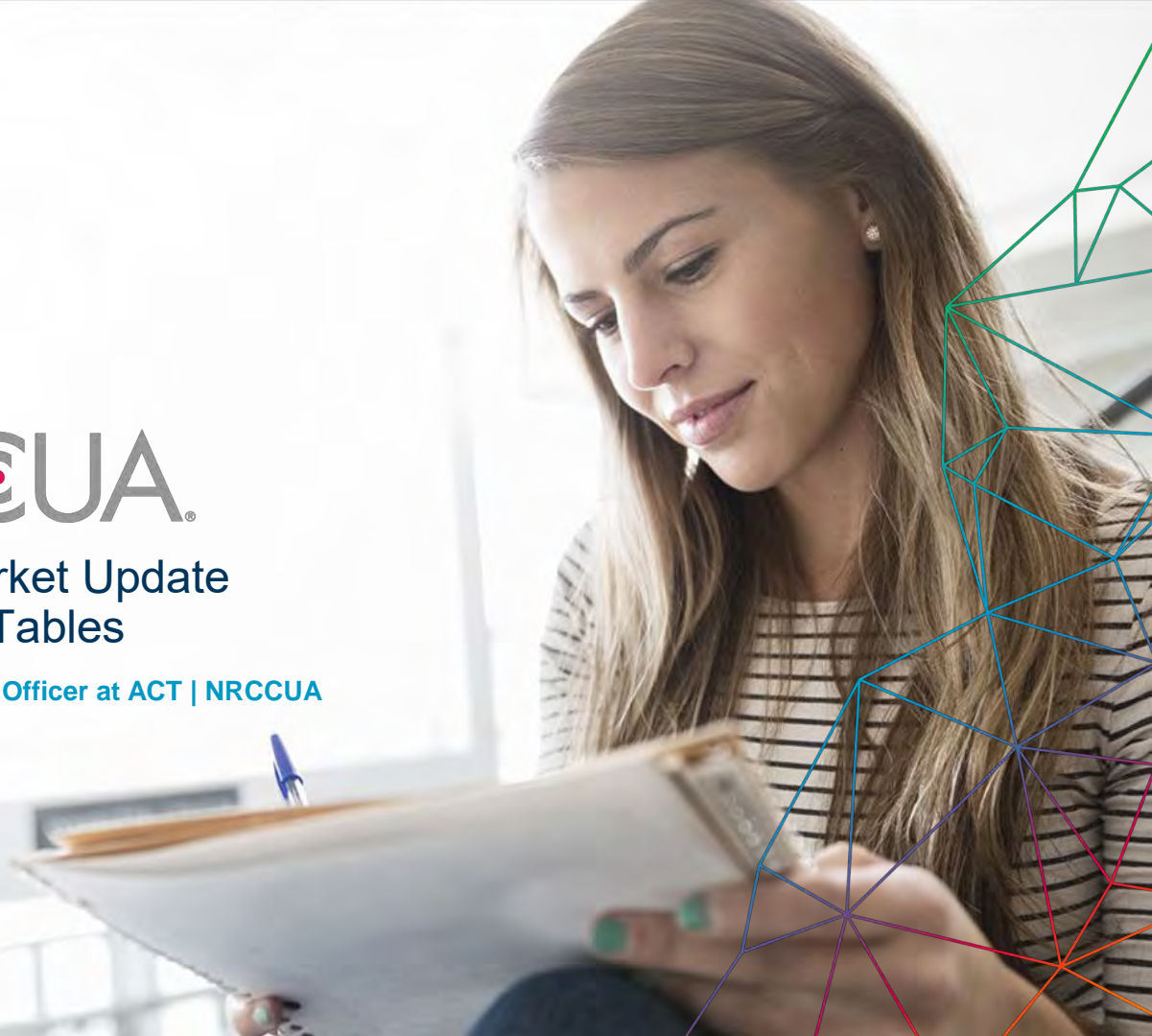


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Online Higher Education Market Update 2019: In Six Charts and Six Tables

