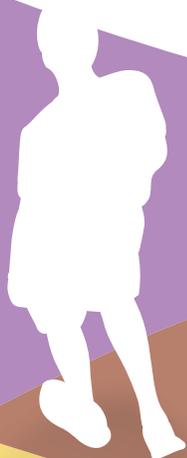


The Learner Revolution

AND WHAT IT MEANS FOR HIGHER EDUCATION

Part Three of Three



ACADEMIC
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Key Findings

The shifting dynamics in the job market demand that college leaders listen to what prospective students want from higher education and think beyond the core populations they are already enrolling.

The rising cost of a traditional degree will increasingly encourage prospective students to search for alternatives to legacy credentials in the coming decade.

The bundled curriculum and the legacy credential that results from it will undergo a fundamental transformation in the next decade because needed skills are increasingly churning at a faster rate in an information economy.

Absent a massive wave of new students into traditional master's programs, it's unlikely the nation's colleges and universities will ever catch up, or keep up, with employer demand for additional credentials in the 21st-century economy.

Higher education must create diverse and efficient packages of credentials to measure the skills of the next generation of workers.

There are three approaches colleges might consider as they build a new credentials marketplace: the university-level certificate, the skinny master's degree, and the continual learning subscription.

Introduction

The number of people earning a college credential continues to grow around the world as the global information economy demands a more educated workforce.

In the United States alone, the population of Americans earning a postsecondary credential ballooned over the last four decades. Some 4.5 million credentials—including certificates, associate, bachelor's, master's, and doctorates—were awarded by U.S. institutions in 2016, more than double the number given in 1980.

Ever since the college-for-all movement of the 1960s broadened access to higher education, the college degree has been seen as *the* ticket to a good job and a sustainable career. The good news for higher education leaders is that they oversee a growth industry. The bad news is that the price tag to obtain a credential has rapidly risen to a level that is out of reach for more and more Americans with stagnant incomes.

As a result, the current higher-education model is unsustainable for all but a select few colleges and universities. The rising price tag and time needed to earn a traditional degree will increasingly encourage prospective students to search for alternatives to legacy credentials in the coming decade. Indeed, enrollment in traditional graduate and profession degree programs is flat after more than a decade of steady growth.

Driving the search for alternatives will be the next generation of learners entering higher education at all levels. At the undergraduate level, the cohort of students in the 2020s will be more racially and ethnically diverse and will include more first-generation and low-income students than any other group of undergraduates previously served by American higher education. At the graduate level, the biggest segment of potential students will be working Millennials, many already saddled with tens of thousands of dollars of undergraduate debt. Rather than enroll in traditional graduate programs, these students will look for options that provide short-term learning for the specific skills they need on the job, knowing they will need to return to school on an ongoing basis.

This shift in student behavior will require colleges and universities to offer new types of credentials. If you consider degrees as the product of higher



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education, the mix of offerings from institutions hasn't changed much in more than a century, since the introduction of the associate degree at the University of Chicago in 1900. Yes, colleges and universities have added academic majors and the credentials that go along with them. Indeed, the Lumina Foundation estimates that there are 500,000 to 750,000 credential programs just in the United States. But the foundation of those programs still requires a bundle of courses that is often much more than students need at a particular point in their lives.

The bundled curriculum and the legacy credentials that result from it will undergo a fundamental transformation in the next decade because of two accelerating trends.

First, the skills and knowledge needed to keep up in almost any job are increasingly churning at a faster rate. Average human knowledge is doubling every 13 months, and IBM predicts that in the next couple of years with the expansion of the Internet of Things, information will double every 11 hours. That means that workers will need to be constantly learning for career advancement and will have little patience with courses that are part of a larger bundle and irrelevant to their immediate needs.

Second, the rising cost of bundled courses will make them a luxury available to a shrinking number of consumers—mostly traditional-age students who have the time and means to pursue a full-time, place-bound education. The vast majority of students will seek alternatives that provide the opportunity to take individual courses and earn microcredentials for those classes. We’re already seeing this trend play out with the development of nanodegrees and micromaster’s degrees.

These changes will result in a new marketplace of credentials that sits alongside the legacy set we have today (see Figure 1). Students and institutions will no longer think of their academic program as a fixed object that produces a specific certificate and degree. Rather they will think of a curriculum in smaller slices, even down to the individual course level, with a suite of new credentials providing evidence of incremental advances in skills.

