
responding to privatization and diversification work to shape the transformation of private higher education (Fisher and others, 2004; Mei, 2002; Ntshoe, 2004). In Thailand, the Private Higher Education Act and government student loan programs are among the most important factors affecting the expansion of private higher education. Although competition for legitimacy and funding is increasingly aggressive, small demand-absorbing colleges are merging and closing. Another sign is that private higher education institutions are trying to differentiate themselves from others, as often seen in the serious-demand-absorbing subsector. Thai private higher education has illustrated various and globally relevant mixes of conflict, competition, and cooperation in both inter- and intrasector higher education.

Recent Patterns in the Growth of Private Higher Education in the United States

THIS CHAPTER REPORTS ON RECENT DEVELOPMENTS in private higher education enrollments, market share, and numbers of institutions in the United States. They are basic indicators of the current health and service level of this sector, which has a venerable history in the United States. The main focus is a national overview with attention to the recently robust private for-profit sector as well as the much better known private non-profit institutional sector. The analysis examines enrollment growth patterns by such variables as full-time versus part-time students, graduate (including first-professional) enrollments compared with undergraduates, institutional size (at the outset of the period under study), and type of institution. Data are also presented on regional patterns of enrollment growth in the private sector. The aim is to provide a broad account of the relative successes and problems of different types of private institutions in the most recent decade and to offer at least preliminary ideas about factors that may have been important in determining these outcomes. Some speculative discussion is offered about what may be in store for American private higher education in the future.

Unlike most other countries, higher education in the United States is primarily a state policy function, not a national one. The national government has some important functions in higher education, namely being the largest provider of financial aid to students for college expenses—aid that is tenable at accredited private colleges—and being the major supporter of academic

The primary responsibility for developing this chapter was taken by William Zumeta and Robin LaSota.

research. Of the nation's nearly 4,350 accredited degree-granting colleges and universities, more than 1,600 are private nonprofit institutions and more than 1,000 are operated for profit. States are responsible for seeing to the education of their population, whether through public colleges and universities or, to a greater or lesser extent, the encouragement and oversight of private institutions (Zumeta, 2005). Thus, variation in policies across the fifty states is likely to account for some part of regional and state differences in the fortunes of private higher education (Zumeta, 1992, 1996).

Data and Definitions

All the data reported herein come from analyses by coauthors Zumeta and LaSota of data from the U.S. Department of Education's Integrated Postsecondary Education Data System (IPEDS), which is based on annual reports by higher educational institutions that are mandated under the Higher Education Act for institutions participating in the federal student aid programs under the act. The designations in the IPEDS determine which institutions are public, private nonprofit, or private for-profit and classify them as to highest degree offered. To get a sense of recent developments, changes in enrollments and numbers of reporting institutions were examined over a period of 11 years, ending with the most recent year for which data were available (fall 2007). The initial year, 1996, was selected because of accessibility of the data files for that year and because an earlier study (Zumeta, 1999) spanned an adjacent period, 1980 to 1995, to which comparisons were drawn.

Factors at Work Since 1996

Several factors have changed that may alter the enrollment success and rates of attrition for institutions in the U.S. private higher education sector in the more recent period (1996–2007) compared with the years from 1980 through 1995. First, the basic demographics affecting higher education changed, with growth in the number of high school graduates resuming and the numbers in the younger adult population over 25 leveling off. This situation might well have led to some return to much of the sector's traditional focus on young,

full-time students and undergraduates. On the other hand, the return to college of those in the labor market has been greatest for those with graduate degrees (U.S. Bureau of the Census, 2007), suggesting that graduate programs would likely continue to grow. With the exception of the dot-com bust recessionary period of the early 2000s, most of the years from 1996 through 2007 were prosperous ones, with the U.S. stock market gaining dramatically overall, which should have helped many families pay for the high cost of private college tuition and aiding private sector enrollments. Moreover, public higher education tuition rates in the four-year subsector increased substantially faster than those in the private four-year subsector during much of this period (College Board, 2008a, p. 9), a distinct change from the earlier era, when charges at private institution grew faster.

