

# Access in U.S. Higher Education: What does the For-Profit Sector Contribute?

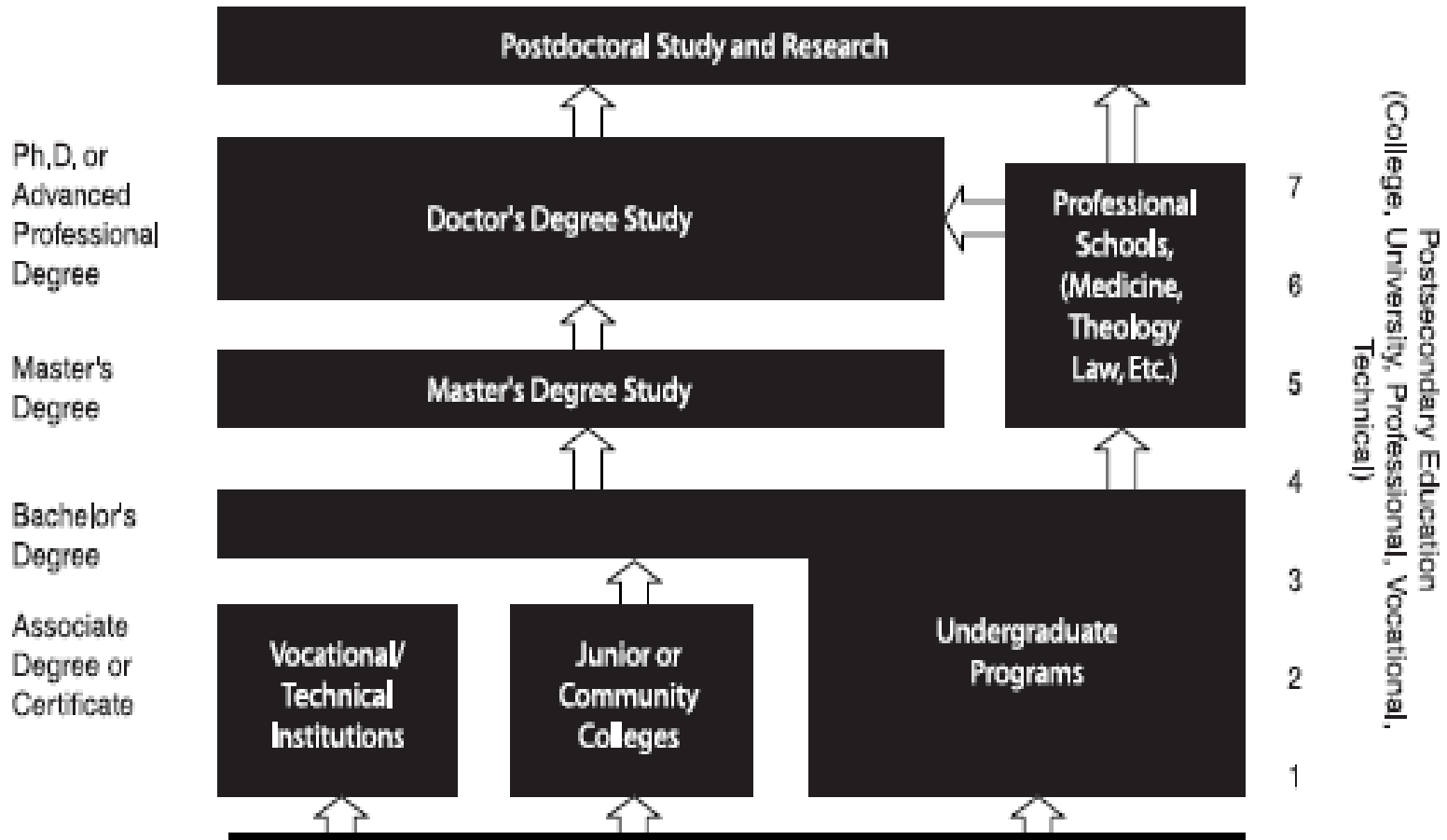
**Comparative and International Education Society**

**Kevin Kinser**

**University at Albany, SUNY**

March 20, 2008

# Structure of U.S Higher Education



# For-Profit Definitions

- Degree+non-degree = Postsecondary
- “A private institution in which the individual(s) or agency in control receives compensation other than wages, rent or other expenses for the assumption of risk.”  
(NCES)
- Profit = excess revenue available to owners for any purpose

Public: Tax spending

Private, non-profit: Tax avoiding

Private, for-profit: Tax paying

# For-Profit Growth

	1996	2006
Locations	2,573	2,765
Enrollment	589,600	1,315,936
Enrollment Proportion	4.17%	7.25%

# Classification of FP Higher Education

## Geographic Scope

Neighborhood

Regional

National

## Ownership

Enterprise

Venture

Shareholder

## Degree Level

School

Institute

College

University

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# Data

- 2005 Integrated Postsecondary Education Data System (IPEDS, National Center for Education Statistics)
- Title IV eligible, postsecondary institutions
  - Public, nonprofit, for-profit (n=6705 locations)
- Institutions not included:
  - Most distance education institutions
  - Non-title IV
  - Institutions not accredited by US Department of Education recognized agencies
- Classification info added to merged data files

# Dimensions of Access

- Access to what?
  - Institutional supply
  - Program availability
- Access for whom?
  - Capacity
  - Demographics
- Access at what cost?
  - Institutional resources
  - Student resources

# Classified Locations by Ownership

Public	2,108
Nonprofit	1,921
For-profit, total	2,676
<i>Enterprise</i>	<i>1,710</i>
<i>Venture</i>	<i>502</i>
<i>Shareholder</i>	<i>464</i>

# Classified Locations by Degree Level

	School	Institute	College	University	Total
Public	319	1,093	102	594	2,108
Nonprofit	229	116	449	1,127	1,921
For-profit	1,717	544	231	184	2,676
Total	2,265	1,753	782	1,905	6,705

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# FP by ownership and degree level

	Enterprise	Venture	Shareholder
School	1,375	212	130
Institute	232	171	141
College	62	88	81
University	41	31	112

# Enrollment Comparison by ownership

	Locations	Mean	Total
Public	2019	6,536	13,197,010
Nonprofit	1907	1,893	3,609,224
For-profit, total	2659	520	1,381,416
<i>Enterprise</i>	<i>1696</i>	<i>221</i>	<i>374,802</i>
<i>Venture</i>	<i>501</i>	<i>538</i>	<i>269,484</i>
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# Enrollment Comparison

## by degree level

	Mean			Total		
	Public	Non-profit	For-profit	Public	Non-profit	For-profit
School	291	150	206	92,835	33,375	350,800
Institute	5,931	406	502	6,197,539	47,100	271,493
College	4,515	969	836	460,492	435,048	193,050
University	11,657	2,765	3,110	6,446,144	3,093,701	566,073
<b>Total</b>	<b>6,536</b>	<b>1,893</b>	<b>520</b>	<b>13,197,010</b>	<b>3,609,224</b>	<b>1,381,416</b>

