



The impact of the COVID-19 pandemic on higher education in Mexico, Colombia and Peru

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EY-Parthenon Education sector
Ernst & Young LLP

Introduction

In April 2020, EY-Parthenon teams surveyed 4,800 higher education students in Mexico, Peru and Colombia to understand the impact campus closures had on students' academic preparation and how COVID-19 pandemic could permanently change the future of higher education in these countries. The results revealed deep issues around the students' experiences with communication, personal and institutional readiness for remote learning, and their personal family financial situations.

If campus closures continue further into August or beyond, EY-Parthenon teams expects profound impacts on the higher education sector:

- ▶ **Drop in new enrollment for first-semester classes at public, low- and mid-tier institutions:** Recent high school graduates will probably think twice before starting college, especially for on-site programs with relatively unchanged tuition. Many students could consider waiting until they can have the full college experience.
- ▶ **Drop in re-enrollments coupled with an increase in free online education classes:** As unemployment rises, many parents and students will probably not be able to afford tuition. Free education platforms, such as Coursera, could capture these students, who could be tempted to leave their paid education while it is online and there is economic uncertainty at home. Others could consider applying to a more affordable program at another university.

- ▶ **Remote-learning gaining share vs. on-site learning at mid-tier universities:** At this level, pricing and ability to work are paramount. With an extended quarantine, parents paying students' tuition might consider remote-learning as a better option, and students who still have jobs might be more than eager to keep them.
- ▶ **Rise of EdTech platforms:** Universities will pay more attention than ever before to the platform they use, its capabilities and costs. Likewise, students' evaluation criteria for the university they choose will probably include an assessment of the platform. Significant investment in technology is expected from universities to continue providing all classes online.
- ▶ **Robust s offering:** Some institutions will probably see an extended quarantine as an opportunity to expand their online offering and will begin investing in creating a robust team that will prepare them to evolve.

As the response to the COVID-19 crisis unfolds, we will continue to understand how it is impacting the education sector of Latin American countries. We will launch additional surveys, as required, to understand how students are experiencing the impact of campus closures on their academic preparation. Due to the uncertainty, we believe that universities that are flexible and can quickly adapt will be able to capture opportunities for growth in the new world.

Higher education during the COVID-19 pandemic: a contrasting response in Mexico, Colombia and Peru

In a matter of weeks, students across the globe had to quickly switch from classroom instruction to remote-learning using devices available at home. In Latin America, the ability to adapt to a new learning environment was mixed. While some students smoothly transitioned to online classes, many continue to face challenges due to the lack of digital readiness at home and a drop in household income.

Notes on methodology

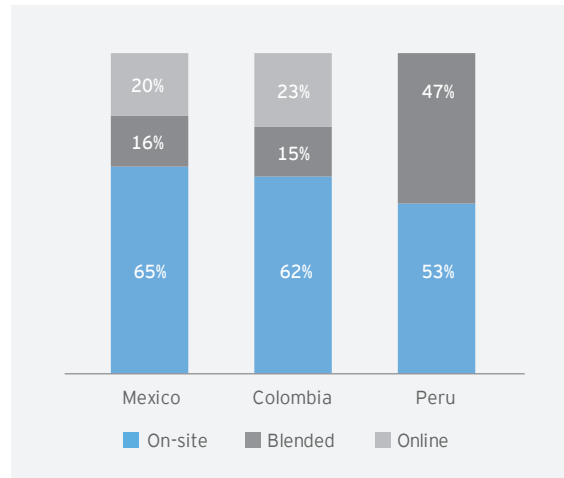
EY-Parthenon teams conducted online student surveys in Mexico, Colombia and Peru from April 8, 2020 to May 8, 2020.
n = 4,800

EY-Parthenon teams conducted a deep dive on Mexican, Colombian and Peruvian higher education students through several surveys with 4,800 respondents. EY-Parthenon teams sought to understand the impact campus closures had on students' academic preparation, and how the COVID-19 pandemic could permanently change the future of higher education in these countries.

What's happening **now** in higher education?

Prior to the pandemic, most higher education students in Mexico, Colombia and Peru were enrolled in traditional, or on-site, degree programs. About a third of undergraduate students in both Mexico and Colombia declared that they are enrolled in remote degrees (online and blended). In Peru, that figure is approximately 50%, which is likely driven by local regulations requiring all higher education degrees to, at most, have 50% of their credits earned remotely (SUNEDU).

Figure 1: In what modality are you enrolled?



