Significant Trends In U.S. Higher Education

Prepared for the Kansas Regents Retreat, 2012

David Shulenburger

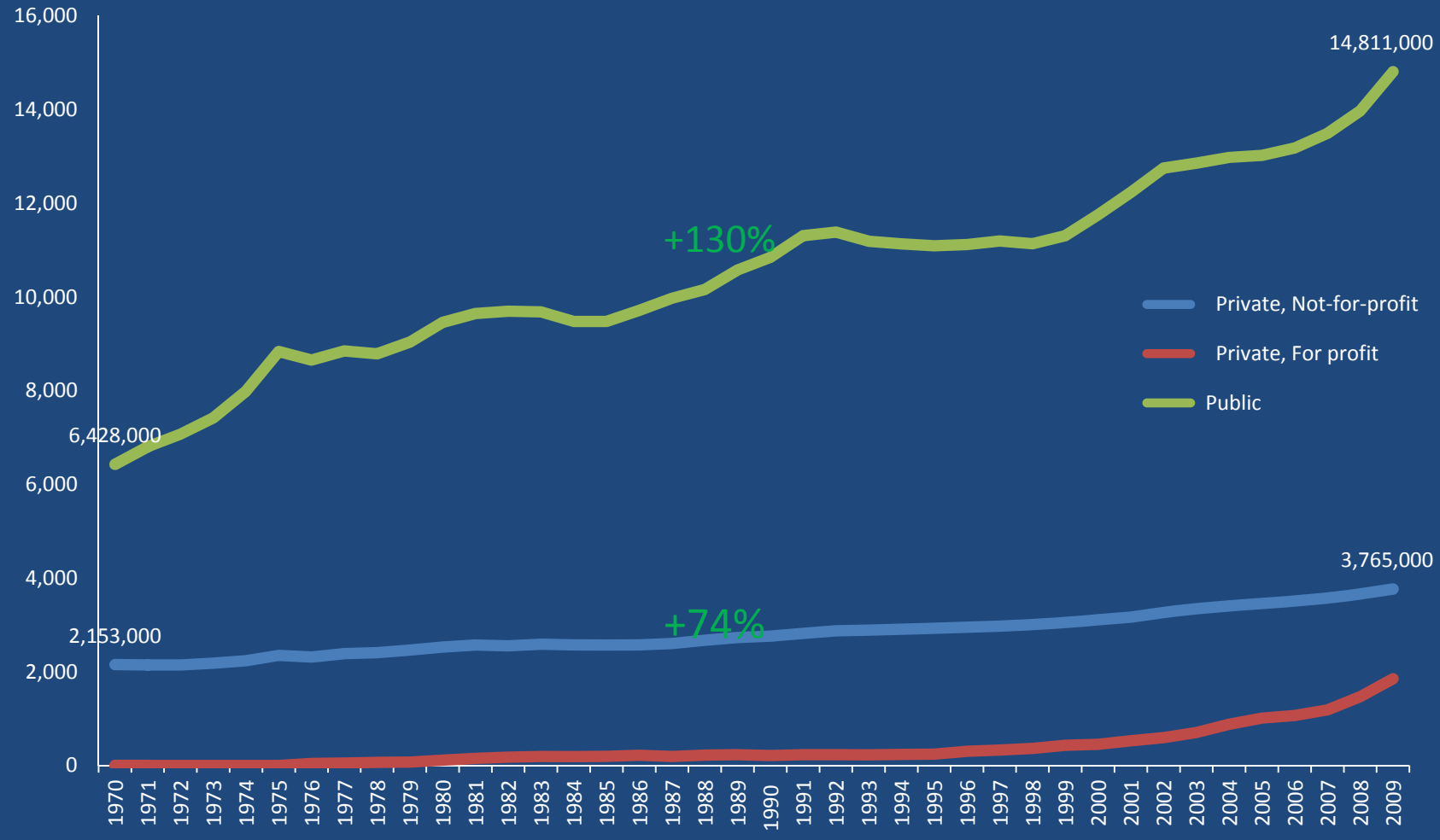
Senior Fellow, Association of Public and Land-grant Universities

Six Trends

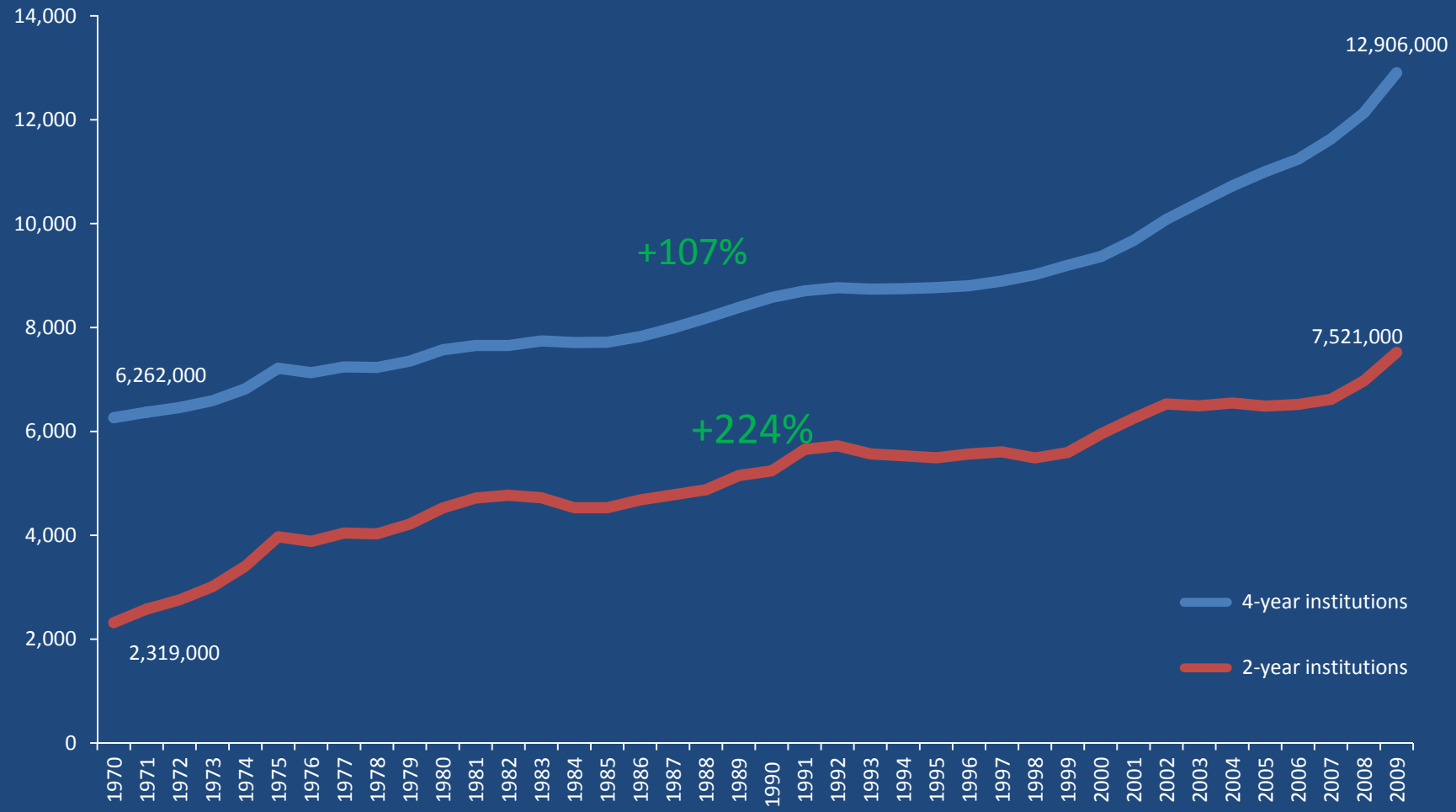
- Trend I: The Demand for Higher Education Continues to Surge
- Trend II: State Support for Higher Education Continues to Drop, and Tuition Increases Follow. Selective Private Institutions Thrive.
- Trend III: To Balance the Budget Public Universities try to Increase Enrollment of Nonresident Students.
- Trend IV: The Search for the Grail, *A Universal Method for Measuring Learning Outcomes*, Continues and the Stakes Grow Higher.
- Trend V: The Face of Higher Education Changes: For Profit Higher Education Stumbles Forward (Rapidly).
- Trend VI: Online Education Becomes Respectable.

Trend I: The Demand for Higher Education Continues to Surge

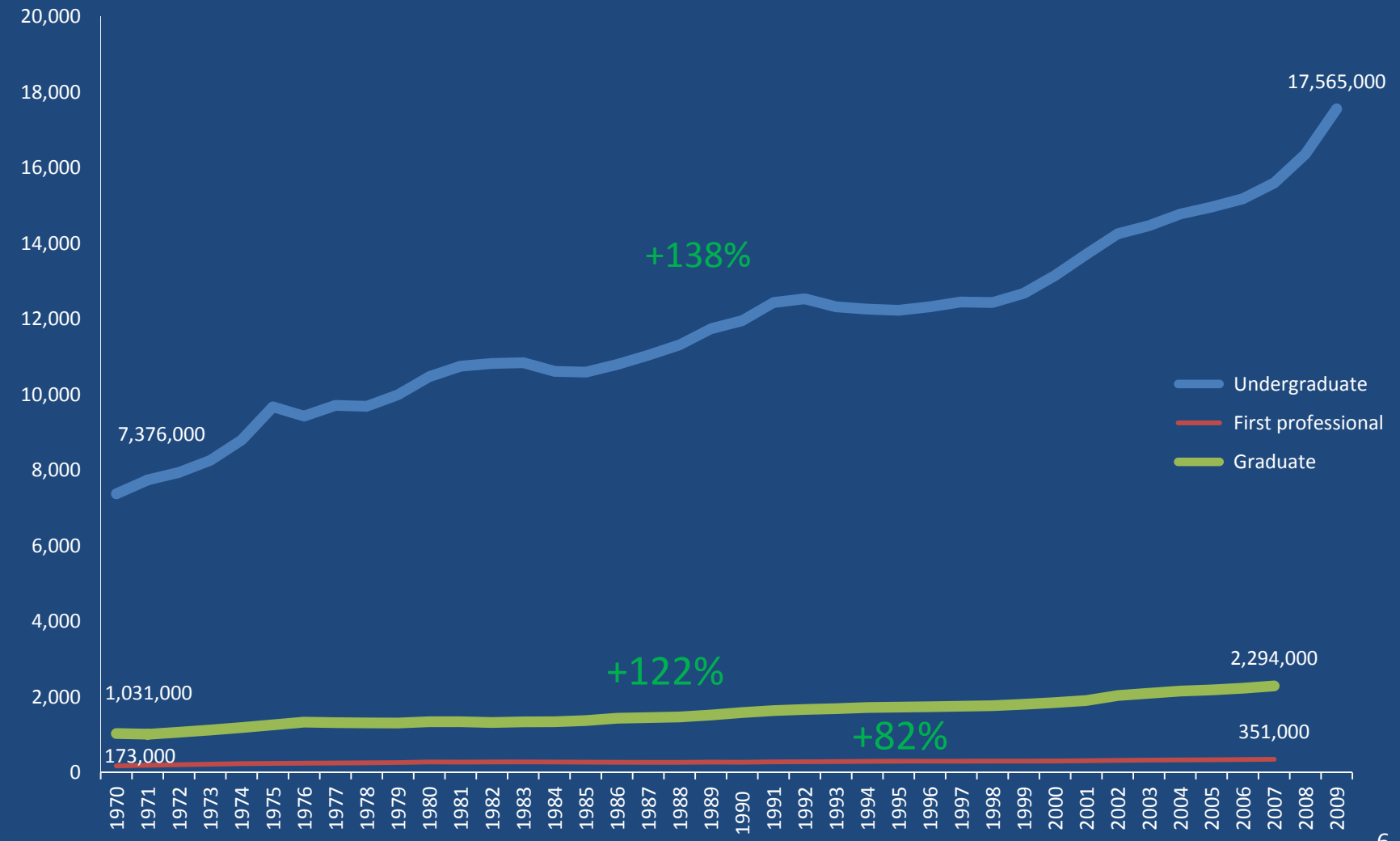
Higher Education Enrollments Continuously Grow



At Both Two and Four-year levels

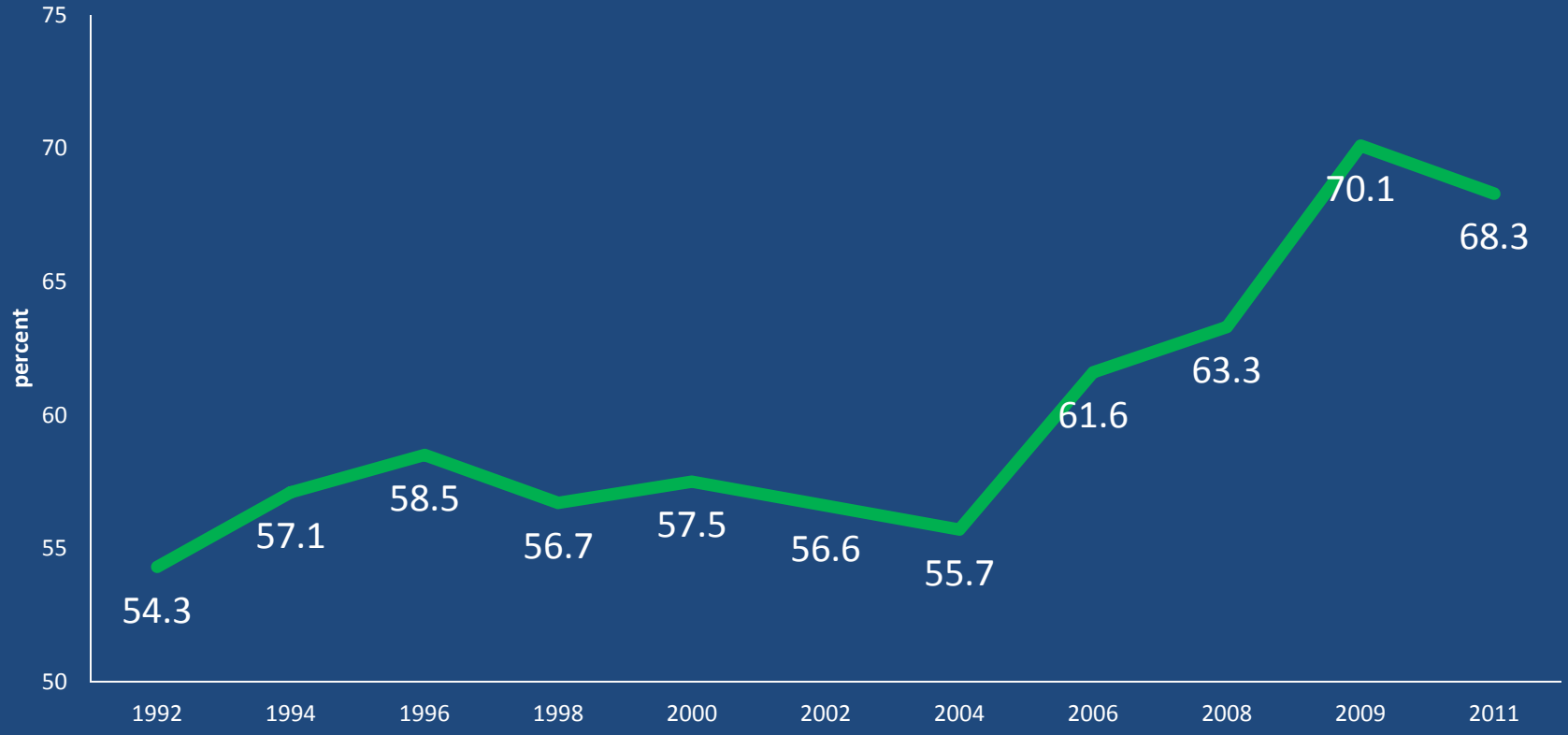


And at Each Level of Study

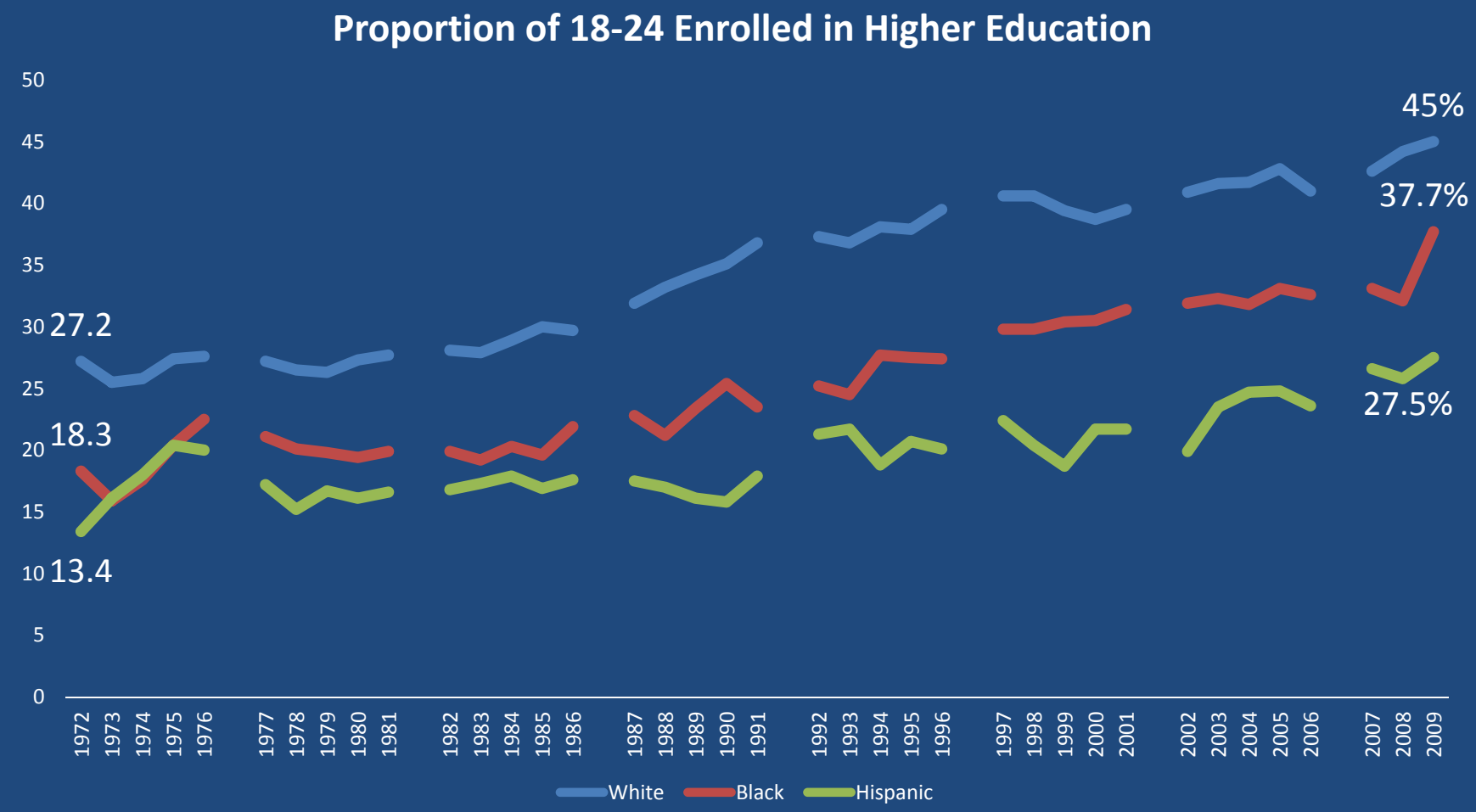


Young People are deciding to start College at an increasing rate

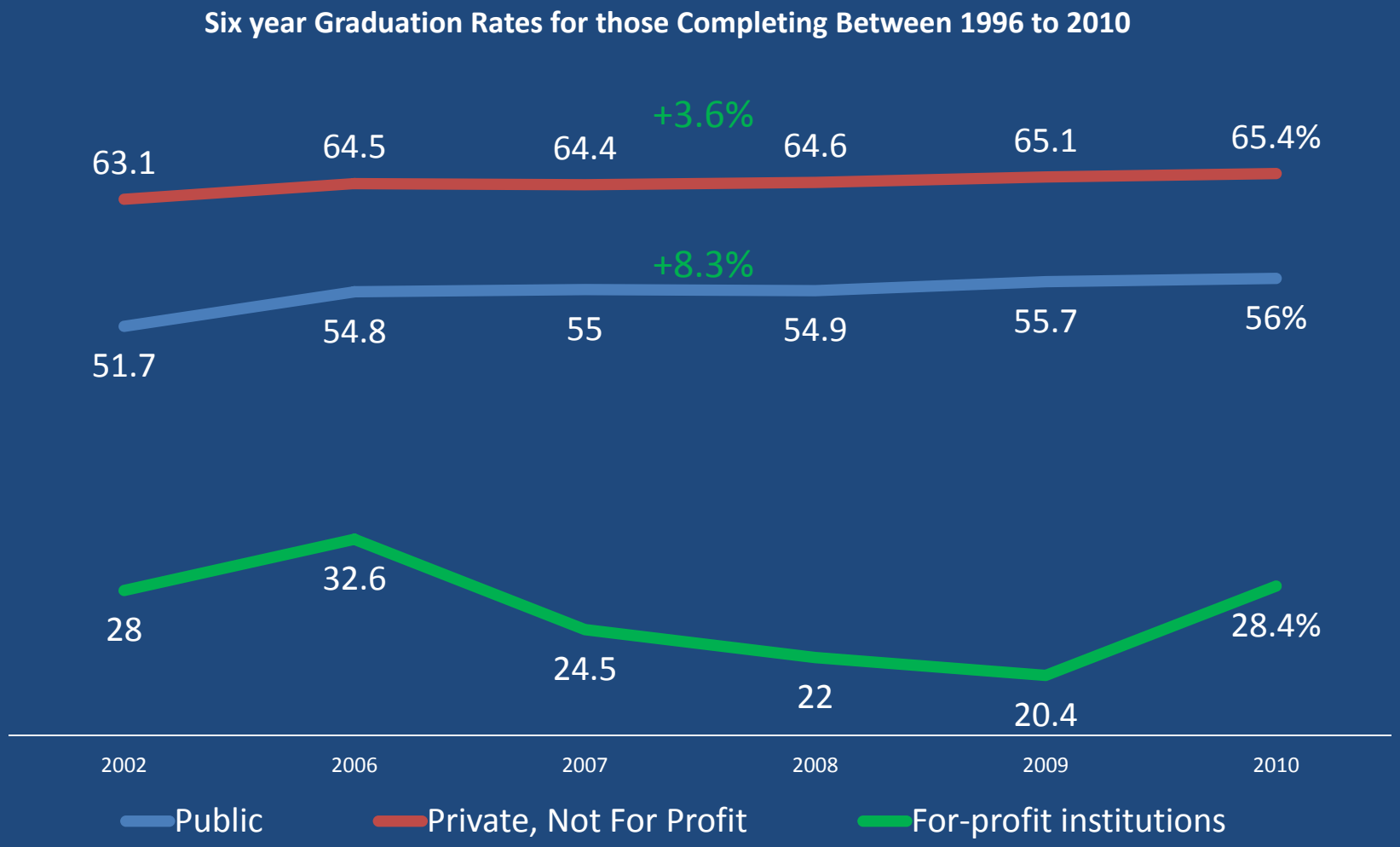
Proportion of High School Graduates Enrolled in College in Fall Semester



And the Proportion of Young People Enrolled in Higher Education Increased

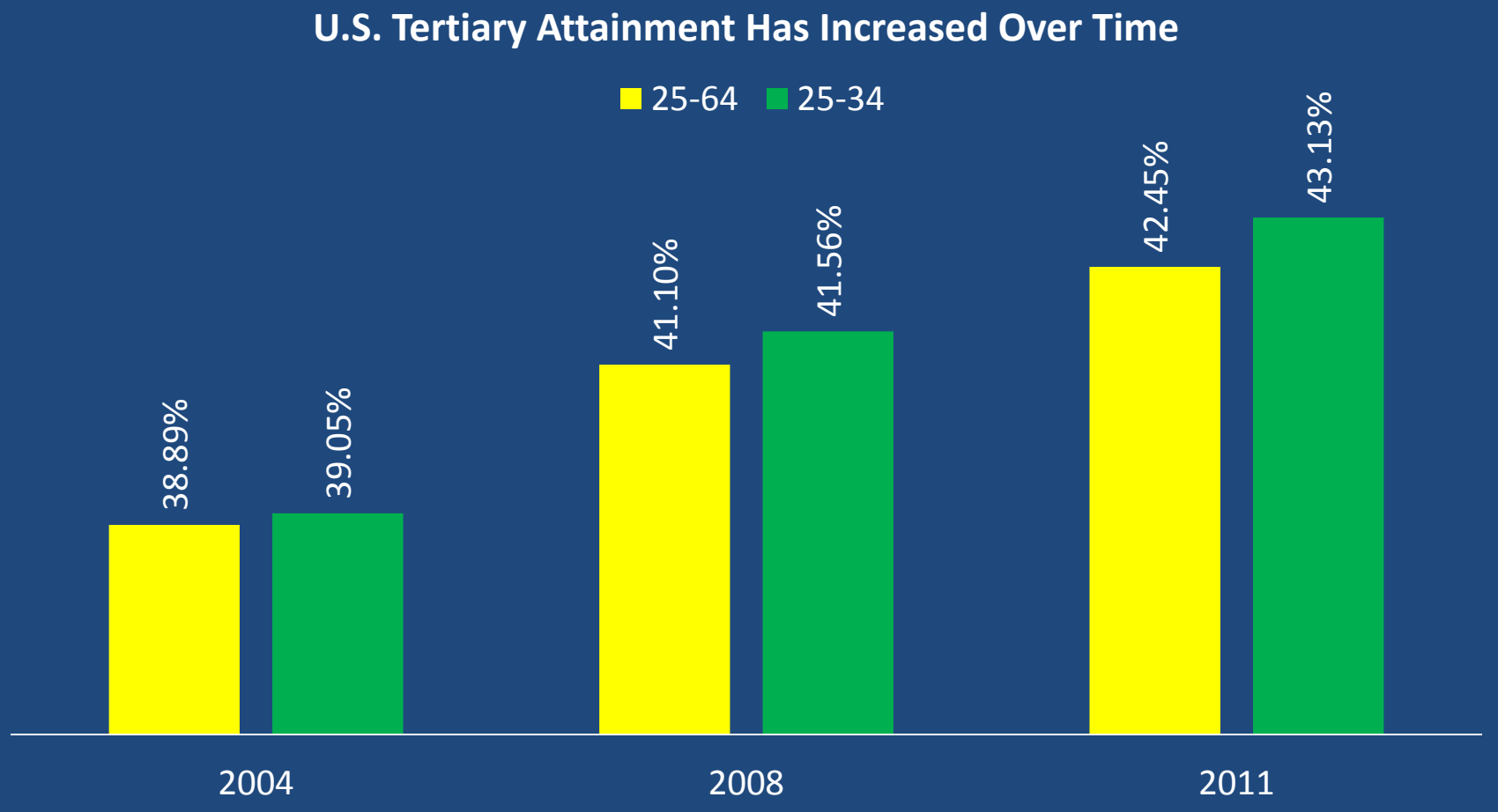


And Graduation Rates have Increased (except at for-profit institutions)

