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## Reimagine College

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Sometimes things change dramatically and quite quickly in our daily world. When was the last time you used a travel agent to book a flight? Have you ever told your kids about the days, not so long ago, before cell phones? Or about life before texting? Remember when you bought everything from actual stores, rather than so much from Amazon?

These and other parts of our daily lives have been changed forever by the process of “disruptive innovation” – a technology driven process of innovation that upends an industry’s business model and transforms the way it provides goods or services. The disrupters typically lurk at the edge of the market for a while, steadily improving their product, and then, quite suddenly, “invade” the industry.

In 2015 we are likely to see such a full-blown invasion and transformation of higher education. This will have profound and beneficial consequences for the education and finances of millions of young Americans and their parents.

Pressure for change and the signs of radical reorganization of college and universities have been gathering in recent years, with such things as the growth of online course, MOOCs (Massive Open Online Courses) and upstart colleges offering low-cost degrees. The higher-education establishment has ignored or tried to dismiss [www.the-american-interest.com/2014/08/11/tottering-ivory-towers/] the warning signs – just as travel agents and the old phone companies did.

But 2015 could open the floodgates. If you have a child in middle or high school, here are four things you can expect to see when you are planning for their college in the next few years:

- **Tuition will begin to fall sharply.** Thanks to innovative use of online courses, some high-quality upstart institutions, like Southern New Hampshire University’s College for America, are now offering a full bachelor’s degree at as low as \$10,000 (for the full degree, not yearly tuition). Meanwhile the renowned Georgia Tech, in combination with MOOC pioneer Udacity, offers a complete master’s degree for \$7,000. Expect more such ventures in 2015 and growing pressure on state and private colleges to cut costs to try to compete.
- **Quality information will get much better and become customized.** Sifting through glossy brochures with pictures of smiling students is a poor way of determining value for money for such a large purchase as a degree. US News & World Report helped by ranking colleges according to its system of quality measures. Last week the Obama Administration released a draft document [www.nytimes.com/2014/12/19/education/rating-plan-for-colleges-is-

unveiled-by-the-us.html] on a federal rating system. But supposedly objective rankings are easy to fault – after all, students want to go to college for a variety of reasons, so “quality” can be hard to agree on. The good news is that there is a growing range of scorecards that aim to reflect the different goals of applicants. Some, such as the Kiplinger and Forbes rankings, focus more on such things as comparing expected salaries with the cost of tuition. Others, such as the “What Will They Learn” guide, ranks colleges on the basis of seven subjects considered the basis of a rounded, liberal arts education. Expect a growing range of such scorecards in the future, allowing students and parents to make more informed choices in the changing college world.

- **MOOCs will become more sophisticated and pervasive.** The early MOOCs could attract tens of thousands of students, but completion rates were low and there was no usable, transferable credit for the course. That’s been changing. Newer iterations are making big refinements in the original online MOOC model. Designers are experimenting with peer-grading, crowd-sourcing comments and other creative techniques for professors to give provide feedback to students. Some MOOCs are arranging proctored exams in multiple locations, and others are taking steps to develop course credits for a fraction of the cost of regular college. Others still, like edX, are developing relationships with prestigious universities like Harvard and MIT. While these top tier institutions hope to maintain their tuition levels while adding these online services, the evidence from other industries is that it won’t be long before they will have to cut tuition to compete with the new kids on the block.
- **The traditional four-year college will give way to other business models.** The innovation taking place in higher education is changing fundamentally the way students can obtain skills and the pace at which they can acquire a degree or its equivalent. This will ultimately transform college for many students, with fewer and fewer students packing their bags and heading off for four years at the same bricks-and-mortar institution. To save money in both tuition and housing costs, many students already attend a community college before spending the last two years at a “four-year” institution. With the rise of fully credentialed and less expensive online course, even more students will take fewer courses and spend less time at a traditional college. Expect more examples of such blended education, including more partnerships between employers and colleges to provide degrees that are customized to the workplace. College for America is an example of this development, as the Starbucks-Arizona State University partnership. Within a few years, also expect many colleges to become more like general contractors for a college education. They will put together a combination of online courses, courses at other institutions, semesters abroad, externships at leading companies, with perhaps only a year or so at the college itself – and all at a much lower price tag than today.

With rising tuition and student indebtedness now exceeding total credit card debt, contemplating the cost of sending a child to college is stressful. But there are good reasons to believe this holiday season that the cost and nature of college as we currently know it is about to change.