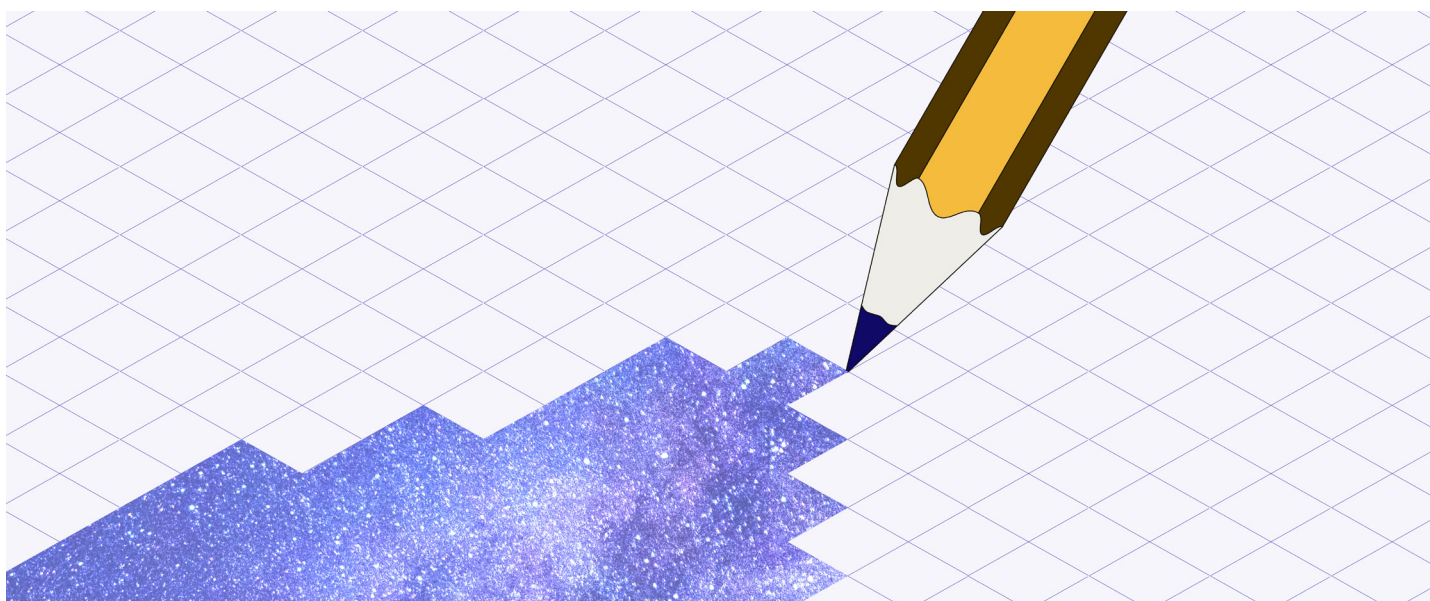


Leading the Future of AI in Higher Education: Finance Leaders Chart a Strategic Path Forward

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Executive Summary

Higher-education finance leaders are at a pivotal moment, shaping how artificial intelligence can serve the mission of colleges and universities. In conversations with CFOs and VPs of Finance, nearly every leader described AI as an essential part of higher education's future. Adoption is still in its early stages, but finance leaders are carefully laying the groundwork for responsible, sustainable innovation.

Rather than rushing to deploy untested tools, institutions are taking a thoughtful, people-centered approach: balancing stewardship of resources, equity, and institutional culture. Leaders emphasized that success depends on clear communication, low-risk experimentation, and partnerships that reflect higher education's values.

AI can be a transformative enabler for higher education operations. Successful implementation will require a people-centered approach grounded in clear communication, low-risk experimentation, and strategic partnerships with trusted experts.

Higher Ed Faces Growing Financial Pressures That Require Innovation

1. External Headwinds

American higher education stands at a moment of profound transformation, driven by shifts in enrollment patterns, funding volatility, regulatory pressures, and evolving student expectations. Uncertainty in these areas can make planning complex, but many leaders see opportunities for innovation amid this change.

A CFO at a small public college shared, *"Lack of support from state government and the changing relationship with the federal government puts schools serving rural and minority communities at risk. But these challenges also push us to find smarter solutions with the resources we have."*

2. Internal Pressures

Internally, colleges and universities across the U.S. face [rising costs](#). For example, the American Council of Trustees and Alumni (ACTA) found that [spending on administration](#) per student increased by 61% between 1993 and 2007. Administrative costs now account for nearly a quarter of total spending, according to [Department of Education data](#).

In the [2025 Inside Higher Ed CBO Survey](#), among CBOs who anticipated their institution would be worse off financially in the coming year, “non-labor operating costs” and “labor costs” were the second-most frequently cited reasons why, behind concerns about federal funding.

As spending on administrative costs, non-labor operating costs, and workforce costs (e.g., offering competitive salaries, increasing cost of benefits) increases, colleges and universities will need to find innovative ways to gain efficiencies. In our interviews, finance leaders pointed to manual, repetitive workflows (e.g., data cleanup, reporting, form processing) as drains on staff time and capacity.

