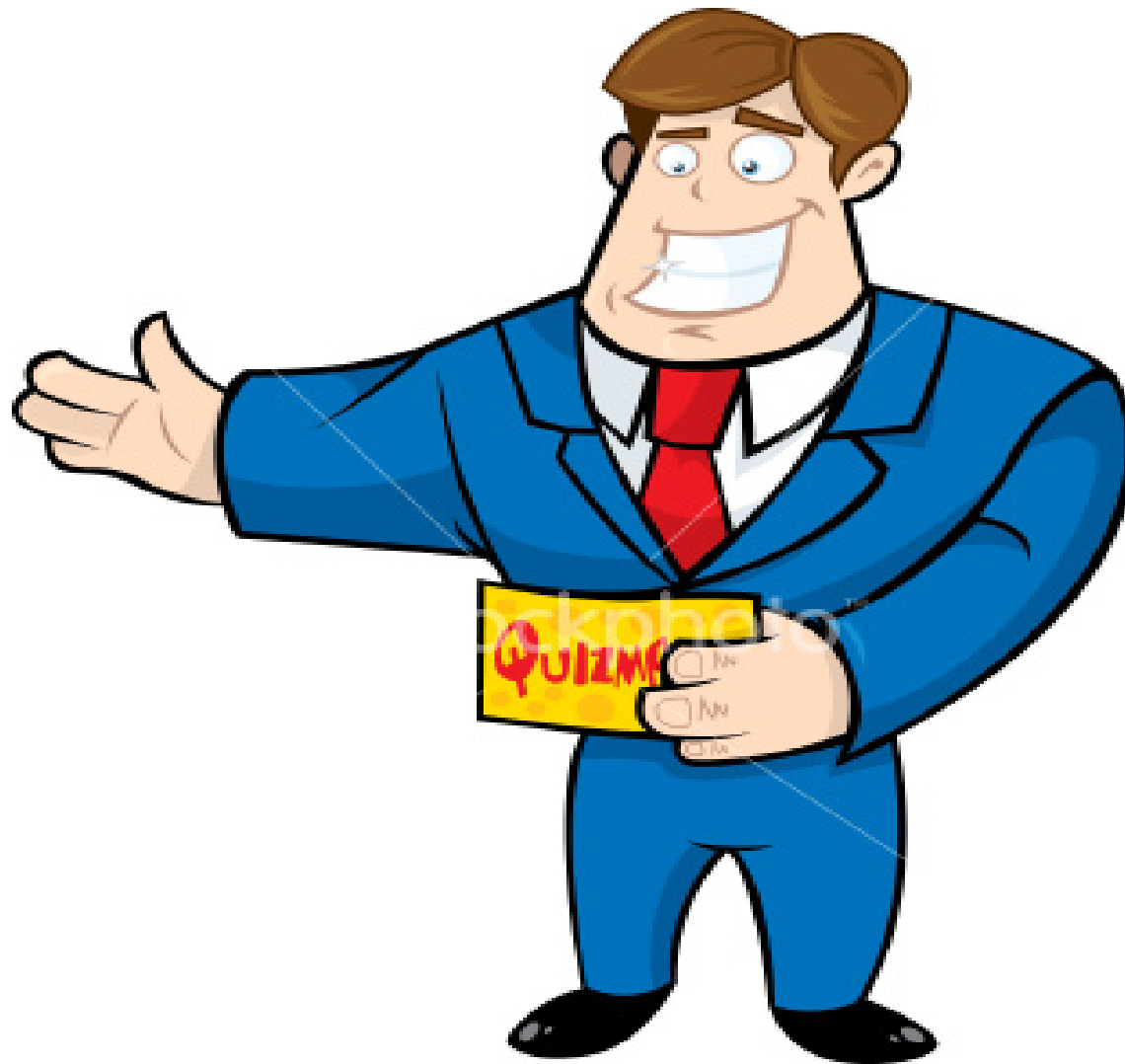


The Higher Education Accountability Movement and What It Means for Enrollment Managers

June 11, 2012





Accountability...

For
What?

- Outcomes
- Educational Productivity
- Cost

To
Whom?

- Prospects, Students
- Parents
- “The Market”
- The Public



Yes, college is worth the investment!

Anthony Carnevale

*Director – Center on Education and the Workforce
Georgetown University*

The salary premium for college grads continues to rise while the number of jobs for those with just a high school education is shrinking fast. Over the course of a lifetime, a college degree is worth an extra \$1 million in earnings and as the baby boomers retire, demand for highly educated workers will only climb.



No, college is not worth the investment!

Gagan Biyani

Co-Founder , Udemy

Unless you go to an elite college, a four-year diploma is not worth the time or the money it takes to get. It won't lead to a great job and there are better ways to acquire knowledge. Thanks to the Internet, you can now learn just about any subject from some of the world's best teachers for free or close to free. So save your money. Start a business or intern instead. You can always go online to teach yourself what you can't learn on the job.



Do what I say, not what I do...

... I estimate that 70 to 80 percent of the colleges in the U.S. are not generating a positive return on investment. Even at the top universities, it may be positive in some sense — but the counterfactual question is, how well would their students have done had they not gone to college?

Peter Thiel's Investment Analyst Job Description

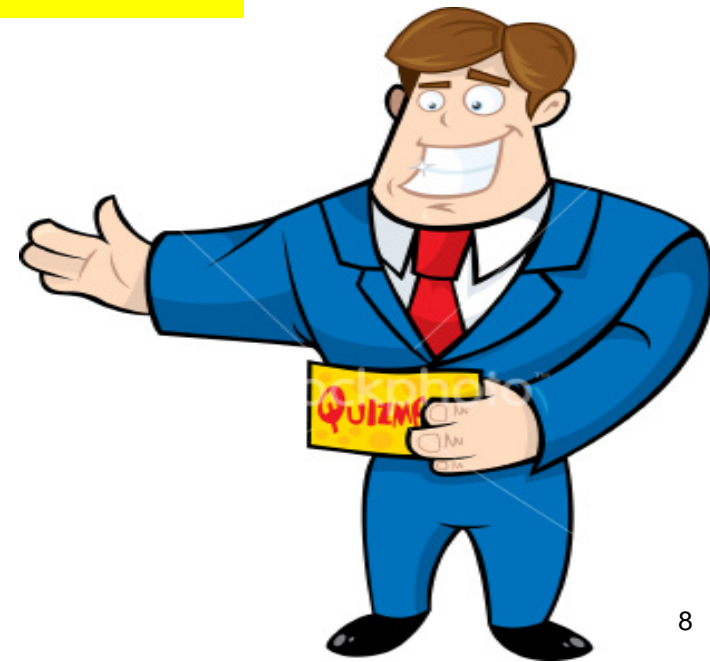
Desired Skills & Experience

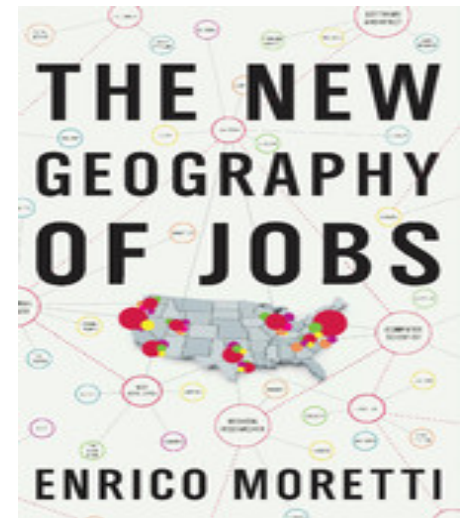
Ideal candidate would have:

