like micro-credentials based on focused career goals and academic programs that are tailored to specific interests. Students will be vocal about the terms under which they are willing to invest their time and financial resources.

**Long-term Security**

Parents typically reduce this to “getting a job,” but this misses the larger point. Both parents—who often pay for higher education—and students—who invest time and earnings and take on the debt—go to college because they want to do well in life. They want a good job as part of their ambition to be happy, secure, and the architect of their lives. Going forward, parents and students will demand to know how successful the university is at launching graduates into lives and careers. They also will want to know more about the risk factor—what percent of students fall through the cracks and how the college helps those students and alumni.

**Location. Location. Location.**

Location matters more than ever. And while there’s no clear pattern yet, you can expect that location will move up on the list of things students use to decide college choice. Some students will choose to stay closer to home given the uncertainty of the pandemic. More students are likely to gravitate to colleges and universities in more dynamic urban areas. International students will select areas of the country that are open and friendly to people like themselves. More students attending college are attentive to their own needs—whether those needs are health-related, or focused on entertainment or access to transportation—and they choose where to study and live with those factors in mind.

**Brand Appeal**

As people come to distrust institutions, they search for brands that add meaning and value to their life. That makes the brand of any particular institution much more important. The brand develops as students and families tell stories about their experience with a particular university or college. Students will seek out brands that speak to the journey they hope to take.

What does higher education look like in 18 years? It may look more like other sectors—a few big universities with world-renowned reputations (Arizona State University has over [135,000 students](https://www.asu.edu/facts/#/facts/enrollment/campus-major) and the University of Southern New Hampshire has more than [138,000 students](https://www.snhu.edu/about-us)) that continue to grow, a national group of truly exceptional mid-size and small private universities and colleges that serve students who want to push themselves at the absolute highest level, and more inexpensive community-based institutions that serve local students.

**What will college cost in 18 years?**

How much families need to save for their children to go to college is a very real question for new parents. A four-year degree is [estimated](https://www.collegecalc.org/calculators/plan-and-save/?age=0&cost=29500) to be priced at nearly $450,000 for students enrolling in 2040—assuming tuition increases an average of 7% per year. Talk about sticker shock!

The silver lining for California residents is that the California Kids Investment and Development Savings program (CalKIDS) will provide each child born in California on or after July 1, 2022, as well as eligible low-income public-school students enrolled in first through 12th grade, with a seed deposit and possible financial incentives in a 529 college savings account.

**Learn more about CalKIDS**

CalKIDS is a children’s savings account program administered by the ScholarShare Investment Board, an agency of the state of California. CalKIDS accounts will be established for children born to California families and eligible low-income public-school students, and will include seed deposits and other potential incentives which can be used to pay for future higher education expenses.

The CalKIDS seed money provides your family with a starting point to build assets, rely less on student loan debt, and use the potential growth of its investments over time to complement the savings made by family and friends in a ScholarShare 529 or another savings vehicle.

[**Visit the CalKIDS site to learn more**](https://calkids.org/index.html)**.**

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**CalKIDS participants may also establish individual accounts with the ScholarShare College Savings Plan.**

**For more information about the ScholarShare College Savings Plan, call 1-800-544-5248 or click here for a**[**Plan Description**](https://www.scholarshare529.com/documents/ca_plan_description.pdf)**which includes investment objectives, risks, charges, expenses, and other important information. Read and consider it carefully before investing.**

**Before you invest, consider whether your or the beneficiary’s home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state’s qualified tuition program. You should also consult your legal or tax professional for tax advice based on your own circumstances. Investments in the plan are neither insured nor guaranteed and there is the risk of investment loss.**

**If the funds aren’t used for qualified higher education expenses, a 10% penalty tax on earnings (as well as federal and state income taxes) may apply. Non-qualified withdrawals may also be subject to an additional 2.5% California tax on earnings.**

The ScholarShare College Savings Plan is offered by the State of California. TIAA-CREF Tuition Financing, Inc. (TFI), program manager. TIAA-CREF Individual & Institutional Services, LLC, Member FINRA, distributor and underwriter for the ScholarShare College Savings Plan.

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