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ABSTRACT

This report describes proprietary schools, the profit-oriented, privately-owned institutions that train students for job entry. Emphasis is placed on the past and future images of proprietary schools; the number and types of proprietary schools; distinctive operating features; instruction and faculty; students in an out of proprietary schools; the social value of proprietary schools and the research problem; and abuse, accrediation and regulation. A 73-item bibliography is included. (MJM)

Proprietary Schools and Postsecondary Education

David A. Trivett

1974

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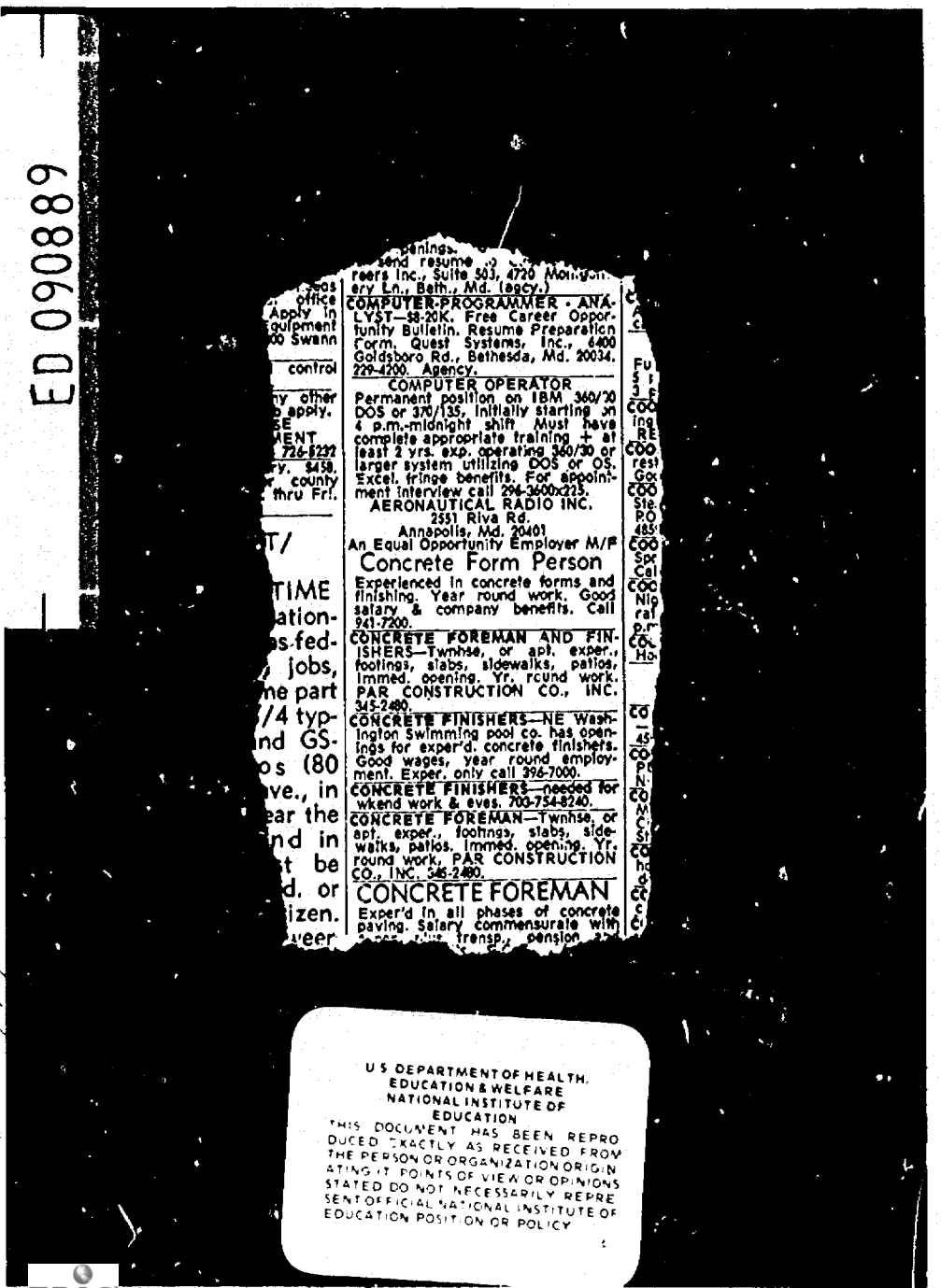

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Proprietary Schools and Postsecondary Education

David A. Trivett

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Foreword

This report describes proprietary schools, the profit-oriented, privately-owned institutions that train students for job entry. With debate about the purposes of higher education and the introduction of the phrase "postsecondary education," the proprietary school is being studied with renewed interest. These schools have long existed but due to a lack of information negative connotations persist, especially regarding their educational merit or value to society. Yet, a myriad of proprietary schools survive with distinct operating features and purposes that contemporary students find attractive. The report concludes with a description of current regulatory campaigns and new and proposed legislation affecting these schools. The author, David A. Trivett, is a research associate at the ERIC Clearinghouse on Higher Education.

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Overview

The New Meaning of Postsecondary Education

The proprietary school has been part of the American educational scene for some time. But the school in that yellow brick building with "Smith Business College" stencilled on the windows is assuming more importance. One reason arises from the new meanings gathered around the term *postsecondary education*. The term once meant education less than the baccalaureate occurring after grade twelve. Now, postsecondary education is coming to mean virtually every type of learning activity engaged in by students over the age of compulsory schooling. The type of institution an adult learns through is much less important than in the past (Trivett 1973, p. 1).

The Carnegie Commission recently defined postsecondary education as "all education beyond high school." Two broad categories comprise it:

> *Higher education* as oriented toward academic degrees or broad occupational certificates. It takes place on college or university campuses or through campus-substitute institutions, such as the 'open university' with its 'external degrees.' *Further education* as oriented toward more specific occupational or life skills, rather than academic degrees. It takes place in many noncampus environments—industry, trade unions, the military, proprietary vocational schools, among others (Carnegie Commission 1973, p. 3).

Although that split of postsecondary education makes many in "further education" uneasy, it does emphasize the interrelationship—higher education and further education are sharing a market and higher education is being squeezed. Numerous trends have been charted that show a falling market for higher education, not only from changing birthrates, but also from belief that a college degree isn't buying what it once bought in the job market. Furthermore, some state legislatures are demanding more coordinated effort of all the educational resources of a state, forcing higher education to compete in a more open market (Trivett 1973, pp. 1-2).

On another level, the thinkers and planners are suggesting ideas that challenge the traditional relationship of students to schools. For example, *lifelong education* encourages a greater flow of students into a variety of institutions and extends learning beyond the customary age, so that it is available throughout one's lifetime. In the

view of its proponents, a limit has been reached on the social return from education that takes place only at the beginning of a person's life (p. 2).

Proprietary schools might gain stature in postsecondary education from two different reform ideas labelled "alternative channels." A White House panel stresses the need for alternative channels for youth to become adults other than through more and more schooling. Beginning work earlier is one alternative (Panel on Youth 1973, pp. 123-125). As will be shown, proprietary schools perceive themselves as institutions to get students into jobs. This mission is usually carried out in a work-like atmosphere that emphasizes the occupational objective of training.

Second, there have been numerous calls for alternative channels for those who want education or training at any point in their adult life. The Commission on Non-traditional Study has urged "the older system" to recognize the total potential for education in the U. S. that would be available if alternate opportunities for learning, such as proprietary institutions, are used to perform services not provided by the older system (Commission 1973, p. xvii). The need is to permit advanced education for all Americans, not just higher education for those seeking it in youth. The attractiveness of all alternative institutional channels would be enhanced by giving an educational endowment to each citizen to spend where and when he will (Carnegie Commission 1973, pp. 1, 5, 6, 9, 18). The Commission acknowledges that a lack of information has impeded the use of alternatives to college.

The Education Amendments of 1972

The Ninety-second Congress and the Education Amendments of 1972 gave legal and monetary force to the concept of postsecondary education and provided a boost to some proprietary schools. Seeking diversity, access, and real choice for students, Congress funded programs across all postsecondary education and extended financing directly to students, thereby encouraging consumer choice (Dellenback 1973).

The *Student Assistance Provisions* (a revision of Title IV, Educational Opportunity Grants, of the Higher Education Act of 1965) stipulate that grants such as the Basic Opportunity Grants are available directly to students on the basis of need rather than scholarship or institutional choice. The student determines where his money is to be spent (Marland 1973).

Special Programs for Students From Disadvantaged Backgrounds. These programs are designed to identify qualified students from low-income families, prepare them for a program of postsecondary education and provide special (remedial) services for such students. They also allow proprietary institutions to be eligible as contractors (U. S. Congress 1972, p. 26).

1202 Commissions. For states to benefit from the Community Colleges and Occupational Education Amendment title, they are required to "establish a State Commission or designate an existing State agency or State Commission . . . which is broadly and equitably representative of the general public *and public and private nonprofit and proprietary institutions of postsecondary education in the State* [emphasis added] . . ." (U. S. Congress 1972, p. 93). States are also required to conduct inventories and planning studies that broadly extend opportunity for postsecondary education throughout each state.

Thus, through the purse strings, Congress has encouraged the states to increase access to students and embrace more types of institutions in planning. Money, recognition, and equality have been extended to all institutions, regardless of their traditional status in the academic heirarchy. The student has more choice over how his money will be spent for his postsecondary education. As a consumer, he will have more pick of the marketplace; he may choose a proprietary school over a two-year occupational program in a community college or over a year of floundering in college. Although large numbers of proprietary schools are ineligible for the benefits from Education Amendments of 1972 (Jones 1973, p. 1), the Amendments are part of the larger refocusing of vision on what is called post-secondary education.

The phrase "postsecondary education" implies a change in the world of which proprietary schools are a part. While different types of learning provided to adults past the age of compulsory schooling are growing in importance, higher education as traditionally served is shrinking. One "alternative channel" idea is that youth be encouraged to move into adulthood through ways other than four years of college immediately following high school. Another "alternative channel" idea would strengthen institutions that educate adults throughout their lives, even if those institutions are not called colleges. The Education Amendments of 1972 boosted this thinking by shifting more money to the consumers of education and by recognizing the contributions of a broad spectrum of schools.

