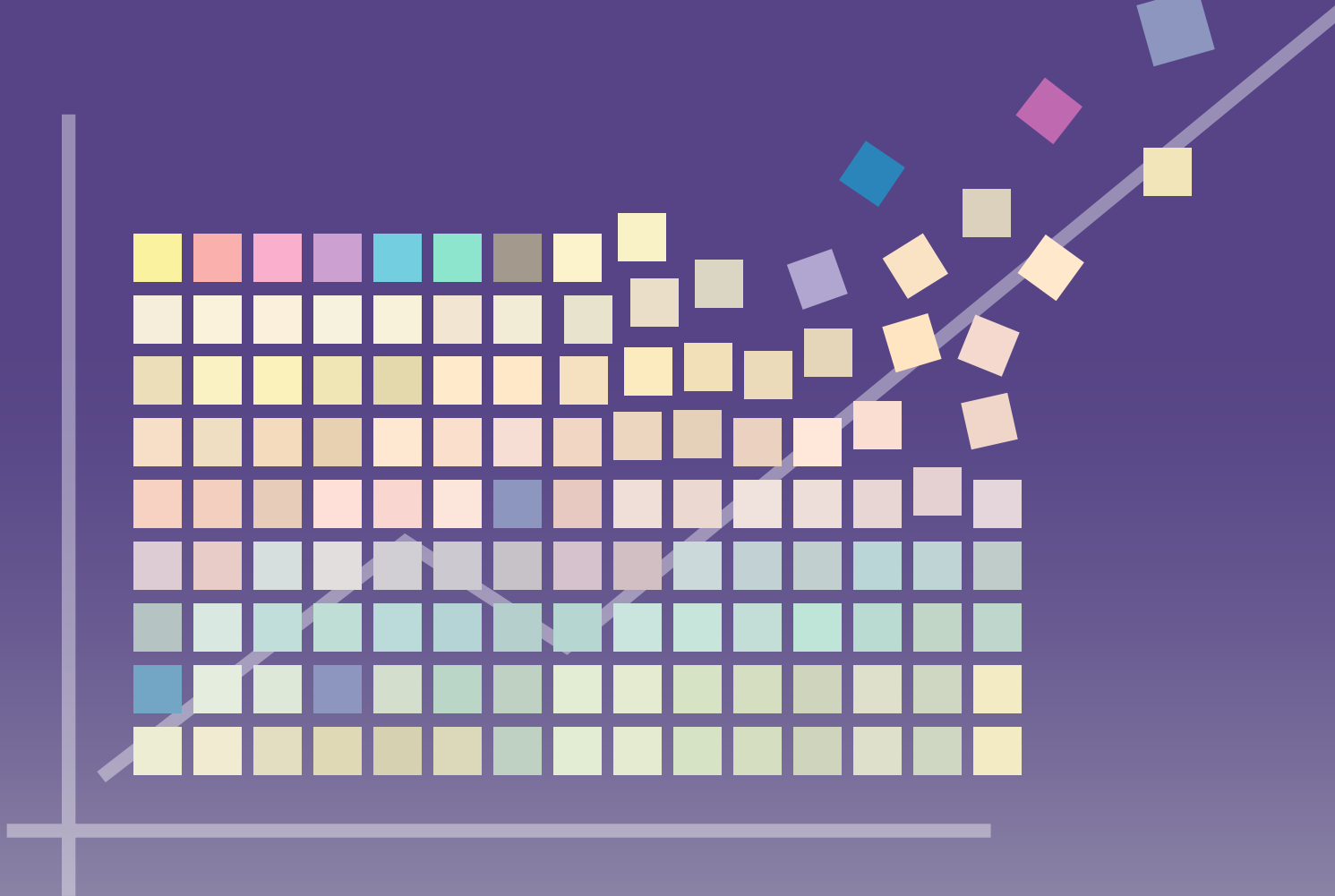


Entering the Mainstream

The Quality and Extent of Online Education
in the United States, 2003 and 2004



The Sloan Consortium
A Consortium of Institutions and Organizations
Committed to Quality Online Education

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Entering the Mainstream: The Quality and Extent of Online Education in the United States, 2003 and 2004

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Sloan-C has its administrative home at the Sloan Center for OnLine Education (SCOLE) at Olin and Babson Colleges. SCOLE has been established as a center that spans the two campus of Olin College and Babson College. SCOLE’s purpose is to support the activities of the Sloan Consortium, a consortium of higher-education providers sharing the common bonds of understanding, supporting and delivering education via asynchronous learning networks (ALNs). With the mission of providing learning to anyone anywhere, SCOLE seeks to provide new levels of learning capability to people seeking higher and continuing education. For more information about SCOLE, visit www.sloan-c.org.

For more information about Olin and Babson Colleges, visit www.olin.edu and www.babson.edu.

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INTRODUCTION

Entering the Mainstream: The Quality and Extent of Online Education in the United States, 2003 and 2004 represents the second annual study of the state of online education in U.S. Higher Education. This year's study, like last year's, is aimed at answering some of the fundamental questions about the nature and extent of online education. Supported by the Alfred P. Sloan Foundation and based on responses from over 1,100 colleges and universities, this year's study addresses the following key questions:

WILL ONLINE ENROLLMENTS CONTINUE THEIR RAPID GROWTH?

Background: Last year's study, Sizing the Opportunity: The Quality and Extent of Online Education in the United States, 2002 and 2003 found that over 1.6 million students were studying online in the fall of 2002, and that schools expected that number to grow substantially by the fall of 2003. The nearly 20% growth rate expected in online enrollments far exceeds the overall rate of growth for the entire higher education student population. Would this very optimistic projection be realized, or would schools begin to see a plateau in their online enrollments?

The evidence: The online enrollment projections have been realized, and there is no evidence that enrollments have reached a plateau. Online enrollments continue to grow at rates faster than for the overall student body, and schools expect the rate of growth to further increase:

- Over 1.9 million students were studying online in the fall of 2003.
- Schools expect the number of online students to grow to over 2.6 million by the fall of 2004.
- Schools expect online enrollment growth to accelerate — the expected average growth rate for online students for 2004 is 24.8%, up from 19.8% in 2003.
- Overall, schools were pretty accurate in predicting enrollment growth — last year's predicted online enrollment for 2003 was 1,920,734; this year's number from the survey is 1,971,397.

