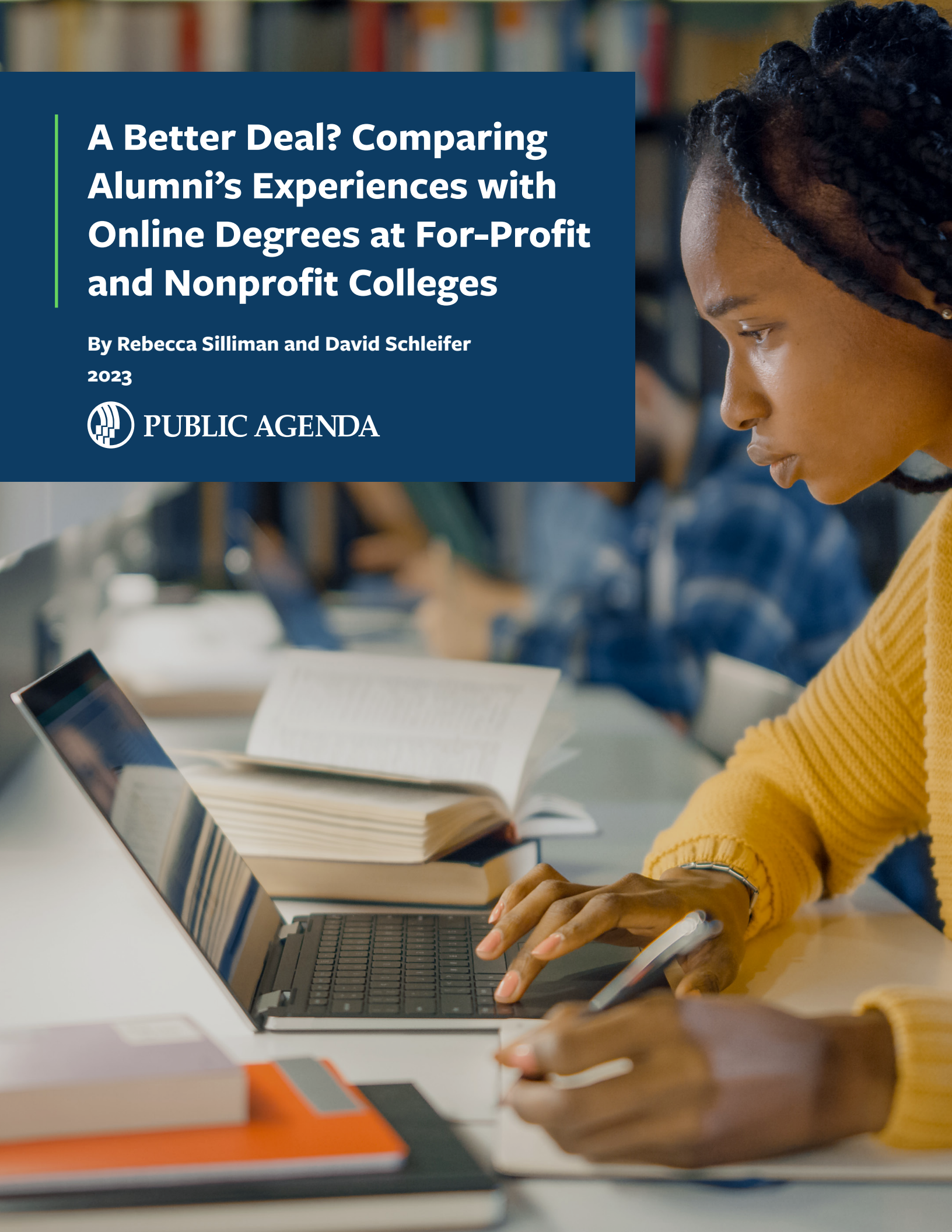


A Better Deal? Comparing Alumni's Experiences with Online Degrees at For-Profit and Nonprofit Colleges

By Rebecca Silliman and David Schleifer

2023



Executive Summary

Online degree programs were common even before the COVID-19 pandemic. In the fall of 2019, [about 18 percent of undergraduates](#) were enrolled in what the U.S. Department of Education calls exclusively distance education courses. A disproportionate share of students studying online were enrolled in for-profit colleges. For-profit college students represented only [5 percent of all undergraduates](#) that semester but nearly [63 percent](#) of them were enrolled in exclusively distance education, compared to [13 percent](#) of undergraduates at public nonprofit colleges and [21 percent](#) of those at private nonprofit colleges.

Students will continue to choose online programs even as COVID-19 abates, raising the possibility that more people may enroll in for-profit colleges. To help understand whether nonprofit public and private colleges better serve online learners than for-profit colleges do, and to inform efforts to protect all students, this research compares the perspectives of alumni of online degree programs at nonprofit colleges versus alumni of online degree programs at for-profits. Findings are based on a representative survey of 217 nonprofit online alumni and 169 for-profit online alumni fielded March 17 to May 31, 2022.

Findings in Brief:

More nonprofit than for-profit online alumni are satisfied with their colleges. Most online alumni of nonprofits were very satisfied (70 percent) with their college, while just 48 percent of for-profit online alumni were very satisfied. When asked about specific attributes of their college—such as providing effective guidance, making tutors available, and having good instructors—more for-profit than nonprofit online alumni counterparts say their college fell short. The only attribute of their schools that more nonprofit than for-profit online alumni say their college fell short on was helping with financial aid.

Half of for-profit online alumni believe that their school prioritized profits. Two-thirds of nonprofit online alumni believe that their school prioritized students. Sixty-nine percent of nonprofit online alumni say their school prioritized educating students while 31 percent say it prioritized making money. By comparison, 50 percent of for-profit online program alumni say their school prioritized students and 50 percent say it prioritized money.

More nonprofit than for-profit online alumni think their degree has paid off. More for-profit online alumni with loans say that making payments is difficult.

Majorities of both nonprofit and for-profit alumni say they were confident before enrolling that their degree would improve their job prospects. But that majority was stronger among nonprofit online alumni (78 percent) than among their for-profit counterparts (61 percent). Just 39 percent of for-profit online alumni believe that getting their degree was worth it compared to 57 percent of nonprofit online alumni. Among those with loans, more for-profit online alumni (62 percent) say that making payments is difficult, compared to 44 percent of nonprofit online alumni.

When deciding where to enroll, more nonprofit than for-profit online alumni paid attention to affordability, accreditation, and transfer policies. Eighty-three percent each of nonprofit online alumni and for-profit online alumni say they only applied to or seriously considered one college. When considering college, 75 percent of nonprofit online alumni paid a great deal of attention to affordability, compared to 60 percent of for-profit online alumni. More nonprofit than for-profit online alumni also paid attention to both accreditation and the ease of transferring credits.

More nonprofit than for-profit online alumni had support from employers in learning about colleges and paying tuition.

About half of nonprofit online alumni (52 percent) enrolled in college in order to get ahead in their current job, compared to 25 percent of for-profit online alumni. Instead, a 43 percent plurality of for-profit online alumni enrolled in order to change jobs entirely. More nonprofit online alumni (18 percent) learned about colleges and programs from an employer than did for-profit online alumni (8 percent). While student loans were the most common way that both groups paid for college, more nonprofit online alumni (25 percent) relied at least in part on employers to pay their tuition, compared to 10 percent of for-profit online alumni.

