



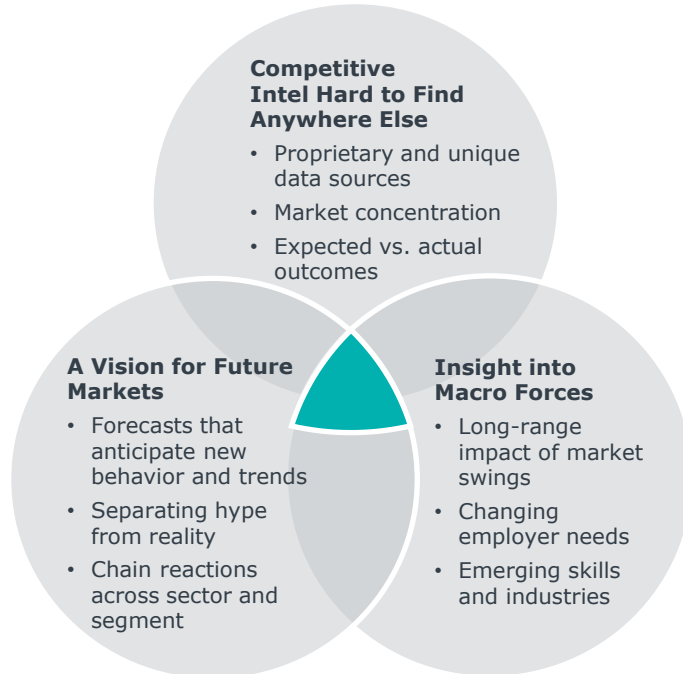
# The Promise and Perils of Growing Professional and Adult Enrollment

Unpacking and Understanding the Competitive Dynamics Emerging in the adult Learner Market



# Blueprint for Growth: Our Signature Research

## Deep and Differentiated Market Intelligence



## Continuous, Updated Insight as Markets Change

- ▶ *The Future of Low-Cost and Free Alternatives*
  - ▶ *Competing in a Volatile International Market*
  - ▶ [Beyond Demographic Decline: The Future of Undergraduate Enrollment](#)
  - ▶ [Generation C: Students of the Pandemic](#)
  - ▶ [Resizing the Adult Degree Completion Market](#)
  - ▶ [Certificate Market Risks and Opportunities](#)
  - ▶ [Master's Market Competitive Intel Reports](#)
  - ▶ [The Master's Market Slowdown](#)
- 2021
- 2020
- 2019

2019

2021

2020

# Upcoming Presidential Pop-Ups



A Presidents-Only Glimpse into EAB's Latest Adult and Grad Ed Research



## **OPMs at a Crossroad: Transformation, Consolidation and Scrutiny in Online Education**

Wednesday, October 6 | 2:00pm – 3:00pm ET

*Contact your Strategic Leader to Register*



## **Microcredentials: Higher Ed's Path Forward or False Promise?**

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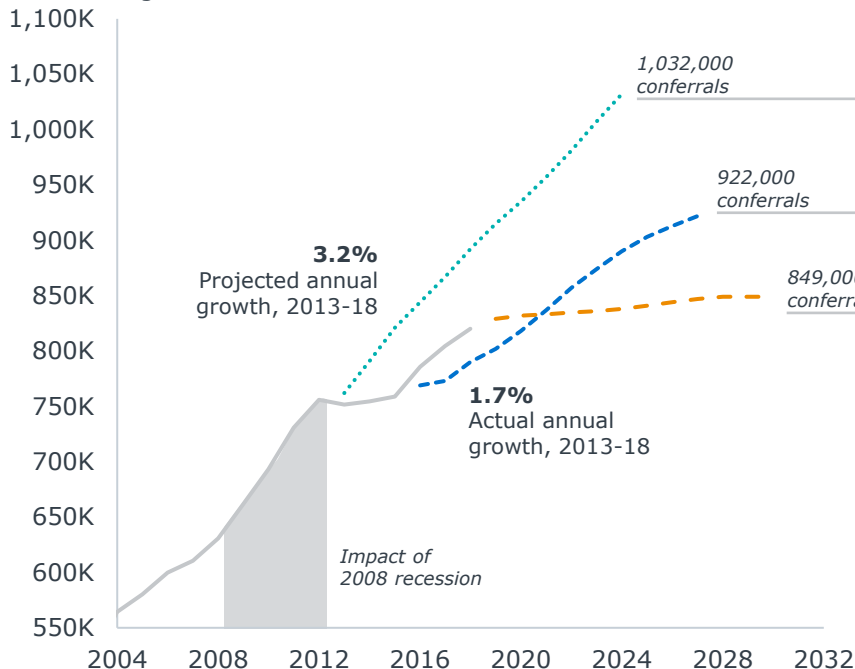
- 1** **How Much Longer Can the Master's Market Sustain Growth?**
- 2** What is the Competitive Threat of Winner-Take-All Markets?
- 3** Are the Certificate and Adult Degree Completion Markets as Big as We Think?

