Declining Graduation Rates at For-Profit Colleges: A Qualitative Case Study Approach to Exploring Possible Causes and Solutions

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Abstract

The purpose of this dissertation is to explore the causes of low baccalaureate graduation rates at for-profit colleges. Using Case Study Methodology, a comparative study was conducted between two randomly selected groups of graduates and non-graduates using Pierre Bourdieu’s Theory of Capital as a framework to establish links between cultural capital and academic preparedness. The findings in this study showed that graduates displayed a high internal locus of control while the non-graduates demonstrated a high external locus of control and expressed dissatisfaction with high tuition costs, quality of instruction and an overall unreceptive campus environment. Possible solutions presented include raising instructor pay, increasing funds for students, profile-based mentoring between staff/students and partnerships with nonprofit institutions.
Dedication

I dedicate this dissertation to my wife, Tisa Fagan, who put up with the many long nights of me not going to bed, and to my children Joshua and Nia. Daddy is just trying to show you both that you are never too old to learn, and it is never too late to pursue a dream. Finally, I would like to dedicate this dissertation to my recently deceased father, Ernest, who is looking down from above. And last, but certainly not least, to my mother, Edna, who always believed in me from the first day I got here.
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Chapter I: Introduction

Introduction

For the last 30-40 years, for-profit education has become a viable educational alternative to traditional four-year institutions. Among others, industry flagship universities such as the University of Phoenix, Strayer University and Walden University have managed to capture at least 13%-15% of the national undergraduate education market by providing both online and evening classes (Halperin, 2014). These universities cater to a small, but steadily growing demographic by aggressively enrolling minorities and other students underserved by traditional nonprofit schools, such as older students, active duty military and former military. This pool of students, commonly referred to as “nontraditional “differ from the students who enroll at nonprofit universities, as the nonprofit students tend to be between the ages of 18-25, and enrolled full-time.

Just as the student bodies differ between nonprofit and for-profit universities, so do the very structure of the schools themselves. For Profit Institutions (FPIs) usually answer to a corporate board and investors whose primary purpose is to achieve profit, while nonprofit schools answer to a board of trustees, and any profit (by law) is funneled back into the school (Team, 2015). This creates a profit motive that has driven the FPIs to provide services for nontraditional students that most nonprofits have not matched, such as evening classes and the opportunity to earn a degree entirely online, the latter being a boon for older, working students with families.

However, the relative success of the for-profit education industry has not been without a downside. For years, the FPIs have trailed other baccalaureate schools in graduation rates, hitting
an all-time low for the sector in 2015, when the graduation rate for baccalaureate, full-time students attending for-profit institutions dropped to 27% (NCES, 2016). When compared to the public (58%) and private (66%) higher education sectors, FPIs have the lowest rates out of all three. Additionally, the low graduation rates have created a domino effect as the students who have dropped out are unable to find suitable employment and are forced to default on their student loans (Dynarski, 2016). Ultimately, this contributes to the national student loan default rate, as for-profit students make up only 15% of the national student body, but almost 45% of borrowers who default (Deming, 2012).

The purpose of this qualitative case study will be to examine the factors of low graduation rates in baccalaureate programs at selected for-profit institutions. Using the case study method, this study will compile qualitative case study data via interviews of two groups of students (graduates and non-graduates). In addition, data regarding for-profit university graduation rates will be mined from both federal and private sources. Finally, this study will attempt to analyze the data and propose solutions to this problem.

**Problem Statement/Purpose Statement**

Unhampered by many of the regulatory constraints that face nonprofit organizations, the corporate structure of the FPIs have allowed them to operate more freely by allowing them to spend up to 23% of total operating costs on marketing, advertising and recruitment (Kirkman, 2012). These recruitment efforts focus almost exclusively on a relatively small but lucrative subsector that consists mainly of military veterans, (many who have access to “free money” via the G.I. Bill), older students (ages 25-45) who cannot attend classes during the day and traditional aged students who may not be academically prepared to handle a full college workload (Wong, 2015).
These “nontraditional” students have been commonly thought to be a target for FPI recruitment because they have been historically underserved by the nonprofit schools, though recent studies show that they may also be attractive to FPI recruiters because of their poor high school grades and previous academic performance. In fact, one quantitative study (though with a statistically small sample size) showed that for-profit students trailed their nonprofit counterparts in the 3.5-4.0 high-school GPA category by 23%. This study also indicated 33% of the FPI students sampled having between a 2.5-3.0 GPA (Kantrowitz, 2009). A previous federal study that tracked students from 2008-2012 showed similar results, with only 17% of FPI students having above a 3.5 GPA (compared to 44.3% of freshmen attending nonprofit schools) and 20% of FPI students having between a 2.0-2.5 GPA (compared to only 7.6% of their nonprofit counterparts) (Staklis, Bersudskaya, & Horn, 2012). These statistics clearly show that the average FPI student seeking a baccalaureate degree does not have nearly the same academic background coming from high school as a comparable student attending a traditional nonprofit university. However, the numbers only indicate that the academic backgrounds of enrolled FPI students are different from the non-profit students. There are several other demographic characteristics that may affect graduation rates, as addressed in a 2016 National Center for Education Statistics (NCES) study. For example, 70% of all full-time FPI students are over the age of 25, with 30% older than 34. Similarly, 78% of all part-time FPI students are older than 24. These numbers contrast heavily with the full-time student bodies at the public and private nonprofits, where 87% of the students are under the age of 25 (though the part-time numbers at these schools are much closer to the FPIs). FPI students also tend be non-white with Caucasian students only making up 45% of the student body. What is interesting is that Hispanic, Asian and Pacific Islander populations in all three sectors (FPI, public and private) are relatively
unchanged, but African-Americans make up 29% at the FPI schools, and only 12-13% in the nonprofit sectors. It must be noted that the NCES statistics only reflect FPI students who have taken out federal student loans, which represent an estimated 90% of the national FPI student body. For research purposes, the FPI schools themselves cannot be depended on to furnish a complete statistical picture, as they often regard the rates as proprietary data that is business confidential.

Slowly, a rough profile is starting to develop of what the ‘average’ FPI student looks like. They are generally slightly below average performers in high school, are over the age of 25, and are most likely a racial minority. Financially, these students are usually economically disadvantaged (Cellini, 2010). Together, these characteristics form a distinctly different pool of students from the ‘traditional’ students that make up the non-profit student body in the United States. By focusing on the for-profit student profile, we also can also see the fundamental difference in recruitment between the for-profit and nonprofit sectors.

For example, federal aid is awarded based on need, making low-income students able to access huge amounts of federal grant and loan money with very little out of pocket cost. This almost instantly makes this pool of students the target for the FPI universities, because while nonprofit schools can secure funding from a variety of sources, student tuition is the primary source of income for FPIs (Cellini, 2010). Consequently, for-profit education becomes financially untenable to the average student, especially when compared to some state universities or many non-elite private colleges. Unfortunately, for these same low-income students, since they are aggressively recruited by the FPIs, for-profit education also becomes hyper-accessible as well.

The problem of low graduation rates at the FPIs seem to be exacerbated by the fact that the schools appear to be selecting students not on their ability to graduate, but on their
ability to pay. This is also compounded by the near 100% acceptance rate of many FPIs (Howard, 2014) which increases the likelihood that the student may not be academically prepared to complete a baccalaureate program.

Evidence Justifying the Research Problem

Essentially, the academic for-profit sector consists mostly of schools that are owned by larger, corporate entities which are publicly traded, such as Strayer Education Inc., which owns Strayer University, or The Apollo Education Group, which owned the University of Phoenix until early 2017 (Cohen & Bray, 2017). Their status as for-profit entities have often resulted in these companies engaging in the standard business practice of not releasing potentially damaging information to the public, which in this case, includes sagging graduation rates. Consequently, the only reliable source for this data is the National Center for Education Statistics (NCES), the educational wing of the federal government that tracks the enrollment information for students who take out federal loans. This is problematic as for-profit students who fund their education through savings or private loans are not included in the NCES figures, so ultimately, the federal numbers will never be as accurate as those furnished by the schools themselves.

To exacerbate matters further, some FPIs have even provided conflicting data contrary to federal and/or nonprofit research figures, to obscure the overall graduation problem. For example, in 2010, the Education Trust (a nonprofit organization partly financed by the Bill Gates Foundation) released a study stating that per federal data “only 9 percent of the first-time, full-time, bachelor’s degree students at the University of Phoenix (the nation’s largest for-profit college), graduate within six years.” (Lynch & Cruz, 2010). It should be noted that these full-time students represent those most likely to graduate, and the numbers given in this study may overestimate the real graduation rate for the school. However, the University of
Phoenix’s official response did not dispute this number but stated that not all of their students were represented in the federal data and that their internal numbers had the graduation rates near 36% (Lewin, 2010). The University of Phoenix is not the only FPI to not be forthcoming in this information, as prior to 2012, there were almost no for-profit studies documenting the problem of the declining rates though there were considerable promotional/recruitment materials that highlighted the for-profit sector’s high graduation rates at the associate's/certificate levels.

Literature produced by sources outside the for-profit space such academic journals and periodicals tend to be overly critical of the for-profit sector in general and only highlighted the low graduation rates as part of the overall problems plaguing the sector. It should be noted that because of an initiative from President Obama, recent attention from mainstream media on the for-profit education sector has been primarily focused on loan defaults rates and gainful employment after graduation, and not the inability of these schools to graduate students in the first place. This governmental focus on educational outcomes and not educational processes is yet another reason why attention has not been given to why these students are failing.

Certainly, it is unusual for a group of universities to not want to be judged by their ability to graduate students or at the very least, be forthcoming with data about their graduation rates. Especially when one would consider this a benchmark of success for any academic institution. We can gain some insight into this behavior by looking at the history of the proprietary schools. Traditionally, the for-profit higher education sector has been comprised of a variety of learning institutions, ranging from trade schools (barber schools, salons, plumbing, etc.) in the United States colonial era to the modern incarnations such as the University of Phoenix (UoP), Strayer University, Walden University, Capella and similar universities. However, UoP occupies a unique place in the history of this sector as they may be considered the father of modern for-
profit education. In 1976, University of Phoenix was founded and became a trendsetter by combining several existing industry practices into the model that we see today. This strategy included opening several campuses nationwide and targeting students primarily in vocational fields who needed degrees for professional advancement (Hughes, 2006). Phoenix continued to be an early trailblazer by offering the first major online MBA in 1989 (Hanford, 2017). However, in recent years, their status as the world’s largest for-profit university has magnified their failures as well as their successes, and perhaps unjustly, critics now consider them the face of the problems with the for-profit education industry.

Like many of the players in this sector, UoP’s profit motive initially sparked their role as an educational innovator by filling a need in the market. However, as many FPIs also faced hard times, it is likely that this same profit motive caused them to be reluctant to emphasize the graduation rates. Until these schools are more forthcoming with the data, we may never know for certain.

**Deficiencies in Evidence**

Strangely, much of the existing academic literature on the for-profit education sector is not centered on the academic problem of the graduation rates, but rather the critical effect of thousands of students defaulting on millions of dollars in federal loans. Additionally, the eye of academia and mainstream literature has also viewed the for-profit sector’s aggressive recruitment tactics as ‘predatory’ (Mettler, 2014). Sadly, this indicates that researchers have shifted attention away from the students who are at the center of this controversy, and largely ignored the reasons why students continue to enroll in for-profit universities when a growing number of nonprofits are starting to offer degrees online, such as the University of Maryland-University College, Southern New Hampshire University, Arizona State University. All of these schools have
developed online programs designed to target ‘nontraditional’ students yet their enrollment numbers lag behind the FPI sector. This is even more perplexing when we note that these schools are even hiring private companies to run their online offerings, thus mirroring the for-profit universities even more, but to no avail (Newton, 2016).

There have been qualitative and quantitative academic research studies done on for-profit universities which have centered on the reasons that students drop out, but these studies have focused on the student’s overall assessment of experiences. Few studies have accounted for the role that academic support plays in providing a conducive environment for nontraditional students, especially those may be academically and financially challenged, such as the “average” for-profit student we discussed earlier. The staff at for-profit institutions may possibly play a more important role in the success of the student than at a nonprofit university, based the increased needs of the FPI student (Okagbare, 2015). Again, this is a research thread that has been unexplored.

To wit, FPI staff occupy a unique place in the educational environment, as they must provide the traditional academic support to students, but unlike their nonprofit peers, additional pressure is exerted on them to maintain enrollment numbers, being that tuition is the primary source of income for the institution. This mission dissonance that forces FPI staff to choose between focusing their efforts on recruitment and providing extended academic support may also be a factor in the dropout rates, and represents a definite split between the goals of the institution and the educational outcomes of the students. This phenomenon is not new to literature, as Vince Tinto’s seminal research in college student retention clearly showed that misalignment between the goals of the student and the institution often result in a dropout (Tinto, 1993).
The direct relationship between an institution’s ability to retain students and then graduate them has been examined and verified in numerous studies over the years dating back to Tinto, and more recently Okagbare (2015). According to another study, this relationship even exists at the community college and FPI 2-year certificate levels as financial aid was found to be a determining factor on retention rates (Daly, 2013). What is of note is that lack of funds played a greater role at the FPI schools (where tuition is considerably higher) than at the community colleges. Of course, this correlation mirrors what we see at the four-year level, where the higher costs associated with FPI education is often cited as a reason for the lower graduation rates.

**Research questions**

The purpose of this qualitative case study will be to examine the factors of low graduation rates in baccalaureate programs at selected for-profit institutions. Using the case study method, this study will evaluate quantitative and qualitative case data, interviewing students and propose solutions for the for-profit sector.

1. What are the experiences of FPI students that primarily contribute to their ability to graduate?
   a. Is high school performance indicator of a students ability to succeed at a for-profit institution?
   b. Are For-Profit Institutions intentionally recruiting students who are not academically prepared?
   c. Does the content delivery method (online/evening courses) of for-profit institutions affect the ability for students to learn and persist?
   d. Are students receiving adequate academic support from teachers, administration, staff, tutors, etc.?
Theoretical framework

The theoretical framework that this study will employ is an element of Pierre Bourdieu’s Theory of Class Distinction (Bourdieu, 2011), which posits that there are at least three types of ‘capital’ (Economic, Social and Cultural) that helps determine an individual's ability to succeed in society. Several other frameworks were considered, such as Social Learning Theory, (Bandura, 1986) and Adult Learning Theory (Knowles, 1980) but these theories only focused primarily on learning styles and not on other factors. Bordieu’s theory proved to be a better fit because cultural capital was able to encapsulate the academic/learning element of my hypothesis better than the other frameworks I studied. It should be noted that while Bourdieu's theory of capital has been recently expanded by other researchers to include moral, human and even political capital, but for the purposes of this study, we will confine the discussion to the original three elements as first introduced in his landmark 1979 work: “Distinction: A Social Critique of the Judgment of Taste”. Bourdieu’s principle three elements are presented here in their totality to demonstrate how the three capitals interact with each other and the role they play in the social order.

Cultural Capital (CC)- Defined as all forms of knowledge, skills, education, and advantages that a person acquires which can ultimately give them a higher status in society. A classic example is parents providing their children with cultural capital by transmitting the attitudes and knowledge needed to succeed in the current educational system. A more common occurrence is an individual who attends college to obtain a degree (cultural capital), with the hope that it will eventually translate into a higher paying job or economic capital, which is defined below.
**Economic Capital (EC)** - Resources that can be used to dominate individuals or situations. EC is the most easily be converted into other forms of capital as the most common example of Economic Capital is money and/or other assets that can be readily liquidated.

**Social Capital (SC)** - All actual or potential resources that are associated with or have access to a durable network of institutionalized relationships of mutual acquaintance or recognition. Essentially, SC is a personal asset that provides tangible advantages to those individuals, families or groups that are connected to the network. Membership in an elite club or being an alumnus of a prestigious university are classic examples of SC, though recent interpretations have extended the definition to include a variation of “political capital”, where social capital is the amount of goodwill a person can amass from others through positive social interactions.

Bourdieu’s use of the term ‘capital’ highlights one of the main overarching tenets of his theory, and that is the transferability of the social, economic and cultural currencies. Each form of capital can be increased and exchanged through life, such as a student borrowing money (economic capital) to pay for their education (cultural capital). Bourdieu’s theory posits that while capital can be acquired or converted from one type into another, the more capital of any type you have, the more likely you will be successful in climbing the socioeconomic ladder (Bourdieu, 2011). This theory was selected because it gives a framework to the existing data in literature as highlighted in examples illustrated earlier which implied that a student’s likelihood of a successful matriculation is hinged on their background, resources and experiences prior to being accepted into college.
The following three areas of interest are aligned to the Cultural Capital and Economic Capital elements of Bourdieu’s theoretical framework and will be the major focal points of my study.

1. The inability of the student to adapt to the for-profit teaching methods, although there are several other reasons that may cause nontraditional students to underperform academically. For this study, we will look at the course content delivery method of for-profit institutions, which consists primarily of weekly evening classes and online classes. As noted earlier, that FPI students may not have the study/learning skills required (Cultural Capital) to excel in this environment. The online/evening format has been engineered for profitability, not necessarily to increase the learning outcomes for the student.

2. The lack of a proper high school academic background required to do college work (Cultural Capital). All the major for-profit schools have virtually 100% acceptance rates, and this fact is subtly alluded to during the recruitment process. This study will examine a popular theme in
current literature that the FPIs are actually recruiting students who are ill-prepared for the rigors of college because they are lacking Cultural Capital, in the form of an adequate high school education, and/or proper study skills.

3. The lack of adequate financial resources (Economic Capital). The higher tuition of for-profit schools, and student unwillingness to go any further in debt is widely thought to be the primary reason why students withdraw from FPIs. Because of the extensive amount of research already available in literature, my hypothesis will address lack of economic capital as a secondary area of interest, and not a primary cause.

Research Overview (Participants)

This study will employ the Case Study Methodology to compile data from various sources. These sources will include interviews with for-profit students who have dropped out, for-profit faculty and one former Dean of academic affairs at a major for-profit university. Additional case studies include government data from the National Center for Education Statistics, and institutional research from the universities themselves.

Chapter Four will consist of interviewing 8 participants, supplemented by raw data of for-profit university graduation rates. These participants are divided into two groups. Group I consists of three graduates of an undergraduate for-profit program. Group III consists of five participants who withdrew from their FPI programs.

Chapter Five will utilize the Case Study Method to perform analysis of the data collected and provide discussion as well as possible solutions and research suggestions.

**Study Assumptions**
This study will use the following parameters and assumptions to select participants and institutions:

1. All students attended institutions that are baccalaureate granting, accredited schools which qualified for Title IV federal financial aid programs.

2. Students enrolled in these programs with the goodwill and intent to graduate.

3. Students had no unusual, known, preexisting condition that would preemptively cause stress on the completion of their program.

4. Institutions mentioned in this study are operating with the goodwill and intent of providing an educational product to its paying customers, without the intent to defraud. This educational product also includes providing a learning environment where customers are given the academic tools to graduate.

Limitations/Delimitation

A qualitative study is not representative, but rather an attempt to explore underlying factors and motivations of the phenomena under study. The for-profit education sector is not monolithic, as there are close 3,500 schools nationwide (NCES, 2016). The quality of education and can vary widely from school to school and even on campuses that belong to the same company. This study cannot accurately portray the individual experience of all of these students especially since the content delivery methods of online instruction and evening classes can insure that two students enrolling at the same campus concurrently may have drastically different experiences. However, the study will interview students from the largest and most stable universities, in the attempt to capture a data picture that is indicative of many for-profit students.

