



Career Education in the United States

The role of for-profit colleges in
postsecondary education



FOR-PROFIT COLLEGE FACTS 2024

\$18,758



Average 4-year Tuition & Fees
(out-of-state)



62%

Associate's Degree
Completion

68%

Certificate Completion



17:1

Student-Teacher
Ratio

23%

Black or
African
American

23%

Hispanic or
Latinx



+69K Associate's
+102K Bachelor's
+306K Certificates
awarded

+1.26
MILLION



Students enrolled full
or part-time at for-
profit colleges

Table of Contents

Diverse Populations Served.....	1
Overview	2
Female Enrollment.....	3
Students of Color.....	4
Adult Learners	5
Veterans.....	6
Low-Income	7
First-Generation.....	8
Enrollment Trends.....	9
Enrollment by State.....	10
Percent Distribution of Title IV Institutions.....	11
Percent Distribution of Institutional Levels.....	12
Flexibility	13
Twelve-Month Full-Time Equivalent Enrollment	14
Distance Education Enrollment	15
Student Experience.....	16
Admission Rates.....	17
Admission Yield	18
Persistence.....	19
Transfers.....	20
Student-Faculty Ratio	21
Student Outcomes and Return on Investment.....	22
Completions by Institution Type.....	23
Graduation Rates at Two-Year Institutions	24
Completions among Pell Recipients.....	25
Degrees Awarded	26
Gainful Employment – Debt-to-Earnings Ratio.....	27
Gainful Employment – Premium Earnings Metric.....	28
Preparation for the Workforce.....	29
Top Professional Degrees/Certificates Awarded	30
High-Growth Career Opportunities.....	31
Associate's Degrees by Discipline	32
In-Demand Career Training: Two-Year Degrees.....	33
Certificates by Discipline.....	34
In-Demand Career Training: Non-Degree.....	35
Financial Factors.....	36
Financial Assistance – All Grant Aid.....	37
Financial Assistance – Pell.....	38
Military and Veteran Student Aid	39
Tuition/Fees and Earnings	40
Mean Student Debt by Institution	41
Student Debt.....	42
Student Debt – Low-Income Students	43
Student Loan Cohort Default Rates	44
Distribution of Revenues of Title IV Institutions	45
Notes	46

DIVERSE POPULATIONS SERVED

For-profit colleges serve **non-traditional** and **diverse** students.



Approximately 49% of for-profit college students receive Pell Grants.



Certificate and associate level for-profit colleges have **higher part-time retention and graduation rates** than similar public and non-profit institutions, for a **lower tuition rate**.



Two-year and four-year for-profit colleges have **comparable student-faculty ratios** to public institutions.

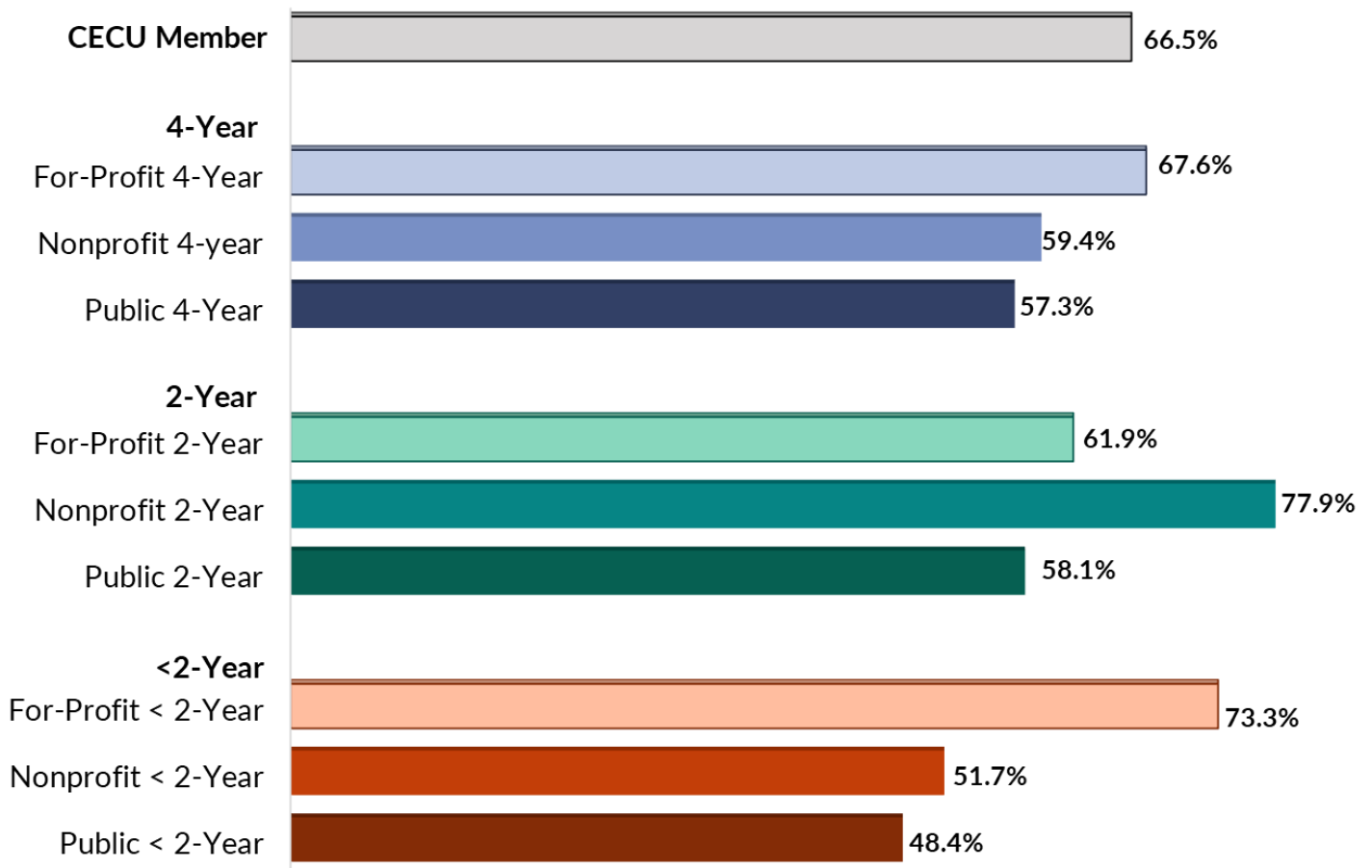


For-profit colleges focus on programs that train students for **high-growth and high-demand careers**.

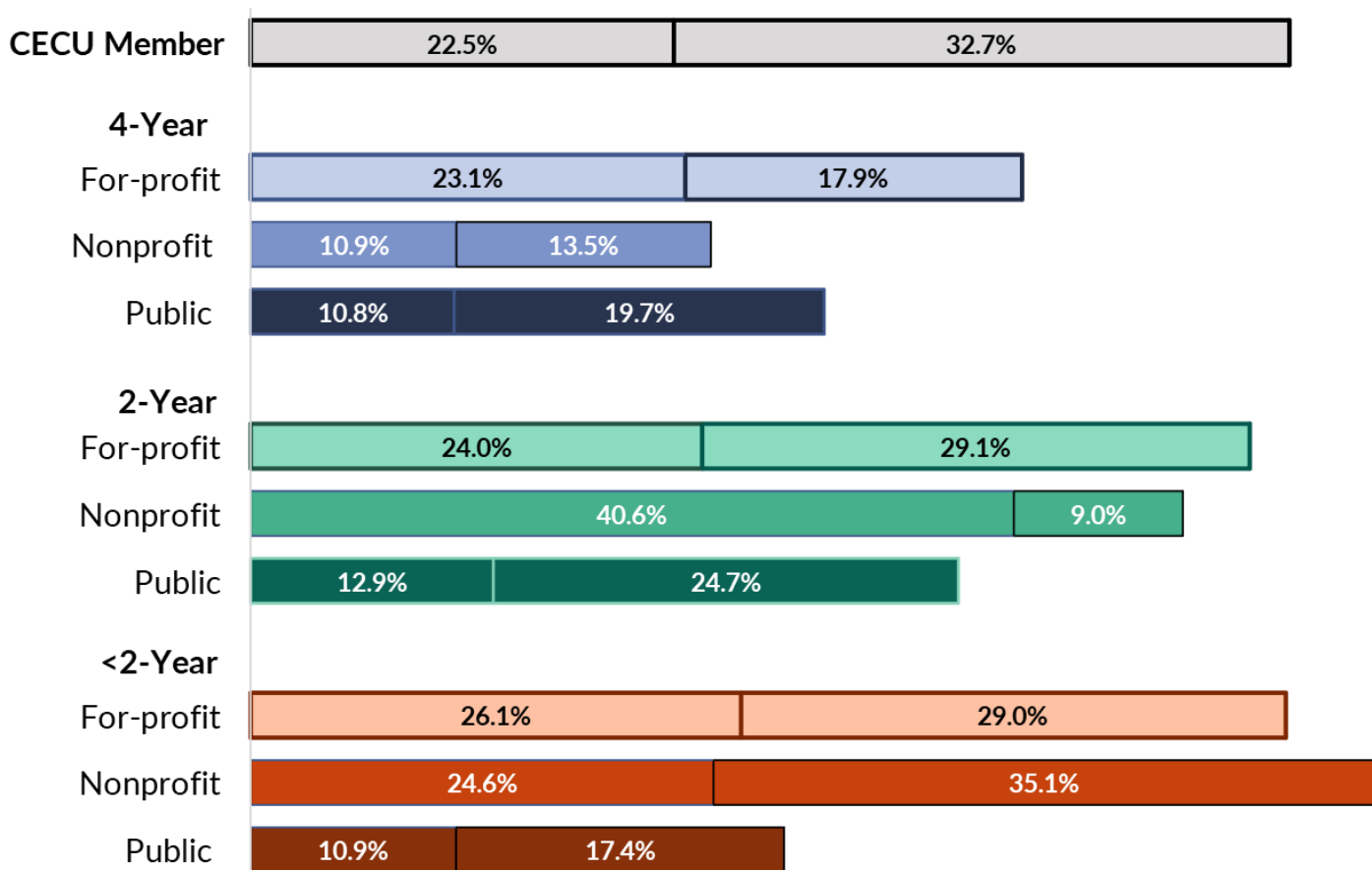
Diverse Populations Served: Female



First, we look at the percentage of women enrolled at for-profit colleges in the 2022-23 school year. For-profit colleges conferring primarily less-than-two-years degrees lead the way at their institutional level at 73% female enrollment while four-year for-profit colleges lead the way in their level with nearly 68% female enrollment. Across all institutional levels, CECU members boast an average enrollment of approximately 66% women.



Diverse Populations Served: Students of Color



Additionally, all levels of for-profit colleges, as well as CECU members, serve around one-quarter black students as of the 2022-23 school year. All, except four-year for-profit colleges, serve more than one-quarter Hispanic students.

Black and Hispanic enrollment is higher at 4-year and 2-year proprietary schools compared to public and private nonprofit institutions.

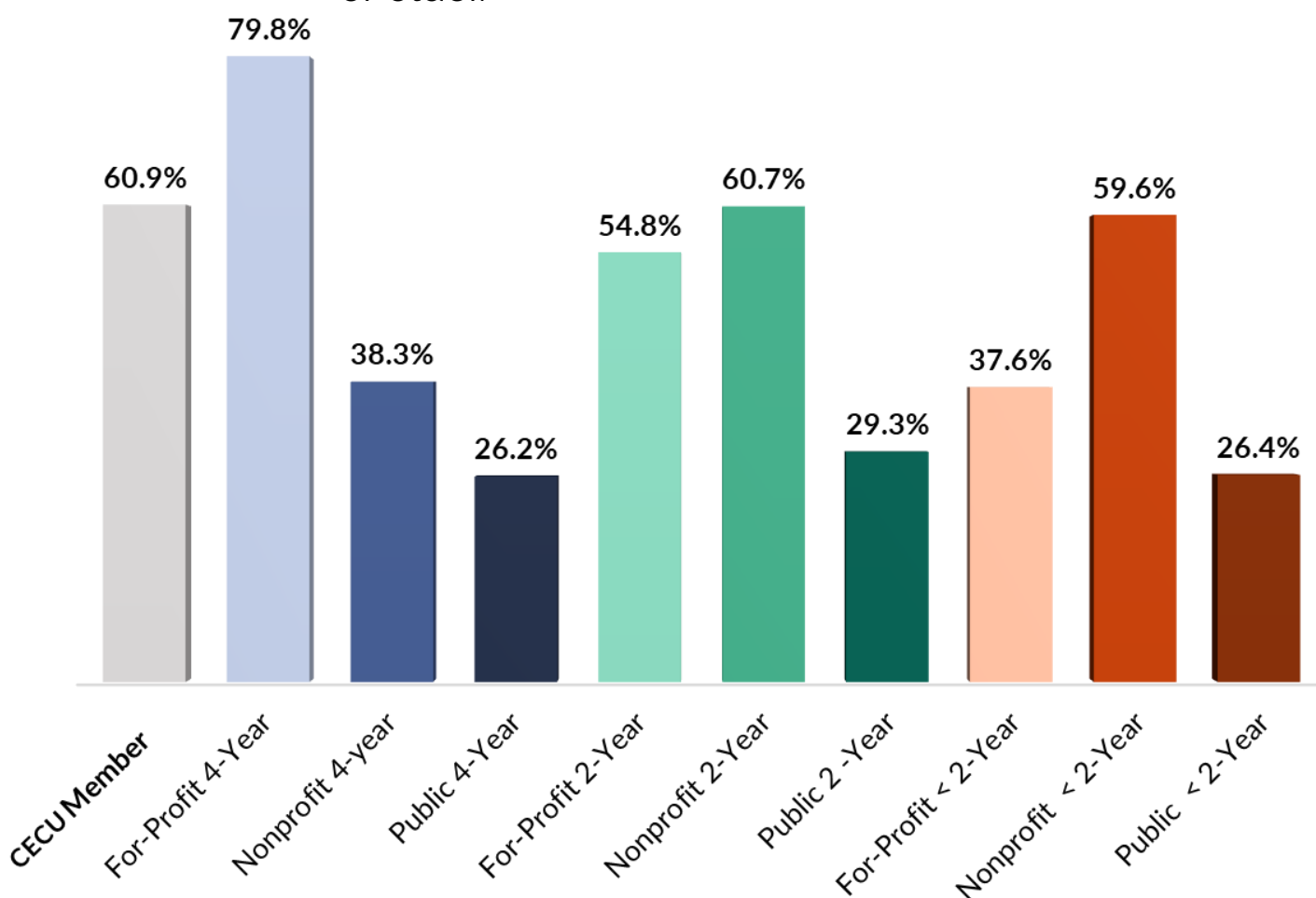


Diverse Populations Served: Adult Learners

25+

Adults aged 25+ are another key population served by for-profit colleges as schools in this sector aim to adapt to the needs of older, more experienced learners that may have competing priorities as they've gotten older.

Four-year, for-profit colleges lead the way in enrollment of adult learners in the 2022-23 school year with nearly 80% of enrolled students aged 25 years or older.

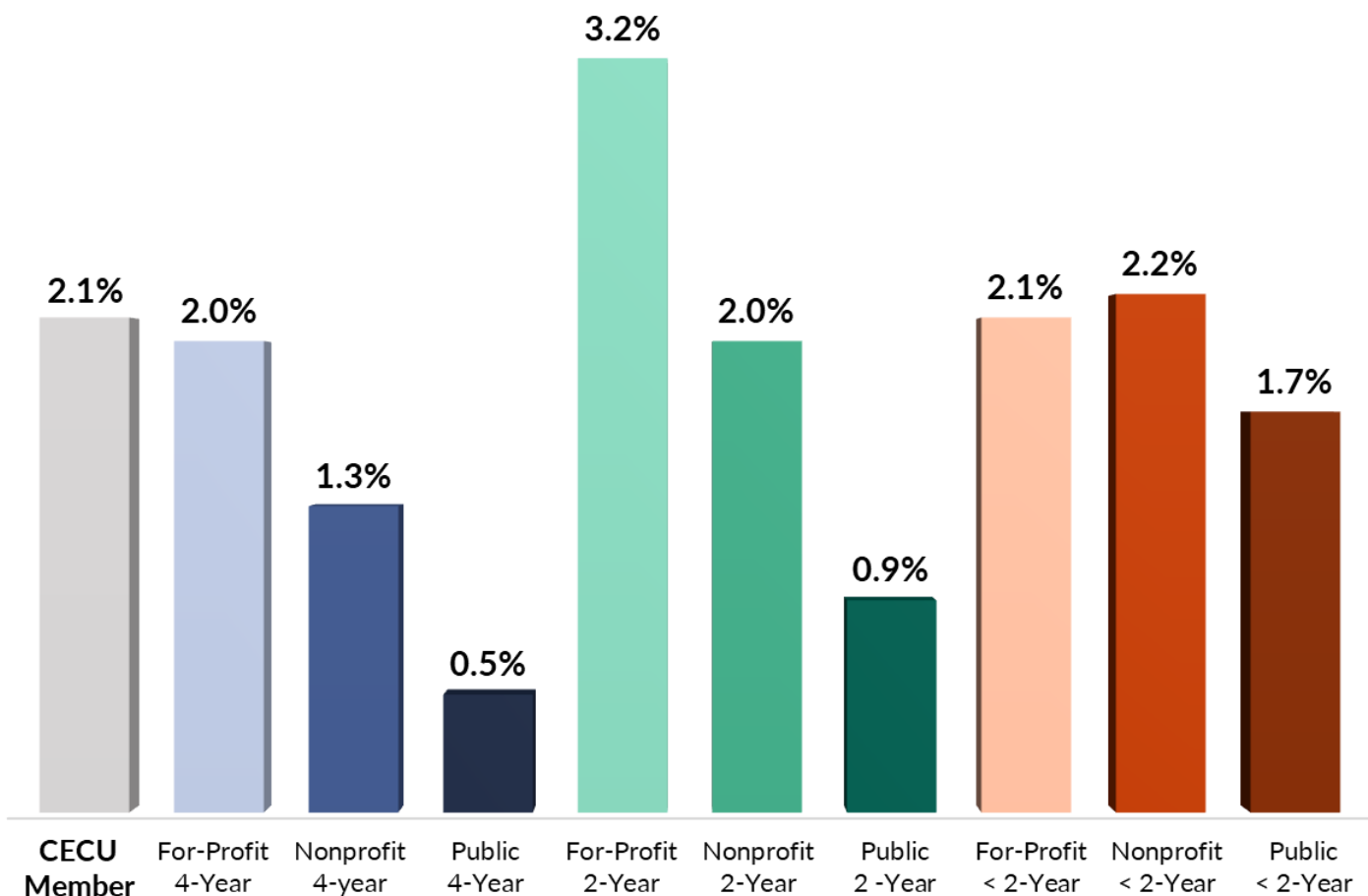


Source: IPEDS, 2024
*Only reflects degree-seeking undergraduates

Diverse Populations Served: Veterans

For-profit colleges also offer higher education opportunities for military veterans. In the 2022-23 school year, veterans accounted for just over 2% of the undergraduate population at CECU member schools. Veterans show the highest percent enrollment at for-profit 2-year schools with veteran enrollment of just over 3%.