# The Master's Degree Bubble Has Already Burst



## Lower Expectations for Growth Every Year Since 2013

Master's Degree Conferrals



10-Year Projections

**2.8%**

Projected Annual Growth  
2014 - 2024<sup>1</sup>

**1.7%**

Projected Annual Growth  
2017 - 2027<sup>1</sup>

**0.2%**

Projected Annual Growth  
2020 - 2030<sup>1</sup>

1) The graph includes a 'year 0' for each projection. These 'year 0s' (2013, 2016, and 2019) are actual figures, not projections.

# Almost Every Big Field Growing Seven Years Ago



Change in Master's and Prof. Doctorate Conferrals: Eight Largest Fields 2007-2013

Graduate Field	Size in 2007	Avg. Annual Growth (2007-13)	Change in Conferrals
Health Professions	96,062	+8%	+56,247
MBA	99,522	+4%	+24,861
Other Business	55,908	+3%	+14,140
Public Admin	31,350	+5%	+12,510
Engineering	29,884	+4%	+11,733
Computer Science	16,360	+4%	+6,745
Law	48,613	+2%	+6,313
Education	179,056	-1%	-10,369

**3.7%**

**Overall Annual Growth Rate**

*Total Graduate Degree Conferrals 2007-2013*

**+171K**

**Net Increase in Conferrals**

*2007-2013*

**+182K**

**Increase from Growing Fields**  
*2007-2013*

**-11K**

**Decrease from Declining Fields**  
*2007-2013*

# Now Growth Limited to High-Cost Fields

Change in Master's and Prof. Doctorate Conferrals: Eight Largest Fields 2013-2019

Graduate Field	Size in 2013	Avg. Annual Growth (2013-19)	Change in Conferrals
Health Professions	152,309	+5%	+56,243
Computer Science	23,105	+12%	+22,962
Oth. Business	70,048	+2%	+10,662
Engineering	41,617	+3%	+8,761
Public Admin	43,860	+2%	+5,291
MBA	124,383	-1%	-3,890
Law	54,926	-3%	-10,514
Education	168,687	-2%	-17,905

1.5%

**Overall Annual Growth Rate**

Total Graduate Degree Conferrals 2013-19

+83K

**Net Increase in Conferrals**

2013-19

+125K

**Increase from Growing Fields**  
2013-19

-42K

**Decrease from Declining Fields**  
2013-19

# Elite Business Schools Rebounded in 2020



Will MBA Programs Continue to Stratify Toward the Top?

## Snapshot: P&Q's Top 10 B-Schools

Apps to the top 10 schools rebounded in a big way in 2020, falling just 124 shy cumulatively of the 2017 record. Yield, meanwhile, collapsed, thanks in large part to liberal deferment policies.

Data	2020	2019	2018	2017	2016	2-Year Trend	5-Year Trend
Acceptance Rate	22.3%	19.7%	17.2%	16.0%	14.5%	2.6 (13.2%)	7.8 (53.8%)
Applications	57,187	50,439	53,907	57,311	54,694	6,748 (13.4%)	2,493 (4.6%)
Admits	11,324	8,664	8,397	8,309	7,934	2,660 (30.7%)	3,390 (42.7%)
Enrolled	5,500	5,361	5,446	5,349	5,100	139 (2.6%)	400 (7.8%)
Yield	50.2%	61.9%	64.9%	64.4%	64.3%	-11.7 (18.9%)	-14.2 (21.9%)

Table: Poets&Quants • Source: Poets&Quants • [Get the data](#) • Created with [Datawrapper](#)

Source: <https://poetsandquants.com/2021/04/14/acceptance-rates-yield-at-the-top-50-u-s-mba-programs/>



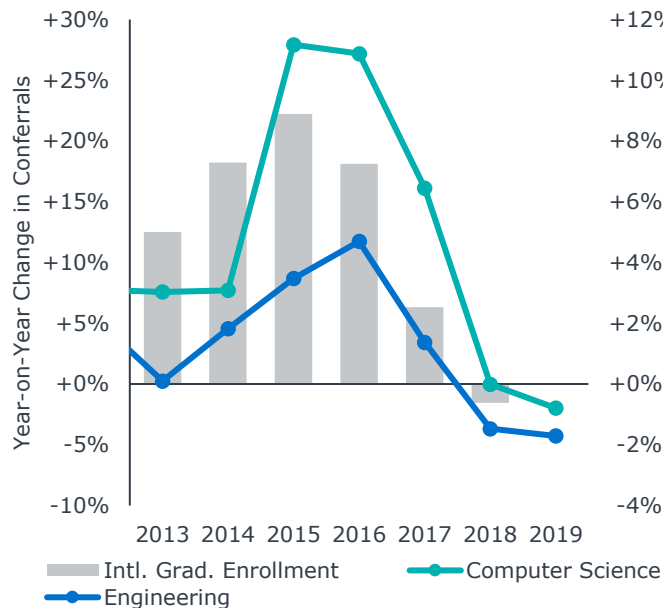


# Doesn't Take Much to "Turn Off the Tap"

And COVID-19 Will Further Worsen International Declines

## Intl. Enrollment Decline Behind Comp. Sci, Engineering Slump

Year-Over-Year Change, Master's Conferrals and Intl. Graduate Enrollment, 2013-19



