



Tressie McMillan Cottom on For-Profit Higher Ed, Purdue, and Dream Data Sets

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“It is much easier to destroy an institution’s reputation than it is to build it,” says Tressie McMillan Cottom, an assistant professor of sociology at Virginia Commonwealth University. “Profit complicates that at a whole other level.”

Cottom, who recently wrote the **book** “Lower Ed: The Troubling Rise of For-Profit Colleges in the New Economy,” is talking about what can happen when traditional non-profit universities partner with for-profit companies and institutions, such as Purdue’s recent decision to acquire Kaplan University.

EdSurge sat down with Cottom this week at the Education Writers Association’s annual conference in Washington D.C. to talk about the rattling deal and other blurring lines that exists between for- and non-profit institutions, and whether or not the “disruptors” are shaking up traditional higher education as we know it.

EdSurge: Let’s start with the big news of the month: Purdue and Kaplan. A massive for-profit university merging with a very traditional, large, public research university. How would you describe this deal among the research you’ve done on for-profit higher ed?

Tressie McMillan Cottom: Right now I’m calling it ‘can better capitalism save higher ed?’ The hope is that this sort of social good corporate model—one that’s not as driven by a “growth” or shareholder or fiduciary responsibilities—will rein in some of the excesses that a full corporate model of higher education can exploit. Lots of not-for-profit organizations have looked at benefit corporations as a sort of middle way, to have all the nimbleness of being a corporation, but also to get around what they think are some very onerous regulatory requirements of them.

I have questions about whether or not being a public [university] will rein in what we know profit does to higher education. What worries me most is that [public institutions] haven’t thought about it. They just seem to take at face value that generating a profit is good. Well, what we know is that it’s complicated and some really perverse incentives can come into play when you’re chasing profit.

You said earlier today that there’s a best-case scenario: a low-cost and high-quality degree. What’s the flip side to that, and what are some of these issues or “perverse incentives” non-profit colleges should be thinking about?

It is much easier to destroy an institution’s reputation than it is to build it. Profit complicates that at a whole other level. One of the biggest risks with that is the public may revolt, especially labor

markets, or important gatekeepers at jobs may revolt at the idea that they now won't be able to discern between a Purdue degree and a 'whatever the pooey-pooey' degree will be. That actually may be a problem for them. All Purdue students would pay a cost for that, not just the ones who went to this new entity.

Neal McCluskey (director of the Cato Institute's Center for Educational Freedom) mentioned in your panel discussion that for-profits are doing things that traditional four-years aren't, like putting more dollars into marketing and recruitment, and that other non-profit institutions want or should be doing more of this. Do you agree?

Marketing is different from information and education. What I'm really in favor of is all public institutions having this sort of aggressive, affirmative information policy—that you tell people who you are or what you do, why you're different, why you matter. When I was doing my research, I thought: "How is an admissions counselor different at a for-profit college as opposed to a not-for-profit?" And the number one difference was if they didn't think they could help you at the not-for-profit school, that admissions counselor could tell you that and not risk their job. That to me summarizes what the difference is between marketing and information. I don't think that we make enough of a distinction between those two things, so yeah, I'm all in favor of us doing more.

It really chaps my hide actually when I talk to working class students or students of color and they know the name of the local for-profit better than they know the school that they could walk to two blocks away. That's actually a problem. You're sitting in their community and they don't know anything about you, but I don't think the solution to that is to do TV commercials.

Another thing we are seeing is how community colleges are shifting more towards free tuition programs, while traditional four-years are shifting more towards these for-profit partnerships and unbundling. How do you see those two trends in relation to one another?

I do think they're responding to the same sort of macro-trend, which is that our traditional student is not traditional anymore. They are using whatever resources they have to respond to it differently. Community colleges can't compete on the whole. It can't build a fancy dorm, it can't build new sports [programs]. And community colleges have really had the problem of not having enough students.

The rest of higher education, however, has a shortage problem of traditional well-to-do, well-prepared students who can afford to pay. [The schools that] think they have enough money to do so are doubling down on chasing those students. Everybody else is trying to be the first at the party to serve the rest of the students that they can afford. That's what Purdue's trying to get to. They want to be the first at that table to try to chase the student who maybe not be as well prepared but don't need too many more institutional resources to succeed.

