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## University of Phoenix Retirement Plan: Nice Work, If You Can Get It

By *Melissa Korn*

After years of declining student enrollment, government investigations and media scrutiny, University of Phoenix parent Apollo Group Inc. APOL +2.47% is desperate to reboot its reputation. But the post-retirement compensation terms for its founder, John Sperling, likely won't do the company any favors on the PR front.

Sperling, who retired at the end of 2012 and now holds the title of chairman emeritus, will receive a \$5 million "special retirement bonus" this month, according to a securities filing Thursday, spotted by Footnoted's Michelle Leder. He also gets a lifetime annuity—\$70,833.33 a month—and ownership of the two company vehicles he used when serving as executive chairman. Apollo, whose board chairman is John Sperling's son, Peter Sperling, will also cover "reasonable out-of-pocket" medical- and dental-care coverage the 92-year-old incurs for the rest of his life.

The elder Sperling received total compensation valued at \$6.95 million in fiscal 2012, including salary, options and non-equity incentive pay, according to an earlier securities filing.

A Senate committee has criticized the costs of for-profit colleges like University of Phoenix, arguing that too small a share of the taxpayer-funded loans on which the schools rely for the bulk of their earnings is being allocated to academic support and instruction. More than 90% of University of Phoenix's net revenue in fiscal 2012 came from Title IV federal financial aid programs.

Apollo, which has lost nearly two-thirds of its market value in the past year, reported Jan. 8 that fiscal first-quarter revenue had fallen nearly 10% to \$1.06 billion as enrollment tumbled by more than 14%, to 319,700. It's been fighting back: The school rolled out a new marketing campaign last year to stress its offerings of practical, career-oriented courses. And earlier this week, WSJ reported, it unveiled an executive-education course on innovation, taught by top business-school faculty, as part of an effort to tap into the corporate-training market and diversify beyond its shrinking University of Phoenix revenue stream.

To be sure, Sperling isn't alone in getting cushy compensation upon retirement. The WSJ's Joann Lublin wrote in November about some of the more generous consulting agreements for ex-executives at companies including IBM, First Cash Financial Services Inc. and elsewhere. Some, Lublin reported, even struck deals to get paid after their death.