The Future of Postsecondary Career Education

STEVE GUNDERSON, PRESIDENT AND CEO OF CECU
MID-STATES FORUM ON THE FUTURE OF CAREER-TECHNICAL EDUCATION
MARCH 3, 2020
“The Challenge before us!”
• 8.4 million NEW jobs by 2028!
• 18,854,200 separations projected annually!

Annual Demand for new workers: 19,694,000!

-BLS Projections: 2018 – 2028
But... College Enrollment is changing!
1990 - 2011

- Enrollment increased 54%
- 12 million to 18.5 million students!
2019:
• The 8th consecutive year of declining college enrollment
74% of the decline is in adult students (over 24 years of age)

-National Student Clearinghouse
The nation’s 2-year colleges will face a 13% decline from 2012 base over the decade.

- “Some southern states will see declines of up to 29%!”
- The question is whether the growing # of Hispanic students go on to college.

Justin Fox

“The Coming Enrollment Bust” May, 2019
## Two Year Institutions:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>2012 Enrollment</td>
<td>7,167,840</td>
</tr>
<tr>
<td>2028 Projection</td>
<td>6,148,000</td>
</tr>
<tr>
<td><strong>Impact</strong></td>
<td><strong>-1,019,840</strong></td>
</tr>
</tbody>
</table>

A 14.2% decrease!

- National Center for Education Statistics
Increased Skill Demand!
Decreasing Enrollment!
Job Openings by Region (August 2019)

- South: 38%
- West: 23%
- Midwest: 21%
- Northeast: 18%
America’s Projected Workforce Population (18 – 64 years of age):

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2030</th>
<th>2040</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>202.6M</td>
<td>206.3M</td>
<td>215.4M</td>
</tr>
</tbody>
</table>

-U.S. Census Bureau
The Aging of America’s Workforce:

By 2030, 20% of the nation’s population will be 65+.

Figure 1.
Projections of the Older Adult Population: 2020 to 2060
By 2060, nearly one in four Americans is projected to be an older adult.

<table>
<thead>
<tr>
<th>Years</th>
<th>Millions of people 65 years and older</th>
<th>Percent of population</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td>17</td>
</tr>
<tr>
<td>2030</td>
<td></td>
<td>21</td>
</tr>
<tr>
<td>2040</td>
<td></td>
<td>22</td>
</tr>
<tr>
<td>2050</td>
<td></td>
<td>22</td>
</tr>
<tr>
<td>2060</td>
<td></td>
<td>23</td>
</tr>
</tbody>
</table>

The Changing Demographics of our Population:

<table>
<thead>
<tr>
<th>Race</th>
<th>2016</th>
<th>2030</th>
<th>2060</th>
</tr>
</thead>
<tbody>
<tr>
<td>White-Not Hispanic</td>
<td>68%</td>
<td>62.5%</td>
<td>49.6%</td>
</tr>
<tr>
<td>Black</td>
<td>13.7%</td>
<td>14.3%</td>
<td>15.2%</td>
</tr>
<tr>
<td>Native Am/Alaskan</td>
<td>1.2%</td>
<td>1.3%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Asian</td>
<td>2.3%</td>
<td>3.1%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Hawaiian/Pacific Is</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.3%</td>
</tr>
<tr>
<td>2 or more Races</td>
<td>2.7%</td>
<td>3.8%</td>
<td>7.1%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>13.5%</td>
<td>17.1%</td>
<td>25.1%</td>
</tr>
</tbody>
</table>

- U.S. Census Bureau
Automation and Artificial Intelligence: The BIG Winners!

• Builders: 35% growth through 2030
  • (Building Engineers, Construction, Surveyors, Installation/Repair)

• Technology: 34% growth through 2030
  • (Computer Specialists, Computer Engineers)

• Care Professionals: 30% growth through 2030
  • (Nurses, Health Aides/Support; Health Technology, Community/Social Workers)

-McKinsey Global Institute
“Projected Growth by Academic Credential: 2018 – 2028”
Certificates

- Healthcare Support: 13.6%
- Healthcare Practitioner: 10.8%
- Art, design, media: 10.1%
- Personal Care Services: 8.8%
- Legal: 7%
- Protective Services: 5.3%
- Transportation: 4.9%
- Business: 4.6%
- Food Prep: 3.9%
- Installation/Repair: 2.2%
Associate Degrees

- Healthcare Support: 29%
- Healthcare Practitioners: 12%
- Legal: 11%
- Computer: 9%
- Education: 7%
- Management: 5%
- Physical/Social Science: 5%
- Installation/Repair: 3%
Bachelor Degrees

- Computer: 13.2%
- Healthcare Practitioner: 11.9%
- Community/Social: 9.8%
- Management: 7.9%
- Legal: 7.8%
- Business: 7.4%
- Physical/Social Science: 6.1%
- Administrative Support: 5.8%
- Architect/Engineering: 5.1%
“The Students Before Us!”
“Overall, students who enroll in certificate and associate degree programs are more likely to be Black, Latino, Low-Income and older.”

