

Serving the New American College Student

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Popular coverage of American higher education often suffers from a myopic focus on the country's top tier students and colleges. The media narrative typically hones in on competition for admission to these esteemed institutions, implicitly suggesting that the vast majority of students compete for a seat at a competitive four-year college where they spend four years in residence taking courses.

The reality is actually quite different. While a percentage of students still follow the traditional path to a four-year degree, they represent a small and shrinking minority. The “nontraditional student”—those over the age of 25, those working full-time, those who have dependents—now make up a majority. Most postsecondary students attend open-access or nonselective institutions, and these institutions far outnumber the elites. Most importantly, there is evidence that our higher education system is not serving these nontraditional students effectively.

New institutions and providers are emerging to serve this segment of the student market. Because nontraditional students have preferences and priorities that are quite different from those of the typical four-year student, these evolving models are dramatically different from the traditional campus. While it is easy to miss these developments because they are taking place outside of the traditional narrative, rising costs and new labor market demands will only serve to make these nascent models more common.

Not Your Typical Undergrad

According to the National Center for Education Statistics (NCES), 17.6 million students were enrolled in postsecondary education in 2009. Of those, just 15 percent attended four-year colleges and lived on campus.ⁱ

Among these “traditional” students, there is little evidence that they are more brilliant or hard-working than they were in the past. In fact, evidence suggests the opposite. Economists Philip Babcock and Mindy Marks have found that the typical student spends 10 fewer hours studying than students in the 1960s.ⁱⁱ Little surprise, then, that in their landmark study *Academically Adrift*, sociologists Richard Arum and Josipa Roksa found 45 percent of students did not make any gains on a standardized assessment of critical thinking between freshman and junior year. Students enrolled in the most popular major (business) and those who engaged in “study groups” were less likely to make gains than others in more rigorous disciplines.ⁱⁱⁱ

Despite these troubling indicators of postsecondary quality, the payoff to a BA has continued to grow. As a result, students in the traditional mold have little reason to press for a new institutional order in higher education.

Meanwhile, [observers](#) have documented a veritable sea-change in student demographics. Today, the majority of postsecondary students qualify as “nontraditional,” and the ranks of this group are growing. According to NCES data, of the almost 18 million enrolled in 2009, 38 percent of students were over the age of 25, and one-quarter were over 30. Thirty-two percent of students worked full-time while enrolled. At the risk of generalizing, this new type of student often has a different set of preferences and priorities, creating demand for new types of providers. This demand is only likely to grow, as NCES projects that the proportion of students over 25 is expected will grow another 23 percent by the year 2019.

New Demands Spawn New Models

The traditional higher education system is decidedly ill-suited to serve this new majority. Conventional courses are offered at fixed times, often during the workday, and students must adhere to a traditional academic calendar of credit hours and semesters which hamstrings their ability to move more quickly through the material.

The market for adult learners is growing, and with it the portfolio of options that better fit these demands. For-profit colleges, along with a handful of enterprising non-profit and public institutions, have answered the demands of new students by using online learning and competency-based models to completely re-think the way they provide education.

Online learning removes existing hurdles posed by geography, academic calendars, and capacity constraints, freeing adult learners to take courses on a schedule that fits their lifestyle. It is most prevalent in the for-profit sector, where the University of Phoenix has grown into the largest university system in the country (~400,000 students in 2010). But some nonprofits are getting involved as well. Rio Salado College, an open-access community college in Arizona, has developed a large online portfolio, attracting students throughout the state and across the country. Most online courses at Rio Salado start on 50 Mondays out of the year.^{iv} The public University of Maryland University College has had similar success; in 2009, it had over 196,000 online course enrollments, making it the public institution with the largest online presence.^v Though skeptics have raised concerns about the quality of online learning, a meta-analysis by the Department of Education found that students learning online performed as well as those in in-person courses, and that a blend of online and in-person instruction produced the best outcomes.^{vi}

Competency-based postsecondary models are even more disruptive. Rather than measuring credits by seat-time, competency-based models grant credit based on proven competencies, freeing students to learn as quickly (or as slowly) as they want. In order to progress from one topic to the next, students must prove competencies via a rigorous

assessment. Those who are not yet prepared for the assessment use course materials and help from mentors to learn the competencies.

Non-profit Western Governor's University, founded in the early 1990s as a competency-based, interstate, online university, currently boasts an average time to BA degree of about 2.5 years—half the average time to degree at traditional universities. Students are charged tuition every six months, and can earn as many competency-based credits as possible in that six-month window. An indication of WGU's growing prominence: the university has been invited into Indiana and Washington State to provide bachelor's degrees as a part of each state's system of higher education.

