



For-Profit Colleges: Felonies or Feeding Frenzy?

By Neal McCluskey
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For-profit colleges have been feeling a lot of heat over the last few years, and likely some of it has been fueled by politicians driven as much by politics or ideology as concerns about a uniquely awful higher ed sector. That said, for-profits do have some atrocious outcomes, and no doubt some have very shady practices. So how does the public know if attacks on specific for-profits are about real malfeasance, or about politicians – including lots of attorneys general – trying to make names for themselves by aggressively going after easily demonized schools?

The answer, alas, is that it is essentially impossible for anyone who isn't able to devote oodles of hours investigating the dealings of individual schools, and wading into the voluminous regulations that come, especially, with federal student aid. So is Corinthian really awful – deserving, essentially, of a federal death sentence – but the City College of San Francisco an obvious victim of a cruel, merciless accreditor? Or is one taken down because it is easily caricatured as uncaring and money-grubbing, while the other is defended because, thanks to its nonprofit status, it seems innocent? Who knows, unless one can wade deep into the operations and outcomes of both schools?

Importantly, on a macro level the evidence is pretty solid that all sectors of higher ed feature serious waste, failure, and profit-taking, which should make anyone suspicious of attacks only on openly for-profit schools. That said, look at the proprietary sector and there is little question that many of those schools truly aren't producing decent outcomes. The question, then, is how do you weed out bad schools without opening up the potentially huge problem of politically driven “accountability”?

There is only one answer: make people pay for college with their own money, or funds they get voluntarily from others. In so doing, restore incentives for people to think long and hard about where they go to school and what they study, and eliminate the need for people other than those consuming the education – largely bureaucrats and politicians – to be in charge of accountability. It would provide the best outcomes not only for decent schools that shouldn't be subjected to political feeding frenzies, but also

prospective students who would no longer be encouraged to overpay for schools or studies that would ultimately hurt them – and taxpayers – more than they would help.

Neal McCluskey is the associate director of Cato's Center for Educational Freedom.