The Future Learners

An Innovative Approach to Understanding the Higher Education Market And Building A Student-Centered University

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Executive Summary

Students are changing, and so should the ways colleges think about serving them.

For decades, higher education has viewed students through a simple lens, whether they were traditional students coming to campus right out of high school or older students entering the institution through other means. Today, the needs and desires of learners are much more diverse. Institutions need to understand the motivations of these new sets of students and create programs and services to serve them.

The process to better align an institution with learners starts with student segmentation. Using segmentation is not new. It has been employed by consumer product companies and even most colleges for years. But in higher education, it has been largely limited to the marketing function at institutions to enhance communication with prospective students, current students, and alumni.

Now colleges and universities need to apply a more advanced segmentation process across the institutions, one informing everything from the recruitment of students to the formation of new academic programs and credentials. This process will require institutions to think of students more broadly — as learners, who might associate with the campus or its curriculum in limited ways rather than enroll as a full-time student. By asking, listening, and watching these learners and would-be learners, colleges can better understand what they value, aspire to, and want out of higher education.

This report outlines one way of meeting the needs learners: in partnership with The Harris Poll, we conducted a survey of 2,600 people age 14-40. The findings of the survey lay out several themes around the value of higher education, the motivation of students, and how they want to learn. Taken together, they provide a blueprint for institutions to consider when rethinking how they recruit and shepherd students to completing a degree or credential.

Once colleges understand their market or potential market of learners, they can develop personas or fictional representations of learners. By thinking of learners as people rather than just numbers on a page, institutions can begin to develop new ways of serving them. Our report describes five personas developed as a result of our survey, as well as the specific opportunities for colleges to build new learning pathways to help learners achieve their goals.

These are **The Future Learners** and in the pages ahead we will describe the process for finding and better serving them in the future.

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Introduction

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Introduction

For some time now, college and university leaders have been bracing for a demographic tsunami to hit their campuses.

A projected downturn in the number of U.S. high school graduates in the decade ahead means fewer teenagers applying to college. Those who do arrive on campus in the 2020s will be more racially and ethnically diverse than any other group of students that higher education has previously served. And all of them hail from Gen Z, a generation of students born since the late 1990s, who have different expectations for campus amenities, instruction, and technology than their Millennial counterparts.

While these demographic trends been on the radar of colleges for nearly a decade, finding a strategy to serve these students has proven elusive for higher-education leaders.

Many institutions have struggled with how to adjust academic programs both on campus and online to appeal to such a wide variety of students and determine what services they need — or even how best to reach these populations

So college officials return to what is familiar to them, rather than listen to what prospective students want from their higher education experience or even how current students navigate it.

"Our ultimate goal should be to find our ideal students and better meet their needs based on what they tell us"

— Rachel Stern, director of strategic communications at Butler University in Indiana.

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Without a clear understanding of their students, institutions often fail to think beyond the core populations they are already enrolling or "believe the services and amenities they offer are adequate, even if they're not," said Paige Booth, vice president for marketing and enrolment management at St. Edward's University in Austin. This strategy plays out at institutions again and again as leaders picture their students mostly through the lens of age: traditional (18-22 years old) and non-traditional (everyone else).

By considering only their students' ages rather than their needs or desires, colleges end up making minor adjustments to their one-size-fits-all model rather than creating multiple products and offerings for a diverse student body.

Take, as an example, the catalyst for why traditional-age students enroll in college in the first place. For the last decade, a long-running survey of freshman nationwide conducted by UCLA found that the No. 1 reason students enroll was to get a better job. That's a seminal shift in the mindset of students: for the previous 30 years of the survey, the top reason was to learn about things that interested them.[1] Yet few schools overhauled their traditional undergraduate curriculum to acknowledge this shift. To be sure, many campuses revamped their advising services to appeal to career-minded students. But otherwise colleges continue to serve up their legacy offerings rather than design a variety of pathways to attract students interested in blending hands-on learning in the classroom and related work experience outside of it.

Because of the decline in high school graduates, colleges need to realize that adults, part-timers, and other nontraditional students will increasingly become the norm at most institutions. But colleges fail to differentiate their offerings to the distinct needs of these new sets of students. There are about 80 million people of working age in the U.S. who graduated from high school but don't have a college degree. Another 15 million have an associate degree but lack a bachelor's. Compare the scale of that pool of students to the traditional market of 3.5 million who graduate from high school each year in the United States.

Again, rather than create a unique set of experiences for the adult market — such as learning communities to provide support or competency-based degrees to move them through school more quickly — institutions merely tweak the course schedule aimed at traditional teenagers and then add night, weekend, or online options.

Segmentation

*An Approach to Building
A Learner-Centered University*

Segmentation

AN APPROACH TO BUILDING A LEARNER-CENTERED UNIVERSITY

Serving students with a single model developed over the course of previous centuries no longer works. A consumer mentality has come to permeate higher education (for better or worse). Students of all ages are increasingly vocal about what they want out of a college degree and more skeptical of the existing system.

Understanding student expectations in this consumer era is vital to colleges, and data collected from their students can help in this process.

Online survey tools allow colleges to constantly ask about students' experiences. And thanks to the growing digitization of campuses, we know so much more about how students learn in the classroom and how they interact with campus services, from academic advising to the library.

Until now, however, that data has remained siloed within academic departments or specific schools at a university and hasn't worked to the overall benefit of students or the institutions. But slowly institutions are beginning to connect the dots, creating data warehouses that draw on activity across systems, sometimes in real time.

The next step is to use that survey research and data to "segment" students in order to build new academic offerings and personalize campus services.

The more higher-education leaders understand what motivates prospective students to enroll and persist and what offerings and services meet their needs, the better offerings can be tailored for them.

