

STIFEL  
NICOLAUS

Equity Research  
Industry Analysis  
Fall 2011

# POSTSECONDARY EDUCATION FACTBOOK

A hand in a blue jacket is shown writing the title 'POSTSECONDARY EDUCATION FACTBOOK' on a dark blue chalkboard. The text is written in white chalk and is underlined with a single white chalk stroke. The hand is positioned at the bottom left of the page, with the index finger pointing towards the text.

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We would like to thank Nick Firment, our summer intern from The Ohio State University, for his contributions to this project.



## Market Profile

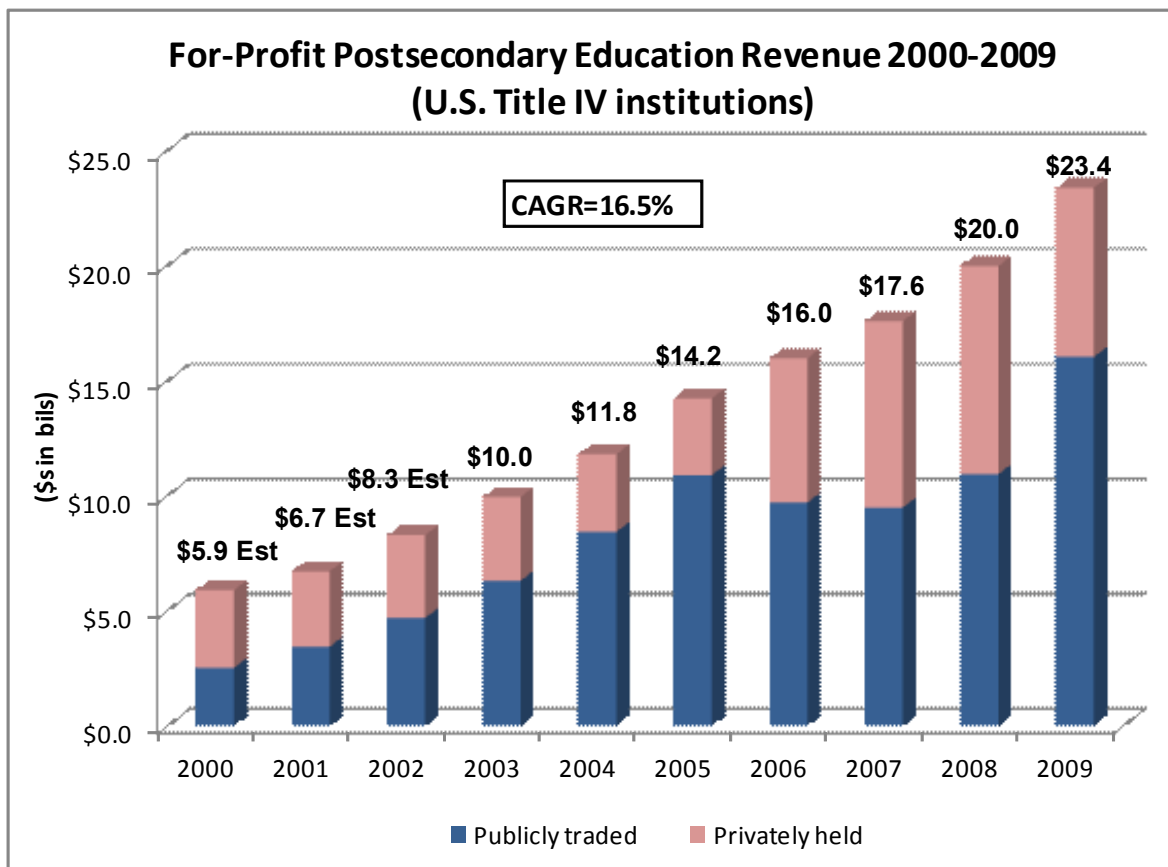
According to the U.S. Department of Education, postsecondary education was provided to almost 21 million students (Fall 2009) attending approximately 6,880 institutions — according to the U.S. Department of Education, the revenue for all Title IV institutions was approximately \$361 billion in FY2009. Total revenue of the publicly traded companies is estimated to be about \$20 billion in fiscal 2011 or about 5.5% of the market.

<b>Postsecondary Education Market Profile</b>			
<b>Market Size (Fiscal 2009) (\$ in billions)</b>			
Total	\$361		
Public	\$269		
Private	\$93		
Non-Profit	\$69		
For-Profit	\$23		
<b>Number of Schools; Title IV Eligible (Spring 2010) (Actual)</b>			
Total	6,883	Collegiate 4,571	Noncollegiate 2,312
Public	2,015	1,697	318
Private	4,868	2,874	1,994
Non-Profit	1,862	1,667	195
For-Profit	3,006	1,207	1,799
<b>Number of Students (Fall 2009) (Actual)</b>			
Total	20,966,826	Collegiate 20,427,711	Noncollegiate 539,115
Public	14,936,382	14,810,642	125,740
Private	6,030,444	5,617,069	413,375
Non-Profit	3,791,418	3,765,083	26,335
For-Profit	2,239,026	1,851,986	387,040
Publicly traded	1,347,365		
<b>Publicly Traded Market Size (\$ in billions)</b>			
Number of Companies		15	
Total Revenue Publicly Traded (fiscal/cal 2011)		\$20.4	
% of market (Fiscal 2009)		5.6%	
Number of Students (Stifel estimate Fall 2011)		1,376,708	
% of market (Projected 20.7 million in 2011)		6.7%	
Aggregate Market Capitalization (as of 11/18/11 - excl WPO)		\$18.6	
<b>Key Public Companies</b> — American Public Education, Apollo Group, Bridgepoint Education, Capella Education, Career Education, Corinthian Colleges, DeVry, Education Management, Grand Canyon Education, ITT Educational Services, Lincoln Educational Services, National American University, Strayer Education, Universal Technical Institute, and Kaplan (WPO)			
<b>Definitions</b>			
<b>Public School or Institution</b> — A school or institution controlled and operated by publicly elected or appointed officials and deriving its primary support from public funds.			
<b>Private School or Institution</b> — A school or institution controlled by an individual or agency other than a state, a subdivision of a state, or the federal government. It is usually supported by nonpublic funds.			
<b>Collegiate School or Institution</b> — 4-year and 2-year degree-granting institutions that were participating in Title IV federal financial aid programs.			
<b>Noncollegiate School or Institution</b> — Institutions that did not offer accredited 4-year or 2-year degree programs, but were participating in Title IV federal financial aid programs. Includes some schools with non-accredited degree programs.			

Source: U.S. Department of Education and Company data

### For-Profit Revenue

The U.S. for-profit postsecondary education industry, as measured by revenue, increased by an estimated 16.5% compound annual growth rate (CAGR) from 2000 to 2009. We estimate the publicly traded segment of this market amounted to approximately \$16 billion (about 69% of this total) in 2009 — Note: The percentage of publicly traded has fluctuated since 2005 due to companies taken private (Education Management, Concorde, Laureate) and companies taken public (Capella, American Public, Grand Canyon, Education Management, Bridgepoint). Other companies brought public after 2009 include National American University.



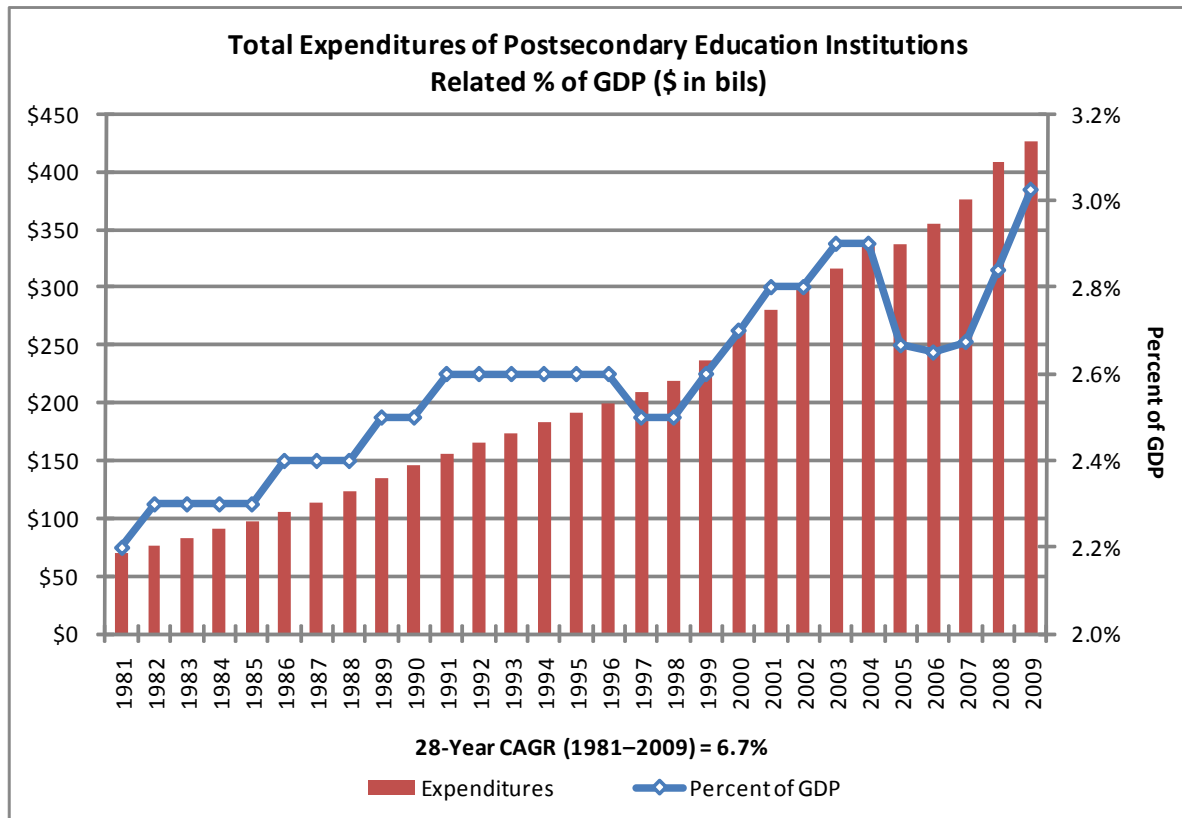
Note:

- 2003 to 2009 totals include 4-year, 2-year, and < 2-year institutions. 2000 - 2002 are estimated by Stifel Nicolaus based on U.S. DOE reported 4-year and 2-year institutions. The < 2-year figures were not reported.
- Publicly traded revenue includes the applicable fiscal year revenue of companies that were publicly traded in the applicable year. (APEI, APOL, BPI, CPLA, CECO, COCO, DV, EDMC, ESI, LINC, LOPE, STRA, UTI, Kaplan Higher Ed (WPO))

Source: U.S. Department of Education: NCES, public company data, and Stifel Nicolaus

### Expenditures

Over the last 25+ years, expenditures for postsecondary education have increased at an average annual rate of 6.7% and have grown to represent 3.02% of GDP in 2009 vs. about 2.2% in 1981. Expenditures have grown faster than enrollment (about 1.8% over the period) due to tuition inflation.

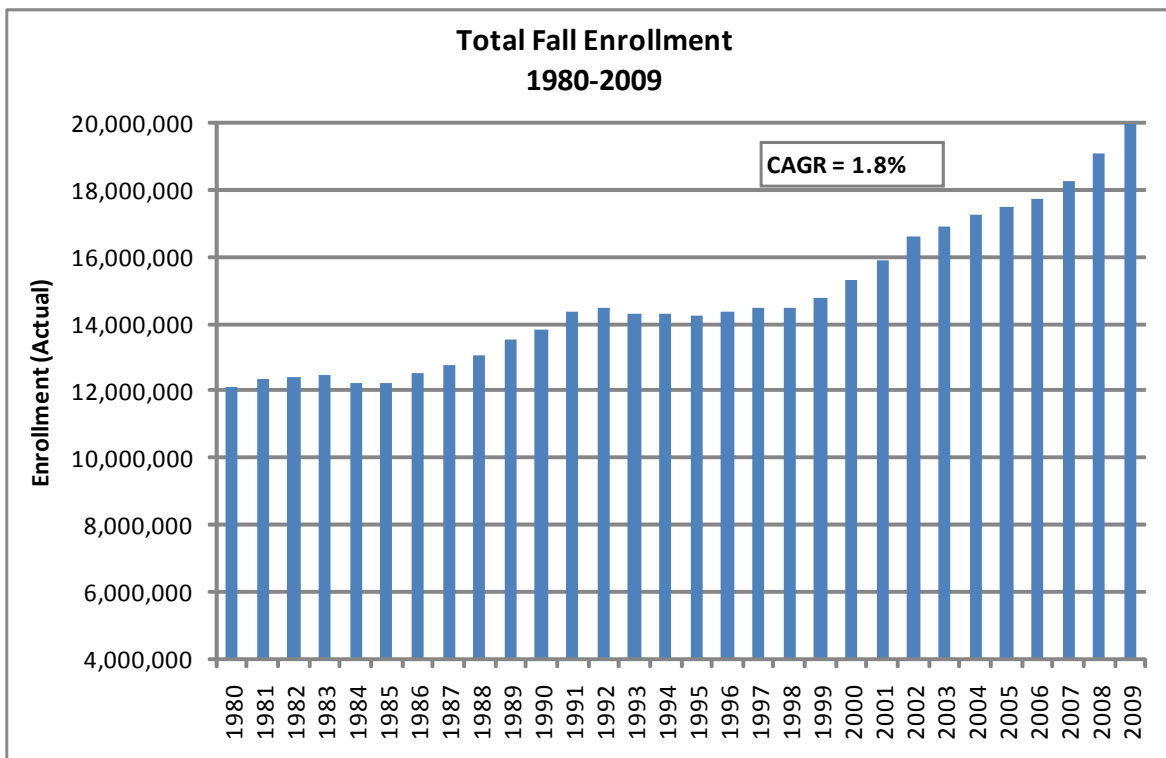
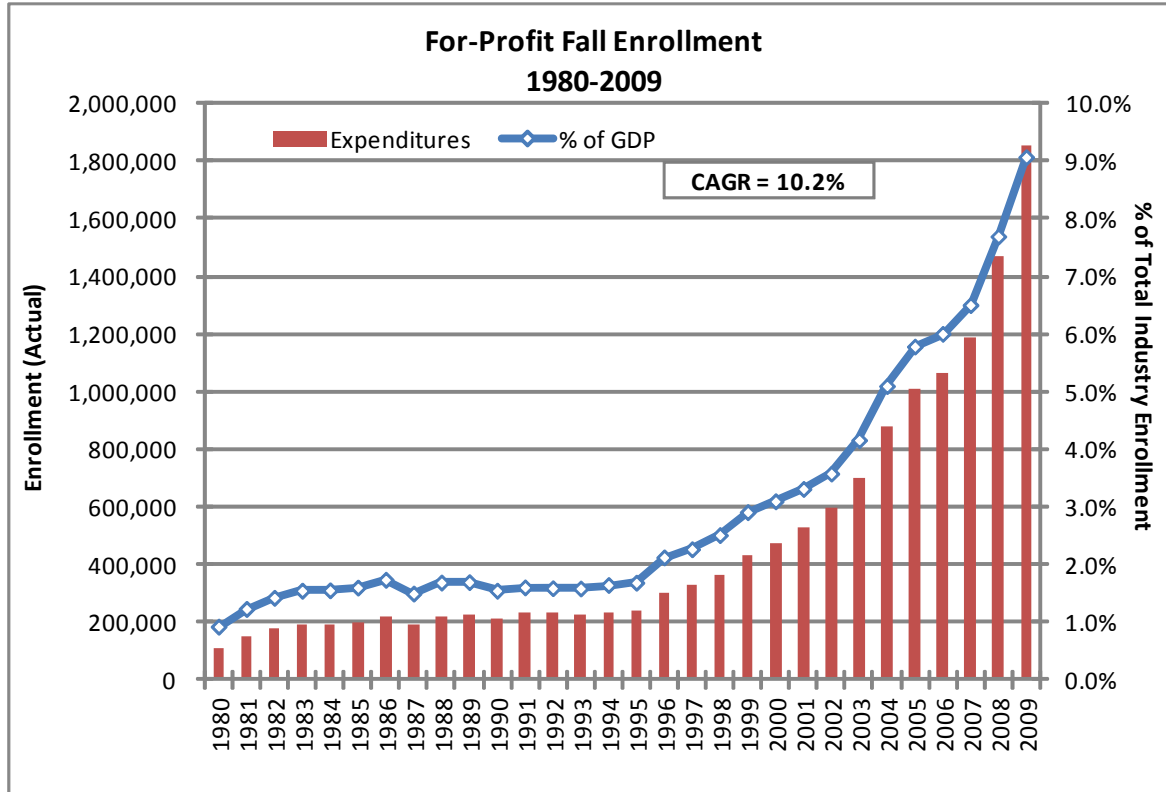


Source: U.S. Department of Education and Bureau of Economic Analysis



### Enrollment: For-Profit

For-profit enrollment has increased from nearly 112,000 in 1980 to 1,851,986 in 2009 (CAGR of 10.2%) and represented about 9.0% of the total market, up from roughly 1% 28 years ago. Enrollment growth at for-profit institutions is greater than the overall market, which grew at a 1.8% CAGR over the same period. 2010 figures were not yet available.



Source for charts: U.S. Department of Education

### Publicly Traded For-Profit Company Enrollment (units are actual)

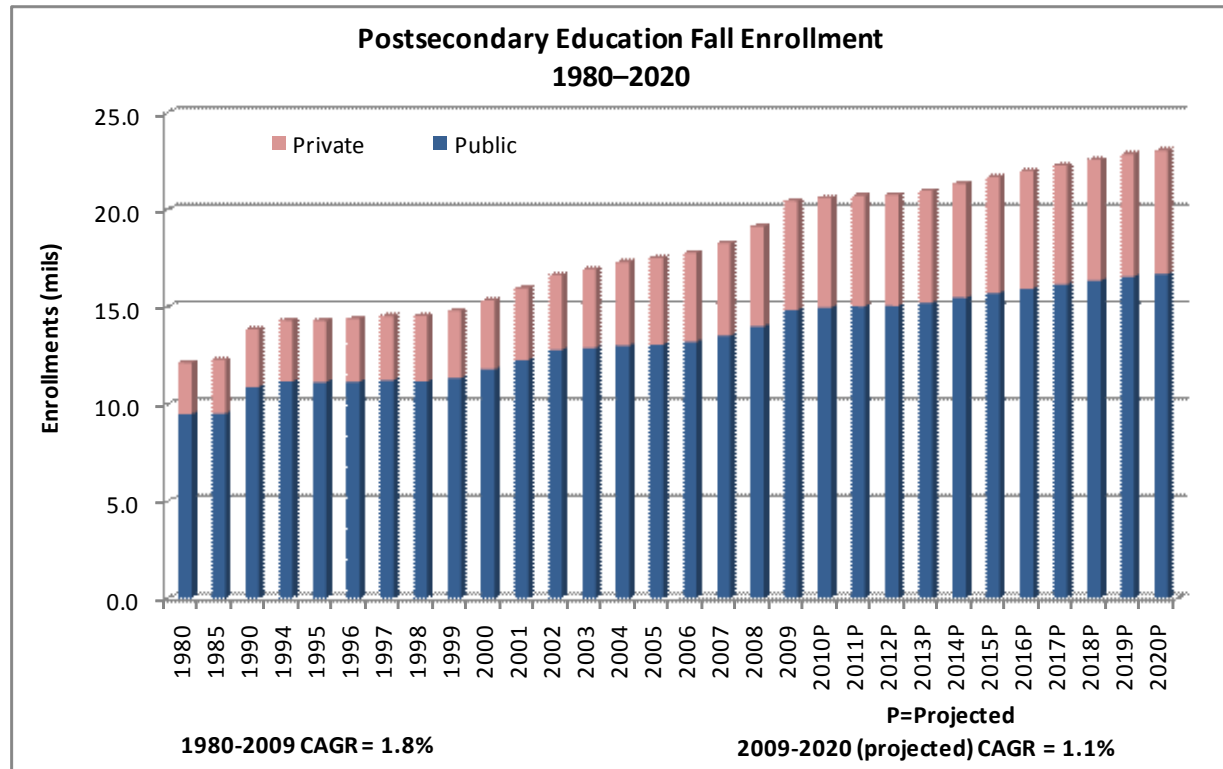
	Calendar Year			CY10				CY11			4Q11E
	4Q07	4Q08	4Q09	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	
<b>American Public Education (10) (FY Dec)</b>											
Net Course Registrations (100% online)	25,290	38,900	55,300	58,000	62,000	61,000	66,108	70,598	81,100	77,900	87,300
% change	70.9%	53.8%	42.2%	38.6%	32.9%	27.3%	19.5%	21.7%	30.8%	27.7%	32.1%
Net New Course Registrations	6,660	10,400	14,700	13,700	13,000	13,600	15,600	16,000	17,800	18,900	23,900
% change	60.1%	56.2%	41.3%	37.7%	23.8%	21.4%	6.1%	16.8%	36.9%	39.0%	53.2%
<b>Apollo Group (1) (FY Aug)</b>											
Degree Enrollment	313,700	362,100	443,000	455,600	458,600	476,500	470,800	438,100	405,300	398,400	380,800
% change	11.1%	15.4%	22.3%	18.4%	15.3%	13.3%	6.3%	-3.8%	-11.6%	-16.4%	-19.1%
New students (Degree only)	69,800	83,214	102,000	98,100	87,500	94,100	92,000	56,500	48,200	56,000	61,200
% change	15.4%	19.2%	22.6%	13.7%	9.4%	7.5%	-9.8%	-42.4%	-44.9%	-40.5%	-33.5%
<b>Bridgepoint Education (7) (FY Dec)</b>											
Total Enrollment	12,716	30,547	54,894	53,688	65,788	67,744	77,179	77,892	88,252	84,545	85,930
% change		140.2%	79.7%	7.1%	56.5%	48.9%	40.6%	45.1%	34.1%	24.8%	11.3%
New Students		12,600	19,500	10,600	24,300	18,450	24,000	15,600	27,550	19,050	22,000
% change			54.8%	49.3%	44.6%	26.4%	23.1%	47.2%	13.4%	-20.6%	-8.3%
<b>Capella Education</b>											
Total Enrollment (100% online)	20,268	24,063	30,738	33,982	37,178	38,669	38,634	39,477	39,904	38,072	35,755
% change	23.8%	18.7%	27.7%	26.4%	32.1%	32.1%	25.7%	2.1%	1.6%	-1.5%	-7.5%
Year-over-year growth - new					56%	47%	20%	-10.7	-35.8	-41.6	-36%
<b>Career Education Corp (FY Dec)</b>											
Total Enrollment (continuing operations) (9)	92,300	84,900	102,000	105,300	116,600	104,500	118,200	116,800	119,100	101,700	104,400
% change	3.2%	-8.0%	20.1%	20.1%	23.5%	22.7%	15.9%	10.9%	2.1%	-2.7%	-11.7%
New students (continuing operations) (9)	29,210	31,600	37,650	28,440	36,820	28,820	40,000	27,740	31,830	24,880	31,230
% change	8.1%	8.2%	19.1%	18.3%	31.5%	17.8%	6.2%	-2.5%	-13.6%	-13.7%	-21.9%
<b>Corinthian College (FY June) (8)</b>											
Total Enrollment	66,719	74,265	93,493	93,152	112,489	110,580	113,818	105,498	102,450	93,457	94,083
% change	7.0%	11.3%	25.9%	22.3%	32.8%	28.4%	21.7%	13.3%	-8.9%	-15.5%	-17.3%
New students	28,030	30,075	36,737	29,156	37,452	34,486	41,075	26,831	29,390	24,981	31,624
% change	13.7%	7.3%	22.2%	10.7%	17.9%	18.2%	11.8%	-8.0%	-21.5%	-27.6%	-23.0%
Online (100% online)	8,741	12,051	18,521	18,760	22,186	23,396	25,648	25,320	26,000	26,100	27,187
% change	42.9%	37.9%	53.7%	54.0%	65.0%	54.4%	38.5%	35.0%	17.2%	11.6%	6.0%
<b>DeVry Inc. (2) (FY June)</b>											
Total Enrollment as reported (students + cou)	64,136	74,168	106,412	115,530	124,410	124,139	133,275	133,573	133,870	122,723	128,751
% change	10.4%	15.6%	43.5%	30.1%	20.2%	33.0%	25.2%	15.6%	7.6%	-1.1%	-3.4%
New Students	13,204	23,804	27,332	NA	27,518	30,682	28,396	NA	25,569	25,523	25,067
% change	10.7%	80.3%	14.8%	NA	26.8%	19.9%	3.9%	NA	-7.1%	-16.8%	-11.7%
Online Course takers	41,128	51,628	63,264	66,894	67,744	70,088	76,476	77,421	78,366	69,617	84,124
% change	28.0%	25.5%	22.5%	24.6%	21.5%	24.4%	20.9%	15.7%	15.7%	-0.7%	10.0%
<b>Education Management (FY June)</b>											
Total Enrollment	96,000	110,800	136,000	139,400	139,600	138,800	158,300	157,200	148,800	139,800	151,200
% change	19.6%	15.4%	22.7%	22.3%	22.1%	23.2%	16.4%	12.8%	6.6%	0.7%	-4.5%
Online (100% online)	13,100	19,500	31,200	34,800	36,900	38,800	42,300	43,900	41,000	38,700	NE
% change	103.4%	48.9%	60.0%	55.4%	50.0%	48.1%	35.6%	26.1%	11.1%	-0.3%	NE
New Student growth (y/y)	20.8%	15.8%	28.7%	25.0%	28.0%	31.0%	22.0%	12.0%	8.0%	2.0%	-11.0%
<b>Grand Canyon Education, Inc. (FY Dec) (7)</b>											
Total Enrollment	13,499	21,957	34,218	37,709	38,854	36,300	42,300	41,482	42,505	39,500	44,500
% change	32.1%	62.7%	55.8%	53.1%	36.8%	31.4%	23.6%	10.0%	9.4%	8.8%	5.2%
Online (100% online)	NA	19,287	31,164	34,596	35,796	35,145	38,593	37,734	NE	NE	NE
% change	NA	NA	61.6%	57.6%	39.0%	34.0%	23.8%	9.1%	NE	NE	NE
<b>ITT Educational Services, Inc (FY Dec)</b>											
Total Enrollment (3)	53,675	61,556	79,208	80,766	84,555	84,695	88,004	84,686	84,030	78,743	79,219
% change	11.5%	14.7%	28.7%	30.3%	28.9%	21.2%	11.1%	4.9%	-0.6%	-7.0%	-10.0%
New Students	18,270	21,807	27,738	19,563	23,064	21,673	26,664	17,722	21,761	17,351	22,909
% change	8.8%	19.4%	27.2%	31.2%	21.8%	10.1%	-3.9%	-9.4%	-5.6%	-19.9%	-14.1%
<b>Kaplan, Inc.</b>											
Total Enrollment	67,000	81,400	103,800	104,900	119,293	112,221	112,141	96,701	92,293	78,534	79,657
% change	NA	21.5%	27.5%	31.5%	24.8%	18.5%	15.0%	-7.8%	-22.6%	-30.0%	-29.0%
<b>Lincoln Educational Services (FY Dec) (7)</b>											
Total Enrollment	19,463	22,404	31,509	29,340	31,402	29,934	33,157	29,221	28,449	22,262	22,526
% change	4.9%	15.1%	40.6%	35.4%	22.7%	15.0%	5.2%	-0.4%	-9.4%	-25.6%	-32.1%
Average Enrollment	18,185	20,665	28,898	31,321	30,872	30,965	31,952	32,352	28,449	24,711	22,712
% change	2.3%	13.6%	39.8%	40.1%	25.1%	17.6%	10.6%	3.3%	-7.8%	-20.2%	-28.9%
New Students	9,725	10,564	14,272	6,856	9,563	8,082	13,016	6,278	5,857	4,219	8,482
% change	10.3%	8.6%	35.1%	31.8%	19.3%	-0.7%	-8.8%	-8.4%	-38.8%	-47.8%	-34.8%
<b>National American University (FY May)</b>											
Total Enrollment	3,916	4,354	6,285	7,773	7,989	8,758	8,255	9,643	9,930	10,015	9,390
% change	3.9%	11.2%	44.4%	39.0%	38.8%	35.2%	31.3%	24.1%	24.3%	14.4%	13.7%
<b>Strayer Education, Inc. (FY Dec)</b>											
Total Enrollment (4)	36,082	44,564	54,317	55,106	55,970	52,221	60,711	57,300	55,974	47,790	54,233
% change	15.0%	23.5%	21.9%	20.6%	21.6%	22.8%	11.8%	4.0%	0.0%	-8.5%	-10.7%
New Student growth (y/y)	16.0%	29.0%	20.0%	16.0%	16.0%	17.0%	-2.0%	-20.0%	-19.0%	-21.0%	-15.0%
Online (100% online)	21,394	27,282	32,981	33,122	33,166	31,500	35,375	33,095	32,269	28,537	32,417
% change	18.4%	27.5%	20.9%	19.0%	17.8%	17.9%	7.3%	-0.1%	-2.7%	-9.4%	-8.4%
<b>Universal Technical Institute</b>											
Total Enrollment	16,882	16,481	18,802	17,741	18,251	17,600	21,000	19,300	18,400	16,200	18,500
% change	-3.7%	-2.4%	14.1%	17.2%	18.6%	23.2%	11.7%	8.8%	0.8%	-8.0%	-11.9%
New Students	6,600	6,939	7,985	3,850	4,135	4,000	7,600	3,300	3,600	2,700	6,500
% change	-0.9%	5.1%	15.1%	16.0%	22.3%	35.8%	-4.8%	-14.3%	-12.9%	-32.5%	-14.5%
<b>Total Enrollment (6)</b>	<b>900,368</b>	<b>1,050,720</b>	<b>1,347,365</b>	<b>1,389,968</b>	<b>1,472,449</b>	<b>1,464,692</b>	<b>1,540,677</b>	<b>1,480,602</b>	<b>1,450,357</b>	<b>1,352,090</b>	<b>1,376,430</b>
<b>Aggregate Enrollment Growth</b>	<b>22.9%</b>	<b>16.7%</b>	<b>28.2%</b>	<b>25.6%</b>	<b>23.4%</b>	<b>21.8%</b>	<b>14.3%</b>	<b>6.5%</b>	<b>-1.5%</b>	<b>-7.7%</b>	<b>-10.7%</b>
<b>Average of Enrollment Growth Rates (5)</b>	<b>15.9%</b>	<b>27.2%</b>	<b>34.4%</b>	<b>32.0%</b>	<b>28.7%</b>	<b>26.6%</b>	<b>11.9%</b>	<b>4.8%</b>	<b>-2.3%</b>	<b>-6.1%</b>	

(1) Apollo Group reports enrollment "as of" date near the end of the quarter being reported and does so in conjunction with its release. Apollo operates on 5-6 week terms.  
 (2) 1Q's are Stifel Nicolaus calculation of average enrollments as DeVry reports only 3 periods throughout the year - fall, spring, summer. 2Q09 - current: US Education, Chamberlain, and Fanor included.  
 (3) ITT Educational Services reports enrollment "as of" end of the quarter being reported and does so in conjunction with its release. ESI terms start March, June, September, December. The reported enrollment "predicts" the upcoming quarter.  
 (4) Strayer reports enrollment for a "term" - fall, winter, spring, summer; and does so in conjunction with its earnings release. The reported enrollment estimates the next quarter.  
 (5) Average of % enrollment growth for reporting companies.  
 (6) Data for all time periods may not be available for certain companies.  
 (7) Currently, not in our coverage universe. LINC: acquisitions included 2Q09  
 (8) 1Q06 thru current Qtr - restated for continuing operations  
 (9) Excludes transitional schools. 2Q08 thru 2Q10 restated for schools moved into discontinued operations.  
 (10) APEI measures # of course registrations rather than # of student enrolled.

Source: Company data and Stifel Nicolaus estimates

### Enrollment: Public vs. Private

Fall enrollment increased from 12.1 million students in 1980 to approximately 20.4 million in 2009 (1.8% CAGR), and is projected by the U.S. Department of Education to reach 23.0 million by 2020, which would represent a 2009–2020 CAGR of 1.1%. From 1980 to 2009, enrollment at public schools increased at a CAGR of 1.6%, while enrollment at private institutions grew 2.6%.

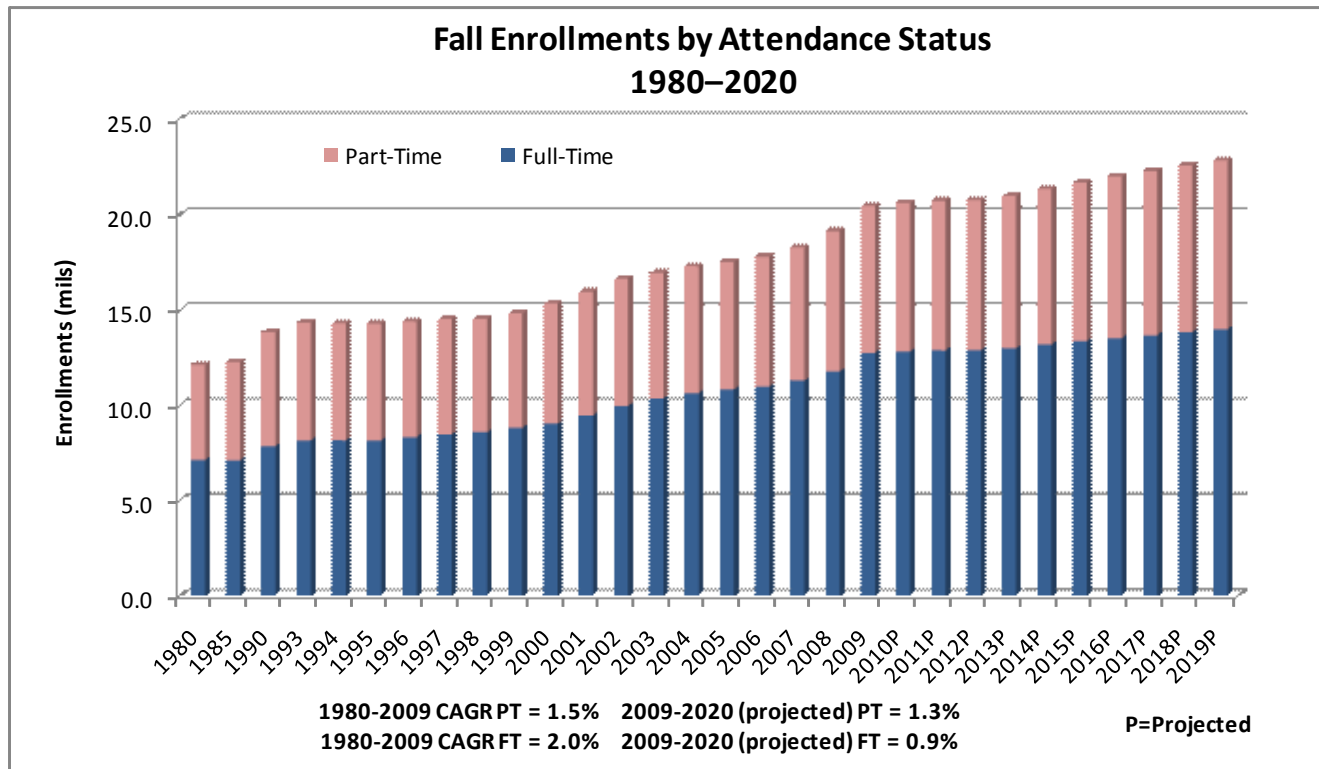


Source: U.S. Department of Education



### Enrollment: Full-Time and Part-Time

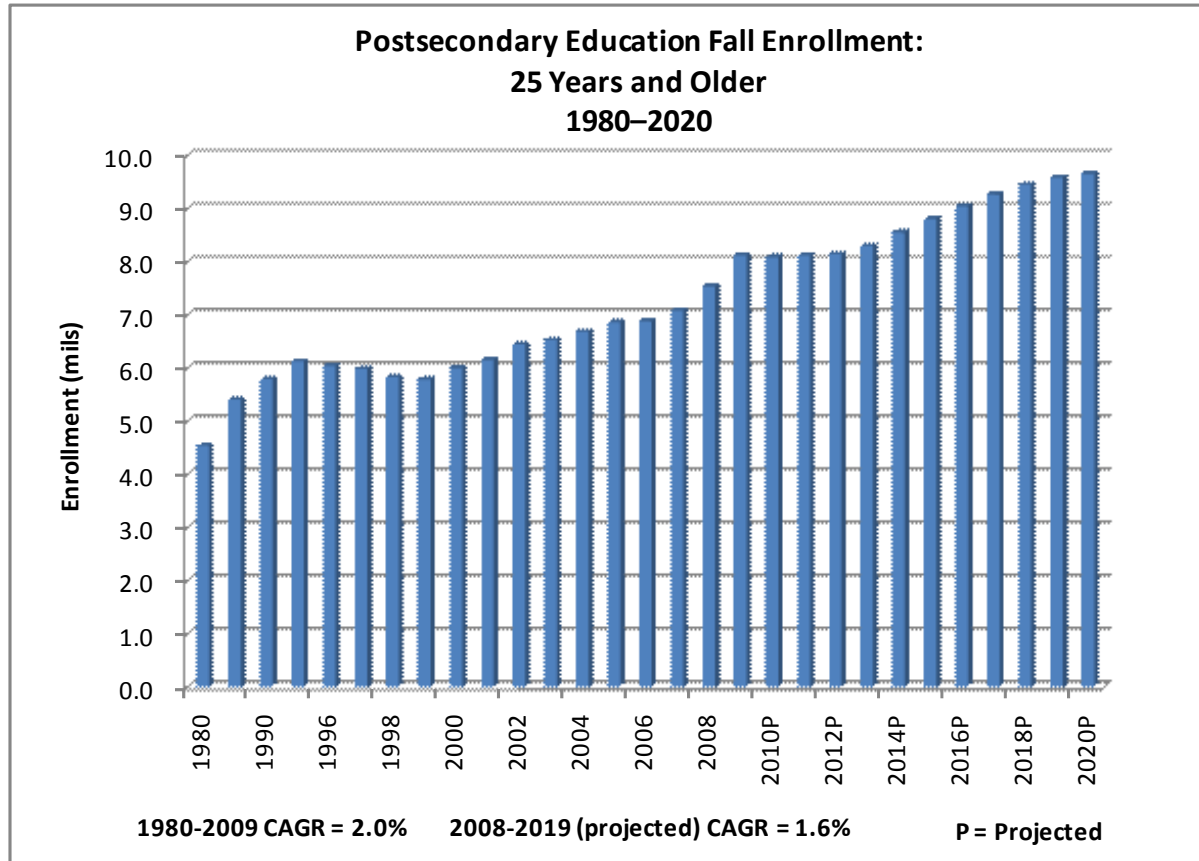
Part-time and full-time enrollment has posted 29-year CAGRs of 1.5% and 2.0%, respectively. From 2009 to 2020, full-time enrollment growth is projected by the U.S. Department of Education to decrease to a CAGR of 0.9%, while part-time enrollment is expected to slow slightly to a CAGR of 1.3%. In 2009, the split between part-time and full-time students as a percentage of total fall enrollment remains at 38% and 62%, respectively.



Source: U.S. Department of Education

**Enrollment: 25 Years and Older**

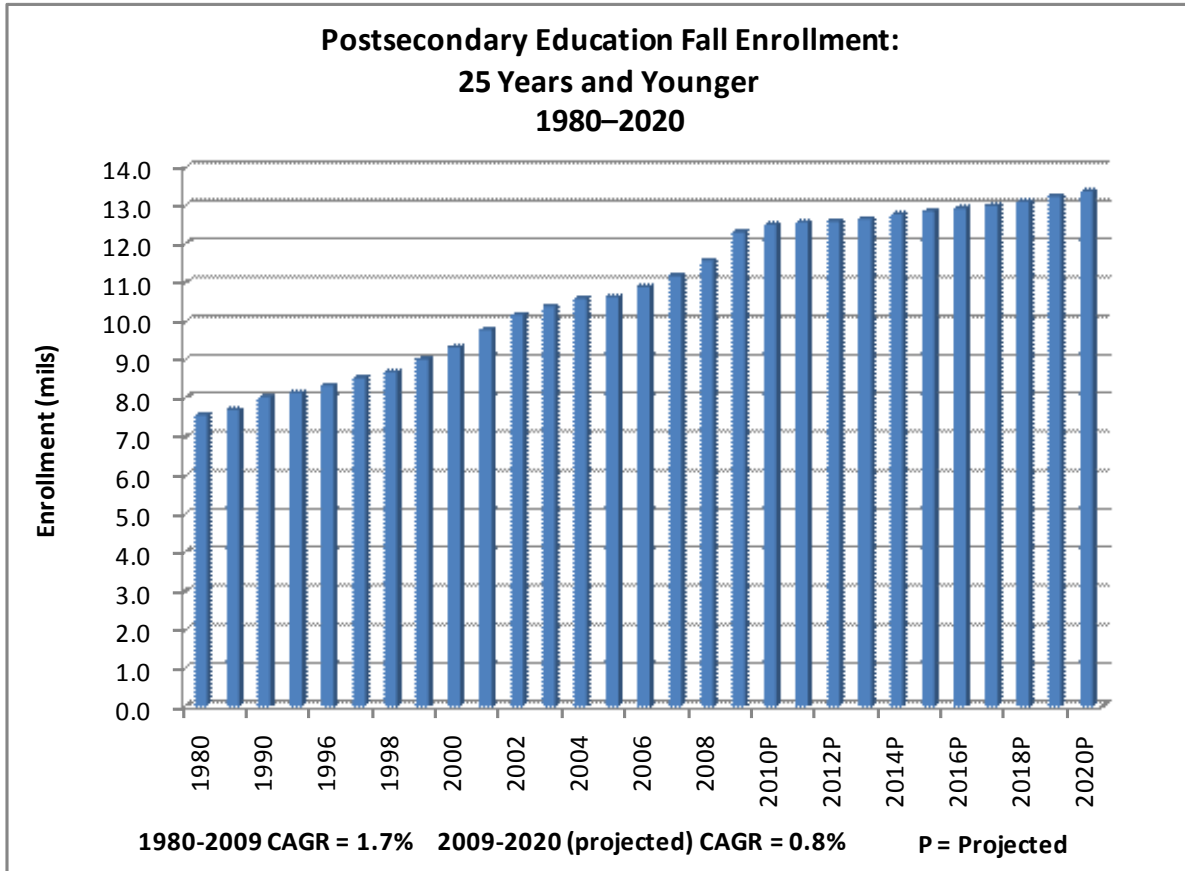
Fall enrollment for adult learners (25 years and older), who comprise about 40% of total enrollment, is forecasted by the U.S. Department of Education to grow from 8.1 million students in 2009 to 9.6 million students in 2020, a CAGR of about 1.6%, faster than the expected overall growth of 1.1% (page 9).



Source: U.S. Department of Education

### Enrollment: Under 25 Years

Fall enrollment for students under 25 years of age, who comprise about 60% of total enrollment, is projected by the U.S. Department of Education to increase from 12.3 million students in 2009 to over 13.4 million students in 2020, a CAGR of about 0.8%, below the overall growth rate of 1.1% expected for the period.

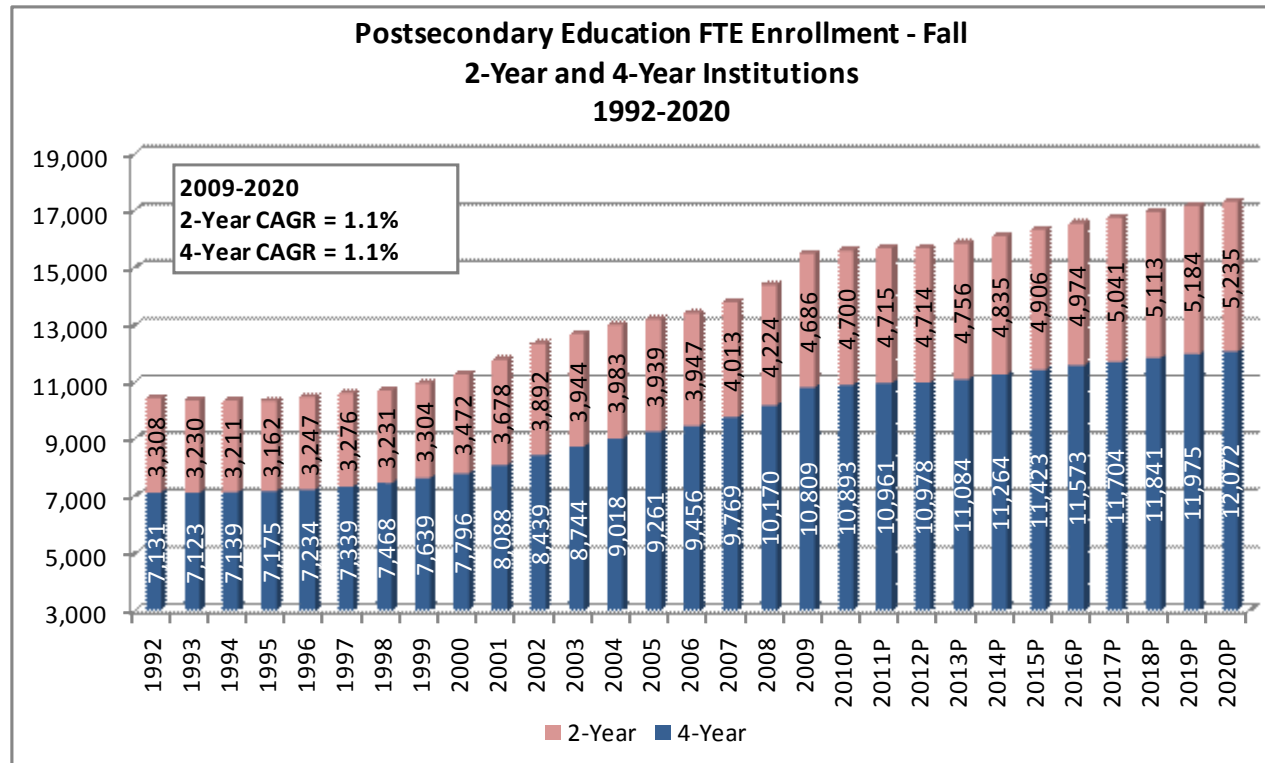


Source: National Center for Education Statistics



### Enrollment: 2-Year and 4-Year Institutions

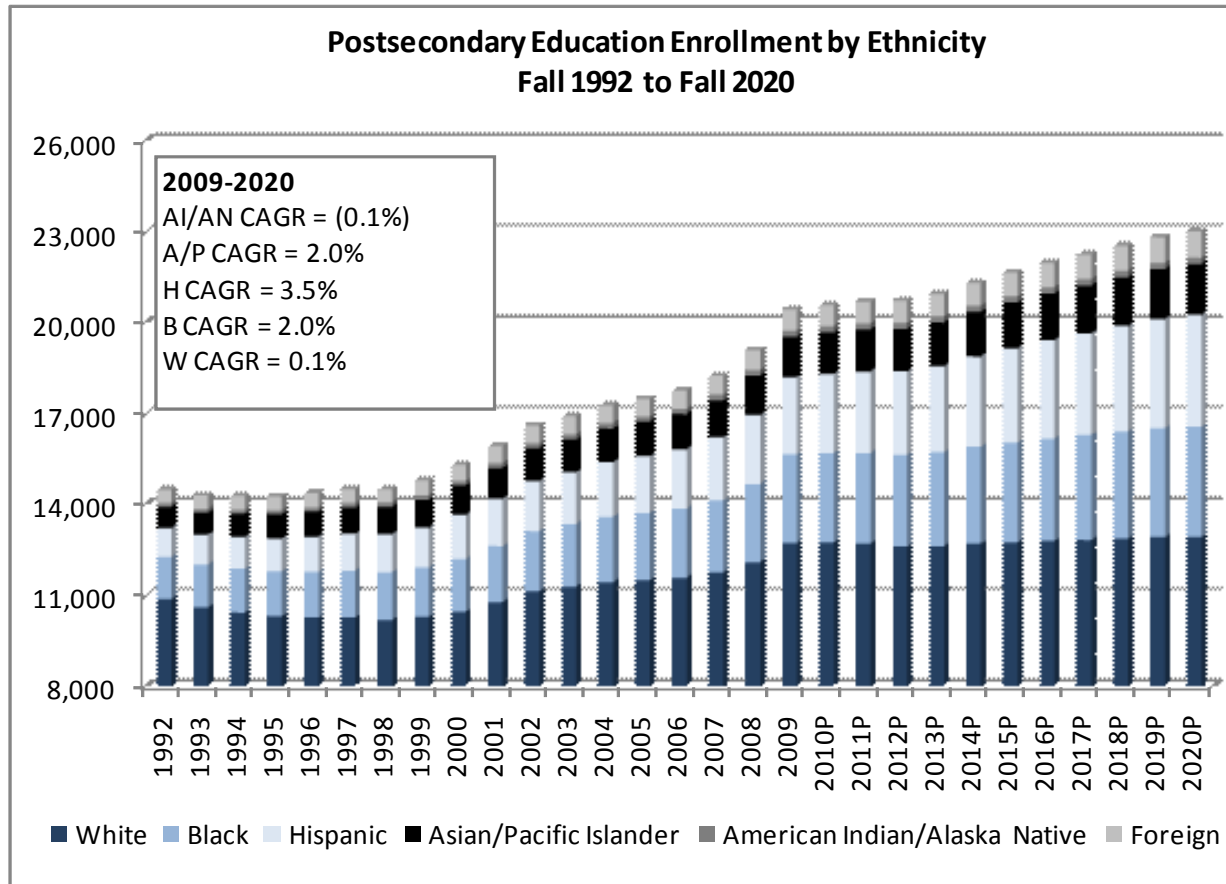
From 2009 to 2020, the projected CAGR for full-time equivalent enrollment at 2-year and 4-year institutions is 1.1% which represents a decline from the respective CAGRs in the previous 17 years. (2 yr: 2.1% / 4 yr: 2.5%)  
 Note: FTE enrollment figures include both public and private institutions.



Note: P = Projected  
 Source: U.S. Department of Education

### Enrollment: By Ethnicity

Leading the way, Hispanic enrollment is projected to grow 3.5% from 2009 to 2020, over three times faster than the total enrollment growth rate of 1.1%, followed by Asian Pacific (2.0%), and Black (2.0%) growth. Hispanic and Black enrollment as a % of total are projected to increase from 7% and 10%, respectively, in 1992 to 16% in 2020 while White enrollment is expected to decline from 75% to 56% in the same period.



Note: P = Projected

Source: U.S. Department of Education

### Economic Cyclicity — Total Market

Over the last 36 years, negative economic periods, measured as y/y decreases in GDP and/or y/y increases in unemployment, have been accompanied by above-average increases in total fall enrollment growth — between 4.0% and 5.0%. Conversely, growth was between 0.6% and 1.2% during positive economic periods. Total fall enrollment in 2009 totaled 20,427,711 students. 2010 enrollment was not yet available.

Year	Change in Total Fall Enrollment	Change in GDP	Change in Unemployment Rate	Year	Change in Total Fall Enrollment	Change in GDP	Change in Unemployment Rate
1973	4.2%	5.8%	-12.5%	1992	0.9%	3.3%	10.3%
1974	6.5%	-0.5%	14.3%	1993	-1.2%	2.7%	-8.0%
1975	9.4%	-0.2%	51.8%	1994	-0.2%	4.0%	-11.6%
1976	-1.5%	5.3%	-9.4%	1995	-0.1%	2.5%	-8.2%
1977	2.5%	4.6%	-7.8%	1996	0.7%	3.7%	-3.6%
1978	-0.2%	5.6%	-14.1%	1997	0.9%	4.5%	-9.3%
1979	2.7%	3.2%	-4.9%	1998	0.0%	4.2%	-8.2%
1980	4.6%	-0.2%	22.4%	1999	2.0%	4.5%	-6.7%
1981	2.3%	2.5%	7.0%	2000	3.5%	3.7%	-4.8%
1982	0.4%	-1.9%	27.6%	2001	4.0%	0.8%	17.5%
1983	0.3%	4.5%	-1.0%	2002	4.3%	1.6%	23.4%
1984	-1.8%	7.2%	-21.9%	2003	1.7%	2.5%	3.4%
1985	0.0%	4.1%	-4.0%	2004	2.2%	3.6%	-8.3%
1986	2.1%	3.5%	-2.8%	2005	1.2%	2.9%	-7.3%
1987	2.1%	3.4%	-11.4%	2006	1.6%	2.8%	-9.8%
1988	2.3%	4.1%	-11.3%	2007	2.8%	2.1%	0.0%
1989	3.7%	3.5%	-3.6%	2008	4.7%	0.4%	26.1%
1990	2.1%	1.9%	5.7%	2009	6.9%	-2.4%	60.3%
1991	3.9%	-0.2%	21.4%				
				Mean	2.2%	2.8%	NA
				Median	2.1%	3.3%	NA

#### Enrollment Growth during Negative Economic Trends

Avg of all GDP Decrease or Increase in Unemployment = **4.0%**  
 Avg of all Increases in Unemployment years = **4.0%**  
 Avg of all Decrease in GDP years = **5.3%**

#### Enrollment Growth during Positive Economic Trends

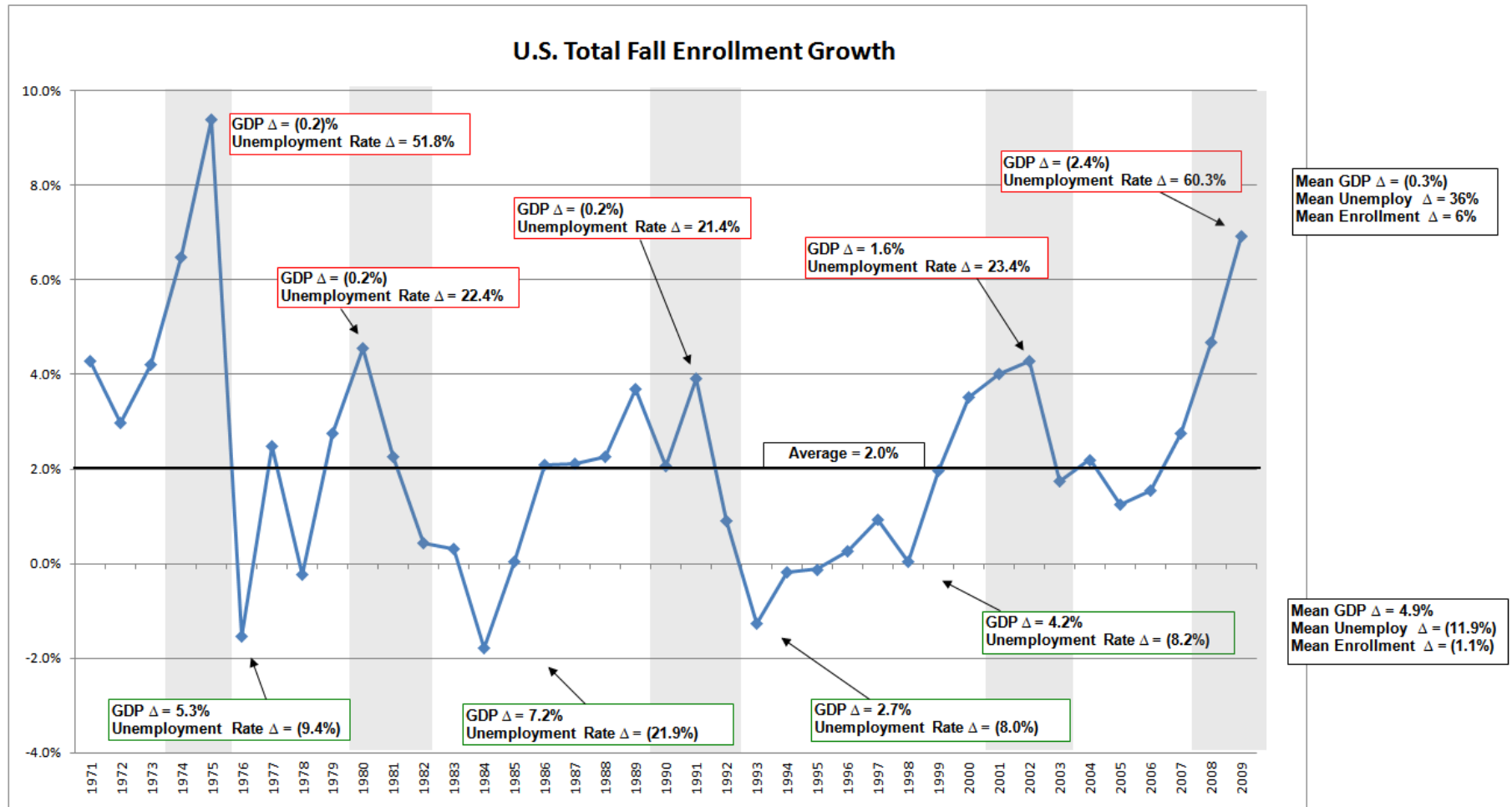
Avg of all Decrease in Unemployment years = **1.2%**  
 Avg of Top 5 Unemployment Decrease years = **0.8%**  
 Avg of Top 5 GDP Growth Years = **0.6%**

Note: Total Fall Enrollment in 2009 totaled 20,427,711 students.

Source: National Center for Education Statistics, Bureau of Labor Statistics, and the Bureau of Economic Analysis

### Economic Cyclicity — Total Market

This graph shows that larger enrollment increases tend to coincide with weaker economic periods and vice versa. During the stronger enrollment periods identified, GDP growth averaged negative 0.3% while unemployment rose, on average, 36%. During the weaker enrollment years identified, GDP growth averaged 4.9% and unemployment declined 11.9%, on average.



Note: Grey shaded area represents negative economic periods defined by increase in the unemployment rate or decrease in GDP

Source: National Center for Education Statistics, Bureau of Labor Statistics, and the Bureau of Economic Analysis

### Economic Cyclicity — For-Profit

The for-profit sector, which accounted for about 1.9 million students in the fall of 2009 and has grown at an average of 11.7% (or more than 5 times faster than the overall market) over the past 20 years, also tends to grow more rapidly during years with decreases in GDP and/or increases in unemployment. In negative economic periods the growth rate ranges from about 18% to almost 27%, and in positive economic periods the growth is 2.2% to almost 9%. We believe reasons that the for-profit sector grows more rapidly than the overall market (which is heavily dominated by traditional providers) include: law of smaller numbers, access and reinvestment of capital, and propensity to expeditiously develop new programs based on changing market conditions. For-profit fall enrollment in 2009 totaled 1,851,986 students. 2010 enrollment was not yet available.

Year	Change in			Year	Change in		
	Total Fall Enrollment	GDP	Unemployment Rate		Total Fall Enrollment	GDP	Unemployment Rate
1980 <sup>1</sup>	56.7%	-0.2%	22.4%	1996	12.1%	3.7%	-3.6%
1981 <sup>1</sup>	36.3%	2.5%	7.0%	1997	7.9%	4.5%	-9.3%
1982	16.2%	-1.9%	27.6%	1998	10.9%	4.2%	-8.2%
1983	8.9%	4.5%	-1.0%	1999	18.1%	4.5%	-6.7%
1984	-1.3%	7.2%	-21.9%	2000	10.4%	3.7%	-4.8%
1985	3.1%	4.1%	-4.0%	2001	11.1%	0.8%	17.5%
1986	10.8%	3.5%	-2.8%	2002	12.7%	1.6%	23.4%
1987	-12.0%	3.4%	-11.4%	2003	18.3%	2.5%	3.4%
1988	15.4%	4.1%	-11.3%	2004	25.3%	3.6%	-8.3%
1989	4.1%	3.5%	-3.6%	2005	14.8%	2.9%	-7.3%
1990	-6.9%	1.9%	5.7%	2006	5.4%	2.8%	-9.8%
1991	7.8%	-0.2%	21.4%	2007	11.3%	2.1%	0.0%
1992	0.0%	3.3%	10.3%	2008	23.9%	0.4%	26.1%
1993	-1.5%	2.7%	-8.0%	2009	26.1%	-2.4%	60.3%
1994	3.6%	4.0%	-11.6%	Average	11.7%	2.7%	NA
1995	2.3%	2.5%	-8.2%	Median	10.8%	3.1%	NA

#### Enrollment Growth during Negative Economic Trends

Avg of all GDP Decrease or Increase in Unemployment years = <b>18.4%</b>
Avg of all Increases in Unemployment years = <b>18.4%</b>
Avg of all Decrease in GDP years = <b>26.7%</b>

#### Enrollment Growth during Positive Economic Trends

Avg of all Decrease in Unemployment years = <b>7.9%</b>
Avg of Top 5 Unemployment Decrease years = <b>2.2%</b>
Avg of Top 5 GDP Growth Years = <b>8.9%</b>

Note: For-Profit Fall Enrollment in 2009 totaled 1,851,986 students.

1 Large increases are a result of the addition of schools accredited by the Accrediting Commission of Career Schools and Colleges (ACCSC)

Source: National Center for Education Statistics, Bureau of Labor Statistics, and the Bureau of Economic Analysis

### Economic Cyclicity — 2-year Institutions

Enrollment at 2-year institutions also tends to grow more rapidly during years with decreases in GDP and/or increases in unemployment. In negative economic periods the growth rate ranges from about 5.8% to 9.0%, and in positive economic periods the growth is about 1.3%. In our opinion, 2-year institutions tend to exhibit more counter-cyclicity than the total market as shorter-term programs provide opportunities for unemployed workers to develop new skills in a shorter time frame. 2-year institution fall enrollment in 2009 totaled 7,521,406 students. 2010 enrollment was not yet available.

Year	Change in Fall Enrollment	Change in GDP	Change in	Year	Change in Fall Enrollment	Change in GDP	Change in
			Unemployment Rate				Unemployment Rate
1973	9.3%	5.8%	-12.5%	1993	-2.7%	2.7%	-8.0%
1974	13.0%	-0.5%	14.3%	1994	-0.6%	4.0%	-11.6%
1975	16.6%	-0.2%	51.8%	1995	-0.7%	2.5%	-8.2%
1976	-2.2%	5.3%	-9.4%	1996	1.3%	3.7%	-3.6%
1977	4.1%	4.6%	-7.8%	1997	0.8%	4.5%	-9.3%
1978	-0.4%	5.6%	-14.1%	1998	-2.1%	4.2%	-8.2%
1979	4.7%	3.2%	-4.9%	1999	1.9%	4.5%	-6.7%
1980	7.3%	-0.2%	22.4%	2000	6.4%	3.7%	-4.8%
1981	4.2%	2.5%	7.0%	2001	5.1%	0.8%	17.5%
1982	1.2%	-1.9%	27.6%	2002	4.5%	1.6%	23.4%
1983	-1.0%	4.5%	-1.0%	2003	-0.6%	2.5%	3.4%
1984	-4.1%	7.2%	-21.9%	2004	0.8%	3.6%	-8.3%
1985	0.0%	4.1%	-4.0%	2005	-0.9%	2.9%	-7.3%
1986	3.3%	3.5%	-2.8%	2006	0.5%	2.8%	-9.8%
1987	2.1%	3.4%	-11.4%	2007	1.5%	2.1%	0.0%
1988	2.1%	4.1%	-11.3%	2008	5.3%	0.4%	26.1%
1989	5.7%	3.5%	-3.6%	2009	7.9%	-2.4%	60.3%
1990	1.7%	1.9%	5.7%				
1991	7.9%	-0.2%	21.4%				
1992	1.2%	3.3%	10.3%				
				<b>Mean</b>	2.8%	2.8%	NA
				<b>Median</b>	1.7%	3.3%	NA

#### Enrollment Growth during Negative Economic Trends

Avg of all GDP Decrease or Increase in Unemployment = **5.8%**  
 Avg of all Increases in Unemployment years = **5.8%**  
 Avg of all Decrease in GDP years = **9.0%**

#### Enrollment Growth during Positive Economic Trends

Avg of all Decrease in Unemployment years = **1.2%**  
 Avg of Top 5 Unemployment Decrease years = **1.3%**  
 Avg of Top 5 GDP Growth Years = **1.4%**

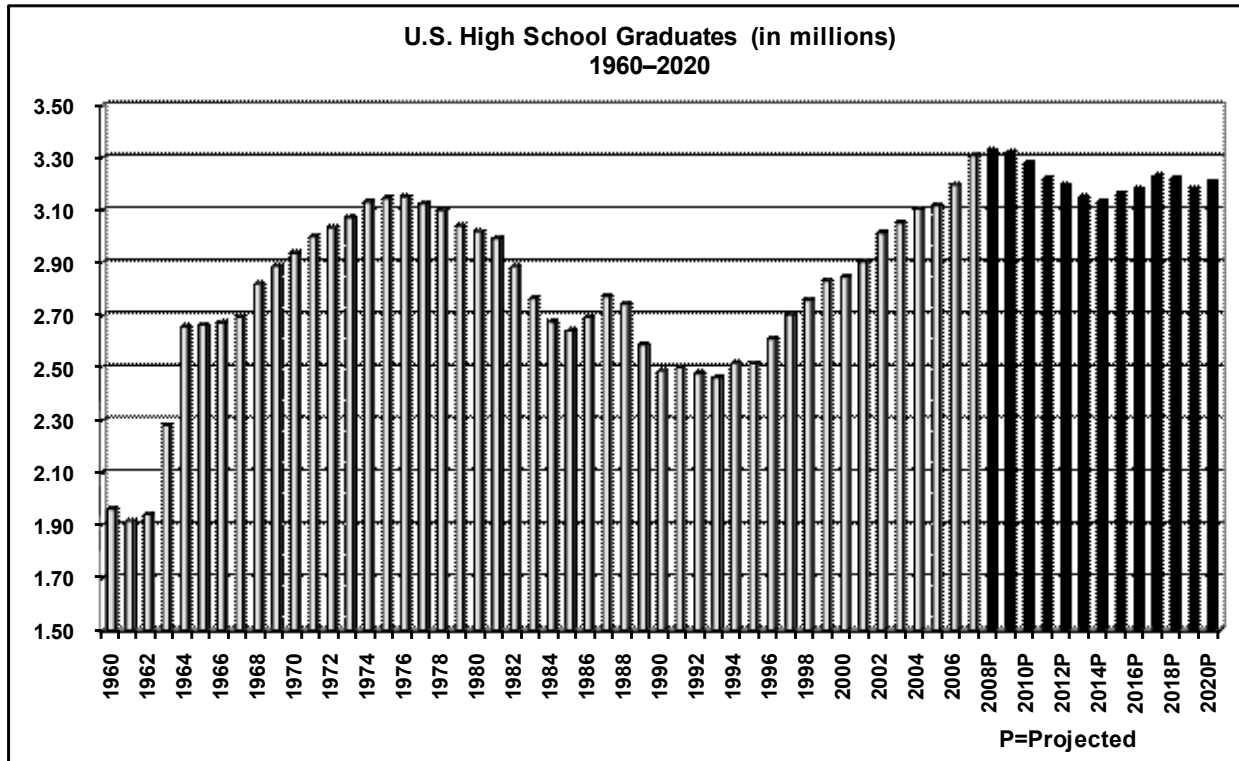
Note: Fall 2009 Enrollment at 2-year institutions totaled 7,521,406 students.

Source: National Center for Education Statistics, Bureau of Labor Statistics, and the Bureau of Economic Analysis



### High School Graduates

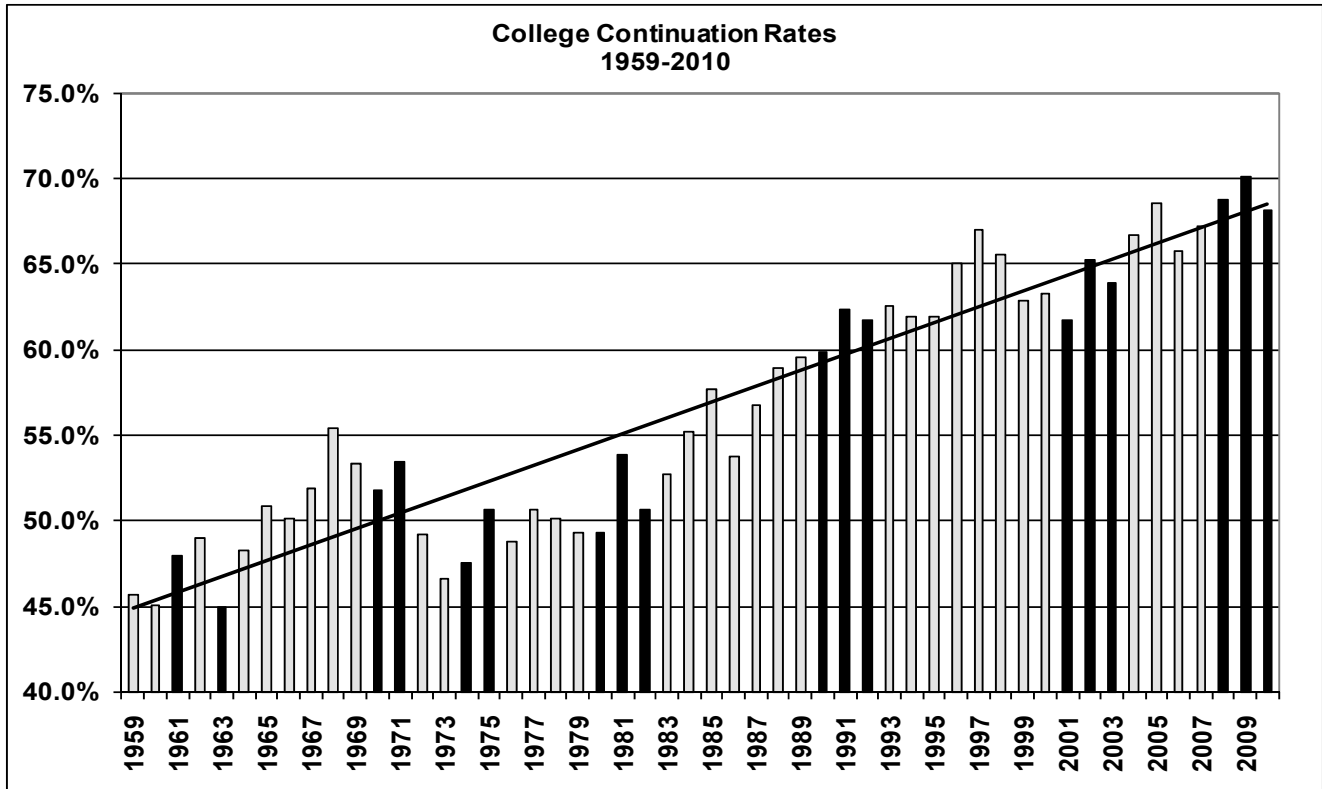
The number of U.S. high school graduates is expected by the U.S. Department of Education to grow uninterrupted through 2008, approaching 3.33 million individuals, subsequently slowing to about 3.1 million by 2014 and rising again to 3.2 million in 2020. The increases reflect changes in the 18-year-old population over the projection period, as a result of higher births during the 1980s and 1990s, and increased immigration. State-level policies to strengthen high school graduation requirements, the implementation of high-stakes graduation tests, enhanced outreach programs, and No Child Left Behind (NCLB) legislation all will likely have an influence. Note: NCLB (a.k.a. ESEA) is approaching a reauthorization - timing still uncertain.



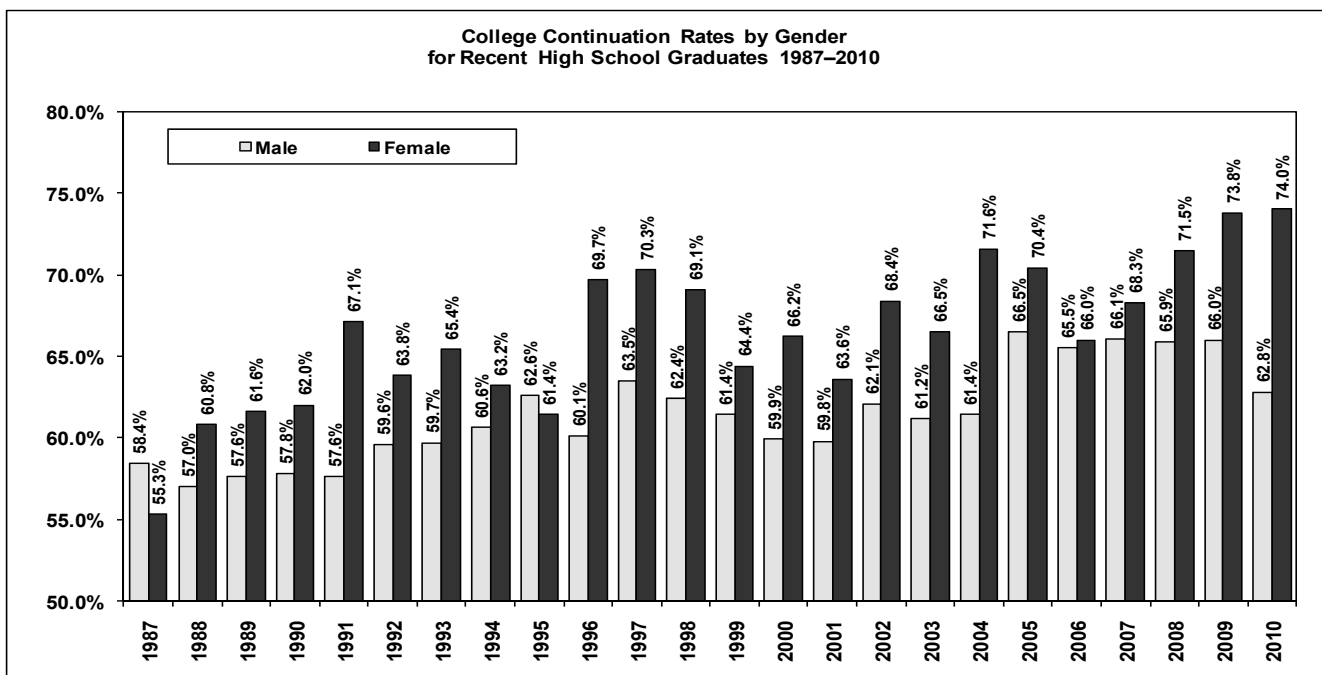
Source: U.S. Department of Education

### College Continuation Rates

College continuation rates, defined as those freshmen enrolled in all postsecondary institutions over recent high school graduates (including GED recipients), have increased significantly over the last 20+ years, from about 49% in 1980 to 68% in 2010, an increase of about 63 basis points per year. This increase has been driven, to a large degree, by female students. Participation rates do tend to display countercyclical tendencies.



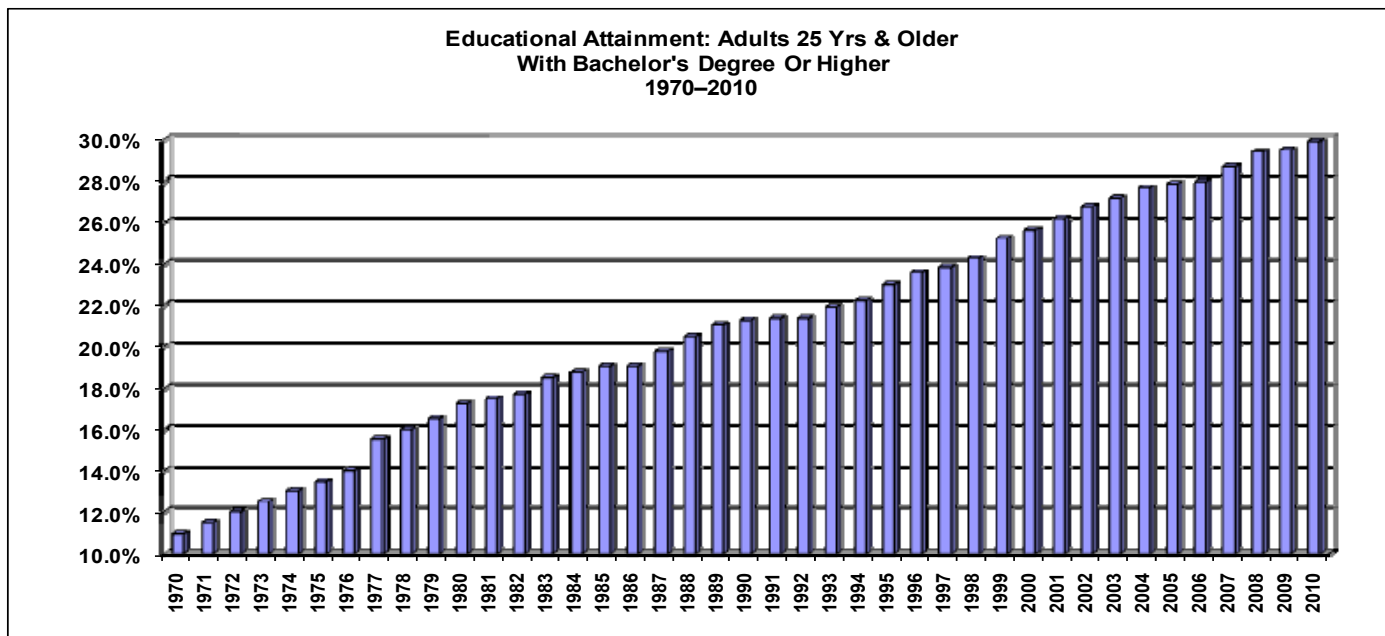
Note: Black bars represent negative economic periods defined by an increase in the unemployment rate or decrease in GDP  
 Source: Bureau of Labor Statistics



Source: Postsecondary Education OPPORTUNITY

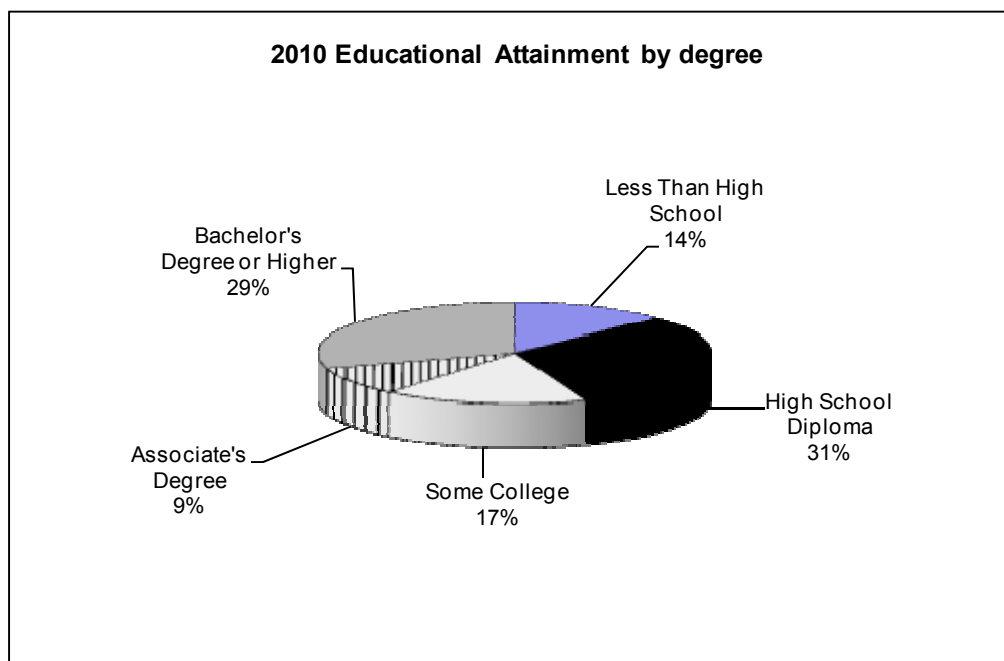
### Educational Attainment

Of the approximately 200 million adults age 25 or older in the U.S., 29.9%, or 59.8 million, held a bachelor’s degree or higher in 2010. While this measure represents an all-time high, only slightly more than one in four adults have attained this level of education, providing considerable opportunity for the for-profit publicly traded participants, in our opinion. The percentage of individuals possessing a bachelor’s degree has increased by slightly less than one-half of one percent annually over the past 25 years.



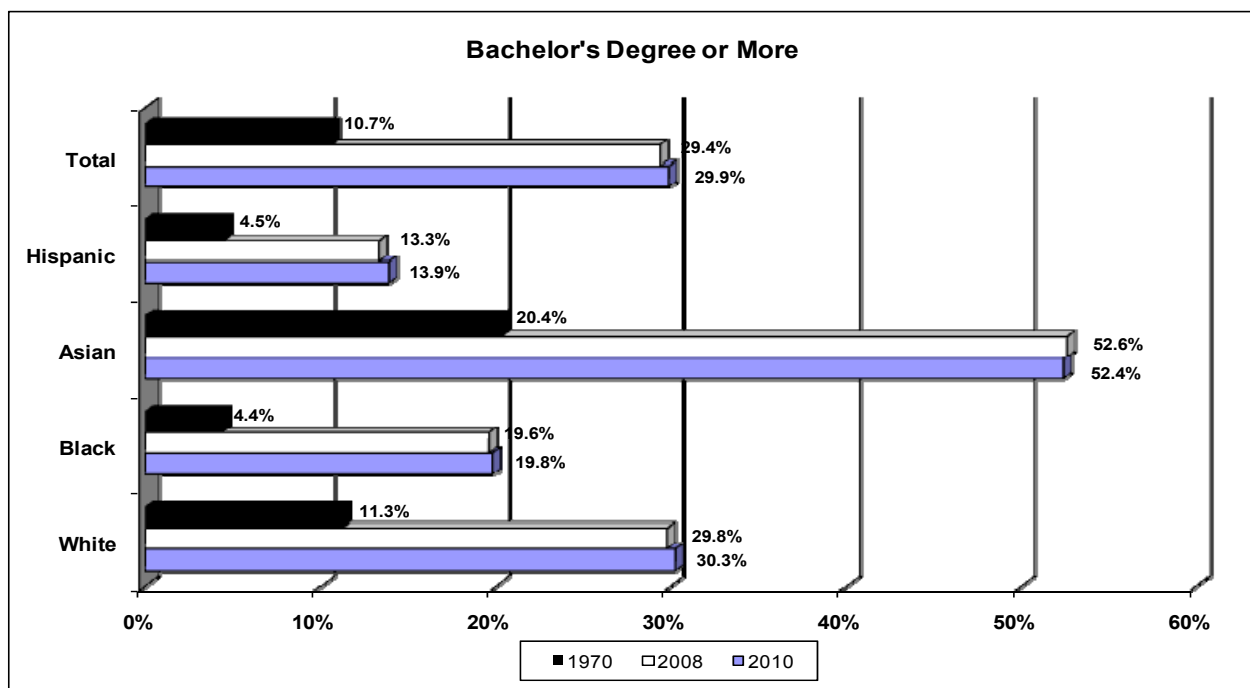
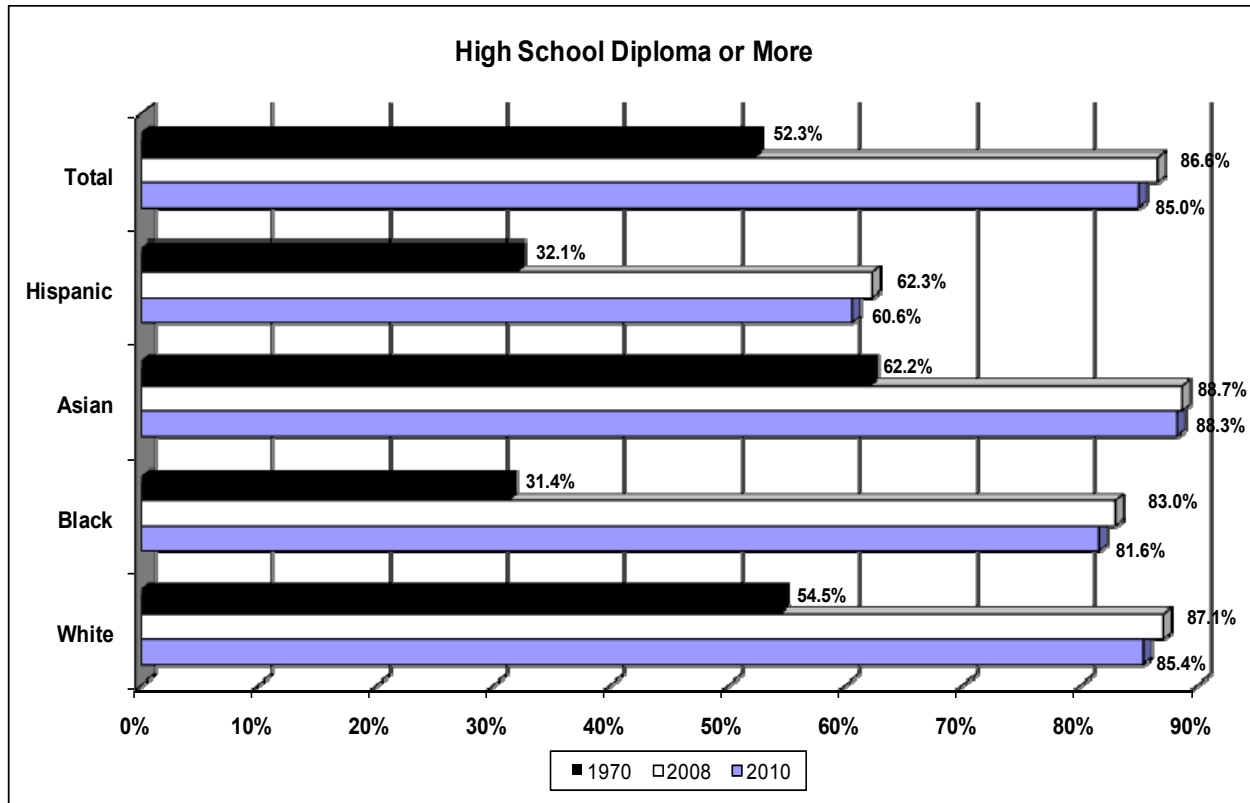
Source: U.S. Census Bureau

More specifically, about 14% of adults have less than a high school diploma, 31% have a high school diploma only, 17% have some college experience, and as mentioned above, 29% have a bachelor’s degree or higher.



Source: U.S. Census Bureau

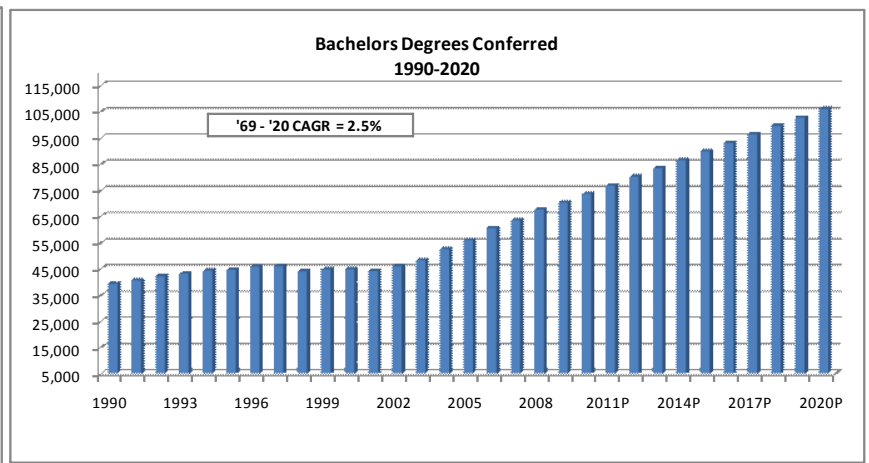
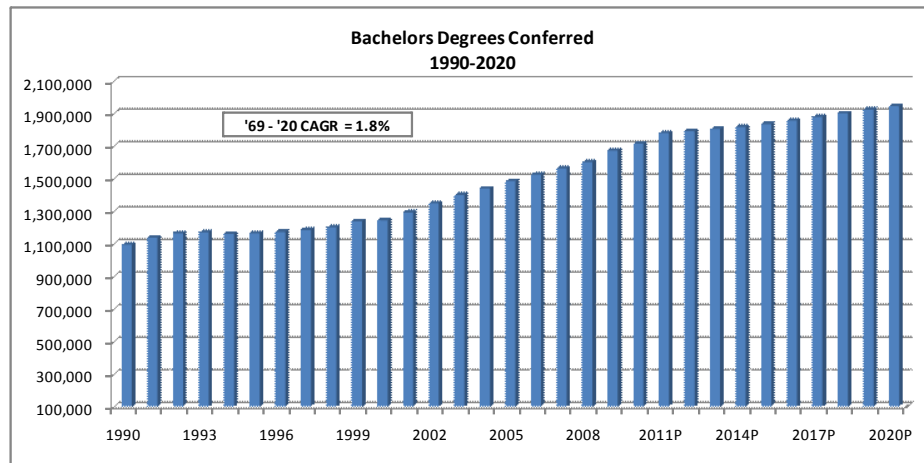
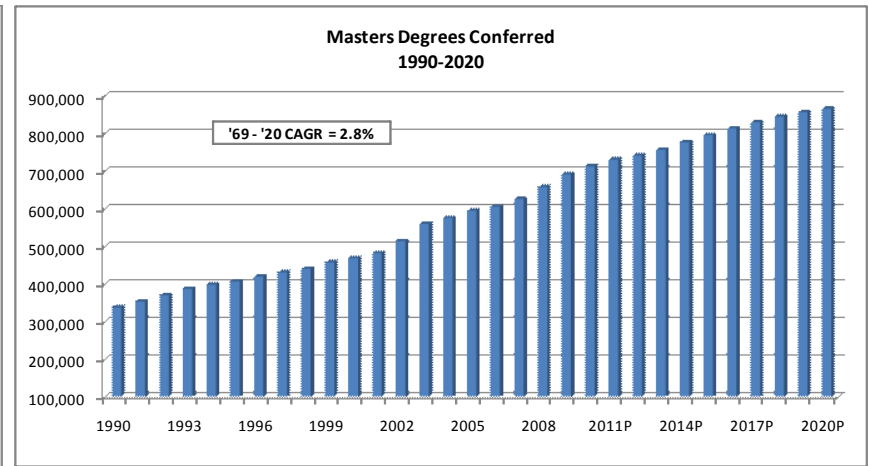
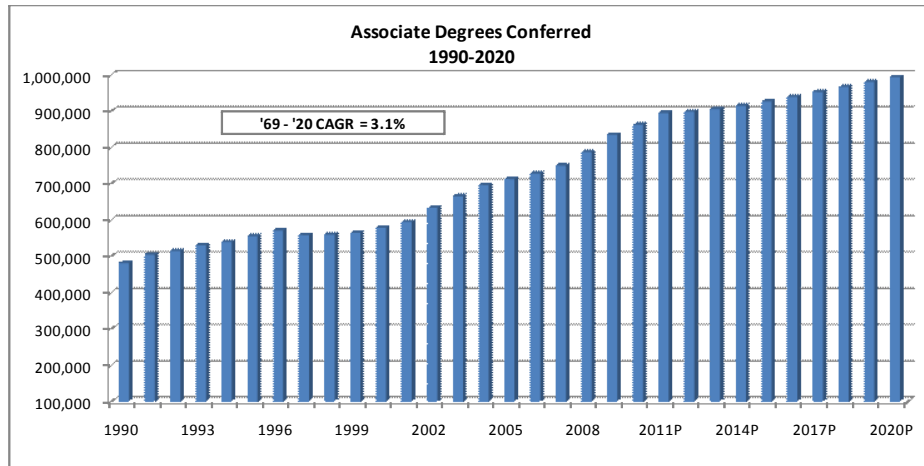
**Educational Attainment: By Ethnicity**



Source for both charts: U.S. Census Bureau

### Earned Degrees: By Type

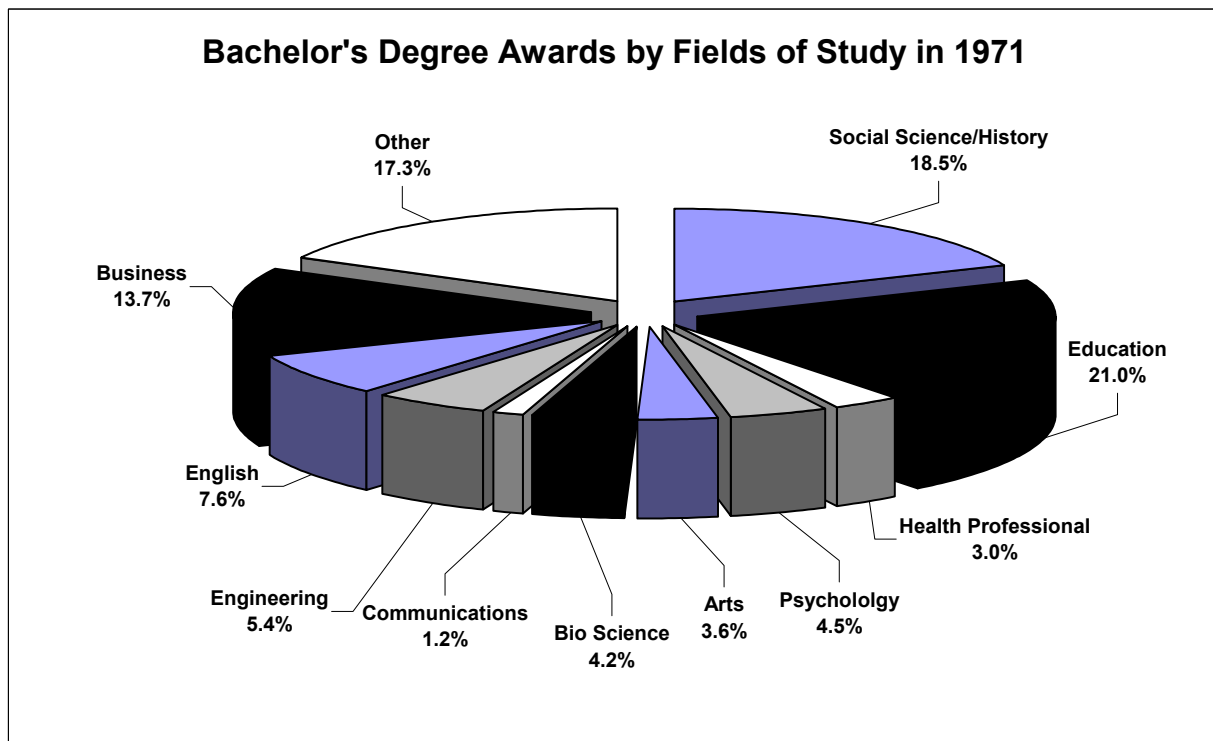
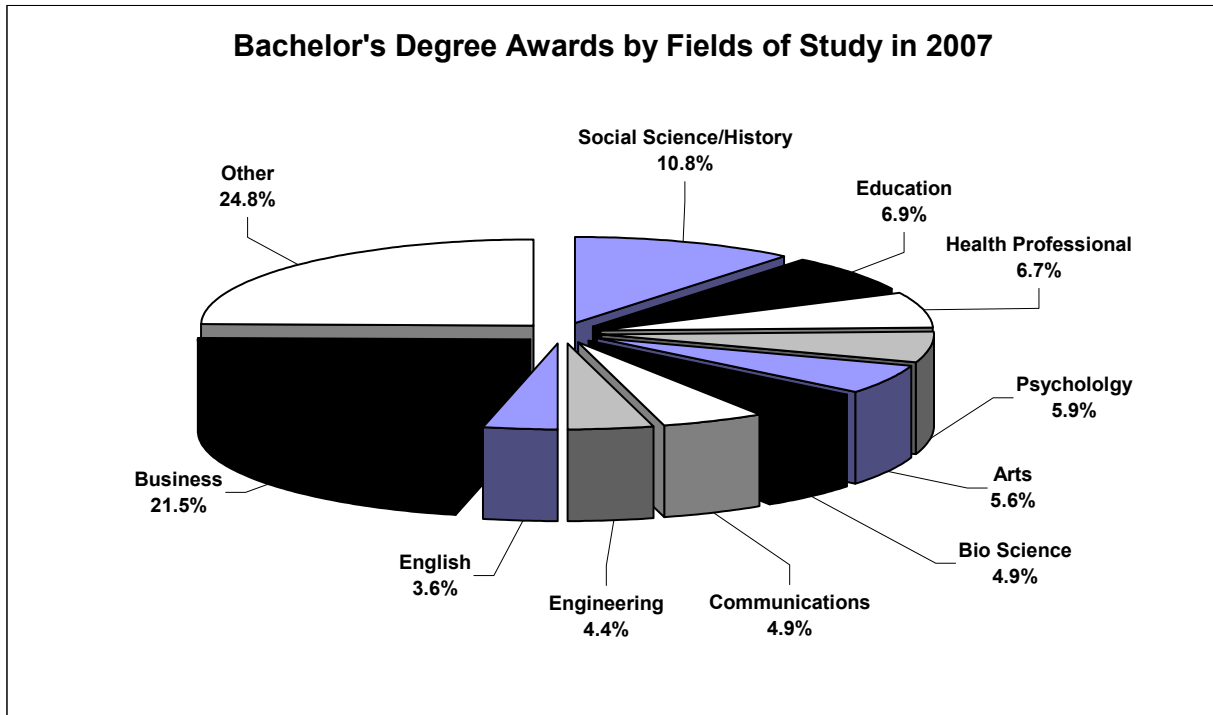
During each of the last four years, the higher education system in the United States has produced, on average, approximately 1.5 million bachelor’s degrees, 740,000 associate degrees, 620,000 master’s degrees, and 62,000 doctoral degrees.



