



May 6, 2010

« Behind the Frontline »

This Executive Briefing was prepared exclusively for senior decision-makers. The perspective taken in this Briefing assumes the reader's progressive organizational experience leading to a senior position in a college or university setting.

Over the next few days, you are likely to hear considerable discussion about, and be asked for your judgment on, the *Frontline* feature on [for-profit higher education](#) that aired on May 4, 2010.

This Briefing is not designed to summarize the *Frontline* feature. It is designed to place you behind the scenes with additional facts and consideration that may be of relevance in your work.

Nothing in what I am about to say should be construed as defending the abusive practices of a small number of outlier for-profits. Neither am I defending the uninspiring practices that seem to be emerging of late at more than a few of the for-profit colleges and universities. As a group, for-profits need to be overseen slightly differently than the publics and independents.

With the above background, here are a few talking points that may add to the inevitable sidebar regarding this controversial show.

Tuition by Type

While correctly citing the average for-profit tuition at \$14,000 per year, *Frontline* failed to mention that the average private not-for-profit tuition is \$26,000, and tuition at public universities averages \$7,000. Public tuition is growing the fastest. Instead, *Frontline* compared for-profit tuition to tuition at community colleges, the most heavily taxpayer underwritten system, even though some of the surrounding discussion in the piece centered on a master's degree. This is misleading reporting. *Frontline* could not have accessed tuition for the for-profits without also seeing the \$26,000 figure for the independents. To most rationally

impartial observers, this meaningful omission, combined with the comparison with community college tuition, provides evidence that objectivity was not a driving force in the production of this feature. Effectively, it renders suspect any soft interpretations that rest on intellectual honesty.

Types of Accreditation

Throughout the piece, *Frontline* seemed confused, itself, and therefore confused unknowing viewers about the differences between regionally accredited higher degree-granting institutions and nationally accredited career schools offering certificates and associate degrees in allied health, mechanical trades, etc. Enforcing this distinction would have helped viewers see where materially different excesses lay.

Taxpayer Costs

Although the piece sometimes spoke from the taxpayer's point-of-view, it failed to mention that, per-student, public universities cost taxpayers the most. On average, public universities cost the taxpayers \$9,500 per student per year, private universities cost \$7,500, and for-profit institutions actually make \$500 for the taxpayers. (These are aging figures but the relations and general direction remain accurate.) I'm not suggesting that *Frontline* should have used these figures but it was intellectually dishonest to invoke the taxpayer's perspective and fail to address the subordination costs of the different institutional types.

Taxpayer Loan Risk

Frontline emphasized taxpayer risk for student loans, even implying that taxpayers are on the hook for the full amount of the loans. The truth is that the taxpayer is mostly on the hook only in the case of a default. On this point, for-profits and community colleges serving the underclass have about the same (high) default rates. Similarly, for-profits and not-for-profits serving working adults have about the same (very low) default rates. *Frontline's* reporting on this topic was confusing, misleading, and inaccurate. That said, student loans and gainful employment represent areas in which policy work remains, albeit based on facts not presented by *Frontline*.

Innovation at the For-profits

As Goldie Blumenstyk pointed out in *The Chronicle of Higher Education*, *Frontline* did not address the general topic of innovation in higher education. While individuals throughout higher education are constantly innovating, the guild structures of state and many private universities generally prevent these innovations from being integrated into the culture and business rules of those institutions. The for-profits are the leaders in system-wide implementation of innovation in content development and management, assessment, instructional best-practice, financial modeling, and efficiency management.

Online Education Equals Servers?

Perhaps the silliest portion of *Frontline's* coverage was the protracted scene where the reporter stood in apparent amazement in a university's server room and kept repeating juvenile remarks. *Frontline* appeared profoundly ignorant of modern pedagogy. Their lack of homework in this important area caused them to miss a golden opportunity to educate the public about the many advantages of online education.

Separately, *Frontline* seemed to conflate for-profit education with online education, at least to the confusion of the typical interested outsider. While online classrooms are growing faster than on-ground classrooms, InterEd's readers know that the majority of for-profit higher education takes place on ground.

Time-to-Degree and Opportunity Costs

I wish *Frontline* had addressed time-to-degree, cost-to-degree, and the opportunity costs associated to these statistics. A six month graduation edge into even a \$40,000 a year job will make up for a pretty large tuition disparity. In the typical public university, it can take five years or more to graduate with a bachelor's degree. These delays, due mostly to poor supply management skills (it is taught, not practiced), quickly vitiate any tuition differentials.

Gainful Employment Double-standard

Frontline did mention that the Department of Education designed its "proposed gainful employment test" to apply only to for-profit schools and a few career programs at community colleges. This was a political move necessitated by the clear realization that many programs at public and private universities would fail the test.

Disgruntled Former Employees as a Source

One of the most fundamentally unethical aspects of *Frontline's* the piece was its heavy reliance on a few disgruntled former students and employees as primary sources. Any senior decision-maker understands well how skewed and unreliable such perspectives are. Is it fair or reasonable to have one's professional reputation defined by two or three dissatisfied former students or employees?

Department of Education Baiting

Frontline's interview with Secretary of Education Arne Duncan was truncated, we think, because the Secretary declined to go along with the negative innuendo and excess implied by *Frontline's* baited questions. In fact, Secretary Duncan he was generally positive on for-profits, noting only that the bad actors and excesses need to be dealt with.

