

Education for All or Profit for Few? Analyzing the Behavior of College-Going Students Attending For-Profit Colleges

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Abstract

Under proposed gainful employment regulations, for-profit career colleges must disclose admissions information to prospective students regarding program costs, loan default rates, and completion rates. This study investigates whether students at for-profit colleges consider gainful employment criteria when making a decision to enroll in school. Findings from the study suggest that students in the sample had limited knowledge of gainful employment and were often misinformed by “Madison College” (a pseudonym) representatives regarding admissions information.

Today’s generation of prospective college students have a variety of postsecondary educational options. Among these choices are a range of for-profit postsecondary institutions that offer occupational, trade, and vocational training (Apling 1993; Zamani-Gallaher 2004). Although for-profit colleges have experienced tremendous growth within the past two decades, little is known about why students choose to attend for-profit colleges as opposed to non-profit traditional colleges and universities (Oseguera and Malagon 2011; Tierney and Hentschke 2007).

This study investigates why students choose to attend for-profit postsecondary institutions. Specifically, this study has three primary objectives: (1) to assess why students choose for-profit schools over other postsecondary institutions; (2) to determine the extent to which students consider the criteria outlined by gainful employment when making their decision to attend for-profit institutions; and (3) to investigate whether students have accurate and complete information of gainful employment criteria (i.e., program cost, average student debt, on-time degree completion rates, etc.) before enrolling at their respective for-profit school. Data was collected from a student sample of thirty students enrolled in a surgical technology program at a large, urban for-profit college campus in the Southwest, referred to in this study as Madison College.

Background

Throughout the past two decades, default rates on student loans at for-profit colleges have been significantly higher than those of non-profit higher education institutions. Relative to non-profit colleges, for-profit schools have the greatest risk of leaving students with excessive debt and poor job prospects (Department of Education 2011).

Students at for-profit colleges are twice as likely as students at non-profit and public colleges to borrow beyond institutional costs (Osegura and Malagon 2011). Currently, students at for-profit schools represent 12 percent of all students in college, 26 percent of all student loans, and 46 percent of student loans in default (Department of Education 2011). The median federal student loan debt of students at for-profit institutions is \$14,000, whereas the majority of students at community colleges complete their program without any student debt (Kantrowitz 2011).

In 2009, an estimated 24 percent of all for-profit colleges that participated in the federal student loan program had three-year default rates of 30 percent or higher (Yeoman 2011). By contrast, no public four-year institutions and only one percent of private nonprofits had 30 percent or higher default rates (Yeoman 2011). Overall, the three-year default rate for for-profit schools was 22 percent, whereas private nonprofits and public non-profit institutions had default rates of 7 percent and 10 percent, respectively (Department of Education 2011). The disproportionately high level of default rates on loans for students of for-profit schools is indicative of the severe financial burden that students incur while pursuing a postsecondary education. Many students who attend for-profit institutions are potentially misinformed about tuition costs; loan repayment options; and the consequences of over-borrowing from lenders (Government Office of Accountability 2010).

Research on for-profit schooling has demonstrated that a number of for-profit institutions have engaged in fraudulent admissions practices in recruiting students for enrollment (Government Accountability Office 2010). Yet, limited research evaluates what factors students consider when deciding to enroll in a for-profit school (Tierney and Hentschke 2007). This study seeks to understand why students decide to enroll in for-profit schools as opposed to non-profit colleges and universities. The postsecondary institution under investigation, Madison College, is a large for-profit college in an urban setting and is comprised predominately of students of color.

The location and demographic make-up of Madison College's campus is particularly important in contextualizing the sample population represented in this study. Similar to a majority of for-profit colleges in the United States, the students in this study can be generally described as low-income students of color residing in urban areas (Osegura and Malagon 2011; Tierney and Hentschke 2007). The emergence of for-profit colleges in urban areas within the past two decades has created changes in the educational opportunities available to urban students. Yet, despite the growth and significance of for-profit institutions in the urban postsecondary landscape, the degree to which for-profit institutions provide accurate and complete admissions information to prospective students is under question. Thus, this study examines whether students at a large, urban for-profit college are knowledgeable of gainful employment criteria while making the decision to enroll in school.

