

Opposing view on student loans: We're building the future

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By Harris N. Miller

Higher education needs a change agent. The most important reason is to prepare the 21st century workforce. Even with today's high unemployment, large numbers of jobs remain unfilled because of the skills mismatch. Workers lack skills employers need. President Obama said as much when he challenged the nation to regain its world leadership in college credentialed adults.

Private sector colleges and universities are that change agent, educating 2.7 million students, almost 10% of year-round enrollments, and growing rapidly. Most attendees are economically disadvantaged, older, many with children, often single parents.

A recent Senate report raises several questions about the education these students receive — questions that have good answers:

Career colleges do not receive a "disproportionate" share of student aid. Eligible students receive aid and determine where to spend it. Many choose focused, flexible and student-centric career focused institutions. Aid percentage distributions reflect that career colleges educate a larger percentage of federal aid eligible students.

Taxpayer subsidies for traditional colleges and universities constitute far higher levels of support than for private sector schools. The difference is more than 13-to-1 for public colleges and universities, and 7-to-1 for private non-profit colleges and universities.

Higher education is regulated so that student outcomes trump the bottom line. Some areas require tightening, such as ending high school diploma

requirements. Transparency for prospective students about educational outcomes and the consequences of borrowing must be paramount. Misleading promises or recruiting practices are unacceptable.

Percentages spent by traditional and career institutions for education are not much different. Career colleges spend substantially on student

support, counseling and placement, unlike their traditional counterparts. Marketing costs per enrollment among all types of schools are equivalent.

Lower-income students default on their loans at higher rates than traditional students, according to the Government Accountability Office, regardless of the type of institution they attend. Default rates at minority-serving institutions, community colleges and career schools are similar.

Private sector colleges and universities know it is all about the students. The additional opportunities they are providing millions should be praised, not pilloried.

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