

Illustration



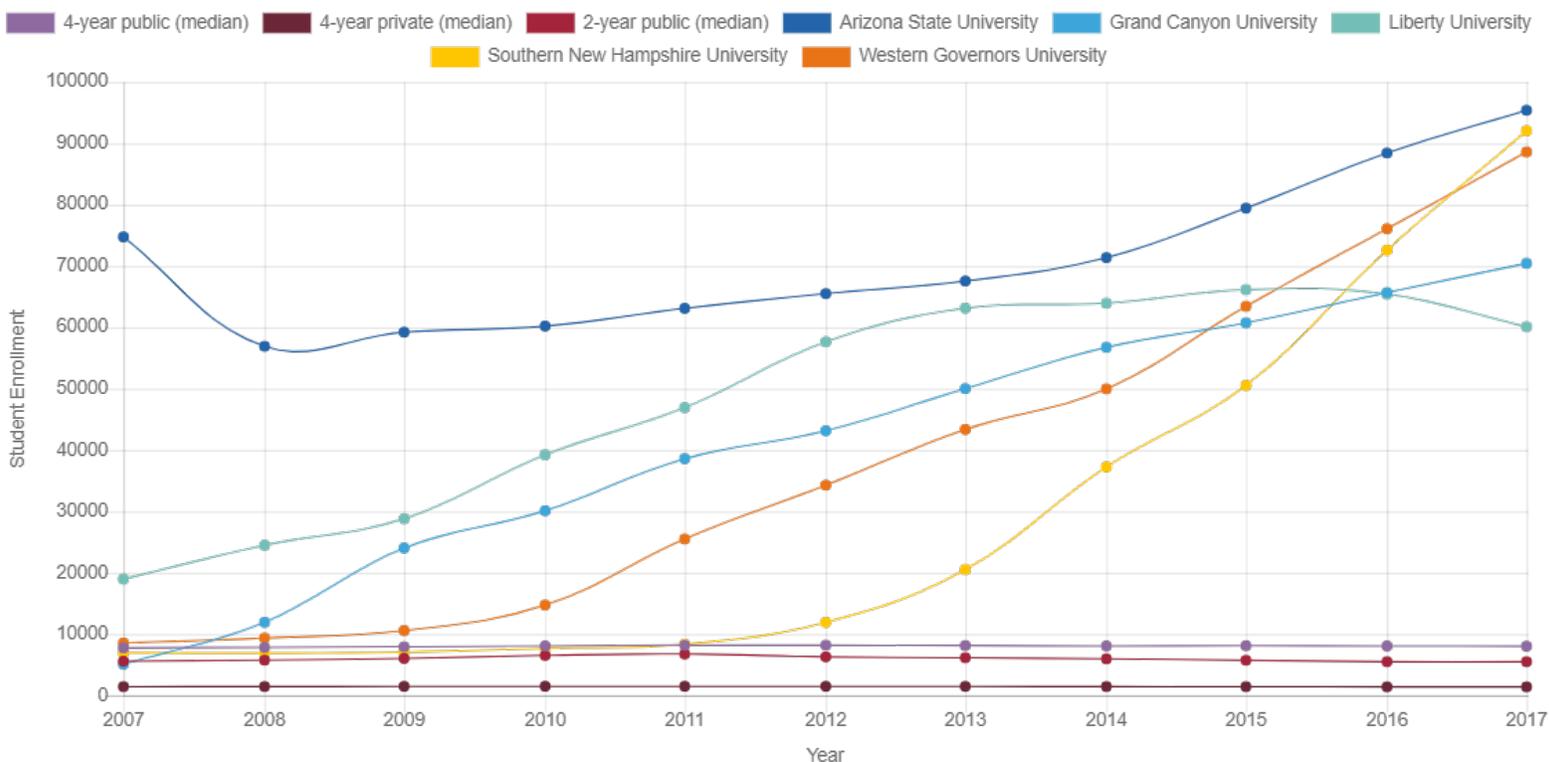
New Hampshire University, where LeBlanc is president, had just rolled out its own ambitious online program and started its rise from undistinguished private institution with a few thousand students to today's online-education juggernaut with more than 92,000 undergraduates enrolled.

LeBlanc found the prospect of such an august competitor bracing — until he heard a radio ad touting the new program. The ad suggested that those interested in the program come to an open house.

