



Adult Degree Completion Market Realities



Meet the Research Team



Megan Adams, PhD
Managing Director



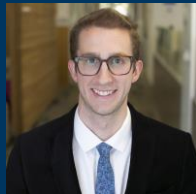
Larisa Hussak, PhD
Director



Alexa Silverman*
Associate Director



Samantha Smith
Senior Analyst



Joseph Infantino*
Senior Analyst



Brian Schueler
Senior Analyst



Michelle DiMenna
Senior Analyst



Logan Morris
Senior Analyst

1) * Denotes Research Team Alumni

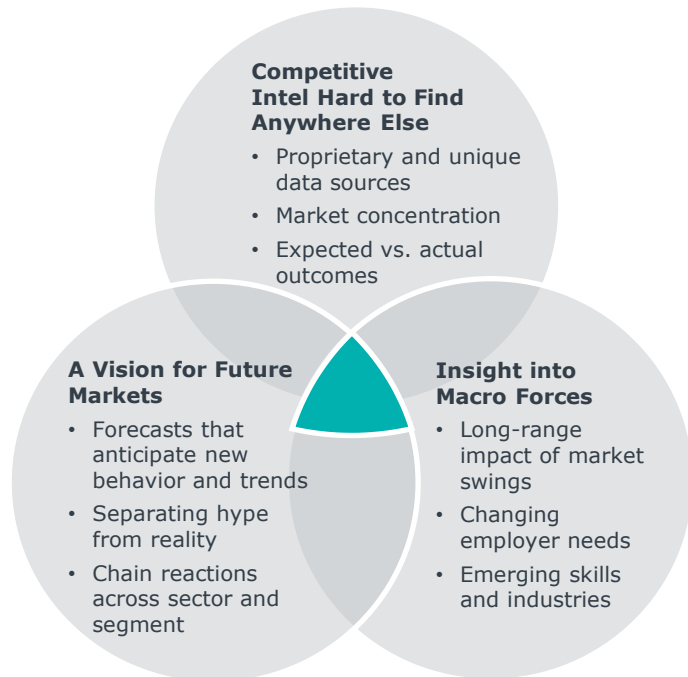
Our Charter

Blueprint for Growth is EAB's signature research series about the future of enrollment, both undergraduate and graduate, domestic and international. We make **bold predictions to shape our partners' future strategy**, based on cross-cutting and holistic market analysis. Our analysis goes **beyond market sizing to uncover hidden risks and opportunities** and the changing dynamics of competition.

Blueprint for Growth: Our Signature Research



What Makes Our Advice So Valuable



Continuous, Updated Insight as Markets Change

- ▶ The Future of Low-Cost and Free Alternatives
- ▶ The Future of the Student Experience
- ▶ The Future of Undergraduate Enrollment

Forth-coming

- ▶ [Generation C: Students of the Pandemic](#)
- ▶ [Resizing the Adult Degree Completion Market](#)
- ▶ [Certificate Market Risks and Opportunities](#)
- ▶ Master's Market Competitive Intel Reports

2020

- ▶ [The Master's Market Slowdown](#)

2019

- 1** **A History of Missed Opportunities to Solve Enrollment and Equity Gaps**
- 2** Is the Adult Degree Completion Market as Big As We Think?
- 3** Anticipating an Adult Degree Completion Bust: Recession-Era Trends Then and Now
- 4** Limited Opportunities to Compete on a National Scale
- 5** Access Trumps Academics in Prospect Recruitment

For Stop-Outs, Higher Ed Exacerbates Inequity



The High Cost of Stopping-Out

-\$21K

Lower average annual income than college grads

\$14K

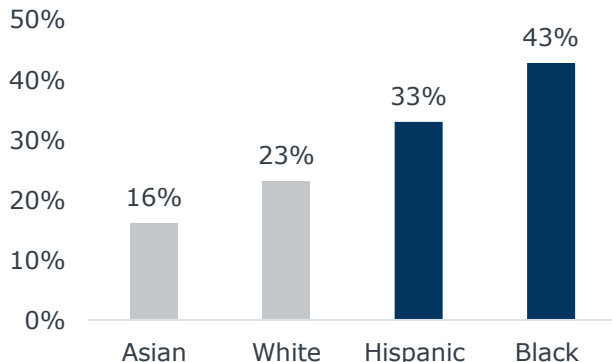
Average student loan debt of college stop-outs

47%

Of college drop-outs with loans are in default

Black & Hispanic Students Far More Likely to Stop-Out

Percent of 2012 cohort not enrolled in higher ed and without a degree in 2018 by race/ethnicity



Low-Income Students Far Less Likely to Graduate in 6 Years

Completion rates for students who enrolled at a 4-year college by socioeconomic status

77%

Of high-SES¹ students graduated in six years

50%

Of low-SES¹ students graduated in six years

Source: Lake, Rebecca, 'The Cost of Being a College Dropout', *The Balance*, 07/03/2020, ([link](#)); Brown, Mike, 'College Dropouts and Student Debt' *Lend EDU*, 11/02/2017, ([link](#)); Shapiro, et al. 'Completing College: A National View of Student Completion Rates – Fall 2012 Cohort', *National Student Clearinghouse*, Dec. 2018, ([link](#)); Education Longitudinal Study of 2002 (ELS:2002); EAB interviews and analysis.

