



Executive Guide to Certificate Market Risks and Opportunities

Blueprint for Growth

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How to Use This Resource

College and university presidents and professional and adult education leaders should use this resource to help determine how to align their certificate strategies with institutional goals. To help leaders understand the options and opportunities for success, EAB sized the certificate market, identified market trends that have contributed to certificates' disappointing enrollment and revenue results in the past, and profiled six successful certificate strategies.

Section 1: Sizing the Certificate Enrollment Opportunity

The first section consists of the most comprehensive look at both the for-credit and noncredit certificate markets to date. It provides data on market size and thoroughly details reasons that hindered certificate success in the past. Executive leaders should review the market sizing data to more deeply understand certificate challenges and to set new expectations for certificate opportunities.

Section 2: Certificate Strategy Case Studies

The second section consists of six case studies of certificate strategies that align with institutional imperatives. Each case study highlights the challenges it addresses, the institutional goal it helps achieve, and considerations for leaders interested in pursuing similar strategies.

Executive Takeaways

The graduate certificate market is smaller and more competitive than most colleges and universities anticipated a decade ago.

- In the wake of the Great Recession of 2008, demand for pre-baccalaureate certificates grew significantly. While graduate certificates also during this same period, they remain just a sliver of the total market.
- Overall, the vast majority of the certificate market is made up of pre-baccalaureate certificates conferred by community colleges.
- Colleges and universities that have achieved meaningful growth in graduate certificate programs are the exception, not the rule. The median number of conferrals in these programs is four, even after removing programs with zero enrollments from the analysis.

Despite lackluster demand, the growth in new graduate certificate programs far outpaces the growth of actual conferrals.

- In the haste to launch new programs, many colleges and universities have overlooked the importance of positioning and demonstrating the ROI of certificates to both students and employers.
- To this day, there is little consensus about what actually constitutes a certificate or what its concrete value proposition is in many fields.
- The average price point of a graduate certificate, while still less than the typical master's degree, is still too expensive for many students—especially when ROI is in question.

Large tech companies and alternative providers have moved aggressively in the noncredit certificate market; a handful of top providers already confer more noncredit credentials than all of the graduate certificates conferred by colleges and universities combined.

- Non-credit certificates from colleges and universities seem low-cost when compared to other higher ed credentials, but often cost more than major life expenses like utilities or health care. For adults making the decision between seeking more education or paying their bills, the choice not to enroll can easily win out.
- In contrast, alternative providers offer not only job-ready skills, but also access to advising, mentorships, and career coaching for a fraction of the cost.

It's still possible to launch a successful certificate program, and institutions that have done so have designed programs specifically to reach underserved markets, advance regional partnerships, and to continually test evolving market demand.

- Colleges and universities can avoid profitless program growth by testing new fields through electives and certificates that are faster to launch than full degrees, and then use profits from programs to fund more viability tests. High-margin certificates can also help fund mission-critical programs.
- Stackable, career-oriented certificate pathways, for example, help solve the challenge of recruiting and retaining adult learners who require immediate proof of ROI in their education.
- Certificates can also help address equity challenges by addressing gaps in preparation before students begin a degree program, and expanding these credentials to more student markets and other institutions can dramatically increase revenue.



Sizing the Certificate Enrollment Opportunity

Why Many Certificates Programs Have Failed to Meet Growth Expectations

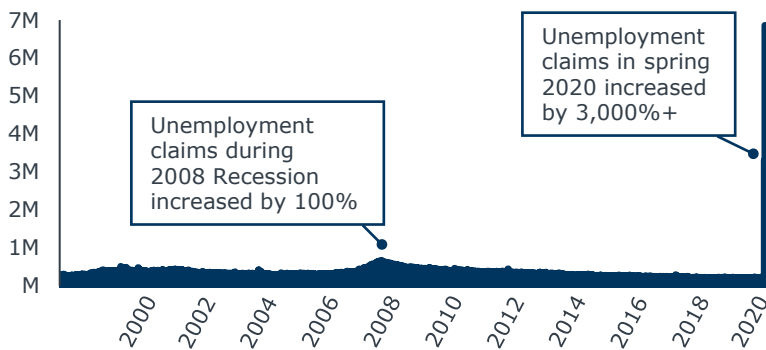
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- Are Certificates the Path to Enrollment Growth?
 - Students and Employers Cannot Discern Value and ROI
 - Community Colleges Dominate the For-Credit Certificate Market
 - Recession-Era Growth Came from Pre-Bacc Certificate Programs
 - Graduate Certificate Market Smaller than Anticipated
 - Graduate Certificates Not Low-Cost Enough

1

Are Certificates the Path to Enrollment Growth?

Tempering Expectations for Growth in Graduate-Level Short-Format Credentials

“Light Speed” Recession Creates a New Market for Upskilling



50M+

Initial unemployment claims (March-August 2020)

18.5%

Unemployment rate for 16-24 years of age (July 2020), twice as high as July 2019

In the wake of an unprecedented economic downturn, millions of displaced workers are scrambling to reenter the workforce, renewing the urgency for colleges and universities to provide reskilling opportunities. As the economy worsened, dozens of media stories touted certificates' potential to retrain and upskill adults. Fueled by this hope—and the prospect that short-format credentials might help recoup lost revenue—college and university leaders are asking whether launching new and innovative certificates is a worthy investment.

Renewed Media Hype Over Short-Format Credentials



THE HECHINGER REPORT

Urgency of Getting People Back to Work Gives New Momentum to Microcredentials
June 2020



EdSurge

How Colleges Can Help Educate the 40-Million-Plus Newly Unemployed
May 2020

The New York Times

Remember the MOOCs? After Near-Death, They're Booming
May 2020

While the 2020 recession has already been faster and deeper than 2008, the Great Recession of a decade ago still provides an example of how certificate programs might be affected in a downturn.

As unemployment peaked in 2009, enrollments in certificate programs grew at their fastest rate in years. In response, 4-year colleges and universities quickly launched graduate certificates, including for-credit post-baccalaureate and post-master's programs. But nearly all of the certificate growth of a decade ago—96%—was among pre-baccalaureate certificates, most of which are offered by 2-year colleges and vocational programs.

96%

Of recession-era growth among for-credit certificates came from pre-baccalaureate programs

Graduate Certificate Programs See Some Growth, but Low Enrollment

All too often, the graduate certificates colleges and universities launched failed to deliver on enrollment expectations. By 2019, the median number of conferrals across all graduate certificate programs was just four, and almost half of all programs reported zero conferrals.

4

Median number of annual graduate certificate conferrals per program, 2019

This whitepaper details the market trends that make it difficult for certificate enrollments to take off.

- Trend 1: Students and Employers Cannot Discern Value and ROI
- Trend 2: Community Colleges Dominate the For-Credit Certificate Market
- Trend 3: Graduate Certificate Market Smaller, More Competitive than Anticipated
- Trend 4: Graduate Certificates Not Low-Cost Enough

Source: Integrated Postsecondary Education Data System (IPEDS) National Center for Education Statistics; Labor Force Statistics, Bureau of Labor Statistics; Initial Claims, FRED Economic Data; EAB interviews and analysis.

Students and Employers Cannot Discern Value and ROI

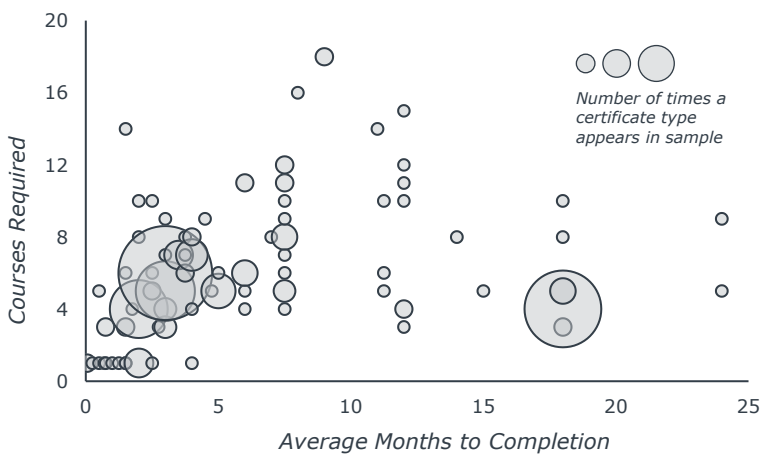
No Consensus on Program Structure, Course Requirements, Titling

Higher education has lacked consensus about what a certificate is for a long time, making it difficult for colleges and universities to position programs to students and employers. Faced with the proliferation of credentials, employers find it hard to differentiate among them. Students face many unknowns: what return on investment can they expect? In which fields are certificates most valued?