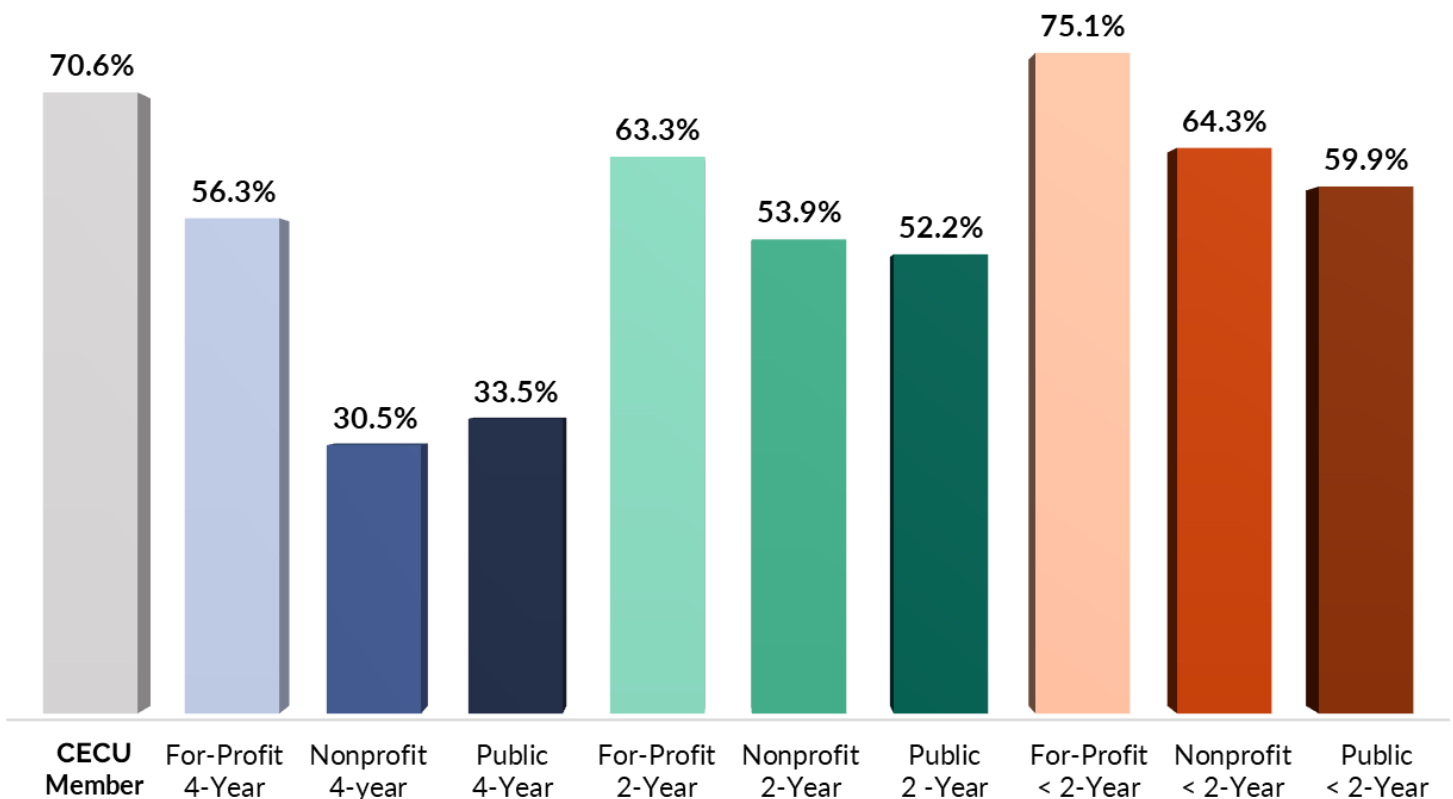
Veteran status



Diverse Populations Served: Low-Income

Low Income

Other areas of underserved populations accommodated by for-profit colleges include low-income students. For-profit colleges, as well as CECU members, served the highest percentages of low-income students in the 2022-23 school year at less-than-two-year (75%) two-year (63%), and four-year (56%) colleges.

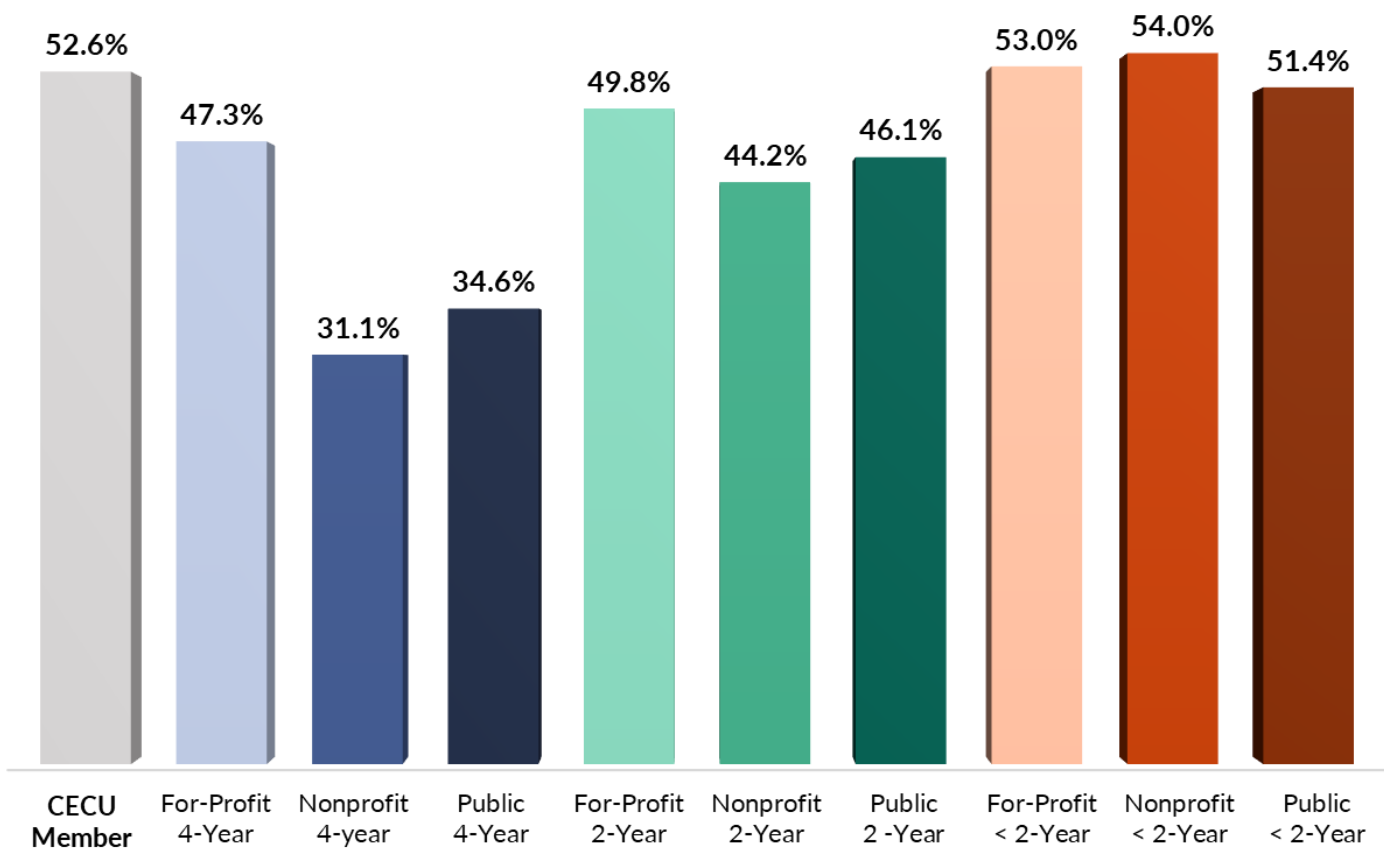


Diverse Populations Served: First-Generation

For-profit colleges also served a large share of first-generation students in the 2022-23 school year, averaging 44% first-generation student enrollment across institutional levels.

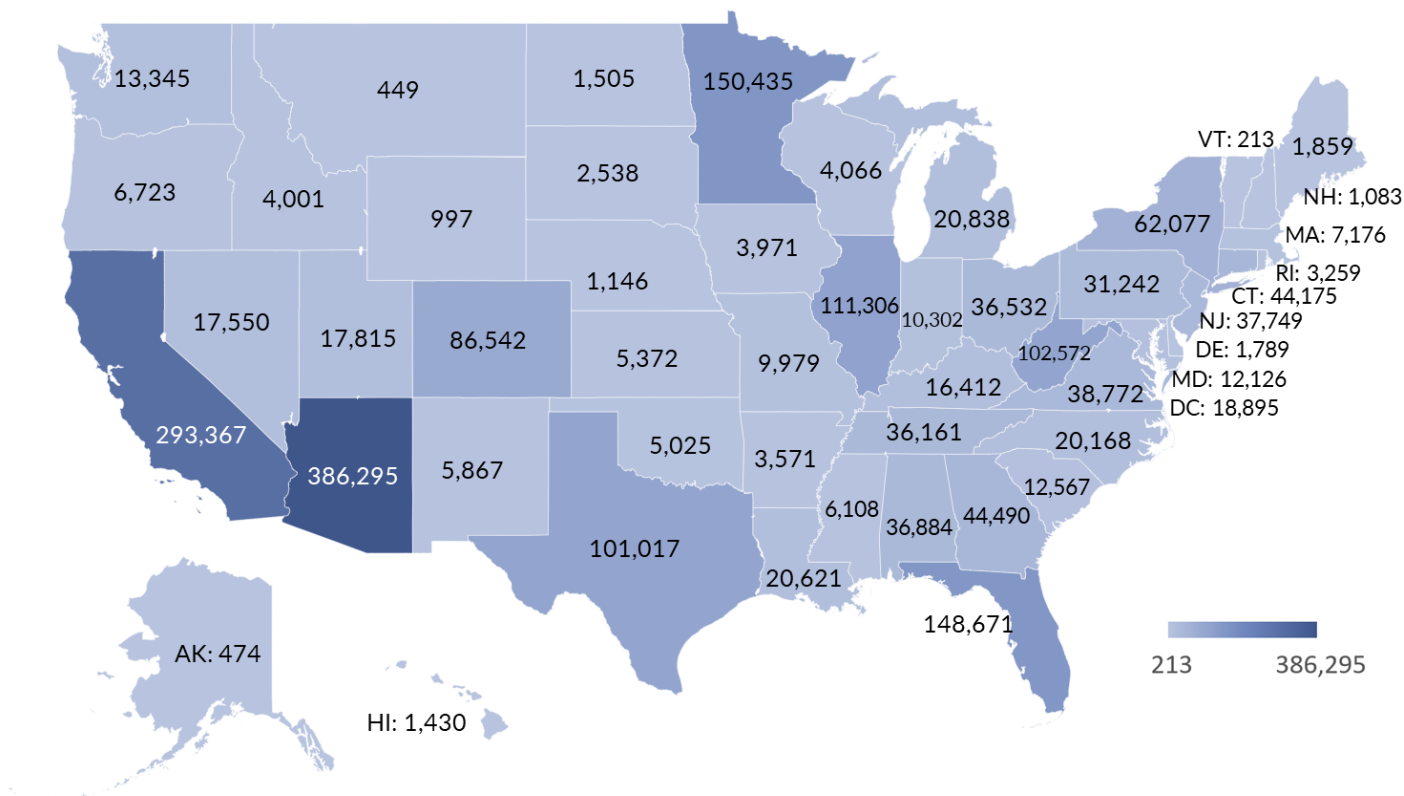
**1st
Gen**

Four-year and two-year for-profit colleges serve a greater percentage of first-generation students than their public and private nonprofit counterparts.



ENROLLMENT TRENDS

Enrollment by State

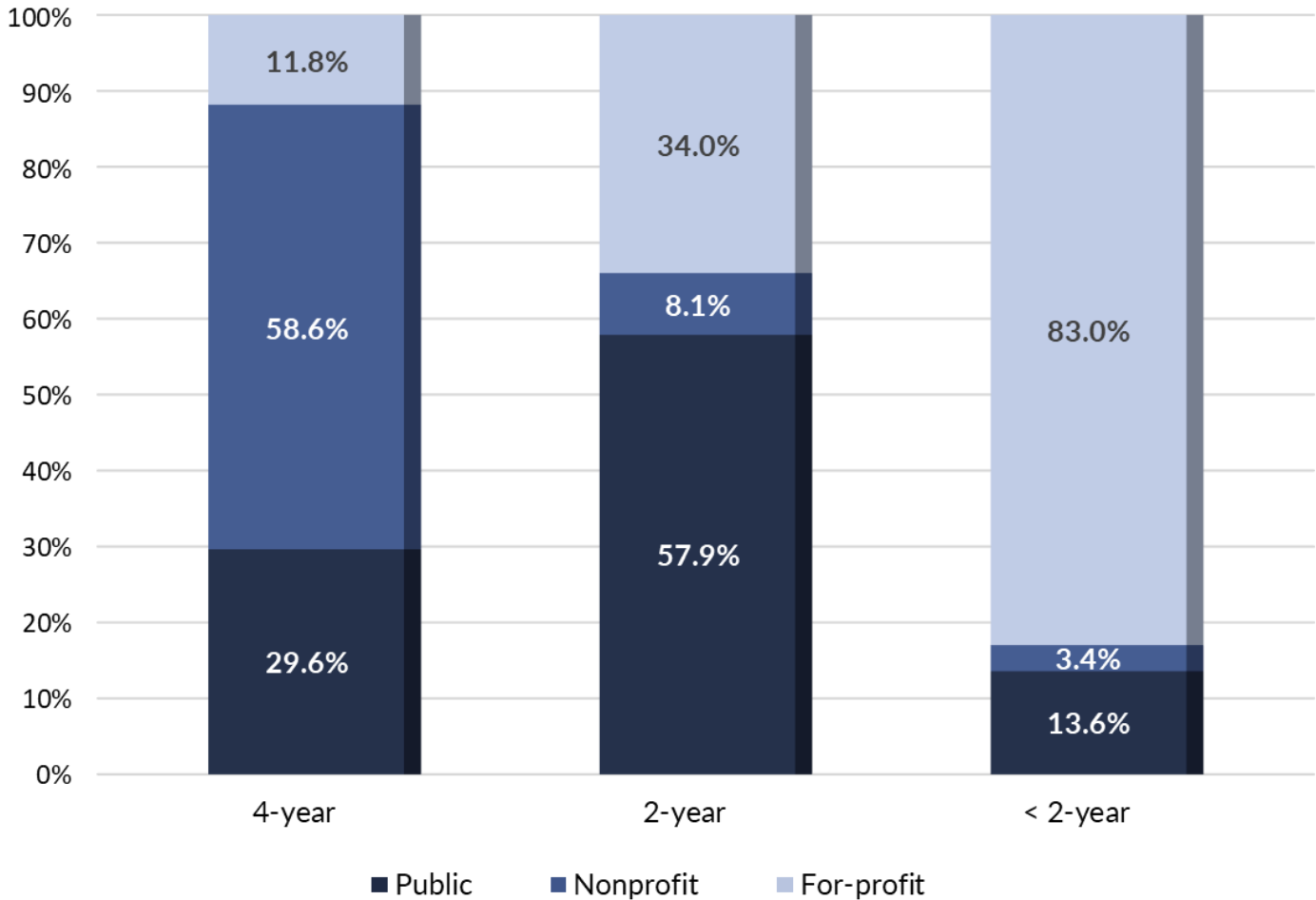


In the 2022-23 academic year, for-profit colleges enrolled over 1.26 million part-time or full-time students across the United States. This ranges from the smallest group of 213 students enrolled in Vermont to the largest of over 386,295 enrolled in Arizona.

Some of the states with the largest numbers of for-profit college students served include California with over 290,000 students; Minnesota and Florida with nearly 150,000 students each; Illinois, West Virginia, and Texas with over 100,000 students each; Colorado with over 85,000 students and New York with just over 60,000 students enrolled in for-profit colleges.

