

CASE STUDY

At no-frills Western Governors University, the path to a college degree is only as long as students make it

*A case study produced by the [Hechinger Institute on Education and the Media](#)
Teachers College, Columbia University*

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By Christopher Connell

On a sunny spring afternoon in Hagerstown, Md., [Western Governors University](#) mentor Julie Seiler sits at her desk, eyeing a color-coded spreadsheet on her ThinkPad. She then begins calling some of the 85 adult students with whom she regularly works. The personable Seiler is a model of organization who knows when best to catch each of these students. A third of the way down the roster of 15 students on today's call list is Kelly in Vancouver, Wash., who after two and a half years is approaching the finish line of her bachelor's degree in accounting. The phone rings at Kelly's workplace three times before the answering machine picks up:

"Hi, Kelly, it's Julie. Just checking in to see how you're doing," Seiler says affably at the start of her message.

"She'll probably call me back," Seiler says when she's finished. "She's pretty good about not missing her appointments."

Seiler, a former saleswoman who switched to teaching after earning an MBA from the University of Phoenix, is—like most of the nearly 800 mentors who constitute WGU's faculty—a full-time, salaried employee. "I found my calling and my passion when I started teaching online," says the 36-year-old Seiler, who also teaches part-time at a community college and will soon begin working toward an online Ph.D. in business administration.

The enterprise of offering college courses and degrees online has exploded in recent years, paced by the spread and reach of industry giants such as [University of Phoenix](#), [Kaplan University](#), [Capella University](#) and [Strayer University](#) that are in this business to make money. And they have made hundreds of millions, thanks to the ready availability of federal Pell Grants and heavily subsidized student loans. The co-CEOs of Apollo Group—parent company of the University of Phoenix—earned \$18 million between them in 2009.

In 2005, the CEO of for-profit [Bridgepoint Education](#), [Andrew Clark](#), turned a tiny, struggling Catholic college in Iowa into [Ashford University](#), which now enrolls 88,000 students,

almost all of whom are in online degree programs. He was paid \$20.5 million in salary and stock options in 2009 and \$2.2 million in 2010. Such salaries dwarf the highest paid presidents of nonprofit public and private colleges and universities: E. Gordon Gee, the president of Ohio State University, topped the nonprofit charts in 2009-10 with [a salary of \\$1.3 million](#).

The for-profit industry's image has been sullied by high default rates and accusations that some for-profit schools entice ill-prepared students to enroll with unrealistic promises of lucrative careers—only to saddle them with significant debt instead. The U.S. Department of Education recently noted in its push to tighten student aid eligibility rules that for-profit institutions, both online and in person, enrolled one in nine college students but accounted for a quarter of all loans and 43 percent of those who later defaulted.

The criticisms have not extended to new nonprofit online universities like WGU that share this space in a small corner of the higher education world and that generally charge much lower tuition than their for-profit counterparts. While some academics have questioned both the quality and value of its offerings, WGU has mostly been showered with praise and honors, including a Sloan Consortium Award for Excellence in Online Teaching and Learning as well as a prestigious 2010 [Harold W. McGraw, Jr. Prize in Education](#) for its president, [Robert Mendenhall](#), a former general manager of IBM's K-12 education division. Mendenhall earned \$732,273 in 2009, according to IRS records.

Student demographics suggest that WGU is reaching underserved populations. WGU says 38 percent of its students are low-income. Nearly a third live in rural America. One in five is a minority. Four of five work full- or part-time. Most receive federal financial aid.

In July 2010, Indiana launched a second WGU franchise that Gov. Mitch Daniels called “the beginning of, in a real sense, Indiana's eighth state university.” And in April 2011, Washington State Gov. Chris Gregoire signed legislation to create a WGU franchise there, too. As of November 2011, [WGU Washington](#) and [WGU Indiana](#) have enrolled 1,700 and 2,100 students, respectively.

In August 2011, Texas Gov. Rick Perry [signed an executive order](#) to establish [WGU Texas](#), and within three months of its creation, WGU Texas had already enrolled over 2,000 students. California lawmakers have asked the state to look at the possibility of creating a local branch of WGU and several more states are also considering such a move, according to the university.

WGU is also profitable, with [revenues of \\$111 million in 2010](#) and a forecast of \$140 million in 2011.

