



Demographic Dip Update & Stress Testing Framework

Utah Board of Higher Education
September 9, 2026

INFORMED DECISIONS™

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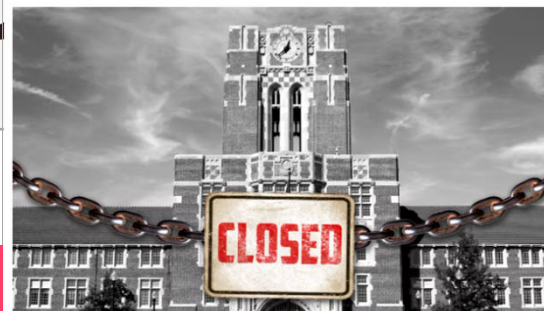
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IDEAS

By Jeffrey Selingo

The Big Take

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Presentation Overview

- Demographic dip update based on new population projections
- Pending demographic shifts highlight need for deliberate decisions during growth peaks to build fiscal resiliency
- Stress testing takes a scenario-based approach to assess budget resiliency, including strengths, risks, and potential responses if downside risks materialize

Demographic Dip Key Takeaways

- 1. Projections Show Approaching College-age Population Declines**
- 2. Enrollment Challenges Extend Beyond Demographics**
- 3. The Demographic Dip Will Affect Institutions Differently**
- 4. Utah Can Prepare for the Demographic Dip**

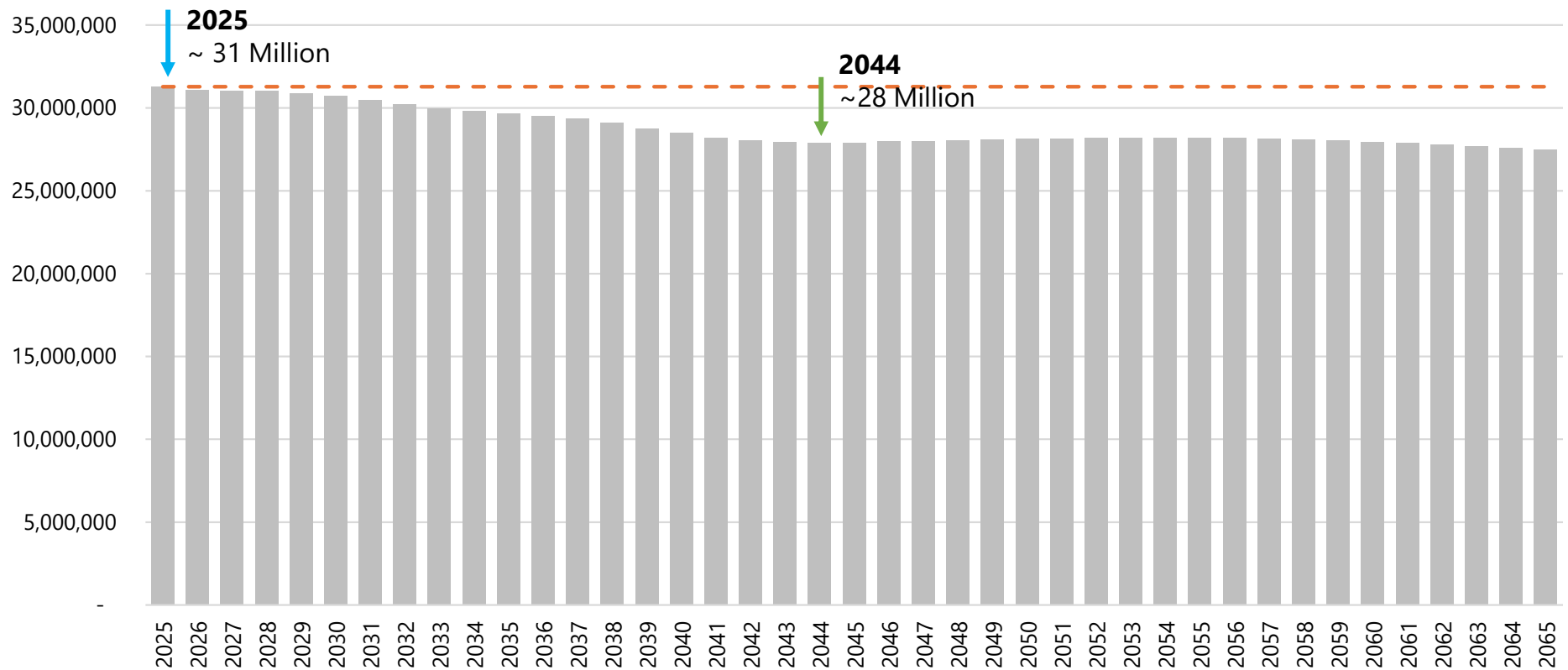
Projections Show Approaching College-Age Population Declines

Demographic Dip Update

- Gardner Institute updated long-term population projections at the end of 2025
- Basic story the same
- Some details differ
 - Larger current college-age population
 - Earlier decline
 - Longer decline
 - Deeper decline
 - Smaller 2060 college-age population

National Demographic “Cliff”

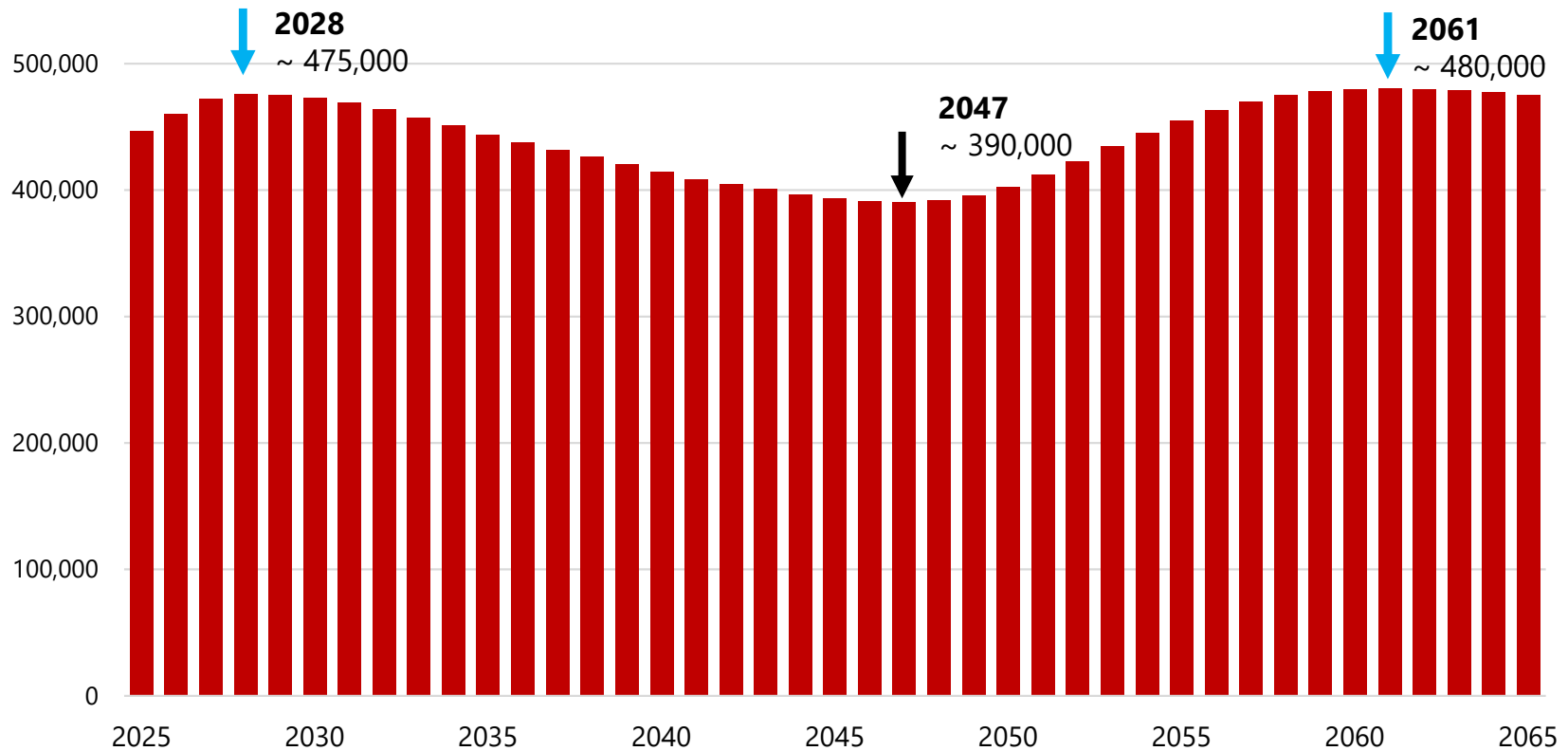
U.S. Projected College Age Population, 2025-2065



Source: U.S. Census Bureau 2023 National Population Projections

Utah's Demographic Dip

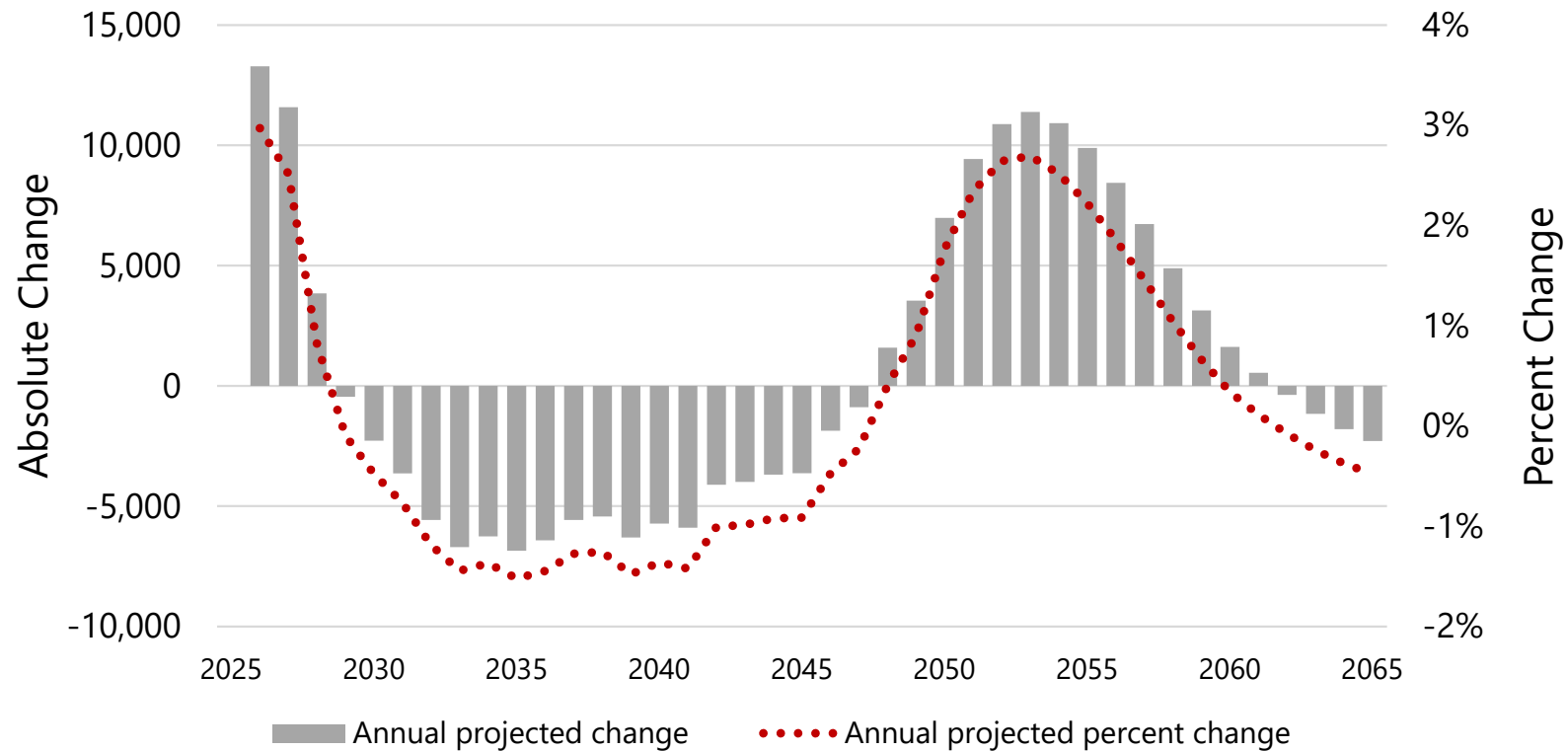
Utah Projected Traditional College-age Population, 2025-2065



