



# 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.



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**ONLINE DEGREES  
THAT GET YOU  
WHERE YOU WANT TO GO**



**YOUR CAREER  
SUCCESS ON YOUR  
SCHEDULE, 100%  
ONLINE**

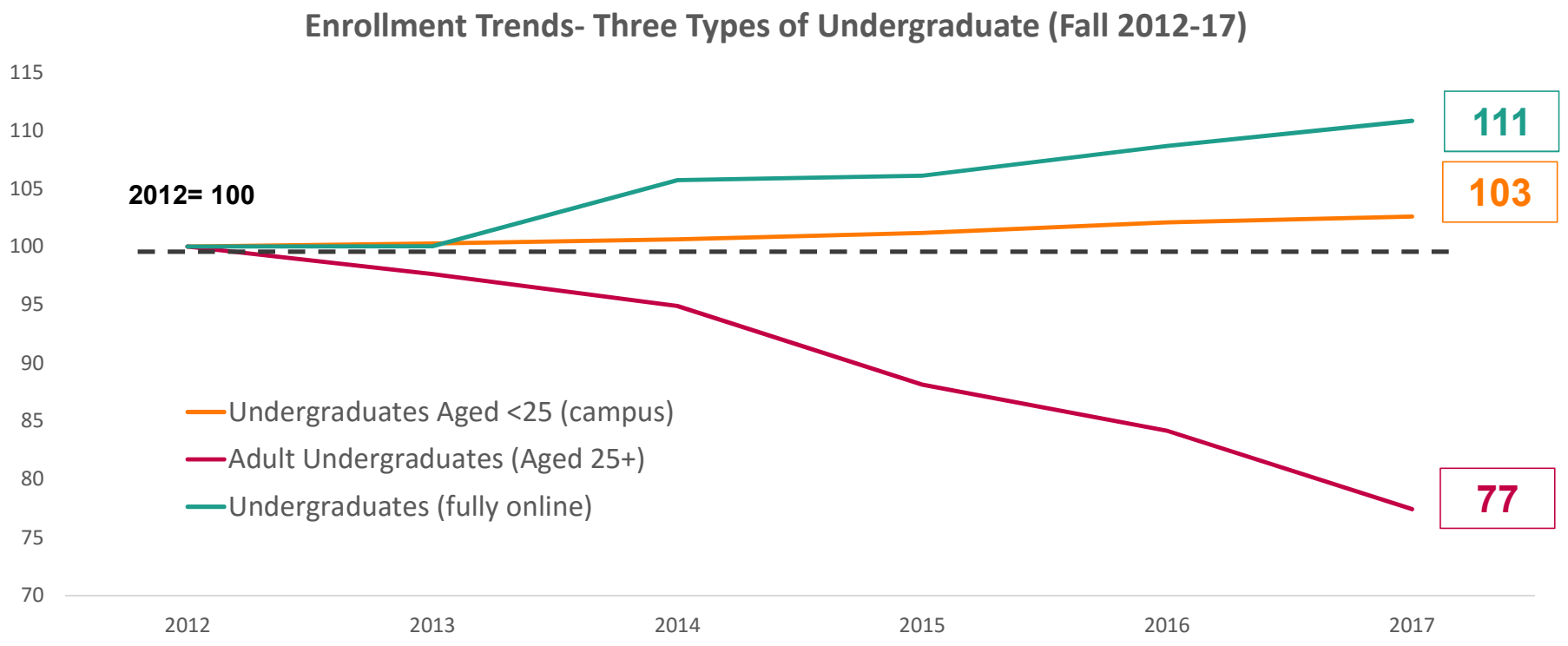


**YOUR LIFE,  
PLUS COLLEGE.**

**RANKED #1 MOST AFFORDABLE  
ONLINE COLLEGE IN THE NATION**



# Online is where the growth is



Source: Eduventures analysis of IPEDS and NSCH data. The 2017 enrollment figures are estimates.

8%

Fully online undergraduates who  
are state residents- as a % of all  
undergraduates



