

MIT and Harvard agree to transfer edX to ed-tech firm 2U

Two-part transaction would turn edX into a public benefit company while generously funding a nonprofit dedicated to strengthening the impact of digital learning.

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A new nonprofit led by MIT and Harvard University will focus on overcoming persistent inequities in online learning, in part through exploring how to apply artificial intelligence to enable personalized learning that responds and adapts to the style and needs of the individual learner.

MIT and Harvard University have announced a major transition for edX, the nonprofit organization they launched in 2012 to provide an open online platform for university courses: edX's assets are to be acquired by the publicly-traded education technology company 2U, and reorganized as a public benefit company under the 2U umbrella.

The transaction is structured to ensure that edX continues in its founding mission, and features a wide array of protections for edX learners, partners, and faculty who contribute courses.

In exchange, 2U will transfer net proceeds from the \$800 million transaction to a nonprofit organization, also led by MIT and Harvard, to explore the next generation of online education. Backed by these substantial resources, the nonprofit will focus on overcoming persistent inequities in online learning, in part through exploring how to apply artificial intelligence to enable personalized learning that responds and adapts to the style and needs of the individual learner.

The nonprofit venture will be overseen by a board appointed by MIT and Harvard, and its future work will draw on ideas from current edX partners, as well as MIT and Harvard faculty.


PRESS MENTIONS

The Wall Street Journal

Wall Street

Journal reporter

Melissa Korn writes that 2U, an education technology company, will acquire edX for \$800 million. The proceeds flow to a new nonprofit, led by MIT and Harvard, which will “focus on reducing inequalities in access to education. It will maintain the open-access course platform built by edX, research online and hybrid-learning models, and work to minimize the digital divide that still serves as a barrier for many younger students and adults,” writes Korn.

 [Full story via The Wall Street Journal](#) →

Celebrating the past, building a new future

In a [letter to the MIT community](#) sharing the news, President L. Rafael Reif noted that edX has engaged 160 partner institutions, reached more than 39 million learners, and exceeded 110 million course enrollments. “All of us can take pride in what edX has accomplished, including — and perhaps most significant — edX’s role in helping create a thriving market for online learning,” he wrote.

The transaction announced today was spurred by rapid and profound shifts in that online-learning market over the past 18 months. With the onset of the global pandemic and the accompanying surge in remote learning, publicly-traded ed-tech firms have attracted major investment, making it increasingly challenging for a nonprofit to keep pace.


Almost a year ago, recognizing this disruptive transformation of the market, the edX board began to explore what it would take to sustain edX’s mission in the future.

Reif acknowledged in his letter that the initial expression of interest from 2U “took some getting used to.” But following several months of reflection,

Boston Globe

Boston

Globe reporter Laura Krantz reports that edX will be transferred to the education technology company 2U, and proceeds from the transaction will be used by a nonprofit aimed at addressing education inequalities and reimagining the future of learning.

 [Full story via Boston Globe](#) →

debate, and negotiation, he said the parties found an agreeable path: “a future for edX as a public benefit company that will pair the resources of a for-profit player with a formal mission to serve the public good.”

Encoded into law in most states, benefit companies emerged about a decade ago as a legally protected way for companies to commit to the public good. The designation allows a commercial venture to seek to make positive impacts for societal stakeholders while also serving company shareholders. Familiar examples of benefit companies include Patagonia, Kickstarter, and Ben and Jerry’s. MIT’s own innovation fund, The Engine, is also a benefit company.

The future of Open edX

If the deal is approved by state regulators, 2U will pay \$800 million for the right to adopt edX as a subsidiary and take on the current portfolio of edX course offerings, partner arrangements, and base of users.

However, the Open edX open-source software platform, upon which edX and more than 2,000 other learning sites around the world are based,

would not be transferred to 2U. The nonprofit would own and enhance Open edX, ensuring its continued wide availability — including its ongoing use by edX.

MIT will continue to offer courses to learners worldwide via edX, as well as on a new platform now known as MITx Online. MIT's Office of Digital Learning will build and operate MITx Online as a new world-facing platform, based on Open edX, that MIT is creating for MITx MOOCs.

