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Digital Tools and the Modern Learner

How Today's Learning Environment Impacts
the Perceived Value of Higher Education

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Table of Contents

Executive Summary

Battling economic headwinds and adapting to new ways of modern learning, higher education institutions are under pressure. Adding to these, potential students are increasingly skeptical about the value of pursuing a degree, with enrollment in U.S. higher education institutions experiencing a recent fluctuation in enrollment. However, in 2024, there were 14.8 million undergraduate students enrolled in higher education institutions. According to research conducted by McKinsey & Company, the fluctuation in enrollment has many causes—one of which is the growing popularity of distance learning that allows students to pursue a degree in online and hybrid environments. With rapid changes in available technology and corresponding changes in the workplace, higher education has seen an unprecedented need to adapt to meet the needs of modern learners. Such learners now expect higher education to prepare them for an unpredictable, yet innovative, future.

> Modern learners are tech-savvy and always connected. They also face a challenge that learners in the past did not: they must grapple with boundless information at their fingertips, learning how to distinguish what's important without spreading their attention too thinly. Despite their curiosity and desire to learn, modern learners are up against three major obstacles to succeed in traditional higher education environments:
>
> 1. Cost
> 2. Time
> 3. Experience

To be considered full-time in a higher education institution, students are required to be enrolled in at least 12 credit hours per term. Twelve credit hours, or four courses, is estimated to be around 12 class hours and 24 to 36 study hours per week—comparable to what the average full-time employee works each week. Yet, 64% of college students also work, adding to their already strained schedules.

What's more, if a full-time student does manage to balance workloads and graduate with a degree or certificate of completion, the underemployment rate for recent graduates remains at 40%. Intelligent.com's December 2023 survey of 800 U.S. managers, directors, and executives who handle hiring revealed that 58% of respondents believe new graduates are unprepared for the workforce and often lack professionalism and experience.

As students battle costs, balancing course loads, and an increasingly experience-driven job market, the value of higher education is in question. This report explores key factors that impact perceptions of value in higher education and offers insight into how digital learning should play a role in higher education based on the expectations of a modern learner and as a viable option to increase necessary and relevant job experience.

About This Report

This report examines and analyzes responses from an online survey conducted in the U.S. in September 2024 by AYTM on behalf of VitalSource. The survey includes responses from over 1,000 U.S.-based respondents currently or recently enrolled in higher education courses to shed light on:

1. Student perceptions of the value of higher education and how administrators may be able to address them.

2. Student preferences for tuition, fee structures, and course material formats.

3. Student expectations regarding digitally-enhanced learning and AI tools.

In our analysis, we zeroed in on respondents enrolled in higher education coursework from early 2023 to present as new generative AI became widely used by this time. We see measurable differences in this group of students and the ways they think about learning, course materials, digital tools, and higher education in general.

We also noticed some differences between respondents previously enrolled in coursework pre-2020 and students enrolled from 2020 to present. Differences in how they view their education and prefer to learn may be related to the COVID-19 pandemic, or they may simply reflect recent changes in technology that have impacted learning.

The Value of a Higher Education Degree is in Question

The cost of education - from tuition to course materials and housing - is burdensome for students, as evidenced by the 82% of all respondents in our survey who reported moderate to extreme concern about the overall cost of higher education. High costs have students considering cost-cutting measures in greater numbers, many are also worrying they won't be able to earn a salary that feels high enough to justify these costs.
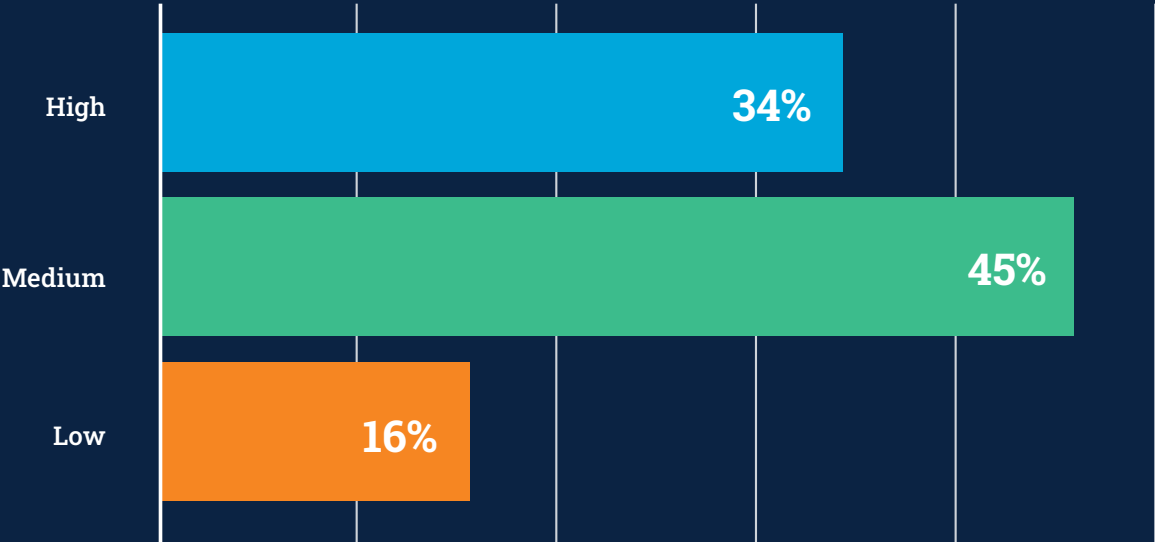
> "I put almost all of my paycheck total toward my student loan bills and it's crippling. I often wonder what my life would look like if I never went to college and just worked off of my high school diploma."

