



The Price is Right?

Brand, Experience & Price in Today's
Online Higher Education Market

RICHARD GARRETT

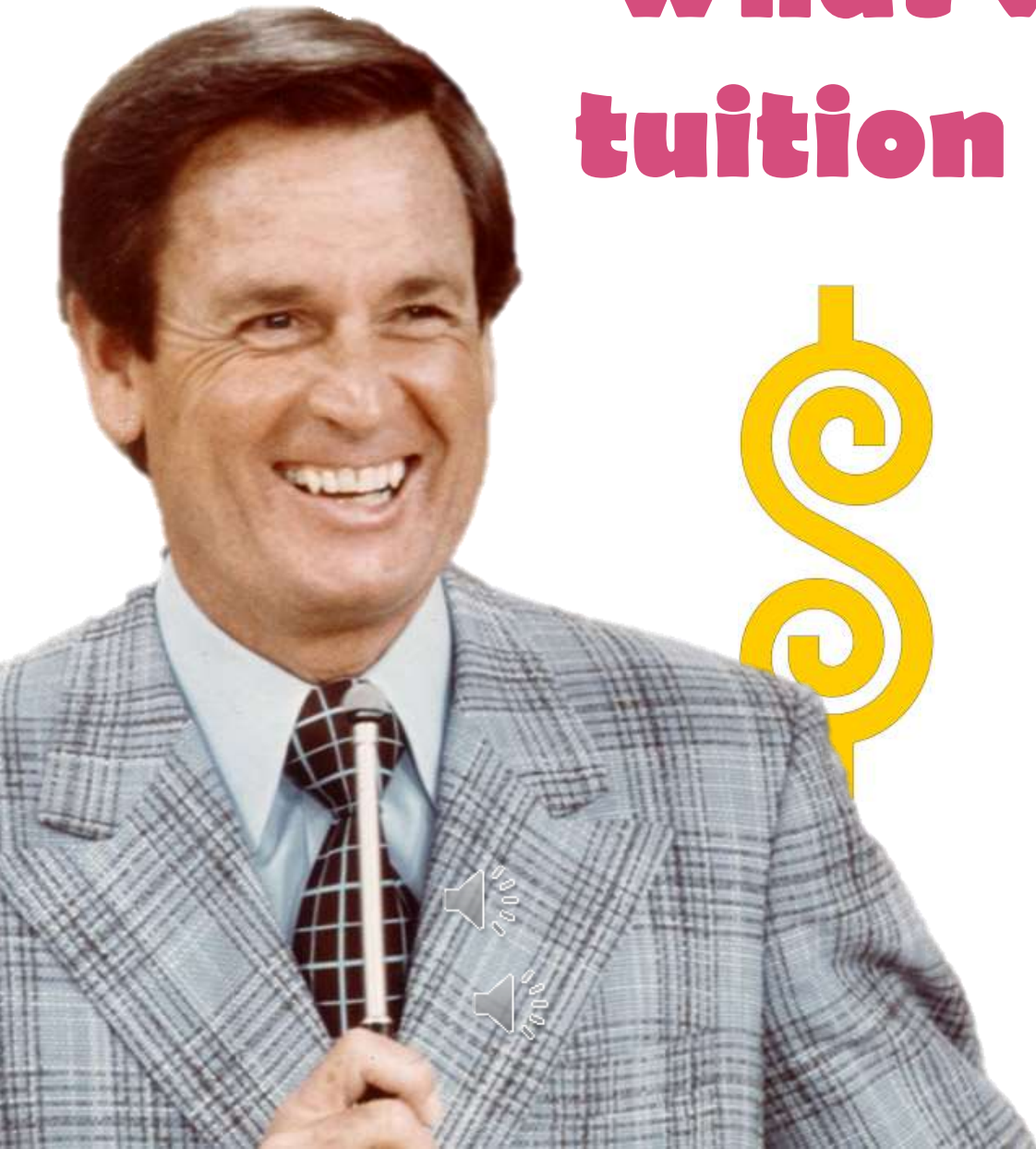
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What was a year's college tuition in 1972 (in today's \$)?

