

DEBT AND DISILLUSIONMENT

Stories of Former For-Profit College Students as Shared in Florida Focus Groups

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August 2018



Acknowledgements

The Center for Responsible Lending (CRL) acknowledges generous support for this project from the Prudential Foundation.

The authors would also like to acknowledge Tom Feltner, Debbie Goldstein, Diane Standaert, Ashley Harrington, Whitney Barkley-Denney, Carol Hammerstein, Eric White, and Sarah Wolff (former CRL senior researcher) for the assistance they provided in communications, policy development, and research that made this project possible. We also appreciate the work of the FDR Group, which moderated the focus groups.

Table of Contents

Executive Summary	1
Introduction.....	3
Methodology.....	4
Why Florida? The State has a Diverse Student Population and Lax Oversight of For-Profit Colleges.....	6
Participant Demographics, For-Profit Schools Attended, Degree Attainment, and Current Employment Status	8
Focus Group Findings.....	11
CFPB’s Financial Well-Being Scale	33
CRL’s Financial Products Survey	35
Conclusion	37
Appendices	38
Appendix A: The Groups	38
Appendix B: Surveys	41
Appendix C: Tables 4–9	43
Appendix D: Select Participant Profiles	47
Endnotes.....	50

Executive Summary

Florida is fertile ground for studying for-profit education, given the industry's outsized presence there and a weak state regulatory environment. In the early summer of 2017, The Center for Responsible Lending (CRL) conducted focus groups in Orlando, Florida with 75 individuals who had attended for-profit colleges within the last 10 years and borrowed to finance their education. The research sought to better understand the circumstances these individuals faced that led them to enroll in their respective schools and their experiences with choosing, enrolling, and attending the school; finding a job after leaving the program; and taking out and repaying their loans. We also asked students to reflect on the ways in which for-profit college attendance had colored their notions about the value of higher education, the ability of low-income students to achieve financial stability, and the intergenerational impact of student debt. This paper describes the goals of this project and the circumstances particular to Florida that make it a good place to look at this problem. We also provide descriptive information about the participants and share high-level findings from both the moderated conversations and two supplemental survey instruments measuring financial activity and well-being.

Key findings include:

- **The focus group participants** came from difficult circumstances that influenced the way they thought about higher education options. Despite the necessity to borrow large amounts of money to attend Florida for-profit colleges, schools drew participants to enroll through intense advertising and personal recruiting; quick, frictionless enrollment; flexible scheduling; and the lack of entrance requirements.
- **The participants often found** the educational experience at for-profit colleges to be superficial and frustrating. A number of participants dropped out when they: determined that the amount of debt and time they were investing was "not worth it," ran out of financial aid, experienced a life emergency, or discovered that promises of gainful employment upon graduation were unlikely to materialize.
- **Irrespective of completion** status, student debt levels were very high after leaving school, with a median of \$22,000 overall and even higher median figures for female, middle-aged, and African-American borrowers.
- **Very few participants** (including those who left school many years previously) were able to make any progress in repaying their debts. Even participants that had jobs before, during, and after attending school reported that their earnings did not appear to change significantly in a way that allowed them to repay their loan. Serial deferment and forbearance were common, and a number of participants referenced default, wage garnishment, and tax offsets. Many students' debts had grown beyond original amounts borrowed due to large amounts of added interest and fees.
- **The impact of heavy student debt burdens** was both psychological and material. Participants had not been able to pursue goals such as homeownership, saving for children's education, and preparing for their own retirement. Extreme stress and anxiety over debt repayment was common.

- **Participants reflected that** for-profit colleges could be a trap for students and that their own poor educational and employment outcomes as a result of attending for-profits must not be repeated by their children.
- **Results from the** two short surveys administered after the focus group session confirmed the above findings. The Consumer Financial Protection Bureau (CFPB) Financial Well-Being Scale revealed that participants scored no better than the average high-school graduate. CRL's Financial Products Survey showed that participants' use of harmful financial products (payday, overdraft, etc.) or negative financial events (contacted by a debt collector, considered bankruptcy) increased after taking out student debt.

Introduction

There is a strong body of quantitative evidence showing poor results for students at for-profit colleges, but qualitative research on for-profit student decision making, educational experiences, employment, and financial outcomes is scarce.

Prior research has shown that for-profit college students leave college with high debt loads and generally poor earnings prospects, resulting in a substantial level of student loan defaults and otherwise poor repayment progress.¹ For-profit students are much more likely to borrow than public institution students for comparable degrees and conditional on borrowing, in much greater amounts. For instance, 55% of all for-profit students graduating with an associate's degree owe more than \$20,000, compared to 9% of graduating community college students.² Disappointing employment outcomes and subsequent lack of repayment progress compound high initial debt levels, as illustrated by a Brookings study showing that 74% of all students leaving for-profit schools owed more than the original amount of their debt two years out.³

Many students at for-profits end up experiencing default, as indicated by the most recent 3-year cohort default rate of 15.5% for for-profit students, compared to 11.3% for public school attendees and 7.4% for private nonprofit attendees.⁴ In fact, data show that for-profit students represent 33% of all students defaulting, despite the fact that their share of 12-month enrollment is only 9%.⁵ As for-profit college students borrow in much higher percentages than public college students, the likelihood of any for-profit student defaulting is three times higher than a student at a public 4-year college and three and a half times larger than a student at a public 2-year college.⁶

For-profit colleges have been shown to exploit inequality by sex, race, income, and wealth through targeted recruiting of potential students that qualify for substantial Title IV federal grant and loan aid.⁷ As a result, impacts of poor for-profit outcomes fall hardest on low-income students, students of color, and women. Low-income students (as proxied by Pell Grant recipients) represent 64% of students enrolled in for-profit colleges, compared to 38% and 36% of public and private college students respectively.⁸ African-Americans represent almost 30% of for-profit students in degree granting programs, compared to their 13% share of students at all types of colleges.⁹ Women represent 63% of for-profit college enrollment but only 53% of community college enrollment (CAPSEE).¹⁰ Single mothers in particular are heavily enrolled in for-profit colleges, accounting for 26% of for-profit undergraduates, compared to only 11% of undergraduates at all types of colleges.¹¹

The statistics clearly point to a continuing crisis in for-profit education, especially for vulnerable populations. But policymakers, regulators, and student advocates often lack access to a deeper knowledge of what happens when the imperatives of the for-profit college model intersect with the hopes and dreams of aspiring, often non-traditional, disadvantaged students. What drives students to for-profit programs? What factors influence the amount of debt taken on, the ability to complete on a timely basis, and the ability to obtain gainful employment? What do borrowers' financial and family lives look like two, five, or more years after leaving these for-profit schools? How do they assess the value of their education, and what educational hopes and aspirations are they passing on to the next generation?

Methodology

To address these questions, we designed a research project based on focus groups of students that borrowed to attend for-profit colleges. Specifically, in May and June of 2017, a series of focus groups were conducted in Orlando of student loan borrowers that had attended one or more of the many for-profit colleges in Florida, borrowed for that education, and (except for one group of current students) left college at least two years prior. Participants were chosen without respect to the amount of student debt incurred or satisfaction with their for-profit experience. The focus groups explored the choice to attend one or more for-profit institution(s) including financial considerations and other constraints, as well as the expectations of participants around the educational experience and subsequent employment opportunities when compared to actual experiences and outcomes. Participants were also asked to reflect on their post-education financial well-being with specific emphasis on their ability to handle student debt payments and other expenses, as well as their ability to achieve various milestones of adulthood: purchase of a car or home, family formation, saving for retirement, and so on.

The research design included sorting participants (75 in total) into one of the nine groups depending on certain self-identified characteristics that we wanted to explore in-depth: attainment (one group each of completed, dropped-out, and currently enrolled); race and ethnicity (one group each of African-Americans and Hispanics); program features (one group each of online only, medical allied arts programs, and cosmetology programs); and special status (one group of service-members/veterans). See [Appendix A](#) for a listing of each group's number of participants, rationale, and additional lines of inquiry beyond the common moderator's guide questions.¹²

The moderator's guide itself was jointly developed by CRL and FDR Group (FDR), a professional qualitative research firm with strong credentials in higher education research. FDR moderated the groups and provided written transcripts and videotaped sessions for our analysis. FDR also produced a 40-page report, *Perceptions and Experiences of For-Profit School Attendees in Orlando (FL): A Focus Group Report, September 27, 2017*.¹³ In addition to extensive analysis of participant narratives, the FDR report contains Appendices with the Screening Criteria and the Moderator's Guide used in the research.

The subject research analyzed the focus group transcripts using NVivo software with an extensive codebook developed by CRL. The software also allowed us to append to each participant's coded focus group responses with self-identified participant information from: 1) the screener, such as age, race, and ethnicity; completion status; and employment status; and 2) two surveys that we administered following the sessions.

To contextualize the respondents' focus group narratives, the study sought to match these narratives with measurable indicators of financial well-being and financial activities. As such, participants were asked to individually complete two brief (approximately five minutes each) surveys at the end of the focus group session. The first of these was the Financial Well-Being Scale designed by CFPB.¹⁴ The 10-question scale quantifies "the extent to which someone's financial situation and the financial capability that they have developed provide them with security and freedom of choice." (See [Appendix B, Figure 6](#) for a copy of the scale). The use of this instrument enables us to relate our sample's financial health to that of the general population of the United States, as well as to specific sub-groups, by comparing our sample's results to those of a national administration of the survey fielded less than a year before our study.

The second survey administered to participants was a Financial Activity Survey developed by CRL that asked participants to check boxes indicating their use of (or experience with) certain financial products, practices, and events (12 in total), such as: regularly saved, took out an auto loan, was contacted by a debt collector, or had a good idea of my credit score. Participants were asked to indicate whether a certain financial activity occurred before or after getting a student loan, both before and after, or not at all. (See [Appendix B, Figure 7](#) for a copy of the Financial Activity Survey.) The purpose of administering the survey was to see if taking out a student loan represented an inflection point in financial activities for participants, either positive (for instance took out a mortgage loan after taking out a student loan) or negative (saved regularly before a student loan, but not after).

Finally, five participant profiles are included in [Appendix D](#) that condense the responses of each into an arc showing the “before, during, and after” of for-profit college attendance. These serve to further illustrate the findings included in the body of the paper.

Why Florida? The State has a Diverse Student Population and Lax Oversight of For-Profit Colleges

We chose Florida among other large states based on several factors: 1) a high level of diversity within the student demographic (African-Americans, Hispanics, immigrants, and veterans—all frequent targets of for-profit college marketing); 2) the existence of many local for-profit institutions (there are 273 Title IV-eligible schools); and 3) a constellation of other institutional characteristics. These characteristics included a strong community college system and nearby historically black colleges and universities (HBCUs), to ensure that students had other college choices. Orlando specifically had the greatest concentration of for-profit students of the Florida metro areas we considered (33 Title IV-eligible for-profit institutions), high numbers of jobs in occupations targeted by for-profit programs, and a large minority student population (see [Appendix C, Table 4](#) for Orlando demographic data).

From a state policy perspective, Florida is a state with little to no oversight of for-profit colleges. Looking at 2016 fall enrollment data, for-profit undergraduate college enrollment in Florida stood at 87,223 students or 8.7% of all undergraduates.^{15, 16} This 8.7% for-profit share was larger than that of other large states in the same year; for example, California's share was 6.8% and Texas' was 4.4%.¹⁷ In terms of overall levels of student distress, Florida has the fifth highest 3-year cohort default rate on federal student loans of any state at 14.5%.¹⁸

A twelve-month Miami Herald investigation described the political and regulatory factors behind Florida's status as a for-profit college haven.¹⁹ These include: 1) the passage of at least 15 state laws friendly to for-profit colleges (which in the same time period contributed over \$1 million to legislators' campaigns); 2) a state designated watch-dog agency, the Commission for Independent Education, that was dominated by for-profit industry executives and apparently had never sanctioned a for-profit college; and 3) a state Attorney General who over a five-year period did little to investigate thousands of complaints against the for-profit industry and recovered a mere \$83,000 for defrauded students, compared to millions in several other large states.²⁰

Recent research conducted by CRL using the 2017 release of College Scorecard data show the very different student outcomes of for-profit students when compared to their public and private nonprofit peers in Florida.²¹ Florida 4-year for-profit students graduate within six years at less than half the rate (27.9%) of students at 4-year public colleges (58.6%) and at a significantly lower rate than their nonprofit private counterparts (46.6%). Four-year for-profit students in Florida also have substantially greater borrowing rates (66.5% compared to 46.8% at publics and 61.7% at nonprofit privates), median debt at graduation (\$31,112 compared to \$18,557 at publics and \$24,608 at nonprofit privates), and 3-year cohort student loan default rates (12.4% compared to just 5.4% at publics and 8.7% at nonprofit privates). These figures are particularly striking when considering that undergraduate for-profit student enrollment in Florida is disproportionately low-income, African-American, and Hispanic compared to nonprofit enrollment (combining public and private nonprofit institutions). Florida for-profit undergraduate enrollment was 63.4% low-income compared to 44.3% at nonprofits, 23.5% African-American compared to 18% at nonprofits, and 32% Hispanic compared to 26% at nonprofits.²²

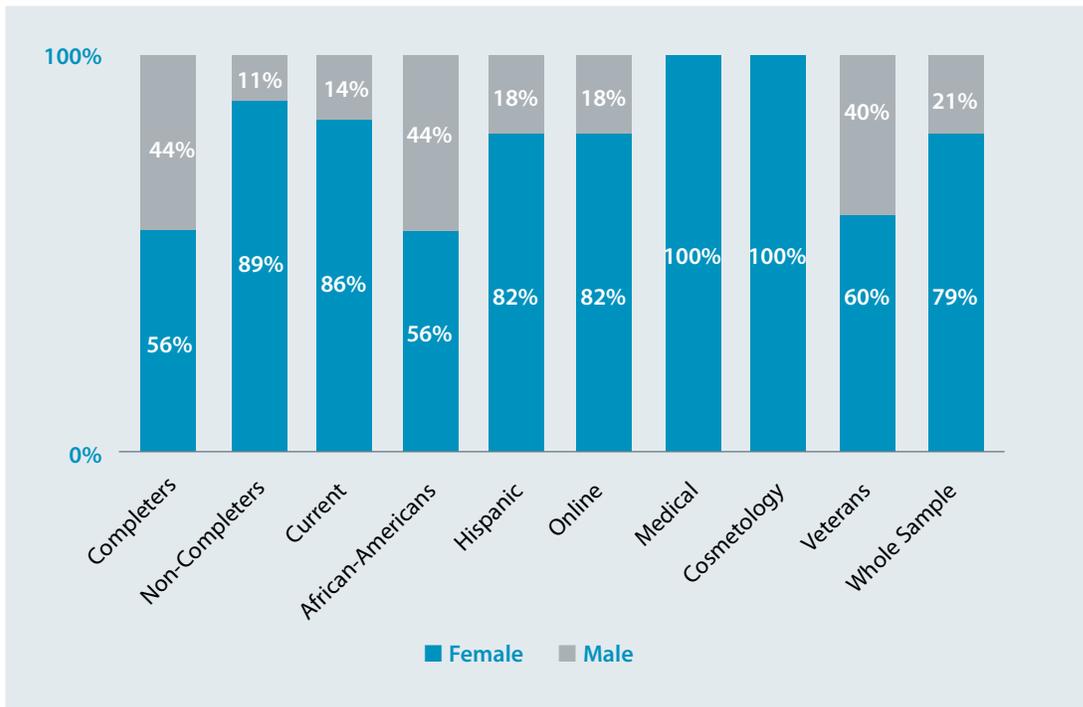
Table 1: Florida 4-year college outcome statistics²³

	For-profit	Public	Nonprofit
6-year completion rate	27.9%	58.6%	46.6%
Share of students borrowing	66.5%	46.8%	61.7%
Median debt at graduation	\$31,112	\$18,577	\$24,608
3-year cohort default rate	12.4%	5.4%	8.7%

