

The State of the
**ALTERNATIVE
CREDENTIAL
MARKET:**

UPCEA Member Survey Results

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Overview

The global economy is swiftly shifting from a mobile or cloud economy to one that is increasingly driven by automation and artificial intelligence. As the world undergoes this rapid transformation, many businesses and economies have been proactive in preparing their workforces for these changes by building them into their strategic visions. In contrast, much of higher education has been steadfast in its reliance on traditional, less responsive models of learning and credentialing. Many institutions have essentially wagered that the market for online credit degrees, particularly master's degrees, will sustain them. Others have chosen to reinvest their efforts in an unbundled or just-in-time educational model, often called alternative credentialing. Alternative credentialing is used today to describe any credential that is not a credit-based degree, the mainstay for colleges and universities for centuries. While the credit-based undergraduate or graduate degree still has considerable value, many believe that a more stackable, unbundled form of education is even better suited for the new economy.

This study demonstrates that alternative credentials are quickly becoming all but ubiquitous in American higher education. While there is little evidence yet that these alternative credentials threaten traditional academic degrees, they are emerging as a significant enhancement to academia's longstanding portfolio. Alternative credentials provide many appealing features – to the learner, to the institution, and to myriad industries and -- which may drive a major expansion of educational opportunities for learners at all stages of their lives and careers. Especially at this nascent, dynamic point in the development of alternative credentials, leaders in professional, continuing, and online education are key to the accelerating growth of a broader range of credentials.

Methodology

The University Professional and Continuing Education Association (UPCEA), in conjunction with the development of the Association's Hallmarks of Excellence in Credential Innovation, and MindEdge Inc, a leader in innovative online coursework, identified the need to understand the current landscape for alternative credentials. UPCEA and MindEdge developed a survey with the objective of better understanding the offerings and attitudes of institutions toward alternative credentials, the process of alternative credential development, and the function of these alternative credentials in a modern portfolio of educational offerings.

An invitation to participate in the Alternative Credential survey was emailed to approximately 400 member institutions and also distributed through UPCEA's CORE Network. From October 9th, 2019 through January 9th, 2020, a total of 177 individuals responded to the survey. The margin of error is plus or minus 4.9% at the 95% confidence level. Among respondents, 56% were public institutions, 37% private, 2% community colleges, and 1% were for-profits. Five percent identified as "other."

Executive Summary

- **The majority of academic institutions offer alternative credentials (70%)** and another 26% are considering doing so in the future.
- Almost all respondents (93%) agree or strongly agree that **alternative credentials are engaging populations different from learners in traditional programs.**
- **The most commonly offered alternative credentials are professional certificates (75%),** followed by graduate (66%) and undergraduate certificates (50%).
- Almost half (48%) of institutions that offer alternative credentials report that **these credentials are not represented on students' university records.**
- On-campus delivery is more common for professional and undergraduate certificates, while online and hybrid delivery are more common for graduate certificates, badges, and Massive Online Open Courses (MOOCs).
- The most common inspiration for creating alternative credentials is staff ideas (29%), followed by a market need analysis (20%), and an approval process with higher-up officials (18%). **Eight percent of respondents said they had no set process for creating alternative credentials.**
- Overall, the two main perceived problems with alternative credentials are — being undervalued (34%) and their lacking support from the university (30%).
- Few institutions responded to questions about the enrollments and revenue these alternative credentials generate, which suggests that their magnitude is not top-of-mind at this stage. Even though most institutions offer alternative credentials in many forms and programs, they have failed to achieve significant, tangible impact on university ledgers.

Detailed Findings

Alternative Credentials Being Offered:

The membership of UPCEA is well-positioned in the professional, continuing, and online education space. As a result, these institutions are often best able to offer, or to coordinate the offering and support of, alternative credentials. Seventy percent of institutions surveyed say they offer alternative credentials and another 26% are considering doing so; only 4% are not considering offering them. Thus, alternative credentials appear near-universal in the world of professional and continuing education.

Figure 1: Does Your Academic Unit Offer Alternative Credentials? (n=177)

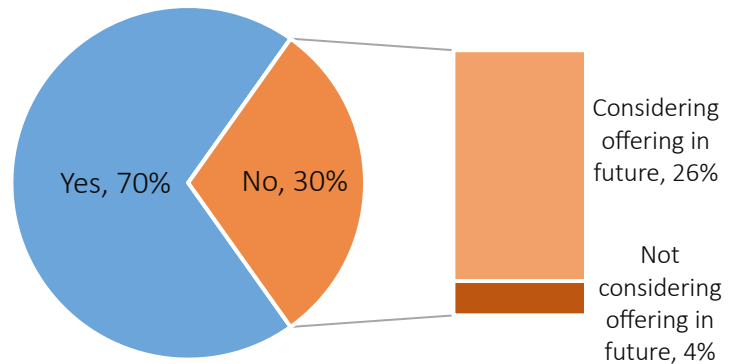
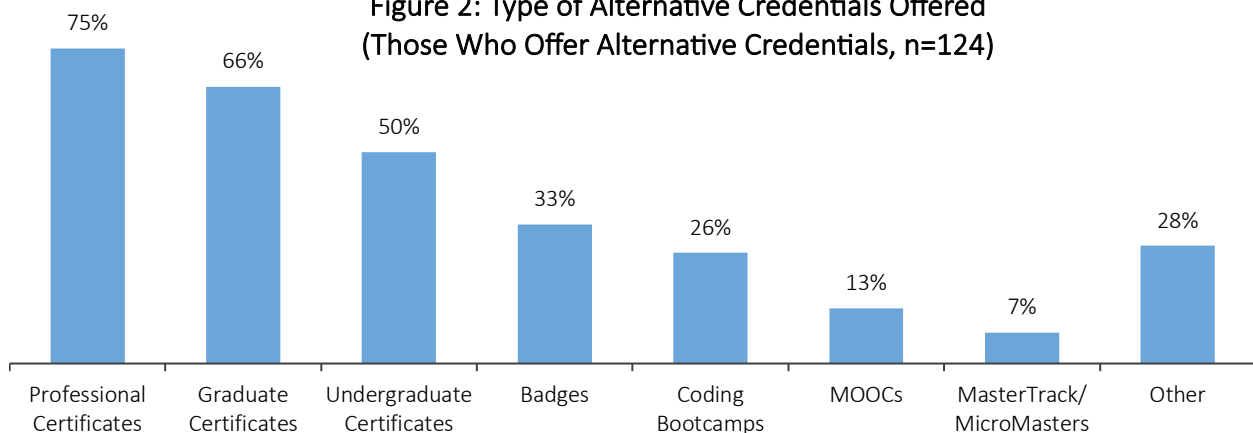


Figure 2 shows that the most common alternative credentials include professional certificates (75%) and graduate certificates (66%). Unlike graduate certificates, professional certificates tend not to be credit-bearing. A third of those offering alternative credentials are awarding badges. While MOOCs have received a great deal of national attention, just 13% said they are offering them. Fewer than one-in-ten are offering a micromasters (a bundle of graduate credit courses or modules used to earn or build toward a master’s degree).

