

"I FEEL LIKE I WAS SET UP TO FAIL":

INSIDE A FOR-PROFIT COLLEGE NIGHTMARE

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Jaqueta Cherry did not have a glittering GPA or a résumé loaded with internships and varsity letters. She dropped out of high school at age 17. But last fall, right after she received a general equivalency diploma, for-profit colleges and universities besieged her with offers of admission. Admissions officers told her that she could start right away. They said she could get a degree that would help her land a professional job working in computers. Hoping to escape from a future of dead-end jobs, she enrolled in a two-year associate's program at Everest University Online.

But a year later, she has failed or dropped out of six courses at two different schools. She has never earned a single credit hour. Despite attending Everest University Online and then later the Art Institute of Pittsburgh Online, she still cannot find a "salary job." But now she has thousands of dollars in outstanding federal student loans. And she's not the only one.

Jaqueta embarked on her college career after seeing Everest's advertisements on television and on the Internet. This was not an accident, though, because the schools had discovered her first.

Like many others, Jaqueta had an important asset: She was eligible for a federal student loan. It is impossible to talk about for-profit education without mentioning how the availability of federal loans affects the process.

The lack of wealth among many students in their classrooms means that a higher share can qualify for need-based student aid. More than 60 percent of students at for-profits receive need-based Pell Grants. Sen. Tom Harkin, D-Iowa, says that 96 percent took out student loans — twice as often as was the case with students in traditional four-year public institutions and more than seven times the rate of students at community colleges.

Those numbers are not an accident. For-profit schools use a business model that feasts on federal student aid. In 2010, Everest's corporate parent collected 81.9 percent of its revenues from Title IV program funding provided by the U.S. Department of Education. More than \$500 million of that revenue came from Pell Grants.

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"Before the Department of Education's legislation," says Randy Mitchelson, author of DailyDollar Newsletter [and an expert in lead generation](#), "it was just like the Wild West. The schools had huge budgets to buy leads online to reach out to prospective students. The play was 'buy the lead, contact the student, get them hooked up with a student loan and who cares if they pay it.'" Department of Education rules cap the share of revenues that can be drawn from federal loans and grants. The schools comply, but barely: Harkin's research still found that most of the national for-profit schools have the same habits as Everest. Most derive more than 80 percent of their revenues from federal aid.

Almost anyone can get a student loan because there is widespread support in existing education policy aimed to reduce financial barriers to the attainment of an education. Provided that a student meets certain citizenship requirements, has never defaulted on a loan and has no record of a drug-related felony, then he or she can qualify for at least some kind of federal aid.

The result is that while for-profit schools educate only 11 percent of American students, they receive 26 percent of all federal loans.

Hunting for leads

For-profit schools find students like Jaqueta through a process called "lead generation." Using relatively unknown marketing firms, they tap data culled from the digital footprints left behind by the use of smartphones and web browsers. Lead generators use algorithms that can sift through hundreds of data points to identify prospects. Search engine queries, browser histories, email metadata, Facebook posts and GPS records of your movements all contribute to powerful algorithms. Having collected a consumer's online history, they match up demographic records, credit scores and other details that can be purchased from third-party sources to estimate both the likelihood that a person will apply and as his or her lifetime customer value. Their algorithms can incorporate as many as 70 different user characteristics. They can analyze a person's viability as an applicant in seconds and sell it to the highest bidder instantaneously.

Since each new enrollment can bring tens of thousands of dollars in revenue, schools are aggressive in their use of lead generation services. With the decline of subprime mortgage lending, private for-profit schools are now the largest source of revenue [for the lead generation industry](#).

“The whole process, once the consumer clicks on the button to submit their application,” says Mitchelson, “will be decided anywhere from immediately to five minutes depending upon how efficiently it is designed.”

Mitchelson ceased to sell “edu” leads several years ago, when it became too expensive to fight off people intent on hijacking the system in order to commit fraud. But he said that for a time, he could sell his leads for between \$10 and \$40 each to as many as four or five schools at a time.

