



2007
Fact Book
A Profile of Career Colleges & Universities

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Fact Book 2007

A Profile of Career Colleges and Universities

February 2007

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Overview

Private career schools, institutes, colleges and universities provide diverse educational opportunities for students interested in being trained for career-specific opportunities in art, business, information technology, allied health, culinary arts and over 200 other fields of study. These educational institutions cover the full spectrum of postsecondary education: from short-term certificate and diploma programs, to two- and four-year associate and baccalaureate degrees, to masters and doctoral programs.

Career colleges comprise 39% of the institutions participating in Title IV programs. These career colleges enrolled over 2 million students in the 2005-2006 academic year. The majority of career college students attended institutions whose longest program is 4 years or more. While more than a quarter of our dependent students come from families with incomes over \$60,000, the career college sector is more likely than the non-profit sector to serve students who are independent, have income in the lowest quartile, have parents with an education below the high school level, and are racial or ethnic minorities. Because of this student profile, a higher proportion of career college students received federal financial aid in 2003-2004 than did students from other sectors.

Thirty-seven percent of students attending career colleges are minorities. Career colleges and universities do not simply enroll large numbers of minority students; they provide a much higher level of student services to help those students persist and succeed in their studies. Thirty-nine percent of degrees conferred at career colleges went to minorities, compared to 19% at public, and 16% at private, not-for-profit institutions. 21% of all African-Americans and 20% of all Hispanics who received an associate's degree earned it at a career college.

Graduation rates at career colleges are higher than at other comparable institutions. Three years after enrollment, students at private career schools and colleges have a higher completion rate (64%) and lower dropout rate (33%) than students at community colleges (38% and 45% respectively). And six years after initial enrollment, a follow-up study on students who enrolled in certificate or associate's degree programs revealed that students at career colleges attained certificates 12 months sooner and associate's degrees 11 months sooner than students who started at public colleges.

Occupations requiring postsecondary career training will have a significant increase in job growth through 2014. Career college programs will meet the market needs of high growth occupations, such as computer support; information systems; business; nursing; dental and medical assisting; occupational and physical therapy; health technology; and legal assisting. Along with the benefits career schools and colleges provide to students, they also provide financial benefits to the community. Taxpayers receive a high return on investment from career college graduates, who repay the public cost of their education in two-thirds the time it takes a community college graduate.

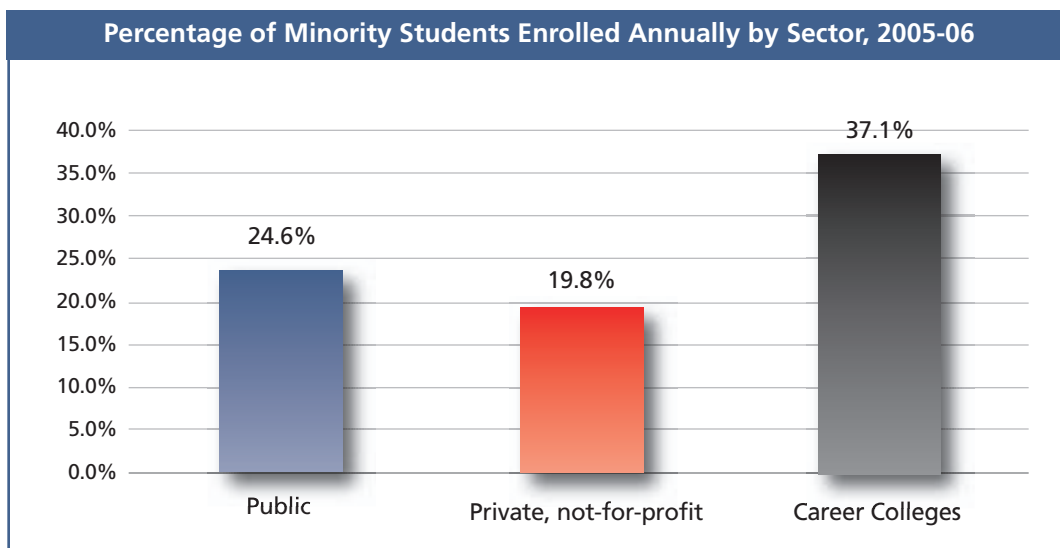


I. Career College Access

A. Career College Student Profile

Career schools and colleges serve a diverse group of students. They enroll a student population that has attributes in common with those attending public and private, non-profit postsecondary institutions, yet they continue to serve a significant number of minority students and lower socioeconomic students.

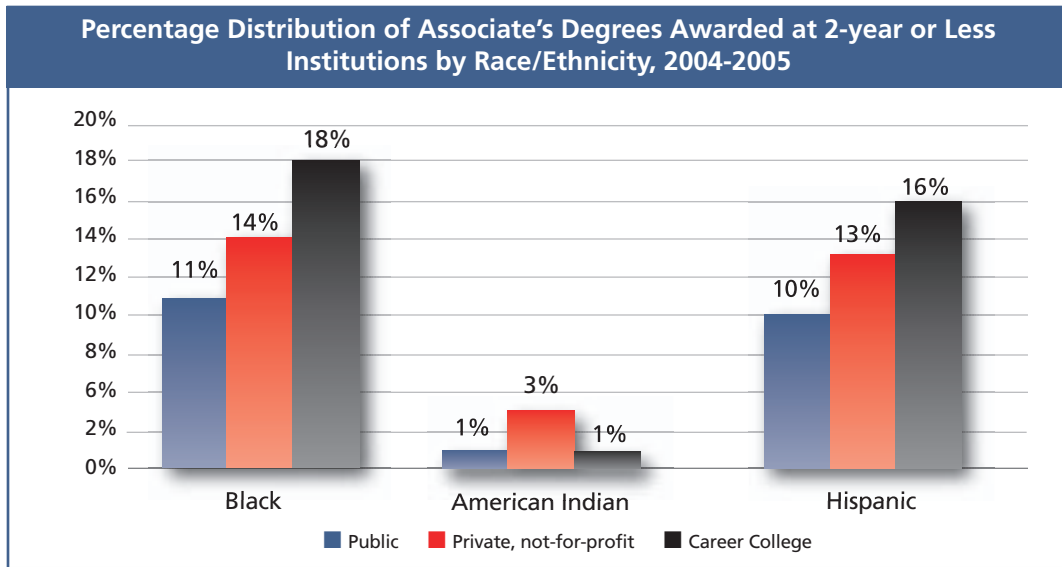
- Thirty-seven percent of students at career colleges are minority, comprising a greater share than are enrolled at private not-for-profit and public institutions. (Source: 1)



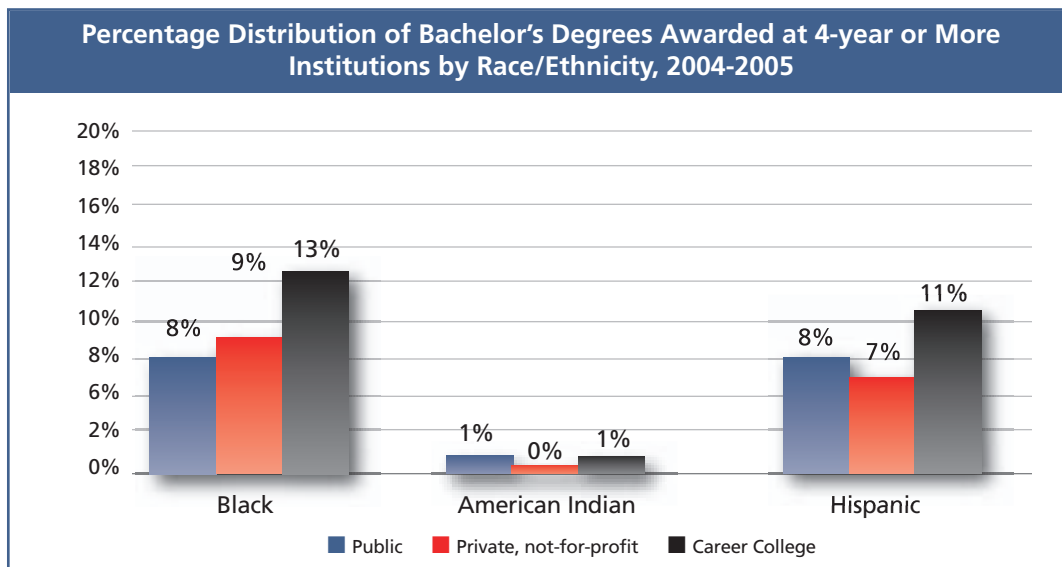
Source: 1

- In 2004-2005, nearly 200,000 minority graduates with degrees or certificates from career colleges became available to the labor market. That compares with 576,960 minority graduates in public and private not-for-profit institutions, and 37,000 at HBCUs. (Source: 1)
- Career colleges represent seven of the ten four-year institutions producing the largest number of minority graduates with associate's degrees in 2004-2005. (Source: 2)
- Six of the top ten institutions producing minority graduates with bachelor's degrees in Computer and Information Sciences in 2004-2005 were career colleges. (Source: 2)
- Career colleges made up four of the top ten institutions awarding MBAs to minorities and half of those producing minority doctorates in business. Of the top ten institutions awarding doctorates in business to African Americans, six were career colleges. (Source: 2)

- 39% of degrees conferred at career colleges were to minorities, compared to 19% at public, and 16% at private not-for-profit, institutions. (Source: 3)