13%

Fully online undergraduates  
as a % of all undergraduates



2,250,000

Number of fully online  
undergraduates







## Cleveland OH

MHI= \$26,583

Online In-State Undergrad= 10.8%



## Jackson MS

MHI= \$32,866

Online In-State Undergrad= 10.4%

*Online to the  
rescue?*



## Dayton OH

MHI= \$28,745

Online In-State Undergrad= 8.7%



## Birmingham AL

MHI= \$32,404

Online In-State Undergrad= 12%





## Detroit MI

MHI= \$26,249

Online In-State Undergrad= 5.3%



## Hartford CT

MHI= \$32,095

Online In-State Undergrad= 5.2%

*Wish online  
was here?*



## Newark NJ

MHI= \$33,025

Online In-State Undergrad= 1.4%



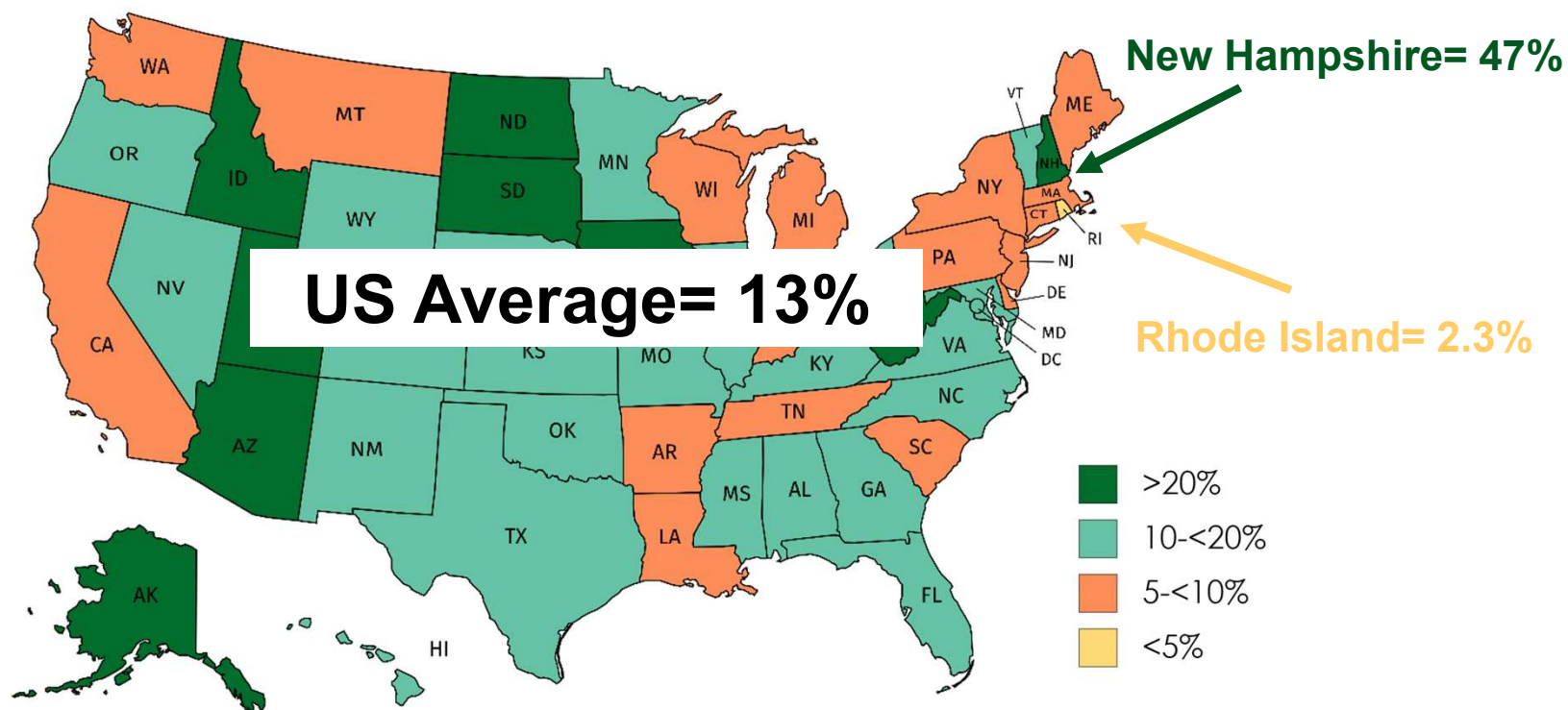
## San Bernardino CA

MHI= \$38,546

Online In-State Undergrad= 4.9%

## Online students are not evenly distributed by state

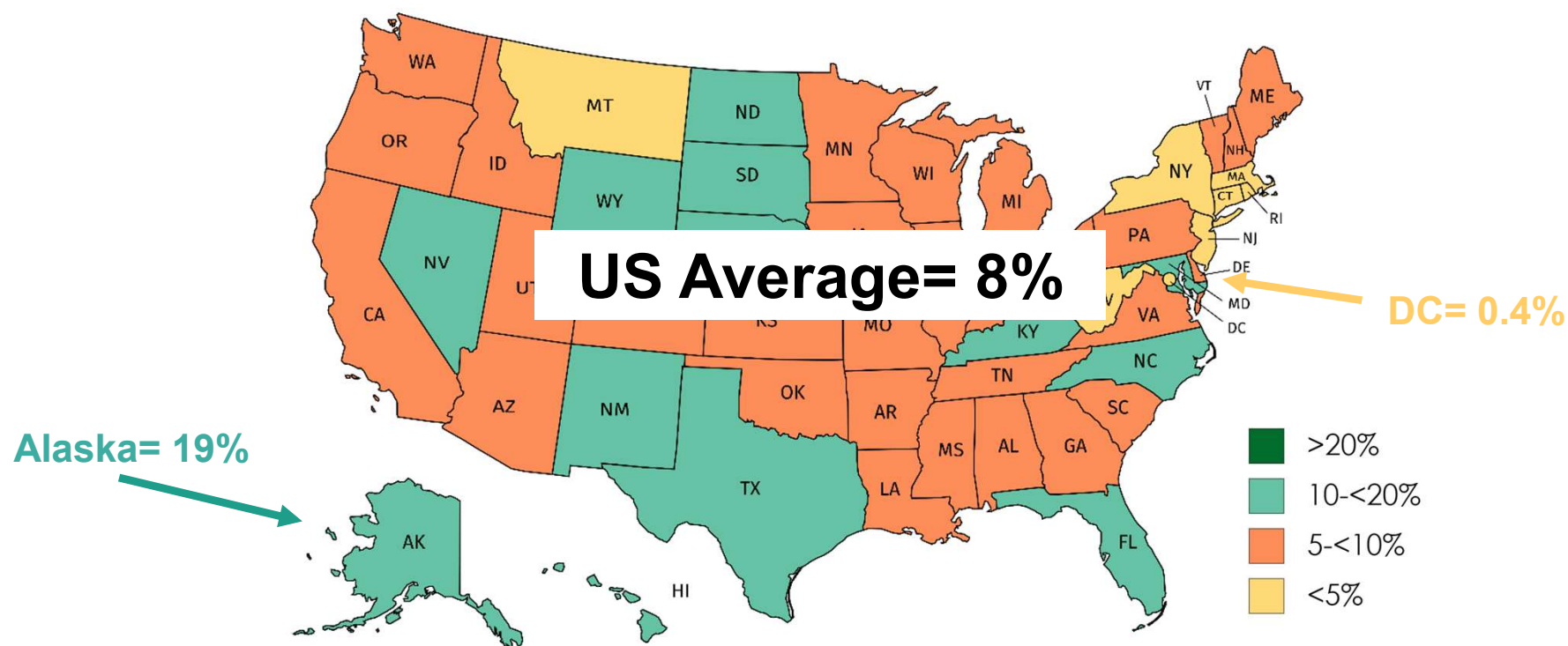
% of Undergraduates Studying Fully Online (Fall 2016)- by school location  
(2 and 4-year schools)



