Market Demand Validation Checklist

Description: This checklist helps academic program planners source and interpret market demand data to assess the viability of proposed programs. Academic and business leaders should use the completed form to vet demand projections and guide further conversations about market opportunity.

On the following pages, please answer questions related to three categories of market demand data: Labor Market Demand, Student Demand, and Competitor.

Summary of Common Demand Data Sources and Limitations

Type of Data	Source	Limitations
Labor Market Demand	National and State or Provincial Government Databases (e.g., Bureau of Labor Statistics)	• Databases updated infrequently (i.e., every 3-5 years), so not all new and emerging fields (e.g., data science) are included. • National and state/provincial labor trends do not always apply to local context.
	Industry Associations (e.g., American Nurses Association)	Industry-sourced growth projections often overly optimistic.
	Real-Time Employer Demand Analytics (e.g., EMSI)	Labor market demand does not always translate into student demand.
Student Demand	National and State or Provincial Government Databases (e.g., National Center for Education Statistics)	National and state/provincial student trends do not always apply to local context.
	Institutional Surveys	Indicated interest from representative students (i.e., individuals in target demographic not actively seeking credential) does not always translate into actual student enrollments.
Competitor	Integrated Postsecondary Education Data System (IPEDS)	Multi-year lag time for some datasets (e.g., two-year lag between enrollment period and enrollment data update).

eab.com

Market Demand Validation Checklist (cont.)

Section 1: Labor Market Demand

Labor market data refers to information about employment trends in a given market (e.g., city, region, industry). It offers insight into the hiring needs of employers within that market. Labor market data typically takes two forms, structural and real-time.

- **Structural** labor market data sources rely on surveys and other instruments that collect data periodically. Organizations that provide structural data include the Bureau of Labor Statistics, Statistics Canada, state or provincial departments of labor, and industry associations.

- **Real-time** labor market data sources use web crawling technology to analyze job postings and other employer hiring data. They provide insights into to current hiring needs in a given market, including total number of job openings, top hiring employers, skills required to fill open positions, and trends by geography. Sources that provide real-time data include Burning Glass Labor Insight and EMSI.

Valuable questions to ask about labor market demand data include the following:

Question	Guidance	Answer
I. Data Preparation		
List all labor market data sources considered when projecting program enrollment.	See page 1 for a list of most common data sources to consider and their relative limitations. Consider multiple sources where possible to improve accuracy of projections.	
Were internal or external stakeholders consulted when evaluating labor demand? Which ones?	Alumni advisory boards, part-time working professional faculty, and local employers can provide valuable feedback on market trends and the accuracy of projections.	
II. Data Sufficiency		
If employer or industry association data was considered, was it independently verified by a neutral third party?	Industry-sourced growth projections can be biased and overly optimistic. Use verified data when possible, or evaluate industry forecasts alongside objective data sources (e.g., governmental).	
How recent is labor market demand data analyzed?	Up-to-date labor market demand data enhances accuracy of projections. Refer to the table on page 1 for more information on data lags inherent in certain data sources.	

Source: Business Affairs Forum interviews and analysis.

Market Demand Validation Checklist (cont.)

Question	Guidance	Answer
III. Labor Market Analysis		
What degree level is necessary to obtain in-demand jobs in prospective students' target industry?	Occupational credential preference data can be accessed from O*NET. Prospective students are more likely to pursue additional education if their target profession requires or prefers advanced credentials.	
Is employer demand apparent in target geographic market?	National, state, or provincial trends do not always apply to local context. Where possible, use data specific to the target market to assess demand.	
What is the expected growth rate of prospective students' target industry or occupation?	Growth rates can be accessed from the BLS, StatCan, state departments of labor, or industry associations. Where possible, use growth rates specific to the target market. Higher growth rates suggest greater future program demand.	
What salaries can program graduates expect to earn in our target market?	Salary information can be accessed from sources like the BLS and O*NET. Higher salaries typically translate to greater student demand for credentials.	
For programs serving regional markets, how do salaries and career opportunities for program's target industry compare to other regional industries?	Data on relative attractiveness of other industries can be accessed from the BLS and state or provincial occupational data sources. Even if a program's target industry is growing, prospective students may favor opportunities in other industries that offer higher salaries and growth prospects.	

Source: Business Affairs Forum interviews and analysis.

eab.com

Market Demand Validation Checklist (cont.)