## Institutions with Strong Intl. Pipelines Insulated from C.S Slump

Top 25 institutions: Comp. Science Conferral Growth (2017-19)

**+6,600** Increase in Conferrals

**+19,000** Increase in Intl. Grad Enrollment (2016-2018)

Bottom 25 institutions: Comp. Science Conferral Decline (2017-19)

**-7,100** Decrease in Conferrals

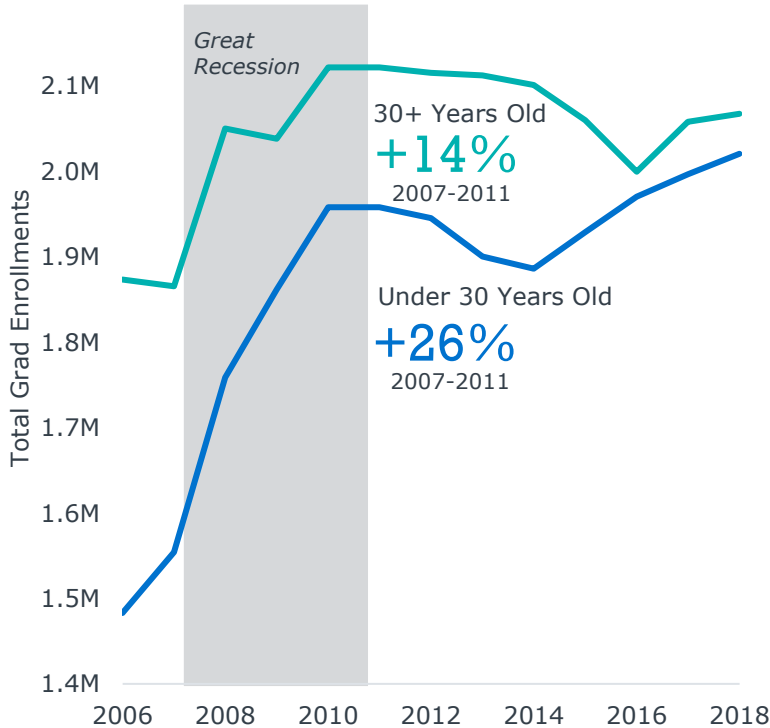
**-14,000** Decrease in Intl. Grad Enrollment (2016-2018)

Source: EAB analysis of NCES 2014-18 completions data; Redden, Elizabeth. "Boom in Indian Enrollments, Followed by Bust." *Inside Higher Ed.* (2017); EAB interviews and analysis.

# A Permanent Shift to Younger Grad Students

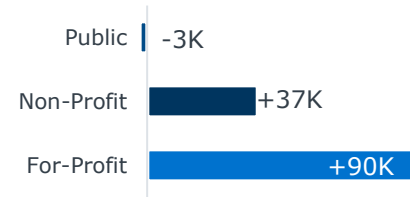


Change in Graduate Enrollments Since 2007 by Age Group



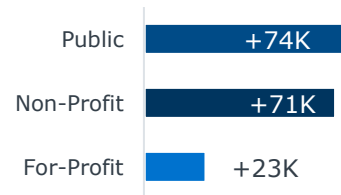
## For-Profits Responsible for Increase in Older Grads