Everest’s corporate parent, Corinthian Colleges, Inc., [spent](#) almost \$400 million on marketing and admissions in 2013 — about \$3,700 per new admit. Education Management, the parent of the Art Institutes, [spent](#) \$641 million on marketing and admissions during fiscal year 2012, or about \$5,620 per new student.

In the lawsuit she filed in October against Corinthian Colleges, California Attorney General Kamala Harris summarized the company’s recruitment strategy:

CCI is selling these expensive programs to students throughout California, many of whom head single parent families and have annual incomes that are near the federal poverty level (\$19,530 for a three-person household). CCI targets this demographic, which it describes in internal company documents as composed of “isolated,” “impatient” individuals with “low self-esteem,” who have “few people in their lives that care about them,” and who are “stuck” and “unable to see and plan well for the future,” through aggressive and persistent internet and telemarketing campaigns and through television ads on daytime shows like Jerry Springer and Maury Povich.

Harris alleges that CCI has overstated its job placement results and manipulated the employment data that it reported to outside agencies.

When Jaqueta entered Everest, she was a young single mother caring for her 1-year-old daughter Jah’Maya. Jah’Maya’s father was incarcerated in the Harnett County Correctional Institution (he later transferred to Wake Correctional Center). She tended to work for short stints at service jobs or as a babysitter for her friends. Government benefits constituted her main source of income.

High default rates

According to formulas established by the Department of Education, students at for-profits default on their loans three times as often as students in private universities and twice as often as those in public institutions. Their ranks constitute 43 percent of all of those who default. More than one in five students who took out loans upon entering a for-profit school in 2009 had defaulted by 2012. In 2010, each of the seven institutions with the most students in default was a for-profit.

Nearly 40 percent of Corinthian Colleges’ students who should have begun to repay their federal student loans in 2008 had defaulted by the end of 2010, the highest rate of any publicly traded company in the sector. Kent Jenkins, a spokesman for Corinthian Colleges, said that Everest has focused on lowering the default rates of their students since then. He says recent cohorts have been doing better.

When challenged to explain their methods, many for-profit schools often say that their results are a product of the compositions of their student populations. Although there are certainly exceptions, often in their healthcare or doctoral programs, for-profits still tend to serve a higher-risk student body that is more likely to be poor, of color and from the first generation in their families to attend a post-secondary institution. More than one-third are at or below the official federal poverty level.

To their credit, for-profit schools have expanded the level of access to higher education in our country. For-profit schools are the fastest growing segment within higher education. As recently as in 2010, they taught 11 percent of undergraduates. Ten years ago, their share amounted to just 4 percent.

They are part of slow but sure trend that has shifted the responsibility for training workers from employers over to post-secondary schools. Individuals who might once have received on-the-job training now borrow to get the same training at a for-profit college.

Community colleges are an alternative

At Durham Technical Community College (Durham Tech), the community college in Jaqueta's hometown, students can attend full-time for less than \$2,000 per semester. But while the price is low, so are graduation rates: In its last review, the Department of Education found that only 12 percent of students entering a degree program at Durham Tech graduated. Graduation rates at most for-profit schools, including the two that Jaqueta attended, are usually higher.

The nation's community colleges face headwinds in an era of state fiscal austerity. Many state legislatures are doing their part to undermine them by cutting back on their funding. In Texas, class sizes have been increased. In California, tuition is going up and fewer students are being admitted. In Connecticut, community colleges are reducing library hours, dropping tutoring, and increasing class sizes. In North Carolina's latest budget, the General Assembly voted to cut funding for parts of curricula while still increasing prices for tuition.

For-profit schools go out of their way to respond to the needs of unconventional students. Their campuses offer classes at convenient times and in locations near where people work. They began to experiment with online coursework far before it gained acceptance within the great majority of community colleges. The schools know that looks matter, too. In Durham, the Art Institute campus holds classes in newly developed Class A office space across from the Durham Bulls' baseball stadium. There are fountains and restaurants. On the other hand, the main campus of Durham Tech is 50 years old and located near a few industrial warehouses and a public housing complex.

