

# Expanding Transfer Pathways: Influence of For-Profit Institutions

Alice van Ommeren



CAIR, November 2009

# Importance of the Study

- For-profits are the fastest growing sector in higher education
- Transfer provides opportunities for disadvantaged student populations
- California Master Plan developed transfer as a function for a public system
- Limited accountability and research pertaining to the for-profit sector

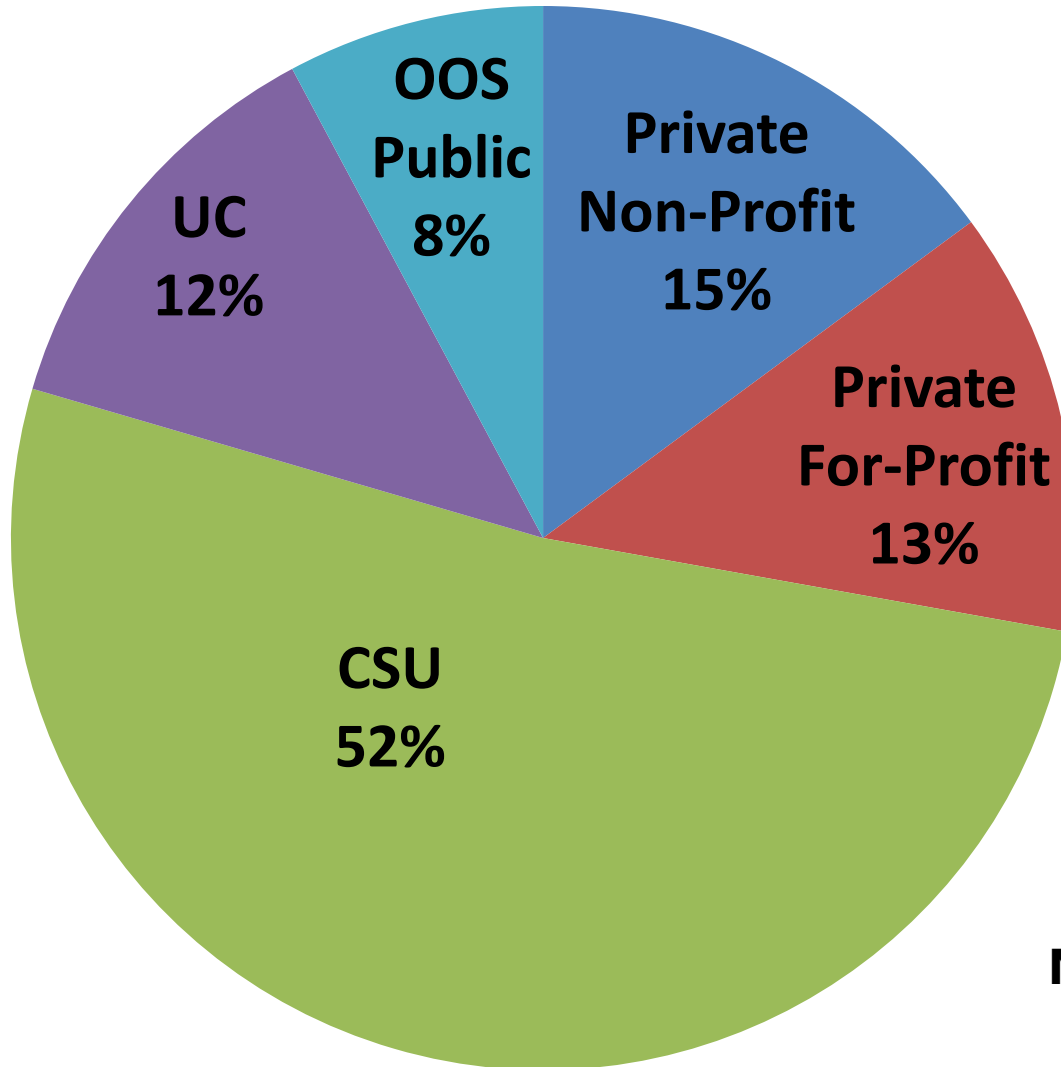
# Objectives and Goals

- Identify the transfer trends to for-profit 4-year institutions
- Determine if for-profit 4-year transfers are different from other transfer students
- Discover the environmental factors of a college that influence for-profit transfer
- Discuss areas or direction of further research related to for-profit transfer

# Research Questions

- What are transfer destination patterns over time or trends to for-profit 4-year institutions?
- How do students characteristics compare between transfers to for-profits 4-year institutions and others?
- What is the relationship of environmental college factors and the college transfer rate to for-profits?