Coding bootcamps have also become a popular mode of delivery for career changers and others seeking an alternative path, and as a way to address the fast-growing needs of the technology industry. Similar approaches are being used for data analytics, cybersecurity, and other topics where content matter is quickly evolving.

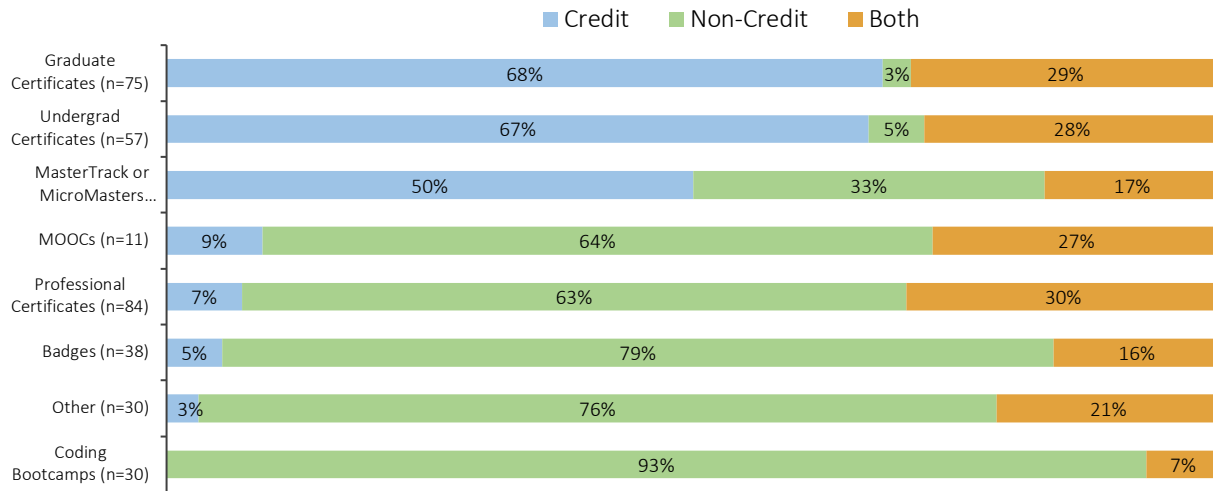
Figure 2: Type of Alternative Credentials Offered (Those Who Offer Alternative Credentials, n=124)



Characteristics of Alternative Credentials:

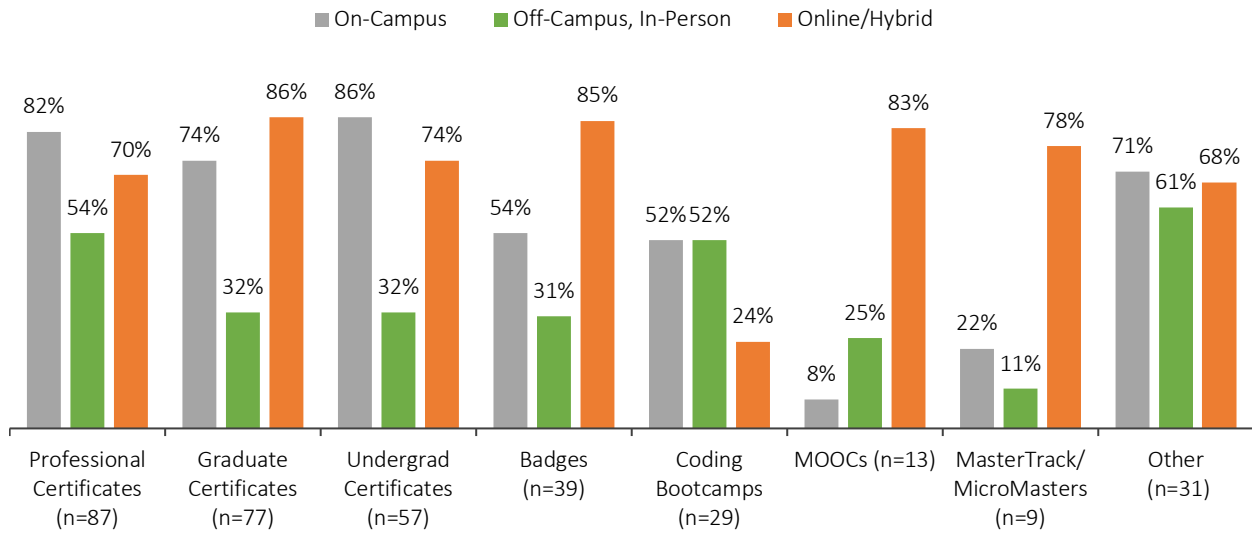
A key characteristic of alternative credentials is that the same credential can be either credit bearing or non-credit bearing. Figure 3 shows that graduate certificates (68%) and undergraduate certificates (67%) are the most likely to be offered in a credit format, while coding bootcamps were most likely to be offered in a non-credit format (93%).