Most online alumni from both for-profits and nonprofits express concern about student debt, while fewer are concerned about low graduation rates or low job placement rates. But rather than favoring penalties for underperforming colleges, more alumni favor efforts to support students at those colleges.

When asked to consider a range of problems in higher education, far more online alumni from both for-profits and nonprofits are concerned about high debt loads than about any other issue, such as low completion rates or low job placement rates. When asked how to hold colleges with poor track records accountable, more online alumni support requiring colleges to make plans to improve and to support students with financial, academic, or career counseling. Few support withholding colleges' federal financial aid dollars, revoking accreditation, or closures.

To learn more about these findings, go to <https://www.publicagenda.org/reports/online-colleges-2023/> or email research@publicagenda.org.

This research is supported by Arnold Ventures.



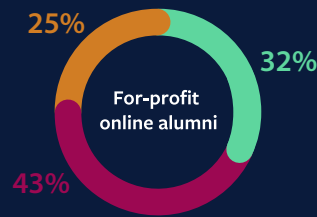
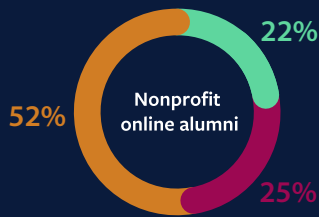
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A snapshot of alumni of online degree programs at for-profit and nonprofit colleges



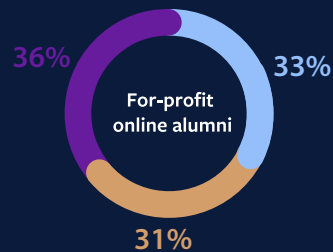
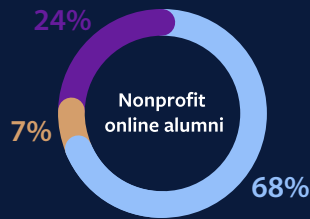
Motivations to enroll

- Get ahead in current job
- Get a different kind of job altogether
- Get a good education and learn about the world



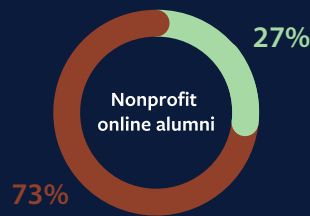
Credential earned online

- Certificate
- Associate degree
- Bachelor's degree



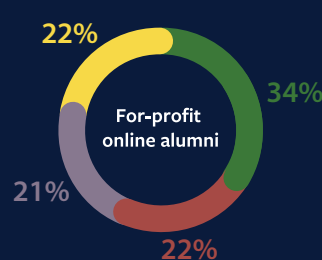
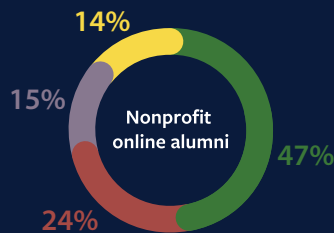
Enrollment status

- Full-time
- Part-time



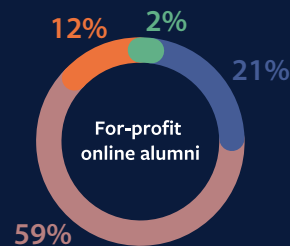
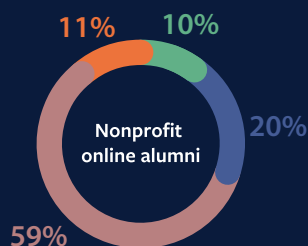
Mode of online coursework

- All synchronous
- Most synchronous
- Most asynchronous
- All asynchronous



Years to complete their degrees or certificates

- Less than one year
- One to four years
- Four to six years
- Six years or more



Base: Nonprofit online alumni, N=217; For-profit online alumni, N=169

Numbers may not add up to 100 percent owing to rounding and those who refused or had other responses to the questions and are not represented in the figure.

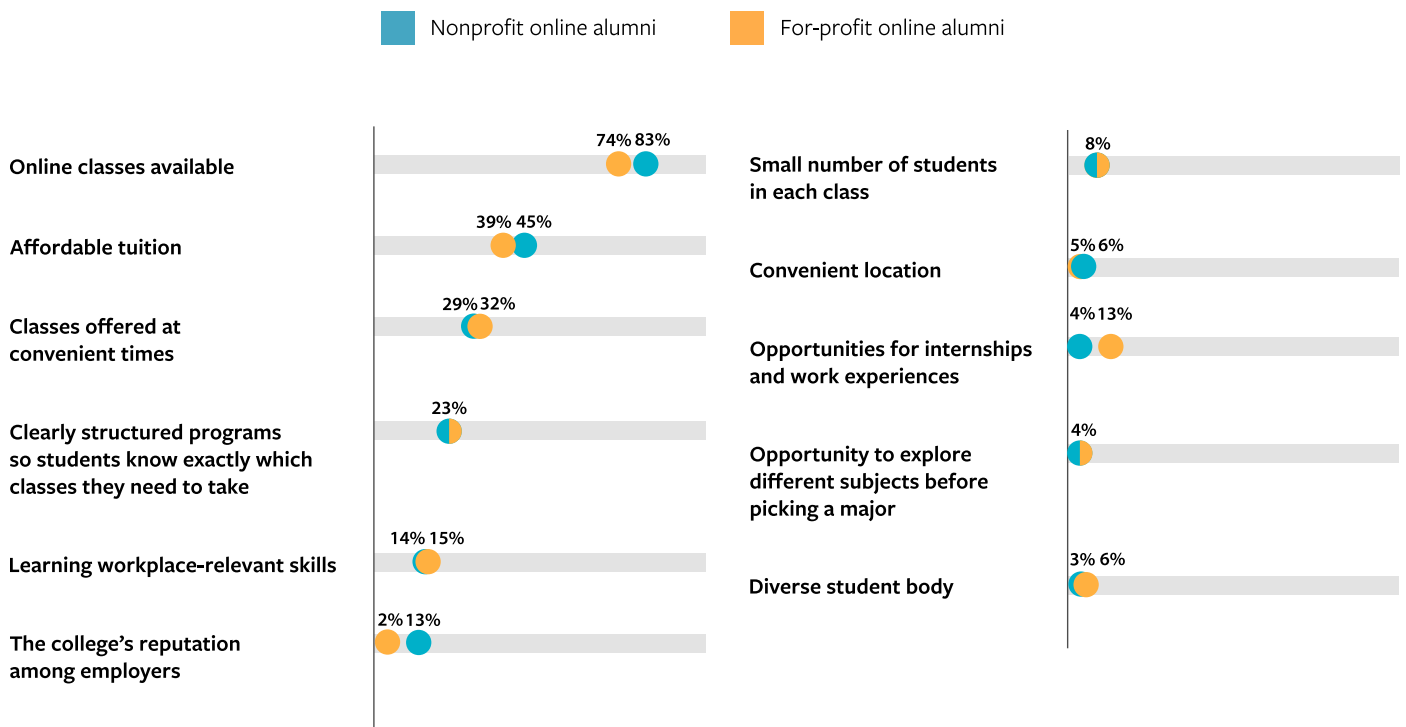
Learning about and applying to online degree programs

Alumni of online programs at public and private nonprofit colleges, compared to alumni of online programs at for-profits, had more experience with higher education prior to enrolling in their most recent online program. For example, 81 percent of nonprofit online alumni had been enrolled in at least one other college before starting their online degree, compared to 55 percent of for-profit online alumni. Most nonprofit online alumni (68 percent) tried to transfer credits when they enrolled, compared to 37 percent of for-profit alumni. Among those who tried to do so, 63 percent of for-profit alumni and 70 percent of nonprofit alumni say that transferring credits was very easy. And 47 percent of nonprofit online alumni actually hold two or more degrees or certificates, compared to 18 percent of for-profit online alumni.

