

Title: In Conversation on College: Weighing in on Two Investors' Diagnoses and Proposals for Higher Ed Part II

Description: Stacey Childress, Senior Advisor on Education at McKinsey, joins Michael and Diane for the second episode of a two-part series weighing in on Marc Andreessen and Ben Horowitz's recent analysis of higher education. In this second episode, they react to the venture capitalists' proposed solutions for higher education. They evaluate the investors' recommendations and added their own prescriptions along the way.

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Diane Tavenner:

Hey, Michael. Hey, Stacey.

Stacey Childress:

Hello.

Diane Tavenner:

Well, we are doing something for the first time here on Class Disrupted. We are recording a two-part podcast. And so here we are in part two. We've got the amazing Stacey Childress with us for this experiment, and she's hanging in there. She came back for number two. So, as a reminder, here is what we're up to. The three of us all listen to a very lengthy multi-part podcast by Marc Andreessen and Ben Horowitz, very successful and respected VCs and entrepreneurs.

And their podcast broke down the problems with higher education and the solutions as they sort of saw them and proposed them. And then also had a third session on questions from X, Twitter, whatever you want to call that thing. So lots of people told us we had to listen to what they were saying, and we did. And then, quite frankly, we really felt compelled to join in this really important discussion. We were super grateful they were having it. We felt like we could add some things. And so in our last episode, we tackled the problem that they had laid out in their first episode. So we did that in our first and really broke down what they got right, what they missed, what some things we had some quibbles with. And today we want to flip to their solution. So, kind of mirroring their approach.

Michael Horn:

Yeah. And suffice to say, I think we had a lot we liked in the problems that they identified, some nuance that we tried to add to their conversation to set us up, I think, for a more productive set of solutions. And again, the disclosure that we're all on the board of Minerva University, and we kind of think that we might be an interesting solution to some of the problems that they posed. But with that as sort of prelude, I think let's just jump right in. They offered a bunch of solutions as they went down the bundle of their twelve. They talked a lot about how you could unbundle and rebundle a lot. I thought that was an insightful framing as you think about solutions to these operations and these real valuable functions that places play. So, Diane, where would you like to dive in?

The benefits of centering teaching

Diane Tavenner:

Well, for me, Michael, the solution episode is where things really got spicy. And you know that really isn't a surprise. I often find that people are really good at breaking down and dissecting problems, but they often don't offer very satisfying or promising solutions, especially when you're talking about big, complex systems problems. And so I'm not surprised that I wasn't feeling satisfied in that episode. And in fact, I feel like I've made this complaint about a lot of the books that I've recommended on this podcast. So it's not that there's not value in there, but I definitely have some disappointment with the solutions that Marc and Ben proposed and that lots of other people propose, especially when you get into education. And so I guess where I want to start is, let's just go through some of them, and I pulled a bunch of them out and I'm curious what you all think about them. And so let me just start on the positive, what I agreed with, and we talked a lot about this in the first episode, so don't have to spend a lot of time here. But I actually agreed with their solution, that one of the things that colleges and universities need to do is focus on educating students and refocus, reignite their purpose around that. And in doing so, they should be able to reduce administrative overhead. And so

they talked a lot about how in a number of universities, there are reports now that there are literally more administrative people than there are students, which kind of, to any person sounds insane. And I think we know that to actually be true know they have a perception of cost ballooning. Michael, you gave us some real nuance around that in the last episode, so we can take that or leave that. But this ballooning, this lack of focus, contributes to a lack of direct service to students, and we should just literally, dramatically reduce admin and in doing so, reduce cost. And so I'm curious what you guys think. The last thing I will just say quickly before I turn it to you is I do believe this is something we've done at Minerva. Minerva has prioritized student learning, the student experience. The three of us, as trustees know for a fact that the admin is quite lean and that cost structure is significantly leaner as well. So I do think we have at least one proof point that it can be done.

Michael Horn:

Yeah. Stacey, why don't you jump in first? And this is the format we'll follow for people listening. Diane's going to go through her list. Stacey, and I will react bullet by bullet, so to speak. So go ahead, Stacey.