Source: Kem C. Gardner Policy Institute, 2025-2065 Projections

Utah's Demographic Dip

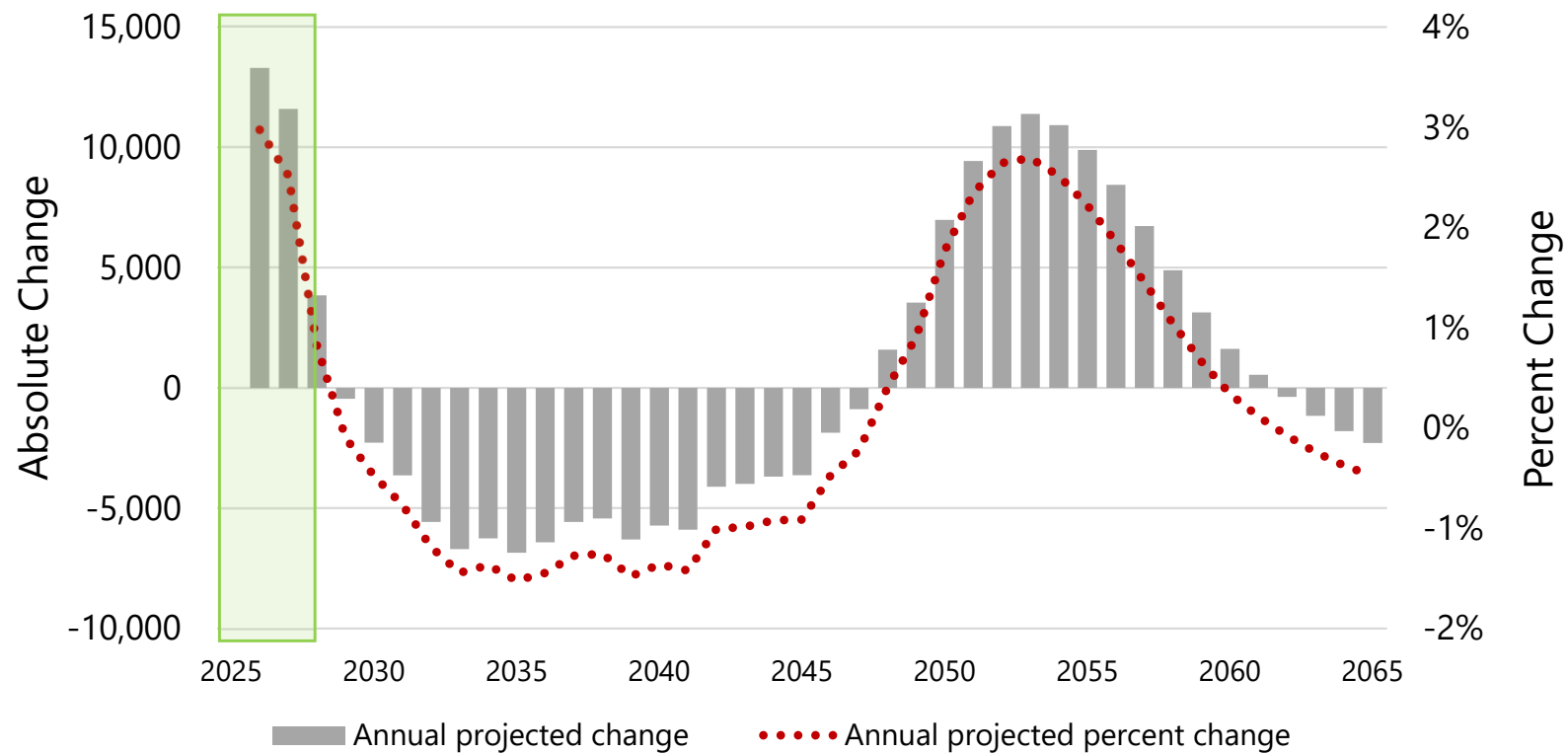
Annual Absolute and Percent Change for Utah's College Age Population, 2025-2065