(units are Actual)

Source for charts: U.S. Department of Education—Projection of Education Statistics

**Earned Degrees: By Field**



Source: Postsecondary Education OPPORTUNITY—April 2009



## Degrees Conferred by Field of Study (1970-2008)

### Bachelor's degrees

	1970-71	1975-76	1980-81	1985-86	1990-91	1995-96	2000-01	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	CAGR
Humanities	143,571	150,805	134,214	132,966	172,590	193,668	214,818	246,646	256,151	263,125	267,489	276,510	280,456	1.8%
Social and behavioral sciences	193,511	176,674	141,581	134,468	183,762	199,895	201,681	232,455	242,506	249,619	254,222	259,950	262,771	0.8%
Natural sciences	81,894	91,527	78,017	76,153	70,104	93,090	88,955	92,819	97,867	104,266	111,178	114,980	118,718	1.0%
Computer sciences and engineering	52,570	52,328	90,476	139,459	104,910	102,592	117,117	137,715	133,854	129,090	124,242	122,329	122,630	2.3%
Education	176,307	154,437	108,074	87,147	110,807	105,384	105,458	106,278	105,451	107,238	105,641	102,582	101,708	-1.4%
Business	115,396	143,171	200,521	236,700	249,165	226,623	263,515	307,149	311,574	318,042	327,531	335,254	347,985	2.9%
Other fields	76,481	156,804	182,257	180,930	203,200	243,540	252,627	276,480	291,861	313,862	333,789	351,464	367,100	4.2%
Health professions and related clinical sciences	25,223	53,885	63,665	65,309	59,875	86,087	75,933	73,934	80,685	91,973	101,810	111,478	120,488	4.2%
<b>Total</b>	<b>839,730</b>	<b>925,746</b>	<b>935,140</b>	<b>987,823</b>	<b>1,094,538</b>	<b>1,164,792</b>	<b>1,244,171</b>	<b>1,399,542</b>	<b>1,439,264</b>	<b>1,485,242</b>	<b>1,524,092</b>	<b>1,563,069</b>	<b>1,721,856</b>	<b>1.9%</b>

### Master's degrees

	1970-71	1975-76	1980-81	1985-86	1990-91	1995-96	2000-01	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	CAGR
Humanities	29,457	31,377	28,239	27,572	30,327	34,965	35,661	40,477	42,207	44,018	44,209	46,629	48,022	1.3%
Social and behavioral sciences	22,256	26,120	22,168	20,409	23,582	30,164	30,330	34,008	35,782	37,139	38,702	39,926	42,655	1.7%
Natural sciences	17,150	15,738	13,572	14,034	13,626	16,002	15,213	17,418	18,354	19,333	19,470	20,444	20,767	0.5%
Computer sciences and engineering	18,535	19,403	21,434	30,216	34,774	39,525	44,183	55,340	53,549	50,585	48,394	51,679	56,112	3.0%
Education	87,666	126,061	96,713	74,816	87,352	104,936	127,829	162,345	167,490	174,620	176,572	175,880	178,564	1.9%
Business	26,490	42,592	57,888	66,676	78,255	93,554	115,602	139,347	142,617	146,406	150,211	155,637	168,375	5.0%
Other fields	28,955	50,480	55,725	54,844	69,252	87,155	99,658	110,005	114,619	121,964	127,049	134,828	142,289	4.3%
Health professions and related clinical sciences	5,330	12,164	16,176	18,603	21,354	33,920	43,623	44,939	46,703	51,380	54,531	58,120	62,620	6.7%
<b>Total</b>	<b>230,509</b>	<b>311,771</b>	<b>295,739</b>	<b>288,567</b>	<b>337,168</b>	<b>406,301</b>	<b>468,476</b>	<b>558,940</b>	<b>574,618</b>	<b>594,065</b>	<b>604,607</b>	<b>625,023</b>	<b>656,784</b>	<b>2.8%</b>

### Doctorate degrees

	1970-71	1975-76	1980-81	1985-86	1990-91	1995-96	2000-01	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	CAGR
Humanities	4,410	5,495	4,876	4,701	4,976	6,571	6,738	6,599	6,806	7,015	7,214	7,362	7,736	1.5%
Social and behavioral sciences	5,804	7,314	6,698	6,548	6,944	7,901	9,021	8,638	8,925	8,835	8,997	9,355	9,711	1.4%
Natural sciences	9,118	7,557	7,424	7,615	9,260	10,705	9,861	10,117	10,868	11,557	12,551	13,082	13,540	1.0%
Computer sciences and engineering	3,816	3,118	2,860	3,800	6,006	7,300	6,372	6,890	7,720	8,887	9,718	9,865	9,570	2.4%
Education	6,041	7,202	7,279	6,610	6,189	6,246	6,284	7,088	7,681	7,584	8,261	8,491	9,028	1.1%
Business	774	906	808	923	1,185	1,366	1,180	1,481	1,498	1,711	2,029	2,084	2,123	2.7%
Other fields	2,144	2,472	3,013	3,456	4,734	4,563	5,448	7,565	9,133	10,478	11,846	13,473	16,008	5.4%
Health professions and related clinical sciences	518	617	868	1,139	1,534	1,651	2,242	4,361	5,868	7,128	8,355	9,886	12,112	8.6%
<b>Total</b>	<b>32,107</b>	<b>34,064</b>	<b>32,958</b>	<b>33,653</b>	<b>39,294</b>	<b>44,652</b>	<b>44,904</b>	<b>48,378</b>	<b>52,631</b>	<b>56,067</b>	<b>60,616</b>	<b>63,712</b>	<b>67,716</b>	<b>2.0%</b>

### All degree levels

	1970-71	1975-76	1980-81	1985-86	1990-91	1995-96	2000-01	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	CAGR
Humanities	177,438	187,677	167,329	165,239	207,893	235,204	257,217	293,722	305,164	314,158	318,912	330,501	336,214	1.7%
Social and behavioral sciences	221,571	210,108	170,447	161,425	214,288	237,960	241,032	275,101	287,213	295,593	301,921	309,231	315,137	0.9%
Natural sciences	108,162	114,822	99,013	97,802	92,990	119,797	114,029	120,354	127,089	135,156	143,199	148,506	153,025	0.9%
Computer sciences and engineering	74,921	74,849	114,770	173,475	145,690	149,417	167,672	199,945	195,123	188,562	182,354	183,873	188,312	2.5%
Education	270,014	287,700	212,066	168,573	204,348	216,566	239,571	275,711	280,622	289,442	290,474	286,953	289,300	0.2%
Business	142,660	186,669	259,217	304,299	328,605	321,543	380,297	447,977	455,689	466,159	479,771	492,975	518,483	3.5%
Other fields	107,580	209,756	240,995	239,230	277,186	335,258	357,733	394,050	415,613	446,304	472,684	499,765	525,397	4.3%
Health professions and related clinical sciences	31,071	66,666	80,709	85,051	82,763	121,658	121,798	123,234	133,256	150,481	164,696	179,484	195,220	5.0%
<b>Total</b>	<b>1,102,346</b>	<b>1,271,581</b>	<b>1,263,837</b>	<b>1,310,043</b>	<b>1,471,000</b>	<b>1,615,745</b>	<b>1,757,551</b>	<b>2,006,860</b>	<b>2,066,513</b>	<b>2,135,374</b>	<b>2,189,315</b>	<b>2,251,804</b>	<b>2,446,356</b>	<b>2.1%</b>

Note: Associate's trend was not available

Source: Digest of Education Statistics

## Graduate Degrees and Certificates Awarded by Degree Level and Institution Type

According to the CGS/GRE Survey of Graduate Enrollment and Degrees, institutions responding (83% response rate) awarded almost 590,000 graduate degrees in '09-'10, including over 59,000 doctoral, over 495,000 master's, and almost 31,000 certificates. Public institutions represented the largest share (58%), followed by Private non-profit (34%) and For-profit (8%). Although notably smaller size, the private, for-profit sector grew the most in '09-'10 with 16% growth in doctoral degrees, almost 4% in master's, and 70% in certificates.

### Graduate Degrees and Certificate Awarded by Degree Level, Institution Type, and Carnegie Classification - 2009-2010

Institution Type:	Doctoral Degrees		Carnegie Classification Master's Degrees		Certificates	
	# degrees	% of Total	# degrees	% of Total	# degrees	% of Total
<b>Total</b>	<b>59,472</b>		<b>495,999</b>		<b>30,667</b>	
<i>Public</i>	39,157	65.8%	286,728	57.8%	15,699	51.2%
<i>Private, non-profit</i>	18,473	31.1%	166,294	33.5%	13,341	43.5%
<i>Private, for-profit</i>	1,842	3.1%	42,977	8.7%	1,627	5.3%

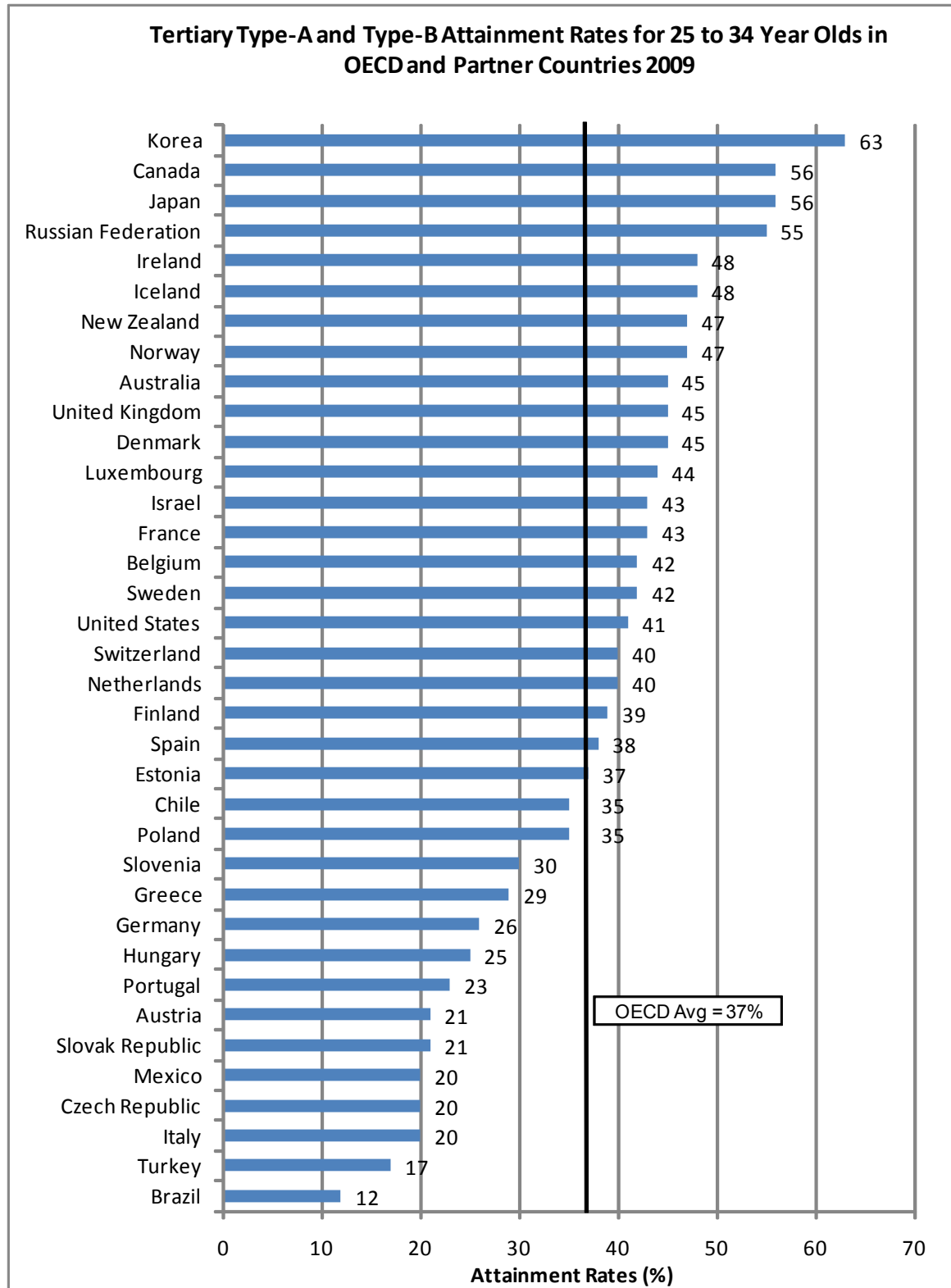
### Graduate Degrees and Certificate Awarded by Degree Level, and Institution Type - 1999-00 to 2009-2010

	% change	Average Annual % Change	Average Annual % Change
	<u>08-'09 to '09-'10</u>	<u>04-'05 to '09-'10</u>	<u>99-'00 to '09-'10</u>
<b>Doctoral Degrees</b>	<b>5.4%</b>	<b>5.0%</b>	<b>4.1%</b>
<i>Public</i>	4.9%	4.8%	4.0%
<i>Private, non-profit</i>	5.5%	4.6%	4.3%
<i>Private, for-profit</i>	15.8%	S	S
<b>Master's Degrees</b>	<b>2.9%</b>	<b>2.9%</b>	<b>4.6%</b>
<i>Public</i>	3.5%	2.2%	3.6%
<i>Private, non-profit</i>	1.5%	2.5%	3.5%
<i>Private, for-profit</i>	3.6%	11.6%	41.2%
<b>Certificates</b>	<b>-0.4%</b>	<b>NA</b>	<b>NA</b>
<i>Public</i>	25.3%	NA	NA
<i>Private, non-profit</i>	-29.0%	NA	NA
<i>Private, for-profit</i>	69.7%	NA	NA

Source for both tables: Council of Graduate Schools, "Graduate Enrollment and Degrees: 2000-2010"; CGS/GRE Survey of Graduate Enrollment and Degrees

**Earned Degrees: By Geography**

**Percentage of Adult Degree Attainment (ages 25-34)**



Source: Education at a Glance 2011 © OECD, 2011, Table A1.3a, page 40, [http://www.oecd-ilibrary.org/education/education-at-a-glance-2009\\_eag-2009-en](http://www.oecd-ilibrary.org/education/education-at-a-glance-2009_eag-2009-en)

## Graduation / Completion Rates

The Educational Policy Institute and Imagine America Foundation performed a study on postsecondary graduation rates analyzing how private, for-profit institutions (career colleges) serve students, as measured by various educational outcomes, including retention (e.g., year-to-year persistence) and degree attainment. Additional analysis examined the success of students with one or more risk factors.

The analysis asserts that career colleges serve a disproportional amount of students who are older, ethnic minorities, low-income, have multiple risk factors and are more challenged to access higher education and succeed in higher education.

The study finds that (1) career colleges do a good job of helping students persist and attain a degree, especially in consideration of the challenges presented by their students; (2) career colleges do a better job than public institutions with students who are less prepared for higher education; and (3) career colleges, therefore, play a critical role in this new era of global competition and the re-engineering of the American workplace.

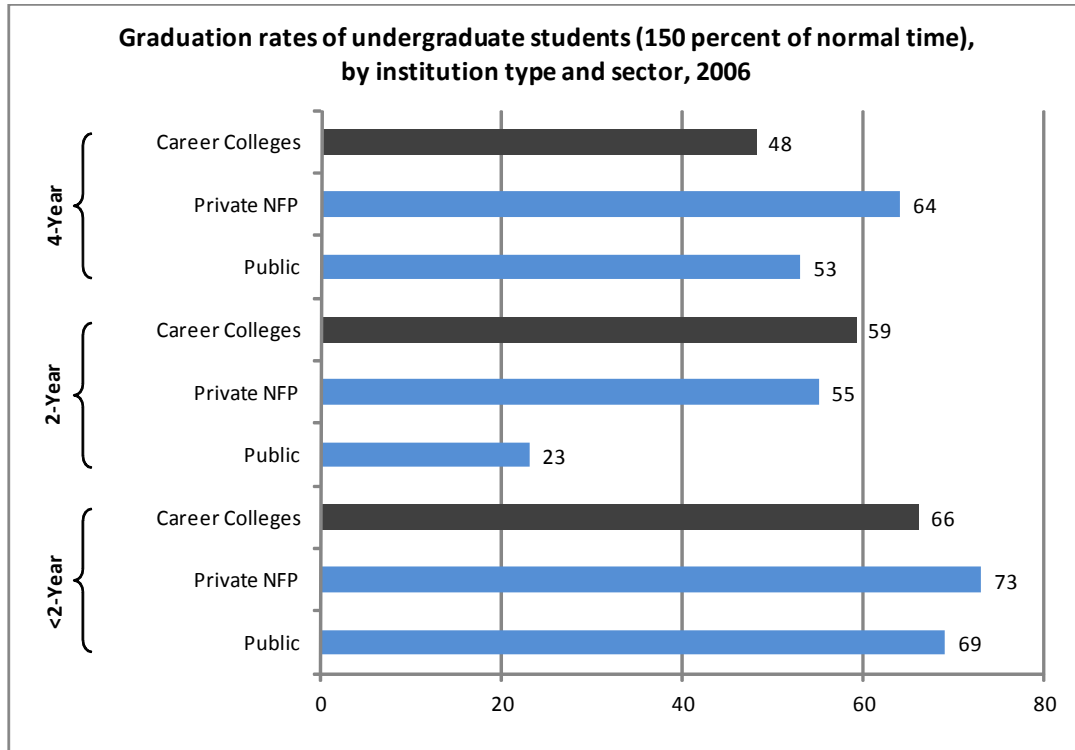
### First-generation and low-income status for beginning postsecondary students, by institution type/sector, 2003

		Low income & first gen	Low income ONLY	First gen ONLY	Not low income & not first gen
<b>Total</b>		<b>25%</b>	<b>6%</b>	<b>38%</b>	<b>32%</b>
4-Year	Public	12	5	33	50
	Private NFP	11	6	28	55
	Career Colleges	44	9	35	12
2-Year	Public	26	6	46	23
	Private NFP	45	8	31	16
	Career Colleges	50	8	33	9
<2-Year	Public	47	5	39	9
	Private NFP	57	15	15	13
	Career Colleges	60	8	26	6

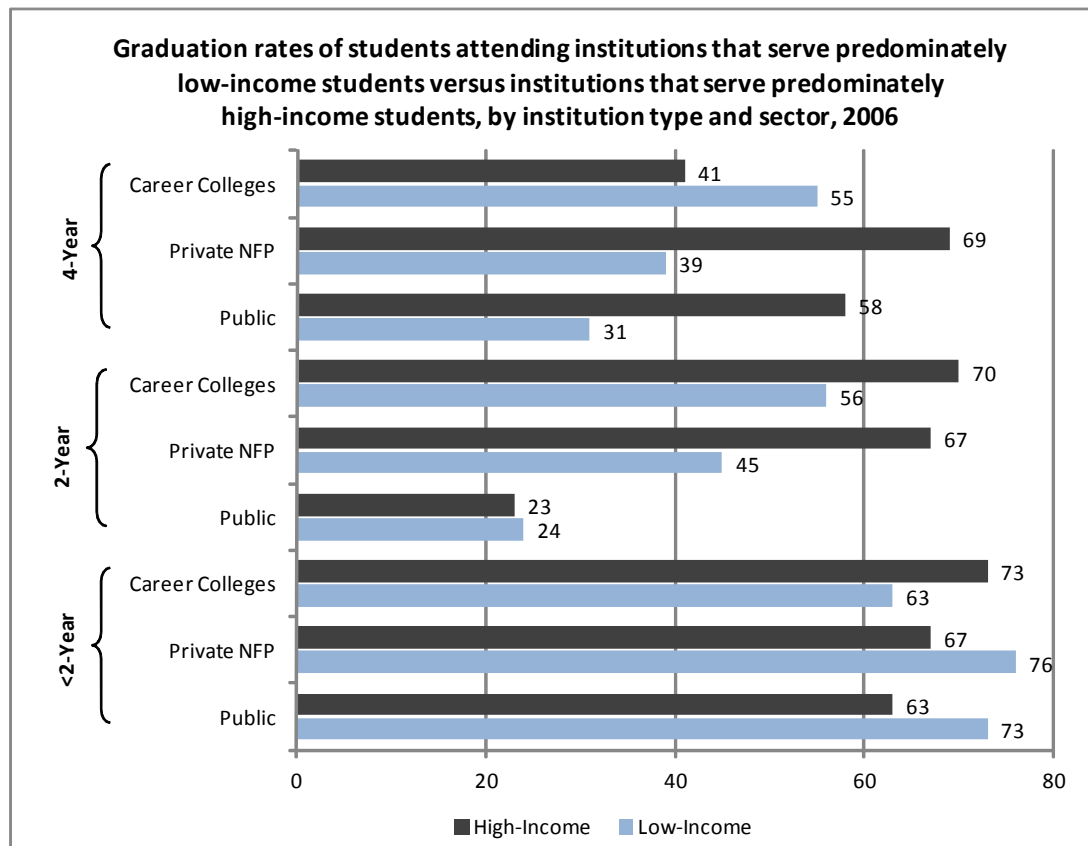
Source: Analysis conducted by Dr. Watson Scott Swail, Education Policy Institute ([www.educationalpolicy.org](http://www.educationalpolicy.org)), U.S. Department of Education, National Center for Education Statistics.

Source for all information: "Graduating At-Risk Students: A Cross-Sector Analysis", Imagine America Foundation and Educational Policy Institute

**Graduation / Completion Rates (continued)**



Source: Analysis conducted by Dr. Watson Scott Swail, Education Policy Institute ([www.educationalpolicy.org](http://www.educationalpolicy.org)), U.S. Department of Education, National Center for Education Statistics.

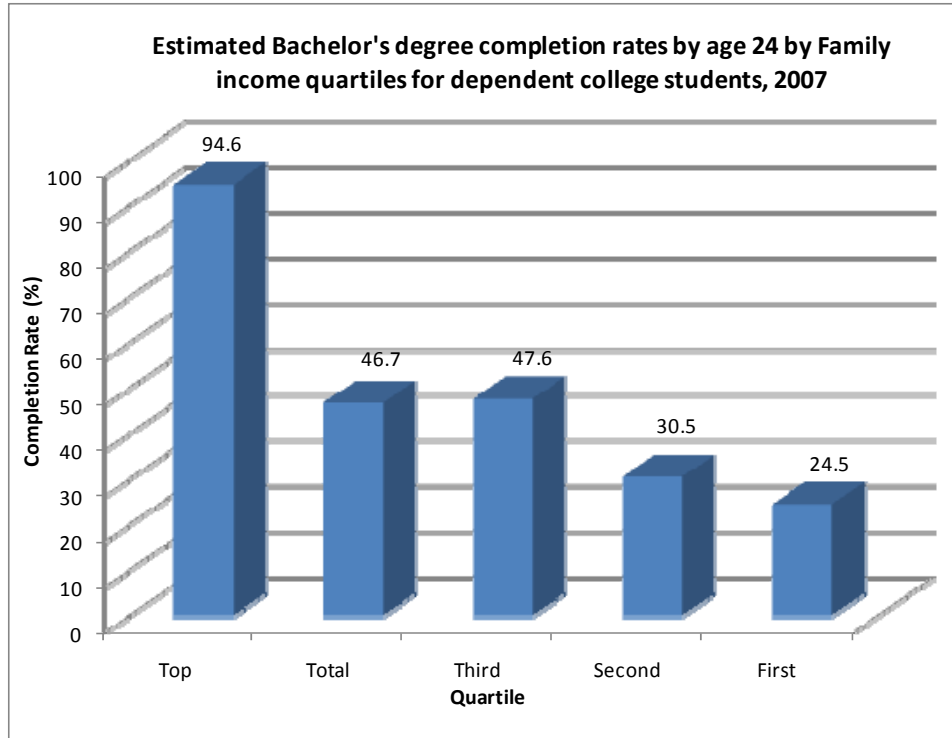


Source: Analysis conducted by Dr. Watson Scott Swail, Education Policy Institute ([www.educationalpolicy.org](http://www.educationalpolicy.org)), U.S. Department of Education, National Center for Education Statistics.

Source for all information: "Graduating At-Risk Students: A Cross-Sector Analysis", Imagine America Foundation and Educational Policy Institute

### Graduation / Completion Rates (continued)

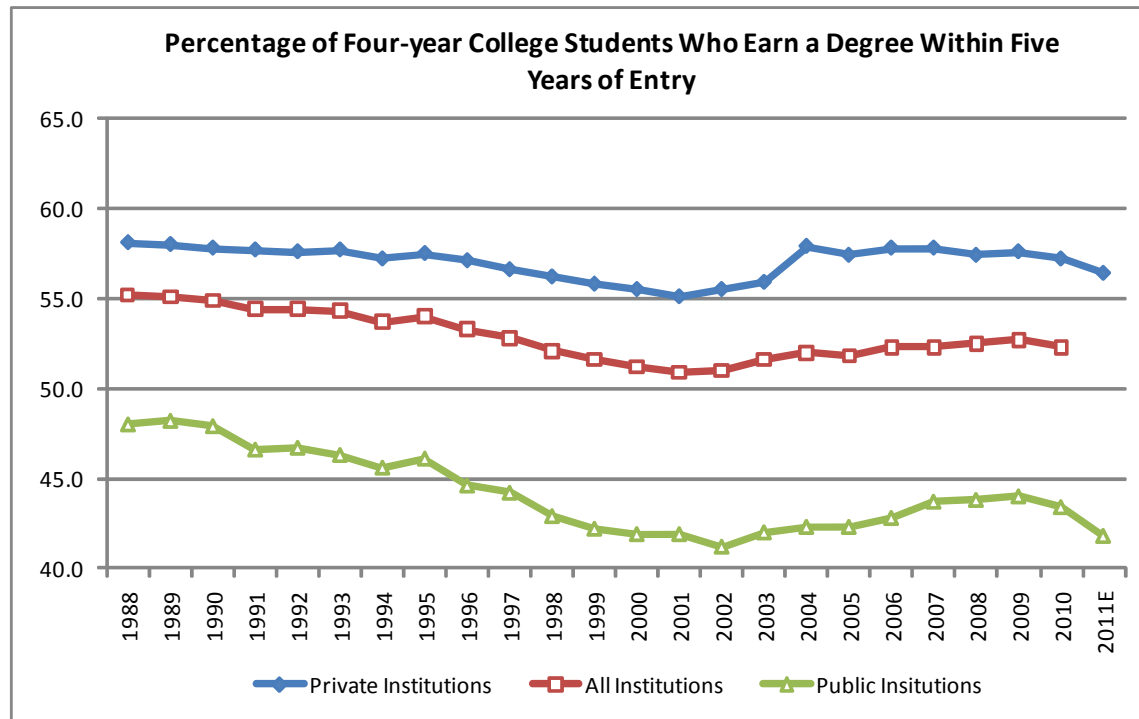
Although the chart below from The Postsecondary Education Opportunity is focused on the traditional/dependent student, it does illustrate a similar trend found in many studies, including the EPI study –students from lower income families have lower completion rates.



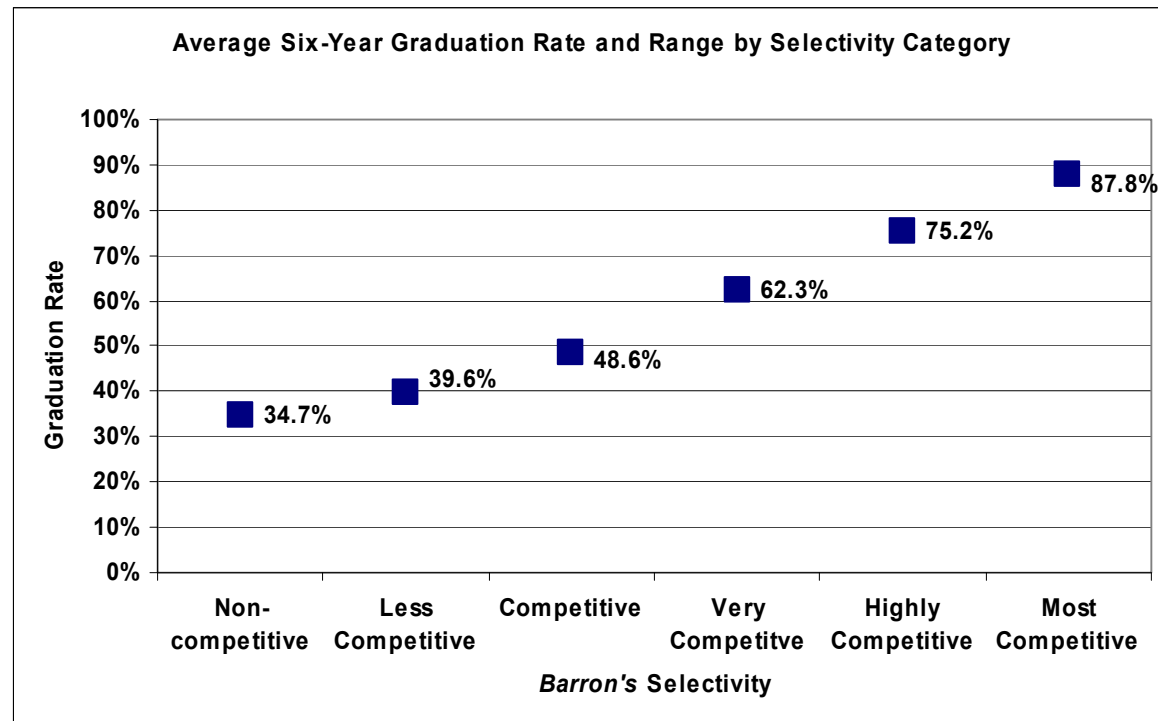
Source: Postsecondary Education OPPORTUNITY—March 2009



**Graduation / Completion Rates (continued)**



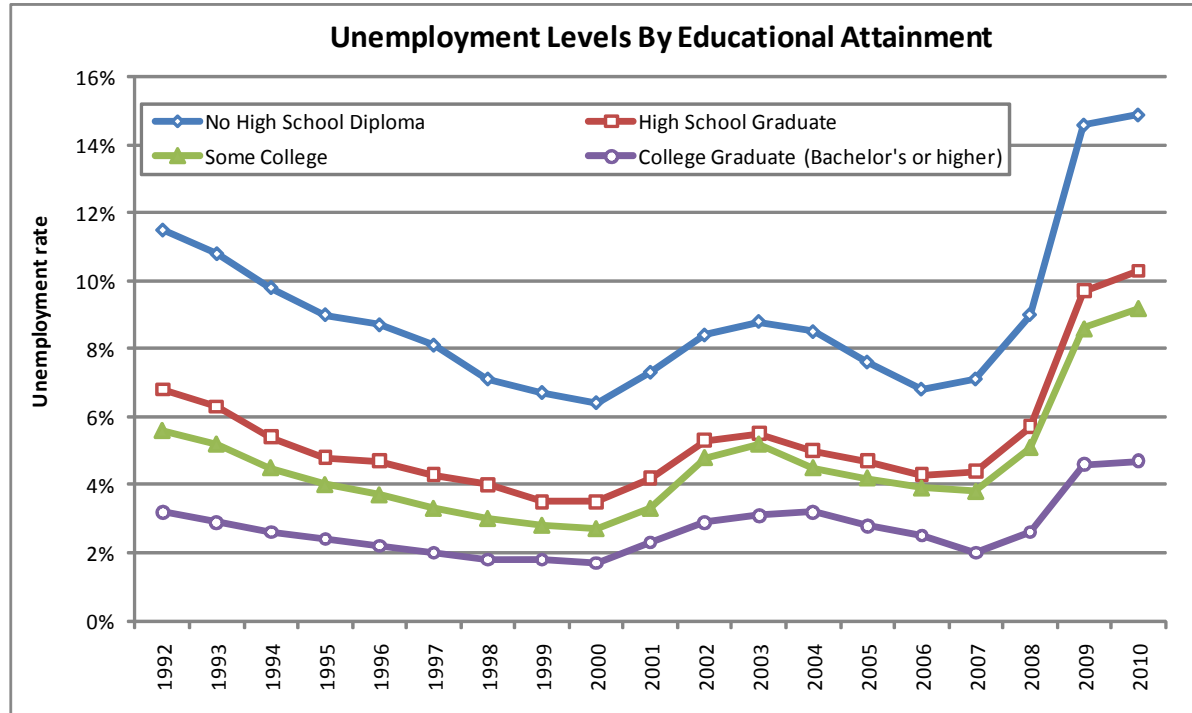
Source: ACT, Inc.: 2010 Retention/Completion Summary Tables; Stifel Nicolaus estimate (2011)



Source: Diplomas and Dropouts - American Enterprise Institute, June 2009

## Unemployment Rates

Unemployment rates segregated by levels of educational attainment support the notion of job security for more highly educated individuals. The unemployment level of college graduates in 2010 was 4.7%, compared to 14.9% for those individuals without a high school diploma.



Source: U.S. Bureau of Labor Statistics

### Employment by Degree

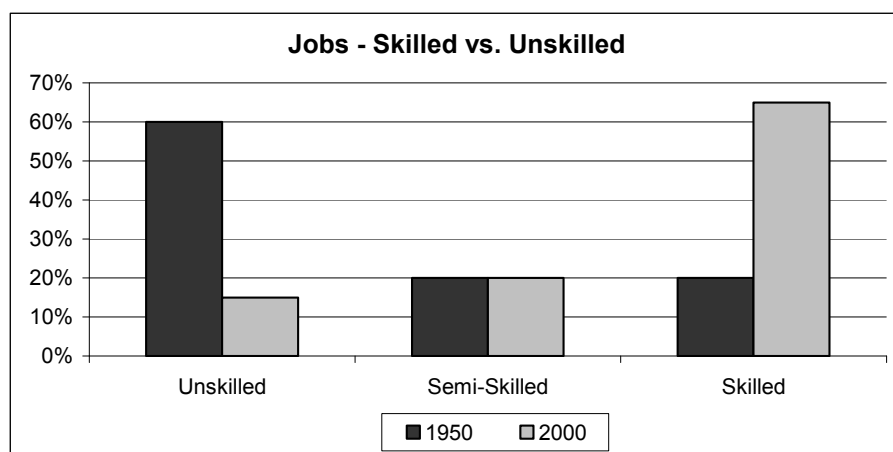
The Bureau of Labor Statistics estimates that in 2008, about 3 in 10 jobs were in occupations that were classified in a category involving some form of postsecondary award or degree. It is projected that occupations in such categories will account for almost half of all new jobs created from 2008 to 2018.

Employment in the associate degree occupation category is projected to grow the fastest (+19.1%) among all education/training categories. Per the Bureau of Labor Statistics, several fast-growing healthcare occupations, such as dental hygienists and physical therapist assistants, will drive a substantial proportion of this change. Occupations in the long-term on-the-job training category are projected to grow the slowest (+7.5%) with many occupations in this category including construction and extraction; installation, maintenance, and repair; or production occupational group.

Most significant source of education or training	Employment				Projected Change, 2008-2018		Projected total job openings due to growth and replacement needs, 2008--18		Median annual wages, May 2008
	Number		Percent Distribution		Numeric	Percent	Numeric	Percent Distribution	
	2008	2018E	2008	2018E					
<b>Total, all occupations</b>	150,931.7	166,205.6	100.0%	100.0%	15,273.9	10.1%	50,928.5	100.0%	\$ 32,390
First professional degree	2,000.9	2,353.6	1.3%	1.4%	352.6	17.6%	745.6	1.5%	\$ 122,550
Doctoral degree	2,085.0	2,430.4	1.4%	1.5%	345.4	16.6%	742.9	1.5%	\$ 61,200
Master's degree	2,531.3	2,995.3	1.7%	1.8%	464.0	18.3%	1,007.9	2.0%	\$ 55,170
Bachelor's or higher degree, plus work experience	6,518.5	7,068.1	4.3%	4.3%	549.6	8.4%	2,106.2	4.1%	\$ 89,720
Bachelor's degree	18,584.4	21,669.2	12.3%	13.0%	3,084.8	16.6%	7,071.8	13.9%	\$ 57,770
Associate degree	6,128.7	7,296.5	4.1%	4.4%	1,167.8	19.1%	2,372.4	4.7%	\$ 54,320
Postsecondary vocational award	8,787.3	9,951.5	5.8%	6.0%	1,164.1	13.2%	2,926.9	5.7%	\$ 32,380
Work experience in a related occupation	14,516.9	15,696.9	9.6%	9.4%	1,180.0	8.1%	4,195.9	8.2%	\$ 45,650
Long-term on-the-job training	10,814.6	11,620.5	7.2%	7.0%	805.8	7.5%	3,081.2	6.1%	\$ 39,630
Moderate-term on-the-job training	24,568.5	26,531.1	16.3%	16.0%	1,962.6	8.0%	7,058.5	13.9%	\$ 30,640
Short-term on-the-job training	54,935.5	58,592.5	36.0%	35.3%	4,197.0	7.7%	19,619.1	38.5%	\$ 21,320

Source: U.S. Bureau of Labor Statistics

Commonly referenced in workforce/labor analysis, unskilled jobs represented 60% of all jobs in 1950, vs. about 20% skilled. Over the last 50+ years, there has been a significant shift to about 15% unskilled and 65% skilled.



Source: U.S. Bureau of Labor Statistics

## Occupational Outlook

The continued transition of the U.S. economy from goods producing to service providing is changing the landscape of the labor force, and thus, a drive for greater workforce productivity and investments in capital goods and intellectual capital is increasing demand/need for education and training.

Employment by Major Occupational Group (units in 000s)						
	2008			2018E		
	Employment	Δ %	% of Total	Employment	Δ %	% of Total
Management, business, & financial	15,747	-	10.4%	17,411	10.6%	10.5%
Professional	31,054	-	20.6%	36,280	16.8%	21.8%
Service	29,576	-	19.6%	33,645	13.8%	20.2%
Sales	15,903	-	10.5%	16,883	6.2%	10.2%
Office & administrative	24,101	-	16.0%	25,943	7.6%	15.6%
Farming, fishing, & forestry	1,035	-	0.7%	1,026	-0.9%	0.6%
Construction	7,810	-	5.2%	8,829	13.0%	5.2%
Installation, maintenance, & repairs	5,798	-	3.8%	6,238	7.6%	3.8%
Production	10,083	-	6.7%	9,734	-3.5%	6.7%
Transportation	9,826	-	6.5%	10,217	4.0%	6.5%
<b>Total</b>	<b>150,933</b>		<b>100%</b>	<b>166,206</b>		<b>101%</b>

Source: U.S. Department of Labor

According to the U.S. Department of Labor, industries with the fastest employment growth are expected to be in the management, scientific, and technical consulting services.

Industries with Fastest Employment Growth (units in 000s)					
Industry	Employment		Variance		Annual Growth
	2008	2018E	#	%	
Management, scientific, and technical consulting services	1,008.9	1,844.1	835.2	82.8%	6.2%
Other educational services	578.9	894.9	316.0	54.6%	4.5%
Individual and family services	1,108.6	1,638.8	530.2	47.8%	4.0%
Home health care services	958.0	1,399.4	441.4	46.1%	3.9%
Specialized design services	143.1	208.7	65.6	45.8%	3.8%
Data processing, hosting, related services, and other information services	395.2	574.1	178.9	45.3%	3.8%
Computer systems design and related services	1,450.3	2,106.7	656.4	45.3%	3.8%
Lessors of nonfinancial tangible assets (except copyright works)	28.2	37.9	9.7	34.4%	3.0%
Offices of health practitioners	3,713.3	4,978.6	1,265.3	34.1%	3.0%
Personal care services	621.6	819.1	197.5	31.8%	2.8%

Source: U.S. Department of Labor

Based on the U.S. Department of Labor's employment projections, careers in nursing, retail, customer service, and food preparation are projected to experience the greatest absolute job growth through 2018.

Occupations With Largest Job Growth (units in 000s)					
Occupation	Employment		Δ		Postsecondary Education/ Training <sup>1</sup>
	2008	2018E	#	%	
Registered nurses	2,619	3,200	581	22.2%	Associate degree
Home health aides	922	1,383	557	50.0%	Short-term on-the-job training
Customer service representatives	2,252	2,652	545	17.8%	Moderate-term on-the-job training
Food preparation/fast food workers	2,702	3,096	394	14.6%	Short-term on-the-job training
Personal and home care aides	817	1,193	404	46.0%	Short-term on-the-job training
Retail salespersons	4,489	4,864	389	8.4%	Short-term on-the-job training
Office clerks, general	3,024	3,383	384	11.9%	Short-term on-the-job training
Accountants and auditors	1,291	1,570	279	21.6%	Bachelor's degree
Nursing aides, orderlies and attendants	1,470	1,746	345	18.8%	Postsecondary vocational award
Postsecondary teachers	1,699	1,956	257	15.1%	Doctoral degree

<sup>1</sup>An occupation is placed into one of 11 categories that best describes the education or training needed by workers to become fully qualified.

Source: U.S. Department of Labor

Occupations with the fastest growth rate include biomedical engineers, technology-oriented careers, and personal care aides. Health captures 8 of the top 10.

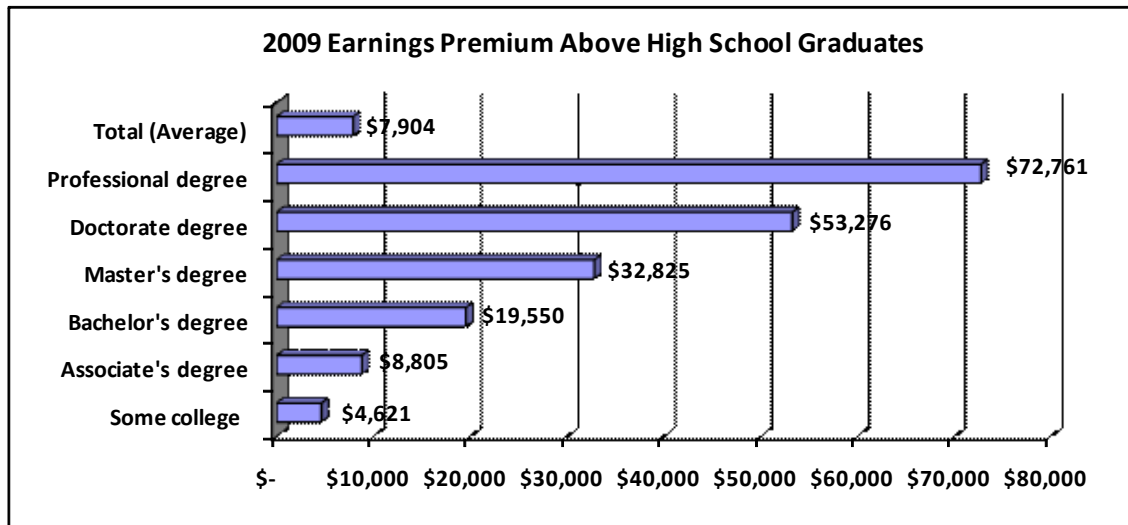
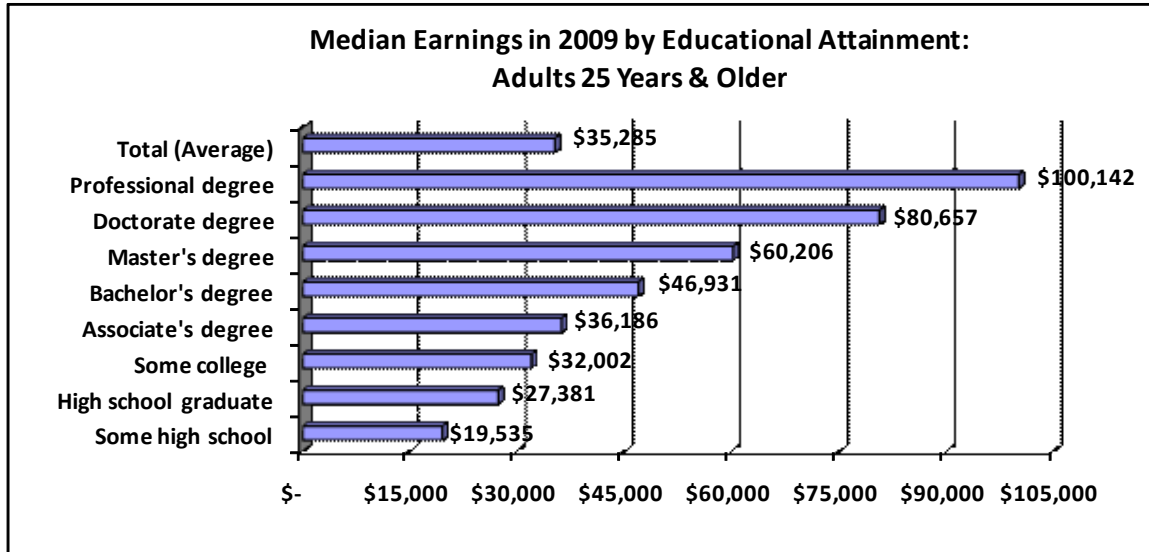
Fastest Growing Occupations (units in 000s)					
Occupations	Employment		Δ		Postsecondary Education/ Training <sup>1</sup>
	2008	2018E	#	%	
Biomedical engineers	16	28	12	72.0%	Bachelor's degree
Network systems/data communications analysts	292	448	156	53.4%	Bachelor's degree
Home health aides	922	1,383	461	50.0%	Short-term on-the-job training
Personal and home care aides	817	1,193	376	46.0%	Short-term on-the-job training
Financial examiners	27	38	11	41.2%	Bachelor's degree
Medical scientists, except epidemiologists	109	154	45	40.4%	Doctoral degree
Physician assistants	75	104	29	39.0%	Master's degree
Skin care specialists	39	54	15	37.9%	Postsecondary vocational award
Biochemists and biophysicists	23	32	9	37.4%	Doctoral degree
Athletic trainers	16	22	6	37.0%	Bachelor's degree

<sup>1</sup>An occupation is placed into one of 11 categories that best describes the education/training needed by workers to become qualified.

Source: U.S. Department of Labor

### Median Earnings

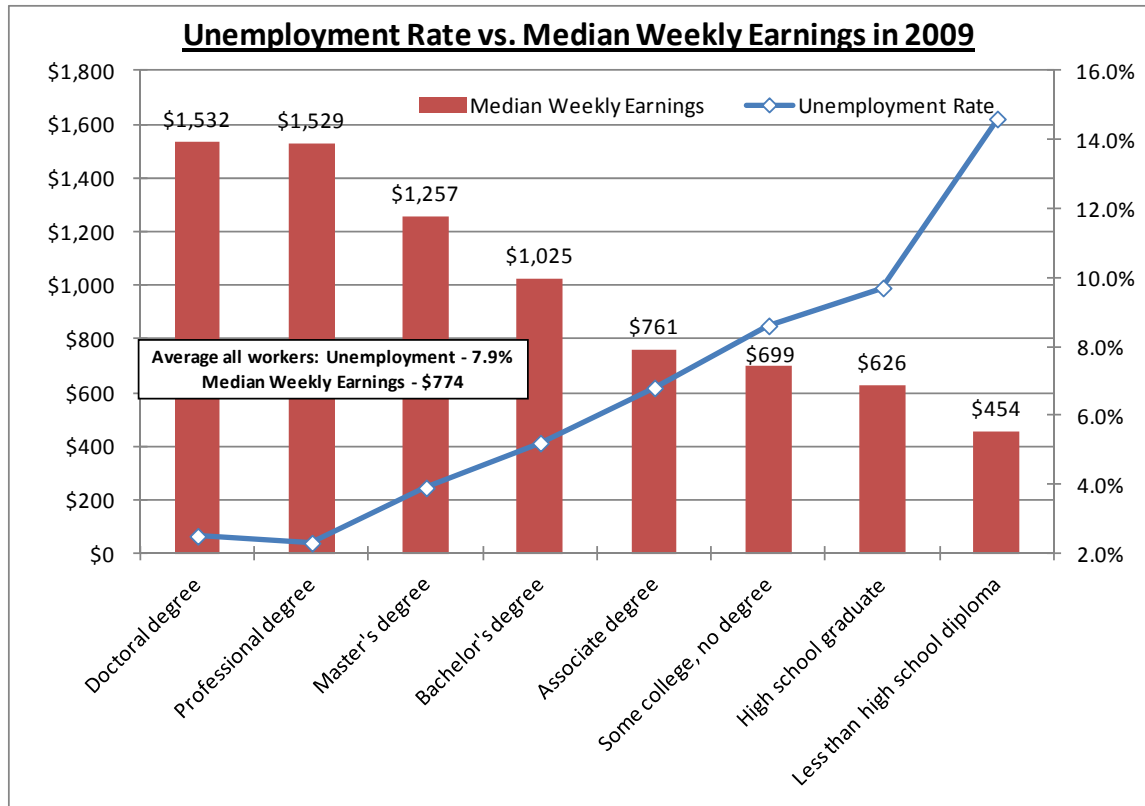
Median earnings by educational attainment demonstrate that those individuals with the most formal education earn more. Individuals with a bachelor’s degree earn 71% more, and associates degree recipients earn about 32% more than those with only a high school diploma.



Source for charts: U.S. Census Bureau



### Median Earnings and Unemployment



Source: U.S. Bureau of Labor Statistics

### Trends in Median Earnings

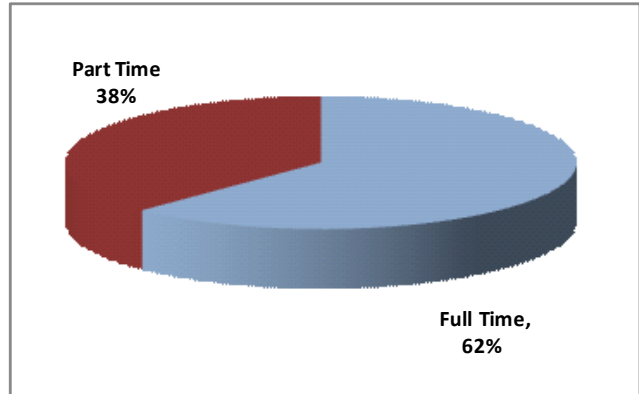
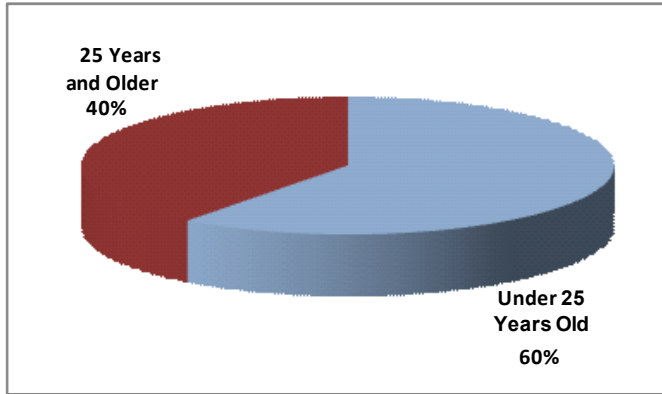
<b>Median earnings in current dollars (weighted average)</b>																
<b>Income: 25 Years and Over / By Educational Attainment: (Median Yearly Earnings)</b>																
<b>Degree</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Some High School, No Degree	\$13,790	\$14,557	\$15,100	\$16,385	\$16,779	\$16,597	\$17,710	\$18,617	\$19,031	\$18,775	\$18,970	\$20,618	\$20,722	\$21,391	\$20,354	\$19,726
High School Grad	\$19,444	\$20,352	\$21,122	\$21,864	\$22,674	\$23,733	\$24,951	\$25,287	\$25,646	\$26,455	\$26,820	\$27,185	\$27,930	\$29,243	\$28,762	\$28,003
Some College, No Degree	\$21,782	\$23,494	\$24,582	\$25,476	\$26,627	\$27,815	\$28,901	\$29,564	\$30,313	\$30,564	\$31,498	\$32,219	\$33,320	\$33,775	\$33,615	\$33,762
Associate Degree	\$25,262	\$25,738	\$26,947	\$27,458	\$29,669	\$29,869	\$31,723	\$32,392	\$32,625	\$33,125	\$33,565	\$35,467	\$35,223	\$37,351	\$37,335	\$36,944
Bachelor's Degree	\$32,888	\$33,376	\$33,802	\$35,301	\$38,288	\$39,548	\$41,746	\$42,631	\$43,285	\$43,755	\$44,094	\$44,727	\$47,086	\$48,971	\$50,469	\$48,504
Master's Degree	\$39,952	\$41,630	\$42,942	\$44,389	\$45,508	\$49,548	\$50,898	\$51,898	\$51,854	\$52,480	\$55,163	\$56,339	\$57,689	\$60,022	\$60,987	\$61,042
Doctoral Degree	\$52,764	\$51,788	\$56,218	\$60,164	\$57,776	\$64,389	\$65,332	\$67,898	\$70,968	\$70,433	\$70,559	\$70,786	\$81,150	\$78,787	\$84,160	\$82,927
Professional Degree	\$55,966	\$58,807	\$64,240	\$63,716	\$70,348	\$73,450	\$74,498	\$74,724	\$83,691	\$85,565	\$85,679	\$87,752	\$87,723	\$87,997	\$85,736	\$98,025
Associate premium over H.S.	30%	26%	28%	26%	31%	26%	27%	28%	27%	25%	25%	30%	26%	28%	30%	32%
Bachelor premium over H.S.	69%	64%	60%	61%	69%	67%	67%	69%	69%	65%	64%	65%	69%	67%	75%	73%
Masters premium over H.S.	105%	105%	103%	103%	101%	109%	104%	105%	102%	98%	106%	107%	107%	105%	112%	118%

<b>Median earnings in 2009 dollars (weighted average)</b>																
<b>Income: 25 Years and Over / By Educational Attainment: (Median Yearly Earnings)</b>																
<b>Degree</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Some High School, No Degree	\$19,735	\$20,344	\$20,556	\$21,833	\$22,050	\$21,365	\$22,059	\$22,555	\$22,690	\$21,897	\$21,541	\$22,654	\$22,045	\$22,128	\$20,276	\$19,726
High School Grad	\$27,827	\$28,442	\$28,753	\$29,134	\$29,797	\$30,551	\$31,077	\$30,637	\$30,577	\$30,853	\$30,455	\$29,868	\$29,712	\$30,252	\$28,652	\$28,003
Some College, No Degree	\$31,173	\$32,834	\$33,464	\$33,947	\$34,992	\$35,807	\$35,998	\$35,819	\$36,142	\$35,645	\$35,767	\$35,400	\$35,447	\$34,939	\$33,488	\$33,762
Associate Degree	\$36,154	\$35,970	\$36,682	\$36,587	\$38,989	\$38,450	\$39,512	\$39,244	\$38,899	\$38,631	\$38,114	\$38,968	\$37,471	\$38,638	\$37,193	\$36,944
Bachelor's Degree	\$47,068	\$46,644	\$46,014	\$47,038	\$50,316	\$50,910	\$51,996	\$51,649	\$51,608	\$51,028	\$50,071	\$49,142	\$50,091	\$50,659	\$50,278	\$48,504
Master's Degree	\$57,178	\$58,178	\$58,457	\$59,148	\$59,804	\$63,783	\$63,397	\$62,876	\$61,824	\$61,203	\$62,640	\$61,901	\$61,371	\$62,092	\$60,756	\$61,042
Doctoral Degree	\$75,514	\$72,375	\$76,529	\$80,168	\$75,926	\$82,887	\$81,375	\$82,261	\$84,613	\$82,141	\$80,123	\$77,774	\$86,329	\$81,503	\$83,841	\$82,927
Professional Degree	\$80,097	\$82,184	\$87,449	\$84,901	\$92,447	\$94,552	\$92,791	\$90,531	-	-	-	-	-	-	-	\$98,025
Associate premium over H.S.	30%	26%	28%	26%	31%	26%	27%	28%	27%	25%	25%	30%	26%	28%	30%	32%
Bachelor premium over H.S.	69%	64%	60%	61%	69%	67%	67%	69%	69%	65%	64%	65%	69%	67%	75%	73%
Masters premium over H.S.	105%	105%	103%	103%	101%	109%	104%	105%	102%	98%	106%	107%	107%	105%	112%	118%

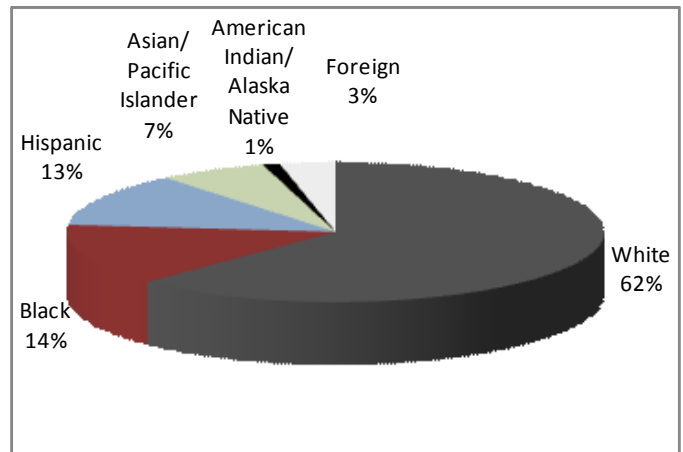
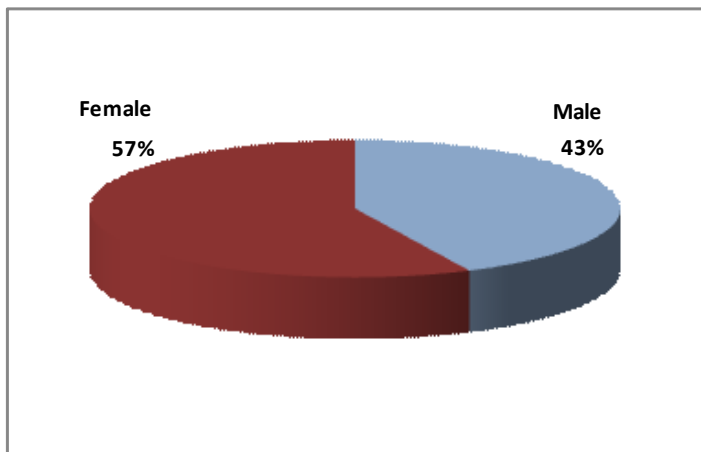
Source for charts: U.S. Census Bureau

### Student Demographics

As of Fall 2009, 60% of students were under 25 years old and 40% were 25 years and older; 38% were part-time and 62% were full-time students. Between 2009 and 2020 the U.S. Department of Education estimates enrollment will increase 9% for students 18-24 years old and 19% for students 25 years and older. Students 35 years and older are projected to increase 16% over the same period.

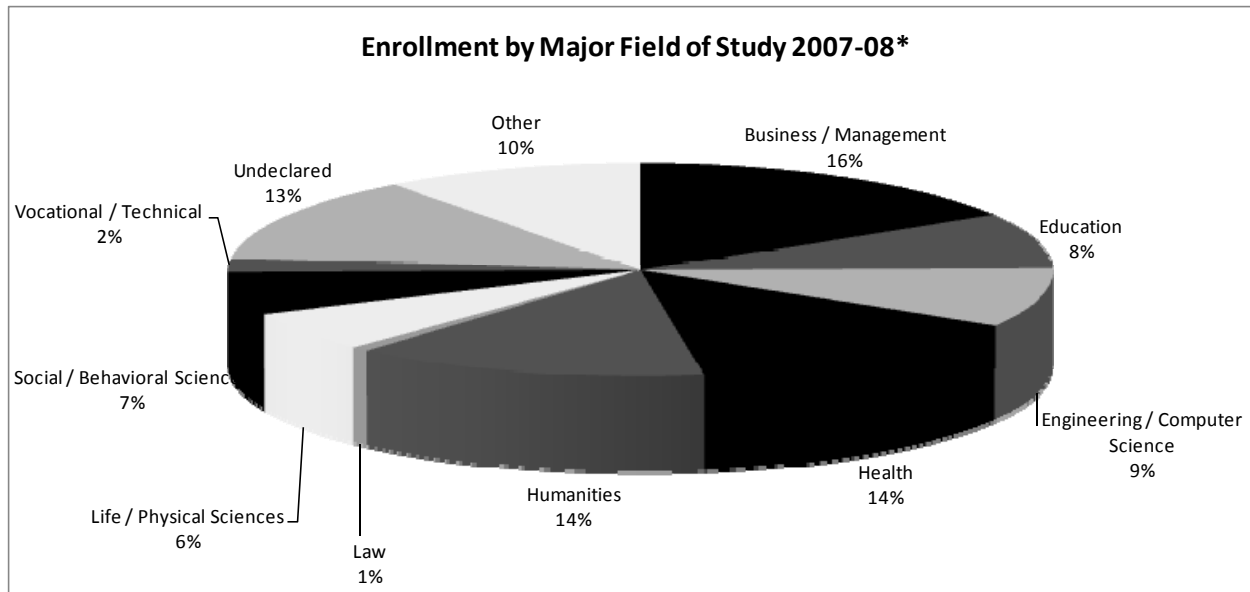


Females comprised approximately 57% of Fall 2009 enrollment. About 62% of students were Caucasian; 14% African American; 13% Hispanic; 7% Asian; 3% Foreign; and 1% American Indian.



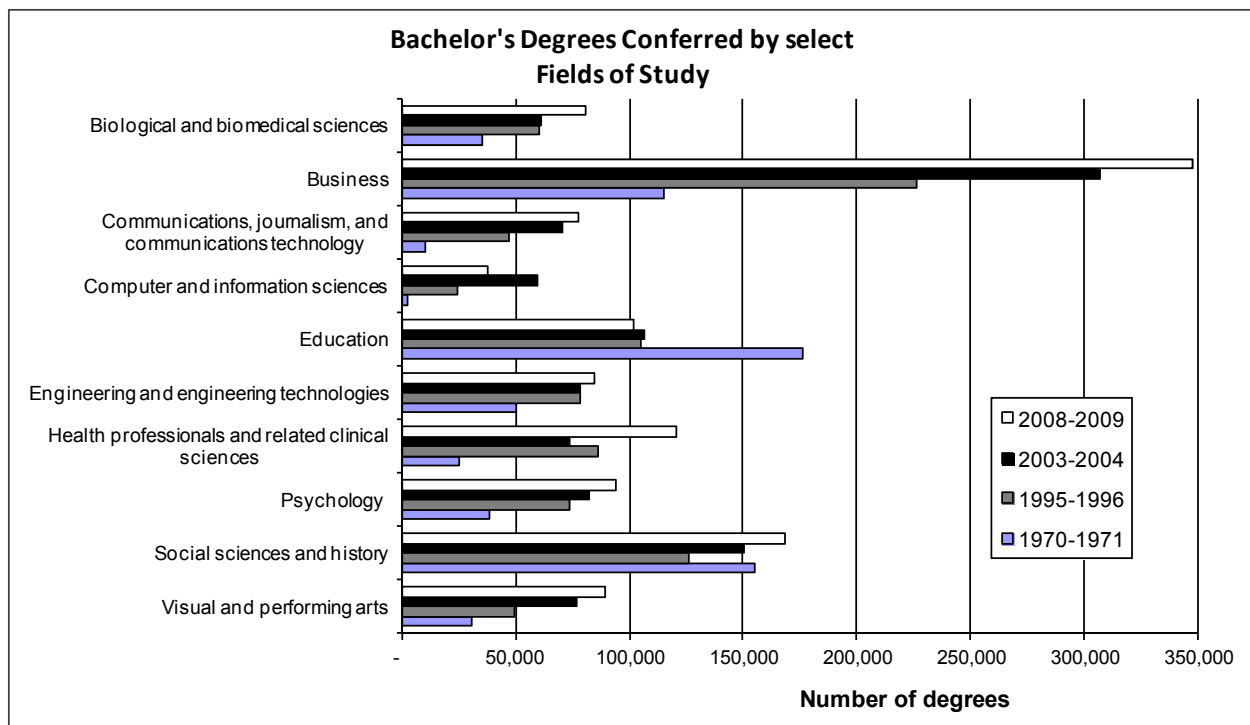
Source for charts: National Center for Education Statistics

By program discipline, Business/Management is the largest market, followed by Health and Humanities, which in total comprise approximately 45% of all enrollments.



\* Enrollment data as of 2007-2008. Undergraduate Law and Graduate Vocational/Technical data did not meet reporting standards.

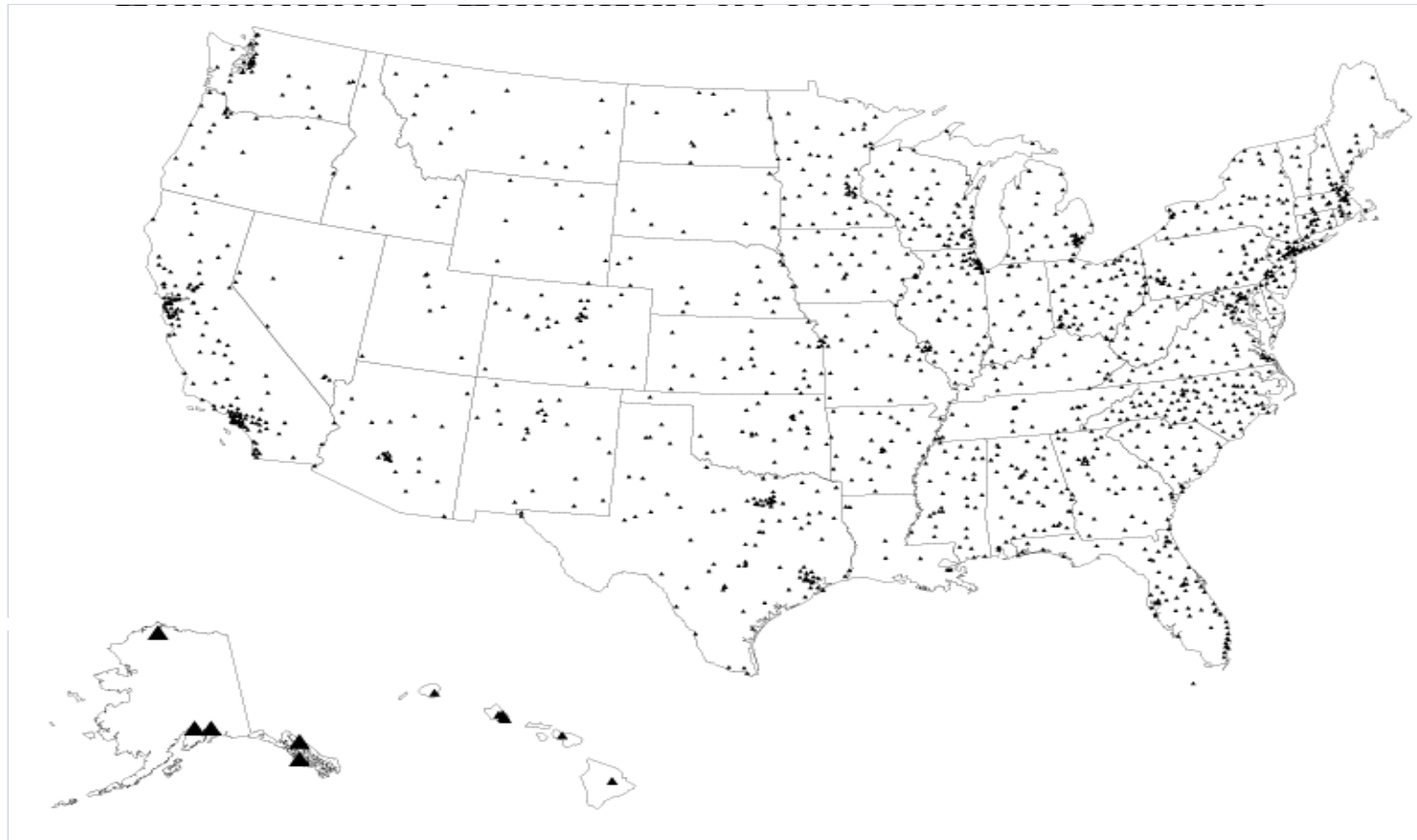
Source: U.S. Department of Education: NCES - Digest of Education Statistics



Source: U.S. Department of Education: NCES - Digest of Education Statistics

### Community Colleges

During the early part of the 20th century, global economic competition, increasing numbers of public high schools, and growing demand for a more skilled workforce led to significant growth in community colleges. Community colleges became a national network in the 1960s with the opening of more than 400 public community colleges — baby boomers coming of age, coupled with a robust economy and social activism helped fuel the growth. Today, approximately 1,200 public and independent community colleges, and an additional 400 branch campuses, educate more than half (almost 12 million students) of the nation’s undergraduate students.



	<u>1901-1910</u>	<u>1911-1920</u>	<u>1921-1930</u>	<u>1931-1940</u>	<u>1941-1950</u>	<u>1951-1960</u>	<u>1961-1970</u>	<u>1971-1980</u>	<u>1981-1990</u>	<u>1991-2010</u>
<b>New</b>	25	49	106	58	92	82	497	149	48	61
<b>Total</b>	25	74	180	238	330	412	909	1,058	1,106	1,167

Note: Units are Actual

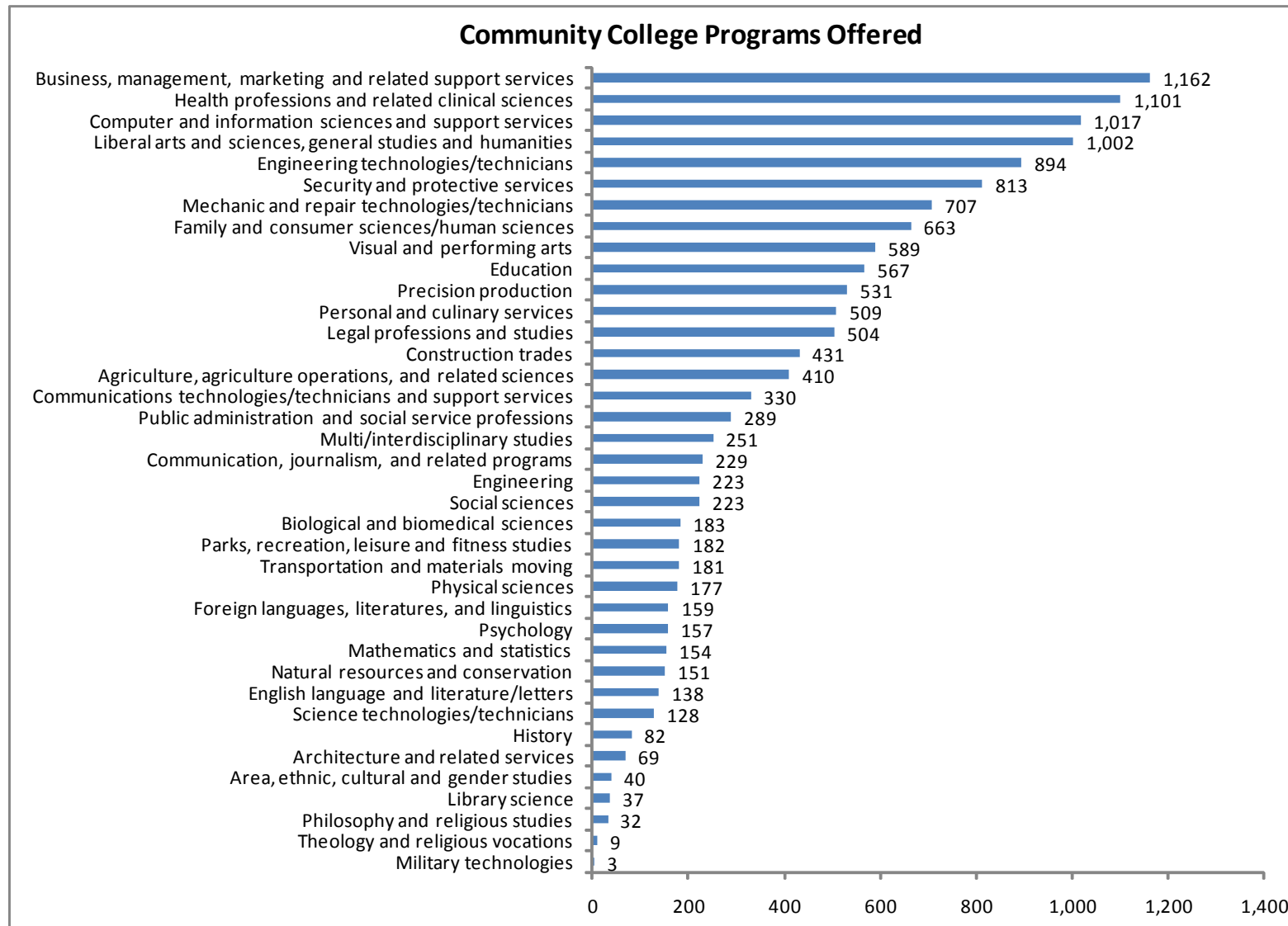
Source: American Association of Community Colleges [www.aacc.nche.edu](http://www.aacc.nche.edu)

## Community College Facts — January 2011

<b>Number and type of colleges</b>		<b>Employment status</b>	
Total	1,167	Full-time students employed full-time	21%
Public	993	Full-time students employed part-time	59%
Independent	143	Part-time students employed full-time	40%
Tribal	31	Part-time students employed part-time	47%
<b>Enrollment</b>		<b>% of federal aid received by community colleges</b>	
Total	12.4 million	Pell Grants	31%
Credit	7.4 million	Campus-based aid	10%
Noncredit	5 million	Academic competitiveness grants	15%
Enrolled full-time	40%	<b>Average annual tuition and fees</b>	
Enrolled part-time	60%	Community colleges (public)	\$2,713
<b>Demographics</b>		4-year colleges (public)	\$7,605
Average Age	28	<b>Revenue sources</b>	
Median Age	23	State funds	36%
21 or younger	39%	Tuition and fees	16%
22-39	45%	Local funds	19%
40 or older	15%	Federal funds	14%
Women	58%	Other	15%
Men	42%	<b>% of students applying for/receiving financial aid</b>	
Minorities	45%	<i>Applied</i>	
Black	13%	Any aid	59%
Hispanic	16%	Federal aid	42%
Asian/Pacific Islander	6%	<i>Received</i>	
Native American	1%	Any aid	46%
First generation to attend college	42%	Federal grants	21%
Single Parents	13%	Federal loans	10%
Non- U.S. citizens	6%	State aid	13%
Veterans	3%	Institutional aid	11%
Students with disabilities	12%	<b>Degrees and certificates awarded annually</b>	
<b>On-Campus housing</b>		Associate degrees	609,016
Available at 254 public and 62 independent colleges		Certificates	323,649
<b>Community college students constitute the following percentages of undergraduates</b>		Baccalaureates	awarded by 48 public and 82 independent colleges
All U.S. undergraduates	44%	<b>Five most popular community college programs (Jan 2009)</b>	
First-time freshman	43%	Health Care	
Native American	55%	Workforce Training	
Asian/Pacific Islander	45%	International Programs	
Black	44%	Homeland Security	
Hispanic	52%	Online Education	

Source: American Association of Community Colleges — January 2011

**Community College — Programs Offered**



Source: American Association of Community Colleges and National Center for Education Statistics: IPEDS Enrollment

**Top 25 2-year Institutions by Enrollment**

<b>Institution</b>	<b>State</b>	<b>Total enrollment Fall 2009</b>
Miami Dade Community College	FL	59,120
Houston Community College System	TX	54,942
Northern Virginia Community College	VA	46,619
Lone Star College System	TX	46,504
Tarrant County College District	TX	44,355
College of Southern Nevada	NV	42,108
Austin Community College District	TX	40,248
Valencia Community College	FL	39,008
Riverside Community College	CA	36,586
Pima Community College	AZ	35,880
East Los Angeles College	CA	35,717
American River College	CA	35,413
Salt Lake Community College	UT	34,966
City College of San Francisco	CA	32,950
Santa Monica College	CA	32,313
Santa Ana College	CA	31,073
Tidewater Community College	VA	30,447
Portland Community College	OR	30,161
Mount San Antonio College	CA	29,935
Cuyahoga Community College District	OH	29,807
Saint Petersburg College	FL	29,282
Columbus State Community College	OH	28,539
El Paso Community College	NM	28,168
Oakland Community College	MI	28,042
Central New Mexico Community College	NM	27,999

Source: U.S. Department of Education



**Community Colleges: Share of State Higher-Education Enrollment**

Rank by Share	State	Public 2-Year FTE Enrollment, Fall 2005	2-Year Publics' Share of all Enrollments
1	Wyoming	11,914	47.3%
2	California	756,014	46.4%
3	Washington	120,908	46.1%
4	Mississippi	53,618	41.9%
5	New Mexico	36,232	39.9%
6	New Jersey	100,103	35.4%
7	Texas	314,319	35.3%
8	Illinois	202,067	33.2%
9	North Carolina	120,991	32.6%
10	Oregon	47,788	32.0%
11	Kansas	44,234	31.3%
12	Maryland	68,582	31.0%
13	Iowa	54,279	30.6%
14	South Carolina	50,418	30.3%
15	Georgia	93,177	27.8%
16	Arkansas	30,820	27.6%
17	Kentucky	50,916	27.4%
18	Alabama	54,149	26.8%
19	Michigan	123,231	26.8%
20	Hawaii	13,324	26.8%
21	Minnesota	73,317	26.4%
22	Nebraska	24,784	26.2%
23	Virginia	84,570	25.7%
24	Florida	161,069	25.4%
25	Wisconsin	65,178	25.3%
26	Oklahoma	40,640	25.1%

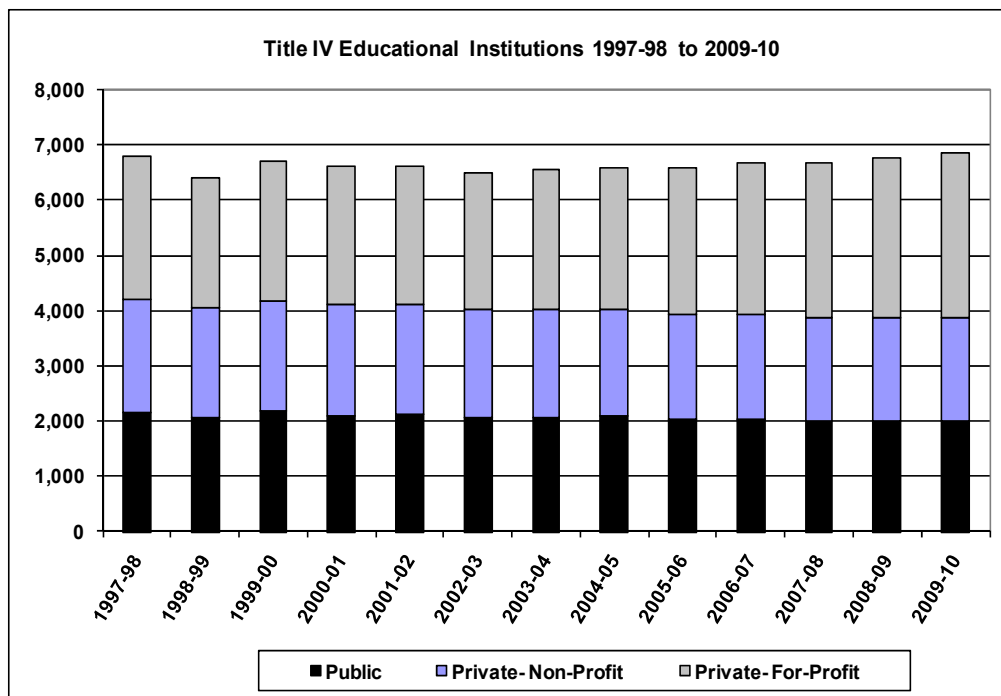
Rank by Share	State	Public 2-Year FTE Enrollment, Fall 2005	2-Year Publics' Share of all Enrollments
27	Arizona	101,330	24.1%
28	Ohio	107,524	22.0%
29	Tennessee	49,705	21.3%
30	New York	193,460	20.6%
31	Delaware	8,175	20.5%
32	Connecticut	26,403	19.7%
33	Missouri	55,186	19.6%
34	Colorado	44,001	19.6%
35	North Dakota	6,785	16.2%
36	Maine	8,062	16.1%
37	Montana	6,228	15.5%
38	Massachusetts	51,788	14.5%
39	West Virginia	11,934	14.3%
40	Louisiana	23,174	14.0%
41	Rhode Island	9,215	13.7%
42	Utah	20,574	13.5%
43	Pennsylvania	75,863	13.3%
44	New Hampshire	7,348	13.2%
45	Idaho	7,863	12.6%
46	South Dakota	4,873	12.5%
47	Indiana	34,737	11.9%
48	Nevada	8,065	10.7%
49	Vermont	2,490	7.6%
	Alaska		N/A
	<b>United States</b>		<b>27.7%</b>

Source: The Nelson A. Rockefeller Institute of Government, *The States and Their Community Colleges*—May 2008

### Postsecondary Institutions — By Type

From 1997–98 through 2009–10, the number of postsecondary institutions has increased from 6,808 to 6,883 schools. While the number of public and private not-for-profit schools has declined, the number of private for-profit schools has grown from 2,584 to 3,006.

<b>Title IV Educational Institutions 1997–1998 to 2009–2010 (units are Actual)</b>				
	<u>Public</u>	<u>Private- Non-Profit</u>	<u>Private- For-Profit</u>	<u>Total</u>
<b>1997-98</b>	2,172	2,052	2,584	6,808
<b>1998-99</b>	2,090	1,986	2,355	6,431
<b>1999-00</b>	2,187	2,001	2,528	6,716
<b>2000-01</b>	2,117	1,996	2,523	6,636
<b>2001-02</b>	2,129	1,990	2,496	6,615
<b>2002-03</b>	2,080	1,969	2,459	6,508
<b>2003-04</b>	2,076	1,962	2,530	6,568
<b>2004-05</b>	2,121	1,915	2,567	6,603
<b>2005-06</b>	2,036	1,911	2,660	6,607
<b>2006-07</b>	2,034	1,901	2,765	6,700
<b>2007-08</b>	2,028	1,864	2,788	6,680
<b>2008-09</b>	2,022	1,861	2,884	6,767
<b>2009-10</b>	2,015	1,862	3,006	6,883

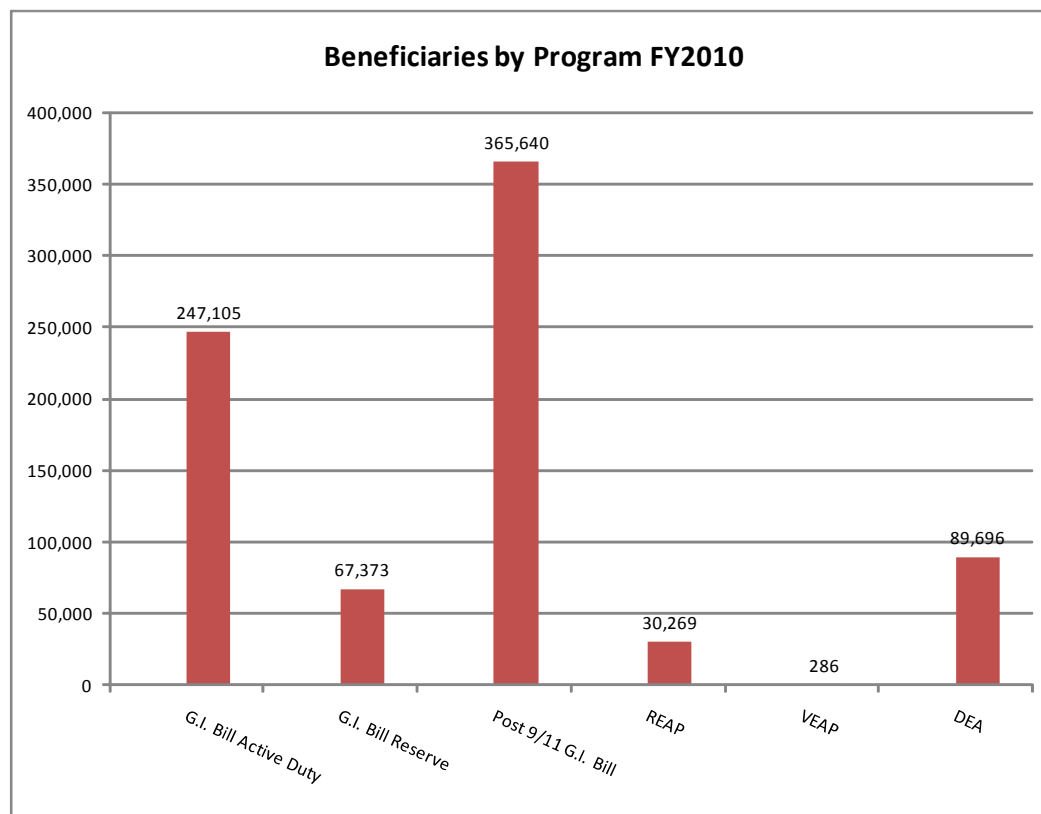


Source for table and chart: U.S. Department of Education

### Military: G.I. Bill

As of 2010, over 800,000 military personnel utilized military education assistance, or almost 4% of the market as the number of beneficiaries grew almost 42% vs. the 6-year CAGR of 8.5%.

According to a U.S. Department of Veteran Affairs study, 19% of students utilizing the G.I. Bill are attending for-profit institutions, which was over three times the 6% of all college students choosing for-profit institutions (at the time of study). For-profit institutions and community colleges combine for almost 60% of the G.I. Bill Students.



	2004	2005	2006	2007	2008	2009	2010	CAGR
G.I. Bill Active Duty	332,031	336,347	332,184	343,751	354,284	341,969	247,105	-4.80%
G.I. Bill Reserve	88,650	87,161	66,105	60,298	62,390	63,469	67,373	-4.47%
Post 9/11 G.I. Bill	-	-	-	-	-	34,393	365,640	N/A
REAP	-	-	23,747	41,388	44,014	42,881	30,269	6.25%
VEAP	796	723	627	568	560	448	286	-15.68%
DEA	<u>68,920</u>	<u>74,267</u>	<u>75,460</u>	<u>77,339</u>	<u>80,191</u>	<u>81,327</u>	<u>89,696</u>	<u>4.49%</u>
<b>Total</b>	<b>490,397</b>	<b>498,498</b>	<b>498,123</b>	<b>523,344</b>	<b>541,439</b>	<b>564,487</b>	<b>800,369</b>	<b>8.51%</b>

Source for above charts: U.S. Department of Veteran Affairs 2010

Where Students used G.I. Bill Benefits	% of G.I. Bill Students
Community College	38%
Four-year public institution	36%
For-profit institution	19%
Private institution	6%
Undetermined	1%

Note: based on the Top 500 institutions serving G.I. Bill students in fiscal 2007. The top 500 represent 84% of the 343,751 veterans using G.I. Bill benefits.

Source: U.S. Department of Veteran Affairs 2007

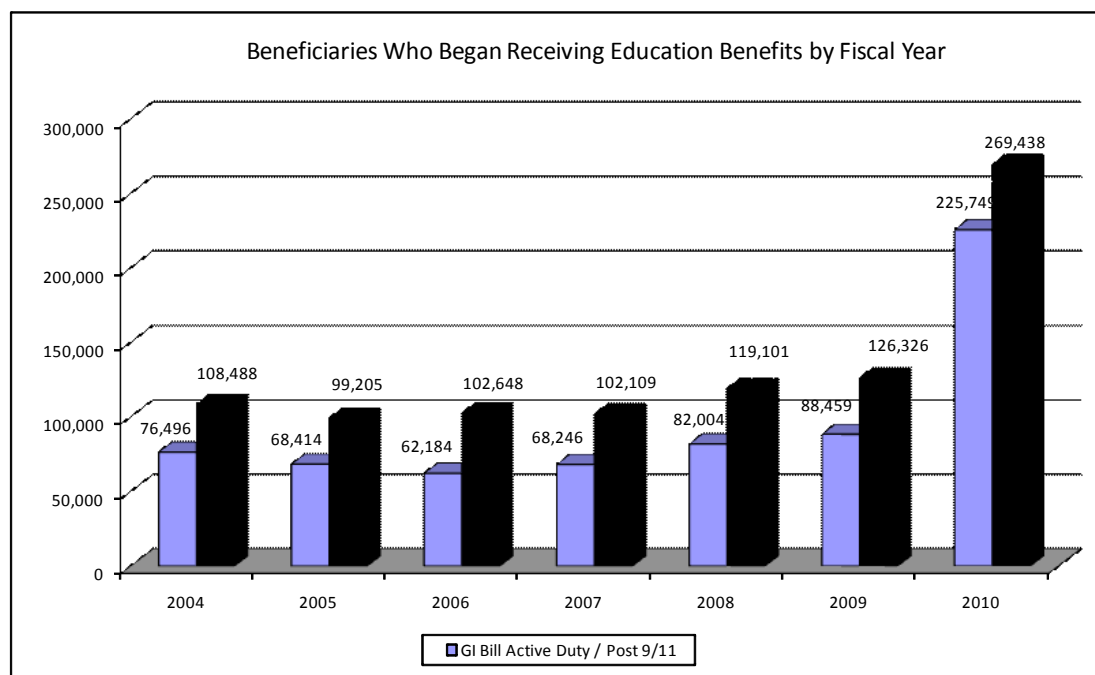
**Military: G.I. Bill (continued)**

**New Education Beneficiaries by Training Type and Program, FY 2010**

Education Program	College		Under-Grad	Vocational / Technical	Program Totals	% of all Programs
	Non-Degree	Graduate				
G.I. Bill Active Duty	165	205	2,819	660	3,849	1.4%
G.I. Bill Reserve	528	1,062	27,389	451	29,430	10.9%
Post 9/11 G.I. Bill	81,437	24,853	110,506	5,104	221,900	82.4%
REAP	237	477	12,310	203	13,227	4.9%
DEA	86	55	699	189	1,029	0.4%
VEAP	0	0	3	0	3	0.0%
<b>Type Training Totals</b>	<b>82,453</b>	<b>26,652</b>	<b>153,726</b>	<b>6,607</b>	<b>269,438</b>	<b>100.0%</b>
<b>Percent of Program Totals</b>	<b>30.6%</b>	<b>9.9%</b>	<b>57.1%</b>	<b>2.5%</b>		

**Beneficiaries Receiving Education Benefits During FY2010**

Program	New Beneficiaries	% of Total	Total Beneficiaries	% of Total	Total Payments
G.I. Bill Active Duty	3,849	1.4%	247,105	30.9%	\$1,876,059,774
G.I. Bill Reserve	29,430	10.9%	67,373	8.4%	\$176,389,065
Post 9/11 G.I. Bill	221,900	82.4%	365,640	45.7%	\$5,102,066,395
REAP	13,227	4.9%	30,269	3.8%	\$127,908,940
DEA	1,029	0.4%	89,696	11.2%	\$680,137,293
VEAP	3	0.0%	286	0.0%	\$350,015
<b>Total</b>	<b>269,438</b>	<b>100.0%</b>	<b>800,369</b>	<b>100.0%</b>	<b>\$7,962,911,482</b>

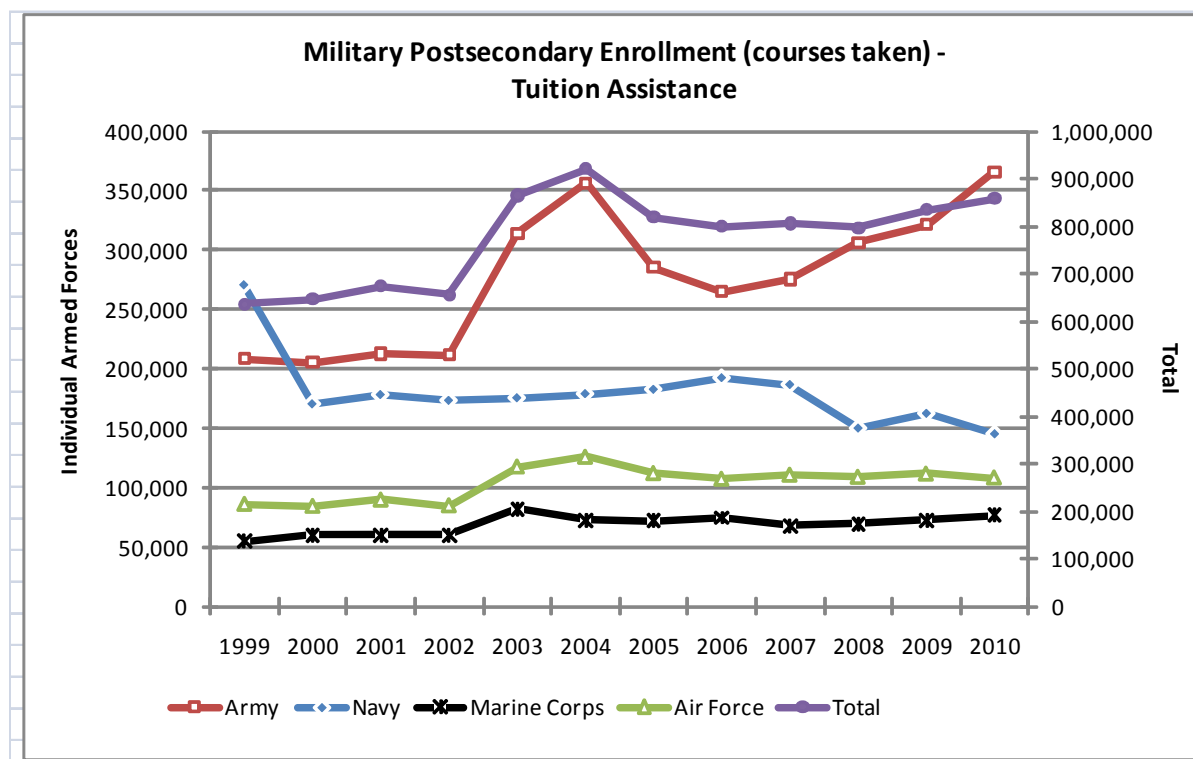


Source for tables and chart: Veterans Benefits Administration, Annual Benefits Report

### Military: Tuition Assistance (TA)

Postsecondary courses taken have increased about 3% (CAGR) per year since 1999, consisting of 5% growth in the Army, 3% growth in the Marine Corp, 2% growth in the Air Force, and a 5.5% decline in the Navy. In FY10, 322,759 service members participated in the tuition assistance program vs. 376,759 in 2009.

		1999	2002	2003	2004	2007	2008	2009	2010
Army	Undergrad	184,329	185,009	283,904	319,451	247,450	276,007	297,639	332,946
	Graduate	24,211	26,520	30,162	37,018	27,721	30,008	23,855	32,757
	<b>Total</b>	<b>208,540</b>	<b>211,529</b>	<b>314,066</b>	<b>356,469</b>	<b>275,171</b>	<b>306,015</b>	<b>321,494</b>	<b>365,703</b>
Navy	Undergrad	145,088	160,767	163,164	165,545	170,728	134,479	146,581	130,362
	Graduate	124,844	12,112	11,859	12,907	15,472	15,087	15,390	14,324
	<b>Total</b>	<b>269,932</b>	<b>172,879</b>	<b>175,023</b>	<b>178,452</b>	<b>186,200</b>	<b>149,566</b>	<b>161,971</b>	<b>144,686</b>
Marine Corps	Undergrad	50,533	56,011	76,908	67,503	63,278	64,621	67,533	72,107
	Graduate	4,185	3,941	4,688	4,860	4,456	4,511	4,878	4,720
	<b>Total</b>	<b>54,718</b>	<b>59,952</b>	<b>81,596</b>	<b>72,363</b>	<b>67,734</b>	<b>69,132</b>	<b>72,411</b>	<b>76,827</b>
Air Force	Undergrad	184,333	181,129	254,409	269,545	230,207	224,981	224,407	219,904
	Graduate	30,322	30,584	39,305	44,648	46,103	46,833	54,309	50,666
	<b>Total</b>	<b>214,655</b>	<b>211,713</b>	<b>293,714</b>	<b>314,193</b>	<b>276,310</b>	<b>271,814</b>	<b>278,716</b>	<b>270,570</b>
Dept of Defense Total	Undergrad	564,283	582,916	778,385	822,044	711,663	700,088	736,160	755,319
	Graduate	71,202	73,157	86,014	99,433	93,752	96,439	98,432	102,467
	<b>Total</b>	<b>635,485</b>	<b>656,073</b>	<b>864,399</b>	<b>921,477</b>	<b>805,415</b>	<b>796,527</b>	<b>834,592</b>	<b>857,786</b>

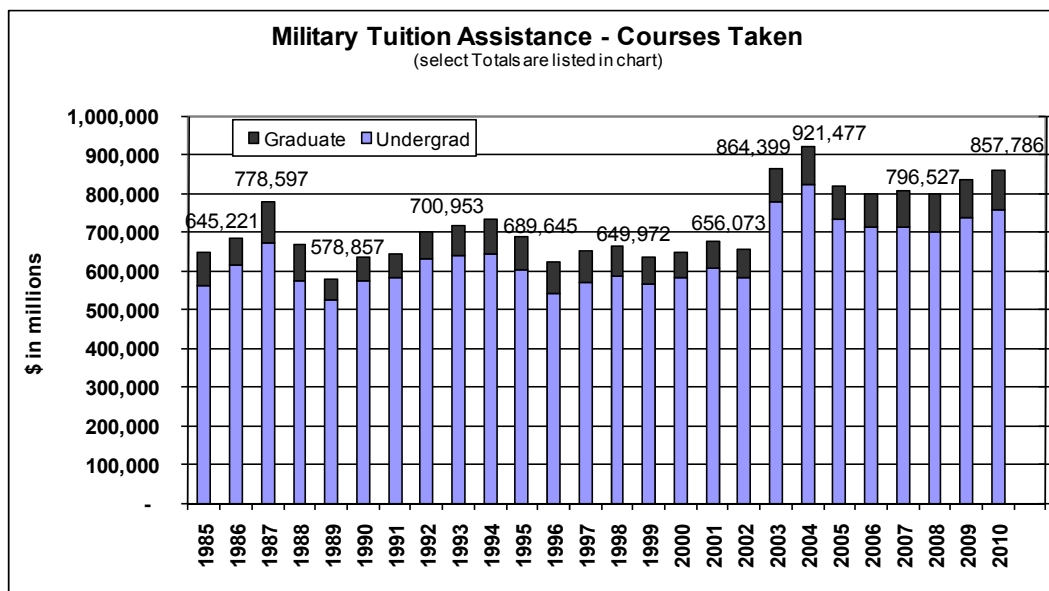
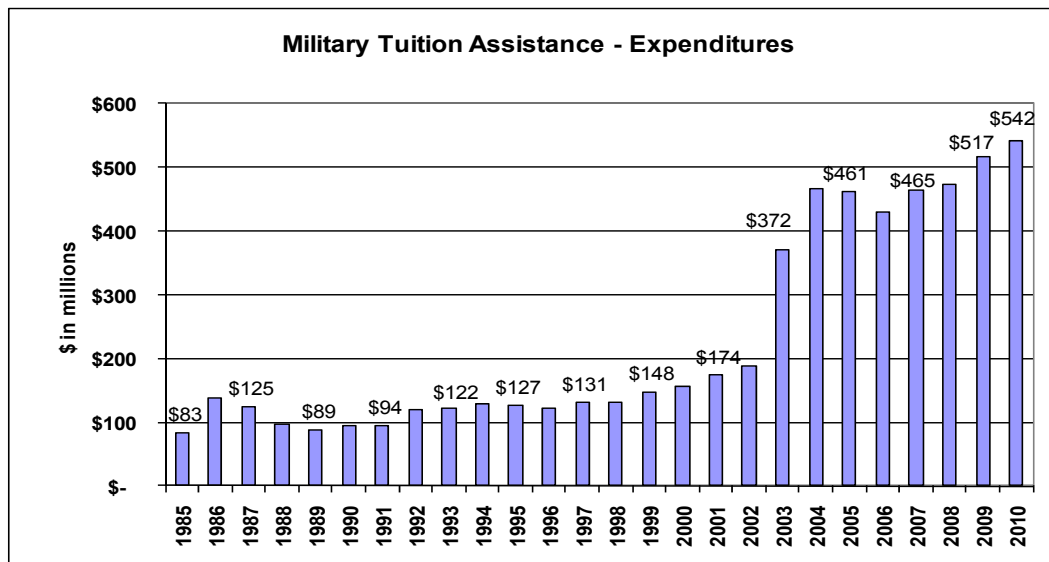


Note: Figures represent postsecondary courses taken only and excludes courses relating to high school completion, Certification/Licensure, Language, Basic Skills, and Voluntary/Technical.

Source: Department of Defense, Voluntary Education Fact Sheet

### Military: Tuition Assistance (continued)

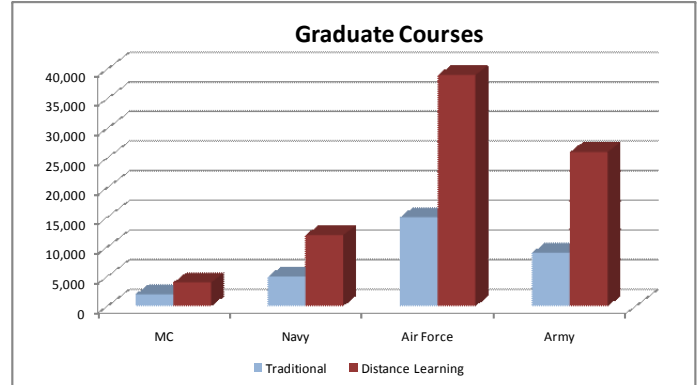
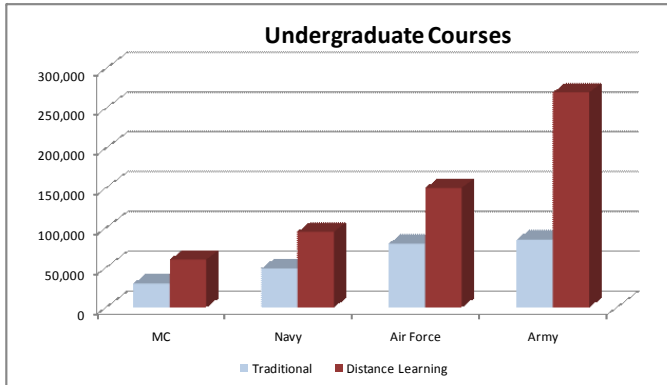
TA expenditures have increased about 7.8% (CAGR) per year from 1985 to 2010, helped by the program increases in October 2002 (from \$187.50/credit hour to \$250/credit hour). Courses taken grew about 1% (CAGR) per year over the same period with the majority concentrated in undergraduate programs. Currently, the tuition assistance rates across all branches of the military are \$250 per semester credit hour (\$166/quarters) with a \$4,500 annual maximum. However, reductions in tuition assistance are under consideration in the ongoing budget control process.



