The Impact of the PROSPER Act on Underrepresented Students in For-profit Colleges

Brian Pusser & Matt Ericson
University of Virginia[1]

The PROSPER Act and Underrepresented Students in For-profit Higher Education

On December 1, 2017, Representative Virginia Foxx, the Chairwoman of the House Committee on Education and the Workforce, and Representative Brett Guthrie issued a short statement to accompany the introduction of H.R. 4508, the Promoting Real Opportunity, Success and Prosperity through Education Reform (PROSPER) Act. The PROSPER Act represents a long-awaited ninth reauthorization of the Higher Education Act. The Representatives' statement concluded, "The PROSPER Act is higher education's long overdue reform."[2]

While there are some changes to existing regulations and policies in the PROSPER Act (the Act) that will positively impact America's college students and the institutions that serve them, taken together, the proposals in the Act will not lead to significant reform. Instead, the Act is likely to negatively impact a wide array of students in higher education, and it will be particularly detrimental to students enrolled in for-profit colleges and universities. As a result, it will likely have the most disparate impact on Black, Hispanic, American Indian, and low-income students, as well as servicemembers using Post-9/11 GI Bill benefits in for-profit colleges. The provisions of the PROSPER Act will strengthen and legitimize the practices of for-profit colleges, many of which for decades have produced exceptionally low rates of student completion, saddled students with remarkable levels of debt and questionable prospects in the labor market. The Act is likely to increase the number of negative outcomes for many students. Beyond the human and financial costs to students, their families and communities, the provisions in the Act that lower standards of accountability and transparency will likely further enable practices that previously led to for-profit institutional weakness and failures, at considerable cost to taxpayers.

---

[1] Brian Pusser is an Associate Professor in the Higher Education program of the Curry School of Education, University of Virginia. Matt Ericson is a doctoral student in the Higher Education program at the Curry School of Education, University of Virginia.

[2] PROSPER Act Introduced in the House. Committee on Education and the Workforce. https://edworkforce.house.gov/news/documentsingle.aspx?DocumentID=402157 12/17/07; Also, Allie Bidwell. NASFAA Issues Summary of House Republicans' HEA Reauthorization Bill. 12/04/17

True reform must be based on evidence. The proposed changes and new additions to this reauthorization fail to sufficiently account for over two decades of research that predicts the likely impact of its proposals. The PROSPER Act relies on beliefs about the deregulation of for-profit colleges that are unsupported by history or evidence. In doing so, the Act privileges profit-making at the expense of the best interests of students and institutions in higher education.

As a result of the Act's failure to acknowledge evidence, students who enroll in for-profit universities will continue to garner outcomes less favorable than those by students in nonprofit private and public institutions. Those outcomes include the highest rates of failure to complete college degrees, higher debt loads for those who fail to complete and for those who do so, and the highest likelihood of defaulting on student loans. Those outcomes will hurt students, their families, communities and taxpayers across the nation.

The proposed changes in the Act will disparately impact underrepresented students on two dimensions. First, the Act would increase the amount of federal aid available to for-profit institutions through repealing the 90/10 rule, a regulation that requires institutions to garner a certain percentage of total income from other-than-federal revenue, by reducing the restrictions on incentive-based payments for recruiters in for-profit colleges, and by ending the Gainful-Employment standards. In doing so, the Act empowers a sector of higher education that has too-often generated undesirable outcomes for underrepresented students. Second, by eliminating loan forgiveness programs and borrower defense regulations, PROSPER will hurt students in for-profit colleges as they try to recover from high levels of debt and delinquency, whether they were able to complete their programs or not.

The evidence for the negative impact of PROSPER on underrepresented students in for-profit colleges is clear: when compared to students in public or nonprofit private institutions, students in for-profit colleges have lower average rates of completion, higher levels of debt, higher levels of delinquency, and higher levels of default. A 2018 analysis of for-profit colleges by staff of the Federal Reserve Bank of New York concluded, "Overall, our results indicate that, on average, for-profit enrollment leads to worse outcomes for students than enrolling in a public college or university."[3]

[3] Luis Armona, Rajashri Chakrabarti, Michael F. Lovenheim. *How Does For-Profit College Attendance Affect Student Loans, Defaults, and Labor Market Outcomes?* 2018

The data on outcomes is particularly salient for Black, Hispanic, and American Indian students enrolled in for-profit colleges. They have the lowest average rates of completion, the highest average levels of debt, and the highest rates of default in the postsecondary system.[4] The proposed new regulations and policies in the PROSPER ACT, if implemented by Congress, seem destined to make a difficult situation for underrepresented students worse.

For decades, policy makers, institutional leaders and scholars have debated efforts to increase college success for underrepresented minority students in America's colleges and universities. Black and Hispanic students, particularly those who are from families with low incomes[5] are less likely to enter college than other students and less likely to graduate.[6] In turn, Black students are more likely to borrow for college,[7] borrow more money than others in similar degree programs[8], and are at risk of high rates of loan-delinquency and default.[9] In a comprehensive study of the most recent six-year cohort of students who began at either a two-year or four-year college in 2010, Black students were less likely than White, Asian, American Indian or Hispanic students to have completed a degree, and were most likely to no longer be in college.[10]

Research on the success gap for underrepresented students in higher education has focused on an array of contexts and factors, including K-12 preparation and transitions,[11] family wealth and levels of educational attainment, curricular opportunities provided in high school, college counseling, and other information programs.[12] More recently, attention has been turned to the effectiveness of different institutional types in supporting and graduating underrepresented students, with studies ranging from technical training programs[13] and two-year institutions to Ivy

[4]Peter Smith and Leslie Parrish, *Do Students of Color Profit From For-profit Colleges?* (2014); Judith Scott-Clayton and Jing Li, "Black-White Disparity in Student Loan Debt (2016)
[5] Stella M. Flores, Toby J. Park and Dominique Baker, "The Racial College Completion Gap," (2017).
[6] Doug Shapiro, et al., "Completing College: A National View of Student Attainment Rates – Fall 2010 Cohort," Signature Report No. 12 (2017).
[7] Alisa F. Cunningham and Gregory S. Kienzle, "Delinquency: The Untold Story of Student Loan Borrowing." (2011).
[8] Judith Scott-Clayton and Jing Li, "Black-White Disparity in Student Loan Debt (2016); Sara Goldrick-Rab, Robert Kelchen and Jason Houle, "The Color of Student Debt," (2014).
[9] Peter Smith and Leslie Parrish, *Do Students of Color Profit From For-profit Colleges?* (2014).
[10] Scott A. Ginder, Janice E. Kelly-Reid, and Farrah B. Mann. *Graduation Rates*; Doug Shapiro, et al., "A National View of Student Attainment Rates by Race and Ethnicity," (April 2017).
[11] Flores, Park and Baker, "The Racial College Completion Gap," (2017).
[12] Sean F. Reardon, Rachel Baker, and Daniel Klasik, *Race, Income, and Enrollment.*
[13] Megan M. Holland, and Stephanie DeLuca, "Why Wait?" 261-78.

League schools.[14] Within this institutional focus, one set of institutions – for-profit colleges – have proven particularly problematic. Nearly four times as many students were enrolled in 4-year for-profit colleges as were enrolled in 2-year for-profit colleges. In this paper we focus our attention on 4-year for-profit institutions, while acknowledging the critical importance of student success in every institutional type.

For-profit Universities – A Legacy of Controversy

Since the implementation of the GI Bill over sixty years ago, for-profit universities have been a controversial sector in degree-granting higher education. While for-profit production of higher education certificates and degrees dates back more than a century, until the emergence of publicly traded for-profit education corporations in the early 1990s, the numbers of students and institutions in the sector were a small percentage of all postsecondary enrollments. In 2000, there were approximately 450,000 students in the for-profit sector. By 2015 that number had grown to some 1.3 million students.[15] Annual lobbying on for-profit education also rapidly increased, from less than one-million dollars to over ten-million dollars between 2000 and 2011.[16] The pace of growth in for-profit institutions rapidly accelerated the demand for student loans, and contributed to a concurrent, remarkable increase in student loan debt.

Because of the potential risks to students and taxpayers posed by poor performance and institutional failure in the for-profit sector, demands for additional oversight culminated in hearings held by the Senate Health, Education, Labor and Pensions Committee, with a report issued in 2012. The majority committee staff report found that taxpayers were investing more than $30 billion a year in companies that operated for-profit colleges. That constituted more than 25% of the total Department of Education student aid program funds, despite enrollments in 4-year for-profit colleges constituting less than 10% of total enrollments in that year. The committee expressed concern over the disproportionate share of Pell Grants going to for-profit colleges. In the year 2000, students attending for-profit colleges received 1.1 billion dollars in Pell grant funding. By 2009-10 that number had grown to $7.5 billion. The Senate committee

[14] Sara Goldrick-Rab, Robert Kelchen and Jason Houle, "The Color of Student Debt," (2014); Raj Chetty, John Friedman, Emmanuel Saez, Nicholas Turner, and Danny Yagan, "Mobility Report Cards."
[15] Luis Armona, Rajashri Chakrabarti, Michael F. Lovenheim. *How Does For-Profit College Attendance Affect Student Loans, Defaults, and Labor Market Outcomes?* 2018
[16] "For-profit Education: Lobbying 2018." OpenSecrets.org. Center for Responsive Politics.

report noted, "Yet, more than half of the students who enrolled in those colleges in 2008-9 left without a degree or a diploma within a median of 4 months."[17]

How Is This Possible?

How is it possible that a sector of higher education with ineffective performance relative to nonprofit private and public colleges receives such a disproportionate share of federal funding? Over the past thirty years, for-profit colleges have arguably been supported through federal policies less for their performance than as part of a movement to provide an alternative to provision of higher education through public institutions, and to demonstrate that market-driven institutions with profit incentives would outperform both public and nonprofit colleges and universities.[18] Based on the evidence of the past two decades, it has been a costly experiment in market provision of higher education, one that has failed too many students, their families and the taxpayers of the United States. For-profit graduation rates lag behind those of public and nonprofit private institutions. Students in for-profit institutions use a far-higher percentage of student loan funds than their enrollment numbers would predict, they are far more likely to default on their loans, and those who enter the workforce too often do not find good jobs that can help them repay the public investment in their education.

Yet despite the evidence from an array of research studies and policy reports over the years, the experiment continues. Not only that, the reauthorization proposed through the PROSPER Act promises to further support for-profit participation in the higher education arena, proposing fewer constraints on acquiring student loans, less accountability for labor market outcomes, and reduced relief for students who have been poorly served by for-profit institutions. To fully understand the magnitude of the problem calls for attention to the evidence on student participation in for-profit colleges and the research on what becomes of those students.