Researcher Bias/Positionality Statement
Although this researcher first taught at a community college and other nonprofit ‘educational centers’, his first experience with the for-profit sector was teaching at the Computer Learning Center (CLC) of America in Laurel, Md (1999). There, he became familiar with one of the staples of content delivery for the for-profit model, the 4-hour weekly evening session. CLC also exposed him to the 8 week and 12 week class sessions, which gave him insight on course pacing, and student information retention. Computer Learning Centers of America folded in 2000.

The next teaching experiences were at traditional nonprofit institutions, Bowie State University and the University of Maryland, Baltimore County, where this researcher would be provided a baseline to measure against CLC and eventually, Strayer University.

In the for-profit arena, online instruction is a featured content delivery method. Although, this researcher has never taught a college online class, his role as a Northeastern University doctoral student gave him some insight into the online learning experiences of FPI students.

Positionalities/Biases

Participant-Observer Role

As someone who has taught evening courses at both for-profit and nonprofit institutions, I am somewhat equipped to comparisons between both schools, however my time at Strayer University for 6 years is poignant because I taught developmental and freshman level Math courses. This exposed me to many first year college students as well as the older, nontraditional students who make up the majority at the FPIs.

As an aggregate, 56% of the student population of the for-profit institutional sector is made up of African Americans and non-white Hispanics (Stakis, 2011). As a developmental/first
year Math professor, I saw these older, economically disadvantaged, minority students accumulate thousands of dollars of debt in pursuit of a degree that is only awarded to one out of three students at best. Sadly, many who do receive these degrees still may not be able to find gainful employment, and may have to default on their loans. This knowledge is painful to have and even more painful to withhold as a teacher and a researcher.

**Key Terms/Definitions**

**For-Profit Institution (FPI)** - Unlike their public counterparts, for-profit colleges and universities, are managed and governed privately (Deming, 2013). The emphasis of for-profit universities is on maximizing profits, maintaining mostly part-time faculty and accepting nontraditional students who may have difficulty gaining admittance to traditional universities. These nontraditional students may also have lifestyle challenges which makes online and evening instruction desirable. (Sibson, 2014; Yu & Ertl, 2014).

**Non-Profit institution** – These institutions are typically the traditional types of colleges that are familiar to the public. Nonprofit institutions usually receive funding from the government, tuition and endowments. What differs a non-profit institution from a FPI is that money received is put back into the curriculum, instruction and other college operations that support students and faculty. These institutions are led by administrators, faculty and staff, often under the direction of a Board of Trustees.

Nonprofit institutions may offer traditional daytime degree programs, as well as hybrid (half on campus, half online), online, or evening and weekend programs. Most nonprofit colleges however, offer a traditional campus life experience—sports teams, student clubs, dorm living and more.
**Private college:** Private colleges and universities are funded by endowments, tuition and donations. A private college can be a for-profit or nonprofit institution, though for this study private colleges will be assumed to be nonprofit, as for-profit institutions will be referred to explicitly as “FPIs”

**Public university** - Public universities usually receive their largest chunk of funding from the state. They also may rely on tuition and donor support, especially in recent years as states have cut their education budgets. Public universities are nonprofit institutions. Because these schools are state-run, they usually offer lower tuition rates to residents of the state where the school is located. For this study, public colleges are considered non-profit institutions.

**Graduation rate** – As defined by the National Center for Education Statistics (NCES), graduation rate is based on the number of first-time, full-time, students who began seeking a bachelor’s degree at a for-profit institution and completed that degree within 6 years. Due to the amount of federally compiled data available, the NCES definition will be used for this study.

**Dropout/withdraw** – For the sake of this study, we will again be using the NCES definitions as a guide. Dropout rate will be based upon the number of students who do not graduate within 6 years of starting their full-time baccalaureate program. The author acknowledges that dropout data for the FPI sector may be skewed in the sense that it is incomplete, since NCES only has access to federal loan/grant data. Additionally, FPIs tend to recruit people who are part of groups that may have already started college earlier in life, such as military retirees and older students. Tracking these students can play havoc with statistical accuracy as they often withdrew from non-profit institutions earlier in their career, only to reenroll at a FPI later.
Chapter Summary

Just as Bourdieu's different forms of capital are intertwined, so are the key elements of my study, which posits that for-profit students may struggle with the online/evening instruction method because they may not have the academic skills necessary prior to enrolling at a for-profit university. This is may be associated with the fact that FPIs aggressively recruit students based on ability to pay, and not the ability to perform, which is the direct result of a corporate ‘customer’ culture, instead of an academic ‘student’ culture.

If poor academic performance is truly just a lack of cultural capital being capitalized on by a for-profit business, then it is possible that the subpar graduation rates may now be viewed as an unfortunate side effect of an otherwise thriving industry, as opposed to a monumental failure of the industry’s mission. The purpose of this qualitative case study is interview past students, an administrator and a former Dean of Students to gain insight on the factors that lead to dropout. It is also the intent of this study to make recommendations for improvement based on the data case analysis.

Chapter II: Literature Review

As shown in Chapter 1, the For Profit Industry (FPI) student body represents a subsection of students who are underserved by traditional non-profit schools. The persistent enrollment of these students, coupled with an obviously successful financial business model suggests that these FPIs are responding to a valid need for some students who cannot attend a traditional institution. However, the way this need is being met is the topic that is addressed in
literature, as critics in academics, business and even government data tracking agencies are eager to take the for-profit industry to task on the merits of its status as a legitimate business sector (Moltz, 2011.). The growing segment of students who prefer online and evening classes are being offered substandard options and are creating both a void in the workforce and a financial drain on the government.

Although the for-profit education industry has been in existence since the founding of the United States of America; it has only moved to the forefront in the higher education process as a viable baccalaureate alternative in the last 20-30 years. With the success of this newer educational sector; flagship schools such as University of Phoenix, Strayer University, Walden University and other similar institutions have been captured at least 13% (Halperin, 2014) of the undergraduate market by providing both night and online classes. For the 2013-014 school year, there were 16.7 million students enrolled in baccalaureate programs nationwide, with about 2.1 million at for-profits schools. However, conservative estimates indicate that only 30% of the students at the for-profits will graduate, compared to 50% for the public schools and 65% for private, non-profit schools. Furthermore, these for-profit students have defaulted on so much debt that former President Obama was forced to take action against these schools by tying federal loan limits of these institutions to “gainful employment” metrics, in an effort to increase the number of students who graduated and could find decent jobs to pay for their loans. With these students consisting of about 31 percent of all student loan borrowers but nearly 50% of all student loan defaulters, this forced the federal government in to help address the need to improve the quality and quantity of graduates (Halperin, 2014) The regulation by the federal government of the for-profit education sector was unprecedented and garnished much attention in literature. This included a more critical examination of recruitment practices, such as aggressively
enrolling what would be considered traditional minority populations in the US, as well as expanding their student base by recruiting other students underserved by traditional nonprofit schools such as older students and those associated with the military. As a topic of much discussion in literature, the connection between the capabilities of the for-profit student body and the resulting graduation rates will be explained in this literature review, since only 32% of full-time students seeking a Bachelor's degree actually graduate (Haskell, 2014).

Before we proceed, there should be some discussion about the difficulties of gathering existing literature pertaining to For-Profit education. Unlike the traditional nonprofit educational sector which regularly produces academics who go on to create scholarly works, FPI education is not geared toward producing academic scholars. Instead, a bulk of these Masters and Doctorate level graduates use their degrees for advancement in the workplace. Consequently, the literature available is written mostly by nonprofit graduates, and may have inherent bias.

There is a large body of research literature which deals with the for-profit institutions, however we will see that it is largely dedicated to the failures of the industry as described in Chapter 1. This is primarily because the existence of for-profit universities sits at the nexus of two the heavily researched areas of education and business. For example, the handsome earnings by the for-profit education sector has attracted much attention from the business world, as noted by repeated articles in Forbes, Fortune and the Wall Street Journal. Similarly, academia has always produced literature about the status and effectiveness of the American higher education system, especially since data about graduation rates, school rankings, admission rates and job placement success has traditionally been the starting points in discussions comparing nonprofit colleges and universities. But the for-profit sector unwillingness to release to some of this data, may be the reason why it has attracted the ire of some many scholarly critics.
At any rate, one of the key differences between the for-profit and nonprofit education sectors is recruiting and retaining of students. As stated in Chapter One, FPI students are heavily recruited from academic backgrounds that suggest some of them may not be fully prepared for the rigors of baccalaureate study. Coupled with the dismal graduation rates, the aforementioned loan defaults by both graduates and former students, the picture slowly becomes clearly as to why there is so much literature about the students who have been failed by the for-profit system.

This literature review will primarily deal with the general topic of the unusually low graduation rates of for-profit institutions (FPIs) as they relate to five major areas occurring in the literature. These areas were selected because they address the topic with respect to the student perspective and/or the for-profit sector as a whole. They are as follows:

1. The first area of study explores the unique characteristics of the for-profit student body which consists of older students working full time who cannot attend daytime classes, people associated with the military and a smaller growing group of younger, working students who cannot afford to go to school full-time.

2. A look at quality of education, since the instructional models and educational outcomes for-profits and nonprofits differ drastically.

3. We will examine the causes and effects of the low graduation rates as reported in a more recent literature review.

4. Any literature review of this sector would be incomplete without addressing the enormous amount of student loan debt accrued by both the dropouts and graduates of these schools.
5. Finally, as the graduation rates issue becomes more of a problem associated the higher education sector, other parties have begun to propose solutions, which we will have a cursory discussion.

Bias, Scope and Threads in the Literature

As the author gathered articles for this literature review, something quickly became apparent: an overwhelming majority of the existing articles are written against the for-profit education industry. Some of this bias is deserved as the low graduation rates and high loan default rates are newsworthy and deserving of the extra attention. Graduation rates are generally viewed as a leading indicator of the performance of an academic institution, so it is no surprise that academic literature (especially time-sensitive documents, such as periodicals) has continually addressed this negative trend. Consequently, it is unlikely any group of nonprofit schools with these statistics would evade the amount of scrutiny that FPIs have come under. However, researching this sector is difficult since there is a lack of homogeneity among the schools that is not seen in the private and public industries. In fact, members of the proprietary college sector range from small trade and cosmetology schools to global institutions like Strayer University and the University of Phoenix (Iloh, 2015). Differentiating between the statistics of trade schools and for-profit academic institutions is sometimes hard to decipher as researchers may combine the data for both groups together. This is problematic as the issues covered in this dissertation occur primarily at for-profit baccalaureate institutions. The smaller, non-baccalaureate degree granting trade schools usually avoid the pitfalls, largely because their curriculums are less expensive and much shorter. Additionally, depending on the occupation, vocational school graduates experience a higher level of job security and pay over a lifetime than
both their non-vocational for-profit counterparts and many of the nonprofit graduates who go into lower paying occupations as well (Hamm, 2015). This dissertation will limit discussions to the for-profit institutions (FPIs) that are granting the baccalaureate degree, such as Phoenix, Strayer, Argosy, Cappella, and Walden. Statistics will be primarily drawn from the National Center for Educational Statistics, a government database that statistically discriminates between all groups in the postsecondary educational sector.

Still, the overwhelming amount of negative press on this sector does taint the tone of many of the articles, and that may also be because the graduates of these proprietary schools rarely go into academia and are much more likely to use these degrees for better positions in the private sector or government. In fact, this is the primary motivator used in recruiting older students (Davis, 2010). There simply are not enough for-profit graduates in academia to provide balance in these literary debates, so I will also have to be cognizant of a bias in existing literature against the for-profit education industry as the overwhelming number of researchers, journals, articles and academic scholars who are publishing papers about this subject are from the nonprofit sector. Consequently, the number of articles that defend the for-profit sector is woefully limited. In fact, most of the articles that favorably portray for-profit education are found in the magazines published by these schools themselves, such as Scholar (Strayer), Phoenix Patriot (University of Phoenix) and online alumni journals such as Walden University’s Alumni website.

**Background**
The history of the modern-profit industry must be discussed in order to properly appreciate the current condition. Initially, this sector grew as a response to the classical ‘Latin’ education taught here in the colonies. Then-champion Ben Franklin sought to educate Americans on ‘practical skills’ such as bookkeeping, engineering and technical drawing (Ruch, 2003), since the low-income farmers, merchants, etc., could not gain access to the usually expensive traditional colleges and universities. Commonly called ‘career colleges’ at that time, these schools offered certificates, (eventually associate's degrees) and were not considered direct competitors to the nation’s four-year colleges. In fact, the early 1970’s saw just 2 % of all American students enrolled in FPIs, and this was largely trade schools, as denoted in the above section.

The reinvention of for-profit industry is similar to its founding, and may give insight to the present problems. In 1976, Cambridge Doctorate and college professor John Sperling, opened the University of Phoenix after teaching police and teachers in Sunnyvale, California, on how to interact with youth and help lower the juvenile delinquency rate. His ‘classes’ were so popular, that both the teachers and the police wanted to continue their education by completing their bachelor's and master's degrees, respectively. (Hanford, 2011) . The attraction was obvious, as his teaching style and schedule was tailored for these working adults. Sensing that a commercial need existed in the marketplace, he founded the University of Phoenix (UoP). As we will see later, the irony here is that UoP (the largest of all of the FPIs) is the target of much negative attention in the literature as the poster child of all that is wrong with this sector. In fact, UoP’s online graduate rate of 5%, and student loan default rate of 26.4%, has earned the school the title of ‘diploma mill’ by some (Allen, 2015). Being that the problems of the high-profile university is highly prevalent in the literature, UoP is often seen as the low-hanging fruit for FPI
detractors. Little attention is given to the causes, possible solutions, or the fact that Phoenix's closest competitors have higher graduation rates.

1. The Student Body

The composition of the student body at many of the individual for-profit campuses are unique, yet at the same time, there are elements of homogeneity across the sector (Institute of Education Sciences, 2011). Primarily, there are three major demographics groups that are enrolled. The first body of note are reserve, active and former members of the military, many having that have access to federal funds, such as the G.I. Bill. The second consists of older students (25 years and older) seeking advancement opportunities on their job that require a degree. Finally, the third group is a smaller, but growing group of students who are the traditional college age (18-25), but are employed full time and prefer the online/evening instruction format (Deming, 2013). This last subset of students is of interest since they make a natural control group to compare against the traditional nonprofit student body, since demographically they are the most similar. However, most of the critical literature does not break out these students as a definable group, and lumps them in with the other sections.

Because of the financial impact to the federal government, both the defaulted loans and negative press generated by former members of the military not receiving degrees appear to have garnished a bulk of the attention in the existing literature, and herein lies the problem: the failures in for-profit education is viewed as primarily as a failed business model, not as a failed education model that needs to be fixed. For example, William Beaver’s “Fraud in For-Profit Education” (2012), extensively discussed how the FPI used questionable recruitment tactics to channel millions of dollars
into their coffers. The dropout rates are mentioned only peripherally, although this piece and several other articles accuse the Obama administration of turning a blind eye so he can meet one of his goals of the U.S. having the world’s highest enrollment rates by 2020.

The problem here is that much of the literature treats FPI students as objects or objective clients, or as one former student puts it “The worst part of for-profit higher education is that it exploits the very group of students it claims to serve.” (Chronicle of Higher Education, 2011) Rarely do we see any attempts to link dropout rates to the unique characteristics of the student body, though examples which go into the detail about the demographics of FPI students are somewhat plentiful outside of the NCES data (Kantrowitz, 2009). On study (Chung, 2010) does discuss extensively about the high rate of minority students and low economic backgrounds of many for-profit students, but ultimately stops short in answering the question of why these adults would choose such a high-cost educational option, or why they were recruited by the for-profit schools in the first place. Still, this study is only one of a few (including several by the Government Accountability Office) that notes a clear connection between the educational and financial background of these students and the near inevitability of them dropping out. Perhaps the most telling is a statement in a Government Accountability Office (GAO) report entitled “Postsecondary Education:Student Outcomes Vary at For-Profit, Nonprofit, and Public Schools” (Scott, 2011). In this government report, is a line describing the FPI student body as “students who are low-income, minority, or older generally have lower graduation rates than other students regardless of sector.” This report shows a staggering 19 point gap between nonprofit and for-profit graduation rates, yet gives no analysis on the cause.
As stated earlier, Chung’s report touches on one of the key questions introduced in Chapter 1: Why do students choose these schools, especially if they are much more expensive than their traditional counterparts? Simply put: Recruitment. In what is now considered a seminal work about recruitment practices at for-profit schools, U.S. Senator Tom Harkin led a committee that produced a report that quoted extensively from another GAO report which showed conclusively that the recruitment tactics by the FPI sector (not just a few rouge schools) were misleading and illegal in some circumstances (Harkin, 2011). Essentially, these schools primarily sought to maintain their overall enrollment rate, so aggressive recruiting was seen as a way to counteract the high dropout rate. In fact, Senate testimony showed that one school rolled over their entire enrollment every three months for a period of almost three years. Again, these statistics are publicly available online in the NCES data, yet this author was not able to find significant literature that followed up on the findings in Harkin’s report.

Because recruitment/enrollment is such an important part of evaluating academic institutions, FPIs methods is the topic of much discussion in literature because they drastically differ so much from from the nonprofit schools. The practice of targeting former military personnel and older professionals is not illegal, but clearly, the question if these these two groups are privy to all of the qualities one should look for in a school (such as accreditation, rigor, prestige and yes, graduation rates) should be explored, though few studies have. Furthermore, in another GAO report which featured ‘undercover’ students who were actually researchers in the study (Hillman, 2011), demonstrated evidence of FPI schools targeting students who did poorly in high school. Also in this same study, the researchers were also able to enroll at 12 out of 15 colleges with fictitious high schools credentials. These practices would be considered taboo in the nonprofit academic arena, but has not received much attention in the literature possibly
because of the perception that these may be legitimate practices in the business world (Wilson, 2010).

2. Quality of Education

Moving the focus away from the two areas of debt and graduation rates which permeate the literature, we can turn our attention to the way classes are being taught, since it can be argued that classroom instruction has the most direct effect on the ability for students to graduate. Here, the major difference between the for-profit and nonprofit sectors, is that FPI schools concentrate heavily on online teaching in conjunction with classroom instruction, while traditional schools provide lectures primarily on campus (Morse, 2015). There are pros and cons to both formats, which has caused some debate which style is better for the educational outcomes of the for-profit students. Additionally, the tendency of FPIs to hire industry practitioners over academics is another controversial practice, as this is used as a selling point to prospective students. Although not illegal, accreditation agencies are expected to monitor closely the number of earned doctorates on faculty, as there are strict requirements for the number needed to maintain accreditation (citation). These agencies are also charged by the Department of Education to insure that student overall educational needs are being met, both academically and financially. One such agency, the Accrediting Council for Independent Colleges and Schools (ACICS) is the the primary accrediting agency for many smaller for-profit schools, such as the now-defunct ITT and Corinthian Colleges. While many of the practices by the for-profit education industry is under debate, what is not debatable is the Obama administration’s 2017 decision to shut down the ACICS due to violations of the accrediting authority to unsuccessfully safeguard student academic outcomes (Fain, 2017). Some of the practices that went unnoticed by the ACICS was member schools lying about job placement rates and establishing weaker
In total, there were 21 ethical violations that were summarized in a letter from the DoE (citation). The revoking of this accreditation sent shockwaves across the industry, as students from the 100+ schools that were shut down were immediately affected, as well as the literally 200+ smaller FPIs that are still scrambling for an accreditation agency.

The accreditation issue will also cause another cascading problem that has been associated with the for-profit sector, and that is the ability to transfer credits from nationally accredited FPI to a regionally accredited non-profit university. Often these students lose some or all of their credits (Lederman, 2007) This phenomenon does not show up in much of the literature as cause for dropout, however. Another article (Tierney, 2011) cites this as a possible fraud problem that can be remedied by simply requiring FPIs to inform students of the possible risks of transferring credits, although this continues the common thread in the literature of focusing on problems, not root causes.

