WGU Tennessee®
2014 ANNUAL REPORT

PREPARING TOMORROW’S WORKFORCE
Expanding Access to Higher Education to Meet Workforce Needs in Tennessee

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

—National Council on Teacher Quality, Teacher Prep Review 2014

There are nearly 1 million adults in Tennessee with some college but no degree. As part of Governor Haslam’s Drive to 55 initiative, WGU Tennessee was created to help more Tennesseans earn their college degrees.

WGU Tennessee is a nonprofit, online university established by the state of Tennessee to provide Tennesseans with flexible, affordable access to quality higher education.

Tennessee’s only competency-based, online university, WGU Tennessee was established in July 2013 through a partnership between the state of Tennessee and nationally recognized Western Governors University. WGU Tennessee is ideal for busy adults who want to advance their careers by finishing a bachelor’s or master’s degree.

WGU Tennessee is self-sustaining on tuition of about $6,000 per year for most programs, requiring no ongoing funding from the state. WGU Tennessee offers more than 50 bachelor’s and master’s degree programs in high-demand career fields such as K–12 teacher education, business, information technology, and health professions, including nursing.

The university offers an alternative option for residents of the state who need to complete their undergraduate or graduate degrees but may not be able to attend traditional colleges or universities.

WGU Tennessee uses an innovative competency-based learning model in which students earn their degrees by demonstrating competency—what they know and can do—rather than spending time in class to accumulate credit hours. Students can use their work, academic, and life experience combined with learning new skills to earn a college degree. This not only makes it possible to complete a degree more efficiently; it also instills confidence with employers that the graduates they hire are competent in all areas associated with the degree program.

WGU Tennessee has partnered with all 13 of the state’s community colleges to offer students seamless credit transfers and tuition discounts.
WGU Tennessee Student Portrait

Enrollment by College
(December 31, 2014)

<table>
<thead>
<tr>
<th>College</th>
<th>Enrollment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>742</td>
<td>45%</td>
</tr>
<tr>
<td>Teachers College</td>
<td>410</td>
<td>25%</td>
</tr>
<tr>
<td>Information Technology</td>
<td>264</td>
<td>16%</td>
</tr>
<tr>
<td>Health Professions (including Nursing)</td>
<td>229</td>
<td>14%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,645</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

Enrollment Growth

- **36% compound 3-year annual growth in enrollment**

Growth in Cumulative Graduates

- **36% compound 3-year annual growth in graduates**

Distribution of Students

<table>
<thead>
<tr>
<th>Type</th>
<th>Enrollment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td>1,259</td>
<td>77%</td>
</tr>
<tr>
<td>Graduate</td>
<td>386</td>
<td>23%</td>
</tr>
</tbody>
</table>

- The average age of WGU Tennessee students is 37; student ages range from 17 to 66.
- 75% of WGU Tennessee students are classified as underserved.
- 46% are first-generation college students.

"In the next five years, more than half of the jobs in Tennessee will require post-secondary school credentials. WGU Tennessee will fill a critical gap in our higher education landscape."

—Tennessee Governor
Bill Haslam

#1 in STEM education

WGU is the largest educator of math and science teachers in the U.S., conferring 5% of the nation’s baccalaureate and 15% of the nation’s master’s degrees in STEM teaching.
“WGU Tennessee provides students flexibility, it recognizes competence, and it’s easier on the wallet – that’s a pretty powerful combination.”

—David Golden, SVP/Chief Legal Officer and Corporate Secretary, Eastman Chemical

**Making Higher Education Affordable**

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

**Financial Aid**

<table>
<thead>
<tr>
<th>Financial Aid</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>77% of WGU Tennessee students receive financial aid.</td>
<td></td>
</tr>
<tr>
<td>42% of WGU Tennessee undergraduates receive Pell grants.</td>
<td></td>
</tr>
<tr>
<td><strong>WGU’s 3-year student loan default rate is 6.6%</strong>, compared with the national average of 13.7%.</td>
<td></td>
</tr>
<tr>
<td>In 2014, WGU awarded more than $2.5 million in need-based scholarships.</td>
<td></td>
</tr>
</tbody>
</table>

**Reducing Student Debt by 29%**

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

**Providing a Quicker Return on Investment**

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

“Thanks to the structure of WGU Tennessee’s curriculum, I go to work and immediately recognize the correlation between my courses and my understanding of the company’s operations.”

—Evans Duvall
B.S. Business—IT Management
Bartlett
Delivering A Better Learning Experience

2014 National Survey of Student Engagement (NSSE)

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

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

“WGU Tennessee allowed me to continue doing the things I love – spending time with my family and traveling for my job. Another major plus was that the competency-based system enabled me to focus my time in the areas I needed to learn to further my career.”