“You have an online program, but people have to go to your campus to get information and register?” he asks, still sounding incredulous. And, sure enough, “They’ve never been competition.”

At a time when many colleges are struggling with shrinking enrollment and tighter budgets, Southern New Hampshire is thriving on a grand scale, and it’s not alone. Liberty, Grand Canyon, and Western Governors Universities, along with a few other nonprofit institutions, have built huge online enrollments and national brands in recent years by subverting many of traditional higher education’s hallmarks. Western Governors has 88,585 undergraduates, according to U.S. Education Department data, more than the top 14 universities in the annual *U.S. News & World Report* rankings combined.

12-month Undergraduate Enrollment at Various Universities



ABOUT THE DATA: The figures are from the Education Department’s Integrated Postsecondary Education Data System. They represent undergraduate, full-time and part-time enrollment. The values for the 2-year public, 4-year private and 4-year public universities are the median enrollment for each of these sectors.

While some so-called mega-universities have physical campuses, they’ve focused intensely on building online programs. They’ve emphasized recruiting working adults over fresh high-school graduates. They’ve embraced competency-based education, in which students earn credits from life experiences and from demonstrating proficiency in a subject. They market widely and vigorously, and lean into, rather than recoil from, some other common corporate practices and philosophies.

These universities have clearly found a new way to play the game that many colleges are losing. With no end to their expansion in sight, they could one day lay claim to [a significant share of the nation's new college students](#). Much as Amazon and Walmart now stand as the templates for the retail business, mega-universities in many ways reflect a shift in what Americans seek in a college degree: something practical, convenient, and inexpensive. Traditional institutions can certainly learn from these disruptors. And the more they do, for better or worse, the more these mega-universities may change the shape and purpose of higher education.

If mega-universities' success can be reduced to one factor, it's that they have pursued the more than 30 million Americans who have some college credit but who never graduated — a cohort half again as large as the more than 20 million Americans now enrolled.

“The shortage of students is a fallacy,” says Michael M. Crow, president of Arizona State University, which enrolled more than 95,000 undergraduates in 2017, about 28,000 of them online. The number of Americans with some college but no degree presents “an unbelievable market,” he adds, but most institutions that educate students on a brick-and-mortar campus are not equipped to recruit, or serve, such students.

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Mega-universities have honed their offerings and delivery to provide the most flexible, expedient, and career-focused education possible, which particularly appeals to working adults. At the moment, “the higher-education value proposition is all around the most inexpensive education and certification that will get me a job,” says Susan Grajek, vice president for communities and research at Educause, a nonprofit organization that advocates for technology in higher education.

Traditional four-year-college leaders often pay lip service to doing

better by older students, but many don't have programs specifically *for* them. That's changing. While community colleges have long served students of all ages, traditional four-year colleges' "business model is being blown up and, demographically, they've seen a decline of traditional-age students, so there's this wondrous new discovery of the adult learner," LeBlanc says.

The rise of the mega-university is "a rational response to the marketplace," says James H. Page, chancellor of the University of Maine system. That system is answering the need for a more educated work force, and steep demographic declines projected for the state, by [experimenting with online programs](#) aimed at Mainers with some college but no degree.



Maine isn't interested in being the next Southern New Hampshire, but Page says he and his colleagues watch the mega-universities "very carefully to see, at our scale and given our mission, how we can learn from them."

But mega-success isn't as simple as offering more courses online. It requires making moves that many institutions will be unprepared, or unable, to match. Southern New Hampshire and its cohorts built large and specialized online operations tailored to adult learners, mostly separate from their other academic programs, and they marketed those operations aggressively. They have invested many millions of dollars to do so. And their head start on educating adult students this way makes it unlikely that many, if any, could duplicate their success.

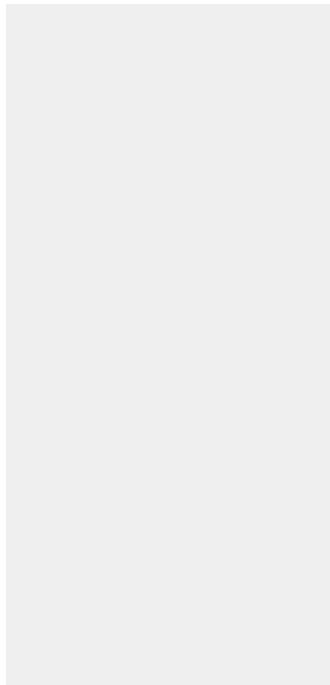
It's been almost 50 years since Lynchburg Baptist College, founded in Virginia by the evangelist Jerry Falwell, started offering Bible study by mail. Lynchburg became Liberty University in 1976, and by the 1980s, a growing campus held traditional "seat time" classes. Printed materials in a wider range of courses were augmented by videotaped lectures, and at the dawn of the internet age, Liberty went online with its academic programs.

