



# WGU™

## PREPARING TOMORROW'S WORKFORCE



# 2014 ANNUAL REPORT



## Nation's #1 Teacher Education Program

"The top program in the nation for secondary teachers is at WGU, which had nearly perfect scores across the board and whose online training is accessible to any aspiring teacher in the nation."

— National Council on Teacher Quality, Teacher Prep Review 2014



# Expanding Access to Higher Education to Meet Workforce Needs

**There are 36 million adults in the United States with some college but no degree. By 2018, more than 60% of job openings will require a college credential.**

As the pioneer in competency-based education, WGU is the only university in the country offering competency-based degree programs at scale. Online and nonprofit, WGU serves working adults who need additional education to advance their careers.

Competency-based education measures learning rather than time. Instead of studying at a pace set by an instructor, students at WGU learn at their own pace, moving quickly through material they already know so they can focus on what they still need to learn. Students access their courses and take their exams on a schedule that fits their busy lives, with constant support from WGU faculty, who work with each student individually, providing

personalized instruction, guidance, and support. This approach dramatically shortens the time to graduation—the average time to complete a bachelor's degree at WGU is less than three years at a cost of less than \$18,000.

WGU focuses on key workforce needs, offering more than 50 accredited bachelor's and master's degree programs in business, information technology, K-12 teacher education, and health professions. To ensure that students graduate with the real-world knowledge and skills needed in the workplace, WGU defines required competencies for each program in collaboration with major U.S. employers, and many WGU degrees include industry-recognized certifications.

"WGU's competency-based model is such a gem because it is a true competency-based model. If you know it, you know it. You don't have to do it again. Great for me. I enrolled in a course and as soon as I could show I was competent in it, I got credit for it. Fantastic!"

—Jeff Rahmlow  
B.S. Network Administration  
Two Rivers, WI



**#1**  
in STEM  
education

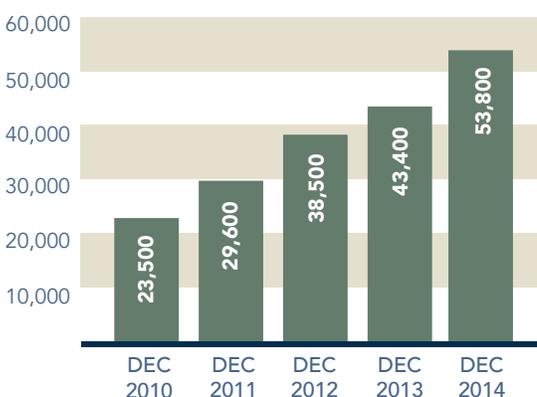
WGU is the largest educator of math and science teachers in the U.S., conferring 5% of the nation's baccalaureate and 15% of the nation's master's degrees in STEM teaching.

# Student Portrait

Enrollment by College  
(December 31, 2014)

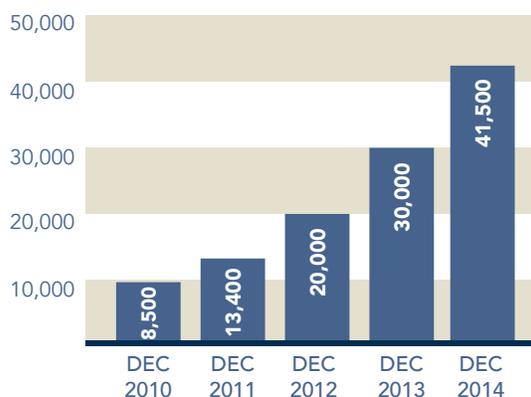
Business	20,459	38%
Teachers College	12,619	23%
Information Technology	9,411	18%
Health Professions (including Nursing)	11,364	21%
<b>TOTAL</b>	<b>53,853</b>	