Students like how for-profit schools offer courses that are taught for several hours one night a week in a location near work. That kind of schedule is much easier, if you have a job or a family, than it would be to drive over to a community college campus during a break from work several times every week. As with community colleges, their curricula focus on job skills.

Jaqueta tried a semester at community college. She went to Durham Technical Community College during the 2011-12 school year.

"It did not go well," she says. "I was taking early childhood education. I did not have transportation. The class was constantly being canceled and I could not make up any of the work. I decided to leave there."

A spokesperson from Corinthian felt that these stories reflect on the ability of for-profit schools to compete against community colleges.

"We find consistently that a third of our students tried community college and left before they come to us," says Jenkins, the spokesman from Everest's legislative and regulatory office. "Our schools tend to enroll more that are at risk of not graduating. They are the first in their family to attend college, or they are low-income or they are Hispanic. What our critics conveniently overlook is that year after year, our schools have higher graduation and completion rates than do community colleges."

Jaqueta's time in school

Jaqueta signed up because she wanted to escape a future of minimum-wage work at part-time service jobs. She had to borrow in order to go to school, but the loans were a risk worth taking. The chance of a better career – even if the outcome was uncertain – justified the gamble.

“I think that if I go back to school,” she told me, “I can get a better job and I can pay them back. I can get a salary job.”

Studies consistently show that workers with advanced degrees realize a high return on the dollars they spent going to school. Given that, the general consensus in society is that post-secondary education is great thing. But those reports often ignore the fact that schools differ from each other. It makes sense that the tuition at an Ivy League school probably comes with higher-than-average returns. But for every school that brings greater-than-average returns, another falls short of the mark. Unfortunately, at-risk students like Jaqueta rarely end up at an Ivy League school. All too often, they end up at the wrong places.

Jaqueta and her sister Janeta dropped out of high school on the same day of their sophomore year at Durham's Riverside High School. It was their mother's idea. She thought it might be easier to come back later at an alternative program. A few years later, they each passed the test for a General Equivalency Degree (GED).

In the fall of 2012, Jaqueta responded to a commercial on television that encouraged her to call Everest University. Soon thereafter, she enrolled in a two-year associate's degree program at Everest College Online. She says it was easy to gain admission. The office of financial aid at Everest helped her fill out the application to apply to go to school. She signed up for one course on how to develop good study habits and another on business computing.

Everest gave her a new Hewlett-Packard laptop computer upon agreeing to enroll. Jaqueta's social worker – possibly the most important authority figure in her life – believed that she was making the right choice to go to school.

Her problems began with the laptop. It arrived after the semester began. She was behind from day one.

Then, other circumstances got in the way. In early November, Jaqueta moved out of her apartment and into the Durham Rescue Mission. On Nov, 12, after she had not logged on for two weeks, Everest concluded that she had withdrawn from school. Originally, Jaqueta had taken out federal student loans for \$5,732, but after her refund her debt fell to \$3,521. Everest kept a portion of her Pell Grant award for tuition, as well.

In January, she moved into a room in her mother's three-bedroom house on the other side of Durham. But then her sister pushed Jaqueta's laptop off of a shelf. The impact of the fall cracked the laptop's screen. “It was accidental clumsiness,” says Janeta.

Jaqueta left her mother's home and moved into a new shelter. This was not the first time that she had left home. In 2011, when she was pregnant with Jah'Maya, her mother asked her to move out.

“I was tired of living under my mother's rules,” she said. “It just became not acceptable.”

The new shelter did have wi-fi access, but there was only one computer for the dozen or so women living there. Jaqueta slowly disengaged from school.