Richard Garrett, Eduventures Chief Research Officer at ACT | NRCCUA

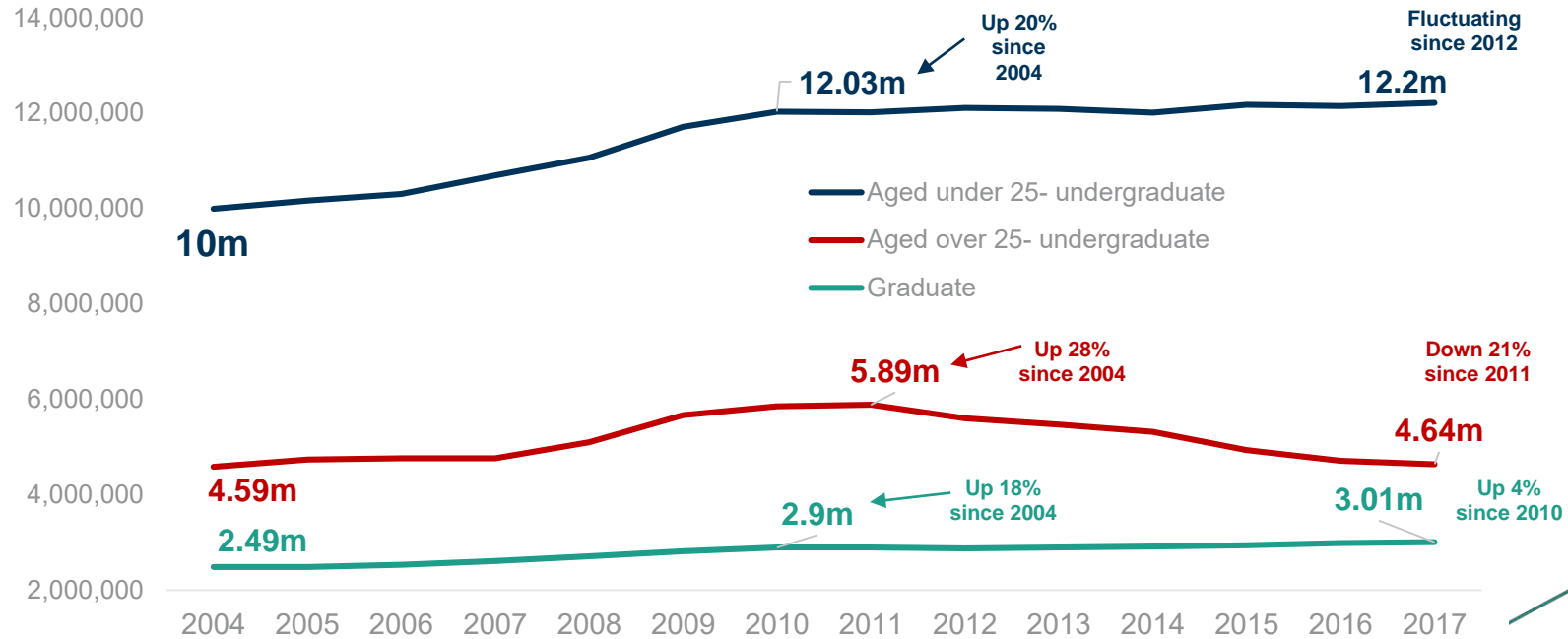


Agenda

- **Context**
- Undergraduate Trends
- Graduate Trends
- Level and Field of Study
- Cost and Price
- Forecasts

Context: Boom, Bust and Stability

Student Headcount by Level and Age: Fall 2004-17 (Two- and Four-Year Schools)



Source: Eduventures analysis of IPEDS and National Student Clearinghouse data. Degree-granting, Title IV eligible schools only. For-credit students only. The 2017 undergraduate figures are Eduventures estimates.

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Undergraduate Online: For-Profit Loss, Nonprofit Gain

Fully Online Undergraduate Students, Fall 2012-17

Type of Institution	2012	2013	2014	2015	2016	2017	Growth 2012-2017	Growth 2016-2017
Public Four-Year	366,675	398,616	445,303	474,105	545,646	590,022	61%	8%
Private Four-Year	261,840	289,449	346,539	387,640	405,420	439,955	68%	9%
For-Profit Four-Year	675,647	613,140	592,823	513,471	467,576	431,683	-36%	-8%
Public Two-Year	657,117	662,821	690,151	717,537	708,887	743,835	13%	5%
Private Two-Year	798	822	814	1,203	17,547	19,723	N/A	N/A
For-Profit Two-Year	21,681	19,322	21,600	10,514	10,035	10,214	-53%	2%
TOTAL	1,983,758	1,984,170	2,097,230	2,104,470	2,155,111	2,235,432	13%	4%
Growth	-	<0.1%	5.6%	0.3%	2.4%	3.7%		

Source: Eduventures analysis of IPEDS data.

