

# Data Sources: Graduate Education at For-Profit Institutions

Over the past two decades, one of the big changes in graduate education has been the rise in for-profit colleges and universities. Once a rarity at the graduate level, for-profit institutions are now becoming significant players, enrolling large numbers of students in graduate programs and awarding tens of thousands of graduate degrees each year. This article explores the growth in the numbers of for-profit institutions, as well as the trends in graduate enrollment and degrees at those institutions. While the Council of Graduate Schools has data on enrollment and degrees at for-profit institutions through the CGS/GRE Survey of Graduate Enrollment and Degrees, this article uses national data from the Department of Education and the National Science Foundation since not all for-profit institutions respond to the CGS/GRE survey.

## For-Profit Institutions

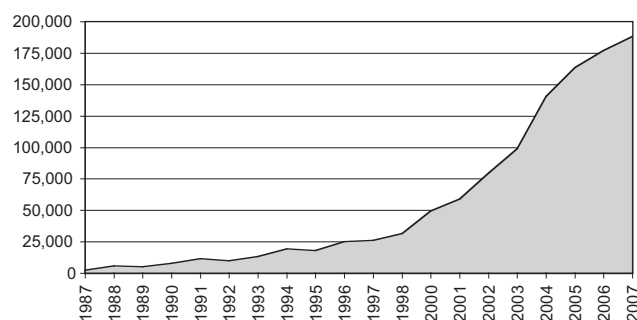
The rapid growth in the actual number of for-profit institutions in the United States has been the main reason for the increase in graduate education at for-profit institutions. In 2007-08, there were 1,043 Title IV-eligible, degree-granting, for-profit institutions in the United States, up from 650 a decade earlier in 1997-98, and up from just 323 in 1987-88 (Snyder et al., 2009). (Title IV institutions are those eligible to participate in federal student financial aid programs such as Pell Grants or Stafford Loans.) There has also been an increase in the share of for-profit institutions offering graduate programs. In 2007-08, 20% (210) of the Title IV-eligible, degree-granting, for-profit institutions offered graduate certificate and/or graduate degree programs, while in 1997-98, just 12% (77) offered graduate programs (Knapp et al., 2008; NCES, 1999).

## Graduate Enrollment at For-Profit Institutions

Graduate enrollment has soared over the past two decades at for-profit institutions, from 2,232 students in fall 1987, to 25,917 in fall 1997, and to 188,079 in fall 2007 (Figure 1) (NSF, 2009; Knapp, et al., 2009). Two-thirds (67%) of the graduate students at for-profit institutions in fall 2007 were women. This percentage is higher than at both public and private, not-for-profit institutions, where 60% of the graduate students are women (Knapp, et al., 2009).

Graduate students at for-profit institutions are about twice as likely as those at public and private, not-for-profit institutions to be members of underrepresented racial/ethnic minority groups. In fall 2007, 29% of the graduate students at for-profit institutions were underrepresented minorities, compared with 15% and 14% of the graduate students at public institutions and private, not-for-profit institutions, respectively (Knapp, et al., 2009). In particular, African Americans are more likely to attend for-profit institutions. Nearly one-quarter (23%) of the graduate students at for-profit institutions in fall 2007 were African American,

**Figure 1. Graduate Enrollment at For-Profit Institutions, Fall 1987 to Fall 2007**



Note: Enrollment data are unavailable for fall 1999.  
Sources: NSF, 2009; Knapp, et al., 2009

compared with 9% of the graduate students at both public and private, not-for-profit institutions.

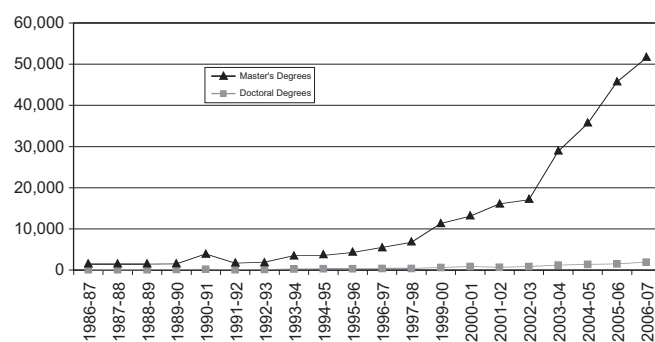
While graduate students at for-profit institutions are more likely than those at other types of institutions to be underrepresented minorities, they are much less likely to be temporary residents. Only 5% of the graduate students at for-profit institutions in fall 2007 were temporary residents, compared with 14% at public institutions and 12% at private, not-for-profit institutions.