Percentage Distribution of Title IV Institutions

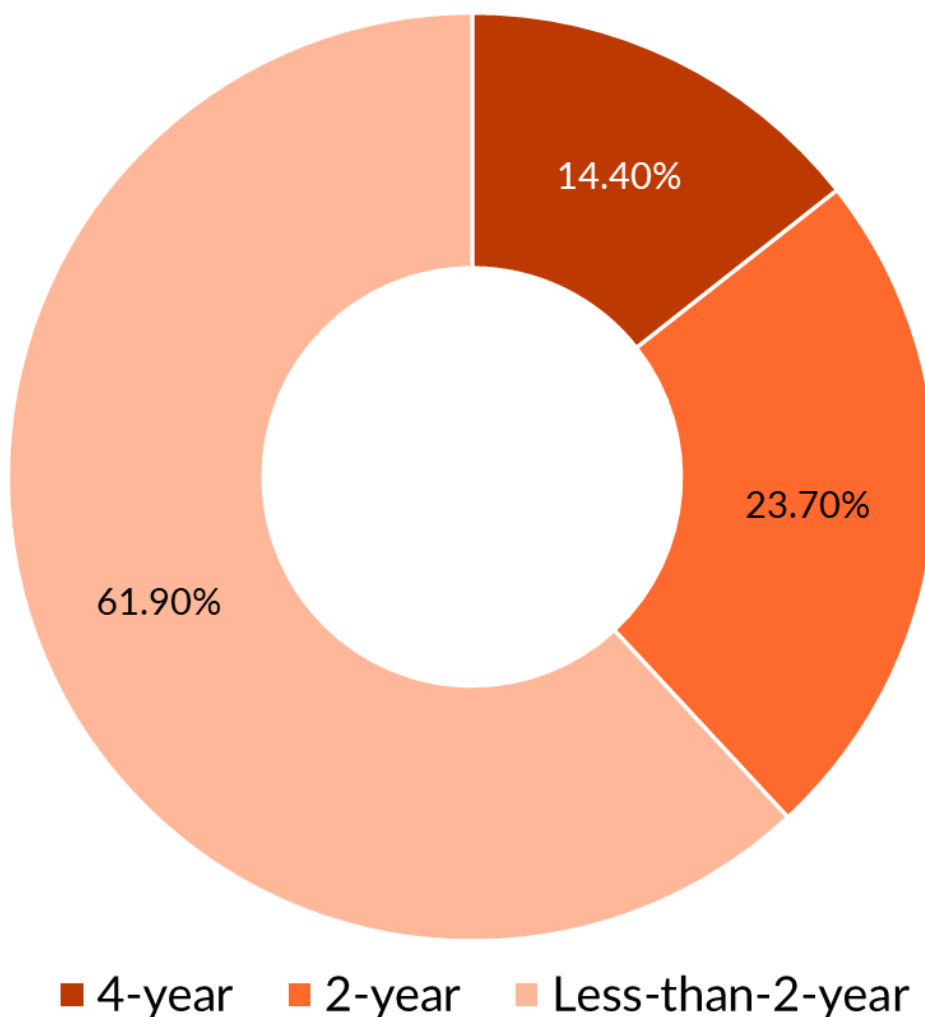
By control of institution, academic year 2022–23



Among all Title IV institutions, for-profit colleges represent 83% of colleges predominately conferring degrees or certificates of less than two years. They also represent 12% of four-year colleges and 34% of two-year colleges.

Percent Distribution of Institutional Levels: For-Profit Institutions

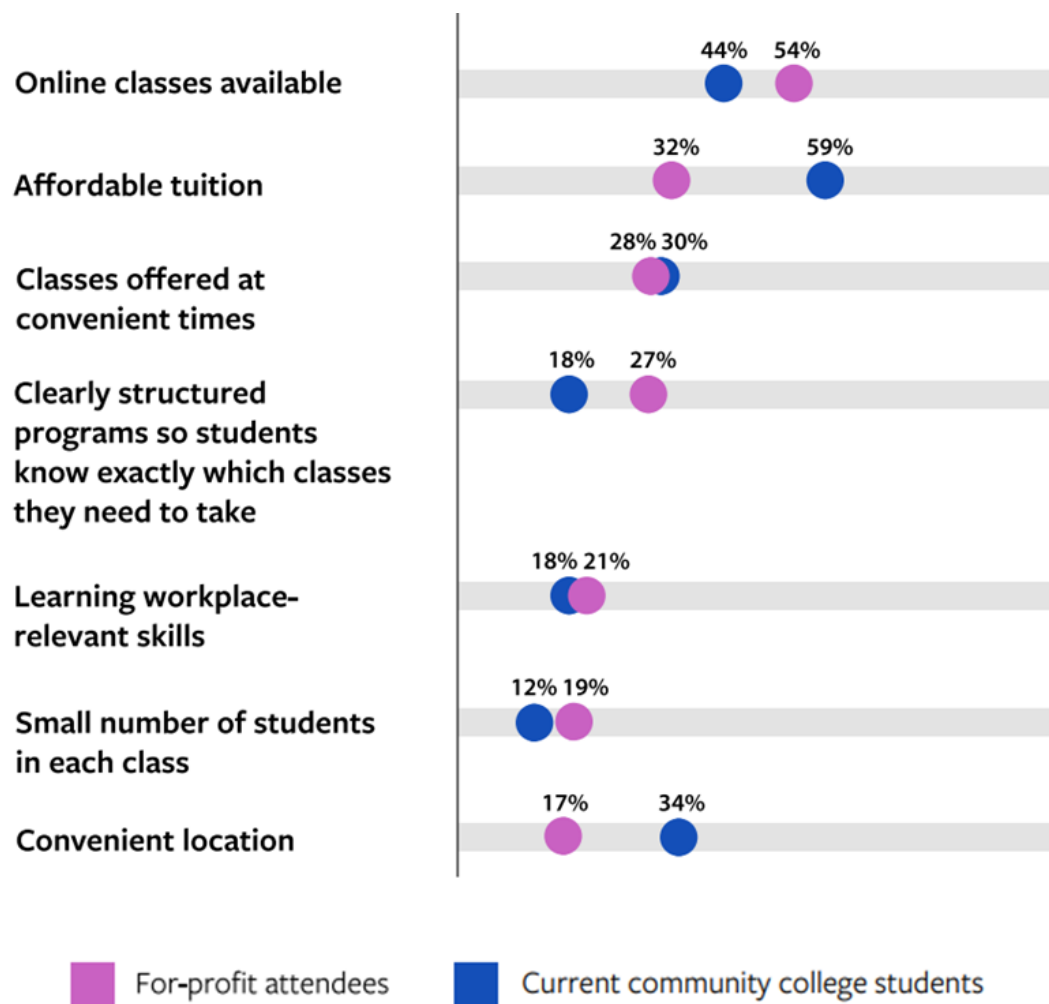
By level of institution, academic year 2022–23



Nearly two-thirds of Title IV institutions within the for-profit sector grant less-than-2-year degrees, while approximately 24% grant two-year degrees, and nearly 15% grant four-year degrees.

Flexibility

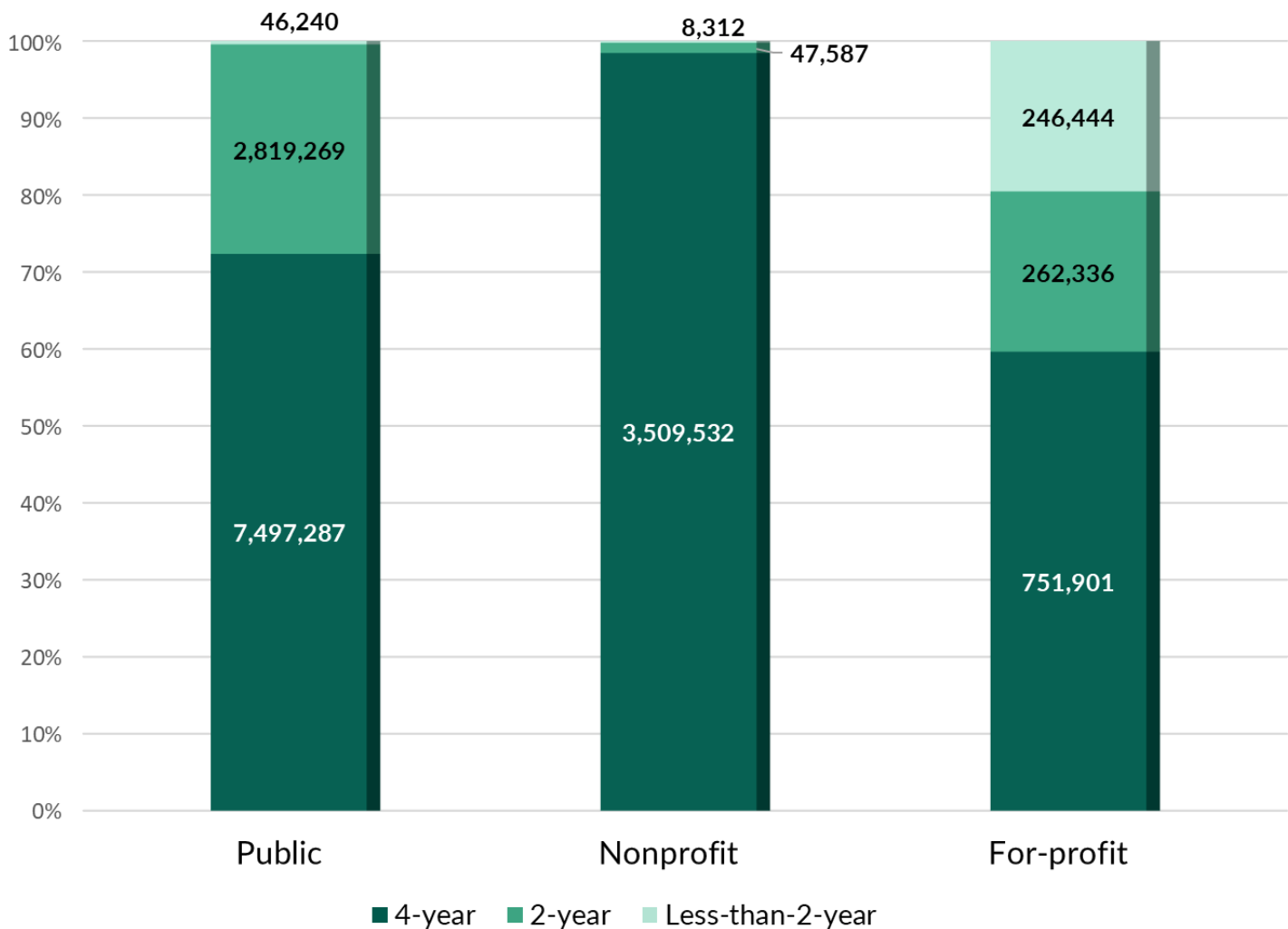
Prospective students consider many different factors before choosing which college to attend. Students who ultimately decided to attend a for-profit college prioritized flexibility in choosing their school, looking for online classes, affordability, and convenient class times.



Twelve-Month Full-Time-Equivalent Enrollment at Title IV Institutions

By control of institution and level of institution, academic year 2022-23

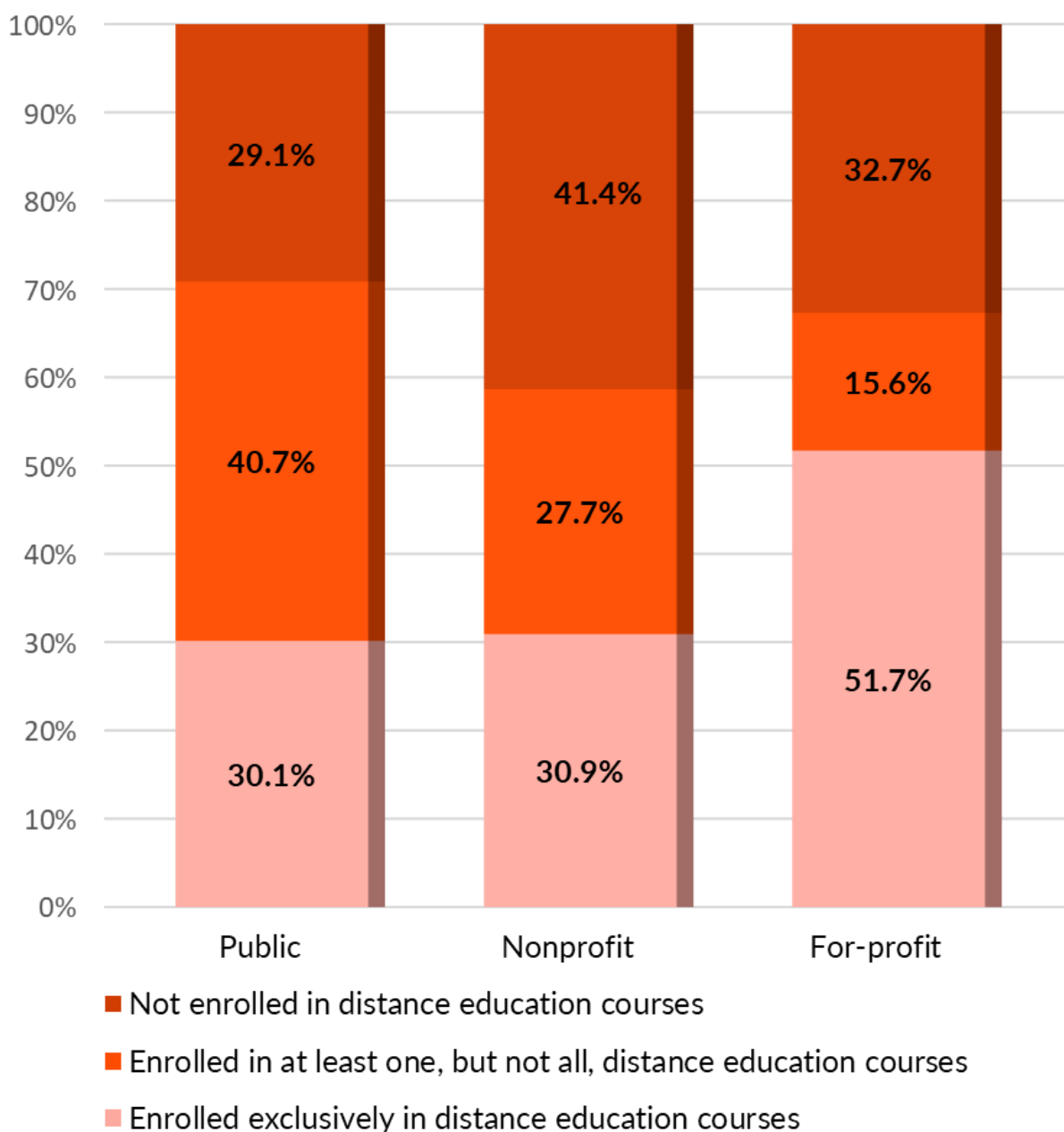
In the 2022-23 academic year, for-profit colleges enrolled a greater share of students in less-than-two-year programs compared to their public and private nonprofit counterparts.



Percent Enrollment in Distance Education at Title IV Institutions

By control of institution, academic year 2022–23

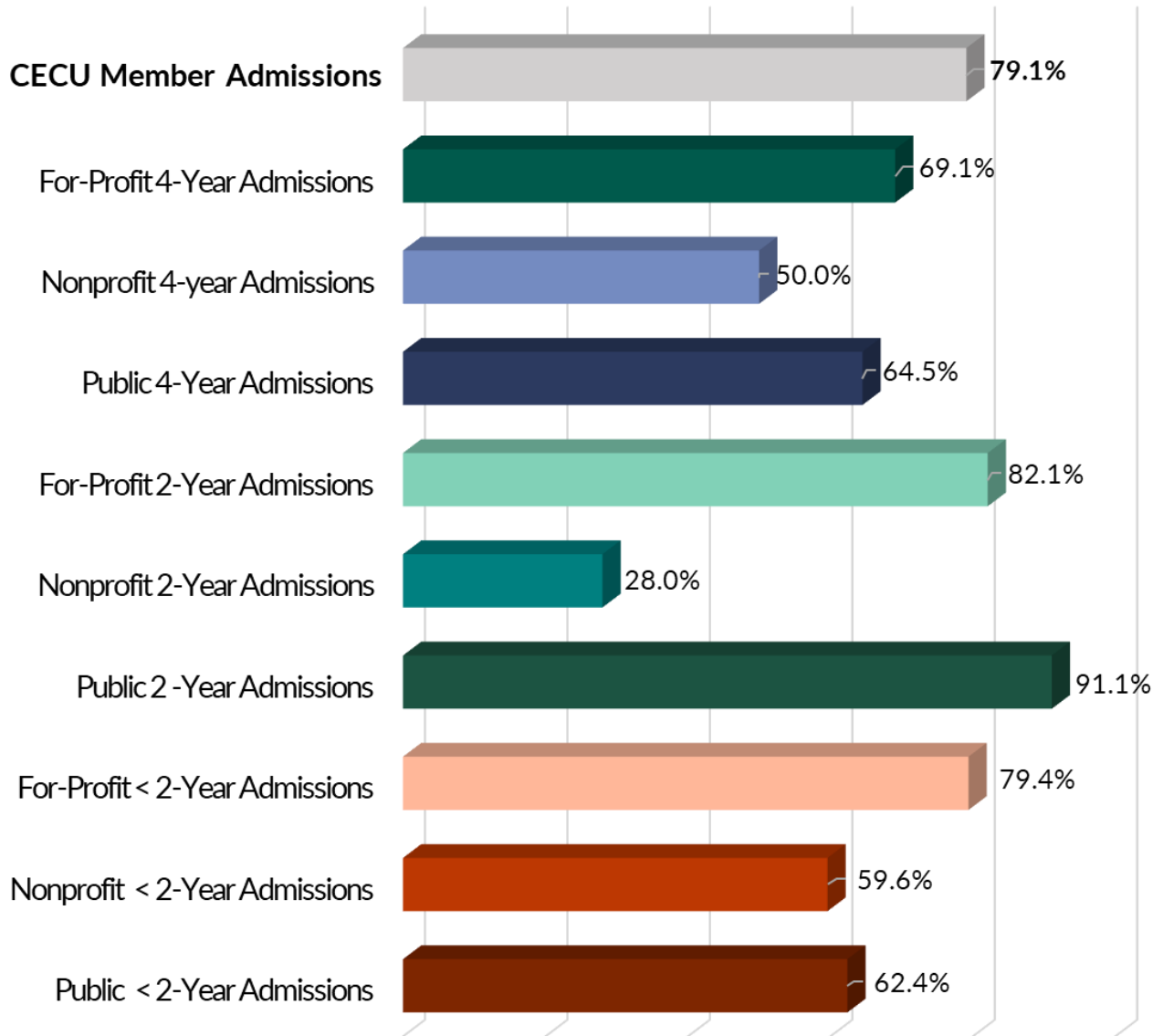
Although distance education rose in popularity with the coronavirus pandemic, it has long been a key component of the flexibility offered by for-profit colleges. In the most recent academic year, the largest percentage of students enrolled exclusively in distance education courses can be found at for-profit colleges where nearly 52% take their courses exclusively by distance education.



