

Continuing and Professional Education

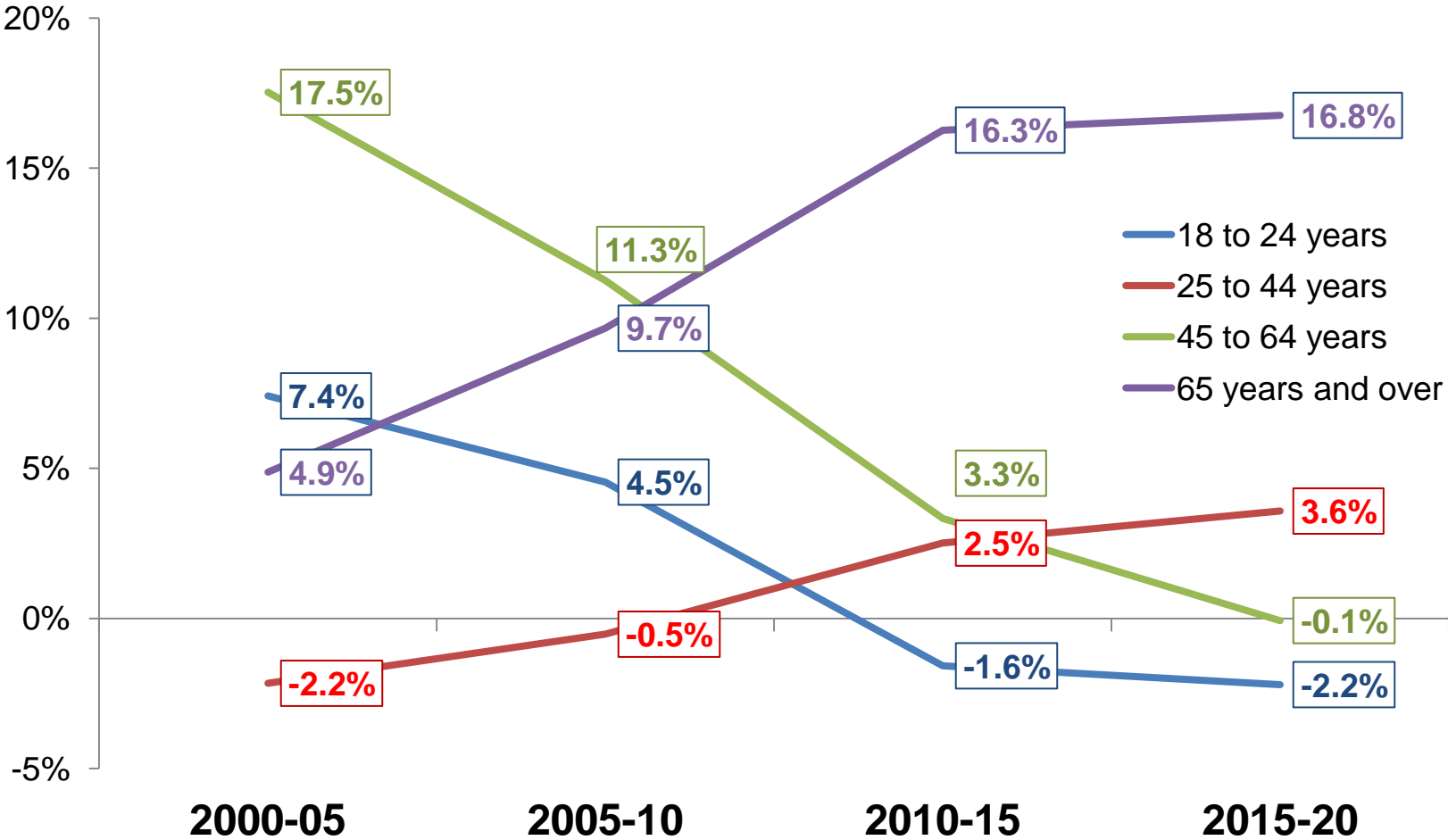
Transforming Higher Education By Design

June 2012



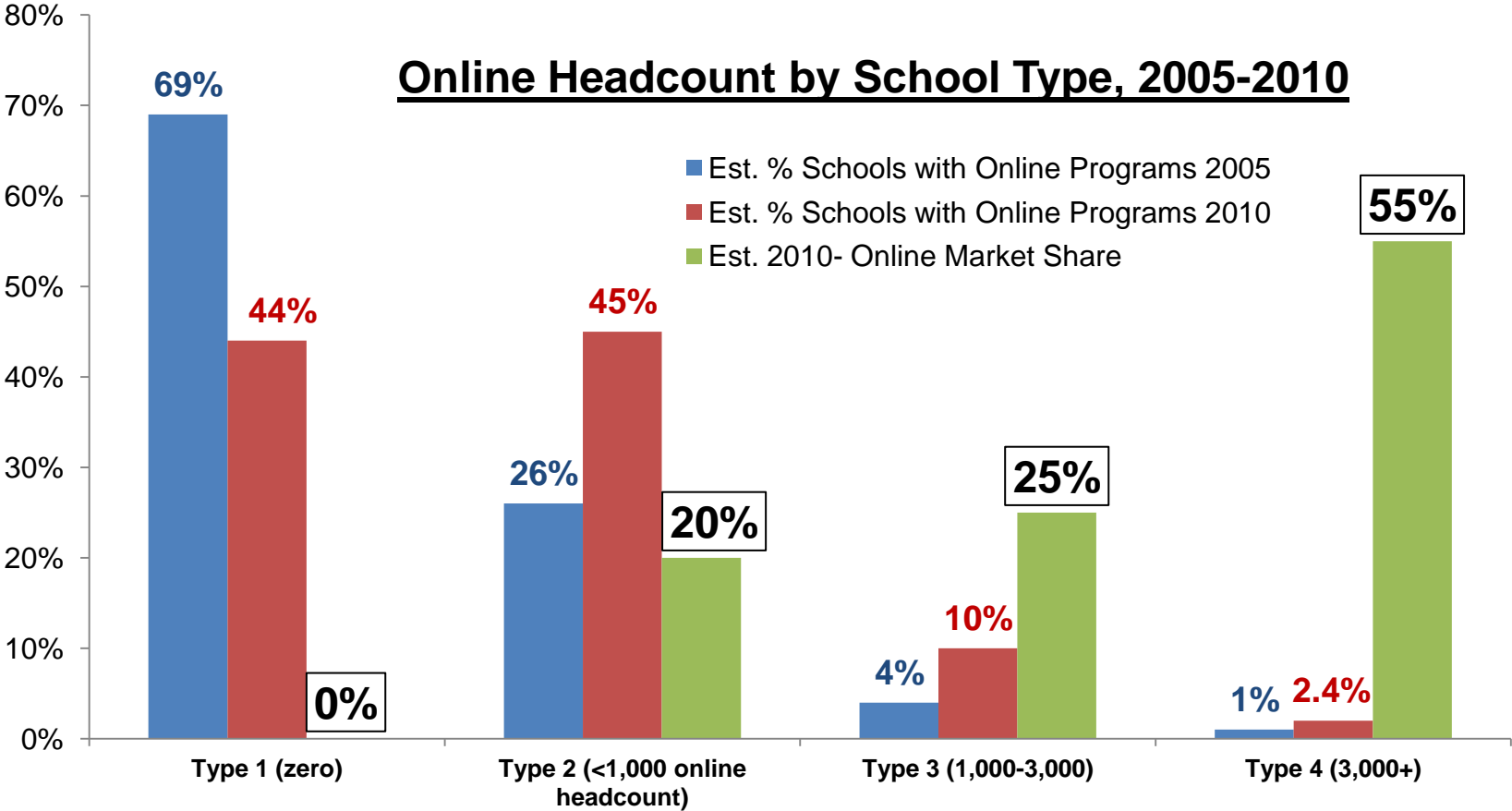
Forecasted growth in adult population with dip in traditional student population pushes some nonprofits to enter non-traditional markets