11.1% of all undergraduates

13.3%

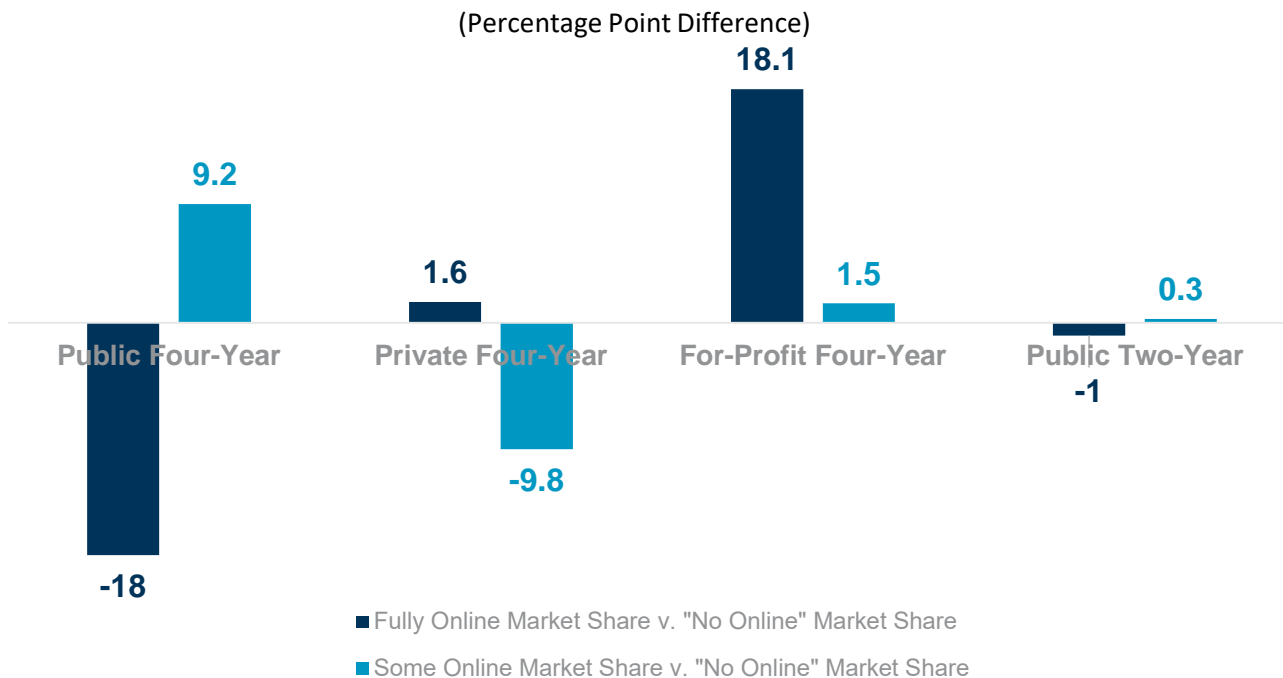
Undergraduate Online Share Varies Widely: A Few Schools Dominate

Sector	Fully Online Students- % of All Undergraduates (Fall 2012)	Fully Online Students- % of All Undergraduates (Fall 2017)	Minus Ten Schools with Largest Fully Online Undergraduate Enrollment (Fall 2017)
Public Four-Year	5.5%	8.0%	6.5%
Private Four-Year	9.7%	15.9%	7.0%
For-Profit Four-Year	57.5%	66.1%	44.1%
Public Two-Year	9.6%	12.9%	12.3%

Source: Eduventures analysis of IPEDS data.

Undergraduate Market Share to Win or Lose

Market Share by Delivery Mode: Undergraduate (Fall 2017)



Source: Eduventures analysis of IPEDS data.

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Graduate Online: Nonprofit Gain, For-Profits Steady

Fully Online Graduate Students, Fall 2012-17

Graduate	2012	2013	2014	2015	2016	2017	Growth 2012-2017	Growth 2016-2017
Public Four-Year	208,334	221,585	242,551	265,277	291,578	323,909	55%	11.1%
Private Four-Year	204,790	229,823	257,196	279,779	305,653	328,731	61%	7.6%
For-Profit Four-Year	226,014	225,672	225,424	223,812	221,344	216,068	-4.4%	-2.4%
TOTAL	639,138	677,080	725,171	768,868	818,575	868,708	36%	6.1%
Growth	-	5.9%	7.1%	6.0%	6.5%	6.1%		

22.0% of all
graduate students

28.9%

Source: Eduventures analysis of IPEDS data.

