



Why Don't Graduate Certificate Programs Take Off?

Sizing the Risks and Opportunities



Today's EAB Team



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Connect with EAB



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Audio Mute/Unmute and Video Stop/Start

The image shows a Zoom meeting interface with a white header containing the EAB logo and a blue background with a geometric pattern. The main content area displays "EAB Virtual Session". At the bottom, there is a dark control bar with icons for Mute, Stop Video, Invite, Participants, Share, Chat, Record, and Leave Meeting. A callout box highlights the Mute and Stop Video icons, which have red slashes over them. Another callout box points to the up arrows next to the Mute and Stop Video icons.

Red slashes mean your microphone is muted and your camera is off

Access audio and video options by clicking the up arrow next to the Mic and Camera icon

EAB

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Mute Stop Video Invite Participants Share Chat Record Leave Meeting

Update Your Name

The screenshot displays a Zoom meeting interface. The main window shows a slide with the EAB logo and the text "EAB Virtual Meetings 2020". The bottom toolbar includes icons for Mute, Stop Video, Invite, Participants (with a '2' indicator), Share, Chat, and Record. A callout box with an orange border points to the 'Participants' icon, containing the text "Open Participants menu".

On the right side, the 'Participants (2)' panel is open, showing two participants: "Test Participant (Me)" and "Meeting Host (Host)". A callout box with an orange border points to the 'Rename' button next to "Test Participant (Me)", containing the text "Update your name and add your institution".

Below the 'Participants' panel, a 'Rename' dialog box is open. It has a title bar "Rename" and a close button. The text "Enter a new screen name:" is followed by a text input field containing "Jane Doe - Institution". At the bottom of the dialog are "OK" and "Cancel" buttons.

Open Participants menu

Update your name and add your institution

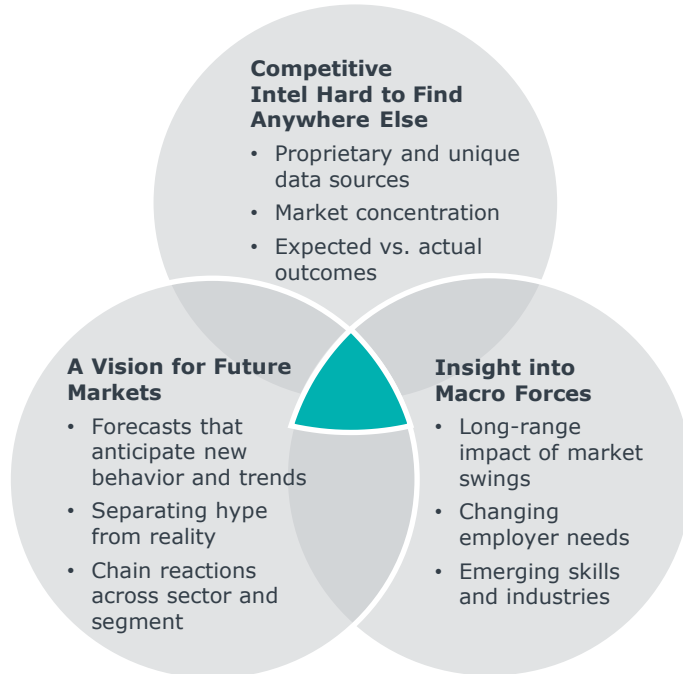
- 1** Our Charter and Vision for the Research
- 2** Sizing the Certificate Enrollment Opportunity
- 3** How Alternative Providers are Transforming the Non-Credit Market
- 4** Six Certificate Strategies for an Unpredictable Market

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

Our Research Vision for 2020-2021



What is the Market?

Ongoing Terrain of Expertise



The Future of Enrollment

- Competitive positioning and market sizing—whether and how much growth is possible?
- Where does differentiation matter most?
- What current market trends are fleeting, which are durable?
- Market analysis includes **undergrad and grad, domestic and international**

Blueprint
for
Growth

Who are the Students?

New Investigation in 2020-2021



Generation C: Serving the Students of the Pandemic

- Deep analysis of the wide range of the human, student experience
- How have needs, expectations, and consumer behaviors already shifted
- Concrete advice about how to transform the student experience, informed by psychographics

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Our Charter and Vision for the Research

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How Alternative Providers are Transforming the Non-Credit Market

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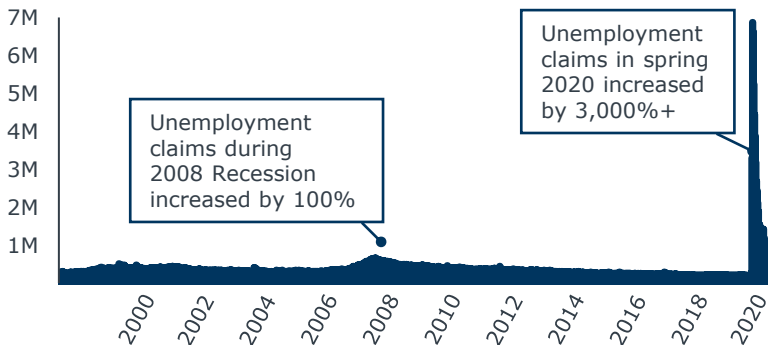
Six Certificate Strategies for an Unpredictable Market



Are Certificates the Path to Enrollment Growth?

