College Mergers, Consolidations, and Acquisitions

Adalberto Castrejón

September 2025

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ACKNOWLEDGMENTS

This report would not have been possible without the support of SHEEO staff Kelsey Heckert, Rachel Burns, and Jessica Duren. The views expressed in this paper are those of its author and do not necessarily reflect the views of SHEEO.

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ABSTRACT

While the topic of college and university mergers has become more relevant in the United States in recent years, there is still very little research and systematic tracking of college merger data (Kurzweil et al., 2021). However, the existing research has shown that many institutions that went through mergers were able to better serve their student communities and promote more efficient operations (Boling et al., 2017; Kurzweil et al., 2021). There have been promising administrative and student outcomes post-merger as well (Kurzweil et al., 2021; Russell, 2019). It is important to keep track of college mergers to measure how a college merger might affect college financial sustainability, and college access and success, either through the elimination or expansion of academic programs, and through changes to the staffing and student support services (Kurzweil et al., 2021). In this report, I used the Federal Student Aid data source and identified 446 cases of university consolidations and 75 cases of absorptions that happened between 2000 and 2025 in the United States. I conducted a descriptive analysis that showed common trends and differences in university consolidations and absorptions across institution type, year, and U.S. location. As financial issues continue to arise, it is important for further research to be conducted on college mergers to better understand the effects of college mergers on institutional and student outcomes, and for institutional leaders and policymakers to be better informed on the process of conducting one.

INTRODUCTION

College mergers, acquisitions, and consolidations are some of the many institutional partnership practices that higher education leaders consider as they aim to increase efficiency in their institutions, systems, and states. A survey of college and university presidents conducted in 2025 by *Inside Higher Ed* and Hanover Research reported that 19% of surveyed presidents have had serious discussions with governing board members and institution leaders regarding merging with another institution (Custer & Flaherty, 2025). Of those who indicated having serious discussions about merging, 34% came from presidents at private nonprofit institutions, versus 7% came from those at public institutions. While discussions may or may not lead to action, attempts for institutions to join in some fashion are not always successful for a variety of reasons, e.g., burdensome accreditation processes, student and faculty intervention, lack of political and community will, and planning difficulties (Kurzweil et al., 2021).

The relevance of college mergers can be attributed to several reasons. Some of the most common reasons include decreases in college enrollment, ensuring institutional financial stability, optimizing institutional resources, decreasing trends in state funding for higher education, static wages for many Americans, and enhancing academic programs (Custer & Flaherty, 2025; Kurzweil et al., 2021; Skodvin, 1999). The growing financial constraints have also added to the conversation of college mergers, as a survey of 1,700 colleges and universities in 2013 concluded that many of these institutions were in financial trouble due to their operating costs growing faster than their revenue return (Denneen & Dretler, 2012; Martin, Samels & Associates, 2017).

DEFINING COLLEGE MERGERS

There are various definitions for what a college merger, consolidation, or acquisition entails, and for the purposes of this report, the definitions used are those found in academic literature and research reports. The merger of institutions tends to refer to two or more separate institutions coming together to create a new institutional identity and culture, and under the control of one single governing body (Harman, 2002; Azziz et al., 2017). An acquisition is when one institution absorbs another institution, and the institution doing the absorption keeps its identity and culture (Azziz et al., 2017). Lastly, the term consolidation tends to refer to two institutions that are seen as equals coming together to form a new single institution; however, a consolidation between two equals is not a common trend (Azziz et al., 2017).