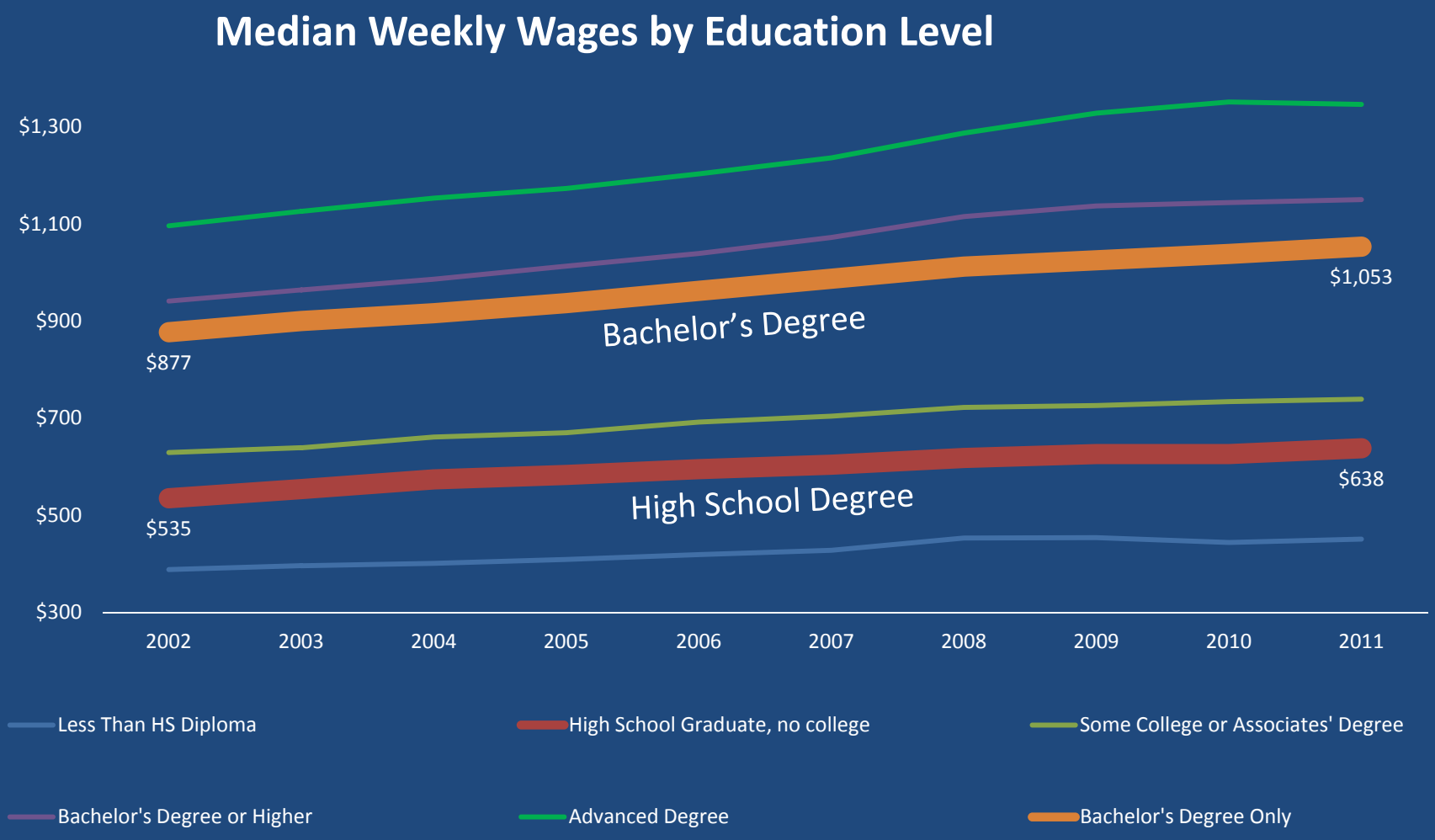


Tertiary Attainment has Improved

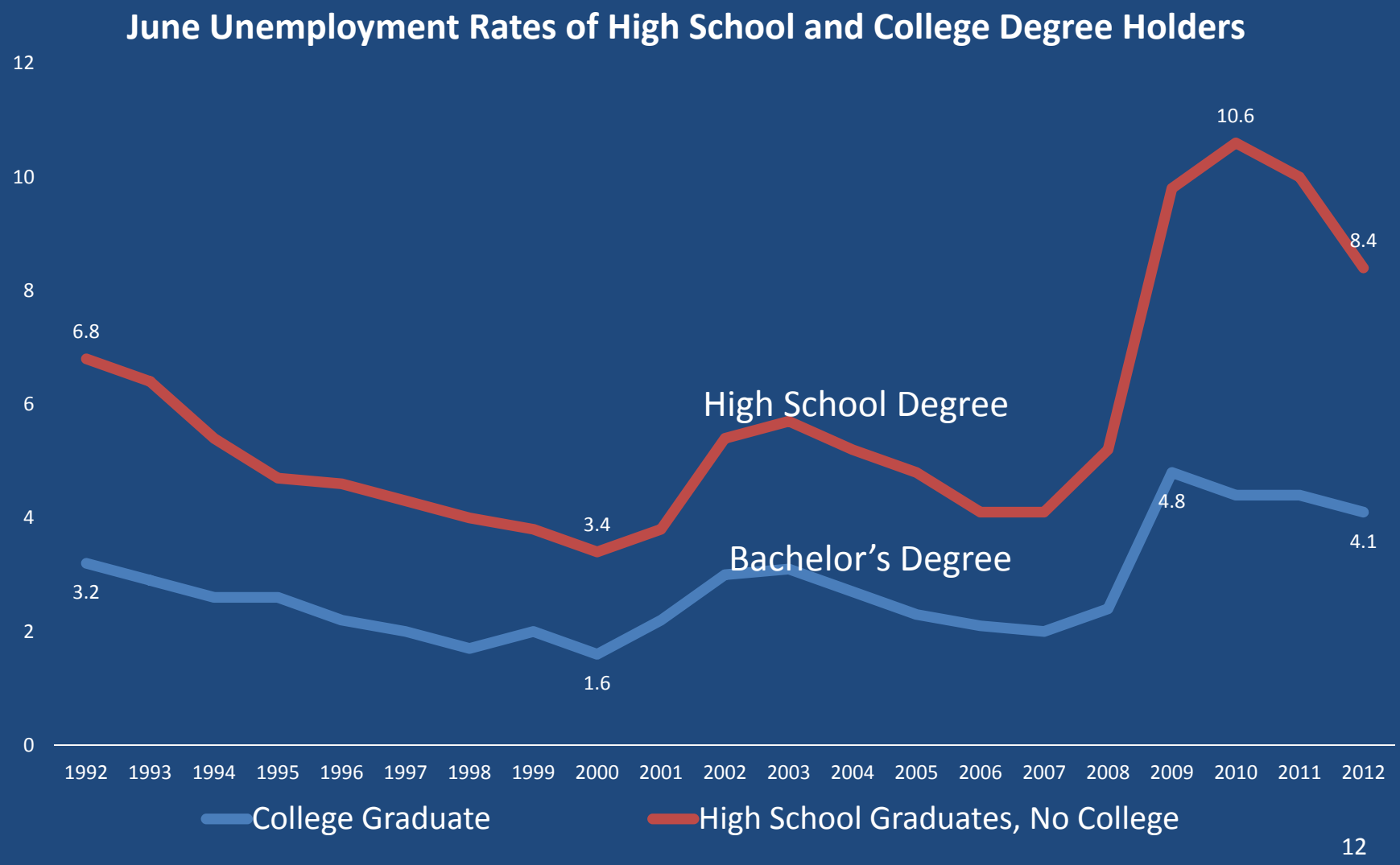
Japan 55.7%
Canada 56.1%



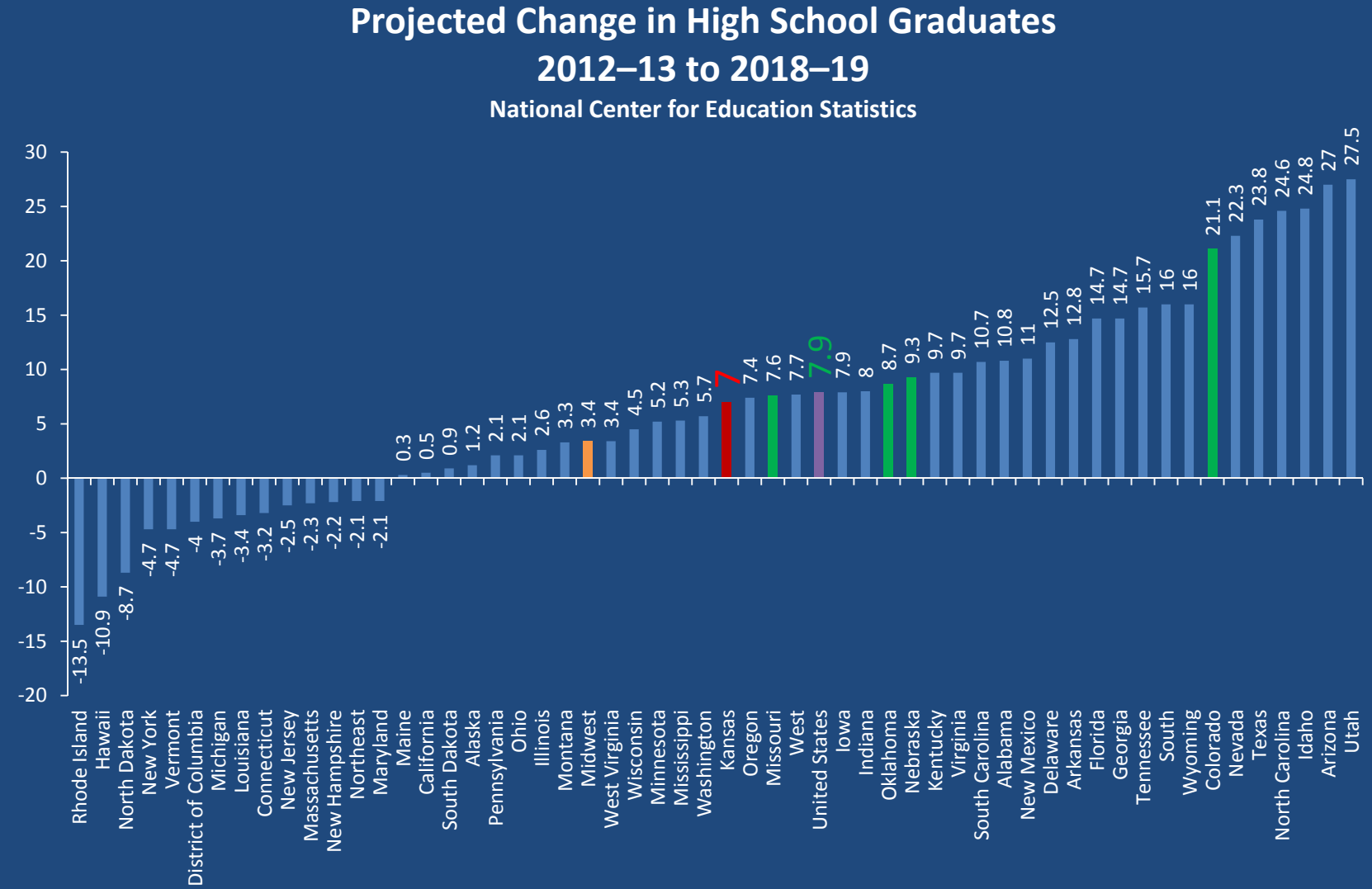
The Earnings Reward for Higher Education Continues to Grow



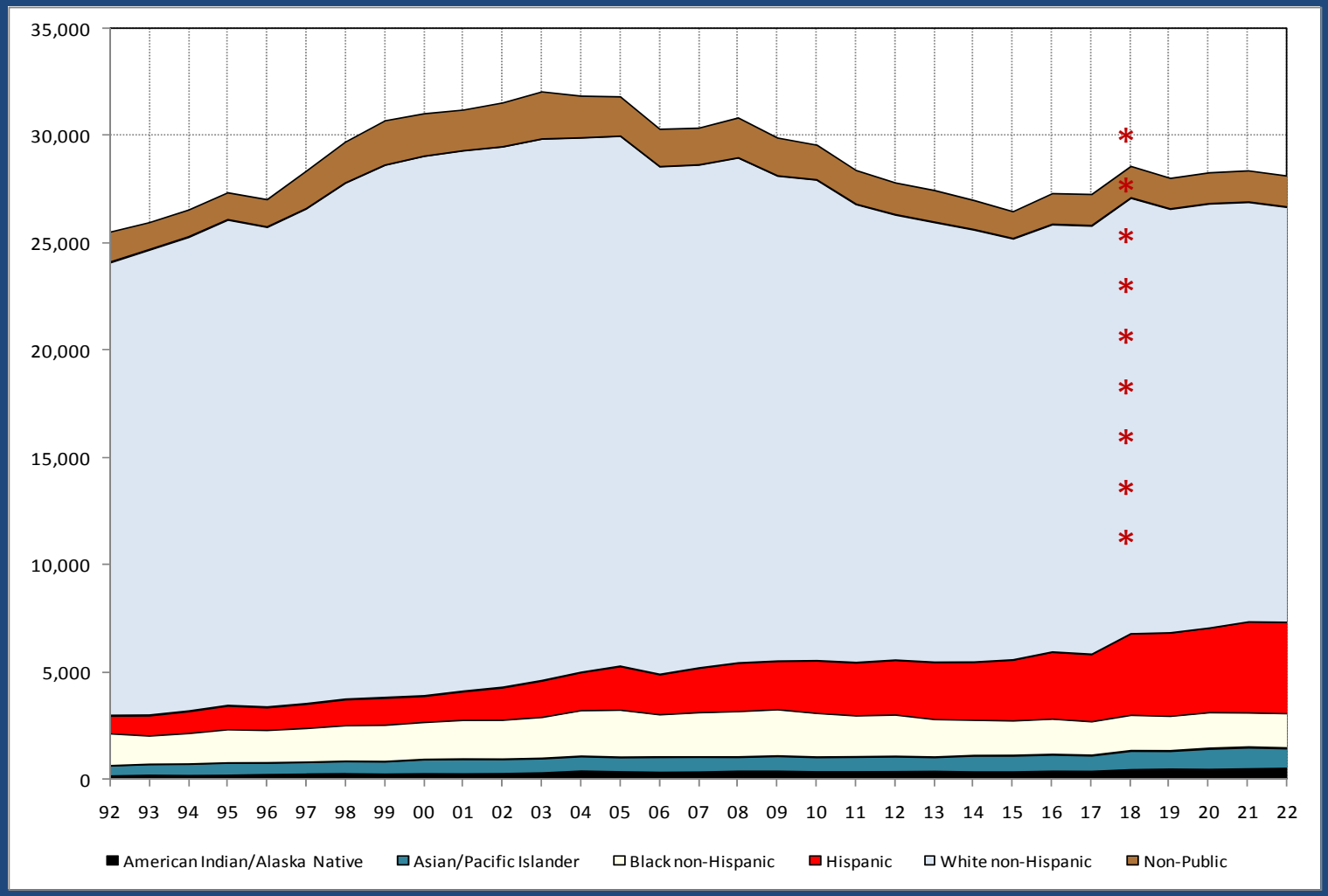
And the Chances of Being Unemployed are More than Twice as Great without the Bachelor's Degree



Kansas will have a Larger High School Graduating Class for the next six years.

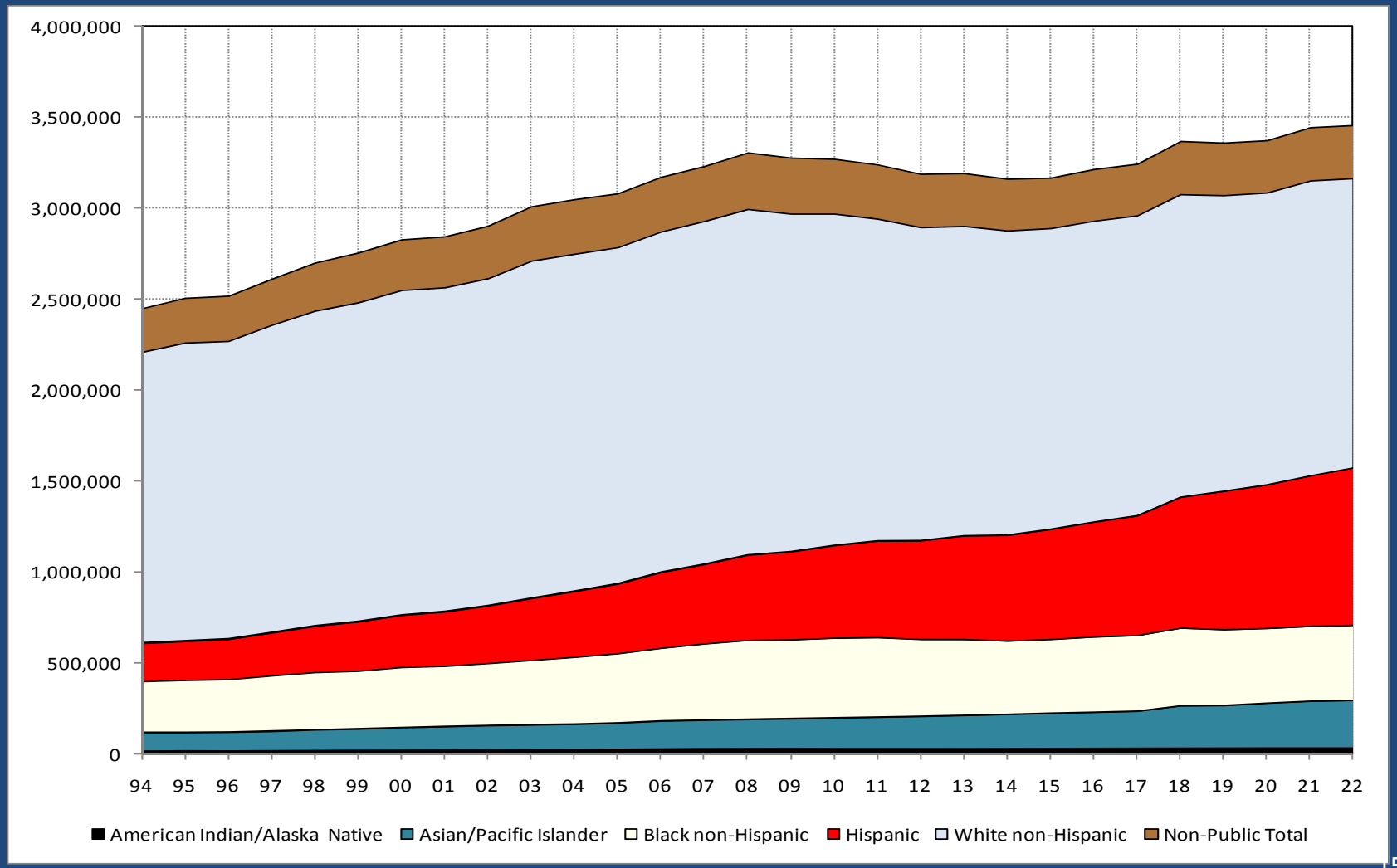


But 2018 is a Peak Year. Following that a small decline then stable high school graduating classes through 2022. The Mix of students shifts steadily toward Hispanic.



Source: WICHE/The College Board

Slow Growth Nationwide through 2022 with a shift toward Hispanic Students.

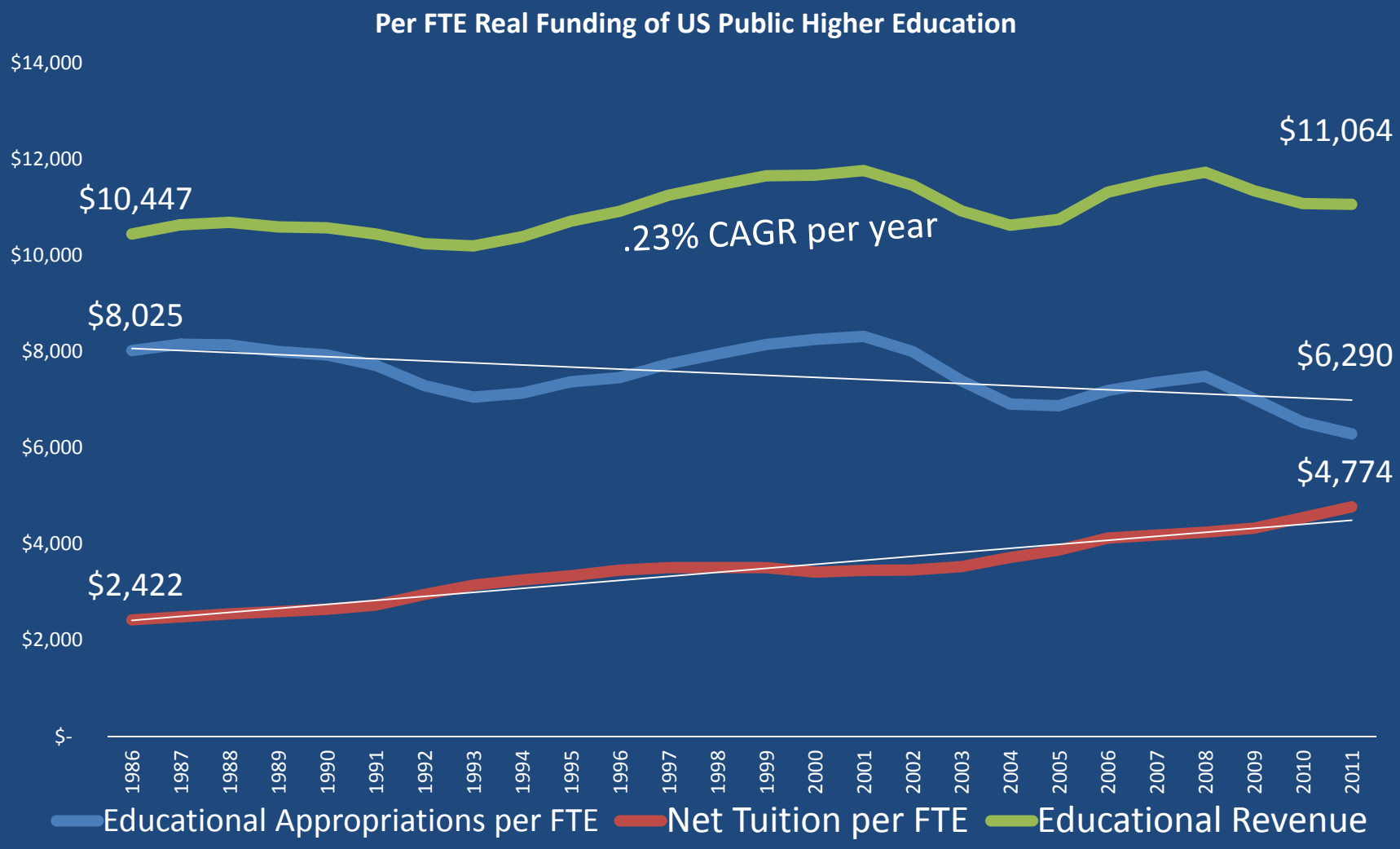


Source: WICHE/The College Board

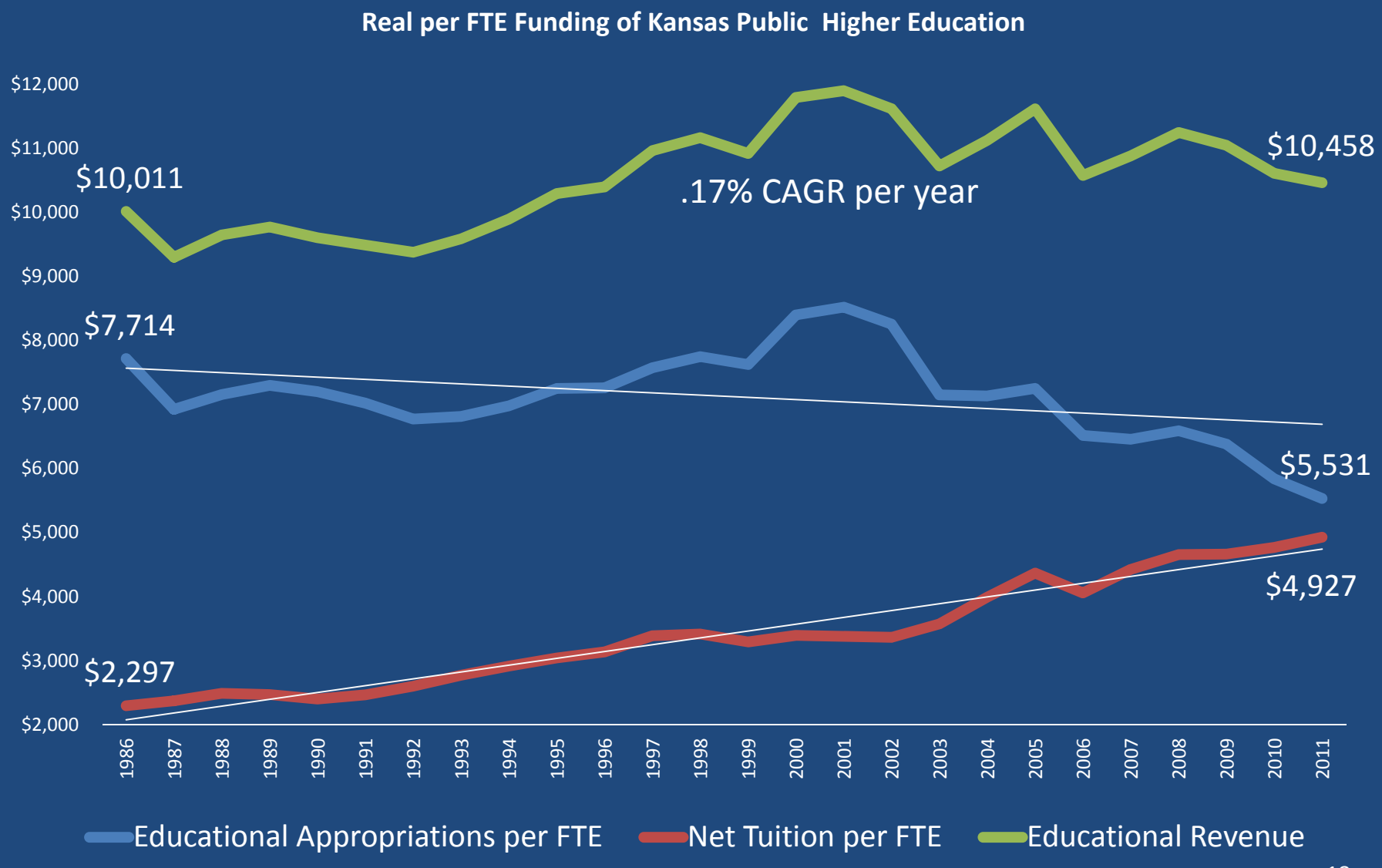
Trend II: State Support for Higher Education Continues to Drop, and Tuition Increases Follow. Selective Private Institutions Thrive.