Student segmentation is not a new idea in higher education. It was used by two-thirds of college admissions offices as far back as the 1970s, according to surveys at the time, to target marketing materials to prospective students based on income, geographic location, and preference of major, among other things.[2] Since then, segmentation has taken hold in marketing and communications functions within institutions from admissions to fundraising to alumni relations. The concept, however, has failed to gain widespread adoption within the critical academic core of the institution.

This paper argues that colleges need to more broadly adopt a segmentation approach throughout their institutions—to inform academic majors, help students navigate the institution, and improve current recruitment practices. One reason these changes are necessary is that the aftermath of last decade's financial crisis put many colleges on weak financial footing. In 2017, revenue growth at public universities declined for the second consecutive year while expenses grew, according to Moody's Investors Services. Among private colleges, the news is not much better: some 25 percent of the sector is running deficits.[3]

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No longer can colleges operate on the assumption that the more they build, spend, diversify, and expand, the more they will persist and prosper.

But making a shift in strategy will require institutions to make tough choices in the decade ahead.

My hope in the pages ahead is to outline what a diverse group of students think about higher education and then suggest through a set of distinct segments of students how colleges might serve them. In all, the report attempts to inform strategy and planning discussions at institutions by considering these core questions:

– What are the goals of existing and prospective students in terms of their education? How do they approach and value learning?

– How might we categorize existing and potential students into distinct groups based on more than their ages?

– What does success in higher education look like for these groups of students?

– What are the risks of the current models for learning providers and the opportunities for the future?

This report contains three parts. The first part (Mapping Future Learners) outlines the major findings from a new national survey of learners and what these findings mean for colleges and universities, and it is structured around four major themes. The second part (The Value of Segmentation) explains why segmentation is critical to higher education's future and includes two brief case studies about how it's currently being used. And the third part (The Five Major Segments of Learners) prioritizes the themes from the survey and develops personas for campuses to consider in categorizing learners.

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The Coming Demographic Shift in Higher Education

KEY TRENDS IN STUDENT DEMAND OVER THE NEXT DECADE

- Overall, the number of high school graduates nationwide is projected to remain relatively flat for the next several years before rising a bit — and very briefly — in the middle of the next decade.

- Between 2026 and 2031, the ranks of high school graduates are expected to drop by 9 percent. In that period, four-year colleges nationwide stand to lose almost 280,000 students.

- The South and to a certain extent the West will account for nearly all the growth in the high school population over the next decade-plus. The South will be responsible for nearly half of the nation's high school graduates in 2025. The West will add another 30 percent by the middle of the 2020s.

- At the same time, the Northeast and Midwest will see a continued and steady decline. Several historically large markets of high school graduates, such as New York, Philadelphia, and Boston, will post losses of 15 percent or more at the end of next decade.

- Driving growth in high school graduates will be Hispanic students, whose numbers are expected to increase by 50 percent, or some 280,000 graduates, by 2025.

Sources: Western Interstate Commission of Higher Education; Grawe, Nathan D, Demographics and Demand for Higher Education, 2017.

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Mapping the Future Learners

What Do They Want From Higher Education?

Mapping the Future Learners

WHAT DO THEY WANT FROM HIGHER EDUCATION?

Compared to earlier eras of American higher education, colleges and universities today are expected to serve multiple missions — preparing workers for a job, educating citizens for a democracy, providing research for the world — for an increasing diversity of students.

The first colleges in the American colonies imported much of their structure from Europe and had a limited undergraduate curriculum that consisted largely of courses seen as the best preparation for lawyers, ministers, and statesmen: grammar, rhetoric, logic, astronomy, arithmetic, geometry, and music. Only the elite of society went to college; most people entered careers through apprenticeships, where they studied with a master teacher and practiced new skills as they learned them.

The Industrial Revolution broadened the purpose of higher education. New institutions, including the land-grant universities, were built. They created programs in agriculture, mechanics, engineering, and manufacturing to serve the growing legions of factories, railroads, and mechanized farms.

The end of World War II ushered in the modern era of higher education, when the GI Bill opened the doors of college to a wider group of Americans and enrollment surged. Of the 11 million World War II veterans, one-third entered college. Over the following decades, the number of students in college grew from 6 million in 1965 to more than 20 million today. So, too, did the number of colleges, from 2,000 in the early 1960s to some 5,000 now.[4]

Today, the global digital revolution and rise of artificial intelligence requires us to once again rethink the purpose and structure of higher education.

A new national online survey of more than 2,587 Americans, 14-to-40–years-old, and conducted by The Harris Poll on behalf of Pearson, provides a foundation for how higher education might respond to the changing needs of students and better serve them in the decades ahead (for more detailed methodology, see page 36). The survey reveals how a wide range of teenagers and adults—current students, prospective students, college graduates, as well those who never attempted a postsecondary education and those who started but never finished—approach the idea of higher education.

From survey respondents, four main themes emerge that allow us to segment students based on their interests and attitudes rather than simply their ages and geography:

1. The Purpose of College
2. Motivation of Students
3. How Students Want to Learn
4. The Cost–Value Equation

1. The purpose of college

Debates about the purpose of higher education have been simmering for more than a century. On one side are those who believe that college is an avenue for intellectual development and for fostering a broad set of knowledge whose value is not always immediately obvious. On the other side are those who favor a utilitarian function for higher education and consider its primary purpose to be preparing students for jobs.

The two ideologies have long existed in an uneasy equilibrium. But since the Great Recession, various surveys of students, as well as the choices they are making about their majors, demonstrate that the balance is tipping far toward the job function.