An analysis of certificate portfolios reveals the term “certificate” can encompass anything from a day-long course to a lengthy, rigorous credential that takes a year or more to complete.

A Snapshot of Certificate Portfolios

n=240 certificate programs, 10 institutions



No Shortage of Synonyms

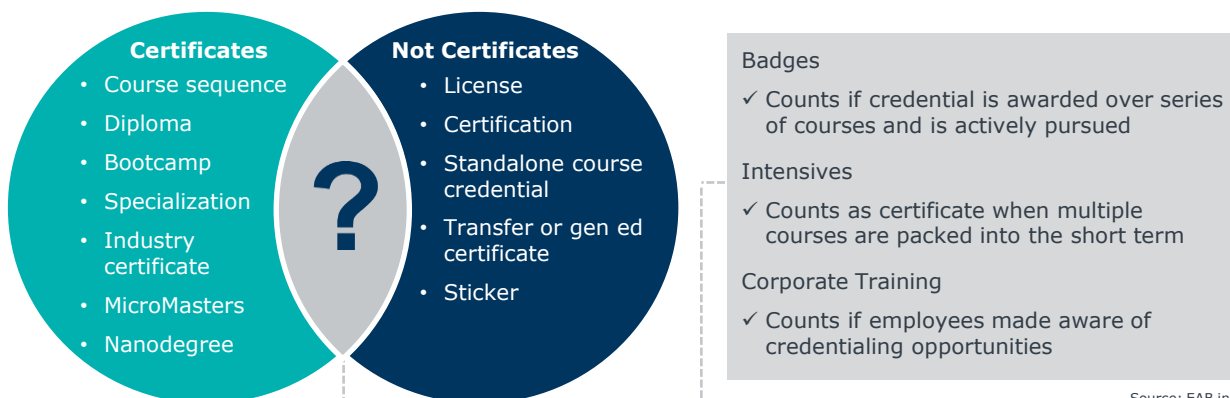
Variations Proliferate in the Market

- Badges
- Bootcamps
- Diplomas
- Course Sequence
- Mini Degrees
- E-Credentials
- Specializations

This scatterplot illustrates the lack of uniformity in certificates’ structure and format among ten representative certificate portfolios across 4-year public, private, and for-profit institutions, as well as community colleges. In this sample alone, the time to complete a certificate ranges from a day to nearly two years. The number of courses required ranges from one to nearly 20. The most common size and duration of certificates (the biggest bubbles in the chart) are a three-month, six-course program and an 18-month, four-course program.

To bring clarity to the discussion, EAB developed a working definition based on an analysis of existing definitions and thousands of short-format credentials. Ultimately, EAB defined a certificate as a sub-degree credential showing mastery of a skillset that is awarded after completing a course sequence.

EAB’s Working Definition Sets Standard for What Is and Is Not a Certificate



Source: EAB interviews and analysis.

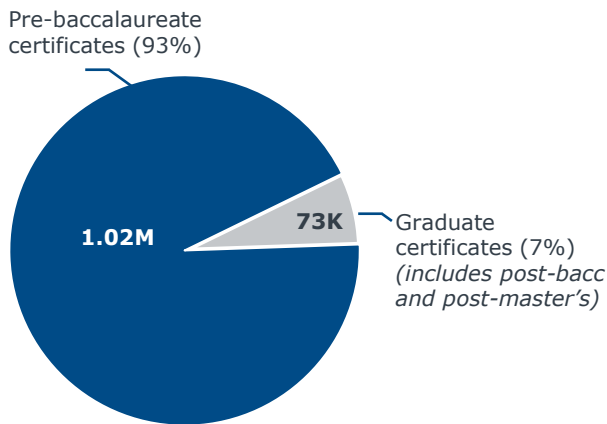
Community Colleges Dominate the For-Credit Market

Graduate Certificates Just a Small Slice of the Overall Market

In the wake of the Great Recession, the overall certificate market grew, and many 4-year institutions rushed to launch certificate programs. However it turned out that most of that growth was concentrated at the pre-baccalaureate level.

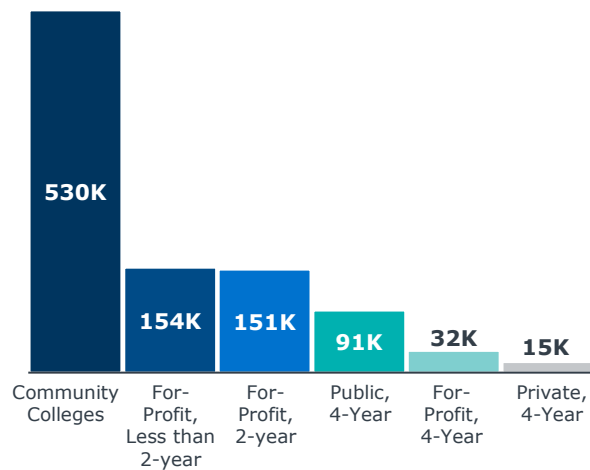
Pre-Baccalaureate Certificates Vast Majority of For-Credit Conferrals

n= 1,095,850 certificate conferrals in NCES IPEDS dataset, 2019



Public and Private 4-Years Confer a Small Share of Pre-Bacc Market

Pre-Baccalaureate Certificate Conferrals by Segment, 2019



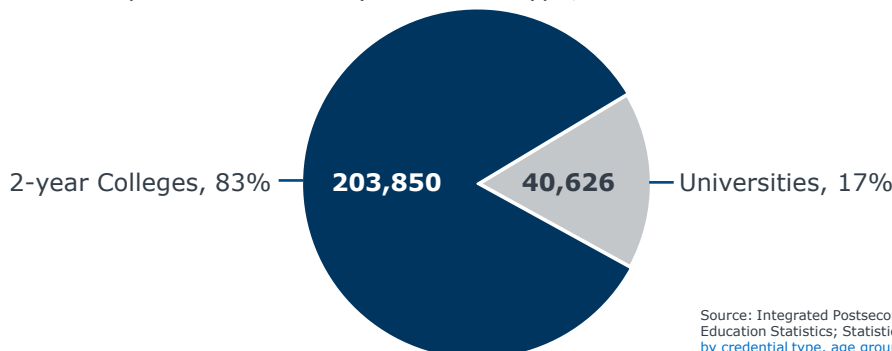
In all, 93% of for-credit certificate conferrals in 2019 were at the pre-baccalaureate level. Public community colleges conferred 52% of them. For-profit institutions, most of them at or below the 2-year level, also controlled a relatively large share of the market at 33% of conferrals overall.

Unsurprisingly, the largest pre-baccalaureate programs were highly vocational. Health professions, personal and culinary services, and business certificates combined for about 50% of conferrals in 2019. Liberal arts-focused certificates accounted for about 9% of the market in 2019, but these likely include general education certificates, certificates of transfer, and/or certificates awarded for partial completion of coursework.

The Canadian certificate market is also a 2-year college market. Of the roughly 240,000 certificates awarded in 2017, 2-year colleges, which are largely vocational in nature, conferred 83% while universities conferred 17%.

In Canada, 2-Year Colleges Confer More Certificates than Universities

Certificate and Diploma Conferrals by Institution Type, 2017



Source: Integrated Postsecondary Education Data System (IPEDS) National Center for Education Statistics; Statistics Canada. [Table 37-10-0087-01 Postsecondary graduates, by credential type, age group, program type and gender](#); EAB interviews and analysis.