At the same time, students say the job market values 'experience' in the field and with key technologies more than a degree.

> "Nowadays I've noticed that jobs are looking for people with experience and a portfolio, even in entry-level work. So, I believe that we're heading towards a time where people can get jobs with a strong portfolio even if they don't have a college degree."

This is leading students to wonder about the value of a degree: only 34% of our survey respondents rated the value of a college degree as "high." Despite this perception, however, it's expected that 72% of jobs will require some form of postsecondary education or training by 2031. Students who hold a bachelor's degree are also shown to earn 50% more, on average, than high school graduates, demonstrating that perception and reality may be somewhat mismatched.

Students Rating the Value of a College Degree

High	34%
Medium	45%
Low	16%

Digital Learning Tools for Improving Experiences

Course materials and other learning tools are often one of the first touch points for students, playing a critical role in an institution's ability to attract and retain students and help alleviate financial stress. This is especially important as **nearly half (49%) of surveyed students report that the cost of books and materials is one of the most burdensome aspects of paying for higher education**. Modern learners often feel surprised, and consequently unprepared, by the cost of materials tacked on after tuition. Therefore, when asked if they preferred to keep tuition and course material costs separate or a flat rate that includes tuition and materials, over half of all respondents chose a flat rate–a structure becoming increasingly desirable for recent students.

58% of all survey respondents would rather pay a flat rate for higher education that includes tuition and materials.

Pursuing digital materials is the top affordable option sought by price-conscious students. Affordable access programs are moving institutions further from the use of print materials into more firmly digital-first programs to help solve affordability challenges. In fact, the purchase value of course materials delivered through IA and EA programs from our independent campus store partners is growing year over year compared to a material decline in retail in the last 10 years.
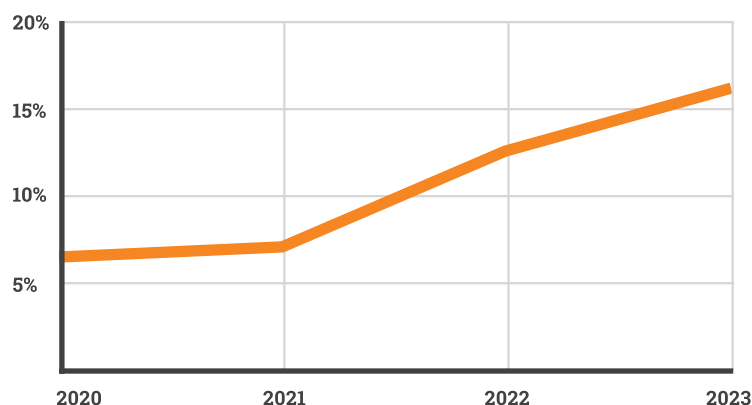
Students are accustomed to receiving digital course materials instantly rather than waiting days or weeks for physical copies to be delivered.

In fact, 33% of respondents who were enrolled in courses before 2023 reported receiving course materials "immediately" with their syllabus, which suggests they are using digital tools. This increased to 39% for students enrolled in school in the past two years–indicating this could be a growing expectation.

Digital course materials and other learning tools not only help students cut costs and save time but can also create learning experiences that mirror the modern work environment.

Breaking through to modern learners requires institutions to rethink the way coursework and materials are presented. Modern learners are clear that they prefer well-designed, digitally-enhanced learning materials: more than half of all respondents reported they prefer to use digital textbooks in some form. Enhanced digital textbooks (including video, audio, AI, and other added components) are growing in even greater demand, with **13% of students enrolled in the past two years reporting they prefer enhanced digital textbooks**–that's compared to **only 7% of respondents enrolled in 2022 or earlier**. These tools are already crucial to a satisfying student experience and may quickly become table stakes.
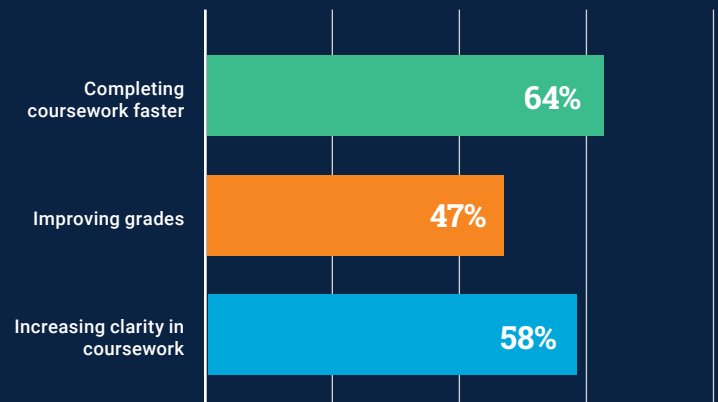
Enhanced Digital Textbooks Grow in Demand

AI isn't just a nice-to-have; it's a must.

