

Competitive Landscape for Adults in Online Education

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Overview

- Higher Education Enrollments
- Adults as Students
- Market Trends in Online Education
- Providers of Online Education
- Opportunities and Issues in attracting adult students

Higher Education Enrollment*

(Undergraduate and Graduate)

*NCES

Fall Unduplicated Headcount

2008

2006
18.3 m

2004

2006
17.7 m

2002

2004
17.3 m

2000

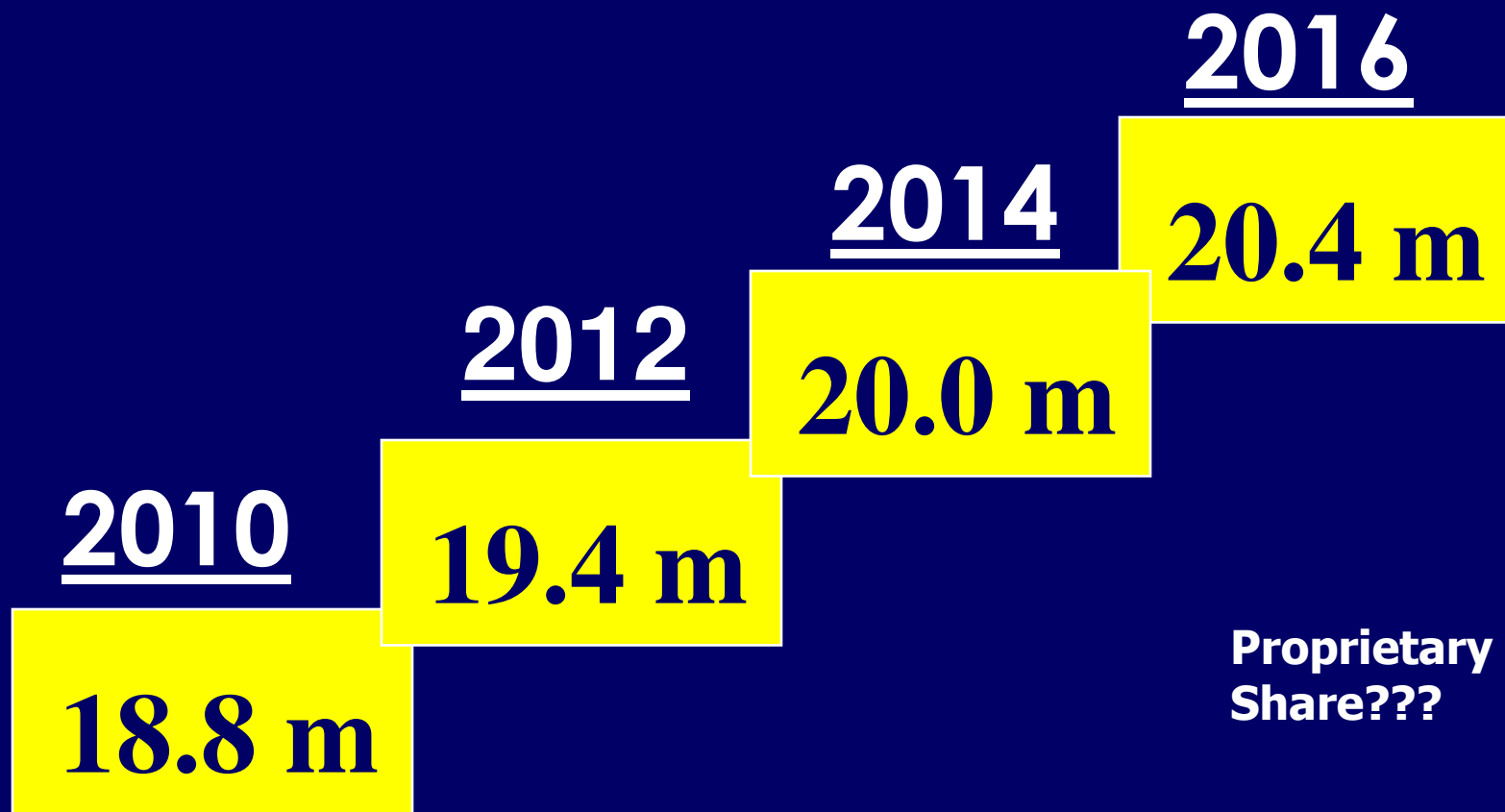
2002
16.6 m

2000