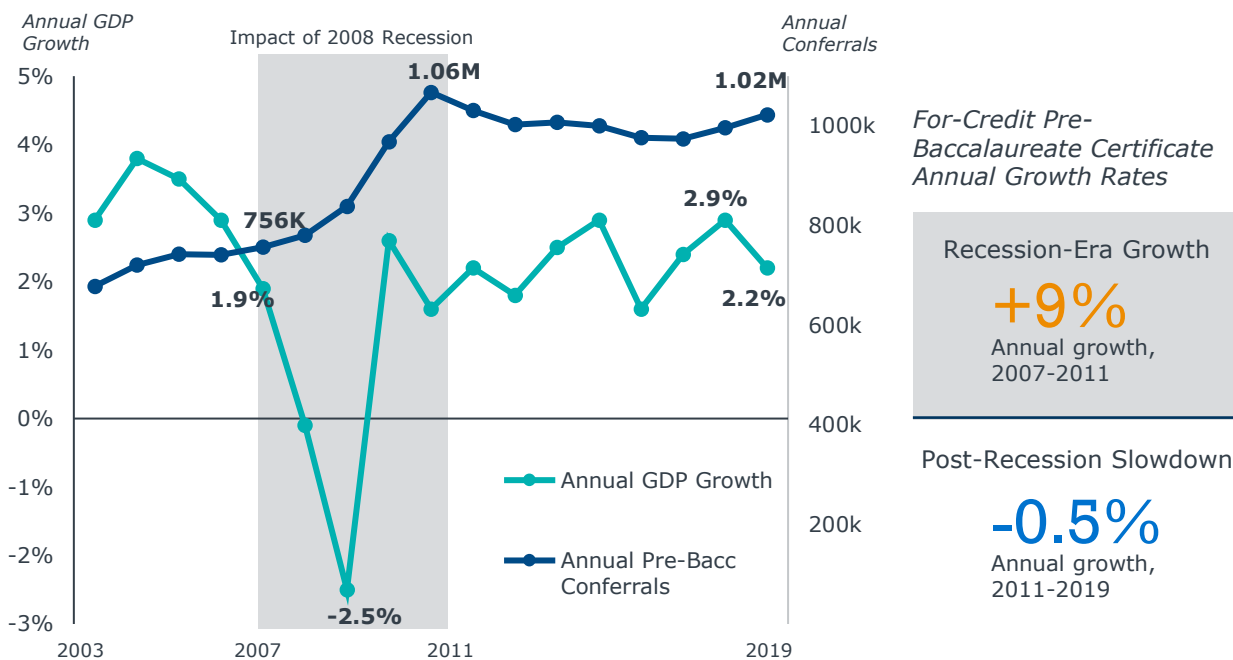
Recession-Era Growth Came from Pre-Bacc Programs

Conferrals Spiked Following the Last Recession and May Do So Again

Adult learners will likely seek out new training opportunities as the economy declines, but if the past is a guide, not every institution type will benefit equally from the growth in enrollment. The Great Recession had a much a bigger impact on community colleges and vocational programs than it did on bachelor's and graduate degrees. Pre-baccalaureate certificates grew quickly, as they met student needs for career-focused education.

Conferrals Grew for the First Time in 2018 after Countercyclical Rise and Fall

Annual Growth in GDP vs. Annual For-Credit Pre-Baccalaureate Certificate Conferrals, 2003-2019



As unemployment rose between 2007 and 2011, pre-baccalaureate certificate conferrals grew in tandem, at an annual growth rate of 9%. However, conferrals leveled off during the economic recovery. Between 2011 and 2019, when unemployment fell and the GDP grew, conferrals declined at an annual rate of 0.5% annually.

By 2018, pre-baccalaureate certificate conferrals started growing again, and they also increased in 2019. It is likely conferrals will continue growing given the current economic downturn. The US reported a 9.5% drop in GDP—the worst on record—in the second quarter of 2020. That growth, however, may not translate to the graduate certificate market.

Source: Integrated Postsecondary Education Data System (IPEDS), National Center for Education Statistics, accessed January 10, 2020; Kimberly Amadeo, "US GDP by Year Compared to Recessions and Events," The Balance, December 30, 2019; EAB interviews and analysis.

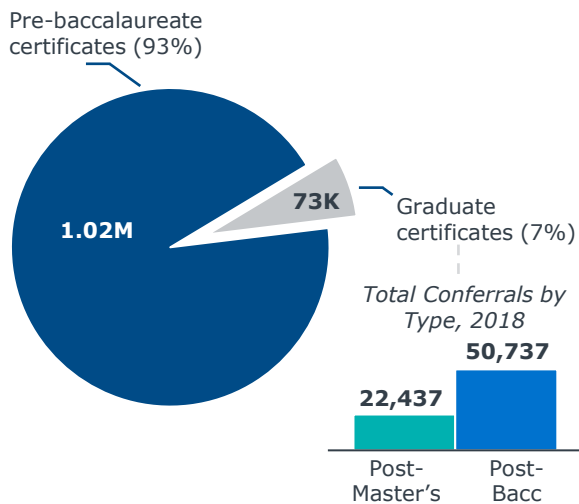
Graduate Certificate Market Smaller than Anticipated

Fast Growth, But Still a Small and Competitive Market Overall

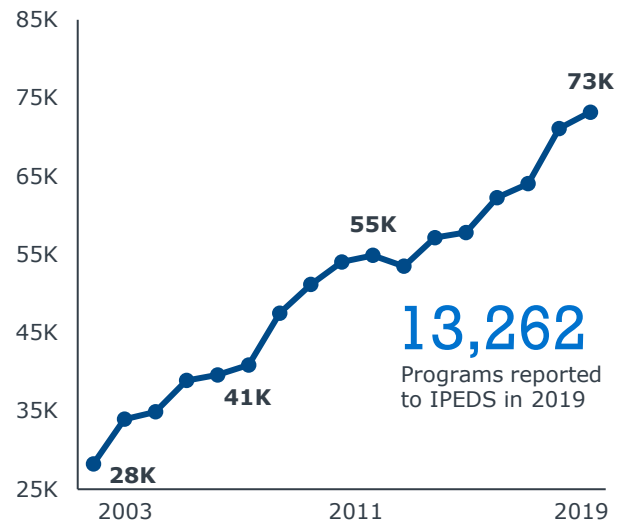
The 2008 economic downturn did not drive growth in graduate certificates as dramatically as in pre-baccalaureate programs. Graduate certificate conferrals grew slightly during the Great Recession, but they were already growing and continued to do so after the recession. Still, they remain a very small portion of the overall for-credit market (7%). While graduate certificates grew rapidly between 2003 and 2019, the relatively small number of total certificate awards exaggerate the market's growth rate.

Hype Over Fast, Sustained Growth Masks Small Graduate Certificate Market Size

n= 1,095,850 certificate conferrals in NCES IPEDS dataset, 2019

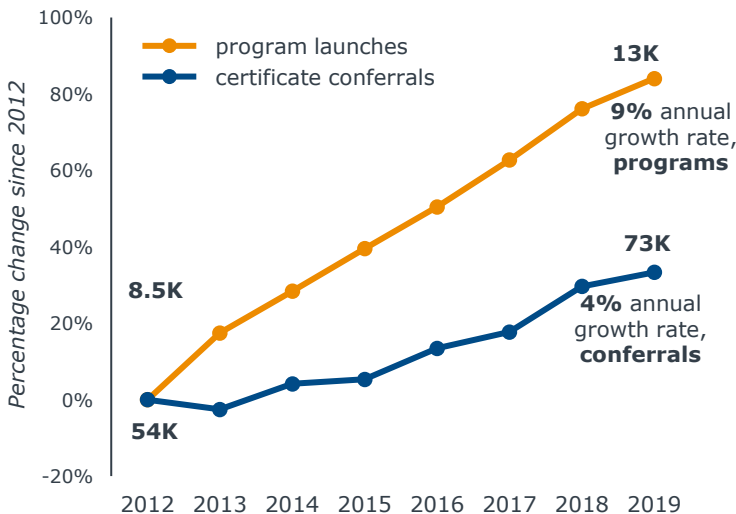


Annual Graduate Certificate Conferrals, 2003-19



Despite the small size of the market, there are thousands of programs available. In fact, colleges and universities are launching new programs far faster than they are conferring certificates. Between 2012 and 2019, for-credit graduate certificate conferrals grew 4% annually, while the number of programs grew at more than twice that rate, at 10% annual growth. Meanwhile, 46% of for-credit graduate certificate programs reported zero conferrals in 2019. Even with programs that conferred zero certificates removed from the sample, conferrals per program are still low, with a median of just four.

Launches of New For-Credit Graduate Certificate Programs Far Outpace Conferrals



46%

For-credit graduate certificate programs reporting zero completions in 2019

4

Median number of annual for-credit graduate certificate conferrals per program, excluding those with zero conferrals, in 2019

Source: Integrated Postsecondary Education Data System (IPEDS), National Center for Education Statistics; EAB interviews and analysis.

Graduate Certificates Not Low-Cost Enough

High Prices, Nondifferentiation from Degrees Likely a Barrier to Enrollment

For many institutions, the hope was that offering certificates at a lower price point than master's degrees would attract adult learners, but that has not always been the case.