“Students come to higher education with a variety of needs and goals, yet colleges tend to serve them a one-size-fits-all degree,” said Sean Gallagher, founder and executive director of Northeastern University’s Center for the Future of Higher Education and Talent Strategy. At the ASU/GSV Summit in 2018, Gallagher compared the various credential options to the way Marriott serves its guests with price-differentiated brands from the Ritz Carlton to the Fairfield Inn. “There is a hotel for every type of guest at every price point,” he said.

While the introduction of new credentials might sound like a radical concept in a risk-averse industry, the idea is far from a new approach in higher education. The associate degree and the master’s degree got their start as stopping points on the way to a bachelor’s and a doctorate, respectively. Learning happens all the time now, not just at one time within the confines of a lengthy curriculum. New credentials will simply recognize these smaller chunks of learning.

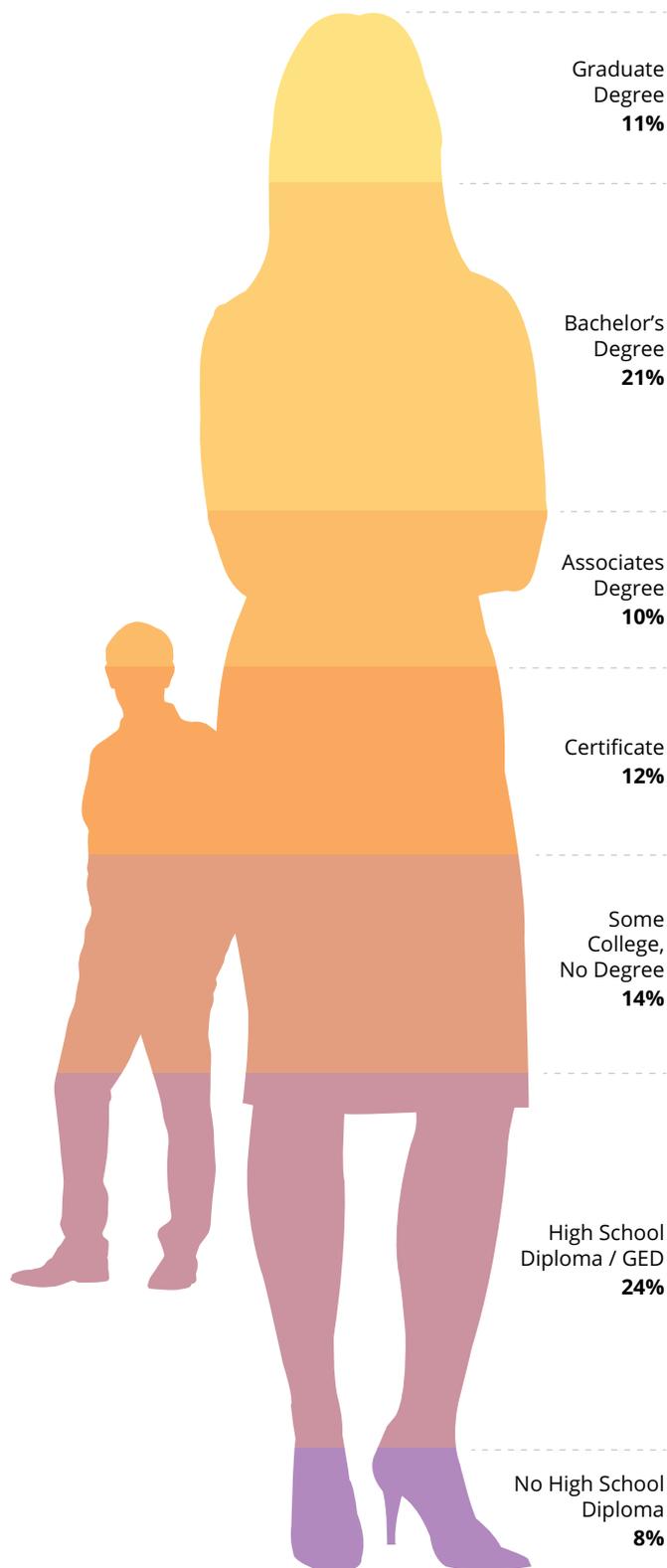
In the first two parts of this three-part series, we outlined how the networked world is fundamentally changing how we teach and learn and explored the ways traditional admissions needs to shift to prepare for this Learner Revolution. In this third and final part of the series, we will look at the traditional outcome of higher education—the degree—and what changes are likely in store for credentials in the future.

