Changing Our World, Inc.
FUNDRAISING PHILANTHROPY

The Rise of Online Higher Education:

Institutional Advancement

Implications and Imperatives

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> *"Never make predictions, especially about the future."*
>
> – *Casey Stengel*

The world of higher education is changing beneath our feet. The rates at which both institutions and students are embracing the digital learning model continue to grow, and as a result, the traditional institution as we know it is evolving. The rapid rise of the 'massive open online course,' or MOOC, and the use of a wide variety of online knowledge sharing models, indicates that a campus-less college experience is becoming a reality. At the helm of a company that is deeply engaged in and committed to higher education, I am excited to witness and experience the revolutionary changes that are taking place within the sector.

For all the discussion and debate about digital strategies for higher education, however, institutional advancement has been largely absent from this dialogue. This is ironic. Individuals are the core suppliers of the philanthropic support to higher education. Hence, students, alumni, their parents, and other individuals remain core parts of cultivation and development strategies for the institution. Thus, the change in identity of individuals and their experience at and of the university, which are greatly affected by the rise of the digital learning model, is critical to advancement offices. The imperative for institutional advancement evolution into new strategies is particularly pressing, and therefore requires advancement offices to be at the center of discussions regarding online learning rather than absent.

Through this report, Changing Our World presents findings that address this issue and step into that gap. Institutional advancement cannot avert its eyes from the reality. It is critical that advancement offices get involved in online learning, even if only for the scope. The pure reach this model presents is reason enough to jump on the bandwagon.

The challenge of this report is to write about a topic that is constantly evolving. We do not ultimately know how broad and deep online degree granting will be. We do know, however, that the online community of passionate learners will continue to grow. Thus, the brand of higher learning institutions engaged in online knowledge presence will be more recognized than ever before.

This report is a first step in beginning to isolate the critical variables that are important to institutional advancement. You will find questions, not answers, because not only is the process of learning in higher education changing, but the pace of change is different at every institution. There are core principles, but no fundamental answers to the questions at hand. We are writing this report to make you think.

I am grateful to Dr. Susan Raymond and Jennifer Song for their efforts in producing this groundbreaking research. Changing Our World is deeply committed to the role and work of advancement offices at institutions of higher education, and it is with great pleasure that we offer this briefing on the implications stemming from the rise of the online learning model.

Introduction

"Fifteen years from now more than half of the universities will be in bankruptcy, including the state schools. In the end, I am excited to see that happen."

– *Clayton Christensen, professor, Harvard Business School, and the author of The Innovative University, Changing the DNA of Higher Education from the Inside Out*

Rapid changes in digital platforms for learning and degree-earning in higher education have significant but largely unexplored implications for the institutional advancement office of the future.

Considered the portal to American prosperity for over six decades, the college degree is now being questioned more than ever for its value both in society and to the individual graduate. The reasons are multiple, including rising tuition costs, record student loan debt, and a job market with employers seeking candidates that colleges are not producing. Rightly or wrongly, these questions are converging to create unease over the traditional higher education business model. In August 2013, even President Obama weighed in to comment both on the wisdom of a three-year law degree and the possible role of the Federal government in ensuring quality and affordability of higher education. When the White House comments, the policy process is usually not far behind.

In parallel, technology, long a part of higher education, has now enabled the potential for the reduction of costs, the provision of a high-quality education, and the transfer of professional knowledge to students who not only demand value, but are depending on it for their continued career progression.

In the fall of 2011, a Stanford University professor offered a class on artificial intelligence online for free. Some 160,000 people signed up. This is as much as half the total number of *all* living alumni from *all* years for a mid-sized college – exposed to the University and its academic quality in just one course.

Two years later, the online learning technology known as the 'massive open online course,' or MOOC, has alternatively (or simultaneously, depending on your perspective) threatened to render much of higher education extinct or promised to save it.

Schools from across the United States and around the globe have jumped aboard the online train. Millions of students have enrolled in classes ranging from statistics and gamification to political history and religion. Fourteen-year-old students from Pakistan and India are proving themselves in software programming MOOCs offered by MIT, and then gaining early admission. MOOCs are now a path to entry to one of the most selective technological universities in the world. But MOOCs offer not just a pathway to formal college work, they offer a pathway to continuous learning. Adults in the Midwest are reawakening their passion for poetry and philosophy. A working mother with a desire to return to school in public health decides to take a MOOC on biostatistics to refresh her brain and to potentially transfer the credits once she begins her master's program in one year. While all of these stories are fictional, they are representative of actual experiences offered by the advent of the MOOC technology platform now used by myriad schools and educational providers.

The MOOC platform has presented the possibility for higher education to expand into and benefit from new markets in a way that commerce has demonstrated is an engine of growth. Not since the invention

of the textbook has higher education been so disrupted. A campus is no longer a necessary part of a college education. All a student needs is a computer, an internet connection, and time.

Why Changing Our World chose this topic

The pace of change in online learning technologies in higher education represents a fundamental change in the institutional advancement operating environment of colleges and universities of all types and sizes. Institutional advancement has long used the anchor of the physical experience to drive alumni loyalty. Students bonding with one another on the South Quad, participation in clubs and activities, late night "bull sessions" in the dorms, victories and defeats on the playing fields, not to mention pizza with a favorite teaching associate or the mentorship of a respected professor over endless cups of coffee at the Student Center. These have all been the assumed formative experiences that create loyal alumni and reliable donors. And the advancement office is premised on the personal touch after graduation. The personal visits of the Major Gift Officer. The alumni day in the fall. Class reunions, indeed, the organization of people into classes themselves. Golf outings. Receptions. The tools are many, the craft is the same – continued engagement based on the memories and experiences of times past, the loyalty to the institution that created those times, and the opportunities that flow therefrom.

The pace of change in online learning technologies in higher education represents a fundamental change in the institutional advancement operating environment of colleges and universities of all types and sizes.

But, if being on campus is no longer necessary, how does loyalty accrue? If you do not have a "class" that you belong to but rather a degree that you receive without being part of a physical group at all, where will identity come from? If, indeed, the institutional advancement office does not even know the online learner exists, engagement strategy and tactics are moot. The "alumni" are digital ghosts, present but unseen. Moreover, their parents and grandparents, who can be equally loyal donors in the traditional model, will have no interface with the school at all. By what collective experience, if any, can advancement offices inspire school affinity and philanthropic action? How should advancement offices adapt to this changing environment? Are there other ways to elicit alumni engagement through the MOOC, leveraging the ways in which online learners are engaged outside of course work? What examples can commercial sectors offer to higher education?

And what will such changes demand of the institutional advancement office itself? Will its current organization and skills suffice? Traditional activities will still be needed because traditional alumni still exist. Change will require additions to strategy, not replacements of tradition. How will all of this be managed? How will budget resources be allocated? How will productivity (now, numbers of meetings or numbers of alumni attending the reunion) be measured when there are no meetings?

Much of higher education has been hashing out the sector-wide ramifications of the growth and evolution of digital technology. Yet few, if any, of these commentaries have considered the implications for institutional advancement. It is quite extraordinary, but there is a gaping hole in the literature.

With this report, Changing Our World steps into that gap. This report explores the MOOC and online learning through the lens of individual philanthropy and institutional advancement, and the possibilities and challenges presented. We believe that in order to preserve the role of institutional advancement in higher education, it is critical to chart and to understand this transformational reality. By so doing, Changing Our World hopes to provide real and actionable counsel and recommendations for the immediate future. This new reality is not going away. Therefore, it must be seized.

This report is organized in seven sections.

- Section 1, *Technology in Higher Education, Why Now?* presents the pattern of technology supply, student demands and expectations, and the enabling economic environment that are creating the new reality of higher education in a digital world.
- Section 2, *Level-setting: How Did We Get Here? (The Institution's Perspective)* describes the history of digital's role in higher education and presents an analytic framework for understanding the current complexity.
- Section 3, *Level-setting: Online Learning (The Student's Perspective)* presents data on the extent of the use of that complexity in higher education.
- Section 4, *Implications for Higher Education Philanthropy* describes the current state of higher education philanthropy and links these trends to potential consequences from the spread of digital means of learning at the college and university level.
- Section 5, *Summary and Scenarios* underscores the specific links between the online learning trends and their institutional advancement implications, and sets out three future scenarios for the impacts of digital presence on institutional advancement.
- Section 6, *Institutional Advancement Strategy: Framing a Path Forward* unpacks the strategic implications for traditional institutional advancement, and sets out overarching changes needed in the strategy, systems, management, and skills.
- Section 7, *Closing Thoughts: Strategy and the Reality of Now* recognizes that institutional advancement offices must maintain current momentum while adjusting to new conditions. The section sets out three fundamental first steps to be taken in evolving for new conditions even as traditional fundraising and campaign efforts go forward.

Section 1

Technology in Higher Education: Why now?

"This gap between what we offer and what the public wants hasn't appeared because of our estrangement from some Arcadian ideal. It has appeared because a generation's worth of institutional fiddling at the economic margins of the price and cost of college has exhausted the easy fixes for widespread, affordable education. All that's left now are hard questions, questions about how people who want to learn after they leave high school can do so without bankrupting themselves or giving up the better part of a decade."

– *Clay Shirky, Professor of Interactive Telecommunications and Journalism at New York University and Fellow at the Berkman Center for Internet and Society*

Epochal economic, demographic, and technological changes have converged to create a new reality for higher education and the students it serves. This new reality has planted the seeds that have enabled the rise of digital learning technologies, especially in the form of the massive open online course (MOOC).

People outside the field of higher education may wonder why the arrival of technology, particularly in the form of massive open online courses (MOOCs), is only now being felt and seen as a disruptive force on the models and institutions upon which the sector has been built. University and college administrators, however, understand better than anyone the challenges that have led schools to consider the adoption of a technology that may either save higher education or threaten to render whole swaths of it extinct.

The new reality of public finance

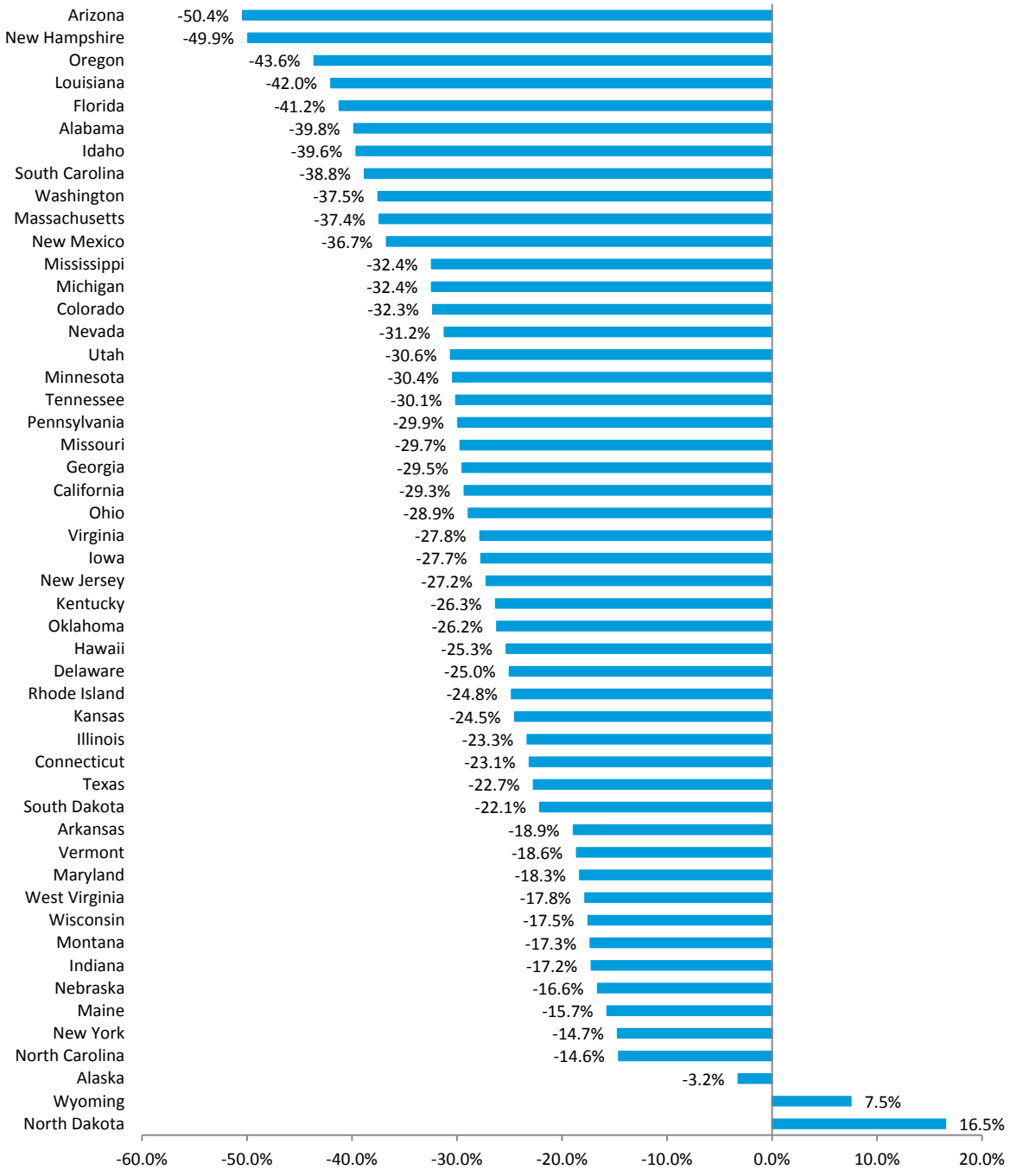
The Great Recession and the slow economic recovery had a devastating impact on public higher education. State funding for higher education has decreased by 28 percent, or $2,353 per student nationwide. Except for Wyoming and North Dakota, every state has slashed per-student spending, sometimes by as much as half from 2008 to 2013 (Figure 1.1 on the next page).

Deep cuts to higher education have forced public colleges and universities either to raise tuition, or eliminate critical resources such as faculty positions and course offerings, or sometimes both.[1] Investment budgets for new facilities have been put on the shelf. Maintenance budgets have been pared to the bone. Economic recovery is indeed underway. Yet, as with most public budgets, once removed, resources are very difficult to vote back in. When legislatures face multiple electorate demands for economy on the one hand, and service restoration on the other, the squeakiest electoral wheel often gets the first application of oil. Higher education may not be as visible to as many voters as, say, streets or law enforcement or health care. Thus, the realities of the near past will likely be realities for the foreseeable future. And, hence, impacts on quality will be difficult to avoid.

The new reality of affordability

Even before the economic downturn in 2008, the cost of a college degree had been rising steadily. Between 2000 and 2010, in all higher education institutions other than private doctoral universities, tuition and fee revenue grew more rapidly than education and related expenditures. The subsidies per full-time equivalent (FTE) student — the difference between net tuition revenue and education expenditures — has declined.[2] This means that students are paying more even as budgets declined and cutbacks rose.

Figure 1.1: States Have Cut Higher Education Funding Deeply in Recent Years: Percent Change in State Spending per Student, Inflation Adjusted FY08 - FY13



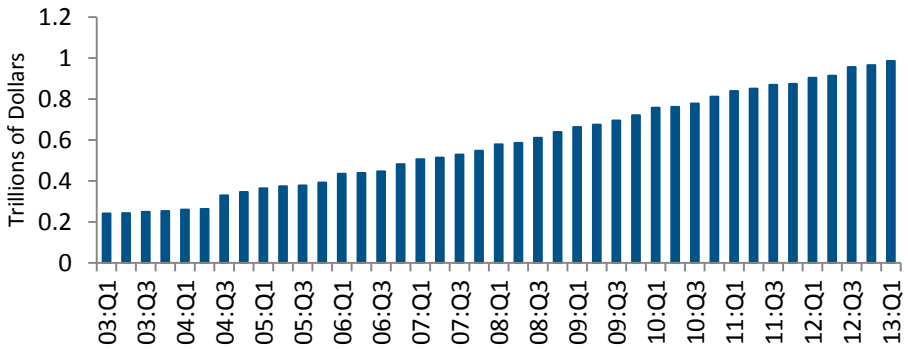
Source: Center on Budget and Policy Priorities

The cost pressure has become even more intense than absolute tuition levels would imply. That is because the relative capacity to pay has declined. Real household income has not kept pace with the rising cost of college. Median household income plummeted by 6.1 percent since the recession began, according to a report by Sentier Research. In 2007, the median annual household income was $55,438; in June 2013, it was $52,098 (pretax numbers adjusted for inflation and seasonal factors).[3]

The affordability of a college education has diminished dramatically, calling into question the ability for more and more Americans to attain what was once a credential that offered social and economic mobility and built a world-ranked educated workforce. New ways to access education are being sought by more and more adults.

