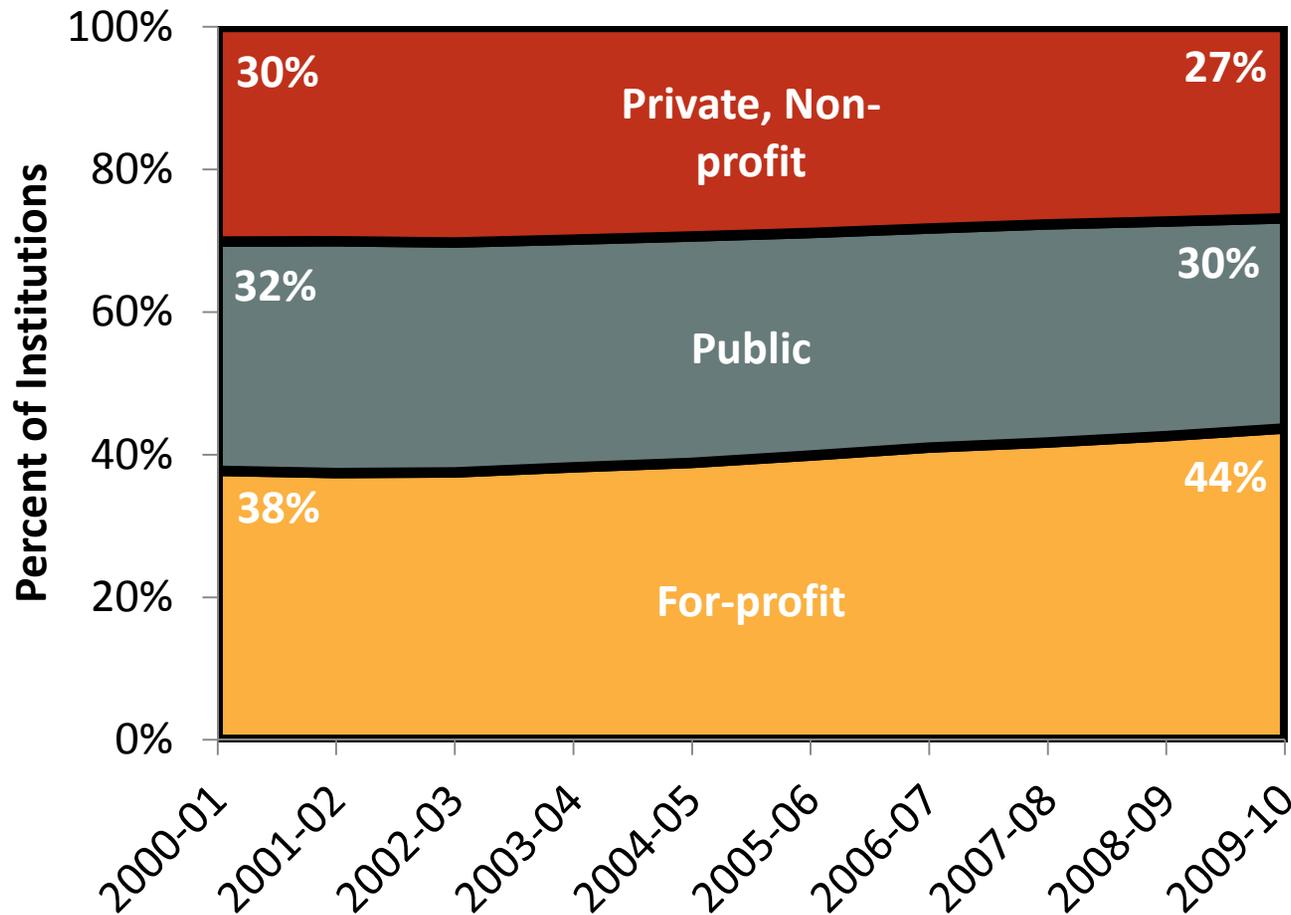


# For-profit colleges are a growing sector

Number of Institutions, by Sector, 2000-01 to 2009-2010

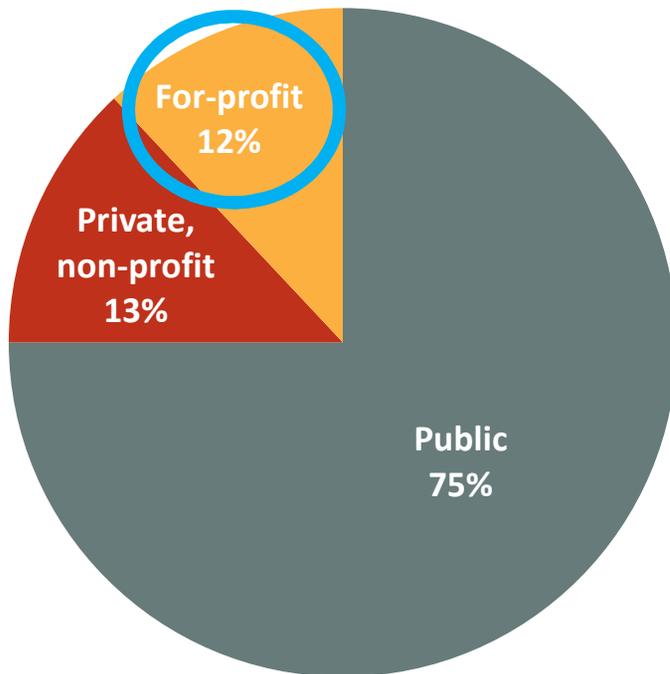


Note: Percentages may not add to 100% due to rounding.

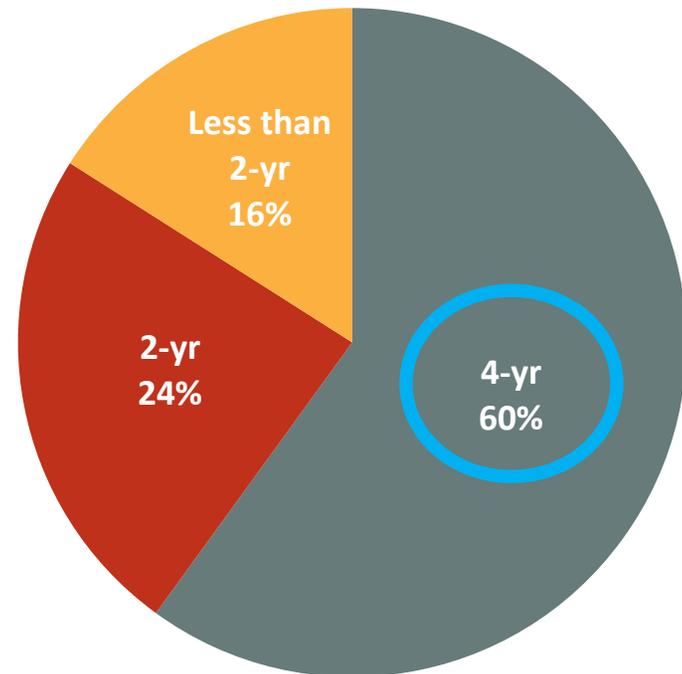
Source: IPEDS First Look Table 1 - Number and percentage distribution of Title IV institutions, by control of institution, level of institution, and region: United States and other jurisdictions, academic years 2000-01 through 2009-10; U.S. institutions.

For-profits enroll 12% of all college students, and 60% of for-profit students are enrolled in 4-yr institutions