In our survey, divisions over the purpose of college are apparent by age, life stage, education level, and income:

- **Adults want a degree to provide broad learning; the young want financial security. Adult learners (53 percent) are more likely than young learners (42 percent) to believe the goal of college should be to prepare graduates for life in general.** Indeed nearly two-thirds of Generation Z (14-to-23 years old), after seeing their parents live through the global economic crisis of 2008, want their degree to provide financial security, ranking it above all else when it comes to their motivation for going to college.

- **Teenagers want their education to apply immediately; adults are more patient.** Older students understand the relevancy of their education even if it's not readily apparent (58 percent of 18-to-40 year olds think what they are learning in school will be very important later in life). High school students, meanwhile, remain skeptical: only 30 percent believe their education will be applicable later in life.

- **High school graduates and college noncompleters see higher education as a path to a job; college graduates have a broader view.** When asked why they'd consider going back to school, 67 percent of college graduates said it would be for personal growth. For high school graduates and those who left college short of a degree, college is all about money: some two-thirds want greater financial security and increased earning potential.

- **Higher earners want college for personal growth; poorer students want it for skills.** Half of low-income and working-class students (those earning under $50,000 annually) see college for skills it can provide on the job. Meanwhile, 78 percent of higher earners (above $100,000) want further education for personal growth.

WHAT THIS MEANS FOR COLLEGES

Institutions must design more flexible pathways that allow students to choose among a mix of legacy majors with a healthy dose of hands-on learning opportunities, short training courses, and intensive career advising. For example, traditional-age students want to see how their education applies immediately. So even general-education courses should show students how to transfer their knowledge to a job or apply what they're learning elsewhere (through a research project, a club, or an internship) to the course.

2. Motivation of students

Motivation is often thought to be a fixed trait that helps explain why some students succeed in college while others fail to graduate.

But research has found that motivation is more malleable than we are typically led to believe. Students who have what is often referred to as a "growth mind-set" see challenges as opportunities to broaden their skills.[5] As a result, if they can connect learning to what sparks a student's interest, colleges have the power to help students succeed.

Our survey found that a complex combination of a student's family and educational background along with the web of interactions in daily life and on the job can spur or sap academic motivation:

- **College graduates are bullish about the future; high school graduates much less so.** Some 63 percent of college graduates describe themselves as optimistic about the future, compared to 47 percent of those who never went to college or failed to complete a degree. Among the most optimistic: those who received a STEM (science, technology, engineering and math) degree (69 percent) and first-generation students (70 percent).

- **The older you are the more optimistic you are about your job prospects and career.** Most of all, adults coming out of college feel more prepared for the job market than do traditional-age students. That finding tracks with a recent Gallup and Strata Education Network study that found only 34 percent of college students were confident that they had the skills and knowledge to find a job or succeed in a workplace.[6]

- **Alternative credentials and certificates are just as popular as degrees among both college graduates and nongraduates.** Even those not enrolled in school currently are thinking about it. Around 20 percent of college graduates plan to enroll again within two years (mostly in graduate school) as do 29 percent of college noncompleters and high school graduates (split between two- and four-year schools). But both groups also said they want opportunities for alternative certificates and continuing education (27 percent of college graduates and 25 percent of noncompleters and high school graduates).

WHAT THIS MEANS FOR COLLEGES:
Institutions of all kinds and sizes want to enroll a greater diversity of students. But the findings from our survey show that motivating high school graduates and college noncompleters, in particular, is difficult, especially with the current academic offerings and credentials provided by colleges. Institutions need to design pedagogical approaches for adult students that are different from those for traditional students. Institutions should focus just as much on building new kinds of credentials as they do on recruiting different groups of students. It is clear from our survey that students, both college graduates and nongraduates, want alternatives to the typical associate, bachelor's, and master's degrees.

3. How students want to learn

Access to a world of infinite information has changed how we communicate, process information, and think. These changes make innovation, creativity, and independent thinking increasingly crucial to the global economy.

Yet the dominant model of education remains rooted in the industrial revolution that spawned it. No wonder more than 40 percent of American students who start at four-year colleges haven't earned a degree after six years. If you include community college students in the tabulation, the dropout rate is more than half.[7]

But higher education is finally beginning to change. A new wave of educators, inspired by everything from massive online courses to cognitive science, is inventing new ways for students to learn. And our survey shows that it can't happen soon enough to engage the next generation of students:

- **In era of collaborative learning, students prefer to work independently.** Overall, 39 percent favor working on their own, including 35 percent of students currently enrolled in college. Even at a time when employers value teamwork, 40 percent of college graduates prefer working alone, compared to 25 percent who like group environments.

- **Professors are still valued, but students want flexibility in their learning.** The learners in our study want to preserve some traditions (professor and student) but add in a variety of ways to engage with education (i.e., hybrid, online, and technology-enabled face-to-face learning). College graduates like a mix between self-directed learning (30 percent favor it the most) and learning with a professor (27 percent). High school graduates and college noncompleters, perhaps because of their lack of success with higher education prefer self-directed learning (46 percent as compared to just 19 percent with a professor).

- **Technology plays a large role in how students of all ages and background learn.** A majority of respondents in our survey (54 percent) believe technology can greatly enhance the college learning experience and 42 percent say that professors should integrate more tech into courses. The dominant form of instruction is now watching a video (66 percent of respondents) compared to listening to a lecture (52 percent), and that's true across all majors except for STEM, where independent activity is tops because of labs.

- **YouTube is the new university. Some 45 percent of respondents said that YouTube contributed to their learning in the past year, including 46 percent of current students and nearly the same percentage of high school graduates and noncompleters.** When asked what methods and platforms they prefer for learning, the top pick was YouTube at 57 percent followed very closely by books (55 percent). That said, college graduates far prefer the traditional lecture (69 percent) compared to an online course (43 percent) or YouTube (50 percent). Meanwhile, high school graduates and noncompleters like YouTube (57 percent) over the lecture (45 percent)

WHAT THIS MEANS FOR COLLEGES:
Different delivery methods are needed to appeal to the various learning styles of students. Some students like learning in a traditional classroom or in groups while others like to learn online and independently. Creating more flexible learning environments is especially critical for motivating college noncompleters who are often turned off by traditional college classrooms. Indeed, among that group, 68 percent prefer learning by video, compared to 42 percent who favor a traditional lecture.

