

Profiting Higher Education?

What Students, Alumni and Employers Think of For-Profit Colleges



September 18, 2014

Public Agenda

We're nonprofit and nonpartisan, and we help people find workable solutions to divisive, complex issues.

We do this through

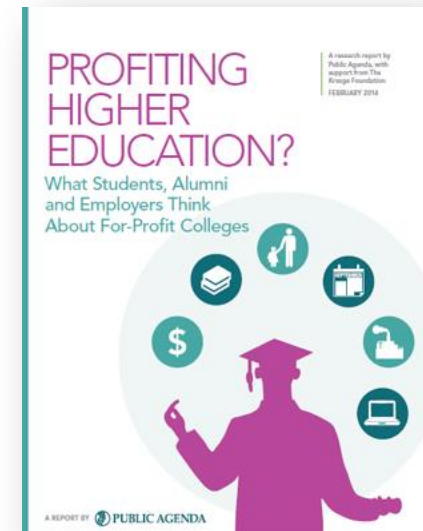
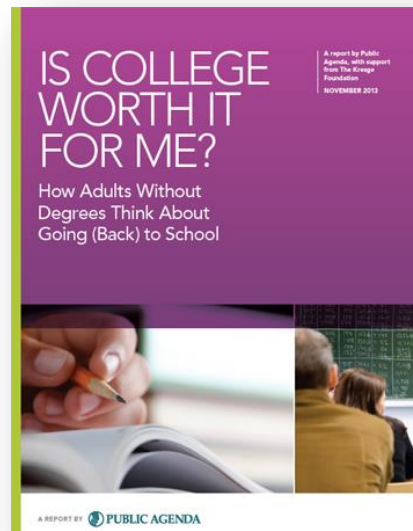
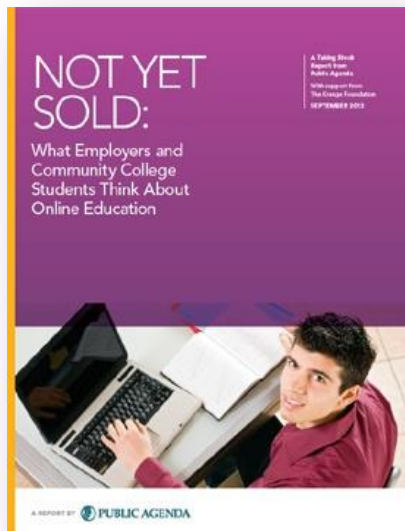
- stakeholder research and
- engagement and facilitation.