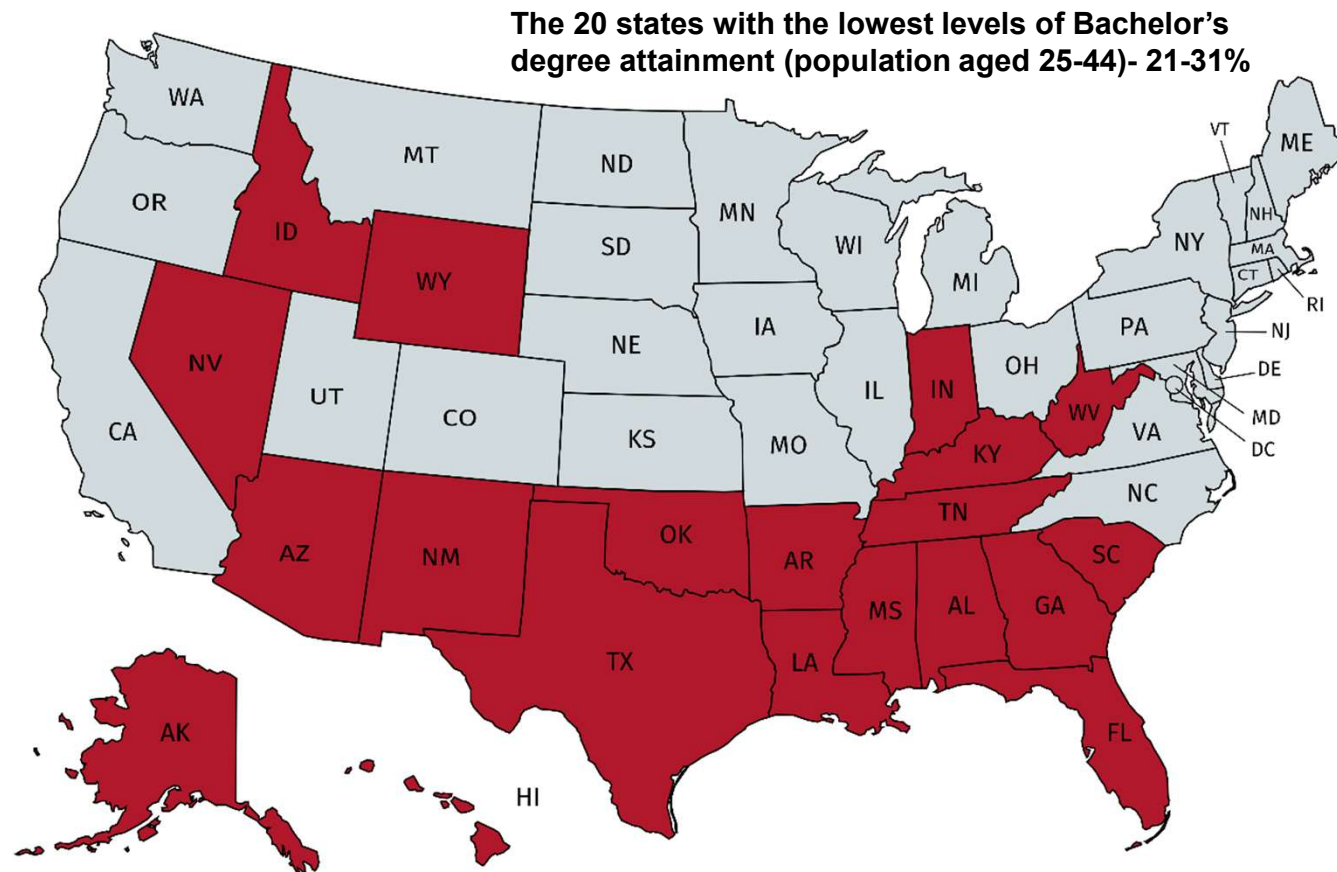


## Fewer states enroll >10% of in-state undergraduates fully online

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



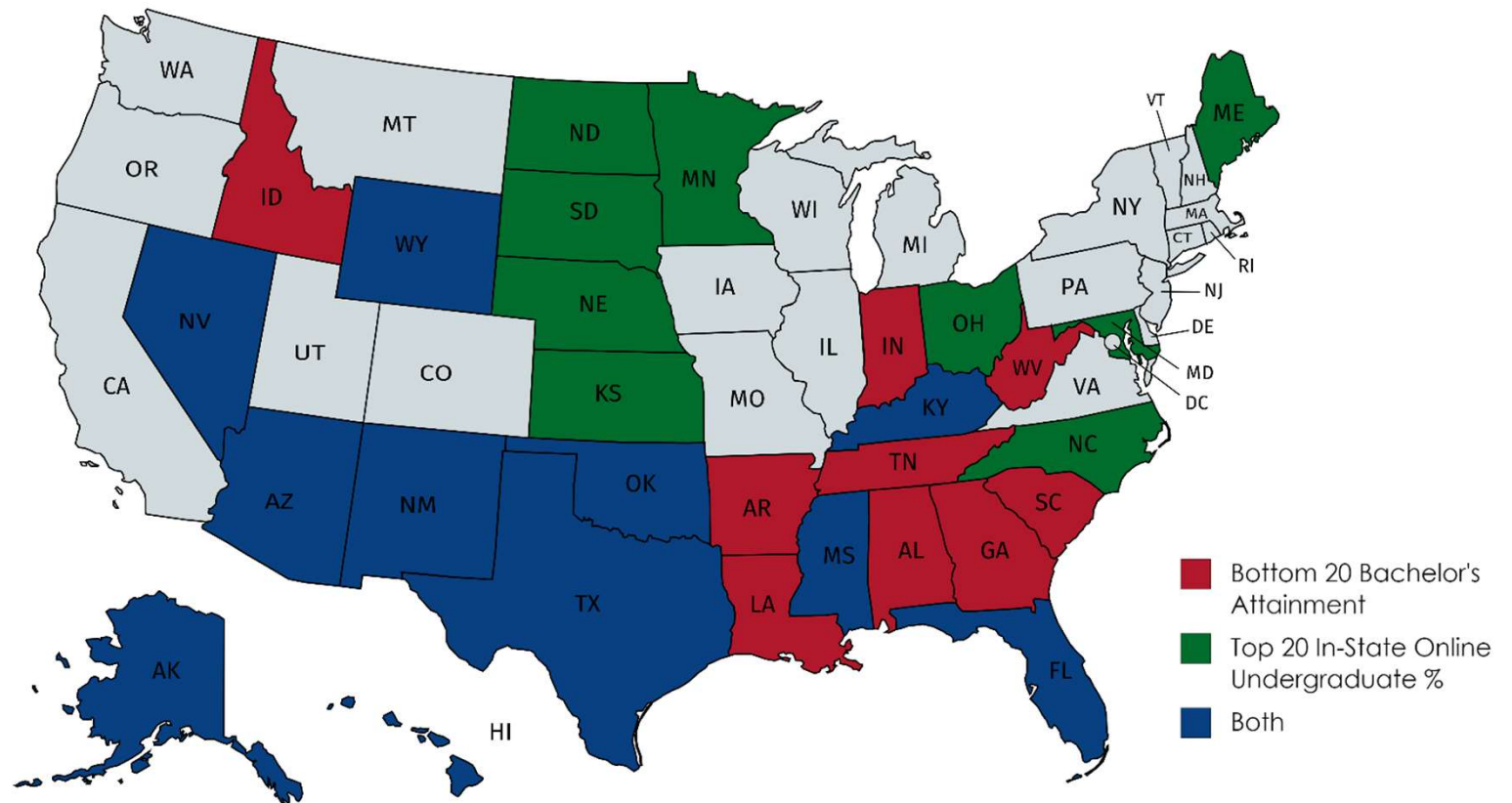
## Does online impact the states most in need?



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Source: U.S. Census Bureau- American Community Survey

## 11 out of 20 states are both most in need and most online





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# *Why?*





**Adults Aged 25-44 (2018)**= 530,000 (up 5% since 2001 but flat to 2028)

**Population Density**= 45<sup>th</sup>

**Median Household Income**= \$45,674

**Unemployment**= 5.4% (participation- 58%)

**State Higher Ed Funding**= -33% (2008 v. 17 net)

**Bachelor's + (aged 25-44)**= 24% (21% in 2005)

**Higher Ed Attainment Goal**= "Strong" (Lumina)

**Legislation & Policy**= related legislation; no policy

**% of In-State Undergraduates Fully Online**

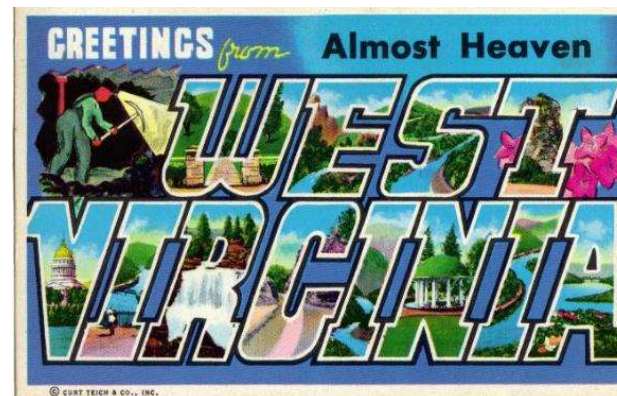
**13.4%**

5<sup>th</sup> highest in the nation (2016)

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Source: U.S. Census Bureau- American Community Survey; Bureau of Labor Statistics; Center on Budget & Policy Priorities; IPEDS.

