

New Transfer Pathways: The Influence of For-Profit Four-Year Institutions

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RP Group Conference - April 2010

Importance of the Study

- For-profits are the fastest growing sector in higher education over the past decade.
- Transfer provides opportunities for disadvantaged student populations.
- There are differences between for-profit institutions and public/non-profits.
- Limited accountability and research pertaining to the for-profit sector.

Objectives and Goals

- Identify the transfer trends to for-profit 4-year institutions in California.
- Determine if for-profit 4-year transfers are different from other transfers.
- Discover the environmental factors of a college that influence for-profit transfer.
- Discuss implications for researchers, administrators and policymakers.

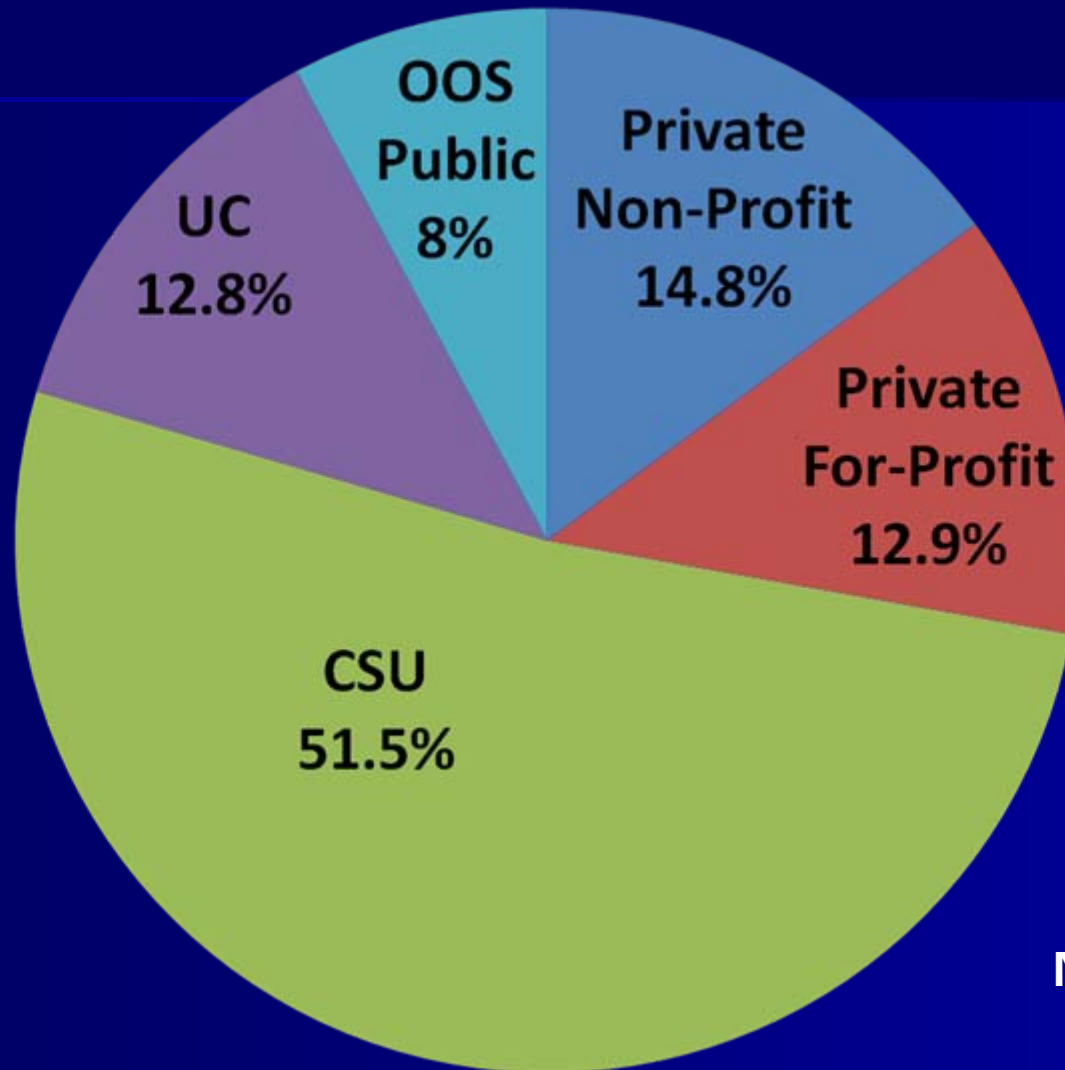
Research Questions

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

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Transfer Proportions by Segment (07-08)