Figure 3: Alternative Credential Offerings: Credit vs. Non-Credit



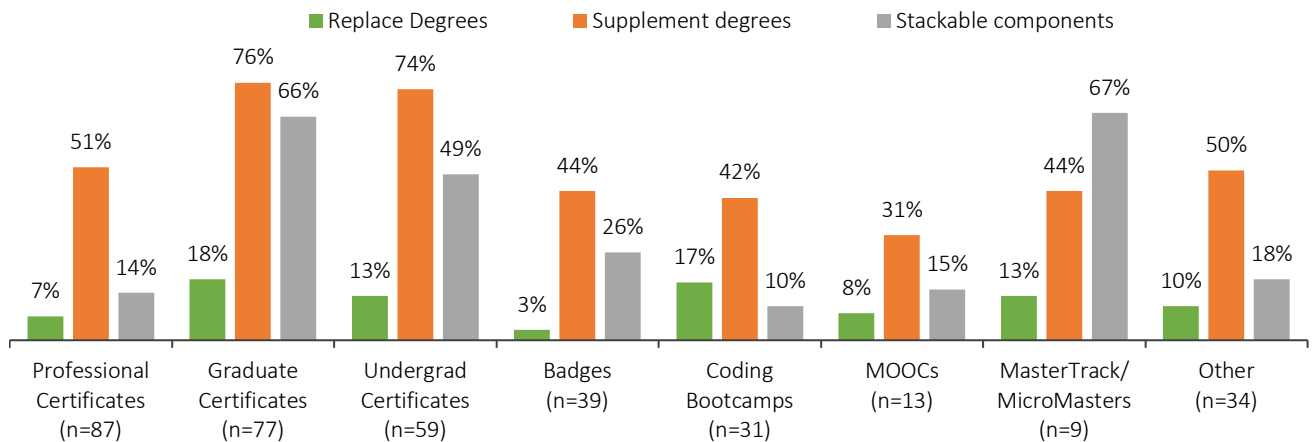
The least common delivery method for alternative credentials (Figure 4) is *off-campus, in-person*; the one exception to this general pattern is coding bootcamps, which are as likely to be delivered *off-campus, in-person* as they are to be delivered *on campus*. Professional and undergraduate certificates are most available *on campus*, while graduate certificates, badges, and MOOCs are more often delivered in an *online/hybrid* setting.

Figure 4: Alternative Credential Delivery Method



This survey attests that alternative credentials are still more supplementary than truly alternative – which is to say, they are not yet close to replacing traditional academic degrees. As can be seen in Figure 5, alternative credentials are most commonly offered as degree supplements (except for the MasterTrack/MicroMasters category where they are predominantly stackable components). Both graduate and undergraduate certificates also have high stackable component percentages.

Figure 5: Alternative Credentials: Replace, Supplement, or Stack Within Degrees?



Viewpoints on Alternative Credentials:

Figure 6, below, summarizes attitudes toward alternative credentials across several dimensions; as can be clearly seen, not all of these attitudes are positive. While 93% of respondents agree that alternative credentials are engaging different populations than traditional programs, only 47% of respondents agree that alternative credentials are positively affecting academics. At the same time, 69% disagree with the assertion that the approval process for alternative credentials is the same as for traditional credentials – a finding which suggests that alternative credentials have an added benefit of speed-to-market.

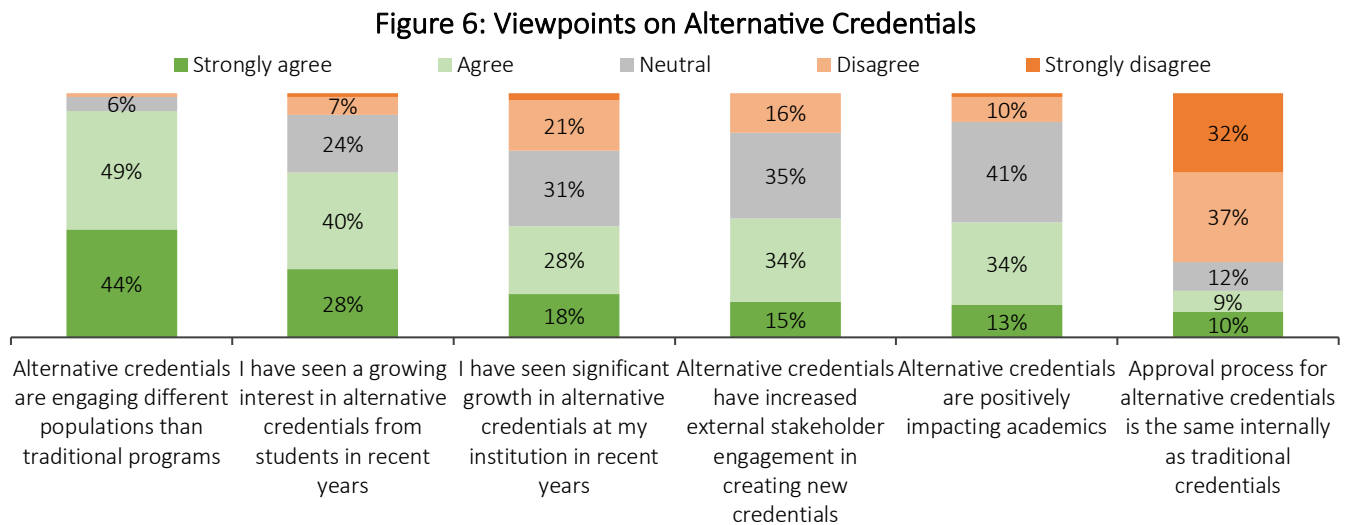
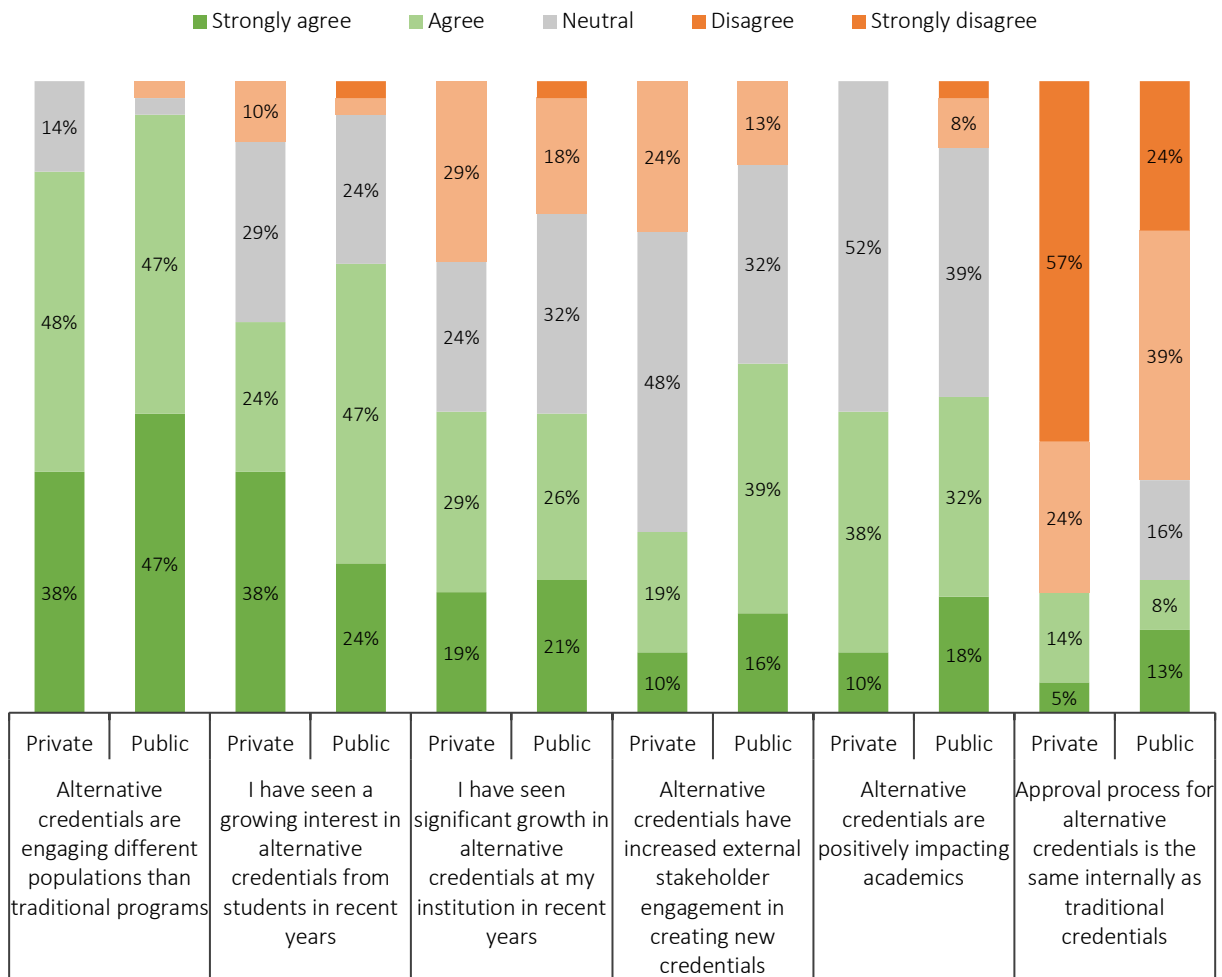