\$10,653

\$6,653

\$7,653



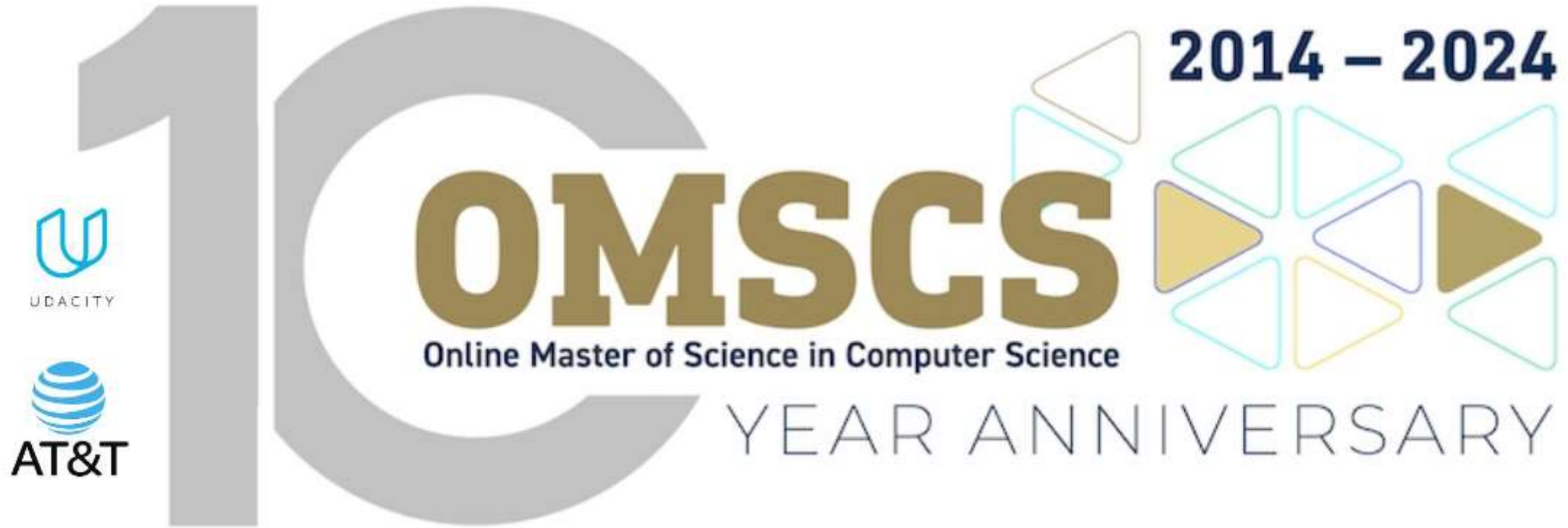


The Pricing Revolution



You know there is a revolution going on, right?

Zvi Galil, Dean of Computing at Georgia Tech
(May 2013)

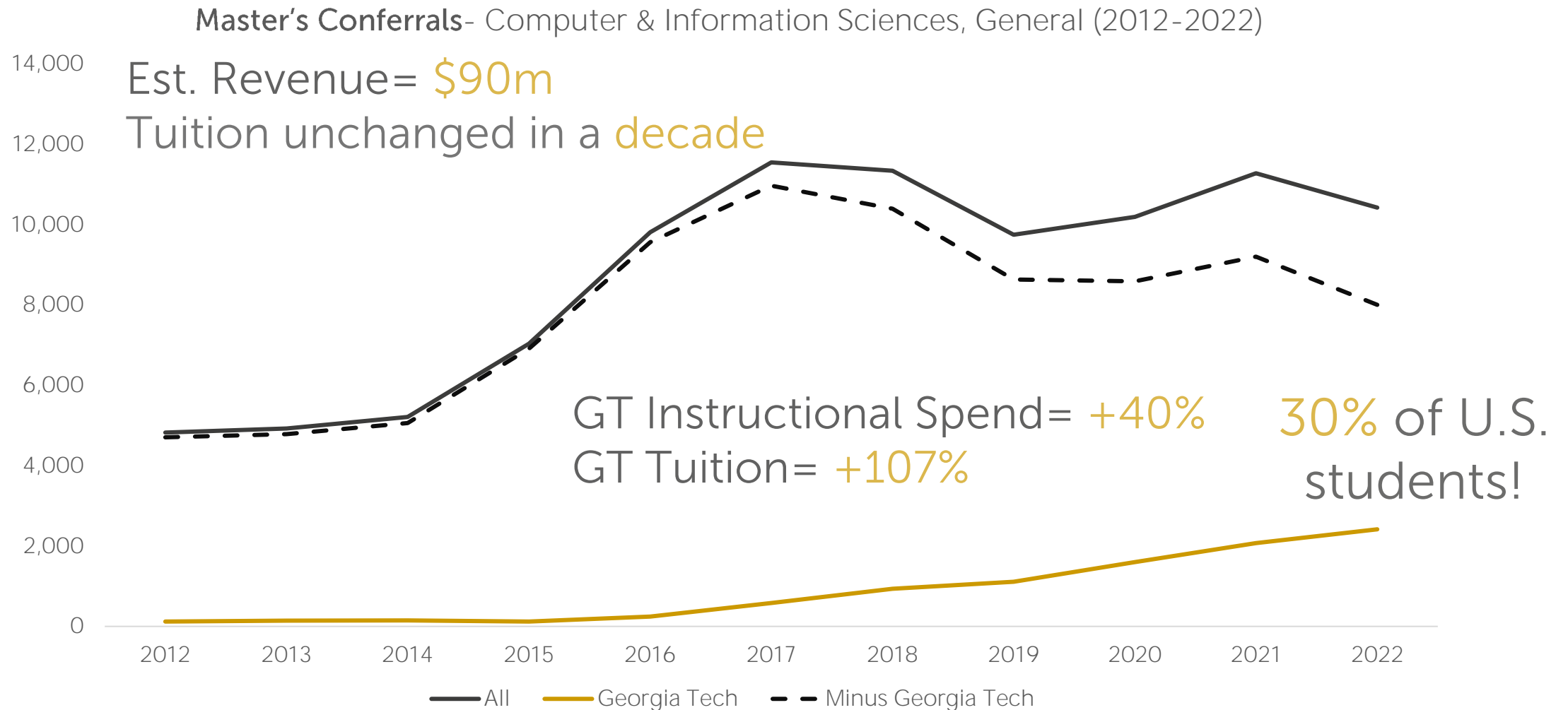


14,000
students

11,000+
graduates

Same admit
criteria as
campus

Georgia Tech hit **23%** market share in 2022, four-times larger than the #2 school.