4. The cost-value equation

Higher debt, along with stories of college graduates living in their parents' basements or working as baristas at Starbucks, is leading prospective students to increasingly ask what they are getting in return for their degree. That's especially true if students are taking on a large debt burden to finance their degree.

It's not that students and families are questioning the value of college, just the value of attending certain colleges. Return on investment (ROI), once a measure used to invest in the stock market, is becoming an important metric in higher education as well. The ability of students, their families, and counselors to isolate the return on investment to precise figures associated with individual colleges—and even academic majors—has been made easier in recent years with the proliferation of tools that match salary data to college graduates.

Still, prospective students balance many competing demands in weighing the decision to enroll in college, as our survey found:

- **Not surprisingly, the price of higher education is a hurdle for students who want to enroll.** Some two-thirds of college graduates and those who never finished say cost is a major barrier to returning to school.

- **The older you are the more you value education. And the more you're willing to pay to receive that education.** While students at all levels are stressed about paying for education (particularly graduate school), the value of education is primarily a function of age and experience—the more you have of both, the more you think it's important to your life.

- **But cost is far from the only obstacle keeping students from enrolling in college.** Nearly half of high school graduates and noncompleters say getting back into the rhythm of classes is a major concern.

- **Indeed, often the biggest hurdles for students are outside the control of the college.** Balancing studying and their personal life and work was described as the biggest challenge by 44 percent of respondents, followed by lack of money (38 percent), and lack of time (35 percent). Among noncompleters, the top reason for failing to enroll again was money.
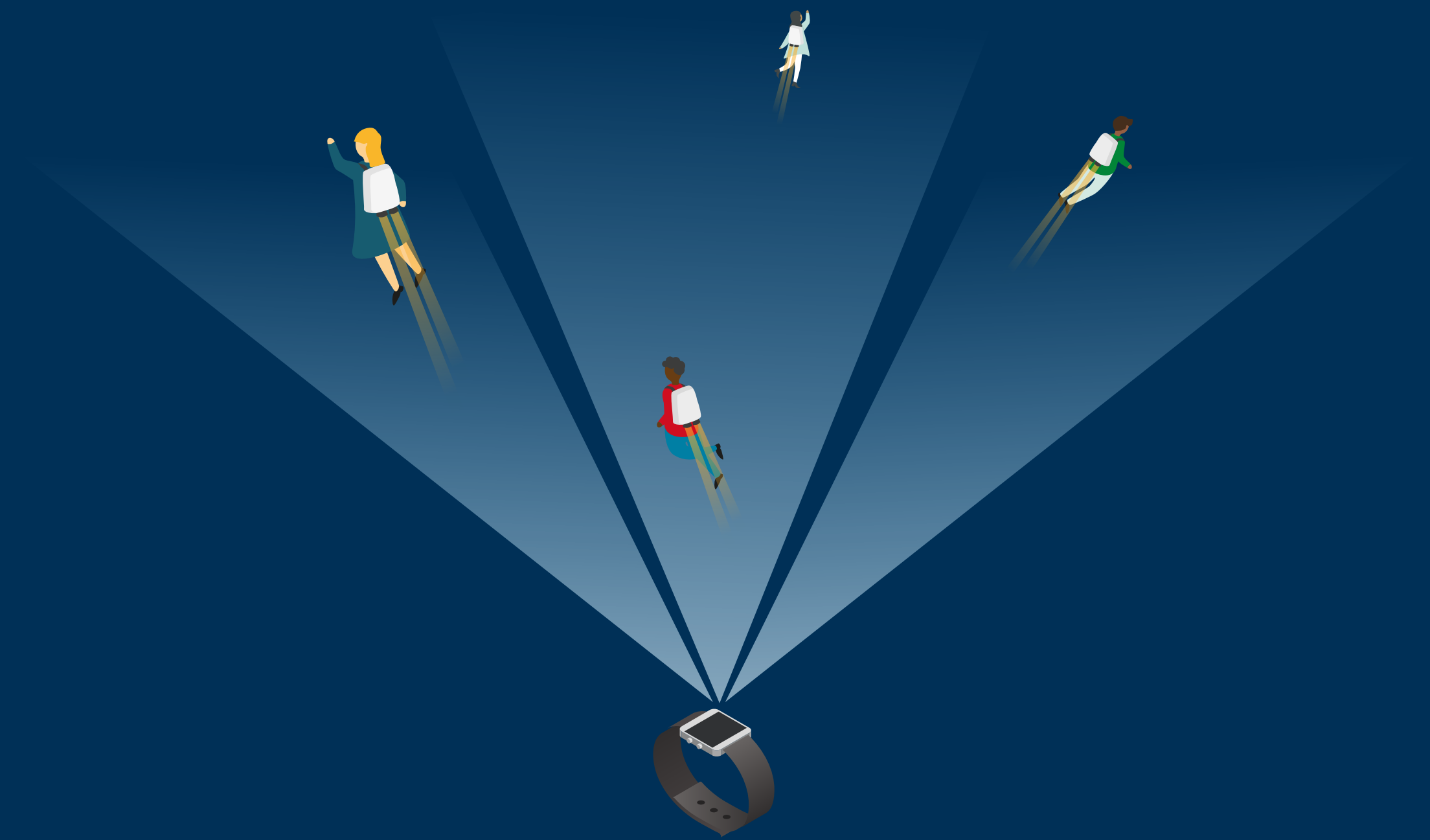
WHAT THIS MEANS FOR COLLEGES

It's clear that prospective students value higher education differently, depending on their age and experience, yet colleges often market the value of their programs in much the same way: as a ticket to a better life. Colleges would be better off tailoring the value message based on age and experience. What's more, colleges need to better understand not only what motivates prospective students to enroll in higher education, but what the hindrances are and how can institutions help mitigate them.

