Designing Programs for the Millennial Workforce

Industry Futures Series
The Education Advisory Board (EAB)

**WHO WE ARE**
- 650+ researchers, consultants, and technologists on staff
- 1,000+ colleges and universities across North America
- 26,000+ academic and administrator leaders supported
- 78% of US undergrads attend EAB member institutions

**WHO WE SERVE**

**RESEARCH AND INSIGHTS**
Research Forum Memberships offer strategic insights and actionable practices, as well as tools and expert advice to help with their implementation.

*Our Research Forums:*
- Academic Affairs Forum
- Business Affairs Forum
- Student Affairs Forum
- COE Forum
- Enrollment Management Forum
- Advancement Forum
- IT Forum
- Facilities Forum
- Community College Executive Forum
- University Systems Forum

**TECHNOLOGY COLLABORATIVES**
We provide web-based software with dedicated support to help members install technology-based best practices. Bringing hundreds of institutions together to collaborate around a common platform facilitates the sharing of lessons and generation of new insights.

*Our Areas of Focus:*
- Academic and career advising
- Student retention and graduation
- Student registration and course planning
- University procurement

**DATA AND ANALYTICS**
Our data scientists take disparate and disconnected member datasets, apply world class analytics and industry understanding, and provide members with insight into their own performance, as well as performance relative to peer institutions.

*Our Areas of Focus:*
- Academic costs and efficiency
- Faculty workload and time allocation
- Academic program performance
- Enrollment capacity and growth
- University supply costs and pricing

**MANAGED SERVICES**
With our 2015 acquisition of Royall & Company, the industry leader in strategic enrollment management and advancement services, EAB now partners with members to help grow undergraduate and graduate enrollments, manage financial aid, and increase alumni giving.

*Our Areas of Focus:*
- Undergraduate recruitment
- Graduate recruitment
- Financial aid optimization
- Alumni participation

78% of US undergrads attend EAB member institutions

1,000+ colleges and universities across North America

26,000+ academic and administrator leaders supported

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COE Forum in Brief
Serving Leaders Across Professional, Continuing, and Online Education

- Professional Master’s
- Certificates
- Non-Credit Education
- Marketing and Recruiting Market Research Organizational Models
- Online Education
- Degree Completion
- Executive Education

Membership at a Glance

240+
COE Forum Member Institutions

80+
New Members Welcomed in the Last Year

300+
Practices, Case Studies, and Implementation Tools

800+
Unique Market Research Briefs

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Our Annual Undertaking

Programs at the Intersection of Profit, Mission, and Employability

Profitable for COE
- National reach
- Minimal competition
- Low-cost marketing

Appealing to Students
- Accelerated formats
- Quick ROI
- Clear career outcomes

Lasting Impact on Workforce
- Emerging skills and industries
- Reimbursed by employers

Future Fields Reports
- In the Wake of Health Care Reform (2011)
- In the Era of Big Data (2012)
- Second Bachelor’s Degrees for Career Starters
- Design Thinking Business Programs
- Multi-Track Cybersecurity Pathways
- Second Careers in Aging Services (2013)

Source: EAB interviews and analysis.
Turning Towards a New Market

Enrollments Skewing Younger as Underemployment Persists

Un- and Underemployment by Graduation Year

The “Lost Class”

First Wave of Millennials Turns 35
Our Largest Generation Prepares to Overtake the Workforce

Coming to an Office Near You

80M Millennials in the US, born 1980-1999

34% of Workforce

2014

Boomers retire

46% of Workforce

2020

Last Millennials graduate from college

75% of Workforce

2025

... And Looking for Their Next Role

< 3 Years Millennials plan to stay in one role

53% Millennials not engaged at their current job

“Those with a high school diploma or less are more likely to be engaged in their work than those with a college degree.”