STUDENT EXPERIENCE

Access:

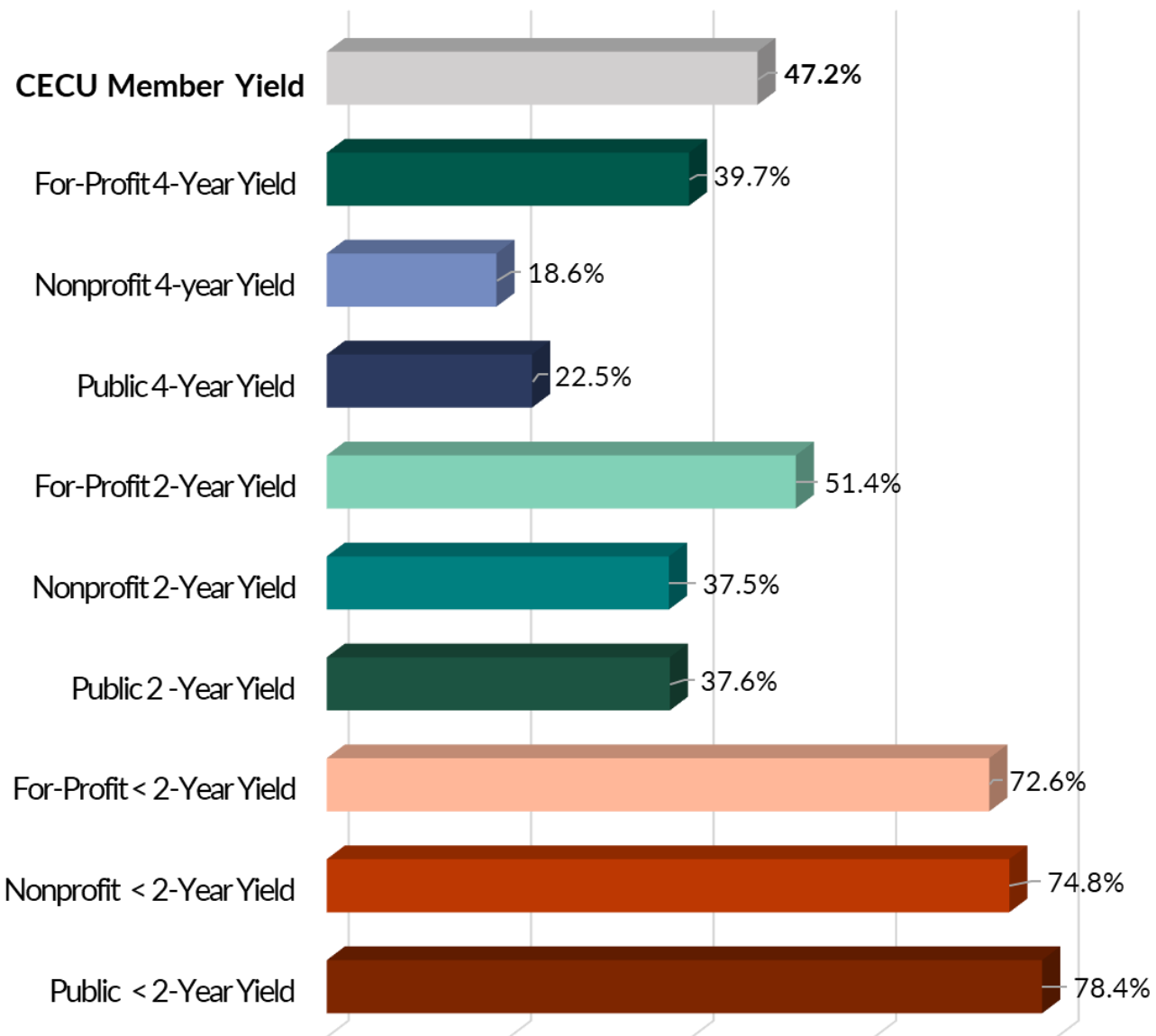
Admission Rates



From the perspective of access to a college education, for-profit colleges typically admit a comparable or larger share of applicants than institutions in other sectors. For example, four-year for-profit colleges admitted 69% of students in the 2022-23 school year as compared to the 65% admission rate at four-year public colleges. CECU members have a particularly high admission rate of 79%.

Access: Admissions Yields

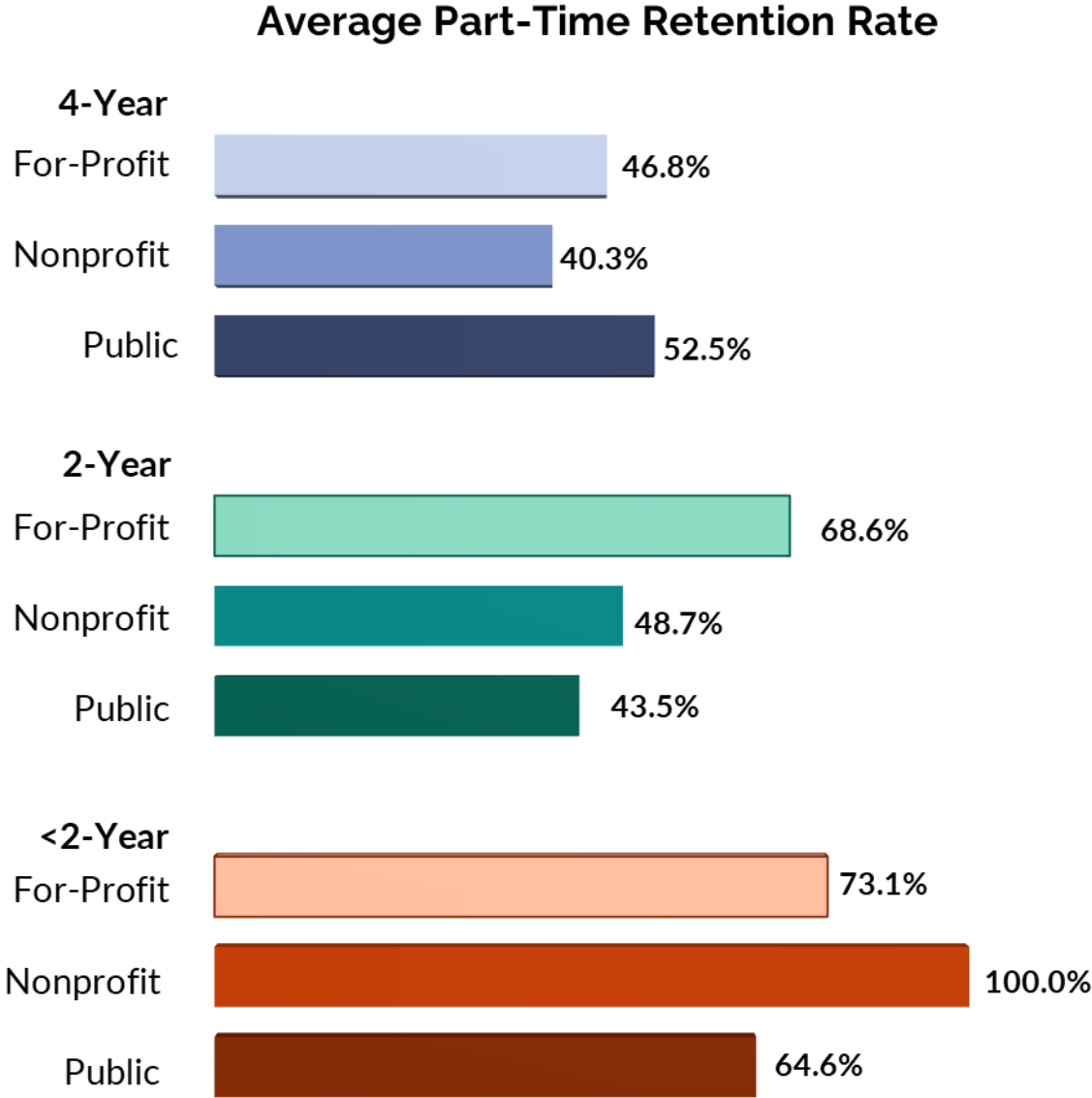
In addition to showing higher admission rates, for-profit colleges also tend to shower a higher average admission yield than their public and private nonprofit counterparts. Approximately 40% of students accepted to four-year for-profit institutions enrolled in that college in the 2022-23 school year compared to 19% enrollment at nonprofit institutions and 23% enrollment at public institutions. Admission yield is also higher at two-year for-profit colleges (51%) compared to two-year public and private nonprofit colleges (38% each).



Persistence

Retention is another area in which 2-year for-profit colleges outperform their counterparts. At the 2-year level, for-profit colleges retained 69% of students in the 2021-22 school year compared to 49% retention at nonprofit colleges and 44% retention at public colleges.

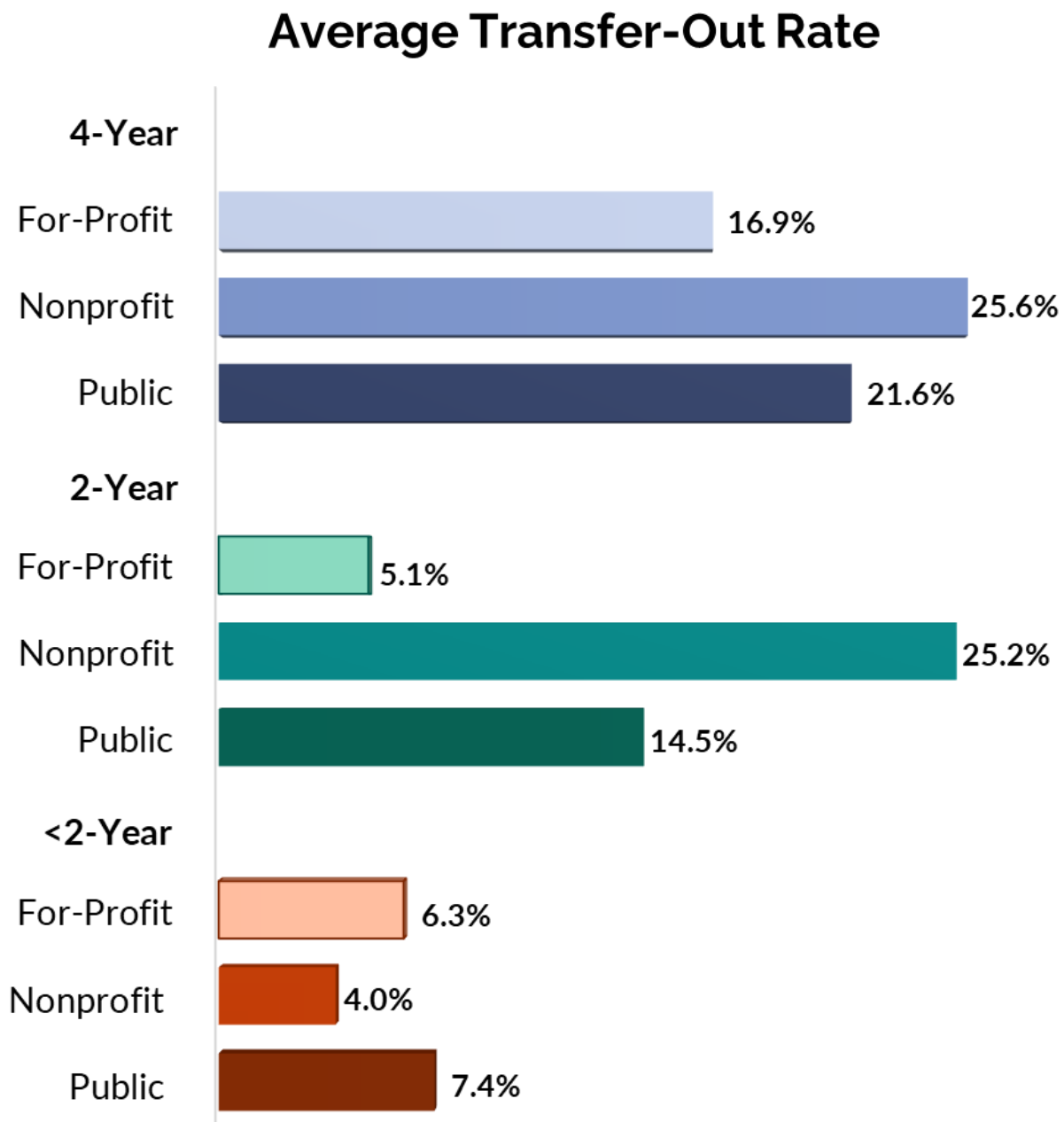
At the less-than-two-year level, the retention rate for-profit colleges (73%) is higher than the public retention rate (65%).



Source: IPEDS, 2023

Transfers

Transfer-out rate is another important factor in student success, and for-profit students were the least likely to transfer out of their original institution for both four-year and two-year programs in the 2021-22 school year.



Student-Faculty Ratio

The classroom experience is also a key element in the success of students attending for-profit colleges. While the student-faculty ratio at for-profit institutions tends to be higher than their public and private nonprofit counterparts, it is fairly consistent across level of institution and tends to be similar to the ratio at public colleges with an average ratio of 17 students per faculty member in the 2021-22 school year.



STUDENT OUTCOMES AND RETURN ON INVESTMENT

Completions by Institution Type

The median completion rate at two-year for-profit colleges (69%) is higher than the completion rate at two-year public colleges (36%) and is comparable to the rate at two-year private nonprofit colleges (69%).

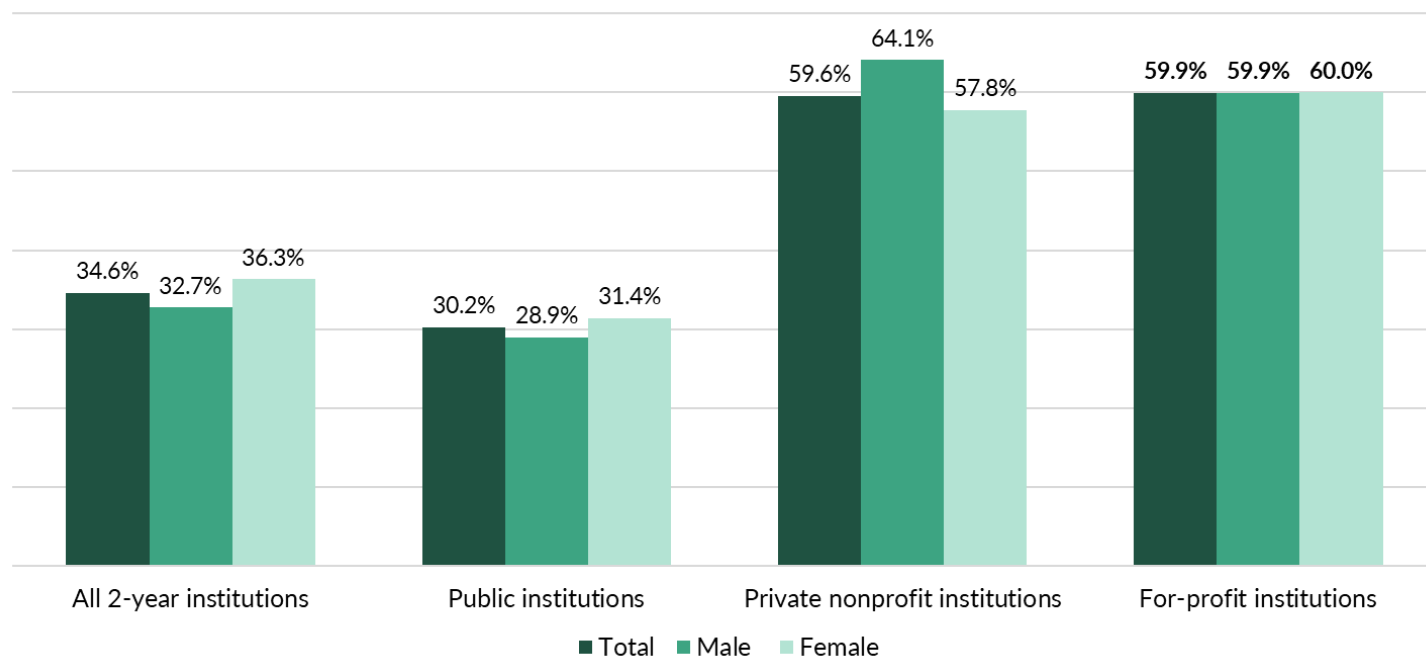
PERCENTAGE OF STUDENTS GRADUATING WITHIN SIX YEARS FOR 2021-22, BY INSTITUTION TYPE			
Institution type	Median completion rate	Lowest completion rate	Highest completion rate
Public, four-year	47.7%	0.0%	93.7%
Private nonprofit, four-year	58.1%	0.0%	100.0%
For-profit, four-year	44.4%	0.0%	100.0%
Public, two-year	36.1%	0.0%	100.0%
Private nonprofit, two-year	69.4%	0.0%	100.0%
For-profit, two year	68.6%	0.0%	100.0%
MSI type			
Public HBCU	30.0%	11.0%	55.4%
Nonprofit HBCU	27.2%	8.0%	76.2%
Public PBI	27.0%	10.0%	60.2%
Nonprofit PBI	40.3%	11.1%	62.9%
Tribal college	19.1%	0.0%	61.8%
Special focus			
Religious affiliation	57.1%	0.0%	100.0%