Section 2: Student Demand

Student demand data reflects qualitative or quantitative assessments of student interest and market size. Common examples include number of high school graduates (from the National Center for Education Statistics), number of degree completions in a particular field (from IPEDS[1]), and institutional surveys of individuals in the target audience.

Valuable questions to ask about student demand data include the following:

Question	Guidance	Answer
I. Data Preparation		
List all student demand data sources considered when projecting program enrollment.	See page 1 for a list of most common data sources to consider and their relative limitations. Consider multiple sources where possible to improve accuracy of projections.	
Did you consult other internal or external stakeholders when evaluating student demand? Which ones?	Enrollment management and current students can provide valuable feedback on student preferences and accuracy of demand projections.	
II. Data Analysis		
How recent is the student demand data used?	Up-to-date student demand data enhances accuracy of projections. Refer to the table on page 8 for more information on data lags inherent in certain data sources.	
III. Student Market Analysis		
Is student demand apparent in target geographic market?	National, state, or provincial trends do not always apply to local context. Where possible, use data specific to the target market to assess demand. For online programs, nearly ¾ of North American students enroll in programs within 100 miles of their homes. If proposed online program targets students outside of 100 mile radius of campus, please explain why program can attract broader student audience.	

eab.com

Market Demand Validation Checklist (cont.)

Question	Guidance	Answer
Does data support student interest in proposed modality?	Prospective student surveys can reveal whether target audiences are interested in one program modality more than another (e.g., online over face-to-face).	
(If student surveys were used to assess demand) How accurate have institutional surveys been in the past?	Indicated interest from representative prospective students (i.e., individuals in target demographic not actively seeking credential) does not always translate into actual student enrollments. Consider student survey data alongside other labor and student data sources to gain a more reliable understanding of demand.	
To what extent could economic or public policy changes impact student demand for the program?	Economic or public policy shifts (e.g., local employer stops reimbursing employees for graduate tuition; legislation ends financial incentives for advanced degrees) can dramatically affect program enrollment. Employer advisory boards can provide feedback on events causing potential demand shifts.	

Market Demand Validation Checklist (cont.)

Section 3: Competitor

Competitor data refers to qualitative or quantitative assessments of similar or identical programs in an institution's market. Competitors include both traditional peer institutions and non-peer competitors in prospective students' consideration set. External competitors may also include non-traditional alternatives such as bootcamps. Internally, existing programs in similar fields might also compete for enrollments with proposed programs. Common competitor data sources include IPEDS[1] and institutional websites.

Valuable questions to ask about competitor data include the following:

Question	Guidance	Answer
I. Market Evaluation		
What is the ratio of relevant degree completions in target market to available jobs?	Relevant degree completions can be sourced from IPEDS[1], and open jobs data can be obtained from labor market demand data sources (listed in table on page 1). A ratio lower than two job postings to one relevant degree completion suggests the market might be oversaturated.	
II. External Competitor Analysis		
Please list the top four competitor programs. How does the proposed program compare in price, size, modality, and other factors?	Programs targeting adult and working professionals may have a different competitor set from traditional undergraduate or research competitors. Non-peer competitors can include national institutions with strong online presence (e.g., Southern New Hampshire University, Arizona State University), community colleges, for-profit institutions (e.g., University of Phoenix), and for-profit bootcamp providers.	1. 2. 3. 4.
What are the primary reasons a prospective student would choose this program over competitors?	Particularly in saturated markets, new programs should have distinctive features (e.g., lower price, more convenient delivery, specialized curriculum, experiential learning features) to attract prospective students.	

---

1) Integrated Postsecondary Education Data System.

eab.com

Market Demand Validation Checklist (cont.)

Question	Guidance	Answer
Are competitor institutions seeing high demand from prospective students? How has demand changed over time?	Trends in competitor program enrollments can be accessed from IPEDS[1]. Growing demand for competitor programs can indicate potential unmet market demand, while declining or stagnant demand might signal that new programs need to provide unique value propositions to attract students.	
Is expected class size larger than competitors? If yes, please justify why program will achieve higher enrollments.	Competitor class sizes are often limited by accreditation or a competitive market for students. New programs can find it challenging to exceed existing program class sizes without evidence otherwise.	
III. Internal Competitor Analysis		
What existing institutional offerings might attract similar student audiences?	New programs should be sufficiently differentiated from existing campus programs to attract net-new students.	
What new market need does the proposed program address that is not already met by related existing offerings?		

1) Integrated Postsecondary Education Data System.

eab.com