Gallup, 2013

Preparing for a “Portfolio Career”

Certificates Poised to Be Credential of Choice as Average Tenure Shrinks

Job Loyalty Is a Thing of the Past

Number of Jobs Held Over Lifetime

<table>
<thead>
<tr>
<th></th>
<th>GenY</th>
<th>Boomer</th>
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</thead>
<tbody>
<tr>
<td>Jobs</td>
<td>20</td>
<td>11</td>
</tr>
</tbody>
</table>

Already Influencing Education Decisions

Certificate vs. Degree Conferral, 2007-2012

- Non-Credit?  (18%)
- Graduate Certificate
- Master’s  (3%)

$30K

Average student loan debt for 2013 college graduates

Challenge #1: Repeat Enrollments

Meeting Skills Gaps in a Fraction of the Time
Quick-to-Market Programs Should Boost Bottom Line

Degree Approval
- Proposal
- COE Dean
- Curriculum Committee
- Faculty Senate
- Provost
- Board of Trustees
- Launch

Certificate Approval
- Proposal
- COE Team
- Provost
- Launch

The Promise
40-60% Maximum conversion rate between graduate certificates and related master’s

The Reality: Few Repeat Customers
“Our programs are well enrolled, but we rarely see a student more than once. On the rare occasion they do return for a degree, they need to repeat coursework that doesn’t articulate between programs.”

COE Marketing Director, Public Master’s University

0 Months 6 Months 12 Months 18 Months

Source: EAB interviews and analysis.
Challenge #3: External Positioning

What’s in a Name?
EAB Analysis Reveals No Consensus on “Certificates”

Snapshot of Certificates at Member Institutions

<table>
<thead>
<tr>
<th>Courses Required</th>
<th>Average Months to Completion</th>
</tr>
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<tbody>
<tr>
<td>20</td>
<td>0</td>
</tr>
<tr>
<td>1</td>
<td>Short seminars and CEU courses rarely turn a profit</td>
</tr>
<tr>
<td>2</td>
<td>Skill-enhancing certificates offer few pathways for re-enrollment</td>
</tr>
<tr>
<td>3</td>
<td>Rigorous graduate certificates take as long as a master’s degree</td>
</tr>
</tbody>
</table>

No Shortage of Synonyms
- Short-Format
- Bootcamps
- Nanodegrees
- Intensives
- Mini Degrees
- Specializations

Source: EAB interviews and analysis.
Embracing the Millennial Consumer

Fast-Growing For-Profit Competitor Offers All-Inclusive Experience

- Founded in 2009 as community for entrepreneurs
- Immersive courses in web design, UX, digital marketing, data science, and more
- 70,000 students served in 29 offices across 4 countries

Building a Community, Not a Training Center

- Vast majority of courses offered F2F
- No courses longer than 12 weeks
- $49/month access to streaming content
- Open social events supplement courses

Source: General Assembly.
Not Actually Your Worst Nightmare

Millennials’ Most Lamented Qualities Prove Valuable to COE

The Stereotype

**Overconfident**
Expecting to lead their company within a day of arriving; unwilling to accept the opportunity cost of a graduate degree

**Uncommitted**
Unwilling to settle for any job that’s not personally fulfilling; willing to switch jobs every six months to find the perfect fit

**Tech-Obsessed**
Accustomed to collecting thousands of “friends” and conducting dozens of text-based conversations at a time

The Opportunity

**Reclaiming MBA Market Share**
Short-format programs in leadership and management get students out the door and back to advancing in the workplace

**New Enrichment Pipeline**
Eager to turn a hobby into a career, they’re willing to finance their own education if it means they can “follow their passion”

**Revival of F2F Programs**
Social media interactions are an extension of F2F connections; ground-based programs help students build a network

Source: EAB interviews and analysis.

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Designing Programs for the Millennial Workforce

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The Opportunity

Source: EAB interviews and analysis.
It’s (Still) Hard out There for a Millennial

Organizations Thrive on a Hyper-Talented Skeleton Staff

Employers Doing More with Less

**US GDP vs. Employment Rate, 2004-2012**

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...and Unwilling to Compromise

A Silver Lining in 2009…
A Requirement in 2014

“A generation ago you would never expect that somebody could come into a reasonably skilled, sophisticated position in your organization and immediately make a contribution. That’s a brand new demand.”