Increase in graduate enrollments 30+ years old 2007-11 by sector



## Younger Graduate Increase More Proportional by Sector

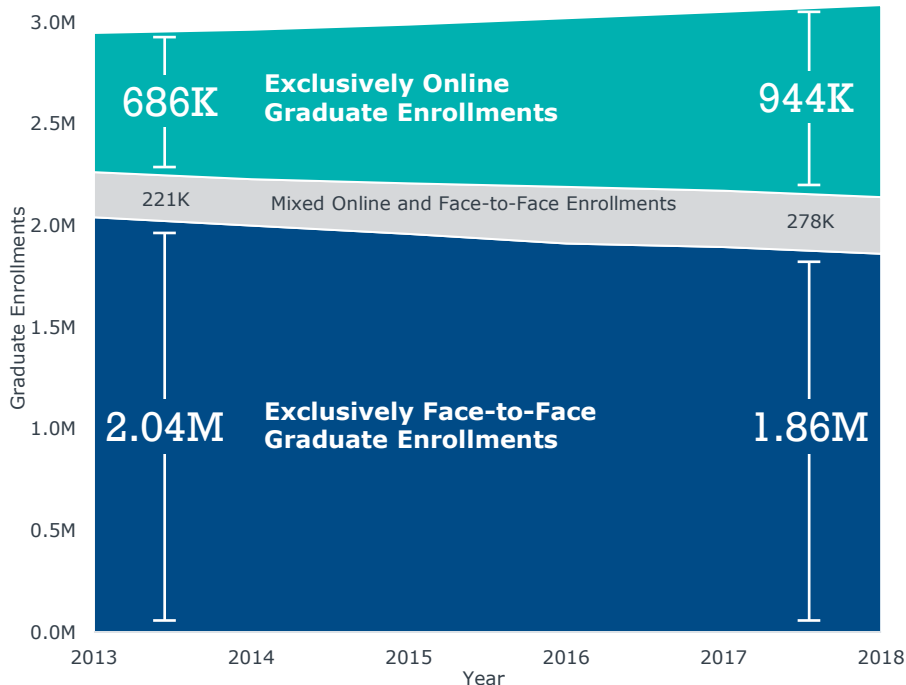
Increase in graduate enrollments under 30 years old 2007-11 by sector



1) Excludes individuals with no income, or where family income values are not applicable.

# Grad Market Growth Was Already All Online

Graduate<sup>1</sup> Enrollments 2013-2018: Exclusively, Some, and No Online<sup>2</sup> Courses



**+258K**

Total Increase in Online Graduate Students 2013-2018

**+6.6%**

Avg. Annual Growth

**-179K**

Total Decrease in Face-to-Face Graduate Students 2013-2018

**-1.8%**

Avg. Annual Decline

1) Graduate students include both master's and doctoral students.

2) Recorded as 'Distance Education' in IPEDS data

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How Much Longer Can the Master's Market Sustain Growth?

2

**What is the Competitive Threat of Winner-Take-All Markets?**

3

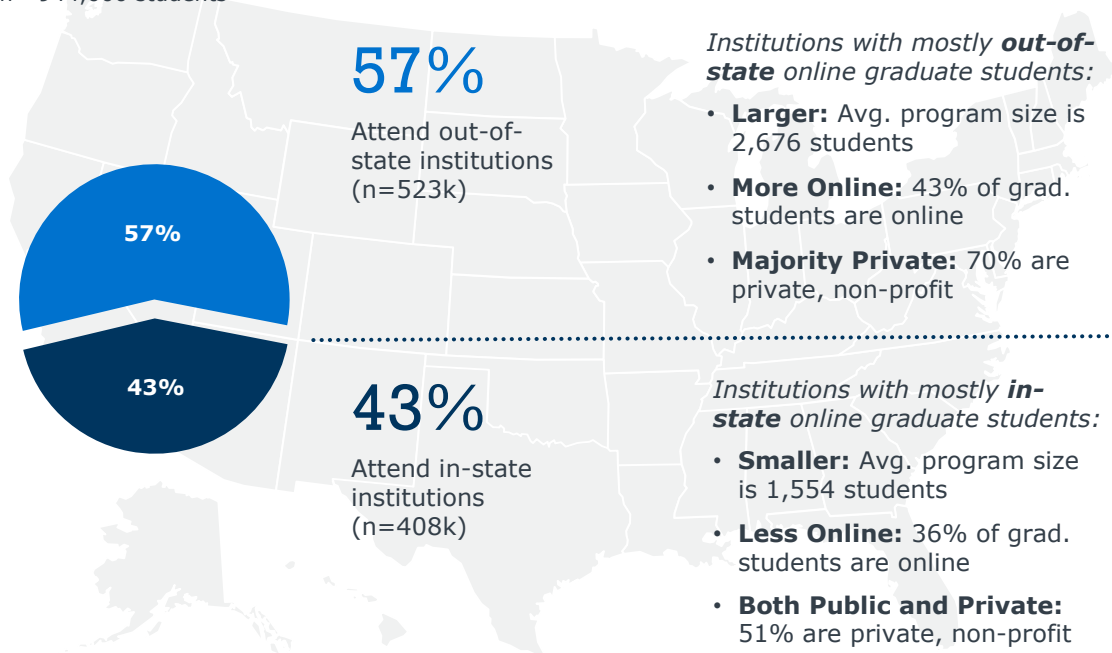
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# Not Necessarily a Local Market