What does the Georgia Tech OMSCS cost?

\$10,700

\$6,700

\$7,700



Average
Age= 30

25%
Female

87%
Working
FT



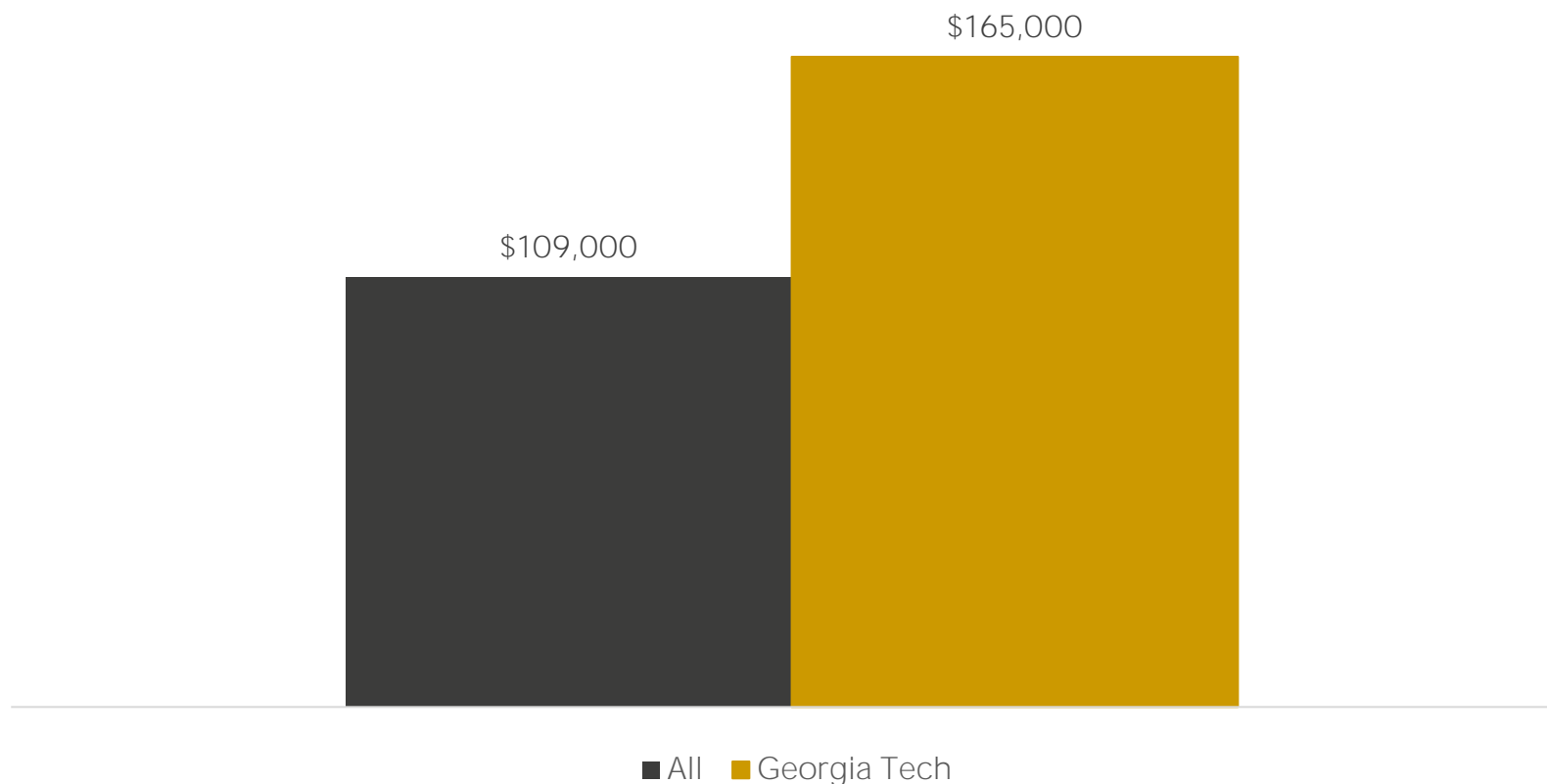
62% U.S.
students
(& 100+ countries)

11%
underrepresent
ed groups

15% want to
break into tech
(7% of alumni did)

Georgia Tech OMSCS alumni earn 50% more than peers from other schools.

Median Wages of Master's Graduates- Computer & Information Sciences, General (latest two cohorts- four years post-graduation)



Why does the
OMSCS
matter?

Online Higher Education 2024

ONLINE IS DOING GREAT!