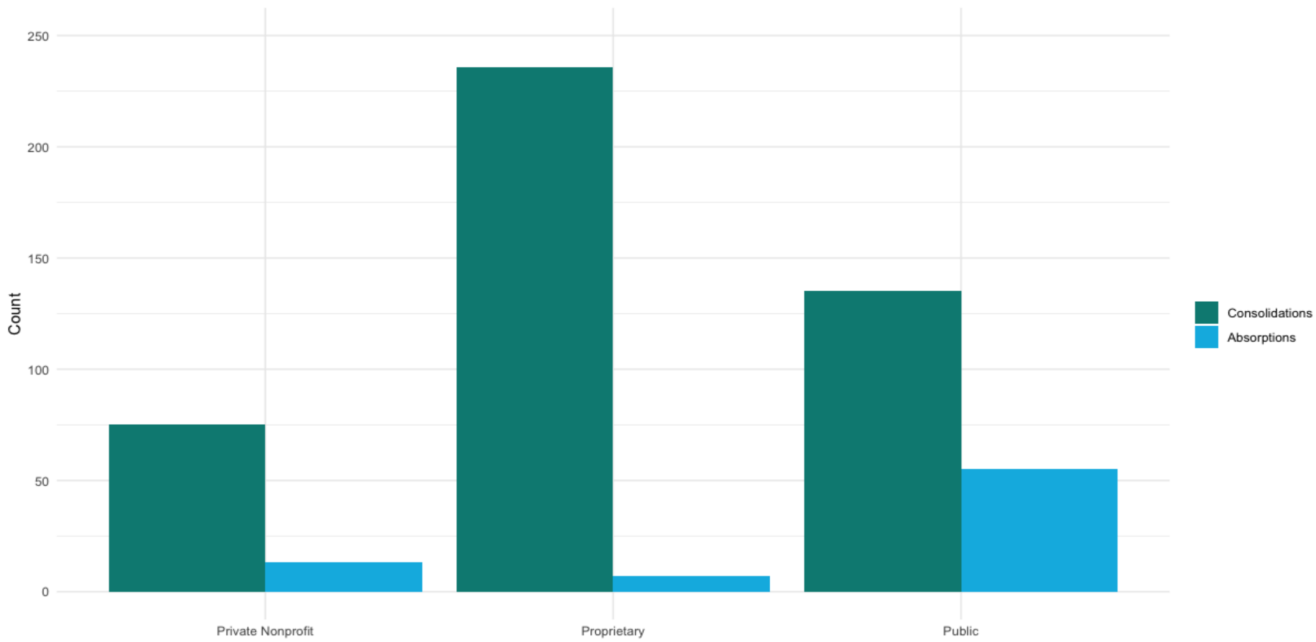
There are several factors that need to be considered leading up to a merger. For example, it is important to understand how similar the institutions in a merger are to one another since this can determine the success of the overall merger. There are various characteristics in determining similarity like the institution's mission, institution type (private vs public), institution sector (nonprofit vs for profit), academic offerings, size of student and faculty bodies, populations served, the historical context, etc. (Azziz et al., 2017). Additionally, the complementarity level of institutions often refers to how well the academic programs of the institutions satisfy the gaps in academic offerings of one another (Azziz et al., 2017). There is also a categorization of mergers that exist, where mergers can be classified based on the number of institutions involved, on the academic offerings of each institution (horizontal vs vertical merger), or the overlapping of institutions (complementary vs non-complementary) (Azziz et al., 2017). Among university mergers, a horizontal merger refers to when institutions who offer similar levels of academic degrees decide to merge, while a vertical merger refers to a merger between institutions who offer varying levels of academic degrees (Azziz et al., 2017).

While only recently have university mergers become prominent in the United States, university mergers have been taking place as early as the 1800s when at least 10 mergers and acquisitions occurred during this time in the U.S. (Azziz et al., 2017). The first wave of mergers happened in the 1900s where approximately 75 mergers occurred due to changes in economic and competitive pressures (Azziz et al., 2017). Additionally, a growing number of mergers and acquisitions have taken place in the 2000s, as it has been reported that between 2010 and 2019, there were 94 total mergers in the United States, this being up from 32 mergers happening between 2000 and 2009 (Tobenkin, 2020). Higher education mergers have overall been more prominent in other countries than in the United States. In Europe, there were nearly 100 mergers documented between 2000 and 2016 (Pruvot et al., 2015). In China, there were 428 mergers documented between 1990 and 2005. Some of the reasons for these mergers were to improve the quality of teaching and research, increase access, promote financial savings, or to align and reduce the higher education systems (Azziz et al., 2019; Cai & Yang, 2016).

