Microcredentials: Higher Ed's Path Forward or False Promise?

TASSCUBO Member Retreat, 10-18-21

Unpacking the Buzz Around Short-Format Credentials

- ✔ Skill/competency-based
- ✔ Employer-aligned
- ✔ Short
- ✔ Taught (mostly) online
- ✔ Validated online
- ✔ Asynchronous and/or self-paced
- ✔ Cheap

What are Micro-credentials?

"At the most basic level, micro-credentials verify, validate, and attest that specific skills and/or competencies have been achieved. They differ from traditional degrees and certificates in that they are generally offered in shorter or more flexible timespans and tend to be more narrowly focused. Micro-credentials can be offered online, in the classroom, or via a hybrid of both."

SUNY System

"Micro-Credentials at SUNY"

Potential Uses

| Within an existing degree program | As an add-on to a degree program | Bridge for adults returning to college | Stackable sections of a full degree | Badges for life-long professional development |

A Solution in Search of a Problem?

From MOOCs to Micro-Credentials – Traditional Degrees Still Dominate

Merlin Crossley
Deputy vice-chancellor academic at UNSW.

Five Reasons Micro-Credentials Haven't Lived Up to the Hype:

1 Universities already offer short courses (certificates, diplomas); how short can we meaningfully go?

2 Prescribed, clear pathways are needed more than radical flexibility (1000+ course options)

3 Popular microcredentials tend to be introductory; more robust certification is ultimately needed

4 These can be more easily offered outside of higher more effectively and efficiently

5 Education should signal personal development and commitment to a purpose, not just "information snacking"

Source: Merlin Crossley, "Micro credentials not the education revolution they were first touted to be," The Sydney Morning Herald, February 26, 2021.

50% Of employees will need **reskilling by 2025**

40% **of core skills** in the average job will **change by 2025**

Top 15 Job Skills by 2025

- Analytical thinking and innovation
- Active learning and learning strategies
- Complex problem solving
- Critical thinking and analysis
- Creativity, originality and initiative
- Leadership and social influence
- Technology use, monitoring and control
- Technology design and programming

- Resilience, stress tolerance and flexibility
- Reasoning, problem solving, ideation
- Emotional intelligence
- Troubleshooting and user experience
- Service orientation
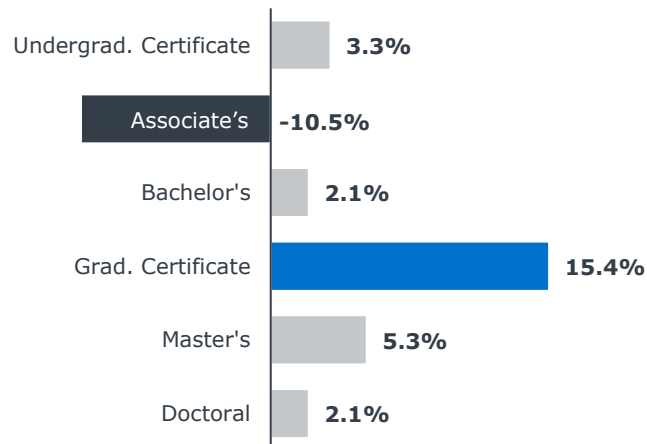- Systems analysis and evaluation
- Persuasion and negotiation

Source: "Tech and COVID Have Transformed How We Work," World Economic Forum; "Future of Jobs Survey," World Economic Forum; EAB interviews and analysis.