## Enrollment Growth



**23% compound five-year annual growth in enrollment**

## Growth in Cumulative Graduates



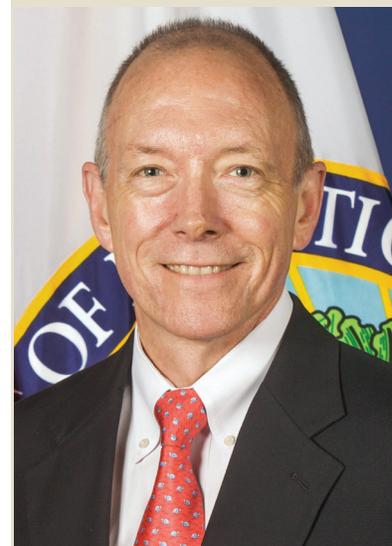
**49% compound five-year annual growth in graduates**

## Distribution of Students

Undergraduate	42,019	78%
Graduate	11,834	22%

- The average student age is 37; student ages range from 17 to 77.
- 72% of WGU students are classified as underserved.
- 40% are first-generation college students.
- 11% are active military, veterans, or military family members.

WGU is among the **top five producers of bachelor's degrees** and top ten producers of master's degrees in nursing for minorities.



“At WGU, students work at their own pace with the flexibility to adjust to life’s inevitable ups and downs. And while many traditional colleges still struggle to support non-traditional students, WGU has paired each student with an extraordinary mentor who offers support to help them succeed.”

—Ted Mitchell,  
U.S. Under Secretary of  
Education



“WGU, an accredited nonprofit university that is putting down new roots in Missouri, can play a tremendous role, especially in expanding access to education to underserved populations.”

—Missouri Governor  
Jay Nixon

## WGU’s State-Based Universities

As part of the university’s ongoing commitment to helping states expand access to affordable higher education, WGU partners with U.S. states to add affordable capacity to state higher education systems. WGU’s state-branded institutions are important elements in the states’ strategies for increasing the percentage of adults with bachelor’s or master’s degrees—a critical need across the country. Each state-based WGU has been endorsed by the state, and students may be eligible for state financial aid in addition to federal financial aid.

### Enrollment Growth in State-Based Universities Since Launch

	Enrollment at Launch		
WGU Indiana	250	→	4,000 in 4 years
WGU Washington	1,000	→	7,000 in 3 ½ years
WGU Texas	1,800	→	6,000 in 3 years
WGU Missouri	450	→	1,400 in 1 ½ years
WGU Tennessee	700	→	1,700 in 1 ½ years

### Nearly 10,000 students have graduated in these states.

Indiana	2,000
Washington	3,000
Texas	3,000
Missouri	600
Tennessee	900



### Misty Dieffenbach, Port Orchard, WA

*Executive Director, Human Resources, South Kitsap School District*

Living in a trailer wondering how she’d make her next utility payment, Misty was more focused on day-to-day survival than on her education. While she knew that furthering her education was the best way to make things better for her and her family, she struggled to find an affordable program to fit into her busy life as a wife and mother. WGU Washington offered both the flexibility and affordability she needed. Misty earned both a bachelor’s degree in Human Resource Management and an MBA at WGU Washington. Today, she holds an executive-level position at a large Washington school district and is proud to be the role model for her children that she always wanted to be.

WGU’s state-based universities are providing positive economic impact. In Indiana and Washington, **WGU degrees are already providing more than \$1.6 billion in added income and \$98 million in added tax revenue over the working lives of current WGU graduates in those states.**

# Making Higher Education Affordable

**WGU's tuition of about \$6,000 per year has not increased since 2008.** Tuition is charged at a flat rate per six-month term regardless of the number of courses attempted. The university is self-sustaining on tuition, receiving no ongoing state or federal funding.

## Financial Aid

73% of WGU students receive financial aid.

40% of WGU undergraduates receive Pell grants.

**WGU's 3-year student loan default rate is 6.6%**, compared with the national average of 13.7%.

In 2014, WGU awarded more than \$2.5 million in need-based scholarships.