EIGHT MILLION NEW DEGREES

U.S. Under Secretary of Education Martha Kanter, speaking at WGU's July 2010 commencement in Salt Lake City, extolled WGU, telling graduates that their competency-based degrees placed them “on the cutting-edge of education in the twenty-first century.” President Barack Obama has set a goal of boosting by 2020 the percentage of Americans with college degrees from 40 percent to 60 percent, which means getting an additional eight million students across the finish line to graduation. But at a time when states are slashing budgets for public colleges and universities, there is little likelihood that enough new spaces can be found on college campuses to accommodate such growth. If the country is to hit Obama's target, more adults will be looking to complete some or all of their studies online.

Distance-education isn't new, of course, but the Internet continues to reshape the online delivery of lessons, from e-books and YouTube videos to tests proctored by webcam that students can take at their kitchen tables. The [Sloan Consortium](#), an advocate of online higher education, says [6.1 million college students took at least one online course in the fall of 2010](#), up from 1.6 million in the fall of 2002.

There are other institutions that convert adult students' life and work experiences into credits that count toward degrees. Among them is [Excelsior College](#), a private, nonprofit institution in Albany, N.Y., and a pioneer in distance education. Opened in 1971 as Regents College, it now enrolls some 30,000 students, almost a third of whom are active-duty military personnel or in the reserves. Most are seeking two-year associate degrees in nursing.

Other players in the nonprofit online arena include [Empire State College](#), also in upstate New York, [Charter Oak State College](#) in Connecticut, [Thomas Edison State College](#) in New Jersey and [Rio Salado College](#) in Tempe, Az., which is part of the Maricopa Community Colleges.

Some offer face-to-face instruction on actual campuses or satellite locations as well as extensive courses online. But none operates quite like WGU, which is purely online and has no traditional lecture classes, courses or curricula of its own. Instead, it offers what it proudly calls "competency-based education," meaning that as soon as students can prove their competence in a given subject area, they move on to the next level. WGU relies largely on third-party courses with e-books, lab simulations and learning materials licensed by or purchased from education publishers and other providers. Students work through the material on their own with a nudge from mentors like Seiler and then take pass-fail tests to determine if they've mastered the concepts. It typically takes a student two and a half years to earn a bachelor's degree, or three years if the student has no prior college credit.

Mentors are the linchpins of this unusual, technology-driven method of delivering education. [Most have graduate degrees](#). Students must check in with their mentor at least every other week. The entire WGU apparatus turns to a large degree on how well the frontline mentors like Seiler do their jobs. They are part academic adviser, part cheerleader, part nag, pushing their charges to keep at it.

WGU also uses course mentors—experts in specific subjects who provide assistance to students by phone, email, group chats and forums. Above them is a third tier of faculty whose main job is defining core competencies for each subject and working with advisory councils to develop courses of studies and identify learning resources. Separate faculty members grade exams.

Mendenhall, who holds a Ph.D. in instructional psychology and technology from Brigham Young University, is a veteran developer and marketer of computer-based education. Prior to his work at IBM selling software and services to schools, he founded and ran a Utah firm that provided computerized training to corporate clients and produced curricula for schools. He believes that most of what is called online education "is really just classroom instruction being delivered over a wire. [They] haven't changed the instructional model at all. It's still a teacher with 20 or 30 students. They put their syllabus and materials online [and] the students submit assignments online."

That gives students more flexibility, but it does nothing to make a college education less costly or more efficient, he argues. "Technology has fundamentally changed the productivity of every industry in America except education. In education, it's just an add-on cost."

Mendenhall says WGU's system of requiring students to demonstrate their competency to earn a degree is what makes WGU different "from any other university, whether online or not, whether for-profit or nonprofit."

Traditional higher education "says everybody needs 120 credit hours, everybody needs the same required courses and every course takes four months," Mendenhall says. "The system is set up the opposite of the way we know people learn. We've simply created a system [at WGU] that actually matches how people learn."

AN 'ALL-YOU-CAN-EAT' EDUCATION

Despite its name, WGU is actually a nonprofit, private enterprise based in Salt Lake City. Governors did play the lead role in its creation and continue to play an important role in its expansion. The concept grew out of a conversation that then-Utah Gov. Michael Leavitt and other Western

How are WGU students tested?

