January 28, 2022

VIA EMAIL

The Honorable Sherrod Brown
713 Hart Senate Office Building
Washington D.C. 20510

The Honorable Tina Smith
720 Hart Senate Office Building
Washington D.C. 20510

The Honorable Elizabeth Warren
309 Hart Senate Office Building
Washington D.C. 20510

Follow-up to Online Program Managers (OPMs)

Dear Senator Brown, Senator Smith, and Senator Warren:

Thank you for your letter. We welcome another opportunity to share more about the work 2U does[1] with our non-profit college and university partners and how we are addressing affordability, driving strong student outcomes, and leading the way on transparency in our industry.

The COVID-19 pandemic has accelerated the digital transformation of higher education, and it has clearly demonstrated the need for and value of quality online learning opportunities. In addition, now more than ever, the number of learners expressing a preference[2] for pursuing their post-secondary education partially or fully online is growing, particularly among the millions of Americans who live in 'education deserts'[3] or who need the flexibility to learn online. Faced with these new realities, more non-profit colleges and universities are looking for trusted partners with

[1] We note that your letter is also addressed to various entities associated with the conversion of for-profit schools to non-profit status. Except for the use of revenue-sharing in their structure, the partnerships these affiliated entities have with universities operate in fundamentally different ways than 2U's independent, arm's length relationships with our non-profit university partners. In many of these situations, new provider companies are still tightly linked to the converted institution through governance and financial structures (e.g. seller financing) and/or because the company is primarily serving one institution, while engaging in recruitment and enrollment activities, and sometimes financial aid administration, on that institution's behalf. In contrast, our company was established independently of any relationship with a college or university and the independence of all our institutional partners is central to our business model.

[2] Third Way, "One Semester Later: How Prospective and Current College Students' Perspectives of Higher Ed Have Changed between August and December 2020," Tamara Hiler, Rachel Fishman, Sophie Nguyen, January 21, 2021, https://www.thirdway.org/memo/one-semester-later-how-prospective-and-current-college-students-perspectives-of-higher-ed-have-changed-between-august-and-december-2020

[3] Third Way, "Race Matters: A Closer Look at Education Deserts," Nick Hillman, May 21, 2019, https://www.thirdway.org/report/place-matters-a-closer-look-at-education-deserts

the expertise, resources, and support services necessary to help their institutions deliver great online education.[4]

A Shared Commitment to Affordability

Creating successful online programs isn't easy: 26% of online degree[5] programs report zero graduates–a failure rate that reflects the challenges institutions can face when bringing programs online. High-quality online education demands a comprehensive set of capabilities, many of which are not core functions within a traditional, non-profit institution's operational structure. 2U has expertise and demonstrated success in providing these capabilities, including, but not limited to, technology, marketing, recruiting, student support, course development support, and placement services for clinical programs.

As higher education undergoes this digital transformation, all of us–from colleges and universities to digital transformation partners like 2U–have a shared responsibility to offer more affordable, high-quality programs that drive great outcomes for students. We are answering that call in numerous ways, including through undergraduate degree completion offerings with Morehouse College[6] and Simmons University,[7] both with tuition priced well-below the on-campus rate. 2U also recently acquired edX[8] which has been helping to democratize access to affordable higher education for more than a decade.

Together, 2U and edX will enable our 230+ college and university partners to offer even more free and low-cost higher education programs, including lower priced undergraduate and graduate degrees, microdegrees[9], and stackable credentials. In just the last three months, we've announced or launched several low-cost and free programs on edX.org, including nearly 300 free to audit courses in topics from 'Data Science for Social Justice' to 'Sustainable Trade'; a Master of Public Health from Boston University[10] for $24,000; and a MicroBachelors program in 'University Chemistry' from Harvard University[11] for $1,122.

---

[4]ASU GSV Summit, "Advancing Access, Equity, and Opportunity: A Conversation with the Presidents of Morehouse College and Simmons University," 2021,
https://www.asugsvsummit.com/video/advancing-access-equity-and-opportunity-a-conversation-with-the-presidents-of-morehouse-college-and-simmons-university

[5] Burning Glass Technologies, "Bad Bets: The High Cost of Failing Programs, November 2020,
https://www.burning-glass.com/research-project/bad-bets-high-cost-failing-programs/

[6] The Washington Post, "Morehouse College to launch online program aimed at helping Black men with some credits finish degree," Danielle Douglas-Gabriel, February 3, 2021,
https://www.washingtonpost.com/education/2021/02/03/morehouse-college-online-degree-2u/

[7] Simmons University, "Online Bachelor's Degrees: Admission: Tuition & Financial Aid", 2022,
https://online.simmons.edu/bachelors/admission/tuition-and-financial-aid/

[8] 2U completed the acquisition of edX on November 16, 2021.
2U, Inc., "2U, Inc. and edX Complete Industry-Redefining Combination," November 16, 2021,
https://2u.com/latest/2u-inc-and-edx-complete-industry-redefining-combination/

[9] 2U, Inc, "The Power of MicroBachelors® Programs: Affordable Access to Career-Relevant Skills Now—and Credit Toward a Full Degree," January 19, 2022
https://2u.com/latest/what-is-a-microbachelors-program-edx

[10] BU Today, "BU School of Public Health to Offer Online Master's Degree," Joel Brown, November 16, 2021,
https://www.bu.edu/articles/2021/bu-school-of-public-health-to-offer-online-masters-degree/

[11] EdX, "Harvard University: MicroBachelors Program in University Chemistry," 2022,
https://www.edx.org/microbachelors/harvardx-university-chemistry

Respecting the Institutional Independence of Our University Partners
Although 2U has demonstrated a commitment to helping reduce the cost of higher education, there is still a misperception that we benefit financially from higher tuition prices. The reality is far more complex. Lower tuition prices are not only a "win" for students, but also financially beneficial to our business. As tuition costs go up, student demand goes down and marketing expenses increase–an investment we shoulder on our own. We are, therefore, incentivized to keep programs affordable[12].

This is why we have and will continue to advocate for our partners to make their degree programs more affordable,[13] while respecting their institutional independence and exclusive control over setting tuition prices.