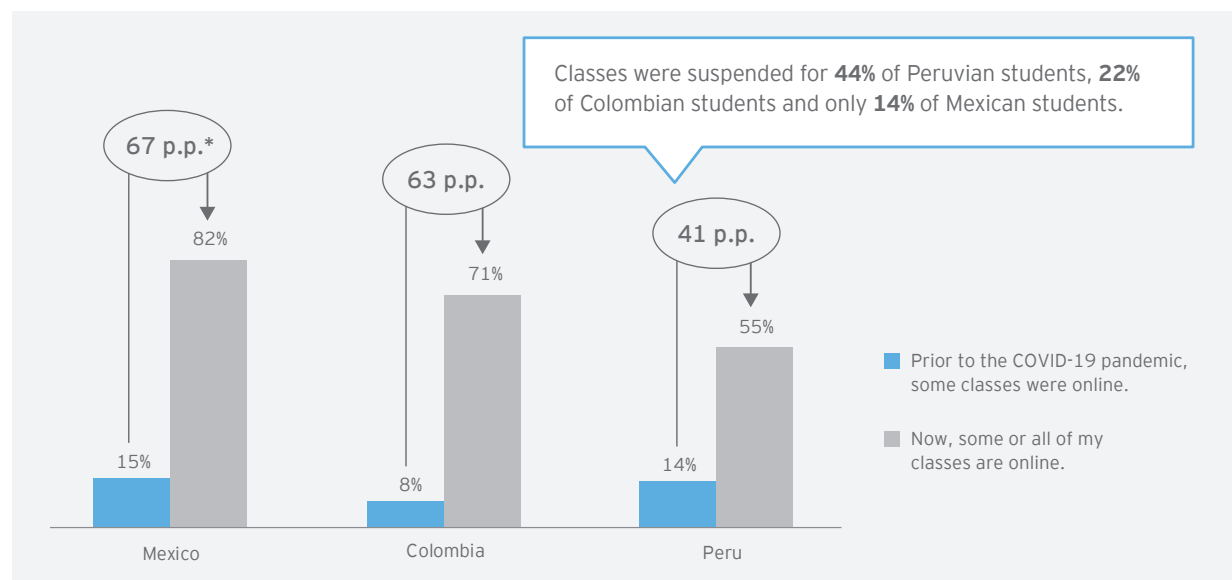
Notes: EY-Parthenon digital surveys in different countries: Mexico (n = 1,114); Colombia (n = 1,301); Peru (n = 692).

By the end of March, most Colombian universities migrated to online learning. In Peru, the school year started in March, and 26 public universities received funding to ensure that classes are delivered remotely, while labs were postponed until next semester. In Mexico, at the end of April, nearly 200 public and private universities agreed to finish the semester online. This shift to remote-learning has resulted in a massive surge in virtual classes across countries.

EY-Parthenon teams identified **six trends** that higher education students in these countries have experienced during the confinement period to continue learning:

- 1. Virtual classrooms went viral:** Before campuses closed, most students in on-site programs had some exposure to online education platforms. However, students mainly used these platforms to deliver homework and projects, and only a few had taken virtual classes. Prior to the quarantine period, only 15% of students in Mexico had enrolled in courses online, while 14% in Peru and only 8% in Colombia enrolled in courses online. After the required campus closures, the widespread response has been to shift to online learning for most classes (See Figure 2).

Figure 2. How have your classes changed due to confinement?



Notes: EY-Parthenon digital surveys: on-site respondents from Mexico (n = 514); Colombia (n = 542); Peru (n = 221).

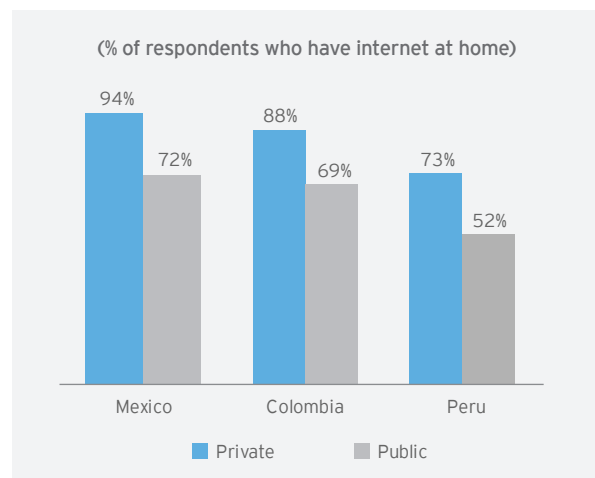
2. To keep studying during school closures, home infrastructure matters: While home connectivity has become widespread in the developed world, many households in Latin America lack sufficient technology infrastructure. The current crisis highlights the need for adequate internet connectivity and access to a computer or tablet as a requirement to attend remote classes. In Mexico, Colombia and Peru, respondents' at-home digital accessibility varies by enrollment in private and public institutions. Two factors unlevel the playing field:

- **Internet connection:** Although most students who are enrolled in private institutions have access to broadband internet at home, those from public institutions are lagging. In private

universities in Mexico, 94% of undergrads declared that they have internet connections, while 88% of Colombian students and only 73% of those in Peru have internet connections. That gap widens for students enrolled in public universities, where only 69% of students in Colombia declared that they have internet connections, and only 52% of those in Peru have internet connections. Some students without, or with limited, reliable connectivity at home use the data on their mobile devices instead. Nevertheless, complaints on social media related to having insufficient mobile phone data to attend classes skyrocketed in the past few weeks.

* Percentage points

Figure 3: Do you have internet access at home?