WGU courses typically have two assessments each. The first is a test with between 40 and 90 questions (multiple-choice, matching or similar exercises) scored by a computer. The second is a "performance assessment," which consists of papers, presentations, essays and other required work. Performance assessments are scored by a team of graders separate from the mentors and course faculty. Students can find out almost instantly how they have performed on the tests—all they have to do is log into the WGU website—and they are promised a three-day turnaround on all components of the performance assessment. They aren't told which items they got wrong and questions are not released, but they and their mentors are told of weaknesses and pointed to specific skills to work on.

Students can go to test centers in various cities to take proctored exams, or they can complete them online with a webcam monitoring them, their keyboard and their mouse. If a student slips out of view, the test is halted until the student signs back in with everything in view.

governors, including Colorado's Roy Romer and Wyoming's Jim Geringer, had at a regional meeting in 1995 about how to increase their states' higher education capacities without building new campuses or hiring expensive, tenured faculty. With foundation and corporate support, as well as backing from the governors of 18 states and Guam, WGU was chartered in 1996 and incorporated in 1997. It began admitting students in 1999 but remained small until 2003, when it won full accreditation. That year, it enrolled 500 students. By 2006, it had 5,000. Now it has over 28,000 students, with over 2,200 graduates earning degrees in more than 50 programs each year.

Geringer chairs the board of trustees, on which Indiana's Daniels also sits along with educators and business leaders. Half of WGU's students pursue education degrees to become teachers or to move up the pay scale in their current jobs. Most of the rest are business or information technology majors. WGU is also trying to attract more students to its programs in nursing and health professions, its smallest offering.

The big draws for students are WGU's flexibility and modest tuition. Most students pay a flat tuition fee of \$2,890 for as many "competency units"—the WGU equivalent of credits—as they can finish in six months. (Nursing and MBA programs are somewhat more expensive.) The yearly tuition of \$5,780 compares favorably to the average in-state tuition costs of \$8,244 at public four-year institutions in 2010-11, [according to the College Board](#), and it is far below the \$20,770 that such institutions charge out-of-state students.

WGU has business and training offices in Phoenix and Indianapolis, but most of its mentors work out of their homes. Seiler is an exception, paying out of her own pocket to rent a third-floor office above a law firm in a commercial building owned by her parents. Her diplomas are on the walls. She is a fount of

cheerful but purposeful advice for her mentees, who routinely ask her to ferret out and resend practice questions or materials that a course mentor may have previously emailed them.

Seiler is copied in on these exchanges and can usually retrieve them in seconds with a quick glance at her own well-organized files. In addition to her work at WGU, she teaches business courses in person once a week and online for a community college in nearby Martinsburg, W.Va. She knows her subjects cold. When students encounter difficulties, she knows where and to whom they can turn for extra help and resources.

On that spring afternoon, Kelly calls Seiler back as predicted and speaks for seven minutes with her mentor. Their telephone calls stretch back two and a half years. "What's been going on?" Seiler asks.

“Not much,” says Kelly, who tells Seiler of her plans to take several days off from work to complete two final tasks and prepare for a major test in cost/managerial accounting, before tackling her capstone project—drafting a business plan. “I’m almost there,” Kelly says. “I’m pretty excited.”

“That’s great,” Seiler responds. “Don’t do the executive summary first. Write the rest of the plan first and then do the summary, which is like your sales pitch as to why somebody should read your business plan.”

Kelly had scuttled her first idea for a business plan, but tells Seiler that the course mentor whose specialty was helping students draft business plans thought her new idea “would be perfect.”

“Well, good. That sounds great,” Seiler says. “I’m going to be sending in your graduation application before we know it.” They both laugh. “Is there anything else I can do to help you?”

“No, I’m just going to keep plugging along here,” says Kelly.

Seiler provides the name of a third mentor to call if Kelly needs help preparing for her final test. After some small talk, Seiler schedules the next call in two weeks and encourages Kelly to “call or email me if you have something before then.”

Later in the afternoon, Seiler reaches Greg, a student in Michigan who laments that he’s lost the link to a math video that a course mentor had sent him in preparation for a statistics exam.