Federal subsidies push the real cost of higher education down

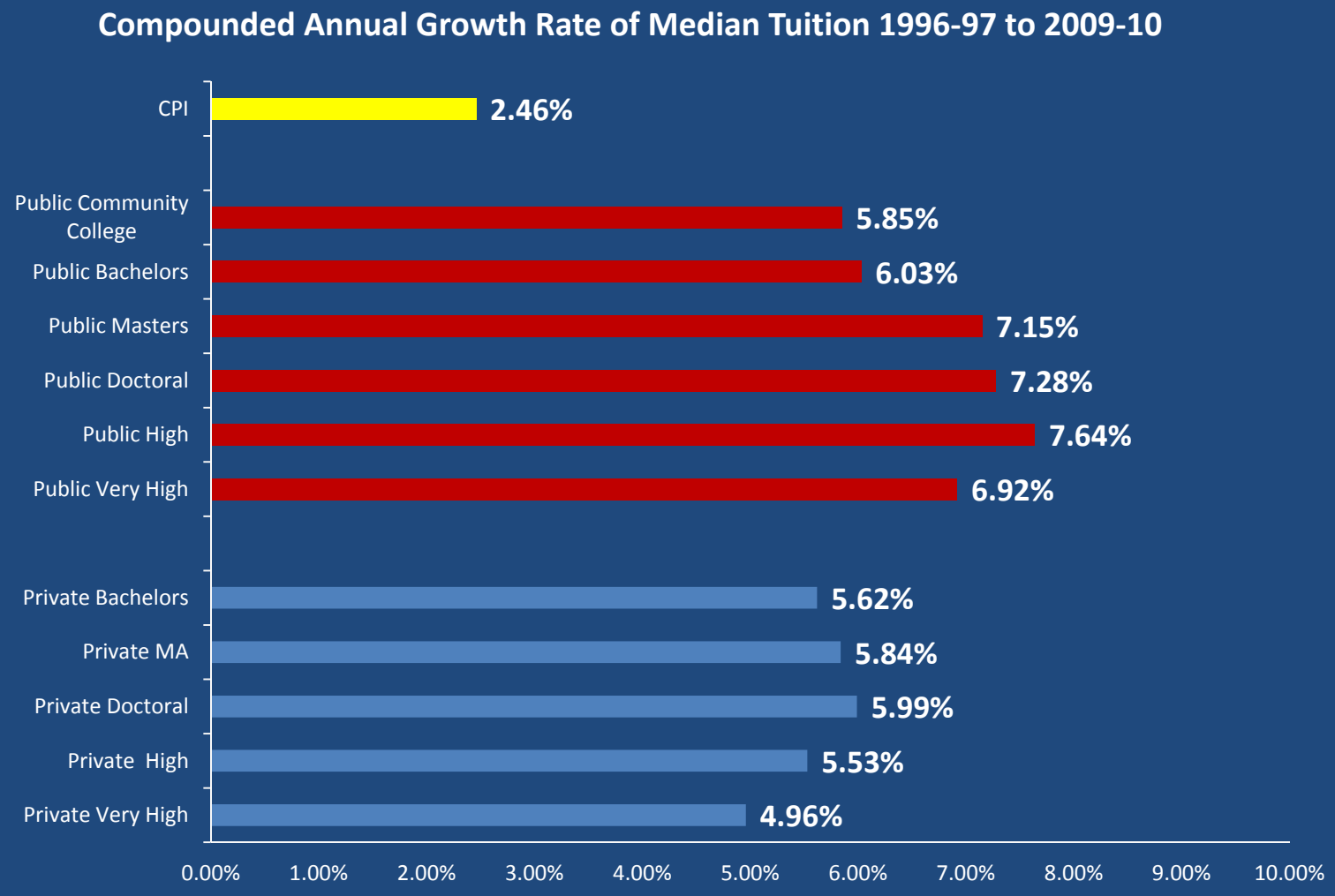
Public Universities Have Substituted Tuition Increases for Reduced State Appropriations on a Near Dollar per Dollar Basis



As Have Kansas Universities and Colleges



Tuition Increased Dramatically Faster than the Rate of Inflation

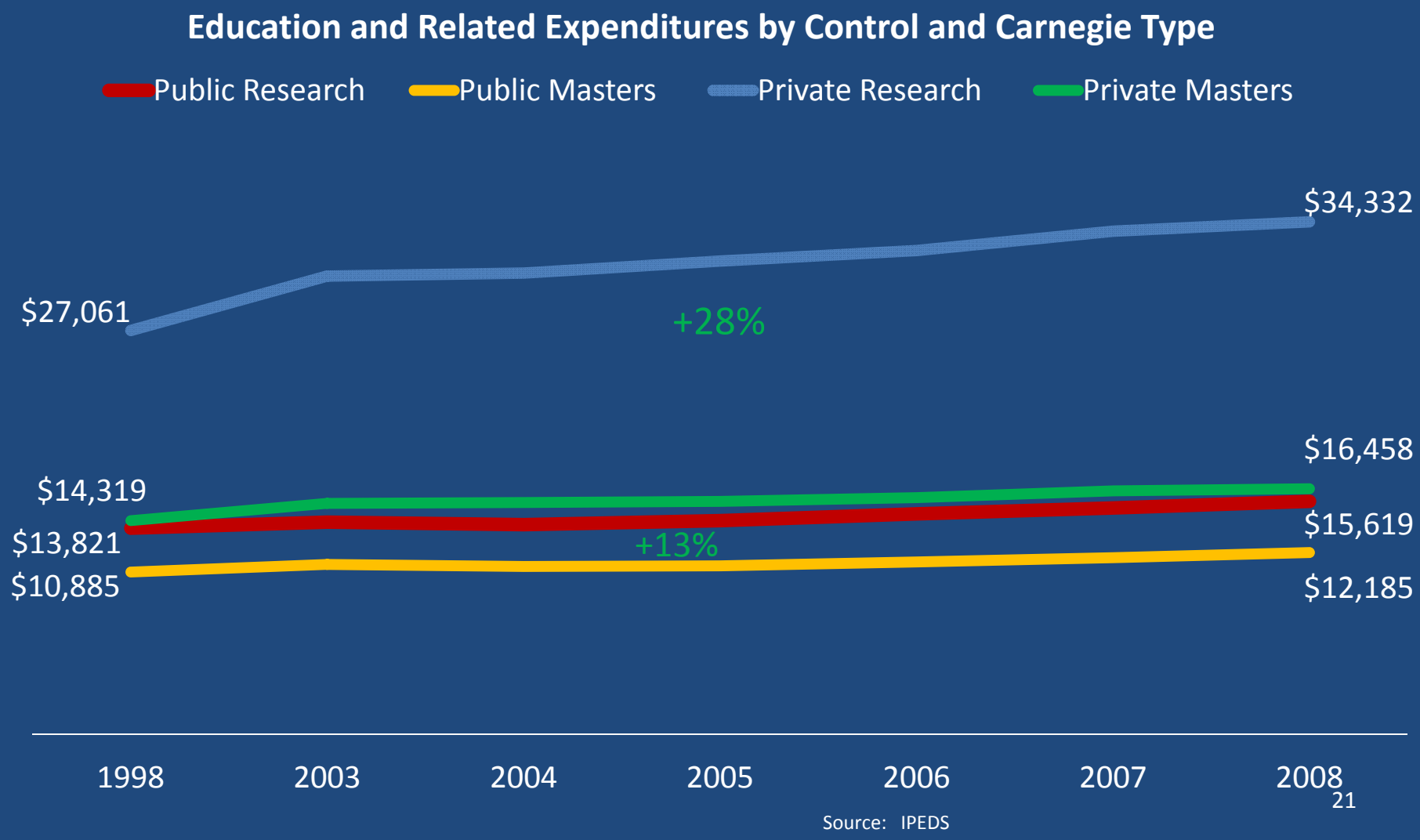


Public and Private Higher Education Had Different Reasons for Increasing Tuition

- Private Higher Education increased tuition in order to pay for its dramatic cost increases.

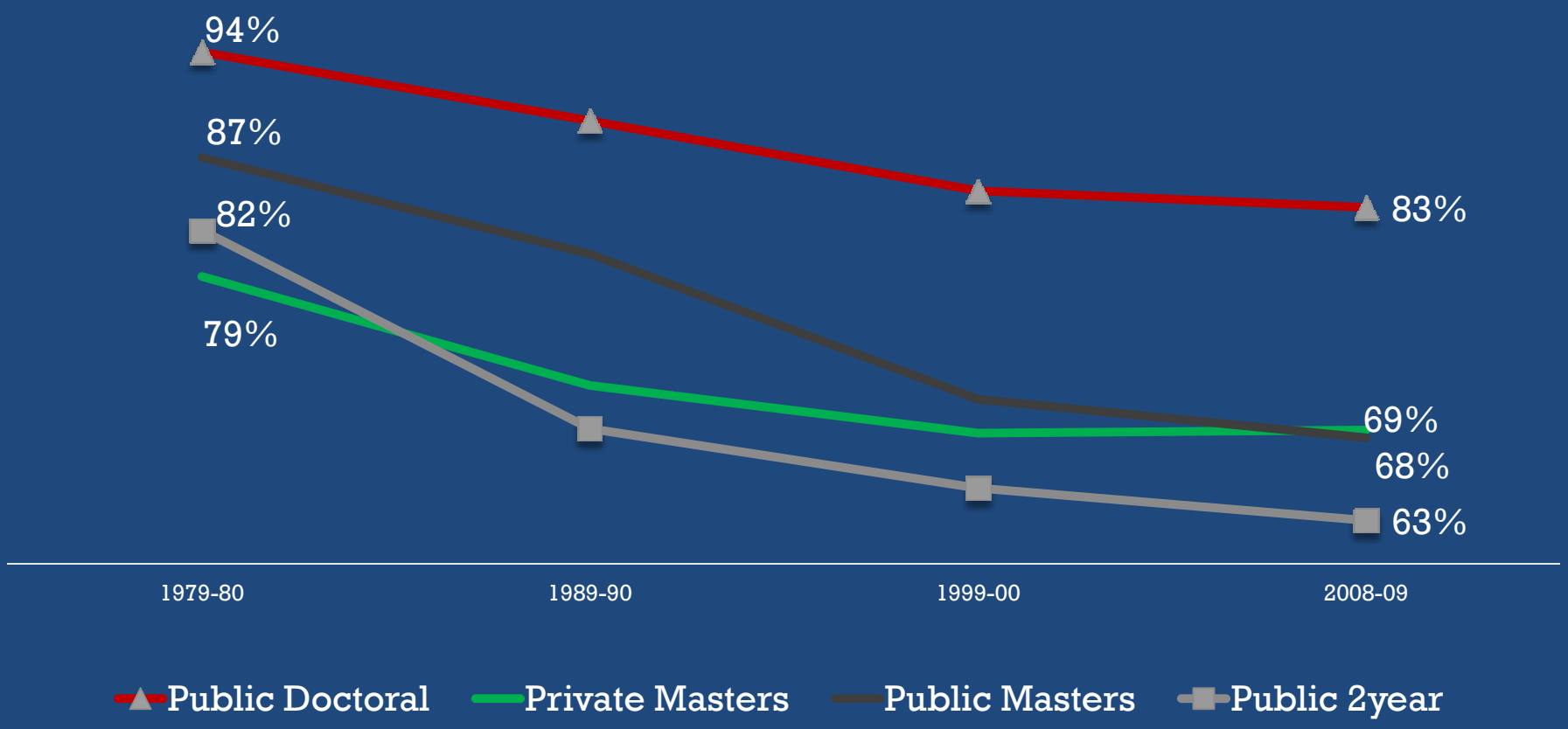
- Public higher Education held costs in line but increased tuition to offset the reduction in state appropriations.

Public Research Universities Spend Less than Half of What their Private Peers Spend to Educate a Student. Public Masters Universities Spend 75% of What Their Private Peers Spend.



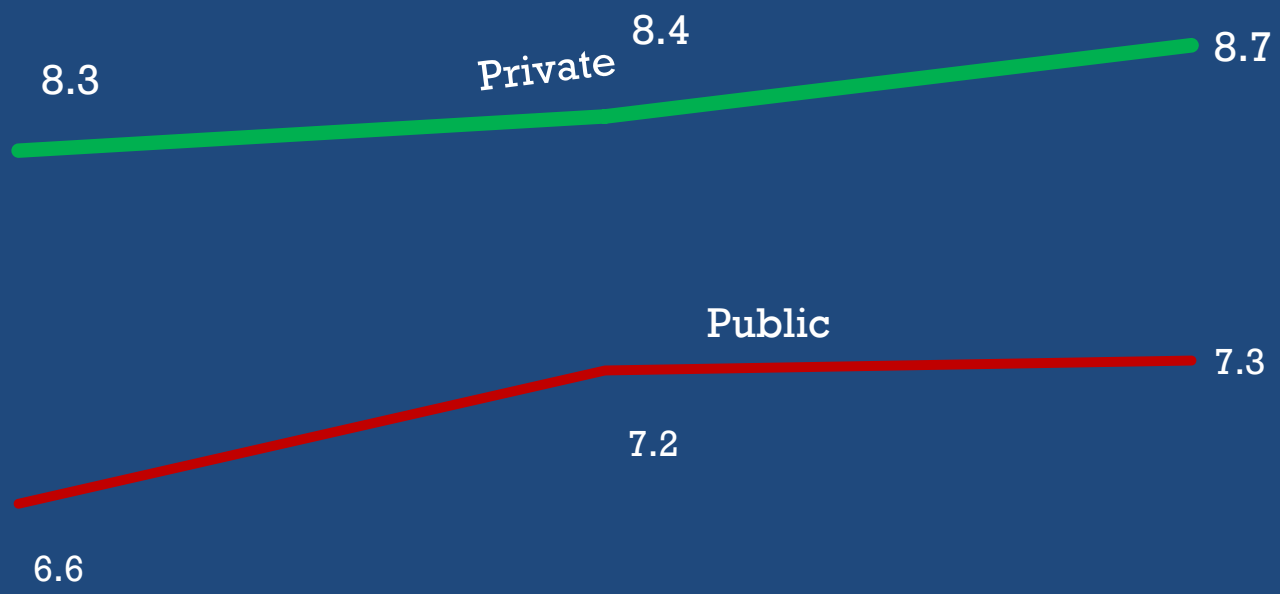
Source: IPEDS

Average 9-month Salaries of full-time Faculty in Various Carnegie Categories as a Ratio of those in Private Doctoral Universities



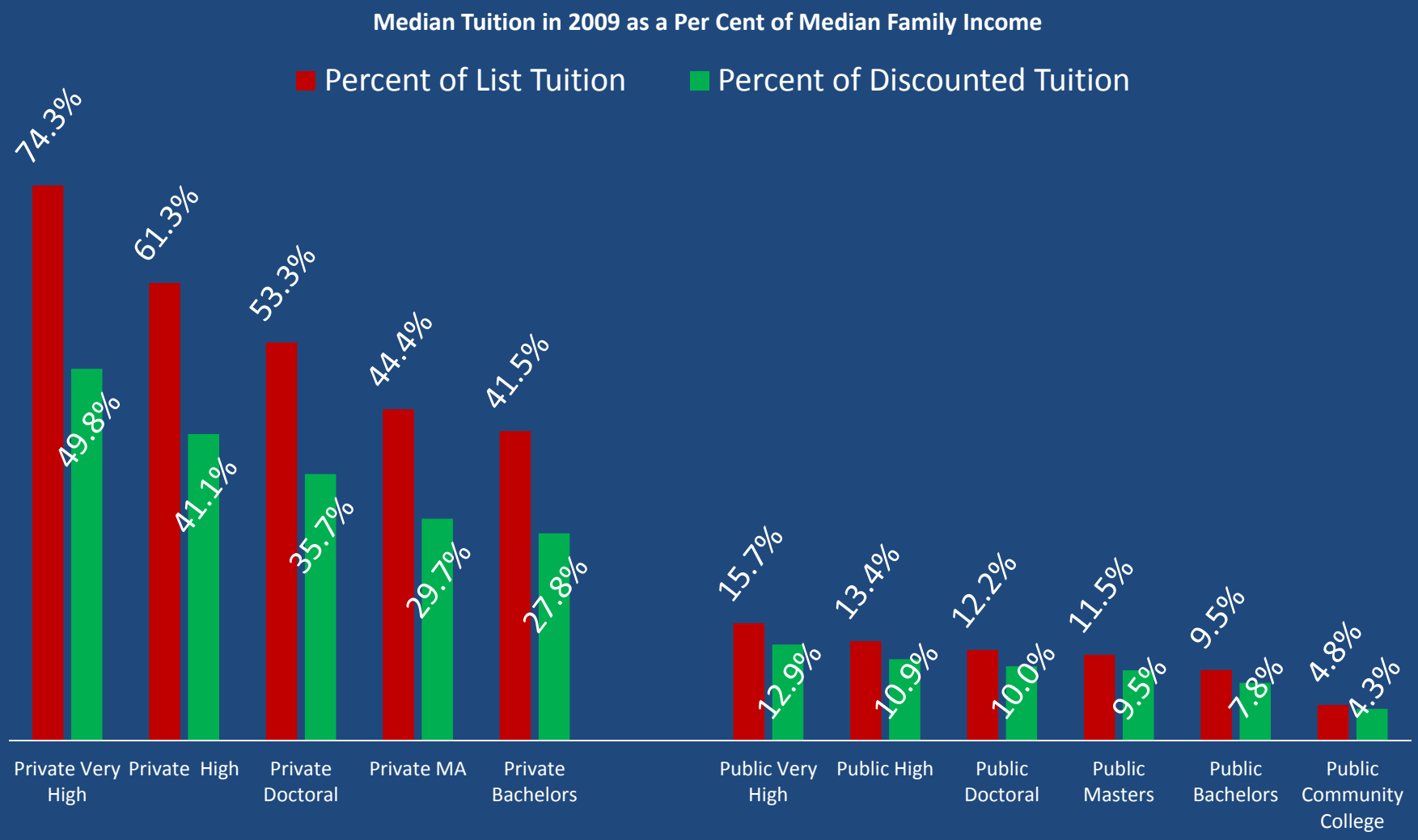
Source: Digest of Education Statistics

Ratio of Instructional Staff per 100 Students at Public and Private Universities

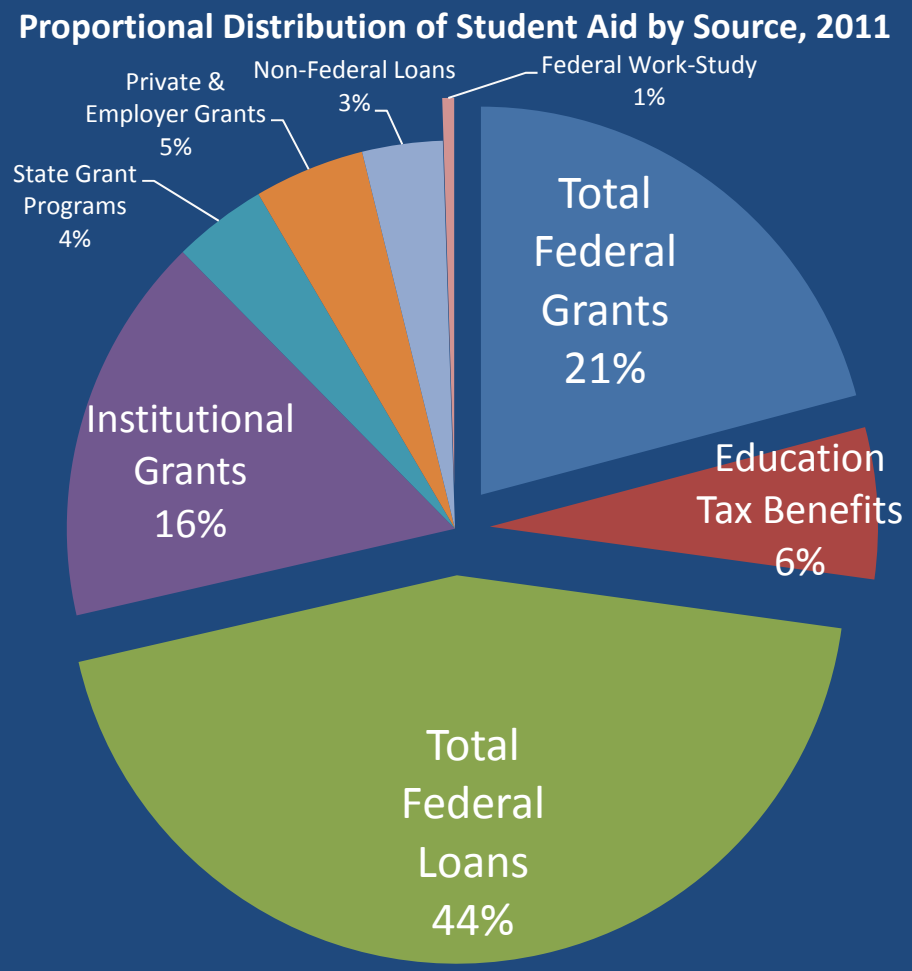


Source: IPEDS

Tuition at Many Universities Remains an Affordable Proportion of Family Income

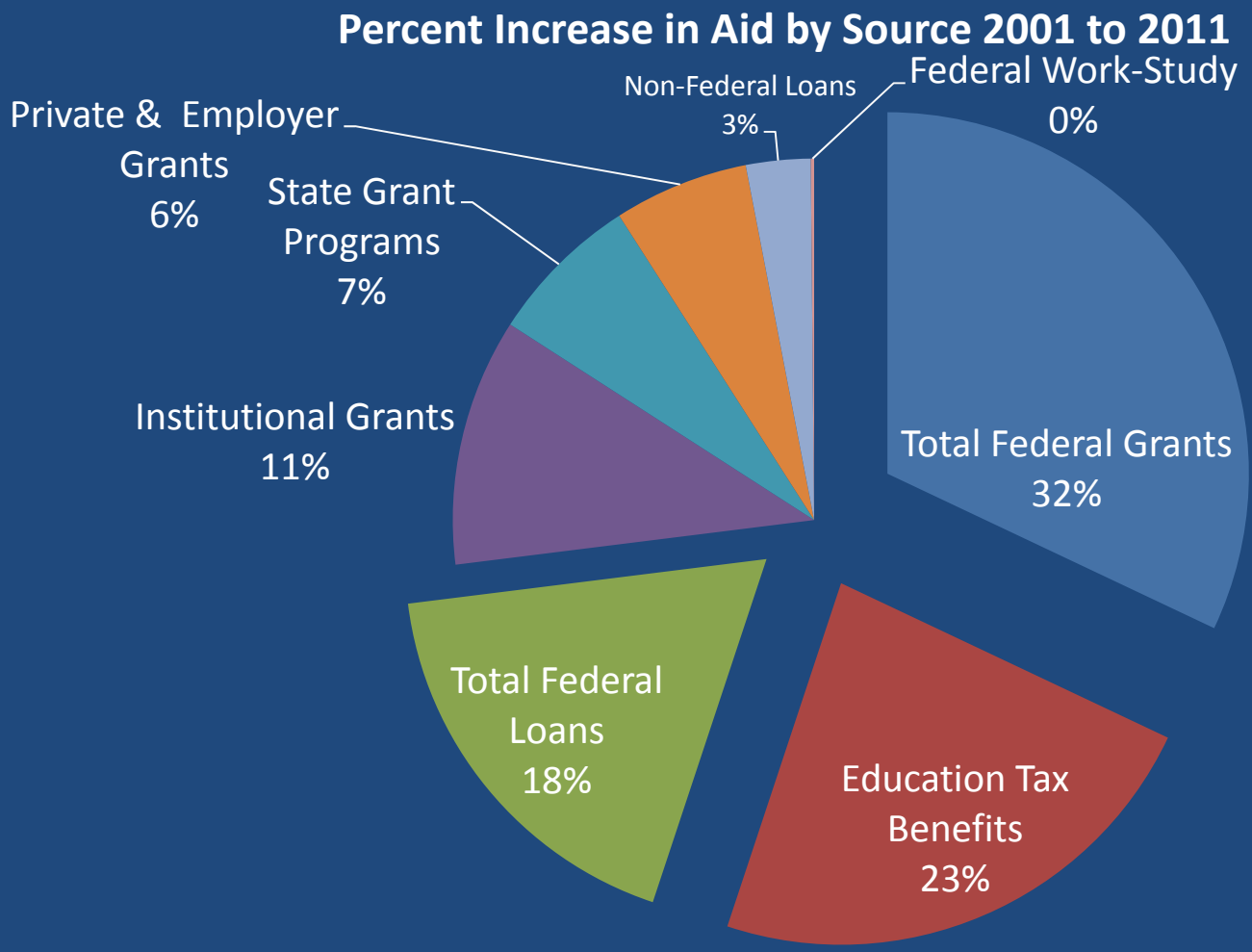


Federal Loans + Grants + Tax Benefits Supply 72% of all Student Financial Aid

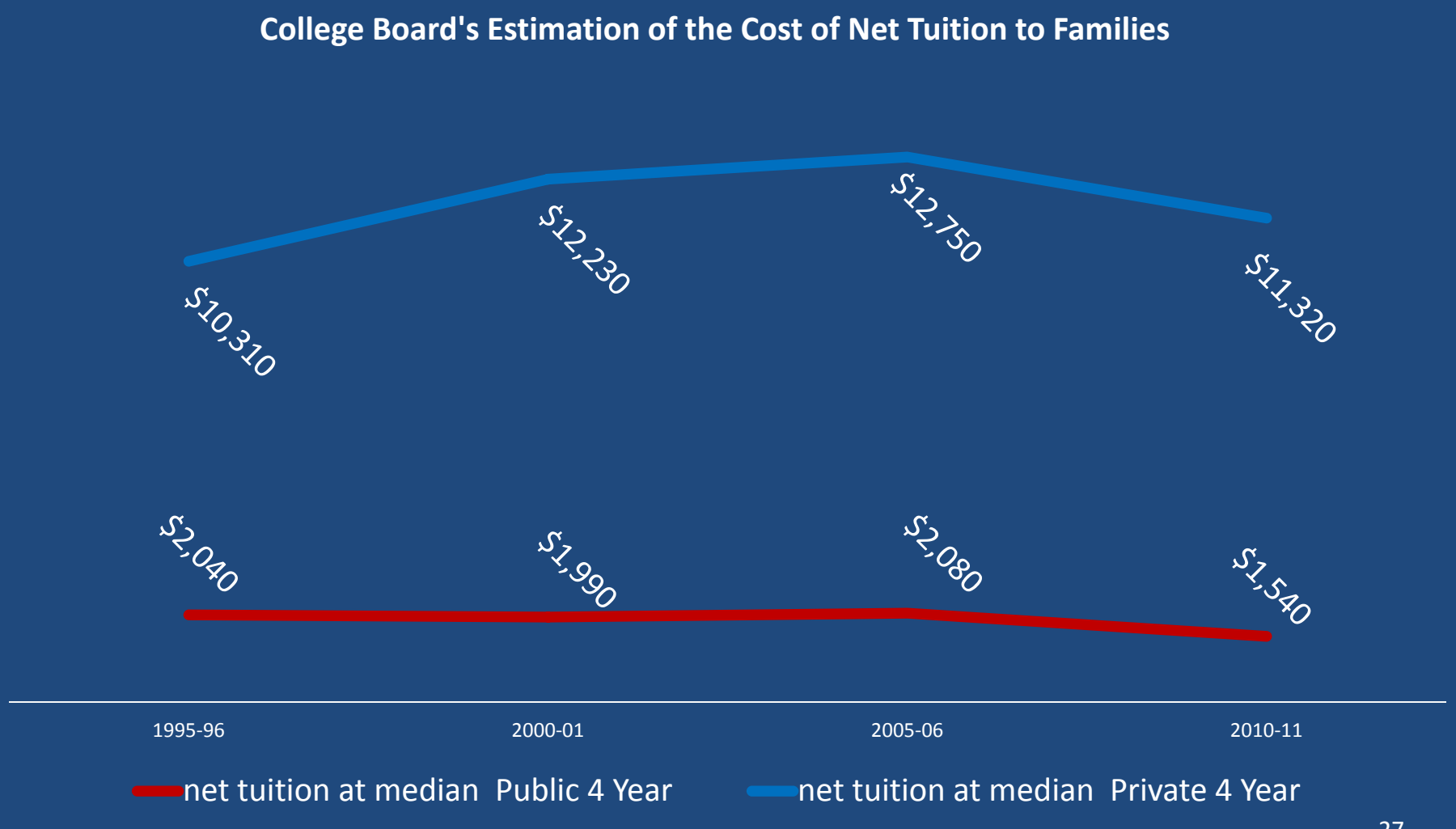


	201 1 Expenditure (in millions)
Total Federal Grants	$49,065
Education Tax Benefits	$14,830
Total Federal Loans	$103,995
Institutional Grants	$38,110
State Grant Programs	$9,207
Private & Employer Grants	$10,840
Non-Federal Loans	$7,870
Federal Work-Study	$1,171

Federal Grants (primarily Pell Grants to low income students) have increased most rapidly, but Federal Tax Benefits and Federal loans (which tend largely to benefit higher income students) also have increased rapidly.