-Georgetown University Center on Education and the Workforce
“The Overlooked Value of Certificates and Associate’s Degrees.”
FIGURE 8. More than half of Latino and Black undergraduate students are enrolled in certificate or associate’s degree programs.

Source: Georgetown University Center on Education and the Workforce analysis of data from the National Postsecondary Student Aid.
FIGURE 9. Among undergraduate students, low-income independent students are the most likely to enroll in certificate or associate’s degree programs.

<table>
<thead>
<tr>
<th>Dependent students</th>
<th>Independent students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bottom income quartile</td>
<td>46%</td>
</tr>
<tr>
<td>Top income quartile</td>
<td>54%</td>
</tr>
<tr>
<td>Enrollment share</td>
<td>24%</td>
</tr>
</tbody>
</table>

Source: Georgetown University Center on Education and the Workforce analysis of data from the National Postsecondary Student Aid Study (NPSAS), 2016.

Note: Percentages may not sum to 100 due to rounding.
FIGURE 10. Among undergraduate students, older students are overwhelmingly enrolled in certificate and associate’s degree programs.

Georgetown University Center on Education and the Workforce
“The Overlooked Value of Certificates and Associate’s Degrees”
page 18
“Demographics, automation and inequality have the potential to dramatically reshape our world in the 2020’s and beyond.”

-Bain Macro Trends
“There is no one-size-fits-all solution for preparing the workforce of the 21st century and no single best pathway to economic mobility, whether a particular credential level or field of study. The most promising solutions for Miami will be different than those for Missoula.”

-“Back to School? What adults without Degrees say about additional education and training.”
Strada/Gallup 2019
Today’s Students:

- 58% work while in college
- 26% are raising children
- 38% are older than 25

-Higher Learning Advocates, October 2017
“46% of those w/o a college degree believe they need additional education to advance their career.”

-“The State of American Jobs”
Pew Research Center, 2016
### Figure 9:
**Consumers Say Employment Outcomes, Affordability and Access Will Have the Strongest Impact on Enrollment**

*How would each of the following impact your likelihood of enrolling in additional education?*

<table>
<thead>
<tr>
<th>Feature</th>
<th>5 “A great deal”</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guaranteed employment outcome [a job placement or wage increase]</td>
<td>44%</td>
<td>13%</td>
</tr>
<tr>
<td>Free community college tuition</td>
<td>44%</td>
<td>11%</td>
</tr>
<tr>
<td>Courses and training that fits your schedule</td>
<td>40%</td>
<td>14%</td>
</tr>
<tr>
<td>Low-cost tuition</td>
<td>36%</td>
<td>11%</td>
</tr>
<tr>
<td>Courses and training that employers need</td>
<td>32%</td>
<td>15%</td>
</tr>
<tr>
<td>Locally accessible education and learning center</td>
<td>30%</td>
<td>5%</td>
</tr>
<tr>
<td>Quality online and distance learning opportunities</td>
<td>23%</td>
<td>15%</td>
</tr>
<tr>
<td>Resources and support for child and dependent care</td>
<td>23%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: Strada-Gallup Education Consumer Survey 2019. Base: U.S. Adults 18-65 with less than an associate degree and who are not currently enrolled. N=8,848
“The Delivery of Career Education!”
Where do adults go for additional education?
FIGURE 8:  
ADULTS WITHOUT DEGREES SAY THEY ARE MOST LIKELY TO SEEK ADDITIONAL EDUCATION FROM EMPLOYERS

On a five-point scale, where 5 means extremely likely and 1 means not at all likely, in the next five years, how likely are you to enroll in courses or training offered through each of the following?

