



Postsecondary National Policy Institute

For-Profit Institutions*

OVERVIEW

For-profit institutions of higher education, sometimes referred to as proprietary institutions, are postsecondary schools incorporated or organized under state law to operate as businesses for profit. Unlike public institutions, which are state-supported, and private nonprofit institutions, which must reinvest surplus revenue into their educational missions, for-profit institutions may distribute profits to owners or shareholders. This definition applies only to postsecondary institutions and does not include for-profit K–12 schools, which operate under separate regulatory frameworks. With the 1972 reauthorization of the Higher Education Act (HEA), accredited for-profit schools became eligible for federal student aid programs, prompting their expansion.

FEDERAL FUNDING

- Eligible for-profit institutions qualify for federal aid under Title IV of the HEA.² For-profit institutions can also receive federal funding through the Department of Veterans Affairs.²
 - The 90/10 Rule, outlined in the Higher Education Opportunity Act (HEOA), stipulates that for-profit institutions must derive at least 10% of their revenue from non-federal sources and no more than 90% from federal aid.²

INSTITUTIONAL TYPE

- In 2023–24, there were 659 degree-granting for-profit institutions in the United States.³
- For-profit institutions are located in all 50 states, the District of Columbia, and Puerto Rico.³
 - The states with the most for-profit institutions are California (131), Texas (65), and Florida (64).³

ENROLLMENT

- In fall 2024, total enrollment at degree-granting for-profit institutions was 1,111,466, comprising 5.6% of total enrollment in the U.S., slightly up from 5.1% in fall 2014.³
 - In fall 2024, 77.8% of students enrolled at for-profit institutions were undergraduates and 22.2% were graduate students.³
- Total enrollment at for-profit institutions has increased from 995,669 in 2013–14 to 1,111,466 in 2023–24, a 10.4% increase.³

*Only degree-granting for-profits are included in these data.

FINANCIAL AID

- In 2023–24, 70.2% of first-time full-time undergraduate students at for-profit institutions received a Pell Grant, compared to 41.3% of similar students overall.⁴
 - The average Pell Grant amount for students at for-profit institutions was \$5,545, compared to \$5,869 for students overall.
- In 2023–24, 69.8% of first-time full-time undergraduate students at for-profit institutions received federal loans, compared to 41.3% of similar students overall.⁴
 - The average federal student loan amount for students at for-profit institutions was \$7,149, compared to \$5,479 for students overall.⁴

COMPLETION/DEGREE ATTAINMENT

- Of the 4,083,498 degrees granted to all students in 2023–24, 262,337 (6.4%) were granted at for-profit institutions.³
 - 28.8% of degrees conferred at for-profit institutions were associate degrees, 41.4% were bachelor's degrees, 26.1% were master's degrees, and 3.7% were doctoral degrees in 2023–24.³
 - 67.4% of degrees granted at for-profit institutions were awarded to women, and 32.6% were awarded to men.³
- 45.2% of students enrolled in four-year degree programs at for-profit institutions graduated within six years, lower than the national average of 61% for all four-year institutions.³
 - Transfer-out rates were 4.1% for four-year for-profit institutions, lower than 13.1% for all four-year institutions.³

EARNINGS AND WEALTH

- Ten years after receiving a bachelor's degree, for-profit institution graduates had a gross income of \$63,497.¹ This is compared to \$77,615 for graduates from private nonprofit institutions and \$71,480 for graduates from public institutions.¹
- Wealth accumulation can be measured differently from income.⁵ Ten years after completing a bachelor's degree:
 - 58.2% of for-profit graduates owned a home or were paying a mortgage, compared to 62.7% of all graduates.¹
 - 80.5% of for-profit graduates had a retirement account, compared to 86.5% of all graduates.¹

DATA SOURCES

¹ [Baccalaureate & Beyond Longitudinal Study](#). National Center for Education Statistics, February 2024.

² [Eligibility for Participation in Title IV Student Financial Aid Programs](#). Congressional Research Service, October 2024

³ [Integrated Postsecondary Education Data System](#). National Center for Education Statistics, March 2024.

⁴ [National Postsecondary Student Aid Study](#). National Center for Education Statistics, April 2024.

⁵ [Wealth Analysis FAQ](#). Urban Institute, 2021.