1) Highest and lowest family income quintile in 2002

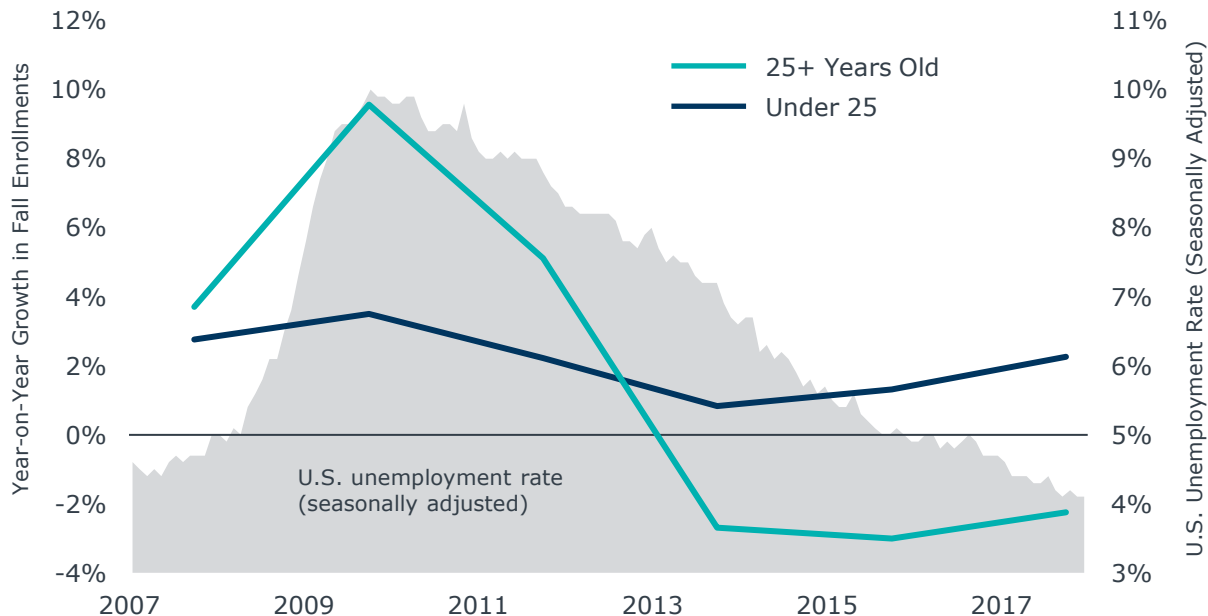
Adult Undergrads Most Countercyclical



At 4-Year Institutions, Countercyclical Enrollment is Adult-Driven

Adult Students Drive Countercyclical Undergraduate Enrollments at 4-Year Institutions

Avg. Annual Growth in Undergraduate Enrollment at 4-Year Institutions by Age



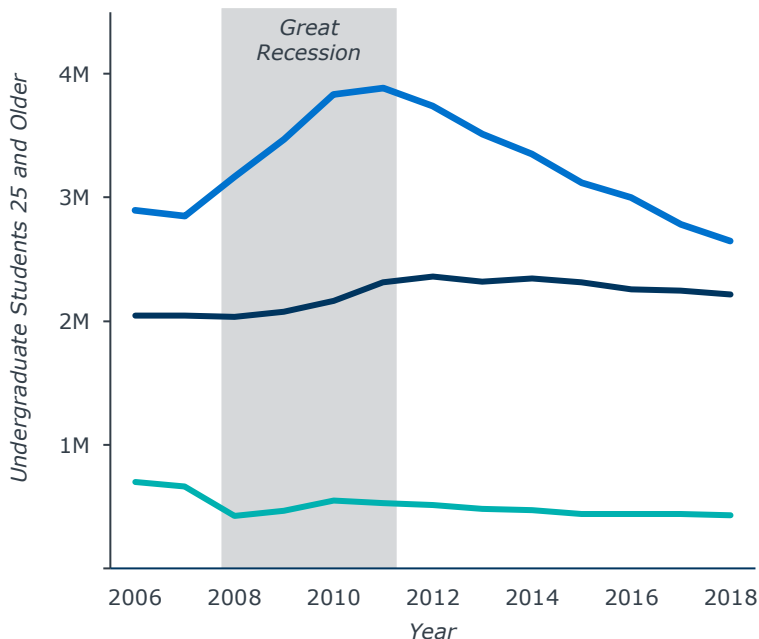
1) Measured as percentage change in fall enrollment.

Degree Completers Drove Countercyclical Growth

8

Adults with Some College, but No Degree Accounted for Nearly All of The Great Recession's Undergraduate Countercyclical Bump

Reported educational attainment of undergraduate¹ students 25 years old or older



Some College, No Degree

- 36% increase from 2007-11
- Includes continuing students and returning stop-outs
- 82% have at least one year of prior college credit

Degree Holders

- 64% held associate's degrees
- 33% held bachelor's degrees
- 4% held graduate degrees

First Time Adult Students

- Numbers decreased in 2008 due to survey design changes

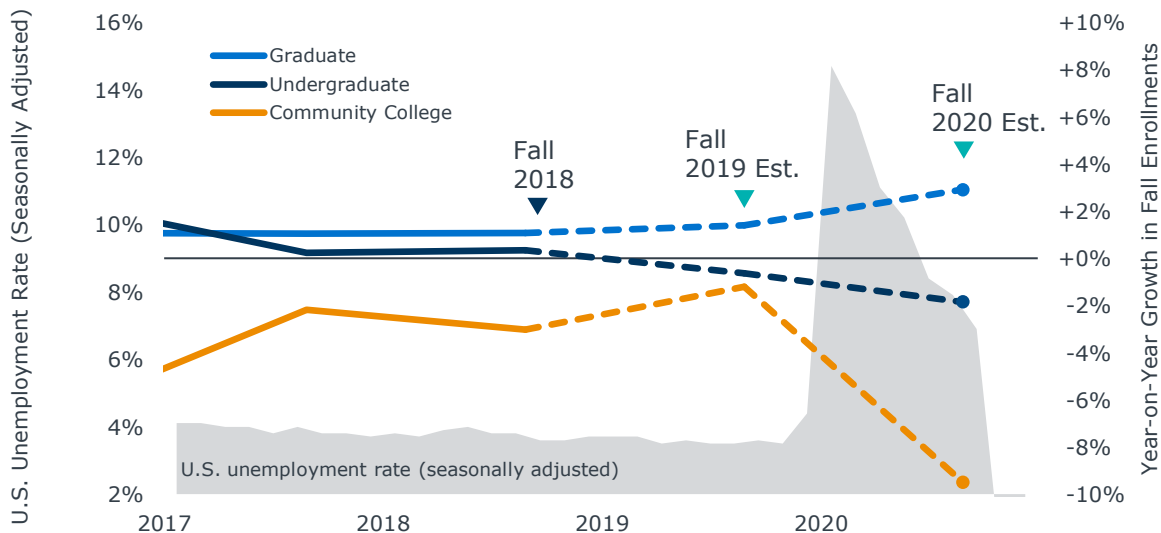
1) Because ACS data does not differentiate undergraduate instruction, these figures include students at 4-year, 2-year, and less than 2-year institutions.

COVID-19 Cancelled The Countercyclical Boom



The Pandemic's Rapid Rise in Unemployment Failed to Increase Undergrad Enrollment

Actual and Estimated¹ Fall Enrollment Through 2020 and Unemployment



How COVID-19 Led to A Recession Enrollment Bust:

1 Rapid Unemployment

2 Impact on Low-Income Households

3 Non-Economic Impacts

¹ Dotted lines indicate fall enrollment values estimated using NSC data ©2020 by EAB. All Rights Reserved. eab.com

Source: IPEDS fall enrollment data 2005-2018; Bureau of Labor Statistics unemployment data; National Student Clearinghouse Research Center, COVID-19 Stay Informed Enrollment Update, Nov. 12, 2020; EAB interviews and analysis.