“It was touching on everything that I was having issues with” when he stumbled on his first go-round with that exam, Greg said. Sure enough, Seiler retrieved the link in seconds and forwarded it to Greg. She also recommended that he go to [MyMathLab](#)—an online instructional program from Pearson Education that WGU provides students—and work through sections on problem-solving techniques and quantitative reasoning.

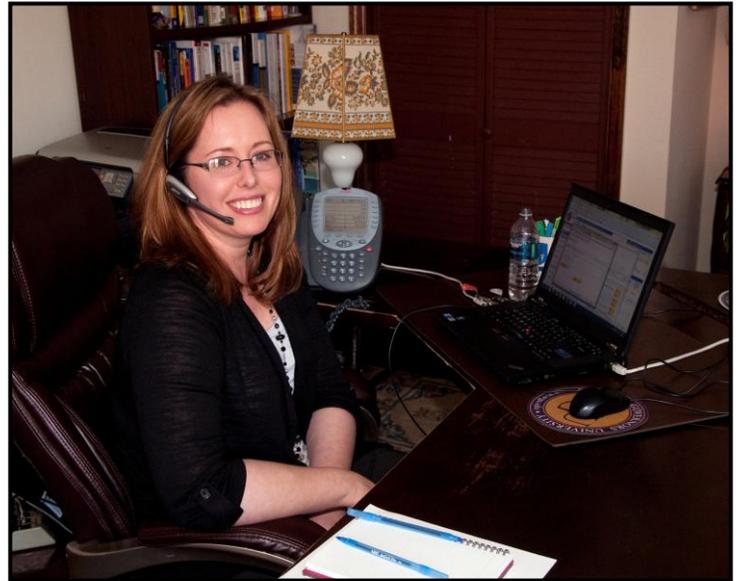
“This isn’t easy stuff by any means,” Seiler tells him. “I don’t know many people who do statistics for fun. But I know you’re going to do fine this time.”

Of the 85 students with whom she works, 70 answer scheduled calls right away, Seiler says. Some call back or email her promptly, but “some I have to chase. If they go two weeks without an appointment and they are not returning my phone calls or emails, then they start getting warnings” that WGU may withdraw them for inactivity, she says. The warnings carry extra weight if students are using federal financial aid to pay tuition. (Seiler recently was promoted to be a team leader, assisting in the management of 20 business mentors. She still mentors 45 students herself.)

“It’s kind of like not coming to class. Our phone calls are considered their attendance,” Seiler explains. Students new to WGU receive mandatory weekly calls, but most are soon switched to calls every other week. Seiler prefers the weekly calls because she feels students do better that way. The previous week, she logged 110 calls lasting a total of 16 hours. All calls are placed through WGU’s switchboard and toll-free number so the university can track student-mentor contact.

Mentors are expected to spend at least 10 hours a week on the phone with students and can earn bonuses if they log extra hours. Some calls take under 10 minutes; others last an hour.

“We have tough conversations sometimes about what we need to do to get them back on track,” Seiler says. “I’ll say, ‘Okay, if this way isn’t working for you, how can we do something



Mentor Julie Seiler at her office. (Photo by Christopher Connell)

different?’ And we come up with different plans and ideas. The whole idea is they are doing their education online, but they are not doing it alone.”

A COLLEGE DEGREE IN UNDER SIX MONTHS

One of Seiler’s extended conversation partners is Brandon Oates, who sped through an undergraduate degree in marketing management in under six months. At WGU’s flat rate, it cost him less than \$3,000, and he started with no prior college credits. Oates got Seiler as a mentor when he switched majors early on from education to business.

“I don’t think he slept for several months,” Seiler recalls. “Lots and lots of energy. It was amazing to watch. We talked or emailed probably every other day.” Mendenhall, WGU’s president, said some students “come in and spend six days a week, 12 hours a day, and blitz through [their degree program]. The system is designed to let them do that.”

Oates, 23, is a young man in a hurry. A self-taught chef, he teaches cooking and caters on the side in Mount Olive, N.C. He’s married with a two-year-old son; his wife enrolled in WGU a few months after he did. “I was not a whiz in high school by any means,” Oates says, “but I asked tons of questions. What I know is being tenacious. There are very few things out there that come naturally to me.”