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About This Research

THE KRESGE FOUNDATION

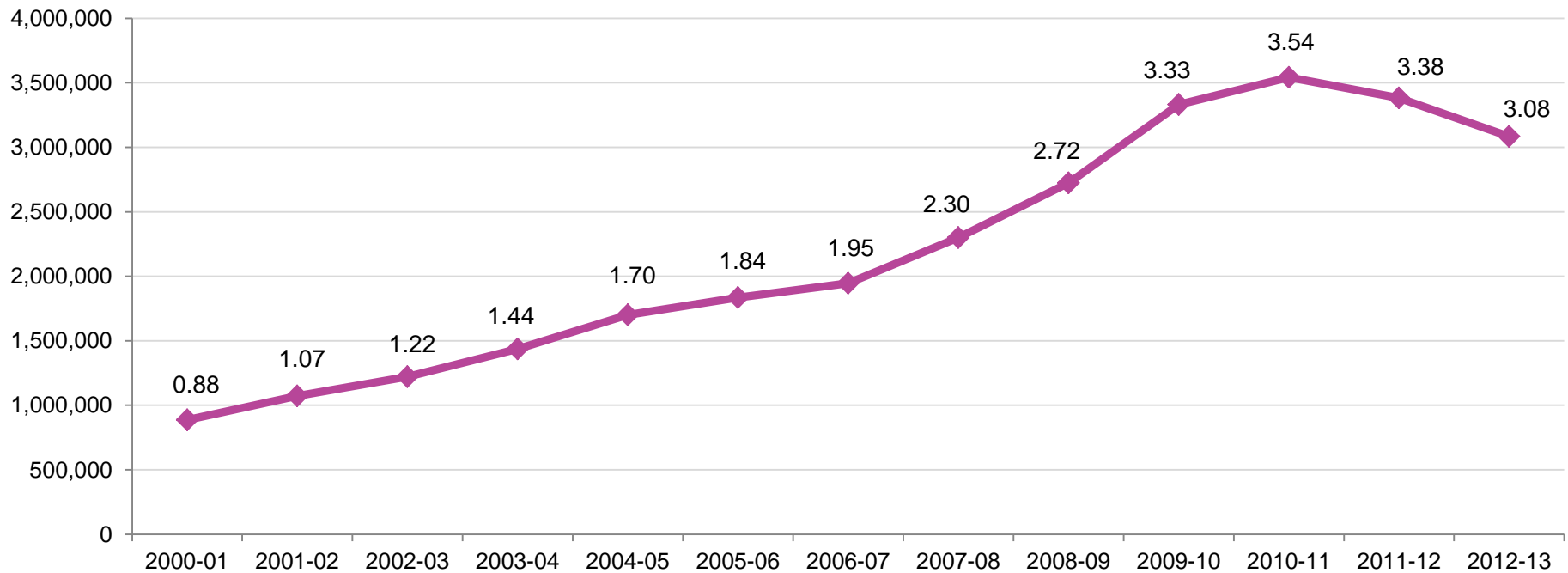




WHY THIS RESEARCH NOW?

For-profits popularity has seen a steep increase

Undergraduate 12-month enrollment at for-profit colleges and universities in the United States



Continuous debate about value

- High tuition
- Disproportionate % of fed. financial aid
- Account for nearly 50% of defaults
- Aggressive recruiting
- Are students making informed decisions?
- What do employers think?

We have heard too little from:



Students



Alumni



Employers

Key Questions

Are students effectively weighing their options before deciding on a college?

Do students considering for-profits have different priorities and needs than other students?

How do students and alumni from for-profit colleges feel about their schools and education?

How do employers view for-profit colleges as a source for job applicants?

Sample and Methodology

Representative surveys with:

- 803 adults without degrees who intend to enroll in college within the next two years – including 105 interested in a for-profit school.
- 197 for-profit undergraduates
- 249 for-profit alumni (undergrad. credentials)

Regionally representative survey with:

- 656 human resources professionals from LA, Philadelphia, Detroit and El Paso-Las Cruces.

Focus groups with employers and adult prospective students.

Sample and Methodology

Undergraduates and alumni of for-profit schools listed by NCES

Type of fp schol	Current undergrads %	Recent alumni %
4-year (NCES)	77	58
2-year (NCES)	15	24
Less than 2 year (NCES)	8	18
Chain and online (Deming et al., 2011)	87	84
Small, independent (Deming et al., 2011)	13	16

A Note About For-Profits





**“FOR-PROFIT COLLEGE” IS
AN UNFAMILIAR TERM**

“For-profit college?” What’s that?

Percent who say “nothing comes to mind” when they hear the term *for-profit college*



“For-profit college?”

65%

of fp undergrads
are unsure if their
school is for-profit

12% think they
are not-for-profit





STUDENTS ARE NOT COMPARATIVE SHOPPERS

Considering more than one school is rare



About

4 in 10

current for-profit
undergrads say
they seriously
considered
another school
before enrolling at
their current
institution