These innovative providers have been rewarded with significant growth in enrollments. Between 2000 and 2009, enrollment in for-profit colleges almost quadrupled, moving from 400,000 students to 1.58 million.^{vii} WGU grew by more than 350 percent between 2006 and 2011, and it now serves almost 30,000 students.

Unbundling Postsecondary Education

StraighterLine, a for-profit provider of online courses, goes even further to unpack the postsecondary process than these institutions. StraighterLine provides developmental and general education courses under a competency-based “subscription” model. Students pay \$99 for a month's subscription and earn as many course credits as possible in the shortest period of time. Students can then take those credits off to a limited number of institutions that will accept them.

In many ways, StraighterLine represents an emerging movement toward an “unbundled” approach to higher education. Unbundling means that rather than earning degrees from a single institution (and purchasing all the “stuff” like sports, cafeteria food, and student services that come with it), students will begin to earn competencies or credits from a variety of providers and then cobble those credits together into a degree. The most radical version, what author Anya Kamenetz has labeled “DIY U” (for “do it yourself university”), suggests that students will begin to chart their own postsecondary paths, pulling together various learning experiences into a collection that equals a credential. According to Kamenetz, cost-conscious students will increasingly opt for “self-organized, peer to peer forms of learning” made possible by online delivery and open educational resources to obtain a quality education at a very low cost.^{viii}

This type of postsecondary learning is already taking place, to some extent, with the advent of “open courses” from respected institutions like MIT, Stanford, and Carnegie Mellon. By 2009, more than 60 million students had used MIT's open courseware; 20,000 students recently completed Stanford's new online artificial intelligence course. Demand for lower cost, flexible courseware is clearly high. As long as these credits cannot be exchanged for a degree, however, open courses will not constitute a substitute for institution-based credentials.

Once providers develop a means with which to translate self-directed learning into a credential, all bets are off. MIT recently provided such a window of opportunity. In December, the institution announced “MITx,” an online extension branch of the college that would begin providing online students with a credential of completion. To be clear, the credential will not be considered an MIT degree, nor will the credits transfer to MIT. But it may only be a matter of time before employers or other universities begin to recognize a credential from MITx. Once this happens, many cost-conscious students may begin to opt for a reasonably-priced MITx certificate over a high-priced degree from a less prestigious university, presenting a challenge to “down-market” institutions.

Conclusion

Quintessential undergraduate students—18-22 year-old, first-time, full-time students—will not drive fundamental change in higher education. Nor will mainstream colleges and universities. Both sets of actors have a vested interest in the system as it exists today.

Instead, an emerging group of cost-conscious students with a preference for flexibility has created demand for new models of delivery and credentialing. As the growth in tuition continues to outstrip growth in incomes, the ranks of the cost-conscious will grow, potentially giving rise to a parallel system of unbundled, DIY degrees. This will be most likely to occur if policymakers work to remove the regulatory barriers that prevent new providers from entering the market (accreditation, licensure, student aid policies). In the absence of such reforms, a large swath of the country’s latent human capital will remain underutilized.

ⁱ National Center for Education Statistics (2011). *The Condition of Education 2011*.
http://nces.ed.gov/programs/coe/pdf/coe_hep.pdf

ⁱⁱ Philip Babcock and Mindy Marks (2010). “Leisure College, USA.” *AEI Education Outlook* no. 7. Available at: <http://www.aei.org/article/education/higher-education/leisure-college-usa/>

ⁱⁱⁱ Richard Arum and Josipa Roksa (2011). *Academically Adrift: Limited Learning on College Campuses*. University of Chicago Press.

^{iv} See Rio Salado College’s profile on “Transparency by Design,”
www.collegechoicesforadults.org/institutions/9.

^v See University of Maryland, University College, “UMUC at a Glance,”
www.umuc.edu/visitors/about/ipra/glance.cfm.

^{vi} Barbara Means, et al. (2010). “Evaluation of Evidence-Based Practices in Online Learning: A Meta-Analysis and Review of Online Learning Studies.” U.S. Department of Education.
<http://www2.ed.gov/rschstat/eval/tech/evidence-based-practices/finalreport.pdf>

^{vii} U.S. Department of Education, National Center for Education Statistics, “The Condition of Education—Participation in Education: Undergraduate Education,” table A-8-1 (“Number and percentage of actual and projected undergraduate enrollment in degree-granting postsecondary institutions . . . : Selected years, fall 1970-2020”),
<http://nces.ed.gov/programs/coe/tables/table-hep-1.asp>.

^{viii} Anya Kamenetz (2010). *DIYU: Edupunks, Edupreneurs, and the Coming Transformation of Higher Education*. New York: Chelsea Green.