University of Colorado System
Online learning strategy

Market demand assessment update
High-level overview of findings

January 2020
Our engagement will last ~12 weeks; we continue to make progress towards our objectives

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73 stakeholder interviews have been conducted, with an additional 12 in process; external market opportunity and internal CU capability assessment are underway.

**Stakeholder engagement**

### Stakeholder interviews (n=85)

- **Completed**
- **Scheduled**
- **In process**

<table>
<thead>
<tr>
<th>Campus</th>
<th>Count</th>
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<tbody>
<tr>
<td>CU Denver</td>
<td>37*</td>
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<tr>
<td>Anschutz</td>
<td>11</td>
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<tr>
<td>CU Boulder</td>
<td>23</td>
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<tr>
<td>UCCS</td>
<td>12</td>
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<tr>
<td>System</td>
<td>2</td>
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**Upcoming opportunities for stakeholder engagement**

- Upcoming presentation at each campus Faculty Assembly meetings to provide project updates and solicit input (scheduled)
- Faculty survey to collect perspectives from faculty across all campuses who currently do and do not participate in online learning across all campuses (in process)
- Town halls and focus groups by campus to solicit broader campus input and engagement in project process and outcomes (in process)

*CU Denver stakeholders include a portion of administrators who support operations across both CU Denver and Anschutz*

**Activities completed**

- Developed 12 case studies of online learning models, focusing on strategic differentiation and growth models
- Analyzed market data and secondary research to understand online learning trends
- Conducted 8 interviews with leaders of scaled online institutions (e.g., SNHU, CSU Global) to understand industry leading practices, operating model, and the future-state of online learning
- Fielded prospective student survey to assess level of demand for online education in Colorado and surrounding states by program type and vertical

**Activities in process**

- **Workforce demand analysis**: Conducting interviews with major employers within Colorado and surrounding region; assess online program opportunities related to trends in job demand
- **External market analysis**: Refining market opportunity analysis with additional stakeholder input and data analysis
- **Internal assessment**: Synthesizing internal data and stakeholder interview perspectives to build a fact base to illustrate the current state of online learning across all CU campuses

**Note**: The EY-Parthenon team has also completed interviews with chancellors and provosts across all campuses;
We conducted a prospective student survey of the adult learner population to understand demand for online learning

Online learning survey overview

Survey objectives

- Quantify demand for online learning in Colorado and surrounding states
- Understand specific demand by program type and area of study
- Understand motivations for online learning
- Identify key decision making criteria when evaluating online learning options
- Understand brand perceptions of CU (by campus and overall) for perspective online learners relative to competitors and peer institutions
- Identify key target segments for online learning offerings and size / growth of each target segment

Target population and fielding methodology

- Survey panel was developed by third party survey vendor
- The survey screened respondents for the following criteria:
  - Age: adults aged 18-54
  - Education attainment: screened out respondents who did not have a high school diploma or equivalent, and those who had a master’s degree
  - Geography: Colorado and the surrounding Rocky Mountain region; additional national sample was targeted to field a sufficient sample for segmentation purposes
  - Interest in online education: stated interest of 4 or above on a 1-7 scale in enrolling in a post-secondary degree or program in a fully or mostly online modality in the next 5 years
The survey yielded n=1,454 clean and completed responses

**Survey respondent demographics**

*Note: 1,454 respondents met survey screening criteria (e.g., interested in enrolling in an online degree / program in the next 5 years); a much larger set of ~12,000 respondents entered the survey and were incorporated in our analysis for market opportunity*

<table>
<thead>
<tr>
<th>Educational attainment</th>
<th>Enrollment status</th>
<th>Age</th>
<th>Gender</th>
<th>Employment status</th>
<th>Income</th>
<th>Geography</th>
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<tbody>
<tr>
<td>High school</td>
<td>Current students / recent alumni</td>
<td>18-24</td>
<td>Male</td>
<td>Full-time</td>
<td>&lt;$25k</td>
<td>Colorado</td>
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<tr>
<td>Associate’s</td>
<td>Prospective students</td>
<td>25-34</td>
<td>Female</td>
<td>Part-time</td>
<td>$25k-$35k</td>
<td>Nevada</td>
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<tr>
<td>Bachelor’s</td>
<td></td>
<td>35-44</td>
<td></td>
<td>Unemployed</td>
<td>$75k-$100k</td>
<td>New York</td>
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<tr>
<td>Graduate</td>
<td></td>
<td>45-54</td>
<td></td>
<td></td>
<td>$100k-$150k</td>
<td>Ohio</td>
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Source: EY-Parthenon prospective student survey (Dec 2019-Jan 2020)
~25% of adults aged 15-24 in the Colorado region express interest in post-secondary education in the next 5 years; demand is strongest for degree-granting, online programs

**Online demand**

- 75% of respondents consider fully online programs.
- 60% consider hybrid programs with an even split.
- 40% consider hybrid programs mostly in-person.
- 20% consider hybrid programs mostly online.
- 10% consider programs in-person only.

