

## “But she’s doing it, too mom!”



### Three ways for traditional colleges and universities to avoid the pitfalls of the proposed “Gainful Employment” rule

Dorsey & Company understands that competitive threats, at their core, come in all forms. Yes, the “unfair” rule is most certainly a threat to the for-profit colleges and universities it is meant to regulate. Even so, their cries hold serious peril for traditional schools that offer more complete education and much better value.

Ultimately, for-profit schools’ cry of “unfair” seeks to reposition traditional schools, moving them away from the exact thing that makes them better than their for-profit counterparts.

Granted, the very real consequences of the pending and hotly contested “Gainful Employment” rule are not as trivial as sibling jealousies. Still, the most powerful for-profit education lobby is essentially asking the U.S. Department of Education: “Why hold us to standards to which you’re not holding our nonprofit and traditional counterparts?”

According to the *Chronicle of Higher Education*, the rule proposed by the Education Department would “deny federal student aid to (all for-profit college programs as well as career-focused public

and private nonprofit colleges) where too many students default on their loans or where their debt, relative to their earnings or discretionary income, is too high.”

We can't say we're surprised by the argument put forth by the Association of Private Sector Colleges and Universities (APSCU), one of the most influential for-profit industry lobbying groups. After all, much is at stake for for-profit and technical and vocational schools (whether for-profit or nonprofit) if this rule passes. *(NOTE: For-profit colleges received \$1.7 billion in Post-9/11 GI Bill benefits during the 2012–13 academic year — almost as much as the total cost of the program just four years earlier.)* Millions of dollars have been spent by APSCU and similar for-profit proponents to kill several iterations of Gainful Employment legislation brought forth since 2011.

In a previous issue of *Dorsey Reports*, we sounded a warning: For-profit schools alone collect 83% of all tuition dollars from public sources—like veterans' benefits, Pell Grants or other federal grants. Now, with billions of dollars in federal aid at stake, APSCU and its cohorts are changing the conversation and asking their nonprofit, traditional counterparts: “Who's to say that the education you're providing will produce gainfully employed graduates, either?”

## How can public and private nonprofit schools answer this, superficially, legitimate challenge?

The competitive and marketing strategy experts of Dorsey & Company offer the three following responses:

### 1. Own the contradiction...but make your case on your record and benefits to students

While gainful employment can be viewed from many points of view, a well-rounded liberal arts education produces an individual who is more agile and able to accommodate and thrive in a rapidly changing world. Also, “gainful” needs to

accrue to the employee (satisfaction derived from ability to work in diverse settings) and to the employer (now armed with a versatile employee asset that is not singularly focused). These are among the benefits of a complete education—the product of the traditional school.

### 2. Clean up your own house

Take the first step and speak clearly, but don't believe your own press. Instead, carefully examine curriculum for efficiency, timely completion and flexibility to enhance completion. Now that the for-profits have “voluntarily” added employment to the educational performance standard, be certain to monitor and try to improve on this without compromising the things that make traditional education different and better.

### 3. Recruit your “friends” to help you stand up to the “bully”

Traditional schools can close ranks and amplify their voices. The participation of for-profits in your professional associations, for example, is blurring who is who and who does what. Certainly, the beneficiary in this confusion is NOT the traditional, nonprofit institution.

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