Theoretical Framework

This study uses human capital theory to examine how students determine which schools they choose to attend. Use of human capital theory has often varied across disciplines in research and practice (Becker 1993). Past research has used human capital theory as a framework to examine how investments in education relate to costs (e.g., foregone earnings) and compensation (e.g., future earnings) (Becker 1993; Perna 2006). According to Blundell et al. (1999), individuals pursue additional schooling (i.e., invest in their human capital) only if the costs of the education (e.g., tuition, foregone earnings while at school, and reduced wages during the training period) are compensated by higher future earnings.

In this context, the human capital theory, applied to school choice, refers to the balancing of costs (i.e., financial costs, time) against the potential benefits to maximize personal advantage based on decisions made during the college selection process. According to DeJardins' and Toutkoushian's (2005), human capital investment does not require that individuals have complete or perfect information when making a decision, but rather that they attempt to make decisions based on the information available. Human capital theory assumes that individuals choose to invest in postsecondary education by weighing expected lifetime benefits and costs (both monetary and non-monetary) among various schooling options (Becker 1993). The cost of investing in postsecondary schooling includes financial aid, expenses (e.g., tuition, fees, supplies, living costs, etc.), foregone earnings, and other opportunity costs (Becker 1993; DesJardins and Toutkoushian 2005). Yet, in many cases community college students pay a significantly lower amount in tuition compared to students at for-profit schools and still maintain higher on-time completion rates, job placement rates, and salaries (Kantrowitz 2010).

Human capital theory does not assume that students have accurate or complete admissions information, but that students act in a manner that maximizes personal benefit or utility (Perna 2006). In most instances, students do not have perfect information regarding various facets of school choice such as net price of a program or the return on education. For instance, DesJardins and Toutkoushian (2005) posit that "while having inaccurate or incomplete information may affect a student's decision, the decision would still be rational provided that it was based on a reasoned reaction to the information available to them at the time that they made the decision" (218). Unlike many for-profit entities, consumers of higher education (i.e., students) are not able to acquire complete information about the *product* until they *experience* the product (Winston 1999). As a result, many first-generation college students, a large portion of who are African American and Latino (Chen 2005), may lack the cultural capital (Bourdieu 1986) necessary to make informed decisions about college enrollment. Half of all students who attend for-profit schools are first-generation college students, and more than half come from families with an annual income of less than \$40,000 (College Board 2011). This demographic of students may be at a severe disadvantage if they are unable to attain critical information from their school, family, or peers regarding the costs and benefits of postsecondary schooling (Perna 2006). This problem

is particularly alarming when considering that a number of for-profit institutions are potentially providing students with inaccurate or incomplete admissions information (Department of Education 2011; Government Accountability Office 2010). Yet, limited research evaluates what factors students consider when deciding to enroll in a for-profit school (Tierney and Hentschke 2007). The purpose of this study seeks to understand why students decide to enroll in for-profit schools as opposed to non-profit colleges and universities. Although many studies have examined school choice within the context of higher education (Boyer 1987; Gonzalez 2012), limited research has evaluated how gainful employment influences the decision-making process of college-bound students at for-profit colleges. This study uses human capital theory as a framework to investigate whether students consider gainful employment criteria, as defined by the Department of Education, when making a decision to enroll at their respective postsecondary institution (2012). Specifically, gainful employment refers to total program cost, average student debt, on-time degree completion rates, job placement rates, expected earnings upon graduation, and loan default rates of students at for-profit colleges (Department of Education 2012).

Method

This qualitative study uses a variety of data collection methods including observation, survey questionnaires, semi-structured interviews, and document analysis. Participants in this study were recruited using purposive sampling (Creswell 2009). Access was granted by Madison College administrators to meet with surgical technology students to recruit for participation in the study. Data collection was conducted over a time period of five weeks.

In-class observations were conducted of a surgical technology course to examine course curriculum, instruction, and classroom dynamics. During the classroom visit, survey questionnaires were passed out to participants and returned to the researcher; surveys collected demographic student data such as race/ethnicity and gender. In addition, data regarding students' decision-making process in choosing to attend Madison College was collected via survey questionnaires. Specifically, the questionnaire gauged (1) students' knowledge of gainful employment criteria as related to surgical technology program and (2) why students decided to enroll in the surgical technology program at Madison College. The student-reported data collected from the survey questionnaires was used to triangulate data reported in participant interviews.