Data: Consolidations and Acquisitions in the United States, 2000-2025

The following figures and tables are drawn on data from the Weekly School File from the Federal Student Aid (FSA) Data Center. These data include information on whether an institution has experienced a merger, using the action reason code to identify institutions that have merged/consolidated (code number 14) or merged/absorbed (code number 33). A merged/consolidated (consolidation) indicator is defined as when an institution has multiple OPE ID numbers but all except one of the OPE IDs have been deactivated, the deactivated number is then transferred to the surviving OPE ID number (Federal Student Aid, 2025). Alternatively, a merger/absorbed (absorption) indicator is defined as when one institution purchases another institution, and the purchased institution becomes inactive. There are 446 cases of consolidations and 75 cases of absorptions for a total of 521 observations between January 2000 and August 2025 in the United States. *Figure 1* shows that the largest count of consolidations is among proprietary institutions at 236 (53%) observations, followed by public institutions at 135 (30%), and private nonprofit at 75 (17%). Separately, absorptions were observed most at public institutions at 55 (73%), followed by private nonprofit at 13 (17%), and proprietary at 7 (9%) observations.

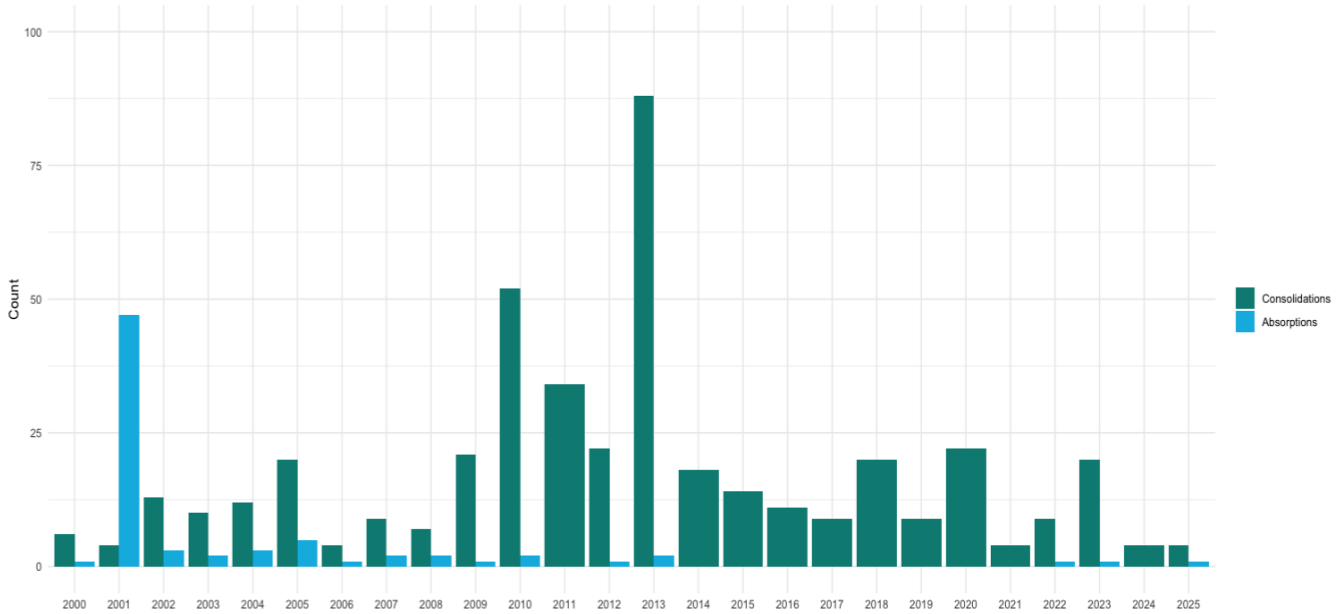
Figure 1. Consolidations and Absorptions by Institution Type, 2000-2025



Source: Federal Student Aid.
Notes: Figure presents the count of merged/consolidated observations (n=446) in the green bars, and the count of merged/absorbed (n=75) observations in the blue bars, by institutional type. Observations were dropped if they involved a country outside of the United States, and if the merger action took place prior to the year 2000.