Despite their differences in previous higher education experience, similar percentages of nonprofit and for-profit online alumni (83 percent) say they did not apply to or even seriously consider more than one college prior to enrolling in the online program from which they earned their most recent degree. Furthermore, when asked about how they chose their college, large majorities of alumni of online programs at both nonprofits and for-profits prioritized the availability of online classes. This may indicate that they deliberately looked for an online program rather than choosing between online and in-person programs; see Figure 1.

In choosing a college, both nonprofit and for-profit online alumni prioritized the availability of online classes, followed by affordability.

Figure 1. Percent who say which three attributes were most important to them when choosing the college they attended:



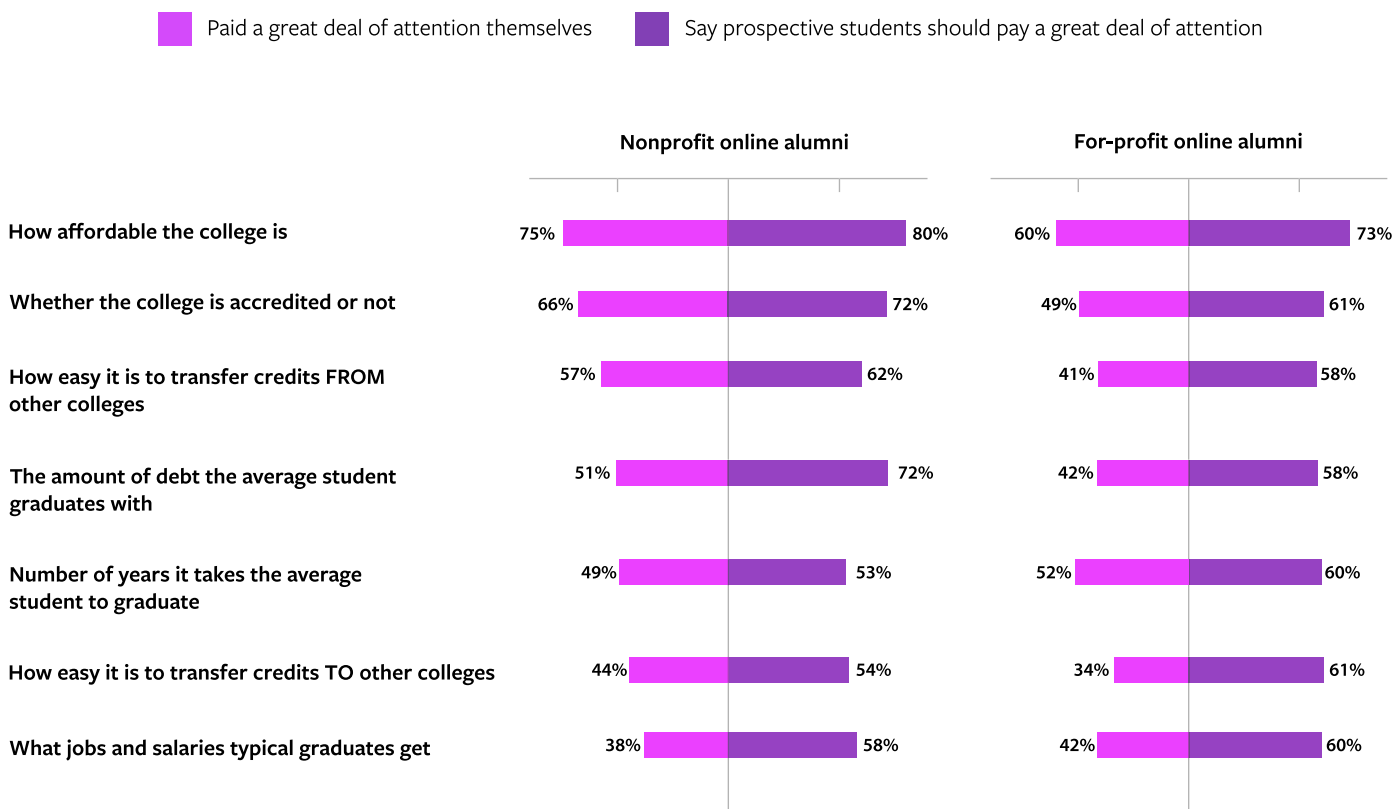
Base: Nonprofit online alumni, N=217; For-profit online alumni, N=169

While nonprofit and for-profit online alumni are similar in what they prioritized, they differ in how much they paid attention to various factors before enrolling. For example, more nonprofit (75 percent) than for-profit (60 percent) online alumni say they paid a great deal of attention to how affordable a college was. More nonprofit alumni also say that prospective students should pay a great deal of attention to how much debt the average student graduates with; see Figure 2.

More nonprofit than for-profit online alumni also paid a great deal of attention to accreditation when deciding which school to attend, and more nonprofit alumni think that prospective students should pay attention to accreditation as well. More nonprofit online alumni also paid attention to the ease of transferring credits from other colleges; see Figure 2. As noted above, far more nonprofit than for-profit online alumni tried to transfer credits.

More alumni of online programs at nonprofit colleges paid attention to affordability, accreditation, and transfer than for-profit online alumni did.

Figure 2. Percent who say they paid a great deal of attention and that prospective students should pay a great deal of attention to each of the following before deciding which school to attend:



Base: Nonprofit online alumni, N=217; For-profit online alumni, N=169

Few online alumni believe that the cost of a college is a sign of its quality. Sixty percent of for-profit online alumni and a statistically similar 69 percent of nonprofit online alumni say that a more expensive college does not typically provide a higher quality

education. Twenty-one percent of for-profit online alumni but only 8 percent of nonprofit online alumni believe more expensive colleges do provide higher quality educations and about 20 percent in both groups say they do not know.

