



Adult Degree Completion Market Realities



For Stop-Outs, Higher Ed Exacerbates Inequity



The High Cost of Stopping-Out

-\$21K

Lower average annual income than college grads

\$14K

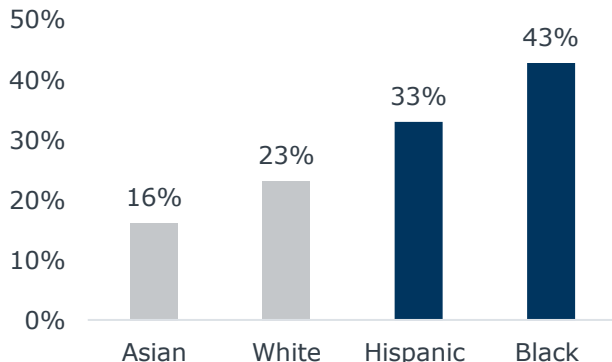
Average student loan debt of college stop-outs

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

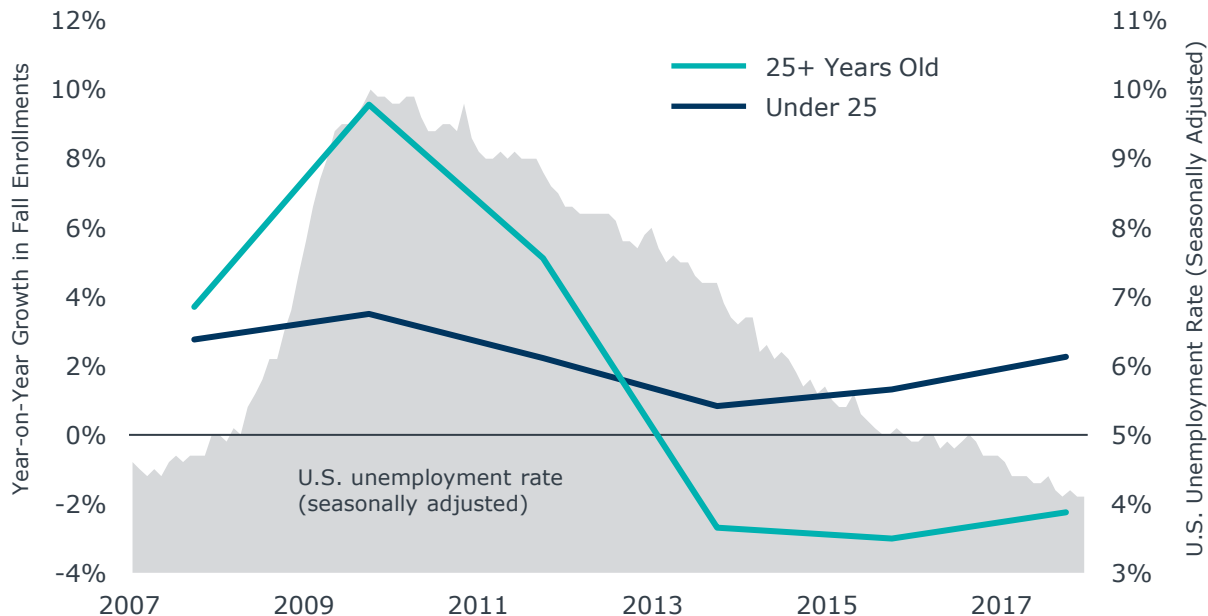
Adult Undergrads Most Countercyclical



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



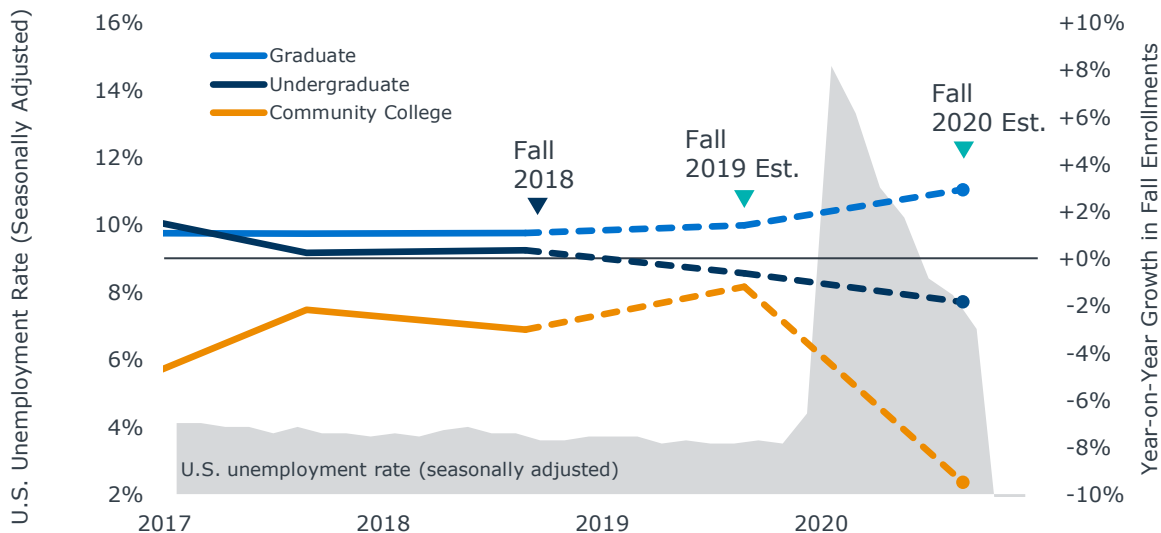
1) Measured as percentage change in fall enrollment.

