



### **Beyond Brick-and-Mortar**

The University of Phoenix was one of the first to develop online degreed education. Through online and on-campus classes, the university boasts an enrollment of about 443,000, making it the largest private university in North America.





# RE INVENTION ONLINE

## How Nontraditional Education Is Providing a Competitive Edge

*by Beth Douglass Silcox*

**Motivated by unexpected** unemployment or a desire to distance themselves from the firing line, millions of Americans are digging deep, reevaluating and reinventing themselves these days.

So many are uncertain about the future, and it's no wonder, with businesses on the brink and workers teetering on joblessness. Job security is now a misnomer, thanks to America's tumultuous economy.

Thronged of unemployed and underemployed are looking to institutions of higher learning for a leg up, but funding cuts threaten their progress. Tuition hikes at state universities, eliminated classes and lower student admission rates at less pricey community colleges, and six-month waits for government-subsidized retraining all make for a bumpy road to graduation.

Adult learners often have risk factors beyond grade-point averages and SAT scores that traditional universities may consider deterrents to collegiate success. They work full time. They have children. They have too few existing college credits. They have little money.

The upside: Juggling the demands of everyday life is nothing new to most adults headed back to school.

Indeed, Americans are a scrappy bunch—more than a little familiar with innovating their way out of sticky situations. And perhaps no group is better positioned to benefit from innovation than some 50 million vastly underserved adult learners who are looking beyond traditional forms of higher ed. and blazing creative, new educational paths online.

## Getting Past the Risk

“Traditional universities are all judged based on how many students they exclude. That’s what makes them who they are. That’s one of the things that they sell. It’s an elitist approach. They are denying access to some people, and those people have to find another institution to attend,” says Joe D’Amico, president and COO of Apollo Group Inc., whose flagship subsidiary is University of Phoenix, an online hybrid university with 200 brick-and-mortar campuses nationwide.

By far the largest private university in North America, University of Phoenix cited enrollment of 443,000 in 2009 with some 460,000 alumni. Founded in 1976 with a for-profit or market-driven educational business model, its mission is to make higher education accessible for working students. “We absolutely cater to that group of people, know what they need and deliver it very effectively,” D’Amico says.

One of the first to develop online degreed education, University of Phoenix adeptly focuses that innovation and meets overwhelming marketplace need in much the same way any entrepreneurial venture identifies consumer needs and fulfills them in the business sector.

While the for-profit Apollo Group and its subsidiaries trade publicly on NASDAQ and have been very successful, D’Amico says there’s more to it than business and profits. First and foremost, he says, they’re in the business of educating students.

## DID YOU KNOW...

University of Phoenix reports an average annual salary increase of 8.5 percent for enrollees in a bachelor’s degree program, compared to a national average of 3.8 percent. Those pursuing master’s degrees got even bigger raises, 9.7 percent, compared to the 3.8 percent average nationally.

The Committee for Economic Development, comprised of technology experts from Pfizer, General Motors, GE, Merrill Lynch & Company, IBM, and McKinsey & Company, credited for-profit universities for their attention to costs and student outcomes, use of disruptive technology like e-texts, and adult learning theory training for instructors. They recommended traditional higher ed. should follow suit.



Joe D’Amico, president and COO of Apollo Group Inc., whose subsidiary is University of Phoenix

Owen R. Murray, VP, Corporate Photographer, University of Phoenix

“The value of this organization is totally predicated on the value that its students get out of their education,” D’Amico says. “The students who enroll here are voting every day where they want to spend their money because they have choices beyond us.”

## College on Their Own Terms

Recession-pinned, nontraditional college-bound students are pragmatic, often valuing flexibility and accessibility above expansive grass-covered quads and football victories. Their established lives weigh heavily in their college choices. Making college a full-time job isn’t a luxury they can afford, because most already work full time and can’t forfeit wages or time needed at their own businesses. Plus, there’s the family to consider.

This means school has to fit in around everything else, and that’s exactly why for-profit online institutions attract so many adult learners. The online publication *Inside Higher Ed* reported last March that typical college-age (24 or younger) students comprise only 27 percent of the student population at four-year, for-profit colleges, compared with 69 percent at four-year public, 61 percent at four-year private, and 59 percent at two-year public institutions.