Enrollment at all colleges and universities



Enrollment at for-profit colleges and universities



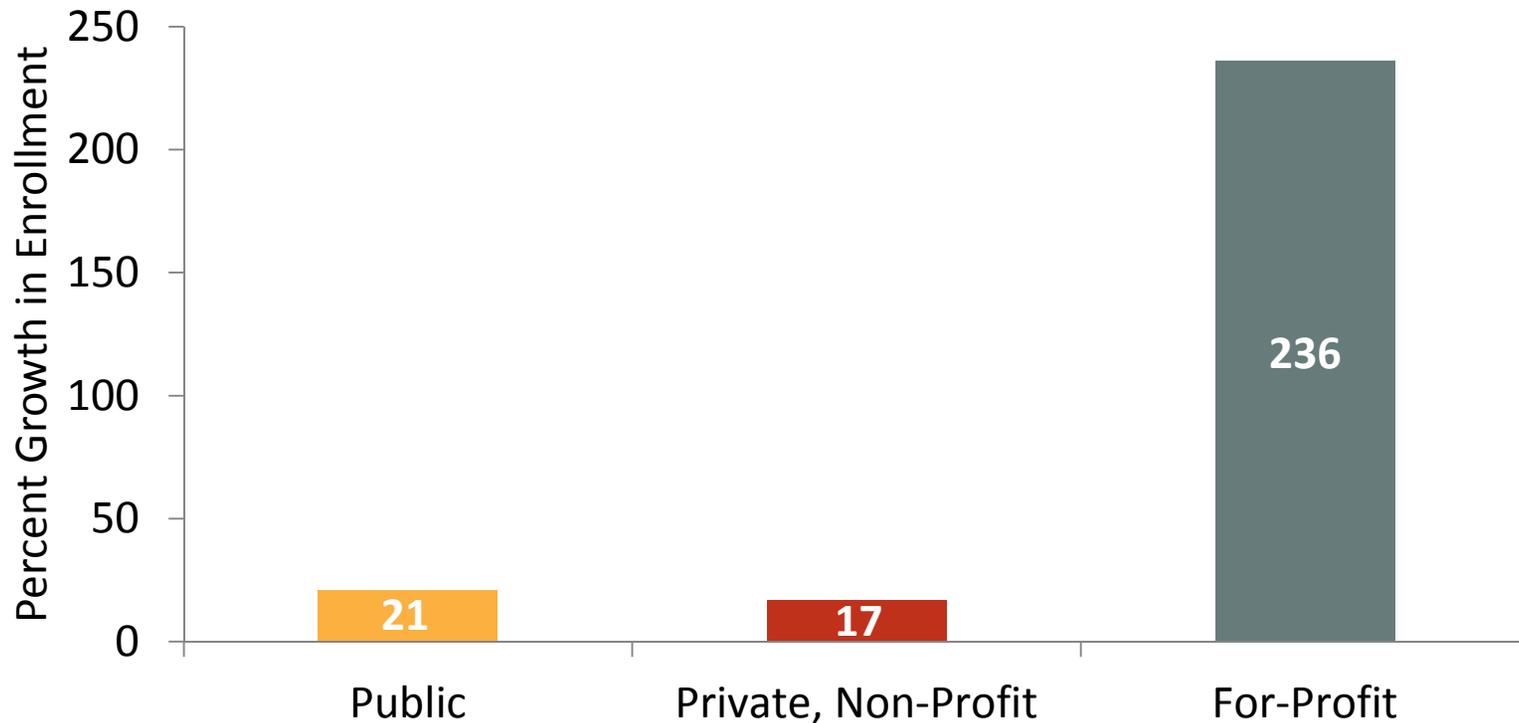
Source: Ed Trust analysis of IPEDS, 12-Month Enrollment Survey, 12-month unduplicated headcount enrollment at Title IV U.S. institutions, 2008-09.

# The 15 largest for-profit institutions enroll 60% of all students at proprietary institutions

- Apollo Group, Inc.  
(University of Phoenix)
- Education Management Corporation
- Career Education Corporation
- Corinthian Colleges
- DeVry
- Kaplan Education
- ITT Educational Services
- Strayer Education
- Laureate
- Bridgepoint Education
- Capella Education
- Lincoln Educational Services
- Grand Canyon Education
- American Public Education
- Universal Technical Institute

# Enrollment at for-profits is growing rapidly

Rate of Enrollment Growth,  
1998-99 through 2008-09



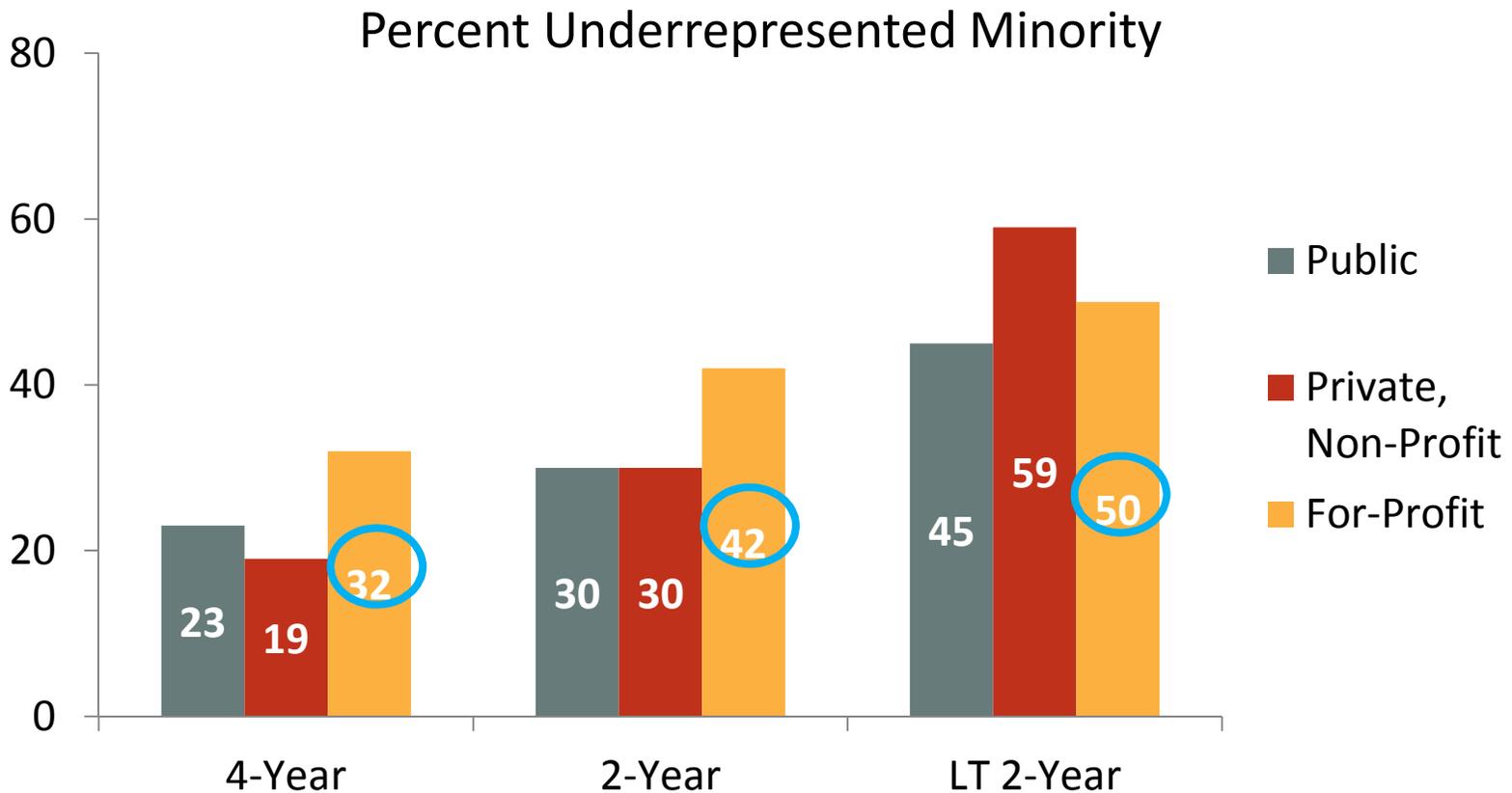
Source: Ed Trust analysis of IPEDS, 12-Month Enrollment Survey, 12-month unduplicated headcount enrollment at Title IV U.S. institutions, 1998-99 and 2008-09.

Last fall, the University of Phoenix  
enrolled more students than  
*the entire sector* did in 1991.

Source: TICAS analysis of 1991 and 2009 IPEDS fall enrollment data, Fall Enrollment Survey, in “Testimony of Lauren Asher, President, The Institute for College Access & Success Before the Senate Committee on Health, Education, Labor, and Pensions Hearing on the Federal Investment in For-Profit Education: Are Students Succeeding?” September 30, 2010.

