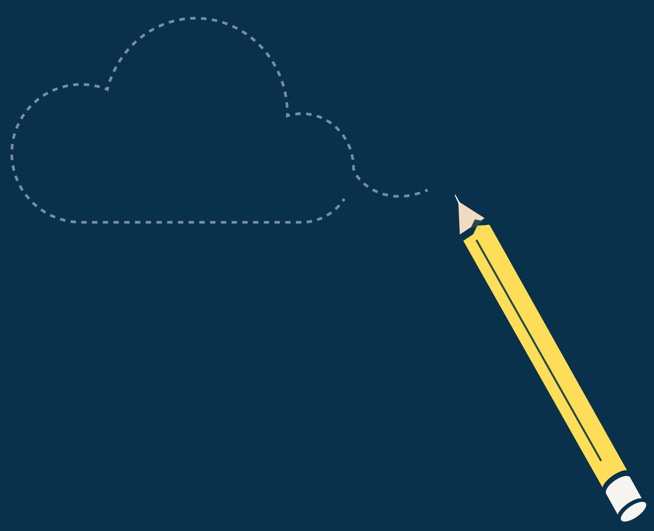
Grade Change

Tracking Online Education in the United States

I. Elaine Allen and Jeff Seaman



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Grade Change

Tracking Online Education in the United States

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January 2014

Cover design by Mark Favazza (www.favazza.com).

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ACKNOWLEDGEMENTS

Grade Change - Tracking Online Education in the United States is the eleventh annual report in this series on tracking online education in the United States. It was originally known as the Sloan Online Survey, in recognition of our founding sponsor, the Alfred P. Sloan Foundation. The Foundation saw the need for the first of these reports and continued that commitment, supporting this independent study, offering full privacy for all respondents as well as free distribution of all report publications. We thank them for this.

We also thank our current partners, the Sloan Consortium and Pearson, for supporting our research with the same degree of independence and autonomy.

Beginning in 2006, the College Board agreed to include our online enrollment questions as part of their Annual Survey of Colleges, providing increased coverage of all of US higher education institutions. We thank them for seeing the value in our reports, and being such a pleasure to work with.

The report was edited and reviewed by Nate Ralph and we thank him for his suggestions, corrections, and careful attention to detail and consistency.

As always, we would also like to thank the people most important to these survey reports: the thousands of respondents who took the time to provide us with such detailed and thoughtful responses. We understand you are very busy people, and appreciate your effort. These reports would not be possible without you, and we hope you find them useful.

J. Elaine Allen

Co-Directors
Babson Survey Research Group
January 2014

PARTNERS

Pearson

Pearson has brought a wide array of experience in higher education to this project and will be producing the e-book version of the report and an infographic highlighting the results.

Pearson, the world's leading learning company, has global reach and market-leading businesses in education, business information and consumer publishing (NYSE: PSO). Pearson helps people and institutions break through to improved outcomes by providing innovative print and digital education materials, including personalized learning products such as MyLab and Mastering, education services including custom publishing, content-independent platforms including the EQUELLA digital repository, and the Pearson LearningStudio online learning platform and OpenClass online learning environment.

The Sloan Consortium

The Sloan Consortium (Sloan-C) has been a long-time supporter and distributor of the national online learning reports in this series for the past ten years.

The Sloan Consortium is an institutional and professional leadership organization dedicated to integrating online education into the mainstream of higher education, helping institutions and individual educators improve the quality, scale, and breadth of education. Originally funded by the Alfred P. Sloan Foundation, Sloan-C is now a non-profit, member sustained organization.

Alfred P. Sloan Foundation

The Alfred P. Sloan Foundation is the founding sponsor of this report series. The authors wish to thank the Foundation for its support for the first eight years of this project.

The Alfred P. Sloan Foundation is a philanthropic, not-for-profit grantmaking institution based in New York City. Established in 1934 by Alfred Pritchard Sloan Jr., then-President and Chief Executive Officer of General Motors, the Foundation makes grants in support of original research and education in science, technology, engineering, mathematics and economics. From 1992 to 2008, the Foundation's now completed Anytime Anyplace Learning program funded initiatives to develop, expand, and promote high quality learning online. www.sloan.org

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EXECUTIVE SUMMARY

Grade Change - Tracking Online Education in the United State is the eleventh annual report on the state of online learning in U.S. higher education. The survey is designed, administered and analyzed by the Babson Survey Research Group, with data collection conducted in partnership with the College Board. Using responses from more than 2,800 colleges and universities, this study is aimed at answering fundamental questions about the nature and extent of online education.

Is Online Learning Strategic?

Background: *Previous reports in this series noted the proportion of institutions that believe that online education is a critical component of their long-term strategy has shown small but steady increases for a decade.*

The evidence: When this report series began in 2002, less than one-half of all higher education institutions reported online education was critical to their long-term strategy. Last year that number was at an all-time high of close to seventy percent.

- The proportion of chief academic leaders that say online learning is critical to their long-term strategy dropped to 66 percent in 2013.
- Institutions that do not have any online offerings account for all of the decrease from 2012 to 2013, while those with online offerings are as positive in 2013 as they were in 2012.
- The proportion of institutions reporting online education is not critical to their long-term strategy has dropped to a new low of 9.7 percent.

Are Learning Outcomes in Online Comparable to Face-to-Face?

Background: *The reports in this series have consistently found a growing majority of chief academic officers rate the learning outcomes for online education "as good as or better" than those for face-to-face instruction.*

The evidence: The 2013 results show a small decrease in the percentage of academic leaders who view the learning outcomes for online instruction as the same of better than face-to-face instruction.

- The percent of academic leaders rating the learning outcomes in online education as the same or superior to those in face-to-face instruction had grown from 57 in 2003 to 77 percent in 2012. The upward trend was reversed this year, with a dip to 74 percent.
- The proportion of academic leaders who believe the learning outcomes for online education are inferior to those of face-to-face instruction increased from 23 percent last year to 26 percent this year.
- Academic leaders at institutions with online offerings remain positive about the relative learning outcomes for online courses; all of the decrease can be attributed to leaders at institutions without online offerings becoming more negative.

How Many Students are Learning Online?

Background: *For every year of this report series online enrollments have increased at rates far in excess of those of overall higher education — at what point will we see online enrollment begin to plateau? Growth rates for online enrollments have been decreasing over the past few years — will this trend continue?*

The evidence: The number of additional students taking at least one online course continued to grow at a rate far in excess of overall enrollments, but the rate was the lowest in a decade.

- The number of students taking at least one online course increased by over 411,000 to a new total of 7.1 million.
- The online enrollment growth rate of 6.1 percent is the lowest recorded in this report series.
- The proportion of higher education students taking at least one online course is at an all-time high of 33.5 percent.

What is the Future of Online Learning?

Background: *Academic leaders are well aware of the continued growth in online education. They also see what changes, if any, this growth has had for their own institutions. What do they think the future holds?*

The evidence: Chief academic officers are strong believers that the number of students taking online courses will continue to grow. They are divided on other aspects of the future of online learning.

- Ninety percent of academic leaders believe that it is "Likely" or "Very Likely" that a majority of all higher education students will be taking at least one online course in five years' time.
- Two-thirds of chief academic officers believe that there will be substantial use of student-directed, self-paced components in future online courses.
- Less than one-third of academic leaders believe that there will no longer be concerns about the relative quality of online courses.

Massive Open Online Courses (MOOCs)

Background: *The 2012 report noted that for all the publicity that Massive Open Online Courses (MOOCs) have generated, only a small number of institutions either had or were planning to offer a MOOC.*

The evidence: The results for 2013 are very similar to 2012 — a small segment of higher education institutions are experimenting with MOOCs with a somewhat larger number in the planning stages. Most institutions remain undecided.

- The percent of higher education institutions that currently have a MOOC, increased from 2.6 percent to 5.0 percent over the past year.
- The majority of institutions (53 percent) report they are still undecided about MOOCs, while under one-third (33 percent) say they have no plans for a MOOC.
- Only 23 percent of academic leaders believe that MOOCs represent a sustainable method for offering online courses, down from 28 percent in 2012.
- A growing proportion of academic leaders have concerns that credentials for MOOC completion will cause confusion about higher education degrees (64 percent in 2013, up from 55 percent in 2012).

ONLINE LEARNING AND MOOCS

This report focuses on online courses and programs offered as a normal part of an institution's programs, as well as Massive Open Online Courses (MOOCs) typically offered for free to those outside of the institution's student body.

An online course is defined as one in which at least 80 percent of the course content is delivered online. Face-to-face instruction includes courses in which zero to 29 percent of the content is delivered online; this category includes both traditional and web facilitated courses. The remaining alternative, blended (or hybrid) instruction, has between 30 and 80 percent of the course content delivered online.

The definition of an online course has remained consistent for the eleven years these national reports have been conducted. These definitions were presented to the respondents at the beginning of the survey, and repeated in the body of individual questions where appropriate.

While there is considerable diversity among course delivery methods used by individual instructors, the following is presented to illustrate the prototypical course classifications used in this study.

Proportion of Content Delivered Online	*Type of Course*	*Typical Description*
0%	Traditional	Course where no online technology used — content is delivered in writing or orally.
1 to 29%	Web Facilitated	Course that uses web-based technology to facilitate what is essentially a face-to-face course. May use a course management system (CMS) or web pages to post the syllabus and assignments.
30 to 79%	Blended/Hybrid	Course that blends online and face-to-face delivery. Substantial proportion of the content is delivered online, typically uses online discussions, and typically has a reduced number of face-to-face meetings.
80+%	Online	A course where most or all of the content is delivered online. Typically have no face-to-face meetings.

While sharing many characteristics with online courses, MOOCs are somewhat different. Oxford Dictionaries Online defines a MOOC as: "A course of study made available over the Internet without charge to a very large number of people."[1] MOOCs typically differ from "regular" online courses in that:

- Those participating are not registered students at the school.
- They are designed for unlimited participation and open access via the web – no tuition is charged.
- There is typically no credit given for completion of the MOOC.

Schools may offer online learning and MOOCs in a variety of ways. The survey asked respondents to characterize their face-to-face, blended, and online learning by the level of the course (undergraduate, graduate, non-credit, etc.). Similarly, respondents were asked to characterize their face-to-face, blended, and online program offerings by level and discipline. They were also asked about any MOOC offerings.