Dennis Mousel is among those whose career or lifestyle made traditional college impossible. Because he traveled extensively for his work in financial services, Mousel saw online education as the only option for obtaining his MBA. As a student at University of Phoenix, “the required courses seemed to go hand in hand with my job and I could apply the schoolwork directly to my professional life,” he says. “It has been two years since I completed my master’s degree,

## Charting Her Own Path

**Christina Brown: MSNBC Anchor,  
University of Phoenix Alum**

and I have significantly reaped the rewards. I have been promoted twice since 2007, was recently granted a director-level position, and my income increased 47 percent in just 24 months.”

Many more adult learners have found the flexibility provided by for-profit universities essential to their being able to further their educations, especially since the recession.

For-profit or market-driven universities make up only 9 percent of the higher-education market in the United States. Pre-recession projections showed little to no growth in the sector. But economic upheaval drove more students back to college than expected at the same time public universities faced budget cuts. Rather than flat-lining, for-profit growth outpaced all educational sectors. Of the 2.1 million-student online sector in 2008, for-profits claimed 39 percent, which rose to 42 percent in 2009.

Suzanne Walsh, senior program director for the nonprofit Lumina Foundation for Education, says for-profit universities are, by reputation, flexible and well-acquainted with adult learners. Instruction often leads to a new career or supports a current career, so students can move up and earn more money.

Lumina Foundation for Education works to ensure that 60 percent of Americans hold high-quality degrees and credentials by 2025. Their efforts focus on low-income students, students of color, first-generation students and adult learners.

### Wanting and Needing More

Education is vital to these nontraditional students—older than 24 with jobs, lives and families—because experts predict 63 percent of all jobs by 2018 will require some form of postsecondary education or training. That figure is more than double what it was in the mid-1970s, then hovering around 30 percent.

“It used to be the road to the middle class was a high-school diploma. That’s not the case at all now. The road to middle class is through a college credential or degree,” says Dianna Boyce, Lumina Foundation’s director of media relations.

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Christina Brown makes her way into millions of American living rooms every week, reporting on economic hardships, seemingly impossible choices and perseverance. At the end of the day, she’s left believing, “regardless of the obstacles you face, it is your outlook and your response to that obstacle that will really determine your ability to succeed or not.”

At 17, the future Emmy Award winner faced her own obstacles at the University of Mary Washington. “I just simply wasn’t mature enough to recognize and appreciate the value of this higher education I was getting,” she says.

Thinking she needed more discipline, Brown joined the U.S. Air Force, and soon was working overseas as a broadcaster for the military news service.

Returning to civilian life and landing an on-air job for the NBC affiliate in El Paso, Texas, Brown was intent on furthering her education and obtaining a degree. “I wasn’t going to get it simply because this is what I needed to be a successful journalist. I was actually well on my way in that regard. I was going to get this degree because it was important to me—because I wanted it!” she says.

“Basically, I took classes in between live shots. I would wrap up a newscast and go to class. I could appear on the 5 and 6 p.m. newscasts, and by 7 or 8 p.m., I was in the classroom at University of Phoenix, where students were saying, ‘Oh, didn’t I just see you on the air?’ ”

Brown wasn’t entirely sure what to expect, but was pleased to find a university focused on nontraditional students like her. “People have their own careers, their own families, their own obligations that are very adult and very mature. It was nothing like I experienced as a 17-year-old freshman, the first time around with school,” Brown says.

The fit and flexibility allowed her to grow professionally. When Brown moved to a bigger market with the ABC affiliate in Las Vegas, she was able to continue her studies there with University of Phoenix.

Today with MSNBC, as she reports daily on the economic impact of the precarious job market, Brown clearly sees the importance of this type of academic flexibility. “You have to face the reality that today’s workplace might be different tomorrow. Should you have to leave and move to another place or community, the last thing you want to do is leave all that coursework behind,” she says. “It’s part of the story of America right now. There are no guarantees in this economic environment that where you are right now is where you’ll be next week, next month, next year.”

The recession has prompted people to make changes to insulate themselves from anything that might jeopardize their livelihoods. “If one of those changes is making sure that you’re competitive and staying ahead of your peers,” says Brown, “then why not get that degree or certification, or use it as an opportunity to do something else altogether and discover a passion that you hadn’t recognized before?”