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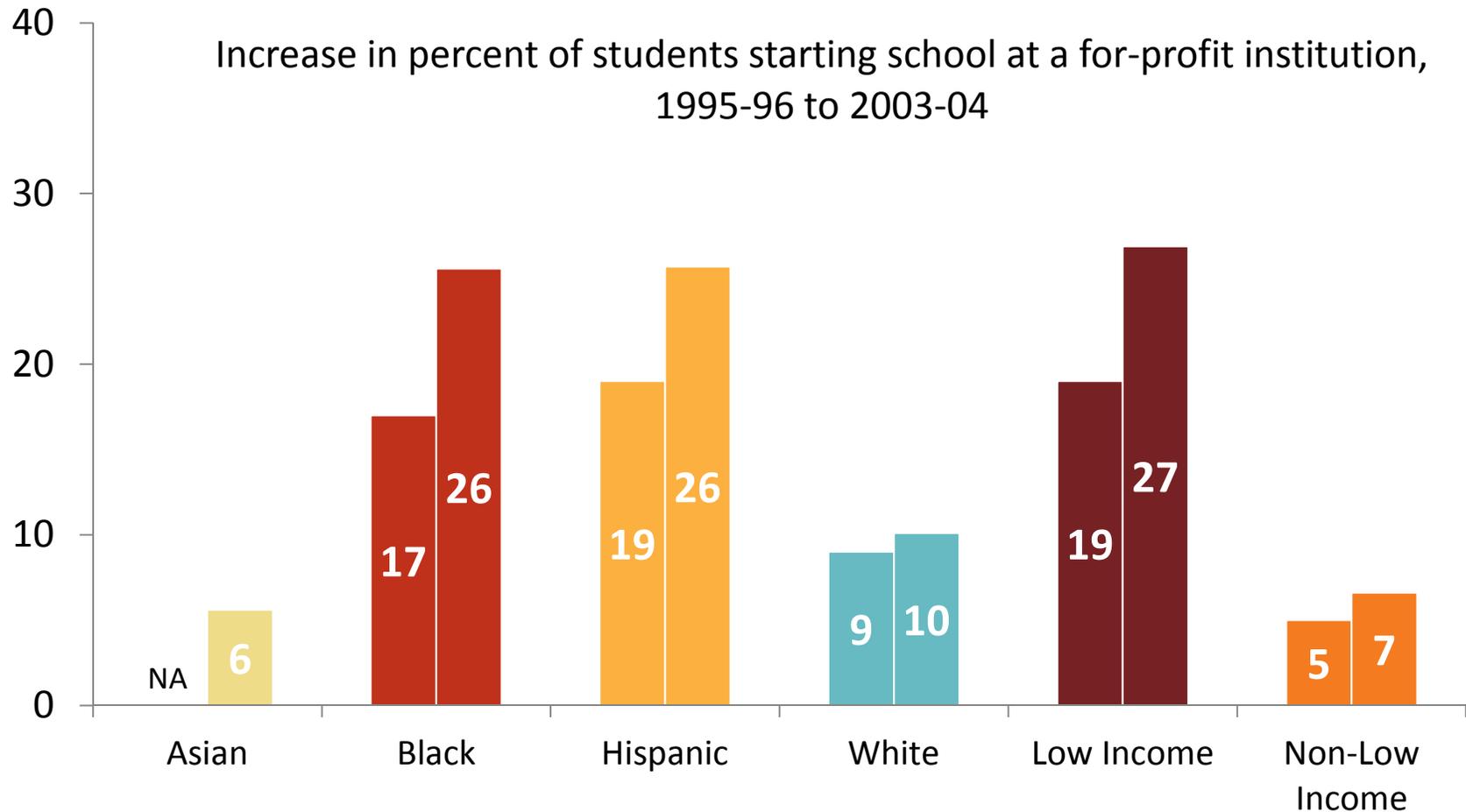
# For-profit colleges enroll large proportions of underrepresented minority students



Note: Underrepresented Minority includes black, Hispanic, and American Indian students.

Source: Ed Trust analysis of IPEDS, 12-Month Enrollment Survey, 12-month unduplicated headcount enrollment at Title IV U.S. institutions, 2008-09.

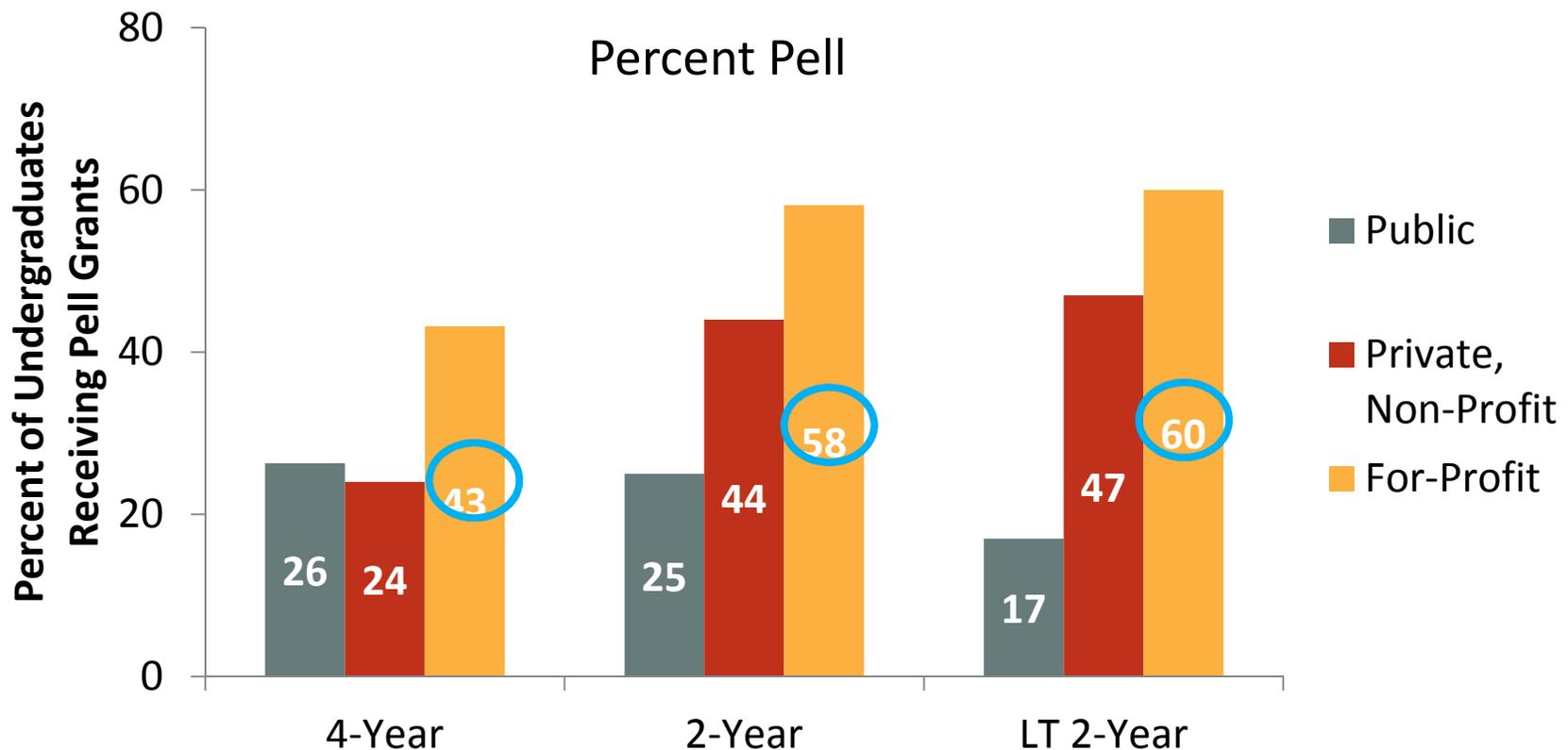
# Black, Hispanic, and Low-Income students are more likely than others to start college at for-profit institutions



Note: Low-Income is defined as students below 200% of the federal poverty level.

Source: Ed Trust analysis of BPS:96 and BPS:04 using PowerStats, <http://nces.ed.gov/datalab/>

# A large proportion of students at for-profits receive Pell Grants



Source: Ed Trust analysis of IPEDS, Student Financial Aid Survey, % Pell among undergraduates, 2008-09.



About 12% of all students are enrolled at for-profit colleges, but 20% of black students and 24% of Pell recipients are concentrated in these schools.