But Jaqueta never caught on to the fact that she had been dropped from the rolls at Everest. If you ask her what happened, she believes that the school suspended her in February and not back in October of the previous year. In her mind, even though she was not logging on to study, she believed that she was registered all the way through February of 2013.

Another thing she has never been clear about was the extent of her borrowing. When I talked with her, Jaqueta never knew if she had received grants or if she was paying for school with loans. Her only sense of the cost was the small fee she paid out of her pocket to start school.

She got a job working for \$8.40 per hour as a cashier at the Wal-Mart in a suburb near Raleigh. Still, her hours were inconsistent and she often had to take the bus for 40 minutes just to complete a four-hour shift. Within two months, she quit.

Once she had the Wal-Mart job, she went in with a friend to rent a two-bedroom apartment for \$475 per month. She sold her purple Dodge van in order to put together enough cash to turn on the utilities, pay a deposit on the apartment and cover the first month's rent.

Then she made another decision. While searching for work on the employment website www.jobhat.com, a pop-up advertisement appeared. "Do you want to go to school?" it said. "Let Us Match You with Top Schools in Seconds!" JobHat.com is the kind of website that is designed to gather information that can then be sold as leads.

"Of course," she thought, "I want to go to school."

The pop-up ad promised that an advisor would help her to gain admission if she entered her name, her email address and her phone number. She got the first call the next day. Given her career interests, which had now changed to graphic design, the operator suggested seven schools. Jaqueta picked four of them: the Art Institute of Pittsburgh Online, Colorado Technical University, ITT Tech and Everest.

"The next day the schools called," she said. "They blew my phone up. If they say they are going to call you, then they are going to do so. They will make sure that you do it."

Senator Harkin's investigation found that schools typically paid as much as \$150 for each lead. When costs of leads are coupled with the costs for admissions officers and financial aid advisors, some schools report that they spend more than \$3,000 to enroll a new student.

Lead generators are a hidden but almost universal player in the admissions process at for-profit schools. In seconds, their algorithms can estimate a consumer's likely future behaviors, whether the question at hand is if a person is likely to repay a bill or if he or she will follow through on a college application. For-profit schools pay for this data to maximize the return on their marketing dollars.

"For-profit schools [benefit from] the latest digital tricks to snare people into their high-cost tuition net," says Jeff Chester, director of the Center for Digital Democracy and an advocate working to combat the practice of lead generation. "Stealth data tracking is designed to steer people into making decisions that will cost them thousands of dollars. Few consumers and certainly not many of the ones looking for an education know that they are really being tricked when they fill out various forms on sites about going to college. They don't know that the data is sold to the highest bidder."

Companies such as eBureau, the developer of the eScore, assesses the potential value of 20 million Americans every month. According to the New York Times, a spin-off of eBureau scores 110 million people just as

frequently. Those ratings tell companies how much a consumer is likely to spend on a particular product category over his or her lifetime. In the future, the integration of payments on to the smartphone platform will further increase how much companies know about individuals.

To be clear, though, lead generation is not unique to for-profit education. But in the period after the subprime mortgage crisis, Chester says that its clients represent the largest market within the industry. Price Waterhouse Coopers says that lead generation companies booked \$1.7 billion in revenues during 2012. Their work means that lead generation firms can now evaluate almost every American household for their value as consumers.

The shiny campuses, the colorful brochures and the powerful sales pitches all explain part of the reasons for choosing an expensive school. All students, not just the ones looking at the best schools, are prone to fall for campuses with better amenities.

But the for-profit schools pursued Jaqueta. Their representatives did not want to take “no” for an answer.

Being wanted is powerful. In the documents that Kamala Harris submitted as part of California’s lawsuit, Corinthian explicitly acknowledges that many of their candidates meet this psychological profile. “The contrast between all of that love from a good marketer,” says Gayle Erdheim, academic director at the Achievement Academy, “and the steely brush-off or endlessly unanswered messages at the under-staffed local community college is pretty striking.”