Our partners also exercise complete control over setting admissions standards and making admissions decisions in their degree programs. As such, 2U's marketing efforts are not designed to attract just any student, but rather only students who meet our partners' program-specific admissions criteria and are likely to persist and graduate once admitted. Our financial success is directly aligned with driving strong student persistence and great student outcomes because we only share in tuition with our partners as their students progress through their programs. It's also important to make clear that none of our non-profit partners' online degree programs are open admissions and that all marketing materials are explicitly approved by our partners.

Our Ongoing Commitment to Transparency
Regarding student outcomes, we are committed to regularly sharing available data so that students, our partners, our peers, and policymakers can see the positive impact we and our partners are having on behalf of their students. In 2019, we were the first company in our industry to commit to publishing a Transparency Report. And since our last correspondence with you in early 2020, 2U has followed up on that commitment and published two annual Transparency Reports[14] as well as two Gallup[15] research reports on the quality and outcomes of our partners' online degree programs.

Our Transparency Reports—attached in the appendix for your reference—along with our responses below provide as much context and data on our work as possible, but are limited by a lack of publicly available information about online programs, certain licensure passage rates and graduation rates, as well as privacy restrictions and confidentiality obligations.[16] Bearing those limitations and obligations in mind, we've done our best to answer your questions to the fullest extent possible.

---

[12] 2U, Inc., "Affordable Online Education is Better for Students and Better for our Business," Chip Paucek, November 10, 2021, https://2u.com/latest/affordable-online-education-better-for-students-and-2u/
[13]The Future of Education with Michael B. Horn, "2U's David Sutphen on the Reality of the OPM Business Model," Michael Horn, January 14, 2022, https://michaelbhorn.com/2022/01/2us-david-sutphen-on-the-reality-of-the-opm-business-model/
[14] 2U, Inc., "Our Approach: Transparency," 2022, https://2u.com/approach/transparency/
[15] 2U, Inc., "Strategic Partnerships: Gallup" 2022, https://2u.com/about/strategic-partnerships/gallup/
[16] The Transparency Reports attached as an appendix to this response include important information about the core institutional functions over which universities maintain full control – all academic matters and instruction, setting tuition prices, admission standards, all financial aid administration, and all enrollment decisions. However, we are unable to provide some information requested including for some graduation and licensure rates, either because of the way data is gathered or reported by universities, licensing bodies, or government agencies; or due to privacy restrictions or confidentiality obligations. Generally, data on student outcomes is not reported separately for students at a university who complete the same degree in an OPM-supported versus non-OPM supported versions of the program. Similarly, data is not reported by universities separately for students who complete degrees in online, hybrid online/on-campus, or fully on-campus degrees.

Thank you for your time and attention. We look forward to a continued and productive discussion about our work.

Sincerely,

Christopher “Chip” Paucek
Co-Founder & CEO

RESPONSES TO QUESTIONS

Please note that, unless a question specifically requests information about non-degree offerings, our answers below apply to the degree programs that we support, which are the programs that are eligible for federal student financial aid under Title IV of the Higher Education Act.

1. How many institutions do you have active contracts with, and what is the breakdown of those institutions (public, private, number of students)?

As of September 2021, 2U had active contracts with 85 non-profit university partners, including 28 institutions that offer degree-granting programs. All of our current partners can be found on 2U.com.[17]

a. How many of your contracts include tuition-sharing payment terms?

2U employs a tuition revenue sharing business model for virtually all the degree programs we power.

b. How many of your contracts include recruitment services?

Virtually all contracts for degree programs include recruitment services, which are part of a comprehensive bundle of services 2U provides, including but not limited to technology, marketing, recruiting, student support, course development support, and placement services for clinical programs. In accordance with their mission and goals, 2U's university partners maintain control over the accreditation and state regulatory approval processes, the development and delivery of their program curriculum, faculty hiring, instruction, admission standards, financial aid, and, perhaps most importantly, decisions about which students are accepted into their degree programs.

c. For each client institution, how many programs does your company manage? For purposes of this question, please count each concentration offered for a degree or certificate program as a single program.

The below chart lists the institutions with which we partner to offer degree programs as of September 2021 as well as the number of degree programs we power at each institution. All the offerings we support can be found on 2U.com.[18]

[17] The number of partners included in our response does not include institutional partners we now have as a result of our recent acquisition of edX, which was completed on November 16, 2021.
[18] The number of degree programs included in our response does not include degree programs we now support as a result of our recent acquisition of edX, which was completed on November 16, 2021.

University Partner	Number of Degree Programs
American University	8
Arcadia University	1
Baylor University	4
Case Western Reserve University	1
Emerson College	1
Fordham University	11
Georgetown University	8
Morehouse College	1
New York University	4
Northwestern University	1
Pepperdine University	13
Rice University	1
Simmons University	18
Southern Methodist University	1
St. John Fisher College	5
Syracuse University	17
The George Washington University	3
Tufts University	3
University of California, Berkeley	2
University of California, Davis	1
University of Dayton	8
University of Denver	5
University of London	9
University of North Carolina at Chapel Hill	7
University of Southern California	20
Vanderbilt University	4
Washington University in St. Louis	5
Yale University	1

d. How many students are currently enrolled in each program?

As provided in our 2020 Transparency Report, through 2020, over 300,000 students have enrolled in programs offered by 2U partners, including over 71,000 students in degree programs.

Program level and student data is our partners' proprietary data and as a result, we report aggregate data for the degree programs we support. Program level data is not available publicly via IPEDS or the College Scorecard as currently administered by the US Department of Education, nor is program level data available by delivery mode.

e. At how many of your company's client institutions do students enrolled in OPM managed programs make up at least 30% of the total students enrolled at the client institution?

Unlike the entities created in for-profit conversions, we partner with institutions on a degree program by degree program basis. We are aware of only one institution in which our partnership accounts for more than 30% of the total students enrolled based on 2020 total institution enrollment made publicly available on the College Scorecard.

i. At least 50%?

None.

2. For each client institution, please provide a demographic breakdown of the students enrolled in degree programs you manage, including race/ethnicity, gender, age, veteran status, and number of students eligible for a Pell Grant.

In the degree programs we power, in the aggregate:

- 50% of students are Black, Indigenous, and/or People of Color;
- 68% are between the ages of 25 and 44;
- 66% are female, and;
- 8.3% are military affiliated.