Figure 7, on the following page, illustrates the differences in these responses between public and private universities. The largest discrepancy can be seen in responses to our question about external stakeholder engagement in creating new credentials. Among respondents from public institutions, 55% agree that alternative credentials have increased external stakeholder participation. By contrast, only 29% of respondents from private institutions express the same view. In addition, attitudes toward the internal approval process for alternative credentials also differ significantly. Among respondents from private institutions, 57% strongly disagree that the internal approval process is the same as for traditional credentials; among respondents from public institutions, only 24% express strong disagreement on this point.

Figure 7: Viewpoints on Alternative Credentials: Public vs. Private



The Creation Process:

We asked respondents an open-ended (i.e., unprompted) question about the internal creation process for alternative credentials at their institutions. Responses varied widely: 29% of respondents said programs were generated from staff ideas; 20% said they had conducted a market need analysis; and 18% reported utilizing an approval process with higher-up officials. Eight percent said they had no set process for creating alternative credentials.

The stakeholders most commonly involved in creating alternative credential programs are staff (39%); advisory boards (20%); industry partners (6%); and consultants (6%).

Figure 8: Internal Process for Creating Alternative Credential Programs (N=51)

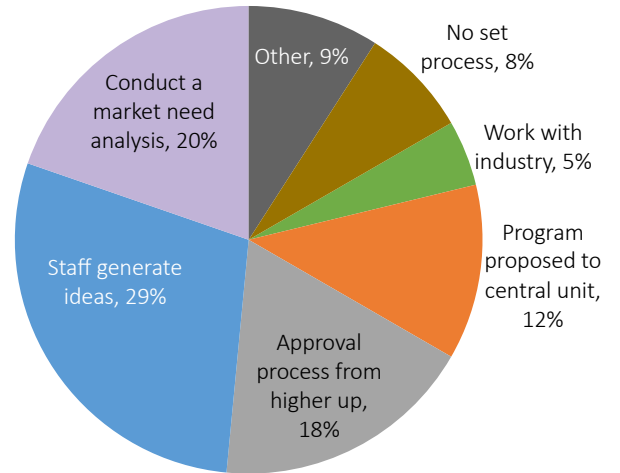
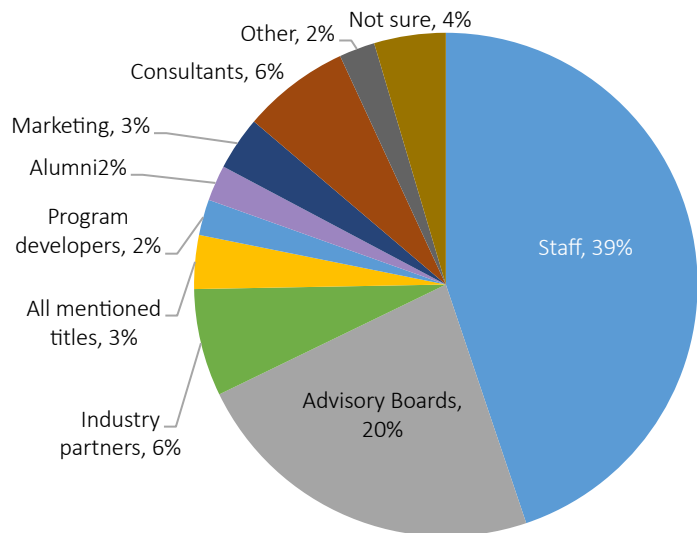