Virginia Sherwood/MSNBC

**Remaining Vital, Vigorous and Valuable**  
The Lifelong Learning Trend of Baby Boomers

Current, smart and competitive—that's how some 78 million baby boomers see themselves, as the oldest of them edge toward something their parents called retirement. But the implied inactivity of retirement simply doesn't jibe with this generation of lifelong learners, intent on reinventing themselves as they age to keep their place at our nation's table.

"They mean to have a pivotal influence on the way things unfold in the future, however old they are," J. Walker Smith and Ann Clurman of Yankelovich Inc., a consumer values and lifestyle research firm, write in their book, *Generation Ageless*. "Boomers have an undying commitment to growth, exploration and possibility."

Life's open-endedness has boomers preparing for diverse and active futures. Collectively, they gravitate to anything that keeps them active and engaged. When asked in the 2006 Yankelovich Boomer Dreams Study how they planned to spend their time and energy over the next decade, boomer responses focused on self-development, learning new skills and building relationships, to name a few.

The health benefits of strong social connections as people age certainly come into play here, but baby boomers seem to be looking beyond staving off loneliness and dementia. Smith and Clurman suggest, "Learning, openness and unrelenting evolution are the cornerstones of success," and that way of thinking leaves ageless boomers wanting a second helping.

It turns out boomers get a charge out of work. The American Association of Retired Persons found overwhelming numbers of seniors surveyed believed working kept them healthy and active, increased their self-esteem, and provided value to society on the whole. Granted, in today's economy, with deflated retirement funds, many folks work because they have to. But, finances aside, 84 percent said they would work if they didn't need the money.

After stepping away from a first career, many boomers return to college either through the convenience of online learning or by attending classes at a traditional campus, retooling their skill sets and breaking through with "encore

careers." A 2008 MetLife Foundation/Civic Ventures Career Survey reported between 5.3 and 8.4 million Americans aged 44–70 launched encore careers that combined income, personal meaning and social impact.

"The opportunities made possible by an ageless midlife will afford baby boomers the unique luxury of a second shot at changing the world for the better," Smith and Clurman write. (The first being social activism during the Woodstock era.) "Moral priorities are growing among them, with interests running the gamut from social causes to spiritual revivals to personal charity." The difference this time around is boomers presumably have more time, more money, fewer distractions and a greater sense of urgency to get the job done.

Rather than setting off on newfound careers, some simply seek the enlightenment, growth and invigoration that living and learning environments offer. Campuses like Penn State and the University of Florida in Gainesville cater to these lifelong learners, setting up retirement communities close to campus. Proximity makes auditing classes, working out in campus fitness centers, and attending concerts, lectures and sporting events easy on the aging.

Smith and Clurman say unprecedented opportunities exist for baby boomers to remain vital, vigorous and valuable. Don't count them out simply because they are aging. Boomers are going to continue to matter—good news for them and our country.



Dennis Mousel attained his MBA through online education.

Chris Barr

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"People realize that the world is changing, and if they aren't able to get further education, they will end up with jobs that aren't going to help them achieve their goals," D'Amico says. "Traditional schools are not going to accept the working adults, at least not in the levels that exist in the market."

Mousel says just as important as the knowledge and MBA he gained was the boost in self-confidence, "which is crucial in today's competitive job market. I possess the confidence to make rational decisions, and I seamlessly reinforce my thought processes as a result of the tools I gained from attending University of Phoenix."

If enrollment is any indicator, Americans do understand the competitive edge they gain by furthering their educations. As the recession geared up in 2008–2009, the school's enrollment grew 22 percent. That's on top of the 15 percent increase the previous year.

**Regaining the American Edge**

But for the United States to remain competitive globally, it's going to take far more adult learners heading back to school. The United States lags, ranking 10th behind nations including Canada, Japan and South Korea in the number of 25- to 34-year-olds with college educations. Just 46 percent of Americans

## Tools to Expand His Effectiveness

**Aaron Blocher-Rubin: Nonprofit Director,**  
University of Phoenix MBA

Aaron Blocher-Rubin was a single guy, fresh out of UCLA, when he went to work in behavioral therapy for an Arizona nonprofit group that trained parents of children with autism. With an autistic younger brother, he was passionate about the work.

While the programs were terrific and his team members well-intentioned, they sorely lacked business skills. "I felt like I had a good knowledge of the therapeutic aspect, but it would be great if I could complement that with some skills that would make these programs more effective, efficient and widespread."