- Enrollment is up
- Younger student interest
- Pandemic boost
- Social acceptance
- Flexibility and convenience
- Innovation
- AI

ONLINE IS IN TROUBLE!

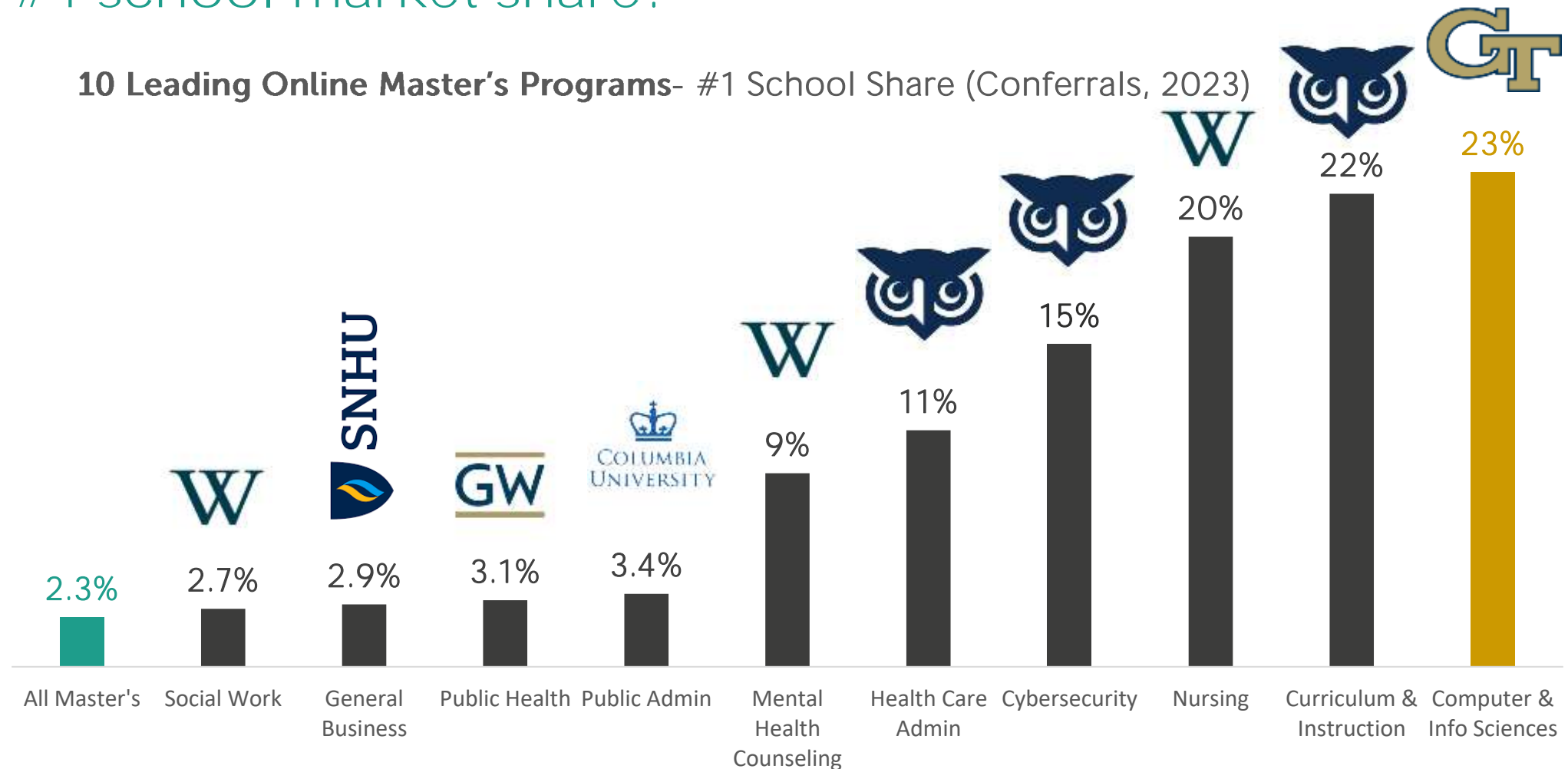
- No obvious impact on costs
- Little impact on price
- (Often) negative impact on outcomes
- FVT and student debt- online broken out?
- Federal pushback on SARA, TPS, OPMs
- Asynchronous norm
- AI

**So is today's online higher ed
market dominated by:**

**top schools @ low prices?
market leaders @ low prices?**

10 Leading Online Master's Programs- why such a wide range of #1 school market share?

10 Leading Online Master's Programs- #1 School Share (Conferrals, 2023)



How do we explain this range of
#1 School market share?

Is it...

Market Size?

Market Growth?

School Type?

Price?

Is it...

