



Classroom Activities **COLLEGE, INC. “The Sales and Marketing Story”**

VIDEO OVERVIEW

Record numbers of Americans are turning to higher education to give them a stronger edge in the job market. One of the fastest growing—and most controversial—sectors of the higher-education industry is for-profit colleges and universities. In this video clip from *College, Inc.*, students will learn about the aggressive marketing of for-profit colleges, concerns about their enrollment practices, and how the debt load for students at for-profit schools is often more than twice that of those at traditional schools.

GETTING STARTED

For classrooms studying Economics, Civics and Language Arts, FRONTLINE provides a set of video themes and discussion questions to help students analyze and understand key current events. Watch the video chapter and start a discussion that examines the business practices of for-profit colleges and universities. Go further into this topic with the *College, Inc. Lesson Plan* that asks students to evaluate a proposed policy designed to help graduates of for-profit schools successfully repay their student loans.

VIDEO THEMES

- For-profit colleges and universities spend more money on marketing than some multinational brands like Tide, Revlon and FedEx. This spending can rival or exceed what is spent on instruction.
- The pressure on for-profit schools to continually add students and increase profits has raised concerns about some schools' recruiting practices. In the early '90s, a congressional investigation accused a number of for-profit schools of using false or misleading advertising and illegal recruitment efforts.
- While students at for-profit schools make up only 10 percent of the college-going public, they consume almost a quarter of all federal financial aid. The majority of a for-profit school's revenue comes from federal grants and loans.
- Critics of for-profit schools say such institutions use high-pressure sales tactics to recruit students, provide easy access to federal financial aid, load them with debt, and leave the taxpayer stuck with the bill.
- For-profit institutions say they provide a valuable service to low-income and adult students that traditional higher education has given up on.

DISCUSSION QUESTIONS

- Watch closely the montage of commercials at the beginning of the video segment. Describe the images you see and audio messages you hear. What messages do for-profit colleges want you to get from these promotional clips? What types of people are most likely to respond to these commercials?
- For-profit colleges spend 20 to 25 percent of their total revenue on getting people to come to the college and only about 10 to 20 percent on instruction once the student is there. How would you allocate funds if you ran a for-profit college?
- How do federal grants and loans benefit both students and for-profit schools? Why do many graduates find it difficult to repay student loans? Do you feel the for-profit schools that arrange for these loans are partly responsible for the problem? Explain.
- For-profit colleges' have been criticized for their high-pressure recruitment and enrollment practices. What do you think about them? How do for-profit institutions answer these criticisms?
- Consider the case of Anne Cobb. At 35, Anne made less than \$7,000 a year but was able to apply for a student loan. She graduated with more than \$30,000 in debt and has struggled to pay back her loans. What do you think about Anne's situation? Do you think students at other higher-education institutions face similar problems? Explain your answers.

GO FURTHER

Featured Lesson Plan: [“Policy Analysis: The ‘Gainful Employment’ Rule”](#)

Web-exclusive Resource: [Perspectives on For-profit Colleges and Universities](http://www.pbs.org/wgbh/pages/frontline/collegeinc/interviews/)
<http://www.pbs.org/wgbh/pages/frontline/collegeinc/interviews/>

LESSON PLAN: COLLEGE, INC.

“Policy Analysis: The ‘Gainful Employment’ Rule”

Overview:

In this lesson, students will watch a video clip that shows a single mother struggling to repay her student loans, discuss the cause of her debt load, and work on a mock policy committee to evaluate a proposed rule designed to help others avoid this situation. For background information on the “gainful employment” rule discussed in the main activity, please see [Related Resources](#).

Subject Areas:

Social Studies, Language Arts, Government/Civics, Economics

Grade Level:

Grades 9-12

Objectives:

Students will:

- Examine why many students of for-profit colleges and universities carry a heavy debt load
- Explore the positions of various stakeholders regarding the gainful employment rule proposed by the U.S. Department of Education
- Analyze the costs and benefits of the Department of Education’s proposal
- Recommend whether or not the gainful employment rule should be enacted

Estimated Time Needed:

Two 50-minute class periods, plus homework time

Materials Needed:

- Internet access and equipment to show the class an online video clip
- Chapter Three from *College, Inc.*: “[The Sales and Marketing Story](#)” [link to the homepage of this guide]
- Handout 1: [The “Gainful Employment” Rule](#) (PDF file)
- Handout 2: [Stakeholders’ Points of View](#) (PDF file)
- Handout 3: [Deliberation Procedures](#) (PDF file)
- Handout 4: [Deliberation Records](#) (PDF file)
- Handout 5: [Agreement Form](#) (PDF file)

Procedure:

1. For homework the night before this lesson, ask students to read the handout, The “Gainful Employment” Rule.
2. Begin the lesson by showing the class Chapter Three of *College, Inc.*, “The Sales and Marketing Story.” [link to the homepage of this guide] Ask students to take notes on the situation faced by Anne Cobb, a single mother who is having trouble repaying her college loans.
3. Ask the class who or what is responsible for Ms. Cobb’s heavy debt load. (Herself? High tuition that requires substantial borrowing? Easy access to federal student loans? Low income post graduation?, etc.) Discuss student ideas.
4. Explain that the U.S. Department of Education regulates higher education and has proposed a rule it hopes will help people like Anne Cobb. Students are going to simulate a process used by policy-makers to analyze a proposed rule and provide feedback on whether it is an appropriate solution to a given problem. In this case, they will examine the gainful employment rule proposed by the U.S. Department of Education and recommend whether or not it should be enacted. Distribute the remaining handouts and review the steps for the activity.
5. Assign each student one of these seven stakeholder roles:
 - Representative from the U.S. Department of Education (ED)
 - Former student of a for-profit college who had a positive experience
 - Former student of a for-profit college who had a negative experience
 - For-profit higher-education industry lobbyist
 - Congressional representative who is critical of for-profit education institutions and concerned about low-income and minority students
 - Congressional representative who is critical of the ED proposal
 - Congressional representative who is concerned that the ED is overstepping its authority
6. Organize groups that include at least one of each type of stakeholder.
7. Have each group proceed through the activity to develop its recommendation. If time permits, have each group present its recommendation to the entire class.
8. Ask students to complete the agreement form individually.

CREDITS

This teacher's guide was developed by Cari Ladd. It was written by Greg Timmons. Advisers were Satinder Hawkins of Millikan High School in Long Beach, Calif., and Mark Percy of Braden River High School in Bradenton, Fla.

LESSON EXTENSIONS:

- Explore additional perspectives on the cost of higher education by watching the Miller Center's National Debate Series' "The Cost of Higher Education." http://millercenter.org/public/debates/ed_cost. Students can take notes on the debate arguments, determine which debater best represents their point of view, and explain why.
- Have students review President Obama's public policy agenda for higher education http://www.congressweb.com/aascu/obama_higher_ed.htm and determine to what degree his proposals might apply to for-profits. The class should also research the positions of their senators and congressional representative on these proposals. Students can then write a news report about a specific public policy proposal for higher education, analyzing the proposal's strategy from the perspectives of national leaders.
- Have students develop a rubric of priorities for what they would want in a college education. Ask them to use this rubric to rate two for-profit and two public or private colleges and universities based on the information at their websites. Students should then analyze in writing which institution best meets their needs and explain why.

RELATED RESOURCES:

Students should be aware that websites often present only one side of an issue. Encourage students to think about and question websites as they are reviewing them. Some guiding questions they can use are: What did you learn from this site? What didn't you learn from this site? Who sponsors this site? What bias might the sponsor have? How current is the site?

Additional Background:

"College Students Squeezed by Rising Costs, Less Aid"

http://www.pbs.org/newshour/bb/education/july-dec08/collegecosts_12-09.html

This December 2008 PBS *NewsHour* report looks at the struggle more college students and their families are experiencing to afford college tuition.

“The Allure of For-profit Universities Grows”

<http://www.npr.org/templates/story/story.php?storyId=124655777>

This NPR story explains that as higher learning becomes increasingly expensive, students are taking a greater hand in where and how they get an education.

“For-profit Universities Want Some Respect”

<http://www.fastcompany.com/magazine/141/universities-inc.html>

This article from *Fast Company* magazine looks at the booming for-profit education industry and asks the question, “Can market-driven schools award online diplomas that graduates can be proud of?”

The Gainful Employment Rule

“Pushback on Gainful Employment,” April 22, 2010

<http://www.insidehighered.com/news/2010/04/22/gainful>

This April 2010 article from *Inside Higher Education* examines the Department of Education’s gainful employment proposal and a study commissioned by the Career College Association that examined the proposal’s potential consequences.

Purchasing the Film:

College, Inc. can be purchased from PBS Educational Media:

<http://teacher.shop.pbs.org/product/index.jsp?productId=4104463>

RELATED STANDARDS:

These standards are drawn from "Content Knowledge," a compilation of content standards and benchmarks for K-12 curriculum by McRel (Mid-continent Research for Education and Learning)

<http://www.mcrel.org/standards-benchmarks>

Civics, Standard 1: Understands ideas about civic life, politics and government

Civics, Standard 21: Understands the formation and implementation of public policy

Civics, Standard 25: Understands issues regarding personal, political and economic rights

Economics, Standard 1: Understands that scarcity of productive resources requires choices that generate opportunity costs

Economics, Standard 6: Understands the roles government plays in the United States

Language Arts, Standard 1: Uses the general skills and strategies of the writing process

Language Arts, Standard 7: Uses reading skills and strategies to understand and interpret a variety of informational texts

Language Arts, Standard 8: Uses listening and speaking strategies for different purposes

Language Arts, Standard 9: Uses viewing skills and strategies to understand and interpret visual media