As noted in Chapter I, the academic background/preparedness of FPI students is a major point in literature and one of three areas that will be discussed in this study. Traditionally, academic requirements/admission standards has been regarded as an indicator of the rigor of a school. Similarly, the correlation between high graduation rates and low acceptance rates at the nation's top 25 nonprofit schools has sparked much debate about students selecting schools based on their own perceived ability, a practice known as ‘self-selecting” (Cohodes & Goodman, 2012). The assumption here is that smarter students go to the more high-selective schools. However, a 2014 study (Heil, Reisel, & Attewell, 2014) showed that at the nonprofit level, there was no real distinction between, “‘highly selective’ and ‘selective’ colleges in terms of the chances of entrants graduating”. They showed in their study that with respect to admissions
requirements vs. the likelihood of students to graduate, the real distinction “was between nonselective and any form of selectivity”. In essence, students were least likely to graduate at schools that accepted everyone versus schools that had some measure of selectivity. This is This brings us to the for-profit sector, where most schools sport acceptance rates upwards of 95%.

A 2011 study performed by the Department of Education (Stakis, 2011) showed that only 17.8% of FPI freshmen had high school averages above 3.5, compared to 44.3% for the non-profits. However, the acceptance rates for both sectors are similar for applicants with high school GPAs between 3.0 and 3.49. The differences between the enrollment groups becomes much starker when comparing students with GPAs below 3.0. 44.1% of all FPI students looking to complete a baccalaureate had a GPA less than 3.0, compared to just 20.6% of all non-profit students. Effectively, almost half the students enrolled in for-profit baccalaureate programs did not have at least a ‘B’ average in high school before starting their first semester in college.

The question of the academic quality at FPIs continues to be problematic as a 2011 Government Accountability Office (GAO) ‘undercover’ study was ripe with instances of questionable academic integrity such as students receiving credit for work not turned in and other students passing classes with substandard work. Furthermore, students in the study were able to gain admittance the select for-profit colleges with forged transcripts. The most exceptional case in this study was a student who was caught plagiarizing, but allowed to continue to submit plagiarized work, and ultimately receive a passing grade.

No discussion about the academic quality of the FPIs would be complete without looking at faculty. Using the same GAO study as springboard in identifying just how large and underreported this sector is, “Faculty Organizing In The Higher Education Industry: Tackling The For-Profit Business Model” (Berry & Worthen, 2012), throws the spotlight on the
nonexistence of tenure in the for-profit industry, when compared to public and private schools. No tenure results in no job security, and no job security results in an overall lack of faculty stability as FPI faculty tend to be full-time professionals instead of career academics. While these instructors with real-life experiences can provide a different (and sometimes better) experience than the traditional classroom professor/academic, both this study and the GAO study showed marked weaknesses in the areas of classroom management and consistency of instruction, resulting in an overall lesser quality of education.

A tangential topic to the FPI faculty tenure discussion is the ability to unionize. As with many unionized industries, union workers tend to draw higher salaries than their non-union counterparts, and this can draw a better grade of instructor into the college classroom. Berry’s article also focuses on the immense difficulties that FPIs face when they have tried to unionize. While non-academic for-profit schools (Art, culinary, mortuary, etc.) have been able to form faculty/staff unions since 1986, there are only three instances of an academic for-profit faculty exercising any type of collective bargaining. Even then, one of these groups is not a traditional union, but rather a collective of instructors who negotiated a group contract with their university. The inability to unionize means that FPI faculty do not have access to any type of standardized wage structure which can be linked to experience and education. Consequently, students suffer as the FPIs cannot attract the most qualified teachers, a phenomenon that Berry addresses in his 2005 book “Reclaiming the Ivory tower: Organizing adjuncts to change higher education”. Unfortunately, the tenure/union conundrum is not addressed primarily in academic literature, but rather is seen as a business or ‘labor movement’ problem.

3. Student Debt/Federal Money
By far, the most prevalent theme in the literature is both the huge amount of debt that for-profit students incur, and the unusually high loan default rates. These issues are usually presented with the fact that FPI student body only make up a 13%-15% share of the national undergraduate student body, as to frame the for-profit education sector as failing. A good entry point into this discussion is “The High Price of For-Profit Colleges” where researcher Barry Yeoman quotes the national director of American Association of Collegiate Registrars and Admissions Officers (whose members do include baccalaureate FPIs): “These entities are basically marketing machines. They’re not really educational providers. In an earlier time, they’d be selling Bibles door-to-door, vacuum cleaners door-to-door. Today, because of the availability of federal money—$24 billion in federal student loans and grants in 2008-09—they now peddle so called education.” Yeoman’s article cites real-life cases of couples who accumulated tens of thousands of dollars in debt with no degree to show for it (especially since these credits could not transfer to other schools). More notably though, is that it highlights the well-known crusade of former Senator Tom Harkin against the industry on behalf of the thousands of former service members who have spent over $521M of federal money (in the form of Post-9/11 GI Bill benefits), and have absolutely nothing to show for it. Granted, this defrauding of American veterans by already embattled corporate entities allowed Harkin to score easy political points, but this somewhat seminal article opened the floodgates for other researchers to explore further. One such researcher, Clive R. Belfield, published “Student Loans and Repayment Rates: The Role of For-profit Colleges” (2011), an exhaustive study where Belfield definitively makes the argument that the abysmal loan repayment rates and the skyrocketing number of defaults are an exclusively for-profit problem. In fact, he is part of a growing number of researchers (including Yeoman) that definitizes the higher education sector
into three distinct groups of schools: non-profit private, public and for-profit. This breakdown is important because his study showed that type of institution may be the one of the most reliable indicators of a student’s ability to repay the loan, due to the stark difference in job placement rates and earning potential between the for-profit and non profit sectors. This defied the conventional logic that other factors like a high loan balance were the best indicators, a theory which he showed statistically did not necessarily mean a high default rate. While this study is limited in scope as far as analysis, there is reference to a GAO study that hints that the narrow curriculum focus of the FPIs (primarily the business and Information Technology programs) may leave graduates vulnerable to “labor market changes”. Belfield’s study is key as it ties together the concepts of graduation rates, loan defaults and the unique nature of FPIs as possible root causes for the dropout problem.

Belfield’s linking of tuition to student performance also hints that there is something intrinsically counterintuitive here, as well. The price of for-profit education can be noticeably higher than a comparative private, nonprofit institution of similar rigor. The conventional wisdom is that since FPIs exist primarily to satisfy shareholders (as with any corporation), so the added cost is simply markup for-profit. Yet, this goes against one of the characteristics that most businesses have when operating in a free-market: providing a competitive product at a competitive price. By ordinary business logic, FPI’s should be looking to drive down operating costs to increase profit yet still provide a product to the consumer that is comparable to the nonprofit schools. This apparent lack of desire by the top schools in the industry to bring to market a product at a lower, more competitive price point may speak to the high desirability of the educational product in the first place. This begs to question if a conundrum exists where the very students who need the type of services (online and evening
classes) that FPIs offer, are the ones who can least afford these services in the long run. If this is the case, then it becomes quickly apparent why FPIs are in no hurry to lower their costs. As stated in Chapter One, one of the research questions for this study is the role that finances play in students dropping out, and this area will be explored.

In 2004, “Do costs differ between for-profit and not-for-profit producers of higher education?” (Laband & Lentz) sought to compare the operating costs of both for-profit and nonprofit (public and private) education, in an effort gauge the viability of the burgeoning FPIs that were (at that time) carving out almost 10% of the market share.

The study’s results were informative, but would be pertinent years later when the FPI’s came into crisis. For example, only 4% of the FPIs produced externally funded grant research, compared to 27.7% at private colleges, and 42.2% at public universities. Salaries for the FPI faculty were 50% lower than private schools, FPI’s had fewer graduate level programs and not surprisingly, fewer overall degree awarded per school. The pivotal fact that lends to our study’s research question is that this study determined that “the average instructional cost per FTE student was nearly twice as high at private not-for-profit, schools ($19,186) as at private, for profit schools ($9,935)” (Laband & Lentz, 2004). What is alarming here is that while the operating costs at FPIs are higher, they are not producing research, not paying their instructors, yet they spending more on each student. So it appears that a significant amount of cash is spent on advertising and acquiring students to combat the dropout rate, but a subpar education results when the practices of the school is not aligned with the nonprofit competition.

Comparing operating costs between educational sectors is but one way to gauge the effectiveness of an educational institution, but is this fair? Clearly, they are not targeting the same demographic of students, but another study shows us that the expectations from the
students may not even be the same. A 2011 study by Deming, Claudia and Katz, “The For-Profit Postsecondary School Sector: Nimble Critters or Agile Predators?” demonstrated that FPI’s actually outperform private and public schools in enrolling minority, disadvantaged, and older students, as well as graduating students at the certificate and associate levels. This trend continues today, as the NCES data clearly shows that FPIs are competitive at the Masters and Doctorate levels. This article is one of the first to distinguish between the degree levels to create more discriminating statistics, as it went on to chronicle the well-documented discrepancies in graduation rates and loan defaults at the postsecondary levels as well. This is important to note, because the for-profit sector is extremely diverse, and the worst performers are the baccalaureate-granting institutions, (though some for-profit education industry advocate groups often combine the academic FPI graduation/loan statistics with other proprietary schools such as beauty, trade and mortuary, which has much higher rates overall). Still, this study laid the groundwork for another 2013 article by these same three authors entitled “For-Profit Colleges” in where they make a bold claim that FPI’s are still in business because they are meeting a need that community colleges and non-selective public institutions aren’t providing. But this article makes a departure from existing literature by hypothesizing solutions for the graduation and loan problems. They suggest that addressing student outcomes and expectations would educate students and insulate them from misleading recruiting practices. The takeaway from these studies with respect to our area of concentration is that they both note that the student bodies of the academic for-profits, may be financially unstable to start with, and therefore prone to running out of money and dropping out.

4. The Graduation Rates
As hinted earlier, while there is much written about the low graduation rates, there is not much to address the causes, except for the student running out of money, which plays into the other narrative in the literature, the high loan defaults rates. Still, the 2011 GAO commissioned Scott study, compared student outcomes across all three sectors and confirmed the Deming study that for-profits can produce 2-year graduates (associates/certificate programs) at a better rate than the community colleges, but fail to translate this success at the bachelor's level.

Yet, there is another very populated thread in the literature that may indirectly shed some light on our research topic. As noted in “The Role of For-Profit Colleges and Universities in American Higher Education” (Tierney, 2011), for-profit graduates face another obstacle besides paying off mountains of debt, and that is the inability to find high-paying jobs. This study shows that FPI graduates consistently lag behind graduates from public institutions in the areas of employment rates and long-term earning potential. This has been a metric that has gone unnoticed in the for-profit sector for years until recently when negative attention was shed on the nonprofit's schools for this same issue. The article makes a critical joke about noting the similarity between the person who completed a sociology degree at for-profit college and the recent PhD graduate in Victorian Literature from an elite university: neither are likely to get a high paying job. While this quip has been echoed over the years in various forms, it alludes to the larger problem that for-profit baccalaureate graduates have, and that is the ability to become gainfully employed and earn a salary commensurate with state university degrees. As stated earlier, the FPI graduates often go on to default on their loans, making up nearly 50% of defaulters, but only 15% of borrowers.

Although not directly answered, the burning question in the literature appears to be “Are 4-year degree students dropping out because they see no worthwhile employment in their
future?” While this researcher could find no direct answers, “Profiting Higher Education? What Students, Alumni and Employers Think About For-Profit Colleges “ (Hagelskamp, Schleifer & DiStasi, 2014) is perhaps the latest attempt to examine some of the sector’s problems from the graduate-centered perspective instead of the students. This article presents some interesting revelations:

1. Most grads say they didn’t shop around for their school choice, and were only vaguely aware of the difference between for-profit and nonprofit schools

2. Alums seem happy with the quality of the schools, yet are concerned about the cost and ultimate value of their degree.

3. Employers are neutral toward for-profit schools, but do express a strong preference towards public institutions.

While the for-profit alumnus appear to have some degree of regret in their decision to attend a FPI, this study’s real takeaway are employers who have an overwhelmingly positive view of public universities over FPIs. This preference can be summed up with this quote from a study participant: “I’d look at the guy, but it is not going to impress me. I mean, I see UCLA and I see ITT, I know who I am going to pick, but I am still going to give the guy the courtesy.” Another participant who did hiring for a school district voiced recurring concerns about Strayer graduates failing licensure exams.

5. Looking Forward

Surprisingly, the academic for-profit industry is far from its demise. It fact, as a sector, it is growing. In December 2013, a landmark study entitled “Why has for-profit colleges’ share of higher education expanded so rapidly?” (Gilpin, Saunders & Stoddard, 2013) explored the
enrollment boom and noticed that the top 15 FPIs were doing what good businesses do: react to the market. The recent need for experts in cybersecurity, information assurance and government contracting has driven FPIs to create associate's and bachelor's level curriculums to supply the private sector. In fact, this study stated that at the associate's level, twice as many new degrees were being offered by the FPIs than at community colleges. This should not be surprising as the authors point out that for-profit management structure is designed to work with industry, nurture partnerships and provide a pipeline of specially trained future employees to corporate America. These recent graduates represent larger minority populations than their public college counterparts and very early data suggests that these newer, more lucrative fields are providing stable income and positively impacting the loan default rates.

This last study is notable because it shows how a problem that is affecting all of higher education (meeting a new growing need in industry) is being solved by the business oriented FPI sector. Public colleges and universities are designed to offer traditional programs and this is why the for-profits are growing instead of shrinking because of their performance and cost to the end consumer. They capitalized on the use of the internet and evening classes to fill void left by the nonprofits and they will continue to do this to survive. For example, one of the newest trends in higher education is Massive Open Online Courses (MOOCs). Similar to a Kahn Academy for adults, these MOOCs are a way for instructional content to reach literally millions of people worldwide via the internet. The delivery method is quick and cheap because instructors break hour-long lectures into smaller chunks, making content easier to learn and cuts down on bandwidth, thereby increasing availability and cuts cost. In fact, classroom sizes here can swell into the hundreds, as students worldwide can take the same class. Instructors provide support via ‘office hours’ on Google Hangouts, and we begin to see why there is a growing number of
educational partnerships between schools like Harvard, MIT and Georgia Tech and private educational tech companies like Udacity, EdEx and Coursera, who have specialized in the MOOC arena (Delbanco, 2013).

Easily, we are on the cusp of technology that can change the landscape of education. According to “The Impact of MOO on Higher Education” (Dennis, 2012), the MOOC concept was introduced the mainstream public as a free, audit-only model that was quickly explored by the largest nonprofit universities as a way to ‘test the waters’ of online education. Academic powerhouses like Stanford and MIT have enjoyed free publicity as members of their all-star faculty teach free, non-credit classes online. But, accreditation and implementation issues have prevented the nonprofits from fully embracing MOOCs as a part of the curriculum. Not surprisingly, many potential students are looking at FPIs, specifically Strayer, Kaplan and Phoenix, to find a way to mass-market and monetize this model. In the article “The online challenge to higher education:” (Bonvillian & Singer, 2013), the authors note that as part of state-led initiatives to lower the cost of public education, some universities (several in Florida) have developed so-called “$10K bachelor’s degrees”, which intend to make extensive use of the MOOC technology. According to the article, Udacity, (a for-profit academic entity that was an early adopter in MOOC technology) partnered with Georgia Tech to create an online masters in Computer Science that costs approximately $7K. What is interesting is that while the authors believe that the nonprofit sector will struggle to fully adapt to using MOOC courses in the long term, the irony here is that they also believe the FPIs haven’t jumped into this market yet, because the for-profit sector hasn’t quite figured out how to monetize the MOOC content delivery method. Essentially, why would a prospective student want to take an online course at Strayer when the MOOC equivalent is cheaper from Georgia Tech? Getting back to the research
topic of graduation rates, what kind of impact will this have on the for profit sector? It is likely that the for-profit colleges will try to cut tuition as enrollment declines due to the growing numbers of students seeking MOOC degrees from more prestigious nonprofit schools.

Regardless of the recent misfortunes of the for-profit sector there is some evidence that the arc of relevance is tilting back toward the for-profits, as seen in “The labor market returns to a for-profit college education” (Cellini & Chaudhary, 2013). This is another study that correlates with the findings of the 2011 Deming research that showed holders of for-profit associate and certificate level degrees earn only 10% more than people with no postsecondary education. However, studies of this type are bountiful in the for profit vs. nonprofit arena, but they are a dual edged sword. There is no comparative data in this study that shows that equivalent students in the nonprofit sector don’t enjoy the same results, but we do know from elsewhere that for-profits are graduating more students in this category.

As noted earlier, the FPIs appear to be much more prolific when it comes to graduating students at the certificate and associate degree levels. “What’s Money Got to Do With It? The Appeal of the For-Profit Education Model “ (Schilling, 2013), highlights what the FPI schools are doing right and contrasts this with the public community colleges. One of the key points is that the 2 year public schools are not designed to offer the terminal degree, but rather a launching board for continuation of the baccalaureate degree. Consequently, there is very little emphasis on job placement or even real world application of the material, as opposed to the FPIs who pride themselves on a faculty of practitioners instead of researchers.

The literature on the topic of low FPI graduation rates is varied, and much is it appears to be written from a some position of partiality, whether it be the academics who look down on the entire concept of for-profit education, or the defenders of the FPIs who claim that they are filling
a very viable need in the corporate world and allowing nontraditional students an opportunity to earn degrees. Still, the detractors from the for-profit industry fail to actually address causes, and instead focus on the numerous symptoms. This approach by authors on this topic creates the research threads that were discussed in this review, as well as others such as the Obama administration’s regulatory battles with the industry. From a well-chronicled crackdown on for-profit schools by setting guidelines on alumni employment and loan repayability (Kaplan, 2010) to the countersuit by industry leading schools to allow greater recruiting freedom, the literature is largely reactionary, and fails to shift focus toward the two main problems that are plaguing this sector: graduation rates and loan defaults.

In literature, there always have been studies which dealt with low graduation rates, however most of the attention came from scholars reporting on a trend in nonprofit academia. Until the late 2000’s, the subpar performance of the academic FPIs was largely ignored, perhaps due to the relatively small market size (10%–15) or the hybrid nature of baccalaureate education. But these comparative studies didn’t go much beyond the obvious in stating that out of the public, private and for-profits sectors, the last group performs the worst in almost every category. The obvious omission by a larger number of studies on why for-profits students don’t graduate may be linked to the lack of a perceived need for the research. In fact, one might wonder who would benefit from such a study? A purely cynical approach here would hypothesize that the FPIs are more focused on recruiting than graduating (because new students bring in more money), and the opponents of the industry (presumably from the nonprofit private/public sector) have no real interest in finding out why the FPIs are doing so bad. There may be some reality in this theory because the difference in the student bodies between the FPI and nonprofit schools may lead some to believe that the problems that plague all schools (retention, student outcomes,
costs, graduation rates, etc.) may have different solutions in each of the three sectors. The concept of sector specific solutions is not as novel as it sounds, as even Tinto’s seminal work in student retention has been acknowledged in later years as being somewhat limited in applicability because the study participants were mostly white males.

The overall tone of the many of articles/studies surveyed seem to be content on either defending or contesting the legitimacy of academic proprietary institutions, which is why there is much discussion about the loan defaults and the resulting political dogfights between the government and lobbyists, for instance. When compared to the loan default rate of the competition, the FPIs fare badly, except when the discussion is about associate degrees and certificate programs, where the for-profits have done well. Strangely, there is nowhere near as much literature about the FPI's successes at the 2-year level as there is about their numerous failures at the baccalaureate stage.