*Peter Capelli, Wharton School of Business*

Setting Their Sights on the C-Suite

Millennials Ascend the Ladder Despite Exceptional Employer Demands

Already Doing their Fair Share

50% Millennials already in leadership positions

41% Young leaders with four or more direct reports (44% only have 3-5 years of work experience)

30% Millennial leaders who still feel underprepared for their roles

74% Millennials who indicate confidence in their leadership is a key engagement driver

Where Millennials Fall Short

Fastest Growing Managerial Skill Needs, 2007-2013

- Accounting: 11%
- Collaboration: 10%
- Sales: 8%
- Business Development: 8%
- Decision Making: 6%
- Marketing: 5%
- Process Improvement: 5%
- Product Management: 5%

Young Leaders Sidestep the MBA

Despite Cross-Industry Talent Needs, MBA Programs Feel the Pinch

Shrinking Interest Despite Employer Needs

MBA Programs Reporting Declines in Applications

<table>
<thead>
<tr>
<th>Year</th>
<th>Application Decline</th>
</tr>
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<tbody>
<tr>
<td>2010</td>
<td>58%</td>
</tr>
<tr>
<td>2011</td>
<td>63%</td>
</tr>
<tr>
<td>2012</td>
<td>48%</td>
</tr>
<tr>
<td>2013</td>
<td>46%</td>
</tr>
<tr>
<td>2014</td>
<td>45%</td>
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</tbody>
</table>

Even Top Schools Questioning Model

- Phasing out full-time MBA to focus on part-time programs
- Launching one-year intensive MBA with full tuition for inaugural classes
- Abandoned strict core curriculum for student-selected alternatives

Towards Just-in-Time Learning

“Business education has the potential to move to mini-courses that are delivered to the learner as needed, on demand… The new pattern becomes ‘learn-certify-deploy.’”

*Wharton Professors Christian Terwiesch and Karl Ulrich*

COE Thrives Where B-School Lags Behind

MBA Programs Boast Right Packaging, Wrong Format

MBA Shortcomings

- Two or More Years of Study
- Up to $150K in Tuition
- Accessible to Small Subset of Working Population

COE’s Unique Value Proposition

- Short Format, Quick Time to Completion
- Affordable Tuition Rates
- Appeal Across Career Stages and Generations

MBA Selling Points

- Cohort-Based Experience
- Time for Personal Exploration
- Strong Alumni Network
- Selective Entry, Elite Student Body

Source: EAB interviews and analysis.

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Preparing Early Career Managers to Lead

Demanding Employers Turn to COE

Direct-to-Employer Outreach Shapes Program for New Managers

Emerging Leaders Certificate
University of Wisconsin-Milwaukee
School of Continuing Education

$5,500; 8 day-long courses

- Employer survey highlighted manager skills gaps
- Designed for people with <5 years of management experience
- 30 students in open enrollment certificate; considering contract-based program
- Over 90% of students sponsored by employers

“Fast Lane” Option for Motivated Millennials

Gen X and Boomer students more likely to savor experience

All courses offered once a semester for Millennials seeking faster ROI

6 Months

2-3 Years

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Source: EAB interviews and analysis.
Designed with Students in Mind

Students Create a Custom Experience during and after Program

Pre-Test Makes Program Personal, Portable

- Business Coach Approach
- Finance for Nonfinancial Managers
- Managing Change

Myers-Briggs Assessment

Results workshop guides course selection

Effective Interpersonal Communication

Essential Skills for Supervisors

Emotional Intelligence

Electives (2)

Baked-in Pipeline Encourages Re-Enrollment

Advanced Leadership Certificate
- $3,700; 7 courses
- Increased focus on team building and creative leadership