Source for both charts: Department of Defense, Voluntary Education Fact Sheet

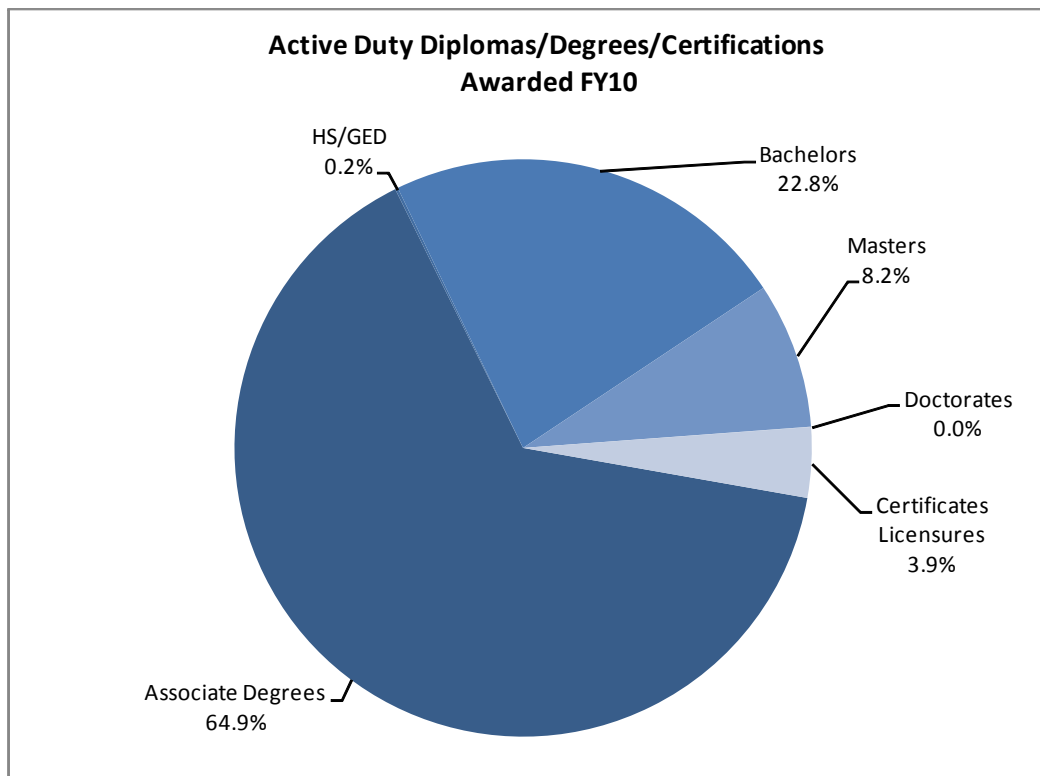
**Military: Tuition Assistance (continued)**

In 2010, about 71% of courses taken by service members were in a distance learning format vs. about 64% in 2009. Within each of the armed forces, distance learning appears to be the preferred format, especially in the Army, which has the largest difference between traditional and distance learning.



Source for both charts: U.S. Department of Defense

Of the 45,400 degrees/certificates/diplomas awarded in FY10, 65% were associate degrees, followed by 23% bachelors, 8% masters, and 4% certificates.



Source: U.S. Department of Defense

**Military: Top 50 Institutions chosen by Service Members using Tuition Assistance in Fiscal 2010**

	<u>School System</u>	<u>Headquarters</u>	<u>Status</u>	<u>Highest</u>	<u>Students</u>	<u>Courses</u>	<u>TA Funds</u>
1	American Public University System (American Military University)	Charles Town, W.V.	for profit	master's	44,625	134,019	\$91,257,194
2	University System of Maryland (University of Maryland University College)	Adelphi, Md.	public	doctoral	31,106	78,122	\$45,113,279
3	Central Texas College	Killeen, Texas	public	associate	26,613	70,706	\$30,343,537
4	University of Phoenix	Phoenix	for profit	doctoral	17,209	55,237	\$36,943,791
5	Ashford University	Clinton, Iowa	for profit	master's	13,207	41,368	\$29,646,911
6	Embry-Riddle Aeronautical University	Daytona Beach, Fla.	nonprofit	doctoral	12,626	32,451	\$22,653,203
7	Trident University International	Cypress, Calif.	for profit	doctoral	12,189	35,937	\$33,391,634
8	Park University	Parkville, Mo.	nonprofit	master's	10,685	24,960	\$14,489,870
9	Columbia Southern University	Orange Beach, Ala.	for profit	doctoral	9,298	30,389	\$17,537,785
10	Grantham University	Kansas City, Mo.	for profit	master's	7,621	30,072	\$18,677,270
11	California Community College System (Coastline Community College)	Sacramento, Calif.	public	associate?	6,440	14,439	\$5,525,012
12	Columbia College, Mo.	Columbia, Mo.	nonprofit	master's	5,559	16,311	\$9,207,800
13	Troy University	Troy, Ala.	public	doctoral	5,365	19,575	\$10,834,044
14	Excelsior College	Albany, N.Y.	nonprofit	master's	5,136	14,456	\$8,859,010
15	Washington State Community and Technical Colleges (Pierce College)	Olympia, Wash.	public	bachelor's	4,962	13,598	\$6,522,675
16	Liberty University	Lynchburg, Va.	nonprofit	doctoral	4,592	16,488	\$10,633,371
17	Saint Leo University	Saint Leo, Fla.	nonprofit	master's	4,550	14,019	\$7,986,243
18	Kaplan Higher Education	Fort Lauderdale, Fla.	for profit	juris doctor	4,295	12,550	\$9,250,326
19	Thomas Edison State College	Trenton, N.J.	public	master's	4,002	9,806	\$6,642,425
20	DeVry University	Oakbrook Terrace, Ill.	for profit	master's	3,768	12,015	\$9,226,848
21	Florida College System (Florida State College at Jacksonville & Northwest Florida State College)	Tallahassee, Fla.	public	bachelor's	3,375	8,696	\$2,491,535
22	Webster University	St. Louis	nonprofit	doctoral	3,241	10,156	\$7,097,845
23	Wayland Baptist University	Plainview, Texas	nonprofit	master's	2,607	7,927	\$4,989,700
24	Vincennes University	Vincennes, Ind.	public	bachelor's	2,494	5,702	\$2,748,748
25	Virginia Community College System (Tidewater Community College)	Richmond, Va.	public	associate	2,429	6,519	\$2,154,790
26	Hawaii Pacific University	Honolulu	nonprofit	master's	2,101	6,393	\$3,149,311
27	Bellevue University	Bellevue, Neb.	nonprofit	doctoral	2,082	7,102	\$5,866,167
28	Strayer University	Washington, D.C.	for profit	master's	2,033	6,468	\$4,500,738
29	North Carolina Community Colleges (Fayetteville Technical Community College)	Raleigh, N.C.	public	associate	1,842	6,170	\$1,026,594
30	North Dakota University System	Bismarck, N.D.	public	doctoral	1,676	5,916	\$2,948,771
31	State University and Community College System of Tennessee (Austin Peay State University)	Nashville, Tenn.	public	doctoral	1,641	7,394	\$3,183,707
32	Colorado Technical University	Colorado Springs, Colo.	for profit	doctoral	1,468	5,922	\$3,410,765
33	Maricopa Community Colleges (Rio Salado College)	Tempe, Ariz.	public	associate	1,400	3,276	\$1,151,325
34	University of Oklahoma	Norman, Okla.	public	doctoral	1,307	3,956	\$2,736,182
35	Colorado Community College System (Pikes Peak Community College)	Denver	public	associate	1,289	3,659	\$1,478,140
36	National University System	La Jolla, Calif.	nonprofit	master's	1,287	3,593	\$2,407,978
37	University System of Georgia	Atlanta	public	doctoral	1,209	5,453	\$2,403,659
38	Southwestern College, Kan.	Winfield, Kan.	nonprofit	master's	1,157	3,970	\$2,681,623
39	State University of New York	Albany, N.Y.	public	doctoral	1,140	3,322	\$1,684,063
40	Southern Illinois University	Carbondale, Ill.	public	doctoral	1,085	4,340	\$2,771,460
41	American InterContinental University	Atlanta	for profit	master's	1,038	3,279	\$2,622,908
42	Minnesota State Colleges and Universities	St. Paul, Minn.	public	doctoral	1,035	5,041	\$2,557,981
43	University of Alaska	Fairbanks, Alaska	public	doctoral	1,001	2,253	\$965,865
44	University of North Carolina System	Chapel Hill, N.C.	public	doctoral	993	4,727	\$1,510,072
45	South Carolina Technical College System	Columbia, S.C.	public	associate	973	2,982	\$1,269,029
46	University of Management and Technology	Arlington, Va.	for profit	doctoral	952	3,450	\$2,533,495
47	National American University	Rapid City, S.D.	for profit	master's	905	2,325	\$1,605,033
48	Campbell University	Buies Creek, N.C.	nonprofit	doctoral	873	2,806	\$1,631,268
49	Texas A&M University System	College Station, Texas	public	doctoral	857	4,140	\$1,834,848
50	Alamo Colleges	San Antonio, Texas	public	associate	800	2,359	\$579,286

Source: Military Times Edge Magazine



**Military: Top Institutions by Military Branch**

ARMY			NAVY		
Institution	Students	Enrollments	Institution	Students	Enrollments
Central Texas College	20,746	56,853	AMU	4,539	12,736
American Military University	14,526	47,351	U of Maryland	3,746	12,047
University of Maryland College	11,932	33,132	Coastline CC	3,337	7,592
University of Phoenix	5,773	19,287	U of Phoenix	2,373	7,135
Columbia Southern Univ	4,704	15,780	Ashford	2,341	7,049
Grantham Univ	3,841	15,362	ERAU	2,502	6,811
TUI University	4,444	14,042	TUI	2,473	6,659
Troy University	3,682	13,486	Central TX	2,658	5,970
Pierce College	3,171	8,839	St Leo U	2,145	5,908
Ashford University - IA	2,547	8,313	Columbia College	2,438	5,823
Excelsior College	2,323	7,247	Excelsior	2,069	5,036
Columbia College	2,068	6,923	Columbia Southern	1,282	3,844
Liberty University	1,834	6,434	Thomas Edison	1,490	3,234
Webster Univ	1,780	5,675	Grantham	868	3,054
Embry-Riddle Aero U-Worldwide	1,934	4,984	Vincennes	1,460	3,036
Thomas Edison State College	1,882	4,925	SIU	692	2,718
Kaplan University Online	1,591	4,878	Tidewater CC	1,151	2,629
DeVry Univ & Keller Graduate	1,373	4,545	Hawaii Pacific	767	2,207
Saint Leo University	848	3,396	National U	769	2,186
Austin Peay State University	814	3,176	Strayer	571	1,737
Park Univ	962	2,881	Liberty	422	1,354
Colorado Technical Univ	636	2,631	La Verne	461	1,324
Strayer University	729	2,416	Chapman	431	1,150
Fayetteville Technical CC	759	2,268	Bellevue	302	1,025
Pikes Peak CC	761	2,171	Kaplan Online	373	961

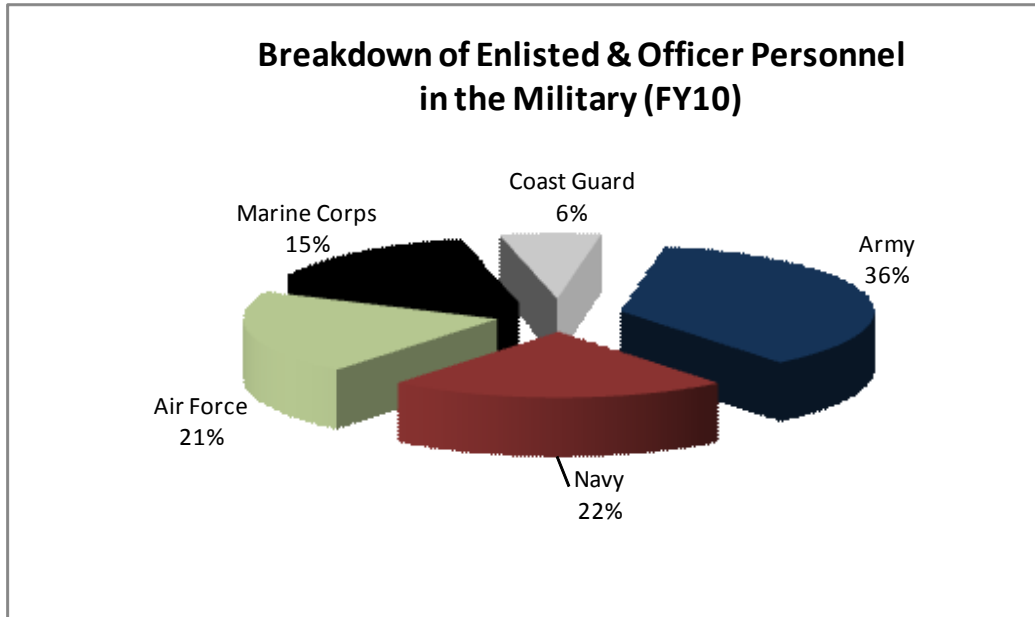
AIRFORCE		
Institution	Students	Enrollments
American Military University	17,803	50,206
Univ of Maryland Univ College	12,518	27,166
Embry Riddle Aero Univ	7,378	18,465
Park University	6,593	15,717
Ashford University	4,900	15,416
TUI University	4,789	13,861
University of Phoenix	3,854	11,765
Columbia Southern Univ	2,319	7,158
Wayland Baptist University	1,858	5,168
Saint Leo University	1,347	3,825
Grantham University	1,146	3,767
Central Texas College	1,922	3,421
Troy University	1,043	3,402
Liberty University	1,041	3,357
Southwestern College	932	3,146
Webster University	1,061	3,106
Bellevue University	884	2,905
Devry University	804	2,608
Northwest FL State College	1076	2,504
University of Oklahoma	744	2,131
Kaplan University - OnLine	661	2,051
National American Univ	745	1,769
Alamo Comm College District	563	1,506
Pierce College	734	1,458
Pima Cnty Comm College Distr	689	1,427

MARINE CORPS	
Institution	Students
American Public University System	4,971
Ashford University	1,863
University System of Maryland	1,568
University of Phoenix	1,537
Central Texas College	1,327
Park University	1,199
International Sports Science Association	446
Columbia Southern University	432
National University System	412
Embry Riddle Aeronautical University	396

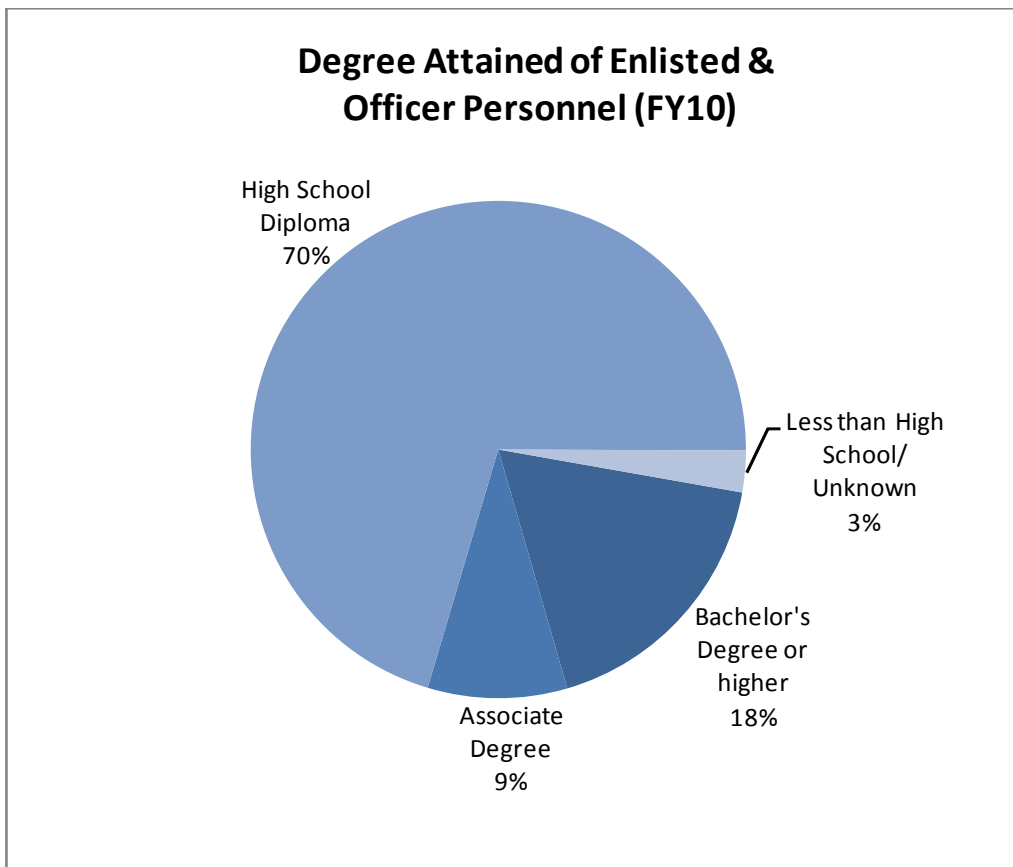
COAST GUARD	
Institution	Students
American Public University System	1,801
University of Phoenix	376
Bellevue University	372
Ashford University	351
California Community College System	305
Excelsior College	294
Vincennes University	288
Columbia Southern University	272
Columbia College, Mo.	232
Thomas Edison State College	230

Source for all tables: Department of Defense and Military Times Edge Magazine

**Military: Enlisted Personnel**



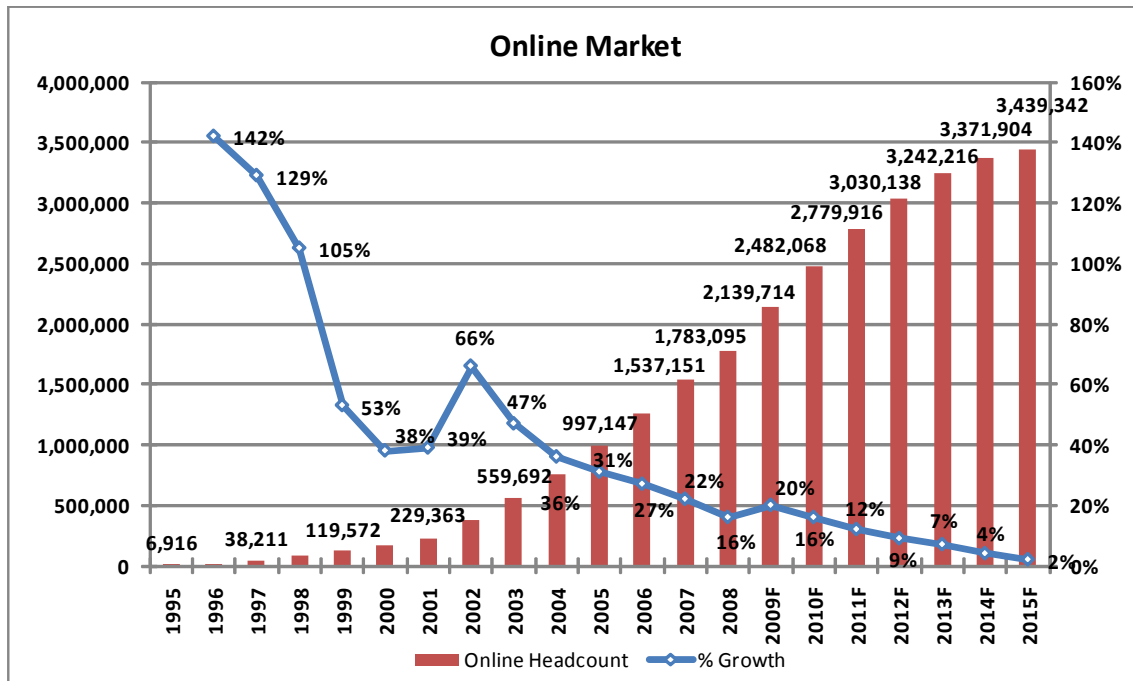
Source: U.S. Department of Defense



Source: U.S. Department of Defense

### Online: Student Enrollment

Student enrollment growth in 100% online education has slowed but continues to be substantially faster than the market. Eduventures projects growth to be 16% in 2010, 12% in 2011, and 9% in 2012. Growth rates have been diminishing due to the law of large numbers; however, total enrollment continues to grow significantly each year, an average of 240K from 2005-2015F. Projected growth rates have come down since last year’s analysis, reflecting the online scale, future economic improvement, and increased for-profit regulation. Enrollment is projected to increase to an estimated 2.8 million students in 2011, almost 12x greater than a decade ago. Also, if accurate, about one out of every five students is forecasted to be online in 2015 vs. about 12% in 2010.



### Online Students

Year	Online Headcount	Net Additions
1995	6,916	
1996	16,686	9,770
1997	38,211	21,525
1998	78,332	40,121
1999	119,572	41,240
2000	165,009	45,437
2001	229,363	64,354
2002	380,743	151,380
2003	559,692	178,949
2004	761,181	201,489
2005	997,147	235,966
2006	1,260,605	263,458
2007	1,537,151	276,546
2008	1,783,095	245,944
2009F	2,139,714	356,619
2010F	2,482,068	342,354
2011F	2,779,916	297,848
2012F	3,030,138	250,222
2013F	3,242,216	212,078
2014F	3,371,904	129,688
2015F	3,439,342	67,438

Note: F = Forecasted

Source for chart and table: Eduventures, Online Higher Education Market Update 2011 and Stifel Nicolaus

### Online: For-Profit vs. Non-Profit

While for-profit represents about 9% of the entire postsecondary market, it captures a disproportionate share of the online market (43% estimated in 2010) and a larger percentage of for-profit students utilize online (estimated almost 60% in 2010). In comparison, non-profit online students represented approximately 8% of total non-profit students in the same period.

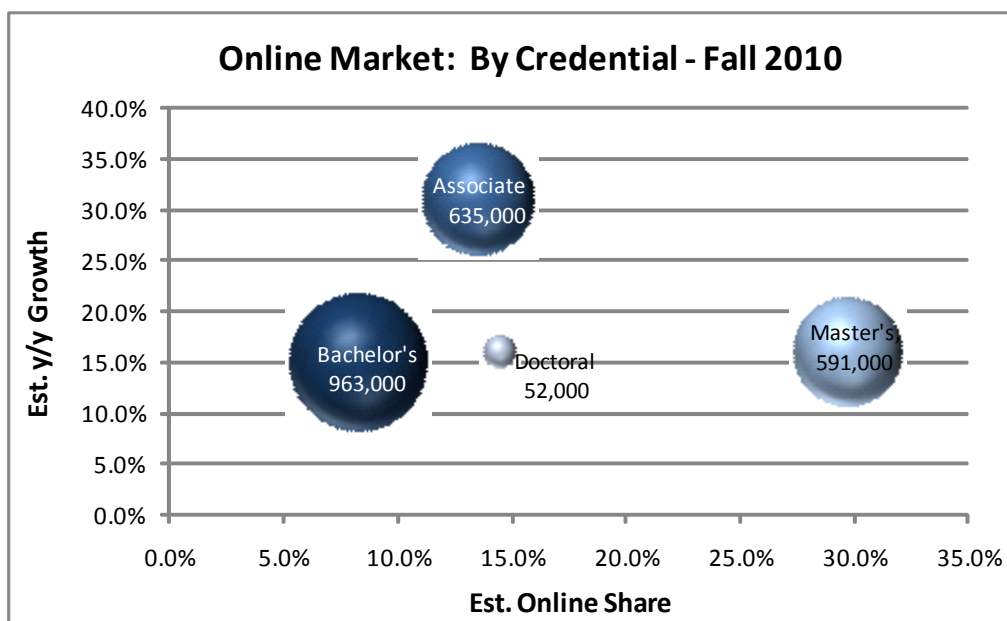
According to projections from Eduventures, for-profit online enrollment will decline by 1.4% from 2010 to 2015 before reaccelerating growth to 15% from 2015 to 2020 (1.76 million students), while public online enrollment will grow at CAGR of 11% from 2010-2015 and then 7.9% from 2015 to 2020 (almost 2.6 million students). For-profit online students represented approximately 43% of the total online population in 2010 and are estimated to fall to 29% by 2015 and then increase to 35% in 2020.

Sector	2009 Higher Ed Market Share	Online Market Share (2010)	Online Market Share (2015F)	Online Market Share (2020F)
<b>For-Profit</b>	9%	43%	29%	35%
<b>Private Non-Profit</b>	18%	12%	16%	14%
<b>Public</b>	73%	45%	55%	51%

Sector	2009 Higher Ed Enrollment	Online enrollment (2010)	Online enrollment (2015F)	Online enrollment (2020F)
(# in millions)				
<b>For-Profit</b>	1.85	1.07	1.00	1.76
<b>Private Non-Profit</b>	3.77	1.12	1.89	2.57
<b>Public</b>	14.81	0.30	0.55	0.71

### Online: By Credential

According to Eduventures, an online penetration rate of 30% in the master’s market leads all degree levels by 2x while the associate’s market appears to have the largest growth potential by about 2x (estimated 31%). The community college push is expected to more than offset the regulatory and economic pressures facing the for-profit sector.

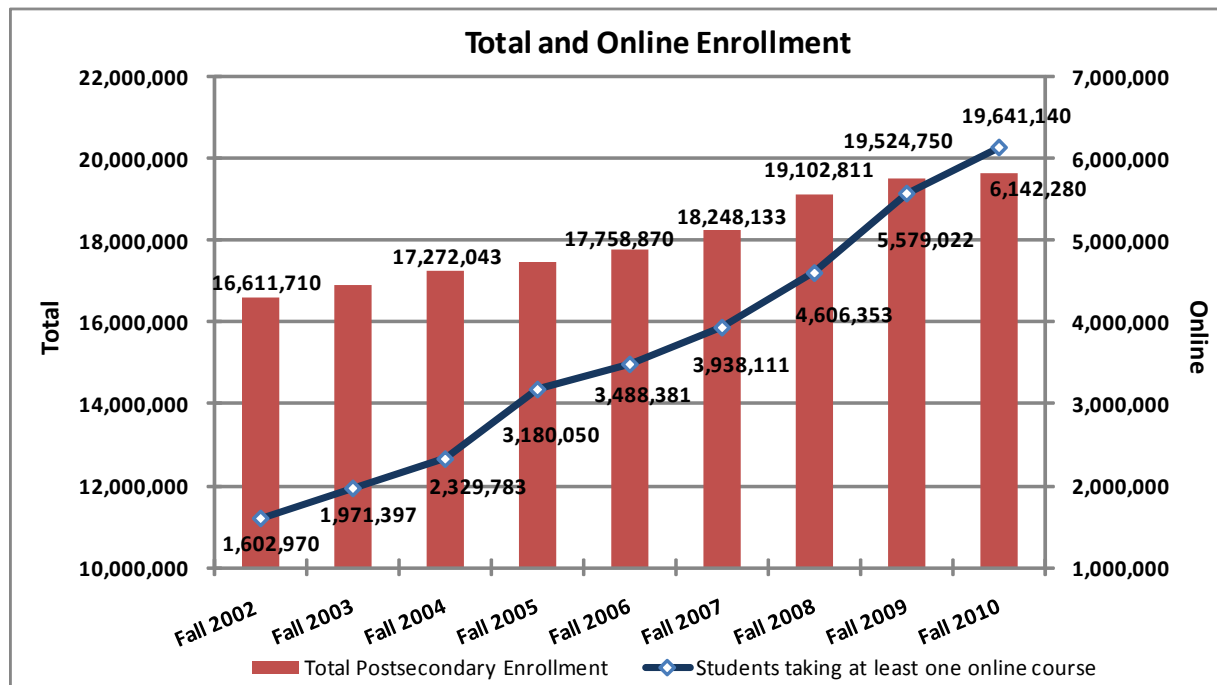


Source for all tables and charts: Eduventures, Online Higher Education Market Update 2011

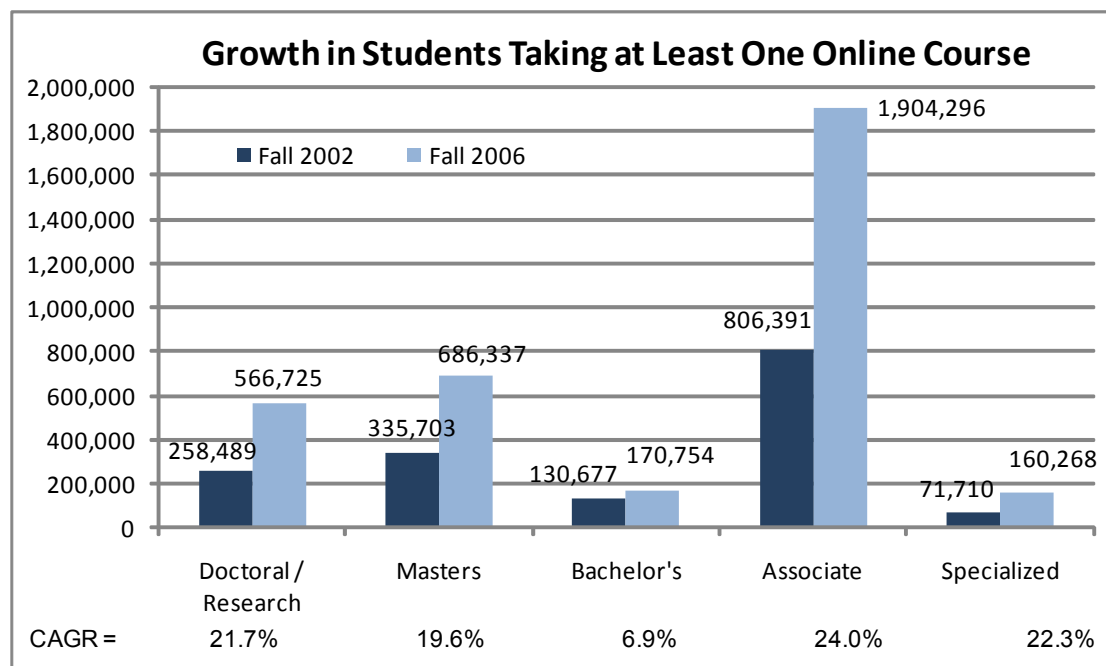
### Online: Growth

Based on studies by Babson Survey Research Group, the number of students taking at least one online course grew 10% yty in Fall 2010 (vs. 21% in 2009, 17% in 2008, 12.9% in 2007, 9.7% in 2006, 36.5% in 2005, 18.2% in 2004, and 23.0% in 2003), 10 times the growth rate of total enrollment (+1%). The percentage of students taking at least one online course is about 31% of total enrollment, up from 10% in Fall 2002.

Based on Babson’s 2007 report, online growth occurred most heavily in associate-level students, growing at a CAGR of 24%, while bachelor’s online growth has been the slowest at 6.9%.



Source: Allen, I.E. and Seaman, J. *Going the Distance: Online Education in the United States, 2011*, <http://www.sloan-c.org/publications/survey/index.asp>, Needham, MA: Sloan-C, 2011



Source: Allen, I.E. and Seaman, J. *Online Nation: Five Years of Growth in Online Learning*, <http://www.sloan-c.org/publications/survey/index.asp>, Needham, MA: Sloan-C, 2007

## Online: Other

Based on responses in The Babson studies, from 2002 to 2011, institutions agreeing that online education is critical to their long-term strategy increased about 17 percentage points to 66%, while those that disagree has remained about flat.

In studying barriers to online adoption, the study suggests that the discipline necessary for students to succeed in online courses is the strongest barrier, while the lack of acceptance of online degrees by employers is viewed as a weaker barrier.

Online Education is Critical to the Long-Term Strategy of my Institution								
	Fall 2002	Fall 2003	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2010	Fall 2011
<b>Agree</b>	48.8%	53.5%	56.0%	58.4%	59.1%	58.0%	63.1%	65.5%
<b>Neutral</b>	38.1%	33.7%	30.9%	27.4%	27.4%	27.0%	24.6%	21.0%
<b>Disagree</b>	13.1%	12.9%	13.1%	14.2%	13.5%	15.0%	12.3%	13.5%

Source: Allen, I.E. and Seaman, J. *Going the Distance: Online Education in the United States, 2011*, <http://www.sloan-c.org/publications/survey/index.asp>, Needham, MA: Sloan-C, 2011

Barriers to Widespread Adoption of Online Learning - Fall 2006				
	Not Important	Somewhat Important	Important	Very Important
<b>Students need more discipline to succeed in online courses</b>	4.1%	15.4%	42.2%	38.3%
<b>Lack of acceptance of online instruction by faculty</b>	8.8%	30.2%	36.9%	24.2%
<b>Lower retention rates in online courses</b>	14.7%	29.2%	35.1%	21.0%
<b>Higher costs to develop online courses</b>	14.7%	29.4%	37.2%	18.7%
<b>Higher costs to deliver online courses</b>	18.3%	31.8%	33.3%	16.6%
<b>Lack of acceptance of online degrees by employers</b>	23.8%	36.6%	27.8%	11.7%

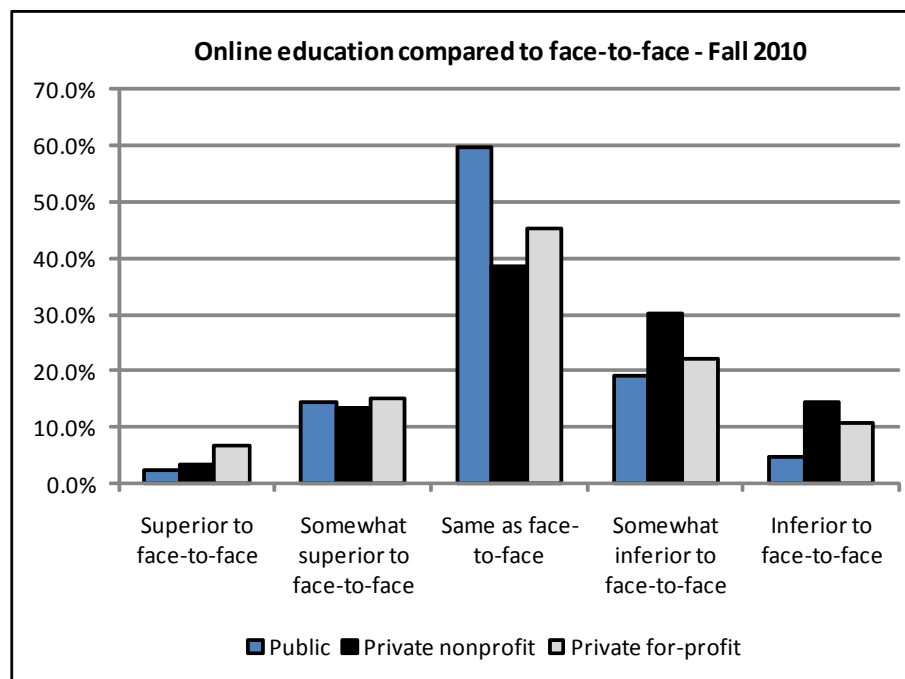
Source: Allen, I.E. and Seaman, J. *Online Nation: Five Years of Growth in Online Learning*, <http://www.sloan-c.org/publications/survey/index.asp>, Needham, MA: Sloan-C, 2007

**Online: Other**

In last year’s study, over 67% of the respondents felt that learning outcomes in online education were equal to or better than those outcomes in face-to-face education. The study also revealed that all sectors believed that outcomes in online education were equal to or better than those outcomes in face-to-face education (For-profit = 67%, public = 76%, and private non-profit = 55%).

	<u>2003</u>	<u>2004</u>	<u>2006</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Superior	0.6%	1.0%	1.8%	2.1%	3.4%	2.7%
Somewhat Superior	11.7%	10.0%	15.1%	12.4%	14.2%	13.8%
Same	44.9%	50.6%	45.0%	53.0%	48.4%	51.1%
Somewhat Inferior	32.1%	28.4%	30.3%	23.0%	24.3%	22.7%
Inferior	10.7%	10.1%	7.8%	9.5%	9.8%	9.8%

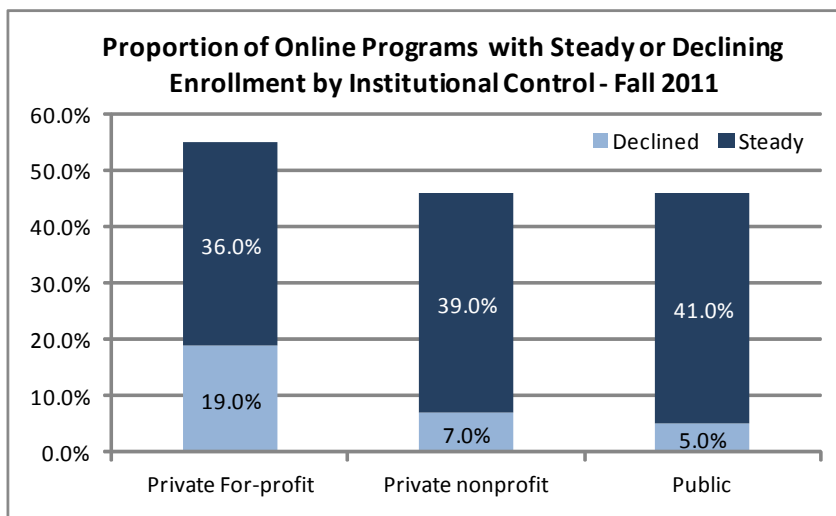
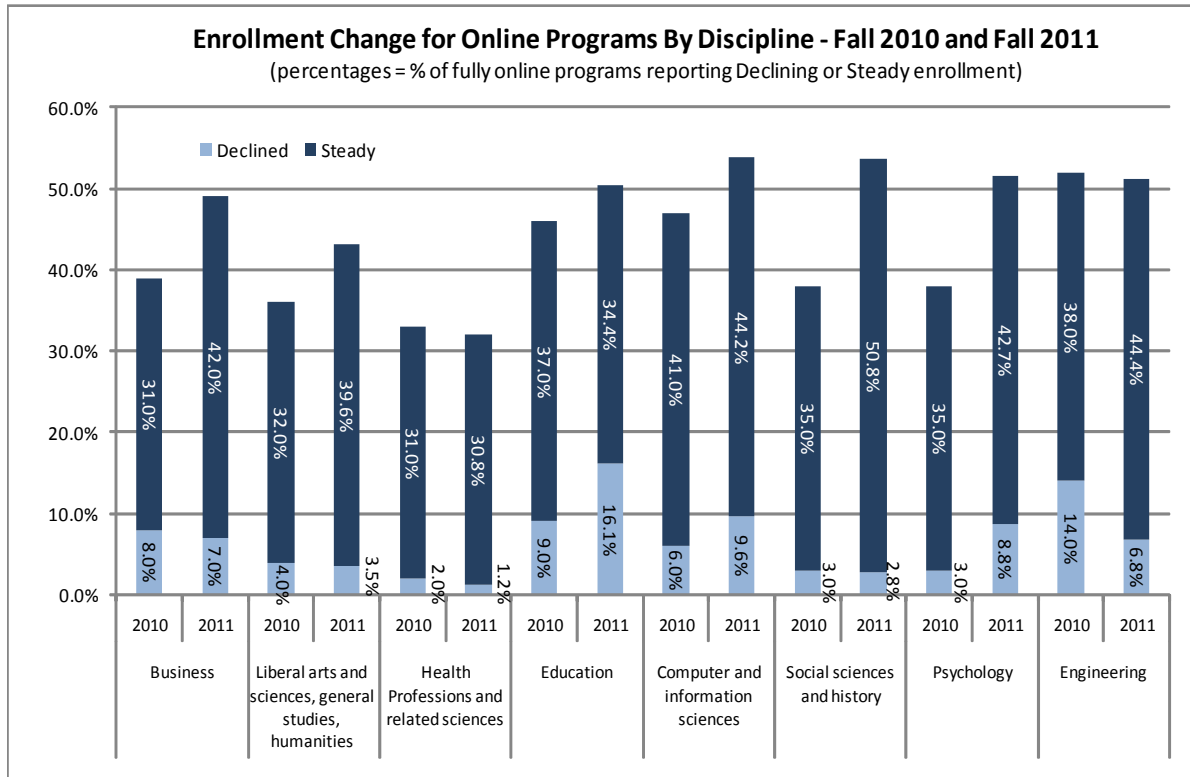
Source: Allen, I.E. and Seaman, J. *Going the Distance: Online Education in the United States, 2011*, <http://www.sloan-c.org/publications/survey/index.asp>, Needham, MA: Sloan-C, 2011



Source: Allen, I.E. and Seaman, J. *Class Differences: Online Education in the United States, 2010*, <http://www.sloan-c.org/publications/survey/index.asp>, Needham, MA: Sloan-C, 2010

**Online: Enrollment Change for Online Programs by Discipline—Fall 2010 and Fall 2011.**

In 2010, about one third to one half of fully online programs were steady or declining (i.e. did not grow). In 2011, the range of steady/declining programs remains similar, but the survey indicates that most of the program verticals have an increased proportion of steady/declining enrollment in their fully online programs. Per the Babson survey, the Health and Engineering verticals are the only 2 with a larger proportion of growing fully online programs as they show a slight reduction in the proportion of programs with steady or declining enrollment.

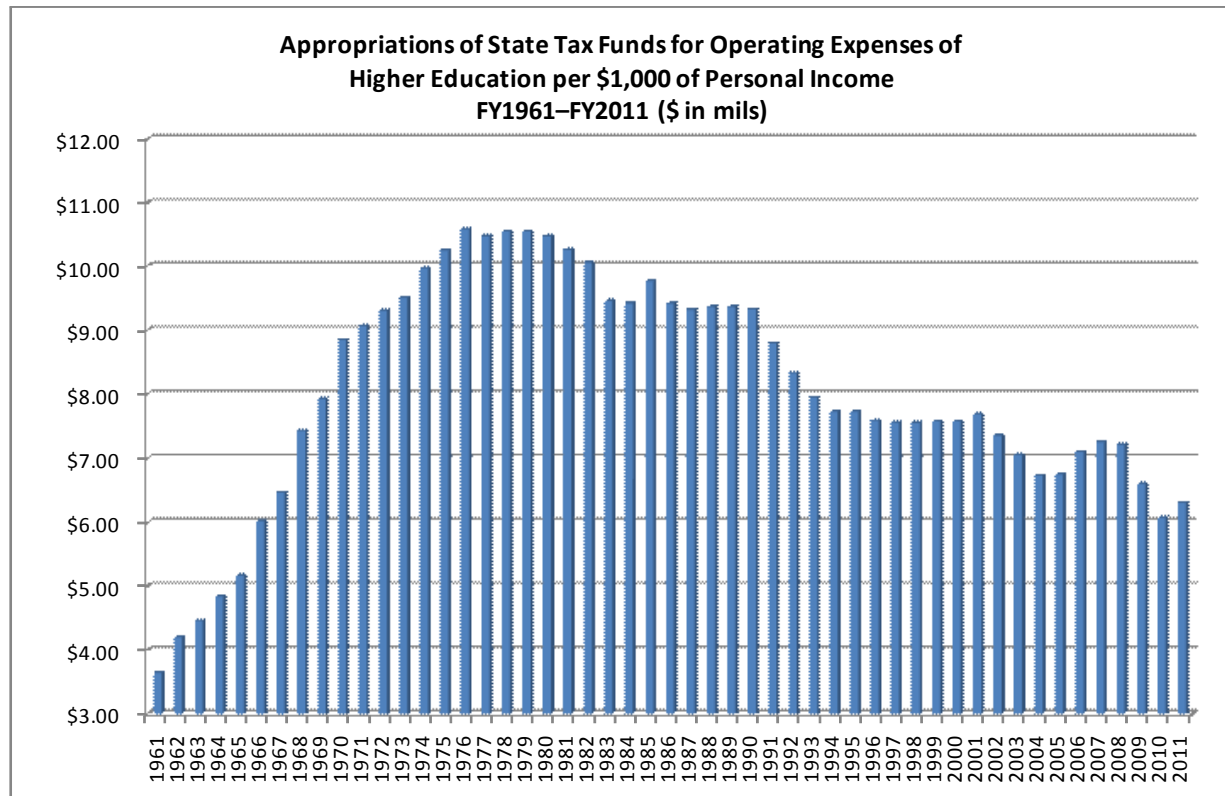


Source for both charts: Allen, I.E. and Seaman, J. *Going the Distance: Online Education in the United States, 2011*, <http://www.sloan-c.org/publications/survey/index.asp>, Needham, MA: Sloan-C, 2011



### State Appropriations

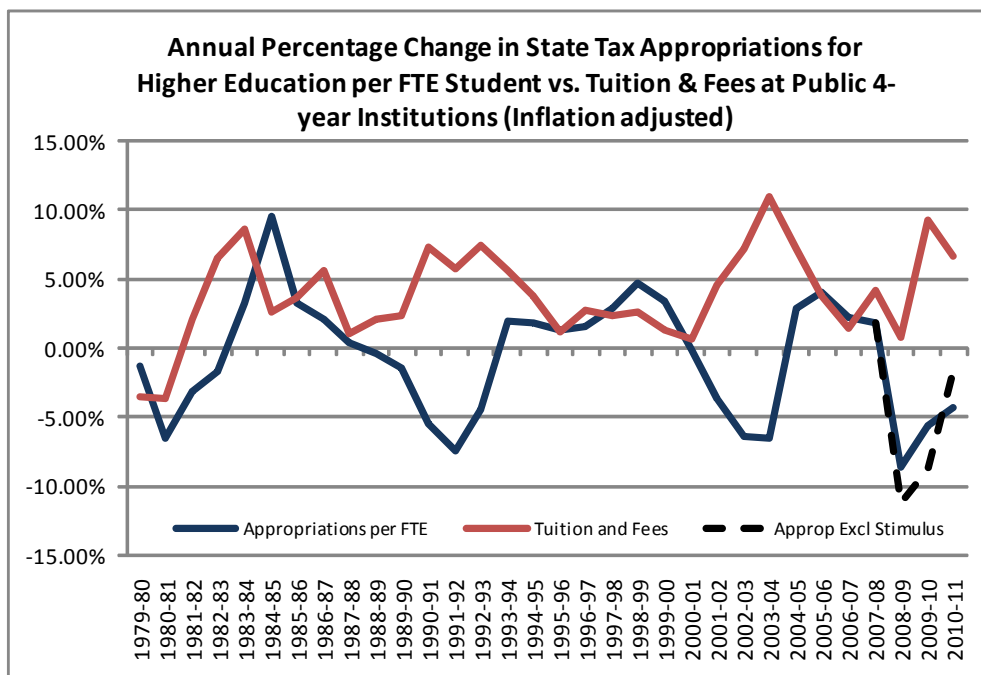
After achieving a peak of \$10.58 in 1976, appropriations of state tax funds for operating expenses of higher education per \$1,000 of personal income have declined steadily, and equated to \$6.30 in 2011. The declines from 2001 to 2004 reflect the state fiscal crisis, in which states had to overcome an estimated \$250 billion in budget shortfalls. As state budgets improved from 2005 to 2008, appropriations for higher education increased slightly, but economic recession and the associated state budget shortfalls have led to 40-plus year lows of \$6.07—\$6.30 in 2010 & 2011.



Source: Postsecondary Education OPPORTUNITY

### Tuition Pricing

The change in state tax appropriations for higher education has tended to trough in weak economic periods / recessions while the change in tuition and fees at public 4-year institutions tends to be greatest in these periods.



Source: Trends in College Pricing. Copyright © 2011, The College Board. www.collegeboard.com.

In the past three years, growth in published tuition prices has been greatest in the public, in-state sector, while the for-profit sector price increases have decelerated. In 2011-2012, the Public, In-state sector’s percentage increase was 2.5x greater than the for-profit sector. Public, Out-of-state and Private Nonprofit maintained a price increase of about 6% and 4.5%, respectively.

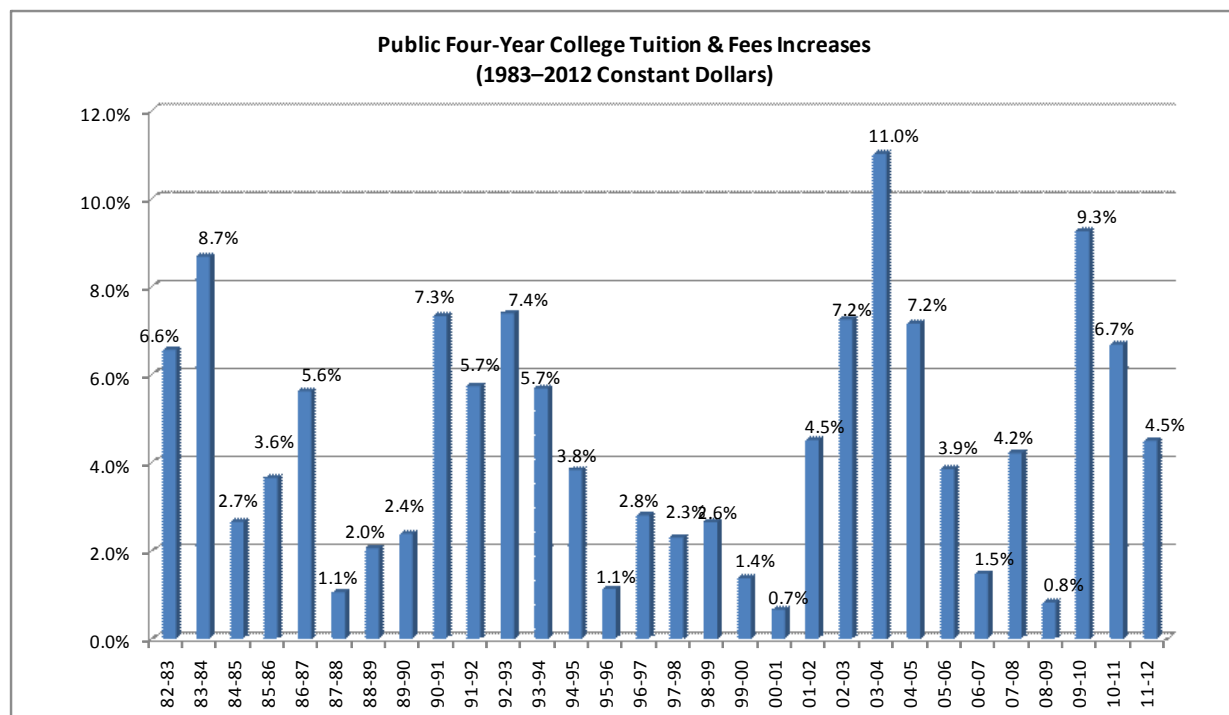
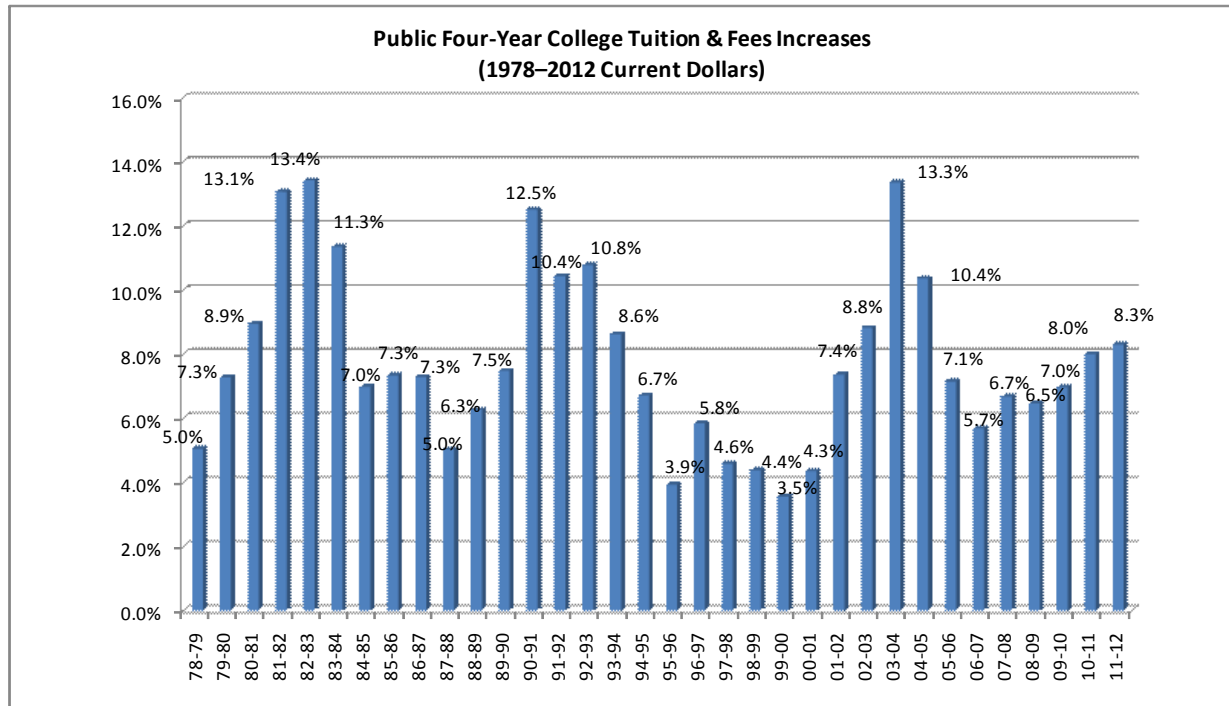
Average Published Charges for Undergraduates by Type and Control of Institution, 2011-12 (Enrollment-Weighted)												
Sector	2011-12				2010-11				Tuition and Fees			
	\$	%	Change	% Change	\$	%	Change	% Change	\$	%	Change	% Change
Public Two-Year In-State	\$2,963		\$2,727	8.7%	\$2,713		\$2,558	6.1%	\$2,544		\$2,372	7.3%
Public Four-Year In-State	\$8,244		\$7,613	8.3%	\$7,605		\$7,050	7.9%	\$7,020		\$6,591	6.5%
Public Four-Year Out-of-State	\$20,770		\$19,648	5.7%	\$19,595		\$18,484	6.0%	\$18,548		\$17,458	6.2%
Private Nonprofit Four-Year	\$28,500		\$27,265	4.5%	\$27,293		\$26,129	4.5%	\$26,273		\$25,177	4.4%
For-Profit	\$14,487		\$14,040	3.2%	\$13,935		\$13,256	5.1%	\$14,174		\$13,315	6.5%

Average Published Charges for Undergraduates by Carnegie Classification, 2011-12 (Enrollment-Weighted)				
Sector	Tuition and Fees			
	2011-12	2010-11	\$ Change	% Change
Public Doctoral In-State	\$9,185	\$8,492	\$693	8.2%
Public Master's In-State	\$7,186	\$6,600	\$586	8.9%
Public Bachelor's In-State	\$6,604	\$6,207	\$397	6.4%
Private Doctoral	\$35,195	\$33,699	\$1,496	4.4%
Private Master's	\$25,863	\$24,695	\$1,168	4.7%
Private Bachelor's	\$25,838	\$24,776	\$1,062	4.3%

Note: Prices reported for prior years have been revised and may differ from those reported in prior year Trends in College Pricing. For-profit figures are based only on about two-thirds of the sector’s enrollment.

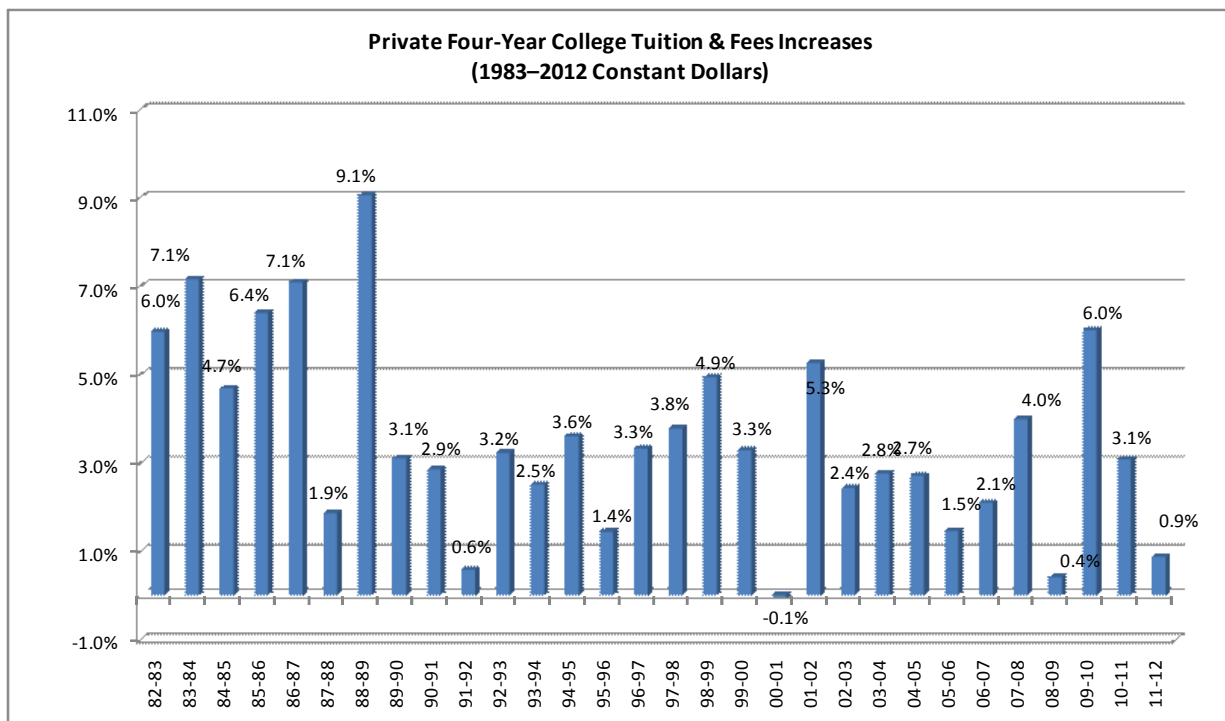
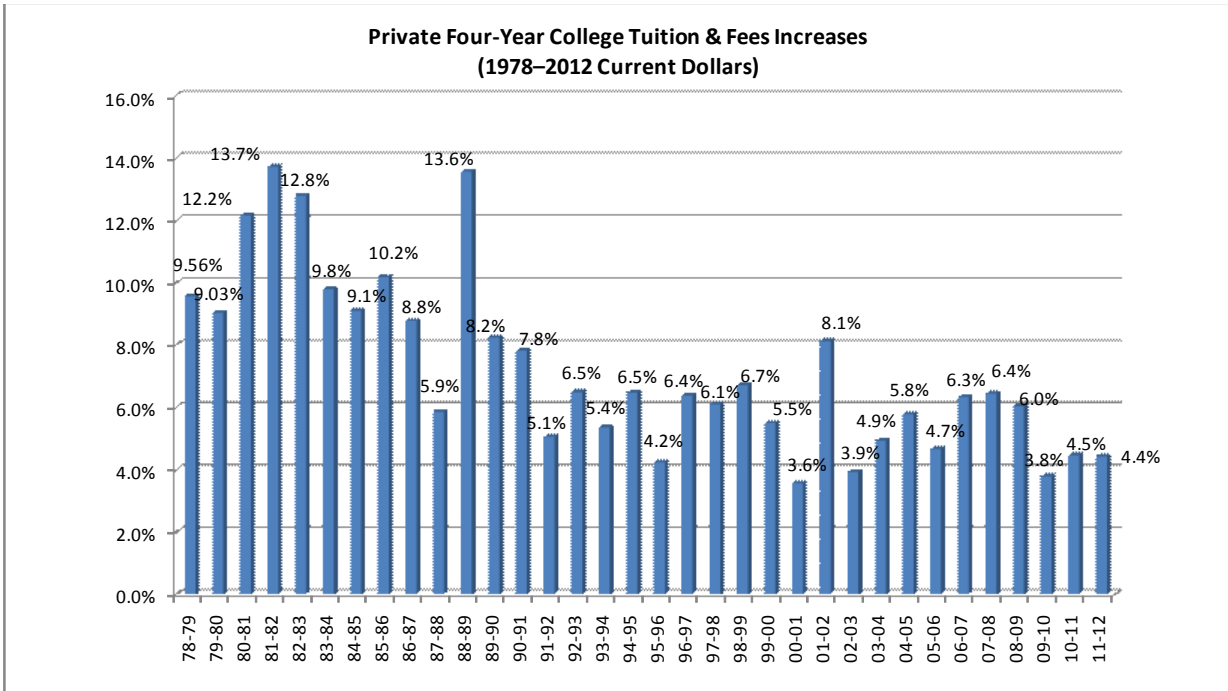
Source: Trends in College Pricing. Copyright © 2011, The College Board. www.collegeboard.com.

College tuition and fees for private and public four-year institutions have continued to increase over the last several years, with year-over-year spikes prevalent in recessionary periods. Public four-year institutions have increased tuition at a CAGR of about 7.7% over the last 30+ years, from an average of \$655 to \$8,244 per year. Growth in average tuition and fees in current dollars increased in 2011-12 by 8.3% vs. 8.0% in 2010-11 and 7% in 2009-10. Tuition increases tend to be higher near recessionary periods (lower during periods of economic expansion) and on an inflation-adjusted basis 2009–2010 and 2010-2011 price increases continued the pattern with a 9.3% and 6.7% increase, respectively, in proximity of the recent recession. Note: The CPI decreased 2.1% from 7/08 to 7/09 resulting in inflation-adjusted increases greater than current dollar increases in 2009-2010.



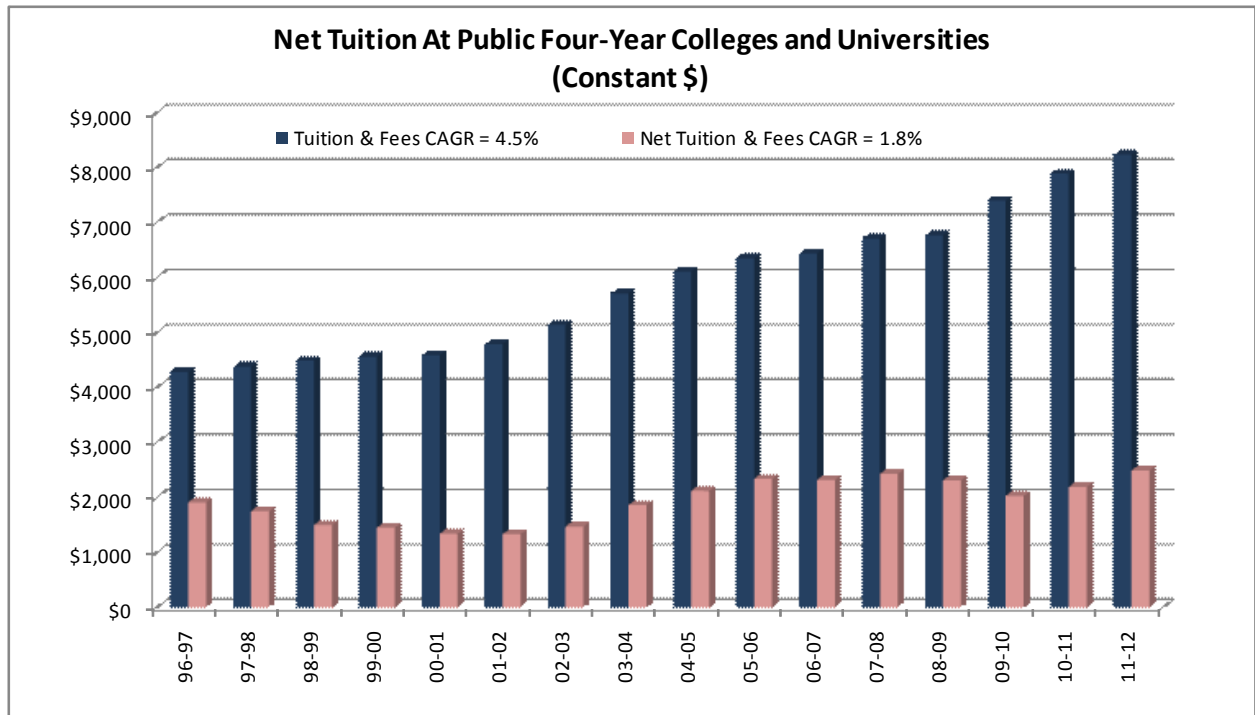
Source for charts: Trends in College Pricing. Copyright © 2011, The College Board. www.collegeboard.com.

Private institutions have increased tuition from an average of \$2,700 in 1978 to \$28,500 in 2012, a 32 year CAGR of 7.2%. In 2011-12, average tuition and fees increased 4.4% on a current dollar basis and 0.9% adjusted for inflation.



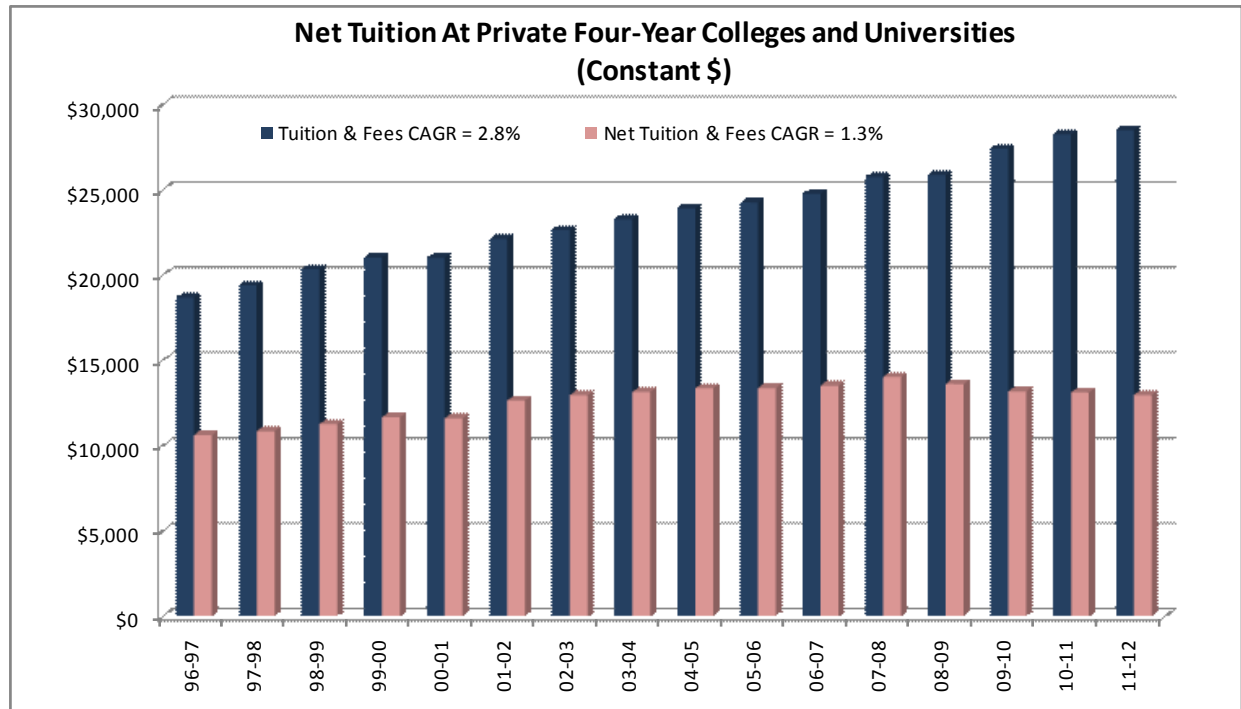
Source for charts: Trends in College Pricing. Copyright © 2011, The College Board. www.collegeboard.com.

After accounting for grant aid, net tuition and fees at public four-year institutions averaged about \$2,490 per student in 2011–12 vs. the published price of about \$8,240.



Source: Trends in College Pricing. Copyright © 2011, The College Board. [www.collegeboard.com](http://www.collegeboard.com).

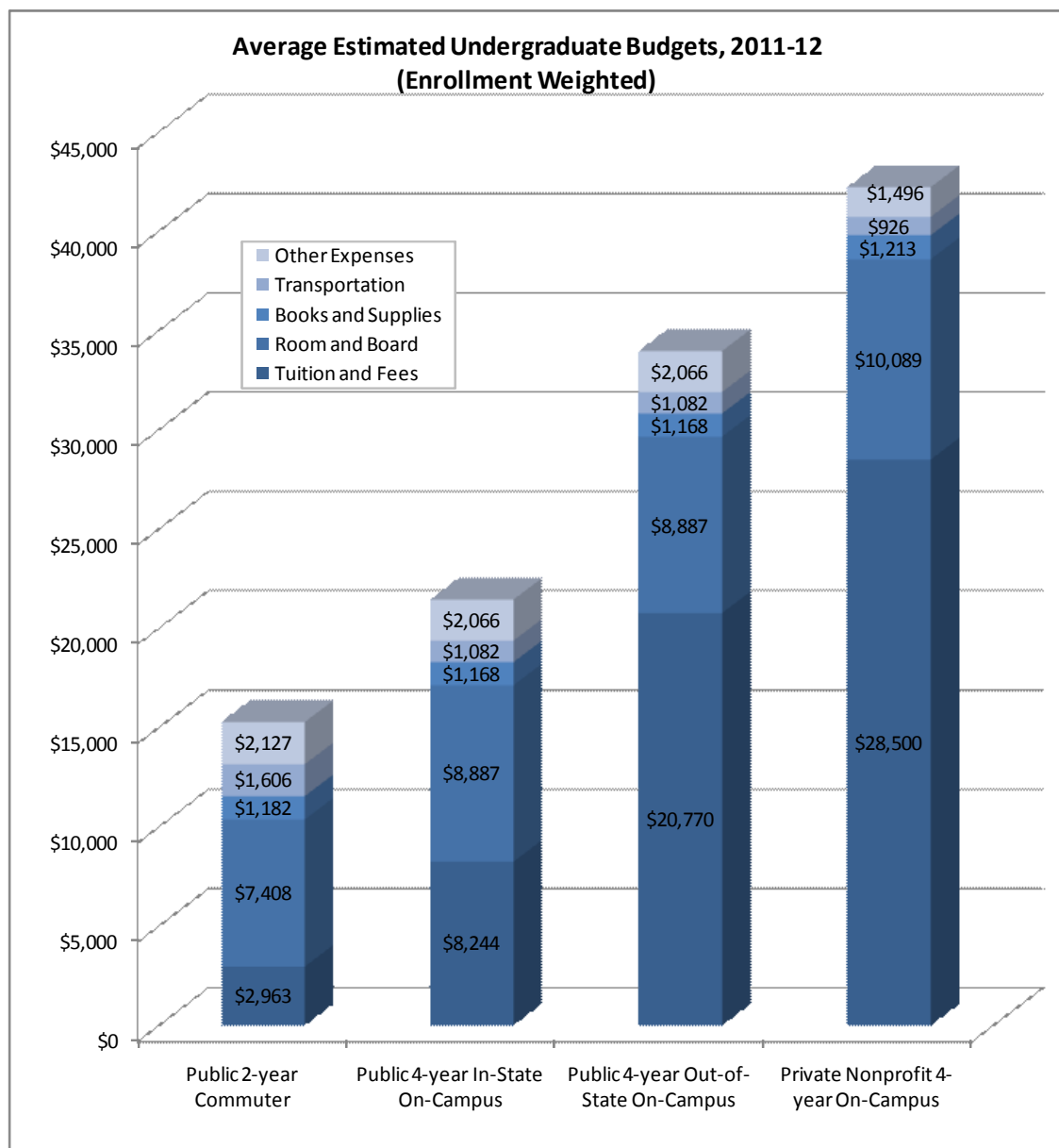
At private four-year institutions, net tuition and fees (including grant aid) were approximately \$12,970 per student in 2011–12 (vs. \$28,500 Gross Tuition & Fees).



Source: Trends in College Pricing. Copyright © 2011, The College Board. www.collegeboard.com.

### Tuition Pricing: College Costs — Breakdown

Average college costs for an in-state resident attending a public four-year college now amount to \$21,447 per year, while an in-state resident attending a private four-year college would spend a total of \$42,224 per year.

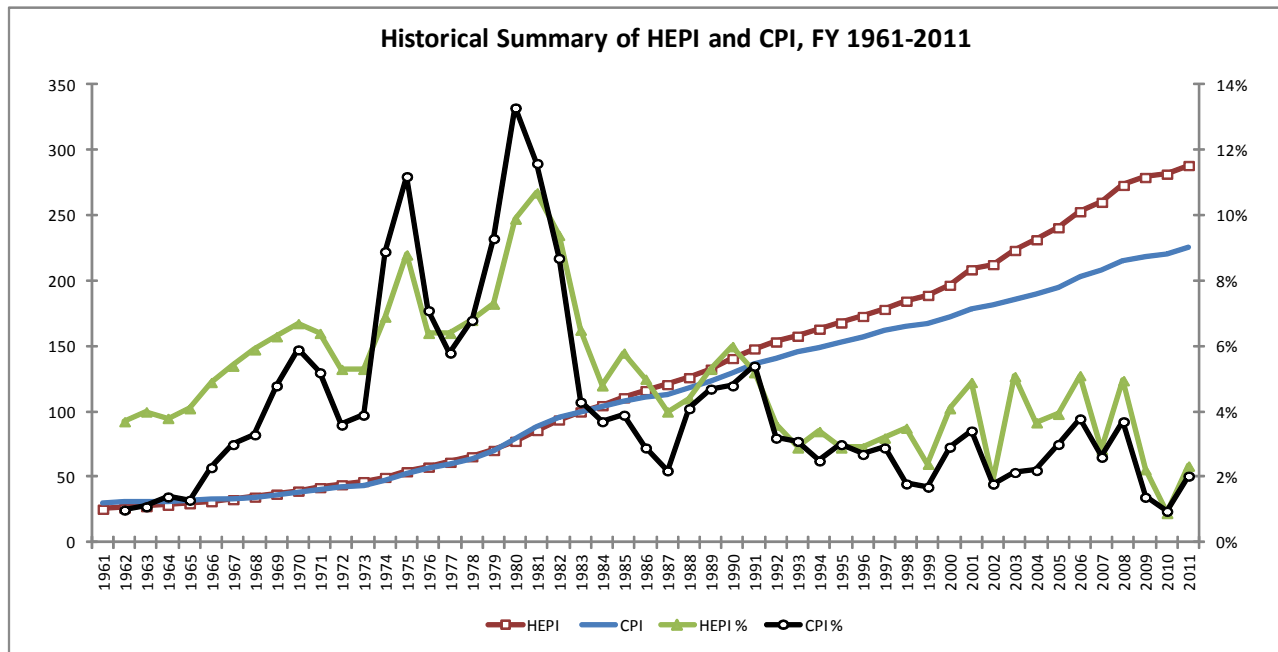


Note: Average total expenses include room and board costs for commuter students, which are average estimated living expenses for students living off campus but not with parents. Expense categories are based on institutional budgets for students as reported by colleges and universities in the Annual Survey of Colleges. They do not necessarily reflect actual student expenditures.

Source: The College Board, Annual Survey of Colleges

### HEPI and CPI Average

The Higher Education Price Index (HEPI) measures the average relative level in the prices of a fixed market basket of goods and services purchased by colleges and universities each year, excluding expenditures for research. The Consumer Price Index (CPI) is based on a fixed market basket of goods and services purchased by consumers. The HEPI Index suggests postsecondary institutions have been experiencing inflation levels greater than the overall consumer market since the early 1980s. However in 2010 & now 2011, the HEPI and CPI were more inline in with each other with the HEPI up 2.3% vs. CPI up 2.0%.



Sources: HEPI and Commonfund Institute, July 1 – June 30 data  
 CPI, U.S. Department of Labor, data is calculated to July 1 – June 30 (annual published CPI is computed over the calendar 12-month period)



## Cumulative Debt: Undergraduate students

The percentage of undergraduates (overall) taking loans to fund education has increased about 7 percentage points from the 1995–96 academic year to the 2007–08 year. The percentage of private for-profit undergraduates taking loans has increased about 20 percentage points in that same period — a result of serving a student base requiring a greater amount of funding. Average cumulative debt for undergraduates (overall) was about \$18,600 in 2007–08, up from \$15,300 in 2003–04, and \$9,900 in 1995–96.

### Percentage of students borrowing according to type of educational institution

Institution Level & Control	'95-'96	'99-'00	'03-'04	'07-'08
Overall Total (4, 2 and < 2 year)	51.7%	59.5%	53.5%	58.8%
Public	46.9%	54.2%	45.0%	49.4%
Private Non-Profit	58.6%	68.1%	69.7%	69.7%
Private For-Profit	73.3%	82.1%	85.6%	93.1%

Source: *FinAid.org*—Mark Kantrowitz and U.S. Department of Education—NPSAS

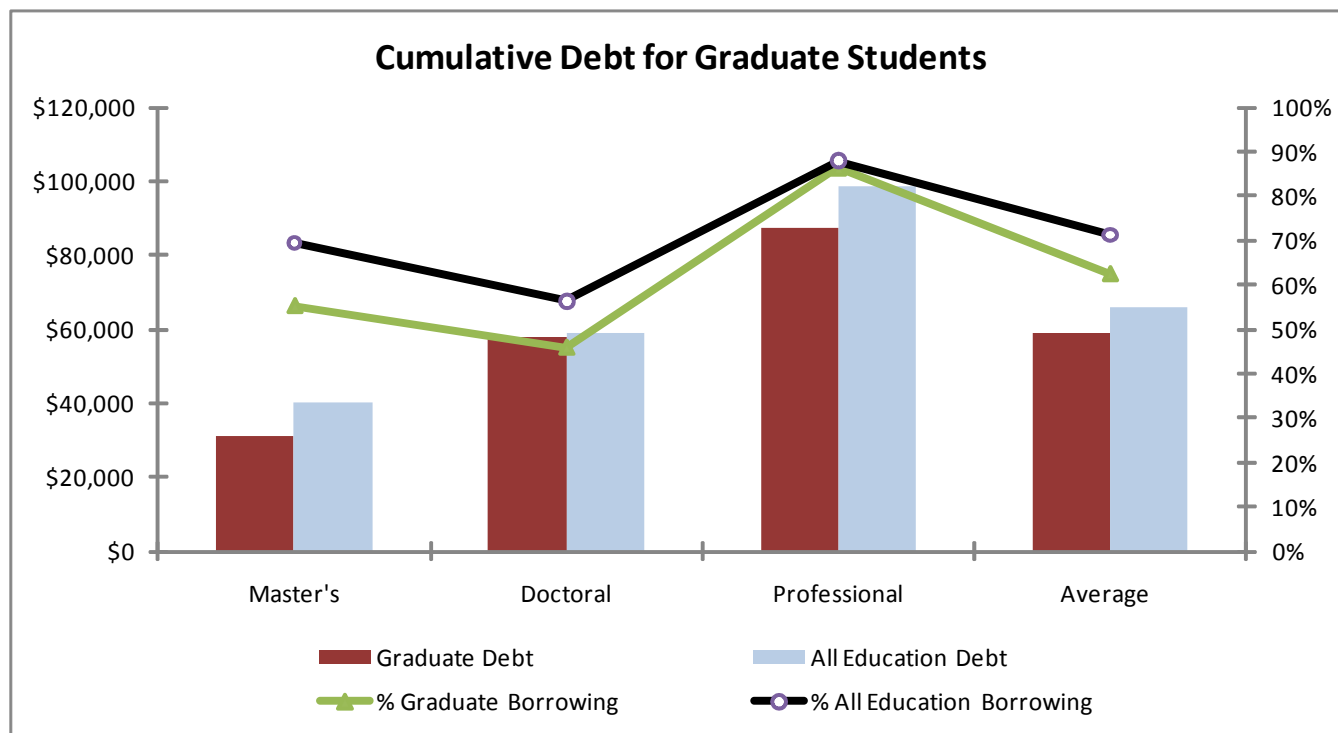
### Cumulative Debt at Graduation, Undergraduate Students 2007-2008

2007-08 Institution Level & Control	Undergraduate Education Debt	
	Percent Borrowing	Cumulative Debt
Overall Total (4, 2 and < 2 year)	58.8%	\$18,625
Public	49.4%	\$16,369
Private Non-Profit	69.7%	\$26,683
Private For-Profit	93.1%	\$17,162
4-year Total	66.5%	\$22,656
4-year Public	61.1%	\$19,839
4-year Private Non-Profit	70.6%	\$27,349
4-year Private For-Profit	97.0%	\$24,635
2-year Total	44.8%	\$12,307
2-year Public	37.2%	\$10,444
2-year Private Non-Profit	64.0%	\$14,790
2-year Private For-Profit	97.6%	\$17,310
Less than 2-year Total	74.7%	\$10,172
Less than 2-year Public	36.1%	\$10,321
Less than 2-year Private Non-Profit	45.0%	\$10,990
Less than 2-year Private For-Profit	86.0%	\$10,123

Source: *FinAid.org*—Mark Kantrowitz and U.S. Department of Education—NPSAS

### Cumulative Debt: Graduate students

The price of graduate level education continues to represent a large portion of total education borrowing. The average graduate student in a degree granting program will accumulate approximately \$66,000 of total debt, with 89% attributable to their graduate program. Approximately 71% of all graduate students will borrow through loans, according to Mark Kantrowitz of FinAid.org

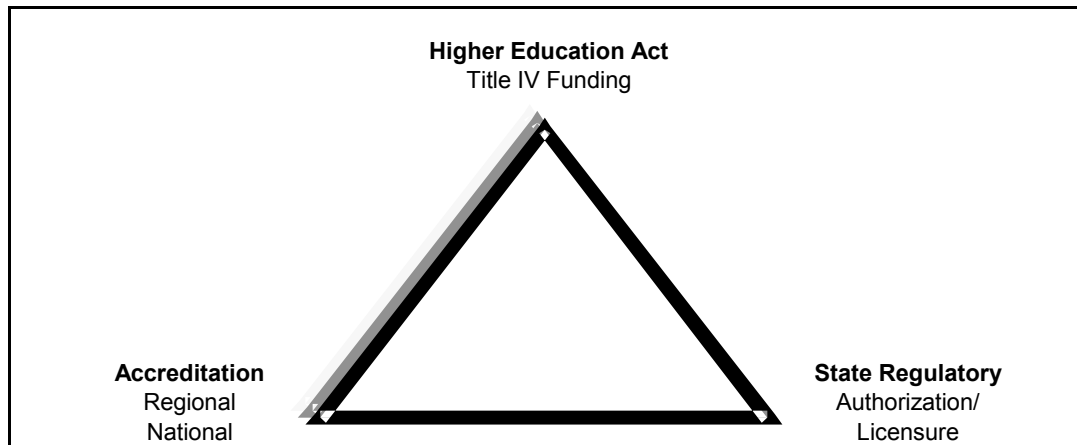


Degree Program	Graduate Debt	% Borrowing	All Education Debt	% Borrowing
Total	\$40,297	56.4%	\$47,503	69.6%
Master's	\$31,031	55.2%	\$40,208	69.4%
Doctoral	\$57,860	45.8%	\$58,967	56.3%
Professional	\$87,308	86.2%	\$98,711	87.9%
Master of Business Administration (MBA)	\$31,927	55.5%	\$41,676	68.9%
Master of Social Work (MSW)	\$35,516	72.3%	\$49,017	77.7%
Master of Science (MS)	\$30,684	49.8%	\$40,362	63.5%
Master of Arts (MA)	\$29,975	60.8%	\$40,500	73.7%
PhD	\$44,995	35.4%	\$45,455	48.0%
EdD	\$43,812	65.1%	\$44,880	73.3%
Law (LLB or JD)	\$80,081	88.6%	\$92,937	88.6%
Medicine or Osteopathic Medicine	\$119,424	81.9%	\$127,272	83.2%
Pharmacy (PharmD)	\$63,412	82.2%	\$81,838	85.0%

Source for both charts: FinAid.org—Mark Kantrowitz and U.S. Department of Education—NPSAS

## Regulation

Higher education is a highly regulated industry. Accreditation, federal requirements under the Higher Education Act of 1965 Title IV, and state regulatory and licensing comprise the “regulatory triad” for postsecondary education. The interrelationships of this triad create the framework for governance and compliance. Like other highly regulated industry sectors, conformance can be challenging and burdensome, and noncompliance can lead to detrimental consequences or even demise. Yet, the industry’s regulatory structure creates substantial barriers to entry for would-be competition. The following is a discussion of each aspect of the triad.



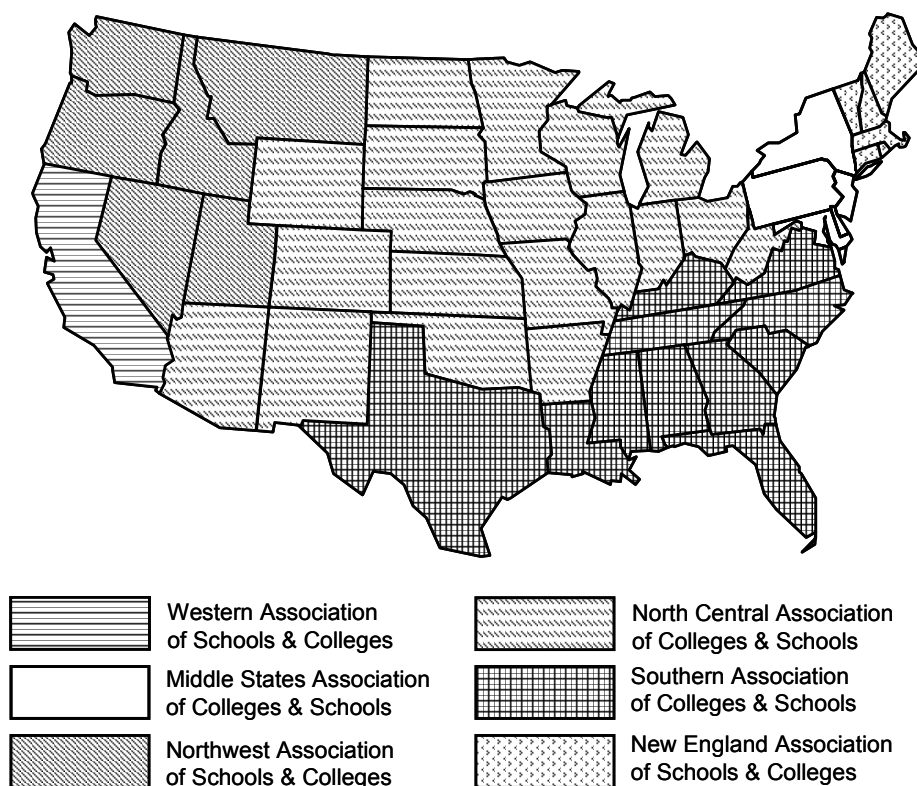
Source: Stifel Nicolaus

## Accreditation

Accreditation is the oldest and least understood leg of the triad. Rooted in the Latin *credito*, “to trust,” the term was meant to establish a peerage of trust. In the context of the American system and all of its terms, institutions could believe one another about anything they said of themselves, and the students and the public could likewise believe them. Voluntary accreditation of educational institutions, conferred by non-government bodies, has two fundamental purposes: quality assurance, and institutional and program self improvement. It is a process for recognizing the quality of educational institutions and their programs, which instills confidence in the educational community and the schools’ constituencies. Institutions are subject to periodic reviews to ensure that a specific level of performance is maintained, that there is evidence of institutional and program self improvement, and that the institution demonstrates integrity and abides by requirements of the accrediting agency. Colleges and universities rely on accredited status in evaluating transfers of credit and applications for postgraduate study. Customers, which include students, parents, and potential employers, rely on accreditation for assurance of quality of the school and its programs. An accreditation body recognized by the U.S. Department of Education is necessary for students at a college or university to qualify for federal financial assistance known as Title IV funding. There are three types of accreditation.

- Regional accreditation is provided by one of six regional bodies: Middle States Association of Colleges and Schools (MS), New England Association of Schools and Colleges (NE), The Higher Learning Commission: A Commission of the North Central Association of Colleges and Schools (NCA), Northwest Commission on Colleges and Universities (NW), Southern Association of Colleges and Schools (SACS), and Western Association of Schools and Colleges (WASC). While independent of one another, the six regional associations cooperate extensively and reciprocate each other’s accreditation.

## Regional Accrediting Associations



Source: North Central Association of Colleges and Schools

- National accrediting associations offer accreditation for institutions with a specific religious purpose, private trade and technical schools, private business colleges, colleges focusing on health-related fields, and institutions offering programs through distance delivery and home study. Key accreditation agencies that affect the publicly traded postsecondary sector include the Accrediting Council for Independent Colleges and Schools (ACICS), the Accrediting Commission of Career Schools and Colleges for Technology (ACCSC), and the Accrediting Bureau of Health Education Sciences (ABHES).

A regional or national accrediting body evaluates not only the formal education activities of an institution, but also governance and administration, financial stability, admissions, student achievement, institutional resources, and relationships with outside constituencies.

- Programmatic is specialized accreditation that evaluates and applies to specific units, schools, or programs within an institution.

While accreditation agencies have existed since the last century, their role has shifted during the past 40 to 50 years; they have become much more regulated and intertwined with the federal government and increasingly serve as gatekeepers to federal financial aid. The Higher Education amendments of 1992 establish more stringent requirements to combat fraud and abuse in federal funding that developed with the proliferation of community colleges, vocational technical institutes, and other specialized institutions during the 1970s and 1980s. To be eligible to participate in Title IV funding programs, an institution must be accredited by an accrediting agency recognized by the U.S. Department of Education. Under the Higher Education Act (HEA), an accreditation agency must conduct regular inspections and reviews of an institution, including unannounced visits (for a complete list of schools affiliated with publicly traded companies, and their respective accreditors, see pages 135-137). For a list of accreditation agencies recognized by the DOE see below.

## Regional Accrediting Agencies

Agency:	Abrv.	On-site Evaluation	Council Meetings
Middle States Association of Colleges and Schools, Commission on Higher Education	MSA-CHE	Every 10 Years	3 Times a Year; February/March, June, November
New England Association of Schools and Colleges, Commission on Institutions of Higher Education	NEASC	Every 10 Years; 5 Years for newly accredited institutions	4 Times a Year
New England Association of Schools and Colleges, Commission on Technical and Career Institutions	NEASC	Full Visit: Every 10 Years; Focused Visit: Every 5 Years	Twice a Year; April and November
North Central Association of Colleges and Schools, The Higher Learning Commission	NCA-HLC	Accredited Institution: 10 Years or Less; Institution in candidacy: Every Two Years, with a Five Year visit for those just admitted	Board of Trustees: 3 Times a Year (February, June, October); Institutional Actions Council: 6 Times a Year; Accreditation Review Council: 3 Times a Year
North Central Association Commission on Accreditation and School Improvement, Board of Trustees	NCA-CASI	Every 5 Years	2 to 3 Times a Year
Northwest Commission on Colleges and Universities	NWCCU		Twice a Year; January and June
Southern Association of Colleges and Schools, Commission on Colleges	SACS	No less than 5 Years	Twice a Year; December, June
Western Association of Schools and Colleges, Accrediting Commission for Community and Junior Colleges	WASC-ACCJC	Every 6 Years	Twice a Year
Western Association of Schools and Colleges, Accrediting Commission for Schools	WASC-ACS	1 to 6 Years	3 Times a Year

Source: Individual accrediting agencies as listed above

## National Accrediting Agencies

Agency:	Abrv.	On-site Evaluation	Council Meetings
Accreditation Commission for Acupuncture and Oriental Medicine	ACAOM	5 years or less	2 Times a year for School Review; 1 summer meeting for policy issues
Accrediting Bureau of Health Education Schools	ABHES	1 to 6 years	2 Times a year, November or December; June or July
Accrediting Commission of Career Schools and Colleges of Technology	ACCSCCT	As needed	1 Time a year and a Minimum 3 Times per Fiscal year
Accrediting Council for Continuing Education and Training	ACCET	1 to 5 years; Title IV's get a midterm unannounced quality assurance visit	3 Times a year; First week of April, August, December
Accrediting Council for Independent Colleges and Schools	ACICS	3 to 8 years	3 Times a year; April, August, December
American Academy for Liberal Education	AALE		2 Times a year, June and November
American Association for Marriage and Family Therapy, Commission on Accreditation for Marriage and Family Therapy Education	AAMFT	5 to 6 years	2 Times a year; Spring, Fall
American Bar Association, Council of the Section of Legal Education and Admissions to the Bar	ABA	Provisionally approved schools, 1 Time a year; fully approved schools, every 7 years	5 Times a year; Fall, December, February, June, August
American Board of Funeral Service Education, Committee on Accreditation	ABFSE	7 years or less	2 Times a year; April, October
American College of Nurse-Midwives, Division of Accreditation	ACNM		
American Dental Association, Commission on Dental Accreditation	ADA		
American Dietetic Association, Commission on Accreditation for Dietetics Education	CADE	Every 10 years for reaccreditations; After 4 years of developmental accreditation for initial accreditation.	4 Times a year; July, October, January, April
American Occupational Therapy Association, Accreditation Council for Occupational Therapy Education	AOTA	5 -7 years for initial accreditation; 5-10 years for reaccreditation	3 Times a year.
American Optometric Association, Accreditation Council on Optometric Education	AOA	Optometric degree program, every 8 years or less; Optometric technician programs and optometric residency programs, 7 years or less	3 Times a year
American Osteopathic Association, Commission on Osteopathic College Accreditation	AOA,COCA	1 year for provisional accreditation ; 7 years for full accreditation	3 Times a year; Last weekend of April, August; first weekend in December
American Physical Therapy Association, Commission on Accreditation in Physical Therapy Education	APTA		
American Podiatric Medical Association, Council on Podiatric Medical Education	CPME		
American Psychological Association, Committee on Accreditation	APA	3 to 7 years; 2 year for Doctoral programs on probation and 1 year for internships/postdoctoral on probation	3 Times a year to review programs; 1 time a year for policy changes
American Speech-Language-Hearing Association, Council on Academic Accreditation in Audiology and Speech-Language Pathology	ASHA	8 years or less	3 Times a year; Two, 3 1/2 day meetings in the Winter and Summer; One 1 day meeting in late Fall
American Veterinary Medical Association, Council on Education	AVMA		
Association for Biblical Higher Education, Commission on Accreditation	ABHE	5 to 10 years	1 Time a year
Association for Clinical Pastoral Education, Inc., Accreditation Commission	ACPE	6 years or less	Twice a year; January and June
Association of Advanced Rabbinical and Talmudic Schools, Accreditation Commission	AARTS		
Association of Theological Schools in the United States and Canada, Commission on Accrediting	ATS	5 to 10 years	Twice a year
Commission on Accreditation of Healthcare Management Education	CAHME	3 to 8 years	Twice a year; Spring, Fall
Commission on Collegiate Nursing Education	CCNE	5 to 10 years; Less when deficiencies exist	Twice a year
Commission on English Language Program Accreditation	CEA	1 to 5 years for initial accreditation; 1 to 10 years for reaccreditation; 5 year midterm report could trigger another visit during 10 year reaccreditation period	3 Times a year
Commission on Massage Therapy Accreditation	COMTA	3 to 5 years	2 Times a year
Commission on Opticianry Accreditation	COA		
Council on Accreditation of Nurse Anesthesia Educational Programs	AANA		
Council on Education for Public Health	CEPH	2 to 7 years	3 Times a year
Council on Naturopathic Medical Education	CNME		
Council on Occupational Education	COE		
Distance Education and Training Council, Accrediting Commission	DETC	5 years	2 Times a year
Joint Review Committee on Education in Radiologic Technology	JRCERT	3 years or less for a new program; 8 years or less for a continuing program	2 Times a year
Joint Review Committee on Educational Programs in Nuclear Medicine Technology	JRCNMT		
Liaison Committee on Medical Education	AMA		
Midwifery Education Accreditation Council	MEAC	3 to 5 years	2 Times a year; Spring and Fall
Montessori Accreditation Council for Teacher Education, Commission on Accreditation	MACTE	initial accreditation is 4 years or less; reaccreditation is 7 years or less	2 Times a year; November, May
National Accrediting Commission of Cosmetology Arts and Sciences	NACCAS	1 to 6 years	4 Times a year
National Association of Nurse Practitioners in Women's Health, Council on Accreditation	NPWH	6 years or less	1 Time a year; February
National Association of Schools of Art and Design, Commission on Accreditation	NASAD	5 to 10 years	2 Times a year
National Association of Schools of Dance, Commission on Accreditation	NASD	5 to 10 years	1 Time a year
National Association of Schools of Music, Commission on Accreditation	NASM	5 to 10 years	2 Times a year
National Association of Schools of Theatre, Commission on Accreditation	NAST	5 to 10 years	1 Time a year
National Council for Accreditation of Teacher Education	NCATE	5 to 7 years	2 Times a year
National League for Nursing Accrediting Commission	NLNAC	2 to 8 years	3 Times a year; July, November, February
New York State Board of Regents, and the Commissioner of Education	NYSED		
Teacher Education Accreditation Council, Accreditation Committee	TEAC	Every 5th and 10th year	2 Times a year
The Council on Chiropractic Education, Commission on Accreditation	CCE-USA	4 to 8 years; Spring and Fall	2 Times a year; January & July
Transnational Association of Christian Colleges and Schools, Accreditation Commission	TRACS	As Needed	2 Times a year; Spring and Fall

Source: Individual accrediting agencies as listed above

## Higher Education Act

The second party to the regulatory triad is federal requirements, specifically the Higher Education Act of 1965 and the section devoted to Title IV funding. The Higher Education Act remains the body of law guiding the federal government's support of postsecondary education. The act has been amended several times, and was reauthorized in August 2008. The largest component of the law authorizes the federal student financial assistance programs. In defining these programs, Title IV provides requirements, such as accrediting agency approval, that institutions must meet to be eligible for funding.

## State Regulation

State regulation, the third leg of the regulatory triad, encompasses state or provincial licensure. Criteria vary by state, but the common feature is consumer protection. Authorizations are required to recruit students, operate schools, and grant degrees. Many states require for-profit institutions to post surety bonds for licensure.

**Regulatory Bodies**

	Regulatory Body	Mission	Frequency of Review
Included in the regulatory triad	Department of Education (DOE)	<p><b>Primary Mission:</b> establishes policies relating to federal financial aid for education, administers distribution of those funds, and monitors their use. Collects data and oversees research on America's schools and disseminates this information to educators and the general public. Identifies the major issues and problems in education and focuses national attention on them. Enforces federal statutes prohibiting discrimination in programs and activities receiving federal funds and ensures equal access to education for every individual.</p> <p><b>Primary Mission:</b> OIG conducts audits and investigations of Department programs and operations in order to promote their efficiency and effectiveness and to detect and prevent fraud, waste, and abuse. Through courts and administrative procedures, this office seeks to recover misused federal funds. In cooperation with the Department of Justice, it seeks prosecution of wrongdoers.</p>	Random
	Office of Inspector General		Infrequent
	Accreditation Regional/ National	<ul style="list-style-type: none"> <li>• Institutional accreditation normally applies to an entire institution, indicating that each of an institution's parts is contributing to the achievement of the institution's objectives.</li> <li>• Programmatic accreditation normally applies to programs, departments, or schools that are parts of an institution.</li> <li>• Voluntary accreditation of educational institutions, conferred by non-government bodies, has two fundamental purposes: quality assurance, and institutional and program self improvement.</li> <li>• Regional and national accreditation agencies recognized by the DOE are required for Title IV funding.</li> </ul>	Varies; every 5 or 10 years, generally
	State Regulators	State licensure focuses on consumer protection. Authorizations are required to recruit students, operate schools, and grant degrees. State regulatory bodies are the sounding board for "consumer" complaints.	During new school/ program approval process
	U.S. Securities and Exchange Commission (SEC)	<b>Primary Mission:</b> to protect investors and maintain the integrity of the securities markets.	Infrequent
	Department of Justice (DOJ)	<b>Primary Mission:</b> enforce the law and defend the interests of the U.S. according to the law; ensure public safety against threats foreign and domestic; to provide federal leadership in preventing/controlling crime; seek just punishment for those guilty of unlawful behavior; administer and enforce immigration laws fairly/effectively; ensure fair/impartial administration of justice.	Infrequent

Source: Respective regulatory web sites



## Financial Aid

Students typically finance their education through a combination of financial resources, part-time employment, family contributions, and state, federal and company-provided aid. For a synopsis of federal student financial aid programs, see the table below.