Considering a not-for-profit is also rare



Just

20%

say they seriously
considered a not-
for-profit

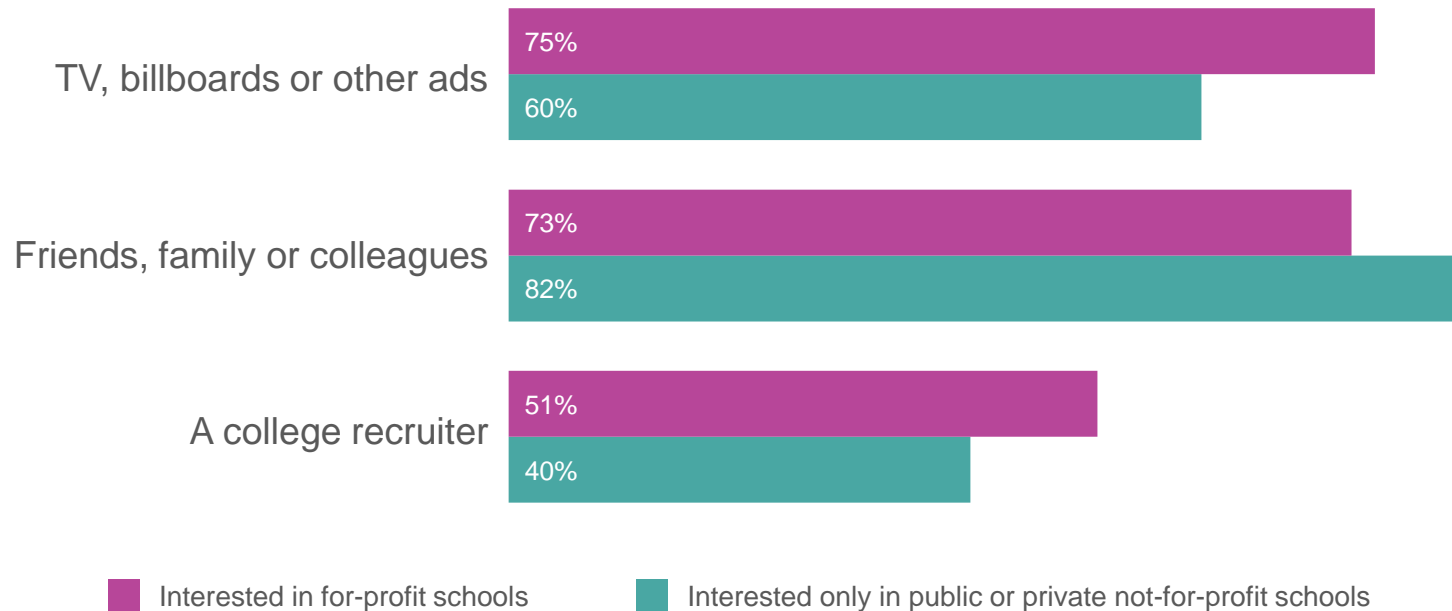
Students seem drawn to either for-profit or not-for-profit schools, rarely to both.



7%
of community
college students
looked at for-profit
schools

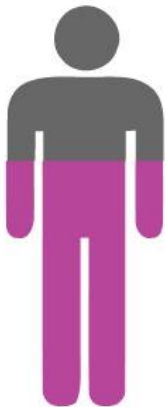
Incoming for-profit students learn about colleges via ads, recruiting

Percent of adult prospective students who have learned about colleges from the following sources, by the types of schools in which they are interested



Students don't consider key stats essential in their decisions

current for-profit students



61% *don't know* how much debt the average student from their school graduates with.



prospective students



Just **51%** think this is essential to know.

But what motivates them?