MIT faculty may choose to continue to offer their courses through the new edX after the transaction is completed, or move them to MITx Online.

Under the terms of the transaction, partner edX universities would have the option of continuing to offer their courses under the same terms as their current agreements. The transaction imposes no restrictions on these institutions' freedom to offer their courses through other means, or to depart edX.

Other protections for learners, partners, and staff

In an array of provisions within the negotiated agreement, 2U has embraced edX's mission and

agreed to data protections for everyone who has used edX to date — more than 39 million learners — as well as data-usage standards that would protect new edX users.

As part of these provisions, 2U has agreed to limit its use of sensitive individualized information based on learner choice. Basic contact information would be available to 2U for learner communications, and learners will have the option to continue learning with edX or opt out and have all their information, including basic contact data, permanently deleted.

Among other agreements as part of the deal, 2U has also committed to:

- guarantee affordability through the continuation of a free track to audit every course;
- protect the intellectual property rights of member partners that contribute MOOCs;
- ensure that participating colleges and universities may continue under their standing agreements with edX;
- protect the privacy of individual data for all learners who use the edX platform;
- work toward launching affordable, stackable, modular bachelor's degrees built from

MicroBachelors programs;

- participate actively in improving the Open edX code to improve engagement, pedagogy, learning outcomes, and blended learning features;
- increase the number of courses available in non-English-speaking markets;
- continue to offer a broad range of courses, across disciplines;
- provide accessibility features for learners with disabilities; and
- host all courses that a member institution chooses to put on the edX platform.

Finally, 2U plans to retain all current edX employees who do not remain with the nonprofit continuing under Harvard and MIT's leadership. Staff will remain in their current roles and teams for the immediate future as 2U determines the ideal timeline and plan for bringing the two organizations together.

The transaction was approved by the edX board, as well as governance bodies at MIT and Harvard. It is expected to close this fall, subject to customary closing conditions and certain regulatory and governmental approvals, including approval by the

Office of the Massachusetts Attorney General.

The launch of a refreshed mission to reimagine learning

As was the case with edX, the resulting nonprofit will continue to be a free-standing organization with a board appointed by MIT and Harvard. However, it will have significantly more funding, and its mission will differ: While edX will continue under 2U as an aggregator of university-level courses, the nonprofit will instead focus on the development of more personalized and responsive learning experiences that can be applied across the educational spectrum — from high school, to community college, to adults trying to create opportunity for themselves in a changing economy.

The nonprofit will invest in research, fund pilots, and promote the adoption of insights across the education spectrum. It will also seek out collaborations and aim to fund local partners to more effectively serve students from disadvantaged backgrounds, as well as identify how to most effectively blend digital tools with in-person support to help students learn — particularly those for whom online learning has been more a promise than a reality.

The continuation of a vision

Over its nine years, edX has achieved remarkable success in advancing its vision of making high-quality university courses available to people everywhere. With some 3,000 courses offered, and more than 1.4 million certificates issued to learners, edX has helped build a booming marketplace for college-level content. It has also pioneered formal university credit for some of its offerings, including innovations such as the MicroMasters and MicroBachelors credential programs.

“The willingness of 2U to help us create a unique deal presents exciting possibilities,” says Sanjay Sarma, MIT’s vice president for open learning and the Fred Fort Flowers and Daniel Fort Flowers Professor of Mechanical Engineering. “It gives us a chance to do something we had aimed to do from the start — create breakthroughs that advance how teaching and learning take place.”

“To be honest, as good as online education has become, it’s still not easy to sit in your kitchen or bedroom and take a college class,” Reif adds. “With this move, the educational nonprofit will develop new tools and techniques to make learning more personal, more meaningful, and easier for people all

over the world at any stage in their lives, careers or preparation. That was the road we set out on with edX, and this represents the next stage in that journey.”

Editor’s Note: This article was updated on July 6 to clarify that the proceeds of the \$800 million transaction that will be transferred to the nonprofit organization represent the net proceeds of this transaction.