
OPPORTUNITIES IN EDUCATION

STRATEGIES FOR PRIVATE SECTOR COLLEGES
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OPPORTUNITIES IN EDUCATION

According to a study that included more than 12,000 college graduates conducted by CareerBuilder, in partnership with research firm Inavero, students who earn a degree from a private sector university tend to rate their overall satisfaction with the quality of education they received at a similar level as graduates of other types of colleges. This is just one of many findings that help paint an accurate picture of the private sector college experience.

With stories published in the popular press focused on negative issues surrounding private sector education, this study's goal was to better understand the experiences and perceptions of private sector graduates and the people who hire them, while also understanding strengths and opportunities within higher education as a whole.

The study found that private sector graduates are different in many ways from their peers who graduate from other types of institutions, and from those who do not achieve a college degree at all, but not necessarily in the ways many might think. Throughout the remainder of this document, the research will paint a vivid picture of the private sector graduate's experiences, perceptions and path in the job market.

The student and alumni view is strengthened by more than 1,400 responses from people who have hired graduates of all types. Their perceptions of these individuals, and their strengths and weaknesses can help all higher education institutions understand what is required to develop and foster the talent necessary to fuel a healthy U.S. economy.

A PROFILE OF THE PRIVATE SECTOR COLLEGE GRADUATE

Those who earn a two or four-year degree from a private sector university represent a diverse subset of the U.S. population, often differing significantly from those who attend traditional four-year institutions or community colleges. This study takes into account this profile while seeking to understand who the private sector graduate is, and what they look for in a degree program.

Nearly one in three private sector graduates are minorities, almost 40 percent higher than traditional or community college graduates, but this difference is just the first of many (Exhibit 1). Private sector graduates start their degree programs at the age of 27, on average, significantly older than both community college graduates and those who graduate from traditional universities (25 years old and 20 years old, respectively).

EXHIBIT 1: PROFILE OF GRADUATES BY TYPE OF UNIVERSITY

PROFILE	Private Sector 2-yr Degree n=814	Private Sector 4-yr Degree n=780	Traditional University Graduate n=7,589	Community College Graduate n=3,058
Gender: Female	54%	55%	50%	57%
Ethnicity: Minority	32%	29%	21%	22%
Has children while in college	17%	17%	12%	17%
First in family to attend college	37%	31%	27%	35%
Age when starting most recent degree	27	27	20	25
Transferred between schools	17%	29%	28%	33%
Worked 30+ hrs per week during school	62%	62%	37%	61%
Average number of months to find work after graduation	3.7	4.0	3.9	3.6

Two-year degree programs (either through private sector universities or community colleges) appear to be a viable first step in higher education for those who are the first in their family to receive a college degree. Nearly 40 percent of those who graduate from a two-year community college or private sector degree program have the proud distinction of being the first in their family to earn a college degree.

Graduates of private sector or community colleges are a hard working group as well, with almost two-thirds of them working 30 or more hours per week while they complete their degree. This hard work pays off, though, as the average private sector graduate reported finding a job in between 3 and 4 months upon graduation, in line with graduates of other types of universities.

AWARENESS OF PRIVATE SECTOR COLLEGES IS LOW AND FRAGMENTED

For prospective attendees of private sector institutions, awareness of specific schools is typically limited. The average prospective attendee rarely lists a private sector institution when asked to name colleges or universities that come to mind. Furthermore, only four private sector colleges are recognized by more than 60 percent of prospective attendees or those who have attended any higher education institution.

Based on the findings of this CareerBuilder and Inavero research, the majority of prospective attendees believe education bolsters their skills and resumes for their job search, at or before the time they begin actively searching for employment.