With their relatively high tuition rates, U.S. private colleges and universities are thought to be quite dependent on government student aid programs (grants and loans to students). Student aid from federal and state sources grew by more than 80 percent in constant dollars over the ten years ending in 2007–08 (College Board, 2008b, p. 6), but it was still not enough to match private sector tuition increases, which averaged more than 6 percent annually over the same period. Thus, private colleges and universities provided more than \$29 billion in institutionally funded aid to students in 2007–08—up 78 percent in constant dollars over the ten years—and student debt increased more in the private than the public sector (College Board, 2008b, p. 11), suggesting that affordability of these schools was a serious issue for students and families. This affordability problem would be expected to affect private sector competitiveness. Thus, the factors likely to affect private enrollments over the period from 1996 to 2007 were a mixed lot, even with demographic trends and the stock market's performance generally favorable. Continued growth in tuition charges at rates far above the growth in incomes, layered atop charges that were already much higher than those of public institutions, however, clearly strained families' ability to pay and likely exerted a dampening effect on growth of private sector enrollment.

Finally, although this discussion applies to the prospects of the private nonprofit institutional sector, the demand for more educated labor throughout much of the economy and the loosening of public policy strictures on

for-profit institutions, particularly their acceptance by most of the regional accrediting bodies and their accession into eligibility for many states' student aid programs (Kelly, 2001; Kinser, 2006), suggests that these schools may well have grown strongly during the more recent period under study. The for-profits had been growing in the prior period, but their share of all enrollments nationally was under 2 percent in 1995.

National Overview: 1996–2007

The changes in private higher education reflect growing numbers of students, as well as the absolute numbers of institutions. Student status has also changed, reflecting new patterns of enrollment at graduate and undergraduate levels and with full-time and part-time attendance. Finally, there are differences by region that demonstrate variations in the national pattern.

Enrollment Changes by Sector

Table 5 shows the national story of enrollment changes over this eleven-year period for the various private and public subsectors of American higher education. Overall, higher education enrollments grew by 27.3 percent over this period, from 14.3 million to 18.2 million. The largest and best-known private subsector, nonprofit baccalaureate and higher degree-granting (or four-year) institutions, grew by 23.4 percent, to more than 3.5 million students. The eleven-year growth rate of this subsector outstripped that of the 1980–1995 (fifteen-year) period by a substantial margin (+15 percent). This “flagship” private subsector held its own against both public four-year institutions (+23.6 percent) and public two-year colleges (+20.4 percent), a notable accomplishment in the face of the much lower prices of the public schools. The tiny private nonprofit two-year sector lost more than half its aggregate enrollments and had only about 33,500 students nationwide by 2007, as this subsector, largely comprising limited vocationally oriented and “finishing” schools for women, evidently lost its long running battle with much less expensive community colleges and with cultural obsolescence. As the sector is now so tiny, it is largely ignored in the remainder of this chapter.

TABLE 5
Percentage Change in Total Fall Enrollments from 1996–2007 by Postsecondary Institution Sector

	Sum of All UG		Sum of All GR+FP		Sum of All FT		Sum of All FT UG		Sum of All FT GR+FP		Sum of All All PT UG		Sum of All All PT GR+FP	
	All	Std	All	Std	All	Std	FT	Std	FT	Std	All	Std	All	Std
4-Yr Pvt NP														
1996	2,867,181	2,037,065	830,116	2,021,570	1,589,948	431,622	845,611	447,117	398,494					
2007	3,537,521	2,436,841	1,100,680	2,643,107	2,033,663	609,444	894,414	403,178	491,236					
	23.4%	19.6%	32.6%	30.7%	27.9%	41.2%	5.8%	-9.8%	23.3%					
2-Yr Pvt NP														
1996	75,375	75,253	122	56,434	56,344	90	18,941	18,909	32					
2007	33,486	33,486	0	21,295	21,295	0	12,191	12,191	0					
	-55.6%	-55.5%	-100.0%	-62.3%	-62.2%	-100.0%	-35.6%	-35.5%	-100.0%					
4-Yr Pvt FP														
1996	130,976	105,858	25,118	102,625	84,192	18,433	28,351	21,666	6,685					
2007	925,873	735,536	190,337	689,251	561,560	127,691	236,622	173,976	62,646					
	606.9%	594.8%	657.8%	571.6%	567.0%	592.7%	734.6%	703.0%	837.1%					

(Continued)

TABLE 5 (Continued)

