



For-profit education and student loans

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Major players



For-profit college market overview

- Percent of undergraduates enrolled in for-profit colleges:
 - 2000: 4.6 percent
 - 2012: 10.3 percent
- Revenues of 4-year for-profit schools grew nearly 800 percent from 2000 to 2012
- Student body: 24.2 percent African American, 15.7 percent Latino; 50 percent low income

Sources: National Center for Education Statistics, The Education Trust



Cost of for-profit colleges

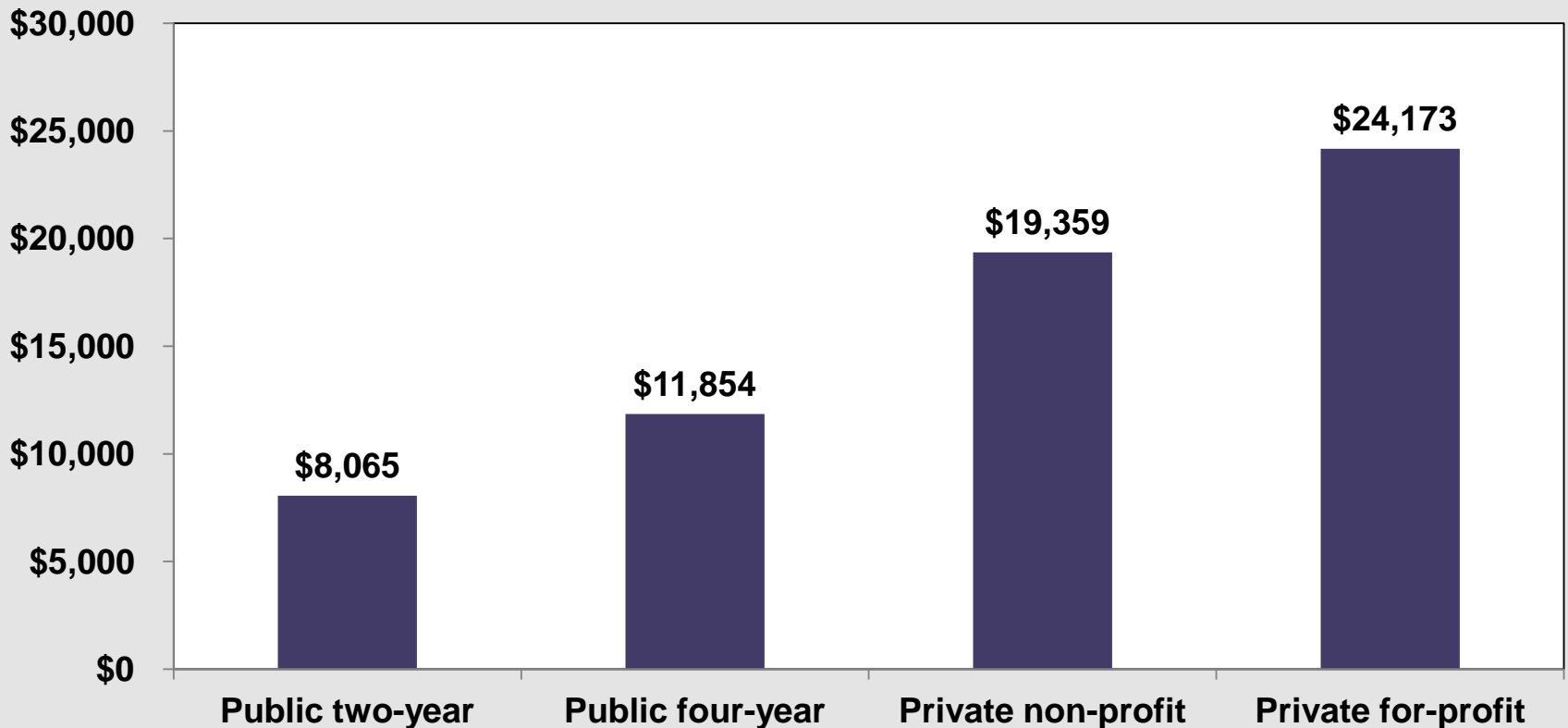
- On average, a year of college at for-profit school cost \$15,130 in 2013-2014
 - Tuition and fees at public two-year school: 21 percent of for-profit; tuition and fees at public four-year school: 59 percent of for-profit