Past and Future Images of Proprietary Schools

"Peripheral" Education

Proprietary schools are part of postsecondary education and have long been an alternative channel. But for a variety of reasons, they have had little reality to the "education establishment." Stanley Moses argues that by concentrating on the "core" (the traditional ladder from kindergarten to graduate school) we have ignored the "periphery" (which, including proprietary schools, means vocationally oriented learning activities engaged in by millions). Not only is this myopia "ill-suited to the changing needs and demands of today," but it ignores what he argues were actually the most important learning activities for 60 million adults in 1970 (Moses 1971, *passim*).

However, for proprietary schools, being on the periphery has also meant being outcast. Propietary schools have always stood apart, offering a functional type of education that "largely because of the profit motive . . . has been viewed . . . as a hardy weed in the academic garden" (Fulton 1969, p. 1022). Belitsky reports that private vocational schools have been ignored and generally held in low esteem, one reason being that they did not fit into the "myth" of equal educational opportunity (Belitsky 1969, pp. 6–7). Glenny notes "with few exceptions, higher educational leaders have been disdainful of education or training offered by other types of institutions . . . [ignoring] the study of, or data gathering about, any students, faculties, or institutions which did not fit the prescribed higher institutional model. . . ." Glenny continues, "our discernment sharpened considerably when we found that college enrollments were leveling off, while those in the proprietary institutions continued to increase" (Glenny 1972, pp. 1–2).

The profit-seeking objective has been the source of much of the ostracism, according to Wilms, since the conventional wisdom associates the public interest with public support of education (Wilms 1973a, p. 6). Profitmaking has also influenced the relation of proprietaries to accrediting. Miller and Hamilton explained this in 1964: "The independent business school, in its effort to attain recognition, has had to struggle with an entrenched philosophy of education—that, precedent to consideration for accreditation, an institution must be established as nonprofit" (p. 85).

A status problem is associated with occupational education of all types. While many perceived the need for more students to train in occupational programs, social status associated with a college degree and the lack of a clear, palpable alternative to college has slowed efforts to encourage the choice of occupational programs (Bender and Murphy 1971b, p. 270). Because of their mission, proprietary schools have specialized in low-status, occupational education.

The federal stance toward proprietary education has been wavering. In 1970, prior to the Education Amendments of 1972, the House Republican Task Force listed 15 student aid programs under which federal aid could go to proprietary school students and nine programs under which proprietary schools were eligible for training contracts (U. S. Congress 1970). However, the utilization of these authorizations was mixed. Fulton argues that client-oriented agencies, such as Vocational Rehabilitation, made greater use of authorizations than did institutionally-oriented agencies (Fulton 1973, p. 8). Hoyt has argued that the Veterans Administration has been "systematically biased" against all occupational programs in favor of baccalaureate degree programs for veterans, in spite of manpower realities favoring occupational preparation (Hoyt 1972, pp. 1–2, 12).

Signs of Continued Life

Although the specters of ostracism, profit-making, low-status programs and federal ambiguity continue to haunt proprietary schools, there are signs of survival and vitality. There has been some conscious questioning of why proprietary schools have been relegated to second-class status, of why we have regarded education in traditional academic classrooms as the only way to educate (Newman 1972, p. 30). In addition, a series of new circumstances all point toward renewed vitality for proprietary schools.

Public concern with accountability and manpower has drawn attention to forms of postsecondary education other than colleges and universities. Proprietary schools do well as single-purpose, human-capital creating institutions (Carnegie Commission 1973, pp. 22–23). Accountability, as measured through survival in the marketplace, is "old hat" to them (Harcleroad 1973, p. 6).

Several recommendations of the Carnegie Commission (1973), if enacted, would also give new life to proprietary schools. For example, the Commission stresses the need for states to maintain a full spectrum of postsecondary resources to meet divergent needs of all citizens

without duplicating in colleges and universities those specialized programs that are already available (p. 70). Also, the Commission recommends that "every person will have available to him, throughout his life, financial assistance for at least two years of postsecondary education. For at least part of the entitlement, there will be no restrictions as to the type of educational institution the recipient might elect to attend" (Carnegie 1973, p. 69). The Panel on Youth supports this voucher concept, proposing that a voucher equivalent in value to the average cost of four years of college be given to a youth at age 16 for discretionary use for schooling or skill acquisition at any subsequent time (Panel on Youth 1973, pp. 141–142). Assuming that cost is a deterrent to proprietary school attendance, voucher plans bode well.

The market that proprietary schools have traditionally tapped will continue to grow. For example, the Commission on Non-traditional Study, surveying the educational interests and activities of a representative sample of American adults from ages 18 through 60, found a clear preference for vocational subjects by "would-be learners," with "learners" giving vocational subjects a strong second choice (Commission 1973, pp. 16–17). Substantial expansion in numbers during the seventies, and great expansion during the eighties is predicted for "nontraditional" students, those other than mostly young full-time degree-credit students (Carnegie 1973, pp. 10–11). Finally, the re-education market, for adults in need of updating, may go by default to specialized schools rather than to the traditional colleges and universities, which appear ill-suited for such chores (Harcleroad, p. 6).

The last ten years have seen a mushrooming in the number of community college opportunities available to the proprietary school clientele. So it might seem surprising that Shoemaker would recently discuss the challenge of proprietary schools to community colleges (Shoemaker 1973). Another commentator, Erickson, found proprietary school administrators not threatened by community colleges. Although the initial impact on enrollment from the establishment of a community college was high, the administrators had observed a long-term tendency for students to perceive the difference between community college and proprietary school programs and to continue to attend those proprietary schools with good reputations (Erickson 1972, p. 9). Indeed, Wilms has observed that while proprietary school administrators encountered in his study were aware of their "competition" from nearby community colleges, community college

and college administrators ignored the proprietary schools, surely a dangerous attitude (Wilms 1973b, p. 77).

Why Proprietary Schools Survive

Those who have written of proprietary schools have frequently identified reasons for their survival and their competitive edge in a hostile world. A few of these observations are summarized here.

Proprietary schools continue to be preferred by students seeking intensive job training; they offer courses too expensive for community colleges to implement; they have more institutional flexibility (Erickson 1972, p. 51).

Proprietary schools can respond quickly to changes in manpower needs of local industries and business, adding courses without delay; they can meet the needs of each student, including those who have not been successful in academic courses; they employ practice-oriented teachers who use innovative teaching techniques; they offer shorter courses on more flexible schedules, enabling students to attend year round and enter work sooner (Worthington 1973).

Katz lists nine reasons for future growth in the private school industry: continued, increased Congressional support; the active participation by large industry through acquisitions; growing tendency for states to license, certify, and regulate the industry; growth of national trade and professional organizations; formulation of accreditation policies; increasing need for type of training offered; recognition by parents that not all children are college material; recognition that occupational education is not reserved for low achievers; beginning of a dialogue between the independent private schools and the rest of postsecondary education (Katz 1973, pp. 152–153).

In summary, proprietary schools continue to exist in a world where they have been often ignored or relegated to outsider status because they are profit-seeking. Although federal authority has existed for contracts with proprietary schools, practice has varied. Recently, more favorable points of view toward proprietary schools have arisen. New markets are seen in the nontraditional and vocationally-oriented clientele. Numerous reasons are given for the continued survival of proprietary education that will be explored in the following chapters.

The Number and Types of Proprietary Schools

There exists a universe of schools that falls within postsecondary education and outside higher education. These outsiders are referred to here as "proprietary schools," but the terms "private specialty schools," "private trade and technical schools," "the private school industry," and "independent colleges and schools" all overlap into the same territory with minor boundary differences. Generally these schools are operated for profit, but some are established as nonprofit corporations. Most of the literature in this paper refers to schools designed to prepare students for particular occupations, but many schools have courses directed toward hobbies, leisure, and self-improvement. Additional defining characteristics suggested by the Carnegie Commission include the offering of a limited group of programs or subjects, private operation (profit or nonprofit), a post-compulsory age student clientele, and operations that may include day, night, and correspondence school. Generally, proprietary schools do not award college-level degrees (Carnegie 1973, p. 86).

Numbers

Figures for the number of institutions and enrollments in proprietary schools are approximations at best. The absence of a standard set of figures reflects several problems:

- Until recently, there has been little official interest;
- No one agency or organization has cared to draw together what data is available or to specify definitions and criteria;
- For competitive reasons, presumably, some schools and their interest groups are reluctant to publish precise figures.

Approaching the universe of schools from the angle of interest in those who offer postsecondary occupational programs, the National Center for Educational Statistics has recently published the first directory of public and private schools that offer programs designed to "(1) prepare individuals for gainful employment in recognized occupations and/or new and emerging occupations; (2) assist individuals in making informed and meaningful occupational choices; and (3) upgrade or update the skills of individuals already in an occupational field" (Kay 1973, p. vii). Schools listed in the directory are approved by state education departments, or are accredited regionally

or by one of the recognized accrediting agencies, or meet requirements for the Federal Insured Student Loan Program or Veterans Administration benefits (Kay 1973, viii).

The directory lists institutions that meet its criteria by state. The statistical breakdown is shown below.

1971-1972 Vocational School Universe

Type	Number (with federal recognition)	Number (others)
Technical or Vocational	1,027	395
Technical Institute	506	56
Business/Commercial	967	712
Cosmetology	1,481	962
Flight	1,345	535
Trade	597	485
Correspondence	114	41
Hospital	1,134	132
Other	45	220
Subtotals	7,016	3,538
Two-Year Colleges	782	5
Four-Year Colleges	384	6
Totals	8,182	3,549
Total (federally recognized and other):	11,731	

Source: Kay 1973, p. xix; and unpublished data from National Center for Educational Statistics.

Unpublished estimations for the entire number of institutions offering postsecondary occupational programs, approved or not, yield a total of 11,731 of which 15.2 percent are public (1,738) and 84.8 percent are private (9,948). Of the grand total 70.6 percent or 8,279 institutions are proprietary. Of the non two- and four-year college group, 66.5 percent or two-thirds are federally recognized, thus eligible for many federal contract-training or student-assistance provisions (National Center for Educational Statistics, n.d.).