ARE STUDENTS AS SATISFIED WITH ONLINE COURSES AS THEY ARE WITH FACE-TO-FACE INSTRUCTION?

Background: Schools face the “if you build it will they come?” question: If they offer online courses and students are not satisfied with them, they will not enroll. Do academic leaders, those responsible for the institutions meeting their enrollment goals, believe that students are as satisfied with their online offerings as with their face-to-face instruction?

The evidence: Schools that offer online courses believe that their online students are at least as satisfied as those taking their face-to-face offerings:

- 40.7% of schools offering online courses agree that “students are at least as satisfied” with their online courses, 56.2% are neutral and only 3.1% disagree.
- Medium and large schools strongly agree (with less than 3% disagreeing).
- The smallest schools (under 1,500 enrollments) are the least positive, but even they have only 5.4% disagreeing compared to 32.9% agreeing.
- Doctoral/Research, Masters, and Associates schools are very positive, Specialized and Baccalaureate schools only slightly less so.

WHAT ROLE DO SCHOOLS SEE ONLINE LEARNING PLAYING IN THEIR LONG TERM STRATEGY?

Background: In order for online learning to enter the mainstream of American higher education, schools must believe in its importance and be willing to embrace it as part of their long-term institutional strategies. Will online learning be seen as a niche among higher education, or will schools see it as an important component of their future evolution?

The evidence: Schools believe that online learning is critical to their long term strategy. We asked if “Online education is critical to the long-term strategy” of the school. Every group with the exception of Baccalaureate schools agrees with this statement. Public and large schools were extremely strong in their opinions (only 3% disagreeing):

- The majority of all schools (53.6%) agree that online education is critical to their long-term strategy.

- Among public and private for-profit institutions almost two-thirds (over 65% in both cases) agree.
- The larger the institution, the more likely it believes that online education is critical.
- Doctoral/Research, Masters, and Associates schools are very positive, Specialized schools slightly less positive, and Baccalaureate schools slightly negative.

WHAT ABOUT THE QUALITY OF ONLINE OFFERINGS, DO SCHOOLS CONTINUE TO BELIEVE THAT IT MEASURES UP?

Background: One of the earliest perceptions about online learning was that it was of lower quality than face-to-face instruction. The evidence from last year's study showed academic leaders did not agree with this assessment. When asked to compare learning outcomes in online courses with those for face-to-face instruction, academic leaders put the two on very close terms, and expected the online offerings to continue to get better relative to the face-to-face option. Given the continued growth in the number of students online and the pressure that this growth brings in maintaining quality, do academic leaders still believe in the quality of online offerings?

The evidence: Schools continue to believe that online learning is just as good as being there:

- A majority of academic leaders believe that online learning quality is already equal to or superior to face-to-face instruction.
- Three quarters of academic leaders at public colleges and universities believe that online learning quality is equal to or superior to face-to-face instruction.
- The larger the school, the more positive the view of the relative quality of online learning compared to face-to-face instruction.
- Three quarters of all academic leaders believe that online learning quality will be equal to or superior to face-to-face instruction in three years.

WHAT IS ONLINE LEARNING?

In order to measure the extent of online learning, standard definitions were developed and applied in this and last year's survey. An online course is defined as having at least 80% of the course content delivered online. Blended education courses are defined as having between 30% and 80% of the course content delivered online. The survey asked respondents for information on both online and blended education. While there is a great deal of diversity among course delivery methods that individual instructors use, the following is presented to show the prototypical course description that met the course classifications used in this study.

Proportion of Content Delivered Online	Type of Course	Typical Description
0%	Traditional	Course with no online technology used — content is delivered in writing or orally.
1 to 29%	Web Facilitated	Course which uses web-based technology to facilitate what is essentially a face-to-face course. Uses a course management system (CMS) or web pages to post the syllabus and assignments, for example.
30 to 79%	Blended/Hybrid	Course that blends online and face-to-face delivery. Substantial proportion of the content is delivered online, typically uses online discussions, typically has some face-to-face meetings
80+%	Online	A course where most or all of the content is delivered online. Typically has no face-to-face meetings.

DETAILED SURVEY FINDINGS

Growth of Online Enrollments

Online Enrollments Growing at an Increasing Rate

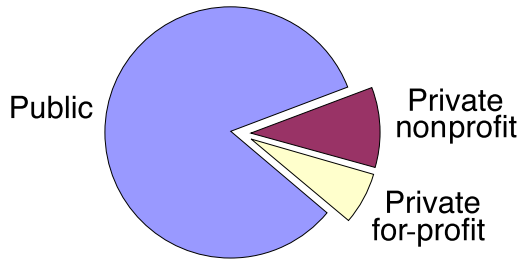
Can the rapid increase in online enrollments for the last several years continue, or will schools begin to reach a plateau? Our previous study, *Sizing the Opportunity: The Quality and Extent of Online Education in the United States, 2002 and 2003* reported that over 1.6 million students were studying online in the fall of 2002, and that schools expected that number to grow substantially by the fall of 2003 to 1.9 million students. The nearly 20% expected growth rate in online enrollments far exceeds the overall rate of growth for the entire higher education student population.