<table>
<thead>
<tr>
<th>Source</th>
<th>Extremely Likely</th>
<th>Not at All Likely</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer</td>
<td>22%</td>
<td>11%</td>
</tr>
<tr>
<td>Community College</td>
<td>15%</td>
<td>8%</td>
</tr>
<tr>
<td>Trade school or program</td>
<td>12%</td>
<td>9%</td>
</tr>
<tr>
<td>Four-year college or university</td>
<td>11%</td>
<td>6%</td>
</tr>
<tr>
<td>Professional association</td>
<td>10%</td>
<td>8%</td>
</tr>
<tr>
<td>Other online non-academic course, training, or certificate</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>Labor Union</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>Online academic provider</td>
<td>7%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: Strada-Gallup Education Consumer Survey 2019. Base: U.S. Adults 18-65 with less than an associate degree and who are not currently enrolled. N=9,848
Zovio Subsidiary Fullstack Academy Signs Agreement With Louisiana State University to Offer Cybersecurity and Web Development Certificates

CHANDLER, Ariz., Feb. 4, 2020 /PRNewswire/ -- Zovio (Nasdaq: ZVO), an education technology services company, announced today that Fullstack Academy, a Zovio subsidiary, has partnered with Louisiana State University to offer two coding programs.

In partnership with Louisiana State University’s Digital and Continuing Education division, Louisiana State University students will be able to enroll in certificates in Cybersecurity and Web Development. The part-time program will take six months to finish, and students will receive a certificate from Fullstack Academy and Louisiana State University upon completion.

"Together, Fullstack and Louisiana State University are working to close the skills gap by enabling Louisiana companies to hire Louisiana talent with cutting-edge skills, as opposed to outsourcing their IT needs," said David Yang, Fullstack Academy co-founder.

"With more than 8,000 open positions in these fields in Louisiana, this partnership aligns with Zovio's focus on identifying the most meaningful ways to enhance learner experiences and deliver strong outcomes for higher education institutions, employers, and learners," said Greg Finkielstein, Executive Vice President and Chief Operating Officer.

Fullstack Academy, which became part of Zovio in 2019, and is one of the top coding bootcamps in the country, offers full-time and part-time programs in web development and cybersecurity. In 2016, Fullstack Academy launched Grace Hopper Academy, the first all-women coding bootcamp in New York City and the first nation-wide to offer a deferred tuition model.

About Zovio
Zovio (Nasdaq: ZVO) is an education technology services company that partners with higher education institutions and employers to deliver innovative, personalized solutions to help learners and leaders achieve their aspirations. The Zovio network, which includes Fullstack Academy, TutorMe, and Learn@Forbes, leverages its core strengths and applies its technology and capabilities to priority market needs. Using advanced data and analytics, Zovio identifies the most meaningful ways to enhance the learner experience and deliver strong outcomes for higher education institutions, employers, and learners. Zovio’s purpose is to help everyone be in a class of their own. For more information, visit www.zovio.com.

Contact: Alanna Vitucci
alanna.vitucci@zovio.com
858 665 2585 x11535
New Ad Council campaign will tout alternatives to the four-year degree. Led by CEOs of Apple and IBM, the project comes from a White House-convened task force on workforce policy.

The Ad Council, which was behind the Smokey Bear and “Just Say No” campaigns for the U.S. government, is set to launch a national advertising promotion for postsecondary education and training alternatives to the four-year college degree.

The "groundbreaking" national campaign will be led by the nonprofit Ad Council in “close association” with IBM, Apple and the White House, the council said.

The ads "will shine a light on how young and working adults can develop the skills in demand for today’s job market," a council spokeswoman said in a written statement, while also seeking to "raise awareness of the wide variety of educational options available, such as coding bootcamps, on-the-job apprenticeships, certifications, associate’s degrees and more."
CUNY's Move on Corporate Tuition Benefits

City University of New York joins ASU spin-off InStride in effort to tap into growing online degree market for companies that offer college tuition benefits to employees.

By Paul Fain / February 17, 2020

To attract and retain employees in a tight labor market, companies are ramping up tuition benefit programs for their workers. And a growing number of colleges and universities are seeking to partner with these employers to offer online degree programs to millions of potential students.

Many are working with intermediaries like Guild Education to tap into this market, which is fueled by as much as estimated $28 billion in annual corporate spending.

The City University of New York is the latest entrant, announcing earlier this month that it will partner with InStride, a relatively new arrival to the employer education benefit space. The company serves as a broker between universities and companies, helping to manage tuition benefit programs while offering employees online credentials and courses from ASU Online and a small network of other universities. InStride is compensated by its corporate partners.
Solving the Health Tech Skills Gap

“At San Antonio’s Southwest General Hospital—where I lead the radiology department—we have embraced stackable credentials as a way to help our imaging employees advance their careers, increase their salaries, and fill vital roles at the hospital.”