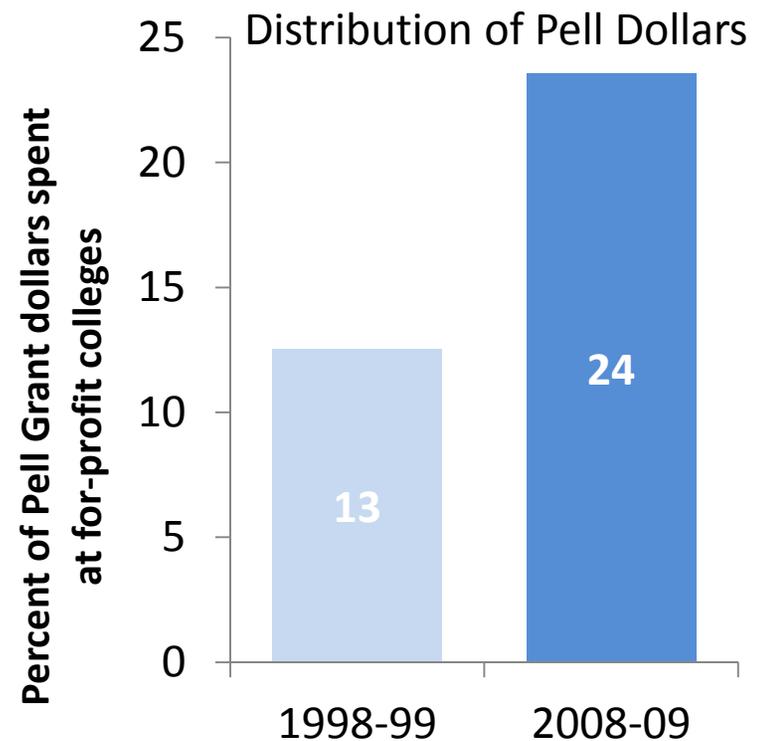
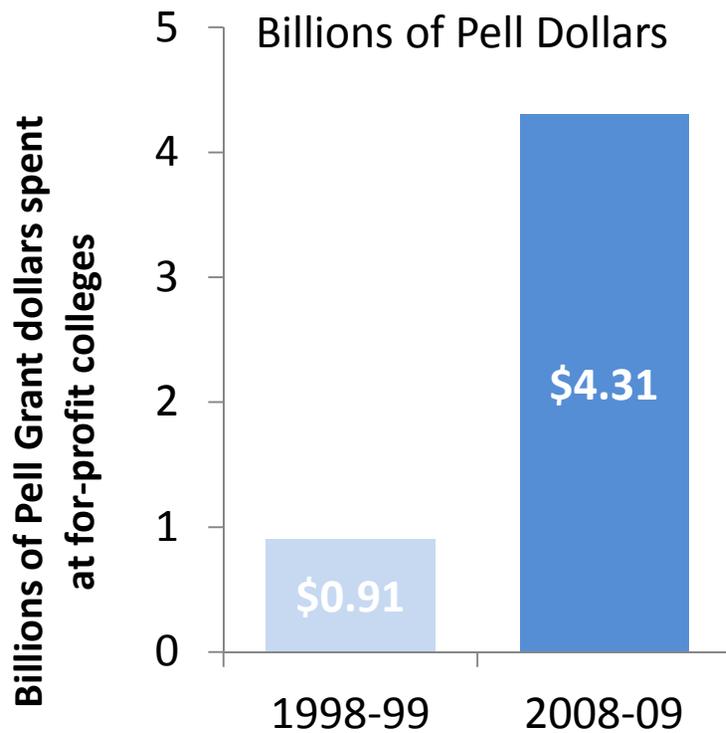


The federal government is investing billions of taxpayer dollars in for-profit colleges each year.

Source: Majority staff calculation of data provided by U.S. Department of Education in [“Emerging Risk?: An Overview of Growth, Spending, Student Debt and Unanswered Questions in For-Profit Higher Education.”](#) Senate HELP Committee. 24 June 2010.

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# The number and percent of Pell Grant dollars spent at for-profits has increased dramatically



Ed Trust analysis of Federal Pell Grant Program End-of-Year reports, 1998-99 and 2008-09, Table 19: Federal Pell Grant Expenditures, Recipients, and Average Grant by Type and Control of Institution. See also Majority staff calculation of data provided by U.S. Department of Education in "Emerging Risk?: An Overview of

Source:

[Growth, Spending, Student Debt and Unanswered Questions in For-Profit Higher Education.](#) Senate HELP Committee. 24 June 2010

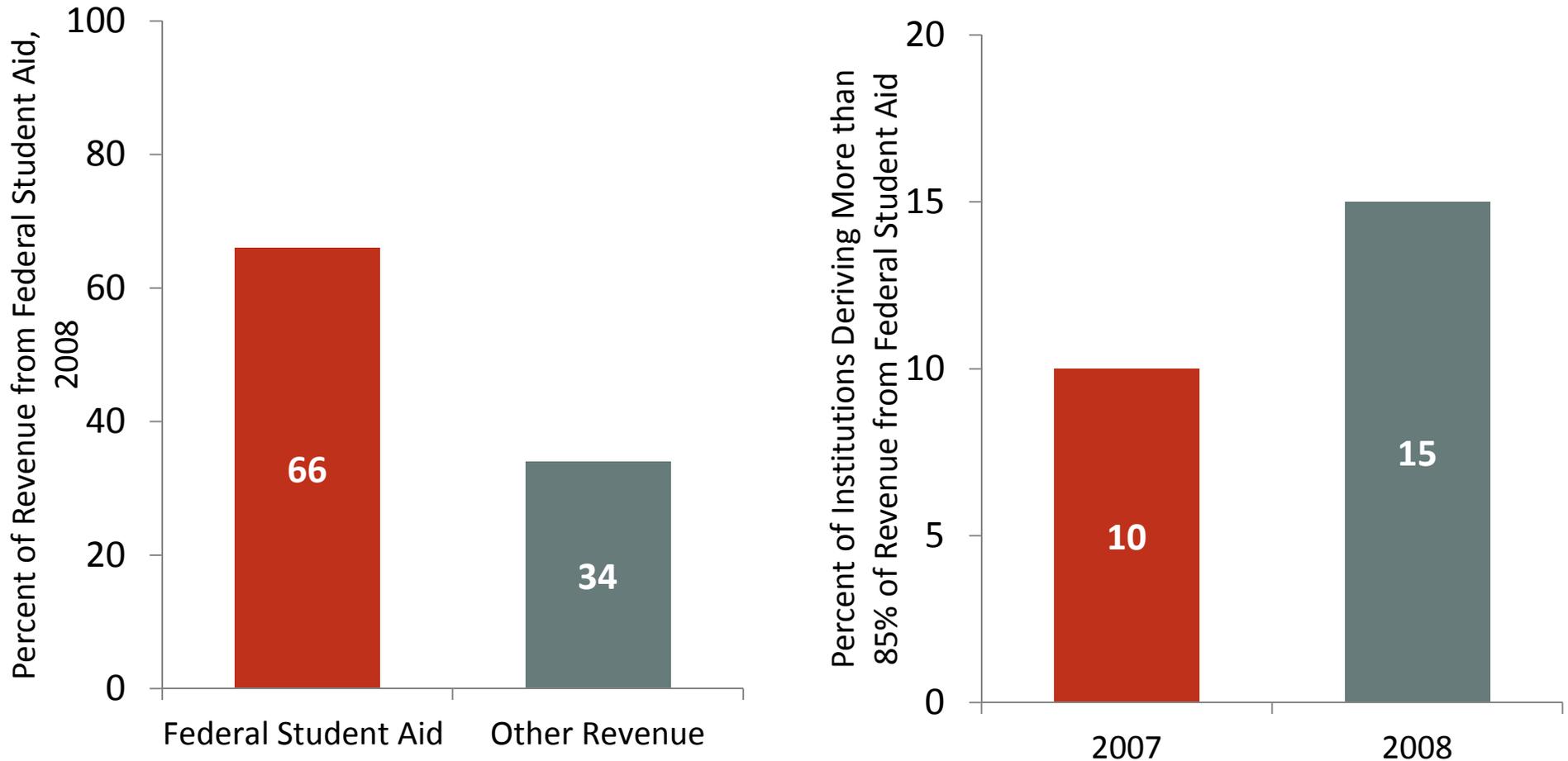


In 2009-10, one institution  
—University of Phoenix—  
became the first college ever to receive  
over **\$1 billion in Pell Grant** funding.

Source: 2009-2010 Award Year Grant Volume by School, [Department of Education Data Center](#) in “U of Phoenix Makes History.” The Quick and the Ed.  
20 July 2010. <http://www.quickanded.com/2010/07/phoenix-makes-history.html>

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# An increasing share of for-profit institutions' revenue comes from federal student aid



Note: In addition to non-governmental revenue, other revenue also includes Department of Defense aid, state loans and grant aid, and any Stafford loan increases not included in each school's financial reporting.

