Mobile students, remote education, free-fall economics: campus life in 2020

The pandemic-triggered economic crisis will have an unprecedented impact on higher education globally

Howard Wolinsky

Each autumn, the College of William and Mary, founded in 1693 in Williamsburg, Virginia, USA, holds its traditional “Opening Convocation” for all new students at the private liberal arts university. Newbies gather in the Wren Courtyard, touted as the oldest operating university building in the United States, to hear a speech, and walk through the building and its portico, where current students greet the new ones, slap them high-fives, and mingle. “It’s a cool tradition”, said Matthew Wawersik, Professor of Biology at William and Mary.

This fall, he is not certain if the convocation will take place. “Basically, this year all the ceremonies and graduations were moved to some sort of a virtual event”, Wawersik said. Welcome to American campus life in 2020. He added that it was still unclear in late July how classes starting late August will be taught: face-to-face, virtually, or in combination. The same dilemma is plaguing universities throughout the United States where the COVID-19 pandemic is still raging, but also in Europe, which has the virus largely under control.

In March, American universities quickly adopted virtual classes. At the same time, they were reporting billions of dollars in losses as they paid refunds for canceled dormitory and food contracts and lost fees for use of conference centers, hotels, and even parking fines. Universities throughout the world are expected to take further hits economically because students fearful of the virus do not want to take their chances and may put off coming back to campus. In June, deposits for the new academic year in US universities were on par with last year, a turnaround from declines seen in May. However, higher education experts warn not to count students until classes actually begin. “But what I want to see is the deposits transfer into actual bodies on campus, because until that student shows up on campus, all that other information is just make-you-feel-good information”, commented Javaid Siddiqi, former Virginia Secretary of Education and now President & CEO of The Hunt Institute, which advises governors and other states officials. “We should not assume that the students are coming because they put down a deposit, because the attrition rates are very high, and I imagine they’re going to be very pronounced with COVID-19”.

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A move to virtual classes

Universities remained divided on whether students should have only online classes and small face-to-face classes, or offer a hybrid. Early on, the 23-campus public California State system, with nearly 500,000 students, said it would offer mainly virtual classes, the only exception being classes that cannot be done virtually, such as laboratories. The University of Southern California, a private school, said on June 2 most of its classes would be in person and then on July 2 that no more than 10–20% of classes would be in person. Professors, administrators, and students are floating in a cloud of uncertainty as the virus seems to be calling the shots even as the governors of Texas, Florida, and Arizona, with steeply rising caseloads, remained faithful to US President Donald Trump’s fight to keep classrooms open. All this is tied into the upcoming November 3 elections as Trump appeals to American independence and tunes out medical advice.

European universities had easier choices because most countries got the virus under control after the severe outbreaks in Italy, Spain, and France. Michael Gaebel, Higher Education Policy Director at the European University Association, which represents 800 universities in 48 countries and national associations in 33 countries, said the COVID-19 outbreak posed unprecedented challenges nonetheless. “First of all, nobody was prepared. […] But we know that some institutions overall and departments within institutions were already much more engaged with digitally enhanced education. They had a few online courses, which many institutions already have ongoing. This was obviously useful, then, for this sudden transition process”, he recalled. By April, 90% of classes were online and providing “emergency remote provisions”. “Educators are careful not to talk about online learning or distance learning – we call it ‘emergency remote provisions’; fully aware that this might be quite different from what usually is offered by open universities or other institutions.

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which engage in distance learning”, Gaebel explained.

With the fall academic year approaching, plans to reopen vary. He said most institutions still hope to return to face-to-face classes on campus rather sooner than later. Finnish colleges will resume, as per usual, in August, while German universities plan to reopen later on November 1. “You could see that there probably are a few institutions that would think it might go back to normal, and there might be at the other extreme a few institutions which have decided to continue online. But I think the majority of the institutions are somewhere in between the two”, Gaebel said. Nonetheless, it all depends on the future development of the COVID-19 pandemic. “While experts believe that a second lockdown is unlikely, we experience these days in reopened schools and companies ad hoc temporary closings, due to C-19 infections”, Gaebel added. “Hence, every institution would definitely need at least two or three plans, maybe more”.

Overall, though, the pandemic may be sparking a revolution by pushing educators and administrators to address and clarify their views about what education should be at a time when high costs make students and parents question the value of higher education. “The pandemic opens up a perspective about things that could be changed and enhanced and somehow forces institutions also to address some of the issues that have been probably pending for a while and were overdue to be addressed”, Gaebel commented.