Overall enrollment estimates are even more approximate than the numbers of institutions. As part of its campaign, the Federal Trade Commission released figures showing an enrollment of more than 3.3 million students "in about 10,000 different vocational and home study schools, paying anywhere from $350 to more than $2,000, for various training programs" (FTC Starts. . ." 1973, p. E1). A *Time* article suggests an enrollment of one million students in proprietary voca-

tional schools ("Learning for Earning" 1972, p. 38). In viewing the entire participation in postsecondary education in the U.S., the Carnegie Commission (1970) estimates total program enrollments of 73.8 million, with 3.8 million (or 5.1 percent) enrolled in proprietary institutions (excluding correspondence enrollments). When the full-time equivalent enrollment for postsecondary education is estimated at 17.6 million, the estimated proprietary full-time equivalent is 1.35 million or 7.7 percent of the total (Carnegie 1973, p. 35). Correspondence instruction, much of which is proprietary, has a total program enrollment of two million but a full-time equivalent enrollment of only 50,000. Southern Regional Board estimates that exclude students in barbering, cosmetology, and manpower re-training put 8 percent of the postsecondary student population in proprietary technical schools and 4 percent in proprietary business schools ("Taking the 'Higher' Out of Higher Ed" 1973, p. 2).

Until more precise census procedures are devised, reliable figures on numbers of institutions and enrollments will be elusive. Likewise, historical trends, allocation studies, and prognostications are suspect. It seems fair to say, however, that we are referring to at least 10,000 schools that enroll 3 to 4 million students. Not very precise, but very big. If demand for higher education continues to shrink for reasons previously mentioned, or if a trend toward enrollment increase in proprietary schools during high unemployment or recession is sustained (Erickson 1972, p. 17), proprietary school enrollment as a proportion of the total postsecondary education enrollment may rise.

Types of Institutions

Splitting up the institutions by type is at least as complicated as estimating enrollments. In the National Center directory, categories are basically occupational groups, but include some division by institutional type: technical or vocational, technical institutes, business and commercial, cosmetology, flight school, trade school, correspondence, hospital, junior or community colleges, college, and other (Kay 1973, p. xix). Katz, describing the "independent private school industry" in Illinois, lists the categories employed in Illinois that mirror the consequences of four different regulatory agencies: in-state business, vocational, home study and self-improvement; out-of-state business, vocational, home study, and self improvement; cosmetology, barber, mortuary science, truckdriving, commercial driver training, and pilot flight and ground schools (Katz 1973, p. 43). Kincaid and Podesta categorized schools for their study into the

following types: business and commercial, health services, real estate, cosmetology, barber, trade and technical, correspondence, and miscellaneous (Kincaid and Podesta 1967, p. 205). Most of the literature reviewed in this work is restricted to studies of institutions offering business (including computer), trade and technical, or correspondence courses.

Proprietary School Management Terms

Certain terms are repeatedly used in discussing proprietary school organization. Miller and Hamilton (1971) provide a glossary of terms for their discussion of independent business schools that is helpful in considering all types of proprietary schools (italics not in original):

> [A] *sole proprietorship* means that the institution is owned and controlled by one person. He employs the personnel, sets the policies, and makes the decisions. He is responsible for the success or the failure of the educational enterprise. Practically all business schools were originally sole proprietorships. . . .
> *Partnership* is a form of organization in which two or more individuals combine their capital and abilities in the operation of the school. Each partner is generally responsible for the acts of any and all of the partners. . . .
> Today [1964], the *corporation* is the most popular form of business school organization. The independent business school that operates as a corporation is almost always incorporated under the laws of the state in which the school is located and naturally is subject to all the statutes involving corporations in that state (Miller and Hamilton 1971, pp. 68-71).

However, as Katz points out, corporations are themselves of more than one type: "(a) a closed corporation where stock is distributed to a few controlling stockholders, usually the original founder and proprietor, or partners, and/or principal operating members; (b) the school may be owned as a subsidiary of a larger publicly-held, stock traded corporation; and (c) the school may be classified by the Internal Revenue Service as a nonprofit business entity" (Katz, p. 111).

> The *chain school* [which was important in the 19th century development of business schools] may be defined as a series of independent business schools usually located in different cities in the same state or adjoining states, with local managers or principals, but under the same ownership and controls. . . .
> A *franchise course* may be defined as a textbook or series of textbooks, a machine or an instruction plan, owned and controlled by those who developed it and offered to business schools for their exclusive use in their city or area (Miller and Hamilton 1964, pp. 68-71).

The additional term *subsidiary operation* is brought to mind by Katz:

> Today, the vast majority of private, profit-seeking schools are not operated by single owners. In fact, over 85 percent of all private schools are corporations and, during the past decade, some of the largest American corporations have elected to actively participate in the private school business (Katz 1973, p. v).

Proprietary Business Schools

Through the work of Miller and Hamilton and the Association of Independent Colleges and Schools (formerly United Business Schools Association) information is available on the past and present morphology of proprietary business schools.

The independent business school has had an ambiguous place in American education. Like other proprietary schools, it is an educational enterprise with a clearly defined objective, yet it is also a business enterprise operated for profit. It has traditionally had little or no articulation with other forms of postsecondary education. With minimal supervision from the state, it has been permitted a maximum of private initiative. It is an institution with a peculiarly American history, having provided most of the office workers needed in earlier periods of the twentieth century. According to Miller and Hamilton (1964), most cities of over 10,000 population sported their own independent business school in the early 1900's (pp. 1-2, 23-24). Hosler agrees that business education in all forms originated with private business schools (Hosler 1971, p. 519). Yet the key to the contribution made by proprietary business schools has been their provision of a "functional type of education for a rapidly developing industrial civilization" (Fulton 1969, p. 1022).

Miller and Hamilton (1971) describe three types of independent business schools. The specialized business school offers courses designed to develop short-term skills such as typing. A second type is the comprehensive business school that adds business and foundation subjects to the skill courses, making a course of up to two years in length. The junior college of business is the third type; it offers programs that parallel those available in a community college, but its offerings are limited to the world of business and supportive general courses (pp. 10-11). The Accrediting Commission limits the designation "business school" to institutions that offer programs usually not exceeding one academic year in length. They add the senior college of business category, a four-year institution with professional business administration courses at the college level (Association of Independent Colleges and Schools 1973c, p. 4).

Enrollment and Receipts in Proprietary Business Schools

Bolino has prepared a table that traces the enrollment in private business schools from 1900 to 1970. Beginning with a low of 91,549 in 1900, peak enrollments occurred in 1920 (336,032), 1940 (634,546), 1944 (488,112) and 1966 (439,500). He suggests a 1970 enrollment figure of 130,109 (Bolino 1972, p. 207).

Based on the annual reports of members filed March 1973, the Association of Independent Colleges and Schools published an enrollment survey. Of 479 schools reporting, well over half reported full-time enrollments of 200 or fewer students per school; however, five schools reported enrollments of more than 1,000 students each. The most common enrollment figure reported was 51–100 full-time students. Based on enrollment figures of Association members alone, a net total of 108,752 students were enrolled full time as of October 1, 1972 (Association of Independent Colleges and Schools 1973b).

Some idea of the dimension of the enterprise can also be garnered from a survey of fee and tuition receipts. For the 474 proprietary institutions out of 522 filing reports, total gross tuition receipts were $123,470,352. Eleven schools reported tuition receipts each in excess of one million dollars; yet, 36 reported receipts of less than $50,000. For the modal figure of eighty-five schools, receipts ranged from $200,000–300,000 (Association of Independent Colleges and Schools 1973a).

Proprietary Trade and Technical Schools

Another major category of proprietary school is the trade or technical school. The last major study of this group of schools by Belitsky in 1969 examined many of the trade and technical schools that were members of the National Association of Trade and Technical Schools. The schools he discusses "offer a great variety of courses or programs that prepare for direct employment. Courses are 'limited' to specific occupational training in scores of fields, including air conditioning, automobile repair, drafting, electronic technology, medical assisting, photography, welding, and such untraditional fields as baseball umpiring and horseshoeing" (Belitsky 1969, p. 2).

Belitsky prepared an estimate of the number of private vocational schools in the U.S. in 1966 that included trade and technical schools, business schools, cosmetology and barber schools. He estimated a total of 7,071 schools serving 1.5 million students. Of that group, 3,000 were trade and technical schools with 835,710 students. He found the major course categories in the trade and technical group

to be auto maintenance and related courses, data processing, drafting, electronics, medical services, and radio-TV (Belitsky 1969, pp. 9, 13).

A 1972 article about one group of proprietary technical schools, the DeVry Institute of Technology, owned by Bell and Howell Schools reported an enrollment of 6,600 in resident school (VanDyne 1972, p. 7). In November of 1973, this figure was up-dated to 9,000 full-time freshmen at eight campuses ("Freshmen Enrollment. . ." 1973, p. 2). One more recent industry enrollment figure is the previously mentioned estimate of one million students ("Learning for Earning" 1972, p. 38).

Proprietary Home Study Instruction

Another category of enterprise within proprietary schools is the provision of home study or correspondence instruction. Although a major study of correspondence instruction has been done (MacKenzie, Christensen and Rigby 1968), it is primarily an analysis of home study as an instructional method. Estimates made in 1965 show private home study schools provide approximately 20 percent of home instruction in the U.S. (p. 8); consequently, proprietary home study is only a portion of the home study market.

Fowler estimates the home study clientele at 5 million. He describes the home study sequence as follows: student enrolls in course; lessons are provided (through the mails) in sequential and logical order; student completes lesson and mails to school; school corrects and comments; lesson is returned to student who begins next lesson; a slow-down or failure to return lessons results in a letter of encouragement; no jobs are promised upon completion; resident training may follow completion of a correspondence sequence (Fowler n.d., n.p.n.). The exchange or feedback between student and institution is the essential feature of correspondence instruction according to Lockmiller. Although home study is available in an enormous range of fields, there are subjects that are typically taught only through correspondence. One major difficulty is the number of students who are nonstarters, never returning the first lesson. Also, quality control is difficult. In the U.S., correspondence instruction has frequently been organized by those with lofty aims, yet correspondence instruction has suffered from blatant abuse (Lockmiller 1971, pp. 441-451).

Carnegie Commission estimates for 1970 put correspondence enrollment at 2 million, with a full-time equivalent enrollment of fifty thousand. Although conventional wisdom suggests that cor-

respondence instruction ought to be inexpensive in comparison with other types of instruction (see Lockmiller 1971, p. 445), the Commission assigns a staggering "per enrollee manhour" cost of $14.00 to correspondence schools, a cost that is unfavorable in comparison with the cost of $3.00 for proprietary schools or $4.13 for post-secondary education as a whole (Carnegie 1973, pp. 35; 42).

Fowler estimates the number of correspondence institutions at "over 700" (Fowler n.d., n.p.n.). However, this figure includes non-proprietary as well as proprietary schools. The National Home Study Council lists 188 accredited institutions and 271 courses in its 1973 Directory. The courses range from "accident prevention" to "zoo-keeping." Scrutiny of the directory reveals that 90 corporations own the 188 institutions, with one, International Correspondence Schools, owning at least fifteen of the schools listed (National Home Study Council 1973).