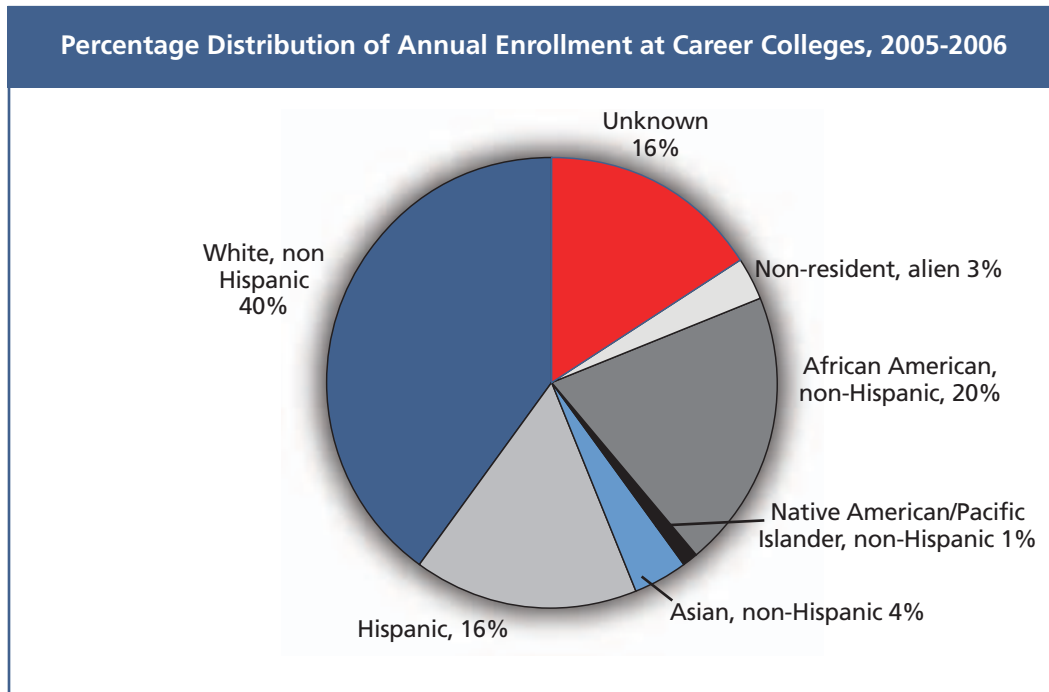


Source: 3



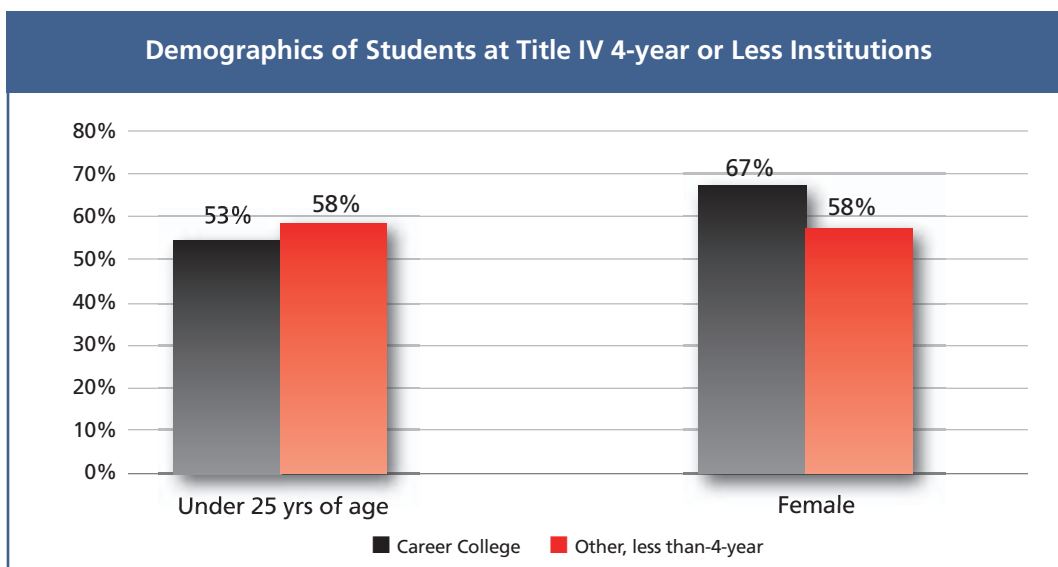
Source: 3

- African-Americans and Hispanics comprise the largest share of minority students at career colleges; 20% of students enrolled at career colleges are African-American, and 16% are Hispanic. African-American and Hispanic students comprise 12% and 11%, respectively, of the total student body at public institutions. (Source: 1)

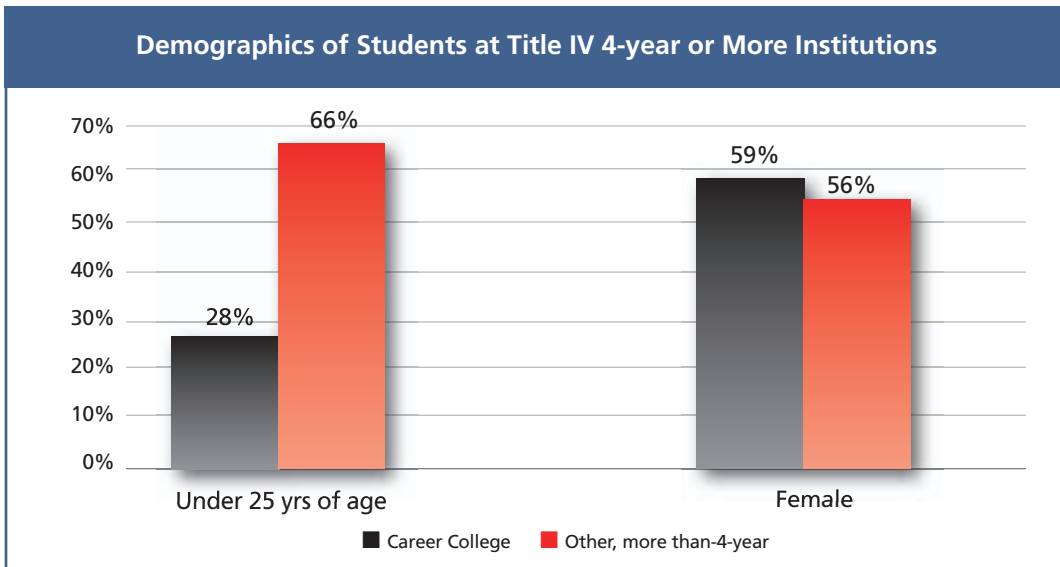


Source: 1

- Private career colleges and schools provide opportunity to a larger share of women and minority students than do other sectors. (Source: 1)
- The percentage of students under 25 years old is not significantly different across sectors at less-than-4-year colleges, but 4-year private career colleges have a lower percentage of students under 25 years old than other institutions. (Source: 1)

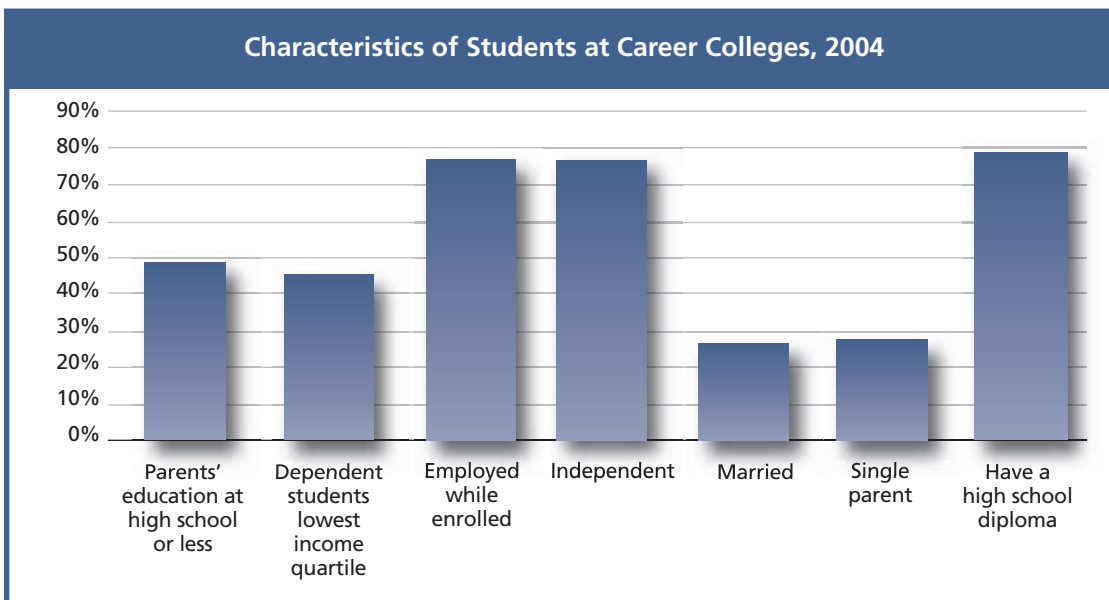


Source: 1



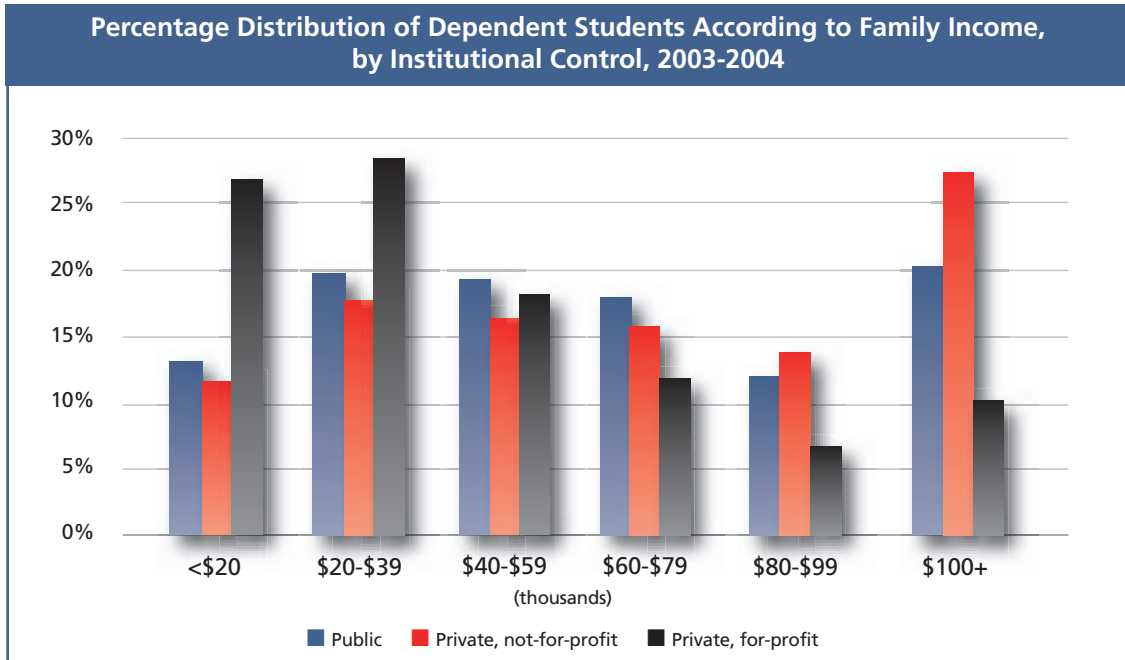
Source: 1

- A majority of the students attending less-than-4-year career schools and colleges have a high school diploma (75%) and are financially independent of their parents' income (72%). These numbers are slightly higher for 4-year career colleges: 84% of these students have a high school diploma, and 82% are independent. (Source: 4)
- Compared with traditional postsecondary students families', career college students come from families with lower incomes. 45% of dependent students come from the lower income quartile. Nearly half come from families with parents who have a high school education or less. (Source: 4)

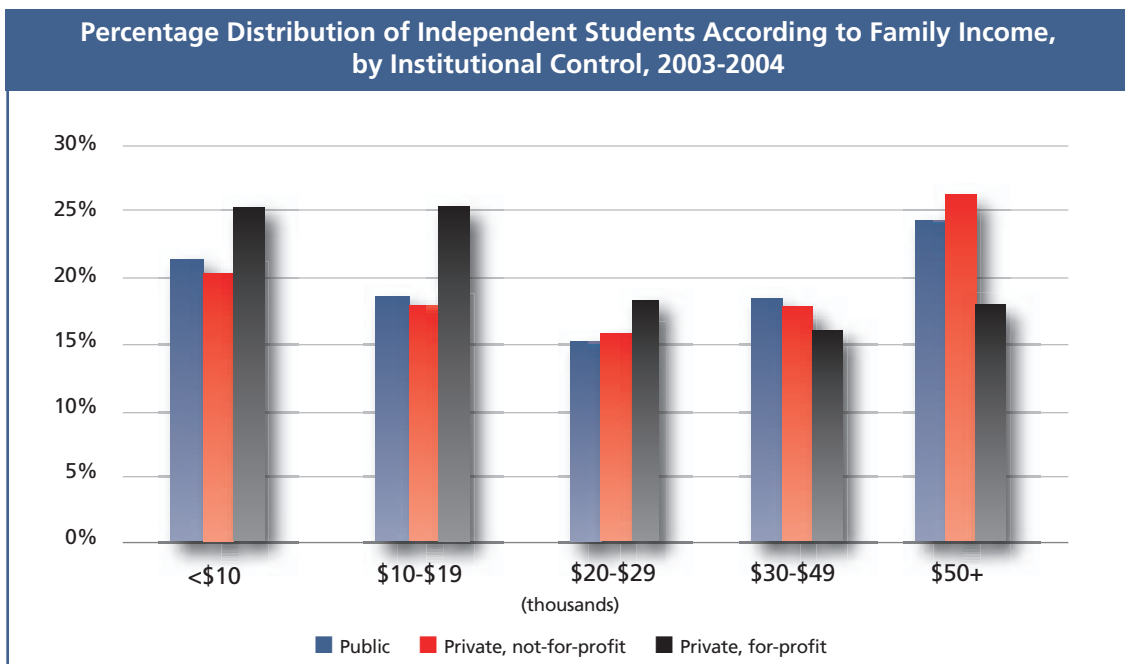


Source: 4

- Career college students are more likely than students in public and private, not-for-profit institutions to have family incomes below \$20,000. However, more than a quarter of dependent students (26%) have family incomes greater than \$60,000. (Source: 4)



