

## *Money & Management*

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### **On the Fast Track**

#### **After years of declining enrollment, Northeastern U.'s continuing-education division is rejuvenated with market research and faculty involvement**

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When Christopher E. Hopey interviewed for the top job at Northeastern University's continuing-education division, in early 2003, he was blunt. Instead of looking for a new vice president, he told the search committee, it should probably consider closing the adult programs altogether.

"That's the decision I would have made as president," says Mr. Hopey, who was, at the time, a vice dean at the University of Pennsylvania's Graduate School of Education.

It was a rough period for Northeastern's continuing-education division, known then as University College. Enrollment in the program, which was founded in 1960 with 4,000 students, peaked at 14,000 in 1980 before falling to half that by the late 1990s. While the division continued to generate revenue, its curriculum — which focused almost exclusively on adults returning for their undergraduate degrees — was stagnant, and as a result, so were its prospects for growth.

"The division was stuck in its paradigm," says Northeastern's president, Richard M. Freeland. "It was not entrepreneurial at all. At a time when the world was changing rapidly, it would take us years just to start a new program."

Mr. Hopey got the job and immediately pushed forward with a plan to overhaul University College. Its name was changed to the School of Professional and Continuing Studies in 2004, and its emphasis was shifted from undergraduates to graduate and certificate programs aimed at working professionals.

It added 46 degree, certificate, and noncredit programs in two years, including those in high-demand areas like informatics and medical-device regulation, and it slashed 34 programs that were languishing.

The result: Enrollment has climbed nearly 20 percent since Mr. Hopey arrived. And tuition revenue has jumped 21 percent.

Northeastern's renaissance comes at a time when adult education is booming nationwide. Nearly half of Americans over 25 take part in some form of continuing education, with nearly two-thirds of them enrolled in work-related courses. The competition for those students is intensifying, with for-profit colleges and distance-education providers going after what has historically been a lucrative market for traditional colleges. That is forcing continuing-education programs to become much more flexible or risk the same precipitous enrollment decline that Northeastern experienced in the 1990s.

"As financial pressures come to bear on the parent institutions, they are looking to continuing education to contribute more cash and be more innovative," says Peter J. Stokes, executive vice president of Eduventures Inc., a research firm based here. "It's where a lot of the experimenting in higher education is happening these days."

### **Involving Faculty Members**

Long viewed as the stepchildren of the full-time day programs offered by colleges, continuing-education divisions are gaining respect on campuses because they offer the opportunity to increase enrollment at little cost, producing significant profit margins.

"It's a lot easier than raising money or depending on federal grants," says Mr. Stokes.

Many colleges refuse to release revenue figures on their adult programs because of the competitive nature of the market. But analysts say institutions with the largest continuing-education enrollments, like New York University and Boston University, bring in more than \$100-million a year in tuition. Mr. Stokes estimates that adult programs can generate profit margins of 10 percent to 50 percent because they rely on existing facilities and adjunct faculty members.

Like airlines that get the most out of planes by flying them as full as possible, continuing-education programs generate money from classrooms that would otherwise be empty and from faculty members being paid by the class. Many institutions use revenue from adult classes to subsidize other areas, like graduate-student research or undergraduate programs.

Despite the importance to the bottom line, though, full-time faculty members often dismiss adult programs as inferior to the college's regular offerings. That was one of the challenges Mr. Hopey faced when he came to Northeastern. So his first task was to get full-time faculty members more involved by creating the 13-member Academic Council for Lifelong Learning, with the majority of the members appointed by the Faculty Senate.

"It gave us advocates," says Mr. Hopey. "Now the faculty could move away from the quality issue because they would become more involved in the creation of the programs. Most continuing-ed colleges don't have faculty involvement. They borrow curriculum from the day college and bring it over."

The council's primary job is to approve new adult programs, taking on what had been the responsibility of individual departments. Centralizing the process has accelerated the approval process for new programs. It used to take as long as five or six years; now the council can approve a program in just six months.

Faculty members have a financial incentive as well: If the program thrives, a portion of the profit flows back to the department where it is housed.

"Faculty are flocking to us with new ideas and concepts," says Ahmed T. Abdelal, provost and senior vice president for academic affairs. "The psychology on campus has been changed. We used to have no ideas. Now we have hundreds."

### **Incubator of Programs**

The School of Professional and Continuing Studies acts as an incubator for those ideas. Starting a program there is a safer proposition, Northeastern administrators say, than creating one in the day college. A new undergraduate or graduate major usually requires hiring expensive, tenure-track instructors that the institution would be stuck with if the program failed.

