Affiliation and Private System Structures: A Cost-Sharing Solution for a Pressured Higher Ed Sector

As the higher education landscape continues to evolve under pressure from demographic shifts, rising costs, and changing student expectations, colleges and universities are rethinking their operating models. Among the more pragmatic and flexible options emerging is the **affiliation or private system structure**—a model that allows institutions to retain their distinct identities while realizing efficiencies through shared services, governance, and strategic alignment.

The affiliation or private system may or may not entail control of the participants. This control is often achieved by one nonprofit organization serving as the sole corporate member of the affiliates or participants in the private system.

Unlike mergers, which often involve full legal consolidation, affiliation and private system structures emphasize collaborative or collective governance and cost sharing while allowing member institutions to maintain individual accreditation, branding, and programmatic autonomy. In an era of constrained resources and increased scrutiny over tuition pricing and return on investment, these models offer a compelling path forward.

Shared Services, Preserved Identity

At the heart of private system or affiliation structures is the ability to share core administrative services—such as finance, HR, IT, enrollment marketing, and legal counsel and, the marked benefits of shared problem-solving, leadership, and an academic community—across multiple institutions. This reduces duplication of effort, creates economies of scale, freeing up resources to invest in mission-critical areas like student success, academic innovation, affordability and sharing of best practices.

For example, *The Community Solution*, a private system formed by The Chicago School in 2009 has grown to six private non-profit universities collectively educating 13,000 students annually. The six share a unified leadership and operational platform while allowing each university to maintain local governance and cultural autonomy. The result is a more efficient enterprise that can better coordinate student pathways and resource allocation without forcing full institutional mergers.

Similarly, *Antioch University* and *Otterbein University* recently announced a bold affiliation aimed at creating a national private system focused on adult learners and workforce-aligned credentials. By integrating under a common strategic framework while maintaining separate legal and academic structures, the institutions aim to expand reach, reduce administrative overhead, and offer a more seamless student experience.

Strategic Alignment Without Full Integration

Affiliation and private system structures also offer institutions the ability to align strategically around mission, values market, or student segment—without the time, risk, and regulatory hurdles associated with M&A transactions.

Lindenwood University, for example, has formed a private system that includes *Dillard University* and *Dorsey College*, enabling the institutions to leverage shared infrastructure and planning while preserving unique missions, especially as they relate to student demographics and historical identity.

Such private systems can also support program sharing, cross-registration, and joint faculty appointments, expanding academic offerings and talent pipelines while avoiding the duplication of small, unsustainable programs.

Looking Ahead: A Scalable Model

In an increasingly fragmented market, affiliation and private system structures provide an agile, scalable model for institutions to grow stronger together. They offer a middle ground between insularity and consolidation—preserving institutional missions while adapting to fiscal and competitive realities.

Affiliations and private systems may assist participants in complying with emerging risk-sharing and accountability measures for federal student loans. Private systems will be better-positioned to arrange student financing from private lenders as an alternative to federal student loans.

For governing boards and presidents navigating uncertain terrain, these models deserve genuine consideration. They enable strategic collaboration without sacrificing legacy, operational efficiency without consolidation, and innovation without overextension, making them one of the most promising structural solutions for the future of higher education.

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