Graduations Rates at Two-Year Institutions

Academic year 2021–22

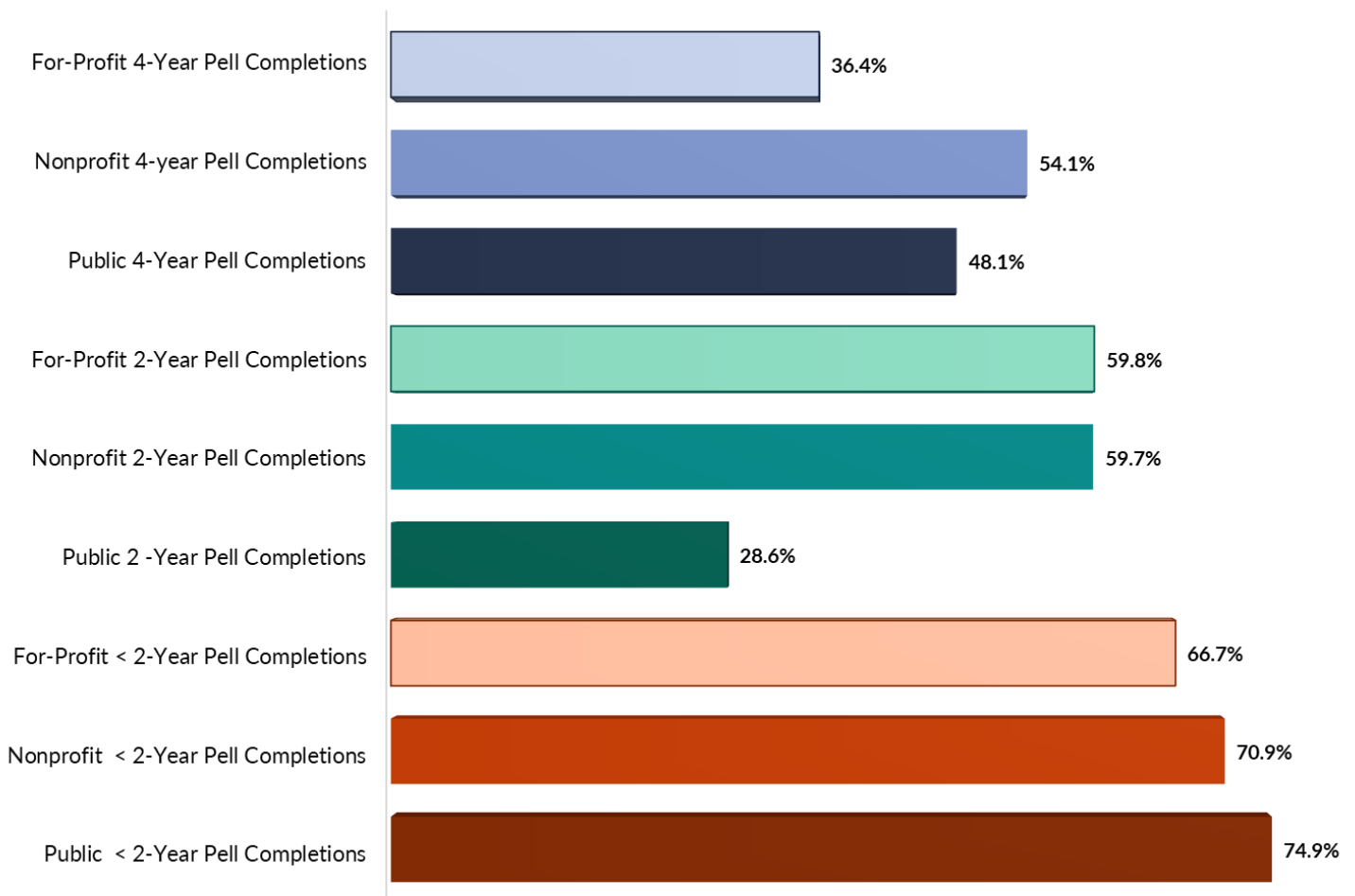
Looking more closely at completion rates for 2-year programs, for-profit colleges show the highest overall completion rates within 150% of expected time (3 years).

These completion rates are generally similar across institutional sectors, and completion rates do not vary significantly based on gender identity at for-profit institutions.



Completions among Pell Recipients

Average completion rates within 150% of expected time, academic year 2021–22



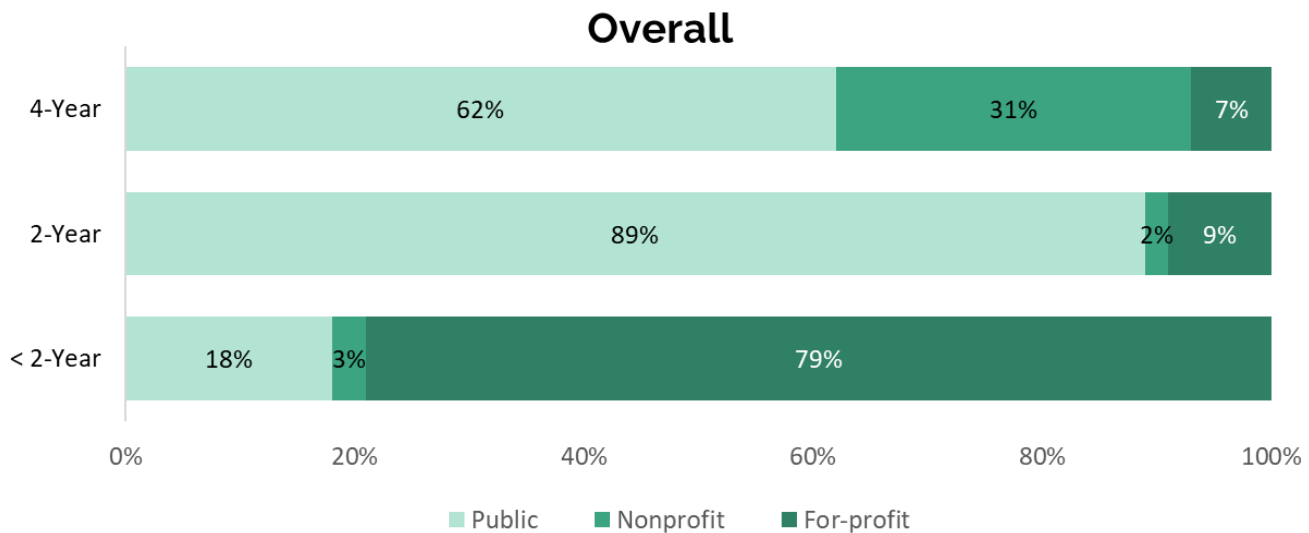
Completion rates within 150% of the expected time to completion are also strong among Pell recipients at for-profit institutions.

At two-year colleges, for-profit and public colleges have the highest graduation rates (59% each). At four-year colleges, graduation rates at for-profit colleges are slightly lower but comparable to their public and private nonprofit counterparts.

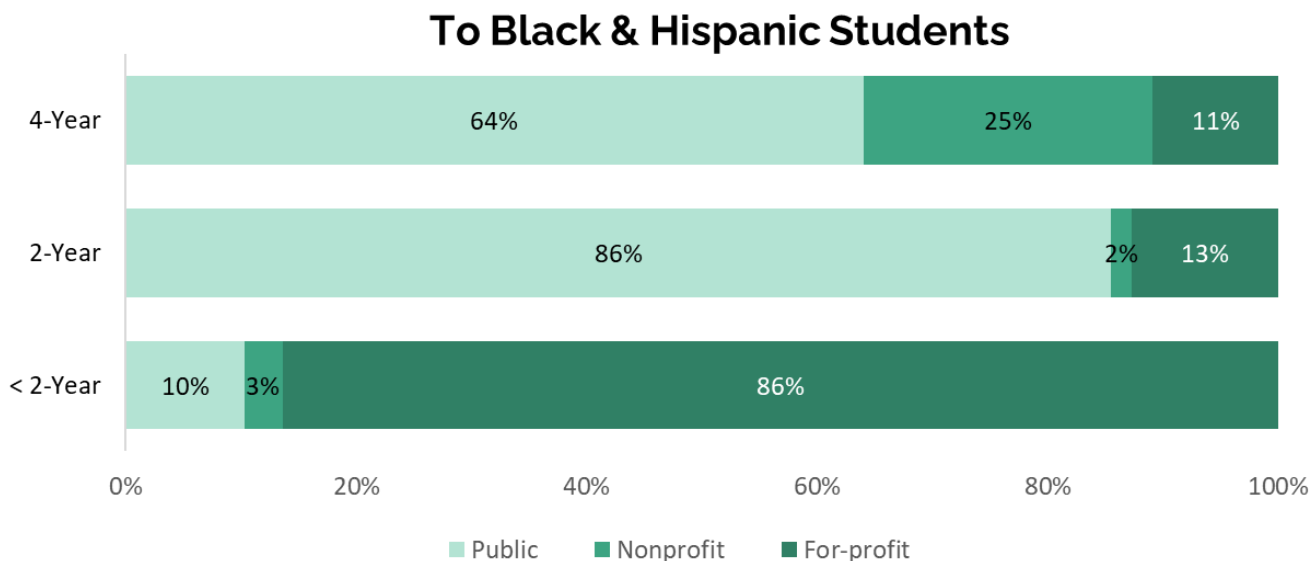
Degrees Awarded

Academic year 2021–22

For-profit colleges confer the bulk of less-than-two-year completions across all sectors, accounting for nearly 80% of all less-than-two-year degrees/certificates conferred in the 2021-22 school year.

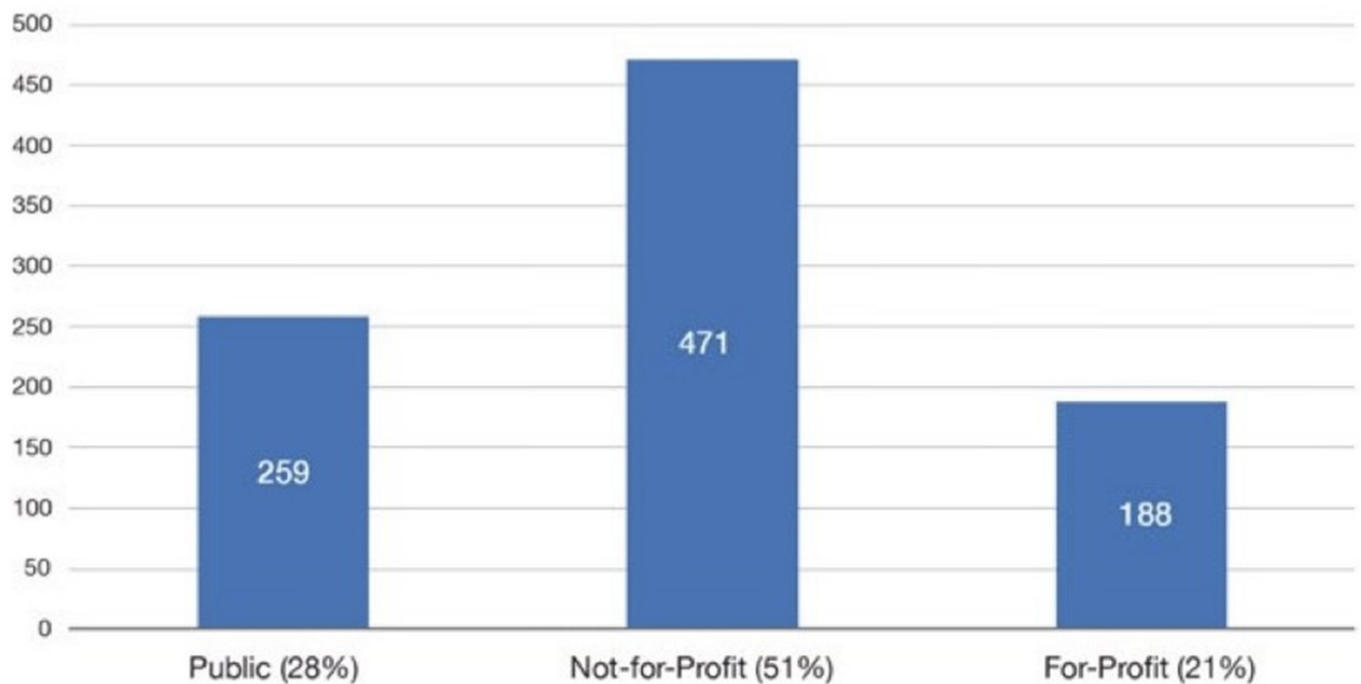


For-profit colleges also confer the bulk of less-than-two-year degrees/certificates to Black and Hispanic students, accounting for 86% of all conferrals.



Gainful Employment: Debt-to-Earnings Ratio

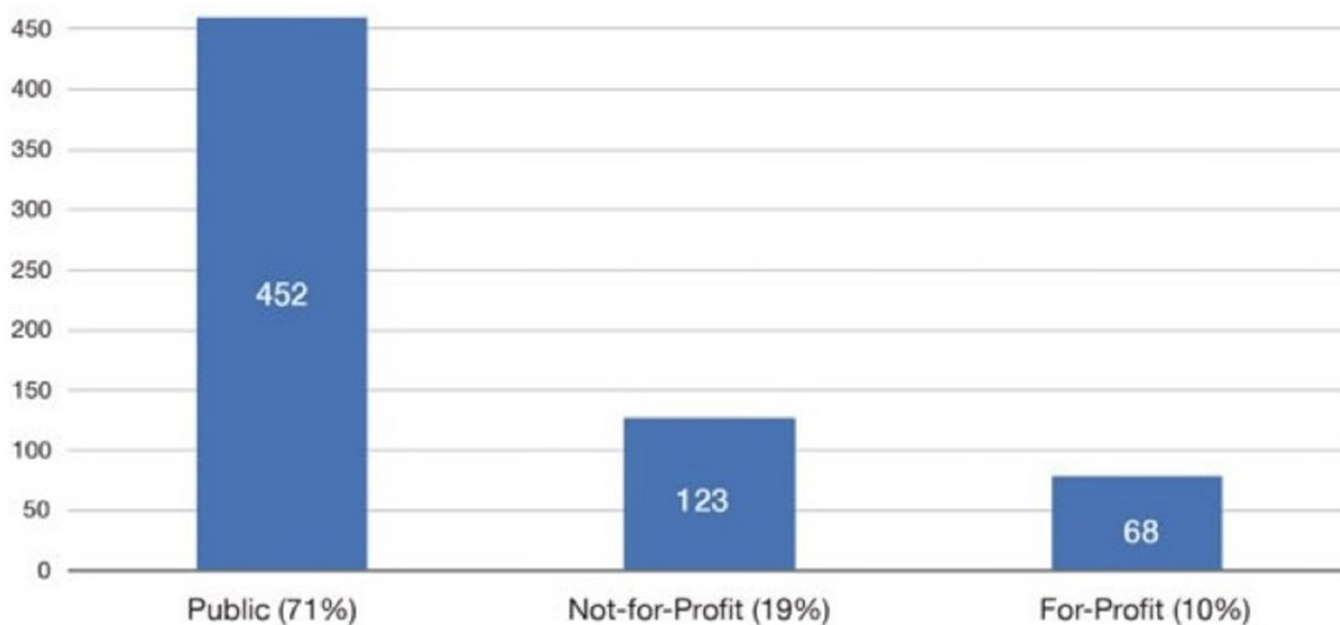
To continue receiving federal funding under the new Gainful Employment regulations, effective July 1, 2024, for-profit colleges must show a debt-to-earnings ratio lower than 8%. Despite GE regulations only applying to for-profit universities, 79% of programs that would fail to meet this first metric are from public and nonprofit colleges.



Source : US Dept of Education Program Performance Database

Gainful Employment: Premium Earnings Metric

Gainful Employment regulations will also require that at least 50% of completers should report higher earnings than high-school graduates. Again, most of the programs (90%) that would fail to meet this metric are from public and nonprofit colleges.



Source : US Dept of Education Program Performance Database

PREPARATION FOR THE WORKFORCE

Top Professional Degrees/ Certificates Awarded

2021-22 Academic Year

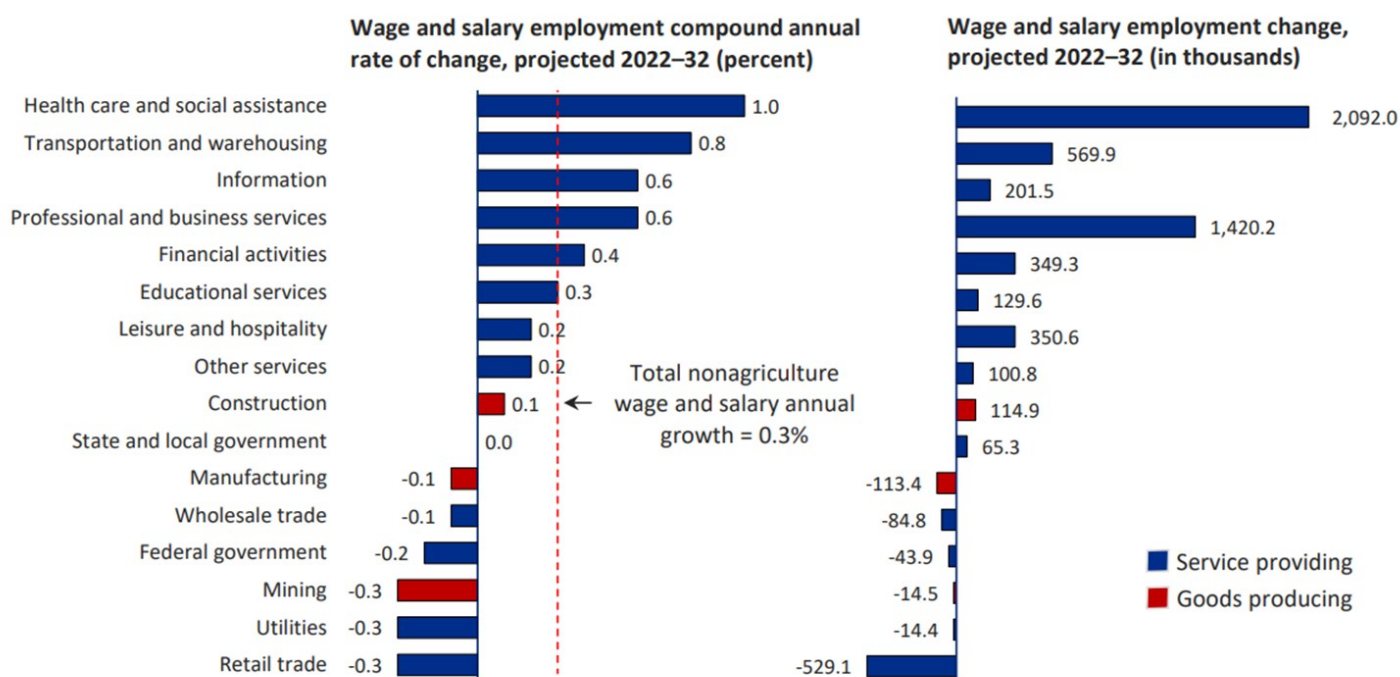
For-profit schools confer degrees that are specifically geared toward workplace readiness. They confer over 80% of massage therapy degrees/certificates and over 70% of degrees and certificates for cosmetologists and medical/clinical assistants. They also confer over half of the degrees/certificates for dental assistants and truck/bus drivers.