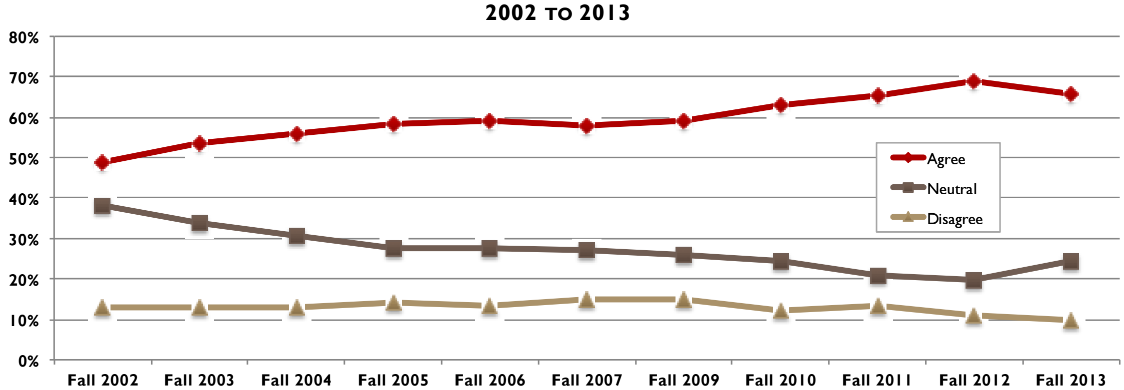
[1] http://www.oxforddictionaries.com/us/definition/american_english/MOOC

Online Learning

Is Online Learning Strategic?

Institutions that agreed to the statement "Online education is critical to the long-term strategy of my institution" varied dramatically in 2013, as compared to previous years. Earlier patterns showed slow increases in the number of those believing that online education was critical for their long-term strategy, a steady decline among those who were neutral, and a consistent group of holdouts that disagreed. The pattern for 2013 reveals both the largest-ever decrease in the proportion that agree that online is critical for their strategy, and the first-ever increase in the rate of those saying that they are neutral on the topic. The percent disagreeing, which has held relatively steady for all ten previous years, also dropped below ten percent for the first time in 2013.

Online Education is Critical to the Long-term Strategy of My Institution: 2002 to 2013

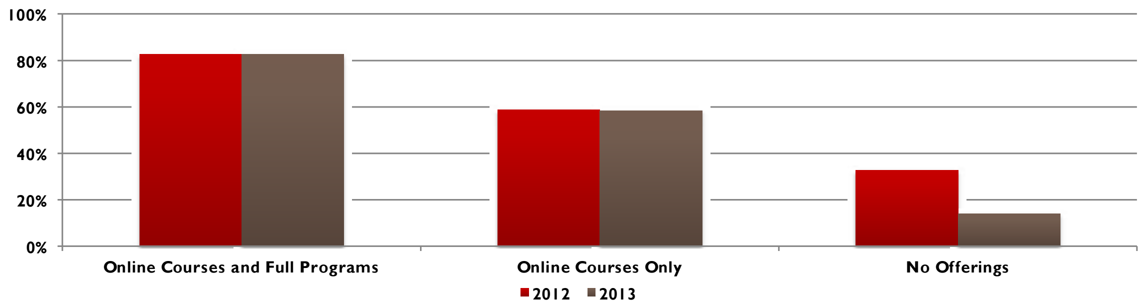


The historic pattern began in 2002, with less than one-half of all higher education institutions reporting that online education was critical to their long-term strategy. This was followed by a series of small increases virtually every year, with institutions embracing online education as a part of their strategic direction — the single previous exception being a drop of 59.1 to 58.0 percent between 2006 and 2007. In each of these years, the growth in the number agreeing came almost exclusively from those that had previously been neutral on the subject – those that disagreed remained consistent in their disagreement.

The survey does not tell us why the pattern has changed. But it does allow us to examine the types of institutions from which we are seeing the most change. Examining the patterns shows only small year-to-year differences by size of the institution, Carnegie classification, or between public and private institutions.

There is one area where the difference in opinion between 2012 and 2013 is very pronounced: among institutions that do not yet have any online offerings. The level of support among those institutions without online education has dropped considerably. In the past, about one-third of schools that did not have any online offerings reported that they considered online education to be critical for their long-term strategy, and planned to add such offerings in the future. For 2013, the proportion of such institutions has dropped to less than one-half of what it was previously. This may indicate that these institutions are no longer considering offering any online education in the future. The next section examines these schools in greater depth.

ONLINE EDUCATION IS CRITICAL TO THE LONG-TERM STRATEGY BY ONLINE OFFERINGS: 2012 AND 2013

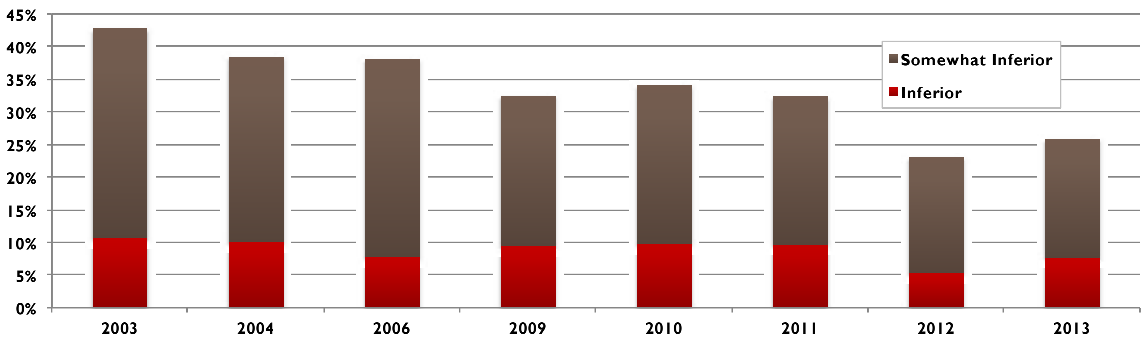


Over the years, these reports have shown that there has been a consistent gap between those who profess online education is critical, and those that have specifically included online education within their strategic plan. The pattern remains true this year. Over 20 percent of all higher education institutions claim that online education is critical for their long-term strategy, but also report that online education is not "significantly represented in my institution's formal strategic plan."

Are Learning Outcomes in Online Comparable to Face-to-Face?

The view that online education is "just as good as" face-to-face instruction was not a widely held belief when this series of reports began in 2003: 42.8 percent of chief academic officers reporting that they considered the learning outcomes for online instruction to be inferior to face-to-face. The relative view of online quality has improved considerably over time. There were small changes from 2003 through 2009, but the proportion of chief academic officers reporting that learning outcomes for online education were "Inferior" or "Somewhat Inferior" to those for comparable face-to-face courses held relatively steady from 2009 and 2011. There was then a substantial improvement in 2012, with the proportion of academic leaders considering online to be inferior dropping to 23 percent. Results for 2013 show a partial retreat, with the proportion considering online learning outcomes to be inferior edging up a few percentage points to 26 percent.

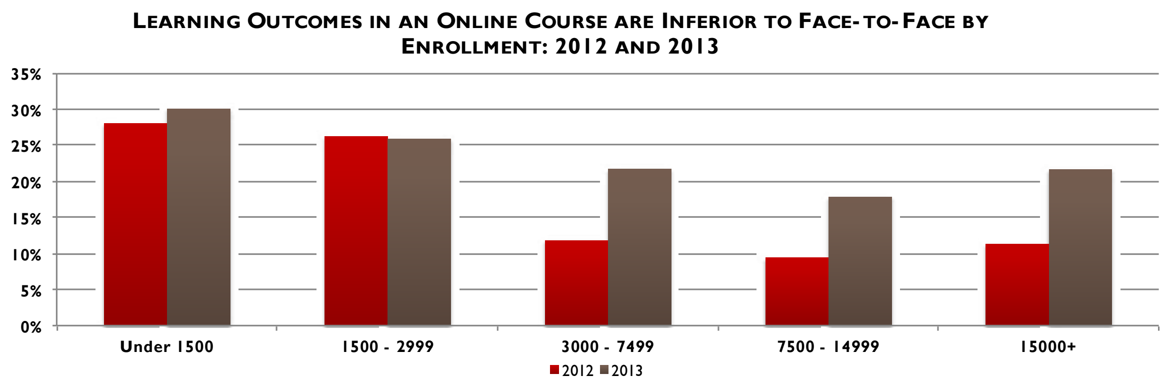
Proportion Reporting Learning Outcomes in Online Education as Inferior to Face-to-Face: 2003 to 2013



It is important to note that chief academic officers are reporting their *personal perceptions* about the relative quality of online and face-to-face instruction. Some academic leaders may be basing their opinions on detailed analysis of the offerings at their own institutions. For others, the opinion may only be based conversations with peers, what they have read in the press, or any number of other sources. That said, while the results may not be direct measures of outcomes they remain critical: These leaders are making decisions on their institution's future based on these perceptions.

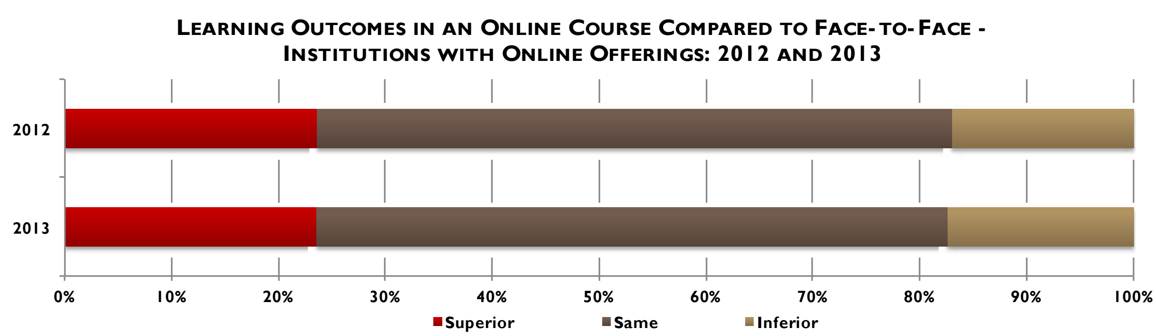
The largest institutions (as measured by their overall enrollments) are the most likely to offer online course offerings, and have consistently held the most positive views on the relative quality of online instruction. The results do not allow us to say whether this generally positive attitude leads these institutions to offer more online courses, or if greater exposure to online courses and programs provides said institutions with a more positive opinion.

The largest institutions continue to have a more positive outlook towards online learning than smaller institutions, but the gap has narrowed considerably over the past year. Attitudes among the smaller institutions (less than 3,000 total students) are virtually the same in 2013 as they were in 2012. Among institutions with more than 3,000 total enrollments, the picture is very different: results show increases of between eight and ten percentage points in the proportion of academic leaders who now report the learning outcomes for online instruction are inferior to those for face-to-face instruction.



Even with the changes observed over the past year, there has been a long-term pattern of improved impressions of the quality of online education among higher education's academic leadership. However, it is important to note that one-quarter of chief academic officers still consider the learning outcomes for online education to be inferior to those for face-to-face instruction.