Post-bacc. Certificate Enrollments Expand Within and Outside of Higher Ed

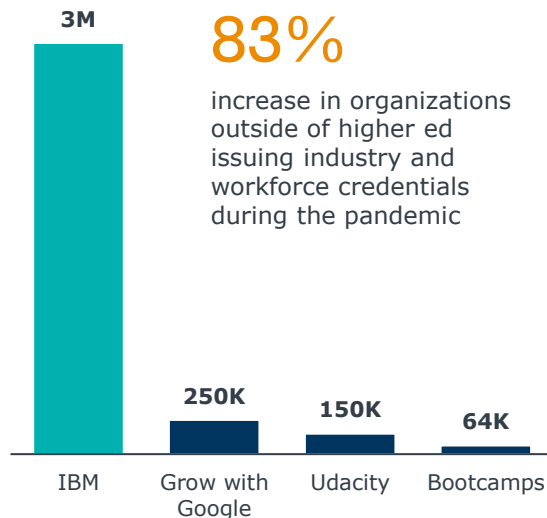### Grad Certificates the Fastest Growing Credentials During Covid-19

Percentage Change in Enrollment from Previous Year, Spring 2021

Category	Percentage
Undergrad. Certificate	3.3%
Associate's	-10.5%
Bachelor's	2.1%
Grad. Certificate	15.4%
Master's	5.3%
Doctoral	2.1%

Big Tech Launches Its Own Certificate Programs

Certificates Awarded by Select Tech Firms, 2014-2020

Firm	Certificates
IBM	3M
Grow with Google	250K
Udacity	150K
Bootcamps	64K

83% increase in organizations outside of higher ed issuing industry and workforce credentials during the pandemic

Source: Mendez, Manoel. "Udacity's 2020: Year in Review". *The Report by Class Central*. 2020; Leaser, David. "IBM awards its three millionth digital badge". IBM Training and Skills Blog, 2020; Grow with Google; Liz Eggleston, "The Growth of Coding Bootcamps: 2019," Course Report, August 1, 2019; Sean Gallagher and Holly Zanville, "More Employers Are Awarding Credentials. Is A Parallel Higher Education System Emerging?", EdSurge, 2021; EAB interviews and analysis.

It's Not You, It's the Market

Despite Prolific Launches, Certificates Fail to Gain Significant Market Share

Hype Over Fast, Sustained Growth Masks Small Market Size

Annual Graduate Certificate Conferrals, 2003-2019

1,247
Conferring institutions, 2019

13,262
Programs, 2019
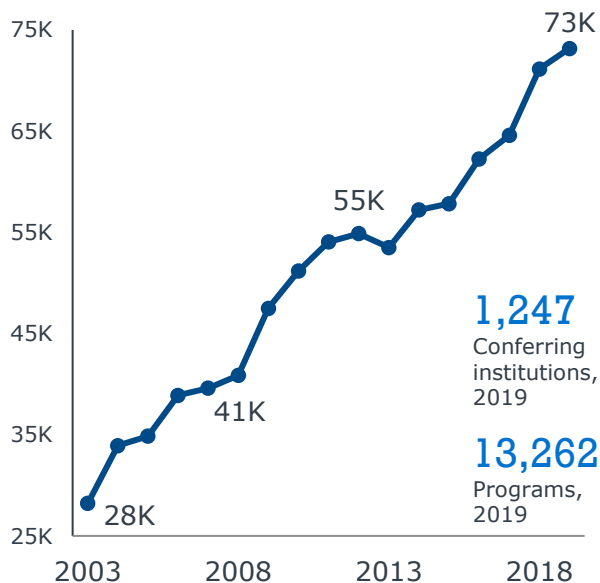
Many Programs Fail to Take Off (but Also Fail to Close)

4

Median number of annual for-credit graduate certificate conferrals per program, excluding those with zero conferrals, in 2019