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**Adults Aged 25-44 (2018)**= 488,000 (down 10% since 2001, then down further to 2028)

**Population Density**= 29<sup>th</sup>

**Median Household Income**= \$42,644

**Unemployment**= 5.4% (participation- 54%)

**State Higher Ed Funding**= -22% (2008 v. 17 net)

**Bachelor's + (aged 25-44)**= 25% (18% in 2005)

**Higher Ed Attainment Goal**= None (Lumina)

**Legislation & Policy**= no legislation or policy

**% of In-State Undergraduates Fully Online**

**4.8%**

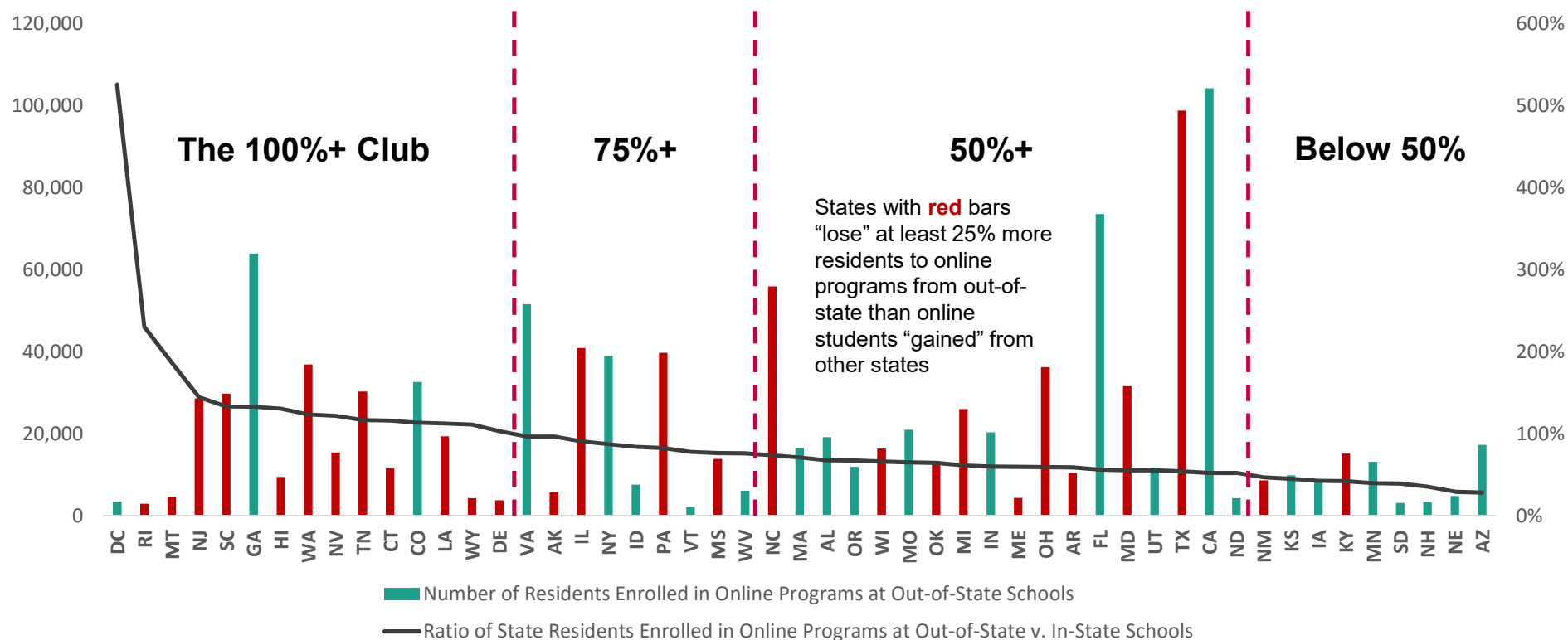
45<sup>th</sup> highest

# *Out-of-State Competition*

*(2.5% of schools enroll 50% of fully online  
undergraduates)*

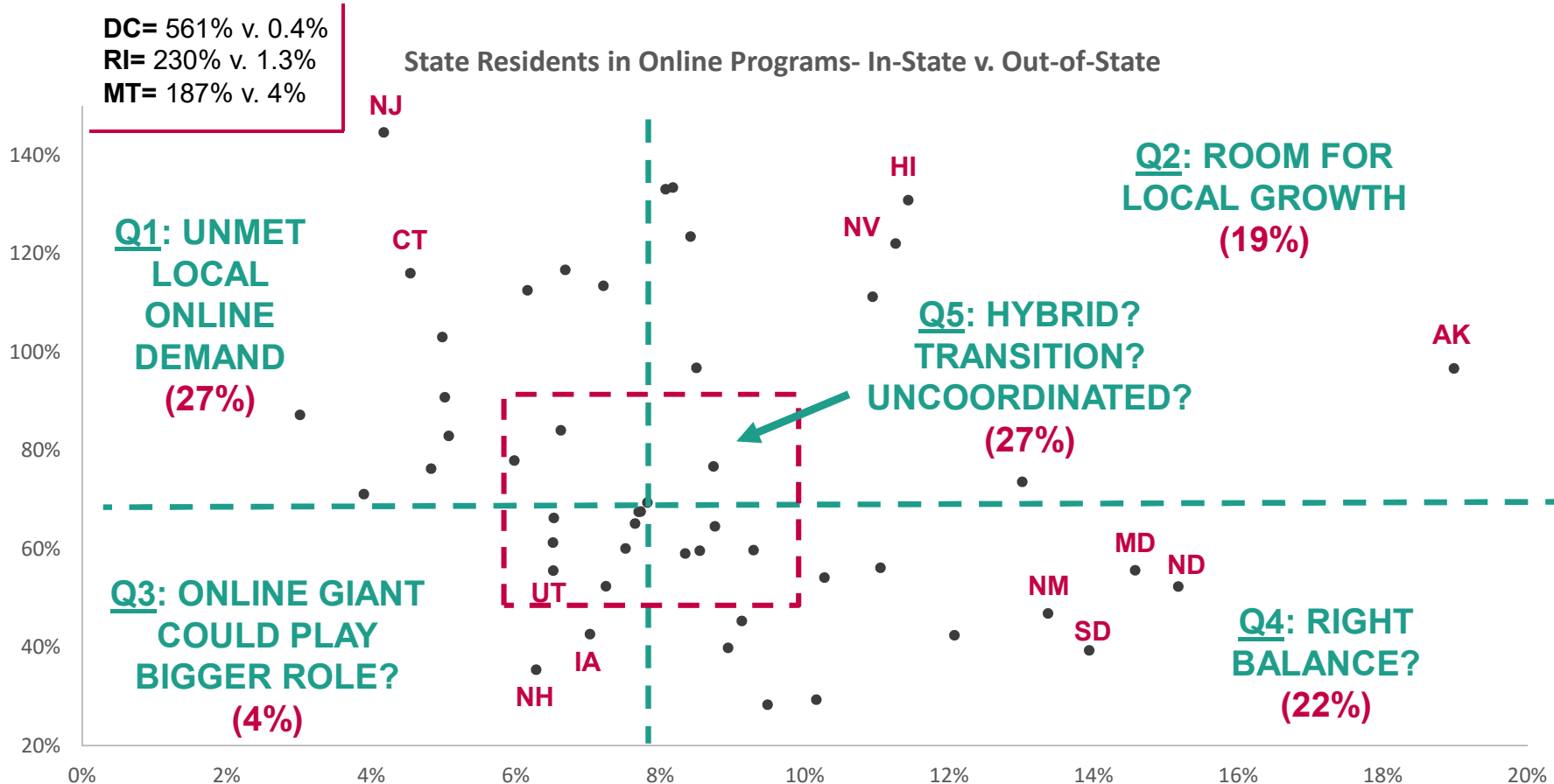
# Online gives state residents more choice

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)