Stacey Childress:

Yeah. On this one about refocusing on students, I would say refocusing on the purpose of the time in the program, whether that's two years, three years, four years, because I think you could play with timing as an innovation potentially. But while we're here together, learning much more, focus on purpose and helping young people expand their opportunity set. To me, it can be an early function of a higher ed experience in your first year or two where you're able to get better, clearer insight into a path or multiple paths that you may or may not have come in thinking that's the path you're on. Now. For lots of kids, they just come right in and go, and that's fine, but lots of them don't. And so just like thinking about what's really the purpose of the first year, what's really the purpose of that bridge from first to second year, what are we trying to help make sure students get to the middle of their second year at end of their third semester, kind of knowing about themselves, knowing about what comes next and what needs to happen. Just really kind of think of that backwards mapping. If we're headed here, how would we think about what needs to happen from the beginning to get there? And I just don't think that's happening anymore. So I liked the idea that it might be possible for institutions that want to really focus themselves on student development and acceleration to rethink the way the experience works without having to add a ton of costs and in fact, probably be able to reduce costs if they really streamlined around that purpose, therefore that value prop, therefore that experience that needs to be created and managed over time. So they didn't exactly suggest that. But I do think from a solution standpoint, I think there's real power there. And we said that with Minerva, we've got more of that mindset, but we were able to design it

from the beginning that way. Or we weren't. I wasn't. I wasn't there at the very beginning, but not too long after. But that's the purpose at Minerva, and we're organized around it and can constantly get better at it, for sure. But we're organized around it. And I think it's a thing that existing institutions could move to. It doesn't seem impossible. It seems really hard, and it would take some time. But I think we have some examples of the improvement of some credentialing. I'm most familiar with it around master's programs, but I think that actually gives me a little bit of hope that you could think differently about the experience in ways that doesn't require you to blow up everything but does create opportunities to redesign at the kind of major/degree level. I don't know. I think it's possible and desirable.

Michael Horn:

Yeah, that's super interesting. I like also how you said it, Stacey, which is, regardless of what the universities do, they need to focus around a purpose. And so for some institutions, I will be delighted if they say it's research, because I think that's a very important societal function that's different from the one we've chosen at Minerva, which is fundamentally students. I think doing so on either end, I think, will reduce administrative overhead and cost bloat. I think you need that clarity. I will say the second add to you all that I think maybe, I don't know that it's a disagreement, but it follows from where you were going, Stacey, which is like, I don't think it's quite student centered. I think it's student purpose. And so, meaning, if we're backward mapping from, we want these individuals to go out into the employment world and society and be able to contribute, what does it. And I think it's a slight addendum to the student centered language only in the sense that you could argue that the opulent dining halls and residential palaces and so forth of colleges are very student centered in a weird kind of way. But I think it's because they've treated students as customers as opposed to clients. And my distinction there is simply, like, the customer is always right with a client, you kind of got to nudge them and help them because you're helping develop them. And so that's my one sort of maybe controversial nuance. But I think we should have teaching institutions, they shouldn't try to do research, and we should have far fewer research institutions. But I still want some of them.

Diane Tavenner:

I love that distinction, Michael. And it's so interesting how I think about this kind of as an insider and then a parent perspective, in that I actually, as a parent, see those sort of, let's call them resort style or luxury resort universities as detrimental to the development of people in the 18 to 25 range. And so I don't ever see that as a positive. But you're right. That's what some, especially elite families want. And that's like driving things. So super interesting. I will just say that Minerva is the opposite of that. As we both know, it really is designed to help develop young emerging adults and their skills. And it's really impressive on this front.

Michael Horn:

And they've done that backward mapping that Stacey just described in excruciating, incredible, awesome detail.

Stacey Childress:

Brilliant.

Diversification of purpose and opportunities

Diane Tavenner:

Yep. Okay, so the second solution that I agree with, and here's where I'm really going to practice some grace, because I don't really think they said it the way that I would. But anyway, they seem to believe that it would be really healthy to have different universities and different departments within universities offering really different opportunities and appealing to different people and interests and passions and skills. I think they say that repeatedly, and I believe that that's really something they care about. And I 100% sign on to and agree with that. I'm super excited about that. Right now. We have one flavor and they're all vanilla. And how could we have some really different types of offerings? However, in that conversation, they got all caught up in DEI and politically hot topics. And so their discussion of it was kind of bumbly and in some cases came across as sort of biased and stereotypical. We unpacked that a lot on the last episode, so I'm not going to go back there. So instead, what I'm going to try to do is say what I think they would sign on to, given what I tried to hear through what they were talking about, which is what I would call the Todd Rose approach. And Michael and I have talked to Todd a couple times on the podcast, but basically, he really advocates for the end of average, which in his research and work suggests that what we're promoting in university admissions right now is everyone driving towards being on a very small number of measures, the same as everyone, only better. So it's like, we're all going to be good at these three things, and now I'm just going to try to get better than you versus recognizing that the world needs whatever, hundreds, thousands of different things and that different people bring those different... And we would be so much better served if we were cultivating all that diversity of talent and expertise and interest, and if we had a collective university system that was really enabling and doing that. And so I think they were trying to zoom out to that systems level and say, wouldn't that would be ideal? And I want to throw it to you all, because I do think this concept of like, imagine if students were applying to colleges not because of their ranking in U.S. News and World Reports or wherever we're getting it these days, but because it was really a good fit for them personally. I mean, that's the ideal that I think Ben and Marc would sign on to. I think society would benefit from, and I think it would, gosh, just be so much healthier for our young people and our country.