[17] United States Senate. Health, Education, Labor and Pensions Committee. For Profit Higher Education: The Failure to Safeguard the Federal Investment and Ensure Student Success. Page 1. July 30, 2012.
[18] Brian Pusser. A State-theoretical approach to understanding contest in higher education. *Higher Education, Stratification, and Workforce Development.* Sheila Slaughter and Barret J.Taylor (eds.) Springer Press. 2018

Student Demographics in Higher Education in the United States

Total enrollments

As Figure 1 shows, there were about 11,000,000 undergraduate students enrolled in 4-year colleges and universities in 2016, of which about 980,000 were in 4-year, for-profit institutions.

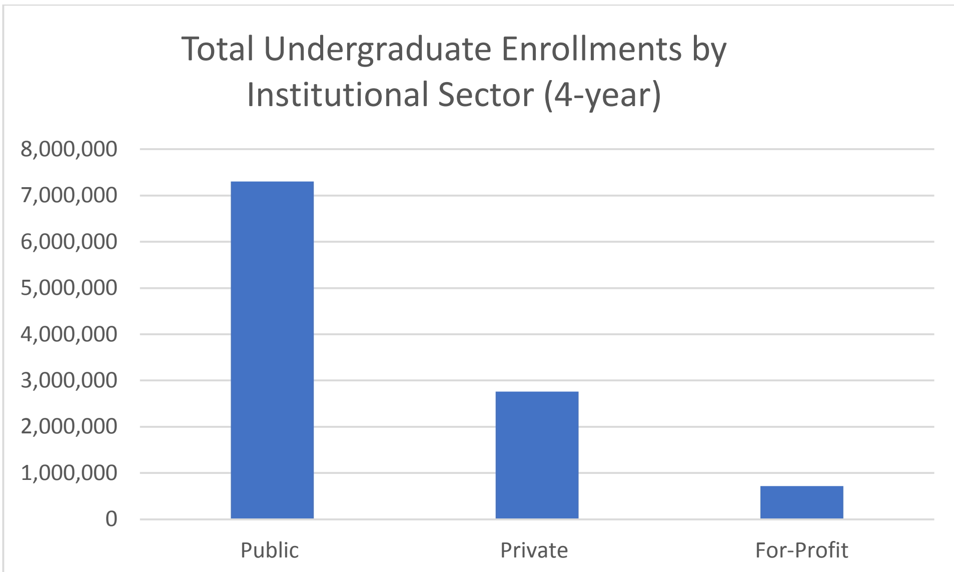

Figure 1: Source: NCES Table 306.50 "Total fall enrollment in degree-granting postsecondary institutions, by control and classification of institution, level of enrollment, and race/ethnicity of student: 2016

Some 6,000,000 students were enrolled in 2-year institutions, with about 200,000 students in 2-year, for-profit colleges (Figure 2).

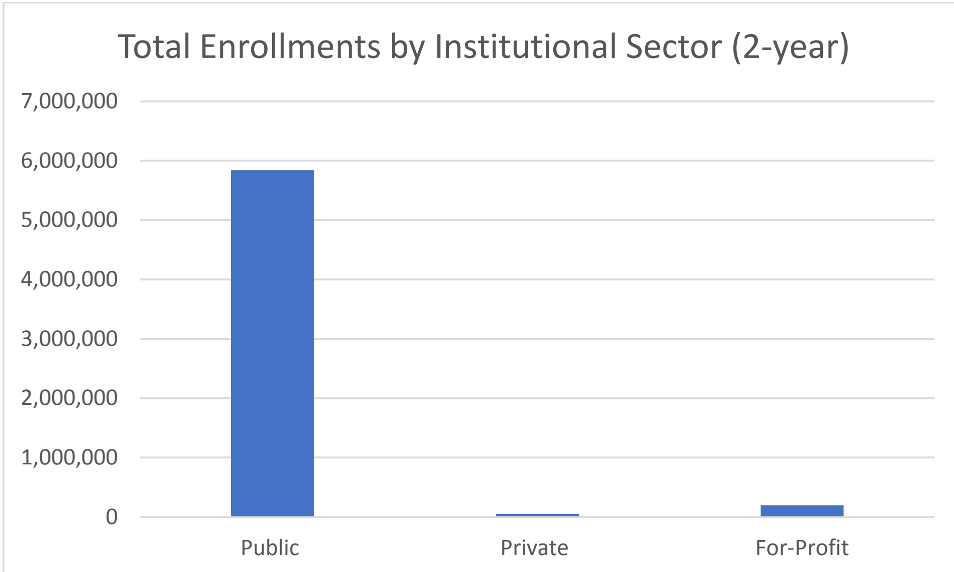

Figure 2: Source: NCES Table 306.50 "Total fall enrollment in degree-granting postsecondary institutions, by control and classification of institution, level of enrollment, and race/ethnicity of student: 2016"

Race/Ethnicity and Enrollments

Enrollments in 4-year colleges

In 2016, 59.5% of students enrolled in 4-year, public institutions were White, 13.1% were Black, 11% were Hispanic, 6.8% were Asian, 3.8% were multi-racial and 0.7% were American Indian/Alaska Native. In 4-year, private nonprofit institutions, 64.9% of students were White, 13.2% were Black, 10.6% were Hispanic, 6.3% were Asian, 3.4% were multi-racial and 0.5% were American Indian/Alaska Native.

Enrollments in 4-year, private for-profit institutions were distinctly different: 45.9% of students were White, 30.2% were Black, 15.2% were Hispanic, 3.8% were Asian, 3.2% were multi-racial and 1% were American Indian/Alaska Native (Figure 3).[19]

[19] U.S. Department of Education, Fall Enrollment component. See *Digest of Education Statistics 2017*, table 306.50.

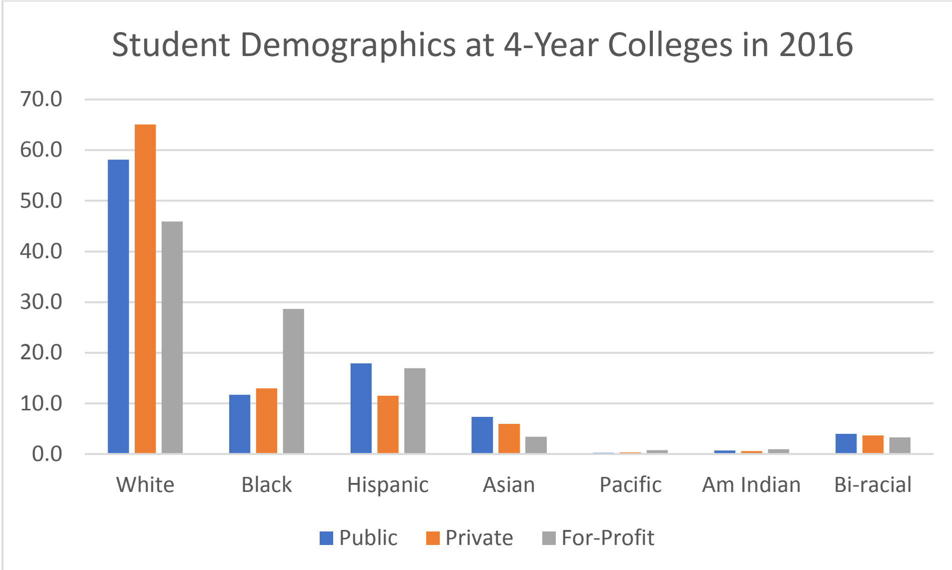

Figure 3: Source: NCES Table 306.50 "Total fall enrollment in degree-granting postsecondary institutions, by control and classification of institution, level of enrollment, and race/ethnicity of student: 2016"

Enrollments in 2-Year colleges

Enrollments in 2-year colleges in 2016 were also distinctly different than for 4-year colleges. In public 2-year colleges, 50.6% of students were White, 13.7% were Black, 25% were Hispanic, 6.1% were Asian, 3.2% were multi-racial, and 1% were American Indian/Alaska Native.

Private nonprofits constituted a very small percentage of two-year enrollments. Some 44% of enrolled students were White, 35% were Black, 13% were Hispanic, 3% were Asian, 3% were multi-racial and 2% were American Indian/Alaska Natives.

While for-profit 2-year institutions comprised only 3.2% of total 2-year enrollments in 2016, they enrolled the highest percentage of underrepresented students of any degree-granting institutional type. Some 36.4% of students in 2-year private, for-profit schools were White, 30.3% were Black, 24.9% were Hispanic, 3.8% were Asian, 2.8% were multi-racial and 1.1% were American Indian/Alaska Natives (Figure 4).[20]

[20] U.S. Department of Education, Fall Enrollment component. See *Digest of Education Statistics 2017*, table 306.50.

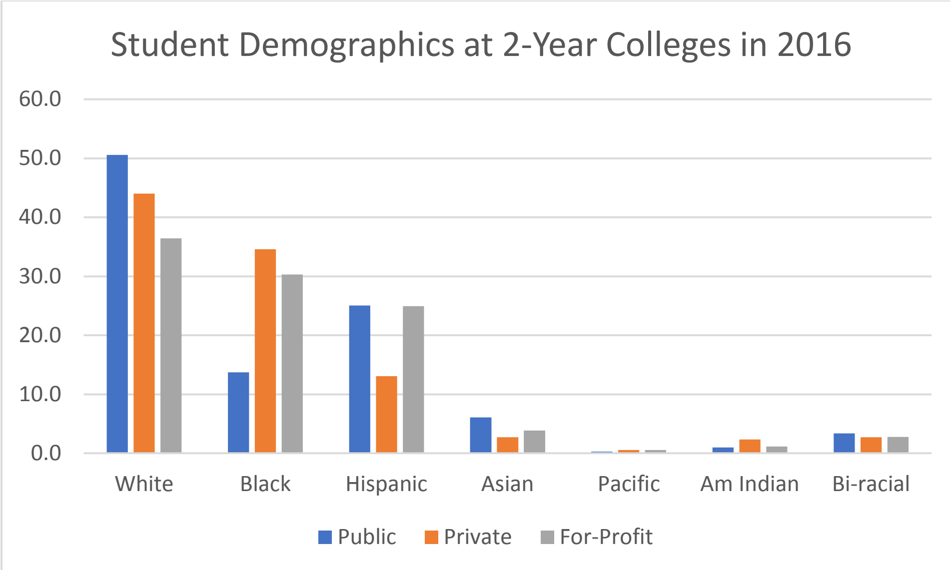

Figure 4: Source: NCES Table 306.50 "Total fall enrollment in degree-granting postsecondary institutions, by control and classification of institution, level of enrollment, and race/ethnicity of student: 2016"

Graduate enrollments

About two-thirds of students in post-baccalaureate degree programs in public institutions were White, and approximately the same was true for private nonprofit institutions. Black students constituted about 11% of enrollments in post-baccalaureate degree programs in nonprofit public, and about 13% of private nonprofit institutions. Hispanic students comprised about 10% of enrollments in post-baccalaureate programs in both the public and private nonprofit sectors. American Indian/Alaska Natives made up approximately 1% of enrollments in each sector.