1

A History of Missed Opportunities to Solve Enrollment and Equity Gaps

2

Is the Adult Degree Completion Market as Big As We Think?

3

Anticipating an Adult Degree Completion Bust: Recession-Era Trends Then and Now

4

Limited Opportunities to Compete on a National Scale

5

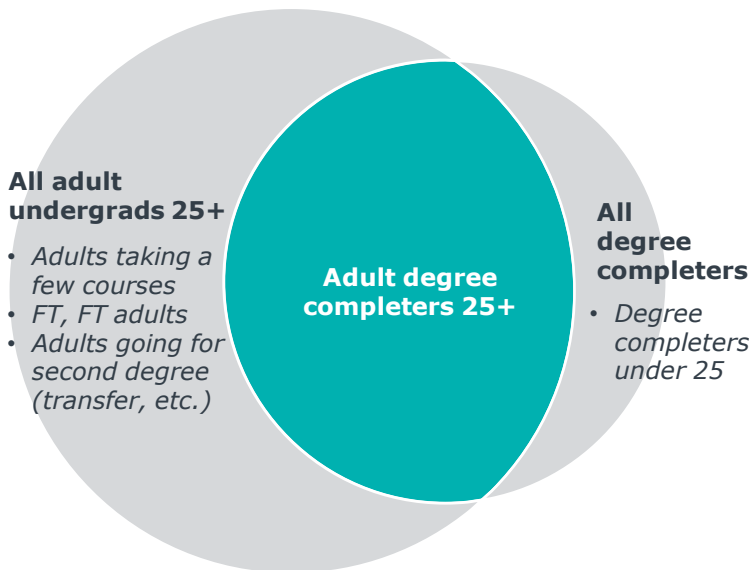
Access Trumps Academics in Prospect Recruitment

Understand the Adult Undergrad Landscape



Two Overlapping Markets

Our Best Guess at Market Size



Available Data Sources and Their Limitations

IPEDS Fall Enrollment 2017

- One-time headcount of adult undergraduates 25+ by institution
- Last complete data collection on student age was in 2017

NSC, *Some College, No Degree*, 2019

- Longitudinal study of degree completers 2014-18
- Includes data on degree completers' demographics, degree choices, and attendance patterns

What Do We Mean by 'Degree Completers'?



Two Different Definitions of 'Adult Degree Completer'

Our focus for today

1 Bachelor's Completers

- Age 25 or older
- Completing bachelor's degree or higher
- Attending 4-year university
- Prior associate's degree or transfer certificate

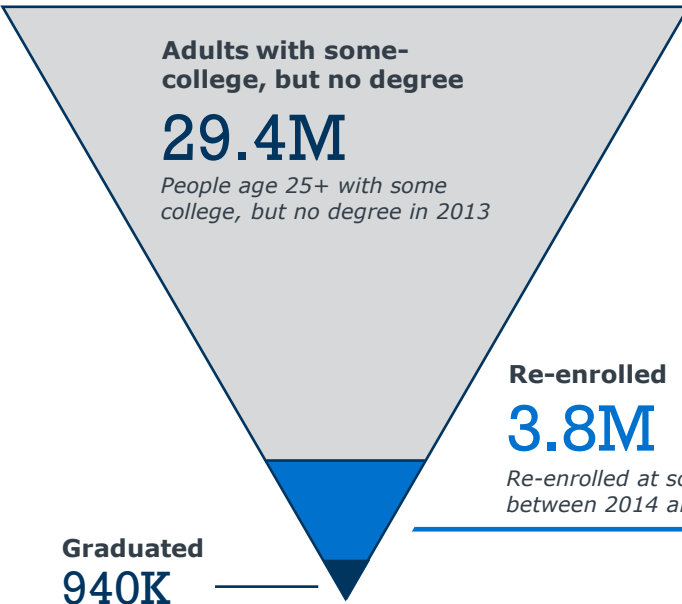
2 Some College, No Degree

- Age 25 or older
- Completing associate's or bachelor's degrees
- Attending 4-year university or 2-year college
- No prior degree or certificate of any kind

Despite Many Potential Students, Few Re-Enroll

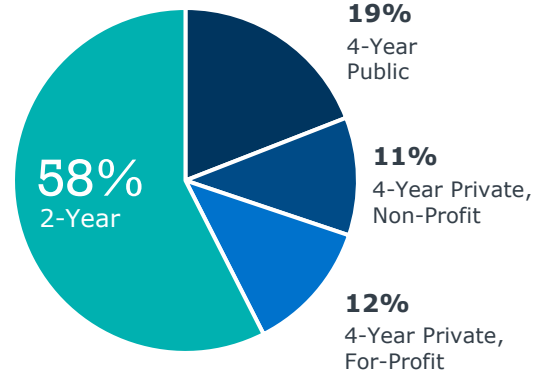


Only a small fraction of some-college, no degree students ultimately enroll



And of those who re-enroll, most choose a 2-year college

Institution choices of 3.8M degree completion students, 2014-18



Source: Ryu, Mikyung. "Some College, No Degree". National Student Clearinghouse Research Center. 2019; National Student Clearinghouse Research Center. "Some College, No Degree: A 2019 Snapshot for the Nation and 50 States" report and appendix. 2019; EAB interviews and analysis.

Completers Switch Institutions, Not Segments

Completers Mostly 2-Year Stopouts Who Return to Finish at 2-Years

Institutions attended by 3.4M degree completion students before and after re-enrollment