N = 93,026

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

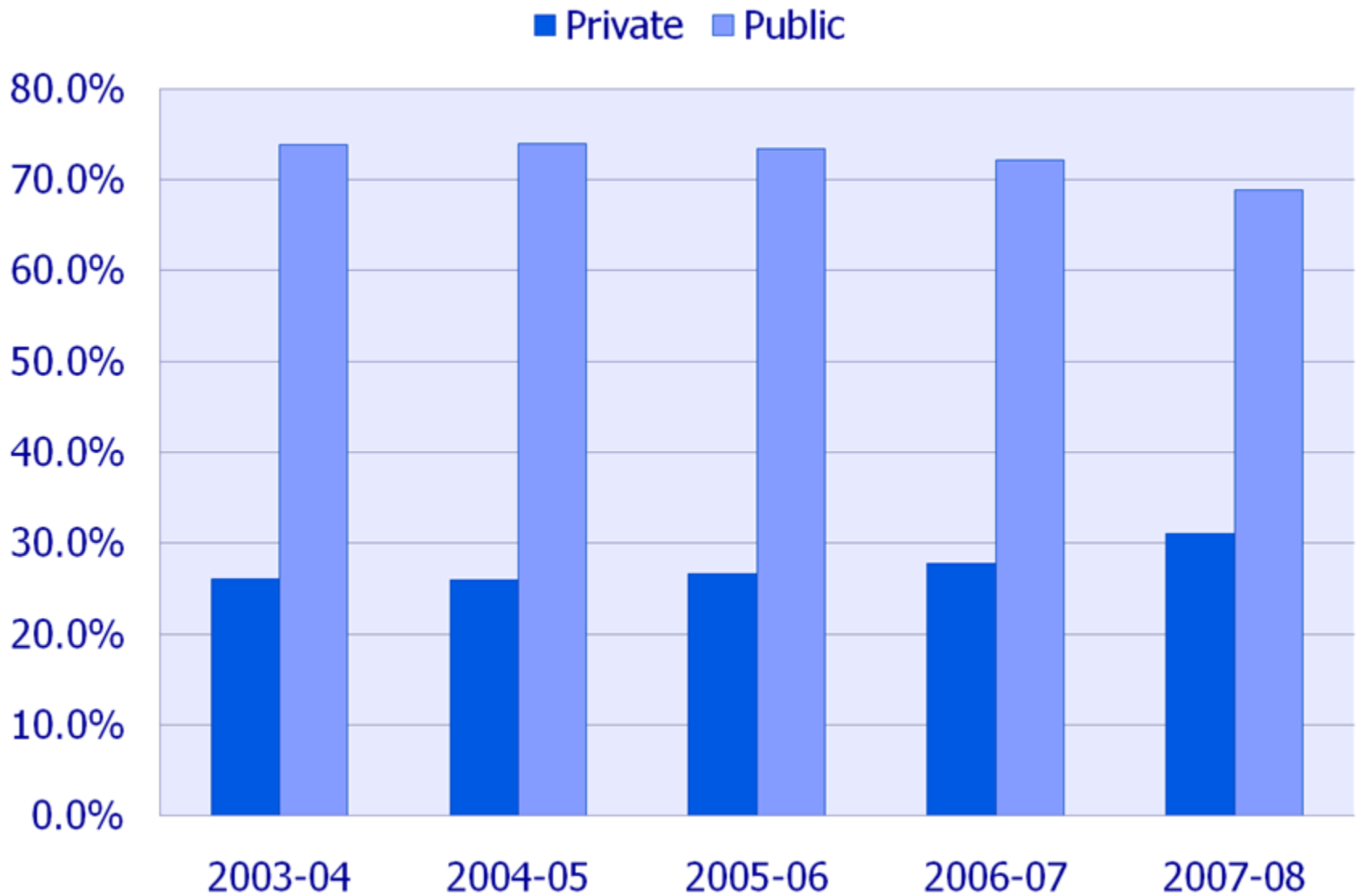
Non-Profit	For-Profit
Tax-Exempt	Tax-Paying
Donors	Investors
Endowment	Private Investment
Stakeholders	Shareholders
Shared governance	Traditional Management
Prestige Motive	Profit Motive
Cultivation of knowledge	Application of learning
Discipline-drive	Market-driven
Quality of inputs	Quality of outcomes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