After “kicking it into gear” as a high-school junior, he scored 1200 on the SAT and got into a dozen of the 15 colleges to which he applied. He sent a deposit to [East Carolina University](#) and then took a summer job at Domino’s Pizza. Within two months he became store manager, earning more than \$40,000 a year. He bought a car and moved into an apartment, giving no further thought to ECU. “I was 18 years old, right out of high school. I was living,” he recalls. “College went away.”

Oates spent several years with Domino’s before launching his own business. He rents kitchen space and gives classes to people who want to improve their home cooking. In the culinary field, “you really need some kind of piece of paper that says you went to some kind of culinary-arts school and you did really well. I didn’t have the money do it. It’s ridiculous how expensive culinary-arts schools are,” Oates says.

He briefly tried a hospitality-management program at the University of Phoenix and signed up for another online institution, [Grand Canyon University](#), but disliked both. Two years later, in a weak economy, he decided to try college again, in part because he wanted to be a role model for his young son.

“When they told me WGU was ‘competency-based,’ that’s the magic word. That’s what got me here,” Oates says. Since “it was based on your own speed,” he figured it would take him a year or a bit longer to do all of the work. But three months in, he realized he could finish in six months.

Oates breezed through almost all of his tests, most of which were multiple-choice or matching items that were scored by a computer. There were also “performance assessments”—short papers and other work graded by faculty other than his mentors. He failed his final exam in finance and accounting two times before passing it on the third and final try.

“I had never failed a test before,” says Oates, who finished the bachelor’s degree with two weeks to spare and immediately embarked on an MBA that he expects to earn in a year. The online MBA, which WGU recently revamped, requires more papers and projects and normally takes 18 months to complete.

Oates dreams of one day opening a white-tablecloth restaurant that offers a medley of cuisines. “I’m a firm believer that food can solve anything,” he says. “It’s hard to yell at somebody over a really good bowl of gnocchi.”

Another 23-year-old, Joanna Goslin of Coos Bay, Ore., also earned a business degree in just six months by clocking up to 30 hours a week studying at home with her three young daughters. In January 2009, Goslin was one of the student speakers at WGU's graduation ceremony.

WGU holds commencement exercises twice a year with full regalia that usually draw at least 200 graduates who pay their way to Salt Lake City to don cap and gowns and receive their diplomas in person. Among the speakers at these ceremonies have been Kanter, Sun Microsystems Chairman Scott McNealy, and Hillary Pennington, director of postsecondary initiatives for the Bill & Melinda Gates Foundation. (WGU received [a \\$1.2 million grant](#) from the Gates Foundation in July 2009 to boost college-graduation rates among low-income and minority young adults.)

Goslin didn't fit in during elementary and high school in Sacramento, Calif. In third grade, bored with the math, she finished the textbook on her own—only to be given a fourth-grade math book and told she'd have to study the same material the following year. "At that point I decided I would do what I needed to get by in school, but nothing more. This was my philosophy through the rest of my schooling, into junior high and high school, and [it] followed me as I enrolled in classes in the local community college."

She dropped out, got married, took a few more classes at another community college and then discovered WGU. "I knew right away this was the type of college I was looking for," Goslin says. "I loved that the format allowed students to complete classes at their own pace, without sitting in a classroom for a certain number of hours."

When an enrollment counselor told her no one finished more than 40 units in six months, "I decided right then that I would try to do all of my units in a single term," she says. A federal Pell Grant—given to students with the greatest financial need and, unlike loans, not something that students must pay back—covered all but \$160 of her tuition. (In the 2010-11 school year, the maximum Pell Grant award was \$2,775 per semester.)

Those six months were "a wild ride. With three kids age 4 and under, I had to be creative in overcoming challenges," Goslin told her fellow graduates at commencement. "One of my favorite memories is driving home after doing some errands and looking in the back seat to realize all three of the girls were asleep. I quietly found a place to pull over and fired up the laptop. I got a half an hour of schoolwork done before the first kid woke up."

Goslin also juggled a part-time job in retail during her final three months at WGU. "I just lived, breathed and slept Western Governors," said Goslin, who hopes to put her degree to use when her youngest starts kindergarten in 2012. Goslin is confident that employers will respect her online degree. Her husband, who does IT work for a physicians' group, is also now working on a bachelor's degree at WGU, but at a slower pace.