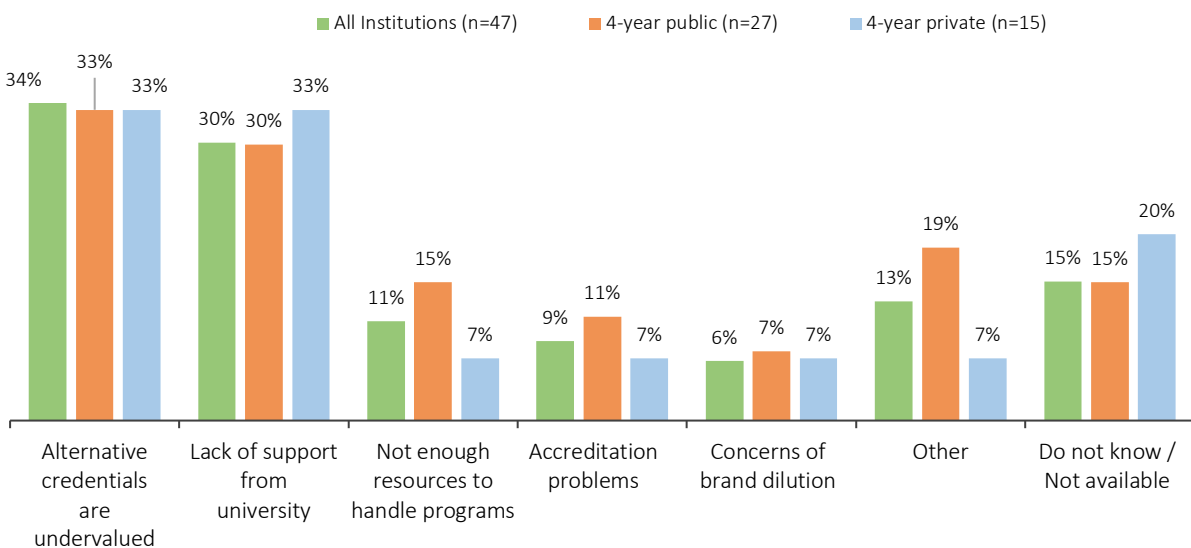
Figure 9: Stakeholders Involved in Creating Alternative Credential Programs (n=51)



Complications with Offering Alternative Credentials:

Of all the issues or problems that are sometimes associated with alternative credentials, two stand out in our survey responses. Overall, about one-of-three respondents report that alternative credentials are undervalued (34%); a similar proportion say that alternative credentials lack support from the university (30%). There appear to be minimal differences between public and private institutions on these issues, though public institutions (15%) are somewhat more likely than private institutions (7%) to say there aren't enough resources to handle these programs.

Figure 10: What Issues or Problems Have Arisen From Offering Alternative Credentials?



Forty-eight percent of respondents say that alternative credentials are not represented in the student record at their institutions, compared to 38% who report that they are represented. Curiously, 14% are not sure on this point – a response which indicates a lack of familiarity or, potentially, a lack of an institution-wide mandate.

Figure 11: Are Alternative Credentials Represented in the Student Record? (n=63)



While UPCEA members have experience with certificate offerings, badging is fairly new for many of them; indeed, only a third (33%) report that they offer badges. This fact may relate to another significant survey finding: relative difficulty in tracking the headcounts or revenues associated with alternative credentials. It stands to reason that wider use of outside digital credential management platforms such as Credly or Badgr, or an organization’s online program management (OPM) provider, will improve the tracking of headcounts and revenues.

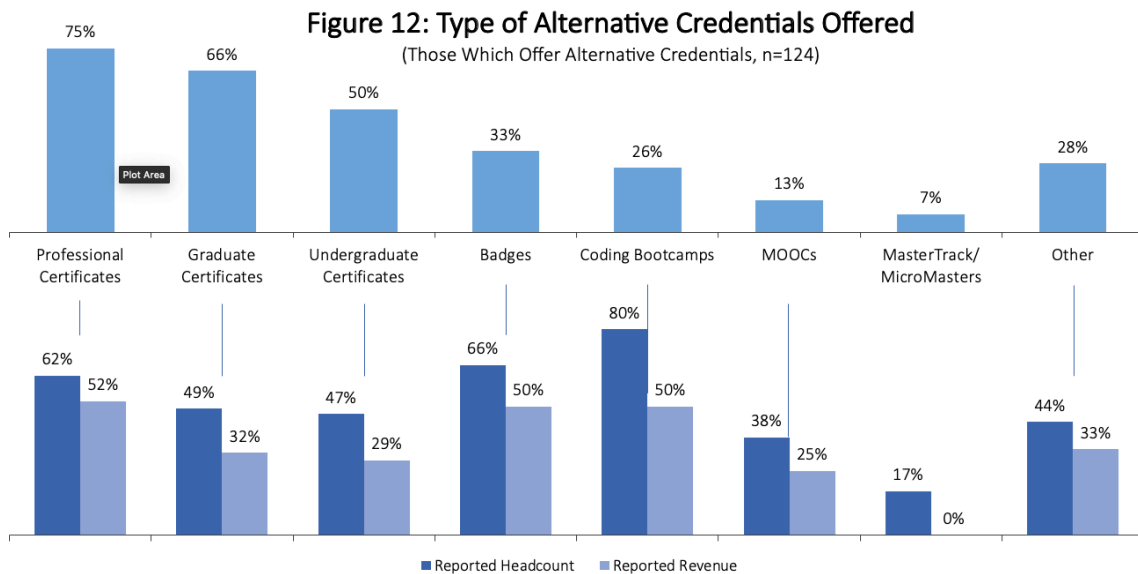


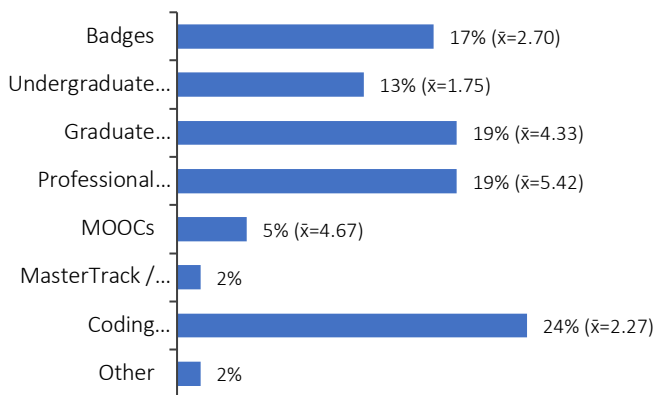
Figure 13: Do You Use a Badging Platform To Publish Credentials? (n=65)



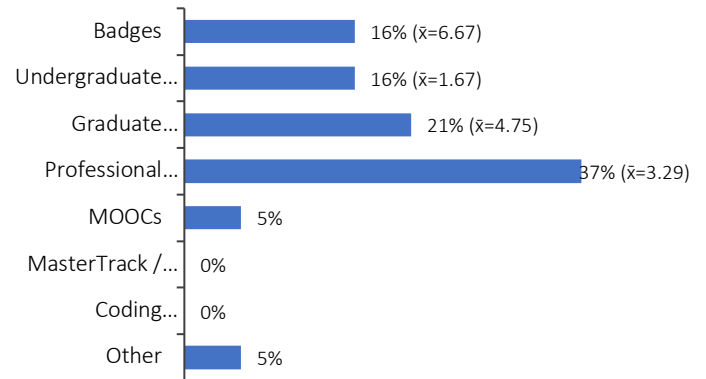
Breakdown of Credential Disciplines

The following two pages detail the prevalence of each alternative credential within specific disciplines. Personal development had the highest percentage of badge (20%) and professional certificate (40%) offerings. Professional certificates were also well represented in all disciplines. Health fields had the highest percentage of undergraduate certificate offerings (30%), and arts, the most graduate certificate offerings (28%). MOOCs experienced the largest percentages in languages and business (7% each), while business had the most in MasterTrack/Micromasters (7%).