Students self-report demographic data. Figures above are based on the total number of students that reported demographic data through December 31, 2020 and are based on best available information. Please refer to our 2020 Transparency Report for more detailed data.

Our partners are solely responsible for all aspects of financial aid and accordingly 2U has no information pertaining to Pell Grant eligibility.

a. How do these demographic characteristics compare to in-person students at the same university?

Not available. We do not have access to, or receive from our institutional partners, comparable program-level statistics, nor is program level data by delivery mode currently available via IPEDS or the College Scorecard.

3. What percentage of your total managed programs are:

a. Undergraduate degree programs?

As of the end of 2021, 3% of the programs we supported were undergraduate degree programs.[19]

b. Graduate degree programs?

As of the end of 2021, 25% of the programs we supported were graduate degree programs.

c. Non-degree and/or certificate programs?

As of the end of 2021, 40% of the programs we supported were non-degree and certificate programs, not including our university partners' coding and tech bootcamps which are accounted for below.

d. Coding or tech bootcamps?

As of the end of 2021, 32% of the programs we supported were coding or tech bootcamps.

4. What percentage of your total managed programs are in:

a. Health care (e.g. nursing)?
b. Education?
c. Business administration?
d. Technology, IT, or computer science?

Of our degree programs, 21% are healthcare-related, 17% are education-related, 5% are business administration, and 11% are in Technology, IT, or computer science.

5. What is the average tuition charged for each of the programs you manage?

Our partners determine the cost of tuition for their degree programs, a hallmark of their institutional independence. 2020 per credit prices for the masters degree programs we support range from $352 per credit to $2,592 per credit and are 47 credits on average. 2020 per credit prices for the doctorate degree programs we support range from $1,326 per credit to $2,139 per credit and are 63 credits on average. For more information on pricing across our partners' offerings, please see our 2020 Transparency Report.

[19] The number of degree, non-degree, and bootcamp programs included in our response do not include offerings we now support as a result of our recent acquisition of edX, which was completed on November 16, 2021.

a. In what percentage of programs is the tuition higher, lower, and the same as equivalent on-campus programs?

As disclosed in our 2020 Transparency Report, our University partners charge the same or lower tuition for over 80% of the degree programs we support when compared to on-campus counterparts, based on publicly available data.

6. What is the average contract length for your management of degree programs?

Our degree program contracts average approximately 10 years in length.

7. What is the graduation rate for each of the degree programs you manage?

As reported in our 2020 Transparency Report, in the aggregate, the degree programs we support have a 90% term 1 to term 2 retention rate and 72% graduation rate.

At the time of reporting, our graduation rate calculation included only masters and doctoral programs, which constitute most of the degree programs we support. Please note there is no standard definition for how to calculate graduation rates for masters and doctoral programs, and graduation rates for these programs are not available in public data sources.

a. In degree programs leading to licensure, such as nursing, what percentage of graduates pass licensing exams?

2U does not have this information across all programs that it supports. Licensure pass rate data is provided by accrediting bodies or state licensure bodies to universities. Standards governing how data is collected and whether it is, or must be, published varies by industry and state.

In addition, licensure data is reported at the institutional level, meaning that it is not possible to differentiate exam pass rates for students within a university who complete a degree under different contractual arrangements or via different learning modalities (i.e. online, hybrid, or on-campus).

In family nurse practitioner programs, our partners' publicly reported board exam pass rates for the most recent years range from 93% to 100%, above the nationwide pass rates, and demonstrating very high rates regardless of modality.

8. Do any of your contracts include incentives for higher tuition or penalties for tuition changes? If so, please describe.

Our contracts don't have incentives for our partners to charge higher tuition or penalties for tuition changes. As mentioned above, lower tuition prices benefit both students and 2U.

9. What percentage of your expenditures go to marketing, recruiting, and/or enrollment

advising prospective students?

Marketing and recruiting are two of the services provided under our comprehensive bundle of services that also include but are not limited to technology, student support, course development support, and placement services for clinical programs. In 2020, the marketing expense across our degree segment totaled 23% of tuition generated[20] and recruiting expenses totaled 8%.[21] 2U bears these per program marketing and recruitment expenses exclusively, however, our degree program partners maintain complete control over all admissions criteria and admissions decisions.

a. How have your marketing, recruitment, and enrollment advising practices changed since March 2020?

Our marketing, recruitment, and enrollment advising practices have not changed since March 2020. Each of our partners sets their own admissions standards (e.g., academic prerequisites, undergraduate GPA requirements, minimum test scores) independently. 2U's admissions counselors are dedicated to individual schools and trained to understand that school's unique entrance requirements to assist applicants in navigating the admissions process. After a prospective student has submitted an application, our partners make an admissions decision.

To support our partners in identifying interested and academically qualified students, 2U develops school-approved marketing materials (e.g., ad copy) that provide information about their degree programs including details about tuition, admissions criteria, financial aid, curriculum, faculty, field placements, and in-person immersions.

Since our partners' degree programs are not open enrollment programs, and we do not make admissions decisions, our marketing efforts are designed to find the right student for the right program.

b. Please provide a demographic breakdown that includes the 2020-21 school year of prospective students that you contacted for recruitment, including race/ethnicity, gender, age, veteran status, and number of students eligible for a Pell Grant.

We collect demographic information that is required by our university partners as part of the application process, but we do not collect demographic information from prospective students pre-application or for marketing purposes.

As previously noted, we do not have access to financial aid data and do not track a student's Pell eligibility.

[20] Defined as the all in marketing expense, including headcount, in our degree segment in 2020.

[21] Defined as the all in recruiting expense, including headcount, in our degree segment in 2020.

c. Please describe the compensation structure for your employees who work in student recruitment.

2U complies with the Department of Education's regulations and does not provide incentive compensation to employees in violation of those regulations. 2U employees covered by the incentive compensation ban are paid on a salaried basis and do not receive any bonus or other monetary compensation based in any way on enrollment activities.

In addition, 2U admission counselors don't make admission decisions or counsel applicants on their financial aid options. 2U's role, and counselors' goal, is to identify interested and qualified applicants, guide them through the program-specific application process using materials provided by and approved by our partners, and send completed applications to our partners who ultimately make decisions to either admit or deny the applicant into their program.