Participant Demographics, For-Profit Schools Attended, Degree Attainment, and Current Employment Status

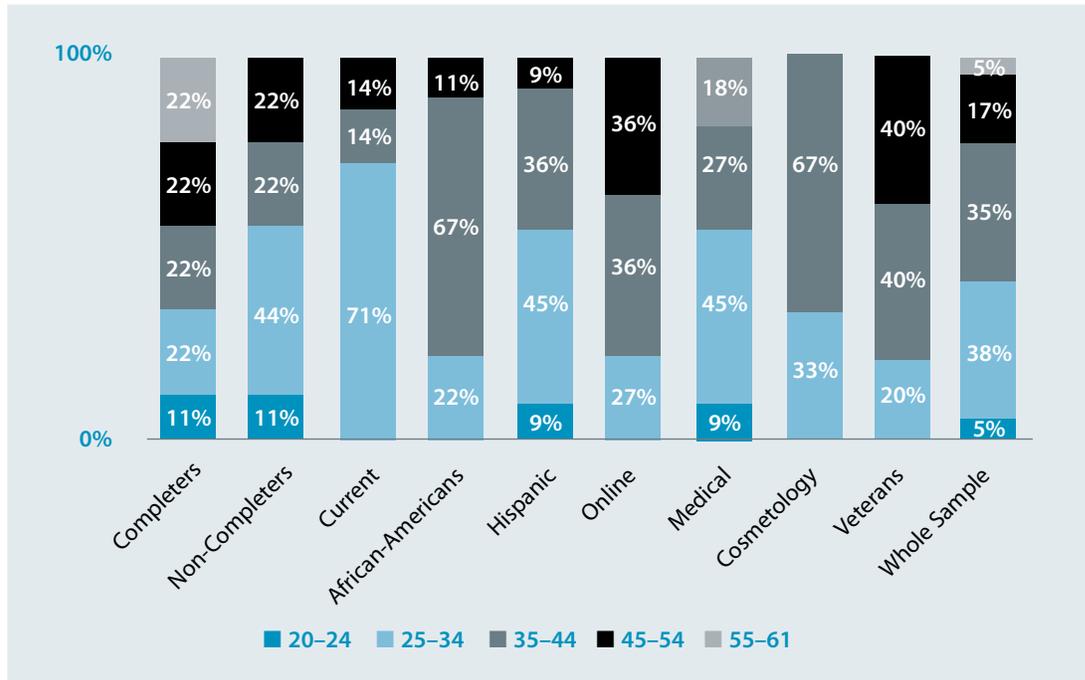
Demographics. The study sample was selected such that individual focus groups were homogenous with respect to a specific characteristic, such as race and ethnicity (see [Appendix A](#)) and therefore was not intended to mirror exactly the national pool of for-profit college borrowers by various demographic characteristics.²⁴ The overall sample of 75 students was 79% female. Males were most represented in the groups for Completers (44%), African-Americans (44%), and Military Veterans (40%).

Figure 1: Gender make-up by group and whole sample (%)



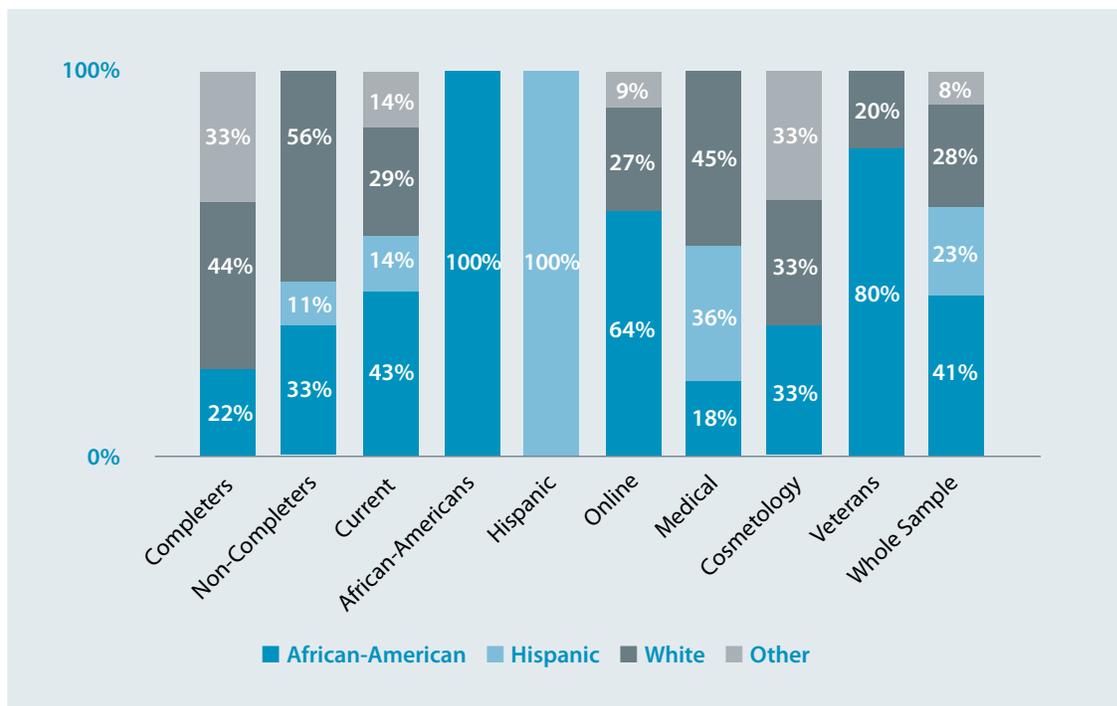
By age, 43% of participants were between 18 and 34 years old, 35% between 35 and 44, and 22% were 45 and older.

Figure 2: Age make-up by group & whole sample (% , groups may sum to 99% with rounding)



The overall sample was 41% African-American, 28% White, and 23% Hispanic.

Figure 3: Ethnic make-up by group & whole sample (% , groups may sum to 99% with rounding)



Institutions. There were 25 for-profit institutions represented in the overall sample. University of Phoenix had the largest representation, with a little over a third of our sample having attended there. Everest College saw the next-highest representation at 20% of the sample. Florida College of Natural Health, Florida Technical College, Full Sail University, and Strayer University were each attended by close to 6% of the sample, with the remaining institutions attended by less than 5% of the sample. The sample was relatively even in terms of the type of credential sought at participants' for-profit institutions, with the highest percentage (31%) having enrolled in 4-year degree programs and the lowest (18%) enrolled in master's or doctoral programs. Nearly, 27% of the sample had at least two degrees from for-profit schools. See [Tables 5 and 6 in Appendix C](#) for all institutions and degree types represented.

Employment. The majority of our participants (65%) reported working full-time; 21% reported no current employment (which includes Homemaker and Student categories), and 14% reported part-time employment.

For-profit colleges marketing was intense and effective. The decision to attend a for-profit school was driven by aggressive advertising; a frictionless enrollment and financial aid process; accelerated, often online programs that minimized impact on work and family responsibilities; and the appeal of highly-specialized, career-oriented degrees linked to promises of gainful employment.

Participants (also referred to as student borrowers) often saw themselves reflected in the advertising of for-profit schools. They were receptive to the motivational messaging: “What are you waiting for?”, “Get off your butt!”, “Start your new career today!” Other factors that first attracted the participants’ attention included the convenient locations (passing the for-profit college branch on the highway every day on their work commute), familiarity from peers or family members that had attended, and contact by admissions staff from similar backgrounds (veterans, single moms, first-generation.) Note: in the quotations below, we include school type in parenthesis after the school name as follows: for-profit (fp), public 4-year (pu), public community college (cc), and nonprofit private (pr).

Commercials ...It was like every time you watched a show the minute they do a commercial it was Everest(fp) or Florida Metropolitan University(fp) all day long...*and what clicked for you?* Real life stories of single mothers... I’m a single mother, I have 3 children, and so “I went to Florida Metropolitan University(fp) or Everest(fp) and they helped me and they counseled me and I’m going to go and get my associate’s, my bachelor’s, whatever it might be.” So, it was constantly, constantly, constantly. *You saw yourself—like oh that’s my story, it’s for me.* Yeah. (Karla)

I saw the commercial on the TV too. The guy saying, “Sitting on your couch, watching life pass you by, blah blah blah...” *So, it kind of motivates you.* Yeah. *That’s a good thing—we don’t have a mom that motivates you, so you get the commercial. You reach out to them.* Yeah. *Then what happened?* I think they started just taking my information—what I was interested in—and they told me to come in right away and talk to somebody. The lady was telling me all the good things that they offered and how great the program was, and how most of their people get hired and this and that. (Summer)

I believed that advertising. And I was one of the victims. Bad choice (but it was my choice....). (Mandy)

Many participants were under duress when considering which school to attend (see next subsection) and didn’t spend much time considering the pros and cons. Individual recruiters called the participants on behalf of the school and pushed hard to get them to enroll quickly. In retrospect, they felt that for-profit schools had clearly taken advantage of this fact—enrollment was frictionless and fast. Counselors walked them through the entire financial aid process step-by-step in one day, and the offer of near immediate enrollment reduced the chance they would back out.

To be honest, at UCF(pu) you kind of had to do everything on your own. And I looked at it, I wanted to do an online school and I wanted something that was super-easy. Because at the time I had a one-year old. So, I wanted everything kind of done for me. University of Phoenix(fp) completely did your whole schedule for you for two years, and they did all of your finances, and you didn’t have to drive to a campus. So, it was all aligned for you. (Melissa)

...They bugged the crap out of me—so persistent that there is no way I wouldn't have started. Like I was just kind of thinking about it and then it was like signed up and you start next week. I'm like oh my god, what did I do? They made it very easy. They literally called—I just googled a couple of schools and stuff and wanted to get some paperwork on it just to see what it was all about. *Give me a brochure.* Yes, a brochure. I wanted a brochure. And holy cow that was only about four years ago, and I'm telling you they just inundated me with calls and when can you get here and once I got here, ok, so we want to put you into this. It was so easy, and it just happened like that. (snap) (Angel)

I had a gentleman call me and let me know, hey if you want to get started again, we actually have classes that started up this week, so you need to hurry up because we are in the third day of the class—that kind of thing. So, I actually kind of just jumped right in the same day—first time, for my associate's and when I got back, for my bachelor's. So, they were like on top of it kind of thing—very push push. Because I was going to start next month, but he was like we have a class going right now. (Shana)

...[T]he process was really simplified by my recruiter. I still remember his first and last name. He did everything for me. And that made it a lot easier. *How did you first hear about the school?* Commercials. I remember this one commercial I would always see, there was this chief of police from Cincinnati: "I'm James Craig, I'm a Phoenix(fp)," and that always stuck in my head. *And Eric, was it clear to you then that this was a person who was selling something? Or was it—* My recruiter was pretty, I thought he was pretty sincere, because he was actually enrolled in the graduate program there as well. *He talked about himself.* And he talked about his family. We could relate on a lot of different levels. He just seemed like a genuinely nice guy. (Eric)

For-profit schools appeared to offer highly specialized degree titles and credentials that spoke to exactly what students were interested in. For-profits also lacked prerequisites and entry tests that would be required at many public or private colleges, another attraction for many participants. These specialized degrees at for-profits appeared to offer a fast track to a desirable career that only later proved to be unrealistic given employer requirements for prior work experience, lack of job placement or networking support from the school, and/or the need for a more advanced degree. Consistent with the attraction of specialization, students cited that they were impressed by the promise of instructors from industry and a more "adult" learning environment.

I went to Full Sail(fp). I studied Entertainment Business while I was over there.... Everywhere else whether it was UCF(pu), USF(pu), UWF(pu) up in Pensacola or wherever, it would be offered as a business track with a sort of minor focus in entertainment where you could possibly learn about what it means to manage an artist or manage a recording agency. From day one [at Full Sail(pu)], with the particular subject, I believe it was strategic marketing and decisive finance.... [I]t was, this is how it relates to the industry, and this is what you can do with it.... Going on the other part of your question, [after Full Sail(pu)] was the job market open? Was this happening? Not so much. That's when I really first dove into sales, because with essentially a business degree, that's what you do, you become a salesman. That's what the job market told me any way. *But you were prepared for the arts and entertainment business management. Did you go after any jobs that were like that?* I moved to LA for about four months to try to find something. Found out it was too expensive, lived in my car for about three weeks, and I said you know what, this isn't quite working out for me, so I went in and spent a little more money, got the car detailed, and drove right back to Florida. *Did you have any interviews? Any nibbles?* I had one, and it was with Pixar. Well, two if you think about it. I had one with Pixar and one with DreamWorks. *How'd it go?* It went well in terms of how prepared I was—but they were also looking for

someone who had more of a technical background too who could become the animator or who could fill in if you needed to.... (Matt)

The major I was in was fashion design and merchandising.... Well my goal was to work with Macy's.... They used to have fashion shows at the mall in Millennium. And I thought that was so exciting—but the only thing is, they do not promise you jobs—they say you have to go out there and try to get it yourself. They'll tell you about the jobs, they will post it, but they don't help you get the jobs. *And did you have any idea, what, even if they weren't going to get a job for you—because I don't know if that's typical—did you have any idea of what kinds of jobs were out there, or what they paid, or if there were a lot of jobs, how competitive it was?* Yes, it was competitive. Because there were people who had degrees who also had experience working in those department stores already. Years of experience. So, it would have been hard for me. I could go in there with a—if I had it—with a bachelor's degree. But they want experience behind it. And much, a lot of experience. *And you didn't realize that.* Right, I didn't realize that before I (enrolled).... (Mandy)

Some student borrowers initially had misgivings about attending a for-profit school. However, they cited several mitigating factors that were emphasized by recruiters and advertisements that helped them decide to enroll. These included “national accreditation,” “military-friendly school” designation, and relationships with the participant's employer (specifically for tuition reimbursement) or a trusted source.

So accreditation is one thing that I remember them [the college] stressing when I met with them in person. I remember that. I don't recall anything pressurized, but I recall a lot of the conversation being about accreditation. Not that I had—not that I was wary about it, just for whatever reason I felt like that they wanted to make sure you knew this was legit. (Travis)

...[W]hen you are talking about [University of] Phoenix(fp) and the stigma—I was really kind of, I was skeptical about it, but then I found out through my tuition reimbursement program that they [my employer] actually contracted with Phoenix, so they paid the school directly. It didn't come out of my pocket, they wrote them a check. And then granted I had the balance and used student loans to take care of that piece of it. But I think because I had that with the company I didn't really focus on what was left over of my portion. (Cynthia)

And the VA, they have a list of military-friendly schools and Strayer(fp) was one of them, and I can go on campus or I can do it online. *Where did you get that list?* From the VA. *Oh, VA, got you.* Yeah, the Veteran's Affairs website, educational site.... I never heard of Strayer University(fp) ever. I didn't even know that the school existed until I was being trusting with the VA, and I was like “Ok, if it's with the VA then they need to check”.... *You said you got it, on the [military-friendly] list.* So I said, ok, it's a good school, they accept the GI Bill, and all that stuff. (Denice)

Participants' life circumstances affected their perceptions of available options in higher education and increased their susceptibility to the recruiting of for-profit colleges.

Participants often reflected that they were “starting out from behind.” They cited factors such as growing up in low-income neighborhoods with poor secondary education, their first-generation status, single parent-hood, spells of unemployment, domestic violence, and leaving military service without much direction.

For me, when I look at the choices that you have in the Orlando area in general, depending on where you went to school for high school will depend on what happens to you after school. *So you're taking it back to the K through 12....* [Referencing students and the inferior offerings of schools on the West Side of Orlando] They can't apply to the University of Florida(pu) without having a foreign language. So that means you got to start at Valencia(cc), which is nothing but like a bigger high school, and if you are not getting prepared then you are going to end up at places like “Let me go online. Because I've got to work and do all this.” And life starts to happen before you can even get to school. (Tamara).