Semi-structured interviews were conducted with thirty students in the surgical technology program at Madison College. Participants were contacted by the researcher to complete a thirty-minute interview regarding student experiences in the surgical technology program. Interviews were conducted either in-person or by phone, outside of the students' academic institution. Interviews were scheduled at the convenience of the participant; each interview was conducted by an individual researcher. Audio from the interviews was recorded and transcribed. Thirty-minute interviews ($n = 30$) were conducted with each participant to capture in-depth qualitative data regarding students' experiences in enrolling at their respective institution. Thematic analysis was used to identify common

themes and patterns presented by participants in the data (Creswell 2009). To ensure the reliability and trustworthiness of the study, a number of qualitative research techniques were implemented. Member checking was performed to verify the accuracy of the information provided by participants and to test the meaning making of the researcher (Yanow and Schwartz-Shea 2006). To assess the credibility, reliability, and validity of the study, peer review was conducted during the data analysis process to provide feedback on the meaning making of the researcher (Yanow and Schwartz-Shea 2006).

School documents were obtained to examine programmatic information regarding the Madison College surgical technology program. Specifically, document analysis was used to gather information regarding gainful employment statistics such as job placement rates, on-time completion rates, and total program costs (Madison College 2012). Gainful employment information was collected from the Madison College surgical technology program website. Gainful employment information presented on the Madison College website reflected data collected from the 2010–2011 academic year. The online gainful employment information collected was also confirmed as being accurate and up-to-date by school personnel at Madison College via phone correspondence.

Sample

The sample population in this study consisted of thirty students enrolled in a surgical technology program at a large, urban for-profit career college in the Southwest. Participants in the study were enrolled in a surgical technology program at Madison College at the time they were contacted to participate in the study. The ethnic distribution of the sample was: 63 percent Latino ($n = 19$), 17 percent Asian/Pacific Islander ($n = 5$), 13 percent White ($n = 4$), and 7 percent African American ($n = 2$). Sixty-seven percent ($n = 20$) of the sample population identified as female and 33 percent ($n = 10$) identified as male.

Data

The following data addresses students' rationale for choosing to enroll in their respective postsecondary institution. The findings are organized around two central themes: (1) student knowledge/awareness of programmatic information regarding gainful employment (i.e., total program cost, on-time completion rates, and job placement rates) and (2) students consideration of alternative postsecondary institutions. These two themes highlight what many students in the sample population experienced as they made their decision to enroll in their respective institution, Madison College.

Knowledge of Gainful Employment

As previously discussed, gainful employment refers to total program cost, average student debt, on-time degree completion rates, job placement rates, expected earnings upon graduation, and loan default rates of students at for-profit colleges (Department of Education 2012). Data collected from the sample population suggests that students

were misinformed on basic admissions information from Madison College. For example, with regard to job opportunities, each participant ($n = 30$) stated that school representatives spoke positively of future job prospects. A majority of students said that the Madison College representative claimed that nearly all graduates would be able to secure employment as a surgical technologist upon graduation—for those that did not find positions, it was due to “a lack of effort.”

Another student was notified by a school representative that the job placement rate of her program was “great compared to other programs . . . at least 90%.” Meanwhile another student was told that “almost everyone” found jobs after completing the program. He went on to state that job placement was not guaranteed by Madison College, but he was told that finding employment was “more likely if you come here. Employers hire our students the most.” Another student stated that she was informed that “most students get jobs” upon graduation and that “a majority of students already have job offers *before* graduation.”

Despite the information presented by school representatives, none of the interviewees in the sample were aware of the actual job placement rate for the program. According to the Madison College website, 51 percent of surgical technology graduates secured employment (Madison College 2012). Based on student responses, most students were under the impression that the job placement rate of their program was significantly greater than 51 percent. Students were often informed of the “tremendous growth” of the job market for the surgical technology field. Prior to enrollment, students were informed of a “huge demand” for surgical technologists. One student was told by a school representative, “Our graduates go on to find work. Those who don’t—we help them to find work.” The student said, “They kept things as vague as possible.” According to the Bureau of Labor Statistics, the job outlook for surgical technologists is growing at a rate of approximately 19 percent, which is “about as fast an average” of all other occupations according to the Bureau of Labor Statistics website (Bureau of Labor Statistics 2012).