The Achievement Academy is a nonprofit in Durham that helps high school dropouts pass GED tests. Many students at the Achievement Academy told similar stories of their experience with community colleges: lost transcripts, coursework that has fallen behind advancements in technology, and hard-to-satisfy registration procedures. It is unusual to find a community college with marketing materials that match those of a for-profit, and it is rare that their facilities are as well-furnished.

Lately, Erdheim has noticed that for-profit schools are finding her students while they are still in the process of getting their GED.

“What is routinely happening now is that during that period of time immediately after students get their GED,” adds Erdheim “is they are getting bombarded with advertising from for-profit colleges. It seems to me that the main reason that this is happening is because the for-profit schools are making it so easy to get in. There are no placement tests. It is just so much easier to get started. We are losing students over and over and over again to the draw of the for-profit programs.”

To that point, Corinthian Colleges now operates GED programs on some of their campuses.

Jaqueta chose the Art Institute of Pittsburgh’s online program in graphic design. While Everest generally accepts all but a few students, the Art Institute is usually more selective. The school says that fewer than half of all applicants gain admission to its regular programs. Slightly less than one in four are turned down for a spot in an online program.

“Every applicant to The Art Institute of Pittsburgh—Online Division (AIP) must meet several requirements for admission based on the degree program they would like to pursue,” says Natalia Derevyanny, a spokesperson for the Art Institute. “Each application is reviewed by the Admissions Committee, who base admission on a number of factors, including grade point average, admissions essay and, for some areas of study, a portfolio.”

Jaqueta made the cut.

“I asked them ‘what do I have to do to get in?’” she recounts. “They said, ‘Just fill out the FAFSA and pick your program.’”

The Art Institutes is the largest school within the assortment of schools owned by Education Management Inc. When its campuses are counted as a whole, Education Management is the second-largest university in the United States, ranking only behind the Apollo Corporation. It counted a student body of 127,360 at the end of June 2013. Private equity firms own the majority of the [common stock of Education Management Corporation](#). Various entities within Goldman Sachs own 49.5 percent of the company’s common stock and Providence Equity Partners, a private equity firm in Rhode Island, holds another 37 percent.

While media arts is the most popular degree sequence at the Art Institutes, the school trains many individuals for careers in food service. “Most of those who want to will probably get some sort of a job in the business,” said Jana Wardle, a former Culinary Arts instructor at the Art Institutes and currently a professional pastry chef in Miami, “and make around 10 dollars per hour. I think paying back huge loans would be really hard with that paycheck. Impossible.”

Jaqueta began Art 1000, Introduction to the Visual Arts, on June 6. She was awarded \$4,359 in financial aid from a mix of federal loans and grants. Because Jaqueta never replaced her laptop, she planned to do her school work with her Kindle Fire.

But again, Jaqueta could not finish her coursework. She says she called and asked to drop out almost as soon as the term began. As she was active for a very short time, she received a partial refund.

In August, she signed up for Art 1000 again.

For-profit schools have to heed pressure from Wall Street analysts to boost enrollment. Keeping enrollments up – and share prices as well — depends upon finding a constant stream of new students. The churn rate is often very high, as many students drop out in only a semester or two.

“Without enrollment growth, said Piper Jaffray’s Peter Appert, “it’s hard to make a case for sustained improvements in margins and profitability. Business will remain profitable, but at depressed levels.”

Given that, spending tends to focus on recruiting new students. Expenditures on marketing and admissions exceed those for instruction. Senator Harkin determined that for-profits spent \$4.2 billion – almost all from federal aid – on activities related to marketing and admissions. In all, Harkin said that only 17 percent went to pay for the cost of instruction. \$3.6 billion ended up as pre-tax profit.