Black students comprised over 34% of students in for-profit post-baccalaureate programs, primarily in master's programs, Hispanic students made up 10% of the for-profit post-baccalaureate enrollments, with White students constituting 47% of students enrolled in the for-profit graduate sector (Figure 5).[21]

[21] U.S. Department of Education, Fall Enrollment component. See *Digest of Education Statistics 2017*, table 306.50.

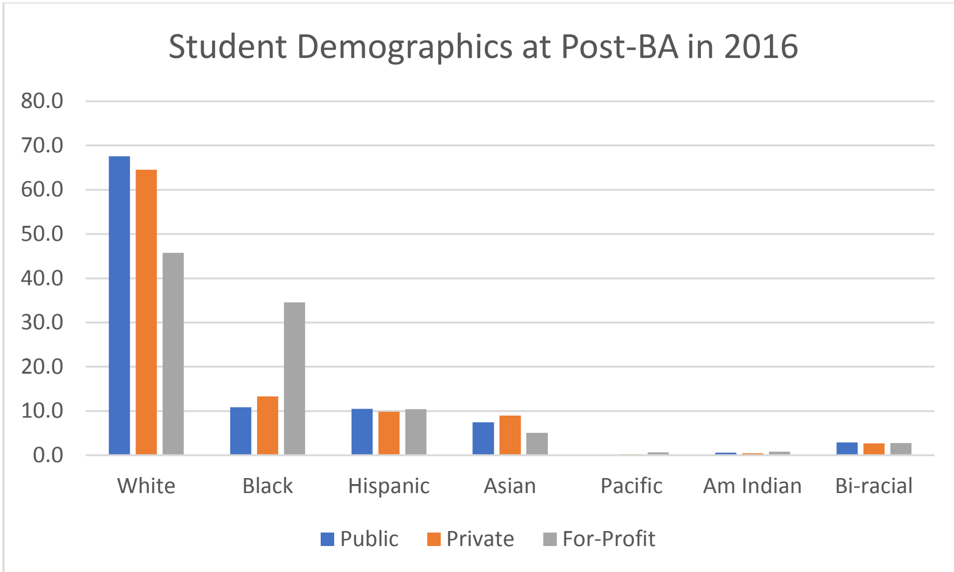

Figure 5: Source: NCES Table 306.50 "Total fall enrollment in degree-granting postsecondary institutions, by control and classification of institution, level of enrollment, and race/ethnicity of student: 2016"

Enrollment by race and institutional type

There are some notable disparities in the percentage of students from different racial/ethnic groups who entered for-profit institutions. In 2016, of White students who were enrolled in a 4-year college, 66.8% were enrolled in public institutions, 27.8% were enrolled in private institutions, and just over 5% were enrolled in for-profit colleges. For Hispanic students enrolled in 4-year colleges, 74.9% were enrolled in public colleges, 17.9% were enrolled in private nonprofit colleges, and 7.1% enrolled in a for-profit college. Of Black students enrolled in 4-year colleges, 60.3% were enrolled in public colleges, 24.8% were enrolled in private, nonprofit colleges, and 14.8% were enrolled in for-profit colleges (Figure 6). The percentage of Black students who chose a for-profit college was three times that of White students, and twice that of Hispanic students.

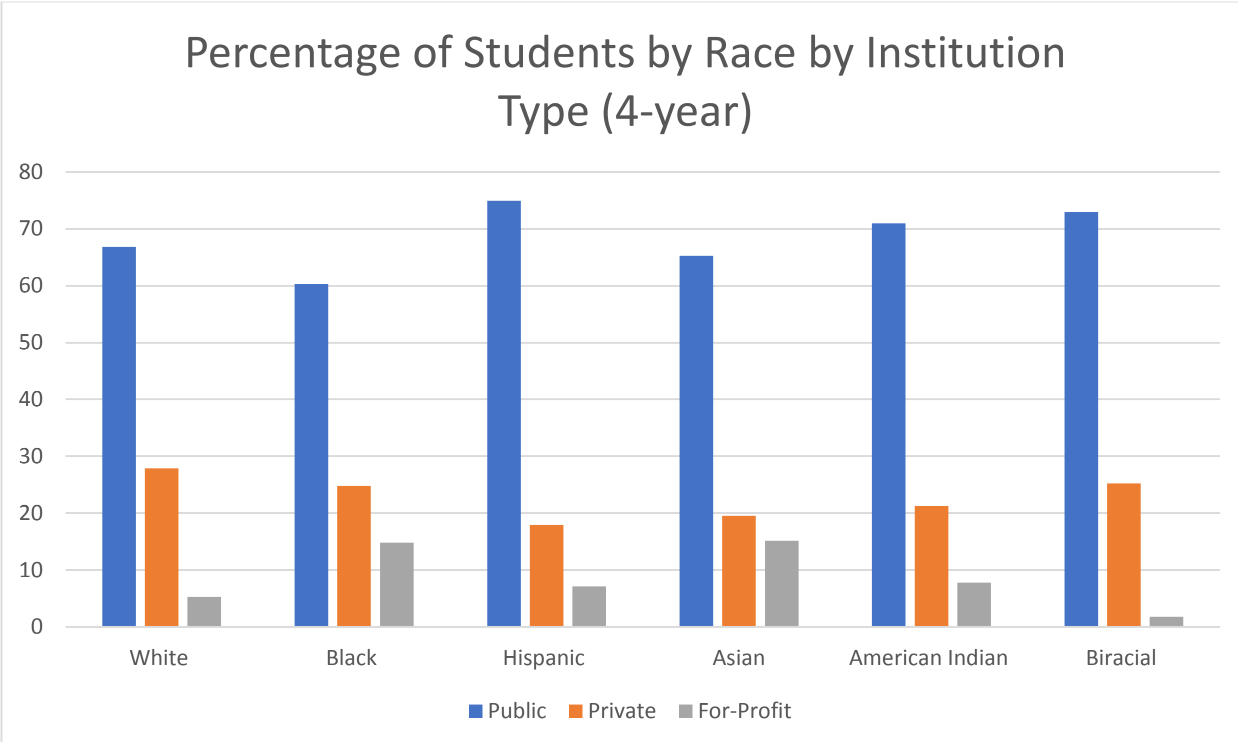

Figure 6: Source: NCES Table 306.50 "Total fall enrollment in degree-granting postsecondary institutions, by control and classification of institution, level of enrollment, and race/ethnicity of student: 2016"

The same pattern emerges in the data on the percentage of students by race and institution type for 2-year colleges. The percentage of Black students who chose a for-profit 2-year college was twice the percentage of Hispanic students who did so, and three times the percentage of White students in two-year colleges who chose to attend a for-profit college (Figure 7).

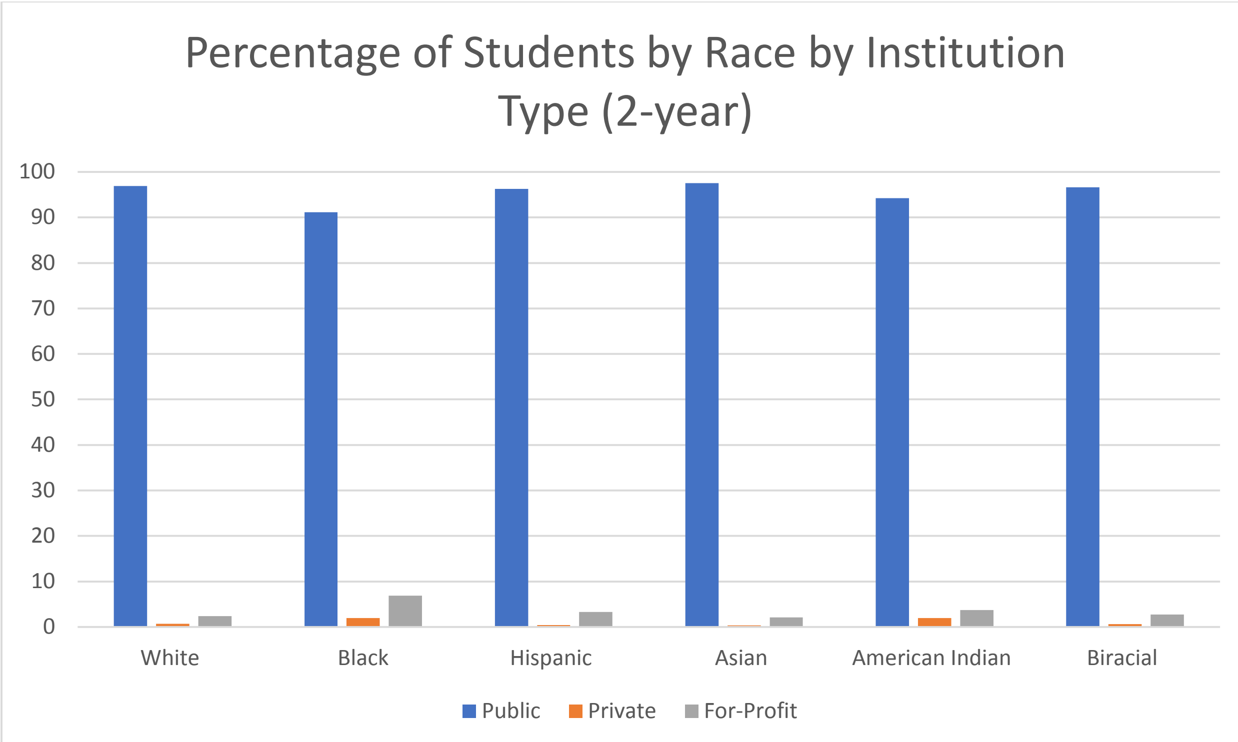

Figure 7: Source: NCES Table 306.50 "Total fall enrollment in degree-granting postsecondary institutions, by control and classification of institution, level of enrollment, and race/ethnicity of student: 2016"

The enrollment of students in post-baccalaureate programs shows a disproportionate percentage of Black students who chose to obtain graduate education in for-profit colleges in comparison with other groups. Almost one-quarter (24.4%) of Black students who enrolled in a post-baccalaureate program chose a for-profit college. For Hispanic students who chose to attend a post-baccalaureate program, 10.3% chose a for-profit college, while 7.2% of White students who enrolled post-baccalaureate programs chose a for-profit college (Figure 8).