Still, it can be argued that if the legitimacy of the FPIs are really the issue here, then why aren’t the graduation rates discussed more in the literature? This answer may lie in the fact that while the sector percentages for graduation rates (65% private, 58% public and 32% for-profit) are the worst indicators for the FPIs, there are many individual schools that have rates that are close to the proprietary institutions (Kena, Musu-Gillette, Robinson, Wang, Rathbun, Zhang & Velez, 2015). In fact, 36 states have public college graduation rates that are below 58%. The reality here is that low graduation rates is a problem for all sectors and finding the root causes should be a priority for all as well. However, the capitalistic nature of the FPIs may make them an easy target for media, government and academics.

It is interesting to note that a fourth sector is emerging that hasn't even been addressed extensively in the literature yet, but definitely has a bearing on our research topic. At least five
nonprofit schools (University of Maryland, University College, Southern New Hampshire University, Penn State’s World Campus, Liberty University and the online campus of Arizona State University) has specifically targeted the nontraditional student demographic to some degree. ASU and SNHU are relative newcomers to the space and have had more success than the FPIs. SNHU has a 49% graduation rate and ASU online rates are unverified, but is said to have rates similar to their ground campus. UMUC, however has been providing evening classes and distance learning for over 50 years, and has an undergraduate graduation rate of 27% according to their own website. Their continued failure in this space has long been an argument for those who feel that the academic for-profit model is flawed, though UMUC has yet to determine if it is the students (they also have a 100% acceptance rate) or the instruction model of online/evening classes (Anderson, 2016).

The real loser here is the FPI students who have no real advocates to find out why things work at the associate's level and not the bachelors. This research/literature gap is where this researcher believes that this study can identify problems and propose solutions.

**Summation**

The hybrid nature of for-profit education makes it difficult to analyze with a regular educational lens. The five major areas that were discussed in this review clearly show that while there is much wrong with this sector, it remains a thriving business for the schools that can adapt to the changing marketplace. Government regulations and guidelines designed to promote more responsible federal lending has put some of the smaller players out of the business, but the major entities have continued on in various forms, such as the merging of Strayer and Capella, or most recently, as the University of Phoenix became privately owned. Still, even more drastic changes to the for-profit educational landscape has occurred in the last year as a missionary school
brought Education Management Corporation chain of for-profits and Purdue University has gotten into the online education market by purchasing Kaplan (Fain, 2017).

The research threads in the literature are varied but they do tell a certain narrative. Traditionally, graduation rates were seen by many academics as a leading indicator of the success of an academic institution, but this practice has been turned on its head as FPI students continue to enroll in schools that clearly are not excelling in that metric. Similarly, while the quality of education is not something that can be easily compared directly between for-profits and nonprofits, the sometimes nebulous reputation associated with the for-profit education industry appears to have little to no effect on the thousands of students that enroll each year. A majority of these students drop out and default on their loans because many cannot find gainful employment, even among some graduates. Spurned by the high loan default rates, the Obama administration put gainful employment measures in place that tied the ability for schools to be eligible for federal loans with the job placement rates of graduates. These safeguards are presently being threatened by the Trump administration.

However, the ability for FPIs to provide education for an underserved population has not gone unnoticed by the nonprofit sector. Literature produced in the last 5 years that show nonprofit schools competing directly for the for-profit students or engaging in joint ventures that combine the online/evening content delivery methods with the reliability and stability of an established nonprofit university. This latest movement is too recent for there to be much written about its success.
Chapter III: Methodology & Methods

The purpose of this qualitative research study is to explore the causes of high dropout rates of undergraduate students at for-profit colleges and universities using the Case Study Methodology (CSM). The data set will be derived from a combination of interviews of students and federal statistical data.

Overview of Methodology

Case study methodology (CSM) is an eclectic method for doing *primarily* qualitative research though, it is agnostic with regards to its application to qualitative or quantitative studies. In fact, it has been called an approach, rather than a methodology (Rosenberg & Yates, 2007), largely because it can entail other methods during its application (Johansson, 2003). Although very broadly defined, with several and sometime conflicting variations, CSM is most easily thought of as study about a person, group, or phenomenon that has been observed over time. CSM as a research method is noteworthy because it builds on previous knowledge, encourages the use of different types of data sources and depends on accurate contextual analysis to be effective, since sample size is usually not large (though it is possible that large amounts of data
can be generated for a study, primarily from the use of multiple collaborative sources).

Researcher Robert K. Yin defines the case study research method as “an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used” (Yin, 1984, p. 23).

Case Study Methodology (CSM) was selected as it is considered a good vehicle to study the perceptions of a varied group of entities who observe a certain event or phenomenon. It is especially applicable here as both graduates and non-graduates should be able to provide rich data about the shared event, in this case, the for-profit educational experience.

As stated in the last chapter, the uniqueness of for-profit education results from both the hybrid content delivery method of online/evening classes coupled with the for-profit educational structure where corporations attempt to offer the same product on different campuses across the country. The resulting experiences can vary greatly from student to student based on the mixture of online and classroom instruction, which campus the student attends, and which professors taught the course. Professor selection is of consequence, since FPIs are noted for their high turnover and lack of tenure.

Although the CSM is traditionally associated with examining different perspectives of the same experience/event, this study seeks to expand this definition to “the overall for-profit educational experience” that is, the educational experiences shared by different students in a for-profit setting. This extrapolations is supported by the fact that among the national campuses of a particular school, the major FPIs (specifically Strayer University/Capella, Walden and the University of Phoenix) make a concerted effort to standardize the educational experience across campuses.
CSM also allows the researcher the flexibility to use mixed data source types as part of
the case study, which would accommodate my need to weigh qualitative data such as interviews
and anecdotal stories found in literature equally with quantitative data, such as dropout rates,
high school GPAs and income.

There is one primary research question with four follow-up areas:

Research Questions

1. What are the experiences of For-Profit Students that primarily contribute to their ability
to graduate?

   a. Does high school GPA influence student retention at FPIs?

   b. The admissions rate for the major FPIs is over 95%. Government data indicates
      that FPI freshmen have lower high school GPAs than nonprofit freshmen. Do
      FPIs intentionally recruit students who are not academically prepared for a
      college workload?

   c. Does the content delivery method (online/evening courses) of for-profit
      institutions affect the ability for students to learn and persist?

   d. Are students receiving adequate academic support from teachers, administration,
      staff, tutors, etc.?

Variations of the method

Through the course of the literature review, at least two distinct approaches to CSM
surfaced (seminal authors Stake and Yin), with other authors falling somewhere along the
constructivist spectrum. While both may technically be considered constructivists, Stake feels
that researchers should actively interpret the data (vis-à-vis subjectivism) while Yin takes a more empiricism approach by insuring that the circumstances surrounding the subject is reported, as well as other sources of metadata, in order to provide a rich description for the reader. In fact, because Yin’s method encourages more sources, he stresses that source selection is crucial in this process. Merriam is one of several authors that has implemented elements of both of these polar opposites, by acknowledging that CSM “focuses on holistic description and explanation” (Merriam, 1998). Her work is notable in that she emphasizes that case study research may be more about the process of inquiry than the outcome of research, but counters this by also noting that the bounding of the study “is the single most defining characteristic of case study research” (Brown, 2008). These practical guidelines to CSM application are echoed by other researchers, such as Rosenberg and Yates, who expand on Yin’s definition of “contemporary definition” by suggesting that CSM, while flexible, are ultimately about “the study of the particular”.

Researcher Johansson sheds light on the necessity for CSM by acknowledging that the multiple cases and data sources types indicate that this is a good methodology for highlighting different views of a phenomenon and lends itself to the construction of grounded theory.

**Overall Research Design**

This study will primarily focus on interviews with students and faculty at FPIs, along with supporting raw data from the National Center for Education Statistics (NCES). NCES is the part of the United States Department of Education's Institute of Education Sciences (IES) that collects, analyzes, and publishes statistics on education in the United States. As a federal entity whose primary purpose is to gather and analyze statistical data, the information furnished by NCES in this study will be regarded as impartial. This should be mentioned since it was noted
in Chapter II that FPIs regard graduation rate data as sensitive information since public knowledge has an effect on the schools reputation and consequently, stock share.

During the research phase for this study, a pilot interview was conducted to flesh out questions, form coding categories and overall research design. This pilot interview also hinted that the spectrum of reasons for FPI student dropout may be broader that was observed in the literature review. The respondent listed qualitative reasons for dropout, such as lack of a supportive atmosphere, and specifically noted that the high tuition was not the motivating reason why he left. Rather, he couldn’t justify to himself the high risk process of paying back the tuition based on anticipated income. Additionally, he did well in high school, and did not find the work particularly difficult. This further separated him from the profile of the “average” FPI student as seen in the literature. Based on these initial responses, it is unlikely that the categories used for coding the pilot will be inclusive of all codes needed for the final study.

The study will be carried out in the following phases:

Phase I- Ideal participants are former students of select for profit institutions who pursued a bachelor's degree within the last 10 years. Participants will be broadly identified through a social media campaign targeted at groups likely to have good candidates for the study.

Phase II - Prescreening of interviewees - After initial selection, participants will be pre-interviewed to confirm that they have enrolled at a major for profit university. These schools were selected because of their relatively large size, regional accreditation status, relative stability and documented efforts to offer a quality baccalaureate degree. Additionally, the larger for-profits try to standardize the experience across the campuses by controlling content, texts and trying to achieve a consistent online experience.
Phase III - Interviews will be conducted via telephone and transcriptions will be outsourced. Responses will be coded using the Nvivo software.

Phase IV - Based on the pilot interview, it is expected that a natural grouping should develop across responses with respect to the main research question. Respondents are expected to self-select into broad categories, such as general reasons for withdrawal from school, as well as scaled qualitative response categories such as satisfaction with academic instruction, academic preparedness, school environment and treatment during the recruitment process.

Phase V - Reintroduction of Pierre Bourdieu's theoretical framework of social capital and cultural capital with respect to responses. Cultural Capital is defined as knowledge and skills, so this would be the natural fit for the responses pertaining to educational preparedness and academic instruction. Bourdieu defined Social Capital as the "network of more or less institutionalized relationships of mutual acquaintance and recognition", so responses regarding academic support from the school and the overall for-profit learning environment, would be the better fit here.

Phase VI- Conclusions and summary. Applications of this study include usage by for-profit institutions to improve graduation rates. Future research suggestions may include a quantitative version of this study, with a emphasis on trend analysis and repeated responses across a much larger sample size.

Population and Sample Design

The study will employ the stratified sampling method as the defining characteristic of the sampled group is former students who both completed and dropped out of a baccalaureate program from a for-profit university. It is the intent of this researcher to interview eight students.
As indicated in earlier chapters, the FPI population is not homogeneous by any standard, and consists of at least three distinguishable groups of former/active military, older students and college aged students with full-time jobs. Essentially, while the subjects selected will not be randomly picked, the broad range of social and cultural backgrounds to draw from may make the sampling method appear closer to convenience sampling, because the final group may not share as many similarities with the national FPI student body.

Data Collection

Yin (2013) lists six sources of evidence for a study: Documentation, archival records, interviews, direct observation, participant-observation and physical artifacts. For this qualitative study, we will primarily employ interviews as the main data source, however, numerical data and analysis provided by the National Council on Educational Statistics (NCES) will play a supplementary role as a documentation evidence.

The pilot interview highlighted a few key points going into this study. First, there should be an effort to pose follow-up questions without particular regard to the pre-existing bias in the literature that students drop out because of finances. As stated earlier, in the pilot study the respondent replied explicitly that finances were not an issue. Additionally, due to the enormity and diversity of the FPI student body, it should be recognized that while the 8 students selected will not accurately represent the approximately 1.3 million for-profit students, there should be an effort to select students that create ethnic, financial and educational diversity within the study.

The researcher has taught at for-profit university (Strayer) but this experience will not be a source of direct observation. Also, participant observation will not be employed as it is
assumed that the interviewees will not be in school, since they will be selected on their status as a FPI dropout or graduate. Physical artifacts are also not expected to be a part of this study, though they may surface in the form of recruitment materials or correspondence from the schools.

Similar to the pilot interview, all interviews will be recorded (with consent) and transcribed using a third party service.

**Data Analysis**

According to Seidman (2013), the researcher cannot work with material until he organizes it, and this is accomplished by analyzing the data after it is collected. For this study, I will use the approach favored by Maxwell (1996) which suggests that these two phases are intertwined. That is, interview questions in later interviews are influenced by responses from earlier interviews. While this may result in respondents being interviewed more than once, this is necessary for a more robust data picture. Effort will be taken to not exert too much effort in this iterative pre-analysis, as to not contaminate later interviews with a line of questions that are too specific about a particular topic (based on previous responses).

The qualitative coding software used in the pilot was Nvivo, which consolidates large volumes of documents and keeps track of all notes, annotations, codes and memos in all fields. This will allow the researcher to code all responses into a fixed set of profiles, that will aid in determining a common theme across answers. The pilot interview hinted that the spectrum of answers may be wider than what was observed in the literature review, so the number of profiles may be large for the study size. It may be difficult to make “thematic connections” (Seldman, 2013) in the analysis phase due to wide spectrum of answers and small number of study participants (eight).
Trustworthiness of Study

Both Yin (2014) and Stake (1995) view the case study methodology through the lens of the constructivist paradigm, so the participant’s interpretations of the common shared experience (dropping out of a FPI) become paramount. The validity of this study comes from a robust linking of each participant’s varied and unique background to their responses to the questions. This attempts to satisfy Yin’s (2014) requirement that there be multiple data sources for the study to be valid as well as a need for detail to allow the reader to assess the credibility of the work (Baxter & Jack, 2008).

Baxter and Jack (2008) also highlight other tests for trustworthiness such as ensuring that CSM is appropriate for the research question, making sure that “purposeful sampling strategies appropriate for case study have been applied” and making certain that the data is managed properly and analyzed correctly. CSM should allow this researcher to explore the views of the different respondents both individually and as group. The research question broadly inquires about reasons why students withdraw from school. It is expected that responses will be varied so the Case Study Method will allow the researcher to both help the reader normalize the feedback and put the responses in context to the supplemental numerical data from NCES.

As with all qualitative studies, coding plays a crucial part in making sense of the data, and this researcher intends to implement a process of double coding where the codes of later respondents are matched up against earlier respondents. Codes may then be reformatted to accommodate a larger number of responses under each code, thereby reducing the total number of codes. This should increase the usability of the study.

Role of the Research
While studies about graduation rates and retention strategies in the nonprofit arena have been the topic of much discussion in the literature, the same cannot be said about the for-profit sector. As stated earlier, a combination of the potentially damaging financial effects of making FPI graduation rates public and increased exposure of profit-driven recruitment/retention structure has made this area somewhat sensitive to extensive discussion. However, as the nonprofit student body becomes less traditional with an increasing number of nonprofit schools (Southern New Hampshire University and Arizona State University, for example) attracting students that are older and seeking online degree experiences, it is likely that this study will have some value to both the nonprofit and for-profit sectors. Although the learning environments of the two sectors differ, a study that highlights some of the issues associated with the content delivery methods of online learning and night classes may shed some light on the dropout rates of this growing cross section of students.

**Ethics**

Yin (2014) and Baxter & Jack (2008) stress the need for ethical considerations when dealing with both the nature of the study and treatment of the participants. These considerations can vary widely from study to study but almost always involve gaining permission from participants and ensuring all parties understand that participation in the study is 100% voluntary which can be severed by any party at any time. For this study, these protocols will be followed as well as extra care will be taken to maintain the confidentiality of all interviewees, as two members are active faculty members. This will be achieved by masking the name of their institution, as well as hiding or slightly altering identifying details, such as subject matter being taught, and positions held.

**Limitations**
As with all qualitative studies, this researcher expects that one of the major limitations will be selecting a small field of participants that somewhat mirror a larger body in order for the study to have reasonable validity. In this case, 8 students will be chosen who have backgrounds that are similar to the tens of thousands of for-profit students that enroll each year. There is an added layer of difficulty here as the FPI student body is notably more racially diverse than their nonprofit counterparts, in addition to skewing more female and having a large military demographic. All attempts will be made to select interviewees that represent these profiles.

Additionally, because all for-profit institutions do not report their graduation rates, and not all FPI students take out federal student loans, the figures compiled by the National Center for Education Statistics (NCES) will never fully capture the entire statistical picture for this sector, since NCES compiles its data primarily from federal loan programs.

**Conclusion**

The purpose of this study is to determine and discuss the causes of low graduation rates in baccalaureate programs at for-profit colleges and universities. Qualitative Case Study Methodology was selected to highlight the primary data source of the interviews and account for the supplemental but still complex data picture of graduation rates. Chapter Four will attempt to frame the findings from the interviews with the statistical data, while Chapter Five will reintroduce Pierre Bourdieu’s Capital Theory to discuss the connections between that framework and the results from Chapter 4, as well as analysis and implications. Finally, the study will conclude with possible research threads introduced in the data.
Chapter 4: Results

The purpose of this study was to analyze the thoughts and perceptions of a small sample group of former for-profit students and to get insight on the low graduation rates at these schools. The sample group was divided into two sections, where Group I consisted entirely of students who completed their baccalaureate program and Group II, composed of students that did not finish. This chapter is the analysis of the research gained to answer the primary research question listed in Chapter I, “What are the experiences of FPI students that primarily contribute to their ability to graduate?“

From this major question we will look at the data through four subtopics. First, we will examine if a student’s performance in high school an indicator of the students ability to succeed at a for-profit institution. Second, the nature of the For-Profit education industry places a premium on the school’s ability to recruit and enroll students. To that end, we will discuss if the FPIs are intentionally recruiting students who are not academically prepared. Third, the ability of
the FPIs to deliver content online and during the evening hours/weekends have long been considered a “selling point” of these schools. This study will attempt to see if these methods actually affected the ability for students to learn and persist on to graduation. Finally, academic/administrative support can be crucial to a student’s success, so we will examine those experiences as well.

**Data Collection and Analysis**

For this study, data collection consisted of interviewing the subjects, transcribing the interviews, and coding the responses, and finally, analyzing the coded data for patterns, structure and common themes. All interviews were recorded and saved so that the researcher could refer back to the source material if needed.

The participants were selected from 17 respondents to a screener that was placed on several social media websites as well as some frequented by members of academia, such as degreeinfo.com. The screener consisted of the following questions:

1. Have you ever attended a for-profit college to gain a Bachelor’s (4-year) degree?
2. Please select which school you attended. If it is not here, please fill in the name at the bottom.
3. Did you graduate and receive a Bachelor’s degree?
4. When you attended the For-Profit college or university, how old were you?
5. What was your high school GPA? (On a 4.0 scale)
6. Have you ever been part of the United States military?
7. Did the military help pay for your for-profit education?

These questions were designed to cast a large net of potential applicants, hence the broad parameters. Questions 1-3 captured background data to screen out those immediately ineligible for the study, while questions 6 and 7 collected data to supplement a possible line of questioning regarding For-Profit institutions targeting veterans because of their easy access to financial aid.
As noted in Chapter III, the study looks to form two groups with the only real discriminator among the participants is their status as a graduate of a FPI or not. To that end, all of the successful graduates (3) from the applicant pool were accepted into the study (Group I), and the remaining five slots were reserved for those who did not complete their program. This second group (Group II) was filtered to reflect a broad range of high school GPAs, as to create academic diversity in the study.

Participant Profiles and Experiences

The first group of participants are the ones who enrolled at a for-profit university and completed their degree. This group will be referred to as “Group I”.