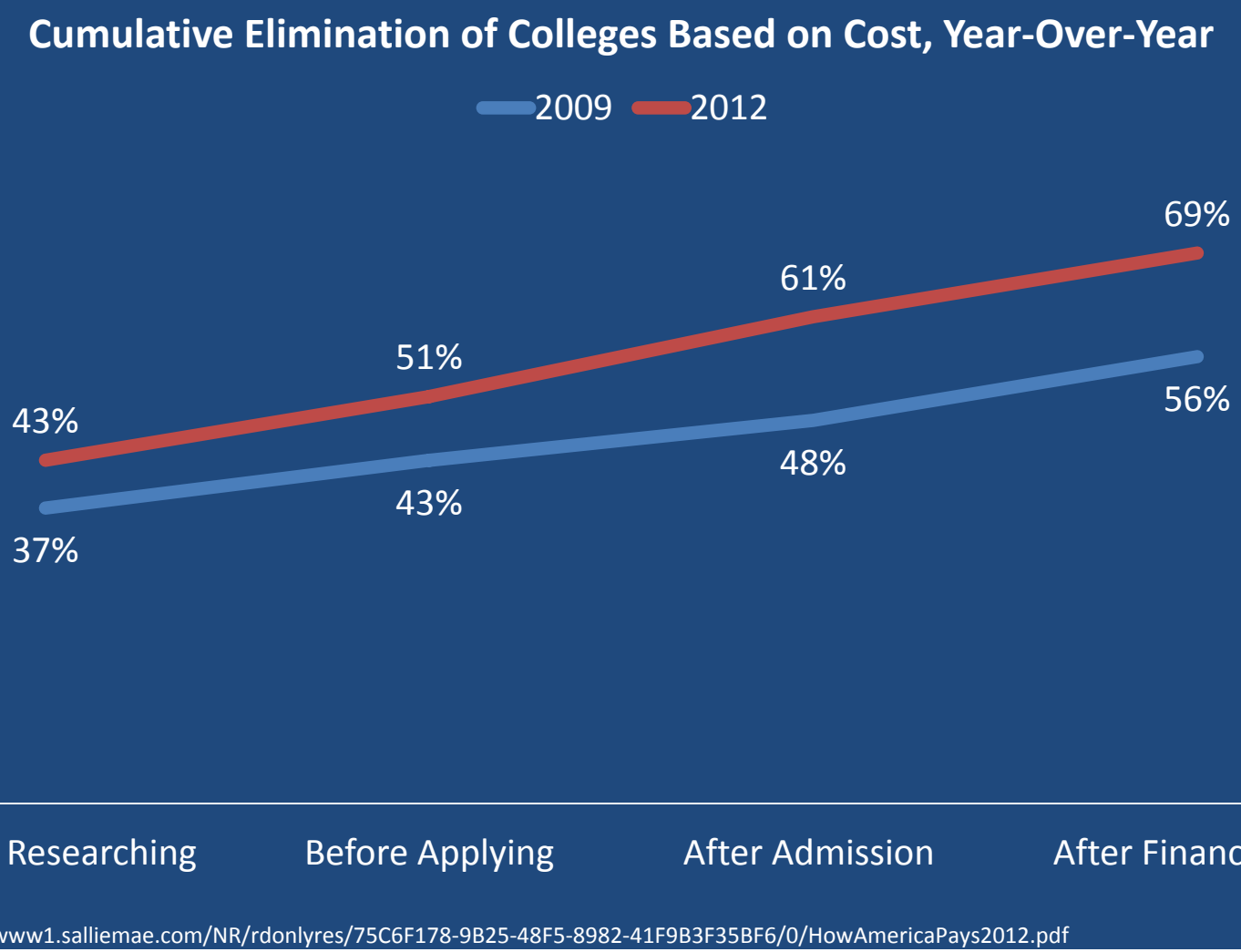


Federal Policy has Offset Tuition Increases for Public Universities since 1995-96 and Kept the Net Cost of College tuition down at Private Universities.



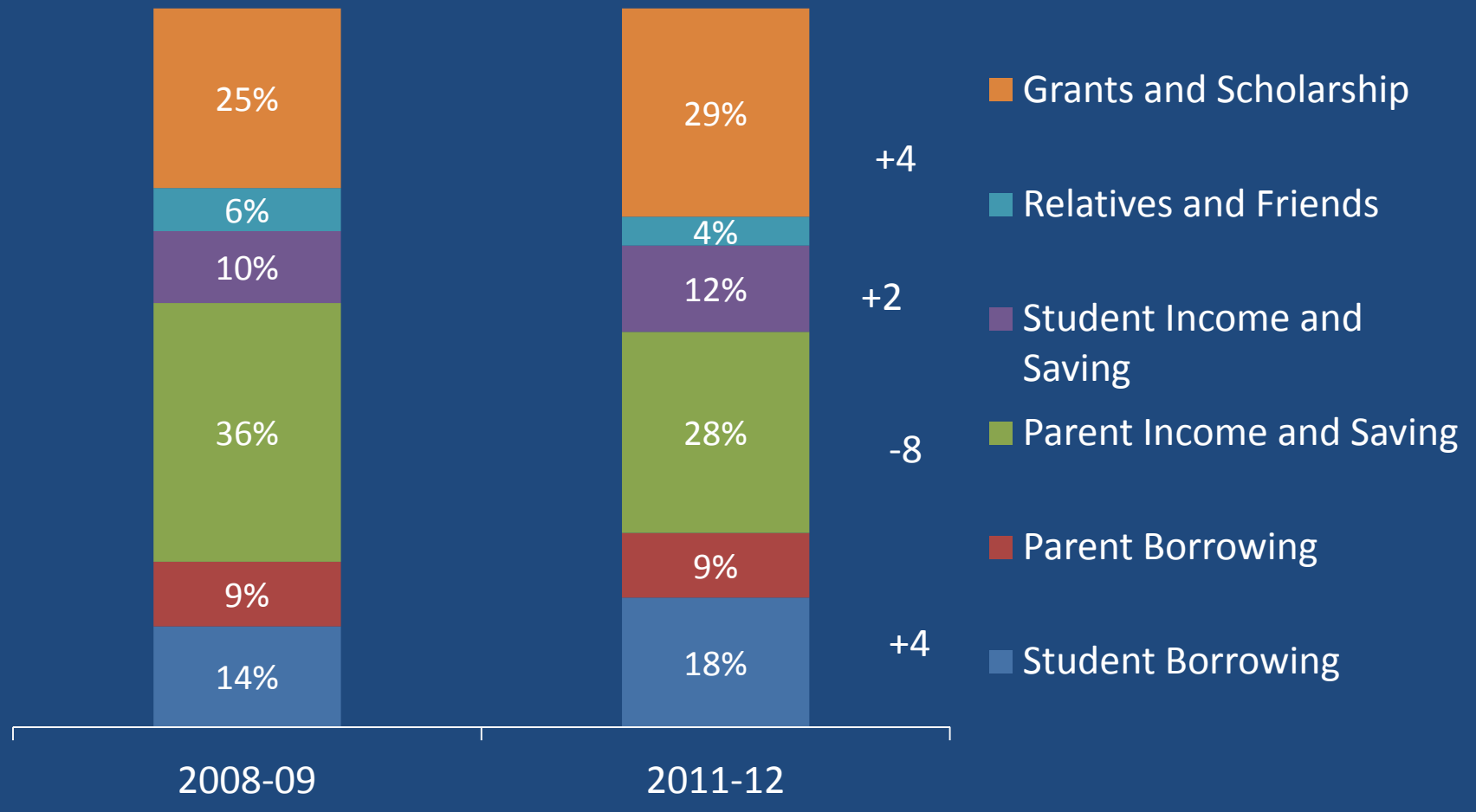
Trends in College Pricing 2010, College Board , pp. 15-17

Sallie Mae Finds that Families that Made College Choices Exhibit Increased Price Sensitivity



https://www1.salliemae.com/NR/rdonlyres/75C6F178-9B25-48F5-8982-41F9B3F35BF6/0/HowAmericaPays2012.pdf

How the Typical Family Paid for College – More Grants and More Student Contribution and Less Reliance on Parent's Current Resources



https://www1.salliemae.com/NR/rdonlyres/75C6F178-9B25-48F5-8982-41F9B3F35BF6/0/HowAmericaPays2012.pdf

Will higher education remain affordable in the future?

- Will the federal government continue to fund Pell at current levels?
- Will the fiscal cliff see the elimination of tax deductibility of educational expenses?
- Will market forces push students away from expensive private schools and toward less expensive public ones?

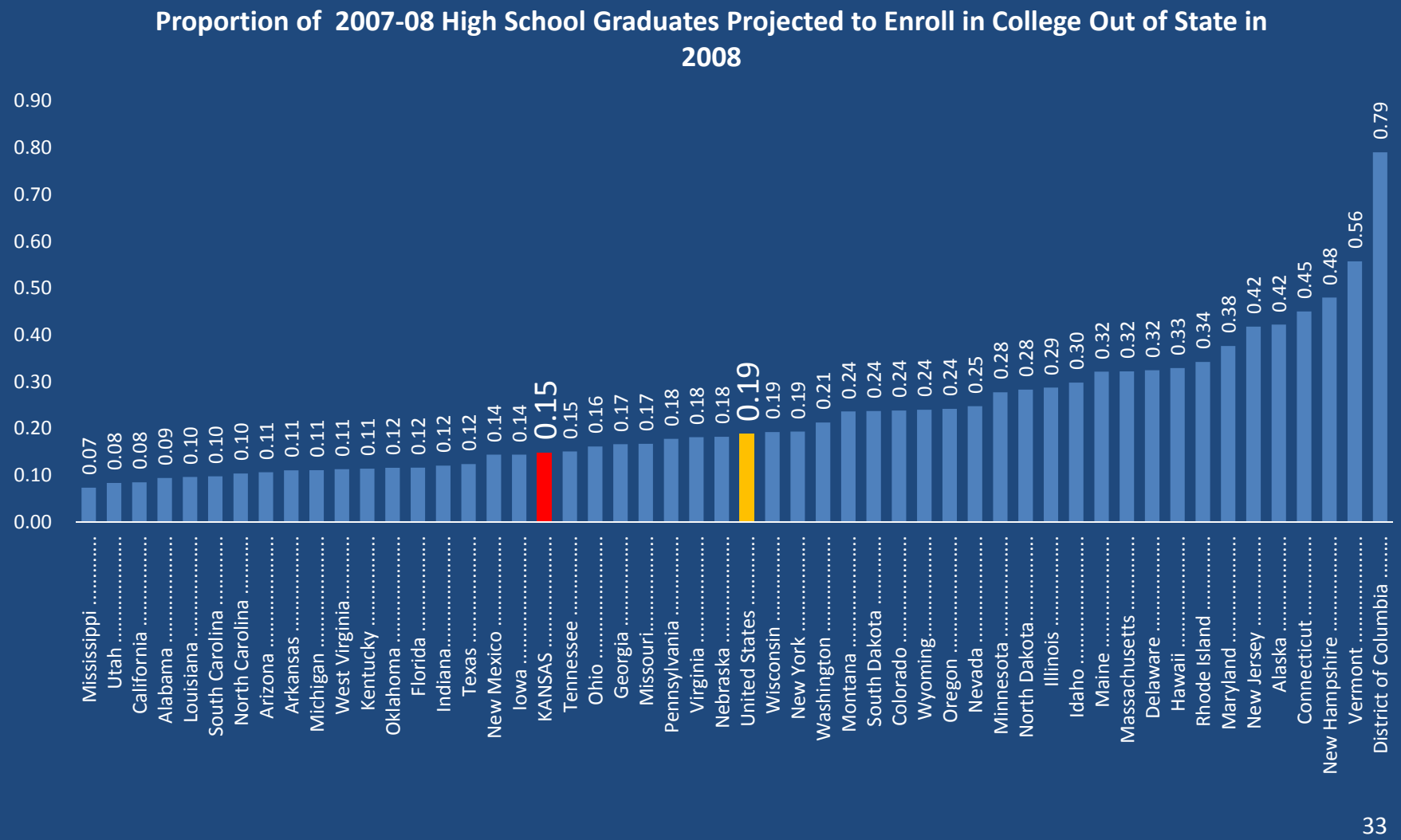
Trend III: To Balance the Budget Public Universities try to Increase Enrollment of Nonresident Students.

Who Studies Out of State? Wealthy, Black, Northeasters who go to 4 Year Private Colleges and Universities

	In-State	Out-of-State
Income		
<$35K	82%	18%
$35-100K	79%	21%
>$100K	75%	25%
Race/Ethnicity		
White	81%	19%
Black	66%	34%
Hispanic	82%	18%
Region		
Northeast	61%	39%
Midwest	80%	20%
South	84%	16%
West	90%	10%
School Type		
4 Year Public	87%	13%
4 Year Private	53%	47%
2 Year Public	90%	10%

https://www1.salliemae.com/NR/rdonlyres/75C6F178-9B25-48F5-8982-41F9B3F35BF6/0/HowAmericaPays2012.pdf

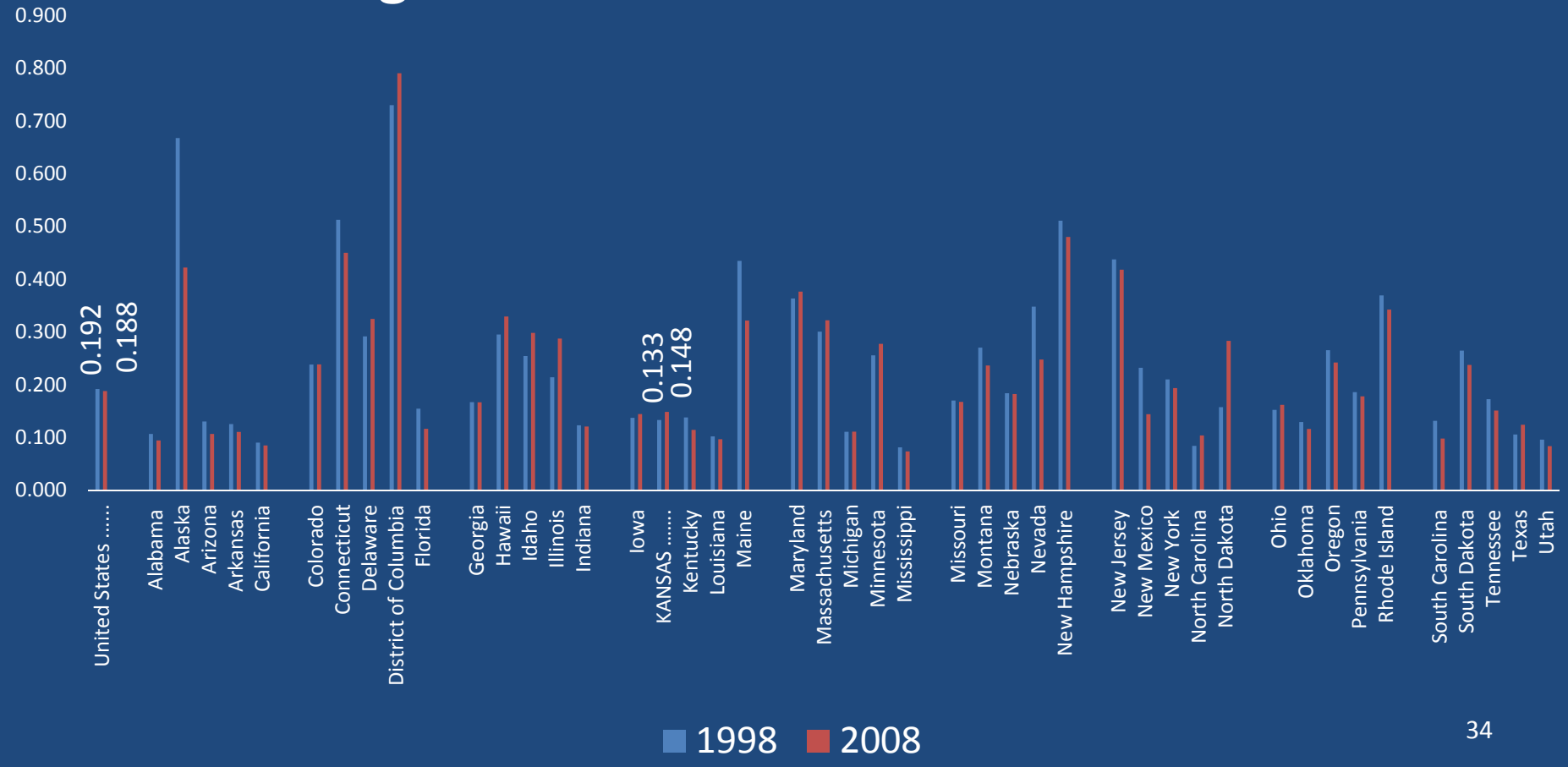
Kansas has a relatively small proportion of students who go out of state for higher education.



Digests of Education Statistics 2011 Table 212

The Proportion of Students Studying Out of State Has Been Very Stable

Proportion of High School Graduates Enrolled in College Out of State in Fall 1998 and 2008



There is little evidence that efforts to recruit out of state students, in aggregate, increase the number of students studying out of state.

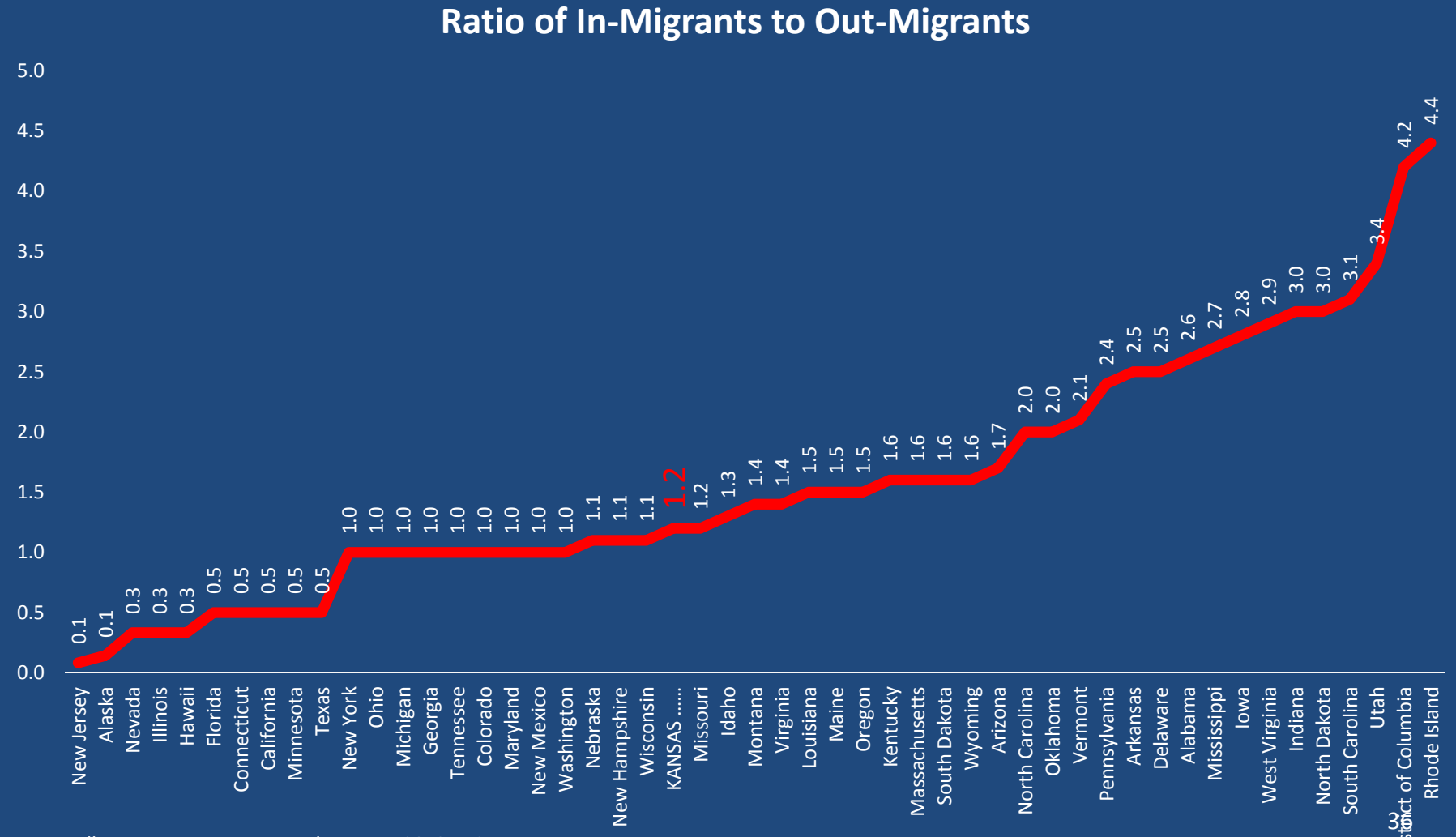
It represents a healthy competition

- Among state schools and
- Between state schools and private universities

It is the less prestigious private universities that have the most to fear. [a]

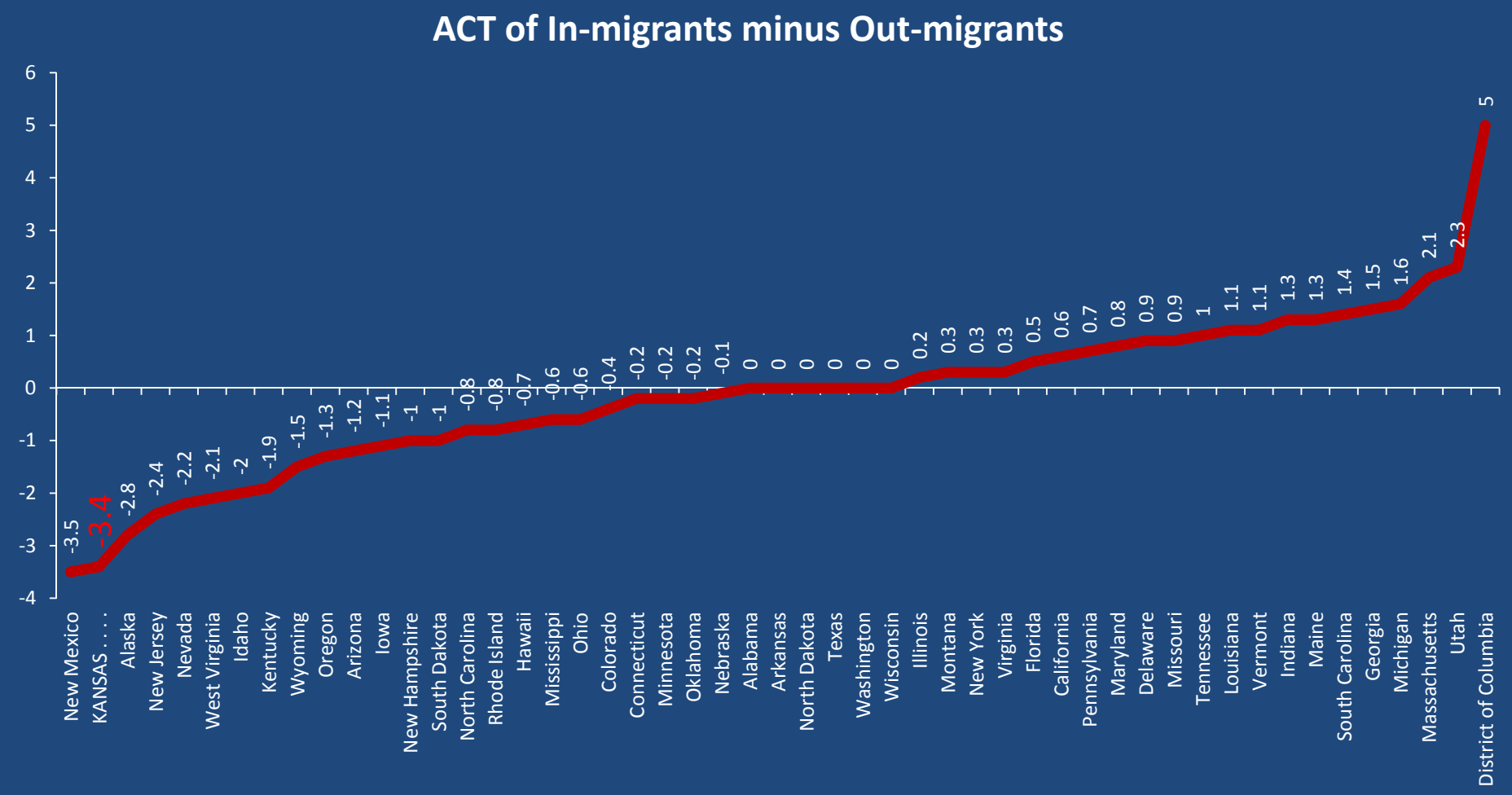
[a] see One-Third of Colleges Are on Financially 'Unsustainable' Path, Bain Study Finds, Ron Coddington, Chronicle of Higher Education, July 23, 2012

Kansas Enjoys a Slight Balance of Trade Surplus



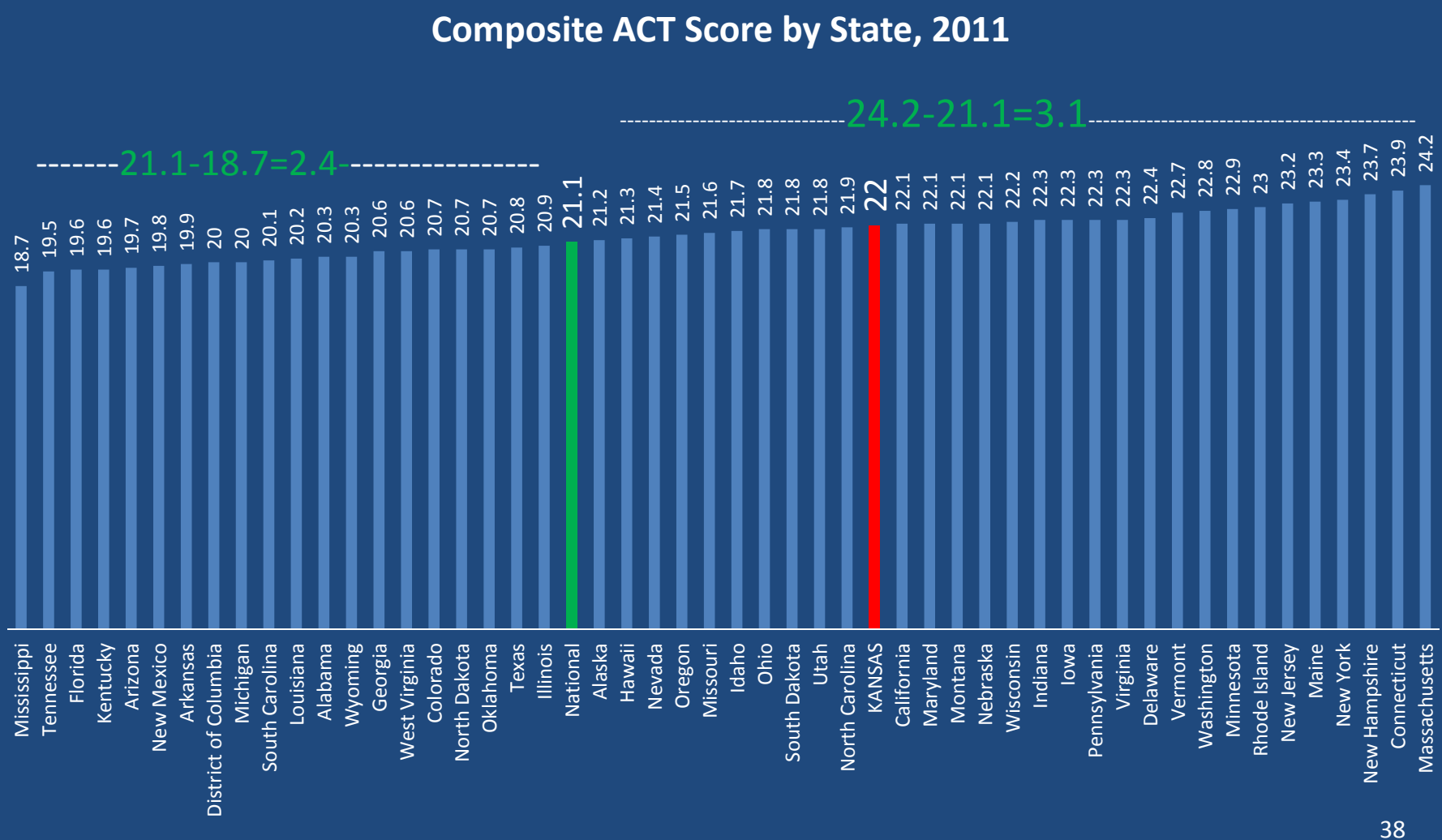
Enrollment Management Trends Report, 2012, ACT

Unfortunately, the Academic Ability of Kansans who choose to Study Outside Kansas is Greater than that of nonresidents who Choose to Study in Kansas

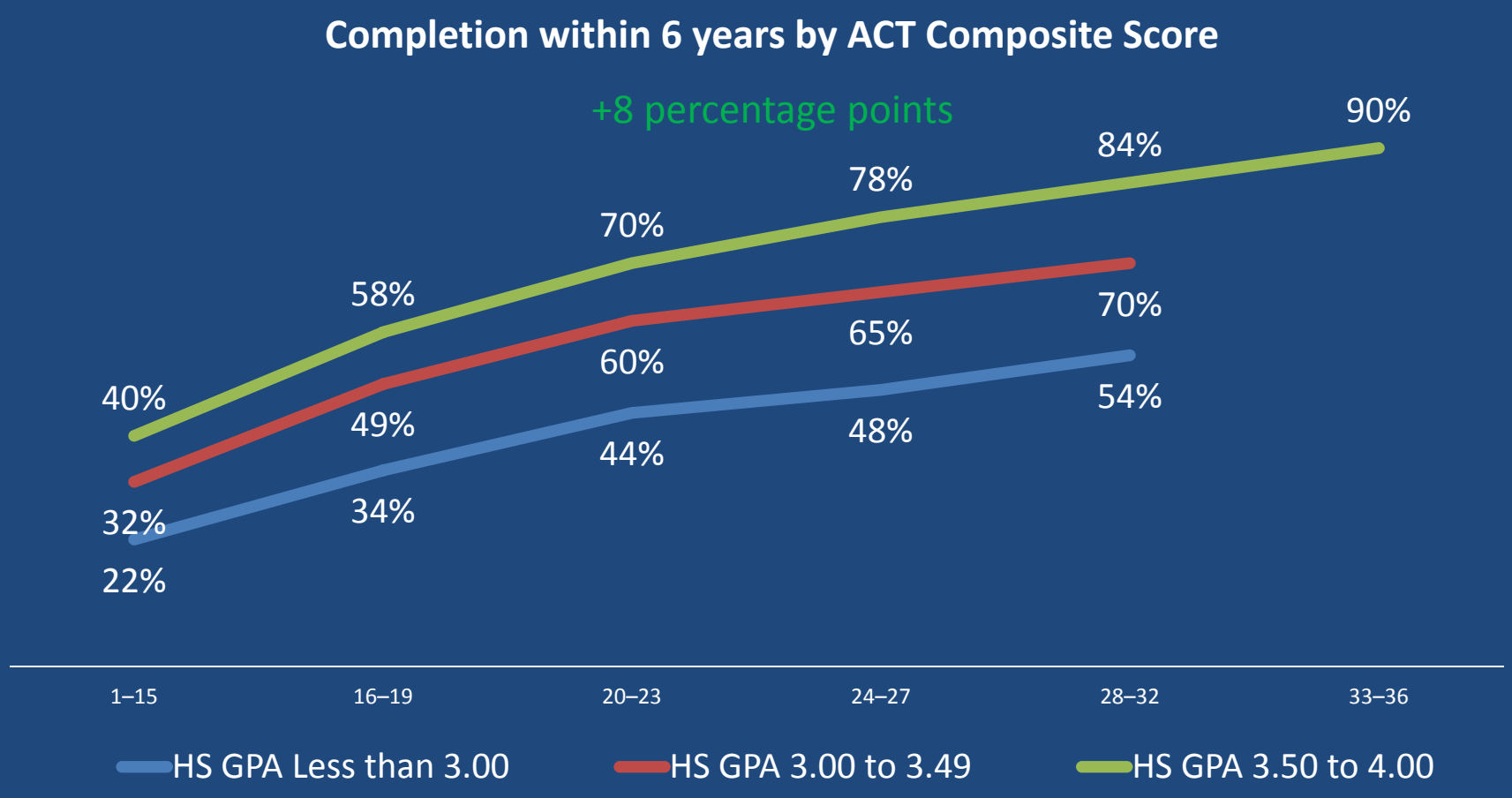


Enrollment Management Trends Report, 2012 , ACT

The 3.4 point deviation is huge relative to the national distribution of scores.

