2023 Top Risks Report: Insights for Higher Education
Each year, United Educators (UE) members share their institution’s most pressing risks in the Top Risks Survey. This year’s report reflects responses from 112 colleges and universities that completed the survey in September and October 2023.

Key insights from this year’s survey:

- **Data Security** overtook **Enrollment** as the top risk in higher education. 73% of respondents listed Data Security as a top risk, increasing from 65% last year, while Enrollment was flat at 67%.

- Nine of the top 10 risks also ranked among last year’s top 10 risks, suggesting consistency in higher education’s top risks.

- **Funding**, the new entrant to the top 10, rose from 11th place last year while **Public Safety** fell to 11th place.

- Respondents who ranked **Funding** as a top risk cited risk to revenues from virtually every major source: government funding, tuition, alumni philanthropy, endowment returns, and auxiliary revenue. This suggests a general apprehension about institutions’ financial stability instead of a threat to specific revenue sources.

- Despite inflation and political and cultural instability in 2023, **External Pressures** fell four spots to 10th, while **Funding**, **Facilities and Deferred Maintenance**, **Compliance**, and **Title IX** climbed above it. This may represent respondents’ focus on risks they feel like they can control.

- While they didn’t reach the top 10, **Abuse of Minors** (12th), **Student Physical Health and Safety** (14th), **Study Abroad and Other Travel** (tied for 16th), and **Admission Management** (tied for 16th) made large jumps in this year’s survey.

Top 10 Risks of 2023

1. Data Security
2. Enrollment
3. Recruitment and Hiring
4. Operational Pressures
5. Student Mental Health
6. Funding
6. Facilities and Deferred Maintenance
8. Regulatory and Legal Compliance (Non-VAWA/Title IX)
9. Title IX
10. External Pressures

* Two risks tied for sixth.

This year’s survey also asked about the education labor market and employee mental health. Most colleges and universities continue to struggle to hire and retain talented staff in 2023, but most also say the labor market isn’t affecting their ability to manage liability risk. Employee mental health plays an important role in employee retention and workforce liability risks, and more than half of respondents frame it as a risk to their institution’s success.

Use the data below to start discussions about your institution’s top risks and benchmark against peers. Each risk listed includes links to UE resources, some of which require a member login.
Top 10 Risks: Higher Education

Percentages in this report show the percent of respondents identifying a given risk. Because respondents listed five risks and some questions were optional, percentages often don’t total 100%.

01. **Data Security**

Information technology risks such as data breaches, phishing, accidental disclosure of personal data, ransomware, and hacking

**Mitigation Efforts:**
- Increase compensation to hire and retain cybersecurity staff.
- Train on data security more frequently.
- Create or update a data governance strategy.
- Conduct third-party risk assessments.
- Practice ransomware and network outage response plans.
- Strengthen authentication protocols.

**UE Resources:**
- Data Security Course Collection
- Tabletop Exercise Library
- Don't Take the Bait: Defending Institutional Data From Phishing
- Manage the Risks of Remote Learning in Higher Education

02. **Enrollment**

Risks affecting new student admission and retention of current students, including international students

**Mitigation Efforts:**
- Evaluate and expand program offerings.
- Change discounting and pricing strategies.
- Enhance student retention programs and tools, including mental health support.
- Strengthen relationships with local schools and transfer partners.
- Expand student recruitment to new regions.
- Identify new vendors to assist marketing and recruitment efforts.

**UE Resources:**
- Risk Management Steps in Response to the Supreme Court’s Admissions Ruling
- Avoid Misrepresentations to Prospective and Current Students
- Reputational Risk Toolkit
- How Higher Ed Institutions Can Respond to “Operation Varsity Blues”

03. **Recruitment and Hiring**

Risks related to maintaining a talented staff and faculty workforce

**Mitigation Efforts:**
- Increase pay, benefits, and flexibility.
- Conduct a compensation study and act on its findings.
- Consider non-traditional experience and skills for job applicants.
- Outsource administrative functions to third parties.
- Provide child care options for employees.
- Offer employee mental health support.

