Pearson

Is your institution considering going online?

Five key areas of costs to know and evaluate before you make the move

Launching and scaling online programs is complicated, and, as a university leader, you've got a number of decisions to make along the way. We've put together some "rule of thumb" estimates for performing each set of online program functions in-house or hiring a fee-for-service vendor to do it for you.

Every program and discipline is different, so your out-of-pocket costs will vary. But these estimates reflect our deep experience building and operating online programs, and extensive conversations with institutions that operate their own.

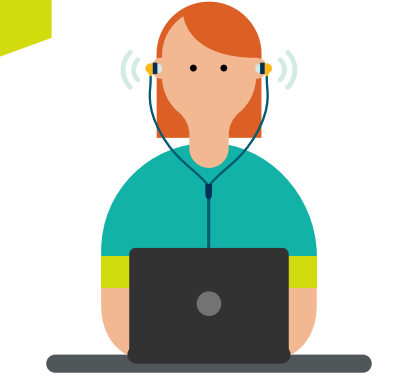|	(in-house) **DIY**	Fee-for-service **vendor**
1 **Identifying strategic, market driven programs to take online** To successfully grow online you must carefully identify niches, clarify and extend your differentiators, and invest more heavily in branding and outreach beyond traditional markets.	**$10,000–25,000** per proposed program	**$500 per hour** + travel and associated overhead
2 **Ongoing marketing and recruiting costs** Marketing online programs has grown more complex and expensive. Crucial specialized skills may not be available in-house, or practical to acquire via point solutions, and it can be difficult to align multiple vendors behind a shared strategy.	**$250,000–$300,000** in media costs per program **$25,000–$35,000** web development, photography, and hosting **$40,000–$50,000** per year per full-time employee (FTE) recruitment specialist + benefits + annual increase	**$250,000–$300,000** in media costs **+ 20–30%** account management and related fees per program **$40,000–$60,000** web development, photography, and hosting **$7,500–$10,000** per month per FTE recruitment specialist
3 **Developing online courses and curricula** Online students want to engage whenever it's convenient, in a stimulating community of learners, with maximum control over how they learn.	**$15,000–$30,000** per course for initial course build **$2,000–$7,000** per course for substantial course refresh **$100–$300** per course for routine maintenance for new instance of same course	**$30,000–$60,000** per course for initial course build **$5,000–$15,000** per course for substantial course refresh **$200–$400** per course for routine maintenance for new instance of same course
4 **Faculty training and support** Collaborating on course development and training requires a deep understanding of faculty needs and respect for their expertise.	**$60,000–$75,000** per year for course development resource headcount or trainer + benefits + annual increase	**$1,000–$2,000** initial training monthly expense for course build period (3–4 months per course, across a two-year period to build out a typical graduate program) **$600–$800** per month ongoing maintenance
5 **Student support service** Effective online student support requires institutions to collaborate deeply and creatively in new ways.	Retention specialists **$40,000–$50,000** per year per FTE + benefits + annual increase	Retention specialists **$400–$600** per enrolled student per semester (*not* year) + average **10%** overhead expense and **15%** management fees

These out-of-pocket payments are typically avoided when you establish a long-term partnership with a partner like Pearson Online Learning Services.

To read more about the critical decisions and components these numbers represent, read our white paper: *Build or Buy: Key considerations for strategic, successful online growth.*

Today's increasingly competitive landscape requires a strategic approach to successfully reach more of the right students where they are. Partnering with Pearson can help you accelerate strategic change while reducing the risks associated with growing your online presence. Our online program management services and community can help your students thrive as you build the brand and reputation you're striving for.

Learn more: **pearson.com/opm**

Dare to change.

Digital learning removes limits and gives us the freedom to provide education anytime and anywhere, empowering us to overcome our most difficult challenges.