In part as a result, student loan debt has tripled in the last decade. According to the Federal Reserve Bank of New York, student loan debt now accounts for 9 percent of the total household debt burden in the United States. Student loan debt is now greater than the total credit card debt carried by U.S. households. [4] The Consumer Financial Protection Bureau recently announced that federal student loans crossed the $1 trillion mark in 2013.[5]

Figure 1.2: Total Student Loan Debt



Source: Federal Reserve Bank of New York/Equifax

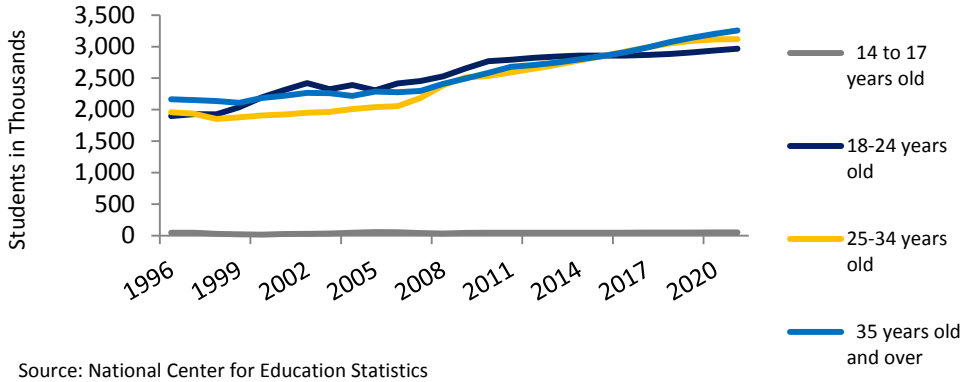
The affordability of a college education has diminished dramatically, calling into question the ability for more and more Americans to attain what was once a credential that offered social and economic mobility and built a world-ranked educated workforce. New ways to access education are being sought by more and more adults.

It must be added, of course, that there is a parallel concern emerging regarding the financial consequences of digital technology in the budgetary future of higher education. To the extent that digital means reinforce the tendency of governments to defund education line items in public budgets, universities may become increasingly disquieted about the larger effects of digital options.[6]

The new reality: the new student

After record-breaking increases in 2008, enrollment fell by 1.8 percent in fall 2012, followed by a 2.3 percent decline in spring 2013.[7] Some of this can certainly be attributed to the rising tuition and overwhelming student loan burden. Fewer students are seeing college as a viable post-high school trajectory, at least on a full-time basis. Four-year college enrollments, once boosted by adults opting to go back to school because of the recession, are now going back to work as the economy begins to recover.[8]

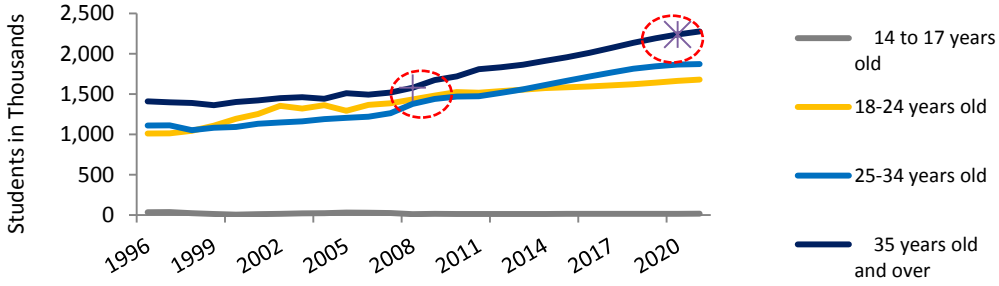
Figure 1.3: Actual and Projected Part-Time Total of Students Enrolled in Post-Secondary Institutions



Source: National Center for Education Statistics

On the other hand, the dorms on the South Quad are not the options. Part-time enrollment is increasing, especially for women and older students. Projected part-time enrollment for students 35 years and older is expected to grow at an average rate of 2.24 percent, students aged 25 to 34 years will increase by an average rate of 1.82 percent, compared to an average growth rate of 0.94 percent for the traditional college-age part-time enrollee. Women of all age groups will enroll at an average rate of 2 percent, greater than for the total population, and older women are projected to enroll at even higher rates, 2.22 percent for women 25 to 34 years old, 2.6 for women 35 years and older.[9]

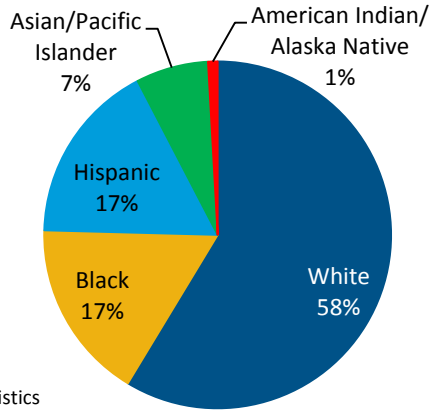
Figure 1.4: Actual and Projected Part-Time Total Female Students Enrolled in Post-Secondary Institution



Source: National Center for Education Statistics

Adding to the picture is the layer of race. Enrollment by black and Hispanic students is expected to increase dramatically by 2020 (see Figure 1.5). Based on population projections, the number of black and Hispanic adults and children under 17 will more than double as a result of immigration (future immigration policy notwithstanding).[10] The rate at which these new Americans are expected to enter college will grow at an average rate of 2.4 and 3.8 percent for blacks and Hispanics, respectively. This compares to the average growth rate of 0.33 percent for whites.[11]

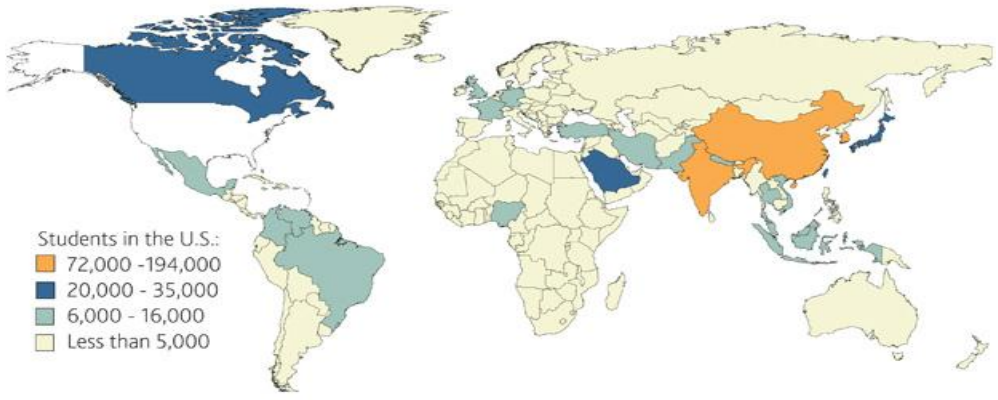
Figure 1.5: Projected Higher Education Enrollment by Race, 2020



Source: National Center for Education Statistics

We have also seen an increase in enrollment from international students, with students from China and India leading the way. In 2011-2012, there 764,495 international students enrolled at U.S. post-secondary degree-granting institutions, representing 3.7 percent of the total enrollment. This was a 5.7 percentage point increase in the enrollment from the previous school year, but still not as great an increase as that from the 2008-2009 school year, when international student enrollment grew by 7.7 percent. [12] Half of all international students are studying business and management, engineering and math and science (49.6 percent), indicating a priority on professional development and jobs.[13]

Figure 1.6: Global View of International Student Origins, 2011 - 2012



Source: Institute of International Education

Certainly, this does not mean that the 18- to 24-year-old full-time student moving a mini-fridge, futon, Wii, and 28-inch TV into a 12 x 19 foot dorm room has gone the way of the brontosaurus. But, it does mean that the student body of a college or university is now increasingly also comprised of 24- to 35-year-olds, working mothers, and older adults returning to complete a degree maybe attempted years earlier. And school is only one of the activities competing for their valuable time.

All of these students – not just the non-traditional student – have been impacted by the new economic reality. Consequently, they view a college education as an investment that may or may not provide a financial return. Those unfortunate enough to have graduated from school at the height of the recession found themselves unemployed, underemployed or rejected by employers who sought candidates with skills that are not being taught in schools. The lessons of the Great Recession have not been lost on students of all ages and types.

Hence, we saw a rise in enrollment to professional graduate programs in 2008, with undergraduates seeing the bleak job market and returning to school to gain employable knowledge and skills. Those entering undergraduate studies are now pursuing degrees in health sciences beyond nursing and medicine, criminal justice and business, all a response to the economic circumstances and the rise in jobs that now require post-secondary credentials.[14]

Summary and observations

Whether it is the traditional age student, the older part-time student or the global student, the top educational priority is often affordability and employability. Not far behind is flexibility and access. And underlying it all is an assumption about technology. Not only do traditional-age students experience technology as “digital natives,” a way of interfacing with the world as natural to them as breathing, but as more of society functions online, the expectation has finally shifted that education should do the same for all of its constituents. More and more students are ready, and even demand, the educational experience enabled by technology and offered by online learning platforms, particularly the MOOC.

Transformational changes in the economy, demographics and technology have created this new reality for higher education. The possibilities are tremendous – increasing affordable access to thousands of students, decreasing school costs and bringing in new revenue. The implications are equally staggering: shifting entire student populations, or segments of those populations, from the campus to virtual classrooms could redefine what it means to attend a college or university. This new reality has long been coming. In some ways, what is surprising is that anyone, including institutional advancement officers, should be surprised.

Endnotes

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Section 2

Level-setting: How Did We Get Here? (The Institution's Perspective)

"Higher education does have real problems, and MOOC's, badges – certificates of accomplishment – and other innovations have real potential to tackle some of them. They could enrich teaching, add rigor, encourage interdisciplinarity, reinforce education's real-world applicability, and make learning more efficient – advances all sorely needed."

– *Scott Carlson & Goldie Blumenstyk, For Whom is College Being Reinvented?*

Alternatives to a traditional brick-and-mortar educational experience have a long history, but until very recently, have been held captive by the accredited academic institution. The rise of the massive open online course (MOOC) stands to dismantle the traditional experience. Are schools ready?

Introduction*

Based on the media coverage since 2012, one would get the impression that online learning was finally gaining a foothold in higher education and in college classrooms across the country. But in fact, online education has been an increasingly common component of the college experience for decades. The proliferation of online education and online learning components has been steady and has laid the groundwork for this most recent entrant of technology platforms – the MOOC.

Also not new is the delivery of higher education through means other than the traditional face-to-face classroom experience. Distance learning has been around since the middle of the 19th century, when the University of London established its External Programme in 1858. There have been endeavors using television and radio, as well as content and assessments packaged in computer disks. Distance education has adapted to different technologies and communication media along the way. Sunrise Semester, a TV series aired by CBS from 1957 to 1982, presented courses in conjunction with New York University. The first online degree program was launched as early as 1978 by the University of Phoenix, which is thought to have the greatest number of enrolled students in its online degree programs in the United States.[1]

Online degree programs are now commonplace to all areas of higher education and not limited to vocational and technical schools nor really experimental in nature. In fact, online education had arguably entered a state of maturity before the arrival of the MOOC.[2]

The MOOC is the latest and potentially most revolutionary technology, in the same way that the Internet revolutionized the music and newspaper industries, offering mass distribution of educational content for a fraction of the current cost.

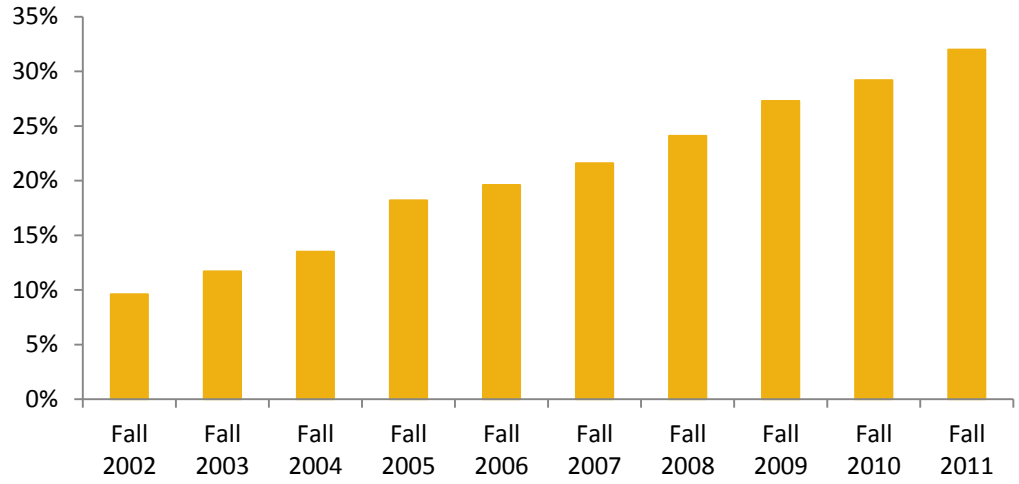
* Throughout this report, Changing Our World will use the term "student" to refer to a user of online courses who is enrolled in an institution for a degree or certificate. The term "learner" will refer to those online course experiences that may or may not include students, but do include the passionate learner who enrolls not for credit but for personal fulfillment.

Who is offering online learning?

In a survey to chief academic officers of post-secondary institutions in the United States, colleges and universities that offer online courses and full degree programs has doubled between 2002 and 2012, going from 34 percent of schools surveyed to 62 percent.

Online enrollment as a percent of total enrollment has also been steadily increasing since 2002, reaching a high of 32 percent of all enrollment in 2012, or one out of 3 classes being an online class.[3]

Figure 2.1: Online Enrollment as a Percent of Total Enrollment



Source: Changing Course, 2013

Initial Iterations of Digital/Distance Education

Whether using television, radio or the Internet, distance education has, like the rest of higher education, historically been a direct proposition between the academic institution and the student, usually willing to pay for the transfer of knowledge in exchange for a credentialing standard, such as credit or a degree. Even as universities shifted to using online technology, the premise has remained the same. By entering into the tuition-paying agreement, the institution agrees to provide the student an online educational experience that is meant to reflect the same quality and rigor as the face-to-face classroom experience. The student, by participating and achieving certain standards of completion or mastery, will receive academic credit. While the bestowal of credit was not always the desired end for the student (the non-degree-seeking student), the credit or degree from an accredited academic institution imparted credibility and currency in the job market and in most of modern society.

Content and delivery have varied from school to school, but the learning model for an online course was still the same as a face-to-face class: information is disseminated by an instructor (or two) to a number of students, based on the premise that the quality of the learning is in direct proportion to the level of interaction and engagement with the instructor and students, albeit online.

The monopoly held by these institutions kept higher education in a position to maintain this business model for the foreseeable future. Online education platforms have attempted to replicate the social intimacy of the face-to-face class by limiting enrollment and increasing the application of interactive and social media tools (e.g., discussion forums, email and video conferencing). The assumption was that the interactive experience of a face-to-face class was the standard against which educational providers had to meet, in order for a class to offer optimal learning outcomes.

The First Steps Away from Tradition: Online Educational Resources (OER)

In 2001, the William and Flora Hewlett Foundation funded two online learning initiatives started by Massachusetts Institute of Technology and Carnegie Mellon University: MIT OpenCourseWare and the Online Learning Initiative. These offered online courses and supplemental course materials free to anyone who wanted to learn without the requirement of being an enrolled or degree-seeking student at either institution. The closest thing to

Pace University Sets the Pace

In 1998 Pace University's NACTEL program began as an Associate Degree program, specifically to meet the growing time pressures and varied geography of those in the telecommunications industry, and now has multiple Associate's and Bachelor's degree programs, as well as a Master's program for that particular corporate audience. In 2011, Seidenberg created an online undergraduate program in computer forensics joining a new Pace initiative in online undergraduate education called iPace. In 2013, Pace University was named Best Online Bachelor's Program according to US News and World Report.

In an interview with Dr. Nancy Lynch Hale, Special Program Chair, Outreach and Corporate Education, Seidenberg School of Computer Science and Information Systems, Nancy stated the greatest challenge they face is "the rate in which the technology associated with online learning must be developed and evolve to keep pace with the level of education delivered in the classroom." Under the leadership of Dr. Amar Gupta, Dean of the Seidenberg School of Computer Science and Information Systems, administrators and faculty work to ensure their online students are provided with opportunities to engage with the University above and beyond coursework. They make this possible through online fireside chats with professors, an online Student Info Center, and many students even attend graduation, with that being their first time physically visiting campus.