By contrast, continuing-education programs can always be shifted to the day college if they succeed. That's what Mr. Hopey envisions will happen with the master's degree in regulatory affairs for drugs, biologics, and medical devices. Eighteen months after it was created, some 60 students are enrolled in that program, which is aimed at Boston's thriving biotechnology industry.

Like all of the adult programs created at Northeastern in the past two years, the one in regulatory affairs was in part the result of a study commissioned by the university to gauge demand in the area, one in a series of surveys that also looked at Northeastern's competition and at the institution's marketing approaches, among other things.

While many colleges build adult programs based on what a faculty member is interested in teaching or what a college down the road is offering, Mr. Hopey bases much of what he does on research. He has spent \$250,000 on surveys that have helped inform decisions on degree programs, and he pays \$25,000 a year as part of a consortium of 61 colleges that share research done on their behalf by Eduventures.

"Chris is proving that evidence-based decision making can work in higher education," says James R. Stellar, dean of Northeastern's College of Arts and Sciences. "His research gives him ideas on what we should try."

A master's degree in education, for instance, was created after research showed that it had more potential in the Boston area than did a master's in business administration. "That shocked the heck out of me," Mr. Hopey recalls.

The school also borrowed a page from the business plan of for-profit colleges by remaking its calendar with six-week and 12-week sessions to allow entry points for students throughout the year. "We act very much like a for-profit, but we're not," says Mr. Hopey. "Nonprofit doesn't mean nonbusiness."

Performing like a business for Mr. Hopey means a focus on customer service. The division redesigns its Web site every three to four months. It has outsourced its call center to Sallie Mae, which not only handles questions from students but also calls them to follow up on inquiries or remind them to register for the next class in a sequence. And it has contracted out the "coaching" of students on a pilot basis to a company called InsideTrack, which works with students to ensure that they finish their degree or certificate programs in a timely manner.

"Adult students are demanding, much more demanding than day students," says Mr. Hopey, 41, who grew up in New Hampshire and received a bachelor's degree in political science and a master's degree in public administration from Northeastern. "For day students, the classroom is only one part of the experience. For adult students, that's all they have. There's not as much room for error. You can't burn the cookies."

### **A Changing Model**

The type of adult students whom Northeastern is beginning to serve are drastically different from those who were enrolled when Mr. Hopey arrived three years ago. At that time, 90 percent of the university's continuing-education programs were geared to adults returning for their undergraduate degrees. It was a model built in the 1960s, when many workers in blue-collar Boston lacked college credentials.

But as the metropolitan area moved from a manufacturing-based economy to one built on financial services, health care, and education over the past two decades, the number of adults seeking bachelor's degrees later in life dropped. Even those who did had a much cheaper option on the University of Massachusetts campus here.

Now 60 percent of the continuing-education students at Northeastern are enrolled in undergraduate programs. The other 40 percent are split between graduate and noncredit programs, where "the money is," says Mr. Stokes, of Eduventures. Within three years, Mr. Hopey expects adult enrollment to be evenly divided among undergraduate, graduate, and noncredit students.

As the school has been made over, some faculty members have complained about the loss of longtime programs and have expressed concerns about what they see as knee-jerk responses to the latest trends in setting up new certificates and degrees.

To such criticism, Mr. Hopey responds that it is "hard for people to recognize good programs are not great programs." As he proposed eliminating degrees and certificates, often "someone would say, 'But wait, that has 50 students,' and I would say, 'Yes, but it used to have 100.'"

Colleges, he argues, fail to recognize that programs have life spans, and that over time their quality can suffer as the institution piles on more and more. Northeastern officials shelved an associate degree in radiologic technology, for example, after they agreed that offerings from community colleges in the Boston area were better. Other programs that were cut include bachelor's degrees in criminal justice and electronic commerce and certificates in accessible Web design and strategic Internet management. "A program may have a shelf life of five years," he says, "where you either have to get rid of it or change its curriculum."

Mr. Hopey is changing the adult division in other ways as well. Last fall the school started an alumni magazine for its 33,000 evening graduates, who he says were long treated as "second-class citizens." He eventually wants to tap them as part of a fund-raising campaign separate from the university's. To that end, Mr. Hopey plans to hire the division's first development officer this year. Graduates of the adult programs already have the campus's second-highest alumni giving rate — 12 percent — behind only the law school's.

Also on his agenda are proposals to create lifelong-learning programs for Northeastern's day-school alumni and to offer joint degrees with institutions overseas. He even mentions in passing that he might want to acquire another college. Whether that will ever happen is unclear, but Mr. Hopey does not plan on sitting still.

"You have to always be innovative in continuing ed," he says.

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