Dennis. Dennis is a black male from Jamaica who grew up in a middle-class household. He did so poorly in high school that he dropped out and had to take several classes via postal correspondence to complete his studies. Dennis says that he was aware of his parents unwillingness to pay for college, so he was resigned to getting a job and going to school on his own, because getting a student loan was not tenable. He also stated that the primary intention of going to college was to get a better paying job to substantially increase his income. After high school graduation he briefly attended the University of the Commonwealth Caribbean (in Jamaica), before dropping out and becoming a Police Officer in the United States.

Dennis readily admits that his selection of the for-profit Ashworth College was driven by the school’s relatively low tuition, and being from Jamaica he was unaware of the distinction between the for-profit and nonprofit schools. Additionally, Ashworth’s extensive online offerings meshed well with both his self-driven learning style, and the correspondence courses he took in high school.
Dennis’s experience at Ashworth was generally positive, as he noted the extensive community online provided both academic and administrative support. However, he says that he would not choose a for-profit school again due to the negative stigma associated with the industry.

Mitch. Mitch is a Caucasian male who grew up in a small town north of Detroit in a middle-class neighborhood. Instilled with a strong work ethic from his parents, Mitch had odd jobs dating back to a paper route at 13, and realized early in life that he would have to pay for his own way, including college. He performed extremely poor in high school, so he opted to work full-time upon graduation, although he knew many people that went to community college. In his early twenties, Mitch decided to attend an inexpensive community college (Oakland Community College) part-time, to get an associates degree before selecting the FPI Aspen University at 26, primarily due to its unusually low-cost tuition and flexibility of schedule offered by the online classes. Mitch did well at Aspen and partly attributes that to the Oakland Community College (OCC) experience preparing him for the rigors of college work. He also stated that unlike at OCC, Aspen’s instructors were consistently available and he enjoyed the additional academic support through online discussion boards. Mitch also noted that the instructors at OCC, didn’t seem to care if you did well or not, because “They still got paid.”. When he enrolled at Aspen, he had already come to the realization that like so many other things in life, it was going to be up to him to “make it work” (quote).

Mitch’s success at Aspen propelled him into a successful career in electrical engineering, where he would later go back and get another Bachelor's from a FPI. Presently, he is working on a Doctorate in Business Administration from the for-profit Kaiser University at age 50. He wants
to use this degree at the company he is presently working for and wants to eventually teach at a local community college.

**Gordon.** Gordon is a Caucasian white male that lived in several cities growing up, as his father was in the military. Growing up in a solidly middle-class background, his parents and siblings all hold at least a Bachelor's degree. In high school, he maintained a B+ average and played sports. After graduation, Gordon had a successful career in the military and later opened a highly successful construction business. A motivated self-starter with plenty of military discipline, he selected the University of Phoenix because their extensive selection of online degree programs allowed him to juggle school and his small business simultaneously. Gordon stated that the academic/administrative support was provided via email and they even paired him up with a fellow veteran to help him out if he had any problems. Not surprisingly, he had a relatively problem-free experience at the UoP, and finished his bachelor's degree in Business Entrepreneurship. Gordon proudly says that he epitomizes the military mantra of proactiveness and lives life by the motto ‘You get out what you put in’.

The second group (Group II) consisted of former for-profit students who enrolled at a for-profit school and dropped out of the baccalaureate program at some time. This does not mean that the participant did not necessarily complete their degree somewhere else, just not at the for-profit in which they originally enrolled.

**Stefan.** Stefan is a Caucasian male who grew up in Arlington, Virginia who moved back and forth from Florida in his childhood. He considered himself upper-middle class as his father worked for the National Education Association and his mother was an office manager. His grades in high school were extremely poor, as he felt he needed to teach himself. He missed class often and barely graduated however, Stefan says that there was always the expectation that
he would go to college and that his parents would pay for it. He also stated that this expectation was considered the norm for the neighborhood where he lived.

Stefan attended several nonprofit universities in West Virginia, Delaware, Washington state, and Virginia, as he juggled school and his career in the IT field. He then decided to enroll in the for-profit Strayer University in Northern Virginia largely because they would accept a highly respected IT certification (Microsoft Certified Systems Engineer) as transfer credits towards a Bachelor's degree. Stefan considered his experience at Strayer as positive, as he noted that the instructors there were actual professionals in the IT field and the work was really targeted to his goals. He felt that the level of academic support was sufficient, and would have completed his degree there had he not moved to Florida again. Stefan had to withdraw from Strayer because at this time (late 1990’s), the national university did not have a robust online presence and no campuses in Florida. Stefan eventually would finish up his bachelors at Charter Oak State College in Connecticut.

**Yvette.** Yvette is an African-American woman from Richmond, Virginia. She grew up in a low-income neighborhood to two hard-working parents, and realized later that her upbringing can best be described as “poor”, though she didn’t realize it then. Yvette was an average student in high school, but had to drop out due to her having her first child in her teens. She readily acknowledged that she didn’t know many people who went to college, and that her mother’s enrollment in a community college actually served as an inspiration for her to attend community college herself. Her hectic schedule eventually forced her to enroll at ECPI and later DeVry for online courses, but she then switched majors and enrolled at Strayer University to major in criminal justice. Yvette felt that the classes were challenging, but not too hard, and that the professors provided adequate support via email. Although she later dropped out of Strayer due
to the high tuition, Yvette says that she would attend Strayer again, even over the community colleges.

**Jim.** Jim is an African-American male who grew up in a rough neighborhood in Gary, Indiana. His parents were both laborers and described himself as lower middle class family. Although, he saw much violence in his community, Jim excelled in high school as a self-professed nerd who earned membership into his school's honor society.

Although financially strapped, Jim’s mother nurtured his desire for education by taking day trips to Chicago, and vividly remembers the first time he ever took a plane, to Los Angeles. Although expensive, these experiences prompted Jim to apply for college, but he waited too late to receive desperately needed financial aid. He opted to join the Air Force for four years and then enrolled at the University of Phoenix, because his wife pursuing her Masters, and he needed to spend tuition money from his military G.I. Bill. Although his wife completed her degree, Jim found the work unchallenging for the high tuition and dropped out.

**Anne.** Anne is an African-American woman who grew up in rural Spotsylvania County, Virginia. Essentially growing up on a farm, chores and gardening dominated her early life. Ironically, she was introduced to Information Technology at 8 years old and this planted the seed to want to go to college and launch her career. Anne described her background as solidly middle class (for the area) in the sense that they were not lacking the essentials. Although she was an average high school student, she did know several people who went to college, so when she applied and received several grants, she enrolled at Saint Paul’s College, a private, non-profit college in southern Virginia. She left after two years, because of finances and then enrolled at Strayer University in Maryland. Her primary reason for selecting this for-profit was due to their flexible scheduling of classes on weekends. Anne says she enjoyed the classes at Strayer but
poor administrative support and refusal to transfer credits from Saint Paul’s prompted her to leave and enroll at the University of Maryland-University College. Incidentally, UMUC is one of a growing number of state schools who are targeting the for-profit student demographic by offerings online and night courses.

**Pierre.** Pierre is an African-American male who grew up with lower income family in Philadelphia, before moving to Hampton Roads, Virginia to complete high school. Due to an unstable family environment, Pierre emancipated himself at age 16, and then moved to the Atlanta area to complete his GED and to assist his 50 year old mother who was pregnant with his brother.

Pierre acknowledges that while he knew people that went to college, family members advised him that he would probably have to take out loans to attend, with very little emphasis on grants or scholarships. He enrolled in community college for 1.5 years and earned his associates before being recruited to attend the for-profit DeVry University, largely because of the school’s night classes fit into his busy schedule, and he did not prefer to take online instruction. Pierre says that his experience at DeVry was not optimal, because he considers himself a ‘people person’ and the classroom environment was distant. The instructors simply did not seek to make personal connections with the students. Both administrative and instructional support was provided via email or blog, further separating the students from the teachers. Still, being highly motivated Pierre continued to take classes before he decided to drop out after realizing that he probably wouldn’t get a job earning enough money to pay back his student loans.

**Interview Questions**

**Fig 1.**
<table>
<thead>
<tr>
<th><strong>Question</strong></th>
<th><strong>Follow-up</strong></th>
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</thead>
<tbody>
<tr>
<td>Please tell me a little about your background.</td>
<td>Place of birth, generalized information</td>
</tr>
<tr>
<td>Growing up, how would you describe your financial situation or status?</td>
<td>Did you feel that college was something you could afford?</td>
</tr>
<tr>
<td>Growing up did you know a lot of people that went to college?</td>
<td></td>
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<tr>
<td>Did you think that you would go to college?</td>
<td></td>
</tr>
<tr>
<td>Was education important to you?</td>
<td>Did you do well in high school? What were your perceptions about how a college degree could help you in life?</td>
</tr>
<tr>
<td>Why did you pick a non-profit university vs. a traditional one?</td>
<td></td>
</tr>
<tr>
<td>Did you prefer online or in-class instruction?</td>
<td>Why?</td>
</tr>
<tr>
<td>. Were you happy with the quality of instruction received?</td>
<td></td>
</tr>
<tr>
<td>Do you feel that you were prepared to do the work?</td>
<td>Did you feel that the classes were too hard? In what way?</td>
</tr>
<tr>
<td>During your studies, did you think you were going to complete the program?</td>
<td></td>
</tr>
<tr>
<td>Are you using your degree in your present occupation?</td>
<td></td>
</tr>
<tr>
<td>(Group I) What do you think was the main reason that you were able to complete your studies?</td>
<td>(Group II) What do you think was the main reason that you did not complete your studies?</td>
</tr>
<tr>
<td>. If you could do it all over again, would you pick a for-profit university?</td>
<td>Why?</td>
</tr>
</tbody>
</table>
**Significant Themes**

Once the interviews were completed, the coding process began and common themes began to emerge from the responses, primarily in the areas of background, reason for choosing a FPI, quality of experience (which included a subset of academic support) and finally, reasons for dropping out. However, what quickly stood out among the participants in Group I (graduates) were specific characteristics and experiences that they shared with each other that were not present with the other group.

**Characteristics and background of the two groups:**

**Fig. 2**

<table>
<thead>
<tr>
<th>Characteristic/Theme</th>
<th>GRAD (Group 1)</th>
<th>Non-graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age at enrolling at FPI/maturity and determination levels</td>
<td>All three participants were over the age of 25 with one at 35</td>
<td>All five participants were under the age of 31 with four under 25.</td>
</tr>
</tbody>
</table>
| Previous work/school experience before enrolling at a FPI | ● Police officer (Dennis)  
● Electrical engineer (Mitch)  
● Military/Small business owner (Gordon) | ● Temporary IT jobs (Stefan)  
● Hairdresser (Yvette)  
● 4 years in the military (Jim)  
● College, temporary IT jobs (Anne)  
● Community college, part-time jobs (Pierre) |
| Economic Background                      | ● All identified as middle class                                               | ● Middle Class (Anne and Stefan)  
● Lower economic class (Jim, Pierre and Yvette) |
| High School Performance                  | ● Low Performer (Dennis, Mitch)  
● High performer (Gordon)                                                       | ● High performer (Jim)  
● Average performance (Anne, Yvette, Pierre)  
● Low performance (Stefan) |
<table>
<thead>
<tr>
<th>Knowledge of people who went to college</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Neither Gordon or Dennis did not know many people who went to college.</td>
</tr>
<tr>
<td>● Mitch was aware of people who went to community college, but not four-year colleges</td>
</tr>
<tr>
<td>● Neither Pierre nor Yvette were familiar with many people that went to college.</td>
</tr>
<tr>
<td>● Anne was aware of many people who attended.</td>
</tr>
<tr>
<td>● Stefan’s parents were professionals and was around many college educated people.</td>
</tr>
<tr>
<td>● Jim also grew up with people who went away to college.</td>
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</tbody>
</table>

**Theme 1: The successful graduates were older than the unsuccessful graduates.** The graduates clearly showed a maturity level in their late 20’s that most of the other group did not.

At the time they started their academic careers at their respective schools, Dennis was 25, Mitch was 26 and Gordon 35. The only person over 25 in Group II was Jim at 31.

Unfortunately, NCES did not track graduation rates for 2015 by age of the students. But the successful group being older may be significant when taken in account with the second theme observed, that being occupations of all the participants in the study. Still, there are some things that stand out about the maturity of the graduates, such as Dennis talking about taking classes via postal mail in high school “So then I earned three more courses on my own studying on my own. And like one of them was with a correspondence school so they would like, send me materials and I basically taught myself. So the idea that I could go to school online, kind of came from there”. Although he would not fare well in his initial attempts at college, Dennis’ developed his skills as an independent, self-starter that he would later expand on when he enrolled at Ashworth after he started his police career.
Mitch’s story is slightly different. His maturity manifested itself by realizing that he was not ready to attend college at 18. He stated “Well, I knew it was important (college) but since I hated school, I really didn’t think about it too much. I didn’t actually go to any type of college until I was in my early 20’s.” Mitch first enrolled in community college, before selecting the economical Aspen, but even this decision showed restraint as he was working full time and was cautious about spending too much money. These choices are not exhibited by most of the members in Group II.

But the strongest case of maturity was displayed by Gordon, when asked about the quality of instruction, he proudly exclaimed “I was self motivated, I was 38 years old “. His positive attitude contributed to his success as he completed his degree online.

By contrast, the second group’s relative youth manifested itself primarily in the complaints about the instructors and the online delivery format. Pierre lamented about being actively supported at the community college by interacting daily with his instructors .. ”[They would tell me] Hey, let me talk to you about this. I think you're doing this great, but, you know, you need a little bit of help here or there.” He then contrasted this by feeling “lonely” at DeVry. Anne also compared her previous experience at a non-profit as being more ‘caring’ to her time at Strayer . ”And after three semesters, I realized that they were not giving me the guidance that I really needed to do what I needed to do.” Yvette stated that her preference was to be “ in class. Online works better for me [because of her schedule] but my comfort will be in class because online they are not really there for me.” It should be noted that she also previously attended a community college.

Clearly, there are other factors that influenced the participants ability to persist besides their age. However, it is generally accepted that online studies do require students to be
somewhat self-motivated to do well. While the older graduates all indicated that they
approached their studies with a clear goal in mind and little need for support, almost all of the
younger dropouts stated that they didn’t quite know what to expect and expected more support.
Again, many in the second group attended a nonprofit prior to attending the FPI (such as a
community college) so it is likely that the lack of maturity was exacerbated by the relatively
more nurturing environments afforded by the nonprofit schools.

Theme 2: The successful graduates of Group I all displayed a strong internal locus of
control.

However, an even more strong underlying quality exhibited by all members of Group I
is what is commonly referred to as “locus of control” (LOC), a concept first seen by Julian
Rotter in 1966 where he introduced the “I-E scale”. This scale that measured what he termed
“achievement motivation”, or how internally motivated an individual is to realize their goals.
Essentially, “Individuals with a strong internal locus of control believe events in their life derive
primarily from their own actions: for example, when receiving exam results, people with an
internal locus of control tend to praise or blame themselves and their abilities “ (Carson, 2007)
. Conversely, people with a strong external locus of control are driven by external events or
people. In the classroom, this may manifest itself as a person who blames the exam or a bad
teacher for their failures. For this study, all of the members of Group I demonstrated a strong
internal locus of control as they all clearly felt that the ability to graduate (or drop out) was in
their hands.

Regarding locus of control, it should be noted that while the graduates all
exhibited high levels of internal LOC, not all of Group II showed traits of being externally-
driven. Stefan, somewhat of a “journeyman student”, acknowledged responsibility for his
lengthy academic journey which encompassed many schools, and did not fault the institutions exclusively.

**Theme 3: The successful graduates came from more stable, higher functioning occupations than members of Group II.**

Perhaps as a function of the age and maturity shown in Theme 1, the older, slightly more established members of Group I had what can only be described as more ‘mature’ careers, or at least occupations with more assigned responsibility. Gordon touted his military career and small business owner experience several times through his interview as contributing factors to his success, while Mitch’s occupation as an electrical engineer clearly showed that he was prepared to do baccalaureate level work. Dennis’ work as a police officer is self-explanatory here, as the police academy alone would have been adequate preparatory work for college.

With the exception of Jim’s military experience, all of the members of Group II held essentially temporary jobs prior to enrolling at the FPI. However, Stefan did attain a prestigious Microsoft certification which alludes to the fact that his status as a dropout is due to Strayer University not having campuses in Florida opposed to any shortcomings on his part. The remaining members of Group II (Anne, Pierre and Yvette) all had similar pre-FPI experiences of college/low-responsibility jobs before embarking at their chosen for-profit institutions. These three named “lack of support and individualized attention” as reasons for discontinuing their studies, which would be consistent with a perfect storm of a person not having internal strong locus of control, a lack of previous work experience which would teach them to be more independent and finally, the for-profit environment. We will discuss the for-profit learning environment later in this chapter, but here we are specifically referencing the online content
delivery format and the weekly class schedule, both being factors that favored the self-starters in this study.

**Theme 4: Economic Background - All of Group I came from middle-class backgrounds.**

Although members of Group II were split between identifying as “lower” and “middle” economic classes growing up, all three of the successful graduates considered themselves solidly middle class, including the immigrant Dennis from Jamaica. The middle class advantage in economic capital translated into advantages in social capital as all of the middle-class respondents (even the dropouts Anne and Stefan) quoted an anticipation to go to college from an early age, with either financial support from the parents or an expectancy to work and/or take out loans.

These answers contrasted heavily with those from Jim, Pierre and Yvette, whose stories showed a desire to go to college, but no clear idea to get there, as they all seemed to realize on some level that money would be an obstacle. This prompted Jim to go into the Air Force, while the overriding desire to make enough money upon graduating influenced Pierre to drop out when he realized that he would not be able to pay back the projected loan bill with the anticipated starting salary. Yvette’s economic status also played a part in her selecting for-profit schools because the online courses allowed her to work full time to support herself and her child.

**Theme 5: High School Performance - Contrary to data introduced in Chapter 2, high school GPA/performance was not a significant factor between the two groups.**

Because all studies (Kantrowitz, 2009, NCES, 2016) show that overall, FPI students generally have lower GPAs in high school than their nonprofit counterparts, the common extrapolation is that the lower FPI graduation rates are a result of students not being academically prepared out of high school. While the participants of this study were randomly
selected, there was no clear correlation between high school performance and successful matriculation. Two members of Group I (Dennis and Mitch) did poorly (GPAs lower than 2.5) in secondary school while everyone except Stefan claimed to have at least average (above 2.5) grades in high school. It must be noted however, that almost all of the participants (except Jim) attended another school before enrolling at the FPI that was used for this study. It is unknown to what extent this intermediary experience between the FPI and secondary school had on the participants, but several members of Group II compared their time at the FPI unfavorably with their studies at their previous nonprofit schools.

**Theme 6: The data showed that the level of awareness that the participants had of college from their associates was not a determining factor of their success.**

When asked if they knew (growing up) of people who went to a four-year college, no significant trends were noted. As high school students, only three participants claimed to know many people who attended college, and none of them were Group I, although Mitch knew individuals that attended community college, which influenced his decision to pursue an associates first.

None of the participants in this study seemed to be particularly influenced by individuals outside of the immediate family unit, as all claimed the concept of college was initially introduced as a necessary step to success by their parents and/or close relatives.

The second group of themes that resulted from the analysis were from the questions that were designed to differentiate between the experiences of the two groups.