Federal Student Aid Summary			
Federal Student Aid Program	Type of Aid	Program Details	Annual Maximum Award Limits
<b>Federal Pell Grant</b>	Grant: does not have to be repaid	Available almost exclusively to undergraduates; all eligible students receive the Federal Pell Grant amounts they qualify for.	\$5,350 for 7/1/09 - 10 \$5,550 for 7/1/10 - 11 (ARRA)
<b>Federal Supplemental Educational Opportunity Grant (FSEOG)</b>	Grant: does not have to be repaid	For undergraduates with exceptional financial need; priority is given to Federal Pell Grant recipients; funds depend on availability at school.	\$200 to \$4000
<b>Academic Competitiveness Grant (ACG)</b>	Grant: does not have to be repaid	<b>First Year-</b> must be eligible for a Pell Grant, completed a rigorous secondary school program, and enrolled in an eligible program at least half-time. <b>Second Year-</b> Same requirements as first year, and must have a 3.0 GPA at the end of the first year of postsecondary study	First year: up to \$750 Second year: up to \$1,300
<b>National Science and Mathematics Access to Retain Talent Grant (SMART)</b>	Grant: does not have to be repaid	Must be eligible for Pell Grant, enrolled in an eligible degree program majoring in physical, life, or computer sciences, engineering, technology, mathematics, or a critical-need foreign language, and also have a minimum 3.0 GPA	Up to \$4,000
<b>Teacher Education Assistance for College and Higher Education Grant (TEACH)</b>	Grant: does not have to be repaid	For undergraduate, post-baccalaureate, or graduate students who are/will be taking course work necessary to become elementary or secondary teachers; must agree to serve, for a minimum of four years, as a full-time teacher in a high-need field in a school that serves low-income students	Up to \$4,000
<b>Federal Work-Study</b>	Money is earned while attending school; does not have to be repaid	For undergraduate and graduate students; jobs can be on campus or off campus; students are paid at least minimum wage.	No annual maximum.
<b>Federal Perkins Loan</b>	Loan: must be repaid	Five percent loans for both undergraduate and graduate students; payments are owed to the school that made the loan.	Up to \$5,500 for undergraduate students; Up to \$8,000 for graduate students/professional degree.
<b>Subsidized FFEL or Direct Stafford Loan</b>	Loan: must be repaid	Subsidized: U.S. Department of Education pays interest while borrower is in school and during grace and deferment periods; must be at least half-time student	\$3,500 in 1st year up to \$8,500 for graduate level.
<b>Unsubsidized FFEL or Direct Stafford Loan</b>	Loan: must be repaid	Unsubsidized: Borrower is responsible for interest for the life of the loan; for undergraduate or graduate students, must be at least half-time student	\$5,500 in 1st year up to \$20,500 for graduate level or \$40,500 for medical school (includes any subsidized amounts received for the same period).
<b>Federal PLUS Loan</b>	Loan: must be repaid	Available to parents of dependent undergraduate students; borrower is responsible for all interest; must have positive credit history	Cost of attendance minus any other financial aid the student receives.
<b>Federal PLUS Loans for Graduate and Professional Students</b>	Loan: must be repaid	For graduate and professional degree students; borrower is responsible for all interest; must have positive credit history and have applied for annual loan maximum eligibility under the Federal Subsidized and Unsubsidized Stafford Loan Programs	Cost of attendance minus any other financial aid the student receives.

Source: U.S. Department of Education

**Higher Education Reconciliation Act of 2005 (HERA)**

<b>Major Provisions</b>		
<b>Provision</b>	<b>Summary</b>	<b>Effective Date</b>
Increased Annual Loan Limits	1st Year: from \$2,625 to \$3,500 2nd Year: from \$3,500 to \$4,500 Graduate: from \$10,000 to \$12,000 unsubsidized No change in aggregate loan limits	7/1/07
Eliminated 50% Rule	Schools offering over 50% of their courses by telecommunications or have 50% or more of their students enrolled in telecommunications courses are now eligible for participation in Title IV. The 50% limits continue to apply to correspondence courses and students.	7/1/06
Short-term certificate programs	Students enrolled in certificate and degree programs offered wholly or in part by telecommunications are eligible for Title IV.	7/1/06
Amended definition of academic year	Minimum 30 weeks of instructional time for 'credit hour' programs. Undergraduate programs: Minimum 24 semester hours / 36 quarter hours.  Minimum 26 weeks for 'clock hour' programs. Undergraduate programs: Minimum 900 'clock hours'	7/1/06

Source: U.S. Department of Education

**College Cost Reduction and Access Act (H.R.2669)**

The legislation, approved by The House of Representatives and the Senate and signed by President Bush in September 2007, is aimed to further improve college affordability by increasing the maximum Pell Grant and halve the interest rate on subsidized student loans by 2011.

<b>Year Beginning</b>	<b>Maximum Federal Pell Grant</b>
7/1/2006	\$4,050
7/1/2007	\$4,310
7/1/2008	\$4,800
7/1/2009	\$4,800
7/1/2010	\$5,000
7/1/2011	\$5,000
7/1/2012	\$5,400

\*First disbursements beginnings this date and ending before July the following year.

\*\*Interest rate on the unpaid principal balance of the loan.

Source for tables: U.S. Government - Bill H.R. 2669

## Ensuring Continued Access to Student Loans Act (H.R. 5715)

The legislation, signed by President Bush on May 7, 2008, reauthorizes the Higher Education Act and aims to prevent a loss of funding to eligible students resulting from significant disruptions in the credit markets. This bill is designed to help fill the void left by exiting private loan and FFEL loan providers.

Major Provisions		
Provision	Summary	Effective Date
Increased unsubsidized Stafford	<ul style="list-style-type: none"> <li>- Unsubsidized Stafford annual limit increased by \$2,000 for undergraduate dependent, dependent with parents unable to borrow PLUS, and independent undergraduate students.</li> <li>- Increases aggregate unsubsidized loan amounts for dependent undergraduates from \$23,000 to \$31,000 (minus subsidized borrowing).</li> <li>- Increases aggregate unsubsidized loan amounts for independent undergraduates from \$46,000 to \$57,500 (minus subsidized borrowing).</li> </ul>	7/1/08
Grace period and Deferment for Parent PLUS	<ul style="list-style-type: none"> <li>- Allows parent to choose to defer payment on a PLUS loan until 6 months after the date the student ceases to be enrolled at least half time.</li> </ul>	7/1/08
Lender of Last resort provision	<ul style="list-style-type: none"> <li>- Permits the Dept of Education (DOE) to designate an entire institution as eligible for lender of last resort loans.</li> <li>- Guaranty agencies would be required to make loans to all of the institution's eligible students.</li> </ul>	5/7/08
DOE purchase of FFEL loans	<ul style="list-style-type: none"> <li>- Temporarily authorizes the DOE to purchase FFEL loans originated on or after Oct 1, 2003. Authorization expires on 7/1/10. *</li> <li>- The price paid by the DOE is established by the Secretary of Education in consultation with the Secretary of Treasury without cost to the federal government.</li> </ul>	

\* President Bush signed a 1 year extension (from '09 to '10) in October 2008. (HR 6889)

Source: U.S. Department of Education

## Higher Education Opportunity Act (H.R. 4137)

The legislation, approved by Congress and signed by President Bush on August 14, 2008, reauthorizes the Higher Education Act, the primary higher education law in the U.S., for the first time in 10 years.

Major Provisions		
Provision	Summary	Effective Date
Increased Pell Grant maximums	Academic year: 2009-10 = \$6,000 2010-11 = \$6,400 2011-12 = \$6,800 2012-13 = \$7,200 2013-14 = \$7,600 2014-15 = \$8,000	7/1/09
"Year-round" Pell Grant	- Allows student to receive 2 Pell grants during a single award year to accelerate their progress toward their degree.	7/1/09
90/10 Rule	- The \$2,000 increase in unsubsidized Stafford loans (HR. 5715) will be treated as <u>Non</u> -Title IV funds in the calculation for loans granted on or after July 1, 2008 and prior to July 1, 2011. - Increases the types of revenue that institutions can count toward the 10% <u>Non</u> -Title IV revenue. - Penalty for violating 90/10: violation for 2 consecutive fiscal years = placed on provisional certification and may become ineligible for Title IV funds for at least 2 years. Old provision called for immediate ineligibility after 1 year in violation.	7/1/08
Cohort Default Rate	- Cohort Default Rates (CDR) will incorporate a 3 year default period in the calculation, up from 2 years, which is expected to significantly increase the CDR rates. - Increase CDR threshold to 30%, up from 25%. Schools with a cohort default rate of more than 30% for 3 consecutive fiscal years may have their eligibility for financial aid revoked. - Outlines a new appeals process for violations due to mitigating circumstances and sets an action plan for maintaining eligibility. - Institutions with cohort default rates < 15% for the previous 3 fiscal years may disburse loans in a single installment for a given enrollment period. Previously the threshold was 10%. - The cohort default rates threshold for early disbursement to 1st time borrowers is also 15%, up from 10%.	Fiscal 2012

Source: U.S. Department of Education

### Post 9/11 Veterans Educational Assistance Act of 2008 (update to G.I. Bill)

The bill, signed by President Bush on June 20, 2008, reauthorizes the Higher Education Act and is designed to expand the education benefits of veterans that served in the military since September 11, 2001.

Major Provisions		
Provision	Summary	Effective Date
Increased Tuition Benefit	<ul style="list-style-type: none"> <li>- Qualified individuals enrolled in approved programs are entitled to receive 36 months (4 years of college) of educational benefits including tuition, fees, living expenses, and other costs.</li> <li>- Tuition and fee amount = up to the in-state amount at the most expensive public school in the state. Previous benefit was up to \$36,144.</li> <li>- Entitlement period is extended from 10 to 15 years.</li> </ul>	8/1/09
Transfer of Benefits	- Eligible individuals may transfer a portion of their education benefits to their spouse, children (under age 26), or a combination of both.	8/1/09
Yellow Ribbon G.I. Education Enhancement Program	- Allows colleges and universities to voluntarily cover a portion of tuition and fees not otherwise covered by the law. In instances where the educational benefits do not cover the full cost of tuition and fees at the school, the government will provide up to 50 percent of any remaining costs if the school puts up the other 50 percent.	8/1/09

Source: U.S. Senate

#### Montgomery GI Bill vs. Post 9/11 GI Bill

MGIB		Post 9/11
Monthly benefit up to \$1,321 per month for 36 months. Payments are made during the time the student is actively enrolled in school	<b>Tuition</b>	Benefits will match 100% tuition up to the cost of the most expensive public state school's in-state undergraduate tuition. Plus, Yellow Ribbon Program (see below)
36 months of eligibility	<b>Term</b>	Up to 36 months of eligibility
Eligibility for benefits for 10 years after separation or retirement	<b>Expiration of Benefits</b>	Eligibility for benefits for 15 years after separation or retirement
N/A	<b>Living Expenses</b>	The housing benefit is equivalent to the basic allowance for housing (BAH) of an E-5 with dependents, however fluctuates depending on geographic location
N/A	<b>Books</b>	Up to \$1,000 stipened per year for books and study materials
Available for students attending approved institutions at least half-time and have a deficiency in a subject that makes tutoring necessary for the student	<b>Tutorials</b>	Up to \$100 per month for tutoring (not to exceed a maximum of \$1,200 total benefits)
N/A	<b>Relocation</b>	One-time relocation payment of \$500 if student has to move more than 500 miles from highly rural area to attend school
All vocational training programs approved by the VA are eligible	<b>On-the-job and Apprenticeship Training</b>	Only programs offered by institutions of higher learning are approved
Education benefits may be transferred to family members if the active duty military member has served at least six years and agrees to serve another four years	<b>Transfer of Benefits</b>	DoD may allow an individual to elect to transfer entitlement to one or more family members if (1) Member of Armed Forces on or after Aug 1, 2009 and has served at least six years or agrees to serve at least another four or (2) Up to 36 months of benefits may be transferred to family in numerous combinations to multiple dependents
All costs, fees, and tuitions exceeding MGIB payment are student's responsibility	<b>Yellow Ribbon Program</b>	If GI Bill doesn't meet cost of school, schools may voluntarily waive a portion of remaining tuition not already covered and the VA will match it dollar for dollar

Source: GI Jobs magazine, October 2009 issue

## American Recovery and Reinvestment Act

The bill was signed into law by President Obama on February 17, 2009. The law, which is generally referred to as "the stimulus bill," brings roughly \$30 billion in additional funding for financial aid to the D.O.E. for the next two academic years. It also grants additional support for college education programs administered by other agencies.

Major Education Provisions	
Provision	Summary
Increase Pell Grant	Slightly more than \$17 billion is provided to increase the maximum award to \$5,350 in 2009-10 and \$5,550 in 2010-11, and eliminate the Pell Grant shortfall.
Increase Hope Scholarship	<ul style="list-style-type: none"> <li>- Law provides approximately \$13.5 billion for a temporary replacement of the HOPE tax credit for 2009-10 and 2010-11. The amount of the credit is up to \$2,500, up to 40 percent (\$1,000) of which is refundable.</li> <li>- Income phase-outs increased from \$48K/\$58K to \$80K/\$90K (single) and from \$96K/\$116K to \$160K/\$180K (joint).</li> </ul>

Source: U.S. Senate

## Health Care and Education Reconciliation Act of 2010 (HCERA)

The Health Care and Education Reconciliation Act of 2010 (HCERA) completes the reconciliation instructions included in the FY 2010 budget resolution and makes changes to the federal student aid programs (many proposed in the original SAFRA bill (HR 3221). The reconciliation bill was passed by both the House and Senate on March 25, 2010 and was signed by President Obama on March 30, 2010.

Major Provisions		
Provision	Summary	Effective Date
Mandatory Pell Add-ons	<p>- Pell Grant maximums in future years would be changed to reflect an appropriated base with a mandatory add-on. From 2014-15 through 2017-18, increases to the mandatory add-on based on estimated changes to the consumer price index (CPI).</p> <p><b>2012-13:</b> the bill reduces the previous mandatory add-on from \$1090 to \$690 (the \$690 add-on is maintained for 2010-11 and 2011-12).</p> <p><b>2013-14:</b> Greater of \$5550 or prior year's maximum (i.e., total of appropriated amount + mandatory add-on), increased by estimated percent change in the CPI for the 2013-14 year minus Greater of \$4860 or prior year's appropriated maximum, rounded to the nearest \$5.</p> <p><b>2014-15 through 2017-18:</b> Prior year's maximum (i.e., total of appropriated amount + mandatory add-on), increased by estimated percent change in the CPI for the most recent calendar year ending prior to the beginning of that award year minus Greater of \$4860 or prior year's appropriated maximum, rounded to the nearest \$5.</p> <p><b>2018-19:</b> The bill establishes an add-on that will equal the add-on from 2017-18.</p>	2010 - 2019
Minimum Pell Grant	- The bill revises the minimum Pell Grant from 10 percent of appropriated maximum to 10 percent of total maximum (appropriation + mandatory add-on). The HCERA increases the maximum Expected Family Contribution (EFC) for Pell Grant eligibility for the 2010-11 award year to \$5,273. Previously, the maximum EFC for Pell Grant eligibility was \$4,617.	
Pell Grant - Study abroad	- Continues to allow the Pell Grant to be exceeded for study abroad but caps the grant at the total maximum (appropriation + mandatory add-on) rather than the appropriated maximum.	
Appropriation for Pell Grant Shortfall:	- Appropriates \$13.5 billion to fund projected short falls in Pell appropriation levels through fiscal year (FY) 2012.	
Eliminate FFELP	- Eliminates the FFELP program leaving the Federal Direct program as the sole provider of federal student loans.	7/1/10
Income-Based Repayment (IBR):	- New borrower qualification for program if the borrower's standard repayment exceeds 10% of discretionary income (reduced from the current 15%), and the income-based repayment amount is lowered to 10 percent of the borrower's discretionary income. Loan forgiveness occurs after 20 years of repayment rather than the current 25.	7/1/14
In-School Consolidation:	Borrowers who have loans in the Direct Loan program, the FFEL program, or loans purchased by the Department under ECASLA may consolidate those loans into a Direct Consolidation loan between July 1, 2010 and July 1, 2011. The borrower must have at least one loan in each of two of the three categories named, and have not yet entered repayment on at least one of those loans.	7/1/10 - 7/1/11
Direct Loans for Foreign Schools:	- Schools outside of the U.S. are now authorized to participate in the Direct Loan program.	
College Access Challenge Grant Program:	- Funding for the program is increased to \$150 million annually.	FY10 - FY14
TAA for Community Colleges:	- Appropriates \$500 million a year for fiscal years 2010 through 2014 in the Community College and Career Training Grant program for community colleges to develop and improve educational or career training programs. Ensures that each state receives at least 0.5 percent of the total funds appropriated.	2010 - 2014

Source: U.S. House of Representatives, U.S. Senate, NASFAA



## Funding—Other

### Pell / Other Title IV:

- FY11 Continuing Resolution (4/15/11): maintained the maximum Pell Grant at \$5,550; eliminated year-round Pell beginning with the 2nd award for 2011-12 academic year.
- Budget Control Act: protected/funded Pell by eliminating subsidies on loans to Grad/professional students; provision to cut Federal spending by \$1.2 trillion over next decade and bipartisan committee to find sources of \$1.5 trillion in deficit reduction by Thanksgiving or cuts occur across the board. Pell grants are not protected from cuts.
- 2012 Budget—Pell proposals:
  - \* Obama Administration—Preserves Pell funding; Eliminates subsidies on loans for Graduate programs; Elimination of Year-round Pell.
  - \* Senate—Maintains maximum Pell at \$5,550; Eliminates subsidizing interest for Undergraduate loans for 6 months after leaving college. Estimated to save \$6 billion over 10 years.
  - \* Prior House proposal: Cut the maximum Pell grant by \$845 to \$4,705.
  - \* House (Labor HHS): Preserves the maximum Pell at \$5,550; Cuts Pell funding by \$2.3 billion by eliminating ATB eligibility, tightening income eligibility, reducing eligibility from 18 to 12 semesters (affects part-time), making less than half time student no longer eligible, repeals funding for GE and State Authorization, preserves 6 month subsidization.

### Department of Defense—Tuition Assistance:

- Budget Control Act—DoD could face \$900 billion in cuts over the next decade.
- Potential Return to 75%/25% deemed most likely (was increased to 100% coverage in 2002). H.R. 1540 mandated investigation of impact
  - \* October 11, 2011: Marine Corps. announced a reduction in their TA program to \$175/credit hour and \$875/annual max. from \$250 and \$4,500 respectively. The announcement also implied a broader DoD cut to \$175 / \$3,500 from \$250 / \$4,500.
  - \* October 26, 2011: Marine Corps. Rescinded the 10/11/11 cuts.
  - \* October 28, 2011; DoD announces that potential reductions in TA funding will be examined as part of a review of entire military compensation package.

## Negotiated Rule Making (NegReg) - Program Integrity

On May 26, 2009, The Department of Education announced its intent to hold Negotiated Rulemaking relating to maintaining or improving program integrity in the Title IV / HEA programs. Final rules on almost all the issues (brief summary below) were published on October 28, 2010. The most controversial rule (Gainful Employment) was partially delayed (till June 2, 2011) in consideration of the substantial amount of response from constituents and the public and correspondingly, the complexity of the proposed rule. See page 87 for a comparison of the Final rule and the original proposed rule.

### Summary of Program Integrity Final Rules:

**State Authorization:** clarifies requirements for proprietary institutions and postsecondary vocational institutions to be considered legally authorized by the State. Includes clarification of the minimum requirements for states to meet its responsibility to protect students as well as new requirements related to distance education.

**Incentive Compensation:** eliminates all “safe harbor” provisions related to incentive compensation for any person or entity engaged in any student recruitment or admission activity, including making decisions regarding the award of Title IV program assistance.

**Credit Hours Definition:** defines a credit hour and establishes procedures that certain institutional accrediting agencies must have in place to determine whether an institution’s assignment of a credit hour is acceptable. Includes provisions to ascertain when institutions must award student financial assistance based on clock or credit hours and the standards for credit-to-clock-hour conversions.

**Misrepresentation to Students and Others:** defines and describes the activities that constitute misrepresentation to students, prospective students, state agencies, accreditors, the general public, and the US Department of Education by institutions about the nature of the educational programs, financial charges, or employability of its graduates.

**Gainful Employment - Reporting & Disclosure (1st part of GE rules)** requires institutions to provide students and prospective students with each eligible program’s debt levels, graduation rates, job placement rates and require that institutions provide ED with information about students enrolled in programs, program graduates, and placement rates.

**High School Diplomas:** require institutions to develop and follow procedures to evaluate the validity of a student’s high school diploma if the institution, or ED, has reason to believe that the diploma is not valid or was not obtained from an entity that provides secondary school education.

**Written Agreements Between Institutions:** call for an institution to disclose to a student/prospective student written agreements between institutions or consortia that are offering a portion of a program; prohibits arrangements with ineligible institutions that have had federal student aid participation revoked.

**Satisfactory Academic Progress:** require a structured, consistent approach to evaluating a student’s academic work for the purpose of determining on-going eligibility for Title IV program assistance.

**Retaking Coursework:** expands the definition of full-time student to allow for term-based programs, and repeated coursework taken in the program to count towards a full-time workload.

**Ability to Benefit - 6-Hour Rule:** expand the eligibility for Title IV program assistance to students who demonstrate they have the ability to benefit from the training by satisfactorily completing six credits of college work, or the equivalent amounts of coursework, that are applicable toward a degree or certificate offered by an institution.

**FAFSA Verification:** changes the process of verifying information on a student’s FAFSA (application) - reduces the burdens on students and institutions by utilizing IRS data. Implementation date - July 1, 2012.

**Return of Title IV Funds and Attendance:** clarifies when a student is considered to have withdrawn from a payment period of enrollment and defines the circumstances under which an institution is required to take attendance for the purpose of calculating a return of Title IV program funds.

**Timeliness and Method of Disbursement – Books & Supplies:** requires institutions to provide the means for eligible Title IV students to acquire the necessary books and supplies by the 7th day of the payment period.

## Gainful Employment Rule—Debt Measures:

On June 2, 2011, ED released the second and more controversial part of the Gainful Employment rule relating to the Debt standards that for-profit institutions will be required to meet in order to qualify for Federal student aid. The rule is effective on July 1, 2012 while the earliest an institution could face sanction is FY 2015 (i.e. failure of debt measures in FY12-FY14).

### Comparing and Contrasting Final vs. Original proposed Gainful Employment Rule\*

<b>Metrics</b>	<b>Original proposed Formula</b>	<b>New Formula</b>
<b>I. Repayment rate range</b>	<b>35%-45%</b>	<b>35%</b>
Numerator	Only loans paid in full or with any principal being repaid included in numerator	Loans paid in full or repaying any principal or making interest only payments or income-based payments (with anti-abuse limits <sup>2</sup> ).
Denominator	OOPB <sup>1</sup> of all Federal loans to all students that entered repayment over past 4 years	Measure performance based on the third and fourth years after students leave school with adjustments for small programs, improving programs, graduate programs, and medical and dental programs.
Basis	Program by program	Program by program
<b>II. Debt Service</b>		
<b>Debt Income Ratio</b>	<b>8%-12%</b>	<b>12%</b>
<b>Debt to Discretionary income ratio</b>	<b>20%-30% (the more lenient of the 2 measures)</b>	<b>30%</b>
Debt levels	Median debt	Median debt
Who's included	Completers only over last 3 years. Years 4-6 can be used but 8% and 20% apply	generally measures completers in third or fourth year after graduation (like repayment rate)
Repayment schedule	10 years	10 years - Certificate and Associate Programs; 15 years for Bachelors and Masters programs; 20 years for Doctorate and professional
Interest Rate	6.8% unsubsidized Stafford	6.8% unsubsidized Stafford
Source of income data	IRS/SSA	IRS/SSA BLS for 1st 3 years of GE phase-in. Also state/survey data.
Borrowing sources included	All (federal, private, institutional)	All (federal, private, institutional) - only debt going towards tuition and fees. Living expenses excluded.
How prior debt handled	Institution specific	Believed to be the same
<b>Impact (ED estimates):</b>		
Fully Eligible (no qualifications)	39% of programs; 34% students	Not applicable - restricted status removed in 2012 Total: 8% programs fail at least once; 2% lose eligibility; For-profit: 18% of programs fail at least once; 5% lose eligibility
Eligible but with Debt Warning	49% programs; 50% students	
Restricted	7% programs; 8% students	
Ineligible	5% programs; 8% students	
Student volume:	34,000-63,000	Total: 6% of students in programs that fail once or twice; 1% lose eligibility; For-profit: 10% of students in programs that fail once or twice; 2% lose eligibility
Revenue:	\$379-\$708 million	
Expenses:	\$140-\$260 million	
Implied profit:	\$239-448 million	
Effective date	July 1, 2012	July 1, 2012, but first sanction in early 2015 (after measuring 3 years, 2012 - 2014)
Loss of eligibility:	Failing programs lose eligibility immediately in 2012; Cap = 5% of lowest performing programs industry-wide in year 1	Fail all 3 tests in 3 out of 4 years. The Department will cap eligibility losses after the FY 2014 rates are finalized in 2015, the first year of eligibility losses, at 5 percent of public, non-profit, and for-profit programs.
Restrictions	Enrollment restriction if repayment rate < 45% and debt ratios above 8%/20%	no "restricted" status and no growth restrictions. (yellow zone of matrix in proposed rule).
Disclosure	October final rule required additional disclosure - total program costs, completion rates, placement, repayment rates, debt measures	October final rule required additional disclosure - total program costs, completion rates, placement, repayment rates, debt measures
		Fail 3 measures 1 year: disclose program missed threshold Fail 3 measures 2 years out of 3: disclose debts may be unaffordable, program may lose eligibility, possible transfer options.

\* Based off of guidelines release by ED. <sup>1</sup> OOPB: Original outstanding principal balance <sup>2</sup> Loans that are interest only or negatively amortized may be counted as performing, but only up to 3% of denominator. Grad consolidation loans considered if balance does not increase yty

Source: U.S. Department of Education and Stifel Nicolaus

**Gainful Employment: Repayment Rate Summary—Publicly Traded Companies**

<u>Company</u>	<u>Ticker</u>	<u>Company Aggregate</u>	<u>Division/Brand</u>	<u>Overall Rate</u>	<u>Range</u>
American Public Education	APEI	47%	APUS	47%	
Apollo Group	APOL	44%	University of Phoenix	44%	0%-65%
			Western International	36%	33%-36%
Capella Education	CPLA	40%	Capella University	40%	NA
Career Education Corporation	CECO	35%	AIU	36%	0%-39%
			CTU	40%	20%-100%
			IADT	26%	12%-37%
			LeCordon Bleu	38%	27%-46%
			Sanford Brown	31%	0%-50%
Corinthian Colleges	COCO	26%	Everest	22%	7%-51%
			Heald	37%	0%-58%
			Wyotech	49%	27%-65%
DeVry	DV	35%, 38% w/o Ross	DeVry University	37%	25%-69%
			Ross	23%	16%-45%
			Chamberlain	49%	NA
			Apollo College	39%	30%-50%
			Western Career	37%	23%-45%
Education Management	EDMC	37%	Art Institutes	39%	9%-59%
			Argosy	38%	0%-100%
			Brown Mackie	21%	0%-38%
			South	39%	11%-52%
ITT Educational Services	ESI	31%	ITT Institutes	31%	0%-100%
			Daniel Webster	71%	NA
National American University	NAUH	38%		38%	0%-50%
Strayer Education	STRA	25%	Strayer University	25%	6%-51%
Universal Technical Institute	UTI	54%		54%	49%-64%
<b><u>Companies not under coverage</u></b>					
Bridgepoint Education	BPI	45%	Ashford University	45%	NA
			University of the Rockies	52%	NA
Lincoln Educational Services	LINC	35%	Lincoln College of Tech.	34%	28%-40%
			Lincoln Technical Inst.	37%	0%-100%
			Southwestern College	31%	6%-56%
Grand Canyon Education	LOPE	52%	Grand Canyon University	52%	NA
Kaplan	WPO	28%	Kaplan Career Institute	23%	14%-37%
			Kaplan Career College	32%	14%-52%
			Kaplan University	27%	0%-30%

Source: U.S. Department of Education, Stifel Nicolaus

**Summary Repayment Rate—by Sector**

Sector	Data	Total	Aggregate %	Aggregate %
Private for-profit 2-year	Total of Balance Repayment Denominator 2009	5,204,950,535	34.3%	
	Total of Balance Repayment Numerator 2009	1,785,574,097		
	Average of 2009 Repayment Rate	38.9%		
Private for-profit 4-year or above	Total of Balance Repayment Denominator 2009	16,512,116,076	37.4%	
	Total of Balance Repayment Numerator 2009	6,175,233,379		
	Average of 2009 Repayment Rate	37.3%		
Private for-profit less-than-2-year	Total of Balance Repayment Denominator 2009	3,102,337,490	34.7%	Total For-profit 36.4%
	Total of Balance Repayment Numerator 2009	1,074,993,090		
	Average of 2009 Repayment Rate	40.9%		
Private not-for-profit 2-year	Total of Balance Repayment Denominator 2009	355,974,854	51.9%	
	Total of Balance Repayment Numerator 2009	184,588,281		
	Average of 2009 Repayment Rate	59.9%		
Private not-for-profit 4-year or above	Total of Balance Repayment Denominator 2009	47,275,060,594	56.0%	Total Private Non profit 56.0%
	Total of Balance Repayment Numerator 2009	26,497,471,845		
	Average of 2009 Repayment Rate	57.2%		
Private not-for-profit less-than-2-year	Total of Balance Repayment Denominator 2009	101,799,057	40.2%	
	Total of Balance Repayment Numerator 2009	40,938,096		
	Average of 2009 Repayment Rate	50.8%		
Public 2-year	Total of Balance Repayment Denominator 2009	8,034,176,828	40.3%	
	Total of Balance Repayment Numerator 2009	3,235,651,185		
	Average of 2009 Repayment Rate	42.7%		
Public 4-year or above	Total of Balance Repayment Denominator 2009	54,338,579,252	55.7%	Total Public Nonprofit 53.7%
	Total of Balance Repayment Numerator 2009	30,263,771,689		
	Average of 2009 Repayment Rate	53.5%		
Public less-than-2-year	Total of Balance Repayment Denominator 2009	139,375,545	51.4%	
	Total of Balance Repayment Numerator 2009	71,687,991		
	Average of 2009 Repayment Rate	51.9%		
<b>Total Total of Balance Repayment Denominator 2009</b>		<b>135,064,370,231</b>	<b>51.3%</b>	
<b>Total Total of Balance Repayment Numerator 2009</b>		<b>69,329,909,653</b>		
<b>Total Average of 2009 Repayment Rate</b>		<b>48.1%</b>		

Source: U.S. Department of Education, Stifel Nicolaus

### Gainful Employment: Debt to Annual Earnings

**Assumptions**

% Tuition funded by debt	70%
Annual interest rate	6.8%
Amortization years	10
	15
	20
Debt to Gross Income Threshold	12%

**10 Year Amortization / 12% Debt to Income**

Total Tuition	Total Debt	Annual Payment	Minimum Acceptable Salary	Salary to Tuition Ratio	Salary to Debt Ratio
\$10,000	\$7,000	\$987	\$8,229	0.82	1.18
\$20,000	\$14,000	\$1,975	\$16,457	0.82	1.18
\$30,000	\$21,000	\$2,962	\$24,686	0.82	1.18
\$40,000	\$28,000	\$3,950	\$32,915	0.82	1.18
\$50,000	\$35,000	\$4,937	\$41,144	0.82	1.18
\$60,000	\$42,000	\$5,925	\$49,372	0.82	1.18
\$70,000	\$49,000	\$6,912	\$57,601	0.82	1.18
\$80,000	\$56,000	\$7,900	\$65,830	0.82	1.18
\$90,000	\$63,000	\$8,887	\$74,059	0.82	1.18
\$100,000	\$70,000	\$9,874	\$82,287	0.82	1.18

**15 Year Amortization / 12% Debt to Income**

Total Tuition	Total Debt	Annual Payment	Minimum Acceptable Salary	Salary to Tuition Ratio	Salary to Debt Ratio
\$10,000	\$7,000	\$759	\$6,324	0.63	0.90
\$20,000	\$14,000	\$1,518	\$12,648	0.63	0.90
\$30,000	\$21,000	\$2,277	\$18,972	0.63	0.90
\$40,000	\$28,000	\$3,036	\$25,296	0.63	0.90
\$50,000	\$35,000	\$3,794	\$31,620	0.63	0.90
\$60,000	\$42,000	\$4,553	\$37,944	0.63	0.90
\$70,000	\$49,000	\$5,312	\$44,268	0.63	0.90
\$80,000	\$56,000	\$6,071	\$50,592	0.63	0.90
\$90,000	\$63,000	\$6,830	\$56,916	0.63	0.90
\$100,000	\$70,000	\$7,589	\$63,240	0.63	0.90

**20 Year Amortization / 12% Debt to Income**

Total Tuition	Total Debt	Annual Payment	Minimum Acceptable Salary	Salary to Tuition Ratio	Salary to Debt Ratio
\$10,000	\$7,000	\$651	\$5,421	0.54	0.77
\$20,000	\$14,000	\$1,301	\$10,842	0.54	0.77
\$30,000	\$21,000	\$1,952	\$16,263	0.54	0.77
\$40,000	\$28,000	\$2,602	\$21,684	0.54	0.77
\$50,000	\$35,000	\$3,253	\$27,105	0.54	0.77
\$60,000	\$42,000	\$3,903	\$32,526	0.54	0.77
\$70,000	\$49,000	\$4,554	\$37,947	0.54	0.77
\$80,000	\$56,000	\$5,204	\$43,368	0.54	0.77
\$90,000	\$63,000	\$5,855	\$48,789	0.54	0.77
\$100,000	\$70,000	\$6,505	\$54,210	0.54	0.77

Source: Stifel Nicolaus, U.S. Department of Education, U.S. Department of Health & Human Services

### Gainful Employment: Debt to Discretionary Income

Assumptions

% Tuition funded by debt	70%
Annual interest rate	6.8%
Poverty line for family of 1	\$10,830
Amortization years	10
	15
	20

Debt to Discretionary Income Threshold	30%
--	-----

**10 Year Amortization / 30% Debt to Discretionary Income**

Total Tuition	Total Debt	Annual Payment	Minimum Acceptable Salary	Discretionary Income	Salary to Tuition Ratio	Salary to Debt Ratio
\$10,000	\$7,000	\$987	\$19,536	\$3,291	1.95	2.79
\$20,000	\$14,000	\$1,975	\$22,828	\$6,583	1.14	1.63
\$30,000	\$21,000	\$2,962	\$26,119	\$9,874	0.87	1.24
\$40,000	\$28,000	\$3,950	\$29,411	\$13,166	0.74	1.05
\$50,000	\$35,000	\$4,937	\$32,702	\$16,457	0.65	0.93
\$60,000	\$42,000	\$5,925	\$35,994	\$19,749	0.60	0.86
\$70,000	\$49,000	\$6,912	\$39,285	\$23,040	0.56	0.80
\$80,000	\$56,000	\$7,900	\$42,577	\$26,332	0.53	0.76
\$90,000	\$63,000	\$8,887	\$45,868	\$29,623	0.51	0.73
\$100,000	\$70,000	\$9,874	\$49,160	\$32,915	0.49	0.70

**15 Year Amortization / 30% Debt to Discretionary Income**

Total Tuition	Total Debt	Annual Payment	Minimum Acceptable Salary	Discretionary Income	Salary to Tuition Ratio	Salary to Debt Ratio
\$10,000	\$7,000	\$759	\$18,775	\$2,530	1.88	2.68
\$20,000	\$14,000	\$1,518	\$21,304	\$5,059	1.07	1.52
\$30,000	\$21,000	\$2,277	\$23,834	\$7,589	0.79	1.13
\$40,000	\$28,000	\$3,036	\$26,363	\$10,118	0.66	0.94
\$50,000	\$35,000	\$3,794	\$28,893	\$12,648	0.58	0.83
\$60,000	\$42,000	\$4,553	\$31,423	\$15,178	0.52	0.75
\$70,000	\$49,000	\$5,312	\$33,952	\$17,707	0.49	0.69
\$80,000	\$56,000	\$6,071	\$36,482	\$20,237	0.46	0.65
\$90,000	\$63,000	\$6,830	\$39,011	\$22,766	0.43	0.62
\$100,000	\$70,000	\$7,589	\$41,541	\$25,296	0.42	0.59

**20 Year Amortization / 30% Debt to Discretionary Income**

Total Tuition	Total Debt	Annual Payment	Minimum Acceptable Salary	Discretionary Income	Salary to Tuition Ratio	Salary to Debt Ratio
\$10,000	\$7,000	\$651	\$18,413	\$2,168	1.84	2.63
\$20,000	\$14,000	\$1,301	\$20,582	\$4,337	1.03	1.47
\$30,000	\$21,000	\$1,952	\$22,750	\$6,505	0.76	1.08
\$40,000	\$28,000	\$2,602	\$24,919	\$8,674	0.62	0.89
\$50,000	\$35,000	\$3,253	\$27,087	\$10,842	0.54	0.77
\$60,000	\$42,000	\$3,903	\$29,255	\$13,010	0.49	0.70
\$70,000	\$49,000	\$4,554	\$31,424	\$15,179	0.45	0.64
\$80,000	\$56,000	\$5,204	\$33,592	\$17,347	0.42	0.60
\$90,000	\$63,000	\$5,855	\$35,760	\$19,515	0.40	0.57
\$100,000	\$70,000	\$6,505	\$37,929	\$21,684	0.38	0.54

Source: Stifel Nicolaus, U.S. Department of Education, U.S. Department of Health & Human Services

**Funding Sources**

The table below illustrates the total revenues received, as noted by the U.S. Department of Education (ED) in The Condition of Education 2010, by sector broken down into various categories of revenue types. With these categories, total government direct funding is quantified by sector. Financial Aid, see following pages, is utilized by students to fund their costs which generally are the tuition and fees category, room & board (part of other revenue), and a portion of grants (Pell) accounted for in direct funding categories. This data was utilized in our 10/27/10 note on Taxpayer Efficacy of Higher Education.

Some of our observations include:

- Aggregate revenue of U.S. postsecondary education (all sources) was \$428 billion in the '07-'08 year with \$157 billion funded directly (includes some student grants) by federal, state, and local governments vs. about \$16 billion in total revenue in the for-profit sector.
- Public Institutions receive \$134 billion or 49% of their total revenue from direct government subsidy. In particular, public 2-year's receive about 72%. This does include Pell grants but not student loans. Public institutions account for Pell grants as direct government funding. See footnote 2 & 3 regarding Pell Grant assumptions. Excluding Pell grants, direct federal funding would be about 46% of total revenue.
- Private Nonprofit institutions receive about 16% of revenue from direct government subsidy and for-profits receive only about 6%.
- State and Local government direct funding represents about 64% of total direct funding to all institutional types (or 67% after adjusting for grants to students that are reported by nonprofits as government direct funding - see footnote 2).

Notes:

- '07-'08 data for the broader Public, Private non-profit, and Private for-profit sectors was directly sourced from ED's The Condition of Education 2010; however, we estimated the 2-yr and 4-yr figures for all funding categories using weightings from the '06-'07 year data in ED's Digest of Education Statistics.

(\$ in 000s)	Total Revenue <sup>1</sup>	Tuition and Fees <sup>2</sup>	Government Funding to Institutions			Total Govn't Direct Funding <sup>4</sup>	Govn't Direct / Total Revenue	Tuition & Fee / Total Revenue	Other Revenue <sup>5</sup>	Total Revenue
			Federal <sup>3</sup>	State <sup>3</sup>	Local <sup>3</sup>					
<b>Public</b>	<b>\$273,109,000</b>	<b>\$48,070,000</b>	<b>\$35,461,750</b>	<b>\$79,861,777</b>	<b>\$18,383,473</b>	<b>\$133,707,000</b>	<b>49%</b>	<b>18%</b>	<b>\$91,332,000</b>	<b>33%</b>
Grants/Contracts	-	-	\$25,523,000	\$7,832,000	\$8,699,000	\$42,054,000	-	-	-	-
Appropriations	-	-	\$1,850,000	\$68,375,000	\$9,319,000	\$79,544,000	-	-	-	-
Non-operating grants	-	-	\$8,088,750	\$3,654,777	\$365,473	\$12,109,000	-	-	-	-
4-year	\$225,644,006	\$39,944,964	\$29,367,131	\$61,413,844	\$8,701,468	\$99,648,313	44%	18%	\$86,050,730	38%
2-year	\$47,464,994	\$8,125,036	\$6,094,621	\$18,447,934	\$9,681,953	\$34,058,637	72%	17%	\$5,281,321	11%
<b>Private non-profit</b>	<b>\$139,251,000</b>	<b>\$50,736,000</b>	<b>\$20,205,000</b>	<b>\$1,857,000</b>	<b>\$528,000</b>	<b>\$22,590,000</b>	<b>16%</b>	<b>36%</b>	<b>\$65,925,000</b>	<b>47%</b>
4-year	\$138,848,378	\$50,447,076	\$20,148,443	\$1,834,691	\$526,548	\$22,511,252	16%	36%	\$65,890,050	47%
2-year	\$402,623	\$288,923	\$56,557	\$22,309	\$1,452	\$78,748	20%	72%	\$34,952	9%
<b>Private for-profit</b>	<b>\$16,084,000</b>	<b>\$14,030,000</b>	<b>\$960,000</b>	<b>\$68,000</b>	<b>\$1,028,000</b>	<b>\$1,028,000</b>	<b>6%</b>	<b>87%</b>	<b>\$1,026,000</b>	<b>6%</b>
4-year	\$11,860,635	\$10,499,414	\$590,586	\$11,860,635	\$622,237	\$622,237	5%	89%	\$738,984	6%
2-year	\$4,223,364	\$3,530,586	\$369,414	\$4,223,364	\$405,763	\$405,763	10%	84%	\$287,014	7%
<b>Total</b>	<b>\$428,444,000</b>	<b>\$112,836,000</b>	<b>\$56,626,750</b>	<b>\$100,698,250</b>	<b>\$157,325,000</b>	<b>\$157,325,000</b>	<b>37%</b>	<b>26%</b>	<b>\$158,283,000</b>	<b>37%</b>

Footnotes:

- 1 Total Revenue includes Tuition and Fees, Government direct funding (Federal, State, Local), and Other Revenue directly sourced from ED reports. See note above regarding 2-year/4-year estimates.
- 2 Tuition and fees - directly sourced ED's The Condition of Education 2010 (COE) report: Pell Grants: Public institutions report pell as direct government (federal) funding rather than as part of tuition and fees from the student. Also, according to ED, private non profits can report Pell in tuition/fees or as federal direct funding. We assume that 50% of Pell grant dollars in private non-profits are reported in their federal direct funding category. For-profit: Pell grant dollars are reported in the tuition and fee category.
- 3 Funding from government sources (operating grants/contracts, appropriations, and non-operating grants) directly to institutions - directly sourced from ED's COE report. 2-yr/4-yr numbers estimated with previously stated methodology. Generally, does not include student aid although reporting of grants to students could be reported in this category. See Pell Grants comment in note 2.
- 4 Sum of Federal, State, and Local government direct funding.
- 5 Other Revenue includes revenue from auxiliary enterprises, revenue from hospitals, independent operations, other revenue, gifts, investment income, capital appropriations, capital grants and gifts, additions to endowments.

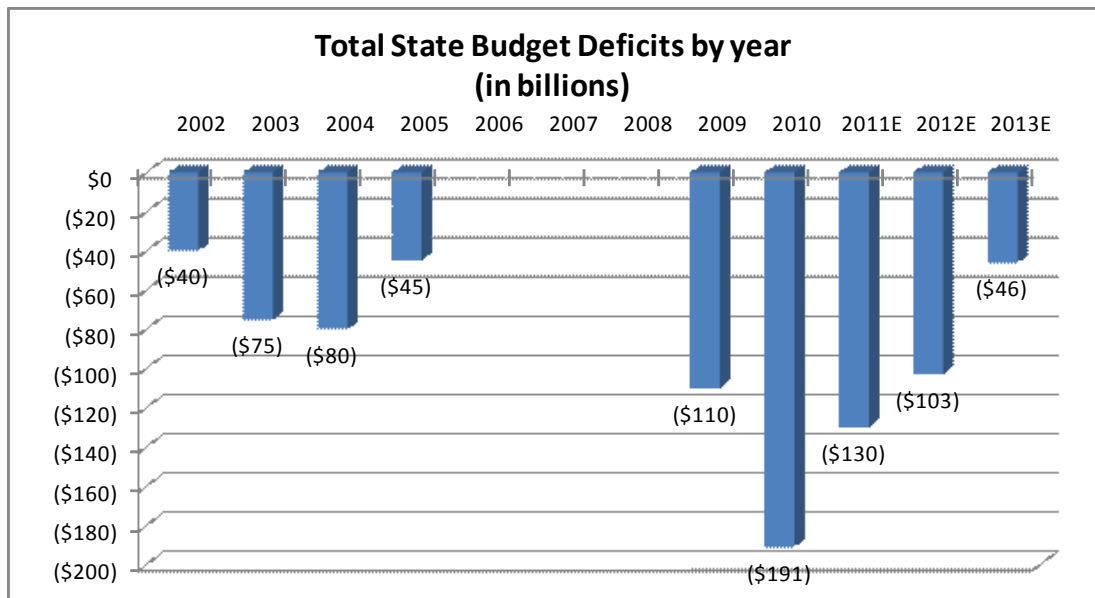
Source: U.S. Department of Education - The Condition of Education 2010, Digest of Education Statistics and Stifel Nicolaus.



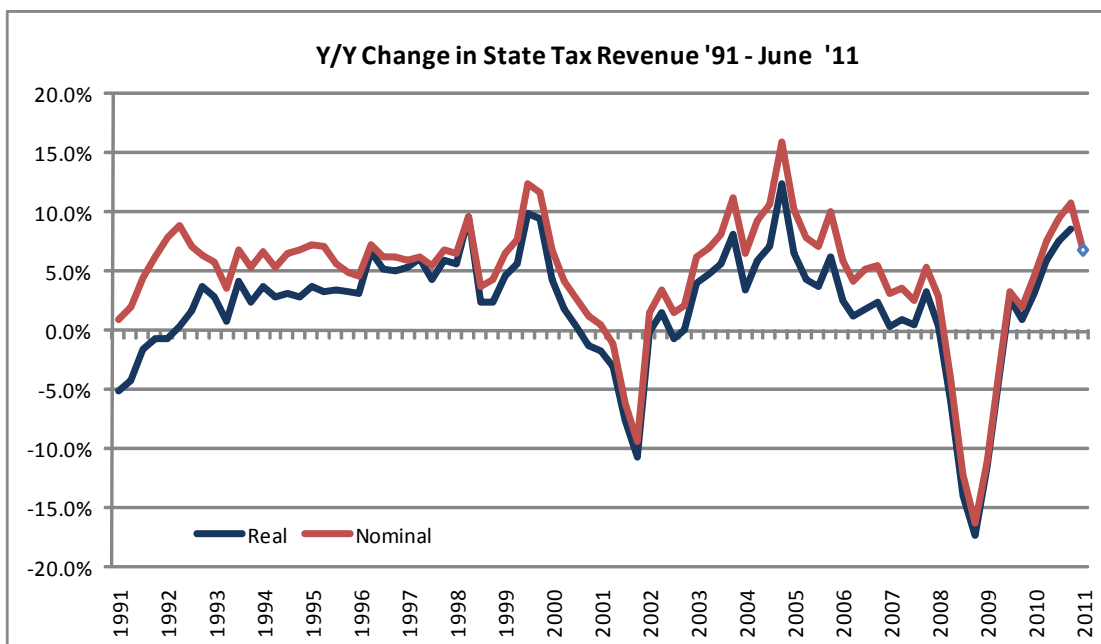
### State Funding

As seen on the previous page, State and Local grants and appropriations are significant sources of revenue for the Public sector. As widely reported, State Budgets continue to be impacted by economic pressures as state budget deficits are estimated (by CBPP) to total \$580 million from 2009 through 2013. Education has not been spared as according to CBPP, 43 states have made cuts to higher education (vs. 34 cutting K-12) at some point from 2008 to present.

State tax revenues have grown year over year for 6 consecutive quarters (June 2011 latest) but still remain about 5.5% (nominal) or 9.5% (inflation adjusted) below the June quarter of 2008. Preliminary July and August data indicate state tax revenue growth of about 6.8%. From calendar 4Q08 thru 4Q09, state tax revenues (real) declined 6%, 13.9%, 17.3% , 11.4%, 3.8%, respectively.



Source: Center on Budget and Policy Priorities and CBPP Estimates

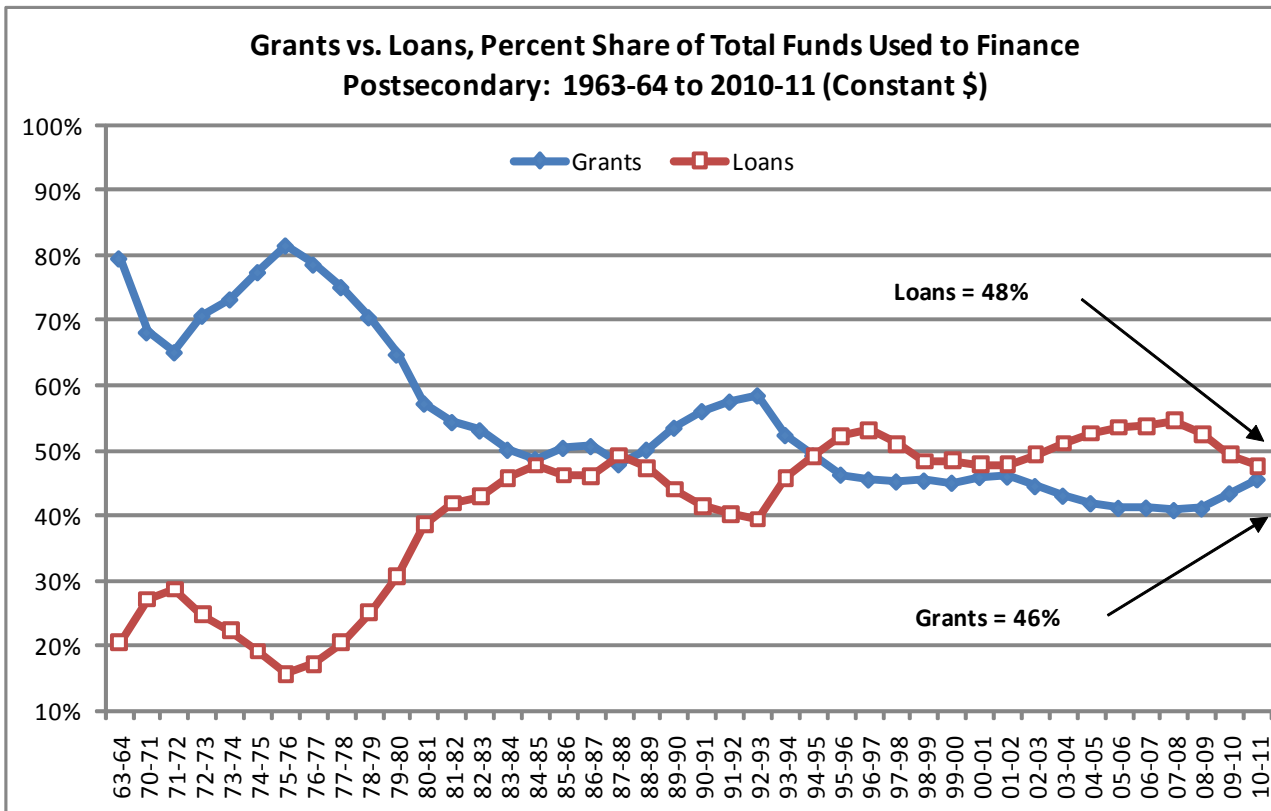
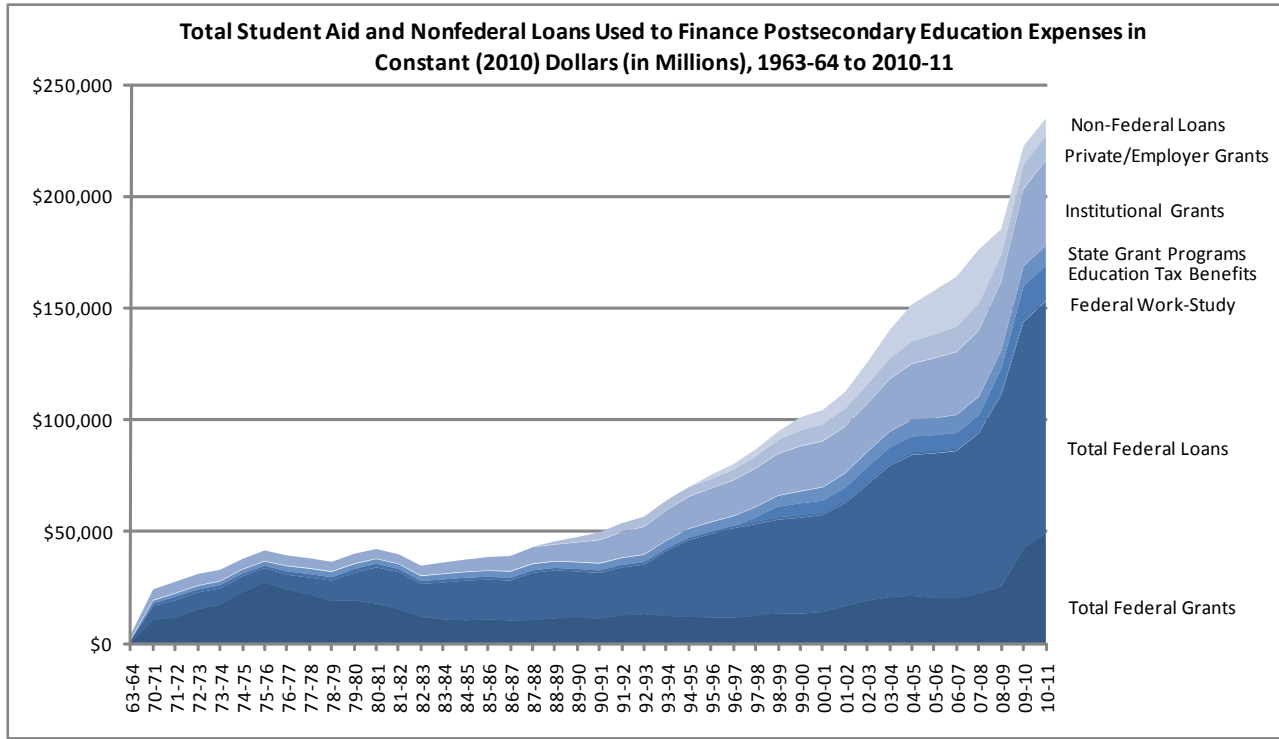


Source: Nelson A. Rockefeller Institute & U.S. Census Bureau



### Grants vs. Loans

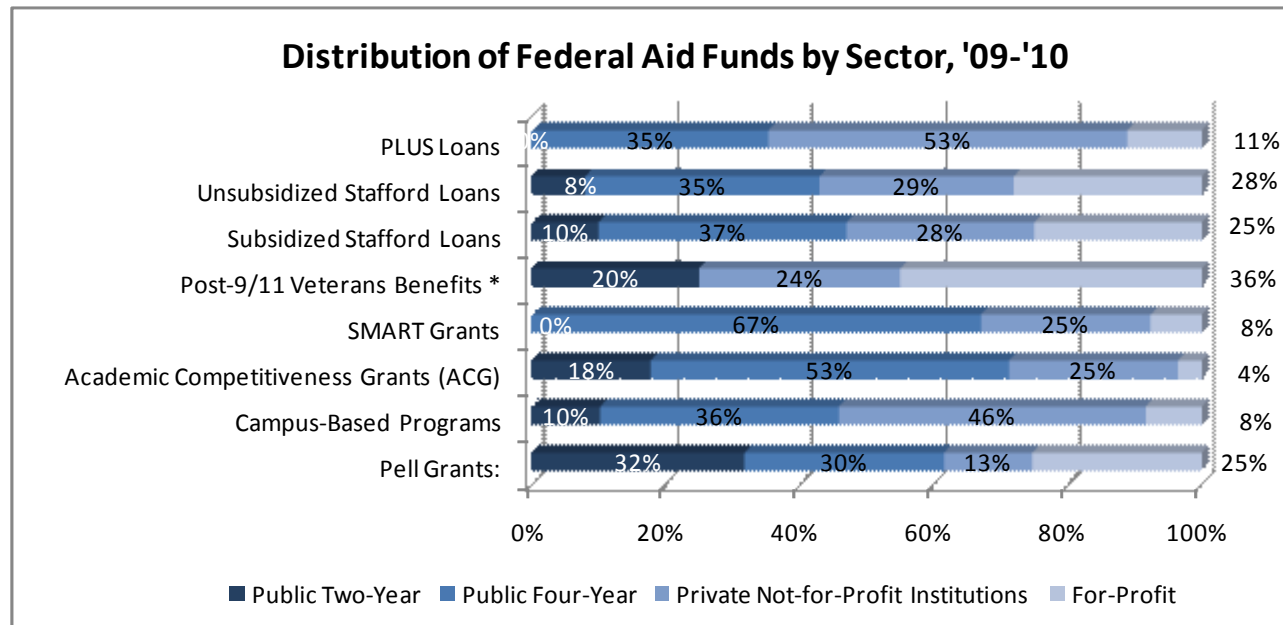
In recent years, the composition of funding has moved back towards an equal split between loans (48%) and grants (46%), reflecting increases in Pell Grant funding.



Source for charts: Trends in Student Aid. Copyright © 2011, The College Board. www.collegeboard.com

### Federal Aid by Sector

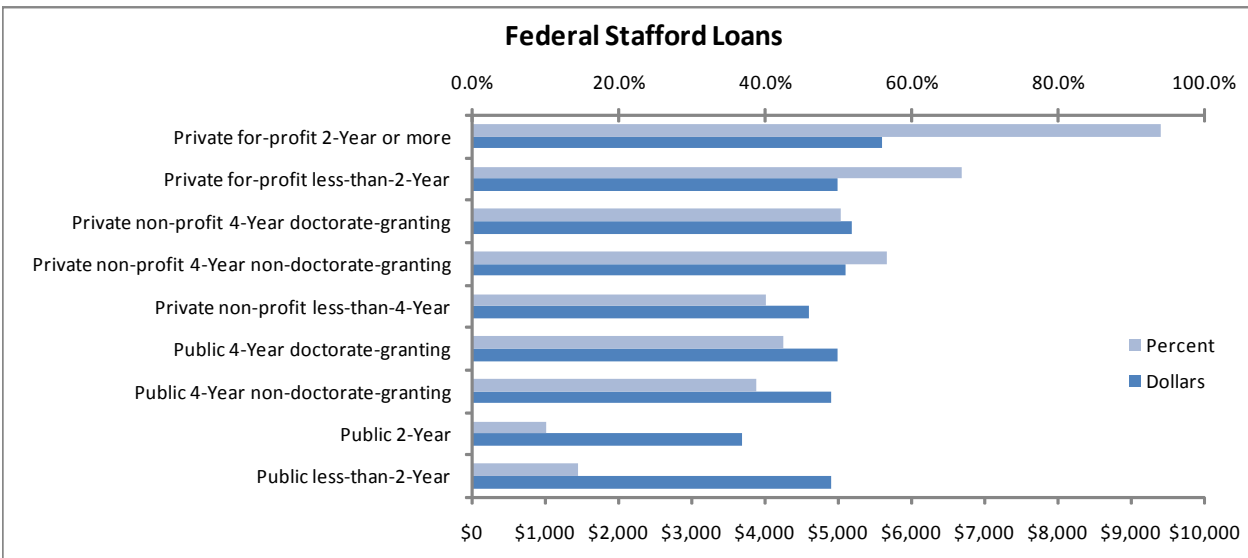
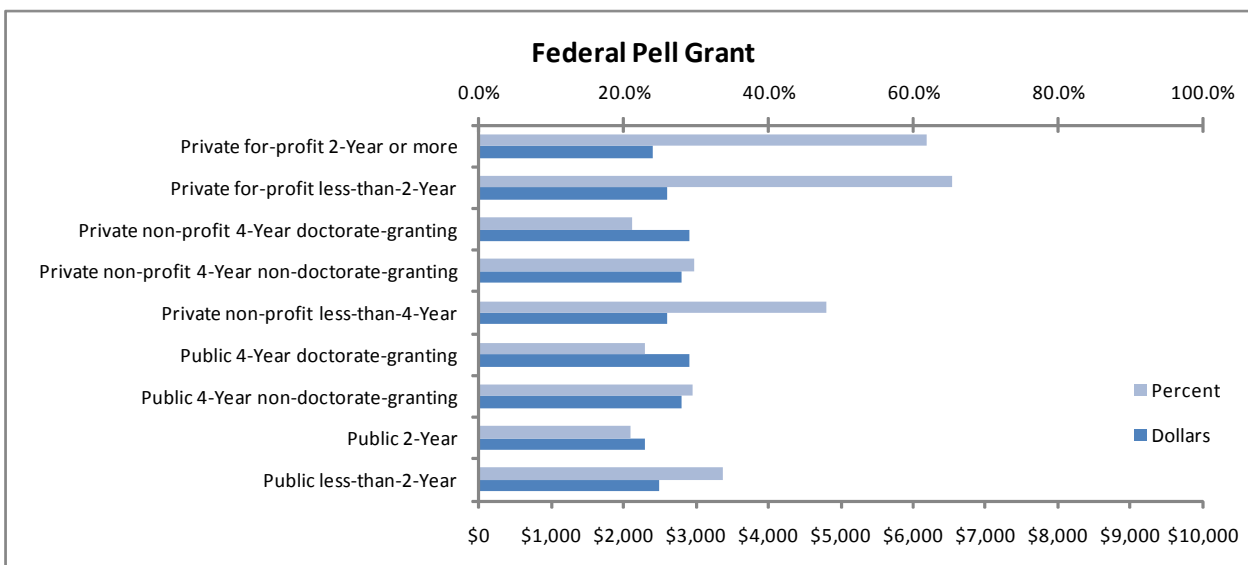
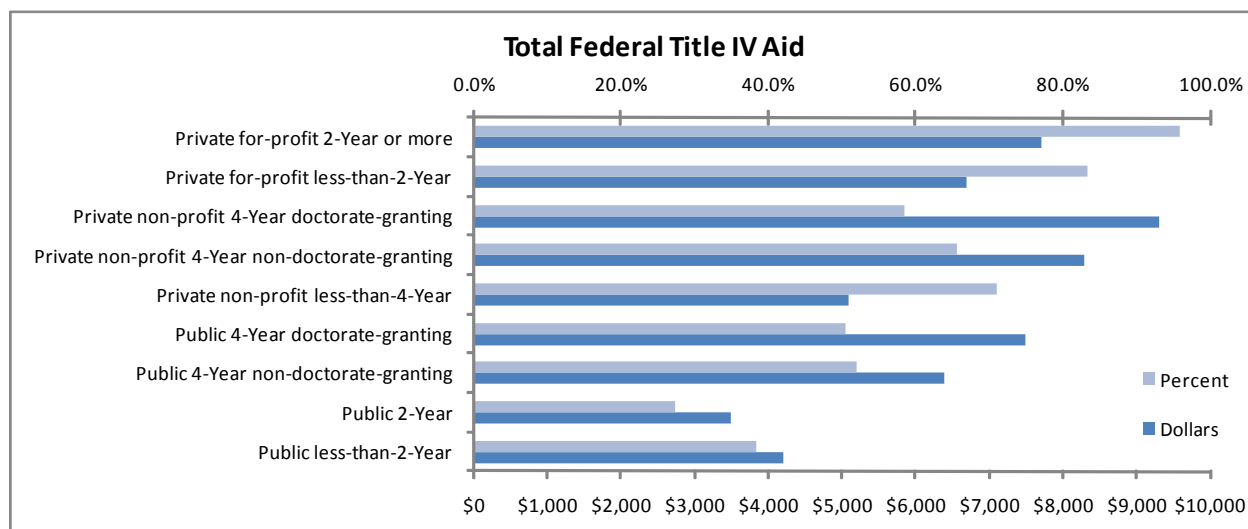
Students at public 4-year institutions generally utilize the largest amount of federal aid but also represent a commensurate portion of total U.S. enrollment. Students at for-profit institutions represent about 12% of total U.S. enrollment and utilize 25+% of the three largest federal aid programs (Stafford-unsubsidized, Stafford-subsidized, and Pell Grants).



\* Public 2-year percentage of 20% includes Public 4-year also.

Source : Trends in Student Aid. Copyright © 2011, The College Board. [www.collegeboard.com](http://www.collegeboard.com)

Charts below represent percentage of students receiving federal financial aid and average dollar amount per recipient.



Source for charts: National Center for Education Statistics: National Postsecondary Student Aid Study (NPSAS) 2007–08

### Pell Grants

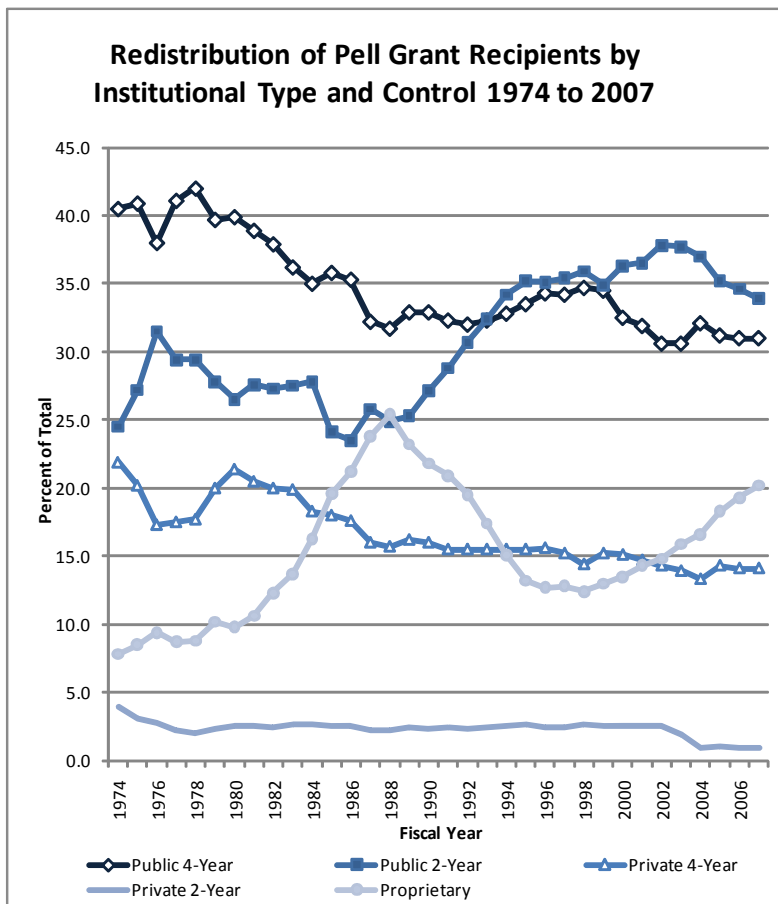
The share of all Pell Grant recipients enrolled in proprietary schools increased from 7.8% in 1974, to a peak of 25.4% in 1988. After declining to 12.4% in 1998, the proprietary share increased again to 20.2% in 2007. Between 1974 and 2007 the share of all Pell Grant recipients enrolled in proprietary schools increased by 12.4 percentage points, from 7.8% to 20.2%. The 12.4 percentage point increased share converts to about 640,000 Pell Grant recipients.

Recent data from the U.S. Department of Education shows that in the 2010–11 academic year, proprietary schools represented 23.7% of Pell Grant recipients and 24.7% of disbursements (up from 18.3% and 18.4% respectively in '09-'10). Students at proprietary schools rely more heavily on Pell Grants to fund their education, consuming a disproportionate share of total Pell funding.

### Pell Grant Disbursements for 2010-2011

Type of Institution	Recipients (in millions)	Disbursements (in billions)	% of Total Disbursements	% of Total Recipients	Average \$ per recipient
Public	6.1	\$21.6	62.2%	64.1%	\$3,569
Proprietary	2.2	\$8.6	24.7%	23.7%	\$3,843
Private Nonprofit	1.2	\$4.5	13.0%	12.2%	\$3,904

Source: U.S. Department of Education—Federal Student Aid



Source: Postsecondary Education OPPORTUNITY—January 2009

## Pell Grant Historical Figures

Per Mark Kantrowitz of FinAid.org and Department of Education data, actual appropriated funds for the Pell Grant have historically been \$1,400 to \$1,800 less than the maximum authorized (since '92-'93).

Award Year	Maximum Pell Grant					Max Pell Grant Adjusted for Inflation	
	Appropriated	Authorized	Average Pell Grant	# of Recipients	Total Funding	CPI-U	Tuition Inflation
1973-74	\$452	\$1,400	\$270	176,000	\$47,520,000	\$452	\$452
1974-75	\$1,050	\$1,400	\$628	567,000	\$356,076,000	\$947	\$991
1975-76	\$1,400	\$1,400	\$761	1,217,000	\$926,137,000	\$1,154	\$1,233
1976-77	\$1,400	\$1,400	\$759	1,944,000	\$1,475,496,000	\$1,089	\$1,128
1977-78	\$1,400	\$1,800	\$758	2,011,000	\$1,524,338,000	\$1,019	\$1,044
1978-79	\$1,600	\$1,800	\$814	1,893,000	\$1,540,902,000	\$1,085	\$1,111
1979-80	\$1,800	\$1,800	\$929	2,537,875	\$2,357,685,875	\$1,100	\$1,146
1980-81	\$1,750	\$1,800	\$882	2,707,932	\$2,388,396,024	\$935	\$995
1981-82	\$1,670	\$1,900	\$849	2,709,076	\$2,300,005,524	\$815	\$833
1982-83	\$1,800	\$2,100	\$959	2,522,746	\$2,419,313,414	\$820	\$785
1983-84	\$1,800	\$2,300	\$1,014	2,758,906	\$2,797,530,684	\$800	\$715
1984-85	\$1,900	\$2,500	\$1,111	2,747,100	\$3,052,028,100	\$810	\$699
1985-86	\$2,100	\$2,600	\$1,279	2,813,489	\$3,598,452,431	\$863	\$714
1986-87	\$2,100	\$2,600	\$1,301	2,659,507	\$3,460,018,607	\$848	\$661
1987-88	\$2,100	\$2,300	\$1,303	2,881,547	\$3,754,655,741	\$818	\$616
1988-89	\$2,200	\$2,500	\$1,399	3,198,286	\$4,474,402,114	\$824	\$598
1989-90	\$2,300	\$2,700	\$1,438	3,322,151	\$4,777,253,138	\$819	\$576
1990-91	\$2,300	\$2,900	\$1,449	3,404,810	\$4,933,569,690	\$783	\$534
1991-92	\$2,400	\$3,100	\$1,530	3,786,230	\$5,792,931,900	\$780	\$518
1992-93	\$2,400	\$3,100	\$1,543	4,002,045	\$6,175,155,435	\$757	\$489
1993-94	\$2,300	\$3,700	\$1,506	3,755,675	\$5,656,046,550	\$704	\$442
1994-95	\$2,300	\$3,900	\$1,502	3,674,967	\$5,519,800,434	\$687	\$420
1995-96	\$2,340	\$4,100	\$1,515	3,611,821	\$5,471,908,815	\$678	\$405
1996-97	\$2,470	\$4,300	\$1,577	3,665,654	\$5,780,736,358	\$697	\$407
1997-98	\$2,700	\$4,500	\$1,696	3,732,807	\$6,330,840,672	\$744	\$423
1998-99	\$3,000	\$4,500	\$1,876	3,855,180	\$7,232,317,680	\$813	\$447
1999-00	\$3,125	\$4,500	\$1,933	3,808,269	\$7,361,383,977	\$831	\$445
2000-01	\$3,300	\$4,800	\$2,070	3,880,448	\$8,032,527,360	\$846	\$447
2001-02	\$3,750	\$5,100	\$2,376	4,341,000	\$10,314,000,000	\$931	\$481
2002-03	\$4,000	\$5,400	\$2,338	4,840,000	\$11,314,000,000	\$983	\$485
2003-04	\$4,050	\$5,800	\$2,467	5,141,000	\$12,680,295,000	\$974	\$464
2004-05	\$4,050	none specified	\$2,441	5,344,000	\$13,042,280,000	\$944	\$437
2005-06	\$4,050	none specified	\$2,486	5,468,000	\$13,591,660,000	\$920	\$413
2006-07	\$4,050	none specified	\$2,494	5,165,000	\$12,880,787,000		
2007-08	\$4,310	none specified	\$2,620	5,339,000	\$13,660,711,000		
2008-09	\$4,731	none specified	\$2,970	6,121,000	\$16,256,000,000		
2009-10	\$5,350	none specified	\$3,646	7,738,000	\$25,329,000,000		
2010-11	\$5,550	none specified	\$4,115	8,873,000	\$32,905,000,000		

The Higher Education Opportunity Act of 2008 set the authorized maximum Pell Grant as follows:

\$6,000 in 2009-10

\$6,400 in 2010-11

\$6,800 in 2011-12

\$7,200 in 2012-13

\$7,600 in 2013-14

\$8,000 in 2014-15

Source: Mark Kantrowitz, FinAid.org; U.S. Department of Education

**Pell Grants – Top 25 by Disbursement (2010–11)****2010-2011 Award Year Grant Volume by School**

Award Year Cumulative Activity through Quarter ending June 30, 2011

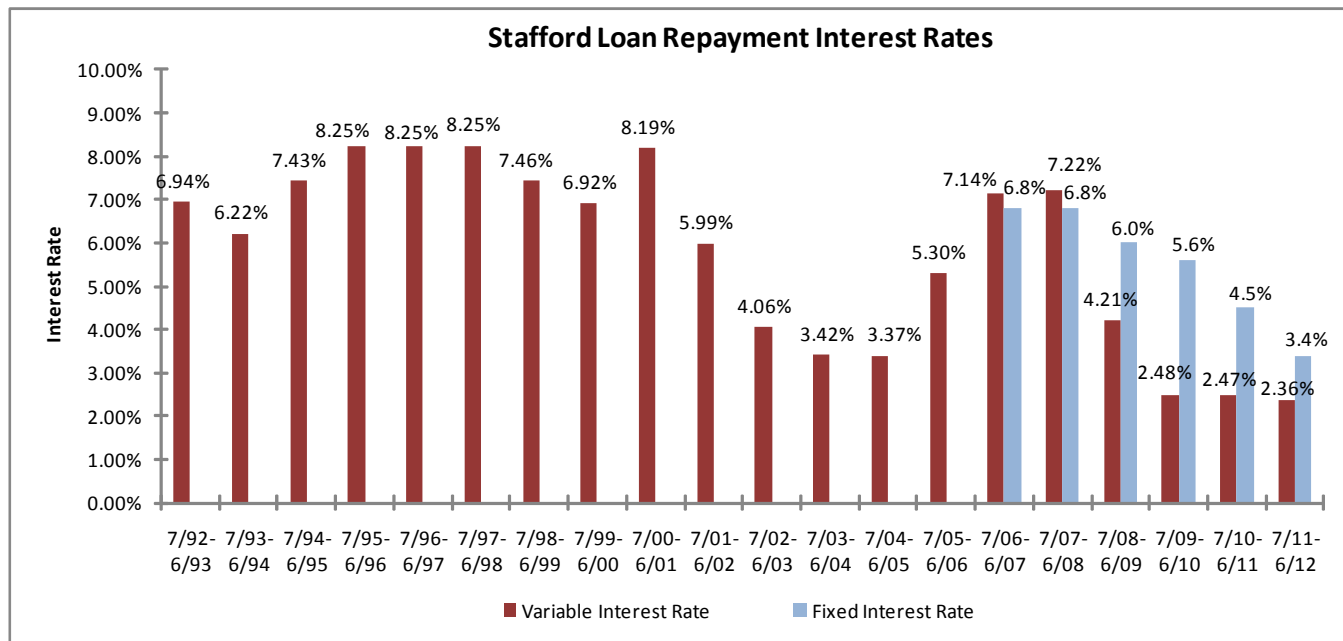
School	School Type	FEDERAL PELL GRANT PROGRAM	
		YTD Recipients	YTD Disbursements
UNIVERSITY OF PHOENIX	Proprietary	275,416	\$1,117,230,538.36
ASHFORD UNIVERSITY	Proprietary	76,257	\$278,103,712.21
DEVRY UNIVERSITY	Proprietary	69,692	\$264,812,025.00
KAPLAN UNIVERSITY	Proprietary	54,799	\$219,645,322.50
BAKER COLLEGE	Private-Nonprofit	34,953	\$107,807,910.00
STRAYER UNIVERSITY	Proprietary	34,343	\$100,367,036.96
COLORADO TECHNICAL UNIVERSITY	Proprietary	32,548	\$103,082,485.54
HOUSTON COMMUNITY COLLEGE	Public	28,468	\$88,280,352.00
SOUTH UNIVERSITY	Proprietary	27,563	\$75,857,233.16
AMERICAN INTERCONTINENTAL UNIVERSITY	Proprietary	26,037	\$97,635,871.77
BROWARD COLLEGE	Public	25,795	\$83,307,816.35
MIAMI DADE COLLEGE	Public	25,226	\$97,376,180.00
EVEREST UNIVERSITY	Proprietary	24,172	\$62,834,929.55
ARIZONA STATE UNIVERSITY	Public	23,340	\$92,772,056.00
PENNSYLVANIA STATE UNIVERSITY (THE)	Public	23,178	\$84,382,179.00
VALENCIA COMMUNITY COLLEGE	Public	22,763	\$72,303,582.40
LIBERTY UNIVERSITY	Private-Nonprofit	22,509	\$81,286,105.80
VIRGINIA COLLEGE	Proprietary	21,867	\$85,717,662.92
WAYNE COUNTY COMMUNITY COLLEGE DISTRICT	Public	21,531	\$68,758,547.90
TARRANT COUNTY COLLEGE DISTRICT	Public	21,410	\$71,413,581.00
GRAND CANYON UNIVERSITY	Proprietary	20,795	\$78,872,908.25
ART INSTITUTE OF PITTSBURGH (THE)	Proprietary	20,767	\$44,268,499.61
LONE STAR COLLEGE-NORTH HARRIS	Public	20,677	\$69,214,189.85
COLUMBUS STATE COMMUNITY COLLEGE- MAIN CAMPUS	Public	20,602	\$63,145,387.28
RASMUSSEN COLLEGE	Proprietary	19,863	\$60,827,451.66

Source: U.S. Department of Education—Federal Student Aid



### Annual Interest Rates

Federal student loan variable interest rates are down about 10bps for the period of July 1, 2011 to June 30, 2011. The College Cost Reduction and Access Act sets a fixed rate schedule that reduces fixed interest rates on subsidized Stafford loans for undergraduates from 6.8% to 3.4% by July 2011. Fixed rates on Subsidized Stafford for graduate students, Direct PLUS loans, and FFEL PLUS loans are 6.8%, 7.9%, and 8.5%, respectively.



Note: Variable interest rates apply to loans disbursed prior to 6/30/06. Loans disbursed on 7/1/06 or after will be on the fixed interest rate schedule as outlined in the College Cost Reduction and Access Act. Fixed rates beginning 7/1/08 going forward apply to subsidized Stafford loans for undergraduates. Fixed rate for unsubsidized Stafford loans and subsidized graduate loans remained 6.8% on 7/09.

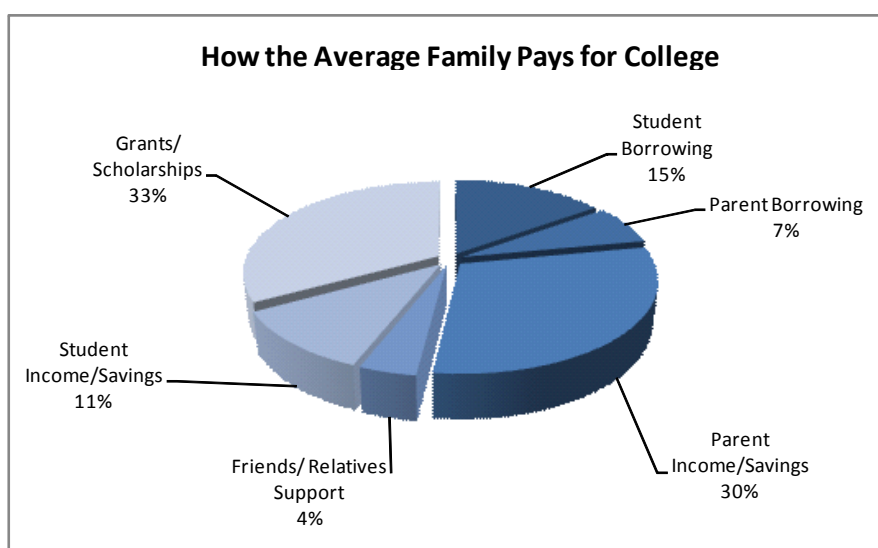
Source: U.S. Department of Education: Information for Financial Aid Professionals

### Funding Sources: Micro / Bottom-Up approach

Sallie Mae, with the help of Ipsos, conducted a national study to determine how American families are paying for higher education. Ipsos interviewed more than 1,600 adults residing in U.S. households, including 813 undergraduate students and 798 parents of undergraduates aged 18 to 24 who had been enrolled in a higher learning institution in the 2010–11 academic year. We’d note that this study is focused on traditional students and their families rather than on non traditional students.

According to the study, the average family funds 37% of a student’s college expenses from parent borrowing, income, savings (vs. 47% last year) and 26% from student borrowing, income, savings (vs. 23% last year) with the remainder covered by grants/scholarships and other friends & relatives support.

Also according to the study, grants and scholarships made up 33% of the funds used to cover colleges costs (vs. 23% last year). The average dollar amount in from most borrowed sources went down in 2011 helped by the increases in grants.



### The Role of Various Funding Sources to Pay for College

(Frequency of Sources and Average Amounts Used)

	% of Total Families *	Average Amount **		% of Total Families *	Average Amount **
<b>Parent income and savings</b>	66%		<b>Parent Borrowing</b>	13%	
Current income	58%	\$6,396	Federal PLUS	8%	\$6,787
College savings plan	14%	\$9,729	Private education loans	4%	\$6,686
Retirement savings withdrawal	4%	\$4,102	Home equity	3%	\$8,676
Other savings	13%	\$5,439	Credit Cards	3%	\$4,764
			Retirement account loan	1%	\$2,779
<b>Student non-borrowed sources</b>	50%		Other loans	4%	\$6,580
Current Income	32%	\$2,946			
Savings	24%	\$2,593	<b>Student borrowing</b>	34%	
Federal Work-Study	11%	\$1,712	Federal Loans	30%	\$6,983
Other non-borrowed money	8%	\$3,871	Private education loans	9%	\$6,358
			Credit Cards	5%	\$1,357
<b>Scholarships and Grants</b>	67%		Other loans	4%	\$5,437
Scholarships	45%	\$7,677			
Grants	46%	\$6,184			
<b>Relatives and Friends</b>	19%	\$4,328			

\* Percent of all families responding, derived from responses to borrowing and non-borrowing questions

\*\* Average among those who used the source.

**Funding Sources by Company (publicly traded) - (% of Revenue)**

	APEI (as of 12/10)	APOL (as of 8/11)	BPI (as of 12/10)	CECO (as of 12/10)	COCO (as of 6/11)	CPLA (as of 12/10)	DV <sup>5</sup> (as of 6/11)	EDMC <sup>4</sup> (as of 6/11)	ESI (as of 12/10)	LINC (as of 12/10)	LOPE (as of 12/10)	NAUH (as of 5/11)	STRA (2010 10K)	UTI (as of FY10)
<b>FUNDING SOURCES</b>														
(\$ mils)														
<b>Title IV</b>	29%	86% <sup>2</sup>	85% <sup>2</sup>	82%	80% / 88.5% <sup>2</sup>	78%	77%	74%	59% / 75% <sup>6</sup>	83%	85%	79%	78%	68%-77%
	cash basis						(DeVry Univ '11 10K)		(1 main loc. Over 90%)					
FFEL/FDP		76%		(below is '09)	55%	76%			55%	62%	87%			
Stafford		(gross)		56%				48%			(gross)			54%
PLUS				5%	4%			12%						
Perkins		(gross)			0%			0%		< 1%	(gross)			<1%
Pell		23%		19%	29%	2%	10%	13%	20%	26%	12%		11% <sup>8</sup>	18% - 20%
<i>Pell - SN derived estimate</i>	5%	19%	18%	17%	28%	2%	15%	12%	18%	19%	9%	17%	8%	16%
Other					1%			1%		< 1%				<1%
<b>Military TA / VA</b>	56%					5%-10%						~4%		
<b>Private Loans</b>				2%	13% <sup>3</sup>	<1%	1%	3%	12% <sup>1</sup>	1%			3%	
Co-borrower														
Non recourse				2%										
Sub prime Loans				0%				0%	0%				0.3%	
<b>State</b>							2%	1%	8% <sup>7</sup>	9%				
<b>Scholarships/Grants</b>				5%										
<b>Cash</b>	15%			13%				21%	5%				7%	
	(& other)		(incl. Corp Reimb)											
<b>Credit Card</b>														
<b>School/Company Credit Card</b>														
<b>Corporate Tuition reimbursement</b>						5%-10%							~20%	
													(2Q11)	
<b>Other</b>							26%							

Note: The first Pell line is as reported by the company. The Pell Derived line is our estimate based on the proportion of pell funding disbursed for each company as a percentage of total title IV funding disbursed multiplied by each company's disclosed title IV percentage of revenue (90/10). Data for Pell and Title IV disbursements is from the Department of Education as of '09-'10.

<sup>1</sup> Unaffiliated private loans

<sup>2</sup> The figure does not make the adjustment of excluding the additional \$2,000 granted under ECASLA from the 90/10 calculation.

<sup>3</sup> estimated by Stifel based on about \$240 million run rate in private lending after the price increase divided by FY11 revenue (possibly overstating).

<sup>4</sup> based on cash receipts net of any returns to federal student aid programs

<sup>5</sup> TIV percentage applies to DeVry University only. Pell from 2009 10K and Stifel Estimate. Other includes student accts, cash, employer, military aid, other.

<sup>6</sup> Data from 2010 10K. 59% = 90/10 Calculation; 75% - sum of itemized categories

<sup>7</sup> Includes State and military and veterans benefits

<sup>8</sup> Per management

Source: Stifel Nicolaus, company public filings, web casts and presentations.

## Title IV — Publicly Traded For-Profit

Over the last five years, the amount of Title IV accessed by publicly traded, postsecondary education companies has increased from over \$9.2 billion to an estimated \$14.7 billion, a CAGR of roughly 20% (although possibly overstated slightly due to some limited availability of data in the earlier years).

	Revenue & Title IV (\$ in millions)															
	Revenue Fiscal Year								Title IV Estimate Fiscal Year							
	2006	2007	2008	2009	2010	2011E	CAGR	Avg	2006	2007	2008	2009	2010	2011E	CAGR	Avg
American Public Education (APEI)	\$40	\$69	\$107	\$149	\$198	\$249			\$0	\$10	\$20	\$28	\$38	\$72		
y/y % increase	42.1%	72.5%	55.1%	39.1%	33.0%	25.5%	44.1%	44.5%	N/A	2315.5%	110.4%	39.1%	33.0%	91.5%	N/A	517.9%
Apollo Group (APOL) <sup>1</sup>	\$2,478	\$2,724	\$3,141	\$3,937	\$4,926	\$4,696			\$1,621	\$1,847	\$2,510	\$3,261	\$4,006	\$3,733		
y/y % increase	10.0%	9.9%	15.3%	25.3%	25.1%	-4.7%	13.6%	13.5%	12.5%	13.9%	35.9%	30.0%	22.8%	-6.8%	18.2%	18.0%
Bridgepoint Education (BPI)	\$29	\$86	\$218	\$454	\$713	\$904			N/A	\$71	\$189	\$388	\$606	\$769		
y/y % increase	260.0%	199.5%	154.7%	108.1%	57.0%	26.8%	99.5%	134.3%	N/A	N/A	164.9%	105.1%	56.1%	26.8%	N/A	88.2%
Capella Education (CPLA)	\$180	\$226	\$272	\$335	\$426	\$412			\$128	\$167	\$204	\$261	\$332	\$322		
y/y % increase	20.5%	25.8%	20.4%	22.9%	27.4%	-3.3%	18.0%	18.9%	N/A	31.1%	22.0%	27.8%	27.4%	-3.3%	N/A	21.0%
Career Education (CECO) <sup>4</sup>	\$1,806	\$1,747	\$1,704	\$1,837	\$2,124	\$2,014			\$1,065	\$1,096	\$1,179	\$1,471	\$1,742	\$1,652		
y/y % increase	-1.2%	-3.2%	-2.5%	7.8%	15.7%	-5.2%	2.2%	1.9%	-1.2%	2.8%	7.6%	24.8%	18.4%	-5.2%	9.2%	7.9%
Corinthian Colleges (COCO) <sup>5</sup>	\$908	\$919	\$1,069	\$1,308	\$1,764	\$1,878			\$684	\$691	\$866	\$1,163	\$1,584	\$1,662		
y/y % increase	-2.3%	1.3%	16.3%	22.4%	34.9%	6.5%	15.7%	13.2%	-7.2%	1.1%	25.2%	34.3%	36.2%	4.9%	19.4%	15.8%
DeVry (DV) <sup>2</sup>	\$840	\$934	\$1,092	\$1,461	\$1,915	\$2,188			\$548	\$612	\$755	\$1,035	\$1,356	\$1,549		
y/y % increase	7.4%	11.2%	17.0%	33.9%	31.0%	14.3%	21.1%	19.1%	-1.3%	11.7%	23.4%	37.0%	31.0%	14.3%	23.1%	19.4%
Education Management (EDMC)	\$1,170	\$1,364	\$1,684	\$2,011	\$2,509	\$2,882			\$761	\$832	\$1,095	\$1,408	\$1,932	\$2,133		
y/y % increase	14.8%	16.5%	23.5%	19.4%	24.7%	14.9%	19.8%	19.0%	11.4%	9.4%	31.6%	28.6%	37.2%	10.4%	22.9%	21.4%
Grand Canyon Education (LOPE)	\$72	\$99	\$161	\$262	\$386	\$431			N/A	\$74	\$127	\$216	\$328	\$365		
y/y % increase	39.2%	37.7%	62.4%	62.4%	47.3%	11.6%	43.0%	43.4%	N/A	N/A	72.5%	70.4%	51.6%	11.6%	N/A	51.5%
ITT Educational Services (ESI) <sup>3</sup>	\$758	\$870	\$1,015	\$1,319	\$1,597	\$1,450			\$432	\$496	\$731	\$923	\$1,197	\$1,088		
y/y % increase	10.1%	14.7%	16.8%	29.9%	21.0%	-9.2%	13.9%	13.9%	2.9%	14.7%	47.5%	26.3%	29.7%	-9.2%	20.3%	18.7%
Lincoln Educational Services (LUNC)	\$316	\$328	\$377	\$553	\$640	\$569			\$251	\$256	\$298	\$398	\$508	\$472		
y/y % increase	5.7%	3.7%	15.0%	46.6%	15.7%	-11.0%	12.5%	12.6%	5.5%	1.7%	16.5%	33.6%	27.8%	-7.1%	13.4%	13.0%
National American University (NAUH)	\$40	\$44	\$49	\$63	\$90	\$108			N/A	N/A	\$34	\$45	\$68	\$85		
y/y % increase	11.3%	10.1%	11.4%	26.5%	43.5%	20.0%	21.7%	20.5%	N/A	N/A	N/A	34.0%	51.5%	24.8%	N/A	N/A
Strayer Education (STRA)	\$264	\$318	\$396	\$512	\$637	\$658			\$190	\$229	\$305	\$399	\$497	\$514		
y/y % increase	19.6%	20.6%	24.6%	29.2%	24.4%	3.4%	20.1%	20.3%	21.2%	20.6%	33.3%	30.9%	24.4%	3.4%	22.0%	22.3%
Universal Technical Institute (UTI) <sup>3</sup>	\$347	\$353	\$343	\$367	\$436	\$455			\$255	\$242	\$220	\$269	\$320	\$332		
y/y % increase	11.7%	1.8%	-2.8%	6.7%	18.9%	4.3%	5.6%	6.8%	9.4%	-5.1%	-9.2%	22.6%	18.9%	3.6%	5.4%	6.7%
<b>Total</b>	<b>\$9,247</b>	<b>\$10,081</b>	<b>\$11,630</b>	<b>\$14,567</b>	<b>\$18,359</b>	<b>\$18,895</b>			<b>\$5,935</b>	<b>\$6,622</b>	<b>\$8,532</b>	<b>\$11,266</b>	<b>\$14,514</b>	<b>\$14,747</b>		
y/y % increase	7.5%	9.0%	15.4%	25.3%	26.0%	2.9%	15.4%	14.3%	7.1%	11.6%	28.8%	32.0%	28.8%	1.6%	20.0%	18.3%

NOTE:

For companies still in fiscal 2011, we apply FY10 actual/estimate Title IV % to FY11 revenue estimates (Stifel's or consensus) to estimate 2011 Title IV Revenue.

Some Title IV figures are not available and thus are not included in the Total Title IV dollars particular years 2005 to 2007.

Title IV dollars are estimated based on disclosed cash basis (i.e. 90/10 rule) percentages.

<sup>1</sup>APOL reports Title IV revenue for University of Phoenix and Western. Estimated Title IV dollars are weighted by segment revenue.

<sup>2</sup>DV reports Title IV revenue percentage for undergraduate and graduate programs, Ross, and Chamberlain. Revenue weighting based on disclosed segment information.

<sup>3</sup> Pre 2008 TIV percentage calculated as the midpoint of disclosed range

<sup>4</sup>2007 is restated

<sup>5</sup>2006, 2007, 2008 are restated

Source: Company data, Stifel Nicolaus estimates, FactSet

## Net Cost to Taxpayers

### TAXPAYER EFFICACY OF HIGHER EDUCATION – STIFEL ANALYSIS

Note dated 10-27-10

#### **Background:**

For-profit higher education has been under increased scrutiny by the Department of Education and lawmakers who are trying to ensure that taxpayer funding is being used appropriately and that there is delivery of a quality education and a strong value proposition for the student. This scrutiny often cites: the comparably high cost of for-profit schools vs. their public counterparts (especially community colleges); the disproportionate share of federal student aid flowing to for-profit institutions which accounts for high percentage of total revenue; the relatively high debt levels of students attending for-profit schools and, associated with that, the relatively high cohort default rates on student loans; and high levels of growth and profitability.

Near the center of this discussion is the funding mechanism for higher education, in particular the significant taxpayer subsidies provided to for-profit higher education. Public and private non-profit, traditionally funded institutions have largely been exempt from this scrutiny. Moreover, the discussion out of Washington on funding and taxpayer efficacy heretofore has largely focused on Title IV funding (loans and grants) provided to students. The debate has mostly ignored the larger bucket of transfers from taxpayers to institutions through mostly state and local, but also federal governments. Perhaps this is because the scrutiny on Title IV funding coincided with the Department of Education's (ED's) negotiated rule making process and the Department's key role of ensuring integrity of Title IV funds. While this analysis does not attempt to counter many of the criticisms being levied against the for-profit sector, the data analysis conducted herein suggests that: (1) the use of taxpayers dollars is in proportion to (if not slightly less than) the student population of the for-profit sector; and (2) returns on for-profit higher education are very often superior, per successful outcome, to those obtained through traditional higher education.

#### **Key Conclusions:**

- We estimate taxpayers subsidize about \$4,800 (page 107) net per student in for-profit education vs. almost \$12,000 for students attending public institutions and \$5,300 for students enrolled at private non-profit institutions.
- Further, we estimate the annual taxpayer cost per completion is over \$50,000 at public institutions (\$50,746), \$18,000 at private non-profit (\$18,084) and less than \$17,000 at for-profit institutions (\$16,713). See page 106 for detail. Adjusting for the heavier mix of completions in higher (and more costly) degree levels, we estimate the annual taxpayer cost per completion at public institutions is over \$42,000 (\$42,288).
- More specifically, the public 2-year (i.e., community colleges) and for-profit 2-year sectors are typically viewed as serving the most similar student populations, demographically. Annual taxpayer cost per successful outcome (completion) for the public 2-year sector is \$44,810 vs. \$9,753 in the for-profit sector. Adjusting for the heavier mix of completions in higher (and more costly) degree levels, we estimate an annual taxpayer cost per completion at public 2-year institutions of \$37,342. Note: Students transferring to another institution were not considered as our due diligence to this point suggests the available data is incomplete and/or not reliable.

### Cost to Taxpayer Per Completion: ('07-'08) (Dollars in thousands)

The following table quantifies annual total cost to taxpayers (total government funding) for each sector and then measures these annual costs against annual successful outcomes to arrive at an annual cost per completion for each sector. The major taxpayer costs in the analysis include the direct government funding, defaults on government (Title IV) loans that are never recovered (Note: the full loan balances are not the cost), Pell and other federal and state grants to students offset by any taxes paid by the institutions back to the government. It should be noted that it was necessary to make some assumptions (see footnotes) in this analysis and where required we attempted to be conservative (in relation to for-profits).

**Takeaways:**

- By our estimates and based on U.S. Department of Education data, the annual taxpayer cost per successful outcome (completion) for the public sector was \$50,746 while the for-profit sector and private non-profit sector were \$16,713 and \$18,084, respectively. Adjusting for the heavier mix of completions in higher (and more costly) degree levels, we estimate an annual taxpayer cost per completion at public institutions of \$42,288. See footnote 9 for adjustment methodology.
- More specifically, the public 2-year (i.e. community colleges) and For-profit 2-year sectors are typically viewed as serving the most similar student populations, demographically. Annual taxpayer cost per successful outcome (completion) for the public 2-year sector was \$44,810 vs. \$9,753 in the for-profit sector. Adjusting for the heavier mix of completions in higher (and more costly) degree levels, we estimate an annual taxpayer cost per completion at public 2-year institutions of \$37,342. Contributing to the difference in cost per completion between the public and for-profit sector is the difference in completion rates. U.S. Department of Education data indicates that completion rates at 2-year public and for-profit institutions were 22% and 60%, respectively.
- For-profit institutions account for 7% of Annual Taxpayer Costs less Research expenditures, while representing 10% of U.S. student population and are the fastest growing sector while public institutions account for 82% of costs but roughly 70% of the students.

(\$ in 000s)	Budgeted Lifetime		Pell & other Fed Grants <sup>3</sup>	State Grants <sup>3</sup>		Tax Paid to Government <sup>4</sup>	Total Gov. Funding Taxpayer Cost <sup>5</sup>	% of Total	'07-'08 Research Exp <sup>6</sup>	Annual Taxpayer Cost less Research Exp.	% of Total	'07-'08 Degrees & Certificates <sup>7</sup>	Annual Taxpayer Cost per Completion <sup>8</sup>	Adjustment for Degree Level weighting <sup>9</sup>
	Total Gov't Direct Funding <sup>1</sup>	Stafford Default Cost <sup>2</sup>		Other	Funding									
<b>Public</b>	<b>\$133,707,000</b>	<b>\$5,189,141</b>	-	-	<b>\$7,848,884</b>	<b>\$0</b>	<b>\$146,745,025</b>	<b>78%</b>	<b>(\$26,064,000)</b>	<b>\$120,681,025</b>	<b>82%</b>	<b>2,378,132</b>	<b>\$50,746</b>	\$42,288
4-year	\$99,648,313	\$3,717,089	<i>included in Direct</i>	<i>included in Direct</i>	\$4,326,446	\$0	\$107,691,848	57%	(\$26,064,000)	\$81,627,848	55%	1,511,070	\$54,020	\$45,017
2-year	\$34,058,637	\$1,271,997			\$3,522,438	\$0	\$38,853,072	21%		\$38,853,072	26%	867,062	\$44,810	\$37,342
<b>Private non-profit</b>	<b>\$22,590,000</b>	<b>\$3,176,839</b>	<b>\$1,480,356</b>	<b>\$1,232,387</b>	<b>\$3,298,489</b>	<b>\$0</b>	<b>\$31,778,071</b>	<b>17%</b>	<b>(\$14,474,000)</b>	<b>\$17,304,071</b>	<b>12%</b>	<b>956,892</b>	<b>\$18,084</b>	
4-year	\$22,511,252	\$3,123,399	\$1,411,712	\$1,215,339	\$3,229,767	\$0	\$31,491,469	17%	(\$14,474,000)	\$17,017,469	9%	923,119	\$18,435	
2-year	\$78,748	\$55,237	\$68,383	\$15,181	\$68,722	\$0	\$286,271	0%		\$286,271	0%	33,773	\$8,476	
<b>Private for-profit</b>	<b>\$1,028,000</b>	<b>\$5,070,723</b>	<b>\$3,255,811</b>	<b>\$353,173</b>	<b>\$1,503,310</b>	<b>(\$1,205,000)</b>	<b>\$10,006,017</b>	<b>5%</b>	<b>(\$10,000)</b>	<b>\$9,996,017</b>	<b>7%</b>	<b>598,089</b>	<b>\$16,713</b>	
4-year	\$622,237	\$2,992,001	\$1,466,118	\$152,861	\$812,994	(\$602,500)	\$5,443,711	3%	(\$7,069)	\$5,436,642	3%	226,273	\$24,027	
2-year	\$405,763	\$1,963,814	\$1,006,136	\$165,831	\$690,316	(\$602,500)	\$3,629,360	2%	(\$2,931)	\$3,626,429	2%	371,816	\$9,753	
<b>Total</b>	<b>\$157,325,000</b>	<b>\$13,436,702</b>				<b>(\$1,205,000)</b>	<b>\$188,529,112</b>		<b>(\$40,548,000)</b>	<b>\$147,981,112</b>		<b>\$3,933,113</b>	<b>\$37,624</b>	

**Footnotes:**

- 2-year (all sectors) includes default costs and grants and Degrees & Certificates for Less than 2-year institutions. Government Direct Funding and Research Expense for Less than 2 yrs are not included; however, we'd expect the figures to be immaterial as there are not many Nonprofit-Less-than-2 year institutions and For profit institutions receive very little direct funding from the government.