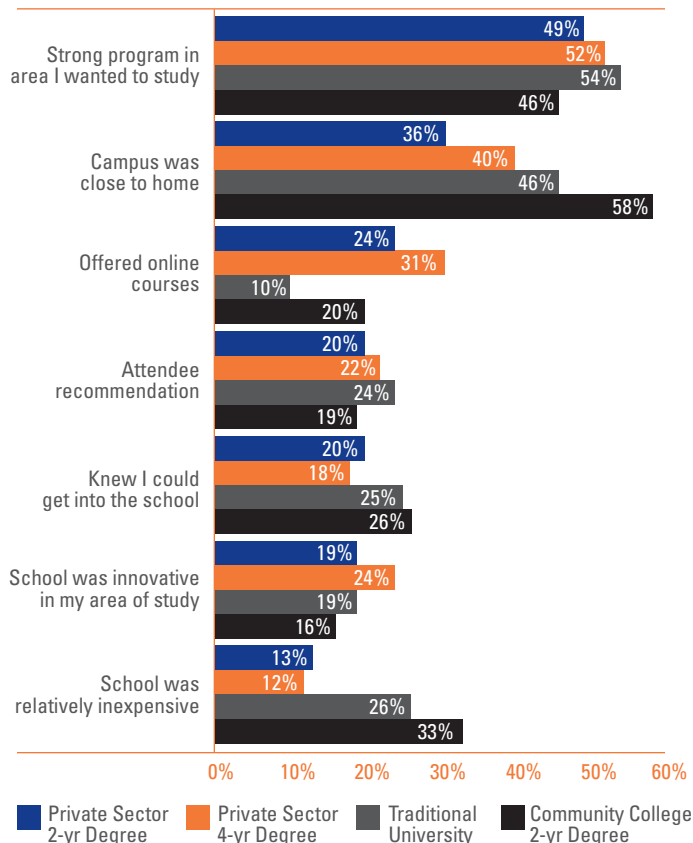
WHY PEOPLE ATTEND PRIVATE SECTOR COLLEGES AND HOW THEY CHOOSE

Graduates of private sector degree programs decided to pursue their advanced degree for a wide range of reasons, with many simply stating they needed the degree for a specific job for which they were trying to qualify. However, there are some interesting differences among the private sector graduates. For example, private sector graduates are significantly more likely than traditional university graduates to pursue a degree program as part of a career change, or to help them advance in their current careers.

This further strengthens the appeal of the private sector college for those who are a few years into their careers, and looking to either accelerate their opportunities or change career paths.

The perceived strength of a particular program of study and the campus' convenience to home or work are the key drivers of selection for most college graduates. However, private sector graduates do make some choices differently than their peers in other types of programs. Private sector graduates are more than twice as likely as those graduating from traditional universities to list the ability to take some courses online as a reason they selected the university (Exhibit 2).

EXHIBIT 2: REASON FOR CHOOSING THEIR UNIVERSITY INSTEAD OF ANOTHER



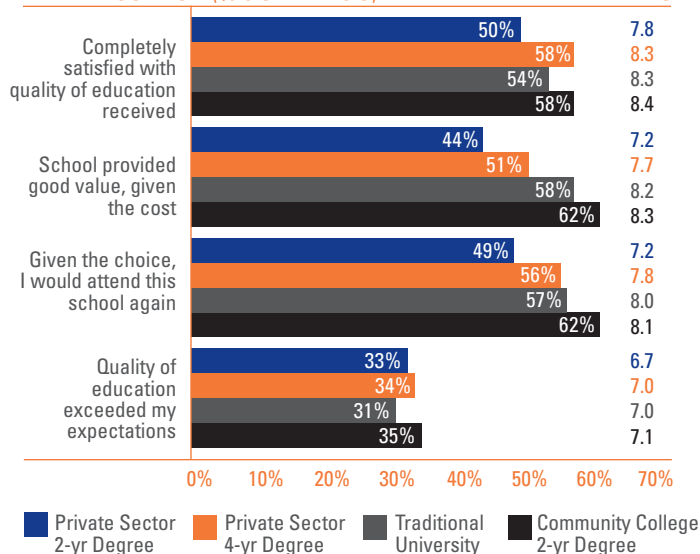
Another notable difference comes from the cost of the program. Private sector graduates report selecting their program because it was ‘less expensive than other options’ less than 15 percent of the time — significantly lower than graduates of other types of universities. This may be in part due to the difference in the availability of student aid

to students of traditional university programs. Less than 5 percent of private sector university graduates report having a scholarship of some type to help offset the cost, compared to 10 percent of graduates from traditional universities. Traditional university graduates are also nearly twice as likely to report having help from parents or other family members to pay for their college education.