## Online Graduate Market More Regional and National

Exclusively online graduate<sup>1</sup> students by state of origin<sup>2</sup>, fall 2018

n= 944,000 students



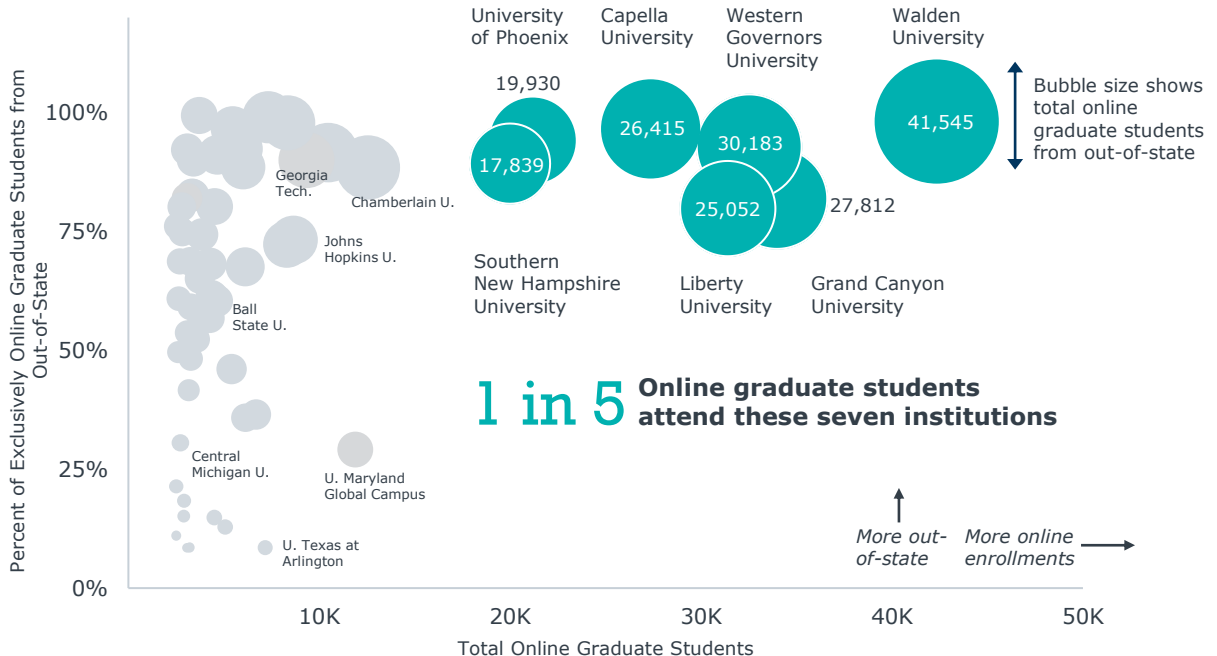
1) Includes master's and doctoral degrees.

2) The remaining 1% of students' states of origin were unknown.



# Handful of Giants Loom Over Online Grad Market

Institutions With More Than 2,500 Exclusively Online<sup>1</sup> Graduate Enrollments, Fall 2018  
 Total Exclusively Online Graduate Enrollments and Percent From Out-of-State

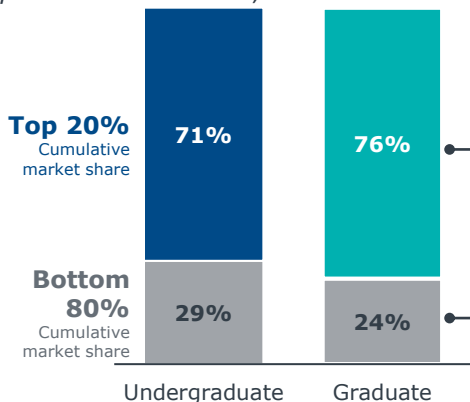


1) Recorded by IPEDS as exclusively distance enrollments.

# Capturing Share in Competitive Markets

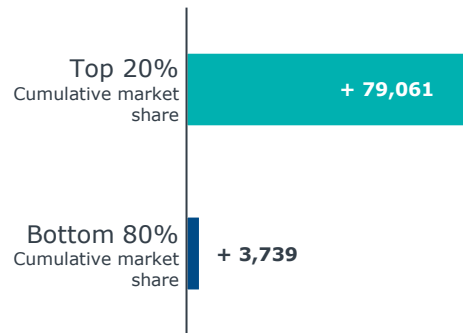
## Institutions with Highest Conferrals Control Most of the Market

Percentage of total degrees<sup>1</sup> conferred by top 20% of institutions, 2019