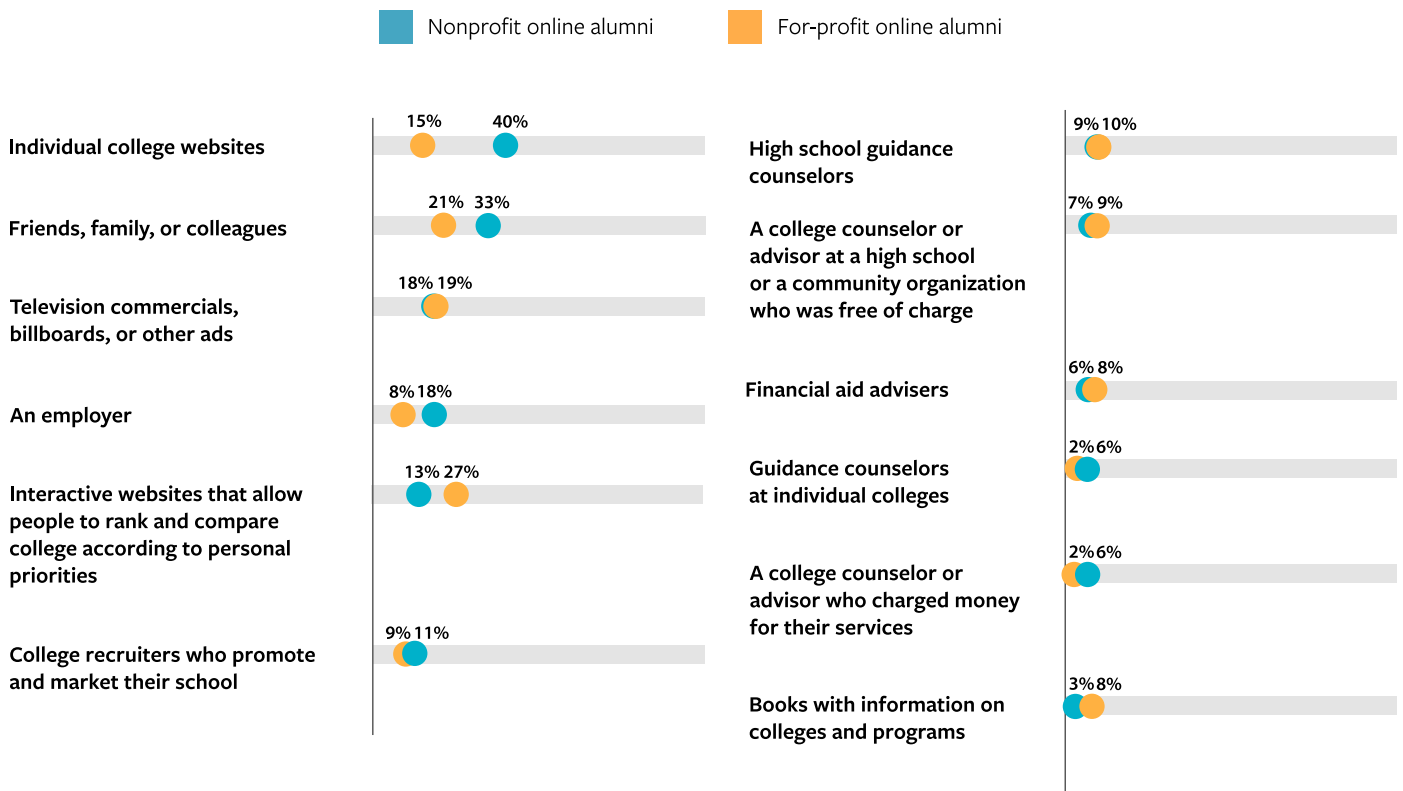
Among nonprofit online alumni, individual college websites and friends, family, and colleagues are the two most frequently cited sources for learning about colleges and programs. Although friends, family, and colleagues is the second most commonly cited source among for-profit online alumni, far fewer indicate consulting these informal sources compared to their nonprofit counterparts. Interactive websites that compare colleges are the top source of information for for-profit online alumni, although only about one-quarter of them indicate using such websites; see Figure 3.

Although employers are not a top source of information for either nonprofit or for-profit online alumni, more nonprofit online alumni than their for-profit counterparts learned about colleges from their

employers; see Figure 3. Employers play a larger role in the journey to a degree for nonprofit online alumni in other ways as well. As noted in the snapshot above, most nonprofit online alumni enrolled in college to get ahead in their current job, while a plurality of for-profit online alumni enrolled to change jobs entirely. As discussed later, more nonprofit online alumni relied on employers to help pay for college. Together, this suggests that nonprofit online alumni were more established in their careers and/or had employers who encouraged their professional development than their for-profit counterparts.

Compared to for-profit online alumni, more nonprofit online alumni learned about college from college websites and friends, family, and employers.

Figure 3. Percent who say they learned about colleges and programs from each of the following before enrolling:



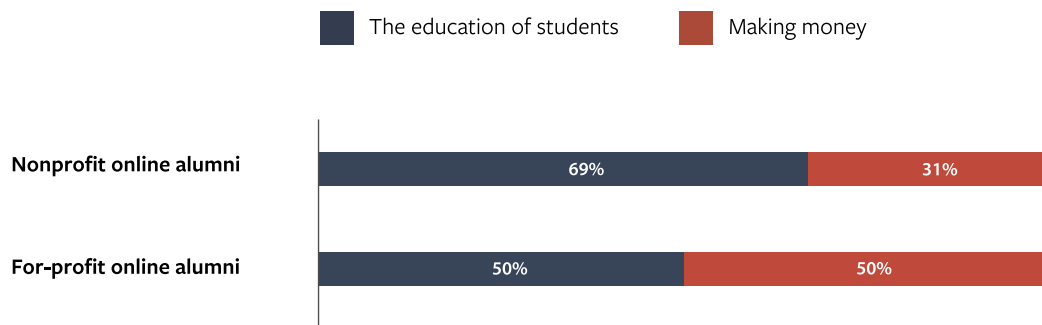
Base: Nonprofit online alumni, N=217; For-profit online alumni, N=169

How alumni of online programs rate their colleges

Most alumni of nonprofit online degree programs believe that their college prioritized the education of its students over making money. But alumni of for-profit online programs are split over whether their school prioritized students or money; see Figure 4.

More nonprofit than for-profit online alumni believe their college prioritized educating students over making money.

Figure 4. Percent who say their school cared more about:



Base: Nonprofit online alumni, N=217; For-profit online alumni, N=169

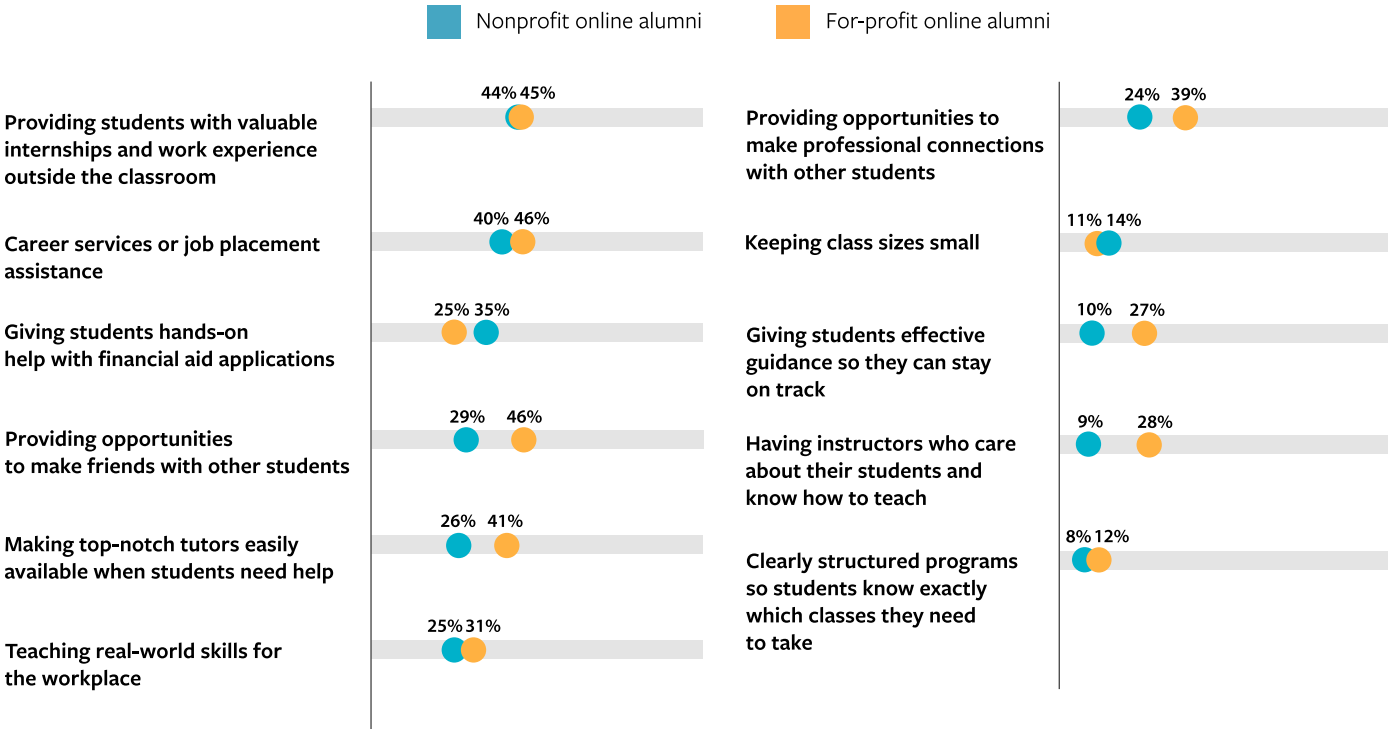


In general, most nonprofit online alumni (97 percent) were satisfied with their school, including 70 percent who said they were very satisfied and 27 percent who were somewhat satisfied. By comparison, 88 percent of for-profit online alumni say they were satisfied, including 48 percent who were very satisfied and 40 percent who were somewhat satisfied.

When asked about specific attributes of their college—such as academics, work experience, and student services—38 percent of nonprofit online alumni and 46 percent of their for-profit counterparts say their college fell short on four or more of the 11 attributes that the survey asked about. For example, more for-profit than nonprofit alumni say their college fell short at giving students effective guidance; making tutors available; and having good, caring instructors. The only attribute of their schools that more nonprofit than for-profit online alumni say their college fell short on was providing help with financial aid; see Figure 5.

More for-profit than nonprofit online alumni express criticism of their colleges on specifics such as academics, work experience, and student services.

Figure 5. Percent who say that their school fell short on each of the following:



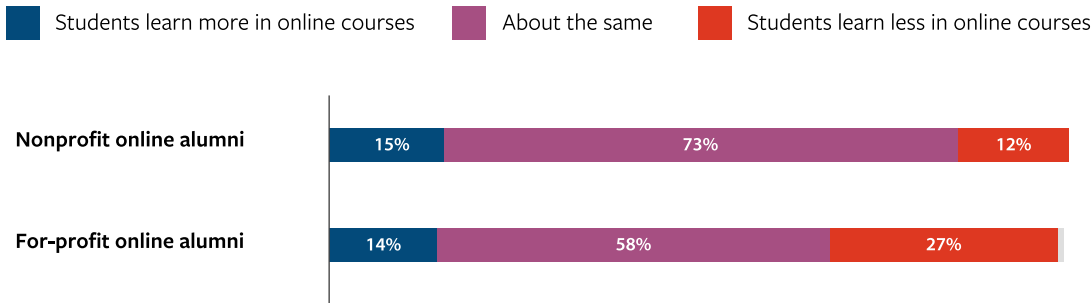
Base: Nonprofit online alumni, N=217; For-profit online alumni, N=169

When asked generally about online versus in-person classes, 67 percent of nonprofit online alumni say that online classes require more discipline, compared to 49 percent of for-profit alumni. A majority in both groups think students learn about the

same amount in online classes as they do in in-person classes, but that majority is smaller among for-profit online alumni, more of whom think students learn less online than their nonprofit counterparts; see Figure 6.

More for-profit than nonprofit online alumni think students learn less in online than in-person courses.

Figure 6. Percent who say the following about online courses compared to courses taught in-person:



Base: Nonprofit online alumni, N=217; For-profit online alumni, N=169

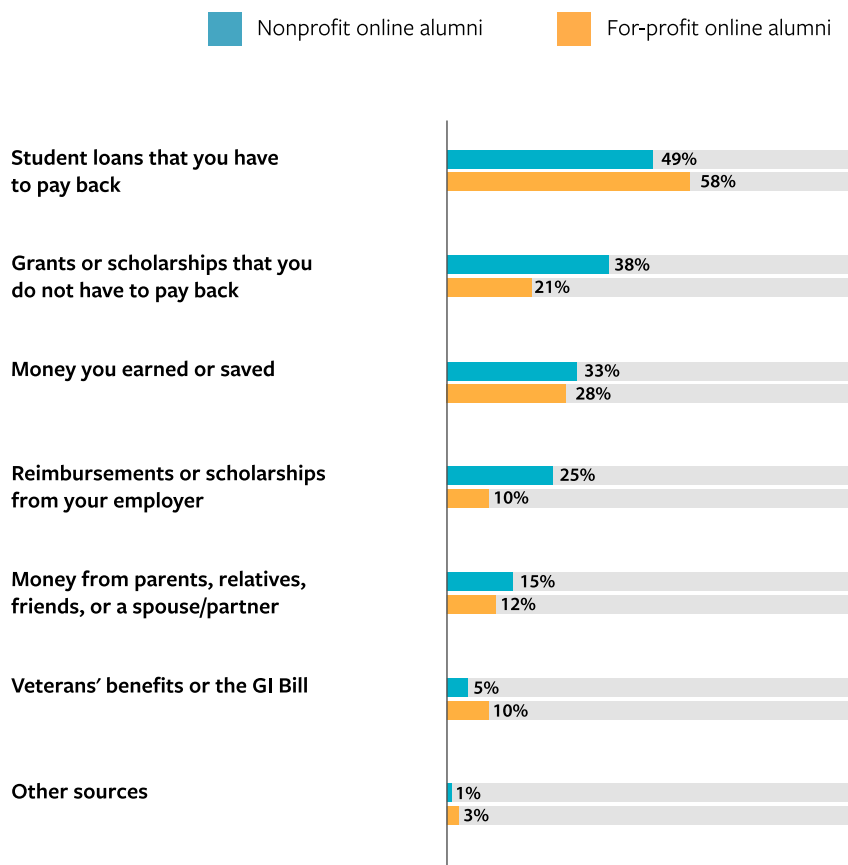
Paying for college and student debt

Student loans are the most common way both for-profit and nonprofit online alumni pay for college. However, more nonprofit online alumni than their for-profit counterparts report getting grants or scholarships that they do not have to repay. More nonprofit online alumni also report getting assistance from their

employers to pay for college; see Figure 7. While employers were not the most common way nonprofit online alumni paid for college, the higher rate of employer help among nonprofit online alumni is another way in which they seem more connected to employers and careers than their for-profit counterparts.

While the largest shares of both nonprofit and for-profit online alumni used loans to pay for college, more nonprofit online alumni had scholarships and help from employers than their for-profit counterparts.