Between 2000 and 2025, nearly half (44%) of all consolidations occurred between the years 2010 and 2013, with every other year encountering at least four consolidations per year (*Figure 2*). The largest number of consolidations happened in 2013 when 88 (20%) occurred in the year. Meanwhile, the absorptions tend to spread out over the past 25 years, with the year 2001 saw the largest number of absorptions happening. In 2001, there were 47 (63%) absorptions, and before and after that year, the number of absorptions has fluctuated between zero and five, with most years only seeing one or two absorptions. Additionally, there are 10 years between the 25 years that saw no absorptions happen, and all the years with no absorptions happened after the year 2010.

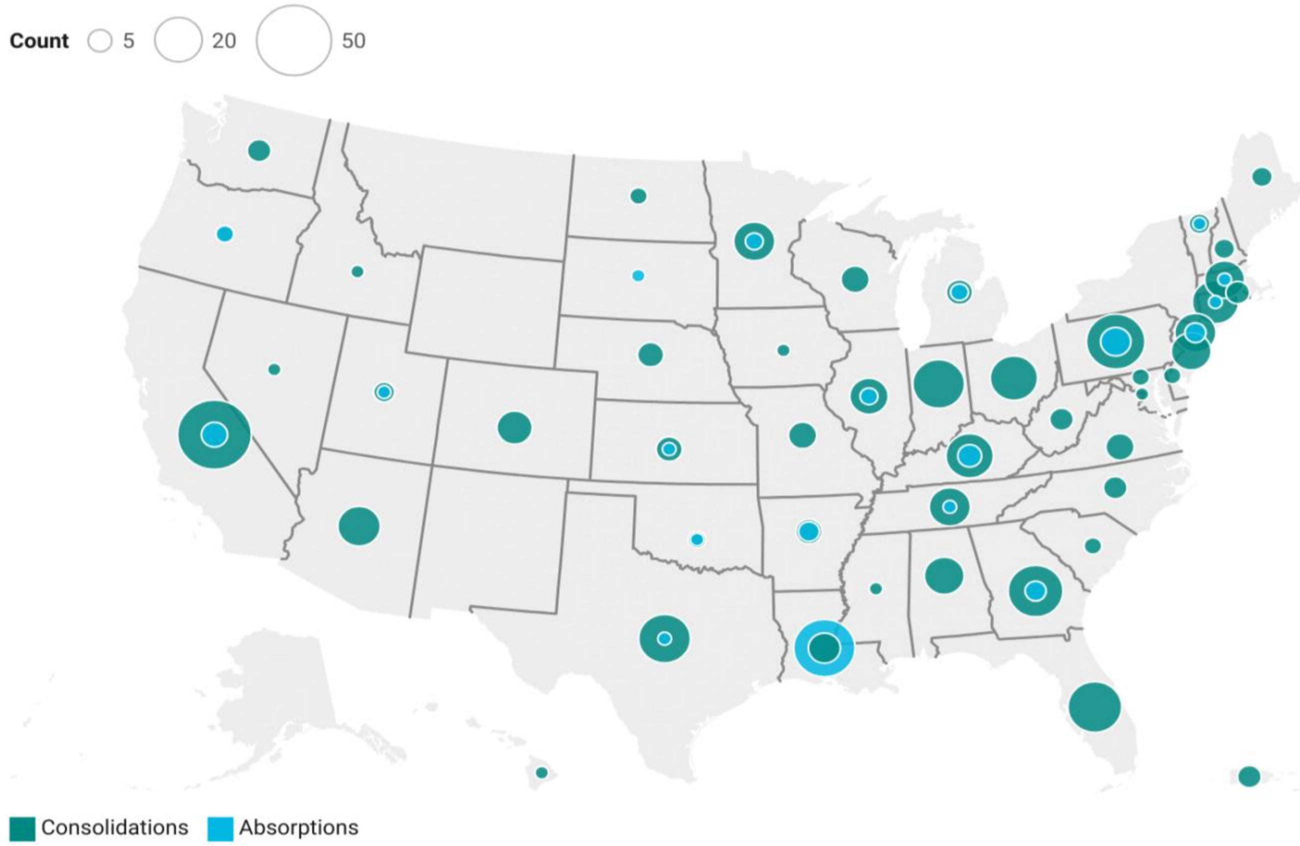
Figure 2. Consolidations and Absorptions by Year, 2000-2025



Source: Federal Student Aid.
Notes: Figure presents the count of merged/consolidated observations (n=446) in the green bars, and the count of merged/absorbed (n=75) observations in the blue bars, by year. Observations were dropped if they involved a country outside of the United States, and if the merger action took place prior to the year 2000.

