

What Do MOOCs Cost?



By **Rachelle Peterson** (<https://www.mindingthecampus.org/author/rdejong/>)

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(<http://www.mindingthecampus.com/originals/MOOCsNYU.jpg>)

The “Massive” in MOOC refers to class size, but one might think it stands for cost savings as well. MOOCs are free for students who register and cheap for those who seek credit. Few colleges and universities plan to grant credit for MOOCs, but of those who do



(http://www.mindingthecampus.com/originals/2013/08/the_unexpected_resistance_to_m.html), the cost to the student is typically a few hundred dollars per course; sometimes, it’s only the price of paying for a proctored exam.

But MOOCs are not terribly cheap for the colleges and partner platforms producing them. Building a MOOC is tricky work. It involves writing lecture scripts, rethinking course structure, creating a slew of multiple choice quizzes, adapting grading software, filming lectures and (sometimes) discussion groups, editing footage, and building a course page. Once the course goes live online, someone has to pay for chat feed monitors, glitch repair, and a squad of tutors and administrators. All this for a product that’s supposed to resemble a frozen dinner: pre-packaged, simple to prepare, and consumed in front of a screen.

Adding it Up

So what do MOOCs actually cost the producers? Some are cheap, like self-produced off-the-cuff lectures delivered in front of a webcam and uploaded via an open source platform like Google’s Course Builder (<https://code.google.com/p/course-builder/>). However, MOOCs that professionally shot and edited and then spliced with interactive features can cost on the order of a quarter-million dollars.

For most MOOCs, three different entities help pay for production: the school volunteering the content, the platform that hosts it, and external third parties.

Udacity budgets \$200,000 for each course it makes. For many technologies, production costs decrease after their initial development, but Udacity’s costs are likely to keep rising as it launches MOOC 2.0, a modified version that includes more personal interaction with professors, tutors, and mentors. In its partnership with Georgia Institute of Technology’s new MOOC-ified master’s degree in computer science, Udacity expects to double its costs (<file:///C:/Users/Intern/Downloads/5.%09http://www.insidehighered.com/views/2013/06/24/essay-sees-missing-savings-georgia-techs-much-discussed-mooc-based-program>) to \$400,000 per course.

EdX gives its partners the option of producing a MOOC on their own and then submitting the finished product to EdX, or else paying for EdX’s design and consulting services at a rate of \$250,000 per course plus another \$50,000 each time the course is re-run. EdX is run jointly by MIT and Harvard, who have each fronted \$30 million to create the program, though EdX president Anant Agarwal emphasizes (<http://www.thecrimson.com/article/2013/3/5/edx-funding-virtual-independent/>) the need for EdX to generate sustainable sources of money to avoid becoming a drain on its university parents. Georgetown, when it announced a partnership with EdX, planned to invest (<http://magazine.georgetown.edu/2013/spring/tier2/edx.html>) \$2 million in the Harvard-MIT brainchild, while Amherst College expected (<https://www.amherst.edu/offices/it/about-it/moocs/communications>) to spend a

total of \$2.2 million, though the faculty voted down the proposal. Meanwhile the University of Texas shelled out (<http://www.insidehighered.com/news/2012/10/16/u-texas-aims-use-moocs-reduce-costs-increase-completion>) \$5 million to join EdX.

Coursera's costs are less public, though its partner schools have spent tens of thousands of dollars on their own course development. The University of Pennsylvania spent about \$50,000 per course, while the University of Edinburgh dropped approximately \$45,000 on each of its six courses. U Penn and the California Institute of Technology, when they joined Coursera, invested (http://www.upenn.edu/gazette/0313/feature4_1.html) \$3.7 million, justifying the expenditure as an investment in branding and a jumpstart for future online possibilities.