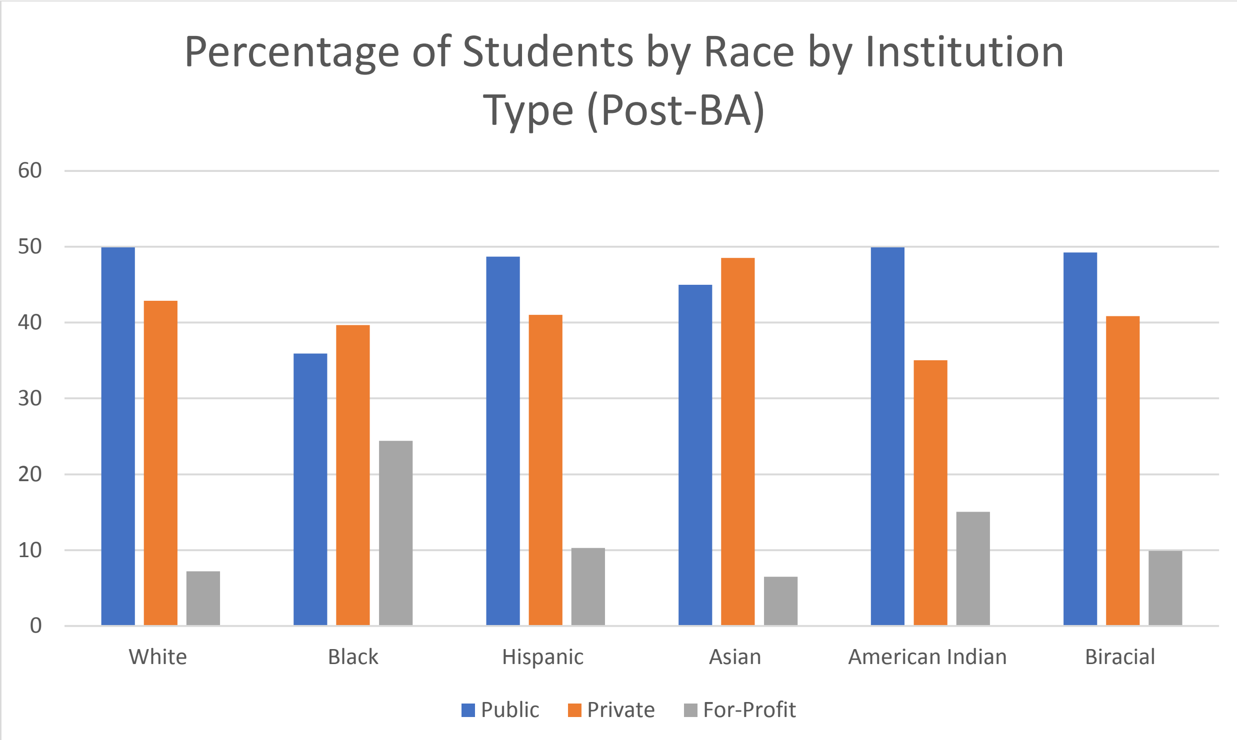

Figure 8: Source: NCES Table 306.50 "Total fall enrollment in degree-granting postsecondary institutions, by control and classification of institution, level of enrollment, and race/ethnicity of student: 2016"

Underrepresented Students and College Completion

Fully documenting college completions by race/ethnicity has been a longstanding challenge for researchers. This is due in part to incomplete data on student transitions, including a lack of data on students who complete college at a different institution than the one in which they initially enrolled, and significant challenges in accounting for students who transfer from 2-year colleges.[22]

First-time enrollees at 4-year colleges

For full-time, first-time students enrolled in 2009 in 4-year institutions, the overall six-year graduation rate was 59.4%. That number varied widely by race/ethnicity and institutional type. The overall graduation rate for White students was 63.3%, for Black students it was 39.5%, for Hispanic students the graduation rate was 53.6%, and for Asian students it was 73%.

[22] Doug Shapiro, et al., "A National View of Student Attainment Rates by Race and Ethnicity," (April 2017).

The White-Black completion gap was over 23 percentage points, the White-Hispanic gap was just under 10 percentage points, the Asian-White gap was just under 10 percentage points, the Asian-Black gap was just over 33 percentage points, and the Asian-Hispanic completion gap was over 19 percentage points (Figure 9).

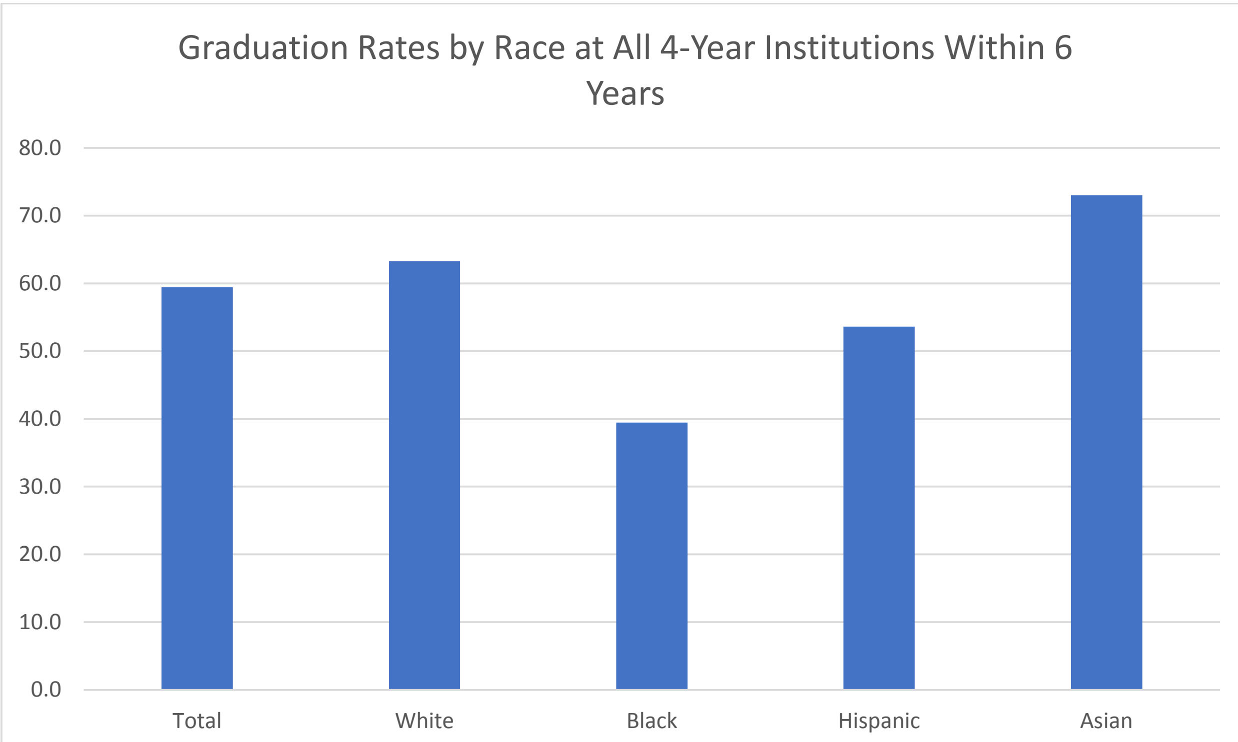

Figure 9: Source: NCES: Table 306.50. "Total fall enrollment in degree-granting postsecondary institutions, by control and classification of institution, level of enrollment, and race/ethnicity of student: 2016"

College Completion by Race/Ethnicity and Institutional Type

First-time enrollees in 4-year colleges

The graduation rates for students in different institutional types also varied significantly. In public 4-year institutions, the gap in the rate of graduation within six years between first-time White and Black students who began in 2009 was 22 percentage points. For White and Hispanic students the gap was about 9 percentage points, while the gap between White students and American Indian/Alaska Native students was 24 percentage points. Asian students had the highest graduation rates, with the gap between Asian and White students at 8 percentage points.

In 4-year private nonprofit institutions the gap in completion between White and Black first-time students who began in 2009 was 25 percentage points (Figure 10).

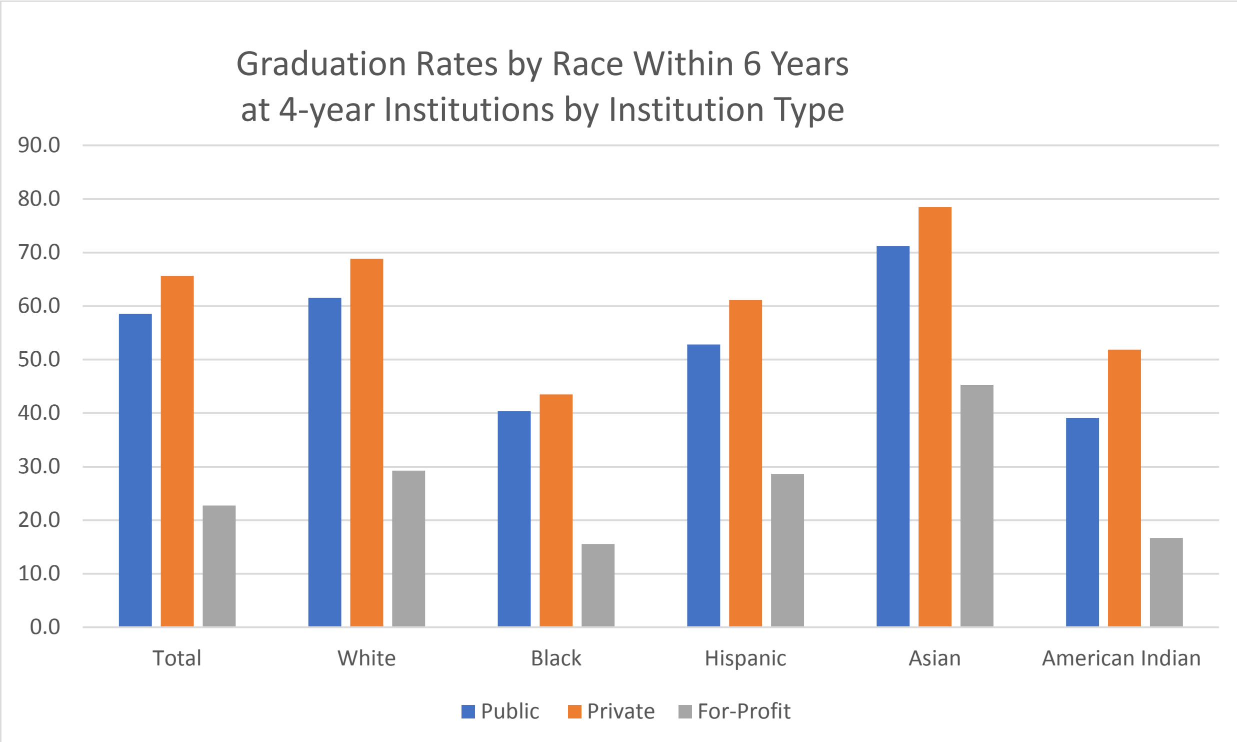

Figure 10: Source: NCES: Table 326.10. Graduation rate from first institution attended for first-time, full-time bachelor's degree-seeking students at 4-year postsecondary institutions, by race/ethnicity: 2016"

<u>*First-time enrollees in 2-year institutions*</u>

The rates of completion of certificates or associate's degrees within three years of enrolling in a 2-year college are also a cause for concern. The overall completion rate for the cohort beginning in 2012 was 31.6%. Some 33.2% of White students, 24.7% of Black students, 32.4% of Hispanic students, 26.9% of American Indian/Alaska Native and 38.4 percent of Asian students completed certificates or associate's degrees. [23] The completion gap between White and Black students was 8 percentage points, while the gap between Asians and Whites was just over 5 percentage points (Figure 11).

