

## **The Gathering Storm**

Inadequate state revenues coupled with the rising costs of higher education have again led to tuition jumps across Kentucky and much of the nation. State and university leaders in Kentucky are exploring various strategies to address this now fairly recurring budget shortfall. But while the proximate cause of this situation revolves primarily around public financing and related revenue issues...a glance a little further out on the horizon reveals a much larger gathering storm involving economics and other convergent forces that promise to profoundly influence and perhaps radically reshape many of America's colleges and universities.

Accelerating advances in information technology and new media, combined with changing styles of learning, and an evolving value proposition are leading us down an inexorable path that will likely result in a fundamental remaking of higher education....involving deep structural elements that cannot be accommodated through marginal and slow changes.

### **Advances in Information Technology and New Media:**

New and ever more user friendly information technologies are democratizing learning at levels never seen before. Higher education, once open to a select portion of the citizenry, is now increasingly available to virtually everyone, anyplace at any time...oftentimes for free. Through computers, smart pads, smart phones (and whatever is next) people are able to communicate globally and access unprecedented amounts of information and knowledge. Increasingly "online" education is being delivered by some of the top institutions in the US. The rise of the innovation and information economy is also sweeping aside the traditional role and position of gatekeepers...institutions and people that have historically controlled access to the economic playing field, professions and customers. Web technology and changing styles of commerce are eliminating the need for intermediaries, the full effects of which are impossible to predict.

### **Changing Styles of Learning:**

New technologies and delivery methods are also being introduced to a new generation of students who grew up online, not only accepting of, but expecting the use of these modern tools and methods in their education. They are quite comfortable and adept at taking many classes while at home or sitting at Starbucks. While many of us can't imagine a university experience unlike our own...on campus, in a traditional classroom sitting through in-person lectures over a four-year period...increasingly others can.

Two professors at Stanford have launched "Coursera," which is delivering free coursework from leading colleges and universities online. As *Newsweek* recently reported "These aren't just videotaped lectures; they're full courses, with homework assignments, examinations and grades." To-date they have recruited other professors from Stanford, University of Michigan, University of Pennsylvania and Princeton. These ambitious new initiatives envision offering classes not for 35 people or even a few hundred but for thousands. Silicon Valley venture funds recently invested \$16 million in "Coursera".

MIT and Harvard have also recently joined forces in a \$60 million venture to offer classes for free. Students who successfully complete courses will receive a certificate of mastery, but no course credit...yet. According to the *New York Times* MIT's first course offering "Circuits and Electronics" enrolled "...about 120,000 students, some 10,000 of whom made it through the recent midterm exam." How long will many universities be able to charge thousands of dollars for one or a series of courses that may be available at fraction of the cost or free online by top professors at leading institutions?

**Evolving Value Proposition:**

Increasingly (with some arguing unreasonably) expensive education, declining public revenues and increasing student debt loads, coupled with multiple learning opportunities and an evolving job and skills market are leading many to reexamine the model and sustainability of the traditional higher education paradigm. Writing in the *New York Times* columnist Frank Bruni explains "Because of levitating costs, college these days is a luxury item. What's more, it's a luxury item with newly uncertain returns." We are witnessing the beginning of a flood of new innovations, and alternative options to the traditional public/private university experience.

The ongoing emergence of new industries and opportunities is accompanied by a need for new educational options and strategies, skills and just-in-time learning. Rigid structures, rules and outdated processes won't be acceptable for large swaths of people seeking a 21st century education. Students as well, feeling the effects of the changing marketplace, are looking for an education that is responsive and relevant to the new skill and job realities. This includes a broader educational perspective that embraces advanced creative thinking skills, innovation and the ability to analyze ideas and knowledge across and between disparate disciplines.

The IdeaFestival (IF) will deal with this important topic leading up-to (IF University) and at the 2012 event...September 19-22 in Louisville. Leading the discussion will be Richard DeMillo, former Chief Technology Officer at HP, prior Dean of Computing at Georgia Tech and now head of The Center for 21st Century Universities. DeMillo, the author of the recent book *Abelard to Apple: The Fate of American Colleges and Universities*, is one of the leaders calling for a bold new path for higher education in America.

The response to this challenge does not mean, for example, completely abandoning the traditional model to online programs. But higher education must get out in front of the wave of change and begin designing and experimenting with innovative ideas and hybrid strategies that combine emerging developments and technologies in new and novel ways. History has shown in the midst of major social, technological or economic upheavals organizations that attempt to keep pace through incremental and conservative changes often leads to irrelevance or outright obsolescence....think Kodak.

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