## Reducing Student Debt by 29%

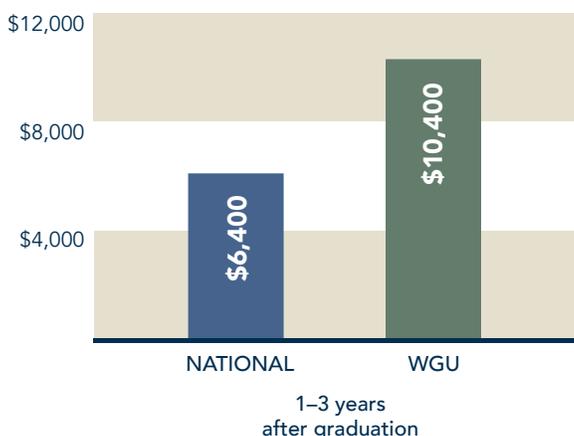
WGU's Responsible Borrowing Initiative encourages students to borrow only what they need to complete their degrees. Since its launch in 2013, average borrowing per student (of those who take out loans) has decreased by \$2,500 per year, a reduction of 29%. **In one year, WGU students reduced borrowing by \$125 million.**

"I'm impressed by the results in places like Western Governors University. Its low-cost online programs rely on competency-based progression, not class time or credit hours. It uses external assessments to evaluate student proficiency."

—Bill Gates,

"Why American Colleges Have to Change"

## Providing a Quicker Return on Investment



A degree from WGU pays for itself faster. WGU students experienced an average increase in income of \$10,400 in the first one to three years after graduation, significantly higher than the national average. **With an average cost of \$18,000 for a bachelor's degree, the return on investment of a WGU degree is about 2 years.**

"As a mom on a teacher's salary, WGU's flat-rate tuition of \$6,000 a year was crazy good—half the cost of other online universities."

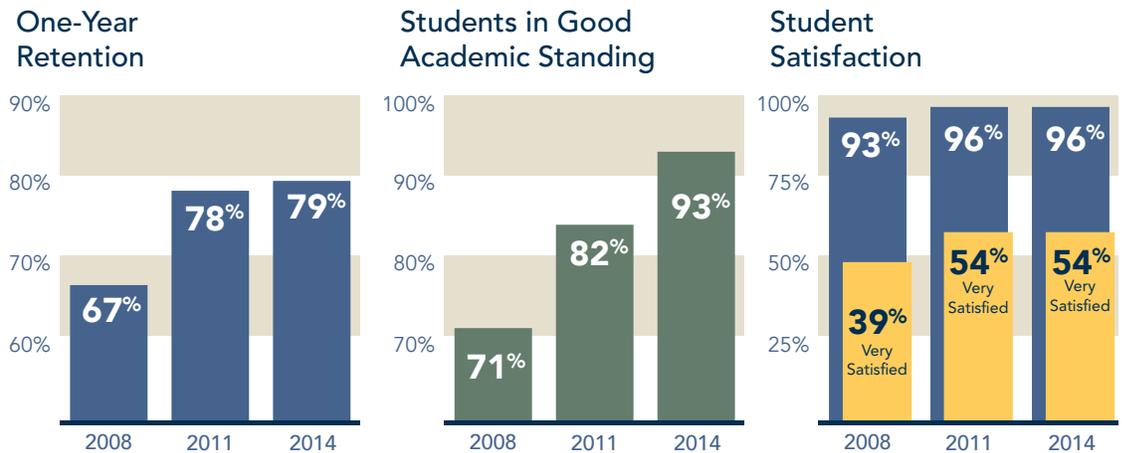
—Hilary Tinnensand-Darnold  
Master's in Teaching, Mathematics  
College Place, WA



“WGU allows our nurses to develop a higher level of competency and the higher level of skill we rely on to ensure that we provide excellent patient care.”