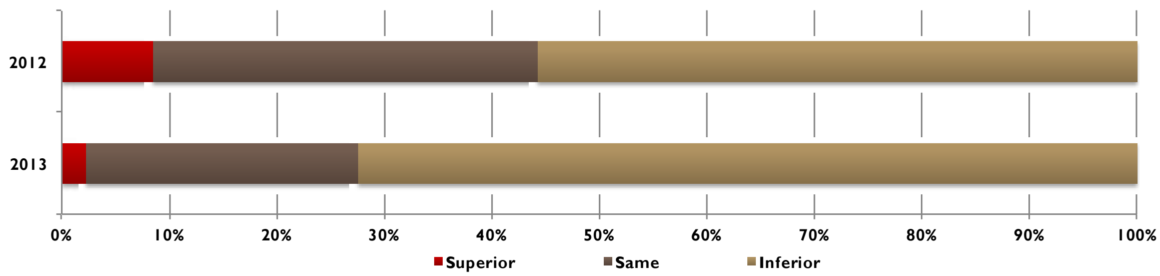
Comparing the responses from institutions that have some form of online offerings for 2012 and 2013 shows no changes — the results for this year mirror those observed in 2012. Nearly one-quarter believe online outcomes to be superior, slightly under 20 percent think them inferior, with the remainder reporting that the learning outcomes are the same for the two delivery methods.



All of the change between 2012 and 2013 in the evaluation of the relative quality of online courses compared to face-to-face instruction comes from academic leaders at schools that do not have any online offerings. The result here is identical to that observed for the strategic importance of online education: schools with online offers have not changed their views at all, while those with no online courses or programs are now more critical of online education than they were previously.

The change among this group is substantial: the proportion reporting that online instruction is inferior has jumped from 56 to 72 percent in one year. Likewise, the proportion thinking that learning outcomes for online courses are superior dropped from 8.5 to only 2.3 percent over this same period.

Learning Outcomes in an Online Course Compared to Face-to-Face - Institutions with No Online Offerings: 2012 and 2013



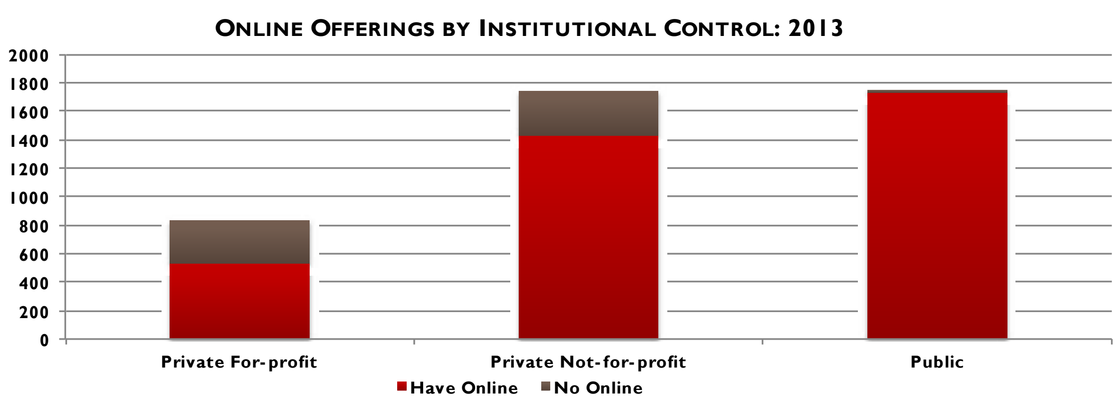
Schools Without Online Offerings

The results for 2013 represent a marked change from the pattern of responses observed in previous years. In the past, all institutions have consistently shown a similar pattern of change over time. Different groups of institutions typically reported the same direction of change – if one group noted an improvement on a particular index, all other groups would show a similar degree of improvement. The overall level of agreement with a particular statement might vary among different groups, but the pattern of change over time would be similar. This is not the case for 2013.

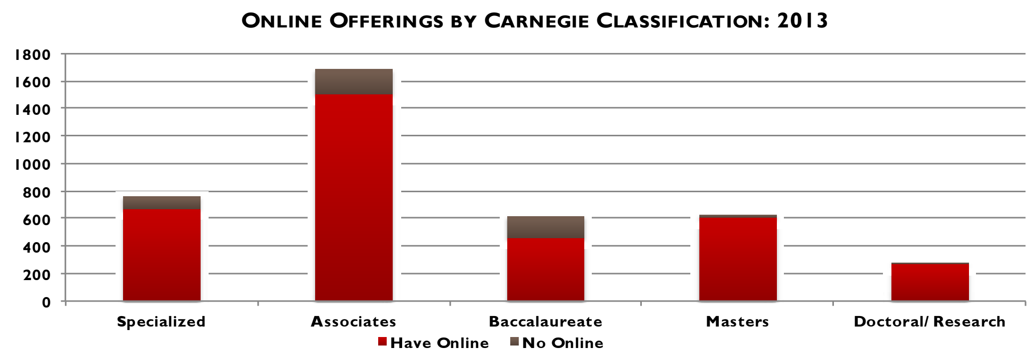
As noted above, there was a year-to-year change in the overall pattern of opinions on the strategic importance of online education, and on the relative learning outcomes of online instruction, as compared to face-to-face instruction. In both cases, the historic pattern of continued improvement took a step back for 2013, and all of the changes are accounted for in a single group of institutions: those that do not have any online offerings.

Institutions with no online offerings represent a small minority of higher education – how are they different? Past reports in this series have noted that not all institutions believed that online education was a good match for their institutional objectives. This was particularly true for Baccalaureate institutions, which have consistently reported very little interest in online education. A somewhat different pattern was observed among the very smallest institutions, where the level of interest might be present, but limited resources constrained any efforts to add online courses and programs.

After more than a decade of growth in online courses and programs, who are the institutions that remain uninvolved, and are now showing a more-negative view of online education? There are virtually no public institutions among those with no online offerings; they are composed about equally of private for-profit and private not-for-profit institutions.

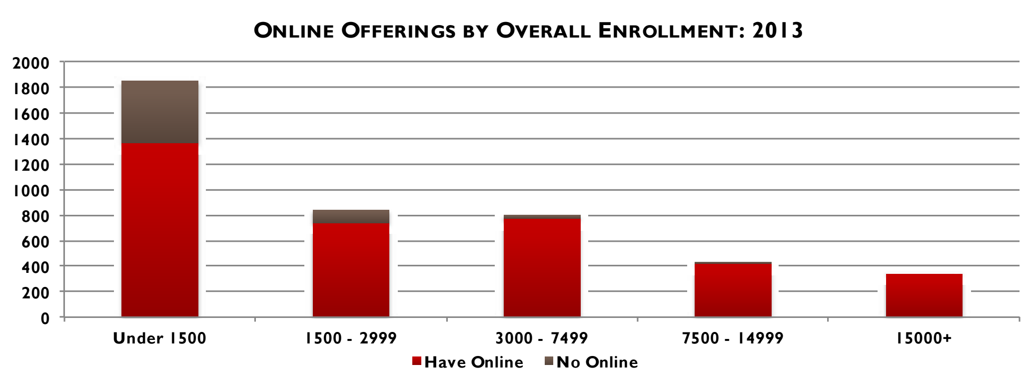


Baccalaureate institutions continue to hold the most negative views toward online education, and are the largest proportion of institutions with no online offerings. That said, a majority of these institutions provide some level of online instruction. Associates institutions have among the most favorable view towards online, and were among the earliest institutions to embrace online instruction. There remains a small portion of these institutions that do not have any online offerings. The final component making up the "no online" group are a smaller number of specialized institutions.



Resource constraints have continually been cited by the smallest of institutions as the primary barrier to implementing online courses and programs. The largest proportion of institutions with no online course offerings is seen within the group of the very smallest, with fewer than 1,500 total students. The large majority of institutions with no online come from this group, with those with between 1,500 and 3,000 total enrollments making up most of the remaining. Very few institutions with over 3,000 total students do not have some form of online offering. The median size of institutions without online offerings is only 865 total students, compared to a median of 2,346 students for those with online offerings.

Because institutions without online offerings are among the very smallest, their potential impact on the number of students studying online is rather small. Virtually all growth in online enrollments has come from schools with existing offerings growing their programs; very little is the result of new schools bringing their first online offerings to market. While the changes in opinion toward online education among those without online offerings is important to track, it will not have any real impact on online offerings in general. If in future years, however, these more negative views are also seen among those with online offerings, then the impact could be considerably larger.



How Many Students are Learning Online?

There were 412,000 more online students in fall 2012 than in fall 2011, for a new total of 7.1 million students taking at least one online course. This year-to-year change represents the smallest numeric increase in the past five years. The growth rate of 6.1 percent in students taking at least one online course also represents the lowest percentage increase since these reports began tracking online enrollments.

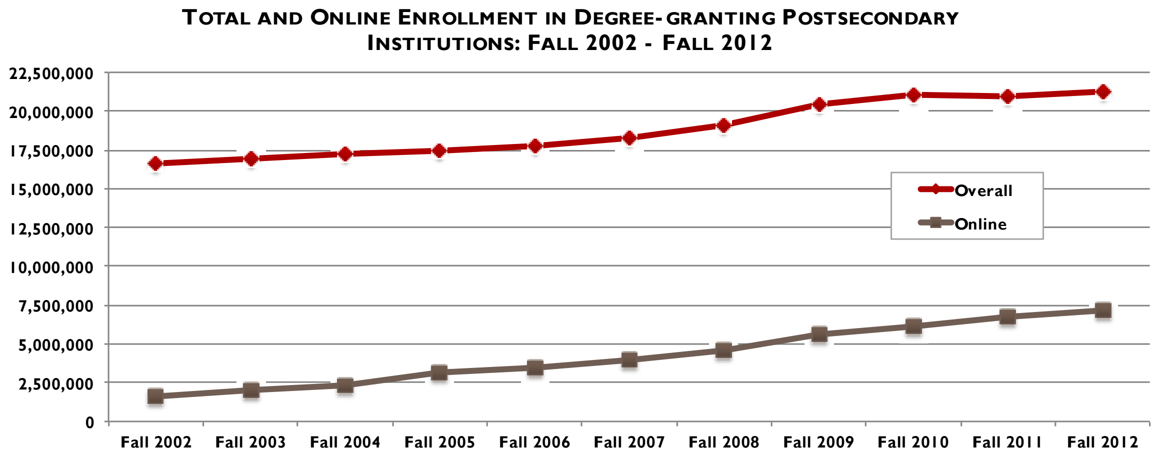
TOTAL AND ONLINE ENROLLMENT IN DEGREE-GRANTING POSTSECONDARY INSTITUTIONS – FALL 2002 THROUGH FALL 2012