10. What percent of your revenues are spent on instruction or support for students who are currently enrolled?

None of our expenses are attributable directly to student instruction in our degree segment. Our university partners are responsible for all teaching and instruction, and the expenses (e.g. faculty salaries) associated with those functions, within our partners' degree programs.

We do, however, spend substantial amounts on support services, such as student support, faculty support, clinical placement support, accessibility, learning design, content development, and platform development. In 2020, our degree segment support and platform expenses were 25% of total tuition generated,[22] and we do not have data on what percentage of total tuition our partners spend on support and instruction.

11. What percentage of your revenue comes from Title IV federal aid?

We estimated in the 2020 Transparency Report that approximately 31% of 2U's total 2020 revenue was derived from Title IV funds. Because the Department of Education's College Scorecard data does not clearly distinguish online from on-campus programs, this percentage is a good faith estimate.

[22] Defined as the all in student support, university support, curriculum support and platform expenses, including headcount, in our degree segment in 2020.

2020 Transparency Report

LAST YEAR, we released our inaugural transparency report, a first for our industry, in an effort to foster "a more informed dialogue" about our business and the value we deliver to our partners and their students. Since then, we have seen many other companies join us in releasing their own reports. We believe this growing commitment to transparency is a positive step forward for our industry and the broader higher education community. And now that 2U and edX have come together, we look forward to continuing to lead the way on transparency.

Building on the foundation of last year's 2019 report, our new 2020 Transparency Report once again focuses on **six key pillars:**

1. **University Oversight and Accountability**
2. **Marketplace Openness**
3. **Access**
4. **Affordability**
5. **Quality**
6. **Outcomes**

With the emergence of COVID-19 in the spring of 2020, online education took center stage, becoming more relevant and necessary than ever. In the face of this new and complex reality, we helped our partners continue to deliver high-quality education. At a moment when much of higher education struggled to make the transition online, the stability and continuity our partnerships provided universities and students was itself a powerful testament to the value we deliver. But as our latest Report demonstrates, the positive impacts of our partnerships in 2020 extended far beyond just ensuring that our partners' online programs continued to run smoothly during COVID.

Here are just a few highlights from the Report that help tell a more complete story of our impact:

- Average term one to term two retention across our partners' online degree programs **increased** to 90% in 2020 from 86% in 2019;
- Over 85,000 **new students** enrolled in a degree or non-degree program across our portfolio of 500+ offerings;
- Sales and marketing expense as a percentage of total tuition dropped from 22% to 18%. At the same time, we estimate that our percentage of revenue from **Title IV funds** decreased from 38% to 31%;
- The **number of students of color increased** across our partners' boot camps (49%) and degree programs (50%), creating more diverse pipelines of talent in high-demand disciplines and fields of study;
- Thousands of students—aspiring nurses, counselors, and teachers—completed **over 3.5 million hours** of virtual and in-person field placements helping care for and educate people in communities across all 50 States; and
- According to the 2020 Gallup-2U Graduate Alumni Outcomes Study, 97% **of alumni reported having a positive career outcome** as a result of their online degree.

As demonstrated by our Gallup degree program alumni research, we believe that measuring career outcomes is a critical part of fostering transparency. In keeping with this belief, in 2022, Gallup will release a new report focused specifically on the career outcomes of over 4,000 graduates from our partners' boot camp programs.

As we look to the future, and to furthering our commitment to transparency, we are excited about what 2U and edX can accomplish together. For the past several years, edX has released its own Impact Report, including the latest edition, which was just published.

Over the past 18 months, the world has come to realize that online education and digital transformation are central to the future of higher education. 2U and edX are committed to helping deliver that future—it's core to our shared mission of unlocking human potential by providing everyone, regardless of geography, access to high-quality, affordable online education. And next year, we look forward to sharing a newly reimagined impact and transparency report that showcases the key ways in which we are living up to this promise of expanding access and opportunity for all.

Christopher "Chip" Paucek
Co-Founder & CEO

A look at 2U in 2020

In 2020, the COVID-19 pandemic reshaped our lives and changed higher education forever. Through this trying time, we doubled down on our commitment to provide world-class support and services to our partners and their students, and we expanded into the undergraduate degree market for the first time in our history.

Our Offerings

500+

Unique educational offerings with 75+ partners

220K+

Students have graduated from or completed our offerings[1]