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

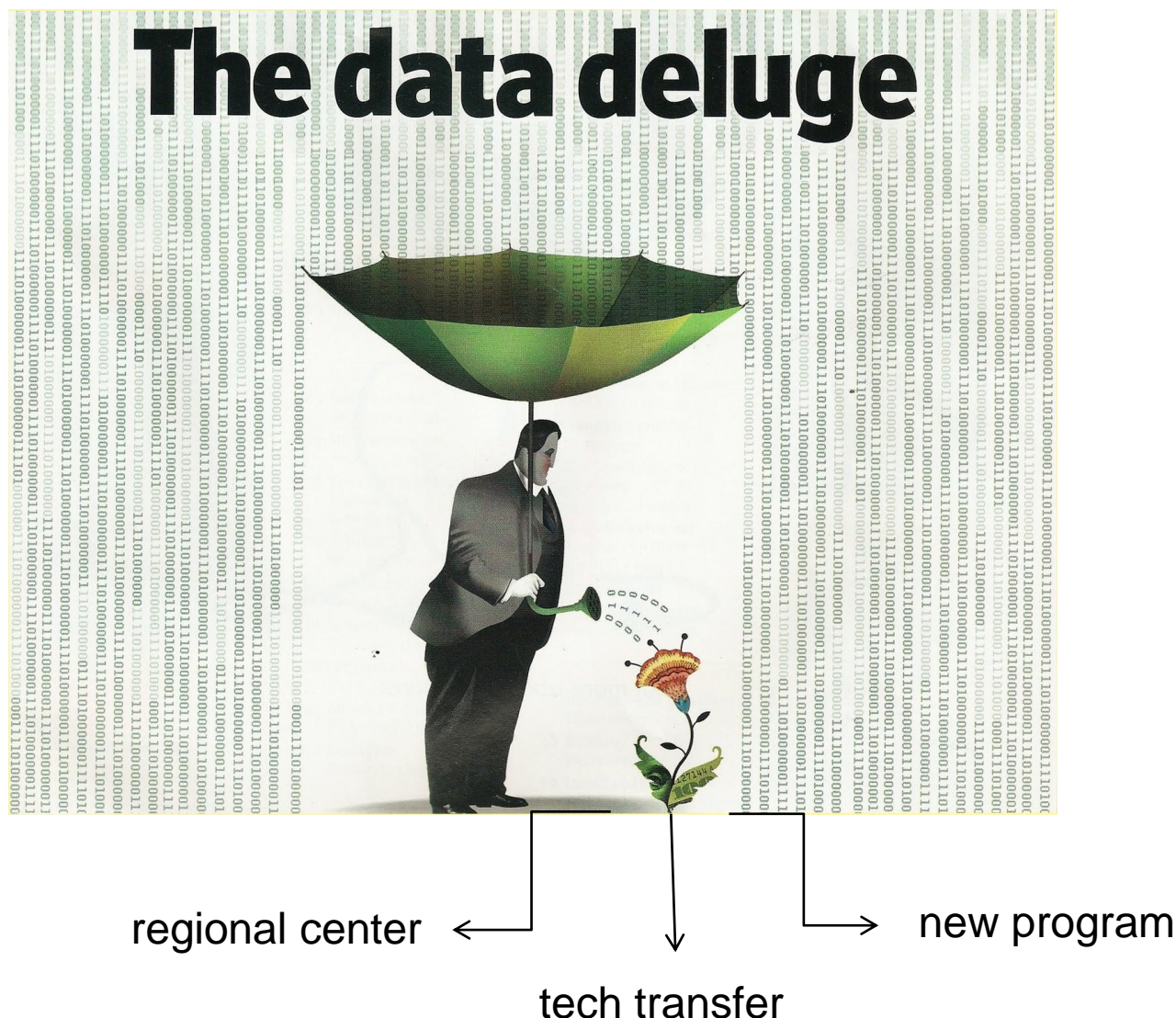


The majority of schools offer online programs, and the ratio rises; but, scale is still concentrated with a small minority

What exactly are we chasing?



New analytics tools help innovation incubators make sense of learners' behaviors and needs, and of real-time employment market trends.



The race to differentiate is on...

*I got my Millennial
MBA/MPH in Community
Healthcare Organizational
Leadership with a
concentration in Global
Innovation!*

*Did you choose the
blended cohort-based
option or the self-paced
online option with the
Saturday weekly flipped
classroom?*

Strategic institutions can operationalize what we currently know about non-traditional markets; this often requires some top-down investment

1. Leads to better financial aid counseling and tools for non-traditional learners

2. Improves career services resources for adult learners in a variety of program types

Gainful Employment Reporting

3. Results in regular alumni outreach processes and policies for outcomes collection

4. Strengthens student experience and satisfaction through enhanced financial aid, career services, and alumni services



How do we transform higher education organizational design and talent management practices to tackle mounting challenges strategically?

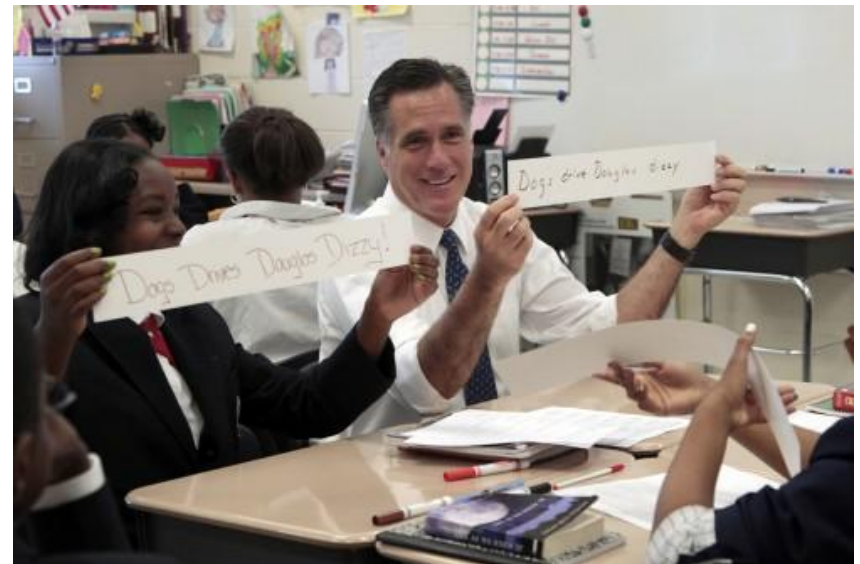
Questions:

- I use analytics tools/software:
 1. For enterprise management/learning analytics of my educational programs
 2. For market research/research into workforce trends
 3. For both
 4. For neither at the present time but I am working on this
 5. For neither, full stop

- My unit is going through some kind of organizational restructuring of staff positions and responsibilities:
 1. Right now
 2. In the next 18 months or so
 3. We're just recently on the other side of doing this and working out the kinks
 4. We're good, thanks

Join us for the June 11th CPE session at 3pm to discuss organizational design needs in higher education and in CPE with a view to 2020.

What we're less sure of...



U.S. committed to dramatic postsecondary expansion/degree completion; but other frictions challenge growth solution



Frictions in Higher Education: do they call growth into question?

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



Yes ROI!

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 ROI!

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.



"... 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?"

... But Peter Thiel's Investment Analyst job description asks for:

Desired Skills & Experience

- 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...

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

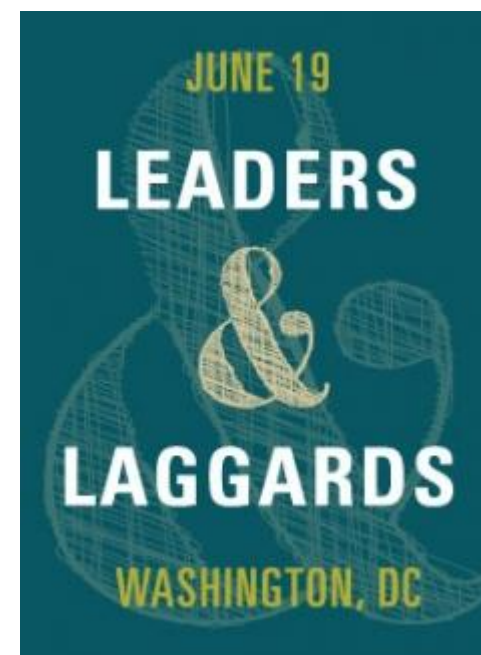
- Performance-based funding models are being considered or implemented in Indiana, Ohio, Tennessee, Pennsylvania, Arizona, Colorado, Illinois, Kentucky, Massachusetts, Missouri, Texas, and Virginia
- New Jersey Governor demands a merger of Rutgers-Camden with Rowan University by July 1, 2012 despite Rutgers Board of Trustees strong vote against
- Ohio Governor proposes faculty load increase of one course every two years



Leaders & Laggards: A State-by-State Report Card on Public Postsecondary Education could spark new conversation around reform

State-by-state analysis of public four-year and sub-baccalaureate university systems in six areas:

- Access, Success, and Degree Production
- Cost-Effectiveness
- Meeting Labor Market Demand
- Transparency and Public Accountability
- Policy Environment
- Innovation



Questions:

- What is the most active partnership you have currently with industry?
 1. Worker training contracts
 2. Learn and earn programs
 3. Local and State workforce development center partnerships
 4. Industry advisory boards for programs and planning
 5. None of the above

- What is the most significant barrier to engaging businesses and industry leaders in your educational programs and ROI measurements?
 1. My time
 2. Staffing levels and/or expertise
 3. Institutional lack of understanding of industry and their needs
 4. Industry's lack of understanding of higher education governance and business models
 5. Other

Join us for the 1:30pm CPE session on 6/12 to discuss building better connections with industry with Maria Flynn from Jobs for the Future

The Great Unknown



“Mega-trends,” according to Education Innovation Summit, posit that education is at a tipping point

- Adaptive learning
- Public/private partnerships
- Disruptive pricing, freemiums
- Meeting people where they are
- Peer-to-peer collaborative learning
- Credit currency
- Analytics
- Interactive content (games, mobile)

Future of Credentialing: MOOCs, Badges, and Bachelors

Q. If you can get this low-cost certificate, could this be an alternative to the \$40,000-plus per year tuition for a degree?



mozilla



badges = visual representations
of a **skill** or **achievement**

Future of Credentialing: MOOCs, Badges, and Bachelors

Q. If you can get this low-cost certificate, could this be an alternative to the \$40,000-plus per year tuition?

MIT Provost: First of all this is not a degree, this is a certificate... The second important point is it's a completely different educational environment. The real question is, **What do employers want?**... one can think of, "What if in a few years, I only take two MITx-like courses for free and that's enough to get me a job?"