	Total Enrollment	Annual Growth Rate Total Enrollment	Students Taking at Least One Online Course	Online Enrollment Increase over Previous Year	Annual Growth Rate Online Enrollment	Online Enrollment as a Percent of Total Enrollment
Fall 2002	16,611,710	NA	1,602,970	NA	NA	9.6%
Fall 2003	16,911,481	1.8%	1,971,397	368,427	23.0%	11.7%
Fall 2004	17,272,043	2.1%	2,329,783	358,386	18.2%	13.5%
Fall 2005	17,487,481	1.2%	3,180,050	850,267	36.5%	18.2%
Fall 2006	17,758,872	1.6%	3,488,381	308,331	9.7%	19.6%
Fall 2007	18,248,133	2.8%	3,938,111	449,730	12.9%	21.6%
Fall 2008	19,102,811	4.7%	4,606,353	668,242	16.9%	24.1%
Fall 2009	20,427,711	6.9%	5,579,022	972,669	21.1%	27.3%
Fall 2010	21,016,126	2.9%	6,142,280	563,258	10.1%	29.2%
Fall 2011	20,994,113	-0.1%	6,714,792	572,512	9.3%	32.0%
Fall 2012	21,253,086	1.2%	7,126,549	411,757	6.1%	33.5%

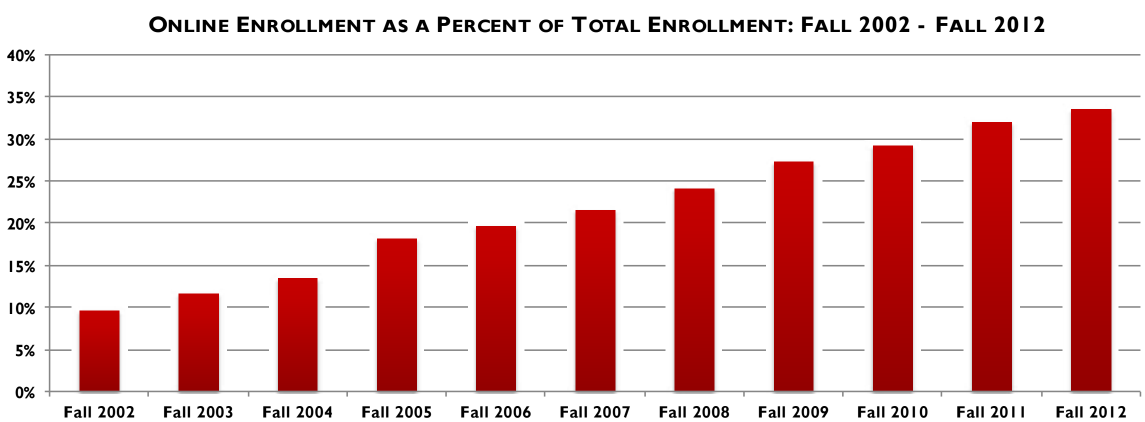
While the growth rate may be slowing, it is still many times larger than the growth rate of the overall higher education student body. The increase from 1.6 million students taking at least one online course in fall 2002 to 7.1 million for fall 2012 represents a compound annual growth rate of 16.1 percent. For comparison, the overall higher education student body has grown at an annual rate of 2.5 percent during this same period – from 16.6 million in fall 2002 to 21.3 million for fall 2012[2].

[2] Projections of Education Statistics to 2021, National Center for Education Statistics

Previous reports in this series speculated that the slower rate of growth in the number of students taking at least one online course might be the first sign that the rise in online enrollments was reaching a plateau. The most recent results provide further support for this view, with a smaller increase in the absolute number of additional online students and the lowest ever growth percentage. The evidence continues to mount that a plateau for online enrollments may be approaching, but there is no evidence that it has yet arrived.



The proportion of higher education students taking at least one online course now stands at 33.5 percent. For comparison, this rate was 32.0 percent last year, and slightly less than ten percent in the first year of this study (Fall, 2003). The proportion has continued its steady increase almost linearly over this eleven-year time span[3].

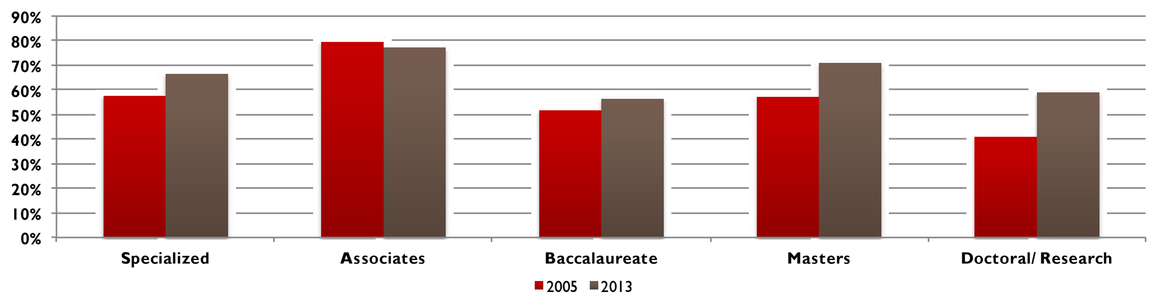


[3] Note the percentage of students taking at least one online course has been recalculated as compared to previous reports to reflect revised overall enrollment data from the National Center for Educational Statistics.

Do Students Require More Discipline to Complete Online Courses?

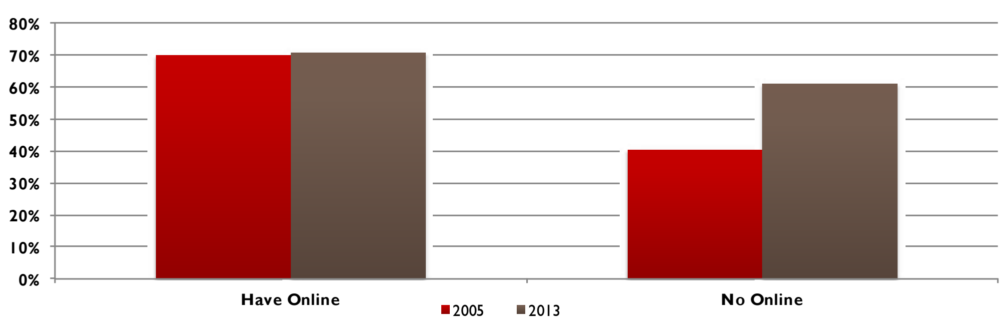
In 2005, a majority of respondents (64.7 percent) agreed with the statement "Students need more discipline to succeed in an online course than in a face-to-face course." In 2013, the proportion of chief academic officers who agreed with this statement increased to 68.9 percent. For both 2005 and 2013, the opinion was held most strongly among associates institutions (79.7 percent in 2005, 77.3 percent in 2013). This is an interesting finding, given that associates schools are among those with both the most positive views on online education and some of the highest online penetration rates. Clearly, these schools do not view the need for increased student discipline as a strong inhibiting factor for online education.

Students Need More Discipline to Succeed in an Online Course Than in a Face-to-Face Course: 2005 and 2013



As was the case in 2005, a majority of respondents from institutions of all sizes agreed that more discipline is necessary to succeed in an online course. Furthermore, in 2013 institutions which offer online education continued to be more likely to agree that students need more discipline to succeed. Institutions that do not have any online offerings saw the greatest change over the period. They are still less likely to believe that more discipline is required, but the margin of that difference has narrowed considerably.

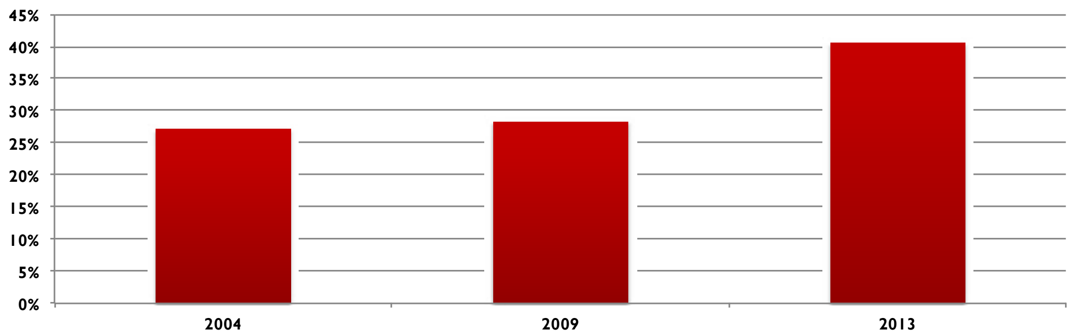
Students Need More Discipline to Succeed in an Online Course Than in a Face-to-Face Course: 2005 and 2013



Is Retention of Students Harder in Online Courses?

There is a growing concern among academic leaders on the issue of student retention. A total of 41 percent of chief academic officers reported that they agreed that retaining students was a greater problem for online courses than for face-to-face courses. This compares to rates of 28 percent in 2009 and 27 percent in 2004 for the same question.

Retaining Students is a Greater Problem for Online Courses Than it is for Face-to-Face Courses: 2004, 2009 and 2013

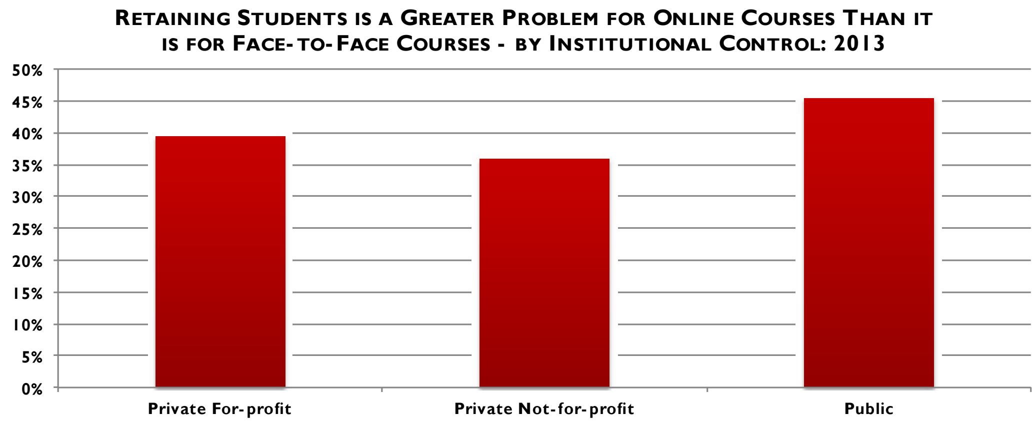


Comparing the retention in online courses to those in face-to-face courses is not simple or easy. Online courses can attract students who might otherwise have not been able to attend traditional on-campus instruction because of work, family, or other obligations. This difference in the nature of the student body confounds direct comparisons; if students are more likely to drop out of an online course because of work or family commitments, does that reflect on the nature of the course, or the nature of the student? This study asked chief academic officers if "retaining students is a greater problem for online courses than it is for face-to-face courses." The academic leaders were not asked to speculate on why they might be a difference, only if they believed that such a difference exists.