Tempering Expectations for Growth in Grad-Level Certificates

“Light Speed” Recession Creates a New Market for Upskilling



14M+

Initial unemployment claims (July –Sept. 2020)

18.5%

Unemployment rate for 16-24 year-olds (July 2020), twice as high as in July 2019

Renewed Hype Over Short-Format Credentials



Urgency of Getting People Back to Work Gives New Momentum to Micro-credentials
June 2020



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



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



Great Recession Not A Game-Changer

Graduate Certificate Programs See Some Growth, But Low Enrollment

Pre-Baccalaureate Programs Reap Nearly All Recession-Era Growth

96%

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

Most Graduate Certificate Programs Remain Small

4

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

Four Market Trends Holding Back Graduate Certificates

Unclear Value and ROI

Community Colleges Dominate

Small, Highly-Competitive Market

Not Low-Cost Enough

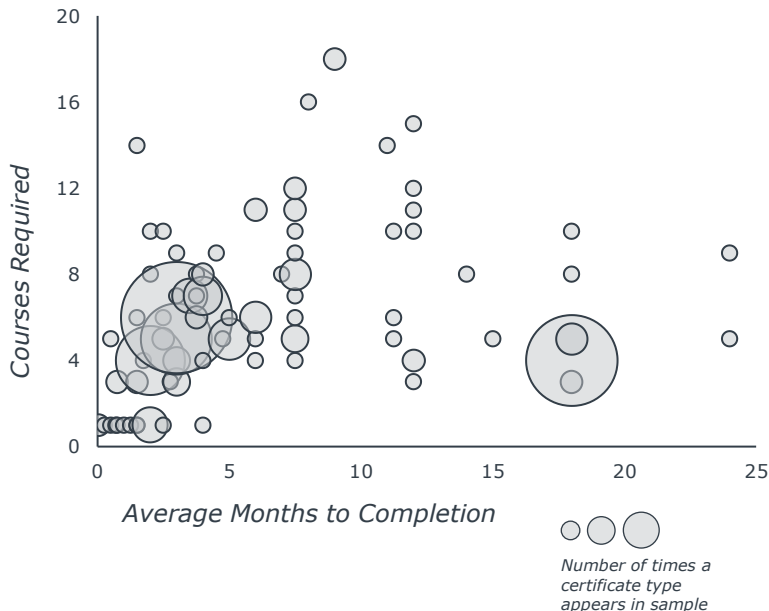
What Constitutes a Certificate?

No Consensus on Program Structure, Course Requirements, Titling

A Snapshot of Certificate Portfolios

Average Number of Courses and Months to Complete

n=240 certificate programs, 10 institutions



No Shortage of Synonyms

Variations Proliferate in the Market

Badges
Bootcamps
Course Sequences
Diplomas
E-Credentials
MicroBachelors
MicroMasters
Mini Degrees
Nanodegrees
Specializations

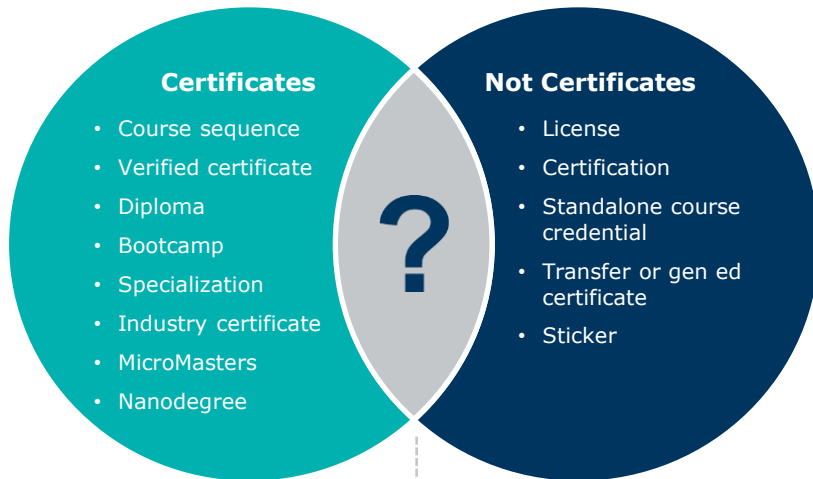
Defining Our Terms



EAB's Working Definition

A certificate is a **sub-degree** credential that demonstrates mastery of a skillset or a narrowly defined subject through the completion of a **sequence of courses**, typically ranging from three to six courses.

Certificates can be for-credit or noncredit. They range from pre-baccalaureate, post-baccalaureate, and post-master's levels.