At first, "it was sort of limping along," Jerry Falwell Jr., now Liberty's president, says of the university and its online offerings. The institution was close to broke, he says. "But when people started getting high-speed internet in their homes in 2005, it really skyrocketed." Liberty now enrolls more than 60,000 undergraduate

students, according to the Education Department.

Colleges have offered online courses for many reasons, and to many types of students. At one point, free online education was supposed to pose an existential threat to brick-and-mortar institutions — remember massive open online courses? But the MOOC revolution collapsed in part because the courses typically didn't connect to credentials that employers, or students, valued. Seat time survived.

A few institutions saw long-term potential in online learning for a new audience, and — critically — began investing in it. Back in the mid-1990s, the governors of several Western states pooled resources to found Western Governors University, an online-only institution designed to provide education for the citizens of their region. In the mid-2000s, inspired by the ideas of the Harvard professor Clayton M. Christensen about innovation and disrupting old models, LeBlanc set about transforming Southern New Hampshire.



LeBlanc says the key came from focusing on what adult learners with jobs, families, and busy schedules need, and how the university could provide that with as little trouble for students as possible. That required rethinking, and changing, almost every aspect of traditional university operations.

Take the transcript, for example. Most colleges ask any applying students to provide records of their previous coursework. “It seems

like a small thing, but think about it from the perspective of that student,” LeBlanc says. “It’s 4 o’clock. I’ve gotta rush to pick up my kids. What’s a registrar again? I don’t quite remember, it’s been 10 years since I was in college. How do I find them?”

Southern New Hampshire removed that hurdle by chasing down transcripts for applicants for a \$10 fee. “We often say we will do everything in our power to get you across the finish line except take your courses for you,” he says.

Building the online program involved going against some of the ingrained assumptions of traditional universities. Research has shown that it’s easy for students to drift away from online courses, so Southern New Hampshire started building an aggressive advising system to keep them on track — say, calling a student to check in if the copious data collected on him or her shows unfinished assignments or missed sessions.



“Some of our early advisers would say, ‘We can’t do that. People don’t want to be called at home,’ ” LeBlanc says. “Well, they don’t want to be called at home for a cold solicitation for a magazine subscription, but if they’re working hard in their classes, maybe they would welcome that call. So we had to shift the culture.”

Southern New Hampshire also added a competency-based online program called College for America, specifically designed to make it as easy and speedy as possible for adult students to earn a degree.

Until a few years ago, Southern New Hampshire, Western Governors, and Liberty competed for adult students mostly with for-profit institutions like the University of Phoenix — another early adopter of mass-scale online education. “Most of nonprofit higher ed really looked down their nose at online education, and it left a vacuum into which rushed the for-profits,” says LeBlanc. Since then, enrollment has fallen across the for-profit sector, and several large for-profit college chains have closed or merged with other institutions. Now the nonprofit sector of higher education is taking back that market.

Several public universities or systems have started large online programs designed for adult learners. The University of Maryland’s University College, which was started in 1947 to serve working adults, enrolled nearly 46,000 undergraduates in 2017, according to

Education Department data. In 2017, [Purdue University bought](#) the struggling for-profit education company Kaplan University and rebranded its 14 campuses and online operation as Purdue University Global.

TAKEAWAYS:

- Mega-universities' inexpensive, flexible, streamlined education is in tune with how many Americans now think about college degrees.
- They have grown huge enrollments by focusing on the 30 million American adults who have some college credits but no degree.
- Their head start in the ^[1]_{SEP}older-learners market, and their national brands, make it difficult for other institutions to catch up.
- Demographic pressures and changes in the nature of work may necessitate a strategy that includes serving adult learners for all but elite colleges.

But the best time to start a large online operation aimed at adults was probably 10 or 20 years ago. Private institutions like Western Governors and Liberty have cemented their national brands. Public online programs, like Arizona State's, Maryland's, or Purdue's, can trade on the imprimatur of a major research university. Any new player would be entering a very competitive environment. "We would have a hard time repeating what we did now," LeBlanc says.