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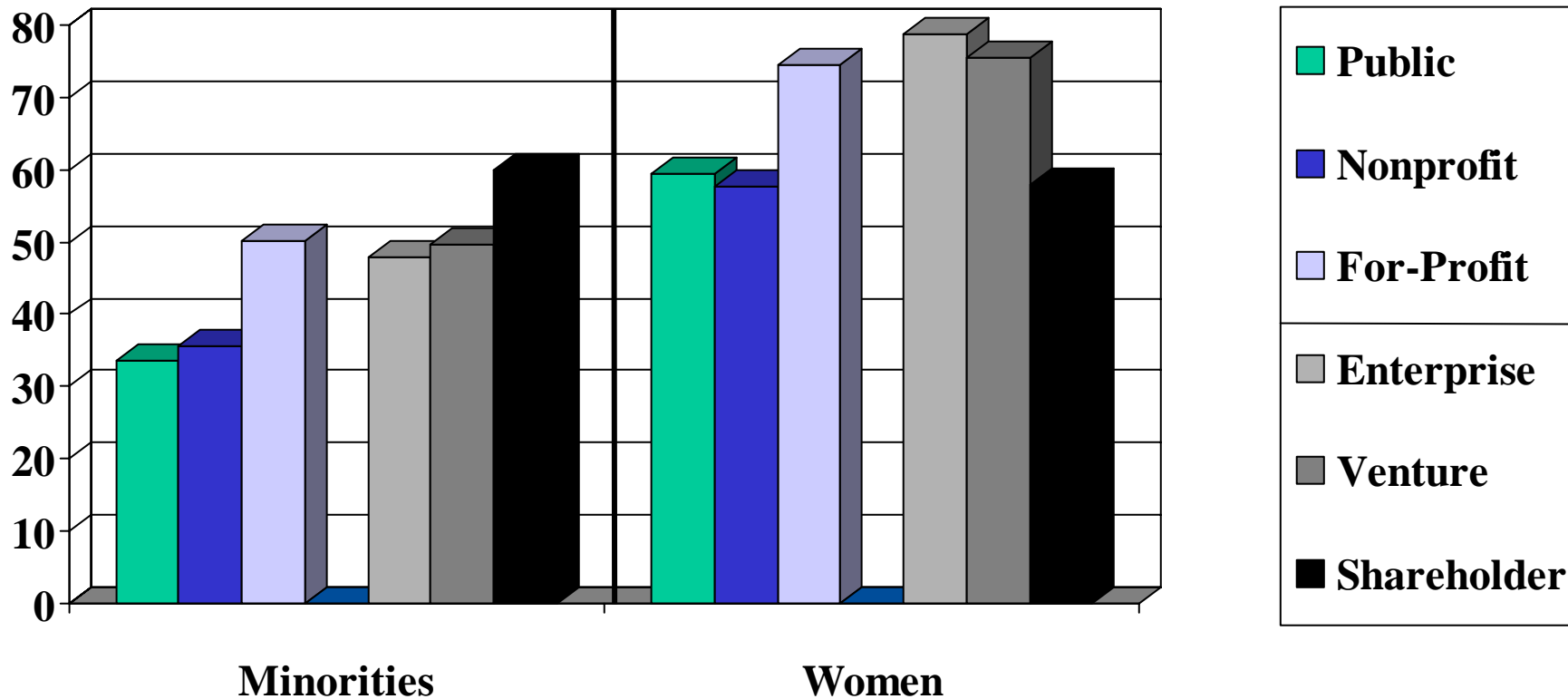
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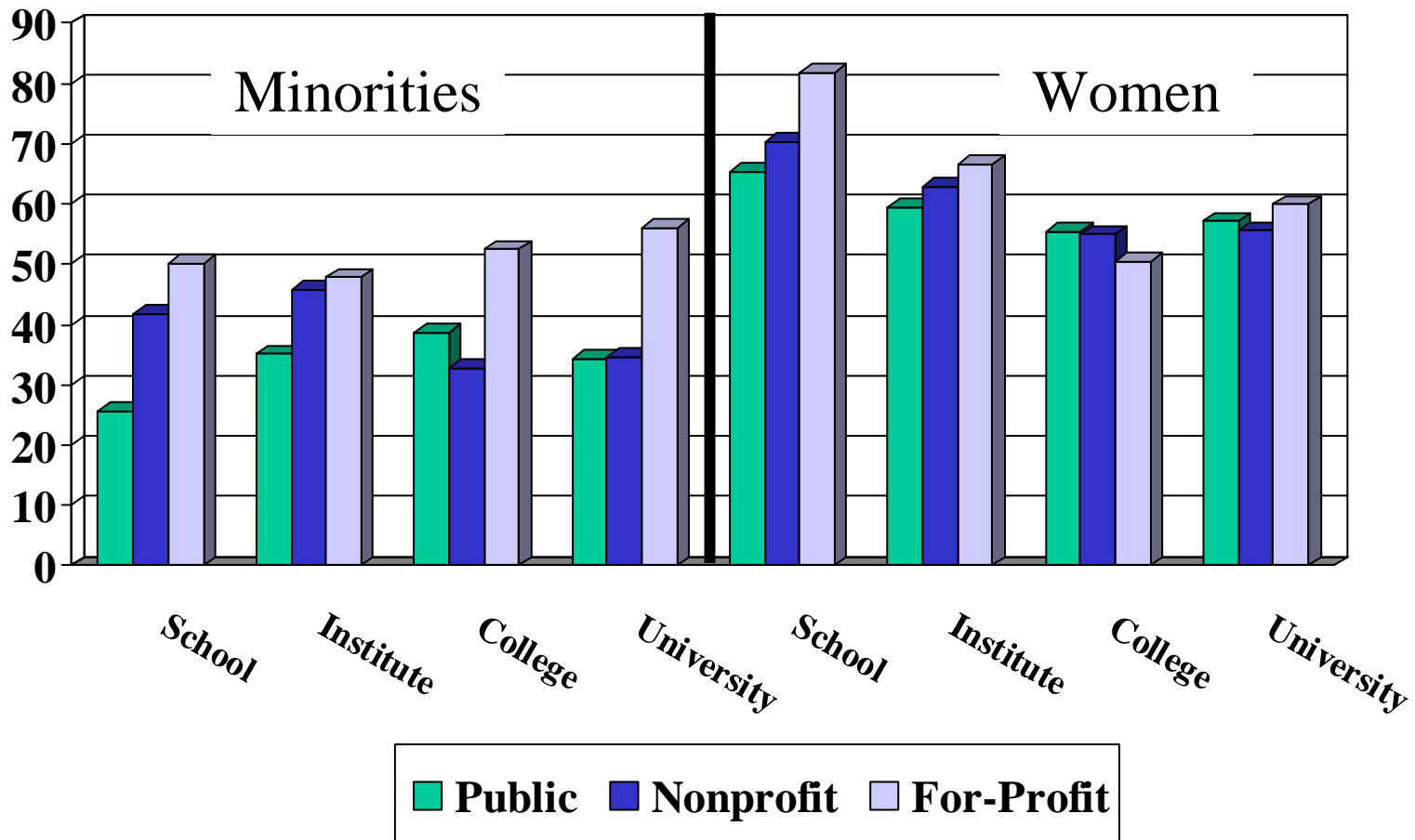
## % of Minorities and Women