Where Last Enrolled

Where Re-enrolled

Public 2-year

Public 2-year



Public 4-year

Public 4-year



Private non-profit 4-year

Private non-profit 4-year



Primarily online¹

Primarily online¹



Private for-profit 4-year

Private for-profit 4-year



62%

re-enrolled at a different institution from where they last enrolled

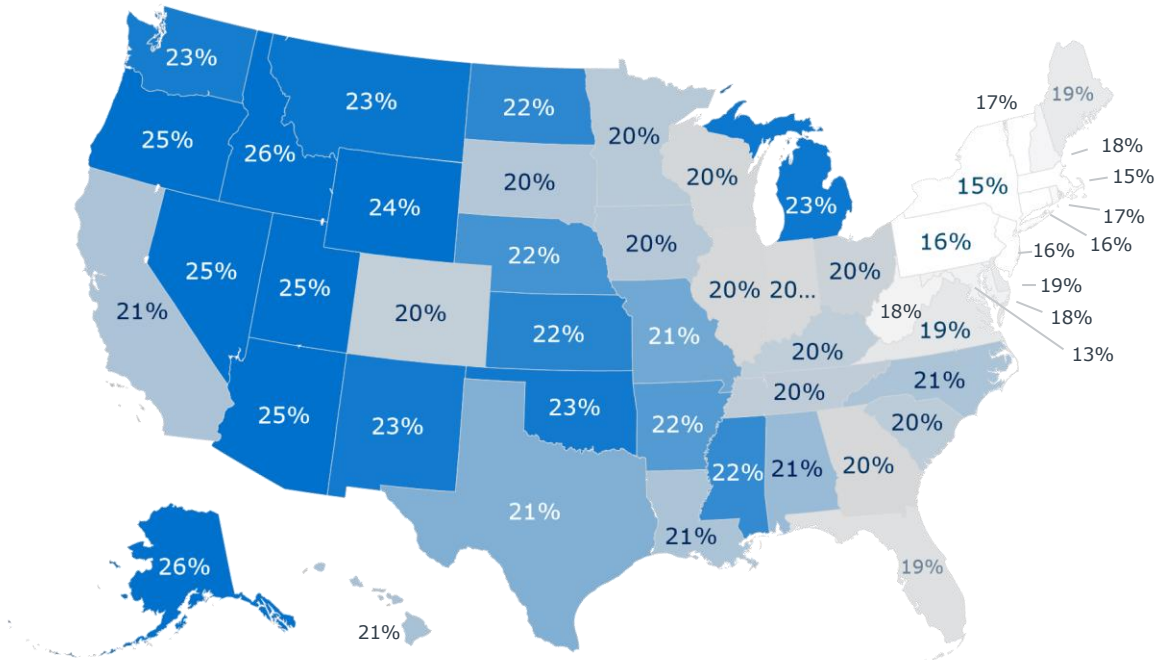


1) NSC considered institutions 'primarily online' when more than 90% of their students enrolled exclusively in distance education.

More Potential Completers in Western States



Percent of Adult Population with Some College, but No Degree

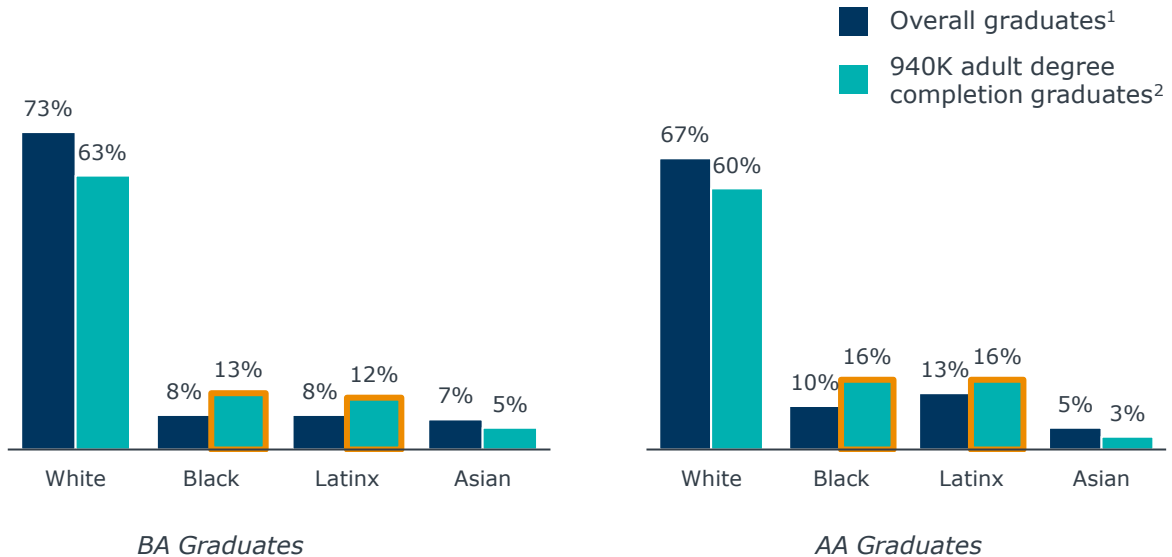


An Opportunity to Advance DEI



940K Actual Completers More Diverse Than Overall U.S. Degree Earners

Race/ethnicity of all degree holders and actual degree completers, 2014-18



1) National sample.
2) Out of the 29M adults with some credit and no degree identified in 2013.

1

A History of Missed Opportunities to Solve Enrollment and Equity Gaps

2

Is the Adult Degree Completion Market as Big As We Think?

3

**Anticipating an Adult Degree Completion Bust:
Recession-Era Trends Then and Now**

4

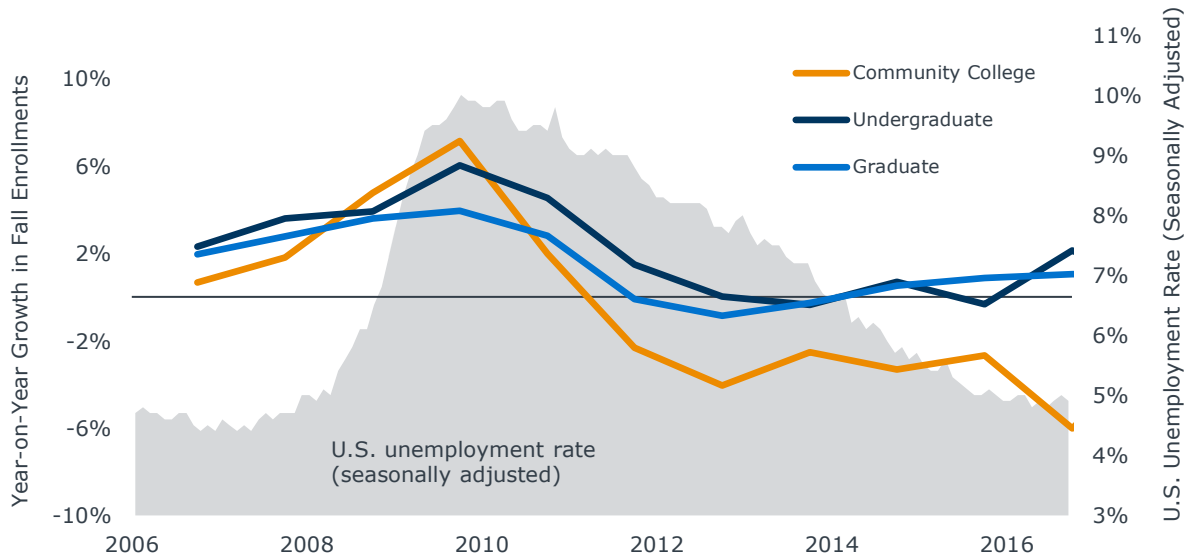
Limited Opportunities to Compete on a National Scale

5

Access Trumps Academics in Prospect Recruitment

Then: How Countercyclical was Enrollment?

