

Senate Workforce & Higher Education Committee
Tom Breitenbach, Cengage
Interested Party Testimony, SB 135
May 26, 2021

Good Morning, Chairman Johnson, Vice-Chair Cirino, Ranking Member Williams and members of the Senate Workforce & Higher Education Committee. Thank you for the opportunity to testify today. My name is Tom Breitenbach, and I'm a business development director for Cengage, an education technology company serving millions of learners in 165 countries. Cengage provides digital course materials for K-12, higher education, professional, library, English language teaching, and workforce training markets worldwide. I am here today to provide a little background into Cengage's mission, specifically in the student affordability space. We applaud the dialogue SB 135 is sparking among the higher education community.

As the country emerges from the COVID-19 pandemic, there is still an acute need to retrain the nearly 15 million Americans who are unemployed, underemployed, or who may find reduced opportunities in their current careers. While addressing these current challenges, we also need to ensure the next generation receives the education they need to be ready for their careers. Universities, Community Colleges, and workforce training programs are in the ideal position to accomplish both of these priorities by providing students with the opportunity to develop necessary skills required to fill Ohio jobs, and particularly Ohio's in-demand jobs. However, there are inefficiencies in our current education systems that need to be addressed in any legislation aimed at ensuring access for all individuals looking to enter or improve their standing within the workforce.

Cengage is headquartered in Boston, with over 400 employees in Mason, Ohio. We are a leader in high-quality skills development across the education spectrum. Serving the higher education, workforce, secondary education, English language learning, and library and research markets worldwide, we welcome every student, with a variety of post-secondary education resources, course materials, and tools that build employable skills.

HOW HAVE WE ADDRESSED AFFORDABILITY?

Since 2012 our company has been transitioning from standard print to digital while at the same time emphasizing lowering costs to students. We understand that price, including textbooks, can be a barrier to success for students finishing their degree or credential. Access to affordable, quality digital materials and courseware is critical to students' ability to learn and succeed during their higher education journey. Having access to these materials on day one levels the playing field for all students and sets students on a positive trajectory.

In that vein, we, as a company, completely changed our business model in 2018 and began offering a subscription service to students who can now purchase all their Cengage materials for one price, called Cengage Unlimited. Cengage Unlimited includes over 22,000 digital

courses and assets for over 675 courses, across 70 disciplines, all for only one price to the student.

This offering is the first-of-its-kind, all-access digital subscription service. Course materials are a significant stressor for many students around the country. We know the average Ohioan leaves college with debt totaling **\$30,239**. The complete cost of college is forcing students to make trade-offs to finish their degree. At Cengage, we're attempting to solve the problem with the cost that we control. We don't want to see students make tradeoffs to purchase their course materials while choosing to go without paying rent, food, transportation, or even daycare to accommodate these costs. Across the U.S., nearly 3 million college students have subscribed to Cengage Unlimited resulting in more than **\$330 million** in savings on course materials. Ohio students have already saved over **\$5.7M** since the Fall of 2018 by purchasing Cengage Unlimited.

Here are the Ohio institutions where students are saving the most:



Time period: August 2018 through October 2020

We deeply support ensuring that students have affordable access to the resources they need to successfully achieve their education and employability goals, and we encourage the committee to continue to look for ways to create more flexibility for students to obtain their credential and that includes encouraging new models for students to obtain their course materials.

ACCESS FLEXIBLE MODELS and MORE COORDINATION OF COLLEGES

Last year, we all saw how disruptive COVID-19 has been to students working towards or finishing their degree or credential. We spent the first months of the pandemic supporting instructors across Ohio to transition their classes to online and digital. We provided students with 6,587 of free subscriptions and worked with instructors to get 880 courses online as quickly as possible. We have seen that students need flexibility, whether it's online or in person with a 2- or 4-year degree or a short-term credential that leads to an in-demand job.

We've seen in our research that half of graduates in the U.S. didn't apply to entry-level jobs because they felt underqualified¹. Creating more flexibility for students to get the skills and real-world experience is necessary, and we support this committee working to do just that.

Half of recent graduates didn't apply to jobs because they felt underqualified. While 4-year graduates were concerned they didn't have the right skills, *degree stigma contributed to 2-year graduates fear that their academic merit didn't measure-up*. This has stymied diverse hiring by discouraging entire pools of capable talent from applying to open jobs.

4-year graduates are more likely to suggest other academic avenues over a 2-year degree

6X

more likely to recommend a 4-year degree over a 2-year degree to land a job in their field

2X

more likely to recommend skills certification versus a 2-year degree to land a job in their field

...which has led 2-year grads to believe that colleagues are more qualified

Half

didn't apply to a job because they believed their colleagues have higher academic merit

1 in 3

didn't apply to a job because they were concerned they didn't have all of the skills listed

Students need flexibility. We are encouraged by the conversation SB 135 is creating to have this much-needed dialogue on how we best support students and ensure that once they finish their education, they're able to be employed.

Thank you for your time today to learn more about our services to Ohio Students. Ohio's universities and colleges have done so much good, and we are privileged to work with them every day to support Ohioan students. I'm happy to answer any questions you may have.

¹ Cengage Graduate Employability Report, March 2021