Figure 7. Percent who indicate using the following to pay for college:



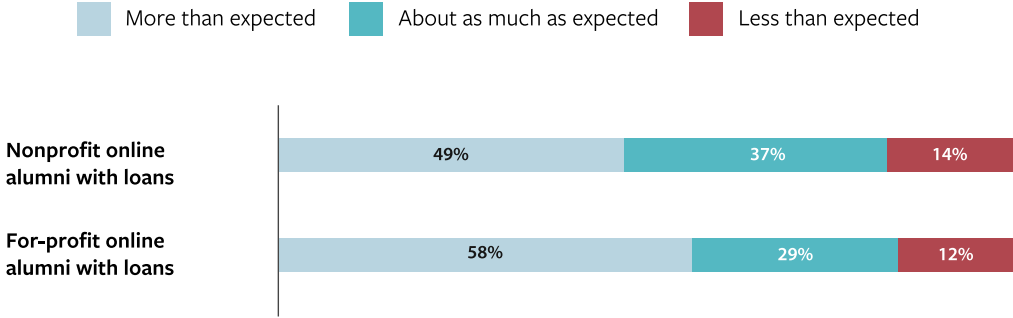
Base: Nonprofit online alumni, N=217; For-profit online alumni, N=169

Similar shares of both nonprofit and for-profit online alumni who took out loans say that their debt upon graduation was more than they had expected; see Figure 8. But nearly 20 percentage points more nonprofit than for-profit online alumni with loans say that

making payments is easy; see Figure 9. Perhaps surprisingly, less than one percent of nonprofit or for-profit online alumni who took out loans have paid them off, including the 37 percent in each group who graduated 6 to 15 years ago.

Half of online alumni with student loans say their debt upon graduation was more than expected.

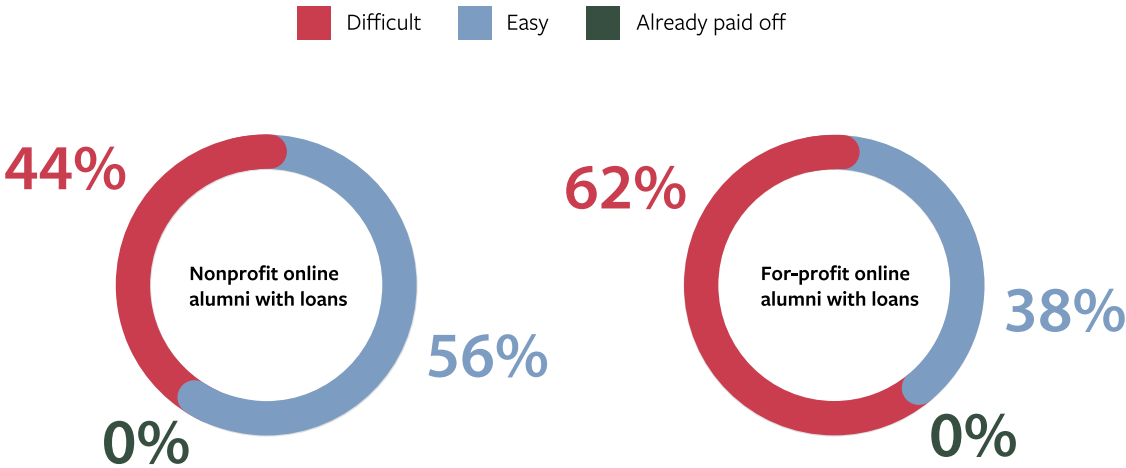
Figure 8. Percent with loans who say their debt upon graduation was:



Base: Nonprofit online alumni who have used student loans to pay for college, N=94; For-profit online alumni who have used student loans to pay for college, N=106.

More for-profit than nonprofit online alumni with student loans say paying off their debts is difficult.

Figure 9. Percent with loans who say making payments is:



Base: Nonprofit online alumni who have used student loans to pay for college, N=94; For-profit online alumni who have used student loans to pay for college, N=106.

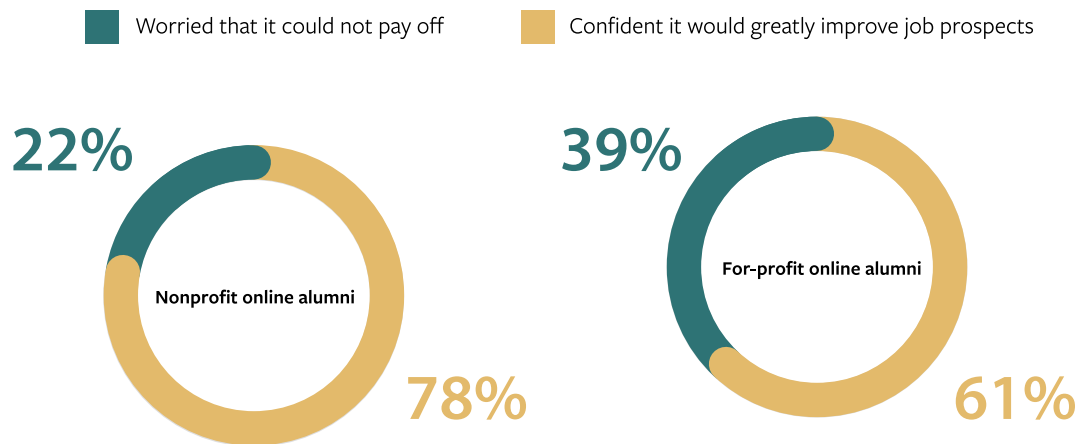
Outcomes and value of online degrees

Prior to enrolling, more nonprofit online alumni (78 percent) than for-profit online alumni (61 percent) were confident that their degree would improve their job prospects. In retrospect, 18 percentage points more nonprofit than for-profit online alumni believe that getting their degree was worth it; see Figure 10.

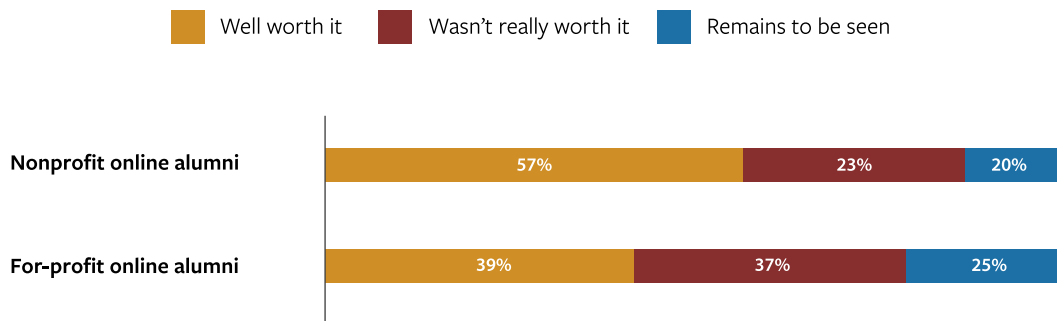
More nonprofit than for-profit online alumni were confident that their degree would improve their job prospects. In retrospect, more nonprofit online alumni say it was worth it.

Figure 10. Percent who say each of the following:

Prior to enrolling at their school, they were



Comparing all the costs to all the benefits, getting a degree or certificate was



Base: Nonprofit online alumni, N=217; For-profit online alumni, N=169

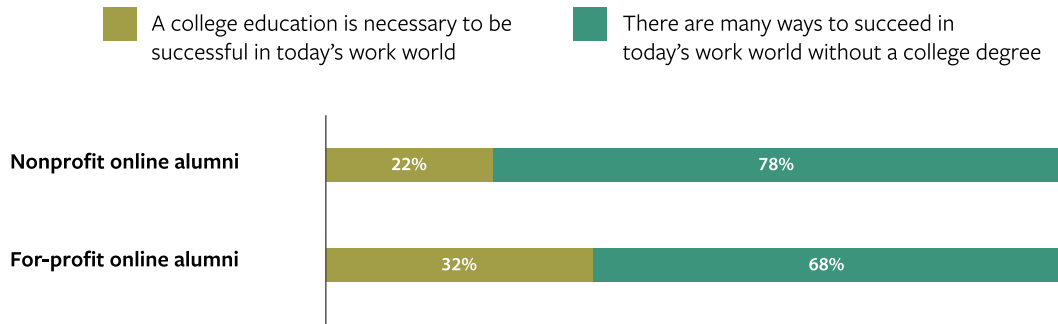
While more nonprofit than for-profit online alumni think their degree was worth it, they actually express more skepticism about the necessity of a college degree in general. More nonprofit online

alumni also think that there are many ways to succeed without a degree. Both nonprofit and for-profit online alumni are torn about whether or not they believe it makes sense for all high school graduates to try to attend college; see Figure 11.