Sub-Baccalaureate Market Grew the Most During the Last Recession



Percentage point growth in enrollment during high unemployment:

Graduate

+2.3%

Undergraduate

+3.6%

Community College¹

+6.9%

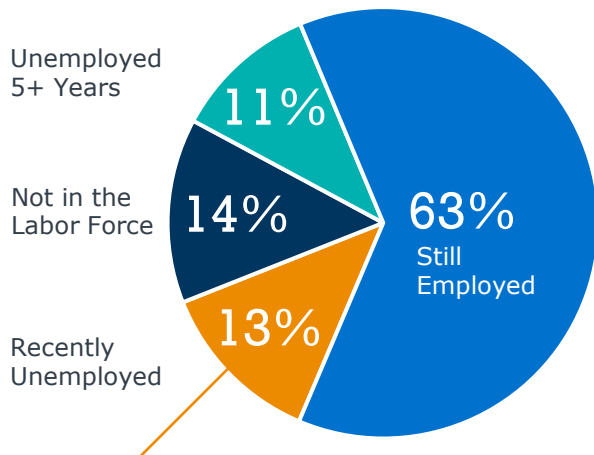
1) Includes all public 2-year institutions.

2) Includes all less-than-2-year institutions and all private nonprofit and for-profit 2-year institutions.

Then: Most Recession Students Weren't Unemployed

Why Income Shocks Erode Countercyclical Enrollments

Employment status of undergraduate students with some college, but no degree ages 25-35 (2010)



Enrolled Students Not Disproportionately Unemployed

Unemployment rate for adults 25-35 years old with some college, but no degree in 2010.

13% Enrolled students

11% Total population

Workers Enrolled to Prepare for Unemployment, Not After It

Impact of the Great Recession

72%

Of total increase came from high-unemployment (8%+) jobs

25%

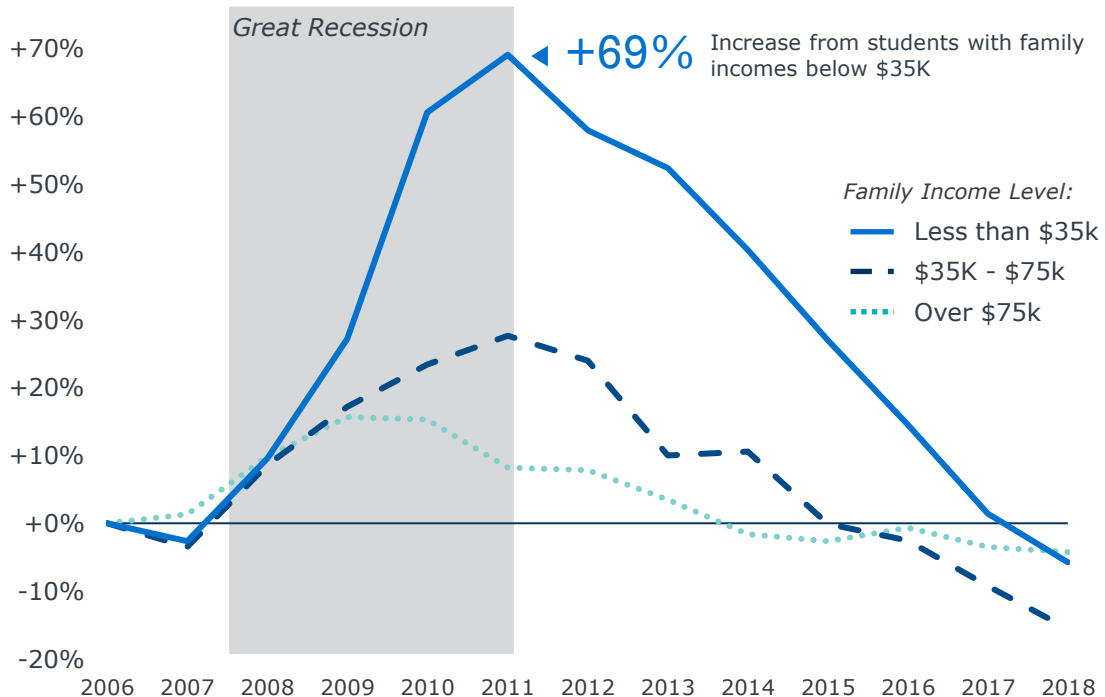
Of workers anticipated a cut in pay in the next year (Feb. 2009)

21%

Of workers anticipated being laid off in the next year (Feb. 2009)

Then: Low-Income Households Drove Recession Boom

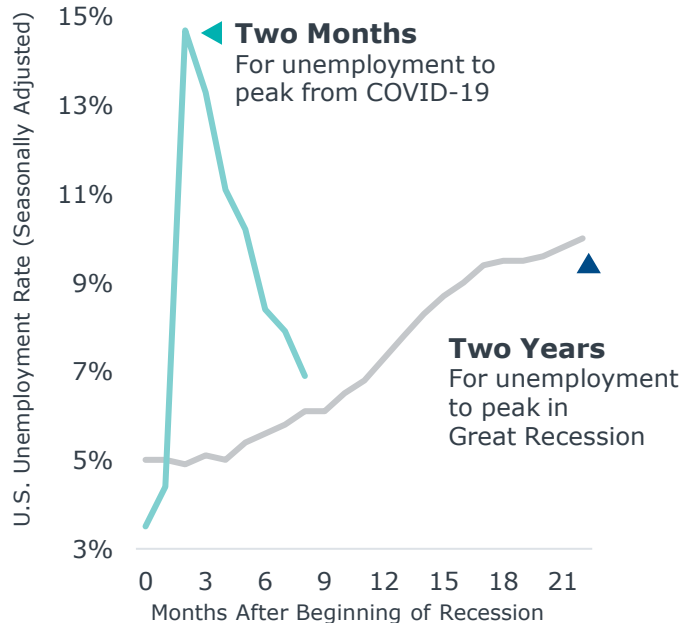
Change in undergraduate enrollments of adults with some college, no degree from 2006 by family income level



Now: No Time to Prepare for Unemployment

Hit Suddenly by Pandemic Economy, Prospective Students Hunkered Down

Unemployment Rates in Great Recession & COVID-19 Recession



Job Loss Led Workers in 2020 to Cancel Postsecondary Plans

Lost work at any point during the pandemic



And Uncertainty Led Others to Avoid Spending on Education

Expect income to decline over next month



Source: 2006-18 ACS Survey Data, IPUMS USA, University of Minnesota; Table 25: Unemployed Persons by Occupation and Sex, US Bureau of Labor Statistics; U.S. Census Bureau Household Pulse Survey, Week 15 (Sept. 16-28th); EAB interviews and analysis.