Source: Kem C. Gardner Policy Institute, 2025-2065 Projections

Utah's Demographic Dip

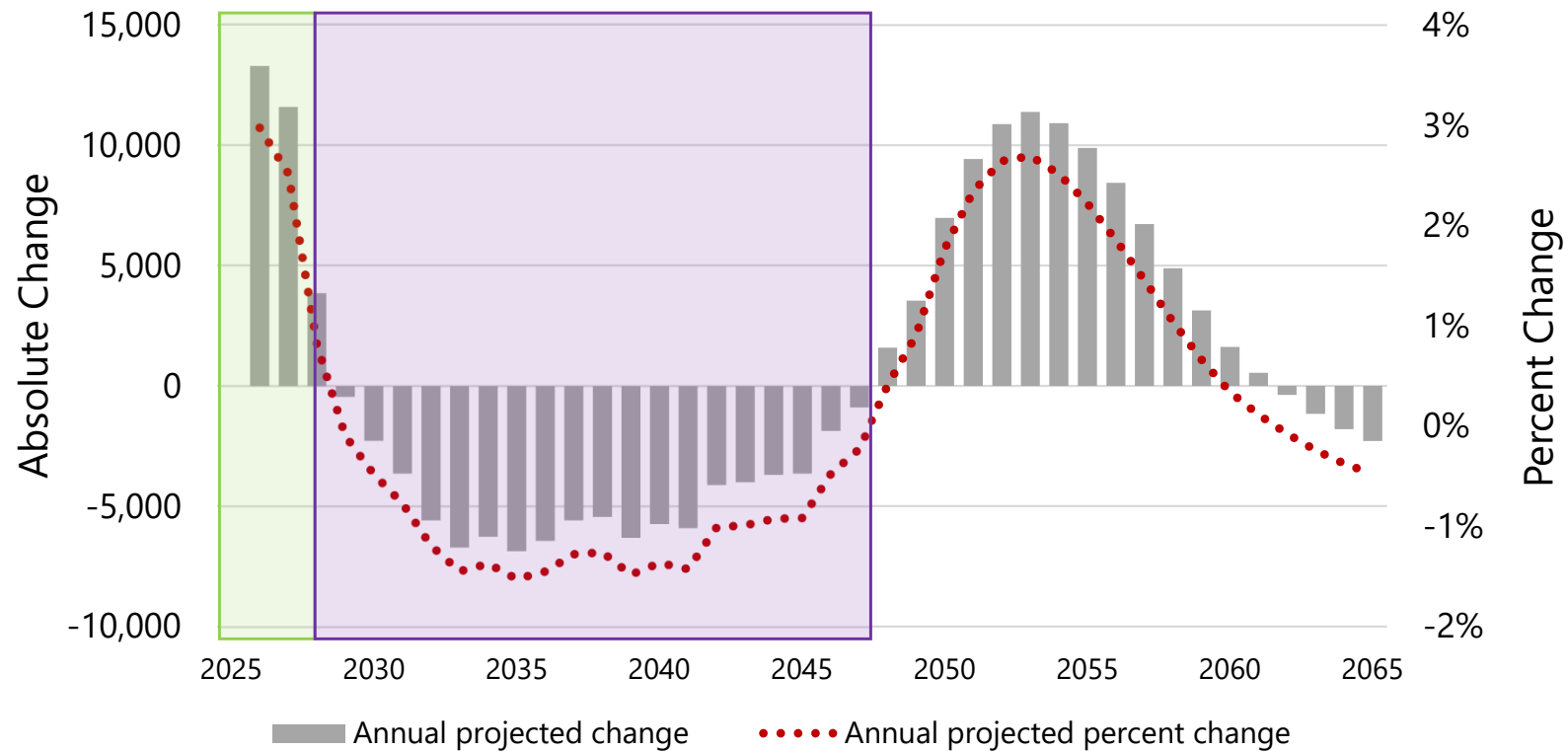
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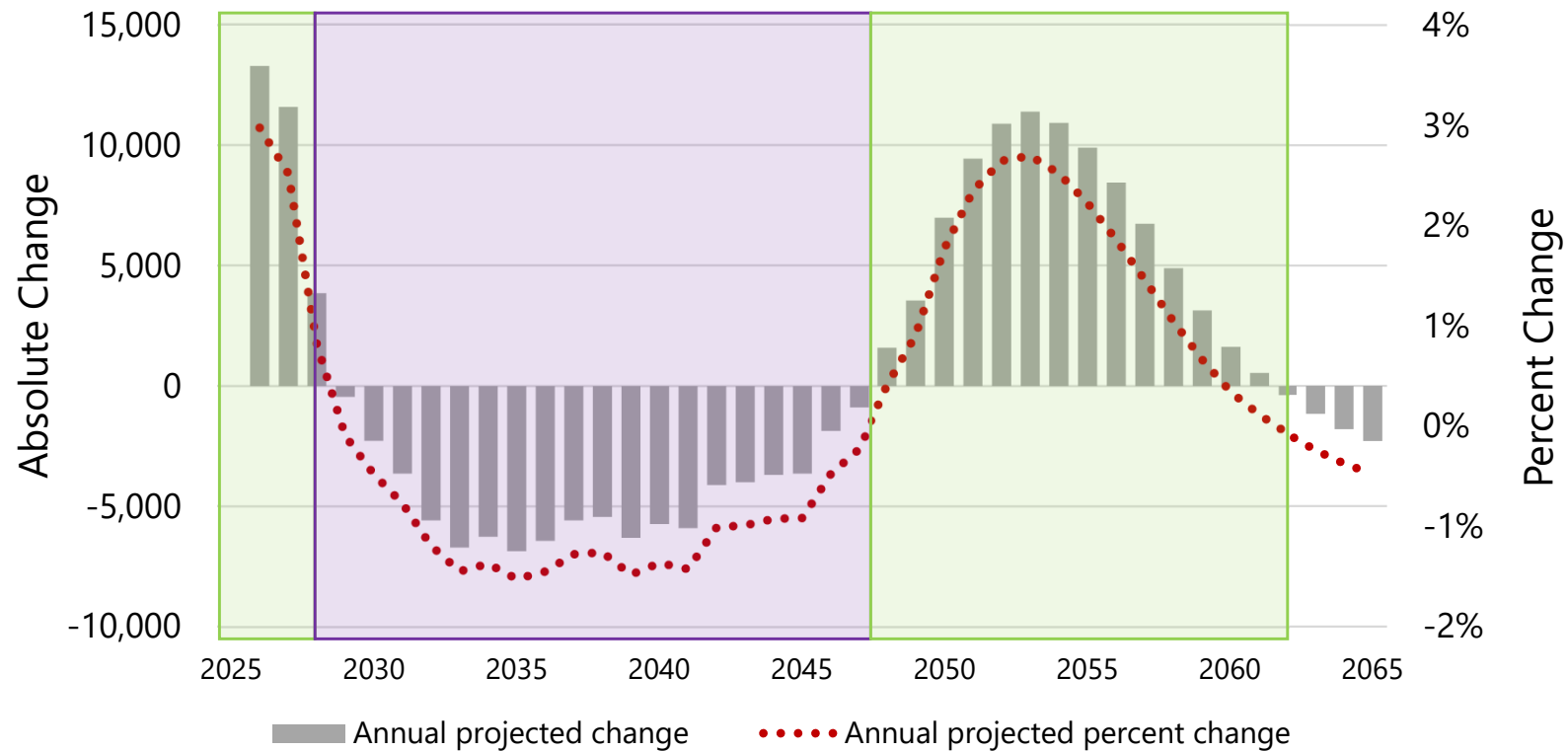
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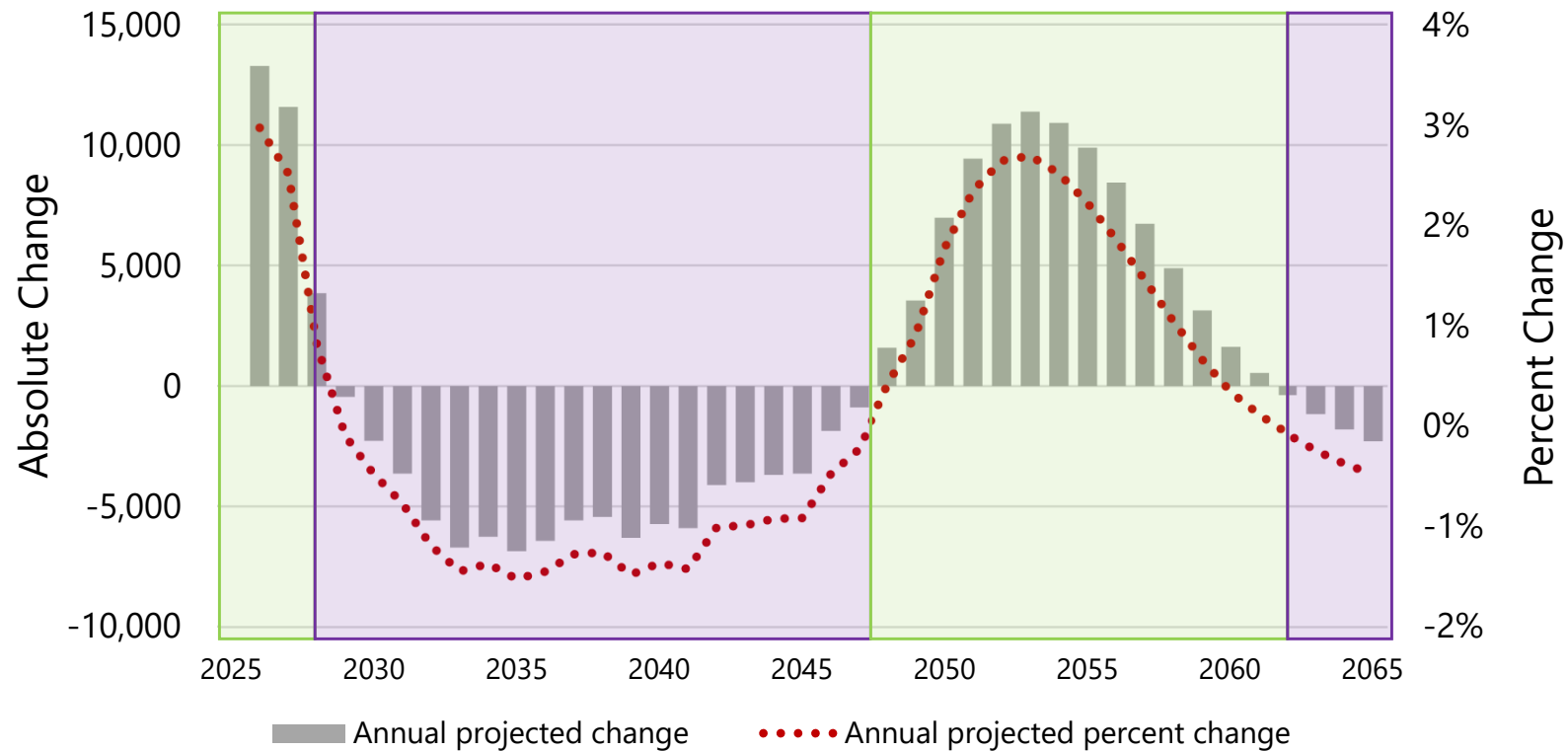
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Source: Kem C. Gardner Policy Institute, 2025-2065 Projections

Utah's Demographic Dip

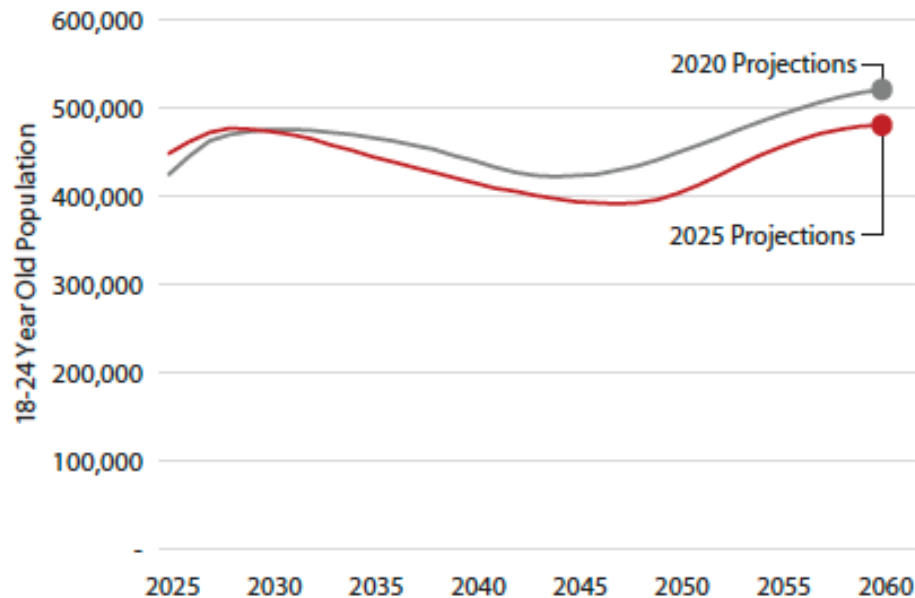
Annual Absolute and Percent Change for Utah's College Age Population, 2025-2065



Source: Kem C. Gardner Policy Institute, 2025-2065 Projections

Comparison with Prior Projections

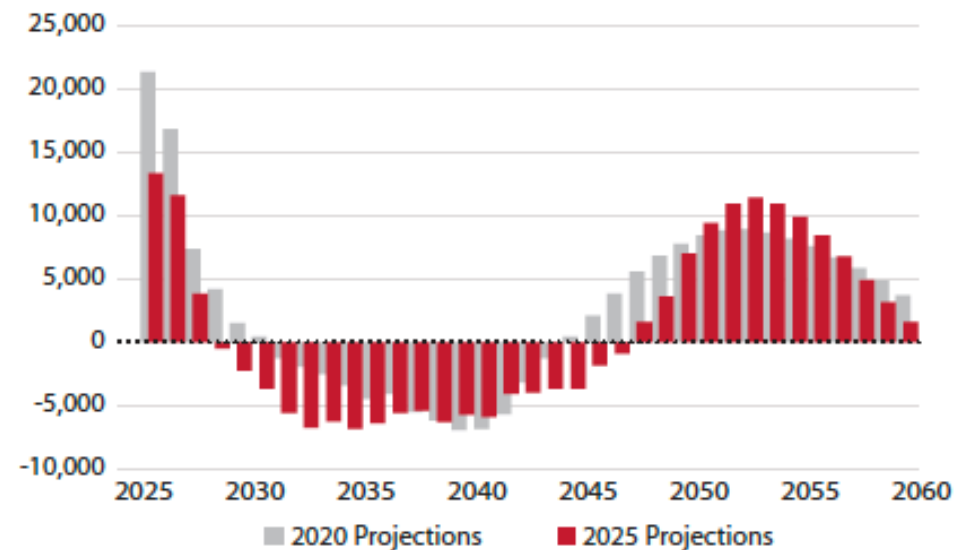
Figure 3: Utah's Projected College-Age Population According to 2020 and 2025 Projections, 2025–2060



Note: College-age refers to residents aged 18 to 24.

