



The Promise and Perils of Growing Professional and Adult Enrollment

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



1

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

2

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

3

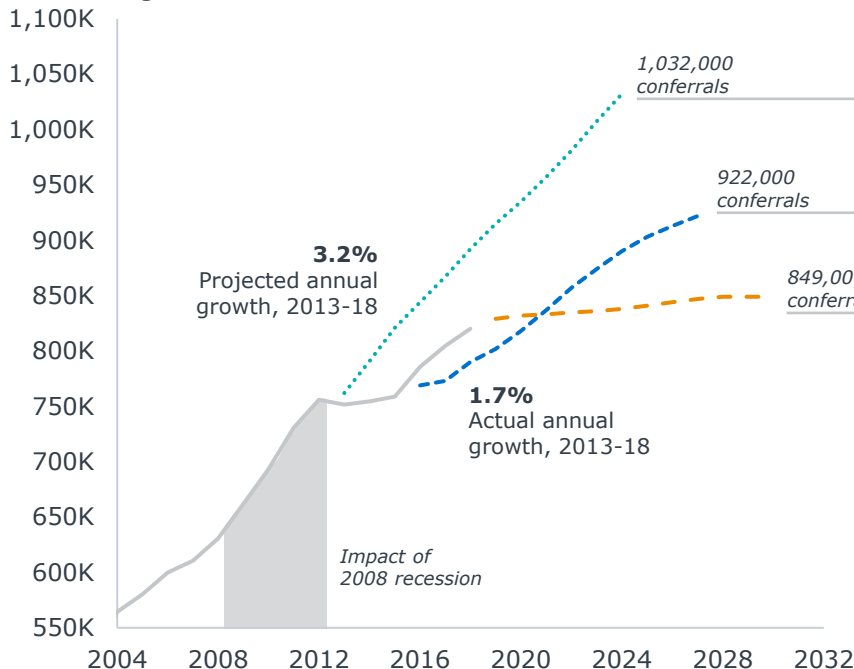
Are the Certificate and Adult Degree Completion Markets as Big as We Think?

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 - 2024¹

1.7%
Projected Annual Growth
2017 - 2027¹

0.2%
Projected Annual Growth
2020 - 2030¹

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

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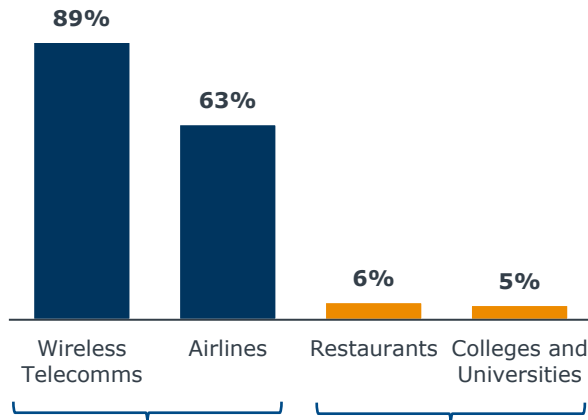
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Not a Simple Local vs. National Divide

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



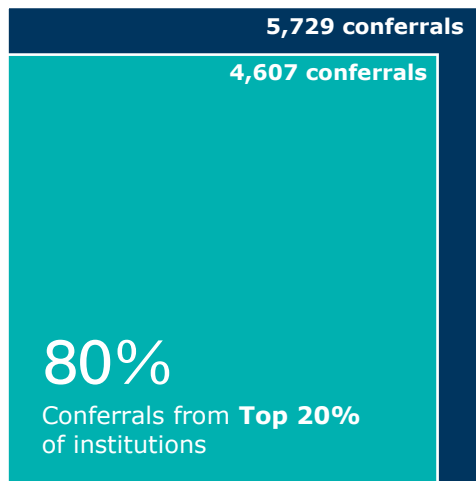
Winner-Take-All: The Rich Get Richer



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

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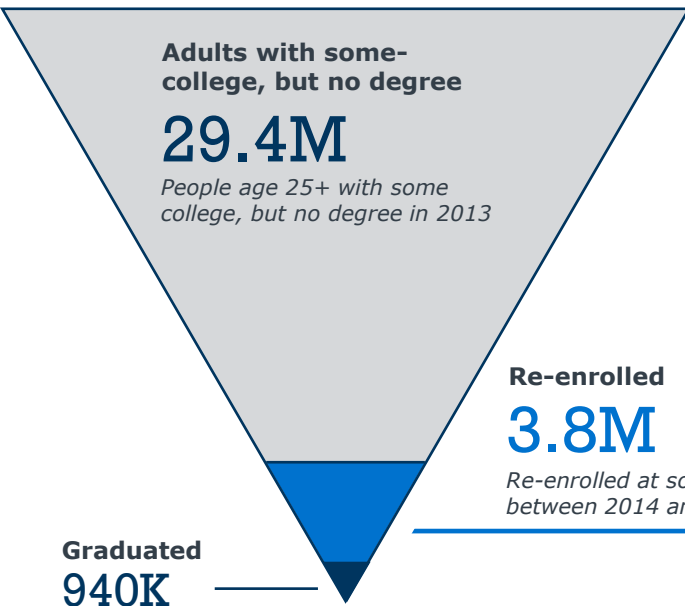
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Adult Degree Completion: Hype vs. Reality

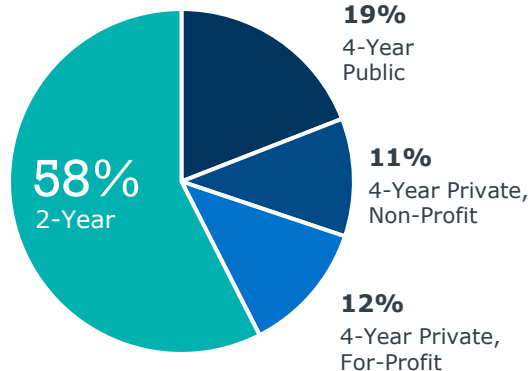


Only a small fraction of some-college, no degree students ultimately enroll



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

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



Stackable Associate's to Bachelor's Pathways

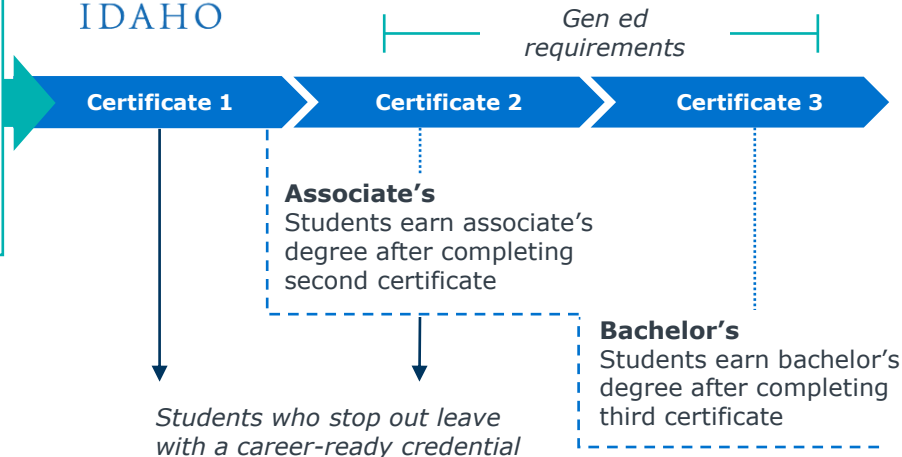


BYU Idaho Creates New Market Through Linked Certificate Programs

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 students¹

30+

Average age of students in stackable program

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