Profession	Percentage of degrees/ certificates conferred by for-profit schools	Total graduates from for-profit schools
Massage Therapists	82%	8,431
Cosmetologists	76%	37,552
Medical/Clinical Assistants	73%	39,219
Dental Assistants	63%	10,682
Truck and Bus Drivers	54%	10,809
Medical Record Technicians	48%	4,800
HVAC Installers and Mechanics	42%	9,227
Aircraft Mechanics/ Technicians	41%	2,914
Electricians	36%	7,901
Chef/Culinary Specialists	35%	7,607
Audiovisual Technicians	33%	2,075
Phlebotomists	30%	2,516
Auto Mechanics/Technicians	29%	9,895
Plumbers	28%	609
Welders	22%	10,060
Respiratory Care Therapy and Assisting	20%	1,413
Nurses	19%	61,943
Network Security Administrators	13%	5,438

High-Growth Career Opportunities

Employment change by industry sector, projected 2022–32

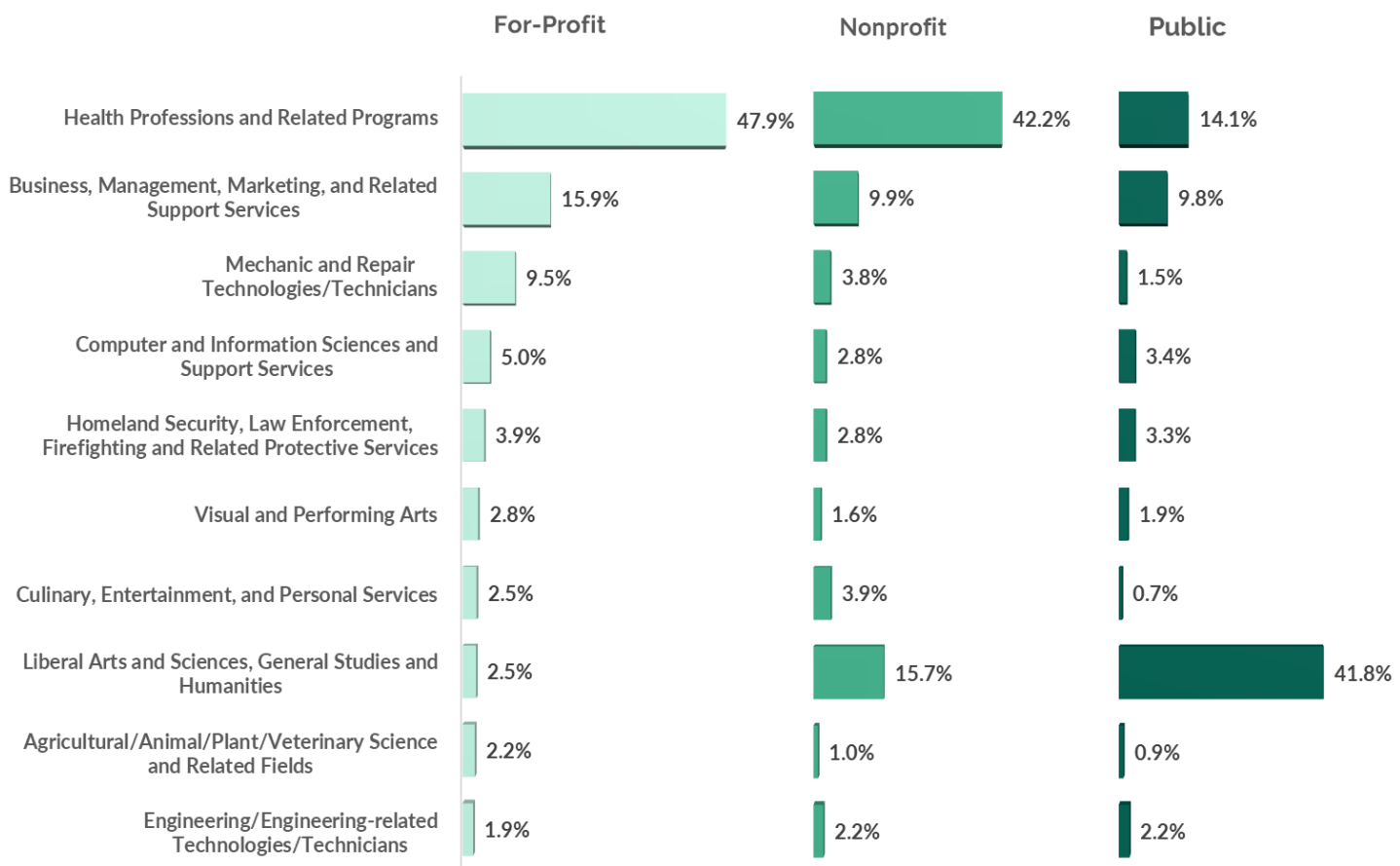
While for-profit colleges confer degrees that are aligned with workforce readiness in general, they also align with the specific needs of the workforce. According to the Bureau of Labor Statistics, health care and social assistance, transportation and warehousing, and information careers are projected to grow significantly over the next ten years. Healthcare in particular shows enormous growth in healthcare support occupations – an area that is very well aligned with the offerings of many for-profit colleges. In the following slides, you will see how for-profit colleges, particularly those offering associate degrees and certificates, are uniquely situated to meet these growing workforce needs.



Note: Nonagriculture wage and salary employment includes wage and salary data from the Current Employment Statistics (CES) survey, except private households, which is from the Current Population Survey (CPS). Logging workers are excluded.
Source: U.S. Bureau of Labor Statistics

Associate's Degrees by Discipline

Academic year 2021–22

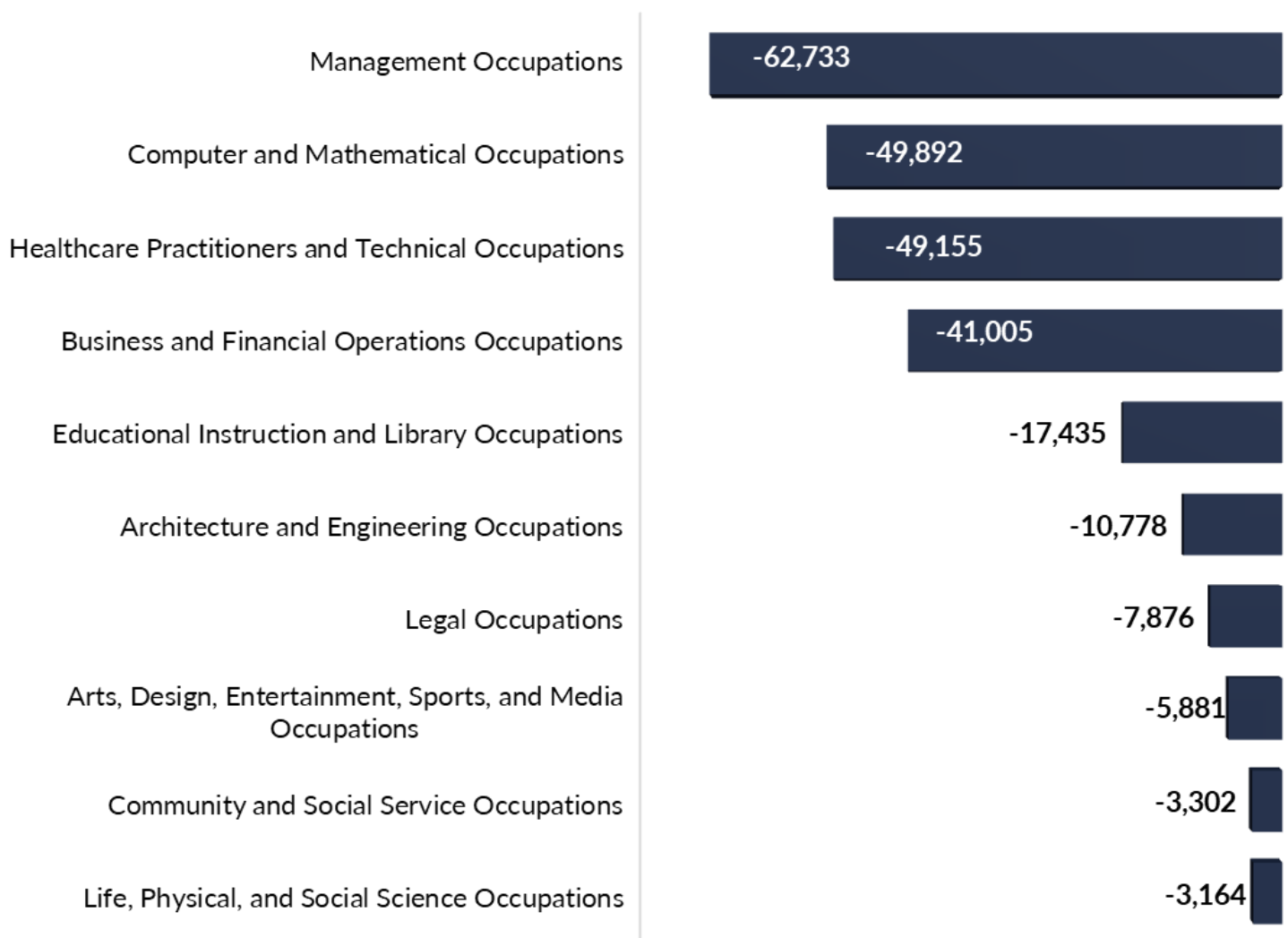


Looking more closely at associate's degrees conferred in 2022, nearly half of the associate's degrees conferred by for-profit colleges were in fields related to health professions. Other top fields included business fields, mechanic and repair technologies, and computer and information sciences. While nonprofit institutions also grant the majority of their associate's degrees in healthcare, public institutions grant only 14% of their degrees in health professions. Instead, public institutions lean heavily on social sciences which account for 42% of degrees conferred. Private nonprofit institutions also confer a large proportion (16%) of social sciences associate's degrees.

In-Demand Career Training: Two-Year Degrees

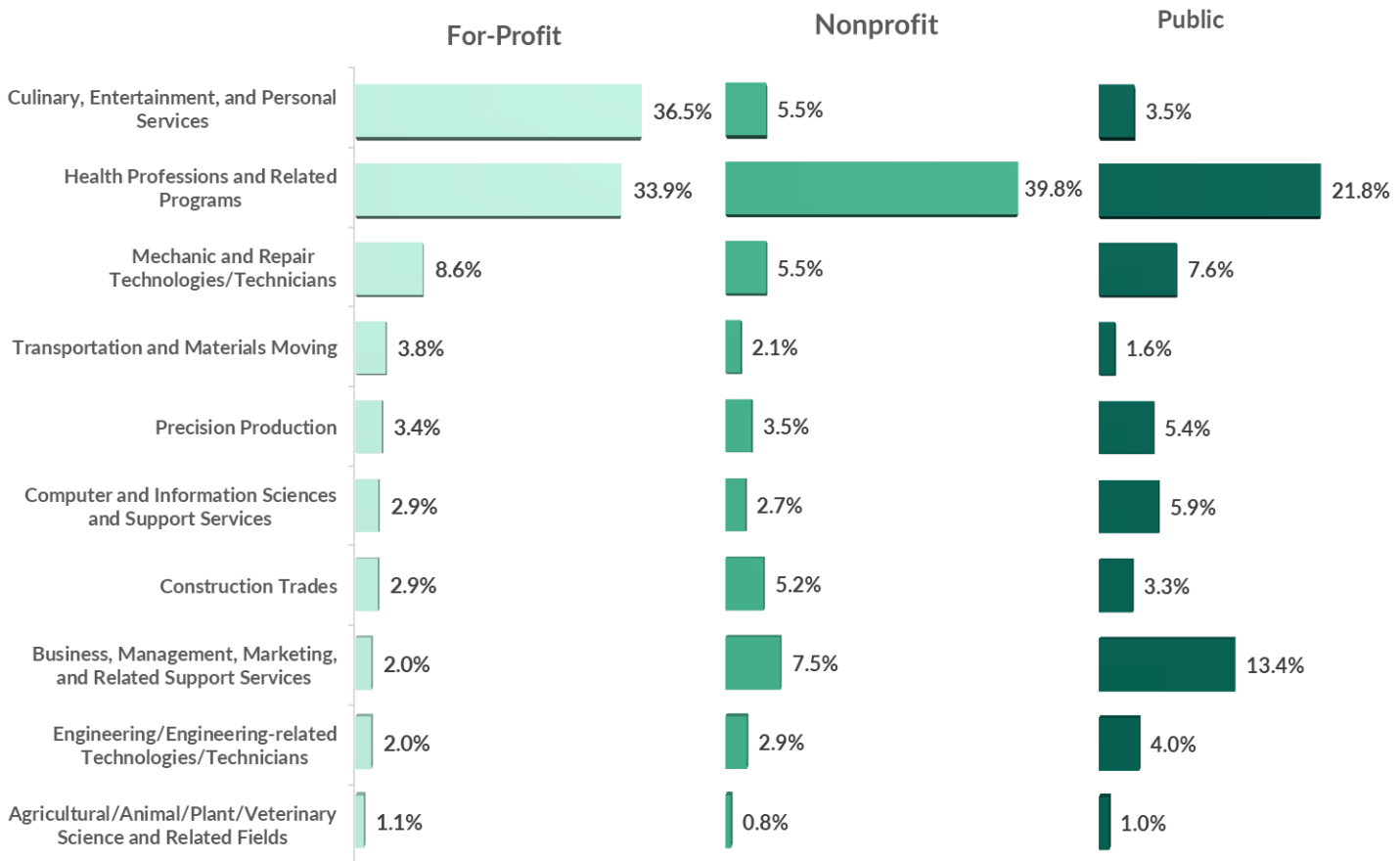
When looking at the projected worker shortage for occupations that require at least a two-year degree, for-profit graduates are well prepared to fill these gaps. In fact, the four occupational groups with the largest worker shortages align with three of the top four fields in which for-profit colleges conferred degrees in 2022, setting for-profit graduates up for success in the workplace.

Projected Shortage of Workers by Group



Certificates by Discipline

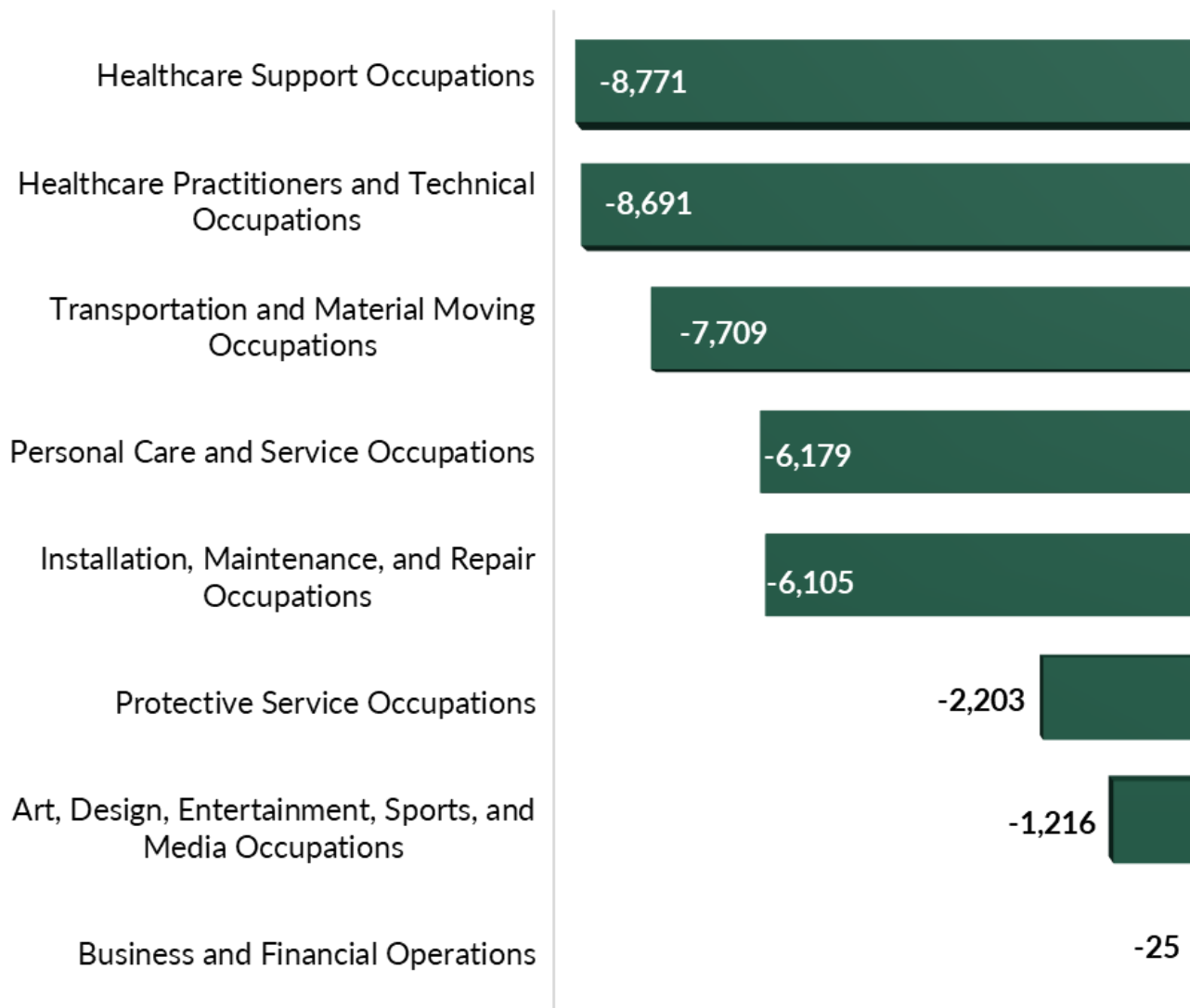
Academic year 2021–22



At the certificate level, the culinary, entertainment, and personal services field leads the way at for-profit colleges with nearly 37% of certificates conferred in this field compared to just 6 and 4 percent at private nonprofit and public institutions. This is followed closely by health professions and related programs, which account for 34% of for-profit college certificates conferred. Public and private nonprofit colleges tend to confer more degrees in business fields.