The competition for potential-student attention is fierce, and often expensive. Liberty declined to share its marketing-budget figures, although Ron Kennedy, executive vice president for enrollment management, says the cost of acquisition per student has climbed since the early 2000s. "But we're not spending anywhere near what the new ones are spending to recruit," Falwell, the president, says.

Still, colleges that ignore the potential of online education for adult learners could lose out. Students interested in college have more educational paths to choose from than ever before. "If institutions are not figuring out how to innovate on behalf of students to increase access and outcomes and ROI," says Scott D. Pulsipher, president of Western Governors, "then they're going to be challenged to maintain relevance going forward, regardless of the scale."

"Scale is a secondary thing," he adds. "Fundamentally, it comes down to the value for the students."

Above all, mega-universities have accepted that the mission of online

education for older learners may differ from the mission of the university overall. “For our adult learners online, it’s ‘Get me a credential that will get me unstuck, that will get me a better job,’ ” LeBlanc says. “That doesn’t resonate with a lot of my colleagues in higher ed who have a more idealistic view of what education should do.”

Some academics at mainstream universities see mega-university online programs not only as poor substitutes for seat time, but also as a force undermining the qualities that have made American higher education the model for the world. If such programs were to become the template for large universities, or adult education, the loss would be devastating, says Johann N. Neem, a professor of history at Western Washington University who has written critically about competency-based programs.

Brick-and-mortar universities are distinctive institutions, he says, and “we don’t want to lose them and the value they provide, I would say, to any student who would like to study there, and also to the larger society we live in.”

Academic institutions, he says, conduct research, contribute to scholarship, and bring students into daily contact with professors, inside and outside class. Since mega-university online programs don’t do any of those things, “at their heart they’re not academic institutions.”



LeBlanc rejects the idea that Southern New Hampshire’s online students are just marking time and ticking boxes. Students have requirements and electives in the arts and humanities, just like their seat-time peers, and in exit surveys often mention projects on ethics or art history as among their favorites, he says. Helping students earn a degree to gain them a better job is Job One, he adds, but “it doesn’t happen to the exclusion of everything else we care about in education.”

After all, many students at traditional colleges effectively mark time and tick boxes in actual classrooms on their way to career-minded degrees. “I wouldn’t hold online to a higher standard than we do traditional,” LeBlanc says.

Pulsipher acknowledges that Western Governors can’t help every

student. Many traditional-age college students head to a campus looking for what he calls “the emerging-adult experience” — learning how to take on more responsibility for time management, finances, and other life choices. That, Western Governors can’t provide. (His own children have attended Brigham Young University, his alma mater.)

But at a time when many Americans are skeptical about the value and purpose of a college degree, Western Governors and institutions with similar programs offer perhaps a more clear-cut bargain. Today’s students — especially older students — “are more discerning around the investments that they want to make for the credential offerings that they’re pursuing,” Pulsipher says. They want to be certain that their education provides “a path to opportunity.”

That offer has broad appeal. At Western Governors, 8 percent of the student body is under the age of 24, the university’s fastest-growing age demographic.

Online programs tantalize colleges with the possibilities of scale, and of beefing up the work force, but they present thorny challenges to the way nonprofit institutions typically work.

The University of Maine has enjoyed some early success with its online competency-based program, which is based at its Presque Isle campus, in the rural north of the state. When Presque Isle first offered the program to adult students, in the fall of 2017, Raymond J. Rice, president of the campus, says he thought maybe 10 or 15 students would sign up. The program enrolled about 150 students in business administration that first semester. It has maintained comparable enrollment, and the system plans to add more majors.

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But the program, and the system, are still adapting to the faster pace of recruiting adult students. “Students aren’t going to wait two or three

months for us to make a decision,” as they would in a traditional application process, says Robert Neely, vice chancellor for academic affairs. Right now it takes more than a week for students to learn whether they’ve been accepted into the competency-based program. At the established mega-universities, which have created large recruiting infrastructures, students visiting the website will often be greeted with a chatbox within seconds.

“We would love to get it down to 24 hours, but we’ve got a hundred-and-some years of institutional memory to overcome here,” Neely says. “So if I could get it to a week, I’d be happy.”

