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## Career Colleges Release First-Ever Economic-Impact Study

By [GOLDIE BLUMENSTYK](#)

The Career College Association, which has begun a full-throated effort to change public attitudes about its institutions, has released the latest salvo in its campaign: a new economic-impact study that says the nation's 2,700 for-profit career colleges directly contribute more than \$18-billion annually to the American economy.

The report, released last week, also asserts that, on average, students' investments in career-college educations pay returns of more than 31 percent annually, based on the higher wages they will earn in their lifetimes. Compared with the wages earned by workers with only a high-school diploma, career-college graduates make about \$9,230 a year more, or at least \$337,000 more over their lifetimes.

"Are our degrees worth it? In a bottom-line sense, absolutely yes," said Harris N. Miller, president of the 1,400-member association.

Mr. Miller said the study was the first he knew of to look systematically at for-profit colleges, most of which offer certificates and associate degrees in fields like health care, business, information technology, and hospitality. (A few also offer higher-level degrees.)

Enrollment at the 2,694 career colleges that participate in federal student-aid programs now tops 2.1 million (based on the total number of students who enroll over the course of a single academic year). It has grown by 17 percent annually since 2003-4. In the 2006 academic year, about 23 percent of the credentials awarded by the colleges were associate degrees, 9 percent were bachelor's, 7 percent were master's, and 1 percent were professional or doctoral degrees. The rest -- 61 percent -- were certificates.

Altogether, the study estimates that proprietary colleges employ the equivalent of 137,041 full-time staff and faculty members and pay about \$8-billion in salaries, based on a calculation derived from their collective revenues.

The report says the colleges, which often boast that they are the "tax-paying sector" of higher education, pay about \$82-million a year in local and federal taxes. The report's authors say the figure underestimates the actual amount of taxes paid because it was calculated based on a figure for the overall fraction of revenues that all education entities pay in taxes, and most pay little or no taxes.

The study suggests that the overall economic impact of the for-profit sector approaches \$39-billion, taking into account the \$14.6-billion in revenue going to the colleges and the additional \$4-billion that students spend beyond tuition to attend, along with the indirect impact of the higher wages earned by career-college graduates and the added value they bring to the industries where they go to work.

Mr. Miller said the study should be a more effective educational tool than the "anecdote here, anecdote there" approach the association has relied upon in the past when talking to state and federal policy makers. "We often lose the battle of the anecdote."

For free copies of the report, which includes state-by-state profiles of the sector, contact [Kerry Turner](#), at

the Imagine America Foundation.

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