Michael Horn:

I love where you just landed, Diane, because to me, it took them a while to get there, which I think is what you're saying. But I think that was the underlying essence, which is that they were saying it's not just Math and English Language Arts that matter. If you're an awesome musician, there should be a way to show that. And then I think it would make it easier, frankly, for colleges to differentiate, which is the art of strategy. Colleges don't like differentiating right now, to your point, the opposite of strategy. That's part of the problem. But they had this, I think, somewhat bizarrely said, SAT should be infinitely scored. I kind of agree with it. Like, if you're really good at math, I'd love to see how high you can get. And I want lots of other performance measures that you could showcase your talents on to show who you are. And you're going to have this jagged profile at the end of the day. And I think that's. Again, I'm not sure that they said it that way, but I think that's what they fundamentally were driving at, and I'd love to see it. If you get out of the SAT as IQ test, I think you can make that leap a lot easier. And then it gets exciting, and I think, Stacey, and I'll throw it to you here, I think it also gets around in the longer run. This point you were raising in the last episode that we're actually not ready to leave the SAT, because when we do, it actually becomes worse and more biased toward people who have lots of wealth to develop essays and projects and go on saving the whales and blah, blah, blah. Like things that we're not sure were about that we're trying to optimize.

Stacey Childress:

For, as I used to say, not really my issue. I'm glad somebody cares about that. I do like the whales. It's not really my issue. Listen, I am all in on, as, you know, on jagged profiles, both as just a concept and as a common sense approach to how the world actually works. And again, I think that's a lot of what they got right, both in diagnosis and solutioning, or at least feeding into potential solutions, is there aren't enough choices. There are 4,000 institutions, but Diane, to your point, there are a handful or maybe four or five handfuls that are really kind of driving what good is supposed to look like, whether that's right or wrong, and then all the other ones trying to kind of look the best they can against that standard. I actually would be cautious about any one institution, no matter how large or small, how financially healthy or not. I'll be cautious about saying, do more programs, like, proliferate programs. Michael, like, you have spent some time both advising and teaching at the Harvard Graduate School of Ed Education in the last few years. And I think one really smart thing they've done is fewer programs. You know, let's have fewer of these. And so you can make more sense out of what a degree from Harvard Graduate School of Education means at the end of it, because you didn't have, however, I mean, there were literally like 42 paths or something, and it's down in the teens now. It's like a big step forward. And so I wouldn't suggest more. I would suggest more in aggregate. Right. And so to your point, Diane, what opportunity does it create for institutions to find their place in the

ecosystem on the few things they can just be world class in, even if they're a smaller institution kind of in the middle of the country, someplace in a charming town, but not a destination spot. But they get really good at a few paths and us developing ways at the system level to let kids know about those young people, know about those options, these different places that you might go. And then the jagged profile, like, if you can have some services emerge for matching jagged profiles to institutions where you don't have to be one particular profile to do well there. But if you kind of fall in these ways, this is a way to continue to develop on these criteria you want to work on or if you want to look, the guys on the podcast saw college as a way out of being a bus boy and doing dishes when they were 17 or 18. Right. And so I don't want my jagged profile to be steady state, mostly filled in with things I'm interested in as a teenager and bus boy. But I do want some sense of where I am at that age and where I might want to push in if I'm interested in some other things. I mean, I want sports. So how does the ecosystem develop in ways that allows for, I'll just call it the supply of opportunities to be there in a very vibrant and differentiated set of options and some way of finding those options with a little bit of intelligence as a student and as a family about my student's jagged profile. Right. I don't want my jagged profile to be driven by some of my immutable characteristics, like race and gender and presumptions about what I might like or not like based on that. But, yeah, I'm different from you, Diane, and from you, Michael. We've had a lot of things in common and a lot of things that are different from one another. And we always have. Everyone does.

