The Complex Universe of Alternative Postsecondary Credentials and Pathways
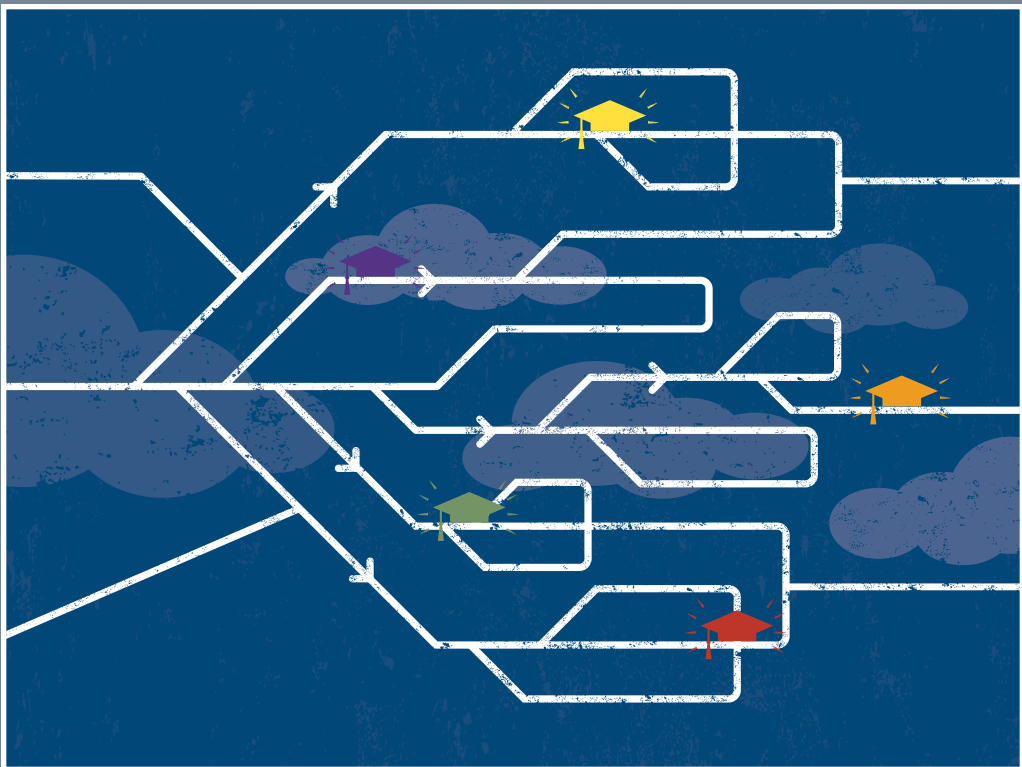

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Conclusion

Alternatives to the traditional degree program are far from monolithic. For the most part, labor market training, skills-based short courses, and providers of MOOCs offer alternative credentials to the traditional bachelor's or associate's degree, while competency-based education programs provide alternative pathways to a degree. In all of the categories, programs can last from a few months to several years, can take place within or outside traditional academic institutions, and can deliver training via in-person instruction, online-instruction, hands-on work, or a mixture of modalities. Eligibility for financial aid also varies widely, and while the Department of Education has experimented with expansions in recent years, it has also tightened restrictions, especially for the for-profit sector.

Furthermore, the providers we discuss in this paper vary in terms of the demographic groups they serve. Certificate, work-based training programs and competency-based education programs tend to serve more adult learners who are from low-income backgrounds and have not previously earned a postsecondary credential. MOOCs and coding bootcamps, however, typically cater to more-advantaged individuals with bachelor's degrees or higher.

While each of these alternatives has roots that reach back decades if not longer, for a number of reasons, alternatives have increased in size, diversity, and importance in recent years, and are likely to continue to grow. Though the length and cost of alternative programs vary, most last for less than two years and cost significantly less than a four-year degree, the cost of which continues to rise rapidly. MOOCs and competency-based degrees deliver instruction online, and certificate programs can offer online or blended options, adding flexibility that not all traditional programs provide. A characteristic feature of all the programs discussed is their flexibility to align directly with specific employer needs and competencies in skill-based fields.