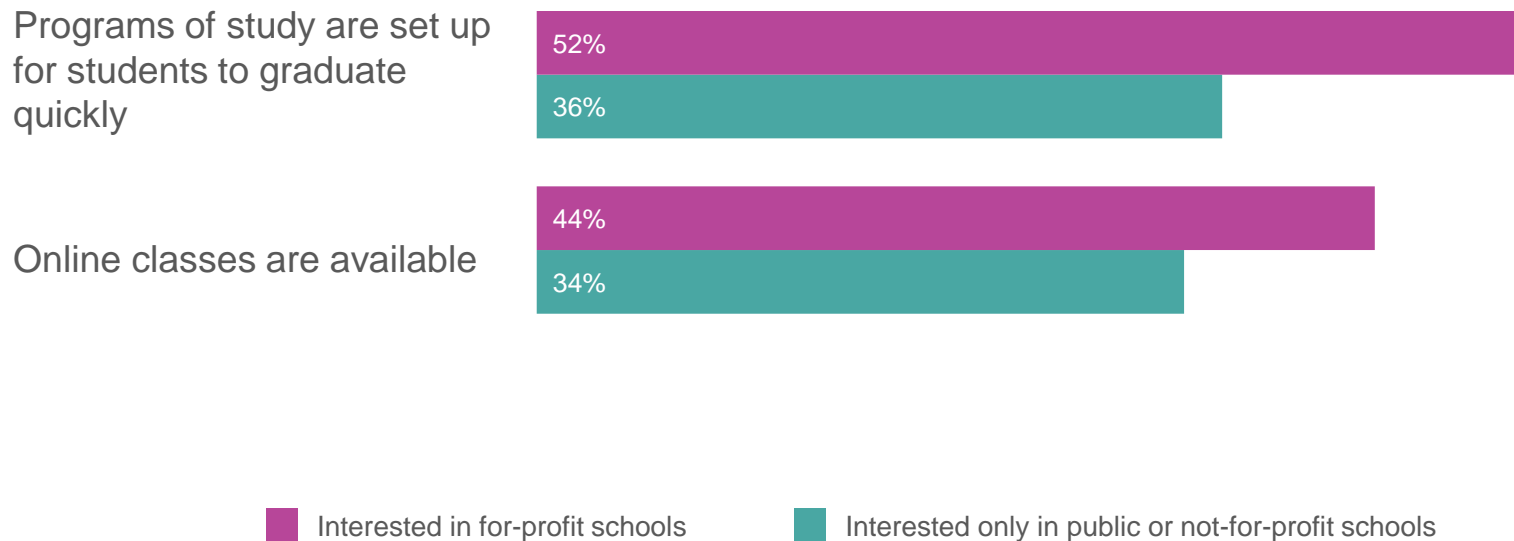
Do for-profit students have distinct expectations and needs?



PROSPECTIVE FOR-PROFIT STUDENTS DO HAVE DISTINCT PRIORITIES

They seek accelerated programs and online classes

Percent of adult prospective students who say the following are absolutely essential when choosing a school:



Base: Adult prospective students who name at least one specific school they are considering for their studies (n=514).

They're also looking for hands-on support

Percent of adult prospective students who say they would be a lot more interested in a school if they knew the following



Base: Adult prospective students who name at least one specific school they are considering for their studies (n=514).

A person with long, wavy hair is wearing a dark plaid flat cap and a dark jacket with a thick fur collar. They are sitting outdoors, looking down at a silver laptop. The background shows a stone wall and some greenery. The image has a blueish tint.