Source: Kem C. Gardner Policy Institute, 2020-2060 Projections, 2025-2065 Projections

Figure 4: Projected Annual Change in Utah's College-Age Population According to 2020 and 2025 Projections, 2025–2060

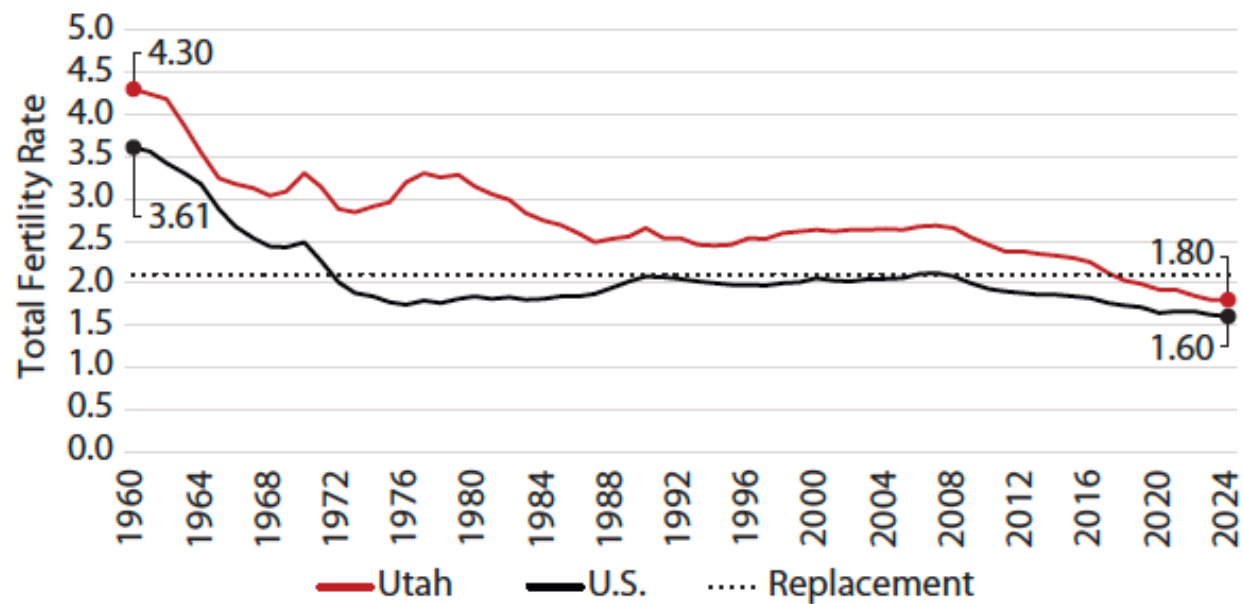


Note: College-age refers to residents aged 18 to 24.

Source: Kem C. Gardner Policy Institute, 2020-2060 Projections, 2025-2065 Projections

Declining Fertility Rate

Figure 8: Total Fertility Rate for Utah and the United States, 1960–2024

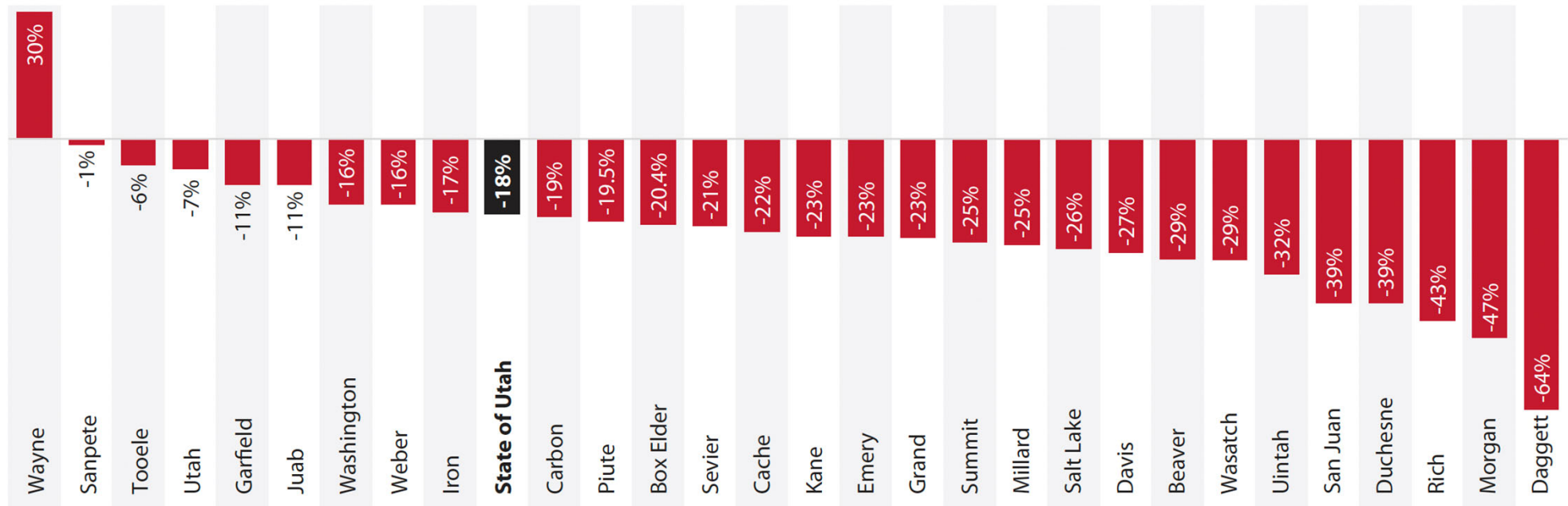


Note: Replacement (total fertility rate of 2.1) represents the theoretical fertility level at which the current population is replaced.

Source: National Center for Health Statistics

Widespread Impacts Statewide

Figure 5: Projected Percent “Dip” in Utah’s College-Age Population by County, 2028–2047

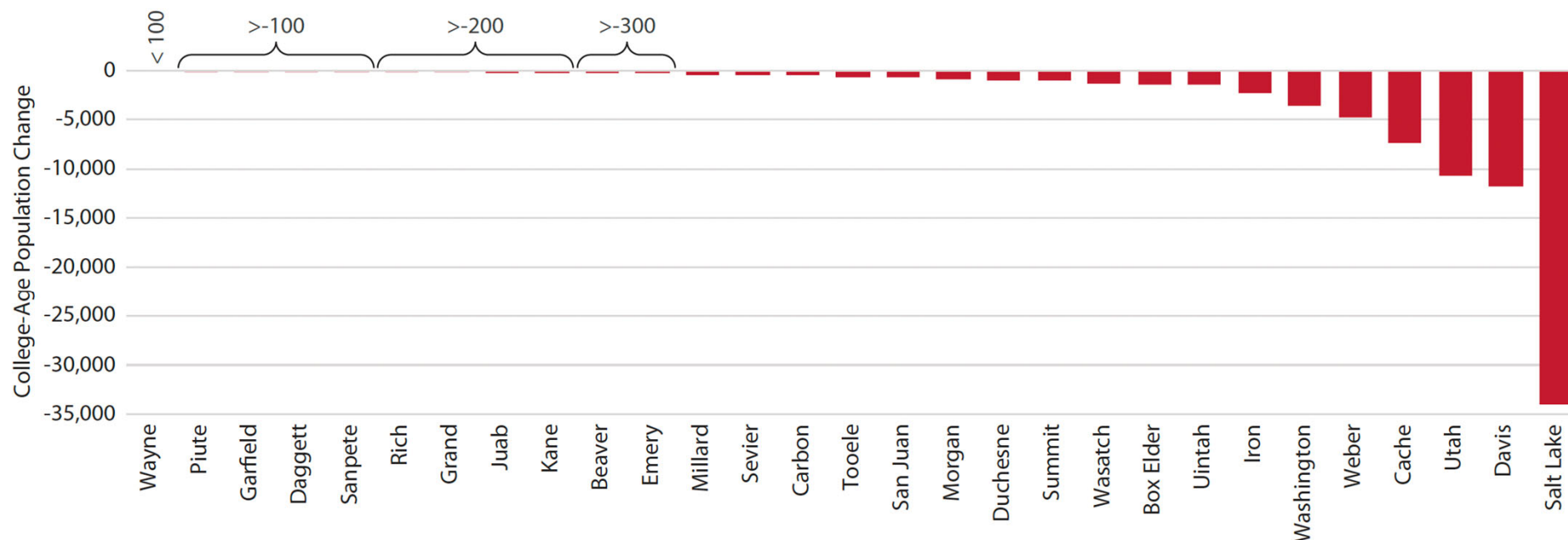


Note: Percent change across the years of projected statewide college-age population decline (2028–2047). College-age refers to residents ages 18 to 24.

Source: Kem C. Gardner Policy Institute, 2025–2065 Projections

Largest Declines in Largest Counties

Figure 6: Projected “Dip” in Utah’s College-Age Population by County, 2028–2047

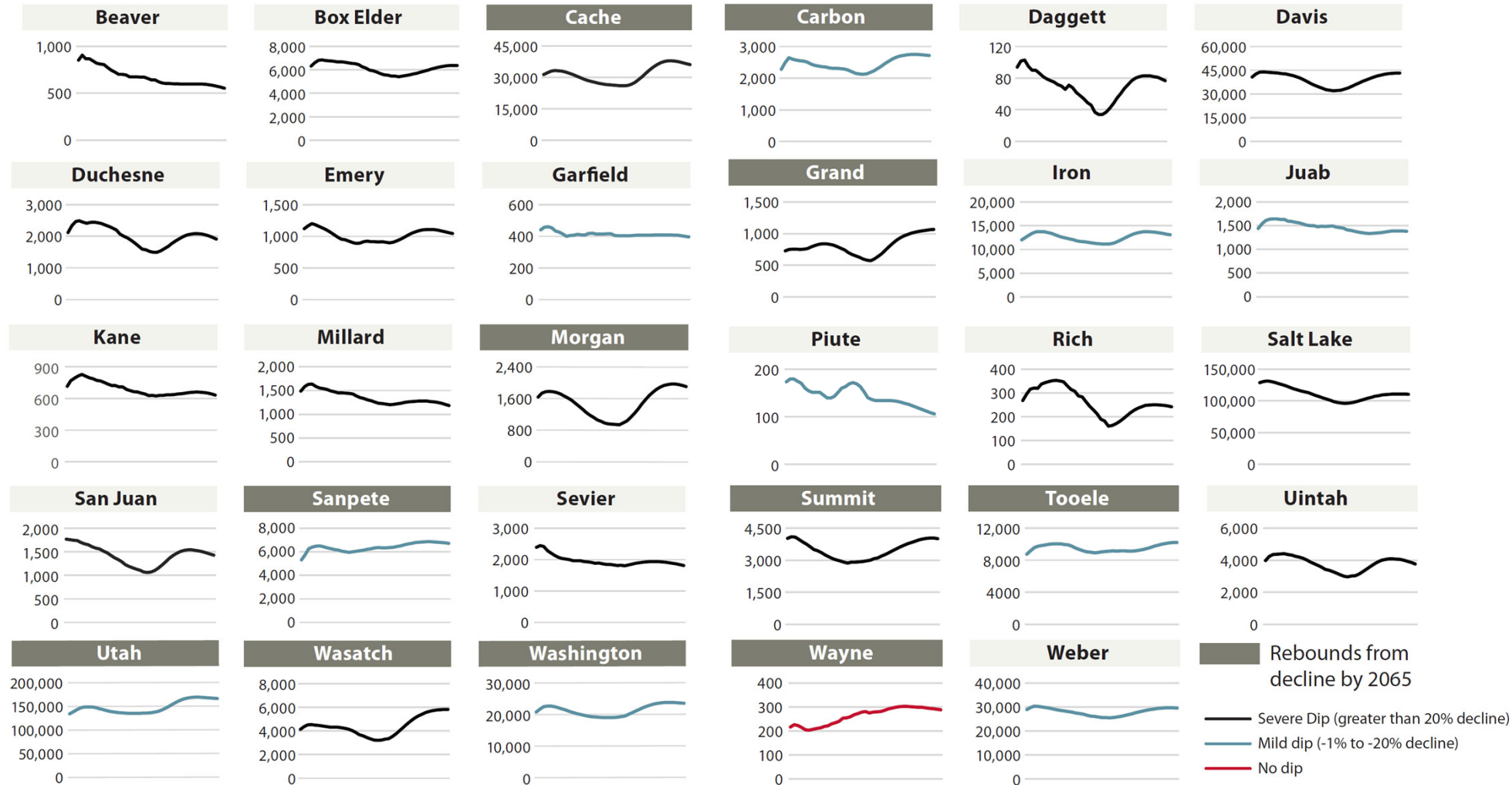


Note: Change across the years of projected statewide college-age population decline (2028-2047). College-age refers to residents ages 18 to 24.