Gray Area Still Up for Debate

Badges

- ✓ Counts as certificate if credential is awarded over series of courses and is actively pursued

Intensives

- ✓ Counts as certificate when multiple courses are packed into the short term

Corporate Training

- ✓ Counts as certificate if employees made aware of credentialing opportunities

Understanding Our Analysis



Sizing the **For-Credit** Certificate Market

▶ DATA SOURCE

▶ METHODOLOGY

▶ DATA LIMITATIONS

IPEDS

- Certificate completions

Institutional websites

- Certificate price, duration, credit status, academic level

EAB interviews with selected market leaders, including:

- Harvard Extension, UMBC, Duke University, UC-Irvine, Indiana University-Bloomington

Looking at Absolute Growth

Rather than focusing solely on percentage growth (which can overemphasize small programs)

Analyzing Individual Programs

In addition to aggregate numbers

Calculating Average Costs

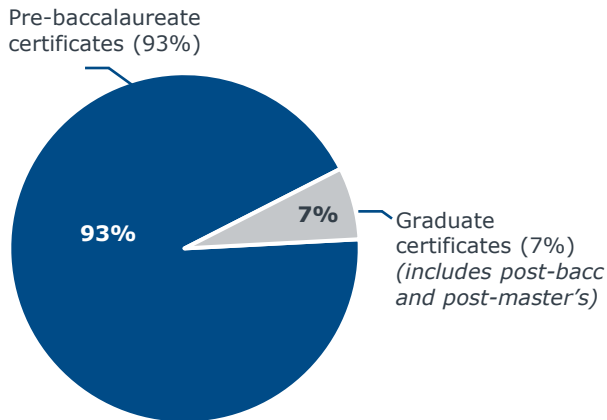
Initial census of institutional websites tracked costs of 142 for-credit graduate certificates from eight institutions

- Most recent data is from 2019
- All data is self-reported
- May include some noncredit certificate completions: Roughly 18% of certificates reported to IPEDS in 2017 were noncredit, according to CREC
- Institutional certificate definitions vary
- May miss some stackable certificates

For-Credit Certificates a Community College Market

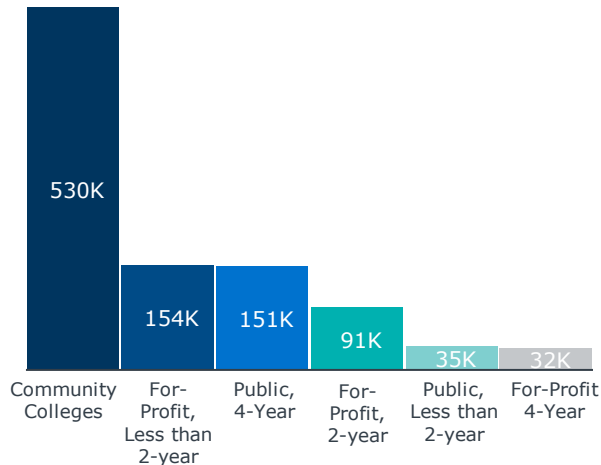
Pre-Baccalaureate Certificates Vast Majority of For-Credit Conferrals

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



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

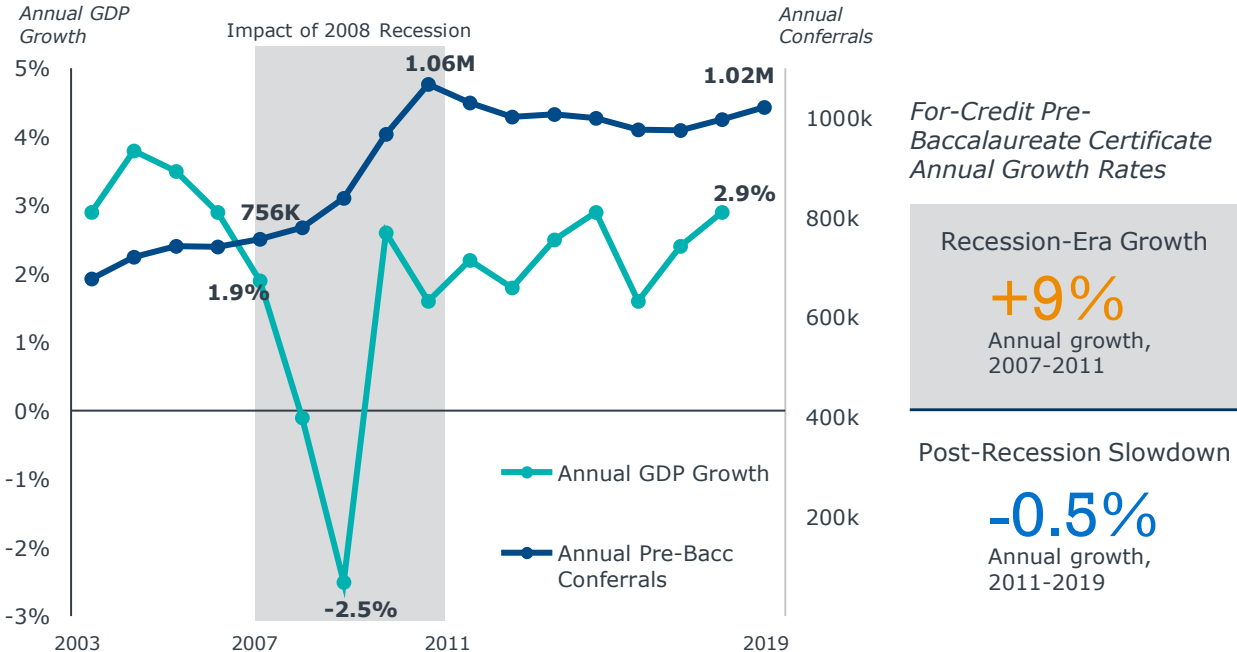
Pre-Baccalaureate Certificate Conferrals by Segment, 2019