—Cynthia Mercer,  
Senior Vice  
President and Chief  
Administrative Officer,  
Mercy

## Delivering Better Learning Outcomes



### 2014 National Survey of Student Engagement (NSSE)

NSSE is a national survey that measures student engagement. In 2014, NSSE polled more than 350,000 students from more than 600 institutions. Students gave WGU the highest scores possible at significantly higher levels than the national average in the following key areas:

- **Quality of interactions with faculty—20% higher**
- **Quality of academic support—23% higher**
- **Would attend same institution again—25% higher**
- **Rating of entire educational experience—16% higher**
- **Time spent per week on studies—13% higher**
- **Acquisition of job-related knowledge and skills—13% higher**



### Alex Sandoval, Jr., San Diego, CA

*Special Education Teacher, San Diego Middle School*

Alex grew up in a rough neighborhood in San Diego, California, where most young people were not able to graduate high school, let alone college. As a teenager, he also faced a rare and debilitating progressive eye condition that nearly derailed his education. Earning a college degree seemed out of reach, as he was the first person in his family to complete high school. Alex wanted to help others with similar challenges, so he enrolled in WGU’s bachelor’s in Special Education program. He is now teaching in a middle school in his old neighborhood, where he also runs an after-school program for troubled teens.

WGU’s one-year retention rate in 2014 was 79%, while the average one-year retention rate at U.S. public four-year institutions was 73%.

# Employer Satisfaction

(2014 Survey of 300 Employers by Harris Poll)

- 99% said that WGU graduates meet or exceed expectations; **92% said WGU graduates exceed expectations.**
- 94% rated WGU graduates' job performance as good as or better than the job performance of other graduates; **53% rated WGU graduates better than other graduates.**
- 96% said that their WGU graduates were prepared for their jobs; **89% said WGU graduates were very well or extremely well prepared.**
- 93% of employers rate **the “soft skills” of WGU graduates as equal to or better than graduates from other institutions.**
- 86% of employers rate **WGU nursing graduates as very good or excellent in “evidence-based practice.”**

## Graduates Prepared for Success

Comparison of results of a 2014 Harris Poll Online survey of 1,561 new college graduates nationwide with a survey of 1,213 WGU graduates.

### Employment Outcomes

WGU National

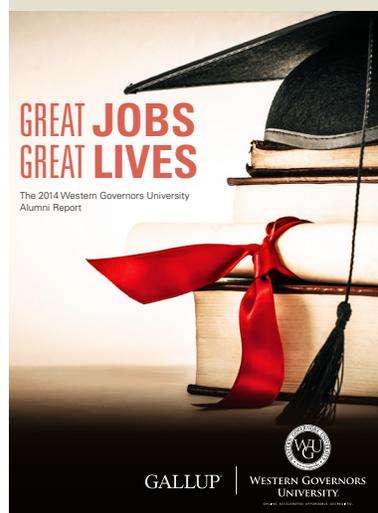
Employment Outcomes	WGU	National
Total Employed	92%	91%
Employed in Degree Field	86%	81%
Employed Full Time	82%	77%
Enrolled in Additional College Program	25%	22%



### Crystal Howard, Zuni, NM

*ER and Trauma Nurse, Gallup Indian Medical Center*

As an active-duty military nurse officer, Crystal Howard was deployed to help with the Hurricane Katrina relief effort in 2012. While enrolled in her program, she worried she'd have to put her education on hold or drop out altogether. WGU allowed her to continue her education, despite grueling 12-hour workdays. Today, she is the only nurse at her hospital with a master's degree, and she serves as a mentor to her fellow nurses as well as to teenage girls on the reservation, whose healthcare needs were the focus of her WGU capstone project.