A TYPICAL WGU STUDENT

Amanda Martin Durrett, 32, of Shreveport, La., is a full-time mother with sons aged 7 and 8, and she's working on an education degree at a more typical speed. She's closer to the average age for a WGU student, which is 36.

Durrett took classes at a community college in Fort Worth, Texas, before the family moved to Shreveport in 2009 for her husband's job as an office manager at an oil-rig company. Twenty miles from the nearest community college, she looked online for a way to earn a teaching degree. Durrett said she called the University of Phoenix but was told it couldn't guarantee that her certification would be accepted in Louisiana.

WGU proudly boasts that it is "the only exclusively online university" accredited by the [National Council for the Accreditation of Teacher Education](#) (NCATE)—the principal accrediting body for colleges of education. Graduates are certified first in WGU's home state of Utah, but then

can transfer that license to their home states. WGU says all 50 states now recognize these out-of-state credentials, with Iowa, the last holdout, approving licensure for WGU grads in November 2011.

The NCATE accreditation “was the big kicker for me,” Durrett said. “I know if they’re accredited by that agency, then it’s reliable. I know they’ve done their homework on this university. I posted on Facebook on how they made my dream come true. I can go to school and still be a full-time mom now. I go to school when my children go to school. I have a desk set up in my living room that has my computer, my notebooks, everything.”

Durrett spends up to six hours at her studies each weekday and expects to earn a degree and her teaching license in three and a half years. Her mentor, Matt Moulton, set goals for her each week. “I’m not good at English,” she says. “He’d set goals we would accomplish every week to get that essay done for this class, or the research paper done for this class. I’m not good at writing papers. [Mentors] keep you motivated.”

Durrett doesn’t miss being in a classroom with a professor and other students. WGU, she says, “has an online community, a blog where you can chit-chat with other students ... this is the best-case scenario for me. I can go online, ask questions, get feedback from others. It’s just as good for me doing it this way.”

SELLING ONLINE HIGHER EDUCATION

None of the nonprofit online universities has anywhere near the market penetration of the big for-profit providers. But WGU is trying. It spent \$5.3 million on Google ads in 2009 and paid \$3.9 million to Datamark, a company that generates prospects for proprietary and nonprofit institutions. Mendenhall says WGU spends half as much on marketing per student as does the University of Phoenix. He expects enrollment, which has been climbing 30 percent a year, to hit 50,000 by 2015. “We’re not trying to double every year,” he says. “We don’t feel we can do that with the same quality.”

Some of the enrollment growth is occurring in Indiana, where Gov. Daniels is the pitchman on television and radio ads for [WGU Indiana](#). The online-education push meshes neatly with Daniels’ broader efforts to streamline government, pare costs and privatize education where possible.

“WGU Indiana will fill the clearest and most challenging gap remaining in our family of higher-education opportunities, helping thousands of adult Hoosiers attain the college degrees they’ve wanted and needed, on a schedule they can manage, at a cost they can afford,” he said at the launch of WGU Indiana in 2010.

Indiana residents can qualify for state tuition aid for WGU Indiana. The availability of online degrees isn’t taking students away from other state universities, but is attracting adults who wouldn’t otherwise be able to attend college, including 730,000 Hoosiers who started college but never finished, says Allison Barber, WGU Indiana’s chancellor.

Barber has crisscrossed Indiana to meet with the chancellors and presidents of the state’s brick-and-mortar public campuses. Every meeting ends with talk of how to work more closely together. “They recognize that we’re in a special niche. It’s not a zero-sum game.”

At WGU Washington, the emphasis also has been on supplementing, not supplanting, the state’s other higher-education institutions. At the launch event last May, WGU Washington’s chancellor, former Bellevue Community College President [Jean Floten](#), signed a partnership agreement with the State Board for Community and Technical Colleges to foster a seamless transition to the online university for community-college graduates. WGU Washington’s founding comes at a time when the state’s public higher-education budget has been cut by almost half a billion

dollars over the past three years, although institutions were allowed to recoup some of the losses by raising tuition.