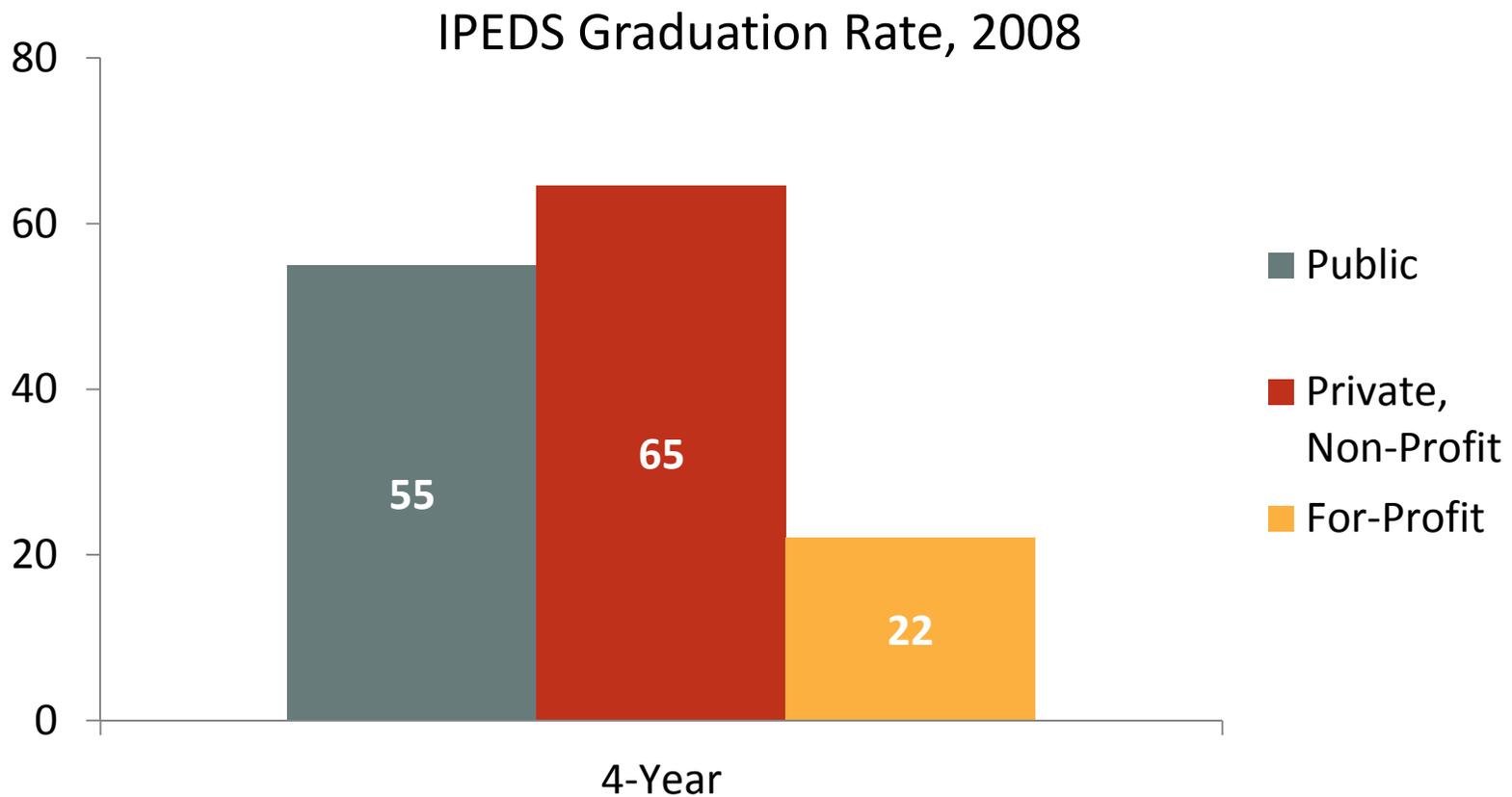
Source: "Large Schools and Schools that Specialize in Healthcare Are More Likely to Rely Heavily on Federal Student Aid." (GAO-11-4). GAO Report to Congressional Committees. August 2010.



Is this federal investment paying off?

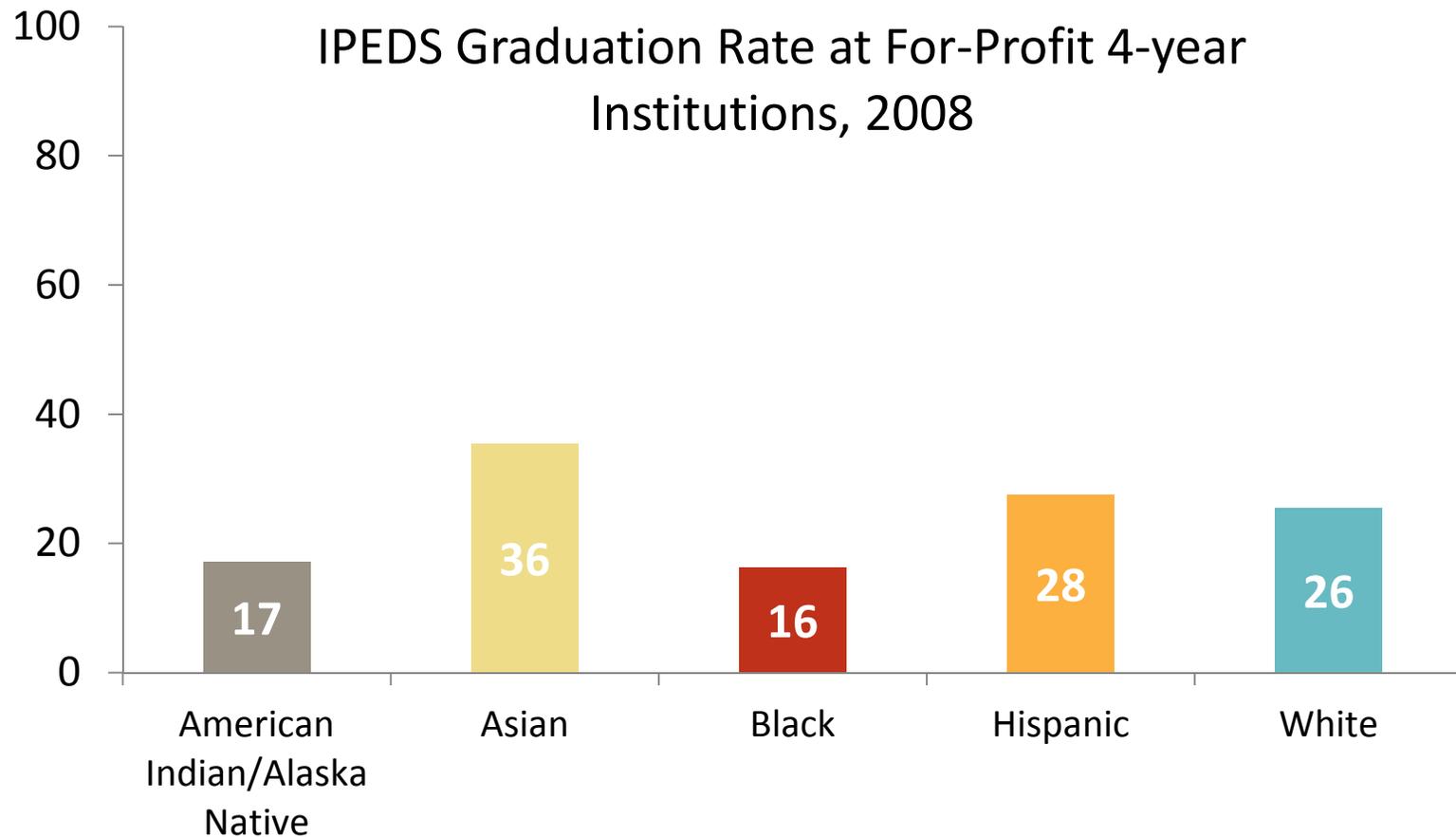
Source:

# 4-year for-profits have much lower graduation rates than non-profits



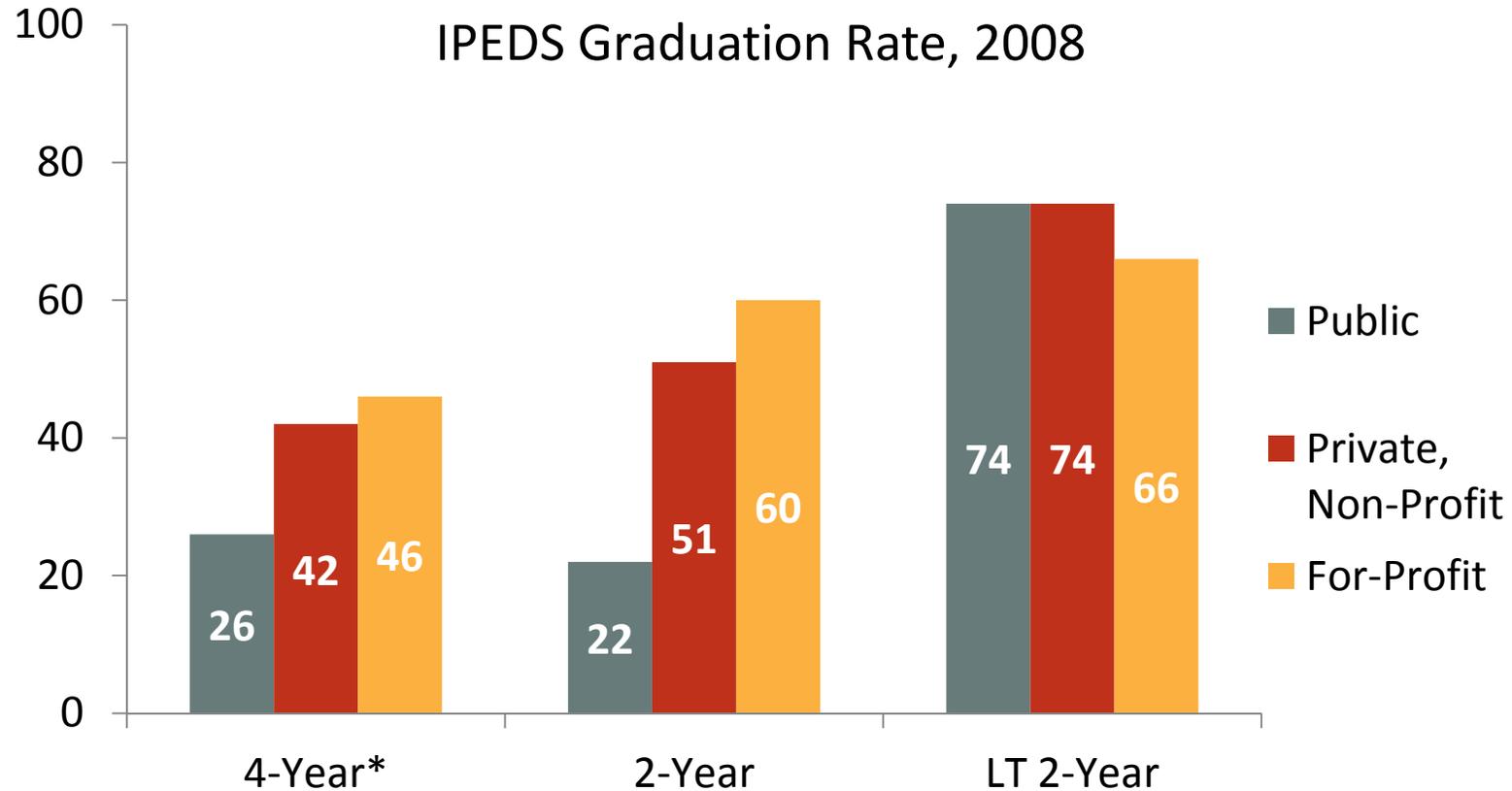
Source: IPEDES First Look 2008-09, Table 5. Graduation rates at Title IV institutions, by race/ethnicity, level and control of institution, gender, and degree at the institution where the students started as full-time, first-time students: United States, cohort year 2002.