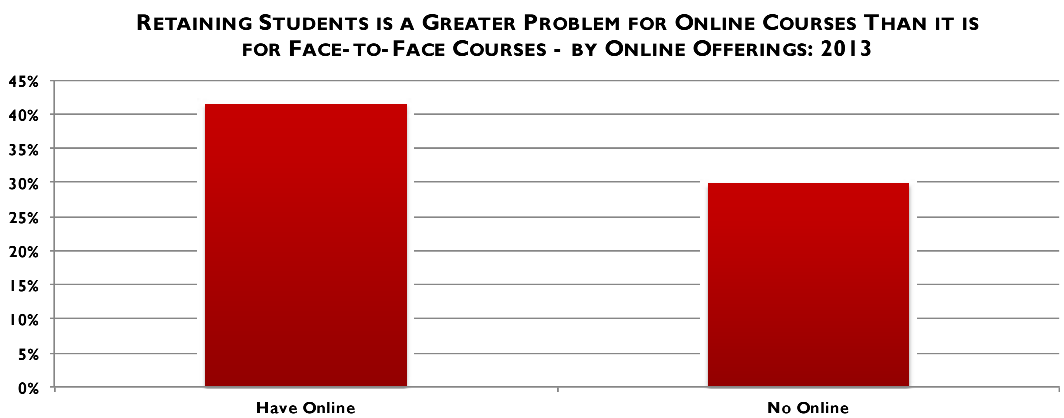
Institutions of all sizes were consistent in their level of agreement with this statement. Smaller institutions were slightly more likely to agree, but the relative size of the differences is small. Public institutions had a higher degree of concern than either private nonprofit or private for-profit institutions, with a difference of almost ten percentage points (46 percent for public institutions compared to 36 percent for private nonprofits). The greater level of concern among public institutions may represent the different nature of the their student mix, drawing a larger proportion of older, working students that might be more likely to suffer the "life happens" events that would force them to withdraw.

Percent Agreeing: Retaining Students is a Greater Problem for Online Courses Than it is for Face-to-Face Courses - 2013

Under 1500	1500 - 2999	3000 - 7499	7500 - 14999	15000+	Under 1500
40.5%	40.7%	42.4%	37.2%	39.3%	40.5%



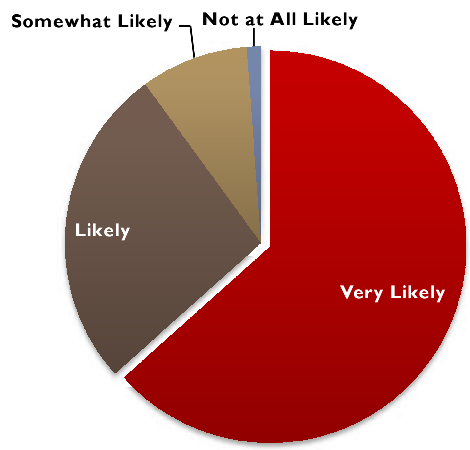
Concern about retention is one of the rare areas where those experienced with online education have a more pessimistic view than those lacking such experience. Only 30 percent of institutions that do not have online offerings think that it would be harder to retain students in online courses than in face-to-face courses. Among those institutions with online offerings, however, this number is 42 percent. An institution's online education experience does lead to a stronger conviction that it is harder to retain students in online courses.



What is the future of online learning?

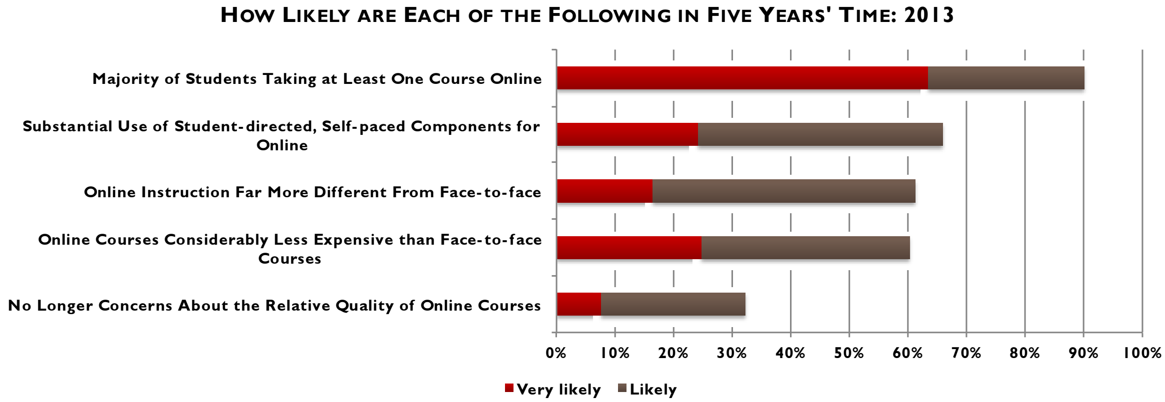
In 2011 and again in 2013, academic leaders were queried on what they considered the most likely future directions for online education. The respondents were presented with a series of possibilities, and asked to rate how likely they considered a particular outcome. The first scenario posed to the respondents was the likelihood of continued growth in online enrollments. The most recent data at the time of the survey was that approximately one-third of all higher education students were taking at least one online course. The question then asked how likely would it be that this fraction would grow to become a majority of students over the next five years. The options presented were "Very likely", "Likely", "Somewhat likely", or "Not at all likely."

A Majority of All Higher Education Students Will be Taking at Least One Course Online: 2013



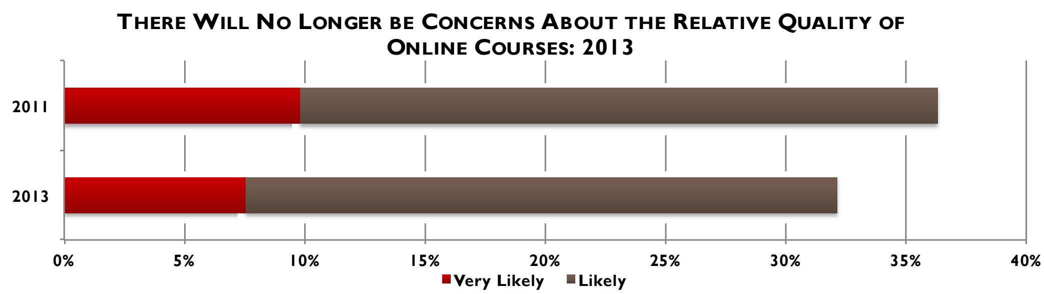
Academic leaders are very optimistic that online learning will continue to impact an increasing fraction of higher education students. Nearly two-thirds responded that this was "Very likely," with an additional one-quarter calling it "Likely." Only one percent said that it was "Not at all likely" that a majority of students would be taking at least one online course in the next five years. This opinion was universal for both 2011 and 2013 and across all types and sizes of institutions – in no group did this number top three percent.

None of the other possible future scenarios was agreed upon to the same extent. Three options, however, did have a majority of chief academic officers rating them as "Likely" or "Very likely." A majority of respondents reported that they expected online courses to become considerably less expensive than face-to-face courses, that online instruction would be far more different from face-to-face instruction, and that online courses would make substantial use of student-directed, self-paced components. Only a third reported that they expected that there would no longer be concerns about the quality of online instruction.



Opinions of the academic leaders were remarkably consistent for the two survey years (2011 and 2013), with very few changes seen for any question or among any sub-group of respondents. The exception to this was the issue of the perception of the relative quality of online instruction. It is the least likely outcome in the eyes of the chief academic officers, and the likelihood of it occurring is going down, not improving. Between 2011 and 2013 the proportion considering this a "Likely" or "Very likely" outcome dropped from 36 to 32 percent. Those holding the most optimistic opinion (that it was "Very Likely") fell from 10 to 8 percent.

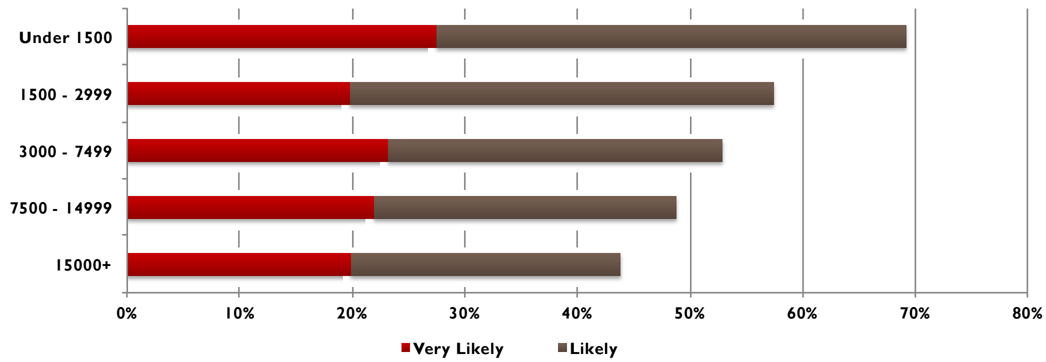
Academic leaders are consistent in their beliefs: the proportion rating possible



outcomes is similar across different types and sizes of institutions. One of the few areas where there is a clear pattern of differences in responses is on the issue of potential cost reductions brought about by the introduction of online courses. Sixty percent of all academic leaders thought that this was a "Likely" or "Very likely" outcome in the next five years.

There is a strong relationship between the size of the school, and the belief that "Improvements in technology will make the costs of developing and delivering online courses considerably less expensive than face-to-face courses." Leaders at the smallest institutions (those with less than 1,500 total students) were the most positive, with 69 percent thinking this was likely, compared to only 44 percent at the very largest institutions — those with over 15,000 total students. It should be noted that these large institutions are overwhelmingly public schools where cost per course is low in comparison to private institutions.