# Transfer Proportions by Segment (05-06)



**N = 92,888**

# Non-Profit and For-Profit Distinction (Ruch, 2001)

<b>Non-Profit</b>	<b>For-Profit</b>
Tax-Exempt	Tax-Paying
Donors	Investors
Endowment	Private Investment
Stakeholders	Shareholders
Shared governance	Traditional Management
Prestige Motive	Profit Motive
Cultivation of knowledge	Application of learning
Discipline-drive	Market-driven
Quality of inputs	Quality of outcomes
Faculty power	Customer power

# Annual Tuition and Fees by Sector

*(College Board Study in Inside Higher Ed, October 21, 2009)*

<b>Sector</b>	<b>2009-10</b>
Public Four-Year (in-state)	\$7,020
Public Four-Year (out-of-state)	\$18,548
Private Non-Profit	\$26,273
Private For-Profit	\$14,174

# Measuring Transfer

Transfer Volume – Number of students that transfer to a 4-year annually

Transfer Proportions – Share of transfer students with a characteristic, including four-year destinations

Transfer Rate – Percentage or ratio of students transferring from a cohort



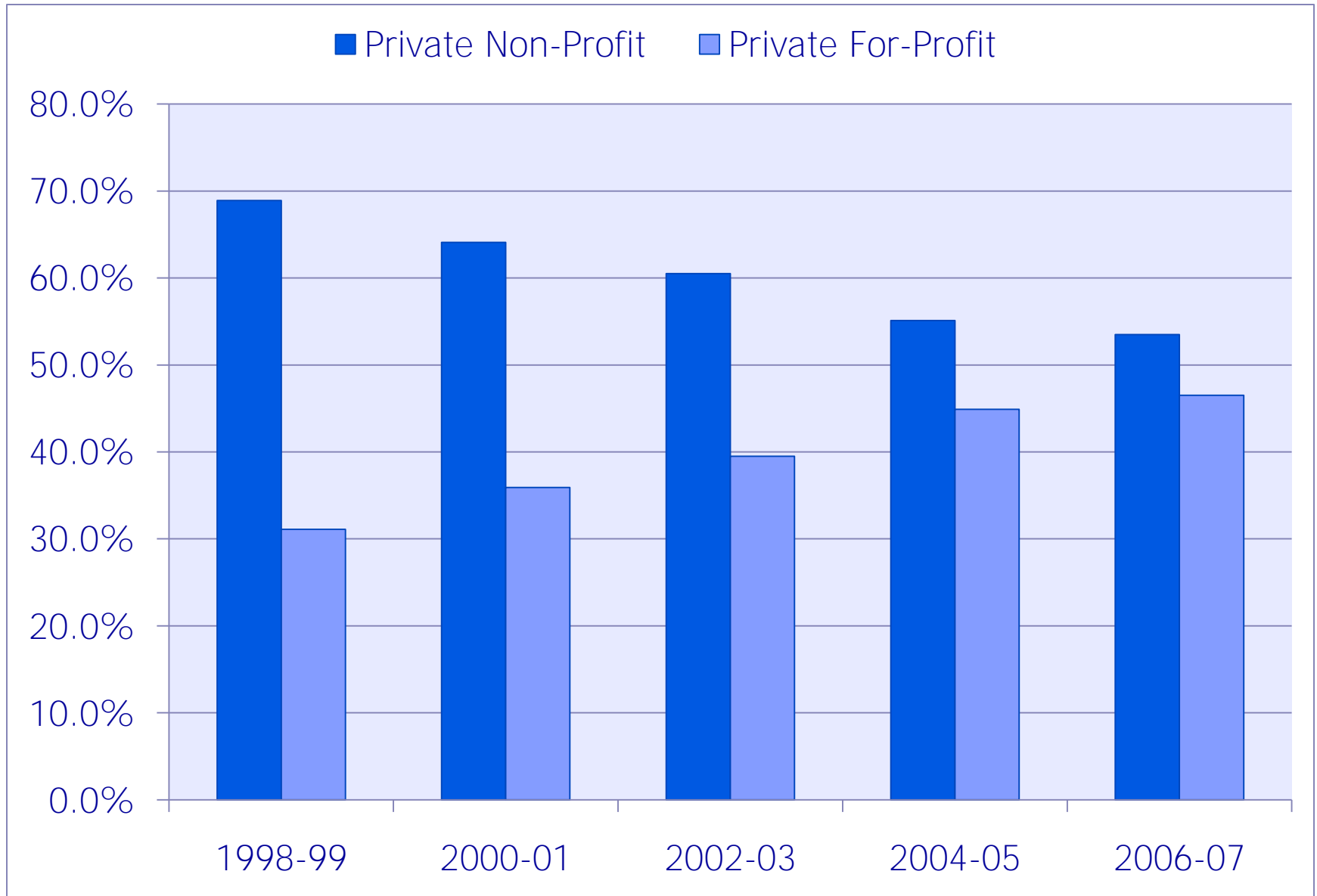
# Transfer Volume to Five Destination Sectors

	99-00	00-01	01-02	02-03	03-04	04-05	05-06
CSU	43,370	43,323	44,645	45,473	46,857	47,564	45,645
UC	12,360	14,036	15,698	15,615	14,583	16,869	15,012
Private Non-Profit	12,347	12,152	14,867	12,930	13,774	13,925	13,713
Private For-Profit	5,662	6,816	8,278	8,449	10,580	11,364	11,079
OOS Public	5,592	6,765	7,121	6,714	7,255	7,352	7,439
Total	79,331	83,092	90,609	89,181	93,049	97,074	92,888

