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Private-Sector Education Companies

By **TIM SULLIVAN**

Marian Wright Edelman, the president of the Children's Defense Fund, rightly remarked that "education is for improving the lives of others and for leaving your community better than you found it." For those of us who have spent much of our lives in higher education, those words frame as good a statement of vocational purpose as can be found. That is why it is troubling to see so many critics piling on in an obvious effort to discredit private-sector, post-secondary education and what it has to offer students.

Have there been missteps by private-sector education companies? Undoubtedly. Can they do a better job for their students? Absolutely. Do private-sector colleges play an essential role in higher education today? Definitely.

It is no secret that traditional public and nonprofit colleges and universities labor under severe fiscal constraints. The resulting unmet need for educational opportunity has been one of the major growth drivers in the private, post-secondary sector. That growth has made private, post-secondary education a critical part of the national higher education system.

The most recent data show that more than 9 percent of all post-secondary students are enrolled in private-sector schools, and enrollment has been growing at nearly 14 percent annually.

Many in the traditional education sector have responded to the growing significance of for-profit institutions with a combination of envy and disdain.

For some of these critics, the very idea of profit in an educational setting is philosophically objectionable. There are others whose institutions have felt the unwelcome heat of competition from the private sector. Competition is rarely welcomed. Monopolies are so much more agreeable, but competition forces the reconsideration of comfortable habits and outmoded policies.

Competition raises the quality bar and compels creative thinking. The truth is that creativity and organizational innovation are concepts that find few comfortable homes in the traditional higher-education sector.

Critics of nontraditional higher education have lately enlisted some powerful Washington allies. How

nice it would be to believe that the politicians and bureaucrats most visible in the assault on nontraditional higher education were most concerned about making good public policy. What we have seen so far suggests a very different agenda. From stacked witness lists and selectively leaked data to statistical sleight of hand, we see the usual symptoms of the usual Washington march to folly. The verdict on for-profit higher education (most definitely guilty) has been rendered before the relevant evidence is weighed. It is a sad spectacle that seems set for an indefinite run.

What the Washington charade overlooks is the profile of the private sector's students -- who tend to be older, poorer, more diverse, and less academically prepared than their more traditional contemporaries. It should be no surprise that a larger portion of these students may take longer to find good jobs or struggle with repayment of student loans, especially in a recession. Do we really want to penalize these students by imposing restrictions on private-sector schools that would further limit access? Is the degradation of educational opportunity to be the policy of choice in 21st-century America?

Washington policymakers would do well to read carefully a study by the independent Parthenon Group. The study found that more than half of private-sector students fall into the "high risk" category as defined by the U.S. Department of Education. Not only do private-sector schools serve a higher percentage of nontraditional students, they also achieve almost double the graduation rate of public two-year colleges for minority students. The average career college graduate sees an annual increase in earnings of 54 percent, or \$250,000 over a 30-year career.

Private-sector schools are not carbon copies of the traditional college or university. These nearly 3,000 accredited institutions have been built to respond directly to the needs of students and the employers who hire them. Quality and value in private-sector schools are measured in terms of student outcomes -- graduation and job placement. These schools do not focus on Nobel prizes, peer-reviewed publications, research grants, or NCAA championships.

Critics of the for-profit sector and their political allies are working hard to create a regulatory climate that would hamstring private-sector colleges. What these critics leave out of the equation is the success for-profit schools have achieved in serving the "high risk" population that traditional public education has been unable to reach. Without private-sector schools, the thousands upon thousands of those who need access to education the most would be left with diminished hopes and seriously constrained vocational opportunities.

The policy debate that has begun in Washington touches far more than the fate of for-profit education. It is about the true meaning of educational opportunity, about the nation's economic future, and about the fate of millions of young Americans who desperately need the chance to make something meaningful of their lives. With the stakes this high, we cannot allow blind ideological bias and transparent political calculation to dominate the argument. We cannot fail yet another generation of at-risk young people because we lack the intellectual integrity and moral courage to do the right thing. Tim Sullivan is president emeritus of The College of William & Mary, and a member of the board of directors of Corinthian Colleges Inc., a private-sector post-secondary education company. Contact him at tjsull@wm.edu.