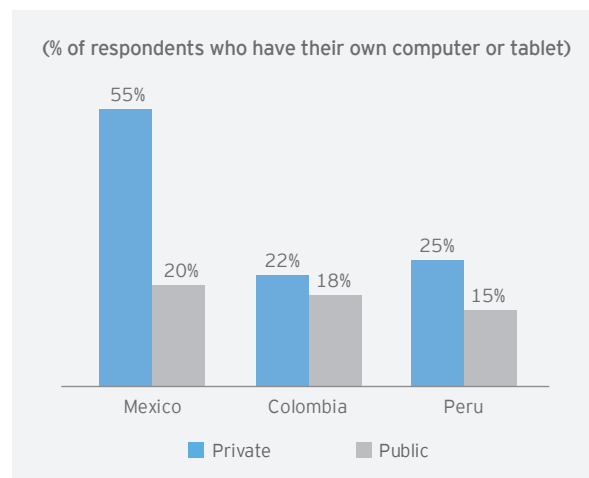
Notes: EY-Parthenon digital surveys: Mexico (n = 1,135); Colombia (n = 1,376); Peru (n = 715).

► **Access to a device, computer or tablet at home:**

In an ideal world, students would have their own laptops to join a virtual class and do homework. However, in less well-off households, several family members will often share devices. The gap for access to available devices at home is even wider between students enrolled in public and private institutions across all three countries. In Mexico, 55% of students in private universities declared that have their own devices, while fewer than 25% did in Colombia and Peru. According to respondents, most undergrads enrolled in both public and private universities in Colombia and Peru share the devices with at least one person at home. To prevent interrupting the academic year, some institutions lent students computers.

3. Most universities were unprepared to support distance learning, while only a few leveraged prior experience: Knowledge in using education platforms and digital-savvy professors came in handy for universities (mostly private) that were able to offer a quick response. However, among the three countries, prior experience with online education between private and public universities

Figure 4: Do you share your computer or tablet?



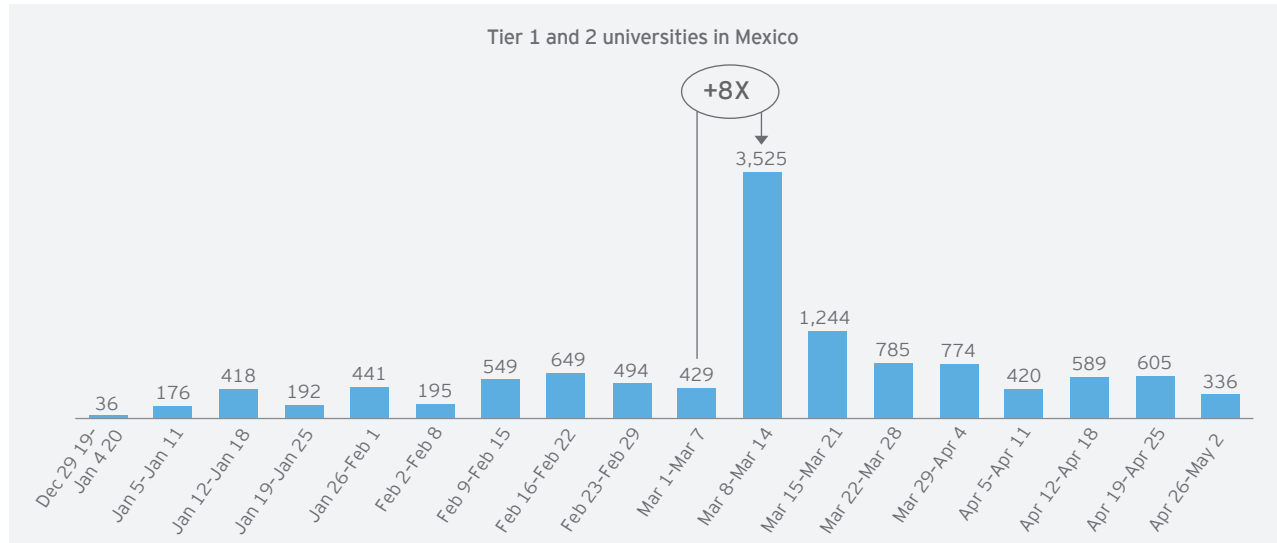
Notes: EY-Parthenon digital surveys: Mexico (n = 1,135); Colombia (n = 1,376); Peru (n = 715).

was significantly different. In recent years, private online higher education in Mexico was booming. From 2015 to 2019, undergraduate students in private remote programs grew at a 10% rate (CAGR) driven by private universities, while on-site enrollments grew by 3% during the same period (ANUIES, 2020). Colombia and Peru also experienced growth in remote degrees (blended for Peruvians). However, across countries, many universities (primarily public) are navigating uncharted territory. These first few weeks saw mixed responses from universities during campus closures:

► **A prompt response increased students' satisfaction:** In Mexico, a leading private university provided its students with information announcing, two days before the Ministry of Education (SEP) made an announcement, that classes will continue remotely after spring break.¹ Universities that clearly communicated with the student body earned positive reviews on social media. On the other side, universities that responded much later received multiple student complaints. However, this phenomenon was short-lived.