	Sum of All		Sum of All		Sum of All		Sum of All		Sum of All		Sum of All		Sum of All	
	All	Std	All	Std	All	Std	All	Std	All	Std	All	Std	All	Std
2-Yr Pvt FP														
1996	173,489	173,489	0	143,857	143,857	0	29,632	29,632	0	29,632	29,632	0	0	0
2007	260,325	260,325	0	229,158	229,158	0	31,167	31,167	0	31,167	31,167	0	0	0
	50.1%	50.1%	0.0%	59.3%	59.3%	0.0%	5.2%	5.2%	0.0%	5.2%	5.2%	0.0%	0.0%	0.0%
4-Yr Public														
1996	5,787,490	4,607,321	1,180,169	4,088,189	3,538,560	549,629	1,699,301	1,068,761	630,540	1,068,761	630,540	661,300	661,300	4.9%
2007	7,151,376	5,798,499	1,352,877	5,229,567	4,537,990	691,577	1,921,809	1,260,509	17.9%	1,921,809	1,260,509	17.9%	17.9%	4.9%
	23.6%	25.9%	14.6%	27.9%	28.2%	25.8%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	17.9%
2-Yr Public														
1996	5,251,340	5,250,915	425	1,870,747	1,870,747	0	3,380,593	3,380,168	425	3,380,593	3,380,168	425	425	425
2007	6,324,119	6,323,810	309	2,442,140	2,442,038	102	3,881,979	3,881,772	207	3,881,979	3,881,772	207	207	207
	20.4%	20.4%	-27.3%	30.5%	30.5%	0.0%	14.8%	14.8%	14.8%	14.8%	14.8%	14.8%	14.8%	-51.3%
1996 Total	14,285,851													
2007 Total	18,232,700													

Note: UG, undergraduate; GR, graduate; FP, first professional; FT, full-time; PT, part-time.
 Source: Integrated Postsecondary Education Data System (IPEDS): 1996-97; 2007-08.

A dramatic development compared with the previous period that is apparent in the table is the surge in enrollment in private for-profit institutions. For-profit schools offering a two-year degree (usually the associate's degree) as their highest degree grew by half (50.1 percent) in aggregate enrollments, while those granting the bachelor's or graduate degrees (private for-profit four-year schools) grew by more than 600 percent. This latter subsector added close to 800,000 students over the eleven years, considerably more than the approximately 670,000 added by the private nonprofit four-year schools. This development is quite remarkable in American higher education. It was fueled by the huge growth of the University of Phoenix and other for-profit chains with multiple campuses (Kinser, 2007).

The net effect of these different sector growth rates was that the for-profits' share (four-year plus two-year for-profit schools) jumped by more than 4 percentage points over the eleven-year period, roughly tripling from 2.1 percent in 1996 to 6.5 percent of all U.S. students in 2007. Interestingly, this increase was mostly at the expense of the public sector, which lost 3.4 points of market share (to 73.9 percent of all enrollments in 2007), while the private nonprofit sector lost 1 percentage point, falling from 20.6 percent of U.S. enrollment total in 1996 to 19.6 percent in 2007.

Changes in Number of Institutions by Sector

During the period from 1980 to 1995, about one hundred private nonprofit institutions ceased operations, while almost as many emerged, leaving the total number of such institutions almost unchanged. Table 6 shows the comparable figures for 1996 and 2007. In the four-year nonprofit sector, the rate of both births and deaths evidently accelerated, and, unlike in the previous period, deaths exceeded births by a significant margin (162 to 142). Thus, in 2007, 1,531 four-year private nonprofit colleges and universities were operating, compared with 1,551 in 1996.

The most dramatic changes depicted in these data are the big gains in for-profit institutions, which increased from 614 in 1996 to 1,043 in 2007 as a result of net gains of 281 two-year and 227 four-year for-profit institutions. Just five public institutions did not appear in the 2007 IPEDS reports that were included in 1996, while ninety-one public institutions appeared

TABLE 6
Institutional Births and Deaths and Net Change from 1996–2007

<i>Institution Sector</i>	<i>Number of Institutional Births</i>	<i>Number of Institutional Deaths</i>	<i>Net Change (Births-Deaths)</i>	<i>2007 Total Number</i>
4-Yr Pvt NP	142	162	-20	1531
2-Yr Pvt NP	32	89	-57	92
4-Yr Pvt FP	239	12	227	490
2-Yr Pvt FP	293	12	281	553
4-Yr Public	16	2	14	648
2-Yr Public	75	3	72	1032
Grand Total	797	280	517	4346

Note: Because IPEDS institutional self-reports can vary from year to year, these counts should be regarded as approximations.