Twenty-eight of the students interviewed were aware of the approximate total cost of the program prior to enrollment. This information was generally communicated during an in-person meeting with a school representative. However, students reported slightly different tuition rates ranging from \$33,000 to \$38,000 in total program cost. The total published price under the gainful employment disclosure on the Madison College website is an estimated \$35,100 (Madison College 2012). Twenty-five of the students in the sample were aware of their out-of-pocket cost to complete the program. The out-of-pocket cost of the program was an estimated \$18,000 for students receiving the maximum amount of available financial aid (i.e., Federal Pell Grant, Cal-Grant). For the three students in the sample who did not qualify for financial aid, this group of students was responsible for the full \$35,100 cost in tuition and fees.

When asked whether program costs were discussed prior to enrollment, one student commented:

Right up-front, I was given the program cost down to the penny. I was given an actual dollar amount of what the program actually costs to complete . . . with financial aid. They told me, ‘you’re going to apply for financial aid, we don’t know how much you’re going to get. However much [financial aid] you *do* get, that money is going to go to the school.’

The amount of student loans that students were expected to borrow was typically communicated to applicants moments before students officially enrolled into Madison College. Of the thirty students in the sample, four students were informed that the dollar amount they had to borrow was not a significant amount. One student stated, “In my situation, I received [government] grants, so they told me I didn’t have to take out a hefty loan, just a small loan because my grant covered more than half of my tuition . . . I took out approximately \$18,000.” Another student shared that they were informed by school representatives that the loan amount should be of little concern to the enrollee, by asserting, “Once you talk about the price, they’re like, ‘Oh, don’t worry about the price, because you’re going to get a small loan; you’re going to get your grants.’ It felt kind of like sales.” She stated that the “\$18,000 in loans” she borrowed to cover her educational expenses was not portrayed as a large financial investment by the school representative.

Although five participants in the sample were aware of the amount of student debt that would be incurred upon completion, none of the participants were aware of the loan-default rates of graduates from their program. Each of the student participants in the sample stated that loan-default rates of the program were never mentioned by Madison College personnel prior to enrollment or during the program. One student asserted, “I can’t even make an educated guess as to how many students have trouble paying back loans.” When asked whether she was informed about loan default rates of the program, one student simply replied, “No, they didn’t.” Another student shared, “I’m not sure what the default rate is, but I think it might be really high—maybe around 50 percent?”

With regard to student loans, students were typically informed of grace periods and loan deferment options, but not loan default rates. For example, when asked if a school representative disclosed any information regarding the student loan default rates, she said, “No. They gave us options, like in what circumstances you can apply for loan deferment, but it was never specific.” Similarly, none of the students were aware of the interest rates on their student loans from Madison College; only one student in the sample demonstrated limited knowledge of their loan interest rate by estimating that it was a “double-digit interest rate.”

Two-thirds of the sample stated that they were informed by school representatives that they could expect to make \$25 to \$30 per hour (approximately \$50,000–\$60,000 annually) upon graduation. Although these figures were in no way guaranteed by the institution, students were informed that past graduates had on average earned over the national median salary. According to the Bureau Labor of Statistics, the 2010 median income for surgical technologists is approximately \$19.19 per hour (\$39,920 per year) (Bureau of Labor Statistics 2012). Twenty-five students in the sample stated that, after spending time in the program, they realistically expect to make \$17 to \$20 per hour

(approximately \$34,000–\$40,000 annually). Students at Madison College stated that the *realistic* expected income had come from program alumni and internet research on surgical technology salaries, which students typically became aware of once they were enrolled in the program.