¹ <https://tec.mx/es/noticias/monterrey/educacion/reanudan-en-tec-campus-monterrey-actividades-en-linea>

Figure 5. Universities' weekly social media posts and mentions

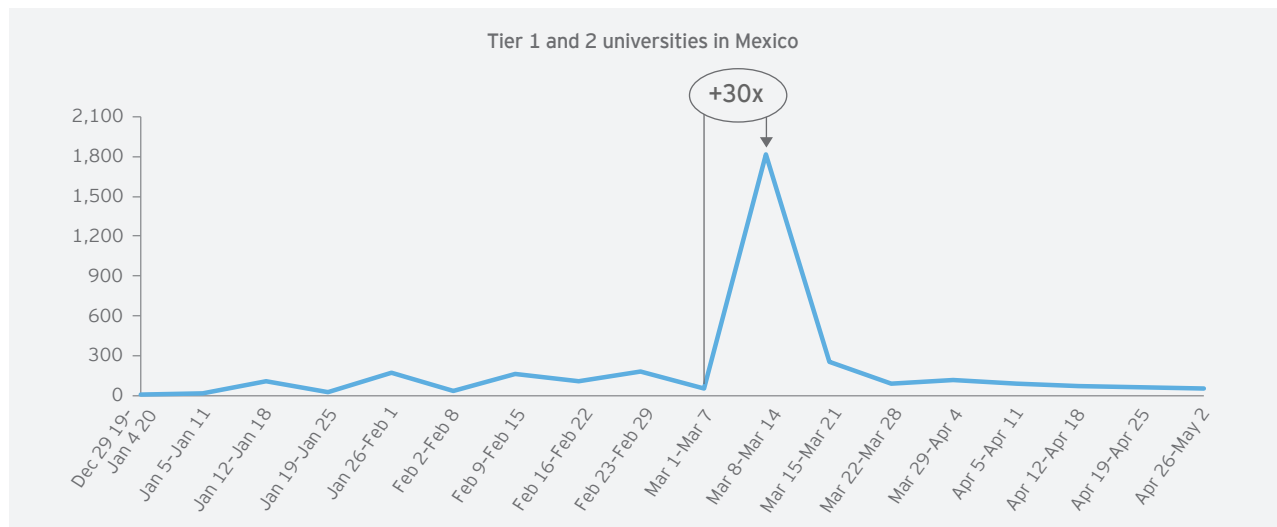


Source: Crimson Hexagon social media analysis (n = 11,974), January-April 2020.

- **Multiple concerns on the quality of education and ability to continue learning:** Many students are starting to feel anxious as the confinement period extends, and there is an unclear timeline as to when they will be allowed back to campus. Some universities have had serious issues with

their digital learning platforms and have had to face petitions from thousands of students requesting that they either fix these problems or give refunds. Such is the case of a Mexican tier 2 university, with a 15k student petition online.

Figure 6. Universities' negative social media posts and mentions

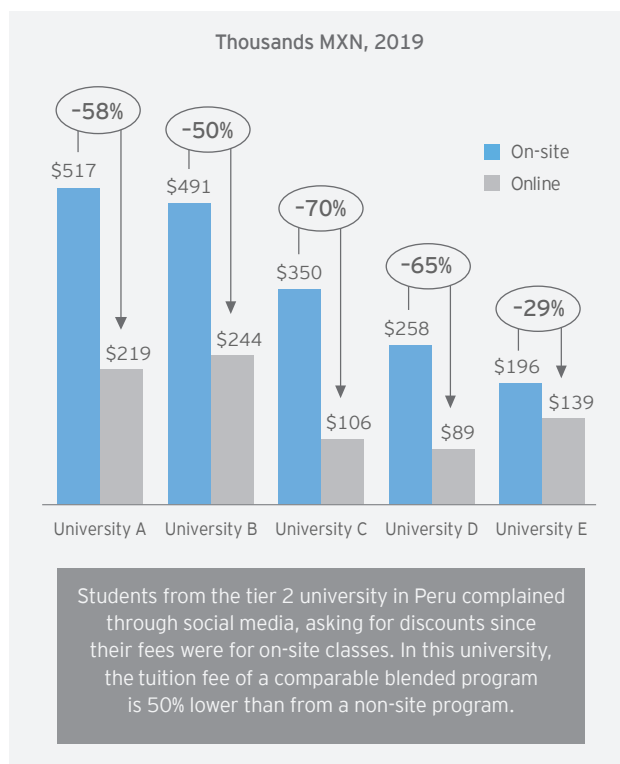


Source: Crimson Hexagon social media analysis, March-April 2020.

4. Increased demand for financial aid and tuition adjustments:

The swap of physical to virtual classrooms, coupled with economic headwinds, brought growing petitions for tuition discounts and financial aid. In social media, students from different universities across countries posted comments requesting discounts for not getting the same value

Figure 7. Price per type of similar programs of selected tier 2 universities in Mexico