MIT Director of Computer Science: ...online technologies and online mechanisms will also **improve the on-campus experience...** If a lot of the grading and mechanical and repetitive things... can be offloaded to online technology, that gives professors more time and enables them, both professors and students, to participate in certain kinds of activities such as doing projects, being creative, the apprenticeship model of education.

How can we better understand our credentials in the marketplace?

**Join us for the 6/12 CPE session at 11am on
Employment and Program Trends**

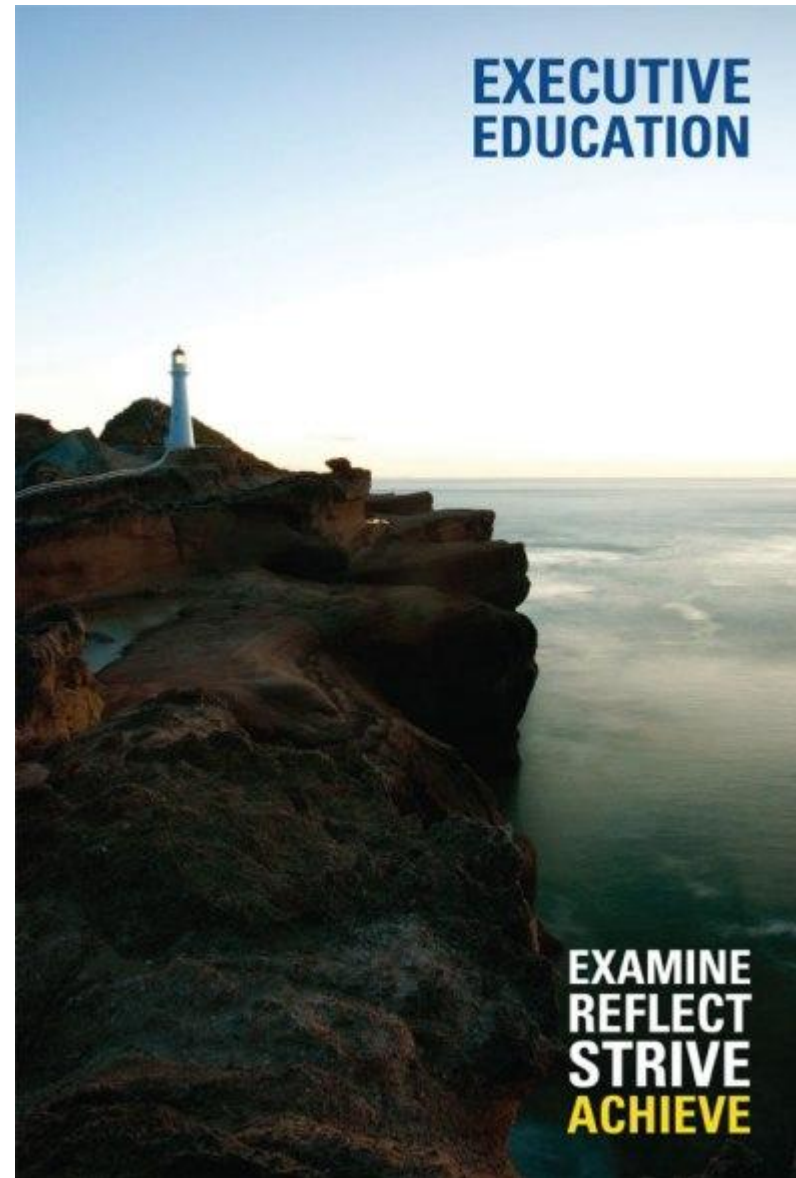
Future of Credentialing: MOOCs, Badges, and Bachelors

- What is the most critical core competency at your educational institution?
 1. Research
 2. Teaching
 3. Learner/learning management
 4. Professional skills development
 5. None of the above

- Are you considering “freemiums,” co-curricular skills recognition awards, such as badges, and/or unbundled services that students can select a la carte?
 1. Yes
 2. No

- What do your industry contacts and advisory boards think about these potential disruptions and alternative credentials?

What about non-credit?



NCES has not given the Adult Education Survey since 2005

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Table A5. Percentage of adults and of participants who participated in each type of formal learning activity: 2004-05

Formal learning activity	Percent of adults	Percent of participants
Total	47.9	100.0
English as a Second Language class	0.9	1.9
Basic skills/General Educational Development class	1.3	2.8
College/university degree or certificate program	10.5	22.0
Vocational/technical diploma, degree, or certificate program	1.7	3.6
Apprenticeship program	1.2	2.5
Work-related course	26.9	56.3
Personal interest course	21.4	44.8

NOTE: Detail may not sum to totals because more than one learning activity can be taken by participants.