Although Madison College representatives told nearly all of the students that their income would depend on their skills and experience, a majority of students were told they could expect to earn \$50,000–\$60,000 per year after graduating from the surgical technology program. One student stated, “I was told I would be making about \$28 an hour. [Program representatives] said it depends on the [employer], but they said we would make from \$28 [per hour] or higher.” One student asserted, “I was told I would be making \$50,000 to \$60,000 a year, which is b.s. because I know that’s not what we’ll make . . . but that’s what they told us, you know, about the pay rate and how a majority of their grads are working, which isn’t really true—so whatever.” Another student stated:

[Madison College] said I would earn \$25 to \$30 [per hour] . . . obviously that was a lot more than I had made at that point or that I ever heard that I could make, so honestly that was really appealing. They made it a very clear point. They told me, ‘If you want to make money fast, think about it—if you go to community college—that’s four years. Plus, if you want to major in the medical field, that could be another two to eight years. If you want to make money now, this is a quicker way to get it.’”

When asked about the income she realistically expects to earn upon graduation, the student noted:

I’ll probably make under \$20 an hour—probably from \$15 to \$20 . . . I will probably have to resort to living with a sibling, but I won’t be able to live on my own, with living expenses and on top of that, my loans—no. I’m not going to be living as comfortably as I thought I would be based on what [Madison College representatives] told me.

Approximately one-third of students interviewed were not informed of expected earned income upon graduation. Overall, this group of student’s perception of future earnings reflected the national median salary for the surgical technologist position (Bureau Labor of Statistics 2012). For example, when asked if school representatives discussed expected earned income after graduation, one student said, “No, but I did my own research . . . I found out on the internet, and I think [the expected income] is about \$20 an hour.” Another student stated that expected earnings are “not the same for everyone, it depends on experience. Online, if you check, [salaries] are like \$20 [per hour].” One student explained that salaries depend on the employer, stating:

When you first start, it can be anywhere from \$18 an hour to \$20 to \$30 an hour—it depends. You can get lucky and get hired at Kaiser for like, twenty-something dollars an hour, but the average is around \$20 an hour for a [recent

graduate] . . . I have two friends that just got hired; they graduated in the class before me. One is making \$18 an hour, the other is making \$20 an hour. So, it does depend on the [employer].

Considering Alternative Choices

For many students, the decision to enroll in a for-profit college, specifically Madison College, was generally determined by two factors: (1) time to degree completion and (2) a disregard for alternative postsecondary options.

The decision to enroll in Madison College as opposed to a different for-profit college was often determined by the length of the program and school reputation, specifically accreditation. Although not all students in the sample considered attending other for-profit colleges, the students who considered multiple for-profit options stated that other programs were either “too slow” or did not match Madison College’s accreditation. For example, one student stated, “I couldn’t go to another school like Jamestown Career College or River Valley Career College; they’re not even accredited like Madison College.” Similarly, another student posited that Madison College’s accreditation “set them apart” from other for-profit competitors.

The fast-track program offered by Madison College was often cited as a program benefit that was not available via non-profit schools such as community colleges. Madison College was described as an institution that “didn’t waste time” and “got students where they needed to go,” whereas community colleges were generally described as institutions that resembled “DMV lines.” For most students, the decision to enroll in an expedited program (less than two years to graduation) was compared to a potential “four- to five-year wait” at nearby community colleges. One student simply stated, “[Community colleges] take too long, and I just didn’t want to wait. Madison College was straight to the point.”

Another student asserted that community colleges lacked “structure” to assist students with timely degree completion, by stating:

I was previously enrolled at a community college but I wasn’t pursuing a specific program. I had a good experience, but it was hard to get classes, so it felt like everything was moving slow and that’s why [Madison College] appealed to me, I mean, it was just so fast. There was no waiting for classes—there was no fighting for a seat. At [Madison College], they could streamline you so you could finish fast, and that’s what really did it for me. . . I needed to get it done and move forward.

An additional student added:

I attended a community college, but I didn’t see myself going anywhere. I worked hard—and I became upset that the classes offered weren’t the classes I needed to take. So I starting looking [at other schools] and Madison College

appealed to me most . . . What I disliked about community college is that I had to take [general education] courses that didn't have anything to do with my [area of study]. What does political science have to do with the medical field? I was at a community college for two years, and within those two years, I could have received my degree from an accredited school and been set.