15.3 m

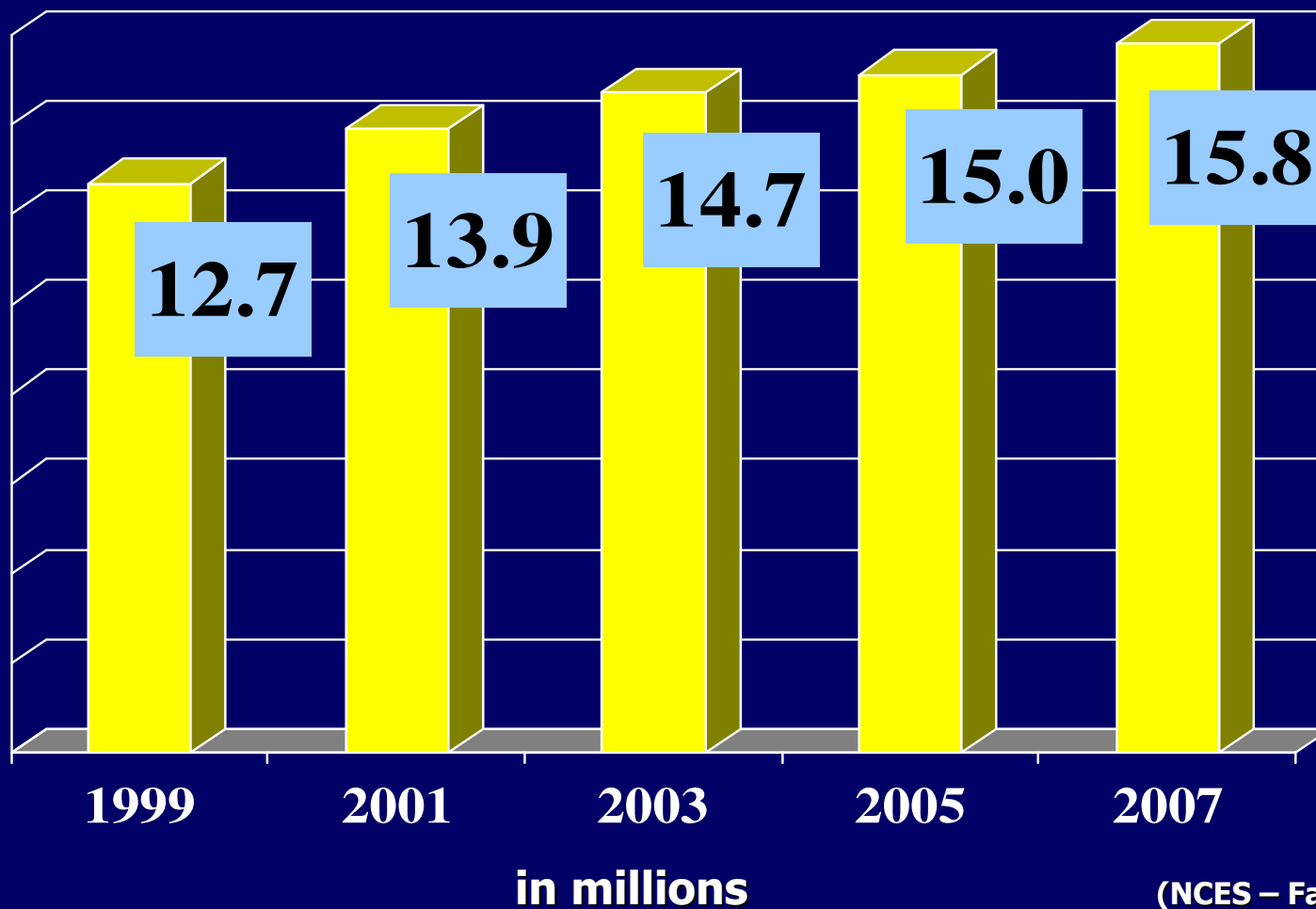
Proprietary
share is 8%

...and more to come

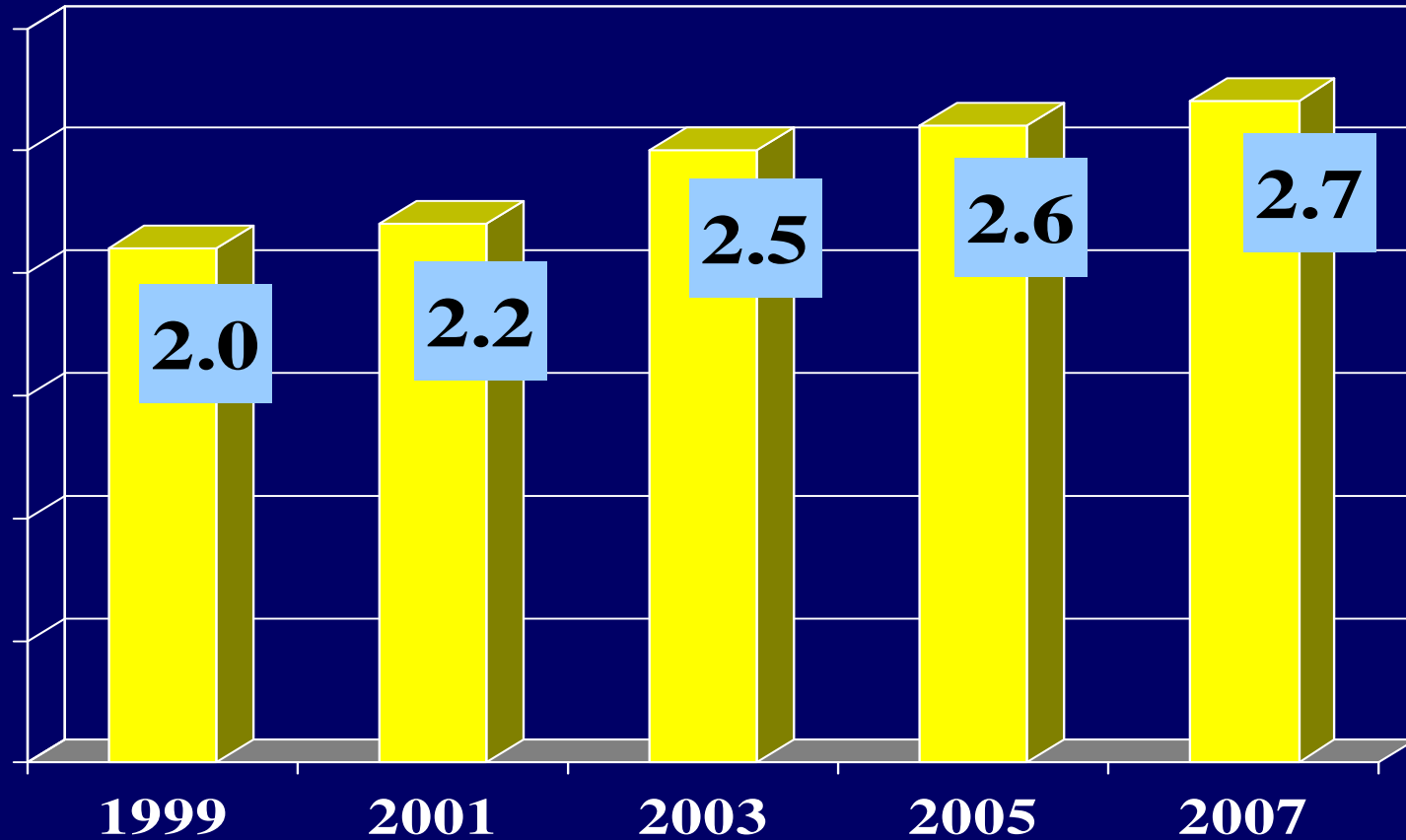
Fall Enrollment Projections



Undergraduate Enrollment



Graduate Enrollment



in millions

(NCES – Fall Enrollment)