[23] U.S. Department of Education, National Center for Education Statistics, IPEDS, Winter 2015–16, Graduation Rates component (provisional data).

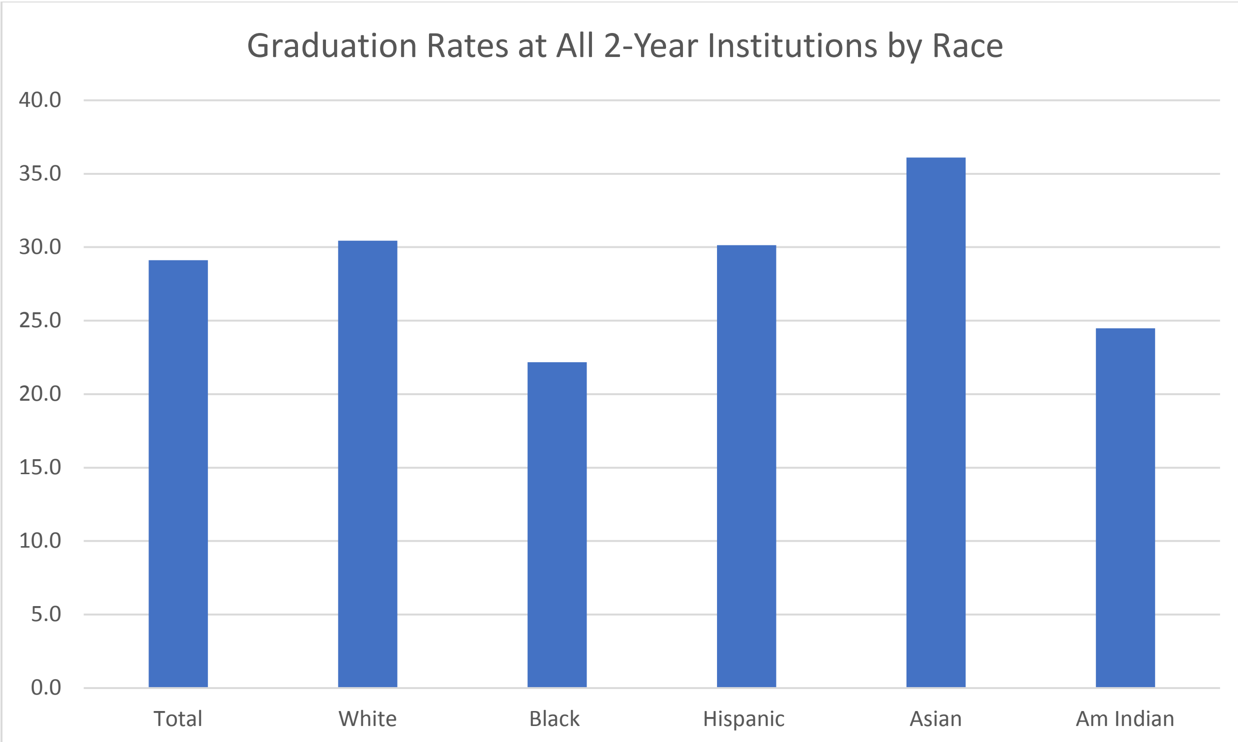

Figure 11: Source: NCES: Table 326.20. "Graduation rate from first institution attended within 150 percent of normal time for first-time, full-time degree/certificate-seeking students at 2-year postsecondary institutions, by race... Cohort entry year 2012"

First-time enrollees by race in 2-year institutions

While only 3.2% of students enrolled in 2-year colleges enroll in for-profit colleges, it is the degree-granting sector in which the rate of completion for students in for-profit and nonprofit institutions is most similar (Figure 12). A recent research study by Cellini and Turner found that the cost of for-profit 2-year programs is five-times higher than the cost of nonprofit public 2-year institutions.[24] One challenge in evaluating these data is that federal data do not disaggregate associate's degrees from the wide array of certificate programs available.

[24] Cellini, Stephanie R., Nicholas Turner. Gainfully Employed? Assessing the Employment and Earnings of For-Profit College Students Using Administrative Data. NBER Working Paper No. 22287

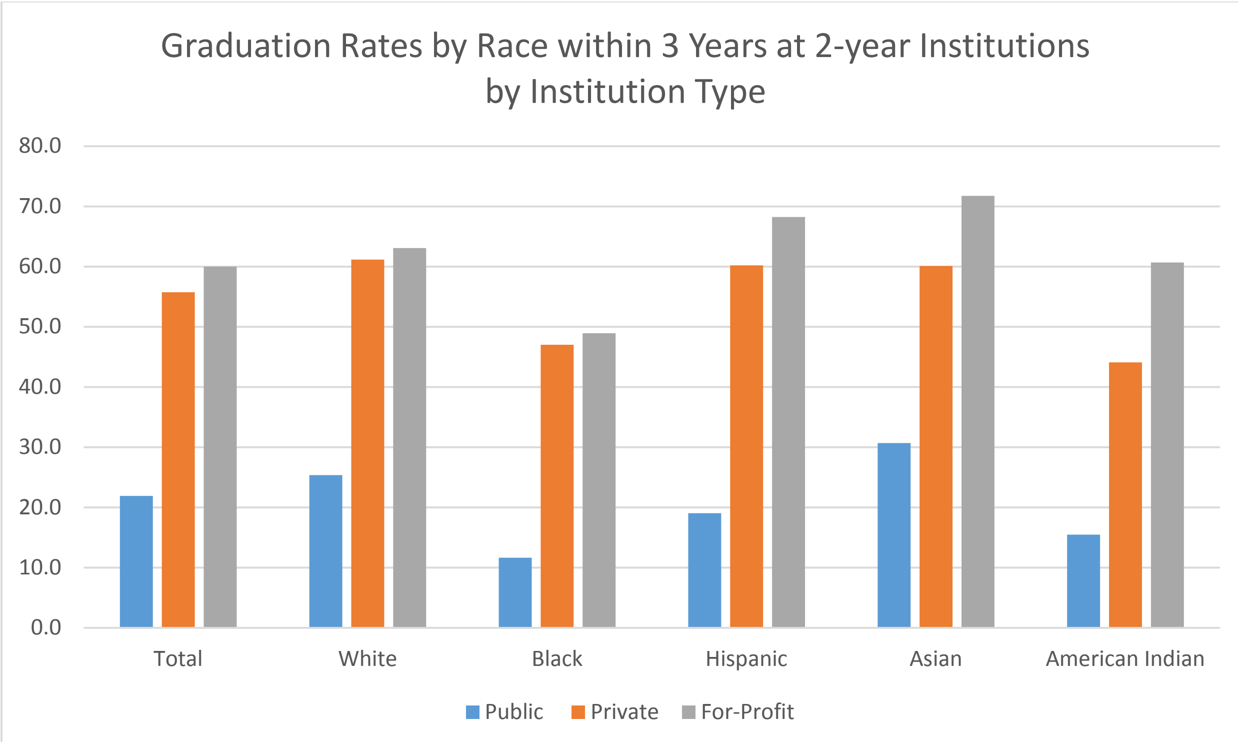

Figure 12: Source: NCES: Table 326.20. "Graduation rate from first institution attended within 150 percent of normal time for first-time, full-time degree/certificate-seeking students at 2-year postsecondary institutions, by race. Cohort entry year 2012""

Completion rates for attendance at more than one institution

A study by the National Student Clearinghouse (NSC)[25] provides data on college completion for those students who began their undergraduate studies in public institutions in 2010 and attended more than one institution. It shows that about 25% of graduates who began at a public 4-year college when they were 20 years old or younger completed at a different institution than the one in which they initially enrolled. For the age group 20-24 that figure was 18.6%, and for those who began when over 24 years old, 16.2% completed college at a different institution than the one in which they initially enrolled. The NSC does provide statistics on outcomes for the 2010 cohort by race and ethnicity using a purposeful sample designed to address completion rates by different racial and ethnic groups. It found that after six years, 62% of White students had completed a degree, with 11.2% still enrolled. This compares to 38% of Black students who had completed a degree, with 17.4% still enrolled. For Hispanic students,

[25] Doug Shapiro, et al. "Completing College: A National View of Student Attainment Rates – Fall 2010 Cohort."

45.8% had completed a degree, with 19.2% still enrolled, and for Asian students, 63.2% had completed a degree, with 16.8% still enrolled. Taken together, 56.2% of students in the sample of the 2010 cohort had completed a bachelor's degree, with 13.2% still enrolled.

For those students who began in 2010 and attended more than one 2-year institution before completion, 29.5 percent had earned an associate's or bachelor's degree (in some cases both). For White students, 31.4% had done so, for Black students, 20.6% had done so, for Hispanic students 27.4% had completed a degree, and for Asian students, 30.6% had done so.

Overall degree attainment

The net effect of our current enrollment and completion patterns for all institution types is that in 2015, for those between the ages of 25 and 29, only 13% of Hispanic males, 18% of Hispanic females, 24% of Black females, and 19% of Black males had completed at least a bachelor's degree. This compares to 45% of White females and 38% of White males.[26]

A World Apart: Completion Rates in For-Profit Universities

While the completion rates in public and private nonprofit colleges and universities are cause for concern, the completion rates for students in for-profit colleges have been described as a crisis. Less than one-fourth (22.7%) of all students who began in for-profit institutions in 2009 had earned a degree by 2015 (Figure 10). The overall six-year graduation rate for first-time students in for-profit colleges who began in 2009 (22.7) was barely one-third that of students in all institutions (59.4%). The gap between nonprofit public and for-profit institutions was 35.9 percentage points, and the gap between private nonprofits and private for-profits was 42.9 percentage points. Put another way, first-time students in the 2009 cohort who entered for-profit institutions were nearly three times as likely not to graduate in six years as those who entered public institutions. They were also almost three times as likely not to graduate as those who entered private nonprofit institutions (Figure 10).