# Percentage of Transfers by Sector



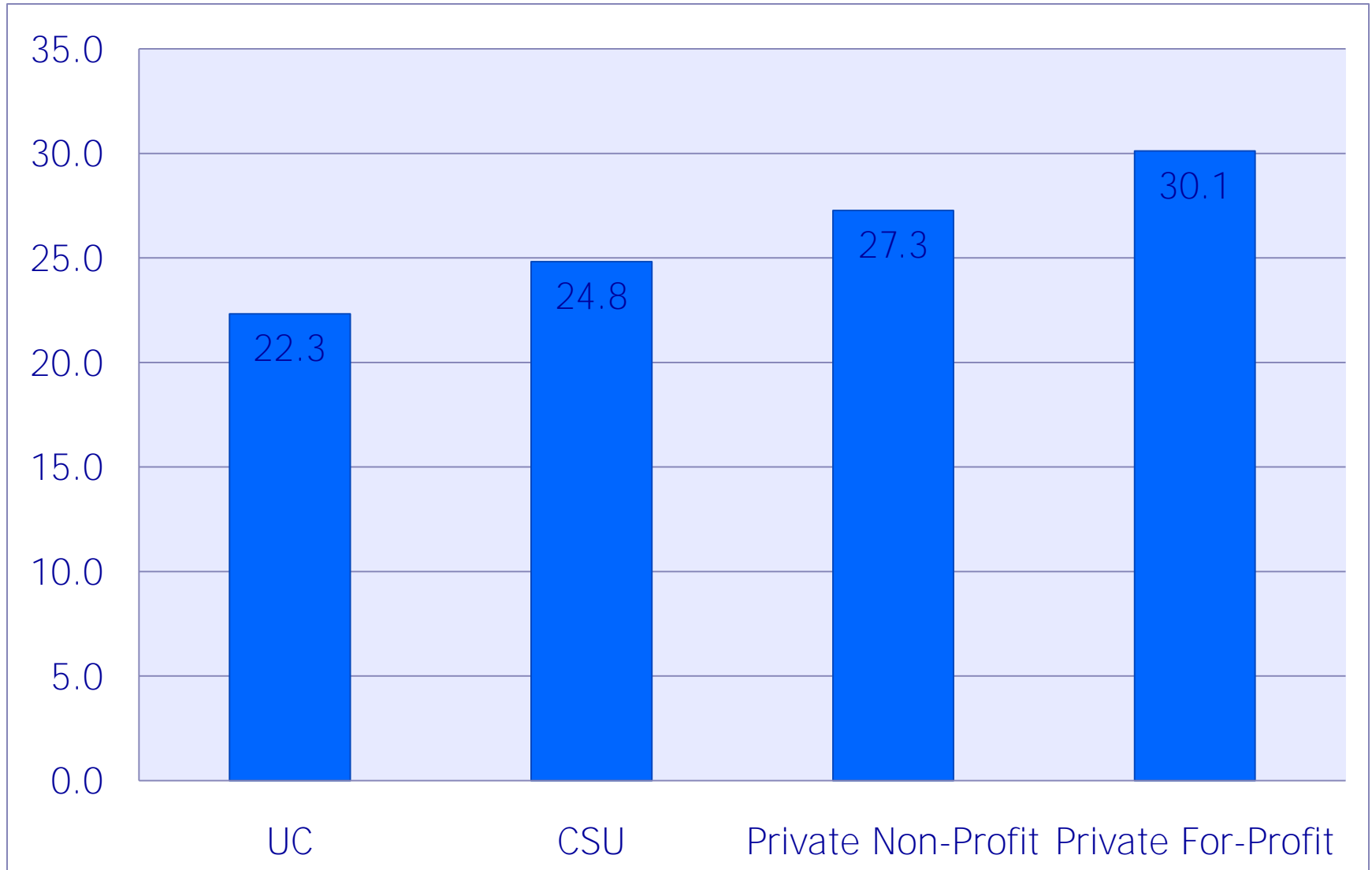
# Percentage of Xfers by Private Destinations