While the creation of the online option won bipartisan approval by the Washington State legislature, it was scorned by some leaders of the United Faculty of Washington, which represents faculty on four campuses. Johann Neem, an associate professor of history at Western Washington University, [blogged that](#), “Western Governors University is not an institution of higher learning ... Online higher education is to real education what online religion and online sex are to real churches and loving relationships ... There are no teachers, only ‘mentors’ who have a list of links, modules, and webinars. Would you send your son to a hospital staffed with WGU’s online health degree graduates?” (WGU’s nursing students do undergo clinical training in hospitals much like education majors practice teaching in real schools).

Neem says that what WGU offers is job training, not a true liberal-arts college education. “Let’s not pretend we’re doing what we’re not doing,” he says. “It’s not that I am opposed to technology, but I think teaching is a very personal act” that can change people’s lives.

ONLY ‘THE BIG DEGREES’

Most WGU students are looking to change their lives in practical ways. They want the knowledge and credentials that will open doors to new careers or advancement in their current positions.

Mendenhall—who says WGU could offer a range of degrees in other subjects, like philosophy—sees workforce development issues as the key: “Are we preparing people to have jobs and provide for their families? ... I’m a believer [that] you can’t do a hundred things great ... [it’s] better to do a few things very well than a lot of things okay.”

Concentrating on high-demand degrees in a limited number of fields also helps WGU keep tuition low, Mendenhall says. “If you’re offering a degree for 30 people, it’s going to be really expensive. At traditional universities, the small degrees are heavily subsidized by the big degrees; we only want to do the big degrees.”

The demand for online degrees is almost certain to grow unless the federal government shuts off the student-aid spigot. Even before states curtailed spending on higher education, it was a struggle for students at some overcrowded public institutions to get all of the courses and credits they needed to graduate. If students can speed up the process to a degree by taking some courses online, then online enrollments are likely to grow robustly. Thirty-one percent of all students in higher education take at least one course online, according to “[Going the Distance: Online Education in the United States, 2011](#),” which the Sloan Consortium co-commissioned. The report’s authors also found that two-thirds of the more than 2,500 institutions surveyed said that online learning is now a critical part of their long-term strategies.

As the Internet has become part of the fabric of our lives, it’s more readily seen as a viable place for education and development, says [Kevin Kinser](#), the University at Albany expert on online education who wrote his dissertation about the founding of WGU. The major nonprofit players such as WGU “have the benefit of scalability. They are big enough and have enough systems in place to be able to grow quite quickly without a lot of extra capital expenses. They might be the natural place for those online enrollments to migrate if the for-profit sector is unable to meet whatever demand exists,” Kinser says.

Harvard Business School professor [Clayton Christensen](#)—an authority on how technological innovations can topple established business models—believes higher education is ripe for “disruptive innovation,” a concept he pioneered. Together with colleagues at the [Innosight Institute](#) and the [Center for American Progress](#), Christensen makes the case for rethinking “many of the age-old assumptions about higher education” and encouraging more online learning in a February 2011

study, [“Disrupting College: How Disruptive Innovation Can Deliver Quality and Affordability to Postsecondary Education.”](#)

Christensen and colleagues also called for “an escape from the policies that focus on credit hours and seat time to one that ties progression to competency and mastery. Online learning courses can ... allow students to accelerate past concepts and skills they understand and have mastered and instead focus their time where they most need help at the level most appropriate for them.”

WHAT’S THE PAYOFF?

Many questions remain about the viability of WGU’s model, in part because it’s so new and not yet well-known among employers. The extent to which employers question the value of online credentials is unknown. And WGU says it has no comprehensive data on how students fare after graduation.

However, WGU does have results of third-party surveys that it commissions of alumni and employers. In overwhelming numbers, [students express satisfaction with their education and say they would recommend WGU to others.](#)

Sixty-five percent of the 3,979 graduates surveyed in 2011 reported that they’d received a raise, promotion or new job responsibility as a result of their WGU degree, says Joan Mitchell, WGU’s director of public relations. WGU-commissioned [surveys of employers](#) also indicate high degrees of satisfaction with graduates. The university, on its website and in annual reports, lists major corporations where alumni work, but it doesn’t keep or track data on which companies or school districts hire the most WGU graduates.

Such a shortage of hard evidence is not unusual, says [David Longanecker](#), president of the [Western Interstate Commission for Higher Education](#), which works across the U.S. to improve both access to higher education and student success. “I think they are doing as much as anyone else is—which isn’t much,” Longanecker says. “This is one of the problems with higher education.”