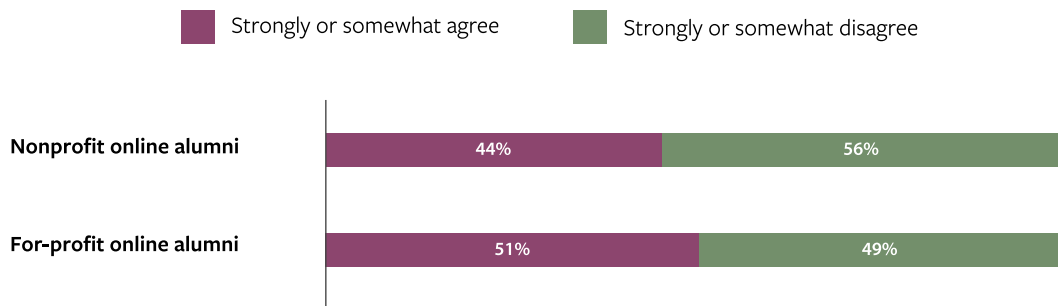
More for-profit than nonprofit online alumni think college is necessary, but both groups are split over whether all high school students should try to attend college.

Figure 11. Percent who say:

Which of the following describes their views about a college education



Everyone who graduates from high school should try to go to college



Base: Nonprofit online alumni, N=217; For-profit online alumni, N=169

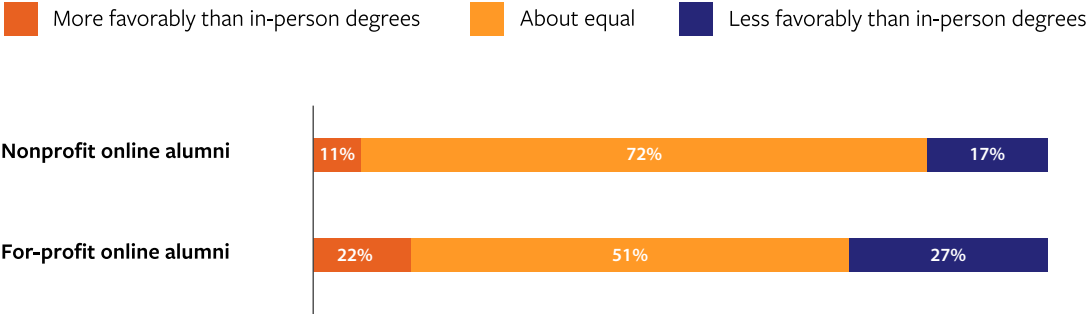


For-profit and nonprofit online alumni differ in how they think employers regard online degrees. As previously mentioned, more nonprofit online alumni pursued a degree to get ahead in their current job, more learned about college through employers, and more received employer help from employers to pay for their degree. Therefore, perhaps not surprisingly, more nonprofit online

alumni believe employers perceive online degrees as being about equal to in-person degrees. For-profit online alumni vary more in how they think employers view online degrees. Only half of them think employers see online and in-person degrees as equal; see figure 12.

More nonprofit than for-profit online alumni think employers see online degrees as equal to in-person.

Figure 12. Percent who say the following about how employers view online-only degrees:



Base: Nonprofit online alumni, N=217; For-profit online alumni, N=169



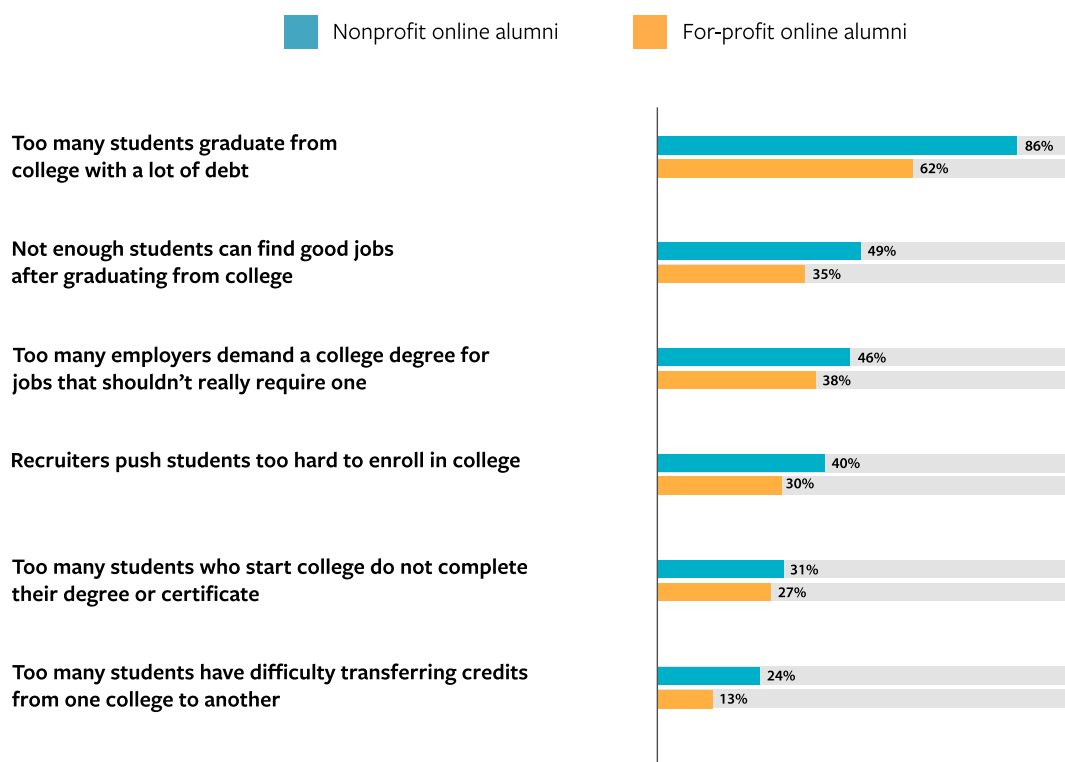
Holding colleges accountable

When asked to consider a range of problems in higher education, online alumni from both for-profits and nonprofits express far more concern about high debt loads than about any

other issue that the survey asked about, such as low completion rates, low job placement rates and employers unnecessarily demanding college degrees; see Figure 13.

Both nonprofit and for-profit online alumni express more concern about student debt than about other problems in higher education.

Figure 13. Percent who strongly agree with the following statements:



Base: Nonprofit online alumni, N=217; For-profit online alumni, N=169

When asked who deserves blame for low completion rates, the largest shares of both nonprofit and for-profit alumni think that colleges and students are both at fault. But more for-profit online alumni primarily blame colleges. Specifically, 68 percent of nonprofit online alumni say that when a college has a lot of students who do not complete their degrees or certificates, it is both the college's fault and students' fault. Just 6 percent think it is

primarily the college's fault and 26 percent think it is primarily students' fault. By comparison, 54 percent of for-profit online alumni say that when a college has a lot of students who do not complete their degrees or certificates, it is both the college's fault and students' fault. Nineteen percent think it is primarily the college's fault and 28 percent think it is primarily students' fault.