COVID-19 Hit Low-Income Households Hardest



Greater Financial Strain

Low-income households are more likely to¹:

+45% Expect a loss of income over the next month

+154% Quit a job to avoid exposure / care for others

+202% Be unable to pay rent



Greater Strain on Health, Wellbeing

Low-income households are more likely to¹:

+35% Change college plans due to the virus

+36% Feel anxious most or all of the time

+86% Be in fair/poor health

As a Result, Instead of Surging, Low-Income Adults were Less Likely to Enroll

↓ -13% Less likely to enroll

1) Relative risk vs. non-low-income households

COVID-19's Impact Not Just Economic

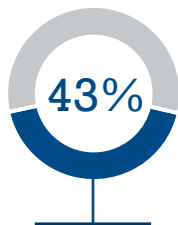


The Pandemic Raised Barriers and Exacerbated Enrollment Disparities

Impact of pandemic on postsecondary plans for adults who intended to enroll in Fall 2020

Anxiety

Felt Anxious Most or Every Day



↓ -23%

Less likely to enroll

Health Status

Reported Health as Fair or Poor



↓ -27%

Less likely to enroll

Concerned Adults Cancelled Plans Rather Than Move Online

Prospects who cited the virus as a reason they changed college plans:

All 4-Year Prospective Students

29%

Cancelled college plans

50%

Shifted online

Adult 4-Year Prospective Students

47%

Cancelled college plans

31%

Shifted online

Better Days Just Around the Corner?



USA TODAY

“Fauci says general public could get vaccine as soon as April”

Vaccines Offer a Cure For More Than Just The Virus



Lower Risk of
Income Shocks



Reduce Anxiety &
Fear of Infection

But Public Health Victory May Not Translate Into Increased Enrollments



Economic Hangover

Lingering debt, joblessness could permanently impact prospect's finances



Lack of Pell Expansion

Absence of financial aid stimulus could blunt a potential enrollment boom



Double-Dip?

Economic growth correlates with adult enrollment declines, and could again

1

A History of Missed Opportunities to Solve Enrollment and Equity Gaps

2

Is the Adult Degree Completion Market as Big As We Think?

3

Anticipating an Adult Degree Completion Bust: Recession-Era Trends Then and Now

4

Limited Opportunities to Compete on a National Scale

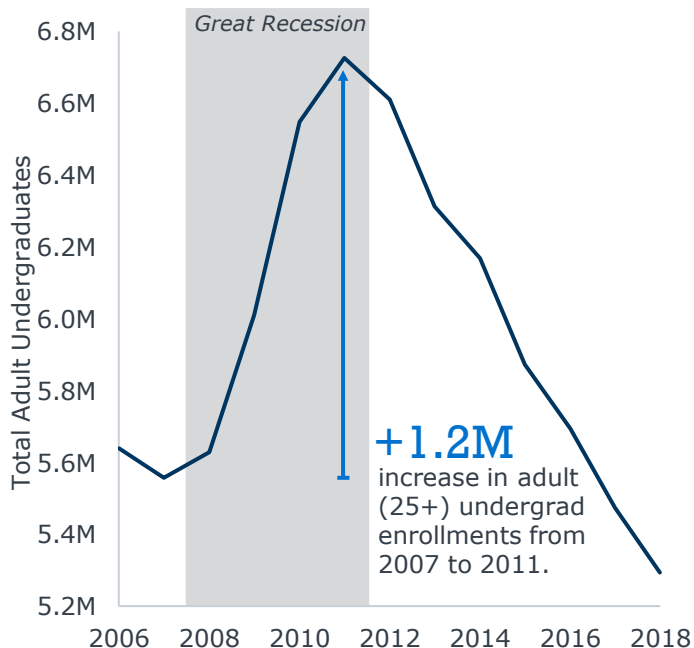
5

Access Trumps Academics in Prospect Recruitment

A Missed Opportunity in the Great Recession

The Great Recession Led To A Historic Increase in Adult Undergrad Enrollments

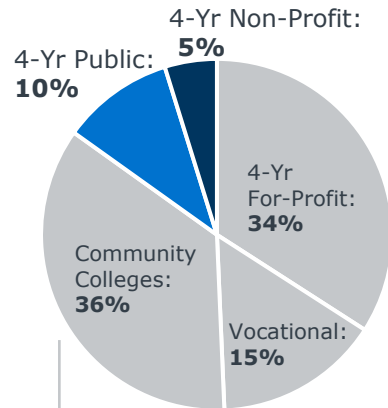
Total adult undergraduate enrollments, 2006-18
(ACS survey data)



But 4-Year Public and Private Non-Profit Institutions Failed to Benefit

Share of 2007-11 enrollment increase by institutional sector (IPEDS data)

15% of increase went to 4-year public and private, non-profit institutions



Smaller than Expected Share

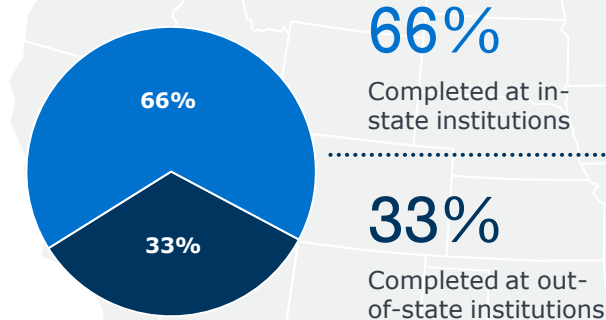
Community colleges enrolled 50% of all adult students in 2007

Is Degree Completion a National Market?

Primarily a Regional Market, But More Online than Traditional Undergrad

Most Completers Stay In State (Likely at Community Colleges)

940k degree completion graduates, by in-state status



Undergrads 25 and Older Show Preference for Online

14x

more likely than traditional undergrads to attend **primarily online** institutions

8x

more likely to attend **majority online²** institutions

1) Defined as institutions where at least 90% of students are enrolled in distance education.
2) Defined as institutions where at least 50% of students are enrolled in distance education.