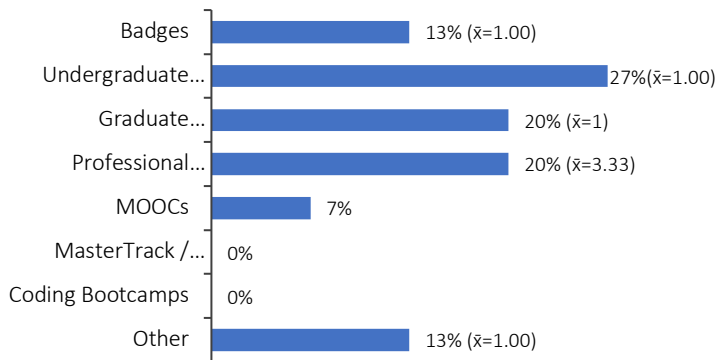
Computer Science (n=63)



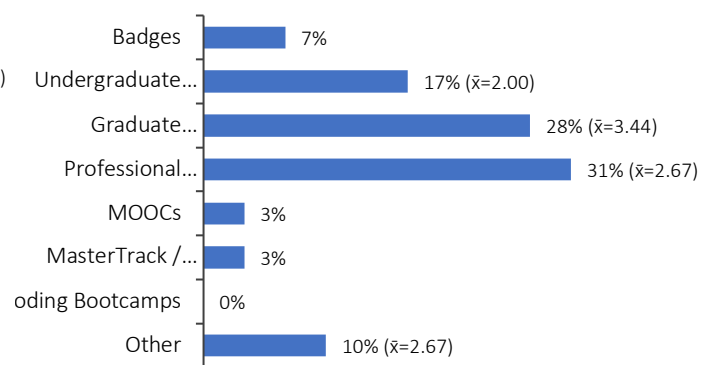
Engineering (n=19)



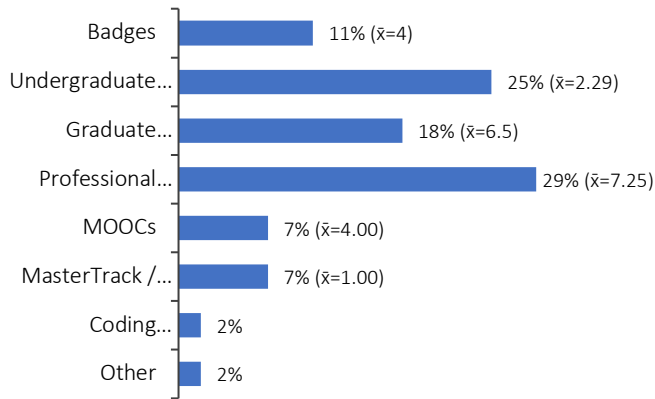
Languages (n=15)



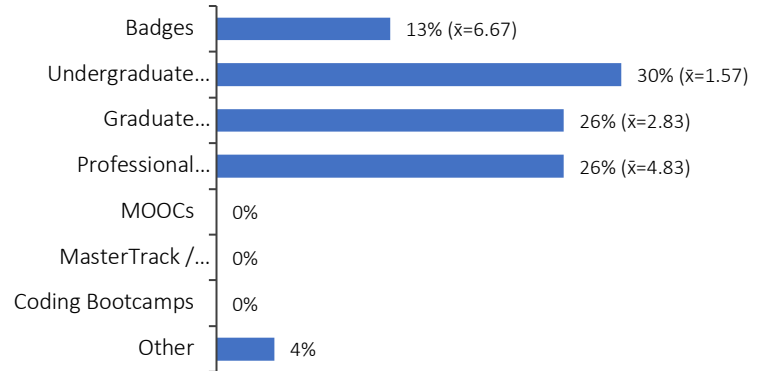
Arts (n=29)



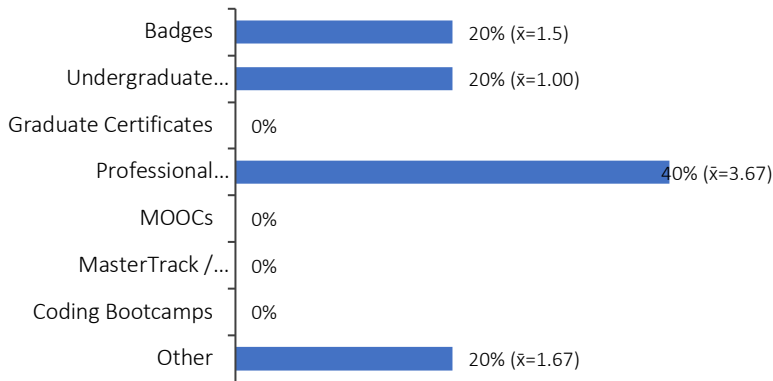
Business (n=56)



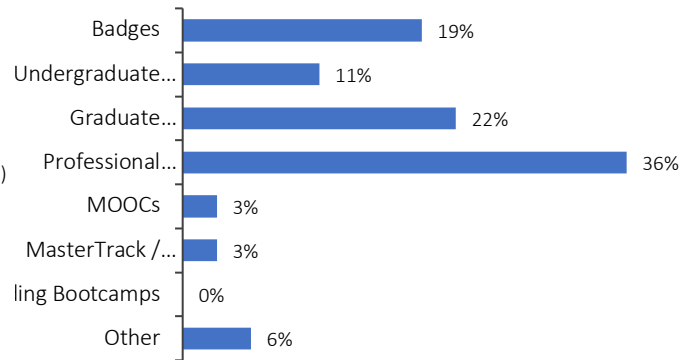
Health (n=23)



Personal Development (n=15)