I feel like I was naïve but mostly I was misinformed—being the first one that went to college and experiencing it. It's not like I have family background that taught me like, don't do this, oh look at this.... So I kind of went in blind and most people at school, they are pushing you. They are like, “Go to college, it's what's best for you. It's what you need, it's gonna help you with this.” So everyone's pushing it; you tend to assume it's what's best for you. So I feel like I went in with goals thinking they were realistic, not knowing the reality of the situation. (June)

.... [O]ne of the things that drove me to go to college was that I was raising my sister. *You were raised by your sister?* No, I raised her. And she had gotten out of high school, and she wasn't doing anything. So I said, you know what, I'm going to go to college, and plus I was a single mom raising a sister and a daughter at the same time. So I said I'm going to go to college and I'm going to drag her with me. (Karla)

.... [B]ecause I was in a domestic violence situation. And I got out through going to school, it did help me to realize that you need to get out now. (Rhonda)

At the time (of enrollment) I worked 22 years at a company, and then one day I was told that I was no longer worth anything anymore to the company, which was ridiculous. It really hurt me. *You lost your job.* Yeah after 22 years. (Jason)

Well when I went into the military I was kind of naïve because I was young when I went in—I was 18 years old. And I didn't think anything about college until they said “Oh you've got to start learning things.” So once I got out, I didn't think about it at first but then I looked at the GI bill, and I went to college and it was working out fine for a while. But things happen.... I dropped out, I should have stayed in. (Nick)

I always wanted my degree, that is something that I always wanted. I had my first child when I was 15. And I didn't want to just like stop doing what I had planned. (Dallas)

When I was younger they told me that I would end up with a bunch of children and I'd have a man beat me every single day. So my decision was to prove them wrong. *Who told you?* My grandfather. They always said, get a trade, get a trade, get a skill or something like that. And so that was something that kept repeating in my head. I said I'll never be the one—what you spoke over me would never happen. So my drive was to make sure that I went past everybody else. (Kyla)

Many participants had stopped and started several times in their pursuit of higher education. These disruptions proved to be expensive in terms of time and money, as former credits earned often didn't transfer and the amounts borrowed for any level of degree attainment became quite high. Three primary factors were cited that contributed to this pattern:

- **Attending multiple schools** for disparate types of programs, amassing large debts relative to degree attainment and employment outcomes.

I went to lots of schools because I was very indecisive when I graduated high school. So, I got my associate's degree in social sciences, which was the pre-requisite for elementary education. Then I decided I didn't actually want to be a teacher. So, I worked in child care until I got pregnant and then I went back to school to Florida Technical College(fp) and got my technical degree in medical billing and coding. (Hailey)

I went to three different colleges. I went to International Academy of Design and Technology (IADT)(fp) for my associate's in graphic design and it was easy to get a job.... [Then] I went to Full Sail(fp) to get certified as a recording engineer. But after I finished, it was very hard to find a job that's not just tracking someone's voice on tape anywhere that pays a decent living, pays a wage with that degree. With that degree, I'd have to go back and get an entertainment degree or do something else. So, when I was in college I started writing freelance for a media blog and that's where I work for now. [Also reported going to Seminole College(cc) as the third college but didn't elaborate.] (Wendell)

- **Starting out at less expensive options** (community colleges, public, or even private nonprofit universities) but leaving for a variety of reasons. These included difficulty with the material, inability to attend class at regular times, or too many prerequisites.

I've actually gone to three schools. The first one I never finished. It was Valencia Community College(cc) for nursing at first and then classes got mixed up, and I just couldn't do it anymore. And I was like, whatever, I'm going to go to another school where it's faster, and I went to Southern Technical College(fp)—got my associate's in medical assisting. I did that for a while, and then I had a really bad experience, and it totally turned me off to nursing, medical, everything, if it had anything to do with a doctor's office. After that, I worked for Full Sail(fp) for five years. And I'm actually going there now for audio production. I'm attending. (Jewel)

I went to UCF(pu) right out of high school and didn't finish there. I went to Valencia(cc) and then transferred to Seminole(cc). It was a community college at the time; now it's Seminole State where I got my AS degree and my practical nursing license. A couple of years later I went back to school to Florida College of Natural Health(fp) where I specialized in the skin care program, and I'm also the medical esthetician, and I work in a spa now in Palm Coast as a freelance esthetician. (Lucia)

I actually went to college two years prior to the military. I went to a brick-and-mortar institution and did not do as well as I wanted to. So I left after two years and went into the military kind of as my back-up plan. But I did not go into the military looking to continue my education afterwards. It's just, after I became an adult and had kids I decided to go back and get my education. (Jade)

- **For female students, disruptions often centered on family obligations:** dropping out after getting pregnant, returning to school with motivation to support children with a better job, and sometimes subsequently finding it difficult to stay in school because of family and work obligations. For those

who were able to complete their degrees, they often expressed disappointment with subsequent employment outcomes. They returned to school to avoid onerous student loan repayment and/or try to improve earnings.

I have my own drama.... I have three kids. I went to Kaplan(fp) originally for criminal justice, miscarried, and got depressed, so I stopped going. And then I found out I was pregnant again six months later. And I started going to Everest for medical assisting. I got my CMA. And then after I finished with them I changed back to the criminal side, attending City College(pr) for private investigation. And that's what I am doing currently.... I like the medical field but I like the criminal field better. (Sara)

Ok. So I don't mean to sound sappy, so when I was 17 I had my daughter in high school. I had everybody tell me like "You just threw your life away." Blah blah blah. You're not going to make anything of yourself, you're not even going to go college, you're not even going to finish high school. So I just always had this determination to kind of like prove everybody wrong. So after I graduated high school I just went straight into college and just thought that, you know, I could make a nice life for my child...and I could prove everybody wrong. Just because you're a teen mom doesn't mean you're like a piece of trash. Because that's what everybody perceived me as. (Rosa)

Everest(fp) is like 32 thousand that's owed and City College(pr) is like 28 thousand. And Kaplan(fp) too.... It was an 11-month program. I had to take off one month because I had to give birth to my son in the middle of it. And then it started all over, like it was still only the 11 months, but because it was in the middle of where I cut off, everybody had just started new. They restarted the whole program and charged me twice, pretty much. (Sara)

All of the participants took on federal loans for a substantial portion of the costs of their for-profit education despite many also receiving federal Pell Grants. These student borrowers often had little idea of the future repayment burden they were taking on.

Student borrowers were largely resource-constrained and typically had little of their own funds at risk initially. They frequently referenced the ease with which they were able to apply for federal education loans (both subsidized and unsubsidized) with the for-profit school's assistance, as well as constant follow-up during the enrollment process. In addition to borrowing for tuition and fees, many student borrowers also took out debt for living expenses, either because of lack of available funds from earnings or savings, or in a few cases, simply because the "refund checks," as students refer to them, were available and appealing at the time. In many cases, the school encouraged students to take out as much as possible, including maximizing loans for extra costs and living expenses. Participants often expressed regret about taking these refund checks in retrospect, but for the most part, they had no viable alternative means of support for themselves and dependent family members while attending school.

I mean, I wish I had \$17K in cash I could just fork over and not worry about it, but at that time I didn't have that kind of money, so a loan was the only option for me to get this other door open. (Amy)

And they [the school] do let you know that everybody does it, and it's ok because everybody here takes out these loans and that's just how it is and so you kind of just think that's how you do it. It's not like there was another option. (Lucia)

When I did the FAFSA—I think it's when I did the FAFSA—it told me my total and it let me know when I signed up for another loan, ok, this will be added on to this—and this is what you already

have. And when I talked to the enrollment counselor, she was like—I was questioning, I was like “I don’t think I can enroll because I’m already at such and such thousand,” and she was like “Oh no, you can go up to such and such thousand. She was like don’t worry about it.” And I was like ok! And then she said you can get a SUPER PLUS loan and all this other stuff, and that’s for when you exceed \$100,000.... You can get this type of loan. But this type of loan is only for people who have exceeded this amount. And so I’m like, ok. *Did that make you feel good, like I have a lot more money at my disposal?* Yeah, it did. *Or did you feel like oh my God I got to put the brakes on here.* No, it did—it made me feel like this is attainable. (Candace)

I took—like I had the Pell Grants, but then I took the subsidized loans, because at that moment I wasn’t working, a single mother of two, I needed the extra cash. *You took some cash home.* Right. *You think you had to take it, or?* I had to. I was trying to accelerate my education, so I was taking four online classes. And you have to be very dedicated and disciplined to be able to do that—having a job and doing four online classes. I wasn’t going to be able to do it. So, it was not working doing the online classes. So that extra money was just like how I survived. (Yolanda)

Like he was saying, for me, they gave me the max. I didn’t think about I don’t need this much money for this semester. So I got a refund check at the end of the semester. And I am thinking this is like free money. But at the end of the day, no—it tacks on to your loans. (Silvia)

Some schools actually encouraged students to borrow more for computers, audio equipment, and other items that were deemed “educational expenses.”

Devry(fp), at that time when I attended was just strictly a technology school, so they provided not only the laptop, if you are going for electronic engineering...the toolkit, everything. They provided you all of that. So, you were going in and being treated like a king or queen and what not.... We got all these items to make our educational experience a lot smoother going in. (Hank)

Well I think they [the school] are good at what they sell and they know who they are talking to. I wish I would have been smarter.... *What would you do differently?* Well, not even just research. I’m trying to think—back when I was talking to him—he’s using things I wouldn’t think about, something like, he said you can use it [loans] for—like what’s your computer, and you might need a little bit more for an upgrade on that. And I really didn’t. But he was saying stuff like that—software. Yeah, you can use this kind of money even if you don’t need it for living expenses. But even then, I needed it for living expenses because it was only one of us working. So, it would have helped for that. And he said, “For peace of mind too.” So...I do think that they do try to do it more often than they should. *When you say “it”, you mean trying to take out a bigger loan than they need?* Well yeah, just—because they will always ask...what your living expenses are. And that should be something that they don’t even have to address. (Julianne)

Student borrowers described how for-profits addressed their doubts about how they were going to repay the debt, get a job, or be able to complete school while maintain family and work obligations. Many participants reported being suspicious of claims, others not—but all enrolled anyway. When asked, “Why the rush?” by the moderator, many cited their fears that spending more time to research options would either: 1) endanger a tenuous commitment to going back to school; 2) exacerbate a desperate situation (unemployment or some other hard circumstance); or 3) constitute a waste of time, given they were determined not to harbor doubts and were anxious to get on with a better future. In hindsight, many students realized that representations about debt levels, scholarship availability, typical time required for completion, help with certification tests, and the job market were often “rosy scenarios”—overly optimistic or outright deceptive.

They made it sound like it [paying for school] wouldn't be a problem. I also have the subsidized and unsubsidized loans. They said it was going to be this much, and we'll get the loans for you. We'll take care of it. You don't have to worry about it, and just made it sound so easy and they just made it sound so tempting that you just couldn't say no. The reality is, of course, I'll be paying on these the rest of my life. (Derrick)

.... I didn't think that the money thing was going to be an issue. *How come?* Because they didn't explain that I was going to be paying the amount that I actually owe. *What do you owe?* They said I was going to owe maybe \$9,000, \$10,000. And at the end I end up owing like \$16,000, \$17,000. *And Valencia(cc) would have cost you?* Valencia(cc) would have cost me like \$2,000. Probably less. I think the Pell Grant would have covered the whole thing. (Terrence)

Did you know that you were going to have a bill of about \$850 a month? No. *Did University of Phoenix(fp) ever....* No, nobody ever said if you take out this much money this is what you are going to owe. And it was just my own ignorance, right, and full disclosure: when I went back for my AA, I was subsidizing my income with student loans. So, I had a full-time job, but I still was taking out loans to help pay the bills. So that racked up quite a bit. I think my University of Phoenix(fp) tuition was \$36,000. So, the balance of that was from SSC(pu) and...but most of it went to paying bills and things like that. Anyway, no, nobody in financial aid ever said "Ok, let's look at the numbers and see what's going to happen to you down the road." And I knew nothing about finance or loans or anything like that. *But University of Phoenix(fp), like others said, helped you fill out all those forms.* I'm sure they did—they told me what to do, because I had already just come out of SSC(pu) so I knew FAFSA and all that stuff. So it just kind of rolled together. I don't know that I needed a lot of hand holding, but they were involved for sure. (Jake)

I had a little bit of savings, which I spent. You know, I took all of my savings and put that down and paid for the rest with the loans. There wasn't enough in the one so I had to get both. At the time, I did not understand how the interest would work and how that would accumulate, and I was told not to worry about it, because I could just put my loans into deferment until I was ready to make those payments. (Lucia)

I mean they outlined what I would be paying at the end, but it wasn't very, I don't know—they weren't great at advising and plus I was a 20-year-old kid, and my thoughts weren't about "When I am done, how much am I going to be paying back?" And now it's a struggle to even pay my loans, I can't even—I'm barely able to, I have two kids, I can barely afford anything. So they weren't helpful, no. (Melissa)

"Yeah, you've taken out \$57,000 in loans but you make \$20,000 more per year, you can pay the loan off in three years." You tell them things like that. It's like, "Oh yeah, I go from making \$30,000 to \$50,000. I could just keep living off the \$30,000 and the \$20K extra that I'm getting, I'll just pay off my loans". (Jade, former for-profit student borrower and admissions representative, talking about her "pitch" as the latter.)

The initial financial aid process was relatively painless for our participants. Once they were enrolled, however, several participants experienced a "bait-and-switch" phenomenon, where later semesters required borrowers to invest their own funds, because of limitations on federal grants and loans, or institutional aid or discounts that went away. This juncture was sometimes where students dropped out—leaving college with debt and no degree.

Did you finish? I don't recall if you finished or not. No, I didn't finish. *And what happened?* I ran out of financial aid—I ran out of money. And so that's that. *Did they give you a warning that money was about to run out?* No, no, for me it's like Devry(fp) and everything as much as I hate the school, I admire the professors. I guess the administration just cared about having bodies in class, you know? But the—it was just two different things. But no, I didn't get any help, and two semesters left, to get my bachelor's, it's like oh, you ran out of money. I'm in class, they pulled me out of class, and told me this news, sorry.... *You were in the middle of a semester, right?* Yeah, I was in class—got a letter from the office, like in high school: "Go to the office—financial aid." *You got called down to the principal?* Yeah, like you know you don't have enough money for this. So here I have student loans with nothing to show for. Yeah. (Hank)

.... [I]t sort of ended because when I talked to the initial gentleman, we talked for an hour almost about financial aid, and I told him I really didn't have the funds to pay anything. We had kind of gone through all the numbers and discovered that if I had taken out basically the maximum amount of loans that I could take out, it would cover my full year. But about halfway through the year they called me and told me that I needed to come up with like \$3,000 on top of it. So, then I told them I didn't have the \$3,000. So, I just kind of stopped. I just said I'll finish the class I'm in right now, cancel my next class. And then I only got charged of the loans that I had used.... And I think I took out \$7,000. And the rest just went back because I didn't take those classes. (Gabe)

When asked about the "classroom" experience, either on campus, on-line, or a hybrid of the two, participants were generally dissatisfied with the learning environment. Instructors received mixed reviews, with some students appreciating their efforts, while other students felt forced to teach themselves.

Many of our participants attended mostly or completely online for-profit programs. They largely approached the programs with a determination to learn and stay on schedule despite multiple demands on their time, including family obligations and part or full-time work. While the flexibility of online programs was appealing, the learning experience and interaction with peers and in some cases instructors, left much to be desired.