Certifying competence and personalizing through curriculum

Michael Horn:

Diane, can I, can I just one quick build off of that because it reminded me of two things. One, I loved it how the implication of what Stacey just said would solve the administrative overhead problem that you started with. Diane. I disagreed with their solution of just slash half the administration. You can't, as long as the bundle is what it is. And it's not a go back to operating like how you were in year 2000 because the world has changed. It's incredibly naive. And so that part of it, I think, where you just went with that, Stacey, is right. The other piece of this that just occurred to me is if you truly get good at the jagged profile piece, then a part I was in total agreement with Ben on was one of the biggest solutions, I think was starting the credentialing thing, if you will. That was actually certifying competence. And I think my conclusion, I've written a whole paper about this, about how we're never going to get to competency-based education unless there are these independent entities that are there to verify competency and mastery. And in practice, it's really hard to do. Like, we have all these one offs, right? Google, Microsoft, they don't stand in for the bundle. Once you get into the less rules based stuff, we get worse and worse at it. And so I guess I would just say if we solved it on the front end. Diane,

I'm curious what you think, but we actually might build into something that could solve it on the back end. And that would actually lower the price, I think, of higher ed.

Diane Tavenner:

Yeah. Like, I'm bursting with things right now. So I'm going to do three things all here at once. One, I want to just add on to this, I think, this is a really important conversation. So here's what I would offer as a counterintuitive solution to what we've just been talking about that I know is true in the K-12 sector. So people think that in order to offer more choice and more personalization, that you have to do it in big structural ways. You have to add, like, a new major. You have to add a new school of something. You have to add, add, add. It's not true. The way you actually do it and reduce at the same time is in how you're designing those programs to be significantly more personalized, significantly more differentiated. So you're actually solving the problem of the horrible pedagogy.

Stacey Childress:

Right.

Diane Tavenner:

And you're not expanding the structure of the university. Now, this is so nerdy. Like, if you don't design education and whatnot, you would never know that this is how you do this. But Minerva is a perfect example. They literally have five majors, five degrees. That's it. Name me another university that only has five degrees. They've just exploded. But within those degrees, the experience is so hands-on, so project based, so differentiated that you can. People are really matching up. And so I think, actually, the path forward on that.

Stacey Childress:

It's super fascinating. And it is counterintuitive, because you're solving the scale system problem at the unit level. Right. At the unit of the learner and the learner experience. And it actually doesn't add overhead. It helps trim. It's fascinating.

Diane Tavenner:

It's my favorite kind of solution, which is, I call the kitchen tool solution. I have a small kitchen. I'm a big cook. I can't have that many tools. They have to do multiple jobs. So I love it as a kitchen tool solution. Michael, you also took us. So there's some other things we agree with which we might get back to, but I'm going to take us into the disagree, because you sort of led us there to this fixing the outgoing credential problem, which, look, I think we all agree there's a lot of disruption happening in society right now about these credentials. Right. And it's really unclear where they are, because last time I checked, all the elite employers are still hiring

people from Stanford and Harvard. So that's super real. But you led us into their solution, and this might have been one of the most mind boggling proposals. And it falls into a category that's very natural for people, is when they don't know what to do, they think you need to do something different. They go back to something versus forward. And what Ben and Marc did was go back to the concept that in order to fix the credentialing problem and the lack of, we should start grading on a curve again. And I almost lost it, you guys. I had to take a break at that moment because that is the dumbest idea I've heard in a really long time. It's a horrible idea.

Michael Horn:

Nice of you to bring the nuance, Diane.

Diane Tavenner:

Quite frankly, they broke it down why it was a horrible idea. So I'll leave that to them. What is a good idea, and that's what we all talk about and what the three of us are driving for is competency, mastery based assessment and learning. And it's what you're pointing to, Michael. First of all, I just want people to understand this is a real thing. It's true. It's possible. There are competency based assessments that are valid and are reliable. More and more coming available every day. And in fact, one of the big problems is a lot of institutions don't use them. So we would have way more of these in the market if people were actually using them. And I say this because I built a whole system that does competency based learning and assessments. And now we had Tim Knowles on the podcast earlier this year, like, this is Carnegie Foundation for Advancement of Teaching and Learning and their partnership with ETS is all about this. So let us not believe that these things aren't possible and don't exist. They are and they do. And we as consumers have to start demanding them, buying them, using them, making them better.

Michael Horn:

Yeah, I mean, here was the big irony, right, which was, I totally agree with everything you just said, Diane, and I agree with them that the incentives currently suck, right. In terms of why there's great inflation and their credentialing idea. That's where you can go, right? Like we're going to have a way to prove mastery and we're going to say, yes, you got it. No, you got to keep working. Or you as an individual can say, maybe this isn't my bag. And that's okay. At this level, I think to learn what you really want and you're not going to make claims of, I got a C on this because I showed up and I turned it in and what, 30% all those...I'm totally 1000%... I thought the irony was that the credentialing idea that Ben wants to invest in, I think is an answer to this. I will add, I do not think that existing institutions, I know that many hundreds of them, are saying that they are launching competency based programs. I do not believe that most of them are going to be competency based. I do not believe that they are able to untether from the credit hour and move fundamentally to learning for the reason you just said, Diane, they're not

using these assessments. They're not fundamentally able to move to a world in which learning is the currency rather than time. And I think this is where you have to have a third party credentialer and a new ecosystem of the Western Governor's Universities, the Southern New Hampshire Universities, et cetera, filled around them. Stacey?