- Entrepreneurial mindset with desire to help grow a new investment management
- High GPA from top-tier university; preferably in computer science, mathematics, statistics, econometrics, physics, engineering or other highly quantitative
- Two-to-three years' experience in consulting / banking / macroeconomic research
- Demonstrably extraordinary analytic and problem solving abilities coupled with innate curiosity, rigorous logical thinking, and an open-mind
- Exceptional modeling skills; quantitative language skills a plus (e.g., Matlab, Sas, or R)
- Powerful work ethic, resourceful, highly organized, clear communication, with exacting attention to detail
- Basic familiarity with economics / finance helpful but not required

Is a College Degree “Worth” the Financial Investment?

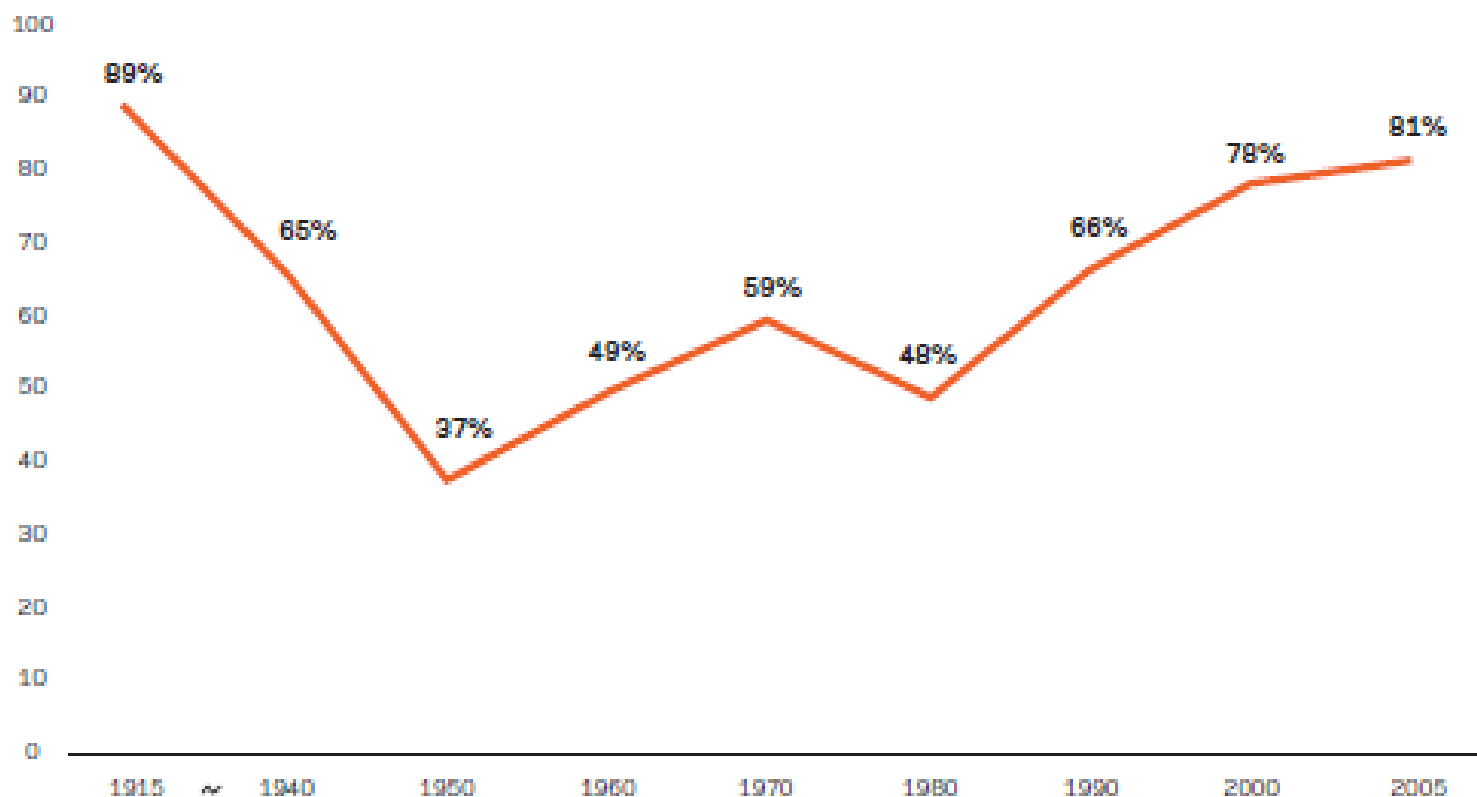
1. How do a college graduate's earnings, on average at age 22, compare to the average person with a high school degree only?
 - a) The college graduate earns 15% more on average
 - b) The college graduate earns 35% more on average
 - c) The college graduate earns 70% more on average





Is The Very High Wage Premium and Inequality a Sign of Graduate Under-Supply? Public Funds Drove the Mid-20th Century Higher Ed Boom. Is There a 21st Century Alternative?

Figure 3. Wage Premium of Skilled versus Unskilled Labor, 1915–2005



Source: Goldin and Katz (2008)