## And for Graduate Degrees, the Biggest Have Only Gotten Bigger

Net change in number of graduate degrees conferred, 2013-2019



## What Does the Top 20% of the Graduate Market Look Like?



- 413 institutions
- 31% are R1 institutions
- 38% are in large cities

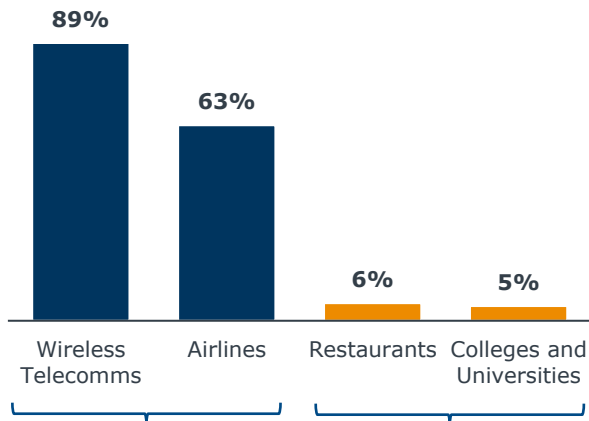


- 54% are public
- 41% are private, non-profit
- 5% are private, for-profit

# Not a Simple Local vs. National Divide

## Higher Ed is not an Oligopoly, but Still Faces Dominant Market Leaders

Market Share of Top 4 Competitors by Industry (Revenue)



### Oligopolies

- National competition
- Large competitors dominate market
- Little room for new entrants

### Competitive Markets

- Regional and national competition
- Room for new entrants
- Still competition from market leaders

## Mass Market Leaders Limit Potential for National Growth

Regional Player

Market Leader



Regional Players

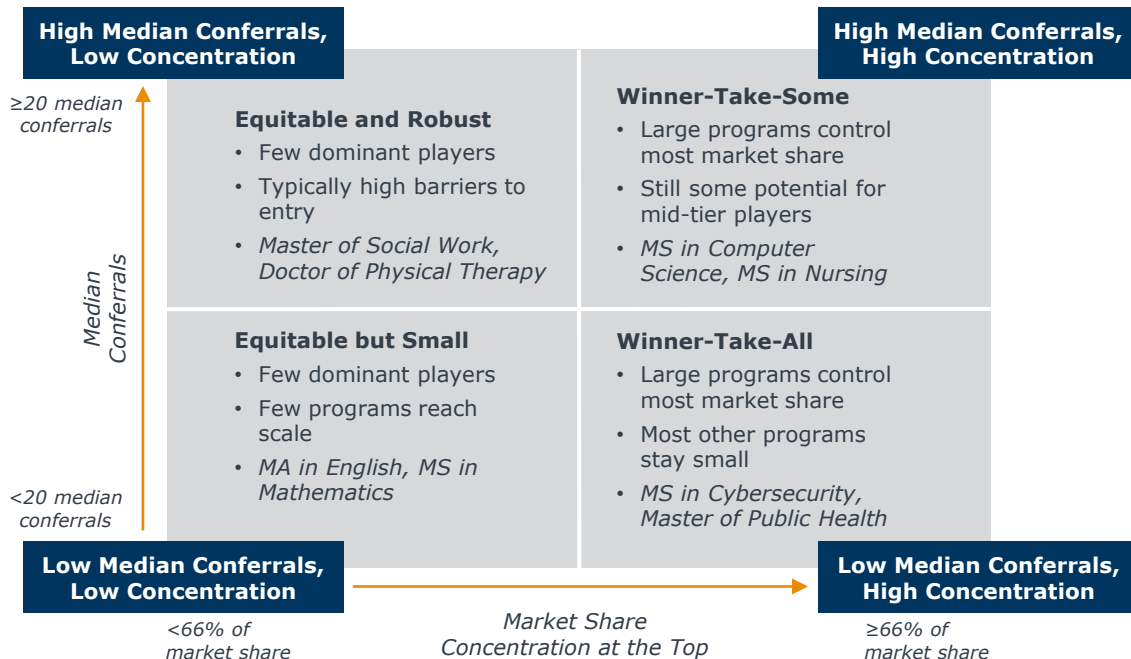
- Strong regional brand affinity
- Large online and on-ground presence
- Low cost or elite brand

Market Leaders

- National marketing reach
- Massive online scale
- Low cost



# Assessing the Threat of Market Concentration



# Assessing the Threat of Market Concentration



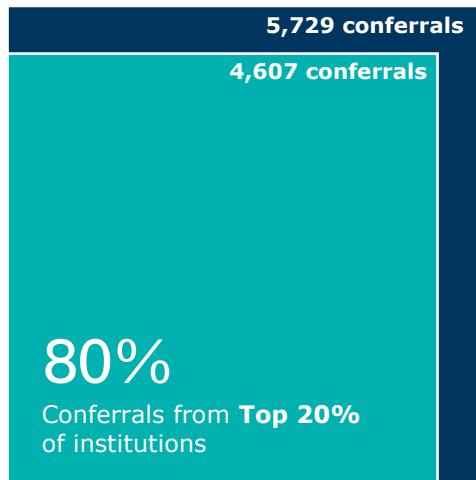


# Winner-Take-All: The Rich Get Richer

## Representative Program Snapshot

MS in Cybersecurity	2019 Overview
Total U.S. programs	173
Total conferrals	5,729
Median conferrals per program	8
Conferrals in largest program	999 (UMGC)
Overall growth from 2013-2019	+4,120 conferrals (24% annual growth)
Top 20% of Market Share in 2019	80% of all degrees

