An open Letter to For-Profit Colleges,

Hey companies, how is it going?

Well, not great if the news has anything to say about it. With ITT Tech (originally International Telephone and Telegraph) closing its doors, it seems that the Department of Education and the government as a whole has been having a decreasing tolerance towards for-profits. But, is this necessarily a good thing?

As always, it never is that simple. Good or bad are meaningless: is it fair?

It’s been a trend in the last ten years; long standing for-profit colleges that had a relatively large student population with comfortable profit margins to boot. With a decrease in government funding in for-profits and decreasing enrollments, resources for the colleges were dwindling rapidly. If anything, the former reason was almost more detrimental than the later. Enrollment is quintessential, absolutely, however when for-profits students already have restrictions on how much federal loans can be put towards classes, the colleges tend to be cut at the knees from the start.

The government has every right to be restrictive. According to forprofitu.org, 47% of students that have defaulted on their loans attended for-profit colleges; almost half. That’s not simply an issue of camaraderie of private versus public colleges, but that is viewed as a significant burden on the economy. Even if students don’t default, the department of education shows the significant of difference in the median debt. According to the DOE, Students at for-profit colleges carry a median debt of $32,700, while at public schools students have a median debt of $20,000 and $24,600 at private non-profit schools.

Now, this isn’t a matter of quality of education. If the median debt seems low that is because Minnesota ranks #3 for the highest tuition in the entire country. So, we tend to pay a significant amount more than other states. But, if students are able to find meaningful employment post-graduation, the heighten costs are worth it, right? Well, according to a study by the Nation Bureau of Economic Research, applicants with business bachelor’s degrees from large online for-profit institutions are about 22 percent less likely to hear back from employers than applicants with similar degrees from nonselective public schools.

This lends itself somewhat easily to the belief that regulations tend to be stricter against for-profits. Is it fair? After all, shouldn’t individuals have the opportunity to open institutions if the need and opportunity are present? Absolutely they should. It’s almost cliché at this point to bring up one of the most prevalent examples in the entire system.

With Trump University, a shade was permanently cast over For Profit’s legitimacy. Reports of $35,000 “Elite Programs” and playbooks given to advisors designed to essentially swindle money from students give a glimpse into one of the for-profit worst case scenarios. This is ultimately why restriction and oversight is essential. It’s one thing to ring rhetoric of “entrepreneurial freedom” when it can ruin the lives of those trying to improve on it. Especially when the value of education, one of the most coveted American institutions, gets taken advantage of for the pursuit of money over passion of education. Then the institution stands on unstable ground.

This ultimately makes the ITT Tech example so tragic, but realistic. In the midst of a larger scope of reformation, staff, faculty and students are ultimately the ones suffering. However, loan forgiveness or transfer of credits to another university has been made an option, according to the LA Times. So, that’s beneficial. But, wasted time is still wasted time. If for-profits are going to succeed in the coming decades, costs to students are going to have to decrease, value of education is going to have to increase, and transparency is essential for government support.

I do have to question what is superior or specialized in for-profits that other public or private colleges don’t have? Maybe if they go a little more in depth or have a wider scope, then I could realistically see the appeal. Institutes such as that are so few and far between it’s hard to picture. That is the strength of for profits; serving a niche audience in overly specialized fields. But, institutions like ITT Tech or Corinthian Colleges Inc. close because the private and public colleges just do liberal arts and sciences so much more efficiently—and with government support.

Best wishes,

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