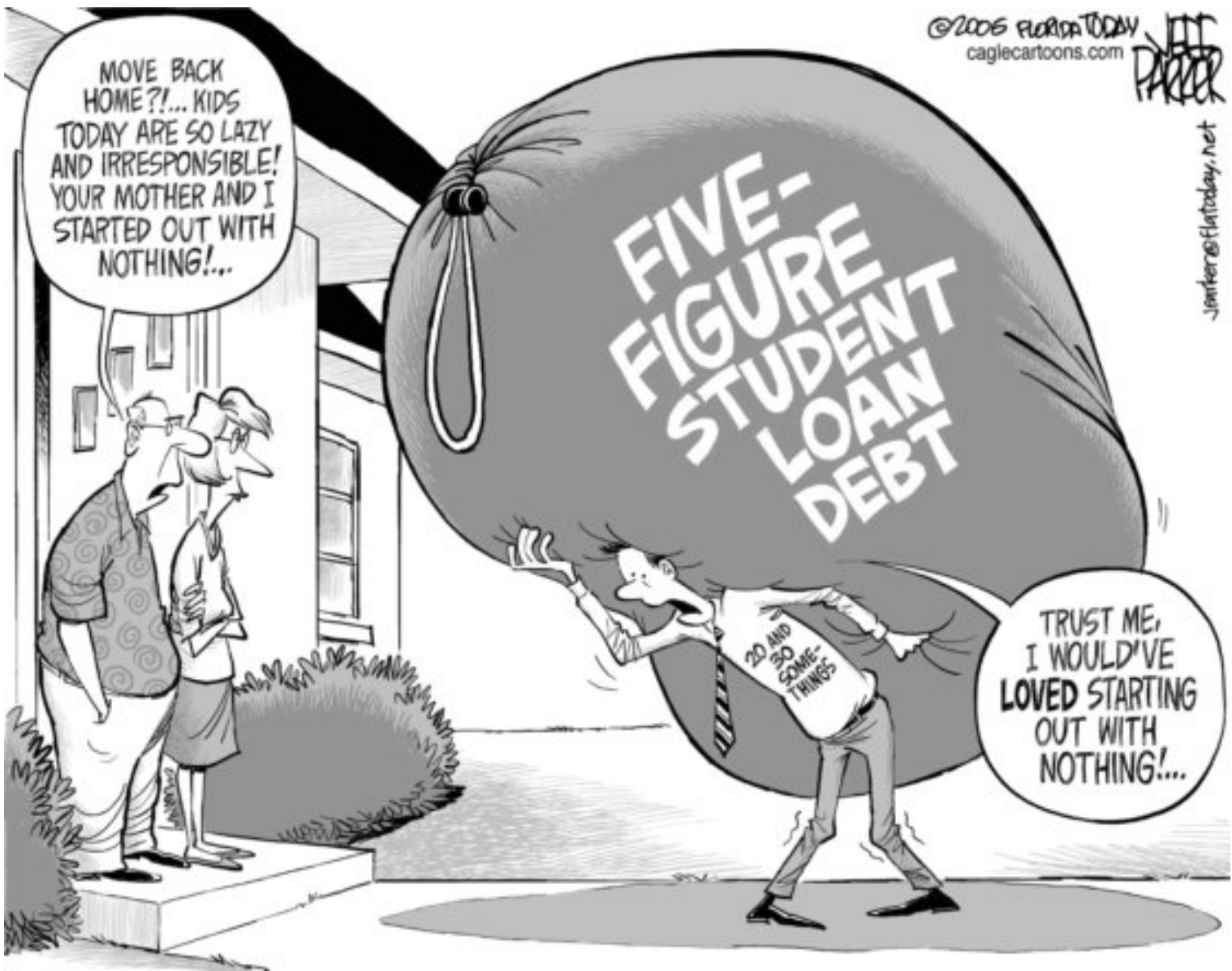
Cited from "The Undereducated American", Georgetown Center on Education and the Workforce (2011)

U.S. Policymakers Have Made Commitments to Dramatic Postsecondary Expansion, But The Obstacles Are Numerous



Frictions in Higher Education- call growth into question?

- 57% 6-year Bachelor's graduation rate
- 38 million Americans with "some college"
- Nagging questions about ROI of higher education (*Academically Adrift*, *Gainful Employment*, accreditation debate, etc.)

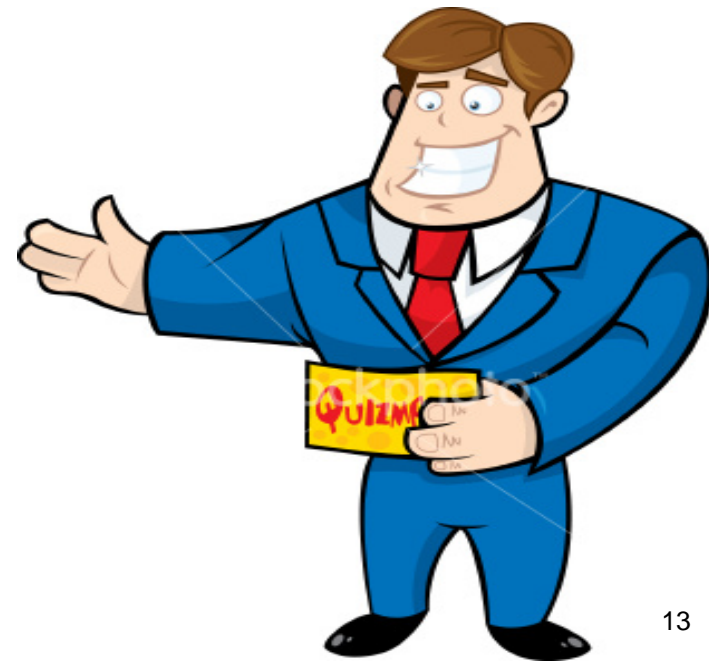


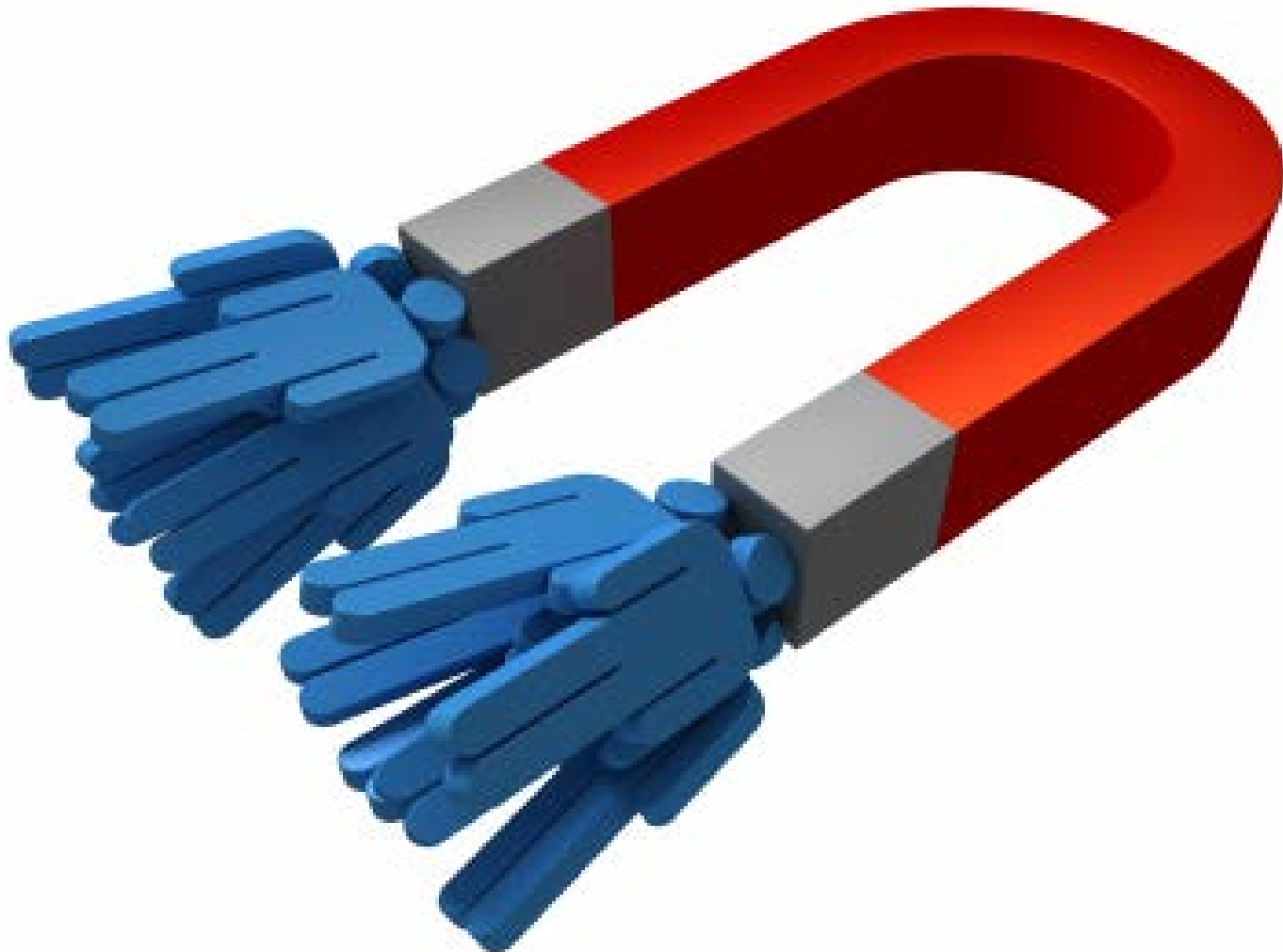
2. What is the average debt load (federal and non-federal loans) for 2010 graduates of four-year, non-profit colleges and universities?