~~*Market Size?*~~

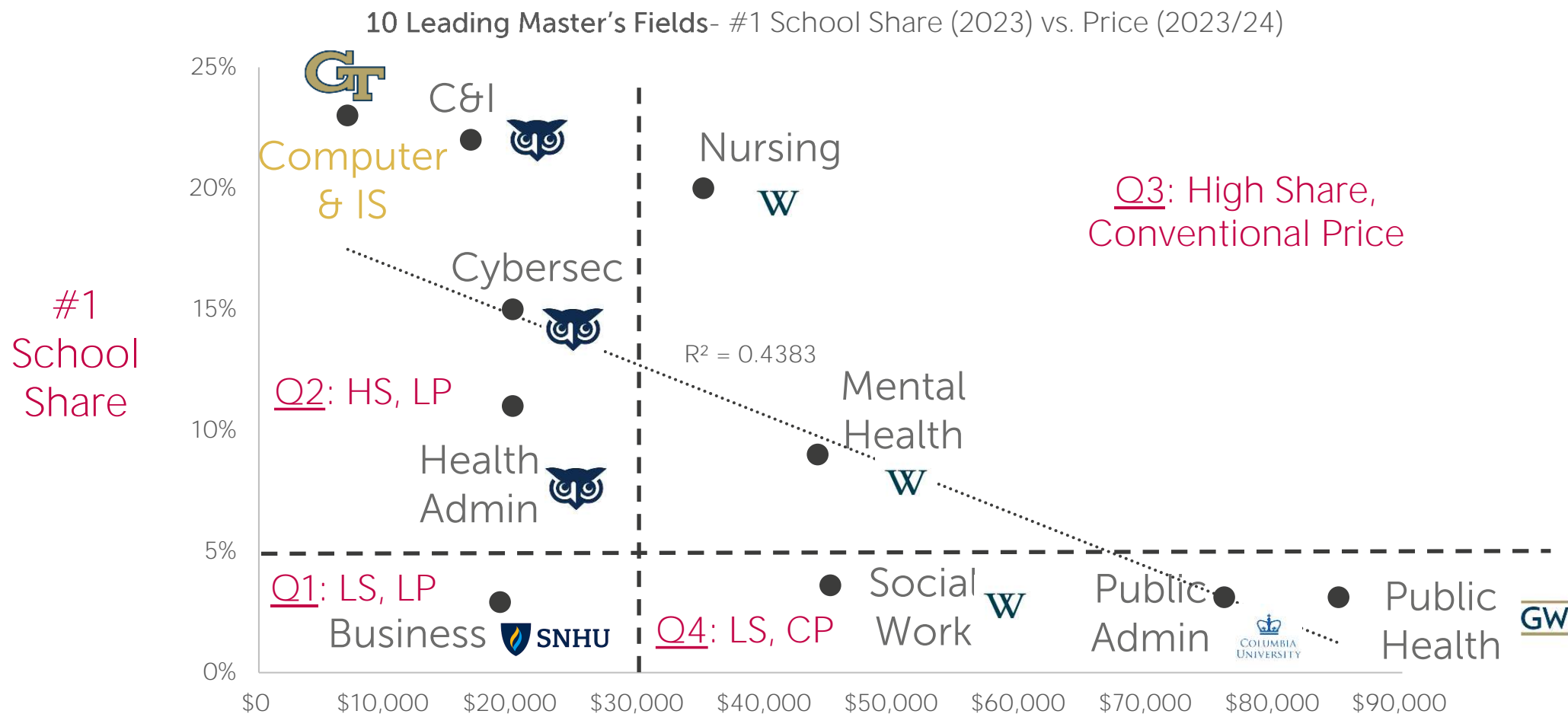
~~*Market Growth?*~~

~~*School Type?*~~

Price?



Price best explains share but why do some #1 schools do better/worse than expected?





