SHIFTS AND PRESSURES

Reinventing Higher Education for the Future

Scott D. Pulsipher, President
AGENDA

- WGU Drive-by
- Higher Education in Context
- Resulting Shifts & Pressures
- Reinvention for the Future
WGU Drive-by
WGU

- Nonprofit, founded in 1997 by 19 governors
- 109,000+ students and 120,000+ graduates in all 50 states
- 60+ degrees in 4 colleges for high-demand fields:
  - Business
  - K-12 teacher education
  - IT
  - Health professions
- Competency-based, all online
- Affordable, flat-rate tuition per term

Mission: Quality, Access, Outcomes . . . Especially for Underserved
WGU Student Profile

- 11% are active-duty military, veterans, or military family members
- 73% work full time; 12% work part time
- 70% of students receive financial aid
- 35% of undergraduates receive Pell Grants
- Average student age: 37
- 71% of students are in one or more underserved populations
- 40% first-generation college students
- 29% ethnic minorities
- 23% low-income families
- 16% rural area residents
WGU and the Student-Centric Model
Reinventing Higher Ed from Ground Up

- Programs; not individual courses
  - Aligned with workforce needs
  - Personalized assessment traverse
- Fundamentally a teaching institution
  - Best third-party; measure outcomes
- Specialized faculty roles with regular 1:1 support
- Technology-enabled, 100% online
- Data-driven, adapted to individual student needs
TECHNOLOGY-ENABLED STUDENT EXPERIENCE

End-to-End Student Journey
- Discovery
- Admissions & Enrollment
- Matriculation
- Learning
- Field Experience
- Alumni

Leading Web-Based Resources

1:1 Support

Data-driven Practice = Better Outcomes
- Onboarding and ramp
- On-time progress
- Mastery rate
- Retention
- Attainment
- Student delight / satisfaction
IT WORKS

Improving Quality

Market-aligned programs & curriculum
CBE: Students advance when proficient
More, personalized student support

Technology-Enabled

Expanding Access

Delivered Online
Learn independent of time or place
Low tuition; Term subscription
Reduced time to degree

Optimizing Outcomes

Less debt at graduation
52% Graduation Rate
Great Experience
92%

Employed in field of study
89%

+ $21,200
Engaged at Work
98%

Satisfied Employers

“Lead in Each Element of Well-Being”
(Purpose, Social, Financial, Community, Physical)
–Gallup
Higher Education in Context
The Promise of Higher Education is Opportunity

A better life for individuals and families — a generational benefit

- Better job
- Increased income
- Well-being
- Social mobility
- Support for economy and better society
U.S. Higher Education – Leader or Laggard?
A (Very) Brief History

1760–1820
1st Industrial Revolution, mechanical production

1870–1914
2nd Industrial Revolution, science and mass production

1969–today
3rd Industrial Revolution, the digital age

Institutional focus on theology and teaching
ca. 1600

Apprenticeships; Journeyman credentials
1800s

The modern baccalaureate
ca. 1890

Carnegie Unit

Statement Of Principles

Higher Education Act

Higher education today

Shifts and Pressures: Reinventing Higher Education for the Future
**The Case for Reinvention**

Barriers to the Promise

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**Access & Relevancy**

- **$77,832**
  - average cost of 4-year degree at in-state, public university

- **1.9x**
  - rate of increase in cost of 4-year degree vs. inflation

- **21%**
  - believe post-secondary is affordable

- **61%**
  - believe post-secondary is available (down from 67% in 2013)

- **50%**
  - percentage of enrolled students who complete degrees

- **33%**
  - of adults in U.S. attain bachelor’s degree

- **6%**
  - of bachelor’s graduates believe college prepared them for success

- **$37,146**
  - average student loan debt per undergraduate in 2016

- **-38 ppts**
  - difference in employers’ vs. students’ perception of how college prepared graduates in key learning outcomes

- **50%**
  - only 50 percent of employers believe higher ed producing job-ready graduates

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**Shifts and Pressures: Reinventing Higher Education for the Future**

1. Georgetown CED; Lumina Foundation
2. U.S. Census
3. Lumina Foundation
4. Gallup / Lumina 2014 Survey
5. Association of American Colleges and Universities, 2015 Survey
6. College Board
## The Case for Reinvention