Results from the schools surveyed in 2004 show that online enrollments continue to grow, and at a faster rate than even the schools themselves had predicted. The total number of students taking at least one online course in the fall of 2003 grew to 1,971,397 from 1.6 million the previous year (for a year-to-year growth rate of 22.9%) This exceeded what the schools had predicted a year ago (1,920,734, or a 19.8% growth rate). The school's predicted growth rate for Fall 2003 to Fall 2004 is even higher at 24.8%, for an expected total of over 2.6 million students learning online. Schools do not believe that enrollments have reached a plateau, and the rate of growth continues to increase. Combining information from both surveys:

NUMBER OF STUDENTS TAKING AT LEAST ONE ONLINE COURSE

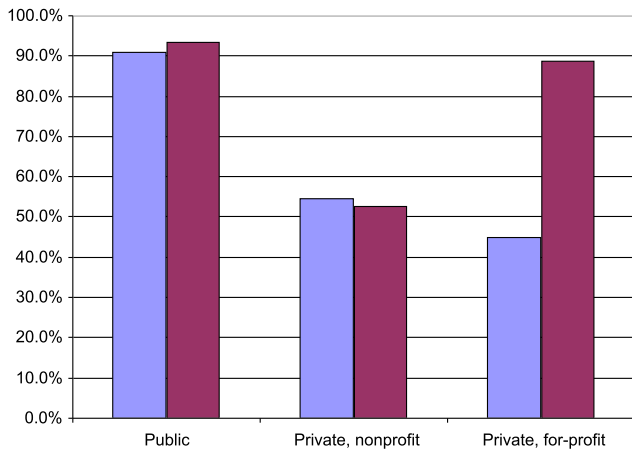
Time Period	Number of Students
Reported for Fall 2002:	1,602,970
Predicted Spring 2003 for Fall 2003:	1,920,734
Reported for Fall 2003:	1,971,397
Predicted Spring 2004 for Fall 2004:	2,634,189

NUMBER OF ONLINE STUDENTS FALL 2003



The number and growth of students enrolled in at least one online course continues to be concentrated among public institutions. This sector had 82.9% of all online students for Fall 2003. The number of online students at public institutions during the Fall 2003 term (1,634,770) exceeds the total number at all institutions the preceding year (1,602,970). Private, nonprofit institutions account for only 200,000 online students, while Private, for-profit institutions represent only about two-thirds as many students as the nonprofits.

OFFER ONLINE COURSES



Virtually all public institutions offer online courses, at a rate that has remained constant at around 90% over the two survey years. The largest growth in the offering of online courses is among the Private, for-profit institutions. Although the numbers of schools in this sector, and the number responding to the survey, are small, this is a significant increase from last year's survey. The percentage of Private, for-profit schools offering at least one online course increased from 44.9% in last year's study to 88.6% this year. There was a very small, non-significant drop in the percent of Private, nonprofit schools offering online courses (54.5% to 52.6%).

Associates Degree Granting Institutions Have the Most Online Students

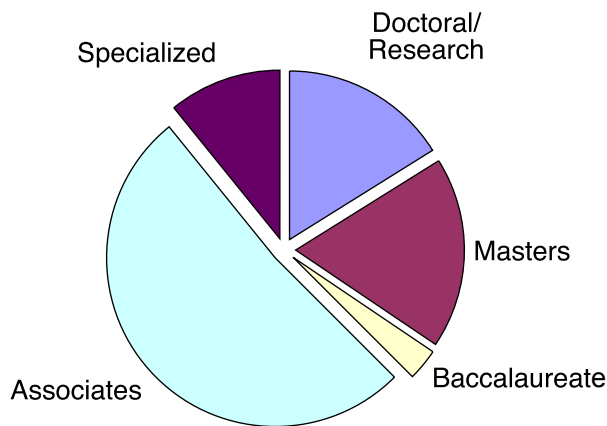
STUDENTS ONLINE FALL 2003

Enrollment Size	Total
Under 1500	88,448
1500 to 2999	150,716
3000 to 7499	439,420
7500 to 14999	344,114
15000+	464,335

The distribution of students taking online courses is strongly related to the size of the school. The smallest institutions, not surprisingly, have the smallest numbers of online students, with schools with total enrollments under 3,000 having the lowest number of their students enrolled in online course. The control of the institution (public or private) and the size of the institution are related. Public institutions are in the lead among those offering online courses, and on average, the public institutions are larger than the private institutions. Thus, the smaller enrollments represented by the smaller schools is due to both their smaller total student populations and to their lower rates of offering online options to their students.

represented by the smaller schools is due to both their smaller total student populations and to their lower rates of offering online options to their students.

ONLINE STUDENTS FALL 2003 ENROLLMENT



By type of institution, the Associates degree granting institutions have the largest number of students taking at least one online course, representing about half of all the students studying online. Associates schools are followed, in order, by Masters, Doctoral/Research, Specialized, and Baccalaureate institutions with the smallest number. Specialized institutions have the second smallest online enrollment, smaller than all but the Baccalaureate institutions, but they have the largest growth in students taking online courses.

All Schools Expect Growth in Online Enrollments

Among schools with online offerings, nearly three-quarters (74.8%) expect their online enrollment to grow between Fall 2003 and Fall 2004. Only 1.2% of all schools expect a year-to-year decrease in their online enrollments. The Private, for-profit sector is uniform in predicting a growth in online enrollment with 100% of schools with online offerings expecting their enrollments to grow. Only 62% of Private, nonprofit institutions are predicting an increase compared to 81% of Public institutions. With the exception of the Private, for-profit schools, there are little changes in these expectations compared to last year's report. The distribution across Carnegie Class shows strong increases predicted by all classes of schools with Associates institutions leading the way. It appears that among schools that have online offerings, the expectation for further enrollment growth is universal. This is true even among those classes of institutions where a minority of the institutions offer online courses (such as Baccalaureate institutions); if they offer online courses, they have the same growth expectations as all other institutions with online offerings.

EXPECTED CHANGE IN ONLINE ENROLLMENT FALL 2003 TO FALL 2004

	Doctoral/ Research	Masters	Baccalau- reate	Associates	Specialized
Grow	71.9%	71.5%	59.1%	86.0%	60.1%
Same	26.6%	28.5%	39.0%	13.0%	36.5%
Decrease	1.5%	0.0%	2.0%	1.0%	3.4%

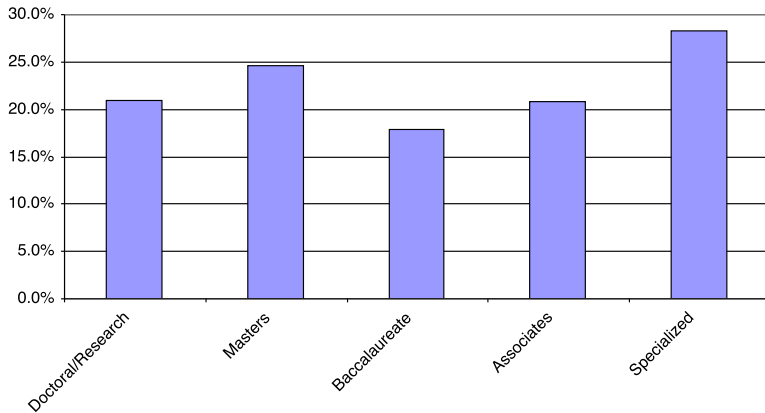
EXPECTED GROWTH IN ONLINE ENROLLMENT FALL 2003 TO FALL 2004