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Howard Jacobs, Professor of Molecular Biology at Tampere University in Western Finland [ED: and former Editor-in-Chief of EMBO Reports], said he had finished teaching when the pandemic arrived in Finland. In late June, however, the virus was largely under control: There were only four people in the intensive care units and another 20 hospitalized with SARS-CoV-2. “In effect, it’s gone away, or there’s an illusion that it’s gone away”, Jacobs said. Nonetheless, he prepared videos for two classes and his graduate students will virtually meet with post-docs who want to gain experience teaching. Jacobs is skeptical about online classes though: “I’ve never done them, and we’ll see how well I manage to do them. I’m going to be spending most of the next month [August] prepping my lectures, adapting my PowerPoints to add more content than I would have spoken in the lectures – including more questions for students to pursue and hopefully to write with some extra homework exercises. […] The reason why I’m dubious is partly because I value face-to-face teaching. I benefited from it as a student myself, and I’ve applied it, really, in all of the teaching that I’ve done throughout my career”. He has not opted for real-time Zoom lectures because about half the students in his classes are international students, some of whom are in different time zones.

International mobile students

Alex Usher, President of Higher Education Strategy Associates, a consultancy company based in Toronto, Canada, said there are estimated to be 6 million mobile students who plan to earn degrees or certificates abroad either as a pathway to a new life in a new country or to come home with a degree from a prestigious Anglophone university. He added the big-money market in higher education involves the major Anglophone countries—the United States, the UK, and Australia—where 1.5 million international students attend classes. About a third go to the United States, with students paying US $20,000 to US$40,000 per year in tuition plus living expenses.

“I genuinely don’t think the pandemic changes very much in terms of who goes where. I think students will just put up with an online term, and that’ll be that because the longer-term prize is a degree from a prestigious institution and for better or for worse, most Anglophone institutions are more prestigious than most Indian and Chinese institutions”. He added that the current international students generally can stay and finish their degrees, but the next batch may face barriers attending colleges in the west. “Canada is not letting them in. Australia’s not letting them in. New Zealand’s not letting them in. The United Kingdom and the United States are, but the United Kingdom and the United States are disaster zones. Who wants to go?” he said. Mobile students from the United States and the UK face similar issues entering foreign schools, he added.

Chinese students, in particular, have been facing additional problems owing to the fact that the COVID-19 pandemic originated in China. Many students in Australia faced problems sustaining themselves during the lockdown and were asked to leave. Australian Prime Minister Scott Morrison suggested they ought to go home. “They’re obviously not held here compulsorily”, Morrison said at an April 3 press conference. “If they’re not in a position to support themselves, then there is the alternative for them to return to their home countries”. US President Trump made racially insensitive comments at a campaign rally on June 23 in Tulsa, OK, about China, and Asian students have encountered racist name-calling in the United States and the UK.

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The Trump administration has been engaging in a tariff war with China and often uses immigration policy as a weapon. This happened again with the pandemic, with the target being Chinese students who make up the largest contingent of mobile students. On July 6, US ICE [Immigration and Customs Enforcement] told international students if they attended class virtually, they would be deported. Hundreds of universities filed suit against the order in federal court.

Amy Gutman, President of the University of Pennsylvania in Philadelphia, said the ICE policy was just another “in a growing list of immigration policy changes that are having a devastating effect on our international colleagues and students, while also having a deleterious impact on America’s historical role as a welcoming place to all”. She added, “This move by ICE threatens hundreds of thousands of international students across the United States who were granted a waiver in the spring to remain in their degree programs when America’s
universities moved to online courses to help address the public health crisis brought about by COVID-19”. On July 17, a federal judge ordered a return to status quo and ICE rescinded its order.

Nonetheless, this did not help to increase the attraction for Chinese students who have been coming to US universities since 1854. Political scientist Zhiqun Zhu, Chair of the Department of International Relations at Bucknell University in Lewisburg, Pennsylvania, was one of those students. “I was in that wave of Chinese students who came to America in the late ’80s, early ’90s. We were really fascinated by America. We came here to get educated. We loved America”, he said. With the rise of China as an economic and political power, also came a change in attitude as Chinese students no longer see the United States this way, he added.

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Zhu explained that about 370,000 students from mainland China are enrolled in US universities and can help the financial recovery with tuition and the money they spend in their local communities. He said that they are such a part of the lifeblood at the University of Illinois at Urbana-Champaign that local luxury car dealers picked up Chinese students at O’Hare International Airport in Chicago and brought them to campus in hopes of selling them cars. Now, Zhu said there are barriers: “In normal times, everyday you have about 350 flights, direct or indirect, between China and the United States. Now, we’re down to just eight flights a week. Middle class families in China are not going to pay such a high price to travel to an unsafe place. I don’t expect international students to return to campus in the fall, that’s for sure”.