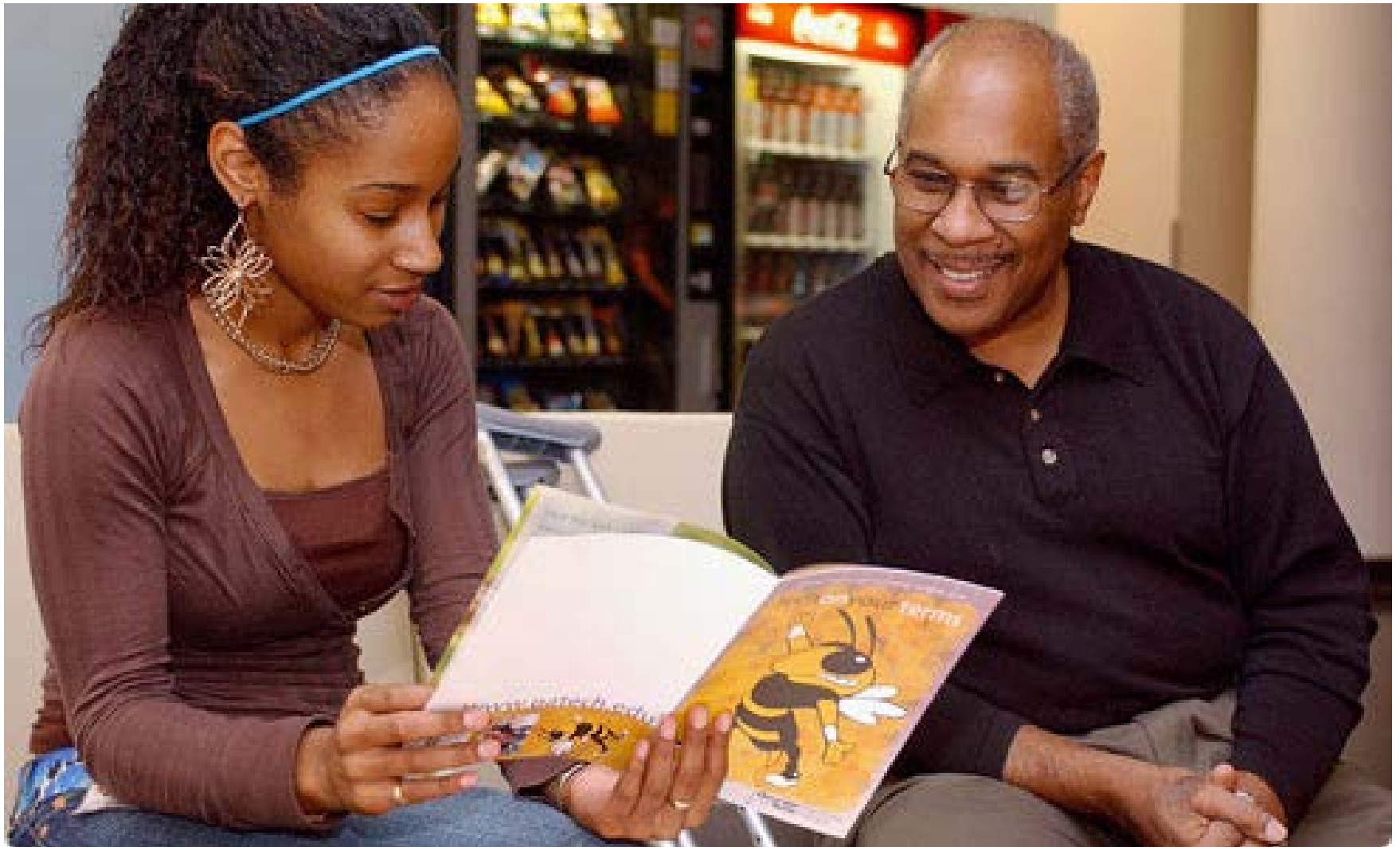
a) \$25,250

b) \$38,550

c) \$52,400

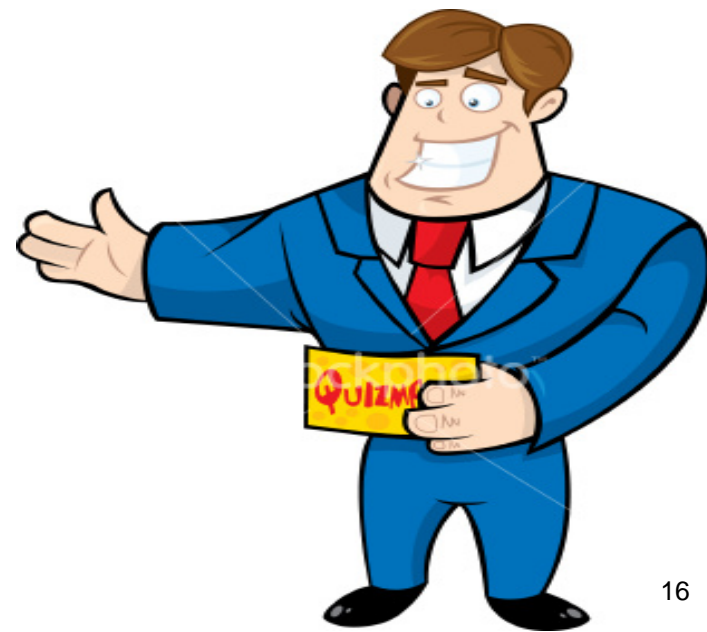




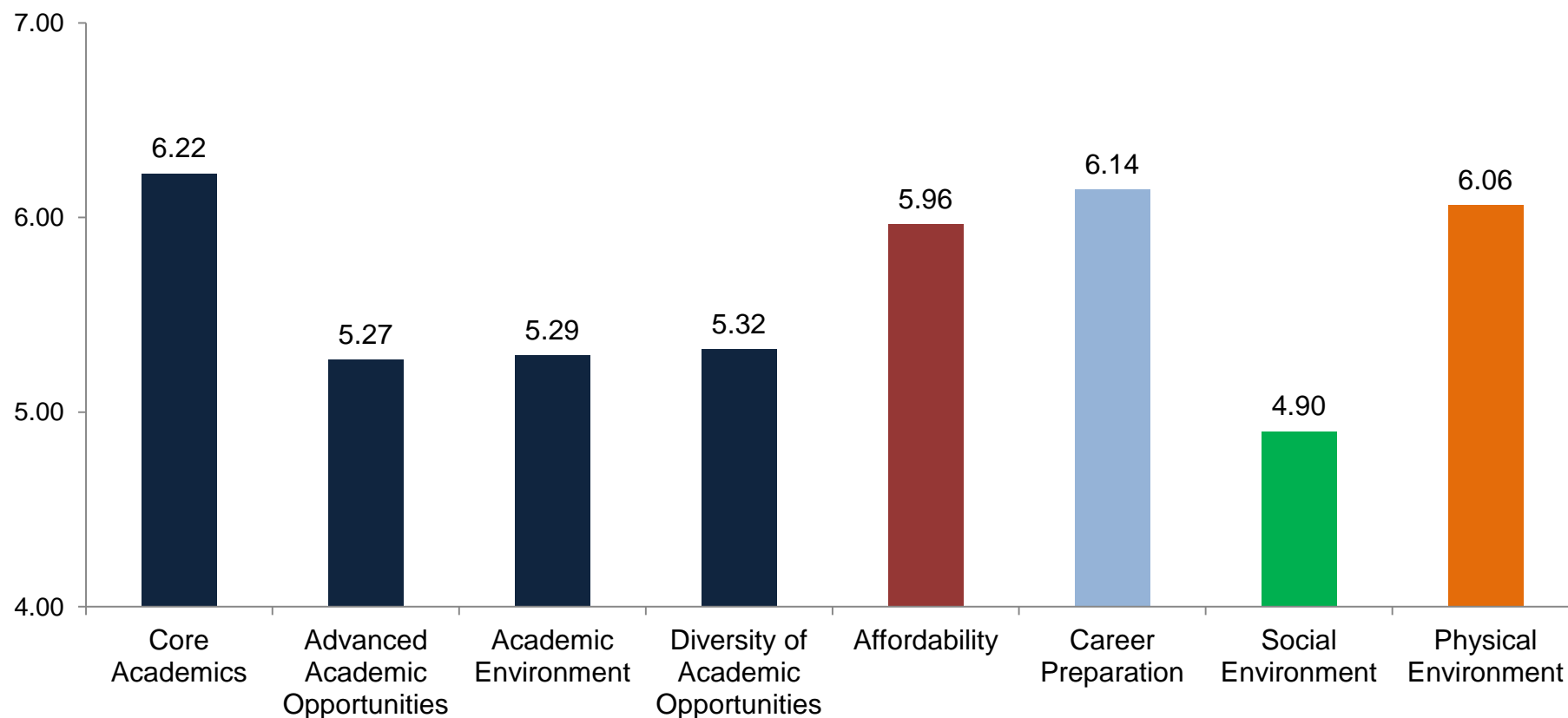


3. Which of the following correctly lists, in decreasing order of importance, prospective students' enrollment drivers (according to Eduventures' most recent annual survey of prospects)?

- a) Affordability, Academics, Career Preparation, Social Environment, Physical Environment
- b) Academics, Career Preparation, Physical Environment, Affordability, Social Environment**
- c) Academics, Affordability, Career Preparation, Social Environment, Physical Environment



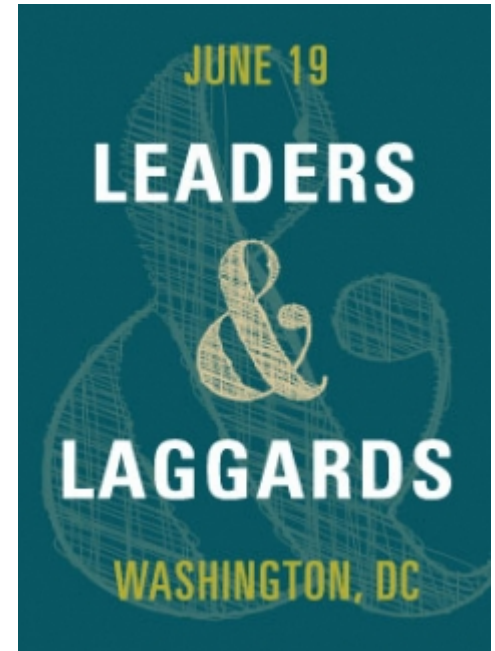
***Please rate the importance of the following in deciding which college you will attend:
(Mean values on scale of: 1=Not at all important / 7= Extremely important*)***



