



Opportunities and Challenges Within For Profit Institutions on a Social Mission (CAIR Conference 2010)

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In the News

New Federal Rule Threatens Practices and Revenue at For-Profit Colleges

For-Profits Spend Heavily to Fend Off New Rule

Executives Collect \$2 Billion Running U.S. For-Profit Colleges

Senators Vow to Crack Down on 'Bad Actors' in the For-Profit Sector

As For-Profit Colleges' Enrollment Growth Slows, Analysts See Signs of an Industry Reset

For-profit colleges under fire over value, accreditation

Defining for Profit in Higher Education

Floyd (2007, p. 122)—Two Primary Types

- Enterprise Institutions--usually locally or family-owned, are relatively small, and have a very informal structure and operating style
- Multicampus corporations--either modular development or purchase of smaller independent colleges; generally have relatively large enrollment on each campus and typically offer some online degree programs.

Defining For Profit on a Social Mission

Dees & Anderson (2003, p. 2) “...for profit social ventures:

- *Legally incorporated as for-profit entities*, with one or more owners who have a formal right to control the firm and who are entitled to its residual earnings and net assets. For-profit forms include proprietorships, partnerships, corporations, limited liability companies, and cooperatives.
- *Explicitly designed to serve a social purpose while making a profit*. Having a social purpose involves a commitment to creating value for a community or society rather than just wealth for the owners or personal satisfaction for customers.”

United States University's Mission

The University strives to become the premier institution of higher learning aimed at addressing the professional higher education needs of underserved groups with a special emphasis on Hispanic communities in Southern California by offering high quality, very affordable, learner-centered, and career oriented undergraduate and graduate degree programs and certificates with a strong student-supported environment derived from the “la familia” approach.

United States University

- Formerly InterAmerican College
 - private proprietary institution of higher education located in National City, south of San Diego, seven minutes from the Mexican border
- Executive Leadership
 - Dr. Yoram Neumann, President and CEO
 - Dr. Edith Neumann, Provost

Maintaining the Mission

- **Executive Leadership**
 - **Social mission driven vs. profit driven**
 - **Reduced Tuition (excluding Nursing Program):**
 - **Baccalaureate = \$250 per semester credit**
 - **Masters = \$300 per semester credit**
 - **Proven leadership ability to move institution in the desired direction**
 - **Founders of Touro University Int'l (not for profit); now TUI University**
- **Recruiting and Retention (Expertise & Quality)**
 - **Faculty and Administrative Staff**
- **Evidence**
 - **Assessments (including graduation rates and persistence)**
 - **Learning redirected back into underserved communities, nation, and international**
 - **Closing the loop to continuously maintain and reinforce the mission**

Constituent/Stakeholder (Internal)

- Students--respect the voice of the student
- Faculty—involved in academic processes; supported in scholarly activities, professional development as well as on-going internal faculty workshops
- Student Services/Admin Support—supportive and nurturing environment embracing La Familia approach
- Governance—passion for assuring quality of learning experience and sustaining its unique mission, while meeting fiduciary responsibilities

Constituent/Stakeholder (External)

- Government Agencies, Accreditation (Regional and Special)
 - Beyond mere compliance but embedding regulatory guidance as day-to-day operations
- Public (Parents, Prospective Students, etc.)
 - New student orientation, open house
 - Transparency on website
 - Frequent Newsletters

Opportunities Derived From Challenges

- Education through participation
 - Partner with surrounding communities (community colleges, events, fairs)
 - Conferences (CAIR, AIR, WASC, National, etc.)
- Build on the mission and associated values
 - Lifelong Learning
 - Integrity/Ethics
 - Inclusiveness
 - Dynamics (Diverse student body, faculty, and administrative support)
- Set the example as a model institution of higher learning for the underserved

Bottom Line

The challenge of educating the historically underserved...must be met.... Apart from the moral imperative there is the need to raise the education and skill levels of all our people to assure a reasonable national standard of living in a competitive global economy. If we miss this challenge...given social and demographic realities—our nation faces perils difficult to fathom in their enormity (McGlynn, 2008).

References

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