

Characteristics of Students Enrolling at For-Profit Colleges

Mark Kantrowitz

Publisher of FinAid.org and FastWeb.com

December 22, 2009

EXECUTIVE SUMMARY

This report compares the characteristics of high school seniors who enroll at for-profit colleges with high school seniors who enroll at public and non-profit colleges. Due to the small sample size, the results should be reviewed with caution. However, the results of this analysis are nevertheless interesting and may provide some insights into the type of student who prefers to enroll at a for-profit college.

SURVEY DESIGN

FastWeb partnered with Maguire Associates, a firm that specializes in market research, analysis and predictive modeling for colleges and universities, to evaluate the impact of the economy on college choices by high school seniors and their parents. Initial surveys were sent in February and March 2009 to identify the initial selection of colleges. Follow-up surveys were sent in May 2009 to determine the impact on actual college choices.

A total of 22,734 high school seniors responded to the initial survey and 3,205 responded to the follow-up survey. While the survey was focused on analyzing the impact of the economy on college choices between public and non-profit colleges, it was possible to extract and analyze survey responses for the subset of students who ultimately chose a for-profit college. A total of 65 high school seniors (2.0% of respondents) indicated that they enrolled at a for-profit college.¹ This small sample size is somewhat lacking in statistical power, resulting in a confidence interval of +/- 12.2% at the 95% confidence level.

KEY FINDINGS – CHOICE OF COLLEGE

When asked which type of college they found most interesting, students who ultimately enrolled at for-profit colleges were much more likely to initially prefer a private (non-religious) college, as illustrated in the following table.

Type of College	All Seniors	For-Profit Enrollees
Public	64.2%	55.4%
Private (non-religious)	14.8%	29.2%
Private (religious)	9.3%	1.5%
Unsure	11.3%	13.8%

Students who enrolled at for-profit colleges did not significantly differ in their rating of the importance of academic reputation, availability of merit-based and need-based financial aid, academic facilities, total

¹ Enrollment was determined by comparing the college name with a list of all for-profit colleges.

costs, practical career-oriented coursework and majors, social life or prestige of the institution when choosing a college, as compared with all seniors. There were significant differences, however, in the ratings of other criteria. Students who enrolled at for-profit colleges gave lower ratings to athletics (2.20 vs. 2.83)² and extracurricular activities (3.31 vs. 3.65), but gave higher ratings to close to home (3.39 vs. 2.95), alumni networking opportunities (3.38 vs. 3.13), and employment opportunities after graduation (4.75 vs. 4.59). The most important criteria overall for students who enrolled at for-profit colleges were employment opportunities after graduation, quality of major, availability of merit-based and need-based financial aid and total costs.

Two-thirds (67.7%) of students who enrolled at a for-profit college reported that the college was their first choice. One third (33.8%) applied to only one college, a quarter (26.2%) to two colleges, almost a fifth (18.5%) to three colleges and a fifth (21.5%) to four or more colleges.

Students who enrolled at for-profit colleges most often identified job prospects after graduation and close to home as reasons why they chose their enrollment college.³ This contrasts with the all student baseline, where quality of major, academic reputation, and campus setting/environment are most often identified as reasons for choosing their enrollment college.

Why Chose College (For-Profit Enrollees)	Applies	Does Not Apply
Close to home	50.8%	49.2%
Job prospects after graduation	50.8%	49.2%
Quality of major	49.2%	50.8%
Campus setting/environment	30.8%	69.2%
Academic reputation	29.2%	70.8%
Scholarship or financial assistance	27.7%	72.3%
Quality of faculty	24.6%	75.4%
Total costs	20.0%	80.0%
Social life/opportunities	13.8%	86.2%
Parents' preference	12.3%	87.7%
Teacher or guidance counselor advice	12.3%	87.7%
Best school admitted to	7.7%	92.3%
Diversity of students	7.7%	92.3%
Friend/girlfriend/boyfriend going	6.2%	93.8%
Geographic location of campus	4.6%	95.4%
Athletic teams/opportunities	3.1%	96.9%
Rankings in magazines such as US News & World Report	1.5%	98.5%
Religious affiliation	0.0%	100.0%
None of the above	1.5%	98.5%

² Ratings were on a scale of 1 to 5, where 1 meant not at all important and 5 meant extremely important.

³ These statistics represent the percentage of students identifying that the indicated reason applied to them.

KEY FINDINGS – CUTTING COLLEGE COSTS

When asked about methods of saving on college costs, students who enrolled at for-profit colleges were much more likely to consider the following methods than the baseline of all students.⁴

- Live at home and commute to school rather than live on campus (3.62 vs. 2.73)
- Take a year off before college to earn money for college (2.20 vs. 1.74)
- Work full-time and attend college as a part-time student (2.28 vs. 1.95)
- Enroll in online or distance learning programs instead of more traditional colleges (2.06 vs. 1.73)
- Start at a community or two-year college and later transfer to a four-year college (2.86 vs. 2.56)

They were much less likely to consider the following methods:

- Take more than four years to finish their degree (2.34 vs. 2.94)
- Attend a public college instead of a private college (3.49 vs. 3.91)
- Attend a public college in-state for lower tuition (3.54 vs. 3.81)

KEY FINDINGS – ACADEMIC PERFORMANCE

Students who enrolled at for-profit colleges tended to have lower scores on college admissions tests.

Average of Best Test Scores	All Seniors	For-Profit Enrollees
SAT I Critical Reading	538	433
SAT I Math	549	413
ACT Composite	23.4	20.6

Students who enrolled at for-profit colleges tended to have lower high school grade point averages.

GPA	All Seniors	For-Profit Enrollees
Below 2.0	0.3%	1.5%
2.00 to 2.49	3.1%	7.7%
2.50 to 2.99	11.1%	33.8%
3.00 to 3.49	29.1%	23.1%
3.50 to 4.00	53.5%	30.8%

KEY FINDINGS – DEMOGRAPHIC DIFFERENCES

Students who enrolled at for-profit colleges were much less likely to have parents who graduated from college, with more than two-thirds reporting that neither parent had graduated from college.

Parents Graduated from College	All Seniors	For-Profit Enrollees
Mother only	14.3%	9.2%
Father only	11.4%	3.1%
Both parents	28.3%	15.4%
Neither parent	43.0%	70.8%
Not sure	2.7%	1.5%

⁴ Ratings were on a scale of 1 to 5, where 1 meant very unlikely and 5 meant very likely.

Students who enrolled at for-profit colleges were much more likely to have a Hispanic or Latino ethnic background.

Ethnic Background	All Seniors	For-Profit Enrollees
Caucasian/White	53.5%	50.8%
Asian	9.5%	4.6%
Black/African American	11.6%	10.8%
Hispanic/Latino	15.8%	27.7%
Native American	0.8%	1.5%
Multi-racial	3.8%	3.1%

Students who enrolled at for-profit colleges were more likely to be from lower-income families.

Family Income (Before Taxes)	All Seniors	For-Profit Enrollees
\$40,000 or less	28.7%	40.0%
\$40,001 to \$60,000	15.2%	16.9%
\$60,001 to \$80,000	12.8%	18.5%
\$80,001 to \$100,000	9.0%	9.2%
\$100,001 to \$120,000	5.9%	1.5%
\$120,001 to \$150,000	3.4%	1.5%
\$150,001 to \$200,000	2.6%	0.0%
\$200,001 to \$300,000	1.1%	0.0%
Over \$300,000	0.4%	0.0%