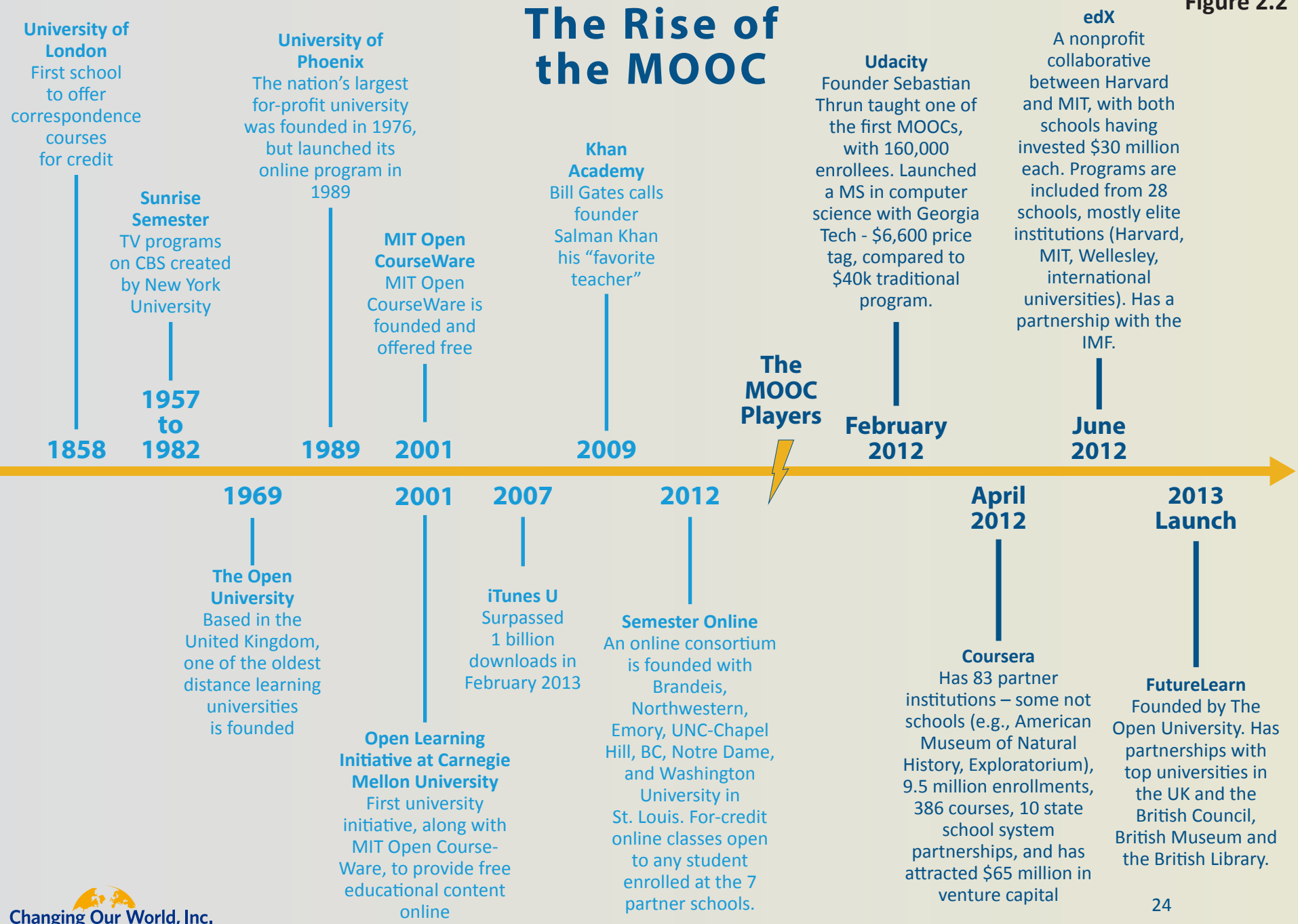
Dawn Rigney, Executive Director of Alumni Relations and Annual Giving, emphasized the value of this type of student engagement and the importance of converting student engagement into alumni engagement; for many of these students, graduation is the first step in that process.

MOOCs as we currently know them, these courses were still designed and delivered by the institutions themselves, but they were intended for the world. Another step away from tradition occurred in the form of the Khan Academy, which was launched in 2009 by former hedge fund analyst Salman Khan. The Academy offered free educational video lectures uploaded to YouTube, again, accessible by anyone. Khan Academy caught the attention of venture capital investor John Doerr and Microsoft founder Bill Gates, demonstrating that education reaching large numbers of consumers could become an investible service.

These free open educational resources were produced without a specific class in mind and without interactivity. They were also intentionally outside the academic contract model of paying to receive knowledge for credit. These OERs certainly began to upset the natural order of the higher education system, setting the stage for the MOOC. Figure 2.2 provides a summary timeline of distance/online education leading up to and including the rise of the MOOC.

Figure 2.2

The Rise of the MOOC



The Pace of Movement Picks Up: The Rise of the MOOC

The term MOOC, standing for massive open online course, was coined by George Siemens, a prominent Canadian educator and researcher on the digital landscape. In 2008, Siemens and Stephen Downes, a designer and commentator in the fields of online learning and new media, taught an online, open course reported as a "landmark in the small but growing push toward 'open teaching.'"[4] This first MOOC was taught to 25 tuition-paying students and 2,300 online learners from the general public who took the online course free of charge.

In fall 2011, Stanford University offered several free online courses. Sebastian Thrun, a Stanford computer science professor, offered an introductory class in artificial intelligence online, where enrollment reached 160,000. In early 2012, he resigned from Stanford and launched Udacity, the first of the major US MOOC providers. Coursera was launched shortly thereafter by two other Stanford University professors and quickly formed academic partnerships with universities including the University of Pennsylvania, Stanford University and the University of Michigan. While Coursera and Udacity operate as for-profit companies and originate from Stanford, the other main MOOC provider is a nonprofit collaboration between Harvard and MIT called edX.

MOOCs are generally what the acronym suggests: courses that are meant to be mass-distributed through digital platforms. The "open" part was originally meant to indicate the ability to use and share open educational resources as content, but current MOOCs have been using partnerships with academic publishers to provide proprietary content and textbooks to students for free. They are also generally not eligible for academic credit, though the Academic Council for Education has recommended several MOOCs for college credit.[5] Coursera offers a fee-for-service Signature Track, which allows MOOC students to pay a fee to receive a "certificate of achievement" upon successful completion of the course. Additionally, recent partnerships with universities have moved the inevitability of the MOOC translating interchangeably for a traditional class experience, indeed, an entire degree, into warp speed. At last count, Coursera reported that over 4 million students had enrolled in 415 courses with more than 83 partners.[6] Coursera also reached 1 million users in a shorter period of time than did the likes of Facebook or Twitter.[7]

The vast reach of the MOOC has threatened to dislodge the proprietary lock between universities and colleges and students for a high-quality post-secondary educational experience.

The vast reach of the MOOC, as compared to advances in online education and even the open educational resources preceding the MOOC, has threatened to dislodge the proprietary lock between universities and colleges and students for a high-quality post-secondary educational experience.

A pause to consider Institutional Advancement implications

While much of this learning may not be degree-based, the change has fundamental implications for institutional advancement.

As we shall see, online course work is becoming part of the degree experience of an enrolled student. It is also, however, exposing millions of learners to a university's brand. The knowledge, quality, and value of the college or university are no longer simply experienced by those who are enrolled in formal programs. They can be experienced by a much, much broader set of learners from all walks of life. The opportunity to turn a passion into an experience, an experience into engagement, and engagement into support is unprecedented. What can be done to transform these learners into supporters?

We will return to these points later in this report, but they should be kept in mind as we return to the details of the history and efforts of online higher education.

The MOOC effect

Since the launch of the three major MOOC providers, higher education has been turned upside down, at least according to the media. *The New York Times* dubbed 2012 "the year of the MOOC."[8] Mainstream media as well as higher education industry observers could not help but contribute to the hype that MOOCs inspired, with almost-daily announcements chronicling the meteoric speed of developments, the influx of venture capital investment, partnerships with universities who have signed up to offer MOOCs, and pronouncements of their "disruptive potential" for higher education. But without any real evidence of learning outcomes normally associated with traditional classes or how the MOOC providers and their university partners were to make money, the hype was mostly sustained and built by the media's portrayal of the technological innovation.

Even with criticism around retention rates hovering at around 10 percent and no mention of a plan for monetization, adoption by higher education has been uncharacteristically rapid and without much public deliberation. Still, 10% of 160,000 is not a trivial number for many institutions. The potential for scale remains, however uncertain the current results.

Only recently have faculty and administrators at some schools expressed concerns around MOOC "madness," but pressure from school trustees, who have been reading about the praise extolling the virtues of MOOCS, has created tension.[9]

The MOOC technology's innovative potential is in its power both to scale *and* to personalize. Educational content normally reserved for a limited and select few can be offered to thousands or tens of thousands of people. Yet, this educational content can also be customized and personalized to the student's pace of learning through the power of data, by detecting individual patterns in learning behavior and adapting the pace and nature of material to that behavior. The use of data analytics in education is not

new, but with the massive distributive potential of MOOCs comes the possibility of "big data," offering true insights into learning, online engagement, and new ways of teaching. Can "big data" be linked to institutional advancement strategy?

How MOOC technology gets used and applied by current educational providers is a future that is complex, driven in part by administrators' "irrational exuberance" and pressure from school trustees who are being presented with a technology with the potential to alleviate the "cost disease" ailing higher education.[10] This new technology could prove to be a tool to stem to the tide of rising costs.

So what are the current and potential applications of this MOOC technology and how might a student's educational experience change? Different institutions, depending on the severity of their financial circumstances, seem to have responded in different ways.

The response from elite private institutions

The initial main attraction of MOOCs was the "massive" part of the acronym, offering possibilities to extend the institutional brand to the world. From the small liberal arts college such as Wellesley, Davidson and Wesleyan, to the Ivy League, including Harvard, Princeton and Yale, elite private institutions clamored to try their hand at offering MOOCs to an eager public. In this respect, the expectation of global reach has been more than exceeded, with Coursera claiming to have students enrolled from every country recognized by the United Nations. Another important development is the partnership between non-academic institution and MOOC provider. Recently, edX announced a partnership with the International Monetary Fund to provide finance and economics courses to government officials.

By aligning with many of the elite private institutions across the United States and around the world, MOOCs have gained credibility. Yet, a systemic approach for long-term applications of the technology and how it integrates into current curriculum offerings, degree programs or a credentialing process is still missing. Presently, many elite private schools are entering the MOOC conversation as willing (and paying) participants in an experiment of transformational proportions.

Students at these institutions are mostly unaffected by the changes. They continue to receive a high-quality exclusive education from well-endowed institutions with a desire to promote their intellectual brand as broadly as the Internet and the MOOC technology will allow. The learning modality behind the walls of these schools has not changed; that is, you can log on to Harvard's learning management systems to get your class readings and assignments online, but you can still sit in a lecture hall or seminar room, live among your classmates, and eat in the dining halls. And you will pay for the privilege to do so.

The MOOC Players and Definitions

The New York Times dubbed 2012 "the year of the MOOC."[1] Mainstream and business media have praised and derided the innovation on a regular basis, scrutinizing developments and setbacks on a weekly basis. While still a moving target, the main MOOC providers in the market can be encapsulated in this way:

Coursera, arguably the largest MOOC provider, was founded by Stanford computer science professors Andrew Ng and Daphne Koller, in April 2012. It has thus far attracted $65 million in venture capital, and has been more public in promoting its quantitative spread. According to its website, it boasts the following:

- 83 partner institutions, including schools like Yale, University of Pennsylvania, University of Tokyo
- 9.5 million enrollments
- Students representing 195 countries
- 395 courses
- 10 state school system partnerships, with systems like the University of Kentucky, State University of New York, University of Tennessee, Tennessee Board of Regents, University of Colorado

edX, launched in June 2012, is a nonprofit collaborative between Harvard University and MIT, with each institution pitching in $30 million of seed capital. Its president, Anant Agarwal, is also an electrical engineering and computer science professor at MIT. edX's focus has been to engage with mostly elite academic institutions on par with Harvard and MIT and to promote an open-source platform.

- 28 partner schools, like University of California, Berkeley, Wellesley College, Georgetown University
- Partnership with the International Monetary Fund to provide economics and finance courses to government officials

Udacity was the early leader to enter the MOOC market, launching in February 2012, mere months after founder Sebastian Thrun had stunned the academic community by teaching an online artificial intelligence course to 160,000 enthusiastic enrollees. Since then, it has made several other game-changing splashes, some more successful than others.

- Number of academic partners not available
- Partnership with San Jose State University – 5 Udacity courses for college credit – each class costs $150 – introduction to psychology, introduction to programming, elementary statistics, college algebra, entry-level mathematics
- Pilot in spring 2013 with high school students and San Jose state students resulted in higher-than-expected failure rates (reported as high as 56 percent), causing San Jose State University to put a "pause" on offering MOOCs for credit[1]
- Launching in January 2014, Udacity will work with the Georgia Institute of Technology (ranked No. 5 in engineering by US News & World Report) to offer a master's degree in computer science for $6,600, 80 percent less than the $40,000 traditional program

The response from public institutions

It is perhaps at public institutions that the initially deepest effects will be felt. Public higher education institutions, while originally excluded from partnering with the main MOOC providers, are now embarking on a major educational experiment. Ten state university systems, including the State University of New York system, the University of Tennessee system, and the University of Colorado system will be testing new revenue and class delivery models for MOOCs that the university partners may or may not create for themselves.[11] These state educational systems will look at ways that MOOCs can ameliorate the crisis around graduation rates and over-enrolled introductory classes. Georgia Institute of Technology, in partnership with Udacity, will offer an online master's degree in computer science in January 2014 for $6,600, 80 percent less than the $40,000 it costs for the traditional program. Potentially, the Udacity degree program could enroll tens of thousands of students who never step foot on the Atlanta campus. In both these endeavors, the MOOC providers are moving to cast themselves as credit-bearing educational agents more similar to the actual universities they are partnering with than ever before.

The state of California's higher education system looms large in the MOOC market, with Stanford as the private originator of 2 of the 3 startups. Udacity made headlines in early 2013 by announcing an initiative formed with San Jose State University, a California state university in Silicon Valley, to provide introductory and remedial math and statistics courses at low cost and for credit. Although this partnership has recently received early mixed results, it has not dampened the enthusiasm for using this technology to solve California's higher education woes. California legislators considered a bill to mandate accepting statewide MOOCs for credit if a student is shut out of a traditional class (The bill was initially passed by the state Senate in June 2013, but was recently shelved)[12].

Adding new students to its enrollments without having to build dorms or classroom buildings is akin to leveraging a new use for a product that has existed for hundreds of years.

Because the financial picture is so bleak for public higher education, the potential for MOOCs to rescue institutions from the brink is enormous. Adding new students to its enrollments without having to build dorms or classroom buildings is akin to leveraging a new use for a product that has existed for hundreds of years. Even those institutions not adding MOOCs to their offerings are expanding or accelerating the pace of development of other online educational initiatives, as a result of the newly expressed appetite for online learning.

The answer to how MOOCs impact public higher education will come sometime after the beginning of this 2013-14 school year, as many institutions will only have begun implementing their plans. However, it does seem clear that while MOOCs themselves are unproven, the use of online learning has gained currency very quickly because of the pace brought on by MOOCs.

For-profit institutions: threatened hybrid?

For several years, for-profit universities have been under a cloud of suspicion over the financial return of a for-profit degree. Students at for-profit schools have been found to graduate at lower rates than students at non-profit schools, while unemployment is much higher.[13] While the degrees offered by for-profit schools should ideally be more suited to meeting the market's needs, with a greater emphasis on professional, vocational and technical fields and most offering online courses, the lack of operational and financial oversight has raised issues about future changes.[14]

Yet the for-profit experience has demonstrated the deep demand for online offerings and new degree offerings in more professional fields, both domestically and globally. Nonprofit institutions such as Western Governor's University and Liberty University are now competing with for-profits for that market share.[15] Pace University, a private nonprofit institution in New York, offers an online bachelor's degree program for telecommunications workers, and is ranked No. 1 by US News and World Report.[16]

A new endeavor, called the Minerva Project, is evolving the model even further. Imagined as a for-profit elite online liberal arts college, students would take classes online but still reside in dorms around the globe. Recently, Minerva signed an agreement with Keck Graduate Institute, one of the seven institutions that make up the Claremont University Consortium. Keck will provide accreditation, allowing Minerva to attract students, while Minerva will provide Keck with the platform needed to build online learning initiatives for its students.[17]

What the MOOC may do is truly supplant a traditional purely for-profit sector, since the market share has been shifting to the nonprofit private and public sector for some time. It is with nonprofit schools that MOOCs seek content partnerships. Yet it is to a broader learning market that they are turning.

