

No credit, no problem. The value of noncredit learning in higher education.

November 2023

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As the number of job openings continues to exceed the number of applicants – particularly in technical and other high-demand fields – institutions of higher learning are closely examining best practices, including looking at new ways to supplement the credit-based model that has dominated for decades.

College course credits have been the backbone of traditional higher education. But noncredit courses are blossoming. In fact, recent data show that noncredit courses were the only area experiencing enrollment growth in 2023 – a robust 4.8 percent increase. This presents a unique opportunity for colleges and universities who can respond quickly to changing market conditions (and who may realize a new revenue stream in the process).

For-profit institutions have been particularly aggressive in leveraging this change in demand. And at public colleges and universities, there is a need for speed to keep up with the private sector and embrace this new learning model. And as the demand for STEM education increases, institutions ofnity to fill this void with “noncredit” classes.

Colleges and universities who show dexterity in this area will, we believe, meet a growing need while creating a pool of candidates who can return to “stack” their credentials toward a college certificate or degree.

There are two main types of noncredit instruction. In the first, a private sector business pays an institution to conduct educational training for its employees or prospective employees. The second is when an in-demand skill is identified, and the college or university develops a course to address that market need.

There are other differences – some might say advantages -- to the noncredit model:

- It has ample flexibility and room for innovation at an institutional level.
- It is faster for the education consumer and addresses specific market needs.
- It is much easier to stand up from a regulatory standpoint – minimal lead team required.
- Faculty credentialing is less stringent – institutions can prioritize years and depth of industry experience over traditional degrees.

The funding for these programs can also be less complicated – they are fee based since statutes forbid public institutions from using state funds for noncredit programs. Often the programs are seeded with grant funding, which is particularly accessible for workforce development and in hightech and STEM fields.

There are already excellent examples in Florida of institutions leveraging noncredit programs.

Valencia College in Osceola County was recently awarded a \$3.7 million grant from the state’s Job Growth Grant Fund to start a robotics technician program. This will help train people to eventually work in advanced manufacturing segments including the production of semiconductors.

These 14- or 20-week programs crank out technicians ready to step into jobs with starting salaries as high as \$27/hour.

And at the State College of Florida in Manatee-Sarasota, two workforce education grants led to expansion of the college’s “Coding Academy,” which prepares students for high-demand IT jobs. These classes are also held on schedules more accommodating to students already in the workforce.

All of this then becomes an economic development driver for the state as a whole and centered around the communities that fully leverage the opportunities. When businesses and industries see the talent pipeline being built, they are attracted to those geographic areas for expansion and relocation.

Some institutions of higher education are already responding to these opportunities, forging strategic plans to expand these programs.

So, what’s next?

The next frontier is figuring out how to articulate noncredit into credit. There should be a mechanism for students to get course credit for what they learned in noncredit classes. Of course, this feeds into the broad evolution in thinking about higher and even secondary education.

The winners in this space will find ways to be nimble and fight through a status quo mentality. If they are successful, they will open new revenue streams and expand the horizons of higher education in their communities and state.

At TSG Advisors, our Education team understands this landscape like no one else and can help both private and public sector interests find the best path forward.