In-Demand Career Training: Non-Degree

Projected Shortage of Workers by Group



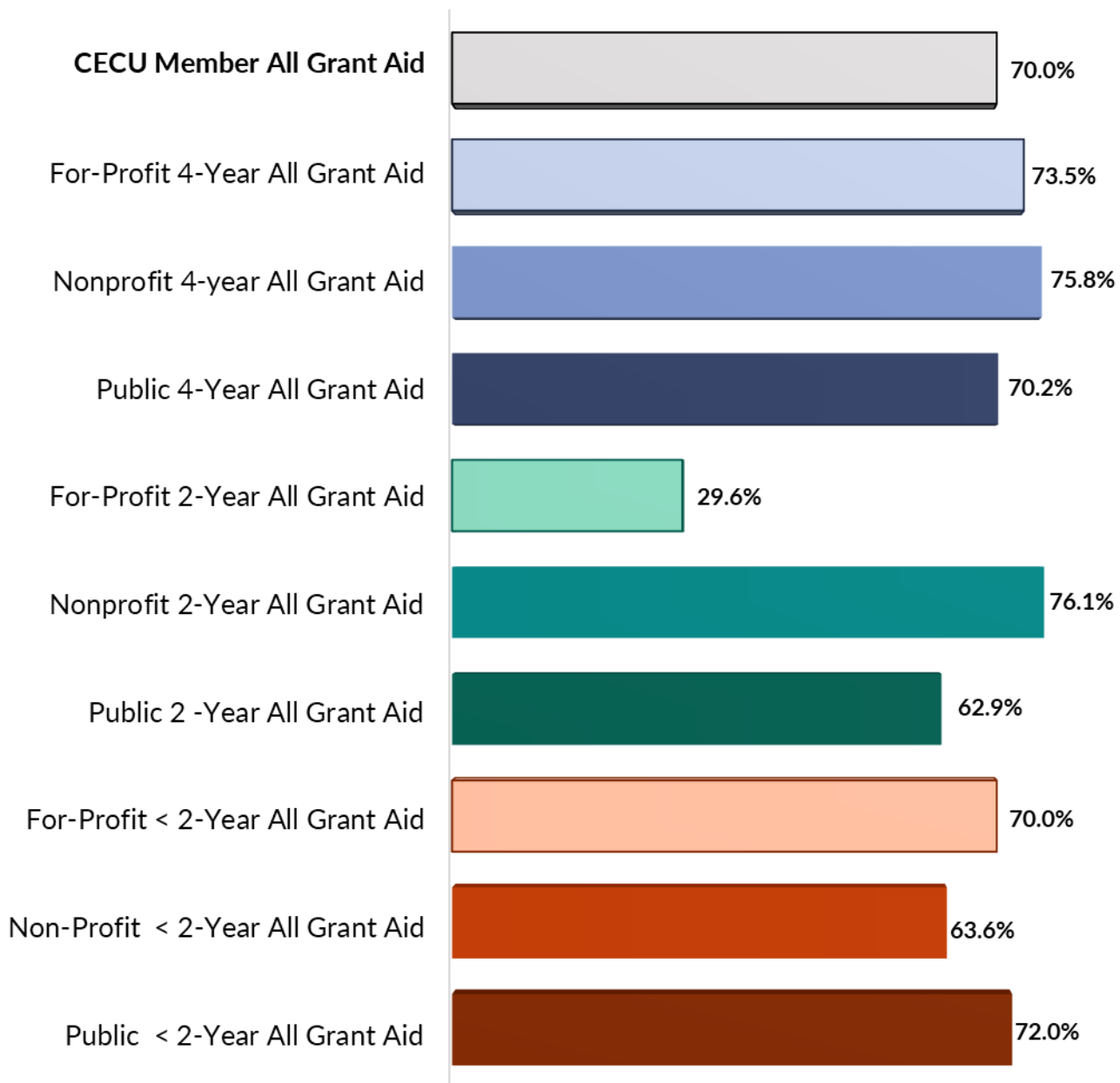
Certificates conferred by for-profit colleges also align very well with the estimated annual nationwide worker shortages in occupations requiring some college or a postsecondary nondegree award. Healthcare is by far the occupation most in need of workers. Thirty-four percent of certificates conferred by for-profit institutions are in the healthcare field, setting students up for success in the workforce.

FINANCIAL FACTORS

Financial Assistance: All Grant Aid

Academic year 2021–22

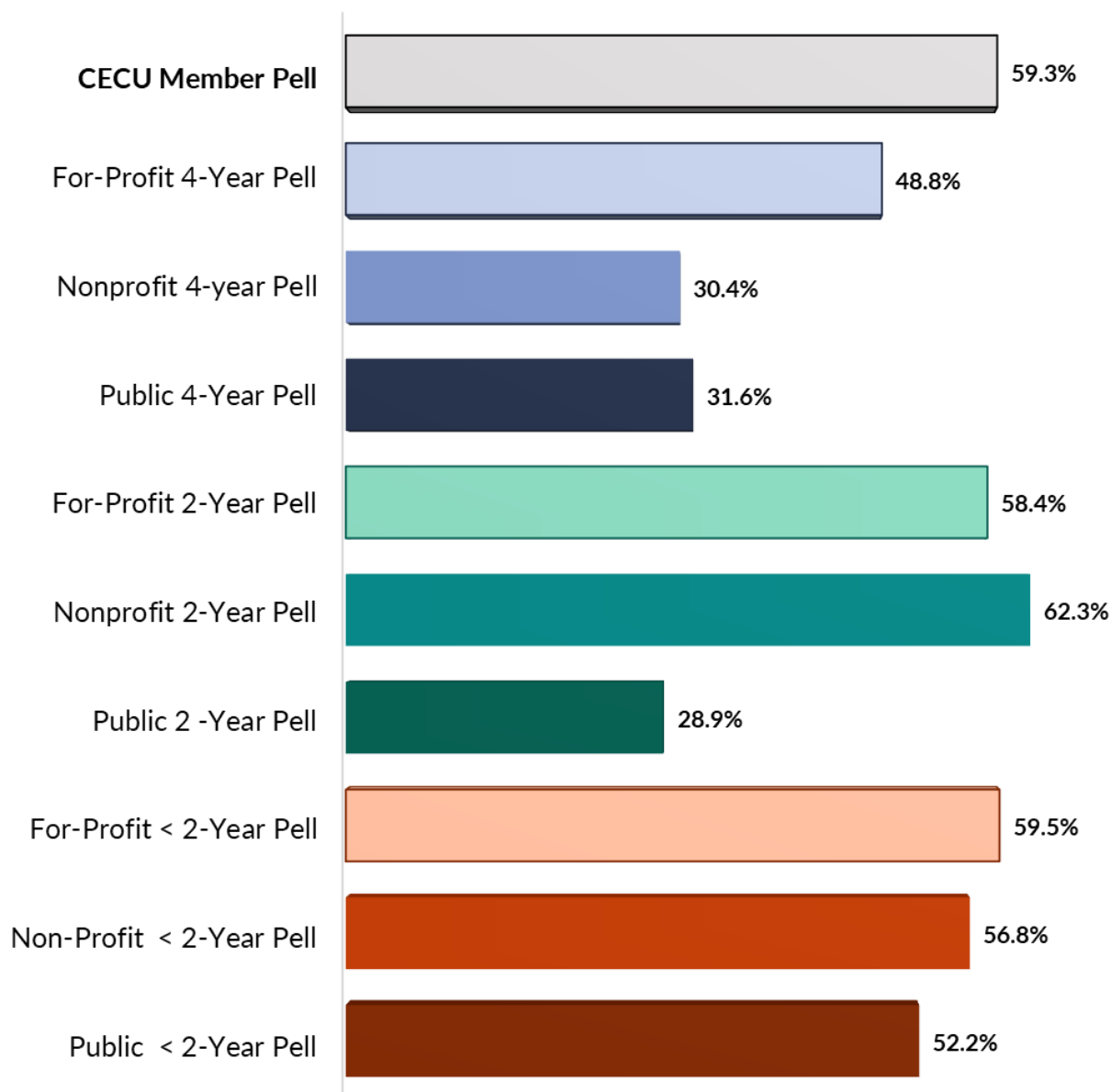
Financial assistance is integral to the success of many students, particularly those attending for-profit colleges. Students attending for-profit colleges tend to receive similar levels of aid compared to their public and private nonprofit counterparts when looking at all grant aid awarded.



Financial Assistance: Pell Grant Aid

Academic year 2021–22

Pell Grants, specifically, are essential to students with a high degree of unmet financial need. Students whose families have a total income of up to \$50,000 may be eligible for the need-based funding, however most Pell Grant money is given to students with a total family income below \$20,000. Students at CECU member institutions are among the top Pell Grant recipients with over 59% of students receiving Pell Grants. A larger percentage of students at for-profit universities receive Pell Grant aid at all institutions levels compared to public and private nonprofit colleges.

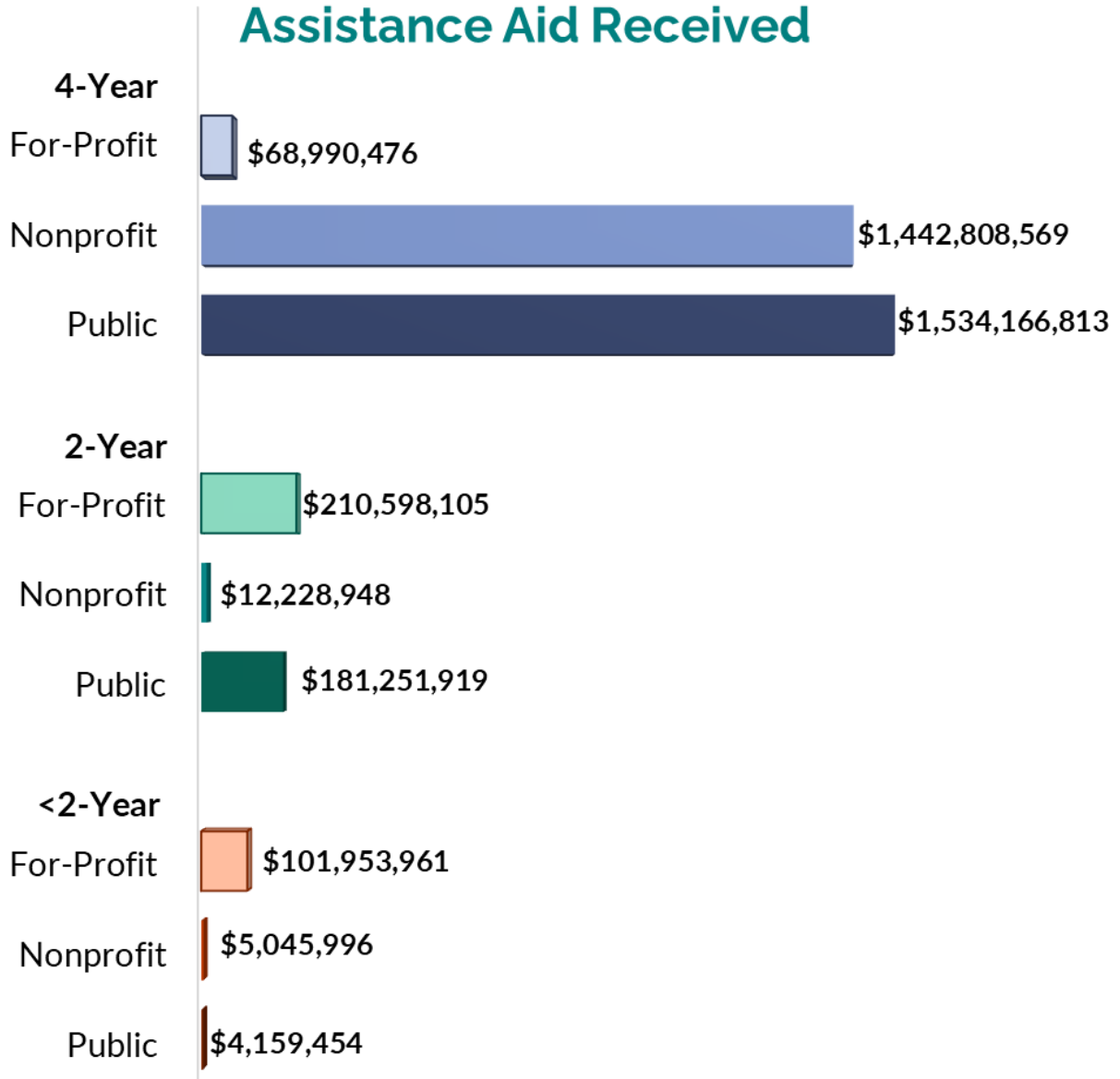


Military and Veteran Student Aid

Academic year 2021–22

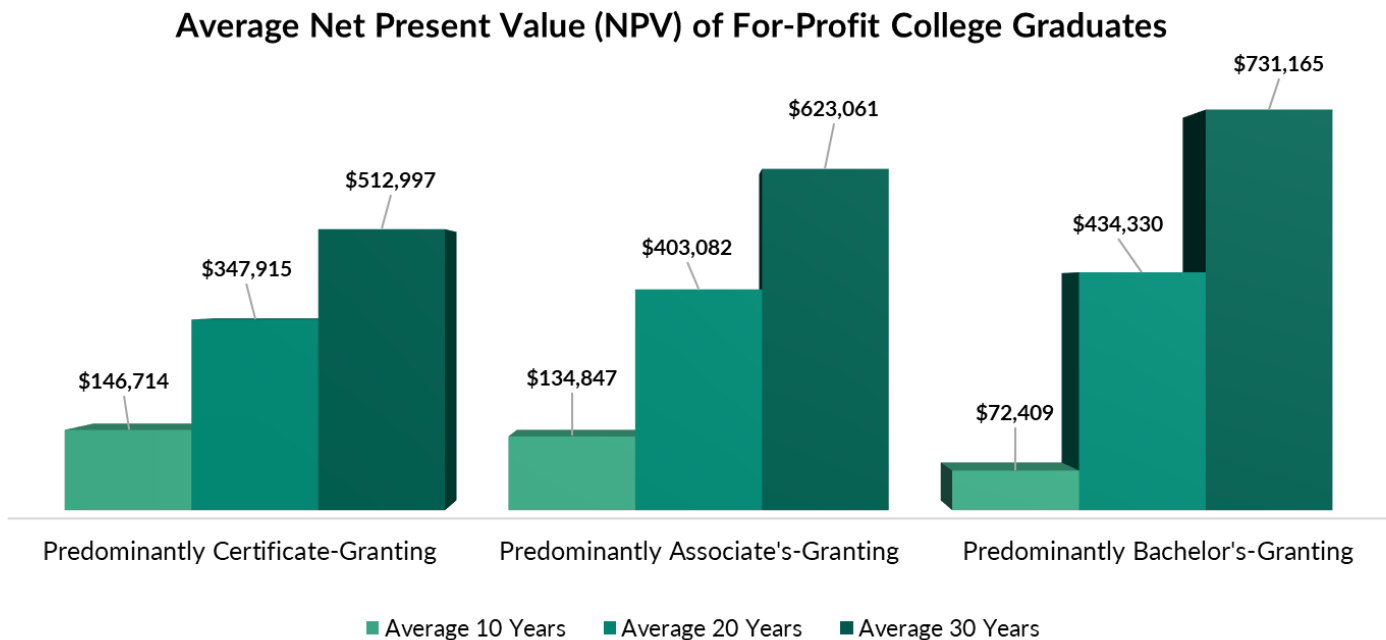
Active-duty military members and veterans are also an important population served by for-profit colleges. While the numbers are smaller than other populations, for-profit colleges' undergraduate enrollment includes approximately 2% veterans with their students receiving nearly 400 million in veterans aid from the GI Bill as well as other Department of Defense financial aid.

Total GI Bill and DoD Financial Assistance Aid Received



Tuition/Fees and Earnings

Academic year 2021–22

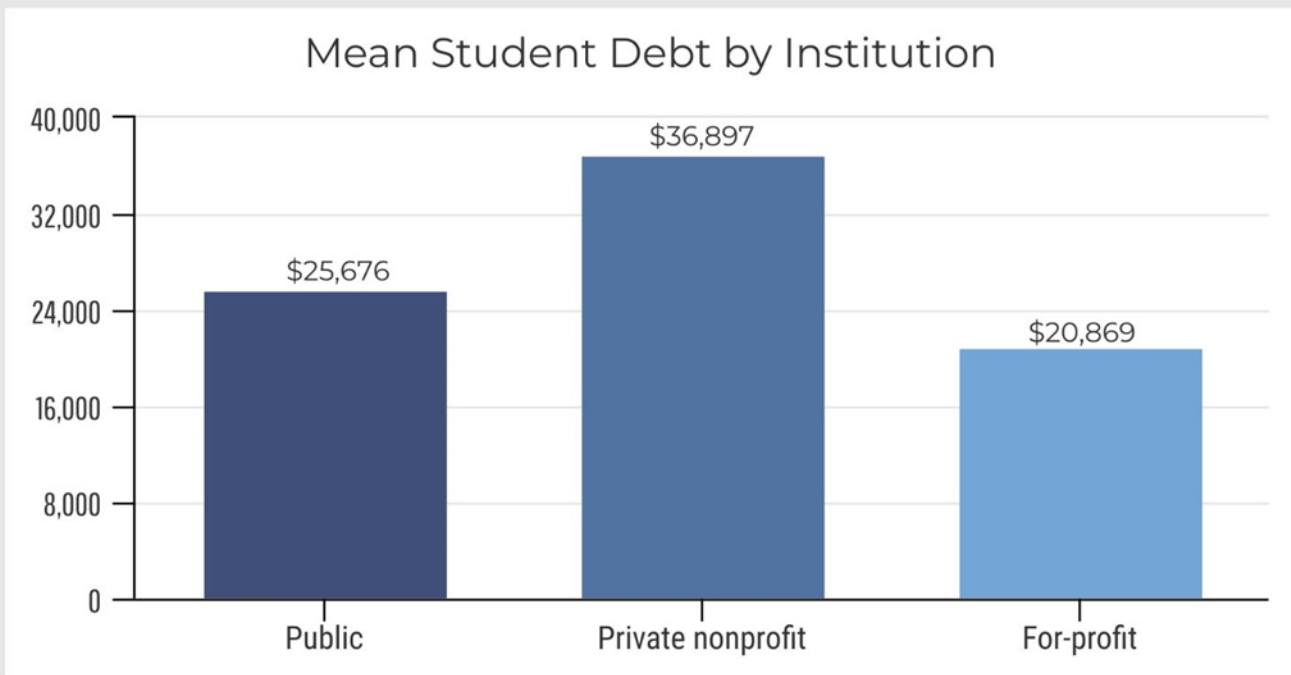


Four-year for-profit colleges have particularly favorable tuition as well as solid earnings potential compared to other sectors. When looking at tuition and fees, four-year for-profit colleges report average out-of-state tuition and fees to be \$18,758, which is approximately \$12,000 less than their nonprofit counterparts. Public colleges report similar out-of-state tuition and fees at an average of \$18,850. Coupled with the lower tuition, graduates of four-year for-profit colleges also report nearly the same median ten-year earnings as those who earned a four-year degree at a nonprofit or public institution. Graduates of four-year for-profit colleges report nearly **comparable median 10-year earnings** (\$48,048) to four-year graduates of nonprofit institutions (\$50,309) and public institutions (\$49,561). In addition to median 10-year earnings, the Georgetown Center on Education and the Workforce also presents the average net present value of the earnings for a for-profit college graduate. The net present value is how much a sum of money in the future is valued today. This metric includes costs, future earnings, and the length of time it would take to invest and earn a specific amount of money over a fixed horizon. Looking at various time horizons, including 10, 20, and 30 years, the average net present value of the earnings for a for-profit college student earning a certificate, associate's degree or bachelor's degree grows exponentially, particularly for the bachelor's students.