# Online Higher Education Strategy- which states have got it right?



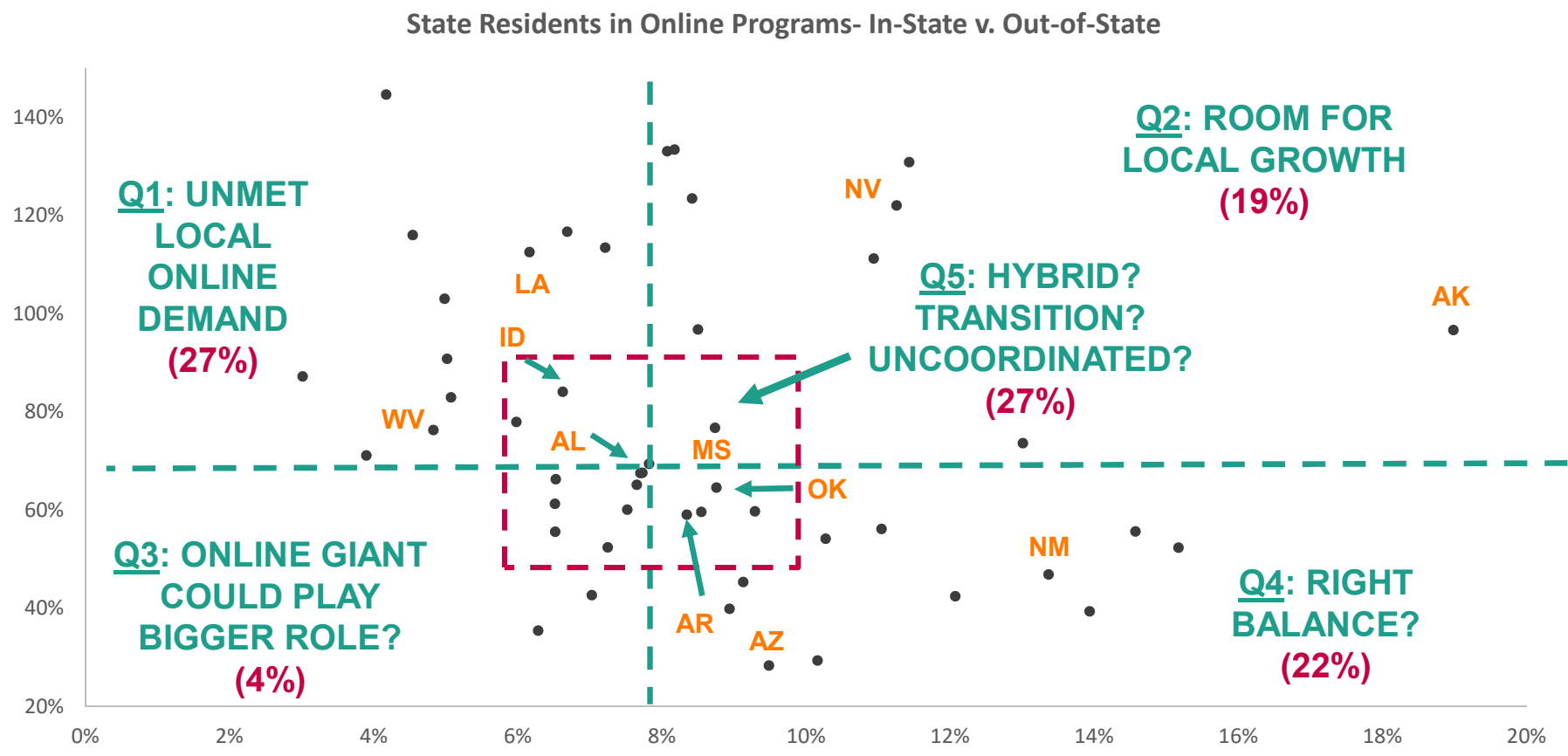
Source: Eduventures analysis of IPEDS and SARA data (2016/17). Chart shows state resident undergraduates in fully online programs as a % of all undergraduates at in-state schools (x-axis) v. ratio of state residents enrolled in online programs at out-of-state schools as a % of the online resident total at in-state schools (y-axis).





# Does Online Higher Ed Reduce Inequality? Not consistently in terms of local supply

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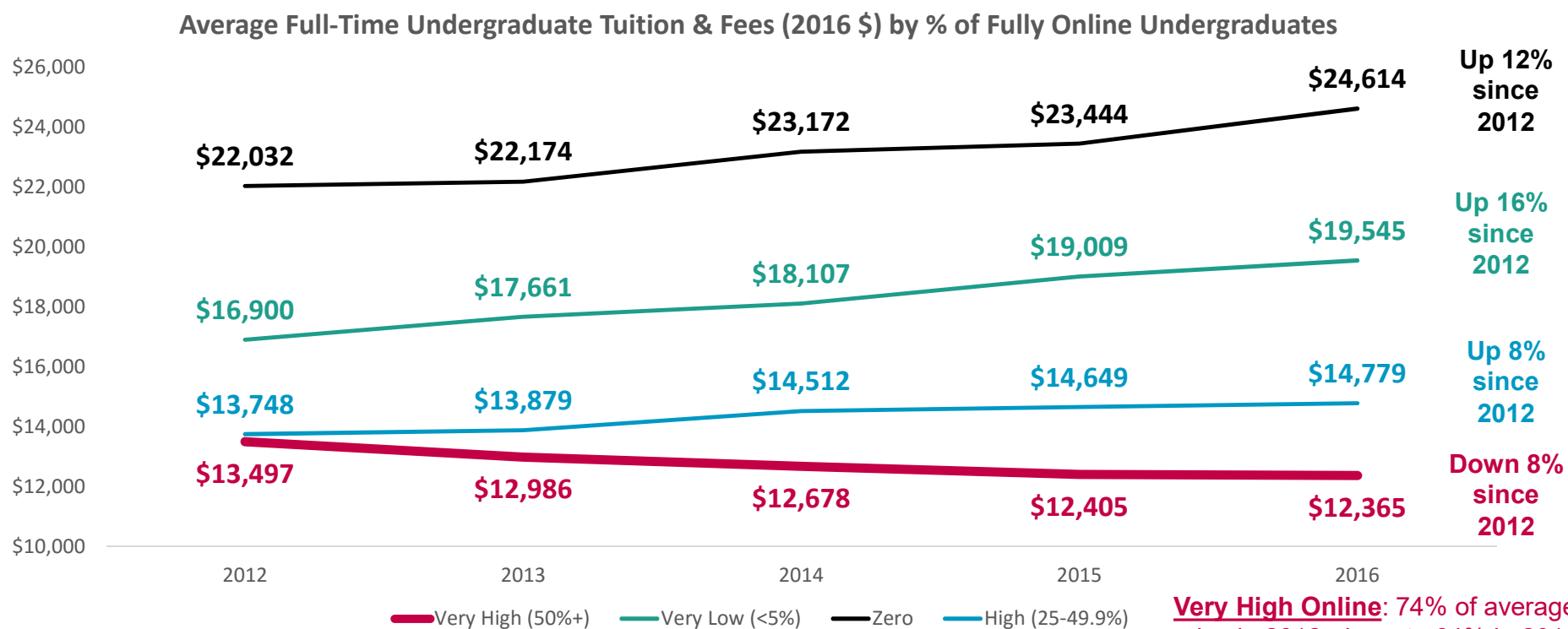
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*Does it  
matter?*