Source: The College Board, Trends in College Pricing



For-profit colleges cost more for low-income students

Net cost of attendance for students in lowest income quartile, 2011-2012

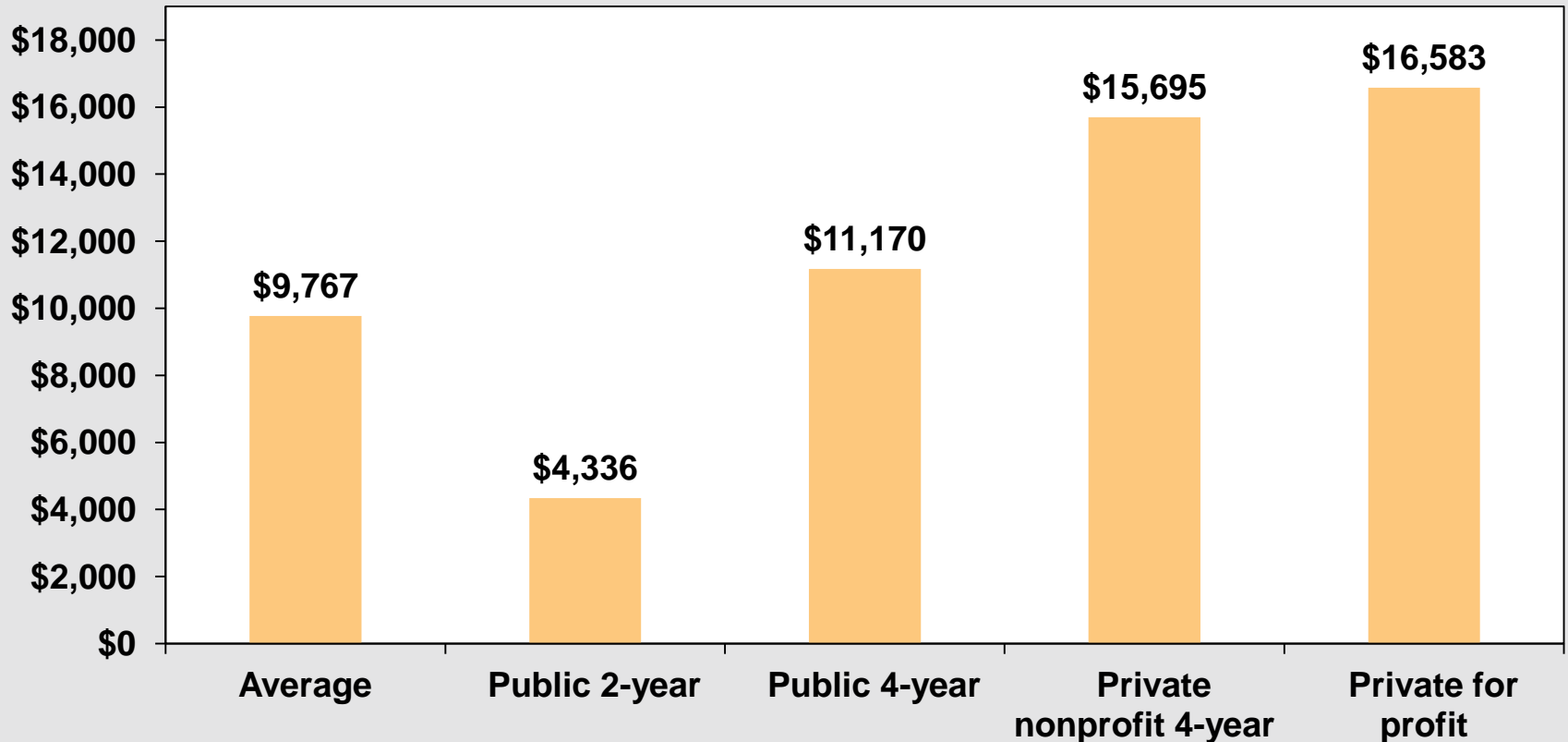


Source: The College Board, Trends in College Pricing