An MBA in healthcare management from University of Phoenix piqued his interest, and after a little research, he found its degrees were well-respected, affordable and convenient for people working full time like him.

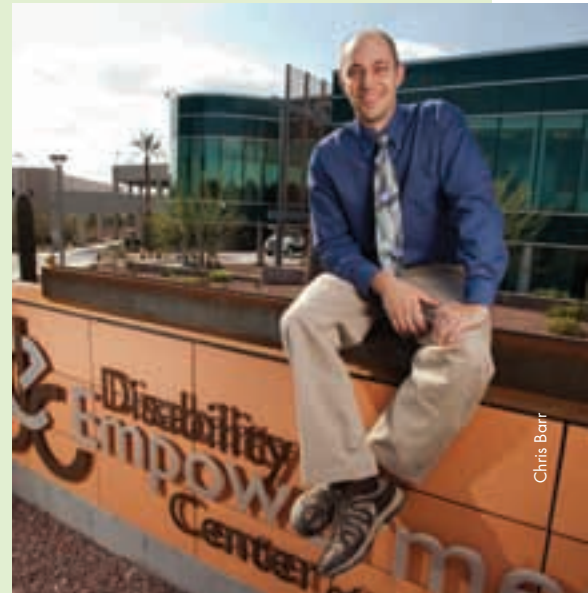
"It was a good learning environment," Blocher-Rubin says. And the hybrid program he began in 2003 with online and on-campus classes adapted to the transitions in his own life; by the time he graduated two years later, he was married with a new baby and a home.

He also had a new opportunity upon graduation: working with an unfunded nonprofit startup called Arizona Autism United, providing customized services to enhance the quality of life for autistic children. While good autism therapies exist, they usually are expensive, so Blocher-Rubin saw the new venture as a tremendous opportunity to help more people.

Blocher-Rubin's business education enabled him to hit the ground running. "It really gave me a well-rounded knowledge of the business world, which I desperately needed at the time," he says. "There's no way I would've been able to take on that new role without it. I don't think I would've had the confidence without having this business background."

Certainly, his education brought credibility to the fledgling nonprofit. "A lot of nonprofits start up and fail pretty quickly because they don't really know how to run a business," Blocher-Rubin says. Learning how to effectively connect with people in other industries and groups helped Arizona Autism United grow.

Today, the organization serves 250 families and employs 250 people.



Chris Barr

As a behavioral therapist, Blocher-Rubin was able to help one family at a time. But with his business education and skills, he is able to do much more. His mission for Arizona Autism United is about "helping an entire community and developing a model program that could be replicated and contribute to improving the services here and everywhere else around the country."

between 25 and 49 hold associate degrees or higher. Perhaps more troubling is that only 5.7 percent of those without a bachelor's degree are actively pursuing one today. Back in 1991, 7.2 percent were working toward degrees. "We've stayed very stagnant, while other countries have improved," Boyce says. "So, to compete in a global environment, that's just not acceptable."

The existing pipeline of school-age children simply isn't big enough to make up the difference, thus, proponents of adult learning, like D'Amico, are focusing on the next generation of online education.

Raising the bar and exceeding expectations in curriculum, instruction, student outcomes and innovative delivery is where University of Phoenix is headed. "We are looking at all the latest techniques and, of course, technology, which has changed and evolved over the last two decades. We have the wherewithal to invest in that and make changes, where traditional organizations don't... We're working on reinventing education again," D'Amico says.

A higher ed. metamorphosis of sorts is under way, hybridizing online and the traditional college experience even further. To be highly successful, both students and universities must assess when "place" matters, Lumina's Walsh says. "The future of higher ed. is about hybrid options, and University of Phoenix is a perfect example because they have both online and bricks and mortar," she says. "If online is what fits your learning and lifestyle needs, then a model like Phoenix or a for-profit makes sense... but I don't think that we can always assume that online is always the right answer."

"There's a place for traditional schools. There's a place for us. This is not mutually exclusive. It's not one or the other. It needs to be both," D'Amico says.

A combined effort is likely the country's best shot at revitalizing our workforce and setting a competitive edge in a global marketplace. And for those who need flexibility to fit higher education into lives that include careers and families, online programs hold the key. **S**