A Thought Experiment—Planning for our Future
AAC&U Annual Conference, January 2014

It is January 2024, and the people in your group are competing to be the leadership team of Able College, a residential liberal arts college being restarted with refurbished facilities and a modest endowment after closing in 2022. If successful, you will be the first employees of this newly revived college, which will matriculate its first class in 2026. You have free rein to design the program as long as it meets the planning assumptions articulated below and provides a liberal arts education valued by students, potential employers, and graduate and professional programs. The leadership team will be selected based on the innovation, creativity, and feasibility of the business plan it proposes. What is your business plan?

National Context in 2024
1. Motivated students are able to complete a respected and accredited bachelor’s degree online with local support for under $20,000 while living independently.
2. Few students and families have the capacity to invest more than $60,000 in a bachelor’s degree. As time goes on, even fewer will be willing to do so.

Planning Assumptions
1. Able College will offer a liberal arts education designed to develop students’
   - Critical thinking and problem-solving skills
   - Oral and written communication
   - Intercultural competence
   - Teamwork skills
2. The College’s campus is located in a town with a stable population of 35,000. The employment base is a mix of small manufacturing, agriculture, government services, and a small medical center. The nearest large city and major airport is 90 miles away.
3. The campus can house 1000 students. You are expected to maintain on-campus enrollment near capacity.
4. A $10,000 annual room and board fee is adequate to support auxiliary enterprises (dining and residence halls) and minimal student services.
5. The endowment plus expected gifts are sufficient to offset the costs of operating and maintaining the physical plant.
6. Providing a traditional, residential liberal arts college experience would require a minimum of $16,000 each year per on-campus student in addition to room and board, endowment proceeds, and gifts. With this as a base, a four-year residential degree would cost a minimum of $104,000, well beyond the $60,000 limit.

Some Basic Questions
1. How is your degree different from (better than) lower cost degrees? How does the residential component add value?
2. Who is your customer? (Who do you expect to pay for this education?)
3. Why will your customer consider your program to be a good value when there are others that are much lower cost?
4. What are the experiences essential to realizing the learning outcomes you seek?
5. Which of these experiences require face-to-face, residential education?
6. What is your innovative idea?
7. How will you deliver your program at or below the required price point?

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