Graduate Online Goes Mainstream: Enrollment More Distributed

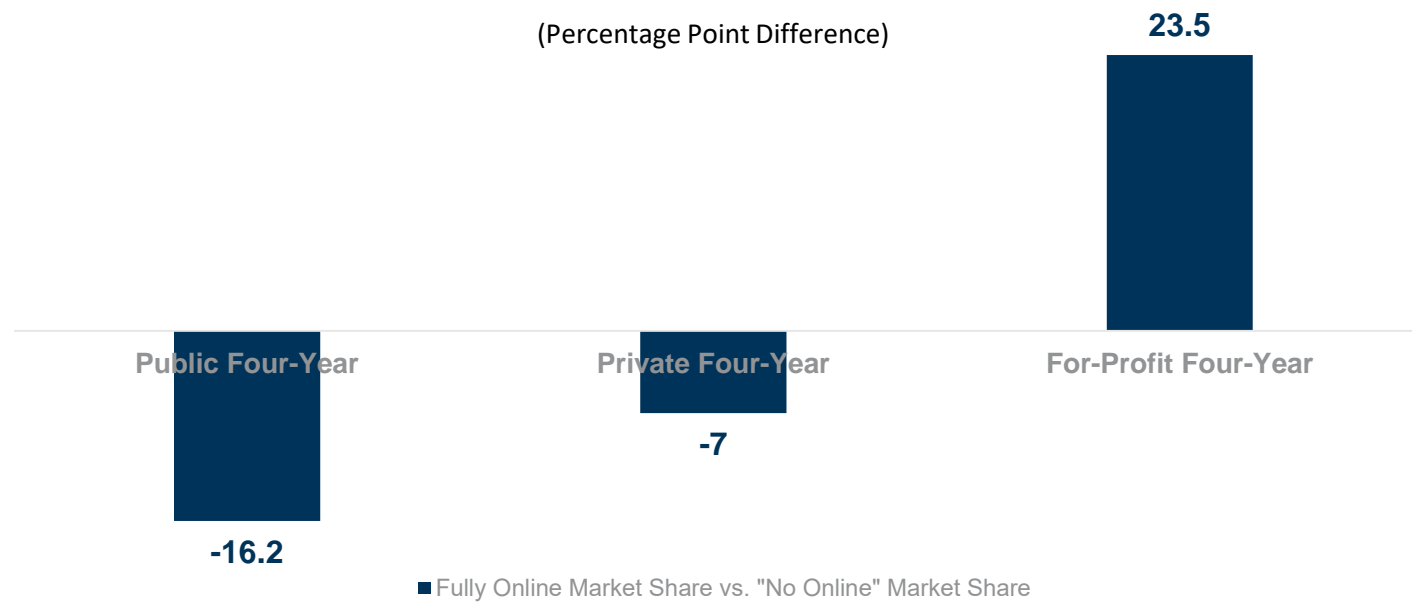
Sector	Fully Online Students- % of All Graduate Students (Fall 2012)	Fully Online Students- % of All Graduate Students (Fall 2017)	Minus Ten Schools with Largest Fully Online Graduate Enrollment (Fall 2017)
Public Four-Year	14.8%	22.2%	19.5%
Private Four-Year	17.0%	25.5%	19.5%
For-Profit Four-Year	76.5%	84.2%	53.7%

Source: Eduventures analysis of IPEDS data.

Graduate Market Share to Win or Lose

Online vs. "No Online" Market Share, Graduate (Fall 2017)