Source: 4

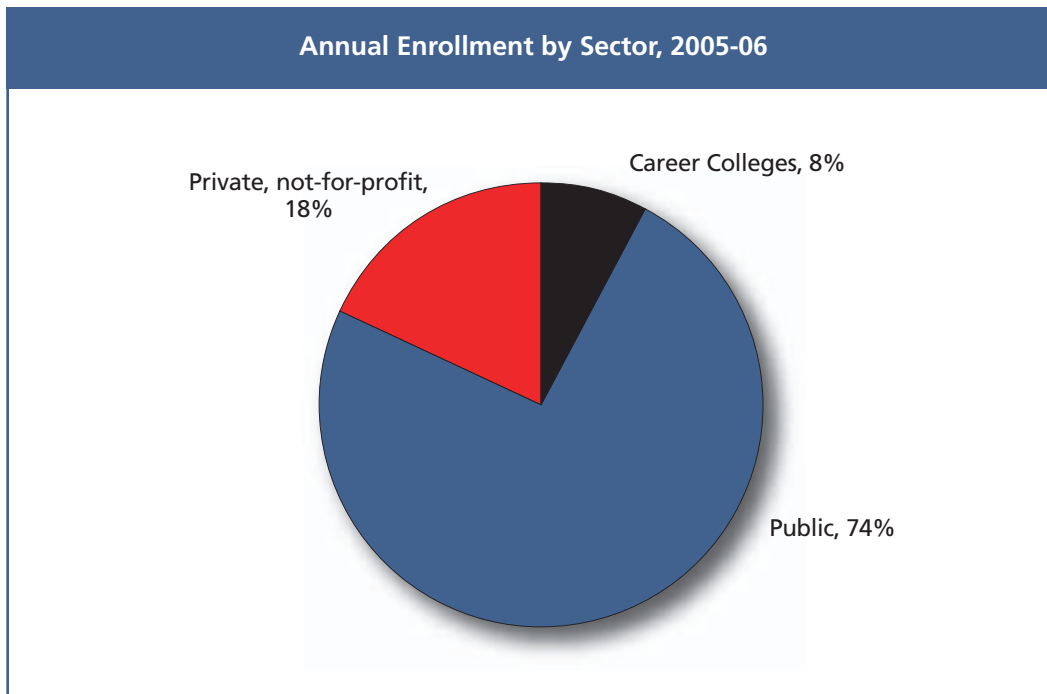


Source: 4

B. Enrollment

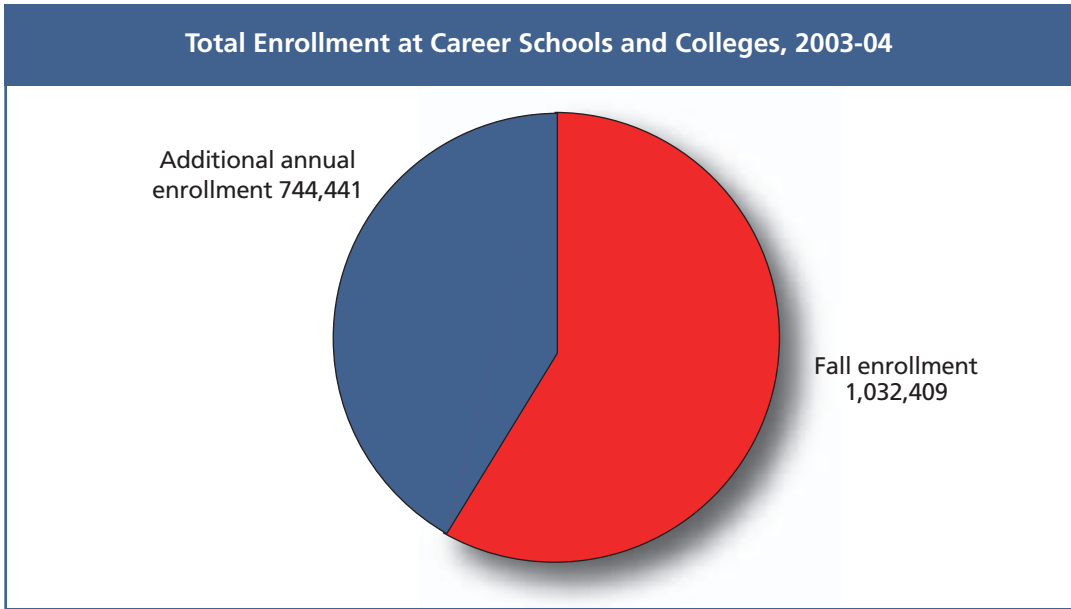
Career schools and colleges and public community colleges enroll and educate the majority of students seeking education below the baccalaureate level.

- 8% of students enrolled in Title IV eligible postsecondary institutions in 2005-2006 attended a career school or college. (Source: 1)



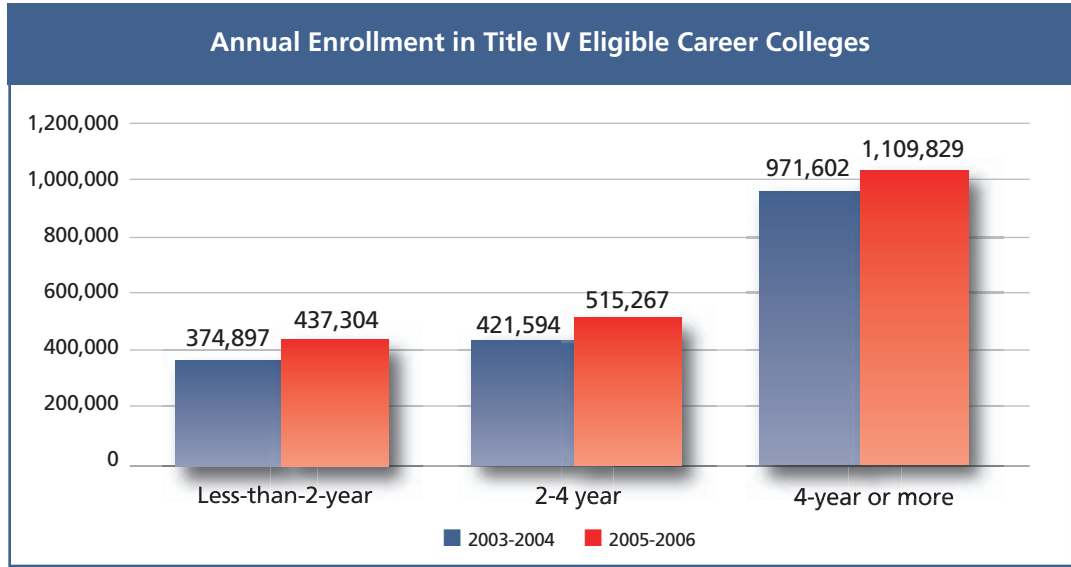
Source: 1

- The number of students enrolled each fall differs from the number enrolled annually, as many career schools and colleges accept students on a rolling basis. In 2003-2004, 40% of enrollment at career colleges occurred on a rolling basis over the course of the entire academic year. (Source: 1,5)
- Of all students enrolled annually at less-than-two-year institutions, 80% were enrolled at career colleges and schools. (Source: 1)
- Of all students enrolled annually at two-year to less-than-four-year institutions, 5% were enrolled at career colleges and schools. (Source: 1)
- Of all students enrolled annually at four-year or more institutions, 8% were enrolled at career colleges and schools. (Source: 1)

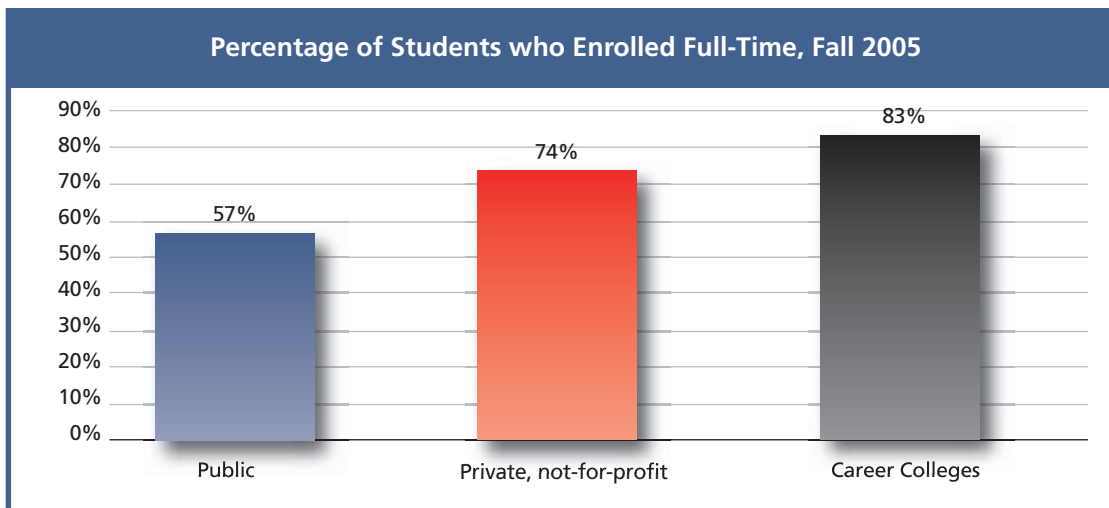


Source: 1, 5

- Career colleges participating in Title IV programs enrolled just under 2.1 million (2,062,400) students annually in 2005-2006. (Source: 1)
- The majority of career college students attended institutions whose longest program is 4 years or more. (Source: 1)

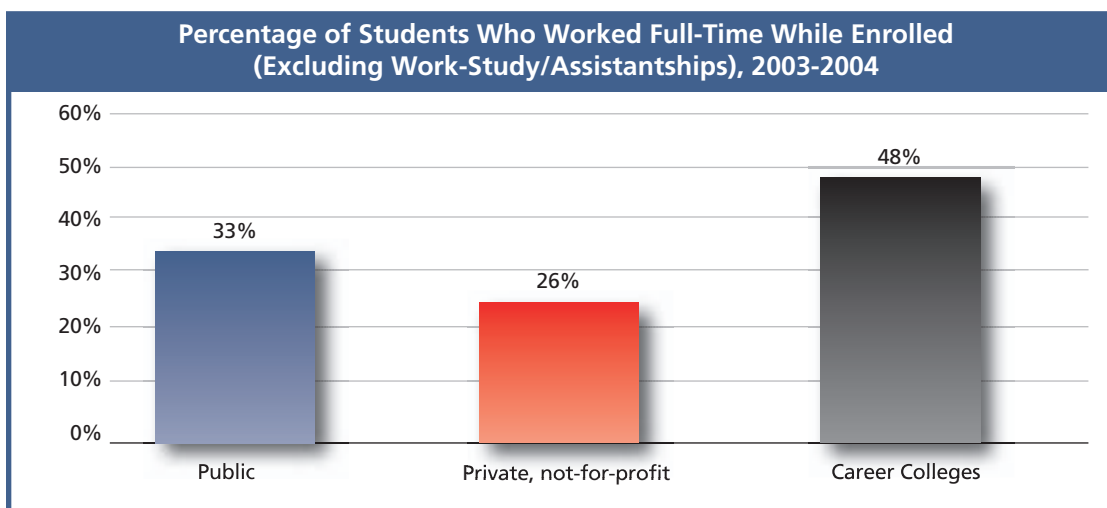


Source: 1



Source: 5

- Annual enrollment between 2003-2004 and 2005-2006 increased 17% in less-than-2-year programs, 22% in 2-4 year programs, and 14% in 4-year or more programs. (Source: 1)