Well, I think it was a combination of how much you had to teach yourself.... You know "self-paced" is one thing and "self-guided" is another. I expected it to be intense, I expected it to be fast-paced because I think it was six weeks—I was doing the flex...the pitch was "These are real world people who are actively working in the field that they are teaching." So, I expected a little more—not to be so broad, I guess.... And maybe it had to be, because they'd been doing it for a long time. But it just seemed like it skimmed across a lot of stuff to jam it all in, as opposed to focusing on more narrow topics. So, when I was done I didn't feel like we had really maximized the experience. (Jake)

The teachers tried. The problem is with the online learning. You have people who—when it's online, you go at your own pace and it's due at a certain time. So, unless you're working together in a group that wants to be together, there's always going to be some miscommunication, there's always going to be some person that's just trying to do the minimal amount of work and get through. (Julianne)

You got those schools that are for-profit...like she said, they will let anybody in. I had in school one lady, she couldn't even speak English. How is she in college? I am not trying to knock nobody. But if you can't even speak English there is no way you are getting these courses because you are just trying to pass them along—get that loan money, get that financial aid money, and it's whatever. They do have situations like that in for-profit schools, where they are just like—they don't care,

come on in. You could get a loan, you could get financial aid? You are welcome. They don't care if you learn. (Rita)

...[M]y teachers I had, I thought they were really great and they were really responsive. But in the group setting I felt like I was with a bunch of not-so-smart people. It felt very—I don't want to say, "beneath me," but.... *That's fair....* I felt so much more educated than the people I was working with. Like we did some papers, and there was one, because you have to turn in your papers, and one person, it was completely plagiarized. (Melissa)

Did you feel that your teachers were of high quality? Some of them. Some of them acted like they didn't care but most of them did. *Do you think they knew what they were talking about?* Yes, because I can tell the ones from the first week—when I get into the class—I can tell how they are grading, the grading scale thing I can tell was a good teacher or not. *So, when they were an easy marker they were a good teacher? Or?* No, no, no, no. If it was easy they were not good—they weren't paying attention or kind of contributing to the course. But if they were actually grading your paper and taking points off for...yeah. Because they were actually there for you to learn, but there were others that were just like "I'm going to make money, I don't care." *Putting in time.* Yes. (Clyde)

Twenty-three (35%) of a total of 65 participants who reported their completion status dropped out of their for-profit program, all with debt. Reasons given included: running out of financial aid; health problems and family issues including childbirth; a determination that the program wasn't "worth it"; difficulty with the learning environment; and job opportunities or conflicts that arose during the program.

Why did you pick Devry(fp)? Because you didn't need as many credits to be able to complete a program as I would have needed at Valencia(cc) or Seminole State(pu). *You thought it would be easier to get it done.* Yeah, right. And I had credits from Seminole and Valencia(cc) because I had gone to those too. But then they wouldn't take the credits. *Who?* Devry. So then I had to retake classes again. Math. It's like I felt that I was being—like I was going in circles. Because it's like ok, I completed my math classes at least at Seminole State and I passed, why can't you just take that? But no, they wanted to stick me in beginner's math. So I felt like they were taking me—I was being taken for my money. Because instead of me accelerating in trying to get my degree, I was stuck in the same place. So, I never finished it. *You didn't finish at the end.* No, I didn't. *But you did get a job.* Um, well I have a job, but it's family-owned, so it's through my family. But I still feel that I'm stuck because I cannot go on [from] there even with my experience in saying, "Ok, give me a program manager job," because I don't have that degree. *You still don't have that degree that you started out looking for.* I ran out of my financial aid, so.... (Yolanda)

What was the point at which you said, that's enough? It was, like I said, the loan debt mounting—I'm keeping track of that—and then also I had an opportunity to get another job making a little bit more money, without having to pay anything. I needed a certification; the company paid for the certification. That was the defining moment. (Eric)

I went to University of Phoenix(fp) from 2009 to 2012 and I had to quit because of health issues. Right now, I am on disability because of my health. And I'm a grandma—I have five kids, my own five kids... so.... *And you are doing ok right now?* It's in remission right now but I do have MS. And I also have a major heart condition, where I'll just pass out. They just put a pacemaker in now—we just don't know yet. We'll see. *And what were you studying at the University of Phoenix (fp)?* Psychology. *You were going for an associate's degree?* I was going for a bachelor's. (Rhonda)

I went to a school formerly known as International Academy of Design and Technology(fp). Now it has been known as Sanford Brown. And I went there between 2006 and 2015. I went there the first time, I did well, but I became homeless, so I quit. But they gave me a chance to come back. They gave me a forgiven pass, I guess that's what they call it. *A forgiven pass?* Not a pass but forgiven that they can let me come back. And I went back the second time and I had some issues with the financial aid. So, I just left and started working. (Mandy)

Student borrowers' employment outcomes fell far short of initial expectations. Efforts to pursue additional educational opportunities to mitigate these shortcomings often were made more burdensome in terms of time and money by an inability to transfer for-profit credits and/or credentials.

Employment outcomes, irrespective of completion status, were largely disappointing for our participants. The college's job placement assistance was often little more than the posting of openings, or placement into jobs that weren't in the field of training or didn't require a credential at all. If participants did find work in their field, it was often part-time or freelance (hence without employee benefits), and almost always at a deep discount to expected wage rates.

The one thing about my school, is that I think they misrepresented or maybe overinflated what they said.... [They said] they had a 90% placement rate, and from what I saw, there was very few people in my class actually got jobs as medical estheticians, unless you wanted to go to a chain and not get paid very much money. So, they overinflated how much we would be paid once we got out of school and how easy it was to get a job. I was not placed. I had gotten a job through a friend. It's basically who you know in this business, a lot of it. So, I did work for a plastic [surgeon] for a while, but I thought I was going to get paid way more by having that degree, and I did not. So, I actually work for myself. (Angel)

But my last job I was there for about four years making \$10 an hour. And with that degree [from the for-profit] I was the only one in the office with a degree. *What was the job?* I was working as an HR client manager, making \$10 an hour. The job promised to go—when I got hired, it was supposed to go full-time, and it never went full-time in the four years that I was there. And I finally got to the point where I am doing all this work, I have my education as well as experience, but I'm hitting my head on the ceiling and I can't go nowhere. (Ana)

And did you finish? I did finish. I owe some money.... *We'll talk about money. But did you finish with a specific job track?* I was offered a job at a pediatric doctor, but they were paying less than what I was making at the time, and so I just could not go backwards. It's something I regret because I probably could have.... *Other participant: Worked your way through that company.* I could have. I could have bit the bullet and got the experience and tried to move up. But I didn't. I didn't take it. *What were you expecting on the way in, what was your expectation in terms of salary on the way out?* At least match what I was making—that was my whole level of thinking. (Jewel)

But while I was in school I also learned that the courses I was taking were not going to be credited. No one told me that. Later on, I found out that the school itself, or maybe the course itself, was not credited. Meaning I couldn't take whatever I learned somewhere else if I wanted to get an associate's or whatever else I wanted to get, I couldn't. So, I'd have to redo it again if I did want to get an associate's in that particular field. And then, I didn't have any criminal record, of course—but other people that were in class, they got to find out, hey, because you have to take a test with the state board, you cannot have a record. So, for those people that were there, they were still going to get

stuck, if they had any kind of criminal record, they were still going to get stuck and would have to pay the loans.... *Let me understand, you had classmates who had a prison record who would not be able to be certified. But they were attending, accepted, registered, took out loans, and were attending class with you?* Yeah, and they didn't tell them anything about it. So, they wouldn't be able to take the test with the Department of Health or the state board...because that's a requirement—if you are going to work in the medical field you cannot have any type of record. (Donna)

Based on what you could say—for me, fears of not being able to provide, and this thought in my head, well if I have this degree, you know, regardless of everything that's in front of you and how much you may owe, it's just this thing in your head—"Well once I get this degree, I can make more money." That's all you think about, you know. And then after the fact, you are left with this enormous debt, you don't make anything near what you think you would be making. I am in a situation now where after 16 years at my job I haven't seen like a significant jump in money. And I'm considering a career change to go into the medical field. And I'm like, how am I going to do that? (Deserie)

I was looking to get my foot in the door in the medical field, and the eight-month program at Everest (fp) for medical assisting seemed like the easy way to get my foot in there. But I didn't know also that the tests, the certification tests weren't part of the program. And that's what most places look for—is to be certified, to be nationally certified. And the experience, they want you to have like a year or two years experience. Which I didn't get in an eight-month program. *You can't get it in eight months.* Exactly. *And the certification is a state certification?* Hm-hmm. *And you had to take a test for that?* It wasn't part of the program and I didn't know that their credits didn't transfer over either. So, if I was to keep going, to further my education in the medical field, I would have to start over basically. So, the program I did I feel like it was for nothing basically. They also said in the beginning that they would help with job placement and help you find a job. But as soon as I finished and I graduated, they found me a job as a pharmacy tech/data entry. Which wasn't even what I went to school for. *How much did that pay?* It paid like \$10.20 an hour. (Summer)

Well I didn't have a lot of expectations until I got in there and started doing the research and found out if you don't graduate like in the first 1–2% of your class at all these major colleges around the area, realistically what you see on the paper what they say you're going to be making when you graduate is unrealistic. You're not going to obtain that. Because when you go to apply for a job there are all these people already in the field, trying to get these jobs, and you're like wow. You look at your transcript and you're like, well, you graduated in the middle portion and these people here, they are A game. *Is that what happened to you?* Well when I started to do the research to find out and listening and talking to people in the schools and finding out the real truth about when you graduate with your degree and what your chances are making the figures they have set for you, it wasn't realistic. *So...so did you drop out, you left, or what happened?* I left. (Nick)

Our participants reported a wide range of student debt levels. Very high debts were generally associated with bachelor's degrees or graduate programs (often more advanced degrees were sought soon after completion of a lower level degree) and/or the addition of substantial amounts of unpaid interest and late fees to principal balances, thus increasing what the student owed over time.

Fifty-eight of our participants volunteered their current outstanding student debt amounts during the sessions, with an average amount reported of \$42,045 and a median of \$22,000. The highest debt reported was \$180,000, and lowest was \$1,200. The non-completer group had by far the lowest average and median

debt levels of the groups, although between group comparisons are limited due to low response rates in several groups (see [Appendix C, Table 7](#) for explanation). Across groups, women reported higher average debt than males, and African-Americans reported higher debt than Whites and Hispanics. The debts of middle-aged participants aged 35–54 were over double that of younger participants and the small number (two) of older participants. We attribute the high debt levels of middle-aged participants to the likelihood of higher-level or multiple degree attainment. Additionally, greater time had elapsed since first entering repayment, with attendant higher amounts of accrued, unpaid interest (serial deferrals and forbearances and/or enrollment in Income-Based Repayment [IBR] plans, where minimum payments result in negative amortization). See [Appendix C, Table 7](#) for debt statistics across participant characteristics.

One explanation from participant narratives for the very high debt levels of some students stood out: the tendency of students to seek higher and higher levels of degrees. These higher-level degrees all tended to be from for-profits, often just one institution, but some had attended up to three.²⁶ Schools often encouraged students to re-enroll and students knew that admission was quick and relatively painless, with low admission standards and the continued availability of student loan aid. Participants cited disappointing earnings prospects as the primary reason why they were “doubling down” in this way, always assuming the next higher degree would finally bring economic security and enable them to begin repaying their student debts, growing though they might be. They were also keenly aware of in-school deferment as a means of temporarily putting off debt repayment from earlier degrees.

I went to Everest(fp), I obtained my associate's, bachelor's, and master's degree in Business Management. The company I work for—actually I was already in management when I was taking the courses, so it actually helped me to better manage people. And understand business processes. And what going to college meant to me was I was able to actually sustain my position. It helped me further my position that I am in now. And also for more money—I did get more money, it helped.... **Did it make you keep the position you have already?** Yes. **Or did it help you get better positions, promotions.** Well actually I didn't get promotions, I was already promoted, but it helped me to better manage. **Do it well.** Yes. (Clyde)

You did your BA and then you went on—why'd you continue? My BA was in human resources, and I couldn't do anything with it. Because most of the places were asking for five years' experience. My school didn't offer even an internship. **But when you get a master's it's not like you get more experience, you just get another degree—it's not....** Well my master's is totally different. It's a different career. So now that I'm in a hospital setting I got my master's in healthcare administration, so it's more opportunity at the hospital than HR. (Denice)

I have done 100% of my schooling online with the University of Phoenix(fp). I've never been on campus for anything. I actually walk on Saturday for my BSB. **Congratulations.** Thank you. I just completed my first class towards my master's also with the University of Phoenix, so I came out of high school, was not ready to go to college. **Seems like a theme.** Yes. I took my time, I got into a long-term relationship. Me and my husband are about to be on 10 years—two years married. And I decided a few years ago it was time to start getting my life in order. And I enrolled in Phoenix(fp), and I just haven't stopped. Because I know if I stop I won't continue. I'm not really working in my field of choice—since I am going to school for business management. I work as a professional cleaner right now. (Megan)

I'm in the hundreds of thousands. **What the—excuse me?** Hundreds of thousands. I have three master's degrees, a bachelor's degree, an associate's degree, and I am working on a doctorate, so.... (laughter) **Let me ask you the most realistic number that you can give me now.** Probably about 180.

\$180,000. And how are you handling that? Well right now it's in escrow deferment because I'm in a doctorate program. (Jade)

I am planning on going to school for the rest of my life. As long as you get back into school every six months, they can't charge you properly, so I'm just gonna go to school [forever].... *So you have found a way—a strategy to not—* To not have to pay them. *It's changing your life though, right?* Yeah. (Sara)

Irrespective of the size of their student debts, virtually none of our student borrowers were able to pay down their student loans from earnings. Long periods of deferment and forbearance were common, and a number of our borrowers had been in default at one time or another.

Repayment progress for our participants was elusive. The few that had made substantial progress or repaid their debts had experienced windfalls (divorce settlements, inheritances) or loan forgiveness due to disability, school closing, or borrower defense to repayment. In fact, most students reported that their student debts had grown substantially with the capitalization of unpaid interest, late fees, and other costs added by servicers. Overall, close to 40% of our sample revealed that they were currently or at some period in the past availing themselves of some form of deferment or forbearance on their student loans, a figure that we suspect is understated given other statements made about financial distress. Student loan servicers and school default managers were thought of by participants as entities that could offer relief from cash flow problems, which in many cases appeared to be long-term in nature. Often, participants did not seem aware that an IBR plan would be more appropriate in these situations.