...and more to come

2010

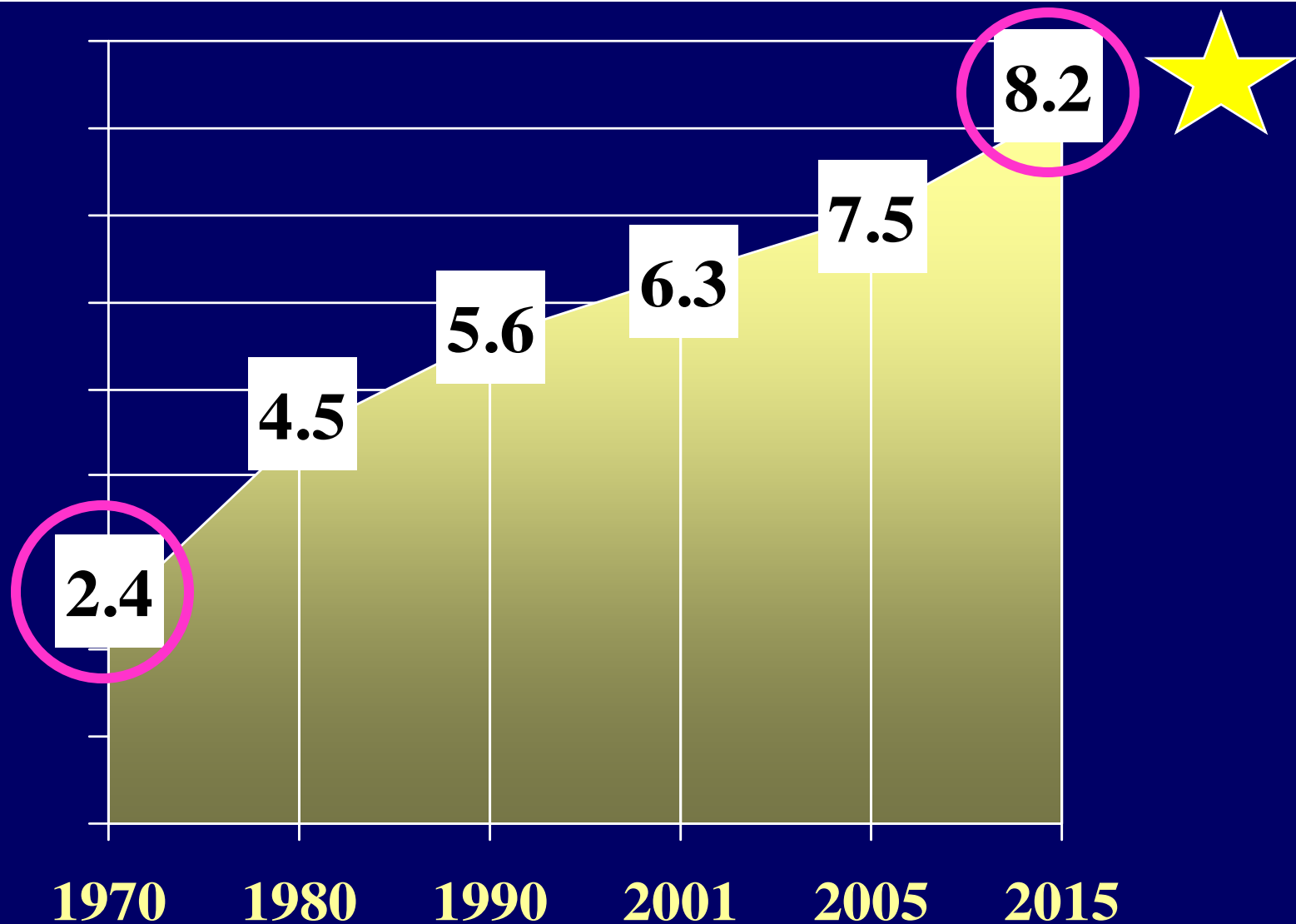
19.0 m

2015

20.3 m

Adult College Students

(25+ years of age)



Adult College Students

- 40% of Undergrad
- 80% of Graduate

Adults as Students

A 2008 Snapshot

Personal Characteristics

- Majority are female
- Getting older – late 30's-early 40's
- Majority are non-minority
- More returning to undergrad and grad school with advanced credentials
- Majority are employed and juggle home, work and study
- Most often finance their own study