### by Ownership



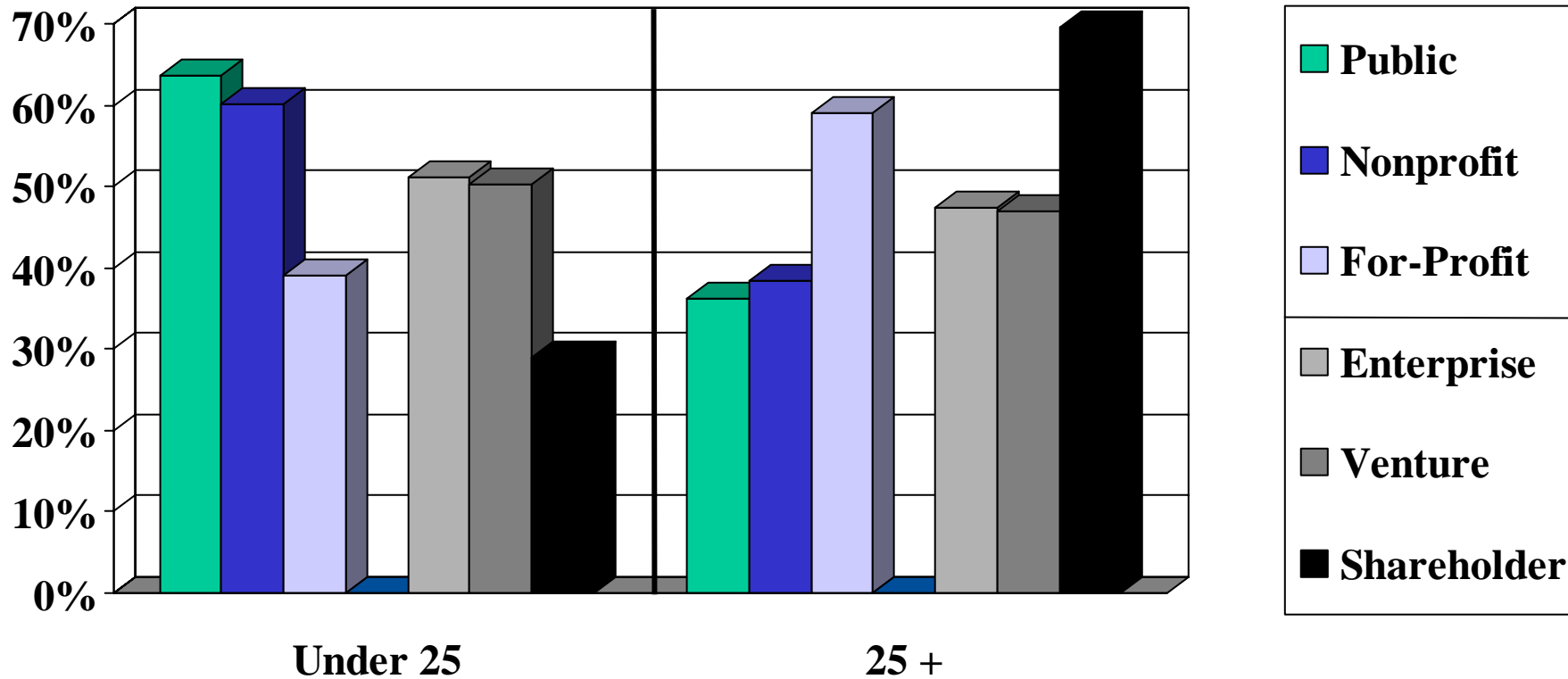
# Enrollment Comparison

## % of Minorities and Women by Control/Degree Level



# Enrollment Comparison

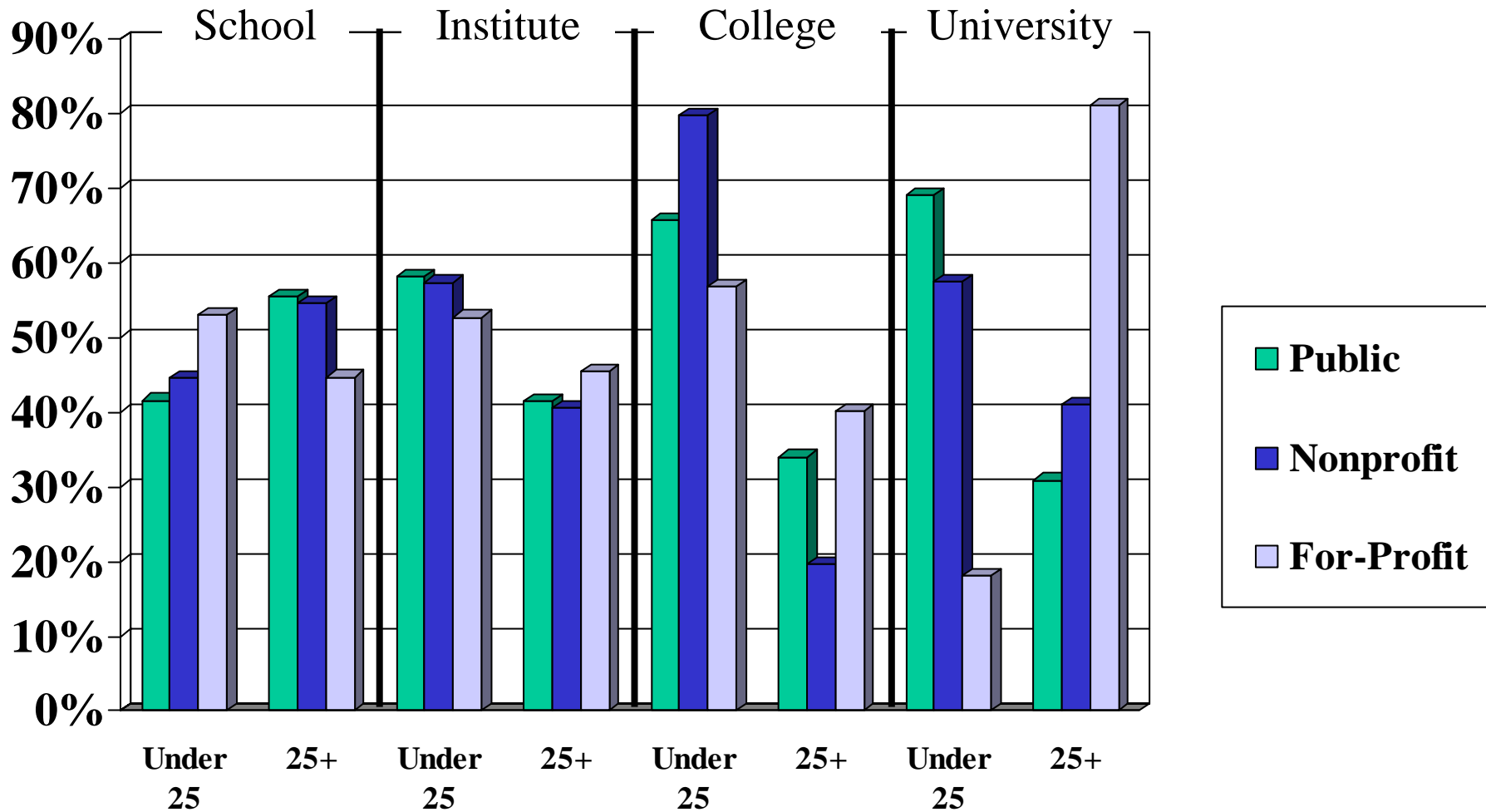
## Age Distribution by Ownership



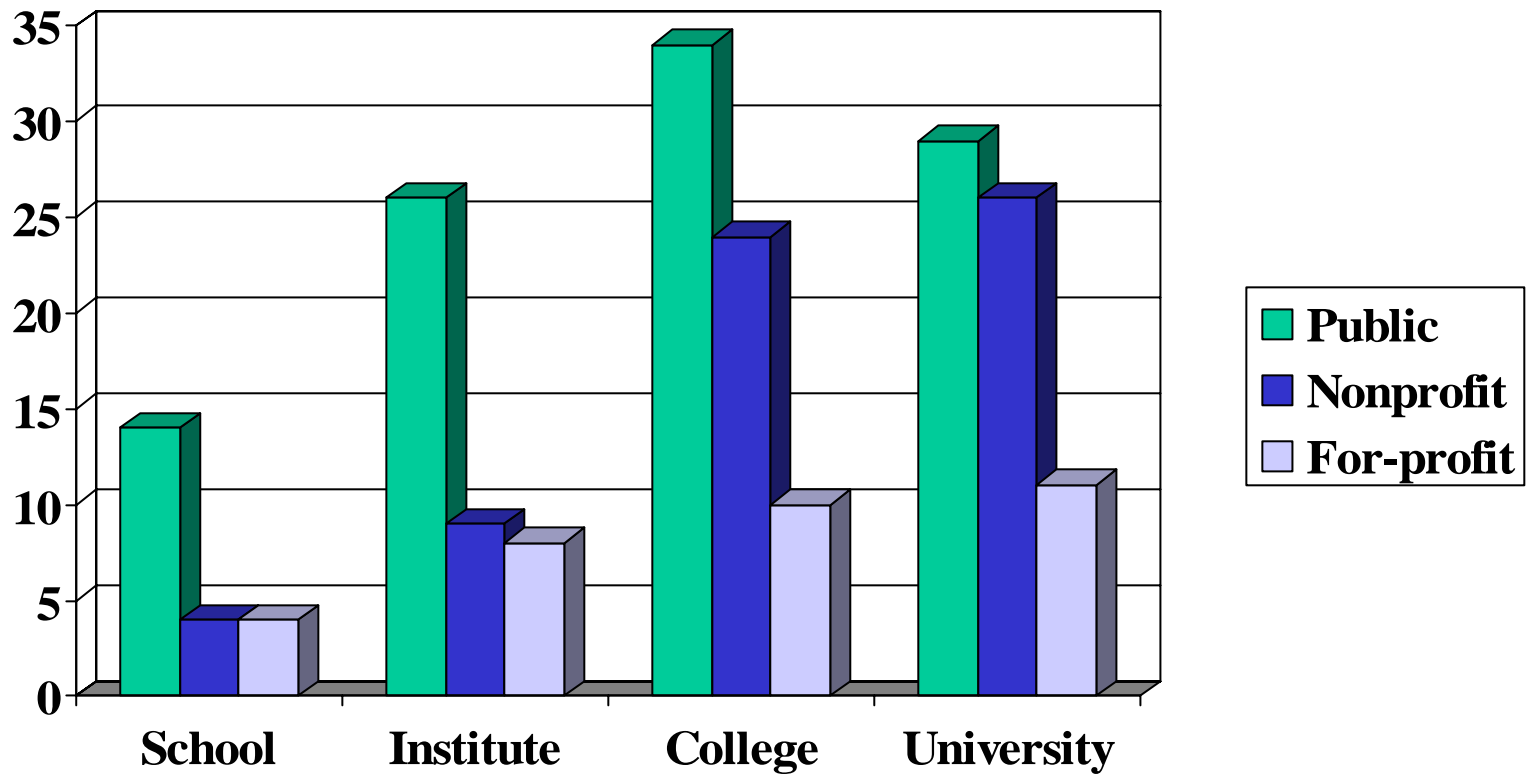
# Enrollment Comparison

## Age Distribution

### by Control/Degree level



# Number of Programs\* Offered by Control/Degree Level



*\*Programs offered at more than 10% of institutions in the sector*

# Top Five Programs of Study

	Public	Nonprofit	For-profit
1	Business, management, marketing, and related support service	Business, management, marketing, and related support service	Health professions and related clinical sciences
2	Health professions and related clinical sciences	Education	Personal and culinary services
3	Liberal arts and sciences, general studies and humanities	Health professions and related clinical sciences	Business, management, marketing, and related support service
4	Education	Social sciences	Computer and information sciences and support services
5	Social sciences	Visual and performing arts	Mechanic & repair technologies/technicians