Leaders & Laggards: A State-by-State Report Card on Public Postsecondary Education Expresses Business Community Concerns

Business Executives:

- Are uneasy about workers' skills
- Believe new workers lack basic skills (e.g., writing)
- Think there is a serious talent shortage, especially in STEM fields
- See a mismatch between what higher education is producing and what the broader economic system needs
- Believe that higher education lacks accountability

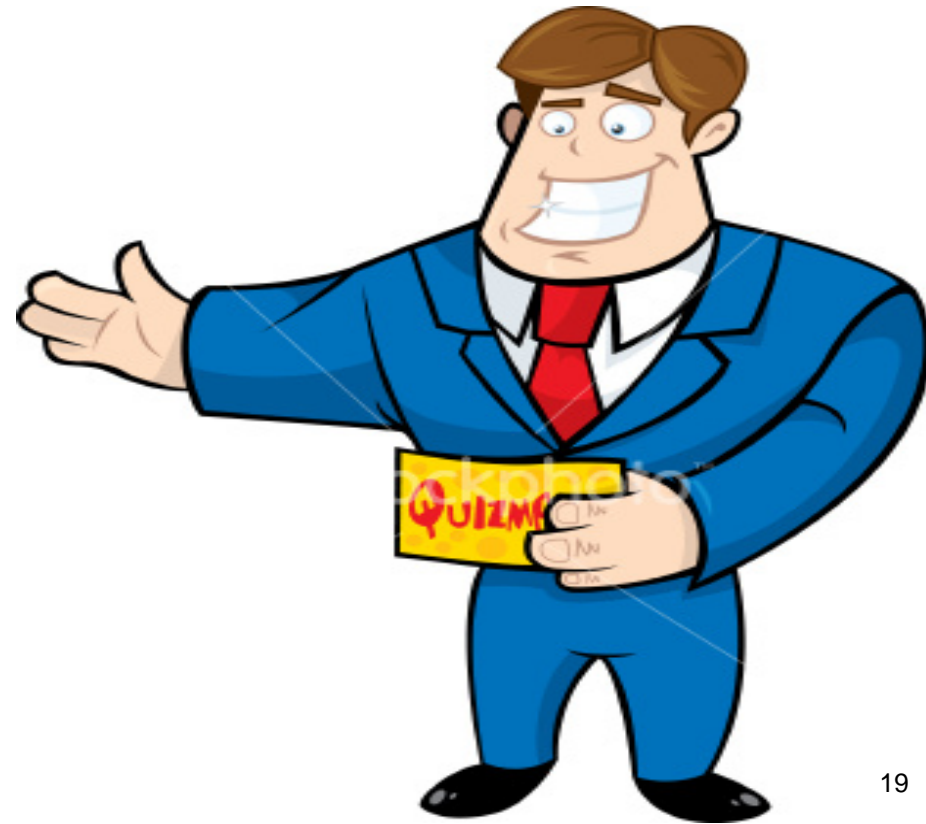


4. What was the nationwide, first-year retention rate for all students in 2010?

a) 68.3%

b) 72.8%

c) 77.1%



U.S. States response: performance-based funding models, calls for faculty load increases, and even institutional mergers