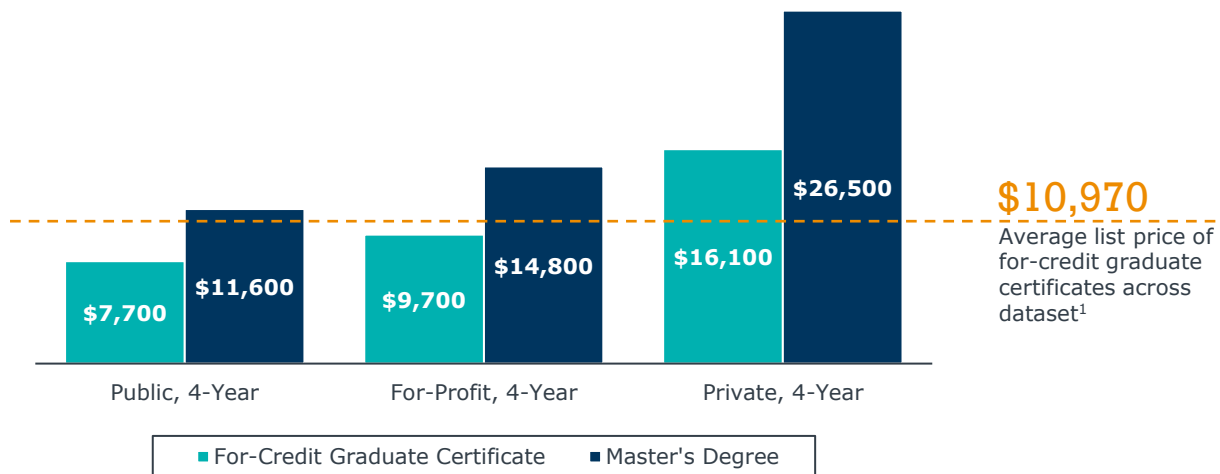
Based on a review of a representative sample of certificate portfolios across the public, private, and for-profit sectors, the average list price of a for-credit graduate certificate is about \$10,900. In comparison, the average annual master's degree tuition is \$17,600. Per credit hour, US institutions actually charge more on average for a graduate certificate (\$670) than for a master's degree (\$650), although for-credit graduate certificates take less time to complete, 15 credit hours, on average, compared with about 35 credit hours for a master's degree.

In some cases, program leaders had justified this high price point because they expected that certificates would give students a gateway into master's degrees, applying credits from the certificate toward a master's, or "stacking" multiple certificates together into a single master's degree. In reality, though, it is more common for students to earn a certificate while already enrolled in a master's degree, as part of a specialization or concentration track, than it is to earn a certificate as a pathway into it.

Average Price to Complete a Certificate More than Half the Average Annual Master's Tuition

Average sticker Price of For-Credit Graduate Certificates vs. Annual Master's Program Tuition and Fees by Institutional Segment

n= 193 certificates, 15 institutions



Source: Analysis of publicly available information on 15 institutional websites; [Digest of Education Statistics Table 318.10](#), National Center for Education Statistics, accessed January 27, 2020; EAB interviews and analysis.



Understanding the Noncredit Certificate Market

Enrollment Opportunity, Competition, and Student Interest

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- Higher Ed Just a Fraction of the Noncredit Market
 - Noncredit Certificates Aren't Necessarily Low-Cost
 - Big Tech Looms Large in Noncredit Certificate Market

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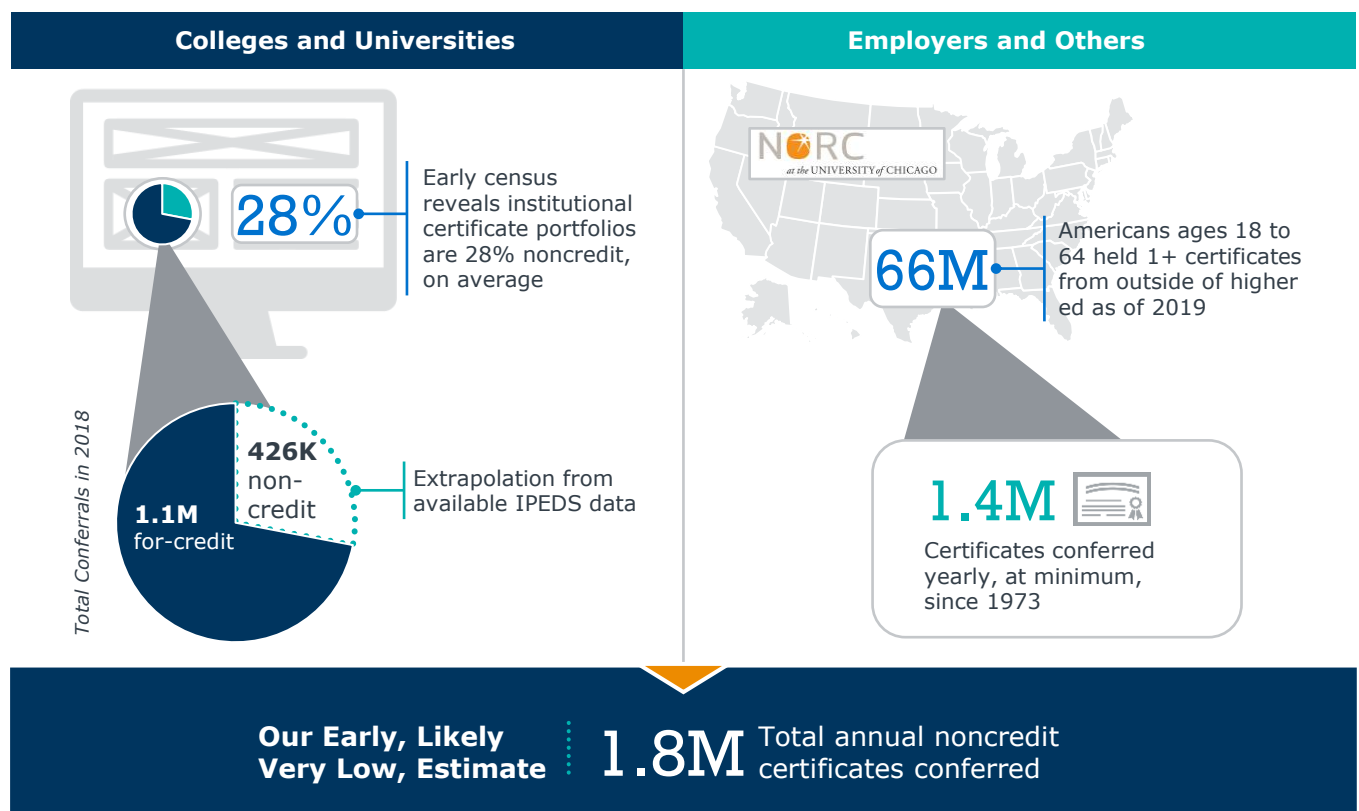
Higher Ed Just a Fraction of the Noncredit Market

Corporations and Alternative Providers the Biggest Competitors

In theory, noncredit certificates can allow colleges and universities to pivot quickly to changing market needs and offer lower prices to prospective students. However, college and university leaders lack access to the data they need to size the enrollment opportunity, understand competition, and identify program and enrollment trends.

To help, EAB estimated the size of the non-credit certificate market by analyzing multiple data sources including information on college and university websites and national educational attainment surveys. It is hard to know for certain just how many noncredit certificates are awarded annually, but initial analyses suggest the noncredit certificate market is bigger than the for-credit market and dominated by alternative providers. The volume of certificates coming out of the tech industry, in particular, cannot be ignored.

EAB's Initial Estimate of the Noncredit Certificate Market Size



Source: Analysis of publicly available information on 42 institutional websites; Cynthia Simko, Lee, Lisa, English, Ned, "National Education and Attainment Survey," NORC, 2019; EAB interviews and analysis.