Now it's just a game of who's going to get there first, but that still doesn't solve the big problem and I'm not sure there are enough public-private partnerships to really solve that big problem without a massive influx of investment from somewhere.

You also pointed out that MOOCs don't receive much buzz today as three years ago. At the same time, it seems like more and more public institutions are adopting online programs and working with for-profit providers to get there.

The MOOC moment happened, and what it really just did is give legitimate cover for the less-prestigious institutions to invest in online education. Even though it was very annoying for many of us, I do think it served that purpose, because that's really why most institutions even cared. I was at Emory University when the MOOC moment was happening, and a place that had never thought about an online class before in its life suddenly looked up and was like, "Oh, is Stanford doing it? Then yep, we're on board." That unfortunately does drive some of what happens in our profession, but they were never sustainable.

So do you think MOOCs paved the way for the online programs that we're seeing more and more of?

For institutions, the people who control the purse strings to take them seriously, absolutely. I will say the other good thing that I think came out of MOOCs. It jumpstarted a moment in research for us. You start seeing this really interesting data and research design come out about how to move away from testing what students are doing online to how they were learning, and that was a huge boon, mostly because people who had been doing online didn't have the money to do that kind of high level research.

Now, the real challenge will be for online education. If you just started investing in online education two years ago, you're 35 years behind the data and science on online education. That's what I think Purdue realized. That they couldn't build all of that infrastructure. I do think they were honest about that part. I don't think that meant that they needed to go to Kaplan, but still, I do think they were right about their problem.

What would've been some alternatives then?

There is this whole world of open access communities out there that have built a plethora of tools that really do everything that they say they needed Kaplan to do, everything from the design of curriculum design to delivery. You have to cobble them together from like four or five providers, but they're there. And doing that meant Purdue would've owned it. It would've been harder to profit from, however, but if the goal was to build an online mechanism, I think they absolutely could've gone that open access route.

I want to shift gears a bit and talk about income share agreements. I'm curious, for institutions like MissionU, which are essentially saying, "pay us afterwards," do you see this disrupting either the non-profit or for-profit education spaces?

The risk-share relationship in something like MissionU is this: I've got to make a really good bet on your outcomes, and when income data is a little shaky, my best way to do that is to select based on students who are going to have the ability to repay no matter what. And that's a well-to-do student. The well-to-do student has never been the target student of for-profit colleges, and that student is probably very much acculturated to the idea of attending a traditional elite university.

I suspect the market for well-off students who don't want the name recognition of a traditional university but don't have the means to pay for school has got to be very small. I just cannot imagine that the bet that they're making is taking a whole bunch of poor kids from an under-resourced public school district somewhere and saying, "Oh, we'll bet on you." I can't imagine that market.

Your research shows most of the students who attend for-profit institutions and certificate programs are working women and people of color. Alternative programs like MissionU that are marketing off that, saying we're trying to reach those students who wouldn't fit into the traditional model. What's your concern or skepticism over motivations and outcomes there?

It does sound like a simple problem that they're trying to solve. Their thing is, "Oh, well, you're not putting the right people in the right places. Easy peasy, we've got something for that. We're the people who gave you apps. We can bring a car to you, food to you, surely we can solve this problem."

What they never quite understand is that the problem is simple but the solutions are not. I'm willing to give them the benefit of the doubt that they think that they're going to expand access to underserved students, many of whom tend to be poor, people of color, especially women of color, but that they probably have no understanding whatsoever of what the educational landscape is for the students they think they're going to serve.

Those students, more than anybody, need all of the signaling that a traditional university will give them and need it, we have data on this going back 40, 50 years. That's why we argue so much about whether or not students and poor students get into elite institutions. It's not because Harvard's better, it's because Harvard can change that student's life.

I'd want to end by asking, as a researcher, what data do you wish you could get your hands on?

We actually have very bad data about for-profit college students, and that's part of the reason why our data instruments were not designed to oversample them. I would love a panel data similar to the High School and Beyond survey that just has for-profit college students.

My other big dream data set is would be on of these things we have been talking about, plus data on the bootcamp world. I want some sort of mechanism for that.

Well, you've answered all my questions. I appreciate it very much.

You are very welcome.