Distinctive Operating Features

Proprietary school literature customarily describes the unique mission of proprietary schools as being tied to the business motive for operation. The style of organization of proprietary schools also separates them from traditional higher education. Flexibility is frequently identified as one key to proprietary school survival. In addition, two student-related characteristics, vigorous recruiting and placement service, are also highly touted features.

Educational Mission and Business Motive

In an older, classic study of the role of proprietary schools, Clark and Sloan (1966) described what they called "specialty schools." "All of them. . . are concerned with preparing students for a particular business position or industry, skilled trade, semiprofession, personal service, recreational activity, or some other vocation or avocation" (p. vii).

Another description of the limited education mission is Erickson's: "Proprietary schools have a single, well-defined mission—specific occupational training aimed toward full-time job placement in the shortest possible time. While this is a limited objective, it meets the needs in principle of students, owners and administrators" (Erickson 1972, p. 35). There is no apology for this mission. The first objective is to produce vocational success; a secondary objective is personal development (Doherty 1973). Agreement with the objective stated by Erickson above is nearly universal as is the rejection of an educational cafeteria. The purpose is to find the student who has a career objective in mind and offer him programs and courses that lead to his career objective in the shortest possible time (Jones 1973).

According to Erickson, there is general agreement among proprietary school administrators, faculty, and students about this mission. Students are seeking "well-defined skill training and placement" and don't attend proprietary schools for self-discovery (Erickson 1972, p. 19). This may be a clue to the survival of proprietary schools of all varieties in the face of an expansion of community colleges. Community colleges must offer services to meet an array of needs; proprietary schools are "restricted" by their own purpose to the provision of a limited set of services (p. 5). Wilms (1973a) elaborates on this idea in suggesting that colleges and universities have tried

to perform both their function of educating and the proprietary school function of training. Proprietary schools perform their one function well.

An eloquent explanation of the importance of the unique mission has been provided by Jones (1973). "[Proprietary education] has survived, and at times prospered, because it has lived with the realities of its own pretensions. When the proprietary school abandons its heritage of flexibility and specialized service, . . . it abandons its heritage and encourages its own extinction (Jones 1973, p. 4).

Nothing logically ties limited objectives or a specific mission to proprietary schools. But the connection is usually made through profit. Continuing Erickson's (1972) explanation, "the objective of preparing students for employment is defined by owners and administrators as the goal of 'staying in business' or 'making a profit.' The profit motive is tempered by the need to provide training that is in demand by students and will yield job placement opportunities" (p. 35). As Wilms suggests in the conceptual framework for his study, proprietary schools are rooted in the marketplace whereas public schools depend on the political process for their resources and well being. For proprietary schools, continued income depends on whether graduates find jobs (Wilms 1973b, p. 8).

The profit motive is a janus for proprietary schools. On the one side, profit-seeking has given them an infamous reputation. On the other side, defenders of profit-seeking have attributed miracles to the monthly balance sheet.

In one heated defense of profit as a motive for an educational institution, Miller and Hamilton ask why it is necessary to defend a profit-oriented organization in the U.S. economy. "The educator-entrepreneur saw a need for a service not supplied by any other educational agency, furnished the capital to establish the new institution, and took the risk" (Miller and Hamilton 1964, p. 81). Continuing, they ask "Why is it considered admirable by some observers to conduct any kind of legitimate business enterprise at a profit *except that of education?*" As with other enterprises, competition will permit the good to survive, while the poor quality schools will be driven out of the market (pp. 81–82).

To the extent that proprietary schools make profits they also pay taxes. From this characteristic, Fulton chooses to distinguish proprietary education as one form of *governance*. He identifies three forms of institutional governance: tax-paying (proprietary schools);

tax-avoiding (private nonprofit colleges); and tax-consuming institutions (area vocational schools, community colleges, state colleges, and universities) (Fulton 1973, p. 5).

Profit-seeking status substantially influences management decisions. After interviewing thirty-eight school managers, Podesta reported that occupational program development was based on an intuitive estimate of employment shortages and the potential student market. Informal surveys were made of help wanted columns. If course enrollment was not sufficient, courses were dropped (Podesta 1966, p. 45). Wolman found deliberate change encouraged within proprietary schools, change in curriculum, method, management and enrollment. School directors attributed this change to the search for profit. Because proprietary school survival and profit depend on income derived from tuition, enrollment must be maintained. This means that new students must be attracted, old students happily maintained, and graduates placed (Wolman 1972, p. 70).

Although reliable profit figures are hard to come by, estimates of income are high. For example, one article asserts that a net profit of 7 to 10 percent of annual revenue has drawn many large corporations into the proprietary school business ("Learning for Earning" 1972). Another return estimate is 9 to 15 percent (U.S. Congress 1970).

Tuition

Tuition is the source of revenue for profit and operating expenses. Erickson (1972) observes that tuition is set at the highest possible rate that permits full enrollment (p. 30). This relation between tuition and operation is the most important reality that proprietary schools must live with. For example, because of the direct relation of tuition to revenue, scholarships are regarded as bad business (Miller and Hamilton 1964, p. 59).

Freeman, in an evaluation of the manpower impact of proprietary occupational training, points out that proprietary schools vary their charges sharply in accordance with instructional costs (Freeman 1973, p. 6). The critical balance between profitability and attractiveness is contoured to the institutional cost, in contrast to the practice in higher education.

Proprietary schools have utilized various federal programs as sources of contract tuition for groups of students (Belitsky 1969, p. 144). However, direct institutional *aid* from the government is not desired (Jones 1973, p. 4).

Lean, Complex, Flexible

Two characteristics of organization are noteworthy in proprietary schools. For one, there is a leanness of operations that reflects the profit-orientation. Two, what appears as a long-term trend is a move away from small business status and toward more complex enterprises.

Erickson (1972) describes the typical "management team" used for operations in twenty schools he surveyed. The team consists of a president, dean or director of education, and several admissions counselors. Primary responsibilities of this management team were increasing student enrollments, meeting cost and quality standards, and assuring placement for graduates (p. 24). Naturally, as size and complexity increase, the table of organization increases, but there is an apparent emphasis on minimal administrative overhead. (See Katz (1973) for examples of staffing in larger or subsidiary proprietary schools.)

Another striking feature of proprietary school operation is a gradual change away from "proprietary" or sole ownership. Fulton (1973) notes that within independent business schools there was a trend (1939-1962) toward nonprofit corporations. Of late, trends have continued from sole to corporate ownership with acquistion by large publicly held corporations (Fulton 1969, p. 1027). Katz observes that well-known, publicly held corporations such as Ryder Systems, Inc., Bell and Howell, and Minneapolis-Honeywell own most of the larger schools in Illinois as subsidiaries (Katz 1973, p. v.). Erickson (1972), citing a United Business Schools Association survey, shows an increase of from 16 to 59 in the number of publicly held corporate ownerships, and a decrease of from 206 to 199 in closed, corporation-held business schools from 1969 to 1970 (p. 15). Although his figures cannot be generalized, ownership status of Wolman's (1972, p. 38) group of 51 proprietary schools is illustrative:

Single ownership	6
Independent business corporation	9
Franchise operation	8
Corporate subsidiary	10
Member of corporate chain	18
Total	51

Hence, any impression of proprietary schools as a "mom-and-pop" operation should be examined carefully.

Program flexibility is another feature of proprietary schools, a feature that allegedly arises from the tight mission, business motive, and survival drive. The proprietary school manager has no need to lobby for more funds and persuade a bureaucracy of the existence of a need (Fulton 1969, p. 1026). Belitsky argues that "flexible accommodation to the needs and demands of students and their prospective employers is the outstanding operative feature of private vocational schools" (Belitsky 1969, p. 25). He cites the appearance of courses in fields that public schools don't or won't train for, a wide range of actual admissions requirements, the use of aptitude tests rather than formal educational attainment for program admission, a great variety of attendance schedules, year-round operation, day, evening, full and part-time courses[1] and the frequent (for example, weekly) enrollment of students for new courses as evidence of this flexibility to meet student needs (Belitsky 1969 pp. 25-39). Indeed, Katz (1973) attributes the "successful continuity" of proprietary schools of their ability to fill in the chinks, innovate, and compete creatively with the rest of the educational world (p. 40).

Recruiting

Because of the critical relationship of enrollment, tuition, and revenue, proprietary schools must tend with care to the recruiting of students. Effective recruiting is important also because it enables schools to project their enrollments; since recruiting is expensive, any improvement in method is welcome (Erickson 1972, p. 25). Although students can be attracted through advertising and good will from satisfied clients, schools may also make use of "field counselors" or solicitors whose purpose it is to call on prospective students, assess their propects, and sign them up. Not clear is the extent to which "solicitors" on commission have been replaced by "counselors" on salary, although Miller and Hamilton (1964) observed a decline in the use of solicitors (pp. 51-53).

Other methods are used to beef up the recruiting effort. Wolman lists the following recruiting methods in descending order of use by the schools in his study: newspaper advertising, referrals from students or employers, Yellow Pages, direct-mail or solicitation, high school presentations, television and radio advertising (Wolman 1972, p. 50).

A typical mass-mailer advertisement was received by the author during the preparation of this review. Addressed to "resident," the bro-

[1] "Complete programs of instruction in the private school industry are often referred to as *courses*" (Katz 1973, p. 29).

chure features a prominent message mouthed by a handsome executive: "I think [computer school] did more for me than college." It continues to stress the changing job picture for college graduates and directs appeals to high school graduates, veterans, college students and college graduates. Several features about the school are mentioned: "hands-on" training with a big-name computer on site, accreditation, veterans approval, day and evening classes, placement assistance, tuition financing and "one-time" tuition as opposed to "college expenses that can go for four or more years." The mailer concludes with lists of businesses that have hired their graduates.

Placement

The proof of the pudding for proprietary school operation is the successful placement of graduates. The traditional view has held the proprietary school as an exemplary institution in the placement of its graduates. Since students come to proprietary schools with a job in mind, a job is the foremost criterion in evaluating the schooling. Consequently, schools have operated placement services, stimulated positions and contacts, and taught students how to find jobs (Miller and Hamilton 1964, pp. 65-66). Erickson (1972) asserts that placement success is tied to the singular mission of the school. High tuition is an "implicit payment for placement service" (p. 42). Freeman, who evaluates the manpower production potential of proprietary schools favorably, argues that proprietary schools sell skills and placement service to students and sell trained personnel to employers (Freeman 1973, p. 4).