**CURRENT STUDENTS AND ALUMNI ARE
ENTHUSIASTIC ABOUT QUALITY BUT
WORRIED ABOUT COST AND VALUE**

Giving students effective guidance



91% of
current
students

74% of
alumni

Having caring instructors who knew how to teach



87% of
current
students

77% of
alumni

Keeping class size small



85% of
current
students

81% of
alumni

Providing good opportunities to work in teams



85% of
current
students

82% of
alumni



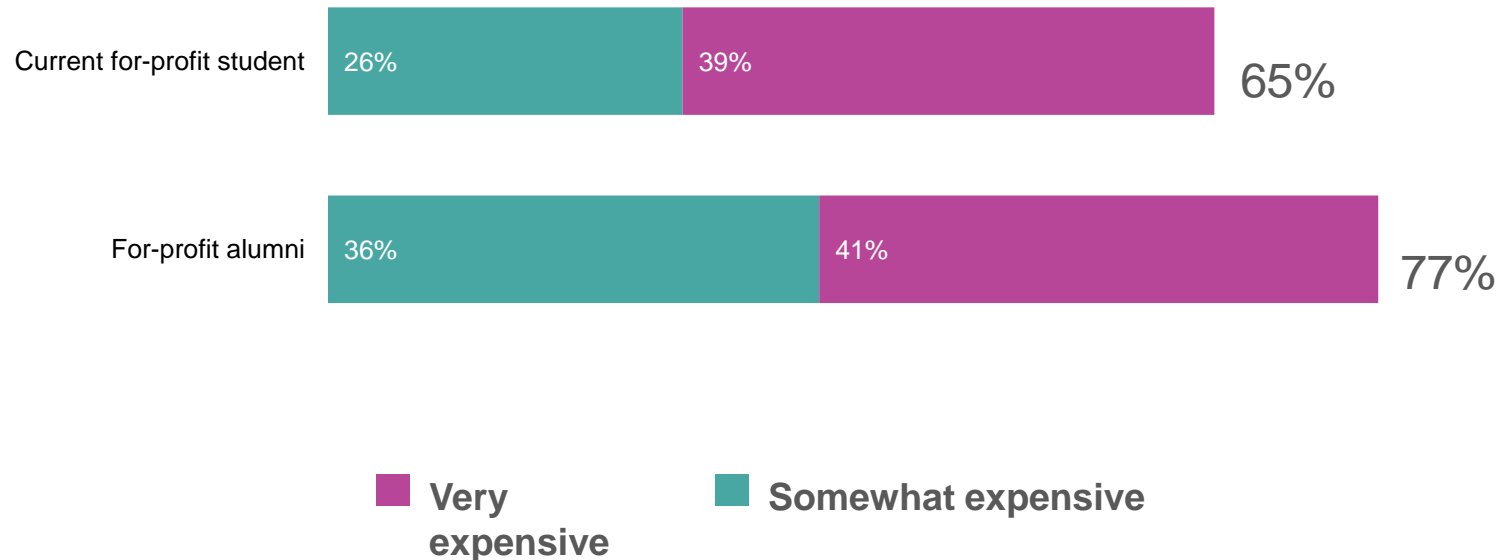
92%

of undergrads say
their program
“allows me to make
good progress”

73% prefer
structure to being
able to explore.

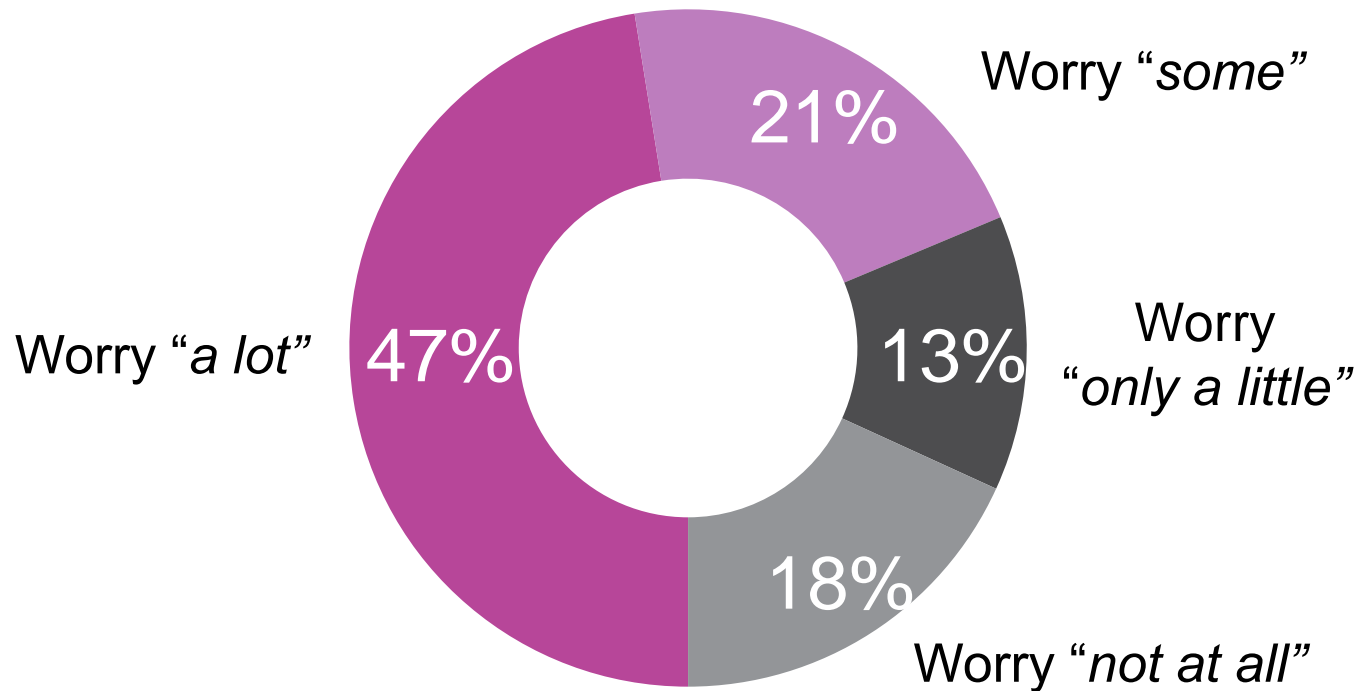
But undergrads and alumni worry about costs