GRADUATE SATISFACTION WITH PRIVATE SECTOR COLLEGE EXPERIENCE

Is an advanced degree from a private sector university worth it? According to many of the graduates, it is. Graduates of these programs report an average satisfaction with their education of between 7.8 and 8.3 on a 10 point scale, similar to that reported by graduates of traditional or community college degree programs. In fact, over half rate their satisfaction with the quality of education a 9 or 10 (Exhibit 3).

EXHIBIT 3: SATISFACTION WITH EDUCATION (% 9'S AND 10'S)



Graduates also rate the flexibility and convenience of their schools as a positive aspect of their private sector program. Flexibility, in particular, is seen as a strength of four-year degree programs from private sector universities, with the average graduate rating the flexible schedule an 8.3 out of 10, with nearly two-thirds giving the school a 9 or 10 in that area. Meanwhile, graduates of private sector institutions generally rate their ‘work readiness’ and their degree’s role in attaining their current job at a similar level to graduates of traditional or community college degree programs.

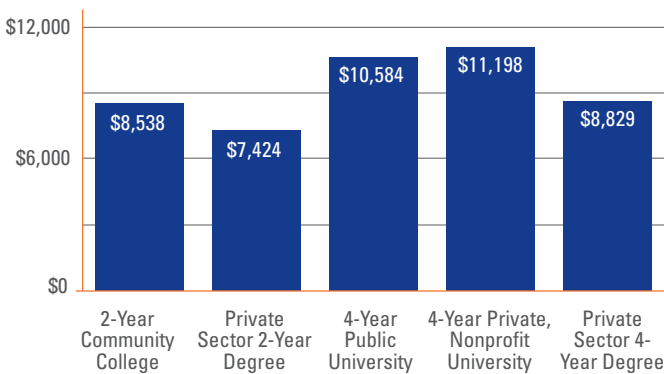
Despite these positive ratings across the board, there are still opportunities for improvement for all types of higher education. Graduates of private sector, traditional, and community college programs all rate the helpfulness of their career services department and their ability to pay back student loans lower than other areas related to their education experience. The average college graduate gives their career services department a score of between 4 and 5 out of 10 in terms of helpfulness in finding a position after college.

The cost of attending a higher education program is also a concern, regardless of the type of institution. Graduates from every type of higher education institution give a similar rating (between 4 and 5 out of 10) when asked how well their salary after graduation positioned them to pay back their student loans. These areas are not unique to a single type of academic institution, but are areas where improving graduate perceptions could have a large impact on the overall satisfaction of the graduate.

HIGHER EDUCATION'S POSITIVE IMPACT ON EARNING POTENTIAL

This study shows that an advanced degree is an important component of earning potential for many people. The annual reported income of private sector graduates in the 12 months immediately following the degree was between \$7,400 and \$8,800 higher than it was before they earned their degree (Exhibit 4). The reported income of those with only a high school degree was typically between \$5,000 and \$12,000 lower than those who have earned either a two or four year degree from a private sector institution.