**UE Resources:**
- Considerations in Skills-Based Hiring
- Using Artificial Intelligence Tools in the HR Lifecycle: Risks to Consider
- Supporting Employee Mental Health Issues
- Avoid Sex-Based Faculty Pay Discrimination
- Best Practices for Operating Campus Child Care Centers
- Employee Burnout Is a Risk Management Issue
Top 10 Risks: Higher Education

04. Operational Pressures 38%
Risks related to constraints on the institution’s processes, financial stability, and business model

Mitigation Efforts:
- Consider partnerships, mergers, and acquisitions.
- Evaluate budget model and budgeting practices.
- Review tuition pricing model and financial aid strategy.
- Expand auxiliary revenue streams.
- Reorganize institutional operations.
- Improve cost controls.

UE Resources:
- Enterprise Risk Management Resource Collection
- Guide to Manage Risks Associated With Program Change
- Academic Closures with Husch Blackwell

05. Student Mental Health 31%
Risks related to students’ mental and emotional well-being, including mental illnesses and suicide

Mitigation Efforts:
- Train faculty and staff to support students’ mental health.
- Launch social skill development programs.
- Contract with remote counseling providers.
- Create mental health programs to support marginalized identity groups.
- Conduct mental health climate surveys.
- Practice substance misuse and suicide response plans.

UE Resources:
- Student Mental Health Resource Collection
- Student Mental Health Course Collection
- Tabletop Exercise Library
- Prevent and Respond to Fentanyl Overdoses
- ProResponse®

06. Funding (TIE) 26%
Risks to core revenue streams

Mitigation Efforts:
- Invest in enrollment and retention strategies for new demographic groups.
- Increase philanthropic fundraising.
- Lobby state and federal governments for additional support.
- Launch or expand auxiliary revenue sources.
- Diversify sources of funded research.

UE Resource:
- Enterprise Risk Management Resource Collection
Top 10 Risks: Higher Education

06. **Facilities and Deferred Maintenance**  26%

Risks concerning outdated facilities and new construction, including inadequate buildings and infrastructure to achieve the institution’s mission

**Mitigation Efforts:**
- Conduct routine campus hazard walkthroughs.
- Implement a hazard reporting system.
- Renovate buildings for climate adaptation.
- Launch a capital campaign for maintenance and new construction.
- Partner with property management and development companies.
- Install signage in unsafe spaces and areas under construction.

**UE Resources:**
- Slips and Falls Resource Collection
- Good Signage = Good Risk Management
- Take Inventory of Your Off-Campus Real Estate
- Campus Parking Lots: Common But Risky Locations
- Reduce Serious Injuries in Residence Halls Through Informed Facility Management

08. **Regulatory and Legal Compliance** (Non-VAWA/Title IX)  21%

Risks involving noncompliance with federal, state, and local regulations and other elective accountability authorities

**Mitigation Efforts:**
- Centralize compliance functions.
- Seek specialized outside counsel.
- Engage regulatory bodies for guidance.
- Update electronic privacy and record retention policies.
- Continue training and awareness.
- Improve research compliance policies and procedures.

**UE Resources:**
- Guide to Campus Telehealth Risk Mitigation
- Manage Faculty Who Resist Disability Accommodations Requests
- New DOJ Guidance on Web Content Accessibility
- Understand Your Duty to Make Technology Accessible
- FERPA: Protecting Student Privacy

09. **Title IX**  16%

Risks related to sex discrimination

**Mitigation Efforts:**
- Ensure adequate staffing and compensation in Title IX office.
- Elevate qualification standards of lead Title IX coordinator.
- Expand Title IX training/information sessions.
- Implement bystander training for students.
- Seek third-party advisors on Title IX investigations and decisions.
- Prepare to comply with forthcoming Title IX regulations.