Modern learners bring new expectations about convenience, price, and personalization to all aspects of their lives, including education. They learn differently, live in digital experiences, and therefore, are comfortable with learning technology that goes beyond just the digitization of textbooks. Modern learners believe artificial intelligence should be a prominent feature of today's educational experience.

Of all survey respondents, 61% have used AI tools in their coursework at least once. While not new, AI has had a long evolution, giving rise to the popular generative AI models we see today. Well-known generative AI released into the market in late 2022 quickly picked up steam, causing the technology to become ubiquitous in everyday life, work, and education by early 2023. Therefore, it's no surprise that the survey data points to the desire and demand for AI growing among students enrolled since 2023 to present. **Nearly half of respondents (48%) enrolled since 2023 said that AI-powered test-prep tools were either likely or extremely likely to improve their course experience—up 19% from respondents enrolled prior to 2023.** Respondents find AI tools to be most beneficial in helping them complete coursework faster—reducing the time pressures they currently face. Students also expressed a positive sentiment toward AI in helping prepare for tests and evaluations, acknowledging greater satisfaction when they answer AI-generated questions correctly.
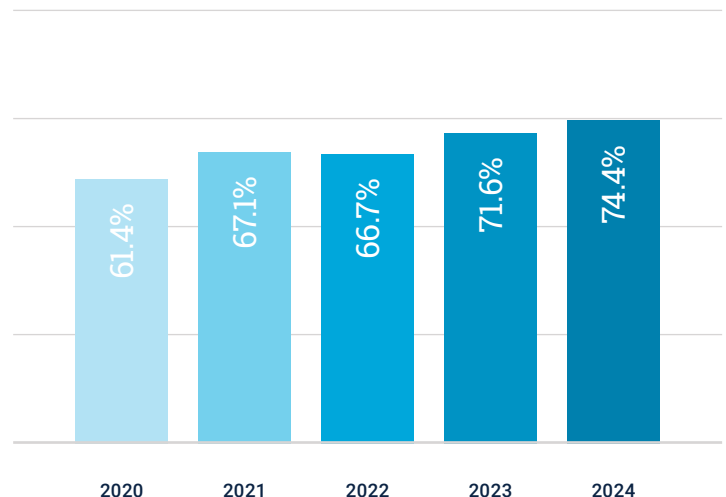
Where Students Find AI Tools to be Most Beneficial

Category	Percentage
Completing coursework faster	64%
Improving grades	47%
Increasing clarity in coursework	58%

Higher education institutions that embrace and encourage them will not only improve the student experience but also prepare them better to enter the modern workforce in which workers and companies are quickly adopting AI. Of individuals who work at a desk, 75% noted using AI in their workload. Jobs with a high level of exposure to AI also tend to be in higher-paying fields, where employers are likely to recognize the analytical skills students gain during a college education as a plus.

"AI helps me generate creative deliverables when creating presentations or educational tools."

Use of AI in Coursework is on the Rise

Year	Percentage
2020	61.4%
2021	67.1%
2022	66.7%
2023	71.6%
2024	74.4%

AI Benefits Students and Institutions

Research into the role of AI in higher education is still ongoing, but early feedback points to greater accessibility for all students and increased satisfaction—with the potential to expand learning engagement and ultimately improve test scores and graduation rates. Encouraging AI in coursework is not only imperative for students' success in their careers, but institutions must also prioritize it if they wish to provide a stimulating and productive learning environment.

Best practices for implementing AI-enhanced course materials for higher education:

- Consider what problems your institution is trying to solve to clearly map out the AI tools needed—scaling effectively and accordingly along the way.

- Create policies to ensure educators and students incorporate AI appropriately.

- Get instructors and professors to adopt and promote the use of AI in their materials, as they have the greatest influence over student interactions with learning resources.

- Partner with a provider of AI tools built on learning science to reduce the risks for students who may instinctively rely on less-regulated and sometimes inaccurate generative AI models.

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Conclusion

As modern learners question the value of higher education, institutions that embrace digital learning tools have an opportunity to both lower ancillary education costs and provide valuable experience with technology - particularly AI. By aligning institutions with the needs and desires of today's learners, students can feel more engaged in coursework and better prepared for a career after graduation. Digitally enhanced learning opportunities that include AI tools are a must to help students save and align the higher education experience with the modern work environment.

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