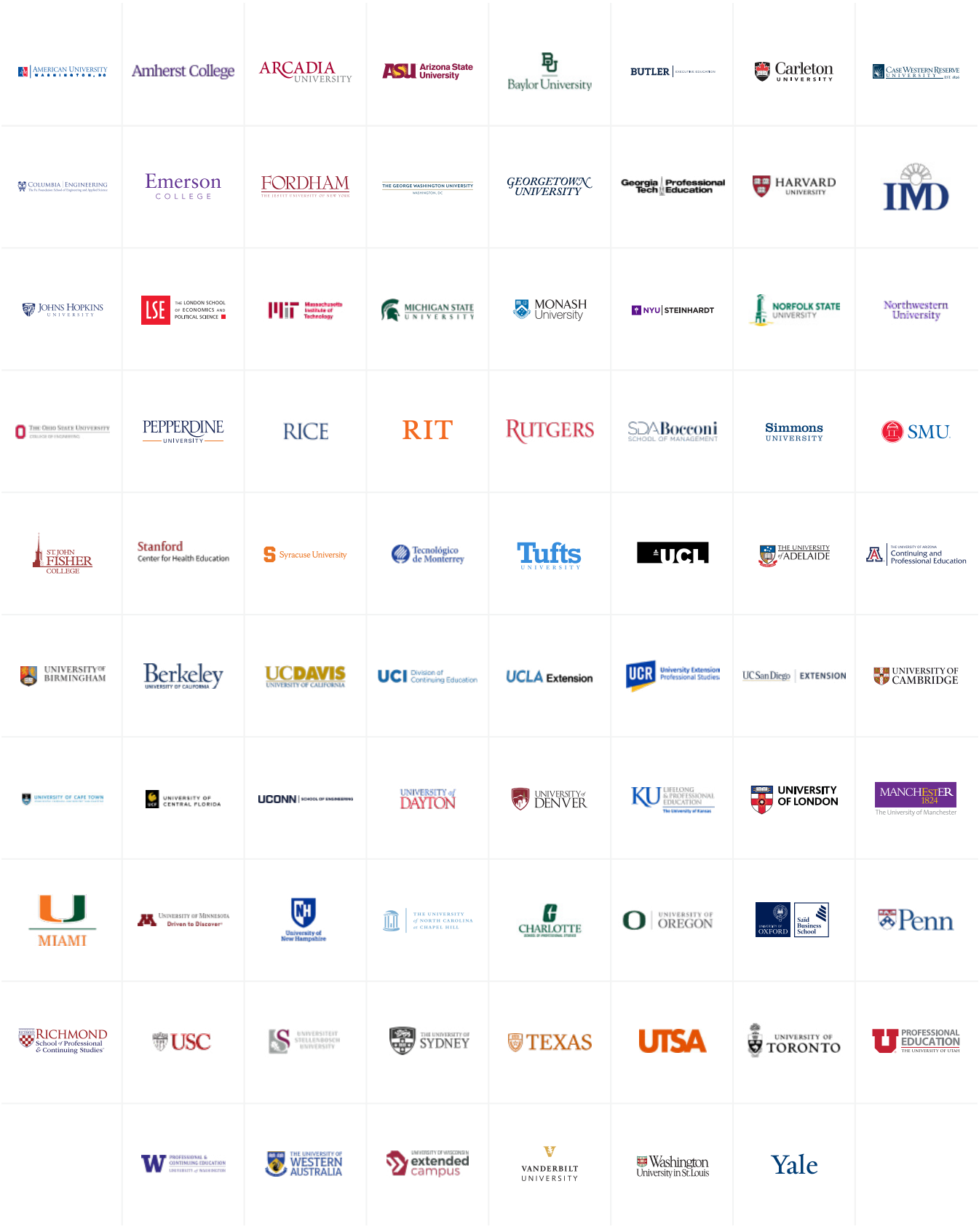
300K+

Students have enrolled in our offerings[2]

[1] Defined as the cumulative total of all students that have graduated from or completed our offerings from inception to December 31, 2020. Please note: 2U, Inc., acquired GetSmarter in July 2017 and Trilogy Education in May 2019.

[2] Defined as the cumulative total of all students that have registered for a 2U-powered educational offering from inception to December 31, 2020, excluding students that withdrew from the offering prior to being financially obligated to pay for the offering.

Our Portfolio of Nonprofit Partners in 2020[3]



3 Partners as of December 31, 2020.

1 University Oversight and Accountability

We value and respect the institutional independence of our nonprofit university partners. In degree-granting programs, our partners retain control over all core academic functions, which is consistent with accreditation requirements and critical to the success of our partnerships. The principles of institutional independence are also reflected in our degree program contracts,[4] which have remained unchanged in 2020.

Admission Standards and Decisions

> "...the university shall, in its sole discretion, determine which prospective students shall be admitted into the program based on the admission standards."

Tuition

> "The university shall have the sole authority to set tuition for the program."

Financial Aid

> "The university shall be solely responsible for the administration of all Title IV financial aid programs and will process all requests."

Accreditation

> "The university will be responsible for securing and maintaining any accreditations, registrations and licensure approvals necessary to operate the program."

Curriculum

> "The university shall be solely responsible for the timely design, timely creation and ongoing revision of the program curriculum... the university shall be solely responsible for the ongoing review and revision of the program curriculum."

Program Delivery, Development, and Support

> "Every course shall be taught exclusively by the university faculty and other instructional personnel selected by the university... The university shall be responsible for the creation of a training curriculum and shall be responsible for the hiring, training, support, management and oversight of the work of the university faculty and other instructional personnel."

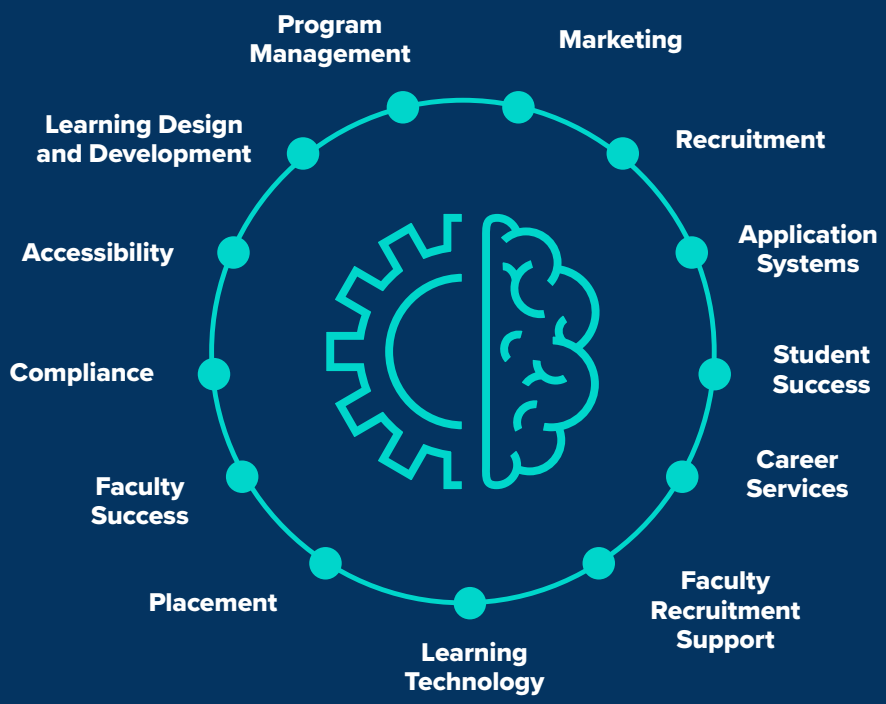
[4] This language is drawn from 2U's standard degree program form contract and represents the spirit with which we approach our partnerships. Following negotiations with each university partner, the final, mutually agreed upon language may vary.

2 Marketplace Openness

A full list of 2U's university partners and educational offerings can be found at 2U.com.

