



Postsecondary National Policy Institute

Private Nonprofit Institutions

HISTORY

Private nonprofit colleges and universities are institutions organized for educational purposes that do not distribute profits to owners or shareholders. Instead, any surplus revenue is reinvested in the institution's educational mission, including instruction, student services, and facilities. These institutions trace their origins to colonial America, beginning with Harvard College in 1636. The Revenue Acts of 1913 and 1917 granted tax-exempt status, a defining characteristic of nonprofit organizations, to private colleges and universities operating exclusively for educational purposes.⁴

FEDERAL FUNDING

- Private nonprofit institutions can receive federal funding under Title III, Title V, Title VI, and Title VII of the Higher Education Act (HEA), depending on eligibility requirements for specific programs.⁵
- Private nonprofit institutions also receive federal funding in the form of Title IV student aid.⁵

INSTITUTIONAL TYPE

- In 2024–25, there were 1,624 private nonprofit institutions. There were 1,540 four-year institutions and 84 two-year institutions.²
- Private nonprofit institutions were located in 49 states (excluding Wyoming), plus the District of Columbia, Puerto Rico, and Guam.²
 - States with the most private nonprofit institutions were New York (187), California (141), and Pennsylvania (107).²

ENROLLMENT

- Total enrollment at private nonprofit institutions in fall 2024 was 4,339,294, about 22.1% of total enrollment at all institutions.²
 - This is up from 3,960,462 total private nonprofit enrollment in fall 2014, 19.6% of total enrollment at all institutions.²
 - Undergraduate enrollment was 2,923,549, and graduate enrollment was 1,415,745.²

FINANCIAL AID

- 63.9% of undergraduates at private nonprofit institutions received Title IV federal student aid in 2019–20, compared to 50.2% at public institutions and 79.8% at for-profit institutions.³
 - 37.7% of private nonprofit undergraduates received a Pell Grant in 2019–20, compared to 37.8% at public institutions and 68.7% at for-profit institutions.³
 - 52.8% of private nonprofit undergraduates used federal loans in 2019–20, compared to 27.2% at public institutions and 65% at for-profit institutions.³
- Among private nonprofit undergraduates who received Title IV aid, the average total amount was \$11,567 in 2019–20. The average Pell Grant was \$4,353, and the average federal loan amount was \$10,067.³

COMPLETION/DEGREE ATTAINMENT

- In 2024, 1,125,982 degrees were awarded at private nonprofit institutions, 27.6% of all degrees awarded.²
 - Private nonprofit institutions conferred 53,703 associate degrees, 557,583 bachelor's degrees, 413,581 master's degrees, and 101,115 doctoral degrees in 2024.²
- The graduation rate for four-year students at private nonprofit institutions was 67% in 2023, compared with 61% across all institutions.²

EARNINGS AND WEALTH

- Ten years after receiving a bachelor's degree, graduates of private nonprofit institutions averaged a gross income of \$77,615. This is compared to \$71,480 for public institution graduates and \$63,497 for for-profit institution graduates.¹
- Wealth accumulation can be measured differently from income.⁶ Ten years after completing a bachelor's degree:
 - 59.1% of private nonprofit graduates owned a home or were paying a mortgage, compared to 62.7% of all graduates.¹
 - 87.3% of private nonprofit 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 [Integrated Postsecondary Education Data System](#). National Center for Education Statistics, January 2026.

³ [National Postsecondary Student Aid Study](#). National Center for Education Statistics, February 2024.

⁴ [Tax-Exempt Status of Colleges and Universities](#). American Council on Education.

⁵ [The Higher Education Act \(HEA\): A Primer](#). Congressional Research Service, April 2023.

⁶ [Wealth Analysis FAQ](#). Urban Institute, 2021.