Another student expressed similar feelings after dropping out of a community college. After taking courses for nearly two years in graphic design at a nearby community college, the student opted for a different educational pathway: “The reason why I didn't like the community college is classes were closed, certain semesters they wouldn't offer [the classes] I needed to take. It felt like they were giving me the run-around, and I was wasting my time.” Another student shared a similar sentiment. After taking one year of coursework in a medical billing program at a community college, the student expressed that the community college did not “prioritize [her] needs.” She claimed that classes were often not available at the time she needed to enroll which ultimately prolonged the amount of time she needed to complete her degree. Despite paying a lesser amount in school tuition at her local community college, she argued that non-school related expenses were difficult to bear while she was enrolled in school and working on a part-time basis. Other students shared this sentiment. One student stated, “[Madison College] is done in a quicker time . . . but [community college students] have to pay back the *same* loans that I'm going to pay back—and probably more.” Meanwhile another student stated, “I tried community college, but that wasn't something that I wanted to do. I factored time [into my decision] . . . I was looking for something that was financially suitable.” When asked whether she considered attending a community college, a student explained:

I looked into [community colleges], but the amount of time was just going to be, like four years or more for the same program. You have to do pre-requisites: English, math, and on top of that, biology plus anatomy. [At Madison College], I only had to take English and math, but it was a ten-week thing and not a whole year.

Despite students' reluctance to enroll in a community college because of time constraints, none of the participants in the sample were aware of the on-time degree completion rates of the surgical technology program at Madison College. According to the institution's website, 89 percent of graduates complete the program on-time.

Other students enrolled in the surgical technology program at Madison College did not consider other postsecondary alternatives such as the community college. When asked whether they were aware of the financial cost of similar program offerings at other local community colleges, eight students did not investigate other postsecondary options. One student shared that she was unaware of community colleges as a postsecondary alternative. When asked whether she thought there was a difference between Madison College and a nearby community college, she replied “Yes, there's a huge difference—Madison College is more expensive!” However, this student's knowledge of local community colleges came after she decided to enroll in the surgical technology program

at Madison College. She went on to state, “I found out about community college [as an option] after I enrolled, that’s when I noticed the difference [in cost].”

Another student stated he had “no idea” of the financial cost of a surgical technology at a nearby community college. When asked whether he had considered any other institutions (whether for-profit or non-profit) prior to enrolling, he stated that Madison College was one of two for-profit colleges he considered. Madison College was the first school he contacted, and given that the Madison College personnel were “really straightforward” with him, he said he felt comfortable enough to enroll.

Other students shared similar experiences. For example, one student stated, “I found out about [Madison College] from TV . . . I was just looking for a schooling option that I could [finish] quickly. . . and they were the first school to call me back.” Another student stated:

I called [Madison College] and had an interest. I had originally called three other schools the same day. Madison was the first to call me back and make an appointment the following day. The other schools didn’t contact me until later, so Madison was the quickest to help me . . . and the way that the counselor had spoken to me was very, very courteous and I enjoyed the conversation that had transpired and she made me feel welcome and she invited me [to enroll] They said, ‘Okay, why don’t you come in tomorrow, classes already started but we can have you join the program’ One of the other schools called me a day later, like twenty-four hours later, and I had already made arrangements to attend class at Madison—I had already attended one class. By the time I returned home, I had barely received a returned phone call from [Uptown College] and I told them that I had already made a decision—I told them, ‘Sorry.’ Uptown worked too slow and they didn’t get back to me.

A number of students who considered other for-profit colleges before prior to enrolling at Madison College often did so because of program/degree options not offered by other for-profit schools in the area. One student asserted, “I decided on Madison because . . . Jamestown Career College doesn’t have a degree program and Uptown Career College didn’t offer the [surgical technology] program, they *did* offer a nursing program but you need an Associate’s degree in order to enroll in the nursing program.” Although the student determined that Madison College cost approximately \$5,000 more in tuition compared to other for-profit programs in the area, she explained, “Even though Madison College was the most expensive [school] . . . for me, it was the timing of the program and the fact that you get an Associate’s degree as well.”

Four participants in the study only considered Madison College as a postsecondary option prior to enrollment. All four of these students stated that they decided to contact Madison College after watching a television commercial. One student stated that, after watching a Madison College commercial, she decided to “call the number on the screen” to find out more about the school and their programs. Another student stated that she was looking for postsecondary schooling options and saw the Madison College

advertisement on television. She said, “I just decided to go with the first one, I didn’t have the patience to [research] other programs.” She added, “Customer service was really nice, so that’s why I considered [Madison College].”