**Fig 3.**

<table>
<thead>
<tr>
<th></th>
<th>GRAD  (Group I)</th>
<th>Did Not Finish  (Group II)</th>
</tr>
</thead>
</table>

- 75 -
| Reason for selecting a FPI | Dennis- Cheap tuition  
Gordon- Online classes  
Mitch- Cheap tuition | Pierre - Heavy recruitment by DeVry/Night classes  
Stefan- Accepted credits  
Jim- Wife was attending UoP  
Anne- Weekend classes  
Yvette- Online classes fit into full-time work schedule |
| --- | --- | --- |
| Quality of Academic Instruction | Dennis- No problems, but self-motivated.  
(Ashworth)  
Gordon- Satisfied but he is self-motivated. (UoP)  
Mitch- Happy with instruction. (Aspen) | Anne- Mixed reaction, language barriers, others were good. (Strayer)  
Jim- Unhappy with low level of difficulty and lack of organization. (UoP)  
Pierre- Unhappy with energy level of night class. (DeVry)  
Yvette- Content with instruction. (Strayer)  
Unsatisfied with ECPI.  
Stefan- Satisfied with instruction (Strayer) |
| Quality of Academic/Admin.Support | Gordon- Satisfied with support. They paired him with a veteran.  
Dennis- Happy with online support.  
Mitch- Effect support provided by phone and email. | Pierre- Unhappy with the lack of “personal touch.” Required too much effort to track down staff.  
Jim- Unsatisfied with timeliness of response.  
Stefan- Happy with academic support at Strayer.  
Anne- Lot of staff turnover led to poor support.  
Yvette- Instructors responded promptly. |
| Reasons for completion/dropout | Dennis- Attributed his success to self-determination.  
Gordon- Military background, family support and being a small business owner.  
Mitch- Quick feedback and good support from instructors. | Anne- Poor administrative support, course inavailability, did not transfer credits.  
Jim - Ran out of money from GI Bill and high tuition.  
Stefan - Moved away, Strayer was not online yet.  
Yvette- Did not like ECPI, She switch majors and Strayer did not offer cosmetology.  
Pierre- Felt disconnected, did not think that he would would be able to pay back all of the loans. |
| Would you choose a FPI again? | Dennis- Would not choose a FPI, based on associated stigma  
Gordon- Yes, he enjoyed the online experience.  
Mitch - Yes, felt he got | Stefan- Would not pick Strayer, preferred Charter Oak State College  
Pierre- Would not choose a FPI, would research more.  
Yvette- Would pick Strayer over community college. |
personalized attention at Aspen vs. community college.

Jim - Would not attend UoP, initial decision was based on spouse attendance.
Anne - No. Too many administrative issues.

Theme 7: Participants selected FPIs primarily because of lower tuition or the nights/weekend/online format

For this particular theme, we have to address some of the differences in the For-Profit Institutions in the study, with respect to tuition. Strayer University, ECPI, The University of Phoenix and DeVry University are all universities regionally accredited by one of six accrediting bodies recognized by the United States Department of Education. Regional accreditation status is easily the most distinguishable characteristic between schools that are considered legitimate (Haynie, 2013,) and institutions that exist primarily to award a degree upon receipt of a payment, with little to no academic work associated with it. Commonly referred to as “diploma mills” (Bartlett & Smallwood, 2004), these schools award degrees that do not meet the standards of most employers who require an “accredited degree”.

Because regional accreditation is considered a sought after requirement in academia, the four for-profit schools listed above tout this as a selling point, and it is reflected in the higher tuition.

Consequently, while some schools may be able to make claims to be a better value than other schools in the for-profit sector (most notably Strayer University), FPI schools are not normally considered cheaper alternatives to their equivalent nonprofit counterparts (Josuweit, 2017). Therefore it was puzzling, when Group I members Dennis and Mitch cited “cheap tuition” as the primary reason to attend Aspen University and Ashworth College,
respectively. Further research into both schools reveals that while neither are considered ‘diploma mills’, they are not regionally accredited either. They fall into a third category of “nationally accredited” schools that receive their accreditation from the Distance Education Accrediting Commission (DEAC), a body recognized by the Department of Education, but not considered on par with the six regional accrediting bodies. DEAC schools may be campus-based, but primarily exist to serve students online, hence the lower cost. The DEAC national accreditation is not considered as stringent or prestigious as the regional accreditation, nor is it viewed as equivalent by many discriminating employers.

Neither Dennis or Mitch were aware of the peculiar accreditation status of the schools they selected, because both were seeking degrees primarily to move ahead in their occupations, and had employers who did not distinguish between regional vs national. For example, Dennis’s status as a police officer in Louisiana did not dictate the need for the more sought after regional credential, and the small engineering company that Mitch worked for only required that he gain the knowledge that a B.S. in Business Administration afforded. They were not concerned about the legitimacy of the degree or that it only cost him $4,100 to complete his bachelors, after getting his associates at a community college.

Gordon, Pierre, Anne and Yvette all selected FPIs for the conventional reasons of ease of scheduling. The weekend/night classes and the ability to take all of the courses online made the FPIs the most logical choice to fit around their busy professional lives. However, while Gordon actively sought out the University of Phoenix because of the online degree, Yvette was more reluctant to enroll in the ECPI and Strayer online offerings because she actually preferred classroom instruction to web-based.
Pierre and Anne had a similar unwillingness to enroll in evening and weekend classes, respectively. Pierre was previously enrolled at Georgia Perimeter Community College and enjoyed the rich, undergraduate atmosphere attending day classes on campus. After being recruited heavily by a DeVry campus that was near his job, he enrolled in the evening classes and was immediately dissatisfied with the lack of hands on interaction with the professor and the overall experience.

Anne’s selection of Strayer was based exclusively on her need to work during the week and liked the convenience of using Saturday morning as a block time to enroll in two courses. Having previously attended a nonprofit, she was aware of the difference in the school types, but consciously made the trade off.

After moving around from state to state and accumulating credits from both public and private schools, Stefan’s decision to attend Strayer was singularly based on the school’s willingness to accept credits from all the institutions that he attended. Additionally, Strayer was the only university that he applied for that gave him credit for the Microsoft Certified Service Engineer (MCSE), an industry recognized certification.

Jim’s selection of the University of Phoenix, is somewhat unique in that he chose the school primarily because his wife was completing her Masters. However, he noted that the school made the application and enrollment process particularly fast and simple, which he attributed to his status as a veteran with easy access to funds via the G.I. Bill.

Theme 8: Due to a relatively high internal locus of control, members in Group I had generally low expectations of their for-profit experience, while Group II members expected more from their instructors. For both groups there were no 100% direct correlations between expectations and outcomes.
Another recurring theme among all of the answers from the respondents was the level of expectation that they had of their institutions, though this did not translate directly to the level of satisfaction perceived. Essentially, Group I enrolled with a clear goal of graduating, and did not feel that they needed much from their professors. However, the resulting level of satisfaction was varied. Group II expected a much higher quality of instruction from their instructors and often compared them unfavorably to their previous teachers at nonprofit schools. Not surprisingly, when these high level of expectations were not met, their level of satisfaction with their overall experience appeared to be low as well.

It is important to note that Groups I’s absence of negative feedback about the quality of instruction should not be taken to assume that the experience was overwhelmingly positive, or that everyone experienced a high level of satisfaction. When asked if he was happy with the instructors, Dennis responded “For the most part. I’d say the interaction with the instructors were pretty limited. I mean apart from feedback, limited to none almost.”. Gordon’s answer to the same question was “I was self-motivated, I was 38 years old.” However, Mitch seemed to be really satisfied as he replied ‘Very much so. Yeah.” Here, we see a disconnect (at least for Dennis and Gordon) between a relatively low level of expectation and a high level of satisfaction. Clearly, they did not feel that they required much from their schools, but that did not blind them from being critical of the overall experience. In contrast, Mitch’s lowered expectations did carry over into a higher satisfaction with the overall process, though he alluded during his interview that his community college experience may have lowered the bar for his time at Aspen. When asked about his time at Oakland Community College (Michigan) he states “That’s a really good question. Probably not just for the simple fact that I think the community college got me to understand because the teachers were so poor quality-- And seriously, that I
had to work on my own. And so, I mean they didn't care if you attended or not. They still got paid. So, when you went there, I mean it was up to you to make it work.”

With the exception of Stefan, the Group II respondents noted discontent with the instruction, with complaints ranging from professors who did not speak English clearly (Anne), to instructors taking an unusually long time to grade assignments, to work just not being challenging enough (Jim). The rest of the comments centered around having a lack of connection with the professors, such as Pierre’s statement that “The information, the way it was presented was just laid out... Here's the map, here is how you use it, use it. It wasn't no real assistance, like I said, there was really no motivation from the teachers for you to graduate.”. Pierre went on to state that compared to his time at Georgia Perimeter Community College, he felt that the instructors at DeVry were ‘cold’ and also stated about the instructors “I feel like they are using me, they were making their money off of me”.

While none of the respondents said that the work was too hard, Jim did feel that the professors made the work too easy “For me, it wasn't pushing me. It was just bland. It was just "Submit this paper" and that's it. Whereas when I went online with Central Piedmont Community College, I had to work my butt off. And I was in a community college!” Again, a common thread occurs in the responses as the subjects gave similarly subjective replies as they compared their for-profit and nonprofit experiences.

Yvette’s educational journey included several FPIs (Strayer, DeVry and ECPI), however only Strayer appeared to stand out as an institution who had instructors that gave her any personalized attention. Similar to Mitch, she had been exposed to subpar learning experiences prior to enrolling at Strayer, but as a young, struggling, single mother she felt she required more attention than a regular student. Yvette withdrew from Strayer because of a career change
to cosmetology and lack of funds, but maintained a high level of satisfaction with the overall educational experience so much that we stated that she would attend a for-profit (specifically Strayer) again.

**Theme 9: Similar to the previous theme, the respondents who were happy with academic instruction, also were happy with the level of academic/administrative support**

This theme cut across groups as all of the graduates as well as Stefan and Yvette expressed satisfaction at the level of academic and administrative support received. While Dennis (Ashworth), Gordon (UoP), Mitch (Aspen) and Stefan (Strayer) appeared to demonstrate a high locus of control, and therefore did not require much additional assistance from their respective schools, Yvette noted that her professors at Strayer responded quickly by email to her requests for assistance. This, along with the higher perceived quality of instruction made her experience at Strayer enjoyable.

At the other end of the spectrum, Pierre (ECPI), Jim (UoP) and Anne (Strayer) had less favorable support interactions with their institutions, though Anne noted that the quality of her four instructors varied greatly. Pierre who admitted that he required additional support outside of the classroom expressed the most amount of dissatisfaction as he again used the most subjective terms of the group, characterizing as the administrative support as lacking “personal touch”. This seemed to be a trend, as Jim was also disappointed in Phoenix’s academic support being provided mainly online through discussion boards, and the administrative staff only being reached via email. What it is interesting is that the University of Phoenix has a “Veterans Department”, that not only paired him up with a fellow veteran, they made sure that his financial affairs were taken care of in a timely fashion. Specifically, they handled all of his G.I. Bill paperwork to ensure that his tuition was paid. Although at a different campus, Gordon also
voiced that he was paired up with a veteran for emotional support, and that handling of administrative/financial affairs was almost invisible to him.

Anne’s displeasure originated from another pitfall: high staff turnover. She complained of dealing with 3 different counselors in the 1.5 years that she was enrolled as a student, and only being satisfied with the first. Eventually, the third counselor quit and she was not assigned another, so she decided to withdraw from classes, and enrolled at the nonprofit University of Maryland-University College.

**Theme 10: While the graduates in Group I all attributed their success in some way to being self-motivated (strong internal locus of control), the members of Group II seemed to drop out for a wide range of reasons.**

As noted earlier, the strong internal locus of control exhibited by Group I was not only displayed in their ability to complete their work, but they all appeared to be self aware that this trait is what helped them navigate successful through the for-profit educational environment.

Dennis probably best sums up the attitude of the three members of Group I we he stated that “So I think, I'm just.. I've never been that type of person to quit if I know something that I want, I set my mind to it and I'll work hard to get it.” Gordon added that his extensive experience in the military and running a very successful small business, not only gave him the confidence to start his program, but the willingness to succeed. He is also the only respondent who attributed his success to support form his family, though Dennis stated that “not letting my parents down”, was a driving force for him. Mitch’s response was somewhat unique in that he stated “The feedback from the instructors [was part of the reason he graduated] because if I did an assignment, they gave me either constructive criticism or a small praise for doing what I did”.

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As noted earlier, Mitch’s other responses showed a strong internal locus of control, but it does appear that the professors at Aspen University did have a strong, positive, influence on him.

Unfortunately, the responses to what is arguably the most important question of the interview for Group II did not net a clear, summative answer for this study. When asked why they dropped out of their respective programs, the answers ranged from ‘unavailability of online programs after moving (circa 1999)’ to “not being happy with the quality of instruction”.

Anecdotally, Pierre and Yvette probably responded closest to what was found in the literature review, however their tuition-based concerns do not echo the other respondents or even each other. For example, Pierre’s status as a part-time student with a full-time job allowed him to take classes at ECPI without being overly concerned about being able to afford the tuition. But his stated reason for dropping out was a lack of confidence that he would be able to secure a job upon graduation that would afford him a better lifestyle that he presently had. Additionally, he was concerned about mounting student loans and his ability to pay those back as well. Yvette’s reason was similar in that she did not return to Strayer University because she could not afford it, however, her story differs from Pierre in that she enjoyed her time there and hopes to return one day. Tangentially, Jim’s decision to drop out stems from his G.I. Bill funds being depleted, but his other answers indicate that his real lack of desire to continue most likely stemmed from his dissatisfaction with the relatively easy work.

Anne’s decision to drop out of Strayer falls into a different category, because while her academic experience was mixed but overall favorable, she opted to leave because the school would not accept her credits from a nonprofit, accredited school.

It is difficult for this researcher to state definitively if external locus of control was a major contributing factor for Anne, Yvette, Pierre and Jim’s decision to withdraw. However,
what is clear that all of these participants gave externally driven reasons for dropping out. Only Stefan (someone that I would classify as having a high internal LOC based on his other lifetime accomplishments) attributed his lack of success to himself, primarily. In fact, he stated that “I have nothing but good things to say about Strayer, because I got what I wanted, and that I didn’t complete there is not their fault”.

**Theme 11: 5 of the 8 participants would not select a for-profit university again, including one graduate.**

For members of Group II, four of the five respondents were emphatic about not enrolling in a for-profit university. Stefan stated “If I had to do it all over again, then I would absolutely do Charter Oak State College again, which is a public institution. But that doesn’t have anything to do with its tax status, it has to do with its program model.”. After enrolling in several FPI and traditional schools, the public college model won him over because of the structure, low tuition and support, as Stefan eventually graduated from Charter Oak. Pierre’s bad experience at ECPI generated significant regret, as he never completed his undergraduate degree, and blames himself for not researching about different schools more. He stated “I’d probably seek out a little bit more options, even if I had to travel a little bit further.”

In retrospect, he acknowledged that he was unaware of the differences between the for-profit and nonprofit four-year colleges.

Anne’s fairly inconsistent academic experience at a Strayer campus in southern Maryland (circa mid 90’s) ultimately led to her withdrawing and enrolling at the University of Maryland-University College (UMUC). Ironically, UMUC, is a non-profit college that was created to attract nontraditional students by having course offerings online and in the evenings.
UMUC was also Anne’s choice because (unlike Strayer at that time) they accepted all of her credits from Strayer and St. Paul’s College. However, it should be noted that Stefan’s selection of a northern Virginia Strayer campus in the early 2000’s was largely because of their policy of accepting credits from all regionally accredited schools.

This reversal in credit acceptance policy for the two Strayer campuses less than 50 miles from each other over the course of only a few years seems to highlight another strength that a high functioning FPI has, and that is the ability to adapt to customer needs. In a similar vein, both of the respondents who were military veterans (Jim and Gordon) noted that the University of Phoenix paired them up with staff members who were also vets tasked with providing students with administrative support. These are examples of best practices that will be discussed in Chapter 5 of this study.

Jim expressed considerable regret with his UoP experience when asked if he would choose a FPI again. Similar to Pierre, he blames himself for selecting a FPI for the wrong reason, though it should be noted that while he decided to enroll in a baccalaureate program, his wife was pursuing a Masters degree, of which the FPI graduation rates are more comparable to their nonprofit counterparts.

However, the major takeaway from this theme are the responses from Gordon (Group I) and Yvette (Group II). Although Gordon successfully completed his program at Ashworth University, he said explicitly that he would not choose a FPI again because of the reputation that FPIs have in general. This is notable because as a police officer, he is not in an academic profession where the prestige of his undergraduate degree has any noticeable effect on his ability to be promoted or increase his professional status. Although he was not aware of the
accreditation status of Ashworth, the reputation of the for-profit industry overall has still soured his opinion of his degree.

On the other end of the spectrum, Yvette’s experience at Strayer was so favorable, she happily would choose it again over Devry, ECPI and two other community colleges that she attended. In her interview, she reiterated that the only reason why she left was because of the high tuition and that Strayer did not offer a degree in her new chosen profession of cosmetology.

**Bourdieu's Theory of Capital**

As introduced in Chapter I, Pierre Bourdieu’s Theory of Capital was used as the framework for this study. The questions used were constructed to highlight the three elements of social, cultural and economic capital in an attempt to ascertain how each influenced the participant’s educational experience.

**Fig. 4**

<table>
<thead>
<tr>
<th>Quest. #</th>
<th><strong>Question area</strong></th>
<th><strong>Theme</strong></th>
<th><strong>Capital type</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Age at enrolling at FPI / maturity and determination levels</td>
<td>The successful graduates were older than the unsuccessful graduates. The graduates clearly showed a maturity level in their late 20’s that most of the other group did not.</td>
<td>Social Capital</td>
</tr>
<tr>
<td>2</td>
<td>Previous work/school experience before enrolling at a FPI</td>
<td>The successful graduates came from more stable, higher functioning occupations than members of Group II</td>
<td>Social Capital</td>
</tr>
<tr>
<td>3</td>
<td>Economic Background</td>
<td>All of Group I came from middle-class backgrounds.</td>
<td>Economic Capital</td>
</tr>
<tr>
<td>4</td>
<td>High School Performance</td>
<td>Contrary to data introduced in Chapter 2, high school</td>
<td></td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th></th>
<th>GPA/performance was not a significant factor between the two groups.</th>
<th>Cultural Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Knowledge of people who went to college</td>
<td>The data showed that the level of awareness that the participants had of college from their associates was not a determining factor of their success.</td>
</tr>
<tr>
<td>6</td>
<td>Reason for selecting a FPI</td>
<td>Participants selected FPIs primarily because of lower tuition or the nights/weekend/online format</td>
</tr>
<tr>
<td>7</td>
<td>Quality of Academic Instruction</td>
<td>Members in Group I who exhibited a strong locus of control were happy with the quality of instruction while the more externally driven members of Group II tended to have more varied experiences.</td>
</tr>
<tr>
<td>8</td>
<td>Quality of Academic/Administrative Support</td>
<td>Similar to the previous theme, the respondents who were happy with academic instruction, also were happy with the level of academic/administrative support</td>
</tr>
<tr>
<td>9</td>
<td>Reasons for completion/dropout</td>
<td>While the graduates in Group I all attributed their success in some way to being self-motivated, the members of Group II seemed to drop out for a variety of reasons, with the lack of administrative/academic support being only nominally recurring factor among respondents.</td>
</tr>
<tr>
<td>10</td>
<td>Selecting a For-profit college again.</td>
<td>5 of the 8 participants would not select a for-profit university again, including one graduate.</td>
</tr>
</tbody>
</table>
When viewed through the lens of Capital Theory there are some elements that come to
the forefront that confirm narratives introduced in Chapter 1, such as actual (or perceived)
readiness of FPI students to handle college work. Themes 1, 3 and 5 focused on the academic
and social backgrounds that the students came from prior to enrolling to determine if having
‘more’ social capital in these areas increased chances of success. Broadly speaking, the answer is
yes. The successful graduates were all aware of college and had some intent to enroll out of high
school, while only one member of Group II (Anne) had serious plans to attend college after
graduation. The other FPI dropouts did not have what would be considered “encouraging”
backgrounds, and therefore had less social capital. Stefan does represent an outlier, as he noted
that his interest in college was somewhat forced on him by his parents, as they offered to finance
his college experience. His initial disinterest in secondary education resulted in him withdrawing
from several schools before settling down with the nonprofit Charter Oak State College.

