Does Online Higher Education Reduce Inequality?
Exploring the Geography of the Market

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Why examine online higher education and inequality?

1) Educational attainment drives economic and wage growth and social cohesion; but attainment is uneven by geography and demography, and many students drop out of conventional higher education.

2) Adult undergraduate enrollment is falling, but online higher education is popular and growing, particularly among non-traditional students.

3) Online learning is a powerful tool—we need to understand how it is being used, and how best to wield it. The online higher ed market is playing out in very different ways around the country.
ONLINE DEGREES THAT GET YOU WHERE YOU WANT TO GO

YOUR CAREER SUCCESS ON YOUR SCHEDULE, 100% ONLINE

YOUR LIFE, PLUS COLLEGE. RANKED #1 MOST AFFORDABLE ONLINE COLLEGE IN THE NATION
Online is where the growth is

Enrollment Trends- Three Types of Undergraduate (Fall 2012-17)

Source: Eduventures analysis of IPEDS and NSCH data. The 2017 enrollment figures are estimates.
8%
13%
2,250,000

- Fully online undergraduates as a % of all undergraduates
- Fully online undergraduates who are state residents as a % of all undergraduates
- Number of fully online undergraduates
Cleveland OH
MHI= $26,583
Online In-State Undergrad= 10.8%

Dayton OH
MHI= $28,745
Online In-State Undergrad= 8.7%

Jackson MS
MHI= $32,866
Online In-State Undergrad= 10.4%

Birmingham AL
MHI= $32,404
Online In-State Undergrad= 12%

Online to the rescue?
Detroit MI
MHI= $26,249
Online In-State Undergrad= 5.3%

Hartford CT
MHI= $32,095
Online In-State Undergrad= 5.2%

Newark NJ
MHI= $33,025
Online In-State Undergrad= 1.4%

San Bernardino CA
MHI= $38,546
Online In-State Undergrad= 4.9%

Wish online was here?
Online students are not evenly distributed by state

% of Undergraduates Studying Fully Online (Fall 2016) - by school location
(2 and 4-year schools)

US Average = 13%

New Hampshire = 47%
Rhode Island = 2.3%

Source: Eduventures analysis of IPEDS data.
Fewer states enroll >10% of in-state undergraduates fully online

% of In-State Undergraduates Studying Fully Online (Fall 2016)
(2 and 4-year schools)

US Average = 8%

Alaska = 19%

DC = 0.4%

Source: Eduventures analysis of IPEDS data.
Does online impact the states most in need?

The 20 states with the lowest levels of Bachelor’s degree attainment (population aged 25-44)- 21-31%

Source: U.S. Census Bureau- American Community Survey
11 out of 20 states are both most in need and most online

Source: Eduventures analysis of IPEDS data and U.S. Census Bureau- American Community Survey.
Why?
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<tr>
<td>New Mexico</td>
<td>530,000 (up 5% since 2001 but flat to 2028)</td>
<td>45th</td>
<td>$45,674</td>
<td>5.4% (participation- 58%)</td>
<td>-33% (2008 v. 17 net)</td>
<td>24% (21% in 2005)</td>
<td>“Strong” (Lumina)</td>
<td>related legislation; no policy</td>
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<tr>
<td>West Virginia</td>
<td>488,000 (down 10% since 2001, then down further to 2028)</td>
<td>29th</td>
<td>$42,644</td>
<td>5.4% (participation- 54%)</td>
<td>-22% (2008 v. 17 net)</td>
<td>25% (18%) in 2005</td>
<td>None (Lumina)</td>
<td>no legislation or policy</td>
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**% of In-State Undergraduates Fully Online**

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<tr>
<th>State</th>
<th>%</th>
<th>Rank</th>
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<tr>
<td>New Mexico</td>
<td>13.4%</td>
<td>5th highest in the nation (2016)</td>
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<tr>
<td>West Virginia</td>
<td>4.8%</td>
<td>45th highest</td>
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Source: U.S. Census Bureau- American Community Survey; Bureau of Labor Statistics; Center on Budget & Policy Priorities; IPEDS.
Out-of-State Competition

(2.5% of schools enroll 50% of fully online undergraduates)
Online gives state residents more choice

How many residents are states “losing” to online programs at Out-of-State Schools? (2016/17)
(and how do “lost” residents compare to out-of-state gains)

The 100%+ Club 75%+ 50%+ Below 50%

States with red bars “lose” at least 25% more residents to online programs from out-of-state than online students “gained” from other states

Number of Residents Enrolled in Online Programs at Out-of-State Schools
Ratio of State Residents Enrolled in Online Programs at Out-of-State v. In-State Schools

Source: Eduventures analysis of IPEDS and NC-SARA data. Undergraduate and graduate students (2 and 4-year schools)
Online Higher Education Strategy - which states have got it right?

Q1: UNMET LOCAL ONLINE DEMAND (27%)
DC = 561% v. 0.4%
RI = 230% v. 1.3%
MT = 187% v. 4%

Q2: ROOM FOR LOCAL GROWTH (19%)
Q5: HYBRID? TRANSITION? UNCOORDINATED? (27%)

Q3: ONLINE GIANT COULD PLAY BIGGER ROLE? (4%)

Q4: RIGHT BALANCE? (22%)

Source: Eduventures analysis of IPEDS and SARA data (2016/17). Chart shows state resident undergraduates in fully online programs as a % of all undergraduates at in-state schools (x-axis) v. ratio of state residents enrolled in online programs at out-of-state schools as a % of the online resident total at in-state schools (y-axis).
Does Online Higher Ed Reduce Inequality? Not consistently in terms of local supply

State Residents in Online Programs- In-State v. Out-of-State

Q1: UNMET LOCAL ONLINE DEMAND (27%)