Source: Kem C. Gardner Policy Institute, 2025-2065 Projections

Some Counties Bounce Back

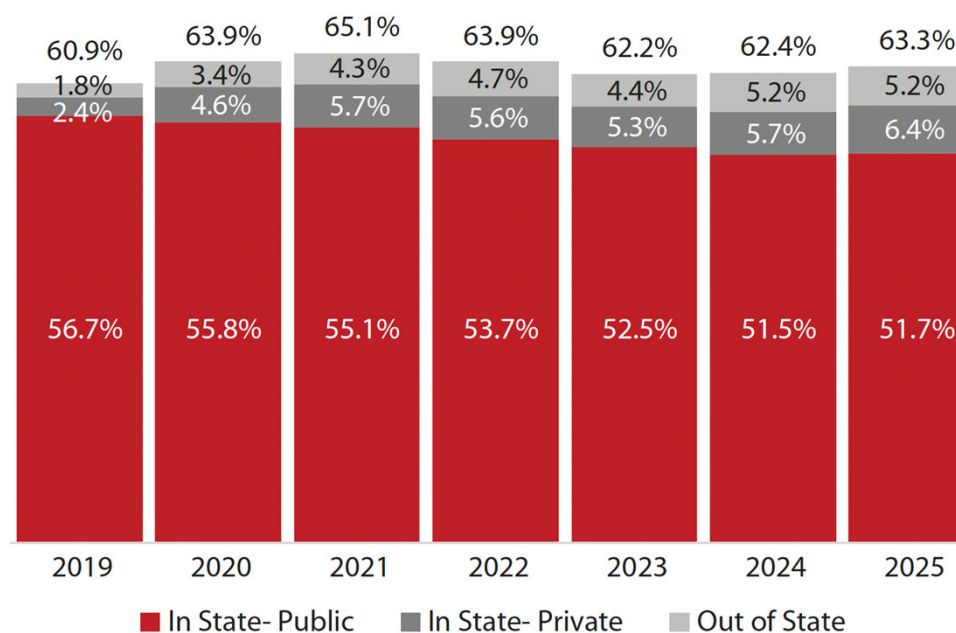
Utah's Projected College-Age Population by County, 2025 to 2065



Enrollment Challenges Extend Beyond Demographics

Traditional College-age Population Differs from Higher Education Enrollment

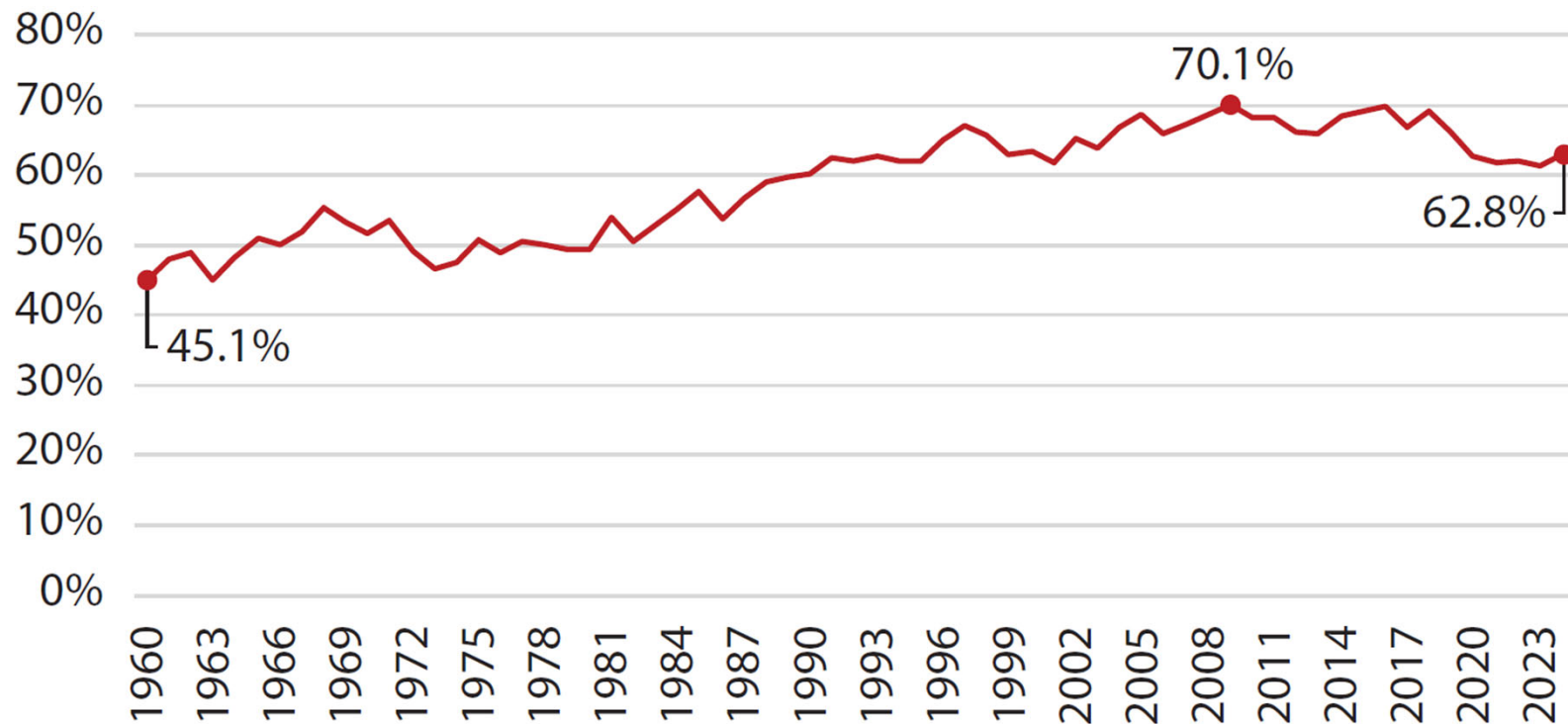
Figure 10: Share of Utah High School Graduates Who Enroll in College Within 3 Years, 2019–2025



Source: Utah System of Higher Education Strategic Plan Attainment Goals

Lower College-Enrollment Rates

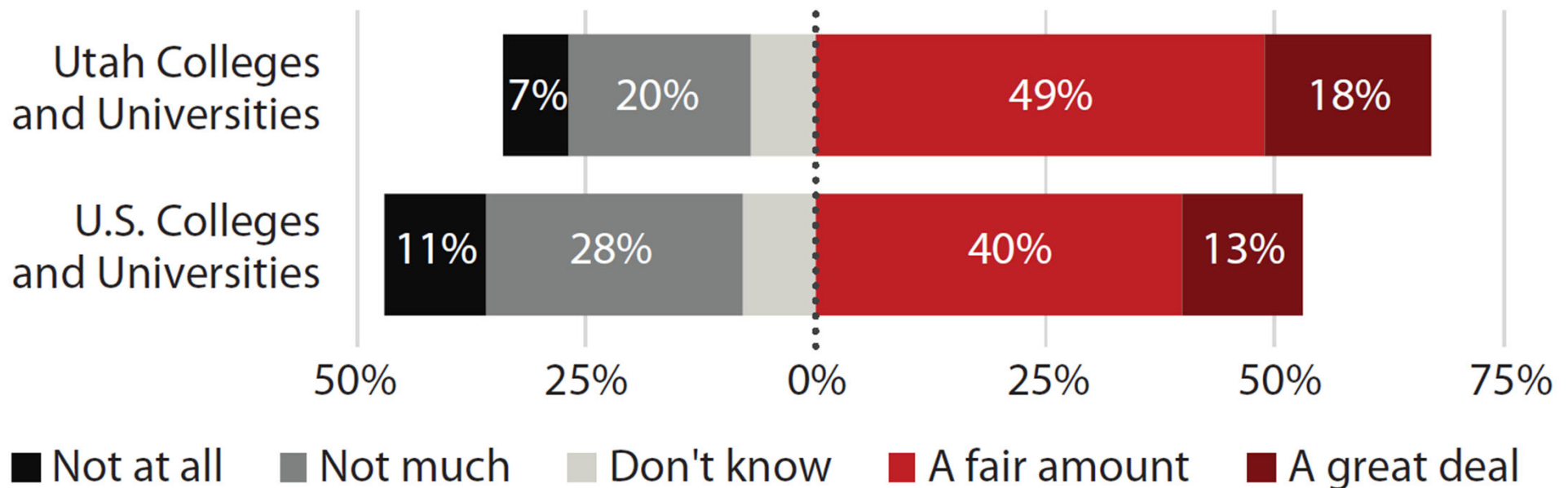
U.S. Percentage of Recent High School Graduates Enrolled in College, 1960-2024



Note: Enrolled in college the fall after high school completion.
Source: National Center for Educational Statistics Table 302.20