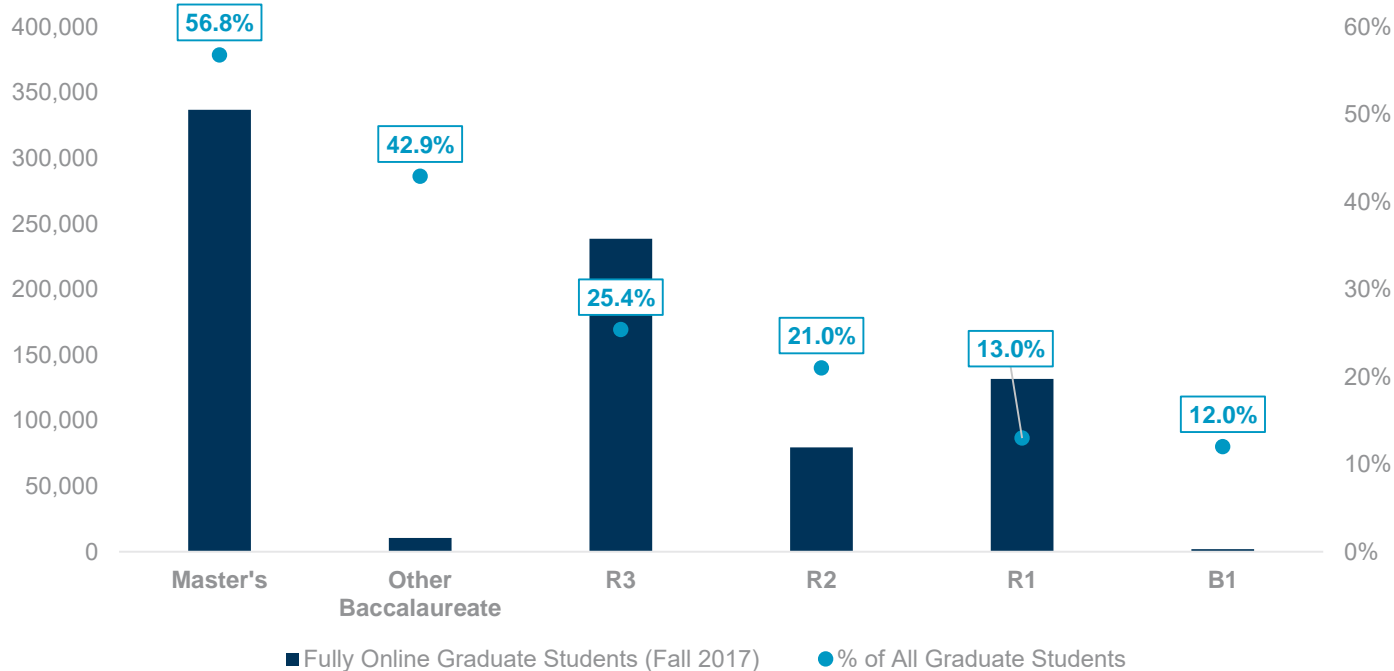
(Percentage Point Difference)



Source: Eduventures analysis of IPEDS data.

Graduate Online: R1s Are Behind But Growing Fast

Fully Online Graduate Students (Fall 2017) Ranked by % of All Graduate Students by Carnegie Classification



Source: Eduventures analysis of IPEDS data.

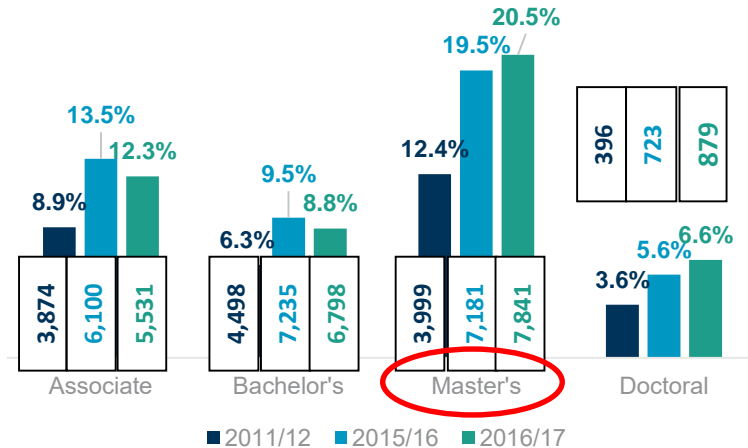
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Online by Level and Field of Study: Scale and Intensity