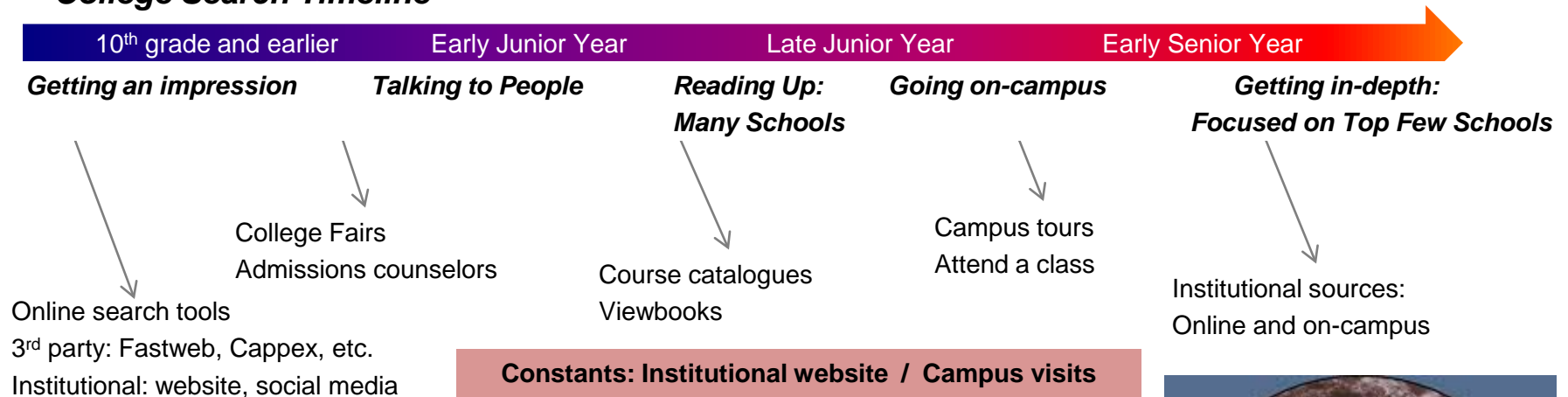
- Performance-based funding models being considered or implemented in Indiana, Ohio, Tennessee, Pennsylvania, Arizona, Colorado, Illinois, Kentucky, Massachusetts, Missouri, North Carolina, Texas, and Virginia
- Ohio Governor proposes faculty load increase of one course every two years



- New Jersey Governor is actively demanding a merger of Rutgers-Camden with Rowan University by July 1, 2012 despite Rutgers Board of Trustees vote against

Earlier Prospect Search Heightens Competition and Accountability to Market Forces

College Search Timeline

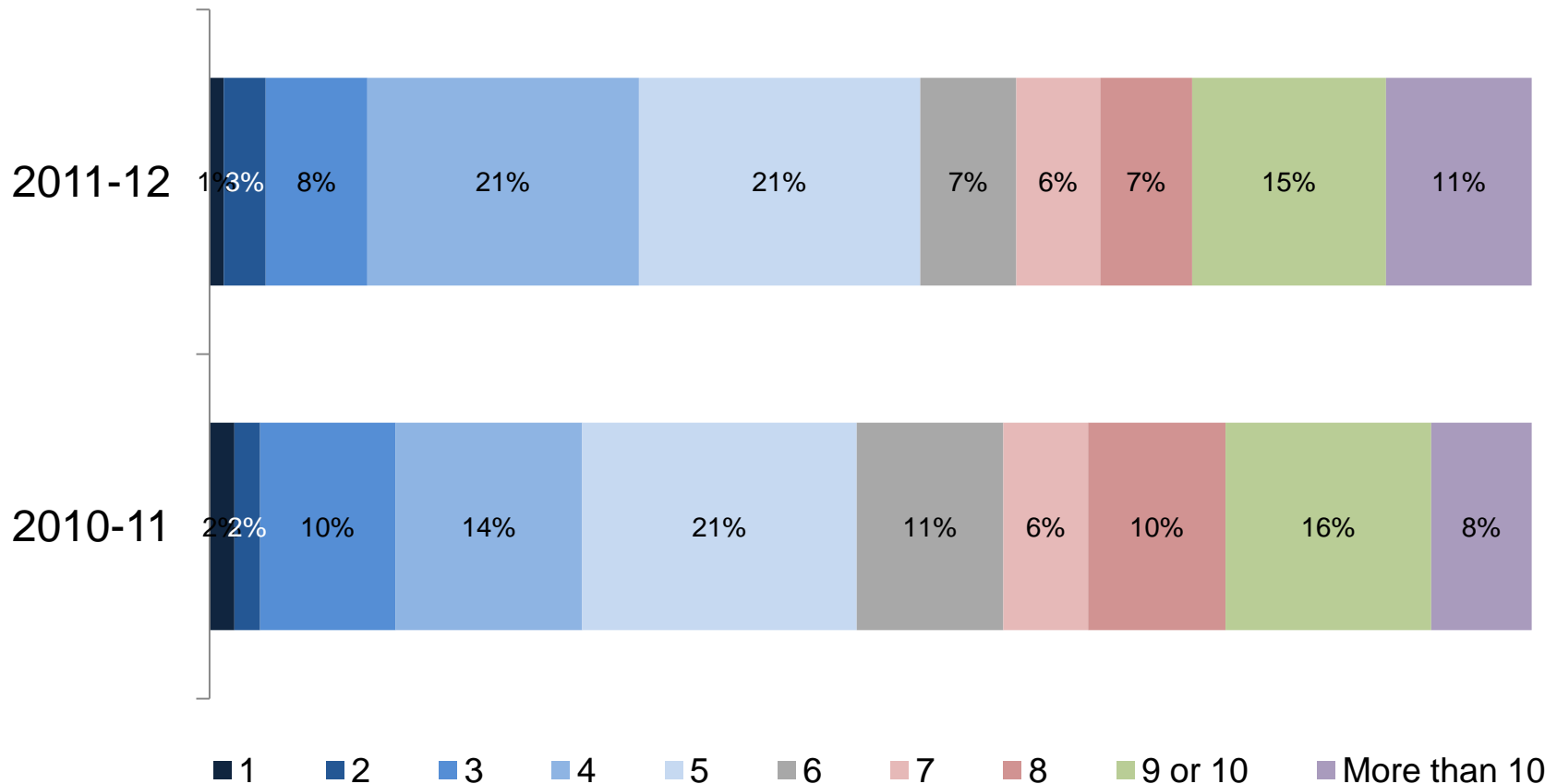


As prospects advance toward senior year, their search behavior becomes more focused, selective and institution-specific.