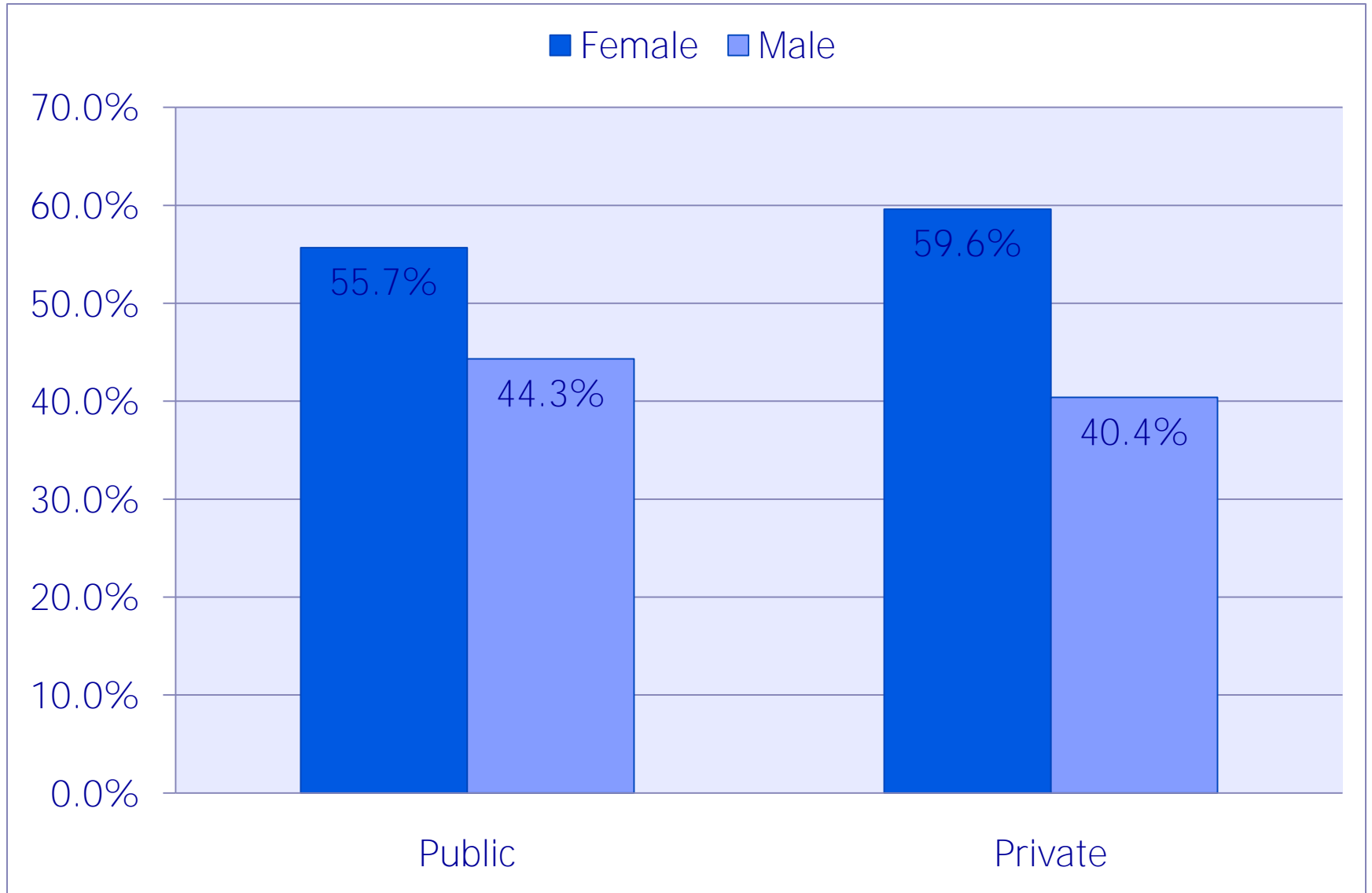
<b>For-Profit Transfer Schools (06-07)</b>	<b>Frequency</b>	<b>Percent</b>
University of Phoenix	8,868	73.5%
DeVry University California	855	7.1%
ITT Technical Institute	786	6.5%
Academy of Art University	544	4.5%
Ashford University	397	3.3%
Argosy University	155	1.3%
Capella University	116	1.0%
Grand Canyon University	116	1.0%
Walden University	76	0.6%
Strayer University	74	0.6%

Non-Profit Transfer Schools (06-07)	Frequency	Percent
National University	1,191	8.6%
Chapman University	894	6.4%
University of Southern California	650	4.7%
Azusa Pacific University	502	3.6%
California Baptist University	403	2.9%
Fresno Pacific University	394	2.8%
University of San Francisco	334	2.4%
University of San Diego	326	2.4%
California College of the Arts	290	2.1%
Embry Riddle Aeronautic University	261	1.9%