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The Value of Segmentation in Higher Education

The Value of Segmentation in Higher Education

Segmentation has been used to create targeted interactions with customers dating back to the Mad Men-era of advertising. In the beginning, segmentation often resulted in crude models, based largely on focus groups and a few times on a hunch. But over time, as consumer surveys became ubiquitous and analytical tools allowed clustering of responses, personas — fictional representations of potential customers developed as a result of segmentation—became much more sophisticated. In turn, consumer-product companies began using segmentation methods not only for advertising and marketing purposes, but also to determine what kinds of new products to build for which personas.

But adoption of such a process on college campuses has been much slower.

"Higher education has always been about 10 years behind other industries in bringing in these more sophisticated segmentation techniques"

— Reid of Eduventures, the consulting firm

Indeed, as mentioned earlier, segmentation in higher education has largely been limited to institutional functions such as admissions and fundraising and has focused on how colleges communicate and through what vehicles. And even then, colleges have often used the process in limited ways. "We have yet to find the right segmentation, the right mechanism," said Eric Maguire, vice president and dean of admission and financial aid at Franklin & Marshall College. "For segmentation to work, the entire institution has to be dedicated to it and believe it for you to be successful."

Attitudes and the use of segmentation in higher education are slowing beginning to change because of pressures on enrollment and tightening budgets that together require institutions to assess who they want to serve and how. Efforts to segment prospective students are improving (see case study: Dabney S. Lancaster Community College) and even extending into the development of academic programs and student services (see case study: Columbia College Chicago).

Developing a deep and wide segmentation approach is critical for colleges and universities given how learner behavior based on technology is already changing.

Even as higher education as an industry tries to catch up to other sectors in employing segmentation strategies, the rest of the consumer economy is already moving more deeply into behavioral science based on mobile, social, and wearable technology.

In our survey, we found a penchant for learning new things among tomorrow's students, indicating they will want to use the functions and services that technology offers to improve their quality of life. We already see this in mobile apps used to pay others electronically, wearable devices to track fitness levels, and personal digital assistants run by artificial intelligence. All of these technologies have the ability to personalize the learning experience in ways we are only beginning to understand. So for colleges to remain relevant in the decades ahead, it is critical that leaders start thinking about the broad swath of students they want to serve (or need to serve) and how to appeal to their specific needs and desires.
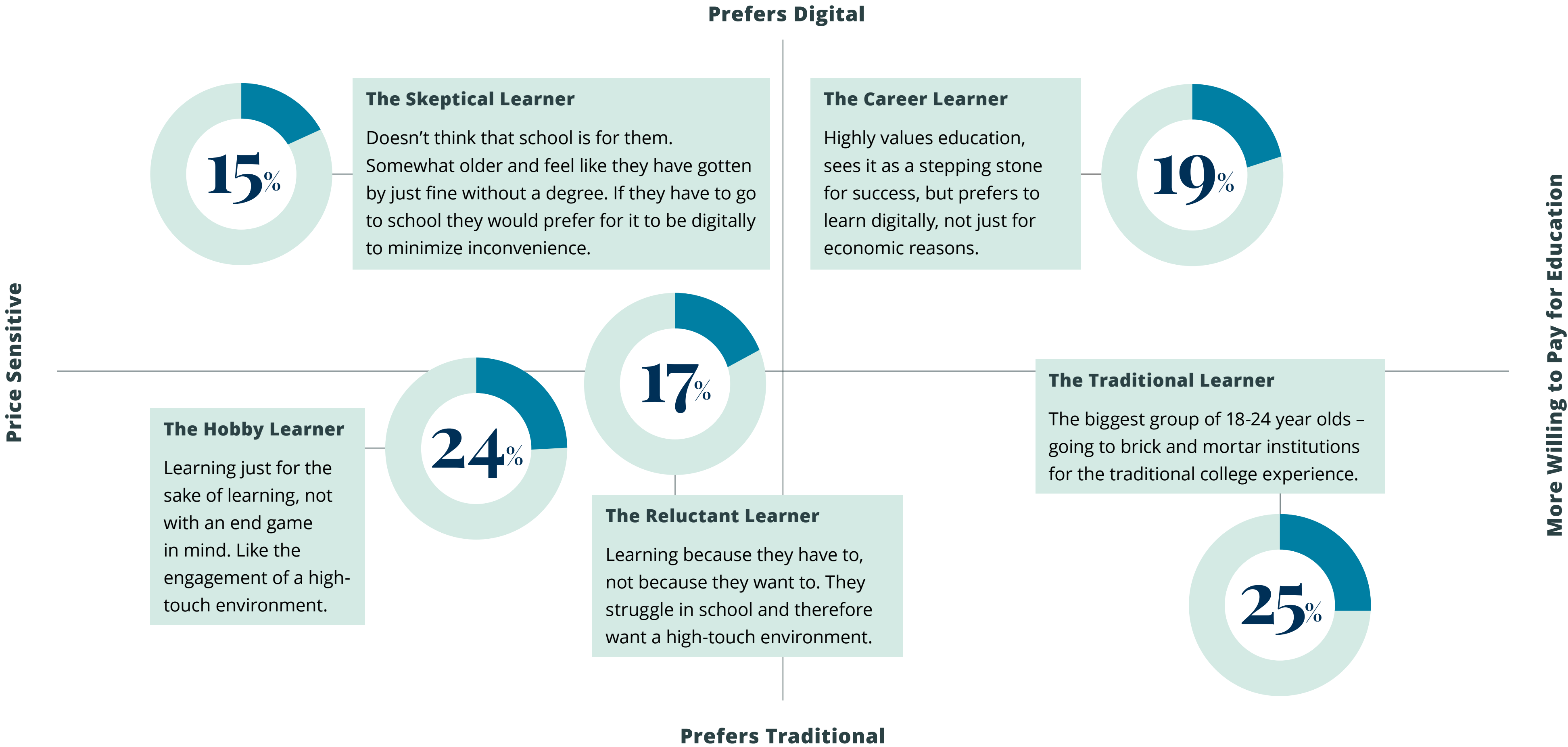
The Five Major Segments of Learners