Despite these reasons for their appeal and likely growth, evidence of the efficacy and value of these alternatives—for students and taxpayers—is still thin. Robust data on many programs' features, cost, enrollment, and outcomes are simply not available, and the few programs for which there are data have not been rigorously assessed. Unfortunately, some of the evidence that does exist is not promising. MOOC completion rates hover around 5 percent, and completion rates for certificate programs are substantially lower than they are for bachelor's degree programs. Earnings premiums for certificate holders vary significantly by field, with the most common fields offering the lowest earnings. Additionally, men consistently reap larger benefits from these programs than women do.

Furthermore, many of these alternatives are offered by a segment of providers —for-profit postsecondary institutions—that has historically contained many

bad actors. Some for-profit providers—including many of those discussed in this paper—have admirable records of offering thoughtfully designed, high-quality programs. But a disappointingly large number of for-profit providers have taken advantage of students by charging high prices, delivering poor outcomes, and making inflated claims about earnings and job placement. Until recently, negative consequences for this type of behavior have been few, even for providers that participate in the federal financial aid system and are therefore subject to oversight and accreditation. That many alternative programs operate outside any system of quality assurance is also a cause for concern.

In light of this analysis, we recommend that policy-makers, funders, and the higher education community pursue three high-level strategies to improve consumer information and evidence about, access to, and quality control of alternative programs and credentials:

- First, adjust quality assurance processes to allow for accurate and comparable evaluation of alternative programs, robustly enforce quality standards for all providers, and accelerate the process of integrating quality alternative pathways and credentials into the federal financial aid system.

- Second, invest in a more comprehensive data system that captures longitudinal, student-record data on students' experiences across the full array of postsecondary pathways, as well as information about providers and their programs and credentials.

- Finally, support rigorous research on the efficacy and return on investment of existing and emerging alternative pathways and the value of alternative credentials.

Specific vocational skills have a shelf life. Some observers envision a world in which adults will respond to fluctuating economic pressures and employer needs by continually retooling their skill set through just-in-time, targeted, degree alternatives. To some extent, MOOCs and coding bootcamps are already delivering this benefit. Yet employers routinely report that advancement in management, creative, and professional roles requires not only ongoing skill development but also critical thinking, communication skills, and adaptability. These more general professional competencies are rarely the focus of short-term skills-focused programs but are (or should be) the domain of degree programs.

Therefore, amid the increasing dis-integration of postsecondary education into modular components, there is a continuing need for integration—what Georgetown University's Randy Bass calls the "rebundling" after the "unbundling."[116] We anticipate a future in which more opportunities exist to undertake and validate informal learning and accumulate targeted skills through the kinds of alternatives we describe. At the same time, these credentials will be more

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116. Goldie Blumenstyk, "Why Georgetown's Randy Bass Wants to 'Rebundle' College," *The Chronicle of Higher Education* (May 25, 2016), http://www.chronicle.com/article/Why-Georgetowns-Randy-Bass/236592.

clearly and easily linked with academic coursework and degree pathways, as well as with the competencies these longer programs help their students develop.

Our review provides evidence that this rebundling, and the development of policies and structures that support it, is already underway. Some postsecondary institutions have created pathways for students to stack short-term credentials into degrees. Partnerships between employers and educational institutions integrate academic and vocational training, often leading to credentials from both sectors. And through the EQUIP program, the federal government is experimenting with providing aid for learning that takes place in bootcamps, MOOCs, and other alternatives, under the oversight of an accredited institution and an outcomes-focused quality assurance entity.

While these developments represent a change in course, they do not (yet) fulfill predictions that degrees and degree programs will be displaced by alternative providers. To the contrary, we expect degree programs to continue to evolve to live alongside these alternatives, to incorporate some of their most useful features, and to provide additional means to recognize, integrate, and perhaps bolster the learning opportunities they provide.