Report Finds That For-Profit Schools Cost Taxpayers Less

A report written by Robert Shapiro and Nam Pham, finds that for-profit institutions cost taxpayers less per student than four-year public and private, non-profit institutions of higher education. The document, called Taxpayer’s Costs to Support Higher Education: A Comparison of Public, Private Not-for Profit, and Private For-Profit Institutions, was commissioned by for-profit institutions including Kaplan and DeVry and can be found at the website of the National Association of Student Financial Aid Administrators (NASFAA.org).

The report proclaims that the “data show that the average student recipient of government assistance at four-year private, for-profit institutions receives less in total grants from all levels of government than the average recipient at public or private not-for-profit institutions.” The report also states that “it costs the taxpayers 6.5 times more” when a student attends a public four-year college than when he or she attends a four-year for-profit college.

The report also finds that:

“For profit institutions receive less than 30 percent of the per-student government support given to students at public institutions and less than 48 percent of the per-student support given to private not-for-profit schools.

For every $1 in direct support from federal, state and local governments given to for-profit institutions, not-for-profit schools receive $8.69 per student and public schools receive $19.38 per student.

When direct and indirect federal, state and local support is taken into account, each student at a for-profit institution receives $2,394, those at not-for-profit school receive $7,056, and public school students receive $15,540.”

The authors write, referencing President Obama’s graduation initiative that “The total cost of the President’s proposal using all three classes of institutions, and
especially for-profit institutions, would come to $213 billion, compared to $264 billion if the policy were carried out only using public institutions.” Owners of our licensed schools always knew about the positive “effect” that their tax payments had on their communities (taxes that public institutions do not pay). Now, they know that they are also saving the taxpayers money whenever a student chooses to go to a for-profit institution rather than a public school or a non-profit institution.

Old Jobs Require New Skills

On October 18th the South Florida Sun-Sentinel carried an Associated Press article written by Christopher S. Rugaber entitled “Unemployed find old jobs now require more skills.” This piece focuses on a new dilemma for out-of-work Americans: “Job openings in their old fields exist. Yet, these workers no longer qualify for them.

During the current recession, companies became more productive with fewer workers. This was accomplished by asking workers to “…take on a broader array of duties – duties that used to be spread among multiple jobs….The broader responsibilities mean that it’s harder to fill many jobs that are open these days. It helps to explain why many companies complain that they can’t find qualified people for certain jobs, even with 4.6 unemployed Americans, on average, competing for each opening.”

The article states that even though the number of “… [job] openings has surged 37 percent in the past year…the unemployment rate has actually risen during that time. Companies still aren’t finding it easy to fill job vacancies.” Even though it may be true that workers displaced from jobs in construction are not qualified to be employed in the growing sectors such as health care, it also “…turns out that some of the jobless no longer even qualify for their old positions.”

In order to become qualified for these jobs, unemployed workers are increasingly turning to postsecondary education to acquire new skills. This trend was emphasized by Mark Tomlinson, the Executive Director of the Society of Manufacturing Engineers. Mr. Tomlinson said that “There are jobs available, but the workers just have to have more skills than before.” Harry Griendling, chief executive of DoubleStar, Inc., a staffing firm outside Philadelphia, adds that employers now “…want two skill sets in one human being.”

While some workers return to school and enter into a program of study that differs significantly from their previous employment, many are choosing to take short programs that result in a certification which enhances their existing skill set. In the manufacturing sector, Mark Tomlinson notes that “…employees increasingly must be able to run the computerized machinery that dominates most assembly lines. They also have to carry out additional tasks, such as inspecting finished products…”

The Commission for Independent Education licenses postsecondary institutions that specialize in offering complete programs of study that prepare workers for these new technology-based occupations, as well as providing short programs that result in certifications which enhance an individual’s existing skills. This article shows that, once again, our schools are on the forefront of meeting the needs of American’s working population.

Commission Meeting Dates and Locations

**January 7, 2011**
Howey-In-The-Hills
New Institution Applications Due: September 18, 2010
All Other Applications Due: October 18, 2010
March 16, 2011
Howey-In-The-Hills
New Institution Applications Due: November 16, 2010
All Other Applications Due: December 16, 2010

May 25, 2011
Howey-In-The-Hills
New Institution Applications Due: January 16, 2011
All Other Applications Due: February 15, 2011