Author

DOUGLASS, John Aubrey

Title

Money, politics and the rise of for-profit higher educatioon in the US : a story of supply, demand and the Brazilian effect

Publisher

Berkeley, 2012

Collation

15 Bl. : graph. Darst.

Publication year

2012

Series

(CSHE Research and Occasional Paper Series ; 2.12)

Source/Footnote

Internet: http://cshe.berkeley.edu/publications/docs/ROPS.JAD.ForProfitsUS.2.15.2012.pdf

Inventory number

44309

Keywords

Ausland : USA : Hochschulwesen allgemein ; Hochschule und Staat : allgemein

Abstract

For-profit colleges and universities in the US have been growing at a staggering pace in enrollment, in profits, and in the corporate value of those traded on the New York Stock Exchange. From 2000 to 2010, the sector grew by some 235 percent in enrollment, increasing its market share from 3 to 9.1 percent of all tertiary enrolled students. What accounts for this rapid growth in the For-Profit (FP) sector in the US? How will such growth influence educational opportunity and degree attainment rates in a country that first pioneered a mass higher education built largely around expanding public colleges and universities? As discussed in the following essay, there are specific characteristics of the FP sector that are peculiar to the US; others reflect global trends largely seen in developing economies. Simply put, in the US as in other parts of the world, the FP sector is a modern feature of changing market dynamics related to demand and supply ? or the lack thereof. As discussed in this essay, the current US experience is a version of what I call the ?Brazilian Effect?: when public higher education cannot keep pace with growing public demand for access and programs, governments often allow FP?s to rush in and help fill the gap, becoming a much larger and sometimes dominant provider. This is the pattern in many developing economies such as Brazil where some 50 percent of student enrollment is in profit-like private institutions also found in Korea, Poland and many other parts of the world. Despite concerns about the economic model of For-Profits which rely heavily on taxpayer funds, their low degree completion rates, the quality of those degrees, their high tuition and fee levels, the high levels of debt and poor employment record of graduates, and new federal regulations and a series of lawsuits, my prediction is that the FP sector will continue to grow over the long-term not so much because it meets societal demands for diverse forms of higher education, but because of the inability of the public sector to return to the levels of public subsidies and program growth they had in the past ? the Brazilian Effect. The result now, and in the future, is a kind of policy default: the future tertiary market will not be the result of a well thought out policy at the national or state levels, but a quasi-free market result that will foster lower quality providers and fail to meet national goals for increasing the educational attainment level of Americans. As this paper discusses, higher education policy is about broad issues of socioeconomic mobility and economic competitiveness, but it is also about money, big business, and political influence. (HRK / Abstract übernommen)

Signature

95 651