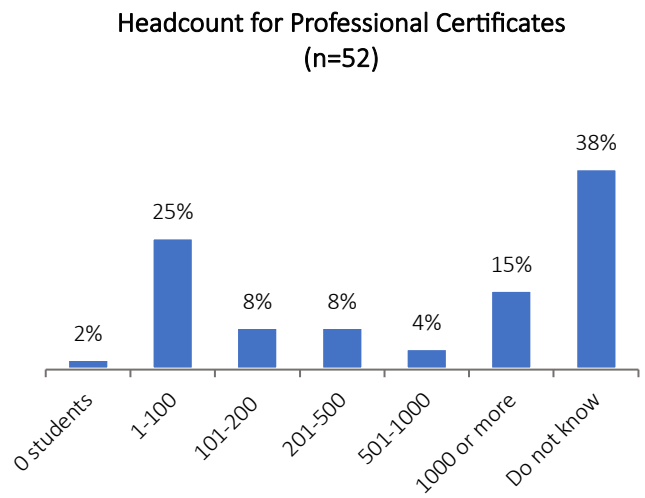
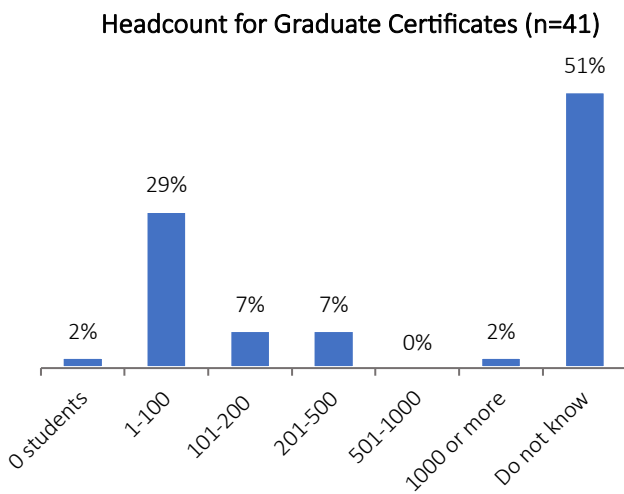
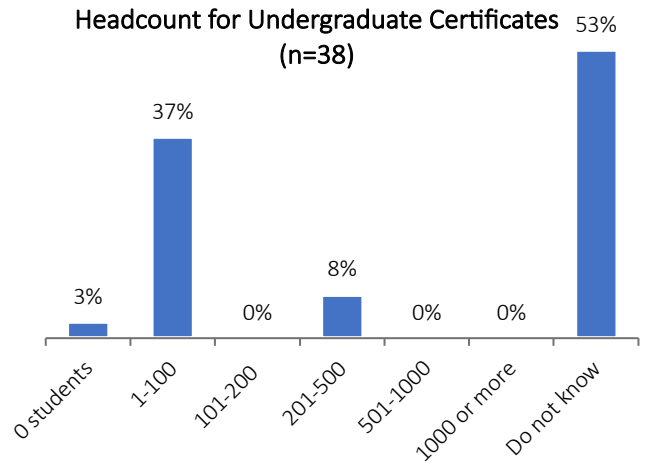
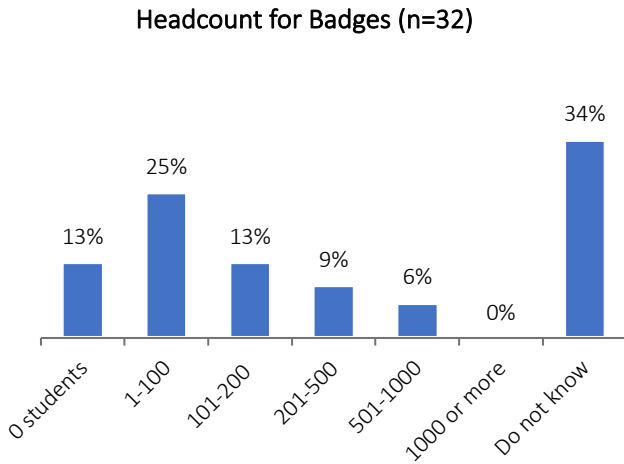


Other (n=36)



Reported Headcounts of Those Responding

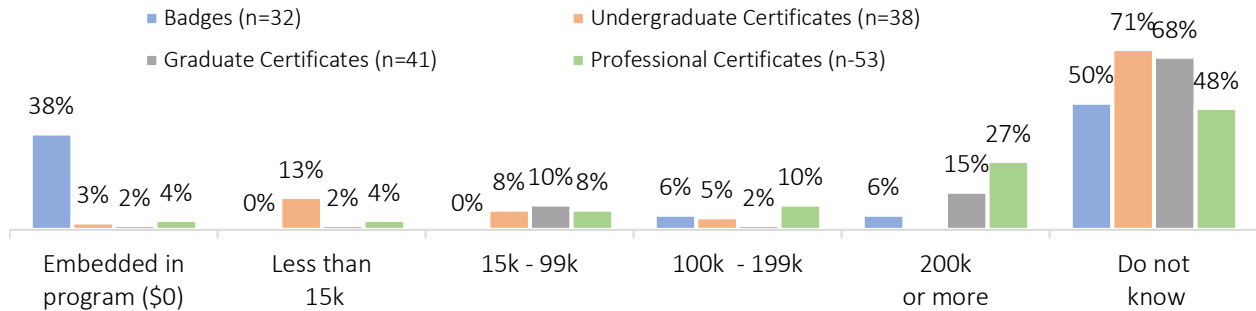
The following figures indicate that many institutions, based on their inability to report revenue (or their decision not to share that information), struggle with their systems and dashboards when it comes to reporting revenue based on each credential. One to 100 students was the most common headcount for each credential.



Reported Revenue of those Responding

Figure 14, below, gives reported revenue by type of alternative credential, with many respondents reporting that they do not know what these numbers are.

Figure 14: Reported Revenue for Alternative Credentials



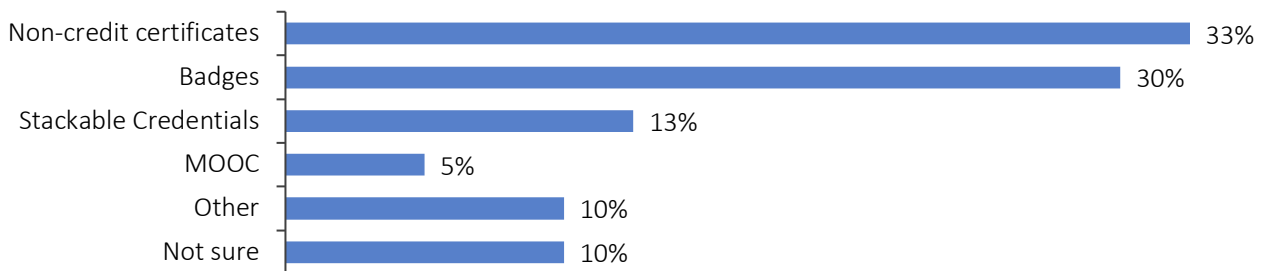
Institutions Considering Offering Alternative Credentials:

Out of the 53 responding institutions that do not currently offer alternative credentials, 87% report that they are considering implementing them in the future (Figure 15). Non-credit certificates (33%) and badges (30%) are the programs most commonly under consideration (Figure 16).