# Graduation rates at 4-year for-profits are low for students of all races



Source: IPEDES First Look 2008-09, Table 5. Graduation rates at Title IV institutions, by race/ethnicity, level and control of institution, gender, and degree at the institution where the students started as full-time, first-time students: United States, cohort year 2002.

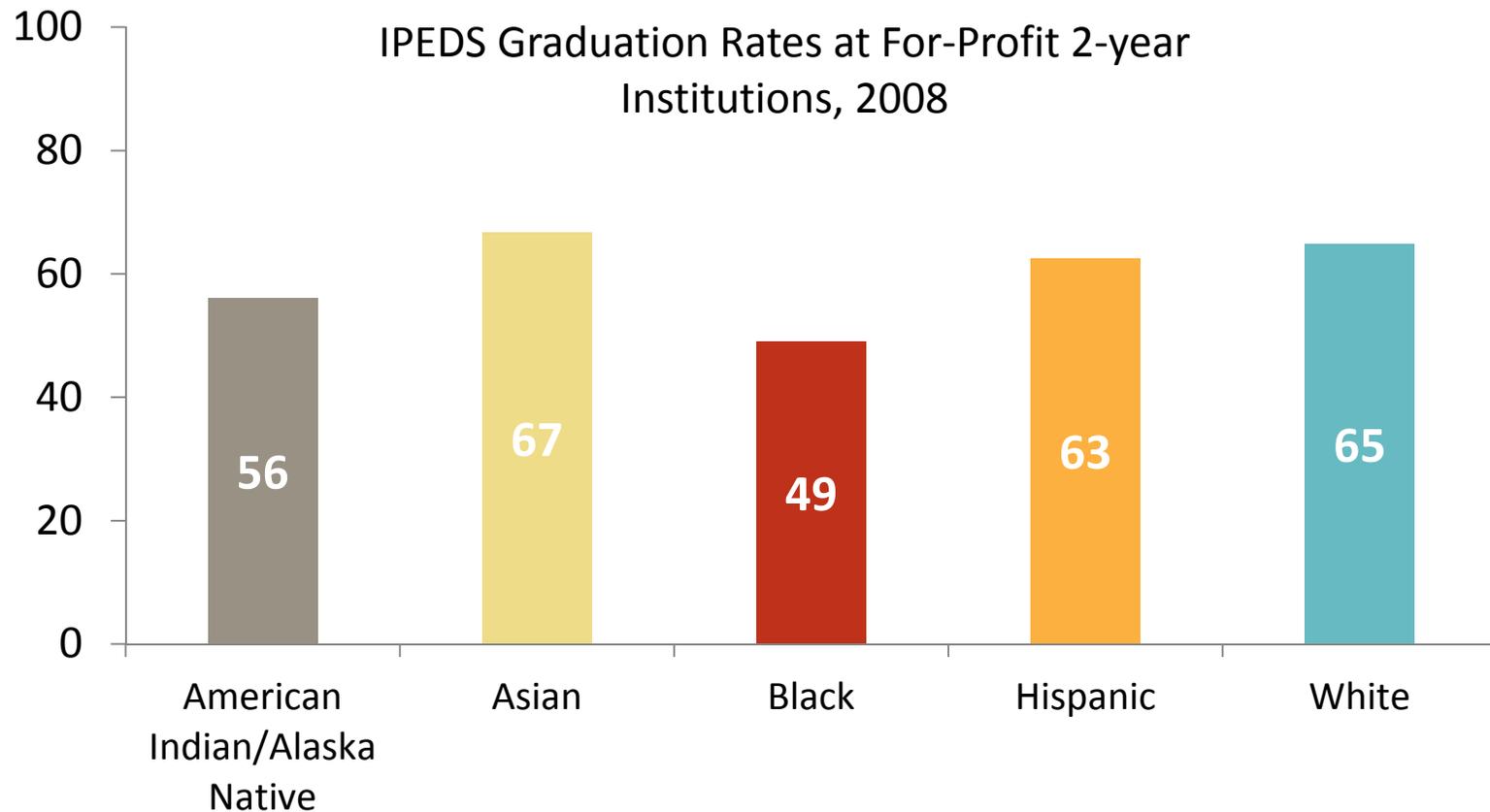
# 2-year for-profits have higher graduation rates than public community colleges



\* In 2002, 49,484 first-time, full-time students entered 4-yr for-profit institutions seeking an AA or certificate. 64,957 and 24,373 first-time, full-time AA or certificate-seeking students entered public and private 4-yr institutions, respectively. In these graduation rate calculations, Ed Trust analysis includes as graduates students in these cohorts who completed any credential.

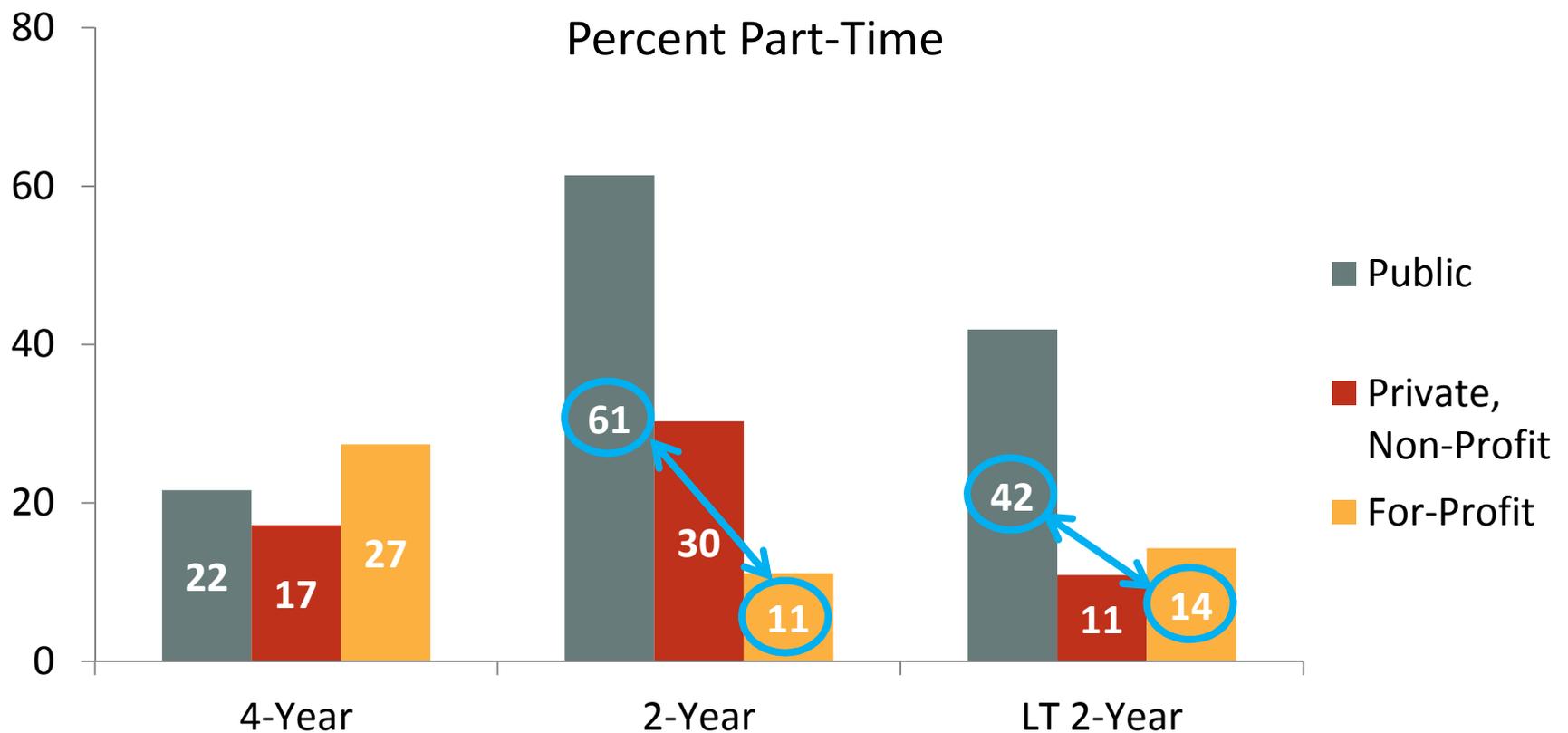
Source: IPEDS First Look 2008-09, Table 5. Graduation rates at Title IV institutions, by race/ethnicity, level and control of institution, gender, and degree at the institution where the students started as full-time, first-time students: United States, cohort year 2005; and Ed Trust analysis of IPEDS Graduation Rate Survey, Other degree/certificate-seeking subcohort (4-year institutions), 2008.