ONLINE COURSES WILL BE CONSIDERABLY LESS EXPENSIVE THAN FACE-TO-FACE COURSES - BY OVERALL ENROLLMENT: 2013

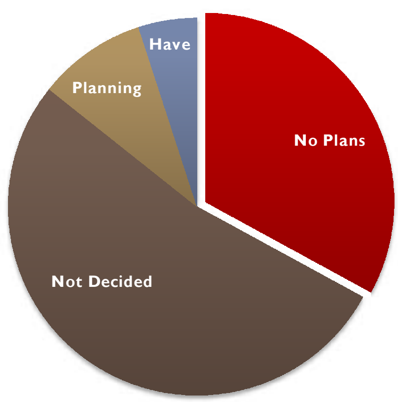


MASSIVE OPEN ONLINE COURSES (MOOCS)

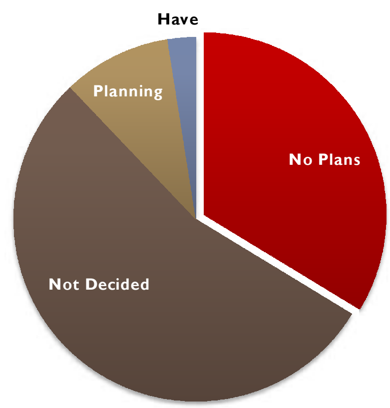
Who Offers MOOCs?

Massive Open Online Courses (MOOCs) have continued to command considerable media attention over the past year – far greater attention than their actual impact on US higher education institutions. Last year's study noted that only 2.6 percent of institutions were currently offering a MOOC, and just 9.4 percent had plans to offer them. This leaves the vast majority of higher education institutions sitting on the sidelines when it comes to MOOCs, with either no plans to offer them, or remaining undecided. The picture for 2013 hasn't changed very much – the vast majority of higher education institutions are still undecided or have no plans to implement a MOOC. The number with a MOOC, while still small, has almost doubled to 5 percent, while the number actively planning for a MOOC has remained stable (9.3 percent in 2013 compared to 9.4 percent in 2012).

STATUS OF MOOC OFFERINGS: 2013

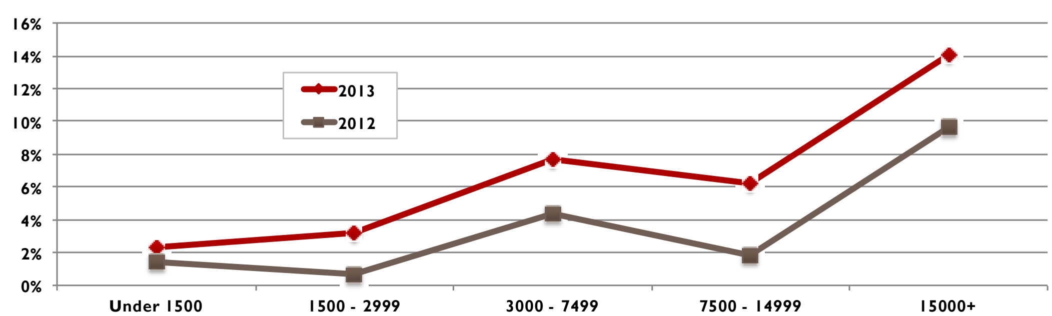


STATUS OF MOOC OFFERINGS: 2012

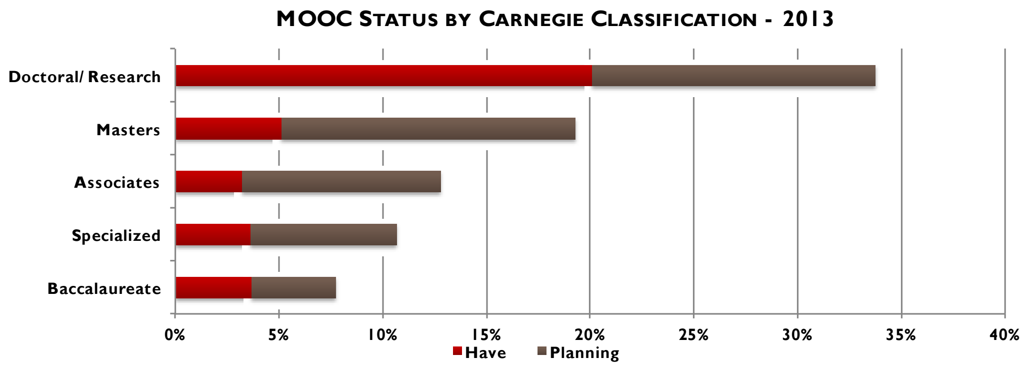


Several patterns in the adoption of MOOCs are beginning to emerge. One such pattern is evident in the proportion of institutions with a MOOC by the size of the institution. The very largest institutions (those with over 15,000 total student enrollments) were the most likely to have a MOOC in both 2012 and 2013. The smaller institutions (those with less than 3,000 enrolled students) were the least likely, although there was some growth in these numbers as well. As seen with the introduction of online courses and programs, larger institutions had the desire and the resources to move quickly, and smaller institutions followed.

HAVE A MOOC BY SIZE OF INSTITUTION: 2012 AND 2013



The pattern of MOOC adoption is not a complete mirror of that for the adoption of online learning. The first-movers for online learning were largely the two-year associates schools – for MOOCs, they are the Doctoral/Research institutions. One area of similarity is that Baccalaureate institutions were the least likely to offer online courses, and are now also the least likely to have or be planning for a MOOC.

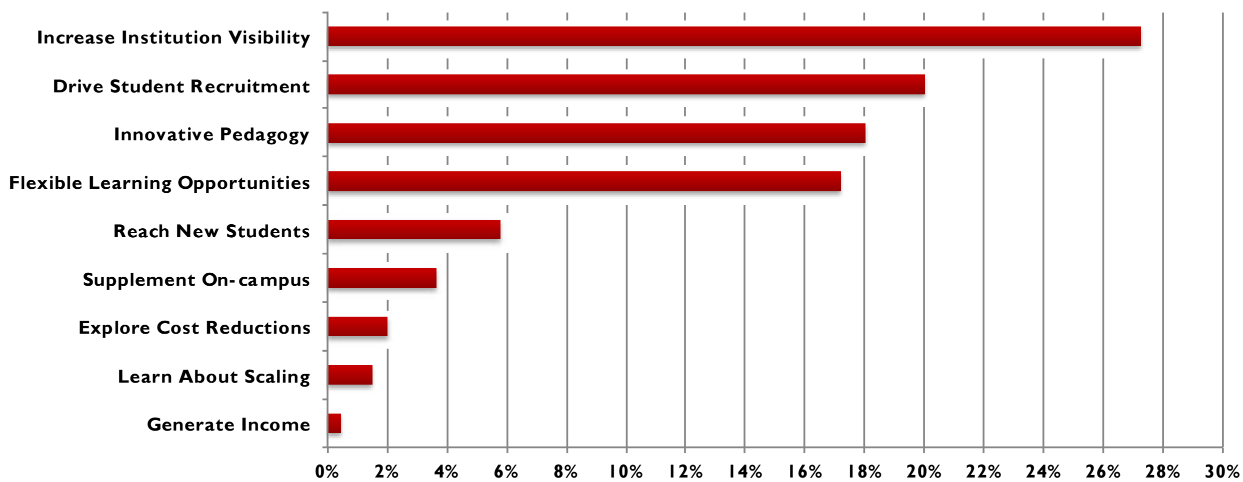


Objectives for MOOCs

Academic leaders at institutions that had a MOOC offering or plans for one were asked what was the primary objective they had in introducing their MOOC(s).

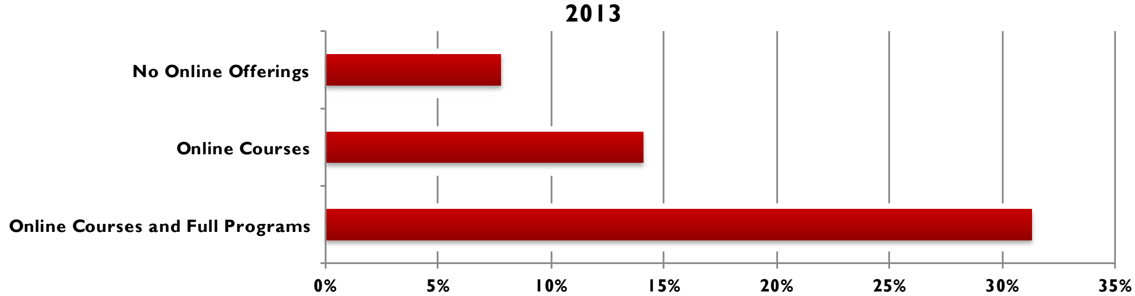
The two most cited reasons, accounting for just under one-half of all institutions with current or planned MOOCs, are marketing-related: to "increase the visibility of the institution" and to "drive student recruitment." That said, MOOCs are being used very differently by different institutions. Institutions with the most extensive traditional online offerings are most likely to say that they are embracing MOOCs to "increase the visibility of the institution," while institutions with no current online offerings say they MOOCs will be used to "drive student recruitment."

PRIMARY OBJECTIVE FOR YOUR INSTITUTION'S MOOC: 2013

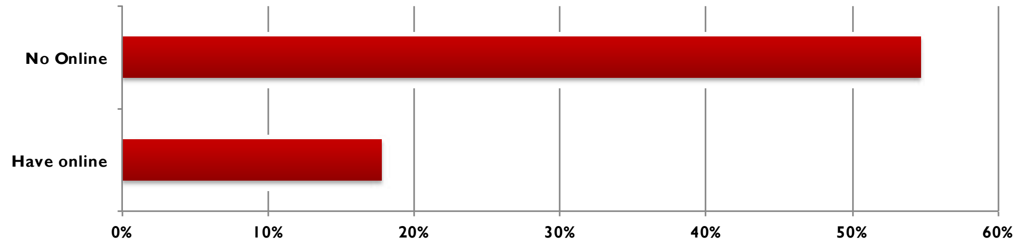


Over one-third of institutions with current or planned MOOCs cited reasons related to course design issues, including a desire to, "experiment with innovative pedagogy" or "provide more flexible learning opportunities." There was little support for other potential objectives, such as generating income, learning about scaling, potential cost reductions, supplementing on-campus programs, or reaching new students. The combined total of the number of institutions reporting one of these as their primary objective did not equal the total of any of the top four choices.