Unfortunately, the precise success of proprietary schools in placement is no more clear than is the comparable record of other types of schools. Several evaluations are reported in the chapter on "Students In and Out of Proprietary Schools."

Several distinctive operating features of proprietary schools have been described. The profit motive coupled with the specific education mission provides a narrow but flexible track for school management to follow. It leads to a lean management team that is nevertheless rapidly becoming associated with large business enterprises or more complex forms than the sole proprietorship. Because of the importance of enrollment to business survival, strong methods of recruitment have been developed that are joined with packaging of the product through placement at the end of training.

Instruction and Faculty

Although classrooms are classrooms and teachers are teachers, the proprietary school motive and drivespring—namely, profit and the provision of training that leads to jobs—are responsible for a distinct instructional orientation and unique practices regarding faculty.

Instruction

In seeking the explanation for the success in proprietary trade and technical schools of previously unsuccessful students, Belitsky observed that many of the schools reject the educational institution atmosphere, settling on the shop atmosphere and shop talk. The word "course" takes the place of "subject," a "text" becomes a "training manual" (Belitsky 1969, p. 75).

Erickson (1972) found that instructional costs are primarily those of faculty salaries. Consequently, large classes in few courses are an objective, although the program essentials (as later measured by placement success) must be maintained. With the move to corporate-subsidiary operation, there is more centralized curriculum planning, although faculty is involved in the planning (pp. 26-27). Change also results from the search for cost-effective instruction. If instructional technology works and is cheaper, it will be used. If licensing requirements or accreditation standards change (thereby influencing the marketability of the product), courses are immediately altered to maintain their sales potential (Wolman 1972, pp. 71-72).

Actual methods of instruction in proprietary schools are those of other educational institutions. Miller and Hamilton describe several methods of instruction beginning with "individual instruction." This method used in independent business schools enables an instructor to accommodate the frequent entry of new students into a course. The teacher lectures occasionally on items of mutual interest and assigns material and answers questions on an individual basis. Other methods may include supervised study periods, group instruction or lecture, laboratory periods (particularly important with skill courses or accounting), supervised work study, and audio-visual techniques (Miller and Hamilton 1964, pp. 62-64).

The use of student time in the proprietary classroom may vary from public school practice. Based on his study, Wolman (1972, p. 45)

provides the following figures for proprietary school student time use, classroom or laboratory by program:

Program	*Classroom Percentage*	*Laboratory Percentage*
Office	51.6	48.4
Computer	53.3	46.7
Health	44.8	55.2
Technical	40.1	59.9

One of the most often mentioned and long used techniques in instruction the short, sequential unit or topic. With this approach, a technical course such as basic electronics is broken into perhaps one hundred smaller units. The student masters and passes many discrete segments as he moves through the course. According to Belitsky, this practice reflects the conviction that "student motivation and success are encouraged largely through a continuing sense of achievement in their vocational education" (Belitsky 1969, p. 74).

One circumstance that grows naturally from the proprietary school limited purpose and industry-relation is the likelihood that programs such as data processing may offer courses based on access to expertise and equipment not readily available to public school systems (Katz 1973, p. 37). Erickson's observations of operating schools bear this point out. Because much of the proprietary school equipment is leased (as is space), the equipment can be the latest available. Without absorbing capital, in fact providing a tax advantage, equipment like that used by employers can be offered to students in training (Erickson 1972, p. 28).

A few instructional practices seem to reflect a different attitude toward students in the classroom. For example, Freeman argues that proprietary schools have high regard for student time use. "Unlike colleges and universities, which take little account of student time, proprietary schools treat it as a costly input and try to minimize time costs by giving intensive courses that meet 4-6 hours daily, during periods of the day that reduce lost work time" (Freeman 1973, p. 4). Motivational devices used by National Association of Trade and Technical Schools members, as reported by Belitsky, feature the job-relatedness of the schooling. Thus, the top four motivating strategies include visits by employers or their representatives, breakdown of courses into small achievement units, vocational counseling, and visits to plants or offices (Belitsky 1969, p. 73). Job-oriented training with much achievement reinforcement may be the most successful program, especially for disadvantaged students (p. 153).

Proprietary School Faculty

As with every other aspect of proprietary school operation, only beginnings have been made toward the description of the characteristics and efficacy of proprietary school faculty members. The classic view of the proprietary business school teacher emphasizes his experience in the field combined with some formal training. He is not tenured but may receive a bonus at the end of the business year (Miller and Hamilton 1964, p. 74). Katz stresses that proprietary teachers do not work on tenure, are rewarded for their performance, are expected to regard their students as clients, may be hired more on the basis of practical experience or achievement and are evaluated on the ability to hold student interest. He suggests that they may be handicapped by undertraining in pedagogy and by lack of sympathy for disadvantaged students (Katz 1973, pp. 121-122).

Although sampling problems within the Wolman study make comparative generalizations difficult, Wolman found proprietary teachers to be younger and generally less educated than nonproprietary teachers. However, this reflected the philosophical difference: proprietary schools were more career oriented; nonproprietary schools more concerned with transfer of academic credit. Within the Wolman sample, 20 percent of the proprietary teachers were certified. Interviews with directors supported the notion that teachers with practical experience were preferred to those with academic credentials. Proprietary schools did provide concrete methods for staff development of their faculties (Wolman 1972, pp. 58-66).

In a geographically limited pilot survey of vocational teaching talent, Podesta (1966) found proprietary vocational school instructors to be slightly older and less well educated than their public school counterparts. Thus, 32 of 81 instructors had earned degrees, most of the degree holders being in business and commercial schools. Most of the teachers had experience in the field they were teaching. Podesta does conclude that proprietary school instructors "could satisfy the basic qualification for teaching assignments in those public school vocational programs that do not require a general education teaching credential" (pp. 35; 45).

Proprietary school instructional practices and faculty reflect the particular mission of the schools. Thus, the "shop" atmosphere expresses a conviction about student motivation as well as the use of a cost-effective instructional method. In addition to the featured sequential, small unit breakdown of subject matter, traditional instruction approaches are used, probably favoring more laboratory time and

the availability of "real" equipment. Several practices reflect a serious attitude toward students and their time.

It seems reasonable to generalize that proprietary faculty are less formally educated than their nonproprietary counterparts; but if experience in the field is taken for its value in a job-oriented school, a picture of an able faculty results. Effective teaching, as represented by holding power and competent, placeable graduates is stressed in the literature as the chief evaluative criteria for faculty.

Students in and Out of Proprietary Schools

The value of proprietary school education to its students ought to be more directly assayable than the value of other forms of postsecondary education. But a careful weighing would demand better description of the students and what happens to them than is available now. Students may select proprietary schools because of distinctive features to begin with. Few demographic peculiarities are obvious from the descriptive data. Not much more information is available on the financial behavior of students in proprietary schools. Finally, although the placement picture for proprietary graduates may be favorable, those figures have blank spots in them too.

Why Students Attend

One question that will be answered in future research on proprietary schools is the extent to which their success is attributable to self-selection by students who want the particular type of education proprietary schools can provide. As Jones has asserted, proprietary school recruiting efforts are not directed toward students who want to find themselves, but are directed toward students with a specific career goal (Jones 1973, p. 2). Belitsky explains this as "a basic mutuality of interest," the schools responding to the incentives associated with the sale of goods and services, the students responding to the incentive of a highly practical, job-oriented training (Belitsky 1969, p. v).

Many explanations for why students attend proprietary schools are based on informal interviews conducted by Kincaid and Podesta. They found that students were pleased with course contents and time conveniences. The student can begin classes immediately and the course length is directly related to the course content itself. Students approved of the practically oriented placement service, criticizing their high school counseling services for not providing direct job leads. The interviewed students enjoyed the relaxed class atmosphere and criticized their previous schooling for its impractical nature (Kincaid and Podesta 1967, pp. 219-220). A Pennsylvania survey found that 45 percent of proprietary school graduates surveyed chose their school on the basis of its reputation, 37.5 percent because of its proximity to their home, and 27.1 percent because it offered them a special program (Educational Systems Research Institute 1973, p. 2).

Miscellaneous Student Characteristics

A small amount of demographic material on proprietary students has been published in the regular channels, much of it out of date. Fulton reports a 1967 study by Hoyt of 3,316 students in eleven private business schools participating in the Specialty Oriented Student research program. He found 70 percent to be between 18 and 21 years old. Most were high school graduates from the upper three-fourths of their classes and from families in the lower income and socioeconomic brackets (Fulton 1969, p. 1025).

More recent descriptive material can be found in the Wolman study based on questionnaires administered to students enrolled in participating schools in January and February 1972. The Wolman study found most students to be young high school graduates who are enrolled in a full-time program to acquire job entry skills. Thirty to forty percent are minority students. Of those surveyed, 56 percent were men, and 44 percent women, although the ratio depends on the occupational program. Some 90 percent of the students were under 30 years of age. About one-third had gone to high school in the same geographical area as their vocational school. About one-third had been out of high school less than one year and one-fourth out more than six years. With 95 percent claiming a high school diploma, most students were "more qualified" than the minimal requirements for their programs. Most of the students reported valuing highly the job skills or special programs (Wolman 1972, pp. 81-92).

In the schools that Erickson surveyed, 85 to 90 percent of the students completed some program, with more than half of those who left leaving for personal financial reasons. A few students decided that career education was not for them and also 2 to 5 percent were asked to leave for academic reasons. Erickson attributed this high completion rate to the vocational mission, the curriculum being in the scholastic range of the students, the intense, short programs that leave little time for attention to turn elsewhere, and the individual attention faculty devoted to students (Erickson 1972, pp. 38-40).

Belitsky's survey of students in NATTS schools found most of the students to be "over-qualified," that is, offering an education background in excess of that required by the school for the course. Most of the enrollees were male. The median age was approximately 20, with very few over 26 years old. Belitsky found most students attending schools near their homes; nevertheless, a majority of students attending at least one-third of the schools had homes more than 50 miles away (Belitsky 1969, pp. 93-96).