Enrollment Size	Mean Percent Increase
Under 1500	41.6%
1500 to 2999	16.3%
3000 to 7499	22.1%
7500 to 14999	14.7%
15000+	16.4%

The percent growth in online enrollment for Private, for-profit institutions (42.8%) is double the growth rate expected at Public institutions (20.3%) and nearly double the rate expected in Private, nonprofit schools (24%). The expected rate of growth differs with the size of the school; the smallest schools are expecting the largest percentage increases. Although public institutions are expecting the smallest percentage increase, this still translates to a large increase in the total number of online students, since these institutions represent over 80% of all online students.

The larger expected growth rates for the Privates (both for-profit and nonprofit) indicate that they may be closing the enrollment gap to the Public schools a bit, the Private for-profit sector much faster than the Private, nonprofit schools.

EXPECTED GROWTH IN ONLINE ENROLLMENT FALL 2003 TO FALL 2004



When examined by type of schools (Carnegie Class), all groups show a large predicted rate of online enrollments. The Baccalaureate institutions show the smallest expected rate of online enrollment growth, similar to last year's report.

STUDENT SATISFACTION WITH ONLINE COURSES

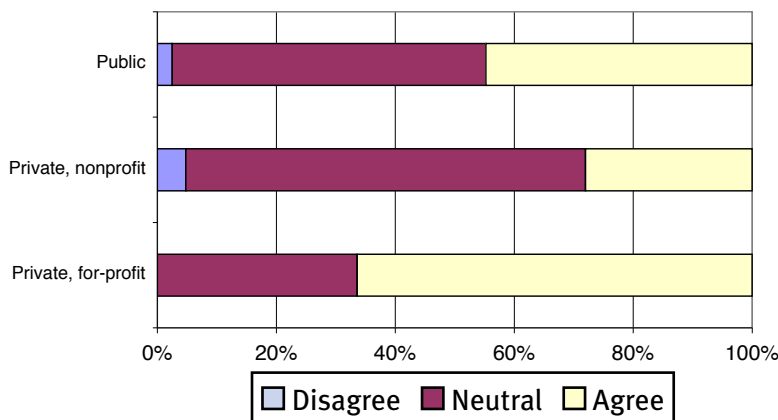
Schools that offer online courses are faced with the “if you build it will they come?” question: If their students are not satisfied with the online courses that they offer, they will not continue to enroll. Those academic leaders responsible for meeting their institution’s enrollment goals must be concerned with the level of satisfaction that their students have with their online courses, compared to their face-to-face offerings. The results of our survey show that there is wide agreement among academic leaders at schools with online offerings that online students are at least as satisfied as those taking face-to-face classes.

General Agreement in Student Satisfaction Across All Institutions

Overall, Chief Academic Officers across all institutions agree that students are at least as satisfied with online courses as with their face-to-face courses. Academic leaders at over forty percent (40.7%) of schools with online offerings agreed or strongly agreed with the statement that students are at least as satisfied with online courses as they are with face-to-face offerings. Only three percent of all schools with online offerings disagree with the statement, with the remaining portion (56.2%) neutral.

Private, Nonprofits have Lowest Level of Agreement on Satisfaction

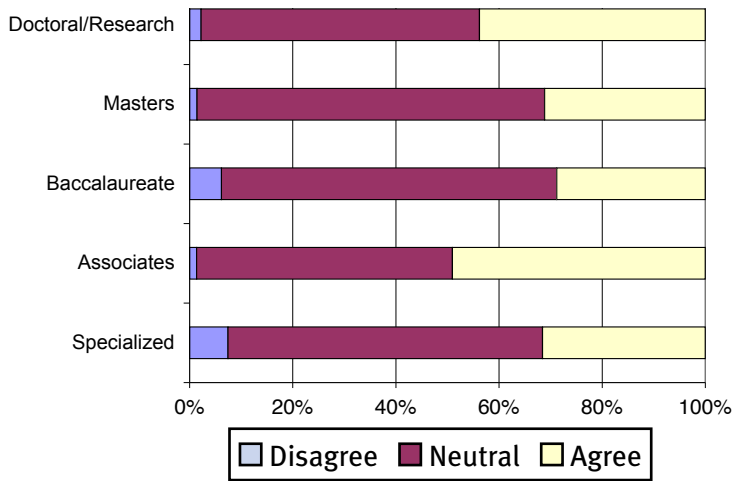
STUDENTS ARE AT LEAST AS SATISFIED WITH AN ONLINE COURSE



While academic leaders at most schools offering online courses agree that students are at least as satisfied with online, those at Private, nonprofit institutions are the least positive. Only 28.0% of Private, nonprofit institutions agree with the statement, 67.2% were neutral and only 4.7% disagreed. Among Private, for-profit institutions the situation is different; none of the surveyed schools with online offerings disagreed, and nearly two-thirds agreed (66.4%).