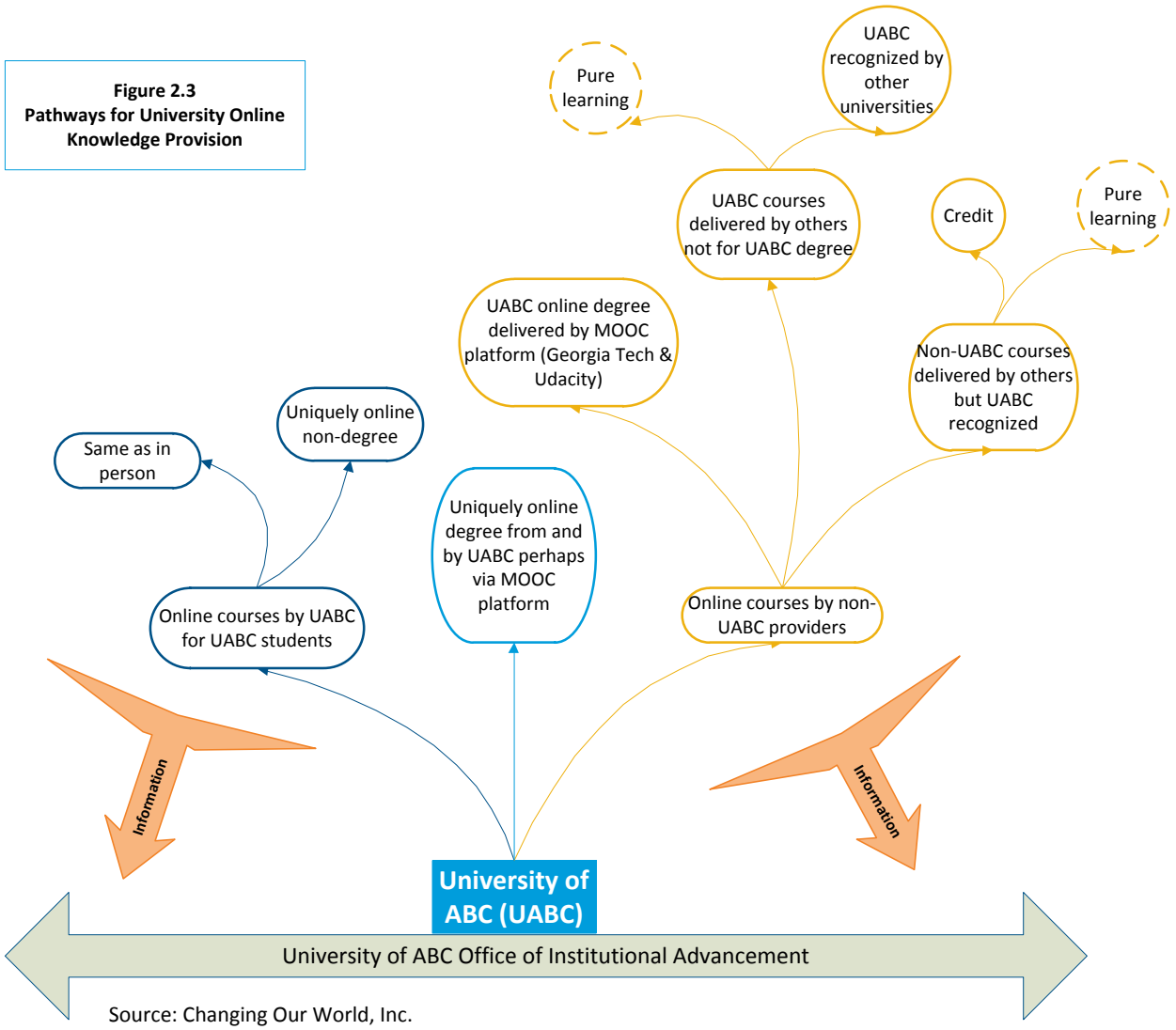
So, where are we?

The use of distance technology in higher education has created three branching pathways through which colleges and universities harness technology to learning. Each has a different complexity and intensity; each has different implications for institutional advancement. They may occur separately, or universities may embark on all three pathways.

Importantly, however, all pathways produce previously unavailable information about those who are part of the learning process, formal or informal. In all cases, then, the institutional advancement office has a place to begin thinking about strategy for communications and engagement, and ultimately fundraising, whether or not the individual is a formal student or a passionate learner engaged in learning for the sake of learning.

Figure 2.3 illustrates these flows for the hypothetical University of ABC, which is currently unranked in the Sports Illustrated autumn 2013 review of the college football season.

Figure 2.3
Pathways for University Online Knowledge Provision



Source: Changing Our World, Inc.

In the simplest version, UABC develops online content or portions, or even entire courses, for its enrolled students. This may involve online resource or teaching portions of a traditional classroom course, or a uniquely online course that provides credit toward a degree. In neither case does the sole use of online tools and resources lead to an academic degree, and in neither case are these courses open to learners other than those enrolled in the degree-earning academic programs of UABC. In this version, the online tools are simply supplementing the traditional teaching method.

In the straightforward but intense pathway, UABC decides to develop an online degree or certificate, with the content being solely that of UABC and its professors and the learners being formally admitted to UABC for purposes of the degree or certificate. In this case, "alumni" truly are the online analogies to traditional students. They are in a dedicated UABC program, they have UABC professors, and their degree carries the UABC brand. They simply may never have had a physical experience at UABC. Indeed,

they may be oceans and continent away. Nevertheless, they are alumni in every educational sense of the word. Hence, the institutional advancement challenge is to know that such alumni exist and to develop alternative ways for thinking about loyalty and engagement.

In the third and extremely complex pathway, UABC takes a partnership approach. The alternative branches of the pathway here are myriad. UABC may offer the content of other schools to its students. It may offer its content to students of other schools. These offerings may be part of degree programs or they may not be. It may partner with a MOOC platform to develop a purely online degree program. It may make some or all of its online learning available to anyone interested in the subject matter, for free or for a fee. In this complex path, UABC is using technology both to spread its academic content widely, and to take advantage of the academic content of other providers, to provide new types of degrees efficiently and at a low cost, and to purposefully make knowledge available to anyone who wants it. From the point of view of institutional advancement, there are several results. First, the UABC brand is now everywhere, experienced by its own students and by students of other schools. Second, there is now a cohort of learners who have experienced UABC in their lives without enrolling in formal coursework. For some it may be tangential; for others, however, it could be life-changing. Third, the boundary between UABC and other colleges and universities may be fading as multiple people access knowledge among multiple institutions on MOOC platforms. The institution-alumni relationship is now complicated with multi-dimension, multi-institution relationships. Figuring out which are important and have deeper potential and which do not may prove an unprecedented challenge.

Higher education has entrenched institutional traditions that are centuries old. The pace of change has traditionally been very slow. However, Clayton Christensen, widely considered one of the world's experts on innovation, and many others have been calling for an "innovative disruption" in higher education for some time.[18] Are MOOCs it? What will become of the current system of colleges and universities?

Some are speculating that a tiered system may arise. Traditional elite institutions, with their deep financial resources and endowments, will be able to leverage the technology for a successful brand extension, and will be able to maintain their current or similar brick-and-mortar class experience, so long as students pay a premium. However, if the adoption of MOOCs in whatever future forms they take continues, a new class of university may emerge, one that promotes a hybrid model of education. Offering different price points for different students and their needs, students can mix and match online and face-to-face for a blended learning model, where MOOCs are used as highly interactive resources just like textbooks are today, meant to be read and synthesized before class. During class, students meet in person to go over problems or to engage in higher-level critical inquiry. This model is being called the "flipped classroom" and is one under consideration by the some of the state university partners engaging with Coursera.

Finally, there will be schools that offer online-only courses for free or for a low fee. These schools may not end up being accredited or have the ability to grant degrees. They may be associated with a

corporate entity and not an actual school. However, these schools will offer courses that employers will readily accept as equally as courses taken at traditional institutions to show competency and mastery. In fact, the rise of the "professional development" institution may start here, where individual courses can be taken at any point without needing to apply for admission to a degree program, allowing for flexibility and accessibility.

While the verdict for MOOCs is far from in, what began as a transformative innovation that stood to upend the sector will be driven more by the needs and expectations of the recipient of this new technology: the student.

Summary and implications

It is clear that the current pace of change brought on by MOOCs is being driven by a new student demand and expectation. The new student consumer, living in a reality where jobs are not guaranteed and employability is key, expects education to be affordable, accessible on demand, and to maintain a level of quality that makes the financial investment worthwhile. This new student consumer is also a digital native, someone who expects a certain kind of online experience, one that promotes highly engaged learning. This expectation comes not just from digital experience in other realms of life, but in the online learning that has already laid a foundation in higher education today.

Indeed, the expectations of those engaged in higher education learning will also be set by their learning experiences in high school or even earlier. As digital tools pervade many aspects and levels of education, those entering higher education will be socialized accordingly. This new kind of learning could point to ways new technology like MOOCs could successfully integrate into all aspects of an educational experience, including the development of loyalty.

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Section 3

Level-setting: Online Learning (The Student's Perspective)

"You learn math best in the morning, between 9:30 and 11 a.m. We know that. That 40 minute burst you do at lunch every day? You aren't retaining any of that–go hang out with your friends. You learn science best with videoclips or games instead of text or in addition to text? You learn history best in 22-minute bite sizes, and at the 24-minute mark your click-rate always declines? We know everything about how you learn."[1]

– *Jose Ferreira, founder of Knewton, an adaptive online learning platform company*

"I have a great attachment to distance education. I have been very satisfied with my program and would not have been able to get my master's any other way, given my lifestyle."

– *Kathleen, a mother and graduate student in an online speech pathology program, when asked about her philanthropic inclination toward her online degree program (Changing Our World Interview)*

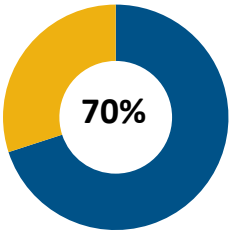
Online learning is not new. It has long been awaited and higher education is now in a position to catch up with the rest of society, shifting the educational experience to one that is built using the power of digital technology. However, rather than the end of the traditional college experience, one that alumni relations took for granted, the nature of the experience shifts to one that is highly personalized and customized, leading to individualized engagement and a loyalty unlike today's alumni cohorts.

We're already there

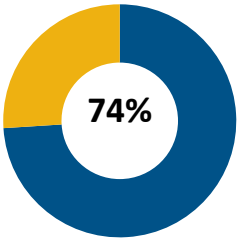
While there have been schools devoted to digital and/or distance education, online learning is a modality that already exists, indeed has long existed, in higher education. In a 2012 survey conducted by the EDUCAUSE Center for Applied Research, three out of four (74 percent) students said they have taken at least one course that includes online components, indicating that blended learning environments, or environments that utilize both online and face-to-face options, are not only prevalent, but preferred. In fact, 70 percent of students say they learn most in blended learning environments.

Additionally, online-only course experience has doubled since the survey was conducted in 2008. At that time, only 15 percent of students said they took a class completely online; in 2012, 31 percent did.

Figure 3.1: Students and Online Learning



of students say they learn most in blended learning environments



of students say they have taken at least one course that includes online components

Source: EDUCAUSE Center for Applied Research

In preparation for this report, Changing Our World conducted two focus groups of students and recent alumni representing both undergraduate and graduate-level education. Participants noted that all of

their "traditional" classes already had online components, which included learning management systems, access to online libraries, and cloud-based applications. This means that traditional classes are actually already in a blended learning format. To say that online learning threatens to replace traditional classroom experience is a mischaracterization. The traditional class is already online.

Not only is experience in online learning more prevalent, it is also preferable. According to the EDUCAUSE survey previously mentioned, more than half of undergraduate students say they are more actively involved in courses that use technology. They also say they wish instructors would use more simulations or educational games and open educational resources in their teaching. These are all facets of technology that have preceded the MOOC, but they have primed students to expect a highly engaged online educational experience.[1]

As will be noted throughout this report, such student reactions are important for institutional advancement officers to understand. Although the student experience may be increasingly online and not campus-based, such comments indicate a clear opportunity for technology to create student engagement upon which loyalty can be developed.

Online engagement is engagement

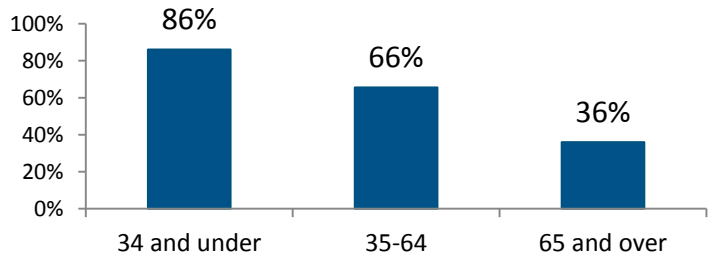
Millennials, those born after 1980, are known as "digital natives." Digital technology has always been a part of their way of experiencing the world. Devices such as smartphones and tablets are commonplace, and sharing their lives on the Internet is not a sad alternative to face-to-face communications. It is sharing, period.

In the same aforementioned survey to undergraduates on technology and online learning, laptop ownership was at an all-time high in 2012, at 86 percent. The percentage of students who claimed to own smartphones also grew by an astronomical *5,545 percent* between 2004, when the survey began, and 2012. And students increasingly are applying these devices to their academic needs.[2]

Devices such as smartphones and tablets are commonplace, and sharing their lives on the Internet is tantamount to sharing, period.

Other generations such as Generation X (born between 1965 and 1980) and older are considered "digital immigrants." While digital technology is not as second-nature to them as it is to Millennials, they have become very dependent and accustomed to traversing the offline and online worlds in work, play and, of course, with respect to education. Indeed, Changing Our World's own internal proprietary survey data set shows that 36 percent of individuals ages 65 and over are currently active on social media, and this proportion has been increasing over the last several years.[3]

Figure 3.2: Social Media Usage by Age



Source: Changing Our World's Proprietary Survey Data

The traditional classroom is not going away, but it is changing

Changing Our World focus group participants also voiced a strong desire for the traditional class experience, given a choice between online and traditional, even if cost made a difference. [4] Most recent undergraduate alumni still felt that the traditional college experience – going to class and interacting with classmates – was an irreplaceable component of an educational experience, having more to do with building social networks, making connections with professors, and starting the journey of adulthood. Even those people who chose to do online degree programs or take online courses did so because of the convenience and flexibility that online education offers. If their schedules and life considerations had allowed, they would have chosen the traditional route. This bodes well for institutional advancement professionals at schools where the traditional still maintains a stronghold, as there will continue to be students for whom this remains a desired educational route.

Technology is embedded in every aspect of the learning experience, and online learning tools are just one element of that technology.

While it is not going away, the actual "traditional" educational experience is being re-imagined. It is not sitting in a cold and drafty lecture hall, looking down at an instructor who relies on a team of teaching assistants to provide the one-to-one learning assistance, while the student takes in information via a printed textbook. Technology is embedded in every aspect of the learning experience, and online learning tools are just one element of that technology.

How MOOCs figure into the picture

MOOC providers are quick to point out the flashy record-breaking enrollment numbers for some of their popular courses – 160,000 for a single course, more than 9.5 million enrollments for all of Coursera's courses so far and students from 185 countries. But who are these students? And what are their

motivations? Are they really using MOOCs for a replacement of the post-secondary educational experience?

As it turns out, an analysis of the typical MOOC user shows that there is a high probability that he or she already has a college degree.[5] In other analyses, learner intent is predominantly passive and for the purposes of "edutainment."[6] MOOCs are still being offered for free or nearly so, and in some ways, can be treated like a Netflix movie that you put in your queue (a term that changed even as this report went to press!) The cost to the user is minimal to none and the accountability is non-existent. If you don't complete assignments, there are no consequences.[7]

As we shall see in later sections on institutional advancement strategy, institutional advancement officers must understand exactly who the online students and passionate learners are. If MOOC users are enrolled in your university's courses, they are some other university's alumni. How can their loyalty be attracted to the second institution and its brand? Or is loyalty already present but simply not recognized?

Of course and as would be expected in any early-adoption technology scenario, some of the initial MOOCs used as traditional course replacements for credit have been shown to fall short in terms of the quality of knowledge transmission. The experiment between San Jose State University and Udacity showed failure rates as high as 57 percent. It turns out that these students needed just as much personal interaction with teachers as those who took the traditional courses.[8]

What is showing greater promise is the use of the MOOC as supplemental course material in a "flipped classroom." As mentioned in the previous section, the flipped classroom is a learning modality that has preceded the MOOC, but has gained currency in recent months given the continuing evolution of the MOOC and its place in higher education. In a flipped classroom, the MOOC is used to provide the substantive lectures and course materials to students before class, while actual class time is used for active learning, discussion and engaging in concept application, such as projects or research. Though only a few schools have experimented with the MOOC in this way, it could prove to be blended learning at its best, accommodating students of all kinds and their statuses as digital citizens.

This provides institutional advancement with both challenge and opportunity. As we will see in subsequent discussions of strategy, this is largely unchartered but hugely advantageous territory.

The rise of the individual

The MOOC has also brought to the fore the possibility of thinking about an education not as one of "the class of fill-in-your-year." When you don't have to move to college to go to college, identity changes. If all you need is a computer and Internet connection, anyone can be educated.

This also means that the learning experience is no longer one that is communal. It is highly individual. The impulse from advancement to think about this in a negative way should be quelled, at least until understanding that

the possibility that online learning technology such as the MOOC can now offer a new way of thinking about engagement. The new unit of analysis is no longer class year or major. It is the individual experience, and one from which online learning can provide deep and meaningful insights. This provides institutional advancement with both challenge and opportunity. As we will see in subsequent discussion of strategy, this is largely unchartered but hugely advantageous territory.