EXHIBIT 4: AVERAGE GAIN IN COMPENSATION 12 MONTHS FOLLOWING COMPLETION OF DEGREE

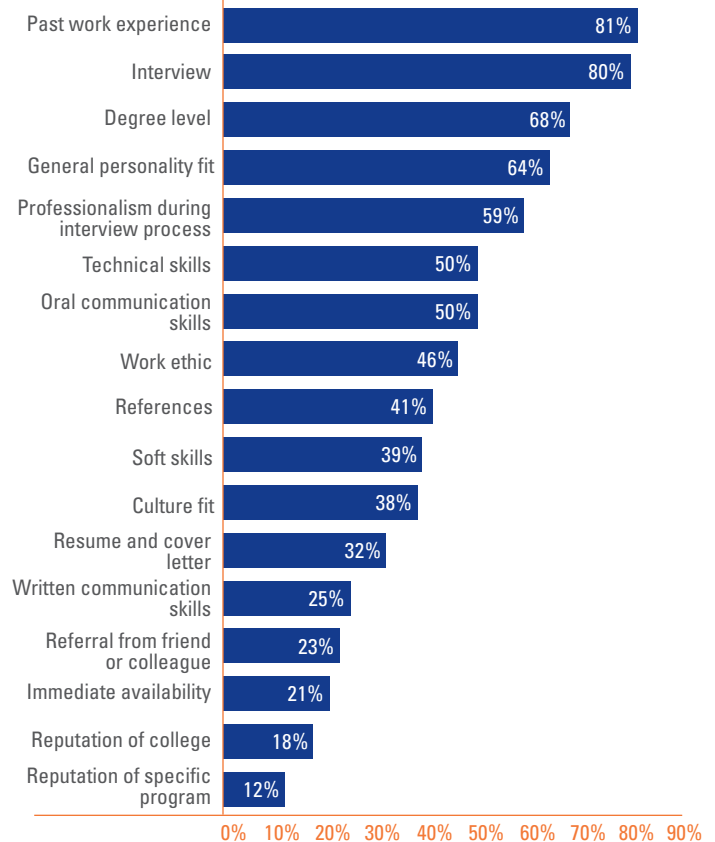


WHAT HIRING MANAGERS ARE LOOKING FOR FROM PRIVATE SECTOR GRADUATES

As Exhibit 5 shows, hiring managers look to work experience, how well an applicant performs in the interview process, and the level of degree they have attained more than anything else when deciding who to hire for open positions. Interestingly, the type of degree and reputation of the college the applicant attended were two of the least common decision criteria implemented. In fact, when asked to name the college their most recent hire attended, only 48 percent could remember what college it was, and even fewer (2 percent) indicated that the type of degree earned was more important than the relevant work experience of the applicant.

This indicates that higher education institutions need to work harder to prepare their graduates to perform well in an interview, and help them get resume-building work experience to assist in the post-graduation job search. The question is not “what school did you go to” so much as it is “what experience did you receive that will allow you to make an immediate impact” and graduates should be trained and prepared accordingly.

EXHIBIT 5: ATTRIBUTES CONSIDERED DURING HIRING PROCESS

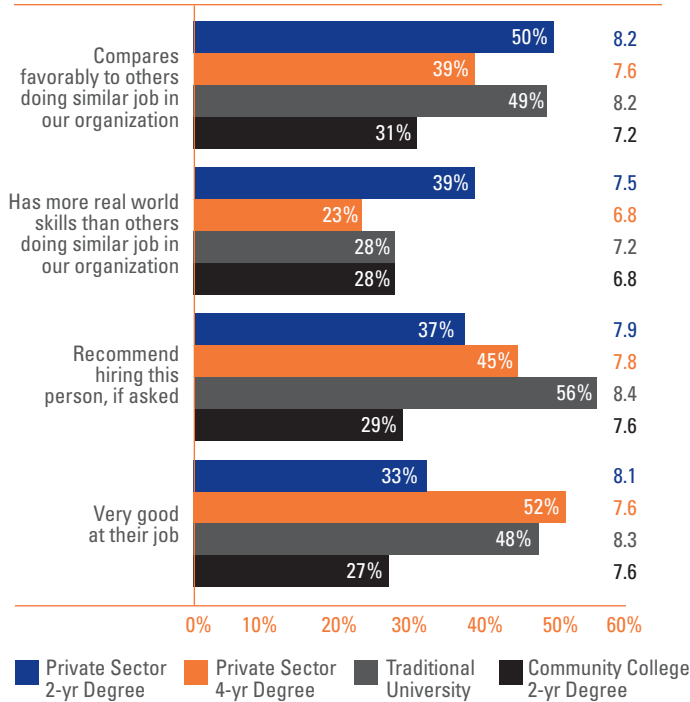


PRIVATE SECTOR GRADUATES

So graduates are fairly happy, but what about hiring managers? The CareerBuilder and Inavero study explored the perceptions hiring managers have about the people they have most recently hired to identify more opportunities.

Those who had most recently hired graduates with two-year degrees from a private sector university rated the individual's work readiness higher than those who had hired graduates of other types of programs, and rated the overall performance of the person hired at levels nearly identical to those who had been hired from a traditional university (Exhibit 6).