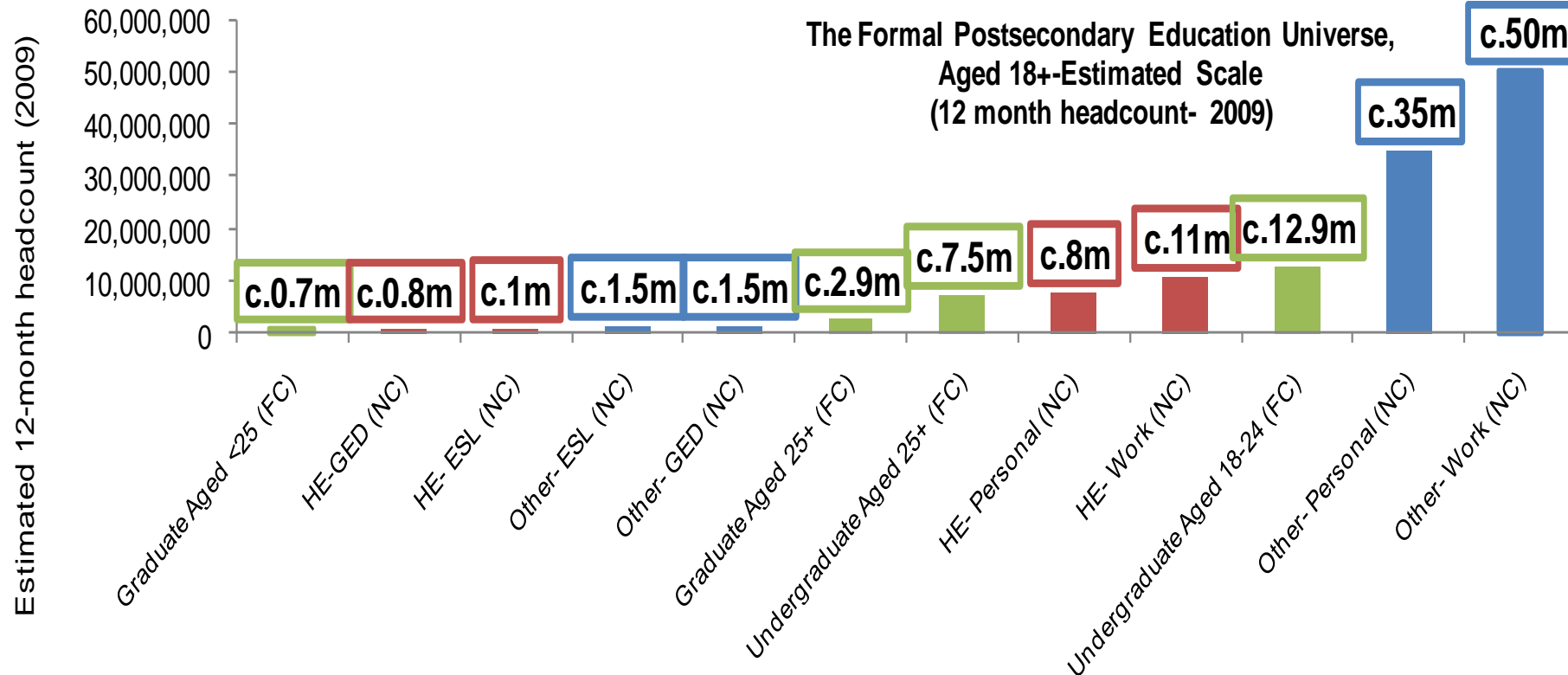
SOURCE: U.S. Department of Education, National Center for Education Statistics, Adult Education Survey of the 2005 National Household Education Surveys Program.

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U.S. Non-Credit Participation Rate. In 2005, net non-credit adult participation rate was 44%, down slightly from 2001 and 2003, but higher than 1990s numbers. What has happened since 2005???