Five students in the sample asserted that after having experienced both a community college and Madison College, the community college was a better educational option (taking into account program costs, time to degree completion, job opportunities, etc.). For instance, when asked if she could do any differently with regard to school choice, one student stated, “I would have stayed at the community college. I would have saved the money.” She went on to state, “Going in, I didn’t really know what to ask. Looking back at it now, they put the glitz and the glamour on it, and make it seem like more than what it is. They prey on people who go in there and don’t know.” Another student shared a similar opinion by expressing his discontent over the decision to pursue a more costly degree at Madison College, as opposed to enrolling at a community college. Despite not having considered attending a community college before enrolling at Madison College, the student stated that he “definitely would have made a different decision” when choosing which school to attend. One student reflected on her decision to enroll by stating,

Basically, the [Madison College] counselor sold me on [the program]. Looking back on it, I didn’t go in [to the program] as prepared as I should have, I kind of went in thinking ‘I need to do something’ . . . but they played off my weak points . . . they ask you your goals, they ask personal questions. They said, ‘This program is going to make you money. It’s not that difficult academically.’ They know their audience very well, so they know how to sell their points.

Of the thirty students interviewed, six participants expressed satisfaction with their decision to enroll at Madison College as opposed to a community college. The decision to enroll at Madison College as opposed to another postsecondary institution such as a community college or for-profit college had not changed. When asked if the student can “choose a college all over again,” one student replied:

I would not go through a different program. This is a good program. I mean, it *does* have a lot of defects and they do mislead students and take advantage of the ones that don’t know how to ask the right questions. But this program is a quality program for the [surgical technology] field. They offer better training than other colleges like River Valley Career College or Uptown Career College. I learned a lot, and I’m prepared for the field. I mean, would I go to a community college instead of Madison? No, absolutely not.

Another student claimed, “Going to Madison was absolutely worth it.” When asked how the cost of Madison College compared to a nearby community college, the student replied, “It all amounts to the same amount of money. You’re just paying for it in a different way.” Thus, for many of these students, the additional time necessary to obtain a degree from a community college or other for-profit college was ultimately worth attending Madison College. This group of students expressed that attending a surgical

technology program at a different postsecondary institution such as a community college would lead to a greater financial loss than attending the surgical technology program at Madison College.

Data Analysis

An analysis of the findings demonstrate: (1) students' lack of knowledge/awareness of programmatic information regarding gainful employment shaped students' school choice and (2) despite making decisions on potentially erroneous information, students' consideration of alternative schooling options was often influenced by the information presented to students by school representatives during the school selection process.

The data from the sample indicate that students' knowledge of basic admissions information (i.e., gainful employment criteria) was not only limited but was in many ways misinformed. Of the gainful employment criteria presented, students in the sample were often misinformed regarding job placement rates, on-time completion rates, and future salaries. Similarly, students lacked knowledge regarding student loan default rates and basic information regarding their student loans such as interest rates and loan repayment. An area of gainful employment that students demonstrated a relatively clear understanding was total program costs as well as the amount of total student-debt they would incur from completing the program. A potential explanation for students' lack of knowledge regarding gainful employment criteria is embedded in the manner by which admissions information is communicated to students.

Student data from the sample population suggest that many prospective students at Madison College did not utilize online resources to gather information on statistics related to gainful employment. Instead, in-person communication was relied upon to gather programmatic information prior to student enrollment. Currently, the primary method of communication that Madison College uses to inform prospective students of gainful employment is through the institutional website. Thus, student data suggests that the information provided on the website was generally overlooked by students during the period that students were deciding which college to enroll. An area of gainful employment criteria which was communicated (in-person) in nearly every student experience was total program cost, which was generally explained explicitly to each school applicant prior to enrollment. Students were generally well-informed of the total program cost, financial aid availability, and out-of-pocket costs. However, with regard to other previously mentioned admissions information, students were either misinformed, or the information was not addressed by school representatives prior to enrollment.

