

Community College Profits in the Age of COVID-19



Overview

SocialTech.ai (a social benefit corporation) offers Unmudl, a one-stop course-to-job marketplace for working learners and employers. We know that today's community college leaders need a deeper understanding of their options in the online learning market, and have put together this brief to explain where we think the business model for community colleges is now, during the pandemic, and where it will need to go.

Goodbye, Local Monopoly. Hello, World.

Community colleges have typically been centered in their communities and have not had to compete on a national or global scale. Yet, many national providers are moving into those communities with services and online products that compete head-on with what community colleges offer. While this trend has accelerated during the pandemic many schools are in the dark as to the potential impact on their students.

For example, do community college leaders know how many of their students are also taking online courses from Coursera for free, and avoiding the \$1,000 courses by the same name at their community college? Coursera experienced a 644%¹ increase enrollment during the pandemic; Udemy's enrollment increased 425%². While these providers' "pandemic specials" were partly based in altruism, they were also a play for market share that most community college leaders are not prepared to address.

Moreover, at this point in time, even individual instructors have figured out how to attract 100,000 or 500,000³ paying students via well-crafted online courses and savvy marketing. In the face of this competition, community colleges can leverage their intrinsic strengths of student supports, community feel, and physical presence, even in an online world.

But, they'll need to understand the national/global market, learn what their competitors are doing, and put in place a solution to compete.

Here are some strategies to consider.

The Shift from an "Online" to an "eCommerce" Mentality

- **Post community college courses on a national marketplace** (e.g., Coursera, EdX, Unmudl, etc.) to get access to the corresponding national/global customer base of potential students. 71% of students during the pandemic say they'd prefer to take some or all courses online⁴. But, try Googling an individual community college's course titles and see if they even come up in an online search. 67% of students would prefer an online provider physically close to them, because they want the fallback of someone to talk to, face-to-face, in case something goes wrong.⁵ Give them that option.
- **Keep delivery costs low, without sacrificing quality.** Community colleges need to reconsider the instructional model of one instructor per 40 students. A college's current staffing model will work fine, until it is actually successful in the ecommerce world. Popular courses will have 2,000 enrollees. They will be intensely profitable, but colleges will need flexible workforce of hourly TA's or adjuncts (the "Uber model") to make the experience workable for the college and its students. Students need that human contact, or most will fail.
- **Get as much money as you can out of each course.** Community colleges must understand the terms of their ecommerce marketplace agreement – what percentage of a course's sale price does the college receive versus the marketplace?

¹ Steve Lohr, "Remember the MOOCs? After Near-Death, They're Booming," New York Times (May 26, 2020).

² Romina Erderie, "Udemy Report Shows Surge in Global Online Education in Response to COVID-19," published April 30, 2020. Retrieved 9-10-2020 from <https://about.udemy.com/press-releases/new-udemy-report-shows-surge-in-global-online-education-in-response-to-covid-19/>

³ Udemy community forum, "How Many Students Do You Have?" published Feb 9, 2019. Retrieved September 10, 2020 from <https://community.udemy.com/t5/Stories-Inspiration/How-many-students-do-you-have/td-p/692>

Differentiation: Making the Case to Your Customer

If the reality is that other providers are offering their courses in slickly produced videos and for free (hoping to lure away community college market share, then offer them pricier offerings later), what can community colleges possibly offer that would cause a prospective student to pay \$1,000 rather than \$0? Here are community colleges' advantages that need to be made clear to prospective students.

- **Real college credit** Yes, those fancy certificates from those other online providers look pretty, but community colleges still have the US Department of Education behind them. An official degree is worth a lot (it's still "the coin of the realm"), and students will still pay a significant premium for pathways that lead to a real degree and a connection to the local workforce.
- **Ability to convert non-credit to credit. This is HUGE, HUGE, HUGE.** Surveys tell us that students prefer to take courses on-demand, when they have the time and money. However, this does not fit with a scheduled, linear, residency-requiring, for-credit pathway. Community colleges can chop their for-credit courses into smaller bits, offer them as flexible non-credit modules, then give students the ability to redeem those courses for credit later via Credit for Prior Learning/Prior Learning Assessment. Students can learn in the form factor they prefer, with the end result they crave. No one else can offer this option the way community colleges can; four-year universities typically do not have non-credit workforce divisions, and online course aggregators do not have US Department of Education backing, with credit as an option.
- **Direct connections to jobs** Students want a degree because they want a job. Period. Make the course-to-jobs linkage as tight as possible, and students will come flocking.

⁴ Simpson Scarborough, The Impact of COVID-19 on Higher Education, National Student Survey, Pt. III, available at <https://impact.simpsonscarborough.com/covid>

⁵ Learning House, Online College Students 2019, available at <https://www.learninghouse.com/knowledge-center/>

Checklist of Issues to Consider to Compete in a National Marketplace

Source of Courses

☐

Type of Courses

☐

Who Pays

☐

Fees Charged to Course Provider

☐

Fees Charged to Learner

☐

College's Revenue Share from a Course Sale

☐

Collaborative Profit Sharing

☐

Upfront Cost to College

☐

Marketplace Look and Feel

☐

Includes Online Courses

☐

Includes In-Person Courses

☐

Integration with Existing Campus SIS, LMS, IdP, etc.

☐

Noncredit-to-Credit Pathways Within and Across Colleges

☐

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Sales of Space, Student Services, and Credentialing Services to Members of the Community- Employers, Workforce Agencies, Learners	<input type="checkbox"/>
Instructional Design Assistance	<input type="checkbox"/>
National Advertising	<input type="checkbox"/>
College Participation in Decision-Making	<input type="checkbox"/>
Course-to-Jobs Site Design	<input type="checkbox"/>
DOL Skills Mapping Framework	<input type="checkbox"/>
Site-Enabled Direct Communication between Employers and Colleges	<input type="checkbox"/>
Site-Enabled Hiring and Communication between Employers and Learners	<input type="checkbox"/>