For-profit college students are more heavily indebted

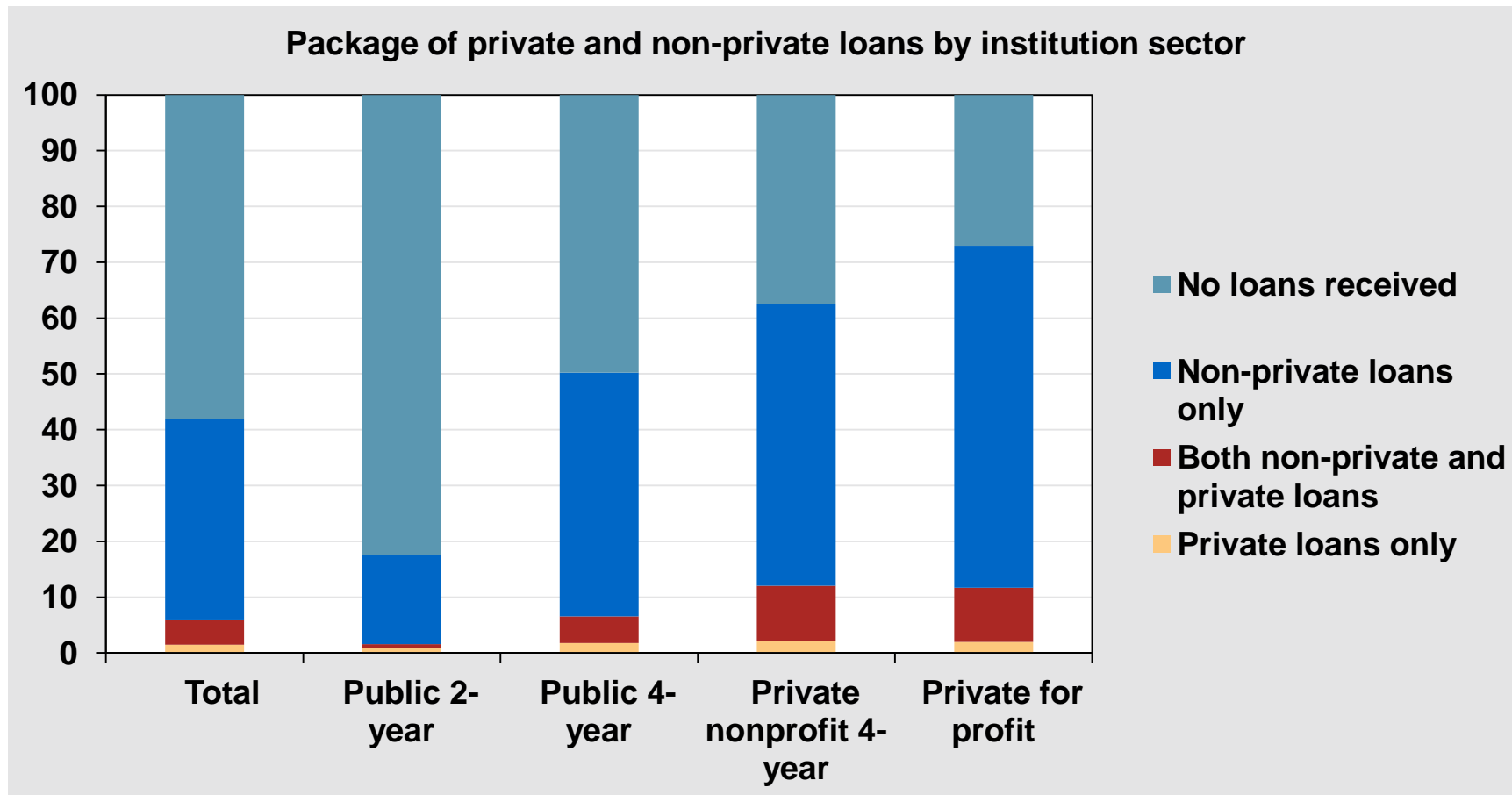
Cumulative Amount Borrowed for Undergrad



Source: Woodstock Institute analysis of National Postsecondary Student Aid Survey 2011-2012