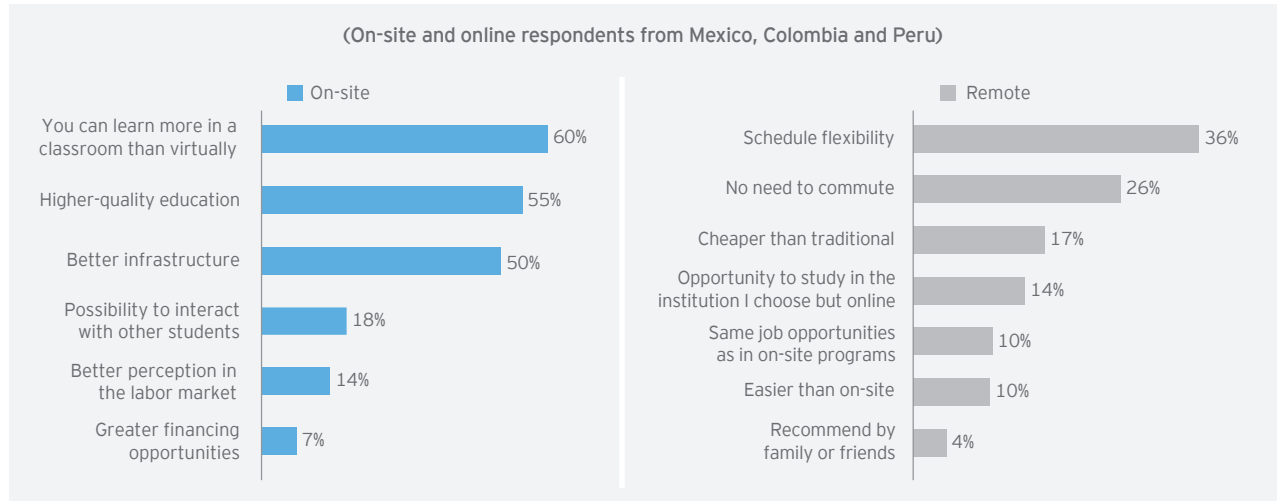


Notes: Admissions department and school websites; total costs consider enrollment fees and academic title costs; costs in MXN.

proposition. Overall, online education should drive lower tuition, and, during this sanitary crisis, there are economic reasons to adjust fees:

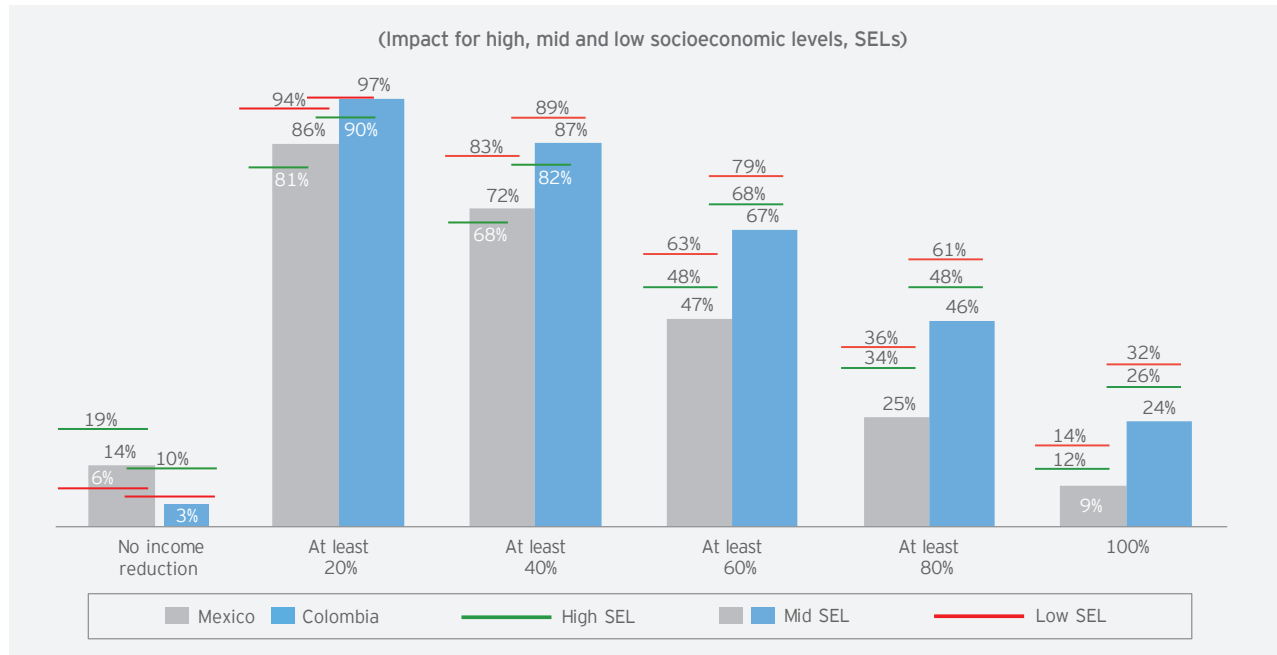
- **Comparable tuition fees for online vs. on-site programs:** Institutions that offer both on-site and remote programs charge different tuition rates for each mechanism. For instance, in Mexico, tuition fees for online degrees can be discounted more than 50% vs. the comparable on-site degree (See Figure 7).
- **Attributes in on-site programs not obtained in online classes:** Students enrolled in on-site programs value qualities absent in online education (e.g., direct contact with professors, one another) and therefore perceive that online classes offer less value (See Figure 8).
- **Unprecedented impact on household income:** Unemployment and a sluggish economy have dropped income across socioeconomic levels (SELs). In these LatAm countries, student loans are not as common as in the US or other developed countries, and parents are the primary payers of tuition. In a consumer sentiment survey conducted by EY-Parthenon teams during April 2020, 91% of Mexicans declared that they have seen a negative impact on their salaries, and even more alarming is that 64% of them have seen their incomes decrease by at least 60% (See Figure 9).