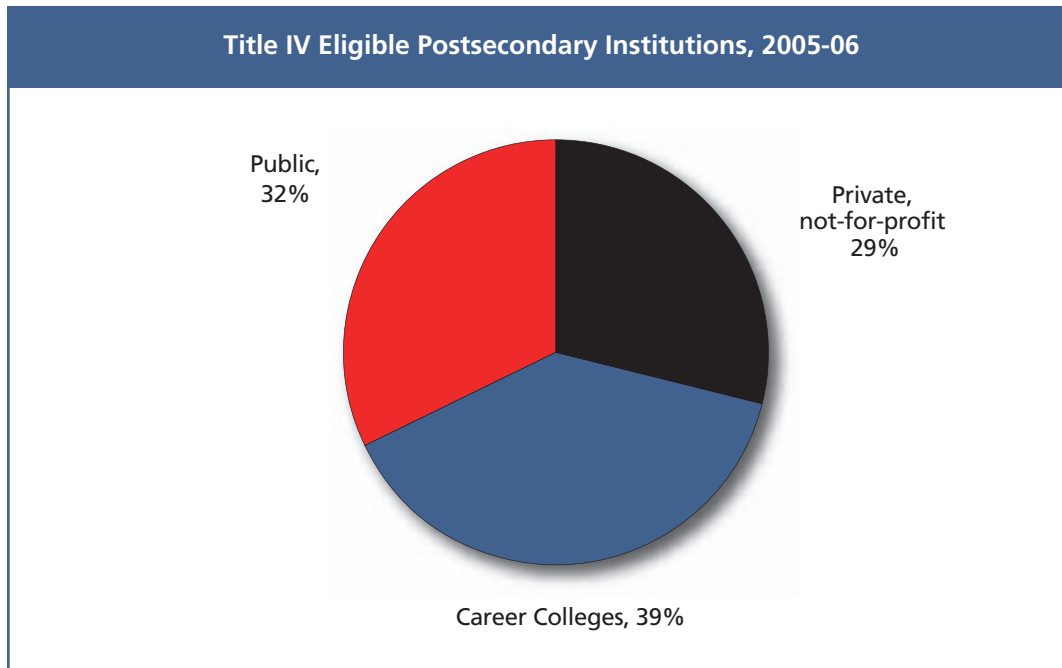
Source: 4

- 83% of students at career colleges attend full-time, compared to 57% of students at public institutions and 74% of students at private not-for-profit institutions. However 48% of career college students are also employed full-time while in school. (Source: 4,5)

C. Size and Characteristics of the U.S. Postsecondary Career College Sector

Career schools and colleges represent a significant number of postsecondary institutions in the United States.

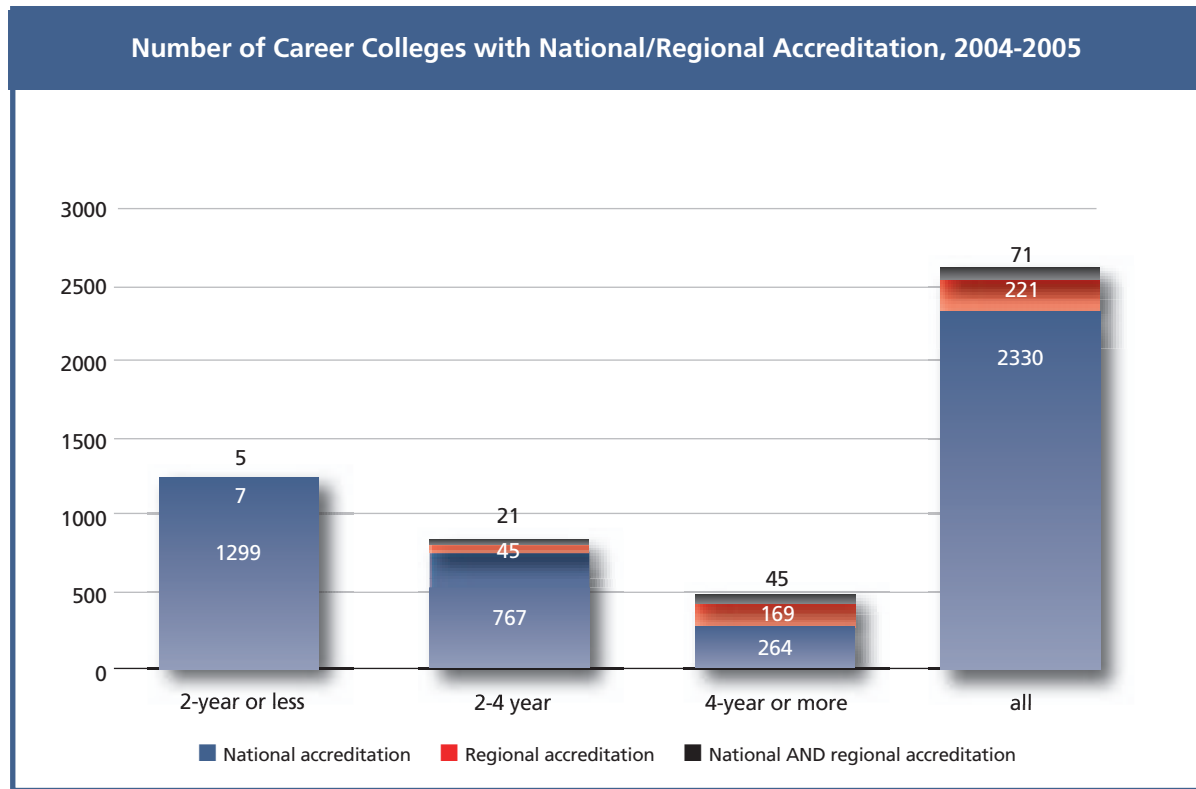
- In 2005-2006, there were 6,821 Title IV eligible postsecondary institutions in the United States; 39% (2,694) were career schools and colleges. (Source: 6)



Source: 6

- 53% of all Title IV eligible career schools and colleges were less-than-2-year institutions, 31% were 2-year but less-than-4-year institutions, and 16% were 4-year or more institutions. (Source: 6)
- 36% of all Title IV eligible career schools and colleges were degree-granting in 2005-2006. The majority (76%) of 2-year and longer career schools and colleges were degree-granting. (Source: 6)
- Excluding cosmetology schools, 54% of all Title IV eligible career schools and colleges were degree-granting in 2005-2006. (Source: 6)

■ 2,330 career schools and colleges had national accreditation in 2004-2005, and 221 had regional accreditation; 71 career colleges had both national and regional accreditation (Source: 6).



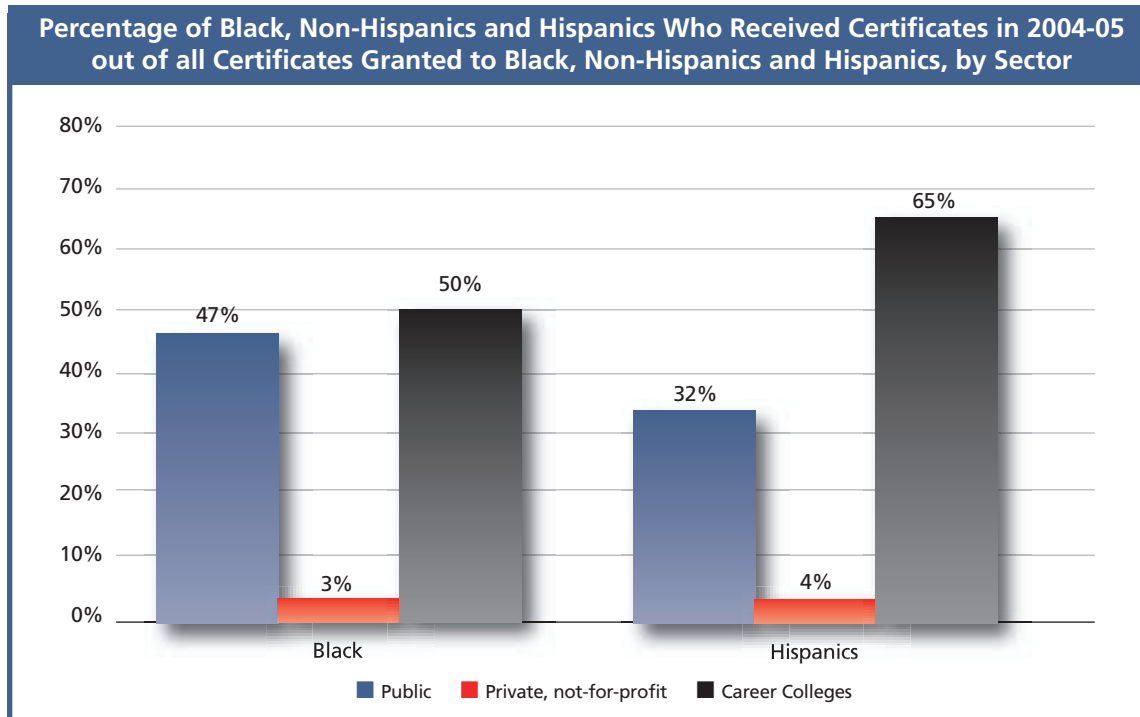
Source: 6



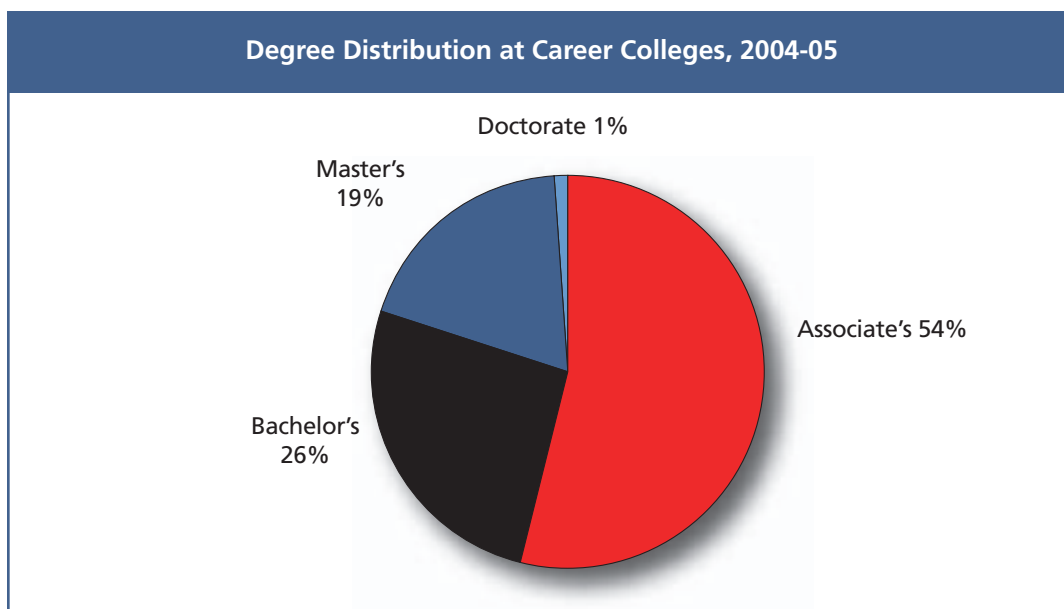
II. Effectiveness and Accountability

A. Student Benefits and Outcomes

- 65% of all Hispanic students and half of all African-American students who received certificates earned them at a career college. (Source: 3)

