

New Report from Campaign for the Future of Higher Education Finds That Online Education Does Not Reduce Costs for Students and Universities

Los Angeles, CA and New York, NY -- Today, the Campaign for the Future of Higher Education (CFHE) released a report that exposes the false promises online education providers are making about costs savings for students and higher education institutions. “The ‘Promises’ of Online Higher Education: Reducing Costs” finds that the push for more online courses has not made higher education cheaper for students; and a tally of the often-hidden costs of producing high-quality MOOCs and other online courses suggests that these courses are not actually cheaper for colleges and universities either. In fact, if done well, they can even cost more to produce than traditional face-to-face classes.

The report, which is available at <http://linkedin.us6.list-manage.com/track/click?u=7245d515823f17c13913cf22b&id=13ba654d69&e=75f0e205bb> states, “...the expectation that online classes will be cheaper to offer than traditional face-to-face ones is a pipe dream...

“With all that is at stake for the futures of millions of students and for our society, a harder look at the real costs of online higher education is long overdue. At a minimum, there should be more complete accounting by universities of the costs to produce online courses, more comparative data on tuition prices for face-to-face and online credit-bearing courses, and greater openness and transparency about the terms of contracts between public colleges and online providers.”

Key findings include:

- Tuition at for-profit colleges, which have the highest concentration of online courses and programs, is considerably higher than in traditional colleges and universities.
- Increasingly, many public and non-profit colleges are expanding their own online degree programs; and very often they are charging students more, not less, for these online courses.
- Only 8% of campus presidents responding to a recent Gallup survey agreed strongly that MOOCs will be a solution to the rising cost of education for students.
- Already, students are being charged for “certificates of completion,” and there is considerable talk about charging them for “premium services.”
- In a 2013 Gallup survey only 2% of university presidents strongly agreed that MOOCs will be a solution for “the financial challenges colleges face.”
- According to Joel Hartman, vice provost and chief information officer at the University of Central Florida, saving money is “one of the worst reasons” to get into

online education.

- The partnerships being forged by many universities and for-profit companies, such as Pearson, Embanet, Learning House, Bisk, Deltak, Academic Partnerships, 2U and scores of others are known as “enablers” or BSPs (Bundled Services Providers), will likely cost universities more money over the long run.