Cheap Shots at the Underclass

From my vantage, a few of the for-profit career colleges need to be reeled in immediately or put out of business. Most career colleges, however, are excellent providers of a path out of poverty for students that no one else wants or will admit into their programs. It is a cheap shot to criticize schools that developed a model to serve the underclass – a tough audience on many counts – based on an imperfect record in serving these students.

Unrecognized Elephant

The most irresponsible aspect of the *Frontline* show was it's failure to address the big question regarding the rapid rise of the for-profits. Why? Instead of facilitating discussion around the question, "Why are these schools growing so rapidly?" *Frontline* chose to portray students as unintelligent dupes, yielding to sales tactics, and incapable of making wise choices. *Frontline* failed to point out that most of these students are adults, most of whom hold responsible jobs, have families, and make decent decisions in matters affecting their personal and professional development.

Ignored by the Industry

Perhaps wisely, most for-profit universities chose not to participate in this project. University of Phoenix cited and documented *Frontline's* dishonesty in setting up the piece as the reason it [declined further involvement](#).

Does It Matter?

The obvious response to poor journalism such as this is "Does one public television news program matter to people concerned about higher education?" After all, the program likely did not change the minds of any of the stakeholders in the current discussion.

At the end of the day, I think it does matter. When the public is misinformed in this particular way, it harms our central mission: to encourage all sectors of higher education to engage in badly overdue modernization and fundamental restructuring. Arne Duncan believes we need all of the institutional types, including for-profits, to address President Obama's challenge to become the most highly educated nation by 2020. I agree.

Robert W. Tucker, President and CEO of InterEd, Inc.,
has been leading innovation in higher education since 1986.

He can be reached through this forum.

The expression of differing views by other leaders is welcomed.

[Robert W Tucker](#) | [10 Comments](#) | in [Innovation](#), [Media](#), [Regulation](#)

[Email Article](#) | [Print Article](#) | [Share Article](#)

Reader Comments (10)

Wow! I was hoping someone will write a good response! Although I am a non-profit college executive, it was obvious to me that the program was biased. I think you should forward your response to Frontline.

Thanks

May 6, 2010 |  [Dr. Wojtek Panas](#)


Thank you. This is a great article. It points to a cluster of problems we face in higher education. I would like permission to circulate it to my executive staff.

May 6, 2010 |  [William R](#)


Excellent observations, Bob. I have long been an admirer of some for-profit universities such as UoP. They are serving populations that many privates choose not to serve and they have served as a model for adult education. If the privates are upset about unfair competition, they need to adapt to the current educational needs in this new world. Their inability to adapt rests within themselves.

May 6, 2010 |  [Tom Kennedy](#)

Great job. I disagree that they should be bothered by their bias. Frontline is often guilty of a knee-jerk liberalism that does nothing to advance worthy causes, unless you think fomenting anger and hysteria are good things.

May 6, 2010 |  [WHG](#)


Bravo Robert! You have framed the discussion perfectly. I am a 20 year veteran of a single campus family owned for-profit college in operation for 37 successful years. To see folks define my school/industry in such a manner is wrong. Bad actors are in every segment of society. I too had the traditional university bias against "trade schools" born from ignorance. There is enough room for all providers in the post-secondary education space to serve the diverse needs of our adult learners.

May 6, 2010 |  [Mark W](#)

Fact: Phoenix spends about 25% of their budget on marketing and 10% on faculty (i.e. the product).

Fact: The ex-Phoenix president didn't see a problem with that and used selling perfume as an analogy to higher education.

Fact: Business Week (which most people don't describe as being liberal) has an article about the for-profit colleges going into homeless shelters and half-way houses to sign-up people for college.....does that seem perfectly fine as well?

May 6, 2010 |  tjh

In response to TJH, whose comments are absurd.

Fact: UOP has the ability to save money by hiring part time faculty and dedicate more resources and funding to a higher level of curriculum. 10% of budget to faculty is only a part of the big picture when it comes to educating students. Further, UOP is on a national level versus state schools who advertise, well, on a local and state level.

Fact: The ex-president of UOP used an analogy that anybody can relate to on a simpler level. Not sure where the problem here is.

Fact: Business Week reference does not pertain to UOP, so not sure why it is mentioned here.

Fact: For profit schools place the cost of education more in the student rather than the tax payer. Consider state schools are heavily funded with tax payer money AND students can take out Title IV funding which puts more pressure on the tax payer, for profit schools eliminates a huge load off of the tax payer.


Fact: You need to check your facts!

May 6, 2010 |  UoP Grad

UoP Grad:

Fact: most employers don't respect UoP and many graduate schools require UoP students to retake foundation courses before they are admitted into the program.

Fact: UoP did a poor job teaching you logic, if you think higher education and perfume sales is analogous. Unless, of course, you see education purely as a commodity. If you do, then you're correct and I understand your mindset. However, it's a shame that you missed out on some of the deeper reasons it's important to become educated.

May 6, 2010 |  tjh

I am a community college professional and co-chair of a local consortium which includes both public non-profit and private for-profit colleges and universities. As we are all aware, there are pros and cons to both institutions/models/systems and we, the CC's, stand to learn a great deal from the successful business model of UoP, National, GCU, et al, and yes! education is and has become a business which dare I say accommodates the incumbent/adult learner/worker/student as customer in ways (extended hours for evening students for one!) that CC's can't and/or won't. This should be automatic, right? We ought to adopt, adapt and respond to the multiple and very real global, national, and regional labor market / academic / transfer needs and goals of our current and future constituents if we are to fulfill the mission of the community college.

May 6, 2010 |  [Michelle A.](#)

Thank you, Michelle!