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

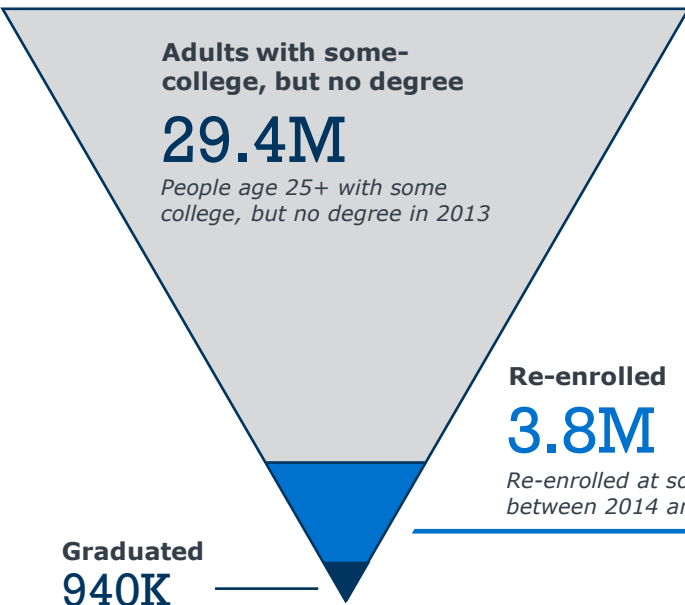
¹ Dotted lines indicate fall enrollment values estimated using NSC data ©2020 by EAB. All Rights Reserved. eab.com

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.

Despite Many Potential Students, Few Re-Enroll

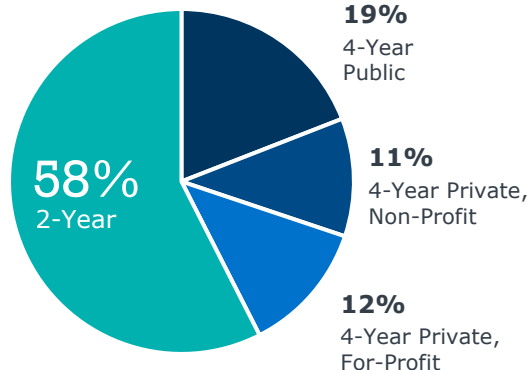


Only a small fraction of some-college, no degree students ultimately enroll



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

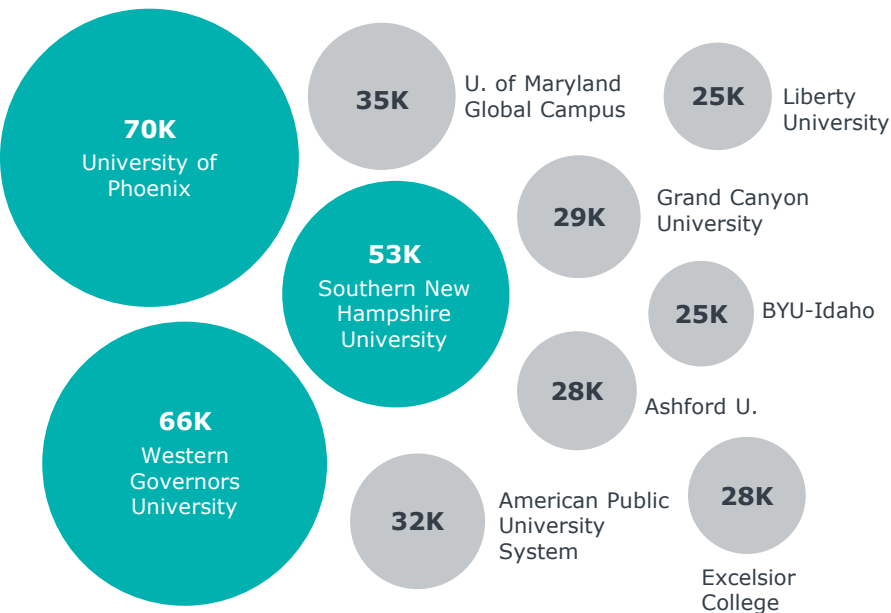
Institution choices of 3.8M degree completion students, 2014-18



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.



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