Source: Integrated Postsecondary Educational Data System (IPEDS); 1996–97; 2007–08.

in 2007 but not in 1996. Most of this net gain was in the public two-year sector.

Enrollment Changes by Student Status

As shown in Table 5, each sector’s aggregate enrollment changes over the study period are broken down into changes by student status, that is, full time versus part time and undergraduate or graduate (including first professional). The first professional category includes law, medicine, and a small number of other health professions that, in the U.S. system, are pursued at the postbaccalaureate level. As expected, the private nonprofit four-year sector’s enrollment gains were stronger for full-time students (+30.7 percent) than for part-time students(+5.8 percent)—a sharp reversal from the earlier period’s pattern, when the institutions sought to tap new markets because numbers of traditional-age young people (who are more likely to enroll full time) were falling off. The demographic turnaround is also reflected in the stronger gains in undergraduate enrollments in the more recent period, +19.6 percent over the eleven years from 1996 to 2007, compared with just +8.7 percent over the fifteen years from 1980 to 1995.

Yet consistent with the incentives in the modern “human capital economy,” graduate enrollments grew even faster than undergraduate enrollments from 1996 to 2007 (+32.6 percent). At the graduate level, full-time students in private nonprofit colleges and universities increased by a robust 41.2 percent, and part-time students also gained fairly strongly, 23.3 percent. But at the undergraduate level, the difference was more dramatic, with full-time undergraduate numbers growing by 27.9 percent, while part-time undergraduates actually *declined* by 9.8 percent. Private nonprofit institutions as a group thus seem to prefer full-time students when they can recruit them, especially undergraduates.

Despite the differential percentage growth rates, in absolute terms the private nonprofit four-year institutions as a group actually saw bigger gains in undergraduates than graduate students in the recent period, by some 400,000 to 270,000. Still, graduate students as a percentage of this subsector’s total enrollment continued the previous era’s pattern of increase, gaining from just under 29 percent in 1996 to 31.1 percent in 2007. The nonprofit four-year subsector’s historic bread-and-butter student group, full-time undergraduates, continued to form a clear, if declining, majority of its students (57.5 percent) in 2007.

Turning to the for-profit subsectors, one sees huge percentage growth rates in all categories for the four-year for-profits. In absolute terms, the bulk of this sector’s enrollment gains were at the undergraduate level (79 percent of the total gain in students), but graduate student numbers grew at a somewhat greater percentage rate. In addition, the bulk of this sector’s enrollment gains were in full-time students, although part-time enrollments grew at a greater rate. The two-year for-profit sector by definition has no graduate students, so all of its 50 percent enrollment growth over the eleven-year period was in undergraduates. Almost all of this growth was in full-time students, as numbers for part-time grew by only 5.2 percent, or just 1,500 students. In short, U.S. for-profit institutions at both levels enroll mostly students they define as “full-time,” which may surprise many who have not examined this sector closely.

Enrollment Patterns by Region

In the United States, the presence of the private sector varies substantially by region. For this analysis, we used the eight standard census regions used by the

U.S. Census Bureau.² Notably, in none of the regions were enrollments in the private nonprofit sector for 1996 to 2007 truly weak; they ranged from gains of 9.7 percent in the New England region and 10.7 percent in the Southwest, to 25 percent in the Great Lakes region and just over 30 percent in the Plains and Southeast regions to a high of almost 40 percent in the rapidly growing Rocky Mountain states. In New England, the private nonprofit sector includes many elite institutions with little interest in large-scale growth, and the region's population growth was small. In the Southwest, the nonprofits faced strong competition from for-profits, especially the University of Phoenix, based in Arizona. By and large, in the four regions where the private nonprofits grew most (the Rocky Mountain region excepted), the private sector has long had a significant, though not dominant, presence and has shown considerable capacity to influence state policies (Zumeta, 1992), which may have worked to its benefit during this period. Indeed, in all four regions the private nonprofit sector's enrollment growth rate exceeded that of the public sector. As for the for-profit sector, the most striking point is how much of its national enrollment gains were concentrated in the Southwest. More than a third (295,000) of the national for-profit enrollment increase of 882,000 students from 1996 to 2007 occurred in this four-state region. All the other regions except New England also saw substantial gains in for-profit enrollments, with the largest gains in the Southeast (161,000), Plains (120,000), and Far West (89,000) regions. Together, these four regions accounted for more than three-fourths of the for-profit sector's national enrollment gain. In many states in these regions, the private nonprofit sector is not large, so the for-profits may in some respects be responding to unfilled market niches. In New England, where the private nonprofit sector dominates even the public higher education sector, the tiny for-profit sector gained just 7,000 students over the period, no doubt hampered by the nonprofits' dominance in reputation and influence.