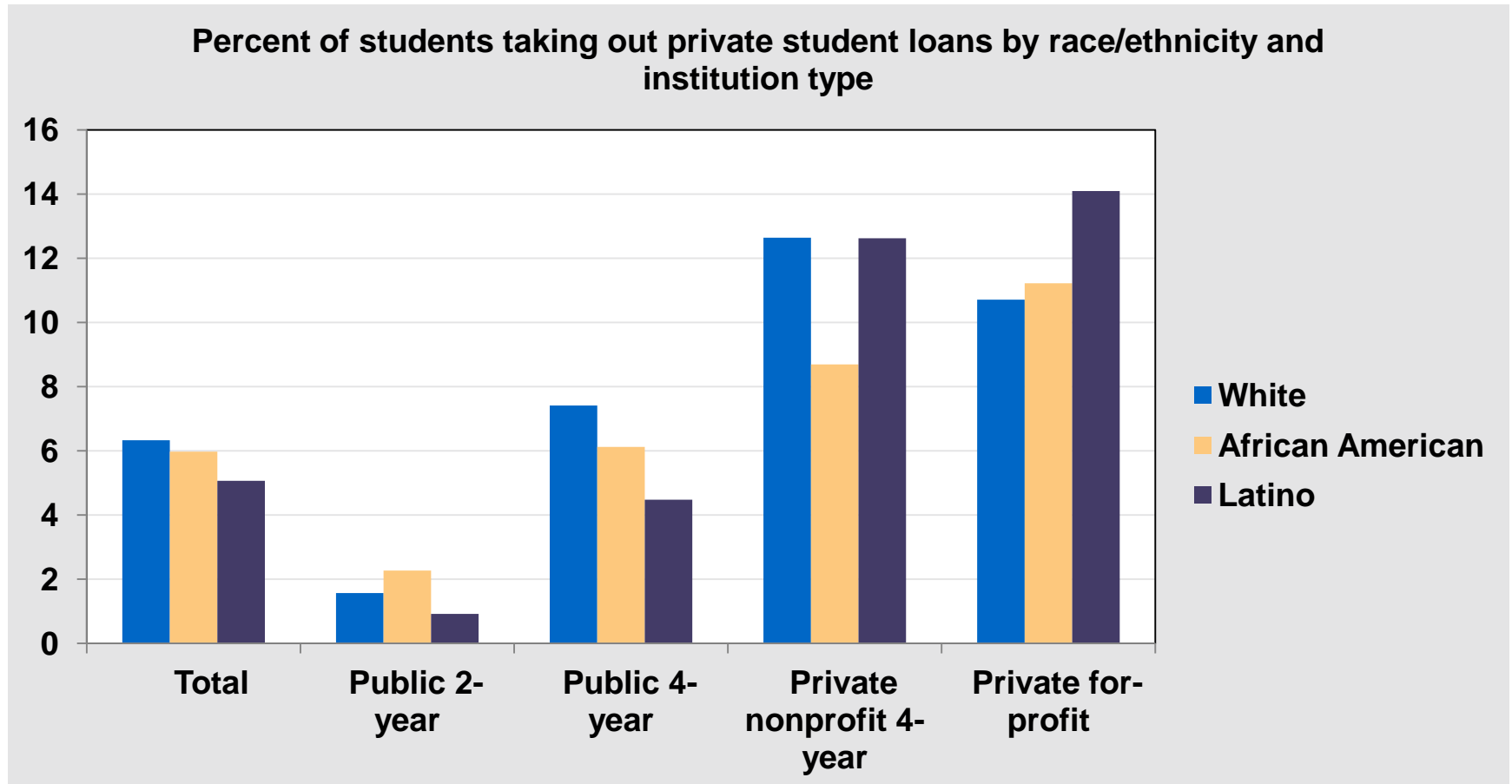
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Source: Woodstock Institute analysis of National Postsecondary Student Aid Survey 2011-2012