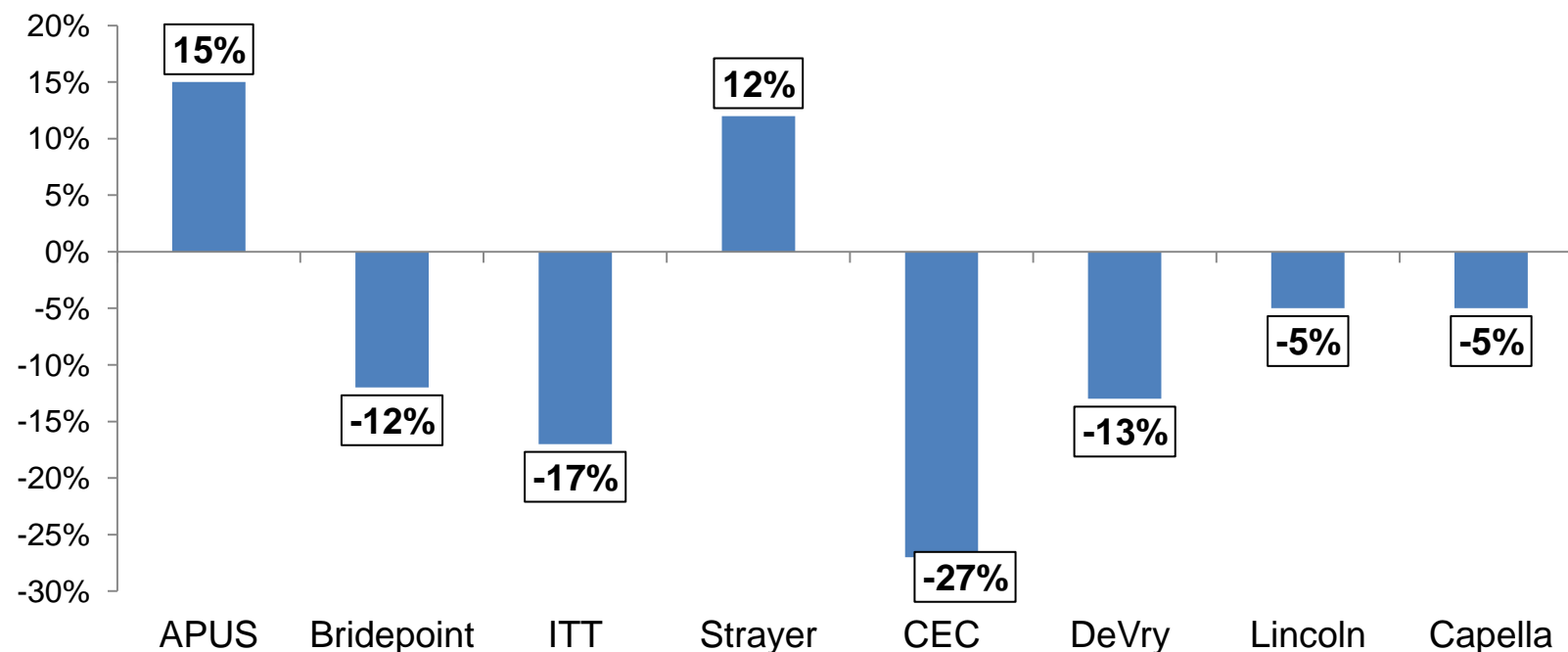
Type	Market Share
For-Credit	18%
Other Non-credit (NC)	66%
Higher Education Non-credit (NC)	16%

Eduventures' non-credit database: approximately 1,300 programs across 50 schools help to give some market sensibilities

Some highlights to date:

- Approximately 75% of certificates are professional rather than personal interest (latter more visible at course level)
- Approximately 95% of certificates are aimed at adult or generic consumers (remainder retirees, international, corporate, youth-all more visible at course level)
- Non-credit certificates more concentrated by main field of study: 53% Business, IT, Healthcare, compared to 30% at degree level
- Approximately 40% of certificates online, and quite common at course level
- <10% of certificates cite a third party partnership

Q1 2012 for-profit starts: fueling renewed interest in non-credit and niches such as continuing ed, executive ed, medical ed, etc.?



Will loss of for-profit momentum remove critical stimulus from the overall adult market, or stoke opportunity for nonprofit schools? Will scaled for-profit focus on non-credit markets be transformative, or short-term?

Yearly change in “new starts” at for-profit institutions:

APUS	+58%	DeVry	-26%
Bridgepoint	-8%	Apollo	-34%
EDMC	-11%	Lincoln	-35%
ITT	-14%	Capella	-36%
CEC	-15%	Kaplan	-37%
Strayer	-22%		

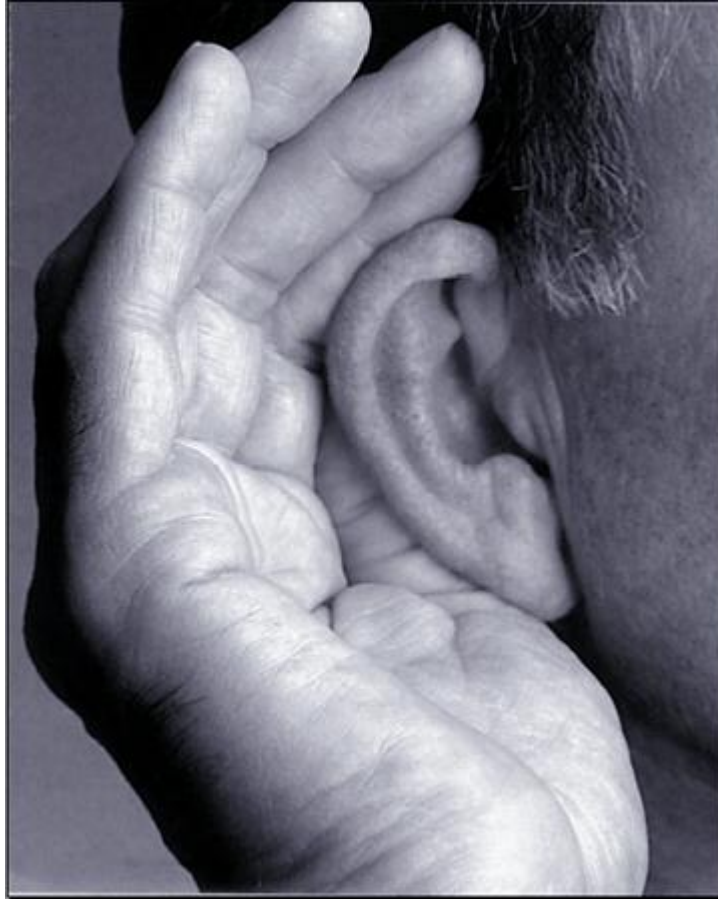
Average for group (excluding APUS): **-24%**