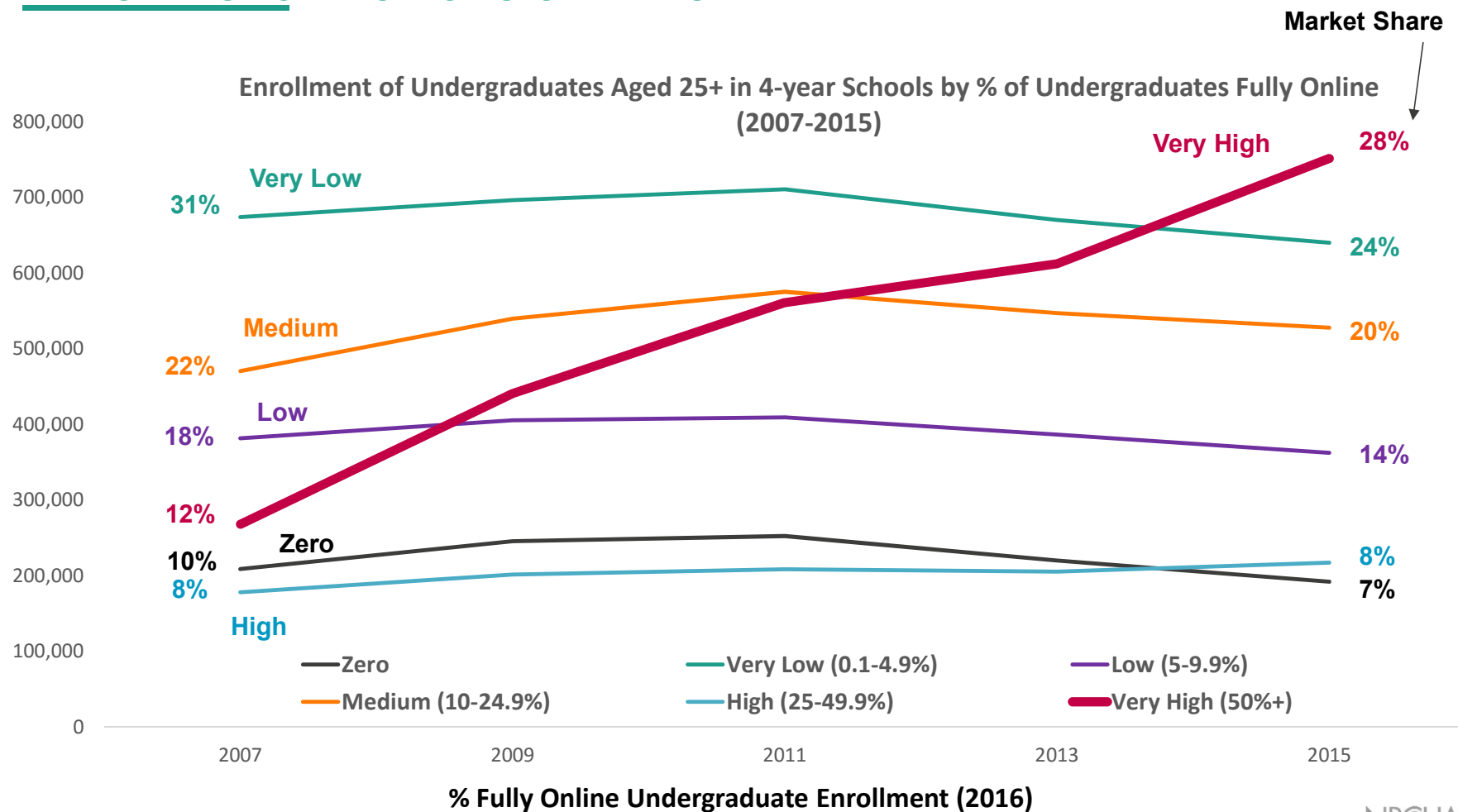
# Fully online student scale and intensity correlated with low, falling tuition and fees



**Very High Online:** 74% of average price in 2012, down to 64% in 2016

Source: Eduventures analysis of IPEDS data. 4-year schools. In-state tuition for public schools.

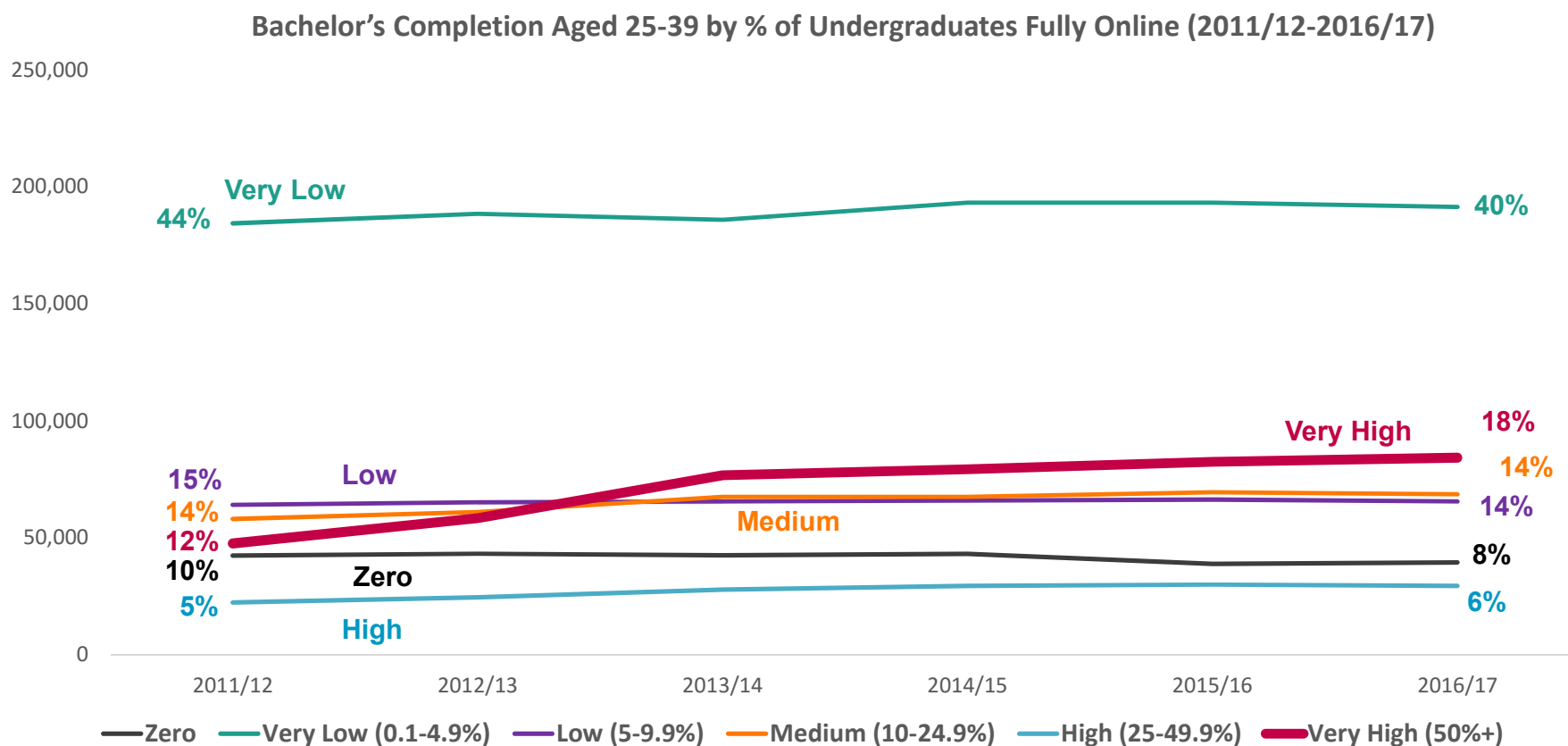
## Enrollment: We have a winner...