1 Sum of Federal, State, and Local government direct funding from ED's The Condition of Education 2010.

2 Stafford Loan dollars times Default rates which are based off of ED's budgeted lifetime default rates for the 2007 cohort (ED's IFAP site and President's budget) and assumes defaulted dollars are NOT recovered

(Industry expert, Mark Kantrowitz estimates that roughly 50% - 65% of defaulted loans are recovered by ED while Apollo Group estimates 60.6% of defaulted dollars are recovered - based on several sources including ED collection data, OMB budget data).

ED provided the following Budgeted Lifetime default rates: 2-yr Non Profit = 31.6%; 2 yr Proprietary (For-profit) = 47%; 4 yr Freshman & Sophomores = 22%; 4 yr Juniors & Seniors = 12.3%. Based on these figures, sector enrollment weightings, and factors/relationships based off 2-year CDRs, we estimated default rates for sectors not explicitly given by ED. PLUS, Perkins, and State loans were not considered.

3 Sourced from ED's National Postsecondary Student Aid Study. Assumed 100% and 50% of student grants in the public sector and private non-profit sector, respectively, are reported in government direct funding. Grants are not returned to the government.

4 FY09 income taxes for the 15 publicly traded companies (no estimate made for the rest of the for-profit sector). Split 50/50 between 2-year and 4-year.

5 Sum of Total Government Direct Funding, Default Cost, Pell & other federal grants to students, State grants to students, and Taxes paid by institutions to the government.

6 Sourced: ED's The Condition of Education 2010 report. Crediting nonprofits with the full amount of their research expense and thus assuming that a) no dollars in the research expense line item go towards educational activities and b) all research expenses are funded by government funds/taxpayer dollars;

7 Sourced: ED's IPEDS Data Center. Includes all degrees and certificates awarded for '07-'08. Transfers to another institution were not included as we believe this item is not consistently reported.

8 'Annual taxpayer cost less Research expense' divided by 'Degrees & Certificates'.

9 Adjusted public figures down 20% to account for the larger percentage mix of certificates (lower cost) in the for-profit sector versus the public sector. Methodology: using IPEDs Data (enrollment and average Aid dollars per student by degree level) we estimated that weighted average amount of Title IV aid per student would decrease 20% in the public sector when applying the for-profit weighting of students by degree level. Specifically, we multiplied the public sector's average Title IV aid per student for each degree level by the applicable percentage weight based on public sector enrollment. The sum of the product of each degree level results in a weighted average amount of Title IV aid for the public sector. Then, we substituted the for-profit weightings by degree level and repeated the calculation, resulting in an adjusted weighted average Title IV aid per student that was 20% less than the unadjusted figure.

We also assume, conservatively, that all expenses in the public sector would decrease 20%, not just Title IV / student aid.

**Other Notes:**

- Model excludes benefit of tax-free investment income/gains at non-profit institutions.

- Model excludes impact of net interest cost or benefit on the loans to the government depending on subsidy, interest income, cost of funds - we don't anticipate a material impact.

- Research expense - discussions with industry experts suggest some dollars for research could also be funding some student educational activities, but amounts/percentages are not quantifiable. Also, some of research expense could be funded by non-government sources.

Source: U.S. Department of Education, National Center for Education Statistics, 2007-08 National Postsecondary Student Aid Study (NPSAS:08).

Digest of Education Statistics 2009, Mark Kantrowitz, Publisher of FinAid.org and Fastweb.com, Stifel Nicolaus

**Cost to Taxpayer - Per student basis ('07-'08)**

Similar to page 105 in absolute dollars, the following table quantifies annual total cost to taxpayers (total government funding) on a per student basis for each sector. As with the previous table, the major taxpayer costs in the analysis include the direct government funding, defaults on government (Title IV) loans that are never recovered (Note: the full loan balances are not the cost), Pell and other federal and state grants to students offset by any taxes paid by the institutions back to the government. It should be noted that it was necessary to make some assumptions in this analysis and where required we attempted to be conservative (in relation to for-profits). The same assumptions apply regarding 1) Stafford Default Cost, 2) Tax Paid to Government, and 3) Research expense (see footnote 6). See footnotes for more detail.

**Takeaways:**

- By our estimates and based on U.S. Department of Education data, the annual taxpayer cost per student for the public sector is \$11,972 vs. \$4,778 in the for-profit sector and \$5,282 in the private non-profit sector. After making an adjustment for credential weighting (like page 105), the analysis suggests the public sector annual taxpayer cost per student is about \$9,977.
- The public 2-year (i.e. community colleges) and for-profit 2-year sectors are typically viewed as serving the most similar student populations, demographically. Annual taxpayer cost per student for the public 2-year sector is about \$9,725 vs. \$5,311 in the for-profit sector. This difference between public and for-profit is significantly less than the difference in our cost per completion measure. In our opinion, this observation can be explained by the large numbers of students that attend community colleges but at the same time the sector's completion rate lags for-profit. U.S. Department of Education data indicates that completion rates at 2-year public and for-profit institutions were 22% and 60%, respectively. After making an adjustment for credential weighting, the analysis suggests an annual taxpayer cost per student of about \$8,104.

	Stafford Default Cost (All students) <sup>1</sup>	Pell & Other Federal Grants <sup>2</sup>	State / Local Grants <sup>2</sup>	Other <sup>8</sup>	Total Govn't Direct Funding <sup>3</sup>	Tax Paid Government/ Student <sup>4</sup>	Total Cost adjusted for Tax -Total Student <sup>5</sup>	'07-'08 Research Exp/ Student <sup>6</sup>	Tax Adj. Total Cost/ Student less Research	Adjustment for Degree Level weighting <sup>9</sup>
<b>Public</b>	<b>\$294</b>	-	-	<b>\$471</b>	<b>\$13,920</b>	<b>\$0</b>	<b>\$14,685</b>	<b>(\$2,713)</b>	<b>\$11,972</b>	<b>\$9,977</b>
4-year	\$440	<i>included in Direct</i>	<i>included in Direct</i>	\$586	\$16,897	\$0	\$17,924	(\$4,423)	\$13,500	\$11,250
2-year <sup>7</sup>	\$138	<i>Funding</i>	<i>Funding</i>	\$383	\$9,204	\$0	\$9,725	\$0	\$9,725	\$8,104
<b>Private non-profit</b>	<b>\$707</b>	<b>\$477</b>	<b>\$275</b>	<b>\$905</b>	<b>\$7,546</b>	<b>\$0</b>	<b>\$9,910</b>	<b>(\$4,628)</b>	<b>\$5,282</b>	
4-year	\$709	\$470	\$276	\$911	\$7,584	\$0	\$9,951	(\$4,667)	\$5,284	
2-year <sup>7</sup>	\$611	\$761	\$189	\$761	\$3,122	\$0	\$5,444	\$0	\$5,444	
<b>Private for-profit</b>	<b>\$2,256</b>	<b>\$1,633</b>	<b>\$157</b>	<b>\$724</b>	<b>\$1,011</b>	<b>(\$1,002)</b>	<b>\$4,778</b>	<b>\$0</b>	<b>\$4,778</b>	
4-year	\$2,361	\$1,446	\$121	\$741	\$820	(\$1,002)	\$4,487	\$0	\$4,487	
2-year <sup>7</sup>	\$2,005	\$1,826	\$204	\$704	\$1,573	(\$1,002)	\$5,311	\$0	\$5,311	

**Footnotes:**

- Sum of Subsidized and Unsubsidized Stafford Default Cost. Sourced from ED's National Postsecondary Student Aid Study. **Model assumes that defaulted dollars are NOT recovered by ED.** (Industry expert, Mark Kantrowitz estimates that roughly 50% - 65% of defaulted loans are recovered by ED while Apollo Group estimates 60.6% of defaulted dollars are recovered - based on several sources including ED collection data, OMB budget data)
- Sourced from ED's National Postsecondary Student Aid Study. Assumed 100% and 50% of student grants in the public sector and private sector, respectively, are reported in government direct funding. Grants are not returned to the government. Other federal grants include SEOG, ACG, NSMART, Other federal grants.
- Sum of Federal, State, and Local government direct funding from the U.S. Department of Education - The Condition of Education 2010.
- FY09 income taxes for the 15 publicly traded companies divided by the Total Average enrollment of the same companies.
- Sum of Stafford Default Cost, Pell & other federal grants to students, State grants to students, Total Government Direct Funding to institutions, and Taxes paid by institutions to the government.
- Sourced: ED's The Condition of Education 2010 report. Crediting nonprofits with the full amount of their research expense and thus assuming that a) no dollars in the research expense line item go towards educational activities and b) all research expenses are funded by government funds/taxpayer dollars;
- Default cost, Pell & other federal grants, state/local grants, and other are a weighted average of 2-year and Less than 2-year based on enrollment.
- Includes Veterans benefits and other DOD, Vocational rehabilitation and training, federal work study, state work study, tax benefits from federal tax credits and deductions.
- Adjusted public figures down 20% to account for the larger percentage mix of certificates (lower cost) in the for-profit sector versus the public sector. Methodology: using IPEDs Data (enrollment and average Aid dollars per student by degree level) we estimated that weighted average amount of Title IV aid per student would decrease 20% in the public sector when applying the for-profit weighting of students by degree level. Specifically, we multiplied the public sector's average Title IV aid per student for each degree level by the applicable percentage weight based on public sector enrollment. The sum of the product of each degree level results in a weighted average amount of Title IV aid for the public sector. Then, we substituted the for-profit weightings by degree level and repeated the calculation, resulting in an adjusted weighted average Title IV aid per student that was 20% less than the unadjusted figure. We also assume, conservatively, that all expenses in the public sector would decrease 20%, not just Title IV / student aid.

**Other Notes:**

- Model excludes benefit of tax-free investment income/gains at non-profit institutions.
- Model excludes impact of net interest cost or benefit on the loans to the government depending on subsidy, interest income, cost of funds - we don't anticipate a material impact.
- Research expense - discussions with industry experts suggest some dollars for research could also be funding some student educational activities, but amounts/percentages are not quantifiable. Also, some of research expense could be funded by non-government sources.

Source: U.S. Department of Education, National Center for Education Statistics, 2007-08 National Postsecondary Student Aid Study (NPSAS:08), Digest of Education Statistics 2009, Mark Kantrowitz, Publisher of FinAid.org and Fastweb.com, Stifel Nicolaus

## Net Cost to Taxpayers

Other similar studies on taxpayer efficacy render similar results, including the University of Phoenix's (UPX) 2008—2010 Academic Annual Reports which includes a taxpayer Cost analysis on all sectors and illustrates that for-profit institutions and UPX cost the taxpayer significantly less than public and independent private institutions.

	Public (2 and 4 year)	Independent Private (2 and 4 year)	Proprietary (2 and 4 year)	University of Phoenix
<b>Direct Government Support (Grants, Appropriations, etc)</b>	\$10,785	\$5,621	\$3,751	\$1,082
<b>Federal Support on Subsidized Loans</b>	\$40	\$85	\$146	\$94
<b>Defaults on Title IV Loans</b>	\$507	\$1,324	\$4,515	\$3,032
<b>Recovery on Title IV loan defaults</b>	-\$307	-\$802	-\$2,736	-\$1,838
<b>Donor Tax benefits on Gifts</b>	\$315	\$823	\$0	\$0
<b>Sales and other Taxes</b>	\$0	\$0	-\$65	-\$38
<b>Taxes on Corporate profits</b>	\$0	\$0	-\$1,092	-\$824
<b>Net Cost to Taxpayer per student</b>	<b>\$11,340</b>	<b>\$7,051</b>	<b>\$4,519</b>	<b>\$1,508</b>

Source: 2010 Academic Annual Report— University of Phoenix



### Pell Grant vs. Taxes

In addition to the University of Phoenix analysis, a simple analysis of Pell grant dollars and taxes paid at the publicly traded companies suggests the sector returns to the government about 50% (average of the range over last few years—43% - 55%) of the Pell funding utilized at their institutions. This analysis focused on Pell grants as those dollars are not repaid by recipients while federal loan funds are returned to the government. The low-end of estimated range (43% in 2011) reflects greater negative impacts (from regulatory and economic issues) to estimated corporate earnings and income tax, in our view.

(\$ in millions)

	APEI (as of 12/10)	APOL (as of 8/11)	BPI (as of 12/10)	CECO (as of 12/10)	COCO (as of 6/11)	CPLA (as of 12/10)	DV <sup>2</sup> (as of 6/11)	EDMC (as of 6/11)	ESI (as of 12/10)	LINC (as of 12/10)	LOPE (as of 12/10)	NAUH (as of 5/11)	STRA (2010 10K)	UTI (as of FY10)	Total
<b>Pell % of Revenue</b> <sup>1</sup>	5%	20%	18%	19%	29%	2%	10%	13%	20%	26%	12%	17%	11%	19%	
<b>FY10 Revenue</b>	\$198	\$4,926	\$713	\$2,124	\$1,764	\$426	\$1,915	\$2,509	\$1,597	\$640	\$386	\$90	\$637	\$436	<b>Total</b> \$18,361
<b>FY11E Revenue</b>	\$257	\$4,733 A	\$930	\$1,902	\$1,869 A	\$420	\$2,182 A	\$2,888 A	\$1,489	\$512	\$428	\$107 A	\$580	\$455	\$18,752
<b>FY10 Estimated Pell \$</b>	\$10	\$985	\$128	\$404	\$512	\$9	\$192	\$326	\$319	\$166	\$46	\$15	\$70	\$83	\$3,265
<b>FY11E Estimated Pell \$</b>	\$13	\$947	\$167	\$361	\$542	\$8	\$218	\$375	\$298	\$133	\$51	\$18	\$64	\$86	\$3,283
<b>FY10 Taxes</b>	\$20	\$551	\$90	\$80	\$95	\$36	\$133	\$137	\$240	\$55	\$38	\$7	\$86	\$18	\$1,586
<b>FY11E Taxes</b>	\$24	\$490 A	\$107	\$82	\$23 A	\$31	\$164 A	\$146 A	\$191	\$18	\$32	\$6 A	\$69	\$19	\$1,402
<b>Taxes less Pell 2010</b>	\$10.1	(\$434.2)	(\$38.3)	(\$323.6)	(\$416.6)	\$27.5	(\$58.5)	(\$189.2)	(\$79.4)	(\$111.4)	(\$8.3)	(\$8.8)	\$15.9	(\$64.8)	(\$1,679.6)
<b>Taxes less Pell 2011</b>	\$11.2	(\$456.6)	(\$60.4)	(\$279.4)	(\$519.5)	\$22.6	(\$54.2)	(\$229.4)	(\$106.8)	(\$115.1)	(\$19.4)	(\$11.8)	\$5.2	(\$67.5)	(\$1,881.1)

1 Company data or where absent, Stifel estimates were used. Stifel estimate: Pell \$ disbursed divided by Total Title IV disbursed multiplied by the company's Title IV % (90/10 rule)

2 May include some state grants

Source: Stifel Nicolaus, company public filings, web casts, and presentations, E.D. Federal Student Aid.

## Corporate Reimbursement

The Society for Human Resource Management conducted their annual survey examining employee benefits in a challenging economy. The report surveys human resource professionals on what benefits from a list of 284 items their organization offers and if they didn't offer, were there plans to offer in the next year. The tables below only include the benefits relating to tuition assistance, scholarships, or educational loans.

Per the survey results, educational employee benefits have declined from 2007 to 2011 including undergraduate assistance (68% to 58%) and graduate assistance (65% to 54%).

<b>Financial and Compensation Benefits</b>		
	<b>% of organizations that offer the benefit</b>	<b>Do not offer the benefit but have plans to within the next 12 months</b>
<b>Undergraduate educational assistance</b>	58%	1%
<b>Graduate educational assistance</b>	54%	1%
<b>Scholarships for members of employees' families</b>	15%	0%
<b>Educational loans for members of employees' families</b>	2%	0%

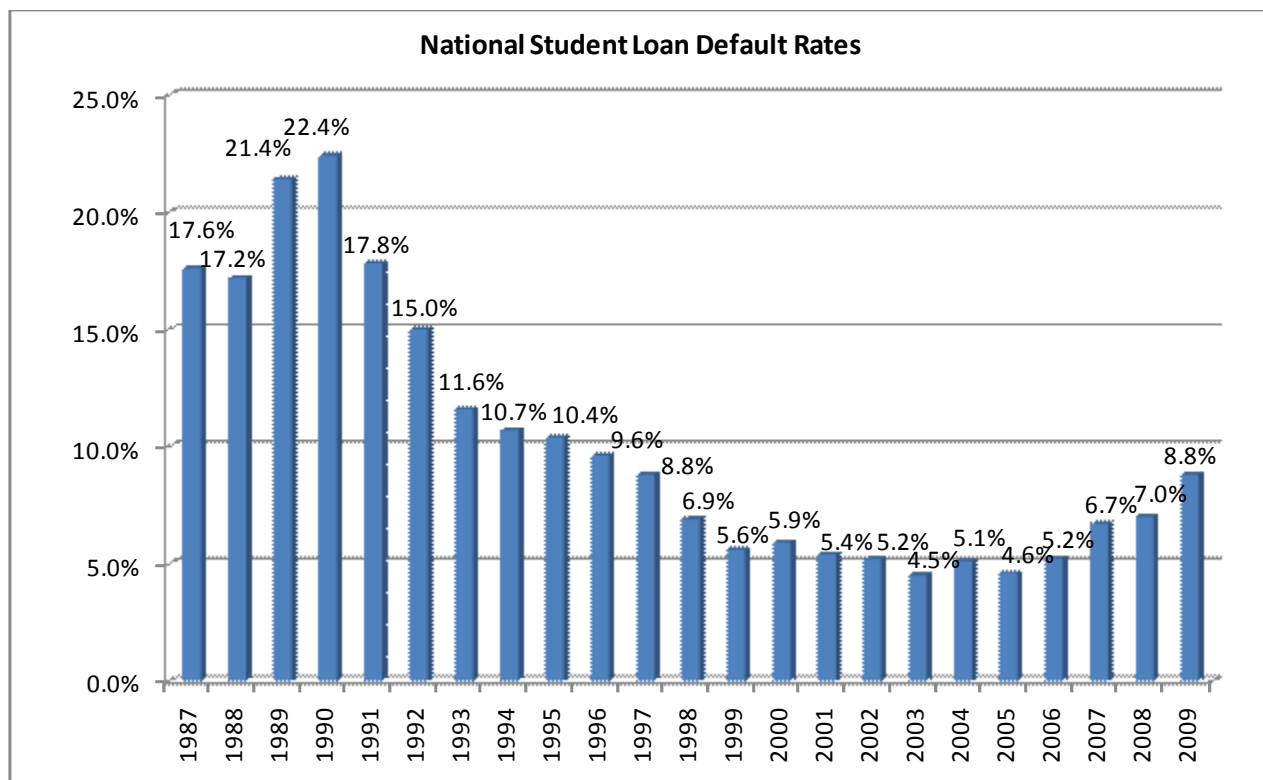
<b>Financial and Compensational Benefits (by Year)</b>							
	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>
<b>Undergraduate educational assistance</b>	67%	66%	68%	66%	63%	62%	58%
<b>Graduate educational assistance</b>	64%	64%	65%	61%	59%	56%	54%
<b>Scholarships for members of employees' families</b>	27%	19%	20%	20%	17%	17%	15%
<b>Educational loans for members of employees' families</b>	7%	6%	5%	3%	2%	3%	2%

Source for tables: Adapted with permission from the Society for Human Resource Management. ©2011. All rights reserved.

### National Default Rates

The national default rate increased to 8.8% in 2009 versus 7.0% in 2008, a result of economic challenges. The default rate had remained below 6% from 1999 to 2006.

Note: The default rates below measure the number of borrowers that default within two years of entering the repayment period.



**Direct Loan and Federal Family Education Loan Programs  
Institutional Default Rate Comparison  
(FY 2007, 2008, 2009)**

Institution Type	FY 2007				FY 2008				FY 2009			
	# of Schools	Borrower Default Rate	# of Borrowers Defaulted	# of Borrowers Entered Repayment	# of Schools	Borrower Default Rate	# of Borrowers Defaulted	# of Borrowers Entered Repayment	# of Schools	Borrower Default Rate	# of Borrowers Defaulted	# of Borrowers Entered Repayment
<b>Public</b>	<b>1,614</b>	<b>5.9%</b>	<b>102,919</b>	<b>1,721,629</b>	<b>1,618</b>	<b>6.0%</b>	<b>104,292</b>	<b>1,720,664</b>	<b>1,627</b>	<b>7.2%</b>	<b>128,121</b>	<b>1,778,903</b>
Less than 2 yrs	144	7.5%	595	7,832	145	6.7%	523	7,736	142	9.9%	749	7,548
2-3 yrs	846	9.9%	48,287	483,721	848	10.1%	49,331	487,436	855	11.9%	62,234	520,256
4 yrs(+)	624	4.3%	54,037	1,230,076	625	4.4%	54,438	1,225,492	630	5.2%	65,138	1,251,099
<b>Private</b>	<b>1,718</b>	<b>3.7%</b>	<b>29,558</b>	<b>778,296</b>	<b>1,702</b>	<b>4.0%</b>	<b>30,620</b>	<b>761,129</b>	<b>1,706</b>	<b>4.6%</b>	<b>38,718</b>	<b>825,221</b>
Less than 2 yrs	46	12.6%	449	3,538	45	14.1%	537	3,794	43	14.5%	605	4,148
2-3 yrs	188	8.1%	1,204	14,798	180	8.2%	1,167	14,157	172	10.0%	1,507	15,039
4 yrs(+)	1,484	3.6%	27,905	759,960	1,477	3.8%	28,916	743,178	1,491	4.5%	36,606	806,034
<b>Proprietary</b>	<b>2,008</b>	<b>11.0%</b>	<b>92,731</b>	<b>838,328</b>	<b>2,118</b>	<b>11.6%</b>	<b>103,764</b>	<b>889,034</b>	<b>2,147</b>	<b>15.0%</b>	<b>152,862</b>	<b>1,015,855</b>
Less than 2 yrs	1,039	12.0%	15,603	129,627	1,105	12.4%	15,418	123,454	1,110	13.7%	18,031	130,936
2-3 yrs	702	12.5%	33,030	262,640	723	12.6%	34,538	272,215	732	14.8%	42,893	289,546
4 yrs(+)	267	9.8%	44,098	446,061	290	10.9%	53,808	493,365	305	15.4%	91,938	595,373
Foreign	435	2.2%	163	7,276	421	2.2%	176	7,902	425	5.5%	493	8,862
Unclassified	1	0.0%	0	5	1	0.0%	0	5	1	0.0%	0	5
<b>TOTAL</b>	<b>5,776</b>	<b>6.7%</b>	<b>225,371</b>	<b>3,345,534</b>	<b>5,860</b>	<b>7.0%</b>	<b>238,852</b>	<b>3,378,734</b>	<b>5,906</b>	<b>8.8%</b>	<b>320,194</b>	<b>3,628,846</b>

Source for charts: U.S. Department of Education

**Default Rates: Long-term****Cohort Default Rate**

Calculated based on Borrowers and the two year window after entering repayment.

Institutional Category	Cohort Yr 2004  Cohort Default Rate (CDR) %	Cohort Yr 2005  Cohort Default Rate (CDR) %	Cohort Yr 2006  Cohort Default Rate (CDR) %	Cohort Yr 2007  Cohort Default Rate (CDR) %	Cohort Yr 2008  Cohort Default Rate (CDR) %
<b>Public</b>					
Less than 2 yrs	5.7%	5.2%	6.4%	7.5%	6.7%
2-3 Yrs	8.1%	7.9%	8.4%	9.9%	10.1%
4 Yrs +	3.5%	3.0%	3.4%	4.3%	4.4%
<b>Private</b>					
Less than 2 yrs	9.0%	9.0%	10.0%	12.6%	14.1%
2-3 Yrs	7.4%	6.7%	6.1%	8.1%	8.2%
4 Yrs +	2.8%	2.3%	2.4%	3.6%	3.8%
<b>Proprietary</b>					
Less than 2 yrs	8.9%	8.9%	10.9%	12.0%	12.4%
2-3 Yrs	9.9%	9.3%	11.1%	12.5%	12.6%
4 Yrs +	7.3%	7.2%	8.4%	9.8%	10.9%
Foreign Schools (1)	1.5%	1.0%	1.2%	2.2%	2.2%
<b>Over All</b>	<b>5.1%</b>	<b>4.6%</b>	<b>5.2%</b>	<b>6.7%</b>	<b>7.0%</b>

(1) FFELP only

**Budget Lifetime Default Rate**

Calculated based on Dollars for a projected cohort life of 20 yrs. Cohort is based on origination date.

As reflected in the latest estimates as of 7/1/10 (Combined Subsidized and Unsubsidized)

Institutional Category	Cohort Yr 2004  Budget Lifetime Default Rate %	Cohort Yr 2005  Budget Lifetime Default Rate %	Cohort Yr 2006  Budget Lifetime Default Rate %	Cohort Yr 2007  Budget Lifetime Default Rate %	Cohort Yr 2008  Budget Lifetime Default Rate %
2 Yr Non Profit	27.4%	29.3%	31.2%	31.6%	31.1%
2 Yr Proprietary	42.5%	42.3%	43.5%	47.0%	46.3%
4 Yr Freshmen & Sophmores	20.5%	21.9%	22.2%	22.0%	21.8%
4 Yr Juniors & Seniors	8.5%	9.8%	11.6%	12.3%	12.2%
Graduate Students	3.7%	4.5%	5.9%	6.3%	6.4%
<b>Over All</b>	<b>12.2%</b>	<b>13.2%</b>	<b>14.6%</b>	<b>15.3%</b>	<b>15.8%</b>

**Cumulative Lifetime Default Rate**

Calculated from the time the loan enters repayment and a default occurs from repayment through 9/30/10.

Institutional Category	Cohort Yr 2004  Cumulative Lifetime Default Rate %	Cohort Yr 2005  Cumulative Lifetime Default Rate %	Cohort Yr 2006  Cumulative Lifetime Default Rate %	Cohort Yr 2007  Cumulative Lifetime Default Rate %	Cohort Yr 2008  Cumulative Lifetime Default Rate %
2 Yr Private	22.6%	19.4%	17.8%	18.8%	15.6%
2 Yr Public	21.1%	19.4%	17.2%	18.0%	15.6%
4 Yr Private	6.1%	4.8%	4.4%	5.8%	5.6%
4 Yr Public	6.9%	5.9%	5.6%	6.7%	6.3%
Proprietary	25.8%	23.0%	20.9%	21.1%	18.6%
Foreign Schools (1)	3.6%	1.9%	2.3%	2.9%	3.0%
Consolidation	8.3%	6.3%	6.0%	8.2%	6.4%
<b>Over All</b>	<b>10.7%</b>	<b>9.1%</b>	<b>8.5%</b>	<b>10.4%</b>	<b>9.8%</b>

(1) FFELP only

Note: these rates can not be compared since they are based on different attributes: borrowers, dollars, loans and institutional categories.

Source: U.S. Department of Education – Federal Student Aid

## Cohort Default Rates

### Cohort Default Rates

Publicly Traded Summary

Company	Cohort Default Rate (2-Year)					Cohort Default Rate (3-Year)				
	2005 Final	2006 Final	2007 Final	2008 Final	2009 Final	2005	2006	2007	2008	2008 Revised
<b>APEI</b>	NA	NA	0.0%	5.2%	4.0%	NA	NA	3.3%	11.5%	11.1%
<b>APOL</b>										
UOP	7.3%	7.2%	9.3%	12.9%	18.8%	11.4%	10.3%	15.9%	22.7%	21.2%
WIU	11.4%	27.4%	18.5%	10.7%	9.3%				17.7%	
<b>BPI</b>										
Ashford	4.1%	4.1%	13.3%	13.3%	15.3%	8.8%	6.1%	17.4%	21.7%	20.0%
Univ. of Rockies	0.0%	0.0%	0.0%	2.5%	3.3%	5.5%	0.0%	0.0%		
<b>CPLA</b>		1.5%	2.5%	3.3%	6.7%	4.4%	3.7%	5.5%	7.5%	6.5%
<b>CECO</b>	10.5% <sup>1</sup>	8.2%	8% <sup>1</sup>	9.8%	14.6% <sup>1</sup>	20.9%	18.0%	19.6%	24.2%	↓ 2%-5% <sup>2</sup>
<b>COCO</b>	10.7% <sup>1</sup>	12.8%	14.8% <sup>1</sup>	19.0%	21.0%	23.3%	27.2%	29.8%	40.2%	
Everest			15.4% <sup>1</sup>	20.7% <sup>1</sup>	22.8% <sup>1</sup>				41.0%	37.68% <sup>1</sup>
Heald			10.9% <sup>1</sup>	9.7% <sup>1</sup>	10% <sup>1</sup>				26.3%	23.1%
Wyotech			10.7% <sup>1</sup>	18.4% <sup>1</sup>	21.9% <sup>1</sup>					
<b>DV</b>										
DeVry	6.6%	7.3%	9.0%	10.2%	14.2%	13.4%	13.8%	17.1%	21.4%	19.7%
Keller	1.7%	1.4%	2.7%	2.6%	3.9%	2.9%	3.5%	4.7%	5.7%	5.2%
Chamberlain	0.5%	1.8%	2.9%	1.7%	3.3%	3.2%	5.0%	4.1%	7.5%	7.3%
Ross	0.1%	0.1%	0.1%	0.1%	0.3%	0.3%	0.3%	0.5%	1.0%	0.8%
Carrington College		7.5%	7.2%	7.0%	10% <sup>1</sup>				18.8%	16.93% <sup>1</sup>
Carrington College California	10.3%	9.6%	10.2%	13.6%	16.7%	26.4%	23.8%	24.4%	31.5%	28.0%
<b>EDMC</b>	5.0%	5.4%	8.0%	7.3%	11.8% <sup>1</sup>	11.7%	11.4%	14.6%		
Art Institute									18.0%	15.7% <sup>1</sup>
Argosy									6.1%	5.7%
Brown Mackie									26.5%	24.9% <sup>1</sup>
South									18.6%	16.6%
<b>ESI</b>										
ITT Technical	8.9%	9.4%	11.5%	12.2%	~21% <sup>1</sup>	20.9%	20.4%	24.2%	29.5%	26.3% <sup>1</sup>
Daniel Webster	1.3%	1.7%	2.7%	3.5%						
<b>LINC</b>	8.7%	12.3%	13.4%	11.6%	20% <sup>1</sup>	21.1%	24.4%	25.7%	30.7%	25.6% <sup>1</sup>
<b>LOPE</b>	1.8%	1.6%	1.4%	3.4%	9.2%	3.0%	2.7%	2.9%	8.4%	7.4%
<b>NAUH</b>	NA	7.3%	8.2%	9.8%	14.1%				16.7%	15.5%
<b>STRA</b>	3.9%	3.8%	6.0%	6.7%	10.0%	9.3%	10.5%	13.0%	13.9%	12.8%
<b>UTI</b>	5.7%	7.4%	6.5%	4.8%	8.5% <sup>1</sup>	14.8%	16.7%	13.8%	14.5%	12.4% <sup>1</sup>

Note: main campus rates may include other branch campuses.

<sup>1</sup> estimated by equal weight average of all schools.

<sup>2</sup> Rate declined for all major brands by 2-5 percentage points (pps). CTU - down 2 pps, AIU - down 2 pps, LCB - 4-5 pps, SB - down 2-3 pps, IADT - down 3-4 pps.

Source: company data and <http://www.ed.gov/offices/OSFAP/defaultmanagement/cdr.html>

## Acquisition Chronicle

**Postsecondary Education Acquisition Chronicle**  
**5 - year (select transactions)**

Acquirer	Target	Date	Price	Students	Price Per Student
Providence Equity Partners	Istituto Marangoni s.r.l. (Career Education subsidiary)	11/14/2011	~\$55 million*	2,400	\$22,917
Strayer Education Inc.	Chancellor University, Jack Welch Management Institute	Pending	\$7 million	198	\$35,354
Steiner Leisure Ltd.	Cortiva Group Inc.	11/7/2011	\$33 million	NA	NA
DeVry, Inc.	American University of the Caribbean and Medical Education Services, Inc.	8/3/2011	\$235 million	1,000	\$235,000
Capella Education Co.	Resource Development International Ltd.	7/15/2011	\$14.9 million	NA	NA
Laureate Education Inc.	Instituto Superior de Linguas e Administracao	4/11/2011	NA	2,600	NA
Navitas Limited	SAE Institute	2/7/2011	\$288.7 million	NA	NA
Providence Equity Partners	Study Group	7/1/2010	\$570 million	55,000	\$10,364
JLL Partners	Ross Education LLC	6/10/2010	\$232 million	1,137 ('09)	\$204,046
CECO	International University of Monaco	4/15/2010	\$10.3 million	400	\$25,750
BC Partners	ATI Enterprises, Inc.	1/5/2010	\$500 million	7,200 ('09)	\$69,444
COCO	Heald College	1/5/2010	\$325 million <sup>5</sup>	12,300	\$26,423
JTC Education Holding Inc (Exellere Partners)	MedTech College LLC	12/31/2009	NA	1,927 ('09)	NA
Education Affiliates	MedVance Institute	12/15/2009		5,298 ('09)	
REVU	Penn Foster Education Group	12/8/2009	\$170 million	223,000	\$762
TA Associates	Vatterott Educational Centers	9/18/2009	NA	7,500	NA
APOL (Apollo Global - 80%)	BPP Holdings	7/30/2009	\$607 million	NA	NA
ESI	Daniel Webster College	4/23/2009	~\$40 million	1,200	\$33,333
DV	Fanor (82.3% stake)	4/2/2009	\$49 million	10,000	\$4,040
Leeds Equity Partners	Florida Technical College	4/1/2009	NA	NA	NA
LINC	Baran Institute of Technology (includes Clemens 4/09)	1/9/2009	\$28.1 million	1,950	\$14,410
LINC	Briarwood College	12/1/2008	\$11.4 million	700	\$16,286
APOL (Apollo Global - 80%)	ULA (Universidad Latinoamericana S.C.) - 65% acquired	8/5/2008	~\$47 million	4,000	\$11,750
DV	U.S. Education Corporation	9/8/2008	\$290.4 million	8,700	\$33,333
Knowledge Investment Partners	Western State University College of Law	07/18/2008	NA	NA	NA
RCC Institute of Technology	Toronto Campus - International Academy of Design and Technology	07/11/2008	NA	NA	NA

Note: Select private transactions included 2005-2010.

\* Stifel estimate

<sup>1</sup>Price per Student calculation excludes the \$7.2 million mortgage in the purchase price.

<sup>2</sup>Made investment in the target - not necessarily a controlling interest.

<sup>3</sup>Transaction Price estimated by Eduventures in The Education Investor: 2005 Year-end Review and Outlook.

<sup>4</sup>Price student is based off the full implied Enterprise value of \$47 million.

<sup>5</sup> Price includes \$70 in net present value of tax benefits. \$395 million excluding tax benefits

Source: Company data, Capital IQ, Factset, Eduventures

## Acquisition Chronicle

**Postsecondary Education Acquisition Chronicle**  
**5 - year (select transactions)**

Acquirer	Target	Date	Price	Students	Price Per Student
Laureate Education Inc.	Universidad Tecnologica de Mexico, Universidad Latina & Universidad Americana	07/08/2008	NA	NA	NA
Laureate Education Inc.	New School of Architecture & Design	07/08/2008	NA	NA	NA
Navitas Limited	Melbourne Education Group Pty Ltd. and Australian Institute of Public Safety Pty Ltd.	07/04/2008	\$2.1 million	NA	NA
Significant Ventures	Myers University	5/19/2008	\$18.3 million	~ 570	\$32,105
GP Investments Group	Estacio Participacoes S.A	6/4/2008	\$799.5 million	NA	NA
Raffles Education Corp.	Hartford Education Corporation Limited	05/29/2008	\$62.7 million	NA	NA
Editora e Distribuidora Educacional Ltda.	Sociedade Unificada de ensino Superior e Cultura	04/07/2008	\$18.5 million	NA	NA
APOL (Apollo Global - 80%)	UNIACC (Universidad de Artes, Ciencias y Comunicacion )	04/01/2008	\$40 million	3,000	\$13,333
Delta Career Education Corp.	Berks Technical Institute	03/28/2008	NA	609	NA <sup>4</sup>
The Eminata Group	12 CDI schools from COCO	03/06/2008	\$7.4 million (CAD)	~ 2,000	\$3,700
Greycells Entertainment Ltd.	EMDI Institute of Event Management Pvt Ltd. and EMDI (Overseas) FZ LLC	6/30/2008	NA	N/A	N/A
North Devon College	East Devon College	7/15/2008	NA	N/A	N/A
CIBT Education Group, Inc	Sprott-Shaw Community College	11/14/2007	\$12 million	N/A	N/A
Anhanguera Educacional S.A.	Two Colleges in Mato Grosso do Sul	10/01/2007	\$135.2 million	N/A	N/A
CIBT Education Group, Inc	CIBT School of Business & Technology Corp.	12/10/2007	NA	N/A	N/A
Laureate Education Inc.	INTI Universal Holdings Bhd	8/25/2008	\$59.9 million	N/A	N/A
Knowledge Investment Partners	Schiller International University	09/06/2007	N/A	N/A	N/A
Kaplan	Financial Services Institute of Australasia, Education Division	08/27/2007	\$29.8 million	N/A	N/A
CEO-led: KKR, Citigroup, SAC, and Summit Partners	Laureate Education	08/17/2007	\$3.8 billion	262,900	\$14,454
Greenhill Capital Partners., Abrams Capital Management	Touro University International	11/1/2007	\$190 million	7,500	\$25,333
	Florida Career College	06/08/2007	N/A	N/A	N/A
LINC	Harrison Career Institute, Inc.'s Licensed Nursing Program	03/06/2007	N/A	N/A	N/A
CECO	Istituto Marangoni	01/25/2007	\$37.2 million	1,500	\$24,800
Kaplan, Inc	PMBR	10/19/2006	N/A	30,000	N/A
Knowledge Universe	Sierra Nevada College	10/02/2006	N/A	300	N/A

Note: Select private transactions included 2005-2010.

\* Stifel estimate

<sup>1</sup>Price per Student calculation excludes the \$7.2 million mortgage in the purchase price.

<sup>2</sup>Made investment in the target - not necessarily a controlling interest.

<sup>3</sup>Transaction Price estimated by Eduventures in The Education Investor: 2005 Year-end Review and Outlook.

<sup>4</sup>Price student is based off the full implied Enterprise value of \$47 million.

<sup>5</sup> Price includes \$70 in net present value of tax benefits. \$395 million excluding tax benefits

Source: Company data, Capital IQ, Factset, Eduventures

## Acquisition Chronicle

**Postsecondary Education Acquisition Chronicle**  
**5 - year (select transactions)**

Acquirer	Target	Date	Price	Students	Price Per Student
Liberty Partners	Concorde Career Colleges, Inc.	08/31/2006	\$114.5 million	5,791	\$19,772
CHAMP Private Equity & Petersen Investments	Study Group International Limited	09/08/2006	\$176.4 million	35,000	\$5,040
LAUR	UNAB; AIEP (20%) Universidad de las Americas (20% & earnout = approx. \$82MM)	08/16/2006	\$161 million	-	-
Tech Skills	BU Corporate Education Center	08/21/2006	\$10 million		
American Capital Strategies, Ltd.	Pan-Am International Flight Academy	07/27/2006	\$58.0 million	NA	NA
DLJ Merchant Banking Partners (CSFB owned)	Connecticut School of Broadcasting	07/10/2006	\$50.0 million	N/A	N/A
Providence Equity Partners & Goldman Sachs Group	Education Management Corporation	06/01/2006	\$3.4 billion	69,775	\$48,728
Gryphon Colleges Corporation	Delta Education Systems	05/24/2006	N/A	5,550	N/A
LINC <sup>1</sup>	New England Institute of Technology at Palm Beach, Inc	03/30/2006	\$41.7 million	1,200	\$28,750
LINC	Euphoria Institute of Beauty Arts and Sciences	12/14/2005	\$10 million	N/A	N/A
Kaplan International Holdings	Holberg College	11/29/2005	N/A	1,900	N/A
EVCI	Technical Career Institutes	09/19/2005	\$16.0 million	3,000	\$5,333
Kaplan Higher Education	Southwest Health Career Institute	06/07/2005	N/A	249	N/A
Liberty Partners	York Technical Institute	05/10/2005	N/A	1,474	NA
DV	Deaconess College of Nursing	03/24/2005	\$5.3 million	450	\$11,778
The Carlyle Group	Wall Street Institute	02/28/2005	\$40 million	N/A	N/A
Gryphon Colleges Corporation	National Career Education	01/25/2005	N/A	396	N/A
Technology Crossover Ventures <sup>2</sup> Maveron <sup>2</sup>	Capella Education Company	01/07/2005	{ \$35.0 million \$7.5 million \$15.0 million }	16,000	-
Insight Venture Partners <sup>2</sup> Willis Stein & Partners <sup>3</sup>	Education Corporation of America	01/04/2005	\$207.0 million	6,000	\$3,450

Note: Select private transactions included 2005-2010.

\* Stifel estimate

<sup>1</sup>Price per Student calculation excludes the \$7.2 million mortgage in the purchase price.

<sup>2</sup>Made investment in the target - not necessarily a controlling interest.

<sup>3</sup>Transaction Price estimated by Eduventures in The Education Investor: 2005 Year-end Review and Outlook.

<sup>4</sup>Price student is based off the full implied Enterprise value of \$47 million.

<sup>5</sup> Price includes \$70 in net present value of tax benefits. \$395 million excluding tax benefits

Source: Company data, Capital IQ, Factset, Eduventures

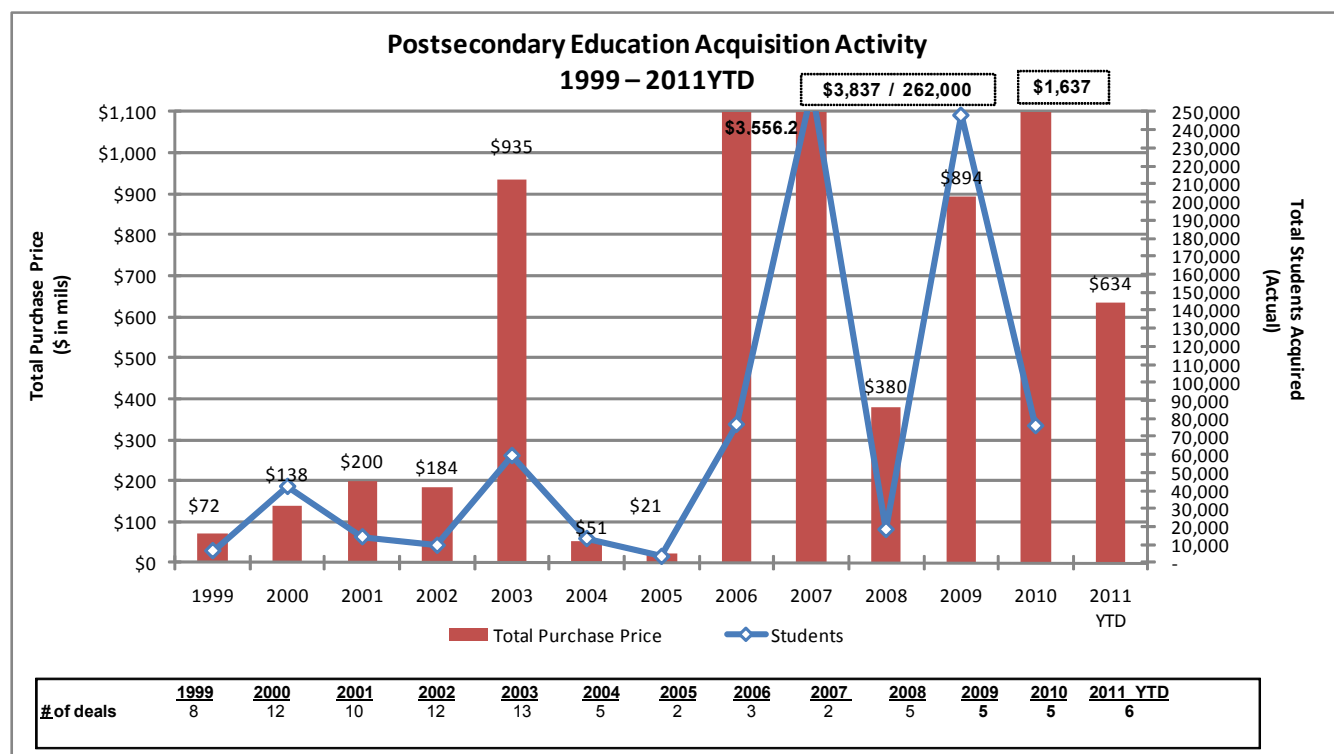


### Acquisition Activity

Acquisition activity by publicly traded companies since 2003 has generally been minimal, although activity has increased in the last couple years. In 2011, DeVry purchased American University of the Caribbean for \$235 million, Strayer acquired Jack Welch Management Institute (pending), and Capella purchased Resource Development International. In 2010, Corinthian Colleges completed its purchase of Heald College for \$325 million and Career Education purchased IUM for \$10 million. In 2009, Apollo Group purchased 80% of U.K.-based BPP Holdings for about \$607 million, ITT Educational Services purchased Daniel Webster College for about \$40 million, DeVry acquired an 82% stake in Brazil-based Fanor for \$49 million, Lincoln purchased Baran for \$28 million, and Corinthian Colleges acquired Heald College for \$325 million.

In 2008, Apollo Group purchased UNIACC and ULA (pending) for \$40 million and \$30.6 million, respectively, and DeVry purchased U.S. Education Corporation (pending) for about \$290 million.

In 2007, Laureate Education was purchased for \$3.8 billion by a management-led buyout group including KKR, Citigroup, and others while Career Education purchased Italy-based Istituto Marangoni for \$37.2 million. In 2006, Lincoln Educational Services acquired New England Institute of Technology at Palm Beach (1,200 students) for \$41.7 million. Private equity emerged in 2006 through acquisitions of Education Management Corporation (\$3.4 billion) and Concorde Career Colleges (\$114.5 million).



Note: 2006 includes 2 private equity transactions. 2007 includes 1 private equity transaction (Laureate Education) and 2008 includes 1 private equity. 2009: Includes APOL acquisition of BPP Holding for about \$607 MM, student count unknown. Vatterott deal not included. 2011: student data not in chart due to lack of information. For all years, some transactions are not included due to the lack of information.

Source: Company data, Capital IQ, FactSet.

### Postsecondary Education Matrix

	APEI	APOL	BPI	CPLA	CECO	COCO	DV
<b>ENROLLMENT</b>	Total 105,700 (3Q11) % Growth 36.0%	380,800 (4Q11) -19.1%	90,597 (3Q11) 17.3%	35,755 (3Q11) -7.5%	104,400 (3Q11) -12.0%	94,083 (1Q12) -17.0%	119,127 (4Q11) -1.2%
	Online 105,700 % Growth 36.0%	NA NA	~89,700 17.3%	38,072 -7.5%	NA NA	26,200 2.0%	69,617 <sup>5</sup> -0.7%
	Same School NA	NA	NA	NA	NA	NA	NA
<b>PROGRAMS</b>	Business/Management 24% (4Q10)	X	43%	36%	(2010) 50%	17% (6/11)	46% ('11 10K)
	Criminal Justice/Law -	X	-	-	11%	22%	-
	Culinary/Hospitality -	-	-	-	13%	-	-
	Design/Media Arts 24%	X	-	-	-	-	-
	Education 1%	X	11%	22%	-	-	-
	Healthcare/Medical -	X	23%	42%	22%	47%	26%
	Other 42% <sup>1</sup>	X	23%	-	-	4%	1%
	IT / Engineering/Auto 10%	X	-	-	4%	10%	28%
<b>STUDENT DATA</b>	Ages Avg. Age = 32	<23=12%; 23-29=32%; 30-39=33%; 40-49=16%; 50+=7%	Avg. Age = 35	Avg. Age = 39	<21=15%; 21-30=43%; >30=42% (3/11)	Avg. Age = 25	<25=25%; 25-39=53%; >39=21%
	Full-time vs. Part-time 100% Part-time	Most UOP students are employed full-time	-	90%+ employed / part time	-	-	-
	Background ~82% of students serve in military, reserves, or National Guard	Avg UOP student has 13 yrs work experience	-	-	1/3 of students are high school graduates	-	35% have some college experience
	% Degree Associate=17%; Bachelor's=61%; Master's=22% (4Q10)	(4Q11) Associate=36%; Bachelor's=48%; Master's=14%; Doctoral=2%	Associate=14%; Bachelor's=74%; Master's=11%; Doctorate = 1%	Certificate=1%; Bachelor's=21%; Master's=47%; Doctoral=31% (2Q11)	Certificate = 22%; Associate = 39%; Bachelors, Master's = 39% (3/11)	Diploma=43%; Associate=52%; Bachelor's=4%; Master's=1% (6/11)	('11 10K) Certificate = 7%; Associate = 16%; Bachelor's=56%; Master's=18%; Doctoral=3%
<b>EXIT METRICS</b>	Retention Rate >80% (students that complete 3 classes remain active or graduate)	80.2% persistence (4Q11)	62% (4Q09 - Annual)	NA	67% (2010)	NA	NA
	Graduation Rate <sup>3</sup>	Associate: 23%; Bachelors: 34%; Masters: 55% ('10 Academic report)	4-year calc./ of students completing 2nd course ('09): Undergrad: 49%; Graduate: 65%	48% after second course (2009 10K)	University: 42% Career: 57% (2/10 Investor day)	DOE def: Range 25% - 80%	DOE def. DeVry University 29.9% (2010 10K)
	Average Starting Salary NA	NA	Ashford = \$41K-\$51K ('09)	NA	NA	NA	\$43,035 (6/11)
	Placement Rate 92% of civilian students employed	Most students employed	NA	NA (working adult focus)	75% - University 78% - Career (12/31/10)	67.6+%(9/11)	89% (6/11)
	% of Title IV 39% - Title IV / 40% - TA / 8% - VA / 13% - Cash & other	86% UOP <sup>2</sup>	85% - Ashford 85.9%-Univ of Rockies (2010 10K)	78%	82% (4Q10)	80% / 88% <sup>2</sup>	DeVry Univ = 77%; Ross = 85%; Chamberlain = 70%; Carrington = 82% - 86%
	Average Default Rate (2-yr / 2009) 4.0%	UOP = 18.8% WIU = 9.3%	Ashford = 15.3% Rockies = 3.3%	6.7%	14.6% <sup>6</sup>	20.4% <sup>6</sup>	DeVry = 14.2% Keller = 3.9% Carrington = 10% /16.7%
	Graduate CDR 47%	<1% 9/10	45%	40%	3% 5/5/10 cc	26%	35%
	Repayment Rate (from DOE's G.E. data) 3.0	2.6	3.0 Est	3.0	>1.0	2.1	>1.5
	Composite Score						
<b>SCHOOL DATA</b>	Locations all online; licensed in VA and WV	about 263 total (UOP); ~102 campuses & ~150+ learnings centers (not recently updated); 40 states, P.R., Canada, Mexico (~370 learning facilities globally - all brands)	2 locations (IA, CO) and online	all online; licensed in 20 states	90 total ; various states, Canada, UK, France, United Arab Emirates	122 campuses 26 states and Canada	99 DeVry; 19 Carrington; 2 Ross; 9 Chamberlain; 1 AUC; 5 DeVry Brasil
	Accreditation HLC & DETC	HLC	HLC	HLC	ABHES; ACCIC; ACCSCT; ACICS; HLC; MS; NE; SACS	ABHES; ACCET; ACCIC; ACCSCT; ACICS; HLC	HLC
	Student:Teacher Ratio 14:1	UOP: 15:1; Online: 10:1	25:1	20:01	12:1	19:1	25:1 (DV); 23:1 (KGSM)
	Tuition Rates Semesters: Undergraduate=\$250/hr. Graduate=\$325/hr (7/11) Associates 61-64 credits (\$15-16k); Bachelors 120-124 credits (\$30-31k); Masters 33-48 credits (\$12-16k)	Semesters: Onground: Bachelors \$465-485; Masters \$665; Online: Associate \$380; Bachelors \$570; Masters \$715; Phd \$795/ hr. Assoc. 60-62 credits; Bach. 120; Masters 30-54; Doctoral: 62 credits	Semesters: \$390/hr - Undergrad \$510-\$568/hr. - Graduate	Quarters: Bachelor's: \$310/hr; Master's: \$355-678/credit; Doctoral: ~\$350-\$510/credit Bach. 180 credits (\$56k); Masters 48-92 credits (\$20-42k); Doctoral 72-145 credits.	Quarters: AIU online: Associate \$290; Bachelors \$290; Masters \$442-\$582; CTU online: Associate \$290; Bachelors \$290; Masters \$635/hr. Assoc. 90 credits; Bach. 180 credits; Masters 44-48 credits	Quarters: Diploma=\$5,375-\$39,000 Undergraduate=\$256-\$492/hr ; Master's=\$371-\$548/hr	Semesters: Undergrad: \$597/hr (1st 11) & \$360/hr (>11) (5 term = ~\$37,155, 8 term = ~\$65,496) Grad = \$2,225/course; Ross = \$15,800-\$19,850/sem; Chamberlain = \$590-\$650/hr (<12hrs) - \$7,800/semester (FT); Carr. = \$254 - \$1,651/hr. - \$12,000 - \$60,000 total program
<b>FINANCIAL</b>	Bad Debt Expense ~ 3% (3Q11)	3.5% (4Q11) vs. 5.8%	5.8% (3Q11 YTD)	3.1% (3Q11) vs. 2.6%	3.3% (3Q11) vs. 6.1%	4.4% (1Q12) vs. 5.4%	4.1% (1Q12) vs. 5.1% (1Q11)
	Marketing (% of rev) 17.9% (3Q11) vs. 19.9%	24.1% (4Q11) vs. 23.5%	28.4% (3Q11) vs. 28.8%	32.9% (3Q11) vs. 28.2%	27.9% (3Q11) vs. 24.9%	25.4% (1Q12) vs. 20.8%	-
	OPMs (avg last 4 qtrs) 23.0% (3Q11)	25.2% (4Q11)	31.3% (3Q11)	20.8% (3Q11)	15.2% (3Q11)	4.2% (1Q12)	21.1% (1Q12)

1 Programs: 'Other' includes 25% in Public Safety & Health, 17% in Security and Global Studies  
 2 The figure does not make the adjustment of excluding the additional \$2,000 granted under ECASLA from the 90/10 calculation.  
 3 DOE definition where noted = % of full-time, first-time Students and graduated Within 150% of "Normal Time" to completion for their program. (This definition could understate completions as it does not include a large number of adult learners with previous credits)  
 4 Fall enrollment to be released on December 7th  
 5 coursetakers  
 6 equal weight average of all default rates within the company  
 7 59% = 90/10 calc disclosed in 10K. 75% = sum of T4 sources in 10K  
 Note: Enrollment, Operating Margin, locations, and default data is current. All other info. may not be current due to lack of availability.  
 Data is updated from several sources as available: including 10-Qs, 10-Ks, company presentations, etc

### Postsecondary Education Matrix

	EDMC	ESI	LINC	LOPE	NAUH	STRA	UTI
<b>ENROLLMENT</b>							
Total	151,200 (1Q12)	79,219 (3Q11)	22,523 (3Q11)	44,486 (3Q11)	9,390 (1Q12)	54,233 (3Q11)	16,200 (3Q11)
% Growth	-4.5%	-10.0%	-32.0%	5.2%	13.7%	-11.0%	-8.0%
Online	39,100	NA	NA	39,447	4,610	32,417	NA
% Growth	-8.0%	NA	NA	2.2%	40.0%	-8.4%	NA
Same School		NA	NA	NA	NA	NA	NA
<b>PROGRAMS</b>							
Business/Management	9%	} 20%	9%	X	38%	68% (11/10)	-
Criminal Justice/Law	5%		-	-	-	-	-
Culinary/Hospitality	11%	-	10%	-	-	-	-
Design/Media Arts	36%	-	-	-	-	-	-
Education	2%	-	-	X	-	} 18%	-
Healthcare/Medical	29%	-	39%	X	44%		-
Other	7%	-	11%	-	12%	-	-
IT / Engineering/Auto	1%	80%	32%	-	6%	14%	100%
<b>STUDENT DATA</b>							
Ages	Avg. new student is 29 yrs old	<19=6%; 20-24=31%; 25-30=29%; >30=34%	19-35+ = 80%; high school student = 20%	(91% of online ≥ 25)	Avg Age = 33	<21=8%; 22-29=31%; >30=61%	Est Avg. Age = 23
Full-time vs. Part-time	-	-	-	-	Avg course load just under 9 cred hrs	87% PT, Avg. course load = 8.1 cred.hrs.	-
Background	57% working adult, 43% high school graduates	33% have some college experience	18% out of high school	working adult	85%-90% working adult	54% have some college experience	60% high school / 40% adult
% Degree	Diploma=6%; Associate=33%; Bachelor's=49%; Master's=7%; Doctoral=4%; Other = 1%	Diploma=0%; Associate=85%; Bachelor's=15%; Master's=0%; Doctoral=0%	Diploma > 80%; Associate < 20%	Undergraduate=57%; Graduate=43%	Associate=41%; Bachelor's=46%; Master's=4%; Other = 9%	Associate=13%; Bachelor's=55%; Master's=26%; Doctoral=0% Undeclared = 5%	Associate, Diploma, Certificate
<b>EXIT METRICS</b>							
Retention Rate	62.3% persistence	72% persistence (3Q11)	NA	-	84% Persistence	NA	NA
Graduation Rate <sup>3</sup>	DOE def - Total: 39%	DOE def: ~40%; Per company: 45% - 55%	50-60% (per company)	Per mgmt comments: Bachelors: slightly < state inst Masters: ~ state institutions	Course completion = 91% (undergrad) / 91.5% (grad)	60% (per company)	67% (per company)
Average Starting Salary	Bachelor = \$32K Assoc/Diploma = \$28K	~\$32K	NA	-	-	\$48,300-\$72,300	NA
Placement Rate	80% (undergraduate)	~ 70% (2Q11) 3Q stated up 600bps	71%	-	83% Overall 59% in field only	-	~ 81% (3/11)
% of Title IV	78.0%	59% / 75% <sup>7</sup>	62.1% - 96.9%	85%	79%	78% ('10 10K - as of 2009)	68% - 77%
Average Default Rate (2-yr / 2009)	11.6% <sup>6</sup>	ITT = 22.6% Daniel Webster = 3.6%	20.1% <sup>6</sup>	9.2%	14.1%	10.0%	8.5% <sup>6</sup>
Graduate CDR	(3-year) A:2.7%, A+:4.2%, S:5.3%, BM:12%						
Repayment Rate (from DOE's G.E. data)	37%	31%	35%	52%	38%	25%	49% - 64%
Composite Score	<1.5	1.8	2.0	>1.5	2.4	>1.5 Min.	
<b>SCHOOL DATA</b>							
Locations	106 total; 32 states and 2 Canadian provinces	136 total; (~131 institutes, 4 learning sites in 38 states)	46 campuses in 17 states	1 campus (AZ) and online	34 (5 pending approval) total in 9 states and online	92 total; 22 states and Washington D.C.	11 campuses & 19 training centers in 8 states
Accreditation	ACCSC; ACICS; HLC; NE; NW; SACS	ACICS	HLC	HLC	HLC	MS	ACCSC
Student:Teacher Ratio	18:1	28:1	15-20:1	25:1 (for 90% online and 80% onground)	17:1	26:1	23:1
Tuition Rates	Art Institute: ~\$500/hr. (~\$46k - Associates / ~\$90K - Bachelors); Argosy: ~\$600+ (\$22K+ Masters); Brown Mackie: ~\$292/hr. (\$28K - Associate - Acct)	Quarters: ~\$530/hr; Associate 90-96 credit hrs (\$47K+); Bachelors ~\$520 180 credits (\$93K+); DWC: \$11,160 (24 semester hrs - Min load for FT student - 2 semesters)	Diploma: \$8.5k-\$37k/degree. Associates: \$18k-\$55k/degree. Bachelor's: \$55k-\$74k/degree. E.g. Associate in Diesel ~\$31K	Semesters: Undergrad/online: \$455/hr Undergrad/Ground: \$550/hr Graduate: ~\$495-\$510/hr Grad Nursing: \$595/hr Doctorate: ~\$615/hr Bachelors: 120 credits; Masters: ~36 credits; Doctorate: 60 credits; Military: \$250 & \$370/hr	Quarters: Undergrad: ~\$315 per credit hour	Quarters: Undergrad. FT = \$357/hr. Undergrad. PT = \$375/hr. Graduate=\$495/hr Course=4.5 cred hr. Associates 90 credits; Bachelors 180 credits; Masters 54 credits	\$23,000 - \$32,000 per 36 - 75 week programs
<b>FINANCIAL</b>							
Bad Debt Expense	4.1% (4Q11)	3.8% (3Q11) vs. 5.5%	7.8% (3Q11) vs. 7.7%	6.0% (FY10) vs. 5.4%	4.1% (1Q12) vs. 3.2%	3.8% (3Q11) vs. 4.2%	1.5% (3Q11) vs. 1.5%
Marketing (% of rev)	24.3% (1Q12) +67 bps	-	-	19.5% (3Q11) vs. 28.4%	~18%-19%	22% (3Q11) vs. 20.5%	-
OPMs (avg last 4 qtrs)	17.0% (1Q12)	35% (3Q11)	14.4% (3Q11)	18.1% (3Q11)	14.6% (1Q12)	29.3% (3Q11)	11.1% (3Q11)

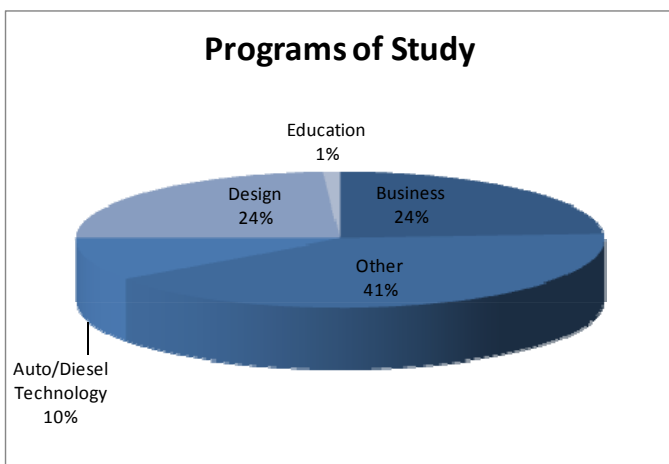
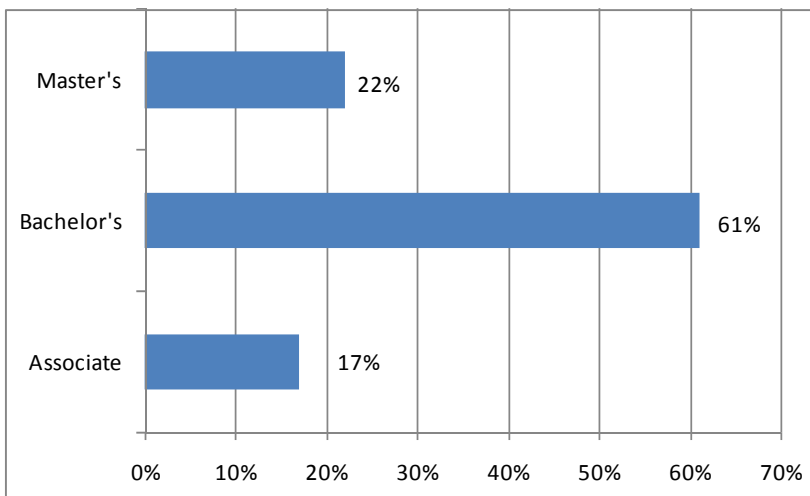
1 Programs: 'Other' includes 25% in Public Safety & Health, 17% in Security and Global Studies  
 2 The figure does not make the adjustment of excluding the additional \$2,000 granted under ECASLA from the 90/10 calculation.  
 3 DOE definition where noted = % of full-time, first-time Students and graduated Within 150% of "Normal Time" to completion for their program. (This definition could understate completions as it does not include a large number of adult learners with previous credits)  
 Note: Enrollment, Operating Margin, locations, and default data is current. All other info. may not be current due to lack of availability.  
 Data is updated from several sources as available: including 10-Qs, 10-Ks, company presentations, etc

4 Fall enrollment to be released on December 7th  
 5 course takers  
 6 equal weight average of all default rates within the company  
 7 59% = 90/10 calc disclosed in 10K. 75% = sum of T4 sources in 10K

**For-Profit Publicly Traded Sector**  
**American Public Education, Inc. (Hold)**  
**Profile**

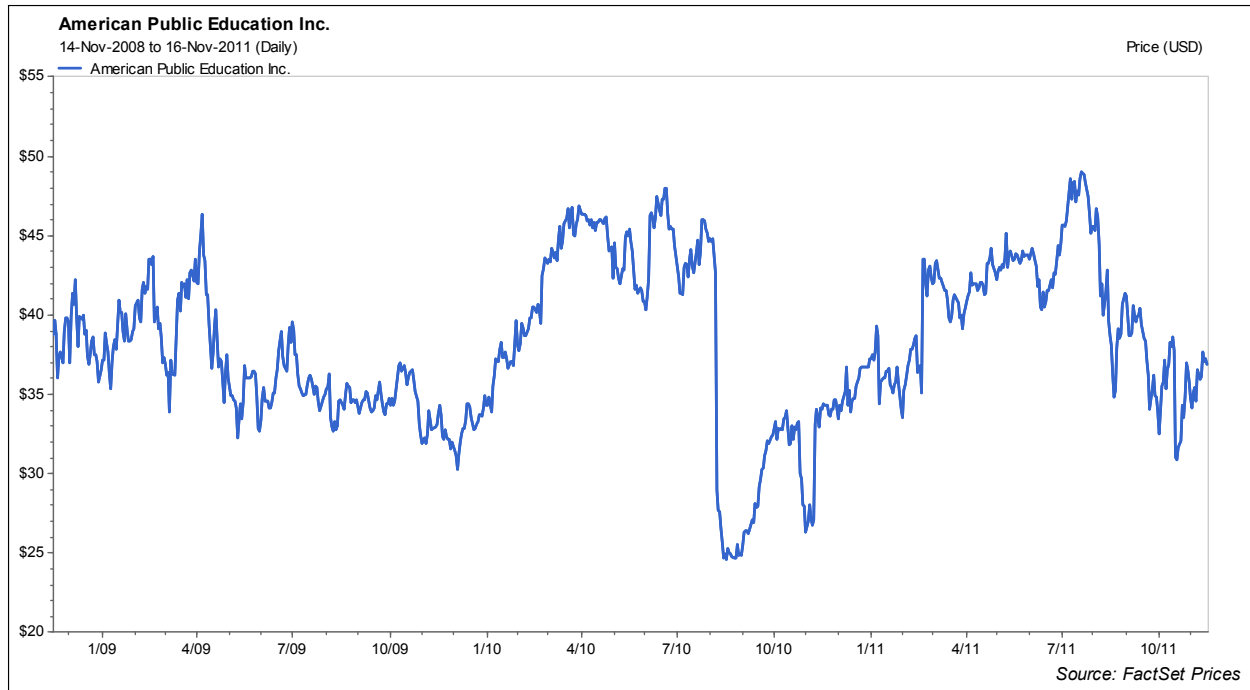
American Public Education, Inc. is an online provider of higher education focused primarily on serving the military and public service communities. American Public University System (APUS), wholly owned by APEI, comprises two universities -- American Military University (AMU) and American Public University (APU). As a regionally accredited institution of higher learning, APUS serves over 100,000 part-time students who live and work in all 50 states and more than 100 countries; and offers over 80 degree programs in fields ranging from homeland security, military studies, intelligence, and criminal justice to technology, business administration, public health, and liberal arts.

**Enrollment:** 105,700  
**Student Ages**  
 Average Age 32  
**Educational Background**  
 Approx. 82% of students serve in the military, reserves, or National Guard  
**Schools**  
 Online  
**Student:Faculty Ratio**  
 14:1  
**Tuition**  
 Undergraduate: \$250/hr  
 Graduate: \$325/hr

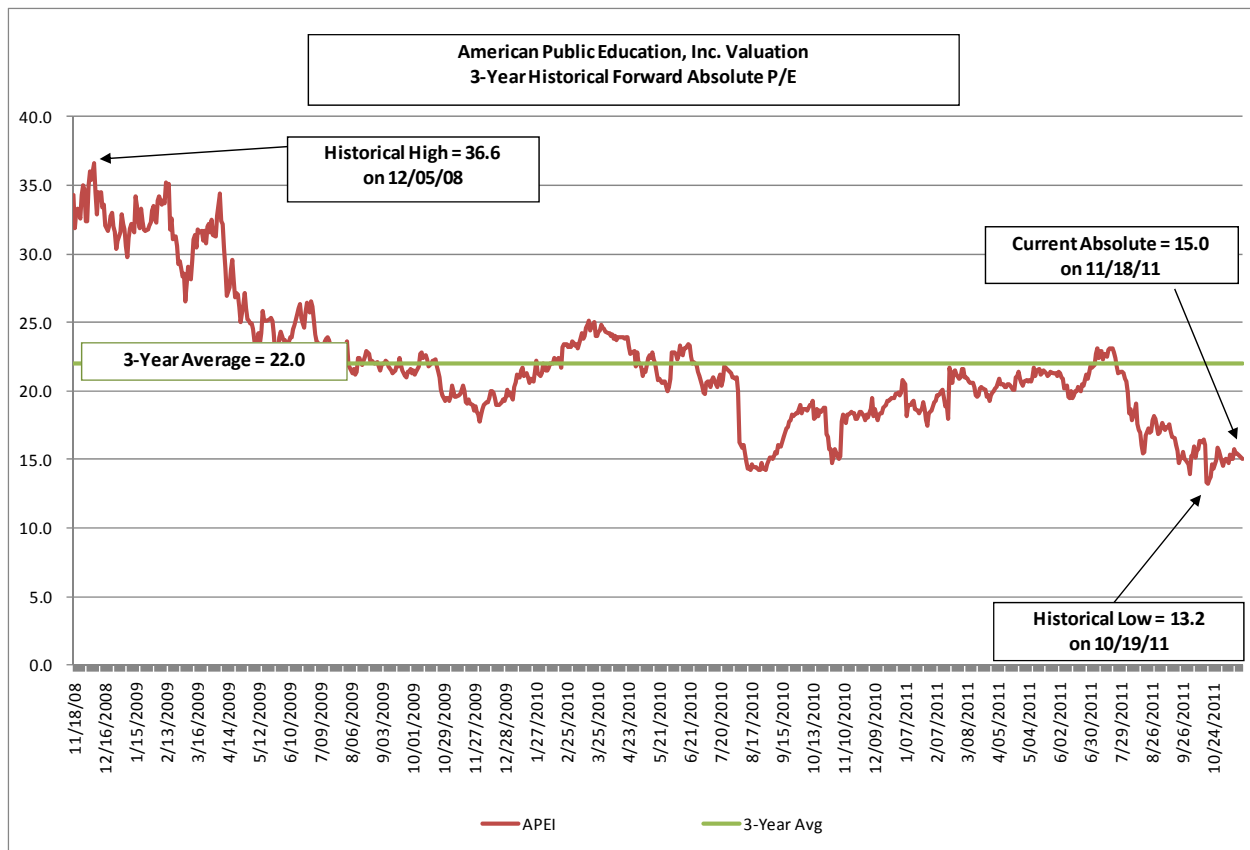


Source: FactSet Research Systems Inc., Stifel Nicolaus, and Company data.

**Stock Price Performance**



**Valuation — 3-Year Historical Forward Absolute P/E**



Note: P/E multiples used in chart consist of forward 12-month consensus EPS estimates.  
For both charts: Past results should not and cannot be viewed as an indicator of future performance.  
Source for both charts: FactSet Research Systems Inc. and Stifel Nicolaus

## Apollo Group, Inc. (Hold)

### Profile

Apollo Group, Inc. has been an education provider for more than 30 years, operating the University of Phoenix, the Institute for Professional Development, the College for Financial Planning, Western International University, and Meritus. The Company offers innovative and distinctive educational programs and services from high school through college level in 40 states, Puerto Rico, Alberta, British Columbia, the Netherlands, and Mexico, as well as online, throughout the world.

**Enrollment:** 380,800

**Student Ages**

<23: 12%; 23-29: 32%; 30-39: 33%;

40-49: 16%; 50+: 7%

**Educational Background**

Avg UOP student has 13 yrs work experience; most

UOP students are employed full-time

**Schools**

approx. 263 total; ~102 campuses; ~150+ learning

centers (not recently updated) Per 10K, 373

learning centers facilities - all brands

**Student:Faculty Ratio**

UOP: 15:1; Online: 10:1

**Tuition**

Onground - Bachelor's: \$465-\$485/hr

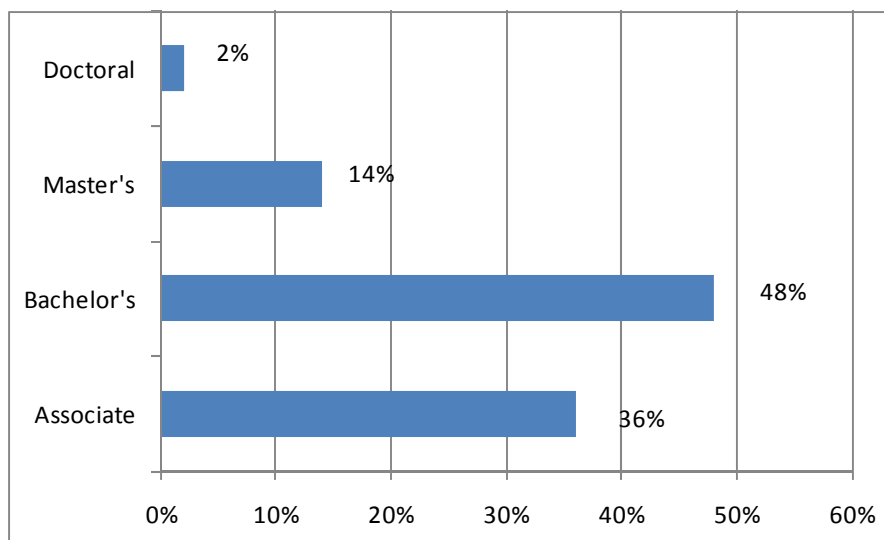
Master's: \$655/hr

Online - Associate: \$380/hr

Bachelor's: \$570/hr

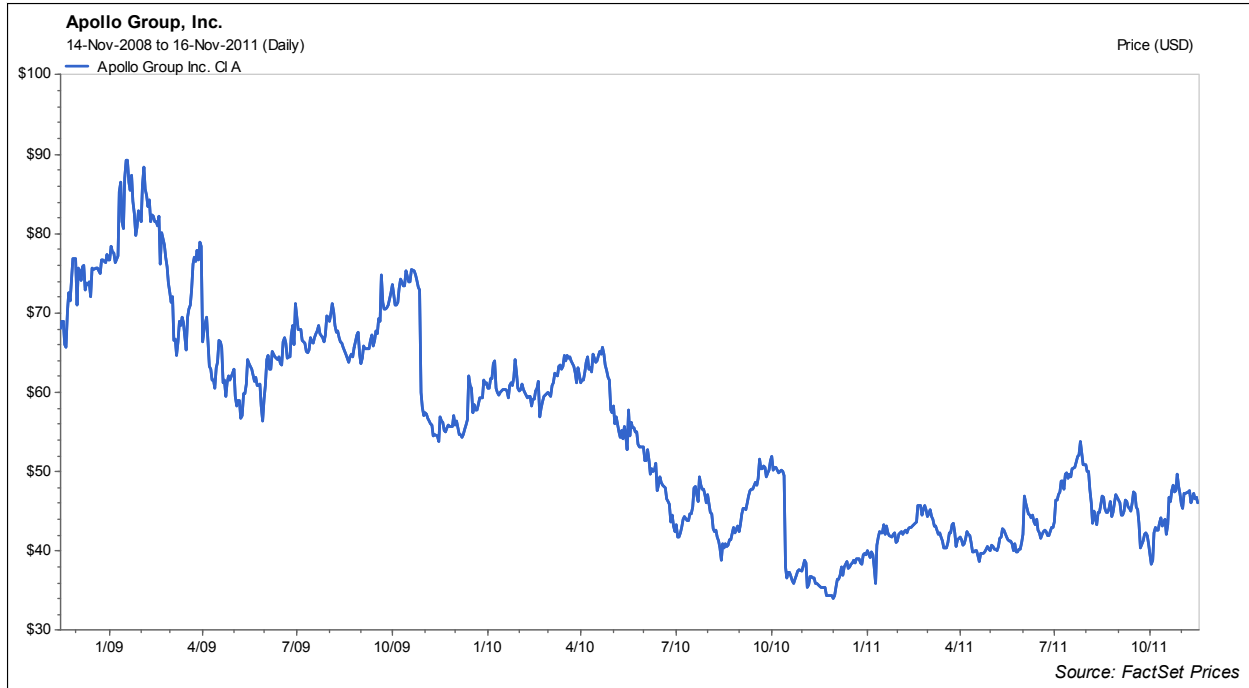
Master's: \$715/hr

Doctorate: \$795/hr

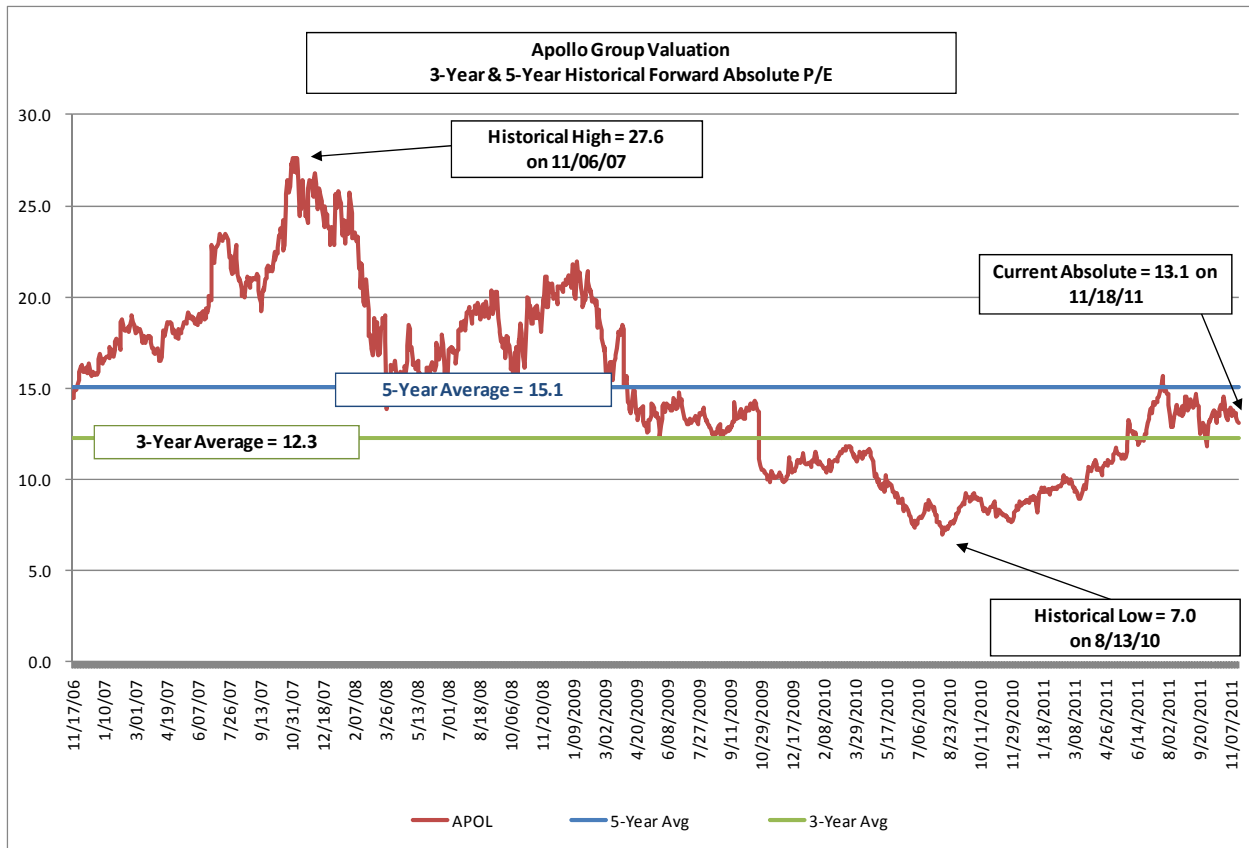


Source: FactSet Research Systems Inc., Stifel Nicolaus, and Company data.

**Stock Price Performance**



**Valuation — 3-Year & 5-Year Historical Forward Absolute P/E**



Note: P/E multiples used in chart consist of forward 12-month consensus EPS estimates.  
For both charts: Past results should not and cannot be viewed as an indicator of future performance.  
Source for both charts: FactSet Research Systems Inc. and Stifel Nicolaus

## Bridgepoint Education, Inc. (Not Covered)

### Profile

Bridgepoint Education (BPE) is an independent, for-profit higher education company offering post secondary education to adults. Both of BPE's high-quality academic institutions, Ashford University and University of the Rockies, are regionally accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. Bridgepoint Education's postsecondary education services focus on offering associate's, bachelor's, master's and doctoral programs in such disciplines as business, education, psychology, social sciences and health sciences.

**Enrollment:** 90,957

**Student Ages**

Average Age = 35

**Schools**

2 onground and online

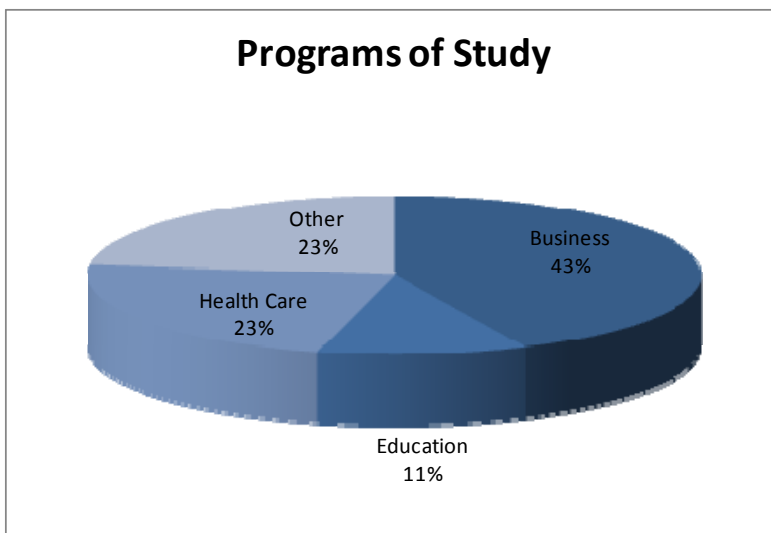
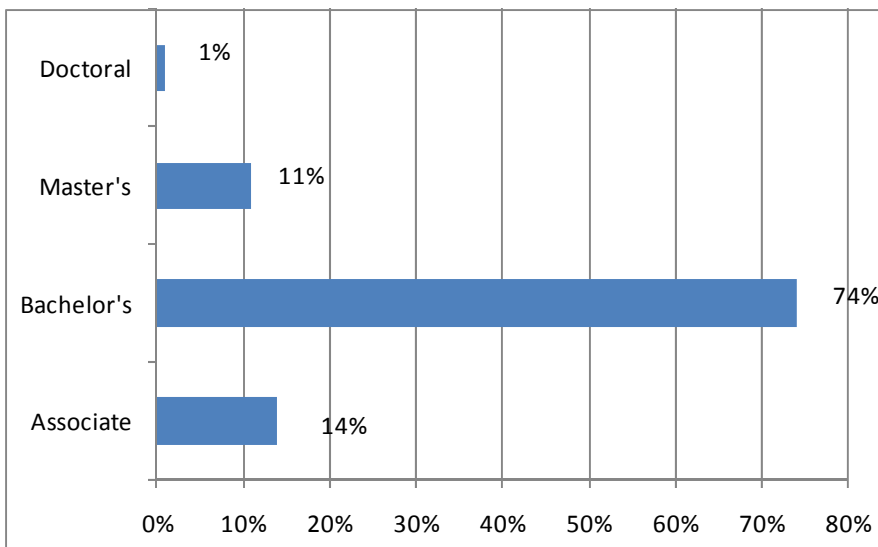
**Student:Faculty Ratio**

25:1

**Tuition**

Undergraduate: \$390/hr

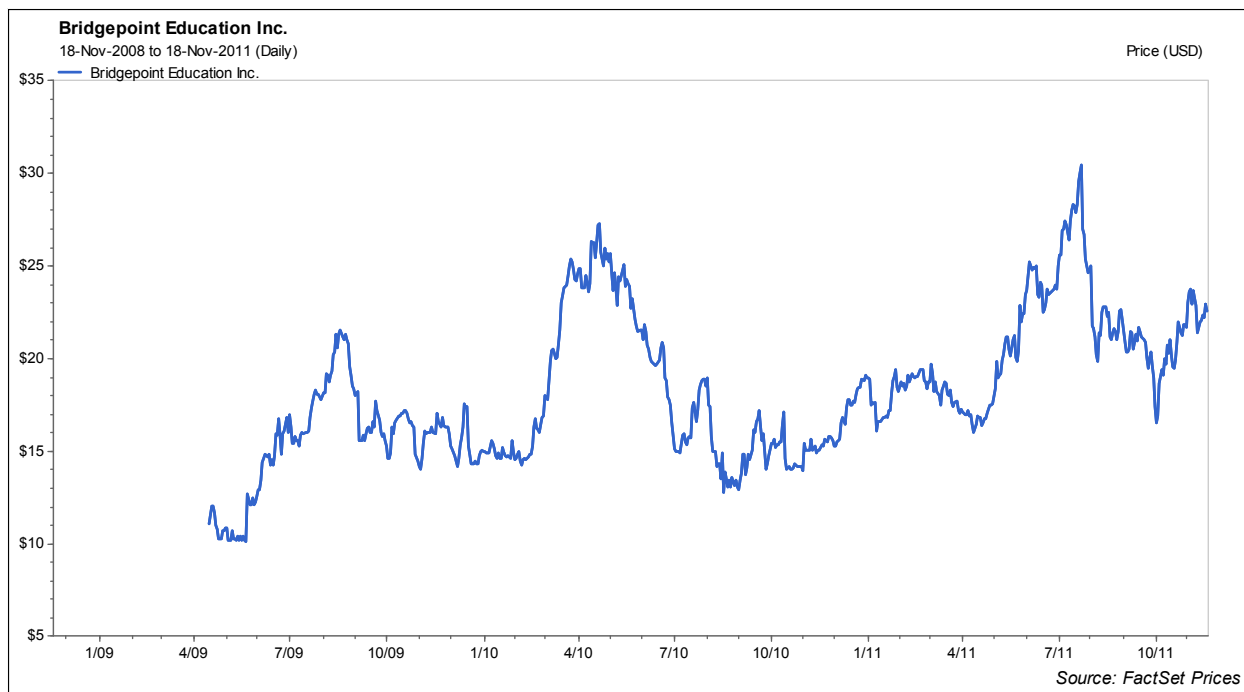
Graduate: \$510-\$568/hr



Source: FactSet Research Systems Inc., Stifel Nicolaus, and Company data.

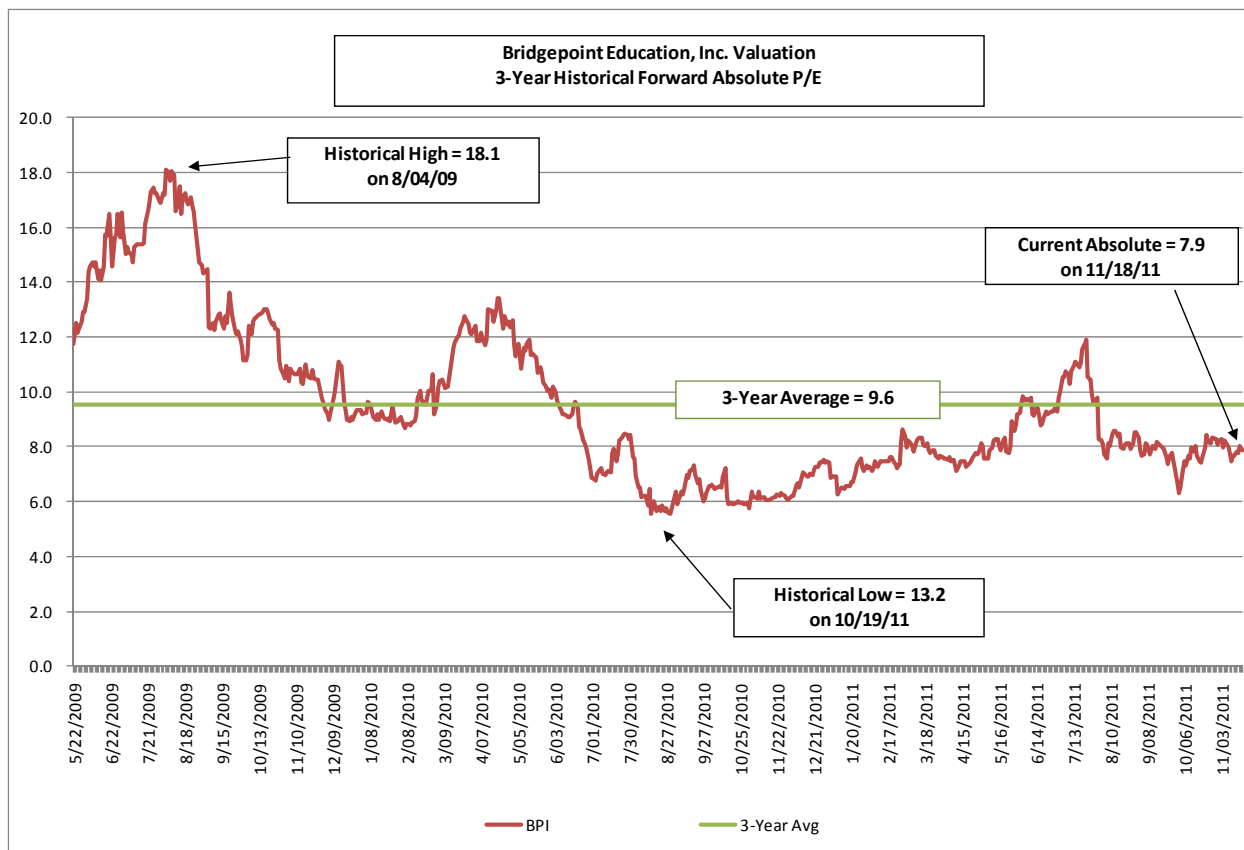


### Stock Price Performance



Note: Past performance should not and cannot be viewed as an indicator of future performance.  
Source: FactSet Research Systems Inc.

### Valuation — 3-Year Historical Forward Absolute P/E



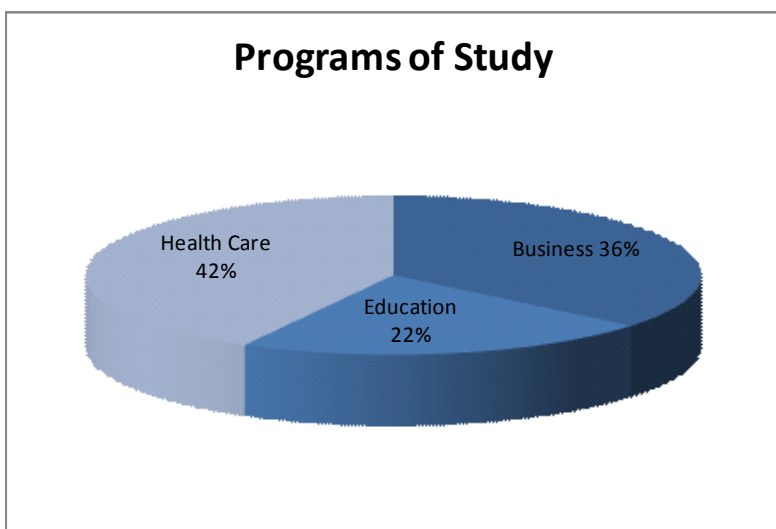
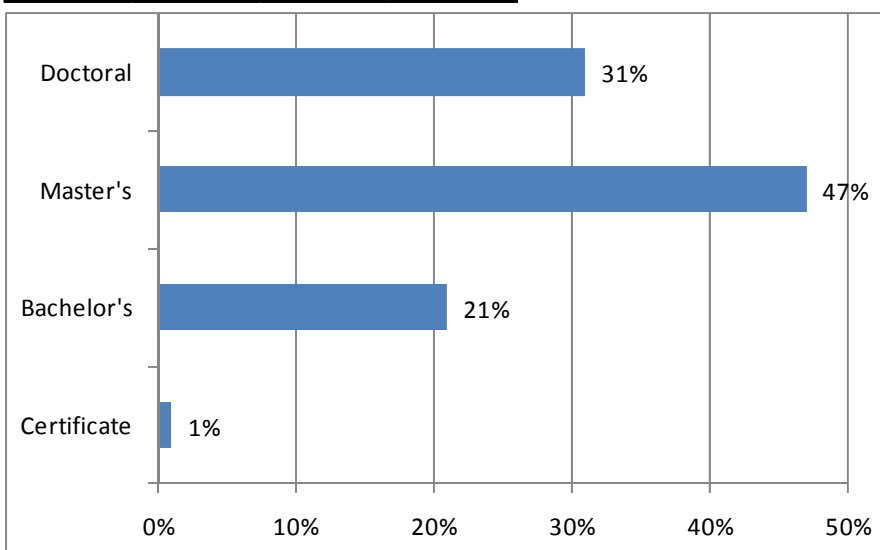
Note: P/E multiples used in chart consist of forward 12-month consensus EPS estimates.  
For both charts: Past results should not and cannot be viewed as an indicator of future performance.  
Source for both charts: FactSet Research Systems Inc. and Stifel Nicolaus

## Capella Education Company (Buy)

### Profile

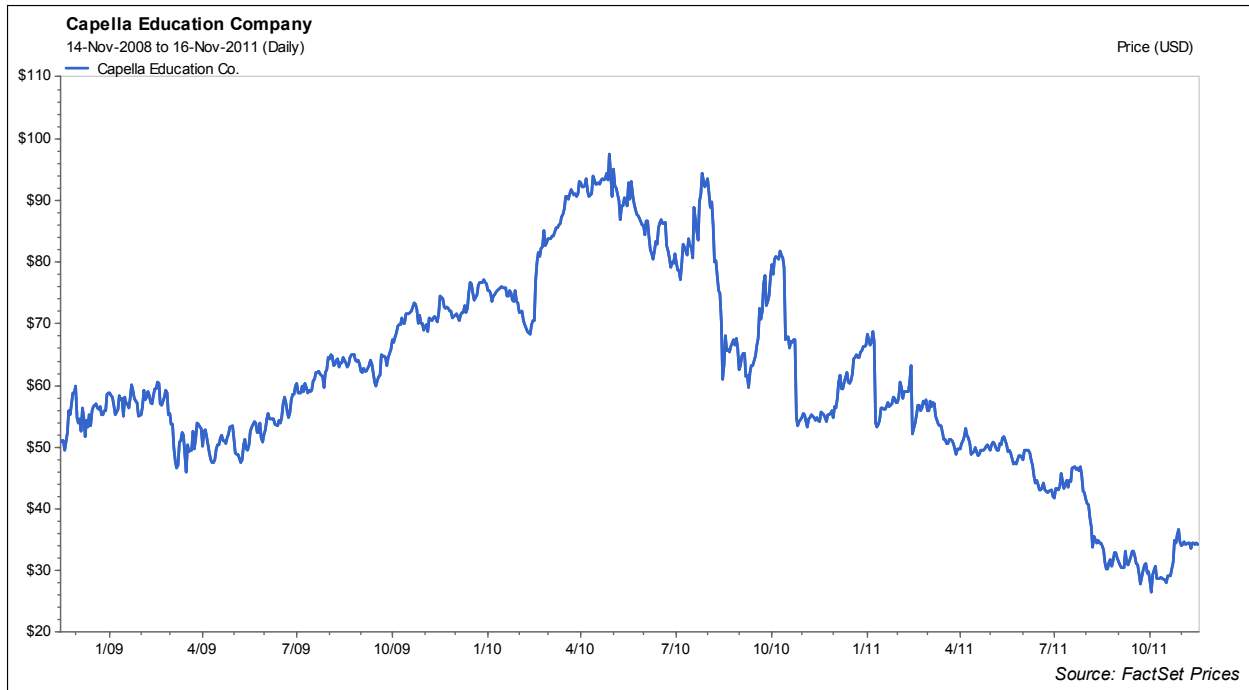
Capella Education Company, which completed an IPO in November 2006, is a rapidly growing provider of exclusively online postsecondary services. Through its wholly-owned subsidiary Capella University the company provides doctoral, master's, and bachelor programs to predominantly working adults (with an average age of 39 and income of over \$50k) in business, organization and management, education, psychology, human services, information technology, law enforcement, and other public service positions.