In addition to schools and platforms, a hodgepodge of third parties help to pick up the tab, sometimes obscuring the true cost of MOOCs. Private donors, including alumni (<http://news.harvard.edu/gazette/story/2012/07/uc-berkeley-joins-edx/>) eager to see their alma maters splashing the covers of technology journals, fork over substantial donations. The Bill & Melinda Gates Foundation has spent millions of dollars promoting MOOC use, especially advocating for MOOCs in remedial education. (Udacity founder Sebastian Thrun credits (<http://www.insidehighered.com/news/2013/07/18/citing-disappointing-student-outcomes-san-jose-state-pauses-work-udacity>) Gates with making remedial ed MOOCs a reality.) Gates has also provided EdX a grant of \$1 million. Then there are the venture capitalists, who have backed Udacity with \$22 million and Coursera with \$65 million. Sometimes governments help to foot the bill, too: the state of California awarded (<http://www.ebudget.ca.gov/2013-14/pdf/Enacted/BudgetSummary/HigherEducation.pdf>) \$16.9 million to California community colleges, asking them to further develop online initiatives, including MOOCs.

Many of these investors, of course, hope to make money on MOOCs, most likely not by selling the courses directly to students, but by renting them to small schools that then pair the outsourced lectures with proctored tests and, in some cases, group discussions and extra assignments. Udacity and Coursera have also experimented with doubling as paid headhunters; they sift course participation and assignment grades to identify promising students, offering to match them with a potential employer who pays a fee for each introduction. They've also experimented with selling their own certificates of completion. But most college presidents don't actually expect (<http://www.insidehighered.com/news/2013/05/02/survey-finds-presidents-are-skeptical-moocs>) MOOCs to reduce student costs. And even if courses do generate revenue, large portions of that revenue will return to the platform, not to the school that supplied the MOOC.

Georgia Tech, in its much discussed plan to create with Udacity a MOOC version of its prestigious master's degree in computer science, hopes to turn a profit of \$4.7 million by its third year of operation, but it's banking on a \$2.1 million start-up grant from AT&T to do it. It's also raised as many doubts (http://www.nytimes.com/2013/08/18/education/masters-degree-is-new-frontier-of-study-online.html?pagewanted=all&_r=0) as it has hopes about financial viability, such as those from critics who note (<http://www.insidehighered.com/views/2013/06/24/essay-sees-missing-savings-georgia-techs-much-discussed-mooc-based-program>) that the first year's course development will cost over \$15,000 per student. Georgia Tech also counts on quickly attracting 8,700 full-time students—more than the total number of computer science master's degrees awarded in 2009-2010.

Heeding Caution

Spending money on experiments isn't categorically bad. If not for fearless financial backers, we wouldn't have the personal computer, or the printing press—both of which have been great boons to the academic world. MOOCs are still developing, and since we don't know yet whether they'll succeed in facilitating learning, careful ^

investment is healthy. What is worrisome, though, is the reckless abandon with which schools are investing in experiments that provide minimal value to their own students and do not yet offer much to outside participants. If anything, our ignorance of the effects of MOOCs on learning outcomes should give schools and donors pause.



Rachelle Peterson
(<https://www.mindingthecampus.org/author/rdejong/>)

Rachelle Peterson is a research associate at the National Association of Scholars.
(<https://www.mindingthecampus.org/author/rdejong/>)

6 thoughts on “What Do MOOCs Cost?”

Pingback: Huge MOOCs savings | Your Training Edge ® (<http://www.yourtrainingedge.com/huge-moocs-savings/>)



Stronywww.Wroclaw.PI
(<http://stronywww.wroclaw.pl>) says:

May 22, 2015 at 1:10 pm

(https://www.mindingthecampus.org/2013/09/17/what_do_moocs_cost/#comment-133257)

If a larger entity is interested in buying your business, chances are they have access to cheaper methods of production and procurement that will increase the profitability of the website in ways that you couldn't. It's basically a marketing tool, to give you “a taste” of what the actual filter is all about. Additionally it is nice that you are not forced to listen to repetitive advertisements, as some other on-line video websites oblige you to do.

Reply

Pingback: The MOOC Problem | Mooctology (<http://mooctology.com/2015/02/25/the-mooc-problem/>)



Al Filreis
(<http://writing.upenn.edu/~afilreis/>) says:

January 23, 2015 at 11:00 am

(https://www.mindingthecampus.org/2013/09/17/what_do_moocs_cost/#comment-87669)

This is reductive and loaded language and does not describe any of the massive open online courses I admire: “All this for a product that's supposed to resemble a frozen dinner: pre-packaged, simple to prepare, and consumed in front of a screen.”