The potential of "big data"

Current online learning technology companies have long been touting the learning power of analytics possible through data and information collected about learners' behavior. Knewton, a company that provides "adaptive learning" platforms to companies such as Pearson and Houghton Mifflin Harcourt, claims to be able to, through the power of data, know what time of day you learn best, what media is more conducive to learning math versus history and more. Other companies already engaging in the business of data analytics for optimizing learning outcomes, now called "big data" in higher education, are Khan Academy and inBloom, and all have received substantial funding from major educational philanthropists, such as the Bill and Melinda Gates Foundation, as well as huge investments from venture capital firms.

Recent controversy over the federal government's data mining have prompted questions about transgressions of privacy in using "big data" sources. Hence, it is critical that institutions of all types formulate a deliberate definition of data, limiting access to personally identifiable information (PII) and focusing on user interaction information, information that provides a better picture of engagement with the material and the efficacy of the delivery of content.[9] This still allows personalization and customization using log-in identification and tracks a student's behavior across a learning platform and can provide insights that extend beyond the classroom.

Assuming the protection of privacy, the MOOC, which uses similar data analytic technology, has been specifically called out for its potential to provide a "mass customization" experience for its students. In a class of 100,000 students, there will be 100,000 individualized learning experiences. Because of its sheer scaling potential, the MOOC is thought to provide major learning opportunities for teaching and producing better learning outcomes.

Online learning presents the opportunity for higher education (and therefore institutional advancement offices) to "know" a student in a highly individualized way not possible until now. Put in the context of university advancement, a student record is currently only made up of the class year and major. In addition to improving learning outcomes, there are profound opportunities to use this "big data" across the university setting, including cultivating a lifelong engagement with the university from the time they are students to when they become alumni, driving loyalty and inspiring philanthropic affinity. There is a need to understand and utilize this data to drive strategy for lifelong support. There is a concomitant need to adjust the structure of institutional advancement offices to be able to do just that. This is a topic to which this report will return in Section 6.

Again and importantly, privacy concerns must remain paramount. Yet, there is opportunity to think carefully about how new sources of knowledge about the nature and quality of an educational experience can redefine loyalty and identify those who have experienced the college/university in ways that would naturally lead them to support its larger needs through engagement with the institutional advancement process.

Summary and implications

MOOCs magnify the impact of change that online learning offers. Online learning has always provided the ability to use data to analyze and improve learning outcomes, but the massive amount of data collected by MOOC participants present an opportunity to customize and personalize learning in ways never possible in education, but increasingly common in e-commerce and other sectors. By collecting data about how a person takes in information, whether the student takes longer to read one passage versus another or takes twice as long to complete an assessment as the average student, learning can be optimized and customized to each individual.[10] An example from another sector is Amazon, which is an industry leader for using search and previous purchase behavior to make personalized recommendations for consumers.

The application of "big data" in higher education could vastly improve learning results, increase student satisfaction, deepen engagement with the institution and create a lifelong connection that will ultimately benefit the school philanthropically.

Endnotes

[1] EDUCAUSE Center for Applied Research. (2012). ECAR Study of Undergraduate Students and Information Technology, 2012. Washington, DC: Eden Dahlstrom.

[2] Ibid.

[3] Brenner, Joanna and Smith, Aaron (2013, August 5). *72% of Online Adults are Social Networking Site Users.* http://pewinternet.org/Reports/2013/social-networking-sites.aspx

[4] Changing Our World conducted two focus groups, one in-person with 7 participants on June 20 and via Twitter on July 31 (using the hashtag #DigiAlum). Participants represented both undergraduate and graduate alumni from various schools.

[5] Kolowich, Steve. (2013, May 30). In Deals With 10 Public Universities, Coursera Bids for Role in Credit Courses. *The Chronicle of Higher Education.* http://chronicle.com/article/In-Deals-With-10-Public/139533/

[6] Koller, Daphne, Andrew Ng and Zhenghao Chen. (2013, June 3). Retention and Intention in Massive Open Online Courses: In Depth. *EDUCAUSE Review Online.* http://www.educause.edu/ero/article/retention-and-intention-massive-open-online-courses-depth-0

[7] W. Spaniel (2013, May 27). Can We Stop Caring About MOOC Completion Rates? Retrieved from http://wjspaniel.wordpress.com/2013/05/27/can-we-stop-caring-about-mooc-completion-rates/

[8] Kamenetz, Anya. (2013, July 29). San Jose State's MOOC Missteps Easy to See. *Diverse: Issues In Education.* http://diverseeducation.com/article/54903/#

[9] Glader, Paul. (2013, July 23). How NSA Data Mining Shenanigans Could Sink InBloom and Big Data in Education. *Wired Academic.* http://www.wiredacademic.com/2013/07/how-nsa-data-mining-concerns-are-impacting-inbloom-and-big-data-in-education/

[10] Simonite, Tom. (2013, June 5). As Data Floods In, Massive Open Online Courses Evolve. *MIT Technology Review.* http://www.technologyreview.com/news/515396/as-data-floods-in-massive-open-online-courses-evolve/

Section 4

Implications for Higher Education Philanthropy

"Engagement? I graduated two years ago and I am still getting email notices about weather emergencies on campus."

– *Master's degree student, Changing Our World focus group*

Online learning and new technology are not only the jurisdiction of the office of the provost or the IT office. The changes are potentially transformative to the sector, and institutional advancement must take a leadership role in financially underwriting these changes, as well as actively participating in the integration of the technology into a new understanding of the educational experience.

In an original survey conducted by Changing Our World in preparation for this report, higher education advancement officers were asked about their awareness of student participation in online courses and degree programs. Only about half knew whether students had completed online coursework as part of their degree program, but only one school had a distinct cultivation strategy that acknowledged this online course experience. [1] This indicates that while online learning, and the integration of digital tools, are an increasingly common learning modality at colleges and universities, they are still not being recognized as a different way of experiencing and engaging with the school.

Current state of higher education philanthropy

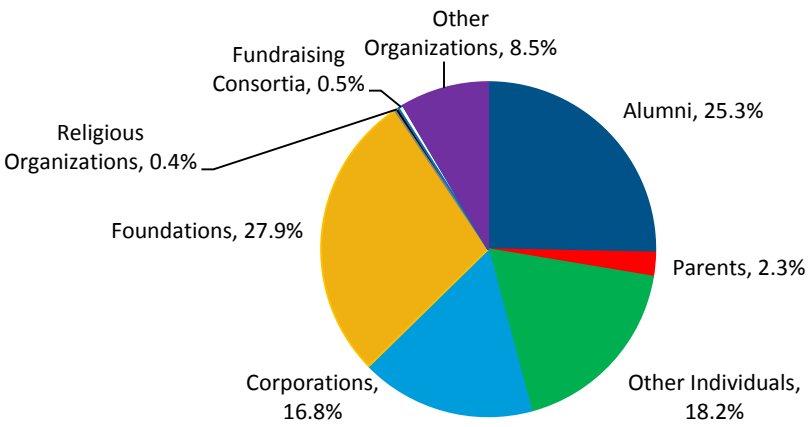
In 2012, contributions to colleges and universities rose 2.3 percent to $31 billion, according to the annual Voluntary Support of Education (VSE) survey conducted by the Council for Aid to Education (CAE). However, after adjusting for inflation, giving was virtually unchanged from 2011, and remains below the historical high of $31.6 billion experienced in 2008.

Of the institutional advancement offices surveyed by Changing Our World in the summer of 2013, only about half knew whether students had completed online coursework as part of their degree program, and only one school had a distinct cultivation strategy that acknowledged this online course experience.

As counted by the VSE, individual support to higher education in 2012 officially comprised 45.8 percent of all voluntary support. However, the VSE survey report noted that foundation giving had increased to 27.9 percent from 2011's 23 percent, noting that more individuals were using foundations as more financially stable vehicles for giving.

If we were to assume that half of foundation giving actually represents individuals giving through foundations, Changing Our World concludes that individual giving actually comprises nearly two-thirds of all contributions to higher education. Individuals, alumni, their parents, and other individuals must remain core parts of cultivation and development strategies.[2] Therefore, the change in identity of individuals and their experience at and of the university, the topic of previous chapters, is absolutely essential to institutional advancement offices.

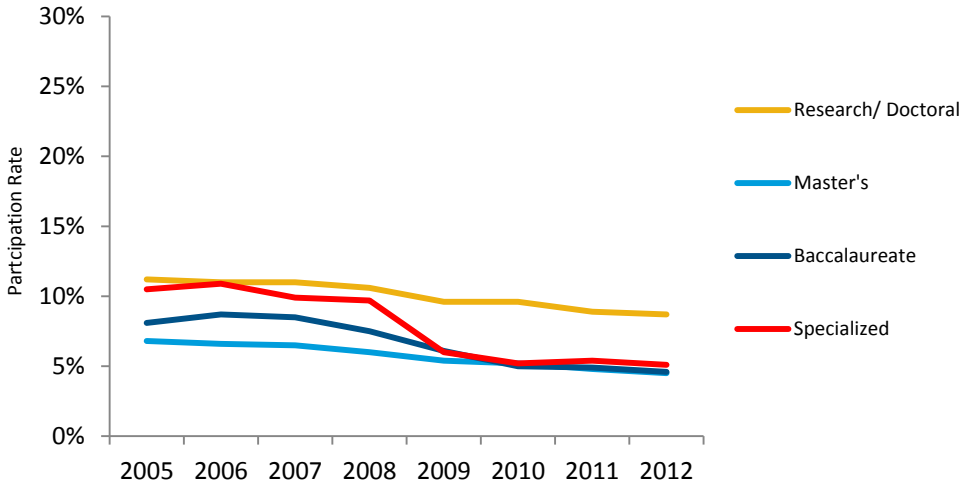
Figure 4.1: Voluntary Support by Source as Reported by Survey Respondents, 2012



Source: Voluntary Support of Education 2012 Annual Report

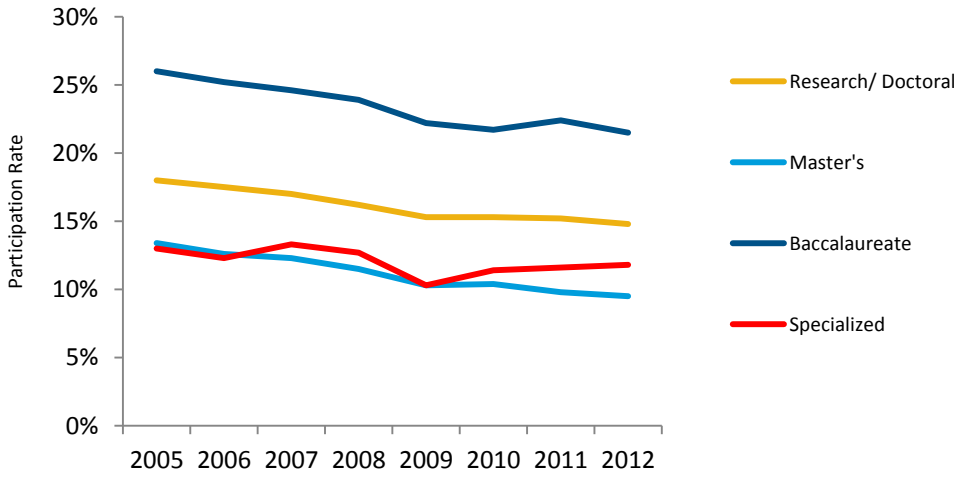
Given the criticality of the continued role of individuals in the philanthropic support of higher education, the news of declining alumni participation rates and solicitation effectiveness rates is troubling. The components of the alumni participation rate are the number of alumni on record and the number of alumni donors. While the number of alumni on record has increased, fewer alumni are donors. As depicted in Figures 4.2 and 4.3 below, the decline is widespread, but particularly notable in public universities. Together with the financial challenges stemming from public budget decline and the turn toward online options at these schools, the imperative for institutional advancement evolution into new strategies is particularly pressing. With online education, every learner is a potential supporter. Expansion in the numbers of prospects, even if engagement rates remain the same, will improve results.

Figure 4.2: Public Institution Alumni Participation Rate



Source: Voluntary Support of Education 2012 Annual Report

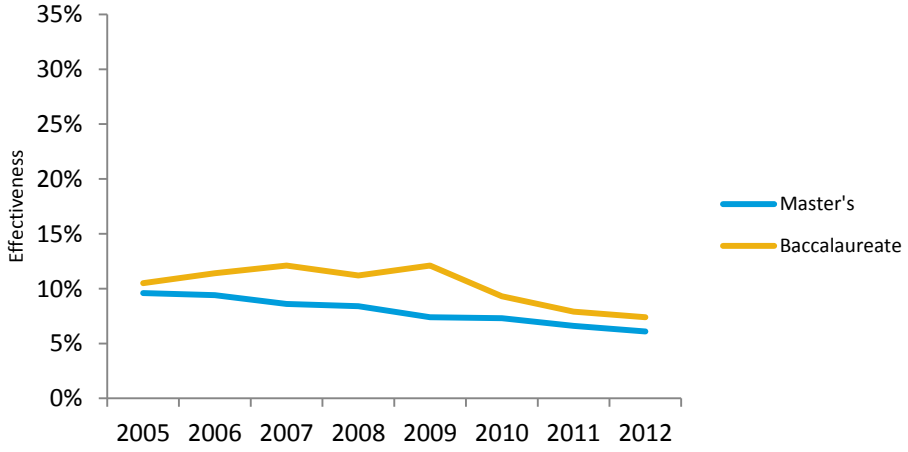
Figure 4.3: Private Institution Alumni Participation Rate



Source: Voluntary Support of Education 2012 Annual Report

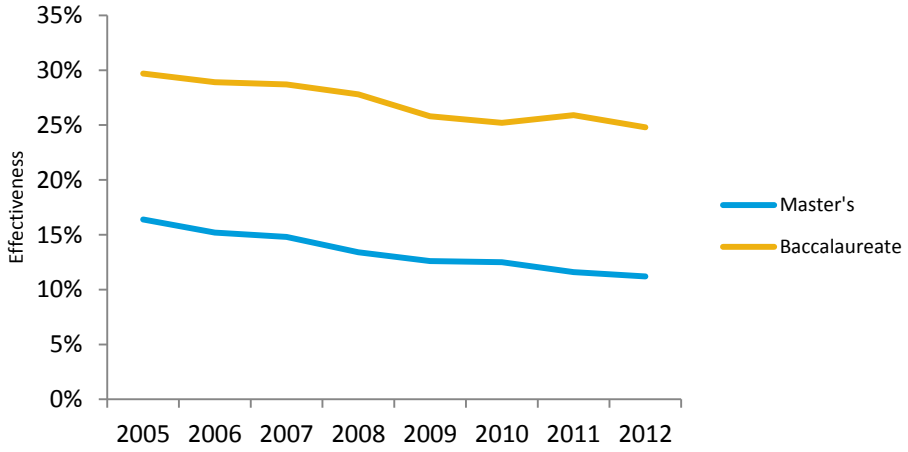
Solicitation effectiveness rates are also declining. Again, this decline is more marked in public institutions than for private institutions. Solicitation effectiveness for bachelor degree and master's degree alumni in public institutions is only at 8 to 9 percent, whereas for private institutions, the bachelor alumni solicitation effectiveness rate stands at 25 percent. This decline is depicted in Figures 4.4 and 4.5.

Figure 4.4: Alumni Solicitation Effectiveness for Public Institutions by Degree Type



Source: Voluntary Support of Education 2012 Annual Report

Figure 4.5: Alumni Solicitation Effectiveness at Private Institutions by Degree Type



Source: Voluntary Support of Education 2012 Annual Report

Annual funds have also been experiencing challenges adapting to a new kind of donor, reflecting the shift from alumni who were happy to donate general operating support to a new "more involved" donor who expects to direct his or her donation toward specific areas. Of course, this is not unique to higher education. It is representative of the new "millennial" donor, but also a result of the shift that technology has enabled. In other sectors, technology offers more and more ways to cater to an individual's specific needs and wants. Commerce has learned to adapt to and take advantage of this trend toward individualization of expectations. Institutional advancement offices can expect similar expectations in higher education philanthropy when it comes to their engagement and communications experiences and their fundraising.[3]

It is against this backdrop of philanthropic decline and shifts in donor behavior, reflecting the new reality that faces all of higher education that the changes around technology and online learning must be understood.

Strategic opportunity for public institutions

In light of the deep state funding cuts to higher education, it is no surprise that the online degree process is taking hold in public universities. It is also where individual philanthropy can offer opportunities for revenue.

Whereas alumni donor cultivation has historically been anchored by a presumed common experience centered around time spent at an institution at the same time, the new digital reality for students means that the educational experience is highly individualized. This does not mean that a sense of

community or a sense of engagement with other students is not possible. We have seen in Section 3 of this report that students do value and connect with their online experience. It simply means that technology can provide data-informed ways to engage with the university that are highly personalized. Institutional advancement offices can leverage this technology to create engagement strategies that are more authentic and relevant for the individual, translating to higher solicitation effectiveness and higher average gifts.

Seizing new opportunities

According to the Chronicle of Philanthropy, online giving is up by 14 percent in 2013 from 2012 giving levels.[4] It still only accounts for a fraction of total giving for most schools, presenting an opportunity for continued robust growth and likely a rising portion of all giving, especially for many donors giving less than a "major gift" level.