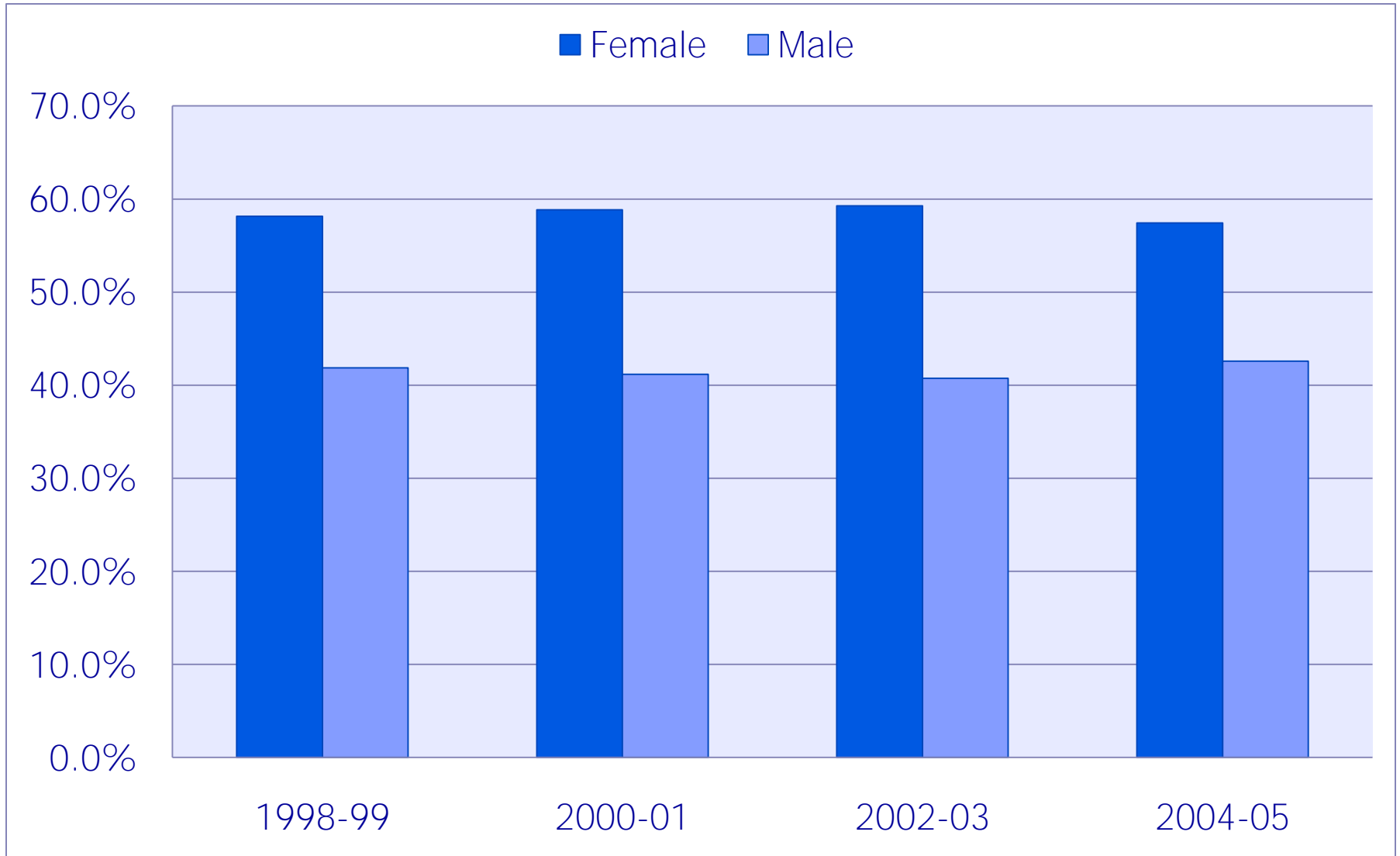
# Average Age at Transfer by Segment



# Gender Proportions by Sector



# Gender Proportions in For-Profit Sector





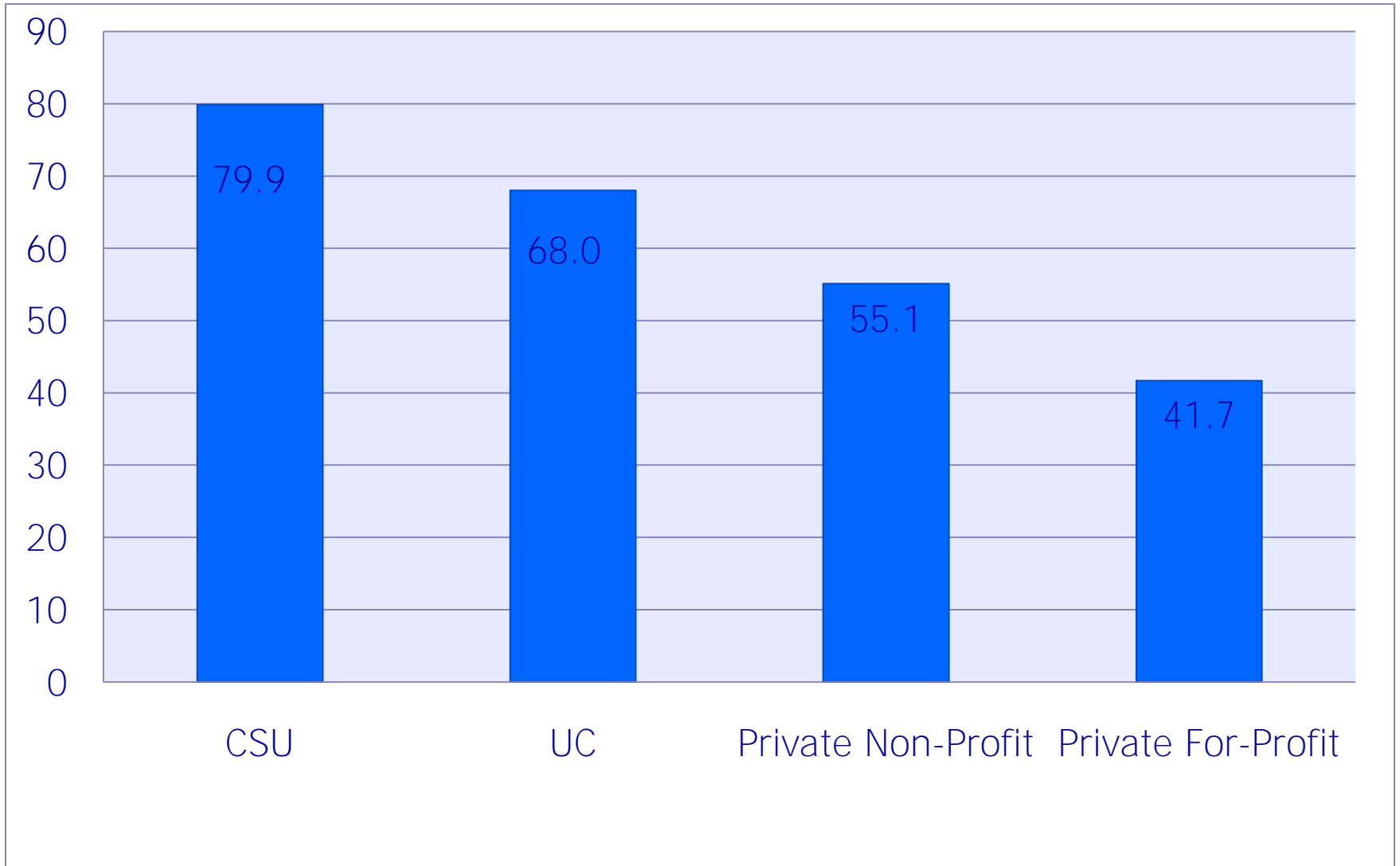
## Proportions of Transfers to Destinations by Race/Ethnicity (2006-07)

	CSU	UC	Non Profit	For Profit