Public Confidence Challenges

Utahns' Confidence in Colleges and Universities, 2026



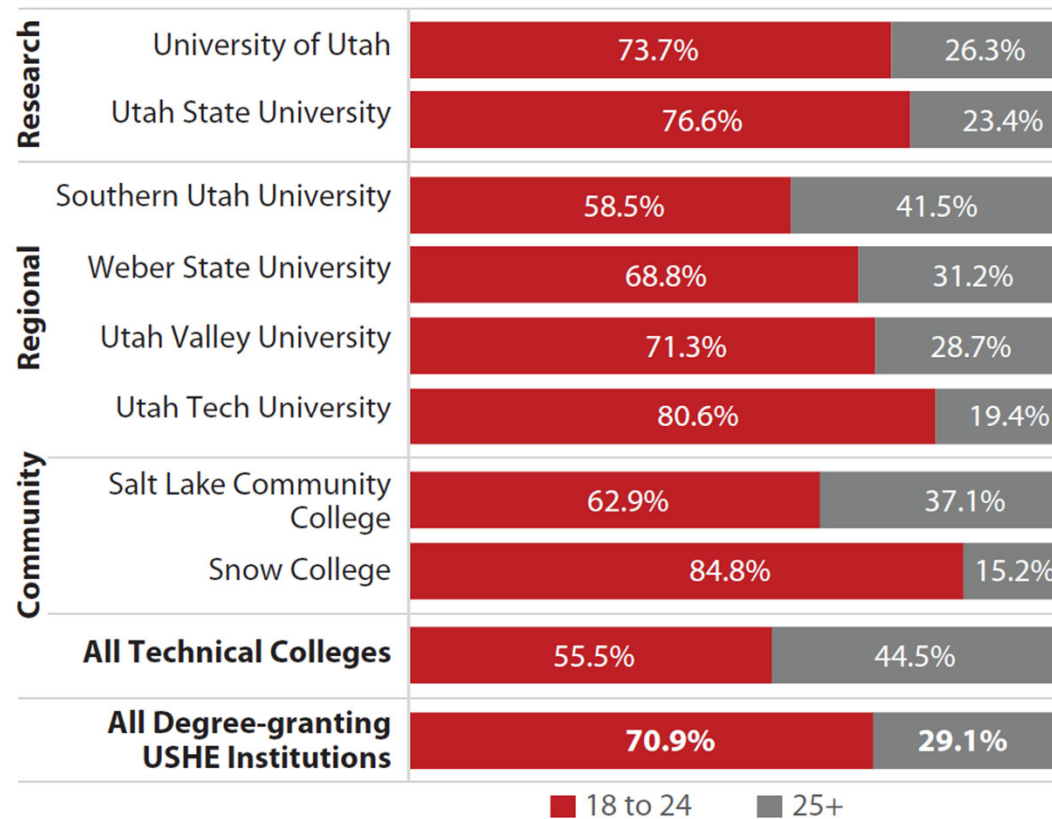
Note: Poll conducted by Morning Consult March 6-10, 2026, of 800 registered Utah voters

Source: Deseret News/Hinckley Institute of Politics survey

The Demographic Dip Will Affect Institutions Differently

Student Age Varies Across Institutions

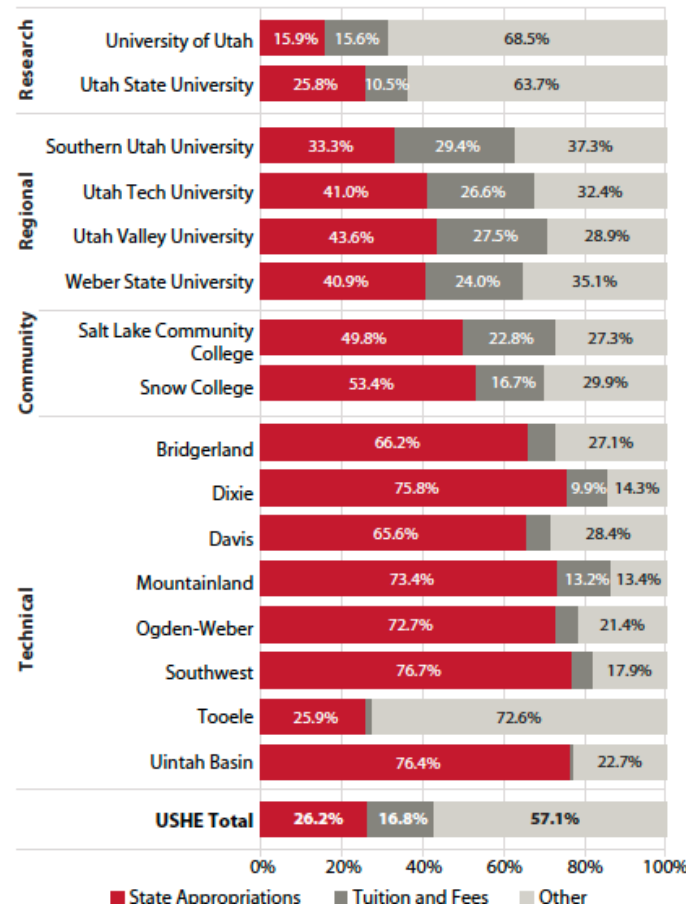
USHE Institutions by Age of Adult Students, 2025–2026



Source: Utah System of Higher Education

Revenue Sources Vary Across Institutions

USHE Revenue Source and Institution, FY 2025



Note: Excludes revenue from University of Utah hospitals and integrated health systems, and component units with independent operations. "Other" includes revenue from research grants and contracts, philanthropic gifts and contributions, and sales and services from athletics, arts, and events, among other sources.

Source: Utah System of Higher Education

Utah Can Prepare for the Demographic Dip

Many Strategies Already Underway

Current Initiatives

1. Optimize facilities and infrastructure
2. Strengthen financial planning
3. Invest in Utah-focused research
4. Improve resource allocation
5. Adjust funding mechanisms

Source: Kem C. Gardner Policy Institute

Utah Can Build on Existing Efforts

Three areas stand out as opportunities to build on existing momentum

1. Strengthen systemwide coordination

Source: Kem C. Gardner Policy Institute

Utah Can Build on Existing Efforts

Three areas stand out as opportunities to build on existing momentum

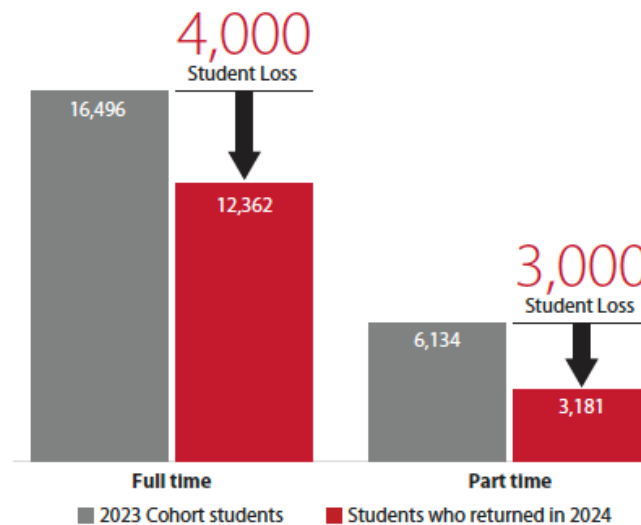
1. Strengthen systemwide coordination
2. Improve student retention and completion

Source: Kem C. Gardner Policy Institute

Retention Can Increase Student Enrollment

Potential Enrollment Gains From Improved First-Year Retention at USHE Institutions

Figure 16: First-Year Student Retention for 2023 USHE Cohort by Full and Part-Time Status, 2023 to 2024



Note: Fall 2023 first-time undergraduate enrollment at 15 USHE schools and retention to Fall 2024. Data unavailable for Snow College. Excludes transfer students, continuing students, graduate students, and many non-traditional students
Source: National Center for Education Statistics (NCES) Integrated Postsecondary Data System (IPEDS) data

Source: Kem C. Gardner Policy Institute analysis of National Center for Education Statistics (NCES) Integrated Postsecondary Data System (IPEDS) data

Utah Can Build on Existing Efforts

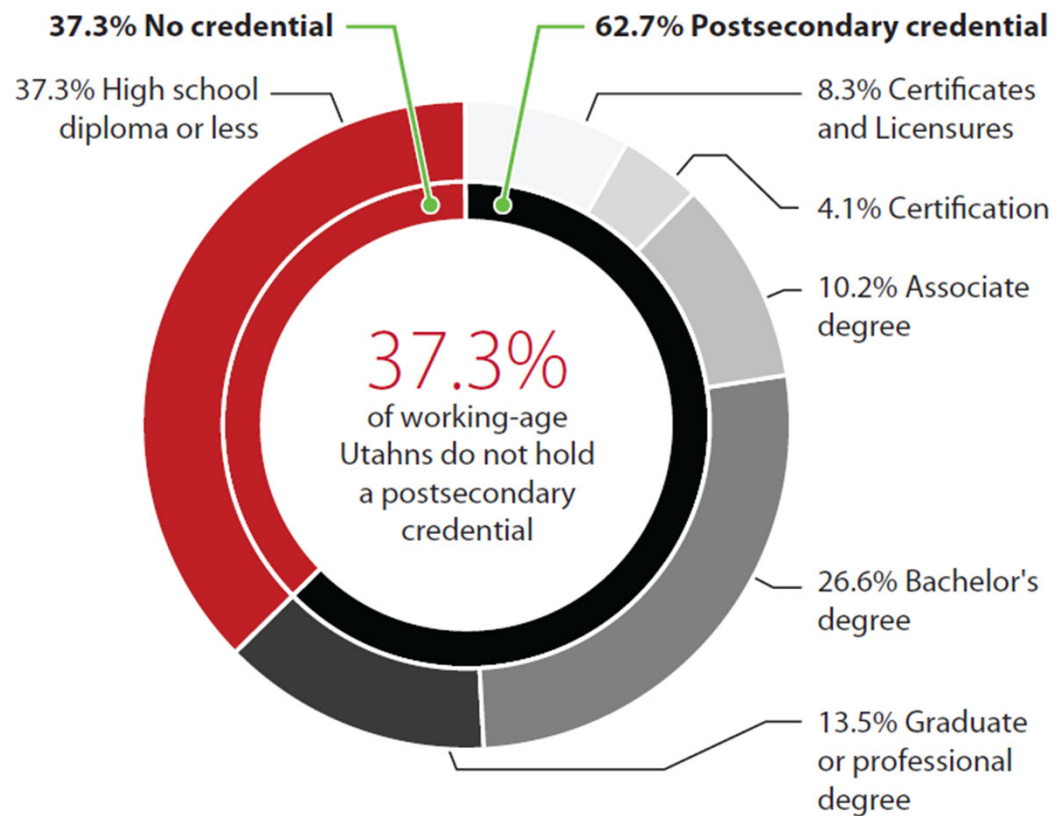
Three areas stand out as opportunities to build on existing momentum

1. Strengthen systemwide coordination
2. Improve student retention and completion
3. Attract and serve learners 25 and older

Source: Kem C. Gardner Policy Institute

Many Utah Adults Do Not Hold a Credential

Educational Attainment for Utahns Ages 25 to 64, 2024



Source: Lumina Foundation

Three Implications

- **A Changing Environment** - Economic, technological, and demographic shifts continue to reshape higher education.
- **Strong Need for Higher Education** - A complex economy and society demand knowledge, skills, research, innovation, and civic contributions.
- **Opportunity to Adapt and Lead** - Higher education's mission remains constant, but the students it serves, how it delivers education, and the challenges it helps solve will continue to evolve.

Budget Stress Testing Framework

What is Budget Stress Testing?