Student Finance

Few students can pay for their schooling through assistance from parents or personal savings; consequently, many students borrow money to attend proprietary schools. Belitsky found the most important form of financial assistance to be the deferred payment system (that is, consumer credit extended by the school) (Belitsky 1969, pp. 96-97). He proposed a liberalization of federally insured loans to proprietary students, recognizing that even with loan money available for training, many low-income families are unwilling to risk borrowing for an uncertain future (p. 99). The aid picture had changed by 1972. Erickson reported that adequate financing is available for students in large schools, although federal assistance is important with smaller schools that may lack capital. He found that students were relatively insensitive to the amount they were paying as long as they saw results; i.e., short, effective programs meant a small amount of foregone income (Erickson 1972, p. 30).

Cost figures to students would be out-of-date upon publication. However, Wolman (1972) reported that "only about 15 percent of the students in proprietary schools report costs of $1,000 or less. . . . Over half the proprietary school students report costs of $2,000 or more" (p. 83). In the same group of students about two-thirds reported they worked to support their schooling (p. 91). In Pennsylvania, close to 40 percent of the proprietary vocational school graduates reported that they did *not* work while training, although close to 30 percent did work the entire time they were in training (Educational Systems Research Institute 1973, p. 2).

Current information is becoming available through the Wilms study of 1,370 students in four geographic regions and six occupational programs. For twenty-one public and twenty-nine proprietary schools, demographic data for the students include the following: 35 percent male, 65 percent female; 24 percent married, 76 percent not married; 13 percent veterans, 87 percent not. Over 75 percent are twenty-five or younger. Fifty-one percent report receiving a general or vocational high school diploma; 36 percent were in a college preparatory program. Only 8 percent were high school dropouts. Some 44 percent reported that they worked not at all while in proprietary school training; 28 percent worked 1 to 20 hours and 23 percent worked 21 to 40 hours per week. Proprietary school students in Wilms' sample are very interested in the best possible training and job success after graduation. On the average, they paid $750 to attend a course that lasted less than one year (Wilms 1973b, pp. 24-44).

Placement and Jobs

The contemporary interest in accountability and cost-effectiveness for programs in public institutions lends more force to questions about the program effectiveness of proprietary schools. As Belitsky observes, continuing evaluation of the effectiveness of proprietary training is needed. "The ultimate value of private vocational schools depends upon the graduates' success in finding training-related positions, and their occupational advancement during their working careers" (1969, p. 54). Do graduates of proprietary schools get jobs, since this is the mission? Unfortunately, answers are hard to come by.

An older, very limited interview-based study in North Dakota found that most of the students completed their training. Very high percentages (ranging from 69 percent for hairstyling to 100 percent for data processing) were placed on jobs by their school placement service (Center for Research in Vocational and Technical Education 1966, p. 19). The study was specifically limited to North Dakota and the economic realities of that state.

One public report from the Specialty Oriented Student Research Program (see the discussion of it below in "The Evaluation Problem") summarizes a one-year follow-up of 4,887 private specialty school students issued in May 1971. Although a 63 percent response rate was attained, results in this study cannot be generalized to the industry since only a few of the proprietary schools in the U. S. have participated in the study. However, the results do include the non-completers of programs. Of the students surveyed, 79.6 percent completed their programs; 81 percent found their first job was related to their training and 36.4 percent had a job waiting when they finished training. The cautious interpretation of the results is nevertheless positive:

> The results indicate that the schools participating in this research program do essentially what they say they are trying to do: they prepare students for gainful employment. Their former students who wanted to work, found work, and their work, to a large extent, was directly related to their training ("S.O.S. Issues Accountability Data," p. 11).

The Wolman comparative study of proprietary and nonproprietary vocational training programs also included an alumni survey based on 1969, 1970, and 1971 graduates from 46 schools. From an initial population of 13,549 alumni, the response rate of 42 percent resulted in a final pool of 3,919 proprietary and 1,296 nonproprietary alumni. An extensive nonrespondent study was also made as part of the alumni survey (p. 27).

The survey results led Wolman and others to conclude that voca-

tional programs could be regarded favorably as a source of manpower training. Of all the alumni surveyed, some 78 percent did seek training related jobs and 75 percent of these found them. However, less than one-fifth of the proprietary students found their jobs through the school placement centers. About 34 percent of alumni employed at the survey time did not feel that their training was worth the cost. For proprietary alumni only, about 20 percent did not seek a job, but 76 percent did seek a fulltime training-related job. Around 54 percent of these alumni found a full-time, training-related job; about 13 percent found an unrelated job, and about 12 percent found no job (Wolman 1972, pp. 95-99).

Another study, conducted in the fall of 1971, is limited to occupational program graduates from Pennsylvania Community Colleges (14), Penn State Branch Campuses (17), and proprietary schools (28 approved for associate degree programs). The study surveyed 7,514 graduates of 59 schools and 100 occupational curricula and yielded a 63 percent response rate. Since there are no assurances that students who enter the three types of programs are the same, the figures reported here are those on proprietary alumni.

For proprietary school graduates, 73 percent were employed full time, but 9.4 percent were unemployed and looking for work. (This is interpreted as reflecting the job market.) In searching for a job, 56.5 percent of the alumni of proprietary schools received help from their schools. Close to 94 percent of the graduates sought employment in their field of study when they completed their programs and about 55 percent found work in the same or a highly related field. Close to 90 percent of the alumni with field-related jobs felt they received good to excellent preparation. Unfortunately, 23.1 percent found work in a completely unrelated field and 22.1 percent found only slightly related work. About 65 percent of those working in unrelated fields indicated that they had tried to find study-related work and were unable to (Educational Systems Research Institute 1973, pp. 2-4).

A precise description of the typical proprietary school student or course graduate cannot be drawn, but some general features can be suggested:[1]

- Probably younger than twenty-five.
- Probably selected proprietary school because it offered a short course to a job.

[1] See Wilms (1974) for the results of a recent Berkeley survey on proprietary school students.

- Probably well-enough educated to attend other types of schools if desired.
- Probably borrowing money directly or through deferred payment in order to attend.
- Probably will find a training-related job.

The Social Value of Proprietary Schools and the Research Problem

Proprietary schools have been recognized for their general contributions to society. For example, proprietary schools now award specialized occupational degrees in some states. Several sources attribute success with dropouts to the specialty schools. Perhaps their major social value lies in the provision of cost-effective training. Yet, in spite of several recent and on-going research projects, major gaps remain in the body of knowledge about proprietary schools.

Specialized Occupational Degrees

One form of recognition proprietary schools have received in some states is the right to grant a new type of degree called the specialized occupational degree. According to Bender and Murphy (1971b), the creation of the degree and acceptance of the proprietary school right to grant it was the culmination of a campaign by proprietary schools to gain recognition, especially in view of state master plans that originally did not recognize the role of proprietary schools.

While the need for successful occupational training programs has been acknowledged for some time, a status problem and lack of clear cut programs have impeded fulfillment. The Pennsylvania State Board of Education implemented a new degree program to recognize preparation for employment in certain fields through specialized occupational curriculum. "Under the new program, all work is directed toward or related to the occupation sought by the student. Successful completion of the two-year postsecondary program is acknowledged by the award of an Associate in Specialized Business (ASB) or an Associate in Specialized Technology (AST) degree (Bender and Murphy 1971a, p. 270). The degrees signify the equivalent of 1,800 clock-hours of studies and training with up to three-fourths of the work in the major specialization area. The program itself is evaluated, not the school. The burden of proof is on the institution to show that a program prepares a graduate for an occupation (pp. 270-271).

A similar degree program has been available in New York since fall 1971. The Associate in Occupational Studies degree is available to proprietary schools on a program basis. According to Nyquist, as reported in September 1972, 19 proprietary schools had been certified to grant degrees for at least one program. The hope for both these

degree programs is to recognize the achievement in occupational preparation represented by course completion in a proprietary (or nonproprietary) program.

Dropouts

Although dropouts are not getting the attention they once did, the relation of two types of dropouts to the general success of proprietary schools has been observed. One belief is that proprietary schools accommodate a wider variety of students than do other forms of postsecondary education. Clark and Sloan (1966) argue that the specialty schools attract many high school dropouts and offer continuing education and retraining opportunities to others whose training has left them behind (p. 5). Belitsky cited the flexibility of the private trade and technical schools in meeting student needs and reported the appearance of many college dropouts in the trade and technical school student populations (Belitsky 1969, p. 94). He also mentions a "surprisingly low" dropout rate for the trade and technical schools themselves. The schools he surveyed reported median dropout rates of 14 percent for day and 20 percent for evening schools. Financial and personal problems were the major reasons for failure of students to complete courses (pp. 100-101). Except for the previously cited completion rates and estimates of over-education, the actual rate of acceptance of dropouts by proprietary schools and low failure rates remain speculative.

Cost-Effective Training

Another social value of proprietary schools rests on the assertion that they are cost-effective agencies for human capital formation. Freeman, concluding that formal job training is important in the formation of human capital in the U.S., believes that proprietary schools have a major role in the provision of that formal job training. In addition, based on regression estimates of the effect of for-profit training, he found that proprietary vocational training does raise earnings proportionately as much as formal schooling, with a similar private rate of return to the individual. Even though tuition costs are higher, time costs are lower in proprietary schooling. Furthermore, because of lower public subsidies, the rate of return to society from proprietary training appears to exceed that of higher education (Freeman 1973, pp. 3-14). Erickson (1972) notes that rate of return comparison between proprietary occupational education and higher education is difficult since higher education is both investment and consumption;

nevertheless, he suggests that the opportunity costs of training for the individual are definitely lower in the proprietary school (pp. 19, 44).

Several estimates provided by the Carnegie Commission suggest that the individual and social cost of proprietary instruction (excepting correspondence schools) is low in comparison with other forms of postsecondary education.. Consider the "estimated cost of instructional services" (excluding the value of foregone earning and incidental private costs such as books and supplies) and "estimated economic costs" (including costs of instructional services and foregone income). If 73,800,000 citizens enroll at some time during the year in some form of postsecondary education program, the estimated cost of instructional services for all of higher and postsecondary education is $386 per program enrollment. For full-time degree-credit study in colleges and universities, the estimated cost is $1,736. For proprietary schools (excluding correspondence) the per program enrollment cost is $423. When foregone income is considered, the estimated economic cost per program enrollment (1970) in all higher and postsecondary education is $852; but for colleges and universities the estimated per program enrollment cost is $1,272. Because of lower foregone income, the economic cost per program enrollment in proprietary schools drops to $792 (Carnegie Commission 1973, pp. 38-39). Thus, from a societal standpoint, regardless of the "high" individual cost, proprietary education is cheap.