The student personas we developed a result of our survey serve as a guide for how institutions might use segmentation to build academic programs, market to prospective students, and serve them in new ways. Such market research and student segmentation is essential to better understanding the future of learning given the integration of technology in the classroom, the broadening of educational providers, and price sensitivity of prospective students.

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How Adult Segments Compare

Prefers Digital

Price Sensitive

More Willing to Pay for Education

Prefers Traditional

15%

The Skeptical Learner

Doesn't think that school is for them. Somewhat older and feel like they have gotten by just fine without a degree. If they have to go to school they would prefer for it to be digitally to minimize inconvenience.

The Career Learner

Highly values education, sees it as a stepping stone for success, but prefers to learn digitally, not just for economic reasons.

19%

The Hobby Learner

Learning just for the sake of learning, not with an end game in mind. Like the engagement of a high-touch environment.

24%

17%

The Reluctant Learner

Learning because they have to, not because they want to. They struggle in school and therefore want a high-touch environment.

The Traditional Learner

The biggest group of 18-24 year olds – going to brick and mortar institutions for the traditional college experience.

25%

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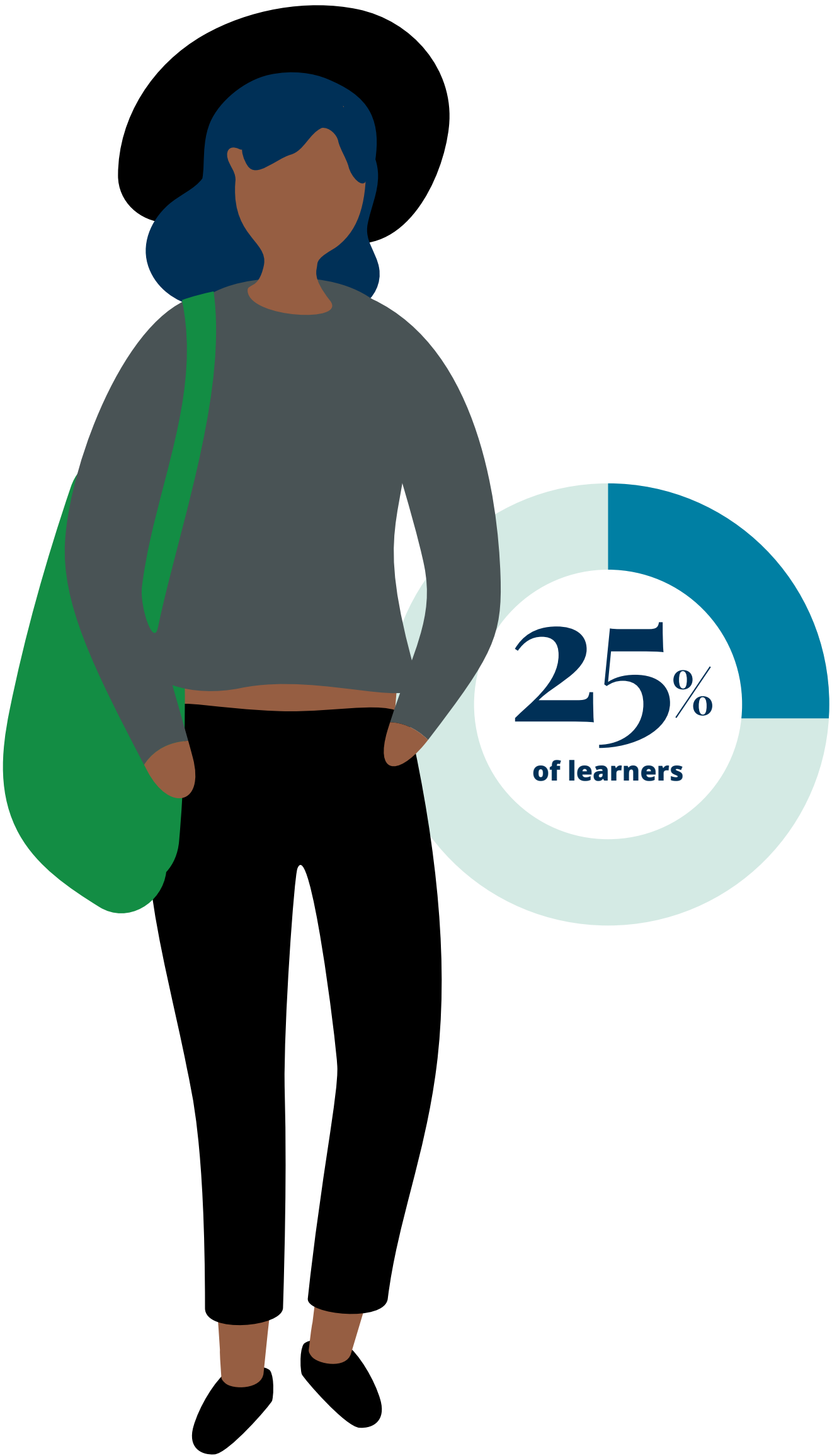# The Traditional Learner

Location California

The Traditional Learner is the prototypical college student, with 62 percent of them currently enrolled in higher education. They are top-notch students with a passion for learning new things in a conventional environment. This segment favors in-person interactions with classmates and professors and prefers reading and listening to lectures over group study and watching videos.