In our inaugural 2019 Transparency Report, we shared the comprehensive bundle of people- and tech-enabled services we provide to our university partners as well as our investment in their programs. We continue to provide those same services and investments today. In 2020, across our portfolio of mature degree programs, our marketing and sales expense was approximately 18% of the total tuition generated.[5]

SERVICES FOR DEGREE PROGRAMS



INVESTMENT IN OUR NONPROFIT PARTNERS' DEGREE PROGRAMS[6]

All-time **$1.6 billion**

[5] Defined as marketing and sales expense for our degree programs that have been operating for at least 3 years as a percentage of total tuition generated from such degree programs.

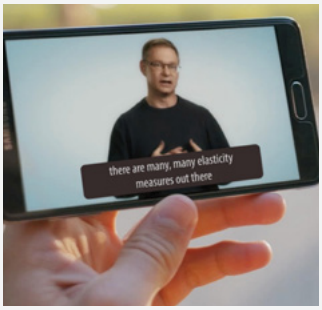
[6] Defined as the all-time (2008–2020) marketing and sales, servicing and support, and technology and content development expenses plus capitalized content development costs.

3 Access

With COVID-19 changing the way we work and live, adult learners and working professionals require greater access than ever before to high-quality online education. Our portfolio of degree and non-degree offerings is meeting this need for a diverse cross-section of learners, regardless of gender, race, age, or geography.

Since inception, 2U-powered degree and non-degree offerings have served students from all 50 states in the United States and the District of Columbia, as well as over 175 countries.[7]

Pictured below: An example of an accessibility function—captioning—that is available for asynchronous coursework.



Pictured right: Jeffrey Jenkins, a graduate of the 2U-powered @WashULaw degree program. Read about his experience on our website.

[7] Data is self-reported, inception to December 31, 2020.

DEGREE PROGRAMS

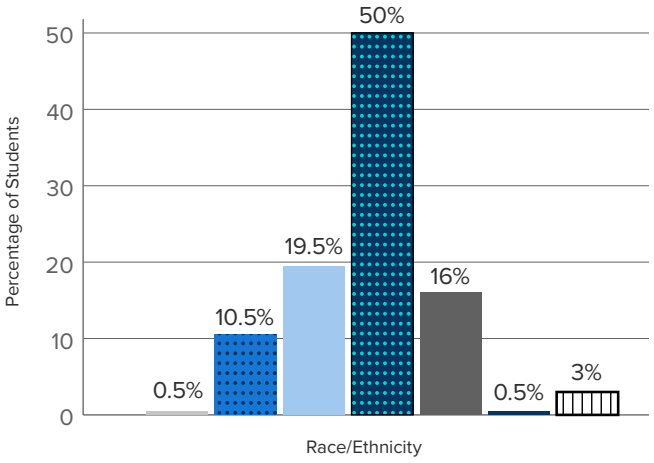
2020 Student Makeup[8]

50%
Black, Indigenous, People of Color

68%
25–44 years of age

66%
Female

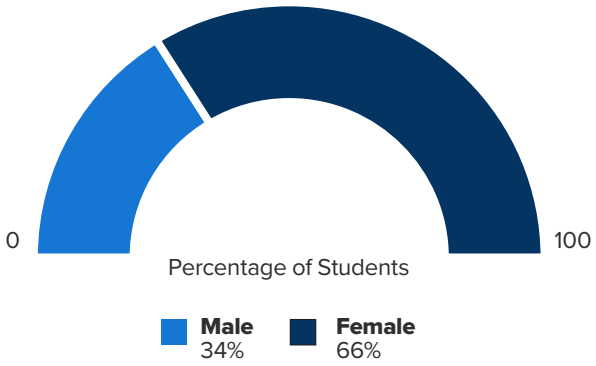
Race/Ethnicity of Students in 2U-Powered Degree Programs



- **American Indian or Alaska Native** 0.5%
- **Asian** 10.5%
- **Black or African American** 19.5%
- **Caucasian** 50%
- **Hispanic** 16%
- **Native Hawaiian or Pacific Islander** 0.5%
- **Two or More Races** 3%

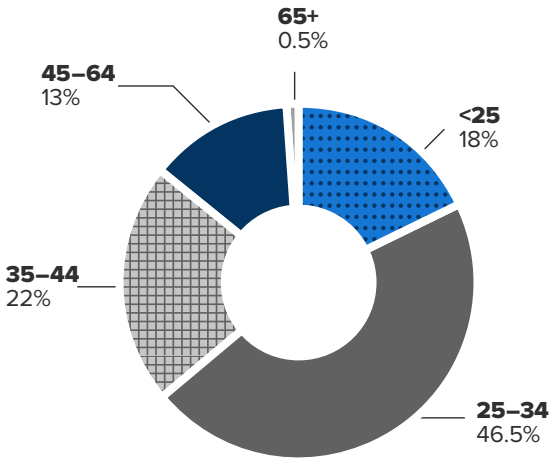
8.3% MILITARY-AFFILIATED STUDENTS

Gender of Students in 2U-Powered Degree Programs



Not visualized:
Non-Binary: 0%, **Prefer not to say:** 0%

Age of Students in 2U-Powered Degree Programs



[8] Demographic data are self-reported by students. Figures above are based on the total number of students that reported demographic data through December 31, 2020 for those programs and students to which 2U has access to the information. This includes race/ethnicity data for 75 percent of students, gender data for 84 percent of students, and age data for 97 percent of students. Military affiliation is defined as military students (active duty, veteran, and reserve) plus dependents and spouses.