Percent who say their schools are very or somewhat expensive:



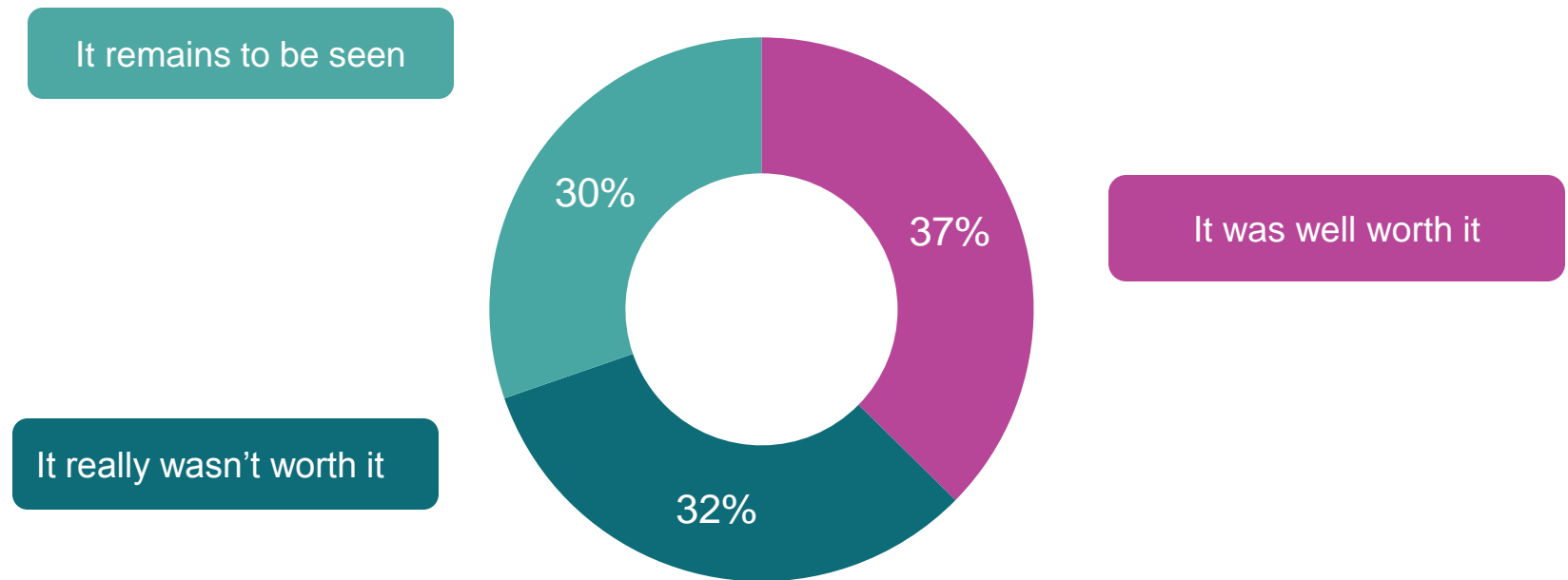
Undergrads are anxious about debt

Percent of undergraduates who say they worry about taking on too much debt:



Alumni are pessimistic about the value of their education

Percent of for-profit alumni who say the following about their degree:



38%

of alumni say their schools didn't prepare them for the workplace





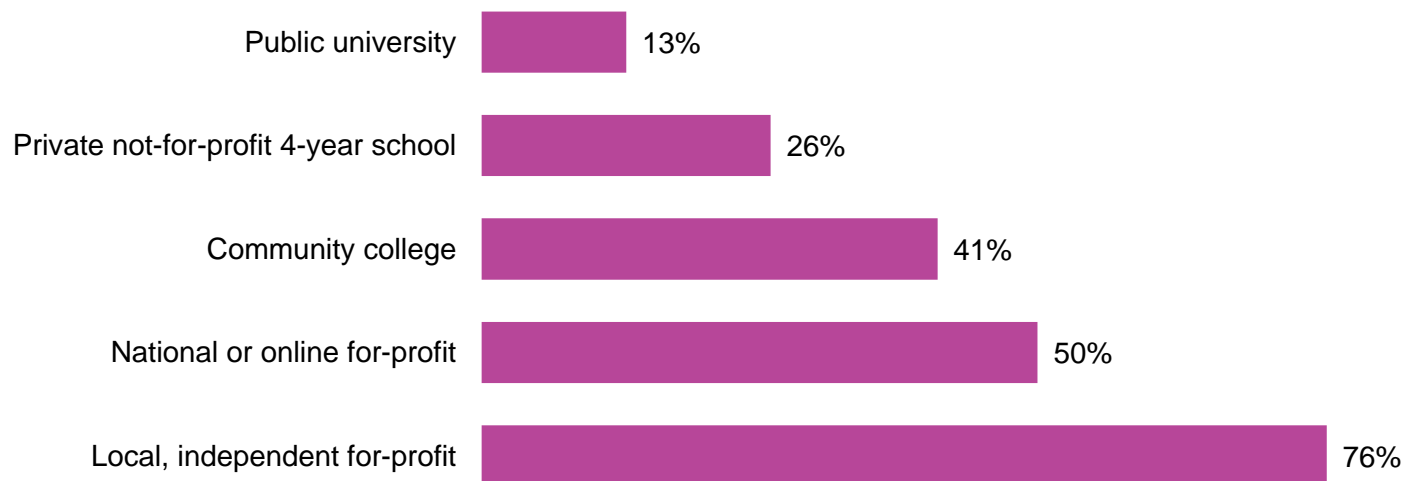
And **44%** say their schools cared more about **making money** than educating students.

A black and white photograph of a group of people in a meeting. A man in a checkered shirt and glasses is leaning over a laptop, looking at the screen. Other people are seated around the table, looking towards the laptop. The background is a brick wall.

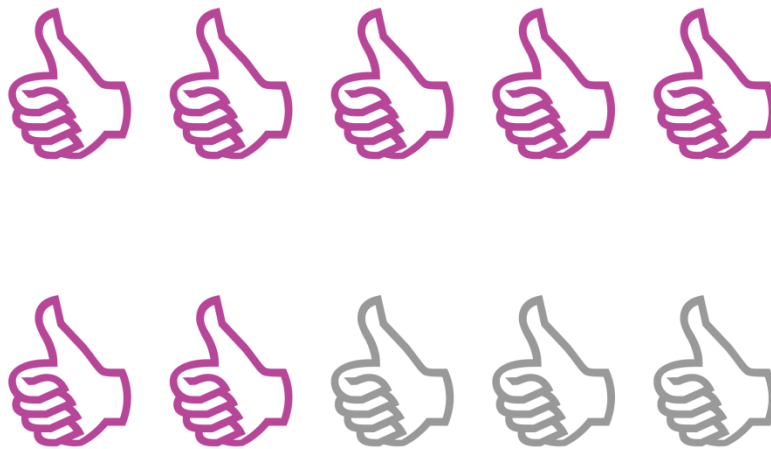
**EMPLOYERS ARE STILL ON
THE SIDELINES**

Employers know little about for-profits in their area

Percent of employers who do not know anything about a specific local school in each of the following categories



Most employers rate the for-profits they know positively



70%

rate the quality of a national or online for-profit as excellent or good

But they're more positive about not-for-profit schools



More than
9 in **10**
rate not-for-profit 4-
years highly.



8 in **10**
rate community
colleges highly.