How many people here have paid either minimal or no amount towards their student loans—a show of hands. [Counts.] Seven. And has anyone paid off their loan completely? [Silence.] I interrupted you Jewel, so you got 23K and you are in deferment, forbearance, what is it now. I think it's deferment now, I think. I choose. I just keep bouncing it back and forth. That's what I do. *Is that a problem?* I think the gentleman on the phone told me if you do deferment once, you can't do it within the same year? I don't know. I just do it like back and forth to be honest. *Is there a part of you that's worried about this? 23, this amount, is there a part of you that's keeping you....* Oh yeah because I don't like owing anything. It's just always on your head, you know. And they have it like on your balance where it says "be careful"—it's like a warning—be careful...your balance, they can seize your checks, interfere [with] your checks, garnish wages.... (Jewel)

... [F]irst I did deferment, deferment, deferment. They gave me the letter, like "you can defer." And I was like "I'm deferring," but it's like forbearance, forbearance, but then it was like well now you can't forbear. So, what are you going to do? We need your money, or we are going to start taking out your check. So, I did the income thing. I started paying like 20 dollars a month. I was like, you know what? Just take it. *Is this for your massage degree?* No this is for the accounting. So, I just let them take my income tax returns for like four years straight, just take it. And it was done. (Paula)

At the time, I did not understand how the interest would work and how that would accumulate, and I was told not to worry about it because I could just put my loans into deferment until I was ready to make those payments.... I did not understand that interest continued to accrue while I was in deferment and did that for two years before I found out. So, I'm still off and on in deferment or making payments when I have enough, but they're a lot. I owe a lot more than I did when I took out the loans. (Lucia)

What did you end up with in terms of debt? About \$20K as well.... *And how are you handling it now?* It was deferred for a long time...but they are taking money now. *They're taking meaning they're garnishing?* Yeah...well at one point they were, but I got a—I don't know what the word is, but we came to an agreement on payments. But yeah. *They started grabbing and you said hold on.* I said yeah, hold up, let's...I'll pick up the phone. So yeah, I am making payments now. But at one point it was deferred...and then life happened, so I wasn't in the best position to do so. And then at one point I had like garnishments for maybe a couple of months. And then I was like let me see what I can work out. So, they worked it out. (Travis)

I haven't had a tax return in like five years, they take my taxes every year. *Right, because you have a loan that you're not paying off every month.* Right. It is in whatever it is. *You are not paying it on principle and you are letting them take it out of your paycheck?* Well right now...at the moment I was unemployed. I tried to call them I want to say three years ago. *Call who?* The U.S. Department of Education, just to find out where it was, because it had been through like several different places at that point. And they were working out some kind of loan option for me, they were supposed to send me paperwork for it. I never got paperwork and it fell by the wayside again and it was just like, ok, I'm in and out of part-time jobs here and there. *So you didn't have the money to pay it every month.* No. Plus it was—it's still in default. *This is heartbreaking.* It's ridiculous for \$5,000, yeah. (Alissa)

When asked by the moderator if anyone was enrolled in an IBR plan, a minority of participants answered in the affirmative, usually making very small or \$0 payments. Other participants were unaware of what IBR was or thought that they were enrolled by having their wages garnished or taxes offset or by rehabilitating defaulted loans. Others mentioned that the subject came up with their servicers, but that participants did not feel they were "in a position right now" to enroll. There seemed to be a real sense with some that IBR created disincentives—substituting a payment, however small, for the current \$0 they were paying under deferment/forbearance and in the future. Confusing IBR documentation was also cited.

How were you handling the debt? They were being—they are not on default, thank God. I did the income-based repayment. So, my income showed that I wasn't making enough to live and pay that. And I'm just now getting to that point to where I just did the income-based again, about two months ago, so I don't have to pay anything unless I have it. So, it's a big struggle. I'm a single parent. Having these loans and having to live.... *Other participant (male): virtually impossible.* It is. And fortunately, the school education loan is my only debt, I don't have any other debt. So, I'm thankful for that, and I'm thankful for my education. But my last job I was there for about four years making \$10 an hour. (Ana)

...[W]ith the new guidelines that they put in, I am under the income-driven, which is it goes by my income.... *How many years have you been doing this?* Oh, my god, since I've been done, so probably three–four years now? *Three or four years now. And have you ever missed a payment?* No. *How do you know when....* It goes by my income. Right now it's like 20 bucks. (Rita)

Mine is about \$40,000. And it's just awful. *How are you handling it?* Just defer it. *On what basis?* I've done income-driven before, I don't qualify for that right now.... I sometimes just make up stuff. *Other participant (male): Me too.* I just make stuff up. *What do you mean, like they give you a form and you?* No, there are just so many different plans and stuff—I don't know, I just happen to find ways and call and say.... *Other participant (male): you learn.* I just—I'll say look I don't have it, can you guys do something. And it depends on your loan servicer too. (Deserie)

So, I just—until I can pay for it, I don't. I've already have talked to the—the board of education, the people that work with them. I talked to them about it and I know that I apparently qualify for some program, I have to apply and have to make like steady payments for six months, they start off at 50 or 60 dollars or something. After the six months, they approve me for—I guess it's the income- based. *So there's a path out?* Yes. But. *But?* I am not ready for that yet.... The payments they want from you originally is based off your income. With my checks being based off of commission, they include the commission in my check. So, my payments that should be 50 or 60 dollars turn to 200 or 300 a month. I can't afford an additional car payment on—you know, on top of my bills right now. When I get a promotion, I can afford an addition few hundred for six months, I can do that. But until then I am kinda stuck. *So, you are leaving it to the side.* (June)

And did you ever pay any of it down? I still don't. *Are you ever going to make any payments?* Yeah. They told me last week and they said that—I mean I'm telling them, I don't mind paying for it, just take it out of my account, because I am still not in school, I don't worry about that. I worry about you guys calling me all the time. So I'd rather for them to take it out of my account like \$30 or \$80 a month, I don't mind. But I still have to fill out some paperwork and submit it online. And I'm just—it's tiring. All the paperwork is tiring. I have two toddlers and I work 10 hours a day and everything is overwhelming. *You want to pay....* I do want to pay.... *But it's the headache of the paperwork that's keeping you...?* And the disappointment that I didn't complete my career. That I'm paying something that... I'm not using it. I am not using it. (Deloris)

When discussing their struggles with loan repayment, there emerged a general impression of confusion around the roles and legitimacy of those in the repayment industry. References were made to default managers hired by schools, servicers, debt collectors, credit counselors, debt consolidators, and debt relief scams. Additionally, a number of participants mentioned being contacted by the federal government or state of Florida, mostly related to the potential for closed school or borrower defense discharges related to their attendance of for-profit schools. Our participants often expressed frustration at not knowing who had their best interests in mind.

I got the same call and mine was a scam, they said that if I gave them \$500 up front and pay monthly \$12 a month.... Whatever paper I received, I think it was Navient I called and said no that's a scam, we never call and ask you for money up front. (Deloris)

Yeah, I've had a few scam people like that too. But I looked it up, the company when they told me about it. I think they had sent me an email too. And I looked it up and it was a legitimate company and everything so.... *So you're paying \$5 a month now?* Yes. (Donna)

And what's the status now of the loan, of the debt. Are you paying? How are you handling it? Well I'm still—I'm paying and doing research obviously on Facebook they say like "Well if you went to one of these colleges you may be able to get some financial relief because of the government changing"—things like that. So, I called one of these numbers and they were like "Oh yeah, we can assist you. Maybe you qualify." But I was like "What I'm going to have to pay you is almost what—is like paying the student loan...." So, I'm going to have to do more research on that. (Nick)

Have you paid anything back? No, I haven't started to pay anything back. When I finished my associate's I started getting those calls and emails, so it—it was like a year gap. So, I was about to start paying on it and then someone called me, I don't know how or where they came from, but for the student loan forgiveness program. So, I was about to start on that and then I kind of got in a

financial situation so I ended up going back to school thinking that I could postpone the forgiveness situation and the loan—just kind of push it all back kind of thing. (Shana)

Those concern me. I get a lot of emails about “We can erase your student loan debt.” And I don’t see how that can be erased.... *Who are they from? [Silence.]* (Megan)

Right now, a company called me recently, like within the last year, Wyndham Professionals? And they said they would help me, put me on a payment plan to help me pay them all back. It was three loans altogether. And they’re all together, helping me. *How much was it all together?* \$18,000 now that I owe. And they said based on my income and my situation right now, they approved me for \$5 a month payments. Which is like crazy. So they said if I keep making payments then I will keep being able to pay \$5. But if I miss any payments then it will go back to billing me regularly. (Summer)

A number of our student borrowers had either received or applied for loan forgiveness from closed school or defense to repayment programs, having attended Everest or ITT Tech. These students indicated that they had been struggling to repay these loans prior to their application and generally indicated that forgiveness was the only hope they had to secure a better financial future.

I am on an income [-based] monthly payment plan. I wasn’t paying anything monthly and now I am in the process with the Department of Education to have my loans forgiven from Everest(fp). *You are saying it’s gonna be wiped out.* It’s in the process of being reviewed but because I put that into them, my loans, the percentage rate, all of that, the interest—has been stopped until a decision is made. (Linda)

Several other participants indicated that they either were enrolled or intended to enroll in public service loan forgiveness. Generally, they were either teachers, working with the disabled or other special populations, or in other social services/public health capacities. These individuals were all struggling to get by and viewed public service loan forgiveness as a lifeline to their families and a means of continuing a line of work that they considered meaningful.

Before the public service student loan forgiveness program, they were billing me \$900 a month. *So about how much do you owe, what’s your debt, your student debt?* I owe \$102,000.... *How do you hear about these things? Income-based repayment, consolidation, the words that you are using, how do you know about them?* We actually had facilitators come out to my job because they were targeting teachers to enroll into their programs for the student loan forgiveness. And I actually had a representative call me from DC because I had been evading, eluding my student loans for years. And they caught me. And something just told me, you really need to handle this. Like seriously. So, I talked to him and was like “What? I had no idea,” even though they had been sending me all of this mail, you know you get all the mail about the stuff, but you never call.... I didn’t know I could contest it or talk them into lowering it until he called me. And he got it to the point where I was paying only \$10 a month. *And he is who?* He was working for the student loan program at the Department of Education. *And he reached out to you because he saw that you weren’t paying?* He actually called me and asked for a payment. And I was like I can’t pay \$900—that’s more than my rent. I can’t pay that. So he was like “Oh well let me tell you about these programs.” (Candace)

You [Candace] talked about public service loan forgiveness [PSLF]. Have any of you ever heard of that before Candace mentioned it? Well, my wife is a substitute teacher now—she was saying that they reversed that now and they’re not going to do that for teachers anymore? (Jake)....

They want to—in the news they are talking about how the government would like to stop it [PSLF] as a way to cut the budget, but I don't see that happening. (Becca) But it's [PSLF] a huge deal. There's a lot of people who went into this profession *assuming*, being told this is a thing. (Jake)

Many student borrowers reported the psychic toll of their heavy debt loads and having fallen behind in payments or being imminently about to do so. These borrowers were highly constrained and everything else, by necessity, took priority—particularly rent, car payments, and other family living expenses. Heavy debt loads and frequent late payments affected credit scores and in turn, access to other forms of credit. The indefinite deferment of dreams of financial security was highly discouraging to our participants.

It's insane, like stress, like crazy—I feel like I am never going to get through it. I mean it causes anxiety and depression from it. And so, I just feel like I can't move forward with my life because I am constantly paying this and I'm never going to be able to get out of it. Even though the public service loan forgiveness, but still, it's a struggle. (Melissa)

I wouldn't want to marry somebody with 100 thousand in student loans. It would definitely be a factor, and then what she was saying with the depression and the anxiety, when I think about it, yeah—but for the most part I ignore it. I don't want to think about it or even talk about it because it does give you that depression and anxiety when you think about it and you owe these people 30 thousand dollars...but imagine somebody with 100 thousand dollars. It definitely plays a role in your future. (Katie)

...[M]y debt-to-income ratio is way out of whack. *Because of your student loans.* Because of my student loans, that's the only—if it hadn't been for my student loans I would be spectacular in the credit world. But that has stopped me from getting a house, all kinds of stuff. (Candace)

It all depends on what you're applying for, whether it's a house or if you're trying.... *For you, Tiana.* For me I would say certain things, it was a car at the time. I wasn't—they looked at my credit score and asked about my payments because of course I wasn't making payments at the time. "And when are you deciding to make payments?" You know different things that I try to apply for, the student loan stopped it. And I wanted to go back to school at one point, and that was a problem because you had to pay a certain amount at that time in order to go back to school in order for it to be deferred I guess you should say. (Tiana)

I can't even get a credit card because of it. My whole thing, I have no other credit on there except for my student loans. And so, I can't get anything. *Have you checked your credit report?* Yeah. *Do you know what your credit number is?* It's 528. *And it's all because of your student loans?* All because of it—I have tons. I mean I am over \$40,000. (Rhonda)

But then when everything happened—like I got a pay cut from work; instead of getting a pay freeze I got a pay cut, so my income is very limited. *So, what are you doing, what's the status now?* Nothing. No literally it's nothing. I'm not doing anything. *Well did they call you, send you letters, send you a bill?* Yeah, send me a bill every month in the mail and I put it in my drawer. *Is there a big pile?* Yes. I don't even open it. *But you have to walk by that pile.* No, it's in a drawer. I just keep sticking it in the drawer. *But you know it's there.* Yeah. *How does it make you feel?* It's frustrating and I know eventually they will start calling me or harassing me...or garnish my taxes. *Do you think it's going to have any effect on your financial situation? Or is it having an effect now?* It is, yes. I don't have good credit. And right now, I wish I could just go buy a house, and I can't. because that's in there. I can't even buy a new car because that's in there. I feel that I'm tied up, that I'm

being held back from moving forward in life because I have student loans that I really can't afford to pay. (Yolanda)

said I paid for something and I didn't get anything for it—it's kind of a bitterness about it. She signed, she knows she signed. How do you feel about it? I feel the same way.... I could cry about it. Since I was a little girl I always wanted to be like a doctor or something, be in the medical field. And so, it's just—seeing how hard it is now, like financial and all this stuff, it was very frustrating and discouraging. But seeing people go to Valencia(cc) and going to other colleges, and going up and finishing, that's made me think about wanting to go to Valencia(cc) too. *You said you had a dream about a career in the medical field but now what you have is—* Reality hit me, punched me in the face, just how hard it is to—but I guess I just have to find the right program and the right courses to go about it. (Donna)

When asked to reflect on the whole experience of attending a for-profit college, borrowing and trying to repay student debt, and the ability to “get ahead” and provide for their families through attaining higher education credentials, three general themes arose. These were: 1) student debt, from for-profit colleges particularly, is a form of oppression; 2) the goal posts keep moving in the job market and for-profit credentials didn't provide the hoped for economic security; and 3) student debt and poor higher educational experiences are an impediment to intergenerational mobility.

Student debt incurred for sub-par for-profit credentials and degrees was viewed by many of the participants as a form of oppression. Participants referenced for-profit schools feeding on the dreams of those seeking to get ahead “at almost any cost,” the targeting of low-income and minority communities, and the hooking of naïve students with a full court press by recruiters, financial aid counselors, and sometimes faculty. Students reported that they were not encouraged to consider their options or provided with thoughtful, realistic career counseling up front by the schools.

It's true, I feel like when they say it's about money. It's like in any business, they have a target. Right? A target audience. And for me when I think about it, they know that there's probably a sector of adults who are unhappy in their jobs who want to change—a demographic—you know. *What do you mean by demographic? Go ahead and say it. You gotta be explicit.* Black people. African-American people. And they target that demographic because they know that you do—for these specific reasons that we talked about—that we want to do anything we can do to move up so that our future generations won't be in the situations that we're in. And based on that I think they—it's like specifically targeted. (Deserie)

Well, and for-profit schools are attracting a different student, right? There are students who probably couldn't get into Harvard or couldn't get into whatever college was around. There's a reason you're not already in school if you're going to one of these for-profits. Most of the time it's because you're already in the workforce and it's somebody who needs to really quickly get a degree or move up. And you don't have four years to go to school and you don't have the time to retake prerequisites or get on a waiting list because it's competitive. Maybe you didn't do good on your SATs or something like that. I think the students who are going to a for-profit are already at a financial disadvantage and that's where you're stuck in the cycle of having to get a loan to get an education. (Lucia)

I think predatory lending has something to do with it. *Do you feel there was predatory lending for you?* I do. I do. *How, in what way?* Ok, so just like ignorance of the law is not an excuse for you to

break the law. I think that same concept applies here. But I do feel as though the lack of information—not lack of information but informing the participant and really not analyzing to see if that participant has a good conceptualization of the actual repercussions of these large amounts of sums that we’re getting. To me it seems like education is this new form of slavery because everybody’s trying to get to that next level. But in the midst of us getting to that next level, we are being bound with all these large sums of debt. (Candace)

I think the commercials kind of targeted low-income people, which a lot of them are minorities. So, I think the commercials kind of did target. *Who was going to school with you?* Well, the Everest that I went to was in an area...there’s a lot of low-income people there. There were a lot of Spanish and African-American people in the program that I went to. (Summer)

They know you’re in a situation with income—they look at your income. And they know that they’re putting a big amount of money for you to borrow and use for school. But they know you can’t pay it back because you don’t have a job—some of them don’t have jobs, have low income, barely have a place to stay. *Do you know anybody like that?* I was one. (Mandy)

What do you think, Terrence—what’s your reaction? Well, how much do you owe now? About \$11,000. *And how are you handling that—what’s the status?* I mean I’m paying it by myself but it’s like... I help my mom pay for her bills and I pay for my own bills on top of my student loans. *And how much do you pay a month?* About \$150. *That’s a big hit...or maybe not, depending on how you....* And I’ve got a daughter too. So yeah like I could really use that \$150 for something else. That’s on top of me feeling they don’t really deserve that money. I have seen them—that whole school is just, they grabbed me. (Terrence)

Many participants felt the system was rigged against them, trapping them in debt and poorly-paid dead-end jobs. The goal posts of a satisfying career were always moving, and no sooner did they train for one type of job than that job became saturated with applicants or wasn’t the “big thing” they were sold. In some cases, this led to a sense that their student debt from the for-profit school was not legitimate, even if they hadn’t made a claim for borrower defense to repayment forgiveness. But in most cases, participants desperately wanted to be responsible for their debts but were severely hamstrung by poor earnings and the necessity to cover the day-to-day expenses of their families.