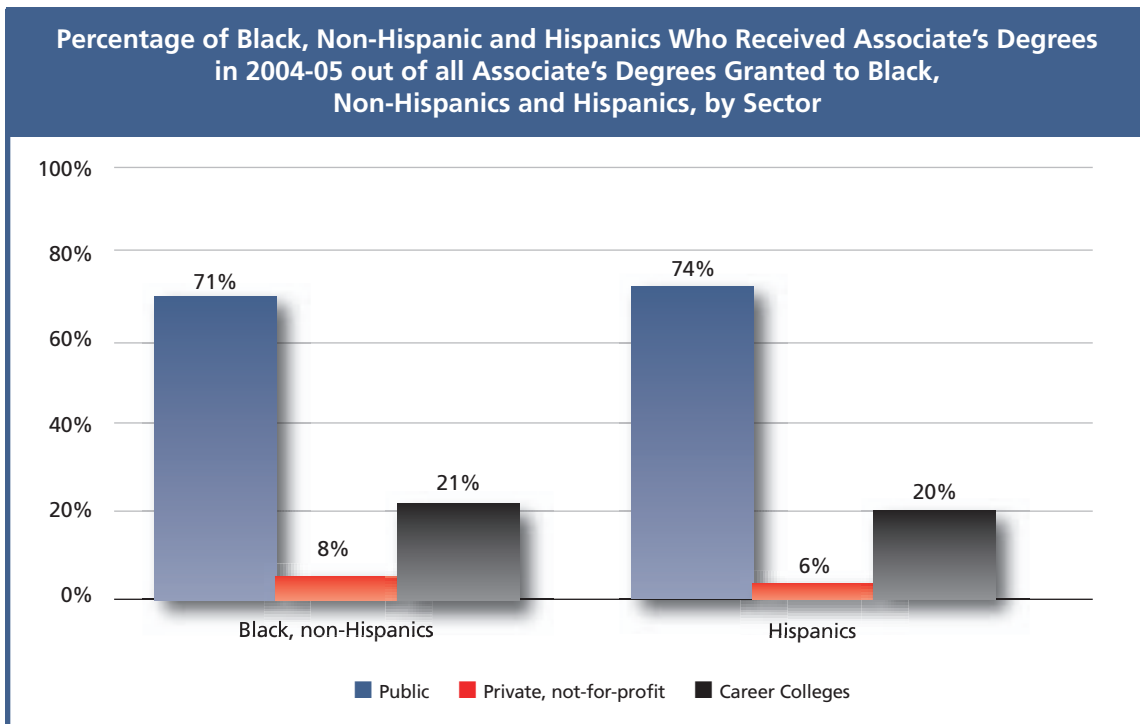


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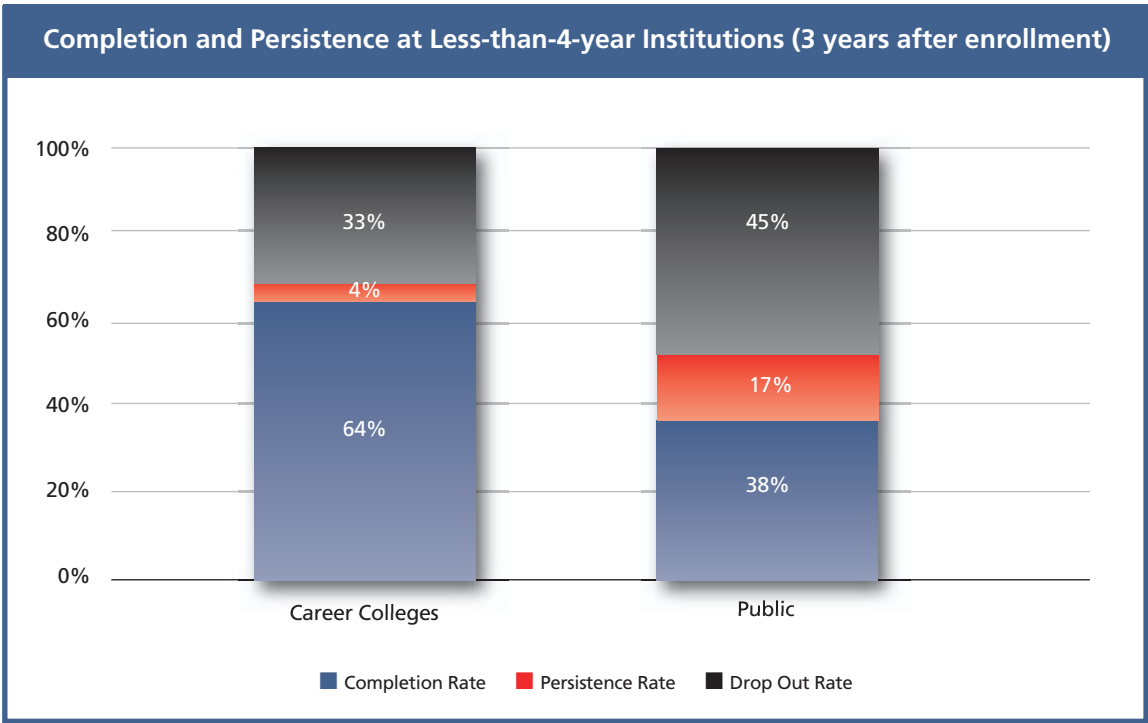
- 29% of the students at career colleges have some type of previous postsecondary award, primarily an associate's degree or certificate. (Source: 4)
- 21% of all African Americans and 20% of Hispanics who received an associate's degree earned it at a career college. (Source: 3)



Source: 3

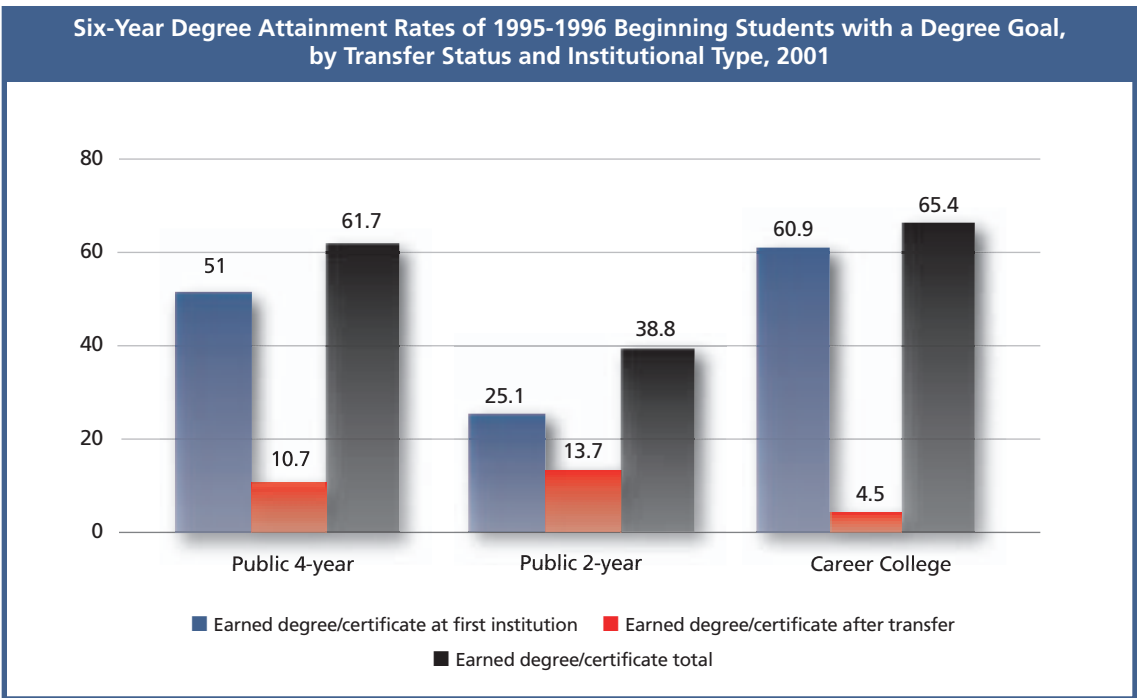
Although many students who enroll in career colleges have risk characteristics that reduce their chances of succeeding, such as lower income and marginal academic preparation, their completion rates exceed those of high-risk students in other types of postsecondary institutions.

- Three years after enrollment, students at private career schools and colleges have a higher completion rate (64%) and lower dropout rate (33%) than students at community colleges (38% and 45% respectively). (Source: 7)

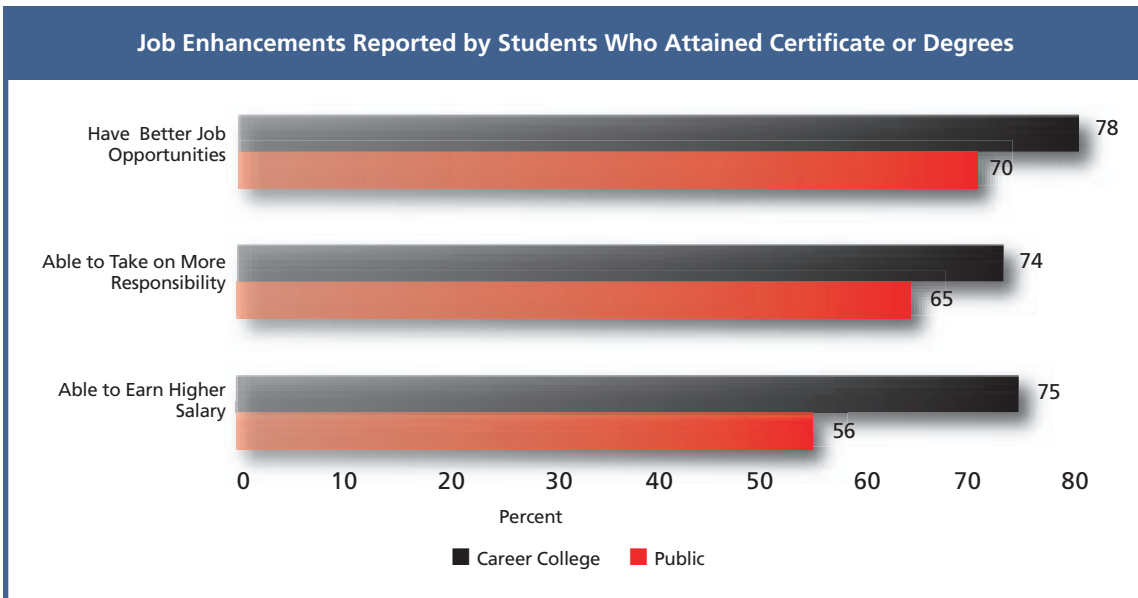


Source: 7

- Regardless of whether students are in certificate or associate programs, those who attend career colleges are more likely than community college students to graduate with a certificate or degree within three years. (Source: 7)
- Six years after enrollment, career college students' completion rates increased substantially (from 56% three years after enrollment to 65%). (Source: 7)