- James Benitez, MD
Upskilling Health-Care Workers

"One solution to that problem is to help people get out of those jobs," said Michelle Van Noy, associate director of the Education and Employment Research Center at Rutgers University. "But that doesn't affect the problem itself."

- Madeline St. Amour
Three key “Disconnects in Life-Long Career Education!”
1. Students are choosing to learn outside the formal education system

- Often results with no recognized credential
- Prevents Career Pathways

-Pearson Education Survey
2. Colleges must provide quality programs resulting in real change

- Strengthening the student education experience
- Increasing completion and reducing inequities
- Controlling costs and increasing affordability.

-2017 Commission on the Future of Undergraduate Education
3. Quality Education is key:

“We have to understand more about how students learn, about how to develop and support effective teaching at the college level; and about how to ensure that we are truly educating students, not just providing them with credentials.”

-Michael McPherson and Sandy Baum, *Daedus*
The “Free College Movement” is changing the role of Community Colleges.
Figure 8. Top Five Common Majors at Completion by Race/Ethnicity and Starting Institution Type: 2013 Entering Cohort

2019 National Student Clearinghouse
Thus: A New Picture of Postsecondary Career Education!
In Summary: The Future of Career Education:

A. Technology will guide the design and delivery of our academics

B. But on-site/experiential learning is an essential component for good outcomes

C. Quality in career education academics is the new focus. Outcomes will guide us.

D. Providers will be a new combination of public/private non-profit/proprietary/business. The provider will not be the issue: Outcomes and quality programs will!

E. This is no longer about Access! It is all about Outcomes!
The Critical Role of Employers:
Successful Career Education begins and ends with Employers!

- Schools are in the business of preparing graduates for employment.
- Academics begin with employers sharing skill demands.
- The Education concludes with employers hiring graduates!
Employer Advisory Committees:

- The foundation for successful career education quality!
- Provide work-based learning opportunities for students.
- An excellent marketing resource for the quality of your school.
- Ensure curriculum relevance
- Provide feedback on program design, competencies, and employment.
Modernizing our Public Policies for Tomorrow’s Career Education:

A. Transparency of Programs: Not Schools, but Programs!
   • Graduation Rates
   • Time to Completion
   • Average Debt at completion
   • Average Income 5 – 10 years in career
   • Repayment Rates
   • Placement in field of Study
   • Potential of program in building a Career Pathway
   • Schools will be held accountable for Outcomes!
Modernizing our Public Policies for Tomorrow’s Career Education:

B. Some troubling current measurements:
   - Only 42% of students who enter 2-year programs have earned a credential 8 years later.
   - 80% of Community College students intend to get a BA degree.
   - Only 25% actually transfer.
   - Only 17% of those who do transfer earn a BA degree w/in 6 years.

C. Outcome metrics must be for all programs that produce some type of career skills, including BA and higher programs.

D. Short-Term Pell needs to focus on short-term learning. Outcome standards will be essential to prevent fraud.
Modernizing our Public Policies for Tomorrow’s Career Education:

E. A “modern HEA” will:

• Give schools more authority to manage student debt
• Require Financial Literacy programs
• Enable federal aid to cover payment for prior learning assessment
• Enable schools to employ flexibility – as long as outcomes are maintained/increased
• Grants and loans will be available for high-quality, non-institutional programs including apprenticeship and employer-based training
• Incentives and new policies to enhance Credit Transfer – especially for Career Pathways
• Increase Dual enrollment programs with high schools to accelerate career preparation.
In Conclusion:

Strategies for your school’s future in Career Education!

For your School’s Success:

• Focus on the 25 – 45 age group
• Develop new partnerships (High Schools, Employers, other Education Institutions)
• Embrace the growth of Micro-Credentials
• Insure your school’s commitment to Outcomes and Transparency
• Public-Private Partnerships are here to stay: Adapt!
“Borrowers should select schools and programs that lead to good jobs and whose costs are commensurate with the salaries for their industry of choice.

Then colleges, having enrolled the right students in the right programs, must proactively develop relationships with employers to co-design relevant curricula that meet our country’s need for skilled workers.”

Johnny C. Taylor
President and CEO of the Society for Human Resource Management (SHRM)
CECU
Career Education
Colleges and Universities
www.career.org