EXECUTIVE SUMMARY

How do students and alumni of for-profit colleges feel about their schools and the value of their education?

Do they have distinct expectations, priorities and needs compared with students who choose to study at not-for-profit institutions?

Are prospective students effectively weighing their options before deciding to enroll at for-profit schools?

For employers, how do for-profit colleges compare with not-for-profit institutions as a source for job applicants?

These are the sorts of questions this research attempts to answer. It was prompted by the increasing prevalence of for-profit colleges in the higher education sector and debates over the value of these schools. Largely missing from the discussion so far have been the perspectives of for-profit students themselves and those of employers who might hire them. This study gives voice to these central stakeholders.

Public Agenda conducted this research with support from The Kresge Foundation. Data were collected through nationally representative surveys of 197 current for-profit undergraduates, 249 for-profit alumni and 803 adult prospective students, including 105 adults who are considering enrolling at a for-profit college or university in the future. These interviews were conducted by telephone and online. In addition, Public Agenda collected regionally representative survey data across four U.S. metropolitan areas from 656 human resources professionals who hire for positions that require postsecondary credentials. These interviews were completed over the phone. Public Agenda also conducted focus groups with employers and adult prospective students for this research.

These are the main findings from this research:

Finding 1. For-profit undergraduates aren’t comparative shoppers. Most considered only one school before enrolling.

Just about 4 in 10 undergraduate students at for-profit colleges say they seriously considered other schools before enrolling at their current institutions. Rarely do these students compare for-profit with not-for-profit institutions—for most it is either/or. In fact, the “for-profit college” concept is largely unknown among these students; most are unsure whether their schools are for-profit or not. Moreover, adult prospective students interested in for-profit schools are more likely than others to say they learned about colleges from advertisements.

Finding 2. Adult prospective students who are considering for-profit colleges have some distinct expectations, priorities and needs.

Among adults without degrees who are considering going back to school, those interested in enrolling at for-profit institutions are more likely than others to be drawn to schools that offer online classes, accelerated degrees, personal guidance from career counselors, financial aid advisers and tutors, and practical, work-related experience.

Finding 3. For-profit undergraduates and alumni laud their schools on key quality indicators, but many worry about the cost—and ultimate value—of their education.

Current for-profit undergraduates are generally highly satisfied with the quality of their instructors, tutors and advisers, as well as with the structure and efficiency of
their programs. Alumni, too, praise their former schools on many measures. At the same time, both current students and graduates are concerned about the financial burden they have taken on. While current undergraduates remain optimistic that college will pay off in the form of better jobs and higher incomes, only a minority of for-profit alumni are certain their credentials were worth their cost.

Finding 4. Either employers are neutral on whether for-profit or public colleges provide a higher-quality education, or they give an edge to public institutions.

Employers know comparatively little about the for-profit colleges in their metropolitan areas, but they have favorable views of the for-profits they do know. When asked to compare for-profit colleges in general with public sector institutions on a range of quality indicators, about half of employers perceive few differences. The other half typically view public institutions as superior on a number of counts, including preparing students to work at their organizations.

Questions and Considerations Emerging from This Research

We conclude this report with several specific questions and considerations that we think deserve further discussion and research. In brief:

1. Why aren’t students considering a wider range of schools? How can they be helped to have a broader view of their options?

More needs to be done to help future students understand the value of comparing different schools. Prospective students want and need better opportunities, online and in person, to engage with and evaluate quality indicators and other information about colleges and programs, including information on how different schools are governed and funded.

This research also raises questions about whether more needs to be done to level the playing field of higher education marketing. Currently, for-profit institutions dominate the higher education advertisement arena.

For prospective students to be exposed to a broader range of information and choices, not-for-profit schools may need to develop smart ways to communicate through advertising.

2. Would for-profit undergraduates be equally as satisfied at public institutions where they might earn an equivalent degree but worry less about costs? Or are they better served at for-profit institutions?

Adult prospective students who are interested in for-profits are particularly attracted to schools that offer accelerated degree programs, online classes and personal guidance from career counselors, financial aid advisers and tutors. For-profit undergraduates rate their schools highly in these and other quality measures, but they are concerned about the cost of their education—more so than, for example, community college students.

Could community colleges and public four-year institutions improve their offerings in these respects, still keep tuition costs low and thus become a viable alternative for for-profit students? Many promising initiatives are attempting to make community colleges more labor-market oriented, efficient and cost-effective. If successful, these programs could mean significant shifts in the higher education market toward public sector institutions.

3. How do students’ experiences and prospects vary depending on what type of for-profit they are attending and the kind of credential they are pursuing? And do employers’ views vary across employment sectors?

It will be important for future research to examine how the views and experiences of students and other stakeholders vary across different types of for-profits, geographic regions and labor markets, degree programs and other factors. Future analyses should also explore whether the perspectives of employers toward for-profit and other colleges vary depending on employers’ job sectors and the types of positions they hire for. Such research can help foster an increasingly sophisticated discussion about the roles and value of for-profit colleges in the higher education sector overall.