Figure 8. What are the main reasons that you chose that type of program?



Notes: EY-Parthenon digital surveys; Mexico (n = 840); Colombia (n = 723); Peru (n = 291).

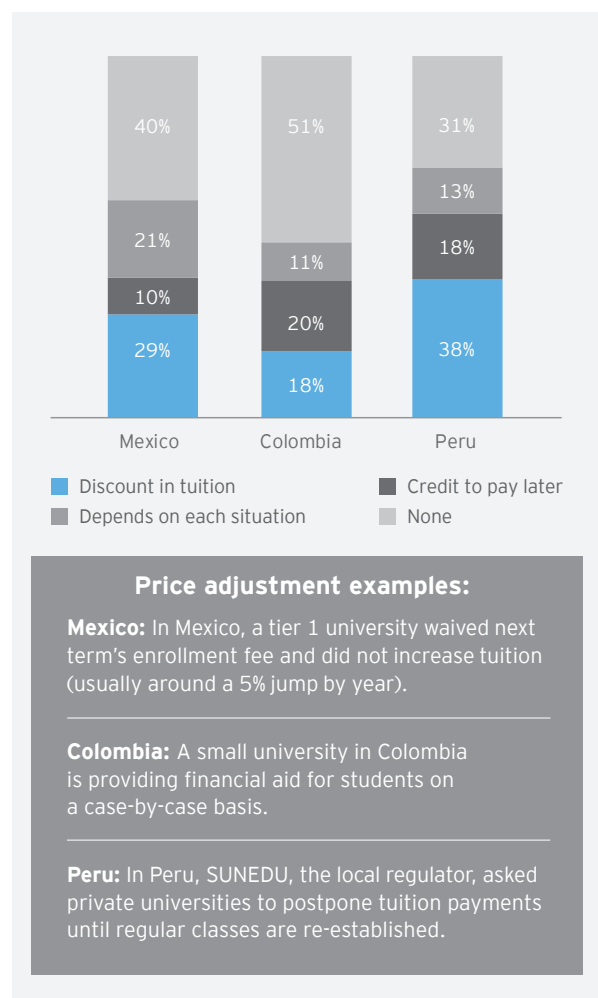
Figure 9. How has the COVID-19 pandemic crisis impacted your income?



Notes: EY-Parthenon digital surveys; Mexico (n = 840); Colombia (n = 723); Peru (n = 291).

As of today, universities continue to strategize about how to adjust their current pricing to balance drop-out levels with healthy tuition/student ratios with the new virtual reality. Across these countries, universities are struggling to balance their cash flow given the challenge in predicting enrollment for the incoming semester.

Figure 10. Has your university provided financial aid or adjusted tuition?



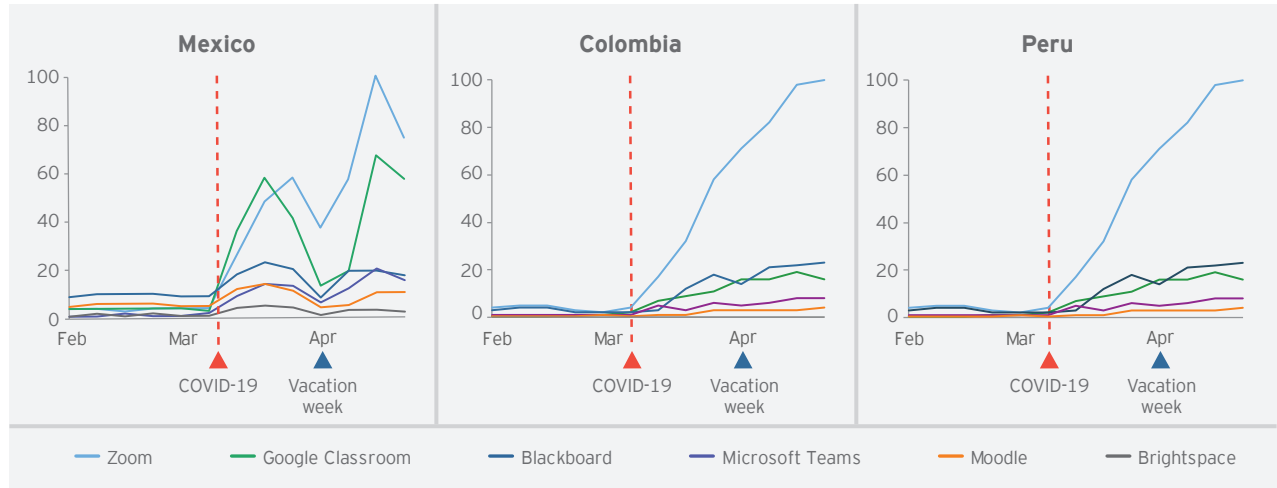
Notes: EY-Parthenon digital surveys: Mexico (n = 80); Colombia (n = 169); Peru (n = 40).