Associates Institutions Have Most Positive View of Online Student Satisfaction

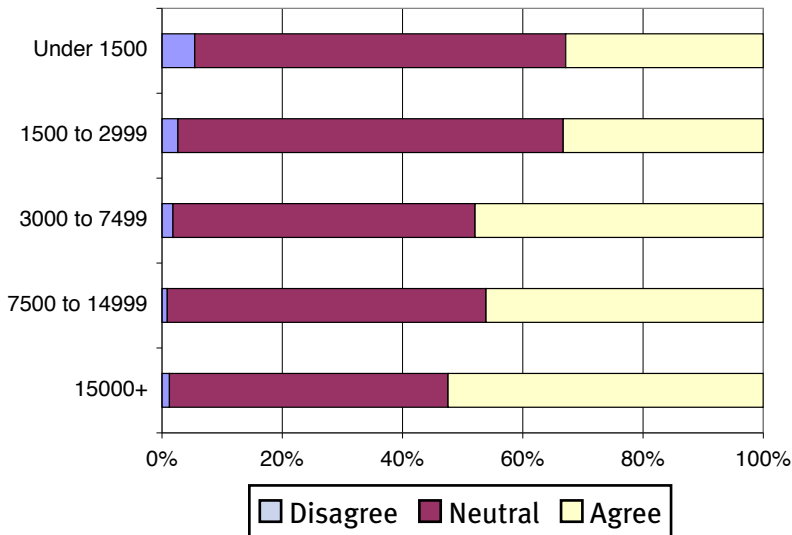
STUDENTS ARE AT LEAST AS SATISFIED WITH AN ONLINE COURSE



Examining the level of agreement with the statement on student satisfaction with online courses by Carnegie Class and size of school indicate that the strongest levels of agreement are among the largest schools and the Associates degree granting institutions. Baccalaureate institutions take the least positive view that students are equally satisfied with online and face-to-face courses. This is also the group with the least experience in online courses and the lowest expectations of increased numbers of online students in the future.

Level of Agreement Increases with Size of School

STUDENTS ARE AT LEAST AS SATISFIED WITH AN ONLINE COURSE



Increased agreement that there is no difference in student satisfaction increases with the size of the school. This is interesting because, as reported above, it is the smallest schools that are predicting the largest percent increase in online enrollments. This suggests that there may be a dichotomy among small schools. On the one hand, Specialized and Private, for-profit schools represent a small number of these institutions but expect large online enrollment increases. This is counterbalanced by the small Baccalaureate institutions that have a less positive view toward online learning, and, therefore, give lower student satisfaction rankings.

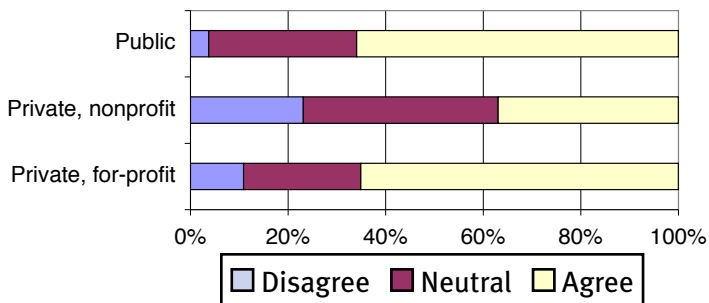
ONLINE LEARNING AS A LONG TERM STRATEGY

For online learning to enter the mainstream of American higher education, schools must believe in its importance and be willing to embrace it as part of their long-term institutional strategies. If schools do not build online learning into their future plans, it will continue to be seen as a niche among higher education.

The evidence is that most schools do believe in the importance of online learning. Academic leaders rated their level of agreement using a seven point scale ranging from strong disagreement (“1”), through neutral (“4”) and up to strong agreement (“7”). Over one-half (52.6%) of all schools surveyed selected one of the top two ratings (“6” or “7”) and believe that online education is critical to their institution’s long term strategy, a response that is virtually the same as last year’s (51.1%). A bit over a third of the schools (35.1% in 2004 and 36.7% in 2003) are neutral (a rating of “3”, “4”, or “5”), with only a small fraction disagreeing (12.3% in 2004 and 12.2% in 2003 giving a rating of “1” or “2”).

A Key Strategy for Public and Private, For-Profit Institutions

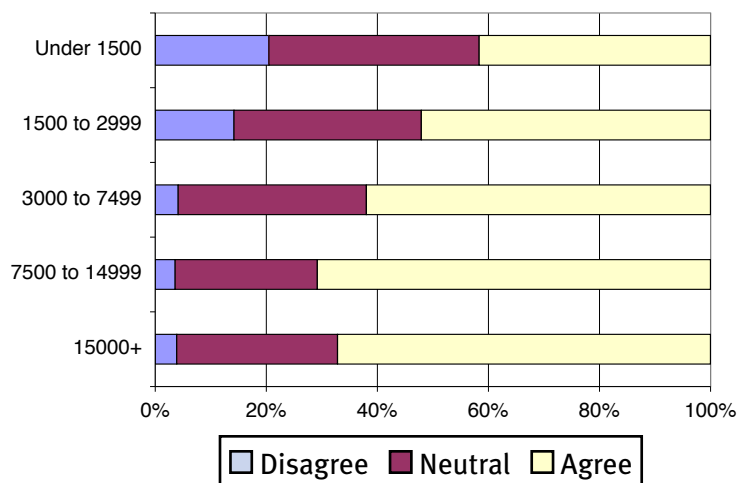
ONLINE EDUCATION IS CRITICAL TO LONG-TERM STRATEGY



Virtually all Public institutions (96.2%) and 89.1% of Private, for-profit institutions agree or are neutral to the statement that online learning is critical to the long-term strategy of their institution. Over three-quarters, 76.9%, of Private, nonprofit institutions agree or are neutral.

Strength of Agreement Increases with Size of School

ONLINE EDUCATION IS CRITICAL TO LONG-TERM STRATEGY



Chief Academic Officers at larger schools are more likely to agree that online education is critical to long-term strategy and schools with less than 3,000 students enrolled are less likely to call this a key strategy. Over 60% of academic leaders from schools with over 3,000 students agree with this statement, and virtually none disagree. The results are different for smaller schools, however, where the percentage agreeing is somewhat lower, and the percentage disagreeing is considerably larger (15% to 20% compared to less than 5% for the larger schools).

Greater Agreement that Online Education is a Key Strategy in 2004

More dramatic is the difference in levels of agreement among institutions by Carnegie Class. Here only a quarter (25.8%) the Baccalaureate degree granting institutions agree that this is key to their long-term strategy while half (48.7%) of the Specialized institutions agree that this is key to their long-term strategy, and 56.2%, 48.9%, and 67.1% of the Doctoral/Research, Masters, and Associates institutions agree that this is key to their long-term strategy. This mirrors the findings from last year's survey, where Baccalaureate institutions were the only Carnegie Class to not include online education as critical to their long-term strategy. Note that there is very little disagreement in all Carnegie Classes except Baccalaureate, where over one-third of this year's respondents did not agree that online education is critical to their institution's long-term strategy.