Relative Success of Private Institutions of Different Sizes

In general, private higher education institutions tend to be considerably smaller than their public counterparts; in many cases it is by design, as they

seek to offer a distinctive and personalized educational experience to students. Small institutions, however, if they are not well endowed financially have little margin for error in projecting student enrollments and thus tend to be at more risk when enrollments fluctuate. Among the 118 four-year private nonprofit institutional deaths between 1996 and 2007 that could be classified by 1996 enrollment size, ninety enrolled fewer than 1,000 students in 1996. This number represents a considerable (6.7 percent) death rate among four-year nonprofit schools in this size category. In the next smallest enrollment category (1,000 to 2,499 students in 1996), the death rate was 2.5 percent; in the 2,500 to 4,999 range, 1.2 percent; and with more than 10,000 students, 1.1 percent. So, the expected pattern of more precarious survival chances among smaller institutions appears to hold.

Unlike during 1980 to 1995 when smaller institutions as a group performed strongly in terms of enrollment gains and the larger categories did not, in the more recent period percentage enrollment gains by size category did not differ markedly. Institutional attrition in the smaller size categories notwithstanding, no size category fared poorly in overall enrollment gains. Private nonprofit schools in the two smallest categories (under 1,000 students in 1996 and 1,000 to 2,499 from 1996 to 2007) and those in the medium to large size (5,000 to 9,999) each gained a bit more than 20 percent over the eleven years. Those with 2,500 to 4,999 students gained a bit less, 15.2 percent, and the largest group (10,000 students and up in 1996) grew the least but still gained 13 percent overall. All the size categories, including the smallest schools, saw graduate student numbers grow at a greater rate than undergraduates. Moreover, all the size categories saw numbers of full-time students grow at a fairly healthy pace (the lowest growth rate was 19 percent at the smallest nonprofit colleges), but numbers of part-time students fell in the three largest categories. Part-time students increased strongly (+34.6 percent) only at the smallest schools, many of which thus seemed to be pursuing a different student recruiting strategy from their larger counterparts. Finally, nonprofit institutions that did not exist in 1996 (or at least could not be identified in the IPEDS data for that year) and thus did not belong in any of the 1996 enrollment size categories, accounted for about 87,600 students in 2007, or about 13 percent of the private nonprofit sector's total enrollment gains over the period.

The patterns of gains by size group in 1996 for private four-year, for-profit institutions indicates that the schools of 1,000 to 2,499 students at the outset fared best. But the dramatic overall gains in this sector over the period means that the original size classes tell relatively little about the current configuration of the for-profit sector. Many more schools would certainly be in the larger size classes now than was the case in 1996, and hundreds of new institutions have been established since then. In total, these newly appearing institutions accounted for almost 341,000, or about 39 percent, of the for-profit sector's total enrollment gain of 882,000 from 1996 to 2007.

Enrollment Changes by Type of Institution

This analysis is based on the latest (2005) Carnegie basic classification, the standard source for meaningfully classifying U.S. colleges and universities by institution.³ Within the private nonprofit sector, no Carnegie class shows a decline in enrollments and only one category, baccalaureate colleges—arts and sciences, shows an increase below 10 percent (+9.6 percent). This category is an important one for private institutions, representing the traditional liberal arts schools that include the best-known, smaller, primarily undergraduate colleges and roughly 10 percent of private nonprofit enrollments in 2007. Many of the relatively wealthy elite colleges in this group may not have sought much growth, so the modest aggregate enrollment gain is not particularly surprising. Full-time undergraduates in this Carnegie category increased at a greater pace than total enrollments, +12.5 percent, while part-time undergraduates dropped quite substantially, -36.2 percent, suggesting that these colleges no longer felt much need to enroll part-time students. Interestingly, some of these schools were evidently expanding into graduate programs, as the number of graduate students grew by 34.4 percent but remained a small share of the total.