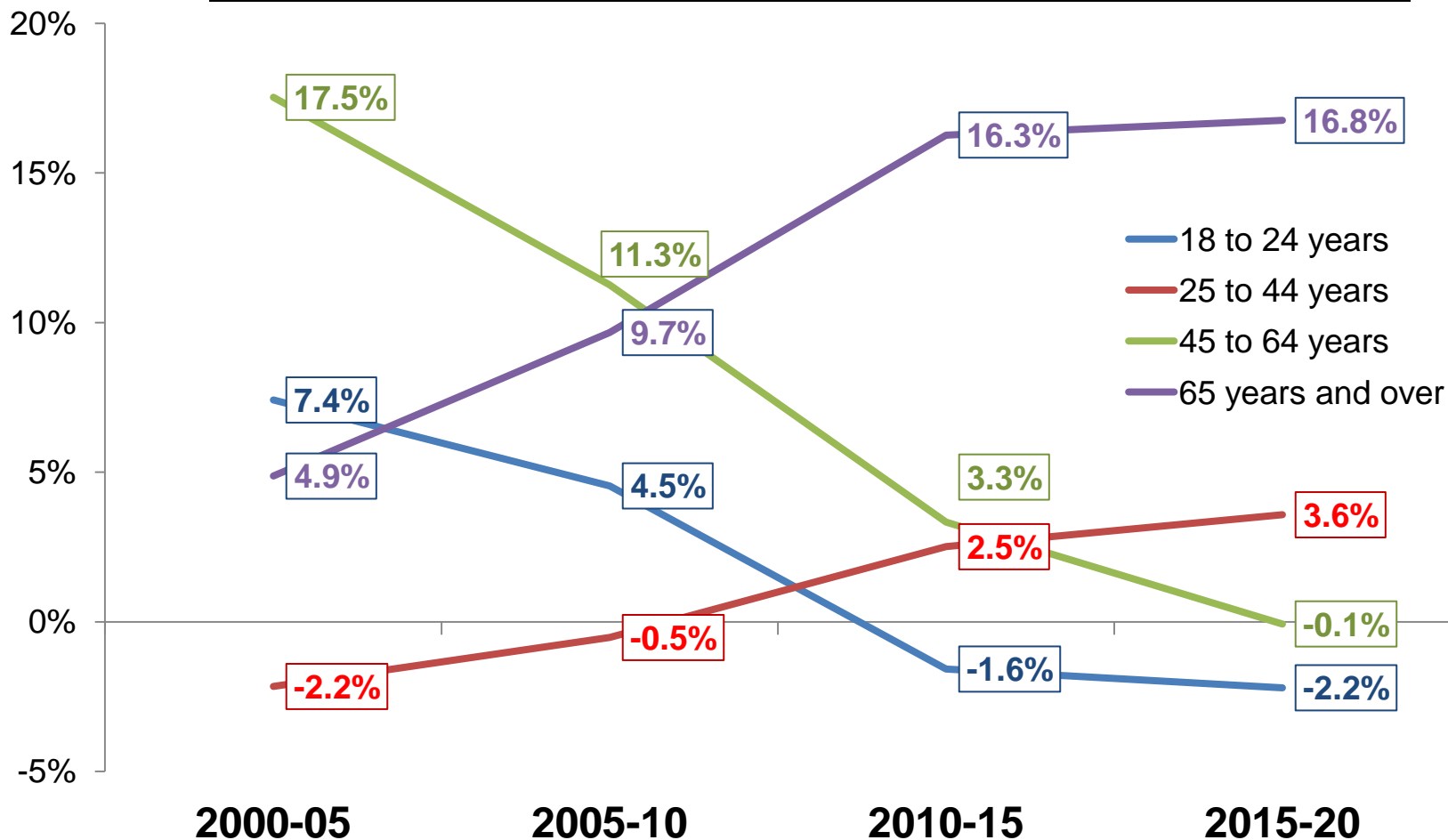
While a minority of students – particularly Juniors – are applying to an exceptional number of schools, prospects overall are becoming more selective, applying to fewer institutions than in the previous year.

How many colleges are you applying/planning to apply to?



Forecasted Growth in Adult Population with Dip in Traditional Student Population Will Push Some Nonprofits to Enter Non-Traditional Markets