Stefan’s for-profit educational experience represents a rare distinct advantage in
economic capital, another tenet in Bourdieu’s theory. Indeed, most FPI students face some type
of economic constraints in paying for tuition (even veterans who have use their GI Bill funds
with a certain time period), so lack of economic capital often plays a role in withdrawal. For this
study, questions 3, 6, 9 and 10 attempted to clarify what the role of economic capital (money)
played in the educational outcomes of the participants. As shown in Chapter I, the financial
profile of the average for-profit student is someone from a lower economic background. What is
interesting is that all of the graduates were from a middle-class background when they attended
their respective schools, though strangely enough, Dennis and Gordon’s selection of Ashworth and Phoenix respectively, was because of lower tuition. Mitch’s choice of Aspen was because of their online classes, but additional research shows that university is also considered a lower cost FPI. The common thread among this group is that their possession of economic capital means that they have the luxury choose a school that fits their economic needs on their own terms and time.

With the obvious exception of Stefan, Group II’s lack of economic capital forced them to enroll in schools that aggressively marketed their product to people who not only need the online/evening classes, but also needed their degree to advance in their professions. These schools are higher in tuition, but the low-income participants appeared to not have the time or awareness to research better options. Hence, the vicious chicken and egg conundrum develops as we look at why students drop out.

Students with less economic capital pick the expensive for-profits because they believe that educational options offered will allow them to get a degree and get out of their present entry-level professions where there is little to no chance of advancement. However, as the loans begin to accumulate the students drop out because they are unwilling to accrue more debt, or they no longer have access to money (Jim) or they realize that that even with a degree, they will not be able to secure a job that they will be able to pay back their loans (Pierre). While only Pierre articulated the last reason as the only basis for withdrawal, it is echoed by thousands of other students and will be discussed in Chapter V.

The last type of Bourdieu’s capital to be discussed is cultural, or specifically for the scope of this study, education/intellect. Questions 4, 7, 8, 9 and 10 all were constructed to gage what part the student felt that their academic and/or intellectual ability of the student played in their
ability to succeed. A common narrative found in literature is the inverse relationship between a college’s acceptance rate and its graduation rate, as hinted in Chapter I. In general, the more selective a school is, the higher the graduation rate. This centers around the adage that a more rigorous admission process would screen out students who are not academically prepared for the rigours of a college program. Thusly, the near 100% acceptance rate of most of the baccalaureate programs at the larger for-profits means that students are being accepted without any regard to their ability to succeed, or in this case, their amount of cultural capital. This is borne out by the responses to the questions asked of the participants about their academic backgrounds coming out of high school. Participants in both groups did well in high school and participants also did poorly. In fact, electrical engineer (and Group I member) Mitch stated that he graduated with a 2.1 high school GPA. So essentially, the amount of cultural capital that the students had coming out of high school had no direct correlations to their performance, at least for the small size of this study, but the metric is skewed in this respect as almost all of the participants had attended other institutions (in some cases, several schools such as Yvette and Stefan) prior to attending the FPI that was the focus of this study.

While the amount of cultural capital that each student possessed did not have a direct correlation to their graduation status, there was a correlation to the students perception of the quality of instruction received and to a greater extent, what they expected of the institution that they attended. Group II participants Pierre, Jim and Yvette who were not strong high school students clearly showed a need for more instructor interaction and academic support than the other students, and even Group I participant Mitch (who did not exhibit much cultural capital in high school) conceded that he required less from his instructors because of his time in community college as opposed to his professors being exceptional. In a similar vein, although
Stefan did not finish Strayer, his status as high cultural capital owner prompted him to reiterate in his interview that his expectations from his professors were low.

Summary

The findings of this qualitative study compared the experiences of two groups of students who attended for-profit colleges; one group who completed their undergraduate program, and one that did not. Although the participants represented a wide range of backgrounds and ages, there were some common elements that were found across themes:

1. The successful graduates tended to be older, had a strong internal locus of control and were involved in professions that require a high level of responsibility and maturity. These participants all began their for-profit experience with a clear goal to gain the undergraduate degree, in order to further themselves in their career. In contrast, the second group were all in their early-mid 20’s (with one exception), displayed strong signs of an external locus of control (again, with one exception) and were all engaged in entry-level positions in careers that they were trying to leave from upon completion of their college degree.
   
   a. While not limited to Group I, all of these participants possessed higher amounts of social capital in the form of supportive parents or reinforcing experiences, such as the military.

2. Although existing literature and NCES statistics places a strong direct correlation between high school Grade Point Average and academic performance at the FPI, there was no clear, direct correlation for this study. Similarly, there was also no direct correlation between participant’s knowledge of college or societal influences during high school and their FPI academic performance, but this study
is skewed by the fact that all of the respondents had some type of community college-level experience prior to enrolling at the FPI.

3. Most of the study’s participants selected their FPI for the commonly associated advantages offered by these schools, primarily the extended availability of weekend/night classes and the ability to take courses online. Two respondents enrolled because of lower tuition costs, but both of these universities are nationally accredited, thereby devaluing the degree, as well as it’s acceptability in certain job markets.

4. While participant’s overall perception of their FPI experience generally correlated with their graduation status (graduates having a favorable impression and non graduates having an unfavorable impression), there were two outliers who did not follow the trend for their respective groups when asked if they would choose a FPI again. Also, the respondent’s perception of their experience was closely aligned to their locus of control. Regardless of their educational outcome, participants with a strong external LOC appeared to be less satisfied with their instructors and the university as whole. Similarly, participants who considered themselves internally motivated appeared to be take more credit for their success and failures.

Bourdieu's Capital theory affords us a framework to help categorize the themes in the data, as each form of capital helps us understand what common qualities the members of each group possesses. As borne out in the literature, the lack of economic capital factors heavily in the FPI educational process, from the need to get a better job for more money, to the decision to enroll, and ultimately, the decision to drop out or persist to completion.
Social Capital also played a subdued, but important role in the responses. In its purest form Bourdieu views this type of capital as “the sum of the resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition” (Bourdieu & Wacquant, 1992). In the for-profit educational space, these social networks exist primarily as academic environments external to the individual, but areas he/she must operate in to excel. Students who were externally driven appeared to not perform well in interacting with these environments, and did not do well in gaining and using social capital to achieve positive outcomes.

While the literature suggested that intellectual ability (cultural capital), was a primary driver in academic success, the study appeared to indicate that the student’s ability to be self motivated or externally driven may be the single most important indicator of positive outcomes. This type of capital is referred to by Bourdieu as embodied cultural capital and will be discussed in Chapter 5.

Capital Theory allows us to codify the responses into an existing framework. While everything doesn’t fit neatly into the three categories, it does enable us to see how the different forms of capital interact with each other, and more specifically how one form can be converted into another. In the next chapter we will discuss how the lack of economic capital forced the participants to convert and increase existing cultural capital into both social capital and the potential to create economic capital.

Finally, the findings will be revisited in Chapter V as the researcher will attempt to view them through the larger lens of the unusually low graduation rates at for-profit colleges across the United States. Additionally, the findings will be used to extrapolate possible solutions to
this problem, as well as possible research suggestions for areas that were unexplored in this study.

Chapter 5: Discussion, Conclusion and Recommendations
According to the National Center for Educational Statistics, the six-year graduation rate for baccalaureate, full-time students attending for-profit institutions was 27% (NCES, 2016). While existing literature attributes the low graduation rates primarily to higher tuition costs, analysis of the conducted study showed that there are a variety of possible reasons that students withdraw from classes. One possible cause presented by this researcher was the hypothesis for study, which posited that the For-Profit institutions (FPIs) actively target students who are not academically prepared for college. The schools featured in this study not only showed that they did not purposely recruit students who are bad performers, the small sample size also showed that high schools grade point averages were not a meaningful indicator. However, the study did bore out that successful FPI graduates appeared to have a strong sense of self-motivation or an internal locus of control.

Pierre Bourdieu’s Theory of Capital gives us some framework in which to view the analysis of the study. Bourdieu theorized that everyone is born with a certain amount of each capital, but a person’s ability to succeed in life was dependent on their skills in acquiring additional capital (such as money), or converting one form of capital into another. A classic example of the latter is a person using economic capital (money) to pay tuition, in order to gain cultural capital (academic skills). In 1985, Bourdieu expanded on the theory of cultural capital by introducing three different subclasses, embodied, objectified and institutionalized. He defined embodied cultural capital as consisting of “both the consciously acquired and the passively inherited attributes of one's self usually from the family through socialization of culture and traditions”. Through some extension of this definition, we can easily see how the study participants who displayed a high internal LOC (a personality trait) can be defined as embodied cultural capital. Furthermore, Bourdieu’s definition allows us to account for long-term
influences on a person’s ability to accrue this form of capital, such as the participants having a supportive, proactive family structure or being part of an aggressive, can-do culture such as the military or law enforcement. Both environments helped nourish an internal drive that allowed the participants to flourish, that were clearly absent from the students who did not persist to completion.

When viewed through the larger scope of low graduation rates in the FPI sector, the working hypothesis for this dissertation was that the schools targeted students who were not academically prepared. However, the reality for this study shows that the students who succeeded would have likely done well in any academic environment, due to their ability to complete the work irrespective to the influences of the instructors and the school itself. In fact, it can be argued that the major difference between both groups in this study is a quality that lies at the foundation of Bourdieu's theory, namely the ability to convert one form of capital into another. In this case, it was transforming embodied cultural capital into the economic capital that comes with a better job.

But what are the quantitative indicators that can help identify prospective students who possesses such embedded, qualitative traits such as a high internal locus of control? How can the for-profit sector raise their graduation rates by recruiting this type of self-motivated student who is more likely to succeed in their environment?

Before that question can be answered, a revisitation of the hypothesis is in order. While these schools may not actively recruit the worst academic prospects, they do actively target minorities, women and veterans (active and former). While there is no way to generalize the needs of such a large swath of diverse people with varying skill sets, we can attempt to extrapolate some of the dominant characteristics of the study participants. The respondents who
did not persist to completion had completed some level of baccalaureate work at nonprofit schools previously and were familiar with learning environments that were more engaged with the student. Consequently, these students all expected the same level of attention from the for-profits, and were similarly disappointed by the for-profit educational environments which are generally considered are more impersonal, or at least less interactional. The emphasis on part-time teachers, evening classes and online instruction are all elements that are profit increasing measures but cumulatively make a different learning experience when compared to nonprofit schools.

As stated in Chapter I, although a smaller subsection of FPI students have demographic profiles similar to the nonprofit student body, most of the FPI students are women, older, and more ethnically diverse than what is found on most college campuses today. Again, while we cannot generalize the needs of such a large group, the study shows that by virtue of needing evening/weekend/online classes these students may have additional responsibilities that might possibly hamper their ability to persist to graduation, or at a minimum, indicate that they may require additional, targeted assistance. For example, Pierre worked full time and needed night classes while Anne had a job and a small child to care for, requiring her to take classes on Saturday morning. Still countless others require online classes to accommodate their busy schedule while they juggle work and family, a situation much more common with older students and women. One thing is certain however, these students come with their own challenges, and the study clearly showed that the students that were not internally motivated were at a disadvantage.

Possible Solutions

Raise academic standards
When faced with sagging graduation rates, one of the solutions available to nonprofit colleges is to raise the admission standards by requiring a higher high school GPA and/or higher standardized admission test scores. While this would decrease the number of students admitted in the short term, enrollment would eventually return as the intellectual cachet of the school would increase, in the form of academic rankings. For example, a leading provider of college rankings, US News and World Report, weighs retention and graduation rates as much as 30% of a school’s ranking (Morse, Brooks and Mason, 2018). In the world of non-profit academia, these factors as well as acceptance rates are instrumental in how the college is perceived. Consequently, they also affect how easily the school can recruit top-quality students (possibly securing higher tuition) and compete for other sources of income such as grants and research projects.

Unfortunately, the corporate nature of for-profit education does not lend well to the multiple revenue streams that are afforded the nonprofit sector. Essentially, tuition is the only source of income that these schools have. Therefore, any measure that would lower the number of incoming students, (even temporarily) would be frowned upon by the parent company’s stockholders, because this would result in an immediate drop in revenue.

**Create a better environment**

A recurring theme of almost all of the respondents who dropped out was that the learning environment was not conducive. This is important to note since we are referring to multiple campuses at different schools, so there is a strong possibility that this may be a fault of the for-profit model itself. If that is the case, then improvements to the educational process must occur in the three primary areas that were mentioned in this study:
Change the For-Profit Focus

As shown in Chapter II, the for-profit education model is inherently a counterintuitive mixture of success and failure. In its present form, it achieves in accomplishing the main goal of many companies: the ability to produce a product or service that is in demand, and to make a profit when sold at the marketplace. The online/weekend/evening educational model is a proven moneymaker that can produce dividends over time but requires extensive funds at startup. The costs associated with purchasing/licensing online materials, training instructors for the virtual classroom, and the significant financial/operational risks that come with creating and operating an entire informational technology infrastructure are formidable in the present marketplace. In fact, some of the nonprofit institutions that are attempting to enter the online space such as Perdue University has opted to license out their entire online brand to an existing for-profit educational company (in this case, Kaplan University).

Under the present model, FPIs are forced into the cycle of having to prioritize bringing in students (for the cash influx) over graduating students (no immediate financial incentive). As long as students are recruited faster than those dropping out, then (at its core) the for-profit model succeeds in its primary financial goal. Thus, the failure to graduate students may not be viewed by these schools as a failure at all.

That must change.

In the manufacturing world, successful business models understand the financial and long term positive impact of having a robust quality control system. Although the initial costs may be high, the benefits of the reputation for having a good product and the lower costs associated with less waste and defects far outweigh the costs in the long term. This practice has coined the phrase “Quality doesn’t cost, it pays”. The same principle can be applied to FPIs that make the
systemic resource commitment to improving graduation rates. Although this would involve shifting expenditures from recruitment to backend costs such as better academic support, counseling, higher instructor pay and possibly better educational materials, the successful nonprofit model does show a path where investing in retention and graduation can increase income for the institution by virtue of eventually being able to fetch higher tuition. These higher rates can be supported by an improved perceived reputation of the school resulting from an aggressive marketing of graduation rates. In this successful scenario, it is also likely that this model further sustains itself by attracting a greater number of applicants, thereby increasing selectivity and lowering acceptance rates, a key factor in recruiting students who have a high probability to persist to graduation (NCES, 2018).

1. **Improve the working conditions for the Instructors**

For this study, the greatest variable among the responses was the quality of instruction that was received by the students. Reactions from students ranged from being very impressed, to being somewhat indifferent and finally some felt outright regret in their selection of school based on the interactions with their professors. While it is debatable if this level of inconsistency occurs in the nonprofit sector, what is not debatable is how the structure and makeup of faculty differs in both environments. Although declining at some colleges, the possibility of tenure is still both a financial and professional incentive for instructors on the nonprofit campus. However, it is nonexistent in the corporate environment, where many professors instead are driven purely by the possibility of continued employment via renewal of contracts. In fact, on average, for-profit instructors also get paid less than their nonprofit counterparts and occupy fewer full-time positions (Leef, 2019). Essentially, these instructors are underpaid, have less job security and often are teaching as a second job, making the teaching environment less than
desirable for the professors. These conditions may be untenable in the nonprofit sector as they will usually lead to decreased enrollment and lower graduation rates, but they can persist in the corporate sector since lower wages and more part-time positions are common cost-cutting measures that can increase profit margins. Not surprisingly, any type of movement to unionize for-profit college professors such as what the Service Employees International Union (SEIU) attempted in 2015, has long been stymied ((Berman, 2015).

The solution here is simple and obvious, though it requires both a long-term commitment and a tweaking of the for-profit educational mission. Implementing better conditions such as higher salaries and structured incentive packages that include guaranteed short-term contracts (limited tenure) may have least three positive outcomes. First, higher wages usually have the short term effect of increasing employee happiness and improving performance. Second, a better compensation package will attract better instructors who may not want to teach full-time, but have the availability to instruct online and/or during the nights/weekends. Finally, if these instructors can maintain sustained, increase performance over time, the for-profit sector may be able to attract higher performing students who will in turn increase the graduation rates and become a more viable educational alternative to the nonprofit schools.

2. Improve Administrative Support/Educational Environment

One of the greatest strengths of the for-profit model is the online component, as borne out by both this study and the recruitment efforts of the schools themselves. But it is important to consider that the implementation of the virtual classroom is primarily an economic force multiplier first, and student aid second. Historically, the for-profit industry has used distance learning as a tool to reach the greatest number of students as opposed to the physical limitations of the non-profit brick and mortar schools.
This is not to say that online learning is without its obvious advantages, as all three successful graduates in this study preferred it to the classroom, citing autonomy and convenience of schedule as upsides. However, these were the internally driven students who would have likely succeeded in any academic environment. The real challenge for the FPIs is to address the larger demographic that Group II represents in this study. Specifically, the students who are externally motivated, and present the conundrum of needing online classes for convenience but do not prefer the online format as a desired learning style. The FPIs must bridge the gap between using cost-cutting techniques and measures that will increase student success.

While the online instruction method may not be favorable to all students, (some evidence in the study suggests that there may be an age-based bias, where older students prefer the classroom) it is here to stay, especially as more nonprofits move to adopt the virtual environment. Unfortunately, developing online content is expensive and modifying existing content to reflect different learning styles may be resource prohibitive. The answer to reach these externally motivated students may lie by expanding some existing practices seen the study.

Yvette’s experiences with Strayer represents how a robust academic virtual support environment can positively affect a student. She stated how the school’s professors and tutors responded quickly and effectively to her requests for assistance. Stefan perceived his time at Strayer in much the same fashion, leaving the school because of personal circumstances and not dissatisfaction. Again, this does represent a financial commitment by the school, as staffing an adequate number virtual tutors and providing access to quality research and support tools can be costly. Again, this is a short term outlay that can reap financial reward to the stockholder in the long run.
Improving academic support is only part of the solution. Both Gordon and Jim had different outcomes, but both noted that the University of Phoenix’s policy of assigning fellow veterans as mentors was a high point of their educational experience, even though Gordon felt he didn’t need much support and Jim did not graduate. However, this practice of matching students to support staff with common interests has merit and can be extrapolated to other members in the FPI student body, especially since these non-traditional groups fall into broad categories that have already been identified by the school for tracking purposes. Having students voluntarily fill out a demographic questionnaire to allow the school to pair staff with students based on age, gender, hometown, occupation, marital status, major, etc, could be a way for the school to establish a personal connection with students in the virtual support environment.

Of course, there are more possible improvements that can be made to the for-profit educational environment, but FPIs have to acknowledge that while the cultural/social structure of an online/night learning environment will never replace the thriving atmosphere of a college campus (and it is arguable if the non-traditional student would even desire all of the distractions that are present at a typical university), there are very real ‘soft’ needs that many humans require to be comfortable. Pierre’s description of his ECPI nighttime classes as being ‘cold’ or impersonal has been one of the traditional flaws of the for-profit environment. However, specific efforts to create a more inclusive environment that targets a student body that is mostly female, over 30 years of age, minority and military-affiliated will help mitigate some of the non-financial reasons that the study participants gave for leaving. For example, Strayer University in Arlington, Va. has welcomed a chapter of national historically black sorority to its campus, while another in nearby Manassas boasts at least two chapters of national honor societies. For the online students, an improved use of social media platforms designed to increase interaction
among students both socially and academically may help mimic the college community. These are the types of enhancements that can provide students with extracurricular activities that can boost student morale and hopefully, retention.

