

“Leveling the Playing Field for All Schools, Including Career Colleges”

Study analyzes how private, for-profit institutions serve students as measured by various educational outcomes

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A research study previewed last month during the annual meeting of the Career College Association in Orlando demonstrates what most career colleges have believed for some time: That they can respectfully compete with more traditional institutions when it comes to retaining and graduating students, and sometimes they do an even better job.

In summary, the research—done by the Educational Policy Institute and financed by the Imagine America Foundation—shows that: Career colleges do a good job of helping students persist and attain a degree, especially viewed in light of the risks or challenges presented by their students; career colleges do a better job with students who are less prepared for higher education than public institutions; and career colleges, therefore, play a critical role in this new era of global competition and the re-engineering of the American workplace.

Having such information is important because there is an increased push by both state and federal governments to link the financial support postsecondary institutions receive to their success in retaining and graduating students from their schools.

Nancy Broff, general counsel for the Career College Association for 15 years and now an attorney in private practice with Dickstein Shapiro, LLP, was one of the study’s presenters at last month’s CCA convention. She hopes the data from this study will put career colleges on a level playing field when it comes to financial support, especially since there has been an

increased amount of funding going into both federal and state student financial aid.

“Although now we’re seeing states cut back because they’re all having horrible financial problems. But, particularly on the federal level, we’ve seen a really big increase in the amounts of aid available to students over the last two years. And based on what we’re now seeing, both in Congress and in the Obama Administration,

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we’re absolutely interested in increasing funding streams to student financial aid. But we also want to know that some of our policy concerns dealing with retention and graduation and cost of college are also being addressed,” she says. “For instance, there’s a new Perkins Program being proposed by the Administration that would completely revamp the current Perkins Program, which is a low-interest loan program for needy students. One of the things the Administration has said is, ‘We would like to talk about allocating institutions’ share of funds from this new Perkins Program based not just on the number of students with financial need, but also we’d like to find a way to reward those institutions that can show us

they're doing a good job on graduation metrics, particularly those involving, for instance, students on Pell Grants, and also to reward those schools that are doing a better-than-their-peers job on keeping costs under control.”

Should Perkins be revamped—something Broff estimates wouldn't happen until later this year at the earliest—it would undoubtedly rely on the very kinds of data set forth in this study.

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“What I think this study really adds to the public policy debate is that it does a real apples-to-apples comparison on graduation rates; where it looks not just at the aggregate of all not-for-profit four-year colleges compared to the aggregate of all for-profit four-year colleges and the aggregate of all four-year publics and the same for two-year schools, but also it looks to see what kind of risk factors different students have and how that affects graduation rates. And it then slices the data relating to graduation rates, so it allows a comparison of like institutions across the sectors,” Broff says.

“This study identifies that over half of students attending career colleges at all levels have three or more risk factors; that being said, career colleges graduate students at similar and in some cases better rates than other institutions,” adds Robert L. Martin, Imagine America Foundation president.

Indeed, the risk factors facing students in today's educational marketplace are many, and can run the gamut.

“Students are older; they tend to have children; they tend to have less income; they tend to come from families whose parents, on average, were less likely to go beyond high school than other students. So you put those together and it's the type of mix that makes it a challenge for success,” explains lead researcher,

Watson Scott Swail, Ph.D., president and CEO of the Educational Policy Institute. “One of the main findings in the research is not that the students have risk factors, it's that they have multiple risk factors. In other words, it's not just one thing, it's usually several. They may be low income *and* a single parent. As I said, you put all those risk factors together and it makes it harder. I think the success story here is—as much as we can say, and it isn't a perfect analysis because we weren't looking necessarily for apples and apples all the way through—given who the career colleges are serving, their success rate is what I would call in the decent range, for sure.

“The major comparison would be between two-year public institutions and the two-year career colleges. When you see that the career colleges have usually double the retention and the graduation rates, I think it says that a lot of these institutions do a lot better than many people think they do,” Swail continues. “Now that's not entirely fair for the two-year publics, where there's a lot more transient nature there and a lot of transfers. But many of these career colleges are doing a really good job.”

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According to the study, at the four-year level, career colleges have 52 percent of their students with three or more risk factors; at the two-year level, it's 52 percent; and at less than two years, it's 56 percent.

“So in all cases, it's over half of their students. On the other hand, if you look at the four-year private, not-for-profit, it's only nine percent; and the public schools are only six percent. So there's a substantial difference,” says Jenny Faubert,

manager of marketing and project development for the Imagine America Foundation. (Fig. 4) The graduation rates are also distinctly different between school types. At the two-year level, career colleges graduate 59 percent of their students, while private, not-for-profit schools graduate 55 percent and publics graduate 23 percent. At the four-year level we were a little bit lower, but not too much, and in the less-than-two-year level we were on par also.”

What Broff found to be some of the most interesting charts in the study were those relating to institutions whose student bodies are less than 25 percent Caucasian.

