

Access in U.S. Higher Education: What Does the For-Profit Sector Contribute?

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Abstract

This paper examines the role that for-profit colleges and universities play in providing higher education access in the United States. In the U.S., the private sector includes both nonprofit and for-profit forms. As virtually all public and private higher education institutions in the U.S. provide data through the IPEDS system, for-profits can be compared with public and nonprofit institutions along several access dimensions to determine how they contribute to overall access in the U.S. system. This comparison demonstrates the role of for-profit higher education as an access path in terms of scope of programs offered, the numbers and types of students served, and the cost of providing access in a for-profit model.

The development of for-profit higher education has created new access paths for students unable or unwilling to attend dominant or traditional institutions.¹ These access paths can result from the sector's demand-absorbing function within the system, offering second-choice options to students who would prefer the public sector if it had the interest or was prepared to serve them. Alternatively, for-profit institutions may provide access by offering desirable programs with better service, price, or quality. These qualities draw students away from competing public sector offerings while providing improved outcomes for students who choose to attend. A third access path results from distinctiveness, where the for-profit sector creates unique programs or delivery systems to meet student needs neglected by traditional institutions. In each case, this sector represents a potentially competitive alternative to state-sponsored institutions.

Regardless of the specific access path employed by individual institutions, the development of a for-profit alternative creates choices for students. The precise nature of these choices, however, is not always clear. Although access has long

¹Revised presentation from a panel, "Private Higher Education and Its Access Role," at the Conference of the Comparative and International Education Society (CIES) at Teachers College, Columbia University, New York, March 20, 2008. The topic of the panel was private growth in higher education in Asia and the Americas. The original presentations from the panel are available at http://www.albany.edu/dept/eaps/prophel/event_event_CIES2008.html

been a significant premise for the development of private higher education, national assessments of private sector access contributions have been rare. Perhaps the only global work devoted to the issue of the access role of private higher education outside the United States is Levy's (2008) example from the Indian case.² In the U.S., however, efforts to establish private competition for students often reflect a neoliberal argument for changing moribund public sector systems (Pusser, 2002; Slaughter & Rhoades, 2004). The implication is that for-profit higher education provides competitive pressures to which public sector institutions must respond in order to maintain their viability. This demand-driven system produces winners and losers depending on the decisions made by students and institutional leaders. On the other hand, a stable public sector may be relatively unaffected by the availability of for-profit options. Legitimacy pressures may place conforming demands on for-profit institutions (Kinser, 2007b), or regulatory distinctions may create mutually exclusive choices with limited overlap between each sector's offerings. In cases where limited overlap of programs in the for-profit sector coincides with small enrollments, the public sector can practically ignore cross-sector competition for students. Although this scenario was historically in play in the United States, the growth of the for-profit sector and its direct competition for certain markets of degree-seeking students make ignoring the contributions and potential of the sector untenable.

Because the connotation of for-profit higher education often contains unstated assumptions, it is important to define the scope of institutions considered here. The for-profit sector is made up almost exclusively of vocational institutions, in the sense that for-profit curricula are directed toward career preparation and advancement. Still, for-profit institutions award graduate degrees. Although most are accredited by federally recognized accreditation agencies, a growing number are accredited by the prominent regional accreditation agencies and conform to the same standards as all public and private nonprofit universities (Kinser, 2005).

More specifically for this analysis, a for-profit institution is defined by the U.S. Department of Education as "A private institution in which the individual(s) or agency in control receives compensation other than wages, rent or other expenses for the assumption of risk" (National Center for Education Statistics,

²Access related to for-profit models of education has remained largely unexamined in international contexts. See Kinser and Levy (2006) and Kinser (forthcoming) for some comparative perspectives on the for-profit sector.