**Program offerings under consideration, by type**

- 73% consider associate's degrees.
- 55% consider bachelor's degrees.
- 27% consider master's degrees.
- 7% consider non-degree granting programs.
- 3% consider doctoral degrees.

**Likelihood to enroll in degree / certificate program in the next 5 years**

- 27% of respondents are extremely likely to enroll in a degree program.
- 5% are not at all likely.

**Primary delivery method considered for degree / certificate program**

- 75% consider fully online programs.
- 37% consider hybrid programs with an even split.
- 23% consider hybrid programs mostly in-person.
- 20% consider hybrid programs mostly online.
- 10% consider programs in-person only.

Note: Excludes responses indicating "I don't know" *Surrounding states include Arizona, Utah, Wyoming, Nebraska, Kansas, Oklahoma, New Mexico, Idaho, Montana, and Nevada; **Percent online includes fully online and hybrid programs that are mostly online or are an even split; ***"Other" includes doctoral degrees; #Respondents were able to select multiple program offerings under consideration

Source: EY-Parthenon prospective student survey (Dec 2019-Jan 2020)
Colorado residents express a strong willingness to consider CU campuses for online programs; consideration is lower in surrounding states and beyond.

Institutional consideration among Colorado residents

Q: [Prospective students from Colorado] Which of the following higher education institutions are you considering for your online degree / program of interest?

Respondents who indicated they would not consider CU campus often cited a lack of awareness / knowledge of online programs at CU as the primary reason.

Institutional consideration for CO, regional, and all other U.S. residents

Note: *Regional states include Arizona, Nebraska, Utah, New Mexico, Oklahoma, Kansas, Idaho, Montana, Nevada and Wyoming

Source: EY-Parthenon prospective student survey (Dec 2019-Jan 2020)
Today, a large portion of CO residents choose to enroll in online programs at out-of-state institutions.

Note: *Includes enrollments for graduate and undergraduate students enrolled exclusively in distance education courses; CO resident in-state enrollments excludes ~9,8k community college enrollments; CO resident out-of-state enrollment is calculated as the total out-of-state enrollment, as reported by NC-SARA, and scaled by a factor of 1.14 to account for non-reporting schools; scale factor determined by comparison of IPEDS to NC-SARA reporting"
We will leverage population data and the results of our survey to quantify the demand for online learning in CO and the surrounding region.

**Online learning market opportunity approach**

1. **Theoretical addressable population**
   - Adults in CO and surrounding states* aged 18-54 with the potential to enroll in a post-secondary degree or program, based solely on education attainment

2. **5-year latent demand for online learning**
   - Portion of theoretical population that has stated interest in enrolling in a post-secondary online or hybrid program over the next 5 years

3. **Realistically convertible 5-year online learning population**
   - Portion of 5-year demand for online learning that has a higher propensity to enroll, based on factors such as actions taken to research online programs

4. **Potential enrollment for CU campuses over 5 years**
   - Portion of convertible 5-year population that could potentially enroll in a CU campus, based on stated interest and assumed conversion rates

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Note: *Surrounding states include Arizona, Utah, Wyoming, Nebraska, Kansas, Oklahoma, and New Mexico (i.e., contiguous states)*
CU campuses are perceived by prospective online students as being some of strongest institutions in terms of overall reputation in Colorado and the surrounding region.

Overall institution perception of select institutions in Colorado and surrounding states*

Q: [50% of all respondents from Colorado and surrounding states] What is your impression of the overall reputation of the following institutions?

Note: *Surrounding states include Arizona, Nebraska, Utah, New Mexico, Oklahoma, Kansas, Idaho, Montana, Nevada and Wyoming.

Source: EY-Parthenon prospective student survey (Dec 2019-Jan 2020)