**Enrollment:** 35,755  
**Student Ages**  
 Average Age = 39 yrs.  
**Schools**  
 Online  
**Student:Faculty Ratio**  
 20:1  
**Tuition**  
 Bachelor's: \$310/hr  
 Master's: \$355-\$368/hr

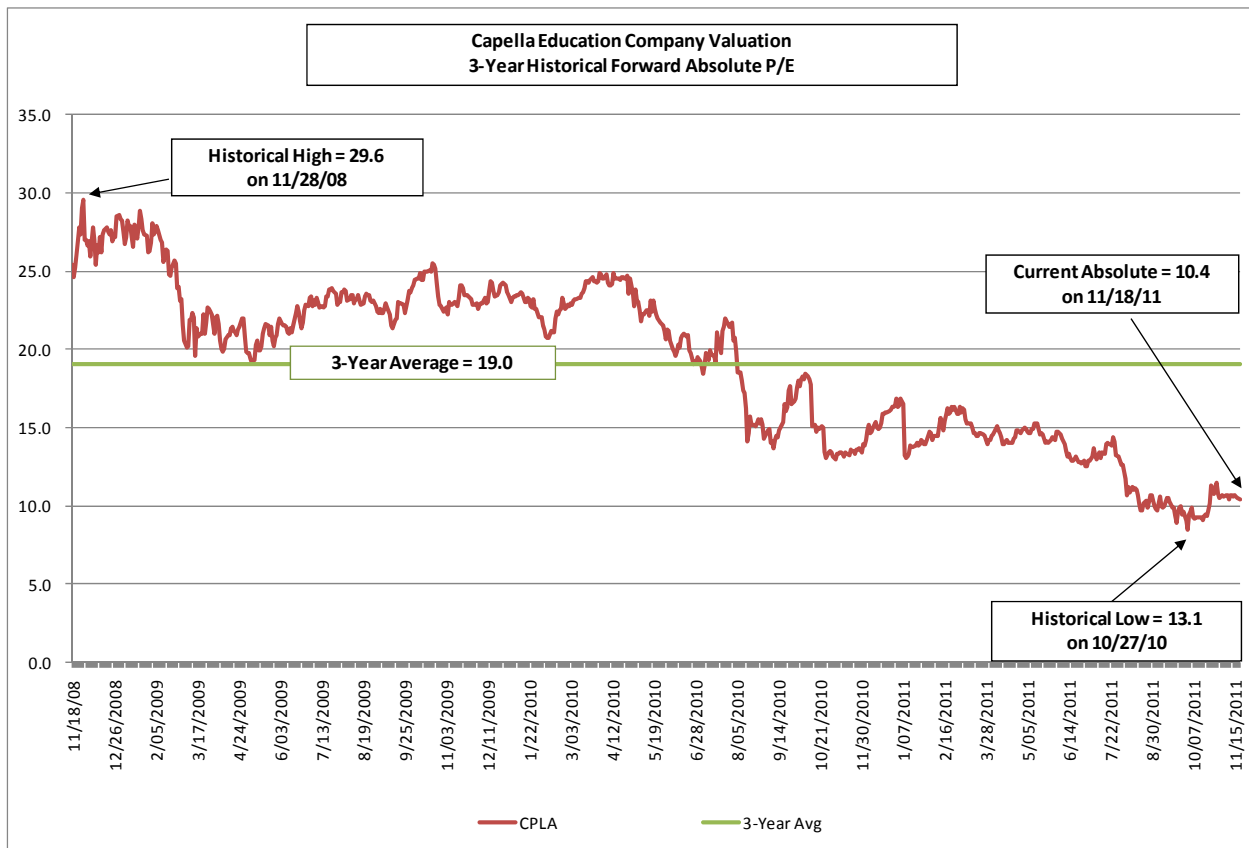


Source: FactSet Research Systems Inc., Stifel Nicolaus, and Company data.

**Stock Price Performance**



**Valuation — 3-Year Historical Forward Absolute P/E**



Note: P/E multiples used in chart consist of forward 12-month consensus EPS estimates.  
For both charts: Past results should not and cannot be viewed as an indicator of future performance.  
Source for both charts: FactSet Research Systems Inc. and Stifel Nicolaus

## Career Education Corp. (Hold)

### Profile

Career Education Corporation is one of the world's largest on-campus providers of private, for-profit postsecondary education and has a rapidly growing presence in online education. The company operates more than 90 campuses in the U.S., France, Italy, and the U.K. and offers doctoral degree, master's degree, bachelor's degree, associate degree and diploma programs in the career-oriented disciplines of visual communication and design technologies, information technology, business studies, culinary arts and health education. Primary online brands are American Intercontinental University Online and Colorado Technical University Online.

**Enrollment:** 104,400

**Student Ages**

<21: 15%; 21-30: 43%; >30: 42%

**Educational Background**

1/3 of students are high school graduates

**Schools**

90 total; U.S., Canada, UK, France, United Arab Emirates

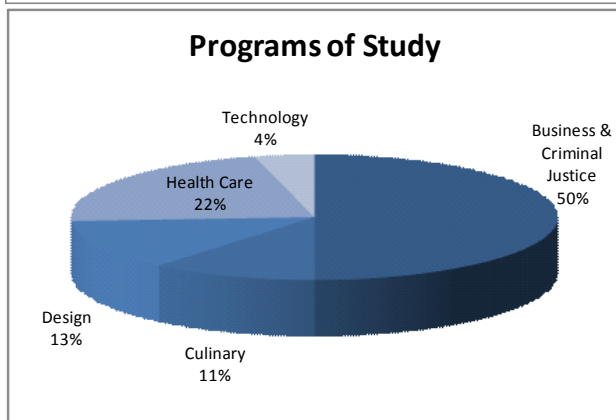
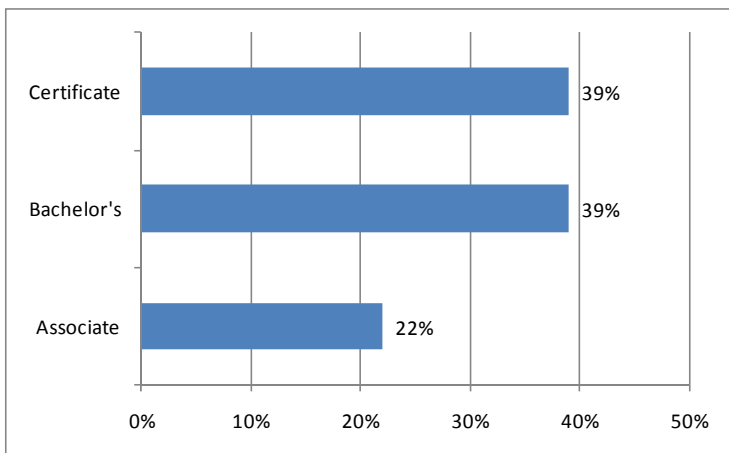
**Student:Faculty Ratio**

12:1

**Tuition**

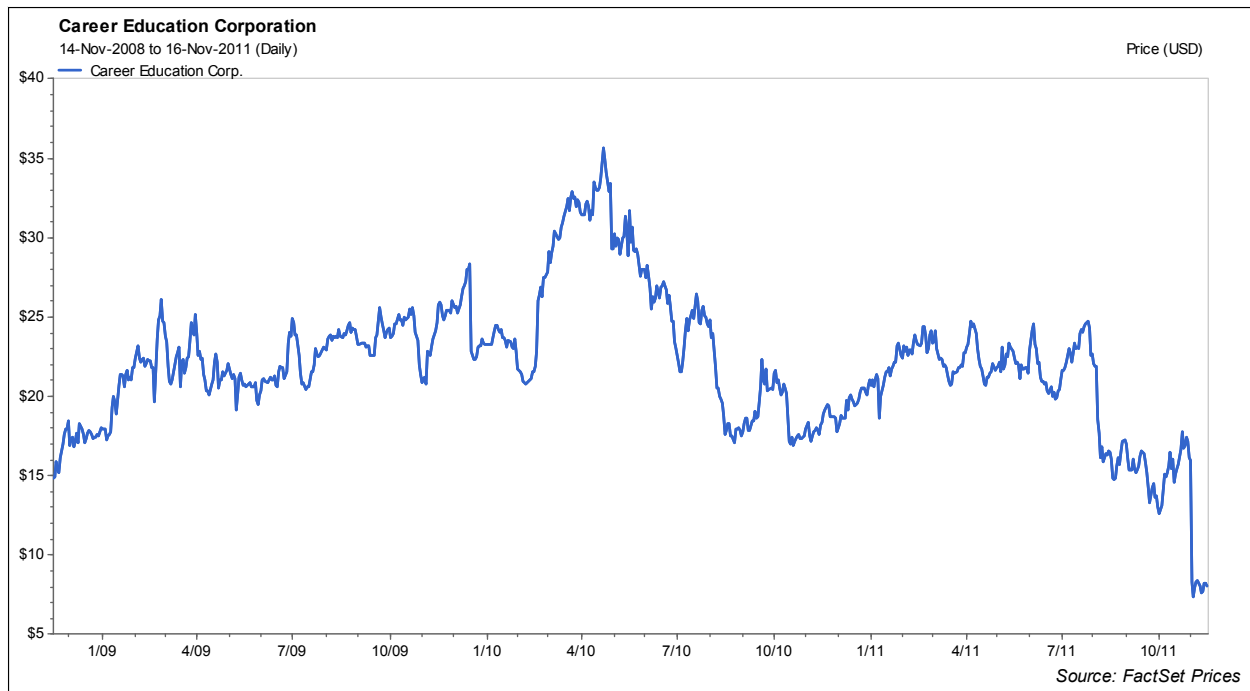
AIU online - Associate: \$290/hr  
 Bachelor's: \$290/hr  
 Master's: \$442-\$582/hr

CTU online - Associate: \$290/hr  
 Bachelor's: \$290/hr  
 Master's: \$635/hr

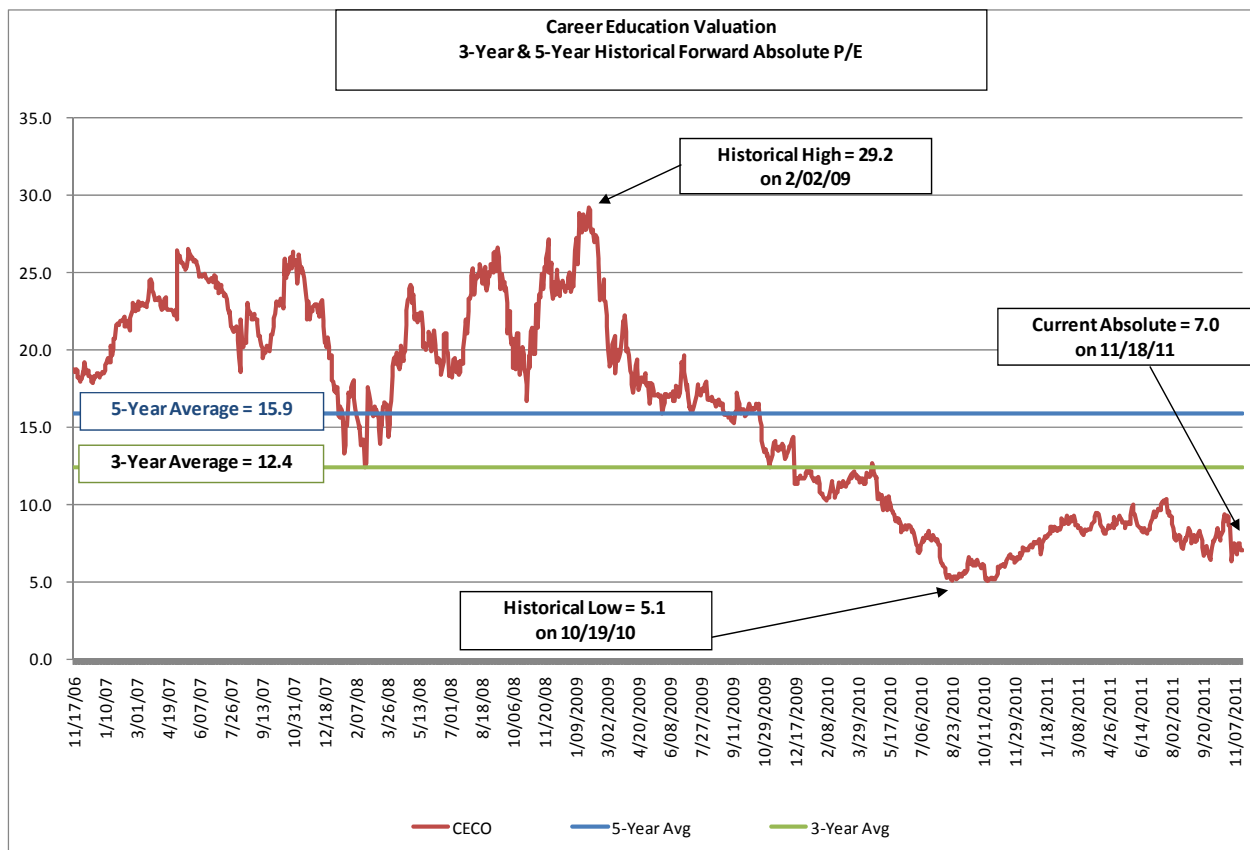


Source: FactSet Research Systems Inc., Stifel Nicolaus, and Company data.

### Stock Price Performance



### Valuation — 3-Year & 5-Year Historical Forward Absolute P/E

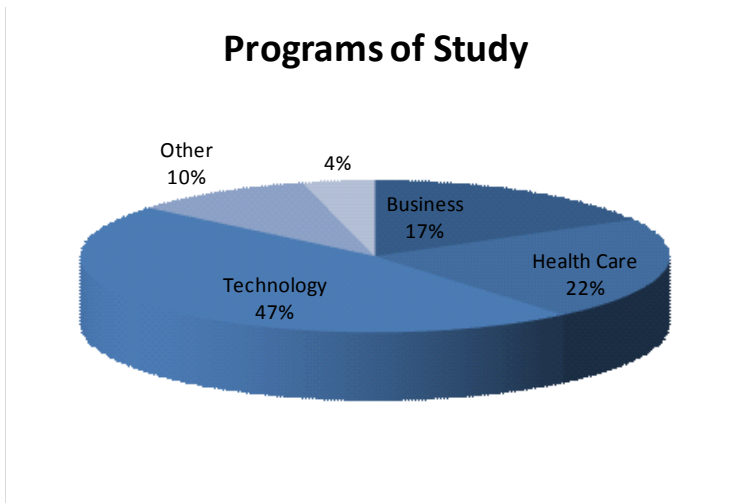
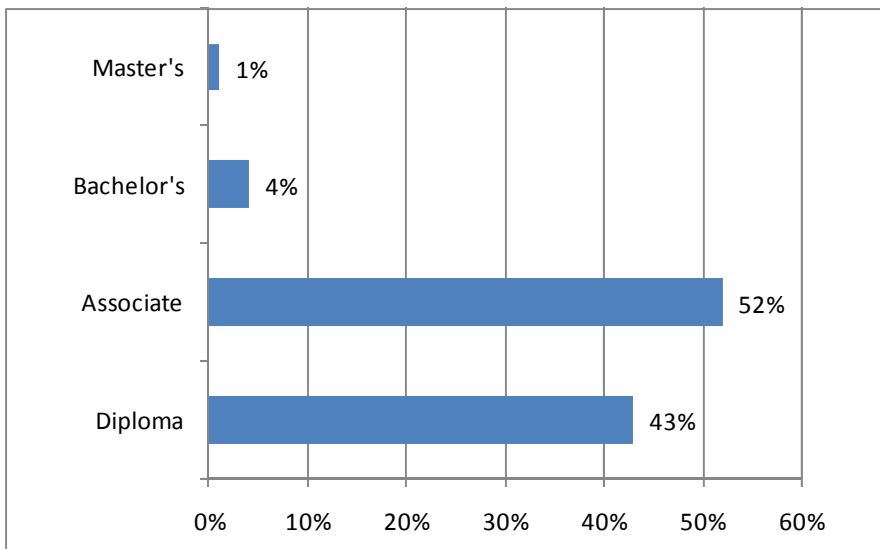


Note: P/E multiples used in chart consist of forward 12-month consensus EPS estimates.  
For both charts: Past results should not and cannot be viewed as an indicator of future performance.  
Source: FactSet Research Systems Inc. and Stifel Nicolaus

**Corinthian Colleges, Inc. (Hold)**  
**Profile**

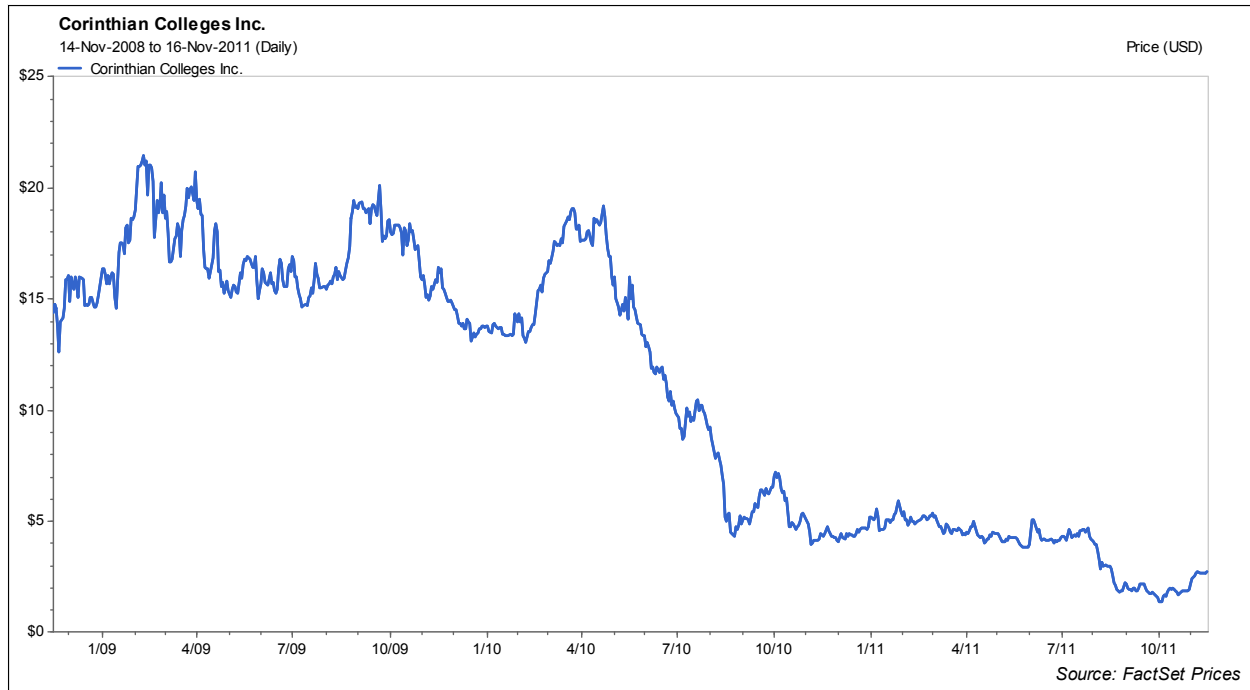
Corinthian Colleges, Inc. is one of the largest post-secondary education companies in North America and serves the large and growing segment of the population seeking to acquire career-oriented education to become more qualified and marketable in today's increasingly demanding workplace. Corinthian's colleges offer master's, bachelor's and associate's degrees and diploma programs in a variety of fields, with a concentration on careers in health care, business, criminal justice and technology.

**Enrollment:** 94,083  
**Student Ages**  
 Average Age = 25  
**Schools**  
 122 total  
**Student:Faculty Ratio**  
 19:1  
**Tuition**  
 Diploma: \$5,375-\$39,000  
 Undergraduate: \$256-\$492/hr  
 Master's: \$371-\$548/hr

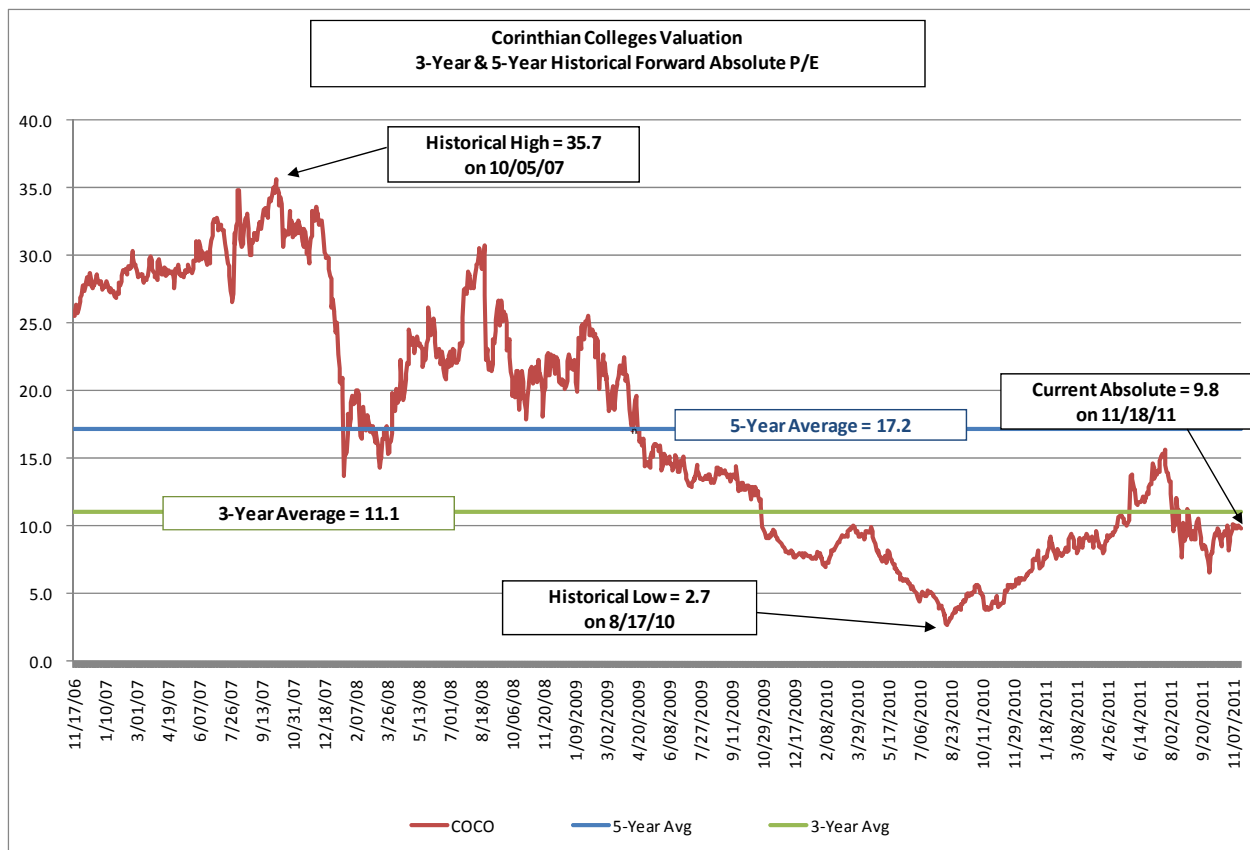


Source: FactSet Research Systems Inc., Stifel Nicolaus, and Company data.

**Stock Price Performance**



**Valuation — 3-Year & 5-Year Historical Forward Absolute P/E**



Note: P/E multiples used in chart consist of forward 12-month consensus EPS estimates.  
For both charts: Past results should not and cannot be viewed as an indicator of future performance.  
Source for both charts: FactSet Research Systems Inc. and Stifel Nicolaus

## DeVry, Inc. (Buy)

### Profile

DeVry, Inc. is a global provider of educational services and the parent organization of Advanced Academics, Apollo College, Becker Professional Education, Chamberlain College of Nursing, DeVry Brasil, DeVry University, Ross University Schools of Medicine and Veterinary Medicine, and Western Career College. These institutions offer a wide array of programs in business, healthcare and technology and serve students in secondary through postsecondary education as well as accounting and finance professionals.

**Enrollment:** 119,127

**Student Ages**

<25: 25%; 25-39: 53%; >39: 21%

**Educational Background**

35% have some college experience

**Schools**

99 total

**Student:Faculty Ratio**

25:1 (DV); 23:1 (KGSM)

**Tuition**

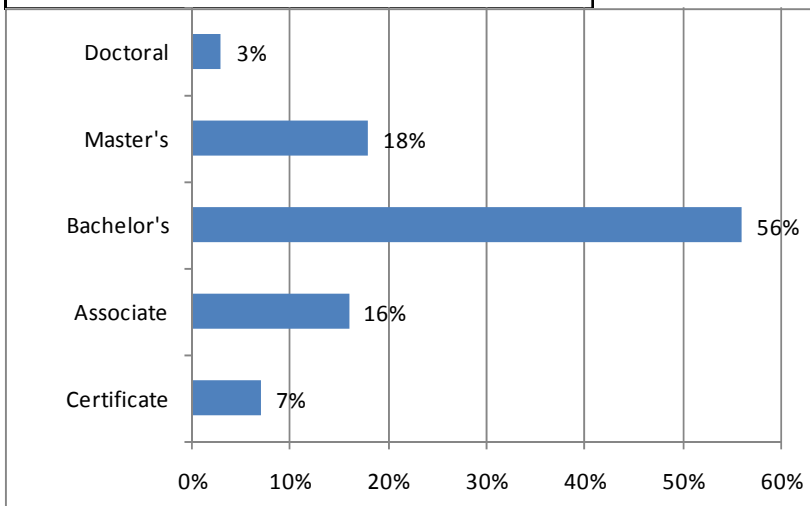
Undergraduate: approx. \$37,155 (5 term); \$65,496 (8 term)

Graduate: \$2,225/course

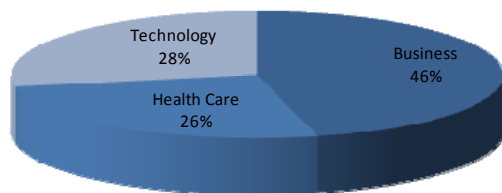
Ross Basic: \$15,800-\$19,850/semester

USEC: \$12,000-\$60,000/total program

Chamberlain: \$7,800/semester

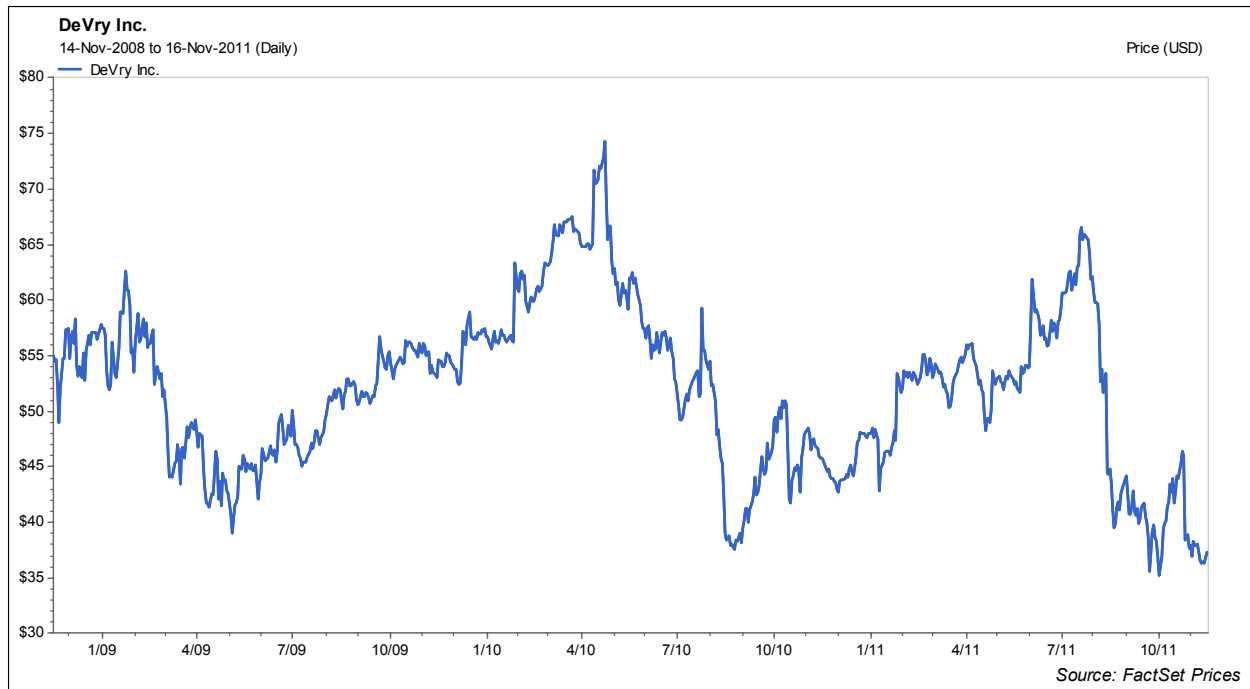


### Programs of Study

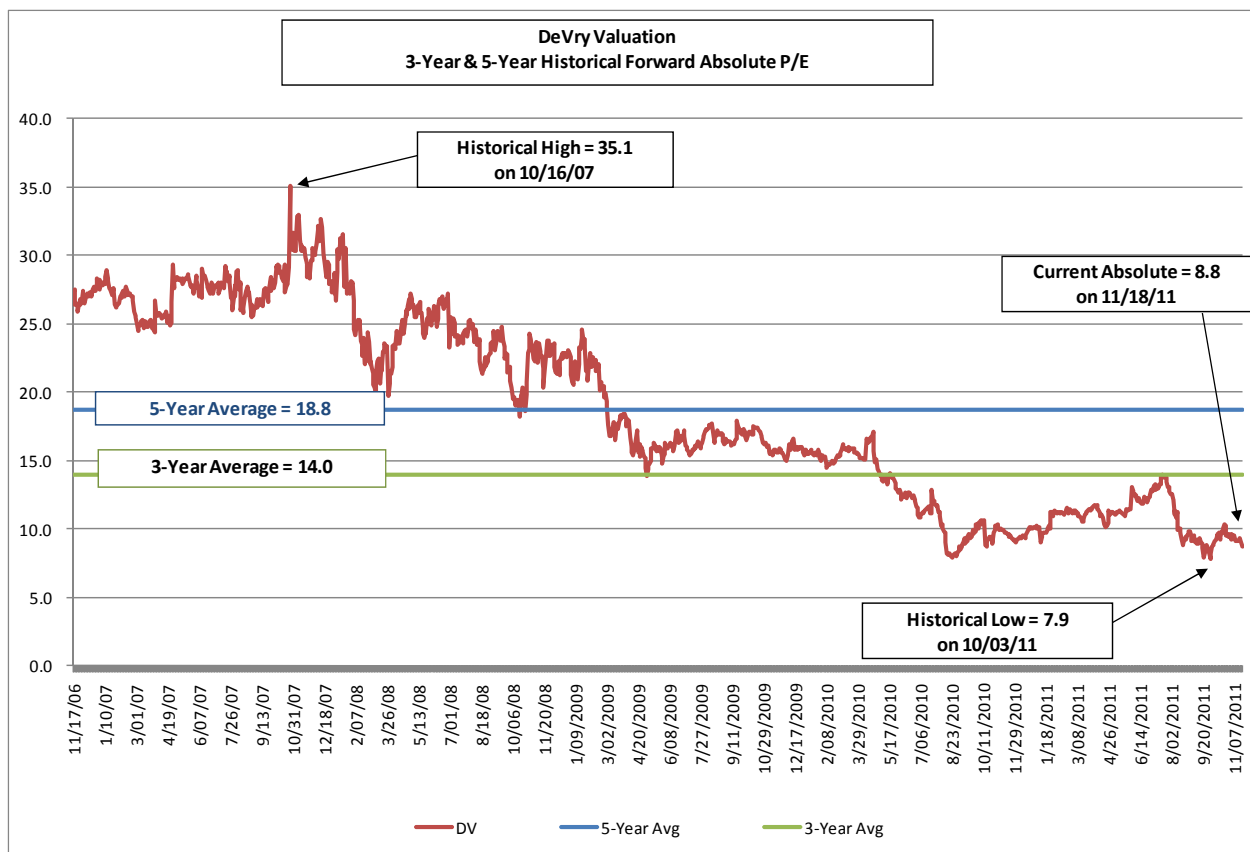




### Stock Price Performance



### Valuation — 3-Year & 5-Year Historical Forward Absolute P/E

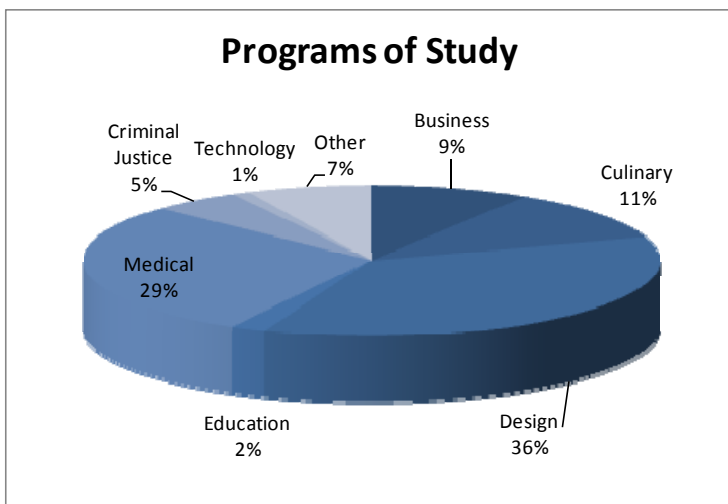
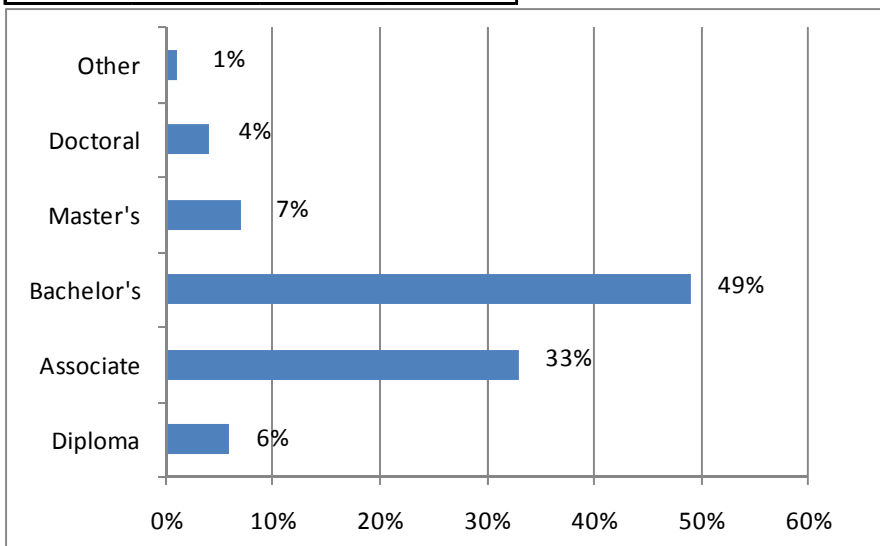


Note: P/E multiples used in chart consist of forward 12-month consensus EPS estimates.  
 For both charts: Past results should not and cannot be viewed as an indicator of future performance.  
 Source for both charts: FactSet Research Systems Inc. and Stifel Nicolaus

## Education Management Corporation (Hold) Profile

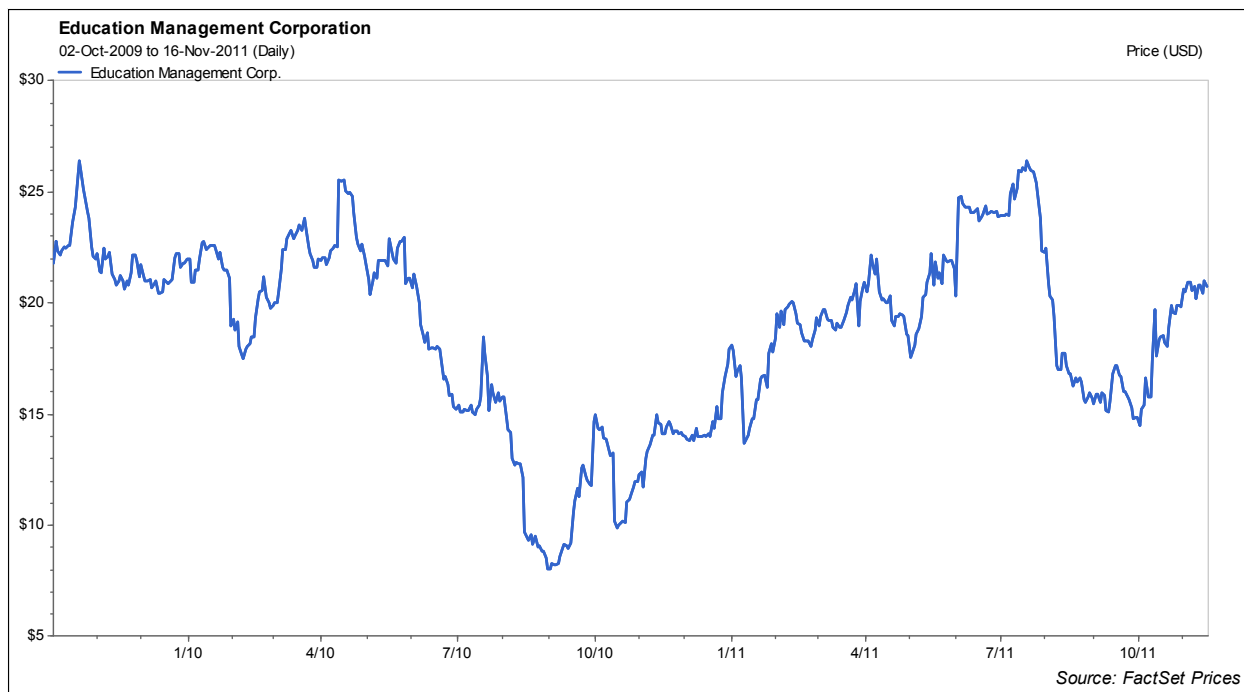
Education Management Corporation is among the largest providers of private postsecondary education, with 104 primary campus locations in 31 states and in Canada, with about 150,000 students. EDMC's education institutions offer doctorates, masters, bachelors, associates and non-degree programs in the areas of design, media arts, fashion, culinary arts, health sciences, business, legal, and technology.

**Enrollment:** 151,200  
**Student Ages**  
 Avg age of new student is 29  
**Educational Background**  
 57% working adult, 43% high school graduates  
**Schools**  
 106 total  
**Student:Faculty Ratio**  
 18:1  
**Tuition**  
 Art Institute: approx. \$500 per credit hour;  
 Argosy approx. \$600 per credit hour; Brown Mackie approx. \$292 per credit hour

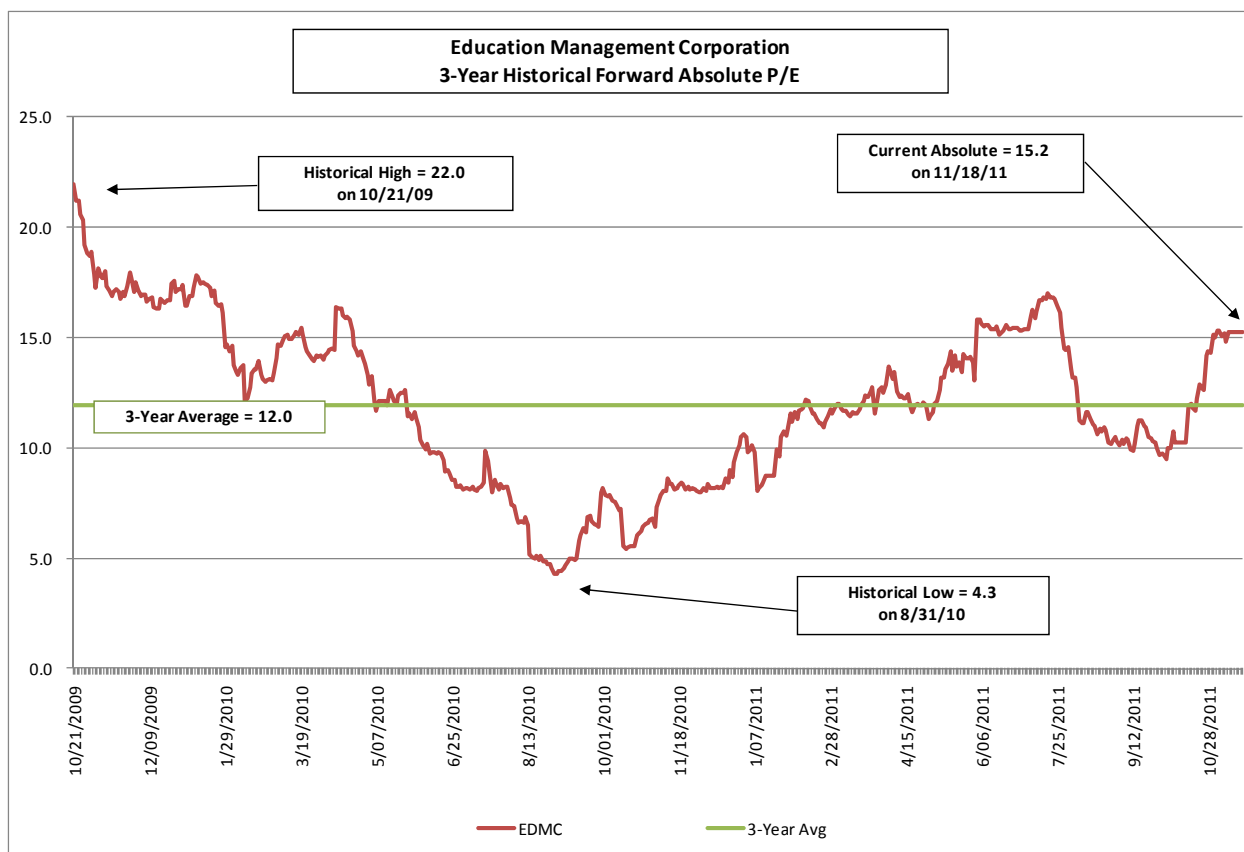


Source: FactSet Research Systems Inc., Stifel Nicolaus, and Company data.

### Stock Price Performance



Note: Past performance should not and cannot be viewed as an indicator of future performance.  
Source: FactSet Research Systems Inc.



Note: P/E multiples used in chart consist of forward 12-month consensus EPS estimates.  
For both charts: Past results should not and cannot be viewed as an indicator of future performance.  
Source for both charts: FactSet Research Systems Inc. and Stifel Nicolaus

## Grand Canyon University (Not Covered)

### Profile

Grand Canyon Education, Inc. is a regionally accredited provider of postsecondary education services focused on offering graduate and undergraduate degree programs in its core disciplines of education, business, healthcare and liberal arts. In addition to its online programs, it offers programs at its approximately 115 acre traditional campus in Phoenix, Arizona and onsite at the facilities of employers. Approximately 44,500 students were enrolled as of September 30, 2011.

**Enrollment:** 44,486

**Student Ages**

91% of online ≥ 25

**Educational Background**

working adult

**Student:Faculty Ratio**

25:1

**Tuition**

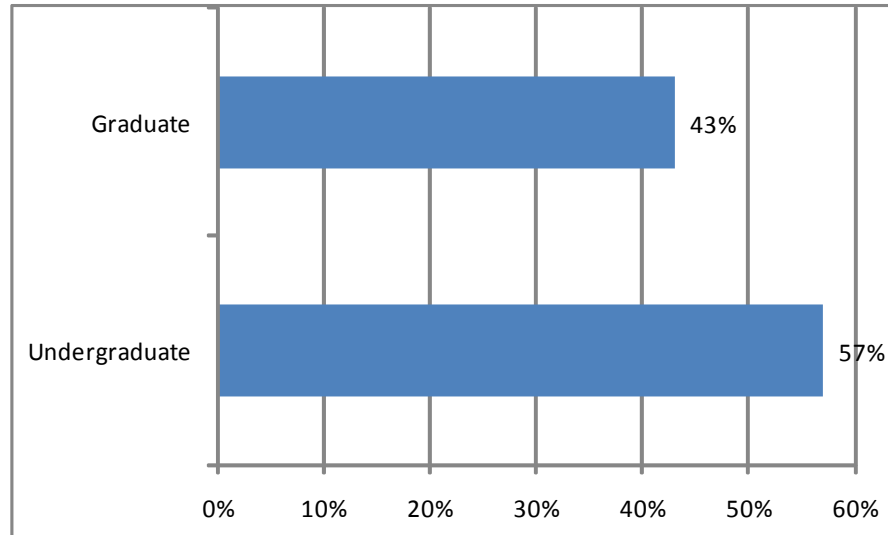
Undergraduate Online: \$455/hr

Undergraduate Ground: \$550/hr

Graduate: \$495-\$510/hr

Graduate Nursing: \$595/hr

Doctorate: \$615/hr

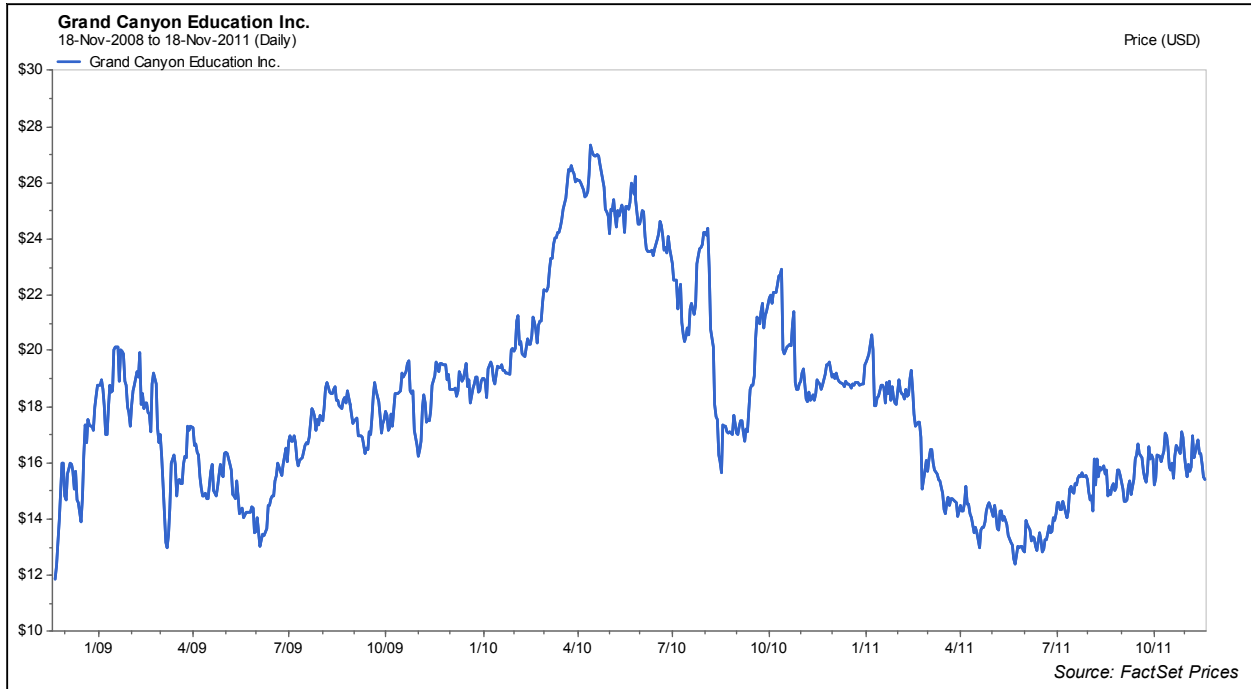


**Programs of Study:**

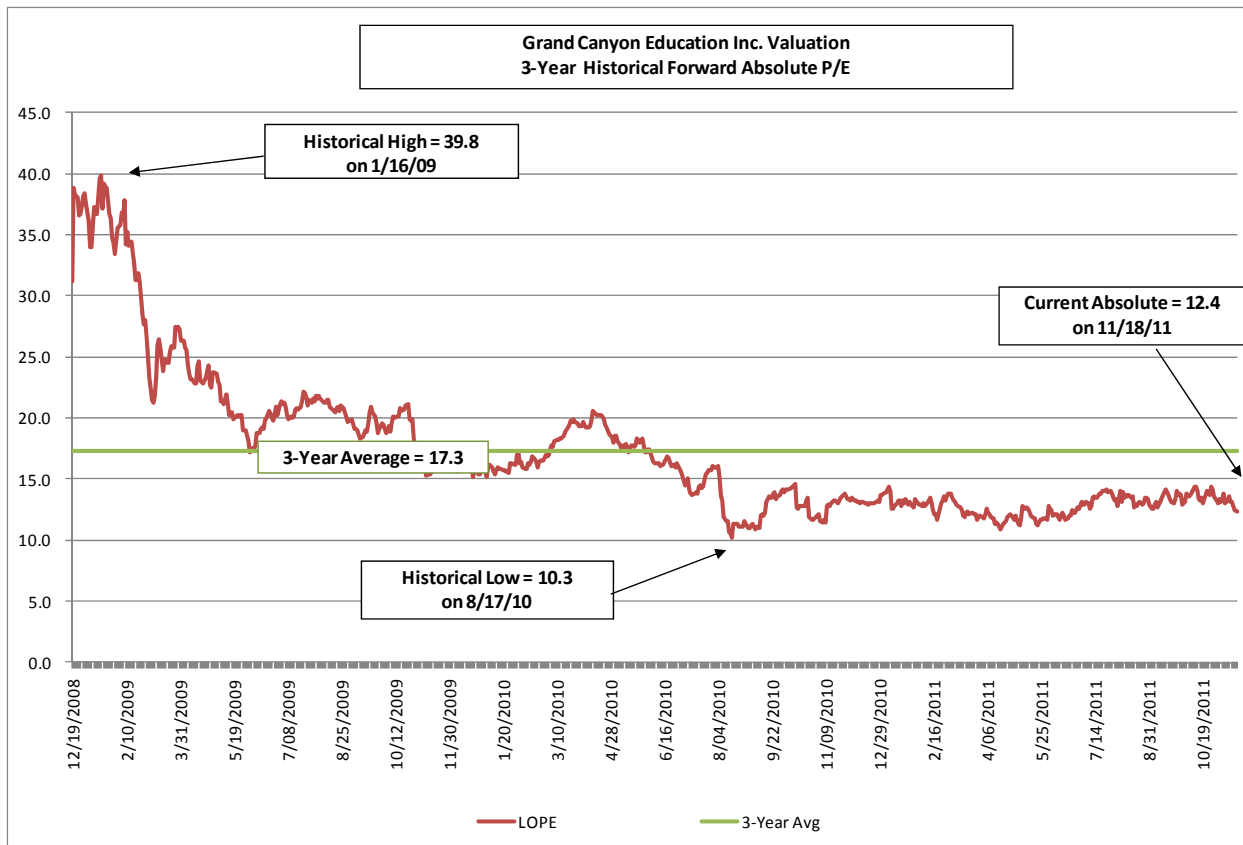
- Business
- Education
- Healthcare

Source: FactSet Research Systems Inc., and Company data.

**Stock Price Performance**



Note: Past performance should not and cannot be viewed as an indicator of future performance.  
Source: FactSet Research Systems Inc.



Note: P/E multiples used in chart consist of forward 12-month consensus EPS estimates.  
For both charts: Past results should not and cannot be viewed as an indicator of future performance.  
Source for both charts: FactSet Research Systems Inc. and Stifel Nicolaus

## ITT Educational Services, Inc. (Buy)

### Profile

Indianapolis-based ITT Educational Services, Inc. is a national provider of post-secondary education offering associate and bachelor degrees in information technology (IT)-related fields, including Electronics Engineering Technology (EET); Computer Aided Drafting Technology (CADT); and Computer Network Systems (CNS). At quarter end, the company operated 136 locations and 4 learning centers including the Daniel Webster acquisition, with a total student population of roughly 80,000.

**Enrollment:** 79,219

**Student Ages**

<19: 6%; 20-24: 31%; 25-30: 29%; >30: 34%

**Educational Background**

33% have some college experience

**Schools**

136 total

**Student:Faculty Ratio**

28:1

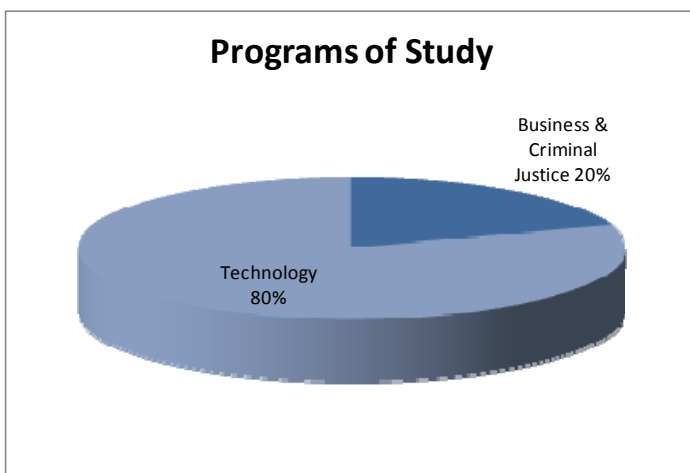
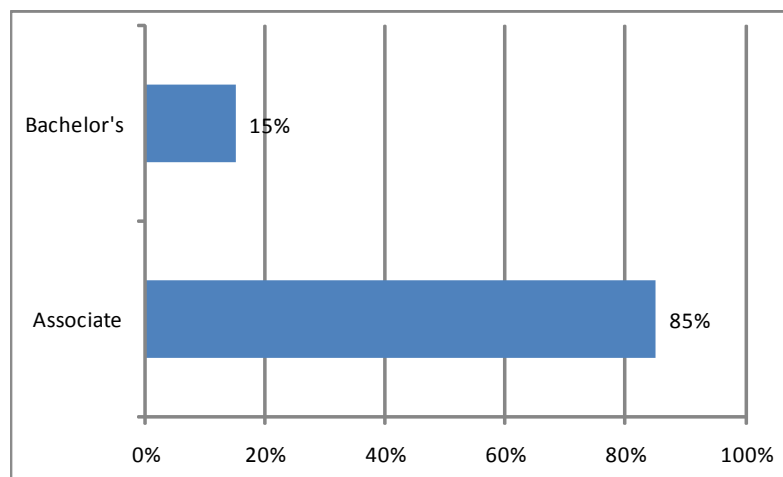
**Tuition**

Quarters: \$530/hr

Associate 90-96 credit hours (\$47K)

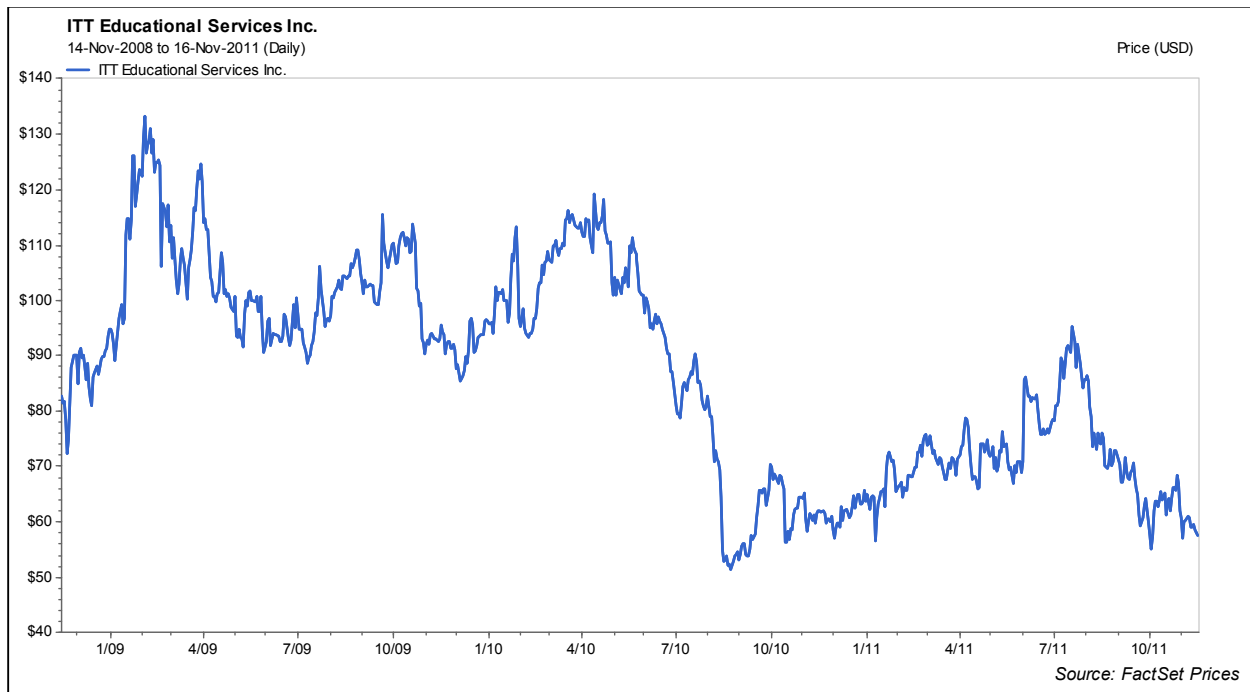
Bachelor's 180 credit hours (\$93K)

DWC: \$11,160

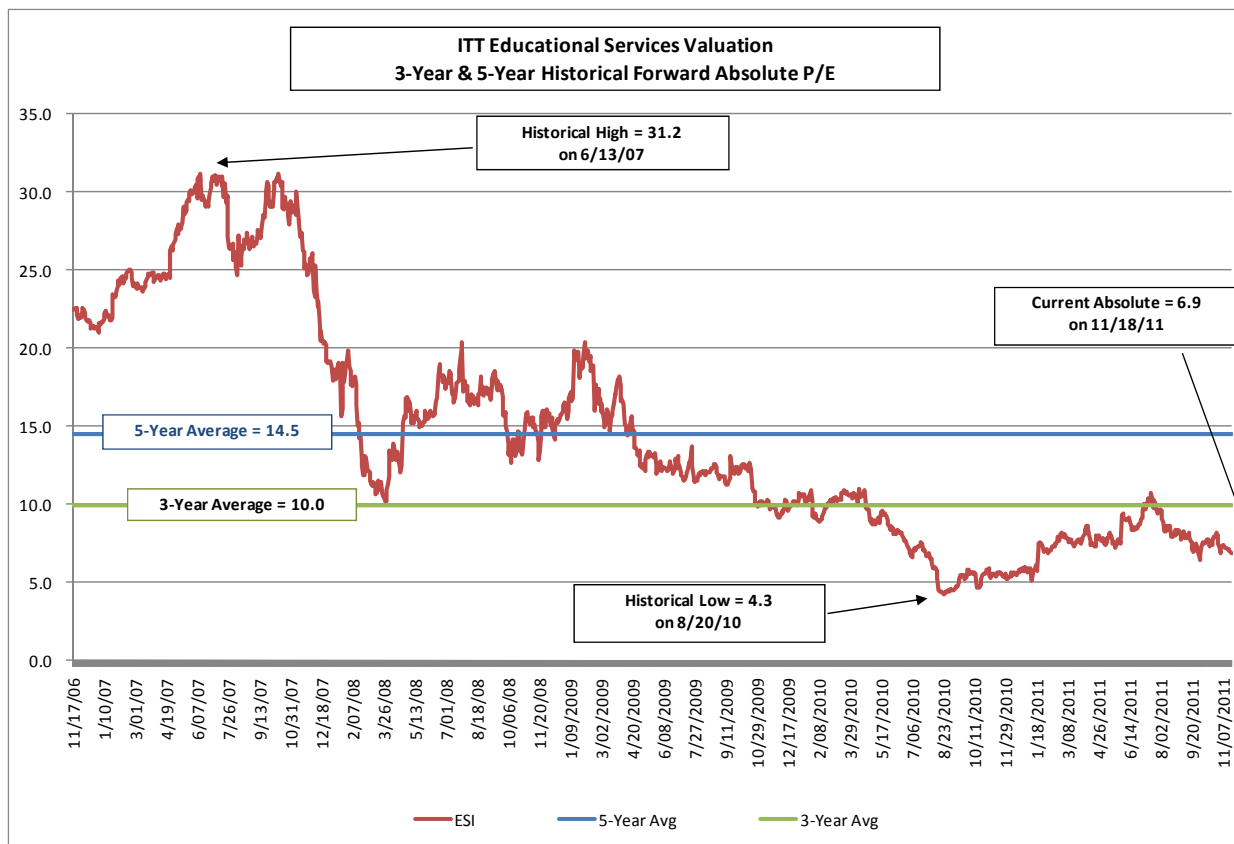


Source: FactSet Research Systems Inc., Stifel Nicolaus, and Company data.

### Stock Price Performance



### Valuation — 3-Year & 5-Year Historical Forward Absolute P/E

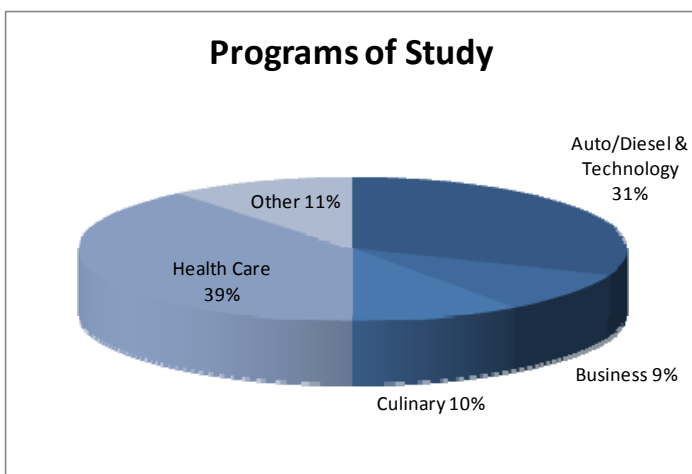
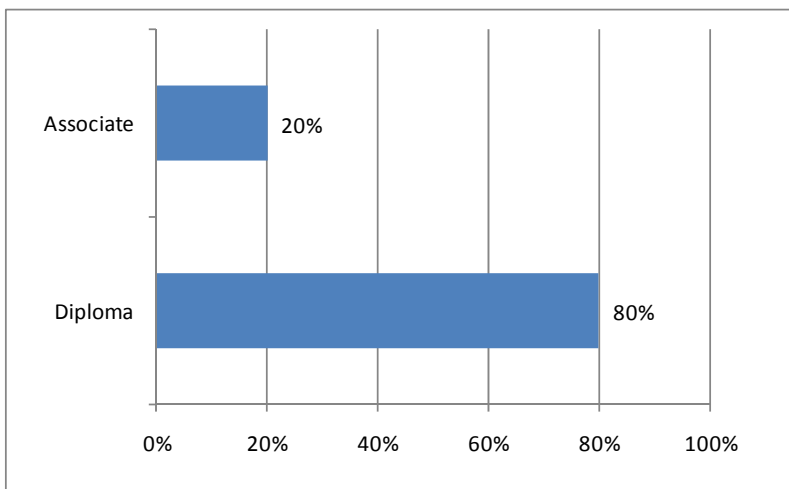


Note: P/E multiples used in chart consist of forward 12-month consensus EPS estimates.  
For both charts: Past results should not and cannot be viewed as an indicator of future performance.  
Source for both charts: FactSet Research Systems Inc. and Stifel Nicolaus

## Lincoln Educational Services Corp. (Not Covered) Profile

Lincoln Educational Services Corporation is a leading provider of diversified career-oriented post-secondary education. Lincoln offers recent high school graduates and working adults degree and diploma programs in five principal areas of study: health sciences, automotive technology, skilled trades, hospitality services and business and information technology. Lincoln currently operates 46 campuses in 17 states under five brands: Lincoln College of Technology, Lincoln Technical Institute, Nashville Auto-Diesel College, Euphoria Institute of Beauty Arts and Sciences, and Lincoln College of New England.

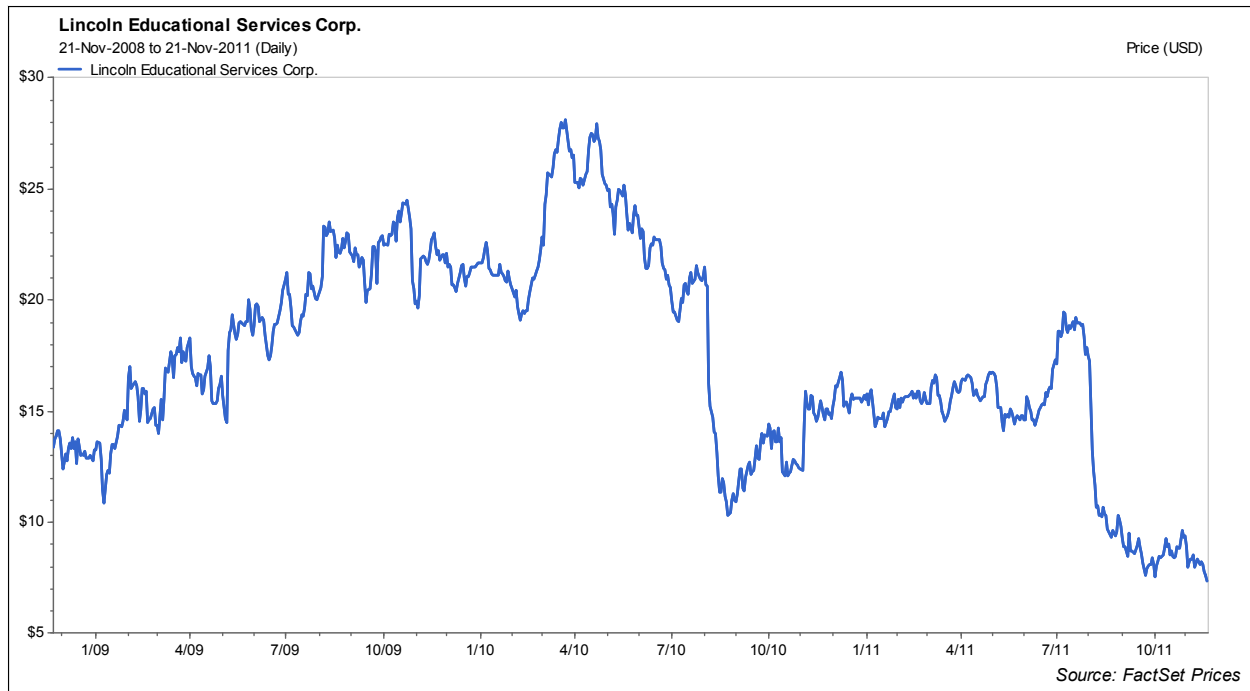
**Enrollment:** 22,523  
**Student Ages**  
 19-35+ = 80%; high school student = 20%  
**Educational Background**  
 18% out of high school  
**Schools**  
 46 campuses in 17 states  
**Student:Faculty Ratio**  
 15-20:1  
**Tuition**  
 Diploma: \$8,500-\$37,000  
 Associate: \$18,000-\$55,000  
 Bachelor's: \$55,000-\$74,000



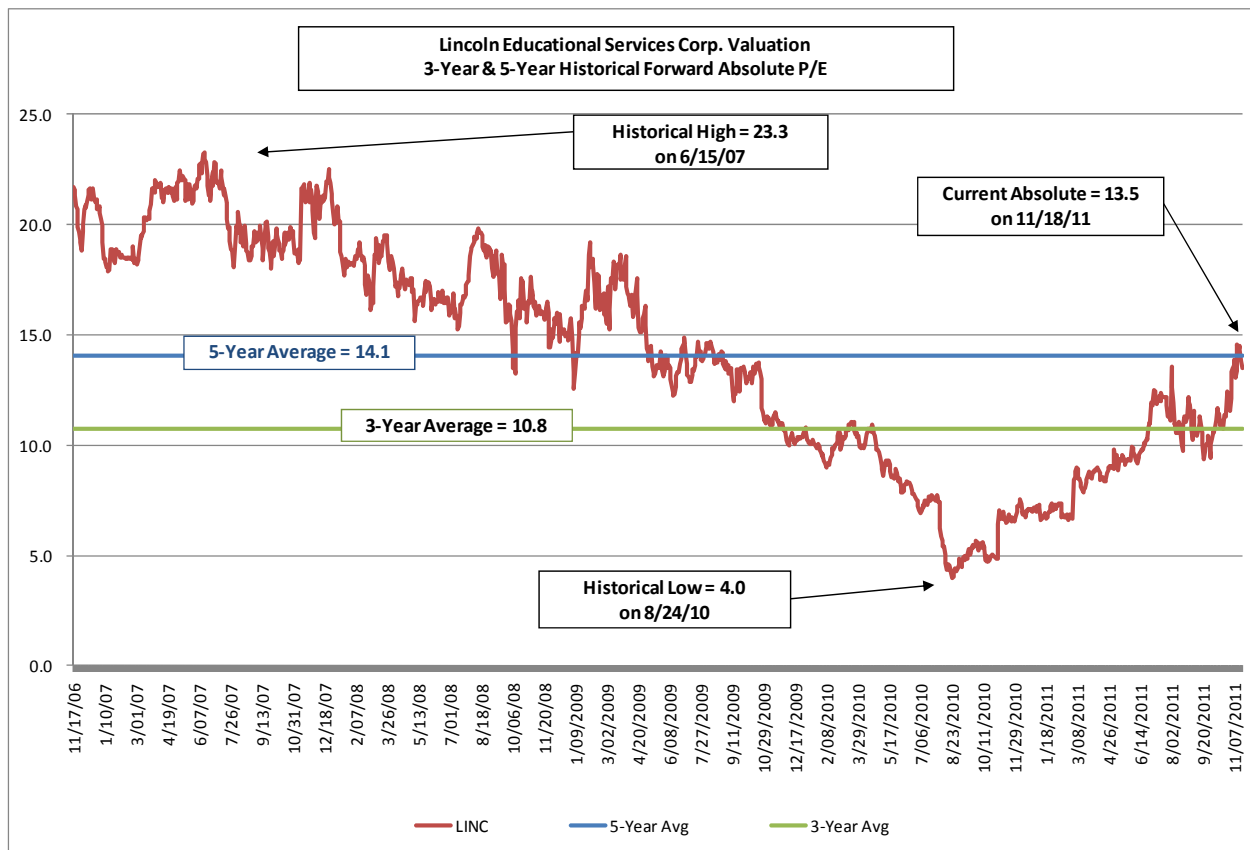
Source: FactSet Research Systems Inc., and Company data.



### Stock Price Performance



### Valuation — 3-Year & 5-Year Historical Forward Absolute P/E



Note: P/E multiples used in chart consist of forward 12-month consensus EPS estimates.  
For both charts: Past results should not and cannot be viewed as an indicator of future performance.  
Source for both charts: FactSet Research Systems Inc. and Stifel Nicolaus

## National American University Holdings (Buy)

### Profile

National American University is a regionally accredited, private, for-profit, multi-campus institution of higher learning, focused on offering associate's, bachelor's and master's degree programs in core academic disciplines of accounting, applied management, business administration, health care, and information technology. As of October, 2011, NAU had 34 locations in 10 states spanning from South Dakota/Minnesota through Texas and about 9,400 students.

**Enrollment:** 9,390

**Student Ages**

Average Age = 33

**Educational Background**

85%-90% working adult

**Schools**

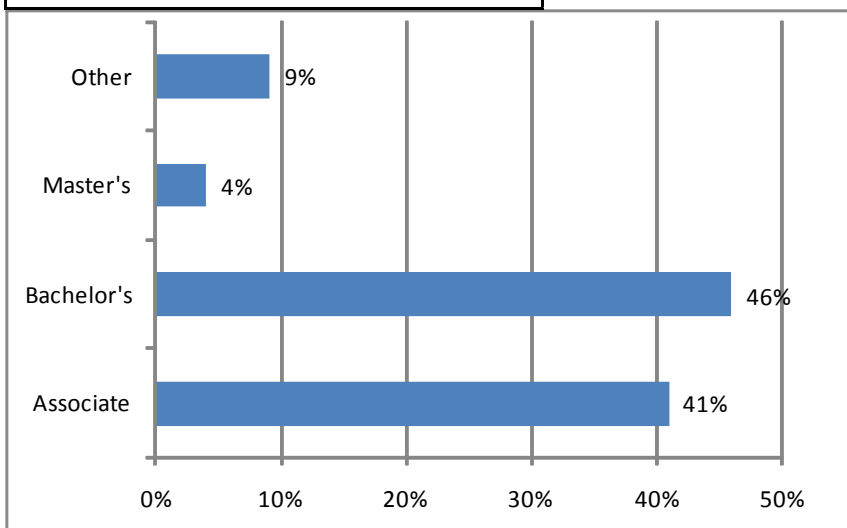
34 total in 9 states and online

**Student:Faculty Ratio**

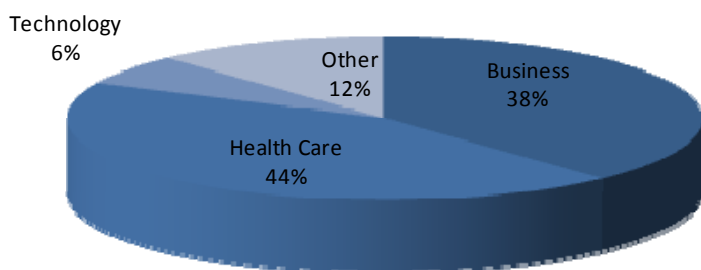
17:1

**Tuition**

Undergraduate: approx. \$315 per credit hour

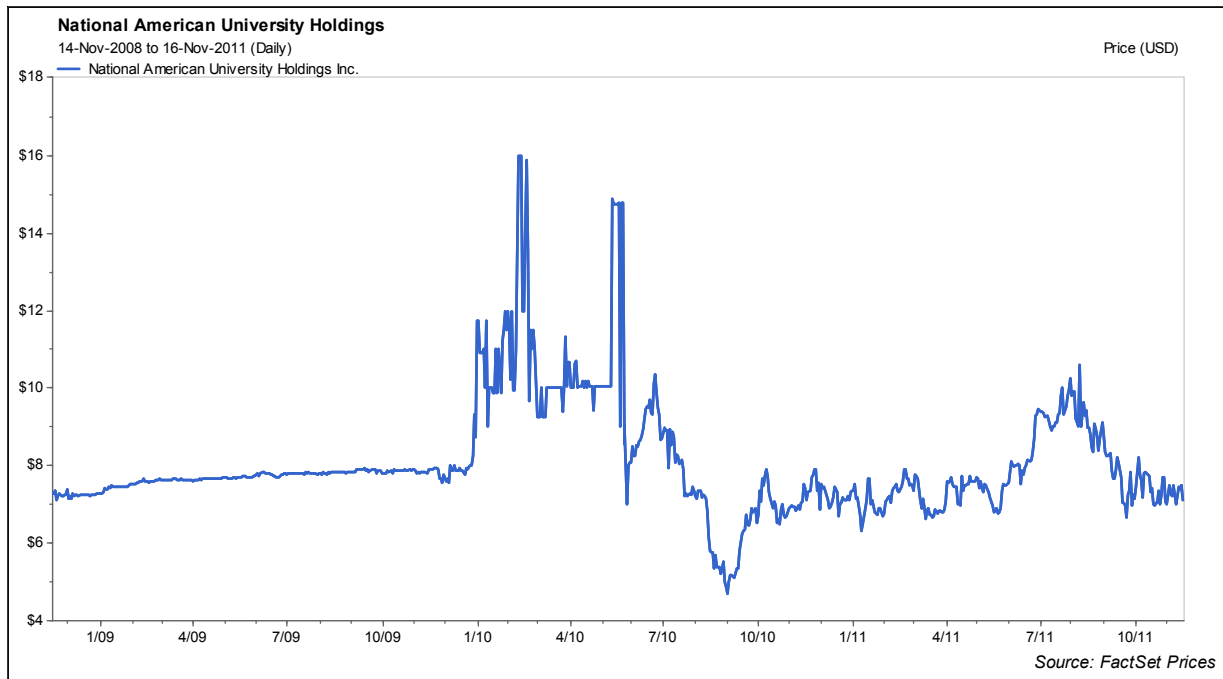


### Programs of Study



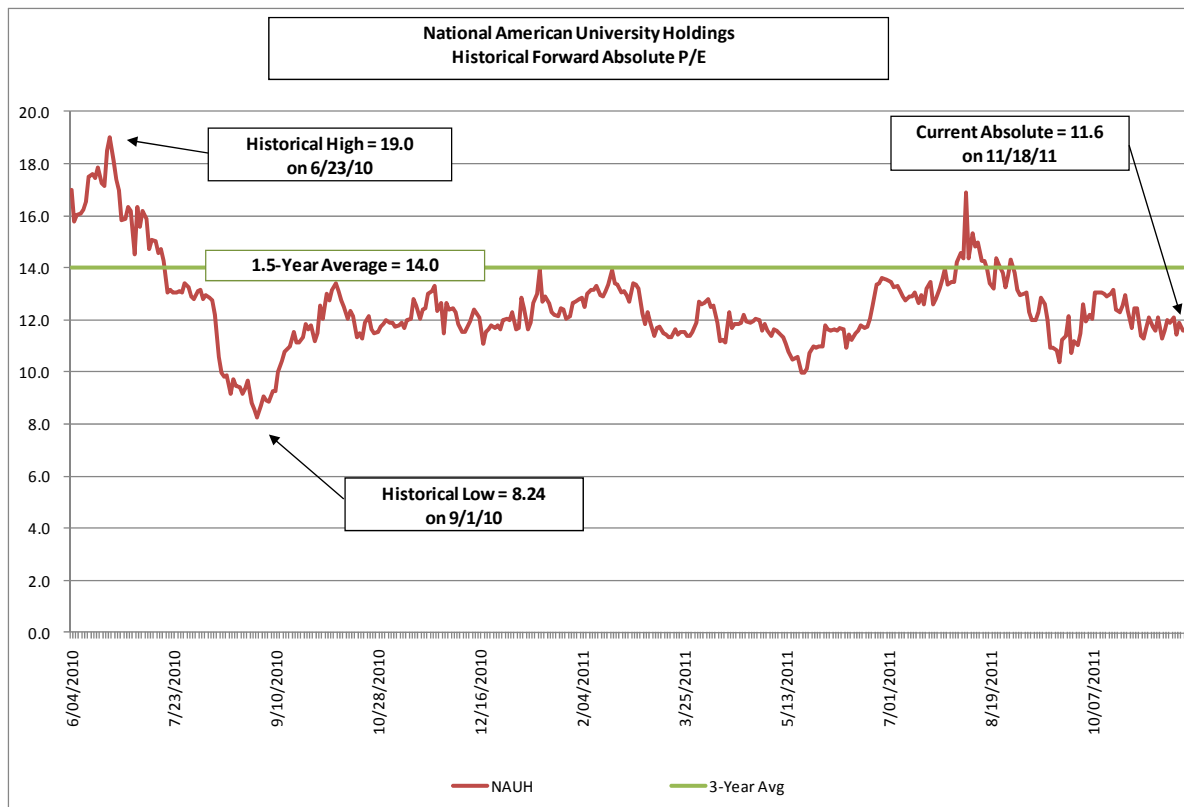
Source: FactSet Research Systems Inc., and Company data.

### Stock Price Performance



Past results should not and cannot be viewed as an indicator of future performance.  
Source: FactSet Research Systems Inc.

### Valuation — 1.5-Year Historical Forward Absolute P/E



Note: P/E multiples used in chart consist of forward 12-month consensus EPS estimates.  
For both charts: Past results should not and cannot be viewed as an indicator of future performance.  
Source for both charts: FactSet Research Systems Inc. and Stifel Nicolaus

## Strayer Education, Inc. (Buy)

### Profile

Washington, DC-based Strayer Education, Inc. is a regional provider of postsecondary education with a 108-year operating history and 92 campuses in 22 states and Washington, DC, serving about 50,000 mostly working adult students. Strayer University offers diploma/non-degree, associate, bachelors, and masters programs primarily in computer information systems (CIS) and business/accounting.

**Enrollment:** 54,233

**Student Ages**

<21: 8%; 22-29: 31%; >=30: 61%

**Educational Background**

54% have some college experience

**Schools**

92 total; 22 states

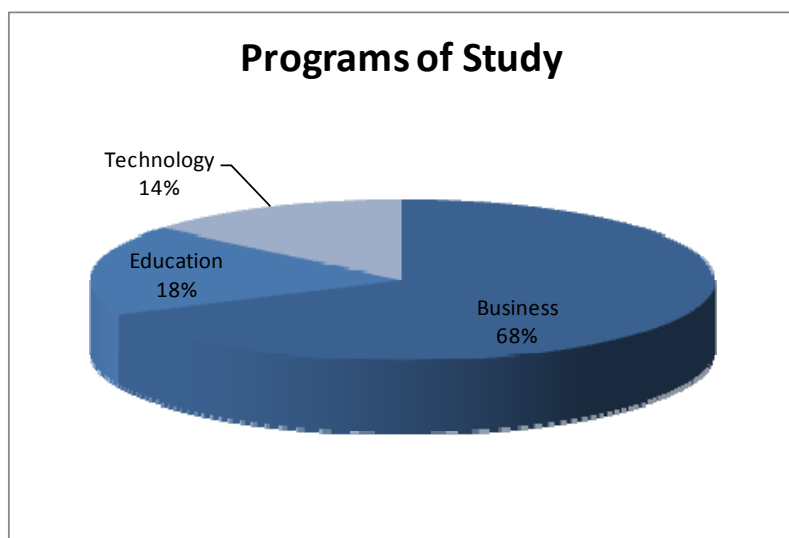
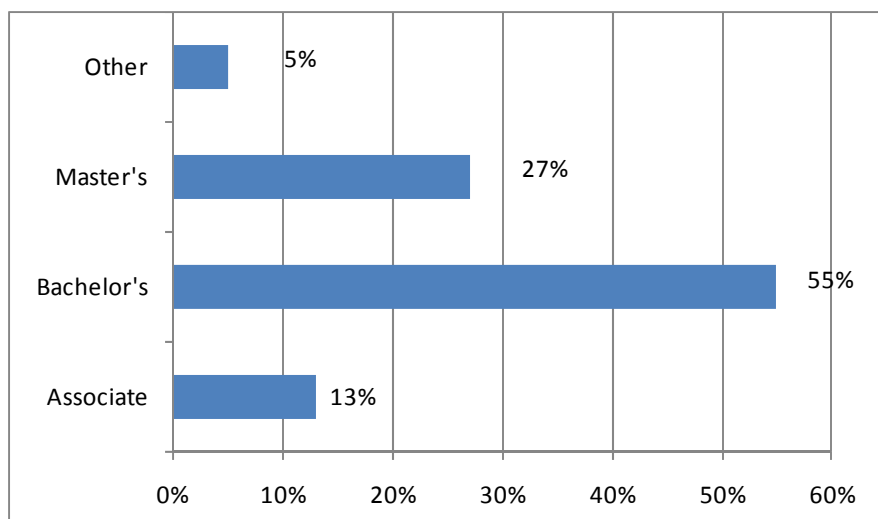
**Student:Faculty Ratio**

26:1

**Tuition**

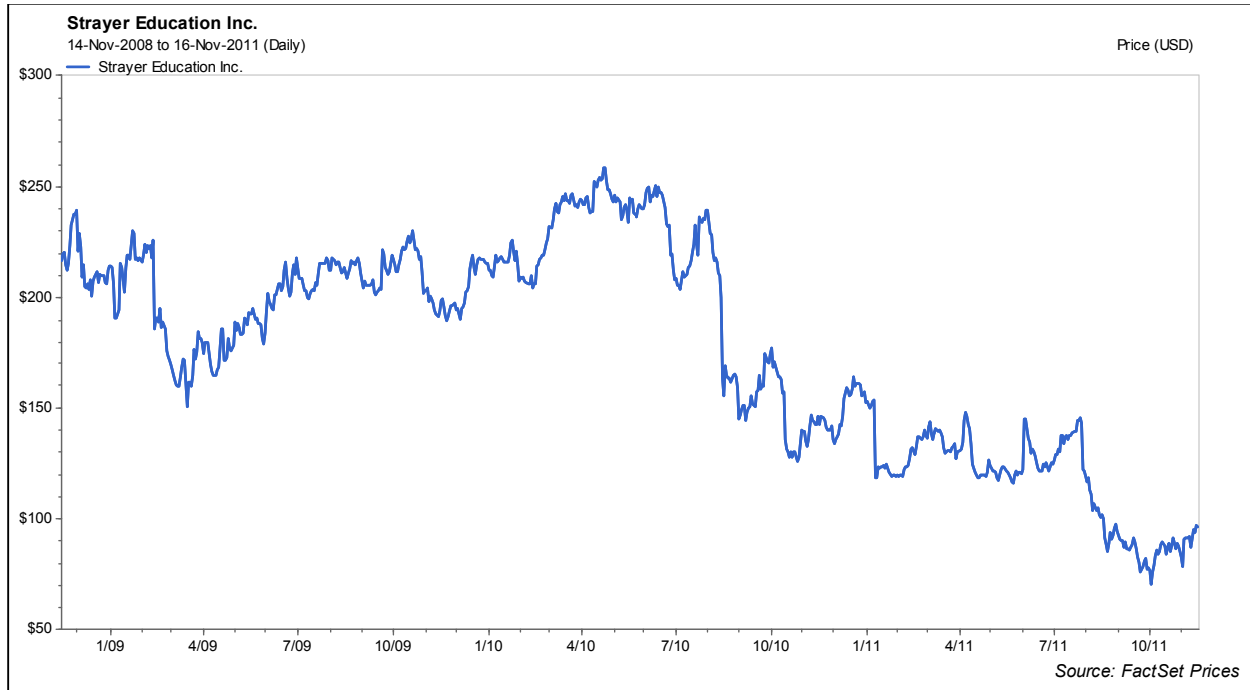
Undergraduate: \$357/hr FT; \$375/hr PT

Graduate: \$495/hr

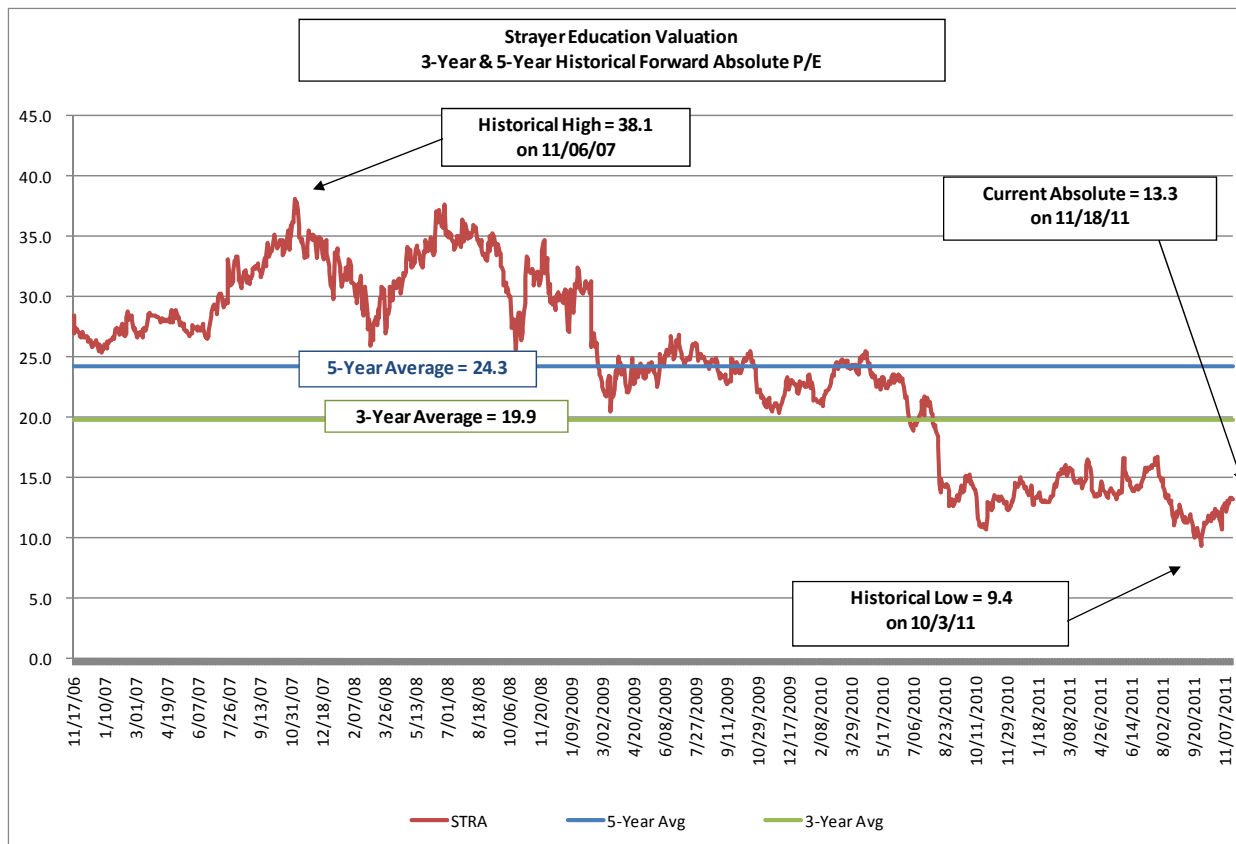


Source: FactSet Research Systems Inc., Stifel Nicolaus, and Company data.

### Stock Price Performance



### Valuation — 3-Year & 5-Year Historical Forward Absolute P/E



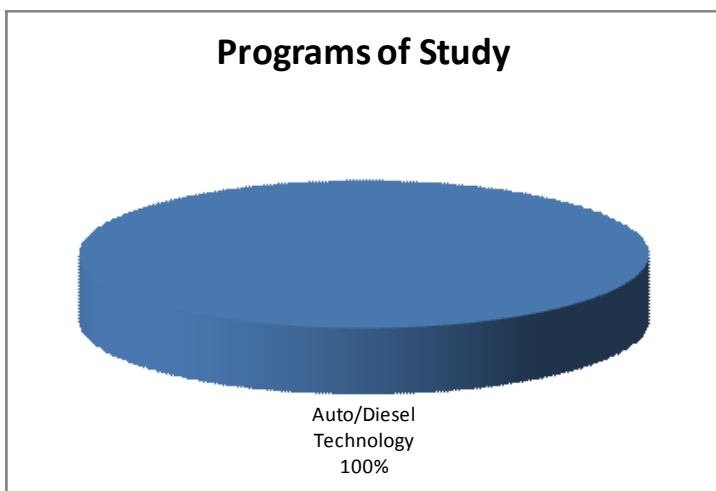
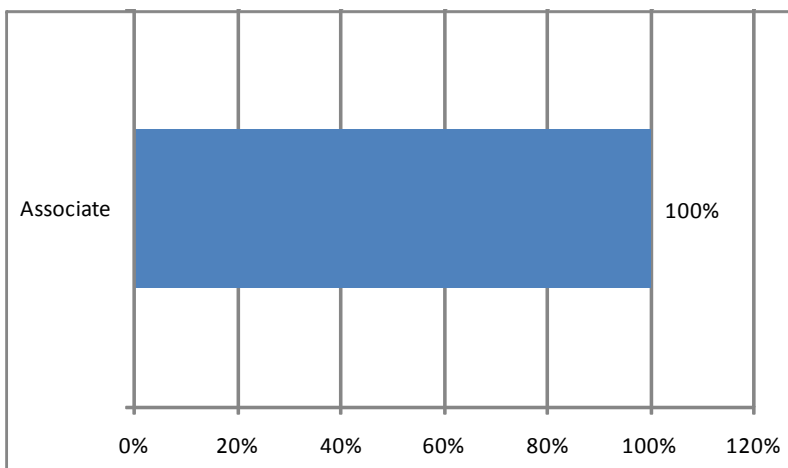
Note: P/E multiples used in chart consist of forward 12-month consensus EPS estimates.  
For both charts: Past results should not and cannot be viewed as an indicator of future performance.  
Source for both charts: FactSet Research Systems Inc. and Stifel Nicolaus

## Universal Technical Institute, Inc. (Hold)

### Profile

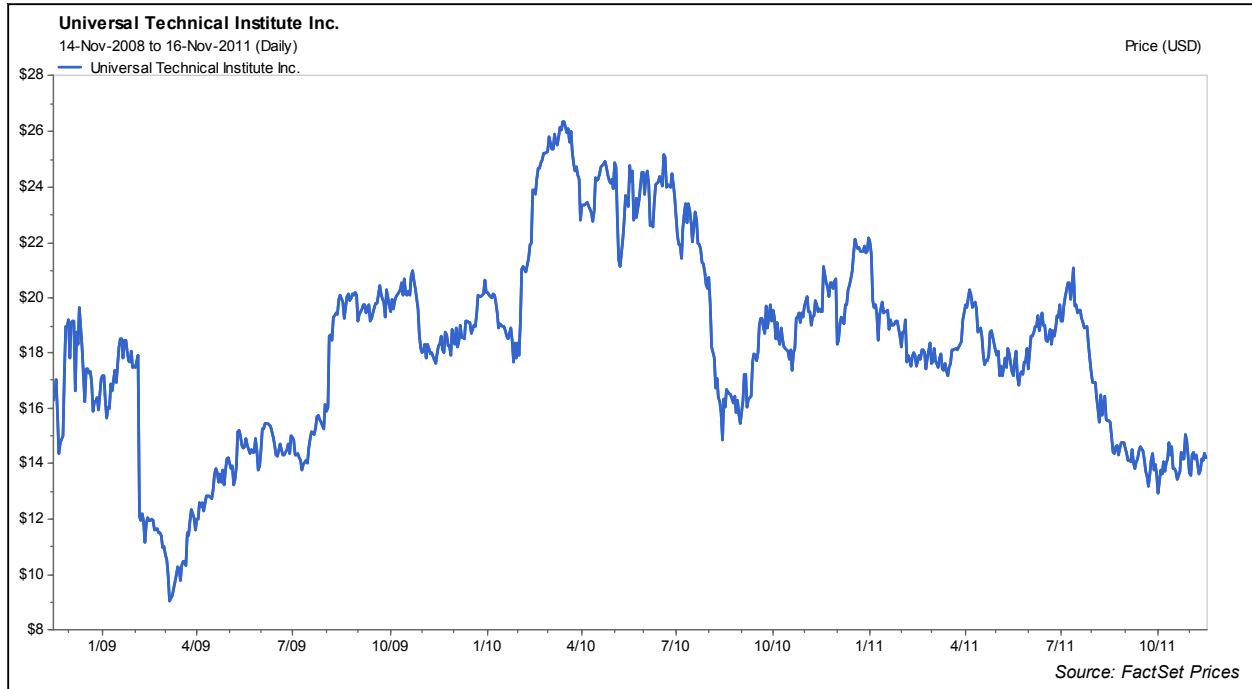
Founded in 1965 and brought public in December 2003, Phoenix-based Universal Technical Institute is the leading provider of technical education training for students seeking careers as professional automotive, diesel, collision repair, motorcycle and marine technicians as measured by total average undergraduate enrollment. The company offers undergraduate degree, diploma and certificate programs at 11 campuses across the United States, and manufacturer-sponsored advanced programs at 19 dedicated training centers. Through its campus-based school system, Universal Technical Institute offers specialized technical education programs under the banner of several well-known brands, including Universal Technical Institute (UTI), Motorcycle Mechanics Institute and Marine Mechanics Institute (MMI) and NASCAR Technical Institute (NTI).

**Enrollment:** 16,200  
**Student Ages**  
 Average Age = 23  
**Educational Background**  
 60% high school/40% adult  
**Schools**  
 11 campuses & 19 training centers  
**Student:Faculty Ratio**  
 23:1  
**Tuition**  
 \$23,000-\$32,000 per 36-75 week programs

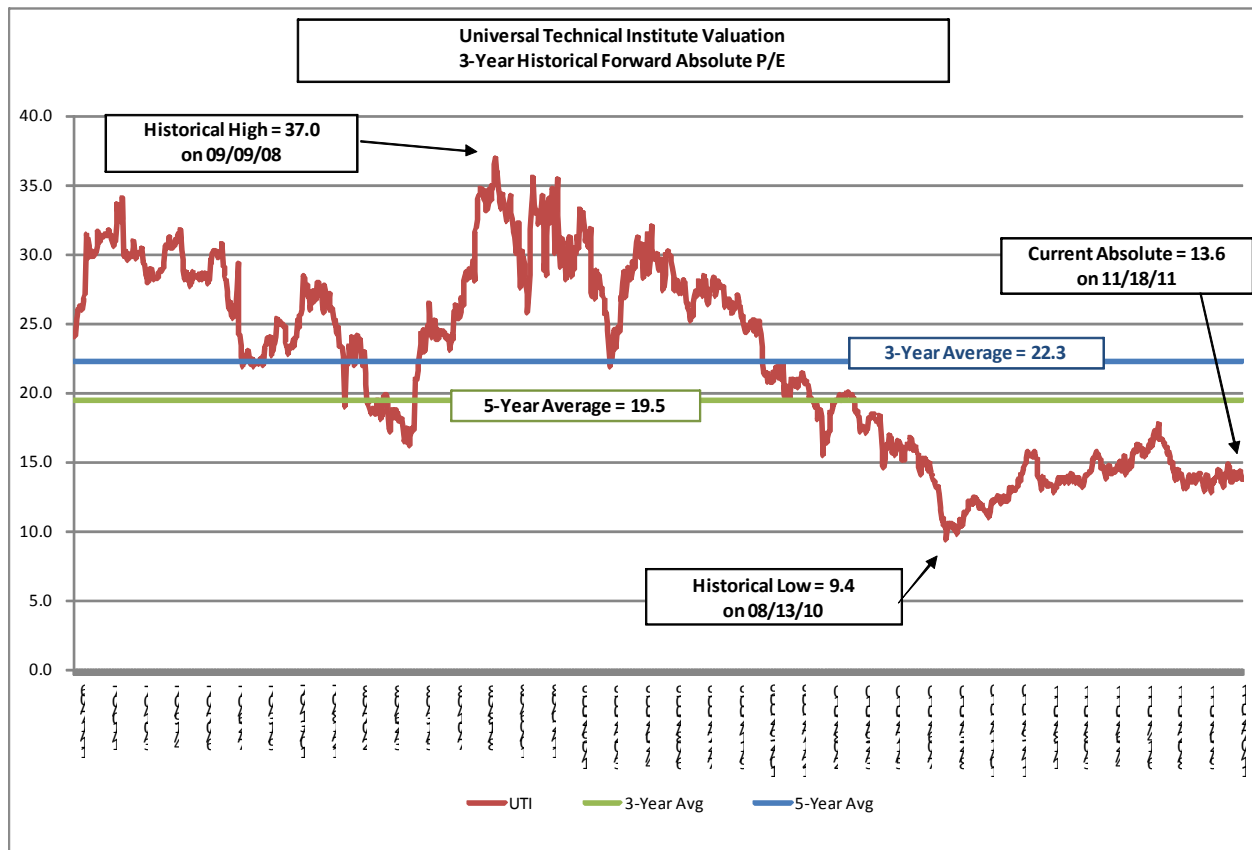


Source: FactSet Research Systems Inc., Stifel Nicolaus, and Company data.