Underrepresented students in for-profit institutions

Just under 30% of White students who began in for-profit colleges completed in six years, a figure which is less than half of the graduation rate for White students in all institutional

[26] National Center for Education Statistics. The Condition of Education 2016. NCES 2016144.

types combined. Fewer than one in six Black students (15.5%) completed a 4-year degree in a for-profit college in six years. While 28.7% of Hispanic students completed a degree in six years, 52.8% of Hispanics in 4-year public institutions graduated in six years, and 61.1% of Hispanics in nonprofit private institutions graduated in that time frame. Some 16.7% of American Indian/Alaska Native students, and 45.3% of Asian students completed degrees from 4-year for-profit colleges within six years (see Figure 10).

Student loans, debt, delinquency and default

Student Loan Debt

Between 2000 and 2014, the outstanding balances on guaranteed student loans in the United States more than tripled, from $310 billion to $1.1 trillion. The number of borrowers more than doubled, to over 40 million students, and default rates reached the highest level in two decades.[27] Students in for-profit 4-year institutions were considerably more likely to borrow than students in nonprofit institutions, they borrowed more money, they were more likely to become delinquent on their loans, and were significantly more likely to default on their loans. This is in part because students in 4-year for-profit colleges who received financial aid paid the highest average net price of attendance for students in any sector. They were also more likely to borrow larger amounts of money to fund college attainment.[28] As Smith and Parrish found, "Among those who borrow at four-year institutions, over one-third of for-profit students take out $8,900 or more in a single year, compared with just 10% and 14% of students attending public and private nonprofit schools respectively." They also found that over 60% of graduates of for-profit colleges owed more than $24,000, compared to 45% of students in nonprofit private schools, and 29% of those who graduated from nonprofit public universities.[29] Their findings on two-year for-profit programs are even more stark: while 28% of those who completed public two-year programs graduated with more than $6,000 in debt, 75% of completers in for-profit colleges graduated with that level of debt. Completers in two-year for-profit colleges were

[27] Adam Looney and Constantine Yanellis. The Crisis in Student Loans? How Changes in the Characteristics of Borrowers and in the Institutions they Attended Contributed to Rising Loan Defaults. Abstract, and Comment by Karen Pence. Brookings Paper on Economic Activity. Fall 2015.
[28] Alisa F. Cunningham and Gregory S. Kienzle, "Delinquency"; Judith Scott-Clayton and Jing Li, "Black-white disparity"; Peter Smith and Leslie Parrish, *Do Students of Color Profit From For-profit Colleges?* (2014)
[29] Peter Smith and Leslie Parrish (2014), 11.

nearly three times more likely to owe more than $24,300 upon graduation (17%) than were students in nonprofit public two-year institutions (6%).[30]

Loan Default

The most recent data from the Department of Education show that in 2014, there were just over 580,000 students in default on student loans. Of those, just over 194,000 had been enrolled in for-profit colleges. Some 35% of all defaults were generated in the for-profit sector, which enrolled approximately 10% of all students in degree-granting postsecondary institutions.[31] The DOE data show an overall student loan default rate in public colleges of 11.3%, a default rate of 7.4% for private nonprofit colleges, and for the for-profit sector the default rate was 15.5% (Figure 13).

Students in for-profits also use disproportionate amounts of both federal grants and loans. Smith and Parrish (2014) found that while 13% of students were enrolled in for-profit institutions, they received 20% of Pell grant dollars, 21% of federal direct dollars, and 37% of the Post 9/11 GI Bill funding.

---

[30] Peter Smith and Leslie Parrish (2014), 13.

[31] Comparison of FY 2014 Official National Cohort Default Rates to Prior Two Official Cohort Default Rates Calculated August 5, 2017. Federal Student Aid – An Office of the U.S. Department of Education. https://www2.ed.gov/offices/OSFAP/defaultmanagement/cdr.html

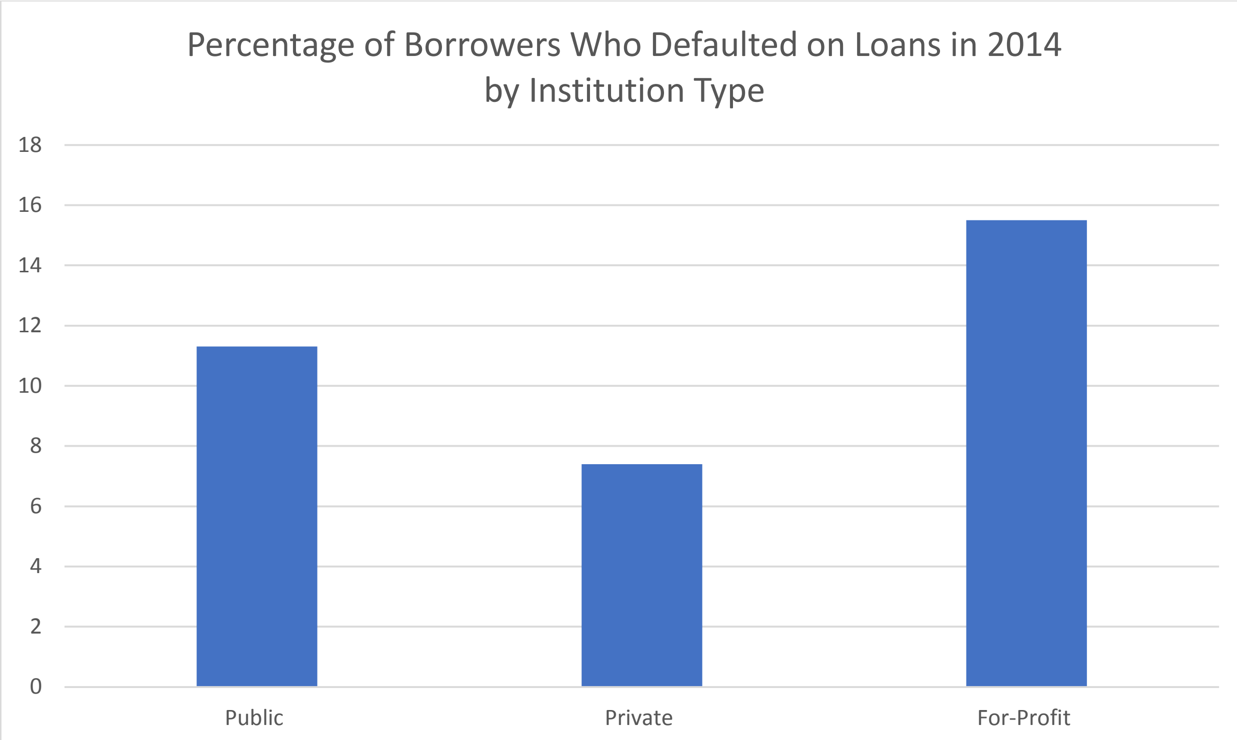

Figure 13: "Comparison of FY 2014 Official National Cohort Default Rates to Prior Two Official Cohort Default Rates." Calculated August 5, 2017. Federal Student Aid –Office of the U.S. Department of Education.

Underrepresented students and loan debt

Black students are more likely to borrow to finance higher education than any other group enrolled in higher education. A study by Goldrick-Rab, Kelchen & Houle[32] noted that in 2011/12, over half (52.3%) of Black students had taken out a student loan, compared to 43.0% of American Indian students, 41.9% of White students, 35.6% of Hispanic students, and 28.4% of Asian students.

Based on data from 2012, among those who graduate from college, some 81% of Black students held debt from attending public colleges with 86% holding debt from attending private nonprofit colleges. This compares to 63% of Hispanic students who graduated holding debt from public colleges and 87% who graduated holding debt from private colleges, while 63% and 72% of White students incurred debt while graduating from public and private colleges respectively. Both Black and Hispanic students borrowed more than any other groups in the

[32] Sara Goldrick-Rab, Robert Kelchen and Jason Houle, Table 1: Federal loan takeup rates and amounts borrowed by institutional type and race/ethnicity, 1995-96 to 2011-12. Panel A: Any federal loan. "The Color of Student Debt," (2014).

process of attaining bachelor's degrees from both public and private nonprofit colleges and universities, with Blacks averaging $35,477 dollars in debt from private nonprofit completion, $29,344 from private nonprofit completion, while Hispanic students averaged debt of $36,266 from private nonprofit completion and $23,444 from public nonprofit degree attainment.[33]

A similar situation prevails in public two-year colleges, where recent data show some 57% of Black students borrow to complete their degrees, in contrast to 43% of White students, 35% of Hispanic students and 19% of Asian students. This, while the percentage of students taking out loans has been increasing over the past two decades. As Huelsman[34] noted, "The link between dropping out and struggling to repay loans is strong." In nonprofit public and private colleges, both two-year and four-year, Black students who borrow were more likely than either White or Hispanic student borrowers to drop out.

Among students who do complete college, there is a significant disparity between underrepresented students and White students in total student loan debt four years after completing college, and in the percentage of students who default. Using data for students who graduated in 2008, Scott-Clayton and Li found that while Hispanic students owed slightly more than White or Asian students, Black students owed nearly twice as much as White students, ($52,726 and $28,006 respectively). Black student borrowers were more than three times as likely to default on student loans within four years than were White student borrowers, while Hispanic student borrowers were more than twice as likely to default as were White student borrowers.[35]

The student debt crisis hits hardest on underrepresented students in for-profit colleges. For borrowers who entered repayment in 2011-2012, the rate of default for students in four-year institutions two years after beginning repayment was twice as high in for-profits as in public nonprofits, and more than 2.5 times higher when comparing for-profits to private nonprofits. Eighteen percent of students who graduated from 4-year for-profits were in default two years after entering repayment, and 28% of students in 4-year for-profits who did not graduate were in

[33] Mark Huelsman, *The Debt Divide*, (2015).
[34] Mark Huelsman, *The Debt Divide*, (2015), 17.
[35] Judith Scott-Clayton and Jing Li, "Black-white disparity in student loan debt."

default.[36] A study by Looney and Yanellis found that after five years, a remarkable 47% of the 2009 cohort of for-profit borrowers had defaulted on a federal student loan.[37]

The PROSPER Act and Proposed Deregulation of For-Profits

Policy contests over the eligibility of for-profit colleges to receive federal aid go back to the Serviceman's Readjustment Act (GI Bill), at which time proprietary schools were included in the omnibus bill.[38] After considerable debate, Title IV of The Higher Education Act of 1965 (HEA) created the Guaranteed Student Loan (GSL), the first large-scale portable student loan program for higher education in the United States. The reauthorization of 1972 added the Basic Educational Opportunity Grant (BEOG) and proprietary colleges to the set of eligible institutions. Over the past 40 years, and through eight reauthorizations, there has been considerable debate over funding for proprietary colleges. One area of contention has concerned the percentage of total institutional revenue that may be generated from federal funds, and the type of funding that should be included in that calculation, as, for example, revenue to colleges from veterans receiving benefits from the Post-9/11 GI Bill. This is again the case in the PROSPER Act, which proposes to change a key standard governing the receipt of federal funding.