Undergraduate Pause, Graduate Surge

Fully Distance Programs as % of Total, by Degree Level



Online Master's Top 10: Online Can't Be Ignored

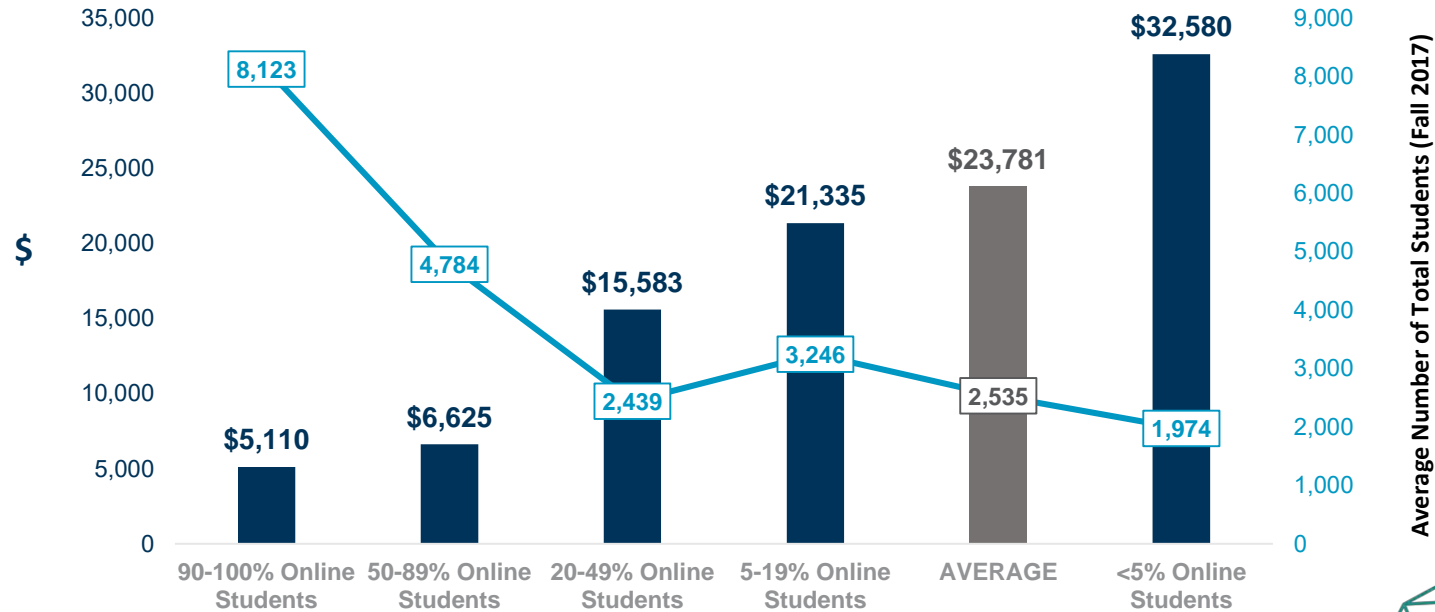
Rank	Field of Study	Online Enrollment-Fall 2018	Five-Year Growth	Online Share
1	Business	178,000	5%	56%
2	Education	124,000	3%	54%
3	Nursing	77,000	50%	79%
4	Computer Science and IT	60,000	80%	42%
5	Healthcare (minus Nursing)	55,000	40%	38%
6	Engineering	40,000	25%	38%
7	Social Work	34,000	100%	60%
8	Psychology	17,000	12%	36%
9	Homeland Security/Criminal Justice	16,000	12%	76%
10	Theology and Religious Vocations	12,000	17%	50%
ALL	TOTAL	750,000	25%	Top 10 (% of Total)= 82%

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What is Online for? Online Can/Should Add More Value on Cost Reduction

Private Nonprofit 4-Year Schools- Spend* per Student (2016/17)
by Online Enrollment Intensity (Fall 2017)



Source: Eduventures analysis of IPEDS data. Private nonprofit, 4-year schools only. Undergraduate and graduate students. Online students refers to “Distance-Exclusive” students. *Spend is the aggregate of “Instruction”, “Academic Support” and “Student Services” institutional expenditure.

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U.S. Online Higher Education to 2025: More Momentum Than Drag

Growth Accelerators	Growth Inhibitors
Growing U.S. population- and core adult cohort (aged 25-44)	Falling U.S. high school population; low-level interest in fully online among age <22s
More jobs require postsecondary education	Growing credibility of degree alternatives
More jobs lost to automation and globalization	
Sustained relative degree wage premium	Weakness of absolute degree wage premium
Recession during forecast period	
Mainstream acceptance of online learning	Commoditization of online programs; market saturation; field of study limits
High dropout rate among nontraditional students fuels interest in online completion programs	Low graduation rate for many undergraduate online programs- more visible over time
Institutional appetite to use online to cut costs	Faculty and unit resistance to systematization of online
For-profit decline will bottom out	
Decline in international student population	Still nascent market potential for online enrollment across national borders
Online student experience will become more engaging	Engagement gains may continue to emerge only slowly

Forecast. Overall, online students will increase from 16% of all students in fall 2018 to 22% in fall 2025 (3.3m-4.3m students). At bachelor's level, the online ratio will move from 14% to 20%, and 36% to 44% at master's level.



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Thank you.

ANY QUESTIONS?

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Mitch Daniels

President, Purdue University

Responsible for making student affordability and student success a priority at Purdue.



Mitch Landrieu

Former Mayor, New Orleans, LA

Created, among many things, an Office of Social Entrepreneurship to advance measurable and sustainable solutions to social problems.