EXHIBIT 6: LIKELIHOOD TO RECOMMEND MOST RECENT HIRE (% 9'S AND 10'S) **MEAN RATING**



Community college graduates were consistently rated lower by hiring managers than graduates of either private sector or traditional university programs, most notably in the hiring managers' willingness to recommend hiring that person for another position or in their rating of the individual as being 'very good at their job.' Conversely, private sector graduates were especially well rated on their professionalism, their ability to work on a team and their commitment to the organization.

IMPROVING PERCEPTIONS OF PRIVATE SECTOR EDUCATION AMONG HIRING MANAGERS

While more than 60 percent of hiring managers report knowing a graduate of a private sector college or can recall seeing advertising; the depth of knowledge about the private sector drops considerably from there.

When asked what private sector universities most needed to work on to improve their reputation in the marketplace, nearly 14 percent made a statement demonstrating their misperception that private sector universities do not have the same accreditation as traditional universities. In fact, a large percentage of private sector universities have already earned and adhere to the same accreditation standards of traditional universities.

There are some things that individual colleges can do that will help, however. This research shows a significant change in hiring manager perceptions as the depth of knowledge about private sector higher education increases. While perceptions are mixed for people who have just seen advertising or only know a person who has attended, those who have taught or taken a class, or worked to help develop curriculum rate private sector colleges significantly higher (Exhibit 7).

EXHIBIT 7: PRIVATE SECTOR PERCEPTIONS INCREASE WITH DEPTH OF EXPERIENCE

PRIVATE SECTOR PERCEPTIONS (10-point scale: "0" = strongly disagree, "10" = strongly agree)	Limited Interaction ¹	Personal Experience ²
Private Sector graduates are generally more "work-ready" than those who have not attended a college program.	6.9	7.4
I would recommend attending a Private Sector program to someone who was considering it as part of a career change.	6.5	7.6
I would recommend attending a Private Sector Program to someone who was considering it to advance their current career.	6.5	7.5
I would recommend recruiting through the career services department of the Private Sector I work most closely with to a friend or colleague.	6.2	7.1
Private Sector graduates are generally more "work-ready" than community college graduates.	6.3	7.0
Degrees earned from accredited Private Sectors are equivalent in quality to degrees from traditional universities.	5.1	6.1

¹ Includes those who have only seen an advertisement or know an employee, teacher, or graduate of a private sector school.

² Includes those who have helped with curriculum development, work for employers who recruit from private sectors, are graduates themselves or have taken a class through a private sector school.

Private sector colleges play a large and dynamic role in the U.S. higher education market. While there are areas to improve, the general experience of graduates is often positive, and hiring managers rate their skills on par with those they hire with traditional university or community college degrees.

SURVEY METHODOLOGY

This survey was conducted online within the United States by Inavero in partnership with CareerBuilder. The study includes 24,171 career and education responses from adults. The sample includes 23,691 responses from the CareerBuilder job seeker database, and an additional 480 responses from an independent online panel, to ensure data validity and correct for differences between the CareerBuilder database and the overall U.S. population.

Additionally, 1,409 responses were gathered from hiring managers and HR decision-makers. Of this sample, 391 responses were gathered from an independent online panel, with an additional 1,018 responses gathered from CareerBuilder's internal job seeker database.

The survey was conducted between the 13th and 30th of December, 2010. With a pure probability sample of 24,171, one could say with a 99 percent probability that the overall results have a sampling error of +/- 1 percentage points. Sampling error for data from sub-samples is higher and varies.

ABOUT CAREERBUILDER

CareerBuilder is the global leader in human capital solutions, helping companies target and attract their most important asset — their people. Its online career site, CareerBuilder.com®, is the largest in the United States with more than 24 million unique visitors, 1 million jobs and 40 million resumes.

CareerBuilder's Educational Services Division helps higher education institutions grow by providing labor market intelligence, increased exposure to individuals looking to further their education or advance their career and tools and resources for students to be more prepared and confident in their job search. For more information, call 877-770-5040 or email EDU@careerbuilder.com.

ABOUT INAVERO

Inavero, Inc. is a leading provider of client and employee satisfaction surveys. The firm analyzes more than 300,000 survey responses from hiring managers, employees and job seekers each year, focusing on an actionable, technology-based approach to survey-based quality control. Learn more about Inavero at www.inavero.com.

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