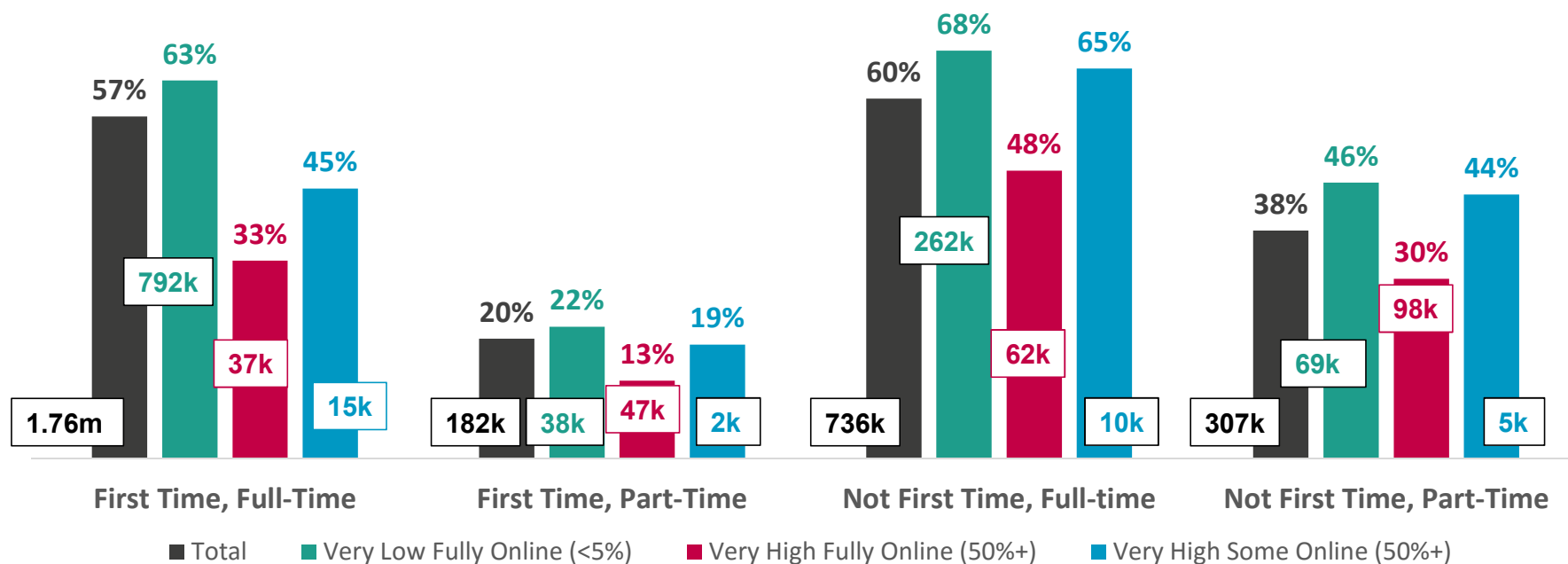
## Outcomes: We have a runner up...



% Fully Online Undergraduate Enrollment (2016)

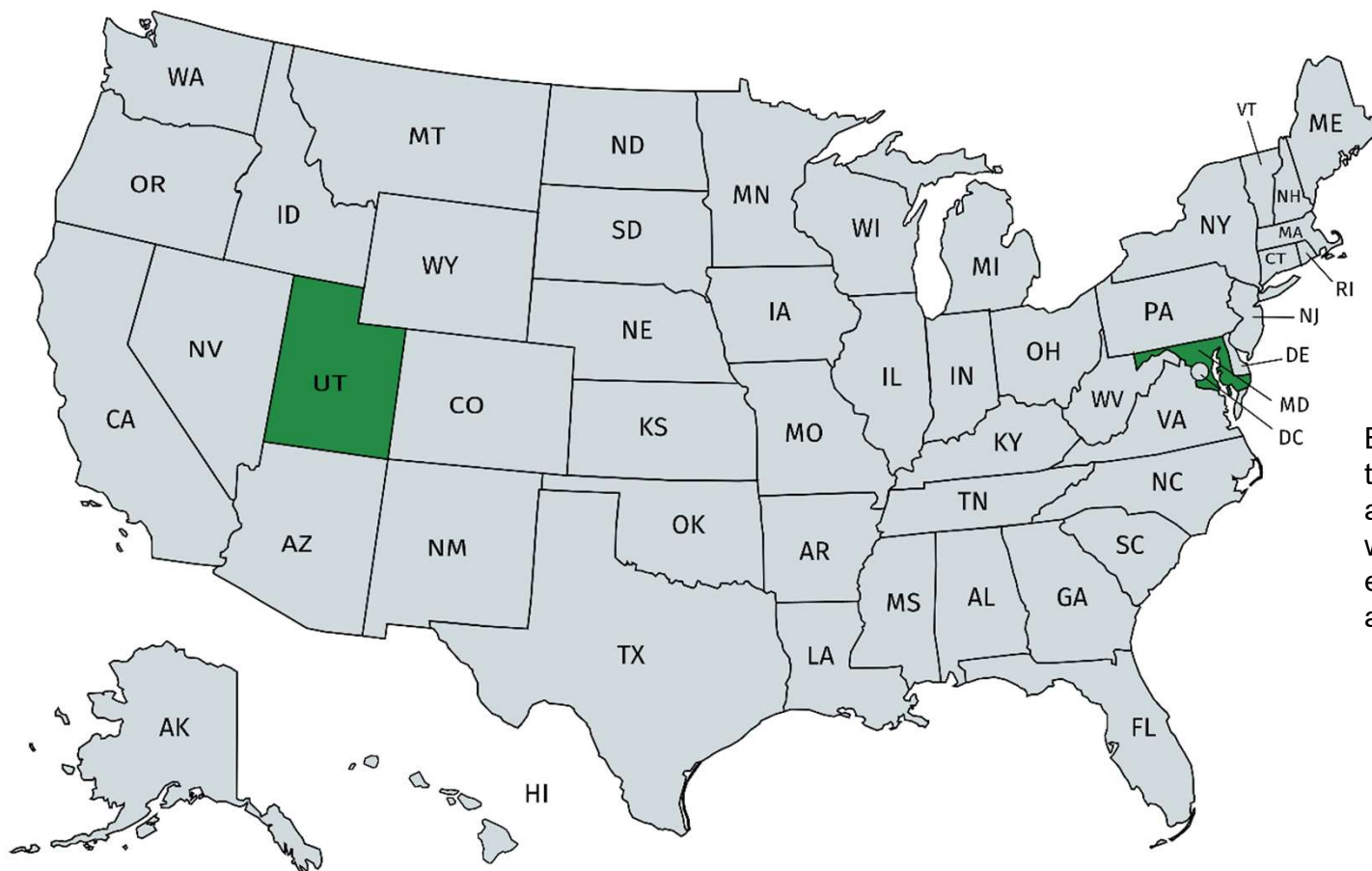
## The Conundrum- fully online widens access but lowers odds of completion. Blended is less practical, likely more expensive but correlated with stronger outcomes

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



Source: Eduventures analysis of IPEDS data. 2 and 4-year schools.