“Students are enrolling in degree programs in order to gain skills and competencies that they need to apply on a job immediately,” said Alberto Cardelle, provost and vice president for academic affairs at Fitchburg State University. “The tide is shifting away from full-time, in-person degrees toward shorter and more specialized programs.”

FIGURE 1:

Credentials in the United States

U.S. Labor Force by Education Level



Source: Survey of Income and Program Participation

End of an Era: Degrees as a Proxy for Skills

The seeds of today's higher-education credentialing system were planted in the midst of the Civil War when President Lincoln signed the Morrill Act, which gave land to states to build agricultural colleges. In addition to agriculture, programs were created in mechanics, engineering, and manufacturing. The new universities created as a result of the land-grant act, from Iowa State to Michigan State to Oregon State, not only broadened access to higher education but also began to shift its mission to one of career preparation. In the decade that followed, the number of vocational majors took off. In 1870, nearly 50 percent of higher-education enrollment in the U.S. was in the liberal arts; by 1880, only 30 percent was.

By the turn of the 20th century, the bachelor's degree as a hiring credential was cemented in the minds of business and government leaders, and universities responded by creating entire schools in education, business, public administration, and journalism to appeal to a growing enrollment of students who wanted to earn credentials and employers who favored hiring college graduates. New professional master's degrees were also established at this time.

After World War II, enrollment ballooned in higher education as returning GIs flocked to campuses, and colleges and universities spent the next fifty years growing their academic programs at the undergraduate and graduate levels. The recession in the early 1980s effectively killed off manufacturing jobs for high-school graduates, leaving basically anyone who wanted a well-paying job in the knowledge economy no other choice than to get a college credential.

Degree requirements for jobs also started to creep upward to ever more advanced credentials. The master's degree moved from being a bonus awarded on the way to a research-based Ph.D. to a credential sought by bachelor's-degree recipients who wanted to differentiate themselves in the job market. During the first decade of this millennium, the master's degree was the fastest-growing degree in higher education. In 2010, about 693,000 were awarded, up by more than 50 percent from a decade earlier. The number of people with a master's degree now is about equal to those with a bachelor's degree in 1960.

Despite that rapid growth, the supply of master's degrees continues to lag behind what employers say they need. When Burning Glass Technologies, which reports on the job market in real time by studying job ads, scanned more than 20 million online job openings in 2015, it found that 21 percent of advertisements listed a graduate degree either as a required or preferred qualification. Those figures represent a significant gap between what employers are looking for