I think in the past 30 or 40 years it’s been a bit of a vicious cycle, where the last generation, like Rosa said, all you needed to get a good job was a bachelor’s degree. So, they raised their kids—all of us needed to go get a bachelor’s degree. So, we did. Well now, 200 million of us have bachelor’s degrees—and those aren’t worth anything—it’s degree inflation. They moved the goal posts. Now you can’t get a good job unless you have a master’s degree. We go back, we go into more debt. And now there’s rising a lot more people with master’s degrees...and then you’re overqualified. The goal post kind of moved. (Becca)

Well at the time—it’s changed. At the time I went to college because I knew I could get a job, I would get a decent job. I think now it just simply makes you competitive. You know, going to college—back when I came out of college, you had a degree, you got a job. Now I have been in management, I hire people with master’s degrees for 9 dollars an hour, things like that. And people can’t find jobs now. It’s a lot more competitive now, with the for-profit schools, there’s a lot more people in the job field with degrees. And advanced degrees. (Eric)

Yeah for me, it's like a weight honestly. Because it's that "what if" kind of thing. If you don't get a job in the field, if you don't make enough money. You know what I mean? Because at the end of the day this is a debt that you owe so they're going to get it some way. You don't want it to get to a point where they are garnishing your checks. My spouse is dealing with that currently. Hasn't seen taxes in I don't know how long because they are the first to get it, you know what I mean? And to live in that kind of situation is not what I want for myself. (Shana)

And I will say that when it comes to the previous generation who raised us it was always about going to school. You need to get your education no matter what. We're getting our education and when we looked at our parents and whomever—they didn't seem to be struggling. But we didn't realize how our situations are so different—they paid \$10,000 to get their education; we're paying \$100,000 to get our education. *And why is that? Just inflation?* No because people are greedy, because our government is corrupt, people are greedy. (Rosa)

I'm still being rebellious and pissed off and what not, because where's my degree? But at the same time now I do have a job now, so I'm trying to work my way in paying—payments are something like 500 and something a month. *500? That's what it would be?* Yeah. *And how do you know that?* I check, I know my login. I am in there like every day just looking at it, shaking my head. I know all the information and what not. So. But it's like when do I bite the bullet? Because I have a family now. I am about to buy a house now. So, I don't want this affecting me in the future. If not, I would have just let it ride until I die. *In your case I hear a combination of bitterness/anger....* Yeah. *That you don't have it, along with that this is going to take a bite out of my....* Yeah, because I was—I would have been alright if I had that degree. I would own up to it. But it's like here I was given something and I had the rug pulled underneath me, and I was left with this \$79,000 worth of debt. (Hank)

...[W]e look at all the different vices that keep us from developing as a nation. And then you look at the way that the education system is working—they are trapping so many people into this debt. **Other participant: It's a business.** It messes our credit up, it starts to kill the American dream...(Van)

A number of participants spoke to an intergenerational "passing down" of poor outcomes related to for-profit colleges and student debt. As students, they felt they had made bad choices of colleges and programs and had to take on substantial debt in doing so, because of lack of parental wealth, access to good advice and role models, and the heavy responsibilities of raising children without sufficient means. In turn, participants did not have good post-education employment outcomes and were unable to save for their children's education, buy homes or otherwise locate in neighborhoods with good schools, plan for retirement, etc. When asked to reflect, participants uniformly intended that their children avoid the for-profit school/debt trap scenario but split into two camps: 1) education is a rip-off, only worthwhile if you are going to be a doctor, professional, etc. (cynicism) or 2) it's important for children to get a higher ed degree, but they should go to what was referred to as a "real school." Many of our participants hoped that scholarships would make attendance at these "real schools" possible, but there was much uncertainty about whether these hopes for their children would be realized.

I was just going to say that because we are first-generation, we have to figure out what is the best way to improve our lives...The difference now with me being a mother to my son, I can guide him, like "Nope, don't do that, nope don't do that, that's not the way to go. Try this first...this is what I had to do, this didn't work." So, when you are first-generation, you're still trying to figure it out—which is the best way to do it? (Kyla)

I don't even tell my daughter that she needs to go to college. Because I feel so kind of like used. And I can't believe for the rest of my life I'm going to dedicate to paying everything back. My thing was if you got maybe your associate's, but make sure it's something that you love. If you are going to become a doctor then by all means, go throughout all this school. But if you're not, like don't even.... go join the army if you want to. (Rosa)

And at 18 you say, I'm different than you dad, I'm not going to make the same mistakes as you.... And now I'm telling the nieces and nephews the same thing that I was told and knowing it—I know you're not going to listen, but I'm the living proof. I know you're not going to listen, I didn't listen, I'm wasting my breath, but I'm going to try. (Megan)

And what all of you guys are saying, oh, by the way, don't worry...if you go back to school you don't have to pay your loans. So that's very enticing, it lets you take out more money. So, it is quite a cycle. You get into it for the right reasons, you think you're going to do better...like my daughter she's going to UCF(pu) in the fall. She's staying at home and going to UCF(pu). And I have been trying to tell her, don't max out your student loans. Take out what you need, only what you need, otherwise you're going to be in the same boat we are. But it's hard to say that because how do you justify being absolutely stone broke...you go to school full time, work full time, now you're too stressed out. It's a hard balance. But I'm stressing to her, look, don't take out any more than you have to because it will absolutely bite you. (Jake)

I've got two. *Ok of your own children, in college?* Yeah. The other three have already graduated from college. *And have any of them taking out loans?* Yeah. They're all in debt too—we're all in debt, join the party.... *And what does that mean to you that they're in debt? Were they taking out loans just for school or were they taking out loans for money?* I told them I would kill them if they take it out for money. Not literally. But I did not want them to do that because I know what trouble I'm in with mine. (Rhonda)

I say scholarships are the way. In some instances, it's effort, but you have to put forth that effort if you don't want that debt. Because there are different avenues out there but you have to be willing to go get it and to put in the work for it. So, I say get as much as you can in that way, so you don't have that much weight on you when you finish. Because I know people who have gotten through college and don't have to pay anything out of pocket. So, if it's out there I say *find it*—that's what I am going to teach my kids, let's do this work, let's put in these essays, because it's out there. And for the random, most crazy things you can get credit for because other people don't apply for those things. So that's the route I'm taking my kids. (Shana)

CFPB'S Financial Well-Being Scale

To contextualize the respondents' focus group data with the sample's broader financial circumstances, we administered the CFPB's Financial Well-Being Scale²⁷ to all participants at the end of each focus group session. The scale quantifies "the extent to which someone's financial situation and the financial capability that they have developed provide them with security and freedom of choice."²⁸ The CFPB has not established any thresholds above and below which a score could be considered "good" or "bad" financial well-being; however, they find that a score of 50 or below is associated with a high probability of struggling to make ends meet and of experiencing material hardship.²⁹ The use of this instrument has enabled us to relate our sample's financial health to that of the general population of the United States, as well as to specific sub-groups, by comparing our sample's results to those of a national administration of the survey. This survey was fielded less than a year prior to the current study.

The average and median converted scores³⁰ of the participants in the Florida for-profit college focus groups are 51.1 and 51, respectively (n=73, 2 missing, std. dev.=12.8). **Figure 4** below shows the distribution of these scores in a frequency distribution; it is relatively normally shaped but with a cluster of scores near the lower end of the distribution.

Figure 4: Frequency distribution of CFPB Financial Well-Being scores for entire sample

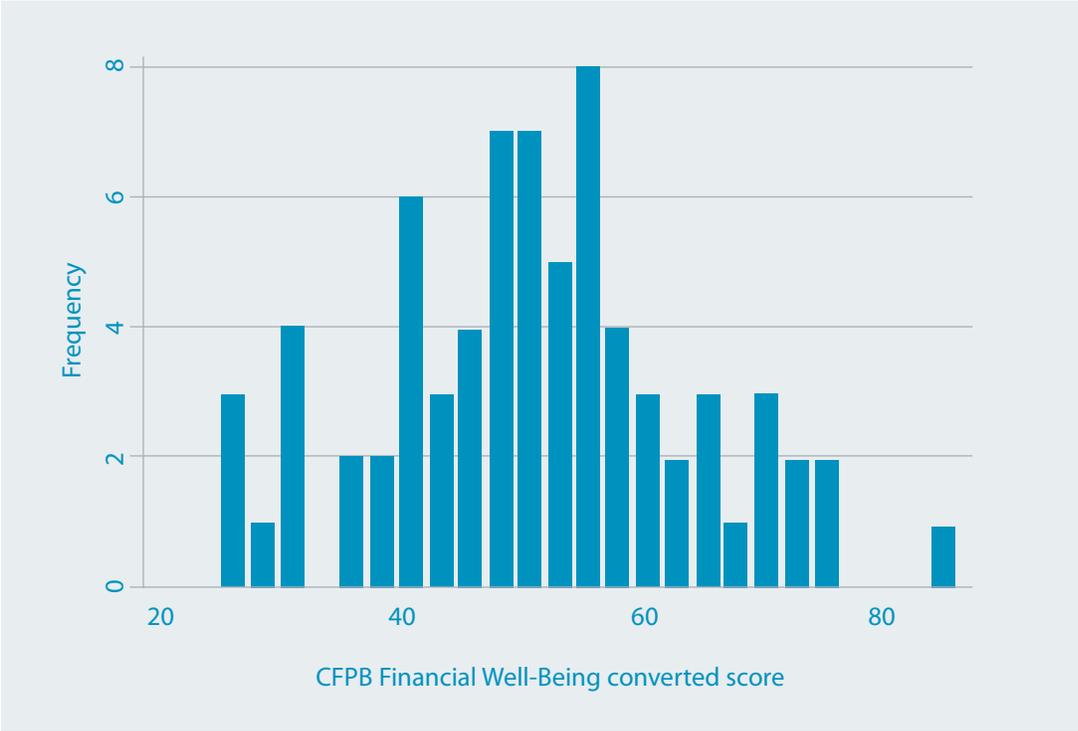


Table 2 below contains a breakdown by group showing that scores appear to be relatively balanced across all groups. The Medical Allied Arts students scored the lowest (46.5 on average) and the Non-Completers, perhaps surprisingly, scored highest (54.3 on average). (Though, as noted above, the Non-Completers did report the lowest average debt of all nine focus groups, which could explain this group’s higher sense of financial well-being relative to the other groups. As previously shown in the findings, completion often did not result in strong employment outcomes.) Additional analysis was run on various background characteristics across all the groups, but the only significant differences found were age (the youngest participants scored significantly higher than all other age groups) and employment status (those employed full-time scored significantly higher than those not reporting full-time employment).³¹

Table 2: CFPB Financial Well-Being scores by group

	MEAN	MEDIAN
COMPLETERS (N=9)	52.0	52
NON-COMPLETERS (N=9)	54.3	60
CURRENT (N=7)	50.3	47
AFRICAN-AMERICAN (N=7)	46.9	51
HISPANIC (N=11)	52.3	51
ONLINE (N=11)	52.5	49
MEDICAL (N=11)	46.5	45
COSMETOLOGY (N=3)	52.0	51
VETERANS (N=5)	52.8	54

The study also compared the overall sample scores with the score results from the CFPB’s first national survey of its scale.³² The average score from our focus group sample (51 rounded) is lower than those with only a high school degree/GED (53) or some college/associate’s degree (53) and considerably lower than those with a bachelor’s degree (58) or a graduate/professional degree (61). The CFPB’s survey report found that low scores in their study population were strongly correlated with a separate measure for low levels of liquid savings.³³

This CFPB finding corresponds directly with the data from our focus group study. The Financial Well-Being Scale item with the lowest average score among our whole sample was the statement “I could handle a major unexpected expense” (see [Appendix C, Table 8](#) that breaks down scale results for each question in the survey), illustrating the precarious financial circumstances of the participants. For instance, one participant describes the difficulty in budgeting on top of his loan payments: “[W]hen that reality hits you, it’s pretty crushing—that’s the best word I can think of . . . I would have had to significantly change my life, meaning—I don’t even know what? How much can you cut to get \$800 a month back? So, it’s pretty overwhelming.” This lack of a financial cushion due to the strain of student debt and inadequate earnings among our participants was further substantiated by CRL’s Financial Products Survey (see next section), which found that only 17% of the sample regularly saved after incurring their student loan debt.

CRL'S Financial Products Survey³⁴

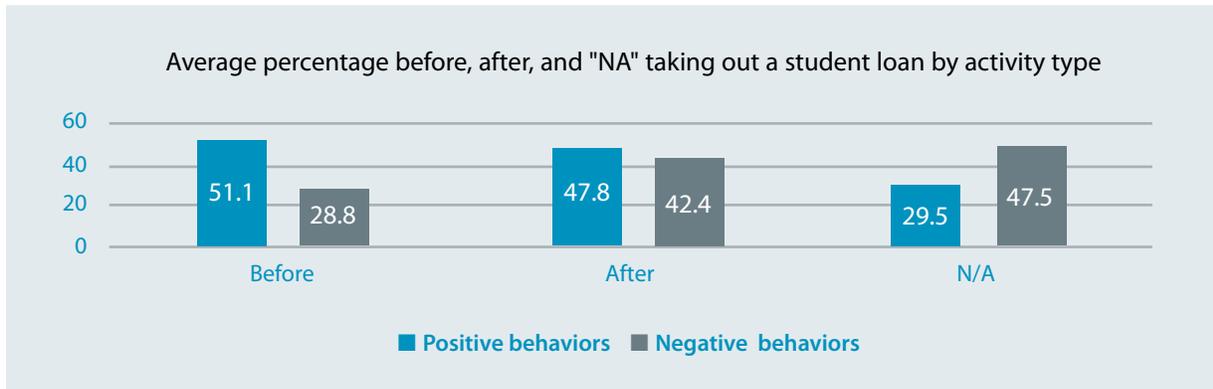
To explore major changes in participants' financial behavior after taking out student loans, CRL developed a survey instrument that asked respondents to indicate whether a certain financial activity was done before or after getting a student loan, both before and after, or not at all (NA). **Table 3** below shows these results for both positive and negative activities (n=73, 2 missing).³⁵ Looking at the *positive* activities, the results show that "opened bank account" and "had a good idea of credit score" are the only ones that differ markedly before and after, where more respondents indicated they had opened a bank account *before* getting a student loan, and more respondents indicated they had a good idea of their credit score *after* getting a student loan.³⁶ For each of the *negative* activities, respondents indicated more activity *after* getting a student loan than *before*, and these differences are particularly large for "contacted by debt collector," "considered bankruptcy," and "payday loan."