MEAN STUDENT DEBT BY INSTITUTION

THE CHRONICLE OF HIGHER EDUCATION

Borrowers from public and private nonprofit institutions hold more debt than borrowers from for-profit institutions.



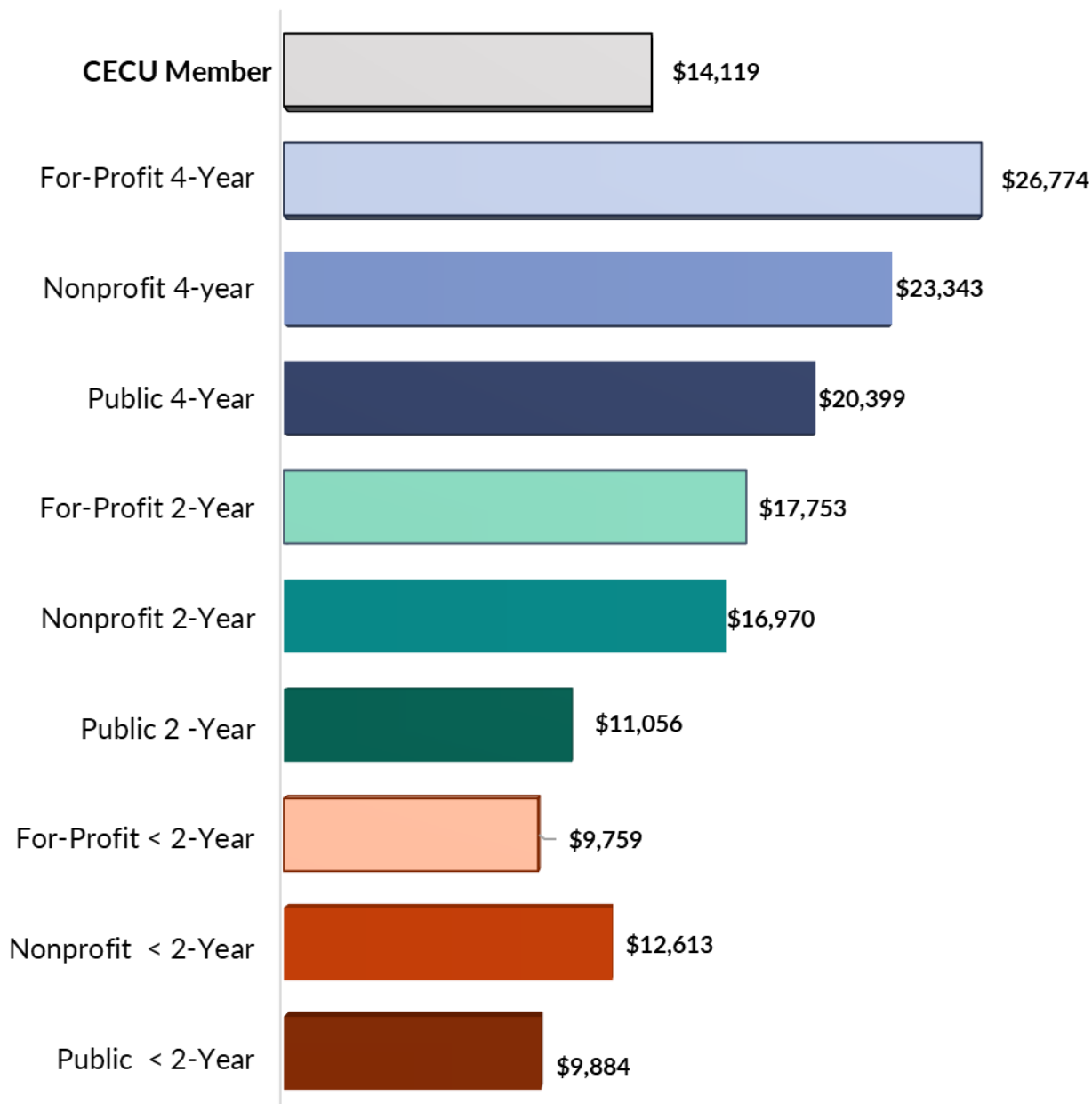
Source: Who Holds America's \$1.5 Trillion Student Loan Debt? | March 2020
<https://www.chronicle.com/article/who-holds-americas-1-5-trillion-student-loan-debt>

As of 2020, borrowers from public and private nonprofit institutions hold **more** debt than borrowers from for-profit institutions.

Student Debt

Academic year 2021–22

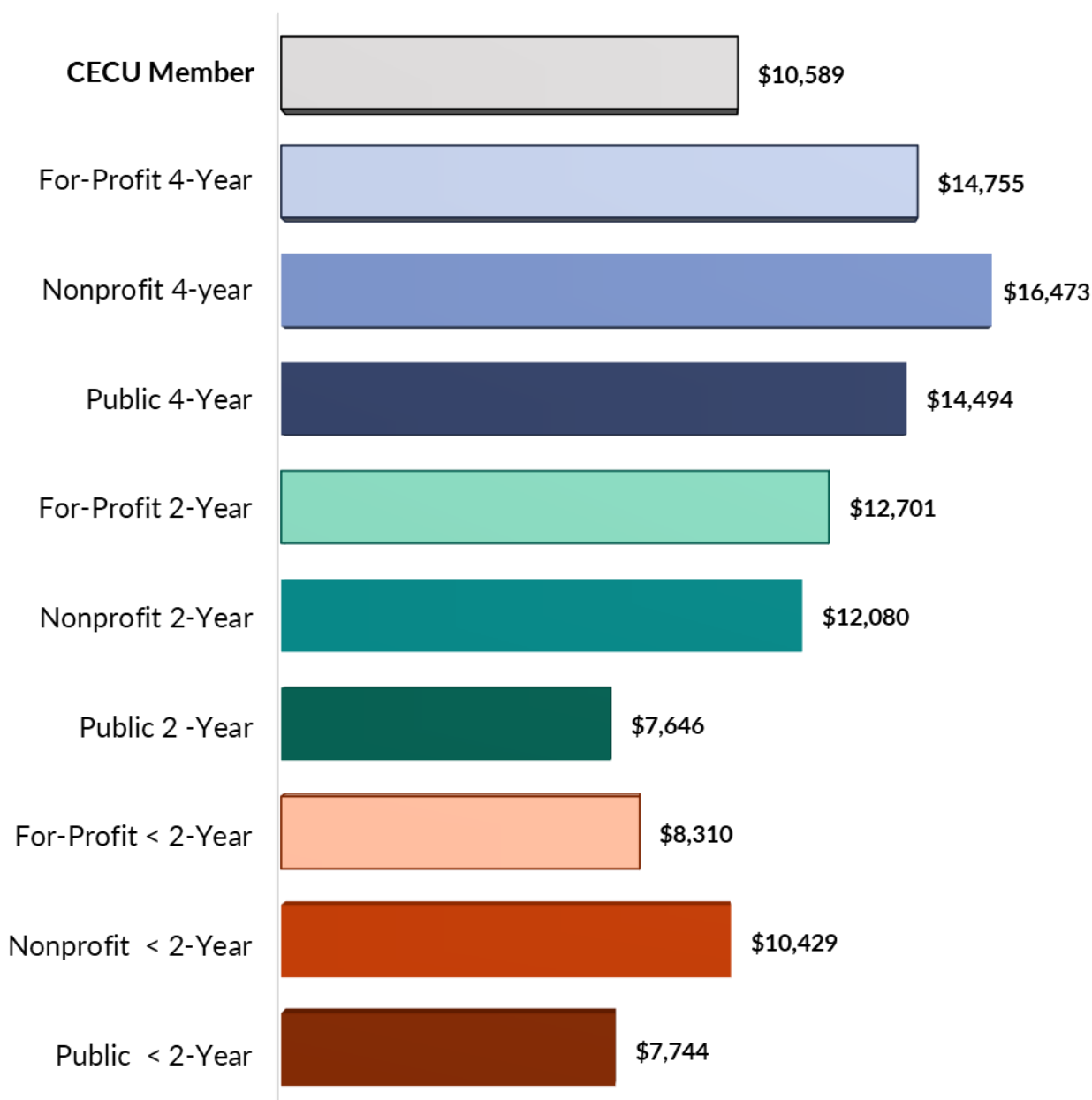
Looking more closely, for-profit colleges show variability in debt levels at different institutional levels. For example, less-than-2-year institutions show lower debt than their public and private nonprofit counterparts, but for-profit colleges show less favorable numbers at two- and four-year institutions. However, CECU member institutions generally have a very low rate of student debt both among the general population of students as well as among low-income students.



Student Debt: Low-Income

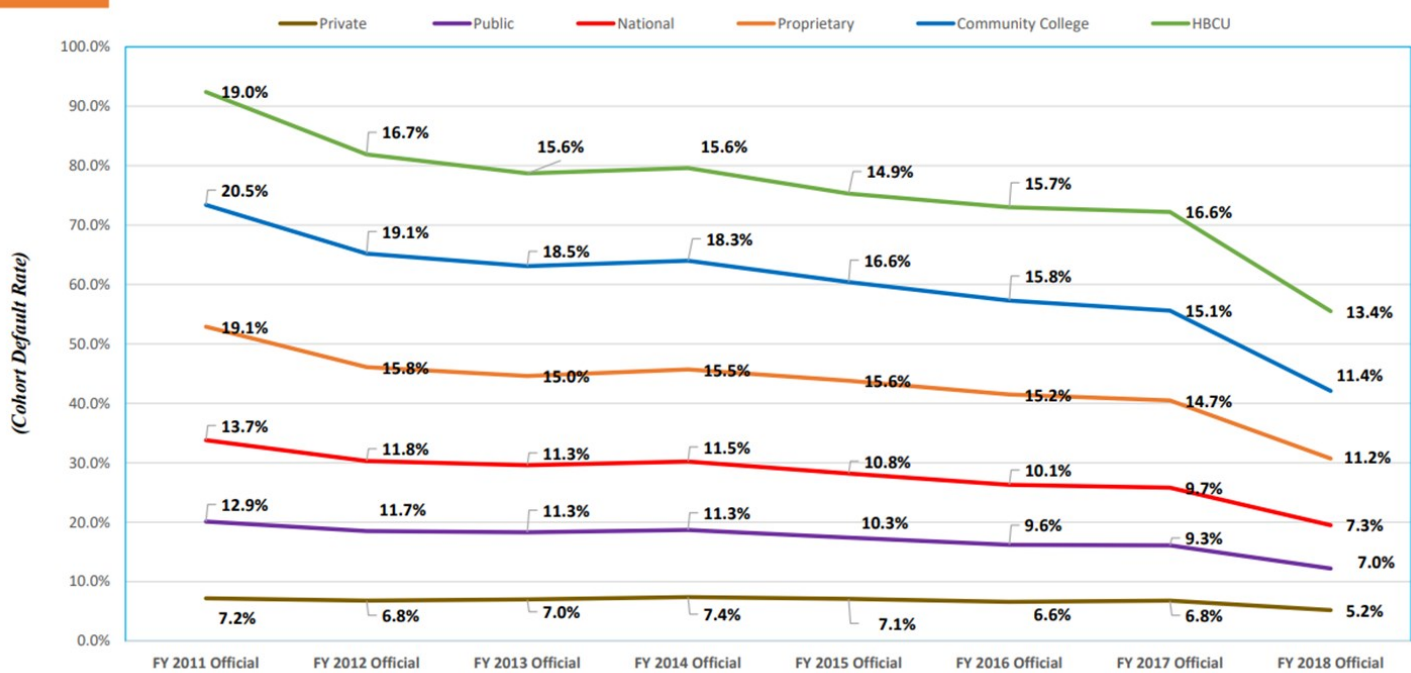
Academic year 2021–22

Looking more closely, for-profit colleges show variability in debt levels at different institutional levels. For example, less-than-2-year institutions show lower debt than their public and private nonprofit counterparts, but for-profit colleges show less favorable numbers at two- and four-year institutions. However, CECU member institutions generally have low average student debt both among the general population of students as well as among low-income students.



Student Loans: Cohort Default Rates

Comparison of FY 2011 – FY 2018 Default Rates, by Institution Type

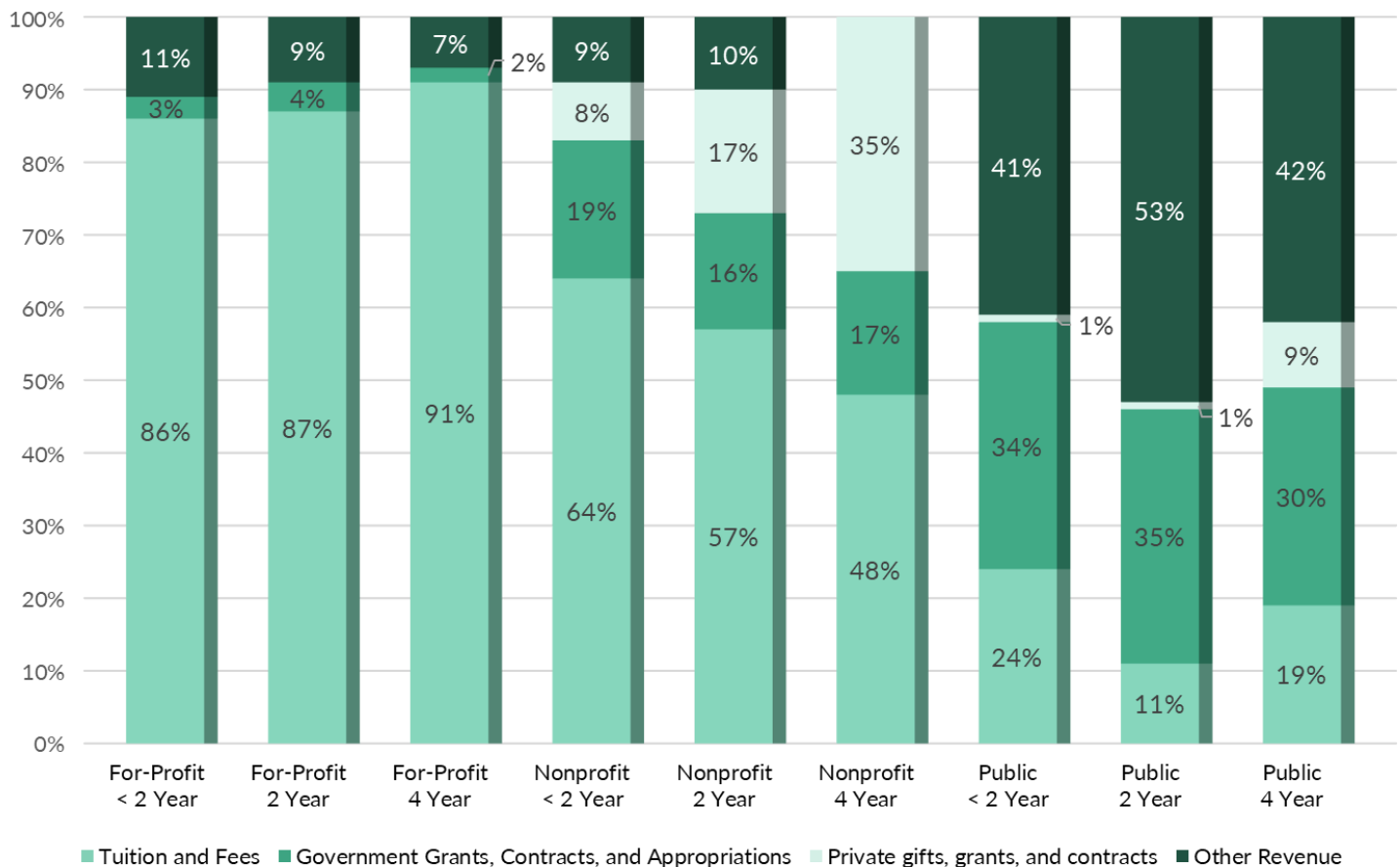


Over time, student loan default rates have decreased across all school types, with for-profit colleges showing a larger decrease than public and private nonprofit colleges. HBCU colleges and community colleges also showed larger decreases, especially from fiscal year 2017 to fiscal year 2018.

Distribution of Revenues of Title IV Institutions

Academic year 2021–22

When examining the distribution of revenue across institution types, for-profit colleges are considerably more reliant on tuition and fees with nearly 90% or more of their revenue coming from this category. On the other hand, public colleges are more likely to rely on government grants, contracts, and appropriations. Private non-profit institutions receive a considerable number of private gifts, grants, and contracts to support their revenue.



Notes

- Data for “CECU Member” includes all institutions listed in the member data file provided by CECU, cross-referenced with IPEDS and College Scorecard data by OPEID.

CECU | **Career Education**
Colleges and Universities

1530 Wilson Blvd | Suite 1050 | Arlington, VA 22209