1. Tiered certificate stacks

2. Cross-lists with overlapping programs

Other COE Certificates
- Employee Engagement (3/7 courses apply)
- Business Communication (4/7 courses apply)

$5,000
Cost to offer a course

$18K
Average class revenue

72%
Typical course margin

Source: EAB interviews and analysis.
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The Opportunity

Source: EAB interviews and analysis.
Sustainable, Handmade, Locally Sourced

Support for the Artisan Economy Turns Passion into Profit

Etsy Hits a Major Milestone
Annual Gross Revenue, 2008-2013

Etsy

- Online craft fair founded in 2005
- Etsy retains percentage of each sale
- One million active shops

Etsy annual gross revenue from 2008 to 2013:
- 2008: $88M
- 2009: $180M
- 2010: $314M
- 2011: $537M
- 2012: $894M
- 2013: $1.1B

- 91% Shops launched with little to no start-up capital
- 18% Sellers for whom Etsy store is a full-time job
- 88% Women-owned shops

Signs of Continued Success for Modern Artisans

2005
- Brick-and-Mortar Stores
- Venture Capital
- Overseas Manufacturing

2015
- Seller-Driven E-Commerce
- Crowdfunding
- 3D Printing

A Forced Choice

Faced with Few Other Options, Workers Opt for “Gigs” Over Jobs

What Skills Gap?
Job Seekers to Openings (in Millions), Nov. 2014

- Professional Services: Job Seekers 0.82, Open Jobs 1.14
- Accommodation: Job Seekers 0.55, Open Jobs 0.97
- Government: Job Seekers 0.43, Open Jobs 0.72
- Transportation: Job Seekers 0.16, Open Jobs 0.38
- Educational Services: Job Seekers 0.23, Open Jobs 0.08
- Arts and Recreation: Job Seekers 0.23, Open Jobs 0.07

Stopgap Hiring Prevails When Needs Arise
Classification of New Jobs, 1995-2013

- 1995-2001: Traditional 41%, Contingent 59%
- 2001-2005: Traditional 42%, Contingent 58%
- 2005-2013: Traditional 43%, Contingent 57%

Hiring managers planning to increase freelance needs in next five years: 41%

No Shortage of Good Ideas

Millions of Millennial Business Owners Waiting in the Wings

1. Tech-Enabled Pathways
   - Crowdsourcing and angel capital platforms enable entrepreneurs to secure investments more easily

2. Investors on Demand
   - Niche investment and venture capital firms proliferate

3. Foregoing the 9-5
   - 53M Freelance and self-employed workers in the US, a 400% growth since 2005

4. Hidden in Plain Sight
   - 1 in 3 Workers in the United States identifying as freelancers or self-employed

So Many Courses, So Little Time
Startups Find a Niche Where University-Based Programs Fall Short

**Entrepreneurs**

“I’m making a pitch to investors in three months.”
“I want to test my business plan against industry experts.”
“I need to be on-call 24/7.”

**COE/University-Based Programs**

“12-18 month completion
Capstone requires full enrollment or special approval
Ongoing commitment to evening/weekend courses

<table>
<thead>
<tr>
<th>Established</th>
<th>2011</th>
<th>2009</th>
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<tbody>
<tr>
<td>Motivation</td>
<td>Community for entrepreneurs and startups</td>
<td>College-to-workforce transition program</td>
</tr>
<tr>
<td>Specialization</td>
<td>Technology</td>
<td>Business</td>
</tr>
<tr>
<td>Cost</td>
<td>$9,500-$11,500</td>
<td>$2,400-$5,500</td>
</tr>
<tr>
<td>Length</td>
<td>8-12 weeks</td>
<td>1-6 weeks</td>
</tr>
<tr>
<td>Scale</td>
<td>70,000 students</td>
<td>9 cities around the world</td>
</tr>
</tbody>
</table>

Source: General Assembly; The Fullbridge Program; EAB interviews and analysis.
A Captive Audience

Forgoing Flexibility for Short Periods of Intensity

From the Last Thing on Their Mind…

- Evening and weekend courses interfere with irregular business hours and family schedules
- Infrequent classes create drop-off in motivation