The other two categories with smallish overall enrollment gains, the two categories of private research universities, were both close to 15 percent in aggregate growth and not much different from their public university counterparts. These two Carnegie categories experienced no institutional deaths. Similar to the previous group, these categories include the elite institutions among private research universities (though not only them), which may not

have sought a great deal of enrollment growth. As might be expected, among the private research universities with “very high” research activity, graduate student numbers grew nearly twice as fast as undergraduates, +19.7 percent compared with +10.5 percent; full-time enrollments increased by 19.4 percent, while part-time enrollments *decreased* by 5.6 percent (and dropped by 33 percent for part-time undergraduates). The private research universities with high research activity are generally a less elite group than the previous category, and their graduate enrollment gains were not much more than half as large in percentage terms (+10.3 percent), while their undergraduate numbers increased by 16.9 percent. They also added full-time students in strong numbers (+26.7 percent) while shedding part-time students (-15 percent).

All the other Carnegie categories of private nonprofit colleges and universities showed healthy aggregate gains of more than 20 percent in enrollments over the eleven-year period ending in fall 2007. These aggregate gains by category ranged from 74 percent for the small category of baccalaureate/associate's schools through 45 percent for the diverse category of special focus institutions, 30+ percent for the several categories of master's institutions, around 27 percent for the sizable baccalaureate/diverse fields and the very small associate's colleges categories, and down to 21 percent for the doctoral/research university group. In general, the private nonprofit institutional categories clearly emphasizing vocational and applied fields, including at the master's degree level, have continued to prosper, as was also the case in the earlier period examined. Notably, in nearly all the Carnegie categories, the private nonprofit schools as a group achieved greater enrollment gains from 1996 to 2007 than their public sector counterparts.

As expected, the for-profit sector is not represented among the universities with high and very high research activity and is barely so in the baccalaureate arts and sciences category (many for-profit institutions are not even classified in the Carnegie scheme, especially new institutions). In the other Carnegie categories, the for-profit sector shows triple-digit and beyond percentage growth rates, but it is often built on very small baseline enrollment figures for 1996. The sector's most notable absolute gains over the recent period were in the doctoral/research university category, where enrollments burgeoned from around 5,000 in 1996 to 281,000 in 2007, a gain dominated by the

University of Phoenix and a few other multicampus for-profits that award small numbers of doctoral degrees along with many master's and other degrees. Similarly, enrollments at special focus for-profits jumped from 66,000 to 201,000, while the numbers at the master's/larger for-profit schools increased from 38,000 to 125,000. Undergraduates outnumbered graduate students in all three of these categories of rapidly growing for-profit institutions, but the share of graduate students was significant in all of them and exceeded 35 percent at the doctoral/research institutions in 2007. Finally, the category of for-profit associate's colleges, most of which also grant other kinds of postsecondary certificates and some also bachelor's degrees (but by definition less than 10 percent of all their degrees), grew impressively, from 109,000 students in 1996 to 328,000 in 2007. Unambiguously, the emphasis throughout the for-profit sector is on applied, vocationally oriented training and education.

Conclusion

In this analysis of how American private higher education sectors have fared over the last decade-plus (1996 to 2007), the private sector has generally done well in terms of the key indicators of enrollment growth and market share. As a whole, private sectors (nonprofit and for-profit together) added more than 1.5 million students and saw their share of all higher education enrollments climb from 22.7 percent to 26.1 percent over this period. This represents a near doubling of the annual enrollment growth rate for the sector from the immediately adjacent earlier period, 1980 to 1995 (Zumeta, 1999).

Important distinctions can be drawn among subsectors of the U.S. private college and university sector. First, compared to the traditional nonprofit private subsector, the for-profit sector saw more growth in numbers of students as well as—very dramatically—in percentage growth (Table 5). Particularly spectacular was the growth of the four-year (bachelor's and higher-degree-granting) for-profit sector, which added some 795,000 students, a growth rate of more than 600 percent, and increased in number of institutions from 263 to 490. Large gains occurred in graduate as well as undergraduate enrollments and in full-time as well as part-time students. Indeed, for-profit institutions enroll a large majority of students they classify as full time.