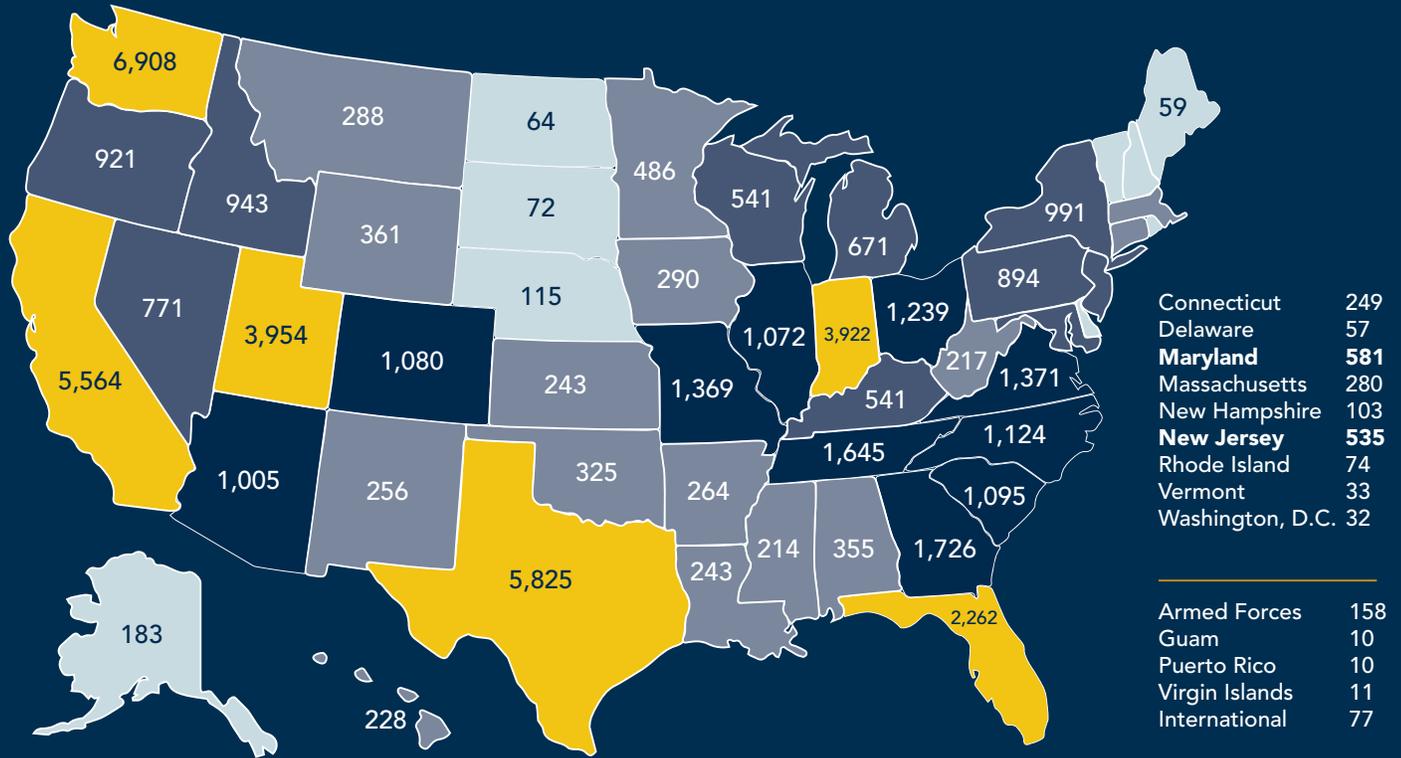
“WGU alumni are more likely than alumni from other institutions to find themselves working at ‘ideal jobs’ that keep them deeply interested and give them the opportunity to do work that interests them.”

—Gallup, *Great Jobs, Great Lives, 2014 WGU Alumni Report*

In a 2014 survey of WGU students, **97% said they would recommend WGU.**

# WGU STUDENT POPULATION MAP

DECEMBER 2014 | TOTAL STUDENT POPULATION: **53,853**



## KEY | Number of WGU Students in State



# WGU®