“The College Rip-off

Tuition skyrockets while learning plummets”

• Student debt at all time high and climbing
• Fewer hours studying
• Fewer faculty teaching fewer hours
“College is a Rip-off”

• College is not worth the money: 50% of all College graduates are working at jobs that don’t require a degree.

• Salaries for College Graduates fell by 15% between 2000 and 2009 or 1.7% per year.

• The Unemployment rate for young college graduates is 9.5%

• College Is Too expensive. In the 1950, 60′s and 70′s, tuition cost were low enough that most people didn’t need student loans and could pay for it out of savings or by working part time.

• College costs have been rising at double the rate of inflation.
• 54 percent left school without a degree or certificate. (63 percent for Associates)

• Average four times the cost of comparable programs at comparable community colleges.

• 96 percent of for-profit students take federal student loans (compared to 13 percent at community colleges) – nearly all students leave with loan debt even when they don't have a degree or diploma or increased earning power.

• For-profit students accounted for 47 percent of all Federal student loan defaults in 2008 and 2009 -22 percent-default within 3 years of entering repayment on their student loans.

• For-profit colleges enroll between 10 and 13 percent of students but receive 25 percent of all federal financial aid dollars.

• For-profit colleges received 86 percent of their revenues from federal taxpayer dollars.

• For-profit colleges spend taxpayer dollars primarily on non-education related expenses:
  - 22.7 percent of all revenue on marketing, advertising, recruiting, and admissions staffing.
  - 19.4 percent of all revenue on pre-tax profit.
  - 17.2 percent of all revenue on instruction.
  - CEOs of the publicly traded, for-profit education companies took home, on average, $7.3 million. In contrast, the five highest paid leaders of large public universities averaged compensation of $1 million.

• Many for-profits recruiting tactics misled prospective students with regard to the cost, the graduation rates, the job placement, and transferability of the credit.
The common popular themes:

• Students do not get value for their college educations.

• Private Schools, and maybe even publics, put profits ahead of students.

• What students end up with is not worth what they pay.
Question:

What business can survive if its customers believe its product is overpriced or its customers believe they do not get what they pay for?

Will you survive with your admissions rep saying, “If you graduate you will have enormous debt that will never go away because you will not find a job.”?
While precise data is not available, anecdotal evidence suggests that since 1980 more for-profit schools have failed than are presently in operation.

This in spite of the explosive growth in the number of for-profit schools in the past 10 years.

So - what does it take to be a survivor?
Marge Carlson

Founded Apollo College in 1976.

Began as a one room schoolhouse.

Over 27 years Apollo College grew to seven accredited allied health schools offering certificates and degrees in four states.

Marge retired and sold the school in 2003 with more students in enrolled and more programs operating than any time in the school’s history.
SURVIVOR

Students Programs

Proprietary Island

Profitability

?? ?? ?? ?? ??
“We get them jobs.”
To survive in proprietary education you must “get them jobs.”

It is what you advertise and what your students expect.

It is the best answer to the critics who say we take but do not give value and that there is no reason for us to exist.
To be a Survivor . . .

✓ Graduates must be employed because of the knowledge and skills acquired in their programs

✓ YOU MUST BE ABLE TO VERIFY THAT TO THE WORLD
• It is not enough that your students complete and go to work.

• The world outside your door must know that “you get them jobs.”

• Your accreditation helps.
ABHES Accreditation

= We get them jobs

Standard V.I.3
Requires that every ABHES accredited program document that at least 70% of graduates go to work in jobs that require the knowledge and skills learned in the program.
How do you do that?

• Admissions
• Education
• Career Services
ABHES Accreditation = 70% documented employment

"Right Size" every program based on placement
Examples:

1. **Analysis shows local employers require graduates to have specific skill not taught in the program?**

2. **Analysis shows that local market is saturated with graduates?**