Countercyclical Pre-Bacc Growth Tapers Off

Annual Growth in GDP vs. Annual For-Credit Pre-Baccalaureate Certificate Conferals



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.

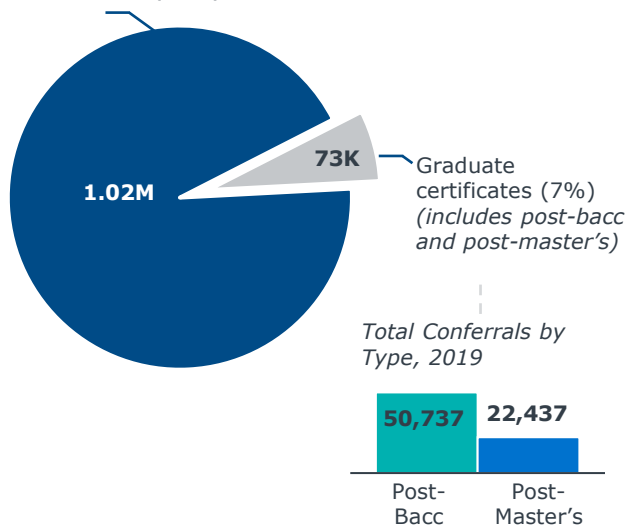
Fast Growth, But Small Market at Graduate Level



Graduate Certificates a Tiny Slice of Overall For-Credit Market

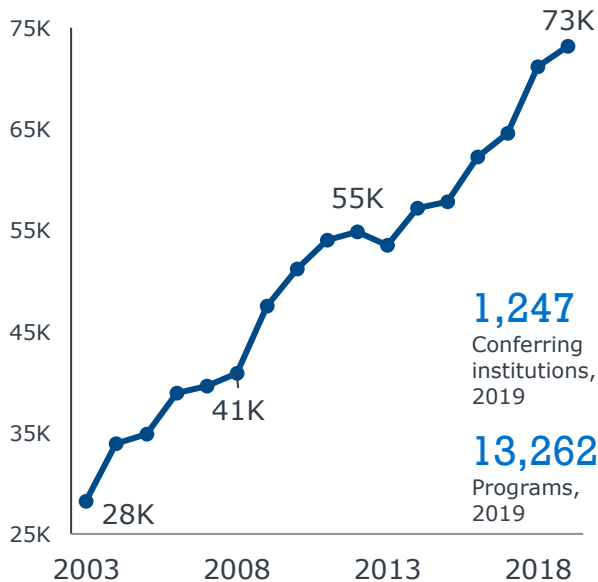
n= 1, 095,850 certificate conferrals in NCES IPEDS dataset, 2019

Pre-baccalaureate certificates (93%)



Hype Over Fast, Sustained Growth Masks Small Market Size

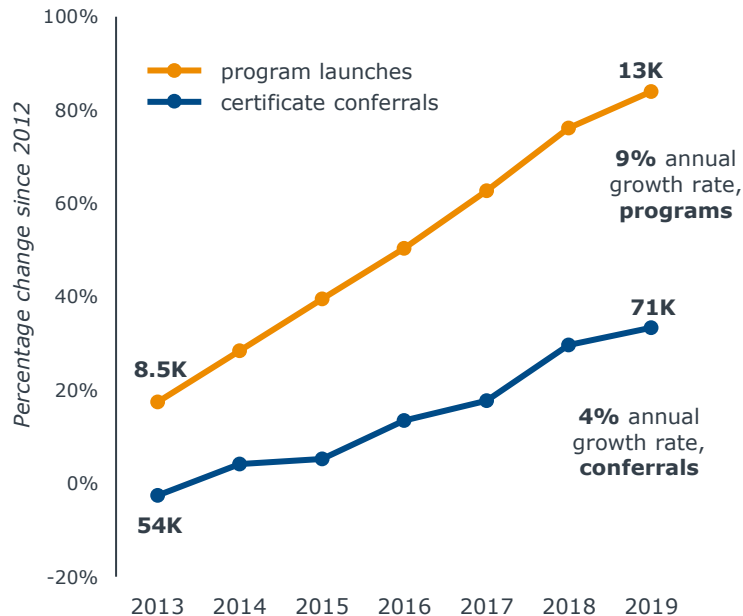
Annual Graduate Certificate Conferrals, 2003-2019