The thing that might most inhibit a college’s trying to go this big, LeBlanc says, is internal resistance to the model, often from the faculty. Most of the mega-universities started from scratch (such as Western Governors) or were created as an almost completely separate entity from their institutions (like the programs at Southern New Hampshire and Maryland, or Purdue’s acquisition of Kaplan).

“If you want to maintain an elite status as an institution, online education is a delicate dance,” says John Wells, senior vice provost for online education at the University of Massachusetts at Amherst.

He is in charge of a plan over the coming years to rebrand and revamp its longstanding University Without Walls, to make it a higher-quality offering for adults completing degrees, with an even greater appeal to nontraditional students — a plan viewed skeptically by some on campus. “I spend most of my time talking to deans, department chairs, and faculty, and trying to reassure them that this is not going to be the end of education as we know it,” he says.

If successful, the new program would not only aid the university’s mission, Wells says, but would also help compensate for the projected decline in traditional-age students in New England and better align the university with the wider acceptance of online education among learners of all ages. Universities today need “a good nontraditional strategy, however you want to execute it,” says Wells. “That’s going to be the wave of the future.”

The pressure to adapt to online education for adults will probably only increase, especially given the uncertain future of work. With the rise of artificial intelligence and increased automation, “a lot of ‘sure thing’ jobs are not going to be sure things,” LeBlanc says. “Will we need the same number of accountants in the future? That’s a very procedural field. It may be

that we are able to serve that industry with 10, 20, 30 percent of the work force we currently have.”

Crow, the Arizona State president, is bullish about the possibilities for universities and adult learners — although he dislikes that term.

Arizona State has trademarked the phrase “universal learner,” and Crow envisions his university, and other savvy institutions, benefiting by being there when an older student needs new job skills, or wants a degree, or wants to study photography, or maybe all three, at different points. “We think that everybody is going to be learning more and more and more throughout their entire life,” he says. “Thus the word universal.”

Accessible adult education may be a matter of economic survival for many in years to come. The California Community Colleges system is preparing the ground for a competency-based online college specifically to provide subdegree credentials to working Californians. “These are people in the work force that lack any credential beyond a high-school diploma,” says Eloy O. Oakley, chancellor of the system. “And these are the most vulnerable to the changes that are brought about by automation.”

The project has a start-up budget of \$120 million, and plans call for the first program, awarding certificates in medical coding, to come online by the end of the year.

More big universities will probably start ambitious online programs in the years to come, says Michael B. Horn, a consultant on technology and innovation in higher education. He cites the examples of Purdue and the University of Massachusetts, both of which began their programs after the reigning mega-universities and their market shares were well established. But, he adds, “there’s probably only a select number that can meaningfully enter the space.”

Smaller programs like the University of Maine’s can benefit their regions, Horn says, but they still have to compete with the mega-universities. Students may be forced to choose between a local program with limited resources and “a national provider and some serious R&D behind the learning and operations,” he says.

Grajek, of Educause, thinks that simply trying to replicate the mega-universities’ delivery model — on any scale — misses the point. The institutions have managed to create a successful business model that attracts students by offering them an education in a form, at a price,

and with a clear outcome that appeals. “That’s the challenge for higher education, except for the very elites,” Grajek says. “Develop a new value proposition and business model for the coming decades that leverages technology and data.”

Any college pondering an ambitious online model should be asking itself some hard questions, says LeBlanc, of Southern New Hampshire — questions that, these days, most colleges should be asking: “What are your goals? How big do you want to be? Who do you want to serve?” A regional state university, for example, may not need to be a national brand, just better serve the adults in its area.

If the leadership of an institution wants to try its hand at mega-university status, he says, it must consider: “Are they doing everything they need to do so that they’re a better choice than we are?”

Lee Gardner writes about the management of colleges and universities, higher-education marketing, and other topics. Follow him on Twitter [@lee_g](#), or email him at lee.gardner@chronicle.com.

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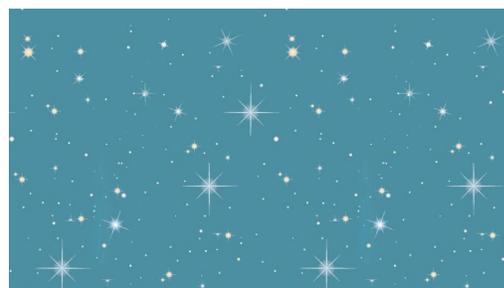
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