

# Predatory Student Loans and For-Profit Colleges

## A Case Study of Pensacola, Escambia County, Florida



### Introduction

This analysis was done in partnership with the Legal Services Center of the Harvard Law School as a part of their Project on Predatory Lending to assist in litigation against predatory for-profit higher education schools. Previous research has shown that not only is for-profit education significantly more expensive than not-for-profit alternatives<sup>1</sup>, but graduates of for-profit schools also earn less after graduating<sup>2</sup>. The demographics of for-profit colleges also lean disproportionately towards low-income, female students of color, indicating predatory tactics in enrollment<sup>3</sup>. This project provides a spatial analysis comparing key demographic attributes of the city of Pensacola, FL, to the location and demographic makeup of the schools available to adult learners. Comparisons are drawn between the for-profit Virginia College of Pensacola and the not-for-profit alternatives State College of Pensacola and the George Stone Technical Center. The only other institutions in the area offering Associate's degrees and Certificates are also included for further comparison purposes, the Fortis Institute and the Pensacola School of Massage Therapy. Both of these are for-profit institutions as well.

Table 1: Schools by Profit Status and Tuition

School Name	Profit Status	Typical Tuition
Virginia College	For-Profit	\$13,932
School of Massage Therapy	For-Profit	\$10,900
Fortis Institute	For-Profit	\$14,454
George Stone Tech Ctr	Not-for-Profit	\$2,891
Pensacola State College	Not-for-Profit	\$2,704