Unfettered Certificate Program Proliferation



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



Many Programs Fail to Take Off (but Also Fail to Close)

46%

For-credit graduate certificate programs reporting zero completions in 2019

4

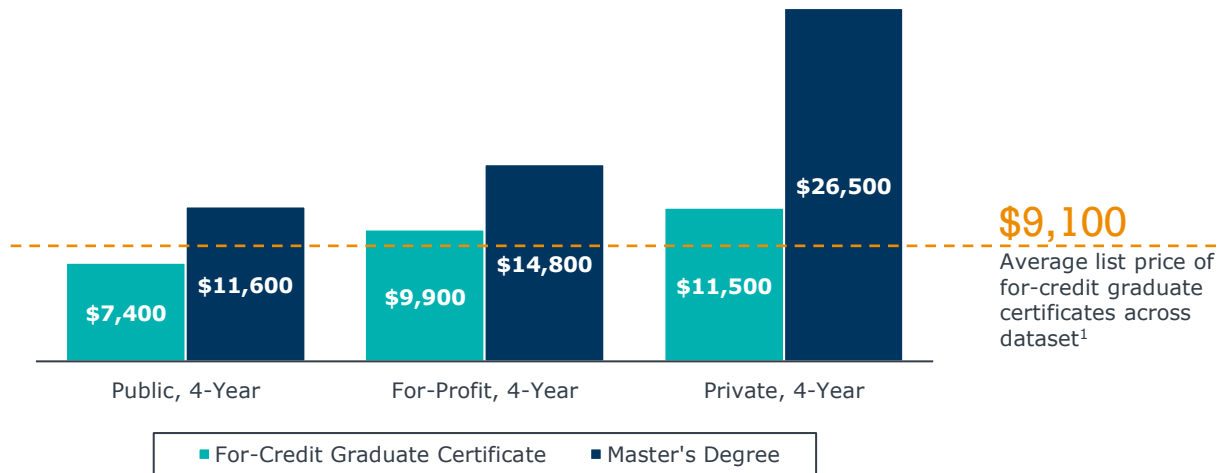
Median number of annual for-credit graduate certificate conferrals per program, excluding those with zero conferrals, in 2019

Less Costly than Master's, Not Always by Much



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

n=126 certificates, 6 institutions



1) Weighted average.

Quick Poll

Which trend surprises you the most?

- A. Community colleges dominate the market
- B. The post-baccalaureate market is so small
- C. New for-credit graduate certificate launch far outpaces conferral growth
- D. The average cost of for-credit graduate certificates

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**How Alternative Providers are
Transforming the Non-Credit Market**

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Six Certificate Strategies for an Unpredictable Market

NCES IPEDS

NCES only asks participating institutions to report on **for-credit** certificate enrollment and conferral

National Student Clearinghouse Data

Reports do not publicly distinguish between credit and noncredit certificate enrollment and attainment



EAB's Approach

Extrapolated from institutions' published certificate portfolios and National Opinion Research Center survey of certificate holders to create working estimate

Understanding Our Analysis



Sizing the **Noncredit** Certificate Market

▶ DATA SOURCE

Institutional Websites

- 678 certificate offerings from 16 institutions
- Includes publics, privates, community colleges, and for-profits

National Opinion Research Center (NORC)

- 2019 National Education and Attainment Survey of adults ages 18-64
- n=5,601 respondents

▶ METHODOLOGY

Tracking Certificate Offerings

Determined share of credit vs. noncredit certificates in random sample of portfolios and applied ratio to IPEDS completions to estimate total noncredit certificates awarded

Filtering for Alternative Providers

Excluded awards from high schools, colleges, and universities in NORC data

Making a Partial Estimate

Calculated annual noncredit certificate conferrals from colleges, universities, and alternative providers to estimate total market size

▶ DATA LIMITATIONS

Institutional Data

- Assumes ratio of credit vs. noncredit postsecondary certificates holds true for entire market

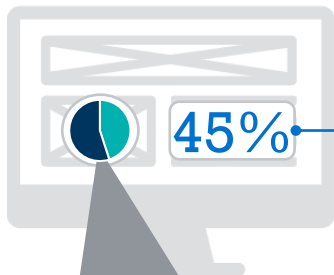
NORC Data

- Learner self-reported
- Tracks people with, not total number of, alternative-provider certificates
- Assumes certificates from alternative providers are noncredit



An Initial Look at Sizing the Noncredit Market

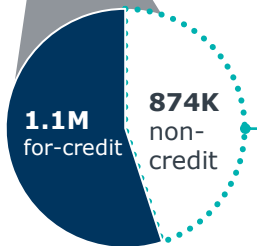
Colleges and Universities



45%

Early census¹ reveals institutional certificate portfolios are 45 percent noncredit, on average