Still, there is money left over to enrich their top executives. CEOs at private for-profit schools can earn far more than their peers at traditional public and private not-for-profit schools. In 2009, Strayer Education paid \$41.9 million in salary, bonuses and stock to its CEO, Robert Silberman. From 2010 to 2012, Todd Nelson, the CEO of Education Management, received \$21.5 million in compensation. In 2012, Jack Massimino, the CEO of the corporate parent of Everest, received compensation worth \$3.1 million. By contrast, the Chronicle of Higher Education says that the average compensation package in 2012 for a president of a public university was \$441,392.

Different students, more drama

Very few college students are homeless and it is unlikely that many graphic design majors use a Kindle Fire to do their homework. Nonetheless, Jaqueta’s story still fits within the broader experience of more than a few. Until she begins to pass her classes, she will never advance through a program to the point where her portfolio

can land her a job as a graphic designer. Those lessons will cost her dearly, because she will have borrowed thousands of dollars in the process. Between her loans and the money she still owes to Everest, Jaqueta now has more than \$6,000 in debt. Yet so far, she has never earned even a single hour of college credit. Her loans from Everest are in forbearance and the Art Institute has assigned a recovery specialist to a portion of last semester's tuition that she owes directly to them.

But given that Jaqueta's story seems so unusual, I went back to the Achievement Academy with the intention of finding another student attending an online program at a for-profit school whose experience might be more "typical."

Erdheim introduced me to other students who have chosen to attend an online school. The answer was something out of Tolstoy: Each student was troubled in his or her own way. One had seemingly unrealistic expectations for her two-year degree program in accounting. She planned to buy a 7-Eleven franchise upon graduating, even though she had no savings, had never worked outside of selling cheesesteaks from her front porch and was supporting five children on her own. Another was accepted at for-profit Rasmussen College, even after he was turned down for entrance to a community college, when he submitted a high school diploma that he had purchased for \$125 from Nation High School. He could barely type. He says he never passed an English class after fifth grade.

"I feel like I was set up to fail," he said.

Both had taken out thousands of dollars in student loans. Both received entreaties to go to a private for-profit college from online lead generation services before either had their GED. "I told them to wait until I had my GED," said the mother in the business program.

I found more equally unusual stories when I searched beyond the Achievement Academy. A friend introduced me to a homeless man who had become a friend of her family. Although he had been living in a shelter for most of the time since he completed a prison term for felony car theft, he had been getting calls on his government-issued Lifeline cell phone for years by lead generators. He never signed up, because he wisely realized that he could not afford it.

"Every time you ask how the schooling is going to be paid for, they never get to the interest rate until you are so deep into their hole. I get off the phone. They are talking about a couple of thousand dollars."

The life of GED graduate can stray far from the experience of a "typical" student coming from the comfort of a middle-class background. Each is delegate to a caucus of difficulties.

"The GED student lives in the land of the outliers," says Erdheim. "Jaqueta and the others are as typical as anyone else."

To see examples of success, I went to a portfolio viewing for new graduates of the Art Institute of Pittsburgh. Graduates at the Art Institute of Raleigh-Durham seem a world apart. In the ballroom of the Durham Marriott, about 30 students displayed their graduation portfolios. The work was impressive. Some of students, most notably those in video game design, presented complicated work that would justify a high salary. But while it is evident that some students do achieve great things, the tragic combination of low graduation rates and high rates of student loan default remains omnipresent. Success is great. Failing is disastrous.

So why do so many have trouble gauging the risk? It is fair to say that many at-risk students would be better off at a community college or in a vocational apprenticeship. The problem could be that there are no

gatekeepers in place. For-profits have open admissions policies because they need to impress Wall Street with an ever increasing stream of new student enrollments. On the demand side, there are virtually no checks in place to finding a loan. The president has recently outlined some proposals to link performance by colleges – as measured by their graduation rates and affordability – to Title IV eligibility. Still, those ideas remain in the background of a policy agenda filled with more pressing problems.

Sooner or later – most likely through garnishment of her future wages and tax refunds — Jaqueta will pay back her debt. Short of dying or suffering a complete and permanent disability, there is no way to avoid paying back a federal student loan.