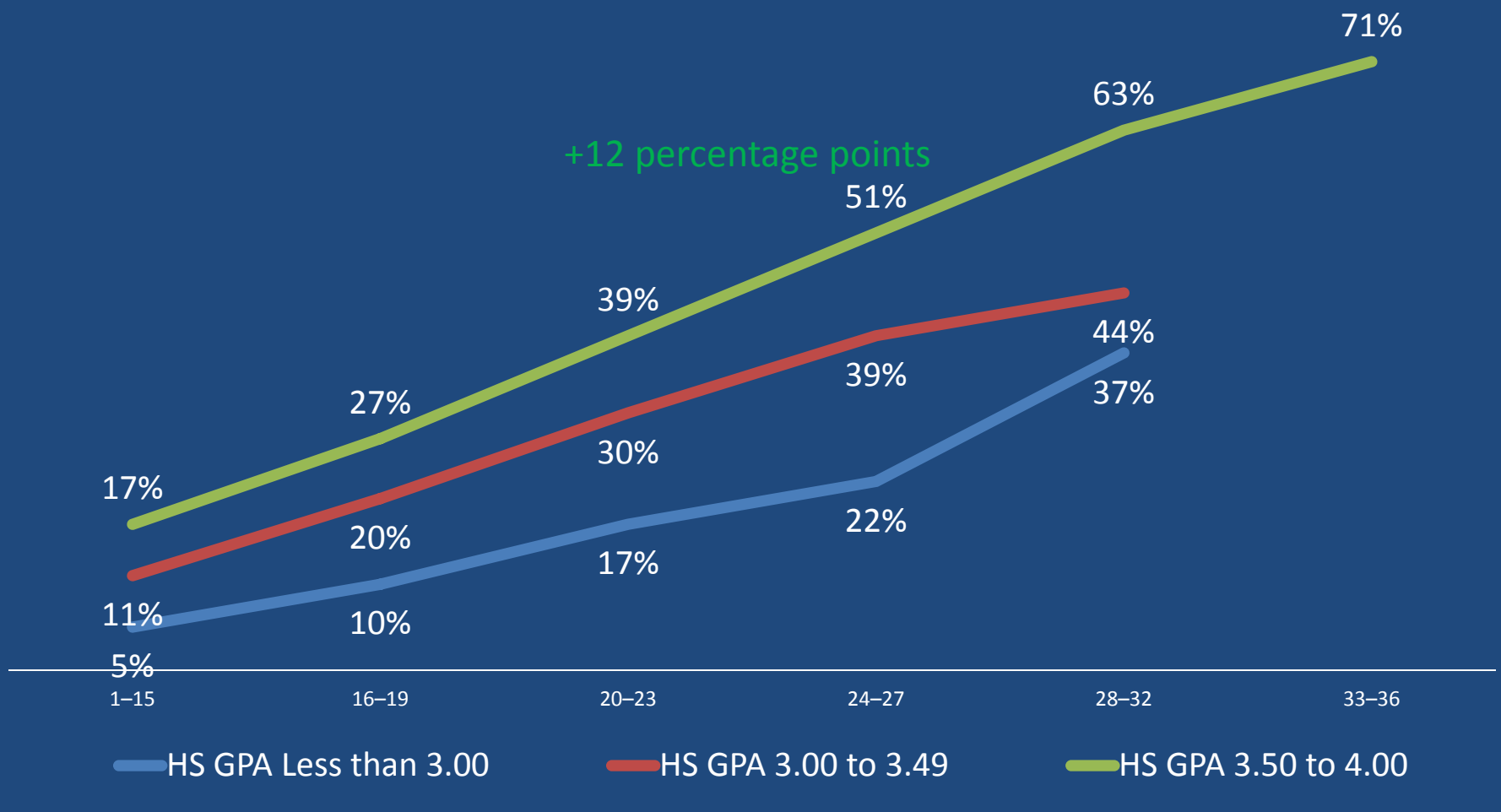


This has the effect of raising the average time to degree in Kansas



Enrollment Management Trends Report 2012, ACT

Completion within 4 years by ACT Composite Score



Enrollment Management Trends Report, ACT

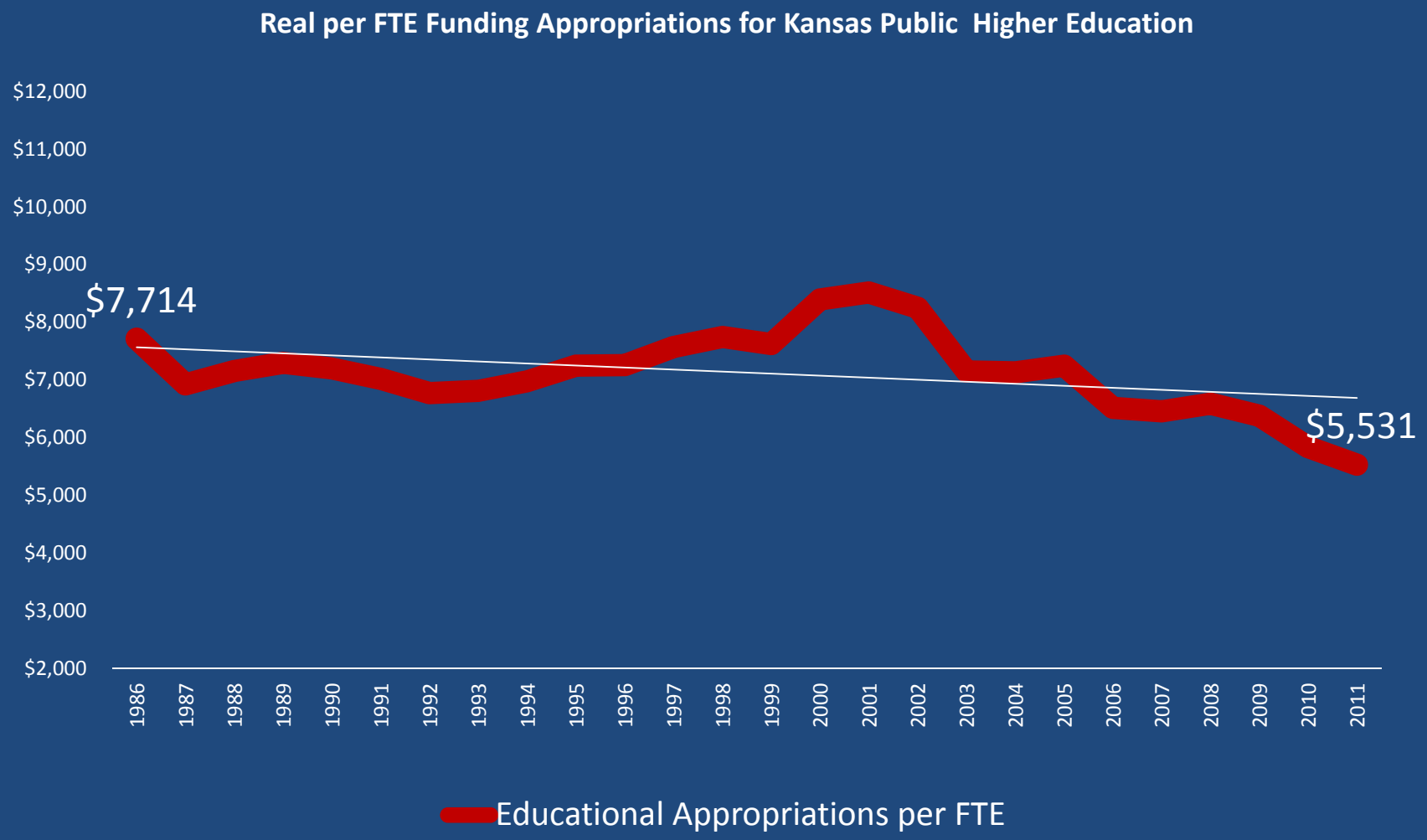
Why? Two Hypotheses

- The relatively low admissions standards of Kansas institutions set a low bar for in-migrants so those who can't get into their home-state schools come here to study.

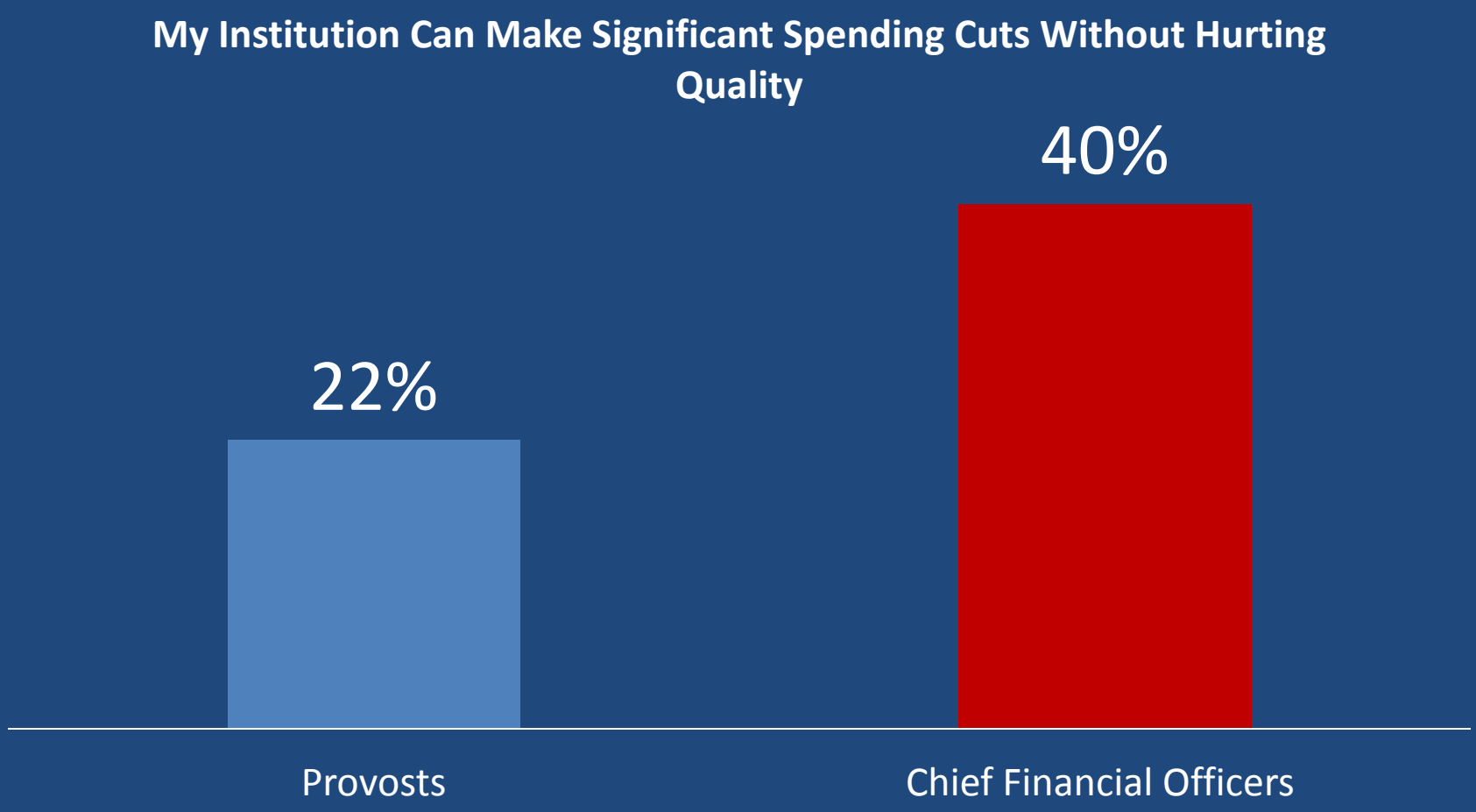
- It also could be that the low admissions standards of Kansas universities signal to Kansas' best students that higher quality institutions reside beyond state borders.

Trend IV: The Search for the Grail, *A Universal Method for Measuring Learning Outcomes*, Continues and the Stakes Grow Higher.

Does this record of appropriations represent an injustice or does it represent greater efficiency? Without a measure of quality, higher education invites funders to "water the soup."



Without solid measures of core learning outcomes managing a university is a matter of opinion.



Source: Inside Higher Education's survey of chief academic officers (December 2011) and business officers (June 2012)

Recommendation 3 of the Spellings' Commission (Commission on the Future of Higher Education, 2006)

3. **Higher education must change from a system primarily based on reputation to one based on performance. We urge the creation of a robust culture of accountability and transparency throughout higher education.**
   a. ***We recommend the creation of a consumer-friendly information database on higher education with useful, reliable information on institutions, coupled with a search engine to enable students, parents, policymakers and others to weigh and rank comparative institutional performance.***
   b. ***In addition to this new consumer-oriented database, more and better information on the quality and cost of higher education is needed by policy makers, researchers and the general public.***
   c. ***Postsecondary education institutions should measure and report meaningful student learning outcomes.***

"to weigh and rank comparative institutional performance. . ."

- There is no accepted method of measuring the outcomes of U.S. higher education.
- Thus, there is no accepted method of ranking US institutions of higher education.
- Establishment of a federal method of measuring outcomes would essentially put the federal government in charge of what is taught at universities.
- What is taught at U.S. universities is currently the prerogative of governing boards and faculties.

The Spellings' Commission thought it had found the Grail, the Collegiate Learning Assessment (CLA) to Measure Outcomes in all of Higher Education.

- The Council for Aid to Education developed the CLA from a RAND initiative

- CLA uses essay responses to a novel set of prompts to measure
  - Critical Thinking
  - Written Communication Ability

  Evaluation is through essays, not true/false, multiple choice or short answers.

- Introduced in 2000, in 2006 the CLA was very new and very few colleges or universities had experience with it or trusted it to produce reliable results.

There was significant sentiment in Congress to accept the Commission's Recommendations and amend them into the Higher Education Act, thus making them Law.

- My Association, The Association of Public and Land Grant Colleges (APLU)
  - 217 members who are public research universities
- joined with the American Association of State Colleges and Universities (AASCU)
  - 420 members who are public bachelor's and masters teaching institutions
  - Together APLU and AASCU include all of the public universities in the U.S. ; 70% of all college students in the U.S. attend public universities

to:

- Recommend to the Commission and Congress that instead of mandating an unproven method of measuring learning outcomes that the APLU and AASCU would use a voluntary process to conduct a large-scale trial of learning outcome measurement.
- Our promise to the Commission and to Congress was that we would conduct a fair trial of learning outcome measurement and we would produce a system that students could use to learn about specific public universities.
- This proposal led to our development of the Voluntary System of Accountability (VSA)
- I led VSA development process for the two Associations.

Goals of VSA

- Provide consistent, comparable, transparent information for higher education stakeholders
- Aid students and families in college choice processes
- Demonstrate greater institutional accountability for student learning and development
- And to provide a credible trial of learning outcome measurement

About 330 Public Universities – Over half of APLU/AASCU Member Universities – chose to participate in VSA – Including all seven of the Kansas Regents Universities

- These member universities enroll about 65% of all U.S. Undergraduate Students at four year public universities, and
- They enroll about half all students in four year degree programs in both public and private universities in the U.S.
- Thus, the scale of the VSA is quite significant.

Background on Learning Outcomes Measurement

- For VSA reporting we needed to measure value-added for the core learning outcomes of critical thinking and written communications.

- Because many strongly objected to using a single test to measure these outcomes at all universities, VSA selected three tests that measured critical thinking and written communications: CLA, CAAP and MAPP.

- Participating universities chose from the three the test that best suited their campuses

Are the 3 Learning Outcomes Tests Equivalent?: The FIPSE Study

- The only way to be sure was to have a large number of students take each of the three tests and observe the results.

- The three tests were administered to 1,100+ students at 13 universities. (Funding was from the U.S. Department of Education's *Fund for the Improvement of Post-Secondary Education*.)

- Results: Regardless of the test utilized, the relative scoring of the 13 participating universities was the same; i.e. you get the same results regardless of the test used.

See the technical and interpretive reports at http://www.voluntarysystem.org/index.cfm

At the end of four years of VSA we commissioned an External Evaluation of College Portrait http://www.learningoutcomeassessment.org/VSA.htm

- Widespread agreement that the VSA was a necessary response to the demands of the time. While seen as "necessary," many observers expect the VSA to continue to evolve.

- *The student learning outcomes section of the College Portrait attracts very few viewers. The information posted and the manner in which it is presented do not reflect the needs and interests of users.*

- ***The standardized tests of student learning originally approved for inclusion in the pilot lack credibility and acceptance within a broad sweep of the higher education community and serves to undermine institutional participation in the VSA.***

- Institutions participating in the VSA and other non-participating institutions would like to expand the number and nature of the student learning measures in order to more accurately portray student attainment and provide more useful and meaningful information for multiple audiences.

University Concerns About VSA Measurement of Learning Outcomes

A. Skepticism that the tests measured the right learning outcomes.

B. Skepticism that value-added is an appropriate form of measurement.

C. Sampling and Motivational difficulties. It was very difficult to get those students selected to be part of the random samples to take the tests

D. The information on learning outcomes was perceived to be of little value in improving instruction.

VSA will continue

I. Its major focus will be on accountability and not on providing information to students.

II. Learning outcomes measurement will be revised to make its results more useful to universities for instructional improvement.

Institutions will be required to select from one of the following instruments to fulfill the VSA student learning outcomes requirement:

- CLA (currently included)
- CAAP (currently included)
- ETS Proficiency Profile (currently included)
- VALUE Rubrics (new) based on AAC&U portfolio evaluations
- GRE (new)

Reporting options include five tests - results reported using

- value-added methodology currently used
- benchmarking or e.g., 80th percentile
- Norm reference score e.g., relative to expected senior performance

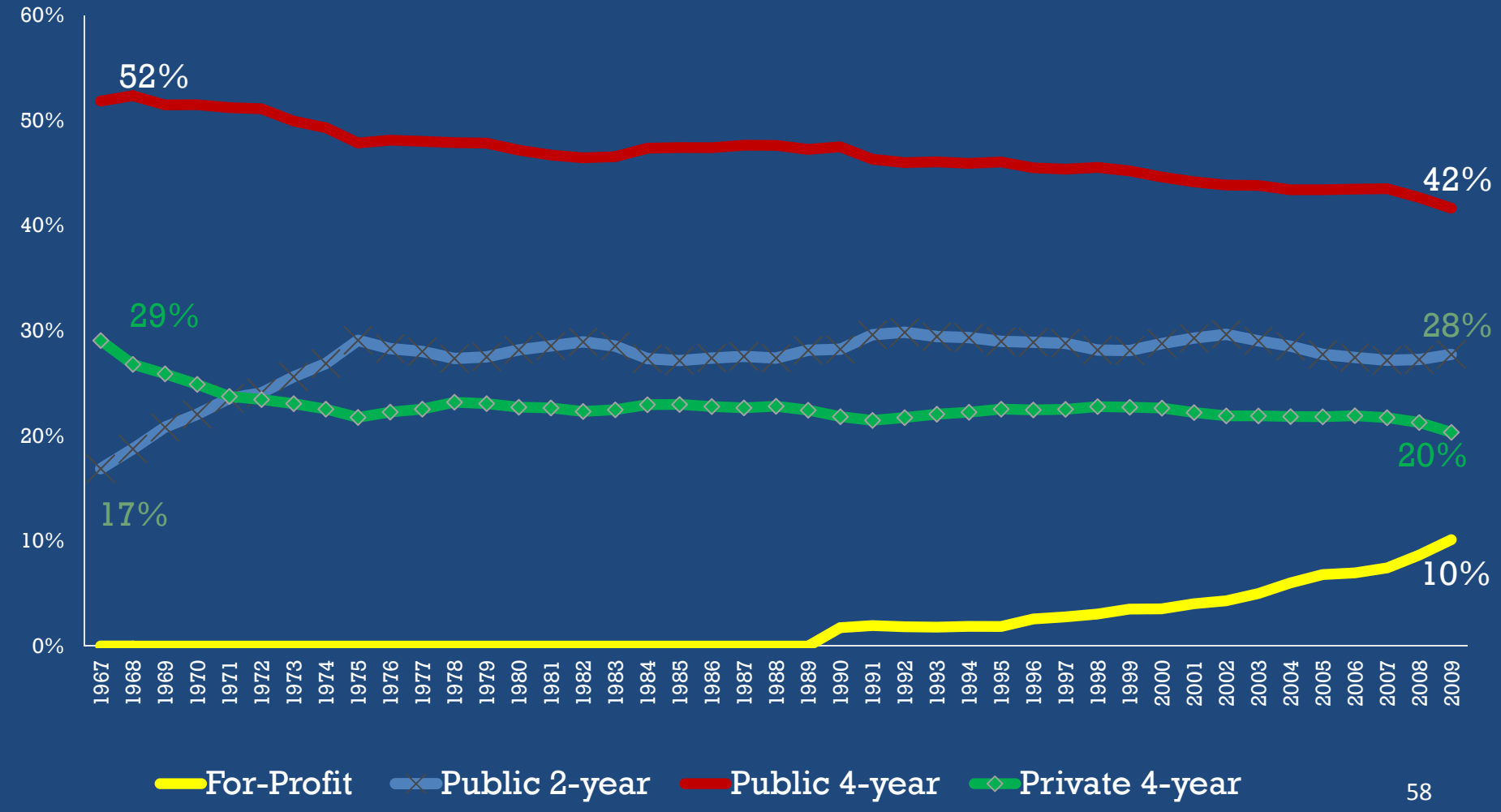
What is the Federal Position on Learning Outcomes Now?

- Secretary Duncan and legislators still appear to want them measured
- The new regulations due out this fall on Accreditors almost certainly will require that measurement of learning outcomes be part of university accreditation
- They are unlikely to specify how learning outcomes are to be measured. This will lead to more experimentation.
- The huge problem that for-profit education created for the U.S. since Secretary Spellings' commission made its recommendations would be more manageable if learning outcomes could be reliably and uniformly measured.