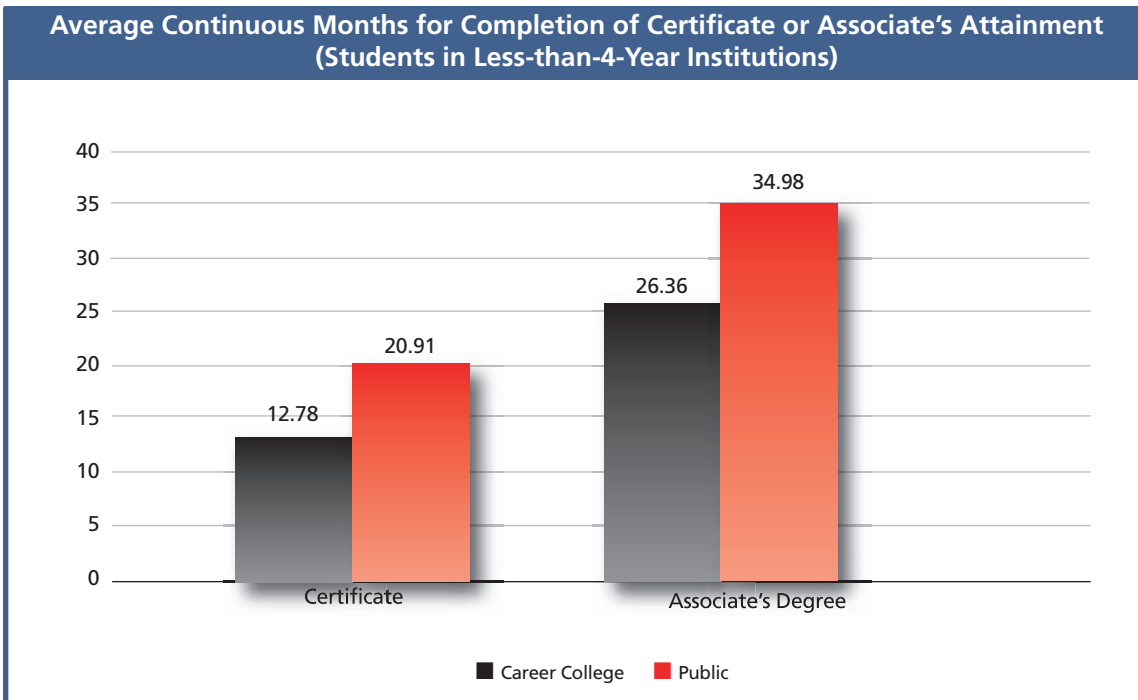


Source: 7



Source: 7

- Students at private career colleges and schools who attain a degree or certificate within three years of enrollment report having a better chance to earn higher salaries, take on more job responsibility, and experience better job opportunities than community college students who graduate within three years. (Source: 7)



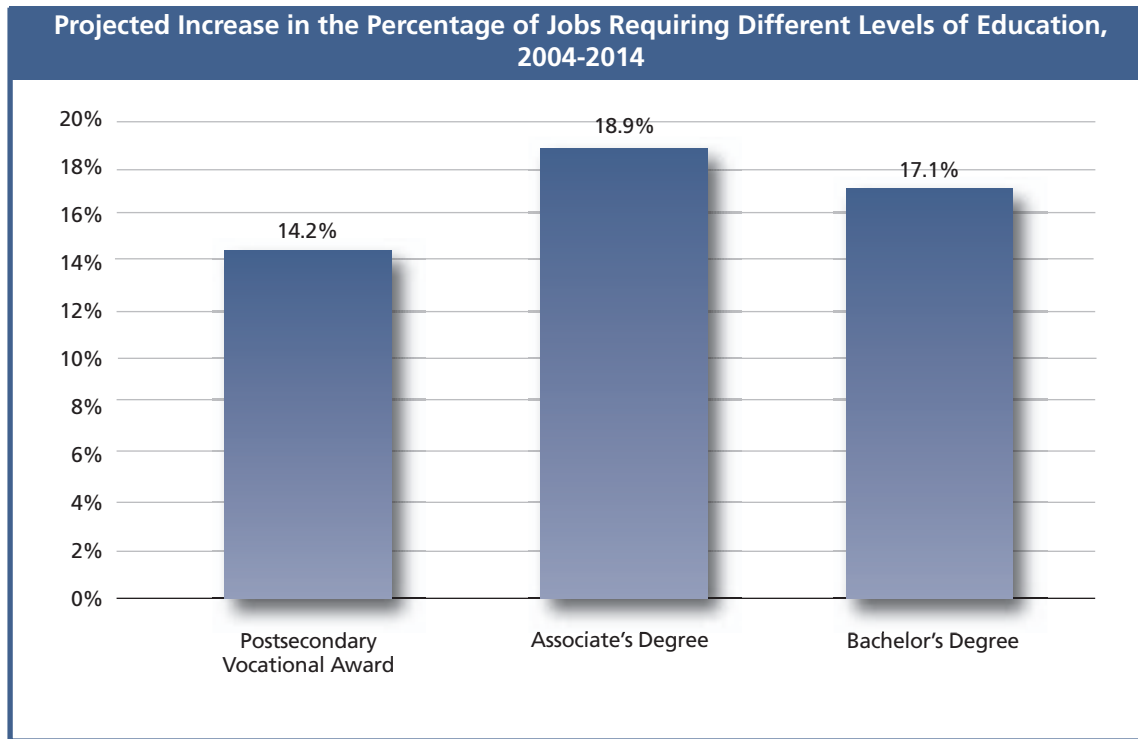
Source: 7

- Six years after initial enrollment, a follow-up study on students who enrolled in certificate or associate's degree programs revealed that students at career colleges attained certificates 12 months sooner and associate's degrees 11 months sooner than students who started at public colleges. (Source: 7)

B. Job Opportunities for Graduates

An increasing number of job opportunities are opening up for employees with a postsecondary degree or certificate. Career colleges provide training for many of these occupations.

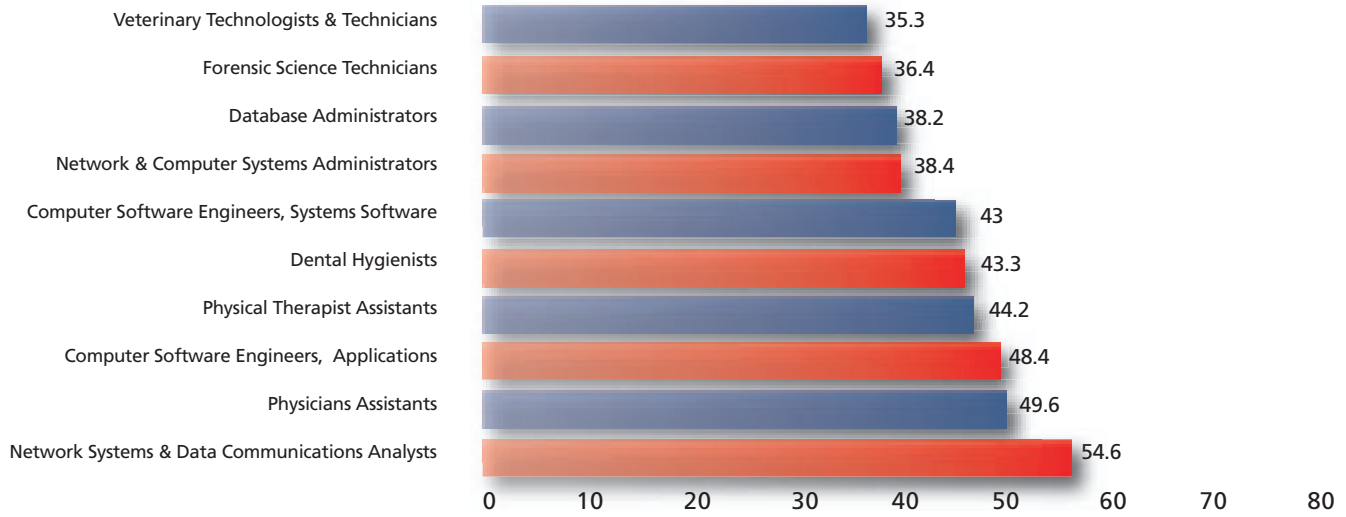
- A 14% increase in job opportunities by 2014 is projected for occupations requiring a postsecondary vocational award. Jobs requiring an associate's degree are projected to be the most in demand and are expected to increase 19%. (Source: 8)



Source: 8

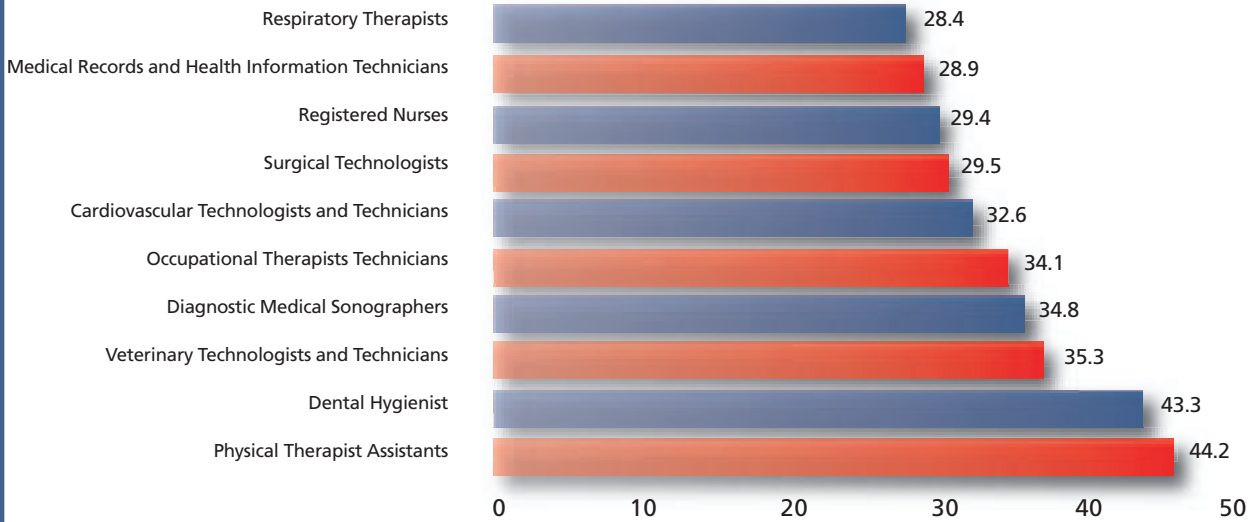
- Growth in health services and computer support areas will generate an increasing number of new jobs through 2014, most of which will require postsecondary training or an associate's degree. (Source: 8)
- 44% of career college students are enrolled in these areas, compared with 18% and 13% of students enrolled at public or private, not-for-profit institutions. (Source: 8)

Projected Percentage Change in Employment in Fastest Growing Occupations, 2004-2014



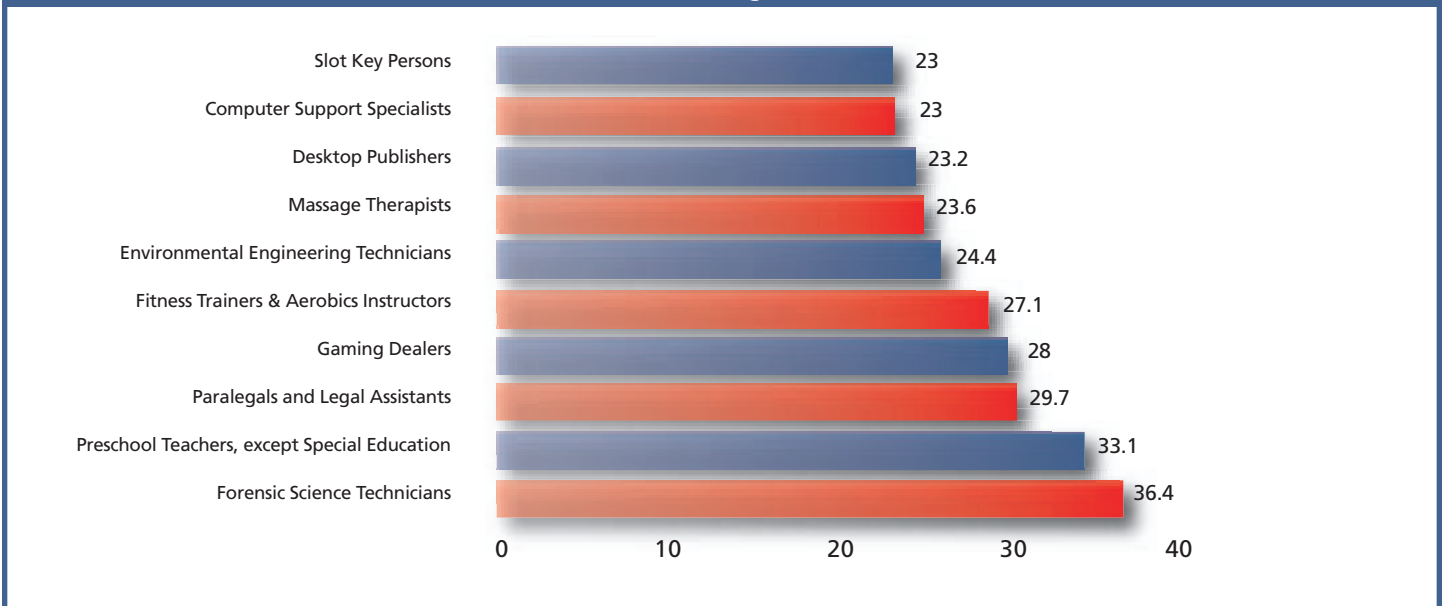
Source: 8

Projected Percentage Increase in Medical Occupations Requiring Postsecondary Vocational Education or an Associate's Degree, 2004-2014