Figure 15: Is Your Institution Considering Offering Alternative Credentials in the Future? (Those not currently offering alternative credentials, n=53)

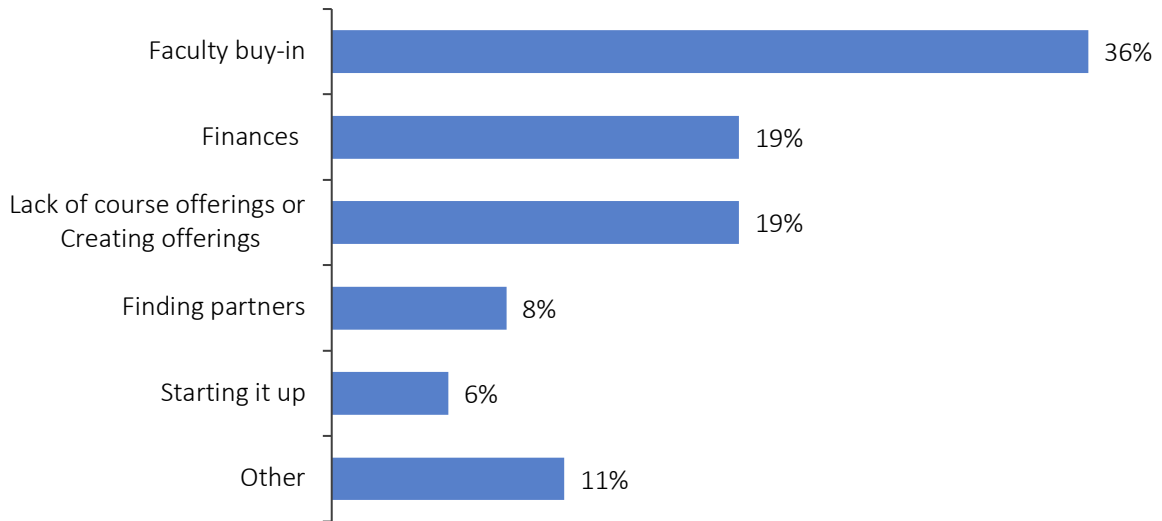


Figure 16: What programs are you considering? (n=31)



When asked about the hurdles they may be encountering in the consideration process, respondents provided a wide range of answers. Most frequently cited was the difficulty in gaining faculty support for the idea of offering alternative credentials (36%).

Figure 17: What hurdles are you facing? (n=32)



Study Demographics:

The majority of participating institutions were four-year public institutions (56%), while 37% were four-year private institutions. Almost half (49%) are institutions with credit student enrollments from 5,000 to 20,000.

Figure 18: Institution Type (n=104)

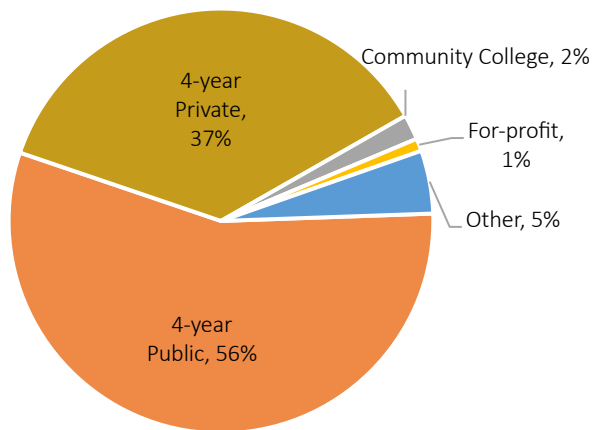
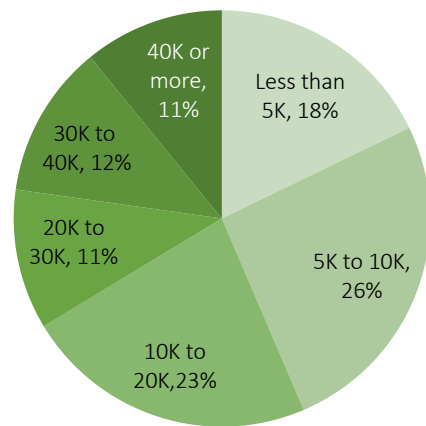


Figure 19: Number of Credit Students (Whole Institution) (n=103)



About the Authors

Jim Fong is the Director of UPCEA’s Center for Research and Marketing Strategy. The Center primarily addresses the need for market research and benchmarking information among nearly 400 UPCEA member colleges and universities. Prior to UPCEA, he held leadership positions at Penn State Outreach and a number of consulting and analytics companies. He holds an M.S. in statistics, an MBA with a concentration in marketing and business strategy and a B.S. in mathematics from the University of Vermont.

Jay Halfond is a full Professor in the Practice at Boston University and former dean of Metropolitan College with expertise in business ethics and higher education. He is now Faculty Director for Professional Development in UPCEA, and led in producing the Hallmarks of Excellence for Online Leadership, the Hallmarks of Excellence in Professional and Continuing Education, and recently the Hallmarks of Excellence in Credential Innovation. Halfond has published more than 200 articles.

About MindEdge

MindEdge, Inc., an online learning company headquartered in Waltham, MA, is the underwriter of this research.

Founded in 1998 by Harvard and MIT educators, MindEdge develops higher education and continuing education content and provides innovative technological solutions within the rapidly evolving world of online education. MindEdge has partnered with major universities to provide for-credit courses in a wide range of academic subjects, including English composition, statistics, cultural anthropology, American government, management, and information technology. MindEdge also develops and offers professional development and continuing education courses in a broad array of disciplines, and it provides PD and CE credits and certifications through major credentialing organizations, including the Project Management Institute, CompTIA, the HR Certification Institute, the Society for Human Resource Management, the International Association of Emergency Managers, and the International Association for Continuing Education and Training. Since its founding, MindEdge has served more than two million learners, and remains committed to finding new ways to improve the way the world learns.