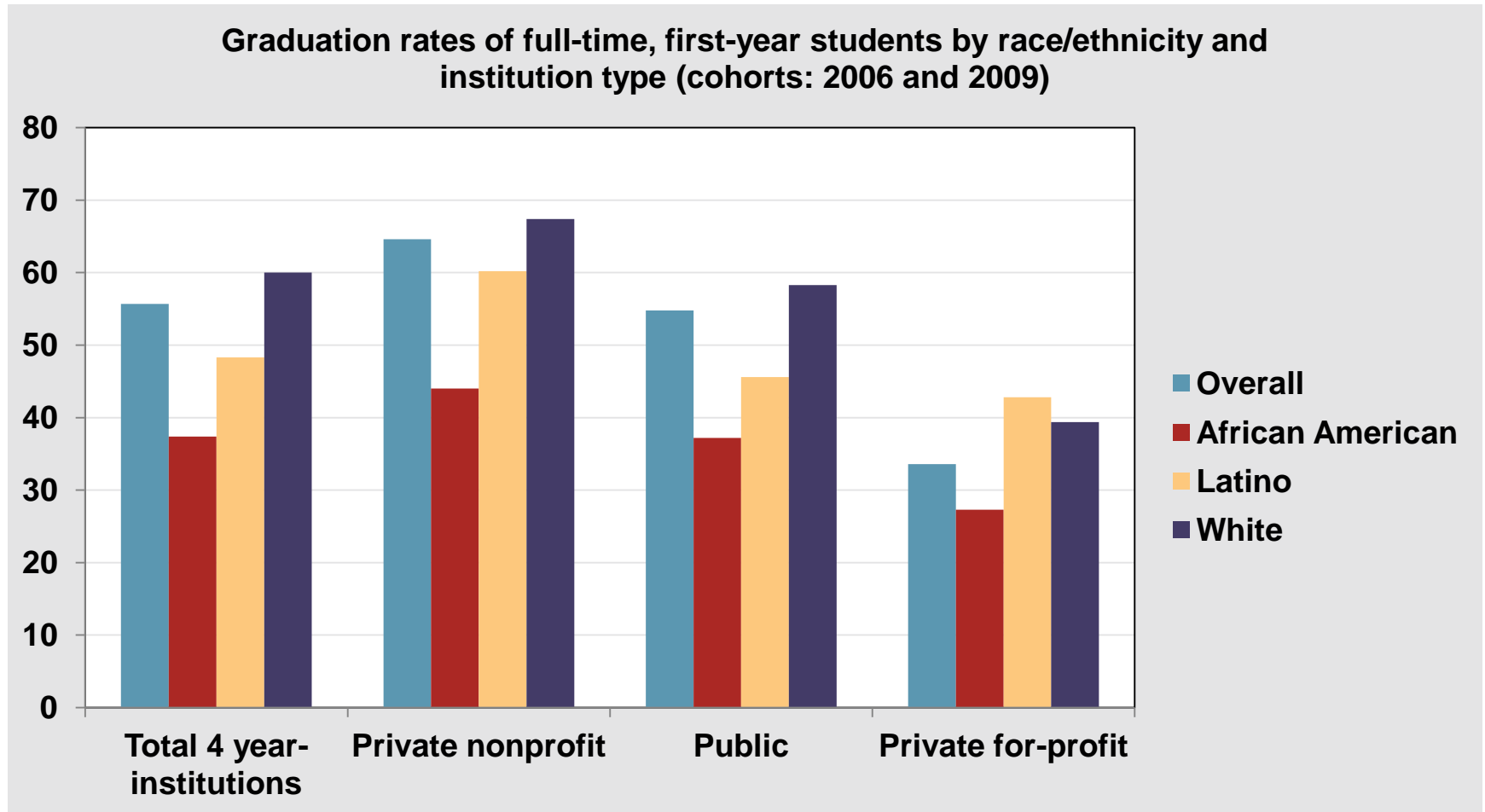
Students of color more likely to take out private student loans at for-profit schools



Source: Woodstock Institute analysis of National Postsecondary Student Aid Survey 2011-2012



Outcomes of for-profit college students



Source: National Center for Education Statistics, Graduation Rates, Selected Cohorts, 2004-09



For-profit college students are more likely to default on their loans

- For-profit institutions accounted for:
 - **11%** of all students enrolled in 2009-10
 - **32%** of those who entered repayment in 2010-11
 - **43%** of those who defaulted by the end of September 2012

Sources: National Center for Education Statistics, The Education Trust



Policy recommendations

- Gainful employment rule: make sure schools deliver on their promises
- School certification: avoid unnecessary private student loans
- Student Loan Borrower Bill of Rights
- Reform bankruptcy rules
- CFPB, AGs, Justice Dept, Department of Education enforcement actions
- CFPB rules for private student loans
- Better data

Sources: National Center for Education Statistics, The Education Trust



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