While they believe that the purpose of college is to prepare them for life, a big motivation for going to college is also to get a better job. To that end, the top three majors for Traditional Learners are engineering, health professions, and business.

Because of their passion for learning, this segment highly values higher education and expresses the least concern among all the segments about their ability to pay for a degree.

**OPPORTUNITIES FOR COLLEGES
TO SERVE THE TRADITIONAL LEARNER**

- Improve face-to-face learning and high-impact interactions with professors.

- Blend classroom learning that is highly valued with experiential, hands-on opportunities, including research, internships, and projects.

- Provide add-on services of high value given pricing flexibility with this segment (i.e., boot camps focused on skills building).

25%
of learners

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The Hobby Learner

Location Washington

The Hobby Learner is a diverse set of older learners who view education as a journey of learning about new things rather than as a way to make it to the top of their professions. Six in 10 of the learners in this segment are not enrolled in college, have never earned a degree, and don't need one for their job. For those enrolled in college or who have graduated with a degree, their top three fields of study are information technology, biology, and psychology.

This group is made up of self-directed learners with high academic abilities who appreciate a mix of learning styles, including digital, books, and in-person.

What really makes this group stand out is finances. A majority of them (59percent) said finances might prevent them from going to college. And while they value education highly, money is a hurdle for them. Two-thirds of Hobby Learners said they have major concerns about paying for a degree.

OPPORTUNITIES FOR COLLEGES TO SERVE THE HOBBY LEARNER

- Design shorter, flexible academic programs, even at the single course level, that appeal to the Hobby Learner's desire to seek knowledge about interesting things.

- Create alternative credentials given this segment's bent toward education without the need to earn a degree to get a job.

- Adopt digital tools to satisfy this segment's desire for a mix of learning styles at a lower cost.

24% of learners

The Career Learner

Location Pennsylvania

The Career Learner loves everything about college and excels academically and is similar to the Traditional Learner in those ways. But where they differ is that the passion of the Career Learner is mostly focused on higher education as a means to an end: jobs and careers.

While this segment is made up of multigenerational learners, the largest subgroup (nearly 60 percent) is in college right now. Their majors skew to the practical: business, computer science, and health professions.

This segment of learners is digitally savvy, far preferring to learn that way over any other method, including in person or through books. Even so, this group also likes project-based learning because they are conscious of the emphasis that employers put on soft skills.

OPPORTUNITIES FOR COLLEGES TO SERVE THE CAREER LEARNER

- Integrate career services into the curriculum and provide more skills-based courses.

- Build co-ops into the curriculum that allow students to toggle between semesters in the classroom and long stretches in the workplace.

- Create opportunities for students to align their learning experiences across school and work by tracking their progress so they can visualize what they have accomplished and translate it for potential employers.

19%
of learners

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The Reluctant Learner

Location New Mexico

The Reluctant Learner is the most diverse segment in terms of enrollment trends and includes those currently in college (36 percent), degree holders (25 percent), and those without a degree (39 percent). They are academically average students who have little passion for learning. Their top-choice majors include business, engineering, and history.

When they are ready to learn, this segment prefers education on their time and in their place, whether online or on a campus, but favors face-to-face when possible.

Because they lack passion for learning, the Reluctant Learner also places a low value on higher education and are price sensitive: 44 percent of them say they have major concerns about their ability to finance a college degree.

**OPPORTUNITIES FOR COLLEGES
TO SERVE THE RELUCTANT LEARNER**

• Meet Reluctant Learners where they are, allowing them to mix-and-match learning modalities at any one time, as with online courses and face-to-face classes.

• Create a flexible calendar that offers dozens of start times a year and mini-sessions embedded with traditional semesters to give these learners the time and space they need to complete their academic pursuits.

• Build a pricing approach based on progress toward a degree, rather than time spent in a seat, which would incentivize price-sensitive students to complete their studies.

17%
of learners

The Skeptical Learner

Location Oklahoma

The Skeptical Learner is essentially the converse of the Passionate Leaner. Both groups include high proportions of learners who are not enrolled in and never earned a degree (68 percent, in this case). For the third who are in college or graduated from college, the top majors for this group include business, premed, and criminal justice.

This segment has little passion for learning and a little more than half of them describe themselves as average or below average learners. They like the social aspects of education, such as seeing friends, but not the academic pursuit. That said, they prefer digital online by far over in-person and books.

Given their apathetic attitude toward education, 53 percent of them see little or no value in a college education and they are extremely price sensitive: 60 percent say they have major concerns with their ability to pay for college.

OPPORTUNITIES FOR COLLEGES TO SERVE THE SKEPTICAL LEARNER

- Create a low-price pathways program for Skeptical Learners that provides intensive instruction and support services when they enter an institution with the goal of increasing retention and graduation rates of such students.

- Redesign the online learning environment to replicate the social aspects of face-to-face learning and make it more engaging for the Skeptical Learner.

- Build a low-residency campus option and offer work experience to the Skeptical Learner to lower their costs and increase their perceived value of higher education.

15%
of learners

Case Studies

Columbia College Chicago

FINDING YOUR FISH IN A VAST OCEAN

How do you identify market segments when your market is potentially anyone reached by the Internet?