Source: 8

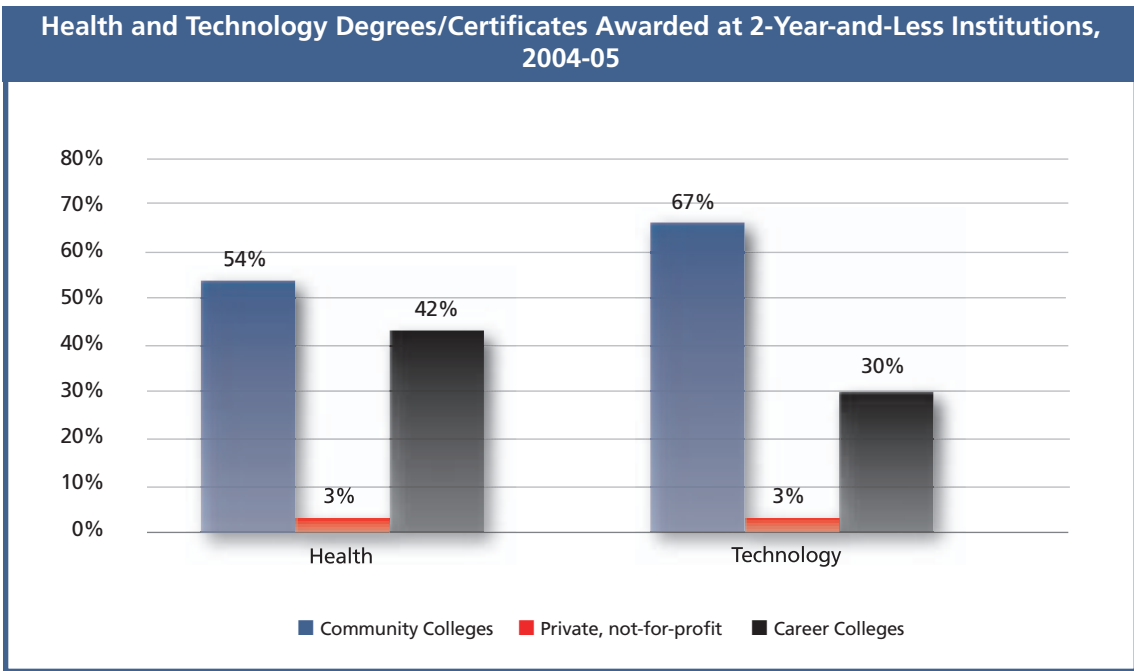
Projected Percentage Increase in Other Occupations Requiring Postsecondary Vocational Education or an Associate's Degree, 2004-2014



Source: 8

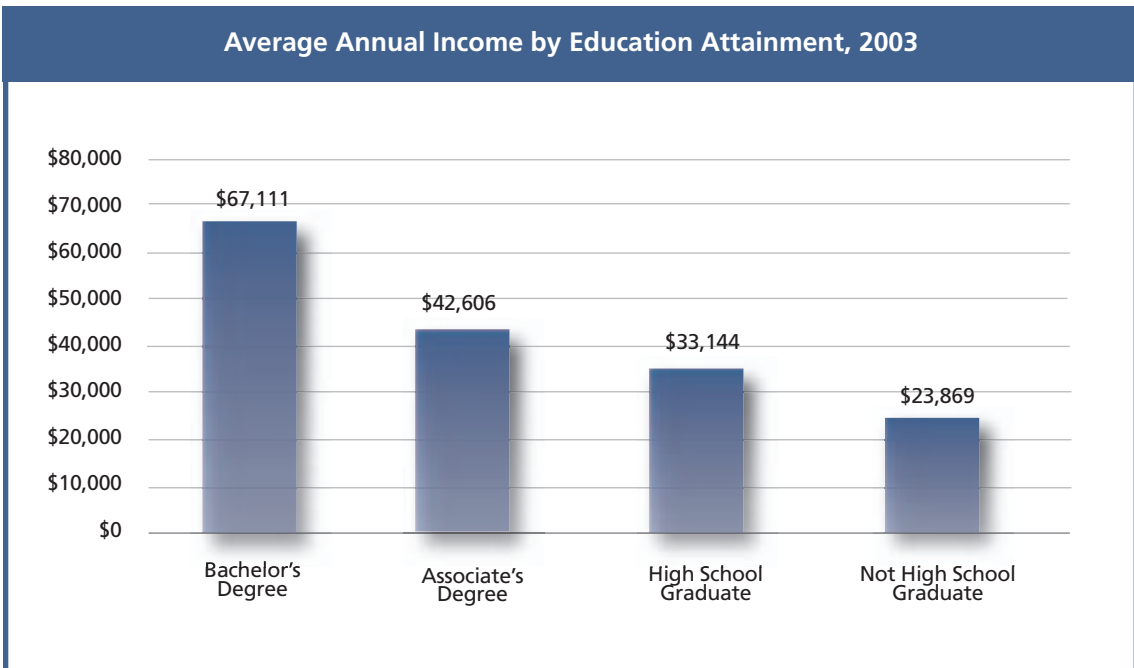
- 42% of health degrees and certificates conferred at 2-year-and-less institutions were awarded at career colleges. 26% of health degrees and certificates conferred at 4-year-or-more institutions were awarded at career colleges. (Source: 3)
- 30% of technology degrees and certificates conferred at 2-year-and-less institutions were awarded at career colleges. (Source: 3)





Source: 3

- Workers with a 2-year degree will earn 29% more than high school graduates. Those with a bachelor's degree will earn an additional 58% more than 2-year degree holders. (Source: 9)

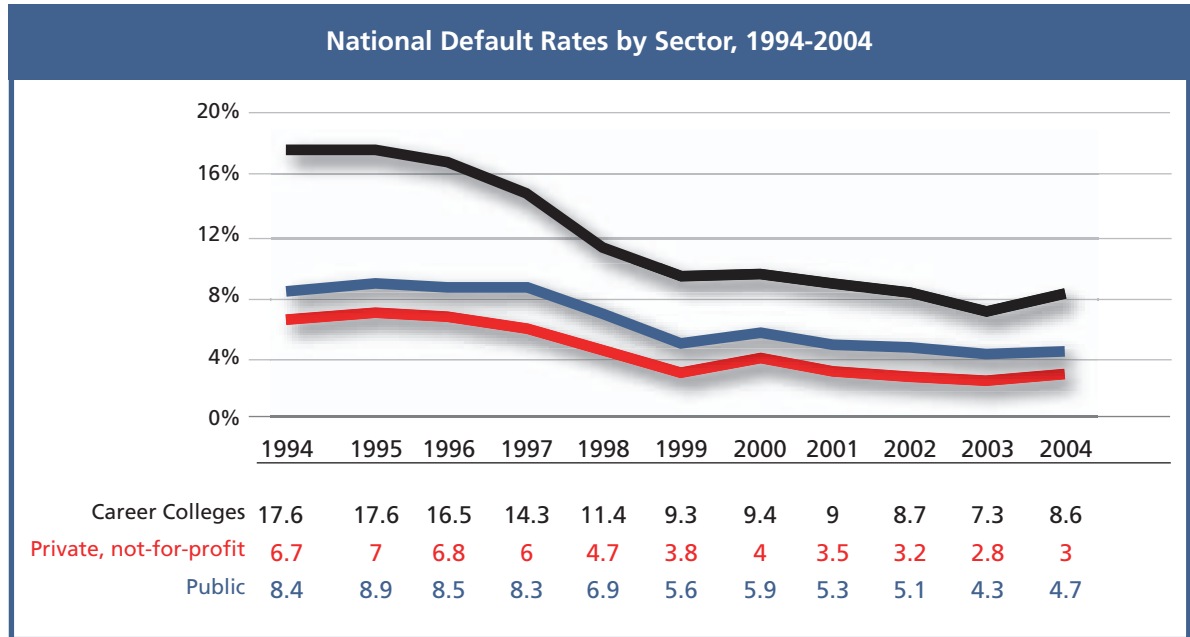


Source: 9

- Career college graduates have similar first-job annual earnings to graduates at public 2-year and private not-for-profit 2-year institutions. (Source: 7)

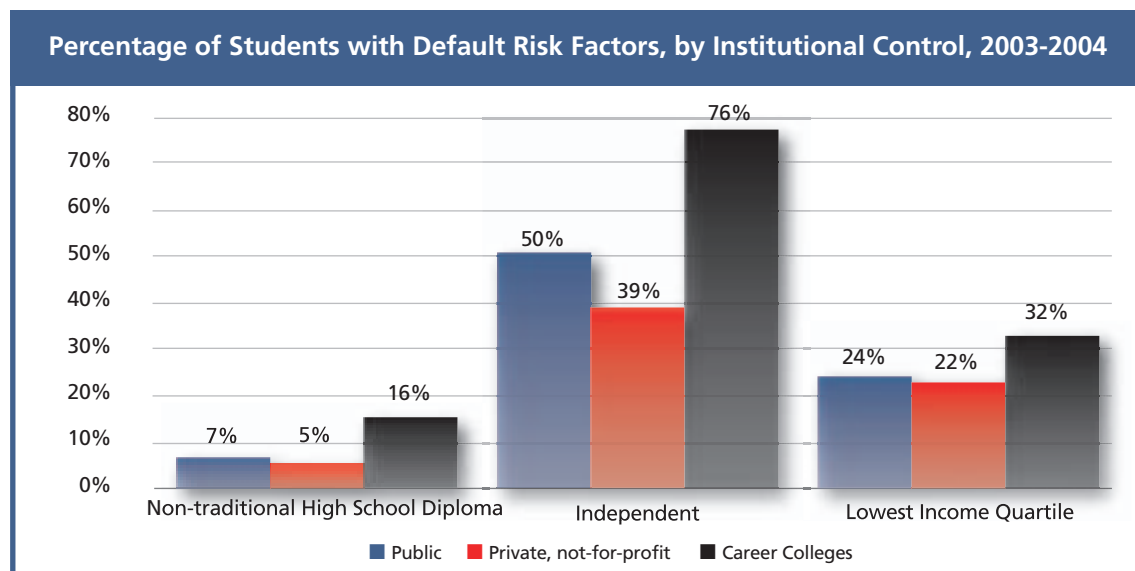
C. Default Rates

- From 1994 to 2004, the national student loan default rate dropped from 22.4% to 5.1%. During this time, default rates for students at private career schools and colleges declined sharply from 17.6% in 1994 to 8.6% in 2004, while public rates dropped from 8.4% to 4.7% and the private not-for-profit default rate went from 6.7% to 3%. (Source: 10)