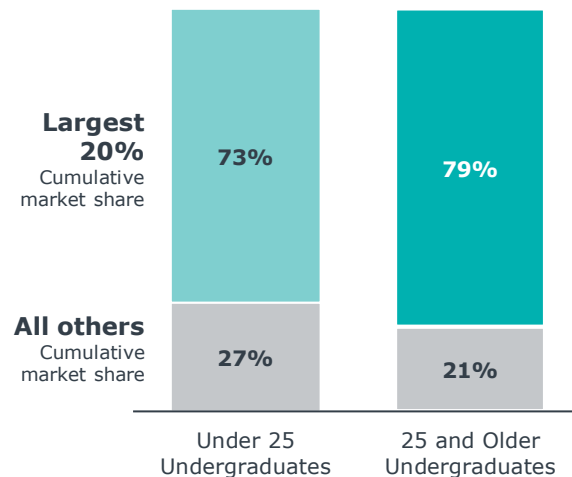
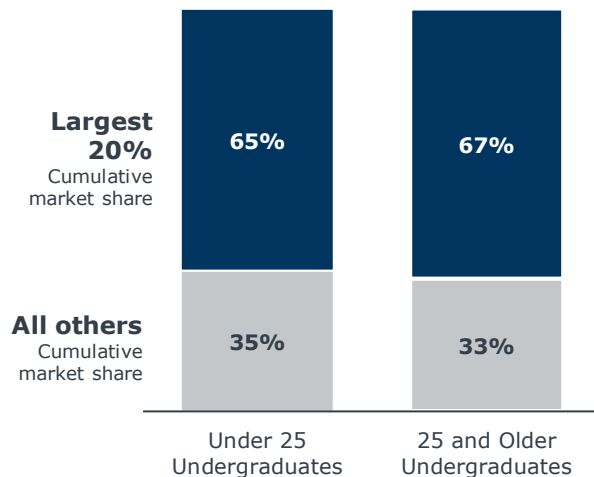
4-Years Face More Concentrated 25+ Market



2-Year Traditional and Degree Completion Markets Both Relatively Equitable

4-Year Degree Completion Market Much More Concentrated at the Top

Percentage of total undergraduate enrollments at the largest 20% of institutions, 2017



Note: See previous slides for definitions of '2-year', '4-year', and 'online'.

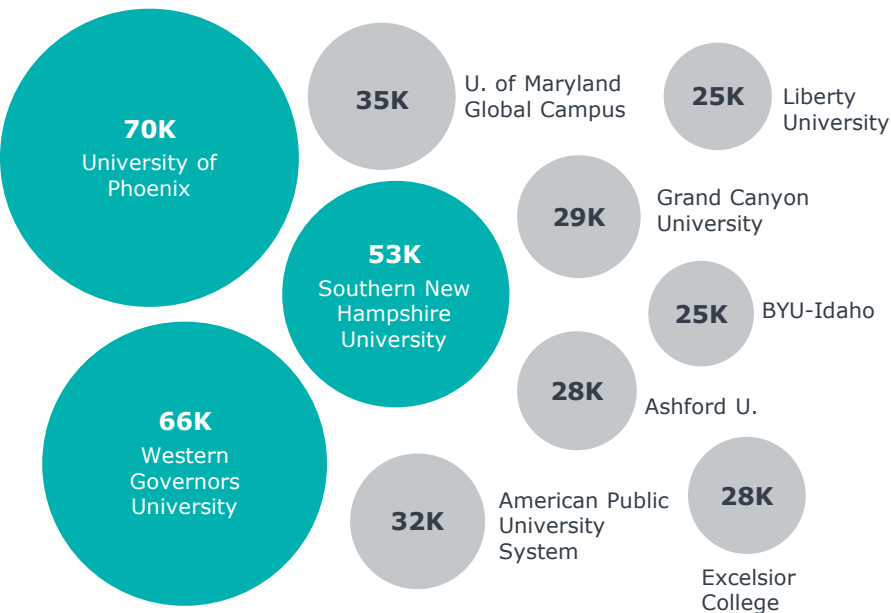
©2020 by EAB. All Rights Reserved. eab.com

Source: EAB analysis of 2017 NCES IPEDS enrollment data.

Three Big Competitors Dominate the Market



Top 10 largest 4-year institutions by adult (25+) undergraduate enrollments (2017)¹



Giants Dwarf Rest of the 4-Year Adult Market

254

Median number of undergraduates 25 and over at 4-year institutions

Achieving Scale by Targeting Adult Students

0

out of the three 'giants' is in top ten institutions in under-25 enrollments

Nearly **1 in 10** 4-year undergraduates age 25 and older attends Phoenix, SNHU, or WGU

¹) Diameter of circle represents relative size of institution.

Strategies to Get More Students in the Door

What Can Adult-Serving Institutions Teach Us About Maximizing Enrollments?

Meet Students Where they Work



Place **onsite transfer counselors** at partner employers



Sponsor degree completion for students working at partner employers



Map credit from employer training to for-credit degree programs

Simplify Transfer of Prior Credit



Use **online portals** to centralize all credit transfer resources



Discount for-credit courses for students in noncredit programs

Remove Barriers to Credit Transfer



WAYNE STATE UNIVERSITY

Pay off bursar holds blocking transcript sharing from prior institutions (typically \$300 or less)

1

A History of Missed Opportunities to Solve Enrollment and Equity Gaps

2

Is the Adult Degree Completion Market as Big As We Think?

3

Anticipating an Adult Degree Completion Bust: Recession-Era Trends Then and Now

4

Limited Opportunities to Compete on a National Scale

5

Access Trumps Academics in Prospect Recruitment

How Degree Completers Choose a Program

Program Characteristics Most Important to Degree Completers

n=1,010 U.S. degree completion prospects¹ ages 25-54

Flexible and Customized



Degree completers seek flexible, customizable degree programs designed with their schedule and lifestyle in mind.

61%

Seek a customized plan or roadmap to help them complete their degree

Online



Two-thirds of respondents intend to enroll in a program that allows them to complete some or all courses online.

91%

Will likely take courses that are offered online

Enrolls Students Like Them



Degree completers want evidence that programs and institutions cater to students like them.