PRIMARY MOOC OBJECTIVE TO INCREASE THE VISIBILITY OF THE INSTITUTION: 2013

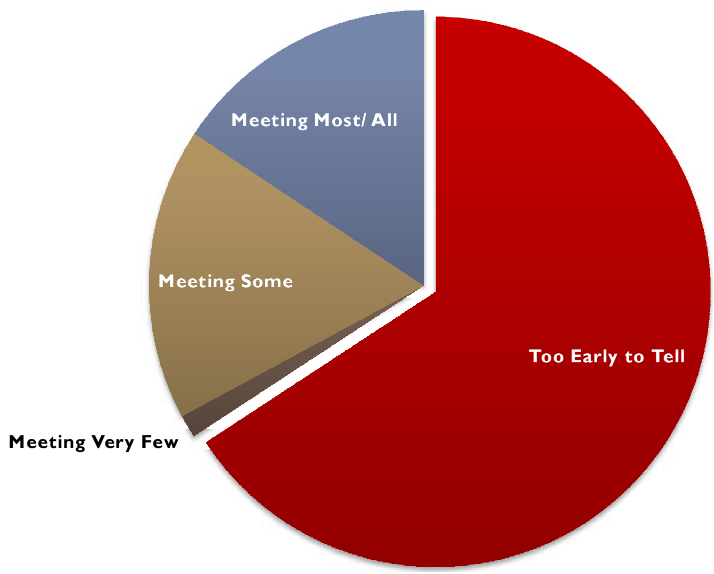


PRIMARY MOOC OBJECTIVE TO DRIVE STUDENT RECRUITMENT - 2013



Institutions were also asked how well their MOOCs were meeting their stated objectives. Given the relative infancy of these offerings, it is not a surprise that most institutions say that it is still too early to tell. Among those that have made a judgment, about an equal number report that MOOCs are meeting some of their objectives, as report that they are meeting most or all of their objectives. A very small percentage say that MOOCs are meeting very few of their objectives.

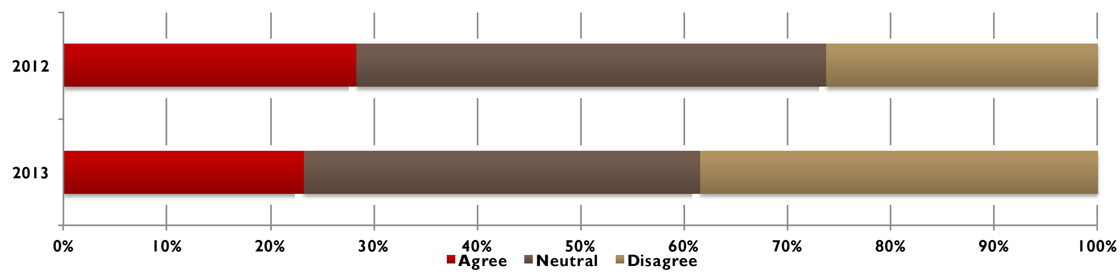
HOW WELL ARE MOOCS MEETING INSTITUTION'S OBJECTIVES: 2013



Role of MOOCs

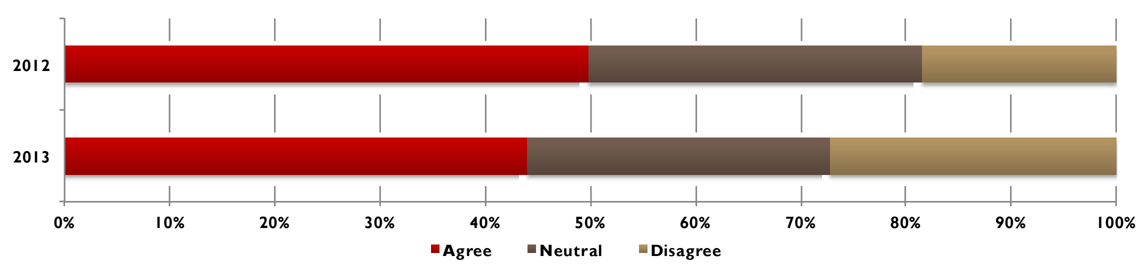
All institutions were asked to speculate on the current and potential role that MOOCs might play for higher education, including whether or not they consider MOOCs to be sustainable. The number of institutions saying that they consider MOOCs to be sustainable fell from 28 percent in 2012 to 23 percent this year. Perhaps more troubling for MOOC proponents is that the portion of academic leaders saying that they do not believe MOOCs are sustainable increased from 26 percent to 39 percent in that same time period.

MOOCs are a Sustainable Method for Offering Courses: 2012 and 2013



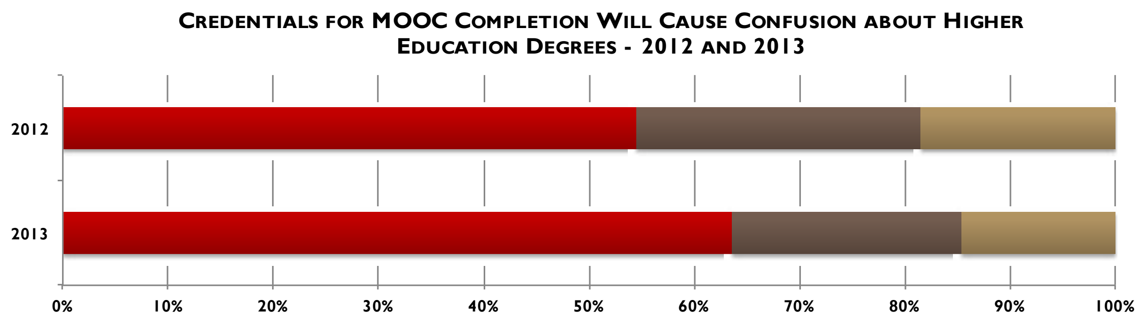
The chief academic officers at institutions with the greatest experience and exposure to traditional online instruction are the least likely to believe in the long-term future of MOOCs. The year-to-year change for these individuals shows both a smaller number reporting that they believe MOOCs are sustainable (dropping from 30 percent in 2012 to 22 percent in 2013), and a considerable increase in the number reporting that they disagree with this statement (27 percent in 2012 to 39 percent in 2013).

MOOCs are Important for Institutions to Learn About Online Pedagogy: 2012 and 2013

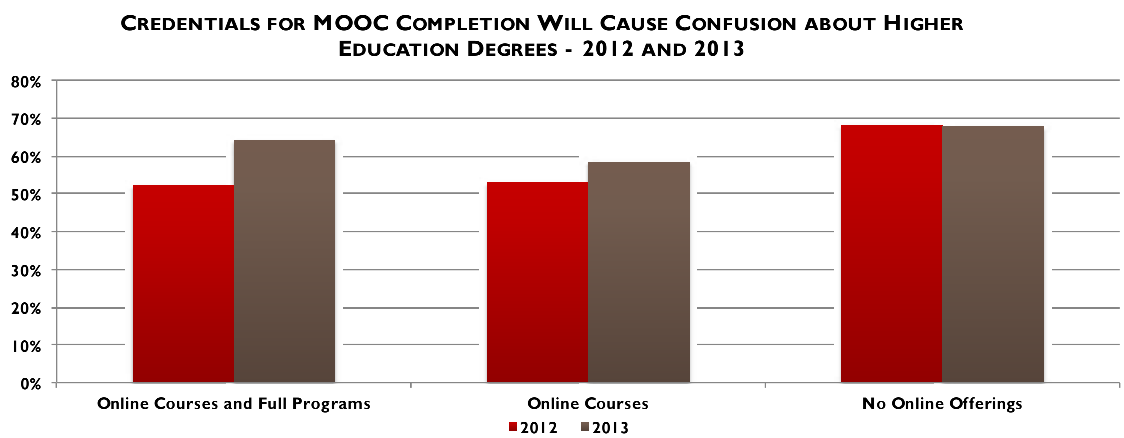


One positive aspect for MOOCs noted in last year's report was the relatively high level of agreement among chief academic officers that MOOCs represent an important means for institutions to learn about online pedagogy: Less than 20 percent of all institutions disagreed with this statement in 2012. Results for 2013 are less positive: the proportion in disagreement with that statement has increased (18 percent to 27 percent), while the number of institutions in agreement dropped from 50 percent to 44 percent.

In 2012, respondents for all types and sizes of schools reported that credentials for MOOC completion would cause confusion about higher education degrees (55 percent overall). The level of concern has increased for 2013, with 64 percent of academic leaders now saying that they believe this to be the case.



As was the case in 2012, a majority of every group of academic leaders agree that credentials for MOOC completion will cause confusion. Leaders at institutions with the most extensive traditional online courses have shown the greatest year-to-year change in agreement that MOOC credentials will lead to confusion about higher education degrees: 52 percent in 2012, to 64 percent in 2013.



SURVEY METHODOLOGY

The sample for this analysis is comprised of all active, degree-granting institutions of higher education in the United States.

The data for this report is collected by both the Babson Survey Research Group and by the College Board[4]. The College Board includes questions for this study as part of its extensive data collection effort for its Annual Survey of Colleges. Babson Survey Research Group and the College Board coordinate survey instruments and sample outreach. Each respondent institution receives identically worded questions, and those that have responded to one survey are not asked to respond to the same questions on the other.

All sample schools were sent an invitation email and reminders, inviting their participation and assuring them that no individual responses would be released. All survey respondents were promised they would be notified when the report was released, and would receive a free copy.

The sample universe contains 4,726 institutions; a total of 2,831 responses were included in the analysis, representing 59.9 percent of the sample universe. Because non-responding institutions are predominately those with the smallest enrollments, the institutions included in the analysis represent 81.0 percent of higher education enrollments. The 2013 responses were merged with the data from the previous survey years (994 responses in 2003, 1,170 in 2004, 1,025 in 2005, 2,251 in 2006, 2,504 in 2007, 2,577 in 2008, 2,590 in 2009, 2,583 in 2010, 2,512 in 2011 and 2,820 in 2012) for examination of changes over time.

Institutional descriptive data come from the College Board Annual Survey of Colleges and from the National Center for Educational Statistics' IPEDS database. After the data was compiled and merged with the College Board Annual College Survey and IPEDS database, responders and nonresponders were compared to create weights, if necessary, to ensure that the survey results reflected the characteristics of the entire population of schools. The responses are compared for 35 unique categories based on the 2010 Carnegie Classification of Institutions of Higher Education. These weights provide a small adjustment to the results, allowing for inferences to be made about the entire population of active, degree-granting institutions of higher education in the United States.

[4] Portions of the data used for this report was collected by The College Board as part of the Annual Survey of Colleges and is Copyright © 2013-2014 The College Board.

TABLES

Is Online Learning Strategic?

ONLINE EDUCATION IS CRITICAL TO THE LONG-TERM STRATEGY OF MY INSTITUTION: 2002 TO 2013

	Fall 2002	*Fall 2003*	*Fall 2004*	*Fall 2005*	*Fall 2006*	*Fall 2007*
Agree	48.8%	53.5%	56.0%	58.4%	59.1%	58.0%
Neutral	38.1%	33.7%	30.9%	27.4%	27.4%	27.0%
Disagree	13.1%	12.9%	13.1%	14.2%	13.5%	15.0%

	Fall 2009	*Fall 2010*	*Fall 2011*	*Fall 2012*	*Fall 2013*
Agree	59.2%	63.1%	65.5%	69.1%	65.9%
Neutral	25.9%	24.6%	21.0%	19.7%	24.3%
Disagree	14.9%	12.3%	13.5%	11.2%	9.7%

ONLINE EDUCATION IS CRITICAL TO THE LONG-TERM STRATEGY BY ONLINE OFFERINGS: 2012 AND 2013

	Online Courses and Full Programs	*Online Courses*	*No Online Offerings*
2012	82.7%	58.8%	32.9%
2013	82.7%	58.6%	14.3%

Are Learning Outcomes in Online Comparable to Face-to-Face?