One analyst has proposed that the Navy consider the use of proprietary training programs wherever possible because of possible cost savings over in-house training programs. O'Neill discusses how the Navy's procurement policy for training varies sharply from its policy for other services and goods. According to his estimates, costing for Navy training should be increased by 50 percent in order to reflect true expense. If that were done, the costs for training electronics technicians and illustrator draftsmen at the highest cost private training school would be only 65 percent of the Navy in-house training costs (O'Neill 1970, passim). Cost saving is also reported in an HEW report on manpower training. Discussing the use of private training sources, the report mentions that courses can be obtained in proprietary schools that are not available elsewhere or not available when needed. In some instances, private school training programs cost less than the same program in public schools (U. S. Department of Health, Education and Welfare 1967, p. 48).

Although accurate, actual cost comparisons for the various forms of postsecondary education will have to await more reliable figures, one

additional idea is that proprietary schools have social value as one component in the delivery system for educational services (Nyquist 1972). By this light, proprietary schools are seen not as competitors with tax-supported institutions, but as a component of a state's education and training resources (Katz 1973, p. 40). This role is even more important in view of the observation that proprietary schools are underutilized, having a far greater capacity to train students than the number they actually enroll (Wolman 1972, p. 41; Belitsky 1969, p. 95).

The Research Problem

Kincaid and Podesta (1967) commented on the number and variety of programs offered by proprietary schools if one checked the Yellow Pages. They observed:

> Yet, surprisingly little is known about the role of these schools in the total scheme of vocational education: about the effectiveness with which they perform their educational function, or how they organize resources (both human and physical) to achieve their objectives, or about the nature of the clientele they serve. Since evidence indicates that proprietary schools are a significant part of the total educational resources of the community, much more needs to be known about them if educational policies and programs are to be made more consonant with the needs of our society (p. 202).

Although their statement is still valid, progress is being made. The publication by the National Center for Educational Statistics of the first directory of public and private schools offering occupational education at the postsecondary level is a start (Kay 1973). Frequent updatings of the directory are planned and additional descriptive information will be requested from schools.

One ongoing program, the Specialty Oriented Student (SOS) research study, conducted by Kenneth B. Hoyt (1970), is frequently cited in the literature. However, the SOS program has a specific purpose and publication of results is limited. According to Hoyt's explanation, the program was established to provide sound information to counselors and students on post high school occupational education, since there is a bias toward college education and a lack of knowledge about the opportunities available in private vocational schools. The research program was designed to collect answers to typical questions about individual occupational programs at specific schools. These questions cover the types of students, their costs, their experiences in training and their evaluation of their training. Answers are based on a questionnaire given in a supervised setting

to students actually enrolled and mailed to graduates for follow-up. Results are published in brief report form to counselors. Hoyt hopes that his program will provide the needed information for counselors and students and help to eliminate bad programs. Unfortunately, out of the total number of proprietary schools in the U. S., only a few schools have participated. For this reason, Hoyt has not permitted publication of generalizations about student experiences in the schools that have participated.

One recent study is the comparative study of proprietary and nonproprietary vocational training programs completed under the auspices of the American Institutes for Research in the Behavioral Sciences (see Wolman 1972). The Wolman survey sought to secure data about all the proprietary schools offering four occupational programs and operating in four metropolitan areas of the U. S. For comparison, the study included nonproprietary schools with comparable programs from the same areas.

Three broad objectives were undertaken in the survey:

> What are proprietary schools like, and how do they compare with public schools offering similar training programs? What are the students like who go to proprietary schools, and how do they compare to students who attend non-proprietary vocational schools? What do students gain as a result of attending proprietary schools, and how do their gains compare to the gains recorded by students who attend public schools (Wolman, p. 1).

Certain biases identified by Wolman limited the generality of their results. Only about one-third of the original proprietary school population was surveyed, either because of refusals, mergers, or closings. There was no way to survey students from the closed schools or from the schools that did not participate. Furthermore, the nonproprietary schools group included private, tax-exempt corporations that are similar to proprietary schools (pp. 22-26). In spite of shortcomings in the Wolman study, it includes a wealth of descriptive material.

One major study is currently in progress. Wilms hopes to "test the effectiveness of occupational training offered through public and proprietary schools, controlling for differences in backgrounds and abilities of the graduates" (Wilms 1973b, p. 6). Part one will report on differences in background, ability, motivation and attitudes assessed between students currently enrolled in public and proprietary (excluding correspondence) vocational programs. Part two will attempt to determine the relative effectiveness of proprietary and public training programs by following graduates into the labor

market. Using data from part one, background differences will be controlled so that the source of training is the experimental variable (pp. 6-7). Completion of the Wilms study will add much to the knowledge of the cost-effectiveness and social value of proprietary schools.

In addition to questions in recent and ongoing studies, other areas for further investigation have been proposed. Enns suggested the following: a longitudinal study of students in proprietary schools, including their level of aspiration; description of the teacher in proprietary schools—preparation, job satisfaction, working conditions, community status, salary and fringe benefits, frequency of retraining; the nature of a proprietary school as an enterprise; the possibilities of high school students taking courses from proprietary schools (Enns 1967, p. 30). Kincaid and Podesta suggest a detailed descriptive study of proprietary schools; an analysis of the effectiveness of proprietary schools in preparing students for employment and getting jobs; comparisons of proprietary school students as to aspiration level, time, and justification for school choice; high school background; and the supply and demand of teachers for proprietary schools. How does the community view proprietary schooling? How much of a resource is the proprietary school? (Kincaid and Podesta 1967, pp. 220-221).

Jones suggests that proprietary schools suffer from the onus that their public image is based largely on the lowest common denominator (Jones 1973, p. 3). This is as fair as basing the image of all colleges and universities on knowledge about Harvard or Oxford. Nevertheless, the potential for abuse in the operation of a proprietary school has been recognized for some time. In 1966, Clark and Sloan observed that job opportunities can be sold too enthusiastically as the end product of a training course, or training can be offered in a field where little specific trade skill exists (pp. 32-33). Correspondence instruction is particularly susceptible to fraudulent operation, since operating costs are quite low if quality of instruction is not an objective (MacKenzie 1968, p. 115). Friendly observers have urged the proprietary schools to study themselves, keep their standards high, and police practices such as the high loan default rate among proprietary students (Dellenback 1973).

Publicity and Campaigns Against Abuse

In recent years, several articles and campaigns have appeared concerning abusive practices by proprietary schools. One famous article written in 1970 by Mitford exposed the practices of the Famous Writers Schools. Mitford argues that the school advertising implies that famous writers themselves will assist students to develop their skills. Promotional material features the market for writers, although, according to Mitford, little market exists. The featured writers queried by her refused to believe her contention that the public took the advertising seriously. She also criticized the operating practices of the school. For the fee of $785 cash or a $900 time payment, 65,000 students shared the services of 55 teaching faculty members and 800 salesmen (p. 49). Mitford claims that only 10 percent of the applicants were rejected through the "aptitude test" graded by "stand-ins." She estimated the dropout rate as close to 90 percent (Mitford 1970, pp. 45-54).

Correspondence instruction for veterans (not limited to proprietary schools) has also been criticized in a report by the U. S. Comptroller General. Payments to veterans for study with correspondence schools has been authorized since 1966. Although the veterans had noble objectives in signing up for correspondence courses, about 75 percent

did not complete their courses and consequently wound up paying for the uncompleted lessons not covered by federal payments. The Veterans Administration was urged to provide better counseling to veterans on the pitfalls associated with correspondence instruction (U. S. Comptroller General 1972).

Hoyt points out that "Approved for Veterans" in the advertising of private occupational schools is a meaningless term to veterans and counselors. He notes that the VA has received complaints of overselling, of instruction that does not meet expectations, and of limited job opportunities for program graduates. His remedies include the use of SOS program data, a better education program to inform veterans of occupational opportunities and training programs, and more emphasis by the VA on accredited proprietary schools (Hoyt 1972, pp. 16-23).

In August of 1973, the Federal Trade Commission began a nationwide consumer education program to alert prospective students to the dangers of enrolling in some vocational and correspondence schools. Extensive advertising will be used to guide students away from courses they are "lured" toward by "enticing ads." Three dangers include courses of little value, skills for which there are no jobs, or courses that prepare for jobs that have other requirements, such as ratings or union membership ("FTC Starts Alert . . ." 1973, pp. E1, E4).

The FTC press release also notes that vocational education is increasingly attractive, making prior evaluation more important. The statement claims that since November 1972 approximately 75 percent of all defaults on federally insured student loans paid for by HEW have been incurred by vocational school students, even though these loans represent only 10 to 15 percent of the total loan volume (U. S. Federal Trade Commission 1973a).

A catalogue of deceptive practices is provided by the FTC in their *Guides for Private Vocational and Home Study Schools*. According to the guide, the FTC seeks to prevent the use of unfair and deceptive practices that have been employed by some members of the private vocational and home study school industry. In order to head off misrepresentation of the nature and efficacy of instruction, schools must provide the prospective student with accurate and truthful information so that he can decide whether or not to enroll. Section headings are startling: deceptive trade or business names; misrepresentation of extent or nature of accreditation; misrepresentation of facilities, services, qualifications of instructors, and

status; misrepresentation of enrollment qualifications or limitation; deceptive use of diplomas, degrees, or certificates; deceptive sales practices; deceptive pricing and misuse of the word "free"; and deceptive or unfair collection and credit practices. (U. S. Federal Trade Commission 1972).

In addition to guides for proprietary schools, the FTC provides a pamphlet on how students may deal with private vocational schools. Rather curiously entitled "Our Vocational Training Can Guarantee You the Job of a Lifetime," the pamphlet suggests that there are advantages to private vocational training: skill training for a specific job; flexible admission standards; courses of interest to students; and courses of short completion time (U. S. Federal Trade Commission 1973b, p. 3). The publication emphasizes getting students to investigate schools before they sign up so that they don't make a long list of sad, after-the-fact discoveries. Some of these are: that course content and facilities are no good; that few complete the school; that the school gives no refund; that the school will not help find promised jobs: that employers think the training is no good; that there are no jobs for the skills taught (p. 4). In stressing that the job that results from training "is where it's at," several considerations are mentioned: the federal government does not itself accredit schools; accreditation does not mean that a school is good. Also, because the Veteran's Administration relies on state approval, "approved for veterans" means only that minimum standards have been met. Enrollment restrictions may be nonexistent, and the value of a diploma or degree may be questionable (p. 9). Following through the emphasis on acquisition of facts by potential students, the pamphlet gives practical questions for students to ask employers and schools. Means to seek redress are suggested if prior evaluation doesn't succeed.