Four Online **Master's Markets**

Four Master’s Markets- the “right” price is rarely the lowest

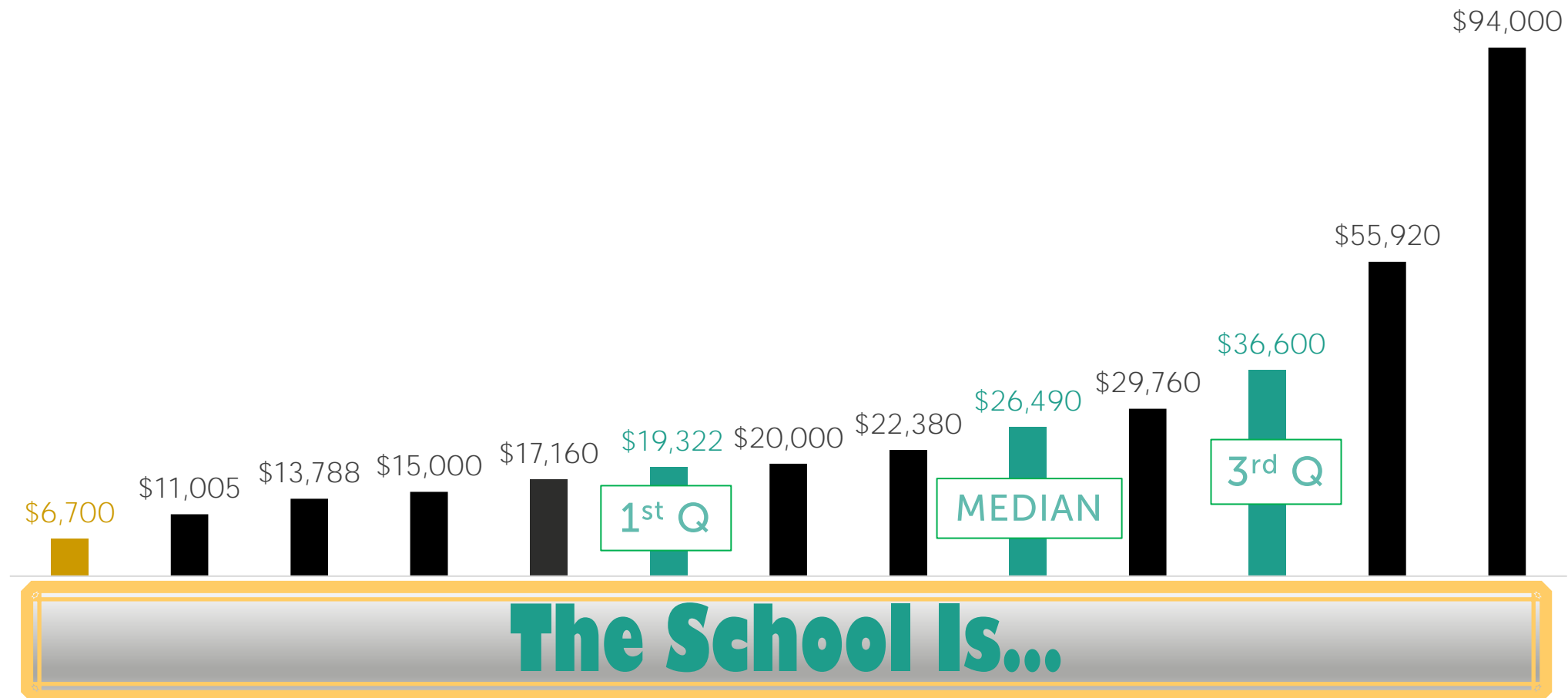
Program	#1 School Market Share (conferrals)	# School Price	# School Price Position
Computing- General	Georgia Tech- 23% (2,721)	\$6,700	Lowest price in Top 10; 65% lower than 1 st quartile price
Business- General	The Price Is...		
Education- Curriculum & Instruction	The Price Is...		
Public Health	The Price Is...		

Four Master's Markets- the "right" price is rarely the lowest

Program	#1 School Market Share (conferrals)	# School Price	# School Price Position
Computing- General	Georgia Tech- 23% (2,721)	\$6,700	Lowest price in Top 10; 65% lower than 1 st quartile price
Business- General	SNHU- 2.9% (3,283)	\$19,000	Only 4 th lowest price in Top 10; 17% lower than median price
Education- Curriculum & Instruction	WGU- 22% (3,728)	\$16,700	Only 5 th lowest price in Top 10; and just below median price
Public Health	GWU- 3.2% (550)	\$76,500	Only 8 th lowest price in Top 10; and 71% higher than 3 rd quartile price

COMPUTING- some R1s following GT lead, others not;
but HALF of Top 10 under 1st quartile price.

Four Biggest Computing Master's Programs Online- Price (2023/24)