White	47.9%	43.0%	55.8%	41.0%
Black	5.7%	3.3%	9.5%	16.3%
Hispanic	26.9%	16.2%	21.3%	30.1%
Asian	19.5%	37.5%	13.4%	12.6%
	100.0%	100.0%	100.0%	100.0%

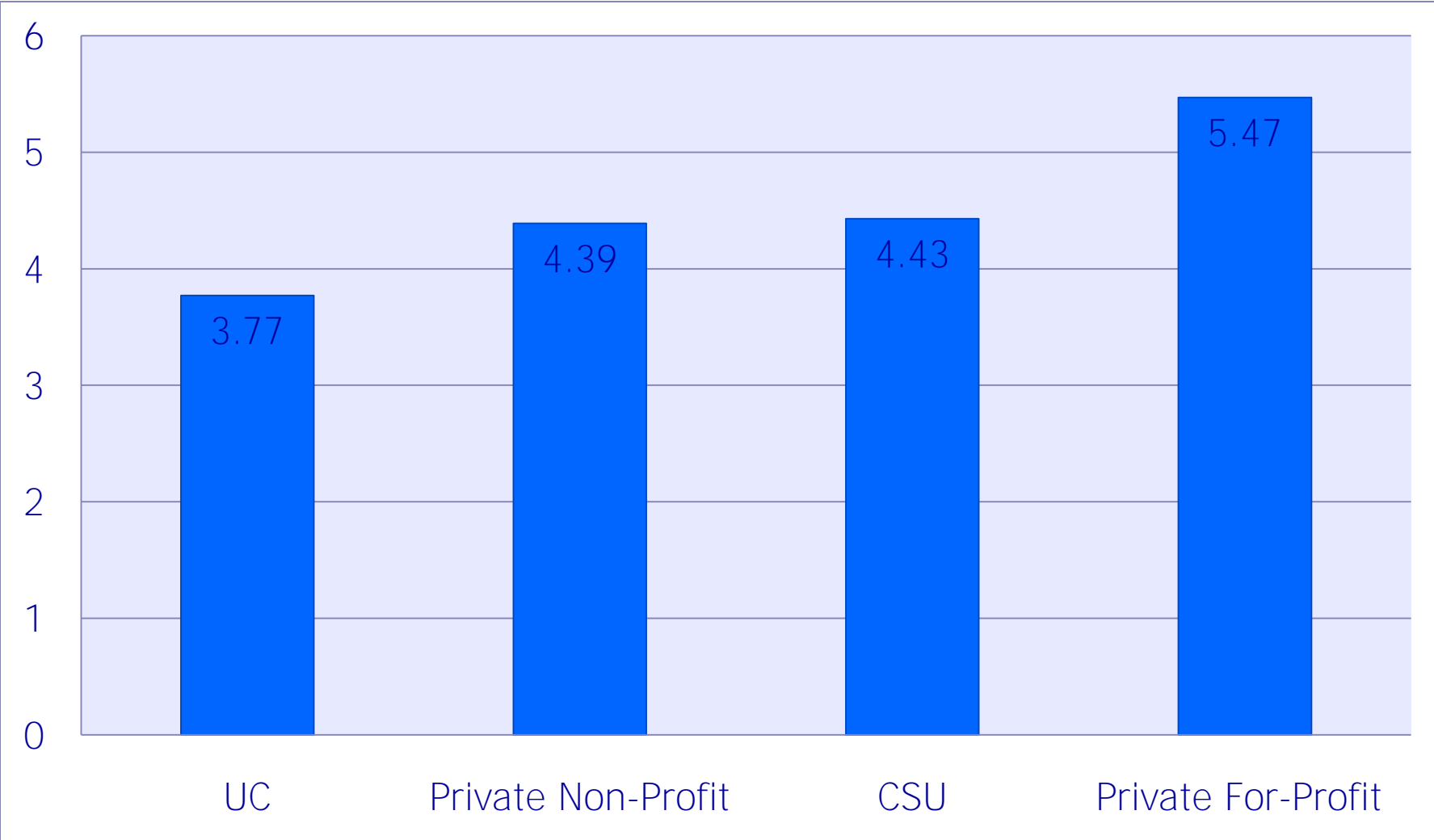
## Proportions of Transfers to Destinations by Race/Ethnicity (2006-07)