Unmet Needs and Expectations

| 2 / 3 | of jobs require post-secondary degree$^1$ |
| 42% | of adults in U.S. attain post-secondary credential$^2$ |
| 5,000,000+ | gap between jobs requiring degree and degree holders$^3$ |
| 36,000,000 | adults in U.S. have some college, no degree$^3$ |

### Current Outcomes:

| Completion | 54%$^4$ |
| Preparedness | 26%$^5$ |
| FT Employment | 77%$^6$ |
| Income Gain | $12,100$$^7$ |
| Engaged (atwork) | 39%$^6$ |
| Worth It | 38%$^6$ |

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$^1$Georgetown CED; Lumina Foundation  
$^2$U.S. Census  
$^3$Lumina Foundation  
$^4$National Student Clearinghouse, 6-year grad rate  
$^5$2016 Gallup Great Jobs, Great Lives survey  
$^6$2017 National Center for Education Statistics  
$^7$Payscale survey
SHIFTs
SHIFT 1: CONTEMPORARY STUDENT = THE ADULT LEARNER

What Today’s College Students Really Look Like:

- 58% of students work while in college
- 41% of college students are older than age 25
- 34% of undergraduates are first-generation college students
- 55% of today’s students are financially independent
- 39% of students in 2016 attended an institution part-time
- 26% of today’s students are parents
- 42% of independent college students live at or below the federal poverty line
- 36% of undergraduate students attended a two-year college in 2016
- 13% of first-year students live on campus

SHIFTS AND PRESSURES: REINVENTING HIGHER EDUCATION FOR THE FUTURE
SHIFT 2: THE INTERNET AND DIGITAL DELIVERY . . . AND STUDENTS AS CONSUMERS

- All “students” are consumers
- Consumer experience *dramatically* influenced by the internet:
  - Anytime, anywhere
  - Mobile
  - On demand
  - Open access
- Implications for:
  - Pedagogical models and unit of learning
  - “Student experience” expectations
  - Region-based accreditation
  - Quality assessment and comparison
SHIFT 3: **Open Content and Learning . . . and the Fall of the Ivory Tower**

- Unconstrained market opportunity
- Lectures and sessions = content online
- Open courseware from “elites” – MIT, Harvard, Stanford, Yale, Oxford, etc.
- Disrupted knowledge trade, i.e., direct-to-faculty fees
- Marketplaces of learning

- Implications for:
  - Learning and delivery models
  - Faculty profession
  - Accreditation
SHIFT 4 – THE GLOBAL MARKETPLACE

• Global enrollments projected to double by 2040

• Varied market and employer needs, combined with demographic diversity and trends will challenge duplication, require specialization

• Demand and capacity constraints will enable new modes of delivery, and new new types of institutions
Pressures
What does this reality require from Higher Ed?
Pressure 1 – The Long and Short of Things . . .
Or “We may be small, but we were slow”

The ”Learning” Credential

Degree(s)
- Well-cured design
- Lifetime value
- Slow to adapt

Need to solve for both upskilling and lifelong learning.

The ”Competency” Credential

Certifications(s)
- Skill-specific
- Rapid evolution
- Short shelf life

Shifts and Pressures: Reinventing Higher Education for the Future
PRESSURE 2 – THE VOLUME PROBLEM
I.E., “I’M GIVIN’ HER ALL SHE’S GOT, CAPTAIN!”

% Requiring Credential: 66%¹
%Having: 42%²
Labor Force: 160.2M³
Labor Force w/ Credential:
  Current: 67.2M
  Needed: 105.7M
Total Gap: 38.5M
Higher Ed Enrollment: 20.4M
  Annual Grads: 3.8M⁴
  Annual Retiring: (4.0M)⁵
Net Annual New Creds: (0.2M)
Years to Fill Gap: never

Adults: >25 18-25
% Served: 11% 40%

Post-secondary Enrollment:
69.6M* 7.6M 12.3M 30.8M*

¹Georgetown CED; Lumina
²U.S. Census
³Bureau of Labor Statistics
⁴NCES 2018, excl. post-graduate degrees
⁵2012 Social Security Administration Report