Will loss of for-profit momentum remove critical stimulus from the overall adult market, or stoke opportunity for nonprofit schools? Will scaled for-profit focus on non-credit markets be transformative, or prove short-term?

The U.S. organizational/non-credit learning market might be viewed as ripe for innovation/expansion, akin to the adult for-credit market that for-profit schools reinvented

- Clearer mapping of non-credit attainment might have a variety of effects:
 - A more positive view of total postsecondary attainment beyond degrees and “some college”
 - Greater clarity on occupations/populations where non-credit solutions is worked or would be a better fit
 - Emergence of a common currency as powerful as academic credit to track, evaluate and advocate participation across industries
 - A more practical solution to the creation of a “universal” postsecondary society

How can we be heard in the middle of all of this noise?



Context-specific data!

Demonstrations of value, achievements, and contribution can help resolve our “hidden” status

Introducing:
Eduventures’ 2012 Performance Benchmarking Study:
Critical Insights for Continuing Education Leaders

This study is being conducted in partnership with



Missing Metrics:

Collection of continuing and professional education metrics allows members to:

- Advocate meaningfully to Provosts and Presidents for institutional leverage, investments, and strategic leadership
- Educate internal and external audiences about the role of non-traditional education in higher education and in workforce development
- Demonstrate value of continuing, professional, non-traditional education in dollars, in volume, and in strategic connections
- Meet demands for greater transparency and accountability
- Highlight volume of degree, for-credit, and non-credit programming in CPE

The Proposed Metrics: Benchmarking Continuing Education

- **Metric #1** Physical and Virtual Classroom Usage
- **Metric #2** Revenue-sharing, Accreditations, Contracts
- **Metric #3** Content Development and Delivery Costs
- **Metric #4** Staffing Composition
- **Metric #5** Marketing Channels Spend
- **Metric #6** Inquiry and Application Volume
- **Metric #7** Headcount and Enrollments
- **Metric #8** Headcount by Program
- **Metric #9** Retentions and Completions
- **Metric #10** Tuition Sources
- **Metric #11** Revenue and Expenses

We need your participation for this study to have greatest impact!

Timeline:

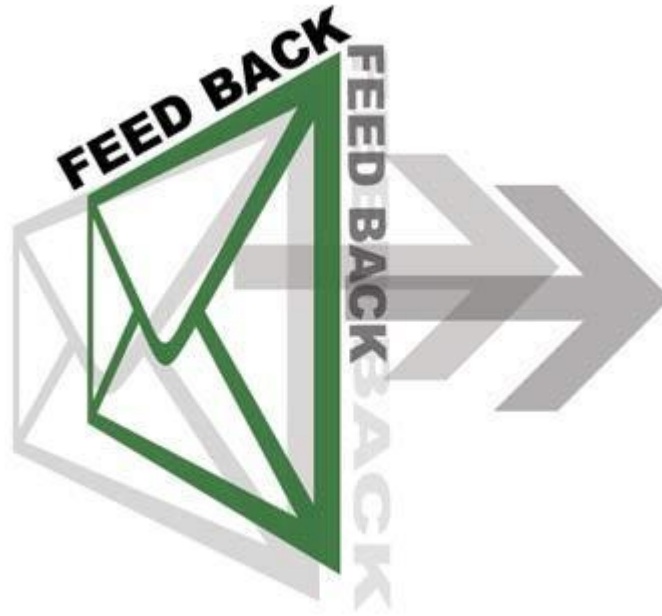


**June 2012:
Call for
participation**

**July – August
2012:
Data collection**

**September –
October 2012:
Analysis and
report**

To participate: mandrich@eduventures.com



Thank you!

Melanie Andrich, Principal Analyst
mandrich@eduventures.com