

- [Home](#)
- [About](#)
- [Podcasts](#)



Subscribe to RSS feed

## The Truth About CC vs. For-Profit Graduation Rates

October 7th, 2010 | Category: [Undergraduate Education](#)

[Share This Post](#)

Neal McCluskey repeats a common talking point used by for-profit college lobbyists [over at the Cato@Liberty blog](#):

8  
tweets

Community colleges might be a good option for some people, but they are hardly paragons of educational success. Quite the opposite: According to the U.S. Department of Education, they have the [worst graduation rates](#) of any two-year sector of higher education. Only around 22 percent of public, two-year college students graduate within *three years*, versus roughly 49 percent of private, not-for-profit attendees and about 59 percent of private, for-profit students.

retweet

I heard Harris Miller, the head of the Association of Private Sector Colleges and Universities (née Career College Association) say the same thing last week.

It's a great talking point—for-profit colleges are nearly three times better at graduating students than the darling community college sector. It's also a distortion of the facts that relies upon an apples-to-oranges comparison.

So here's the 2009 graduation rate picture for 2-year public institutions (or community colleges) versus 2-year for-profit institutions:

	Community Colleges	2 Year For-Profits
Cohort	637,342	211,392
Completers	141,028	126,788
<b>Graduation Rate</b>	<b>22.13%</b>	<b>59.98%</b>

Open and shut case right? For-profits have a graduation rate that is three times better.

Not so fast.

The difference looks gigantic, but that's because the for-profit figure is primarily composed of certificates, while the community college number is mainly associate degrees and does not include large numbers of transfer students.

Here's how the numbers look when you break them down further:

	Community Colleges	2 Year For-Profits
<b>Cohort</b>	<b>637,342</b>	<b>211,392</b>
<b>Completers</b>	<b>141,028</b>	<b>126,788</b>
<2 Year Programs	39,775	107,842
Programs of at least 2 Years and <4 Years	101,253	18,946
<b>Transfers Out</b>	<b>111,996</b>	<b>1,275</b>
<b>Still Enrolled</b>	<b>1,462</b>	<b>139</b>

The two are almost complete opposites. Community colleges produced the vast majority of their graduates in programs of at least two years and less than four years—most likely associate degrees. They also had a substantial number of students who transferred out. Unfortunately, we don't know where they ended up, but it's a safe bet that a relatively large number went to a four-year school and just did not earn a degree from the community college.

For-profits, on the other hand, mostly had graduates in programs of less-than two years. This could include a nine-month cosmetology certificate or other programs that are much shorter and easier to complete than an associate degree.

All of this underscores a difficulty with how federal graduation rate data are reported. Currently, the graduation rate schools

report is based on their institution type. So a four-year institution reports a bachelor's degree cohort, two-year institutions report a degree/certificate-seeking cohort that can be broken down by program length, and less-than two-year institutions just report their graduation rates. Where this breaks down is if the type of credentials you award don't match your sector—i.e. a four-year institution that mostly awards associate degrees or a two-year institution that mostly awards certificates.

Instead of basing graduation rates on types, it would be nice to see schools report graduation rates by credential type. This would allow you to compare degrees to degrees, not degrees to certificates.

So, what do these graduation rates look like if we take all transfers, still enrolled students, and programs of less-than two years out of the numerators and denominators?

Graduation Rates for Only Programs of At Least 2 Years and <4 years		
	Community Colleges	2 Year For-Profits
<b>Cohort Completers</b>	<b>484,109</b>	<b>102,136</b>
Programs of at least 2 Years and <4 Years	101,253	18,946
<b>Graduation Rate</b>	<b>21%</b>	<b>19%</b>

Community colleges and two-year for-profits are about even. But this doesn't take into account the more than 100,000 transfers at community colleges, many of whom probably ended up at four-year schools. Part of the mission for community colleges is to prepare students to enter a four-year school, so they should get some credit for successful transfers. If you added transfers into the numerator and denominator, then you get completion rates of 37 percent for community colleges versus 20 percent for the for-profits.

Let's be clear, completion rates of between 19 percent and 37 percent aren't good and need to get better. But comparing that 59 percent figure to community colleges' success rates fails to recognize the differences between these sectors. If we want to talk about success at for-profits, we should recognize that they have good graduation rates for short certificate programs—about 67 percent for schools of less-than two-years and about 56 percent for similarly short programs at two-year schools. But when you measure their success at longer programs, the numbers aren't very good and are certainly not three times better than community colleges.

It's also worth noting that successfully finishing a nine-month or yearlong certificate isn't the same thing as an associate degree. The shorter the program, the easier it is to finish because there's less time for other work, family, and life problems to intervene.

Certificates also doesn't put students on the path to earn a bachelor's degree the same way that an associate degree can. We know that students who transfer from a community college to a four-year institution graduate at about the same rate as freshmen who started there. Certificate students by and large aren't following that path.

No one can argue that the completion rates at community colleges are particularly great. But to belittle their graduation figures through a comparison to much shorter credentials is misleading. It's like comparing runner times in a 10K to those in a 5K and then declaring the latter group much faster.

Posted by [Ben Miller](#) at 2:05 pm | Tags: [Community Colleges](#), [For-Profit Schools](#), [graduation rates](#) | [1 Comment](#)

You can follow any responses to this entry through the [RSS 2.0](#) feed.

You can [leave a response](#), or [trackback](#) from your own site.

## One Response to “The Truth About CC vs. For-Profit Graduation Rates”

1. *Trace Urdan* says:  
[October 7, 2010 at 2:26 pm](#)

Excellent as always Ben, though I take a little exception with the free pass on successful transfers to four-year schools. The for-profits process PLENTY of community college credits after all. so if we're going to be rigorous about the data, let's not let bias creep into that part of the discussion.

Breaking the analysis down by type of program is enormously constructive. But I would like to see the CDR data broken down that way as well. I think what you will find (though this is intuition and bias) is that the FPs are disadvantaged in aggregate by being disproportionately skewed toward lower-income populations AND toward associate and vocational programs.

I would venture a guess that if you could find the data to compare four year degree seeking defaults with comparable data from state schools and not-for-profits, likewise with AA degrees and so on, you would not see the disparities that so