Table 2: Enrollment of Black or African American Students

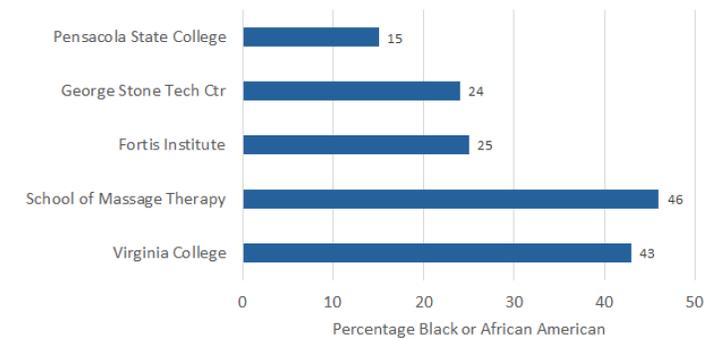


Table 2: Enrollment of Female Students

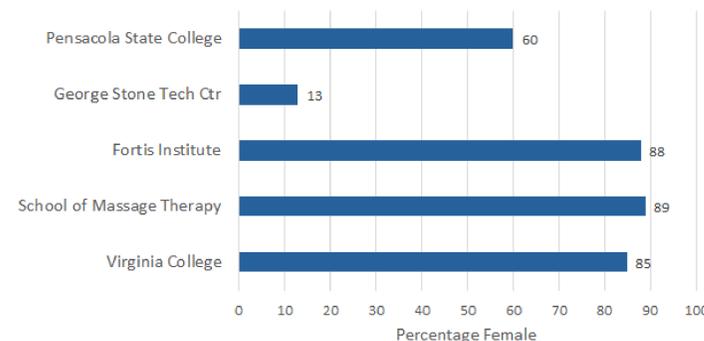


Figure 1: Schools and Block Groups by Race

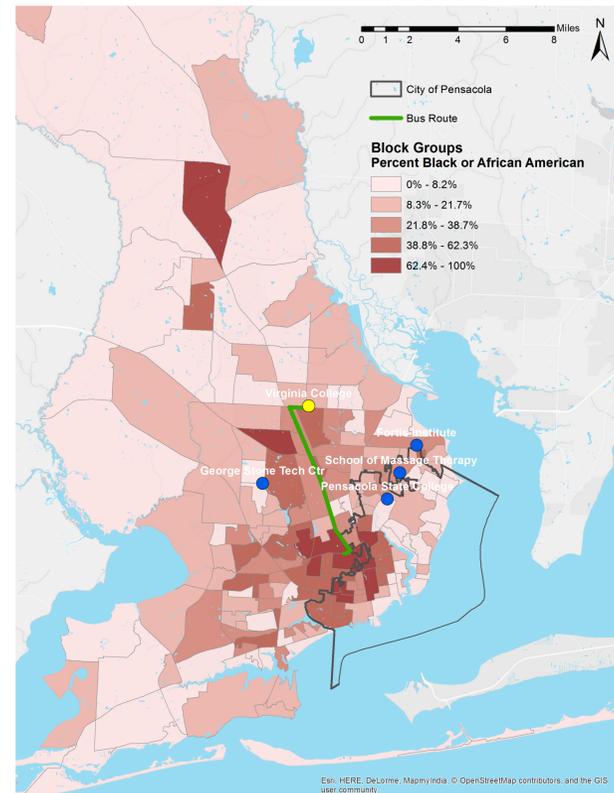


Figure 2: Schools and Block Groups by Income

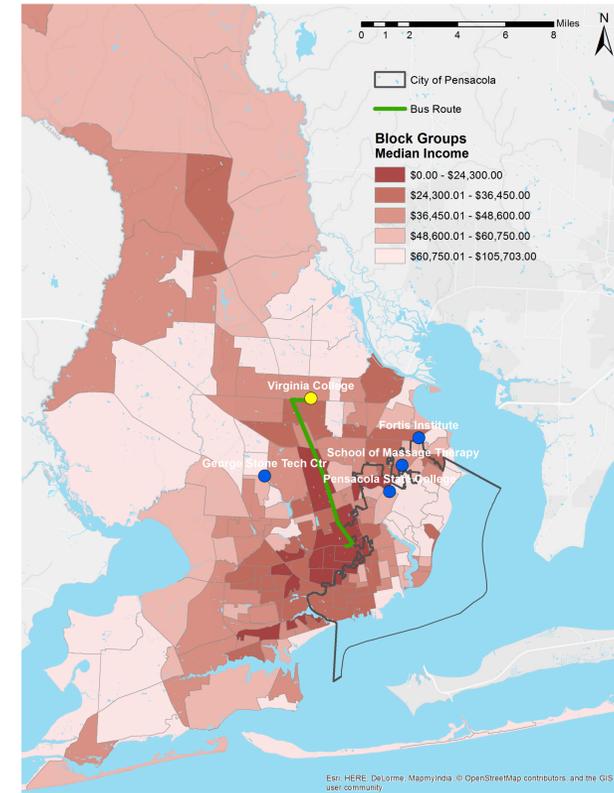


Figure 3: Schools and Block Groups by Education

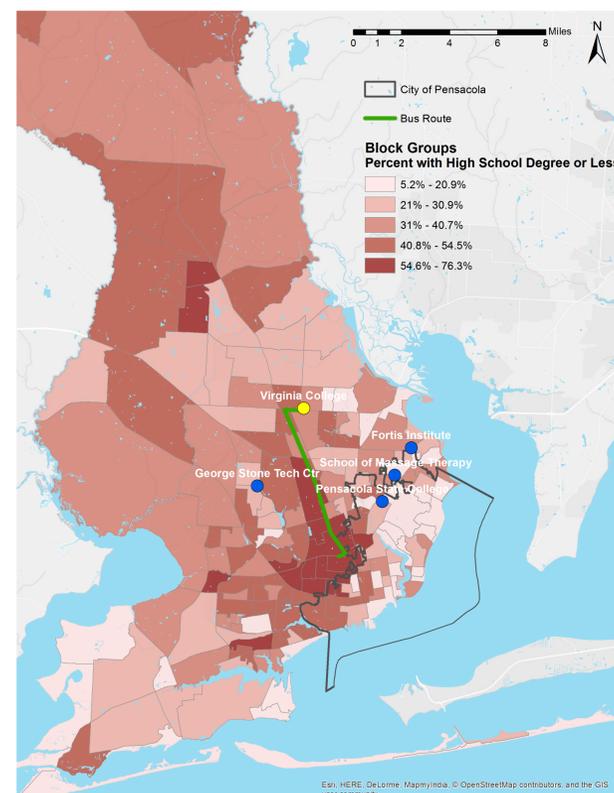
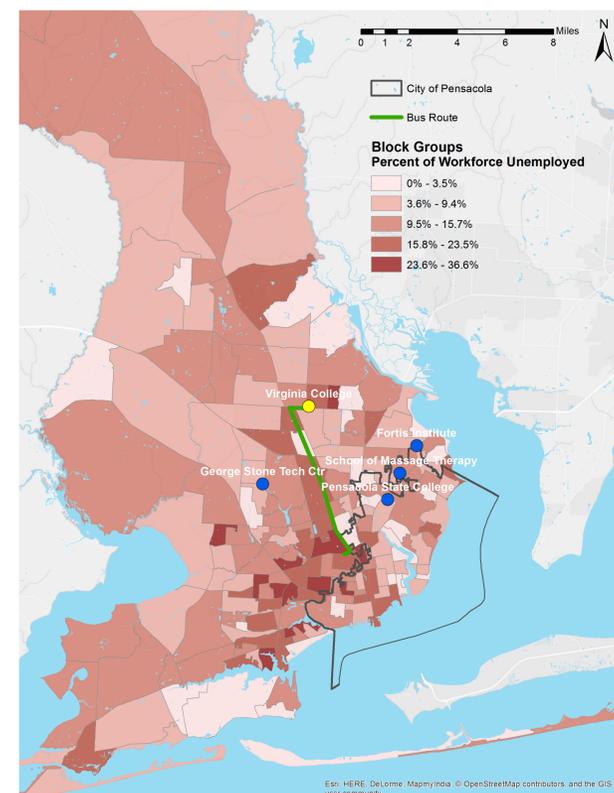