46%

For-credit graduate certificate programs reporting zero completions in 2019

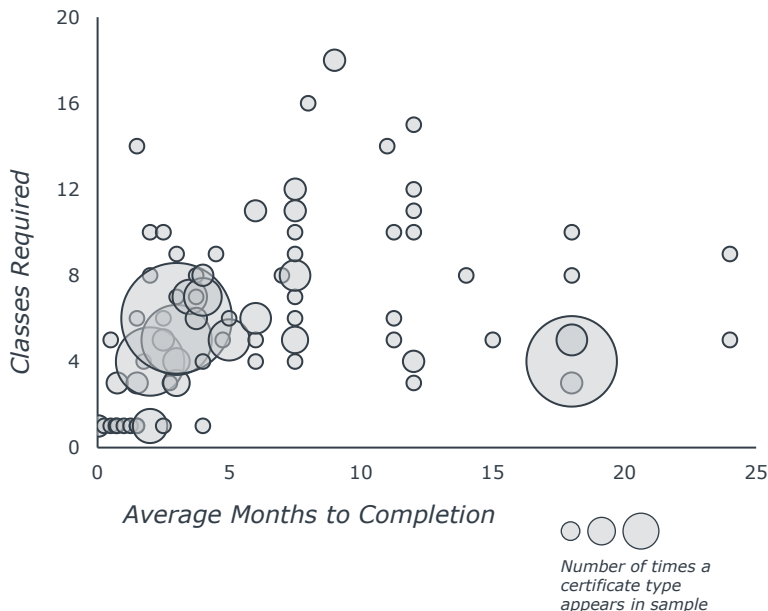# Certificates Confusing to Evaluate on Resumes

No Consensus on Program Structure, Academic Requirements, Titling

Dramatic Variation Within and Across Portfolios

Average Number of Classes and Months to Complete

n=240 certificate programs, 10 institutions

Classes Required

Average Months to Completion

Number of times a certificate type appears in sample

No Shortage of Synonyms

Variations Proliferate in the Market

Badges
Bootcamps
Course Sequences
Diplomas
E-Credentials
MicroBachelors
MicroMasters
Mini Degrees
Nanodegrees
Specializations

Source: EAB, Executive Guide to Certificate Market Risks and Opportunities; EAB interviews and analysis.

The Five Most Common Nontraditional Credential Species

	Definition	Higher Ed Strategy Implication
Badges	Digital credentials that show accomplishment of specific skills, competencies, knowledge	Incentivizes faculty to apply **skills-based approach** to course design, **signals job readiness** to employers and learners
MOOCs	Massive Open Online Courses, offered on-demand, mostly asynchronous, free or low cost, a modality evolved into a credential	Serves as **primary vehicle to build alternative credentials**, creates new imperatives for value signaling and pricing at course level
Bootcamps	3-6-month full-time immersive programs, often industry-relevant and focus on a specific set of skills	Brings opportunity for **incremental revenue**, workforce development, **employer partnerships**
Trademarked Alt Certificates	Multi-course education attainment credential, may award credit, differentiated via branding (e.g., specialization, MicroMasters)	Acts as main standalone alt credential, **increasingly offered by nontraditional providers**, accelerating competition on value
Ultra-Low-Cost Degrees	Large, internet-mediated asynchronous degrees, greatly reduced student tuition costs	**Expands market to learners**, raises standard for student-centricity, erodes pricing power

Source: EAB interviews and analysis.

Strategic Imperatives for the Cabinet and Unit-Level Leaders

Institutional Strategy			Unit-Level Strategy	

1

2

3

4

5

Align Institutional Goals with Business Model Realities

Scale Institutional Capabilities that Promote Stackability

Outline and Execute on Partnership Trade-Offs

Interrogate and Align Offerings to Market Needs

Balance Market Demand Against Hyper Commodification

Five Foundations for Alternative Credentialing

Strategic Imperatives for the Cabinet and Unit-Level Leaders

Institutional Strategy	Unit-Level Strategy

1

Align Institutional Goals with Business Model Realities

2

Scale Institutional Capabilities that Promote Stackability

3

Outline and Execute on Partnership Trade-Offs

4

Interrogate and Align Offerings to Market Needs

5

Balance Market Demand Against Hyper Commodification

Key Considerations:

1 Microcredentials often act as strategic marketing cost-center

2 Success requires cross-subsidization, cost defrayment strategy

Five Foundations for Alternative Credentialing

Strategic Imperatives for the Cabinet and Unit-Level Leaders

Institutional Strategy	Unit-Level Strategy

1

Align Institutional Goals with Business Model Realities

2

Scale Institutional Capabilities that Promote Stackability

3

Outline and Execute on Partnership Trade-Offs

4

Interrogate and Align Offerings to Market Needs

5

Balance Market Demand Against Hyper Commodification

Key Considerations:

1 Credit for prior learning, open admissions are prerequisites
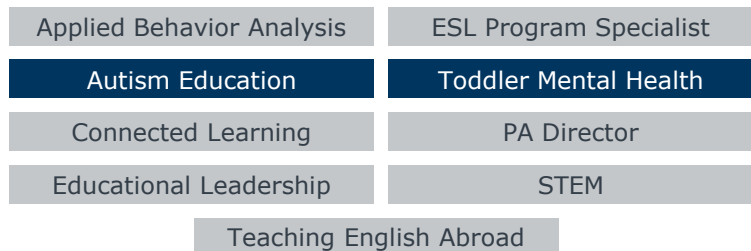
2 Learner stewardship requires central lead sharing infrastructure

Lighter-Lift Stackable Degree Launches

Arcadia's Mix-and-Match Certificates Add Up to Market-Responsive Master's

Modular Master's Allow Students Customization with Low Institutional Investment

ARCADIA UNIVERSITY *Modular Master's of Education (M.Ed)*

Nine Certificate Options

Applied Behavior Analysis	ESL Program Specialist
Autism Education	Toddler Mental Health
Connected Learning	PA Director
Educational Leadership	STEM
Teaching English Abroad	

+

Two foundational classes based on combination of certificates

A capstone project that combines both focus areas

72

Possible student career paths based on selected modules (e.g., working with **infants with autism**)

0

New classes required for development; material drawn from 21 existing certificates

Minimal marketing required; designed to attract greater share of "search and shop" market

Source: Arcadia University, Glenside, PA; EAB interviews and analysis.

Five Foundations for Alternative Credentialing

Strategic Imperatives for the Cabinet and Unit-Level Leaders

Institutional Strategy	Unit-Level Strategy

1

Align Institutional Goals with Business Model Realities

2

Scale Institutional Capabilities that Promote Stackability

3

Outline and Execute on Partnership Trade-Offs

4

Interrogate and Align Offerings to Market Needs

5

Balance Market Demand Against Hyper Commodification

Key Considerations:

1. Marketing, enablement platform easiest to outsource

2. Partnerships must serve institutional brand and unit-level goals

Five Foundations for Alternative Credentialing

Strategic Imperatives for the Cabinet and Unit-Level Leaders

Institutional Strategy			Unit-Level Strategy	

1

Align Institutional Goals with Business Model Realities

2

Scale Institutional Capabilities that Promote Stackability

3

Outline and Execute on Partnership Trade-Offs

4

Interrogate and Align Offerings to Market Needs

5

Balance Market Demand Against Hyper Commodification

Key Considerations:

1 Disruption of existing offerings often necessary to meet market demands

2 ~75% of alternative credentials are in business and technology

Strategic Imperatives for the Cabinet and Unit-Level Leaders

| Institutional Strategy | Unit-Level Strategy |

1

Align Institutional Goals with Business Model Realities

2

Scale Institutional Capabilities that Promote Stackability

3

Outline and Execute on Partnership Trade-Offs

4

Interrogate and Align Offerings to Market Needs

5

Balance Market Demand Against Hyper Commodification

Key Considerations:

1 Buzzy skills subject to winner-take-all dynamics which disadvantage most

2 Holistic learner experience is higher ed's greatest differentiator

Conversation Questions

- Where do you see the greatest opportunities and risks in these spaces?

- Which learner groups and markets might you try to serve with microcredentials?

- Are you more or less bullish on the revenue opportunities for micro-credentials than you were an hour ago?

- How do key stakeholders (esp. faculty) view micro-credentialing on your campus?