Q2: ROOM FOR LOCAL GROWTH (19%)

Q3: ONLINE GIANT COULD PLAY BIGGER ROLE? (4%)

Q4: RIGHT BALANCE? (22%)

Q5: HYBRID? TRANSITION? UNCOORDINATED? (27%)

Source: Eduventures analysis of IPEDS and SARA data (2016/17). Chart shows state resident undergraduates in fully online programs as a % of all undergraduates at in-state schools (x-axis) v. Ratio of state residents enrolled in online programs at out-of-state schools as a % of the online resident total at in-state schools (y-axis).
Does it matter?
Fully online student scale and intensity correlated with low, falling tuition and fees

Average Full-Time Undergraduate Tuition & Fees (2016 $) by % of Fully Online Undergraduates

- **Very High (50%+)**
  - 2012: $13,497
  - 2013: $13,748
  - 2014: $12,986
  - 2015: $12,678
  - 2016: $12,365

- **Very Low (<5%)**
  - 2012: $16,900
  - 2013: $17,661
  - 2014: $18,107
  - 2015: $19,009
  - 2016: $19,545

- **Zero**
  - 2012: $22,032
  - 2013: $22,174
  - 2014: $23,172
  - 2015: $23,444
  - 2016: $24,614

- **High (25-49.9%)**
  - 2012: $10,000
  - 2013: $12,000
  - 2014: $14,000
  - 2015: $16,000
  - 2016: $18,000
  - 2017: $20,000
  - 2018: $22,000

Source: Eduventures analysis of IPEDS data. 4-year schools. In-state tuition for public schools.
Enrollment: We have a winner…

Enrollment of Undergraduates Aged 25+ in 4-year Schools by % of Undergraduates Fully Online (2007-2015)

- Zero: 8% (2007), 7% (2015)
- Low: 18% (2007), 14% (2015)
- Medium: 12% (2007), 20% (2015)
- High: 10% (2007), 8% (2015)

% Fully Online Undergraduate Enrollment (2016)

Source: Eduventures analysis of IPEDS data.
Outcomes: We have a runner up…

Bachelor’s Completion Aged 25-39 by % of Undergraduates Fully Online (2011/12-2016/17)

% Fully Online Undergraduate Enrollment (2016)

Source: Eduventures analysis of IPEDS data.
The Conundrum- fully online widens access but lowers odds of completion. Blended is less practical, likely more expensive but correlated with stronger outcomes

8 Year Outcomes- % of 2008 cohort receiving award from same school

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<tr>
<th>First Time, Full-Time</th>
<th>First Time, Part-Time</th>
<th>Not First Time, Full-time</th>
<th>Not First Time, Part-Time</th>
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<tr>
<td>Total</td>
<td>Very Low Fully Online (&lt;5%)</td>
<td>Very High Fully Online (50%+)</td>
<td>Very High Some Online (50%+)</td>
</tr>
<tr>
<td>1.76m</td>
<td>792k</td>
<td>60%</td>
<td>38%</td>
</tr>
<tr>
<td>57%</td>
<td>63%</td>
<td>48%</td>
<td>46%</td>
</tr>
<tr>
<td>37k</td>
<td>15k</td>
<td>262k</td>
<td>69k</td>
</tr>
<tr>
<td>13%</td>
<td>19%</td>
<td>62k</td>
<td>38%</td>
</tr>
<tr>
<td>38k</td>
<td>47k</td>
<td>736k</td>
<td>98k</td>
</tr>
<tr>
<td>20%</td>
<td>22%</td>
<td>68%</td>
<td>30%</td>
</tr>
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Source: Eduventures analysis of IPEDS data. 2 and 4-year schools.
States with ABOVE AVERAGE nontrad student completion AND ratio AND % undergrads online

But neither of these two states are among the 20 with the lowest educational attainment.

Source: Eduventures analysis of IPEDS data.
Examples of scaled online institutional outperformance

Majority Online School- 8-Year Award Ratio for Non-First Time Students (either full-time or part-time)- 2008 cohort (500+ cohort size)

- Trident International University= 70%
- National University= 76%
- Fort Hays State University= 81%
- Bellevue University= 71%
- American Public University System= 71%
- Full Sail University= 75%
- Columbia Southern University= 76%

Source: Eduventures analysis of IPEDS data.
15 out of 20 states are both most in need and most blended

Source: Eduventures analysis of IPEDS data.
So does online higher education reduce inequality?

- **Wider Access** - yes for adults and Black students; neutral for Hispanics; makes male underrepresentation worse. Broadband access and smartphone dependence.
- **Cost & Price** - evidence that scaled online drives lower costs, economies of scale and falling tuition.
- **Haphazard Market by Geography** - Uneven supply and demand patterns by state. Few states are pursuing a true online higher education strategy; and most are “giving away” far too many students to out-of-state providers. (Blurred lines- e.g. WGU state branches).
- **Data Getting Better** - The range and quality of outcomes data about online higher ed is improving but still leaves a lot to be desired.
- **Outcomes- General** - Based on the available evidence, on average adults and other non-traditional students enrolled in majority online schools are significantly less likely than average to complete at that institution.
- **Outcomes- Specific** - There are examples of institutions that report above-average scaled online outcomes but more research is needed to understand the pedagogical and support drivers (or other factors) that explain outperformance.
- **Blended** - Signs that blended learning may represent a superior combination of access, cost and outcomes (and may be more strategic for the typical institution).
- **Bottom Line** - fully online learning is popular with many nontraditional students, but its potential is currently undermined by a long feedback loop (inevitable) and the challenges of identifying and scaling up best practices. Online higher education does reduce inequality but could do more. A more strategic approach to blended learning may be the way forward.
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