...To Their Undivided Attention

- “24/7” format creates memorable experience
- Length of week-long bootcamp short enough to arrange childcare or PTO

Source: EAB interviews and analysis.
Redefining “Entrepreneurship”
Inclusive Language Draws a Diverse Crowd

Building a Dream Team

Ideas2Action Bootcamp
Leeds School of Business
$5,000; 10 courses over 5 days
8:30am-8pm

15 Question Application and 2 Interviews:
- What areas/industries/sectors are you most interested in working in and learning about?
- What is your motivation for learning an entrepreneurial skillset?
- What would you like to achieve from Ideas 2 Action?

Attracting Every Shade of Entrepreneur

<table>
<thead>
<tr>
<th>Sector</th>
<th>Blogging</th>
<th>Finance</th>
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<tbody>
<tr>
<td>Technology</td>
<td>Nonprofit</td>
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<tr>
<td>Nonprofit</td>
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<table>
<thead>
<tr>
<th>Age</th>
<th>17-60</th>
<th>Age range of first cohort</th>
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<tbody>
<tr>
<td>Idea Maturity</td>
<td>1)</td>
<td>2)</td>
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<tr>
<td></td>
<td>Launch a Business</td>
<td>Grow an Existing Business</td>
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<td></td>
<td>2)</td>
<td>3)</td>
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<tr>
<td></td>
<td>Grow an Existing Business</td>
<td>Accelerate and Raise Funds</td>
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<table>
<thead>
<tr>
<th>Education</th>
<th>47%</th>
<th>Bachelor’s degree</th>
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<tbody>
<tr>
<td></td>
<td>24%</td>
<td>PhDs</td>
</tr>
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</table>

53 Applicants
1.5 Months to market first cohort

Pre-enrollment modules to be introduced in 2015, per faculty request

Source: EAB interviews and analysis.
Critical Knowledge Meets a Powerful Network

Support Continues Long after Program’s End

Greater Intensity Promotes Bonding

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<tbody>
<tr>
<td>Class</td>
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<tr>
<td>Lunch</td>
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<tr>
<td>Class</td>
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<td>Dinner</td>
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<tr>
<td>Evening Activity</td>
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Mentor Support for Bootcamp and Beyond

- **125 Mentors** in the database
- Immediate access to industry expertise
- Introduction to networks and funding
- Lifelong confidants as business evolves

*“Mentor matching” based on industry and interests in 2015*

- **8:30A – 8:00P**

*Source: EAB interviews and analysis.*
Taking Bootcamps on the Road

Potential for Specialized Programs across the Country

- Inbound applications from Russia
- Inbound applications from China and India

- Sessions in Denver and Boulder

Expanding Reach and Revenue

- $1M Revenue for five sessions at scale (40)
- 5 Anticipated programs per year

Source: EAB interviews and analysis.
A Bootcamp for Everyone

Options Extend across Industries and Level of Education

Career Changers

Technology
- Coding Bootcamp (Concordia University St Paul)
- UX Bootcamp (Bentley University)
- Dev Bootcamp
- Metis

Entrepreneurship
- The Entrepreneur’s Bootcamp (Babson University)
- Global Entrepreneurship Bootcamp (MITx)
- JHU Entrepreneurship Bootcamp

Consumer Packaged Goods
- CPG Camp

College to Career Bridge

Business
- Koru
- The Fullbridge Program
- Beyond Business
- Startup Institute
- Tuck Business Bridge (Dartmouth College)

Career Advancers

Leadership/Management
- Executive Non-profit Leadership (Regis University)
- Leadership Bootcamp (University of Richmond)

Science
- ERP Bootcamp (UC Davis)
- Neuroscience Bootcamp (UPenn)
- Data Incubator for PhDs

Health Care
- UCSF Bootcamp for Global Health Care Delivery

Stage in Career

Source: EAB interviews and analysis.