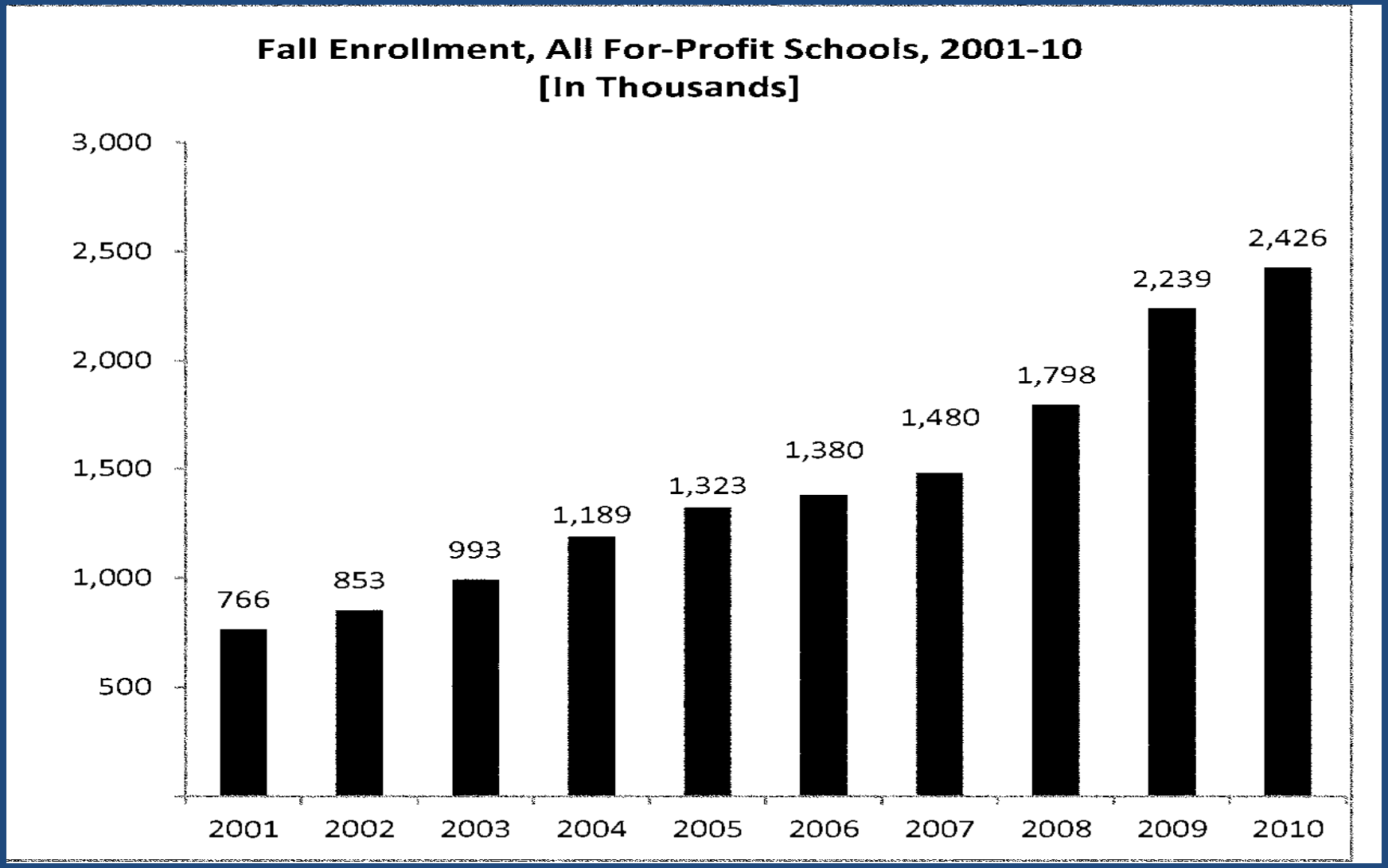
Trend V: The Face of Higher Education Changes: For Profit Higher Education Stumbles Forward (Rapidly)

An Unexpected Challenge

Rapidly Growing for-profit Higher Education



The Numbers (Sen. Harkin's Committee)

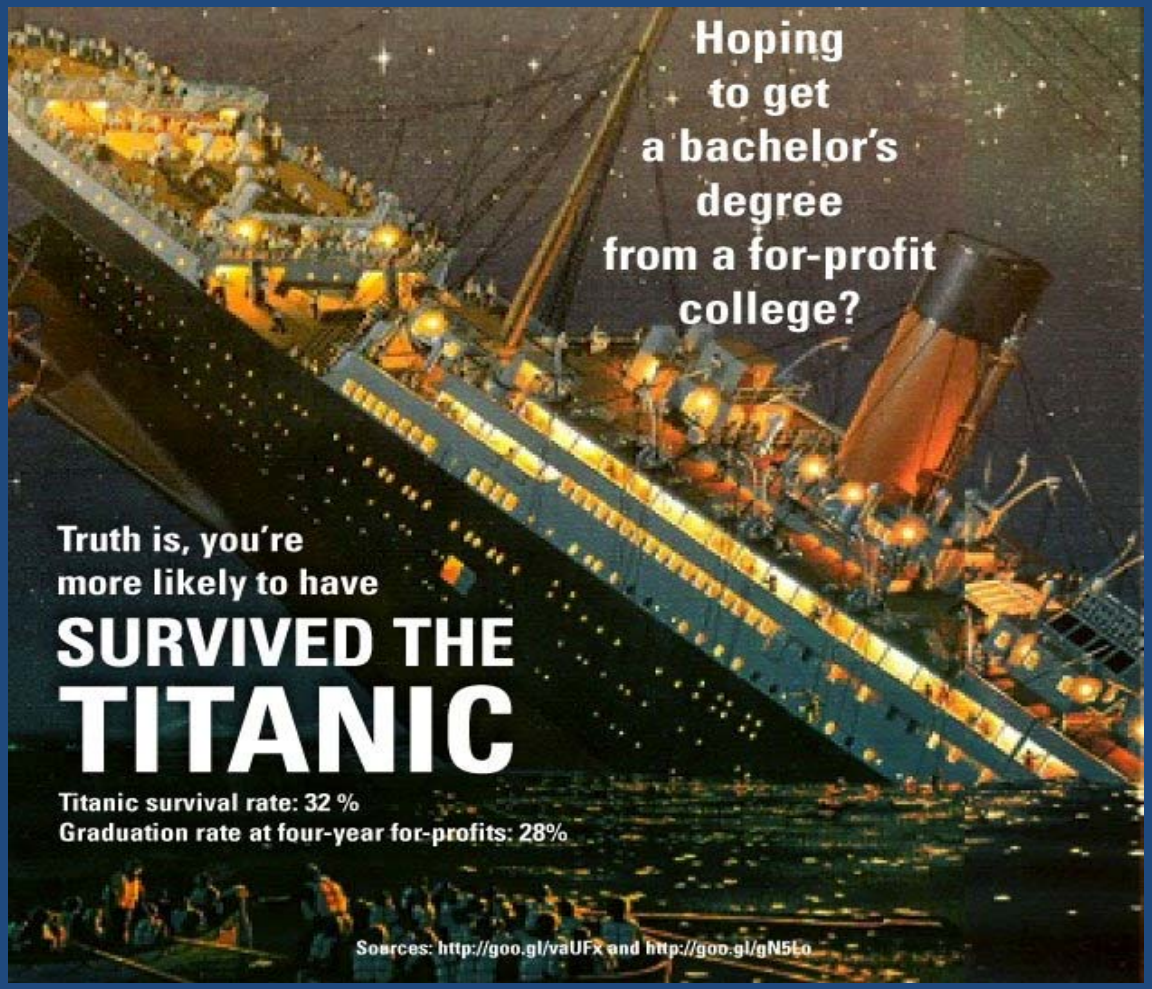


FOR PROFIT HIGHER EDUCATION: The Failure to Safeguard the Federal Investment and Ensure Student Success, COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS, UNITED STATES SENATE,JULY 30, 2012, p.38

For-Profits are unlike other U.S. Higher Education Providers

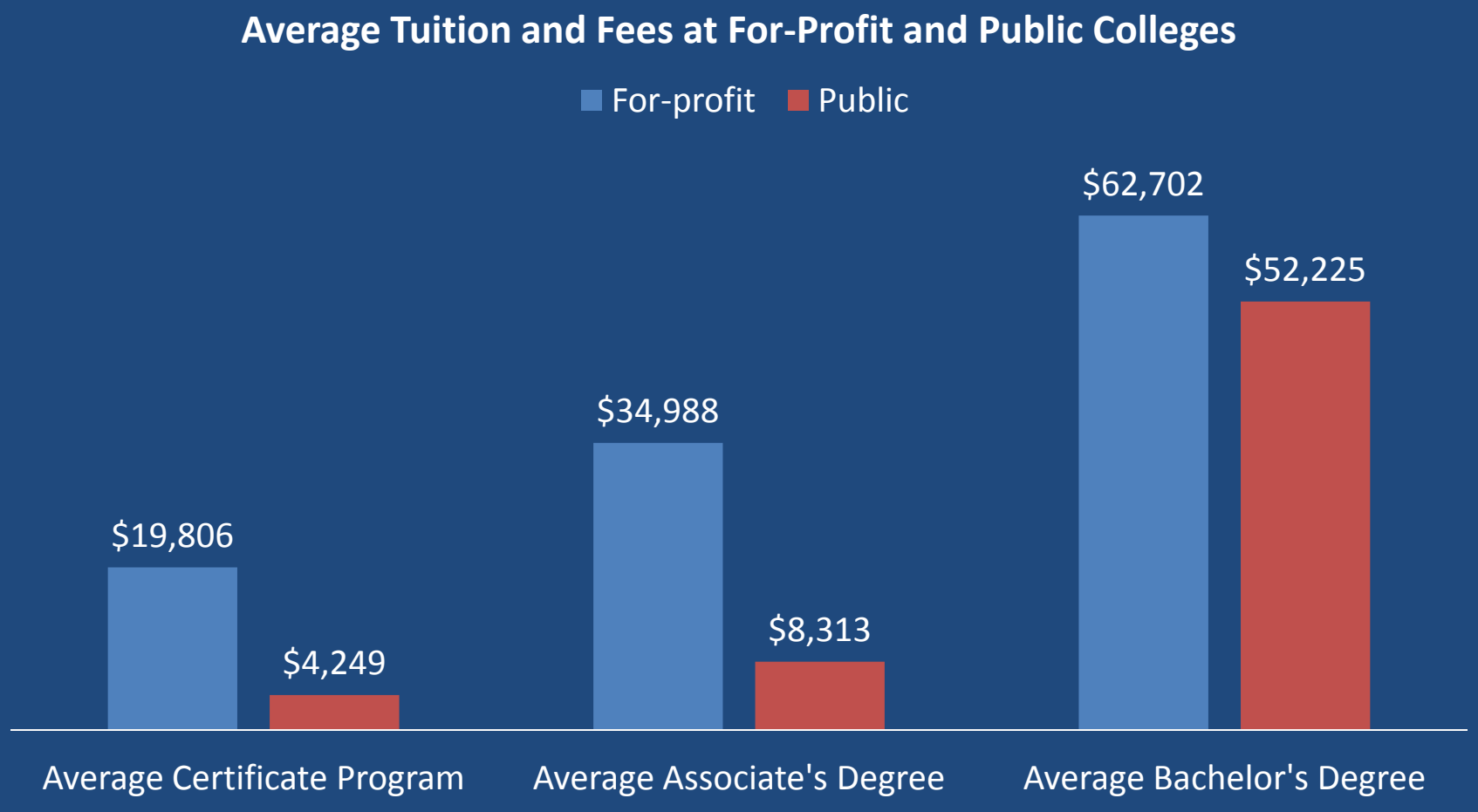
- Students who attend for-profit education institutions are more likely to be unemployed and earn less.
- Although for-profits typically serve students who are poorer or more likely to be minorities, these differences do not explain the differences in employment, income, debt levels, and student loan defaults.
- The Government Accountability Office has found that graduates of for-profits are less likely to pass licensing exams, and that poor student performance cannot be explained by different student demographics.
- In the absence of agreed-upon learning outcomes measures the Department of Education had few means of control.
- Accreditation agencies routinely accredited them.

Education Trust's Judgment about For-profit Colleges



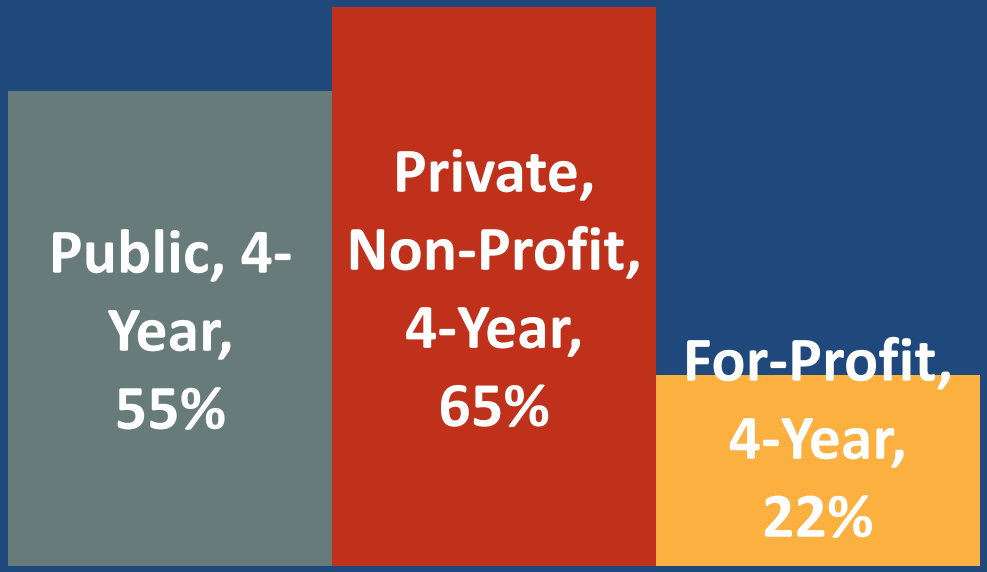
Source: Mass e-mail sent by Education Trust [equityexpress@edtrust.org] I received it on 8/2/2012

For Profits Charge Higher Tuition and Fees than Public Colleges



FOR PROFIT HIGHER EDUCATION: The Failure to Safeguard the Federal Investment and Ensure Student Success, COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS, UNITED STATES SENATE,JULY 30, 2012,p. 41

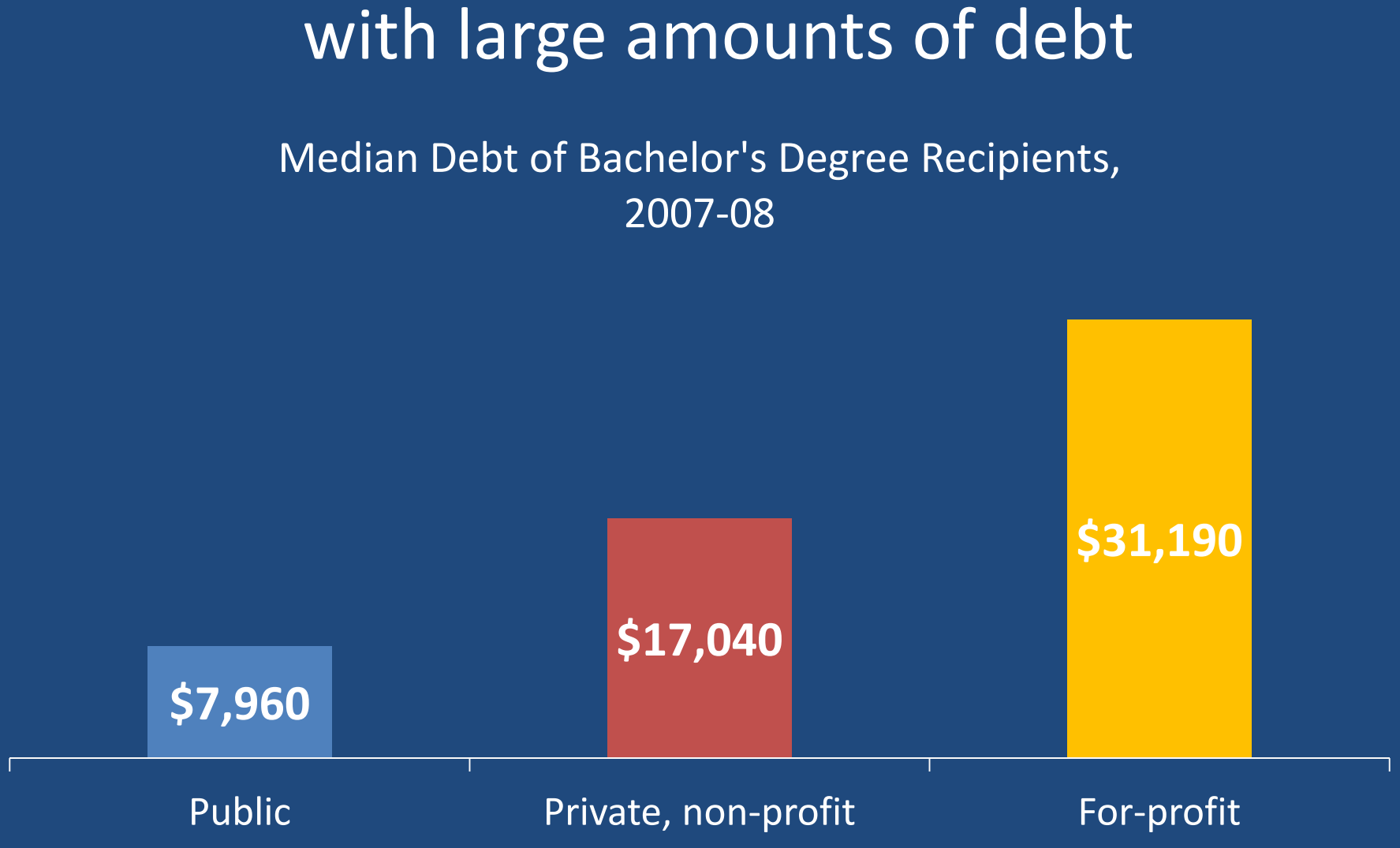
4-year for-profits have much lower graduation rates than non-profits



Source: IPEDS First Look 2008-09, Table 5. Graduation rates at Title IV institutions, by race/ethnicity, level and control of institution, gender, and degree at the institution where the students started as full-time, first-time students: United States, cohort year 2002.

source: Education Trust

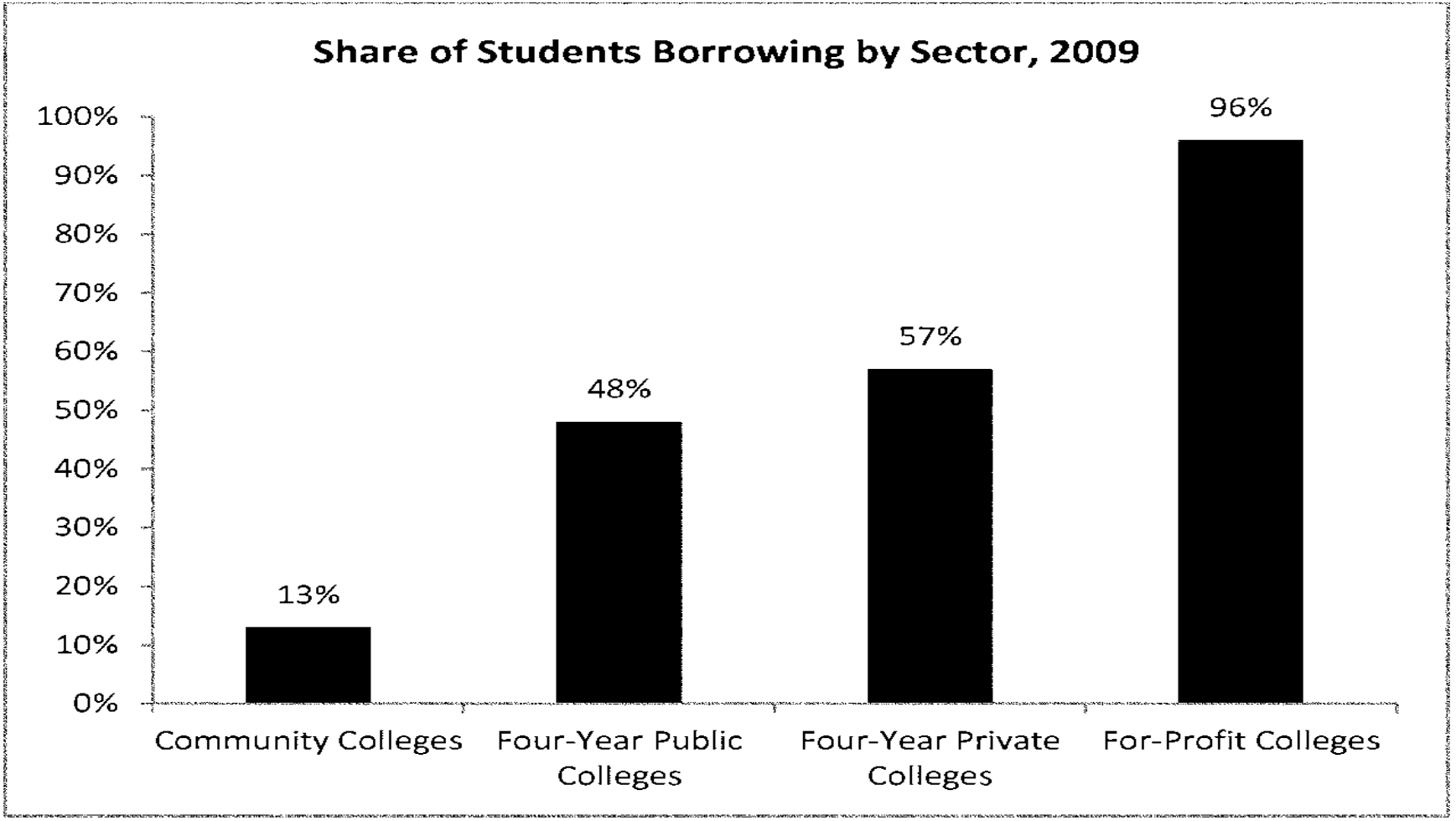
Students at for-profit colleges graduate with large amounts of debt



Source: Analysis of NPSAS:08 in *Trends in Student Aid*, The College Board, 2009.

source: Education Trust

And a much larger proportion of their students finance their educations by borrowing.



FOR PROFIT HIGHER EDUCATION: The Failure to Safeguard the Federal Investment and Ensure Student Success, COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS, UNITED STATES SENATE,JULY 30, 2012, p. 129.

Default Rates are higher at for-profits

If default rates were tracked for three years instead of two, for-profit default rates would double to about one in five.

Institution Type	Cohort Default Rate (CDR) (Three-year average, 2005-07)
	3-Year
For-profit	19.1%
Private, non-profit	5.0%
Public	8.1%

Source: Ed Trust analysis of Trial 3-Year Cohort Default Rates, National Student Loan Data System, Department of Education, http://federalstudentaid.ed.gov/datacenter/cohort.html

source: Education Trust

Some School-specific Comparisons

For-Profit Education Companies with the Highest Bachelor's Degree Withdrawal Rates[267]		
Company	**Percent Withdrawn**	**Students Withdrawn**
Kaplan Higher Education, Inc.	68	21,390
Rasmussen Colleges, Inc.	64	1,198
Bridgepoint Education, Inc.	63	25,898
Education Management Corporation	62	23,609
Capella Education Company	60	3,378
Corinthian Colleges, Inc.	59	1,889
Grand Canyon Education, Inc.	59	10,212
The Keiser School, Inc.[268]	57	1,061
Alta Colleges, Inc.	57	6,237
DeVry, Inc.	56	23,215
All Companies	61	118,087

FOR PROFIT HIGHER EDUCATION: The Failure to Safeguard the Federal Investment and Ensure Student Success, COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS, UNITED STATES SENATE,JULY 30, 2012, p. 86

Absent Proven Learning Outcome Measures the Education Department will Look to Other Evidence for Learning

- Gainful employment
  - Now required only for for-profits but may be required in the future for not-for profits and public universities
- Graduation and Retention Rates

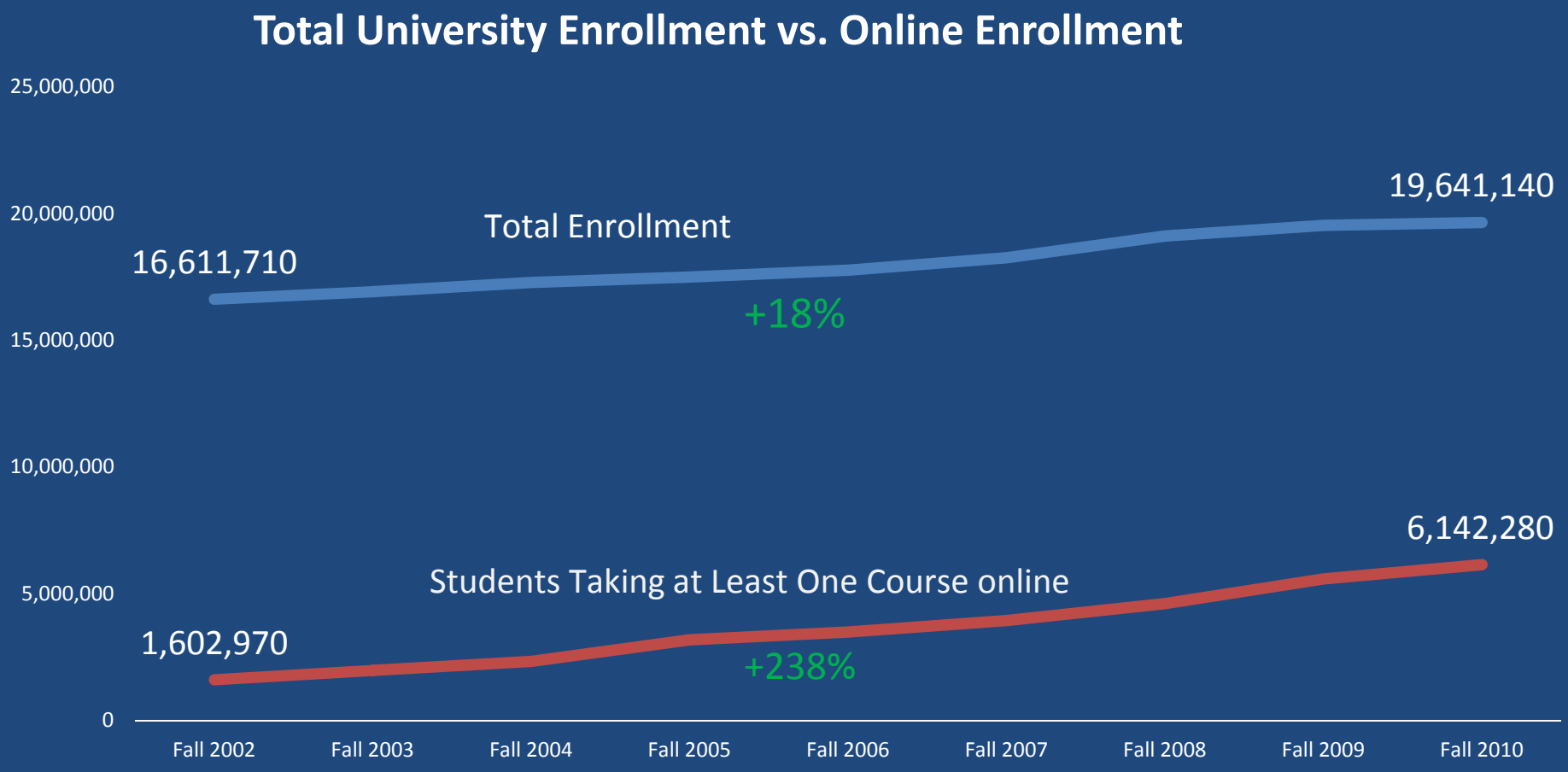
Best Guesses

- For Profits will correct their worst abuses
  - Consumer information will be clearer
  - Greater attention will be given to learner outcomes
  - Attrition rates will diminish
  - Graduation Rates will rise
- Their trajectory of enrollment will resume its course of the last decade

- To control for-profits, the U.S. will
  - rely on Accreditation,
  - On government specification of minimum terms for distribution of federal financial aid and
  - will continue development of methods to directly measure learning outcomes.