In the main, the private nonprofit sector fared reasonably well too, at least its major four-year subsector. The “flagship” private nonprofit four-year subsector added more than 670,000 students, or 23.4 percent, a growth rate nearly identical to that of public four-year institutions and greater than that of public two-year schools. Enrollment growth in this key subsector was generally well distributed across different types of institutions (by initial size and Carnegie type), with no category seeing aggregate enrollment gains much under 10 percent for the eleven-year period. As they had in the previous era (1980 to 1995), four-year private nonprofit institutions achieved their overall gains in important measure by expanding graduate programs, whose enrollments gained at a substantially greater rate (33 percent) than did undergraduate numbers (20 percent).

Notably, the pattern evident in the earlier period of emphasizing part-time students shifted as they increased only 6 percent, compared with 31 percent for full-time students. Together with the healthy gain in undergraduate numbers, it suggests that the resumption of demographic growth in traditional college-age students made it possible for many private colleges to return to their preferred emphasis on full-time students. Finally, although there was no direct analysis here of the influence of field mix on the enrollment fortunes of private institutions, the data on levels and types of students together with that on categories of institutions suggest that, broadly speaking, even in the nonprofit sector, the institutions experiencing the largest enrollment gains tended to be those emphasizing programs with an applied vocational or professional orientation. This outcome is not surprising in light of the findings of the earlier study and well-known educational and economic trends.

One caveat is necessary in evaluating how the private nonprofit sector fared in this recent period, however. The death rate of private nonprofit institutions apparently increased somewhat in the period from 1996 to 2007 compared with the period from 1980 to 1995. Although the reasons for the large numerical losses in the minuscule two-year nonprofit sector are well understood, the apparent number of institutional deaths among the four-year nonprofits (162 total and a net loss of twenty institutions over the eleven years) is considerably larger, especially on per year, than in the earlier period and may merit more detailed study using finer measures of institutional births and deaths.

In the next decade or so, it appears likely that those private nonprofit institutions lacking substantial endowments and numbers of surplus applicants will again face more challenges in maintaining their place in U.S. higher education. Numbers of traditional college-age young people are again leveling off, and more of them lack solid college preparation as well as the financial resources to readily access a private higher education. Although signs are that public sector tuitions may continue to rise as states cut back their investments in higher education, this trend may not benefit private sector competitiveness much if government student aid programs are also tightened. Moreover, for-profit institutions have proved themselves over the past decade to be very agile and market savvy. Although they are certainly reaching many students once unserved, the data indicate to some extent that these schools may be filling market niches once served or that could be served by nonprofits. The elite nonprofit institutions face no threat, but some in the middle of the pack may find themselves even more seriously squeezed than heretofore between lower-priced public competitors for traditional types of students and programs and very market- and politically astute for-profits seeking to skim the cream of potentially profitable students in applied fields that they can offer more inexpensively. This last trend especially would threaten the basic strategy that many nonprofits seem to have been pursuing with some success in recent decades.

Historically, the private nonprofit college and university sector in the United States has shown itself to be very resourceful in responding to challenges and replenishing its ranks when individual institutions have failed to survive. The sector will likely need every bit of this erstwhile leadership and resourcefulness to continue to prosper over what is likely to be a challenging decade ahead for traditional higher education.

The Private Nature of Cross-Border Higher Education

CROSS-BORDER HIGHER EDUCATION (CBHE) has not traditionally been studied as part of the private higher education universe. Nevertheless, from a regulatory perspective, it is placed with the private sector in every country that recognizes cross-border activity, even when the originating institution is part of the public sector (Lane and Kinser, 2008). From a financial perspective, too, cross-border higher education is largely tuition driven and almost never operates without the expectation of revenue surpluses (Green, Kinser, and Eckel, 2008; McBurnie and Zygoris, 2007). It also represents one aspect of broader privatization trends, where private sector initiatives and activities fill formerly exclusively state-sponsored roles. With cross-border higher education, governments promote (or at least tacitly accept) new higher education initiatives that rely, substantially on nongovernment organizations to deliver the economic and educational benefits that policymakers desire.

Recent research on cross-border higher education often begins with a debate over a definitional question: What exactly is cross-border higher education? Various taxonomies have been proposed (see, for example, Becker, 2009; Vincent-Lancrin, 2007). At its broadest, cross-border higher education refers to the movement of people, projects, programs, and providers across political boundaries (Green, Eckel, Calderon, and Luu, 2007), including exchange and study-abroad programs, international branch campuses, some forms of distance education, joint-degree programs, and direct foreign ownership or investment in domestic educational institutions.

The primary responsibility for developing this chapter was taken by Kevin Kinser.

The Global Growth of Private Higher Education