Stacey Childress:

Yeah. Yes. I'm not going to yet take the bait on the discrete grading curve thing. I'll come back to that. I'm going to stay right here.

Michael Horn:

You were at the Harvard Business School where you had to.

The role of employers in advancing competency-based grading

Stacey Childress:

I'm coming back to it. I'm coming back. I'm going to come back to it because I love this conversation or this thread. Supply can't continue to develop, proliferate, deepen, innovate without sufficient demand for the type of thing is what you're saying, Diane. And so this assessment problem, it's more than an assessment problem, but it's an assessment infrastructure that supports a new learning model. That gets us to mastery based, competency based, enables us to do personalization more meaningfully. And this is where I think there was a miss on the solutions part, not about a specific solution, because I love the credentialing idea. We need a few of those. I think Ben and Marc pushing the onus of, or not the onus, but the point of leverage over to others to drive these reforms, I think, is short sighted because they have more power than maybe they acknowledged, and certainly as part of a business ecosystem in the country, have an enormous amount of power as employers to require something different of existing institutions and therefore open up opportunities for new institutions to emerge. New models to emerge. And they can do that, by the way they will and won't hire. And I know that's challenging because they need this flux of new talent every year, and they plan for it to be able to operate their models. But unless employers, it's a hypothesis, but I think unless employers really pressure the institutions that are currently credentialing students to do something different, it's not going to happen. Like, even the third party credentialer has a hard time taking off if the educational models actually don't prepare students well to demonstrate competency in the third party credentialing protocols. I think because it's a market challenge. Even though we're talking about higher ed and big chunk of it is nonprofit, it's still a market. And the output of the system is talent. There's a market for talent. Who's driving that market for talent? On the consumer, the buyer side is companies, and they're going to have to exert way more organized pressure than they do now. And I think it's absolutely doable. And

look, there's a lot of one, I think I appreciate about just the podcast in general was they didn't really take the bait on super woke versus woke versus non woke. There were some allusions to it and stuff like that, which were fine. But there are employers making noises right now about who they will and won't hire based on current attitudes, behaviors, speech. And I don't love that, but I don't hate it. Okay. Employers can do that. Well, if they can do that, they can do this. They can do what we're talking about, which is a much longer term, more systemic way to really increase quality, overall quality of learning, quality of the signaling, quality of the incoming talent pool. And so like, yeah, businesses, let's get organized around hiring and not hiring based on some things that actually really matter fundamentally for the health of the economy, for human flourishing, et cetera, et cetera.

Unbundling the role of the professor

Diane Tavenner:

This point about the power of the employers is in the section in my mind of what they sort of overlooked or their blind spot. And I think it comes to people, we often forget the power that we have. I'd love to come back to that a little bit on another example, but I want to stick here because one of their other solutions was to fix grade inflation. And this was like a solution that was so that they could make the credential more valuable and the value proposition. So it was sort of this adjacent solution to what we've been talking about. I will say they got into this whole conversation about adjunct professors versus tenure professors and all of this stuff about whatever. It was a little bit confusing. Here's what I would say about... I feel like fixing great inflation kind of misses the point here. I think the actual solution that they would be looking for and want is unbundle the role of the professor in higher ed, because that's actually the problem that's at the root of the issue. We see this in K-12 teachers have too many hats they have to wear. They're supposed to teach the kids, they're supposed to coach them, they're supposed to mentor them, they're supposed to counsel them, and they have to evaluate their work performance, and they have to recommend those. Mackle and I have talked about this for years. Those roles are in conflict. There's an inherent conflict in there. We're asking these people to play these two roles and then getting mad at them when they are trying to promote kids that they are deeply invested in and care about. And so I would say for that and many, many reasons, they love unbundling. I think they should drop down a level and say, like, how do we unbundle the role of the professor in higher ed? We've sort of failed miserably so far at doing this in K-12, but maybe it's more possible at higher ed. And I think this speaks to your idea of Michael, like, disaggregating the research piece. I just think there's so much opportunity on unbundling the role of professors.