SHIFTS AND PRESSURES: REINVENTING HIGHER EDUCATION FOR THE FUTURE
Pressure 3 – Innovation and the Status Quo

- Policy and regulation
- “Standards” of quality
- Process of authorization and accreditation
- Status quo artifacts
  - Credit hour
  - Place-based
  - Faculty role(s) and incentives
  - Pedagogical models
- Budgets
- Institutional missions
- Process vs. outcome quality measures

Shifts and Pressures: Reinventing Higher Education for the Future
PRESSURE 4 – CRISIS OF AFFORDABILITY

- Both a real and perceived barrier for many students
- Rate of change imbalance
  - Investment > Opportunity
- Degree inflation
- Financial aid design mis-alignment
  - Full-time only
  - Cost of “attendance” vs. learning
  - Program economic variability (cost and return)
  - 150% of ‘normal’ investment
  - Subsidization
  - Free but ‘frustrating’ application
  - Little “cost” governance
- Financial literacy = “Wimpy”-like behavior
REINVENTING FOR THE FUTURE

Harvard . . . We have a problem!
Imperative 1 – Virtual Delivery

- Democratizes higher education
- Rapid scaling of access; reach and teach students where they are
- Foundation for mass customization – design, engagement, pathways
- Redefines “service area”
  - Implications on brand credibility and program relevancy
- Align with purpose, mission, students served
**Imperative 2 – Data-Driven, Personalized Learning**

1. Everyone Can Learn
   - Consistent Outcomes
   - Disparate Learners

2. Map Student Persona
   - Prior knowledge
   - Efficacy
   - Motivation
   - Self-regulation
   - Learning styles

3. Personalize Journey
   - Course plan
   - LR Content
   - Mentor
   - Engagement
   - Term Model
   - Social FW
   - Peer Commit
   - Notification
   - Gamification
   - Milestone
   - Other

4. Observe & Adapt
   - Start
   - Engagement
   - Mastery Rate
   - Progress
   - Pace
   - Retention
   - Delight
   - Graduate

5. Measure Impact

6. Repeat
**Imperative 3 – Reimagined Credentialing**

- Unbundling of the degree
- Badges, certifications, awards, ranks, etc.
- Variable pathing and pedagogical models
- Greater education: workforce alignment and relevancy
- Transferability and stackability
- Portability
- Credential “wallet”, aka “universal transcript” (blockchain powered)
  - Shifts from institution to individual

**Shifts and Pressures: Reinventing Higher Education for the Future**
**Imperative 4 — Re-imagined Apprenticeship and Work-based Learning**

- Applied learning, i.e., “practicum” for all
- Improves education-to-employment transition
- New and emerging education providers:
  - Employers, boot camps, etc.
- Assessed and validated outcomes
- Need for local, regional, national education-employer partnerships
- Validation of learning, proficiency
**Imperative 5 – Outcomes-based Standards and Measures**

- Institutions and providers, as well as credentials, will be increasingly valued, not on inputs, but on outcomes:
  - Attainment and retention rates
  - Average debt, loan repayment, and default rates
  - Graduate earnings
  - Student/graduate satisfaction and success measures
- Ratings vs. rankings
Imperative 6 – Assessment-as-a-Service and the Universal Transcript

- Quality assurance and validation requirements among:
  - Academic and new “non-academic” providers
  - Employer-, work-based
  - Persistent, progressive learner profile
- Technology-based “credentialing” platform
- Adaptable to process and outcomes measures
- Institution as accreditor?
- Accreditor as _____?
Imperative 7 – New Funding Models for Affordability and Accountability

- Simplify process, better enable under-served students
- Broaden, enable access **and:**
  - Institutional accountability
  - Student responsibility
  - Cost-of-attendance management – learning vs. non-learning
  - Investment-to-Return optimization
- Reward student progress and performance
- Time for the universal student record

Shifts and Pressures: Reinventing Higher Education for the Future
BE BOLD

• Innovate.

• Be willing to be misunderstood, potentially for long periods of time.

• Lead higher education into the future, and ensure it remains the greatest catalyst for individuals to change their lives for the better.