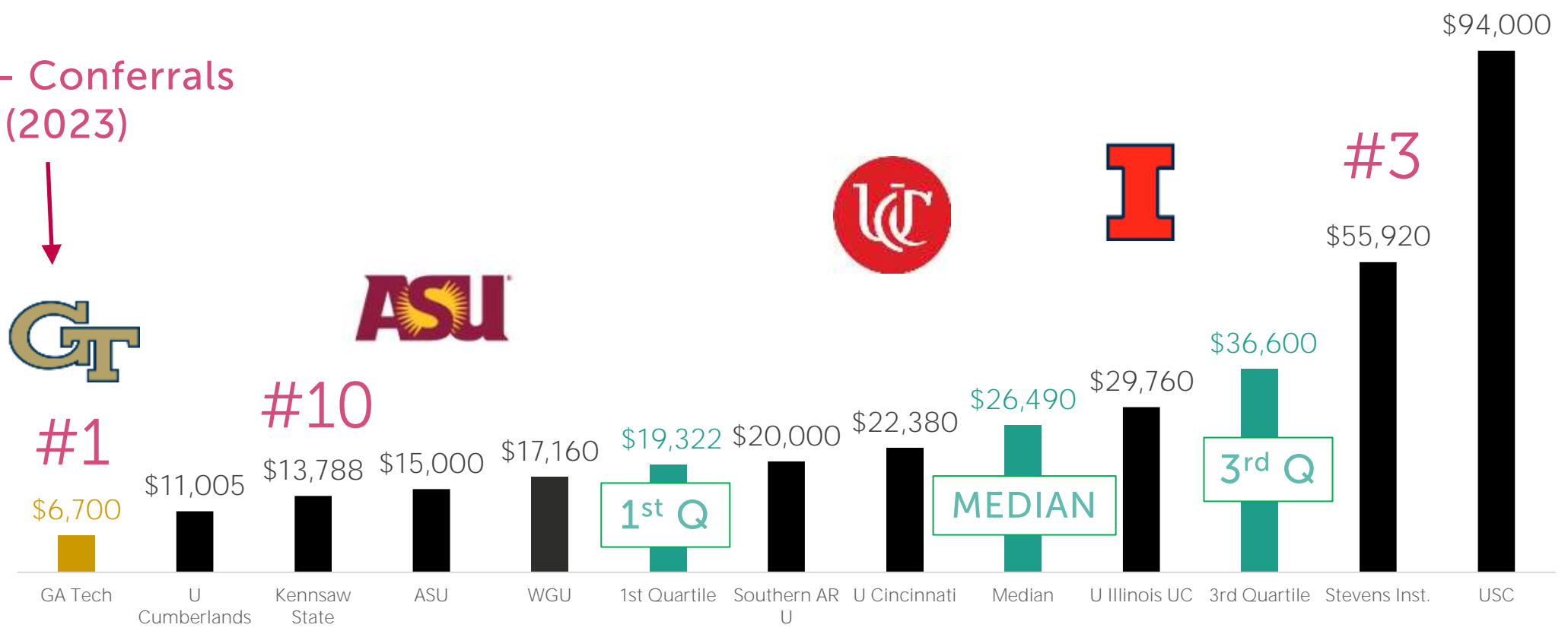


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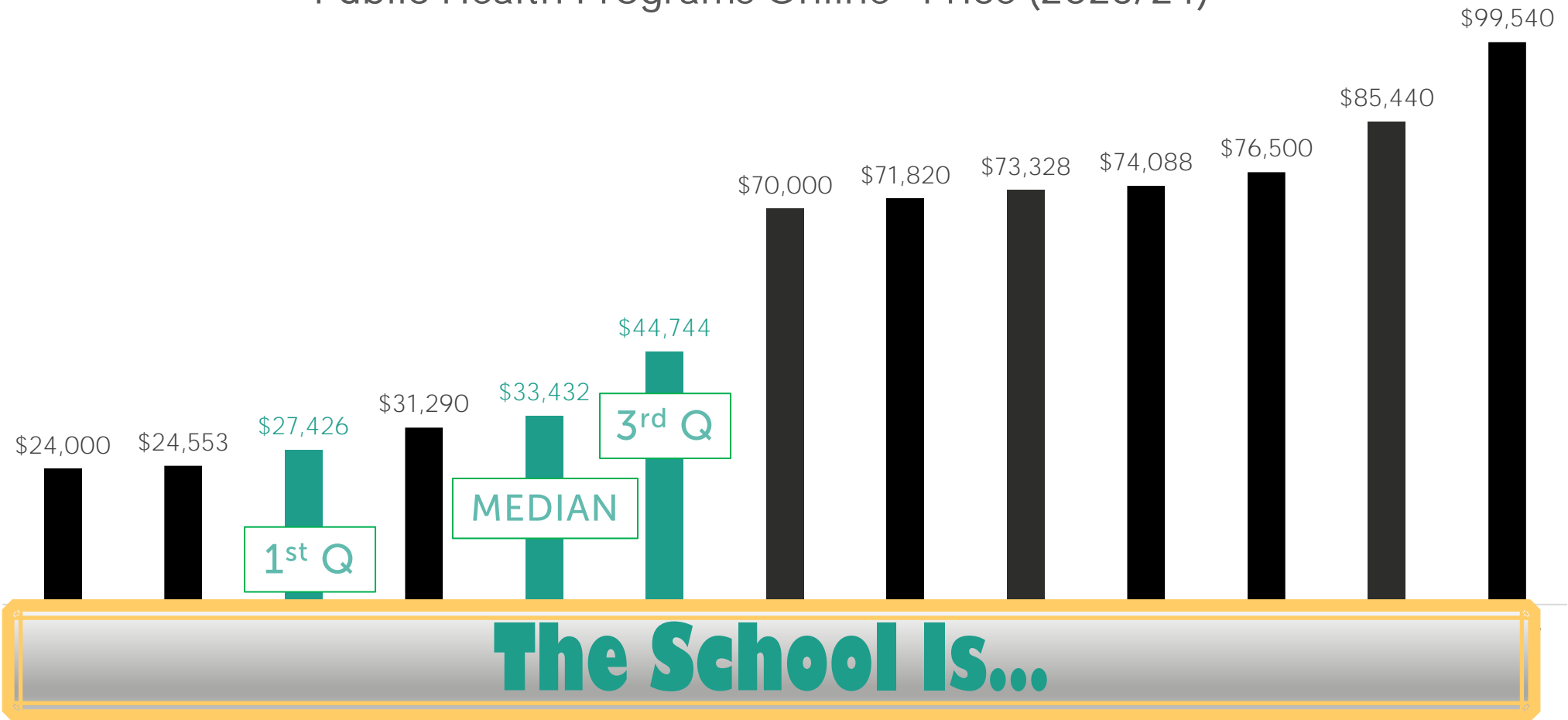
Four Biggest Computing Master's Programs Online- Price (2023/24) **#2**

Rank- Conferrals
(2023)



PUBLIC HEALTH- top 10 is all R1 and conventional pricing reigns (but watch out for BU).