Jenkins, the spokesman representing Everest, discounted the scale of her obligation.

“In this case,” says Jenkins, “the financial obligation to the student is not inconsequential. But it is relatively modest.”

Jaqueta still owes several hundred dollars to Everest for costs that weren’t paid by her federal aid and thousands more for federal loans. Several thousand dollars is more money than she has ever had at one time in her entire life.

Jaqueta just wanted to avoid the future she saw for herself. Before she started Everest, she knew that she was likely to spend her years working at dead-end service jobs that paid her minimum wage. Going to school, even if it meant taking out loans, gave her the hope of redirecting her future. In the vernacular of the Art Institutes, she was doing her best to “create tomorrow.” But those schools promised her the moon. She heard that with a degree from their schools, she could become a computer professional or a web page designer.

She lasted until the last week of her fourth semester before things went awry. She had managed to transition through another financial crisis. Jaqueta’s roommate moved out and left Jaqueta with four months of unpaid utility bills. Even though Jaqueta had replaced her income from Wal-Mart with a regular stream of babysitting jobs, but she couldn’t cover the costs of paying those utility bills. The electricity was turned off and with it she had no heat or hot water. She could not get any studying done there.

This time, when she moved out of her apartment to a relative’s house across town, she had access to a computer. Unfortunately, her uncle did not have Internet service. To accommodate, Jaqueta learned to tap the Internet by tethering his desktop computer to her phone via a USB cable. The phone’s 3G service provided enough bandwidth for the course software.

Jaqueta’s mobile provider turned off her phone two days prior to the day when she was scheduled to take her final exam. She finished with an “F.”

An education in risk

When faced with the alternative of doing nothing, Jaqueta’s choices have some logic. Is it two-faced to laud the tenacity of young people who seek a career in a diminished field such as law but chastise the one who borrows to become a certified nurse assistant? Why should we think any differently of Wal-Mart cashiers who try to get a basic “salary job?”

Most parents trust that the school believes their child has the capacity to graduate. Yet that would be a naïve assumption at many schools. In fact, more parents should be prepared for their children to have the same experience as has Jaqueta. According to Senator Harkin’s report, more than half of students who entered a for-profit college in 2008-09 left “without a degree or diploma within a median of 4 months.”

Much of this trend mirrors what happened in the housing crisis only a few years ago. As was the case then with homeownership, our nation's belief in extending opportunity supports well-intentioned policies to help people advance to the middle class. Indeed, it is probably true that if more people had advanced degrees, then we would all share in the benefits. But there is little in place to vet the process of borrowing. Many schools have open admissions policies and federal student loans are available to almost anyone. The system lacks for judgment. Jaqueta could have taken a different path, but who can fault her for her acting on her aspirations?

Young people are willing to pay a high price for opportunity. But by pulling back on public investment in the community college system, while simultaneously watching as tuition costs skyrocket at schools everywhere on the academic spectrum, one element of our country's social contract is faltering. If at one time the implicit proposition for securing a place in the middle class was "work hard and you will succeed," today it is something different. Increasingly, at least for students like Jaqueta, gaining the skills needed to move up the ladder is a massive risk. Jaqueta is a casualty of that gamble.

Of course, students from schools of all stripes end up with more debt than they can handle. Going in, students hear plenty about how a college degree can raise your lifetime earning power. But unfortunately, earning more is only half of the equation. To really make sense, a college degree has to make enough of a difference to cover the cost of borrowing. If earnings don't exceed the costs of paying off tuition, then the value proposition falters.

Many students who have attended for-profit schools can show a solid return on their schooling. But too many were probably not ready at the time that they were accepted. Those students are not the unusual exception, either. In fact, they are all too common. The undeniable facts are that all but a few students at for-profit schools borrow and only a minority of them graduate. It is the downside experienced by too many of them that constitutes a problem for education policy.

"I have no regrets about trying," said Jaqueta, "but I wish I didn't have all of these debts now."