# Black and American Indian students graduate from 2-year for-profits at lower rates than their peers



Source: IPEDES First Look 2008-09, Table 5. Graduation rates at Title IV institutions, by race/ethnicity, level and control of institution, gender, and degree at the institution where the students started as full-time, first-time students: United States, cohort year 2005.

# A large portion of students at for-profit colleges attend full-time



Source: IPEDS First Look 2008-09, Table 1. Enrollment at Title IV institutions, by control and level of institution, student level, attendance status, gender, and race/ethnicity: United States, fall 2008.

# The tuition & fees at for-profit colleges is more than twice the cost at public colleges

Institution Type		Average Tuition and Required Fees, 2009-10	
4-Year	For-profit	\$15,715	2.5x
	Private, non-profit	\$21,050	
	Public (in-state)	\$6,393	
2-Year	For-profit	\$14,280	5x
	Private, non-profit	\$10,266	
	Public (in-state)	\$2,970	
Less than 2-Year	For-profit	\$12,807	2.5x
	Private, non-profit	\$8,982	
	Public (in-state)	\$5,106	

Source: IPEDS First-Look (2009-10), Table 3. Average, median, and number of institutions reporting academic year tuition and required fees for full-time students at Title IV institutions, by control of institution, student level, level of institution, United States, academic year 2009-10.

# Unmet need among low-income students is exponentially higher at for-profits than at public colleges

## Unmet Need of Low-Income Students

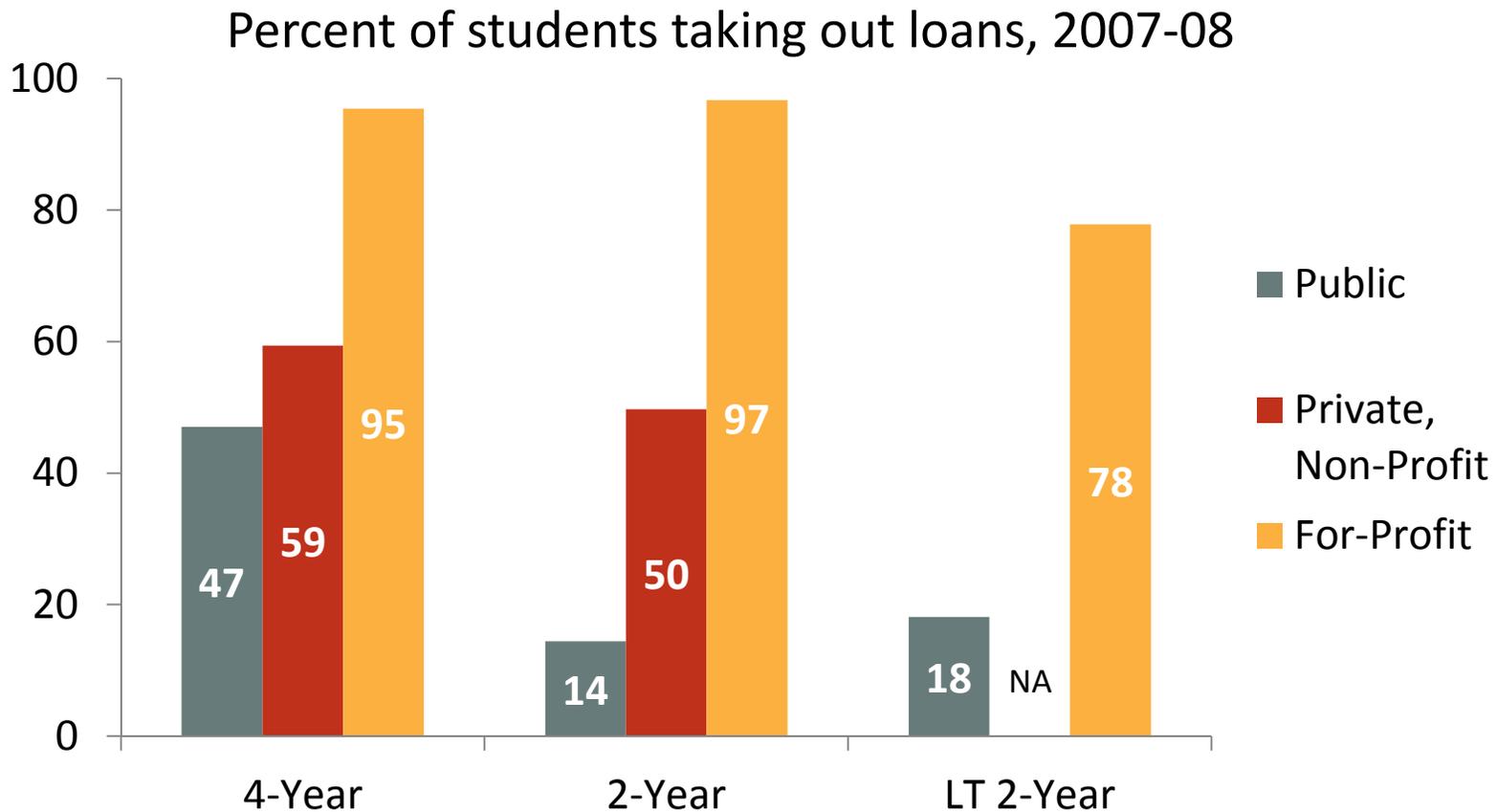
	Type of Institution	Cost of Attendance, 2007	EFC, 2007	All Grant Aid, 2007	Unmet Need, 2007
4-Year	For-profit	\$31,976	\$3,518	\$3,501	\$24,957
	Private, non-profit	\$34,110	\$3,911	\$13,624	\$16,574
	Public	\$18,062	\$3,798	\$5,676	\$8,588
2-Year	For-profit	\$26,690	\$1,882	\$3,736	\$21,072
	Public	\$11,660	\$3,659	\$2,523	\$5,478
Less than 2-Year	For-profit	\$20,032	\$2,005	\$2,874	\$15,154
	Public	\$16,193	\$3,791	\$1,424	\$10,978

Note: Data are not available for private, non-profit 2-year and less than 2-year institutions because of small sample sizes.

Source: Ed Trust analysis of NPSAS:08 using PowerStats, <http://nces.ed.gov/datalab/>; Full-time, full-year, one-institution dependent students in the bottom half of the income distribution are included in this analysis.

Private, non-profit institutions cost students *less*, but spend 3.5 times *more* on each student.