Total Conferalls in 2018

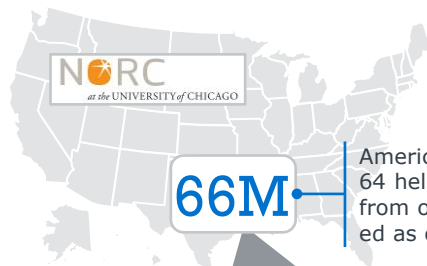


1.1M for-credit

874K non-credit

Extrapolation from available IPEDS data

Employers and Others



NORC at the UNIVERSITY of CHICAGO

66M

Americans ages 18 to 64 held 1+ certificates from outside of higher ed as of 2019

1.4M



Certificates conferred yearly, at minimum, since 1973

Our Early, Likely Very Low, Estimate

2.3M

Total annual noncredit certificates conferred

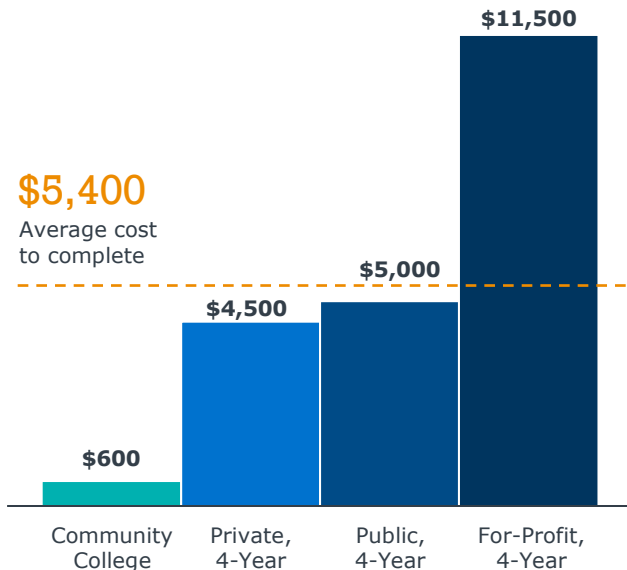
1) Analysis of publicly available information on 16 institutional websites.

Noncredit Also Not Exactly “Low-Cost”

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

Average Sticker Price of Postsecondary Noncredit Certificates Across Segments

n=275 certificates, 8 institutions



Noncredit Certificates Can Cost More than Families Spend on Health Care

Average Annual Expenditures per Major Category by Household, 2018



\$9,761

Transportation



\$7,923

Food



\$4,968

Health care



\$4,049

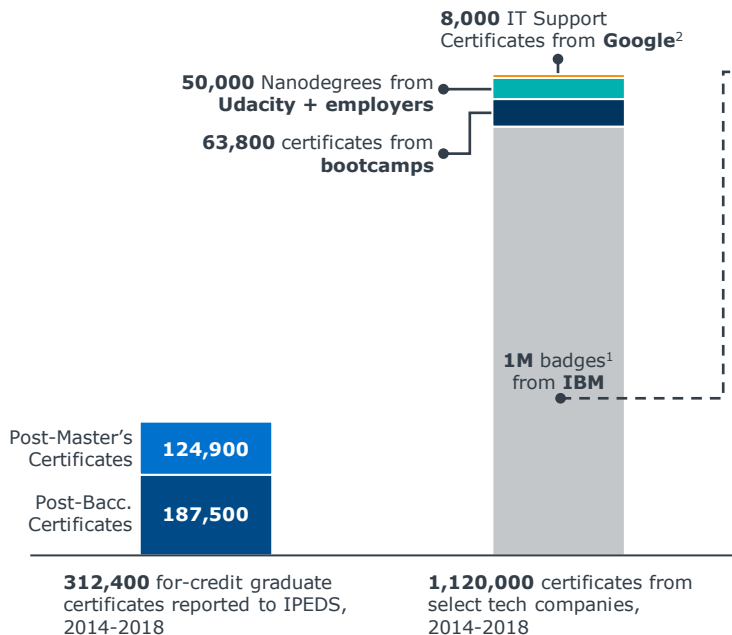
Utilities

Big Tech Creates Its Own Certificate Market



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

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



Striking Similarity between Many IBM Badges and Higher Ed Certificates



Can be structured like traditional curricula/course sequences up to 244 contact hours and 12 courses



Courses and curricula not specific to proprietary IBM technologies



Courses taught by IBM practitioner experts



While offered to IBM employees, badges also marketed to external learners and B2B

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.
2) Google launched a second certificate, IT Automation with Python, in January 2020

Emulating Student Services Value Proposition



Low-Cost Providers Looking More Like Higher Ed



Traditional colleges and universities

Co-develops certificates with big-name employers for specific roles and skills in emerging tech fields

Freemium cybersecurity and IT training, certification prep for learners unable to afford traditional higher ed

- *\$1,500 per Nanodegree*
- *2-6 months per credential*
- *8M users*

- *\$899 per year*
- *3-6 months per credential*
- *2.6M users*

✓ Career Services

Review resumes, LinkedIn Profiles

Advice customized to specific career paths

✓ Coaching

Technical mentors hold weekly 1-on-1 calls

Industry mentors provide advice, help expand network

✓ Advising

Individual learning plans for each student



✓ Interview Prep

Tips and mock interviews for tech jobs

Develops role-specific interview tips at scale

High-Quality Alternative, Low-Cost Disruptor

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From Star-Studded, High-Definition Hobby Courses...