ONLINE EDUCATION IS CRITICAL TO LONG-TERM STRATEGY: 2003 AND 2004

	Doctoral/Research		Masters		Baccalaureate		Associates		Specialized	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
Agree	53.4%	56.2%	46.4%	48.9%	30.1%	25.8%	67.8%	67.1%	39.7%	48.7%
Neutral	39.9%	34.1%	45.9%	44.5%	41.6%	38.4%	25.8%	26.9%	44.1%	35.4%
Disagree	6.7%	9.7%	7.6%	6.6%	28.4%	35.7%	6.4%	6.0%	16.2%	15.9%

MEASURING THE QUALITY OF ONLINE LEARNING

One of the earliest perceptions about online learning was that it was of lower quality than face-to-face instruction. The evidence from last year’s study showed academic leaders did not agree with this assessment. When asked to compare learning outcomes in online courses with those for face-to-face instruction, academic leaders put the two on very close terms, and expected the online offerings to continue to get better relative to the face-to-face option. It is hard to maintain quality with rapidly growing enrollments; do academic leaders still believe in the quality of online offerings, given the continued growth in the number of students online? Results from this year’s survey show that academic leaders continue to believe in the quality of their online offerings.

A Majority Rate Online Learning Outcomes Equivalent to Face-to-Face Learning

LEARNING OUTCOMES IN ONLINE EDUCATION ARE CURRENTLY

	Public		Private, nonprofit		Private, for-profit	
	2003	2004	2003	2004	2003	2004
Superior	17.4%	13.4%	7.0%	8.3%	12.0%	4.3%
Same	57.6%	62.0%	32.8%	35.5%	39.6%	78.3%
Inferior	24.9%	24.5%	60.3%	56.2%	48.5%	17.3%

Over 50% of respondents rated online learning outcomes as equivalent to or better than their face-to-face counterparts. However, this majority, when examined by control of institution, shows Private, nonprofit institutions rate online learning outcomes as inferior or equivalent while Public and Private, for-profit institutions rate online learning outcomes as equivalent or superior. This finding has not changed from last year’s report. The greatest change has been in the Private, for-profit institutions where significantly more Chief Academic Officers believe learning outcomes are now equivalent in online and face-to-face courses (78.3% in 2003 vs. 39.6% in 2002).

Larger Institutions More Likely to Find Online Learning Outcomes Superior

Only the smallest institutions find online learning outcomes inferior to face-to-face learning outcomes with at least 60% of the Chief Academic Officers at the larger institutions (at least 3000 students) rating the learning outcomes at least equivalent to face-to-face. As institution size increases, the number believing online outcomes are Superior to face-to-face learning outcomes also increases.

LEARNING OUTCOMES IN ONLINE EDUCATION ARE CURRENTLY

	Enrollment Size				
	Under 1500	1500 to 2999	3000 to 7499	7500 to 14999	15000+
Superior	8.9%	7.7%	11.1%	15.4%	19.3%
Same	36.2%	50.7%	59.5%	61.9%	59.4%
Inferior	54.8%	42.6%	29.3%	22.6%	21.3%

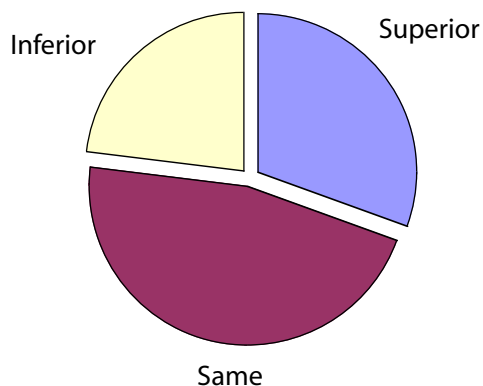
Doctoral/Research Institutions Most Positive on Learning Outcomes

CARNEGIE CLASSIFICATION

	Doctoral/Research	Masters	Baccalaureate	Associates	Specialized
Superior	12.6%	11.4%	6.8%	12.0%	10.0%
Same	60.0%	51.9%	28.4%	63.2%	40.0%
Inferior	27.4%	36.7%	64.8%	24.8%	50.0%

As expected, when Carnegie Class is examined, Baccalaureate institutions hold the strongest belief that online learning outcomes are not the same or superior to face-to-face learning outcomes. However, Specialized institutions also include a large percentage (50%) of Chief Academic Officers stating that online learning outcomes are inferior to face-to-face outcomes. Doctoral/Research and Associates institutions are the most positive in rating the learning outcomes of online education as the same (60.0% and 63.2%) or superior (12.6% and 12.0%) to face-to-face outcomes.

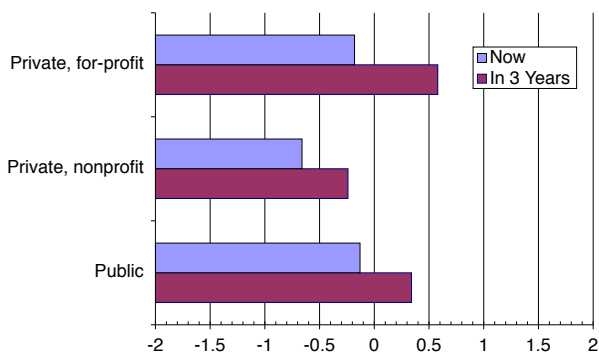
**LEARNING OUTCOMES ONLINE
EDUCATION IN 3 YEARS**



Less than one quarter (23%) of the respondents at all schools surveyed expect online learning to be inferior to face-to-face learning in three years. Considerable variation remains by institutional type: 20.9% of leaders at Private, nonprofit schools expect that face-to-face learning will be superior, as compared to 37.5% of leaders at Public sector institutions, and 58% at Private, for-profit institutions. The percentage of leaders at Private schools expecting online learning to be superior to face-to-face learning in three years almost triples relative to the present—from 8.3% in Fall, 2003 to 20.9% in Fall, 2006 in the nonprofit sector and increases almost five-fold—from 12% in Fall, 2002 to 58% in Fall, 2006 for the for-profit sector. This is consistent with the current and three-year projections from last year’s survey.