# Students at for-profit colleges are more likely than others to take out student loans



Source: Ed Trust analysis of loan data in NPSAS:08 using PowerStats, <http://nces.ed.gov/datalab/>

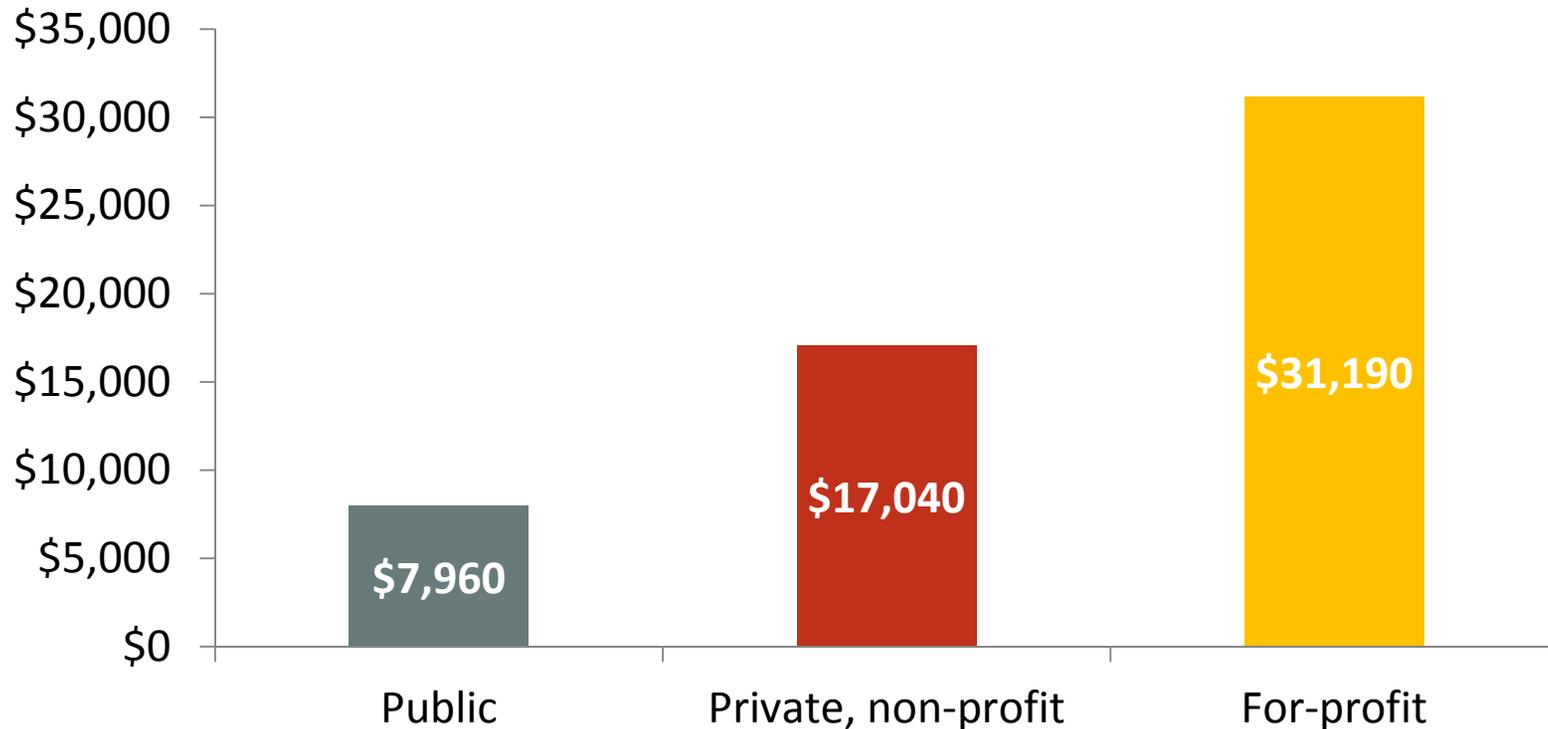
# Students at for-profit colleges are more likely than others to take out risky private loans

Institution Type		Percent of Students Receiving Loans	
		Stafford	Private
4-Year	For-profit	94	46
	Private, non-profit	54	25
	Public	42	14
2-Year	For-profit	95	42
	Private, non-profit	47	18
	Public	11	5
Less than 2-Year	For-profit	67	34
	Private, non-profit	31	NA
	Public	15	7

Source: Ed Trust analysis of loan data in NPSAS:08 using PowerStats, <http://nces.ed.gov/datalab/>

# Students at for-profit colleges graduate with large amounts of debt

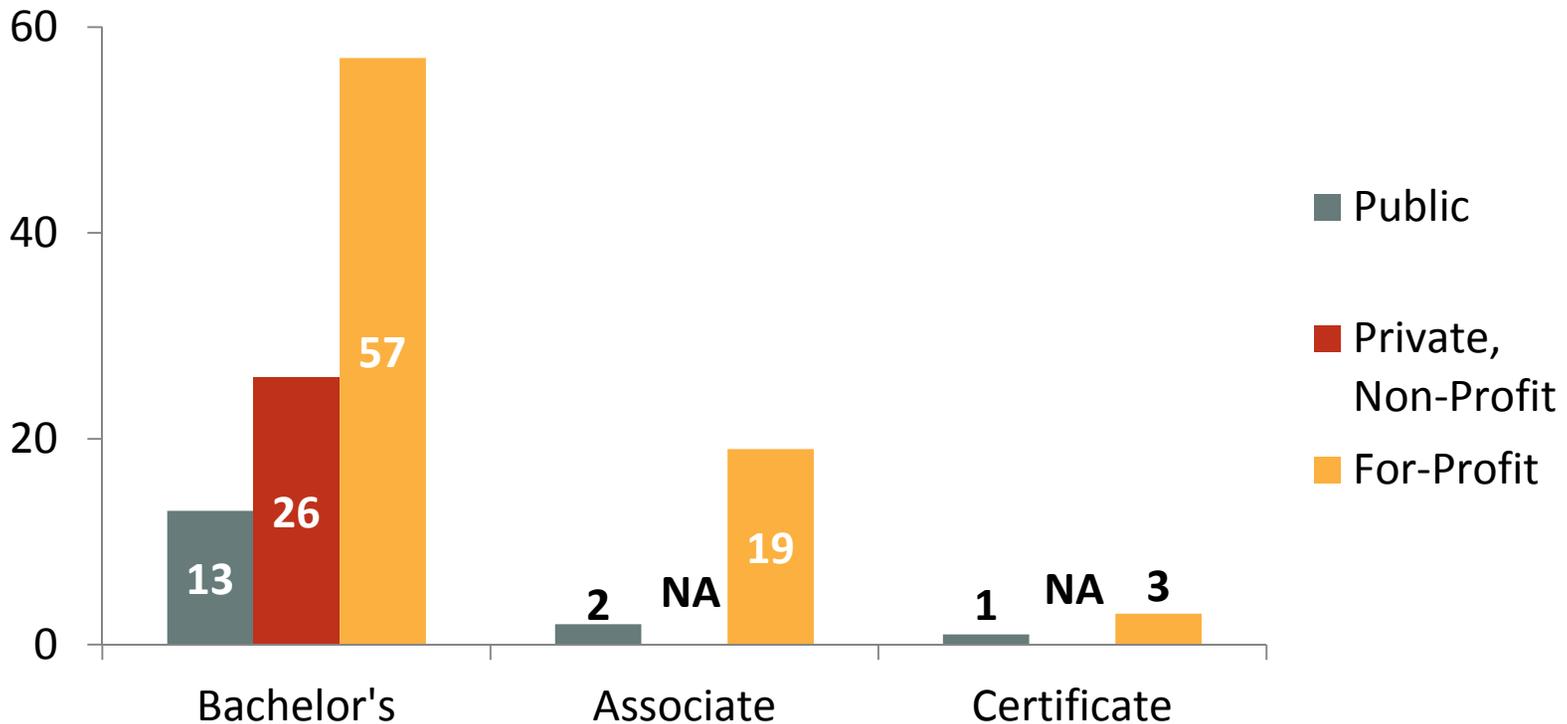
Median Debt of Bachelor's Degree Recipients,  
2007-08



Source: Analysis of NPSAS:08 in *Trends in Student Aid*, The College Board, 2009.

# Students at for-profits are more likely to take on large amounts of debt

Percent of students with at least \$30,000 in debt, 2007-08



Source: Analysis of NPSAS:08 in *Trends in Student Aid*, The College Board, 2010, Excel data for Figure 19A.

# Default Rates are higher at for-profits

If default rates were tracked for three years instead of two, for-profit default rates would double to about one in five.

Institution Type	Cohort Default Rate (CDR) (Three-year average, 2005-07)		Difference between 2- year and 3-year CDR
	2-Year CDR	3-Year CDR	
For-profit	9.5%	19.1%	9.6%
Private, non-profit	2.9%	5.0%	2.1%
Public	5.0%	8.1%	3.1%

Almost **10%** of students at for-profits default on their loans **within 2 years** of entering repayment.

Almost **20%** of students at for-profits default on their loans **within 3 years** of entering repayment.

Source: Ed Trust analysis of Trial 3-Year Cohort Default Rates, National Student Loan Data System, Department of Education, <http://federalstudentaid.ed.gov/datacenter/cohort.html>

Even when controlling for student demographics and completion rates, default rates are *still* higher at for-profit institutions than at other colleges.

## For-profits represent:

- **12%** of enrollments
- **24%** of Pell Grants and federal student loan dollars
- **43%** of federal student loan defaults.