the institute for college access & success

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MEDIA ADVISORY

CONTACT:
Rebekah Orr, 415-498-0847
Johanna Diaz, 202-371-1999

TICAS Vice President Pauline Abernathy to Testify Before Senate Committee on Student Debt at For-Profit Colleges

WHAT: Pauline Abernathy, Vice President of The Institute for College Access & Success (TICAS), will testify tomorrow before the Senate Health, Education, Labor and Pensions (HELP) Committee at a **hearing entitled "Drowning in Debt: Financial Outcomes of Students at For-Profit Colleges."**

WHEN: Tuesday, **June 7**, 10:00 AM, EDT

WHERE: 430 Dirksen Senate Office Building. (The hearing will also be webcast live at http://help.senate.gov. Following the hearing, testimony and archived videos will be posted at: http://help.senate.gov/hearings/.)

TESTIMONY HIGHLIGHTS: Abernathy's written testimony will discuss trends and disparities related to student debt, completion and post-completion success at for-profit career colleges compared to other types of schools. New data in her testimony include:

- **Even students who *complete* degree and certificate programs at for-profit career colleges are much more likely to default and experience unemployment.** Among all students who started in 2003-04 and completed an associate's degree or certificate by 2006, those who attended for-profit career colleges were *four times* more likely to be in default in 2009 than those who attended public or nonprofit colleges. In fact, *completers* at career colleges were much more likely to be in default than students who *dropped out* of public and nonprofit colleges.

  In addition, the associate's degree and certificate completers from for-profit career colleges were almost *twice* as likely to be unemployed: 41 percent experienced three months or more of unemployment since their graduation, compared to 22 percent of students graduating from public and nonprofit colleges.

- **For-profit career colleges have demonstrated a willingness and ability to manage default rates on federal student loans when those rates have implications for their bottom lines.** When cohort default rates were examined over a three-year repayment period rather than just two years (the standard period over which these schools have traditionally been tracked), default rates at 202 career colleges jumped at least *15 percentage points*. This dramatic surge suggests that the colleges were keeping defaults down during, but not after, the period in which they were being measured for institutional accountability. By comparison, only 10 schools in all other sectors saw a similar increase in their default rates.

An independent, nonprofit organization, The Institute for College Access & Success works to make higher education more available and affordable for people of all backgrounds. For more about our programs and initiatives, including the Project on Student Debt, see http://ticas.org.

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