## Market Concentration, 2019



**Low Median Conferrals Reflect Limited Growth Potential Outside of Top 20%**

**8** Median conferrals per program, 2019

### Other Example Programs:

- MHA
- MEd in Instr. Design
- MS in Criminal Justice
- MS in HR Management

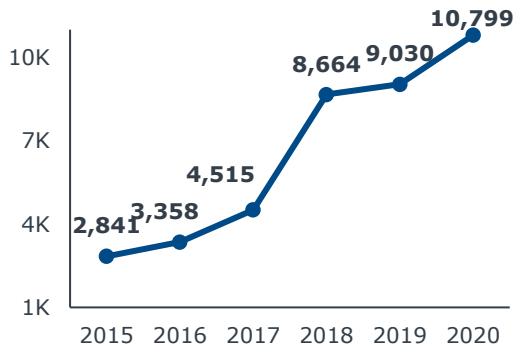
# Update on a Big Bet on Low-Cost



## First Big Experiment in Low-Cost Master's Sees Exponential Growth



Online Master's in Computer Science Enrollments, 2015-18



**\$7,000**

Total cost to complete

**3 yrs.**

Typical time to complete<sup>1</sup>

## Not Cannibalizing Traditional Market

**20%**

Share of rejected Georgia Tech **Online Master's in Computer Science** applicants who ultimately enroll in any master's program

**73%**

Share of rejected **traditional** MS in Computer Science applicants who ultimately enroll in any master's program

**2%**

Share of applicants who apply to **both** the online and traditional master's at Georgia Tech

Source: Goodman, Joshua et al., "Can Online Delivery Increase Access to Education," HKS Faculty Research Working Paper Series RWP16-035, October 2016; EAB interviews and analysis.

1) Maximum time to complete is six years.  
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1

How Much Longer Can the Master's Market Sustain Growth?

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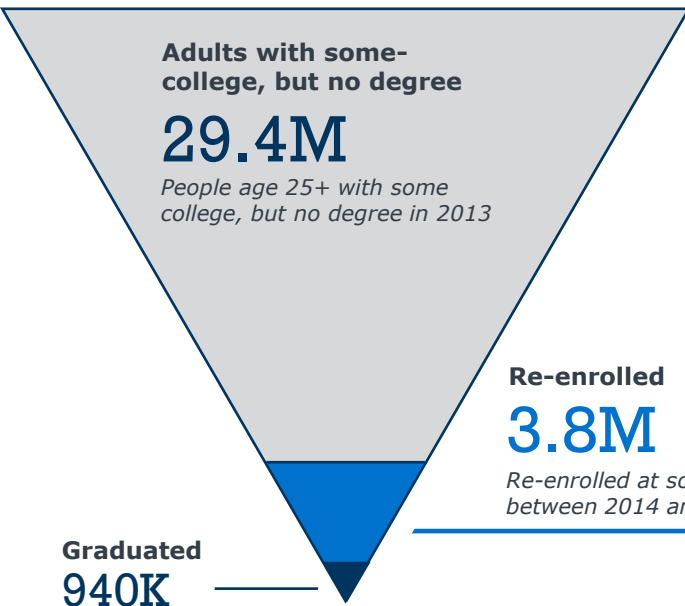
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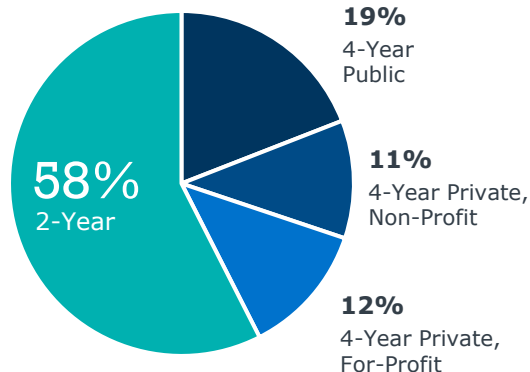
# Adult Degree Completion: Hype vs. Reality

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*



# How Degree Completers Choose a Program

## Program Characteristics Most Important to Degree Completers

n=1,010 U.S. degree completion prospects<sup>1</sup> 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%**

