The Graduate Degree’s Golden Age

How Trends in the Job Market, Society, and Academic Innovation Are Shaping Demand for Post-Baccalaureate Education

Dr. Sean Gallagher
Chief Strategy Officer
Northeastern University
Twitter: @HiEdStrat

July 11, 2016
Council of Graduate Schools
Savannah, GA
Higher education
Is college worth it?
The Economist
Too many degrees are a waste of money: The return on higher education is better if college were cheaper
April 5th, 2014 | CHICAGO | From the print edition

COLLEGE DISRUPTED
The Great Unbundling of Higher Education
RYAN CRAIG

The End of College
Creating the Future of Learning and the University of Everywhere
KEVIN CAREY

The death of degrees? 9 alternative credentialing approaches
By Roger Riddell | February 21, 2013

THE CHRONICLE OF HIGHER EDUCATION
Badges' Earned Online Pose Challenge to Traditional College Diplomas

Chief Learning Officer
The End of the Master's Degree?
August 29, 2013
By Lia Evans

R.I.P. Graduate Degree
1150 - 2012

LinkedIn eats the university
By Lia Evans, University Ventures
April 18, 2011 11:30 AM AM
TASA: Edna L. Walker, Lesa Cole, John Craig

The Degree Is Doomed
Harvard Business Review

The WALL STREET JOURNAL
Grad-School Loan Binge Fans Debt Worries
Graduate students account for 40% of borrowing; many seek federal forgiveness
By JOSH MITCHELL
August 18, 2015

Newsweek
CHEAPER AND SMARTER: BLOWING UP COLLEGE WITH NANO DEGREES
By Kevin Maney on 10/4/15 at 1:53 PM

The Washington Post
Are master’s degrees on their way out? Alternatives grow as enrollment fades
By Jeffrey J. Seligson | April 15, 2015

Grade Point
The credential – the degree or certificate – has long been the quasimonic value proposition of higher education. Americans have outnumbered degrees with a force generally reserved for bicycles or hot dogs. Everyone should have three! Many and oftener and their perceived value diminishes in the world – in Asia in particular – as learning rises higher.
The Big Picture: 25 Years of Generally Rising Higher Ed Demand

- Gen X Demographic Trough
- Strong Economy
- Baby Boom Echo ("Millennials")
- The Great Recession
- The New Normal

Source: U.S. Department of Education NCES, 2015
75% Growth in Master’s Degrees Conferrals Since 2000

Master’s Degree **Attainment** Among **25-29 Year Olds** Has Nearly Doubled Over the Last 20 Years

*Source: U.S. Department of Education NCES, 2015*
Evolving Student Preferences: 75% of Entering Freshmen Report They Intend to Earn an Advanced Degree

Source: UCLA HERI CIRP, 2015
A Strong Job Market

2.5% Unemployment Rate for Bachelor’s & Above

Source: BLS, Deutsche Bank, Business Insider
Today’s Job Market is Demanding Bachelor’s Degrees and Above

“Requested Educational Credentials” by Employers
Note: Both “Required” and “Preferred” – Totals Exceed 100%
Graduate-Level Job Creation Has Outperformed

No College Graduate Left Behind
Study shows most jobs created since recession went to high-skilled college grads

- High school or less
- Associate's or some college
- Bachelor's
- Master's or higher

Source: Georgetown University Center on Education and the Workforce, Current Population Survey
Note: Seasonally adjusted numbers

Source: Georgetown Center for Education & the Workforce (graphic published by Bloomberg)
All of the Growth in the “College Wage Premium” Since 2000 is Due to Advanced Degrees

Changes in real wage levels of full-time U.S. workers by sex and education, 1963–2012

Real weekly earnings relative to 1963 (men)

Real weekly earnings relative to 1963 (women)

> Bachelor’s degree

Bachelor’s degree

Some college

High school graduate

High school dropout

David Autor,
“Skills, education, and the rise of earnings inequality among the “other 99 percent”
May 23, 2014

Source: David Autor, Science, 2014
Occupations Typically Requiring a Grad Degree for Entry are Forecast to Grow the Fastest through 2024

• **32%** of employers increased their educational requirements over past year - 60% because skills had evolved

• **27%** hiring employees with master’s degrees for positions previously at bachelor’s level

• Employers who raised requirements reported as a result:
  - + Quality work: **57%**
  - + Productivity: **43%**
  - + Communication: **38%**
  - + Innovation: **37%**
  - + Employee retention: **32%**

**Source:** Careerbuilder, 2016
“20 years ago, nobody had advanced degrees. People have realized that... oftentimes it will get you that interview, and it’s a differentiator.”

“For many roles, these days it’s almost like bachelor’s degrees are table stakes. Master’s degrees are what separate you. You’re going to need that to break out from the pack.”

“As a general qualification the master’s has become the de facto requirement at management levels and above.”

Source: Qualitative interviews, 2014-2016
Bachelor’s Degrees as the Floor; Master’s Degrees the Differentiation in the Career Ladder

- Preference vs. requirement
- Condition of entry to LDPs
Top *Skills* Desired By Employers

- Communication
- Writing
- Research
- Leadership
- Teamwork / Collaboration
- Project Management
- Critical Thinking
- Problem Solving
- Intercultural Competency

*Sources: Employer Interviews, BurningGlass, Georgetown Center for Education and the Workforce*
How Will Demand for Advanced Degrees be Shaped by a Global Market for Talent?

Source: U.S. Census, BLS
Education vs. Experience

- Difficult to decouple
- Potential “dilution”
- Toward experiential models
Online/Hybrid Delivery Accounts for 33% of All Grad-Level Enrollment and is Growing 6% Annually

Source: U.S. Department of Education NCES
Graduate-Level Credential Alternatives, Substitutes are Emerging
What Will Their Impact Be?

• “Badges”
• Boot-camps / bridge programs
• MOOCs and MOOC-driven Certificates
• Non-credit training/lifelong learning
A Post-Baccalaureate World

- Skills-biased technological change
- Episodic experiences
- “Stacking” and portability
Toward a “Competency-Oriented” Ecosystem

- Tech Sector Precedent?
- Competency-Based Hiring
- Competency-Based Education
- Professional Grad Innovation
Trends in the Credential Landscape

Theoretical

Traditional F2F

Monolithic

Instructor-led

Static

Practical

Online

Unbundled, short-form

Self-paced

Adaptive
Talent Analytics & Pre-Hire Assessment: True Potential “Disruptors”

- Reshaping the role of credentials
- “Quality of hire” analysis
- Core school model
- New rankings and measures
Are Governance and New Program Development Prepared to Adapt to a Rapidly Evolving Environment?
Standards and Interoperability

• Communicating the “meaning” of a graduate degree/credential
• A potential taxonomy or “standards movement”
Significant Policy Issues

- Haves and have not's
  - Access to leadership roles
- Loan eligibility/rates, tax advantages, etc.
- Emergence of non-degree alternatives
A Dynamic Future for Graduate Education

- Growing global demand
- Dialogue within the “ecosystem”
- Revisiting fundamental constructs:
  - “Credit”
  - Faculty roles
  - Brand, selectivity, and scale
- Credential inflation?
- Graduate degree or graduate education’s golden age?
DISCUSSION

Available
September 6, 2016

The Future of University Credentials
New Developments at the Intersection of Higher Education and Hiring

Sean R. Gallagher
Chief Strategy Officer
sr.gallagher@neu.edu
617-373-5756
Twitter: @HiEdStrat

Harvard Education Press

Northeastern University