Unemployment boosts education

Simon Marginson, Professor of Higher Education at the University of Oxford and Joint Editor-in-Chief of Higher Education, said he expects the numbers of international students will drop by two-thirds in the United States and the UK, where they made up 5 and 20% of the student population, respectively. “And these are the two countries with the most problems with the pandemic, of all the international education provider countries”, he added. “Would you go to the United States right now if you were coming from anywhere else in the world? I wouldn’t. It’s not safe! And families won’t send their young kids. The United Kingdom and the United States still have high death rates”.

The pandemic is one issue. Family income and economics are another. Marginson said the 2008–2010 recession slowed the growth of the numbers of international students. “In some countries, they pay full-price tuition with a profit on top, and it’s expensive, but more expensive is their living costs. With families with a reduced capacity to pay, naturally that translates into a drop in numbers moving abroad for education”, he explained. Meanwhile, the recession increased the numbers of domestic students because costs of enrollment were less. “You couldn’t get a job, so it was probably better to do your degree. It was a good time to do your degree, in fact, for that reason. And that often happens in recessions”, Marginson said. “The numbers in education increase because of unemployment going up. It’s quite neat because then you graduate when the recession has turned a corner, and jobs are opening up again”. But he suspects that the pandemic-triggered recession could reduce both international and domestic student enrollment, partly because of the pandemic itself and the fact that people cannot get face-to-face education in all cases.

The pandemic could indeed lead to an unexpected boost for higher education in Europe, according to Jacobs: “The result of that is there’s this bulge in youth unemployment, and the government is sort of planning to try to absorb that in part by getting more of them to enroll as students, while not giving the universities any more money to teach them. We’ll have to make do with the resources we’ve got and teach more students”. He expects that students will enroll and will accept remote lectures as long as they still have some laboratory classes and face-to-face tutorials. “It’ll be sub-standard. But they’ll still get student grants, which are actually no more expensive than paying the unemployment benefit. There will be no greater strain on the national economy, so it could work”, Jacobs said.

“Japan was under an emergency order from early April until late June, and universities switched to virtual classes. Some students were given grants of up to US $3,000, or even more, from the government as well as from universities to help them, for example, to upgrade their broadband services and computer equipment, commented Akiyoshi Yonezawa, Vice Director of the International Strategy Office at Tohoku University in Sendai, north of Tokyo. Many students had difficulty finding student housing or rooms in dorms. Many lost their part-time jobs. “International students had a very serious problem. Some universities started to give food to the students, especially the international students and students facing financial difficulty. And also, my university and many other universities provided emergency loans”, Yonezawa said. International students are allowed to stay in Japan to complete their studies, but if they leave the country, they likely will not be allowed to re-enter. Likewise, new students are not allowed to enter Japan. “Once we closed our borders, we prohibited all of the incoming foreign citizens to Japan from more than 100 countries, meaning almost everywhere”, Yonezawa said.

Financial woes for universities

“The extent and nature of the coronavirus crisis is unparalleled and will have a long-lasting impact on the European economy and society. The contraction in EU GDP this year is expected to be 7.5% or higher, far deeper than during the financial crisis in 2009. Against this challenging backdrop, many European universities will see their funding affected in the short to long term. However, higher education systems in Europe will be affected differently and at
different times, depending on the key features of their funding models. Notably, these include the mix of sources of income such as public funding, tuition fees and other sources”, wrote Enora Bennetot Pruvot, Deputy Director of Governance, Funding & Public Policy for the European University Association (EUA), and colleagues wrote in a report https://eua.eu/downloads/publications/eua20briefing_the%20impact%20of%20the%20covid-19%20crisis%20on%20university%20funding%20in%20Europe.pdf.

Pruvot said in an interview that some institutions in the UK and Ireland have built revenue streams based on cultural activities as they have been less dependent on public funding than universities in the Nordic countries, France, and Germany. “All that commercial and cultural activity has stopped. There was a very brutal impact there in a very short term this year and very negative expectations for next year”, she commented.

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Pruvot added that discussions on university funding are on the backburner now, but it is expected to impact universities in 1–3 years. She bases that on what happened in the 2008–2009 recession with many European universities not feeling the full impact until 2011–2012. Student decisions to remain in college or to enroll will depend on the incentives they get. “Some governments in Europe today already are putting money in precisely to encourage people to come back or stay in higher education because they also anticipate large unemployment figures. So it’s not only a sort of personal choice question, but it’s also a question of incentives by the public authorities”, Pruvot explained.

