

Online Education: An Industry & Competitor Analysis

August 2011

This business information report has been independently prepared by utilizing a comprehensive variety of “primary” and “secondary” information sources and techniques including: in-depth telephone interviews, analyses of other market surveys, trade journals and trade association research, competitor literature, custom searches of business databases, combined with original Marketdata compilations, analysis, rankings and forecasts.

Information in this report was carefully selected to represent only the most pertinent and up-to-date material for informed decision making, forecasting, and planning... the historical, current, and projected size and growth of the total market and sub-segments comprising the market, the nature of end-user demand, major market trends and issues, market structure, and competitor profiles.

This “off-the-shelf” report is equally applicable to: online education program providers (colleges), as well as: banks, advertising agencies, securities analysts/brokerage firms, industry consultants, venture capitalists and private equity funds managers, merger & acquisition candidates, and industry trade associations.

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The U.S. Online Education Industry

August 2011

Table of Contents

	<u>Page</u>
<u>Introduction - Study Scope, Methodology, Sources Used</u>	1-4

<u>Executive Overview of Major Findings</u>	5-19
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* **Highlights of ALL study chapters:** Discussion of industry nature, evolution and status as of mid-2011, why the industry grew rapidly, 2010-2011 performance, major developments and trends, results of annual Babson Survey Research Group Surveys, number of students enrolled, discussion of effect of the recession, opinions of market consultants, factors affecting demand, findings/outlook of industry leaders/consultants, discussion of impact of new Federal rules and scrutiny of programs' student default rates and school marketing practices, quality of online degrees vs. traditional degrees, the "diploma mill" problem, industry \$ size/growth: 2002-2015 F, main market segments.

<u>Federal Tuition Assistance Programs</u>	20-31
---	-------

Regulatory/Legislative Issues

*Discussion of The Federal Pell Grant Program, yearly appropriations FY 2007-2010
* Discussion of 2008 reauthorization of the Higher Education Act, changes to the Title IV Program

* Discussion of the "90/10 Rule"

* Discussion of Cohort Default Rates

* **Trends in College Degree Enrollments**

Tables:

- Actual and projected numbers for college-age populations, ages 18, 18-24, 25 to 29, 30 to 34, and 35 to 44: 1993 to 2018
- Actual and middle alternative projected numbers for total enrollment in all degree-granting postsecondary institutions, by sex and age: 2006-2011

- Actual and middle alternative projected numbers for total enrollment in all degree-granting postsecondary institutions, by sex & age: 20012-2018

Diploma Mills: How Prevalent Are They?

32-38

- * The use of “diploma mills” is exploding as the Internet makes bogus degrees easier to get than ever before, estimated number of institutions providing fake degrees, typical cost, how they operate
- * List of the top 10 diploma mill states in the U.S.
- * List of 30-plus distance learning accrediting agencies that claim to oversee a variety of online and distance learning college and university degree programs
- * Why employers are confused about college accreditation
- * Discussion of new Title IV Regulations on distance learning across state borders

Market Size and Growth

39-51

- * Estimated number of online students enrolled in U.S., growth since 2002, main reasons for growth, impact of latest recession – students switching careers
- * Discussion of data/annual surveys by Babson Survey Research Group and The Sloan Consortium: reasons for growth
- * Discussion of large vs. small online education institutions
- * Impact of the “Gainful Employment” rule enacted on June 2, 2011: finding of Seeking Alpha report
- * Early growth came from two factors; new institutions moving into the online arena, and institutions growing their existing offerings
- * **2010 Performance** - 2009-2010 revenues of the leading online schools (American Public Education, Univ. of Phoenix, Capella, Career Education, Corinthian, DeVry, Strayer, Kaplan), weighted avg. increase of group.
- * **2011 Outlook**, based on 1st 6 months sales of industry leaders, how schools are coping with new regulations, status of the economy, etc.
- * **2015 Forecast**: outlook by Univ. of Phoenix, Marketdata, industry analysts: the factors that point to continued growth post-regulatory reform
- * Market Segments: hybrid MBA programs.

Tables:

- Student Enrollment Growth: 2002-2009
- 2009-2010 Revenue Performance of the Leaders
- Competitor Growth -- 1st 6 months 2011 vs. 2010, revenues, enrollments
- Impact of the “Gainful Employment” rule enacted on June 2, 2011
- Estimated Size of Online Education Market: 2002-2015 Marketdata Forecast
- 2011-2015 - Projected Number of Online Education Students,

Competitor Profiles

52-109

(Headquarters address and website, program specializations, degrees offered, profile of its customers, related services, recent mergers/acquisitions, recent company developments, accreditations, students enrollments, by type program, company revenues (2009-2010 revenues /expenses, profit), to 1st half 2011, year's outlook/coping with new regulations, mgmt. opinions, etc.). In-depth profiles for following companies...

- University of Phoenix (Apollo Group)	page 61
- Kaplan Higher Education (Washington Post)	67
- Capella University	74
- DeVry University	80
- Strayer University	85
- Argosy University	92
- Corinthian College/ Everest University Online	95
- American Military University	99
- Career Education	105

Tables:

- Projected revenues growth of the leading schools: 2009-2012
- Total enrollments for latest period, by major schools
- Student age breakdown, by major schools
- Sales & marketing costs per student, for major schools: 2009-2010
- Default rates on Stafford Loans, by major schools: FY 2005-2008
- Title IV as a percent of student funding, by major schools: FY 2005-2010
- Tuition at postsecondary institutions – online associates program, by school: 2009
- Tuition at postsecondary institutions – online full bachelor's program, by school: 2009
- Revenues derived from online course only, by company/school

Address List of the major online education schools.

Reference Directory of Industry Trade Associations & Information Sources

110-115

* List of online and education industry trade associations, conferences, consultants and experts, research papers, analyst reports, etc. -- address & phones.