Source: 10

- Students at career colleges are more likely to display characteristics that put them at risk for loan default. In 2003-04, 16% of career college students had non-traditional high school diplomas, compared with 7% at public institutions and 5% at private, not-for profit institutions, 76% are independent compared with 50% and 39% of public and private, not-for-profit students, respectively, and 32% fall within the lowest income quartile, in comparison with 24% and 22% of public and not-for-profit students. (Source: 4)

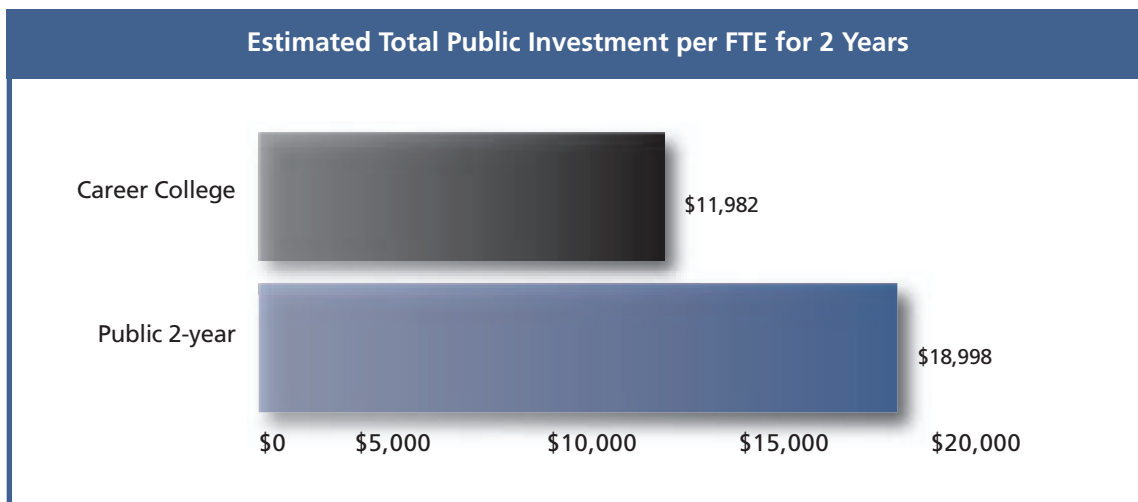


Source: 4

D. Return on Investment

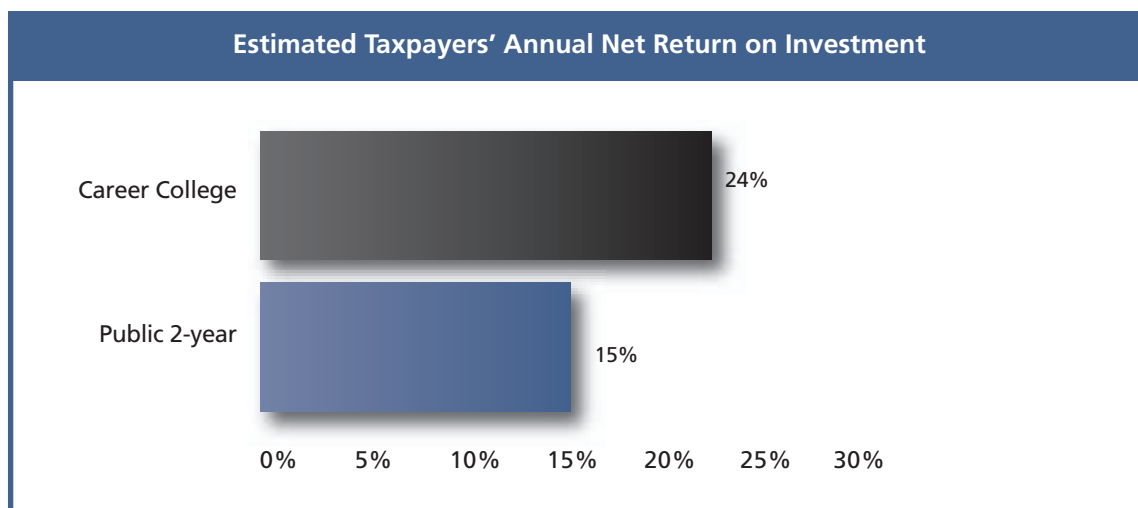
Career schools and colleges provide significant financial benefits to taxpayers.

- It costs taxpayers \$18,998 to enroll a community college student for two years compared with \$11,982 for two years at a career school or college. (Source: 9, 12, 14)
- An employed graduate will pay more income taxes on the additional wages he or she will earn. A career college graduate will have paid enough additional taxes to repay the public cost of his or her education within 4 years after graduation. It will take approximately 7 years after graduation for the community college graduate to repay the government investment in his or her education. (Source: 9, 12, 14)



Source: 9, 12, 14

- Taxpayers' annual net return on investment for each public dollar spent is 15 % per community college graduate and 24% per career college graduate. (Source: 9, 12, 14)



Source: 9, 12, 14

III. Affordability

A. Financing a Career School or College Education

Students attending less-than-4-year career colleges are more likely to receive federal financial aid than students attending less-than-4-year private not-for-profit or public institutions.

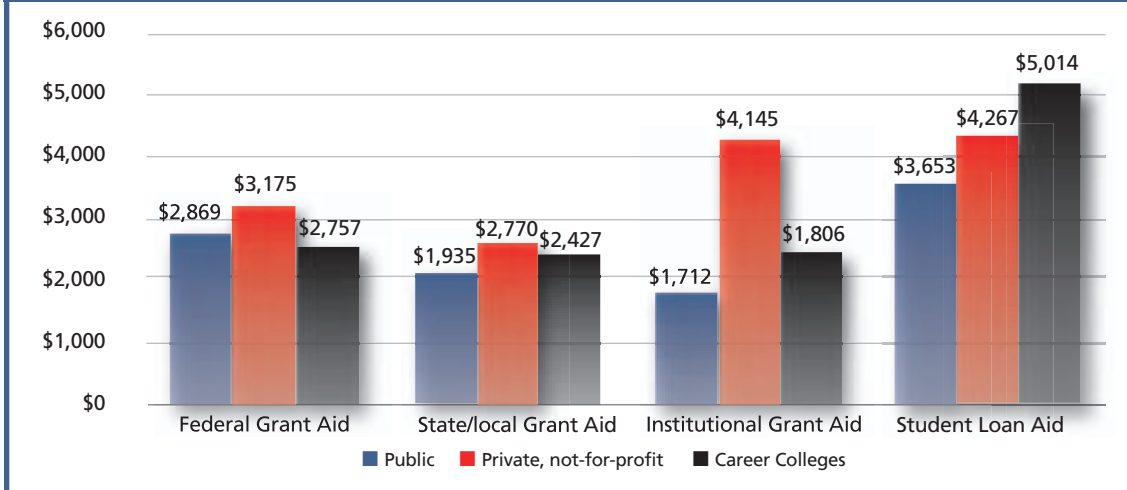
- Tuition at career colleges exceeds that charged by most public institutions, but falls below the average for private not-for-profit institutions by institution level. (Source: 6)
- Without the benefit of state appropriations or private endowments, more career college students received federal financial aid in 2003-2004 than did students from other sectors. (Source: 6)
- 21 states and the District of Columbia do not offer state aid to career schools and colleges. (Source: 11)
- In 2003-2004, the average federal grant amount per recipient was not significantly different between career college students and students at other postsecondary institutions, but the average loan amounts was higher for career college students. (Source: 11)

Percentage of students receiving financial aid by institutional control, 2003-2004

	Federal Aid				State Aid		Institutional Aid	
	Any Aid	Any Grants	Student Loans	Work-study	Any Aid	Any Grants	Any Aid	Any Grants
Public								
Less-than-2-year	26.9	21.5	10.8	1.1	13.8	3.8	4.9	3.5
2-year	29.2	23.2	11.4	2.4	12.3	11.3	8.3	7.5
4-year	51.7	26.6	43.2	6.1	19.7	18.6	22.6	20.8
Private, not-for-profit								
Less-than-4-year	70.2	49.0	45.3	5.4	25.2	22.2	28.5	26.0
4-year	62.6	28.2	55.0	16.3	22.8	22.1	51.2	49.6
Career colleges								
Less-than-2-year	73.8	55.3	54.9	1.2	5.5	2.4	8.0	5.3
2-year or more	85.1	51.6	80.4	2.0	11.9	11.2	8.2	7.6

Source: 4

Average Amount of Aid Received, 2003-2004



Source: 12

Sources

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About the Imagine America Foundation

The Imagine America Foundation (IAF) (formerly the Career College Foundation) is the foundation affiliate of the Career College Association. Created in 1982, IAF has been dedicated to providing scholarship programs, conducting research, elevating public awareness and honoring achievement in career education. The IAF has grown to support over 400 career college members across the United States and Puerto Rico.

Imagine America Scholarship

The award-winning Imagine America scholarship program helps thousands of high school seniors each year to pursue a postsecondary career education at career colleges across the United States. In just six years, Imagine America has become the premier and most recognized high school scholarship program of its kind. With more than 35,000 scholarships awarded to high school students in nearly 10,000 high schools, *Imagine America* has provided more than \$35 million in scholarship support.

Imagine America Promise Scholarship

The *Imagine America* Promise scholarship program was created in 2002 to address the increasing costs of education and the continued lack of scholarship aid specifically designed for career college students. *Imagine America* Promise provides \$500 and \$1,000 cash grants for past recipients of the *Imagine America* high school scholarship, enrolled at a participating career college, whose exceptional grades show a continued commitment to their program study.

Imagine America Military Award Program (MAP)

The *Imagine America* - Military Award Program (MAP) is a national aid program established by the IAF in 2004. Through MAP, active duty, reservist, honorably discharged or retired U.S. military personnel from any branch of the United States military can receive \$1,000 in tuition support to attend a participating career college.

Imagine America LDRSHIP

The Foundation established the *Imagine America* LDRSHIP Award in 2004 to recognize and honor exceptional career college students who have served their country honorably in the military and are currently enrolled at CCA member institutions. LDRSHIP stands for Loyalty, Duty, Respect, Selfless Service, Honor, Integrity and Personal Courage (LDRSHIP). The LDRSHIP Award offers up to \$5,000 in cash grants to its honorees.

Imagine America Online

You don't have to attend a traditional, brick-and-mortar school to receive quality career education. Increasing numbers of students are choosing the convenience of attending classes wherever, whenever, through online career education programs. Created in 2006, *Imagine America* Online is a national aid program that offers \$1,000 career education awards to any qualified prospective enrolling online/distance learner for attendance at an online participating career college.



About the Career College Association

The Career College Association (CCA) is a voluntary membership organization of accredited private, postsecondary schools, institutes, colleges and universities that provide career-specific educational programs. CCA's 1,450 members educate and support more than a million students each year for employment in over 200 occupational fields. These schools and colleges graduate approximately one-half of the technically trained workers who enter the U.S. workforce each year and also provide retraining for displaced workers and skills-upgrading for a wide variety of public and private employers.

Most CCA member institutions participate in federal student financial assistance programs under Title IV of the Higher Education Act. In order to participate, they must be licensed by the state in which they are located, accredited by a nationally recognized accrediting body, and approved by the U.S. Department of Education. Many CCA member schools and colleges also participate in other federal, state and local education and workforce training programs.

For more information about CCA, please visit www.career.org.

Acknowledgements

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