Michael Horn:

Well, and I won't ding them for not knowing this, but this is exactly what Western Governor's University has done. They have unbundled the role of the faculty member. They have five different roles for faculty members. Life coach, course coach, instructional designer, I'm missing one, and assessment. And they're all separate. And it's one of the reasons I wonder, Western Governor's University has set up WGU labs. Might all of the expertise that they have developed in assessing competency, because they are a competency based institution, be something that they can spin out so other people can start building toward it and start to do this even more? Diane, I think it's a great. I'm totally with you.

Stacey Childress:

Totally.

Evaluating tutoring as an alternative

Diane Tavenner:

Let me grab another one that I disagreed with, because once I get this one off my chest, then I think I'll feel okay. Which is one of their solutions was, and they sort of said it a little bit, like off the cuff, tongue in cheek a little. But we're pretty serious about it was like, look, if universities are charging \$70,000 a year in tuition, if that's the price tag of a university, you could literally hire a full-time tutor. It would tutor your young person, know Socrates and Aristotle and sort of in that old one to one tutoring model. And they spent a lot of time talking about a study that we all know very, very well, a study done by Ben Bloom that showed the power of one to one tutoring. It's true. It's a real study we all care about. And I think they really lost a lot of nuance around that study and what it actually showed. And for me, a couple of things that were problematic on just the very technical side. You can't hire a tutor for \$70,000 a year that is going to be Aristotle like, that is insane. And as business people, that's crazy. Please. So that business model doesn't work. And the second thing that really baffled me in the solution was their complete failure to think about scale here. We can't even find enough teachers in America. How in the world do we think we're going to scale one to one tutoring, even if we had the resources to do that? It makes no sense now. They were talking about, like, combos of AI, et cetera. Fine. I would say tutoring is not a solution to the problem of higher ed. It's certainly something we should be thinking about working on using as a tool in our tool belt, but it's not a solution.

Michael Horn:

I'll just say plus one. Go ahead, Stacey.

Stacey Childress:

Listen, I literally thought I'd gotten in a time machine and gone back to 2010 when we all started kind of professionally, really moving in the same direction when Bloom's study was the hot topic and kind of the talisman. This is the model for personalized learning. The two sigma problem is Bloom showed it's possible with mastery based one to one tutoring, which is a thing. Mastery based tutoring, like, it's a very specific model of pedagogy, which is a thing they miss, I think missed. So the two sigma problem is, how do we do this at scale? And they made a very good point. We all know what it's like. We all know the impact that one great teacher can have. And it's just a devilish problem to try to make a million great teachers, right? That's the challenge on the human front. And Michael, I know you and I share a perspective on this, like, Bloom's methodology, like, overstates effect size by. It took me a while to get there on my path over the last 14 or 15 years, but effect size is overstated. Algorithmic approaches to trying to get the technology to mimic that type of tutoring just really hasn't panned out. Lots have tried again. Hundreds and hundreds of millions of dollars of philanthropy and venture capital into that problem or goal. AI might put us on different footing there. You could really imagine something more akin in some domains to a mastery based model of individual support for young people that could approximate maybe some of the results. I don't know about you, Michael, but I'm skeptical of the two sigma, the 98th percentile result, moving kids at the 50th percentile reliably to the 98th percentile at scale. I think I'd take half that. If I could get 50% to 75th percentile in a reliable and affordable way, I think I'd be all in on that. What I don't think is that it is a single solution. It's always been my problem with this conversation about tutoring, which is it a thing that we're going to do on the side because other things aren't working. And so therefore, let's do one on one tutoring and that works for some kids and not others. And yeah, now we need 15 million great mastery based tutors who can each support three kids instead of just 3 million teachers that we already don't know how to do. So it starts to get at that challenge. But what I will say is what always continues to motivate me about the Bloom insight, whatever the effect size is, whatever the model is, whatever the scalability challenges are, it's twofold. One is isn't that really what we want education to be, regardless of how we actually operationalize it, whether it's Aristotle and Socrates today, but really some version of ChatGPT probably not going to happen, maybe not even all that desirable or through some other I'll just use the word bundle, even though I don't mean it in the way they were talking about some other basket of experiences that allow for the personalization you were talking about earlier, Diane, which technology can help and support, but isn't a point solution for it. I guess that's the thing to break out of, like when you see, well, one to one tutoring, and no matter what, it reliably shows this. And if we could just do that. I did think that listen, it was a cheeky aside that they made kind of as a joke, and it did make me laugh. But here's I mean, I do think this is a good push when we do get to the moment that there are as many administrators and faculty as there are students. And this is true in some institutions that the three of us know,

love and give a lot of credit for helping us accelerate toward the wonderful lives we're leading. Now you start to say, can we really not afford it? Yeah, because maybe we can afford it. We're just not spending on it. And maybe the model isn't really one to one, but maybe it is one to one in terms of headcount. And then you've got this unbundling idea, Diane, that you were proposing and that I know Michael has talked a lot about unbundling the role of the instructor, the professor. So then you still have the same number of people, and maybe the cost model stays similar, but it's worth it. It's way more effective. It's way more productive because for the same amount of money, you're getting a 75th percentile result instead of a 50th percentile result. If we could just use the inspiration of the blue model, not say, let's try to replicate it exactly, but what might it push us to re-examine about the current structure and what might be possible if we weren't so wedded to the operational model that we have.