Learn Cooking Techniques...from Gordon Ramsay

- \$15/month or \$180/year all-access pass
- Short lectures from 50+ celebrity instructors
- 2M+ website visitors per month¹
- \$136M in venture capital funding
- 70 courses: Annie Liebovitz on photography, RuPaul on self-expression and authenticity



...to the "101" Lecture Reinvented as Cinematic Experience

Outlier



Calculus I "Trailer," with Inspirational Soundtrack

- 2019 startup from MasterClass co-founder
- 14 weeks, \$400
- Filmed and produced with cinematic quality
- Transferable credit from U. of Pittsburgh
- Taught by star faculty from elite R1s

Source: Zaleski, Olivia. "[MasterClass Has Celebrity Instructors and \\$136 Million. Will Students Show Up?](#)" Bloomberg, 2018; "[About Outlier,](#)" Outlier, accessed January 24, 2020; EAB interviews and analysis.

1) MasterClass does not release enrollment data.

Quick Poll

What certificate options do you currently offer?
(select all that apply)

- A. For-credit Pre-baccalaureate
- B. For-credit post-baccalaureate
- C. For-credit post-master's
- D. Stackable certificates leading to bachelor's
- E. Stackable certificates leading to master's
- F. Noncredit

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**Six Certificate Strategies for an
Unpredictable Market**

Beyond Revenue, Certificates Advance Mission

Aligning Certificate Strategies with Institutional Goals


Access Underserved Student Markets

Stackable Career-Oriented UG Pathways



MBA Readiness Certificate




Sustain Mission-Critical Partnerships and Programs

Funding Model for Mission-Critical Programs



Onsite Corporate Learner Support




Lower Barriers to Program Innovation

Fast-Cycle Market Viability Testing

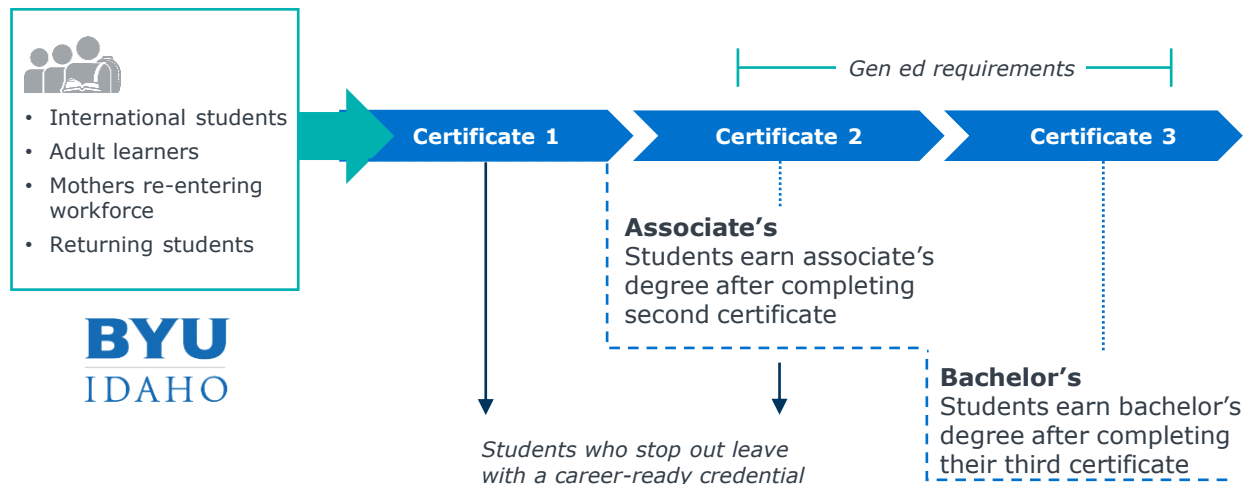


Nimble and Stackable Grad Certificate Modules



Stackable Career-Oriented UG Pathways

Interim Credentials Promote Persistence, Offer Immediate Proof of Value



Noncredit Certificate Prepares Learners of All Backgrounds for Advanced Degree

Foundational Skills for those with Minimal Background in Business



Harvard Business School Online

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

Funding Model for Mission-Critical Programs



Consolidating Underfilled Certificates Maximizes Capacity, Helps Fund Programs



From Underfilled

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

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

Onsite Corporate Learner Support



Customer Service Team Brings Full Breadth of University Services to Employees



Onboarding Assistance

Removes onboarding responsibilities from HR department



Academic Support

Teaching assistant onsite at least once weekly helps learners stay on track



Convenience

Flexible scheduling allows employees to navigate unpredictable workflow



Full Suite of Services

Other university services include IT support and financial aid counseling

Testing Topics in a Matter of Semesters Helps Avoid Profitless Growth

Northwestern

SCHOOL OF
PROFESSIONAL STUDIES

Identify Opportunity

Northwestern faculty and leaders propose new certificate programs

Test Idea

Faculty create courses in existing degree programs to test student demand for new certificates