Annual Tuition and Fees by Sector

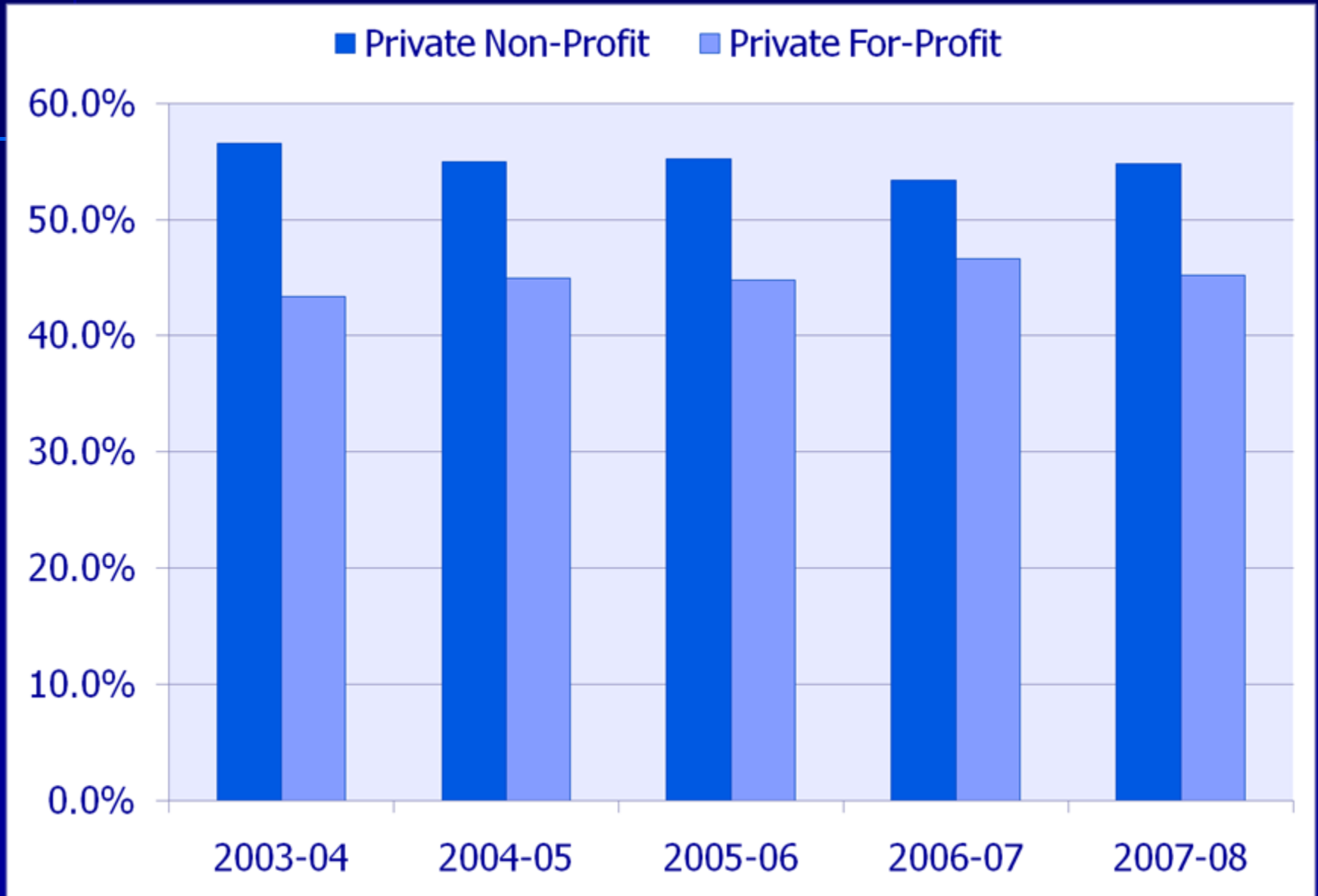
(College Board Study in Inside Higher Ed, October 21, 2009)

Sector	2009-10
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

Percentage of Transfers by Sector



Percentage of Xfers by Private Destinations



For-Profit Transfer Schools (06-07)	Frequency	Percent
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%

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Methodology

- Dataset
 - Transfers in 2007-08
- Research design
 - Logistic regression
- Regression variables
 - Dependent
 - For-profit transfer/not
 - Independents
 - Demographic characteristics, academic experiences and socioeconomic factors

Independent Variables

- Demographic Variables
 - Gender, Ethnicity and Age
- Academic Experiences
 - GPA, Units, Time, Transfer Center & Goal
- Socioeconomic Factors
 - Financial Aid, Distance to 4-year
 - Education, poverty, unemployment and income of the college service area



Logistic Regression Process

- Diagnostics
 - Descriptive statistics & correlation analysis
- Preliminary models
- Effectiveness of the model
 - Fit of the model, evaluation of predictors and classification tables
- Interpretation of the results
 - Odds ratios, or change in odds resulting from a unit change in the predictor

Logistic Regression Results

Holding all variables constant, odds of going to a for-profit for a ____ INCREASES by ____

Female – 21.1%

African American – 35.3%

Hispanic – 17.7%

Age 25 plus – 24.0%

Each additional CCC year – 19.5%

Part-time student – 80.0%

Receiving financial aid – 37.9%

Logistic Regression Results

Holding all variables constant, odds of going to a for-profit for ____ DECREASES by ____

.10 increase in GPA – 9.9%

1 additional CCC Unit – 3.3%

Use of transfer center – 25.3%

Declaring transfer goal – 11.1%

.05 higher bachelor rate – 11.2%

.05 higher poverty rate – 6.1%

Logistic Regression Results

- Academics and socioeconomic constant, demographics affect for-profit transfer
 - Female, older & African American (Hispanic)
- Of the broad categories, academic experiences have the most influence
 - Part-time, transfer center and GPA
- Financial aid has the largest influence of the socio-economic variables
 - Education of the service area

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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%

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)

Diagnostics for the Model

Correlated w/ For-Profit Transfer Proportions

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

Diagnostics for the Model

Correlated w/ 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. $R^2 = .47$ (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%	3.3%
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

Implications

What are implications for researchers, administrators and policymakers related to?

- Students (learning & education outcomes and employment opportunities)
- Colleges (articulation agreements, academic counseling and college choice)
- Higher education system (accountability reporting and educational outcomes)

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)

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