PROPORTION REPORTING LEARNING OUTCOMES IN ONLINE EDUCATION AS INFERIOR TO FACE-TO-FACE: 2003 TO 2013

	2003	*2004*	*2006*	*2009*
Inferior	10.7%	10.1%	7.8%	9.5%
Somewhat Inferior	32.1%	28.4%	30.3%	23.0%
	2010	*2011*	*2012*	*2013*
Inferior	9.8%	9.7%	5.3%	7.7%
Somewhat Inferior	24.3%	22.7%	17.7%	18.2%

LEARNING OUTCOMES IN AN ONLINE COURSE ARE INFERIOR TO FACE-TO-FACE BY ENROLLMENT: 2012 AND 2013

	Under 1500	*1500 - 2999*	*3000 - 7499*	*7500 - 14999*	*15000+*
2012	28.1%	26.3%	11.9%	9.5%	11.4%
2013	30.1%	25.9%	21.7%	17.9%	21.7%

LEARNING OUTCOMES IN AN ONLINE COURSE COMPARED TO FACE-TO-FACE - INSTITUTIONS WITH ONLINE OFFERINGS: 2012 AND 2013

	2013	*2012*
Superior	23.5%	23.6%
Same	59.0%	59.4%
Inferior	17.4%	17.0%

LEARNING OUTCOMES IN AN ONLINE COURSE COMPARED TO FACE-TO-FACE - INSTITUTIONS WITH NO ONLINE OFFERINGS: 2012 AND 2013

	2013	*2012*
Superior	2.2%	8.5%
Same	25.3%	35.8%
Inferior	72.4%	55.8%

Schools Without Online Offerings

ONLINE OFFERINGS BY INSTITUTIONAL CONTROL: 2013

	Have Online	*No Online*
Private for-profit	532	304
Private not-for-profit	1430	315
Public	1731	20

ONLINE OFFERINGS BY CARNEGIE CLASSIFICATION: 2013

	Have Online	*No Online*
Specialized	671	91
Associates	1504	181
Baccalaureate	458	160
Masters	607	21
Doctoral/Research	270	5

ONLINE OFFERINGS BY OVERALL ENROLLMENTS: 2013

	Have Online	*No Online*
Under 1500	1365	489
1500 - 2999	740	102
3000 - 7499	773	30
7500 - 14999	421	6
15000+	343	0

How Many Students are Learning Online?

TOTAL AND ONLINE ENROLLMENT IN DEGREE-GRANTING POSTSECONDARY INSTITUTIONS – FALL 2002 THROUGH FALL 2012

	Total Enrollment	*Annual Growth Rate Total Enrollment*	*Students Taking at Least One Online Course*	*Online Enrollment Increase over Previous Year*	*Annual Growth Rate Online Enrollment*	*Online Enrollment as a Percent of Total Enrollment*
Fall 2002	16,611,710	NA	1,602,970	NA	NA	9.6%
Fall 2003	16,911,481	1.8%	1,971,397	368,427	23.0%	11.7%
Fall 2004	17,272,043	2.1%	2,329,783	358,386	18.2%	13.5%
Fall 2005	17,487,481	1.2%	3,180,050	850,267	36.5%	18.2%
Fall 2006	17,758,872	1.6%	3,488,381	308,331	9.7%	19.6%
Fall 2007	18,248,133	2.8%	3,938,111	449,730	12.9%	21.6%
Fall 2008	19,102,811	4.7%	4,606,353	668,242	16.9%	24.1%
Fall 2009	20,427,711	6.9%	5,579,022	972,669	21.1%	27.3%
Fall 2010	21,016,126	2.9%	6,142,280	563,258	10.1%	29.2%
Fall 2011	20,994,113	-0.1%	6,714,792	572,512	9.3%	32.0%
Fall 2012	21,253,086	1.2%	7,126,549	411,757	6.1%	33.5%

Students Require More Discipline to Complete Online Courses

STUDENTS NEED MORE DISCIPLINE TO SUCCEED IN AN ONLINE COURSE THAN IN A FACE-TO-FACE COURSE: 2005 AND 2013

	Specialized	*Associates*	*Baccalaureate*	*Masters*	*Doctoral/Research*
2013	66.6%	77.3%	56.6%	71.0%	59.1%
2005	57.7%	79.7%	51.8%	57.3%	41.0%

STUDENTS NEED MORE DISCIPLINE TO SUCCEED IN AN ONLINE COURSE THAN IN A FACE-TO-FACE COURSE: 2005 AND 2013

	Have Online	*No Online*
2005	70.0%	40.5%
2013	70.7%	61.1%

Is Retention of Students Harder in Online Courses?

Retaining Students is a Greater Problem for Online Courses Than it is for Face-to-Face Courses: 2004, 2009 and 2013

2004	27.2%
2009	28.4%
2013	40.6%

Percent Agreeing: Retaining Students is a Greater Problem for Online Courses Than it is for Face-to-Face Courses: 2013

Under 1500	*1500 - 2999*	*3000 - 7499*	*7500 - 14999*	*15000+*
40.5%	40.7%	42.4%	37.2%	39.3%

Retaining Students is a Greater Problem for Online Courses Than it is for Face-to-Face Courses - by Institutional Control: 2013

Private For-profit	*Private Not-for-profit*	*Public*
39.4%	36.0%	45.5%

Retaining Students is a Greater Problem for Online Courses Than it is for Face-to-Face Courses - by Online Offerings: 2013

Have Online	*No Online*
41.5%	29.9%

What is the future of online learning?

A Majority of All Higher Education Students Will be Taking at Least One Course Online: 2013

Very Likely	63.4%
Likely	26.6%
Somewhat Likely	8.9%
Not at All Likely	1.1%

How Likely are Each of the Following in Five Years' Time: 2013

	Very Likely	*Likely*
No Longer Concerns About the Relative Quality of Online Courses	7.5%	24.6%
Online Courses Considerably Less Expensive than Face-to-face Courses	24.7%	35.5%
Online Instruction Far More Different From Face-to-face	16.4%	44.8%
Substantial Use of Student-directed, Self-paced Components for Online	24.2%	41.7%
Majority of Students Taking at Least One Course Online	63.4%	26.6%

There Will No Longer be Concerns About the Relative Quality of Online Courses: 2013

	2013	*2011*
Very Likely	7.5%	9.8%
Likely	24.6%	26.5%

Online Courses Will be Considerably Less Expensive than Face-to-face Courses - by Overall Enrollment: 2013

	15000+	*7500 - 14999*	*3000 - 7499*	*1500 - 2999*	*Under 1500*
Very Likely	19.9%	21.9%	23.2%	19.8%	27.5%
Likely	23.9%	26.8%	29.7%	37.6%	41.7%

Who offers MOOCs?

STATUS OF MOOC OFFERINGS: 2013

Will Not be Adding a MOOC	33.0%
Not Yet Decided About a MOOC	52.7%
Planning to Add MOOC Offering(s)	9.3%
Have MOOC Offering(s)	5.0%

STATUS OF MOOC OFFERINGS: 2012

Will Not be Adding a MOOC	32.7%
Not Yet Decided About a MOOC	55.4%
Planning to Add MOOC Offering(s)	9.4%
Have MOOC Offering(s)	2.6%

HAVE A MOOC BY SIZE OF INSTITUTION: 2012 AND 2013

	Under 1500	*1500 - 2999*	*3000 - 7499*	*7500 - 14999*	*15000+*
2013	2.3%	3.2%	7.7%	6.3%	14.1%
2012	1.4%	.7%	4.4%	1.8%	9.7%

MOOC STATUS BY CARNEGIE CLASSIFICATION: 2013

	Baccalaureate	*Specialized*	*Associates*	*Masters*	*Doctoral/Research*
Have	3.7%	3.6%	3.2%	5.1%	20.1%
Planning	4.0%	7.0%	9.6%	14.2%	13.7%

Objectives for MOOCs

PRIMARY OBJECTIVE FOR YOUR INSTITUTION'S MOOC: 2013

Increase Institution Visibility	27.2%
Drive Student Recruitment	20.0%
Innovative Pedagogy	18.0%
Flexible Learning Opportunities	17.2%
Reach New Students	5.8%
Supplement On-campus	3.6%
Explore Cost Reductions	2.0%
Learn About Scaling	1.5%
Generate Income	.4%

PRIMARY MOOC OBJECTIVE TO INCREASE THE VISIBILITY OF THE INSTITUTION: 2013

Online Courses and Full Programs	*Online Courses*	*No Online Offerings*
31.3%	14.1%	7.8%

PRIMARY MOOC OBJECTIVE TO DRIVE STUDENT RECRUITMENT: 2013

Have online	*No Online*
17.8%	54.7%

HOW WELL ARE MOOCS MEETING INSTITUTION'S OBJECTIVES: 2013

Too Early to Tell	65.8%
Meeting Very Few	1.3%
Meeting Some	17.2%
Meeting Most/All	15.7%

Role of MOOCs

MOOCs are a Sustainable Method for Offering Courses: 2012 and 2013

	2013	*2012*
Agree	23.2%	28.3%
Neutral	38.3%	45.4%
Disagree	38.5%	26.2%

MOOCs are Important for Institutions to Learn About Online Pedagogy: 2012 and 2013

	2013	*2012*
Agree	44.0%	49.8%
Neutral	28.8%	31.7%
Disagree	27.2%	18.5%

Credentials for MOOC completion will cause confusion about higher education degrees.

	2013	*2012*
Agree	63.6%	54.5%
Neutral	21.8%	27.0%
Disagree	14.6%	18.5%

Credentials for MOOC completion will cause confusion about higher education degrees.

	Online Courses and Full Programs	*Online Courses*	*No Online Offerings*
2012	52.3%	53.1%	68.3%
2013	64.2%	58.5%	67.9%

BABSON SURVEY RESEARCH GROUP

The study design, survey administration, analysis and report production for this series of online learning reports are the responsibility of the Babson Survey Research Group.

http://www.onlinelearningsurvey.com/

The Babson Survey Research Group conducts regional, national, and international research, including survey design, sampling methodology, data integrity, statistical analyses and reporting.

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- Do Students Require More Discipline to Complete Online Courses?
- Is Retention of Students Harder in Online Courses?
- What is the Future of Online Learning?
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- What are the Objectives for MOOCs?
- What Role do MOOCs play for Higher Education Institutions?

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