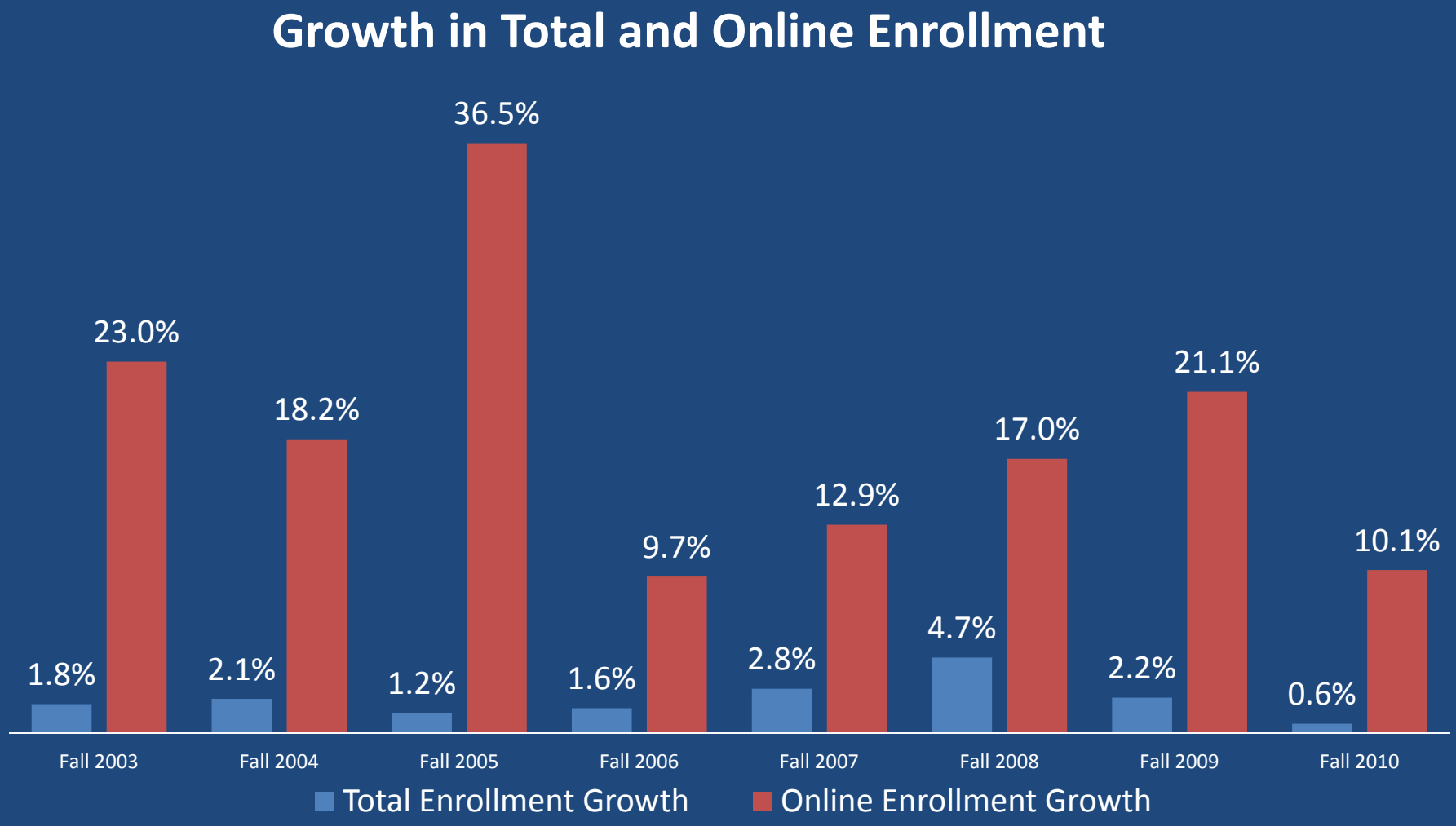
Trend VI:
Online Education Becomes Respectable

Only a Decade Old, It is Growing Rapidly



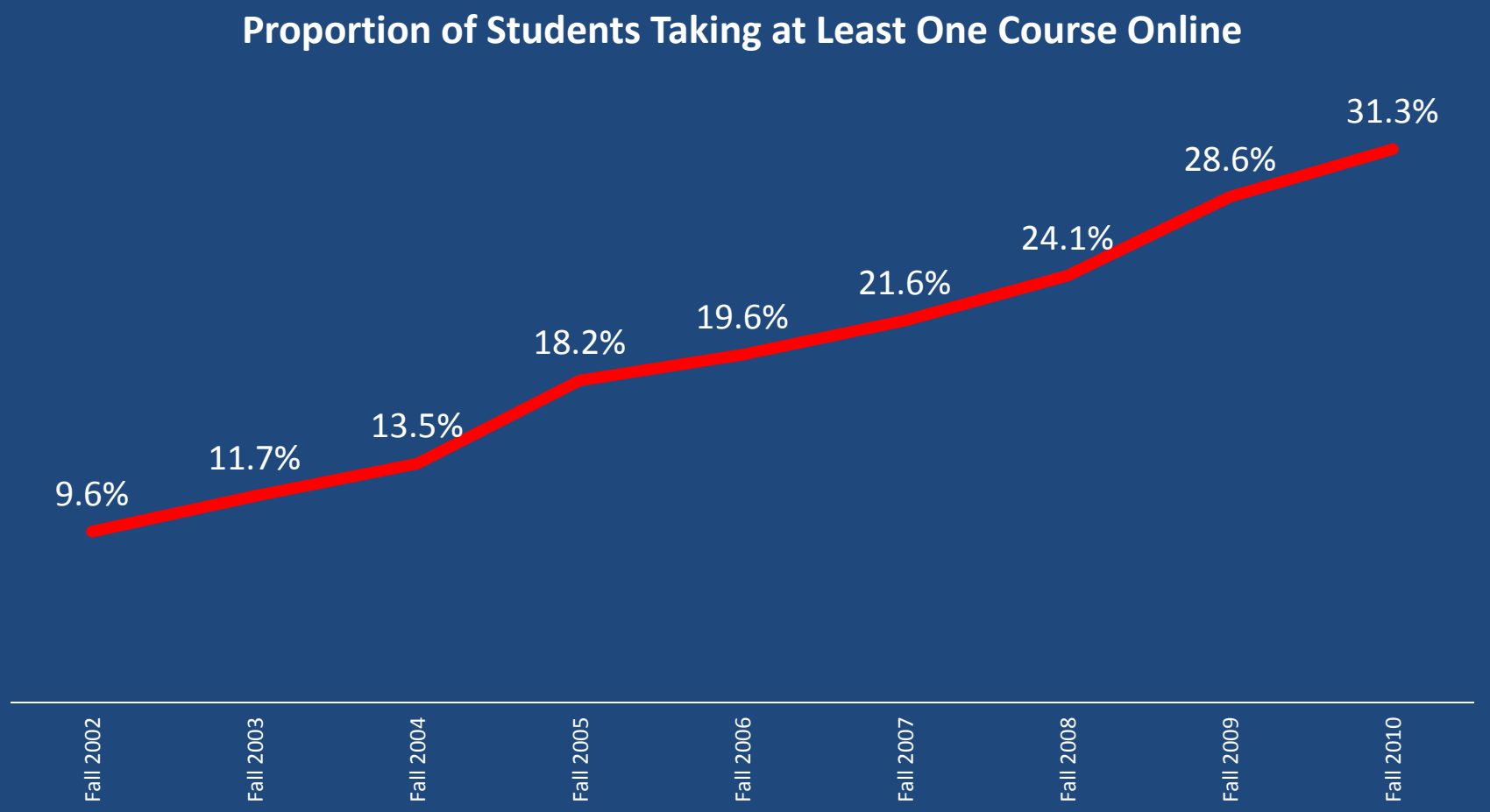
Elaine Allen and Jeff Seaman, "Going the Distance: Online Education in the United States, 2011", Babson Survey Research Group

Much More Rapidly, than University Enrollment



Elaine Allen and Jeff Seaman, "Going the Distance: Online Education in the United States, 2011", Babson Survey Research Group

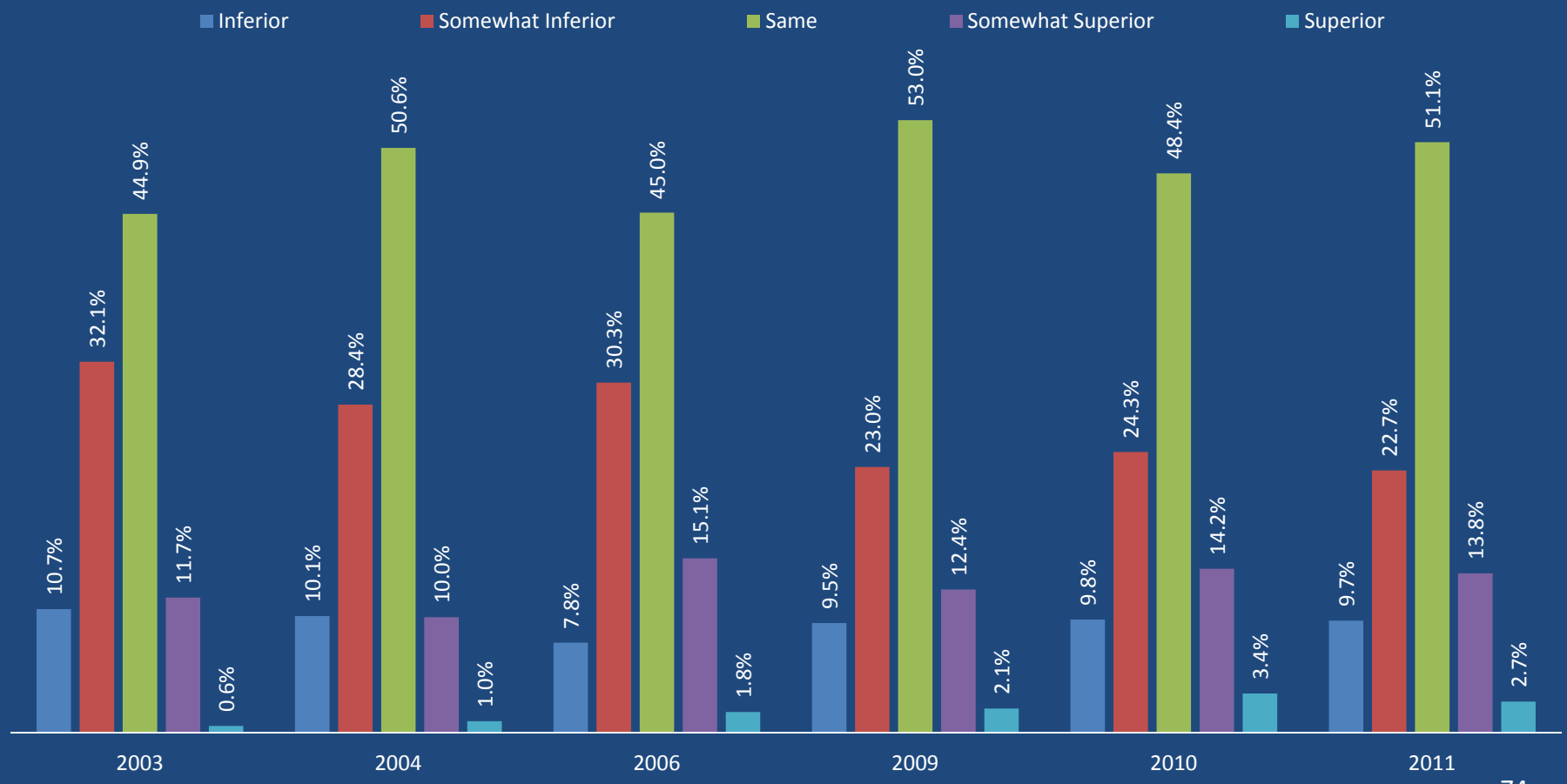
At any time about 1 out of 3 students is taking at least one course online.



Elaine Allen and Jeff Seaman, "Going the Distance: Online Education in the United States, 2011", Babson Survey Research Group

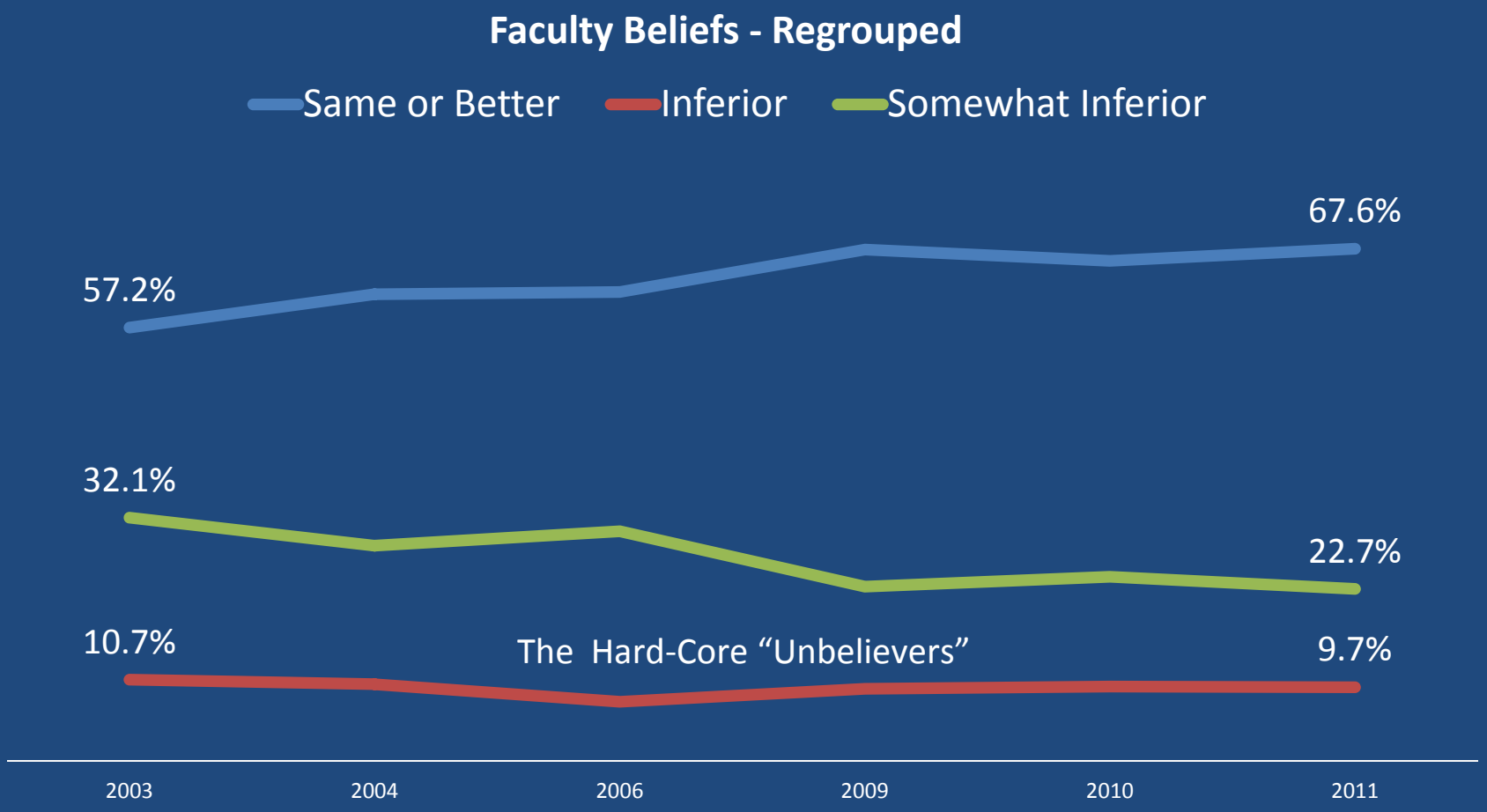
A Majority of Faculty Believe that Online is as good as or better than face to face Instruction

Faculty Beliefs About the Learning Outcomes of Online Instruction



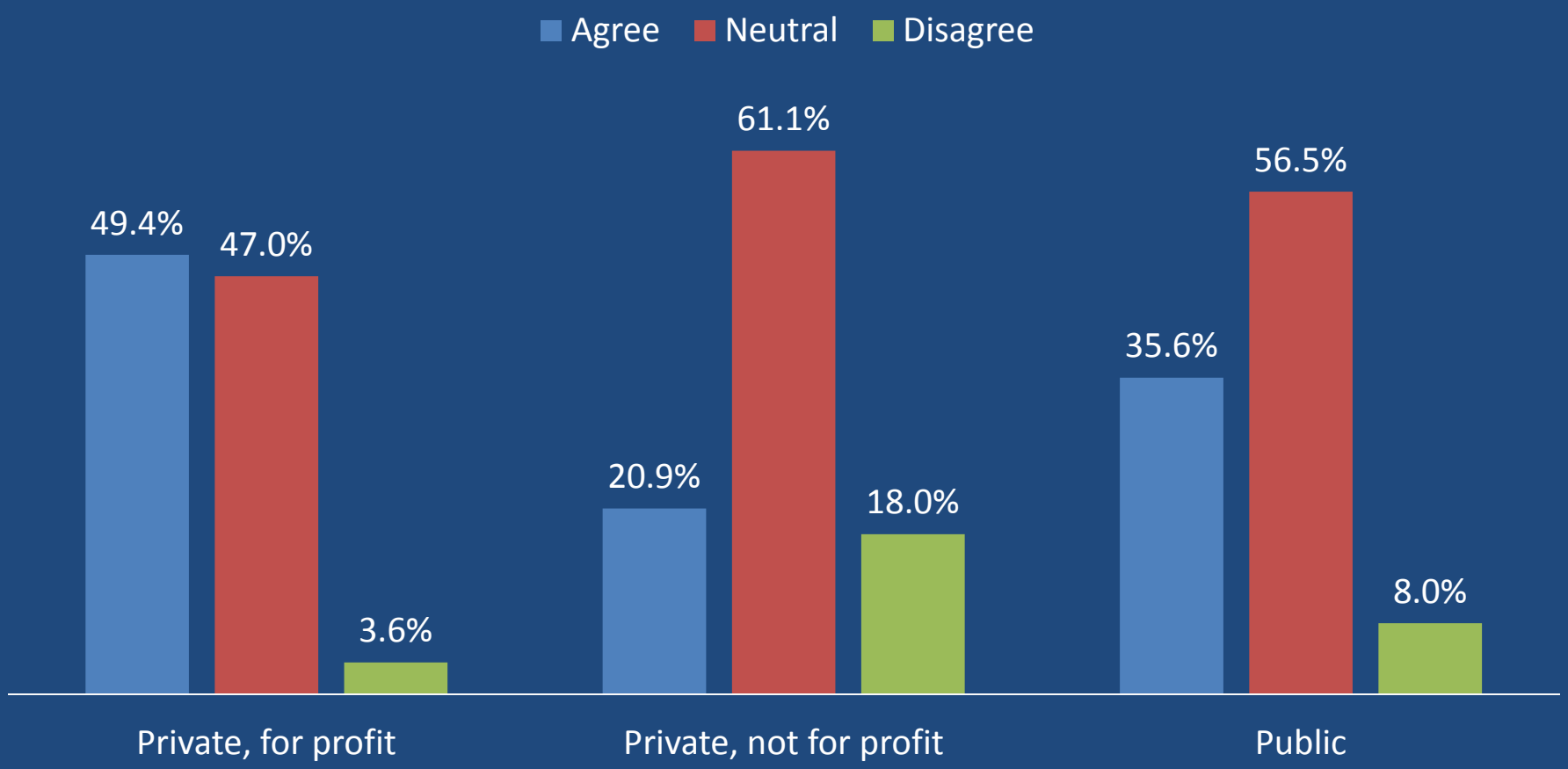
Elaine Allen and Jeff Seaman, "Going the Distance: Online Education in the United States, 2011", Babson Survey Research Group

The Schism in the Faculty Community



Acceptance is Greater at For Profit Universities

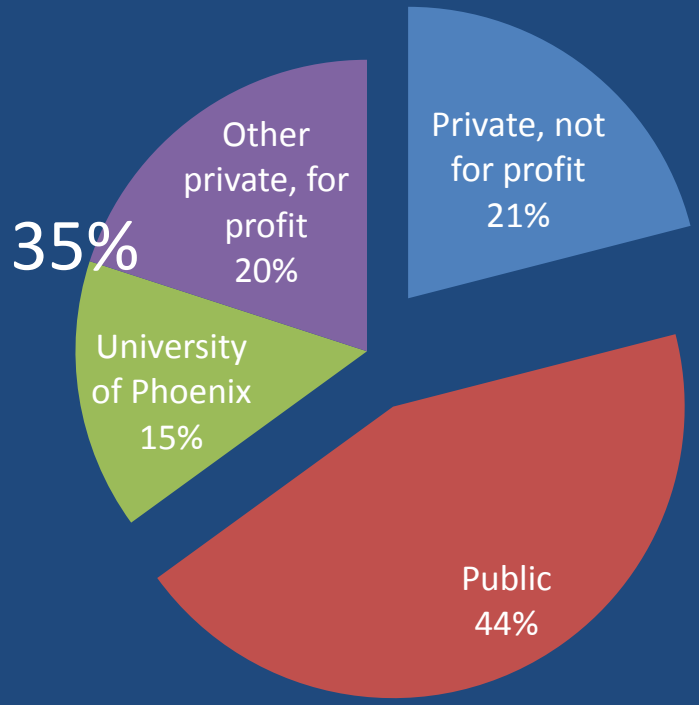
Faculty Response to the Question "*Is Online Instruction Valuable and Legitimate?*"



Elaine Allen and Jeff Seaman, "Going the Distance: Online Education in the United States, 2011", Babson Survey Research Group

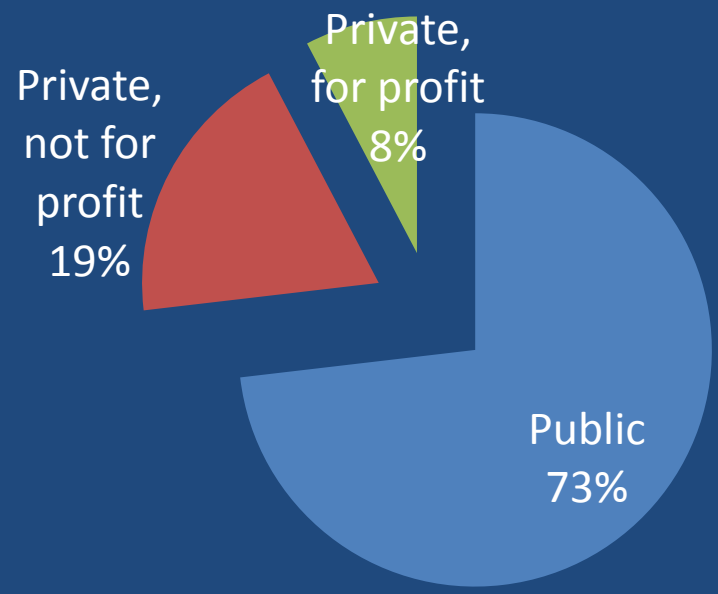
Online courses are disproportionately offered by the for-profit sector, but public and private, not for profit, universities offer 65% of this form of instruction

Distribution of on-line students



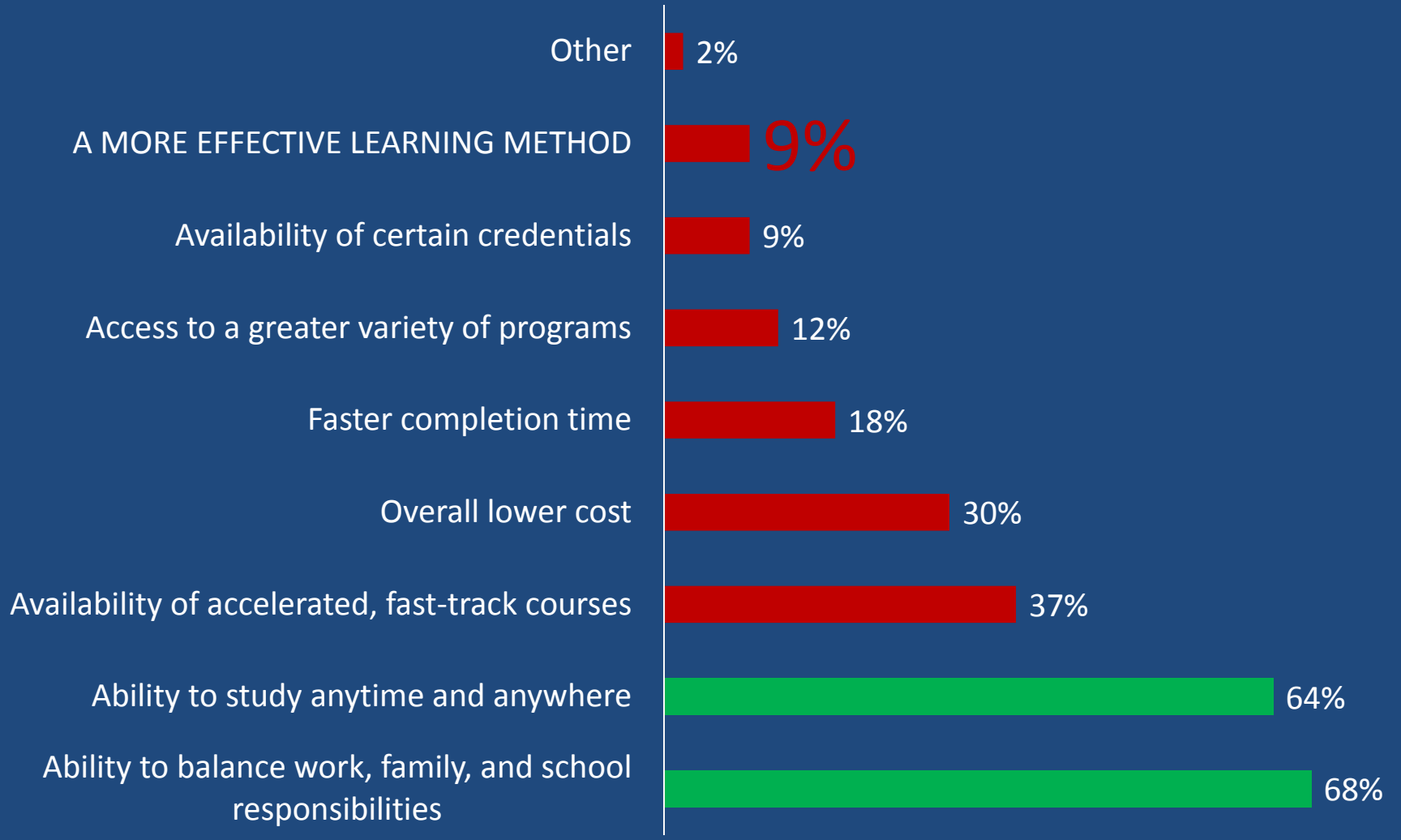
Source: Aslanian, C. B., & Clinefelter, D. L. (2012). *Online college students 2012: Comprehensive data on demands and preferences. Louisville, KY: The Learning House, Inc.*

Distribution of all Enrollments in US 2010



Source: Digest of Education Statistics, Table 195

Student Reasons for Choosing Online Instruction



Source: Aslanian, C. B., & Clinefelter, D. L. (2012). *Online college students 2012: Comprehensive data on demands and preferences. Louisville, KY: The Learning House, Inc.*

Objective Research Generally Finds that it is as effective as face to face instruction

- *"instruction conducted entirely online is as effective as classroom instruction but no better."*

Evaluation of Evidence-Based Practices in Online Learning: A Meta-Analysis and Review of Online Learning Studies, US. Department of Education 2010

- *"the mean effect size was larger for blended learning against face-to-face instruction than for purely online versus face-to-face instruction."*

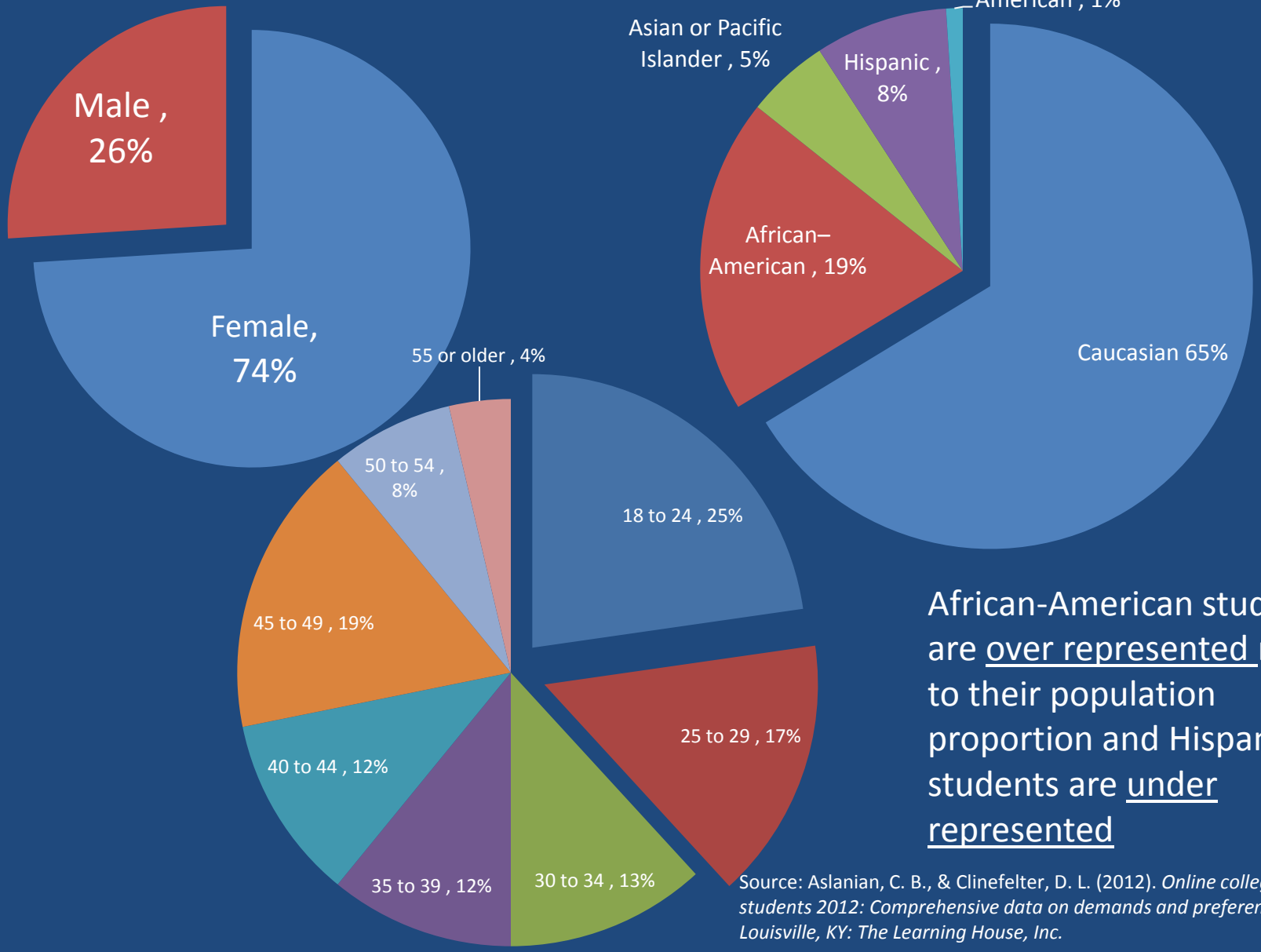
Evaluation of Evidence-Based Practices in Online Learning: A Meta-Analysis and Review of Online Learning Studies, US. Department of Education 2010