In a survey to chief academic officers of U.S. post-secondary institutions, 69 percent say that online education is "critical to the long-term strategy of their organization." However, only 61 percent agree that online education is adequately reflected in formal documentation, such as a strategic plan.[5] Therefore, it makes perfect sense that while among administration officials, online education remains a point of strategic discussion, it is not officially embedded in university policy or strategic vision, which likely means that universities and colleges are not communicating across departments and divisions about institution-wide strategies. Institutional advancement is very likely last on the list to be included in such discussions. However, institutional advancement needs to be at the table for discussions and planning that involve technology. Online learning is not only the purview of academic affairs, but will impact every aspect of the university, including fundraising and alumni relations.

The new student will become the new alumnus

What the MOOC has done more than anything is bring to light the reality that already exists for higher education. It is one where students experience the world differently, and expect to do so in their learning. Learning is not online for some and traditional for others. It is online for all, and those who prioritize the traditional experience can continue to do so.

Institutional advancement must recognize this new reality and the new student that has come with this new reality. However extensive a role online learning plays for the student, there are opportunities for a personalized and customized experience that opens up the nature of engagement for an alumni relations or institutional advancement office. And it is not just undergraduates or even professional school graduate students to which this applies. Online learning is pervasive, and it means that everyone lives in this new reality. Full-time, part-time, younger, older, those who are only taking one class for their personal enrichment. Anyone who experiences their education online is your new student, and will

become your new alumnus, irrespective of degree or credit received. As illustrated by Figure 2.3 in the previous chapter, this means anyone is now a potential donor.

An example of a future digital alumnus

In the coming years, if the potential for "big data" comes to fruition for online education, the benefits to online alumni giving could be great. An example of how a student who may enroll as a first-year undergraduate in 2014 may experience college in this way:

> As a freshman at the University of Minnesota-Duluth, Amy is a dancer, but must take a required math class online. She logs in to view her lectures and take assessments. The online learning platform has also been "learning" about her interest in dance, since she is enrolled in 2 dance classes, and uses that to help her with her math problems. She appreciates the way that her "experience" at UMD is seamless and that the school understands her needs and interests in a way that was not possible before online learning.
>
> Amy graduates in 2018 with a major in physical therapy, having taken 10 online classes. Her experience with the University of Minnesota-Duluth has been so positive that she stays engaged with UMD through the online alumni portal and social networks. When the School of Fine Arts begins raising money for new dance studios, she is presented with an online solicitation request that acknowledges her passion for dance, along with an invitation to come to a community dance performance in downtown Duluth. There she meets and catches up with several old classmates, who she reminisces with about their times at UMD. She finally meets in person her math teacher who, it turns out, is a fine arts aficionado. They share many laughs about how much the fine arts link to her math course made the experience rewarding rather than simply frustrating. She goes home, and logs into the alumni portal and makes a generous donation in appreciation for her experience, both online and offline at the University of Minnesota-Duluth.

In short, the totality of the student experience, its on-campus and online dimensions, created the totality of the view of the university. For our illustrative graduate, understanding the significance of how the two dimensions created a personal experience provides insight into how new approaches to the academic experience can provide institutional advancement with deeper knowledge of the core of student loyalty.

Summary and implications

Historically, institutional advancement has attempted to hold onto strategies for cultivating alumni donors based on an on-campus educational experience that is no longer the only experience that students and alumni have. The new reality forces advancement to acknowledge its newest alumni cohorts as having a highly personalized individual school experience, of which online engagement has played an integral role. By leveraging this online engagement and the data that it offers, advancement

can build more effective cultivation strategies that are aligned with the experience students and alumni seek and expect.

The subsequent sections of this report deal in specifics with the implications of new modes of learning, and new markets for that learning, for institutional advancement offices.

Endnotes

[1] Changing Our World conducted an online survey that went to 453 post-secondary institutions, ranging from nonprofit private and public four-year institutions to doctoral research institutions. The survey request was sent via email to two separate lists – one group received the email on June 20 and the other group received an email on July 1. The survey closed on July 11.
[2] Council for Aid to Education. (2013). *2012 Voluntary Support of Education Survey*. New York, NY: Ann Kaplan.
[3] Troop, Don. (2013, July 29). Annual Funds Face Challenges In An Age of Involved Donors. *The Chronicle of Higher Education.* http://chronicle.com/blogs/bottomline/annual-funds-face-challenges-in-an-age-of-involved-donors/?cid=at&utm_source=at&utm_medium=en
[4] Grovum, Emma Carew and Raymund Flandez. (2013, June 23). The Big Boom in Online Giving. *The Chronicle of Philanthropy. http://philanthropy.com/article/The-Big-Boom-in-Online-Giving/139965/*
[5] Allen, I. Elaine and Jeff Seaman. *Changing Course: Ten Year of Tracking Online Education in the United States.* January 2013. Babson Survey Research Group and Quahog Research Group, LLC.

Section 5

Summary and Scenarios

"In externals we advance with lightening express speed, in modes of thought and sympathy we lumber on in stage-coach fashion."

– *Frances E. Willard*

Online degree earning and the deeply digital provision of higher education content is not a matter of this moment in time. It is a new, long term reality. That reality stems from the ability to supply such content efficiently and effectively with high quality driven by the evolution of digital technology itself. That reality is not going to erode; it is only going to intensify.

Recap of forces of change

It is also driven by the increasing demand for such learning. A new generation of digital natives is comfortable with finding a sense of place without the necessity of specific geography. Indeed, the concept of distance is often not even relevant. The new generation sees connectivity as erasing distance. This is not "distance learning." There is no distance at all. This is learning at your fingertips. This is learning here and now, whenever and wherever it can be managed and accessed in a busy life.

An additional cohort of the market for higher education demands technology such as online learning because it is empowering. As has been shown, the new demand for higher education is coming from those who are early or mid-career, who do not have the time, money, or ability (or perhaps inclination) to live on the South Quad for two or four years. A higher education through digital channels is their pathway to better jobs and career advancement.

Not a Passing Fancy

- *77% of academic leaders rated learning outcomes in online education as the same or superior to those in face-to-face, up from 57% a decade ago.*
- *70% of academic institutions believe online education is critical to their long-term strategy.*
- *6.7 million students take at least one online course.*

Source: Changing Course, 2013

Then there are the life-long-learners for whom advanced education is a valued way of life, for whom new knowledge is sought for the sake of inquisitiveness. Again, this may or may not be a matter of degree-earning. But it can be a matter of passion nonetheless. The South Quad is irrelevant (or impossible) for this cohort of learners, and digital capacity is the pathway to their engagement in learning.

So, demand and supply have found one another, and powered the growth of digital integration and strategies in higher education.

Getting Ready to Act

Institutional Advancement Offices will need to create both the organizational capacities and the strategy elements that will take advantage of the extraordinary ability to expand networks of constituents who have experienced the academic excellence of an institution, and to engage those constituents in the work and future of the institution.

The fuel additive for that power, as we have seen, has also been the reality of economics. State budget cutbacks, continued increases in educational costs, and rising levels of personal debt needed to finance those costs have made digital options for higher education cost effective choices for many, whether that involves access to coursework for an entire degree or access to coursework to enable a degree. While there has been much wringing of hands about the continued increase in educational costs, the underlying financial structure of providing a quality higher education in a physical location at a scale that allows excellence does not leave a great deal of room for cost containment. Costs will continue to rise. Neither is the economic reality likely to change, at least in the foreseeable future. Public funds for higher education have fallen throughout the United States. A weak recovery is unlikely to restore that financial capacity. Hence, the economic and financial operating environment within which higher education exists will continue to provide a rich opportunity for digital alternatives.

At the same time, fundraising, historically heavily dependent on the gifts of individuals, faces continued challenges. This is especially true for public institutions. Giving may be declining in terms of numbers of alumni participating and in terms of gift size. So, if advancement offices face a changed educational landscape, how significant are the possible consequences and how quickly is the change likely to build its strength relative to the work of advancement offices?

It is hard to overestimate the degree of complexity that the online intensity of higher education implies for advancement. The unit of analysis changes; it is not simply the resident student, but the student who has never had a physical experience with the campus at all. Indeed, the unit of analysis may not be the individual, but the entirety of his or her digital experience, and the expectations and experience of the higher education process relative to other digital processes of the student as a consumer. The competitor for the student's experience is not some other college; it is other providers of digital services. If the higher education process is not comparable to, let us say, the experience with Amazon, then the student will not necessarily be driven to be loyal, whatever the educational outcome. Satisfaction, as marketers point out, equates to expectations divided by experience. If the digital generation expects high quality and personalized process and higher education or the institutional advancement interface provides something less as an experience, satisfaction will be low. And the institutional advancement result will also be low.

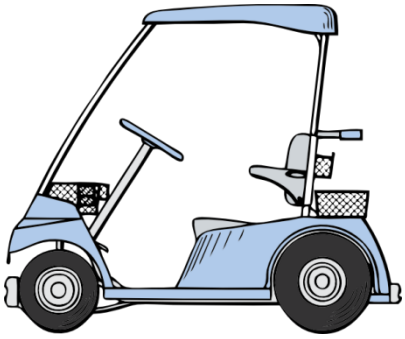
Momentum alternatives

How shall the advancement office think about its future and its strategies in the context of this complexity, and the fact that there will be many different levels of institutional experience with online educational provision over time? A useful concept for thinking about alternative futures is momentum.

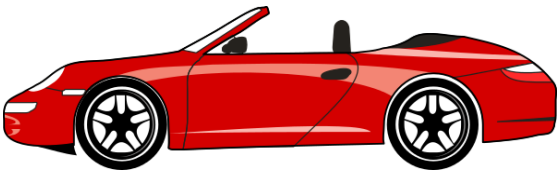
$$p = mv$$

Momentum is the product of mass multiplied by velocity. A bus can have great momentum even if it is moving very slowly; a Formula One racecar can have equal momentum if it is moving very quickly. So, the momentum of digital's role within higher education with which advancement offices will need to accommodate, or the opportunities advancement offices can seize, will be a product of the combination of the size of the digital endeavor and the speed with which it moves through the higher education landscape or the particular college or university the advancement office serves.

There are, then, three possible scenarios. The complexity of the landscape argues that no single scenario is true in every academic institution of higher learning, let alone, at least in the near term, does any one scenario characterize the higher education sector overall. Institutional advancement strategy, then, will need to be driven in part by informed judgment (based on a clear and detailed analysis) as to the momentum of the change within an institution or group of institutions. The three stages of momentum within an overall institution that can affect strategy of the institutional advancement office are as follows.[1]



Early Stage Momentum. In this scenario, the emergence of digital options for an institution and its academic program has been slow. The numbers of students has been and remains small. The numbers of courses offered, either totally or in part, is and remains small. There is no clear university intent to change either of those two parameters in the near term. There may be no element of growth in pace or scope in the university's strategic plan or in its academic program. While partnerships with other providers may be growing, as a matter of internal educational and institutional policy, digital provision of academic content, and the acceptance of digital content from other providers, is not significant, and there are no clear plans for changing that reality even as the external environment may change. Under conditions of slow momentum (low speed, low mass), the implications for advancement offices and fundraising strategy regarding alumni engagement and alumni loyalty may be sufficiently far in the future to allow strategy to be slowly built into long term fundraising plans, informed by deep understanding of the experiences of other, higher momentum institutions.



Mid-Stage Momentum. In this scenario, either a narrow number of academic offerings are moving relatively quickly, or a larger spread of academic effort is being made digitally but is proceeding slowly. In the first case, a small number of students are affected; in the second case, a larger number are affected but only in marginal ways. There is clearly momentum. But either the mass is small because it carries few students, or its velocity is low because its speed is being held down by its design. Hence, velocity is present, and may even be growing, but momentum is not likely to overwhelm planning. The advancement office's most critical need is to be part of the planning process so that student and alumni relationship strategies can grow organically into the pace of change in the digital educational space. Beginning to be part of that process is an important immediate priority if future strategy is to stay ahead of the pace and force of change.

Mature Momentum. In this scenario, the digital offerings are many, broad in their use, and rapidly being integrated into the full educational experience. They represent a rapidly increasing strategy for reaching student populations for degree-earning, for academic credit, and for a broader learning audience. Partnerships with outside providers are being negotiated, and the university is linked academically to other schools and users for purposes of course work. The numbers of offerings are rising, the enrollment is rising, the method is becoming (or has become) an important part of how the university goes about its academic business. Hence, the numbers of alumni with at least some physical distance between the campus and their learning is growing rapidly, the number of degree-holders with minimum exposure to the campus is growing, and the expanse of people with pure learning exposure to the university and its brand is moving rapidly outward, perhaps even globally. Both the mass of the enterprise and the pace of growth are significant. In this scenario, the institutional advancement office faces a complex need to move quickly into a rapidly changing environment. Entire cohorts of people are being created representing entirely new experiences. They may not even be known to the advancement office. They may have little relationship to the types of engagement strategies used for alumni whose fundamental experience is on the South Quad and in front of the white board. Pressure to adjust advancement to this new reality will be immediate so that engagement, cultivation and fundraising can be comprehensive. There may not seem to be time for strategy, but strategy will be fundamental nonetheless.

Understanding which momentum scenario applies

Most higher education advancement offices may not be part of, or even party to, the decision making that is driving digital learning and degree-granting policy. Thus it is possible to perceive that one lives in

a world of golf carts when, in fact, the 18-wheeler is about to barrel around the institutional advancement corner.

Perception may not reflect reality. Hence, it is critically incumbent on all higher education institutional advancement offices to deeply understand the current and planned trends in digital academic offerings and partnerships. Moreover, the pace of digital change will continue to build. Institutional advancement offices will need to commit themselves to constant awareness and mastery of the digital landscape as a matter of fundamental knowledge.

Being at the table as decisions are made would, of course, be ideal, but at least knowing and understanding decisions that are made is essential.

Knowledge will lead to an accurate picture of the momentum of digital academic strategy, both as regards mass (the numbers of courses, students, professors, partners) and as regards velocity (the speed with which the entire strategy is moving). Based on knowledge about momentum, the pace and content of institutional advancement strategy can be determined.

Strategy is the subject of the next chapter.

Endnotes

[1] These scenarios reflect Changing Our World's application of overall online learning provision trends to the structures and roles of the Institutional Advancement Office. A variety of other typologies have been developed for other uses. We particularly refer the reader to Changing Course: Ten Years of Tracking Online Education in the United States, a joint effort of the Sloan Foundation, Pearson, and the Babson Survey Research Group. Published in January 2013, this report sets out on page 7 a useful typology for thinking about the level of change based on the degree of academic content.

Section 6

Institutional Advancement Strategy: Framing a Path Forward

"The company without a strategy is willing to do anything."

– *Michael Porter*

The three momentum scenarios outlined in the previous section imply different starting points for action in folding online degree-earning and digital learning into the institutional advancement office and its program and priorities. Yet, underlying all three is a common set of elements that will need to be in place to guide strategy. Advancement officers working in each different scenario will have differing levels of resources and differing timeframes for producing results.

Dimensions for Strategy

Clearly, it is important to know where you are and how fast the future is approaching. Tempo of change will be important to the choice of steps one takes to seize the advantages that change creates. Nevertheless, there are two dimensions of accommodating that change that will be common across scenarios:

- ***Platforms*** that must be put in place to navigate change, and
- ***Elements*** of advancement strategy that must accommodate the diversification of the learning experience and the diversification of the enrollment and education market.

Putting platforms in place is critical to executing fundraising strategy fully. Understanding how strategy itself must accommodate change is critical to developing fundraising approaches that span the wide variety of differences in the learning experiences, perspectives and loyalties from the South Quad in Massachusetts to the dining room table in Manhasset.

Five Questions You Need To Ask Yourself

1. *What is the extent of the online education offerings at your institution?*
2. *What is the enrollment and what are the enrollment projections?*
3. *How many current alumni have come through such courses? How many are now enrolled?*
4. *What are the plans for degree-based online offerings and what is the time frame for those plans?*
5. *What are the communications tools currently in use with online learners and alumni, and are your systems able to interface with those tools?*

Platforms

1. Organizational Structure and Culture

In a typical college or university, the advancement office exists as an independent division within administration. Internally, it is subdivided into either approaches to gifts (e.g., major gifts, online giving, particular schools or programs) or approaches to giving cohorts (e.g., alumni, foundations, corporations) or both.

To accommodate the complexity of the brand exposure and the types of students, a different type of structure may be needed. The sidebar to the right contains a list of core changes in the institutional advancement office that will be necessary to take advantage of the opportunities created by digital learning.

Importantly, it will need to be a structure that cross-communicates effectively with nodes of the organization responsible for enrollment, online learning content, and retention and evaluation. Institutional advancement will need to be part of the considerations made in these areas, and, in turn, will need to develop modes of engagement that are aligned with these plans. Institutional advancement mostly sits apart from knowledge about and decisions regarding enrollment strategy and student engagement. Traditionally, advancement begins where the last on campus exam ends. Organizational structure follows that functionality. Institutional advancement lives next door to, but is not integrated into, other university decisions.