	CSU	UC	Non Profit	For Profit	
White	56.6%	12.2%	18.8%	12.3%	100%
Black	42.5%	6.0%	20.3%	31.2%	100%
Hispanic	60.4%	8.7%	13.7%	17.2%	100%
Asian	54.9%	25.3%	10.8%	9.1%	100%

# Average CCC Units by Transfer Segment



# Average Years at CCC to Transfer by Segment



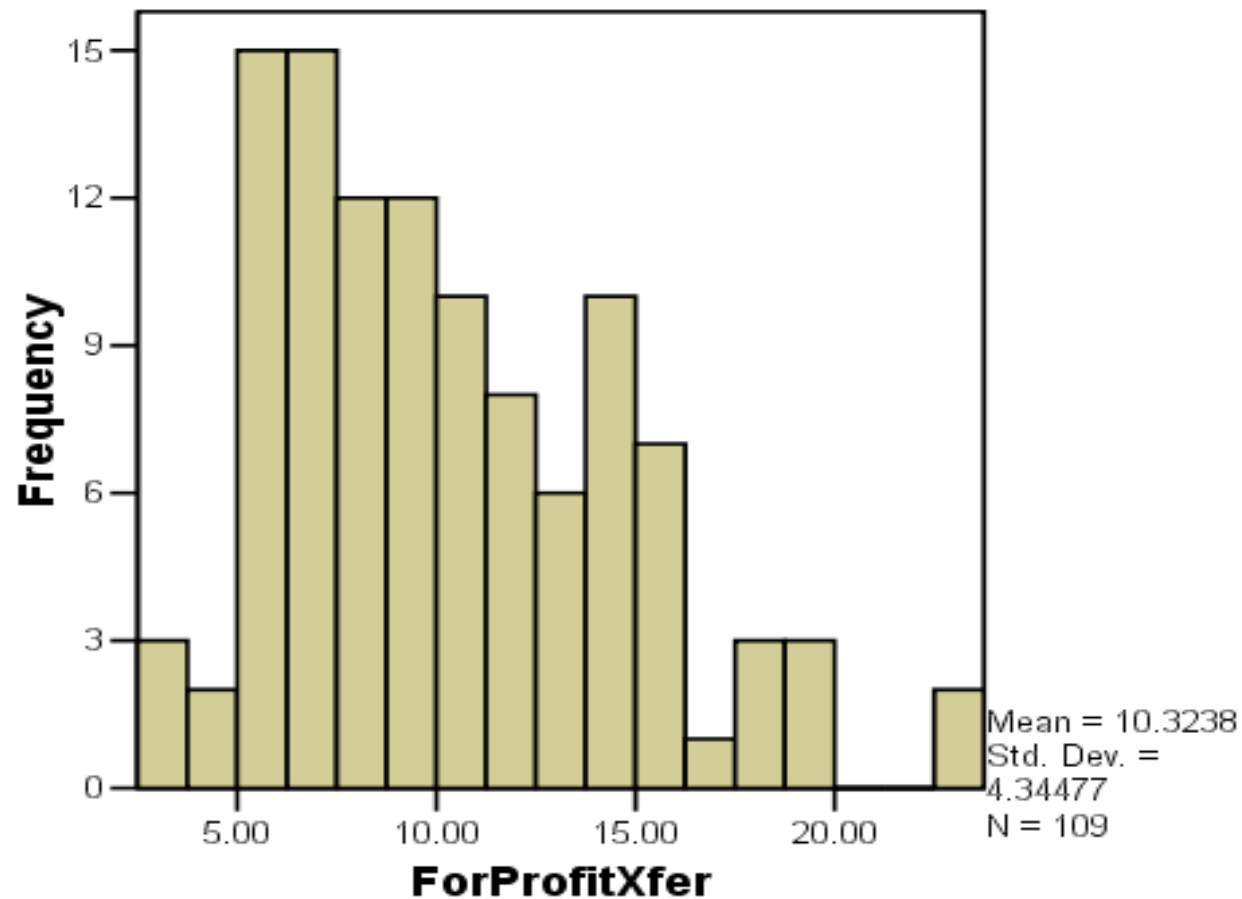
# Proportion of Transfers to For-Profits by College