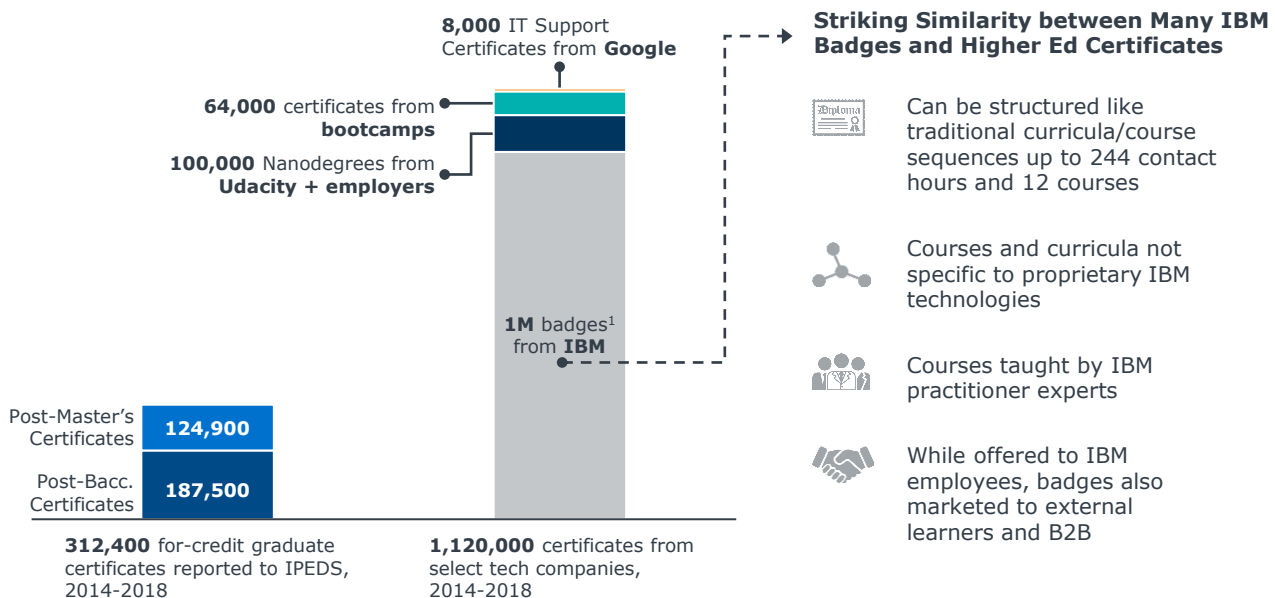
Big Tech Looms Large in Noncredit Certificate Market

Alternative Providers Emulating Higher Ed Credentials and Wraparound Services

In a relatively short time, big tech firms and bootcamps have come to dominate the noncredit certificate space. For scale, just two tech companies, a MOOC provider, and about 100 bootcamp providers out-conferred all of higher education in graduate certificates between 2014 and 2018.

More Certificates Conferred by Tech Firms than For-Credit Graduate Market

Graduate Certificate Conferrals vs. Certificates Awarded by Select Tech Firms, 2014-2018



IBM, perhaps the biggest alternative provider of non-credit tech certificates, has conferred one million badges since it started offering them in 2016. Despite their name, IBM's "badges" often resemble noncredit certificates: students can take up to 12 courses in sequence; topics are not just confined to IBM technologies, but include data and tech skills generally; industry experts lead them; and IBM markets them to populations beyond its employee base. Some colleges and universities even award credit for IBM's badges that can be applied to electives and professional programs.

Emerging Threat from Direct-to-Consumer Providers

Low-Cost and Free Providers Setting New Standards for Cost, Quality, and Student Services

Beyond emulating certificates, alternative providers—both those that do and do not offer certificates—are starting to incorporate wraparound services that were once a unique pillar of higher education's value proposition. For a fraction of the price, providers like Udacity and Cybrary, a MOOC for cybersecurity professionals, offer adult learners not only job-ready skills, but also access to advising, mentorships, and career coaching. These services are provided at scale and in digital-first delivery formats that adult learners are more likely to start expecting from higher education

Source: Integrated Postsecondary Education Data System (IPEDS) National Center for Education Statistics, accessed January 10, 2020; Liz Eggleston, "The Growth of Coding Bootcamps: 2019," Course Report, August 1, 2019; "Learning Journeys," IBM Skills Gateway; James Daniels, "IBM Issues One Millionth Badge," IBM Training and Skills Blog, July 13, 2018; Gabe Dalporto "Udacity 2019: The Year in Review," Udacity, December 19, 2019; EAB interviews and analysis.

1) Count may include badges awarded for single-course programs.

Noncredit Certificates Aren't Necessarily Low-Cost

Higher Sticker Prices Still High When Compared with Cost of Basic Needs

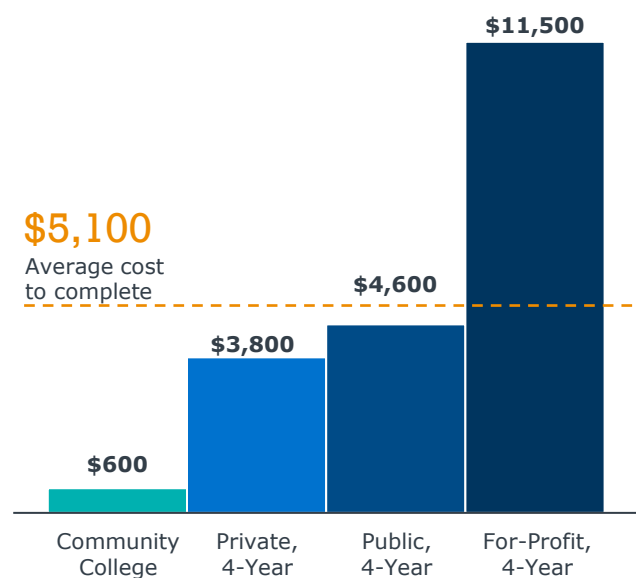
Noncredit certificates cost about half as much as for-credit certificates and only a small fraction of the cost of a master's degree. In practice, however, students are not necessarily choosing between a noncredit certificate and a master's degree.

Instead, students are more likely weighing noncredit certificates against not getting a credential at all. When compared to other major expenses in adult learners' lives, noncredit certificates look surprisingly expensive. The average cost to complete a noncredit certificate is more than the typical family spends on health care or utilities in a year. In an economic downturn, it is easy to imagine a student foregoing a certificate altogether to pay for health care or keep the lights on.

Wide Range of Prices Across Segments, Few Options Below \$1,000

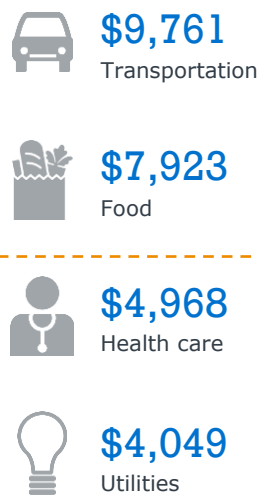
Average Sticker Price of Postsecondary Noncredit Certificates Across Segments

n=292 certificates, 14 institutions



Noncredit Certificates Can Cost More than Families Spend on Health Care

Average Annual Expenditures per Major Category by Household, 2018



Noncredit certificates cost \$5,100 to complete on average, but sticker prices vary dramatically by institutional segment. Community colleges, for example, charge an average of \$600 for noncredit certificates, compared with \$11,500 at for-profit institutions. Notably, the average cost to complete a noncredit certificate at 4-year public colleges and universities in EAB's data sample was about \$800 higher than the average price at private 4-year institutions. Certificates from alternative providers, in contrast, cost far less than what 4-year institutions charge. For example, Udacity charges about \$1,500 for its Nanodegrees.



