The Role of For-Profit Colleges in Increasing Postsecondary Completions in California

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National call to increase educational attainment levels

- Obama goal to have 60% of young Americans with a postsecondary degree by 2020
- Currently 36% of young Californians have a postsecondary degree and if current trends continue, would reach 40% by 2020
- California would need to produce an additional 1.3m more completions to get to 60% of its population having a college degree
- How does California get there?
What role can for-profits play in the higher ed completion agenda?

• State-level policy role
• Usual conversation about UC, CSU, CCC
• But what about the for-profits?

Public highly critical of for-profits

• Dishonesty in marketing
• Completion rates
• Student indebtedness
• Students’ labor market outcomes
Research questions

• Enrollment
  – How many students are attending for-profits? What is the representation of minority and Pell Grant recipients at these institutions?

• Completions
  – How many awards are for-profits producing?
  – At what level (short or long term certificates, associates, or bachelors) and in what fields?
  – Do racial, ethnic differences exist in completions?

• Labor market
  – Do for-profits’ awards match labor market demands?
Data

• National Center for Education Statistics’ Integrated Postsecondary Data System
  – Census of all US postsecondary institutions

• Data notes:
  – Enrollment: 12-month unduplicated enrollment
  – Race, ethnicity: derived from old and new categorizations
  – Omitted sectors: administrative units, public less-than two year institutions (K-12 adult ed programs)
  – CIP codes translated to NCES Postsecondary Taxonomy
ENROLLMENTS
For-profits have more FTES than CSU, UC, non-profits

- For-profits: 379,192 (19%)
- Non-profits: 144,970 (7%)
- UC: 180,412 (9%)
- CSU: 332,165 (17%)
- CCC: 970,780 (48%)
For-profits more diverse than any other sector

For-profits have 12-month unduplicated enrollment

UC
CSU
CCC
Non-profits
For-profits

White  Black  Asian  Hispanic  Other

percent

0  20  40  60  80  100

12-month unduplicated enrollment
Half of for-profit students receive Pell Grants, similar to % of UC students.

- CCC: CCC Non-PG recipient 77%, CCC Pell-Grant recipient 23%
- CSU: CSU Non-PG recipient 59%, CSU Pell-Grant recipient 41%
- UC: UC Non-PG recipient 48%, UC Pell-Grant recipient 52%

Non-profits: Non-profits Non-PG recipient 42%, Non-profits Pell-Grant recipient 58%
For-profits: For-profits Non-PG recipient 47%, For-profits Pell-Grant recipient 53%
COMPLETIONS
For-profits’ completions grow rapidly

<table>
<thead>
<tr>
<th>Year</th>
<th>UC</th>
<th>CSU</th>
<th>CCC</th>
<th>For-profits</th>
<th>Non-profits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>15%</td>
<td>25%</td>
<td>33%</td>
<td>16%</td>
<td>12%</td>
</tr>
</tbody>
</table>
What types of awards are being completed?
For-profits award about half of California’s short- and long-term certificates and 14% of AAs, 7% of BAs.
And produce a mix of awards unlike any other sector in California.
In what fields are students receiving awards?
The biggest producer of awards in Consumer Services, Apparel & Textiles; Health Sciences

For-profits

Consumer Serv, Apparel, & Textiles

For-profits

Non-profits

Health Sciences

UC

CSU

CCC

Non-profits

For-profits

ST certificates

LT certificates

AA/AS

BA/BS
Major awards producer in Visual, Perform Arts & Design; Computer & Info Sci; Manufact, Construct, Repair & Transport

Visual & Performing Arts & Design

Computer & Info Sciences

Manufacturing, Construction, Repair, & Transportation

[Bar chart with categories: UC, CSU, CCC, Non-profits, For-profits, and ST certificates, LT certificates, AA/AS, BA/BS]
But for-profits aren’t producing awards in liberal arts, agriculture

- No awards in:
  - Humanities
  - Math
  - Science
  - Ag & Natural Science

- Few awards in:
  - Education
  - Social & Behavioral Science
  - Interdisciplinary Studies
  - Letters & English
Given their diverse student population, are there racial, ethnic differences in completions?
Given for-profits’ focus on CTE fields, are they addressing current labor market demands?

<table>
<thead>
<tr>
<th>Fastest growing occupations</th>
<th>For-profit completions relevant to the occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Personal Care and Service Occupations</td>
<td>For-profits the <strong>biggest producer</strong> of Consumer Service, Apparel, and Textile awards</td>
</tr>
<tr>
<td>2. Healthcare Support Occupations</td>
<td>For-profits the <strong>biggest producer</strong> of Health Sciences awards</td>
</tr>
<tr>
<td>3. Healthcare Practitioners and Technical Occupinations</td>
<td>For-profits the <strong>biggest producer</strong> of Health Sciences awards</td>
</tr>
<tr>
<td>4. Life, Physical, and Social Science Occupations</td>
<td>For-profits <strong>do not produce</strong> awards in Science, Social Science, or Behavioral Science.</td>
</tr>
<tr>
<td>5. Computer and Mathematical Occupations</td>
<td>For-profits <strong>second major producer</strong> of Computer &amp; Information Sciences awards, however no Math awards</td>
</tr>
</tbody>
</table>
But they are also producing awards related to occupations that are not expected to have much demand.

<table>
<thead>
<tr>
<th>Slowest growing occupations</th>
<th>For-profit completions relevant to the occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Production Occupations</td>
<td>For-profits second major producer of Manufacturing, Construction, Repair, and Transportation awards</td>
</tr>
<tr>
<td>2. Farming, Fishing, and Forestry Occupations</td>
<td>For-profits do not produce Agricultural and Natural Science awards</td>
</tr>
<tr>
<td>3. Management Occupations</td>
<td>For-profits are neither over- or underrepresented in the number of Business, Management, and Marketing awards produced</td>
</tr>
<tr>
<td>4. Transportation and Material Moving Occupations</td>
<td>For-profits second major producer of Manufacturing, Construction, Repair, and Transportation awards</td>
</tr>
<tr>
<td>5. Installation, Maintenance, and Repair Occupations</td>
<td>For-profits second major producer of Manufacturing, Construction, Repair, and Transportation awards</td>
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</tbody>
</table>
What does this mean for increasing educational attainment?

• State-level strategic planning must include for-profits
• For-profits are a major player, are educating the growing minority population, and are producing awards responsive to the labor market’s needs
• What are for-profits doing that’s attracting so many students despite the negative press?
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