General Learning Patterns

- Seek degrees, but also certificates, licenses and courses
- Study in career fields
- Most often study: Business, Education, Health Professions
- Prefer shorter/fast-track courses. 8-weeks or less
- 1/3 study full-time (degree seekers)
- Day AND evening study
- Prefer multiple learning options – class/hybrid/online

Online Learning Patterns of Adult Students

- Preference: Classroom-50%
Hybrid – 30%
Online – 20%
- 95+% have access to computer at work and/or home
- Prefer asynchronous – their time, their place
- Also prefer online: course registration, transcript evaluation, tuition payment, applications and access to library.

Preferred Information Sources About Colleges

#1 College Web site

#2 Internet Search Engines –
Google/Yahoo

#3 Internet-based college search
sites

Market Trends in Online Education

Partly Online (took at least 1 online course)

2004	2.3 million
2005	3.2 million
2006	3.5 million
2007	3.9 million (20% of all students)

Online Only (Proprietary Share: 37%)

2000	195,000
2002	485,000
2004	935,000
2006	1.5 million
2007	2.1 million (11.9% of all students in degree granting postsecondary institutions)
2013	3.8 million

Online Student Characteristics:

- Older, employed, with family obligations
- Overwhelmingly undergraduate (**but high proportion of graduate relative to the total graduate population**)
- 50% completed some college
- Among the interested:
 - **Bachelor: 40%, Assoc: 25%, Masters: 25%**
- 2/3 enroll in an institution in their region
- Increasing use of blogs, IMs, chats, podcasts, and other interactive elements of Web 2.0
- ***Own recreational vehicles and enjoy exercise!***

“Online Higher Education”

Today

**The Age of
Competition**

1998-2003

Goldrush

1990-97

**Colonizing the
Frontier**

Providers of Online Education

(Non-profit - 2006 enrollments)

- UMUC 51,450 (40% military)
- Troy University 15-19,000
- Iowa Com. Col. Consort. 15,098
- Brigham Young 10,000
- UMASS Online 11,229
- Penn State 5,700
- Baker University 5,000
- Bellevue University 3,100
- Washington State 3,000
- Univ. of Illinois, Springfield 2,000

Providers of Online Education

(Proprietary – 2006 enrollments)

- University of Phoenix: 186,000 (w. Axia)
- DeVry 36,000
- CECO 32,000
- Laureate 36,900
- Kaplan 25,500
- Capella 20,000
- Strayer 18,000
- Walden 16,000
- Corinthian 5,100
- Drexel 4,000
- Jones 1,500

First Annual Online College Rankings

(OEDB Online Education Database)

1. Grand Canyon University
2. Florida Metropolitan University
3. American InterContinental University
4. Capella University
5. Fisher College
6. Colorado Technical University
7. Post University
8. University of Maryland University College
9. Bellevue University
10. Westwood College

National Patterns

(in order of market demand)

Four-Year Degree Fields

Business

Education

Health

Engineering

Computers

Psychology

Social Science

Communications

Biological/Life Science

Two-Year Degree Fields

Business

Health

Computers

Education

Engineering Technologies

Liberal Arts

Precision Production

Trades

Legal Studies

Visual and Performing Arts

Issues In Online Market Expansion

1. Increasing competition
2. Increasing acquisition/marketing costs
3. Steady entry of non-profit/traditional providers
4. Retention
5. Connectivity/Interaction
6. Local/ground presence
7. Customer Service
8. 24/7 Operations
9. Seeing the “light at the end of the tunnel” – time to completion
10. Providers looking more and more alike (positioning and differentiation are key)
11. Keeping up with market demand - continuous market research

Opportunities In Online Market Expansion

1. International Students
2. Younger Students
3. Partnerships/consortia with other institutions
4. Accelerating workforce education needs – career changes over a lifetime
5. Non-degree credentials
6. Graduate-level expansion
7. Blended learning
8. 85% of Americans earn a high school diploma – only 30% earn a college degree
9. Growth of non-credit career/professional development market
10. Continuous Enrollment year-round

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