# Proportion of Transfers to For-Profits by College

	2004-05	2005-06	2006-07
N	110	110	110
Mean	8.51%	9.27%	10.32%
Median	7.47%	8.51%	9.67%
Stand Dev	3.97%	3.84%	4.34%
Minimum	1.85%	.52%	2.80%
Maximum	19.52%	18.97%	23.21%

# Proportion of Transfers to For-Profits by College

## Histogram



# Hierarchical Regression Model

- Factors outside the control of the colleges (exogenous variables)
  - Theoretically related to transfer/fp transfer
  - Statistically linked to transfer/fp transfer
- Hierarchical regression model to:
  - Identify final set of variables
  - Determine expected for-profit transfer proportions



# Developing Service Areas Indices for Community Colleges

- Determine the proportion of students in a college by ZIP code
- “Weighted Average” of the ZCTA data (Census 2000) for each ZIP code
- Summed to provided a weighted index for each college (Service Area Index)

*Community College Journal of Research and Practice* , 32: 463-479  
(van Ommeren, Hom & Liddicoat, 2008)

# Hierarchical Regression Model

Correlated with For-Profit Transfer Proportions

- Bachelor Index -.672 (.000)
- Household Income Index -.651 (.000)
- Unemployment Index -.578 (.000)
- Pct Minority in Cnty .487 (.000)
- Poverty Index .481 (.000)
- Pct Basic Skills Students .360 (.002)

# Hierarchical Regression Model

Correlated with For-Profit Transfer Rates

- Nearest CSU SAT Verbal      -.357 (.000)
- Pct Basic Skills Students      .360 (.002)
- Pct of Female Students      .231 (.016)
- Selectivity of Nearest CSU      -.190 (.048)
- Distance to Nearest CSU      .189 (.049)

# Hierarchical Regression Analysis Summary for the for- Profit Transfer Rate (2006-07)

**Adj. R<sup>2</sup> = .47 (F2, 105) = 47.81, p<.0001**

Step	Variables	B	Std Error	Std Coeff	Corr
1	(Constant)	25.65	1.67		
	BA/BS Plus Index	-31.81	3.41	-.67	-.67
2	(Constant)	19.64	3.10		
	BA/BS Plus Index	-30.99	3.36	-.65	-.65
	Pct Female Students	9.82	4.31	.16	.16

## Five Top “Bachelor Plus” Colleges

College	% BA/BS	% FPXfer
Foothill	48.1%	3.7%
Marin	48.0%	5.9%
Berkeley City	47.4%	3.31%
Irvine Valley	42.1%	5.2%
De Anza	42.0%	6.4%

# Five Top “Female” Colleges

College	% Female	% FPXfer
Southwest LA	72.6%	19.5%
Merritt	69.4%	12.2%
Copper Mountain	68.1%	7.3%
Porterville	67.0%	18.1%
Compton	67.0%	12.8%

# Research Questions

- What are transfer destination patterns over time or trends to for-profit 4-year institutions?
- How do students characteristics compare between transfers to for-profits 4-year institutions and others?
- What is the relationship of environmental college factors and the college transfer rate to for-profits?

# Research Answers

- Proportion of college students transferring to for-profit institutions appears to be slowly increasing
- Older, female and minority transfers go to for-profits. And, those with less units, more time at the college
- The educational college service area and percent of females students impacts the proportions of for-profit transfers



# Next Research Steps

- For student level, multivariate analysis to determine the relationship of the effect of student characteristics and enrollment patterns
- For college level, develop cohorts to study transfer to for-profit institution and model racial minority groups, or female or male students only

# Further Research

- Are these students that could not get into public institutions or are these students that never planned to go to four-year institutions ?
- What are the system & policy implications (accountability, articulation)?
- What are the student implications (education outcomes, employment opportunities, financial liability/debt)?

# Books on For-Profit Institutions

- New Players, Different Game: Understanding the Rise of For-Profit Colleges and Universities (Tierney & Henschke, 2007)
- Lessons from the Edge: For Profit and Nontraditional Higher Education in America (Berg, 2005)
- Higher Ed, Inc: The Rise of the For-Profit University (Ruch, 2001)

# Contact Information

Alice van Ommeren – 916.327.5878

[avanommeren@cccoco.edu](mailto:avanommeren@cccoco.edu)