- *"the differences between students taught in the traditional format and students taught in the hybrid format are not meaningful."**

Interactive Learning Online at Public Universities: Evidence from Randomized Trials, **William G. Bowen, Matthew M. Chingos, Kelly A. Lack, Thomas I. Nygren, ITHAKA, 2012**

*Major Mellon Foundation Financed Evaluation of Carnegie-Mellon's OLI Course Design at Public Universities

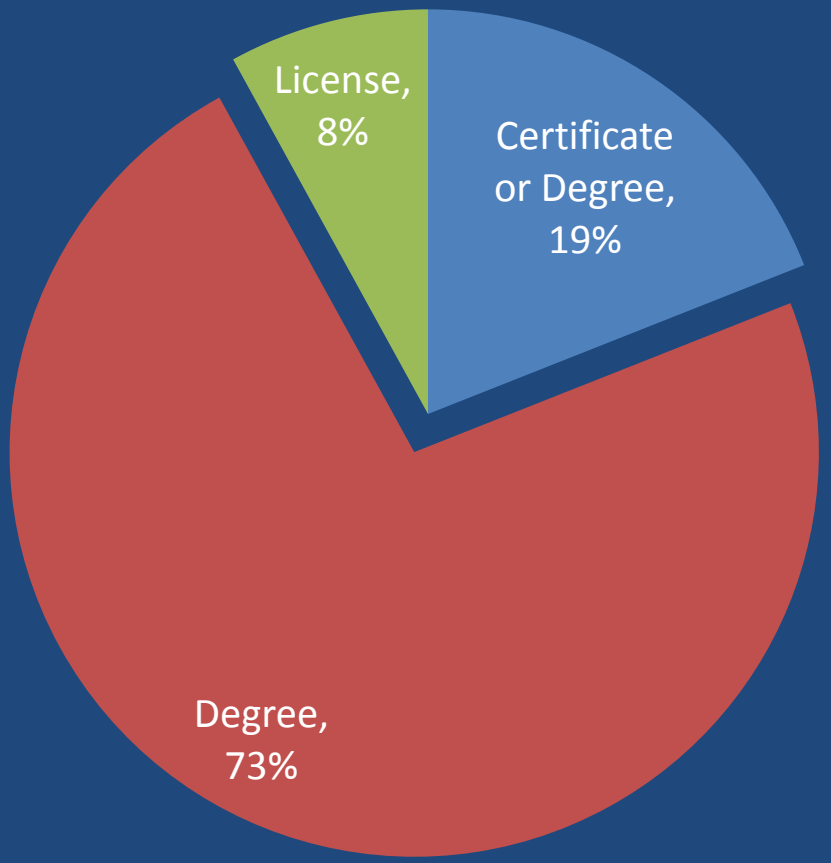
Undergraduate Online Students are predominately female, Caucasian and under 30

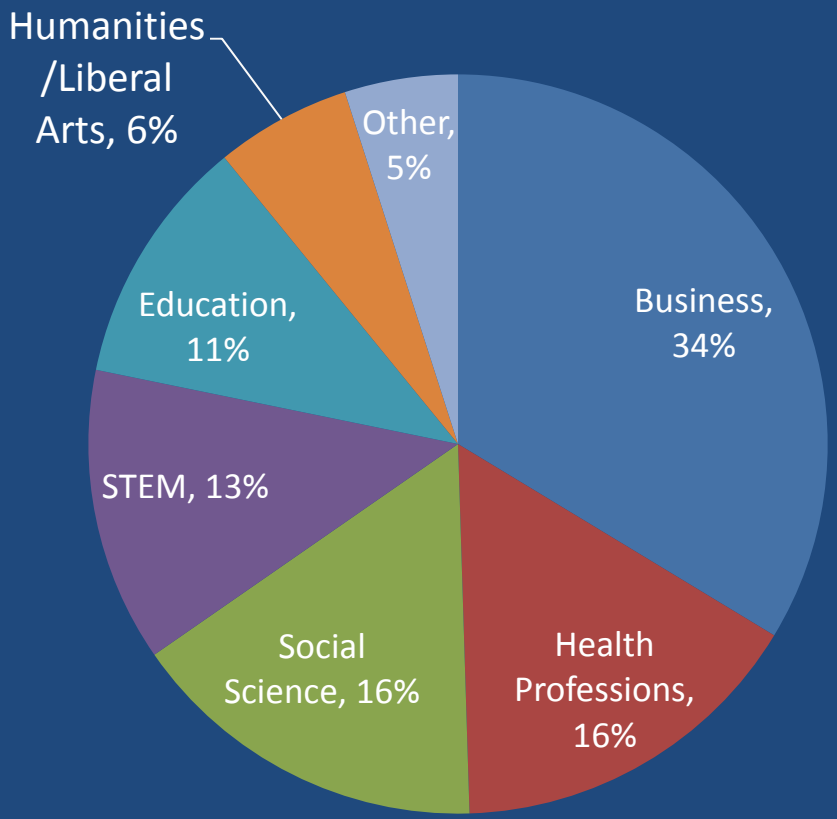


African-American students are <u>over represented</u> relative to their population proportion and Hispanic students are <u>under represented</u>

Source: Aslanian, C. B., & Clinefelter, D. L. (2012). *Online college students 2012: Comprehensive data on demands and preferences. Louisville, KY: The Learning House, Inc.*

Online students are degree oriented and choose to study in occupation related fields.



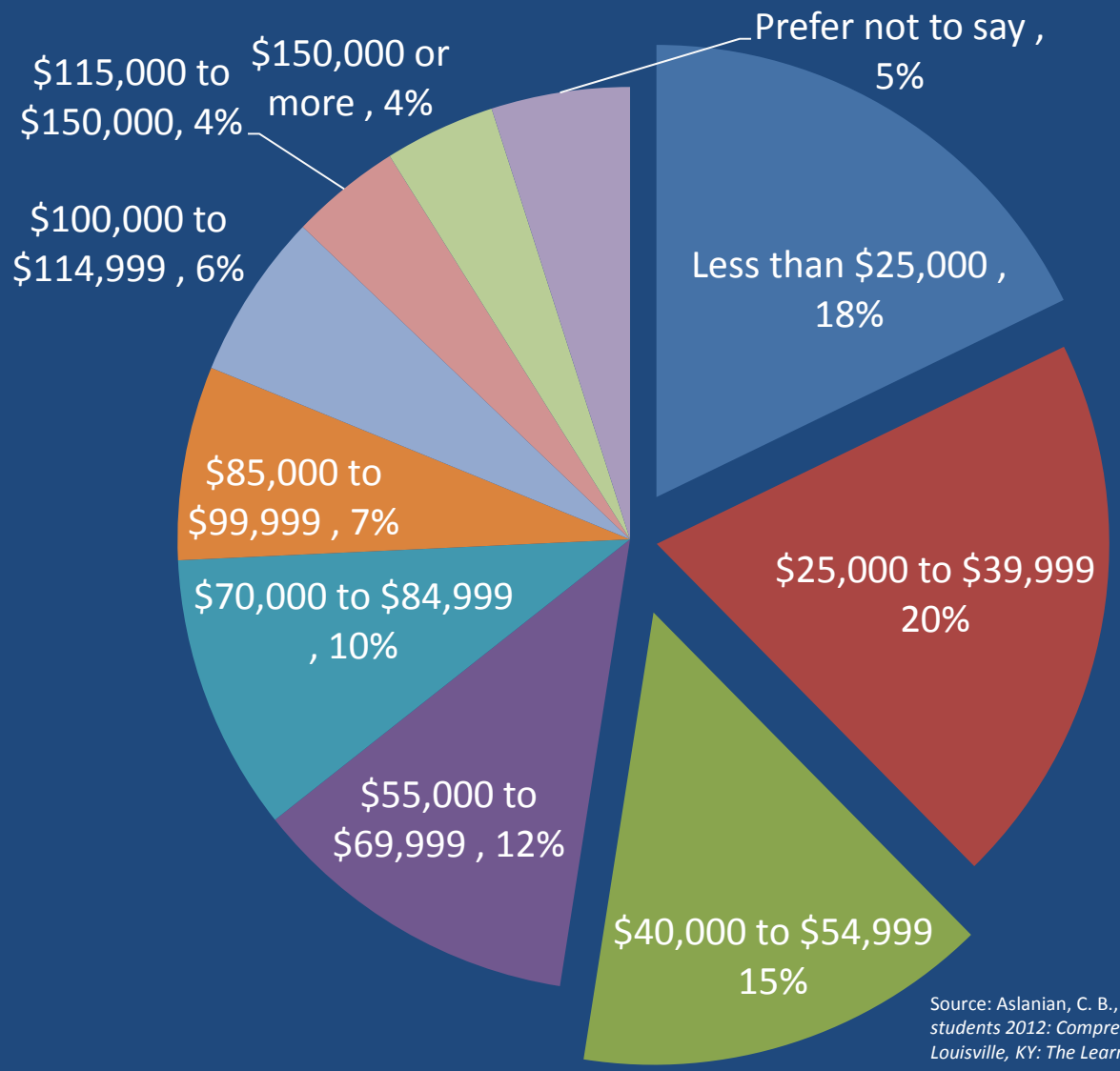


Source: Aslanian, C. B., & Clinefelter, D. L. (2012). *Online college students 2012: Comprehensive data on demands and preferences. Louisville, KY: The Learning House, Inc.*

Top 10 Degree Programs	Undergraduate	Graduate
Business Administration or Management	1	1
Accounting	2	7
Information Technology	3	6
Business: Finance	4	2
Nursing	4	10
Psychology: General	5	10
Health Care Administration	6	4
Computer and Information Systems Security	7	9
Social Work	8	9
Computer Science	8	—
Criminal Justice and Law Enforcement	8	—
Law and Paralegal Studies	9	9
Education: Elementary	10	5
Business Information Systems	10	10
Education: Leadership and Administration	—	3
Psychology: Clinical	—	8

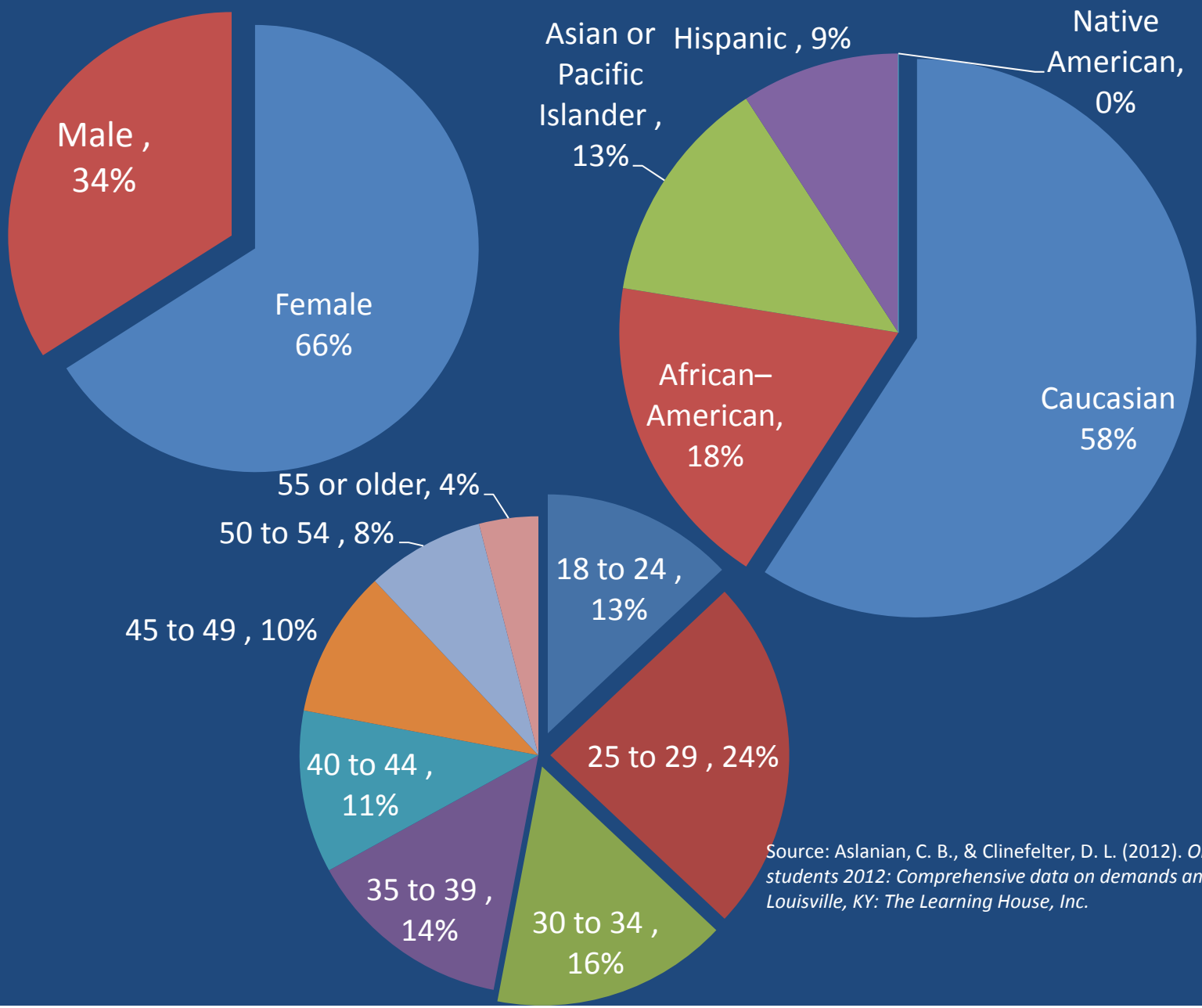
Source: Aslanian, C. B., & Clinefelter, D. L. (2012). *Online college students 2012: Comprehensive data on demands and preferences. Louisville, KY: The Learning House, Inc.*

And 53% of undergraduate online students come from households with incomes under $55,000



Source: Aslanian, C. B., & Clinefelter, D. L. (2012). *Online college students 2012: Comprehensive data on demands and preferences. Louisville, KY: The Learning House, Inc.*

Graduate Online Students are predominantly female, Caucasian and under 35.



Source: Aslanian, C. B., & Clinefelter, D. L. (2012). *Online college students 2012: Comprehensive data on demands and preferences. Louisville, KY: The Learning House, Inc.*

A Central Problem with Online Courses

- *"Attrition rates for classes taught through distance education are 10 – 20% higher than classes taught in a face-to-face setting."*

Strategies to Engage Online Students and Reduce Attrition Rates, Lorraine M. Angelino,, Frankie Keels Williams, Deborah Natvig, *The Journal of Educators Online, Volume 4, Number 2, July 2007*

A Comparison of Drop-Out Rates at For-profit Universities

Comparison of Withdrawal Rates for Students Attending School Online and On Campus				
Degree Level	ONLINE		ON CAMPUS	
	Percent Withdrawn	Students Withdrawn	Percent Withdrawn	Students Withdrawn
Associate	68	172,256	51	28,013
Bachelor's	57	94,214	55	55,041
Certificate	59	698	34	26,600
All Students	64	277,046	46	100,110

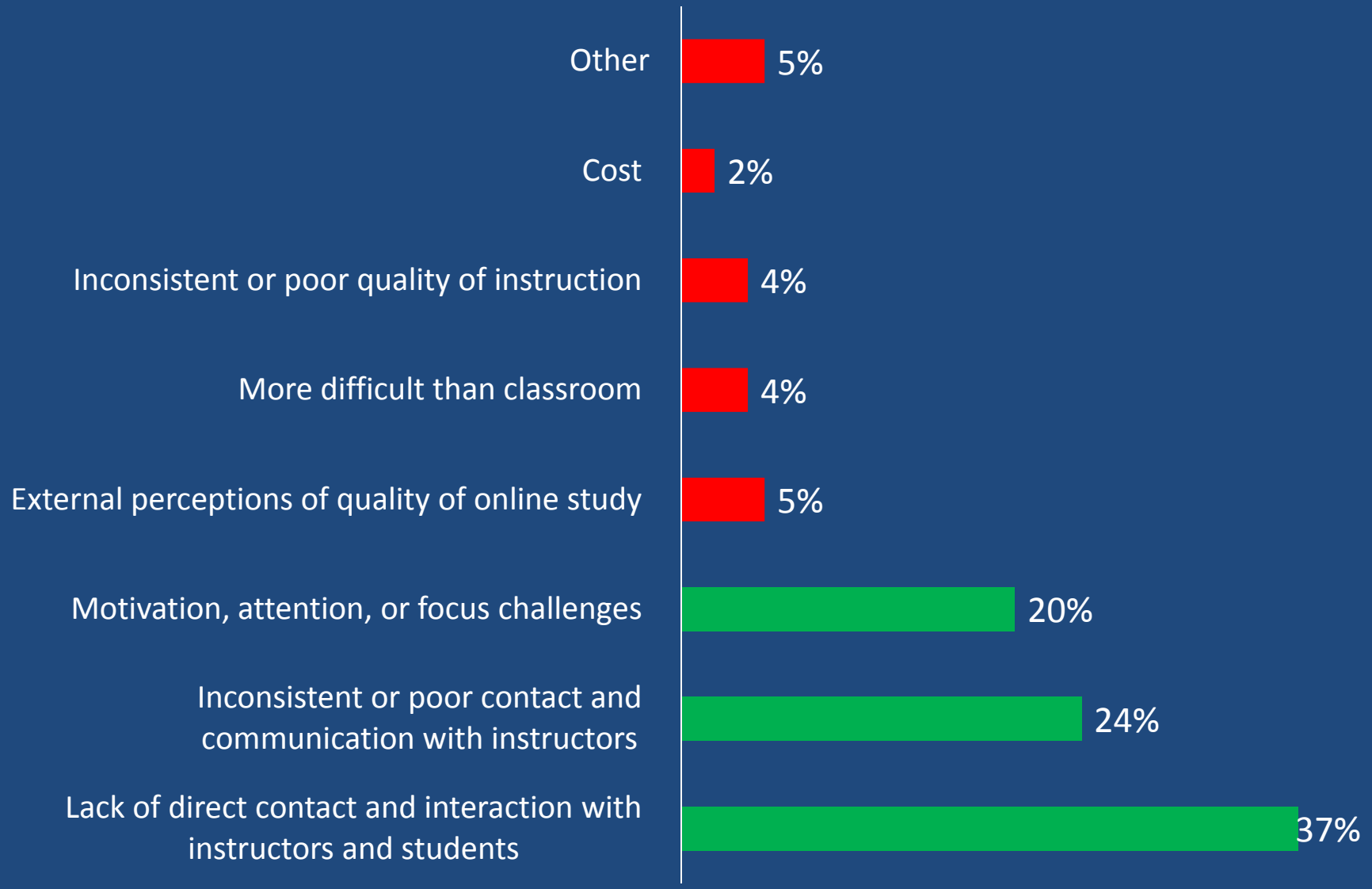
FOR PROFIT HIGHER EDUCATION: The Failure to Safeguard the Federal Investment and Ensure Student Success, COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS, UNITED STATES SENATE,JULY 30, 2012, p. 87.

Poor Graduation Results are Associated with Many Online Colleges

College	Graduation Rate	College	Graduation Rate
Full Sail University	78%	Stevens-Henager College	36%
Keiser University	72%	Everest University	35%
Everglades University	65%	Rasmussen College	35%
Colorado State University	64%	Salem International University Online	35%
Florida Tech University	63%	Stratford University	34%
Champlain College	62%	DeVry University	33%
Ultimate Medical Academy	61%	National University	32%
Fisher College	56%	South University	31%
ITT Technical Institute	55%	Ashford University	30%
Ohio Christian University	53%	Harrison College	29%
Florida National College	51%	Jones International University	29%
Schiller International University	47%	National American University	29%
Liberty University	44%	Post University	28%
Herzing University	43%	Granite State College	27%
Saint Leo University	43%	City University	26%
Tiffin University	43%	Kaplan University	23%
Columbia College	42%	Western Governors University	22%
Grand Canyon University	42%	Westwood College	21%
Southern New Hampshire University	42%	Hodges University	19%
LA College International	41%	American Intercontinental University	16%
Bellevue University	40%	Strayer University	14%
Colorado Technical University	40%	Columbia Southern University	11%
Franklin University	39%	Virginia College	11%
Berkeley College	38%	Peirce College	6%
San Joaquin Valley College	38%	Western International University	6%

Source: http://oedb.org/rankings/graduation-rate

Student Perception of Less Positive Features of Online Instruction



Source: Aslanian, C. B., & Clinefelter, D. L. (2012). *Online college students 2012: Comprehensive data on demands and preferences. Louisville, KY: The Learning House, Inc.*

MOOCs, Massively Open Online Courses

- Two Consortia:
  - edX MIT, Harvard, Berkeley, private, not-for-profit
  - Coursera Stanford, Washington, Virginia, and others. Private, for-profit
- Potential to a) reduce costs, b) improve learning, c)increase access, and maybe d) produce revenue for a few universities.
- *Massive Open Online Courses, MOOCs, have extraordinarily high attrition;*
  - *3,500 of 50,000 enrolled passed an early offering at Berkeley --- 7% pass rate*
  - *Of the 154,763 who registered for "Circuits and Electronics" offered March 5 to June 8, 2012, by MIT, fewer than half got as far as looking at the first problems set, and only 7,157 passed the course. --- 4.6% pass rate*
- Should MOOCs be considered "education" or just "information?"
- One criticism of MOOCs seems credible, at least for now: There is no business plan to produce revenue.

for a good discussion of MOOC's see: *MOOC's Aren't a Panacea, but That Doesn't Blunt Their Promise*, Jeff Selingo, New York Times, July 11, 2012.

Entering the Online Education Market is a Business Decision

Bain & Company on Entering the Online Education Market

". . . until you have defined your core strategy and identified significant capital to invest in creating academic value, you will not survive in the online space."

"There are already too many entrenched players and new entrants with significant capital in the market for an undifferentiated strategy to succeed."

"The Financially Sustainable University", Jeff Denneen and Tom Dretler, Bain and Co. 2012, p. 9.

Doing it right involves large up-front costs.

- *"The hybrid learning model is very attractive in such circumstances for two primary reasons: (a) less space is needed in general; and (b) hybrid courses provide both students and teachers with greater scheduling flexibility. Increased enrollment can also lead to increased compensation cost savings (per student) because the fixed costs of the professor in charge of the course, and an administrative coordinator, would be spread over a larger number of students."*
- *In the case of hybrid learning, however, there are substantial start-up costs that have to be considered in the short run but are likely to decrease over time, thereby making short-term costs significantly greater than long-term costs. For example, the development of sophisticated hybrid courses will be a costly effort that would only be a sensible investment if the start-up costs were either paid for by others (foundations and governments) or shared by many institutions and amortized over time.*

Interactive Learning Online at Public Universities: Evidence from Randomized Trials, **William G. Bowen, Matthew M. Chingos, Kelly A. Lack, Thomas I. Nygren, ITHAKA, 2012**

Pew Research Center on July 27, 2012, released a survey of 1021 academics, entrepreneurs, I.T. workers and various other "experts and stakeholders" and presented these options about 10 years in the future to them:

- 39% a) Not much will have changed, aside from the proliferation of certain mobile and classroom technologies, and "most universities will mostly require in-person, on-campus attendance of students most of the time at courses featuring a lot of traditional lectures" and assessment methods; or

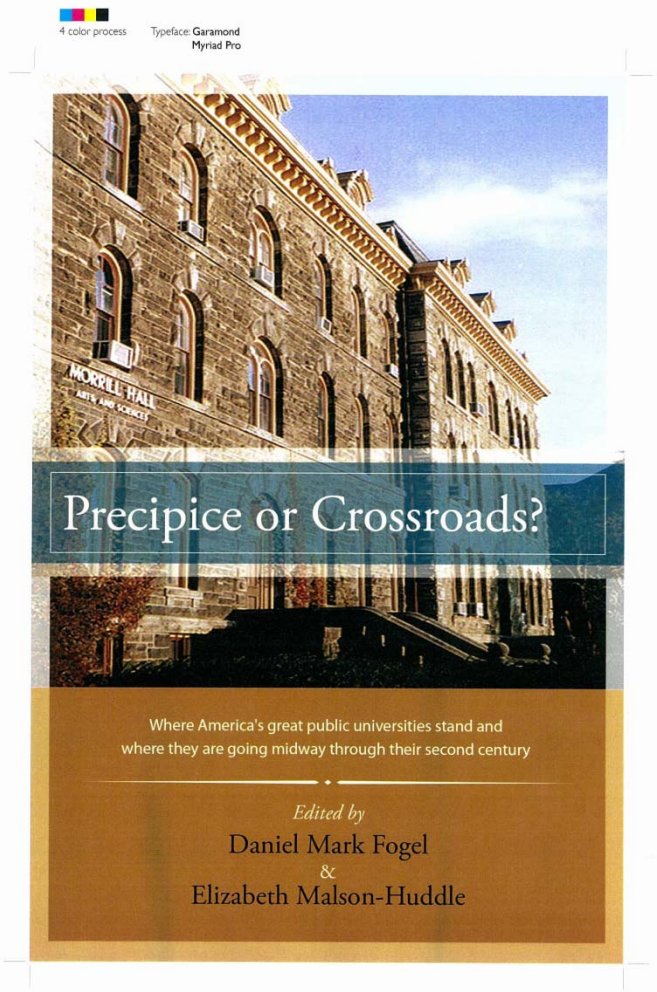
- 60% b) Self-paced learning, online "hybrid" courses will have become par for the course at most universities, and assessment will have shifted to "more individually oriented outcomes and capacities that are relevant to subject mastery."

Read more: http://www.insidehighered.com/quick-takes#ixzz21phy6vjH
Inside Higher Ed

WHAT WILL THE FUTURE HOLD?

- Both face to face and online will continue.
- Face to face will grow to be “blended.”
- Online will grow rapidly in niche markets.
- MOOCs will be a supplemental resource for face to face and online for credit instruction and will become very important in noncredit instruction.
- A certification industry will arise. Its significance will depend on business acceptance of its product.

For Further Reading



Precipice or Crossroads?
Where America's Great Public Universities Stand and Where They Are Going Midway through Their Second Century

Daniel Mark Fogel - Editor
Elizabeth Malson-Huddle – Editor

SUNY Press, 2012

Challenges to Viability and Sustainability: Public Funding, tuition, College Costs and Affordability
David Shulenburger, pp. 79- 117