A mid-sized public university finance leader noted, *“Cashiers spend up to 80% of their time during the semester’s start answering repetitive parent questions about payments. If we can automate these, we free staff for work that really needs their expertise.”*

Rather than viewing these inefficiencies as fixed obstacles, higher education leaders increasingly see them as opportunities for innovation — opportunities that can be responsibly tested and scaled through emerging technologies such as AI.

Responsible AI Adoption in Higher Education: Balancing Vision and Stewardship

Given the external and internal headwinds above, many higher ed leaders recognize the urgent need for innovation, particularly through AI. While interest is high, implementation is lagging. In the [2025 Inside Higher Ed CBO Survey](#), 67% of respondents indicated that their institution is still in the “early exploration phase” (39%) or “piloting tools in select departments” (28%) with AI.

Only 6% reported “comprehensive strategic investments” in AI across departments. This gap is wider than other sectors, where [AI adoption rates](#) reach a more robust 78%.

As one CFO put it: *“We see the potential, but getting from seeing to doing is where we get stuck.”*

Colleges and universities are not resisting AI — they are ensuring that new tools are introduced responsibly, equitably, and with input from across campus. This thoughtful approach protects institutional values while building a strong foundation for future transformation.

Across industries, “95% of generative AI pilots in enterprises are failing to deliver measurable business impact—not because of the technology, but because of poor implementation. Higher education’s deliberate culture positions it to avoid these pitfalls..”

– [“Lessons For Universities From The Enterprise AI Failure Rate”](#)

(Forbes, August 28, 2025)

Engaging People in the Process of Change

Higher education’s strength lies in its people—faculty, staff, and administrators committed to serving students and advancing institutional missions. Leaders recognize that sustainable AI adoption requires collaborating with all staff as active participants rather than bystanders. Of equal importance is choosing an AI vendor well-versed in customizing solutions to each institution’s unique culture and needs.

“It’s like moving from columnar paper to Excel,” a VP of Finance at a community college noted. *“If we lead the change, we can shape the outcome.”*

Where AI Can Add Value Today

Administrative Automation: A Clear Starting Point

The most immediate opportunities for AI lie in automating repetitive administrative tasks. Finance leaders identified student inquiries, data reconciliation, and form processing as areas where AI can reduce burdens on staff while improving service quality.

Other Real-world Use Cases

In our interviews, finance leaders cited several common key opportunities for AI transformation.

- **Student and parent inquiries:** AI agents can respond to routine payment questions, freeing staff from complex cases.
- **Data reconciliation and reporting:** Finance teams spend significant time cleaning and structuring data. AI can automate these tasks.
- **Form processing and approvals:** As an AVP at a state college system described many institutions managing many forms and approvals see delays and confusion. AI can streamline workflows and improve accuracy.

Rather than adopting fragmented tools, institutions benefit most from comprehensive, integrated AI platforms that can be tailored across use cases. This unified approach saves time and money while simplifying the staff experience.

Lessons from Early Adopters

Interviews with leaders at various institution types reveal that success often begins with small, high-impact pilots.

Start small, build momentum: Piloting AI in low-risk areas allows institutions to learn and iterate without jeopardizing core operations. One finance leader described how their community college *“initially implemented AI to reduce time required to complete clerical tasks.”* They saw immediate benefits, which helped build team support for expanded AI use.

Lead with buy-in: Leaders emphasized that change management must come first. Demonstrating that AI compliments, rather than replacing staff knowledge helps build confidence.

Engage cross-functional teams: Finance, IT, legal, admissions, student affairs, must all be part of AI adoption. This collaborative approach ensures broad collective knowledge and buy-in.

As a CFO at a small private college summarized, *“Embrace AI, [but] hire experts, study carefully, and implement cautiously.”*

Build Long-Term Readiness

Higher education's future with AI will depend on both deeper internal understanding of AI and trusted partnerships.

Foster continuous learning: Because AI technology evolves rapidly, institutions that encourage frequent, open discussion among staff will be best positioned for success

Collaborate with trusted partners: Institutions should seek out partners who are not only equipped with deep AI knowledge but are also committed to ongoing education and organizational change management. The best partners demonstrate a track record of working in higher education, offer clear implementation plans, and prioritize collaboration with campus stakeholders at every step.

Conclusion

Finance leaders in higher education are demonstrating that AI adoption can be both innovative and responsible. Their approach reflects the values of stewardship, equity, and long-term sustainability that define the sector.

Successful implementation depends on a people-centered, iterative approach that involves the whole institution. Institutions will benefit most from AI partners who provide more than technology, but also offer education, ongoing support, and skilled change management. With informed investment, institutions can harness AI to unlock near-term efficiency gains and cost savings.

AI, when approached thoughtfully, offers higher education the chance to reimagine operations while staying true to its mission.

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CollegeVine deploys AI agents that power university operations across every department, from recruitment and application processing to student engagement and retention. Over 200 institutions work with CollegeVine as their preferred AI partner to reduce administrative costs, create better outcomes, and drive operational efficiency at scale.