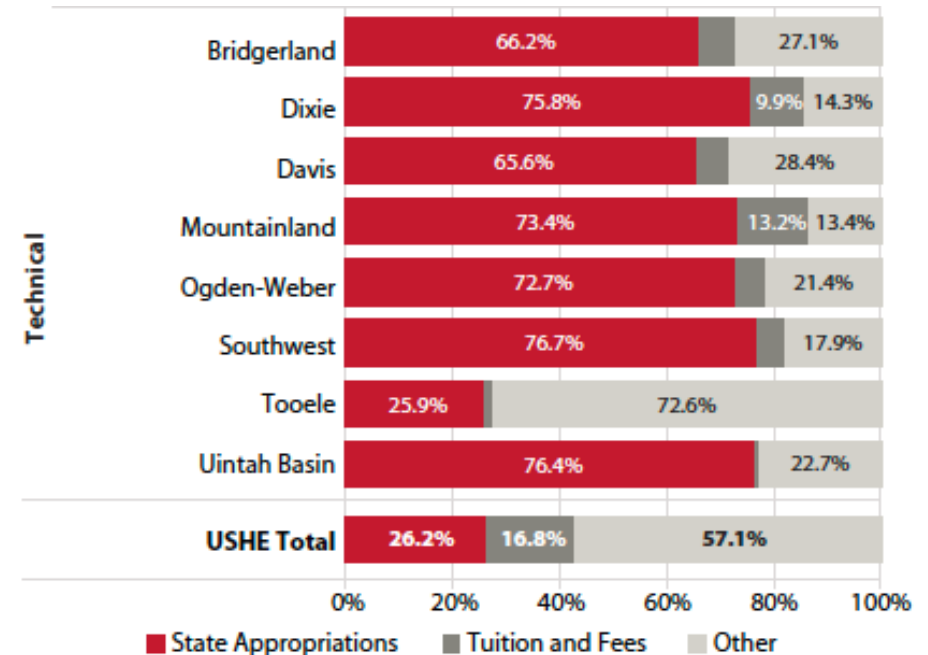
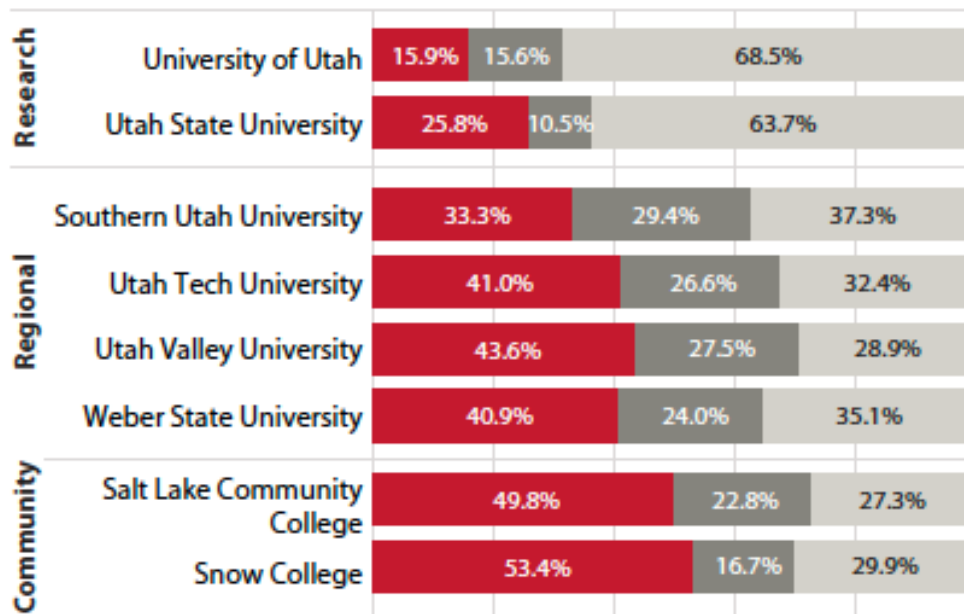
- **Scenario planning tool to build resiliency**
 - NOT a forecast of the most likely scenario
 - **Does** consider plausible scenarios
 - NOT a detailed plan to follow exactly
 - **Does** provide directional thinking
 - Can help inform decision-making during good times to help navigate down times
- **Assesses strengths, risks, and potential budget levers**

Stress Testing Framework

- **Institutions face both general and localized opportunities and challenges**
 - Different institution types (research, regional, community, technical)
 - Different revenue streams (more or less flexible or restricted)
 - Different spending patterns
 - Different reserve levels
- **Assumption – Balanced budget**
 - If budget must balance, why stress test now?
 - Institutional budget balancing will shift impacts
 - Who will bear brunt of risks that materialize?
 - Institution employees
 - State taxpayers
 - Industry
 - Students

Funding Streams Vary, So Revenue Risks Vary

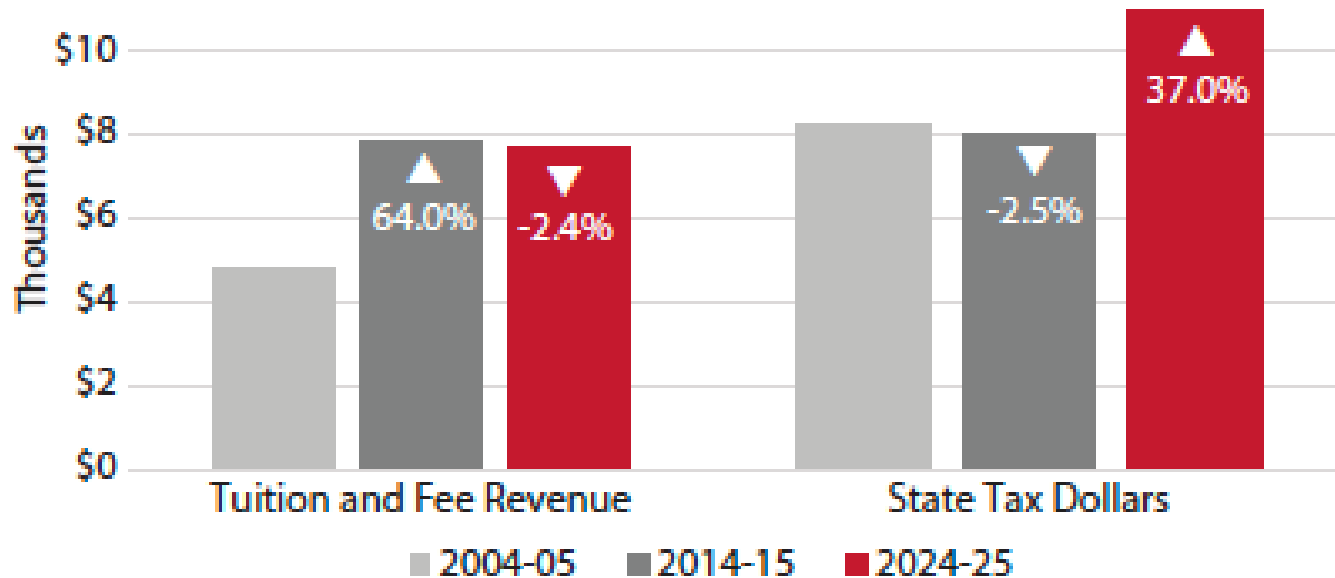
Figure 13: USHE Revenue Source and Institution, FY 2025



Note: Excludes revenue from University of Utah hospitals and integrated health systems, and component units with independent operations. “Other” includes revenue from research grants and contracts, philanthropic gifts and contributions, and sales and services from athletics, arts, and events, among other sources.
Source: Utah System of Higher Education

State Funding and Tuition Revenue

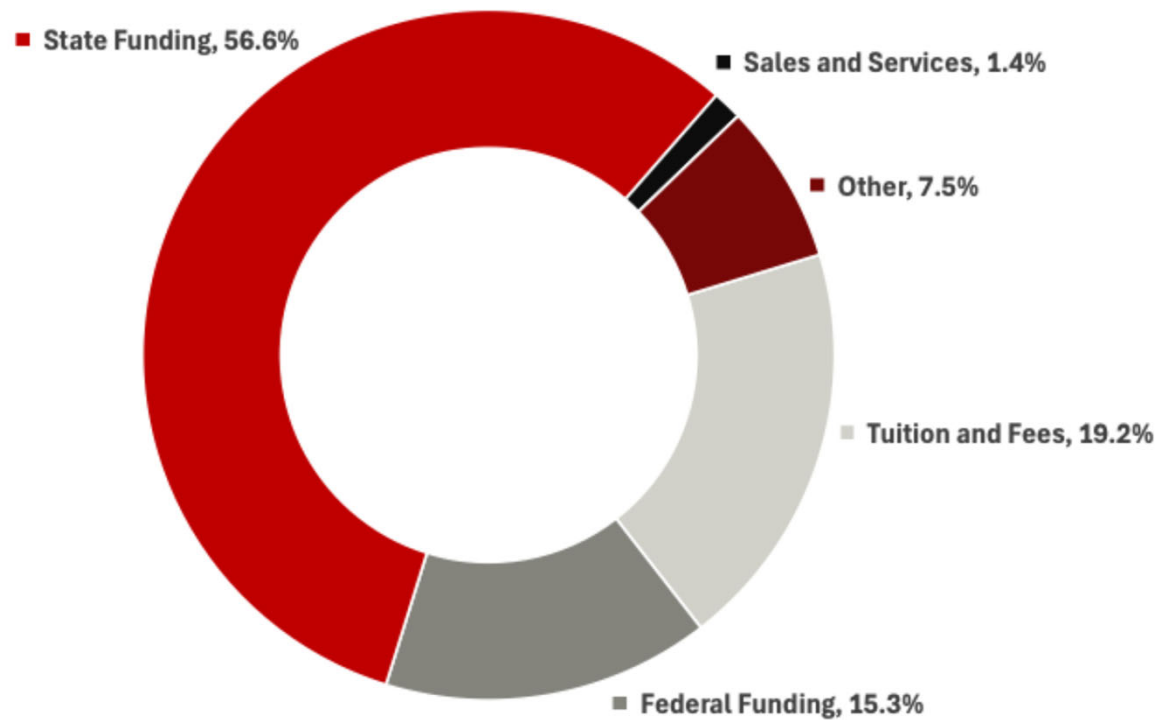
Figure 14: Utah Real State Tax Dollars and Average Tuition and Fee Revenue Per Full-Time Student, 2004–05 to 2024–25
FY 2025 Dollars