5. Educational platforms have a long way to go

in LatAm: There is a wide variety of platforms available for educational institutions to use. Before the confinement, most universities used a platform for homework or projects or to deliver classes online. In Mexico and Peru, the most popular platform used prior to the COVID-19 pandemic was Blackboard; in Colombia, it was Moodle. However, the magnitude of the pandemic took many universities by surprise, which led to "emergency" responses characterized by the following:

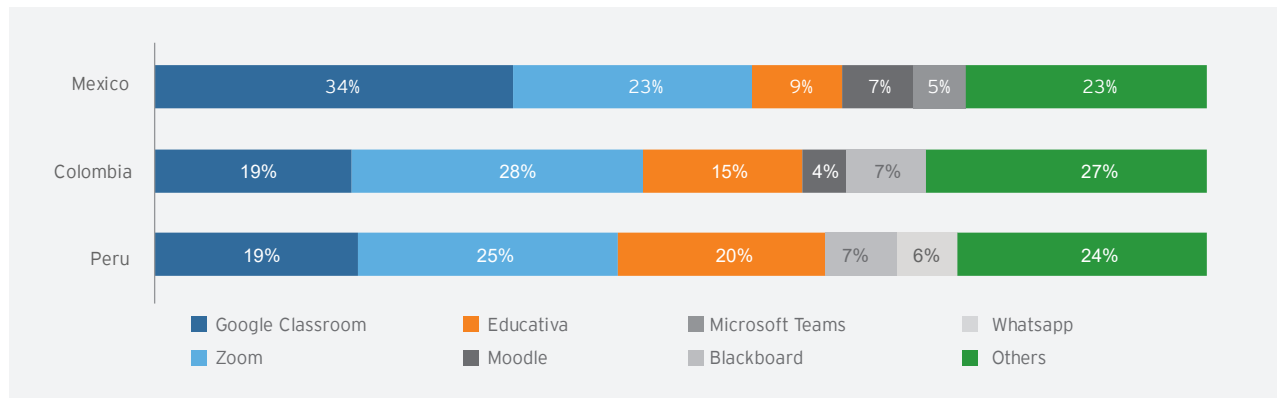
- Widespread adoption of free platforms:** Universities were given a limited time to transition their students to online and were forced to choose a remote-learning platform in a hurried manner, leading to the adoption of free platforms. Searches for free video platforms spiked on Google trends. Google Classrooms and Zoom are the most popular platforms used by students in the three countries. However, institutions with robust, education-purposed platforms have, in general, provided better experiences, according to the survey respondents (See Figure 11).
- Multiple platforms being used in the same institution:** Since the immediate focus was on "class continuity" in the educational space, this meant classes were not canceled. In this context, platform decisions were left to professors (and their individual experience). As expected, institutions using a single platform (which, in some cases, required training for teachers) have had better reviews. Across countries, about a fourth of students mentioned that professors use different platforms (See Figure 12).

Figure 11. Online platform searches on Google Trends (January-April 2020)



Source: Google Trends, January-April 2020.

Figure 12. What platform do you use?

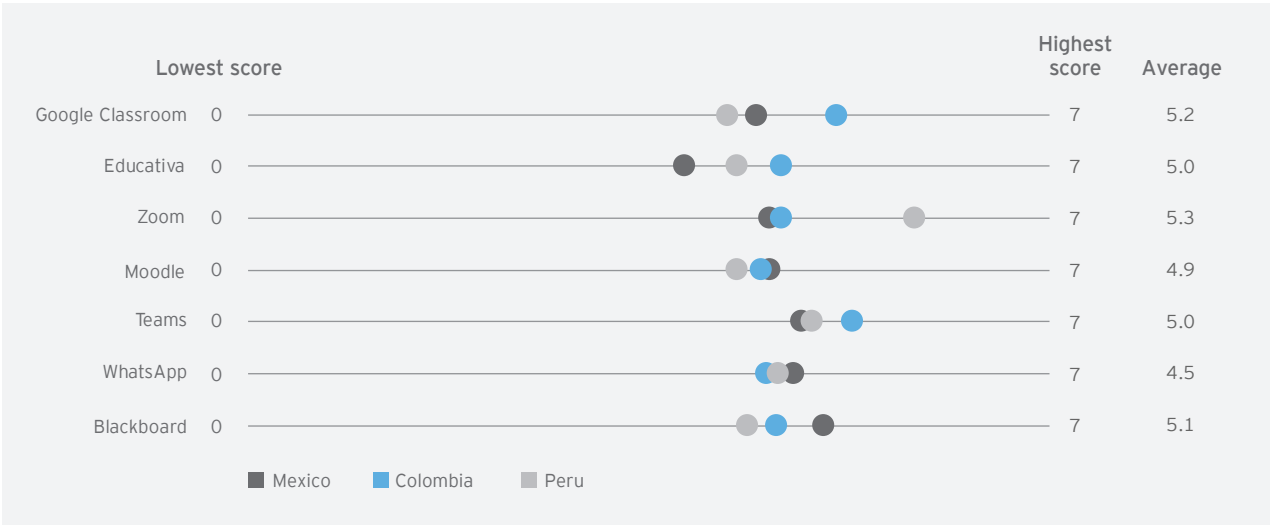


Notes: EY-Parthenon digital surveys: Mexico (n = 683); Colombia (n = 459); Peru (n = 207).