Table 3: Percentage of participants engaging in positive and negative financial activities relative to taking out student loans (participants can indicate both before and after, rows do not add up to 100)

	Before	After	NA
Positive Activities			
Regularly saved	65.3	60	16
Home equity/line of credit	10.7	12	81.3
Mortgage	21.4	25.4	60
Auto loan	46.7	58.7	22.7
Opened cc acct	66.7	53.4	18.7
Opened bank acct	86.7	41.4	2.7
Had good idea of credit score	60	84	5.3
Average	51.1	47.8	29.5
Negative Activities			
contacted by debt collector	40	70.6	22.7
considered bankruptcy	8	26.6	70.7
payday loan	24	36	50.7
loan from friends/family	26.6	28	62.7
overdrafted on bank acct	45.4	50.7	30.7
Average	28.8	42.4	47.5

Overall, as **Figure 5** below shows, the data suggest that positive activities were more represented than negative activities both before and after getting a student loan, and negative activities were represented more for “not something I have done” (NA). However, the *gap* between positive and negative activity representation is less for “after” (5.4 percentage points) than “before” (22 percentage points), with negative activities having occurred more after getting a student loan than before. This result supports the theory that getting student loans may negatively impact financial well-being as measured by a number of specific activities in our survey.

Figure 5: Average percentage of participants indicating positive and negative financial activities before, after (or NA) taking out a student loan (participants can indicate both before and after)



CONCLUSION

More oversight of for-profit colleges in Florida and around the country is clearly needed at both the state and federal levels. Our research shows the destructive effects of the substantial borrowing undertaken by for-profit college students to pursue degrees that often are not completed, or if completed, don't lead to employment that is sufficiently stable or compensated to achieve the goals of a better life for the student and her family. These goals originally seemed all too achievable to our students based on the glossy advertising and high-pressure tactics of the for-profit colleges. They strove to break the cycle of family poverty, launch a successful career, and provide financial security for themselves and family members. Unfortunately, both the first-hand narratives of our focus group participants and the survey results on their financial well-being and financial practices demonstrate how often for-profit college attendance actually worsens a student's financial and psychological well-being through debt and disillusionment.

Institutional accountability and transparency in the for-profit industry are critically important to protecting both students and taxpayers: almost \$245 billion in federal loans are outstanding to finance the attendance of financially vulnerable students at for-profit schools. At the federal level, Department of Education rules such as the Borrower Defense to Repayment Rule, The Gainful Employment Rule, and the State Authorization for Distance Education Rule represented great promise in this regard, but they are being gutted by the current federal government in the name of lessening the administrative burden on the for-profit college industry.^{37, 38} Many states have stepped up their efforts in the face of federal failures to protect for-profit students—unfortunately, Florida is not one of them. Some state approving agencies have become more aggressive in their oversight of predatory schools. Other state agencies have established funds on behalf of borrowers who find themselves with high loads of debt and little to show for it. The largest driver for reform at the state level has been attorneys general who bring lawsuits that ultimately shut down the worst actors. The current federal government, however, seems determined to stand in the way of any state action to protect borrowers, refusing to share crucial information about borrowers and their loans with law enforcement agencies.

Lost in the turf wars and deregulatory fervor are the voices of current and former students, who are suffering under ruinous debt loads from poor quality, for-profit programs that have sapped their time, financial resources, and aspirations. This research puts a spotlight on those voices in the hope that they will be heard and considered by those who can and should protect them.

APPENDICES

Appendix A: The Groups

Though the focus group interview protocol consisted of lines of questioning common to students of all demographics and backgrounds as outlined above, the study design also sought to identify the unique experiences of different subsets of students. Participants were thus sorted into nine separate groups based on the known context for each around the for-profit education industry. Listed below are both the rationale for forming each group and some specific questions that we wanted to emphasize with each group based on that rationale.³⁹ Also shown is the number of participants in each group (n).

Completers (9)

Research has shown a considerable wage premium⁴⁰ for completion of a college degree, and the CFPB's findings⁴¹ from a nationally administered survey of financial well-being show that this measure grows with degree attainment. The individuals in this focus group had completed a program at their respective for-profit institutions and earned a credential. In this group, we sought to determine whether completion leads to improved financial circumstances and feelings of well-being, given the attendant debt burden. Are participants doing well in the labor market post-completion, and if so, how much of this success do they attribute to their for-profit credentials? If not, to what degree do they apportion blame among the for-profit institution, personal responsibility, and circumstances beyond their control?

Non-Completers (9)

First-time, full-time undergraduates who begin their post-secondary education at for-profit institutions graduate at considerably lower rates than their peers at public and private nonprofit institutions, particularly at the 4-year degree level, where the 6-year graduation rate at for-profits is 23%, compared to 59% at public institutions and 66% at private nonprofits.⁴² The individuals in this group did not complete the for-profit program that they had enrolled in and separated from the institution without a credential or degree. This group was asked about the reasons for dropping-out, perceived consequences, and any future plans around education and employment. Although this group may have had lower levels of debt due to shorter durations in school, we explored whether financial distress was high nevertheless after leaving school, either because of poor initial employment outcomes or enrollment in some other subsequent course of study impacting present earnings.

Current Students (7)

By forming a group of current students, we sought to better understand these individuals' perceptions of the reputation of for-profits in the labor market (i.e., employers), as well as how they saw the future value of their current degree program. Were these students aware of some of the recent high-profile scandals in the for-profit college industry (e.g., ITT Tech, Corinthian), and if so, had that made them more cautious than our other focus group participants whose college attendance may have preceded these events? How had recent news around the student debt crisis in the U.S. and an improving job market generally affected their perception of the benefits of college? Finally, given that these students were generally not yet repaying their loans, were they concerned about the level of debt they were taking on and aware of what their payments were likely to be?

African-Americans (9)

As mentioned in the Introduction, African-Americans are disproportionately enrolled at for-profit institutions. Furthermore, African-Americans are defaulting on their student loans at higher rates than the rest of the population, and otherwise struggling more to keep up with payments.⁴³ To this end, we were interested in forming a focus group that would allow us to see if participants perceived targeting based on race or other demographics in their respective for-profit institutions' recruitment efforts. We were also interested in these individuals' choice to attend a for-profit institution over other postsecondary options, particularly HBCUs which recruit from the same prospective student population (especially for first-time undergraduates and graduate students). Finally, if these participants subsequently struggled to pay back their loans, what were their insights about the shortcomings of a for-profit college education in the labor market and the role of education generally in economic mobility for themselves and family members.

Hispanics (11)

Although not overrepresented in for-profit schools generally, Florida has an outsized Hispanic college student population relative to all but a handful of states, a fact that is also reflected in the enrollment of Florida for-profit colleges.⁴⁴ Many of these students are first-generation and/or immigrants and face unique circumstances in the higher education arena. For this group, we wanted to gain a better understanding of any language barriers to college enrollment and completion for English-as-a-second-language speakers, as well as how the for-profit institution handled these needs. In addition, just like the other underrepresented groups (African-Americans, military veterans), we wanted to know if these students had experienced any sense of being targeted by the for-profit education industry. Finally, were there cultural factors in the students' backgrounds that contributed to how they viewed college and vocational choices, willingness to take on student debt, and post-college sense of financial well-being?

Online (11)

Research examining online education in large for-profit colleges has shown that student outcomes for those students least prepared for college are substantially worse than classroom-based programs, and we wanted to understand why this may or may not be the case for our Florida sample.⁴⁵ The participants in this group had enrolled in a completely or primarily online programs of study at a for-profit institution. We sought to understand this choice and what, if any, classroom-based alternatives existed. We were also interested in the rigor of the program, as well as whether the participants felt their prospective employers viewed such a degree program with skepticism.

Allied Medical Arts, also referred to as Healthcare Support⁴⁶(11)

The allied medical profession holds a particularly prominent space in the recruitment efforts of for-profit institutions. The advertising of these institutions presents the enticing prospect of satisfying careers in the burgeoning medical field requiring only a short-term credentials (mostly certificates and, in some cases, 2-year degrees). In light of this program emphasis⁴⁷ in for-profit education, we were interested in better understanding how the focus group participants who had enrolled in an allied medical field at a for-profit institution came to believe that this field was the right fit for their goals and to what extent did the recruitment efforts of the for-profit college convince them of this idea? We were also interested in learning more about for-profit institutions' representations of, and students' experiences with, internships and externships, a frequent selling point for students in such programs. Lastly, after students had completed, we wanted to know the extent to which the for-profit institution they had attended subsequently encouraged them to go for the next-level credential, particularly if students had experienced disappointing employment outcomes.

Cosmetology (3)

Cosmetology schools, most of them for-profit, have been the subject of recent discussions around the Gainful Employment Rule, as the American Association of Cosmetology Schools has pushed back against allegations that graduates of their member institutions are generally not bringing in the amount of income that would justify enrollment in such programs.⁴⁸ The arguments against the Department of Education's actions based on this rule centered around the undercounting (underreporting) of tips collected by these professionals. We sought to gain a better picture of how students enrolled in these programs fared in the labor market after having graduated and whether they felt that the debt incurred by enrolling in a cosmetology program at a for-profit institution was a good investment.

Military Veterans (5)

With recent news articles^{49, 50} detailing the tactics by which for-profit institutions target military servicemembers and veterans in pursuit of their Department of Defense and Department of Veterans Affairs student aid benefits, we sought to better understand how these veterans ended up choosing to attend a for-profit college and if they were specifically recruited, on or off-base. Did a "military-friendly" designation apply to their school and was this influential? Once enrolled, did they exhaust their military benefits, or were they able to preserve some of them for future educational endeavors? What was their job market experience after leaving school, and did they think the for-profit institution had left them better or worse off financially?

Appendix B: Surveys

Figure 6: CFPB Financial Well-Being Scale

Part 1: How well does this statement describe you or your situation?

This statement describes me	Completely	Very well	Somewhat	Very little	Not at all
I could handle a major unexpected expense.	<input type="checkbox"/>				
I am securing my financial future.	<input type="checkbox"/>				
Because of my money situation, I feel like I will never have the things I want in life.	<input type="checkbox"/>				
I can enjoy life because of the way I am managing my money.	<input type="checkbox"/>				
I am just getting by financially.	<input type="checkbox"/>				
I am concerned that the money I have or will save won't last.	<input type="checkbox"/>				

Part 2: How often does this statement apply to you?

This statement applies to me	Always	Often	Sometimes	Rarely	Never
Giving a gift for a wedding, birthday, or other occasion would put a strain on my finances for the month.	<input type="checkbox"/>				
I have money left over at the end of the month.	<input type="checkbox"/>				
I am behind with my finances.	<input type="checkbox"/>				
My finances control my life.	<input type="checkbox"/>				

Figure 7: CRL's Financial Products Survey

Tell us about your experience with the items below.

This was true for me:	Before getting a student loan	After getting a student loan	Both before and after getting a student loan	Not something I have done
I had a good idea of my credit score.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I opened a bank account.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I overdrafted my bank account.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I opened a credit card account.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I took a loan from friends or family.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I took out an auto loan.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I took out a payday loan.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I took out a mortgage.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I took out a home equity loan or line of credit.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I considered filing for bankruptcy.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I was contacted by a debt collector.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I regularly saved money.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Appendix C: Tables 4–9

Table 4: Select demographic and economic comparison of Orlando CBSA and the United States

	ORLANDO CBSA	UNITED STATES
POPULATION (V2015)		
POPULATION ESTIMATES	2,387,138	321,418,820
RACE AND HISPANIC ORIGIN		
AMERICAN INDIAN AND ALASKA NATIVE ALONE, PERCENT (A)	0.6	1.2
ASIAN ALONE, PERCENT (A)	4.5	5.6
NATIVE HAWAIIAN AND OTHER PACIFIC ISLANDER ALONE, PERCENT (A)	0.2	0.2
TWO OR MORE RACES, PERCENT	2.5	2.6
HISPANIC OR LATINO, PERCENT (B)	28.7	17.6
WHITE ALONE, NOT HISPANIC OR LATINO, PERCENT	49.2	61.6
BLACK OR AFRICAN-AMERICAN ALONE, PERCENT (A)	17.6	13.3
POPULATION CHARACTERISTICS (2011–2015)		
VETERANS	142,183	20,108,332
FOREIGN BORN PERSONS, PERCENT	16.7	13.2
OWNER-OCCUPIED HOUSING UNIT RATE	60.9	63.9
LANGUAGE OTHER THAN ENGLISH SPOKEN AT HOME, PERCENT OF PERSONS AGE 5 YEARS+	30.8	21
EDUCATION (2011–2015)		
HIGH SCHOOL GRADUATE OR HIGHER, PERCENT OF PERSONS AGE 25 YEARS+	88.3	86.7
BACHELOR'S DEGREE OR HIGHER, PERCENT OF PERSONS AGE 25 YEARS+	28.8	29.8
ECONOMY (2011–2015)		
IN CIVILIAN LABOR FORCE, TOTAL, PERCENT OF POPULATION AGE 16 YEARS+	64.6	63.3
IN CIVILIAN LABOR FORCE, FEMALE, PERCENT OF POPULATION AGE 16 YEARS+	60.2	58.5
INCOME AND POVERTY		
PER CAPITA INCOME IN PAST 12 MONTHS (IN 2015 DOLLARS), 2011–2015	25,109	28,930
PERSONS IN POVERTY, PERCENT	14.8	13.5

NOTES:

ORLANDO CBSA IS COMPOSED OF 4 COUNTIES: ORANGE, SEMINOLE, OSCEOLA, AND LAKE.

THE VINTAGE YEAR (E.G., V2015) REFERS TO THE FINAL YEAR OF THE SERIES (2010 THRU 2015).

(A) INCLUDES PERSONS REPORTING ONLY ONE RACE.

(B) HISPANICS MAY BE OF ANY RACE, SO ALSO ARE INCLUDED IN APPLICABLE RACE CATEGORIES.

SOURCE: U.S. CENSUS BUREAU QUICKFACTS, SEE: [HTTPS://WWW.CENSUS.GOV/QUICKFACTS/FACT/TABLE/US/PST045217](https://www.census.gov/quickfacts/fact/table/us/pst045217).