Definition of a For-Profit

For-profit colleges are a growing number of schools that operate as profit-making businesses.

Many for-profit colleges are small, private, vocational schools.

Some are large, national enterprises such as [3 randomly chosen examples].

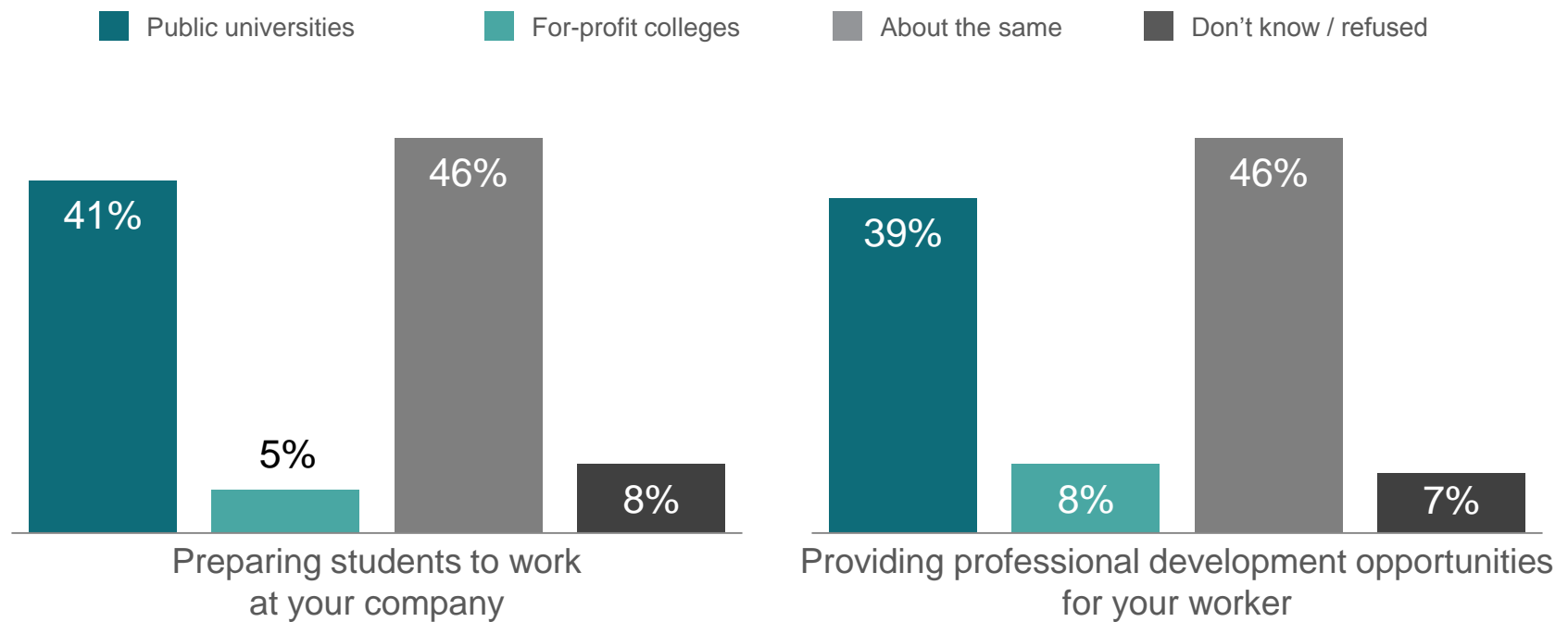
How do employers compare for-profits and not-for-profits?

We asked about the following indicators:

- Teaching important knowledge and skills
- Preparing students to work at your company
- Providing professional development opportunities

Employers are neutral or give public schools the edge

Percent of employers who say either public universities or for-profit colleges are better at the following



Summary

- **“For-profit college” is an unfamiliar term**
- **Most for-profit students aren’t comparative shoppers (neither are CC students)**
- **Prospective for-profit students have some distinct priorities**
- **For-profit students are enthusiastic about their educational experience, but worry about cost and value**
- **Employers are still on the sideline, giving public schools the edge**

Thank You



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