► **Platforms designed for online learning are preferred:** Students prefer platforms with features that are easy to use, allow file sharing and provide access to grades. What students dislike most about education platforms is the difficulty in using them for working on team projects. Although

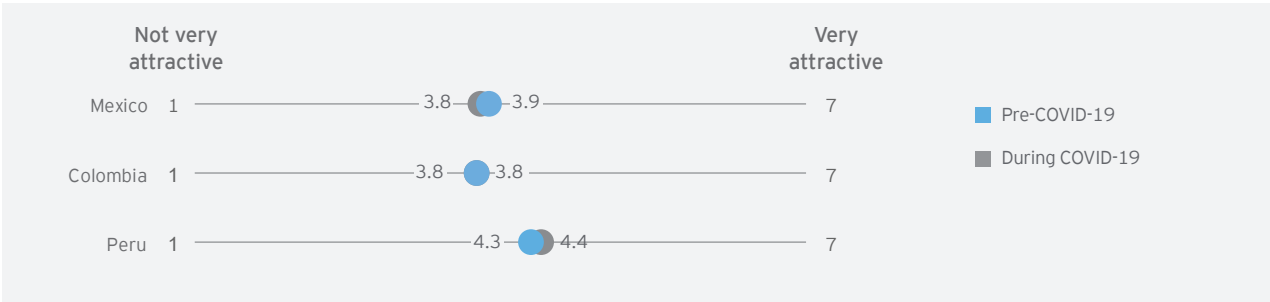
students have different preferences, platforms designed for educational purposes received the highest satisfaction scores. Blackboard has the highest evaluation by Mexican students, Microsoft Teams is Colombian student's best-rated, and Zoom is the highest for Peruvian students.

Figure 13. How would you rate the platform you use?



Notes: EY-Parthenon digital surveys; Mexico (n = 683); Colombia (n = 459); Peru (n = 207).

Figure 14. How attractive do you find online classes?



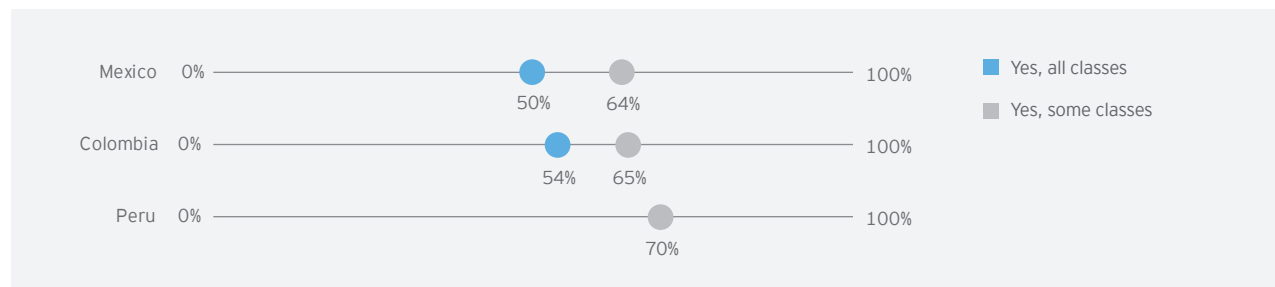
Notes: EY-Parthenon digital surveys; on-site respondents from Mexico (n = 583); Colombia (n = 634); Peru (n = 266).

6. Perception of online learning has not changed ...

yet: Although many students have at least some of their classes online, undergrads enrolled in on-site degrees still prefer classroom education. Students enrolled in on-site programs mostly value the learning experience in a classroom and the quality of education they receive. In contrast, students registered in online or blended programs mostly value schedule flexibility, limited commute needs and lower tuition rates. However, during the closure period, on-site students appreciate that online classes have allowed them to continue studying despite social distancing measures. After a few weeks of taking classes on a screen, students in the three countries did not show a significant change in their preference for online classes (See Figure 14).

► Although it is not preferred, students are open to continue with online classes: Since campuses had to shut down operations, scaled remote teaching was intended to be temporary. Some universities have communicated that online learning will continue until the end of this school year and, in some cases, will extend to summer courses. It is still unclear what will happen next semester. So far, students have had a mixed perception of their temporary online experience. Around half of the surveyed students in Mexico and Colombia agreed to continue having all classes online. However, they would prefer if they had to take only some of their classes online going forward. Respondents are mainly concerned about their ability to pay attention in virtual classes, the low interaction with teachers and the lack of personalized attention from professors (See Figure 15).

Figure 15. Do you agree to continue with classes online?



Notes: EY-Parthenon digital surveys; Mexico (n = 275); Colombia (n = 205); Peru (n = 96).



What will likely happen next in higher education?

Understanding what happens next for higher education will be key as the coming semester approaches. Even though regulations in each of these countries will be different, university responses will vary widely from one institution to the other. We expect that some of the following dynamics could play out, assuming that the campus closures continue further into August or beyond:

- **Drop in new enrollment for first-semester classes at public, low- and mid-tier institutions:** Recent high school graduates will probably think twice before starting college, especially for on-site programs with relatively unchanged tuition. Many students could consider waiting until they can have the full college experience.
- **Drop in re-enrollments coupled to an increase in free online education classes:** As unemployment rises, many parents and students will probably not be able to afford tuition. Free education platforms, such as Coursera, could capture these students who may be tempted to abandon paid online-education while there is economic uncertainty at home. Others could consider applying to a more affordable program at another university.
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