WGU’s accreditation is a good sign, particularly for students hoping to become teachers, Longanecker says. “You have an awful lot of students at WGU getting their [teaching credentials] because of the requirement in No Child Left Behind. They would have lost their job otherwise. Those students almost certainly got a direct benefit from their degree. They got certified.”

The picture may soon become clearer, thanks to the U.S. Department of Education’s regulations

How does online learning compare to classroom-based learning?

The case for online higher education was bolstered by a major review of research that SRI International carried out for the U.S. Department of Education in 2009. The report, [“Evaluation of Evidence-Based Practices in Online Learning: A Meta-Analysis and Review of Online Learning Studies,”](#) was revised and reissued in September 2010.

“Students in online conditions performed modestly better, on average, than those learning the same material through traditional face-to-face instruction,” the study’s authors found. Combining face-to-face and online instruction—often called “blended learning”—yielded a larger advantage than instruction purely in the classroom or purely online, according to the study’s authors. While they looked at more than 1,000 studies, only 45 were considered rigorous enough to be included in the meta-analysis. The researchers considered K-12 education, career and military training as well as higher education studies. They noted a paucity of solid K-12 studies.

U.S. Secretary of Education [Arne Duncan says](#) the SRI report “reinforces that effective teachers need to incorporate digital content into everyday classes and consider open-source learning management systems, which have proven cost effective in school districts and colleges nationwide.”

The report’s findings were greeted skeptically by Northwestern University education economist [David Figlio](#) who, with two former colleagues at the University of Florida, Mark Rush and Lu Yin, conducted an experiment to test student learning with classroom vs. online instruction. They separated several hundred students in a large, introductory microeconomics class at a major research university into groups that agreed to attend lectures in person or watch them online. The carrot for participating in the study was a bump up in their class grade.

“[T]he preponderance of the evidence indicates that students perform better in the live setting than in the online setting,” [Figlio and his colleagues found](#), and face-to-face instruction seemed most beneficial for Hispanic, male and lower-achieving students. The authors caution that “a rush to online education may come at more of a cost than educators may suspect.”

requiring greater accountability among colleges and universities.

Back in Hagerstown, Md., between calls, Julie Seiler prepares personalized graduation plans for her students. On six-month grids she charts how much work each student has completed— noting also each required program component as well as how much each student will wind up paying in tuition.

Seiler points out how one student could slice almost \$9,000 off his tuition bill if he were to pick up the pace. “You can’t get out of those loans,” she says. “They’re going to follow you the rest of your life ... It’s costing you every time you don’t do your homework. It’s like a hundred dollars a week. If [students] don’t do something for a week, I’ll say, ‘What could you have done with that \$100 that you just spent on nothing?’” Seiler encourages students to affix their personalized charts to their refrigerators and cross out the remaining requirements each time they pass a competency exam.

The all-you-can-eat aspect of WGU’s academic smorgasbord makes such savings possible. But it’s also intrinsic to the culture at WGU, where the [website tells prospective students](#), “Essentially, the faster you progress, the more you save—a big incentive to work hard that you won’t find at other major schools.”

As 5:30 p.m. approaches, Seiler is still encouraging Greg to keep plugging away at his math problems. She prods him to watch the video she sent earlier and to get back in touch with Christine, his course mentor, and follow her instructions closely.

“Does she speak my language?” Greg asks.

“She’s down-to-earth,” Seiler replies.

“I really want to get into that video and learn the basics of differential sequencing. I need to relate it to something in real life,” Greg says, a bit wistfully.

“You’re going to be beyond the math in no time,” Seiler reassures him.

“Alright. I appreciate all the help. We’ll get this one,” he signs off, a tad more confident.

This case study was reported and written for the [Hechinger Institute on Education and the Media](#) (based at Teachers College, Columbia University) by Christopher Connell, a veteran journalist who writes frequently about education and public policy for foundations, magazines and other organizations. It was underwritten by Lumina Foundation for Education, which in the past has [given two grants totaling \\$1.3 million to Western Governors University](#). The research, reporting and editing were conducted entirely independently of Lumina Foundation for Education, and views expressed in this publication are those of the author and do not necessarily represent those of Lumina, its officers or employees. The mission of the Hechinger Institute is to inform the public about education through quality journalism.