Six Certificate Strategies for an Unpredictable Market

Case Studies in Growth

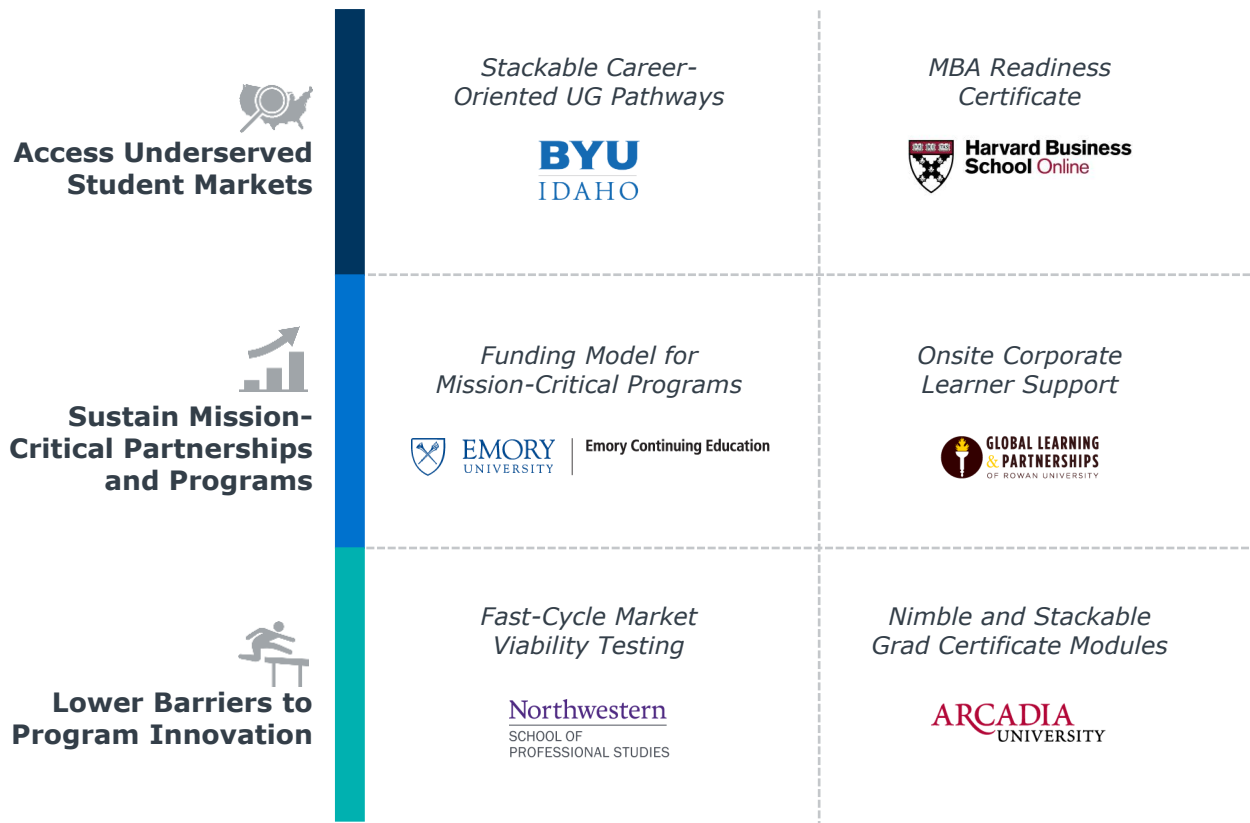
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- Stackable Career-Oriented Pathways
 - MBA Readiness Certificate
 - Funding Model for Mission-Critical Programs
 - Onsite Corporate Learner Support
 - Fast-Cycle Market Viability Testing
 - Nimble and Stackable Graduate Certificate Modules

3

Beyond Revenue, Certificates Help Advance Mission

Aligning Certificate Strategies with Institutional Goals

Despite the challenge of growing certificate programs, colleges and universities have successfully generated significant certificate program enrollment and revenue. Increasingly, however, the strategic value of certificates extends beyond enrolling more adult learners or generating new-in-kind revenue. In a time when higher education is more unpredictable than ever, certificates can help institutions be more adaptable in the face of volatility. The following case studies highlight six ways certificates can help colleges and universities improve access and support of underserved student markets; sustain mission-critical programs and partnerships; and lower barriers to program innovation.



Source: EAB interviews and analysis.

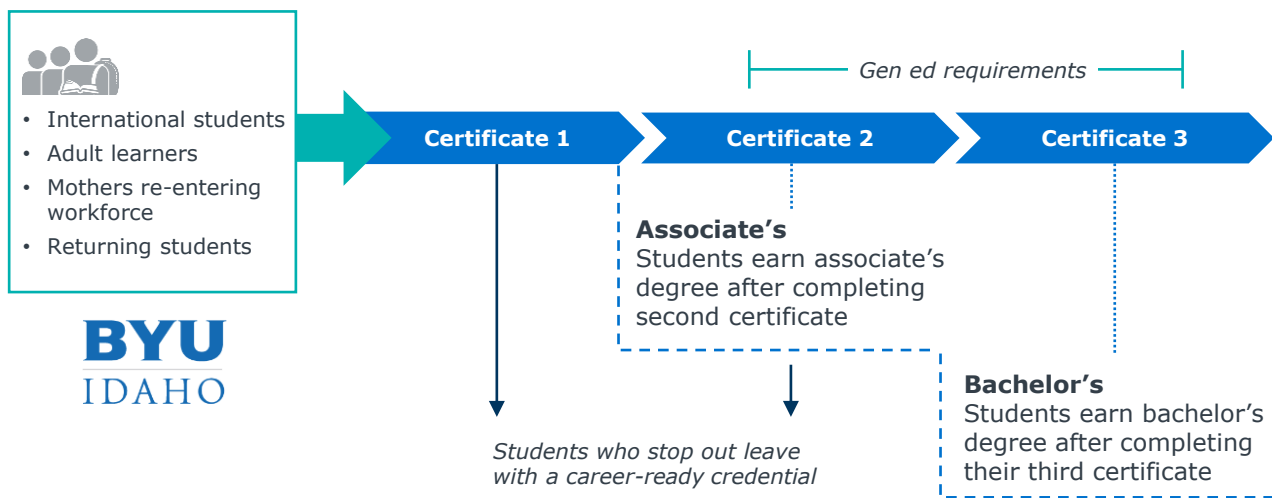
Stackable Career-Oriented UG Certificate Pathways

Interim Career-Focused Certificates Provide Tangible ROI for Adult Undergrads

Recruiting and retaining adult undergraduates requires colleges and universities to demonstrate immediate proof of ROI in their education. BYU-Idaho's certificate-first bachelor's degrees solve this challenge by frontloading career education and providing tangible evidence of progress.

Under the certificate-first model, the first 15 credits adult learners earn toward a bachelor's degree culminate in a career-oriented certificate. For example, students can earn a certificate in web development that includes courses in coding and database design. Students still must complete general education requirements, but they do so after earning their first certificate. Pre-requisites are built into the certificates. Upon completion of their second certificate, students earn an associate's degree. Finally, students take a third 15-credit certificate and wrap up their gen ed requirements to obtain a bachelor's degree. The certificate-to-bachelor's pathway is available for five bachelor's degrees available at BYU-Idaho through its online partner, BYU Pathway Worldwide.

Interim Credentials Promote Persistence, Offer Immediate Proof of Value



Case in Brief

Institution: BYU-Idaho is a private institution with 39,145 undergraduate students

Goal: Accessing and supporting adult student markets

Strategy: Give adult undergraduates proof of ROI through career-oriented certificates

Programs: Applied business management; applied tech; applied health; marriage and family studies; family history research

\$75

Cost per credit hour for most students

15

Credits per certificate

Outcomes

13,000

BYU-Idaho students enrolled in certificate-first bachelor's degree

1/3

Share of total BYU-Idaho student population enrolled in certificate-first programs

80%

First-to-second-year retention rate for certificate-first students, compared with 64% for other students

Source: EAB interviews and analysis.

Stackable Career-Oriented UG Pathways (cont.)

Not only do the career-oriented certificates align to adult student preferences, the low cost of the degrees also appeal to students. BYU-Pathway students in the US who are members of the Church of Jesus Christ of Latter-day Saints pay only \$75 per credit hour, while non-members pay only 25% more.

The interim certificates provide students who stop out marketable skills and credentials, but they also provide positive feedback and tangible ways of measuring progress that increase retention. Students at BYU-Idaho who complete a certificate as their first 15 credits persist from first to second year at a rate of 80%, compared with 64% among students who do not complete a certificate first.

At BYU-Idaho, more than 13,000 students—or about one-third of their total students—are enrolled in a certificate-first degree. The certificate-first degrees help BYU-Idaho reach a much more diverse population of students in terms of age, gender, and nationality. Domestic students enrolled in the program typically range from 30 to 50 years of age, and there are more women than men enrolled. However, contacts report that the demographic has been shifting younger and more gender balanced over time. International students also account for a large share of enrollment.

MBA Readiness Certificate

Noncredit Certificate Prepares Learners of All Backgrounds for Advanced Degree

Student success in elite MBA programs is an equity challenge: students who lacked access to a highly selective undergraduate programs often lack sufficient preparation in key topic and skill areas to succeed in business school. To address this challenge, HBS Online designed a pre-MBA certificate that teaches skills like data analysis, pricing strategy, and financial forecasting. By addressing gaps in preparation before students begin a program, the certificate helps to level the playing field for under-prepared students. HBS Online initially designed the certificate exclusively for Harvard Business School's own incoming MBA students, but quickly opened it to a network of other colleges and universities who direct their MBA students to complete it, allowing HBS Online to diversify its cohorts with students outside its MBA program.

