

CASE STUDY 1

InStride is a public-benefit corporation launched by Arizona State University and The Rise Fund that works with employers to extend accredited degrees and other credentials from leading universities to their employees.

 EDUCATION

Closing the educational divide to bridge the income gap

Only 14% of students of low socioeconomic status (SES) and 29% of students of middle SES attained a bachelor's or higher degree within eight years of completing high school—compared with 60% of those of high SES—the National Center for Education Statistics found. Yet multiple studies have shown that a college degree leads to sustained improvement in lifetime earnings. This educational divide is one of the primary drivers of income inequality in the U.S.

InStride

Launched in March 2019 through a partnership between Arizona State University (ASU) and The Rise Fund, InStride is an entirely new business designed to connect corporate employers with leading online universities, providing employers a way to offer educational benefits alongside traditional benefits like health insurance. Rise played a key role in the formation of InStride from its earliest stages from ideation through structuring the company and hiring the founding team.

By combining tuition discounts from university partners with tax-advantaged tuition assistance from corporate employers, InStride aims to meaningfully increase the number of people completing college degrees largely debt-free.



InStride employees from the Finance and Academic Partnerships teams come together for a brainstorming session

13,560

Approximate number of students (including graduate students) enrolled in university courses through InStride

200+

Online courses offered through InStride's network of universities

Joining forces to bring the power of a university education to more people

The founding of InStride emerged from two years of discussions between ASU and The Rise Fund. ASU has achieved the nation's best outcomes for online higher education at scale. It has also built the education sector's most successful corporate partnership, through which more than 12,000 Starbucks employees were enrolled as ASU undergraduates while they worked and received tuition assistance. Based on this strong track record, the Rise team identified ASU as an ideal partner with whom to pursue the vision of expanding access to university degrees and the economic opportunity that goes with them.

The Rise Fund and ASU immediately identified the opportunity to address two huge problems in higher education: affordability and career relevance. The best way to tackle them, we determined, was to build a new company that would bring the online degree offerings of high-quality universities to working adults through the corporate channel.



InStride's CEO, Vivek Sharma, speaks to a group of InStride employees during a weekly stand up meeting

Reinventing the education of today's workforce

InStride's objective is to reconceptualize traditional employee tuition benefits, enabling workers to attain more—and more relevant—education and credentials to advance their careers, while helping employers equip workers with the skills they need to compete.

The Rise Fund was able to offer the capital, business-building and operational expertise necessary to launch the new company. Senior Advisors Rick Levin, former president of Yale University, and Arne Duncan, former U.S. Secretary of Education, assisted with market and regulatory insights during due diligence. And, after an extensive search, the team brought on Vivek Sharma, with experience in e-commerce and education, as CEO.

InStride is now fully operational, with a staff of nearly 60, four new university partners, and eight new corporate partners, including Aramark, Uber and Prime Communications. As its first year as an independent company, 2019 marked a period of robust growth. Total student enrollment grew 28% to approximately 13,560 unique students (including graduate students) in 2019.

By expanding access to affordable higher education, InStride is helping employers provide meaningful, life-changing impacts for their employees, while simultaneously building their own human capital.

37 million

Adults, more than 20% of the working age population, started college but never finished

17%

Estimated increase in earnings for higher education graduates, the highest across the educational system