## Graduate Degree Production at For-Profit Institutions

Master's degree production at for-profit institutions has increased nearly ten-fold over the past decade (Figure 2). In 2006-07, for-profits awarded 51,461 master's degrees, an

*continued on page 6*

**Figure 2. Graduate Degrees Awarded by For-Profit Institutions by Level, 1986-87 to 2006-07**



Note: Degree data are unavailable for 1998-99.  
Source: NSF, 2009

## Data Sources

increase from 5,467 in 1996-97, and up from 1,407 in 1986-87 (NSF, 2009). While the vast majority of the graduate degrees awarded by for-profit institutions are at the master's level, there has also been a rapid increase in the number of doctorates awarded. In 2006-07, for-profit institutions awarded 1,903 doctoral degrees, nearly six times the 344 awarded in 1996-97. In 1986-87, for-profit institutions awarded just 36 doctoral degrees.

African Americans earned 18% of the master's degrees awarded by for-profit institutions in 2006-07 and 21% of the doctorates. In contrast, African Americans earned just 8% of the master's degrees at both public and private, not-for-profit institutions. At the doctoral level, African Americans earned 6% of the degrees at private, not-for-profit institutions and 5% of those at public institutions. In total, underrepresented minorities earned 24% of the master's degrees at for-profit institutions in 2006-07 and 25% of the doctorates.

Temporary residents earned 7% of the master's degrees at for-profit institutions in 2006-07, while they earned 12% of the master's degrees at public institutions and 11% at private, not-for-profit institutions. At the doctoral level, temporary residents earned only a small percentage (2%) of the degrees at for-profit institutions. This compares with 33% of the doctorates at public institutions and 23% at private, not-for-profit institutions.

Women earned a larger share of the degrees awarded by for-profit institutions than public and private, not-for-profit institutions in 2006-07. At the master's level, women earned 65% of the degrees awarded by for-profits, compared with 61% and 60% of those awarded by public institutions and private, not-for-profit institutions, respectively. At the doctoral level, 66% of the awards were to women at for-profit institutions, compared with 48% at public institutions and 53% at private, not-for-profit institutions.

Nearly half (49%) of the master's degrees awarded by for-profit institutions in 2006-07 were in business and management, and nearly one-third (32%) were in education. At the doctoral level, education (34%) and psychology (33%) were the largest fields.

### Implications

Clearly, graduate education is on the rise at for-profit institutions, and this rapid growth will inevitably change the landscape of graduate education. While some may argue for or against this change, one thing is certain; on average, for-profit institutions are out-performing their public and private, not-for-profit peers in enrolling and graduating African Americans at the graduate level. This may be due in part to targeted marketing or the urban or virtual location of many for-profit institutions, but public and private, not-for-profit institutions should examine the successes of for-profits in attracting African Americans to graduate programs and identify replicable best practices.

While for-profit institutions are becoming more attractive to prospective graduate students, cost is likely not the main reason for this shift. The average amount of tuition and fees paid by graduate students at for-profit institutions in 2007-08 was \$9,971, compared with \$5,613 at public institutions and \$11,272 at private, not-for-profit institutions (NCES, 2009). Convenience, rather than cost, is most likely the primary driver of the growth in for-profit education. Many for-profits are structured to meet the needs of graduate students who are older, working full-time, and/or balancing family demands with school. They often provide evening classes, on-line education, and other forms of distance education. In many cases, public and private, not-for-profit institutions are also increasing the options available to students in terms of class schedules and course delivery. As more and more incoming graduate students demand the flexibility that many for-profits already offer, public and private, not-for-profit institutions will have to determine if they want to compete for these students, and if so, what changes they might need to make at their institutions to continue to attract high-quality graduate students.

By Nathan E. Bell, Director, Research and Policy Analysis

### References:

- Knapp, L.G., Kelly-Reid, J.E., and Ginder, S.A. 2008. *Postsecondary Institutions in the United States: Fall 2007, Degrees and Other Awards Conferred: 2006-07, and 12-Month Enrollment: 2006-07*. Washington, DC: National Center for Education Statistics, U.S. Department of Education.
- Knapp, L.G., Kelly-Reid, J.E., and Ginder, S.A. 2009. *Enrollment in Postsecondary Institutions, Fall 2007; Graduation Rates, 2001 & 2004 Cohorts; and Financial Statistics, Fiscal Year 2007*. Washington, DC: National Center for Education Statistics, U.S. Department of Education.
- National Center for Education Statistics (NCES). 1999. *Postsecondary Institutions in the United States: 1997-98*. Washington, DC: National Center for Education Statistics, U.S. Department of Education.
- National Center for Education Statistics (NCES). 2007-08 National Postsecondary Student Aid Study (NPSAS:08). Dataset. Online. Available: <http://nces.ed.gov/das>. Retrieved August 7, 2009.
- National Science Foundation (NSF). WebCASPAR Database. Dataset. On-line. Available: <http://webcaspar.nsf.gov>. Retrieved August 7, 2009.
- Snyder, T.D., Dillow, S.A., and Hoffman, C.M. 2009. *Digest of Education Statistics 2008*. Washington, DC: National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education.