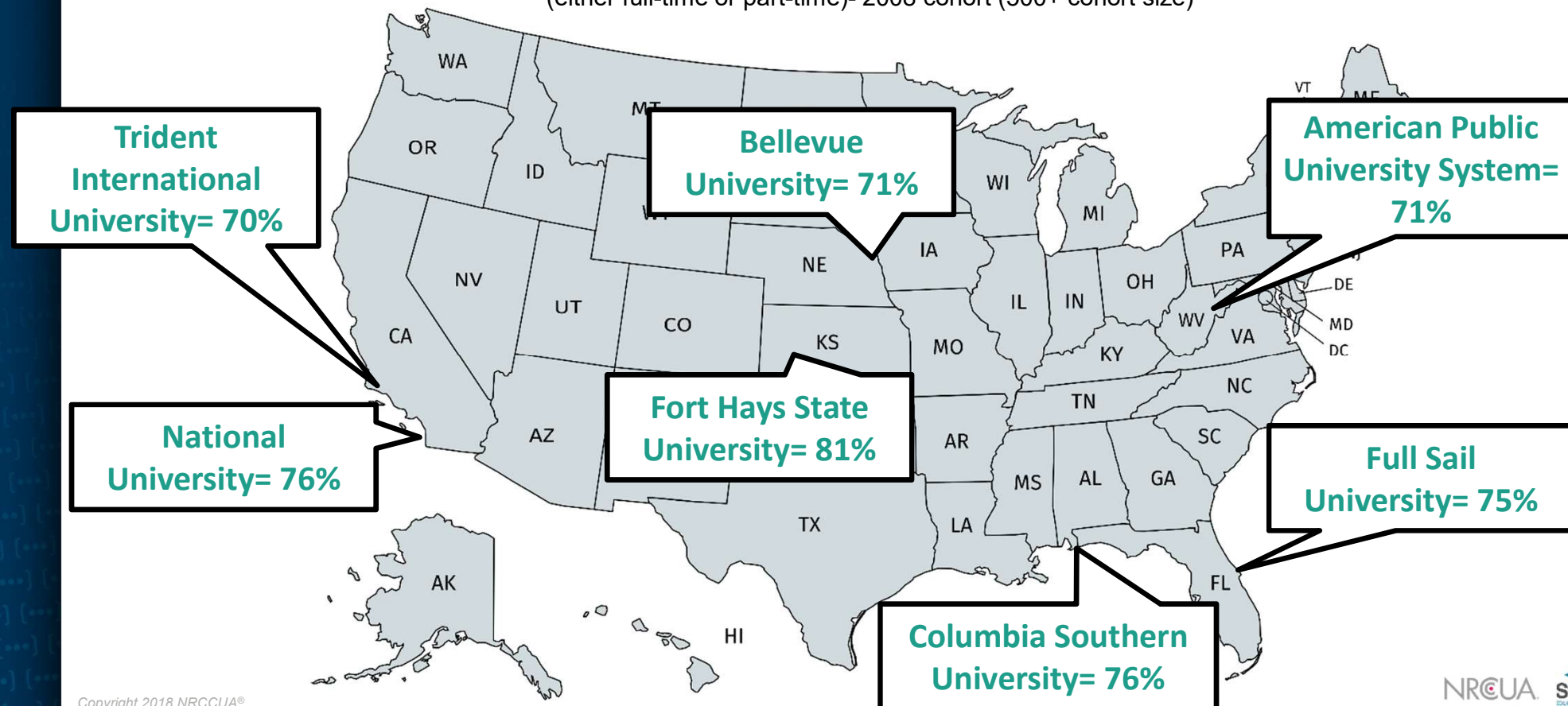
## States with ABOVE AVERAGE nontrad student completion AND ratio AND % undergrads online



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

## 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)

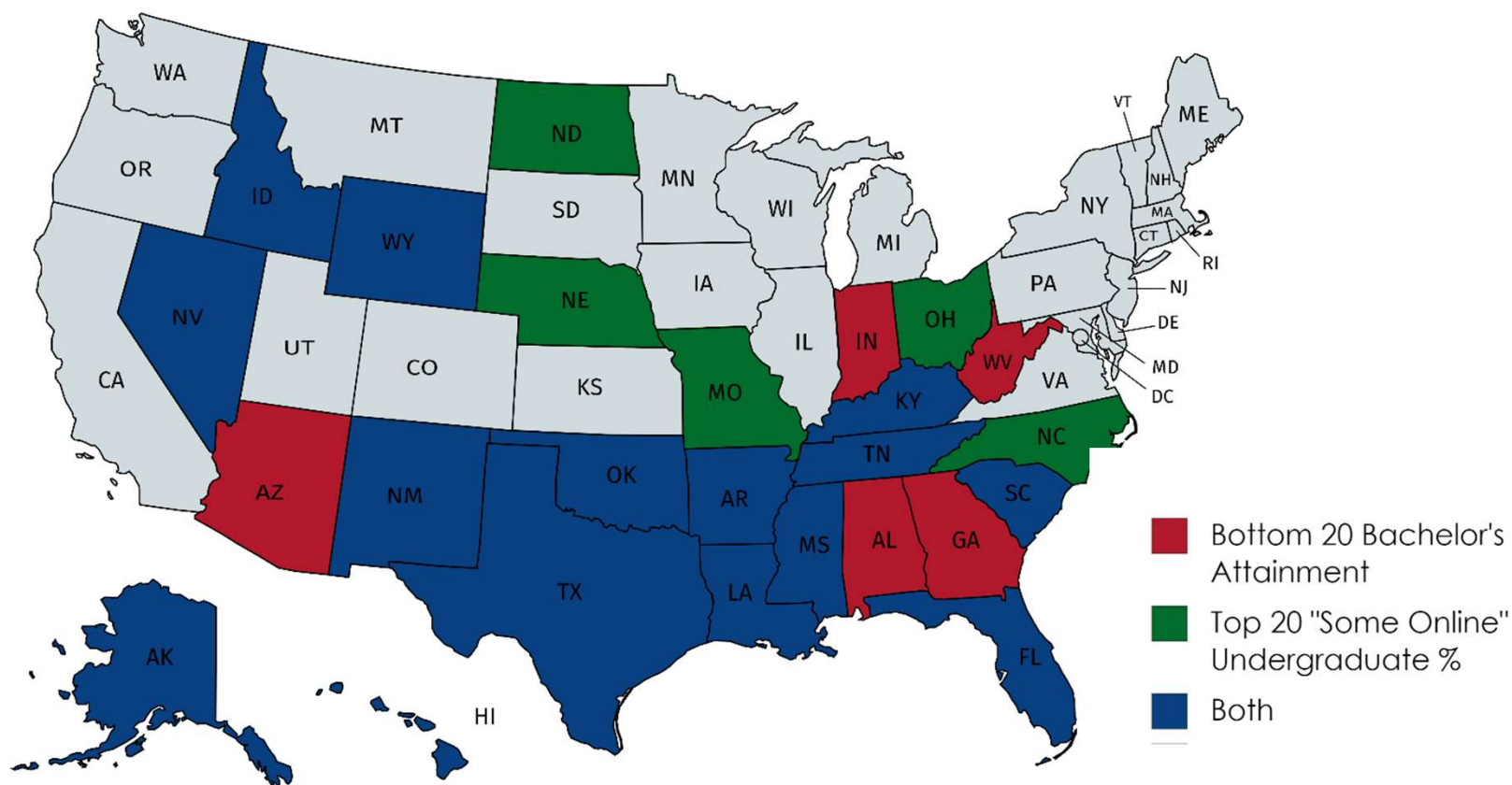


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Source: Eduventures analysis of IPEDS data.



15 out of 20 states are both most in need and most blended





## So does online higher education reduce inequality?

- **Wider Access**- yes for adults and Black students; neutral for Hispanics; makes male under-representation 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.



# Q&A



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## Exploring the Geography of the Market

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