Interviewees stated that their choice to enroll in the institution was heavily swayed by the grandiose claims made by school Madison College recruiters/representatives prior to enrollment. Many of these claims were found to be either false or skewed according to Madison College's website. Approximately half of the students interviewed stated that they felt misled by the claims made by school representatives prior to enrollment. One interviewee asserted that "the school representative sounded like a salesman" and sold students "on a dream." He went on to state that the school representative "preyed off

[his] weak points” by belittling his current place of employment and career trajectory, and ultimately exaggerating the benefits of the surgical technology program. For this student, the misleading information provided by school representatives played a critical role in his decision to enroll in the surgical technology program at Madison College.

The notion that students made decisions based on potentially false or skewed information does not, however, suggest that students were not considering gainful employment criteria. Instead, the data demonstrates that for many students, the decision to enroll in the surgical technology program required students to evaluate not only the total monetary cost of the program but a number of other monetary and non-monetary factors such as time-investment, foregone earnings, non-educational expenses, and future returns on education. Thus, the decision to enroll in Madison College was often based on complex and often unique circumstances.

For a number of students, the decision to enroll (or not enroll) at a particular institution was not based solely on how much student debt would be incurred as a result of the academic experience, but the experience itself. In other words, for many students, their choice was determined by a variety of monetary and non-monetary factors which may have been prioritized according to personal circumstance. Thus, two enrollees may have chosen to attend Madison College for very different reasons. Depending on how students perceived the utility of the given service or good, the decision to consume the service or good depended on student perception of potential benefits, which ultimately varies from student to student (DesJardins and Toutkoushian 2005).

Within the sample of students interviewed, a number of students perceived the amount of initial student debt upon enrollment at Madison College as secondary when considering time to degree completion. Students in this group reasoned that the additional time-investment and financial resources (represented as forgone earnings, personal expenses) to obtain a degree at a community college was more costly than the out-of-pocket costs of attending Madison College, despite the community college being more affordable with regard to tuition. By contrast, other students ultimately regretted the decision to enroll in Madison College and determined that the financial cost of the surgical technology program at Madison College exceeded the amount of financial resources (i.e., opportunity costs, foregone earnings) they would have gained by attending a community college. Thus, the decision to enroll in Madison College versus a community college or another for-profit college often involved multiple complex variables—some of which were reflected by future earnings or potential costs which were not available to students at the time of enrollment. The data presented here supports the notion that students considered factors associated with human capital theory—students in the sample generally weighed future costs and benefits of the surgical technology program at Madison College. Students in the sample considered factors such as financial cost, time, foregone earnings, and future income during the decision-making process.

Further complicating students’ decision-making is the misinformation or lack of information that students had when selecting which school to attend. Therefore, in

these cases, students' perceptions of what they could stand to benefit from enrolling in a program was potentially offset or misrepresented by a lack of complete and accurate information.

Conclusion

This study explored why students choose to enroll in for-profit institutions, such as Madison College, as opposed to other potentially less costly postsecondary options. The data presented two central themes: (1) students' lack of knowledge information regarding gainful employment and (2) students' consideration of alternative postsecondary institutions. The findings in this study suggest that students may not have full or accurate admissions information when enrolling in their respective institution. Specifically, information such as on-time degree completion rates, loan default rates, student debt-to-income ratios, and other critical consumer information were often not communicated to prospective students at Madison College. Although Madison College discloses gainful employment information on the school website, none of the students in the sample were aware of the available online information at the time of enrollment. Instead, students relied predominately on the programmatic information provided to them by school representatives.

Although the data in this study represents the experiences of thirty students in a given program at one institution, the implications of these findings are important in understanding not only what forms of information students have prior to enrollment, but also in understanding students' rationale for making decisions when enrolling at their respective institution. With greater knowledge of the college-going behavior of college students, educators, policy-makers, and researchers may better understand how students perceive the expected costs and benefits of higher education.

The gainful employment rule was not yet implemented as of early 2014. In 2013, the Department of Education proposed a modified gainful employment rule, after an earlier proposal was thrown out by a federal court in June 2012. The modified gainful employment rule remains under review (Department of Education 2013). Yet, as gainful employment legislation remains stifled by political uncertainty, the manner in which for-profit schools market their programs and communicate to students during the enrollment process remains critical in understanding the decision-making process of prospective college students at for-profit schools.

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