

Preying on the Promise of Higher Education

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There's a promise we make to the next generation: Graduate from college and you can get ahead. Indeed, recent studies show that college graduates earn \$1 million more than high school graduates over their lifetimes.

Yet, as we make this promise, public higher education institutions nationwide are facing a troubling trend of disinvestment. Even with poorly treated adjuncts and other nontenure-track contingent faculty doing the lion's share of teaching at many colleges, tuition costs keep rising. Even with current federal and state student loans and grants, students have been saddled with crippling debt.

For-profit colleges feed off our goal to ensure higher education is a ladder of opportunity.

And then there's another side of higher education. For-profit colleges are defined by putting profit before the public good, earnings over education, shareholders above students. At these schools—such as Corinthian Colleges Inc., which filed for bankruptcy this month, and ITT Tech, which is being investigated by the Securities and Exchange Commission for alleged fraud—students are products, faculty are afraid to tell accreditors the truth about where they work, and taxpayers foot the bill for aggressive marketing that preys on first-generation college students, veterans and students of color.

Funded largely by taxpayers, for-profit colleges get close to 90 percent of their funding from federal aid—that's more than \$30 billion annually. The industry feeds off our noble national goal to ensure higher education is a ladder of opportunity for all who want to climb. However, instead of offering an affordable path to a better tomorrow, they leave students with an uncertain future. Seventy-two percent of these for-profit schools produce graduates who earn less, on average, than high school dropouts.

Currently, for-profit schools enroll just 9 percent of all postsecondary students but account for nearly half of all student loan defaults. They allocate about 23 percent of their revenue to recruiting and marketing and just 17 percent to academic instruction. Compare that with institutions where academics are the priority, such as community colleges, which spend 80 percent or more on instruction.

How did we get to this place where promises are broken, students are held back and for-profits are using our money to fund their schemes?

The simple answer is that the for-profit college industry, through its trade association, the Association of Private Sector Colleges and Universities, and other lobbyists, has enormous sway in Washington. It's used massive public relations campaigns and campaign contributions to keep politicians on both sides of the aisle from policing its institutions.

Still, we are fighting back. In Congress, Sen. Tom Harkin (D-Iowa) led the charge with a groundbreaking investigation in 2012. Right now, Rep. Mark Takano (D-Calif.) is pushing the Protections and Regulations for Our Students (PRO Students) Act, which aims to protect students from the deceptive and fraudulent practices of for-profit colleges. And as the nation's largest union of higher education faculty and staff, the American Federation of Teachers has joined with courageous students and community organizations to demand justice.

Unfortunately, the U.S. Department of Education has been sitting on the sidelines. For instance, even though Corinthian Colleges faces a \$30 million fine for falsified job placement rates and "blatant disregard" for the federal student loan program, the federal government has done little to help the 16,000 students left high and dry. In fact, the corporation is asking for a taxpayer bailout of its \$143.1 million in debts.

This month, we sent a letter to Education Secretary Arne Duncan demanding that he use his authority to discharge the loans of Corinthian's students and advocate for stricter regulations to prevent others from engaging in this abuse. And this week, 12 state attorneys general joined the call for "meaningful debt relief to all students who were the victims of Corinthian's fraud," and told the Department of Education to remove other for-profits under investigation from its list of students' transfer options.

Students like Michael Adorno-Miranda, whom I met this month. Michael enrolled at Corinthian's Everest College, where admissions personnel told him he would be prepared for a successful career in information technology. But instead of the high-quality education he was promised, he received worthless training in obsolete technology and \$37,000 in debt. What he thought would launch him toward life as an independent adult "turned out to be a nightmare."

We can't be a country that tells Michael and millions like him that college is important but then allows predatory institutions to stick them with crippling debt, worthless degrees and an uncertain future. Students deserve better, and now is the time to act.

Join us and call Secretary Duncan at 855-534-2400. Tell him to cancel the Corinthian students' debt because the promise of a better future through higher education is one that we intend to keep.



Rep. Takano and Weingarten at a recent press conference on Capitol Hill.

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