# Top Five Programs of Study

Public

Nonprofit

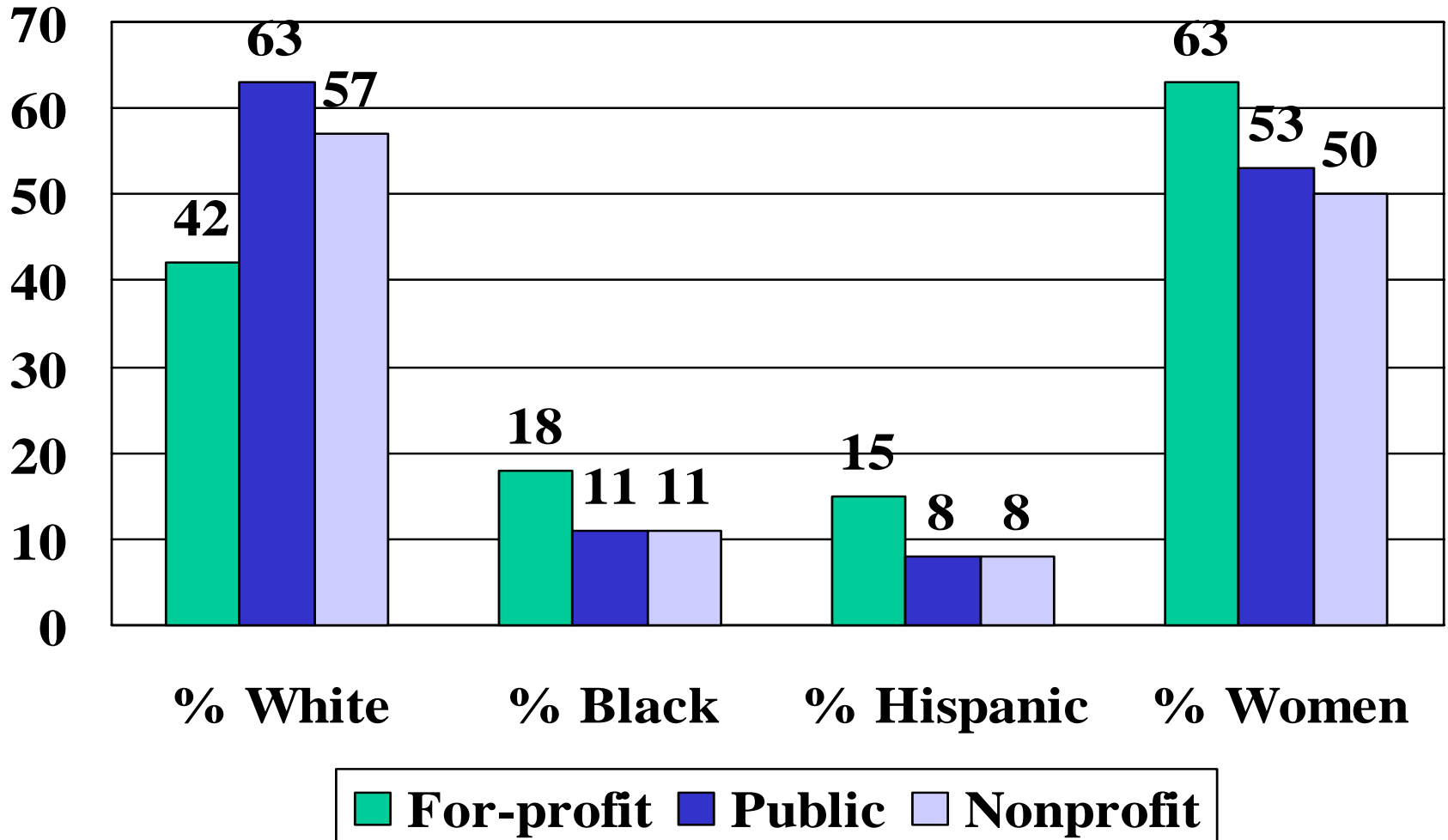
For-profit

1	Business, management, marketing, and related support service	Business, management, marketing, and related support service	Health professions and related clinical sciences
2	Health professions and related clinical sciences	Education	Personal and culinary services
3	Liberal arts and sciences, general studies and humanities	Health professions and related clinical sciences	Business, management, marketing, and related support service
4	Education	Social sciences	Computer and information sciences and support services
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# Business Program Awards

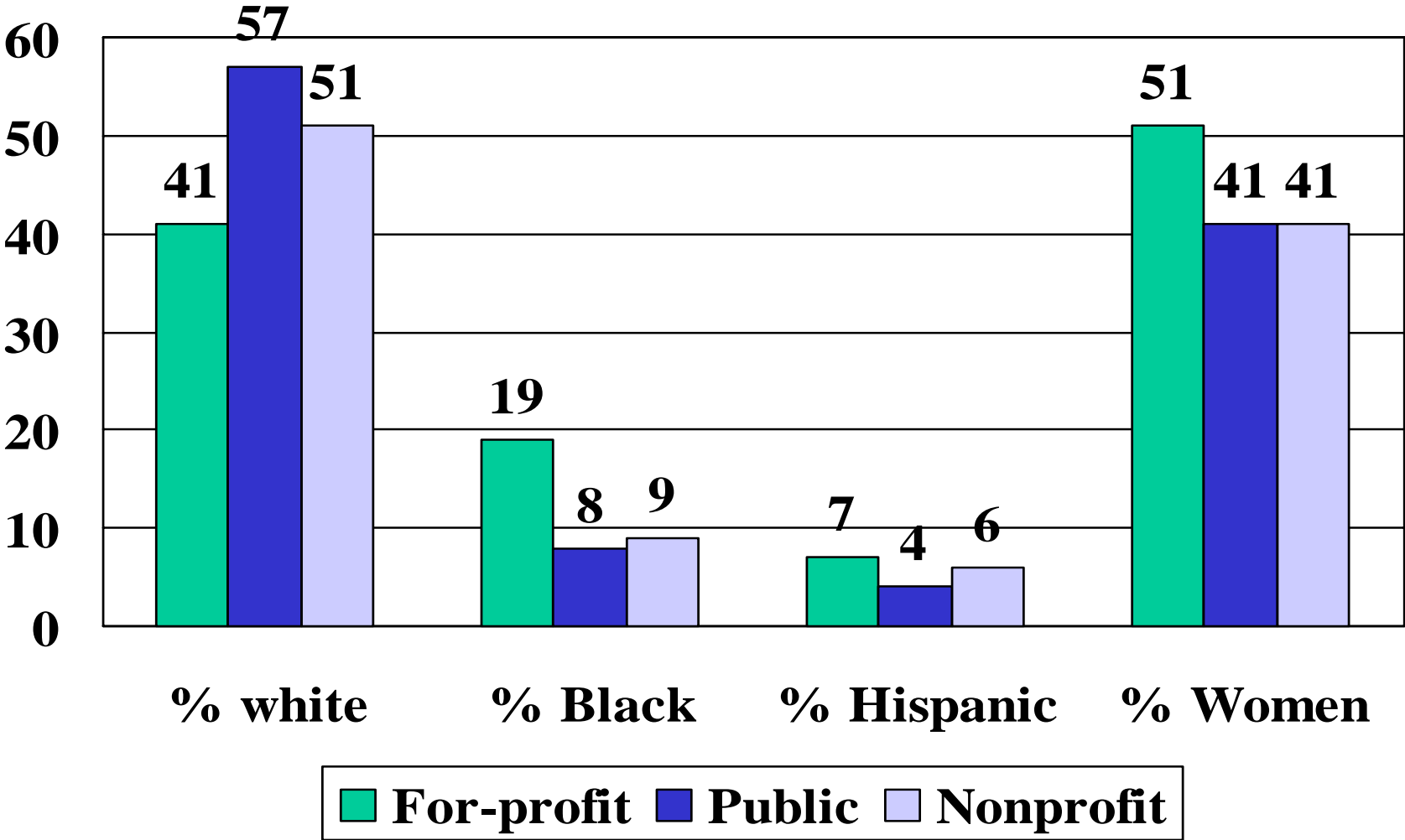
Award Level	Public	Nonprofit	For-profit
Sub-bachelor's Certificate	43,688	7,634	11,940
Associate's	65,081	10,547	21,926
Bachelor's	190,183	118,975	23,942
Post Bachelor's Certificate	675	1,599	411
Master's	52,676	75,336	19,427
Doctor's	716	534	262
Total awards	353,019	214,625	77,908