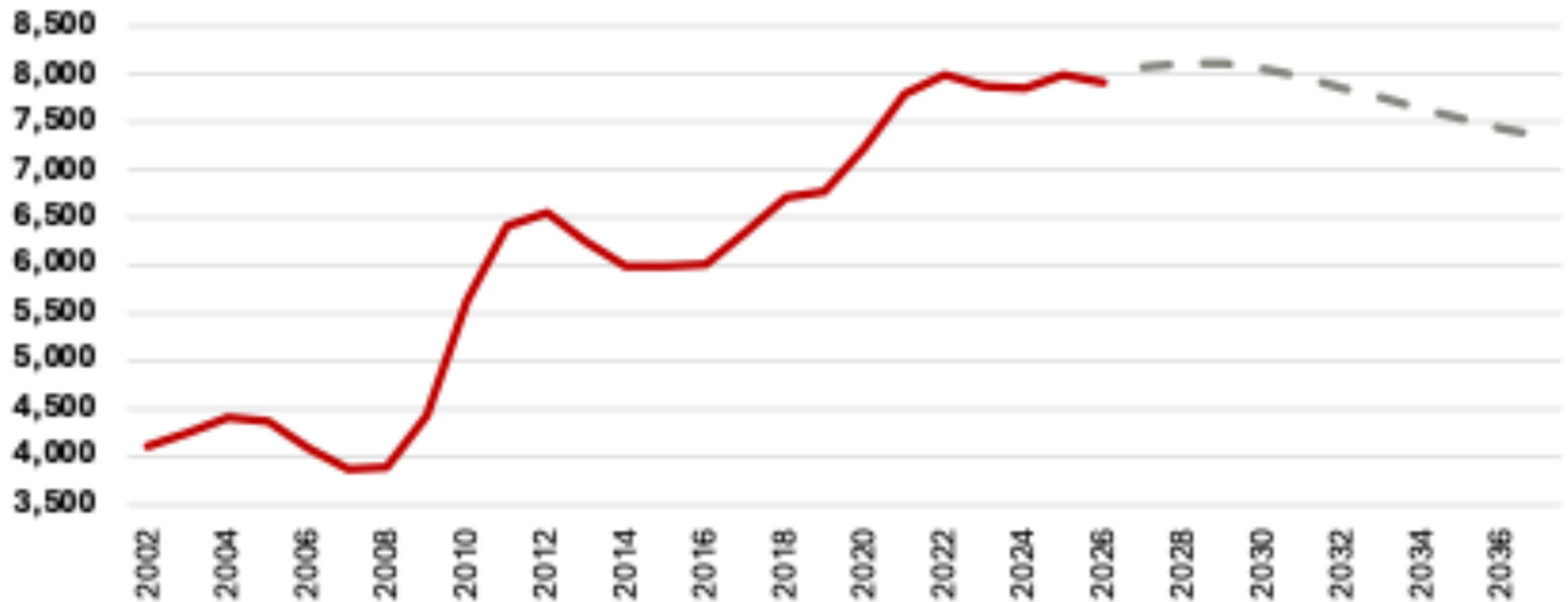
Source: Utah System of Higher Education

Example: Large State Funding Share

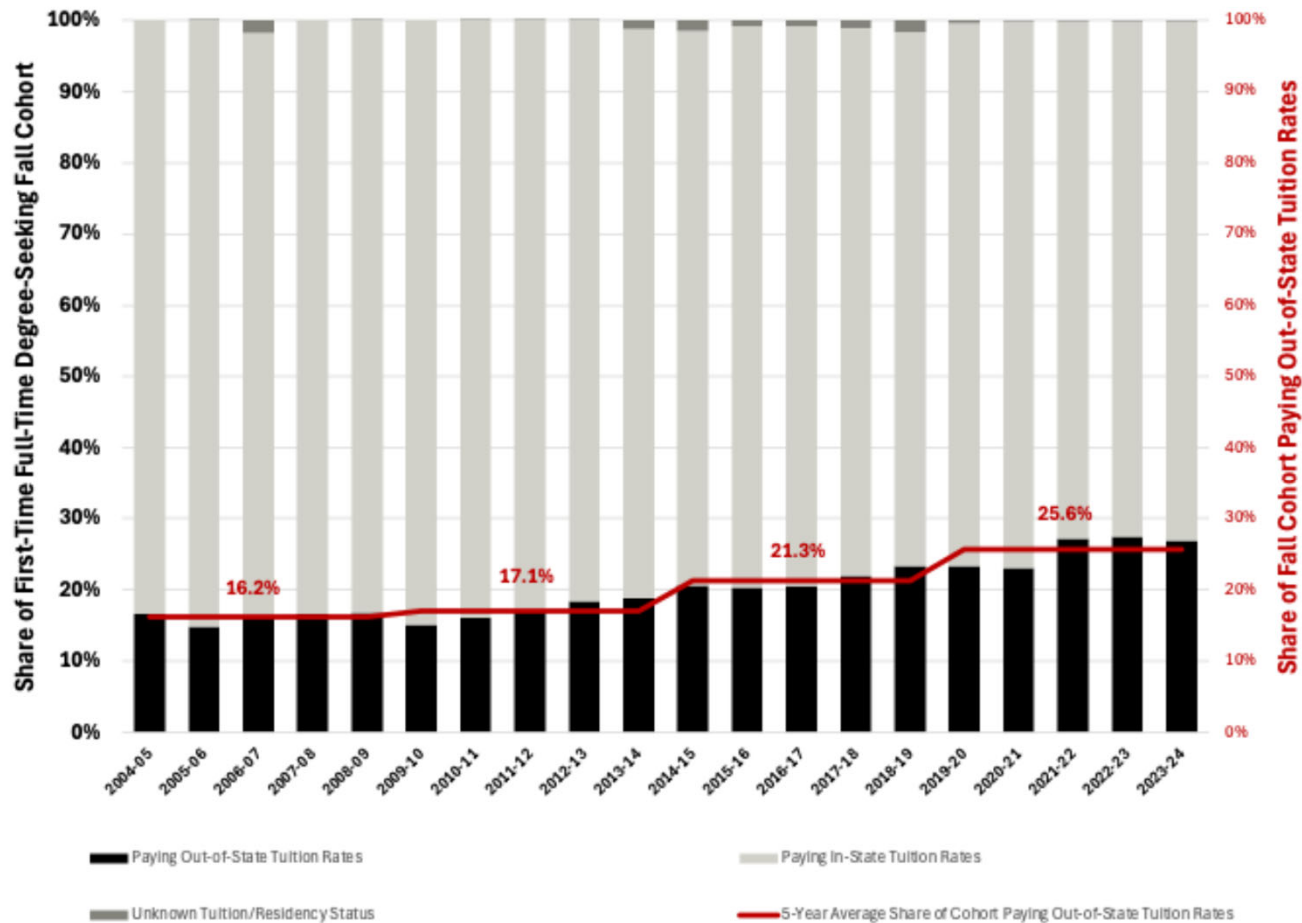
FY 2024 Operating Revenues (Excludes Capital)



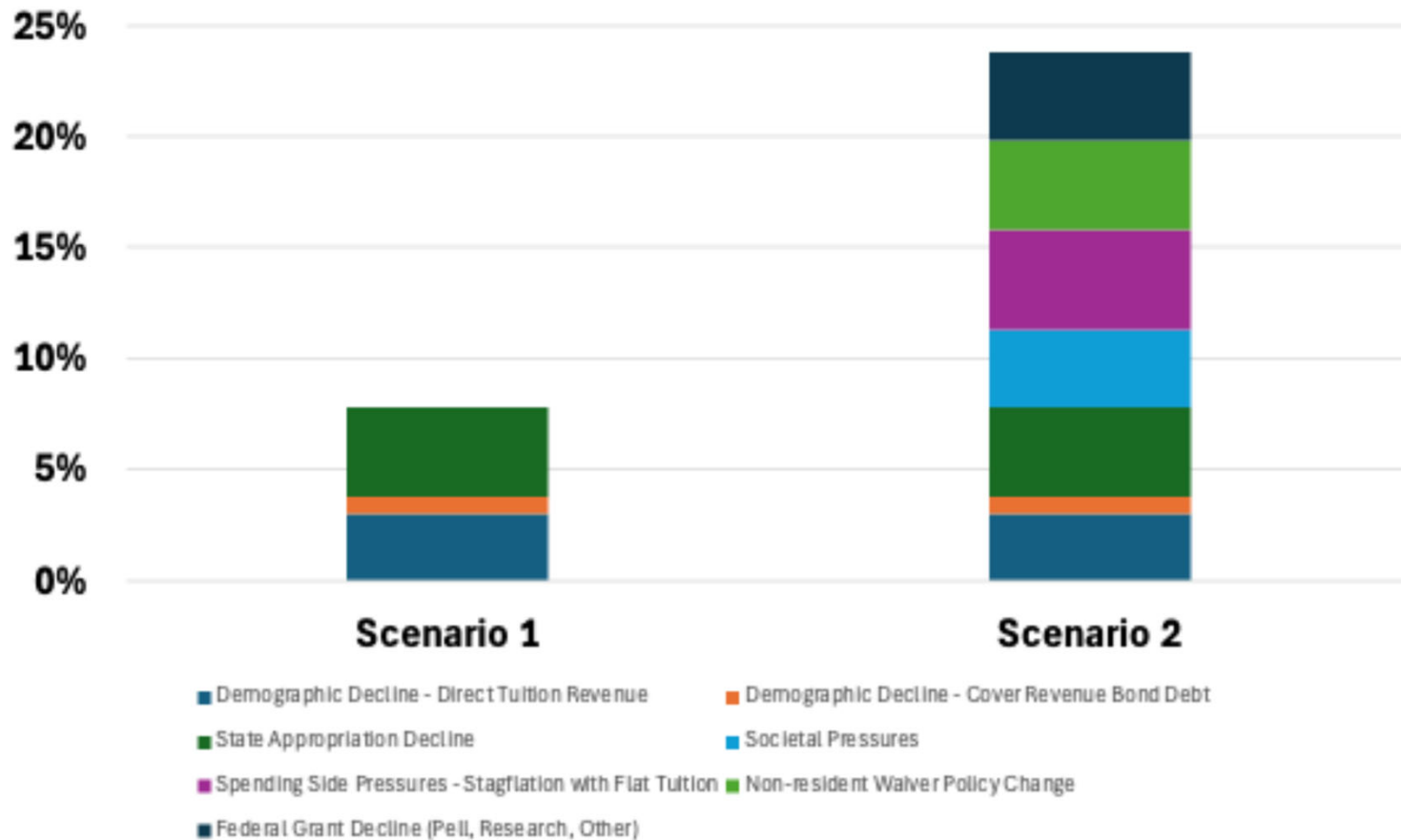
Example: Potential Impacts if Enrollment Aligns with Underlying Demographic Trends



Systemwide Resident & Non-Resident Tuition Shares



Hypothetical Risk Scenarios



Potential Levers

Figure 15: Demographic Dip Response Strategies



Transform

- Coordinate a systemwide mission-based strategy
- Aggressively increase student retention and completion
- Recruit “last mile” students
- Increase college-age enrollment rate
- Expand beyond traditional college-age students
- Increase private sector partnerships like apprenticeships
- Attract the best and brightest national researchers, faculty, and students
- Invest in locally impactful research



Conserve

- Augment budget buffers
- Seek alternative revenue streams
- Exercise prudence with new ongoing spending commitments
- Address enrollment barriers
- Carefully consider impacts of material expansions in physical campus footprints



Realign

- Optimize personnel and infrastructure to align with smaller student counts
- Tie instructional funding more closely to student body size

Source: Kem C. Gardner Policy Institute

Major Takeaways

- Be prepared to adjust the status quo
- Major Opportunity 1 - Improve retention and completion rates
- Major Opportunity 2 - Attract and serve more students over age 25
- Exercise prudence when considering long-term costs like debt or major hiring expansions

Next Steps

- With stress testing framework in place, in coming months we can begin to share institutional-level assessments
- Plan to work through assessments of all institutions in coming months and years
- Final thought – scenario-oriented stress test a useful tool for building resilience

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