Certificate Expands Access to MBA Programs, Regardless of Prior Experience

Foundational Skills for those with Minimal Background in Business



Credential of Readiness

Business Analytics

Economics for Managers

Financial Accounting

+
Final exam

Target Population and Beyond



Adults Considering Graduate School

Foundations for MBA graduate programs



Mid-Career Professionals

Professional development for career advancement



College Students and Recent Graduates

Marketable skills for first post-grad job

Case in Brief

Institution: HBS Online

Goal: Access new student markets

Strategy: Level the playing field for underprepared students before grad degrees

Certificate: Credential of Readiness, available for-credit and noncredit

\$2,250
Cost of noncredit version

\$3,760
Cost of for-credit version

Outcomes

12x

Increase in revenue over five years

Partnerships Increase Student Diversity

Other institutions send their admitted MBA students to take HBS Online's pre-MBA certificate, which helps diversify cohorts

52%

Share of students in May and June 2020 cohorts who were female, compared with 30% among typical cohorts (students from partner institutions had discounted rate in light of the pandemic)

MBA Readiness Certificate (cont.)

HBS Online launched the Credential of Readiness (CRe) in 2015 to replace Harvard's weeklong, in-person bootcamp experience for entering MBA students. CRe is a fully online, self-paced certificate in business fundamentals consisting of three asynchronous courses and a final exam. Each course uses case-based instruction and facilitates active learning through polls, videos, and asynchronous cold-calls. It is available in both noncredit and for-credit options for \$2,250 and \$3,760, respectively. Students receive eight undergraduate credits from Harvard Extension School upon successful completion of the credit-bearing version.

The certificate is available to students enrolling in MBA programs at institutions involved in HBS Online's "Collaborating Colleges and Universities," an initiative created to enroll more underrepresented students in HBS Online courses. The network is essentially a memorandum of understanding between HBS Online and 42 mostly liberal arts colleges. Under the MOU, HBS Online opens its courses to outside students. Partnering institutions run financial need assessments for their students on behalf of HBS Online, which does not have the staff to do so for their application volume.

Most importantly, the partnership helps to diversify the gender and racial demographics of the students enrolled in each cohort of CRe. Previously, HBS Online found it difficult to reach underserved populations. HBS Online discounts the price of the certificate for students from partner institutions, so it does not generate profit from this model. However, the partnership helps achieve more equitable access to its content.

Eventually, HBS Online also expanded the certificate to undergraduates and mid-career professionals seeking professional development.

Funding Model for Mission-Critical Programs

The proliferation of small, niche certificates often results in underfilled programs and costly curricular redundancies. Consolidating related programs, however, can maximize capacity and increase margin. At Emory Continuing Education, leaders consolidated three separate but related certificates in creative writing into a single noncredit certificate. In the process, Emory maintained student ability to specialize, increased revenue and margin, and used some of the profits to grow and support larger but less profitable certificate programs that more closely aligned with the university’s mission.

In 2010, Emory Continuing Education launched three separate noncredit creative writing certificates, one each in fiction, nonfiction, and screenwriting. For years, each certificate was underfilled, and Emory offered duplicates of the same introductory courses. By 2015, Emory revamped the three separate programs into a single noncredit certificate in which all creative writing students are funneled through a core curriculum before choosing electives to specialize in one of the three writing styles.

Consolidating Underfilled Certificates Maximizes Capacity, Helps Fund Programs



From Underfilled

Three under-filled certificates in screenwriting, fiction, and nonfiction

25-54% drop-off rates



...consolidated into...



To Near Capacity

A single creative writing certificate. All students take the same 4 core classes and specialize with 3 electives

86%-100% fill rates for core classes

~80% fill rate for electives

Case in Brief

Institution: Emory Continuing Education

Goal: Sustain mission-critical programs

Strategy: Maximize excess course capacity in related certificates to increase margin

Certificate: Creative Writing, noncredit

\$2,995

Minimum cost to complete certificate

12-18

Months to complete

Outcomes

3x

Increase in revenue since consolidating three separate certificates into a single program

4x

Increase in profit margin makes creative writing certificate completely self-sustainable with enough leftover to redirect to other priorities

Funding Model for Mission-Critical Programs (cont.)

For Emory, the redesign nearly tripled revenue overall. While the creative writing certificate still does not generate as much revenue as some of Emory's other noncredit certificates, its profit margin is higher than many. That is in part because of the cost savings Emory generated by eliminating redundant courses, for example, by consolidating three different versions of its Essentials of Creative Writing course into a single course.

Under the current structure, all students take the same four-course core curriculum, encouraging students across disciplines to collaborate. In addition to the four required courses, students complete three electives, allowing students to specialize in nonfiction, fiction, or screenwriting. Students can experiment with multiple electives before committing to a discipline. Additionally, the entire certificate can also be unbundled to allow learners to pick and choose one course at a time, rather than pay for the whole certificate upfront.

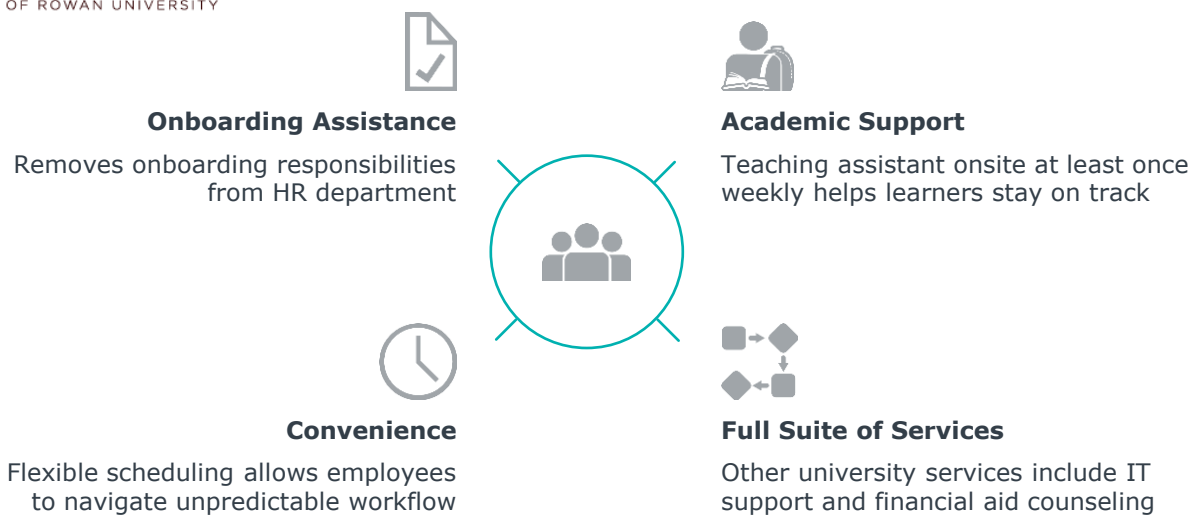
While most students enroll in the certificate as hobbyists, the certificate also has a career readiness component: a course in the business of creative writing informs students about the realities of the publishing business and helps those interested in navigating the complexities of self-employment.

Onsite Corporate Learner Support

High-Touch Customer Service Improves Learner Outcomes

Certificates play a critical role in corporate learning portfolios and on-the-job training, but colleges and universities often face challenges articulating their value as a partner. That is especially true amid today's crowded training market and the growing sophistication of alternative providers. In light of this challenge, Rowan University provides highly personalized onboarding services to its employer partners to help them navigate and easily access all training options, like certificates, and support services. Contacts credit this high-touch service for creating long-lasting employer partnerships that sustain its certificate business and lay the groundwork for advanced degrees.

Customer Service Team Brings Full Breadth of University Services to Employees



Case in Brief

Institution: Rowan University Global Learning & Partnerships

Goal: Maintain mission-critical partnerships to grow certificate enrollments, lay foundation for advanced degrees

Strategy: Communicate distinct value of higher ed with high-touch onsite services

72

Certificates offered by Global Learning & Partnerships

5

Average number of courses required per certificate

Outcomes

90%

Retention rate for cohorts using customer service support

\$12,500

Potential additional revenue per course from a cohort of 25 students

Onsite Corporate Learner Support (cont.)

For a fee of \$500 per employee, Rowan's Global Learning and Partnerships unit sends a team of institutional representatives to assist partner organizations' employees with enrollment, financial aid, technical, and instructional support during the onboarding process. For Rowan, the surcharge can raise additional revenue, sometimes totaling thousands of dollars for small cohorts of students. Training cohorts that take advantage of the customer service team have a 90% retention rate.