Figure 3 shows a map of the university consolidations and absorptions occurring between 2000 and 2025 by their location in the United States. The largest number of consolidations in a state within the time frame was in California with 49 (11%), the second was Pennsylvania with 30 (7%), and in third was Georgia with 26 (6%) consolidations. Among the absorbed observations, the largest count by state was in Louisiana at 33 (44%), then Pennsylvania with 7 (9%), and in third was California with 5 (7%) absorptions. The largest combined count of both consolidations and absorptions was California with a combined count of 54 in the last 25 years. Lastly, Arkansas, Montana, New Mexico, and Wyoming did not have any reported consolidations or absorptions during the time frame. For a complete list of consolidations and absorptions by individual states and territories, please refer to the *Appendix*.

Figure 3. Consolidations and Absorptions in the United States, 2000-2025



Source: Federal Student Aid.
Notes: Figure presents the map of merged/consolidated and merged/absorbed observations between the years 2000 and 2025 by location in the United States. The circle is proportional to the number of cases in that given state.

Impact and Outcomes of College Mergers

One of the earliest research articles examining college mergers found that private colleges tended to merge at about three per year in the 1990s (Bates & Santerre, 2000). They also found that the college merger rate was highly associated with changes in college tuition, suggesting that a 1% increase in tuition led to a 7.7% decline in the merger rate among private four-year institutions (Bates & Santerre, 2000). The merger rate was also related to faculty salary, where a 1% increase in faculty salary was associated with a 16% increase in the likelihood of a college merger.

In Georgia, there were nine institution consolidations between 2013 and 2018, which reduced the number of institutions to 26 in the University System of Georgia (USG) (Kurzweil et al., 2021). The consolidations happened in large part to save financial resources, as it was reported that the decision would save about $6 million in administrative costs annually (Martin, Samels & Associates, 2017). The Board of Regents had six goals that drove the consolidations, and those were: 1) increase opportunities for education attainment, 2) improve geographic accessibility and regional identity, 3) avoid duplicates of academic programs, 4) create cost efficiency, 5) enhance regional economic development, and 6) streamline administrative services (Board of Regents of the University System of Georgia, 2012). Boling and colleagues (2017) examined the merger between Gainesville State College, and North Georgia & State University, which would become the University of North Georgia (UNG). The two institutions prior to the UNG merger were similar in academic programs and in admission selectivity, which was crucial to the success of the merger. Following the merger, the newly established institution expanded its academic degree offerings, enhanced research and teaching, expanded its overall growth through new facilities, and promoted cost savings. One study examined five mergers within the University of Georgia (USG) between 2013 and 2015 (Russell, 2019). The author compared non-consolidated institutions in USG versus institutions that had been consolidated in USG and examined their retention and graduate rate outcomes. Following the consolidation, the institution experienced an increase in one-year retention rates by 1.7 percentage points, and an increase in four-year graduation rates by 4 percentage points. While their findings showed increases in both outcomes, the author situated their findings by suggesting that following a merger, institutions were more financially equipped to invest in academic support, leading to greater student support.

One important merger in 2012 occurred in the University of Texas System (UT System), where the University of Texas Brownsville (UTB) and the University of Texas Pan American (UTPA) united to create the University of Texas Rio Grande Valley (UTRGV). This merger came about due to UTB experiencing financial hardships, which led the UT System Board of Regents to propose a merger between the two institutions. UTB was also an institution that served a predominately Hispanic and low-income student population, which meant that these students would suffer had the institution not merged with UTPA. In 2015, the two institutions successfully merged to create UTRGV, and a study found that the new institution has seen increases in enrollment every year and continues to serve a predominately Hispanic student population (Kurzweil et al., 2021).