Diane Tavenner:

We could go.

Michael Horn:

I'm just nodding. I think this is a good point. I will say the irony I thought was they said nothing in education scales except for the Benjamin Bloom thing. And it was like, anyway, I've gone through my list.

Stacey Childress:

The problem is that it doesn't scale.

Startup competitors in higher ed

Diane Tavenner:

Let me just say quickly, because I think we're going to all be in agreement on this. As VCs, it was interesting that they were surprisingly skeptical of startup competitors. So competitors in the space that could be universities, if you will, new startup competitors. And they cited their major skepticism around what they call the accreditation cartel, which is not surprising because VCs kind of don't like regulated industries. For good reason, I think. I just would say quickly, I think they missed Minerva here. Minerva is literally a startup against the space that they're talking about. So we should just say that out loud. I would also say that...

Stacey Childress:

They did mention it.

Diane Tavenner:

They did mention it.

Stacey Childress:

Yeah. They didn't talk...

Diane Tavenner:

In a separate place. I just want us to know there are some really key people doing some work on accreditation that, if it's successful, I think will matter a lot. So we should just know that that's happening. And if folks are interested in that, I think there's people doing that, number one. Number two, who knows if it will pass in our federal legislation. But there's some work around enabling Pell grants. So these are grants for low income students to do shorter term credentials, which could get really interesting around different types of competitors.

Michael Horn:

Yeah, but I would agree with them here because I think as it stands right now, to launch Minerva took like \$100 million to launch UATX took some godly sum of money. College, Unbound, Reach University, Quantic School of Business and Technology. They're almost the exceptions that prove the rule at present. And I think supply is so limited that that partially explains why costs have gone up writ large over the last many decades. And it is really hard to start something outside the system like the short term Pell you just referenced that is locked to accredited institutions. It is like a whole set of institutions aren't going to be able to use it. And so it is really hard to start something outside the system because you're competing with something that does get a subsidy and you don't. We at Minerva were accredited, but we've chosen not to accept that subsidy to this point. I think that's been the right decision, but I'm just saying it's created barriers to entry such that I think all the coding boot camps and apprenticeships and other promising sort of stabs at this have struggled. And so I actually thought their point was right. And I'll just name it like if Stig Lesley, our friend, colleague, his postsecondary commission accretor does get through, I do think it changes the game. And that's probably where you're going with this, Diane. But I think at status quo, Ben and Marc nailed this I would say.

Diane Tavenner:

Don't disagree. And certainly my experience for 20 years in the K-12 environment as a charter school operator and is consistent with the rightful fears there. And as I look about at what sort of, even if initially wasn't blocked, what's kind of washed away over the time, it's a real fear.

Stacey Childress:

Yeah. I wonder, just kind of on this startup as kind of some version of a bundle, which is, I think what they're saying, right. It's like a competitive institution that has some version of the bundle. I wonder, Michael, is there some pseudo non consumption at a big enough scale happening in the Marketplace? So some of these kids we talked about, or some of these types of student profiles that we talked about earlier, that the current setup just does not work for and creates this enormous debt load and stuff. Maybe if you're not, Minerva's charter is to compete with elite institutions, as are some of these others we've referenced. But maybe there's more opportunity, if you really got clear about a student profile or two that is currently not being served at all or being served so badly that it puts them as worse than underserved, like negatively served, that there may be some opening for. Because maybe that kind of place, I guess the finances are still an issue, but what kind of credential does it need if it's got good partnerships with some set of employers or a couple of industries, for instance.

Michael Horn:

Maybe this is a cool place for us to wrap because I think to that point, Stacey, this goes back to the quote at the very beginning of the first episode that Ben led with on the quote unquote scam. What I might say is you got sort of two options here. One, you have an employer driven model, which looks a lot like apprenticeships, which Diane and I have gotten very excited about as an alternative. And it's learner centered, but it's actually employer centered as well. And that to me is the two things that actually I would anchor on in the new system, and I think it would get those incentives right, to your point. And number two, I think the other option is we're seeing players fill the non consumption. They're the Western Governor's Universities. They are the Southern New Hampshire Universities.