# Business Program Awards



# Business Program Awards

## Masters Degree



# Top Five Programs of Study

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Nonprofit

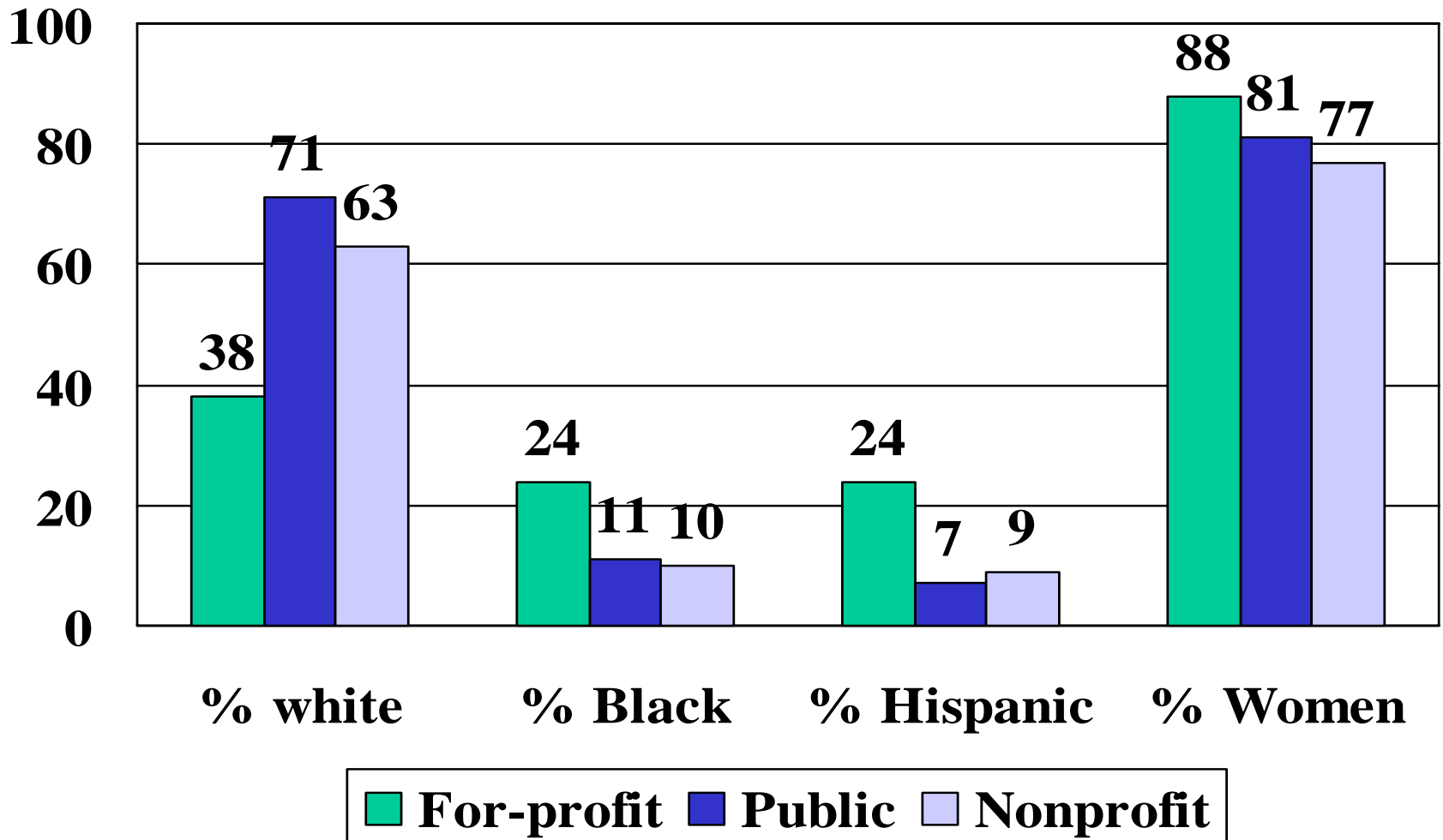
For-profit

1	Business, management, marketing, and related support service	Business, management, marketing, and related support service	Health professions and related clinical sciences
2	Health professions and related clinical sciences	Education	Personal and culinary services
3	Liberal arts and sciences, general studies and humanities	Health professions and related clinical sciences	Business, management, marketing, and related support service
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# Health Profession Program Awards

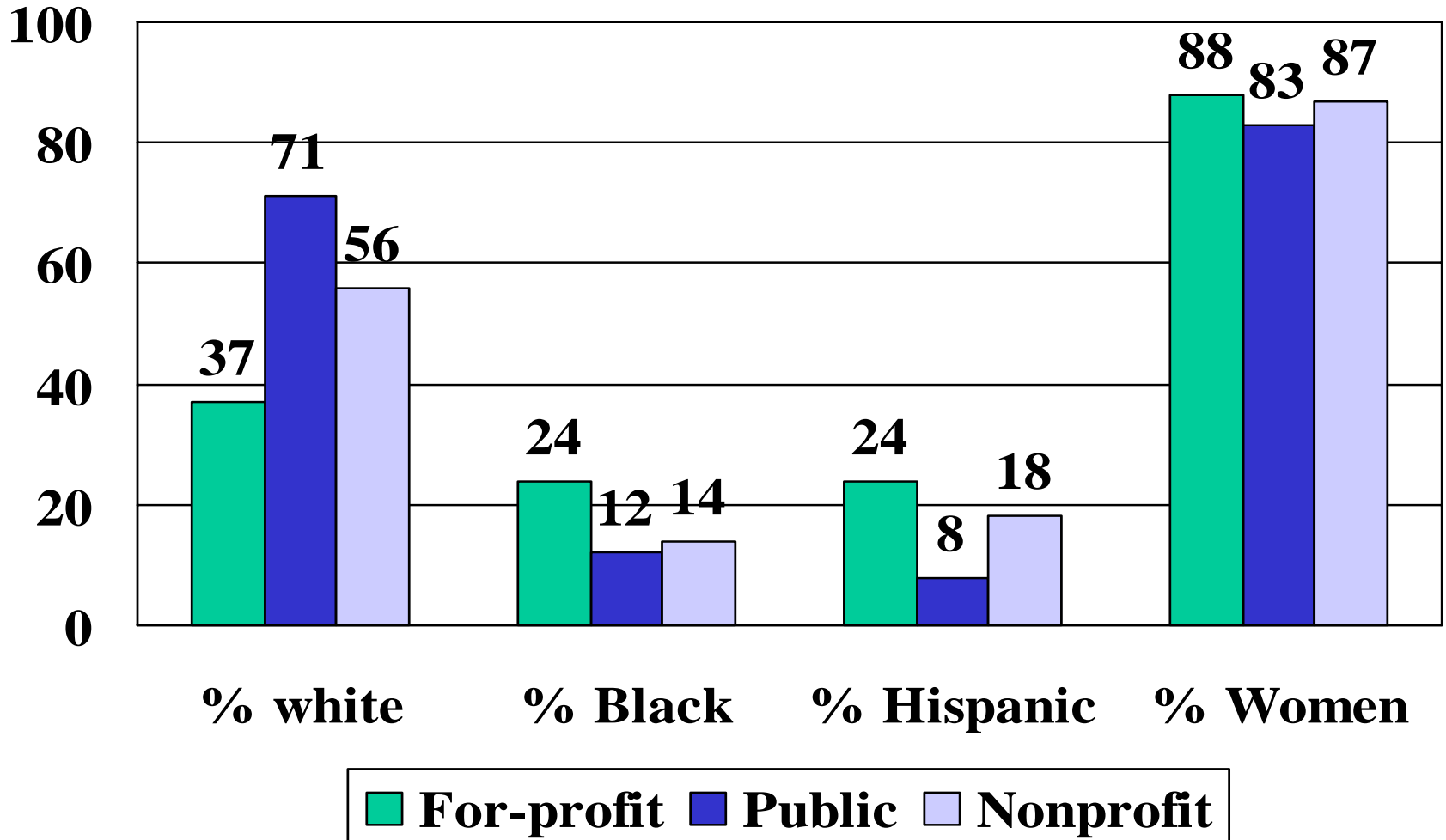
Award Level	Public	Nonprofit	For-profit
Sub-bachelor's Certificate	134,912	13,415	160,273
Associate's	92,779	10,802	20,924
Bachelor's	53,219	27,134	2,028
Post Bachelor's Certificate	978	1,502	39
Master's	25,011	19,667	2,434
Doctor's/First Professional	24,122	21,190	22
Total awards	331,021	93,710	185,720