BOOT CAMPS

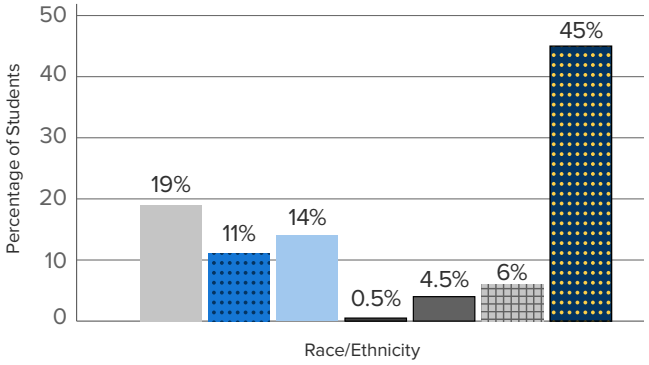
2020 Student Makeup[9]

49%
Black, Indigenous, People of Color

20%
over the age of 40

31%
did not have a bachelor's degree

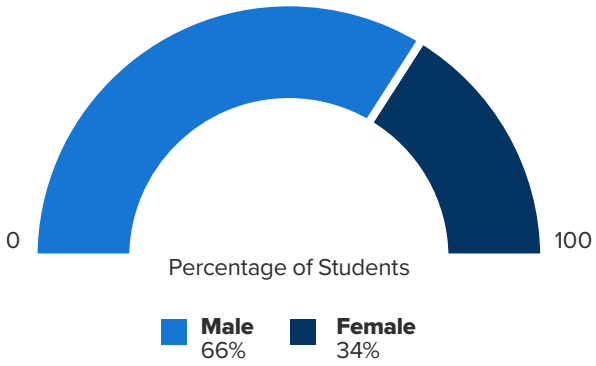
Race/Ethnicity of Students in 2U-Powered Boot Camps



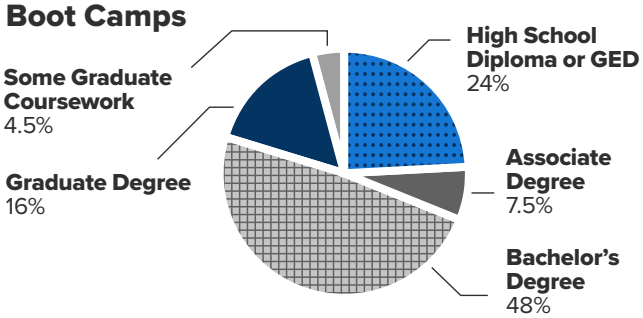
- **Asian/Pacific Islander** 19%
- **Black or African American** 11%
- **Hispanic** 14%
- **Native American or American Indian** 0.5%
- **Other** 4.5%
- **Prefer Not to Say** 6%
- **White** 45%

Not visualized: **Two or More Races:** 0%, **Native Hawaiian or Other Pacific Islander:** 0%

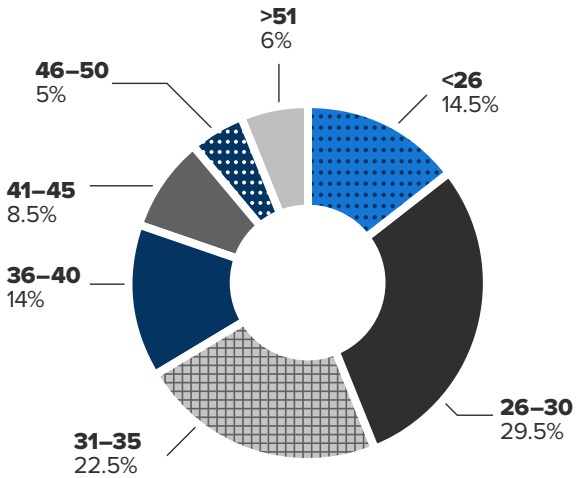
Gender of Students in 2U-Powered Boot Camps



Level of Education in 2U-Powered Boot Camps



Age of Students in 2U-Powered Boot Camps



[9] Demographic data are self-reported by students. Figures above are based on the total number of students that reported demographic data through December 31, 2020 for those programs and students to which 2U has access to the information. 78 percent of students provided race/ethnicity data, 90 percent of students provided gender data, 85 percent of students provided age data, and 90 percent of students provided level of education.

SHORT COURSES

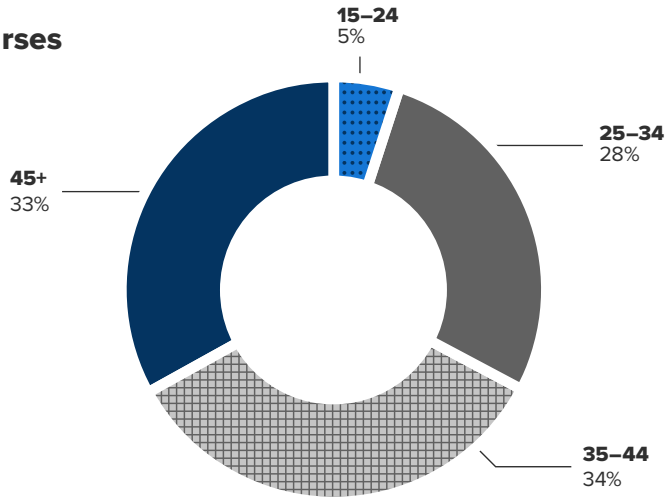
2020 Student Makeup[10]

62%
25–44 years of age

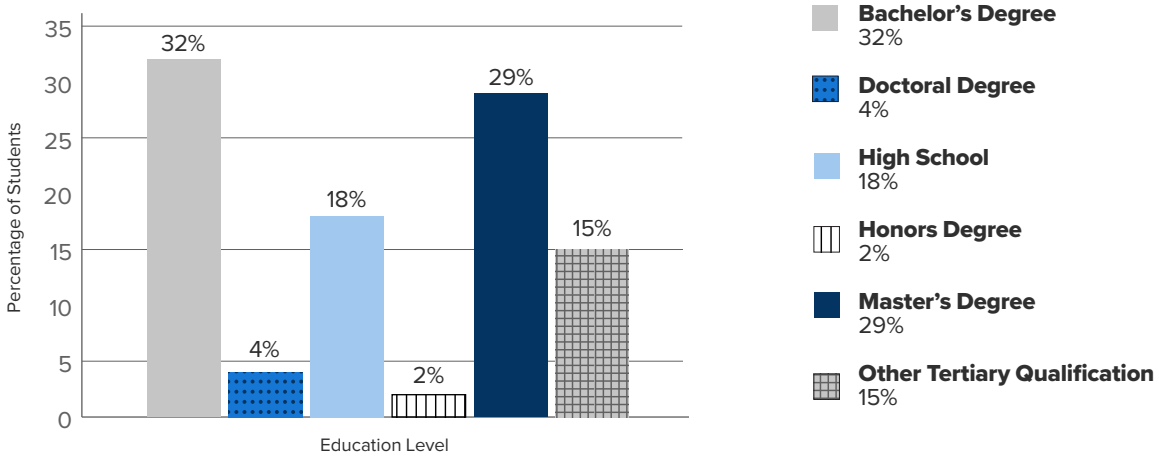
20%
did not have a bachelor's degree

29%
had a master's level degree

Age of Students in 2U-Powered Short Courses



Level of Education in 2U-Powered Short Courses



[10] Demographic data are self-reported by students. Figures above are based on the total number of students that reported demographic data through December 31, 2020 for those programs and students to which 2U has access to the information. 92 percent of students provided gender data, and 82 percent of students provided level of education data.