### Stock Price Performance



### Valuation — 3-Year Historical Forward Absolute P/E

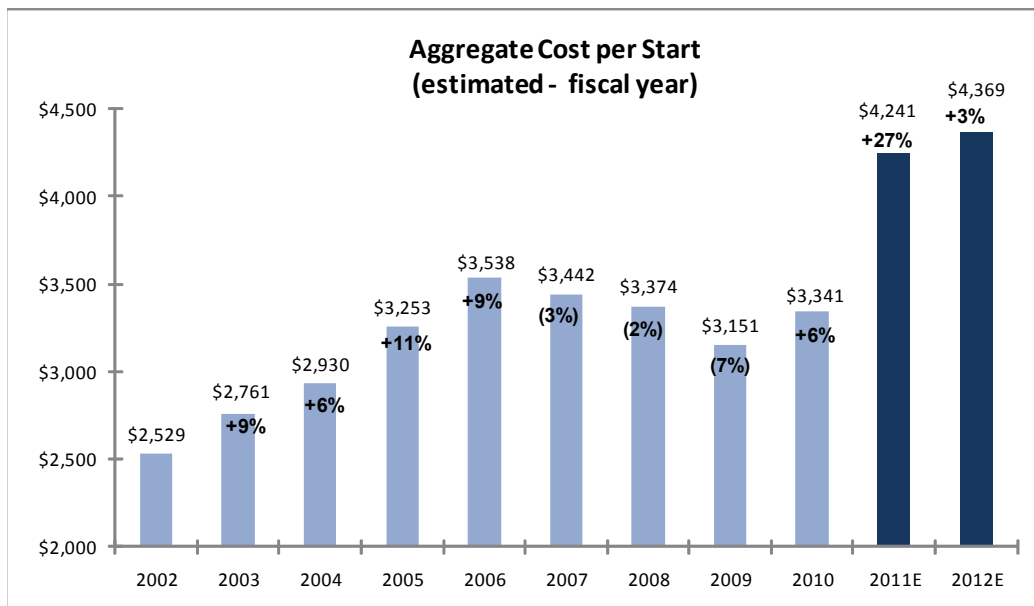
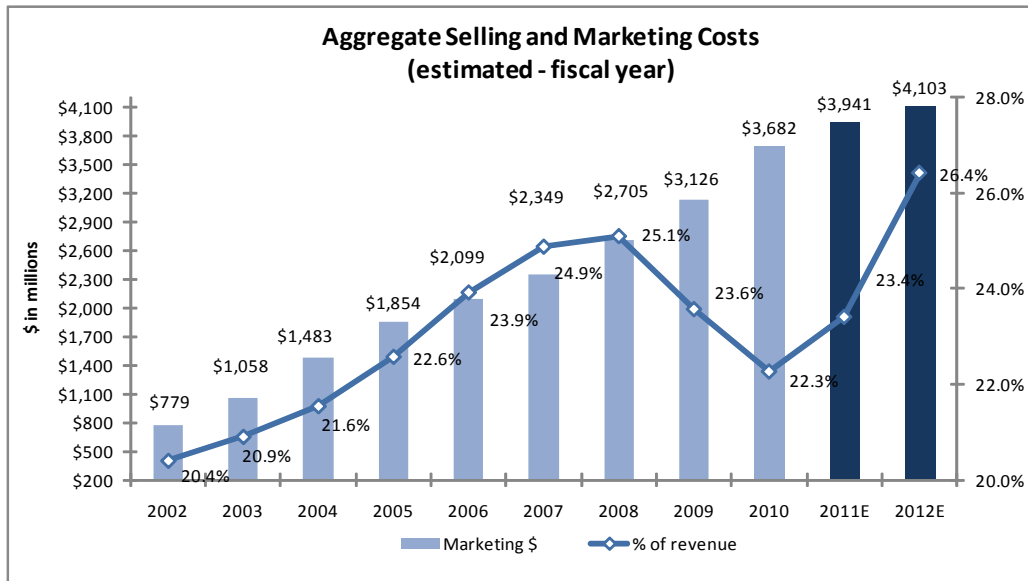


Note: P/E multiples used in chart consist of forward 12-month consensus EPS estimates.  
For both charts: Past results should not and cannot be viewed as an indicator of future performance.  
Source for both charts: FactSet Research Systems Inc. and Stifel Nicolaus

### Marketing Cost Analysis

From 2002 to 2008, we estimate that selling and marketing costs as a percentage of revenue increased 470 bps, or 80 bps per year on average, as a result of an improving economy tapering the demand for education, shifts in lead sourcing, increased competition, lower conversion rates, increased compensation for recruiters, and increased spending on recruiter retention. These trends stabilized and improved in 2008 and into 2010, as companies continued to improve marketing efficiency and a slowing economy/rising unemployment increased demand for education, which also lowered the spending necessary to attract students. Also, advertising rates fell. We estimate that selling and marketing costs as a percent of revenue will increase by over 400 bps from 2010 to 2012, reflecting impacts from regulatory and economic pressures, increasing advertising rates, strategic shifts in marketing (more Brand) combined with moderating to declining revenues.

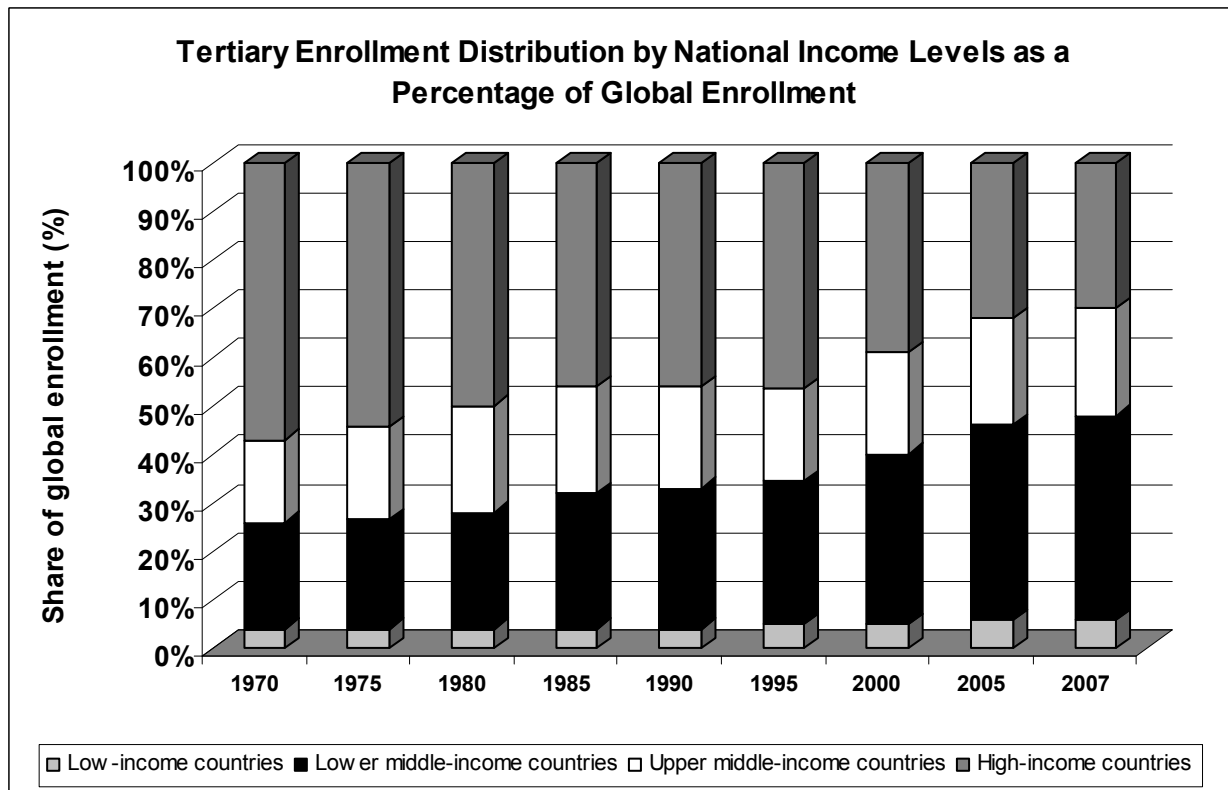
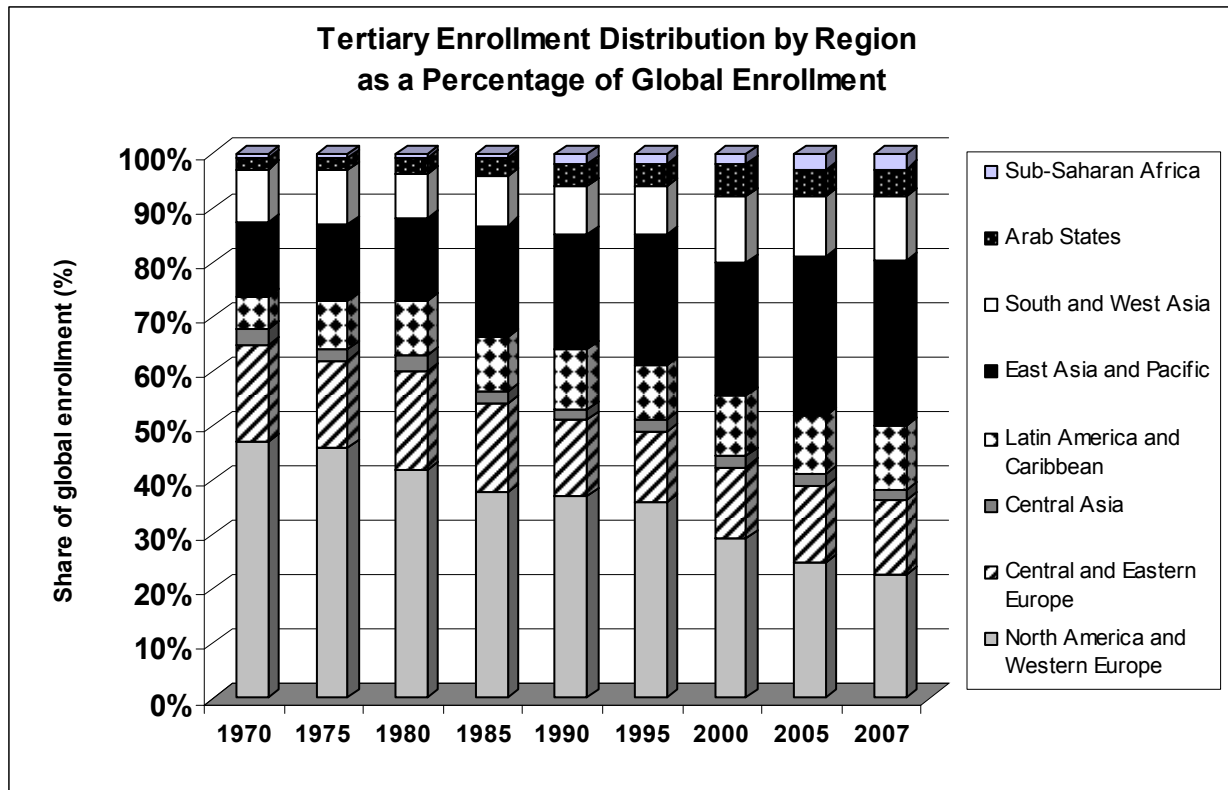
Cost per start is estimated to increase 30% from 2010 to 2012, also reflecting the recent marketing trends just mentioned but also even greater declines in new student starts (more than revenue/total enrollment). Cost per start declined from 2007 through 2009 — owing to improving start growth throughout the sector helped by the struggling economy and high unemployment as well as continued improvement in marketing efficiency and favorable advertising rates.



Includes; APEI, APOL, CPLA, CECO, COCO, DV, EDMC, ESI, STRA, UTI  
 Source for charts: Company data and Stifel Nicolaus estimates.

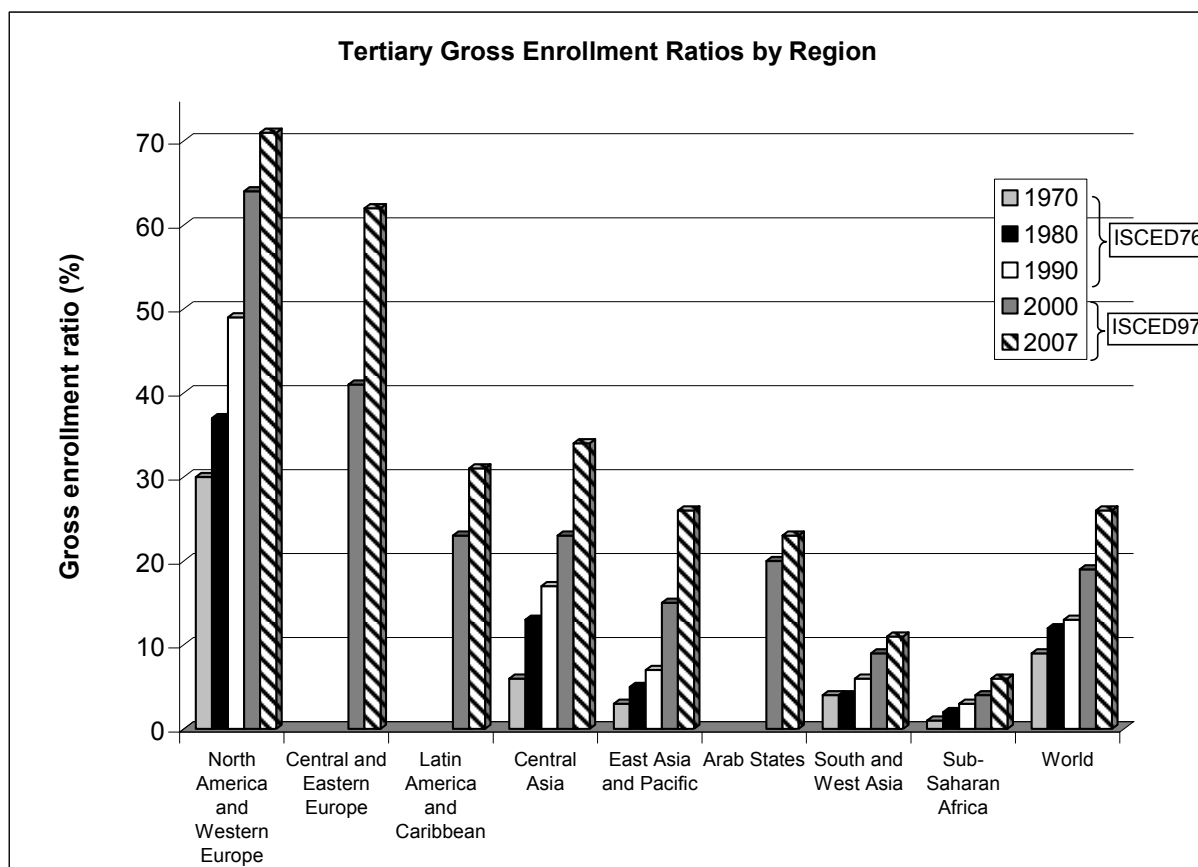


International Market: Enrollment



Source for charts: Global Education Digest 2009, UNESCO Institute for Statistics

### International Market: Enrollment



Source: Global Education Digest 2009, UNESCO Institute for Statistics

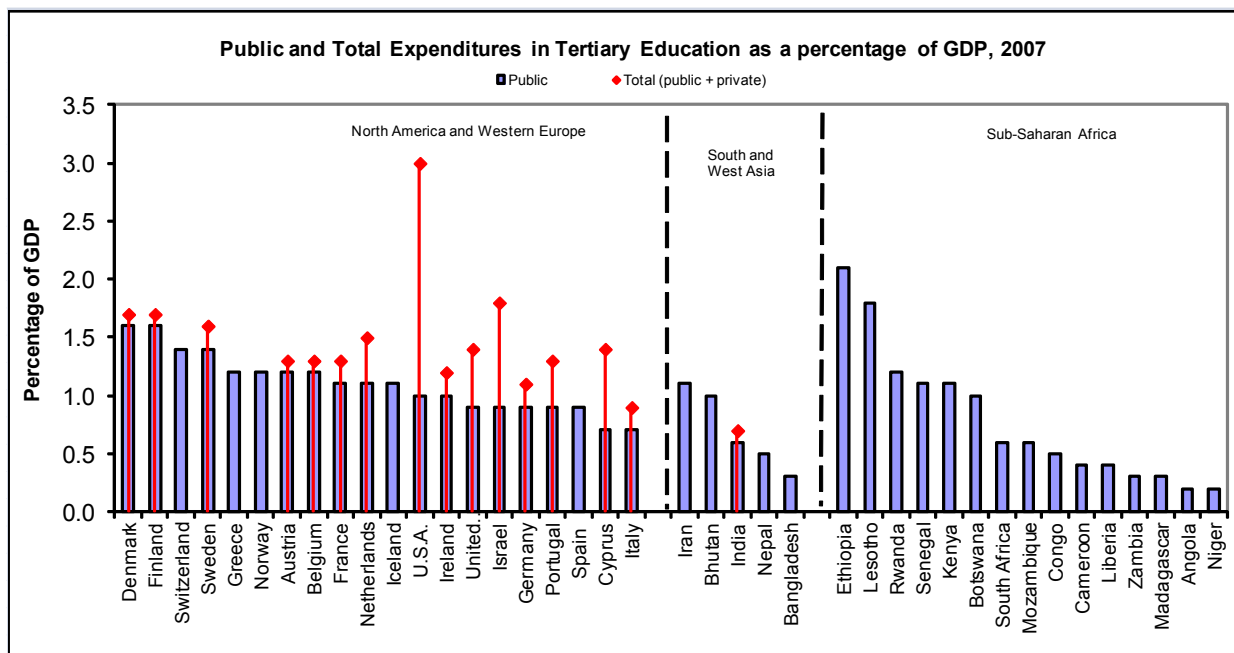
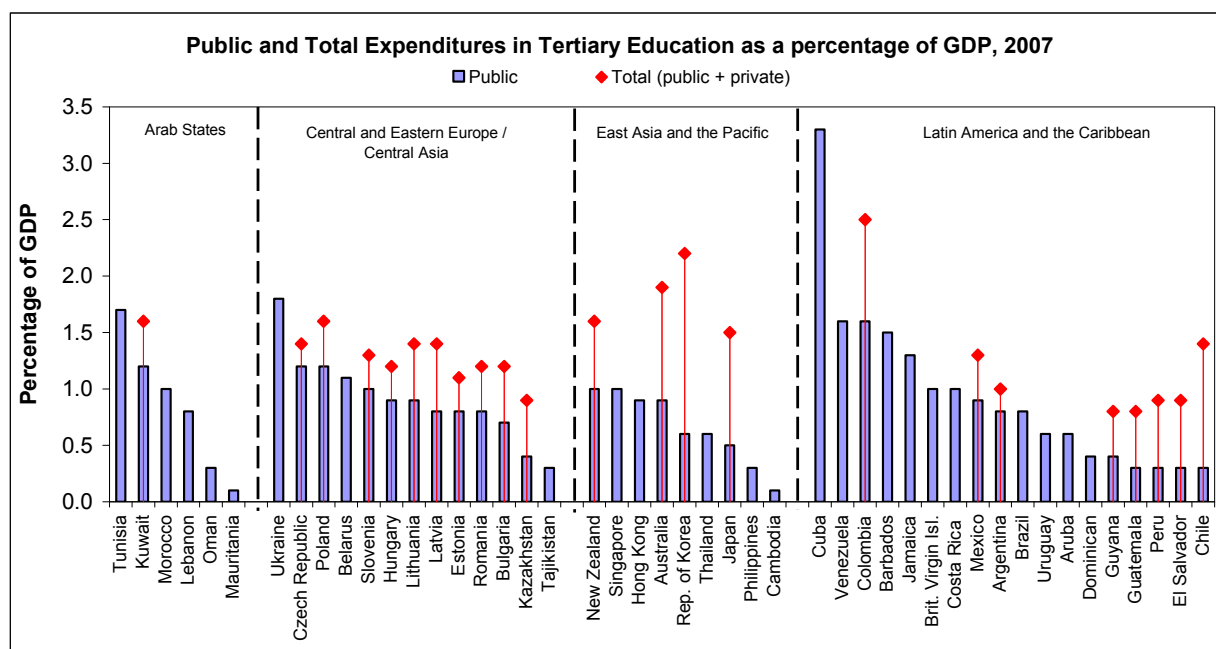
UNESCO's approach to measuring participation at the tertiary education level:

Identifying a target age group for students in primary and secondary education is relatively straightforward since they generally follow a common educational program of a specific duration. This notion of target population does not readily apply to tertiary education.

Most tertiary education systems offer a wide range of programs and pathways, allowing students to achieve a degree in just two years (e.g. ISCED 5B level) or to complete an advanced research degree (ISCED 6 level) in seven or eight years. In light of this variation, the gross enrollment ratio (GER) for tertiary education is calculated on the basis of a standard age range of five years that begins at the end of secondary education.

This is then used as the denominator to calculate participation ratios. It is important to note that the tertiary GER is useful to compare the volume of participation in tertiary programs. However, there are limitations when comparing the actual population coverage across countries due to the diversity in the duration of tertiary programs.

### International: Expenditures on Tertiary Education



Source: Global Education Digest 2009, UNESCO Institute for Statistics

## International (continued)

Regions Country or territory	Academic year	Total Enrollment (000)	Average annual growth between reference year and previous reference year (%)	% Female	Average annual growth of female enrollment between reference year and previous reference year (%)
<b>World and regional averages</b>					
World	2008	158,713	1.3	51	1.5
	2007	152,483	4.7	51	5.4
	2005	139,143	6.7	50	7.7
	2000	100,823	4.2	48	4.7
	1990	66,912	3.5	46	3.9
	1980	47,494	5.2	44	6.7
	1970	28,558	na	38	na
Arab States	2008	7,308	0.0	48	-1.4
	2007	7,302	2.4	50	3.7
	2005	6,963	4.3	49	7.7
	2000	5,638	9.0	42	10.4
	1990	2,375	6.0	37	8.1
	1980	1,323	11.0	30	13.4
	1970	466	na	25	na
Central and Eastern Europe	2008	21,137	0.6	55	0.7
	2007	20,750	3.4	55	3.4
	2005	19,402	7.5	55	8.0
	2000	13,521	3.5	53	3.8
Central Asia	2008	2,108	-6.0	52	-5.9
	2007	2,534	4.7	52	4.7
	2005	2,312	8.4	52	9.5
	2000	1,545	0.4	49	0.2
East Asia and the Pacific	2008	48,608	1.3	49	1.9
	2007	46,714	6.7	48	9.0
	2005	40,997	10.7	46	13.3
	2000	24,630	5.9	41	6.7
	1990	13,911	6.6	38	7.4
	1980	7,364	6.6	35	7.1
	1970	3,872	na	34	na
Latin America and the Caribbean	2008	19,723	3.6	55	4.0
	2007	17,757	6.8	54	7.5
	2005	15,575	6.6	54	6.8
	2000	11,316	4.8	53	5.8
	1990	7,087	4.3	48	5.5
	1980	4,668	11.4	43	13.7
	1970	1,587	na	35	na
North America and Western Europe	2008	34,423	-0.3	56	-0.4
	2007	34,783	0.9	56	1.0
	2005	34,190	2.9	56	3.5
	2000	29,590	1.7	54	2.2
	1990	24,935	2.4	52	3.1
	1980	19,757	3.8	48	5.8
	1970	13,631	na	39	na
South and West Asia	2008	20,889	4.1	41	3.7
	2007	18,504	7.8	41	8.7
	2005	15,935	5.4	41	6.7
	2000	12,239	7.0	38	9.3
	1990	6,213	4.7	31	6.9
	1980	3,914	3.3	25	5.3
	1970	2,818	na	21	na
Sub-Saharan Africa	2008	4,517	2.9	40	3.1
	2007	4,141	4.8	40	4.7
	2005	3,769	10.0	40	11.1
	2000	2,344	6.3	38	8.0
	1990	1,273	9.8	32	13.8
	1980	497	9.8	23	10.3
	1970	196	na	22	na

Source: Global Education Digest 2009, UNESCO Institute for Statistics

## International (continued)

Regions	Academic year	Total Enrollment (000)	Average annual growth between reference year and previous reference year (%)	% Female	Average annual growth of female enrollment between reference year and previous reference year (%)
Country or territory					
<b>Arab States</b>					
Algeria	2008	902	4.4	57	5.5
	2005	792	9.6	55	...
	2000	549 ** +1	7.1 ** +1	...	...
	1990	259	14.2	...	...
	1980	68	14.9	24	16.7
	1970	20 *+1	na	21 *+1	na
Egypt	2008	2,488	-1.4	...	...
	2005	2,594 **	1.0 **	...	...
	2000	2,447 ** -1	12.6 ** -1	...	...
	1990	838 **	2.4 **	34 **	3.6 **
	1980	660	12.2	31	14.1
	1970	233 *+1	na	26 *+1	na
Iraq	2008	...	...	...	...
	2005	425 **	8.0 **	36 **	9.4 **
	2000	289	2.9	34	1.9
	1990	210 -1	8.5 -1	38 -1	11.1 -1
	1980	100	10.1	31	14.1
	1970	42 +1	na	22 +1	na
Jordan	2008	255	5.4	51	5.9
	2005	218	8.9	50	8.4
	2000	142	6.5	51	7.3
	1990	80 +1	9.4 +1	48 +1	10.5 +1
	1980	30	23.4	43	28.6
	1970	4.5 +1	na	30 +1	na
Morocco <sup>b</sup>	2008	401	-4.7	47	-3.2
	2005	464 **	6.4 **	45 **	7.4 **
	2000	340	3.0	43	4.4
	1990	254	10.5	37	15.5
	1980	94 **	21.6 **	24 **	26.6 **
	1970	16 +1	na	17 +1	na
Saudi Arabia	2008	667	3.4	62	5.6
	2005	604	8.4	58	9.2
	2000	404	11.2	56	14.0
	1990	140	10.3	44 **	16.7 **
	1980	53	22.5	25	38.6
	1970	8.5 +1	na	8 +1	na
Tunisia	2008	351	4.0	59	5.1
	2005	312	11.6	57	...
	2000	180	11.1	...	...
	1990	63	7.6	38	10.4
	1980	30	12.6	30	17.2
	1970	10 +1	na	21 +1	na
<b>Central and Eastern Europe</b>					
Belarus	2008	577	2.9	58	3.7
	2005	529	5.1	57	5.3
	2000	412	2.0	56	2.6
	1990	340	0.1	53 **	0.2 **
	1980	335	1.8	52 **	1.9 **
	1970	286 +1	na	52 ** +1	na
Bulgaria	2008	264	3.5	55	5.4
	2005	238	-1.9	52	-3.7
	2000	261	5.2	57	6.1
	1990	158	3.8	52	2.9
	1980	108	0.9	57	2.3
	1970	100 +1	na	51 +1	na
Croatia	2008	140	1.2	54	1.3
	2005	135	6.8	54	7.3
	2000	97	...	53	...
Czech Republic	2008	395	5.5	55	7.1
	2005	336	5.8	53	7.0
	2000	254	8.4	50	10.0
	1990	113	-0.1	43	0.7
	1980	114	4.2	40	5.4
	1970	79 +1	na	36 +1	na
Hungary	2008	414	-1.7	58	-1.9
	2005	436	7.3	58	9.0
	2000	307	11.8	54	12.4
	1990	101	-0.3	51	-0.1
	1980	103	2.8	50	4.7
	1970	81 +1	na	43 +1	na

Source: Global Education Digest 2009, UNESCO Institute for Statistics

## International (continued)

Regions	Academic year	Total Enrollment (000)	Average annual growth between reference year and previous reference year (%)	% Female	Average annual growth of female enrollment between reference year and previous reference year (%)
Country or territory					
<b>Central and Eastern Europe</b>					
Poland	2008	2,147	0.5	57	0.2
	2005	2,118	6.0	58	6.0
	2000	1,580	12.1	58	11.9
	1990	506	-1.9	59	-1.3
	1980	610	4.9	55	6.7
	1970	398 <sup>†1</sup>	na	47 <sup>†1</sup>	na
Romania	2008	1,057	12.7	56	13.6
	2005	739	10.3	55	11.5
	2000	453	10.7	52	11.4
	1990	165	-1.6	48	-0.4
	1980	193	2.7	43	2.7
	1970	152 <sup>†1</sup>	na	43 <sup>†1</sup>	na
Russian Federation	2008	9,446	1.6	57	1.6
	2005	9,003	...	57	...
	2000	...	...	...	...
	1990	5,200	-1.0	54	-1.5
	1980	5,700 <sup>†1</sup>	...	56 <sup>†1</sup>	...
	1970	...	...	...	...
Turkey	2008	2,533	6.3	43	7.3
	2005	2,106	5.8	42	7.0
	2000	1,588 <sup>**</sup>	8.8 <sup>**</sup>	40 <sup>**</sup>	10.6 <sup>**</sup>
	1990	686	9.4	34	12.8
	1980	280	5.7	25 <sup>**</sup>	8.9 <sup>**</sup>
	1970	170 <sup>+1</sup>	na	19 <sup>+1</sup>	na
Ukraine	2008	2,848	3.0	54	3.0
	2005	2,605	7.5	54	8.1
	2000	1,812	1.2	53	...
	1990	1,610 <sup>**</sup>	-0.5 <sup>**</sup>	...	...
	1980	1,684 <sup>+1</sup>	0.5 <sup>+1</sup>	...	...
	1970	1,605 <sup>+1</sup>	na	48 <sup>**,+1</sup>	na
<b>Central Asia</b>					
Georgia <sup>b</sup>	2008	130	-13.5	54	-12.6
	2005	201	3.8	52	4.1
	2000	167	1.3	52	...
	1990	148 <sup>**</sup>	0.5 <sup>**</sup>	...	...
	1980	141 <sup>+1</sup>	...	53 <sup>**,+1</sup>	...
	1970	...	...	...	...
Kazakhstan <sup>b</sup>	2008	635	-16.5	58	-15.8
	2005	1,090	16.3	57	16.7
	2000	513	-0.5	56	...
	1990	539 <sup>**</sup>	0.3 <sup>**</sup>	...	...
	1980	525 <sup>+1</sup>	...	...	...
	1970	...	...	...	...
Kyrgyzstan	2008	296	10.4	57	11.5
	2005	220	6.5	55	8.6
	2000	161	10.6	50	...
	1990	59 <sup>**</sup>	-1.1 <sup>**</sup>	...	...
	1980	65 <sup>**,+1</sup>	...	...	...
	1970	...	...	...	...
Uzbekistan	2008	299	4.0	40	3.3
	2005	266	-2.7	41	-4.7
	2000	305	-0.9	45	...
	1990	335	-4.7	...	...
	1980	516 <sup>+1</sup>	...	...	...
	1970	...	...	...	...
<b>East Asia and the Pacific</b>					
Australia <sup>b</sup>	2008	1,118	-1.9	55	-1.5
	2005	1,185	3.3	54	3.6
	2000	1,008	7.6	54	7.8
	1990	485	4.1	53	5.7
	1980	324	6.1	45	9.6
	1970	180	na	33	na
China	2008	26,692	9.0	49	11.3
	2005	20,601	22.8	46	...
	2000	7,364	6.5	...	...
	1990	3,925	14.3	33 <sup>**</sup>	18.1 <sup>**</sup>
	1980	1,035	40.7	24	...
	1970	48 <sup>+1</sup>	na	...	na
Indonesia	2008	4,420	6.5	47	9.1
	2005	3,660 <sup>**</sup>	4.9 <sup>**</sup>	44 <sup>**</sup>	5.4 <sup>**</sup>
	2000	3,018 <sup>+1</sup>	6.5 <sup>+1</sup>	43 <sup>+1</sup>	...
	1990	1,516	12.1	...	...
	1980	543 <sup>+1</sup>	7.4 <sup>+1</sup>	...	...
	1970	248	na	25	na
Japan	2008	3,939	-0.8	46	-0.7
	2005	4,038	0.3	46	0.7
	2000	3,982	4.0	45	5.6
	1990	2,683	1.0	39	2.7
	1980	2,423	3.2	33	4.9
	1970	1,819 <sup>+1</sup>	na	28 <sup>+1</sup>	na

## International (continued)

Regions	Academic year	Total Enrollment (000)	Average annual growth between reference year and previous reference year (%)	% Female	Average annual growth of female enrollment between reference year and previous reference year (%)
Country or territory					
<b>East Asia and the Pacific</b>					
Republic of Korea	2008	3,204	-0.1	38	0.8
	2005	3,210	1.3	37	2.2
	2000	3,003	6.3	36	7.9
	1990	1,630	11.7	31	14.0
	1980	539	11.6	25 **	11.9 **
	1970	201 *1	na	24 *1	na
Malaysia	2008	805	4.9	56	4.9
	2005	697	4.9	56	6.9
	2000	549	16.3	51	17.3
	1990	121	7.7	47 **	9.9 **
	1980	58	...	39	...
New Zealand	2008	244	0.6	58	0.1
	2005	240	6.9	59	6.9
	2000	172	4.4	59	5.7
	1990	112	3.8	52	6.4
	1980	77	6.8	41	7.1
1970	40	na	39	na	
Philippines	2008	2,654	3.4	54	3.2
	2005	2,403	-0.3	54	...
	2000	2,432 *1	4.4 *1	...	...
	1990	1,516	2.5	...	...
	1980	1,182	6.8	53	6.3
1970	652 *1	na	56 *1	na	
Thailand	2008	2,417	0.8	54	1.8
	2005	2,359	4.4	52	3.7
	2000	1,900	7.2	54	...
	1990	952	7.2	...	...
	1980	473	20.2	...	...
1970	90 *1	na	39 **, *1	na	
Viet Nam	2008	1,655	6.9	49	13.5
	2005	1,355	13.1	41	12.7
	2000	732	14.7	42	...
	1990	186	3.4	...	...
	1980	134	...	24 **	...
<b>Latin America and the Caribbean</b>					
Argentina	2008	2,208	2.0	60	2.7
	2005	2,083	3.3	59	2.8
	2000	1,767 **	6.4 **	60 **	...
	1990	1,008 *1	6.8 *1	...	...
	1980	491	6.0	50	7.8
	1970	275	na	43	na
Brazil	2008	5,958	9.2	56	9.3
	2005	4,572	10.5	56	10.3
	2000	2,781	5.7	56	6.6
	1990	1,600 **	1.3 **	52 **	1.8 **
	1980	1,409	12.6	49 **	15.6 **
	1970	430	na	38	na
Chile	2008	753	4.3	49	4.9
	2005	664	8.0	48	8.4
	2000	452	6.3	47	...
	1990	262 *1	5.5 *1	...	...
	1980	145	6.4	43	7.6
	1970	78	na	38	na
Colombia	2008	1,487	6.7	49	5.1
	2005	1,224	5.5	51	5.4
	2000	934	6.7	52	6.7
	1990	487	6.0	51 **	7.6 **
	1980	272	12.2	45	18.1
	1970	86	na	27	na
Cuba	2008	971	27.2	61	26.4
	2005	472	24.4	62	28.1
	2000	159	-4.1	53	-4.8
	1990	242	5.2	58	7.5
	1980	146	21.0	46	23.2
	1970	26 *1	na	39 *1	na
Mexico	2008	2,623	3.2	50	3.0
	2005	2,385	4.0	50	4.6
	2000	1,963	4.1	49	5.7
	1990	1,314	4.4	42 **	7.3 **
	1980	853	14.7	32	20.8
	1970	248 *1	na	20 *1	na

Source: Global Education Digest 2009, UNESCO Institute for Statistics

## International (continued)

Regions	Academic year	Total Enrollment (000)	Average annual growth between reference year and previous reference year (%)	% Female	Average annual growth of female enrollment between reference year and previous reference year (%)
Country or territory					
<b>Latin America and the Caribbean</b>					
Peru	2008	952	1.6	51	2.2
	2005	909	2.5	50	3.1
	2000	824	1.8	49	...
	1990	678	8.3	...	...
	1980	306	9.3	35	9.6
	1970	126	na	34	na
Venezuela	2008	2,109	15.2	62	...
	2005	1,381	12.9	...	...
	2000	668	2.4	59	...
	1990	529	5.9	...	...
	1980	282	13.7	...	...
	1970	101	na	41	na
<b>North America and Western Europe</b>					
Austria	2008	285	5.3	53	4.9
	2005	244	-1.3	54	-0.3
	2000	261	2.7	51	3.8
	1990	200	4.6	46	5.7
	1980	128	8.8	41	13.1
	1970	60	na	29	na
Belgium	2008	402	1.0	55	1.4
	2005	390	1.8	54	2.7
	2000	356	2.8	52	3.6
	1990	271	3.1	48	4.4
	1980	199	5.3	43	7.3
	1970	125	na	36	na
Canada <sup>b</sup>	2008	...	...	...	...
	2005	...	...	...	...
	2000	1,526	-1.9	53	-2.0
	1990	1,841	3.1	54	4.2
	1980	1,351	...	49	...
Denmark	2008	232	0.0	58	0.3
	2005	232	4.2	57	4.4
	2000	189	3.5	57	4.5
	1990	135	2.4	51	3.0
	1980	107	3.8	48	7.1
	1970	76	na	37	na
Finland	2008	310	0.4	54	0.7
	2005	306	2.5	54	2.5
	2000	270	5.7	54	6.1
	1990	155	2.4	52	3.2
	1980	123	8.3	47	8.1
	1970	60	na	48	na
France	2008	2,165	-0.3	55	-0.5
	2005	2,187	1.7	55	2.0
	2000	2,015	2.4	54	2.7
	1990	1,587	4.1	53	5.5
	1980	1,060	3.2	46	...
	1970	801	na	...	na
Greece	2008	603	-2.3	50	-3.0
	2005	647	8.9	51	9.4
	2000	422	8.1	50	8.1
	1990	194	5.2	50	7.7
	1980	117	3.5	39	6.1
	1970	86	na	31	na
Ireland	2008	179	-1.4	54	-2.0
	2005	187	3.0	55	3.4
	2000	161	6.6	54	8.5
	1990	85	5.6	45	6.8
	1980	49	6.3	40	8.3
	1970	29	na	34	na
Italy	2008	2,034	0.3	57	0.6
	2005	2,015	2.6	57	3.0
	2000	1,770	2.7	56	4.2
	1990	1,358	2.2	48	3.5
	1980	1,098	5.3	42	6.7
	1970	687	na	38	na
Netherlands	2008	602	2.1	52	2.8
	2005	565	3.0	51	3.4
	2000	488	1.1	50	2.4
	1990	437	2.2	44	3.7
	1980	351	4.7	38	8.5
	1970	231	na	28	na
Norway	2008	213	-0.2	61	0.6
	2005	214	2.3	60	2.7
	2000	191	4.0	58	4.9
	1990	129	5.1	54	6.6
	1980	78	5.1	46	10.3
	1970	50	na	30	na

Source: Global Education Digest 2009, UNESCO Institute for Statistics



## International (continued)

Regions	Academic year	Total Enrollment (000)	Average annual growth between reference year and previous reference year (%)	% Female	Average annual growth of female enrollment between reference year and previous reference year (%)
Country or territory					
<b>North America and Western Europe</b>					
Portugal	2008	367	-1.2	54	-2.2
	2005	381	0.4	56	0.1
	2000	374	9.1	57	...
	1990	157	5.5	...	...
	1980	91	6.9	48	7.7
	1970	50 <sup>*1</sup>	na	44 <sup>*1</sup>	na
Spain	2008	1,781	-0.5	54	-0.4
	2005	1,809	-0.2	54	0.1
	2000	1,829	4.6	53	5.1
	1990	1,166	5.5	51	7.5
	1980	683	13.1	42	18.9
	1970	225 <sup>*1</sup>	na	27 <sup>*1</sup>	na
Sweden	2008	407	-1.6	60	-1.4
	2005	427	4.2	60	4.7
	2000	347	6.5	58	7.5
	1990	185	-0.8	53	0.7
	1980	201	4.0	45	4.8
	1970	141 <sup>*1</sup>	na	42 <sup>*1</sup>	na
Switzerland	2008	224	3.8	49	6.0
	2005	200	4.9	46	6.6
	2000	157	1.7	43	4.0
	1990	133	5.0	34	6.7
	1980	82	5.3	29	7.6
	1970	51 <sup>+1</sup>	na	24 <sup>**+1</sup>	na
United Kingdom	2008	2,329	0.6	57	0.5
	2005	2,288	2.5	57	3.7
	2000	2,024	5.6	54	6.9
	1990	1,178	4.0	48	6.8
	1980	796	3.2	37	4.3
	1970	601 <sup>+1</sup>	na	33 <sup>+1</sup>	na
United States of America <sup>b</sup>	2008	18,248	1.0	57	0.7
	2005	17,711	3.7	58	4.3
	2000	14,757	0.9	56	1.2
	1990	13,538	1.6	54	2.2
	1980	11,570	3.5	51	5.9
	1970	8,498 <sup>+1</sup>	na	41 <sup>+1</sup>	na
<b>South and West Asia</b>					
India	2008	14,863	8.1	39	7.7
	2005	11,777	4.6	39	5.5
	2000	9,404	7.0	38	8.6
	1990	4,780	3.8	32	6.3
	1980	3,279	3.2	26 <sup>**</sup>	5.4 <sup>**</sup>
	1970	2,473 <sup>+1</sup>	na	21 <sup>+1</sup>	na
Iran (Islamic Republic of)	2008	3,392	16.9	53	18.4
	2005	2,126	8.6	51	11.2
	2000	1,405	11.5	45	16.4
	1990	527 <sup>**+1</sup>	...	31 <sup>**+1</sup>	...
	1980	...	...	...	...
	1970	75 <sup>+1</sup>	na	25 <sup>+1</sup>	na
<b>Sub-Saharan Africa</b>					
Nigeria	2008	...	...	...	...
	2005	1,392	12.2	41	11.1
	2000	699 <sup>-1</sup>	7.6 <sup>-1</sup>	43 <sup>-1</sup>	12.4 <sup>-1</sup>
	1990	336 <sup>-1</sup>	12.6 <sup>-1</sup>	28 <sup>**,-1</sup>	...
	1980	115	18.0	...	...
	1970	22 <sup>**</sup>	na	15 <sup>**</sup>	na
South Africa	2008	...	...	...	...
	2005	735	2.7	55	2.4
	2000	645	3.9	55	6.2
	1990	439	...	44	...
	1980	...	...	...	...
	1970	83	na	...	na

a. Data before 1998 are classified according to ISCED 76. Data after 1998 are classified according to ISCED 97, with the exception that programs classified as postsecondary non-tertiary education with ISCED 97 were included in tertiary education using ISCED 76 in some countries in order to reduce the break in time series; enrollment data after 1998 include postsecondary non-tertiary education for those countries.

b. Data on postsecondary non-tertiary education (ISCED 4) are included in data for tertiary education for 2000 and 2005 to adjust for coverage of a country under ISCED 76.

\* National estimation

\*\* UIS estimation

-n or +n: data refers to the n year before or after the reference year.

Source: Global Education Digest 2009, UNESCO Institute for Statistics

**International (continued)**

Of the countries listed below, the U.S. and Russia enroll the greatest percentage of their total populations in postsecondary education, approximately 8%, followed by Chile 6%, and the U.K. 4.6%.

	<b>Postsecondary Enrollment</b>	<b>Population 15 yrs. and older</b>	<b>Percent Enrolled</b>
World	158,713,000	4,887,525,000	3.2%
U.S.	18,248,000	242,805,000	7.5%
China	26,692,000	1,069,441,000	2.5%
India	14,863,000	788,664,000	1.9%
Brazil	5,958,000	143,394,000	4.2%
Mexico	2,623,000	77,399,000	3.4%
Chile	753,000	12,567,000	6.0%
U.K.	2,329,000	50,849,000	4.6%
France	2,165,000	52,163,000	4.2%
Italy	2,034,000	50,216,000	4.1%
Spain	1,781,000	39,160,000	4.5%
Russia	9,446,000	120,091,000	7.9%

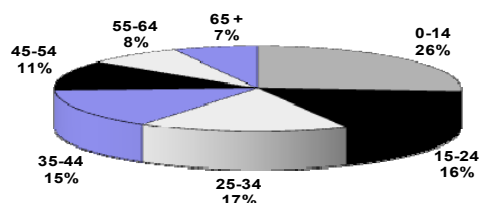
Source: Central Intelligence Agency, World Bank, UNESCO: population as of 2008, enrollment as of 2007.

## Brazil

<b>Country:</b>	Brazil
<b>Population:</b>	203,429,773
<b>Pop. growth rate:</b>	1.13%
<b>Pop. below poverty line:</b>	26%
<b>GDP:</b>	2.09 trillion
<b>Agriculture:</b>	6.1%
<b>Industry:</b>	26.4%
<b>Services:</b>	67.5%

<b>2006 Literacy Rate (15 and over can read and write)</b>	
Total Population	88.60%
Male	88.40%
Female	88.80%

Brazil's Population Breakdown - 2011



Note: Data are for 2010 and are stated on an actual basis unless otherwise noted.

Source: The World Bank, U.S. Census Bureau, and the Central Intelligence Agency

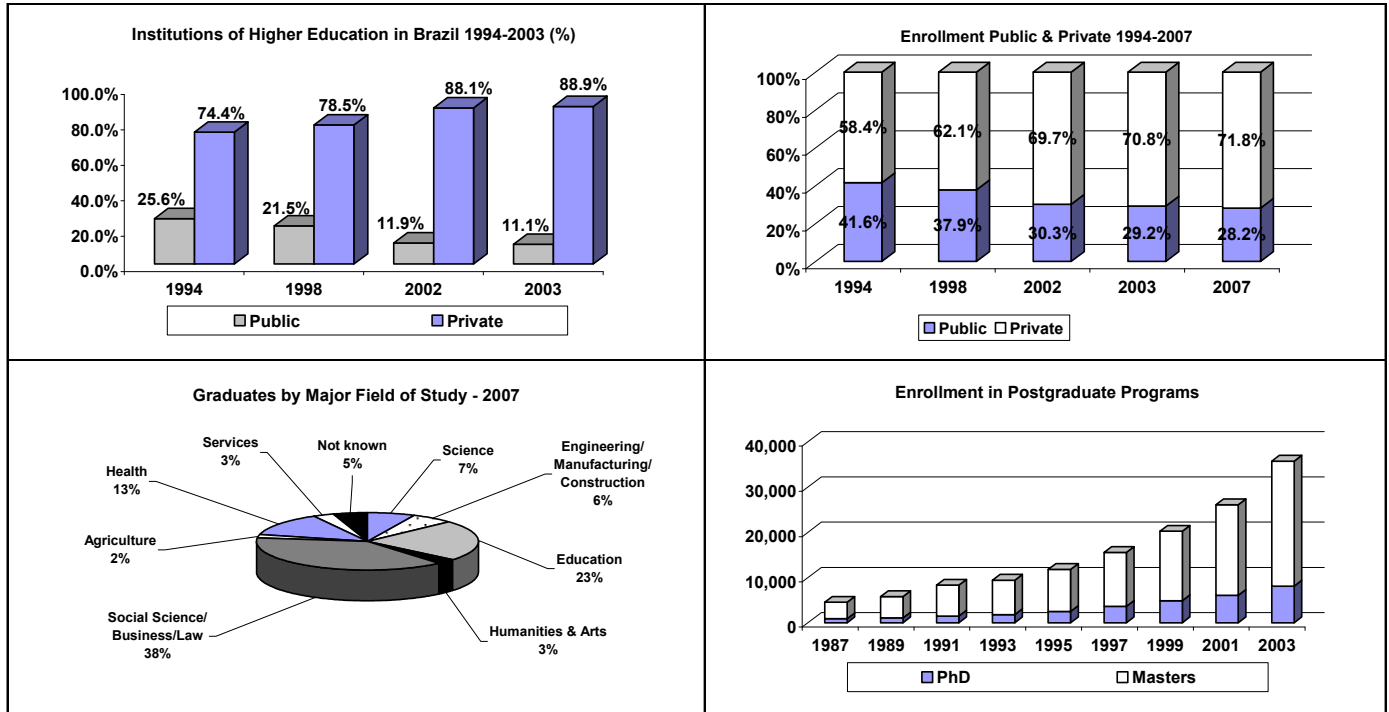
<b>Total Higher Education Institutions (2004)</b>	
Type	Total
Public:	207
Private: <i>For-Profit</i>	1,302
<i>Non -Profit</i>	350
<b>Total</b>	<b>1,859</b>

<b>Expense of Education in Brazil</b>		
	Public	Private
One Time Fee	\$18	NA
Tuition	\$0	\$6,300
Books and other	\$180	\$180
Lodging	\$3,240	\$3,240
Food	\$5,220	\$5,220
Transportation	\$900	\$900
Personal Expenses	\$1,200	\$1,200
<b>Total</b>	<b>\$10,758</b>	<b>\$17,040</b>

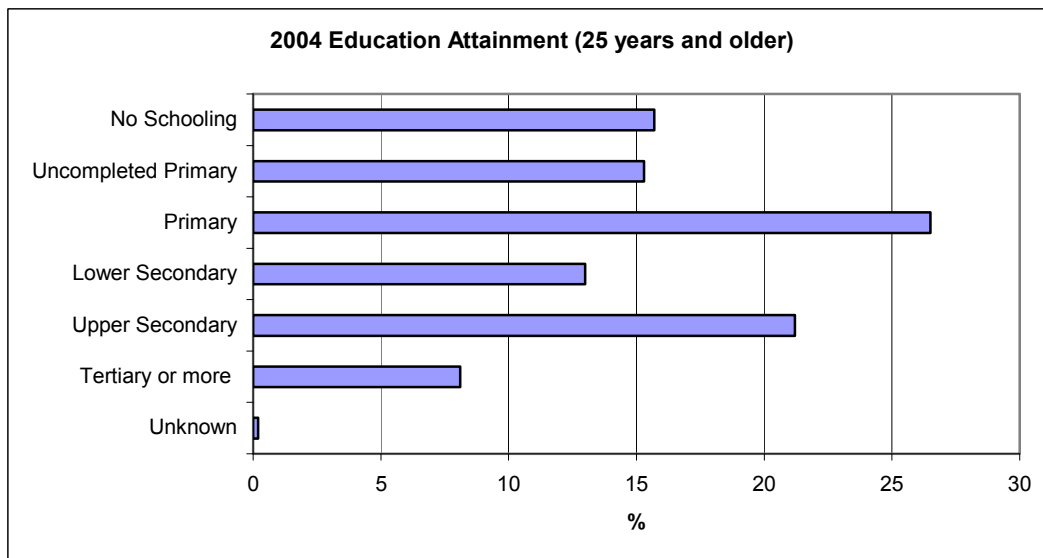
(undergraduate degree, single student not living with parents)

Source: MEC cited by Secretariat of Science, Technology and Higher Education The State of Parana "Supporting the Contribution of HEIs to Regional Development"

**Brazil – continued**



Source: MEC cited by Secretariat of Science, Technology and Higher Education The State of Parana "Supporting the Contribution of HEIs to Regional Development" and Global Education Digest 2009, UNESCO Institute for Statistics

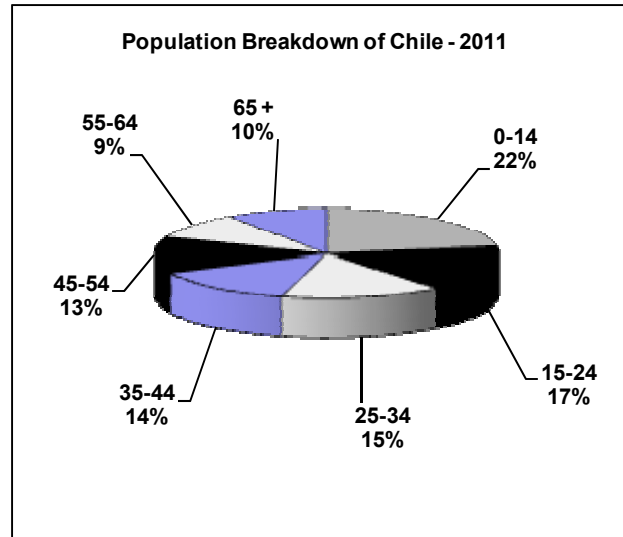


Source: Global Education Digest 2009, UNESCO Institute for Statistics

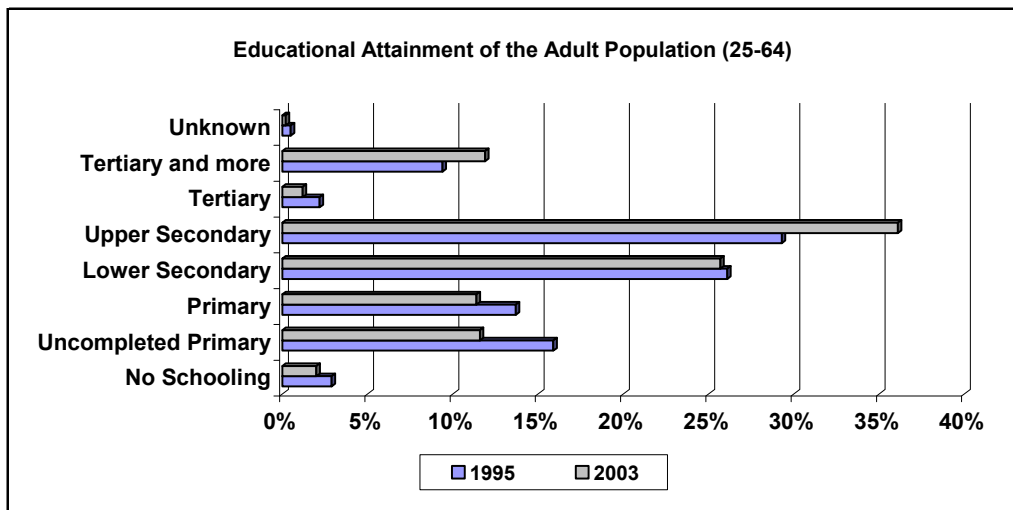
**Chile**

<b>Country:</b>	Chile
<b>Population:</b>	16,888,760
<b>Pop. growth rate:</b>	0.84%
<b>Pop. below poverty line:</b>	11.5%
<b>GDP:</b>	203.3 billion
<b>Agriculture:</b>	5.60%
<b>Industry:</b>	40.50%
<b>Services:</b>	53.90%

<b>2006 Literacy Rate (15 and over can read and write)</b>	
Total Population	95.70%
Male	95.80%
Female	95.60%

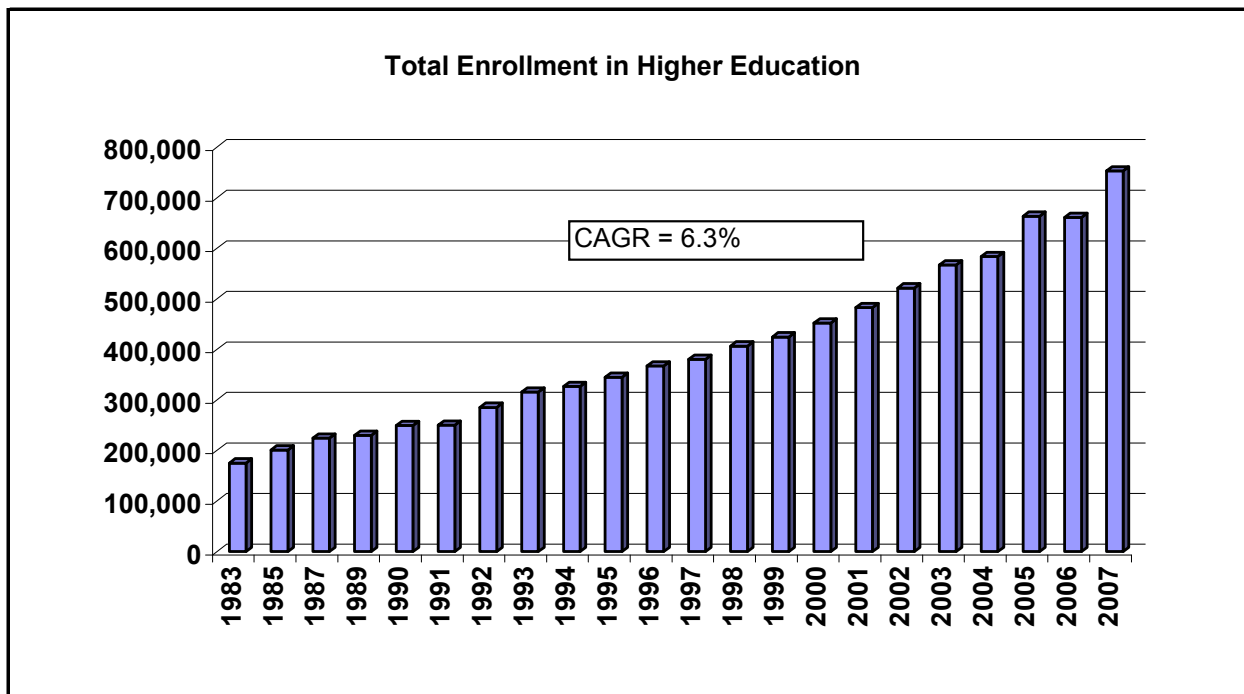


Note: Data are for 2009 and are stated on an actual basis unless otherwise noted.  
 Source: The World Bank, U.S. Census Bureau, the Central Intelligence Agency, and UNESCO

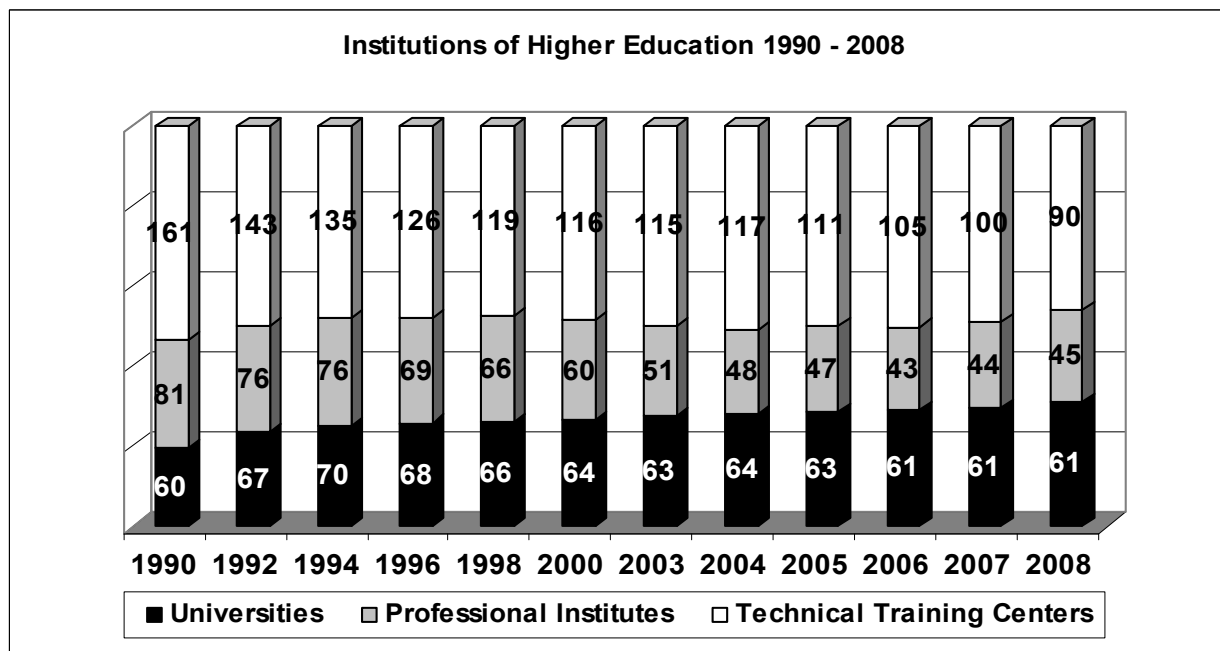


Source: UNESCO

Chile – continued

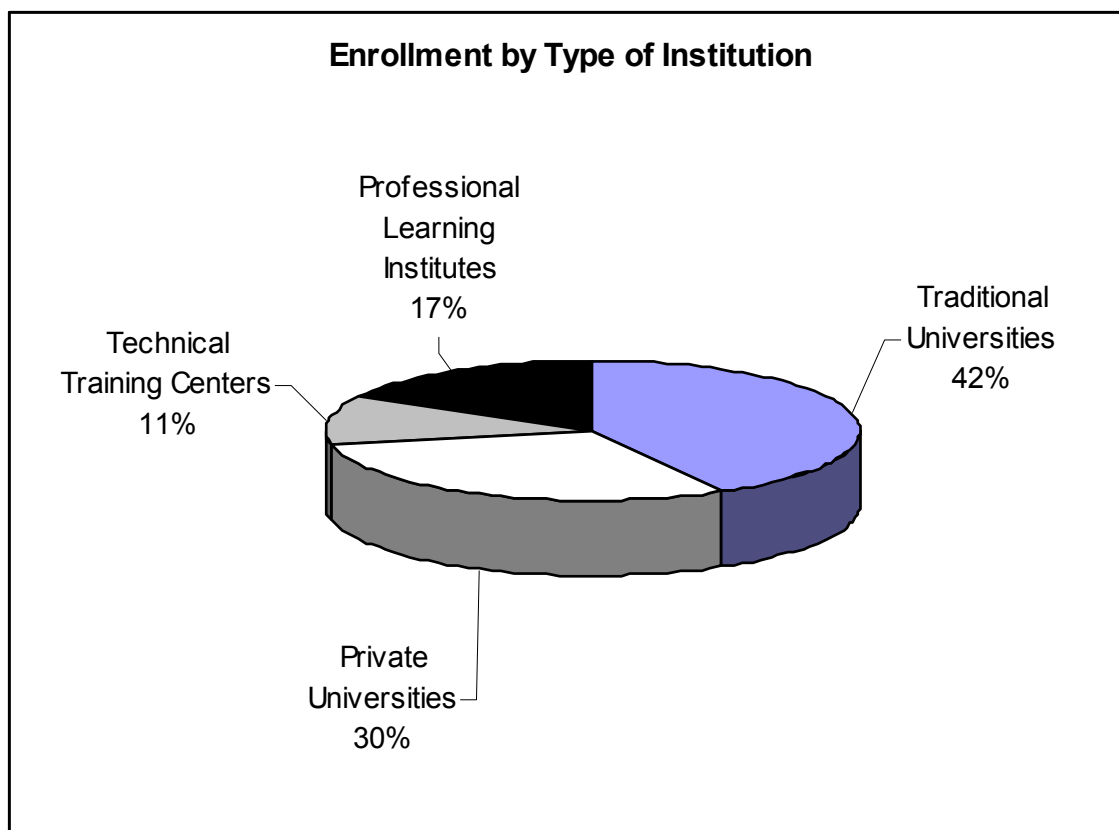


Source: Division Educacion Superior, Ministerio de Educacion and Global Education Digest 2009, UNESCO Institute for Statistics



Source: Division of Higher Education, Ministry of Education, Chile

Chile – continued



Source: Division of Higher Education, Ministry of Education, Chile

## Chile – continued

Private Universities by Enrollment				
Rank	Name	Total Male	Total Female	Total
1	Universidad de Las America	11,281	9,874	21,155
2	Universidad Nacional Andres Bello	8,311	8,936	17,247
3	Universidad Mayor	7,929	6,899	14,828
4	Universidad Diego Portales	5,714	5,434	11,148
5	Universidad del Mar	4,125	4,582	8,707
6	Universidad Santo Tomas	2,826	5,606	8,432
7	Universidad San Sebastian	3,105	5,164	8,269
8	Universidad de Arte y Ciencias Sociales Arcis	2,876	3,976	6,852
9	Universidad del Desarrollo	3,306	3,326	6,632
10	Universidad Autonoma del Sur	2,421	4,127	6,548
11	Universidad Central de Chile	3,517	2,984	6,501
12	Universidad Adolfo Ibanez	3,242	1,930	5,172
13	Universidad de Vina del Mar	2,512	2,197	4,709
14	Universidad Catolica Cardenal Raul Silva Henriquez	1,422	2,930	4,352
15	Universidad La Republica	1,800	1,982	3,782
16	Universidad de Los Andes	1,760	1,904	3,664
17	Universidad de Ciencias de la Informatica	1,516	2,022	3,538
18	Universidad Academia de Humanismo Cristiano	1,273	2,225	3,498
19	Universidad Finis Terrae	1,344	1,671	3,015
20	Universidad del Pacifico	1,173	1,533	2,706
21	Universidad Gabriela Mistral	1,336	1,315	2,651
22	Universidad de Artes, Ciencia y Comunicacion - UNIACC	1,332	1,116	2,448
23	Universidad Bolivariana	1,264	1,138	2,402
24	Universidad Bernardo O'Higgins	1,087	650	1,737
25	Universidad Alberto Hurtado	925	786	1,711
26	Universidad Iberoamericana de Ciencias y Tecnologia, UNICYT	780	614	1,394
27	Universidad Tecnologica Vicente Perez Rosales	928	428	1,356
28	Universidad Maritima de Chile	694	506	1,200
29	Universidad Adventista de Chile	527	639	1,166
30	Universidad Internacional Sek	267	502	769
31	Universidad de Aconcagua	195	173	368
32	Universidad Miguel de Cervantes	122	124	246
33	Universidad Regional San Marcos	84	61	145
34	Universidad de Rancagua	47	74	121
35	Universidad Europea de Negocios	5	1	6
<b>Total</b>		<b>81,046</b>	<b>87,429</b>	<b>168,475</b>

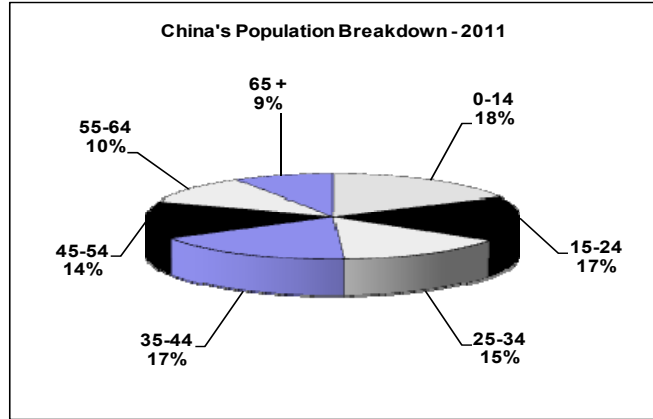
Source: Division Education Superior, Ministry of Education, Chile



## China

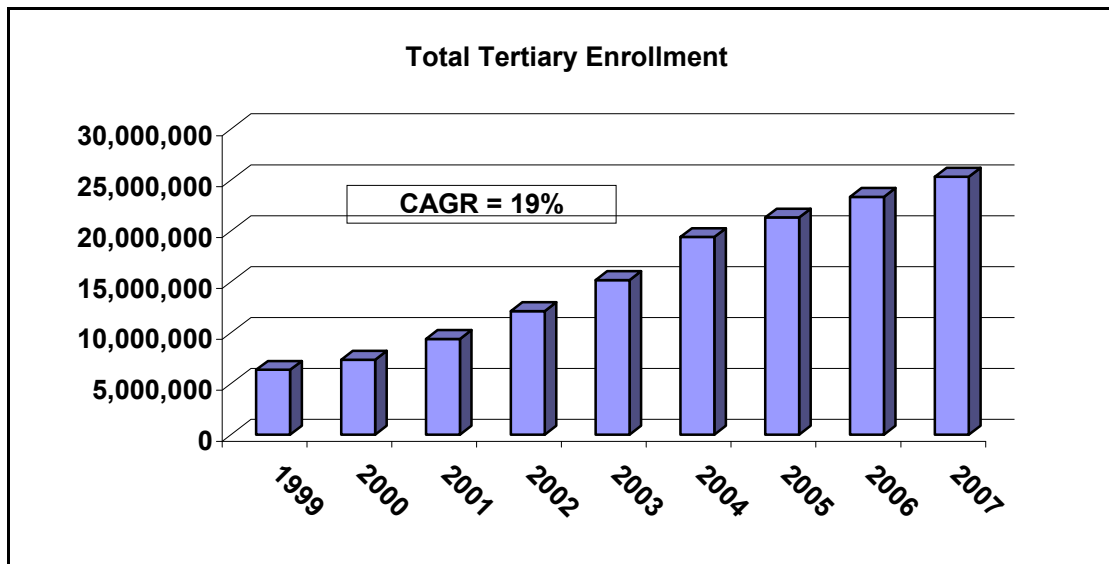
<b>Country:</b>	China
<b>Population:</b>	1,336,718,015
<b>Pop. growth rate:</b>	0.49%
<b>Pop. below poverty line:</b>	2.80%
<b>GDP:</b>	5.878 trillion
<b>Agriculture:</b>	9.60%
<b>Industry:</b>	46.80%
<b>Services:</b>	43.60%

<b>2008 Literacy Rate (15 and over can read and write)</b>	
Total Population	92.20%
Male	96.00%
Female	88.50%



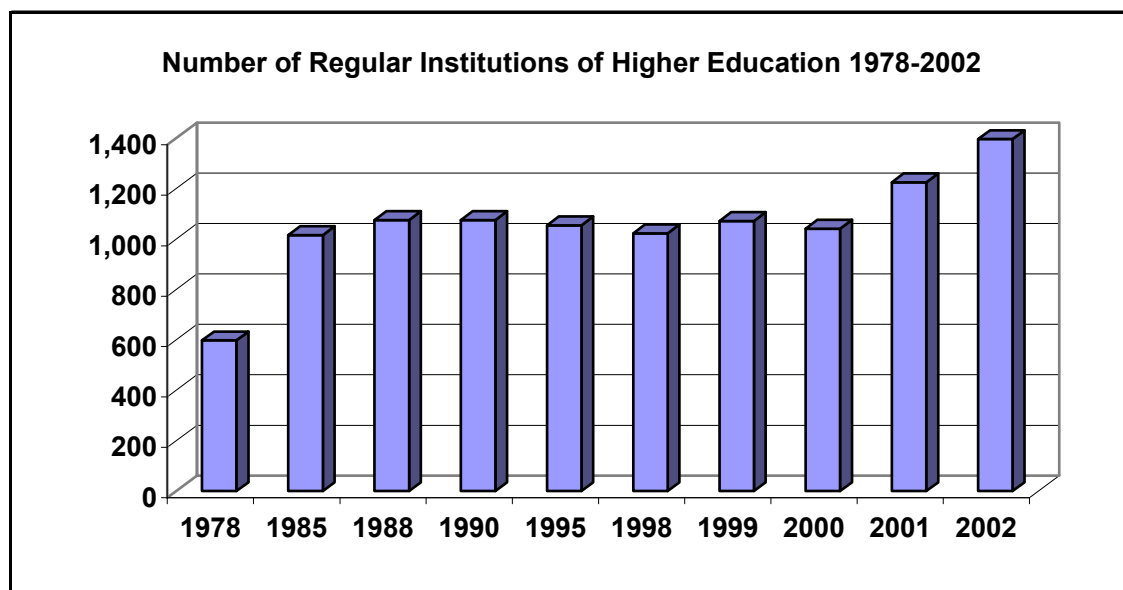
Note: Data are for 2009 and are stated on an actual basis unless otherwise noted.

Source: U.S. Census Bureau, China Education and Research Network and the Central Intelligence Agency



Source: UNESCO

China – continued

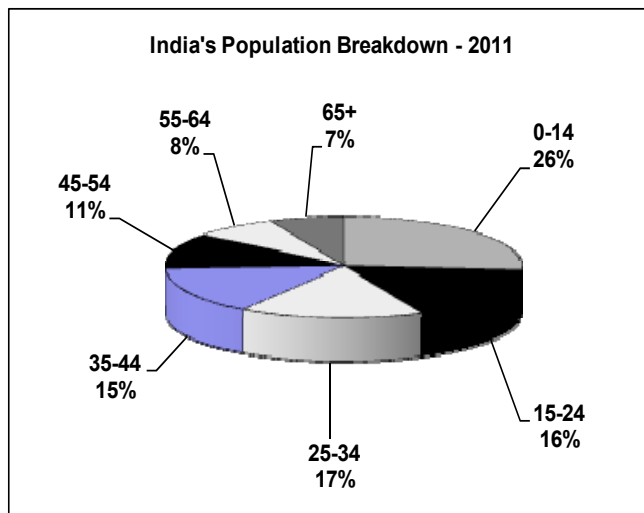


Source: China Ministry of Education via [www.edu.cn](http://www.edu.cn)

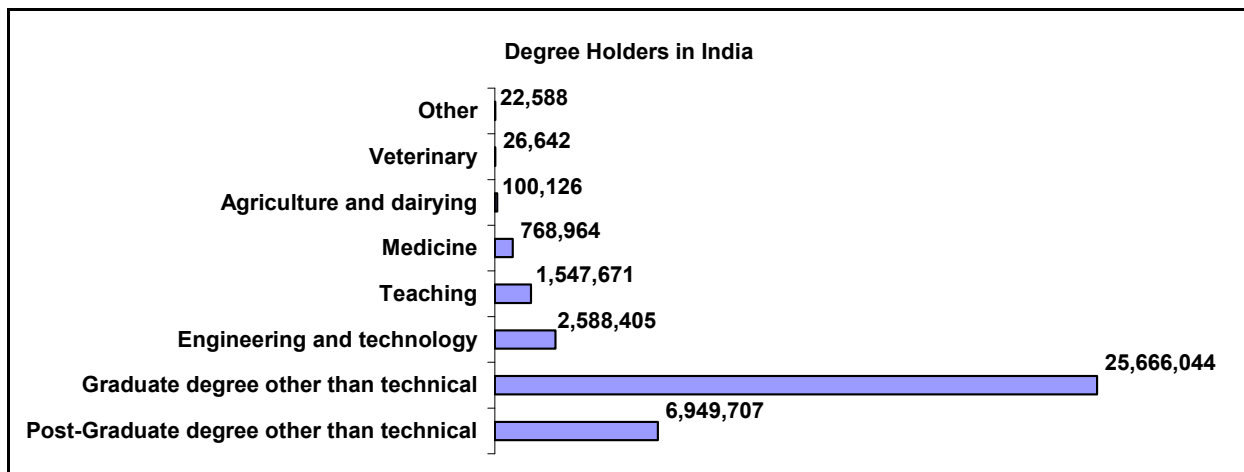
**India**

<b>Country:</b>	India
<b>Population:</b>	203,429,773
<b>Pop. growth rate:</b>	1.344%
<b>Pop. below poverty line:</b>	25%
<b>GDP:</b>	1.538 trillion
<b>Agriculture:</b>	16.1%
<b>Industry:</b>	28.6%
<b>Services:</b>	55.3%

<b>2006 Literacy Rate (15 and over can read and write)</b>	
Total Population	61.00%
Male	73.40%
Female	47.80%

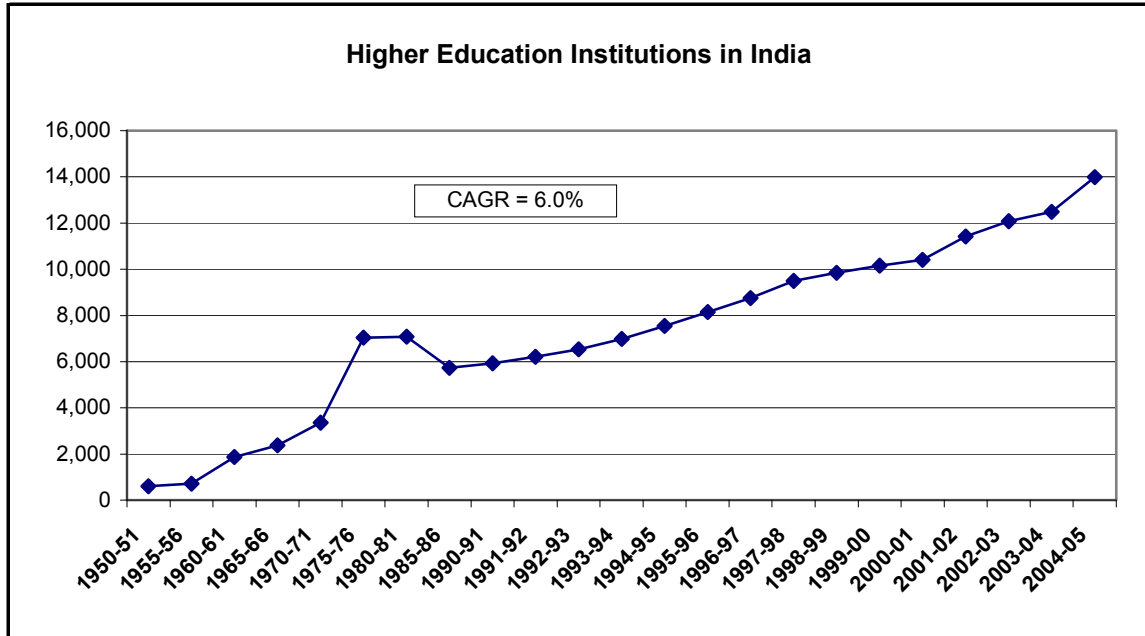


Note: Data are for 2009 and are stated on an actual basis unless otherwise noted.  
 Source: U.S. Census Bureau, Ministry of Education-India, the Central Intelligence Agency, and UNESCO

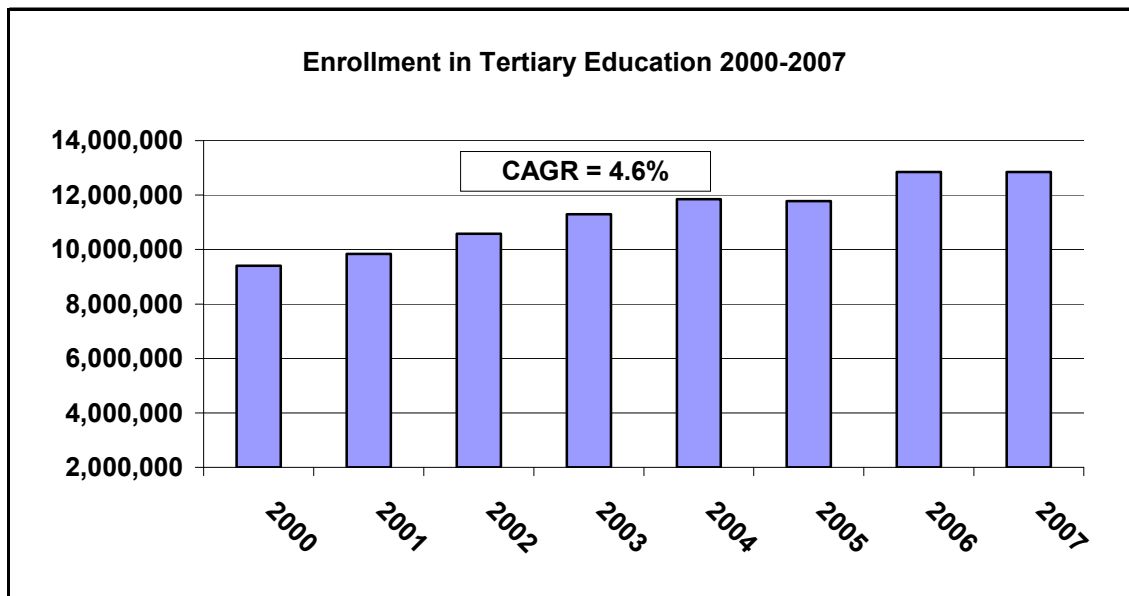


Source: India Census 2001

India – continued



Source: Ministry of Education, India



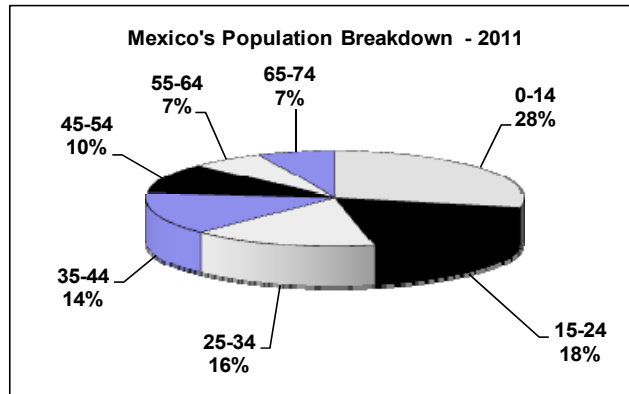
Source: UNESCO

**Mexico**

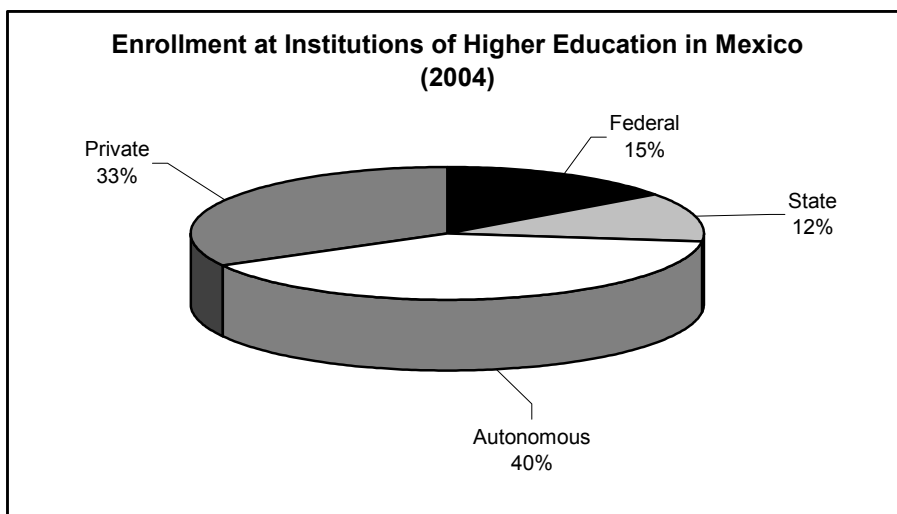
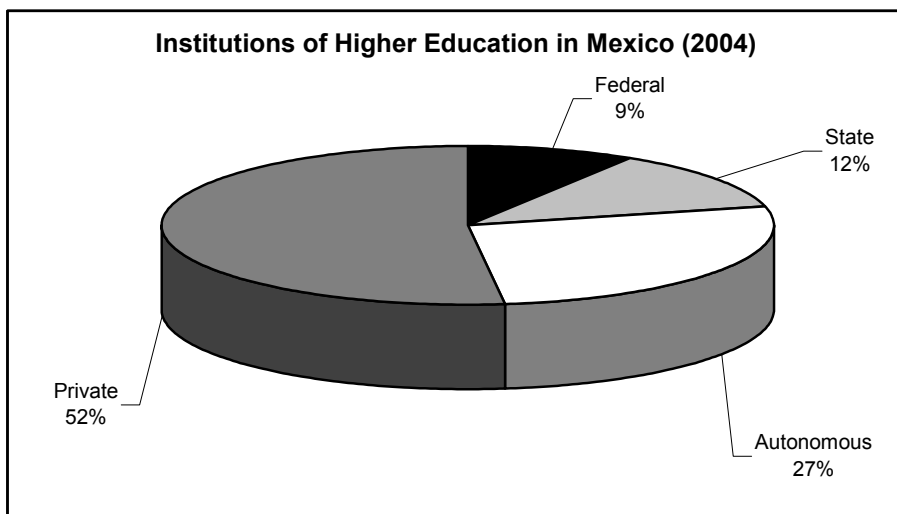
<b>Country:</b>	Mexico
<b>Population:</b>	113,724,226
<b>Pop. growth rate:</b>	1.102%
<b>Pop. below poverty line:</b>	18%
<b>GDP:</b>	1.039 trillion
<b>Agriculture:</b>	4.20%
<b>Industry:</b>	33.30%
<b>Services:</b>	62.50%

**2006 Literacy Rate (15 and over can read and write)**

Total Population	91.0%
Male	92.4%
Female	89.6%

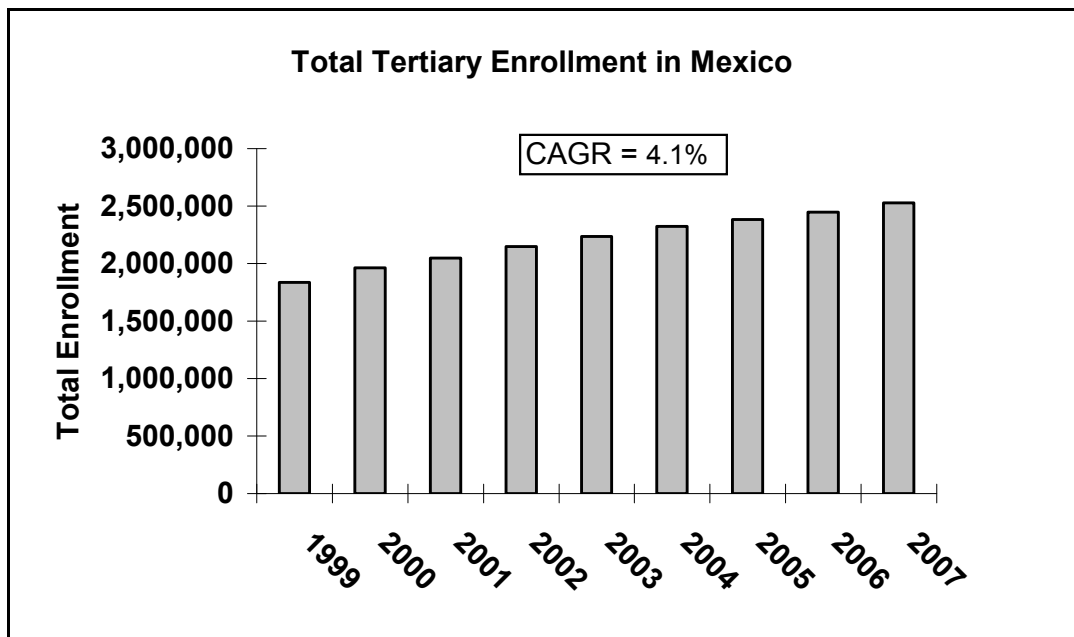


Note: Data are for 2009 and are stated on an actual basis unless otherwise noted.  
 Source: *The World Bank, U.S. Census Bureau, the Central Intelligence Agency, and UNESCO*

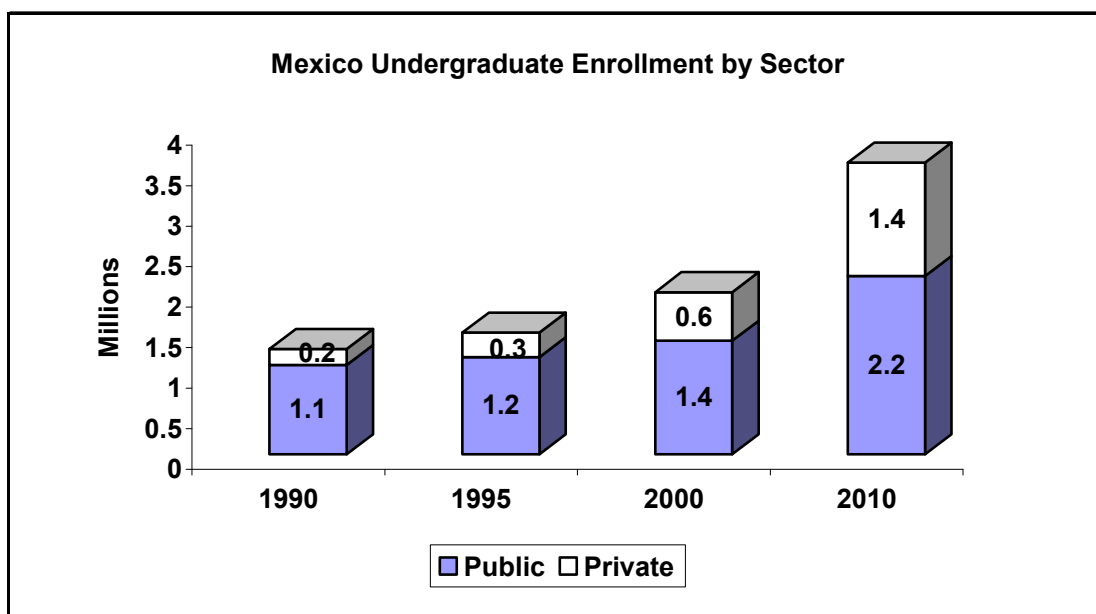


Source: *Sistema Educativo de los Estados Unidos Mexicanos*

Mexico – continued

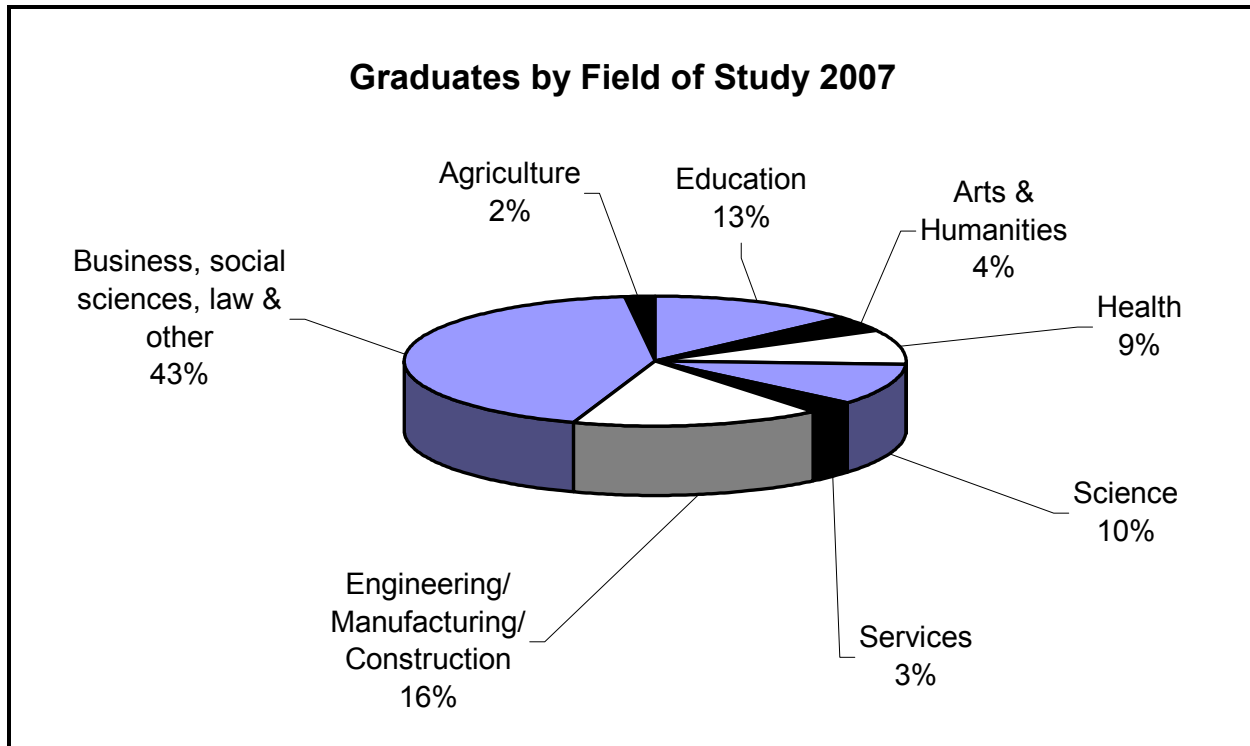


Source: UNESCO



Source: Secretaria de Educacion Publica, Valora Consultoria

Mexico – continued



Source: *Global Education Digest 2009*, UNESCO Institute for Statistics

## International Degrees Conferred: 2004

Country	Total number of degrees conferred	Education	Arts and humanities	Health	Sciences, mathematics, computer science & engineering					Business, social sciences, law, and other
					Total	Physical and biological sciences	Mathematics	Computer Science	Engineering	
Australia	209,115	11.7%	11.1%	13.2%	21.8%	5.4%	0.5%	8.9%	7.0%	42.2%
Austria	23,071	9.8%	10.6%	8.5%	26.8%	5.7%	0.7%	4.9%	15.6%	44.3%
Belgium	38,304	7.8%	14.1%	12.9%	23.0%	7.9%	1.0%	2.7%	11.5%	42.1%
Canada	177,433	13.9%	13.9%	9.6%	19.4%	6.8%	1.2%	3.6%	7.8%	43.2%
Czech Republic	46,097	23.7%	8.4%	6.3%	24.5%	4.3%	0.8%	2.8%	16.6%	37.1%
Denmark	39,236	9.7%	15.4%	28.6%	18.3%	3.9%	1.7%	3.2%	9.6%	27.9%
Finland	38,819	7.4%	12.5%	19.2%	29.9%	3.8%	0.8%	4.4%	20.8%	30.9%
France	412,346	9.3%	16.9%	2.7%	28.6%	10.6%	2.5%	3.0%	12.4%	42.6%
Germany	219,746	7.6%	14.6%	14.2%	30.8%	7.7%	1.7%	4.9%	16.5%	32.9%
Greece	35,779	17.7%	17.1%	1.7%	27.6%	13.6%	4.4%	4.4%	5.2%	35.8%
Hungary	72,652	23.9%	9.9%	7.3%	9.5%	1.3%	0.1%	1.9%	6.3%	49.3%
Iceland	2,600	24.5%	11.2%	10.7%	16.9%	5.0%	0.6%	5.8%	5.6%	36.7%
Ireland	37,069	9.2%	13.9%	12.4%	23.4%	6.7%	0.9%	7.0%	8.7%	41.1%
Italy	321,284	8.5%	12.2%	15.5%	22.9%	4.8%	1.5%	1.2%	15.5%	40.9%
Japan	646,983	5.6%	17.8%	6.3%	25.0%	4.8%	*	*	20.2%	45.3%
Korea	303,559	5.3%	20.5%	8.2%	38.6%	6.4%	1.8%	3.3%	27.1%	27.4%
Mexico	324,013	16.1%	3.7%	8.5%	25.4%	2.7%	0.5%	7.7%	14.6%	46.3%
Netherlands	96,890	17.4%	6.9%	18.9%	16.1%	3.1%	0.4%	3.7%	9.0%	40.7%
New Zealand	38,730	12.5%	15.9%	14.1%	18.6%	6.6%	1.1%	6.0%	4.9%	39.0%
Norway	30,476	19.1%	6.5%	25.9%	16.2%	1.9%	0.3%	5.7%	8.3%	32.3%
Poland	479,458	12.3%	6.4%	2.3%	12.1%	1.8%	0.6%	2.7%	7.1%	66.8%
Portugal	4,649	12.2%	12.3%	5.5%	34.7%	12.9%	4.8%	4.5%	12.5%	35.3%
Slovak Republic	32,537	16.8%	5.4%	10.3%	26.0%	5.4%	0.7%	4.0%	15.9%	41.4%
Spain	210,603	13.6%	9.9%	13.0%	24.9%	5.1%	1.0%	3.9%	14.9%	38.6%
Sweden	54,504	16.7%	5.4%	25.8%	28.6%	4.5%	0.7%	3.2%	20.3%	23.5%
Switzerland	28,549	8.3%	12.5%	10.0%	25.1%	7.9%	0.9%	3.4%	13.0%	44.1%
Turkey	215,603	25.1%	7.1%	7.4%	17.3%	5.1%	2.0%	1.0%	9.3%	43.1%
<b>United States</b>	<b>2,089,901</b>	<b>13.2%</b>	<b>15.5%</b>	<b>7.6%</b>	<b>16.0%</b>	<b>4.9%</b>	<b>0.9%</b>	<b>3.9%</b>	<b>6.4%</b>	<b>47.7%</b>

\* Included in 'Science'

Source: U.S. Department of Education: The Condition of Education 2007 and Organization for Economic Cooperation and Development (OECD), Center for Educational Research and Innovation



## Appendix: Cohort Default Rates – Detail

For-Profit Postsecondary Education (Publicly traded)\*  
Default Rate Comparison

Company	2-Year			3-Year		
	FY07	FY08	FY09	FY06	FY07	FY08
<b>American Public Education</b>						
American Public University System	0.0%	5.2%	4.0%	0.0%	3.3%	11.1%
<b>Apollo Group</b>						
University of Phoenix	9.3%	12.9%	18.8%	10.3%	15.8%	21.2%
Western International University	18.5%	10.7%	9.3%	38.9%	26.5%	16.3%
<b>Bridgepoint Education</b>						
Ashford University	13.3%	13.3%	15.3%	6.1%	17.4%	20.0%
University of the Rockies	0.0%	2.5%	3.3%	0.0%	0.0%	2.6%
<b>Capella Education</b>						
Capella University	2.5%	3.3%	6.7%	3.7%	5.5%	6.5%
<b>Career Education</b>						
American InterContinental University	10.4%	12.3%	18.7%	16.2%	19.7%	23.8%
Briarcliffe College	8.5%	12.1%	14.3%	14.7%	17.1%	23.7%
Brooks Institute of Photography	0.3%	4.4%	10.6%	4.2%	6.7%	14.4%
Brown College	4.9%	3.4%	12.9%	14.1%	14.9%	15.0%
California Culinary Academy	4.1%	2.4%	12.0%	9.4%	9.4%	18.2%
Colorado Technical University	10.9%	12.4%	16.4%	23.8%	22.3%	25.6%
Gibbs College - Boston	11.2%	11.4%	14.2%	23.8%	24.6%	31.9%
Harrington Institute of Interior Design	2.9%	4.1%	8.0%	5.3%	7.7%	14.9%
Intl Academy of Design & Tech - Chicago	6.0%	7.7%	17.6%	17.0%	15.7%	26.3%
Intl Academy of Design & Tech - Nashville	6.0%			20.1%	19.6%	
Intl Academy of Design & Tech - Tampa	7.7%	8.3%	16.1%	15.2%	17.2%	23.5%
Katharine Gibbs Schools - New York	14.2%			26.0%	32.6%	
Le Cordon Bleu College of Culinary Arts of Chicago	5.9%	3.5%	18.1%		12.1%	24.1%
Le Cordon Bleu College of Culinary Arts (Pasadena)	3.2%	2.0%	9.6%		8.4%	18.8%
Le Cordon Bleu College of Culinary Arts (Pittsburgh)	6.3%	6.5%	11.4%		15.6%	24.9%
Le Cordon Bleu College of Culinary Arts (Portland)	5.9%	5.5%	12.0%		12.5%	24.4%
Le Cordon Bleu College of Culinary Arts (Scottsdale)	6.7%	4.8%	12.2%		17.0%	25.4%
Le Cordon Bleu College of Culinary Arts (Texas)	7.2%	6.7%	15.9%			26.3%
Sanford-Brown College - Atlanta	8.9%	9.8%	18.5%	21.4%	20.8%	27.2%
Sanford-Brown Institute - Cranston, RI	11.0%	13.6%		20.0%	25.6%	35.5%
Sanford-Brown Institute - Dallas	9.0%	12.5%	16.2%	18.3%	19.7%	29.9%
Sanford-Brown Institute - White Plains	13.0%	9.2%	15.2%	25.5%	24.6%	25.3%
Sanford-Brown College - Farmington, CT	10.9%	13.0%	12.6%		24.9%	31.8%
Sanford-Brown College - Fenton	7.4%	6.9%	16.2%	20.2%	23.0%	24.1%
Sanford-Brown Institute - Jacksonville	7.9%	7.9%	16.7%	16.3%	20.5%	23.0%
SBI Campus - Melville	11.0%	13.6%	15.5%	21.0%	21.9%	
Sanford-Brown Institute - Pittsburgh	9.4%	6.5%	15.0%	20.7%	22.3%	18.1%
Sanford-Brown College - McLean, VA	12.3%	10.1%	18.9%	27.4%	25.3%	29.0%
Texas Culinary Academy	7.2%	6.7%		19.8%	13.3%	
<b>Corinthian Colleges</b>						
Everest College - Alhambra	13.5%	18.6%	22.8%	29.5%	29.3%	35.6%
Everest College - Anaheim	9.8%	15.0%	21.6%	21.8%	21.7%	30.4%
Everest College - Bremerton	13.0%	13.5%	20.1%	20.6%	24.6%	27.3%
Everest College - Colorado Springs	15.7%	19.9%	21.1%	26.7%	32.5%	34.5%
Everest College - Gardena	18.1%	18.2%	21.8%	29.1%	32.2%	37.8%
Everest College - Hayward	14.7%	20.5%	26.8%	32.5%	30.2%	37.8%
Everest College - Henderson, NV	15.6%	22.7%	25.5%		31.0%	38.8%
Everest College - Los Angeles	16.9%	24.9%	27.6%	32.0%	36.0%	44.7%

Source: U.S. Department of Education

## Cohort Default Rates

**For-Profit Postsecondary Education (Publicly traded)\***  
**Default Rate Comparison**

Company	2-Year			3-Year		
	FY07	FY08	FY09	FY06	FY07	FY08
<b>Corinthian Colleges</b>						
Everest College - Newport News	14.6%	20.8%	27.1%	31.6%	30.3%	38.9%
Everest College - Ontario	12.6%	16.9%	23.6%	30.0%	30.0%	34.5%
Everest College - Phoenix	13.0%	20.4%	22.5%	26.3%	30.1%	36.6%
Everest College - Portland	18.5%	23.3%	25.5%	30.4%	34.9%	39.6%
Everest College - Renton	16.8%	25.2%	29.8%	26.4%	33.2%	43.2%
Everest College - Reseda	11.7%	13.0%	18.8%	25.3%	22.7%	32.8%
Everest College - Salt Lake City	17.2%	24.7%	21.8%	29.8%	31.5%	40.0%
Everest College - San Bernardino	20.0%	31.1%	20.9%	33.1%	37.1%	44.9%
Everest College - San Francisco	15.5%	19.1%	23.3%	30.7%	31.6%	36.9%
Everest College - San Jose	10.1%	12.4%	20.2%	25.2%	23.3%	37.0%
Everest College - Seattle	10.4%	11.8%	15.5%	17.8%	19.0%	21.8%
Everest College - Skokie	11.7%	16.0%	18.3%	23.4%	24.6%	29.8%
Everest College - Springfield	16.8%	27.5%	25.0%	32.0%	33.3%	40.5%
Everest College - Thornton	19.6%	26.2%	27.7%	33.5%	36.2%	45.3%
Everest College - Torrance	12.3%	18.1%	17.9%	26.4%	29.3%	34.8%
Everest Institute - Brighton	13.4%	17.9%	21.9%	26.6%	27.1%	33.0%
Everest Institute - Cross Lanes	14.8%	20.2%	24.2%	28.8%	31.8%	41.1%
Everest Institute - Grand Rapids	12.8%	19.3%	19.5%	24.4%	26.4%	35.0%
Everest Institute - Miami	18.1%	22.4%	24.4%	30.1%	34.1%	41.0%
Everest Institute - Miami	20.0%	27.6%	17.3%	29.2%	36.7%	44.3%
Everest Institute - Pittsburgh	20.1%	22.8%	25.5%	31.1%	32.0%	37.5%
Everest Institute - Rochester	21.4%	25.7%	26.2%	35.2%	37.2%	45.3%
Everest Institute - San Antonio	22.3%	35.2%	29.7%	42.9%	42.8%	54.5%
Everest Institute - Southfield	18.6%	24.6%	25.2%	35.5%	36.8%	44.9%
Everest University - Largo, FL	18.6%	23.4%	22.3%	26.7%	34.8%	37.9%
Everest University - Orlando	12.6%	17.0%	22.2%	20.3%	26.4%	33.6%
Everest University - Pompano Beach	11.7%	16.0%	19.1%	19.9%	23.7%	30.3%
Everest University - Tampa	12.2%	13.6%	19.2%	23.2%	26.2%	33.6%
National Institute of Tech - Cuyahoga Falls	12.9%			18.5%	21.9%	
Wyoming Technical Institute	5.0%	6.2%	13.9%	8.5%	11.0%	17.8%
Wyo-Tech - Fremont	13.9%	17.1%	24.6%	20.9%	23.1%	30.8%
Wyo-Tech - Long Beach	17.1%	21.1%	27.4%	35.4%	32.3%	40.7%
Wyo-Tech - Ormand Beach	6.9%	29.2%	21.6%	13.1%	22.5%	38.9%
Heald College - San Fransisco, CA	7.4%	10.8%	10.5%	16.0%	14.1%	21.9%
Heald College - Rancho Cordova, CA	13.1%	8.8%	8.6%	23.0%	22.8%	23.5%
Heald College - Fresno, CA	16.0%	15.2%	13.0%	26.1%	18.0%	28.5%
Heald College - Hayward, CA	8.8%	8.9%	5.6%	21.8%	17.3%	23.4%
Heald College - Concord, CA	11.1%	7.2%	10.9%	19.8%	20.1%	20.0%
Heald College - Roseville, CA	9.7%	8.8%	9.5%	18.1%	19.6%	18.1%
Heald College - Milpitas, CA	12.0%	9.3%	9.7%	21.0%	23.9%	23.7%
Heald College - Stockton, CA	10.1%	9.5%	11.4%	17.0%	23.4%	25.8%
Heald College - Salinas, CA	10.2%	9.0%	10.4%	16.4%	24.9%	23.1%

Source: U.S. Department of Education

## Cohort Default Rates

**For-Profit Postsecondary Education (Publicly traded)\***  
**Default Rate Comparison**

Company	2-Year			3-Year		
	FY07	FY08	FY09	FY06	FY07	FY08
<b>DeVry</b>						
DeVry University	9.0%	10.2%	14.2%	13.8%	17.1%	19.7%
Keller Graduate School of Management	2.7%	2.6%	3.9%	3.5%	4.7%	5.2%
Chamberlain College of Nursing	2.9%	1.7%	3.3%	5.0%	4.1%	7.3%
Ross University, School of Medicine	0.2%	0.2%	0.5%	0.1%	0.6%	0.8%
Ross University School of Veterinary Medicine	0.0%	0.0%	0.0%	0.3%	0.0%	
Carrington College - Boise, ID	1.7%	2.7%	8.6%			
Carrington College - Phoenix, AZ	8.5%	8.8%	13.8%		18.8%	16.9%
Carrington College - Portland, OR	6.7%	4.4%	7.7%			
Carrington College California	10.2%	13.6%	16.7%	23.8%	24.4%	28.0%
<b>Education Management</b>						
Argosy University - Atlanta, GA	2.8%	2.9%	5.4%	2.3%	5.3%	5.7%
The Art Institute of Atlanta	7.0%	7.8%	16.0%	11.3%	15.7%	18.9%
The Art Institute of Cincinnati	0.0%	6.2%	18.4%	2.5%	2.5%	12.5%
The Art Institute of California - Hollywood	1.7%	7.9%	15.3%	12.2%	13.0%	19.3%
The Art Institute of California - Los Angeles	4.9%	4.1%	9.8%	9.8%	9.5%	11.7%
The Art Institute of California - San Diego	4.9%	6.4%	11.2%	8.7%	8.6%	14.5%
The Art Institute of Charlotte	11.1%	9.9%	14.0%	13.3%	17.6%	15.1%
The Art Institute of Colorado	6.7%	4.7%	9.9%	10.6%	12.6%	11.9%
The Art Institute of Dallas	8.9%	7.4%		13.7%	15.2%	19.1%
The Art Institute of Fort Lauderdale	9.9%	6.0%	13.0%	11.6%	18.1%	14.9%
The Art Institute of Houston	11.4%	8.5%	14.0%	17.0%	21.9%	20.4%
The Art Institute of Las Vegas	8.8%	6.2%		14.3%	15.9%	15.1%
The Art Institute of New York City	8.1%	8.1%	17.6%	19.1%	15.9%	20.5%
The Art Institute of Philadelphia	7.4%	6.1%	15.2%	12.0%	15.2%	18.2%
The Art Institute of Phoenix	13.0%	11.6%	16.3%	0.0%	11.7%	20.3%
The Art Institute of Pittsburgh	6.8%	7.9%	15.4%	10.0%	13.0%	17.5%
The Art Institute of Portland	5.3%	2.9%	6.4%	7.1%	8.4%	6.7%
The Art Institute of Seattle	6.0%	5.0%	8.6%	9.8%	10.6%	12.6%
The Art Institute of Tuscon	14.4%	11.2%		12.1%	30.9%	24.3%
The Art Institute of York, PA	4.4%	5.5%	6.8%	8.7%	7.6%	10.5%
The Art Institutes International Minnesota	5.7%	4.7%	8.4%	8.3%	10.0%	10.8%
Brown Mackie College - Cincinnati	13.0%	11.6%		23.8%	26.9%	25.0%
Brown Mackie College - Findlay	14.0%	11.7%		16.6%	22.8%	23.1%
Brown Mackie College - Salina	14.4%	11.2%	13.4%	24.3%	25.4%	22.6%
Brown Mackie College - South Bend	11.4%	10.2%		19.9%	22.2%	20.2%
Brown Mackie College - Tuscon	12.5%	12.6%		16.5%	27.0%	33.3%
Illinois Institute of Art	8.5%	7.4%	10.4%	9.3%	12.1%	12.0%
Miami International University	9.4%	6.5%	14.2%	13.6%	16.2%	18.2%
New England Institute of Art	3.5%	3.0%	10.1%	7.3%	11.1%	12.4%
South University	7.6%	7.9%	13.5%	15.2%	16.4%	16.6%
Western State University College of Law	0.5%	1.3%	0.6%	2.1%	2.6%	2.7%
<b>Grand Canyon Education</b>						
Grand Canyon University	1.4%	3.4%	9.2%	2.7%	2.9%	7.4%

Source: U.S. Department of Education

## Cohort Default Rates

**For-Profit Postsecondary Education (Publicly traded)\***  
**Default Rate Comparison**

Company	2-Year			3-Year		
	FY07	FY08	FY09	FY06	FY07	FY08
<b>ITT Educational Services</b>						
ITT Technical Institute - Anaheim	9.8%	9.3%		12.6%	19.5%	24.1%
ITT Technical Institute - Arlington	12.3%	13.4%		28.4%	27.9%	31.7%
ITT Technical Institute - Boise	11.2%	12.5%		18.7%	23.3%	30.1%
ITT Technical Institute - Dayton	13.0%	14.5%		19.8%	26.5%	27.6%
ITT Technical Institute - Earth City	13.0%	13.6%		23.5%	26.5%	29.3%
ITT Technical Institute - Fort Wayne	9.7%	13.0%		16.9%	21.2%	28.7%
ITT Technical Institute - Wyoming, MI	11.3%	11.4%		20.5%	24.6%	26.6%
ITT Technical Institute - Greenfield	11.3%	11.3%		19.7%	23.5%	23.2%
ITT Technical Institute - Indianapolis	10.3%	10.9%	22.6%	17.9%	20.9%	23.3%
ITT Technical Institute - Knoxville	13.5%	15.4%		24.6%	27.3%	30.9%
ITT Technical Institute - Lake Mary	13.4%	11.9%		21.6%	26.8%	24.1%
ITT Technical Institute - Murray	10.8%	10.8%		18.3%	22.3%	23.9%
ITT Technical Institute - Nashville	12.2%	12.9%		22.3%	26.9%	28.0%
ITT Technical Institute - Newburgh	9.5%	12.3%		20.1%	22.2%	28.0%
ITT Technical Institute - Portland	13.0%	13.3%		25.3%	24.5%	26.3%
ITT Technical Institute - Rancho Cordova	9.5%	9.4%		17.4%	19.2%	24.6%
ITT Technical Institute - San Antonio	15.2%	10.9%		23.7%	30.2%	28.0%
ITT Technical Institute - San Bernardino	9.8%	14.9%		19.2%	23.1%	29.4%
ITT Technical Institute - San Diego	9.8%	11.4%		16.2%	20.0%	22.7%
ITT Technical Institute - San Dimas	11.4%	9.5%		18.7%	23.5%	24.0%
ITT Technical Institute - Seattle	9.3%	9.6%		22.5%	21.5%	17.4%
ITT Technical Institute - Spokane	9.3%	9.6%	18.4%	16.2%	18.3%	22.0%
ITT Technical Institute - Sylmar	10.7%	10.4%		15.8%	22.1%	22.4%
ITT Technical Institute - Tampa	10.6%	12.9%		21.0%	23.5%	27.2%
ITT Technical Institute - Tempe	14.5%	15.3%		21.3%	27.3%	29.2%
ITT Technical Institute - Thornton	12.3%	12.0%		26.1%	27.3%	27.9%
ITT Technical Institute - Torrance	12.7%	15.0%		24.5%	29.2%	31.1%
ITT Technical Institute - Tucson	13.2%	13.2%		20.3%	23.9%	27.9%
ITT Technical Institute - Youngstown	14.9%	10.2%		18.6%	27.4%	24.3%
Daniel Webster College	2.7%	3.5%	3.6%	3.5%	4.1%	6.5%
<b>Lincoln Educational Services</b>						
Lincoln College of New England	21.9%	18.5%	10.5%			23.0%
Lincoln College of Technology - Columbia	12.5%	13.7%	17.9%	24.6%	26.7%	26.9%
Lincoln College of Technology - Dayton	13.4%	20.2%	23.3%	23.7%	26.5%	
Lincoln College of Technology - Denver	10.9%	11.6%	26.0%	21.7%	20.5%	24.4%
Lincoln College of Technology - Grand Prairie	21.9%	26.3%	35.2%	37.0%	36.6%	41.5%
Lincoln College of Technology - Indianapolis	13.0%	11.9%	18.8%	22.2%	25.5%	27.6%
Lincoln College of Technology - Melrose Park	18.1%	16.0%	27.1%	28.7%	33.4%	30.9%
Lincoln College of Technology - West Palm	10.2%	14.2%	19.9%	19.7%	20.1%	26.2%
Lincoln Technical Institute - Allentown	10.3%	11.2%	17.4%	20.2%	22.4%	21.4%
Lincoln Technical Institute - East Windsor, CT	9.5%	6.3%	12.2%			16.8%
Lincoln Technical Institute - Edison	16.2%	17.3%	19.7%	27.0%	29.0%	31.6%
Lincoln Technical Institute - Fern Park, FL	5.9%	7.0%	13.3%			16.5%
Lincoln Technical Institute - Hartford	6.5%	4.1%	10.6%			14.8%
Lincoln Technical Institute - Lincoln	12.9%	14.0%	19.5%	27.1%	25.9%	26.5%
Lincoln Technical Institute - New Britain	9.1%	8.9%	15.0%	19.8%	16.8%	19.7%

Source: U.S. Department of Education

## Cohort Default Rates

**For-Profit Postsecondary Education (Publicly traded)\***  
**Default Rate Comparison**

Company	2-Year			3-Year		
	FY07	FY08	FY09	FY06	FY07	FY08
<b>Lincoln Educational Services</b>						
Lincoln Technical Institute - Philadelphia	19.8%	20.9%	35.4%	34.0%	42.2%	42.8%
Lincoln Technical Institute - Somerville	12.2%	11.7%	25.7%	23.5%	24.3%	25.3%
Lincoln Technical Institute - South Plainfield, NJ	9.4%	4.5%	13.0%			14.8%
Lincoln Technical Institute - Union	12.5%	14.1%	23.8%	25.0%	24.6%	28.0%
Nashville Auto-Diesel College - Nashville	7.1%	7.7%	18.4%	14.7%	16.7%	17.3%
<b>National American University Holdings</b>						
National American University	8.2%	9.8%	14.1%	12.4%	15.7%	15.5%
<b>Strayer Education</b>						
Strayer University	6.0%	6.7%	10.0%	10.5%	13.0%	12.8%
<b>Universal Technical Institute</b>						
Universal Technical Institute - Avondale	6.5%	4.7%	7.7%	14.1%	13.5%	11.1%
Universal Technical Institute - Phoenix	6.8%	5.1%	9.0%	17.3%	14.1%	13.1%
Universal Technical Institute - Texas	6.2%	4.7%	8.8%	18.8%	13.7%	13.1%

\* Kaplan (a subsidiary of Washington Post WPO) not included.