67%

Seek a program designed "for someone in my situation"

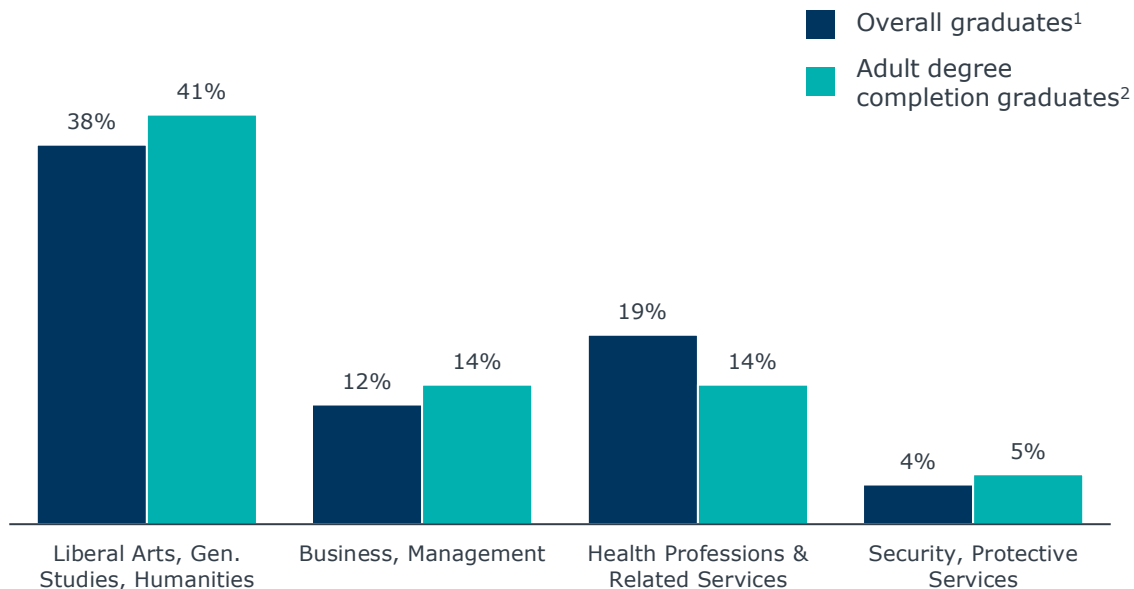
1) Survey of American adults without a prior bachelor's degree but interest in pursuing one; may include adults with associate's degrees and/or certificates.

Not Choosing Career-Oriented Degrees



AA Completers Even More Likely to Get Transfer Degrees Than FT Students

Degrees earned by Americans overall and AA degree completion graduates, 2014-18



1) National sample.

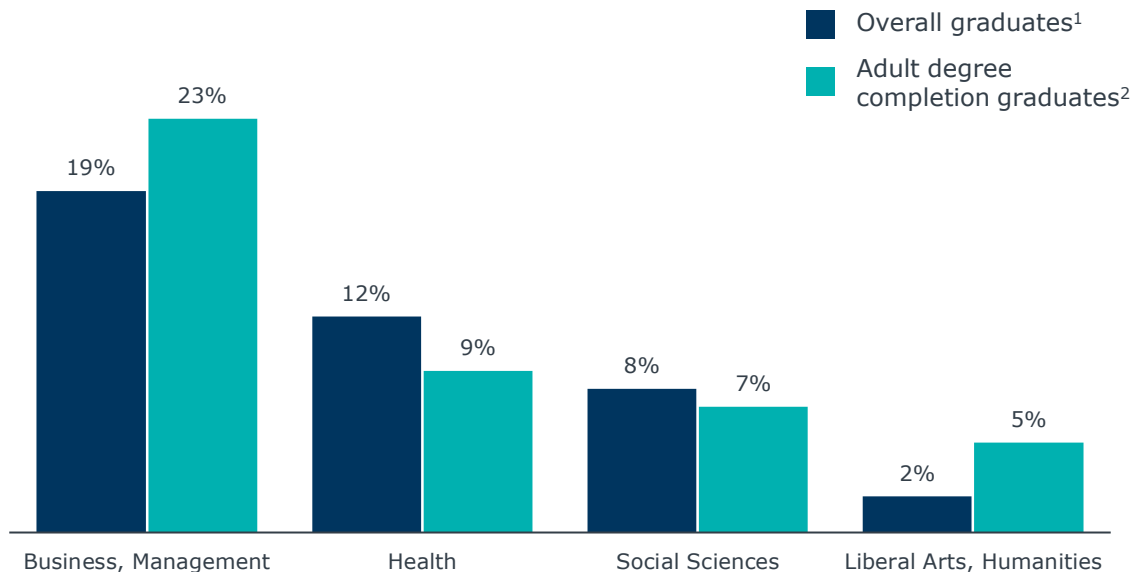
2) Subset of 940K re-enrollees who successfully completed degrees.

BA Completers Looking to Finish Fast



Flocking to Business Programs to Maximize Credit Transfer

Degrees earned by Americans overall and BA degree completion graduates, 2014-18



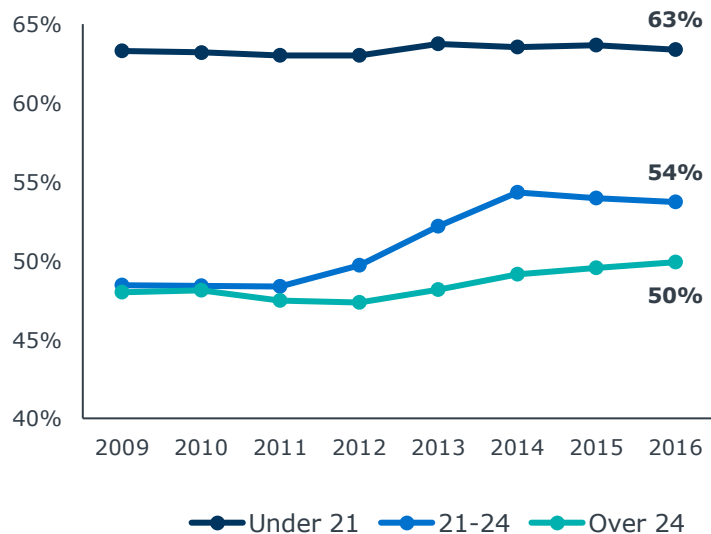
1) National sample.

2) Subset of 940K re-enrollees who successfully completed degrees.

Getting Adult Students Enrolled Just the Start

Undergrads 25 and Older Have Lowest Success Rate of All Age Groups

First-Year Retention¹ Rates by Student Age Group and Starting Cohort, All Institutional Levels²



What's Behind Low Rates of Student Success?



Social isolation from traditional-aged peers



More likely to be balancing other priorities like work, family



Insufficiently flexible programs

1) Defined as continued enrollment (or degree completion) within the **same** higher education institution in the fall semesters of a student's first and second year.

2) i.e., 2-year and 4-year combined.

The Next Steps to Serve Degree Completers

An Upcoming Degree Completion Program Workshop from EAB

Actualizing the Degree Completion Promise

Tailored guidance for institutional leaders on launching and positioning programs for adult degree completers



Identify Features of Pioneering Degree Completion Programs

- Marketing and recruiting practices
- Student success bulwarks



Size Your Institution's Degree Completion Market Opportunity

- Potential student populations
- Revenue opportunities



Uncover Hidden Pitfalls for Degree Completion Initiatives

- Competition risks
- Cyclical forces



Washington DC | Richmond | Birmingham | Minneapolis | New York

202-747-1000 | eab.com