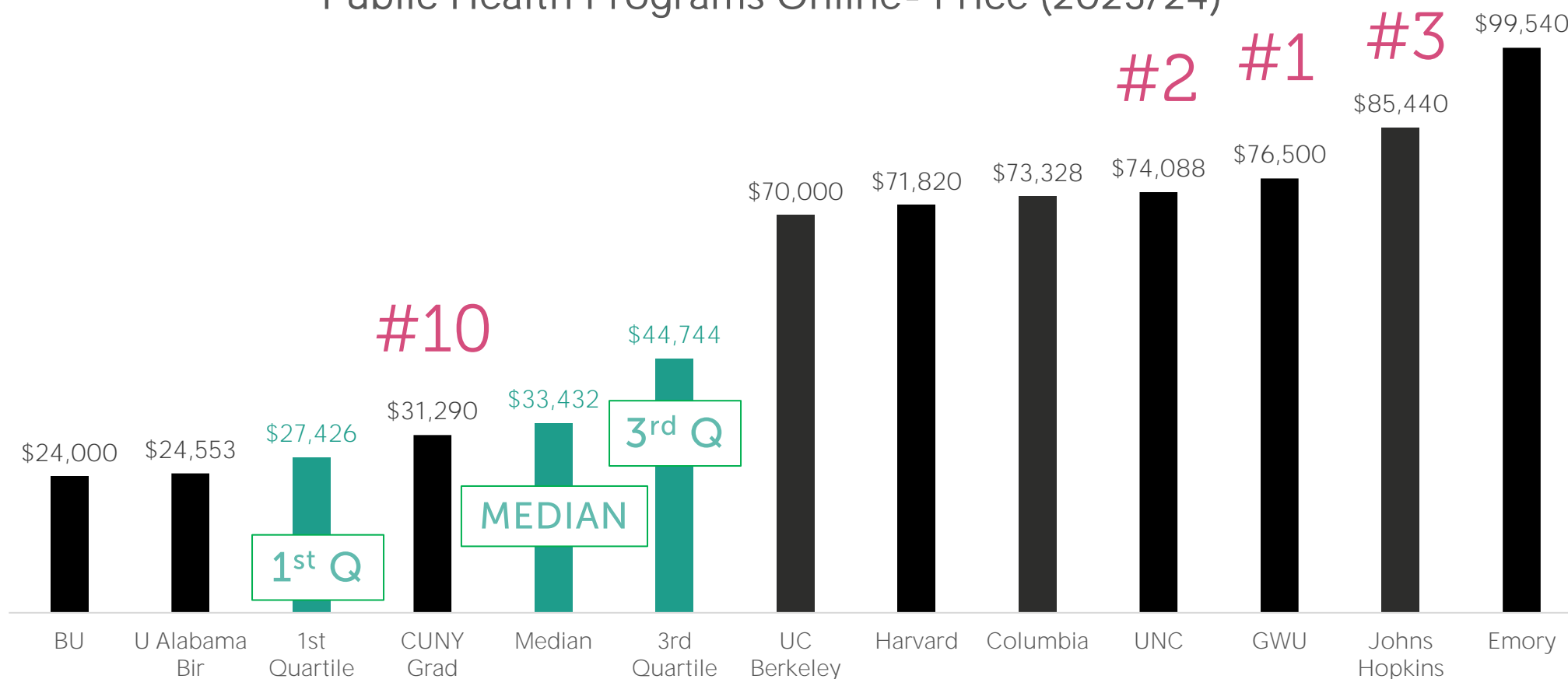
Public Health Programs Online- Price (2023/24)



Source: Eduventures analysis of IPEDS, Online Degree Database, and school data.

PUBLIC HEALTH- top 10 is all R1 and conventional pricing reigns (but watch out for BU).

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Thoughts

- Lowest Price: no guarantee of success
- Computing: only cheapest= biggest
- Prestige Markets: limit online giants
- Online Giants: economies of scale
- Online Value/Norm: sustain high price
- Low Demand/Pay: drives down price

Scale Requires:

Design, Infrastructure, Margin, Culture

Online Pricing 2024 & Beyond:

Is the
Revolution
Still Coming?

Why the pricing disconnect?

Average PT Grad Tuition Rise
2014-23= Below Inflation

"Affordable tuition"= Only
feature majority of prospects
prioritize

Gainful/FVT= No exemptions
for grad programs; online a
focus for ED

Only 6% of
Institutions with
Online Programs in
2024=
Lower Online Pricing

A few R1s are following Georgia Tech's lead...



BUSINESS

1,735

\$23,904



BUSINESS

1,021

\$25,000



VARIOUS

6,101

<\$15,000



VARIOUS

7,334

<\$20,000

Online Pricing Pressures 2024

CONVENTIONAL PRICING

- International students
- Poor online fit in some fields
- High ROI occupations
- Few fields with massive unmet need
- Rising marketing/recruitment costs
- Institutional culture
- Student experience
- Diverse student needs/preferences

REVOLUTIONARY PRICING

- Population and enrollment rate trends
- Lots of price-sensitive marginal prospects
- More prestigious (& successful) precedents
- Non-degree competition
- Regulation
- AI



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Online degree prices...
Come on down!



Q&A