Measure Results

Leaders measure enrollments across test courses to prioritize certificate launches

Sample Results

High pilot course enrollment prompted popular sports analytics certificate

Low pilot course enrollment prevented potentially low return health analytics program

Nimble, Stackable Grad Certificate Modules

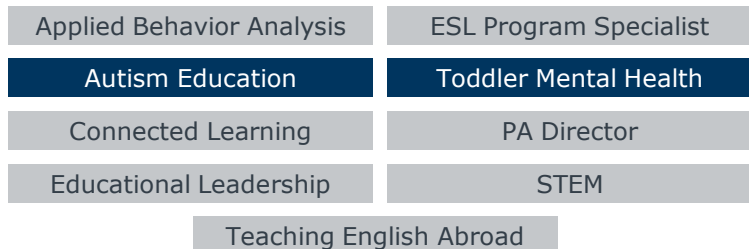


Modular Master's Allow Customization with Low Institutional Investment



Modular Master's of Education (M.Ed)

Nine Certificate Options



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

Hearing from Your Colleagues

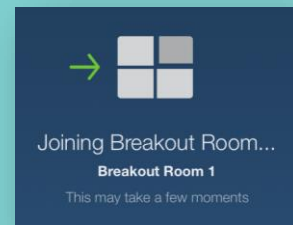
Moving to Break-Outs

Momentarily, we will move into breakout rooms

You will see a message that looks like this



Your screen will flicker for a moment and then you will be in a different “virtual” room with an EABer and other attendees.



Consider While We Move to Break-outs:

What are some the current certificate strategies at your institutions? Are you mainly looking for new revenue streams or do you have other reasons for offering them?

What are the major barriers you face for new certificate launches? Is it market uncertainty? Are faculty and senior leadership on the same page?

Questions for Discussion

What are some the current certificate strategies at your institutions? Are you mainly looking for new revenue streams or do you have other reasons for offering them?

What are the major barriers you face for new certificate launches? Is it market uncertainty? Are faculty and senior leadership on the same page?

Further EAB Resources to Support Growth Goals



Upcoming Virtual Roundtables for Provosts and CBOs

▶ **Adult Degree Completion: Market Realities in a COVID Era**

Large Institutions: [December 7, 1:00pm to 2:30pm, ET](#)

Regional Institutions: [December 17, 10am to 11:30am, ET](#)

▶ **The New Landscape for Master's Degree Competition: The Future of Growth and Countercyclical Trends**

Regional Institutions: [November 19, 10:00am to 11:30am, ET](#)

EAB Program Portfolio Growth Resources



The Master's Degree Market Slowdown
[Infographic](#)



The Future of Arts and Sciences
[On-demand webinars](#)



Academic Program Innovation
[Online resource center](#)



Online Student Segment Guides
[Whitepaper series](#)



Forthcoming late November:
Master's Market Competitive Intelligence Reports

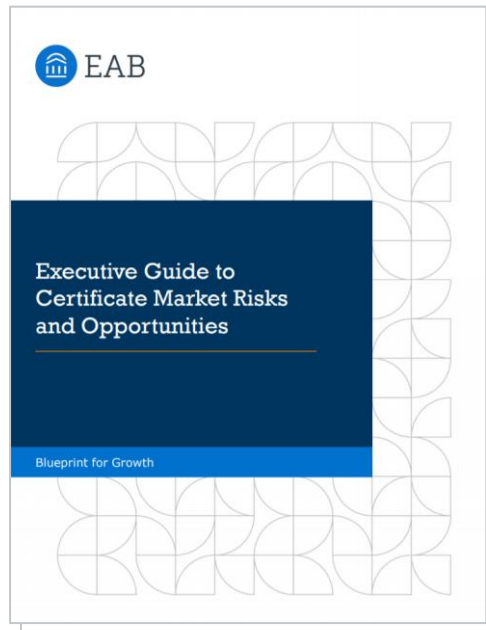
Executive Guide to The Certificate Market

New Resource from Blueprint for Growth

A Deeper Dive into Today's Content:

EAB's Certificates Whitepaper

- Greater detail into the market trends that impede certificate enrollments
- Extended profiles of six successful certificate programs
- **Competitive Analysis:** Strategies for growth in a surprisingly challenging market





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