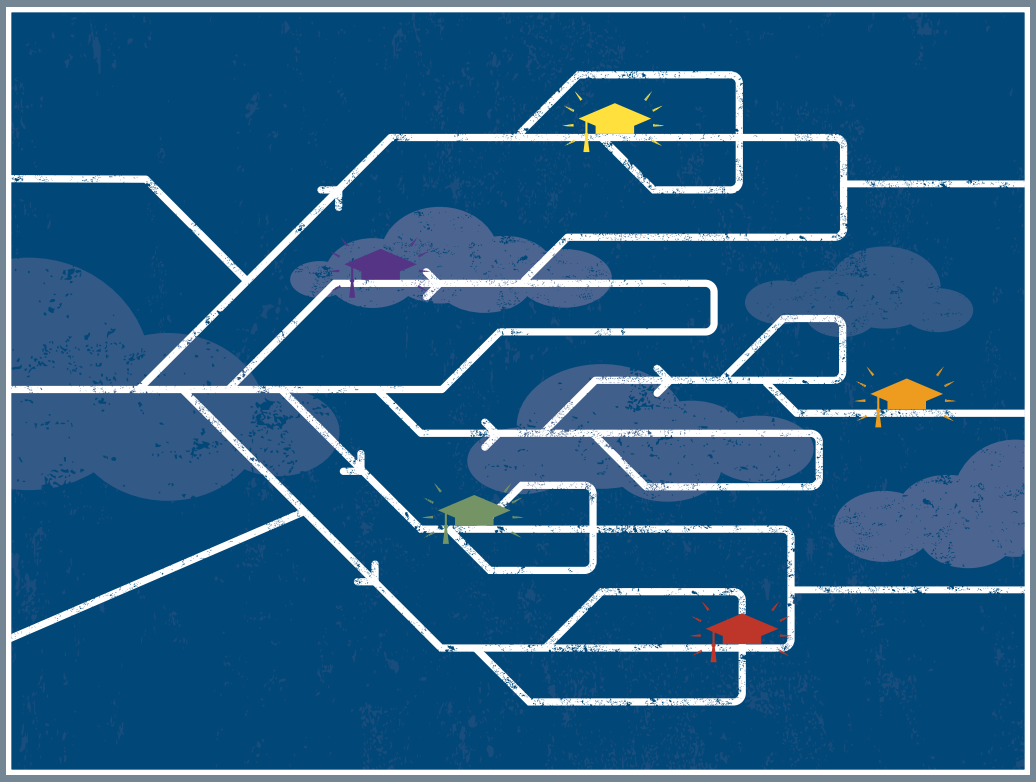
The Complex Universe of Alternative Postsecondary Credentials and Pathways



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Introduction

A program at a college leading to an academic degree is the archetype of postsecondary, undergraduate education in the United States. Yet a large and growing segment of the population engages in postsecondary learning outside these programs, and the number and types of alternatives have grown over the past decade.

Indeed, the expanding array of options can appear overwhelmingly complex—to policy-makers as much as to prospective students and their families. The federal government tracks many of these options—specifically those that have sought eligibility to accept federal financial aid from students—but many others exist without federal oversight. The only source of information is often the providers themselves, and what they share is piecemeal and often unreliable. Because these alternatives seem poised to play an important role in the future of postsecondary education, it is critical that policy-makers and the public have a comprehensive portrait of the landscape.

This occasional paper is an initial effort to meet that need. It provides an overview and analysis of alternative postsecondary credentials and pathways, focusing on five categories of programs: certificate programs; work-based training; skills-based short courses such as coding bootcamps (all of which fall into a broader category of labor market training and credentialing); massive open online courses (MOOCs) and online micro-credentials; and competency-based education programs.

We begin with some orientation: the first section defines what we mean by alternative credentials and pathways, provides a summary of the landscape of options, and offers a brief history to contextualize the present situation. The second section provides more detailed descriptions and analyses of the types of programs in each of the five categories, including how they have developed over time, whom they serve, and how well they have served them. For each category, we also discuss the growing number of intersections between these alternatives and traditional degree-granting institutions, as well as potential future directions.

The final section offers overarching observations about the trajectory of alternative credentials and pathways, the risks and potential benefits inherent in those trends, and critical policy considerations. The alternatives we discuss are hardly new—many have existed in some form since early in the twentieth century. Yet changes in technology, employer needs, and demographics; the rising cost of degree programs; and federal policy have made these alternatives more attractive, accelerating their growth over the past two decades. Since the Great Recession, demand for employees with "some college" has largely rebounded, while employees with a high school diploma or less are still struggling to find

work.[1] For students for whom direct entry into a bachelor's degree program after high school remains inaccessible, many of the options we discuss offer the promise of shorter-term, lower-cost ways to increase their earning potential and career prospects.

There remain several hurdles and cautions to continued expansion, however. One is the lack of reliable information on the value of these alternatives to students and society. Without more comprehensive, nuanced, longitudinal data on these programs and the characteristics, experiences, and outcomes of those who participate in them—which can be joined with comparable data for more traditional programs—questions about how much students and taxpayers *should* invest in the alternatives described here will remain unanswered. This lack of transparency is particularly problematic in light of a history of bad actors in the for-profit postsecondary education sector taking advantage of students with misleading claims and programs of limited value.

One trend that presents perhaps the best opportunity to answer questions about quality and value is that colleges and universities—conferrers of academic degrees—are increasingly partnering with alternative providers and adopting their methods and credentials. Additionally, the U.S. Department of Education has begun to experiment with funding nontraditional programs or partnerships between alternative and traditional providers. This expansion signals a recognition that the alternatives are growing but also indicates the continued relevance of traditional institutions, degree programs, and funding structures in postsecondary education and credentialing.

In line with this analysis, we conclude with three high-level recommendations for policy-makers, funders, and the higher education community. 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.

1. See Matthew Meyer and Anne Bacon, "The Need for a National Certification Ecosystem," *The EvoLLLution* (September 12, 2016), http://evolllution.com/programming/credentials/the-need-for-a-national-certification-ecosystem/.