# Health Profession Program Awards



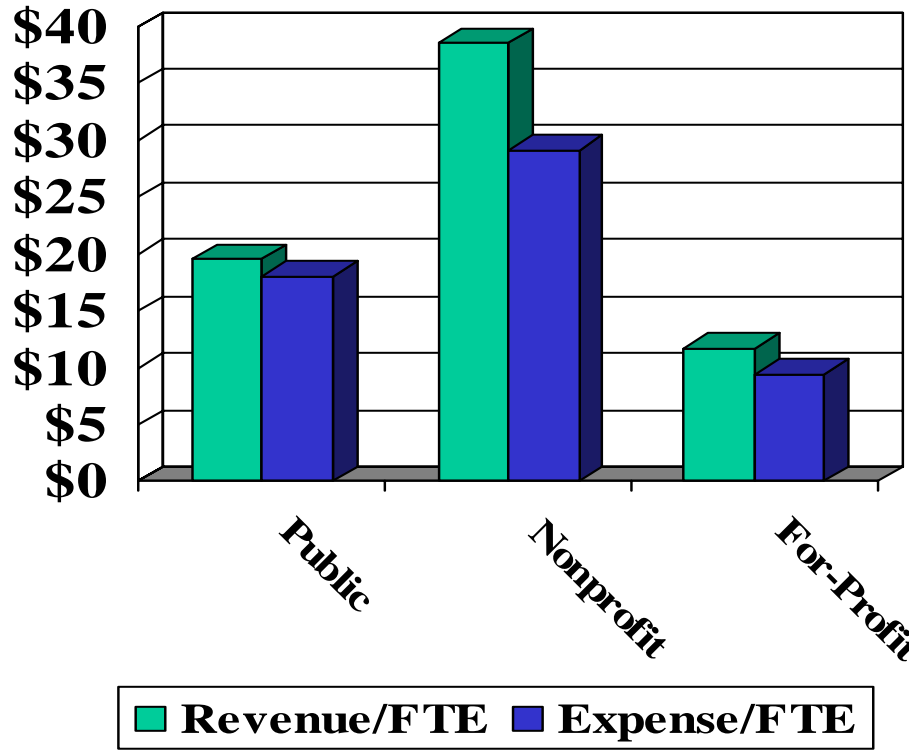
# Health Profession Program Awards

## Sub-Baccalaureate



# Core Revenues and Expenses per FTE by Control

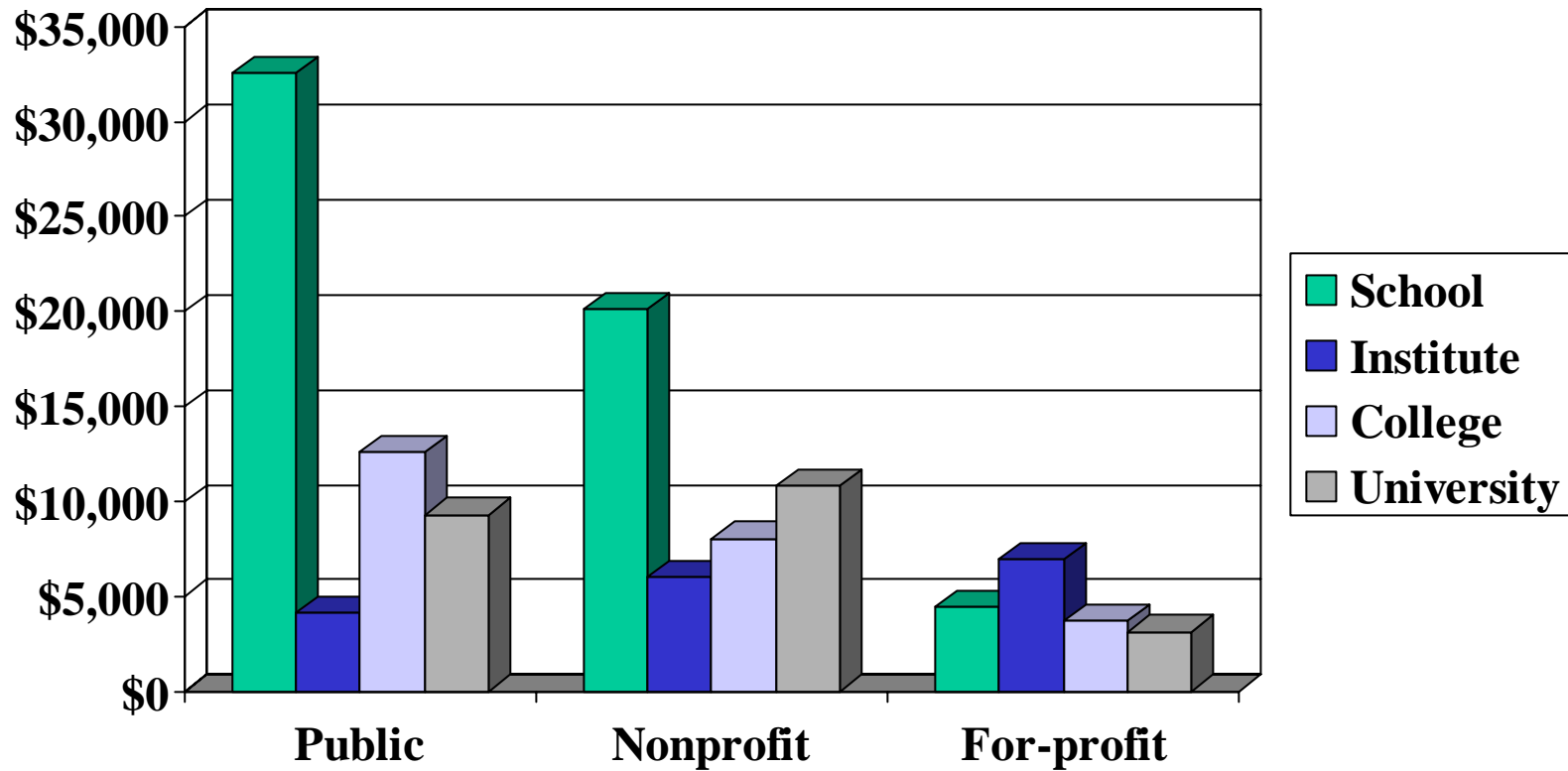
Thousands



## “Profit”

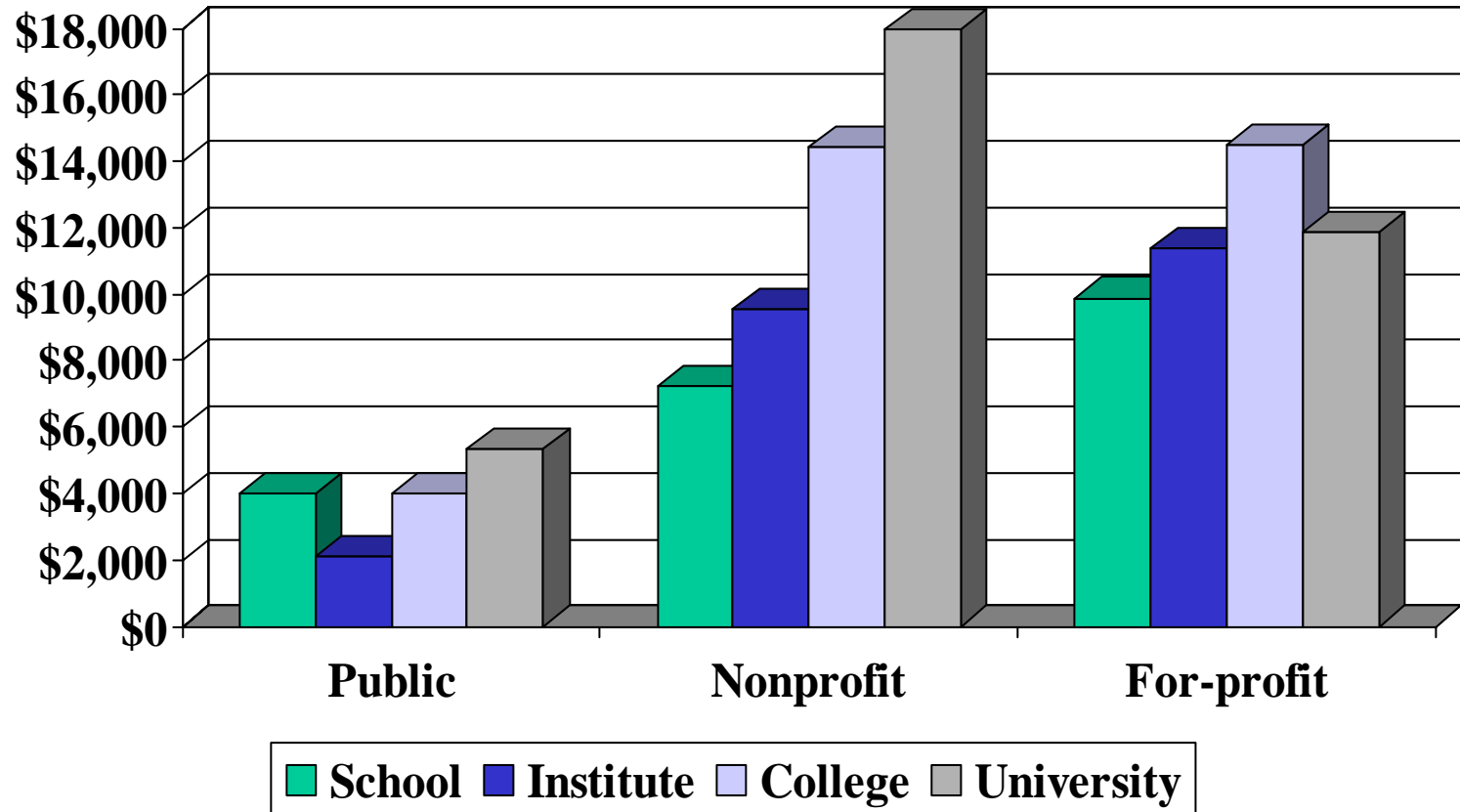
- Public: 7.56%
- Nonprofit: 24.32%
- For-profit: 19.67%