In the United States, both public and private universities and colleges depend on states’ higher education officers to help them handle a host of issues. But never did they depend on them more than during the COVID-19 crisis. David Tandberg, Senior Vice President of Policy Research and Strategic Initiatives for the State Higher Education Executive Officers Association in Boulder Colorado, explained states helped colleges in a host of ways from authorizing schools to go online, distributing mobile hotspots and laptops, providing healthcare and mental health services, and obtaining personal protective equipment, hand sanitizer, and masks.

Tandberg said there are not complete numbers yet on the financial losses the universities experienced from the costs of COVID-19. The University of Michigan, Ann Arbor, for example, estimates losses of as much as US$1 billion from closure of dorms, food services, and conference facilities. Some experts place the loss at as much as US$100 billion nationwide. “COVID-19 has come with new costs, new expenditures that were unanticipated and generally, like in the Great Recession, the primary revenue stream that was hit was state appropriations because of the downturn in the economy”, Tandberg explained, adding that state appropriations to public schools will be further impacted because of unemployment and loss of state revenue.

Unemployment in the United States grew from 3.8%, one of the lowest rates in the post-World War II era, to 14.4% in April. Peak unemployment in the 2008–2010 recession was 10.6% in January 2010. “The loss in revenues will hit state appropriations. The endowments have been hit. All of their auxiliary services have been hit. Likewise grants and contracts have been hit. And there’s all these unanticipated costs like having to refund room and board. There’s been huge technology costs. [Universities] had to invest in personal protective equipment, hand sanitizer, masks, etc.”, Tandberg said. “And so, they’re being hit on both sides of their ledger, both revenues and expenditures. And they’re being hit on multiple revenue streams. It’s like a perfect storm of a financial crisis. While I don’t know the total impact, and I’m not sure anyone really does yet, it’s going to be huge and pretty unprecedented”.

The economic impact

There is a natural tendency to compare the economic impact of the COVID-19 pandemic to the 2008–2009 recession. But Filippo Taddei, Director of the Bologna Institute for International Studies (SAIS), a division of Johns Hopkins University, rejects that notion. He explained the 2008 crisis essentially was a “demand shock” which impacted the financial system. “When something went terribly wrong within the financial system, financial institutions stopped providing their usual supply of credit, a phenomenon known as financial disintermediation”, he explained. “If credit is not available, people cannot make the standard investment and consumption decision they were accustomed to. At that point the system halts”.

In such an environment, the unemployed return to college to obtain new training and credentials so they are ready to find new job opportunities once the economic system recovers. “Recession is the best time to be in school [...] when the economy is doing poorly and job opportunities are not showing up [...] You want to invest that time to actually build up your human capital”, he said.

In contrast, Taddei said, the coronavirus has caused a “supply shock”: “Suddenly, people become unable to work or, when the country enters a lockdown, workers are not capable of completing their tasks under the same conditions they had before. This produces an additional effect that productivity goes down because it’s much harder to produce at that point”. Countries still experience reduced economic activity, leading to income reductions that will lead some students and their families to rethink their college choices.

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Taddei said he expects Italy’s economy to face the worst drop in GDP (Gross Domestic Product) since 1943–1944 when it was occupied by Nazi troops in the north and the Allies in the south. “Obviously, that context was not very conducive for the ability to produce. And the fact that [the] GDP dropped more than in the current year gives you a sense of the extreme severity of the current situation”, he said. The consensus estimate is that Italian GDP will fall by more than 12% in 2020. Taddei expects the United States will experience a significant drop of
10% that compares unfavorably to about 8% in Europe. This will take its toll on the higher education institutions in a differentiated fashion as GDP drops will vary from state to state and from country to country in Europe.

“Any way you cut it, this shock is more complex than what we’ve had before. The Great Recession was bad enough, but this is much more complex in its nature because it combines supply and demand shocks. And it’s also more severe because the depth of the shock is larger”, Taidei commented. In the long term, he views the downturns as temporary until an antiviral becomes available, potentially by the year’s end or by mid-2021. “Fast forward to fall 2021”, he said. “The most likely scenario – not the certain scenario – is that we will be back to a normalized world. And if it is a normalized world, job opportunities will be there and the economy will recover fully. We have to prepare to make sure we can take advantage of that recovery at its full potential”.