The 90/10 Rule

The 90/10 rule is a regulation that requires institutions to garner a certain percentage of total income from other-than-federal revenue. There are exemptions for federal revenue from certain programs, most notably education funding for servicemen and women, including the Post 9-11 GI Bill. The rule was instituted in the 1992 reauthorization with the requirement that for-profit institutions could receive no more than 85% of their total revenue from federal grants, loans or work-study funding. In the 1998 reauthorization the rule was modified to enable for-

---

[36] College Board, "Figure 2016_12A: Two-Year Federal Student Loan Default Rate Among Borrowers Entering Repayment in 2011-12."; Wesley Whistle, Tamara Hiler and Michael Itzkowitz, "Giving Students a Better Shot at Graduating than Defaulting.

[37] Adam Looney and Constantine Yanellis. The Crisis in Student Loans? How Changes in the Characteristics of Borrowers and in the Institutions they Attended Contributed to Rising Loan Defaults. Brookings Paper on Economic Activity. Fall 2015.

[38] Keith W. Olson, *The GI Bill, the Veterans, and the Colleges*. (Lexington: University of Kentucky Press, 1974).

profit colleges to receive up to 90% of revenue from federal sources.[39] In the PROSPER Act proposal, the 90/10 rule would be eliminated.

When compared to nonprofit postsecondary institutions, for-profit colleges have for more than a quarter-century been producing a lower rate of completion and a higher rate of student debt and default. On that basis, there seems to be little evidence that providing additional access to federal funds for the for-profit sector would be the best policy going forward. Rather, it seems likely that increasing the amount of federal funds available to for-profits will fund reduced completion, greater indebtedness, increased loan delinquency, and higher rates of default for Black students, Hispanic students, American Indian students, those who are low income and first generation students, as well as other traditionally under-represented students in higher education.

Gainful Employment and the Elimination of the Cohort Default Rate Metric

A key aspect of for-profit deregulation in the PROSPER Act is the elimination of the Gainful Employment (GE) rule. The GE rule is intended to reduce the amount of federal aid dollars available to institutions if their graduates fail to earn an income sufficient to enable them to devote a reasonable percentage of that income to repayment of student loan debt.[40]

In the first Department of Education analysis of institutions using the accountability measures of the GE rule, some 800 programs did not meet the standards. The Chronicle of Higher Education reported that of those 800 programs, 98% were offered by for-profit institutions.[41]

A short essay in favor of the preservation of GE regulations[42] recently noted not only that students in for-profits find themselves with higher debt, and higher rates of default,[43] but also that those who were enrolled in certificate, associate's or bachelor's degree programs leave for-profit universities earning less in the labor market than when they began their studies.[44]

---

[39] Robert Kelchen. How much do for-profit colleges rely on federal funds? Brown Center Chalkboard. Brookings. January 11, 2017; A. J. Angulo, *Diploma Mills.*

[40] Andy Thomason, *DeVos Plans to Ax.*

[41] Fernanda Zamudio-Suarez. Over 800 programs fail Educaton Dept.'s Gainful-Employment Rule. The Ticker. The Chronicle of Higher Education. January 9, 2017. https://www.chronicle.com/blogs/ticker/over-800-programs-fail-education-dept-s-gainful-employment-rule/116378

[42] Stephanie R. Cellini, Adam Looney, David Deming, & Jordan Matsudaira. *Gainful Employment regulations will protect students and taxpayers. Don't change them.*

[43] David J. Deming, Claudia Goldin, and Lawrence F. Katz, "The For-Profit Postsecondary School Sector."

[44] Stephanie R. Cellini, Nicholas Turner, *Gainfully Employed?*

The Cohort Default Rate (CDR) metric is eliminated in the PROSPER Act in favor of a "programmatic loan repayment rate." The new regulation would increase the threshold for sanctions, lengthen the period before delinquencies and defaults are accounted for sanctioning purposes, and effectively count students in deferment or forbearance as in a repayment program.[45]

Research on the impact of earlier regulations that linked access to federal aid to student success using cohort default rates suggests that enrollments lost to such sanctions are accompanied by increased enrollments in nonprofit institutions.[46] It can be argued that linking federal aid to performance may "rebalance" enrollments into less costly and generally more effective institutions, at the same time that it provides an essential accountability measure to be used in assessing labor market outcomes for students in for-profit colleges.

Loan Repayment, Forgiveness, and Borrower Defenses

The PROSPER Act also includes a number of changes to existing loan repayment and forgiveness programs. Of these, the elimination of loan forgiveness through income-contingent payment plans such as the Public Service forgiveness plan will increase the challenges faced by those students who are indebted without completing a degree, or who have higher levels of indebtedness after completing a degree. Those categories include significant numbers of underrepresented students, particularly Black, Hispanic, American Indian and low-income students. The National Association of Student Affairs Administrators (NASFAA) has noted that the changes to repayment provisions will have a particularly negative impact on students in graduate and professional programs.[47]

Another essential form of redress for students in for-profit colleges has been borrower defense against fraudulent practices. Given the legacy of institutional collapse and allegations of fraudulent practices, borrower defense has been a significant safeguard for students in for-profit colleges. Under the PROSPER Act, students will be required to seek redress within three years of a college's misconduct, whether the inappropriate activity has come to light at that point or

[45] Michael Itzkowitz, *HEA Replacement.*
[46] Stephanie R. Cellini, Rejeev Darolia, & Lesley J. Turner. *Where do students go?*
[47] Allie Bidwell. NASFAA Issues Summary of House Republicans' HEA Reauthorization Bill. 12/04/17. NASFAA_Issues_Summary_of_House_Republicans_HEA_Reauthorization_Bill

not. Given the time required to acquire a degree, the historical lack of transparency in the proprietary sector, and the consequences of institutional failure for students, this revision is likely to further disadvantage underrepresented students in for-profit colleges.

Incentive payments to admissions recruiters

One of the notable aspects of the for-profit college sector has been the remarkable percentage of institutional revenue devoted to marketing and recruiting campaigns. In 2012, the United States Senate Committee on Health, Education, Labor and Pensions reported, "Many for-profit education companies spend less on instruction than public or non-profit institutions, and in some cases even less than the same company spends on marketing and profit."[48] The report also noted instances of aggressive recruiting, and noted that "Internal documents, interviews with former employees, and Government Accountability Office (GAO) undercover recordings demonstrate that many companies used tactics that misled prospective students with regard to the cost of the program, the completion rates of other students, the job placement rate of other students, the transferability of the credit, or the reputation and accreditation of the school."[49] More recent studies have shown that some students in for-profits continue to have difficulty garnering accurate and timely information.[50]

Since the 1992 reauthorization, the Department of Education has restricted the process of incentive payments (commissioned sales) to employees of for-profit universities on the basis of enrollments generated. This measure was seen as vital to efforts to stem aggressive recruiting by for-profits, and to increase the likelihood that students would be enrolled on the basis of their ability to succeed, without consideration of economic incentives for recruiters to maximize enrollments.[51] A study conducted less than a decade ago by the General Accounting Office found

[48] For-Profit Higher Education: The Failure to Safeguard the Federal Investment and Ensure Student Success: Executive Summary, page 17. Senate Committee on Health, Education, Labor, and Pensions – Majority Committee Staff Report and Accompanying Minority Committee Staff Views. July 30, 2012.
[49] Ibid. Page 4.
[50] Constance Iloh. Exploring the For-Profit Experience: An Ethnography of a For-Profit College. American Educational Research Journal. June 2016; Tressie McMillan Cottom. Lower Ed: The Troubling Rise of For-Profit Colleges in the New Economy. The New Press. 2017.
[51] The Institute for College Access and Success. Statement of Pauline Abernathy, Vice President, the Institute for College Access & Success. Proposed Education Department Rules Would Curb Financial Aid Fraud and Abuse. June 16, 2010.

a pattern of "deceptive and questionable practices" in for-profit colleges, including providing a wide range of inaccurate information to encourage students to enroll.[52]

Despite this legacy, the PROSPER Act modifies the restriction of commissioned sales by enabling colleges to pay third parties on the basis of enrollment generated. There is no evidence suggesting that students will benefit from the change in the regulation of incentive payments, and considerable evidence suggesting that this change will negatively impact students enrolling in for-profit colleges.

H.R. 6543: The Aim Higher Act

In July of 2018, Democrats on the House Committee on Education and the Workforce introduced H.R, 6543, the Aim Higher Act, a proposal for reauthorization of HEA that embodied a distinctly different approach than that taken in the PROSPER Act. The Aim Higher Act would directly increase regulations and accountability measures shaping for-profit institutional behavior and indirectly reshape the landscape in which for-profit universities operate. Among many provisions that would preserve or increase existing regulations, Aim Higher would reinstate the 85/15 rule and incorporate funding for GI Bill recipients into the calculation of received revenue, and improve the calculation of cohort default rates and provide support for nonprofit institutions with high adjusted cohort default rates. The bill also would provide support for improving the collection and reporting of data on student outcomes by promoting the collection of student-level data and increasing the collection and dissemination of postsecondary data disaggregated by race. The bill would also clarify the definition of nonprofit institutions, provide students additional recourse against failed for-profit institutions, and preserve regulations on gainful employment and student success after college completion. It would also provide additional support for Native American students attending 2-year colleges, low-income students, and students in HBCUs.

The Aim Higher Act also endeavors to alter practices that are more prevalent in the for-profit sector, such as devoting high percentages of revenue to marketing and lobbying (Figure

[52] General Accounting Office. Testimony Before the Committee on Health, Education, Labor, and Pensions, U.S. Senate FOR-PROFIT COLLEGES: Undercover Testing Finds Colleges Encouraged Fraud and Engaged in Deceptive and Questionable Marketing Practices . Statement of Gregory D. Kutz, Managing Director Forensics Audits and Special Investigations. August 4, 2010

14) by linking improved practices to an institution's access to federal funding. The Act also would devote more resources to grant aid, improve counseling and access to information on sources of aid, and reduce the cost of borrowing overall. All of these elements of the bill are promising approaches to reducing loan debt and default for low-income students.