Finally, there is a case study of a college merger between two regional campuses where one campus served about 9,000 students and the other campus served about 6,000 students (Williams et al., 2019). The merger's purpose was to move forward an institution with one strong academic presence in the geographic region as both institutions involved were near one another (about 35 miles). The authors of the case study reference the rebranding process happening early in the pre-merger stage as one of the effective steps taken in the merger process. Several other good steps involved creating a steering committee and in placing goals and ideals for how the new institution should move forward. However, the authors refer to some practices that hindered the merger process, including disagreements around leadership succession, a difficult restructuring of academic colleges and departments, and not addressing the concerns of students, staff, and faculty in a timely manner during the merger.

IMPLICATIONS

The decision to merge institutions into one is a strategic decision that should be seen as a viable decision for growth (Azziz et al., 2017; Azziz et al., 2019). A merger of institutions can allow for leverage on the scale of their staff and operations; it can also be a way to save resources, increase competitiveness, improve the student experience, and adapt to changing political or economic situations (Azziz et al., 2017; HECC, 2021). However, it is important to measure how a college merger might affect college access and success either through the elimination or expansion of academic programs, and through changes to the staffing and student support services (Kurzweil et al., 2021).

Prior research shows that college mergers are associated with improved student success because, following a merger, a college might be better off and able to invest in student support services with newly gained resources. There are also key takeaways that many case studies provide in informing college mergers. Many of the mergers in prior case studies took place due to significant demographic shifts in the college-going population, as well as financial sustainability problems arising. However, following the merger, many of these institutions were able to better serve their student communities and promote more efficient operations. The case studies provide several recommendations for successful mergers, for example, the merger process should have a unifying vision through measurable goals, good transparent communication, and have a focus on identifying good comparability and similarity between institutions prior to the merger.

While the topic of college and university mergers has become more relevant in the United States in recent years, there is still very little research and systematic tracking of college merger data (Kurzweil et al., 2021). It is important to keep track of college mergers and to provide more research on the topic to better understand how current institutional leaders might best approach a college merger. It is equally important for more research to exist to measure how a college merger might affect college financial sustainability, and college access and success, either through the elimination or expansion of academic programs, and through changes to the staffing and student support services (Kurzweil et al., 2021).

As higher education at large continues to face lower state funding and an increased need to maximize operational efficiencies, the number of consolidations and/or absorptions might continue to become more prominent in the United States. Future research should examine the outcomes of more recent mergers, consolidations, and absorptions as they pertain to the institution's financial sustainability and student outcomes. It is important to continue college merger databases and research to better understand the implications of college mergers.

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APPENDIX

Table 1. Counts of Consolidations and Absorptions by U.S. Location, 2020-2025

STATE/TERRITORY	CONSOLIDATIONS	ABSORPTIONS
Alabama	13	0
Alaska	0	0
Arizona	15	0
Arkansas	5	3
California	49	5
Colorado	10	0
Connecticut	18	1
Delaware	2	0
District of Columbia	1	0
Florida	25	0
Georgia	26	0
Hawaii	1	0
Idaho	1	0
Illinois	12	2
Indiana	23	0
Iowa	1	0
Kansas	5	1
Kentucky	19	4
Louisiana	8	33
Maine	3	0
Maryland	2	0
Massachusetts	13	1
Michigan	5	2
Minnesota	14	2
Mississippi	1	0
Missouri	6	0
Montana	0	0
Nebraska	5	0
Nevada	1	0
New Hampshire	3	0
New Jersey	13	0
New Mexico	0	0
New York	14	3
North Carolina	4	0
North Dakota	2	0
Ohio	19	0
Oklahoma	2	1
Oregon	2	2

Pennsylvania	30	7
Puerto Rico	4	0
Rhode Island	4	0
South Carolina	2	0
South Dakota	0	1
Tennessee	14	1
Texas	23	1
Utah	3	1
Vermont	3	1
Virginia	6	0
Washington	4	0
West Virginia	4	0
Wisconsin	6	0
Wyoming	0	0

Source: Federal Student Aid
Notes: Table shows the number of merged/consolidated (action reason code = 14) and merged/absorption (action reason code = 33) by location in the United States.