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“And it compares those across sectors. So you can look at an apples-to-apples comparison between four-year, private not-for-profits, four-year publics, and four-year for profits, and you’re looking at their graduation rates. And the data really show very interesting things when you look at that. Same thing when you look at open-enrollment institutions versus selective institutions. (Fig. 13) There it’s a little harder because the selective private, not-for-profits and the selective publics are much more selective than the selective for-profits, on the whole. But again, when you correct for that, so you’re really looking at reasonably comparable institutions, I think those data speak a lot. And what they show is that the for-profit institutions are doing a terrific job in working with a student body that is a much more at-risk student body.”

The data also show a big disparity in the percentage of beginning postsecondary students in

a less-than-two-year program who receive Pell grants (Fig. 5) as compared to students in longer programs—especially in career colleges and private, not-for-profit schools. And that number has jumped dramatically between 1995–96 and 2003–04.

“I think that’s because the students you get in the less-than-two-year programs are the least socio-economically affluent and the least academically prepared for college, on the whole,” says Broff. “Something else I found really interesting in the data is that at the four-year level, the percentage of students in the career college sector whose parents have a BA or higher is astonishingly lower than in the other two sectors at the four-year level. (Fig. 7)

So what are career colleges doing differently than other, more traditionally-viewed institutions?

“I think it’s a couple things. One is that the average career college is not very large and has a focus on success. All institutions want their students to do well, but the career colleges have a higher level of student services because they know they’re dealing with a more at-risk population on the whole. And also, the faculty at career colleges are hired to teach; they are trained to teach; they are expected to teach; and they are rewarded for being good teachers,” says Broff. “At traditional colleges you have all these full professors who teach maybe one class and do research; whereas in a career college, the idea is to hire people to be good teachers and that’s their job. Their job is to teach, not to do research or all this other stuff.

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“Career colleges, I think, also just focus a lot more on getting students to graduation and working with them to help them find jobs. They view the employer as their customer as much

as the student. If the employers aren't happy with the quality of a career school's graduates, they're not going to hire additional ones and the students have nowhere to go. So they work with employers to make sure that their programs are teaching the students what they need to know to be successful in that job," Broff continues. "You really do see a level of engagement with the student that is at a very high level at career colleges. People know the students; the counselors know the students; the faculty know the students; the classes are small. You're not going to see a lecture room at a career college that holds 400 kids."

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Swail agrees: "Obviously they've (Imagine America Foundation) paid us to do the analysis, but I've talked to people on the ground. And I'm always amazed at the level of effort that career colleges put in to helping students succeed. Many of the other sectors don't see this at all and they don't believe it; but I'll tell you, if there's a student in trouble in a career college, they're all over that student. I've even gotten an example of a school in California (who told me that) if a student misses one class, the school phones them; if the student misses a second class, the instructor phones again; on the third time, the dean calls. They're on top of these students, because they're not getting any public money. They're getting tuition, which some argue is public, but it's not really; it's just grant aid. But if they don't have students there, they're not operational. So there's more on the line for them in many cases than in the other sectors. Even at the CCA conference last month, so much discussion was on helping students succeed. Again, people like to paint this sector in a very grey color, but I have to say, these people in career colleges care,

beyond anything else. I don't think the majority of the public institutions get that."

There's still a stigma with career colleges, and while it's fair for some, it isn't remotely fair for a majority of them, Swail says.

"There was a big uprising in 1992 when the amendments to the *Higher Education Act* were passed, and that's when they came down on the career colleges. Trust me, there were many fly-by-night colleges that were just taking students and taking the federal government (through Pell Grants) for a ride. And that's what tainted the whole industry. It's a hard recovery to make and it's especially difficult for those who have always been doing honest, good business. So there's probably going to be a certain amount of people, based on an era, that are never going to get over this thing," Swail says. "But in this economy, in this era, these are the institutions that can turn around on a dime; these are the institutions that can train people and have them out in the workforce nine months later or two years later, or even three or four years later for a bachelor's degree. They're more responsive to the needs of society than the two-year and four-year traditional institutions. And I'm not negating those; I've graduated from several of them. But in an economy that needs to retool,

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career colleges are the place to do it. This is the sector that really revolutionized online education. Why do people need to go to a classroom in a certain place when they can do it from wherever they are and get about the same learning? This is a sector that pushes the envelope and it's pushing the other sectors. And in a free market economy, you need someone pushing some levers and it's the career colleges that are doing it. Some people don't like it, but that's just because they don't like being pushed."

For career colleges, it's not just about getting and graduating students. They're providing a

service and people are getting jobs when they come out of one, Swail notes.

“Most of the career colleges can tell you what their placement numbers are. How many four-

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year and two-year institutions can do that? Not many. And the reason they can’t is because they don’t want to know the answer. But with the career colleges, part of their sales pitch is that

answer,” Swail says, conceding the answer is much more complex than that, but that is the long and short of it.