To examine this perception of online learning outcomes in more depth, the five-point response scale was converted to a numeric scale ranging from -2 (“Inferior”) to +2 (“Superior”), with zero equivalent to ranking learning outcomes in online and face-to-face courses as (“The Same”). Means were calculated for each group within the study and the mean values for ranking online learning outcomes now and in three years were examined and compared. Values greater than zero indicate that the Chief Academic Officers rated, on average, learning outcomes for online as superior to those for face-to-face, and correspondingly, a value below zero (negative) indicates that the online outcomes were viewed as being inferior to face-to-face learning outcomes.

LEARNING OUTCOMES



Every group, even Public institutions where over 90% are offering online courses, rate the current learning outcomes of online courses, on average, as slightly inferior to those of face-to-face instruction. However, given the amount of discussion about perceived lower quality of online offerings, these results are not as negative as might have been expected. The values reported indicate that the average rating was between “The Same” and “Somewhat Inferior”, with Public institutions and Private, for-profit institutions very close to “The Same.” Private, for-profit institutions were halfway between “The Same” and the “Somewhat Inferior” point. This year’s findings are very similar to the results from last year’s study.

When the question is posed for three years in the future, two of the groups (Public and Private, for-profit) move to a positive value, indicating that, on average, they view the learning outcomes for online as at least equal to if

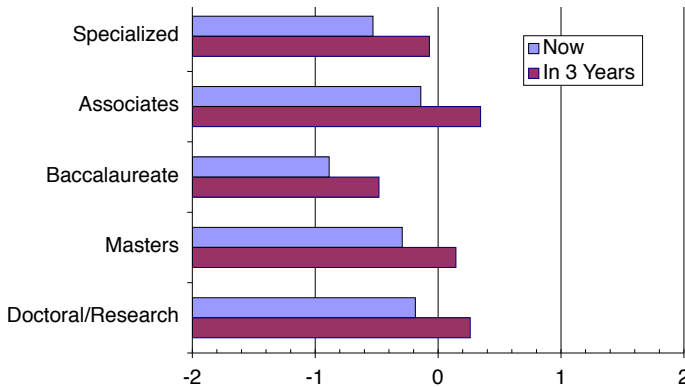
not superior to those for face-to-face instruction. Private, nonprofit institutions also believe that the relative learning outcomes for online courses will improve, but they do not reach the point where they feel them to be superior to face-to-face. These findings mirror last year's survey but indicate a slight improvement in mean values for this year and predicted in three years.

When examined by Carnegie Class, three groups (Associates, Masters and Doctoral/Research institutions) all hold a slightly positive view of future online learning outcomes compared to face-to-face instruction. As expected from the earlier results, Baccalaureate institutions are the least likely to rank online learning outcomes as equal to or superior to face-to-face education currently (64.8% finding current online education offerings inferior or somewhat inferior to

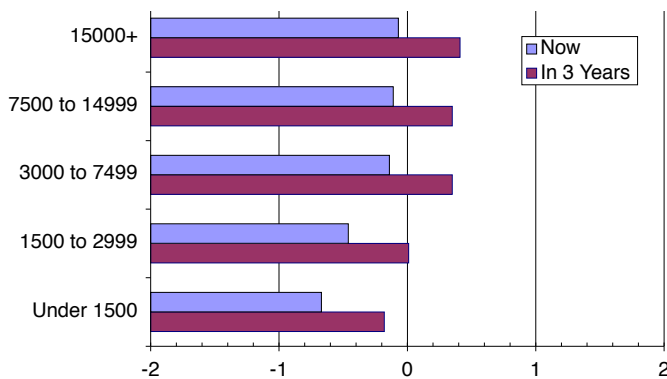
face-to-face). However, within three years these same institutions believe that the quality of online learning will improve and only 51.5% still believe it to be inferior or somewhat inferior to face-to-face learning. Among Baccalaureate institutions, 6.8% believe online learning to already be superior or somewhat superior to face-to-face education and 17.9% believe this will be true within three years. This is virtually unchanged from our previous survey. The only other group that does not expect online learning outcomes to be superior within three years are Specialized institutions. Half (50%) of academic leaders at schools offering Specialized

degrees hold the opinion that learning outcomes for online learning are currently inferior to face-to-face instruction. When asked about the comparison in three years, the percentage drops to 33%. Notable, however, are that institutions in every Carnegie Class expect the learning outcomes for online courses to improve over the three-year period.

LEARNING OUTCOMES



LEARNING OUTCOMES



There is a strong relationship between institutional size and its ranking of online learning outcomes: The larger the institution, the more favorable a response to online learning. This pattern also holds true with rankings of learning outcomes in three years, where larger institutions are also more likely to rate the learning outcomes for online courses as superior to those for face-to-face instruction. As with other institutional groupings, institutions of all sizes expect about the same degree of improvement in online learning

outcomes over the next three years with only the smallest schools not predicting that quality will be at least equal between online and face-to-face offerings, a result that matches what we saw in last year's survey.

ONLINE EDUCATION IN 2004: A SUMMARY OF THE FINDINGS

- There is no evidence of a plateau in online enrollments.
- The growth rate for online enrollment continues to increase; schools are predicting almost a 25% growth in students taking at least one online course for 2004.
- The predicted Fall 2003 online enrollments of 1.9 million students from last year's study was quite accurate.
- Schools exceeded their predicted enrollment growth (19.8% predicted vs. 22.9% actual increase in enrollments).
- For-profit institutions continue to expect the largest growth in their online learning component, faster than any other institutions of higher education, expecting growth rates greater than 40%.
- Baccalaureate institutions see the lowest value in online education with only a quarter saying it is important to their long-term strategy.
- A large majority of all institutions agree that students are as satisfied with online courses as they are with face-to-face offerings.
- Online learning outcomes continue to be judged to be equivalent or superior to face-to-face instruction at most institutions.