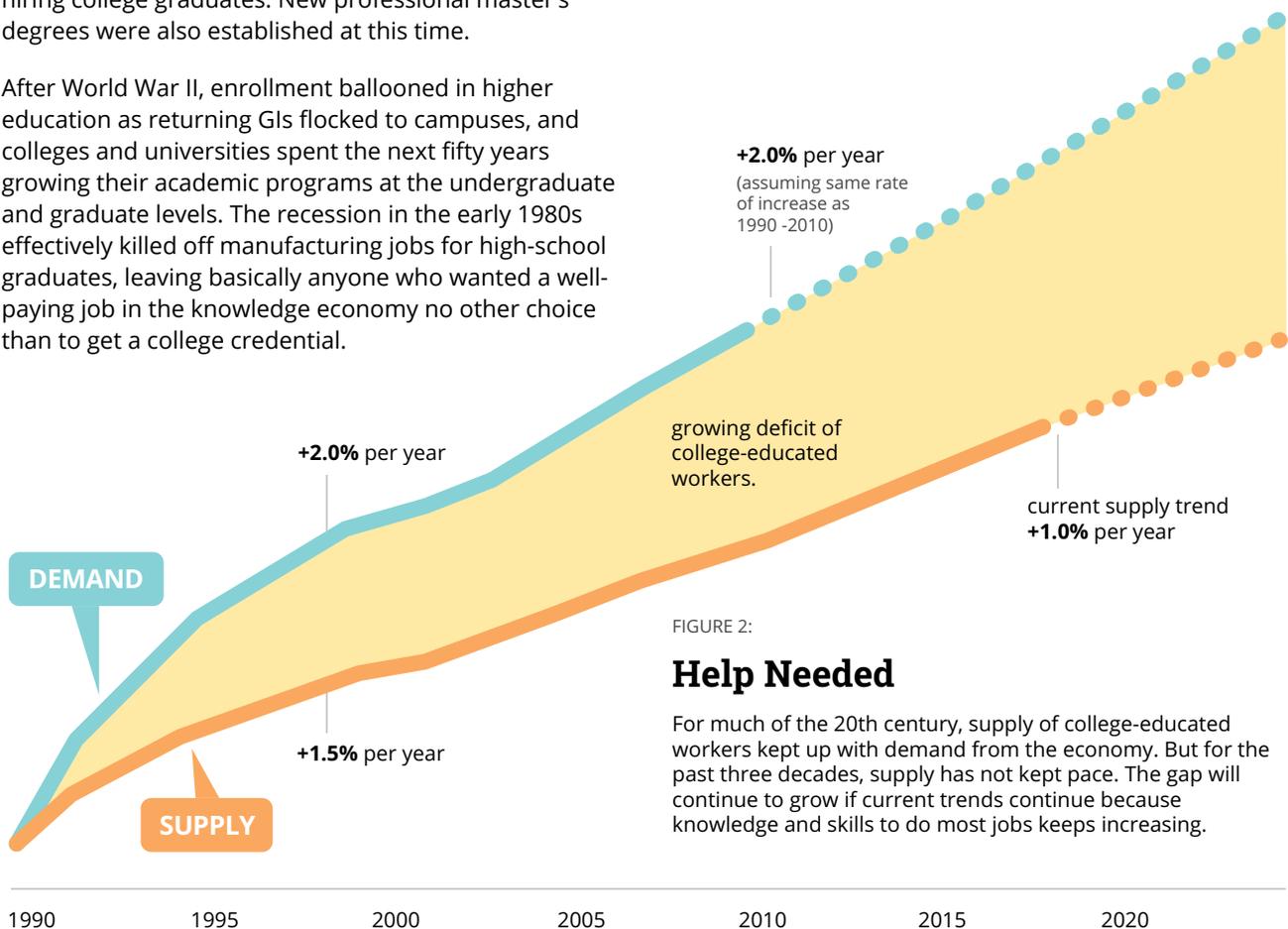


FIGURE 2:

Help Needed

For much of the 20th century, supply of college-educated workers kept up with demand from the economy. But for the past three decades, supply has not kept pace. The gap will continue to grow if current trends continue because knowledge and skills to do most jobs keeps increasing.

Source: Georgetown University Center on Education and the Workforce

and what the U.S. population is able to provide to the work force: only 12 percent of Americans age 25 and older have an advanced degree.

For decades, “hiring managers have used degrees as a proxy for skills and they’ve confused the two,” said Matt Sigelman, the CEO of Burning Glass. “Skills matter more than degrees; we just don’t have an easy way to measure an applicant’s skills, so we sort by the credential.”

Since the 1980s, the number of people with some credential after high school has increased by 1 percent a year, but the demand for these workers is growing by 2 percent a year (see Figure 2). Absent a massive wave of new students into traditional master’s programs, it’s unlikely the nation’s colleges and universities will ever catch up with employer demand for additional credentials in the 21st-century economy. To survive and thrive, higher education must create diverse and efficient packages of credentials to provide and measure the skills of the next generation of workers. Now the question for many college leaders educated in an era of traditional degrees is how to build this new credential ecosystem.

A New Credential Ecosystem

Unlike today’s higher-education credentialing system, what is emerging is not a singular model designed for a traditional, full-time student; nor is the new suite of credentials a replacement for the current scheme of legacy degrees. Rather, this new ecosystem is flexible and allows institutions to pick and choose the best strategy or strategies for their student markets.

Among the three approaches colleges might consider as they build a new credentials marketplace:

1 The University-Level Certificate
Few jobs require the set of skills that are often neatly packaged into a degree. Yet colleges market their degrees with specific jobs in mind for their graduates. Take the master’s in business administration, as an example. The typical MBA curriculum includes core classes in accounting, ethics, finance, and management in addition to a specific concentration. While that curriculum might be appropriate for certain segments of working adults, not all students demand the full complement of courses—all they want is an appetizer or an entrée instead of the full meal (see Figure 3).