A MOOC that I admire—and, indeed, if I may say, the MOOC I myself teach—is the furthest thing from “simple to prepare.”

More: what does “supposed to resemble” mean here? Is that someone's intention?

Al Filreis



Reply

Pingback: The MOOC Problem - Hybrid Pedagogy (<http://www.hybridpedagogy.com/journal/mooc-problem/>)



FredO

September 18, 2013 at 10:39 pm

says:

(https://www.mindingthecampus.org/2013/09/17/what_do_moocs_cost/#comment-9332)

The cost of MOOCs is dwarfed by the enormous cost of campuses and their infrastructure. We simply don't need that many people to provide higher education. The research function of higher ed will continue in about 50 or so universities, but the vast majority will just go away. They're just way too expensive for the value added, since content can now be delivered at the student's convenience, and for a marginal cost approaching zero.

It is OVER for traditional bricks-and-mortar colleges and their denizens. Please adjust your expectations—government will not be riding to the rescue with even more subsidies.

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NOTABLE

Another Blow Against Integration

At the University of Nevada, a public school in Las Vegas, integration on campus is not exactly encouraged according to a report in the College Fix. In fact, the University discourages socially mixing different groups by providing separate dorms for identity tribes, all at taxpayer expense: Howell Town for black students, Stonewall Suites for LGBT students, Tonopah housing community for women only, the Health Living floor for those who still like tofu and kale, and the Study Intensive Hall for those who plan on graduating.

Oberlin--Let's Blame the Media!



Oberlin College's student newspaper editorial board blasted national media coverage of the Gibson's Bakery trial, saying that it "misses the mark," and that the ruling is part of an "increasingly authoritarian country," [Campus Reform reports](https://mindingthecampus.us8.list-manage.com/track/click?u=f3a628bee3010f1fae6b473ae&id=8a8f1b25ea&e=b377d8af71). (<https://mindingthecampus.us8.list-manage.com/track/click?u=f3a628bee3010f1fae6b473ae&id=8a8f1b25ea&e=b377d8af71>) The Oberlin Review's editorial board published an editorial Wednesday, titled "Media Coverage of Gibson's Verdict Misses the Mark," in which it strongly criticized how national media covered the case resulting in the college being ordered to pay Gibson's Bakery \$44 million.

Western Civilization = White Supremacy

New York City school administrators have been taught that pillars of Western Civilization such as objectivity, individualism, and even belief in the written word all are examples of ... white supremacy, [the New York Post](https://nypost.com/2019/05/20/richard-carranza-held-doe-white-supremacy-culture-training/) (<https://nypost.com/2019/05/20/richard-carranza-held-doe-white-supremacy-culture-training/>) reports.

A slide presentation obtained by the *Post* from the workshop "Dismantling Racism: A Workbook for Social Change" includes claims that a belief in an "ultimate truth" (objectivity) leads to a dismissal of "alternate viewpoints or emotions" as "bad" (this is straight out of the [critical race theory playbook](https://www.thecollegefix.com/fear-future-part-2-critical-race-theory-free-speech-limits-based-feelings/) (<https://www.thecollegefix.com/fear-future-part-2-critical-race-theory-free-speech-limits-based-feelings/>)), and that emphasis on the written word overlooks the "ability to relate to others" and leads to "teaching that there is only 'one right way' to do something."

Other "hallmarks" of white supremacy include a "sense of urgency," "quantity over quality," and "perfectionism." Read more at [The College Fix](https://www.thecollegefix.com/nyc-school-administrators-told-basic-tenets-of-western-civilization-are-white-supremacy/) (<https://www.thecollegefix.com/nyc-school-administrators-told-basic-tenets-of-western-civilization-are-white-supremacy/>)

The Civility Problem

Maybe a few courses on how to create a civil society would help America's so-called "social warriors" learn how to deal with their fellow men and women. Let's start with Amherst College in Massachusetts, where former Attorney General Jeff Sessions was scheduled to address the ongoing issue of free speech on campus. [Campus Reform reports](https://www.campusreform.org/?ID=12161) (<https://www.campusreform.org/?ID=12161>) that Sessions got a dose of today's SJW tactics when a stinkbomb was set off before he went on stage. Then, a walkout was staged by a gay pride group punctuating the assault on the former A.G. Stinkbombs? What is this, 7th grade?