—Shonna Wessels
M.S. Management and Leadership
Collierville

WGU Tennessee Student Satisfaction

<table>
<thead>
<tr>
<th>Question</th>
<th>Satisfied</th>
<th>Very Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall, how satisfied are you with your WGU Tennessee experience?</td>
<td>96%</td>
<td>58%</td>
</tr>
<tr>
<td>How satisfied are you with the mentoring support that you receive?</td>
<td>92%</td>
<td>73%</td>
</tr>
<tr>
<td>On average, how often are you in contact with your mentor?</td>
<td>At least every two weeks: 99%</td>
<td>Once a week: 72%</td>
</tr>
<tr>
<td>Did you achieve or will you have achieved the goals you had when you started at WGU Tennessee?</td>
<td>95% yes</td>
<td></td>
</tr>
<tr>
<td>Have you or would you recommend WGU Tennessee to a friend?</td>
<td>98% would recommend WGU Tennessee.</td>
<td>84% have already recommended WGU Tennessee.</td>
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WGU’s one-year retention rate in 2014 was 79%, while the average one-year retention rate at U.S. public four-year institutions was 73%.

“WGU Tennessee was launched to help more of our state’s adult workers gain job-ready competencies in high-demand career fields. The knowledge, skills, and credentials that graduates earn from an information technology degree will serve as gateways of opportunity for many Tennesseans looking to gain a foothold in the red-hot tech sector of the economy, as well as many other professional fields.”

—Bryan Huddleston, President and CEO, Nashville Technology Council
Employer Satisfaction
(2014 Survey of 300 Employers by Harris Poll)

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

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

<table>
<thead>
<tr>
<th>Employment Outcomes</th>
<th>WGU</th>
<th>National</th>
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</thead>
<tbody>
<tr>
<td>Total Employed</td>
<td>92%</td>
<td>91%</td>
</tr>
<tr>
<td>Employed in Degree Field</td>
<td>86%</td>
<td>81%</td>
</tr>
<tr>
<td>Employed Full Time</td>
<td>82%</td>
<td>77%</td>
</tr>
<tr>
<td>Enrolled in Additional College Program</td>
<td>25%</td>
<td>22%</td>
</tr>
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</table>

In a 2014 survey of WGU Tennessee students, 98% said they would recommend WGU Tennessee.
Growing and Building, 
WGU Tennessee’s First Year

In addition to increasing statewide enrollment to 1,600 students, WGU Tennessee established itself as an important member of the state’s higher education community and as a component of Governor Haslam’s Drive to 55 alliance. In its inaugural year WGU Tennessee:

• Honored more than 150 graduates at its inaugural commencement in Nashville.
• Finalized partnerships with all 13 community colleges in Tennessee.
• Added 13 corporate partners throughout the state, including Capella Healthcare, City of Memphis, Knox County Schools, and Ingram Industries.
• Was selected as a “Top Workplace” by The Tennessean.

Chancellor and Advisory Board

WGU Tennessee’s offices are in Franklin, Tennessee, and is led by Chancellor Dr. Kimberly K. Estep. WGU Tennessee works under the guidance of an Advisory Board that includes corporate, community, and education leaders in the state. WGU Tennessee Advisory Board members are:

- John Ingram (Chair), Chairman & CEO, Ingram Industries, Inc.
- Jerry Askew, Vice President, External Relations, Tennova
- Shannon Brown, Sr. VP/Chief Human Resources and Diversity Officer, FedEx Express
- David Golden, SVP/Chief Legal Officer and Corporate Secretary, Eastman Chemical
- Jim McIntyre, Superintendent, Knox County Schools
- Thom Mason, Director, Oak Ridge National Laboratory
- Ralph Schulz, President & CEO, Nashville Area Chamber of Commerce
- John Steele, Sr. VP Human Resources, HCA
- Blair Taylor, CEO, Memphis Tomorrow
- Karen Ward, Sr. VP and Chief Human Resources Officer, BlueCross BlueShield of Tennessee

Curtis Cooley, Estill Springs  
Special Education Teacher, Tullahoma

When Curtis was in high school, he first heard the word “dyslexia” and realized this is what he had. He did his best to work his way through high school and eventually graduated. He hoped his burden would get lighter, or that he would be better equipped to handle it, once he went to college. Unfortunately, he found that he continued to struggle. The course material was more difficult, and eventually he dropped out of college and moved on with his life.

After marrying and having his second child, Curtis decided it was time to give college another try. He discovered WGU Tennessee, and its competency-based model was a perfect fit. With personalized support from faculty and course mentors, Curtis succeeded. After he graduated with his B.A. in Educational Studies, Curtis fulfilled a dream by becoming a special education teacher, where he makes a difference in the lives of students every day.

Nearly 900 Tennesseans have earned degrees from WGU.
WGU TENNESSEE PROMISE:

We help our students achieve their dreams for a degree and career success by providing a personal, flexible, and affordable education based on real-world competencies.