In the future, that will need to change. With digital integration of learning and degree-granting, enrolled students, and indeed all types of learners exposed to the university's brand, become the constituents of the advancement office, and how the advancement office approaches those constituents can affect the way in which broad networks experience the university and talk about the university in real time and universally. The organization of institutional advancement functions, and the relationship between institutional advancement and other parts of the university becomes critical.

Breaking Down the Walls:
Core Elements of a New
Institutional Advancement Structure

- *Committees or task forces across the university that regularly assess academic plans, student activities, enrollment, and advancement strategy in terms of a continuum of engagement.*
- *Transformation of the "alumni relations" office into a "constituent relations" office to energize non-degree learners who experience the college or university's knowledge brand.*
- *Data systems in enrollment and advancement that "talk" to one another.*
- *Comprehensive technology knowledge and skills across all elements of the Advancement office*
- *Formal systems for social media "listening" and integration of results into Advancement strategy and communications.*
- *Continuous quality improvement through regular satisfaction surveying of all Advancement constituencies.*

This is not merely about structures, however. It is also about culture. There are two dimensions to cultural change, how advancement works internally within the university and how it works within its own department.

Within the university, new leaders will become newly important. Faculty, for example, can become the public brand of the university. The extensive online exposure of their skills and qualities will not only convey learning to those enrolled in courses, but faculty will become the "buzz" of social media. They will be the assets that attract students, and, in turn, that build a university's reputation in the ways that dorm life on the South Quad cannot. Hence, in the future, institutional advancement offices are going to have to be skilled at communicating and coordinating with academic leaders across the university to learn and capitalize on the broad spread of the university's reputation.

> *"I'm 70, and frankly, at my age, to reach more students in one course than I have in decades is astonishing, and I love it."*
>
> – *Dr. George Nagy, Harvard University, commenting on his course Concepts of the Ancient Greek Hero, offered online.*
>
> *New York Times, March 25, 2013*

Within its own department, the institutional advancement culture cannot rest simply on precedent and tradition. It will need also and simultaneously to be totally flexible, adjusting to opportunities identified by the constant stream of data that online learning will produce about learners and their interests.

For the traditional and historic set of supporters, segmentation may still apply – class year, extracurricular activity, and the like. A culture that values relationships based on meetings and events and measures of wealth and giving must continue apace.

To Do:

1. Develop new integration with other relevant university offices.
2. Consider developing a cross-institution committee to inform strategy.
3. Tear down the walls inside the advancement office; structure for collaboration not control.

But that will need to exist together with and inter-related to a new culture based on a changing flow of experiences for online constituents. For the new online cohort (and perhaps even for some traditional supporters who continue their formal education or personal learning online), the advancement culture will be one of experience. Old ways of thinking about and learning about prospects will still be needed. It is not that "wealth screening," a dominant mechanism for prospect assessment, will disappear.

But this type of knowledge is bound up in time; it represents a "stock" of information at a particular point in time. New online education platforms will allow "flow" of information, drawn directly from the changing ways in which students interact with education providers over time. These are "customer and market" type information systems that guide

intelligence and decision-making in the commercial sector that can now be part of an advancement office's input to strategy.

2. Preparing the Systems and the New Relevance of Data

Well-functioning institutional advancement offices are premised on well-honed systems for identifying, tracking, and managing sources of support, individual prospects, corporations and foundations. Usually.

These systems involve sophisticated acquisition, maintenance, and use of data. They also involve equally sophisticated systems for managing the human resources that are critical to building the closer relationships and engagements that lead to deep institutional loyalties between supporters and the university. In traditional fundraising, these human systems are at least as important as the data systems that inform their work. Those who work in institutional advancement are "people" persons. They enjoy the process of personal engagement, and such engagement is part and parcel of the work they do. Data sets the scene and provides the context for those relationships, but the personal nature of the work reigns supreme.

Obviously, no matter how sophisticated a university's online learning systems and strategy, this element remains important in institutional advancement. Two things change, however, and must be accommodated in systems.

First, as we have seen throughout this report, the nature of data changes. The data that is generated by online learning systems is real-time and continuous. It allows the characterization of the university's constituency on many dimensions of preferences that are not normally part of a prospect database, and it allows the constant updating of those indicators – what courses are being taken, what other areas of the university website are being viewed, what other university resources are being accessed in course work. This is not point-in-time data; it constitutes a continuous flow of information. One of the most critical first steps for any advancement office is to understand the nature of the data available in the online learning programs and to sort for those indicators that will inform engagement strategies. This will be an extremely complex process, made even more complex for those institutions whose online learning platforms are not its own but those of other MOOC or university providers. This is largely *terra incognita* for institutional advancement offices, both in terms of the specific nature of new systems

> ***Listening Constantly and in Real Time***
>
> *The broad online reach of learning will also create the ability to know and understand how the "learning market" is reacting to the university. This is critical information for institutional advancement strategy. But it will require a culture that values and can adjust to such constant knowledge. Knowledge will not come simply (or even at all) from a fundraising campaign survey every 10 years, but from continual access through a social media marketing cloud. Donor messaging, both to online constituents and to traditional supports can now constantly adjust to new and real time intelligence.*

needed and in terms of the smooth integration of those systems (both data and human) into the systems that serve the traditional advancement process.

Second, however, new data sources are not just derived from online students. They are generated by social media more broadly. For example, comments and "likes" on a photo of a particular professor or aspect of the university posted to Facebook can hint at alumni who are particularly loyal to that person or course or university activity. The intelligence that comes from that effort may be entirely different from what a traditional database says about loyalty as measured by attendance at a reception or a tailgate. Social media, intensively used by institutional advancement offices and converted into data, can lead to new prospects. And perhaps, with the right systems in place, can do so with greater efficiency and a higher ROI than traditional means of engagement.

Commercial entities are using social media listening and monitoring software to understand real-time changes in brand and product perception and to use this intelligence to change marketing approaches. The illustration of AT&T on the facing page provides food for thought in terms of the opportunity for higher education to use listening to identify supporters.

While the analogy is not perfect, advancement offices also have the opportunity to aggregate social media "listening" to understand what elements of a philanthropic case might resonate and how approaches to motivating philanthropic behavior might be adjusted. As an online education program expands, the scope of social media exchanges by digital-learners may increase markedly, making such listening particularly insightful.

To Do:

1. Immediately take the university online learning manager to lunch. Understand what data are available.
2. Organize an ad hoc indicators committee within the advancement office to sort possible indicators and select meaningful measures that are aligned with overarching goals.
3. Establish acquisition and assessment systems.

This is generally not an insight strategy that advancement offices have used in the past. It provides hugely useful strategic input for the future.

In short, data capacities in the future will extend far, far beyond the static process of wealth screening. They will be deeply revealing about behavior. Hence, the school with both online learning as an emerging priority and the time to establish robust internal organizational relationships with that priority needs to place an emphasis on developing deep systems for integration between the online database and the advancement database. Over the long term, this will provide the critical platform for advancement strategy across the alumni base, from the traditional student to the online student to the learner who takes the university's online courses for the sake of pure learning.

AT&T Innovates to Understand and Leverage Social Media Data
By Adam Cohen, FleishmanHillard

Social Listening is the process of leveraging enterprise reporting tools to monitor conversations in social media channels. These tools sweep the internet looking at any content that is public and not behind a password protection, such as that from Twitter, Facebook (public pages and posts only), YouTube, Blogs, discussion boards and forums, and other information sources.

Companies want to understand what people are saying about their brand and their services. They use listening tools to construct dashboards and track trends over time, to see what types of content resonate with various audiences, and to look at share of voice and sentiment versus competitors. As a result, they can identify influential constituents – people who have a large audience in social channels who will respond to their opinions and content. Often companies can leverage social listening tools for reporting, tracking day to day and week to week trends and overall measure the impact of engagement on the reputation of the brand.

At a larger scale, companies can use visualizations to help make business decisions through using data to derive actionable insight. AT&T is a case study in this light.

As the use of social media spread, AT&T found an increasing need to understand how its business was being affected and how it could use the conversations that were taking place to build its own strength. Social media was always real-time, and so it needed to act in real-time across all channels online to leverage more effective social listening and real-time response.

AT&T partnered with FleishmanHillard to build a command center to gather information about the brand, competitors and overall industry from social media data sources like Twitter, Facebook, etc. and present content in an easy to understand manner. The command center was designed to provide context to key business and product decisions, address customer issues rapidly and improve Net Promoter Scores and willingness to recommend for the brand.

The resulting command center, the AT&T Public Relations Network Operations Center (PRNOC), is an immersive and graphic representation of data used to showcase AT&T's commitment to better understanding the voice of their customers. The PRNOC command center has enabled AT&T to increase their agility on social and the speed of their response time via a variety of channels.

By presenting data in an impactful, easy-to-understand manner, both AT&T and FleishmanHillard teams have also streamlined their approach to social response, and can jump into conversations in real-time where appropriate based on emerging trending topics and events.

3. Building Skills

Every higher education advancement office will need new skills to be able to master and analyze the "big data" sets that are created through digital interfaces with learners. These data will contain tremendous reservoirs of information and intelligence on the segmentation of preferences and behaviors of potential supporters. But data manipulation and analytic skills beyond those normally found in advancement offices will be needed.

All strategy must be built on evidence that reflects both current reality and the directions of future change. The ability to move up an analytic ladder -- from data to information to intelligence to decision making -- hinges on added expertise and skills at each step of the way.

Moreover, whether a student never sets foot on a college campus or takes a few classes with online components, students will experience their education just as they will experience other aspects of their life. Digital engagement will sometimes be a means to an end or a deliberate and preferred choice. Whatever choice they make, their digital experience of the university should provide engagement opportunities that are authentic and personal to the individual. Just as the rise of technology has made individual experience the unit of analysis for other sectors, so will technology, online learning, MOOCs, be for higher education. Understanding this new experiential strategy will yield great insights about new donor cultivation strategies. All advancement offices, whatever the current momentum, will need to be serious about digital engagement. This is not simply a matter of "online giving." It will need to become the essence of how the new digital student experiences alumni relationships with the institution, including with its institutional advancement office. This does not always need to be an entirely new strategy, but can be integrated into student engagement to ensure a smooth continuum of experience.

This means that digital skills and knowledge will not be able to be walled off in a department or office. Increasingly, every prospect, every alumnus will have some digital experience with the university. A wide swath of learners will experience the university and have a view about its merits and its brand. This view may be totally a product of an online experience.

Hence, digital skills and awareness must be part of the tool kit of every person in the advancement office with any constituency-facing role at all.

4. Adjusting Management and Performance Measures

One of the greatest challenges in any organization is the management of change. The observation throughout this report has been that online degree awards and digital learning is not only a new reality, it is an ever changing phenomenon. The technologies available today will continue to evolve and eventually will be superseded by new technologies tomorrow. Expectations today will be exceeded by higher expectations tomorrow. Academic roles for technology today will become only the shadows of academic roles tomorrow. So the change that must be managed is not change itself, but the process of constant change.

> *"We want to meet people where they are. We recognized the need to engage cohorts of alumni differently, and this is just the next step in that evolution."*
>
> – *Dawn Rigney, Executive Director, Alumni Relations and Annual Giving, Pace University*

Institutional advancement offices have not historically been at the vortex of change. It is true that new approaches, new strategies, new software have all been accommodated and have improved management and productivity. But it is not often that entirely new scenarios confront the office, or entirely new categories of students or cohorts of people parachute into the moves management process, let alone do so without ever having set foot on the campus. The change management challenge for advancement offices will be significant. It will also likely be continuous in the way that change has not been continuous in the past because technology itself will continue to evolve.

The greatest challenge is that heads of advancement will need to manage and measure both the traditional engagement and fundraising staff and associated skills, and new approaches to engagement. New indicators will need to be crafted to track the performance of all types of modes of engagement, but they will need to be comparable to those used in traditional areas so that alternative tactics and approaches can be compared over time.

To Do:

1. Select engagement or fundraising indicators that directly tie to both traditional and online constituent strategies.
2. Develop a management dashboard of not more than 12 indicators that can be tracked on at least a quarterly (preferably monthly) basis.

This will likely be a complex challenge. And it may yield a wide array of performance indicators that will need to be tracked at varying levels of advancement office management. Paralysis by analysis can ensue. Hence, developing efficient performance management systems will be a critical element in the evolution of the modern institutional advancement office.

Resources, however, are likely to be limited. The most senior advancement officer will need a clear, meaningful, manageable, and actionable roll-up of the broad set of performance indicators to guide the continuous adjustment of resource allocations within the advancement office to capitalize on what is

clearly working and what is not. There will need to be strong feedback loops within the advancement office to ensure that the best experiments are mainstreamed, and the least productive ones are plumbed for lessons and then put aside.

Elements of Strategy

Building structural and functional capacity that allows engagement and fundraising to accommodate the nature and pace of change in reaching broad educational markets of all types is an important investment. It is, however, only the platform upon which actual fundraising strategy takes place. That strategy, and its inherent tactics, will also need to adjust and evolve to the new sweep of constituencies who will interact with the university and its academic process in new ways and with new motivations.

From the steward of past experiences, the advancement office must evolve to become the prow of continuous engagement over long distances through all modes of communication.

Few higher education institutional advancement offices have strategies that clearly distinguish online degree-earners or learners from those on campus. Fewer still distinguish among the various levels of complexity of changing online learning providers and relationships that have come to characterize the sector and which were diagrammed in Section 2 of this report. The speed of change and scope of digital academic elements in overall university strategy will set the context for the approach to strategy by institutional advancement. That context will be made more complex because those on the receiving end of digital academic programs may not be the university's own. Moreover, the provider of content to the university's own students may not be the university itself. Seldom has institutional advancement in any sector faced such strategic complexity.

Passionate learners may become just as important a pool of prospects as degree-earning alumni. If only 10% of those passionate learners become engaged supporters, this can represent hundreds or even thousands of prospects who would otherwise never appear on the fundraising radar screen.

Yet, the opportunity to expand the ranks of those who have an interest in a university and its programs is stunning. When tens of thousands of people are exposed to the knowledge embedded in the brand of a school, they represent tens of thousands of potential supporters. Passionate learners may become just as important a pool of prospects as enrolled students. Even if only 10 percent become passionate and aligned or benefit in some marked way, that totals perhaps hundreds or thousands of people who would never have shown up on any prospect list from any alumni source. What are the key strategy changes to take advantage of this opportunity?

1. A New Unit of Analysis

In the past, the advancement office was the steward of the past. The unit of analysis was those who had an experience, and that experience and that individual were the units for which strategy was developed. In the future, the advancement office must become the engagement office of the future, the prow of continuous contact and engagement with people who have continuous knowledge exchanges with the university through many modes, for many subjects, and over long distances.

To Do:

1. Examine social media data and analytics, particularly engagement rates, to uncover individuals whose overall experience with the school has been notably positive.
2. Convene a focus group of about-to-graduate seniors to understand how they communicate now.
3. Based on that group, develop a strategy for overall constituency relations for the future.

In a world of multiple modes of learning and engagement, "alumni" may not be the most productive unit of fundraising strategy analysis. Advancement offices need to think about constituency strategy and constituency segments. These will include traditional degreed alumni, online degreed alumni, those who experience the university's quality and content through MOOC platforms not belonging to the university, and those who could become the university's biggest fans as the result of a personal online knowledge experience.

This will require that the aperture of the strategic lens be widened not only in terms of the types of individuals involved, but also of their characteristics (e.g., age, profession, or employer) and the nature of their experiences with the university.

2. Enhancing Volunteer Leadership

Volunteer leadership is critical to all elements of advancement. Traditionally, these are leaders who have been deeply involved with an institution and are relatively well known to important constituencies. In academic institutions, they are often also individuals who have had deep relationships or roles during their student years, or for whom the university has played a pivotal intellectual or professional role. They are far from faceless; they are in many ways the physical face of engagement and fundraising. Does a purely digital cohort require a different type of leadership, however? How does one identify those leaders when learning cohorts may never be physically present and may not "know" one another in the way that students on campus come to know one another? What are the first steps to adjust or augment volunteer leadership?

As the case illustration of Pace University in Section 2 noted, distance-degree earners are not necessarily emotionally remote from their experience however geographically remote they are from the campus.

The most important strategic adjustment is for the advancement process to recognize that the experience of the academic core of the university can be as powerful as the experience of the campus. Hence, the advancement office must work closely with those providing the educational content and with admissions to identify individuals whose experiences have been particularly positive, to work with the online learning managers to develop experience surveys that yield important information about possible volunteer leaders, and develop ways to plug the online learning community into the communications and messaging process of the advancement office.

Harvard is actively soliciting a new type of volunteer to be part of the online space, the alumni who give not treasure but time and talent. The call has gone out for alumni to serve as mentors and discussion group managers for students taking coursework online.[1] This builds a new dimension of engagement into alumni volunteerism, as well as connectivity between loyal alumni and online learners. In turn, this can create a more complete and more fulfilling experience for the online student, and hence contribute to the engagement and cultivation elements of strategy discussed further below.