Table 5: For-profit school attended, participant count, and group representation (total of count exceeds that of the 75 participants, due to some participants attending multiple for-profit schools)

School	Count	Completers	Non-Completers	Current	African-Americans	Hispanic	Online	Medical	Cosmetology	Veterans
American College for Medical Careers	1							X		
Anthem College	1								X	
Artistic Nails and Beauty Academy	1								X	
Ashford	1		X							
Aveda Institute	2								X	
Aviation Institute of Maintenance	1					X				
Capella	3			X			X			
Career Institute	1						X			
Concorde	1									X
Daytona College	1		X							
DeVry	3				X	X				X
Everest	15	X	X	X		X	X	X		
Florida College of Natural Health	5	X					X	X		X
Florida Technical College	4			X		X		X		
Fortis College	2				X			X		
Full Sail University	5	X		X			X			
Grand Canyon University	1			X						
Herzing	1		X							
International Academy of Design and Technology	1	X	X							
ITT Tech	1							X		
Kaplan	3						X	X		X
Southern Technical College	2				X					
Strayer	4		X		X	X	X			
University of Phoenix	26	X	X	X	X	X	X		X	X
Walden	1									X

Table 6: Degree type, participant count, and group representation (total of count exceeds that of the 75 participants, due to some participants pursuing multiple degrees)

Program Type	Count	% of sample	Completers	Non-Completers	Current	African-Americans	Hispanic	Online	Medical	Cosmetology	Veterans
Associate's or 2-year degree	20	27.03	X	X	X	X	X	X			X
Bachelor's or 4-year degree	23	31.08	X	X	X	X	X	X			X
Certificate or credential	18	24.32	X	X			X	X	X		X
Master's or above	13	17.57	X		X	X	X				
Multiple credentials	20	26.67	X		X	X	X	X	X	X	X

Table 7: Student debt owed in \$ by group and background characteristic

Background Characteristic	Mean	SD	Median	Min	Max	n ⁵¹
Group						
Completers	32,000	25,455.84	32,000	14,000	50,000	2
Non-Completers	11,871.43	13,064.80	10,000	1,200	40,000	7
Current	80,571.43	46,108.05	80,000	5,000	148,000	7
African-American	39,222.22	25,356.35	27,000	15,000	80,000	9
Hispanic	42,090.91	47,011.60	18,000	4,000	137,000	11
Online	73,333.33	37,859.39	90,000	30,000	100,000	3
Medical	31,500	26,530.17	21,000	5,500	80,000	11
Veterans	55,600	70,119.90	20,000	18,000	180,000	5
Cosmetology	22,333.33	17,616.28	17,000	8,000	42,000	3
Age						
20–24	9,333.33	2,081.66	10,000	7,000	11,000	3
25–34	31,927.27	31,755.57	19,000	3,900	108,000	22
35–44	54,142.86	46,763.54	42,000	5,000	180,000	21
45–54	53,720	45,790.65	40,000	1,200	148,000	10
55–61	17,000	14,142.14	17,000	7,000	27,000	2
Gender						
Female	44,502.13	43,570.84	27,000	1,200	180,000	47
Male	31,545.45	25,145.03	20,000	7,000	79,000	11
Ethnicity						
African-American	46,584	46,757.88	23,000	1,200	180,000	25
Hispanic	42,000	44,130.49	18,000	4,000	137,000	17
White	37,416.67	27,832.15	33,500	5,000	80,000	12
Other	27,750	21,639.09	28,000	5,000	50,000	4
Overall	42,044.83	40,856.27	22,000	1,200	180,000	58

Table 8: Summary statistics for CFPB Financial Well-Being Scale components

Item	Average	Mode
1. I could handle a major unexpected expense.	1.40	2
2. I am securing my financial future.	2.15	2
3. Because of my money situation, I feel like I will never have the things I want in life.	2.62	2
4. I can enjoy life because of the way I'm managing my money.	1.96	2
5. I am just getting by financially.	2.04	2
6. I am concerned that the money I have or will save won't last.	1.73	2
7. Giving a gift for a wedding, birthday, or other occasion would put a strain on my finances for the month.	2.51	3
8. I have money left over at the end of the month.	2.08	1, 4
9. I am behind with my finances.	2.29	2, 3
10. My finances control my life.	2.03	2

Note: Scores are based on a scale from 0–4, with higher scores representing higher financial well-being. n=73

Table 9: Average CFPB Financial Well-Being Scale score by positive and negative financial activity after student loans

	Yes	No
Positive Activities		
Had a good idea of credit score?	51.2	50.83
Opened bank acct?	51.14	50.52
Opened CC acct?	51.47	50.77
Took out auto loan?	54.17	47.03
Took out a mortgage?	55.94	49.68
Took out line of credit?	55	50.66
Regularly saved?	53.98	46.83
Negative Activities		
Overdrafted on acct?	48.89	53.57
Loan from friends or family?	49.55	51.74
Took out payday loan?	48.28	52.63
Considered bankruptcy?	47.79	52.31
Contacted by debt collector?	50.45	52.73

Appendix D: Select Participant Profiles

Rosa

Rosa is a Hispanic female in her late 20s who is currently working at a technology services company. After graduating from high school, she entered the local community college, but soon after, had a child and dropped out to work full-time. She had received negative feedback from those around her because of the birth of her daughter, which she used as motivation for going back to school. She enrolled at the University of Phoenix for an associate's degree after her mother, who attended another large for-profit chain, suggested that she enroll in an online program. Once in the program, however, Rosa was disappointed at the extent to which she had to teach herself: "It was just ridiculous how much time I would spend using Wikipedia only to find out that's not a reliable source I can use. And just trying to learn everything by myself because I didn't really have anybody there to teach me." Despite these issues, she had since earned her associate's and bachelor's from the University of Phoenix and was on track to graduate with her master's degree there. She owes \$108,000 for the student loans she took out for these programs, though she has not yet begun to pay on them since she is still enrolled, explaining "I just got an email that says be ready [. . .] I'm like, I'm not ready!"

She attributes the high price for her education to greed and corruption. This jaded outlook on the education system extends to her thoughts regarding her daughter's future—giving her the advice to avoid college and enter the military instead.

Travis

Travis is an African-American male in his mid-30s currently working full-time in hospitality. Though Travis had always envisioned going to college, he determined that the best course of action for him after high school was to go into the military. He thought that afterward he would be able to enroll in a college of his choosing. After serving in the Army, Travis moved to Florida. He took courses at a local community college for two years before enrolling at the University of Phoenix, looking to advance his career opportunities and earning potential: "Money. Money matters to [me] most."

After having seen advertisements on television for the University of Phoenix, Travis visited their regional campus near his residence and remembers the conversation being focused on accreditation: "Not that I had—not that I was wary about it, just for whatever reason I felt like they wanted to make sure you knew this was legit." He explained that he was already sold on getting a credential in finance/business administration, and it was just a matter of the University of Phoenix staff overcoming his "obstacles"—such as how he would pay (they told him he could take out loans), and how he would fit class time into his schedule (online classes). Even though he thought it was the right choice at the time, Travis now reflects that this move was made based merely on what the staff told him, without an accurate idea of what he was getting himself into: "Based on my inexperience and naiveté at the time, I'd say my expectations were met. But in hindsight I'd have to say no."

Travis took on \$20,000 in debt to pay for his program at the University of Phoenix, even though he tried to keep his borrowing "as low as possible," which meant no refund check. Though currently on a payment plan, he had been in deferment with his loans for a long time, followed by default and wage garnishment. Looking back at his experiences with the University of Phoenix staff before enrolling, Travis now thinks prospective students should do their own research and already have a plan—including how and how much to pay—before even approaching university admissions staff. He went so far as to say, "If they call you, hang up" and used phrases such as "They get you" to describe being recruited by the school. For example, after hearing

another former veteran's experience with the University of Phoenix, Travis commented, "That's how they get you too. You are young and naïve and you're like yeah." Ultimately, Travis viewed his experience in for-profit postsecondary education as a painful life lesson with persistent effects.

Melissa

Melissa is a mid-30s White female working in public sector medical education. She had received a bachelor's degree in psychology through completing courses at a public 4-year university as well as a nearby community college, but she found that this credential was not enough to allow her to move up in her career. Melissa enrolled in a for-profit online master's program in management, even though she had been skeptical of for-profit schools in her previous job as a hiring manager. She stated that she enrolled because she was looking for something easy: "At my company at least, as long as you have a master's degree they don't really care where it's from—it's just your credentials after your last name, so that's why I did it."

Melissa's classroom experience, however, proved to be more frustrating than she had initially imagined for such a program. She described her peers as being less educated than she was, and even though she generally held her instructors in high regard, she found the method of assessment lacking: "They didn't teach you. They just gave you assignments and everything—we didn't even have tests; it was just writing papers the whole time [. . .] There was no teaching of any kind." Nevertheless, she stuck with the program and was awarded a promotion at her company while still enrolled.

After completion, Melissa enrolled in an IBR plan to make her loan payments more manageable. Even though she feels that she is making decent money and enjoys her job, her loan payments cause her anxiety in her daily life: "I feel like I am never going to get through it. I mean it causes anxiety and depression from it. I just feel like I can't move forward with my life because I am constantly paying this and I'm never going to be able to get out of it." She admits that her thoughts as a student were not focused on paying back her debt, but she thinks the advisors at the for-profit school could have done more to help her work out her finances.

Terrence

Terrence is a mid-20s Hispanic man who works as a help desk specialist in an IT department. He originally decided to pursue a post-secondary degree program after being pushed by his mother to get an education, since he was just working part-time after graduating from high school. His mother was completing a program at Florida Technical College (FTC) at the time, and so Terrence made the choice to enroll there as well, selecting network administration as his major area of study. Though he was not passionate about the information technology field, he chose it due to his knack for computers, believing it to be the most appropriate option for him given his skill set.

Another reason Terrence chose to get his degree from FTC was the relatively short time to completion compared to the same program at the closest community college (Valencia), where it would have been two years instead of eighteen months. This expedited route to degree attainment came with a heftier tuition price, but after talking with a recruitment officer about the cost, Terrence was convinced that it was worth it. An additional selling point of the program at FTC was its promise to provide A+ certification for service technicians upon the completion of a course. However, as Terrence would discover after enrolling, the reality of these advantages was quite different than what the institution promised. He cited disruptions at FTC involving teacher turnover, "I had four different teachers in four months," as a major issue affecting the quality of the program. Additionally, the college did not provide certification in conjunction with coursework, and Terrence would have had to pay a considerable fee to take the exams, which he could not afford: "[E]ach certification is a couple of hundred dollars. So that's something they lied to us about." Furthermore,

Terrence felt he was misled about the price of the degree: “I didn’t think that the money thing was going to be an issue [. . .] They said I was going to owe maybe \$9,000, \$10,000. And at the end I end up owing like \$16,000, \$17,000.” These misleading claims gave Terrence the impression that “Everyone there is just a salesman. Literally everyone.”

In reflecting on his decision to earn his IT degree at FTC, Terrence feels that Valencia would have been the better option, as he figures it would have only cost him \$2,000 to get the same degree there if a Pell Grant did not already cover this cost. Moreover, Terrence does not feel that the degree from FTC helped him in the job market. He attributes his current position to having a friend at the company and acquiring his computer competencies from websites such as Google, YouTube, and Khan Academy—not through his coursework at FTC. He is currently paying \$150 per month on a student loan with a balance of \$11,000, payments that he is able to make every month but that he does not believe to be a fair price for his education: “That’s on top of me feeling they don’t really deserve that money.” He feels he should be able to put that money towards other purposes related to his daughter and his family.

Jade

Jade is an African-American female in her 40s who currently works as a math teacher in a high needs area and is enrolled in a doctoral program at a for-profit college. Her first higher ed experience was attending a 4-year public university, but she did not “do as well as [she] wanted to,” and dropped out after two years to enter the military—her “back-up plan.” After leaving the Army, Jade took a job as an admissions advisor at a large for-profit college in Florida with no intention of returning to school as a student. But she became concerned about providing for her two children and wanted more of a career than just being an admissions advisor. “I was trying to find a career, something I enjoy doing as opposed to—I was working a job and I was making a decent salary, but I wanted a career. So I decided to go to school to pursue a career as opposed to just having a job.” She enrolled in an associate’s degree program at the for-profit college where she worked. Despite the sizeable tuition discount (40–50%), she also had to take on student debt.

Jade eventually accumulated multiple degrees from multiple institutions in different disciplines. In addition to her former for-profit employer, she has attended school at two other proprietary institutions. She had an associate’s degree, a bachelor’s degree, three master’s degrees, and was currently enrolled in a doctorate program, taking on additional debt for each program. She reflected that the career path she had sought had proved elusive. Like many in her circumstances, Jade had pursued each degree after either losing interest in her current field or recognizing that her career of choice required a different degree, a process she describes as “chasing the wind that kept blowing.”

She acknowledges that at the time of enrollment in her degree programs, she “wasn’t really thinking about the financial debt”—that she was compelled by needing “something in place to make some money now.” This mirrored the situations of many of the students she had advised in her job as admissions advisor at the first for-profit school she attended. In fact, she reported that she had assured her for-profit student advisees that they would be able to pay their loans off within a few years of completing their for-profit program, despite evidence to the contrary.

Having to take out loans to finance her own extensive education, Jade owes over \$180,000. Her payments are currently in an in-school deferment. When she was paying on the loans in the past, her payments were only \$200 per month based on her enrollment in an IBR plan. Her long-term plan for the debt is to pursue the Public Service Loan Forgiveness program, given that she intends to continue her current work in public education.

Endnotes

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- 15 2016 Fall Enrollment figures derived via NCES's IPEDS Statistical Tables using final release data, available at <https://nces.ed.gov/ipeds/datacenter/InstitutionList.aspx>.
- 16 For-profit enrollment peaked in 2010 nationwide and has been falling since with an improved economy, industry consolidation due to numerous state and federal enforcement actions, reputational issues, and conversions to nonprofit status. As recent as Fall 2012, Florida had 176,000 for-profit students.
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22 Hispanic student shares from 2016 Fall Enrollment figures derived via NCES's IPEDS Statistical Tables using final release data, available at <https://nces.ed.gov/ipeds/datacenter/InstitutionList.aspx>.

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24 For a point of comparison, the most recent national level of fall enrollments for for-profit degree-granting institutions were: 67.4% female, 30% African-American, 20% Hispanic, and 37% aged 35 or older. See *Tables 306.4 and 303.55 available at: https://nces.ed.gov/programs/digest/current_tables.asp*. Note that our sample is of for-profit borrowers that are at least two years out from leaving their first for-profit program, thereby necessarily skewing older in age than current enrollment statistics.

25 Student borrower narratives are lightly edited for clarity. Bolded, blue, italicized words are those of the moderator. The student borrowers mention a number of colleges that are either for-profit, public, or private. For clarity, we include school type in parenthesis after the school name as follows: for-profit (fp), public 4-year (pu), public community college (cc), and nonprofit private (pr). Where no school name is mentioned, students are commenting on the for-profit college(s) they attended. The names of students have been changed to protect privacy.

26 See Appendix C, Table 6.

27 See Appendix B, Figure 6 for a copy of the scale instrument.

28 *Measuring financial well-being: A guide to using the CFPB Financial Well-Being Scale*, Consumer Financial Protection Bureau (Dec. 2015, p. 4), available at <https://www.consumerfinance.gov/data-research/research-reports/financial-well-being-scale/>.

29 *Financial Well-Being in America*, Consumer Financial Protection Bureau (Sept. 2017), available at https://files.consumerfinance.gov/f/documents/201709_cfpb_financial-well-being-in-America.pdf.

30 Using the converted score method for self-administered questionnaires for respondents between 18 and 61 years old as described on p. 28 of *Measuring financial well-being: A guide to using the CFPB Financial Well-Being Scale*, Consumer Financial Protection Bureau (Dec. 2015, p. 4), available at <https://www.consumerfinance.gov/data-research/research-reports/financial-well-being-scale/>.

31 The full set of background characteristics included "loan in deferment," degree in medical allied arts, female, military, employed full-time, completed, age range, ethnicity, and online format. Detailed results available upon request of authors.

32 *Measuring financial well-being: A guide to using the CFPB Financial Well-Being Scale*, Consumer Financial Protection Bureau (Dec. 2015), available at <https://www.consumerfinance.gov/data-research/research-reports/financial-well-being-scale/>.

33 Id.

34 See survey instrument in Appendix B, Figure 7.

35 "Positive" and "negative" weights were determined by the research team based on a general understanding of the components of financial well-being. Results of internal validity testing of these weights are shown in Appendix C, Table 9 and reflect sample's mean CFPB scale converted scores by positive and negative financial products/activities *taking place after having taken out student loans*. Though only two of these activities "Took out auto loan?" and "Regularly saved?" differed significantly in terms of CFPB scale mean scores by whether or not they took place, these charts generally show greater *positive* activity indicated *after* taking out student loans are associated with higher scores on the CFPB scale, and greater *negative* activity indicated *after* taking out student loans is associated with lower scores. This is what one would expect to see if both the CFPB scale and our own survey's delineations of "positive" and "negative" categories are generally valid.

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38 *DeVos Delays State Authorization Rules*, (July 2, 2018), Inside Higher Ed, available at <https://www.insidehighered.com/quicktakes/2018/07/02/devos-delays-state-authorization-rules>.

39 The characteristics that define each group are not necessarily unique to each group in some cases. For example, while one group by design consists wholly African-American borrowers, there are African-American borrowers distributed across other groups as well, but not necessarily in high numbers.

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51 Total debt amounts were volunteered by participants based on prompts during the sessions from the moderator. These prompts were only added to the moderator's line of questioning after the "Completers" and "Online" groups had been conducted, and it was determined that at least several participants in a group would be willing to divulge total debt amounts. Therefore, these two groups have a low response rate (n).



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