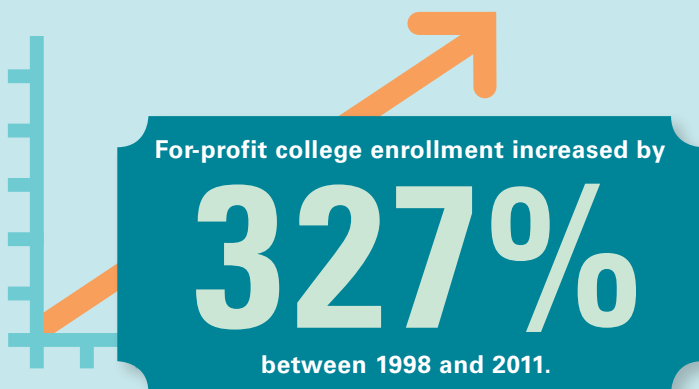
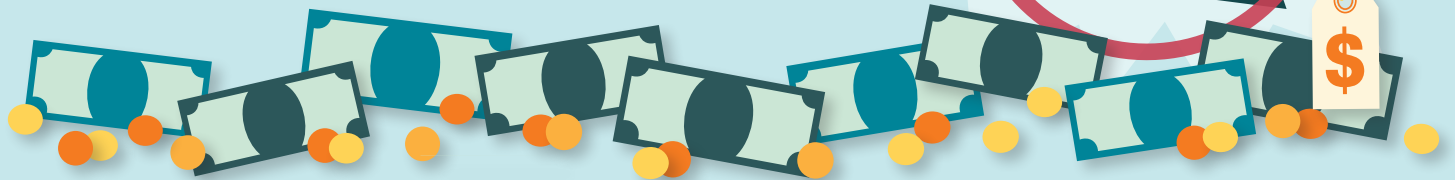


FOR-PROFIT COLLEGES: A RISKY INVESTMENT

Many for-profit college companies are making and breaking promises to students across the country. They promise an education that will advance students' careers and improve their life trajectories, but instead they leave many students saddled with massive debt and no degree.



Low-income students and students of color make up a rapidly growing portion of this increase.^{1,2}

40%

of for-profit students are under-represented minority students. Compared with...

- 28% at public nonprofit and
- 20% at private nonprofit colleges.²

69%

are Pell Grant recipients. Compared with...

- 43% at public nonprofit and
- 36% at private nonprofit colleges.³

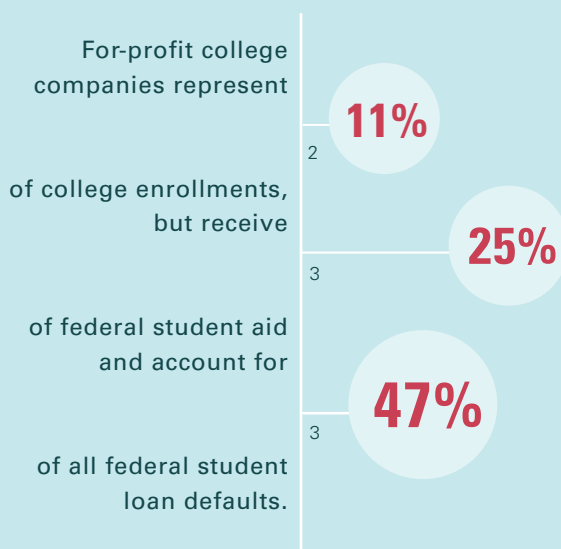
For-profits are largely funded by federal student aid. Nearly **70% of their revenue comes from federal aid.**⁴

So, what are all these students (and taxpayers) getting for their money?

A disproportionately high likelihood of defaulting on student loans: For-profit students represent 47% of all federal student loan defaults.³

Far more debt: 57% of students who earn bachelor's degrees at for-profits are more than \$30,000 in debt. But only 25% of graduates from private non-profits and just 12% from public institutions owe that much.³

THE BOTTOM LINE



These colleges are NOT living up to their promises. They collect high tuition payments, but fail to provide the education students need to be successful. Given the cost of college today, students can't afford the risks posed by many for-profit college companies.

1. NCES: Fall Enrollment 1998 (2001) 2. NCES: Fall Enrollment 2011 (2012)

3. www.collegeinsight.org 4. GAO: For-Profit Schools Report (2010)

5. Senate HELP Committee: For-Profit Higher Education Report (2012)