3. Reduction of tuition/increased availability of funds for students

Perhaps the most obvious, (and controversial) step that the for-profit sector can take to increase graduation rates is reduce the amount of money required to attend, or at least cultivate alternative sources of funds for its students. As shown in Chapter II, lack of actual or projected funds is a leading reason that students give for withdrawing from FPIs. Presently, student loans make up over 90% of the income of most for-profit colleges, with military funding (primarily the G.I. Bill) making up the rest. Many students have to take out loans because there is a limit on the amount of federal Pell Grants that are available to an individual, and (like most of the students in this study) these funds are often exhausted at a previous institution (Harris, 2018).

At a time when some nonprofit schools are lowering tuition in response to a decline in enrollment and mounting consumer backlash to higher costs in higher education, average tuition rates at FPIs have actually increased over the same time (Krupnick, 2018), (Toppo, 2018). The reason is perhaps the most capitalist of all: more money was available. In a 2018 working paper, the researchers expanded on the “Bennett Hypothesis”, where the assumption is that many schools (profit and nonprofit alike) set tuition according to available funding (Baird, Kofoed, Miller, & Wenger, 2018). It appears that after the September 11th attacks the Veterans Administration (VA) allocated relatively large sums of money to the Post 9/11 GI Bill program, representing the largest expenditure for education in that agency’s history. In an effort to regulate the amount of money being spent and increase attendance at the cheaper public institutions, in 2010 the VA set one fixed amount that would be paid to private colleges
nationwide. In states where the VA benefit increased, the tuition at for-profit institutions went up by an average of $461. Similarly, in the (fewer) states where the VA amount decreased, the FPI sticker price decreased. Oddly enough, overall enrollment in the for-profit sector did not change.

Of all of the proposed solutions here, this is perhaps the most divisive in terms of applicability to the individual institutions. This researcher has attempted to make little to no distinction between the for-profit schools that make up the sector, except in reference to a particular study participant. However, with respect to the practice of lowering tuition, only Strayer University has attempted this in the past. In 2013, the university implemented a two-pronged reduction tuition reduction program that slashed tuition by 20% upon enrollment and let the student earn another 20% decrease over time (Henley, 2013). Eventually, costs rose to match inflation over time, and as of Spring 2019, Strayer boasts the most expensive tuition of the major FPIs, though they are still extremely competitive-price wise. Regardless, the school remains innovative in the for-profit space as they are the only FPI that has partnered with a city to offer reduced tuition for city employees (Jackson, MS). At $1,465 per course, Strayer arguably represents the best value in the sector against competitors University of Phoenix ($1,194), and Devry ($1,218), both schools plagued with controversies and lawsuits. It should be noted that these costs are still significantly higher than an in-state student attending a public college, which is slightly under $1000 per course for the national average.

Strayer’s ability to successfully lower and tuition and raise tuition according to both market conditions and student needs shows that a FPI potentially may be able to drop tuition rates to make college more affordable. While this could initially lower profits, the school should be able to increase customers over time, and increase overall profit through access to a
larger customer base. Additionally, another potential upside is the long term option of slowly raising tuition across a much larger student body.

4. Best Practices/Strayer University

At its core, the for-profit model provides a product that is legitimately required in the marketplace. University of Phoenix’s founder John Sperling correctly assessed the existence and characteristics of the non-traditional student body and their very specific needs. In 2019, there is no indication that this need in the marketplace is going away, or that the existing for-profit infrastructure will not be the primary way that these needs are being addressed. However, while there are improvements that need to be made, it is undeniable that some schools in the for-profit sector have mastered the essential elements of providing for students who cannot (or have no desire to) attend on-campus classes. The tight integration between the instructor and the extensive online content delivery tools (such as Blackboard and Edmodo) in both the on-campus and online settings has shown that this model can be effective if implemented properly. In fact, outside of the the non-profit schools previously mentioned in this study who are using methods presently employed by FPIs, we have seen full-blown collaborations where a nonprofit school has allowed a for-profit entity operate its online campus. Such is the case with the Purdue University’s acquisition of Kaplan University to form Purdue University Global, a hybrid entity that combines Kaplan’s extensive experience in the online learning space and Purdue’s financial backing and academic prestige (Kerr, 2018). Although this is the most well-known partnership between the sectors, there are other cases where nonprofit schools have hired for-profit educational consultants to manage their online presence, though these efforts have met varying degrees of success and are in the early stages.
Although only mildly referenced in the study, the for-profit part-time faculty structure can also be one of the strengths of these institutions. Unlike nonprofit schools which tend to actively recruit career academics, FPIs must build their faculty rosters from career professionals who often are teaching as a second job. While this may not be optimal on a traditional college campus, this allows the FPI student an opportunity to access professionals in their field with years of real-world experience. Although this is has been historically promoted by the larger FPI schools as an advantage, none of the career professionals in Group A mentioned their instructors occupations and/or professional expertise as positive factors in their academic experience. This is a distinct advantage of the for-profit sector and should be exploited. While full-time professors should form the core of any university, targeted recruitment of active and retired premium professionals in a particular field may be a quick way to enrich the classroom experience without any added cost, outside of perhaps offering signing bonuses for preferred candidates.

As stated earlier, this researcher has taken lengths to present information about the for-profit educational sector without extraordinary regard to individual schools. However, Strayer University’s status in the study as being regarded favorably by three of the five participants who withdrew (Yvette, Stefan and Anne), is notable and must be discussed.

All three students left their respective Strayer campuses for reasons not related to their in-classroom experience. Yvette desired a major not offered, Strayer’s online classes were not yet available for Stefan, and although Anne had somewhat mixed reactions to her experience, she ultimately left because the school would not transfer her credits. Their responses in the study however, showed systemic best practices displayed by Strayer such as instructors consistently being responsive to emails, and both Yvette and Stefan noted that they felt like “the school
wanted them to succeed”. Even Anne’s overall positive experience was only marred by foreign-born instructors who tried to be helpful, but she could not understand their thick accents.

Three different students at three different campuses, (though all located in the greater Washington, DC metropolitan area), with generally positive outcomes. Strayer University also self-reports with the highest graduation rates of the larger, regionally accredited schools in this sector, which begs the question “What is Strayer doing different?”

As noted in the positionality statement, this researcher taught at three Strayer campuses in the Greater Washington, DC area from 2010-2016. During this time, he attended many faculty meetings and interacted with most of the staff at these campuses. What impressed this researcher was the academic atmosphere present both on campus and among the faculty. Instructors exchanged teaching techniques with each other and faculty meeting were always focused on increasing student outcomes. The academic Dean held an Ed.D from Penn State University and used a data-driven management approach that incorporated student feedback scores and grades to evaluate instructor performance. These tactics and other strategies flowed down from the regional office provided what this researcher perceived as a traditional academic learning atmosphere for both the students and instructors, similar to what he experienced teaching at state universities in nearby Maryland.

This is not to stay that the environment at these Strayer campuses were devoid of any reminders of the for-profit status. In fact, increasing the student retention rate was often stressed to the adjunct instructors on a quarterly basis as an indicator of the campus’s performance. Consequently, this directly affected how many part-time contracts were going to be available. This also created a dynamic where instructors were constantly incentivized to keep students engaged and motivated enough to register for classes the next semester, especially if the same
teacher was teaching those classes. Of course, this could also create a situation where instructors could feel pressured to pass students just to stay employed, but this researcher personally did not see this type of abuse. In fact, the academic Dean usually supported the faculty when students protested their grades, and Strayer even had a mandatory withdrawal policy if a student failed a class a specified number of times. Again, these are practices that are not geared toward short-term profit but rather increasing student overall satisfaction, with the intent that they will stay enrolled and provide a steady stream of income for the company. Ostensibly, this can translate into higher graduation rates which can create a nexus of merging the cash needs of a FPI with the educational goals of any educational institution.

**Research Suggestion/Looking Forward**

Although the eight participants of this study were chosen at random, and captured the main overall characteristics and attitudes of the for-profit student body, they were in no way representative. White males were overrepresented and there were no white females or Hispanics/Latinos, two two critical reported groups in this sector. A quantitative, survey-based version of this study using participants that were screened to match the larger body may yield clearer insight into the causes of the student dropout rates.

The for-profit education industry cannot be denied credit with regards to its innovative approach to online instruction. As noted in Chapter II, the web-based model as even evolved into the nonprofit arena with the advent of “Massive Open Online Courses (MOOCs), which marry traditional for-profit online elements with the nonprofit spirit of free education. These MOOCs are college courses taught by college professors through a college or university, but at no cost to the student. What makes these MOOCs unique is that they have open enrollment and are completed at the students own pace. No college credit is earned, however students can pay to
have courses transferred to a university where they are enrolled (Fieland, 2019). But what makes these classes unique (as the name suggests) is the size. Often powered by the resources of joint ventures between non-profit universities and professional web-based content facilitators such as Coursera, Udacity and edX, these MOOCs can boast course sizes of over 1000 students. While these megacourses are not optimal for traditional, professor-led, graded classes, the concept does open the door for smaller sessions that provide online support through teacher assistants, automated testing processes and discussion boards. If the MOOC model is perfected and implemented into the existing infrastructure that the larger FPIs already have in place, this may be the path that lies ahead for the for-sector as a whole. Instead of conceding the enormous nonprofit student customer base to web platform developers such as Coursera, FPIs may find a new home in joint partnerships with the nonprofit sector that allow them to still exist as a for-profit entity but as contractor running the online offerings for one (or more) schools.

**Study Summary/Conclusion**

The modern for-profit education industry has had its share of positives and negatives since sector trailblazer University of Phoenix opened its doors in 1976. Innovations in content delivery, primarily through evening and online classes has allowed FPIs to garnish close to 15% of the multi-billion dollar higher education market in the United States. However, for-profit education has garnished much bad press in recent years, as the industry has been associated with piling its students with burgeoning debt, and boasts the lowest undergraduate graduation rates of the three major educational sectors.

The purpose of this study was to explore the causes of these low graduation rates. Based on existing National Center for Educational Statistics data, this researcher posited that students were being enrolled at these colleges who were not academically prepared, which drove the
study to focus on the experiences of two randomly chosen groups of former for-profit college students. The first group consisted of three successful graduates and the second comprised of five individuals who withdrew from their programs for various reasons.

The case study methodology was used as a platform to contrast and compare the experiences of both groups within the framework of Pierre Bourdieu's “Theory of Capital”. The study attempted to link the hypothesis of students not being academically prepared to the lack of cultural capital, which Bourdieu’s theory claims may lead to unsuccessful outcomes later in life.

The results of the study were mixed. While the graduates all appeared to have a high level of internally-focused locus of control that allowed them to persist to graduation, there was no clear consensus on exactly why members of the second group withdrew, although a majority seemed to have issues with the for-profit structure. Most of these participants perceived a lower quality of instruction, a lack of support from staff, and an overall less friendly atmosphere than the nonprofits schools previously attended. Solutions presented in this study were derived from the major recurring complaints from the respondents, such as increasing professor salary and introduction of tenure to increase quality of instruction and create a more warmer, academic environment.

The for-profit educational model has flaws and like any product in the marketplace, must be tweaked in order to keep up with demand. What that looks like for each institution will differ based on their individual strengths and weaknesses. Schools with a strong infrastructure will continue to adapt and form partnerships with nonprofit institutions while other companies that have either been mired in controversy, struggled to maintain enrollment or have attracted the ire
of the Department of Education will most likely be bought out by competitors or collapse completely, such as ITT Technical Institute and the Corinthian Colleges.

Ultimately, the for-profit colleges will have to follow the laws of business competition and deliver a better product at a cheaper price, thus following the example of one of the greatest businessmen of all time.

“The man who will use his skill and constructive imagination to see how much he can give for a dollar, instead of how little he can give for a dollar, is bound to succeed.”

Henry Ford
Appendix A. SCREENER QUESTIONS

1. Have you ever attended a for-profit college to gain a Bachelor's (4-year) degree?
2. Please select which school you attended.
3. Did you graduate and receive a Bachelor's degree?
4. When you attended the For-Profit college or university, how old were you?
5. What was your high school GPA? (On a 4.0 scale)
6. Have you ever been part of the United States military?
7. Did the military help pay for your for-profit education?
Appendix B. Consent Form

Northeastern University, College of Professional Studies

Name of Investigator(s): Dr. Bryan Patterson, Principal Investigator, David J. Fagan, Student Researcher

Title of Project: Low Graduation Rates at For-Profit Colleges: A Cursory Look at Causes and Possible Solutions

Request to Participate in Research: We would like to invite you to take part in a research project. The purpose of this research is to conduct a qualitative study to explore the experiences of for-profit students and to understand what are the cultural, social and economic conditions that may be shaping the ability to persist to graduation.

You must be at least 18 years old to be in this research project.

The study will take about 30 minutes. If you decide to take part in this study, we will interview you over the phone.

There are no foreseeable risks or discomforts to you for taking part in this study.

There are no direct benefits to you for participating in the study. However, your answers may help us to learn more about why students drop out of for-profit colleges.

Your part in this study will be handled in a confidential manner. Only the researchers will know that you participated in this study. Any reports or publications based on this research will use group data and will not identify you or any individual as being part of this project.

The decision to participate in this research project is up to you. You do not have to participate, and you can refuse to answer any question. Even if you begin the study, you may withdraw at any time. You will not be paid for your participation in this study. If you have any questions about this study, please feel free to contact David Fagan at (202) 425-8550 or fagan.d@husky.neu.edu, the person mainly responsible for the research. You can also contact Dr. Bryan Patterson, the Principal Investigator, at b.patterson@northeastern.edu.
If you have any questions about your rights in this research, you may contact Nan C. Regina, Director, Human Subject Research Protection, Mail Stop: 560-177, 360 Huntington Avenue, Northeastern University, Boston, MA 02115. Tel: 617.373.4588, Email: n.regina@northeastern.edu. You may call anonymously if you wish.

You may keep this form for yourself.

Please electronically sign the box below if you would like to be part of this study.

Thank you.

David J. Fagan,
MS.Ed Student
Researcher
### Appendix C. Demographic Data on the Participants

<table>
<thead>
<tr>
<th>Name</th>
<th>School</th>
<th>Graduated</th>
<th>Age</th>
<th>GPA Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dennis</td>
<td>Ashworth College</td>
<td>Yes</td>
<td>25-30</td>
<td>3.0-3.49</td>
</tr>
<tr>
<td>Mitch</td>
<td>Aspen University</td>
<td>Yes</td>
<td>Over 40</td>
<td>3.0-3.49</td>
</tr>
<tr>
<td>Stefan</td>
<td>Strayer University</td>
<td>No</td>
<td>26-30</td>
<td>2.00-2.49</td>
</tr>
<tr>
<td>Yvette</td>
<td>Ecpi university online</td>
<td>No</td>
<td>18-25</td>
<td>2.00-2.49</td>
</tr>
<tr>
<td>Jim</td>
<td>The University of Phoenix</td>
<td>No</td>
<td>31-40</td>
<td>3.0-3.49</td>
</tr>
<tr>
<td>Anne</td>
<td>Strayer University</td>
<td>No</td>
<td>18-25</td>
<td>2.50-2.99</td>
</tr>
<tr>
<td>Gordon</td>
<td>The University of Phoenix</td>
<td>Yes</td>
<td>31-40</td>
<td>Above 3.5</td>
</tr>
<tr>
<td>Pierre</td>
<td>Devry University</td>
<td>No</td>
<td>18-25</td>
<td>2.5-2.9</td>
</tr>
</tbody>
</table>
Appendix D. Interview Script and Questions

I want to thank you in advance for your time to be a participant in my interview. I’m a doctoral student at Northeastern University and this interview is part of a required course. Before we begin I want to review a few things. First, I want to assure you that all information will remain completely confidential and anonymous. I will be using a pseudonym and I will not include any information that will make your identity identifiable. Second, I’d like to ask your permission to tape-record this session. I will be preparing a transcript that I can email you for your review before it is used for the course project. Third, the interview contains fourteen (14) questions which should take us about 30 minutes. At any point, if you’re uncomfortable with a question or need me to rephrase, please feel free to let me know. If these conditions seem agreeable, then I’d like to begin the interview and turn-on my recording device.

The focus of these questions is to examine the causes of the high dropout rates at for-profit universities, and to get some insight on possible solutions.

The Following are questions for the students who graduated

1. Please tell me a little about your background.
   a. Place of birth, generalized information
2. Growing up, how would you describe your financial situation or status?
   a. Did you feel that college was something you could afford?
3. Growing up did you know a lot of people that went to college?
4. Did you think that you would go to college?
5. Was education important to you?
a. Did you do well in high school?
b. What were your perceptions about how a college degree could help you in life?

6. Why did you pick a non-profit university vs. a traditional one?
7. Did you prefer online or in-class instruction?
   a. Why?
8. Were you happy with the quality of instruction received?
9. Do you feel that you were prepared to do the work?
   a. Did you feel that the classes were too hard?
      i. In what way?
10. Do you feel that the school provided adequate resources make sure that you did well?
    a. How was the support provided?
    b. Was it effective?
11. During your studies, did you think you were going to complete the program?
12. Are you using your degree in your present occupation?
13. What do you think was the main reason that you were able to complete your studies?
14. If you could do it all over again, would you pick a for-profit university?
   a. Why?

The following are questions for the students who did not complete their studies

INTRODUCTION

I want to thank you in advance for your time to be a participant in my interview. I’m a doctoral student at Northeastern University and this interview is part of a required course. Before we begin I want to review a few things. First, I want to assure you that all information will remain completely confidential and anonymous. I will be using a pseudonym and I will not include any information that will make your identity identifiable. Second, I’d like to ask your permission to tape-record this session. I will be preparing a transcript that I can email you for your review before it is used for the course project. Third, the interview contains fourteen (14) questions which should take us about 30 minutes. At any point, if you’re uncomfortable with a question or need me to rephrase, please feel free to let me know. If these conditions seem agreeable, then I’d like to begin the interview and turn-on my recording device.

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5. Was education important to you?
   a. Did you do well in high school?
   b. What were your perceptions about how a college degree could help you in life?

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7. Did you prefer online or in-class instruction?
   a. Why?

8. Were you happy with the quality of instruction received?

9. Do you feel that you were prepared to do the work?
   a. Did you feel that the classes were too hard?
      i. In what way?

10. Do you feel that the school provided adequate resources to make sure that you did well?
    a. How was academic support provided?
    b. Was it effective?

11. During your studies, did you think you were going to complete the program?

12. What would you have done with your degree if you had finished?

13. What do you think was the main reason that you did not complete your studies?

14. If you could do it all over again, would you pick a for-profit university?
    a. Why?

Chapter I References


Chapter II References


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Chapter III References


Boblin, S. L., Ireland, S., Kirkpatrick, H., & Robertson, K. (2013). Using Stake’s Qualitative Case Study Approach to Explore Implementation of Evidence-Based Practice Qualitative Health Research, 23(9), 1267–1275.


**Chapter IV References**


**Chapter V References**


Supplemental References


EXAMINING FOR-PROFIT SCHOOLS, FOCUSING ON THE STUDENT RECRUITMENT EXPERIENCE, AND UNDERCOVER TESTING TO OBSERVE MARKETING PRACTICES : Hearings before the COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS UNITED STATES SENATE ONE HUNDRED ELEVENTH CONGRESS SECOND SESSION