Source: U.S. Department of Education

## Accreditor Key

Accreditation Key:	
<b>National Accrediting Agencies:</b>	
<b>ACAOM</b>	Accreditation Commission for Acupuncture and Oriental Medicine
<b>ABHES</b>	Accrediting Bureau of Health Education Schools
<b>ACCST</b>	Accrediting Commission of Career Schools and Colleges of Technology
<b>ACCT</b>	Accrediting Council for Continuing Education and Training
<b>ACICS</b>	Accrediting Council for Independent Colleges and Schools
<b>AALE</b>	American Academy for Liberal Education
<b>AAMFT</b>	American Association for Marriage and Family Therapy, Commission on Accreditation for Marriage and Family Therapy Education
<b>ABA</b>	American Bar Association, Council of the Section of Legal Education and Admissions to the Bar
<b>ABFSE</b>	American Board of Funeral Service Education, Committee on Accreditation
<b>ACNM</b>	American College of Nurse-Midwives, Division of Accreditation
<b>ADA</b>	American Dental Association, Commission on Dental Accreditation
<b>CADE</b>	American Dietetic Association, Commission on Accreditation for Dietetics Education
<b>AOTA</b>	American Occupational Therapy Association, Accreditation Council for Occupational Therapy Education
<b>AOA</b>	American Optometric Association, Accreditation Council on Optometric Education
<b>APTA</b>	American Physical Therapy Association, Commission on Accreditation in Physical Therapy Education
<b>CPME</b>	American Podiatric Medical Association, Council on Podiatric Medical Education
<b>APA</b>	American Psychological Association, Committee on Accreditation
<b>ASHA</b>	American Speech-Language-Hearing Association, Council on Academic Accreditation in Audiology and Speech-Language Pathology
<b>AVMA</b>	American Veterinary Medical Association, Council on Education
<b>ABHE</b>	Association for Biblical Higher Education, Commission on Accreditation
<b>ACPE</b>	Association for Clinical Pastoral Education, Inc., Accreditation Commission
<b>AARTS</b>	Association of Advanced Rabbinical and Talmudic Schools, Accreditation Commission
<b>ATS</b>	Association of Theological Schools in the United States and Canada, Commission on Accrediting
<b>CAHME</b>	Commission on Accreditation of Healthcare Management Education
<b>CCNE</b>	Commission on Collegiate Nursing Education
<b>CEA</b>	Commission on English Language Program Accreditation
<b>COMTA</b>	Commission on Massage Therapy Accreditation
<b>COA</b>	Commission on Opticianry Accreditation
<b>AANA</b>	Council on Accreditation of Nurse Anesthesia Educational Programs
<b>CEPH</b>	Council on Education for Public Health
<b>CNME</b>	Council on Naturopathic Medical Education
<b>COE</b>	Council on Occupational Education
<b>DETC</b>	Distance Education and Training Council, Accrediting Commission
<b>JRCERT</b>	Joint Review Committee on Education in Radiologic Technology
<b>JRCNMT</b>	Joint Review Committee on Educational Programs in Nuclear Medicine Technology
<b>AMA</b>	Liaison Committee on Medical Education
<b>MEAC</b>	Midwifery Education Accreditation Council
<b>MACTE</b>	Montessori Accreditation Council for Teacher Education, Commission on Accreditation
<b>NACCAS</b>	National Accrediting Commission of Cosmetology Arts and Sciences
<b>NPWH</b>	National Association of Nurse Practitioners in Women's Health, Council on Accreditation
<b>NASAD</b>	National Association of Schools of Art and Design, Commission on Accreditation
<b>NASD</b>	National Association of Schools of Dance, Commission on Accreditation
<b>NASM</b>	National Association of Schools of Music, Commission on Accreditation
<b>NAST</b>	National Association of Schools of Theatre, Commission on Accreditation
<b>NCATE</b>	National Council for Accreditation of Teacher Education
<b>NLNAC</b>	National League for Nursing Accrediting Commission
<b>NYSEED</b>	New York State Board of Regents, and the Commissioner of Education
<b>TEAC</b>	Teacher Education Accreditation Council, Accreditation Committee
<b>CCE-USA</b>	The Council on Chiropractic Education, Commission on Accreditation
<b>TRACS</b>	Transnational Association of Christian Colleges and Schools, Accreditation Commission
<b>Regional Accrediting Agencies:</b>	
<b>MS</b>	Middle States Association of Colleges and Schools, Commission on Higher Education
<b>NE</b>	New England Association of Schools and Colleges, Commission on Institutions of Higher Education
<b>HLC</b>	North Central Association of Colleges and Schools, The Higher Learning Commission
<b>NW</b>	Northwest Commission on Colleges and Universities
<b>SACS</b>	Southern Association of Colleges and Schools, Commission on Colleges
<b>WASC</b>	Western Association of Schools and Colleges

Source: U.S. Department of Education

## Accreditation — Publicly Traded For-Profit

Company	School	Location	Accreditor	Expiration
<b>American Public Education Inc</b>	American Public University System	-	HLC	2011
<b>Apollo Group</b>	University of Phoenix	-	HLC	2012
	Institute For Professional Development	-	MSCHE, HLC, NEASC, SACS, WASC	
	The College of Financial Planning	-	HLC	2011
	Western International University	-	HLC	2012
<b>Bridgepoint Education</b>	Ashford University	Clifton, IA	HLC	2016
	University of the Rockies	Colorado Springs, CO	HLC	2015
<b>Capella Education</b>	Capella University	-	HLC	2014
<b>Career Education</b>	American Intercontinental University	Atlanta, GA	HLC	2013
	American Intercontinental University	London, UK		
	American Intercontinental University	Los Angeles, CA	HLC	2013
	American Intercontinental University	Ft. Lauderdale, FL	HLC	2013
	American Intercontinental University	Houston, TX	HLC	2013
	Briarcliffe College	Bethpage, NY	MSA	2011
	Briarcliffe College	Patchogue, NY	MSA	2011
	Brooks Institute of Photography	Santa Barbara, CA	ACICS	2016
	Brooks Institute of Photography	Ventura, CA	ACICS	2016
	Brown College	Mendota Heights, MN	ACCSC	2011
	California Culinary Academy	San Francisco, CA	ACCSC	2015
	Collins College	Tempe, AZ	ACICS	2012
	Colorado Technical University	Colorado Springs, CO	HLC	2011
	Colorado Technical University	Denver, CO	HLC	2011
	Colorado Technical University	Sioux Falls, SD	HLC	2011
	Colorado Technical University	Pueblo, CO	HLC	2011
	Colorado Technical University	Kansas City, MO	HLC	2011
	Harrington College of Design	Chicago, IL	ACICS	2014
	International Academy of Design & Tech	Orlando, FL	ACICS	2014
	International Academy of Design & Tech	Tampa, FL	ACICS	2014
	International Academy of Design & Tech	Chicago, IL	ACICS	2012
	International Academy of Design & Tech	Schaumburg, IL	ACICS	2012
	International Academy of Design & Tech	Troy, MI	ACICS	2012
	International Academy of Design & Tech	Nashville, TN	ACICS	2012
	International Academy of Design & Tech	Henderson, NV	ACICS	2014
	International Academy of Design & Tech	Sacramento, CA	ACICS	2014
	International Academy of Design & Tech	San Antonio, TX	ACICS	2014
	International Academy of Design & Tech	Seattle, WA	ACICS	2014
	Le Cordon Bleu College	Atlanta, GA	ACICS	2014
	Le Cordon Bleu College	Austin, TX	ACICS	2017
	Le Cordon Bleu College	Boston, MA	ACCSC	2015
	Le Cordon Bleu College	Chicago, IL	HLC	2018
	Le Cordon Bleu College	Dallas, TX	ACICS	2017
	Le Cordon Bleu College	Las Vegas, NV	ACCSC	2015
	Le Cordon Bleu College	Los Angeles, CA	ACICS	2012
	Le Cordon Bleu College	Minneapolis, MN	ACICS	2014
	Le Cordon Bleu College	Miami, FL	ACCSC	2011
	Le Cordon Bleu College	Orlando, FL	ACICS	2014
	Le Cordon Bleu College	Pasadena, CA	ACICS	2012
	Le Cordon Bleu College	Pittsburgh, PA	ACCSC	2015
	Le Cordon Bleu College	Portland, OR	ACICS	2014
	Le Cordon Bleu College	Sacramento, CA	ACICS	2014
	Le Cordon Bleu College	Scottsdale, AZ	ACCSC	2015
	Le Cordon Bleu College	Seattle, WA	ACICS	2017
	Le Cordon Bleu College	St. Louis, MO	ACICS	2017
	Missouri College	St. Louis, MO	ACCSC	2011
	Sanford Brown College	Atlanta, GA	ACICS	2014
	Sanford Brown College	Cleveland, OH	ACICS	2014
	Sanford Brown College	Collinsville, IL	ACICS	2017
	Sanford Brown College	Dallas, TX	ACICS	2013
	Sanford Brown College	Farmington, CT	ACICS	2011
	Sanford Brown College	Fenton, MO	ACICS	2011
	Sanford Brown College	Hazelwood, MO	ACICS	2017
	Sanford Brown College	Hillside, IL	ACICS	2012
	Sanford Brown College	Houston, TX	ACICS	2014
	Sanford Brown College	Indianapolis, IN	ACICS	2012
	Sanford Brown College	Middleburg Heights, OH	ACICS	2014
	Sanford Brown College	Milwaukee, WI	ACICS	2011
	Sanford Brown College	Phoenix, AZ	ACICS	2012
	Sanford Brown College	St. Peters, MO	ACICS	2011
	Sanford Brown College	San Antonio, TX	ACICS	2013
	Sanford Brown College	Skokie, IL	ACICS	2012

Source: Company data, Accreditor website, US. Department of Education



Company	School	Location	Accreditor	Expiration
<b>Career Education</b>				
	Sanford Brown College	Tinley Park, IL	ACICS	2012
	Sanford Brown College	Vienna, VA	ACICS	2015
	Sanford Brown Institute	Cranston, RI	ACICS	2014
	Sanford Brown Institute	Dearborn, MI	ACICS	2012
	Sanford Brown Institute	Ft. Lauderdale, FL	ACICS	2014
	Sanford Brown Institute	Garden City, NY	ACICS	2013
	Sanford Brown Institute	Grand Rapids, MI	ACICS	2012
	Sanford Brown Institute	Iselin, NJ	ACICS	2011
	Sanford Brown Institute	Jacksonville, FL	ACICS	2011
	Sanford Brown Institute	Landover, MD	ACICS	2014
	Sanford Brown Institute	Monroeville, PA	ACCSC	2014
	Sanford Brown Institute	New York, NY	ACICS	2014
	Sanford Brown Institute	Orlando, FL	ACICS	2012
	Sanford Brown Institute	Houston/North Loop, TX	ACICS	2013
	Sanford Brown Institute	Pittsburgh, PA	ACCSC	2014
	Sanford Brown Institute	Tampa, FL	ACICS	2011
	Sanford Brown Institute	Trevose, PA	ACICS	2014
	Sanford Brown Institute	White Plains, NY	ACICS	2013
	SBI Campus - Sanford Brown Affiliate	Melville, NY	ACICS	2014
<b>Corinthian Colleges</b>				
	Everest College	Alhambra, CA	ACCSC(5)	2012
	Everest College	Anaheim, CA	ACCSC	2012
	Everest College	Arlington (Mid Cities), TX	ACICS	2014
	Everest College	Arlington, VA	ACICS	2012
	Everest College	Aurora, CO	ACICS	2016
	Everest College	Bremerton, WA	ACICS	2012
	Everest College	Burr Ridge, IL	ACCSC	2014
	Everest College	Chesapeake, VA	ACICS	2012
	Everest College	Chicago, IL	ACCSC	2015
	Everest College	City of Industry, CA	ACCSC	2015
	Everest College	Colorado Springs, CO	ACICS	2012
	Everest College	Dallas, TX	ACICS	2011
	Everest College	Everett, WA	ACICS(4)	2012
	Everest College	Fort Worth, TX	ACICS	2014
	Everest College	Fort Worth (South), TX	ACICS	2012
	Everest College	Gardena, CA	ACCSC	2012
	Everest College	Hayward, CA	ACCSC	2011
	Everest College	Henderson, NV	ACICS	2013
	Everest College	Los Angeles (Wilshire), CA	ACCSC	2015
	Everest College	McLean (Tysons Corner), VA	ACICS	2012
	Everest College	Merrillville, IN	ABHES	2012
	Everest College	Merrionette Park, IL	ACICS	2015
	Everest College	Phoenix, Mesa, AZ (Phoenix - Mesa)	HLC(6)	2010
	Everest College	Newport News, VA	ACICS	2012
	Everest College	North Aurora, IL	ACCSC	2011
	Everest College	Ontario Metro, CA	ACICS	2014
	Everest College	Ontario, CA	ACICS	2014
	Everest College	Portland, OR	ACICS	2011
	Everest College	Renton, WA	ACCSC	2012
	Everest College	Reseda, CA	ACCSC	2011
	Everest College	Salt Lake City, UT	ACICS	2014
	Everest College	San Bernardino, CA	ACICS	2017
	Everest College	San Francisco, CA	ACCSC	2011
	Everest College	San Jose, CA	ACCSC	2013
	Everest College	Santa Ana, CA	ACICS	2012
	Everest College	Seattle, WA	ACICS	2013
	Everest College	Skokie, IL	ACCSC	2015
	Everest College	Springfield, MO	ACICS	2014
	Everest College	St. Louis, MO	ACICS	2012
	Everest College	Tacoma, WA	ACICS	2012
	Everest College	Thornton, CO	ACICS	2012
	Everest College	Torrance, CA	ACCSC	2014
	Everest College	Vancouver, WA (2)	ACICS	2011
	Everest College	West Los Angeles, CA	ACCSC	2014
	Everest Institute	Austin, TX	ACCSC	2014
	Everest Institute	Brighton, MA	ACCSC	2011
	Everest Institute	Chelsea, MA	ACCSC	2011
	Everest Institute	Cross Lanes, WV	ACCSC	2011
	Everest Institute	Dearborn, MI	ACCSC	2012
	Everest Institute	Decatur, GA	ACCSC	2009
	Everest Institute	Detroit, MI	ACCSC	2011
	Everest Institute	Eagan, MN	ACCSC	2011
	Everest Institute	Ft. Lauderdale, FL	ACICS	2012
	Everest Institute	Gahanna, OH	ACCSC	2011
	Everest Institute	Grand Rapids, MI	ACCSC	2012
	Everest Institute	Hialeah, FL	ACICS	2012
	Everest Institute	Houston (Bissonet), TX	ACCSC	2011
	Everest Institute	Houston (Northpoint), TX	ACCSC	2011
	Everest Institute	Houston (Hobby), TX	ACCSC	2013



Company	School	Location	Accreditor	Expiration
<b>Corinthian Colleges</b>				
	Everest Institute	Jonesboro, GA	ACCSC	2014
	Everest Institute	Kalamazoo, MI	ACCSC	2012
	Everest Institute	Kendall, FL	ABHES	2011
	Everest Institute	Marietta, GA	ACCSC	2009
	Everest Institute	Miami, FL	ACICS	2012
	Everest Institute	Norcross, GA	ACCSC	2015
	Everest Institute	Pittsburgh, PA	ACICS	2017
	Everest Institute	Rochester, NY	ACICS	2014
	Everest Institute	San Antonio, TX	ACCSC	2011
	Everest Institute	Silver Spring, MD	ACICS	2011
	Everest Institute	South Plainfield, NJ	ACCSC	2012
	Everest Institute	Southfield, MI	ACCSC	2012
	Everest Institute	Tigard, OR	ACICS	2013
	Everest University	Brandon, FL	ACICS	2016
	Everest University	Jacksonville, FL	ACICS	2013
	Everest University	Lakeland, FL	ACICS	2013
	Everest University	Largo, FL	ACICS	2013
	Everest University	Melbourne, FL	ACICS	2013
	Everest University	Orange Park-Jacksonville, FL	ACICS	2016
	Everest University	Orlando (North), FL	ACICS	2013
	Everest University	Orlando (South), FL	ACICS	2013
	Everest University	Pompano Beach, FL	ACICS	2015
	Everest University	Tampa, FL	ACICS	2016
	Everest College	Barrie, ON (Canada)	Ministry of Education	
	Everest College	Brampton, ON (Canada)	Ministry of Education	
	Everest College	Hamilton City Centre, ON (Canada)	Ministry of Education	
	Everest College	Hamilton Mountain, ON (Canada)	Ministry of Education	
	Everest College	Kitchener, ON (Canada)	Ministry of Education	
	Everest College	London, ON (Canada)	Ministry of Education	
	Everest College	Mississauga, ON (Canada)	Ministry of Education	
	Everest College	New Market, ON (Canada)	Ministry of Education	
	Everest College	North York, ON (Canada)	Ministry of Education	
	Everest College	Ottawa East, ON (Canada)	Ministry of Education	
	Everest College	Ottawa West, ON (Canada)	Ministry of Education	
	Everest College	Scarborough, ON (Canada)	Ministry of Education	
	Everest College	Sudbury, ON (Canada)	Ministry of Education	
	Everest College	Thunder Bay, ON (Canada)	Ministry of Education	
	Everest College	Toronto Central, ON (Canada)	Ministry of Education	
	Everest College	Toronto College Park, ON (Canada)	Ministry of Education	
	Everest College	Windsor, ON (Canada)	Ministry of Education	
	Heald College	Concord, CA	WASC	2012
	Heald College	Fresno, CA	WASC	2012
	Heald College	Hayward, CA	WASC	2012
	Heald College	Honolulu, HI	WASC	2012
	Heald College	Milpitas, CA	WASC	2012
	Heald College	Modesto, CA	WASC	2012
	Heald College	Portland, OR	WASC	2012
	Heald College	Rancho Cordova, CA	WASC	2012
	Heald College	Roseville, CA	WASC	2012
	Heald College	Salinas, CA	WASC	2012
	Heald College	San Francisco, CA	WASC	2012
	Heald College	Stockton, CA	WASC	2012
	WyoTech	Blairsville, PA (2)	ACCSC	2013
	WyoTech	Daytona Beach, FL	ACCSC	2013
	WyoTech	Fremont, CA	ACCSC	2014
	WyoTech	Laramie, WY	ACCSC	2014
	WyoTech	Long Beach, CA	ACCSC	2014
	WyoTech	Sacramento, CA	ACCSC	2011
<b>DeVry</b>	DeVry University	-	HLC	2012
	Keller Graduate School of Management	-	HLC	2012
	Chamberlain College of Nursing	-	HLC	2016
	Ross University	West Indies	Ministry of Education	
	Carrington College	-	ACICS	2016
	Carrington College California	California	WASC	2013
<b>Grand Canyon</b>	Grand Canyon University	Phoenix, AZ	HLC	2016
<b>Education Management</b>	Art Institutes	Arlington, VA	SACS	2010
	Art Institutes	Atlanta, GA; Decatur, GA	SACS	2020
	Art Institutes	Austin, TX	SACS	2015
	New England Institute of Art	Boston, MA	NEASC	2019
	Art Institutes	Charleston, SC	SACS	2010
	Art Institutes	Charlotte, NC	ACICS	2013
	Art Institutes	Chicago, IL	HLC	2019
	Art Institutes	Schaumburg, IL	HLC	2019
	Art Institutes	Cincinnati, OH	ACCSC	2013
	Art Institutes	Dallas, TX	SACS	2013

Source: Company data, Accreditor website, U.S. Department of Education

Company	School	Location	Accreditor	Expiration
<b>Education Management</b>				
	Art Institutes	Denver, CO	HLC	2013
	Art Institutes	Detroit, MI	HLC	2019
	Art Institutes	Dulles, VA (Northern VA)	SACS	2010
	Art Institutes	Durham, NC	ACICS	2013
	Art Institutes	Fort Lauderdale, FL	ACICS	2014
	Art Institutes	Fort Worth, TX	SACS	2013
	Art Institutes	Houston, TX	SACS	2015
	Art Institutes	Houston, TX - North	SACS	2015
	Art Institutes	Indianapolis, IN	ACICS	2017
	Art Institutes	Jacksonville, FL	SACS	2012
	Art Institutes	Lenexa, KS (Kansas City, MO)	ACICS	2017
	Art Institutes	Las Vegas, NV	ACCSC	2012
	Art Institutes	Hollywood / Los Angeles, CA	ACICS	2014
	Art Institutes	Los Angeles, CA	ACICS	2013
	Miami International University of Art and Design	Miami, FL	SACS	2012
	Art Institutes	Milwaukee, WI	ACICS	2017
	Art Institutes	Minneapolis, MN	ACICS	2015
	Art Institutes	Nashville, TN	SACS	2010
	Art Institutes	New York, NY	ACICS	2014
	Art Institutes	Orange County, CA	ACICS	2013
	Art Institutes	Philadelphia, PA	ACICS	2015
	Art Institutes	Phoenix, AZ	ACICS	2017
	Art Institutes	Pittsburgh, PA	MSCHE	2013
	Art Institutes	Portland, OR	NWCCU	
	Art Institutes	Draper, UT (Salt Lake City, UT)	ACICS	2017
	Art Institutes	San Antonio, TX	SACS	2015
	Art Institutes	San Bernardino, CA	ACCSC	2012
	Art Institutes	San Diego, CA	ACCSC	2014
	Art Institutes	San Francisco, CA	ACICS	2013
	Art Institutes	Sacramento, CA	ACICS	2013
	Art Institutes	Sunnyvale, CA	ACICS	2014
	Art Institutes	Seattle, WA	NWCCU	
	Art Institutes	Tampa, FL	SACS	2012
	Art Institutes	Vancouver, BC (Canada)	PCTIA	
	Art Institutes	Virginia Beach, VA	SACS	2010
	Art Institutes	York, PA	ACCSC	2014
	Argosy University	Atlanta, GA	HLC	2015
	Argosy University	Chicago, IL	HLC	2015
	Argosy University	Dallas, TX	HLC	2015
	Argosy University	Denver, CO	HLC	2015
	Argosy University	Honolulu, HI	HLC	2015
	Argosy University	San Bernardino, CA	HLC	2015
	Argosy University	Los Angeles, CA	HLC	2015
	Argosy University	Nashville, TN	HLC	2015
	Argosy University	Orange County, CA	HLC	2015
	Argosy University	Phoenix, AZ	HLC	2015
	Argosy University	Sarasota, FL	HLC	2015
	Argosy University	San Diego, CA	HLC	2015
	Argosy University	San Francisco, CA	HLC	2015
	Argosy University	Salt Lake City, UT	HLC	2015
	Argosy University	Shaumburg, IL	HLC	2015
	Argosy University	Seattle, WA	HLC	2015
	Argosy University	Tampa, FL	HLC	2015
	Argosy University	Eagan, MN	HLC	2015
	Argosy University	Arlington, VA	HLC	2015
	Western State University College of Law	Fullerton, CA	WASC	2015
	South University	Savannah, GA	SACS	2016
	South University	West Palm Beach, FL	SACS	2016
	South University	Montgomery, AL	SACS	2016
	South University	Columbia, SC	SACS	2016
	South University	Tampa, FL	SACS	2016
	South University	Richmond, VA	SACS	2016
	South University	Novi, MI	SACS	2016
	South University	Virginia Beach, VA	SACS	2016
	Brown Mackie College	Salina, KS	HLC	2016
	Brown Mackie College	Lenexa, KS (Kansas City, MO)	HLC	2016
	Brown Mackie College	Akron, OH	ACICS	2014
	Brown Mackie College	Atlanta, GA	ACICS	2013
	Brown Mackie College	Albuquerque, NM	ACICS	2013
	Brown Mackie College	Cincinnati, OH	ACICS	2014
	Brown Mackie College	Findlay, OH	ACICS	2011
	Brown Mackie College	North Canton, OH	ACICS	2013
	Brown Mackie College	Miami, FL	ACICS	2014
	Brown Mackie College	Moline, IL	ACICS	2014
	Brown Mackie College	Fort Wayne, IN	ACICS	2017
	Brown Mackie College	Indianapolis, IN	ACICS	2011

Source: Company data, Accreditor website, U.S. Department of Education

Company	School	Location	Accreditor	Expiration
<b>Education Management</b>				
	Brown Mackie College	Merrillville, IN	ACICS	2014
	Brown Mackie College	South Bend, IN	ACICS	2017
	Brown Mackie College	Michigan City, IN	ACICS	2017
	Brown Mackie College	Hopkinsville, KY	ACICS	2017
	Brown Mackie College	Northern KY	ACICS	2017
	Brown Mackie College	Louisville, KY	ACICS	2011
	Brown Mackie College	Tuscon, AZ	ACICS	2013
	Brown Mackie College	Boise, ID	ACICS	2017
	Brown Mackie College	Tulsa, OK	ACICS	2011
	Brown Mackie College	Phoenix, AZ	ACICS	2013
	Brown Mackie College	San Antonio, TX	ACICS	2013
	Brown Mackie College	St. Louis, MO	ACICS	2013
	Brown Mackie College	Greenville, SC	ACICS	2013
<b>ITT Educational Services</b>				
	Daniel Webster College	Nashua, NH	NEASC	2016
	ITT Technical Institute	Bessemer, AL	ACICS	2014
	ITT Technical Institute	Madison, AL	ACICS	2014
	ITT Technical Institute	Mobile, AL	ACICS	2015
	ITT Technical Institute	Phoenix, AZ	ACICS	2015
	ITT Technical Institute	Tempe, AZ	ACICS	2015
	ITT Technical Institute	Tucson, AZ	ACICS	2015
	ITT Technical Institute	Little Rock, AR	ACICS	2012
	ITT Technical Institute	Clovis, CA	ACICS	2015
	ITT Technical Institute	Concord, CA	ACICS	2015
	ITT Technical Institute	Corona, CA	ACICS	2015
	ITT Technical Institute	Culver City, CA	ACICS	2011
	ITT Technical Institute	Lathrop, CA	ACICS	2014
	ITT Technical Institute	Orange, CA	ACICS	2015
	ITT Technical Institute	Oxnard, CA	ACICS	2014
	ITT Technical Institute	Rancho Cordova, CA	ACICS	2015
	ITT Technical Institute	San Bernardino, CA	ACICS	2015
	ITT Technical Institute	San Diego, CA	ACICS	2016
	ITT Technical Institute	San Dimas, CA	ACICS	2014
	ITT Technical Institute	Sylmar, CA	ACICS	2014
	ITT Technical Institute	Torrance, CA	ACICS	2011
	ITT Technical Institute	West Covina, CA	ACICS	2014
	ITT Technical Institute	Aurora, CO	ACICS	2012
	ITT Technical Institute	Thornton, CO	ACICS	2012
	ITT Technical Institute	Fort Lauderdale, FL	ACICS	2014
	ITT Technical Institute	Fort Myers, FL	ACICS	2016
	ITT Technical Institute	Jacksonville, FL	ACICS	2014
	ITT Technical Institute	Lake Mary, FL	ACICS	2015
	ITT Technical Institute	Miami, FL	ACICS	2015
	ITT Technical Institute	St. Petersburg, FL	ACICS	2015
	ITT Technical Institute	Tampa, FL	ACICS	2014
	ITT Technical Institute	Tallahassee, FL	ACICS	2014
	ITT Technical Institute	University Park, FL	ACICS	2012
	ITT Technical Institute	Atlanta, GA	ACICS	2014
	ITT Technical Institute	Duluth, GA	ACICS	2015
	ITT Technical Institute	Kennesaw, GA	ACICS	2011
	ITT Technical Institute	Boise, ID	ACICS	2016
	ITT Technical Institute	Burr Ridge, IL	ACICS	2014
	ITT Technical Institute	Mount Prospect, IL	ACICS	2012
	ITT Technical Institute	Orland Park, IL	ACICS	2017
	ITT Technical Institute	Fort Wayne, IN	ACICS	2014
	ITT Technical Institute	Indianapolis, IN	ACICS	2012
	ITT Technical Institute	Merrillville, IN	ACICS	2015
	ITT Technical Institute	Newburgh, IN	ACICS	2013
	ITT Technical Institute	South Bend, IN	ACICS	2014
	ITT Technical Institute	Cedar Rapids, IA	ACICS	2015
	ITT Technical Institute	Clive, IA	ACICS	2012
	ITT Technical Institute	Wichita, KS	ACICS	2015
	ITT Technical Institute	Lexington, KY	ACICS	2013
	ITT Technical Institute	Louisville, KY	ACICS	2013
	ITT Technical Institute	Baton Rouge, LA	ACICS	2015
	ITT Technical Institute	St. Rose, LA	ACICS	2015
	ITT Technical Institute	Norwood, MA	ACICS	2013
	ITT Technical Institute	Wilmington, MA	ACICS	2013
	ITT Technical Institute	Owings Mills, MD	ACICS	2016
	ITT Technical Institute	Canton, MI	ACICS	2016
	ITT Technical Institute	Dearborn, MI	ACICS	2016
	ITT Technical Institute	Swartz Creek, MI	ACICS	2017
	ITT Technical Institute	Troy, MI	ACICS	2014
	ITT Technical Institute	Wyoming, MI	ACICS	2016
	ITT Technical Institute	Eden Prairie, MN	ACICS	2014
	ITT Technical Institute	Madison, MS	ACICS	2016
	ITT Technical Institute	Arnold, MO	ACICS	2013
	ITT Technical Institute	Earth City, MO	ACICS	2015
	ITT Technical Institute	Kansas City, MO	ACICS	2011
	ITT Technical Institute	Springfield, MO	ACICS	2016
	ITT Technical Institute	Omaha, NE	ACICS	2017

Source: Company data, Accreditor website, U.S. Department of Education

Company	School	Location	Accreditor	Expiration
<b>ITT Educational Services</b>				
	ITT Technical Institute	Henderson, NV	ACICS	2016
	ITT Technical Institute	Las Vegas, NV	ACICS	2016
	ITT Technical Institute	Albuquerque, NM	ACICS	2015
	ITT Technical Institute	Albany, NY	ACICS	2016
	ITT Technical Institute	Getzville, NY	ACICS	2016
	ITT Technical Institute	Liverpool, NY	ACICS	2012
	ITT Technical Institute	Charlotte, NC	ACICS	2014
	ITT Technical Institute	Charlotte, NC	ACICS	2016
	ITT Technical Institute	High Point, NC	ACICS	2016
	ITT Technical Institute	Morrisville, NC	ACICS	2015
	ITT Technical Institute	Columbus, OH	ACICS	2015
	ITT Technical Institute	Dayton, OH	ACICS	2014
	ITT Technical Institute	Hilliard, OH	ACICS	2015
	ITT Technical Institute	Maumee, OH	ACICS	2014
	ITT Technical Institute	Norwood, OH	ACICS	2013
	ITT Technical Institute	Strongsville, OH	ACICS	2014
	ITT Technical Institute	Warrensville Heights, OH	ACICS	2017
	ITT Technical Institute	Youngstown, OH	ACICS	2011
	ITT Technical Institute	Akron, OH	ACICS	2014
	ITT Technical Institute	Oklahoma City, OK	ACICS	2015
	ITT Technical Institute	Tulsa, OK	ACICS	2015
	ITT Technical Institute	Portland, OR	ACICS	2017
	ITT Technical Institute	Bensalem, PA	ACICS	2015
	ITT Technical Institute	Dunmore, PA	ACICS	2015
	ITT Technical Institute	Harrisburg, PA	ACICS	2012
	ITT Technical Institute	King of Prussia, PA	ACICS	2016
	ITT Technical Institute	Pittsburgh, PA	ACICS	2011
	ITT Technical Institute	Tarentum, PA	ACICS	2011
	ITT Technical Institute	Columbia, SC	ACICS	2013
	ITT Technical Institute	Greenville, SC	ACICS	2013
	ITT Technical Institute	North Charleston, SC	ACICS	2012
	ITT Technical Institute	Chattanooga, TN	ACICS	2014
	ITT Technical Institute	Cordova, TN	ACICS	2015
	ITT Technical Institute	Johnson City, TN	ACICS	2016
	ITT Technical Institute	Knoxville, TN	ACICS	2014
	ITT Technical Institute	Nashville, TN	ACICS	2013
	ITT Technical Institute	Arlington, TX	ACICS	2013
	ITT Technical Institute	Austin, TX	ACICS	2012
	ITT Technical Institute	Desoto, TX	ACICS	2015
	ITT Technical Institute	Houston, TX	ACICS	2012
	ITT Technical Institute	Houston, TX	ACICS	2012
	ITT Technical Institute	Richardson, TX	ACICS	2014
	ITT Technical Institute	San Antonio, TX	ACICS	2012
	ITT Technical Institute	Webster, TX	ACICS	2013
	ITT Technical Institute	Murray, UT	ACICS	2016
	ITT Technical Institute	Chantilly, VA	ACICS	2014
	ITT Technical Institute	Norfolk, VA	ACICS	2013
	ITT Technical Institute	Richmond, VA	ACICS	2014
	ITT Technical Institute	Salem, VA	ACICS	2014
	ITT Technical Institute	Springfield, VA	ACICS	2014
	ITT Technical Institute	Everett, WA	ACICS	2015
	ITT Technical Institute	Seattle, WA	ACICS	2015
	ITT Technical Institute	Spokane Valley, WA	ACICS	2015
	ITT Technical Institute	Huntington, WV	ACICS	2015
	ITT Technical Institute	Green Bay, WI	ACICS	2014
	ITT Technical Institute	Greenfield, WI	ACICS	2014
	ITT Technical Institute	Madison, WI	ACICS	2014

Source: Company data, Accreditor website, U.S. Department of Education

Company	School	Location	Accreditor	Expiration
<b>Lincoln Educational Services</b>				
	Lincoln Technical Institute	Shelton, CT	ACCSC	2013
	Lincoln Technical Institute	Suffield, CT	ACCSC	2012
	Lincoln Technical Institute	Fern Park (Orlando), FL	ABHES	2013
	Lincoln Technical Institute	St. Petersburg, FL	ABHES	2013
	Lincoln Technical Institute	Brockton, MA	ACICS	2014
	Lincoln Technical Institute	Lowell, MA	ACICS	2014
	Lincoln Technical Institute	Somerville, MA	ACICS	2014
	Lincoln Technical Institute	Edison, NJ	ACICS	2012
	Lincoln Technical Institute	Mahwah, NJ	ACCSC	2014
	Lincoln Technical Institute	Moorestown, NJ	ACICS	2012
	Lincoln Technical Institute	Paramus, NJ	ACICS	2012
	Lincoln Technical Institute	South Plainfield, NJ	ACCSC	2014
	Lincoln Technical Institute	Union, NJ	ACCSC	2014
	Lincoln Technical Institute	Queens, NY	ACCSC	2013
	Lincoln Technical Institute	Allentown, PA	ACCSC	2012
	Lincoln Technical Institute	Philadelphia, PA	ACCSC	2013
	Lincoln Technical Institute	Philadelphia (Center), PA	ACICS	2012
	Lincoln Technical Institute	Philadelphia (Northeast), PA	ACICS	2012
	Lincoln Technical Institute	Lincoln, RI	ACICS	2014
	Nashville Auto-Diesel College	Nashville, TN	ACCSC	2012
	Southwestern College	Dayton, OH	ACICS	2015
	Southwestern College	Franklin, OH	ACICS	2015
	Southwestern College	Cincinnati, OH	ACICS	2015
	Southwestern College	Cincinnati, OH	ACICS	2015
	Southwestern College	Toledo, OH	ACICS	2015
	Southwestern College	Florence, KY	ACICS	2015
<b>Strayer Education</b>				
	Strayer University	-	MSCHE	2017
<b>Universal Technical Institute</b>				
	Universal Technical Institute	Avondale, AZ	ACCSC	2014
	Universal Technical Institute	Exton, PA	ACCSC	2011
	Universal Technical Institute	Houston, TX	ACCSC	2014
	Universal Technical Institute	Irving, TX	ACCSC	2012
	Universal Technical Institute	Norwood, MA	ACCSC	2012
	Universal Technical Institute	Orlando, FL	ACCSC	2014
	Universal Technical Institute	Phoenix, AZ	ACCSC	2014
	Universal Technical Institute	Rancho Cucamonga, CA	ACCSC	2014
	Universal Technical Institute	Sacramento, CA	ACCSC	2012
	NASCAR Technical Institute	Mooresville, NC	ACCSC	2013

### Regional Accreditation: Negative Actions 1999–2011 YTD

Historically, the administration of a negative action has been infrequent and the subsequent loss of accreditation is even less likely, as demonstrated by the Stifel Nicolaus study below. However, the recent scrutiny placed on accreditors and for-profit institutions could result in increased actions in the future. Of 3,396 regionally accredited institutions, we identified 389 negative actions, and only 15 specific instances in which a negative action led to loss of accreditation.

Regional Accreditors: Negative Actions 1999–2011 YTD					
Accreditor	Accredited Institutions	Revocation	Probation	Warning	Show Cause
Middle States <sup>1</sup>	524	0	20	57	3
New England <sup>2</sup>	234	1	5	not in use	-
North Central <sup>3</sup>	1,328	3	5	7 <sup>3</sup>	9
Northwest <sup>4</sup>	162	0	9	-	6
Southern	825	5	41	64	not in use
Western Junior	160	4	26	81	11
Western Senior	163	2	10	16	4
Total	3,396	15	116	225	33

*NOTE: All statistics were updated with most current information made available by accreditors as of November 2011. Some institutions may be counted more than once if they received different types of sanctions.*

<sup>1</sup> Middle States Association of Colleges and Schools show causes represent "candidates for show cause."

<sup>2</sup> New England Association of Schools and Colleges' Commission on Institutions of Higher Education categorizes a show cause as a process step, not a status, and does not disclose to the general public.

<sup>3</sup> Higher Learning Commission utilizes an "On Notice" sanction, which is used if an organization, "is found to be pursuing a course of action that could result in its being unable to meet one or more Criteria for Accreditation." During the last few years the Higher Learning Commission has issued three "On Notice" sanctions.

<sup>4</sup> Northwest Commission on Colleges and Universities negative actions last updated August '06. Actions are not available on website.

Sources: Middle States Association of Colleges and Schools; New England Association of Schools and Colleges' Commission on Institutions of Higher Education; Higher Learning Commission; Northwest Commission on Colleges and Universities; Southern Association of Colleges and Schools; Accrediting Commission for Community and Junior Colleges; Accrediting Commission for Senior Colleges and Universities; Stifel Nicolaus

### National Accreditation: Negative Actions 1999–2011 YTD

Of 2,138 nationally accredited institutions, we identified 207 negative actions including 39 probations at ACCSCT, and only 48 instances in which a negative action led to the loss of accreditation. Note: Some institutions may appeal these actions and potentially maintain accreditation.

National Accreditors: Negative Actions 1999–2011 YTD						
Accreditor	Accredited Institutions	Withdrawal Revocation	Suspension	Show Cause	Current Probation	Denial
ACICS	915	11	8	4	NA	46
ACCSCT	795	35	NA	21	39	13
ABHES	428	2	NA	16	NA	12
Total	2,138	48	8	41	39	71

*NOTE: Updated with most current information made available by the accreditors as of November 2011.  
ACCSCT information begins in 2004  
Some institutions may be counted more than once if they received different types of sanctions.*

Sources: Accrediting Council for Independent Colleges & Schools (ACICS); Accrediting Commission of Career Schools & Colleges of Technology (ACCSCT); Accrediting Bureau of Health Education Sciences (ABHES); Stifel Nicolaus

## U.S. For-Profit, Privately Held Colleges & Schools

Below is a list of U.S. privately held schools with populations greater than 300 students in 2008. When possible we aggregate schools with several locations to obtain their total enrollment. We acknowledge this list may not include all institutions with aggregate (all locations) enrollment greater than 300 especially where a group of schools operates under several different brand names. To obtain updated information on the schools listed as well as other for-profit schools that may not be listed, please visit the U.S. Department of Education's College Navigator website as well as other data tools available at the National Center for Education Statistics (NCES).

<b>Institution Name</b>	<b>Fall 2008 Enrollment</b>	<b>Degree Levels</b>	<b>Programs</b>
Academy of Art University	13,181	Certificate, Associate, Bachelor, Master	Architecture, Communications, IT, Visual & Perf Arts
Academy of Cosmetology	472	Certificate	Personal/Culinary Svcs, Health
Academy of Court Reporting and IT	883	Certificate, Associate	Legal, Criminal Justice, Health, Business
Academy of Hair Design	1,440	Certificate	Personal/Culinary Svcs, Health
Academy of Healing Arts	545	Certificate	Health
ACT College	498	Certificate, Associate	Health
Advance Beauty College	659	Certificate	Personal/Culinary Svcs, Health
Advanced IT, Institute	586	Certificate, Associate	Mechanic/Repair, Production, Transportation
Al Miami International University of Art and Design	3,429	Certificate, Associate, Bachelor, Master	Communications, Communications, IT, Personal/Culinary Svcs, Visual & Perf Arts, Business
Akron Institute of Herzing University	616	Certificate, Associate	IT, Health, Business
All-State Career School	1,165	Certificate	Mechanic/Repair, Transportation, Health
Allen School-Brooklyn	1,647	Certificate	Health
Allied College North	854	Certificate, Associate	Criminal Justice, Health
Allied Medical and Technical Institute	620	Certificate, Associate	Legal, Criminal Justice, Mechanic/Repair, Health, Business
American Academy of Art	391	Bachelor,	Communications, IT, Visual & Perf Arts
American Beauty Academy	603	Certificate	Personal/Culinary Svcs
American Career College	4,064	Certificate, Associate	Health, Personal/Culinary Svcs
American Commercial College	816	Certificate	IT, Mechanic/Repair, Health, Business
American Educational College	626	Certificate	IT, Personal/Culinary Svcs, Legal, Mechanic/Repair, Health, Business
American Institute	391	Certificate	Personal/Culinary Svcs, Health
American Institute of IT	483	Certificate	Transportation
American Professional Institute	1,013	Certificate	Personal/Culinary Svcs, Health
Americare School of Nursing	348	Certificate, Associate	Health
AmeriTech College	464	Certificate, Associate	Health
Anamarc Educational Institute	627	Certificate, Associate	Education, Health, Business
Andover College	1,246	Certificate, Associate	Education, Legal, Criminal Justice, Health, Business
Anthem College	3,089	Certificate, Associate, Bachelor	IT, Engineering, Criminal Justice, Mechanic/Repair, Health, Business
Anthem Institute	4,227	Certificate	IT, Engineering, Health
Antilles School of Technical Careers	324	Certificate	Personal/Culinary Svcs, Health
Antonelli College	1,086	Certificate, Associate	IT, Legal, Visual & Perf Arts, Health, Business
Apex Technical School	1,394	Certificate	Engineering, Construction, Mechanic/Repair, Production
Arizona Automotive Institute	341	Certificate, Associate	Engineering, Mechanic/Repair

Note: Table includes colleges and schools with over 300 students.

Source: U.S. Department of Education — IPEDS



## U.S. For-Profit, Privately Held Colleges & Schools

<b>Institution Name</b>	<b>Fall 2008</b>		<b>Programs</b>
	<b>Enrollment</b>	<b>Degree Levels</b>	
ASA Institute of Business and Computer IT	3,597	Certificate, Associate	IT, Legal, Criminal Justice, Health, Business
Associated Technical College	391	Certificate	Communications, Health, IT
ATA College	320	Certificate, Associate	IT, Health
ATI Career Training Center	4,236	Certificate, Associate	Architecture, IT, Engineering, Parks Rec / Fitness, Health, Mechanic/Repair, Business
ATI College	225	Certificate	IT, Personal/Culinary Svcs, Engineering, Health
ATI College of Health	1,193	Certificate, Associate	Health
ATI Technical Training Center	962	Certificate	Mechanic/Repair, Production
Atlanta's John Marshall Law School	497	Doctorate	Legal
ATS Institute of IT,	438	Certificate, Associate	English, Health
Automeca Technical College	1,364	Certificate	Engineering, Mechanic/Repair
Automotive Training Center	482	Certificate	Mechanic/Repair
Aveda Institute	1,257	Certificate	Personal/Culinary Svcs, Health
Aviation Institute of Maintenance	1,611	Certificate, Associate	Mechanic/Repair, Transportation
Ayers Career College	363	Certificate	Mechanic/Repair, Health
B Street Design School of International Hair Styling	439	Certificate	Personal/Culinary Svcs
Baltimore School of Massage	517	Certificate	Personal/Culinary Svcs, Health
Bauder College	1,472	Certificate, Associate, Bachelor	IT, Criminal Justice, Visual & Perf Arts, Health, Business
Bay State College	753	Associate, Bachelor	Communications, Education, Human Sciences, Criminal Justice, Health, Business
Beal College	411	Certificate, Associate	IT, Education, Criminal Justice, Social Services, Health, Business
Beauty Schools of America	1,215	Certificate	Personal/Culinary Svcs, Health
Beckfield College	671	Certificate, Associate, Bachelor	IT, Legal, Criminal Justice, Health, Business
Bel-Rea Institute of Animal IT	627	Associate	Health
Berdan Institute	383	Certificate	Biomedical, Health
Berkeley College	7,252	Certificate, Associate, Bachelor	IT, Legal, Criminal Justice, Visual & Perf Arts, Health, Business
Berks Technical Institute	613	Certificate, Associate	IT, Engineering, Legal, Criminal Justice, Visual & Perf Arts, Health, Business
BIR Training Center	1,037	Certificate	Engineering, English, Production, Health, Business
Blue Cliff College	902	Certificate, Associate	Personal/Culinary Svcs, Criminal Justice, Health
Bohecker College	2,055	Certificate, Associate	IT, Engineering, Legal, Criminal Justice, Production, Health, Business
Bradford School	923	Certificate, Associate	IT, Personal/Culinary Svcs, Legal, Visual & Perf Arts, Health, Business
Branford Hall Career Institute-Albany Campus	3,660	Certificate	Personal/Culinary Svcs, Engineering, Mechanic/Repair, Health, IT, Legal, Parks Rec / Fitness
Brio Academy of Cosmetology	838	Certificate	Personal/Culinary Svcs
Brittany Beauty School	382	Certificate	Personal/Culinary Svcs
Brookline College	1,681	Certificate, Associate, Bachelor	Legal, Misc/Interdiscipline, Criminal Justice, Social Services, Health, Business
Bryan College	1,460	Certificate, Associate	Communications, IT, Parks Rec / Fitness, Health, Business
Bryant and Stratton College	9,678	Certificate, Associate, Bachelor	IT, Legal, Criminal Justice, Visual & Perf Arts, Health, Business, Engineering

Note: Table includes colleges and schools with over 300 students.

Source: U.S. Department of Education — IPEDS

**U.S. For-Profit, Privately Held Colleges & Schools**

<b>Institution Name</b>	<b>Fall 2008</b>		<b>Programs</b>
	<b>Enrollment</b>	<b>Degree Levels</b>	
California Career School	334	Certificate	Criminal Justice, Mechanic/Repair, Production, Transportation
California College-San Diego	817	Associate, Bachelor	IT, Engineering, Health, Business
Cambria Rowe Business College	301	Certificate, Associate	Engineering, Legal, Health, Business
Camelot College	314	Certificate, Associate	IT, Personal/Culinary Svcs, Legal, Health
Cannella School of Hair Design	570	Certificate	Personal/Culinary Svcs, Education
Capitol City Trade and Technical School	318	Certificate	Engineering, Mechanic/Repair
Capri College	513	Certificate	Personal/Culinary Svcs, Health
Capri Institute of Hair Design	817	Certificate	Personal/Culinary Svcs
Cardiac and Vascular Institute of Ultrasound		Certificate	Health
Career Academy	339	Certificate	Transportation, Health, Business
Career Academy of New York	301	Certificate	Personal/Culinary Svcs, Health, Business
Career College	401	Certificate, Associate	Engineering, Legal, Mechanic/Repair, Health, Business
Career Colleges of America	417	Certificate	Health, Business
Career Institute of Health & IT	888	Certificate	Construction, Mechanic/Repair, Health
Career Networks Institute	609	Certificate, Associate	Health
Career Point College	1,012	Certificate, Associate	IT, Legal, Health, Business
Career Quest	355	Certificate	Health, Business
Career Technical College	1,050	Certificate, Associate	IT, Criminal Justice, Health, Business
Career Technical Institute	307	Certificate	IT, Education, Engineering, Health
Career Training Solutions	325	Certificate, Associate	Personal/Culinary Svcs, Health
Carnegie Institute	350	Certificate	Health
Carolina Beauty College	321	Certificate	Personal/Culinary Svcs
Central Florida College	374	Certificate, Associate	Personal/Culinary Svcs, Criminal Justice, Health, Business
Central Florida Institute	655	Certificate, Associate	Health
Central Pennsylvania College	1,091	Certificate, Associate, Bachelor	Communications, IT, Human Sciences, Legal, Criminal Justice, Visual & Perf Arts, Health, Business
Centura College	2,614	Certificate, Associate, Bachelor	IT, Engineering, Criminal Justice, Health, Business
Chancellor University	422	Certificate, Associate, Bachelor, Master	IT, Engineering, Legal, Liberal Arts, Criminal Justice, Social Services, Social Services, Health, Business
Charleston School of Law	616	Doctorate	Legal
Charter College	1,266	Certificate, Associate, Bachelor	IT, Engineering, Criminal Justice, Health, Business, Legal
CHI Institute	1,957	Certificate, Associate	IT, Engineering, Criminal Justice, Construction, Health, Mechanic/Repair
CIT College of InfoMedical IT	361	Certificate	IT, Health
Cleveland Institute of Dental-Medical Assistants	380	Certificate	Health
Cleveland Institute of Electronics	2,146	Certificate, Associate	Communications, IT, Engineering, Engineering
Colegio de Cinematografía Artes y Televisión	406	Certificate, Associate	Communications, Communications, Visual & Perf Arts
College America	1,322	Certificate, Associate, Bachelor	IT, Engineering, Visual & Perf Arts, Health, Business
College of Business and IT	327	Certificate, Associate	IT, Engineering, Mechanic/Repair, Visual & Perf Arts, Health, Business

Note: Table includes colleges and schools with over 300 students.

Source: U.S. Department of Education — IPEDS

**U.S. For-Profit, Privately Held Colleges & Schools**

<b>Institution Name</b>	<b>Fall 2008 Enrollment</b>	<b>Degree Levels</b>	<b>Programs</b>
College of Santa Fe	622	Bachelor, Master	Natural Resources, Communications, IT, Education, English, Liberal Arts, Misc/Interdiscipline, Philosophy, Psychology, Social Services, Visual & Perf Arts, Health, Business
Columbia Centro Universitario	1,589	Certificate, Associate, Bachelor, Master	Communications, Visual & Perf Arts, Health, Business
Columbia Southern University	28,360	Associate, Bachelor, Master, Doctorate	Natural Resources, IT, Engineering, Liberal Arts, Psychology, Criminal Justice, Health, Business
Compu-Med Vocational Careers Corp	728	Certificate	IT, Education, Health
Concorde Career College	5,214	Certificate, Associate	Health
Concorde Career Institute	2,982	Certificate, Associate	Health
Connecticut Center for Massage Therapy	531	Certificate	Health
Conservatory of Recording Arts and Sciences	303	Certificate	Visual & Perf Arts
Continental School of Beauty Culture	749	Certificate	Personal/Culinary Svcs
Cortiva Institute	1,925	Certificate	Health
Cosmetology Career Center LLC	338	Certificate	Personal/Culinary Svcs
Court Reporting Institute	972	Certificate, Associate	Legal
Coyne American Institute Inc	785	Certificate, Associate	Construction, Mechanic/Repair, Health
Creative Images Institute of Cosmetology	319	Certificate	Personal/Culinary Svcs
Crescent City Bartending School	496	Certificate	Personal/Culinary Svcs
Crimson Technical College	411	Certificate	Mechanic/Repair
Culinary Academy of Long Island	332	Certificate	Personal/Culinary Svcs, Business
D'Mart Institute	2,822	Certificate	Agriculture, IT, Personal/Culinary Svcs, Education, Engineering, Legal, Construction, Mechanic/Repair, Health, Business
D-Jays School of Beauty Arts and Sciences	102	Certificate	Personal/Culinary Svcs
Dade Medical College	691	Certificate, Associate	Health
Davis College	485	Certificate, Associate	Communications, IT, Education, Legal, Visual & Perf Arts, Health, Business
Daymar College-Louisville	1,627	Certificate, Associate	IT, Legal, Criminal Justice, Visual & Perf Arts, Health, Business
Daymar Institute	512	Certificate, Associate	IT, Legal, Criminal Justice, Health, Business
Dayton School of Medical Massage	778	Certificate	Health
Delta College of Arts & IT	317	Certificate, Associate	Visual & Perf Arts, Health, Business
Delta School of Business and IT	328	Certificate, Associate	IT, Engineering, Health, Business
Delta Technical College	337	Certificate	Personal/Culinary Svcs, Mechanic/Repair, Production, Health
DeVry College of New York	1,435	Associate, Bachelor, Master	IT, Engineering, Business
Diesel Driving Academy	417	Certificate	Transportation
DigiPen Institute of IT	915	Bachelor, Master,	Communications, IT, Engineering, Visual & Perf Arts
Digital Media Arts College	406	Certificate, Bachelor, Master	IT, Visual & Perf Arts
Diversified Language Institute	633	Certificate	English, Business
Dorsey Business Schools	1,157	Certificate	IT, Legal, Health, Business, Culinary
Douglas J Aveda Institute	371	Certificate	Personal/Culinary Svcs

Note: Table includes colleges and schools with over 300 students.

Source: U.S. Department of Education — IPEDS

## U.S. For-Profit, Privately Held Colleges & Schools

<b>Institution Name</b>	<b>Fall 2008</b>		
	<b>Enrollment</b>	<b>Degree Levels</b>	<b>Programs</b>
Dover Business College	511	Certificate	IT, Health, Business
DPT Business School	512	Certificate	Education, Health, Business
Drake College of Business	551	Certificate	Health, Business
Draughons Junior College	1,433	Certificate, Associate	IT, Legal, Criminal Justice, Health, Business
Duluth Business University	310	Certificate, Associate, Bachelor	Legal, Social Services, Visual & Perf Arts, Health, Business
Eagle Gate College	703	Certificate, Associate, Bachelor	IT, Legal, Criminal Justice, Visual & Perf Arts, Health, Business
East West College of the Healing Arts	304	Certificate	Health
Eastern College of Health Vocations	372	Certificate	Health
Eastern International College	439	Certificate, Associate	Health
Eastwick College	753	Certificate, Associate	Health, Business
ECPI College of IT	8,543	Certificate, Associate, Bachelor	IT, Personal/Culinary Svcs, Engineering, Criminal Justice, Health, Business
ECPI Technical College	979	Certificate, Associate, Bachelor	IT, Engineering, Criminal Justice, Health
EDIC College	698	Certificate, Associate	Education, Health
EDP College of Puerto Rico Inc	1,016	Associate, Bachelor, Master	Communications, IT, Education, Mechanic/Repair, Visual & Perf Arts, Health, Business
Educational Technical College	1,005	Certificate	Personal/Culinary Svcs, Human Sciences, Construction, Mechanic/Repair, Health, Business
Elmira Business Institute	426	Certificate, Associate	Legal, Health, Business
Emmas Beauty Academy	902	Certificate	Personal/Culinary Svcs
Empire Beauty School	10,308	Certificate	Personal/Culinary Svcs
Empire College School of Business	827	Certificate, Associate	IT, Legal, Mechanic/Repair, Health, Business
Environmental Technical Institute	445	Certificate	Engineering, Mechanic/Repair
Erie Business Center	370	Certificate, Associate	IT, Legal, Criminal Justice, Health, Business
Escuela Tecnica de Electricidad	420	Certificate	Engineering, Mechanic/Repair
Euphoria Institute of Beauty Arts & Sciences	331	Certificate	Personal/Culinary Svcs
Ex-Pression College for Digital Arts	1,200	Bachelor,	Communications, IT
FastTrain	662	Certificate	IT, Mechanic/Repair, Health, Business
Five Towns College	1,163	Associate, Bachelor, Master, Doctorate	Education, Liberal Arts, Visual & Perf Arts, Business
Florida Career College	3,697	Certificate, Associate, Bachelor	IT, Personal/Culinary Svcs, Engineering, Mechanic/Repair, Health, Business
Florida Coastal School of Law	1,470	Doctorate	Legal
Florida College of Natural Health	1,512	Certificate, Associate	Personal/Culinary Svcs, Health
Florida National College	2,369	Certificate, Associate, Bachelor	IT, Education, Legal, Criminal Justice, Health, Business
Florida Technical College	1,459	Certificate, Associate	IT, Engineering, Legal, Criminal Justice, Health, Business
Fortis College	1,644	Certificate, Associate	Personal/Culinary Svcs, Criminal Justice, Health, Business, Legal, Engineering, Mechanic/Repair, Construction
Fortis Institute	307	Certificate	Personal/Culinary Svcs, Health
Fox College Inc	345	Certificate, Associate	Health, Business
Fox Institute of Business	373	Certificate	IT, Legal, Health

Note: Table includes colleges and schools with over 300 students.

Source: U.S. Department of Education — IPEDS

## U.S. For-Profit, Privately Held Colleges & Schools

<b>Institution Name</b>	<b>Fall 2008 Enrollment</b>	<b>Degree Levels</b>	<b>Programs</b>
Full Sail University	6,979	Certificate, Associate, Bachelor, Master	Communications, IT, Education, Misc/Interdiscipline, Visual & Perf Arts, Business
Galen College of Nursing-Louisville	2,725	Certificate, Associate	Health
Galiano Career Academy	477	Certificate	Health, Business
Gene Juarez Academy of Beauty	753	Certificate	Personal/Culinary Svcs
Genesis Career College	421	Certificate	Personal/Culinary Svcs
Georgia Career Institute	1,165	Certificate	Personal/Culinary Svcs, Health
Globe University	771	Certificate, Associate, Bachelor, Master	Communications, IT, Legal, Parks Rec / Fitness, Criminal Justice, Health, Business
Golf Academy of America	1,073	Associate	Business
Great Lakes Institute of IT	565	Certificate	Personal/Culinary Svcs, Education, Health
Gwinnett College	475	Certificate, Associate	IT, Legal, Health, Business
Hair Professionals Academy of Cosmetology	394	Certificate	Personal/Culinary Svcs
Hair Professionals Career College	371	Certificate	Personal/Culinary Svcs
Hallmark College of IT / Hallmark College of Aeronautics	600	Certificate, Associate, Bachelor	IT, Engineering, Mechanic/Repair, Health, Business
Harris School of Business	2,213	Certificate	Legal, Health, Business, IT
Harrison College	5,073	Certificate, Associate, Bachelor	Criminal Justice, Health, Business, Engineering, IT, Personal/Culinary Svcs
Heritage College	2,164	Certificate, Associate	Personal/Culinary Svcs, Parks Rec / Fitness, Health
Heritage Institute	1,578	Certificate, Associate	Personal/Culinary Svcs, Parks Rec / Fitness, Health
Herzing University	3,459	Certificate, Associate, Bachelor, Master	IT, Engineering, Engineering, Legal, Criminal Justice, Visual & Perf Arts, Health, Business
Hesser College	3,800	Certificate, Associate, Bachelor	Communications, Communications, IT, Education, Legal, Liberal Arts, Parks Rec / Fitness, Psychology, Criminal Justice, Visual & Perf Arts, Health, Business
Hickey College	428	Certificate, Associate, Bachelor	IT, Legal, Visual & Perf Arts, Health, Business
High-Tech Institute	5,753	Certificate, Associate	IT, Criminal Justice, Health
Hohokus School-RETS Nutley	453	Certificate	IT, Engineering, Health, Business
HoHoKus-Hackensack School of Business and Medical Sciences	983	Certificate	Legal, Health, Business
Hondros College	528	Certificate, Associate	Health, Business
Houston Training School	381	Certificate	Personal/Culinary Svcs
Huertas Junior College	1,777	Certificate, Associate	IT, Engineering, Engineering, Legal, Parks Rec / Fitness, Mechanic/Repair, Health, Business
Hunter Business School	699	Certificate	IT, Mechanic/Repair, Health, Business
Huntington Junior College	841	Certificate, Associate	IT, Legal, Health, Business
ICDC College	1,760	Certificate, Associate	IT, Engineering, Legal, Criminal Justice, Visual & Perf Arts, Health, Business
ICPR Junior College	1,459	Certificate, Associate	IT, Personal/Culinary Svcs, Engineering, Human Sciences, Criminal Justice, Health, Business
Illinois School of Health Careers	1,145	Certificate	Health
Institute for Business and IT	718	Certificate	Engineering, Construction, Health
Institute of Audio Research	631	Certificate	Communications
Institute of Beauty Careers	555	Certificate	Personal/Culinary Svcs, Health

Note: Table includes colleges and schools with over 300 students.

Source: U.S. Department of Education — IPEDS

**U.S. For-Profit, Privately Held Colleges & Schools**

<b>Institution Name</b>	<b>Fall 2008 Enrollment</b>	<b>Degree Levels</b>	<b>Programs</b>
Institute of Business and Medical Careers	393	Certificate, Associate	IT, Legal, Health, Business
Institute of Production and Recording	309	Associate	Communications, Visual & Perf Arts
Institute of IT Inc	1,768	Certificate, Associate	IT, Personal/Culinary Svcs, Criminal Justice, Mechanic/Repair, Health, Business
Instituto de Banca y Comercio Inc	10,910	Certificate	IT, Personal/Culinary Svcs, Engineering, Construction, Health, Business
Instituto de Educacion Tecnica Ocupacional La Reine	576	Certificate	Personal/Culinary Svcs, Construction
Intellitec College	1,262	Certificate, Associate	Engineering, Mechanic/Repair, Health, Business, IT
Intellitec Medical Institute	301	Certificate, Associate	Health
Interactive College of IT	432	Certificate, Associate	IT, Engineering, Business
Intercoast Colleges	603	Certificate	Legal, Construction, Health, Business
Interior Designers Institute	360	Certificate, Associate, Bachelor	Visual & Perf Arts
International Business College	1,646	Certificate, Associate, Bachelor	IT, Engineering, Legal, Visual & Perf Arts, Health, Business, Mechanic/Repair
International School of Skin and Nailcare	314	Certificate	Personal/Culinary Svcs, Health
ITI Technical College	426	Certificate, Associate	IT, Engineering, Construction, Mechanic/Repair
Iverson Business School	351	Certificate	IT, Legal, Health, Business
Javelin Technical Training Center	953	Certificate	IT, Health, Business
Jones International University	1,882	Associate, Bachelor, Master, Doctorate	Communications, IT, Education, Business
Josephs College of Beauty-Lincoln	365	Certificate	Personal/Culinary Svcs
Keiser Career College	1,471	Certificate, Associate	IT, Personal/Culinary Svcs, Health
Keiser University	13,392	Certificate, Associate, Bachelor, Master, Doctorate	IT, Engineering, Human Sciences, Legal, Parks Rec / Fitness, Criminal Justice, Visual & Perf Arts, Health, Business
Kendall College	1,913	Certificate, Associate, Bachelor	Personal/Culinary Svcs, Education, Misc/Interdiscipline, Criminal Justice, Social Services, Social Services, Business
Kenneth Shuler School of Cosmetology	483	Certificate	Personal/Culinary Svcs
King's College	588	Certificate, Associate	IT, Legal, Visual & Perf Arts, Health, Business
L'Ecole Culinaire	510	Certificate, Associate	Personal/Culinary Svcs, Business
La Belle Beauty Academy	591	Certificate	Personal/Culinary Svcs
La James International College	583	Certificate	Personal/Culinary Svcs, Health
Lamson College	643	Certificate, Associate	Legal, Health, Business
Lansdale School of Business	439	Certificate, Associate	IT, Engineering, Legal, Criminal Justice, Health, Business
Liceo de Arte-Dise-O y Comercio	410	Certificate	Personal/Culinary Svcs, Human Sciences, Health, Business
LIM College	1,295	Associate, Bachelor, Master	Visual & Perf Arts, Business
Long Island Beauty School	425	Certificate	Personal/Culinary Svcs
Long Island Business Institute	607	Certificate, Associate	IT, Legal, Health, Business
Los Angeles Film School	346	Certificate, Associate	Visual & Perf Arts
Los Angeles Recording School	440	Certificate	Communications
Madison Media Institute	380	Associate, Bachelor	Communications, Communications, Visual & Perf Arts
Marinello School of Beauty	3,362	Certificate	Personal/Culinary Svcs

Note: Table includes colleges and schools with over 300 students.

Source: U.S. Department of Education — IPEDS

## U.S. For-Profit, Privately Held Colleges & Schools

Institution Name	Fall 2008		
	Enrollment	Degree Levels	Programs
MBTI Business Training Institute	549	Certificate	IT, Education, Engineering, Legal, Health, Business
McCann School of Business and IT	2,014	Certificate, Associate	IT, Personal/Culinary Svcs, Education, Legal, Criminal Justice, Health, Business
MCed Career College	1,486	Certificate	IT, Legal, Health, Business
McNally Smith College of Music	570	Certificate, Associate, Bachelor	Engineering, Visual & Perf Arts
Mech-Tech College LLC	2,496	Certificate, Associate	Engineering, Construction, Mechanic/Repair, Production
Medix College	1,133	Certificate, Associate	Engineering, Production, Health
Medix School	1,133	Certificate	Personal/Culinary Svcs, Health
MedSpa Careers Institute	319	Certificate, Associate	Health
MedTech College	618	Certificate, Associate	Health
Medvance Institute	3,800	Certificate, Associate	Health, Engineering
Metro Business College of Cape Girardeau	457	Certificate, Associate	Health, Business
Miami Ad School	394	Certificate, Associate	Communications, Visual & Perf Arts
Miami-Jacobs Career College	1,871	Certificate, Associate	Legal, Criminal Justice, Visual & Perf Arts, Health
Michigan College of Beauty	566	Certificate	Personal/Culinary Svcs
Michigan Institute of Aviation and IT	720	Certificate	Engineering, Mechanic/Repair, Transportation
Midstate College	647	Certificate, Associate, Bachelor	IT, Legal, Health, Business
Midwest Technical Institute	635	Certificate	Mechanic/Repair, Production, Health
Milan Institute	2,146	Certificate	Personal/Culinary Svcs, Legal, Health
Milan Institute of Cosmetology	1,004		Personal/Culinary Svcs, Health
Mildred Elley	681	Certificate, Associate	Communications, IT, Legal, Health, Business, Criminal Justice
Miller-Motte College	1,273	Certificate, Associate	Personal/Culinary Svcs, Legal, Criminal Justice, Health, Business
Miller-Motte Technical College	2,537	Certificate, Associate	Personal/Culinary Svcs, Criminal Justice, Health, Business
Minneapolis Business College	373	Certificate, Associate	IT, Legal, Visual & Perf Arts, Health, Business
Minnesota School of Business	5,808	Certificate, Associate, Bachelor, Master	Communications, Communications, IT, Legal, Parks Rec / Fitness, Criminal Justice, Visual & Perf Arts, Health, Business
Modern Hairstyling Institute	462	Certificate	Personal/Culinary Svcs, Health
Monroe College	6,900	Certificate, Associate, Bachelor, Master	IT, Personal/Culinary Svcs, Criminal Justice, Health, Business
Mt Sierra College	460	Bachelor,	Communications, IT, Visual & Perf Arts, Business
MTI College	636	Certificate, Associate	IT, Personal/Culinary Svcs, Legal, Health, Business
Musicians Institute	1,206	Certificate, Associate, Bachelor	Visual & Perf Arts
National Academy of Beauty Arts	340	Certificate	Personal/Culinary Svcs, Education
National Aviation Academy A & P School	355	Certificate	Mechanic/Repair
National Career Education	421	Certificate	Health
National College of Business and IT	7,094	Associate, Bachelor	IT, Education, Engineering, Engineering, Mechanic/Repair, Health, Business
National College	7,367	Certificate, Associate, Bachelor, Master	Communications, IT, Engineering, Health, Business

Note: Table includes colleges and schools with over 300 students.

Source: U.S. Department of Education — IPEDS

**U.S. For-Profit, Privately Held Colleges & Schools**

<b>Institution Name</b>	<b>Fall 2008 Enrollment</b>	<b>Degree Levels</b>	<b>Programs</b>
National Institute of IT	496	Certificate, Associate	IT, Engineering, Criminal Justice, Health, Business
National Massage Therapy Institute	684	Certificate	Health
New Castle School of Trades	573	Certificate, Associate	Construction, Mechanic/Repair, Production, Transportation
New England Culinary Institute	516	Certificate, Associate, Bachelor	Personal/Culinary Svcs, Business
New England Tractor Trailer Training School	688	Certificate	Transportation
New Professions Technical Institute	323	Certificate	IT, Health, Business
New Wave Hair Academy	510	Certificate	Personal/Culinary Svcs
New York Automotive and Diesel Institute	337	Certificate	Mechanic/Repair
New York Career Institute	627	Certificate, Associate	Legal, Health
New York Conservatory for Dramatic Arts	325	Certificate	Visual & Perf Arts
New York School for Medical and Dental Assistants	380	Certificate	Health
Newbridge College	844	Certificate	Health
Newschool of Architecture and Design	509	Bachelor, Master	Architecture
North American Trade Schools	486	Certificate	Construction, Mechanic/Repair, Transportation
North-West College	827	Certificate	Legal, Health, Business
Northcentral University	7,468	Bachelor, Master, Doctorate	Education, Psychology, Business
Northwestern College	1,867	Certificate, Associate	Communications, IT, Legal, Criminal Justice, Health, Business
Northwestern Technological Institute	445	Certificate	Engineering
Nossi College of Art	381	Associate, Bachelor	Visual & Perf Arts
Ocean Corporation	334	Certificate	Engineering, Transportation
Ogle School Hair Skin Nails	968	Certificate	Personal/Culinary Svcs
Ohio Business College	679	Certificate, Associate	IT, Engineering, Legal, Health, Business
Ohio Center for Broadcasting	529	Certificate	Communications
Ohio Institute of Health Careers	379	Certificate, Associate	Health
Ohio Technical College	966	Certificate, Associate	Mechanic/Repair, Transportation
Olympian University of Cosmetology	846	Certificate	Personal/Culinary Svcs
Pacific College	1,414	Certificate, Associate, Bachelor, Master	Health
Pacifica Graduate Institute	675	Master, Doctorate	Liberal Arts, Psychology
Parisian Beauty School	314	Certificate	Personal/Culinary Svcs
Paul Mitchell	3,416	Certificate	Personal/Culinary Svcs
PCI Health Training Center	854	Certificate	Health
Penn Commercial Business/Technical School	405	Certificate, Associate	IT, Engineering, Legal, Construction, Mechanic/Repair, Health, Business
Pennco Tech	1,094	Certificate, Associate	Engineering, Human Sciences, Construction, Mechanic/Repair, Health
Pennsylvania School of Business	368	Certificate, Associate	IT, Health, Business
Phoenix School of Law	335	Doctorate	Legal
Pima Medical Institute	6,803	Certificate, Associate	Health
Pinnacle Career Institute	837	Certificate, Associate	Engineering, Health, Business, Parks Rec / Fitness

Note: Table includes colleges and schools with over 300 students.

Source: U.S. Department of Education — IPEDS



**U.S. For-Profit, Privately Held Colleges & Schools**

<b>Institution Name</b>	<b>Fall 2008 Enrollment</b>	<b>Degree Levels</b>	<b>Programs</b>
Pioneer Pacific College	1,273	Certificate, Associate, Bachelor	IT, Personal/Culinary Svcs, Legal, Criminal Justice, Health, Business
Pittsburgh Technical Institute	2,073	Certificate, Associate	IT, Engineering, Mechanic/Repair, Health, Business
Pivot Point Beauty School	520	Certificate	Personal/Culinary Svcs, Education
PJ's College of Cosmetology	546	Certificate	Personal/Culinary Svcs
PJA School	325	Certificate, Associate	IT, Education, Legal, Misc/Interdiscipline, Health, Business
Platt College	2,627	Certificate, Associate, Bachelor	Personal/Culinary Svcs, Health, Business, Visual & Perf Arts, Legal, Communications, IT, Criminal Justice
Plaza College	724	Certificate, Associate, Bachelor	Health, Business
Ponce Paramedical College Inc	3,095	Certificate, Associate	Personal/Culinary Svcs, Human Sciences, Legal, Mechanic/Repair, Health
Porter and Chester Institute	2,491	Certificate	Engineering, Construction, Mechanic/Repair, Health
Porter and Chester Institute of Branford	385	Certificate	Engineering, Construction, Mechanic/Repair, Health
Post University	1,687	Certificate, Associate, Bachelor, Master	Agriculture, Natural Resources, Education, Human Sciences, Legal, Liberal Arts, Biomedical, Parks Rec / Fitness, Psychology, Criminal Justice, Social Services, Social Services, Business
Potomac College	615	Certificate, Associate, Bachelor	IT, Health, Business
Premiere Career College	388	Certificate	Health, Business
Prism Career Institute	773	Certificate	Legal, Health, Business
Professional Golfers Career College	456	Associate	Business
Professional Skills Institute	360	Certificate, Associate	Health
Professional Technical Institution Inc	491	Certificate	Engineering, Construction, Mechanic/Repair
Professional Training Centers	434	Certificate, Associate	Health
Ramirez College of Business and IT	460	Certificate, Associate	IT, Health, Business
Rasmussen College	9,420	Certificate, Associate, Bachelor	IT, Human Sciences, Legal, Criminal Justice, Social Services, Health, Business, Parks Rec / Fitness, Communications
Redstone College	581	Certificate, Associate	Mechanic/Repair, Business
Refrigeration School Inc	442	Certificate, Associate	Engineering, Construction
Regency Beauty Insitute	3,568	Certificate	Personal/Culinary Svcs,
Remington College	9,491	Certificate, Associate, Bachelor	IT, Personal/Culinary Svcs, Engineering, Criminal Justice, Health, Business, Visual & Perf Arts
Research College of Nursing	382	Bachelor, Master	Health
RETS College	1,073	Certificate, Associate	IT, Engineering, Engineering, Legal, Criminal Justice, Health, Business
Richmond School of Health and IT	440	Certificate, Associate	Health
Ridley Lowell Business and Technical Institute	752	Certificate	IT, Construction, Health, Business
Ridley-Lowell School of Business	576	Certificate	IT, Legal, Criminal Justice, Health, Business
Rob Roy Academy	428	Certificate	Personal/Culinary Svcs
Robert Fiance Beauty School	545	Certificate	Personal/Culinary Svcs, Education
Rockford Career College	603	Certificate, Associate	IT, Legal, Health, Business

Note: Table includes colleges and schools with over 300 students.

Source: U.S. Department of Education — IPEDS

**U.S. For-Profit, Privately Held Colleges & Schools**

<b>Institution Name</b>	<b>Fall 2008 Enrollment</b>	<b>Degree Levels</b>	<b>Programs</b>
Rocky Mountain College of Art and Design	573	Bachelor,	Communications, Education, Visual & Perf Arts
Ross Medical Education Center	908	Certificate	Health
Sage College	479	Certificate, Associate	Legal
Salem International University	574	Associate, Bachelor, Master	Cultural Studies, IT, Education, Liberal Arts, Biomedical, Criminal Justice, Business
Salter College-West Boylston	1,056	Certificate, Associate	Personal/Culinary Svcs, Legal, Health, Business
Salter School-Fall River Campus	511	Certificate	Health
San Joaquin Valley College	3,749	Certificate, Associate	Engineering, Criminal Justice, Health, Business, IT
Santa Barbara Business College	1,279	Certificate, Associate	IT, Legal, Criminal Justice, Health, Business, Parks Rec / Fitness
Sanz School	899	Certificate, Associate	English, Health
Sawyer School	800	Certificate	Health, Business
SBI Campus-An Affiliate of Sanford-Brown	572	Certificate, Associate	IT, Criminal Justice, Mechanic/Repair, Visual & Perf Arts, Health, Business
Schiller International University	515	Associate, Bachelor, Master	Engineering, Liberal Arts, Misc/Interdiscipline, Social Services, Business
School of Communication Arts	373	Certificate, Associate	Communications, IT, Visual & Perf Arts
School of Visual Arts	3,988	Bachelor, Master	Communications, Communications, IT, Education, Visual & Perf Arts, Health
Seacoast Career School	593	Certificate	Health
Soma Institute-The National School of Clinical Massage Therapy	334	Certificate	Health
South Coast College	336	Certificate, Associate	Legal, Health
South College	1,005	Certificate, Associate, Bachelor, Master	IT, Education, Legal, Criminal Justice, Health, Business
South Florida Institute of IT	565	Certificate	IT, Engineering, Construction, Mechanic/Repair, Health
South Hills School of Business & IT	643	Certificate, Associate	IT, Engineering, Legal, Criminal Justice, Visual & Perf Arts, Health, Business
South Texas Vo-Tech Institute	382	Certificate	Mechanic/Repair, Health, Business
Southeastern Institute	542	Certificate	Health
Southern California Institute of IT	604	Certificate, Associate, Bachelor	IT, Engineering, Engineering, Construction, Business
Southern Careers Institute Inc	821	Certificate	Health, Business
Southern Technical College	409	Certificate, Associate	Mechanic/Repair, Health, Business
Southwest Institute of Healing Arts	1,309	Certificate, Associate	Personal/Culinary Svcs, Engineering, Misc/Interdiscipline, Health
Southwest School of Business and Technical Careers-San Antonio	379	Certificate	Health, Business
Spa Tech Institute	609	Certificate	Personal/Culinary Svcs, Education, Health
Spartan College of Aeronautics and IT	1,231	Certificate, Associate, Bachelor	Engineering, Transportation
Specs Howard School of Broadcast Arts Inc	652	Certificate	Communications, Visual & Perf Arts
Spencerian College	1,202	Certificate, Associate	Health, Business
Spencerian College-Lexington	605	Certificate, Associate	IT, Engineering, Mechanic/Repair, Health
St. Louis College of Health Careers	445	Certificate, Associate	Health
Stanbridge College	418	Certificate, Associate	IT, Health, Business

Note: Table includes colleges and schools with over 300 students.

Source: U.S. Department of Education — IPEDS

## U.S. For-Profit, Privately Held Colleges & Schools

<b>Institution Name</b>	<b>Fall 2008 Enrollment</b>	<b>Degree Levels</b>	<b>Programs</b>
Stautzenberger College	1,266	Certificate, Associate	IT, Legal, Parks Rec / Fitness, Criminal Justice, Health, Business
Stenotype Institute of Jacksonville Inc	486	Certificate, Associate	Legal
Stevens-Henager College	2,118	Associate, Bachelor, Master	IT, Mechanic/Repair, Visual & Perf Arts, Health, Business
Stone Academy	1,035	Certificate	Health, Business
Stratford University	1,468	Certificate, Associate, Bachelor, Master	IT, Personal/Culinary Svcs, Engineering, Engineering, Health, Business
Suburban Technical School	337	Certificate	Health
Sullivan and Cogliano Training Center	612	Certificate	IT, Engineering, Mechanic/Repair, Business
Sullivan College of IT and Design	553	Certificate, Associate, Bachelor	IT, Engineering, Visual & Perf Arts
Sullivan University	3,347	Certificate, Associate, Bachelor, Master, Doctorate	IT, Personal/Culinary Svcs, Human Sciences, Legal, Misc/Interdiscipline, Criminal Justice, Health, Business
Summit Career College	1,696	Certificate	Legal, Health, Business
Sunstate Academy	533	Certificate	Personal/Culinary Svcs, Health
Swedish Institute a College of Health Sciences	578	Associate, Master,	Health
Taylor Business Institute	318	Certificate, Associate	Education, Engineering, Criminal Justice, Health, Business
Technical Career Institute	800	Certificate, Associate	Mechanic/Repair, Health, Business
Technical Career Institutes	4,064	Certificate, Associate	Communications, Communications, IT, Engineering, Legal, Health, Business
TechSkills of Sacramento	1,090	Certificate	IT, Engineering, Health, Business, Mechanic/Repair
TESST College of IT	2,868	Certificate, Associate	IT, Engineering, Mechanic/Repair, Health, Business, Criminal Justice, Construction
Texas Barber Colleges and Hairstyling Schools	854	Certificate	Personal/Culinary Svcs
Texas Careers	1,397	Certificate, Associate	IT, Health, Business, Construction, Legal
Texas School of Business	2,316	Certificate, Associate	Health
The Academy of Health Care Professions	667	Certificate, Associate	Health
The Art Center Design College	649	Associate, Bachelor	Architecture, Communications, Visual & Perf Arts
The Bryman School of Arizona	744	Certificate, Associate	Health
The College of Office IT	365	Certificate, Associate	IT, Health
The College of Westchester	1,196	Certificate, Associate, Bachelor	IT, Health, Business
The Fashion Institute of Design & Merchandising	6,366	Associate, Bachelor	Communications, Human Sciences, Visual & Perf Arts, Business
The Restaurant School at Walnut Hill College	509	Associate, Bachelor	Personal/Culinary Svcs, Business
The Salon Professional Academy	668	Certificate	Personal/Culinary Svcs, Health
The Salter School	895	Certificate	Legal, Health
Thompson Institute	1,106	Certificate	Construction, Health
Toni & Guy Hairdressing Academy	494	Certificate	Personal/Culinary Svcs, Education
Tri-State Business Institute	1,599	Certificate, Associate	IT, Personal/Culinary Svcs, Legal, Production, Health, Business
Tri-State Cosmetology Institute	322	Certificate	Personal/Culinary Svcs
Triangle Tech Inc-Bethlehem	1,086	Certificate, Associate	Engineering, Construction, Mechanic/Repair, Production
Trumbull Business College	321	Certificate, Associate	IT, Legal, Health, Business

Note: Table includes colleges and schools with over 300 students.

Source: U.S. Department of Education — IPEDS

**U.S. For-Profit, Privately Held Colleges & Schools**

<b>Institution Name</b>	<b>Fall 2008</b>		
	<b>Enrollment</b>	<b>Degree Levels</b>	<b>Programs</b>
Tucson College	355	Certificate	IT, Construction, Health
TUI University	8,004	Bachelor, Master, Doctorate	IT, Education, Health, Business
Tulsa Welding School	1,312	Certificate, Associate	Production
Ultimate Medical Academy	1,514	Certificate	Personal/Culinary Svcs, Health
Unitech Training Academy	376	Certificate	IT, Health
United Education Institute	3,608	Certificate	Engineering, Health, Business
Universal Career Community College Inc	654	Certificate	IT, Personal/Culinary Svcs, Misc/Interdiscipline, Mechanic/Repair, Health, Business
University of Advancing IT	1,217	Associate, Bachelor, Master	Communications, IT, Engineering
University of Antelope Valley	663	Certificate, Associate, Bachelor	Personal/Culinary Svcs, Legal, Criminal Justice, Health
University of Cosmetology Arts and Sciences	436	Certificate	Personal/Culinary Svcs
Utah Career College	555	Certificate, Associate, Bachelor	IT, Legal, Parks Rec / Fitness, Visual & Perf Arts, Health, Business, Engineering
Utah College of Massage Therapy Inc	364	Certificate	Health
Utica School of Commerce	414	Certificate, Associate	IT, Business
Valley Career College	373	Certificate	Engineering, Health, Business
Vatterott Career College	478	Certificate, Associate	IT, Personal/Culinary Svcs, Engineering, Mechanic/Repair, Health
Vatterott College	3,774	Certificate, Associate, Bachelor	IT, Personal/Culinary Svcs, Engineering, Construction, Mechanic/Repair, Health, Business, Production, Visual & Perf Arts, Criminal Justice
Vet Tech Institute	338	Associate	Health
Virginia College-Austin	10,674	Certificate, Associate, Bachelor, Master	Communications, IT, Personal/Culinary Svcs, Engineering, Legal, Criminal Justice, Visual & Perf Arts, Health, Business, Education
Virginia Farrell Beauty School	502	Certificate	Personal/Culinary Svcs
Walden University	34,779	Bachelor, Master, Doctorate	Communications, IT, Education, Engineering, Engineering, Biomedical, Psychology, Criminal Justice, Social Services, Health, Business
West Coast Ultrasound Institute	508	Certificate	Health
West Coast University	1,113	Associate, Bachelor	Health
West Tennessee Business College	406	Certificate, Associate	Personal/Culinary Svcs, Health, Business
West Virginia Junior College	539	Certificate, Associate	IT, Engineering, Legal, Health, Business
Westtech College	439	Certificate	Engineering, Health, Business
Western Beauty Institute	694	Certificate	Personal/Culinary Svcs
Western Technical College	1,337	Certificate, Associate	Engineering, Mechanic/Repair, Production, Health
Westwood College	17,741	Certificate, Associate, Bachelor	Communications, IT, Engineering, Criminal Justice, Visual & Perf Arts, Health, Business
Wichita Technical Institute	982	Certificate	Engineering, Mechanic/Repair, Health
Wood Tobe-Coburn School	305	Certificate, Associate	IT, Visual & Perf Arts, Health, Business
Xenon International Academy	603	Certificate	Personal/Culinary Svcs
YTI Career Institute	1,472	Certificate, Associate	IT, Personal/Culinary Svcs, Engineering, Criminal Justice, Mechanic/Repair, Health, Business

Note: Table includes colleges and schools with over 300 students.

Source: U.S. Department of Education — IPEDS

## Important Disclosures and Certifications

**We, Jerry Herman, CFA and Robert Craig, certify that the views expressed in this research report accurately reflect our personal views about the subject securities or issuers; and we, Jerry Herman, CFA and Robert Craig, certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation or views contained in this research report.**

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Our investment rating system is three tiered, defined as follows:

**BUY** -For U.S. securities we expect the stock to outperform the S&P 500 by more than 10% over the next 12 months. For Canadian securities we expect the stock to outperform the S&P/TSX Composite Index by more than 10% over the next 12 months. For other non-U.S. securities we expect the stock to outperform the MSCI World Index by more than 10% over the next 12 months. For yield-sensitive securities, we expect a total return in excess of 12% over the next 12 months for U.S. securities as compared to the S&P 500, for Canadian securities as compared to the S&P/TSX Composite Index, and for other non-U.S. securities as compared to the MSCI World Index.

**HOLD** -For U.S. securities we expect the stock to perform within 10% (plus or minus) of the S&P 500 over the next 12 months. For Canadian securities we expect the stock to perform within 10% (plus or minus) of the S&P/TSX Composite Index. For other non-U.S. securities we expect the stock to perform within 10% (plus or minus) of the MSCI World Index. A Hold rating is also used for yield-sensitive securities where we are comfortable with the safety of the dividend, but believe that upside in the share price is limited.

**SELL** -For U.S. securities we expect the stock to underperform the S&P 500 by more than 10% over the next 12 months and believe the stock could decline in value. For Canadian securities we expect the stock to underperform the S&P/TSX Composite Index by more than 10% over the next 12 months and believe the stock could decline in value. For other non-U.S. securities we expect the stock to underperform the MSCI World Index by more than 10% over the next 12 months and believe the stock could decline in value.

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## **Notes**

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## **Notes**

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