That's the question that Robert Green confronted after becoming Columbia College Chicago's first vice provost for digital learning in July 2016. His newly created job title empowered him to run an all-online academic unit that, practically speaking, did not yet actually exist. He had to build it from scratch and devise a strategy for getting it to flourish in some relatively untapped market niche.

Green came to Columbia College Chicago from the Berklee College of Music, where he'd spent 11 years leading an online education division that had met considerable success digitally offering arts and performing arts courses. He had already used, and witnessed the effectiveness of, the segment-focused marketing. Without a focus on specific market segments, he said, "What you are doing is spray-and-pray."

At Columbia Chicago, he said, he knew, "We weren't going to just step in and offer a degree program right away." He resolved to test the continuing-education market by trotting out individual courses shaped by research on potential areas of demand resulting from labor-market trends. If the courses enrolled enough students, they could organically nurture the growth of Columbia College Chicago Online (CCCO).

The task required a substantial amount of innovation. Very few colleges have units focused on offering any given online course as "a separate, stand-alone product," said Ann Oleson, founder and chief executive officer of Converge Consulting, the Cedar Rapids, Iowa, firm that advised Green's efforts. "Marketing a course is much different than a whole degree program," Oleson said. Among the questions that need to be answered: What courses will sell? What's the right price point for them? How can they be advertised at a low-enough cost per student? Can partnerships with third parties get students steered your way?

One year after opening its doors to the public, Columbia College Chicago Online offers 15 courses on subjects such as entrepreneurship, app development, and American Sign Language, as well as five certificates. About 300 students have taken its classes so far, and more enroll every day. It has forged partnerships with organizations such as One Summer Chicago, which connects young people with summer jobs, and Genesys Works, which provides skills training to high school students in several major cities.

The college is "opening up the curriculum for anyone who has the time to study," Green said. "The ultimate goal is furthering their passions, furthering their educational opportunities," and "allowing them to take a hard look at their careers and really cherry-pick things that are necessary for them to advance."

Dabney S. Lancaster Community College

SMALL-TOWN FAMILIARITY

Dabney S. Lancaster Community College hardly stands out as a likely user of sophisticated, segment-focused marketing. Located in Clifton, an old rail town in western Virginia's Alleghany highlands, it's much closer to Mayberry than Madison Avenue. It enrolls 1,800 students from the surrounding towns and countryside.

Yet Dabney Lancaster has made the leap to data-driven market segmentation as an alternative to its old shot-gun approach of trying to appeal to everyone through generic newspaper, television, and radio ads. "We are in a fragmented area," says John J. Rainone, the college's president. To advertise effectively, he says, we have "to do a little of a lot of things."

Challenges loomed for all involved. The college faced obstacles rooted in the local geography, demography, and culture. It serves 70,000 people spread over a broad area, with terrain that can block broadband signals. The local population is aging and declining, and more than three-fourths of those who do enroll at the college qualify for need-based financial aid.

Although local high school students express a desire to go on to college, about two-thirds fail to do so immediately upon graduation. Meanwhile, Rainone said, local job vacancies go unfilled because people lack the required training.

The college's understanding of potential students divided the local population into segments such as high school graduates who hold white-collar jobs and need help with financial literacy, or older unmarried people who live in rental housing and could benefit from vocational training.

Among the insights: the college needed to focus on prospective students' financial concerns and sell education as a means of qualifying for specific jobs. Don't advertise business degrees, advertise business careers. Typical of the ads that it conceived, one for a program for electrical technicians depicts a woman in electrician's gear and says, "She had the spark. We showed her the salary."

The college now relies heavily on Facebook advertising aimed at specific populations and geofenced, so that its training program for welders pops up in the Facebook news feeds of likely enrollees at or around a welding company. "It is not very expensive," Rainone said. "Every college needs to do something like this, to really make sure you are spending your money as appropriately as possible."

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Conclusion

Conclusion

The current segments of college students are not homogenous, yet they are largely served as if they were by traditional institutions. Many colleges are struggling financially because they still cater to the typical market of 18-year-old high school graduates, a shrinking demographic. Such students accounted for 36 percent of the U.S. population in 1964, at the end of the baby boom, but today make up 24 percent and by 2050 will be just 21 percent of the country.

The decade ahead will require differentiation in higher education between colleges and universities as well as within institutions. Universities must become much more focused on who their core students are today or who they want them to be tomorrow.

That process means moving away from a one-size-fits-all system, in which students largely follow the same calendar and curriculum on their way to collecting 60 credits for an associate degree or 120 credits for a bachelor's degree. The colleges that survive and thrive in the future will be those that understand the diversity of their students' needs—just as most companies segment their customer base—and offer a variety of pathways to a degree or just pick one and take a deep dive. Segmentation is about both making choices to serve more kinds of students, but also being more disciplined and determining the students best served by your institution.

This report lays out several approaches colleges can use to segment their students using more sophisticated methods than simple demographics or geography. Using our survey as a guide, colleges and universities can study further their own students or the markets and products they wish to develop. Then they can build their own personas to understand what motivates their students or prospective students, what they value, how they want to learn, and most of all, what they are willing to pay for.

The five categories of learners described in this report have vastly different motivations for furthering their education. Those diverse ambitions combined with the changing demographics of the nation demand that colleges and universities shift their approach to remain relevant in the decade ahead.

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METHODOLOGY

The results of the survey referenced throughout The Future Learners are based on responses from a 30-minute nationally representative survey of 2,587 respondents, 14 to 40-years old. The online survey was conducted by The Harris Poll between January 25 and February 6, 2018. Results were weighted for age, gender, race/ethnicity, marital status, household income, and education where necessary to align them with their actual proportions in the population. Propensity score weighting was also used to adjust for respondents' propensity to be online. Survey respondents were selected based on their age, education, and quality of response from leading online research panels.

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