To Do:

1. Develop a set of criteria for the ideal volunteer leader from the online learning community.
2. Stay in constant contact with those responsible for that community to identify potential leaders.
3. Develop new communications and messaging tools to prepare these leaders to be drawn more deeply into the university.

At the end of the day, the future well-planned capital campaign of a college or university may come to rely as much on the leadership and endorsement of those who have a significantly positive distance experience, and for whom that experience has been professionally or personally formative, as on leadership who fondly recalls late night study breaks at the Student Center.

3. New Identification, Cultivation, and Solicitation Tactics

It is certainly true that for all higher education advancement offices, traditional tactics for cultivating and soliciting donors will continue to be a significant part of the work. But for those learning at a distance, the golf outing, annual gala, or post-game reception are not relevant. What to do?

At least for now and until science finds an alternative, everyone lives in a place. Therefore, for example, regional events should include invitations to those currently enrolled in online courses as well as alumni of online courses. Remember, on average those enrollees are older than students on campus. Therefore an alumni event represents an extremely valuable networking opportunity for the enrolled student as well as for the alumni. Think very broadly about wide constituencies in developing an engagement opportunity.

If the university has developed courses for which enrollees are not students admitted by the university for degrees, develop special regional events for those passionate learners. Have a presentation by their favorite professor. Expose them to the depth of the institution. Use their passion to bind them to the university, and then gradually cultivate their philanthropy.

Add all of these individuals to your prospect database. Treat them as important; make them feel important.

Engagement is the core skill of institutional advancement professionals. It is the bread and butter of fundraising. It may not be the equivalent skill of the academic office seeking to build an online course presence. Reach out to those offices. Offer your skills and thoughts. Build a partnership that is in the interests both of growth in the academic presence online and of growth and expansion of the prospect pool. Bring your expertise to the planning table.

Beyond solicitation, however, stewardship may provide one of the greatest challenges. The totality of a prospect's experience online and over time will affect the degree to which that prospect will consider a philanthropic gift to the university. Once made, stewarding that person will require constant attention to his or her online presence. Indeed, it may be the case that there will be more "churn" in these types of donors, one time small gifts that do not lead to larger gifts over time. Yet, the scale of results could be marked. This entire area of fundraising is *terra incognita*. We simply do not know precisely what stewardship tactics will work; we do not know the characteristics of individuals whose loyalty can be built to significant levels based on an online experience. We do not know exactly how to supplement that experience, if at all, with traditional engagement and stewardship tactics. There is much to learn, and not much to rely on in the learning.

To Do:

1. Think creatively about how to expand traditional tactics to include new cohorts of enrolled students or passionate learners who do not have a campus address.
2. Reach out to the academic locus of online learning with ideas for new techniques to engage learners. Engagement is the advancement skill. Offer it more widely.
3. Reach out to corporate marketing expertise for digital approaches to customer loyalty and engagement.

At least not within institutional advancement offices. There is a great deal of knowledge on these topics, however, in corporate marketing offices. Companies are very good at building consumer loyalty even when there is no "in store" experience. This is a tremendous reservoir of insight from corporate experience that can be tapped by institutional advancement in developing engagement and loyalty tactics in the new world of broad learner exposure to the university knowledge process. These executives and companies sit on university Boards. Use

them.

Hence, creativity will be needed, as will be a regular and rigorous system for evaluating every effort and refining these stewardship approaches over time. This will be an absolutely critical priority for performance measurement systems.

It may be easy to get discouraged in the short term. Institutional advancement offices need to be mindful of the scope of the long-term however. As pointed out previously in this report, if only 10 percent of those who are learners (enrolled students or passionate learners) online become donors even once, and if only a quarter of those donors become regular supporters, this could mean thousands of new philanthropic contributors.

Moreover, extending the cultivation-solicitation process deeply into the online student and learning community reached by the university may also help to solidify traditional supporters. The institutional brand will be extensive, the social media community will increasingly engage traditional supporters, and the consequent ability to scale messaging and awareness can only work to the advantage of cultivation throughout the alumni base and support network.

How Do You Know When To Act?

Obviously, one does not pursue the degree of change implied in these platform and strategy elements willy-nilly. It is possible to be too clever by half.

Advancement offices facing **mature momentum** may need to do a great deal in a very short period of time. At this point in time of the evolution of the use of online knowledge and degree-granting tools in higher education, these institutions are likely a relatively few (if extremely powerful) set within the whole.

Nearly all institutions, however, need to begin to plan and prepare for the eventuality of distance being a critical fact of degree-granting and continuing learning, as well as a fundamental mechanism to lift brand and raise awareness of a university, its knowledge, and its quality. Still, resources are not limitless. Institutional advancement offices face many demands in the traditional world of fundraising and in serving and cultivating traditional cohorts of supporters. What are the triggers that indicate that dedicated action to address emerging categories of online communities is needed?

First, in some sense, the trigger has already been pulled. Whether or not MOOCs come to be seen as the roots of organizational brilliance or educational bedlam, the demand for increased education and learning by adults young and old using digital distance technology is real. It is not going away. Hence, those who do not plan for its impact on institutional advancement and its potential for markedly expanding the ranks of potential supporters do so at their own peril. They will leave significant cohorts of possible supporters untapped.

There must be a clear plan. There is no other option.

Still, the distance from planning to aggressive implementation needs to be bridged by some rational set of indicators. If it is not, then the execution of any multi-faceted strategy is arbitrary. Changing Our World suggests that the transition points from Early Stage to Mid-Stage to Mature Momentum may include a number of indicators be as follows:

Early Stage Momentum Scenario

- Online learning for enrolled students at a campus only; less than 75 percent of classes have some online distance teaching component
- No plans for online degrees
- Some discussion of MOOC use, but no clear direction
- Academic plans call for purposeful increase in online learning use within five years
- University budgets show a shift in investment into online technologies including staff additions

Mid-Stage Momentum Scenario

- Online learning of some sort for enrolled students on campus is ubiquitous
- Much of the student registration and management process is online, as experienced by students
- At least a portion of some degrees can be taken online for credit
- At least one degree (at any level) can be obtained with a significant portion of the work online
- Within 5 years the graduates of these credit or degree programs will represent at least 15 percent of the graduates in any year
- Discussion of broader MOOC use is widespread

Mature Momentum Scenario

- Online components courses for students on campus is nearly universal
- Online degrees and for-credit courses are present and growing
- Online course arrangements with other colleges for credit are present or in design
- All student registration and management is online
- MOOC use is present or planned
- Non-credit offering of online learning to the larger public is present and growing
- Within 5 years online degree earners are projected to double

Obviously, adjustment to the pace of change will not be a science. All fundraising organizations will need to learn and adapt as evidence mounts regarding the degree to which online learning changes actually are brought on stream. Still, indicators are important. The institutional advancement office should scale the development of its fundraising platforms and strategy elements to the pace of change in these or other indicators.

Clearly, even being able to determine where the university is on most of these indicators will require advancement officers to build or enhance relationships throughout the academic and management structures of the university. Hence, even beginning to determine where you are and anticipating how much change will be faced will help to establish the collaboration of knowledge and data that will, as we have seen, be critical to enabling advancement to be at the overall university strategy table.

> *"It is a bad plan that admits of no modification."*
>
> *– Pubilius Syrus, Roman author, 1st century BC*

The critical need for advancement officers is to open up their office doors and get into the information flow so that they can plan on the basis of knowledge with enough time to implement plans effectively as online learning strategies mature.

Again, time and resources are limited. This is the hard reality of life. Section 7, which follows, suggests three immediate steps to take.

Endnotes

[1] Harvard Asks Graduates To Donate Time to Free Online Humanities Classes. New York Times. March 25, 2013.

Section 7

Closing Thoughts:
Strategy and the Reality of Now

"Think? How ya gonna think and hit at the same time?"

– *Yogi Berra*

The need and opportunity to align new digital students and graduates with the fundraising strategies of advancement offices in colleges and universities is clear. But there is an additional reality for advancement officers. The world has not stopped turning.

All higher education advancement offices are already engaged in important annual fund or capital campaign work. There are pre-existing priorities on the table, pre-existing tactics being pursued, pre-existing target audiences for cultivation, solicitation and stewardship. There are also pre-existing expectations about funding, about goals and financial thresholds, and about fundraising performance.

The actions needed to begin to fold digital students and alumni and distance learners into those pre-existing priorities can represent a daunting challenge. The challenge is certainly one of time. At many schools, the online academic process is well underway, and institutional advancement offices will be under pressure to catch up quickly. But it is also one of skills, access to data, and, perhaps, the very different culture that surrounds the digital learning space compared to the more traditional space of dorms and clubs and galas and golf outings. It is not better or worse; but it may be different.

Faced with that daunting task, it is understandable that institutional advancement offices can be tempted to avert their eyes from the reality of momentum. The effort to understanding the current state and future implications of online degree trends and digital learning communities in higher education in general or in one's own institution in particular can regularly find itself moving not from the "in" box to the "out" box, but from the "in" box to the "still in" box. The urgent will ever drive out the important.

Until the 18-wheeled MAC truck of mature momentum actually does round the institutional corner. At which point it is too late.

So, what are the first three things that a busy advancement office should do, and can do, even amidst the pressures associated with the reality of now?

First, make someone responsible and accountable for the knowledge. As in all situations, if no one is responsible, no one will be responsible. In many institutions, knowledge about digital learning trends and associated data is diffuse. Conversations are constant and wide-ranging. Making someone responsible for tracking the data and the discussions, and developing a specific and regular mechanism for reporting back to the entire institutional advancement office, will help ensure that there is a point of knowledge within the advancement office.

Second, be at the table. The advancement office must make the internal overtures to be part of the knowledge and decision process. A calendar of meetings and discussions throughout the university decision making structure about online learning and degree-granting strategy and the implications for

advancement is a critical first step to gaining both information about status and involvement in plans. The advancement function in an academic institution that is comprised of both on-site and digital learning must be "enterprise wide"; it must extend and expand across all modes of learning.

Third, and of especially critical importance, identify data sources at the digital point of contact, whether that is enrollment management for degree-earners, or some other point for those who are academically experiencing your university or college short of degree earning. Put the first priority on accessing that data and beginning to understand who those individuals are, what their experiences have been and how those experiences are different, or similar to, from those who are in the current alumni and donor database. Changing Our World's survey of advancement offices, conducted in the context of research and preparation for this report, found that few if any advancement offices had begun to access this data for purposes of profiling these new cohorts of alumni or engaged learners.

This latter is particularly important input to strategy. The traditional unit of analysis for the advancement office is the person, his/her class, and his/her degree or major. Strategy is crafted in those terms.

> *"You really have to train yourself to be an active learner. Distance education requires you to have more initiative. But in the course of the program I have made incredibly strong friendships with the other students even though we are not on a campus."*
>
> – *Changing Our World interviewee*

The new unit of analysis in the digital space is not simply the person, it is the experience. As has been emphasized throughout this report, online degree earning and digital academic experiences allow the personalization and customization of the learning experience. The academic interface for the learner is akin to the commercial interface for a customer, it is immediate and personal. Therefore, understanding the dimensions and insights that can be derived from data and how they are different from or more robust than traditional data available to the advancement office is step one toward strategy that is refined and differentiated by the learning experience.

These three first steps – concentrating responsibility, engaging across the institution to understand what is being done and planned and therefore becoming part of the process, and identifying and accessing and mastering the data – will not and cannot drive out traditional priorities from the "to do" list of the advancement office. But, unless they are undertaken purposefully and meaningfully, unless they become a conscious part of the preparation for the engagement and fundraising future, they will not be part of fundraising planning for the future. And, in that case, opportunities will be lost. These are not simply opportunities for immediate or long-term fundraising, although the donor opportunities are indeed there. They are broader and deeper opportunities to create a new generation of advocates, a new generation of leaders who can "wear" the university's brand in digital and social cyberspace.

This is complex. It is shifting and forming even as we read this report. We do not know where these trends in online degree earning and digital learning are going or what is next on the landscape.

What we do know is that they are not going away.

About the Authors

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Susan Raymond, Ph.D. is Executive Vice President of Changing Our World. In February of 2011, Women United in Philanthropy honored Dr. Raymond with the Women in Excellence and Achievement Award.

At Changing Our World, Dr. Raymond is responsible for designing and conducting business operating environment research for both nonprofits and foundations, as well as developing business plans, market growth strategies, new philanthropic funds, and program evaluations for new and existing institutions in health care, higher education and global development.

Dr. Raymond has extensive experience in research, analysis, and planning. At the New York Academy of Sciences, she created the first technology and public policy program, and then became Director of Strategic Planning and Special Projects. Prior to that, she was a project officer at the World Bank and a senior consultant to the U.S. Agency for International Development and to various private organizations including the Carnegie Corporation, specializing in healthcare and international economic research. She has led the formation of private foundations in Poland, Croatia, and Hungary and written business plans for foundations in India and Thailand. Under leadership and during the political transition, Friends of Litewska Hospital became one of the first and most successful private philanthropies in Warsaw, Poland.

During 2005 through 2007, she was the Foreign Policy and Research Advisor to the bipartisan Congressional Commission studying the effectiveness of public and private foreign assistance, the Helping to Enhance the Livelihood of People Commission. She is a member of the Advisory Board of the Center for Global Prosperity in Washington, D.C., a Faculty Lecturer at the Institute of Human Nutrition at Columbia University, and a member of the Advisory Boards of The Global Index of Philanthropic Freedom and America's Unofficial Ambassadors. In 2012 the Director of the National Science Foundation appointed her to the Board of the U.S. Civilian Research and Development Foundation.

Dr. Raymond is an established author. Her fourth book on philanthropy, *Recession Recovery and Renewal: Nonprofit Strategy During Rapid Economic Change*, was published in April 2013. In addition, *Nonprofit Finance For Hard Times: Leadership Strategies When Economies Falter*, was published in the fall of 2009 by Wiley and Sons. She is also the author of *Mapping the New World of American Philanthropy* and *The Future of Philanthropy: Economics, Ethics, and Management*, published by Wiley and Sons in 2007 and 2004 respectively.

Dr. Raymond has written scores of whitepapers on subjects ranging from public finance and the future of the nonprofit sector to Catholic philanthropy and private education fundraising. Her original research papers and a variety of other original studies are available at www.changingourworld.com/resource.

She is also the author and editor of several books in the *Annals* series of the New York Academy of Sciences.

She has published extensively in the areas of philanthropy, economics, health care, and corporate responsibility in such journals as *Foreign Affairs, Development Economic Reform Today, Annals of the New York Academy of Sciences, Journal of Healthcare Administration Education*, and *Technological Forecasting and Social Change*. She was also a Project Team member of the Macroeconomics of Cardiovascular Disease project of the Center for Macroeconomics and Health of the Earth Institute at Columbia University under Jeffrey Sachs. She is co-author of the recently released *A Race Against Time: The Challenge of Cardiovascular Disease in Developing Economies*. The report was covered in, among other publications, the *Wall Street Journal, Time Magazine Asia, New England Journal of Medicine*, and *British Medical Journal*.

She is a regular international conference speaker on the future role of philanthropy in economic growth and civil society. Dr. Raymond earned her BA Phi Beta Kappa from Macalester College and her MA and Ph.D. from The Johns Hopkins University School of Advanced International Studies in a joint program with the School of Hygiene and Public Health. She is an elected a member of Pi Sigma Alpha and the Cosmos Club. She has worked on philanthropy and economic development projects throughout Africa, the Middle East, and Eastern Europe, as well as in Russia and Asia.

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About Changing Our World

Founded in 1999, Changing Our World is an international consulting firm providing personalized solutions in all areas of fundraising and philanthropy. In 2002, Changing Our World became part of the Diversified Agency Services group of Omnicom [NYSE: OMC]. At Changing Our World, we are comprised of a unique group of professionals who believes that everything we do should be grounded in a true understanding of our clients' distinctive challenges and opportunities.

While each of our four primary service areas provides specific expertise, our ability to collaborate effectively to deliver innovative solutions, share best practices, and understand the nuanced strategies that drive clients across the sector forward is what differentiates us from our competitors.

Fundraising: Changing Our World works closely with nonprofit institutions to help them develop and execute strategies that significantly enhance their abilities to secure revenue from both charitable and non-traditional sources. Our work in this regard ranges from multi-million dollar capital campaigns to comprehensive direct response initiatives to integrated annual fundraising programs.

Corporate Social Engagement: We help our corporate clients plan and implement authentic and robust social engagement strategies – around contributions, volunteerism, and cause marketing – that provide positive return on investment to both the community and the business.

Digital: Our Digital team analyzes clients' digital fundraising, communications and marketing, and program efforts, helping them to devise and implement innovative engagement strategies that increase their revenue and impact in a networked world.

Research and Analytics: Changing Our World uses data to create a value chain of analysis and decision metrics that provide the core and constant evidence upon which strategy and action are built.

We have more than 100 professionals and operate nationally with five main offices: our headquarters in New York City and our regional offices in Atlanta, Boston, Dallas, and Washington, DC.