By embedding its customer service team onsite, Rowan removes a considerable work stream burden from HR staff. The convenience of having these supports onsite allows employees to better integrate their academic efforts with their day-to-day work. Most importantly, the onsite teams also include academic support staff who can work with employees to ensure they stay on track in their courses. Rowan staff supporting administrative activities may visit employers several times during the onboarding process, but they primarily communicate through email and phone once classes begin. Academic support staff, meanwhile, are on location at least once a week.

1) Remote working conditions during the Covid-19 pandemic may affect ability to provide services onsite, but could be delivered virtually.

Fast-Cycle Market Viability Tests

Testing New Certificates with Electives; Successful Programs Fund New Tests

To avoid launching unprofitable certificates, Northwestern University School of Professional Studies tests the viability of new fields through electives and monitors their performance before launching the most compelling as standalone certificates. Profits from these certificate programs then help to fund more tests of new fields.

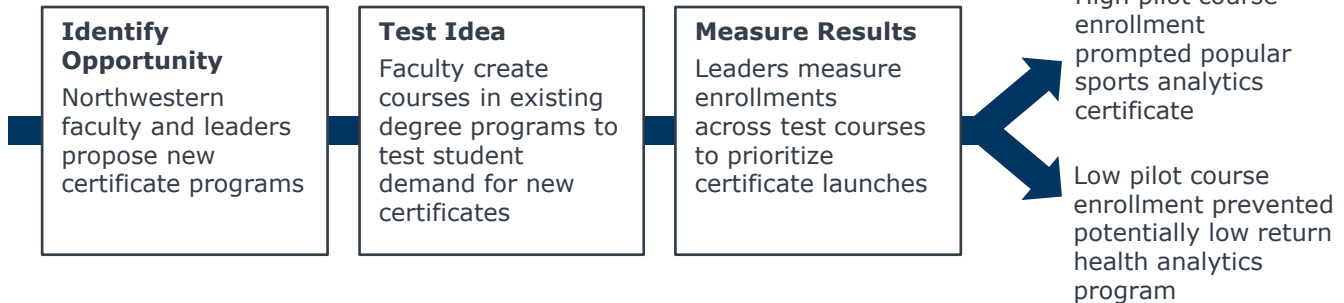
Northwestern’s process for testing new courses allows the institution to prioritize which programs it pursues based on student demand for a topic. In one example, the program director of Northwestern’s MS in predictive analytics (MSPA) identified sports analytics as a potential market opportunity. The MSPA developed a sports analytics “topics course,” one of a set of rotating electives offered within the master’s program to test market demand. As student demand was strong, Northwestern made the elective permanent, and introduced a second sports analytics elective because of continued demand.

Northwestern then launched a standalone graduate sports analytics certificate composed of the two sports electives with two core analytics courses. The certificates are labeled as “advanced,” as a master’s degree in any field is required to enroll. Northwestern does this to avoid negatively impacting enrollment in its core MSPA.

Testing Topics in a Matter of Semesters Helps Avoid Profitless Growth

Northwestern

SCHOOL OF PROFESSIONAL STUDIES



Case in Brief

Institution: Northwestern University School of Professional Studies

Goal: Lowering barriers to program innovation and launch

Strategy: Fund market viability tests for new programs with profits from certificates

Certificates

105

Certificates offered by School of Professional Studies

4

Average number of courses required per certificate

Advantages

Profits Fund Viability Tests

Profits from certificates fund more topics for testing

Phased Program Launch

Testing new programs in smaller chunks allows institutions to measure demand and performance before investing too many resources

Limits Impact to Core Master’s Market

Certificates require a master’s degree in any field, which helps prevent stealing student from core program market

Nimble and Stackable Grad Certificate Modules

Mix-and-Match Certificates Add Up to Market-Responsive Master's Degrees

College and university leaders typically assume that stackable certificates will entice learners to enroll in master's degrees, but students are more likely to earn certificates after enrolling. This is generally so students can specialize in discrete content and skill areas linked to specific careers. Modular master's degrees, like Arcadia University's master's in education, help university leaders respond more quickly to emerging market demands by allowing students to pick and choose any combination of two certificates to complete a master's degree.

Modular Master's Allow Students Customization with Low Institutional Investment



Modular Master's of Education (M.Ed)

Nine Certificate Options

Applied Behavior Analysis	ESL Program Specialist
Autism Education	Toddler Mental Health
Connected Learning	PA Director
Educational Leadership	STEM
Teaching English Abroad	

Two foundational courses based on combination of certificates



A capstone project that combines both focus areas

72

Possible student career paths based on selected modules (e.g., working with **infants with autism**)

0

New courses required for development; material drawn from 21 existing certificates



Minimal marketing required; designed to attract greater share of "search and shop" market

Case in Brief

Institution: Arcadia University

Goal: Lowering barriers to program innovation

Strategy: Combine existing certificates to create highly specialized master's degrees

Certificates

9

Certificate modules to choose from in M.Ed

24-27

Required credits from certificates

Advantages

Testing New Fields through Modules

Programs can serve as experimental forums to offer new subjects because modules are faster to develop and sunset than fully specialized degrees

Aligning With Employer Demands

Customizable content allows students to specialize in emerging careers, while institutions can more quickly launch and sunset modules to align with current employer demands

Existing Certificates Limit Costs

Using existing certificate content to create degrees requires minimal new investments

Nimble and Stackable Grad Certificate Modules (cont.)

Arcadia University's modular master's in education maximizes subject flexibility and agency for students looking for greater specialization within a single subject area. Specifically, students can choose any two certificates from nine options to create their degree. Unlike other stackable programs that require students to take a foundational certificate of perennial content, the modular master's combines two differentiated certificates of equal intensity and complexity. Students also take two foundational courses that vary depending on the modules they select. All students also complete a capstone course that incorporates both focus areas.

For colleges and universities, developing programs from certificates creates low-risk, low-cost opportunities for launching and sunseting particular concentration areas. For example, all of Arcadia's modules are existing certificates in the school of education, requiring little additional content. Leaders can also pilot larger programs through modules, sunseting those that do not generate interest without admitting failure or changing the marketing of the program

Arcadia's program works as a single-discipline degree because education offers ample sub-specializations (e.g., working with infants with autism). However, colleges and universities could also design multidisciplinary modular master's programs to allow students freedom to choose modules offered across the institution. To do so, colleges and universities will need a policy on which department gets credit for student headcount and credit hours generated by multidisciplinary programs.

Appendix: Methodology

Sizing the For-Credit Certificate Market

The for-credit market analyses draw from the National Center for Education Statistics’ Integrated Postsecondary Education Data System (IPEDS) database—the only central dataset of for-credit certificate conferrals in the US—and Statistics Canada, the Canadian government’s official data collection platform.

	IPEDS	Statistics Canada
Source	US Federal Government	Canadian Federal Government
Methodology	Self-report	
Limitations	<ul style="list-style-type: none"> • Only collects data on Title IV-eligible programs • Defines certificate loosely in reporting requirements, resulting in some inconsistencies • May include some noncredit certificates • May included retroactively awarded certificates for partial completion of a degree program 	<ul style="list-style-type: none"> • Most recent data from 2017 • Doesn’t distinguish between for-credit and noncredit programs • Data not disaggregated by level of certificate

Sizing the Noncredit Certificate Market

EAB created its own database and reviewed all available literature to collect reference points that provide some direction about the current state of the noncredit market. Specifically, EAB collected publicly available information on college and university websites to determine the composition of certificate portfolios and extrapolated that data to the for-credit certificates that IPEDS tracks. To estimate the size of the noncredit certificate market among alternative providers, EAB analyzed data from the National Opinion Research Center’s educational attainment survey. These methods likely underestimate the size of the noncredit market, but they help to give a sense of how big the market is at a minimum and where student interest lies.

	Institutional Websites	National Education and Attainment Survey
Source	Randomly Selected US and Canadian institutions across public, private, community college, and for-profit sectors	National Opinion Research Center, University of Chicago
Methodology	Manual review of 1,154 certificates at 42 institutions	Survey of 5,601 US adults ages 18-64
Limitations	<ul style="list-style-type: none"> • Small sample size allows for only partial, directional estimates • Assumes ratio of credit to for noncredit postsecondary certificates holds true for entire market • Under EAB’s certificate definition, standalone noncredit courses are not captured in the count 	<ul style="list-style-type: none"> • Self-reported data • Does not account for people with more than one certificate • Assumes certificates from alternative providers are noncredit



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