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Students — Choose Your School Wisely

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Students — choose your school wisely

For working professionals who want to continue their education an online degree may seem like a perfect fit. There are numerous schools to choose from, a flexible schedule and no need to uproot families or leave jobs.

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In June, Melissa Holland, Georgia Southern’s MBA program director, wrote a column in this space that discussed online education and raised the concern of institutional accreditation. It is up 300 percent. There are hundreds of for-profit institutions with approximately 50/50 on the value of an online degree program.

Investor perception

Growth in the for-profit education sector in the last decade has been tremendous. Enrollment is up 300 percent. There are hundreds of for-profit institutions with approximately 50/50 on the value of a degree program.

Investor perception could provide some insight to perceived profitability and growth. As an example, Strayer University was trading below $30 in 2000. By 2010 its stock price was approaching $250.

Things changed in the summer of 2010. The Department of Education completed an analysis of the for-profit sector and released a report expressing concern and suggesting policy implications. Starting in 2012 institutions with low student loan repayment rates may be ineligible for federal student loan/grant programs. If you consider that 77 percent of the revenue of the top five for-profit institutions came from federal student loans and grants, this could have a drastic revenue effect.

At least the market saw it that way. Strayer was identified as one of the schools in jeopardy of being affected by these policies, and its stock plummeted upon release of this report. The stock price at the beginning of summer was consistently above $240 a share. By the end of summer it was trading at just over $140 a share.

Many institutions are at risk with these policy changes. Students wanting to complete a degree program should verify that their institution’s funding and availability will not be affected.

Conclusion

My goal here is not to globally discount for-profit institutions. Students must consider a myriad of issues when selecting an educational institution to further their career aspirations:

• Check with your employer or potential employer concerning the value of a degree program.
• Verify the transferability of courses to other institutions.
• Research the accreditation of institutions and the possible implications of policy changes on your ability to acquire Federal funding for your education.
• Be a smart consumer.

Dwight Sneathen is associate professor of accounting and coordinator of the master of accountancy program. He can be reached at dsneathen@georgiasouthern.edu.

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