**UE Resources:**
- Title IX and VAWA-Campus SaVE Act Resource Collection
- Department of Education Releases 2022 Proposed Title IX Regulations
- Campus Sexual Misconduct and Student Social Media Posts
## 10. External Pressures

<table>
<thead>
<tr>
<th>Rank</th>
<th>2023 Top Risks</th>
<th>Rank in 2022</th>
<th>Rank in 2020-21</th>
<th>Rank in 2019-20</th>
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### Mitigation Efforts:
- Communicate value of education to students, families, and community leaders.
- Plan for demonstrations and controversial events on campus.
- Engage faculty and staff in public communication guidelines.
- Consider how to lead or respond to diversity, equity, and inclusion issues.
- Defer expenses to mitigate the impact of inflation.

### UE Resources:
- Enterprise Risk Management Resource Collection
- Diversity, Equity, Inclusion, and Belonging Resource Collection
- Addressing Demonstrations on Campus
- Manage Risks Associated With Faculty Use of Social Media
- Surviving the Digital Normal on Campus
- Reputational Risk Toolkit

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**External Pressures**

Risks related to societal forces beyond an institution’s control, including economic, political, and cultural stressors.

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**Rank Changes From 2018 Through 2023**

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Emerging Risks

Survey participants identified emerging or evolving risks they think will become more urgent over the next few years. Top responses included:

- Artificial Intelligence and Emerging Technologies
- Student Mental Health
- Public Distrust in Education
- Climate Change
- Political Climate and Adversarial Regulation
- Admission Practices

Respondents perceived interesting connections among some emerging risks:

- **Political Climate, Public Distrust of Education, and Adversarial Regulation** have obvious connections. Less obviously, some respondents worry about political polarization causing national economic weakness and reducing available funding for higher education.
- Respondents citing **Climate Change** as an emerging risk often noted that adapting campus buildings to increasing heat or flood risk reduces resources for routine deferred maintenance.
- While **Artificial Intelligence and Emerging Technologies** received few mentions as a top risk, it was a common emerging risk. Its popularity suggests it may rank in the top 10 in the coming years.

Return to Campus, Staffing, and Risk Management

**Recruitment and Hiring** ranked third in the last two surveys, and its frequent coverage in education news and at conferences reflects the scale of the challenge. This year’s survey asked respondents how the labor market changed for their institution over the last year.

Most respondents (72%) cited challenges in hiring and retaining employees for the last two years, while 14% of respondents didn’t struggle to hire or retain employees. About 13% said the labor market improved in the last year.

People mitigate risk, so hiring difficulties could affect an institution’s ability to manage its risks. Of the 85% of respondents who struggled with hiring and retention in 2022 or 2023, 37% agreed that vacant positions harmed their ability to manage risks. This is an improvement from 2022, when 52% of respondents were concerned that vacant positions or turnover affected their ability to manage risk.
Managing Employee Mental Health Risk

Institutions have focused on student mental health for years, but mental health risk extends beyond students. Employees suffering mental health conditions may work less productively, make errors, or, in rare cases, cause violence. 89% of respondents said their institutions recently implemented some kind of employee mental health programming, and 60% frame it as a risk.

Most Schools Frame Employee Mental Health As a Risk

Does your institution consider employee mental health among the risks it is mitigating?

- Yes, it is one of our top risks: 22%
- Yes, but it is not a top risk: 38%
- No: 40%

Respondents’ Risk Management Role

The risk management role continued to grow in the last year, with more respondents than ever reporting that their primary role is as a risk manager. The year-over-year increase in the number of risk managers suggests expectations for professional risk management have grown in higher education.

Risk Manager Role Is Increasingly Common

How would you classify the role you play in risk management at your institution?

- Risk management is my primary role: 2023 - 54%, 2022 - 42%, 2020-21 - 42%
- I play a substantial, but secondary, role in risk management: 2023 - 49%, 2022 - 40%, 2020-21 - 7%
- I play a minor role or no role in risk management: 2023 - 7%, 2022 - 9%, 2020-21 - 18%

To learn more, please visit www.ue.org.

United Educators (UE) is education’s answer to the distinct risks and opportunities K-12 schools, colleges, and universities face. As a member-owned company, UE is committed to providing the coverage and tools needed to confidently operate your campus while managing education-specific risks. We’ve devoted ourselves to education alone since our founding in 1987 and continue to find new ways to meet your insurance coverage needs, manage risk, and efficiently resolve claims.

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