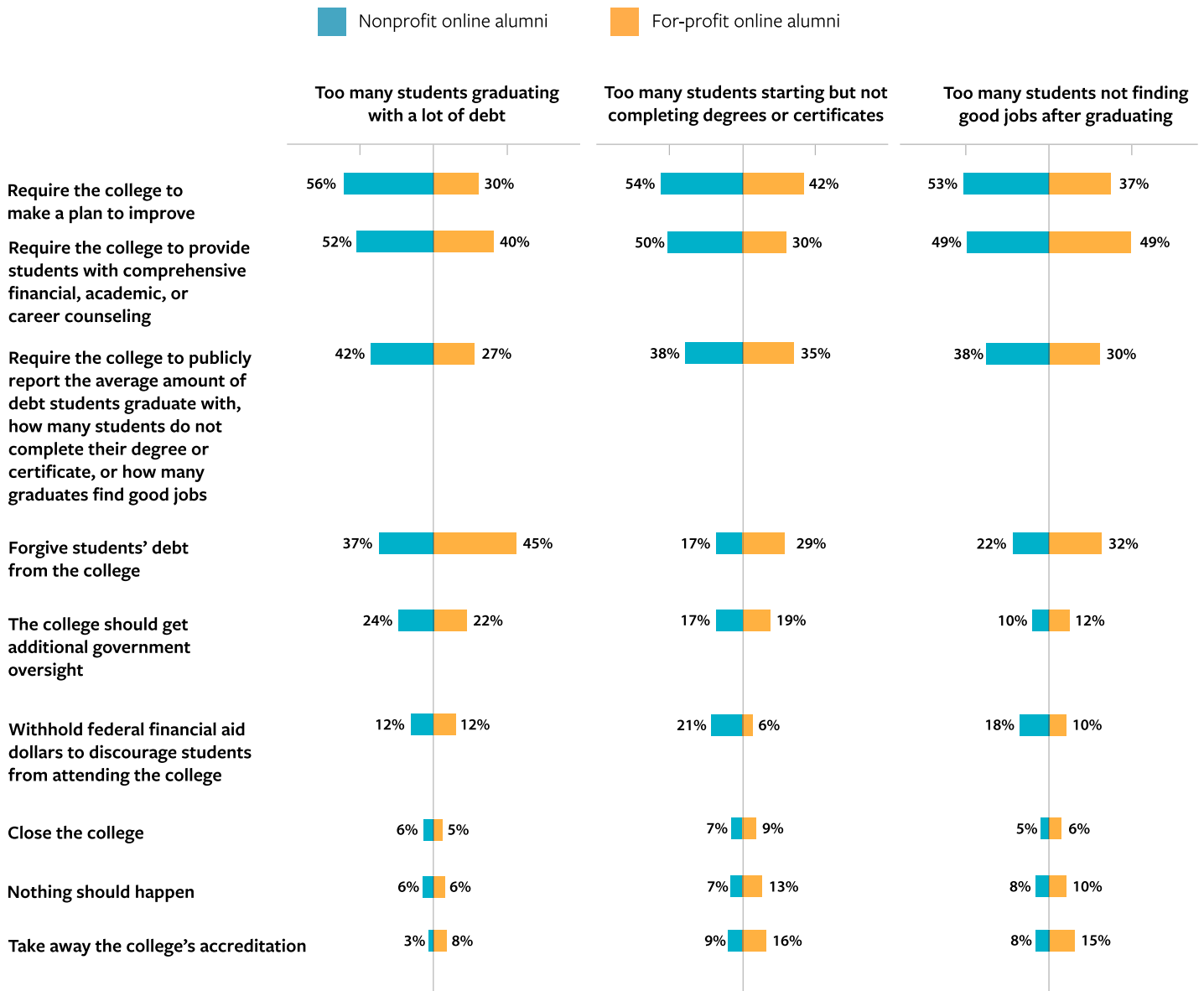
When asked how to hold colleges accountable for low graduation rates, high debt loads, or low job placement rates, both nonprofit and for-profit online alumni express little support for withholding federal financial aid, revoking accreditation, or closures— approaches that could be seen as potentially harming students; see Figure 14.

Among nonprofit online alumni, support is highest for requiring underperforming colleges to make plans to improve and to provide students with academic, financial, or career counseling. For-profit online alumni vary more in the approaches to accountability that they support.

For colleges that leave students with high debt, for-profit online alumni are most supportive of forgiving debt and requiring colleges to provide financial counseling. For colleges with low completion rates, the two approaches that for-profit online alumni most support are requiring colleges to publicly report completion rates and make plans to improve. For colleges with low job placement rates, for-profit and nonprofit online alumni are similar in wanting colleges to make plans to improve and to provide students with career counseling; see Figure 14.

Few online alumni support punishing underperforming colleges. More support requiring them to make plans to improve and to do more to support students.

Figure 14. Percent who say each of the following should happen to colleges that consistently have:



Base: Nonprofit online alumni, N=217; For-profit online alumni, N=169

Methodology in Brief

This report summarizes survey findings from representative samples of 217 adult Americans 18 years and older who completed a degree or certificate program from a public or private nonprofit college and 169 adult Americans 18 years and older who completed a degree or certificate program from a for-profit college. For both groups, alumni were included in the sample if they completed their degrees or certificates within 15 years of survey fielding. A [separate report summarizes](#) findings from representative samples of current for-profit college students, for-profit non-completers, for-profit alumni, and community college students. The survey was designed by Public Agenda and fielded March 17 to May 31, 2022 by SSRS. Respondents completed the survey online in English and Spanish.

To confirm the type of higher education institution that respondents had attended, Public Agenda used IPEDS data from 2014 to 2020 to build a list of private for-profit institutions, public four-year institutions, public two-year institutions (community colleges), and private nonprofit institutions. This list was programmed into the online survey instrument. Respondents chose the institution they had attended from the list and were counted toward the appropriate sample quota. Respondents who did not choose any of the institutions on the list had the option to enter an open-ended response and answer survey questions; Public Agenda then reviewed and categorized the institution they had named so that SSRS could assign them to the appropriate sample or remove their data. Respondents were counted as for-profit or nonprofit online alumni if they reported that they took all of their courses online at the college from which they earned their highest degree or certificate.

The margin of error for the 217 nonprofit online alumni is ± 11.3 percentage points. The margin of error for the 169 for-profit online alumni is ± 12.4 percentage points. The sample was randomly drawn from SSRS's online probability panel and from online non-probability panels. SSRS weighted the probability completes using standard base weight adjustments and raking to external demographic benchmarks and then used hybrid calibration procedures to blend the probability and non-probability samples.

In October 2021, before designing the survey, Public Agenda conducted three demographically diverse online focus groups with for-profit college attendees, including alumni, current students, and non-completers; and two demographically diverse online focus groups with alumni of online degree programs at public and private nonprofit colleges. Focus group recruiters confirmed that participants had attended or were attending a for-profit or nonprofit college based on a list of institutions built by Public Agenda from IPEDS data.

When referencing this report, cite Public Agenda. For a complete methodology and topline with full question wording, go to <https://www.publicagenda.org/reports/online-colleges-2023/> or email research@publicagenda.org.

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