# Instruction expenses per FTE by Control/Degree Level

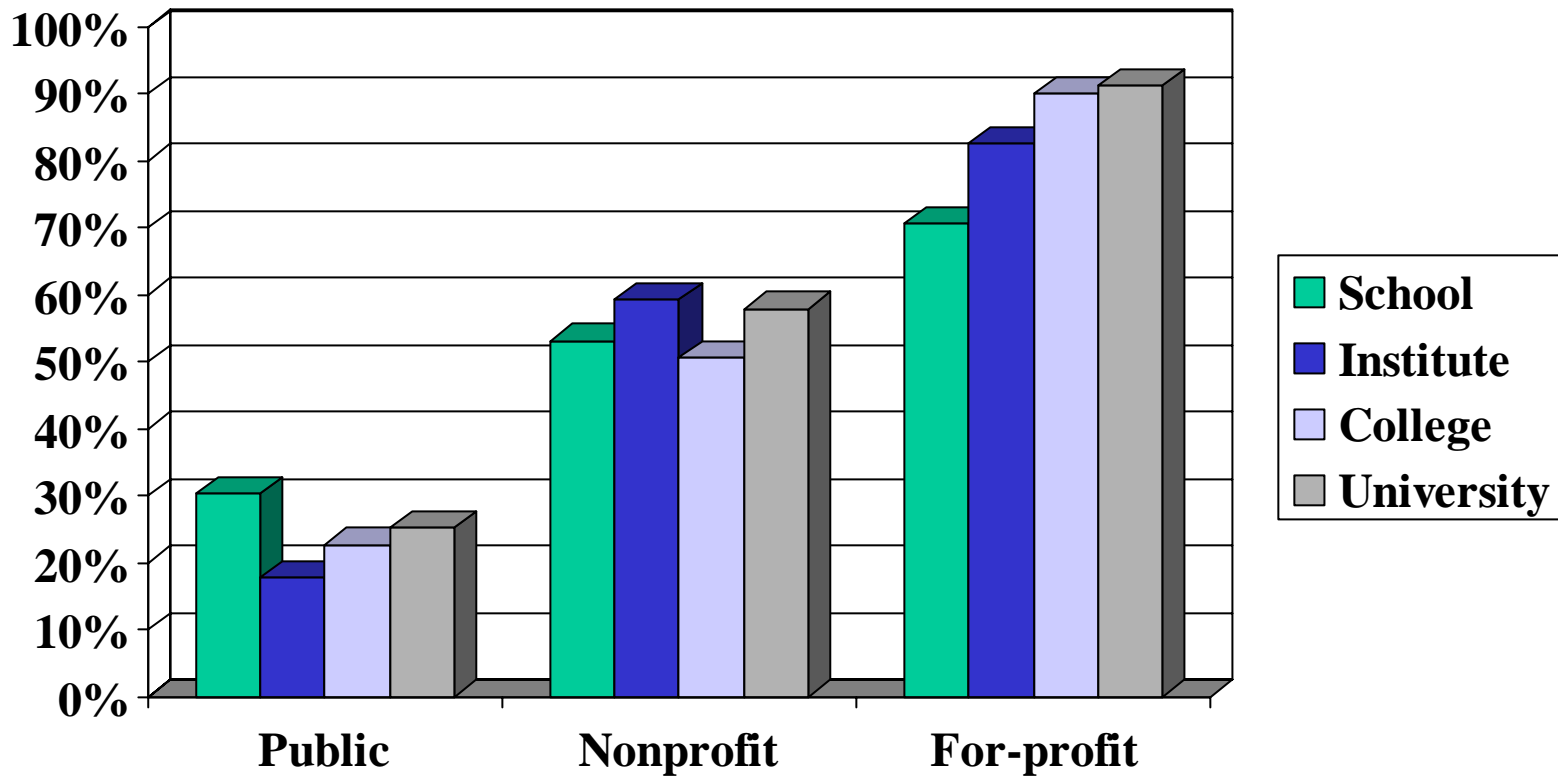


# Average Tuition

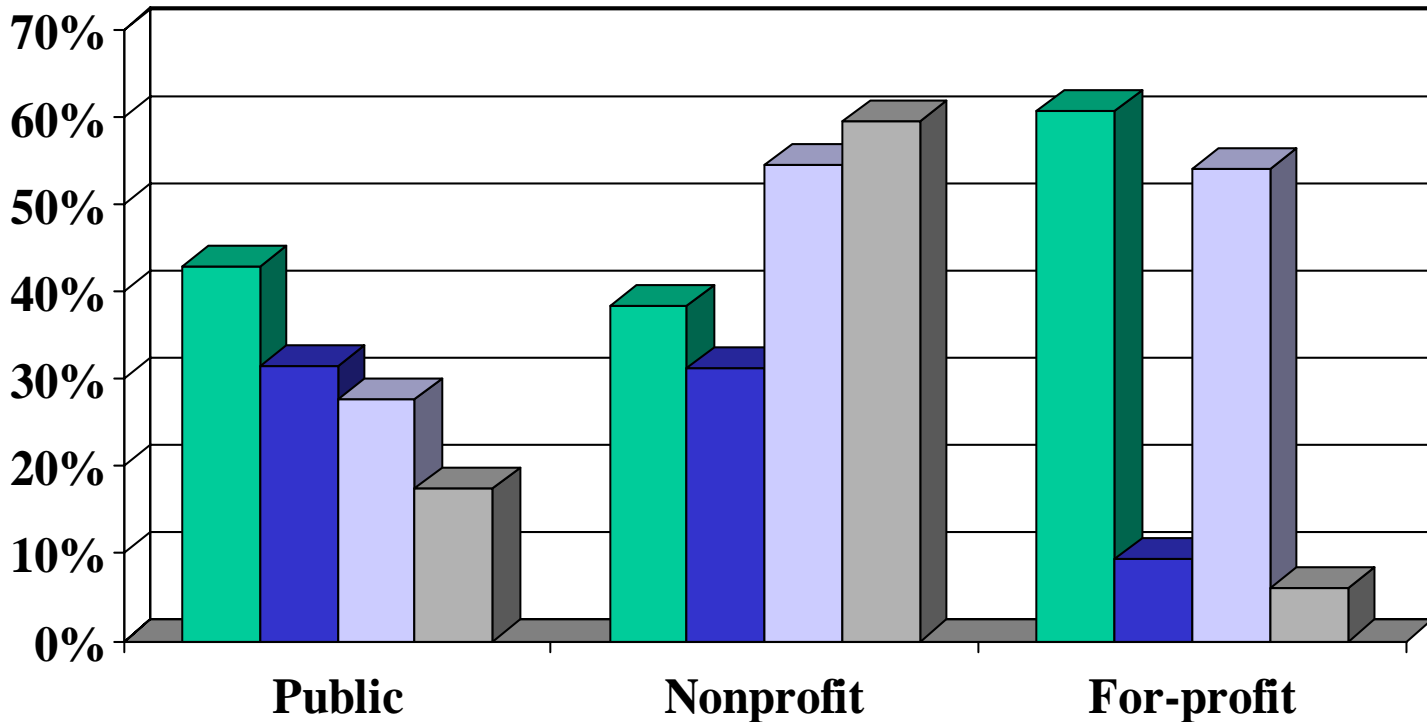
## by Control/Degree Level



# Tuition and Fees as % of Core Revenues by Control/Degree Level



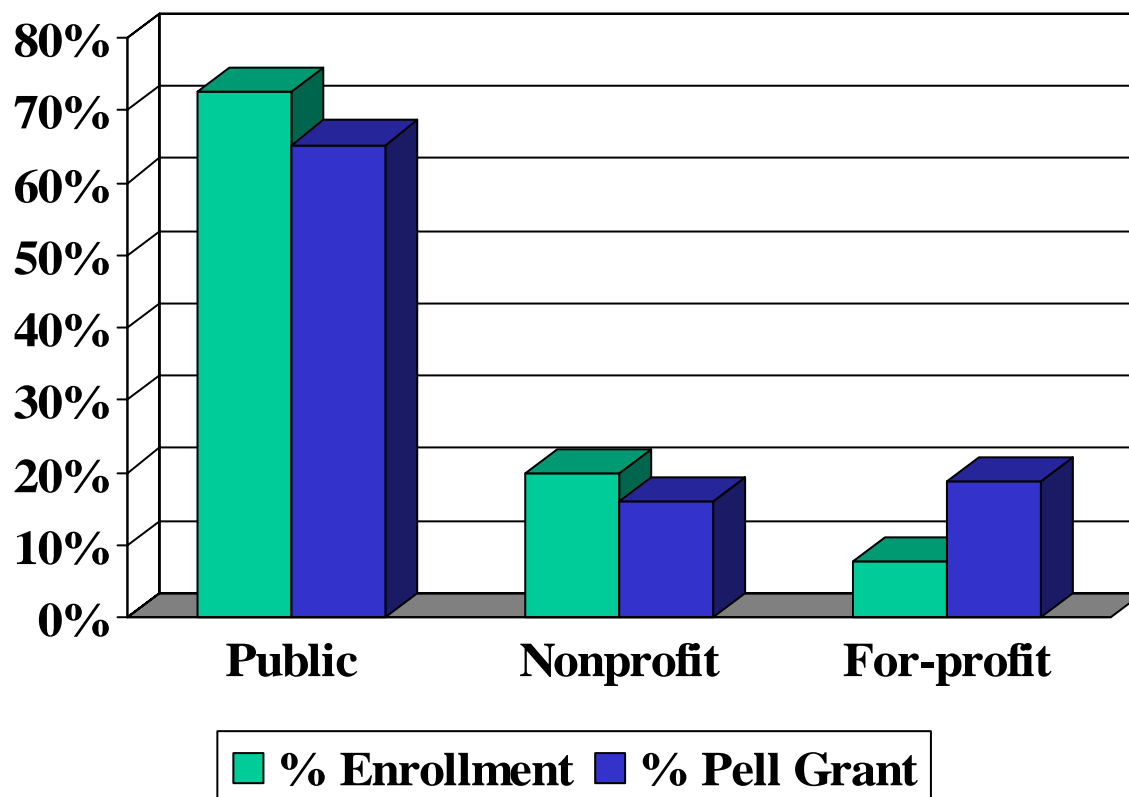
# Students Receiving Financial Aid by Control



**Federal Grants** **State Grants** **Student Loans** **Institutional Grants**

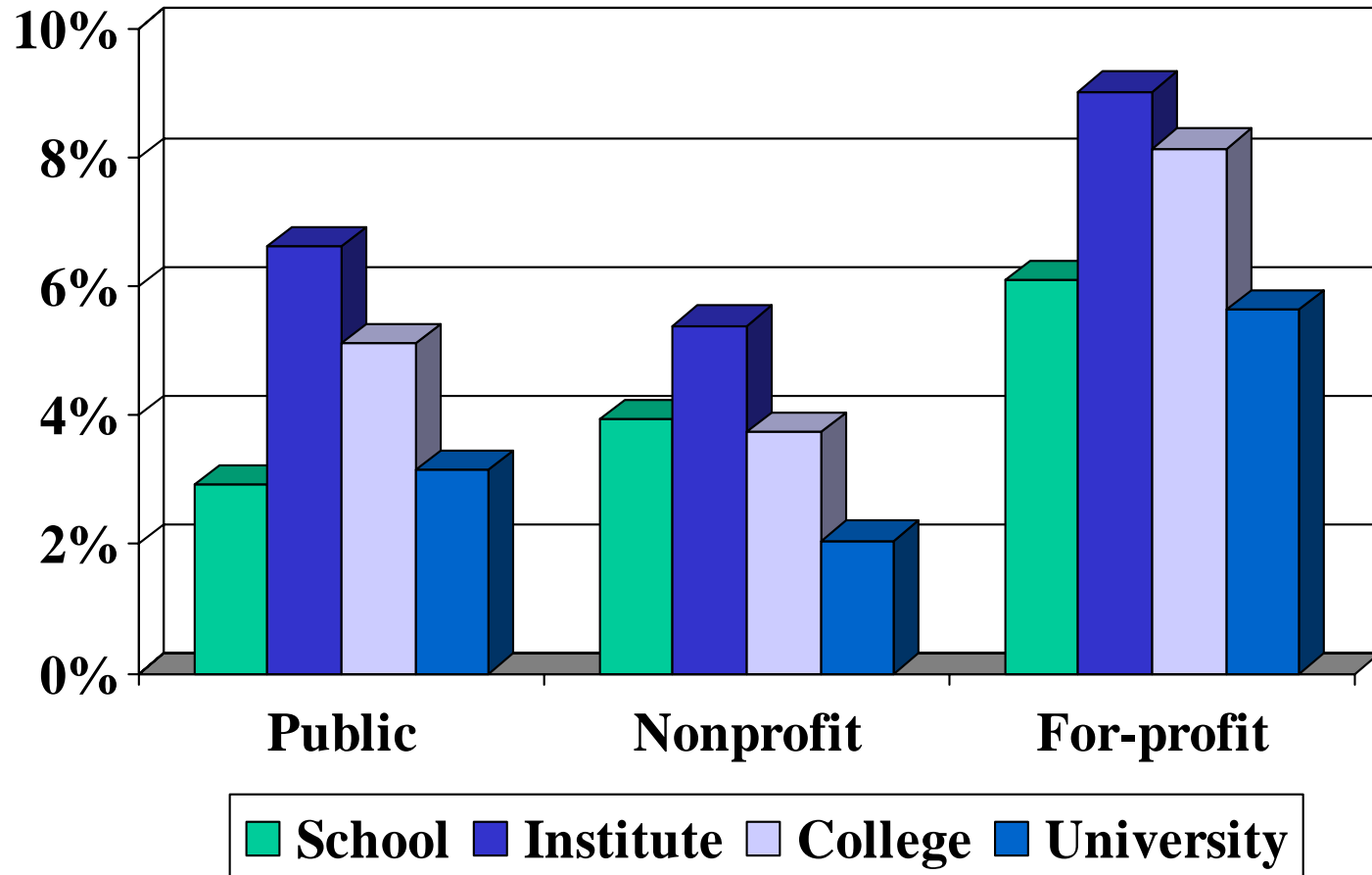
# Federal Grants: Pell

## by Control



# Student Loan Default Rates

## By Control/Degree Level



# Conclusions: Access to What?

- Institutional supply
  - FP substantially adds to School degree level
  - Shareholder Ownership models are influential
- Program availability
  - Narrow range of programs, with duplication
  - Little unique to the FP sector, esp. at higher degree levels
  - Relationship to employment demands uncertain

# Conclusions: Access for Whom?

- Enrollment capacity
  - Mostly small, larger by degree level and ownership
  - University degree level dominated by a few large institutions
- Demographics
  - Minority as market niche across all degree levels and ownership
  - Older students at FP college and university

# Conclusions: Access at What Cost?

- Institutional resources
  - Tuition dependent: Price mediated through public subsidies to students
  - Lower instructional cost, standardization?
  - “Profit”
- Student resources
  - Aid dependent: Federal grants and loans
  - Default rate concerns with at-risk population
  - Market demand linked to occupational outlook?

# Summary:

## For-Profit Contributions to Access

- Driven by supply or demand?
- System Capacity requires FP at lower levels
  - Lower level education relies on for-profit sector
  - Overall sustained by relatively few programs
- Program/institutional characteristics are likely significant at higher levels
  - Substantial program duplication
  - Minority access sustained across the sector
- Financial model dependent on public subsidies and student choice