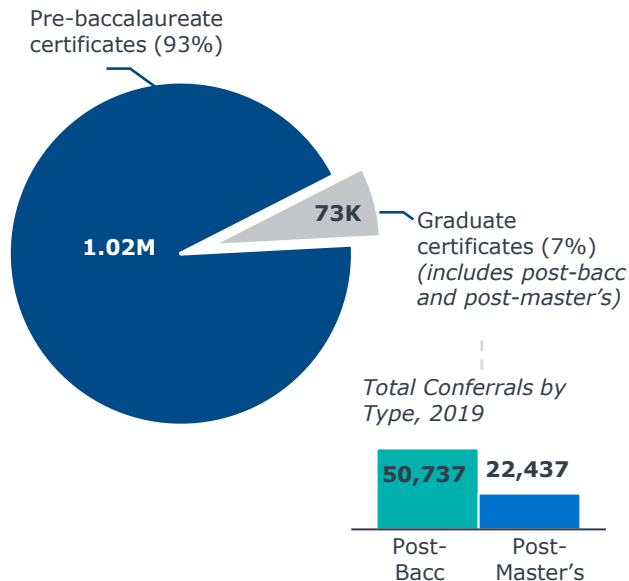
Seek a program designed "for someone in my situation"

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.

# Fast Growth, But Small Market at Graduate Level

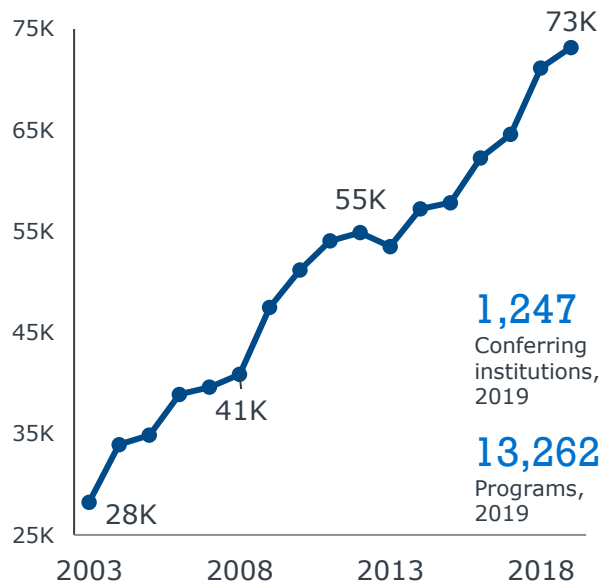
## Graduate Certificates a Tiny Slice of Overall For-Credit Market

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



## Hype Over Fast, Sustained Growth Masks Small Market Size

Annual Graduate Certificate Conferrals, 2003-2019





# A Solution in Search of a Problem?



## From MOOCs to Micro Credentials – Traditional Degrees Still Dominate



**Merlin Crossley**  
Deputy vice-chancellor  
academic at UNSW.

### Five Reasons Microcredentials Haven't Lived Up to the Hype:

- 1 Universities already offer short courses (certificates, diplomas); how short can we meaningfully go?
- 2 Prescribed, clear pathways are needed more than radical flexibility (1000+ course options)
- 3 Popular microcredentials tend to be introductory; more robust certification is ultimately needed
- 4 These can be more easily offered outside of higher more effectively and efficiently
- 5 Education should signal personal development and commitment to a purpose, not just “information snacking”



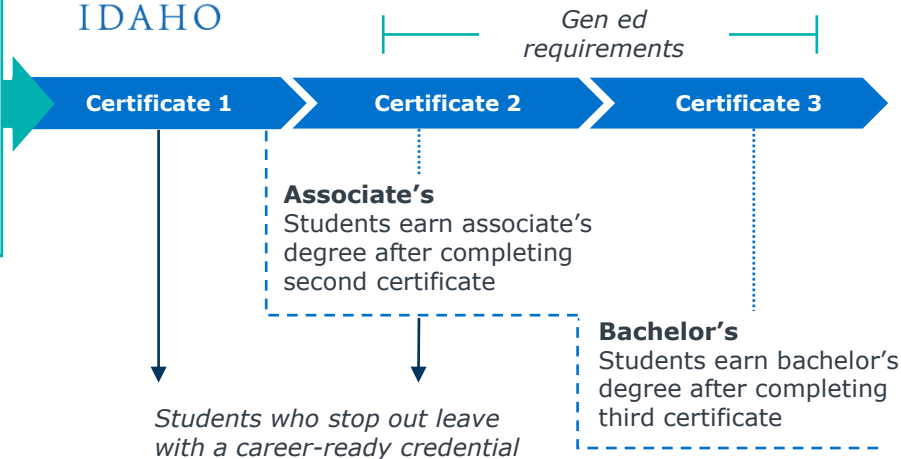
# Stackable Associate's to Bachelor's Pathways

## BYU Idaho Creates New Market Through Linked Certificate Programs

**Diversifying BYU-I's Pipeline by Appealing to New Markets, Including:**

- International students
- Adult learners
- Parents re-entering workforce

### BYU IDAHO



# 13K

Total students have enrolled in stackable BA

# 80%

First-year retention rate for stackable BA students<sup>1</sup>

# 30+

Average age of students in stackable program

1) BYU-I's overall retention rate is 64%.

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