But for prospective students it is often difficult, if not impossible, to take a single course without enrolling in an entire degree program. Even when students can enroll in a course, institutions lack a mechanism to certify completion of those courses.

This is where a version of the classic certificate can help universities create a new credential market. The certificate is an easily understood term, but it is largely awarded by two-year colleges and mostly in technical fields. A university version of the certificate would serve as confirmation of a student’s completion of an individual course or two within a larger degree program. It would allow students to take courses and receive more in return than simple credits, which carry zero currency in the job market.

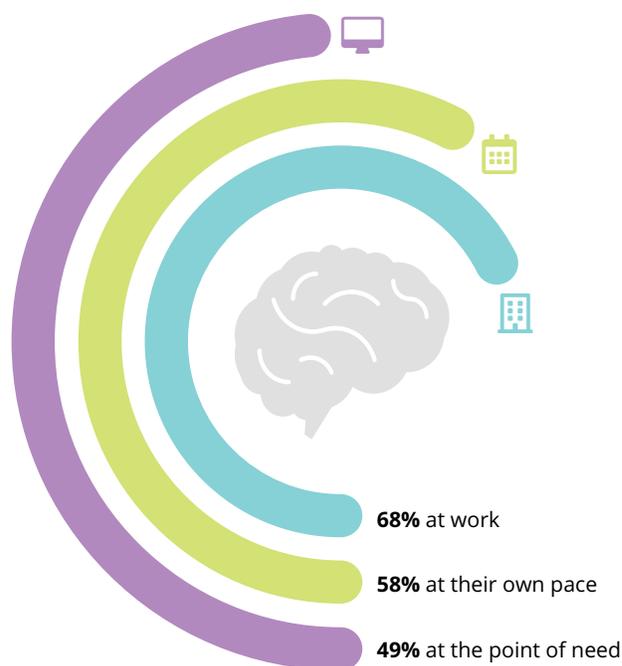
A university-level certificate would appeal to new segments of students not interested in a traditional degree and allow universities to respond faster to the needs of employers by designing a course rather than an entire academic program.

2 The Skinny Master’s Degree
This approach is modeled after the MicroMasters degree launched in recent years by several universities, including the Massachusetts Institute of Technology, the University of Pennsylvania, and Boston University.

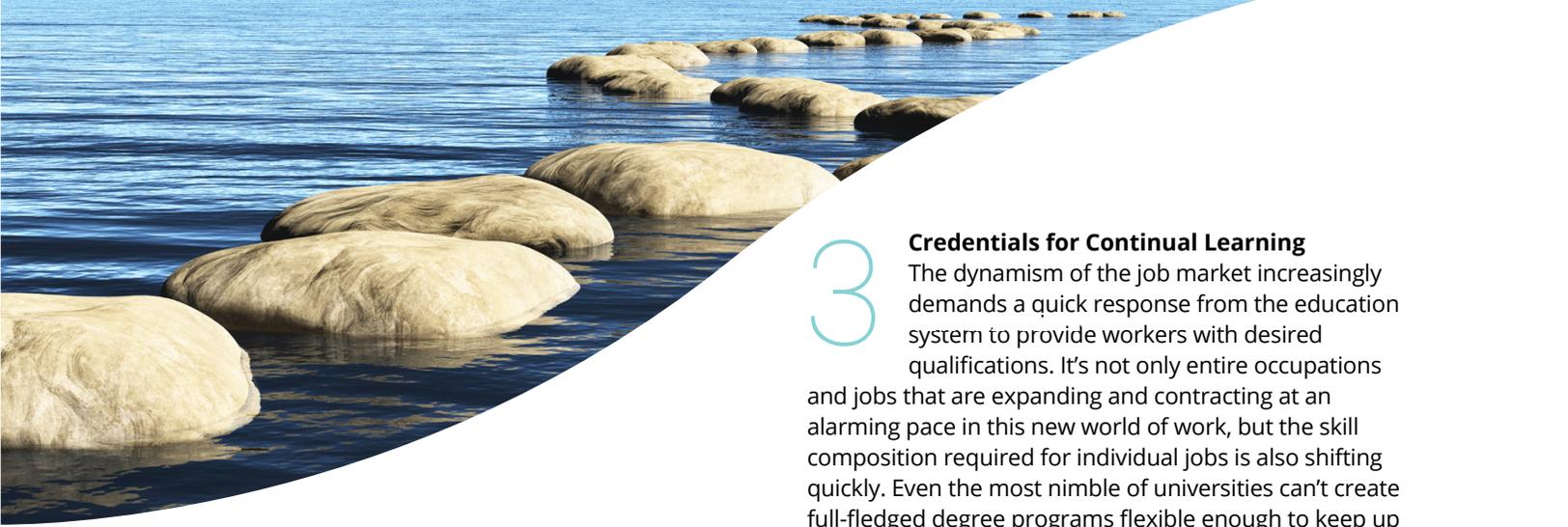
The skinny master’s degree is equal to somewhere between a quarter and a half of the course material of a typical master’s degree. This revised version appeals to working adults who want more than a certificate

