



## 20 INDICATORS THAT AN INSTITUTION MAY BE AT RISK FOR POTENTIAL CLOSURE OR RESTRUCTURE

*A fragile college may not demonstrate all 20, nor does the presence of three or four guarantee vulnerability. But a preponderance of them means that an institution has slipped from its founding vision and strength, and that some form of surgery will most likely be required to return it to health.\**

INSTITUTIONAL RISK FACTORS	YES	NO
1. Tuition discounting is more than 35 percent.		
2. Tuition dependency is more than 85 percent.		
3. Student default rate is more than 5 percent.		
4. Debt service is more than 10 percent of annual operating budget.		
5. The ratio between endowment and operating budget is less than 1-to-3.		
6. Average annual tuition increase has been greater than 8 percent for five years.		
7. Deferred maintenance is at least 40 percent unfinanced.		
8. Short-term bridge financing is regularly required in the final quarter of each fiscal year.		
9. Less than 10 percent of operating budget is dedicated to technology.		
10. Average alumni gift is less than \$75, and less than 20 percent of alumni give annually.		
11. Enrollment is 1,000 students or fewer.		
12. The conversion yield — the percentage of students who attend the college after applying — is 20 percent lower than that of primary competitors.		
13. Student retention is 10 percent behind that of primary competitors.		
14. The institution is on probation with a regional accreditor.		
15. The majority of faculty members do not hold terminal degrees.		
16. Average age of full-time faculty is 58 or higher.		
17. The leadership team averages more than 12 years, or fewer than three years, of service.		
18. No complete online program has been developed.		
19. No new degree or certificate program has been developed for at least two years.		
20. It takes more than a year to approve a new degree program.		

\* Martin, James, James E. Samels & Associates. *Turnaround: Leading Stressed Colleges and Universities to Excellence*. (excerpt of listing pp. 9-20). © 2008 The Johns Hopkins University Press. Reprinted with permission of The Johns Hopkins University Press.