“The bottom line here is that career colleges are serving students with a lot more risk factors than other institutions and they’re producing output here. People can argue whether it’s good enough; people can argue whether there’s value-added; people can argue whether it’s too expensive and they’re milking the system,” says Swail. “But we can do that in other sectors, too. It’s not just a career college thing; it absolutely isn’t and it’s unfair to suggest it is.”

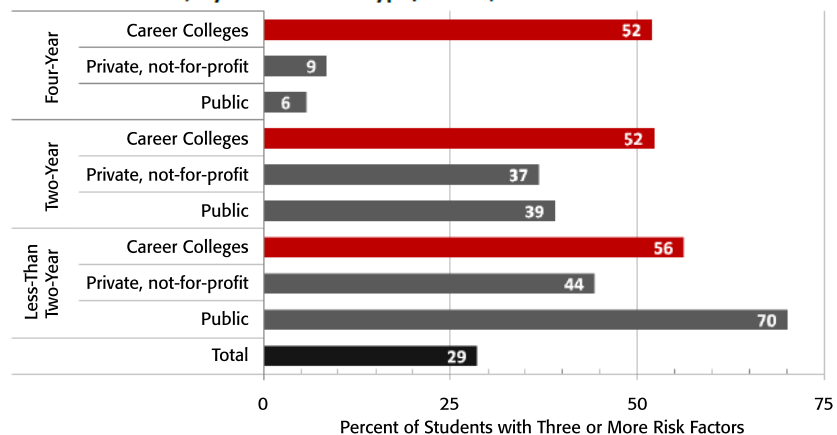
“I believe this study will make an impact on the postsecondary sector by illustrating that career colleges do a good job graduating their students, and that career colleges are a viable option for students,” summarizes Martin.

**Career
Education
REVIEW**

Written by Cheryl Hentz.

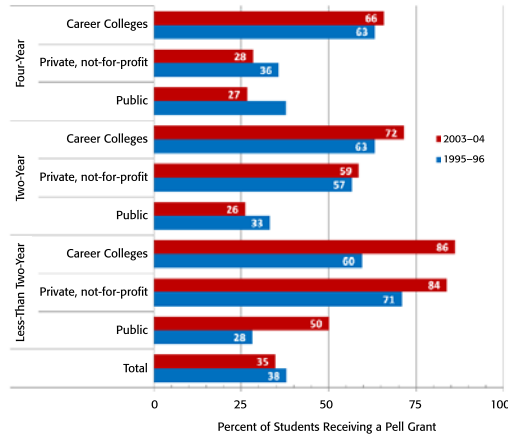
Key Data from the *Postsecondary Graduation Rates Breakout Presentation*

FIGURE 4. Percentage of beginning postsecondary students with three or more risk factors, by institutional type/sector, 2003



SOURCE: EPI Analysis using the Beginning Postsecondary Students Longitudinal Survey Data Analysis System (BPS:04/06) (DAS), U.S. Department of Education, National Center for Education Statistics.

FIGURE 5. Percent distribution and net change of beginning postsecondary students who received Pell Grants, by institution type/sector, Fall 1995 and fall 2003



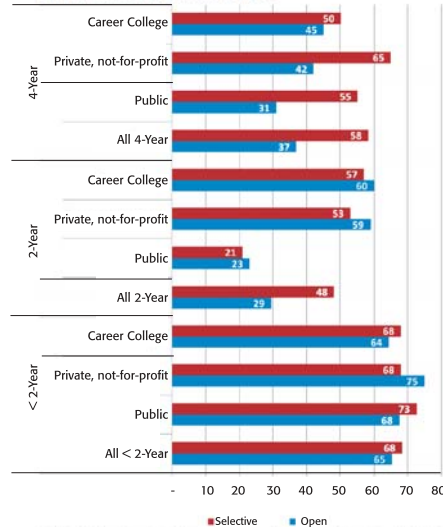
SOURCE: EPI Analysis using the Beginning Postsecondary Students Longitudinal Survey Data Analysis System (BPS:04/06) (DAS), U.S. Department of Education, National Center for Education Statistics.

FIGURE 7. Distribution of beginning postsecondary students by parent's highest level of education, by institution type/sector, 2003

	High School or Less	Some College	BA or Higher	
Total	36	25	39	
4-Year	Public	22	23	56
	Private NFP	18	21	61
	Career Colleges	53	25	22
2-Year	Public	42	29	29
	Private NFP	55	21	25
	Career Colleges	55	28	18
< 2-Year	Public	67	19	14
	Private NFP	60	10	30
	Career Colleges	65	21	15

SOURCE: EPI Analysis using the Beginning Postsecondary Students Longitudinal Survey Data Analysis System (BPS:04/06) (DAS), U.S. Department of Education, National Center for Education Statistics.

FIGURE 13. Cohort graduation rates (150 percent of time) by institution, by institution sector, type, and selectivity, 2006



SOURCE: EPI Analysis using the Integrated Postsecondary Education Data System (IPEDS) Data Analysis System (DAS), 2006, U.S. Department of Education, National Center for Education Statistics.