Recommendations

As part of reauthorization, Congress needs to support students in for-profit colleges by increasing regulation on those institutions in order to improve their performance and accountability. At the same time, Representatives should consider redirecting federal investments in higher education into the nonprofit postsecondary sector, where public and private institutions garner superior outcomes more efficiently and at a lower cost to our students and to society. This can be accomplished by revising the pending GOP-sponsored PROSPER Act to address the following issues:

- Restore the Gainful Employment and Cohort Default Rate provisions in order to increase accountability -- through federal collection and analysis of data on labor market outcomes -- for students in for-profit colleges and improve their ability to repay loans incurred while enrolled.
- Return to the 85/15 rule in place under earlier reauthorizations, and include in the calculation institutional revenue provided by servicemembers and veterans using benefits from the Post 9/11 GI Bill and related programs.
- Restore the restrictions on incentive payments for generating enrollments in for-profit colleges.
- Restore the Borrower Defense Rules and add additional protections for students against institutional fraud.
- Preserve and increase loan forgiveness for Public Service (PSLF) by teachers and others engaged in essential services, and restore SEOG loans.
- Restore income-contingent repayment plans and develop new, evidence-based plans to ease loan repayment.
- Support TRIO programs through Impact Grants and increases in funding to grow enrollments and completions for underrepresented students.

- Create incentives for successful student completion, through providing additional revenue for those nonprofit and for-profit institutions with the highest completion rates.

<u>Conclusion</u>

From the beginning of publicly-traded for-profit colleges, a wide array of research papers and scholarly articles addressed the sector's rise to prominence. That body of work often turned attention to the shortcomings of for-profit colleges and to their potential for improvement.[53] Proponents of for-profits argued for the sector using market metaphors. They contended that nonprofits were highly subsidized, inefficient, and that they lacked performance incentives and accountability. At the same time, they argued that for-profits increase competition, reduce government investments and improve student outcomes.

After decades of such policy arguments, we now have considerable evidence to evaluate the performance of for-profit colleges. The evidence demonstrates that for-profit colleges produce less effective outcomes for students, their families, and communities than do nonprofit colleges. These outcomes, measured by completion rates, student indebtedness, student loan delinquency, and student loan default, have had particularly disparate impact on underrepresented students, who are disproportionately enrolled in for-profit colleges, and more likely than their peers in nonprofit institutions to not complete their programs, to generate greater loan debt, and to default on that debt. It is time for new policies that further regulate the for-profit higher education sector in the United States, and for a shift in resources and support to the institutions with the most effective outcomes for students, the nation's nonprofit public and private colleges.

[53] Suzanne Mettler (2014). *Degrees of inequality: How the politics of higher education sabotaged the American dream.* New York, NY: Basic Books; William G.Tierney & Guilbert C. Hentschke. *New Players, Different Game: Understanding the Rise of For-Profit Colleges and Universities*. Baltimore, MD: The Johns Hopkins University Press, 2007; David J. Deming, Claudia Goldin, and Lawrence F. Katz. "The For-Profit Postsecondary School Sector: Nimble Critters or Agile Predators?" *Journal of Economic Perspectives*, 26, no. 1 (2012): 139-64.

Bibliography

Angulo, A. J. *Diploma Mills: How For-Profit Colleges Stiffed Students, Taxpayers, and the American Dream.* Baltimore: Johns Hopkins University Press, 2016.

Armona, Luis, Rajashri Chakrabati & Michael F. Lovenheim. How does For-Profit College Attendance Affect Student Loans, Defaults, and Labor Market Outcomes? Federal Reserve Bank of New York Staff Reports. Report No. 811. April 2018.

Cellini, Stephanie R., Nicholas Turner. Gainfully Employed? Assessing the Employment and Earnings of For-Profit College Students Using Administrative Data. NBER Working Paper No. 22287, (Issued in May 2016, Revised in January 2018). NBER Program(s):Economics of Education, Labor Studies

Cellini, Stephanie R., Rajeev Darolia, and Lesley J. Turner *Where Do Students Go when For-Profit Colleges Lose Federal Aid?* NBER Working Paper No. 22967, (Issued in December 2016, Revised in April 2018). NBER Program(s):Economics of Education, Labor Studies, Public Economics

Cellini, Stephanie R. and Latika Chaudhary. "The Labor Market Returns to a For-profit College Education." *Economics of Education Review* 43 (2014): 125-140.

Cellini, Stephanie R., Adam Looney, David Deming, and Jordan Matsudaira. *Gainful Employment regulations will protect students and taxpayers. Don't change them.* Brown Center Chalkboard. Brookings Institution. Washington D.C. https://www.brookings.edu/blog/brown-center-chalkboard/2017/08/04/gainful-employment-regulations-will-protect-students-and-taxpayers-dont-change-them/

Chetty, Raj, John Friedman, Emmanuel Saez, Nicholas Turner, and Danny Yagan "Mobility Report Cards: The Role of Colleges in Intergenerational Mobility." *The Equality of Opportunity Project.* (2017). http://inequality.stanford.edu/mobile/publications/media/details/mobility- report-cards-role-colleges-intergenerational-mobility.

College Board. "Figure 2016_12A: Two-Year Federal Student Loan Default Rate Among Borrowers Entering Repayment in 2011-12, by Sector and Completion Status." Trends in Higher Education Series.*Trends in Student Aid 2017.* https://trends.collegeboard.org/student-aid/figures-tables/two-year-default-rates-sector-and-completion-status

Cottom, Tressie McMillan. *Lower Ed: The Troubling Rise of For-Profit Colleges in the New Economy*. The New Press. 2017

Cunningham, Alisa F. and Gregory S. Kienzle. "Delinquency: The Untold Story of Student Loan Borrowing." Institute for Higher Education Policy Reports, March 2011.

Deming, David J., Claudia Goldin, and Lawrence F. Katz. "The For-Profit Postsecondary School Sector: Nimble Critters or Agile Predators?" *Journal of Economic Perspectives*, 26, no. 1 (2012): 139-64.

Flores, Stella M., Toby J. Park and Dominique J. Baker, "The Racial College Completion Gap: Evidence from Texas." *Journal of Higher Education 88, no. 6,* 2017.

Gelbgiser, Dafna. "College for All, Degrees for Few: For-Profit Colleges and Socioeconomic Differences in Degree Attainment," *Social Forces* 96, No. 4, (June 2018): 1785–1824, https://doi.org/10.1093/sf/soy022

Ginder, Scott A., Janice E. Kelly-Reid, and Farrah B. Mann. *Graduation Rates for Selected Cohorts, 2007-12; Outcome Measures for Cohort Year 2007; Student Financial Aid, Academic Year 2014-15; and Admissions in Postsecondary Institutions, Fall 2015: First Look (Provisional Data),* First Look February 2017, National Center for Education Statistics, https://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2017084

Goldrick-Rab, Sara, Robert Kelchen and Jason Houle, "The Color of Student Debt: Implications of Federal Loan Program Reforms for Black Students and Historically Black Colleges and Universities" Draft Report from Wisconsin HOPE LAB, September 2014.

Holland, Megan M., and Stephanie DeLuca. "'Why Wait Years to Become Something?' Low-Income African American Youth and the Costly Career Search in For-Profit Trade Schools." *Sociology of Education* 89, no.4 (2016): 261–78. http://journals.sagepub.com/doi/full/10.1177/0038040716666607

Huelsman, Mark. *The Debt Divide: The Racial and Class Bias Behind the "New Normal" of Student Borrowing.* New York: Demos.org, 2015.

Iloh, Constance. Exploring the For-Profit Experience: An Ethnography of a For-Profit College. *American Educational Research Journal*. Vol. 53, No. 3, pp. 427-455. June 2016

Itzkowitz, Michael. *HEA Replacement for Cohort Default Rate Leaves More Questions than Answers. Memo.* Third Way. December 11, 2017. https://www.thirdway.org/memo/hea-replacement-for-cohort-default-rate-leaves-more-questions-than-answers

Kinser, Kevin. *From Main Street to Wall Street: The Transformation of For-Profit Higher Education.* ASHE Higher Education Report 31, no. 5. San Francisco: Jossey-Bass, (2006): 1-155

Olson, Keith W. *The GI Bill, the Veterans, and the Colleges*. Lexington: University of Kentucky Press, 1974.

Pusser, B. A State-theoretical approach to understanding contest in higher education. *Higher Education, Stratification, and Workforce Development.* Sheila Slaughter and Barret J.Taylor (eds.) Springer Press. 2018

Reardon, Sean F., Rachel Baker, and Daniel Klasik. *Race, Income, and Enrollment Patterns in Highly Selective Colleges, 1982-2004.* Stanford Center for Education Policy Analysis, 2012. https://cepa.stanford.edu/content/race-income-and-enrollment-patterns-highly-selective-colleges-1982-2004

Scott-Clayton, Judith and Li, Jing. "Black-White Disparity in Student Loan Debt More Than Triples After Graduation." *Evidence Speaks Reports* 2, No.3, Economic Studies at Brookings, 2016.

Shapiro, Doug, Afet Dundar, Phoebe K. Wakhungu, Xin Yuan, Angel Nathan and Youngsik Hwang. "Completing College: A National View of Student Attainment Rates – Fall 2010 Cohort," Signature Report No. 12, November 2016. Herndon, VA: National Student Clearinghouse Research Center.

Shapiro, Doug, Afet Dundar, Faye Huie, Phoebe K. Wakhungu, Xin Yuan, Angel Nathan and Youngsik Hwang, "A National View of Student Attainment Rates by Race and Ethnicity – Fall 2010 Cohort," Signature Report No. 12b, Herndon, VA: National Student Clearinghouse Research Center. (April 2017).

Smith, Peter and Leslie Parrish, *Do Students of Color Profit From For-profit Colleges? Poor Outcomes and High Debt Hamper Attendees' Futures.* Center for Responsible Lending. 2014.

Thomason, Andy. *DeVos Plans to Ax Gainful-Employment Rule, Which Targeted For-Profit Colleges.* The Chronicle of Higher Education. July 27, 2018.

Tierney, William G., and Guilbert C. Hentschke. *New Players, Different Game: Understanding the Rise of For-Profit Colleges and Universities*. Baltimore, MD: The Johns Hopkins University Press, 2007.

U.S. Department of Education, Integrated Postsecondary Education Data System (IPEDS,) Winter 2015–16, Graduation Rates component (provisional data). NCES.

U.S. Department of Education, Integrated Postsecondary Education Data System (IPEDS), Spring 2017, Fall Enrollment component. See *Digest of Education Statistics 2017*, table 306.50. National Center for Education Statistics https://nces.ed.gov/programs/digest/d17/tables/dt17_306.50.asp

Whistle, Wesley, Tamara Hiler, and Michael Itzkowitz. "Giving Students a Better Shot at Graduating than Defaulting." *Policy Ideas for Delivering Value to Students and Taxpayers*. JUNE 6, 2018. Third Way. https://www.thirdway.org/report/giving-students-a-better-shot-at-graduating-than-defaulting