SURVEY SUPPORT AND METHODOLOGY

The Sloan Survey of Online Learning was supported by a grant from the Alfred P. Sloan Foundation with the collaboration of the Sloan Consortium and the Sloan Center for OnLine Education (SCOLE) co-located at Babson College and Franklin W. Olin College of Engineering.

An e-mail with a link to a web-based survey form was sent to Chief Academic Officers at degree granting institutions of higher education in the United States. In cases where the Chief Academic Officer was responsible for more than one campus, the survey was sent to the primary campus only. If there was no designated Academic Officer, the survey was sent to the President of the institution. In some cases, the survey team was notified by the recipient of another, more appropriate, recipient and the survey was forwarded to this individual. The recipient's e-mail address was linked by IPEDS ID number in order to merge all IPEDS information about a school to the survey response. Of 3,068 surveys sent, 1,170 responses were received, representing a 38.1% response rate. The response rate among regionally-accredited schools was 43.0%.

All institutional descriptive data for the analysis come from IPEDS, described on their web site as:

“The Integrated Postsecondary Education Data System (IPEDS), established as the core postsecondary education data collection program for the National Center for Education Statistics, is a system of surveys designed to collect data from all primary providers of postsecondary education. IPEDS is a single, comprehensive system designed to encompass all institutions and educational organizations whose primary purpose is to provide postsecondary education. The IPEDS system is built around a series of interrelated surveys to collect institution-level data in such areas as enrollments, program completions, faculty, staff, and finances.”

See <http://nces.ed.gov/ipeds/> for more information.

After the data were compiled from the surveys and linked to the IPEDS database, the responders and nonresponders were compared to create weights, if necessary, to ensure that the survey results reflected the characteristics of the entire population of schools. The variables used for producing probability weights included size of the institution, public/private, non-profit/for-profit, and Carnegie Class of school (Doctoral/Research, Masters, Baccalaureate, Associates, and Specialized). These weights provided a small adjustment to the results allowing for inferences to be made about the entire population of primary campuses for all active United States postsecondary degree granting institutions that are open to the public.

APPENDIX

OFFERINGS

PUBLIC **PRIVATE, NONPROFIT** **PRIVATE, FOR-PROFIT** **TOTAL**

NUMBER OF STUDENTS ENROLLED IN AT LEAST ONE ONLINE COURSE - FALL 2003:

	1,634,770	207,121	129,505	1,971,397
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ESTIMATED FALL 2004 - NUMBER OF STUDENTS ENROLLED IN AT LEAST ONE ONLINE COURSE:

	2,222,419	240,616	171,154	2,634,189
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GROWTH EXPECTATIONS

PUBLIC **PRIVATE, NONPROFIT** **PRIVATE, FOR-PROFIT** **TOTAL**

ESTIMATED CHANGE IN STUDENT ENROLLMENT IN ONLINE COURSES FALL 2003 TO FALL 2004:

Grow	80.8%	61.5%	100.0%	74.7%
Stay the Same	18.8%	35.8%	0.0%	24.1%
Decrease	0.5%	2.7%	0.0%	1.2%

OPINIONS

PUBLIC **PRIVATE, NONPROFIT** **PRIVATE, FOR-PROFIT** **TOTAL**

ONLINE EDUCATION IS CRITICAL TO LONG-TERM STRATEGY:

Strongly Agree: 7	41.3%	20.1%	55.7%	32.1%
6	22.8%	17.2%	32.9%	20.5%
5	20.9%	18.1%	7.1%	19.3%
Neutral: 4	7.1%	11.60%	4.3%	9.1%
3	4.4%	9.7%	0.0%	6.7%
2	2.2%	8.8%	0.0%	5.1%
Strongly Disagree: 1	1.3%	14.5%	0.0%	7.2%

OPINIONS

PUBLIC **PRIVATE, NONPROFIT** **PRIVATE, FOR-PROFIT** **TOTAL**

STUDENTS ARE AT LEAST AS SATISFIED WITH AN ONLINE COURSE:

Strongly Agree: 7	16.1%	7.2%	18.1%	13.4%
6	28.6%	20.8%	48.0%	27.2%
5	31.8%	30.5%	27.6%	31.2%
Neutral: 4	14.0%	21.6%	2.4%	15.7%
3	6.9%	15.1%	3.9%	9.3%
2	2.2%	3.6%	0.0%	2.5%
Strongly Disagree: 1	0.3%	1.2%	0.0%	0.6%

COMPARING LEARNING OUTCOMES

PUBLIC **PRIVATE, NONPROFIT** **PRIVATE, FOR-PROFIT** **TOTAL**

COMPARED TO FACE-TO-FACE, LEARNING OUTCOMES IN ONLINE EDUCATION ARE CURRENTLY:

Superior	0.7%	1.3%	0.0%	1.0%
Somewhat Superior	12.7%	7.0%	4.3%	10.0%
The Same	62.0%	35.5%	78.3%	50.6%
Somewhat Inferior	22.0%	36.8%	13.0%	28.4%
Inferior	2.5%	19.4%	4.3%	10.1%

COMPARED TO FACE-TO-FACE, LEARNING OUTCOMES IN ONLINE EDUCATION IN THREE YEARS WILL BE:

Superior	7.0%	6.0%	8.7%	6.6%
Somewhat Superior	30.5%	14.9%	49.3%	23.9%
The Same	52.8%	39.5%	37.7%	46.4%
Somewhat Inferior	8.8%	27.8%	0.0%	17.1%
Inferior	1.0%	11.8%	4.3%	5.9%

Entering the Mainstream: *The Quality and Extent of Online Education in the United States, 2003 and 2004* represents the second annual study of the state of online education in U.S. Higher Education. Supported by the Alfred P. Sloan Foundation, this year's study, like last year's, is aimed at answering some of the fundamental questions about the nature and extent of online education:

- Will online enrollments continue their rapid growth?
- Are students as satisfied with online courses as they are with face-to-face instruction?
- What role do schools see online learning playing in their long-term strategy?
- What about the quality of online offerings — do schools continue to believe that it measures up?

The survey analysis is based on a comprehensive nationwide sample of primary campuses for all active United States postsecondary degree granting institutions that are open to the public.



The Sloan Consortium
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