FIGURE 3:

How Do Employees Prefer to Learn?



Source: LinkedIn Workplace Learning Report, 2018



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Credentials for Continual Learning

The dynamism of the job market increasingly demands a quick response from the education system to provide workers with desired qualifications. It's not only entire occupations and jobs that are expanding and contracting at an alarming pace in this new world of work, but the skill composition required for individual jobs is also shifting quickly. Even the most nimble of universities can't create full-fledged degree programs flexible enough to keep up with the changing needs of some professions.

This is where microcredentials like university-level certificates or skinny master's degrees can help by packaging new knowledge into short programs that can stand on their own. These new credentials will likely require the next generation of students to cycle in and out of higher education at a more frequent and faster pace than in the past. No longer will learning be episodic—people “going back to school”—but it will be continual, always on, and acquired in shorter spurts.

Colleges and universities can tap into this need for lifelong education by allowing students to more easily loop in and out of the educational experience. So rather than enroll at a university, students in the future might associate with an institution, allowing them to earn new credentials as needed in their careers. In many ways, the journey to acquire higher education will never end. From the age of 18 on, adults will need to step in and out of a higher-education system that will give them skills and credentials that will carry currency in the job market.

for completing one or two classes but don't need the full complement of courses typically associated with a master's degree. The shortened degree allows colleges to offer focused programs that fulfill specific needs in the job market and can be completed in less time than a typical master's.

When MIT first started its MicroMasters program, the institution projected that they would enroll 200,000 students; within the first nine months more than 1.3 million people signed up.

One concern voiced by many university leaders is that a skinny version of a master's degree might siphon students from the full version. But such degrees, when designed correctly, more likely create entirely new markets of students for universities. A study of a Georgia Tech online master's degree by researchers at Harvard University, for instance, found that students in the program wouldn't have enrolled anywhere if not for the presence of a shorter online degree. That suggests there is a vast untapped market for skinny master's degrees.

Building Credentials Employers Trust

No matter what sets of new credentials emerge in the decade ahead, they need to be trusted by their primary customer: employers. Today, the United States has six million unfilled jobs. One reason for the unfilled jobs, according to employers, is that they cannot find workers with the right group of skills coming out of college. This disconnect between what college provides and employers want has widened in recent years. A survey by Gallup, for instance, found that 96 percent of college and university provosts said students were prepared for the job market, but only 11 percent of business leaders agreed.

The shifting dynamics of the job market and what it requires in terms of continual learning demand that colleges consider new types of credentials to better communicate the skills and learning of their graduates. At the same time, college leaders need to listen to

what prospective students want from higher education and how current students navigate it. Without a clear understanding of their students, institutions often fail to think beyond the core populations they are already enrolling or assume the academic programs and credentials they're offering are suitable.

A Harris Poll of more than 2,500 Americans conducted in 2018 revealed that alternative credentials and certificates are just as popular as legacy degrees among both college graduates and nongraduates who plan to continue their education. Around a quarter of college graduates, high-school graduates, and those who started college but didn't finish want opportunities for alternative certificates. This calls for an acceleration of existing experiments to sort out what is now a convoluted market for new credentials.



About Academic Partnerships

Academic Partnerships is a leading online service provider for higher education. The company assists universities in converting their on-campus degree programs into an online format, recruits qualified students for those programs, and supports enrolled students through graduation. Serving primarily public, not-for-profit universities, Academic Partnerships is guided by the principle that the opportunities presented through technology-aided learning make higher education more accessible and affordable.

The company was founded by a group of social entrepreneurs who have spent nearly 20 years developing innovative learning solutions to improve education. More information may be found at academicpartnerships.com