Figure 4: Schools and Block Groups by Employment



Sources:  
 1. Trends in Higher Education: Average Published Undergraduate Charges by Sector, 2015-2016, College Board.  
 2. Cellini, Stephanie. 2016. "A popular college investment promised students a career, but didn't pay off." *The Washington Post*. May 31.  
 3. "A New Classification Scheme for For-Profit Institutions." 2012. Institute for Higher Education.



Data Sources: US Census American Community Survey 2014, US Census TIGER/Line Shapefiles 2014, IPEDS Data Center 2013-2014 Final Release Data, Reference USA  
 Cartography and Poster Design by Katherine Stiegemeier for Introduction to GIS Fall 2016  
 Date: December 18, 2016  
 Projection: Lambert Conformal Conic  
 Coordinate System: NAD\_1983\_2011\_StatePlane\_Florida\_North\_FIPS\_0903\_Ft\_US

### Methods

1. Researched the options for adult learners in the Pensacola area and identified five schools offering Associate's degrees and Certificates, including Virginia College. Geocoded the addresses of these campuses from ReferenceUSA.
2. Downloaded a TigerLine shapefile of Florida block groups and data from the Census' American Community Survey on the demographics of Race, Median Income, Educational Attainment, and Employment at the block group level for Escambia County, FL (the county of Pensacola).
3. Separately joined each demographic datafile to a block group shapefile and classified appropriately.
4. Researched bus routes in Escambia County and identified a route travelling from the areas where residents of low socioeconomic status resided in high density directly to Virginia College.
5. Downloaded a TigerLine shapefile of roads in Escambia County.
6. Performed an attribute query for the roads making up the bus route and created a new layer from this selection using the draw tool to clearly identify this route on the map.

### Discussion

Figures 1 and 2 provide evidence of a highly segregated city, with low-income black or African American residents densely populating western Pensacola, but not the city's eastern block groups. Figures 3 and 4, while less striking in their contrast, reinforce the spatial argument of the first two maps. Although less concentrated in the very inner city, those with a high school degree or less reside heavily in the same western block groups as the low-income and black or African American residents. And Figure 4 shows many more block groups with high rates of unemployment in western Pensacola. Virginia College placed itself by a bus stop on a route that travels directly from the heart of these concentrated neighborhoods of low-income minority residents. According to Google Maps, this bus ride would take approximately 30 minutes, a reasonable time to expect students to spend in transit, and a time that could be halved by any student with access to a car. Taking this into account when comparing the school characteristics and demographic data in Tables 1-3, it seems highly probable that Virginia College is using racial and income profiling to target students from Pensacola's inner city. A significantly higher proportion of Virginia College's student body is black or African American and female, especially when compared to Pensacola State College, the only not-for-profit alternative in the area offering Associate's degrees. While unemployment remains higher in the block groups where Virginia College's students likely reside, these students are ultimately being targeted and charged a tuition price they cannot afford, leading to insurmountable levels of debt due to predatory loans.