Estimated/Forecasted Five-Year U.S. Population Growth 2000-2020

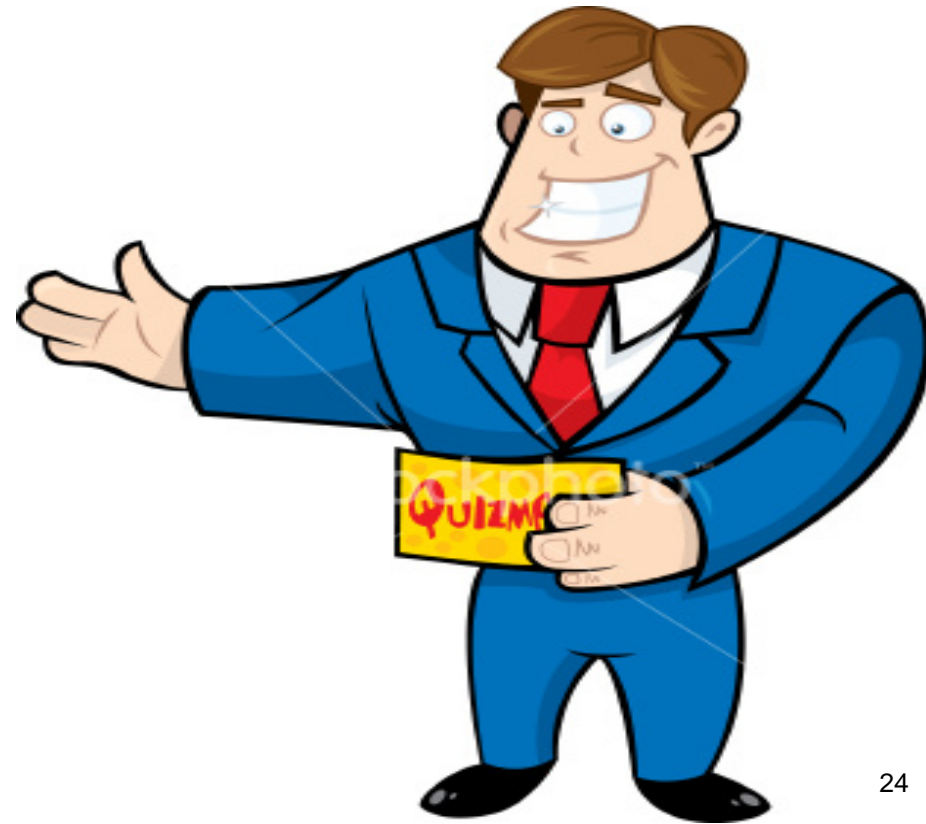


5. What percentage of all undergraduate and graduate students were 25 years or older in Fall 2011?

a) 21%

b) 26%

c) 38%

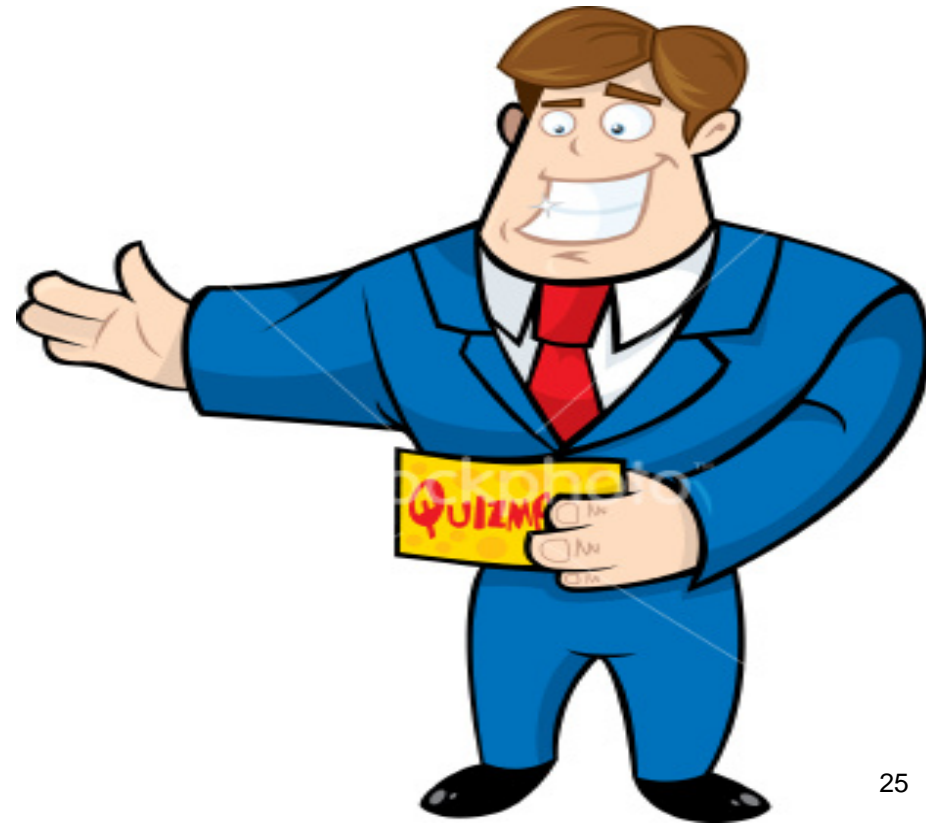


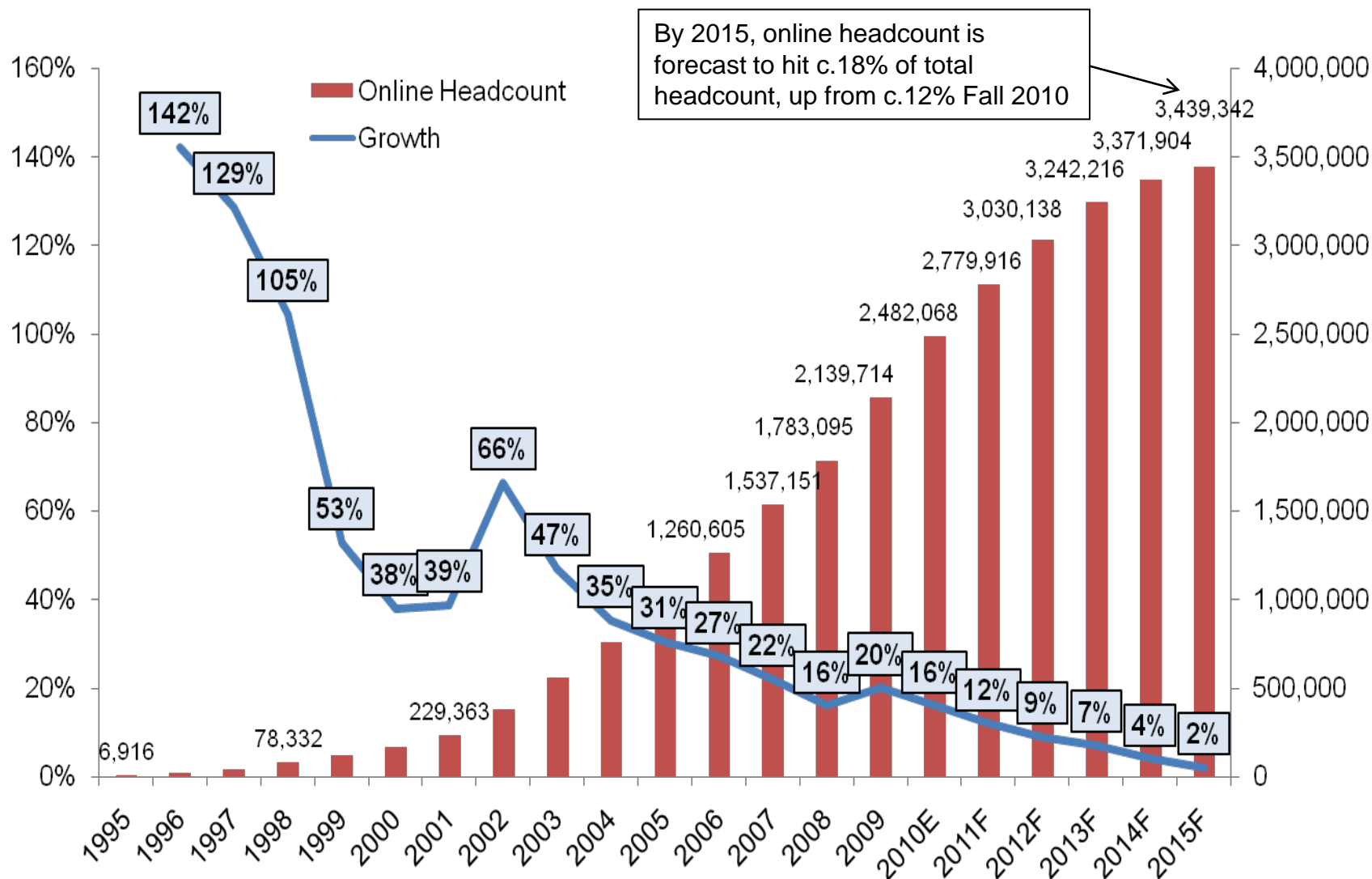
6. What percentage of all undergraduate and graduate students were enrolled in full-time online programs in Fall 2010?

a) 8%

b) 14%

c) 26%





Online significance in the adult market- Eduventures estimates that in Fall 2010, online headcount represented c.27% of total adult (aged 25+) headcount at degree-granting schools; and is forecast to hit 39% by 2015

Our Agenda Over the Next Two Days

University of the People

Marketing & Branding

Social Media

Reaching beyond the traditional student market

Getting more out of your staff

Using student outcomes to drive recruitment

Retention

“Big Data”

Assessment

Your feedback is important to us.

Please complete the evaluation for this session by visiting

<http://www.eduventures.vovici.com/se.ashx?s=53CDA9F50F7DD890>

and entering the code found on the back of your name badge.

Thank you!