FTC campaign materials and various exposé articles outline the potential for abuse in proprietary schools. However, regulatory, accrediting, and legislative measures are also in effect or proposed to counter the abuses.

Regulation

Fulton observes that there has been confusion about licensing, certifying and accrediting of proprietary schools. He contrasts licensing ("nothing more than a permit to do business") with certification that may involve an examination of curriculum, instructional staff, and facilities by a state board of examiners or department of

education (Fulton 1969, p. 1024). According to Nerden, state licensing arises from constitutional requirements on states to maintain and safeguard their educational programs. In the past, private vocational education was not taken seriously. There was little promotion of quality; instead the emphasis was on rudimentary protection of the public (Nerden 1971, p. 61). By January 1972, forty-one states had regulatory laws pertaining to proprietary school operation (Katz 1973, p. 43).

The Carnegie Commission provides a general discussion of the regulation and supervision problem. As the Commission explains, in many states proprietary schools come under business codes rather than education authorities. The standards that result may mean only the provision of minimum levels of course content and hours of instruction time. State regulation may also require evidence of fiscal responsibility and good character. If advertising is regulated, the proprietary schools may be subject to more stringent regulation than colleges are. Schools may also be required to meet standards of practice in order to offer veteran's benefits, to participate in student-aid programs, and to grant degrees. The Commission observes that tight regulations on proprietary degrees run counter to the general trend of relaxing degree requirements (Carnegie Commission 1973, pp. 87-88).

Accreditation

Accreditation for proprietary schools is the specialized kind conferred by selected national organizations representing a special area of study. Except for single purpose schools, accreditation applies to a specific program only, not to the institution (Kay 1973, pp. viii-ix). National accrediting organizations are on a list that is maintained by the Office of Education.

Although accreditation of proprietary schools is voluntary, it may be regarded as evidence of quality by the public and is therefore attractive to schools and potential faculty members. The majority of proprietary schools are not accredited, however. Certain procedures are suggested by the Office of Education for recognized accrediting agencies to follow: guidelines and criteria are established to insure high quality instruction, equipment, administration, etc.; an applicant must file a detailed self-evaluation; each applicant school is visited by a team that submits an evaluation and recommendation to the accrediting group; the accrediting organization then issues a decision (Nerden 1971, pp. 62-63).

Beginning in 1966, an attempt was made by a proprietary junior college to secure regional accreditation. The ensuing Marjorie Webster case, including a U. S. Supreme Court decision in December 1970, temporarily closed the movement of proprietary institutions seeking accreditation from other than the specialized accrediting agencies. However, Kaplin points out that the case was decided on the basis of a differing view of the facts. The issue of profit-seeking status in regional accreditation may rise again (Kaplin, 223-224).

Currently, the Accrediting Commission of the Association of Independent Colleges and Schools (successor to the United Business Schools Association) is the specialized accrediting agency for business schools. The UBSA had a rich history of its own, having been formed in 1962 out of a long series of mergers of business school organizations (Miller and Hamilton 1964, pp. 116-126). Through the application of basic standards, business schools, junior colleges of business, and senior colleges of business are accredited in a cycle not to exceed six years. Basic requirements include successful operation for at least two years and organization to train on a post-secondary level with a program lasting at least one year. Schools must be lawfully operating in their own states and enrolling enough students to support regularly scheduled course work. As in most accrediting procedures, the emphasis is on the congruence between claimed objective and operating reality. Detailed operating criteria and ethical standards are published by the Association (Association of Independent Colleges and Schools 1973c, d).

For trade and technical schools, the national accrediting organization is the National Association of Trade and Technical Schools. This organization was founded in 1965 with the intent of preserving high standards in career-oriented training, protecting the public, and encouraging the improvement of educational and administrative techniques. NATTS was recognized by the Office of Education in 1966. Schools may become members after they meet the standards (Goddard 1971, pp. 503-504).

In addition to the general accrediting standards for specialized accrediting agencies, NATTS requires, for example, that candidates: provide counseling and other necessary student services; show that students make progress and receive job placement service; charge reasonable fees; are fair and truthful in advertising and promotion (National Association of Trade and Technical Schools Directory, 1972, pp. 64-65).

For home study schools, the nationally recognized accrediting agency is the National Home Study Council. The Council was organized in 1926 as a voluntary organization of home study schools to promote standards. The Accrediting Commission was established in 1955. It was recognized by the Office of Education in 1959 and requalified in 1970. Standards for accreditation are similar to those of AICS and NATTS in addition to those that might be important in home study instruction, such as the provision of adequate examination services and encouragement to students (National Home Study Council, n.d.(b)).

The accrediting standards stress the accurate specification of the education objectives for a home study course:

> Educational objectives are clearly defined and simply stated. They indicate what the educational program can do for reasonably diligent students. The character, nature, quality, value and source of the instruction and educational service are set forth in language understood by the types of students enrolled. If a course prepares for an occupation or field of occupations, the objectives clearly state the types of occupations for which preparation is given (National Home Study Council, n.d.(a)).

Model State Legislation

In spite of the admirable objectives of the specialized accrediting agencies, the need for state regulation of proprietary schools caused the Education Commission of the States to form a Task Force on Model State Legislation for Approval of Postsecondary Educational Institutions and Authorization to Grant Degrees. Requests had come from the state, the Office of Education, Department of Defense, Veteran's Administration, accrediting commissions and other agencies seeking help with questionable, unethical, or fraudulent practices in postsecondary education. The Commission estimates that with passage of the 1972 Education Amendments some 14,000 institutions now comprise postsecondary education: therefore, the possibilities of fraud are immense. Since the legal responsibility for policing lies with the states, model legislation was drawn for uses by state legislatures (Education Commission of the States 1973, pp. i-vi).

The model legislation covers six areas: minimum standards of quality for education, ethical and business practices, health, safety, and fiscal responsibility; prohibitions against use of false or misleading credentials; regulation of use of academic terminology in naming institutions; prohibition of misleading advertising; preservation of academic records; and remedies to the public and state to assure that the act works (pp. 1-3).

Detailed minimal standards for postsecondary institutions are listed that reflect the same basic concerns as the accrediting standards. One additional emphasis is on the positive disclosure of information about all policies that would affect a student's decision to enroll (pp. 11-13). Also, specific measures are suggested whereby wronged consumers may file written complaints with state regulatory agencies in order to secure restitution for losses (pp. 25-27). Two more provisions offer unique protections. One section would permit regulatory agencies to require schools to post bond at the time they are licensed to operate (p. 29). Second, the model legislation permits regulatory agencies to require schools that are about to fold to file copies of academic records with the agency (p. 33). Several specific sections are directed toward fee collection practices of proprietary schools. These prohibit schools from filing suits against students in other states and limit use of the "holder in due course" doctrine, under which students are sued by third parties for educational services never provided by schools (pp. 34-36).

Conclusion

Although proprietary schools have existed in the U.S. for many years, changes in thought about education for adults have heightened interest in what proprietary schools can and are doing. If mature persons are to be encouraged to return to school over their lifetimes and to learn from any available source that does the job, and if young persons of traditional college age are to be encouraged instead to enter the job market, proprietary schools probably have the flexibility to meet these changes in attendance patterns. Proprietary schools will also benefit from a federal emphasis on consumer choice in use of student aid money, such as the emphasis seen in the Education Amendments of 1972.

Proprietary schools have survived lean times in the past through practices that may enable them to economically meet new students' needs. Unfortunately, proprietary schools must continuously fight the spector of illegitimacy arising from the academic world's disdain for their profit-seeking and straightforward occcupational-training orientation. In spite of this onus, numerous signs point to a continued expansion for proprietary institutions, namely, their traditional student market continues to grow and reform and commission proposals advocate the utility of proprietary training.

Because of the past lack of interest in proprietary schools, little reliable information is available on their number and types. New federal interest is shown by recent directory publications that include proprietary schools. A fair estimate indicates that at least 10,000 proprietary schools are enrolling 3 to 4 million students. A variety of designations are used to categorize the types of schools and there are also a number of terms to describe the business management of these schools. Among the major categories of proprietary schools are independent business schools, trade and technical schools, and proprietary home-study schools.

Several "distinctive operating features" may be traced to "the education mission" of proprietary schools, which is generally to provide job-oriented training, as well as to the business motive; that is, to make a profit by providing that training. The profit-seeking status does result in a dependence on tuition as an income source and in management that is comparatively lean and flexible. However, the

relative simplicity of objectives and style belies the trend toward corporate ownership rather than "proprietary" ownership by a founder. Recruitment and placement of graduates are emphasized because they eventually determine whether or not new tuition will be forthcoming.

Instructional practices and policies toward faculty reflect the business mode of operation. Efforts are made to maintain not only the most cost-effective instructional practices, but also to emphasize the job at the end of the training as a motivation for students. Faculty are practice-oriented and successful performance in the classroom represents their form of tenure.

The students attend proprietary schools because they want training for a job and are willing to pay for it. New studies are beginning to sketch in the proprietary school student, particularly as he compares to community college students in reference to his post-school success.

Based on the few descriptions that are available, the proprietary school student usually appears to be younger than 25, well enough educated to attend other types of schools, borrows money directly or through deferred payment plans in order to attend, with possible but not certain success in the job market.

Some recognition of the accomplishment of proprietary schools has taken the form of new rights to grant degrees in certain states that recognize the occupational competence of the recipient. Current interest in accountability and diminishing budgets has led to speculation about how proprietary schools might be inexpensive sources of training. With this interest has come new research on proprietary schools to buttress the small group of major studies in the past ten years. However, numerous questions remain about students, faculty, and organization, as well as about effectiveness.

Much of the public information about proprietary schools probably comes from critical articles and a major Federal Trade Commission campaign against the abuses some proprietary schools have committed in the past. More regulation and accreditation of proprietary schools at the state level can be expected, in contrast to past efforts whereby proprietary schools were viewed as educational institutions not worth serious consideration when compared to two- and four-year colleges and universities.

Accreditation granted by federally recognized, special-purpose organizations is available and achieved by a small number of schools. In addition, for those states desiring to upgrade their regulatory practices, model state legislation is available that includes proprietary

schools within the category of all other postsecondary institutions. It can be anticipated that proprietary schools will play a more active part in the development of postsecondary education.

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