Stacey Childress:

Good point.

Michael Horn:

And then my co-host on my other podcast, Future U, says, well, why aren't more people pouring into this ginormous adult learning opportunity? And I think the reason is because we've said for profit, you can't play. And capital, as you know, likes to go where there will be a return. But number two, the incentives really suck for for-profit right now because they're incentivized to enroll. And we've seen that movie play out. And so that's the other piece of this, which is I would love to see the accredited players have skin in the game so that if your students don't get good paying jobs and are going to default on debt, that they have some penalty for that. Then you could open up the capital markets and then start to scale some different looking players against this because we'd be focused on the outcomes at the end of the day.

Media recommendations

Diane Tavenner:

I love that, Michael. I agree. It's a really good place to wrap. We could continue talking about this for a really long time. I suspect 3 hours were offline. Maybe we should turn to, we didn't do this on the first episode, but we should do it here because we were listening to that podcast, Stacey. We always do what are you watching, listening to, reading, hopefully outside of, quote, business.

Stacey Childress:

Well, one thing I'm watching and listening to is spring training. So baseball's back. We're in full swing of spring training in Florida and Arizona, and so I'm drawing attention to there. But then I'm also listening to a novel called the Covenant of Water by Abraham Varghese, which I had not... I know it's been around a while, but I am totally into... It's like one of those multigenerational stories that I love. It spans 70 years, from 1900 to 1977. The author is actually the Vice Chair of Medicine at Stanford Medical School. So he's a doctor and writes fiction. And so there's like a ton of amazing stuff about the evolution of medical practice during those years. I'm loving. I'm on like chapter 19 of 87, and I'm so glad that there's that much left of it. That's how much I'm loving it. Yeah. So I totally recommend it. If you haven't read it, that's awesome.

Michael Horn:

Diane, what about you?

Diane Tavenner:

Well, I have read it and love, love it. So that's an awesome one. So folks who've been listening know that I'm on my way to visit my son in Scotland here pretty soon, and we've got an upcoming trip. And so in my quest to continue to learn about that area, I'm actually reading Adam Smith's the Wealth of Nations and David Hume's A Treaty on Human Nature. Please do not laugh at me. Sometimes it's important to read the primary sources I tried to mean. So when we were talking Aristotle and Socrates and stuff, I had to laugh a little and the human nature and the growth mindset. But I think what's more interesting is at the same time, I'm playing with a new AI application, like I know we all are, that supports sort of learning journeys for people like me who aren't trying to get a credential but are trying to learn. And I'm having a conversation with it about these readings, and it's giving me projects and quizzes and all sorts of ways to learn and interact with the material. It's pretty fascinating. How about you, Michael?

Michael Horn:

That's awesome. I have a few different directions I could go because I'm still on the tennis kick to parallel Stacey's baseball, but that's not where I'm going. Last night...So this is someone could figure out when we're recording these episodes. But last night we went to the Somerville movie theater, which is one of these old-fashioned movie theaters, to hear an author speak. Her name is Kelly Yang. She lives in the LA area. She's originally from China. She immigrated here when she was like five or six or something like that. And she's written many children's books, and my kids had read them, one or two of them. We left with like eight of them. She has a YA novel as well, but the one that I was reading was finally seen, which was what they had read. I'm literally like every chapter, I'm like sobbing. Now, that was not their reaction, but it works on many levels, I guess, is the point. And then her new book that she is launching, and that's why everyone filled a theater last night is called finally heard, which is the sequel to finally seen. And evidently it's about the perils of social media through the story of an immigrant family. And so it's all about how to be happy and extraordinary, which, as she said last night, can often compete against each other in our lives. I've been reading so much John Haidt that I was so thrilled that a children's book author would tackle this topic in a really fun, enjoyable narrative. I'm excited to read it once I finish the first book. But with that said, a huge thank you to our friend Stacey. Thank you for joining us, Stacey.

Stacey Childress:

Thanks for having me.

Michael Horn:

I will add a huge thank you to Marc and Ben for devoting so much time and thought to the challenges in higher ed, sparking our two reactions. And I hope that they'll listen to this, and I hope that they will take it in the spirit in which we are offered, which is really building on the foundation that they have laid for a really critical conversation for society, because, as they said, universities have all these warts, and they do all these important things at the same time. And we can hold both of that in our head at the same time. And just a last thank you to all of our listeners for staying with us on this longer journey than usual. But we hope we'll see you next time on Class Disrupted.