4 Affordability

Our nonprofit university partners are responsible for setting tuition prices, admissions criteria, and the credit requirements and structure of their degree-granting programs. As part of 2U's commitment to make these programs more affordable, we invest millions annually in scholarships, fellowships, and tuition reductions for students.

$32M

2020 investment in scholarships and fellowships for students in 2U-powered degree programs

$3M

2020 boot camp scholarship fund to expand access for historically underrepresented populations

APPROX **31%** of 2U's total 2020 revenue was derived from Title IV funds[11]

Degree programs in 2020:

OVER **80%**

of the degrees we power were priced at or below the cost of their on-campus counterparts.[12]

MASTER'S DEGREE[13] PRICE RANGE

$352 PER CREDIT — $2,592 PER CREDIT

DOCTORATE DEGREE[14] PRICE RANGE

$1,326 PER CREDIT — $2,139 PER CREDIT

Non-degree offerings in 2020:

SHORT COURSE[15] PRICE RANGE

$665 PER COURSE — $4,301 PER COURSE

BOOT CAMP PRICE RANGE

$5,170 PER BOOT CAMP — $14,745 PER BOOT CAMP

[11] Estimate based upon non-Title IV alternative credential revenue and analysis of College Scorecard data released by the Department of Education in 2020.

[12] Based on the 2019–2020 publicly available advertised prices listed on our partners' websites.

[13] Based on 2020 cost per credit. 2U-powered master's degrees are 47 credits on average. Degrees priced in British pound sterling (GBP) were converted to USD using a 1.34 exchange rate as of December 2020.

[14] Based on 2020 cost per credit. 2U-powered doctoral degrees are 63 credits on average.

[15] Short courses priced in GBP were converted to USD using a 1.34 exchange rate as of December 2020. Short courses priced in South African Rand (ZAR) were converted to USD using a 0.07 exchange rate as of December 2020.

5 Quality

We work hand in hand with our partners to ensure a high-quality experience for students. At a time when many students experienced emergency remote education, students in 2U-powered programs engaged in offerings grounded in 2U's Learning Experience Framework, a research- and learning science-supported approach to designing high-quality, engaging online education.

On average per week, 2U-powered degree programs require:[16]

100 MINUTES of intentionally designed asynchronous coursework

100 MINUTES of engaging synchronous content

2020 average class size:

14 STUDENTS

On average, 2U-powered clinical degree programs require

849 HOURS OF FIELDWORK

18M+ CLINICAL HOURS completed by students all-time[17]

NET PROMOTER SCORE[18]

53 DEGREE PROGRAMS

51 BOOT CAMPS

50 SHORT COURSES

DEGREE PROGRAMS

Our partners' degree programs are **25** MONTHS on average

BOOT CAMPS

Take between **12–24** **WEEKS** to complete.

Require approximately **30–40** **HOURS** of in-classroom and out-of-classroom coursework per week.

SHORT COURSES

Take between **6–10** **WEEKS** to complete.

Require approximately **8–10** **HOURS** of coursework per week.

16 Asynchronous and synchronous coursework constitute the required contact hours for our partners' courses. These time commitments do not necessarily include readings, assignments, projects, or group work.

17 Inception to December 31, 2020.

18 Net Promoter Score (NPS) measures a customer's willingness to recommend a company's product or services. Students are asked "How likely are you to recommend [insert offering name] to a friend?" A higher score indicates that the student is more likely to recommend their program, boot camp, or short course. An NPS can range from -100 to 100 and in general, an NPS above 30 is considered excellent. NPS is a measure of advocacy rather than satisfaction. As of December 31, 2020.

6 Outcomes

When students win, we win, and by coming together with our partners, we deliver life-changing outcomes. In 2020, we published our Gallup-2U Graduate Alumni Outcomes Study and look forward to publishing our 2021 report with Gallup on the outcomes we are delivering in the boot camp programs.

In 2020, 2U and Gallup found that:[19]

97% **of all 2U-powered degree alumni achieved a positive career outcome after graduating.**

whether it was finding a more fulfilling career, changing careers, getting a promotion, earning more money, or attaining more up-to-date and relevant skills.

94% **Black alumni**

97% **first-generation alumni**

achieved a positive career outcome after graduating.

53% of 2U-powered degree alumni say their salaries have increased since graduation.

65% of 2U-powered degree alumni report that they achieved their goal for attending graduate school.

2U-powered **degree programs** have:

90% **RETENTION RATE**[20] term 1 to term 2

72% **GRADUATION RATE**[21]

Some of our university partners **publicly report the licensure pass rates** of their graduates, which can be found here and here.

91% average course **COMPLETION RATE**[22] for our **SHORT COURSES**

2U-powered **boot camps** have:

79% **GRADUATION RATE**[23]

11K **EMPLOYMENT REFERRALS** completed by our career services team in 2020.

19 Gallup, *Positive Career Outcomes and Equitable Experiences: The 2020 Gallup-2U Graduate Alumni Outcomes Study*, 2021.

20 Defined as the percent of students who enroll in a program and remain through the add/drop period in 2020 who also enroll in the second term of the program and remain through add/drop period, excluding students on leaves of absence.

21 Defined as the number of students that have graduated from our programs, as a percentage of the total number of students that enrolled in our programs (and remain through the add/drop period), from inception to December 31, 2020. Only students in programs that started at least 3 years ago are taken into account.

22 Defined as the number of students across all short courses that completed a course, regardless of grade received, as a percentage of the total number of students that enroll in a course from inception to December 31, 2020.

23 Defined as the number of students that have successfully met all program requirements and received certificates by their respective cohort's end-date. Includes cohorts ending from January 1, 2020 through December 31, 2020.

To learn more, visit
2U.com/Approach/Transparency

2020 Transparency Report