Studying 'Angry White Males'

The University of Kansas has approved a course called "angry white male studies," open to all students willing to take a women's studies course first. The course on white males will explore recent changes in demographics since the 1950s. Republican Congressman Ron Estes took a dim view, arguing that "KU is offering a class that divides the student population and could pose a TitleIX violation by creating a hostile campus movement based on gender." The course will be taught by Christopher Forth, who focuses on gender, fat-shaming, and masculinity.

Erasing White Men from Politics

Believing that courses on American political thought are too fixated on white males, Professor Chad Shomura of the University of Colorado at Denver has solved the problem by banning discussion of white men in his course on the nation's political thought. This means nothing from Washington, Jefferson, Tocqueville, Rousseau or any of the pre-Obama presidents. Discussion of the Hillary Clinton race for the presidency in 2016 is allowed, but how she managed to lose while apparently "running unopposed" is unclear. ^

READER LETTER OF THE WEEK



<https://www.mindingthecampus.org/wp->

[content/uploads/2018/05/graphicstock-top-view-of-a-concentrated-young-man-working-on-laptop-computer-while-sitting-on-sofa-at-home_HdRUvnLnI.jpg](https://www.mindingthecampus.org/wp-content/uploads/2018/05/graphicstock-top-view-of-a-concentrated-young-man-working-on-laptop-computer-while-sitting-on-sofa-at-home_HdRUvnLnI.jpg)

In response to "Are Elite Universities Still Open to Jewish Students?"

<https://www.mindingthecampus.org/2019/06/22/are-the-doors-to-elite-universities-still-open-to-jewish-students/>

"American universities are openly breaking their bonds with the Jewish community by embracing active discrimination against Jewish students and rejecting their intellectual, emotional and moral attachments to the values of equal human dignity, universal rights, critical inquiry, and rational thought."

It's actually the other way around — American academia has rejected the values of equal human dignity, universal rights, critical inquiry, and rational thought and hence is embracing active discrimination against those with intellectual, emotional and moral attachments to said values.

It is a replacement of Judeo-Christian values with those of the French Revolution — the group rights of fraternity, liberty, and equity have replaced Locke's individual (God-given) rights of life, liberty, and property. And it's not just Jewish students being discriminated against and harassed, although they may be the most visible victims of it.

And it's not just in the elite universities — it's pandemic in K-12 as well.

Ed Cutting, Amherst, Massachusetts

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IN THE NEWS

[Lord of the Flies Comes to Evergreen State](https://www.aei.org/publication/lord-of-the-flies-and-primitive-savagery-come-to-evergreen-state-college/) (<https://www.aei.org/publication/lord-of-the-flies-and-primitive-savagery-come-to-evergreen-state-college/>) AEI, May 13

[Teaching Liberals About White Privilege](https://bigthink.com/politics-current-affairs/liberal-bias-white-privilege/), (<https://bigthink.com/politics-current-affairs/liberal-bias-white-privilege/>) Big Think, May 13

[Harvard Boots Weinstein Lawyer from Dean Post](https://nypost.com/2019/05/12/harvard-boots-harvey-weinstein-lawyer-from-dean-position/) (<https://nypost.com/2019/05/12/harvard-boots-harvey-weinstein-lawyer-from-dean-position/>), NY Post, May 12

[White People Blamed for Climate Change](https://www.washingtonpost.com/local/politics/academic-white-people-blamed-for-climate-change/) (<https://www.washingtonpost.com/local/politics/academic-white-people-blamed-for-climate-change/>)



[White People Blamed for Climate Change \(https://www.washingtonexaminer.com/red-alert-politics/academic-study-not-shy-on-who-to-blame-for-climate-change-white-people\)](https://www.washingtonexaminer.com/red-alert-politics/academic-study-not-shy-on-who-to-blame-for-climate-change-white-people), Washington Examiner, April 9

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